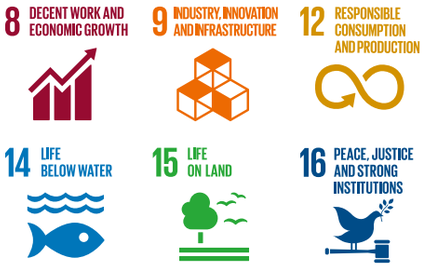
Enabling Unlimited Innovation

Target Readers:

- ☐ Employees / Labor Unions
- ☐ Government
- ■ Shareholders / Investors / Financial Institutions
- ■ Customers or Partners or Industry Associations
- ☐ Local Residents
- ☐ NGOs



Material Topics	Purpose of Management	Management Approaches and Effectiveness Evaluating Mechanisms
• Instigate production and product innovation • Respond to climate change • Prevent and control environmental pollution	To research and develop sustainable green products with foresights, promote recycling, reduce the waste of resources with green solutions and provide diverse products. To respond to climate change and mitigate risks associated with pollution, turning risks into opportunities.	• Establish the R&D Center to continue devoting resources in the research and development of the Health and Eco-Friendly Series as well as the Climate Change Series, which creates green opportunities for the supply chain. • Become the top choice as a strong partner for global brands by differentiation, creating high added value and creating eco-friendly products. • Cement the position as leader of the green polyester industry. Dedicate manpower and resources, develop innovative products, and grow the sales of green products, leading the world toward a new era with the circular path of sustainability.

2

2.1 Innovative Momentum

As the leader of the textile industry in Taiwan, FENC not only continues to refine and expand existing businesses, but also charging tirelessly toward higher innovative capacity to maintain its leading edge for years to come.

In 2001, the Company established Far Eastern Group R&D Center (hereinafter referred to as the R&D Center), which continues to breakthrough, innovate and charting new frontier. Assimilating talents and resources within the Company, the R&D Center accelerates in the development of high value-added products, creating a competitive edge and new corporate value that shape the Company's status as a high-tech polyester and textile enterprise and will culminate as FENC steps into the role of a global business leader. (Please refer to "2.2 Green Products" for details on FENC's progressive innovations.)

The R&D Center consists of 4 Research Divisions and 12 Development Sections with 211 R&D experts. The short-term focus for the Center is on "polyester application, environmental protection, energy conservation and carbon reduction". By building upon the professional expertise and experience on polymerization technology, the Company will march toward developing new technology and products such as PET-based green materials, highly functional materials and smart textiles, while continuing to expand applications of PET in the high value-added industries. For the mid-term and long-term prospect, the Company will integrate the resources and core strengths of the affiliates within Far Eastern Group to focus on green energy, biomass and the high-end fiber industry. The Company will also engage in the development of green PET materials, innovative production process and other new materials. By identifying industries on the path to become future rising stars, the Company will be inspired with the momentum to grow sustainably.

To alleviate the effects of climate change from global warming, carbon and waste reduction is a top priority for the R&D Center. Looking into the future, circular economy is inevitability for global development. FENC is among the top 3 suppliers of PET resin, and top 2 enterprises in the world which produce recycled resin from PET bottles. However, when it comes to the textile industry, methods are yet to be developed for recycling and reusing polyester products. In order to develop circular economy while preventing waste in resources and environmental pollution, FENC is dedicated to developing the chemical recycling and treatment technology for used textiles, turning textile waste into high-value functional textiles. (Please refer to "2.2 Green Products" for details.)

We form partnerships with leading research teams, establish strategic alliance with reputable suppliers and develop strategic products with name brands. We have also patented the technology and products we have developed to protect the intellectual property as a tactical deployment to maintain corporate competitively.

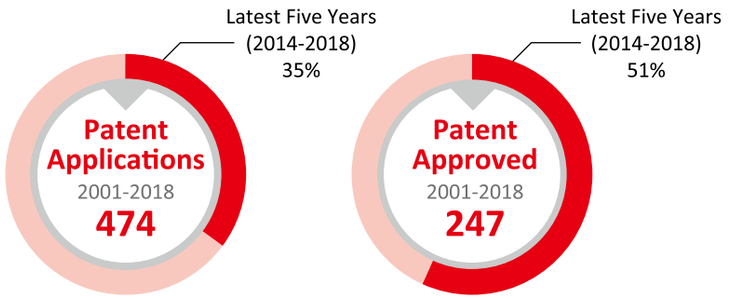
The Innovation Marketing & Partnerships Office at the R&D Center has integrated FENC's niche and innovative products, and established the FE-X platform to provide total solution for brand owners with strategic partnership. The Office is eager to participate in international conferences, exhibitions and competitions to raise the profile of FENC products.

Developing Next Generation Polyester Staple Fiber and Enhancing Leading Edge

8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

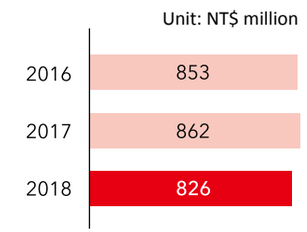
In 2017, the price of a key material for polyester staple fiber surged. In order to stay competitive, the R&D Center provided active assistance for the Staple Fiber Division to optimize, evaluate and adjust material composition and improve the production process. It did not take long to accomplish the mission, and production began in 2018. The new product not only improved the product structure at Staple Fiber Division with increased competiveness, but also helped the business unit generate sizeable revenues and profits.

Performance in R&D and Innovation

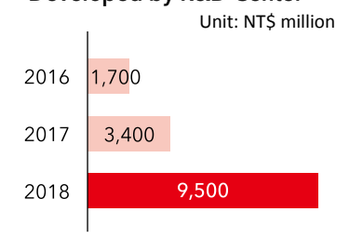


Note: R&D Center founded in 2001.

Funds for R&D and Innovation



Revenues from the New Products Developed by R&D Center



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Training for the R&D Team

To ensure that the R&D teams at FENC stay on top of global trends, the Center encourages staff to take part in seminars and training sessions at home and abroad. In addition to technology, the Company also provides training opportunities on sustainability, industry trends, and applicable laws and regulations. Training on sustainable development conducted in 2018 include close to 10 seminars on green PU materials, eco-friendly foam process and halogen free flame retardant, cradle to cradle strategic alliance, green biomass and biodegradable materials. In 2018, R&D Center conducted 68 educational training sessions with 268 participants. Please refer to the FENC website for training sessions and participants in the past five years.

The Center's Training Sessions and Turnout

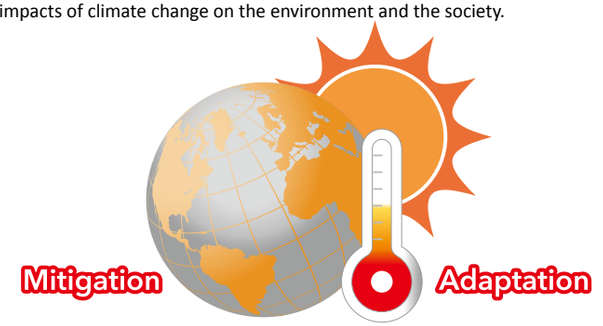
2.2 Green Products

FENC is home to an interdisciplinary R&D team and a vertically integrated value chain. The powerful R&D momentum and production capability are behind FENC's rise to a major supplier for major global brands. With creating sustainable social development as the beacon for product development, the Company's green products are an echo to the SDGs of United Nations. Using our core abilities, we continue to innovate, leading the human race toward a new era of sustainability.

Introduction to FENC's Products

2.2.1 The Climate Change Series

Policies and measures in response to climate change can be divided into the "adaptation" and "mitigation" categories. FENC has developed a series of products, which are industry pioneers and leaders. By developing innovative products, the Company is fulfilling its duties as a global citizen to mitigate the impacts of climate change on the environment and the society.



Adaptation

FENC conducts research, development and production of functional materials, providing customers with options to adapt to extreme climate.

FENC® TopHeat+

TopHeat+ can absorb moisture vapor from the human body and release it as heat. Added with the fast drying quality, this product ensures warmth and comfort.

FENC® Sunex Filament

Sunex Filament comes with a novel ceramic additive, which absorbs heat from the environment and human body while emitting heat in the form of far infrared (FIR), giving Sunex Filament heat emitting and anti-static qualities.

FENC® Insulate

With professional manufacturing technique and unique formula, FENC has created a polyester fiber specifically engineered to biomimic both loft recovery and air space trapping properties of natural down. The insulation fibers are light and insulate against cold effectively. The fibers have been improved for added functional properties, such as deodorizing, providing FIR energy for the human body, easy maintenance and upholding their properties after washing.

FENC® TopCool®

TopCool® manages moisture and sweat on the skin surface with cross-sections that decrease capillary diameter to enhance moisture transport and spread. The moisture quickly travels to the surface of the fabric and evaporates, keeping the skin dry and comfortable. TopCool® also blocks UV light. It is easy to clean and fast drying.

FEFC® Natural

FEFC® natural, a cottony UV cut nylon 66 fiber uses specialty N66 polymer for spinning, which greatly enhances its ability to reflect and absorb light, and gives the yarn a delicate matte finish. Its appearance and texture mimic natural cotton, and yet the yarn comes with superb UV protection, blocking and reflect UVA and UVB. Lab results indicate that the UV cut nylon delivers the highest UPF level of 50+.

FENC® Solarfree+

Made with a unique conjugated spinning technique, Solarfree+ can better reflect UV light, block UVA and UVB, and prevent suntan and UV damage.

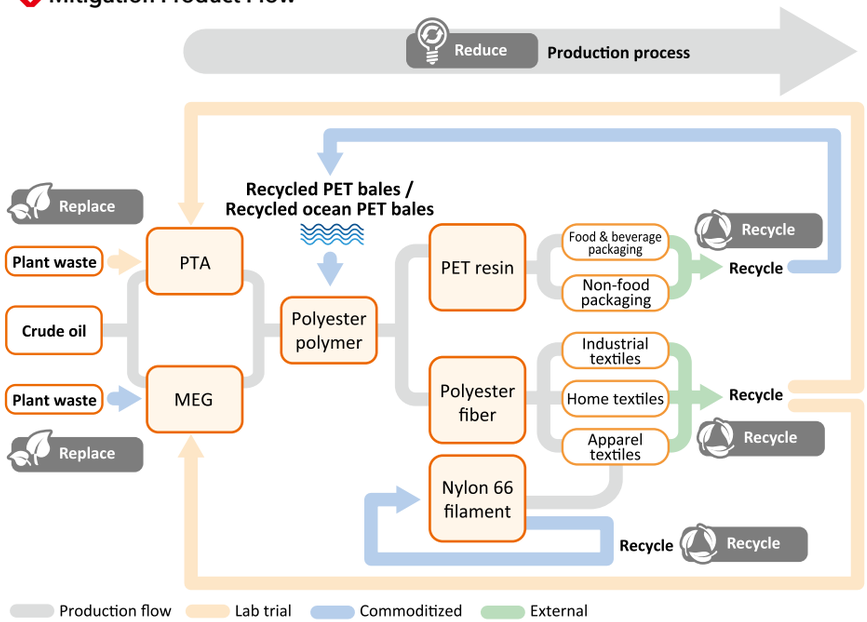
FENC® Solarfree^{RED}

Solarfree^{RED} effectively reflects near infrared (NIR), shields the skin from irradiative heat and maintains cooler temperature. It also keeps the skin from sun damages by blocking UV light.

Mitigation

FENC continues to devote resources to the research and development of sustainable green products, providing green solutions that offer recycling and reduction of energy and resource consumption, thereby decreasing GHG emission and mitigating climate change.

Mitigation Product Flow



Replace

FENC® Bio-PET

PET is made of 70% PTA and 30% MEG. With years of research and development, Bio-MEG produced with biomass is starting to gain economic values. The source of biomass materials is non-food plant, which doesn't take up shares of food sources. The use of biomass also reduces dependence on fossil fuel and lowers GHG emission.

As the world leader in Bio-PET production, FENC builds upon 50 years of experience in polymerization and successfully created the world's first 100% Bio-PET bottles and shirts.

Application:

- PET bottles
- Industrial filament NEW
- Packaging sheet
- Fiber

Video: 100% Bio-polyester Shirt

Video: Invention of the First 100% Bio-based PET Bottle in the World

Next Generation Bio-PEF Technology Development Project

Bio-PEF is 100% made of plant and has good gas barrier property. It can replace PET bottles with multi-layered coating, and is becoming the most promising material for the next generation of PET industry.

FENC started developing Bio-PEF in September 2016 and has received funding from the Ministry of Economic Affairs (MOEA). Project execution is expected to conclude in August 2019.

Calculation conducted by Avantium, which is based in the Netherlands, indicates that comparing to PET, PEF may reduce CO_2 emission by 50-60% and energy consumption by 40-50%. It is 100% recyclable, which meets the goal of mitigating climate change and developing circular economy.

Industry Leader with Mass Production and Sales of Bio-PET Industrial Filament

Quality standards for industrial filament are high, especially safety-related products, which must pass stringent and complex scrutiny prior to reaching the market and winning customers' approval. Hence, comparing to other polyester applications, green PET industrial filament saw few breakthroughs in the past.

With years of experience in Bio-PET, FENC successfully created Bio-PET industrial filament in 2014. The product underwent customer evaluation in small quantity, testing and certification in medium-quantity, and official orders were shipped in large quantity in 2018, with over 300 metric tons sold.

Bio-PET industrial filament shares the same characteristics with conventional petrochemical products, and can be applied toward geotextile and automobile. Successfully developing and selling Bio-PET not only expanded its applications, but also adding a new chapter to the development of green industrial textile.

Recycle

FENC® Recycled PET

With recycled PET bottles as material, production process entails crushing, cleaning, decomposition, polymerization and granulation. Recycled PET helps us reduce reliance on fossil fuels and waste of resources. It also promotes recycling and reuse of resources.

Application:

- PET bottles
- Shrink film
- Packaging sheet
- Plastic ware
- Waterproof and breathable membrane
- Cloth fiber
- Footwear fiber
- Industrial filament NEW
- Foam midsole NEW

Video: Implement circular economy – FENC giving new value to recycled PET bottle (Chinese)

Protecting Ocean Habitat and Turning Waste to Valuables

FENC combines its unrivaled polymerization technology with recycling and reuse, turning PET bottles from ocean waste into eco-friendly yarn. The Company is currently the only supplier of this eco-friendly yarn with which adidas and Parley for the Oceans collaborate. The product was introduced to the market in 2016 and very well received. In 2017, adidas produced 1 million pairs of footwear produced with plastic ocean waste. The number surged to 5 million in 2018. It is anticipated that 11 million pairs will be produced in 2019.

As of 2017, this project had helped reduce 1,000 metric tons of plastic ocean waste. The year 2018 brought another 1,600 metric tons in reduction. Through circular economy, this project successfully created buzz and raised awareness among the public on protecting marine habitat. Sales of yarn made of plastic ocean waste grew by 50% in 2017, and another 50% in 2018. Applications include running shoes, sports jersey and apparel made of waterproof and breathable membrane. Mass production and shipment of the waterproof and breathable membrane began in 2018, and the product had been recognized as Top 10 in ISPO Munich 2019.

Video: Shoes made with ocean waste with critical technology from Taiwan (Chinese)

Recycled Nylon 66 Filament

To respond to the trend of sustainable development as well as guidelines on energy conservation and carbon reduction, FEFC had been developing recycled nylon 66 filament since 2014. Spinning waste is recycled and reused through the process of collecting, melting, filtrating, re-pelletizing and re-spinning. Bypassing the polymerization process, this recycling and reuse process reduces energy consumption and CO_2 emission by approximately 70%, hence benefiting the environment by facilitating energy conservation and carbon reduction.

Textile Chemical Recycling Technology – r-TEX Process

Polyester products mainly include PET and fiber. PET products include PET bottles and packaging materials, which can be recycled and remanufactured into new polyester products, and FENC is the world leader of this technology. The main applications for polyester fiber are textiles such as apparel and interior textile. Different fibers are blended together during production. The complex composition adds to the difficulty of recycling.

In light of the fact that textile waste is under increasing public scrutiny, FENC launched the r-TEX Process development project. The goal is to develop chemical recycling and treatment technology for textile waste to address the current technological limitation of recycling only singular type of polyester textile. The goal is to turn textile waste into high-value functional textile, fulfilling the dream of circular economy using Textile to Textile (T2T).

This technology has received funding from the 2018 Taiwan Industry Innovation Platform Program (TIIP) from Industrial Development Bureau of MOEA. In addition to enhancing the core technology, FENC integrates related industries across several fields, including optical recognition, wastewater recycle and waste treatment. The Company also built pilot plant to evaluate the feasibility of mass production.

Video: FENC® rTex

Innovative Application for Recycled PET Bottle – Foam Midsole

FENC successfully developed foam midsoles using recycled PET bottles. The product is elastic and durable with low compression set and high energy performance, winning the approval of well-known sports brand. Delivery is expected in 2020.

Reduce

Fast Reheat and Energy-saving PET Resins

FIR absorber is added during polymerization to produce the energy saving PET resin. This process enables the material to effectively absorb FIR thermal energy from the quartz heating lamp during blow molding for customers, and enhances efficiency for them by 20% to 30%.

Lightweight Preforms

Modifications made to the production process and materials increased stability of the blow molding process and greatly reduced the thickness of PET bottles. These characteristics lower material consumption, and reduce product weight by 10% to 20%, depending on the bottle size. During the product life cycle, delivery, for instance, consumption of other resources and carbon footprint are also reduced during transportation, resulting in more environmental benefits.

FENC® EZ Dyed CD Filament

EZ dyeing is a low temperature dyeing process without compromising the vibrant colors. This filament is ideal for blending with heat sensitive materials such as cotton, wool and nylon.

FENC® Dope Dyed Filament

During spinning POY, different color master batch is added. Making fabrics with dope dyed filament bypasses the dyeing process, which saves on dyeing agent, reduces the need for wastewater treatment, and prevents toxic substance. Such process also greatly reduces water consumption, energy waste, and CO_2 emission. Dope dyed filament is the latest generation of environmental friendly and energy saving product, providing vibrant colors with better fastness to sunlight and washing.

Application:
- Polyester filament
- Nylon 66 filament
- Polyester industrial filament
- Nylon 66 industrial filament

FENC® Water Free Dyeing

Demand for water is high during the dyeing process of textile products. The wastewater generated during this process is also another dilemma for the industry. Hence, FENC developed water free dyeing technology for polyester products. Water is replaced with CO_2 supercritical fluid, which can be used repeatedly. The dye is infused into fabric or fiber in the high-temperature, high-pressure cycle with zero wastewater. The process is less time consuming, and conserves less energy and chemical required for dyeing, while maintaining product quality such as texture and elasticity.

Video: FENC® sc Nylon

FENC's water free dyeing plant began operation in 2014. In 2018, the Company invested in a second water free dyeing system and eagerly developed additional applications of water free dyeing toward the more difficult nylon material. (Please refer to "3.5 Green Production" for more details.)

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2.2.2 Health and Eco-Friendly Series

FENC® TopClean

FENC pioneered the world's first PFC free soil release polyester yarn, TopClean, which removes soil and stains effortlessly when soaked in water. This new generation PET product is environmentally friendly and provides an alternative for users to sustain natural habitat.

Video: FENC® PFC-free Solution

FENC® TopDry Zero™

By adding the PFC free water-repelling additive during spinning, the wickability of TopDry Zero™ gives the fiber fast drying quality, therefore providing a true dry interior. Textiles made of this material effectively keep the skin dry to deliver comfort.

PFC Free Nylon 66 Filament

Even after 25 washes, the filament is still highly water repellent while maintaining abrasion resistance and softness, which are original characteristics of nylon 66. Such performance makes this product ideal for outdoor sports and as footwear.

Sb Free Filament/PET

Antimony (Sb) catalyst, which is harmless to humans, is commonly used during polyester synthesis. However, prolonged exposure to antimony still poses potential threats to the environment and human health. Such concern prompted FENC to develop Sb free filament.
Application:
・PET bottles ・Fiber

Zero Solvent Coating & Lamination

FENC developed a coating and lamination process that requires zero solvent and completely water free. FENC Zero Solvent Coating & Lamination simplifies the coating & lamination process and is extremely durable against washes while maintaining consistent quality. Comparing to conventional solvent and water-based production, the Zero Solvent & Lamination process is water free and delivers energy conservation and carbon reduction with zero emission of harmful volatile organic compounds (VOC) and pollutants.

Video: FENC®TopGreen® Coating & Lamination

2.2.3 Sales Performance and Certification of Green Products

Revenue of Green Products

Green Product Certification

Many of FENC's products have been certified for meeting high standards. These certifications are listed below. They are also updated regularly to ensure full compliance with certification requirements. Please refer to the FENC website for products under each certification.

Green Product Certification

- Global Recycled Standard, GRS Version 4.0
- Taiwan Green Mark
- Global Organic Textile Standard, GOTS-NL Version 5.0
- Recycled Content Certification Version 7.0
- Life Cycle Assessment ISO 14040:2006 ISO 14044:2006
- Organic Content Standard, OCS Version 2.0
- TÜV Rheinland Recycled Material Verified
- bluesign® Standard
- Better Cotton Initiative, BCI
- Recycled Claim Standard, RCS Version 2.0
- OEKO-TEX® Standard 100 (Confidence in Textiles Tested for Harmful Substances)

Green Initiatives

We seek balance between environmental and economic development, and take an active role in partaking green initiatives such as the following:

- Zero Discharge of Hazardous Chemicals
- The Natural Resources Defense Council-Clean by Design
- Sustainable Apparel Coalition
- Textile Exchange
- Better Cotton Initiative

2.2.4 Awards and Recognition

Award Winning at ISPO Munich

ISPO Munich, the largest trade fair for sports business in the world, was founded in 1970. ISPO Munich 2018 was held from January 28th to 31st with over 2,800 vendors exhibiting sporting goods for outdoor activities, skiing, sports, athletic performance, textiles, health and fitness. Over 84,000 participants were in attendance during this event.

A professional jury ranks the innovative products for ISPO Award each year, which is indicative of the industry trend in sporting goods and highly reputable in this field. In 2018, 3 of FENC's products were among the TOP 10, and 13 products received the Selection designation. The numbers of selected products and awards both increased comparing to 2017, a sign of international recognition for FENC's eco-friendly and functional products. During the trade fair, 280 visitors came to FENC's exhibition booth, a 55% increase from last year and a record high. Participation in the trade fair gives the Company opportunities to promote products, interact with international customers directly and establish the corporate brand and reputation on the international arena.

2018 Taiwan Corporate Sustainability Awards–Circular Economy Leadership Award and Growth Through Innovation Award

FENC won the 2018 TCSA – Circular Economy Leadership Award for its dedication to promoting circular economy production model and developing green products. In addition, the Company demonstrates remarkable innovation and created functional fabric for sports, winning the 2018 TCSA – Growth through Innovation Award. FENC fulfills circular economy through green products, and enhances added value through the research, development and innovation of textiles. The Company's influence prevails among the public, creating win-win for the pursuit of quality of life and environmental sustainability.

Chosen as Outstanding Circular Technology Enterprise by Industrial Development Bureau, MOEA

In 2018, Industrial Development Bureau of MOEA selected companies that have performed well in the development of technology that embodies circular economy based on a set of criteria. FENC's performance has been remarkable on innovating circular technology and perfecting its quality in the textile and polyester industries. The Company was selected as "Outstanding Circular Technology Enterprise" and was invited to speak during the 2018 International Conference on Circular Economy on June 13th, 2018.

Industry experts and international government entities were among the invitees of this conference. FENC spoke on the topic of "Technological Innovation of the Textile and Polyester Industry" and talked about FENC's PET bottle recycling system as well as the use of recycled PET bottles to produce environmental yarn, bottles and food packaging.

Ultimate Innovation and International Glory–Star Athletes' Secret Weapon

FENC is unchallenged in its R&D capability and speed, and able to develop multi-functional fabrics that suit various sports. Added with recycled materials and green production, the Company's products have become the exclusive material requested for by many major sports brands at international sports events.

The 2018 FIFA was held in Russia. England soccer team got into the semifinal again after 28 years. British Office Taipei made a point of expressing appreciation for the jerseys worn by the team members, which were developed and made in Taiwan. The Ministry of Foreign Affairs also responded with a posting showing support for team England. The uniforms worn by the England soccer team were produced by FENC, which set a successful example of citizen diplomacy for Taiwan with its strength.

FENC also develops the uniform worn by the U.S. NBA players and the shell of their warm up jackets. The newly developed fabric is 20% lighter than the previous version with 30% higher wickability and 3 times higher endurance to tear. Different jacquard designs are woven on the same piece of fabric, which provides various degree of breathability.

In addition, FENC supplied the fabric used to make Roger Federer's jersey when he won the 2018 Australian Open. Far Eastern Ishizuka Green PET Corporation, a subsidiary in Japan, joined hands with Coca-Cola. The two corporations recycled eco-bricks made of PET bottles in Hokkaido and remanufactured them into the commemorative jerseys for the Japanese professional baseball team, Hokkaido Nippon-Ham Fighters.

Video: MIT eco-friendly jerseys roaming the soccer field, lighter and better wickability (Chinese)

FENC develops fabrics for international sports events.

Ministry of Foreign Affairs' reply supporting England soccer team.

2.3 Customer Relationship Management

Customers are important stakeholders to FENC. Well-maintained customer relationship is beneficial for upholding the Company's leading status. We hold product quality to the highest standards, establish measures of customer relationship management and provide multiple channels for dialogue, including face to face meetings, teleconferencing and email to understand customers' needs and build long-term collaboration. Meanwhile, we formulate R&D strategies targeting market trends and share product information with our brand customers around the globe to create win-win. In addition to vertical integration of production process from upstream to downstream, we have introduced one-stop shopping to create higher added value for our customers.

Helping Customers Switch to Recycled Packaging Materials

FENC is the leading global supplier of recycled PET with the largest recycled PET bottle treatment plant in Taiwan. The Company's recycling technology is recognized by global name brands. In 2016, the Company assisted adidas in developing yarn spun from recycled plastic ocean waste, and received the Sustainability Award. In 2017, FENC assisted the famous toy manufacturer, Hasbro, to replace the clear plastic sheet on the packaging with eco-friendly PET. For this, the Company was invited to Hasbro's annual vendors meeting in January 2018, becoming the first vendor to win Hasbro Excellence in Sustainability. In addition, the Company has long-term business relationship with international brands such as Coca-Cola, PEPSI, IKEA, DANONE, L'Oréal and Method, which all use the recycled PET materials provided by FENC.

In 2018, FENC collaborated with Unilever, which ranked second in Household/ Personal Care among Forbes global 2,000 companies, and replaced the PET packaging material with recycled PET material. Currently, the Company is the exclusive supplier of this material in Southeast Asia. Major brands in various industries are working with FENC to make the switch to green packaging materials, indicating strongly that the Company's recycled PET technology is highly trusted. We will continue to improve and assist more corporations to fulfill their green mission.

Customer feedback is critical to the improvement of products and services. Hence we conduct 1 to 2 surveys each year to assess customer satisfaction. The survey is developed and conducted with joint efforts from the business and production units. The Presidents of the Petrochemical, Polyester and Textile Businesses serve as the highest ranking officers in charge of this task. The regular customer satisfaction surveys ensure that the Company understands their needs and comments. Decisions on improvements and follow up measures are made during the internal review meetings.

FEDZ Awarded the Second Consecutive Accreditation of Gold Supplier from H&M

H&M is an international name brand known for fast fashion. In 2018, the brand ranked second in the Interbrand survey on best global brands in the apparel sector. H&M evaluates and ranks suppliers based on management, quality and sustainability. Priority consideration is given to gold medal suppliers when it comes to product orders and development.

In 2017, FEDZ emerged out of over 300 Tier 2 suppliers of H&M and was received the honor of "Gold Medal Supplier". FEDZ is the only Gold Supplier of knitting fabrics among the 6 Tier 2 gold medal suppliers. FEDZ received the same honor again in 2018 and was the only supplier of knitted fabric among the 5 Tier 2 gold medal suppliers. During the award presentation, H&M referenced FENC's expanding production sites and complete industry chain. With the newly constructed knitted fabric plant, which is equipped with industry 4.0 equipment, FEDZ is ready to face future challenges with H&M.

FEAZ Chosen as NIKE's Garment Supplier for Global Digitization and Modernization

Based on a 2018 Interbrand survey, NIKE ranked first as best global brands for sporting goods, and ranked 17 among the 100 best global brands. The Brand proposed the Triple Double strategy to complete the Consumer Direct Offense (CDO) project, which aims to promote digital growth in order to accelerate product innovation and production, form deeper bonds with customers and create profound one on one interaction.

In 2018, NIKE announced during the annual suppliers meeting that it will invest US$3 billion in multiple digital transformation projects. Among which, the Strategic Enterprise Capability (SEC) project was awarded to 2 suppliers, and FEAZ is one of them, which will assist NIKE with system upgrade and integration of interdepartmental flow.

In addition, to complete the CDO project – accelerate product innovation and creation, NIKE invited 9 global garment suppliers in turn to discuss the subject of modernization at the end of 2017. In March 2018, NIKE selected second group of partners for manufacturing modernization. FEAZ was among the 4 partnering corporations chosen for its independent R&D team, Smart Manufacturing Center, which focuses on automation. FEAZ will collaborate closely with NIKE to research and fulfill the vision of manufacturing modernization.

FEAZ's modernized plant facility was completed during the first quarter of 2019. Equipment and technology will continue to be upgraded after production begins. Without adding more manpower, the production capacity for this factory is expected to increase by 5%, 15% and 30% for 3 consecutive years starting from 2019, which will hopefully set a paradigm for garment suppliers with automated technology.

Far Eastern Apparel (Suzhou) Co., Ltd.