

Research makes the difference.....



Formosan Rubber Group Inc.

Investor Conference

October 26, 2017

No:2107



Disclaimer



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- ❖ We do not provide financial guidance. The explanations of our financials, operations or answers in Q&A may be different from actual results, possibly due to demand changes, raw material price fluctuations, industry competition, the global economy, supply chain issues (upstream to downstream) and other risk factors beyond our control.

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Company Introduction



- ❖ Chairman : Mr. HSU, CHENG-TSAI
- ❖ General manager : Mr. HSU, CHENG-CHI
- ❖ Vice President : Mr. CHIANG, JUI-TANG
- ❖ Capital : NT\$3,800,000,000
- ❖ IPO : 1992
- ❖ Number of employees : 206
- ❖ Head Office : 8th floor, No.82, Sec.1, Han-Kao St.,
Taipei City, Taiwan
- ❖ Factory : No.1, Chao-Feng Rd., San-Ho Tsun, Lung-Tan
Hsiang, Tao-Yuan Hsien, Taiwan
- ❖ Logistics Park : No,53, HOU-SHEN RD., Luzhu
Township, Taoyuan County



Company Introduction



- ❖ Formosa Rubber Group Inc. was founded in 1952.
- ❖ For over six decades we strive to achieve outstanding performance in medical, industrial, functional apparel, and opti-electrical materials. We focus in our core competitiveness and become one of the leading rubber material suppliers in Asia.
- ❖ Related to international logistics center and construction and development, developed with diversity and high quality.



Major Business



Production Division

Manufacturing for rubber, plastic, PU, TPU fabrics & films.



Construction Division

Planning, development, building, commissioned to build, renting and selling of real estate



Logistics Division

International Logistics Center business, Warehouse to build \ Lease business °

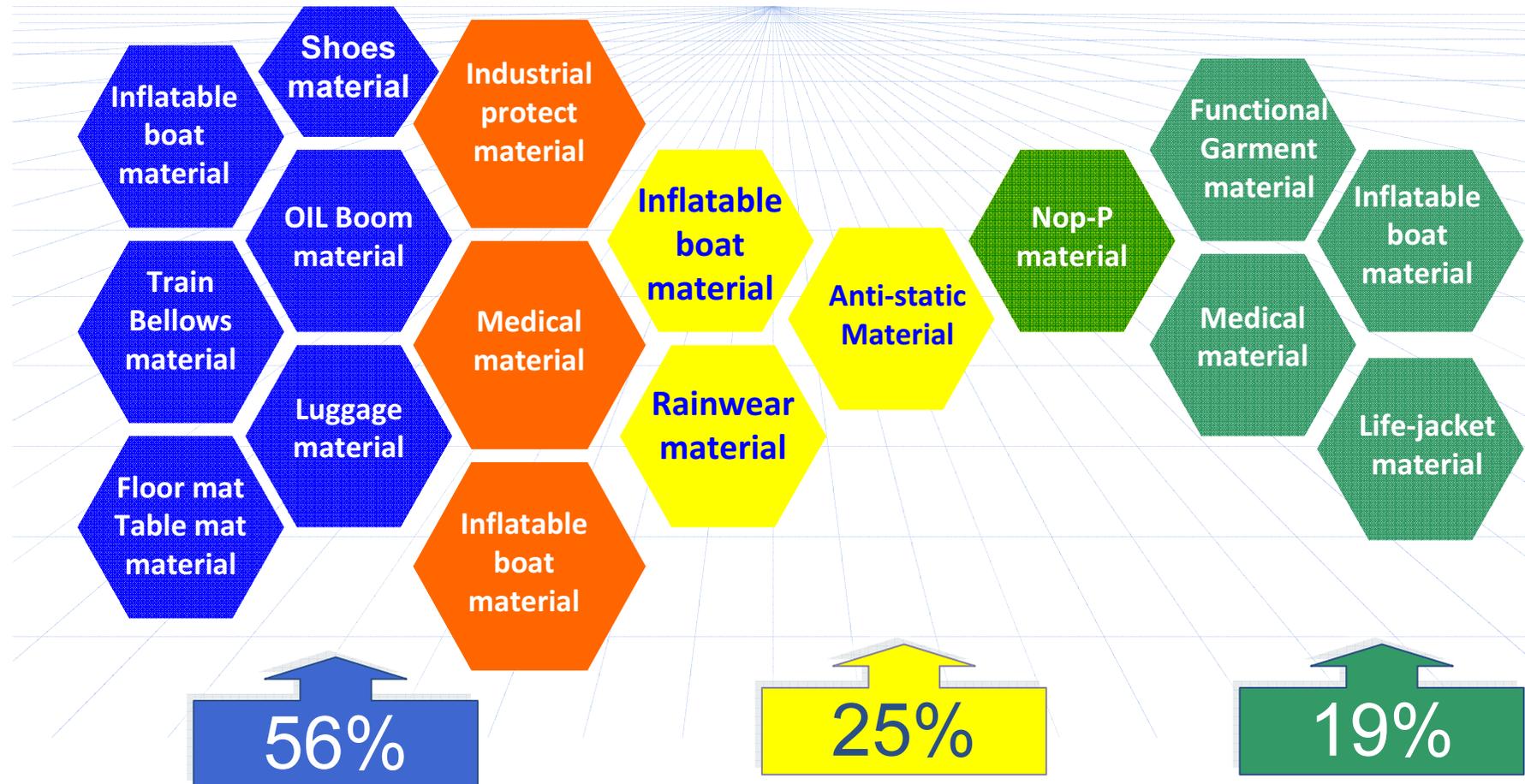
Production Division - Product



RUBBER

PLASTIC

**GREEN
Material**



Accreditations and Patents



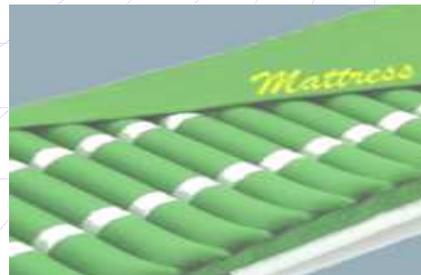
Patents (94)

- **FRG** totally have acquired 94 patents, in 2016 we acquired 6 patents and 29 patent pending.
- **Patent No. I515110 (Taiwan):**
Zip fabric structure and its production process.
- **Patent No. M435407 (Taiwan):**
Flame-resistant dual-color flexible joint fabric structure used for connection and fastening.
- **Patent No. I465332 (Taiwan) :**
The Method for Continuous Production of Rubber Oil Boom, Tube, Fender and Container.
- **Patent No. M528882 (Taiwan) :**
Inflatable fabric structure & its production process.
- **Patent No. M487260 (Taiwan) :**
Triaminant with anit-bacterial & odor-free treatment.

Accreditations(17)

- **High functional garment fabric :** Oeko-tex 100.
- **Train Bellows fabric :**
DIN 5510, NFF 16-101, NFPA 130.
- **Dry Suit fabric :** EN14225-2.
- **Inflatable Boat fabric :** ISO 6185-3, ISO15372.
- **Inflatable Life-saving equipment:** ISO 12402-7.
- **Medical Mattress, Inflatable tub :** ISO 10993-5.
- **Industrial protection suit fabric :**
EN 369 Level 6, ASTM F739, ISO 6529
- **Anti-arc protection suit fabric :** ASTM 1891-12
- **REACH PFOS & REACH PAHs :** PASS

Production Division



Production Division- Modernized Production Equipments



- Banbury mixer systems
- Rubber Calenders
- Steel-Belt Rotocurers
- Autoclaves
- TPU Calender
- PVC Calender
- Silicone Calender
- Knife Coaters
- Transfer Coater
- 1.8m wide Dot-lamination machine
- 2.4m wide Dot-lamination machine
- Bias Cutting Machine
- Tape Cutting Machine



Construction Division- Developed



Bridge Upto Zenith



Location	New Taipei City Banqiao District	Usage	Residential/ Commercial
Land Area	12,105.72 m ²	Structure	SRC
License	99板使字 第555號	No. of Floor	B6F/37F
Total Floor Area	170,872.1 m ²	No. of households/ Parking space	446(R+C)/1084
Development Type	Joint venture	Value(FRG) TWD \$ billion	TWD \$ 17.8 billion (FRG)
Developer	FRG · CDC	Constructors	CEC
Start Date	2006/12/07	Completion Date	2010/12/20

Construction Division- Developed



Modesty Home



Location	New Taipei City Banqiao District	Usage	Residential
Land Area	3903 m ²	Structure	SRC
License	102板使字 第621號	No. of Floor	B3F/26F
Total Floor Area	26,363.09 m ²	No. of households/ Parking space	45/135
Development Type	Joint venture	Value(FRG) TWD \$ billion	TWD \$ 2.55 billion (FRG)
Developer	CDC	Constructors	CEC
Start Date	2011/03/25	Completion Date	2013/12/27

Construction Division- Developed



Legend River



Location	New Taipei City Hsin-tien District	Usage	Residential
Land Area	1708.3 m2	Structure	RC
License	105店使字 第0366號	No. of Floor	B4F/23F
Total Floor Area	13,955.27m2	No. of households/ Parking space	37/88
Development Type	Joint venture	Value(FRG) TWD \$ billion	TWD \$ 0.95 billion (FRG)
Developer	KINGLAND PROPERTY	Constructors	CHIEN-KUO
Start Date	2012/11/19	Completion Date	2016/08/26

Construction Division-Presale



55 Timeless



Location	Taipei City Xinyi District	Usage	Residential
Land Area	3,500m ²	structure	SC
License	北市103建字 第0140號	No. of Floor	B4F/31F
Total Floor Area	25,931.47 m ²	No. of households/ Parking space	42/125
Investment Type	Joint venture	Sellable Value(FRG) TWD \$ billion	TWD \$ 4 billion(FRG)
Proprietor	FRG · CDC and 2 others	Constructors	CEC
Start Date	2014/08/15	Pre-Completion Date	2018/Q3

Construction Division-Presale



La bella vita

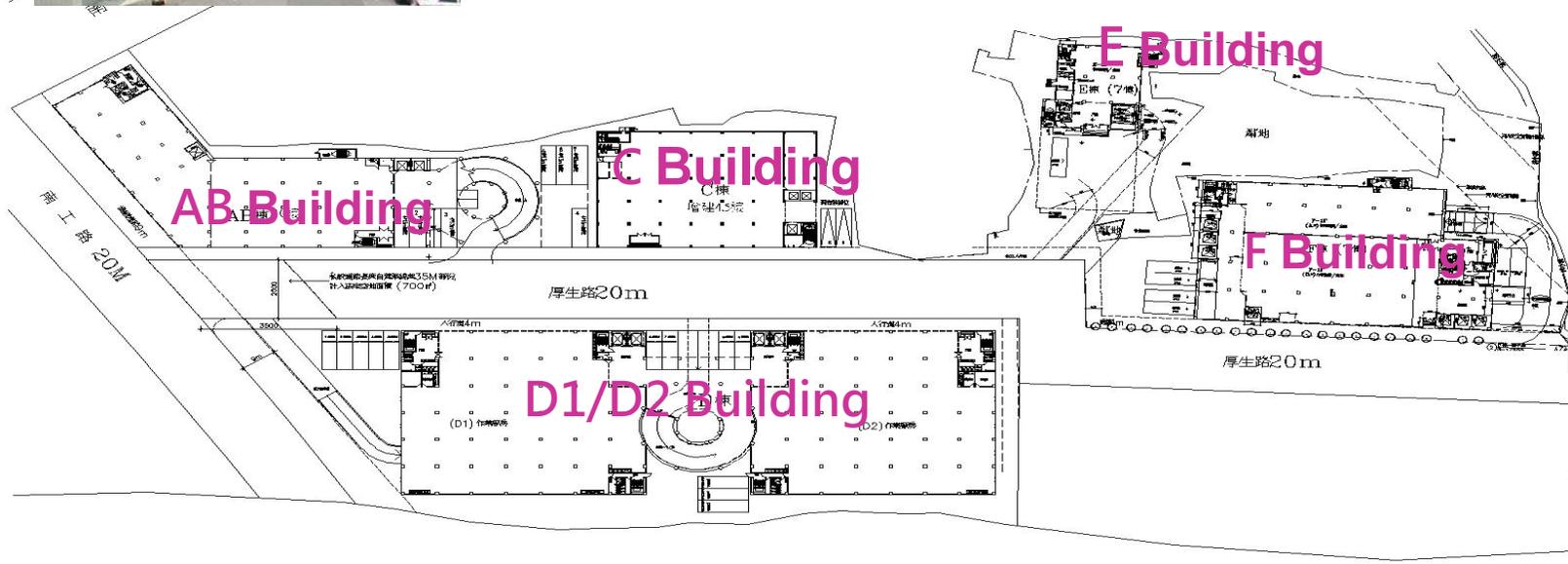


Location	Taichung City Xitun District	Usage	Residential
Land Area	3,621.49 m ²	Structure	SC
License	104中都建字第02509號	No. of Floor	B6F/33F
Total Floor Area	55,809.29 m ²	No. of households/ Parking space	166/332
Development Type	Joint venture	Value(FRG) TWD \$ billion	TWD \$ 3 billion(FRG)
Developer	FRG · CDC.	Constructors	CEC
Start Date	2016/03/04	Pre-Completion Date	2018/Q4

Logistics Division- Lease Business



FRG Logistics Park has advantage in developed large and park-style scales to lower the hardware build costs, also use the concept of park-style reconciliation to attract enterprise stationed in storage centre. There are six buildings in Nankan Park, total rented area is 30,000 square footage which is 99,173.6 square meter.



Logistics Division- Lease Business



AB

- Area : 3,662 pins
- Floor : 8-10F
- Stationed in the industry :
Assembly processing and
logistics

AB Building



D

- Area : 14,772pins
- Floor : D1: 4-7F
D2: 1-7F
- Stationed in the industry :
ILC and logistics

D Building

Logistics Division- Lease Business



C

- Area : 1,880 pins
- Floor : 1-3F
- Stationed in the industry :
Assembly processing and logistics

C Building



E

- Area : 1,784 pins
- Floor : 1-8F
- Stationed in the industry :
Office and logistics

E Building



F

- Area : 7,745 pins
- Floor : 1-7F
- Stationed in the industry :
ILC and logistics

F Building

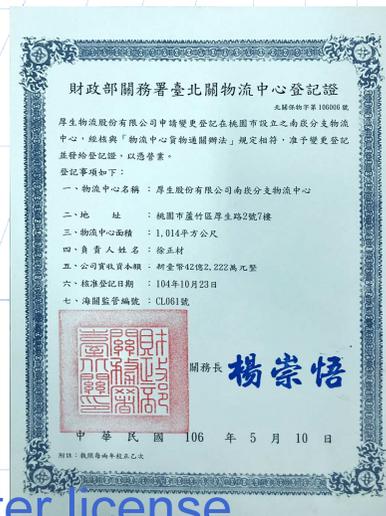
Logistics Division - ILC Center



- Obtain the license of ILC in June, 2003, The serial number is CL060 and CL061.
- Now the top 3 enterprises of America, Japan, and Taiwan have entered and stationed in ILC.
- We offers relevant regulations such as international trade, customs, tax, and set up ISO system through this method of integration. In addition, it provides customer the best operation manner and solutions.



Logistics center license



ISO-9000 license.

Logistics Division- Lease Business

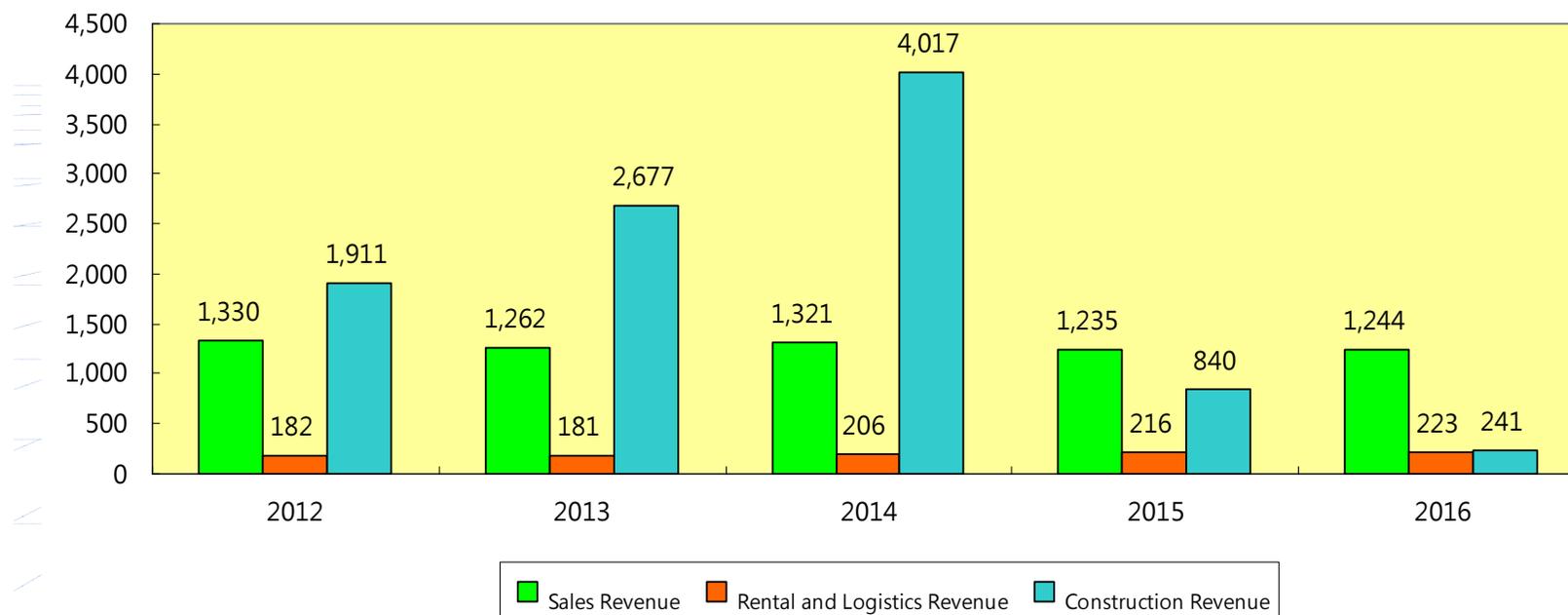


Bridge Upto Zenith business center , covering an area of 6224.8m² , all occupant with tenants now. Tenants Included Audi Car dealership and ESun Bank. Second Floor rented by Nan Shan Life Insurance Co.,Ltd , Sinopac Financial Holding and China Sweety Inc. annual rental income over 38 millions NTD, Bridge Upto Zenith business center has become the leading commercial center in Banqiao District.

Consolidated Revenue by 2012-2016

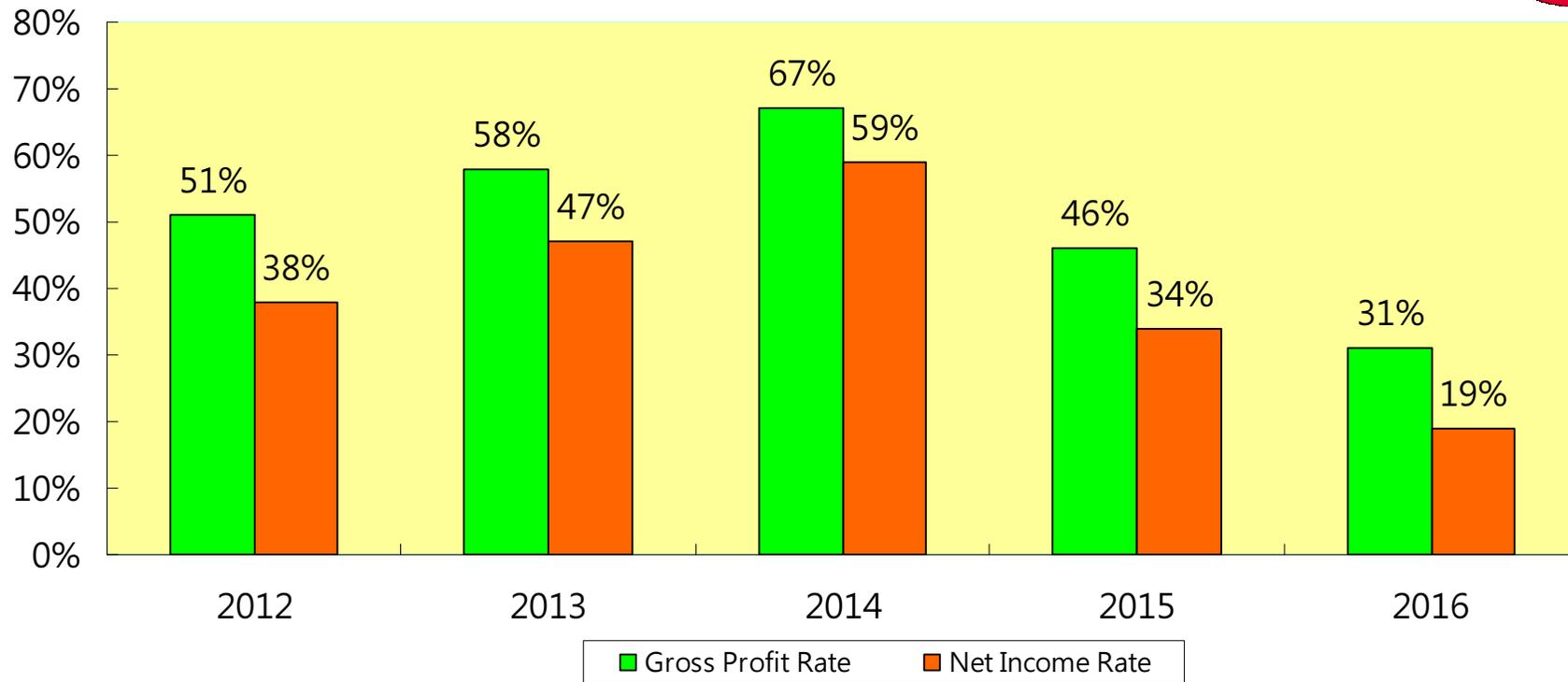


Unit: NT\$ million



	2012	2013	2014	2015	2016
Sales Revenue	1,330	1,262	1,321	1,235	1,244
Rental and Logistics Revenue	182	181	206	216	223
Construction Revenue	1,911	2,677	4,017	840	241
Total	3,423	4,120	5,544	2,291	1,708

Gross Profit Rate and Net Income Rate(Consoildate) by2012-2016

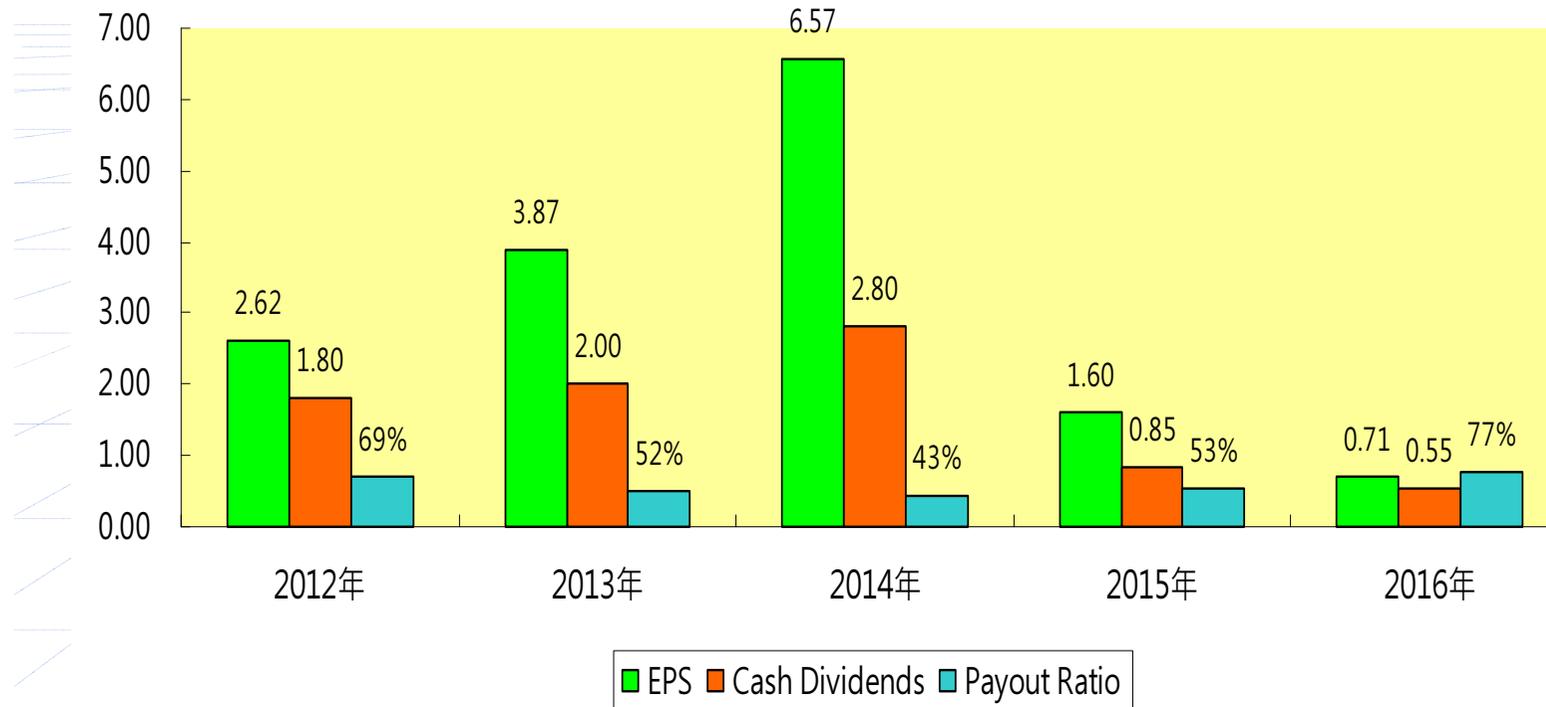


	2012	2013	2014	2015	2016
Gross Profit Rate	51%	58%	67%	46%	31%
Net Income Rate	38%	47%	59%	34%	19%

EPS and Dividends by 2012-2016



UNITS : NT\$ Dollar

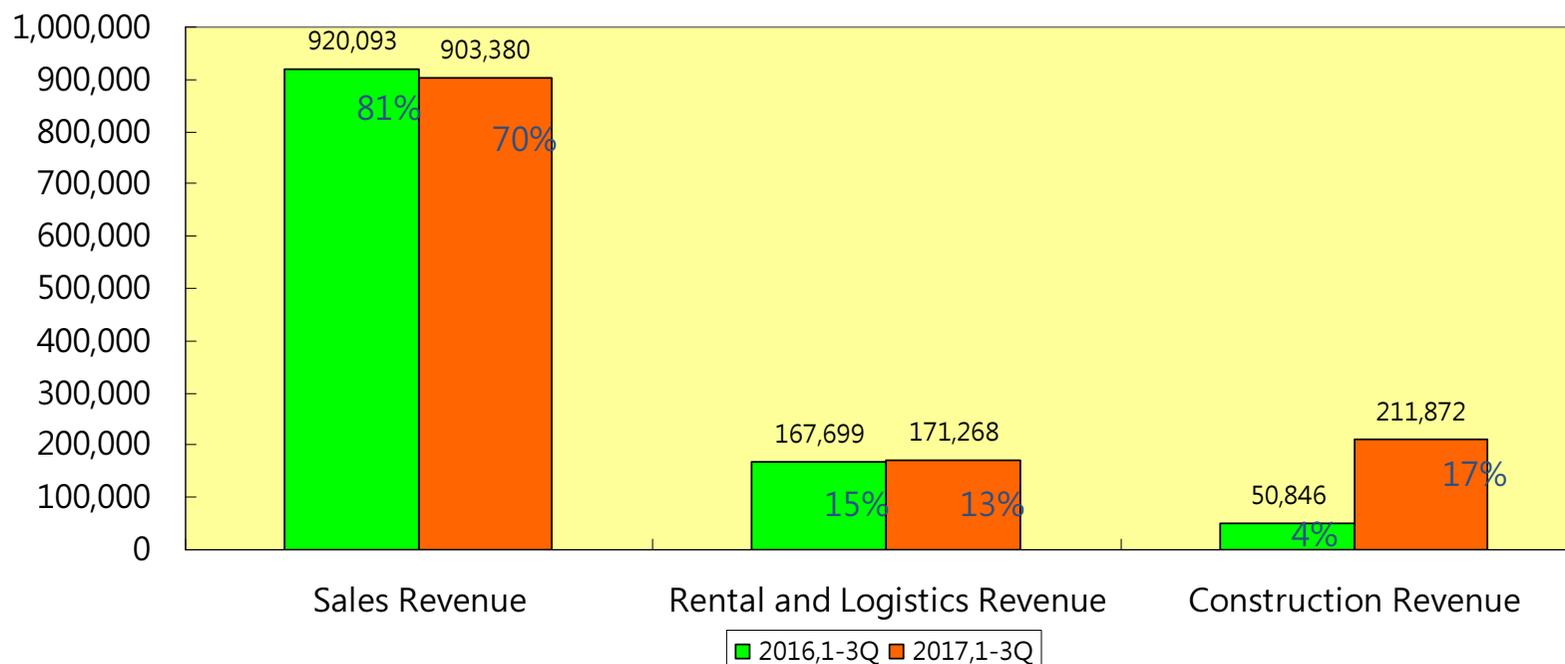


	2012年	2013年	2014年	2015年	2016年
EPS	2.62	3.87	6.57	1.60	0.71
Cash Dividends	1.80	2.00	2.80	0.85	0.55
Payout Ratio	69%	52%	43%	53%	77%

Consolidated Revenue by 2016&2017 1-3Q



Unit : Thousands of NTD



	2016,1-3Q	%	2017,1-3Q	%
Sales Revenue	920,093	81	903,380	70
Rental and Logistics Revenue	167,699	15	171,268	13
Construction Revenue	50,846	4	211,872	17
Total	1,138,638	100	1,286,520	100

Remark : The financial statement 3Q17 was un-audited

Consolidated Statement of Comprehensive Income



Unit : Thousands of NTD

Account	2016 1-3Q	2017 1-3Q
Net Revenue	1,138,638	1,286,520
Operating Cost	(776,551)	(895,457)
Gross Profit	362,087	391,063
Operating Expenses	(168,947)	(166,067)
Operating income	193,140	224,996
Non-operating gains or losses	(8,397)	(26,149)
Income before income tax	184,743	198,847
Income tax	(45,789)	
Net Income	138,954	
EPS (NTD)	0.29	

Remark : The financial statement 3Q17 was un-audited

Ad- Production Division



Safety & Protection

High class protection suit develop:

1. Anti-chemical suit fabric
2. Anti-Arc, Flame retardant suit fabric

Cloth Tape

PU membrane tape , which use on tent, raincoat and cloth sewing side to make sure water repellence.

Train Bellows

FRG already develop new train bellows and floor mat which have flame retardant and less smoke function



Ad- Construction Division



Actively Develop Land

In order to continue to create profits, in addition to the development of its own land, but also actively looking for other appropriate land or projects to ensure the sustainable development of business.

Development of Commercial mall

In addition to stable rental income, but also can be into the mall management, real estate management and property management and other related industries.

Internationalize Strategy

Into the foreign market and go global

Ad- Logistics Division



Aggressive on suitable land for warehouse

To keep long term and stable rental income, Not only transfer original land to warehouse area, also looking for various land to increase land supply and build up a land reserve for warehouse.

Expend pluralistic Logistics center

Increase categories and diversity in logistic, enthusiastic attract foreign company to be stationed in, hence to increase logistic categories and enlarge area of logistic center.

Commitment and persistence in environmental protection



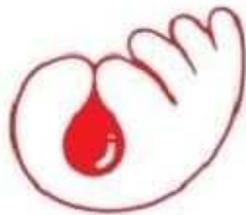
FRG is certified as an ISO 14001 company. Based on FRG's highest standards as a green enterprise, two sets of Regenerative Thermal Oxidizer (RTO) are introduced into the VOCs processing equipment. As a result, VOCs removal rates are above 95%, significantly improving the surrounding air quality.



Corporate Social Responsibility



- Donated 2016 Taiwan Lantern Festival
- Long-term donation Formosan Diabetes Care Foundation
- Donation of Culture and Education Care Association
- Donated to National Taiwan University Hospital -Cardiac molecular medicine research
- Donation Excellence Student Dream Fund Management Committee



掌握血糖 一切OK



圓夢基金助學, 卓越清寒生感恩向上

地區：全市

類別：計畫

主管機關：教育局

更新日期：2017/07/13



Q & A

Thank You !

