

Formosan Rubber Group Inc.

Investor Conference

Ticker: 2107



Disclaimer

- The briefings and accompanying messages are drawn from internal and external sources of the Company and reflect our view of the future. If there are any changes or adjustments in the future, the company is not responsible for reminding or updating at any time.
- The company has not released financial forecasts, and the financial, business or Q&A statements of the company in the presentation may differ from actual future results.

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Company Profile

- Date Established: 1952
- Listing Date: March 3, 1992
- Chairman: Hsu Zhen-Tsai
- President: Hsu Zhen-Ji
- Spokesperson: Huang Hui Xian, Assistant managerial officer
- Registered Capital: NT\$ 3,035,934,000 (Note 1)
- Number of Employees: 194

Note 1: As approved in the annual general shareholders' meeting held on June 9, 2023, to enhance shareholders' equity and EPS, the Company implemented a cash capital reduction of NT\$ 337,326,000 on August 8 of the current year, delisting approximately 33,732.6 thousand shares, representing a reduction rate of 10%.

Major Business Units

Production Division



Research and development and manufacturing of rubber and synthetic leathers and various materials.

Construction Division



Real estate investment, development and sales.

Warehousing Division



Operation of logistics centers, warehouse construction, rental management, etc.

Production Division-

Product category introduction

Plastic (PVC)

Rubber(natural & synthetic)

Green Plastic (PU & TPU)



Production Division- R&D patent and product certification

To date, a total of 15 product certifications and 119 patents have been obtained.

6 new patents obtained in 2023

- ROC IP No.1784843: Sound insulation material and its manufacturing method.
 - ROC IP No.1806033: Protective clothing fabric and its production method.
 - ROC IP No.1806785: Waterproof sound insulation material and its production method.
 - ROC IP No.1812443: Rubber inflatable cloth and its production method.
 - ROC IP No.1821787: Rubber film surface printing structure and printing method.
 - ROC IP No. (latest certification, pending certificate issuance): Manufacturing method of fuel tank leather .
- There are another 4 patents under review.

Production Division- Focus on Business Operations



Market research
and
product positioning



Enhance service
and
Customized
production



Global exhibition
and new product
development



Education
and training

Construction Division-Projects

Construction Division



2010

Banqiao Dist.

Bridge up to Zenith

2013

Banqiao Dist.

Modesty Home

2016

Xindian Dist.

Legend River

2018

Xinyi Dist.

55Timeless

2020

Taichung City

Le Bella Vita

2021

San Francisco

SERIF

Construction Division- Focus on Business Operations

Construction Division

The real estate properties invested by our company are all located in the elite areas of the city and with good value preservation. We insist on selling remaining properties under market conditions to safeguard the rights and interests of shareholders.

Project	Location	Type	Progress
Bridge up to Zenith	Banqiao Dist.	Residential	For sell
Modesty Home	Banqiao Dist.	Residential	For sell
Legend River	Xindian Dist.	Residential	For sell
55Timeless	Xinyi Dist.	Residential	For sell
Le Bella Vita	Taichung	Residential	For sell
950 Serif	San Francisco	Residential	For sell
		Hotel	Operating

Warehousing Division

- Focus on Leasing Operations

- Establishment of a business development team to better understand demand and maintain stable customer relationships.
- Adjustments in tenant types - focus on customers from growing/emerging industries.



Nankan Logistics
Park



Qiaofeng
Shopping Center

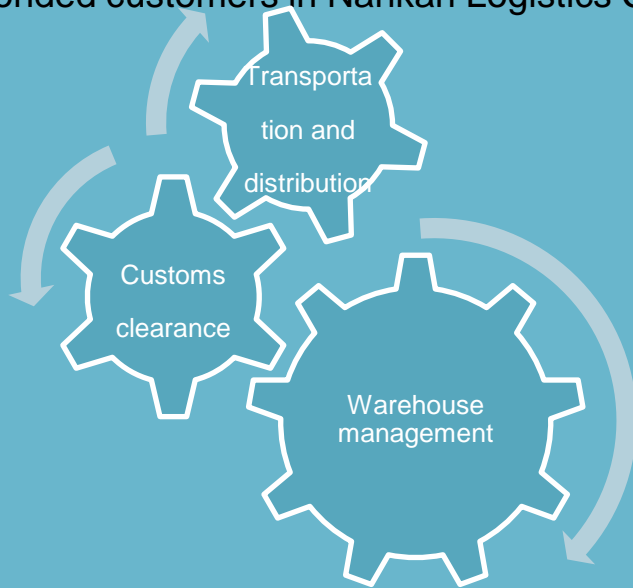


Longtan Park

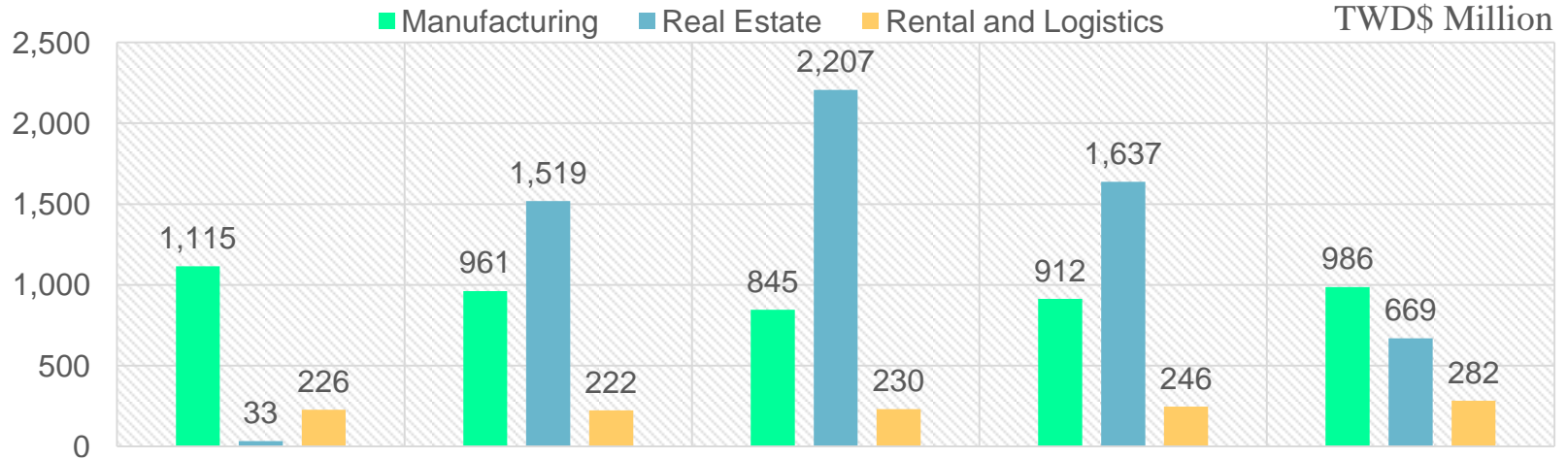
Logistics Center

- Focus on Business Operations

In 2003, the Company obtained a logistics center license from Taipei Customs of the Ministry of Finance and officially entered into the operation of a logistics center. The Company currently operates Warehouses 1 and 2 in Nankan, Taoyuan. The Company operates a third-party logistics business, aiming to increase the capacity of bonded customers in Nankan Logistics Center.



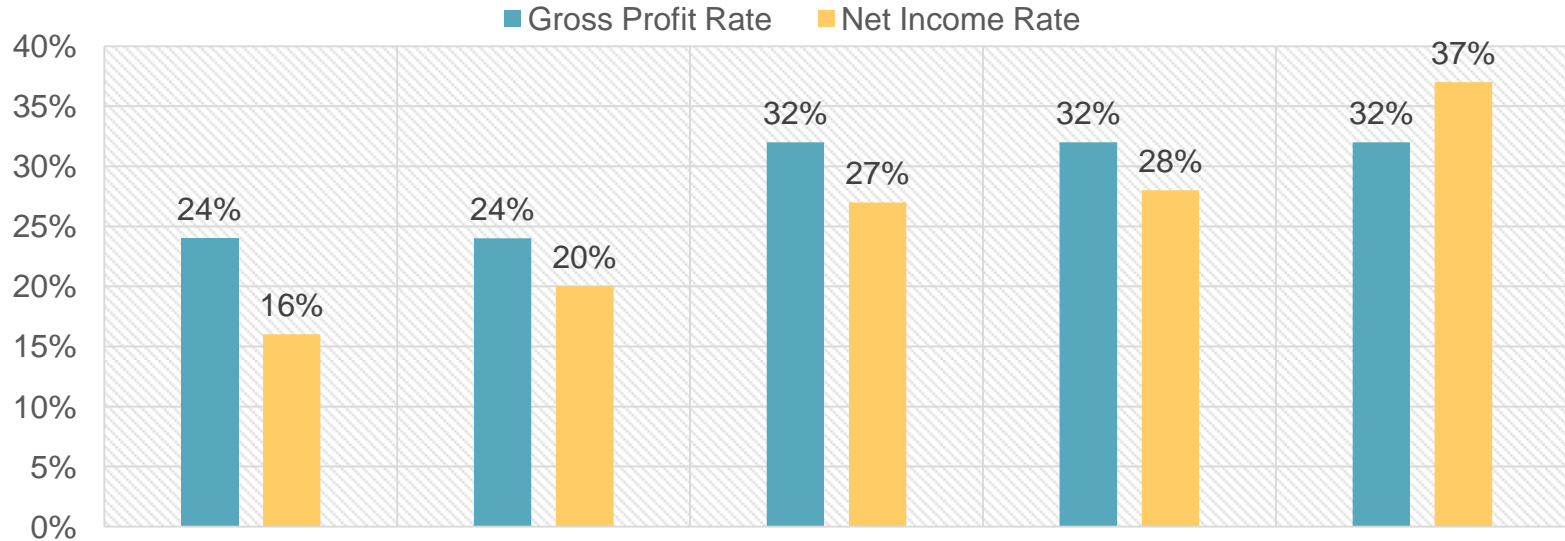
Consolidated Revenue 2018-2022



Division \ Year	2018	2019	2020	2021	2022	
Manufacturing Sales	1,115	961	845	912	986	51%
Real Estate	33	1,519	2,207	1,637	669	34%
Rental and Logistics	226	222	230	246	282	15%
Total	1,374	2,702	3,282	2,795	1,937	100%

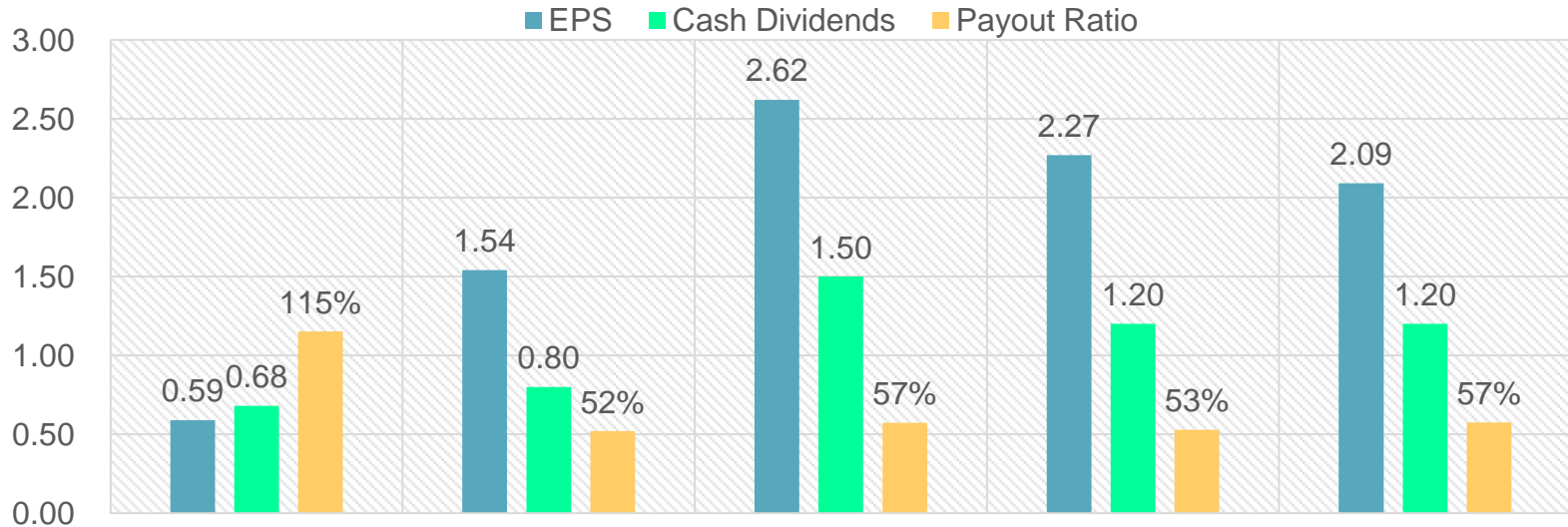
Gross Profit Rate and Net Income Rate

2018-2022



Year	2018	2019	2020	2021	2022
Gross Profit Rate	24%	24%	32%	32%	32%
Net Income Rate	16%	20%	27%	28%	37%

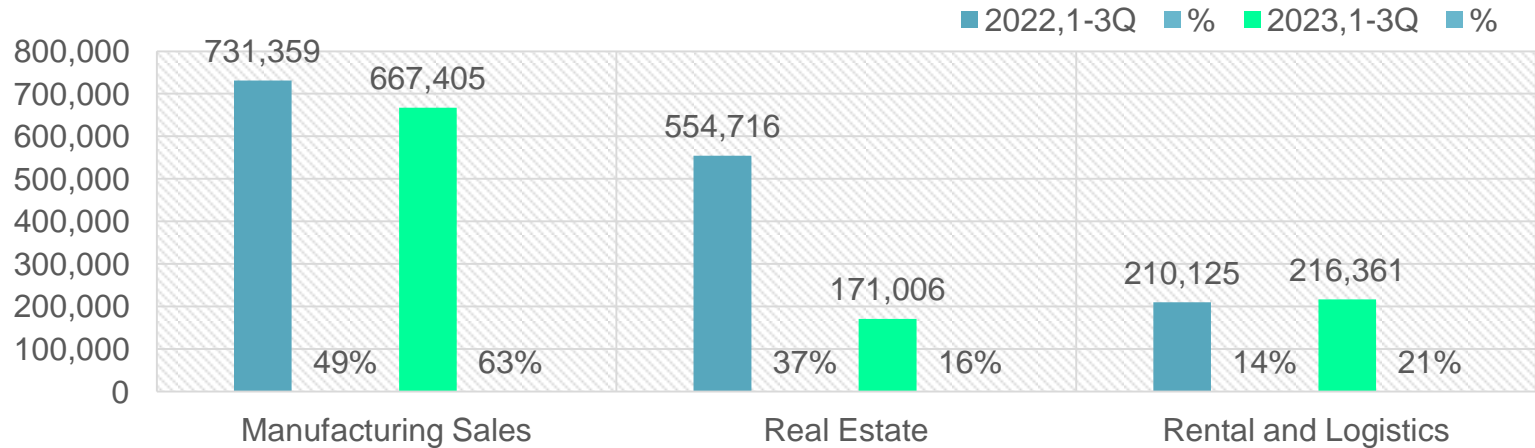
EPS and Dividends 2018-2022



Year	2018	2019	2020	2021	2022
EPS	0.59	1.54	2.62	2.27	2.09
Cash Dividends	0.68	0.80	1.50	1.20	1.20
Payout Ratio	115%	52%	57%	53%	57%

Units - TWD\$ Dollar

Consolidated Revenue 2021&2022 1Q-3Q



Division \ Year	2022,1-3Q	%	2023,1-3Q	%
Manufacturing Sales	731,359	49%	667,405	63%
Real Estate	554,716	37%	171,006	16%
Rental and Logistics	210,125	14%	216,361	21%
Total	1,496,200	100%	1,054,772	100%

Units : TWD\$ Thousands

Profit and Loss Account 2022&2023 1Q-3Q

Units : TWD\$ Thousands

Account	2022 1-3Q	2023 1-3Q
Net Revenue	1,496,200	1,054,772
Gross Profit	487,933	322,580
Operating income	324,550	169,042
Non-operating gains or losses	491,972	416,695
Income before income tax	816,522	585,737
Net Income	699,939	512,326
EPS (TWD)	2.05	1.55

Future Developments- Production Division

Consolidated service
between
brand customers
and OEM factory



Product Mix
optimization



Devoted to customer
care, visit potential
customer and new
product promotion



New global agent
and Distribution
network



Future Developments -

Production business research and development of new products

FRG Rubber Sound Insulation Floor Sound Insulation System:

Sound insulation
Noise reduction

- Obtained the High Performance Green Building Materials Label Certificate
- Recycled rubber particles/waterproof layer structure design, non-toxic, formaldehyde-free, non-heavy metals, non-asbestos, non-radioactive substances, non-chloride ions.



Development of consumables for electronics industry production processes (replacing kraft paper):

Electronics
industry
Production
supplies

PCB & CCL, 5G products, solar panels, consumables for molding process.



Aircraft
Repair

Multi-layer rubber 3D inflatable jack for passenger aircraft repair:
Rubber-laminated three-dimensional fabric (3D) is made into materials for repairing the nose wheel and wing wheels of passenger aircraft.
It is a necessary emergency maintenance equipment for the airport.



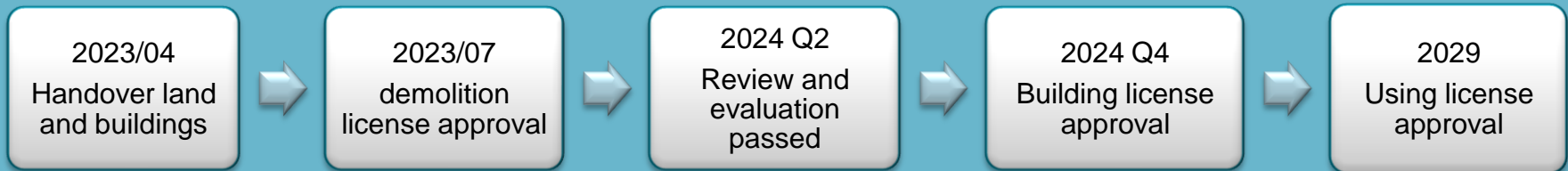
Future Developments- Construction Division

Kaoshiung Project

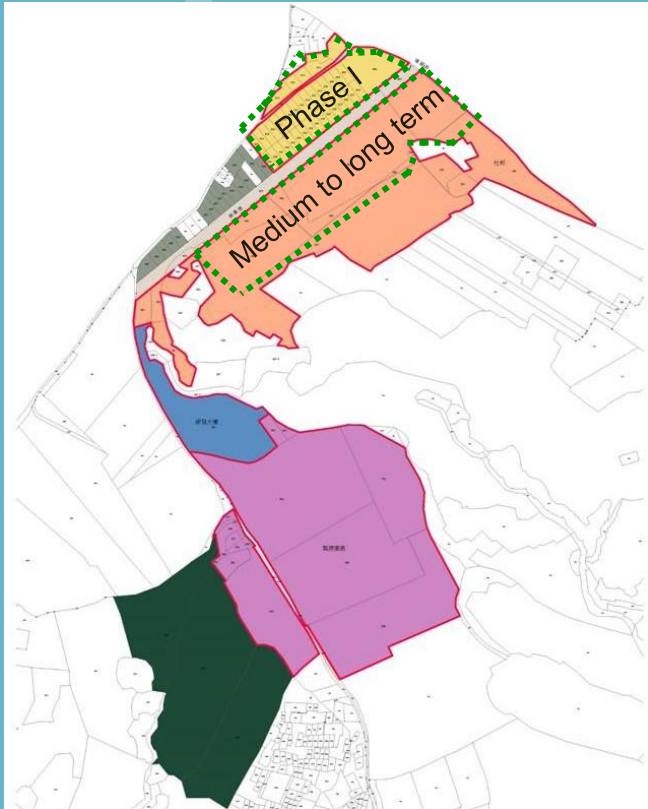
1. Development Plan

- The company participated in the joint construction project as a 30% landlord.
- **11.1%** of the case (co-construction ratio: 37% for the landlord / 63% for the builder) can be shared in the value of the real estate and parking spaces.

2. Development Schedule



Future Developments- Longtan Smart Park



The park is located at the intersection of Chaofeng Road and Yangtong Road, with a total development area of approx 63,000 sqm. It is planned to be an intelligent, energy-saving, and energy-efficient logistics park.

Phase I

Approx. 9,800sqm

- Under construction

Medium to long term

Approx. 50,638sqm

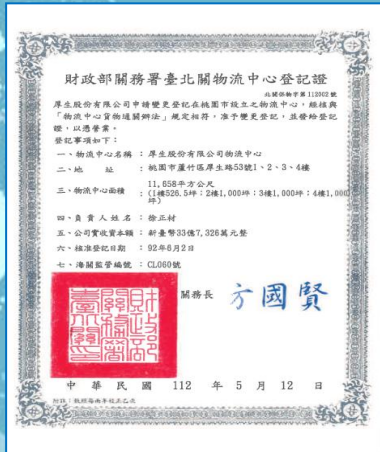
- Development is expected to be completed in 3-5 phases.
- Customer-oriented warehouse

Phase I Development- Property Planning



- Construction: Planning for the construction of an underground floor and four floors above ground.
- Area : approx. 16,500sqm
- Start date : June 9, 2023
- Estimated completion date : Q3, 2024
- Steel structure, earthquake-resistant, high safety coefficient
- Reinforced concrete surface hardening agent flooring
- Height + wide column spacing to meet warehousing storage volume requirements
- Facilities comply with fire codes, including enhanced sprinkler equipment throughout the area

Phase I Development- License Application



Application for Logistics Center Warehouse 3

- Extend the successful experience of Nankan Logistics Center to Longtan Intelligent Park.



Apply for Green Building License

- Green buildings are set to become a future development trend. The certification levels are divided into five grade labels. This building is applying for the bronze level , contributing to society and facilitating future business opportunities.

2022 ESG Report

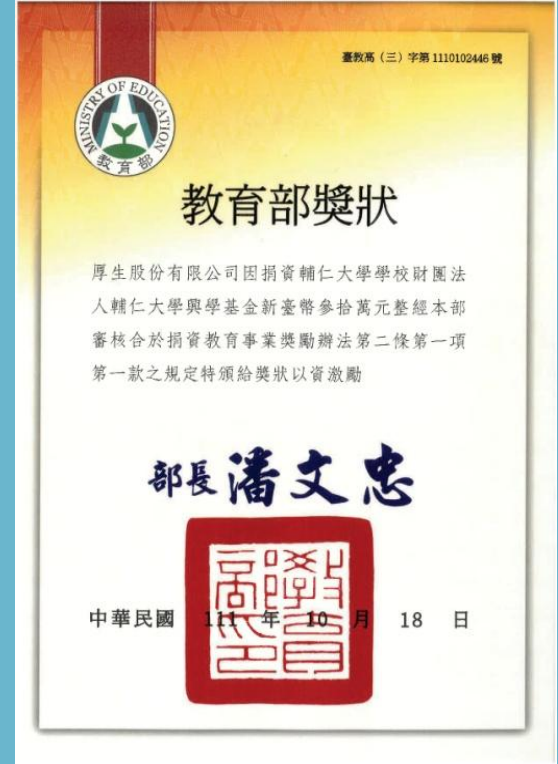
- The inaugural ESG report was publicly issued by the company. We plan to release this report regularly every year, continuously disclosing environmental, social, and corporate governance operational achievements beyond financial performance to the public, demonstrating with concrete action the Company's corporate sustainability vision.
- This report was issued in September 2023, and the next report is expected to be issued in June 2024.



Note: This is the first time this annual report has been issued and therefore no information has been restated.

Corporate Social Responsibility

- In 2022, the Company also promoted the inclusion of private high school students into the Dream Come True Fund by donating NT\$500,000 to help students with low income to relieve their families' financial pressure in order to complete their studies successfully, with a total of 52 students benefiting from subsidies this year.
- The Company aims to contribute to Taiwan's advanced medical development by donating NT\$ 600,000 to molecular and cellular cardiology research at National Taiwan University Hospital.





Formosan Rubber Group Inc.,

<http://www.frg.com.tw/m/st-aboutus.html>

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