



Investor Conference

Formosan Rubber Group Inc.



Ticker : 2107

2019/11/22

Research makes the difference.....

Disclaimer Statement



- This presentation and the information released at the same time are based on our internal and external data and reflective of our current expectations about the future. We are not responsible for constantly reminding or updating of any change or modification of our views.
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- 厚生社會
- 忠誠廉正
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Company Introduction **P1-P2**

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Company Introduction



Chairman : Mr. HSU, CHENG-TSAI

General manager : Mr. HSU, CHENG-CHI

Spokesman : Mr. CHIANG, JUI-TANG

Deputy spokesman : Mr. Lim, James



Capital : NT\$ 3,500,000,000

IPO : 1992/03/03

Number of employees : 195

Head Quarter: 8th floor, No.82, Sec.1, Han-Kao St., Taipei City, Taiwan

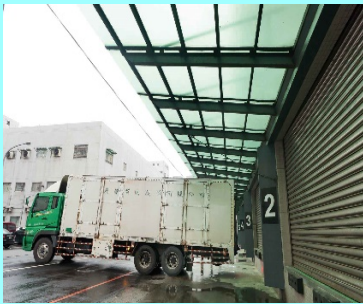
Factory:No.1, Chao-Feng Rd., San-Ho Village, Lung-Tan Dist., Tao-Yuan City, Taiwan

Logistics Park : No,53, HOU-SHEN RD., Luzhu Dist., Tao-Yuan City, Taiwan



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Company Introduction



- Formosan rubber group inc. was founded in 1952.
- For over six decades we strive to achieve outstanding performance in medical, industrial, functional apparel, and silicone materials. We focus in our core competitiveness and become one of the leading rubber material suppliers in Asia.
- Related to international logistics center and Real Estate development.



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Business Lines



Manufacturing Division

Products : Rubber 、 Plastic 、 PU 、 TPU
Coated Fabrics and Membranes



Development Division

Real estate development and
Asset management.



Logistics Division

International Logistics Center business,
Warehouse to build 、 Lease business.





Manufacturing Division - Product Domains

PLASTIC

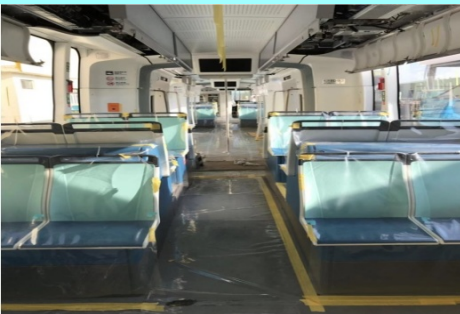
RUBBER

Green Materials





Manufacturing Division -Products





Manufacturing Division

- Patent Achievements & Certifications

9 Patents Achievement, 2019 (Total : 105 Patents)

- Patent No. : I 654 091 (Taiwan) :
Silicon rubber bellows and manufacturing process ◦
- Patent No. : I 654 258 (Taiwan) :
Rubber foam construction and manufacturing process
- Patent No. : I 666 113 、 I 666 120 、 I 668 106 (Taiwan) :
Rubber construction and manufacturing process
- Patent No. : I 669 210 (Taiwan) :
The translucent 、 soft 、 non-yellowing rubber leather with the five layers construction and manufacturing process
- Patent No. : I 675 750 (Taiwan) :
The continuous process of rubber foam leather
- Patent No. : M 574 554 (Taiwan) :
The construction of Double-sided high frequency and processing
- Patent No. : M 583 376 (Taiwan) :
The construction and processing of weather resistant and flame retardant

Patent Applying : 10 items (Taiwan)

10 Certifications , 2019

- **Quality Management System :**
ISO 9001 、 ISO 14001 (2015 Edition)
- **Rubber Inflatable Boat Material :**
BV ISO 15372 - Inflatable Boat material
- **Inflatable Life Boat Material :**
Marine Life boat / Classification Society (CCS)
- **Dry Suit Material :**
Pass EN 14225
- **Protect Workwear Fabric :**
pass ASTM F 1891
- **Reach (SVHC) :**
Pass 201 Substance of High Concern (SVHC)
- **High Voltage Condenser Sheet :**
pass Mechanical & Electrical Product - China



Manufacturing Division

- Modernized Production Equipments



- Compounding Mixer
- Rubber Calenders
- Steel-Belt Rotocures
- Autoclaves
- Hit-Air Curing System
- TPU Calender
- PVC Calender
- Knife Coaters
- Transfer Coater
- Dipping System
- Environmental protect & energy saving equipment (RTO)
- Central laboratory



Development Division -Completed Project(1)



Bridge Upto Zenith



Location	New Taipei City Banqiao District	Usage	Residence/ Commercial
Site Area	12,105.72 m ²	Structure	SRC+SS
Floor Area	170,872.1 m ²	Floors	B6F/37F
Householders/ parking space	446/1084	Revenue (FRG)	TWD \$ 17.8 billion
Start Date	2006/12/07	Complete Date	2010/12/20

Development Division -Completed Project(2)



Modesty Mountain



Location	New Taipei City Banqiao District	Usage	Residence
Site Area	3,903 m ²	Structure	SS
Floor Area	26363.09 m ²	Floors	B3F/26F
Householders/ parking spae	45/135	Revenue (FRG)	TWD \$ 2.55 billion
Start Date	2011/03/25	Complete Date	2013/12/27

Development Division -Completed Project(3)



Legend River



Location	New Taipei City Hsin-tien District	Usage	Residence
Site Area	1,708.3 m ²	Structure	RC
Floor Area	170,872.1 m ²	Floors	B4F/23F
Householders/ parking spae	38/88	Revenue (FRG)	TWD \$ 1 billion
Start Date	2012/11/19	Complete Date	2016/08/26

Development Division -Completed Project(4)



55 Timeless



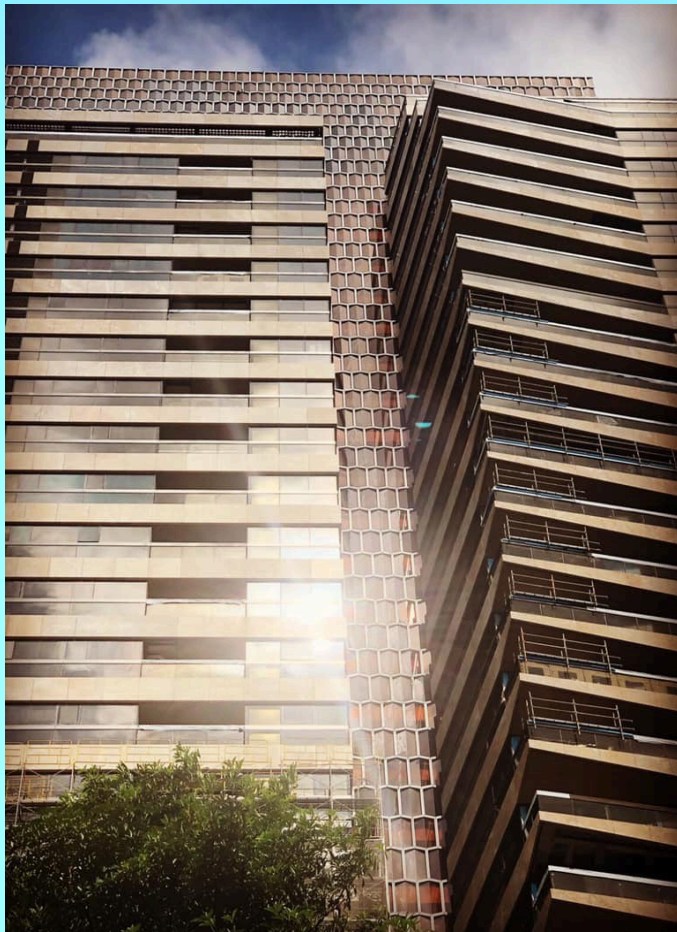
Location	Taipei City Xinyi District	Usage	Residence
Site Area	3,500 m ²	Structure	SS
Floor Area	25,931.47 m ²	Floors	B4F/31F
Householders/ parking spae	42/125	Revenue (FRG)	TWD \$ 4 billion
Start Date	2014/08/15	Complete Date	2018/11/05

Development Division

-Under construction Project(1)



La bella vita



Location	Taichung City Xitun District	Usage	Residence
Site Area	3,621.49 m ²	Structure	SS
Floor Area	55,809.29 m ²	Floors	B6F/33F
Householders/ parking spae	166/332	Revenue (FRG)	TWD \$ 3 billion
Start Date	2016/03/04	Complete Date	2019/12月

Development Division

-Under construction Project(2)

950 Market Street



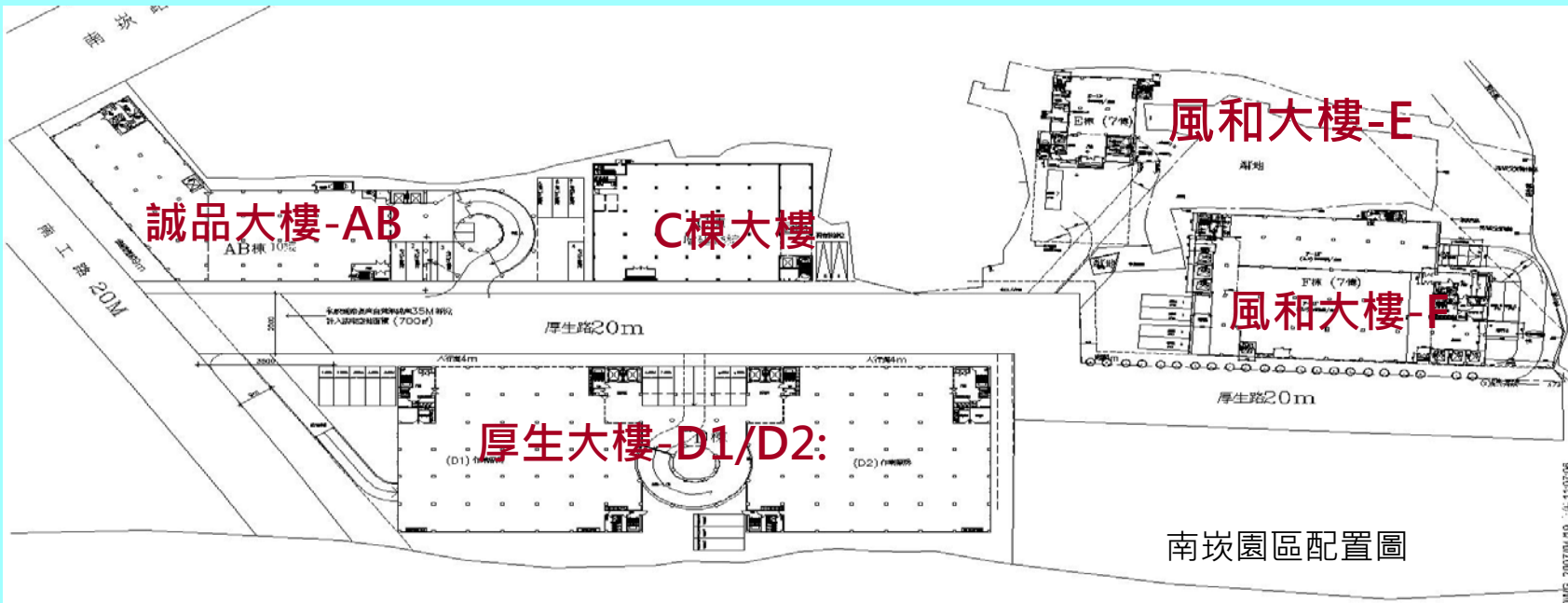
Location	950 Market Street	Usage	Residence/Hotel /Retail
Site Area	3,183 m ²	Structure	RC
Floor Area	37,923 m ²	Floors	B2F/12F
Condo/Hotel rooms/Shops	242/236/10	Net income before tax (FRG)	TWD \$ 16 -18 Million
Start Date	2018/10/25	Complete Date	2020/Q4



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 commercial buildings in Nankan Park, total rented area is about 100,000 square meter. °





Logistics Division - Lease business



Bld.-AB

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



Bld.- D

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





Logistics Division - Lease business



Bld.- C

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



Bld.- E

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



Bld.- F

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



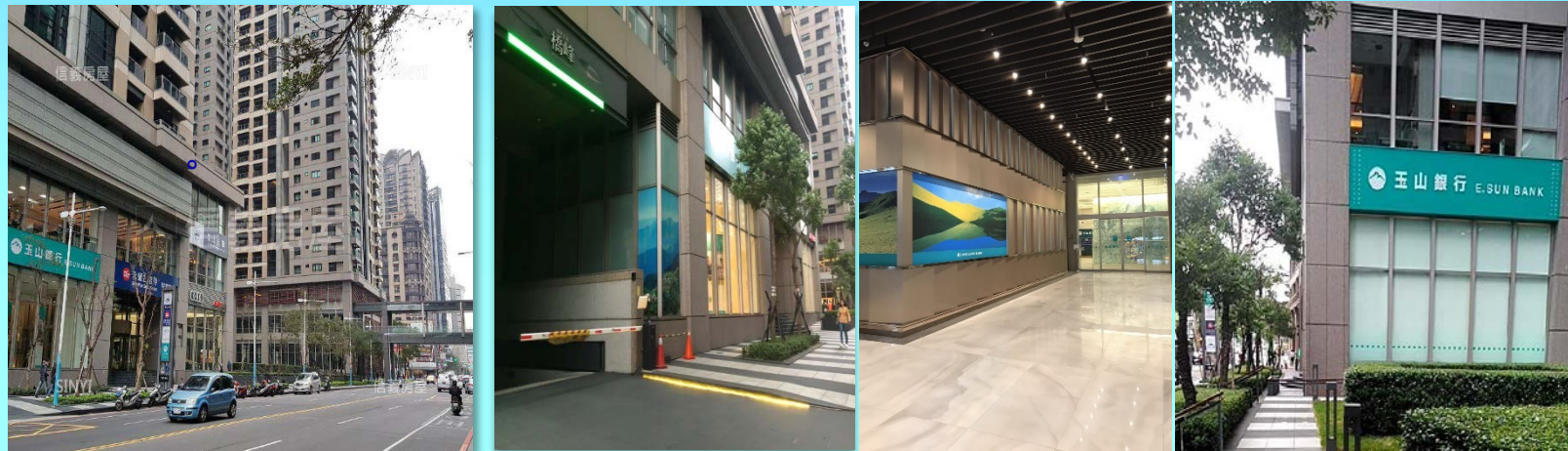
Logistics Division - ILC



FRG entered the logistics arena as a third party logistics service provider, and obtained the license of ILC in June,2003, Whose serial number are CL060 and CL061. We provide a really complete logistic service including international transportation integration, customs clearance, warehousing management, PO handling, value-added service, delivery . Therefore customs could improve overall logisysics operational performance and a safe storage environment . Arrow 、 Macnica 、 ATM 、 NEC 、 CIRTEK are our major customes.



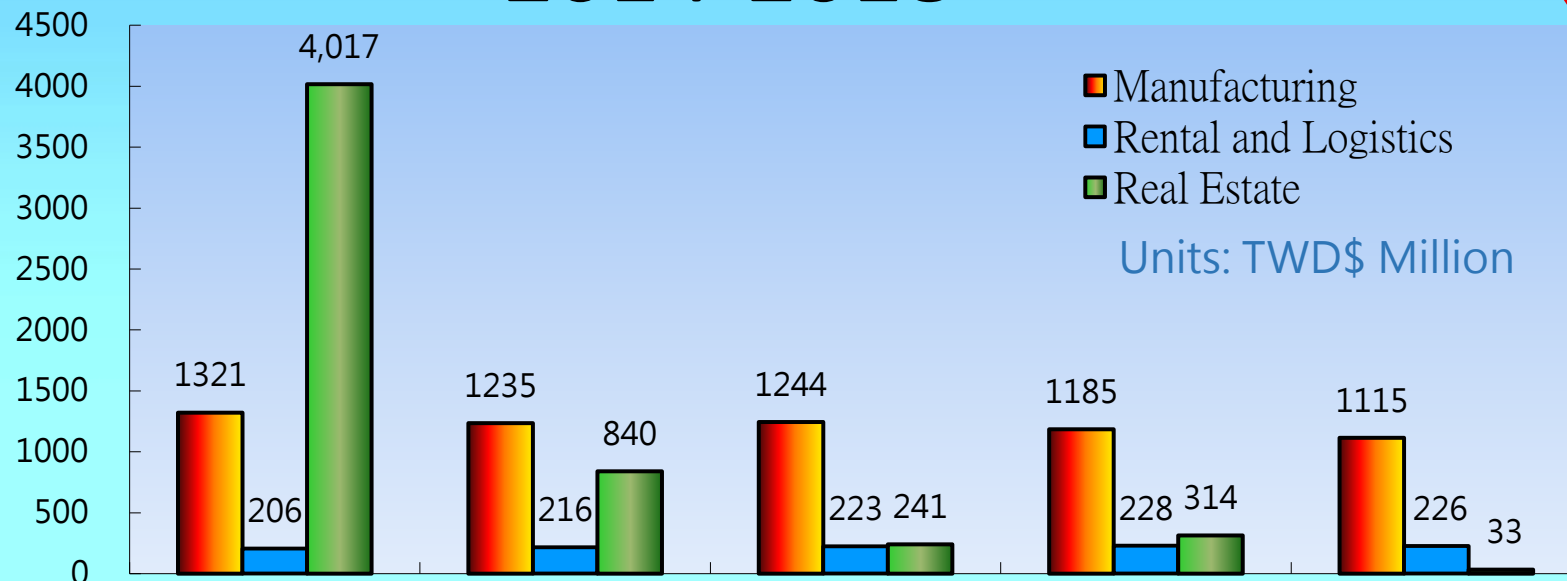
Logistics Division – Commercial property



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



Consolidated Revenue 2014-2018

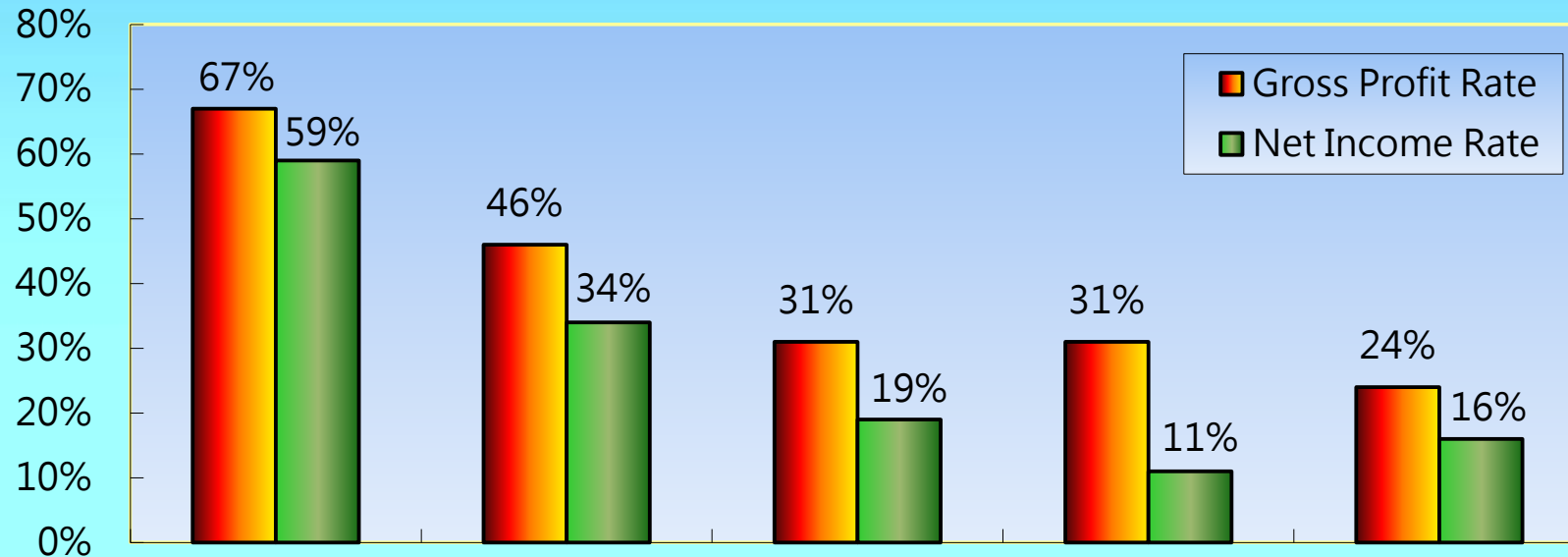


Year	2014	2015	2016	2017	2018
Manufacturing Sales	1,321	1,235	1,244	1,185	1,115
Rental and Logistics	206	216	223	228	226
Real Estate	4,017	840	241	314	33
Total	5,544	2,291	1,708	1,727	1,374





Gross Profit Rate and Net Income Rate 2014-2018

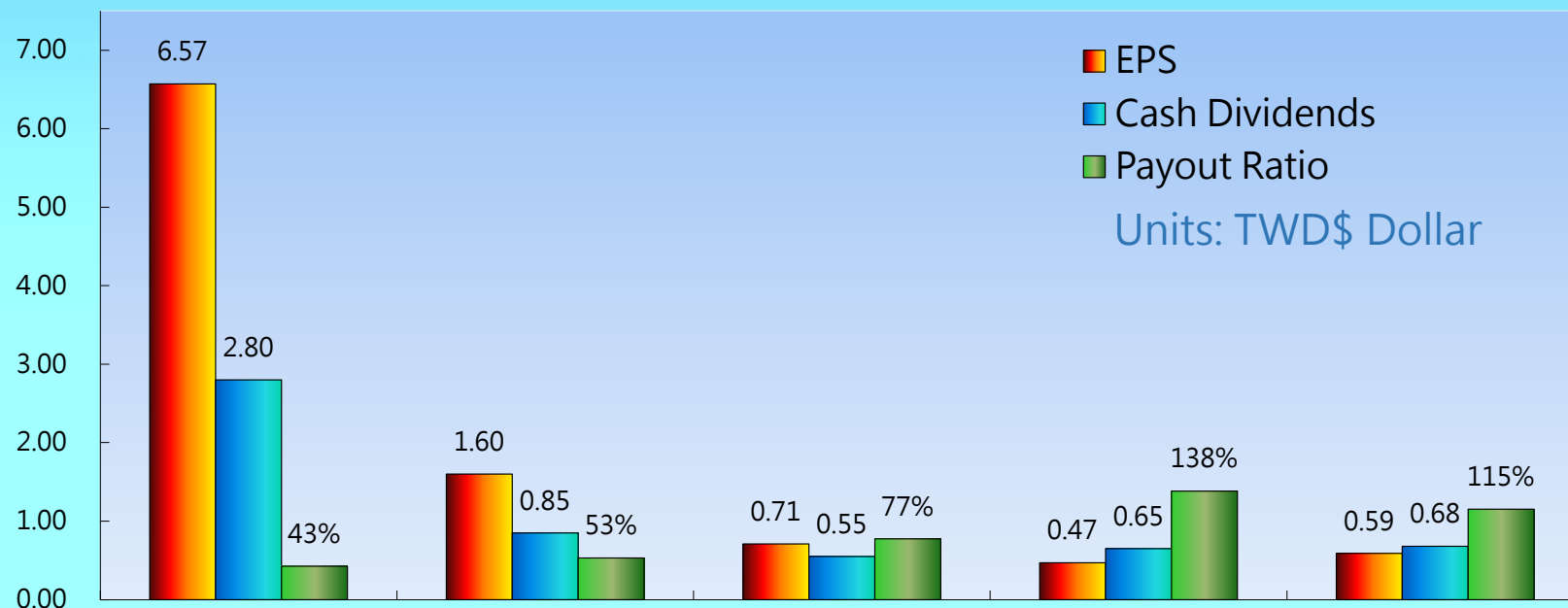


Year	2014	2015	2016	2017	2018
Gross Profit Rate	67%	46%	31%	31%	24%
Net Income Rate	59%	34%	19%	11%	16%



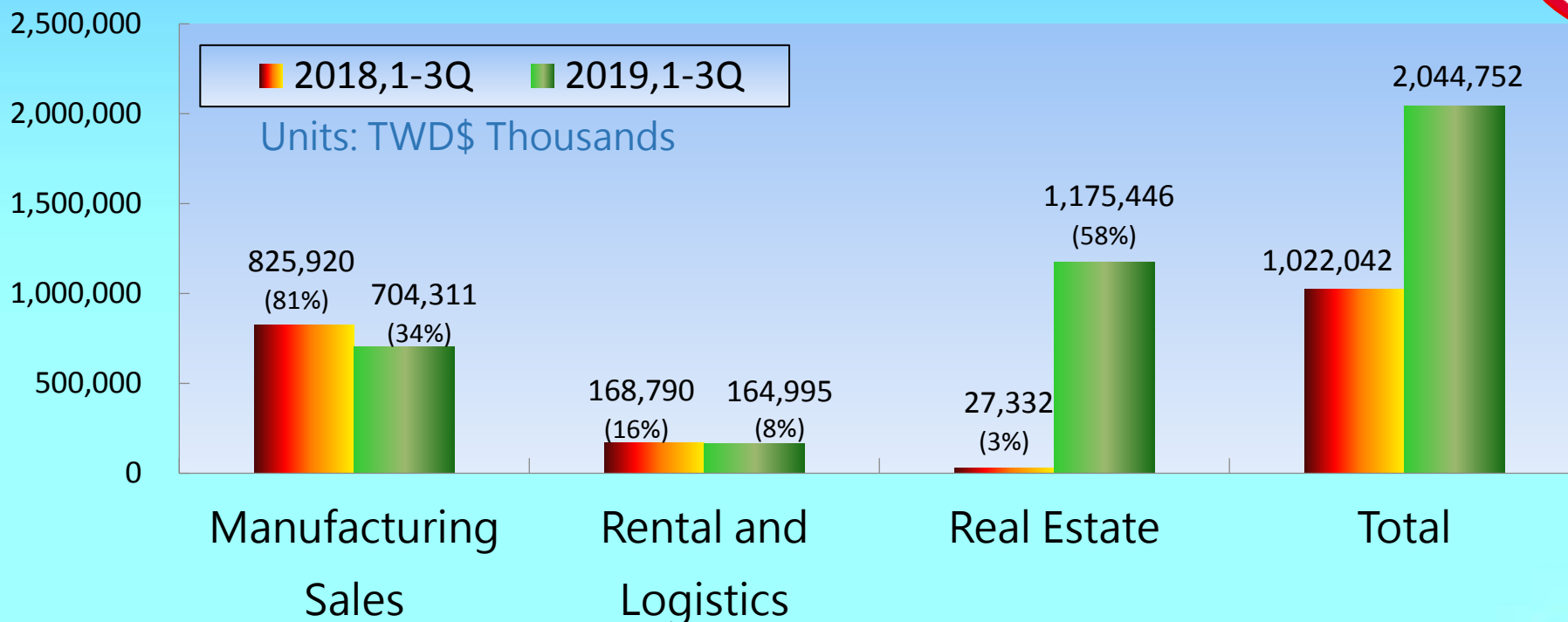


EPS and Dividends 2014-2018



Year	2014	2015	2016	2017	2018
EPS	6.57	1.60	0.71	0.47	0.59
Cash Dividends	2.80	0.85	0.55	0.65	0.68
Payout Ratio	43%	53%	77%	138%	115%

Consolidated Revenue 2018 & 2019 1Q-3Q



期間	2018,1-3Q	%	2019,1-3Q	%
Manufacturing Sales	825,920	81	704,311	34
Rental and Logistics	168,790	16	164,995	8
Real Estate	27,332	3	1,175,446	58
Total	1,022,042	100	2,044,752	100

Profit and Loss Account 2018 & 2019 1Q-3Q



Account	2018 1-3Q	2019 1-3Q
Net Revenue	1,022,042	2,044,752
Operating Cost	(777,709)	(1,529,371)
Gross Profit	244,333	515,381
Operating Expenses	(158,953)	(166,618)
Operating income	85,380	348,763
Non-operating gains or losses	143,214	140,417
Income before income tax	228,594	489,180
Income tax	(36,530)	(40,307)
Net Income	192,064	448,873
EPS (TWD)	0.52	1.28

Units: TWD\$ Thousands





Niche Vision

- Manufacturing Division

Continually Upgrade the Multifunctional Coated fabrics for heavy-duty protective wear :

1. Anti-strong acid, Anti-alkali, Anti-chemicals
2. Anti-High Voltage Arc 、 Flame retardant, Oil resistant and Abrasion resistant.

Safety & Security



Continually Upgrade the coated fabrics for marine automatic inflatable life-saving field :

Match the IMO (International Maritime Organization) grade apply for automatic inflatable Liferaft, escape chute system and life jacket related materials.

Marine Rescue



Focus on Railway train- gangway & interior decoration market :

FRG had developed multi- properties & construction bellows relative materials and Rubber Flooring some as environmentally-friendly grade ◦

Train Bellows



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Niche Vision

-Logistics Division



- **Developing new logistic warehouses and increase storage space for different industries**

For extending the long-term stable rental profit , will Build up professional warehouse and create storage space to catch different industrial requirements of Local and international manufacturers or retailers.

- **The Project of oversea's enterprise back-flow Connecting**

Affected by USA--China Tariff and trade issue , focus business on oversea's manufacture or enterprise back flow to Taiwan and will expanding VMI warehouse to Lung-Tan area.





Niche Vision

-Development Division



- Developing assets aggressively.
- Increase the constant revenue.
- Raise brand value.





Thank You & Q and A !

