


Investor Conference


Formosan Rubber Group Inc.




Ticker : 2107

2021/12/3

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Disclaimer Statement



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P 1

Company Introduction




Chairman : Mr. HSU, CHENG-TSAI

General manager : Mr. HSU, CHENG-CHI

Spokesman : Mr. Lim, James

Capital : NT\$ 3,423,260,000


IPO : 1992/03/03

Number of employees : 196

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



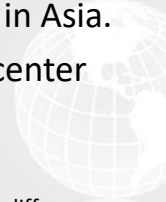
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Company Introduction



- 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



Manufacture Division

R&D and manufacturing of rubber and plastic fabric and other various materials.



Development Division

Real estate development and Asset management.



Logistics Division


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



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Manufacturing Division - Product category



Plastic (PVC)	Rubber(natural & synthetic)	Green Plastic (PU & TPU)
<ul style="list-style-type: none"> Medical treatment material Canopy Carport Fabric Raincoat Fabric Truck coverage canvas ECO Non-toxic Plasticizer 	<ul style="list-style-type: none"> Industrial protection Arc & Flame Medical treatment material Luggage bag material Medical use Fabric For oil spill Oil barrier Aviation High-pressure pneumatic jack 3D fabric Special use Chemical suit Railway Bellows Fabric Airtight Drysuit Fabric Railway Rubber Flooring Rubber raincoat Soundproof Building materials Antistatic Table mat Flooring 	<ul style="list-style-type: none"> Life vest fabric Medical treatment material ECO Non-toxic Plasticizer Industry raincoat Inflatable boat Fabric Functional garment Marine lifesaving Equipment fabric Large Inflatable tent fabric Inflatable boat material

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Manufacturing Division-eco-friendly fabric



FRG ECO-Tex®

Environment Friendly



**REUSE
REDUCE
RECYCLE**

- 1. Recycling of vulcanized rubber powder**
- 2. Wood pellets replaces 100% of thermal fuel**
- 3. Waste heat recovery and reuse of Regenerative Thermal Oxidizer (RTO)**

FRG ECO-Tex®

**Rubber & TPU Coated
ECO -Tex**

(PET bottle & 15%~30% wast plants → High Tenacity Textile)

PET Bottles + 15~30 % Waste Plants → Textile







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Manufacturing Division- R&D patents and certifications

2021 Obtained 1 patents
A total of 108 patents have been obtained

- 2021
- ROC patent (licensing): manufacturing method of cushion and cushion (New)
- 2020
- ROC Patent Certificate No. I 692 405: Flame-retardant and waterproof fabric and its manufacturing method
- ROC patent number I 699 283: Flame-resistant fabric and its manufacturing method
- ROC patent number I 698331: Rubber tape and its preparation method
- 2019
- ROC patent number I654091; I654258; I666120; I66113; I668106 rubber composite structure and its manufacturing method
- ROC Patent No. M 574 554: Double-sided high-frequency processing composite structure
- ROC Patent No. M 583 376: Weather-resistant and fire-resistant composite structure
- ...Another 11 patents are under review.


A total of 10 product certifications have been obtained

- Quality management system (2 items):
ISO 9001, ISO 14001 (2015 new version) certification
- Inflatable boat product materials (1 item):
Obtained EU BV (ISO 15372) certification for the main rubber material of marine inflatable boats
- Life-saving inflatable product materials (1 item);
Continuation of the certification of the main rubber material for marine inflatable lifeboats of China Classification Society.
- Dry diving suit (3 items):
Obtained European EN 14225 standard diving material certification .
- Protective clothing material (1 item): American arc flame protection test (ASTM F1891).
- Chemical protective clothing materials (2 items);
Chemical resistance test certification (ASTM F903).
- Reach EU environmental protection (SVHC) materials (3 items):
Obtained the SVHC high concern forbidden and restricted 201 chemical testing standards.
- Capacitor rubber insulating material (1 item):
Obtained the high-voltage insulation test standard for electromechanical products in mainland China.


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Manufacturing Division-Production and R&D



- Rubber and plastic mixing system
- Rubber Calendaring machine
- Steel belt Rotocre vulcanizer
- Autoclave vulcanizer
- Hot air vulcanizer
- TPU Calendaring machine
- PVC Calendaring machine
- Direct coating machine
- Multifunctional transfer coating machine
- Padding machine
- Environmental air pollution prevention and energy saving equipment. (Exhaust gas combustion RTO and waste heat recovery energy-saving equipment)
- Central laboratory



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Development Division - 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

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Development Division - 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 space	45/135	Revenue (FRG)	TWD \$ 2.55 billion
Start Date	2011/03/25	Complete Date	2013/12/27

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Development Division - 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

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Development Division - 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

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Development Division - 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

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Development Division - SERIF



Location	Market Street, San Francisco	Usage	Residence/Hot el/Retail
Site Area	3,183 m ²	Structure	RC
Floor Area	37,923 m ²	Floors	B2F/12F
Condo/Hotel rooms/Shops	242/238/10	Net income before tax (FRG)	USD \$ 16 -18 Million
Start Date	2018/10/25	Complete Date	2021/Nov.

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SERIF



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**Development Division
- Ambassador Hotel Kaohsiung**




基地位置




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Development Division

- Ambassador Hotel Kaohsiung



Location	The original location of Ambassador Hotel Kaohsiung (The first row of the Love River)
Land lots number	Land number 533、535 Houjin Section, Qianjin District, Kaohsiung City
Land lots Area	6,698m ²
Districts	5 th Business district (Building coverage ratio 70%、Floor Area Ratio 840%)
Site	Facing three roads: 民生二路60M(國道)、河東路30M(國道)、國民街10M

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Distribution of benefits

- Ambassador Hotel Kaohsiung



Join venture

- Land owner : FRG 30%、The Ambassador Hotel Co. 50%、CDC 20%
- Developer : CDC
- FRG's Distribution of benefits : 11.1%

Development

- Considering the preparation period for the demolition of the original building and the business vacancy, the construction permit is expected to get in 2-3 years, but it depends on the progress of the reconstruction of urban unsafe and old buildings plan.

Advantages and Prospects

- Great location : Love River and Kaohsiung Port Interchange
- Kaohsiung people's memory : Ambassador Hotel Kaohsiung
- Become a landmark of Kaohsiung

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Logistics Division







Nankan Logistics Park

Logistics center operation, warehouse construction, lease management, etc.

Bridge Upto Zenith business center

Commercial retail for rent and leasing business


Longtan intelligent park

Logistics operations, construction of industrial plants and warehouses, lease management, etc.

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Logistics Division-Nankan Logistics Park





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.



南崁區區配置圖

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Logistics Division–ILC Center



FRG International Logistics obtained a logistics center license from the Taipei Customs of the Ministry of Finance in 2003 and has since accumulated more than 18 years of experience in warehousing services for the electronics industry, covering services from B2B to B2C for e-commerce. In addition, FRG's WMS system integrates the end-to-end import and export and customs clearance processes, accelerating the import and export services and providing a safe and secure storage environment to enhance the overall performance of logistics operations for the customer. Therefore customs could improve overall logistics operational performance and a safe storage environment. Arrow、Macnica、ATM、NEC、CIRTEK are our major customers.



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Logistics Division

–Bridge Upto Zenith business Center



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



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Logistics Division

-Longtan intelligent Park



This year, FRG Longtan is focused on the revitalization of existing assets, including the 6,600sqm R&D Building and set up a logistics team to take charge of business development. At present, the first floor is occupied by UniMax Electronics and the second floor is a third-party logistics warehouse leased to a Japanese company, with FRG responsible for the import and export of goods.

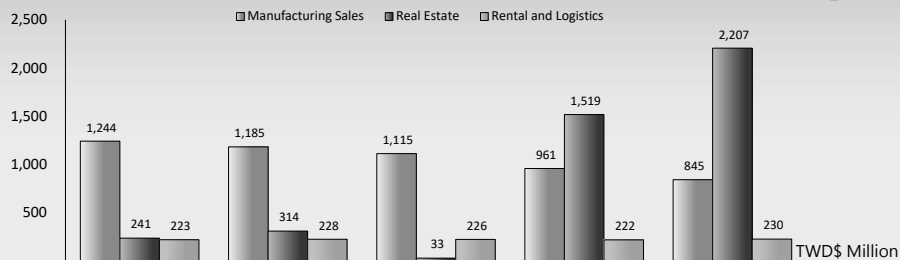


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Consolidated Revenue

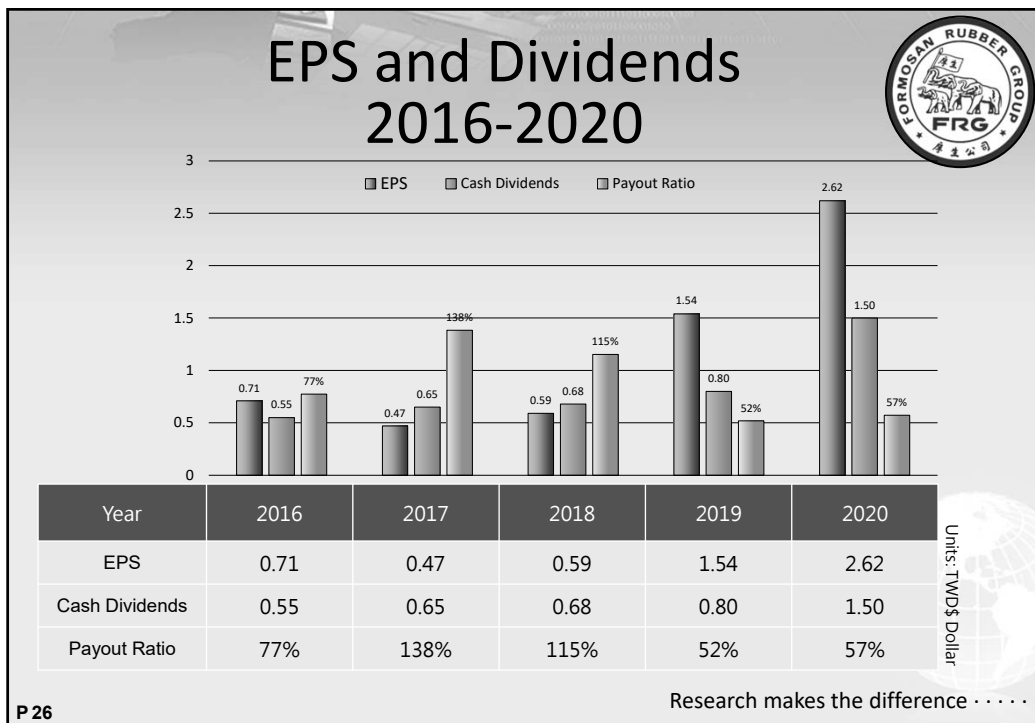
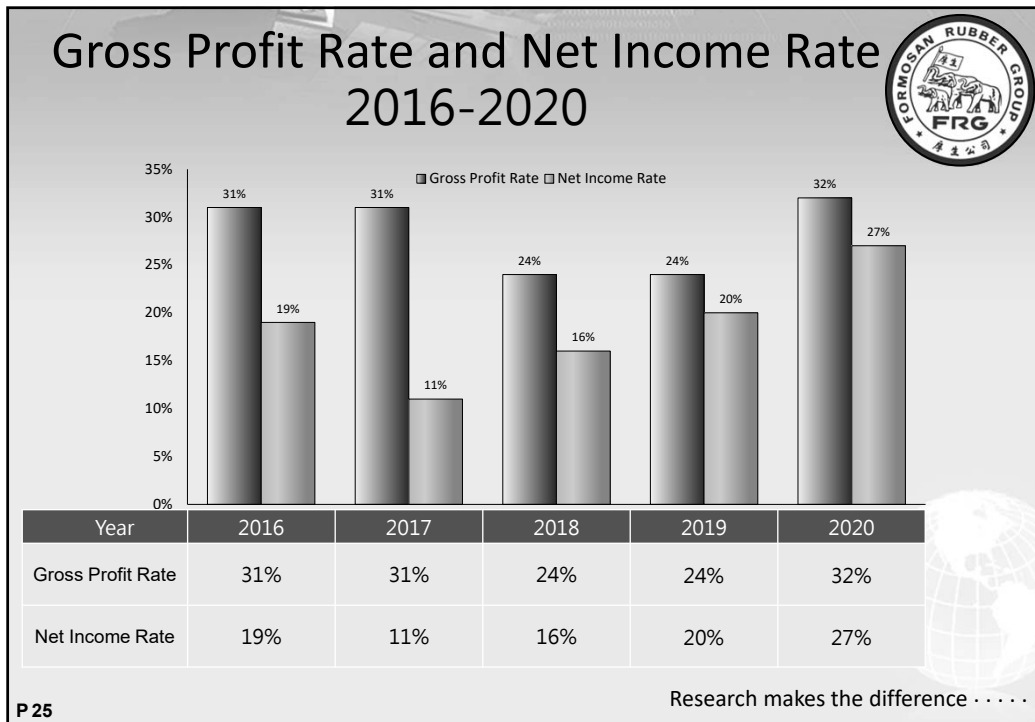
2016-2020

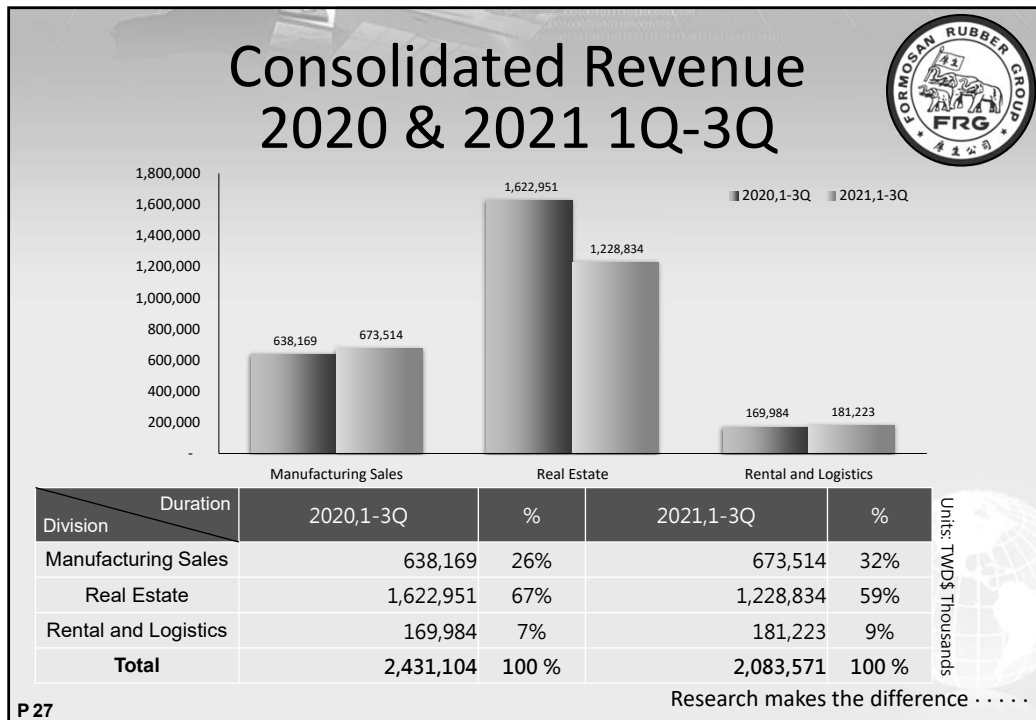


Division \ Year	2016	2017	2018	2019	2020	
Manufacturing	1,244	1,185	1,115	961	845	26%
Real Estate	241	314	33	1,519	2,207	67%
Rental and Logistics	223	228	226	222	230	7%
Total	1,708	1,727	1,374	2,702	3,282	100%

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Profit and Loss Account 2020 & 2021 1Q-3Q


Account	2020 1-3Q	2021 1-3Q
Net Revenue	2,431,104	2,083,571
Operating Cost	(1,577,138)	(1,428,978)
Gross Profit	853,966	654,593
Operating Expenses	(169,053)	(178,340)
Operating income	684,913	476,253
Non-operating gains or losses	124,414	173,600
Income before income tax	809,327	649,853
Income tax	(8,715)	(76,120)
Net Income	800,612	573,733
EPS (TWD)	2.32	1.67

Units: TWD\$ Thousands


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Prospects-Manufacturing



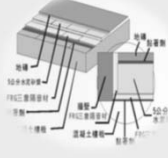
Energy saving and ECO protection




Safety Protection




Sound insulation and noise reduction




Maritime escape



Electronics industry Production supplies




Independent Research and development

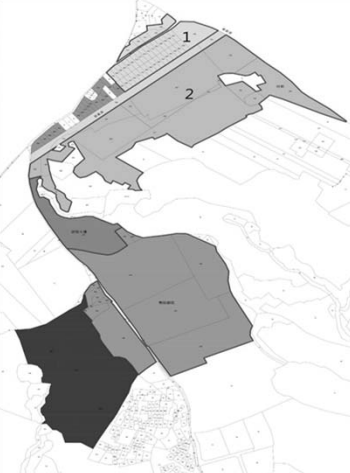


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Prospects-Logistics Division





- **We are dedicated to reaching industrial clustering to create exclusive logistics for different industries.**
FRG Longtan Intelligent Park: We will utilize the experience we learned from our Nankan Center to acquire 10,000 square meters of land on which the Longtan Smart Park will be established.
- **FRG Logistics Center will obtain PIC/S GDP certificate in the mid-and long-term**
In the future, we will build a GDP warehouse at our FRG International Logistics in Nankan, which would meet international standards and establish medical warehousing services that allow us to develop our business in the new fields of medical logistics.

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Prospects-Development Division



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



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