



Investor Conference

Formosan Rubber Group Inc.



Ticker : 2107

2020/12/4

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P 1

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\$ 3,423,260,000

IPO : 1992/03/03

Number of employees : 189

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)
Medical treatment material ECO Non-toxic Plasticizer Raincoat Fabric Truck coverage canvas	Industrial protection Arc & Flame Luggage bag material Medical treatment material Rubber raincoat Life vest fabric Medical treatment material Industry raincoat	ECO Non-toxic Plasticizer Inflatable boat Fabric Marine lifesaving Equipment fabric
Canopy Carport Fabric Luggage bag material Inflatable boat material Special use Chemical suit	Medical use Fabric For oil spill Oil barrier Aviation High-pressure pneumatic jack 3D fabric Railway Rubber Flooring	Large Inflatable tent fabric Inflatable boat material Functional garment
	Railway Bellows Fabric Airtight Drysuit Fabric Soundproof Building materials Antistatic Table mat Flooring	

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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 80% of thermal fuel
3. Waste heat recovery and reuse of Regenerative Thermal Oxidizer (RTO)

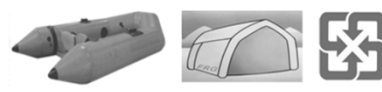
FRG ECO-TeX®

Rubber & TPU Coated ECO -Tex

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

PET Bottles + 15~30 % Waste Plants → Textile





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Manufacturing Division-

patents and certifications



2020 Obtained 2 patents

A total of 107 patents have been obtained

- ROC Patent Number I 692 405: Flame-retardant waterproof fabric and its manufacturing.
- ROC patent number I 699 583: Flame-resistant fabric and its manufacturing method.
- ROC patent number I 666 113, I 666 120, I 668 106: Rubber composite structure and manufacturing method thereof.
- ROC patent certificate number I 669 210: Thermosetting, soft, non-yellowing, light-transmitting five-layer structure rubber leather material and manufacturing method thereof.
- ROC patent certificate number I 675 750: Manufacturing method of continuous cloth patch foam rubber leather.
- 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 10 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 -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

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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

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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

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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

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Development Division -Completed Project(5)



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 -Under construction Project



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	242/236/10	Net income before tax (FRG)	TWD \$ 16 -18 Million
Start Date	2018/10/25	Complete Date	2021/Q2

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950 Market Street



FORMOSAN RUBBER GROUP
FRG

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Leasing Division



FORMOSAN RUBBER GROUP
FRG

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.

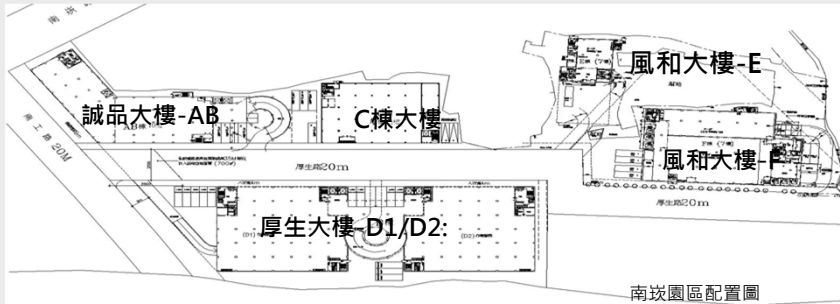
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Leasing Division-Nankan Logistics Park



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. °



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Leasing Division-Nankan Logistics Park



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

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Leasing Division–Nankan Logistics Park



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

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Leasing Division–ILC Center



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 logisycs operational performance and a safe storage environment . Arrow 、Macnica 、ATM 、NEC 、CIRTEK are our major customes.

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Leasing Division

–Bridge Upto Zenith business Center



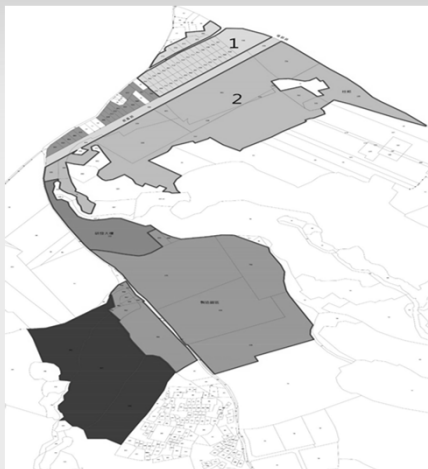
Bridge Upto Zenith business center , covering an area of 6224.8m², all occupant with tenants now. Tenants Included ESun Bank, Nan Shan Life Insurance Co.,Ltd , Sinopac Financial Holding and ALPHABELLE. annual rental income over 38 millions NTD, Bridge Upto Zenith business center has become the leading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

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Leasing Division

–Longtan intelligent Park



The Longtan Intelligent Park of FRG will replicate the experience of Nankan in the future. It will hold about 50,000 Pings of land (including the manufacturing department) and plan to build it into an intelligent park as Longtan indicator.

•Short-term goal

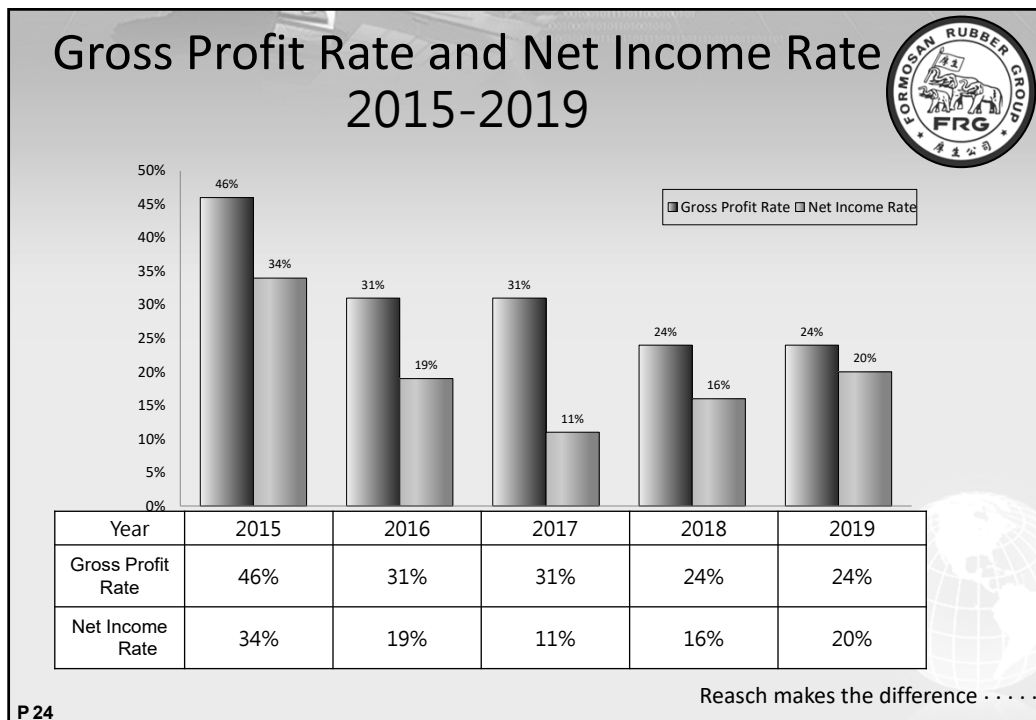
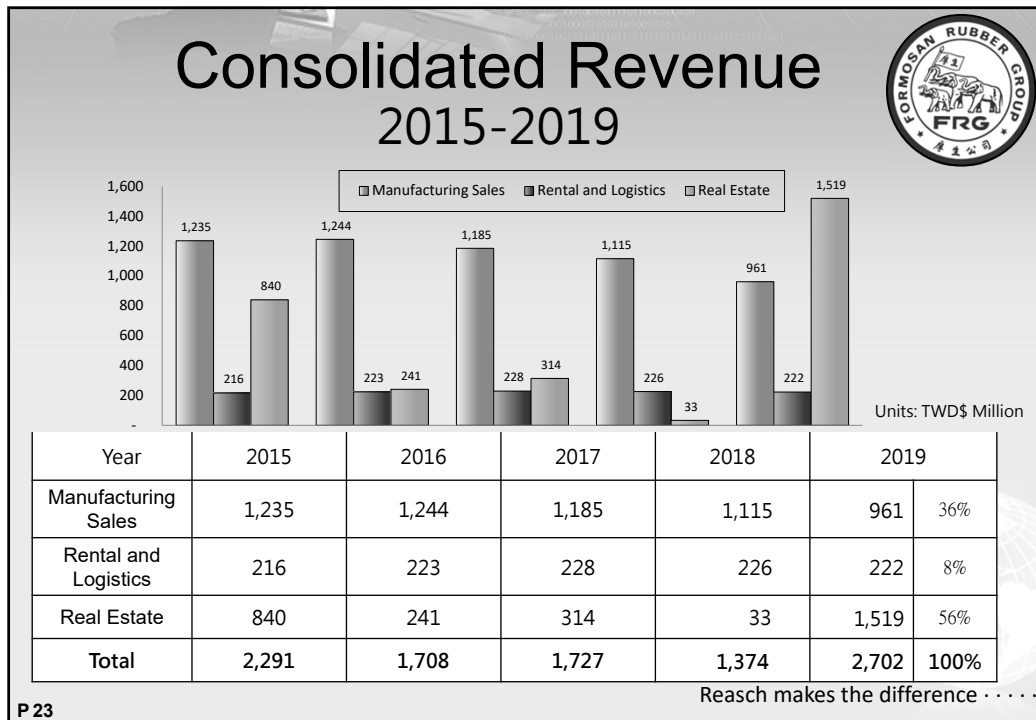
Lease existing plant to customers after renovation .

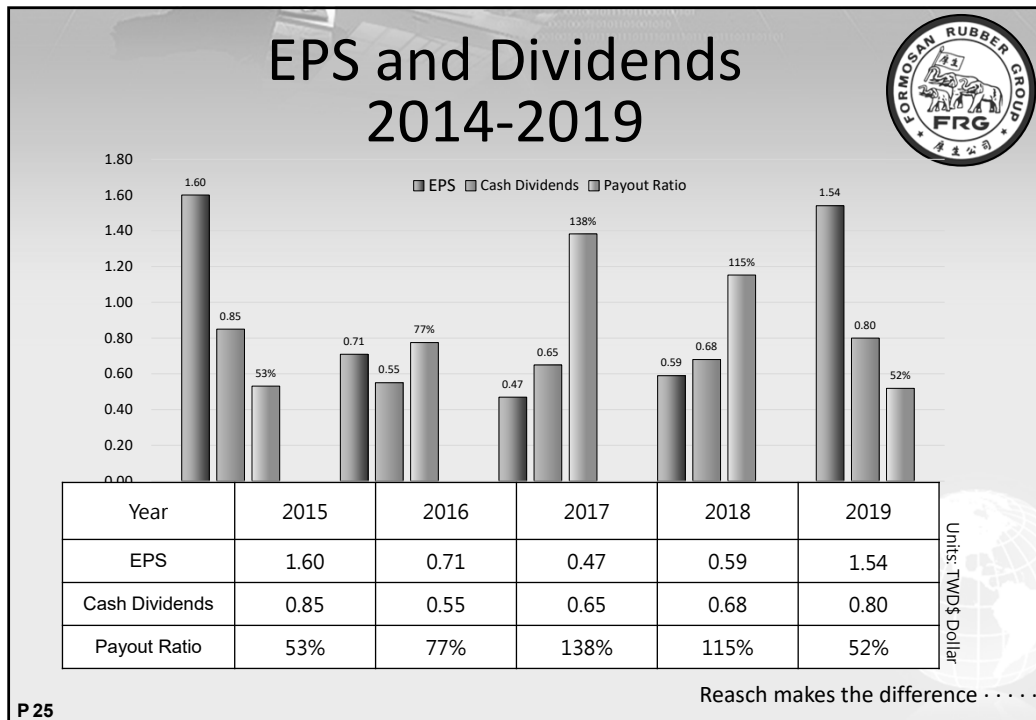
•Medium and long-term goal

We will customized warehouses or factories for customers which will attract more quality customers into intelligent park area.

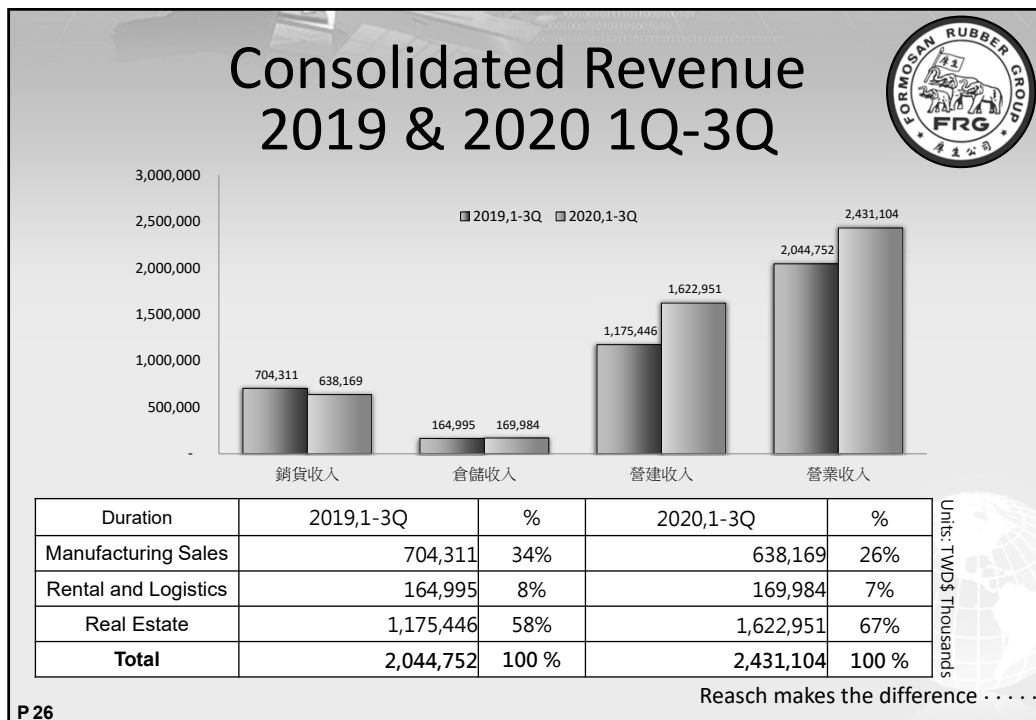
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Profit and Loss Account 2019 & 2020 1Q-3Q



Account	2019 1-3Q	2020 1-3Q	%
Net Revenue	2,044,752	2,431,104	+18.9%
Operating Cost	(1,529,371)	(1,577,138)	+3.1%
Gross Profit	515,381	853,966	+65.7%
Operating Expenses	(166,618)	(169,053)	+1.5%
Operating income	348,763	684,913	+96.4%
Non-operating gains or losses	140,417	124,414	-11.4%
Income before income tax	489,180	809,327	+65.4%
Income tax	(40,307)	(8,715)	-78.4%
Net Income	448,873	800,612	+78.4%
EPS (TWD)	1.28	2.32	+81.3%

Units: TWD\$ Thousands

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Prospects-Manufacturing



Energy saving and ECO protection

Energy saving & environmental protection, in line with future environmental regulations, low carbon emissions:

1. Energy use, advanced design (low carbon emissions).
2. Low sulfur oxide, low nitrogen oxide, low particulate pollutant emissions.
3. Won the Industrial Bureau of the Ministry of Economic Affairs 109 Industrial Low-Carbon Technology Application Subsidy Program Award.



Electronics industry Production supplies

Consumables for electronic industry production process (replace kraft paper):

1. Consumables for PCB & CCL Molding Process.
2. Consumables for solar panel molding process.
3. Consumables for 5G product molding process.



Safety Protection

Continuous development of high-end multifunctional protective clothing fabrics:

1. Anti-acid, anti-alkali, chemical-resistant protective clothing fabric.
2. Arc-resistant, flame-resistant, oil-resistant, and wear-resistant protective clothing fabrics.



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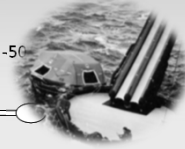
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Prospects-Manufacturing



Maritime escape

Improve the development of materials for marine automatic inflatable escape related equipment:
Comply with IMO sub-zero (-70 °C) life-saving raft, escape slide equipment materials and -50 °C environmental protection life jacket materials.



Independent Research and development

Cooperate with independent research and development policy: Developed and completed railcars (high-speed rail, MRT, light rail) with flame-resistant, low-smoke, low-smoke-toxic, and wear-resistant grades, environmentally-friendly and energy-saving translucent Bellows materials, and rubber low-noise anti-slip rubber floorings inside the carriages. Participate directly or indirectly in the local application market.



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Prospects-Leasing Division



- Expand the added value of the logistics center
In addition to stabilizing rental profits, we will expand the added value of leasing services. In response to the return of manufacturers from overseas, we will increase the area of bonded warehouses in the logistics center and increase our service items.
- Develop the land we owned in Longtan into intelligent logistics park
COVID-19 pandemic is fueling the growth of "stay-at-home economy". The demand for e-commerce and warehousing has increased dramatically. FRG will set up an intelligent park in Longtan to attract players from logistics industry.

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Prospects-Development Division



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



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Thank You



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