

Introduction of Sea Port Free Trade Zones



Taiwan International Ports Corporation, Ltd.

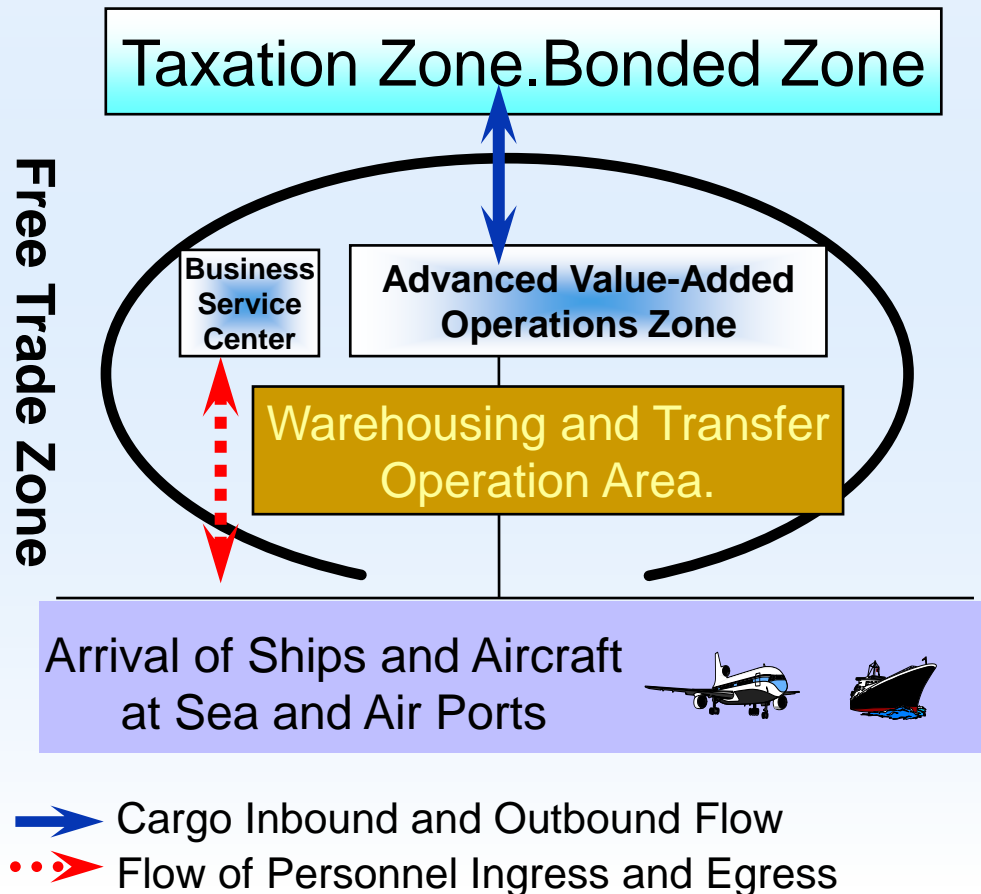
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1. Concept of Free Trade Zone

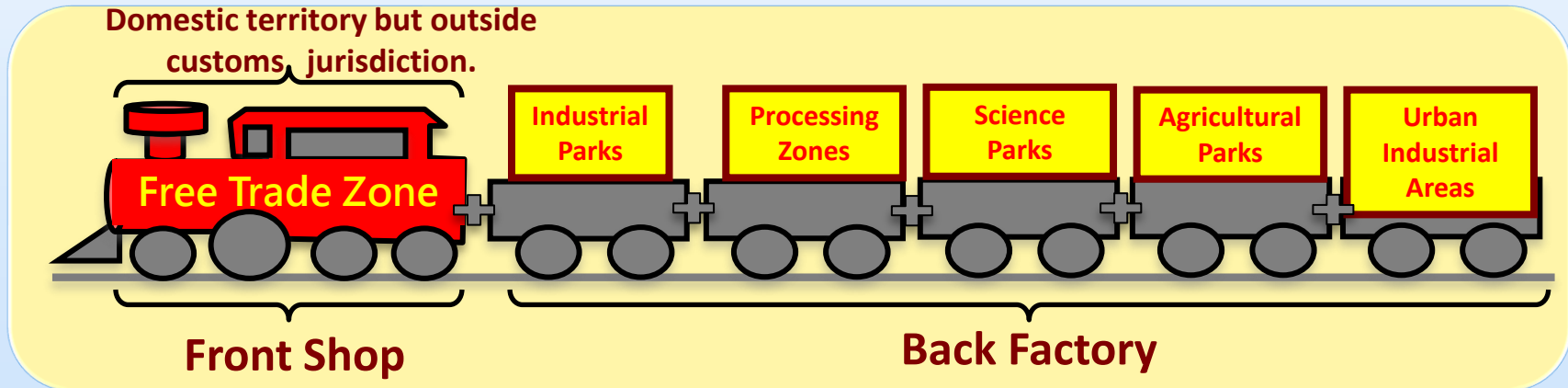
✓ Significance and positioning of FTZs



- Domestic territory but outside customs jurisdiction.
- Creating a Special Zone for Logistics Transshipment and Value-Added Services
- Pilot Zone for Comprehensive Trade Liberalization

2. Free Trade Zone System

Driving the Industrial Supply Chain



□ Driving the Industrial Supply Chain:

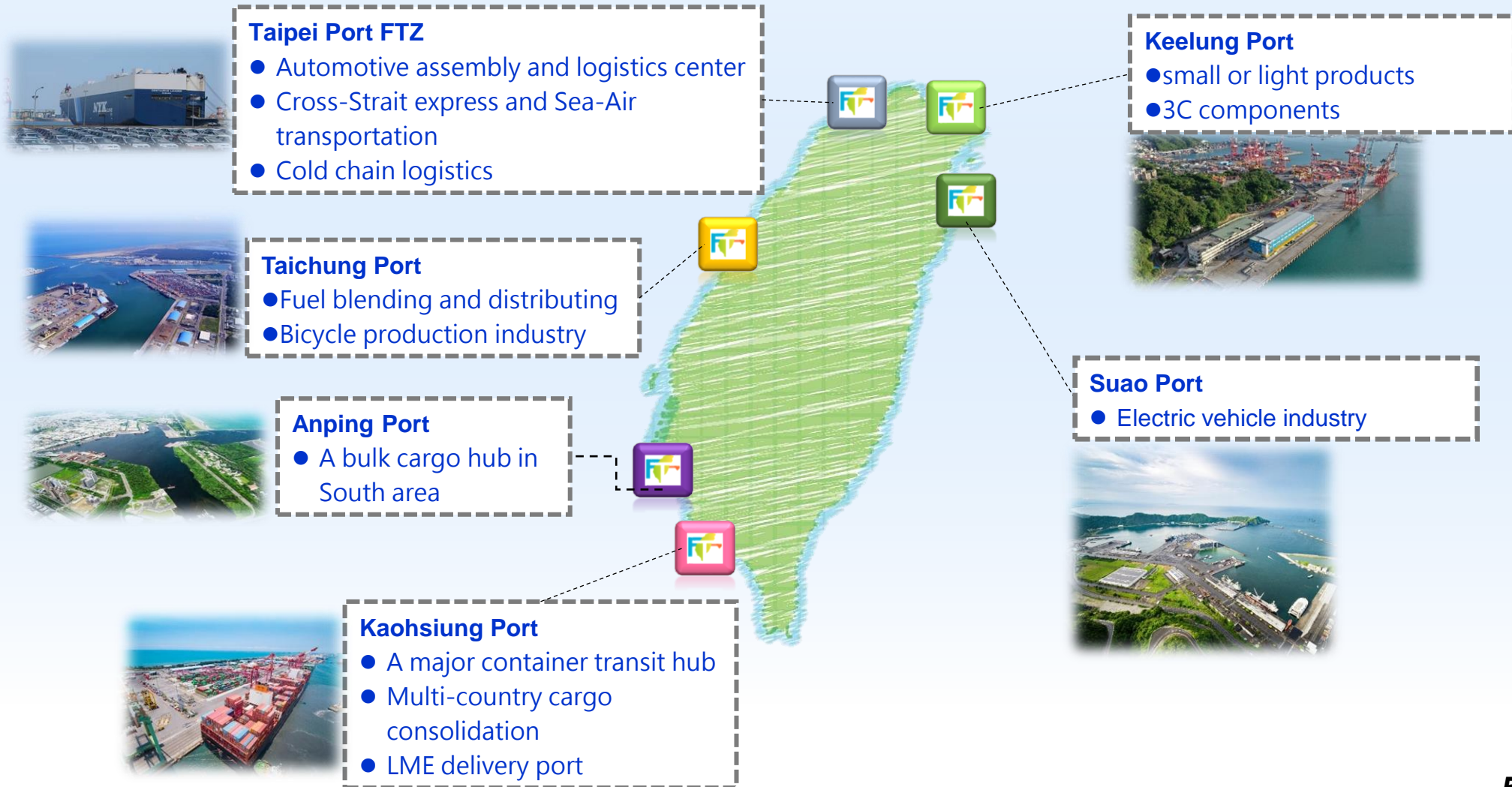
The Free Trade Zone supports various commercial activities including trade, warehousing, logistics, container distribution, transshipment, assembly, simple processing, storage, redistribution, packaging, repairs, manufacturing, testing, exhibition, and technical services. All industries engaged in these activities within the zone enjoy the special "domestic territory but outside customs jurisdiction" status, enhancing international competitiveness.

□ Key Role in Supply Chain Development:

Acting as an economic engine, the zone establishes supply chain relationships through models like "front shop, back factory" and "outsourced processing." It connects domestic and international value chains, facilitating the transformation and development of traditional, service-oriented, and high-tech industries in Taiwan.

3. Overview and Advantages of Sea Port FTZs

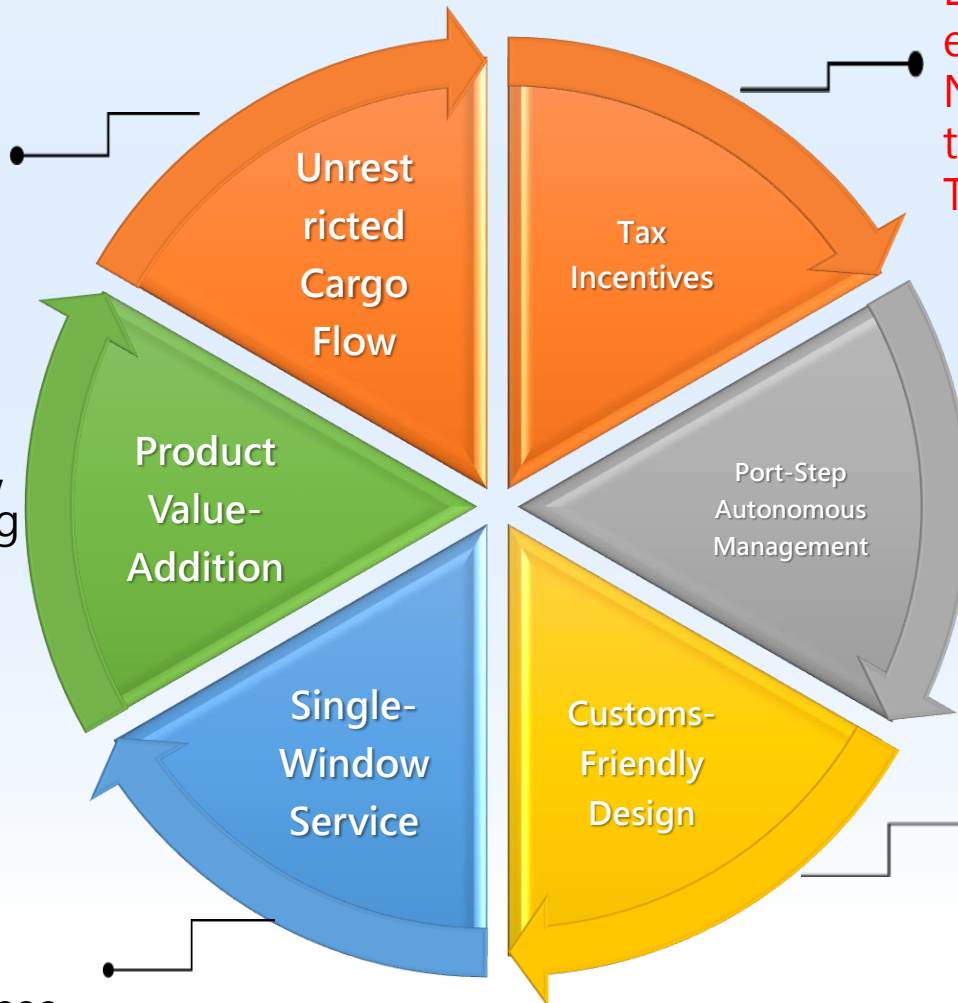
(1) Introduction of Taiwan Sea Port FTZs



3. Overview and Advantages of Sea Port FTZs

(2) Investment Advantages

The Free Trade Zone allows seamless cargo movement, reducing import/export restrictions



Duty-free import of goods, equipment, and materials. No value-added tax for transactions between Free Trade Zone enterprises.

Businesses can operate with minimal government intervention, enhancing efficiency

Goods are treated as offshore transactions, benefiting from trade policies

Supports manufacturing, assembly, and processing of goods before export

A dedicated service platform streamlines investment and administrative processes

3. Overview and Advantages of Sea Port FTZs

Tax Benefits

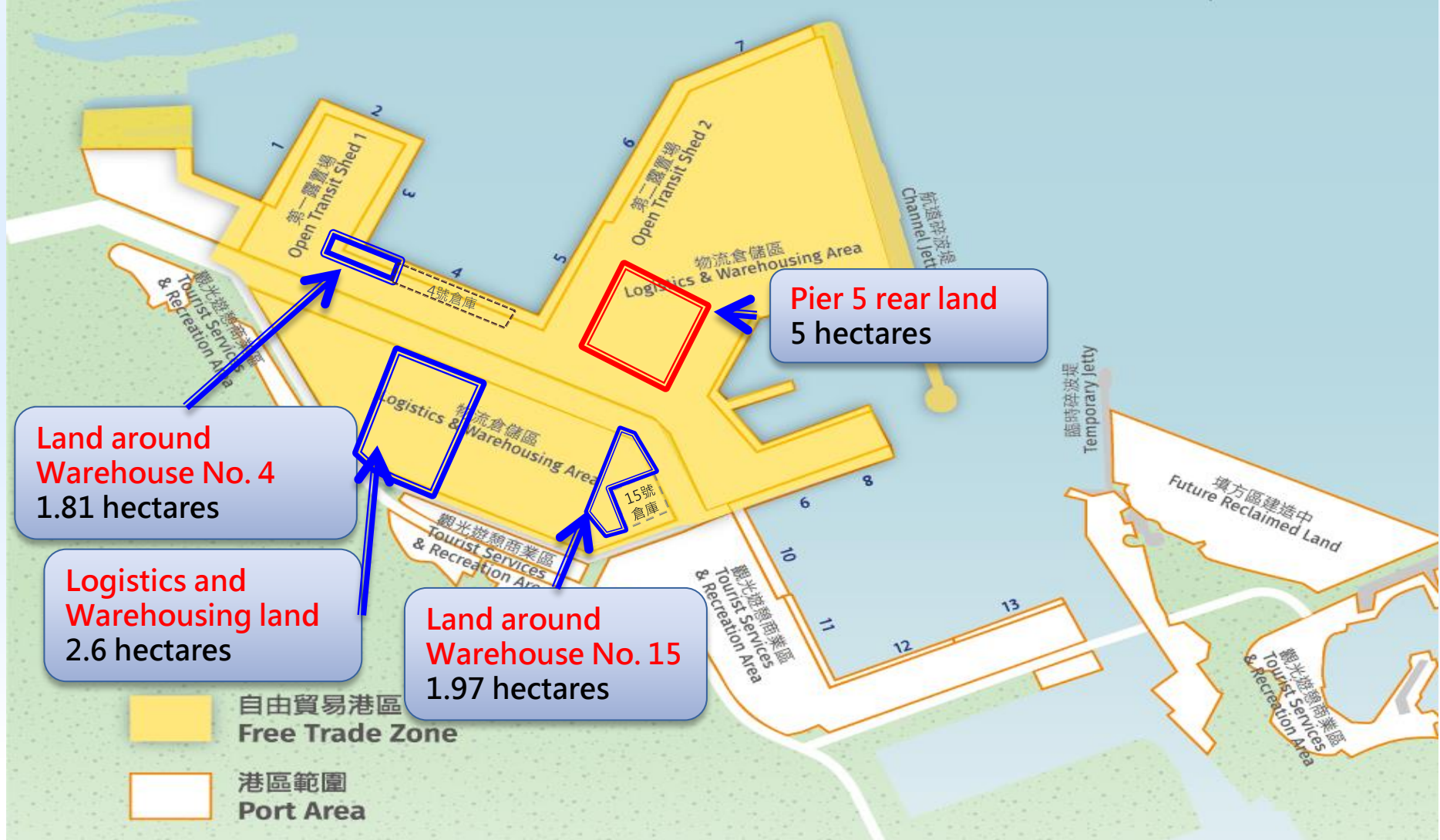


- Duty-free import of operational goods and equipment.
- 0% VAT on sales between Free Trade Zone enterprises and domestic taxed or bonded zones.
- 100% exemption from corporate income tax for companies solely engaged in preparatory or auxiliary activities.
- Domestic goods entering the Free Trade Zone are treated as exports, qualifying for tax reductions or refunds.

4. Investment Information of Sea Port FTZs

Suao

The land available for investment is about 11.38 hectares, suitable for green energy, logistics warehousing and international logistics industries to enter.



4. Investment Information of Sea Port FTZs

Taichung

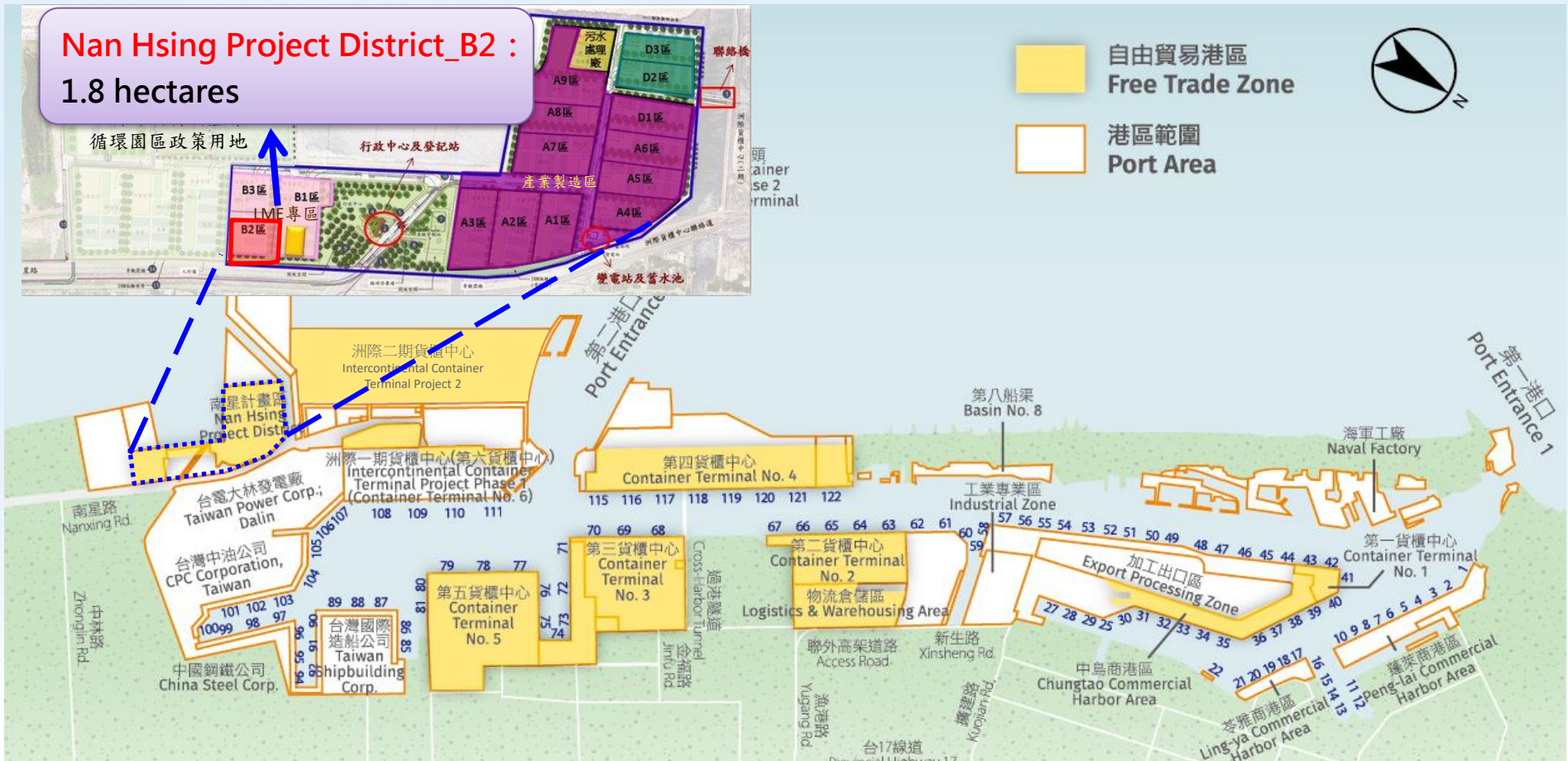
The land available for investment is about 26.12 hectares, suitable for green energy, international warehousing and smart logistics industries to enter.



4. Investment Information of Sea Port FTZs

Kaohsiung

The land available for investment is about 1.8 hectares, which is suitable for logistics and LME non-ferrous metal storage.



4. Investment Information of Sea Port FTZs

Anping

The land available for investment is about 1.64 hectares, suitable for international logistics, warehousing, container deconsolidation and other businesses



Pier 5-7 Landfill
1.64 hectares

4. Investment Information of Sea Port FTZs

Free Trade Port Zone Investment Window

Port	Title	Name	Phone	E-mail
Keelung	Manager	Ruth Chen	02-24206283	chyan@twport.com.tw
Taipei	Manager	Ben Wu	02-26196025	ag9949@twport.com.tw
Suao	Manager	Beth Yang	03-9972010	beth@twport.com.tw
Taichung	Manager	Silvia Chang	04-26642170	rouen6213@twport.com.tw
Kaohsiung	Manager	Yu-Shao Yeh	07-5622207	ysyeh@twport.com.tw
Anping	Manager	Fan Yu	06-2925756#2003	yufan@twport.com.tw

For more information about Taiwan Free Trade Zone,
please refer to "Taiwan Free Trade Zone" website
<https://taiwan-ftz.com/FTZWeb/>

5. Business Models of FTZs



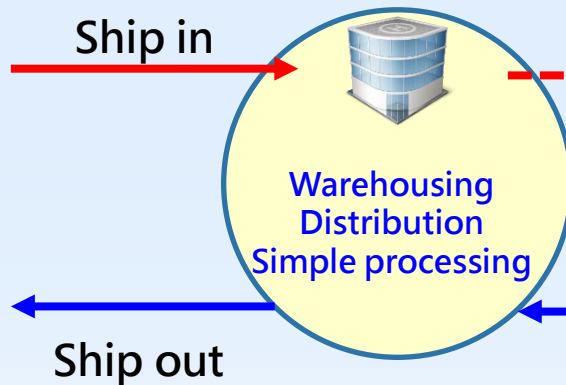
(1) International Logistics Distribution Model

**30%
Component**

Import components from Japan
Engines, gearboxes, drive shafts, electronic equipment, tires, steering tools, sheet metal parts, audio, brake parts, etc.

Free-trade-zone enterprises

Overseas

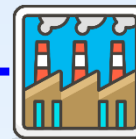


60% Export vehicles
Port value-added

Outsourced Processing

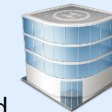
Components
delivery

Transport
back by car



**Consigned
Manufacturer**
Assemble into car

**Taxation Zone
(External suppliers)**



Semi-finished
products
delivery to
Consigned
Manufacturer



**Semi-finished
products assembly**
Chassis, body sheet metal,
shock absorbers, brake
systems, etc.

Domestic products
Headlights, glass, interior,
seats

**70%
Component**

Advantages :

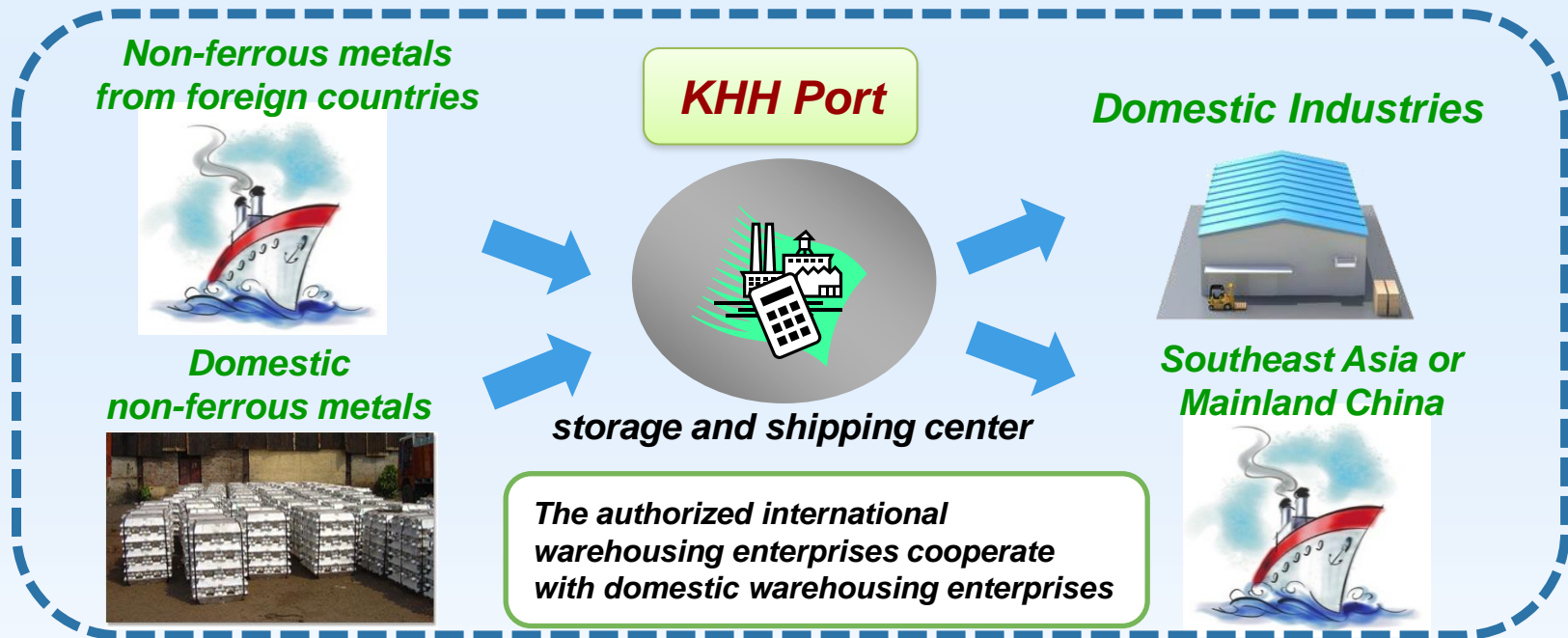
It can integrate with Taiwan's industrial supply chain to conduct outsourcing processing in multiple manufacturing regions, drive international business opportunities for collaborative factories, establish a division of labor model for component production, and improve product quality and added value.

5. Business Models of FTZs

(2) Bulk Commodity Transit and Storage

□ International Storage Center-LME Delivery Port

LME is the largest non-ferrous metals futures exchange in the world, Kaohsiung Port has already become the first delivery port between Taiwan and China in June, 2013.



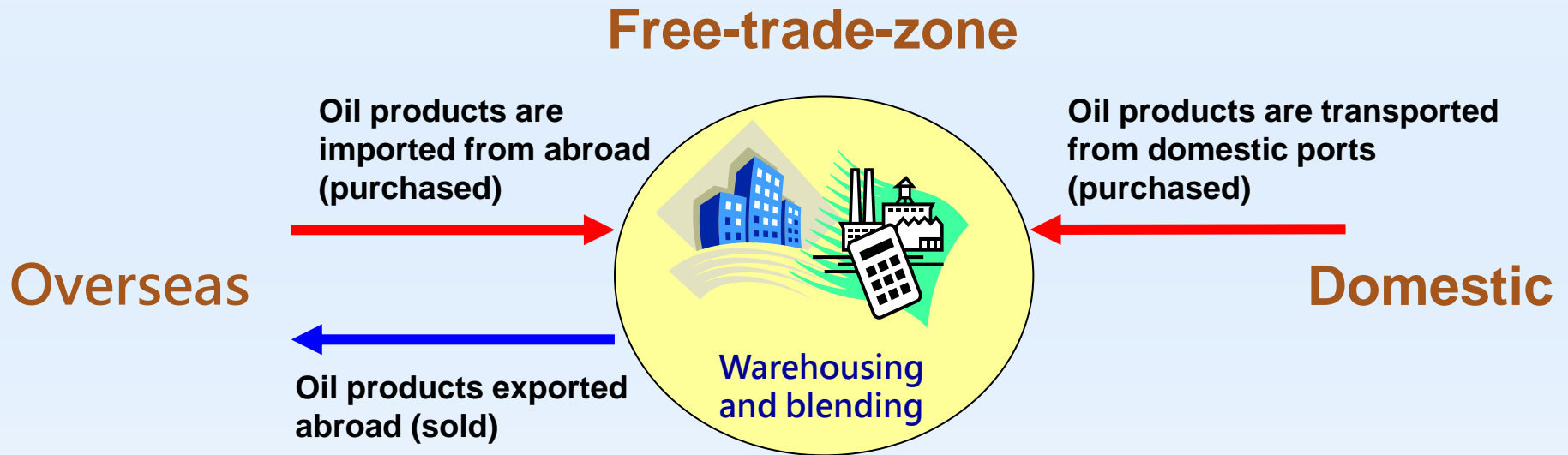
Advantages :

China is one of the major consumer markets for non-ferrous metals. Kaohsiung Port has dense shipping routes and a free port zone advantage, which enhances its logistics and warehousing competitiveness.

5. Business Models of FTZs



(3) Oil products are bought, stored (blended) and then sold



Advantages :

After simple processing, duty-free goods can effectively increase their overall added value

6. Operation volume and value of FTZs



Year	2024			Year-on-Year Growth Rate	
	Total Number of Tenant Factories	Cargo Volume (10,000 tons)	Trade Value (100 million NTD)	Cargo Volume Growth Rate (%)	Trade Value Growth Rate (%)
Keelung	8	0.4	10	91%	61%
Taipei	8	25.6	1,466	104%	124%
Suao	1	-	-	-	-
Taichung	29	503.1	3,253	140%	87%
Kaohsiung	35	101.2	1,618	119%	159%
Anping	4	0.4	10	33%	60%
Total	85	630.8	6,356	134%	106%