

**CHUNG LIEN Co., LTD**

**Institutional Investor Conference-Q2 2022**

# Agenda

1. Company Profile

2. Industry Overview

3. Operational Overview

4. Financial overview

5. Future outlook

6. Q & A

# Disclaimer

- ▶ The forward-looking statements contained in this presentation are subject to risks and uncertainties and actual results may differ materially from those expressed or implied in these forward-looking statements.
- ▶ Chung Lien Co., Ltd. makes no representation or warranty as to the accuracy or completeness of these forward-looking statements and nor does Chung Lien Corporation undertake any obligation to update any forward-looking statements, whether as a result of new information or future events

## — 、 Company Profile

- ▶ 1. Basic Data
- ▶ Date of Establishment : 09 Aug 1954
- ▶ Address: No. 7, 1st Road, Industrial Zone, Xitun District, Taichung City
- ▶ Paid-up capital: NT\$1.088 billion
- ▶ Number of employees : 11 (including consolidated companies)
- ▶ Chairman: Mr. SU NAN CHOU
- ▶ General Manager: Mr. CHIANG JUI MENG
- ▶ Main Product : Real Estate Leasing

## — 、 Company Profile(continue1)

### ▶ 2. Company History:

- ▶ Established in 1954, it mainly deals in LTL freight
- ▶ In 1997, the stock was officially on the counter
- ▶ In 2004, it merged with Tainan Freight
- ▶ In 2019, the company transformed and withdrew from the freight market and transformed into a real estate leasing industry

## — 、 Company Profile(continue2)

### ▶ 3. Business Scope:

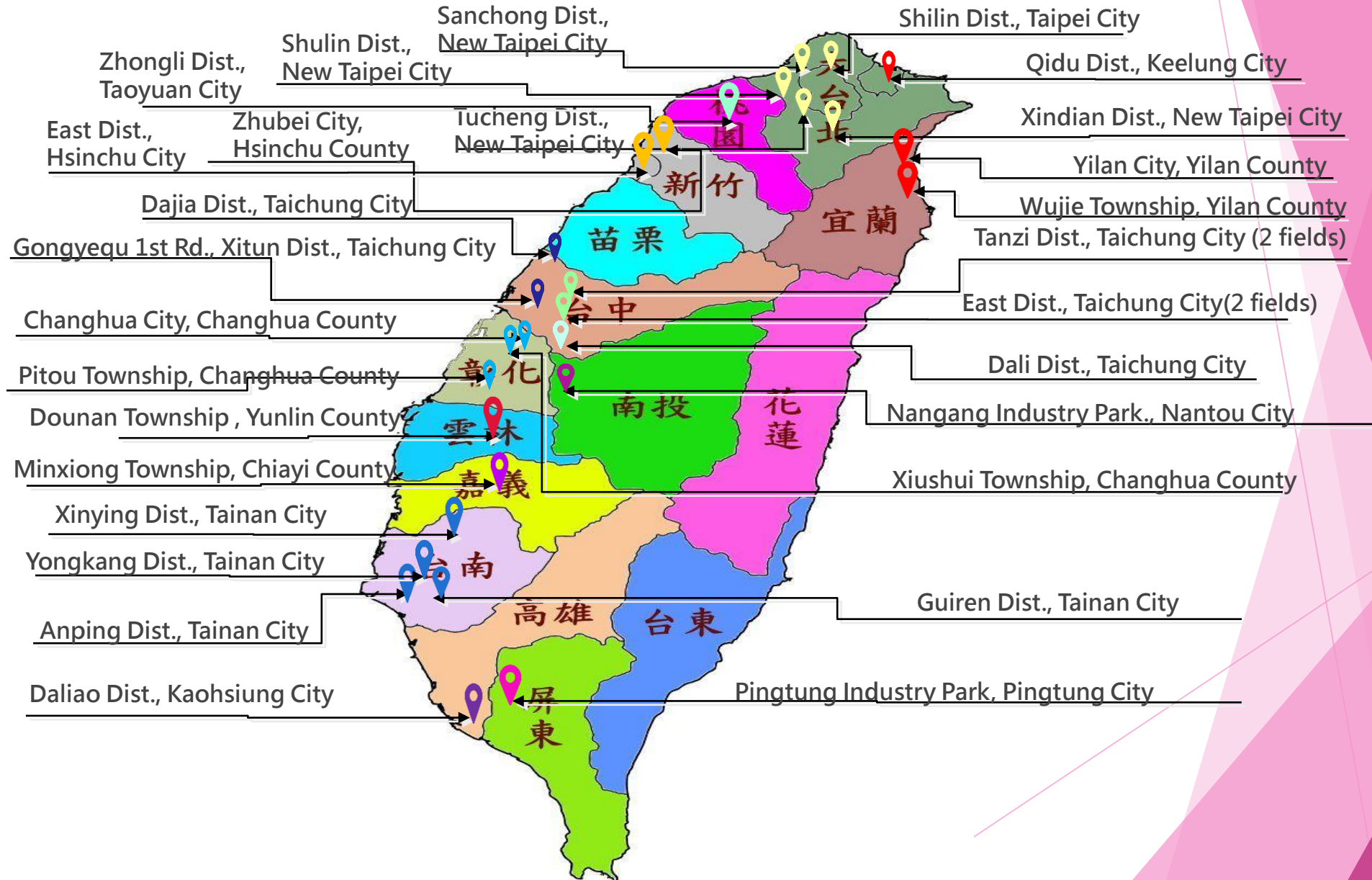
It mainly provides leasing of industrial plants from north to south in the western and northeastern parts of Taiwan Main Island.

### 4. Main product:

After withdrawing from freight operations, the original freight station for self-use was transferred to provide leasing by external enterprises.

# Company Profile(continue3)

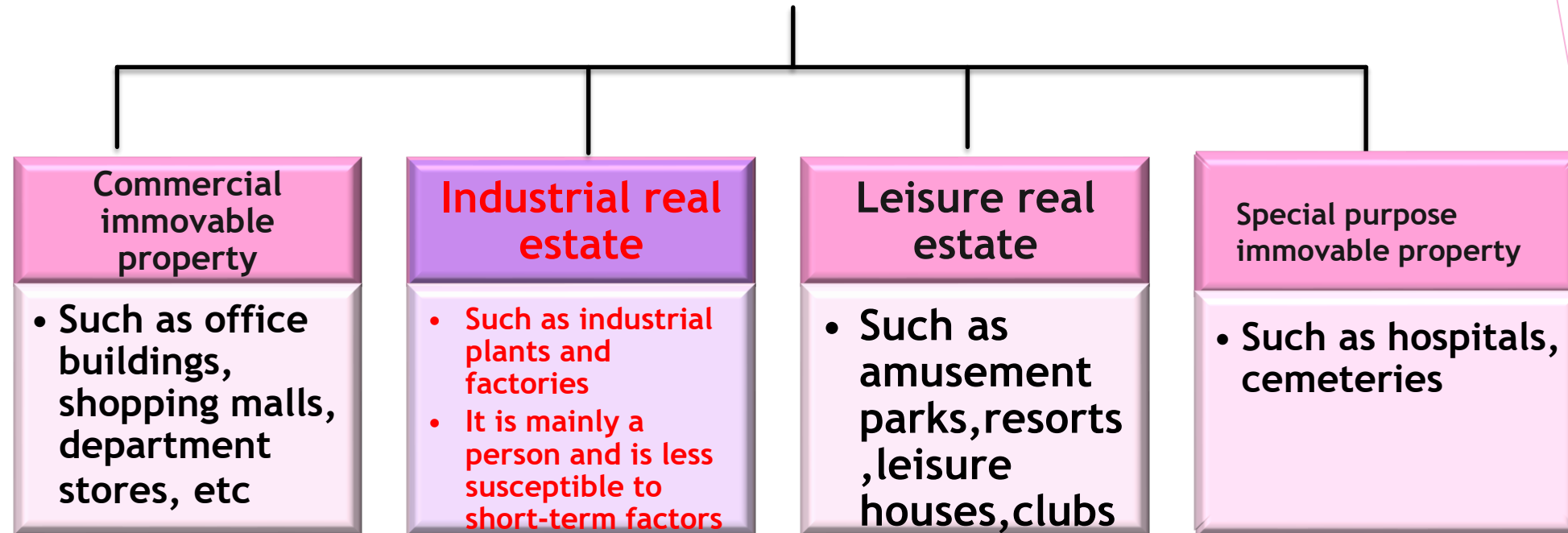
## 5. Business Segmentation Chart



## Industry Overview

### 1. Industry status and development

- ▶ Real estate leasing
- ▶ Residence
- ▶ Commercial real estate

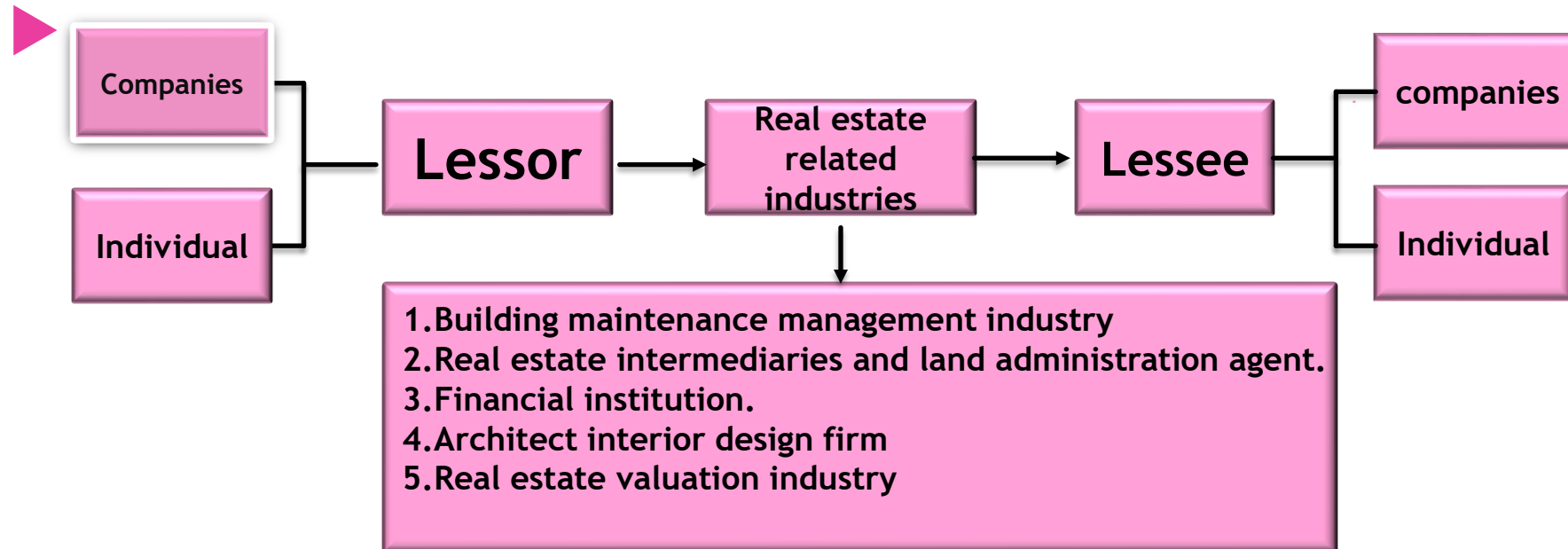




## 二、 Industry Overview (continue1)

- ▶ 2.The relevance of the upstream, middle and downstream of the industry

### ▶ Upstream      Middle      Downstream



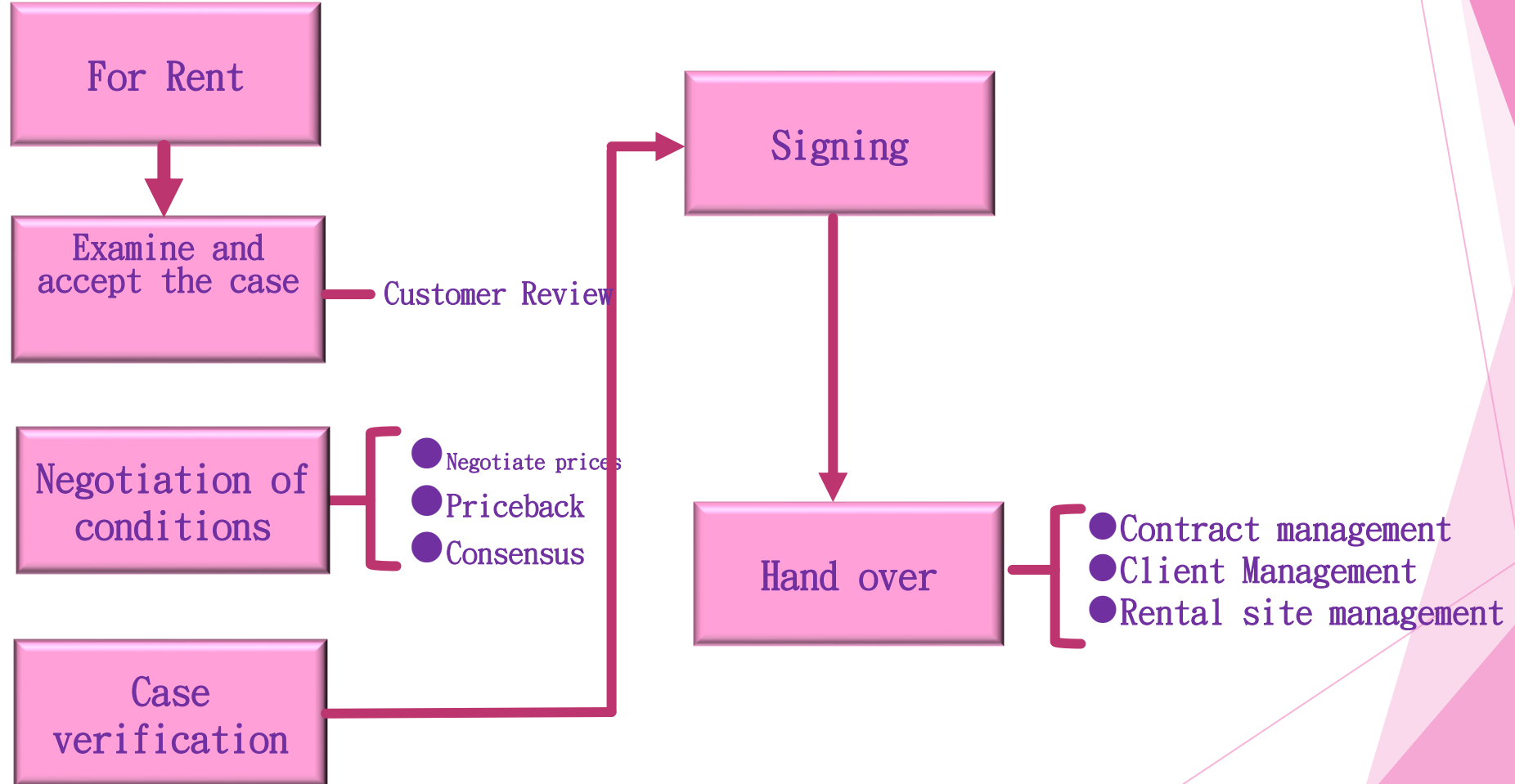
## 二、產業概況(續Industry Overview (continue2))

### ▶ 3. Development trends and competition

- ▶ In recent years, the government has promoted the optimization of the investment environment by providing more than 600 hectares of industrial land for lease and sale, with the principle that leasing is better than selling, in order to attract investment enterprises and increase the supply of industrial land, thus adding competitive variables.

# ≡ 、 Operational Overview

## 1. Sales Processes



## ≡ 、 Operational Overview(continue1)

### 2. Main business content and weighting

#### 2022Y Q2(1-6Months)

Main product	Quantity (ping)	Amount (NT Thousand)	Proportion (%)
Rental income	32,361	80,327	100

#### 2021Y Q2(1-6Months)

Main product	Quantity (ping)	Amount (NT Thousand)	Proportion (%)
Rental income	30,288	70,457	100

# Operational Overview(continue2)

## 3. Market and Production Overview

2022YQ2

Distribution Areas	City	Quantity (Field)	Land area (ping) A	Rental area (ping) B	Rental rate (%) B/A
Northern Area	Yilan-Hsinchu	11	9,899	7,512	76%
Central Area	Miaoli - Yunlin	12	17,532	14,157	81%
Southern Area	Chiayi - Pingtung	7	13,965	10,692	77%
Total		30	41,396	32,361	78%

2021YQ2

Distribution Areas	City	Quantity (Field)	Land area (ping) A	Rental area (ping) B	Rental rate (%) B/A
Northern Area	Yilan-Hsinchu	11	9,899	7,512	76%
Central Area	Miaoli - Yunlin	12	18,554	12,084	65%
Southern Area	Chiayi - Pingtung	7	13,965	10,692	77%
Total		30	42,418	30,288	71%

## ≡ 、 Operational Overview(continue3)

### ▶ 4. Future market supply and demand situation and growth

In recent years, in view of the strong demand for industrial land, the government has been promoting the optimization of the investment environment in Taiwan, in addition to striving for a stable supply of water and electricity, and providing the Ministry of Economic Affairs to develop industrial zones to attract enterprises to set up factories and increase supply.

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## ≡ 、 Operational Overview(continue4)

### 5. Competitive Niches and Development Prospects: Favorable and Unfavorable Factors and Strategies

#### (1) Competitive niche:

Decentralization of rental targets across the province to diversify regionalization risks.

#### (2) Favorable factors:

The government extended the three major programs for investment in Taiwan until 2024 to attract investment enterprises to set up factories in Taiwan.

#### (3) Adverse factors and countermeasures:

In the event of a major political, war, or financial crisis, or economic stagnation due to increased inflation, the real estate leasing and sales market will certainly be impacted.

## 四、Financial overview

### 1. Consolidated Balance Sheets

(Amount:NT Thousand)

科目	111Q2	%	110年Q4	%	110年Q2	%
cash and cash equivalents	7,619	-	8,185	-	6,910	-
Current financial assets at fair value through profit or loss	102,197	3	34,072	1	810,338	19
Current financial assets at amortised cost	274,500	8	274,500	8	324,500	8
Other current assets(include A/R、OAR、Prepayment)	10,116	-	10,565	-	7,147	-
Non-current financial assets at amortised cost	600,900	17	601,776	18	601,776	14
Investment property	2,432,022	70	2,435,867	71	2,440,044	57
Other non-current assets(include PPE、DTA、CDP)	57,732	2	71,183	2	84,562	2
<b>Total assets</b>	<b>3,485,086</b>	<b>100</b>	<b>3,436,148</b>	<b>100</b>	<b>4,275,277</b>	<b>100</b>
Others accounts payable	674,416	19	6,637	-	10,665	-
Other current liabilities(Include NP、Current Lease Liabilities、CCL)	6,018	-	6,489	-	6,343	-
Deferred tax liabilities	469,108	13	469,108	14	487,188	11
Other non-current liabilities(Include Non-current Lease Liabilities、CDR)	47,606	2	48,892	2	66,070	2
Capital	1,087,830	31	1,087,830	32	1,087,830	25
Capital Surplus	83,846	3	83,846	2	83,846	2
Retained earnings	1,116,262	32	1,733,346	50	2,533,335	60
<b>Total liabilities and equity</b>	<b>3,485,086</b>	<b>100</b>	<b>3,436,148</b>	<b>100</b>	<b>4,275,277</b>	<b>100</b>



#### 四、Financial overview(continue1)

### 2. Consolidated Income statement

Amount:NT Thousand

Item	111Q2	110Q2	增(減)	增(減)%
Operating Revenue	80,327	70,457	9,870	14
Operating costs	14,599	14,708	(109)	(1)
Operating Gross Profit	65,728	55,749	9,979	18
Operating Expenses	10,857	9,919	938	9
Net Operating Income	54,871	45,830	9,041	20
Non-operating Income and Expenses	3,297	634,084	(630,787)	(99)
Profit before Tax	58,168	679,914	(621,746)	(91)
Tax	11,678	10,681	997	9
Net income	46,490	669,233	(622,293)	(93)
EPS(NTD)	0.43/share	6.15/share	(5.72)	(93)

## 四、Financial overview(continue2)

### 3. Financial performance Indicators-1

Analysis of Item		Year	111Q2	110Q2
Financial Structure	Debt to assets ratio (%)		34.35	13.34
	Long-term capital to property, plant and equipment ratio (%)		113.98	172.23
Solvency	Current ratio(%)		57.97	6,755.03
	Quick ratio(%)		57.90	6,751.89
	Times interest earned ratio		201	2,932

## 四、 Financial overview(continue3)

### 3. Financial performance Indicators-2

Analysis of Item		Year	
		111Q2	110Q2
Operating Ability	Account receivable turnover	226	227
	Days sales in account receivable	1	1
	Fixed property and equipment turnover	0.03	0.03
	Total assets turnover	0.02	0.02

## 四、 Financial overview(continue4)

### 3. Financial performance Indicators-3

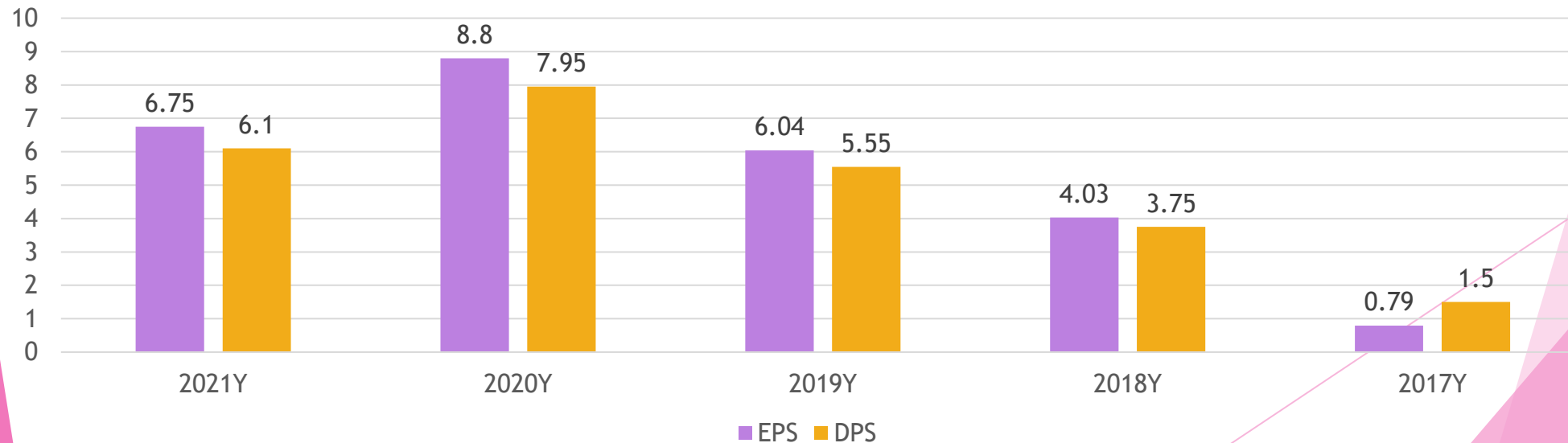
Analysis of Item		Year	111Q2	110Q2
Profitability	Ratio or return on total assets(%)		1.35	16.68
	Ratio or return on shareholder's equity(%)		1.79	19.86
	Net income before income tax as a percentage of paid-in capital (%)		5.35	62.50
	Profit ratio(%)		57.88	949.85
	Earnings per share(元)		0.43	6.15

#### 四、Financial overview(continue5)

##### 4. Dividend payments - in the year of income

ITEM	Year	2021年	2020年	2019年	2018年	2007年
Net income (Amount:NT Thousand)		734,069	957,681	656,823	438,245	85,573
EPS(NTD)		6.75	8.8	6.04	4.03	0.79
DPS(NTD)(Full cash)		6.1	7.95	5.55	3.75	1.5

Earnings per share and dividend distributions over the past five years



## 五、Future Outlook

- ▶ Carefully evaluate the lessee and relevant leasing conditions, in order to find high-quality customers, revitalize and sell the land price rises and the conditions are suitable.

**Q & A**