



# **CHUNG LIEN CO., LTD**

**Institutional Investor Conference-Q2 2023**

# 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 representations or warranties regarding the accuracy and completeness of these forward-looking statements, and the company disclaims any obligation to update any forward-looking statements, whether due to new information or future events.

# 1、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

# 1、COMPANY PROFILE(CONTINUE1)

- (2). Company History:
- Established in 1954,it mainly deals in LTL fright
- 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 fright market and transformed into a real estate leasing industry

# 1、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.

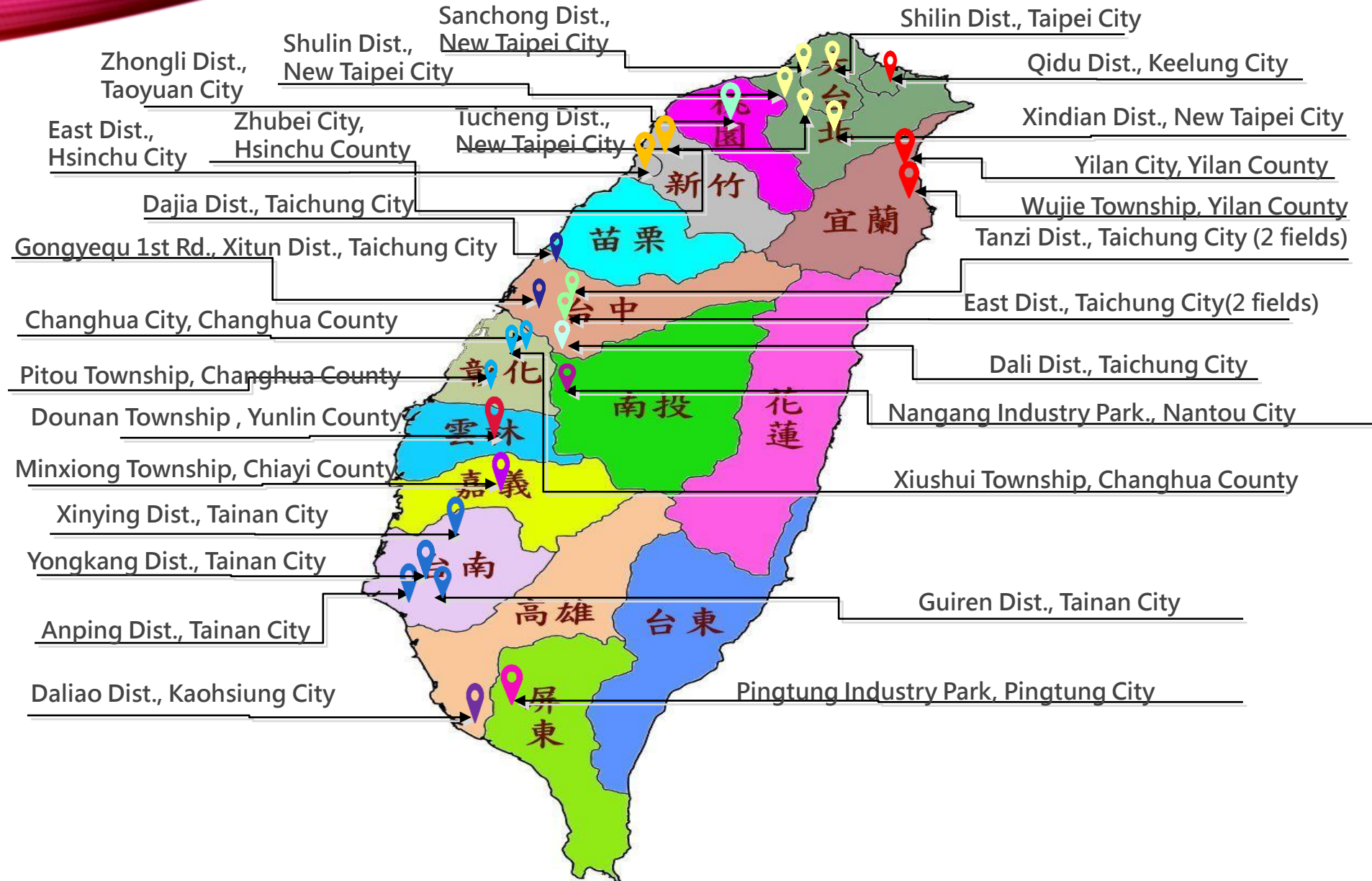
## (4).Main product:

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



# 1、Company Profile(continue3)

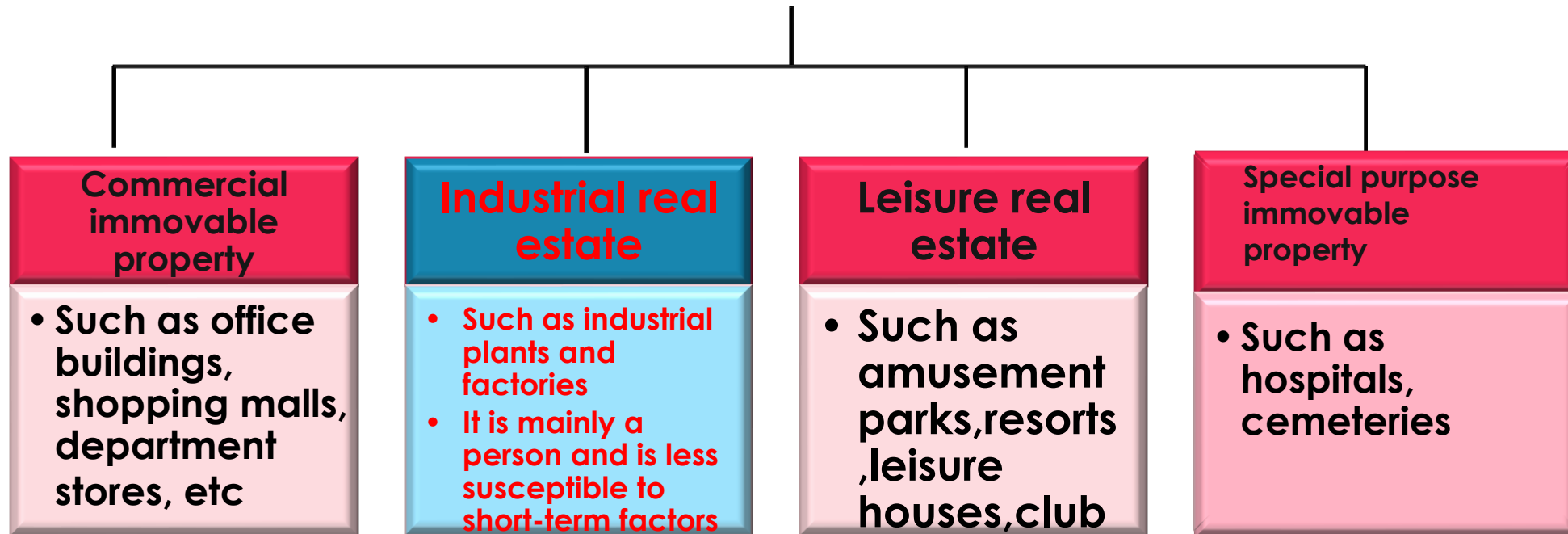
## (4). Business Segmentation Chart



# 2、INDUSTRY OVERVIEW

- (1). Industry status and development

- Real estate leasing } Residence
- } Commercial real estate

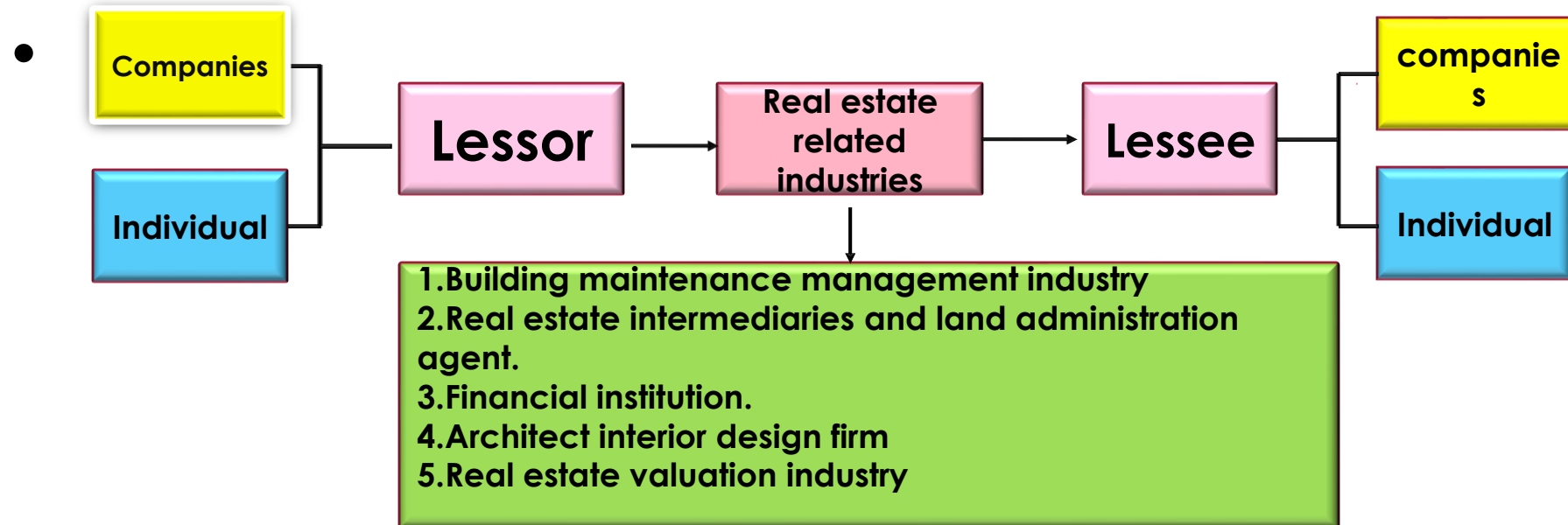




## 2、INDUSTRY OVERVIEW (CONTINUE1)

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

• Upstream                      Middle                      Downstream

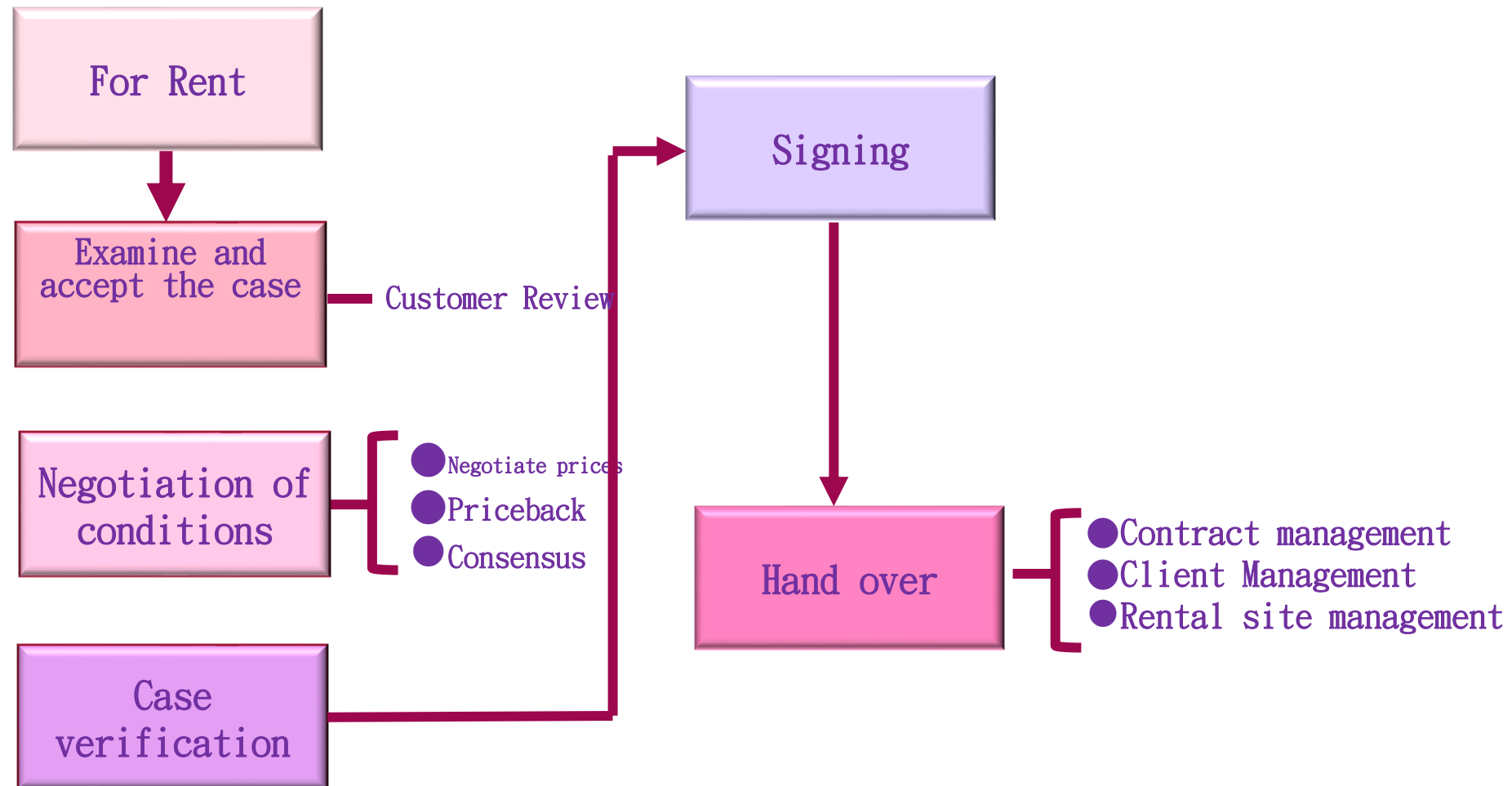


## 2、INDUSTRY OVERVIEW (CONTINUE2)

- **(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.

### 3、OPERATIONAL OVERVIEW

#### (1). SALES PROCESSES



### 3、 OPERATIONAL OVERVIEW(CONTINUE1)

#### (2). MAIN BUSINESS CONTENT AND WEIGHTING

2023Y Q2(1-6Months)

Main product	Quantity (ping)	Amount (NT Thousand)	Proportion (%)
Rental income	32,366	79,826	100

2022Y Q2(1-6Months)

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

# 3、OPERATIONAL OVERVIEW(CONTINUE2)

## (3). MARKET AND PRODUCTION OVERVIEW

### 2023YQ2

Distribution Areas	City	Quantity (Field)	Land area (ping) A	Rental area (ping) B	Rental rate (%) B/A
Northern Area	Yilan-Hsinchu	11	9,903	7,512	76%
Central Area	Miaoli - Yunlin	12	17,532	14,157	81%
Southern Area	Chiayi - Pingtung	7	13,965	10,693	77%
Total		30	41,400	32,366	78%

### 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%

The above rental area includes parking lots (which is different from the annual report).



### **3 、 OPERATIONAL OVERVIEW(CONTINUE3)**

- **(4). Future market supply and demand situation and growth**

In recent years, the government has been actively working to enhance Taiwan's investment environment, driven by strong demand for industrial land. Apart from ensuring a stable supply of water and electricity, the government is also promoting the development of industrial zones through the Ministry of Economic Affairs, aiming to attract more businesses to establish factories and increase supply. It is projected that this strategy will lead to steady and moderate growth in the benefits of setting up new facilities in the future. However, market variables such as political events, conflicts, and inflation still need to be closely monitored.

### **3、OPERATIONAL OVERVIEW(CONTINUE4)**

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

##### **(a)Competitive niche:**

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

##### **(b) 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.**

##### **(c) 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.**

## 4、FINANCIAL OVERVIEW

### (1). CONSOLIDATED BALANCE SHEETS (Amount:NT Thousand)

15

Item	2023Q2	%	2022Q4	%	2022Q2	%
cash and cash equivalents	5,608	-	12,011	-	7,619	-
Current financial assets at fair value through profit or loss	221,992	9	46,102	2	102,197	3
Current financial assets at amortised cost	-	-	324,500	11	274,500	8
Other current assets(include A/R、OAR、Prepayment)	6,658	-	6,664	-	10,116	-
Non-current financial assets at amortised cost	900	-	900	13	600,900	17
Investment property	2,424,840	90	2,428,298	85	2,432,022	70
Other non-current assets(include PPE、DTA、CDP)	31,710	1	44,239	2	57,732	2
Total assets	2,691,708	100	2,862,714	100	3,485,086	100
Others accounts payable	13,311	1	7,443	-	674,416	19
Other current liabilities(Include NP、Current Lease Liabilities、CCL)	5,705	-	5,931	-	6,018	-
Deferred tax liabilities	469,108	17	469,108	16	469,108	13
Other non-current liabilities(Include Non-current Lease Liabilities、CDR)	42,998	2	46,314	2	47,606	2
Capital	1,087,830	40	1,087,830	38	1,087,830	31
Capital Surplus	83,846	3	83,846	2	83,846	3
Retained earnings	988,910	37	1,162,391	41	1,116,262	32
Total liabilities and equity	2,691,708	100	2,862,714	100	3,485,086	100

**4、FINANCIAL OVERVIEW(CONTINUE1)**  
**(2). CONSOLIDATED INCOME STATEMENT**

Amount:NT Thousand

Item	2023Q2	2022Q2	Inc.(Dec.)	Inc.(Dec.)%
Operating Revenue	79,826	80,327	(501)	(1)
Operating costs	14,714	14,599	115	-
Operating Gross Profit	65,112	65,728	(616)	(1)
Operating Expenses	12,247	10,856	1,391	13
Net Operating Income	52,865	54,872	(2,007)	(4)
Non-operating Income and Expenses	1,936	3,297	(1,361)	(41)
Profit before Tax	54,801	58,169	(3,368)	(6)
Tax	10,716	11,678	(962)	(8)
Net income	44,085	46,491	(2,406)	(5)
EPS(NTD)	0.41元/股	0.43元/股	(0.02)	(5)

**4 、 FINANCIAL OVERIEW(CONTINUE2)**  
**(3). FINANCIAL PERFORMANCE INDICATORS-1**

<b>Year</b>		<b>2023Q2</b>	<b>2022Q2</b>
<b>Analysis of Item</b>			
<b>Financial Structure</b>	<b>Debt to assets ratio (%)</b>	19.73	34.35
	<b>Long-term capital to property, plant and equipment ratio (%)</b>	109.10	113.98
<b>Solvency</b>	<b>Current ratio(%)</b>	1231.90	57.97
	<b>Quick ratio(%)</b>	1229.52	57.90
	<b>Times interest earned ratio</b>	191	201



## 4、FINANCIAL OVERVIEW(CONTINUE3)

### (3). FINANCIAL PERFORMANCE INDICATORS-2

Year		2023Q2	2022Q2
Analysis of Item			
Operating Ability	Account receivable turnover	110	226
	Days sales in account receivable	2	1
	Fixed property and equipment turnover	0.03	0.03
	Total assets turnover	0.02	0.02

## 4、FINANCIAL OVERVIEW(CONTINUE4)

### (3). FINANCIAL PERFORMANCE INDICATORS-3

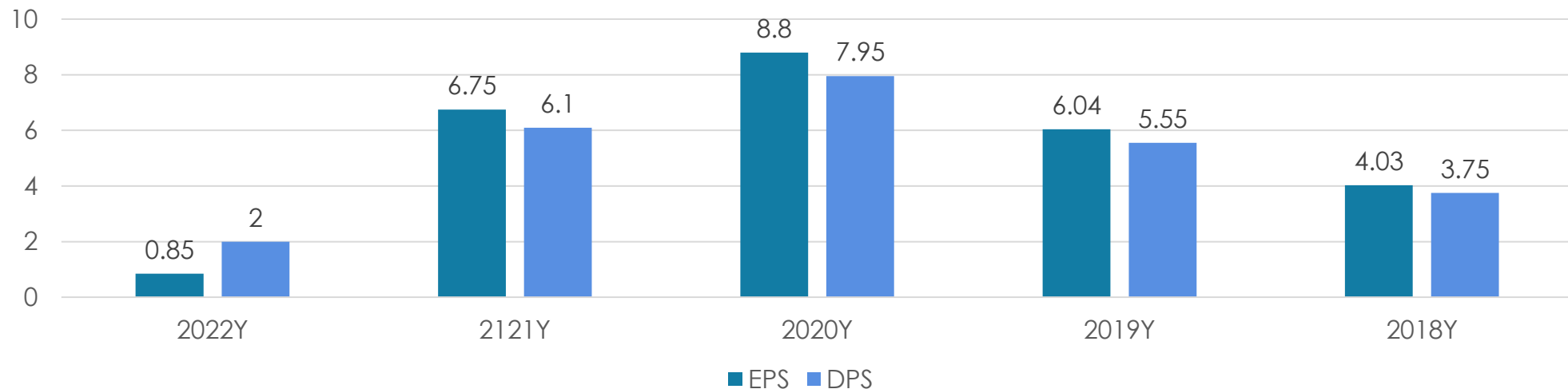
Year		2023Q2	2022Q2
Analysis of Item			
Profitability	Ratio or return on total assets(%)	1.59	1.35
	Ratio or return on shareholder's equity(%)	1.96	1.79
	Net income before income tax as a percentage of paid-in capital (%)	5.04	5.35
	Profit ratio(%)	55.23	57.88
	Earnings per share(元)	0.41	0.43

## 4、FINANCIAL OVERVIEW(CONTINUE5)

### (4). DIVIDEND PAYMENTS - IN THE YEAR OF INCOME


ITEM \ Year	2022Y	2021Y	2020Y	2019Y	2018Y
<b>Net income (Amount:NT Thousand)</b>	92,621	734,069	957,681	656,823	438,245
<b>EPS(NTD)</b>	0.85	6.75	8.8	6.04	4.03
<b>DPS(NTD)(Full cash)</b>	2	6.1	7.95	5.55	3.75

Earnings per share and dividend distributions over the past five years



## 5 、 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.

The background features abstract, flowing waves of color. At the top, a wave of magenta and pink flows from left to right. At the bottom, a wave of blue and cyan flows from right to left. The waves are layered and semi-transparent, creating a sense of depth and movement. The central text is positioned in the white space between these waves.

**Q & A**