

The background features a light purple-to-blue gradient. Numerous realistic water droplets of various sizes are scattered across the frame, with some in the foreground appearing larger and more detailed. A faint, circular logo is visible in the upper center, containing a stylized 'C' and 'L' intertwined.

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

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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:

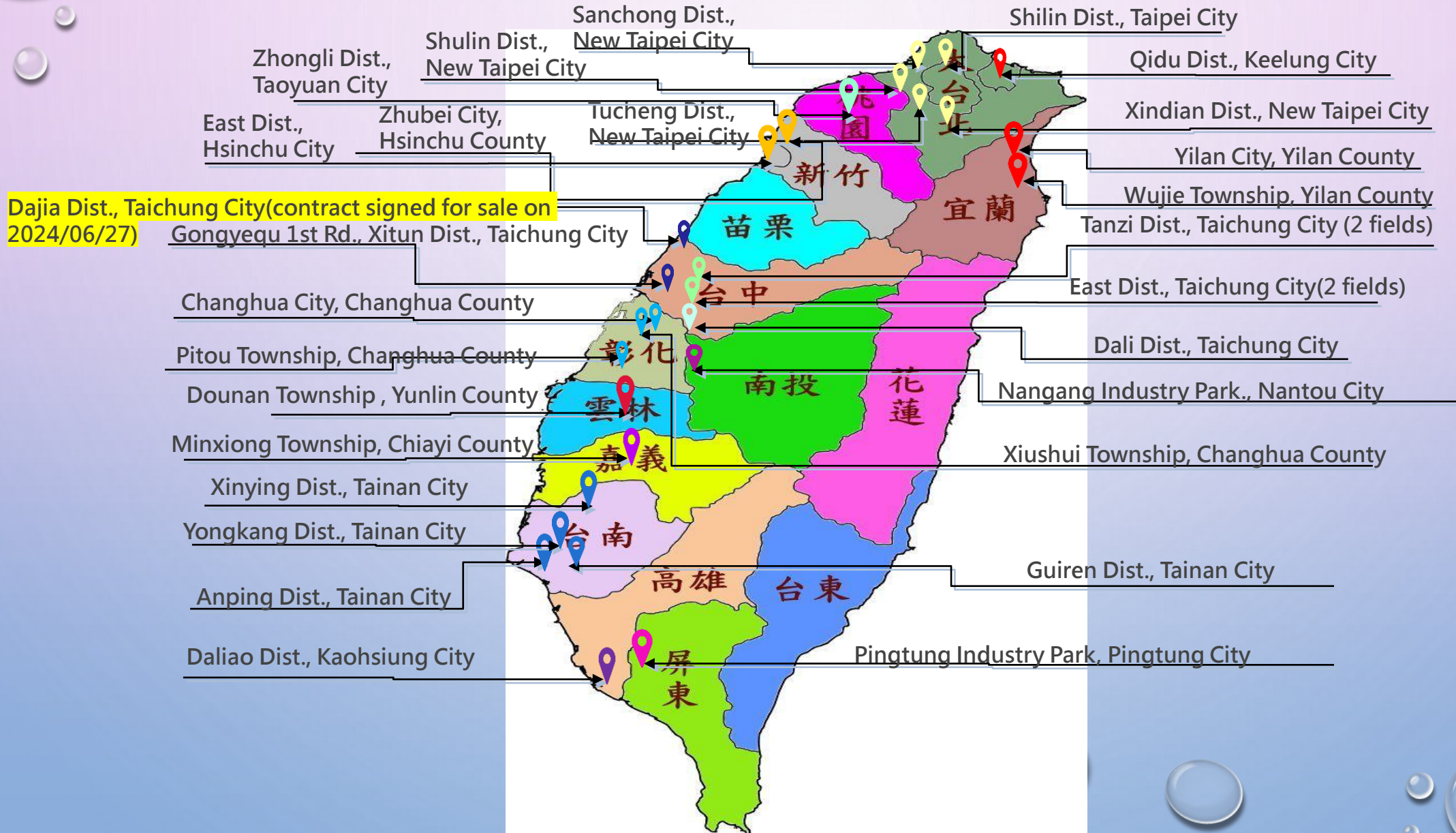
IT MAINLY PROVIDES LEASING OF INDUSTRIAL PLANTS FROM NORTH TO SOUTH IN THE WESTERN AND NORTHEASTERN PARTS OF TAIWAN MAIN ISLAND.

(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)

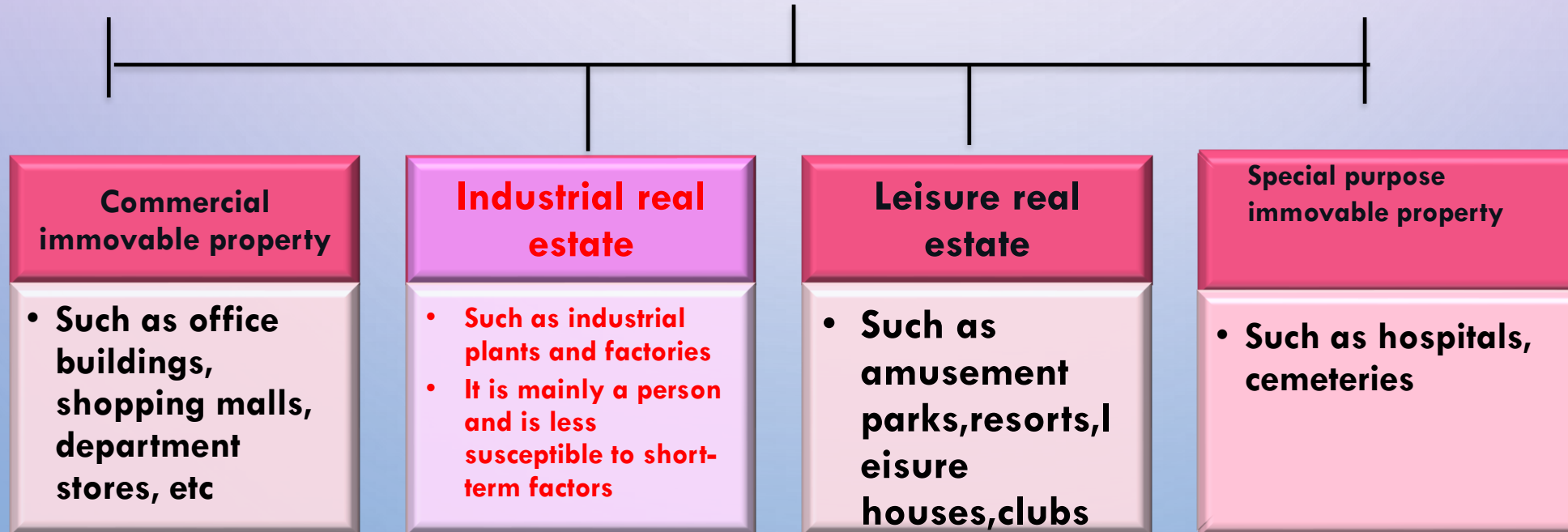
(4). Business Segmentation Chart



2、INDUSTRY OVERVIEW

• (1).INDUSTRY STATUS AND DEVELOPMENT

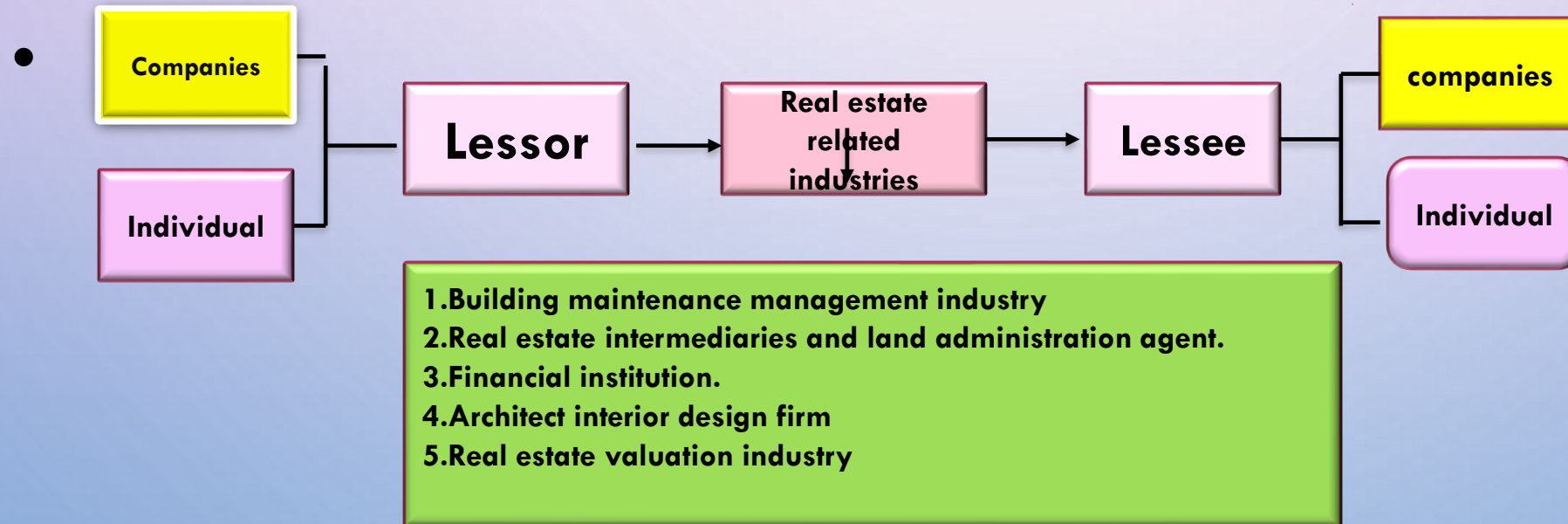
- REAL ESTATE LEASING
- REAIDENCE
- COMMERCIAL REAL EATATE



2、INDUSTRY OVERVIEW (CONTINUE1)

- (2).THE RELEVANCE OF THE UPSTREAM, MIDDLE AND DOWNSTREAM OF THE INDUSTRY

- UPSTREAM MIDDLE DOWNSTREAM



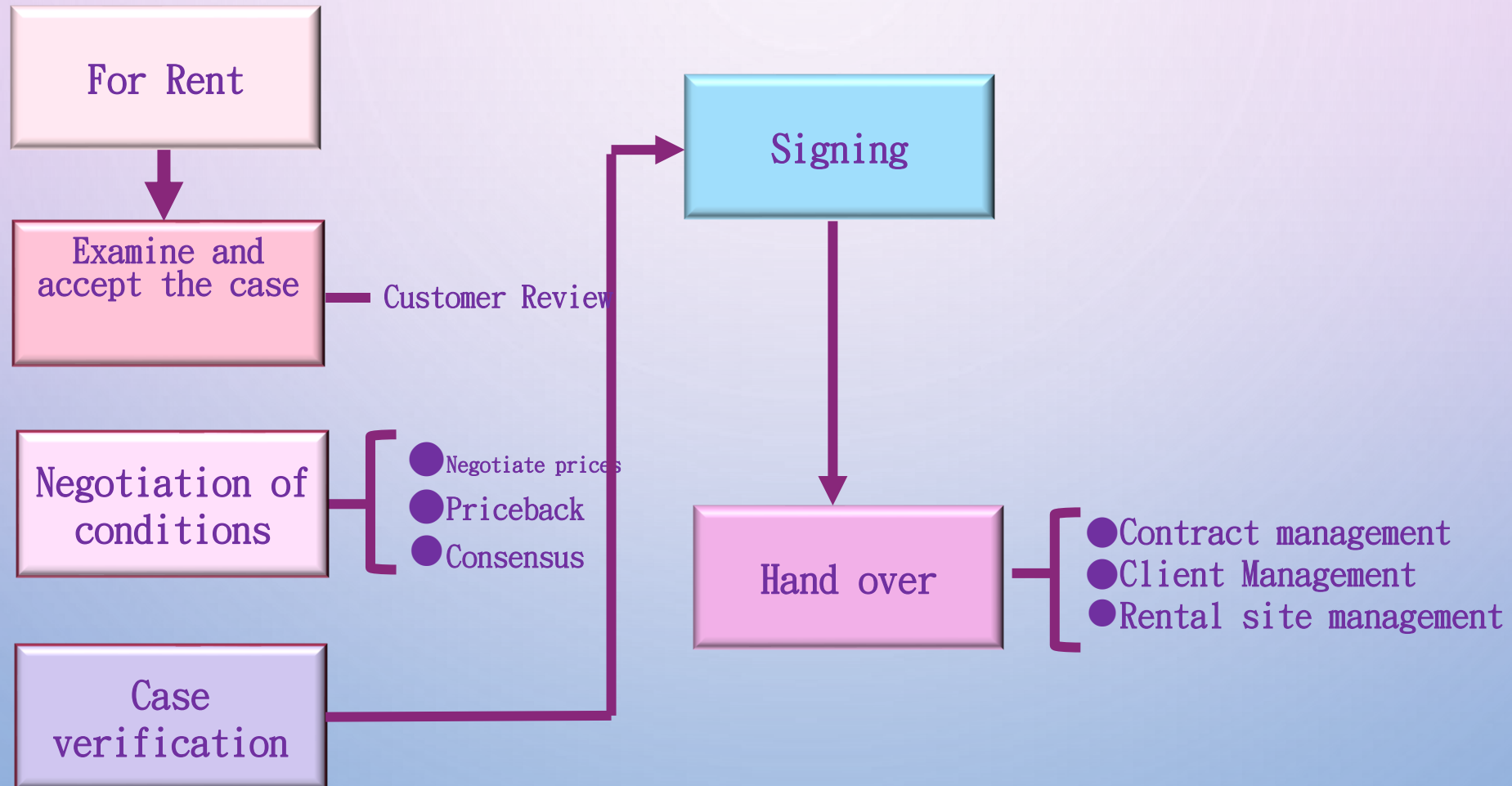
2、INDUSTRY OVERVIEW (CONTINUE2)

- **(3).DEVELOPMENT TRENDS AND COMPETITION**

- AS A RESULT OF THE US-CHINA TRADE WAR AND OTHER INTERNATIONAL FACTORS, TAIWANESE BUSINESSES HAVE BEEN SHIFTING THEIR INVESTMENTS BACK TO TAIWAN OR TO OTHER ASIAN REGIONS. THIS HAS BOOSTED THE DEMAND FOR INDUSTRIAL REAL ESTATE IN TAIWAN. HOWEVER, THE GEOPOLITICAL CHANGES BROUGHT ABOUT BY THE RIVALRY BETWEEN THE US AND CHINA HAVE ALSO PROMPTED TAIWANESE MANUFACTURERS TO SET UP FACTORIES OVERSEAS, WHICH HAS RELATIVELY REDUCED THE DEMAND FOR INDUSTRIAL LAND NEEDED FOR EXPANSION IN TAIWAN.

3、OPERATIONAL OVERVIEW

(1). SALES PROCESSES



3、 OPERATIONAL OVERVIEW(CONTINUE1)

(2). MAIN BUSINESS CONTENT AND WEIGHTING

2024Y Q2(1-6MONTHS)

Main product	Quantity (ping)	Amount (NT Thousand)	Proportion (%)
Rental income	31,586	79,650	100

2023Y Q2(1-6MONTHS)

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

3、OPERATIONAL OVERVIEW(CONTINUE2)

(3). MARKET AND PRODUCTION OVERVIEW

2024YQ2

Distribution Areas	City	Quantity (Field)	Land area (ping) A	Rental area (ping) B	Rental rate (%) B/A
Northern Aera	Yilan-Hsinchu	11	9,903	6,685	68%
Central Area	Miaoli - Yunlin	11	16,525	14,208	86%
Southern Area	Chiayi - Pingtung	7	13,965	10,693	77%
Total		29	40,393	31,586	78%

2023YQ2

Distribution Areas	City	Quantity (Field)	Land area (ping) A	Rental area (ping) B	Rental rate (%) B/A
Northern Aera	Yilan-Hsinchu	11	9,903	7,516	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%

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**

- **SUPPLY SIDE:** DIVERSE CHANNELS ARE AVAILABLE FROM BOTH THE PRIVATE AND PUBLIC SECTORS.

- **DEMAND SIDE:**

- **A.THE GOVERNMENT ENCOURAGES TAIWANESE COMPANIES TO RETURN AND FOREIGN INVESTMENT TO TAIWAN.**

- **B.IN THE FIRST HALF OF 2024, REAL ESTATE DEVELOPERS ACTIVELY DEPLOYED NEW PROJECTS, WHILE SELF-USE ENTERPRISES ACTIVELY EXPANDED THEIR PRODUCTION CAPACITY AND LAND AREA.**

CONCLUSION: TAIWAN'S MARKET WAS FLUSH WITH LIQUIDITY IN THE FIRST HALF OF 2024, RESULTING IN A RELATIVELY STABLE INVESTMENT ENVIRONMENT. THIS ATTRACTED A SIGNIFICANT INFLUX OF CAPITAL INTO THE STOCK AND REAL ESTATE MARKETS. THE SURGE IN FUNDS NOT ONLY BOLSTERED STOCK AND PROPERTY PRICES BUT ALSO INTENSIFIED DEMAND FOR INDUSTRIAL LAND. HOWEVER, THE SUSTAINED VITALITY OF THE INDUSTRIAL LAND MARKET IN THE SECOND HALF HINGES ON THE MOMENTUM OF THE GLOBAL ECONOMY AND THE EVOLUTION OF GEOPOLITICAL DYNAMICS.

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)

Item	2024Q2	%	2023Q4	%	2023Q2	%
cash and cash equivalents	3,400	-	3,863	-	5,608	-
Current financial assets at fair value through profit or loss	166,694	7	283,148	11	221,992	9
Other current assets(include A/R、OAR、Prepayment)	932	-	1,202	-	6,658	-
Non-current assets held for sale	30,177	1	-	-	-	-
Non-current financial assets at amortised cost	900	-	900	-	900	-
Investment property	2,390,554	91	2,421,542	89	2,424,840	90
Other non-current assets(include PPE、DTA、CDP)	22,057	1	24,070	-	31,710	1
Total assets	2,614,714	100	2,734,725	100	2,691,708	100
Others accounts payable	12,533	-	7,597	-	13,311	1
Other current liabilities(Include NP、Current Lease Liabilities、Current income tax liabilities、Advance payments for property)	58,457	2	10,496	-	5,705	-
Deferred tax liabilities	468,537	18	468,537	16	469,108	17
Other non-current liabilities(Include Non-current Lease Liabilities、CDR)	40,450	2	41,773	2	42,998	2
Capital	1,087,830	42	1,087,830	38	1,087,830	40
Capital Surplus	83,846	3	83,846	2	83,846	3
Retained earnings	863,061	33	1,034,646	41	988,910	37
Total liabilities and equity	2,614,714	100	2,734,725	100	2,691,708	100

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

Amount:NT Thousand

Item	2024Q2	2023Q2	Inc.(Dec.)	Inc.(Dec.)%
Operating Revenue	79,650	79,826	(176)	-
Operating costs	13,361	14,714	(1,353)	(9)
Operating Gross Profit	66, 289	65, 112	1,177	2
Operating Expenses	10,531	12,247	(1,716)	(14)
Net Operating Income	55,758	52,865	(2,893)	(5)
Non-operating Income and Expences	1,707	1,936	(229)	(12)
Profit before Tax	57,465	54,801	2,664	5
Tax	11,484	10,716	768	7
Net income	45,981	44,085	1,896	4
EPS(NTD)	0.42元/股	0.41元/股	0.01	2

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

Year		2024Q2	2023Q2
Analysis of Item			
Financial Structure	Debt to assets ratio (%)	22.18	19.73
	Long-term capital to property, plant and equipment ratio (%)	105.47	109.10
Solvency	Current ratio(%)	283.42	1231.90
	Quick ratio(%)	282.79	1229.52
	Times interest earned ratio	191	182

4、FINANCIAL OVERVIEW(CONTINUE3)

(3). FINANCIAL PERFORMANCE INDICATORS-2

Analysis of Item		Year	2024Q2	2023Q2
Operating Ability	Account receivable turnover		121	110
	Days sales in account receivable		1	2
	Fixed property and equipment turnover		0.03	0.03
	Total assets turnover		0.03	0.03

4、FINANCIAL OVERVIEW(CONTINUE4)

(3). FINANCIAL PERFORMANCE INDICATORS-3

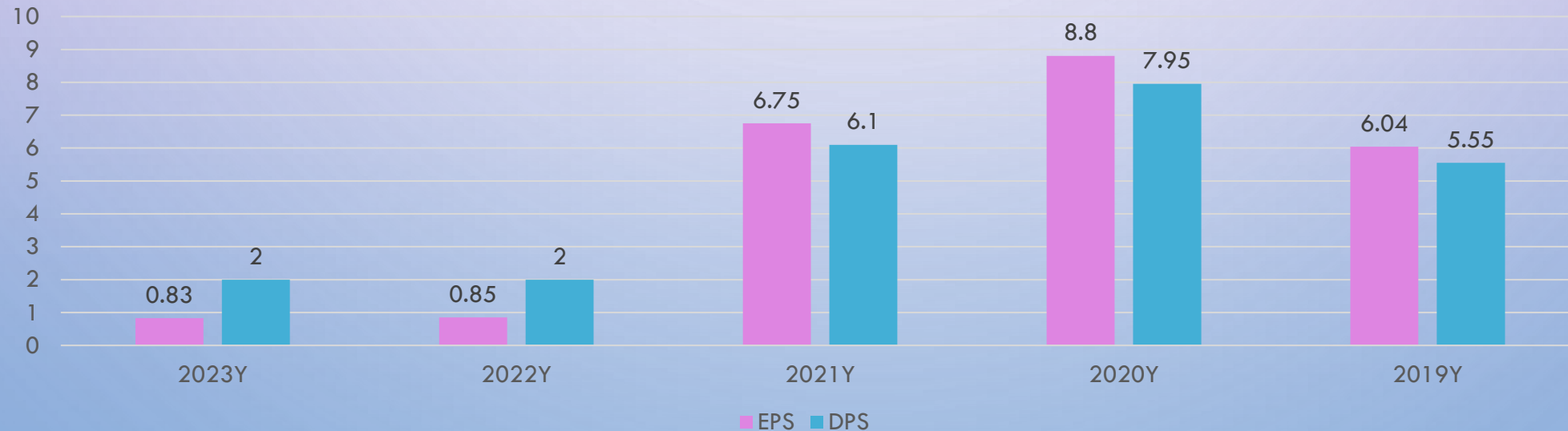
Analysis of Item		Year	2024Q2	2023Q2
Profitability	Ratio or return on total assets(%)		1.73	1.59
	Ratio or return on shareholder's equity(%)		2.17	1.96
	Net income before income tax as a percentage of paid-in capital (%)		5.28	5.04
	Profit ratio(%)		57.73	55.23
	Earnings per share(元)		0.42	0.41

4、FINANCIAL OVERVIEW(CONTINUE5)

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

ITEM \ Year	2023Y	2022Y	2021Y	2020Y	2019Y
Net income (Amount:NT Thousand)	89,821	92,621	734,069	957,681	656,823
EPS(NTD)	0.83	0.85	6.75	8.8	6.04
DPS(NTD)(Full cash)	2	2	6.1	7.95	5.55

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.

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Q & A