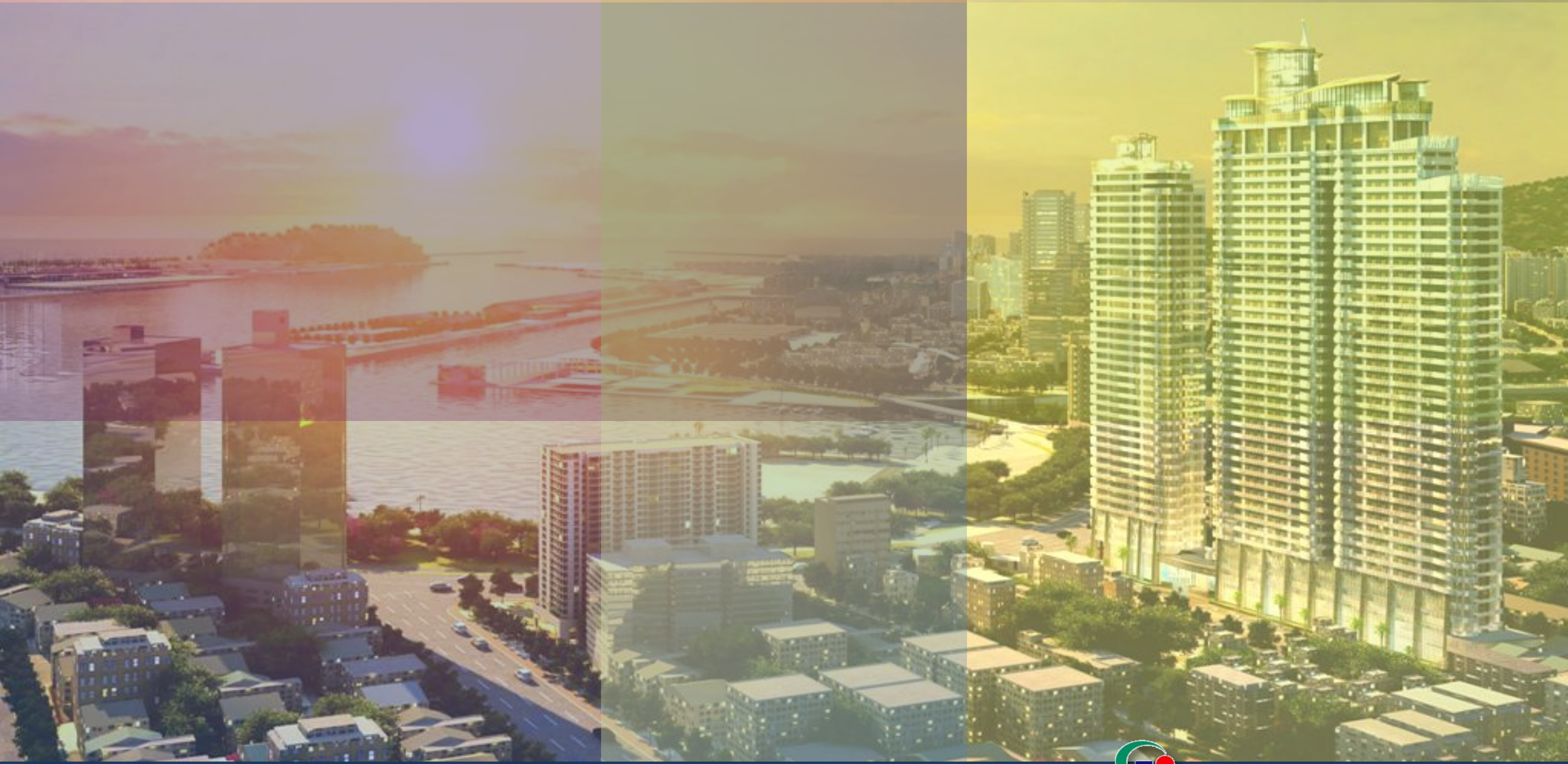
2017

Kuo Yang Construction Co., Ltd.

Kuo Yang Construction
(2505 TW)



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Profile

Establishment & Background

Founded in 1972, Kuo Yang Construction grew as Taiwan's economy started taking off. Over the past 40 years, Kuo Yang's focus has turned into the technology industry. And as technology has developed into today's exquisite tourism and culture-creative industries, we continuously pursue excellence and express it in the architecture that Kuo Yang has so long been praised for.

In 2000, Kuo Yang foresaw a new era that would be affected by globalization and a love of quality lifestyles. As a result, Kuo Yang took the lead in integrating resources such as construction planning and property management. By successfully utilizing creativity in construction, Kuo Yang has added new value to buildings. That value lies in making architecture not just be buildings, but in being homes that carry on a dialog with life, and which bring a feeling of safety. A home should also be the source of energy and growth for all family members.

活力 生活 新建築

Profile:

1. Company Name: Kuo Yang Construction Co., Ltd.
2. Stock Code: 2505
3. Date of establishment: June 2, 1972
4. Time to market: November 14, 1979
5. Paid-in capital: NT$5,766,000,000
6. Market capitalization NT$7,870,000,000 (Estimated based on the closing price of NT$13.65 on 2017/11/30)
7. Revenue: NT$2,634,000,000 (2017/1/1—2017/11/30)
8. Company website URL: www.kycc.com.tw/

Red→Vitality

Energetic & Innovative
Represents the company's energy and reflects its young spirit

Green→Life

Alive & Environmental
Represents the company's management philosophy of providing better living spaces by promoting a green and environmentally-friendly lifestyle.

Blue→New Architecture

New Architecture & A New Era
Represents the company's modern fusion of architectural vocabulary and expresses the company's solid determination to reach sustainability and

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Operating Strategies

A. Operating Model:
Add value to the land with brand advantages and improve after-sales service; establish the brand's image to address the changes in the real estate market, and thereby propose correct selling strategies.

B. Product Marketing and Product Value:
Reduce market risks through the advantages of products and prime locations.

C. Management:
Improve corporate governance as well as work and management efficiency

D. Customer Service:
Provide construction schedules, develop a comprehensive community, and provide checks for the structural health of houses. These services help make our company a thoughtful construction company for house buyers.

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Financial Data

Unit: NT$1,000

Item	2014	2015	2016	2017Q1—Q3
Operating revenue	1,556,611	3,000,361	1,458,192	2,633,892
Operating costs	-1,060,289	-2,159,815	-1,065,171	-2,106,768
Operating profit	496,322	840,546	393,021	527,124
Gross profit margin	31.88%	28.01%	26.95%	20.01%
Net operating profit	95,502	364,779	50,950	222,378
Non-operating income	-55,337	-8,104	-19,944	-11,944
Pre-tax profit	40,165	356,675	31,006	210,434
Income tax expenses	10,174	-18,448	-24,794	-2,468
Net income after tax	50,339	338,227	6,212	207,966
Net profit	3.23%	11.27%	0.43%	7.90%
EPS	0.10	0.61	0.01	0.36

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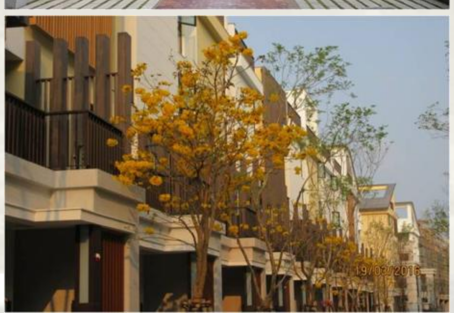
Business Activities—Existing Houses

Case	Location	Number of units	Sales Area (pings)	Sales amount (NT$100 million)	Ratio of Kuo Yang's investments
Kuo Yan	Kaohsiung City	24 households	4,168	19	100%
The Green Place A	Tainan City	28 households	3,586	9	60%
The Green Place B	Tainan City	74 households	9,188	23	60%



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Business Activities—Pre-sale Houses

Case	Location	Number of units	Sales Area (pings)	Sales amount (NT$100 million)	Ratio of Kuo Yang's investments
South Manor	Taipei City	87 households	4,084	30	60%
Kuo Yang Silicon Valley	New Taipei City	101 households	23,315	70	50%
Zhongxiao Courtyard	New Taipei City	206 households	7,274	33	55%
Good morning, Kuo Yang	Keelung	579 households	20,104	37	55%
The Green Place C	Tainan City	108 households	9,375	22	60%
Smile Era	Kaohsiung City	748 households	22,821	47	70%





Q & A

Thank you