2024/04/26

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KINDOM DEVELOPMENT CO., LTD

2024 Investor Conference Briefing Material

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Briefing outline

1. Company Profile
2. State of the Industry
3. Company achievements
4. Development Strategy
5. Business performance

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PART
01

Company Profile

2023 TCSA Taiwan Corporate Sustainability Awards:

MASTER ENTREPRENEUR CATEGORY

CORPORATE EXCELLENCE CATEGORY

INSPIRATIONAL BRAND CATEGORY

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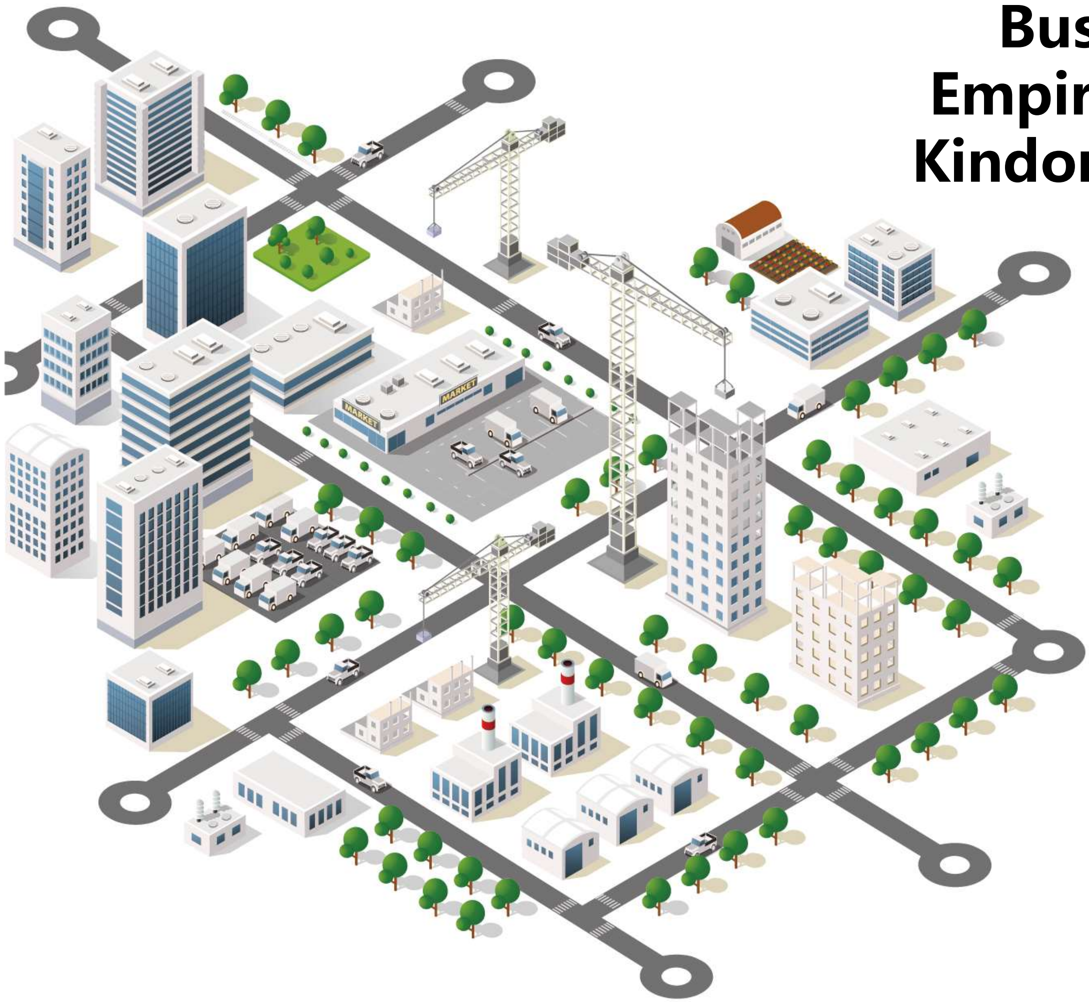
- Founder | Yu Shan, Ma
- Chairman | Mike, Ma
- Founded in November 1979
- Listed in October 1993
- NT$5.54 billion in capital
- 101 employees (as of March,2024)



Business Empire under Kindom Group

Kindom Group, Builder of Better Lives

Kindom Development Co., Ltd., along with Kedge Construction Co., Ltd., Global Mall Co., Ltd., and the Kindom Yu San Education Foundation, have transformed into a large integrated real estate developer which provides consumers with a brand new life style, thereby becoming a builder of new-generation living.

KINDOM GROUP

Solid Foundation	Good Life	Social Responsibility
根基營造 KEDGE CONSTRUCTION CO.,LTD.	Global Mall	冠德玉山 教育基金會 Kindom Yu San Education Foundation

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根基營造
KEDGE CONSTRUCTION CO.,LTD.

The company's well-known achievements include large projects such as the construction of a new medical building for Taipei Veterans General Hospital, the construction of new plants for Taiwan Semiconductor Manufacturing Company in Central Taiwan Science Park and Southern Taiwan Science Park, the construction of Taiwan Photon Source Accelerator Facilities, the Academia Sinica project, and the National Highway project, with its professional project quality gaining recognition from both owners and clients.

Global Mall

In 2005, Global Mall Co., Ltd. officially opened the Zhonghe Store, a "one-stop mall" which has successfully become a leading living and entertainment brand in Fuduxin.
Global Mall Co., Ltd. has been playing a pioneering role for over 10 years, and has expanded its business to the development of station-type shopping malls.
In the future, Global Mall Co., Ltd. will lead the industry by moving toward the development of integrated urban shopping malls that combine residential facilities, commercial facilities, and transportation, thereby creating a new and convenient form of living circle for clients.

冠德玉山
教育基金會 Kindom Yu San Education Foundation

Founded in 2014, the Kindom Yu San Education Foundation promotes and organizes various educational activities, nurtures outstanding talents, deepens industry-academia exchanges, and encourages forward thinking, with a view to delivering the core values of a happy life to the society and co-creating a society that is committed to the pursuit of truth even in poor environments.

Sales project statistics

TAIPEI

103 Projects sold.
Mainly located in Daan, Neihu, Zhongshan and Zhongzheng District.

NEW TAIPEI

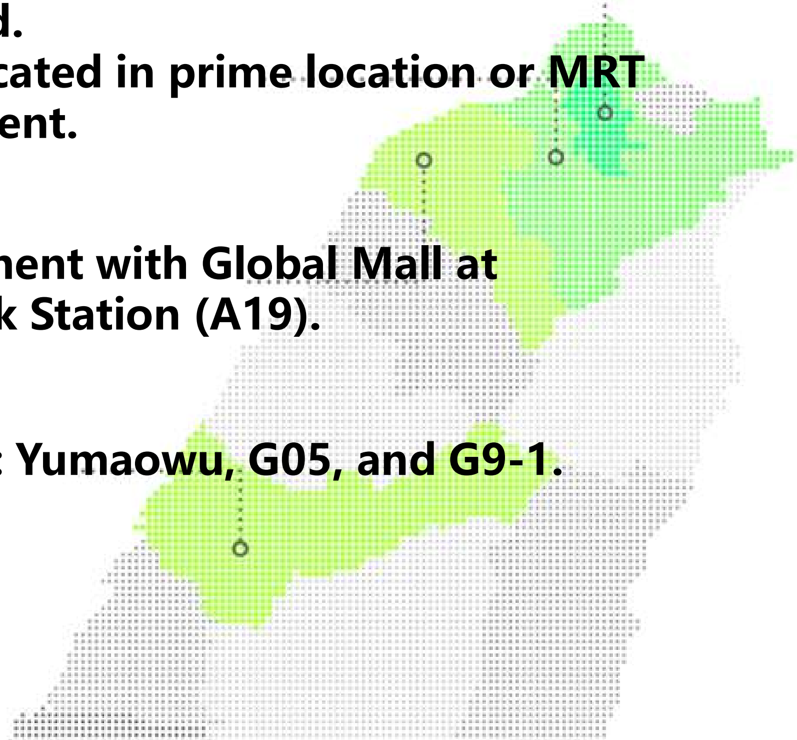
38 Projects sold.
Majority are located in prime location or MRT joint development.

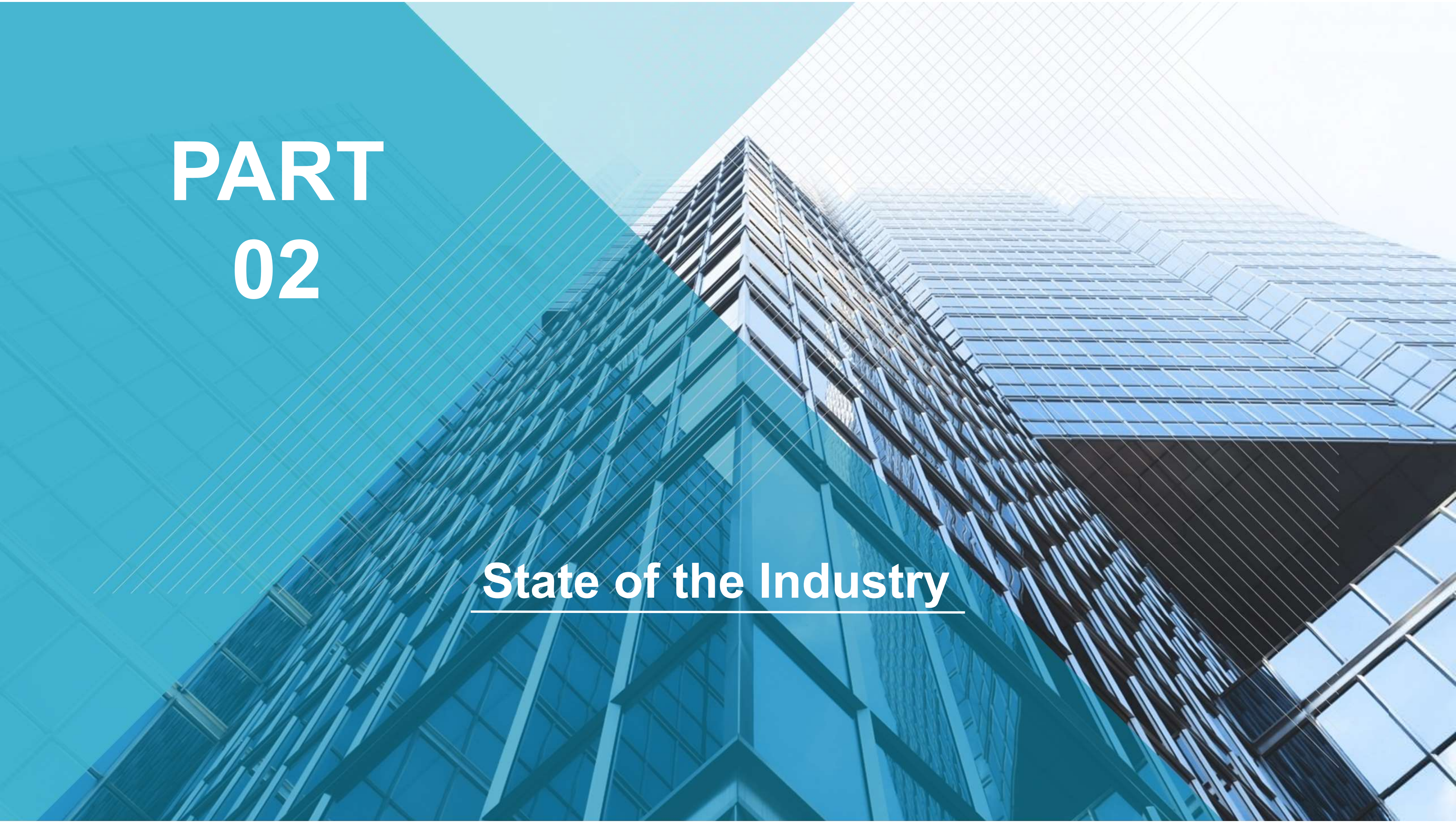
TAOYAUN

1 Project sold.
MRT joint development with Global Mall at Taoyuan Sports Park Station (A19).

TAICHUNG

5 Projects sold.
3 coming project: Yumaowu, G05, and G9-1.



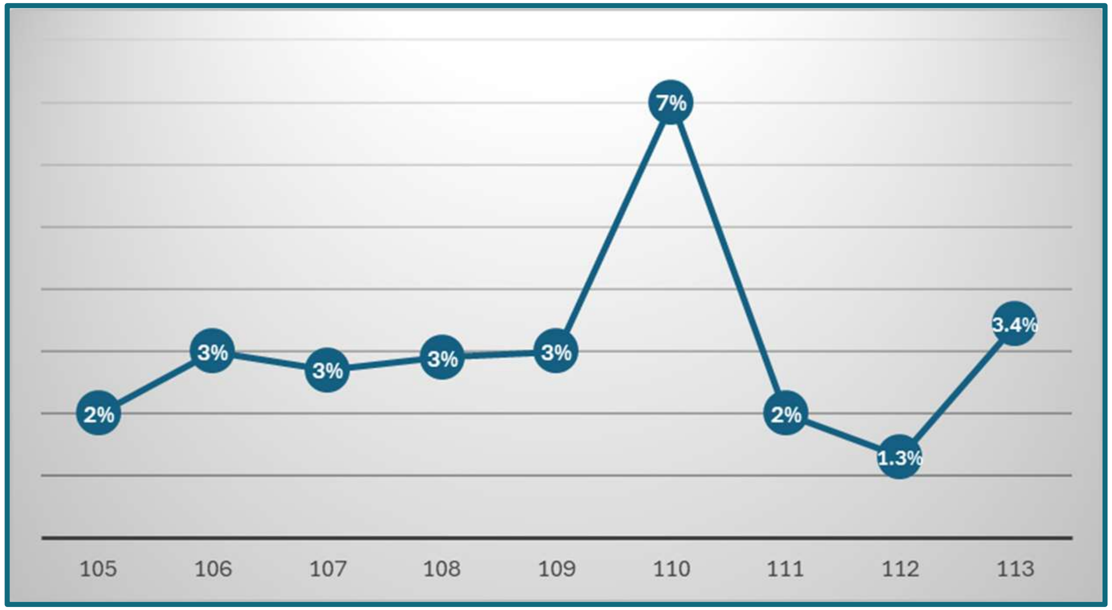


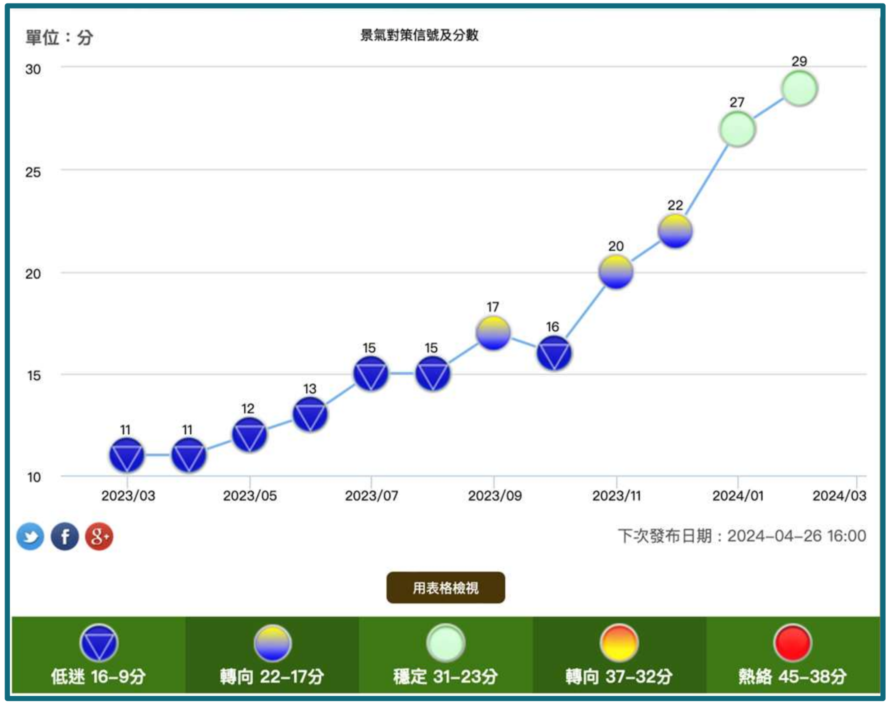
PART 02

State of the Industry

Overall Economic Performance

Stable and Optimistic





※ The Directorate General of Budget, Accounting, and Statistics (DGBAS) revised up its forecast for Taiwan's GDP growth rate in 2024 to 3.43% at the end of February, an increase of 0.08 percentage points from its previous forecast. This is the best performance in nearly three years.

※ The downward revision of economic growth in 2023 has lowered the base, which is one of the reasons for the upward revision of the GDP growth forecast for 2024.

※ Export momentum has picked up, and the record-high stock market has boosted consumer spending, the most significant contributor to GDP. However, the global recovery pace is still slow and geopolitical uncertainties remain high, so corporate investment and capital expenditures remain cautious.

※ The business climate index for January and February 2024 was 27 and 29 points, respectively, both in the green zone.

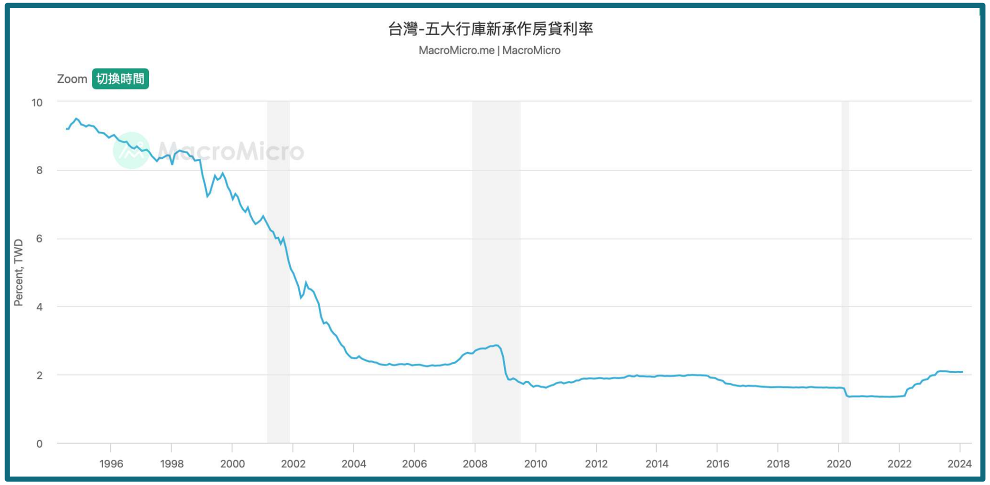
※ The index has been on an upward trend since Q3 2023.

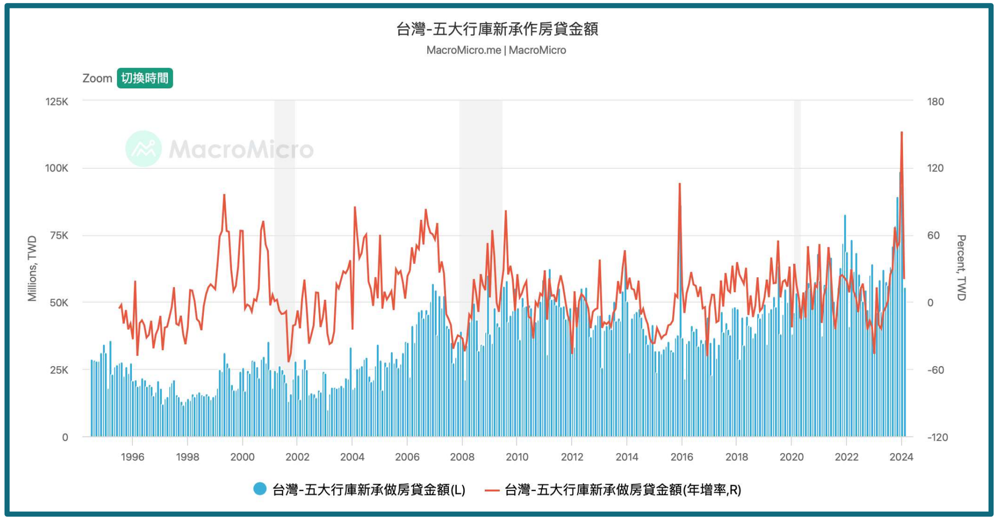
※ Stock prices and manufacturing remain high, with industrial production and export value indexes are both rising.

※ Retail and catering sales and MIB fund momentum are declining.

Housing Market Conditions

Prices and volumes are stable, transactions are brisk, and mortgage pressure is increasing.





※ 306,900 units in 2023, down slightly (-3.5%) from 318,100 units in 2022.

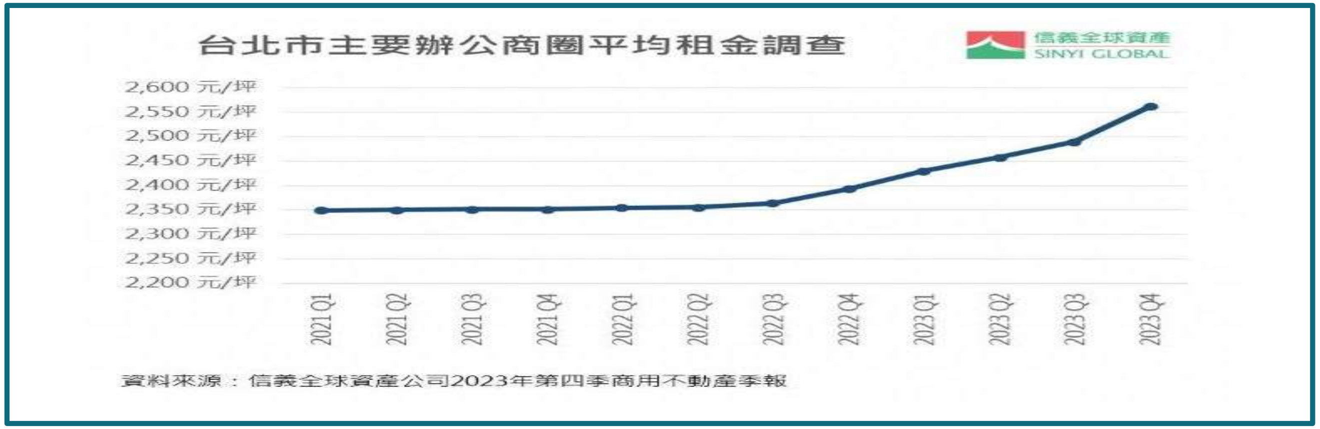
※ 63,226 units in the six major cities in Q1 of 2024, up 28.3% (low base in 2023).

※ About NT$99 billion in December 2023 and NT$93.2 billion in January 2024, setting new historical and second highs.

※ Interest rates were raised by half a point in March, and monetary policy remains tight, putting slight upward pressure on mortgage rates.

Business Office Market Conditions

Supply Increases, Demand Remains Stable, Rents Rise Slowly but Continue to Set New Highs



※ The total transaction volume in 2023 was approximately NT$170 billion, similar to that of 2022. Approximately 5,700 pings (approximately NT$43.5 billion) of office space was absorbed, indicating a strong demand for commercial real estate.

※ The new supply increase pushed the Grade A office space vacancy rate from 4.6% at the end of last year to 6.5%, but demand remains robust.

※ The average rent for Grade A office space in Taipei reached NT$3,200 per ping, up 1.1% quarter-on-quarter. The average rent for top-tier office space was around NT$4,185 per ping. New supply releases continue, but demand remains stable, and rents are gradually rising.

※ While economic growth slows, private investment and domestic consumption momentum continue increasing. New technology-related industries are driving demand for office relocation.

※ Green offices are becoming an essential requirement for the future. As companies pursue sustainability and health, they will pay more attention to office products that incorporate ESG concepts.

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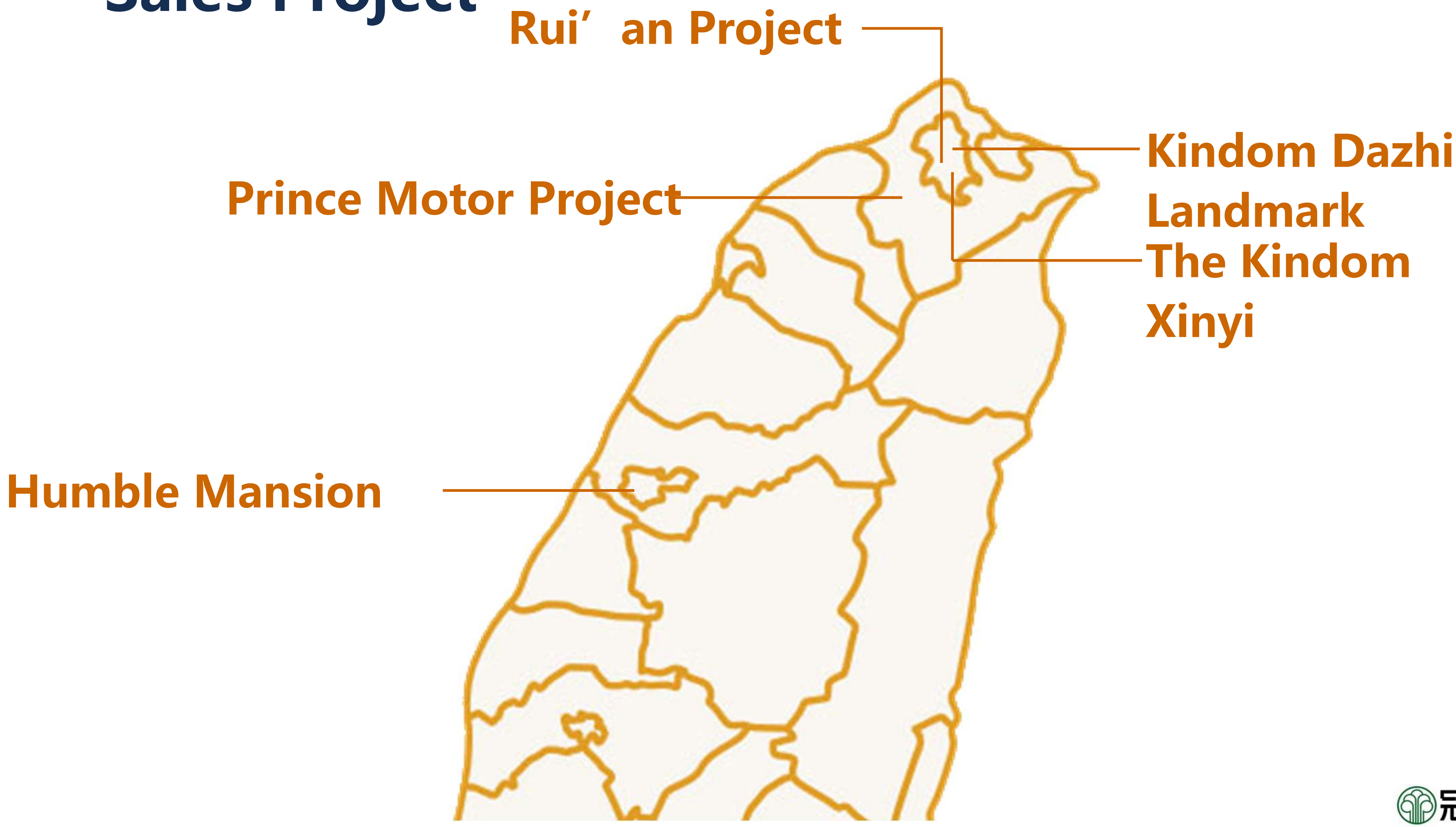
PART 03

Company achievements

Sales Project



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Sales Project

Buildings and land held for sale

Unit : Billion

Project Name	Project Location	Floor Plans	Project Sales (Billion)	Sold %
The Kindom Xinyi BCF	Taipei City	12F、16F/B3F	20.0	Following sales plans.
Kindom Dazhi Landmark	Taipei City	16F/B3F	2.0	80%
Humble Mansion	Taichung City	31F/B5F	5.8	100%
Rui’ an Project	Taipei City	34F/B5F	5.0	85%
Prince Motor Project	New Taipei City	25F/B5F	13.0	70%

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Sales Project

Buildings and land held for sale

Unit : Billion

Project Name	Project Location	Floor Plans	Project Sales (Billion)	Sold %
LG08 Project	New Taipei City	23F/B5F	1.4	-
Xiulang Bridge Project	New Taipei City	20F/B5F	2.3	-
Yumaowu Project	Taichung City	24F/B4F	5.0	-

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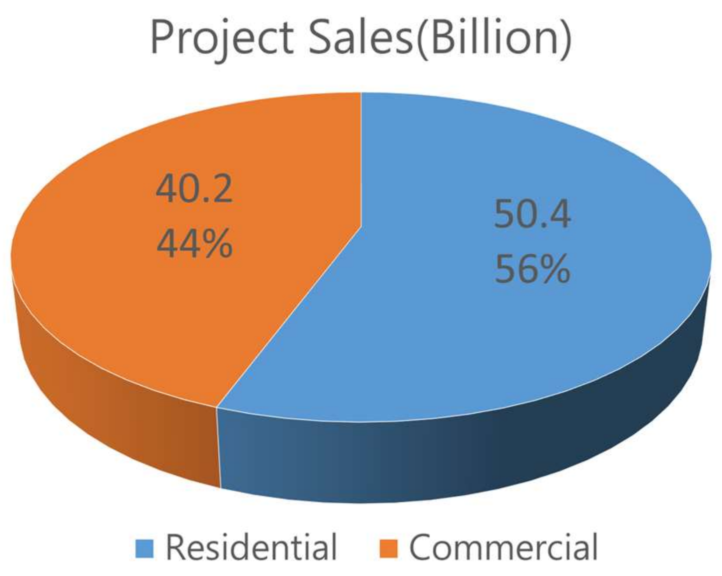
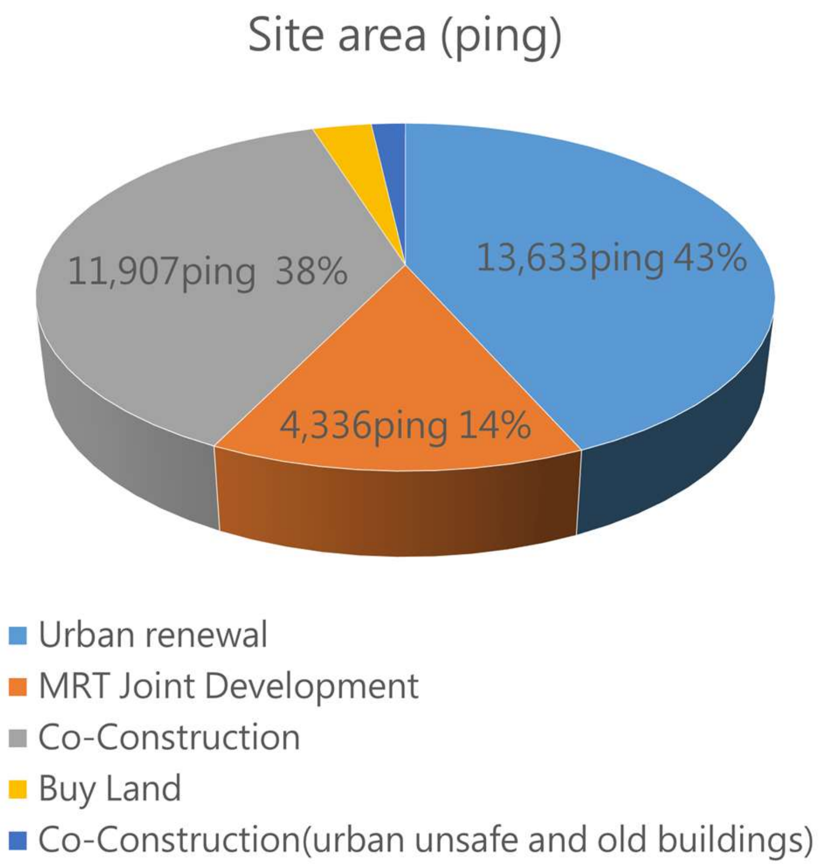
PART
04
Development Strategy

Reserve Project





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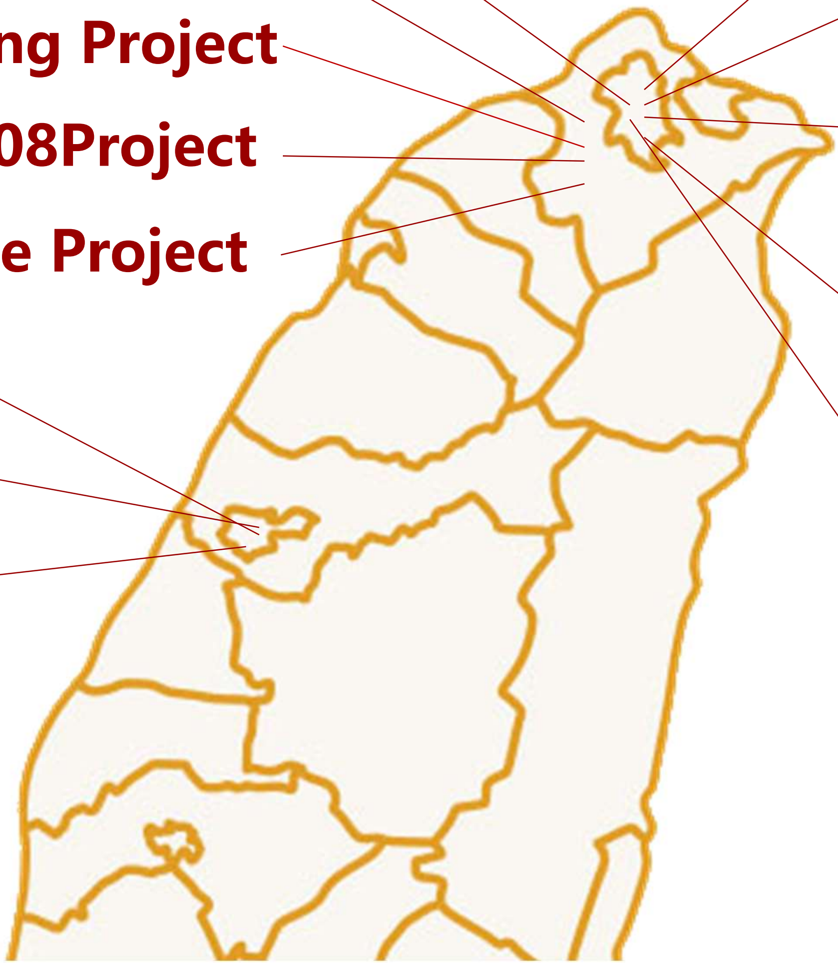
Reserve Project



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Reserve Project

Project Name	Project Location	Project Type	Development Model	Site area (ping)	Project Sales (Billion)
LG08 Project	New Taipei City	Residential	MRT Joint Development	573	1.4
Xiulang Bridge Project	New Taipei City	Commercial	MRT Joint Development	1,119	2.3
Minquan East Road Project	Taipei City	Commercial	Urban renewal	1,328	4.6
G05 Project	Taichung City	Commercial	MRT Joint Development	591	1.5
Yumaowu Project	Taichung City	Residential	Buy Land	968	5.0
Zhixing Projet	Taipei City	Residential	Co-Construction	559	2.8
Banqiao Official Residence Project	New Taipei City	Residential	Urban renewal	1,119	3.8
Taipower Nangang Project	Taipei City	Residential	Urban renewal	4,739	13.0
TECO Xinzhuang Project	New Taipei City	Commercial	Co-Construction	11,272	20.8
Administrative zone 2 and 3	Taipei City	Residential	Urban renewal	6,447	22.1
Taichung MRT System G9-1 Land Development Project	Taichung City	Commercial	MRT Joint Development	2,053	11.0
Ruanqiao Project	Taipei City	Residential	Co-Construction	635	23

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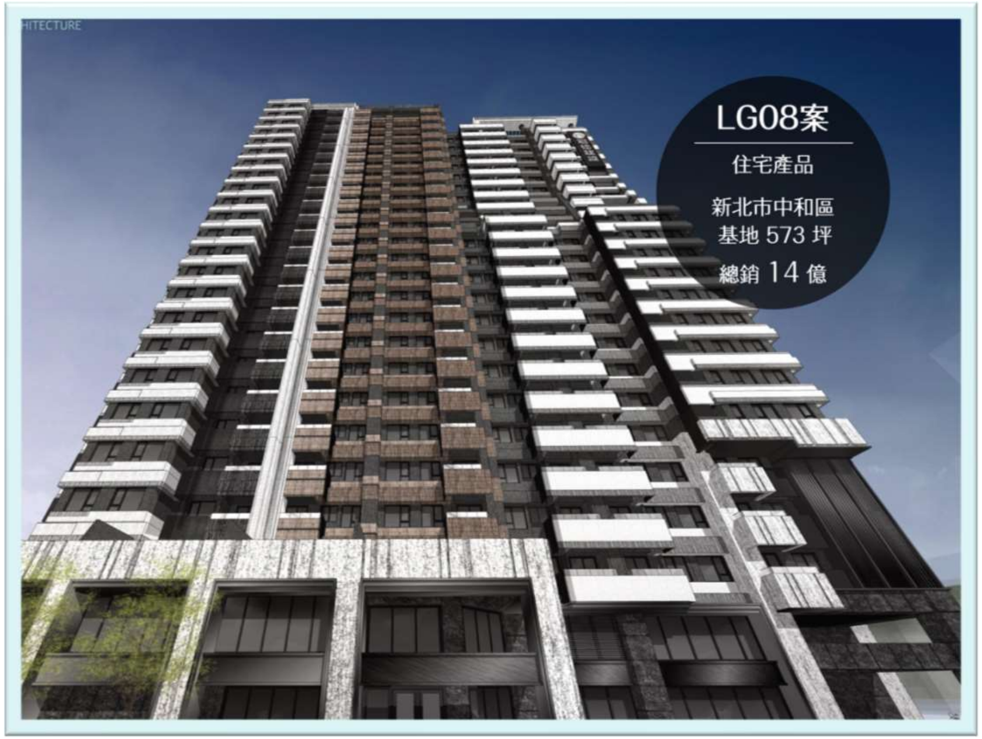

LG08 Project

Xiulang Bridge Project

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Minquan East Road Project

G05 Project

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Yumaowu Project

Zhixing Projet

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Banqiao Official Residence Project

Taipower Nangang Project

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E1E2 Project

TECO Xinzhuang Project

Sales Response Strategies: Grasping Value, Innovative Marketing

Continuous absorption Project preparation

- Creating Value for Completed Projects
- Precise marketing Innovative media
- Early planning for unlaunched projects

Perfecting Support

- Finance: Review the Overall Situation and Make Long-Term Funding Plans
- Customer Service: Keep Track of Handover and Settlement Progress and Manage Customer Relationships
- Development and Planning: Evaluate High-Quality Project Sources and Strictly Control Construction Periods and Costs

Centralized resource allocation Integrated marketing

- Strengthen community management for customers
- Kindom + Global + Foundation Resource integration/urban management

Kindom Sustainable Development Layout

Aligning with International Standards and Continuous Improvement

2016

Establishment of CSR Task Force

2017

First Issuance of CSR Report

2019

In Accordance with SASB
Sustainability Accounting Standards Board

2022

Initiate Carbon Inventory

Commitment Near-zero Emissions

2023-2024

Introduce ISO14001

Join TCFD
Climate-related Financial Disclosures

Pass SBTi

Join GRESB
Global Real Estate Sustainability Benchmark

International Organization for Standardization
ISO
14001:2015

BUSINESS AMBITION FOR 1.5°C
RACE TO ZERO

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

TCFD
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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Kindom Construction's 2024 Award-Winning Achievements and Initiatives

Songshan Minquan Project

2024 TALENT in Taiwan

(Linchpin of Asia Awards 2023)

Note : Dedicated to selecting the most elite corporate leaders and top enterprises, it is the largest and most recognized business award in Asia, spanning the most significant number of countries

Construction Project Category

External Image Category

2024 International Property Awards (IPA)

Office Development

Employee/ESG Category

Construction Project Category

Advocating for two consecutive years
Fully participating in the evaluation of six aspects

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Awakening Employees' Awareness of Sustainability: "Xianjian Village Rice Planting Fun"

- **99 people participated on March 16 (including family members and 17 students from Yiguang)**

12 負責任的消費與生產

15 保育陸域生態

ESG Implementation 1

Core concept
Integrate core capabilities and operational strategies to deepen the concept of "taking from the land and using it for the land." In addition to focusing on building buildings to drive urban development, the company also attaches great importance to the mission of land restoration.

Solution
Cooperate with Xianjian Village for 4 consecutive years to support organic farming.

Action goals
To achieve the goal of getting close to the land, jointly promote the concept of sustainable development, let employees deeply understand the value of the land, and encourage broader participation.

Action plan
We are committed to organic rice cultivation through land restoration and adoption for parent-child education.

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Fulfill the Promise of Green Home: "Listen to the Whisper of the Forest & Plant a Tree for the Earth" Program

Planted 500 native Taiwanese trees on March 20

#Carbon Reduction Tree Planting Action

#Invite residents to accompany the growth of trees through digital observation

ESG Implementation 2

Core concept

Integrate core capabilities and operational strategies to deepen the concept of "green sustainability as the core, creating a better home together."

Solution

Execute tree planting, low-carbon education, digital observation, and other methods through cooperation with social enterprises and schools to promote sustainable living.

Action goals

Achieve digital observation, accompanying the growth of trees and getting close to the land, and jointly promote the concept of sustainable development.

Action plan

By adopting trees as housewarming gifts for residents, we can restore land and reduce carbon emissions for the earth.

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Responding to Social Issues:
Earth Hour World Earth Day, Turn Off the Lights for One Hour

11 永續城鎮與社區

13 氣候行動

ESG Implementation 3

Industry challenges/background of the problem

Building energy consumption accounts for 37% of total carbon emissions, and the energy consumption of residents during the use period is as prolonged as 60 years. Therefore, we should start from ourselves and call on residents to develop energy-saving and carbon-reducing living habits.

Kindom 's actions

Kindom actively participates in "Earth Hour" and has expanded its response by extending it to a month-long event. In March, Kindom's corporate buildings and construction sites will turn off the lights for one hour at noon for a month.

Results and commitments

The Kindom Group's response to this event is equivalent to reducing about 5,000 kilograms of carbon emissions. It is hoped that this will raise public awareness of sustainable actions.

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PART 05

Business performance

Consolidated Income Statement

Item	2018		2019		2020		2021		2022		2023	
	Billion	%	Billion	%	Billion	%	Billion	%	Billion	%	Billion	%
Operating revenues	14.44	100	15.33	100	27.35	100	25.19	100	21.51	100	19.44	100
Gross profit from operations	4.00	28	4.03	26	7.11	26	7.02	28	5.92	28	5.87	29
Net operating income	1.91	13	2.20	14	5.17	19	5.16	21	4.03	19	3.93	20
Net profit (loss)	0.67	5	1.55	10	3.91	14	4.08	16	3.13	15	3.07	16
Net profit (loss) attributable to parent company	0.51	4	1.28	8	3.35	12	3.51	14	2.33	11	2.40	13
Basic earnings per share (dollar)	1.03		2.60		6.18		6.47		4.31		4.42	
Cash dividends(dollar/ per share)	1.00		1.50		2.40		2.50		1.75		1.80	
Stock dividends(dollar/ per share)	-		-		1.00		-		-		-	

Consolidated Balance Sheet (1/2)

Item	2018		2019		2020		2021		2022		2023	
	Billion	%	Billion	%	Billion	%	Billion	%	Billion	%	Billion	%
Land held for construction	4.68	9	1.24	2	2.77	5	2.61	5	2.90	5	1.24	2
Construction in progress	12.07	24	16.66	30	12.74	22	8.52	16	11.06	20	16.99	30
Buildings and land held for sale	15.48	30	14.50	26	12.78	22	10.10	19	7.14	13	7.09	12
Other	0.03	0	0.02	0	0.01	0	0.01	0	0.01	0	0.01	0
Total Inventory	32.26	63	32.42	58	28.31	49	21.24	40	21.11	38	25.32	44
Cash and cash equivalents	5.54	11	6.23	11	11.51	20	16.08	30	15.52	28	14.18	25
Investment property	0.52	1	0.51	1	0.51	1	0.50	1	0.46	1	0.46	1
Investments accounted for using the equity method	0.02	0	0.02	0	0.02	0	0.02	0	1.14	2	1.14	2
Total assets	51.16	100	55.82	100	57.38	100	53.85	100	55.86	100	57.56	100

Consolidated Balance Sheet (2/2)

Item	2018		2019		2020		2021		2022		2023	
	Billion	%	Billion	%	Billion	%	Billion	%	Billion	%	Billion	%
Borrowing and bonds payable	26.91	53	25.79	46	22.98	40	20.60	38	20.67	37	19.35	34
Contract liabilities	4.59	9	6.19	11	5.59	10	1.61	3	2.05	4	3.25	6
Total liabilities	37.60	73	41.41	74	40.01	70	33.85	62	34.30	61	34.22	59
Share capital	5.04	10	5.04	9	5.04	9	5.54	10	5.54	10	5.54	10
Total equity attributable to owners of the parent company	11.84	23	12.63	23	15.24	27	17.56	33	18.52	33	19.96	35
Total equity	13.56	27	14.41	26	17.37	30	20.00	37	21.57	39	23.34	41
Equity Per Share	23.5		25.1		30.2		31.7		33.4		36.0	

Financial Data

Item	2018	2019	2020	2021	2022	2023
Return on total assets	2.02%	3.56%	7.42%	7.78%	6.15%	5.79%
Return on equity	5.06%	11.05%	24.58%	21.83%	15.06%	13.66%
Pre-tax income to paid-in capital ratio	21.45%	36.01%	97.04%	89.84%	69.29%	69.06%
Net margin	4.66%	10.09%	14.28%	16.19%	14.55%	15.78%
Price-earnings (P/E) ratio	20.21	9.97	5.16	5.97	7.29	8.79

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