興富發建設

Highwealth Construction

2019 Earnings Conference

Nov 26, 2019

Disclaimer

• The prospective information referred to in this briefing and the relevant information released at the same time are based on Company information and the observation of overall economic development conditions.

•Such prospective information is subject to risks and uncertainties and may be beyond our control. Actual results may differ materially from such prospective information. The reason may come from a variety of factors including, but not limited to, increases in material costs, market demand, various policy and financial economy changes, and other risk factors beyond the control of this Company.

•The information provided in this briefing does not explicitly or implicitly express or ensure the accuracy, completeness, or reliability of such information and does not represent a complete theoretical discussion of this Company, its industry conditions, or subsequent major development directions. It only represents our outlook for the future and reflects our vision for the future thus far. For any future modifications or adjustments of such views, "The Company" does not guarantee the accuracy of the briefing information and shall not bear responsibility for the updated or revised information content of the briefing.

•This briefing may not be obtained by any third party without the written consent of this Company.

Sales Report

Highwealth Construction
(including Bo-Yuan, Chyi Yuh)
Vice President
Zhao-Xiong Liao

2018 Land Purchased Amount

興富發建設 Highwealth Construction

Area	Project Name	Location	Base Dimension (pin)	Total Sellable Amount (NT 100 million Dollars)	Development Method	Land Purchased Cost (NT 100 million Dollars)
Taipei	Danhai 5th (Expansion)	Danhai section lane no.	3,949.91	73.41	Buy and Sell	24.88
	Ankong Section	Ankong section, Neihu District	1,935.72	51.50	Buy and Sell	18.39
Taoyuan	Chunshi Section	Chunshi section, Chungli City	1,643.31	28.84	Buy and Sell	8.99
	Huayue City	Shanji section, Guishan District	2,751.34	60.67	Buy and Sell	18.43
Taichung	Munghuan City	New HSR section, Wuri District	7,656.46	140.10	Bid	40.02
	Huishun Second	Huishun section, Xitun District	1,011.22	57.73	Buy and Sell	16.99
	Wenshin Aiyue	Fenggong section, Nantun District	1,334.12	66.10	Buy and Sell	26.68
Subtotal	7 cases		**20282.08 pin**	**47.835 billion**		**15.438 billion**

Land for road and public facility is 635 million dollars.

Recognizable revenue in the next 3~5 years

2019 Land Purchased Amount (as of Q3)

Area	Project Name	Location	Base Dimension (pin)	Total Sellable Amount (NT 100 million Dollars)	Development Method	Land Purchased Cost (NT 100 million Dollars)
Taipei	Changan Yishao	Chungshan District, Taipei City	456.47	94.12	Bid	51.12
Taichung	Huian 3rd A	Huian section, Xitun District	905.07	50.82	Buy and Sell	14.61
	Xitun Section	Xitun section, Xitun District	843.38	41.24	Buy and Sell	14.17
	Huian 4th	Huian section, Xitun District	1,224.14	35.38	Buy and Sell	20.07
Subtotal	4 cases		**3,429.06 pin**	**22.156 billion**		**9.997 billion**

Land for road and public facility is 938 million dollars.

Recognizable revenue in the next 3~5 years

2019 Newly Complete Projects

興富發建設
Highwealth Construction

Area	Project Name	Location	Base Dimension (pin)	Total Sales Amount (NT 100 million Dollars)	Sales Status
Great Taipei Area	Jishi Castle	Xinzhuang District	1303.64	22.10	**87.96%**
Taichung	Jinai	Xitun District	1385.45	41.67	**94.51%**
Subtotal	2 cases			**6.377 billion**	

2019 Newly Promoted Projects

興富發建設 Highwealth Construction

Area	Project Name (temporary)	Location	Sellable unit/parking	Total Sales Amount (NT 100 million Dollars)	Sales Rate	Unit Price	Project %
Great Taipei Area	Jishi Castle	Longfeng section, Xinzhuang District	184/147	22.10	87.96%	Residence 350~430 thousand dollars	6.54%
	Fujiangcui	Shindo section, Banciao District	88/88	11.33	Est. public in Dec	Residence 430~480 thousand dollars	
Taoyuan	Huayue City	Shanji section, Guishan District	776/694 8 storefronts	60.67	31.24%	Storefront 550~600 thousand dollars Residence 260~300 thousand dollars	11.87%
Taichung	Munghuan City	New HSR section, Wuri District	1608/1644 66 storefronts	140.10	52.85%	Storefront 570~640 thousand dollars Residence 270~320 thousand dollars	50.27%
	Wenshin Aiyue	Fenggong section, Nantun District	569/580 8 storefronts	66.10	55.30% (public in Nov)	Storefront 1.15~1.27 million dollars Residence 450~500 thousand dollars	
	TOP1 Global Trading Center	Huian section, Xitun District	134/313 4 storefronts	50.82	29.74% (public in Dec)	Storefront 790~900 thousand dollars Office 360~420 thousand dollars	
Kaohsiung	CBD Trading Center	Lindeguan section, Linya District	132/174 2 storefronts	28.73	19.63%	Storefront 1.4~1.8 million dollars Office 300~350 thousand dollars	31.32%
	Poai Jinjan	Dakong subsection 4, Sanmin District	307/143	26.28	8.5% (public in Nov)	350~480 thousand dollars	
	Meishu Dayue	Shindo section, Sanmin District	540/507 34 storefronts	49.08	51.69%	Storefront 350~500 thousand dollars Residence 320~450 thousand dollars	
	Aichungho Left Bank	Poshao section, Quanjin District	598/319 2 storefronts	56.06	13.88%	Storefront 1.4~1.8 million dollars Residence 400~500 thousand dollars	
Subtotal	10 cases			**51.127 billion**			**100%**

2019 Existing Home Sales Status

興富發建設
Highwealth Construction

Area	Project Name	Location	2019 existing home sales amount (NT 100 million Dollars)
Great Taipei Area	Kuoja No. 1	Linkuo District	
	Taipei No. 1	Chungshan District	
	Times Square Taipei	Chungshan District	9.75
	Yuanshan No. 1	Shinlin District	12.47
	Hongshulin Manor	Danshui District	3.15
	Shunghuhui	Neihu District	30.98
	Haiyang Doshin	Danshui District	0.75
	Shungmeikuan	Nankong District	3.56
	Chungyan A+	Shiji District	3.86
	Hanlin Small town(Poyuan)	Anlou District	3.48
	Chungshan Kaiyan(Poyuan)	Chungshan District	6.26
Taoyuan	Janchin A+	Chungli District	3.58
Hsinchu	Giant	Chubei City	0.99
	Park No. 1	Chubei City	0.16
	Water Park	Chubei City	4.26
Taichung	Baida Fuyi	Xitun District	0.66
	Siji Tianyuan	Xitun District	

Area	Project Name	Location	2019 existing home sales amount (NT 100 million Dollars)
	Hengyong	Xitun District	1.06
	Kuoja No. 1 Taichung	Xitun District	2.52
	Dinshan BHW	Xitun District	
	Holiwon Castle	Xitun District	0.55
	Holiwon Legand	Xitun District	0.25
	Wenhuahui	Xitun District	0.23
	Shuhoyuan	Nantun District	5.92
	CBD Times Square(Poyuan)	Xitun District	7.61
Tainan	Poyue	Anpin District	4.71
Kaohsiung	Kuowang Castle	Gushan District	
	Yishu Castle	Gushan District	
	Kuowang No. 1	Linya District	2.28
	Huarenhui	Gushan District	0.82
	Minsheng Xiangxie	Quanjin District	0.69
	Shinfufa Dayue	Linya District	0.41
Subtotal			**11.096 billion**

2019 Online Sales Project

興富發建設
Highwealth Construction

Area	Project Name	Location	Sellable unit/parking	Total Sales Amount (NT Billion Dollars)	Sales Rate	Sold Amount (NT 100 million Dollars)
Great Taipei Area	Jishi Castle	Longfeng section, Xinzhuang District	184/147	22.10	**87.96%**	19.44
	Shinfufa Damei	Jiangcui Section, Banciao District	73/56	9.58	**66.67%**	6.39
	Shinfufa Dayue	Yuncui Section, Banciao District	248/258, 2 storefronts	32.87	**82.31%**	27.06
Taoyuan	Huayue City	Shanji section, Guishan District	776/694, 8 storefronts	60.67	**31.24%**	18.95
Hsinchu	Chuko Yueyang	Kuanwu section, Hsinchu City	481/485	49.34	**88.44%**	43.64
Taichung	Poshi	Huishin section, Nantun District	266/267	36.59	**73.58%**	26.92
	Chenai	Fude section, Xitun District	432/436	41.67	**94.51%**	39.38
	Bokolai	Huili section, Nantun District	442/443	51.63	**78.78%**	40.67
	Munghuan City	New HSR section, Wuri District	1608/1644, 66 storefronts	140.10	**52.85%**	74.04
	Wenshin Aiyue	Fenggong section, Nantun District	569/580, 8 storefronts	66.10	**55.30%**	36.55
	TOP1 Global Trading Center	Huian section, Xitun District	134/313, 4 storefronts	50.82	**29.74%**	15.11
Tainan	Shendong City	Bailun section, Rende District	1150/996, 5 storefronts	73.06	**78.82%**	57.59
Kaohsiung	Poai Shenhsieh	Hsinchuang subsection 13, Zuoying District	314/137	29.76	**81.97%**	24.39
	CBD Trading Center	Lindeguan section, Linya District	132/174, 2 storefronts	28.73	**19.63%**	5.64
	Poai Jinjan	Dakong subsection 4, Sanmin District	307/143	26.28	**8.50%**	2.23
	Meishu Dayue	Shindo section, Sanmin District	540/507, 34 storefronts	49.08	**51.69%**	25.37
	Yuechen	Kuomao section, Zuoying District	281/257	19.52	**90.21%**	17.61
	Aichungho Left Bank	Poshao section, Quanjin District	598/319 , 2 storefronts	56.06	**13.88%**	7.78
Total	18 cases					**48.876 billion**

2020 Estimated Promoted Projects

興富發建設
Highwealth Construction

Area	Project Name (temporary)	Location	Sellable unit/parking	Total Sales Amount (NT 100 million Dollars)	Product Type	Number of pins	Unit Price	Project %
Great Taipei Area	Yongcui Second	Yongcui section, Banciao District	238/258 5 storefronts	32.88	First time purchase	24~36 pin	Storefront 600~700 thousand dollars Residence 450~500 thousand dollars	6.26%
Taoyuan	Chunshi Section	Chunshi section, Chungli City	345/445	28.84	First time purchase	22~42 pin	300~330 thousand dollars	5.49%
Taichung	Huian 4th	Huian section, Xitun District	351/351 3 storefronts	35.38	First time purchase	22~36 pin	Storefront 700~800 thousand dollars Residence 350~400 thousand dollars	6.74%
Tainan	Yukuan 3rd	Yukuan section, Anping District	786/630 9 storefronts	49.84	First time purchase	24~45 pin	Storefront 420~500 thousand dollars Residence 250~320 thousand dollars	9.49%
Kaohsiung	Chungdo First 342	Shindo section, Sanmin District	145/194 3 storefronts	34.19	First time purchase	42 pin	Storefront 130~150 thousand dollars Residence 400~450 thousand dollars	72.01%
	Chungdo 3rd 310	Shindo section, Sanmin District	167/136 3 storefronts	23.68	First time purchase	22~35 pin	Storefront 130~150 thousand dollars Residence 400~450 thousand dollars	
	Fushan Section	Fushan section, Zuoying District	592/367 6 storefronts	50.98	First time purchase	22~35 pin	Storefront 900~120 thousand dollars Residence 300~320 thousand dollars	
	Poshao Yichi	Poshao section, Quanjin District	535/514 9 storefronts	107.21	First time purchase	35~42 pin	Storefront 70~100 thousand dollars Residence 400~450 thousand dollars	
	Huaren Guiguan (Chiyu)	Chinhai section, Kushan District	755/764 9 storefronts	162.00	Second+First time purchase	22~35 pin 75~95 pin	Storefront 160~200 thousand dollars Residence 450~600 thousand dollars	
Subtotal	9 cases			**52.5 billion**				**100%**

Price of Newly Complete Residence

Item \ Year	2019	2020	2021	2022	2023	Total
Price of Newly Complete Residence (NT 100 million Dollars)	63.77	180.78	267.38	481.43	788.50	1781.86

Future 4 years Plan

		Project Name	Total Sales Amount (NT 100 million Dollars)	2019	2020	2021	2022	2023
Great Taipei Area	1	Beitou Daya Section	12.17					▲
	2	Danhai 5th	178.30					▲
	3	Jishi Castle	22.10	▲	▲			
	4	Shinfufa Damei	9.58		▲			
	5	Nankong 5th	96.01					▲
	6	Shinfufa Dayue	32.87			▲		
	7	Fujiangcui	11.33			▲		
	8	Yongcui 2nd	32.88		▲	▲		
	9	Ankong Section	51.50					▲
Taoyuan	10	Chunshi Section	28.84			▲		
	11	Huayue City	60.67				▲	
Hsinchu	12	Chuko Yueyang	49.34		▲	▲		
Taichung	13	Poshi	36.59		▲	▲		
	14	Jinai	41.67	▲				
	15	Pokolai	51.63			▲		
	16	Munghuan City	140.10				▲	
	17	Huishan 2nd	57.73					▲

Future 4 years Plan

興富發建設 Highwealth Construction

Area	Project Name		Total Sales Amount (NT 100 million Dollars)	2019	2020	2021	2022	2023
	18	Wenshin Aiyue	66.10				▲	▲
	19	TOP1 Global Trading Center	50.82				▲	▲
	20	Xitun Section	41.24					▲
Tainan	21	Shandong City	73.06			▲		
	22	Yukuan 3rd	49.84				▲	
Kaohsiung	23	Poai Shanghsieh	29.76			▲		
	24	CBD Trading Center	28.73				▲	
	25	Poai Jinjan	26.28					▲
	26	Chungdo First 342	34.19				▲	
	27	Meishu Dayue	49.08			▲		
	28	Yuechen	19.52		▲	▲		
	29	Chungdo 3rd 310	23.68			▲		
	30	Fushan Section	50.98				▲	
	31	Poshao Yichi	107.21					▲
	32	Aichungho Left Bank	56.06					▲
	33	Huaren Guiguan (Chiyu)	162.00					▲
		Subtotal	**1781.86**					

Consolidated Financial Status

興富發建設 Highwealth Construction

Unit: NT thousand Dollars

Item \ Year	2014	2015	2016	2017	2018	2019(至Q3)
Operating Income	37,515,171	34,638,039	35,057,830	18,670,048	44,204,971	17,226,031
Operating Cost	23,312,300	21,833,114	23,768,287	13,696,981	31,032,093	12,046,602
Gross Profit	14,202,871	12,804,925	11,289,543	4,973,067	13,172,878	5,179,429
Gross Profit Rate(%)	38	37	32	27	30	30
Operating Expense	2,927,776	2,989,867	3,556,513	2,341,893	3,669,516	2,084,162
Operating Profit	11,275,095	9,815,058	7,733,030	2,631,174	9,503,362	3,095,267
Income before Tax	11,172,002	9,873,872	7,856,704	2,733,013	9,450,872	2,502,502
Net Income	10,746,861	8,954,895	7,268,083	2,442,625	8,738,331	2,147,295
Profit Margin(%)	29	26	21	13	20	13
Comprehensive income	10,757,880	8,931,878	7,266,952	2,450,348	8,785,858	2,160,698
Earnings per share	11.44	7.06	5.57	1.69	6.01	2.06
Total liabilities	73,912,357	74,873,735	72,425,781	89,794,800	90,798,943	109,453,619
Shareholders' equity	34,280,534	39,322,208	38,730,346	34,311,070	40,102,148	34,732,168
Paid-in Capital	8,974,051	11,666,266	11,666,266	11,666,266	11,666,266	11,666,288

Convertible Bond Maturity Date

Oct 30, 2019

Corporate Bond Type	5th secured convertible bond in the country (code:25425)
Issue Date	Jun 8, 2017
Denomination	100,000 New Taiwan Dollars
Issue and Trade Location	Domestic
Issue Price	Issued at 100.2% of the face value
Total	Total denomination New Taiwan 10.02 Billion Dollars
Interest Rate	0%
Expiration	5 years. Maturity Date: Jun 8, 2022
Repayment Method	The bondholders may convert to company ordinary shares according to the clause of Article 10 of the company bond issue and convert guidance, and Article 18 for early redemption by the company or security agency, or Article 19 if the bondholders sells ahead of the maturity time, the bond denomination at the maturity time plus 6.4% of the 5 year interest compensation may be paid by cash at once.
Unpaid Amount	New Taiwan 9,999,900 thousand dollars
Possible Equity Dilution and Effects on Equity of the Current Shareholders	If the bondholders would convert all the bond to company ordinary shares at the current price of 43.1, the maximum dilution effect on the shareholders' equity is 16.59% for the maximum convertible shares of 232,016 thousand shares. The estimated share capital for the total conversion is 14 billion dollars at the current conversion price.
Name of the Entrusted Agency for Subject Exchanged	Not Applicable

Shareholder Structure

Base Date: Oct 8, 2019

Shareholder Structure / Qty	Government Agency	Financial Agency	Other Legal Person	Foreign Agency and Foreigner	Individual	Total
Number of hareholders	4	13	180	471	59,518	60,186
Number of Shares Held	418,008	19,547,741	519,556,210	237,486,705	389,620,088	1,166,628,752
Shareholding Ratio	0.04%	1.67%	44.54%	20.35%	33.40%	100%

Equity Dispersion

Base Date: Oct 8, 2019

Shareholding range	Number of Shareholders	Number of Shares Held	Shareholding Ratio
1～ 999	8,284	2,675,687	0.23%
1,000～ 5,000	38,924	84,131,117	7.21%
5,001～ 10,000	6,443	50,485,659	4.33%
10,001～ 15,000	2,003	25,283,136	2.17%
15,001～ 20,000	1,476	26,822,680	2.30%
20,001～ 30,000	1,092	27,417,446	2.35%
30,001～ 40,000	568	20,096,893	1.72%
40,001～ 50,000	332	15,321,005	1.31%
50,001～ 100,000	544	38,091,977	3.27%
100,001～ 200,000	240	33,377,606	2.86%
200,001～ 400,000	115	32,141,344	2.76%
400,001～ 600,000	40	19,729,308	1.69%
600,001～ 800,000	22	15,248,521	1.31%
800,001～ 1,000,000	17	15,112,873	1.29%
1,000,001 and above	86	760,693,500	65.20%
Total	60,186	1,166,628,752	100.00%

Dividend Policy

興富發建設 Highwealth Construction

Dividend Distribution Year	Cash Dividend (A)		Stock dividend	Ex-dividend Date	Stock Price before the ex-dividend Date (B)	Dividend Yield (%) (A/B)*100% (Note 1)	Cash Dividend Payout Ratio (%) (Note 2)	Remark
	Profit Distribution (dollar/share)	Additional Paid In Capital (dollar/share)	Profit Distribution (dollar/share)					
2019	1.000	0.000	0.000	2020/02/20	-	-	97.09	2019 Q3
	1.000	0.000	0.000	2019/10/02	49.95	9.01	54.35	2019 first half (Note 3)
	3.500	0.000	0.000				58.24	2018
2018	1.492	2.008	0.000	2018/09/07	49.15	7.12	207.10	-
2017	4.873	0.127	0.000	2017/09/11	48.05	10.41	89.77	-
2016	6.000	0.000	0.000	2016/07/13	53.30	11.26	84.99	-
2015	4.000	0.000	3.000	2015/09/21	60.90	6.57	45.45	-

Note 1：Dividend Yield =〔cash dividend ÷ daily closing price〕*100%
Note 2：Cash Dividend Payout Ratio =〔cash dividend ÷ annual EPS〕*100%
Note 3：Cash dividend is distributed quarterly since 2019.

As of the end of October 2019, the accumulated cash dividend is over 43.5 billion dollars. (including 1.5 billion dollars cash payback to shareholders due to Reduction of Capital.)

Q&A

THANK YOU!