



Zongtai Real Estate Development Co.,LTD.

Stock Code:3056.TT

2017 Investor Conference

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AGENDA

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- Business Strategy

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1-1. Company Introduction

- Foundation : 1997.11
- Stock Listing : 2003.3
- Headquarter : Taichung, Taiwan
- Capital :NTD2,304.85 million
- Chairman : WU HSI KUN
- Main Business :
Real Estate Development
- Number of employees :106



1-2. Company History

- ◆ 1997/11 : Established 「Kingbillion 」 Company.
- ◆ 2003/3 : Officially listed
- ◆ 2007/8 : Established Taichung Branch
- ◆ 2010/7 : Established 「Mallow International Holdings Ltd.」
- ◆ 2010/12 : End of the electronics business group
- ◆ 2011/1 : To invest 25% stake in 「Imago」 Company
- ◆ 2011/7 : Renamed 「Zongtai 」 Company
- ◆ 2011/8 : To invest 100% stake in 「 Zongtai Construction Co., Ltd」
- ◆ 2012/6 : The end of 「Imago」 Company investment
- ◆ 2013/1 : Established 「 Ritai Asset Management Co.,Ltd」
- ◆ 2015/8 : Participate in the Central Region Branch, National Property Administration, MOF on the right to bid

1-3. Summary of Affiliated Companies

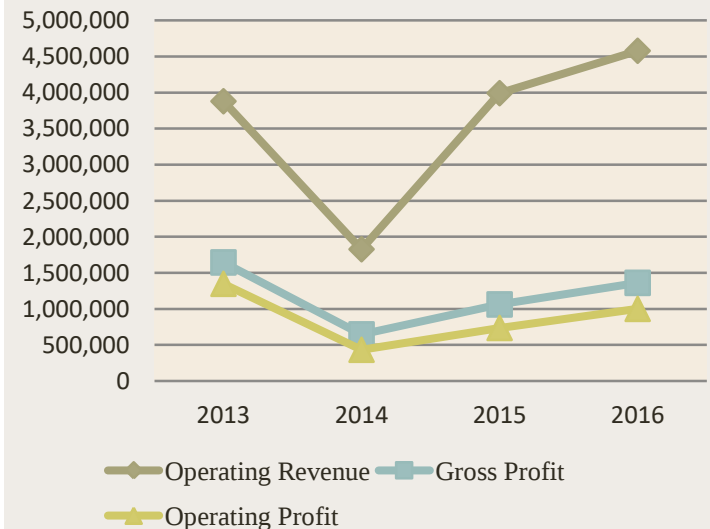
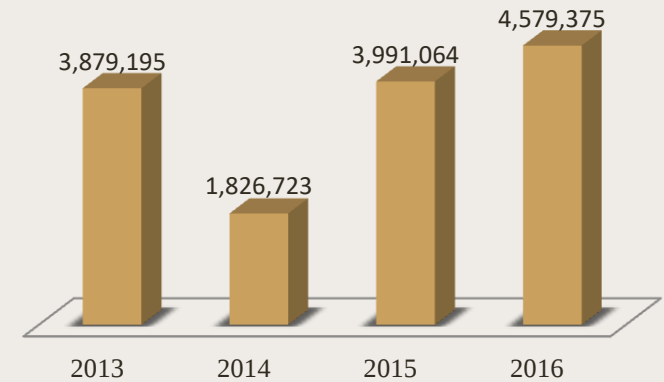


2-1. Financial Results - Consolidated Statement of Comprehensive Income

Unit:NTD thousand

Item	2013	2014	2015	2016	2017 H1
Operating Revenue	3,879,195	1,826,723	3,991,064	4,579,375	2,549,267
Operating Cost	2,235,092	1,180,673	2,929,571	3,218,702	1,696,789
Gross Profit	1,644,103	646,050	1,061,493	1,360,673	852,478
Gross Margin %	43%	36%	26%	30%	33%
Operating Expenses	296,302	213,029	325,893	360,308	111,765
Operating Profit	1,347,801	433,021	735,600	1,000,365	740,713
Operating Margin %	35%	24%	18%	22%	29%
Income before Tax	1,425,427	438,317	754,540	1,009,001	738,725
Net Income	1,319,527	390,902	727,922	998,275	645,389
Net Margin %	34%	22%	18%	22%	25%
EPS	9.27	2.43	3.63	4.34	2.8
ROE	64	12.63	18.71	21.71	13.3

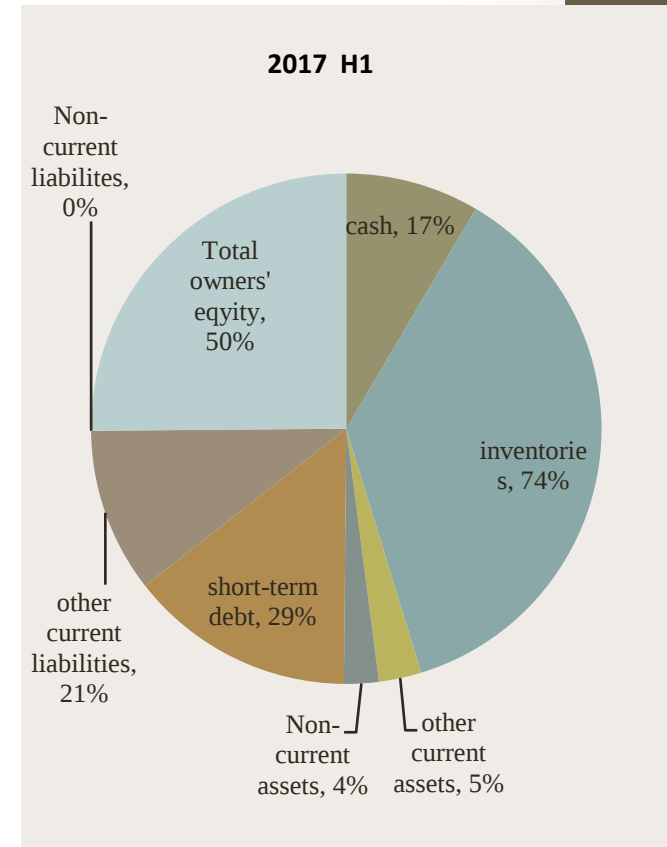
Operating Revenue (consolidated)



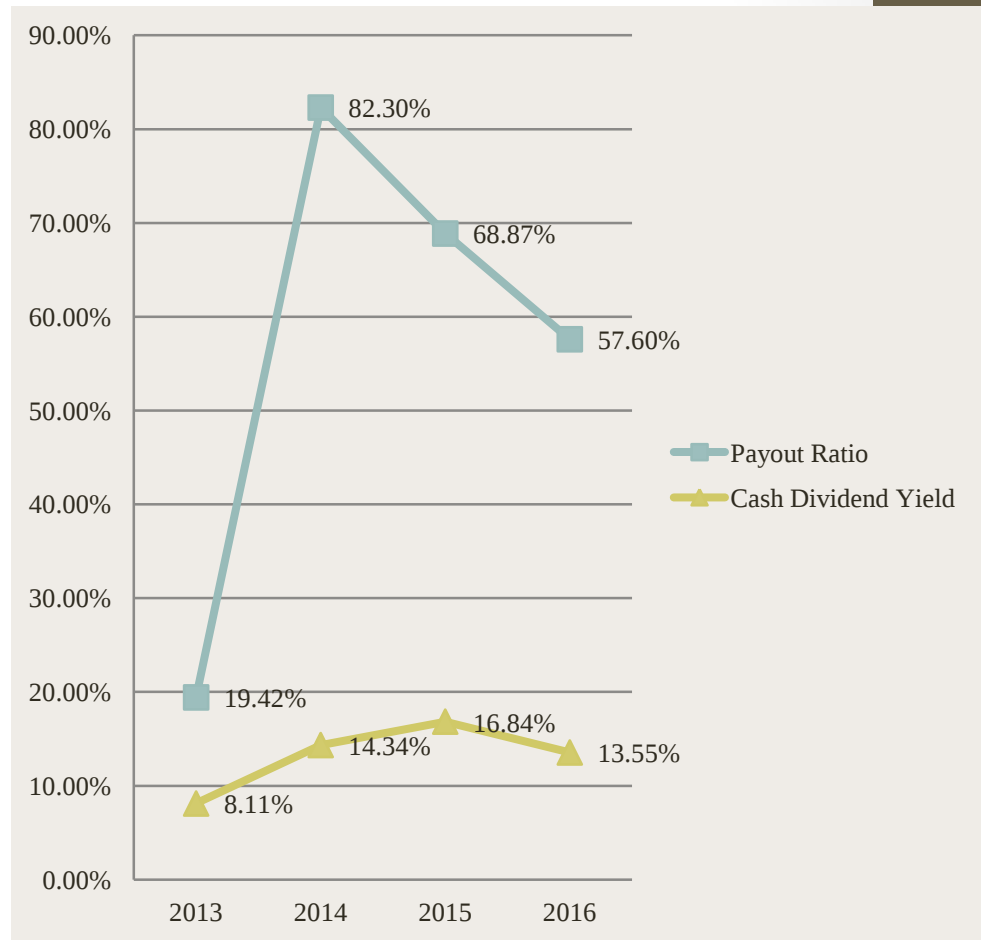
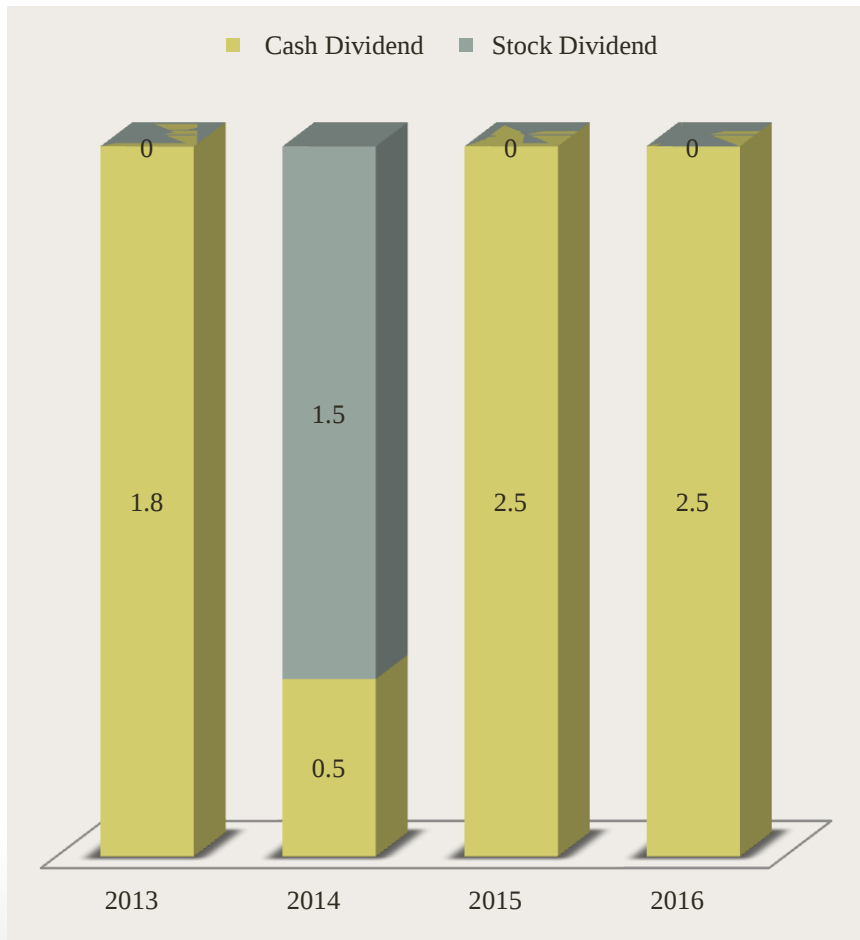
2-2. Financial Results – Consolidated Condensed Balance Sheet

Unit:NTD thousand

項目	2013	2014	2015	2016	2017 H1
cash	555,571	592,992	886,469	670,821	1,591,428
inventories	6,523,009	7,523,438	7,704,582	5,823,137	7,156,011
current assets	7,742,799	9,230,070	10,158,777	7,753,789	9,273,084
Total Assets	8,080,012	9,650,356	10,601,880	8,408,732	9,699,229
short-term debt	2,524,904	2,927,154	2,964,380	1,934,480	2,782,910
current liabilities	4,840,710	6,245,521	6,224,568	3,586,809	4,809,798
current liabilities %	60%	65%	59%	43%	50%
Total liabilities	5,293,717	6,247,506	6,226,165	3,588,694	4,811,248
capital	1,497,625	1,729,464	2,293,471	2,304,847	2,304,847
Total owners' equity	2,786,295	3,402,850	4,375,715	4,820,038	4,887,981



2-3. Dividend Policy



3-1. Operational overview – Ongoing Pre-sale Projects

Project Name	Location	Product	Area of Land (m ²)	Salable Value (Billion)	Sales Rate %	Year of Completion
East Wyatt	Beitun Dist., Taichung City	Residential	5,564.83	2.32	52%	2018
Taichung high-speed rail business	Wuri Dist., Taichung City	Commercial	2,108.93	0.85	68%	2018
Melody	Beitun Dist., Taichung City	Residential	7,011.40	2.75	81%	2019
East New York	East Dist., Taichung City	Residential	1,594.00	0.78	46%	2019
	Total		16,279.16	6.7		

3-2. Operational overview - Land Stock

Location	Product	Area of Land (m ²)	Cost (million)
Wenbei section of Beitun District, Taichung City	Residential	2,654.98	271
Taiyuan section of Beitun District, Taichung City	Residential	39,989.64	2,306
Goubei section of Beitun District, Taichung City	Residential	1,090.2	194
Taishun section of Beitun District, Taichung City	Residential	4,793.74	636
	Total	48,528.58	3,407

4. Business Strategy

1. Digitization

- (1) **Marketing Digitization:** Using environmental protection demands as the driving force of digitalization, training and developing the new knowledge and skills of digital marketing tools continuously.
- (2) **Data digitization:** Improving the operating system and build up the digital database combining with the intelligent mobile device to accelerate the Operation efficiency.
- (3) **Information digitization:** Build up the data platform cloud to provide the entrance of getting service information for the clients to reduce the use of non - environmentally friendly material.

2. Diversification

- (1) **Construction development:** Continued deep plowing in the industry and keep flexible business system to always response to market fluctuations.
- (2) **Business management:** To expand on the new commercial real estate and tourism hotel development plan.
- (3) **Government projects:** Continuous assessment of participation in BOT, ROT, OT and other government projects.

4. Business Strategy

3. Grouping management

- (1) **Resource sharing:** Centralized Procurement reduces costs to improve the use of resources.
- (2) **Complementation group:** Being Complementation group to enhance the operation and management efficiency, the advantages and disadvantages complement each other, so that the advantages of full play, and then lead the other members to enable enterprises to improve the operation and management efficiency.
- (3) **Improve competitiveness:** Technological and marketing innovation and cost reduction to enhance the comprehensive competitiveness of enterprises.



Q&A

**Thank you again for the support of investors
and the company.**

Company Website

<http://www.zongtai.com.tw/>

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