



鄉林建設股份有限公司

Shining Building Business Co. Ltd.

# 3Q14 Financial Results Presentation

## November, 2014



# 3Q14 Financial Results



## 3Q14 Consolidated Statements of Comprehensive Income

| <i>(In NT\$ Million)</i>                    | 3Q14         | 2Q14         | 3Q13            | QoQ<br>Change    | YoY<br>Change    |
|---|--------------|--------------|-----------------|------------------|------------------|
| <b>Net Revenue</b>                          | <b>1,339</b> | <b>1,904</b> | <b>1,487</b>    | <b>-29.7%</b>    | <b>-10.0%</b>    |
| <b>Gross Margin</b>                         | <b>641</b>   | <b>905</b>   | <b>745</b>      | <b>-29.2%</b>    | <b>-14.0%</b>    |
| <b>Gross Margin %</b>                       | <b>47.9%</b> | <b>47.5%</b> | <b>50.1%</b>    | <b>0.3 ppts</b>  | <b>-2.3 ppts</b> |
| <b>Operating Expense</b>                    | <b>209</b>   | <b>288</b>   | <b>254</b>      | <b>-27.5%</b>    | <b>-17.7%</b>    |
| <b>Operating Income</b>                     | <b>432</b>   | <b>617</b>   | <b>491</b>      | <b>-30.0%</b>    | <b>-12.1%</b>    |
| <b>Operating Income %</b>                   | <b>32.2%</b> | <b>32.4%</b> | <b>33.0%</b>    | <b>-0.2 ppts</b> | <b>-0.8 ppts</b> |
| <b>Non-Operating Income<br/>(Expense)</b>   | <b>29</b>    | <b>(14)</b>  | <b>(3)</b>      | <b>-307.7%</b>   | <b>-989.2%</b>   |
| <b>Income before Tax</b>                    | <b>461</b>   | <b>603</b>   | <b>488</b>      | <b>-23.5%</b>    | <b>-5.5%</b>     |
| <b>Income Tax Expense</b>                   | <b>100</b>   | <b>99</b>    | <b>22</b>       | <b>1.3%</b>      | <b>360.7%</b>    |
| <b>Net Income</b>                           | <b>361</b>   | <b>504</b>   | <b>466</b>      | <b>-28.4%</b>    | <b>-22.6%</b>    |
| <b>Net Income %</b>                         | <b>27.0%</b> | <b>26.5%</b> | <b>31.3%</b>    | <b>0.5 ppts</b>  | <b>-4.4 ppts</b> |
| NI Attributable To Parent's<br>Shareholders | <b>393</b>   | <b>529</b>   | <b>491</b>      | <b>-25.8%</b>    | <b>-20.0%</b>    |
| Non-Controlling Interests                   | <b>(32)</b>  | <b>(25)</b>  | <b>(25)</b>     | <b>26.2%</b>     | <b>30.2%</b>     |
| <b>EPS</b>                                  | <b>0.49</b>  | <b>0.66</b>  | <b>0.61 (*)</b> | <b>-25.8%</b>    | <b>-19.7%</b>    |

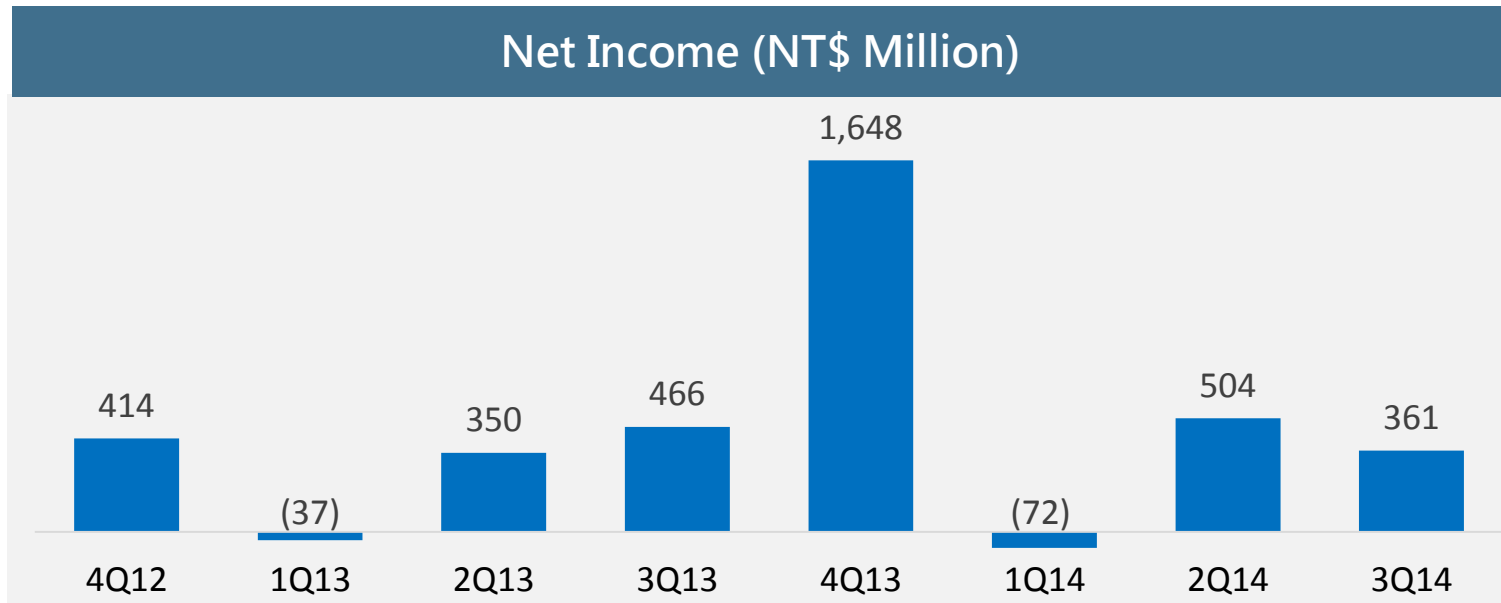
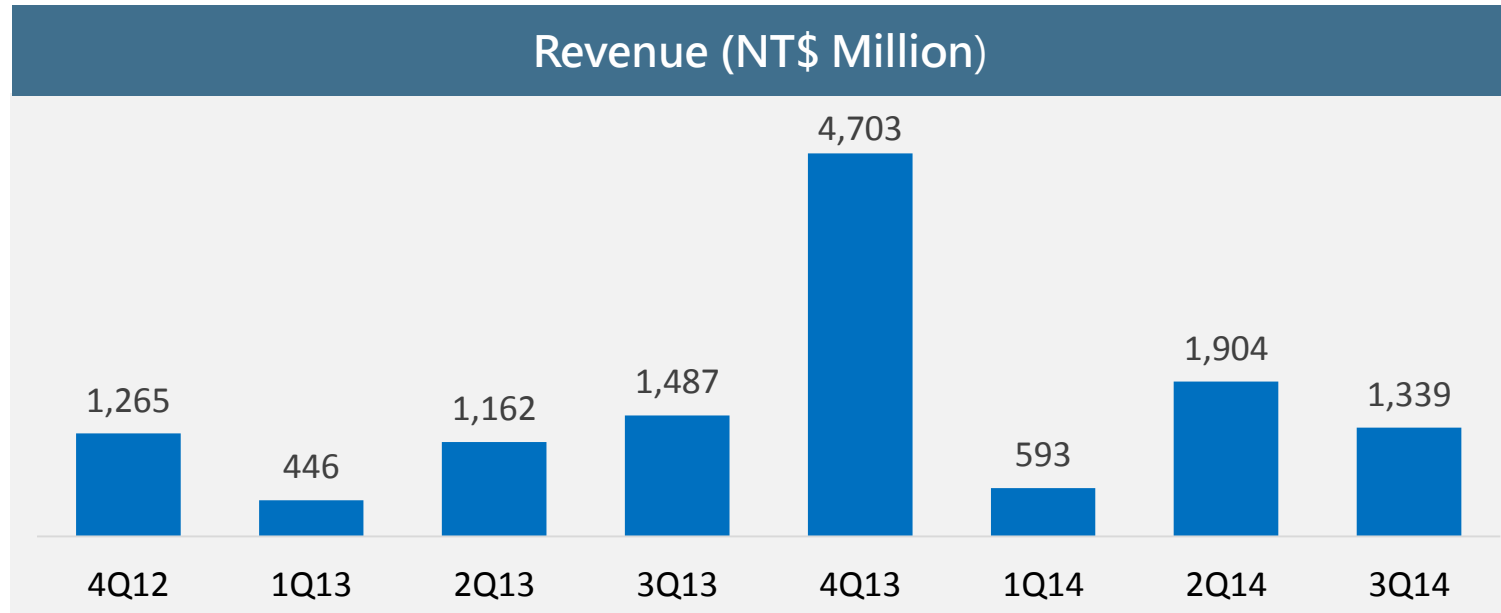
\* EPS of 3Q13 is adjusted EPS (adjusted based on the current outstanding shares).

# 1Q-3Q'14 Consolidated Statements of Comprehensive Income

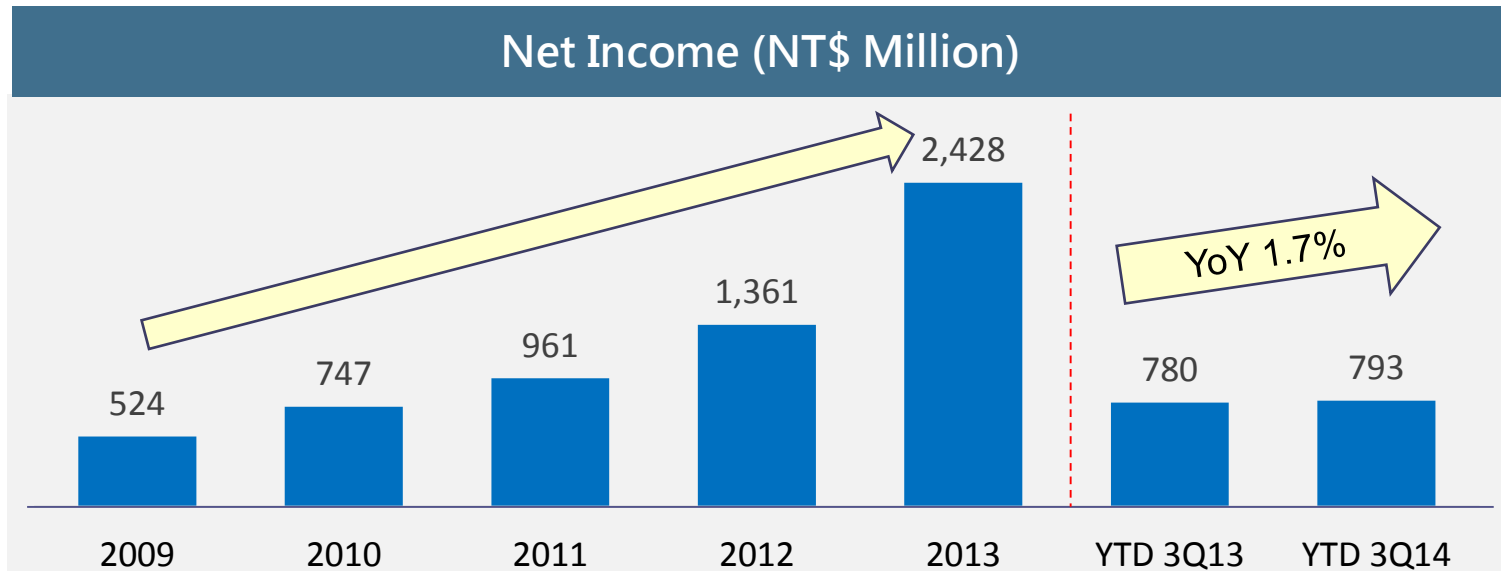
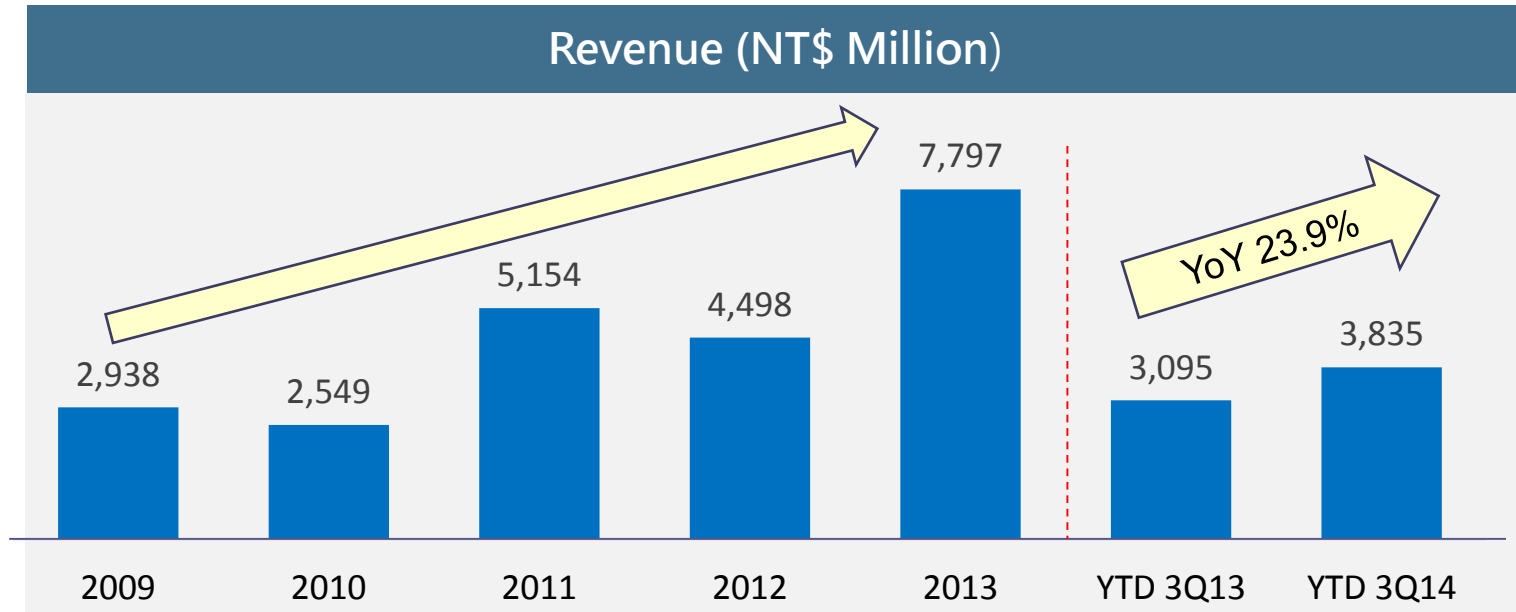
| <i>(In NT\$ Million)</i>                 | 1Q-3Q<br>2014 | 1Q-3Q<br>2013             | YoY Change       |
|--|---------------|---------------------------|------------------|
| <b>Net Revenue</b>                       | <b>3,835</b>  | <b>3,095</b>              | <b>23.9%</b>     |
| <b>Gross Margin</b>                      | <b>1,865</b>  | <b>1,524</b>              | <b>22.4%</b>     |
| <b>Gross Margin %</b>                    | <b>48.6%</b>  | <b>49.2%</b>              | <b>-0.6 ppts</b> |
| <b>Operating Expense</b>                 | <b>811</b>    | <b>602</b>                | <b>34.8%</b>     |
| <b>Operating Income</b>                  | <b>1,054</b>  | <b>923</b>                | <b>14.3%</b>     |
| <b>Operating Income %</b>                | <b>27.5%</b>  | <b>29.8%</b>              | <b>-2.3 ppts</b> |
| <b>Non-Operating Income (Expense)</b>    | <b>(41)</b>   | <b>(92)</b>               | <b>-55.6%</b>    |
| <b>Income before Tax</b>                 | <b>1,013</b>  | <b>830</b>                | <b>22.0%</b>     |
| <b>Income Tax Expense</b>                | <b>220</b>    | <b>51</b>                 | <b>334.1%</b>    |
| <b>Net Income</b>                        | <b>793</b>    | <b>780</b>                | <b>1.7%</b>      |
| <b>Net Income %</b>                      | <b>20.7%</b>  | <b>25.2%</b>              | <b>-4.5 ppts</b> |
| NI Attributable To Parent's Shareholders | 886           | 841                       | 5.3%             |
| Non-Controlling Interests                | (93)          | (61)                      | 51.5%            |
| <b>EPS</b>                               | <b>1.10</b>   | <b>1.05<sup>(*)</sup></b> | <b>4.8%</b>      |

\* EPS of 1-3Q'13 is adjusted EPS (adjusted based on the current outstanding shares).

# Trend of Revenue & Net Income- Quarterly



# Trend of Revenue & Net Income - Yearly

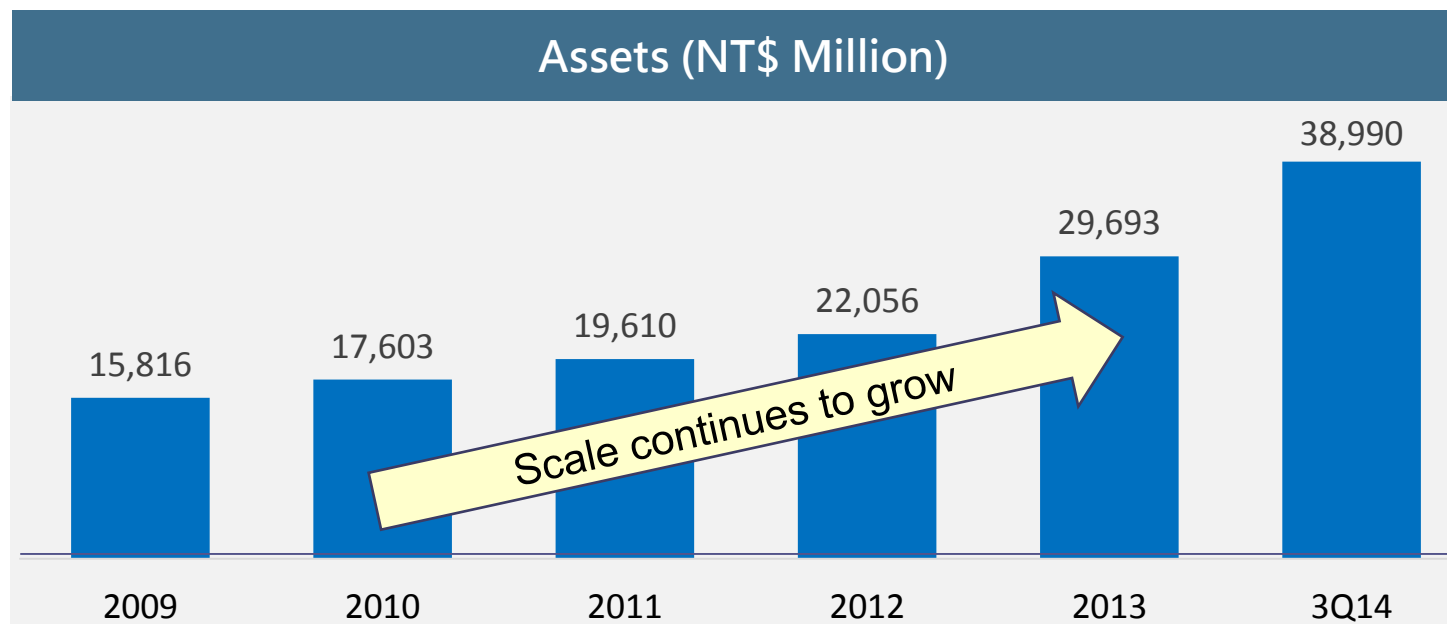


| Year     | 純益率 |
|----------|-----|
| 2009     | 18% |
| 2010     | 30% |
| 2011     | 19% |
| 2012     | 30% |
| 2013     | 31% |
| YTD 3Q13 | 25% |
| YTD 3Q14 | 21% |

# Balance Sheets

| (NT\$ Million)                    | 2014/9/30     |               | 2014/6/30     |               | 2013/9/30     |               |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                   | Amt.          | %             | Amt.          | %             | Amt.          | %             |
| Cash and Cash Equivalents         | 1,539         | 3.9%          | 3,603         | 10.6%         | 873           | 3.2%          |
| Account Receivable                | 1,863         | 4.8%          | 778           | 2.3%          | 56            | 0.2%          |
| Inventories                       | 28,815        | 73.9%         | 25,114        | 73.7%         | 22,607        | 83.0%         |
| Prepayments                       | 1,573         | 4.0%          | 1,573         | 4.6%          | 934           | 3.4%          |
| Other Current Assets              | 4,223         | 10.8%         | 2,028         | 5.9%          | 341           | 1.3%          |
| Current Assets                    | 38,013        | 97.5%         | 33,095        | 97.1%         | 24,811        | 91.1%         |
| Non-current Assets                | 978           | 2.5%          | 985           | 2.9%          | 2,436         | 8.9%          |
| <b>Assets</b>                     | <b>38,990</b> | <b>100.0%</b> | <b>34,080</b> | <b>100.0%</b> | <b>27,248</b> | <b>100.0%</b> |
| Shorten Loans                     | 10,954        | 28.1%         | 8,318         | 24.4%         | 8,187         | 30.0%         |
| Other Current Liabilities         | 10,513        | 27.0%         | 9,405         | 27.6%         | 4,513         | 16.6%         |
| Longterm Loans                    | 4,789         | 12.3%         | 4,133         | 12.1%         | 5,015         | 18.4%         |
| <b>Liabilities</b>                | <b>26,366</b> | <b>67.6%</b>  | <b>21,939</b> | <b>64.4%</b>  | <b>17,822</b> | <b>65.4%</b>  |
| <b>Shareholders' Equity</b>       | <b>12,625</b> | <b>32.4%</b>  | <b>12,140</b> | <b>35.6%</b>  | <b>9,425</b>  | <b>34.6%</b>  |
| Equity attributable to owners     | 10,597        | 27.2%         | 10,349        | 30.4%         | 8,229         | 30.2%         |
| <b>Book Value per share (NTD)</b> | <b>13.21</b>  |               | <b>12.90</b>  |               | <b>13.34</b>  |               |

- Contributed capital increased to 802,100,000 shares from 617,000,000 shares in May'14 due stock dividends paid which led to the decrease of Book Value Per Share of 3Q14 and 2Q14 as compared to it of 3Q13 despite the Shareholders' Equity of 3Q14 and 2Q14 were higher than it of 3Q13.



| Financial Ratio   |        |        |        |        |                      |
|-------------------|--------|--------|--------|--------|----------------------|
|                   | 2011   | 2012   | 2013   | 3Q14   | 3Q14 Industry Avg. * |
| Debt Ratio        | 63.3%  | 63.9%  | 60.7%  | 67.6%  | 66.6%                |
| Current Ratio     | 158.5% | 172.8% | 195.5% | 177.1% | 153.4%               |
| Interest Coverage | 58.0   | 25.8   | 58.5   | 15.8   | 19.13                |

\* The figure is average figure of top 10 listed TW property developers except Shining in terms of asset value including Highwealth, Farglory, Radium, Prince, Cathay Real Estate, Kindom, Huang Hsiang, Huaku, Chong Hong, and Kingtown.

- **Shining has been devoting to maintain a stable financial status, its 3Q14 financial ratio is comparable to its industry peers.**



# Business Update



# Trend of Property Market

- **Taiwan**

- 3Q14 real estate market shrunk due to the wait-and-see attitudes toward the property tax reform (taxation based on actual selling prices) and the year-end election. House price remained stable nevertheless.
- The subsequent developments of property tax reform and the year-end election remain to be the key factors affecting Taiwan property market in the coming year.

- **Mainland China**

- Property market in the Mainland showed a sharp rebound in October given the easing policies such as relaxing of purchase and mortgage restrictions took place in the beginning of the month. Some of the projects launched in Jinan, Wuhan, Nanjing, Xiamen were completed sold in one day which reflects the rigid demand of the market.
- The market will grow steadily in our view attributing to that China government controls the releases of lands (therefore controls the supply) and 60% of the government tax comes from property sector.

# Recent Events

- The Lalu Qingdao resort hotel opened grandly on October 12 with more than 300 participants included executives of Microsoft and Tesla joined the 2014 Global Enterprise Leadership Summit held at the hotel on the same day.
- The opening event attracting more than 300 media reporters has put the resort, a milestone of the Shining's expansion into Mainland China market, under the spotlight and drew big attention.
- The expected total sales for the villas at the Qingdao Lalu amounts to RMB 3 billion, yearly revenue from its hotel operation amounts to RMB 350 million.
- Following the opening in Qingdao, Shining Group will open its second oversea Lalu hotel in Nanjing in the second half of 2015 and its third and fourth will follow in Chengdu and Guilin in 2016. The group continues its plan to invest 30 hotels in the Mainland in a decade.





# News of Opening of Lulu Qingdao

A10 兩岸

經濟日報

主編 / 林茂仁 編輯 / 林資賢 中華民國103年10月13日 星期一

集團導入文創概念 斥資150億 克服交通及天候挑戰...

## 青島涵碧樓 鄉林登陸代表作

【特派記者陳美玲／青島12日電】鄉林集團斥資150億元打造的青島涵碧樓，不僅將文化創意概念導入飯店，更打造中國市場，更成為首屆「2014世界企業領袖高峰會」舉辦地點；董事長賴正鎰表示，光是交通就出了一大難題，而建材使用和酒店店運作，更是他和團隊與建築師合作的一大挑戰。

東元集團董事長黃茂達透露，2006年與「鄉林」對青島的黃島區勘地，面對北連鳳凰山、南連瀟湘灘的黃島，不到20分鐘，「鄉林」就在瀟湘灘中勘出綠洲樓在這塊「前有灘、後有山」的寶地，上聯、下聯，馬上決定在此投資，決策動作明快有效率，令人印象深刻。

不過，賴正鎰心目中的寶地卻讓他吃盡苦頭，他表示，當時決定投資新台幣100億元在青島打造飯店，很多人都覺得我只是藉口說說，主因當時交通建設尚未到位，光是涵碧樓所在的黃島區與市中心的青島無任何交通聯絡，往來交通需靠渡輪，興建過程相當辛苦。

賴正鎰表示，台灣涵碧樓在台灣，青島涵碧樓在海邊，兩者立地條件不同，青島豪華建築高度40米以上，加上上海風沙吹拂，熱氣冷縮造成木材裂縫的物理現象，不是任何木材所能克服。

此外，賴正鎰說，涵碧樓建築師凱瑞·希爾最後以取代木材做為飯店外觀，但創作者不滿意，且建築師指定要使用德國製的鋼網，費用就要近新台幣5億元，高額的花費讓他心裡難好過。

不過，他還要打進出海的中國市場，最後，忍痛按照建築師的設計，開始一段。



青島涵碧樓完工啟用，並舉辦「2014世界企業領袖高峰會」。

## 企業領袖峰會 談八議題

【特派記者陳美玲／青島12日電】鄉林集團董事長賴正鎰在「2014世界企業領袖高峰會」上表示，中國強勁的內市場為世界所關注，論壇聚焦的八大議題，與峰會議題並列。

首屆「2014世界企業領袖高峰會」12日在青島涵碧樓舉行，包括微軟、特斯拉等均遠道而來，兩岸壇分海基會顧問高孔廉、國民黨榮譽副主席曾春樹、中國國際發展促進委員會副會長張俊、東元集團董事長黃茂達等逾300位企業家也現身參加。

賴正鎰表示，「2014世界

## 涵碧樓文創酒店的惊艳与奇遇



隨著樓的開業，青島涵碧樓是青島市最夯的景點之一。因為作為中國的新興之都、國際之都，也是藍色海洋經濟的熱土，青島具備豐富自然與人文景觀，這也成為其吸引遊客的主要原因。在過去，青島是一個以港口為起點的旅遊城市，但隨著城市發展，它已經成為一個集旅遊、商業、文化、藝術於一體的綜合性城市。

這次全球企業領袖峰會的發起人之一，林資賢董事長，在青島涵碧樓舉辦的「2014世界企業領袖高峰會」，是青島涵碧樓開業後舉辦的第一場大型國際會議。會議吸引了來自全球各地的企業領袖和專家學者，共同探討全球經濟發展趨勢和挑戰。會議期間，與會者還參觀了青島涵碧樓，並體驗了當地的文化特色。



## 孔子不走了 鍾情涵碧樓

文／鄭麗娟

經過一大片翠綠松林，宏偉的紅柱建築矗立眼前，這是一方在陽光下熠熠生輝的綠洲，海中三座樓宇自翠林的綠洲中拔地而起，美輪美奐，大氣磅礴。大門、鐘樓、涵碧樓、涵碧閣，在各種綠意中呈現，《沂蒙小曲》悠揚動聽，這首

## 秋季，到黃島去看海，就住在涵碧樓，坐擁一剪秋水，眼觀日出日落，周边除了層疊黃岩，還有山、竹、花、木，讓人恍入秦時徐福尋找的仙島

### 青島涵碧樓做回神仙

許多人喜歡夏季來海邊，乘風破浪，在淺灘沙灘上嬉戲，但是，你曾看過秋天的海嗎？那一層秋水，波光粼粼，日出日落，美得如心動境。特別是住在黃島的涵碧樓，面向大海，雖然深秋，但仍有鮮花綻放；你还可以躺在床上看海，安臥黃島。除此之外，涵碧樓本身也是一座山，山、竹、花、木，讓人恍入秦時徐福尋找的仙島。



黃島位於青島市西南兩海，四面環海，因島上土產黃岩而出名，而涵碧樓建於黃島的一處山腰，在日月潭旁，一橋上。



這座「世界領袖的天堂」，開闢了青島涵碧樓，涵碧閣和涵碧閣，這三座樓宇自翠林的綠洲中拔地而起，美輪美奐，大氣磅礴。大門、鐘樓、涵碧樓、涵碧閣，在各種綠意中呈現，《沂蒙小曲》悠揚動聽，這首

B6 經濟、地產

本報記者 鄭麗娟

大陸版

## 聚焦「世界經濟看東方」 青島涵碧樓論壇成功舉辦

【本報記者陳美玲／青島12日電】首屆「2014世界企業領袖高峰會」於10月12日在青島涵碧樓舉行，吸引了全球各地的企業領袖和專家學者參加。會議以「世界經濟看東方」為主題，探討了全球經濟發展趨勢和挑戰。會議期間，與會者還參觀了青島涵碧樓，並體驗了當地的文化特色。

首屆「2014世界企業領袖高峰會」於10月12日在青島涵碧樓舉行，吸引了全球各地的企業領袖和專家學者參加。會議以「世界經濟看東方」為主題，探討了全球經濟發展趨勢和挑戰。會議期間，與會者還參觀了青島涵碧樓，並體驗了當地的文化特色。

▲世界企業領袖高峰會永久會址青島涵碧樓啟用儀式

元人民所建設，坐落於青島黃島區，以獨特海景與文藝氛圍為特點，是



# Property Developments in Taiwan

- There are total 19 projects completed or under development in Taiwan.
- Sales from 7 projects can be recognized in 2014 including:
  - Imperial Palace, Da-Jing A, Da-Jing B,C, Chun-Ching- these 4 projects had been completed. 83% of its total saleable units had been sold and sale of 78% of the total saleable units had been recognized as of 2014/9/30.
  - Shilin Presidential Residence G21, Gallery, Wenquan Rd.- these 3 projects will be completed and for sale in 4Q14. Revenue can be recognized once sold.
- There are 6 pre-sale projects including Jing-Lang, Jing-An, Leftbank, Shan-Hai-Hui, Aimei and Chun-Yong. Units of all except Shan-Hai-Hui had been completely sold.
- Contracted sales for 1Q-3Q'14 for all completed and pre-sale projects amounted to NT\$ 10.3 billion with corresponding GFA of 81,221 square meters.



# Current Constructions in Taiwan

| Status                                      | Project                              | Location                    | Attributable GFA<br>(Square Meters) | Total<br>Units | Expected Total<br>Sales Amount<br>(NT\$ Million) | Expected<br>Completion<br>Year |
|---|--------------------------------------|-----------------------------|-------------------------------------|----------------|--|--------------------------------|
| Completed                                   | Imperial Palace                      | Taichung                    | 165,457                             | 442            | 15,000   | Completed                      |
|   | Da-Jing A                            | Beitou Dist., Taipei        | 9,253                               | 35             | 1,681  | Completed                      |
|   | Da-Jing B,C                          | Zinzhuang Dist., New Taipei | 5,309                               | 27             | 965  | Completed                      |
|   | Chun-Ching                           | Zinzhuang Dist., New Taipei | 44,998                              | 143            | 6,500  | Completed                      |
| To be<br>completed &<br>for sale in<br>2014 | Shilin Presidential<br>Residence G21 | Shilin Dist., Taipei        | 14,083                              | 23             | 7,668  | 2014                           |
|   | Gallery                              | Taichung                    | 14,187                              | 21             | 2,600  | 2014                           |
|   | Wenquan Rd.                          | Beitou Dist., Taipei        | 8,707                               | 38             | 1,900  | 2014                           |
| Pre-sale                                    | Jing-Lang                            | Wugu Dist., New Taipei      | 6,439                               | 50             | 700  | 2016                           |
|   | Jing-An                              | Zinzhuang Dist., New Taipei | 4,064                               | 22             | 590  | 2016                           |
|   | Leftbank                             | Shilin Dist., Taipei        | 5,551                               | 33             | 940  | 2015                           |
|   | Shan-Hai-Hui                         | Tamsui Dist., New Taipei    | 63,068                              | 273            | 12,000   | 2017                           |
|   | Aimei                                | Taichung                    | 6,712                               | 39             | 600  | 2015                           |
|   | Chun-Yong                            | Luzhou Dist., New Taipei    | 25,051                              | 173            | 3,400  | 2016                           |
| Un-launched                                 | Fuduxin                              | Zinzhuang Dist., Xinpei     | 12,520                              | 136            | 2,000  | 2017                           |
|   | Wanhua Project                       | Wanhua Dist., Taipei        | 20,787                              | 321            | 5,000  | 2017                           |
|   | Nong'an St. Project 1                | Zhongshan Dist., Taipei     | 5,121                               |                | 1,850  | 2018                           |
|   | Nong'an St. Project 2                | Zhongshan Dist., Taipei     | 12,539                              |                | 4,500  | 2019                           |
|   | Jilin Rd. Project                    | Zhongshan Dist., Taipei     | 6,061                               |                | 2,200  | 2019                           |
|   | Roosevelt Rd. Project                | Da'an Dist., Taipei         | 21,616                              |                | 10,200   | 2019                           |

# Property Developments in Mainland China

- The Lalu Qangdao Complex-consists of buildings of hotel, retail shops and villa – opened on Oct'14. The expected total sales for its villas amounts to RMB 3 billion, yearly revenue from its hotel operation and rental income amounts to RMB 350 million.
- The Lalu Nanjing Complex-consists of buildings of hotel, retail shops, serviced apartment and office building- is scheduled to be completed in 2015. The expected total sales for its sale-purpose buildings amounts to RMB 4.5 billion, yearly revenue from hotel operation and rental income amounts to RMB 400 million.
- The Lalu Chengdo Complex-consists of buildings of hotel, shopping mall, serviced apartment, villa, condo, office building, etc.- is scheduled to be completed in 2016. The expected total sales for its sale-purpose buildings amounts to RMB 10 billion, yearly revenue from hotel operation and rental income amounts to RMB 400 million.



# Constructions under development in Mainland

| Project                                      | Property Type                               | GFA<br>(square<br>meter) | Expected<br>Completion<br>Year | Expected Total<br>Sales from<br>Properties Sold<br>(RMB Million) | Excepted Yearly<br>Revenue from<br>Hotel Operation &<br>Properties Rental<br>(RMB Million) | Shining's<br>Holding<br>Percentage |
|--|---|--------------------------|--------------------------------|--|--|------------------------------------|
| The Lalu<br>Qangdao<br>Complex               | Hotel (self-operation)                      | 86,000                   | 2014                           | 3,000  | 350  | 21.4%                              |
|  | Retail (for rental)                         |                          |                                |  |  |                                    |
|  | Villa (for sale)                            | 43,000                   |                                |  |  |                                    |
|  | Sub-Total                                   | 129,000                  |                                |  |  |                                    |
| The Lalu Nanjing<br>Complex                  | Hotel (self-operation)                      | 101,714                  | 2015                           | 4,500  | 400  | 58.4%                              |
|  | Retail (for rental)                         |                          |                                |  |  |                                    |
|  | Serviced Apartment (for sale)               | 72,346                   |                                |  |  |                                    |
|  | Office Building (for sale)                  | 71,469                   |                                |  |  |                                    |
|  | Sub-Total                                   | 245,529                  |                                |  |  |                                    |
| The Lalu<br>Chengdu<br>Complex               | Hotel (self-operation)                      | 94,000                   | 2016                           | 10,000   | 400  | 80.5%                              |
|  | Shopping Mall (for rental)                  | 70,166                   |                                |  |  |                                    |
|  | Villa (for sale)                            | 15,000                   |                                |  |  |                                    |
|  | Serviced Apartment (for sale)               | 145,275                  |                                |  |  |                                    |
|  | SOHO (for sale)                             | 90,646                   |                                |  |  |                                    |
|  | Office Building (for sale)                  | 136,617                  |                                |  |  |                                    |
|  | Residential (for sale)                      | 457,199                  |                                |  |  |                                    |
|  | Shops under residential units<br>(for sale) | 63,728                   |                                |  |  |                                    |
|  | Sub-Total                                   | 1,072,631                |                                |  |  |                                    |
| Quangdao<br>Shindu<br>Development<br>Project | Commercial (For Sale)                       | 20,000                   | 2015                           | 1,200  |  | 67.0%                              |





# Thank You