

Introduction to Shining Group

大視野氣度，理想建築的實踐者

October, 2014

Agenda

- Corporate Overview
- Competitive Advantages
- Financial Highlight
- Business Outlook



涵碧春秋

The Lalu is a timeless classic that
remains a start of a legend

Even with the test of time it remains timeless, representing
class, making this a start of a legend



Corporate Overview

Company Profile

- Founded : May, 1990.
- Chairman : Lai Cheng-I .
- Capital : NT\$ 8.02 Billion (Shining Building Co. Aug'14)
- Market Cap. : NT\$ 16 Billion (Shining Building Co. Aug'14).
- Headquarters : Taichung, Taiwan.
- Employees : 1,200.
- Area of Business : Development of residential, commercial and mixed-use properties, hotel operation, mall operation, property management.



Profile of Chairman Lai Cheng-I

- Chairman of Shining Group
- Chairman of General Chamber of Commerce of ROC
- Member of Tourism Development and Promotion Committee, Executive Yuan
- Member of InvesTaiwan Development and Promotion Committee, Executive Yuan
- Honorary Chairman of Council for Industrial and Commercial Development of ROC
- Chairman of Taiwan International Estate Development Council
- Supervisor of The Chinese National Association of Industry and Commerce, Taiwan
- Chairman of Tourist Hotel Association of ROC
- Executive Director of Taiwan Chamber of Commerce & Industry
- Director of Commerce Development Research Institute
- Director of World Trade Center Taichung



Company History

- **1976** Chairman Mr. Lai started up his own business began with providing accommodation in the mountain farm and travel agency service.
- **1990** Founded Shining Building Business Co. Ltd. and Tai-Yu Construction Co. Ltd.
- **1991** Completion of Shining Science Building which won the ROC Architecture Golden Award-Best Quality category.
- **1994** Completion of Shining Li-Jing which earned nomination award of FIABCI Prix d'Excellence Award.
- **1997** ISO 9002 Certification.
- **1997** Completion of Shining Li-Chin which won the ROC Architecture Golden Award-Best Planning category.
- **2001** OTC-listed.
- **2002** Completion and opening of The Lalu Hotel Sun Moon Lake which won 2004 FIABCI Prix d'Excellence Award for Leisure Category. Business area of the group expanded to hotel operation.
- **2005** Exchange (TWSE) listed.
- **2005** Introduced Shining Yuan-Chuang, a vanguard for the group' s penetration into Taipei market.
- **2007~2008** Introduced Shining Ceng-Fong, Yang-Ming, Imperial Palace, which marked and polished Shining a luxury building developer.
- **2009~2013** Introduced Shining Chun-Fong, Chun-Ching, Jing-An, Jing-Lang, which were among the most hot-selling constructions in Taiwan over the years.
- **2014** Completion and opening of The Lalu Hotel Qingdao, a milestone of the group' s expansion into Mainland China market.
- **2015~2016** The Lula Hotel and the related mixed-use construction plan in Nanjing, Guilin, Chengdu were set to be completed and opened.

Business Group

Real Estate

Shining Building
Business Co. Ltd.

Qingdao Dinglin

Nanjing Dingzheng

Chengdu Dingkang

Hotel

Lalu Hotel Nantou

Lalu Hotel Qingdao

Lalu Hotel Nanjing

Lalu Hotel Chengdu

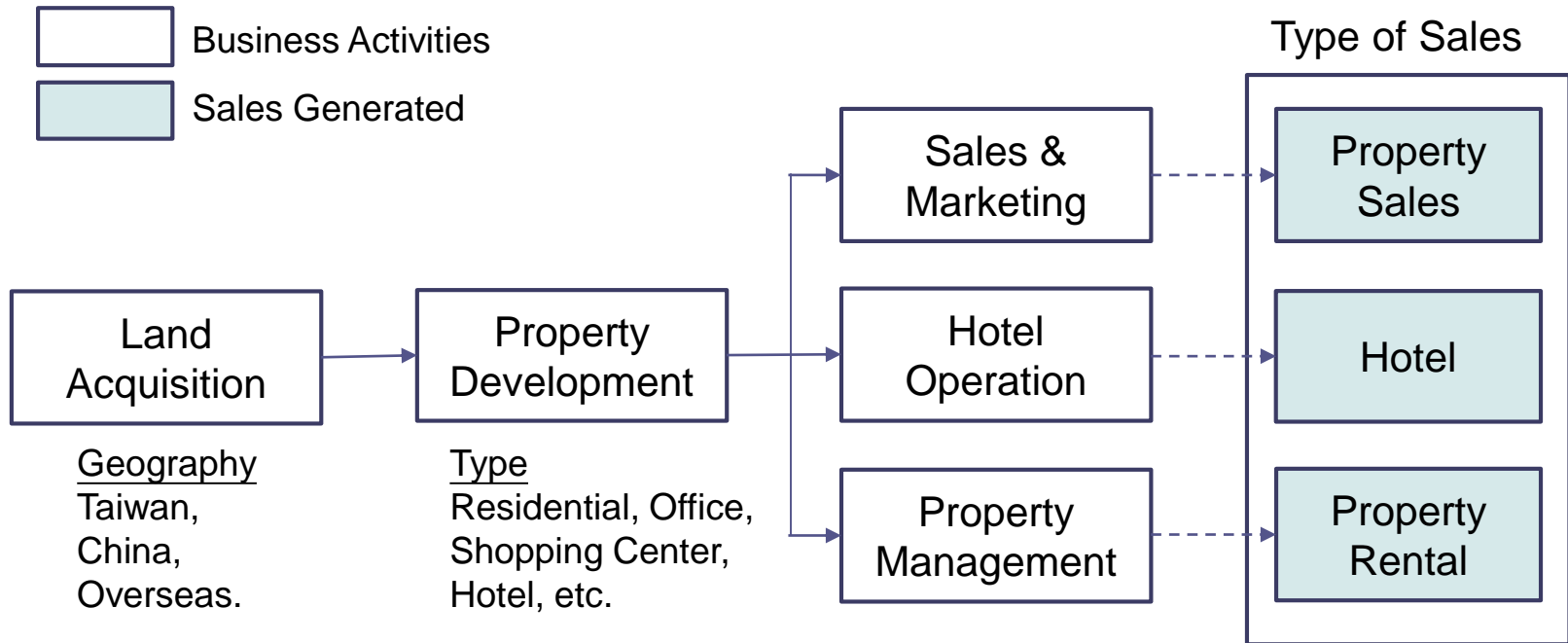
Lalu Hotel Guilin

Constructions

Tai-Yu Construction

Shining Plumbing
& Electricity

Area of Business



Positioning

1. Luxury, differentiated products targeting high-end customers .
2. To integrate functions of software and hardware, leisure and business, as to provide the highest convenience and worth to customers.



Competitive Advantages

Shining's Competitive Advantages

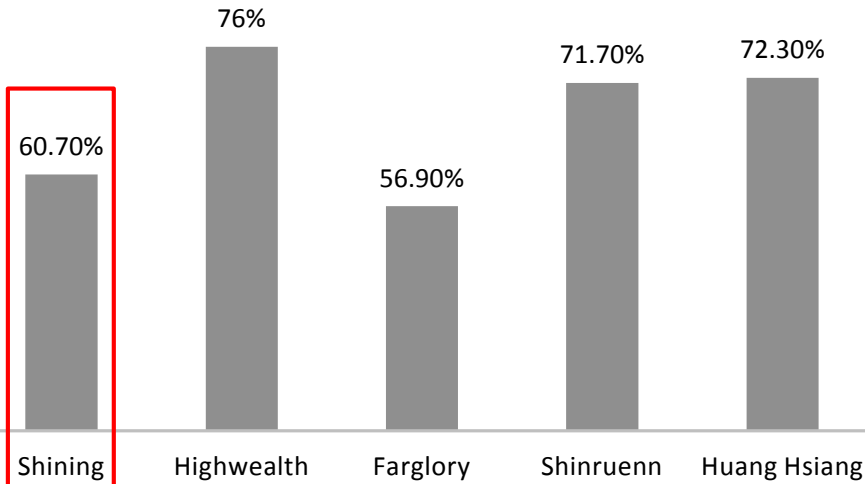


Based on the company's sound financial standing, and equipped with outstanding capability on both real estate development and hotel & mall operation, Shining has built its unique competitive advantages over competitors.

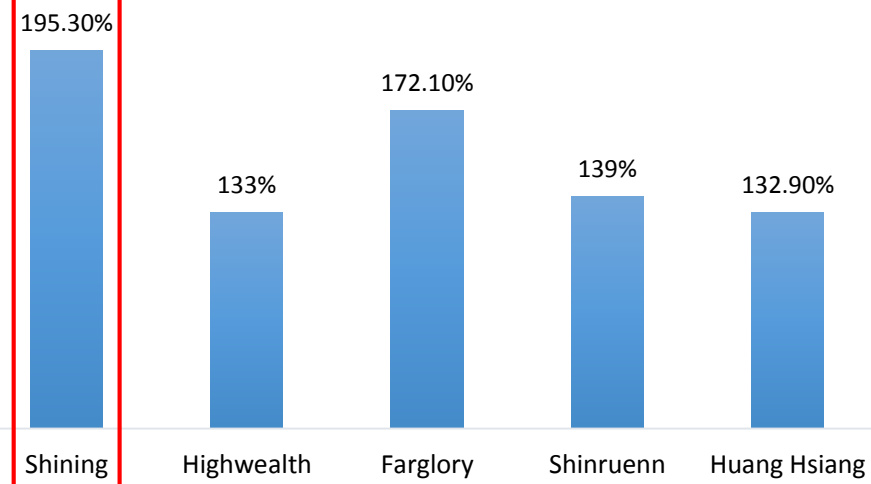
Sound financial standing

(Data extracted from 2013 Annual Reports)

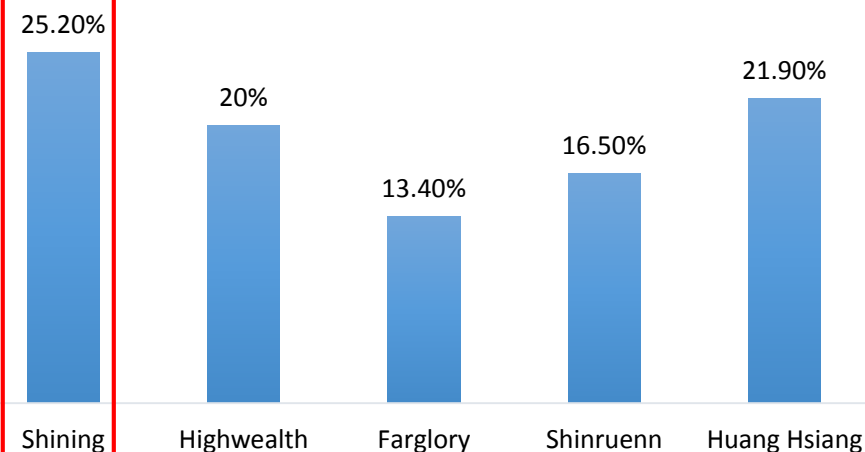
Debt Ratio



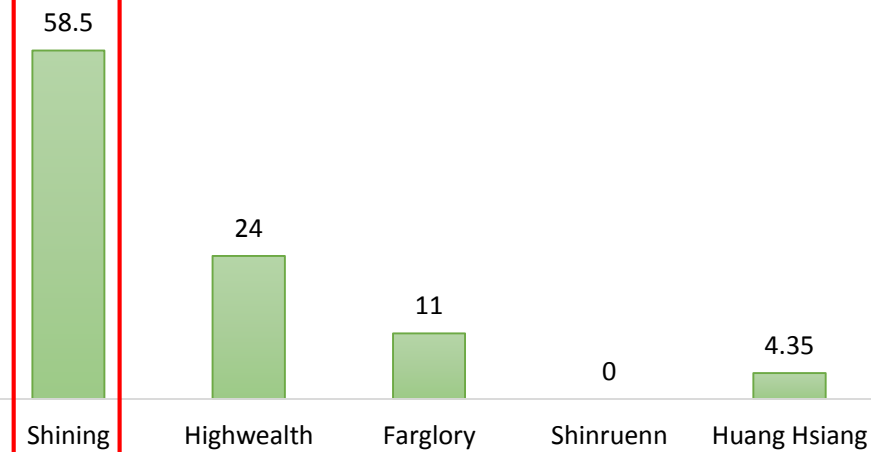
Current Ratio



Quick Ratio



Interest Protection Multiples



- With lower Debt Ratio, higher Current Ratio, higher Quick Ratio and higher Interest Protection Multiples Shining's sound financial standing plays an important role on securing its sustainable development.

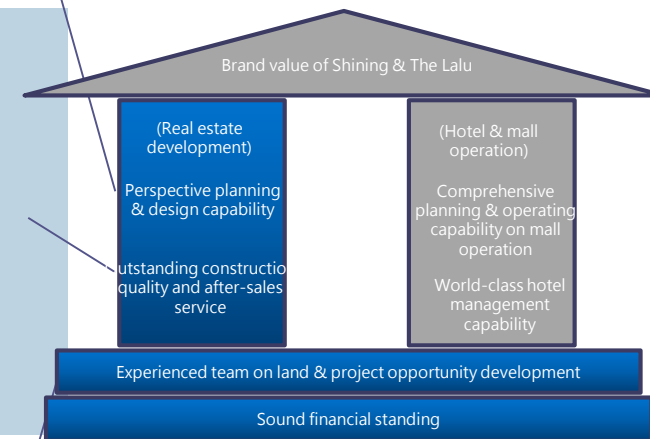
- **Perspective planning & design capability**
 1. Absorbs state-of-the-art design philosophy through long-term internationalizing. Co-Works with global architectural masters to bring in cutting-edge architectures.
 2. Polishes and builds a solid project team through conquering each of the large international projects.

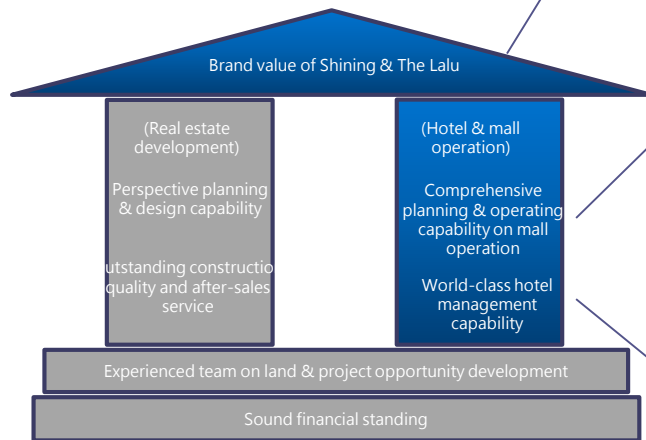
- **Outstanding construction quality and after-sales service**
 1. Vertical integration across the value chain shortens the development cycle time, enhances accurate positioning and better cost control.
 2. Establish and adhere strictly to the standard engineering processes.
 3. Create the problem feedback system to constantly upgrade Shining's engineering quality.

- **Experienced team of land & project development**
 1. Long-term cultivation for potential opportunities
 2. Seek and engage the opportunities initiatively and globally.

- **Sound Financial Standing**

Shining's sound financial standing secures its sustainable development and reveals its value for long-term investment.





- **Brand value of Shining and The Lalu**
The Lalu is the synonym for top hotel in Great China region, the quality of remarkable design, solid construction, and human-oriented service it represented has been embed into each of Shining's development projects and form a unique identification of the Group.
- **Comprehensive planning and operation capability on mall operation**
 1. Recruit professionals from worldwide to form the team of mall operation to reduce the learning curve.
 2. Cultivate the talents by involving them in the intensive international project activities.
- **World-Class Hotel Management**
 1. G.H.M brought in the world-class hotel management model for the Group.
 2. More than 10 years experience on hotel operation has internalized the management skill and made the Group able to duplicate the management model to other place quickly.

Sources of Shining's Competitive Advantages-

Vertical integration across the value chain not only shortens the development cycle time, but also enhances accurate positioning, better cost control and satisfied post-sale service through rapid and smooth information back-and-forth streaming.



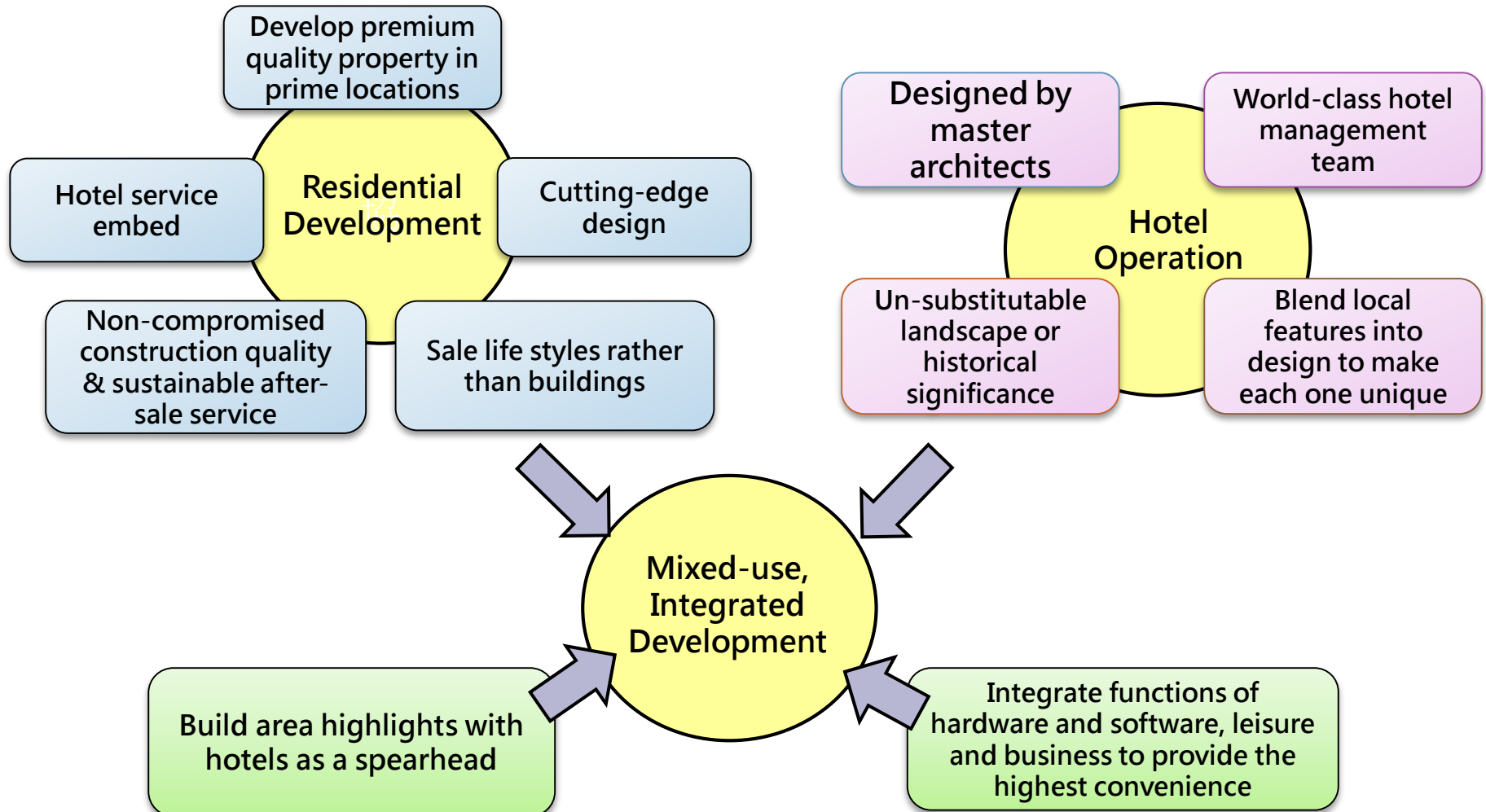
Sources of Shining's competitive advantages-

Absorbs state-of-the-art design philosophy and construction technology through **long-term internationalizing** which help built a strong talent base to fulfill our business requirements.

- Invited world famous architect Kerry Hill to design The Lalu Sun Moon Lake.
- Invited Japanese public arts designer Yusuke Aida to create the community public arts in Shining Li-Chin.
- Co-worked with Buchan Group on the design of Taichung International Conference and Exhibition Center.
- Invited world famous architect I.M. Pei to design 66-floors Shining Century Skyscraper.
- Invited Singapore S.C.D.A. to design the Lalu Nanjing.
- Co-worked with lighting artist Nathan Thompson of University of Melbourne Australia on the design of lighting of The Lalu Sun Moon Lake.



Strength from its Competitive Advantage- Shining's Unique, Touched Product Positioning

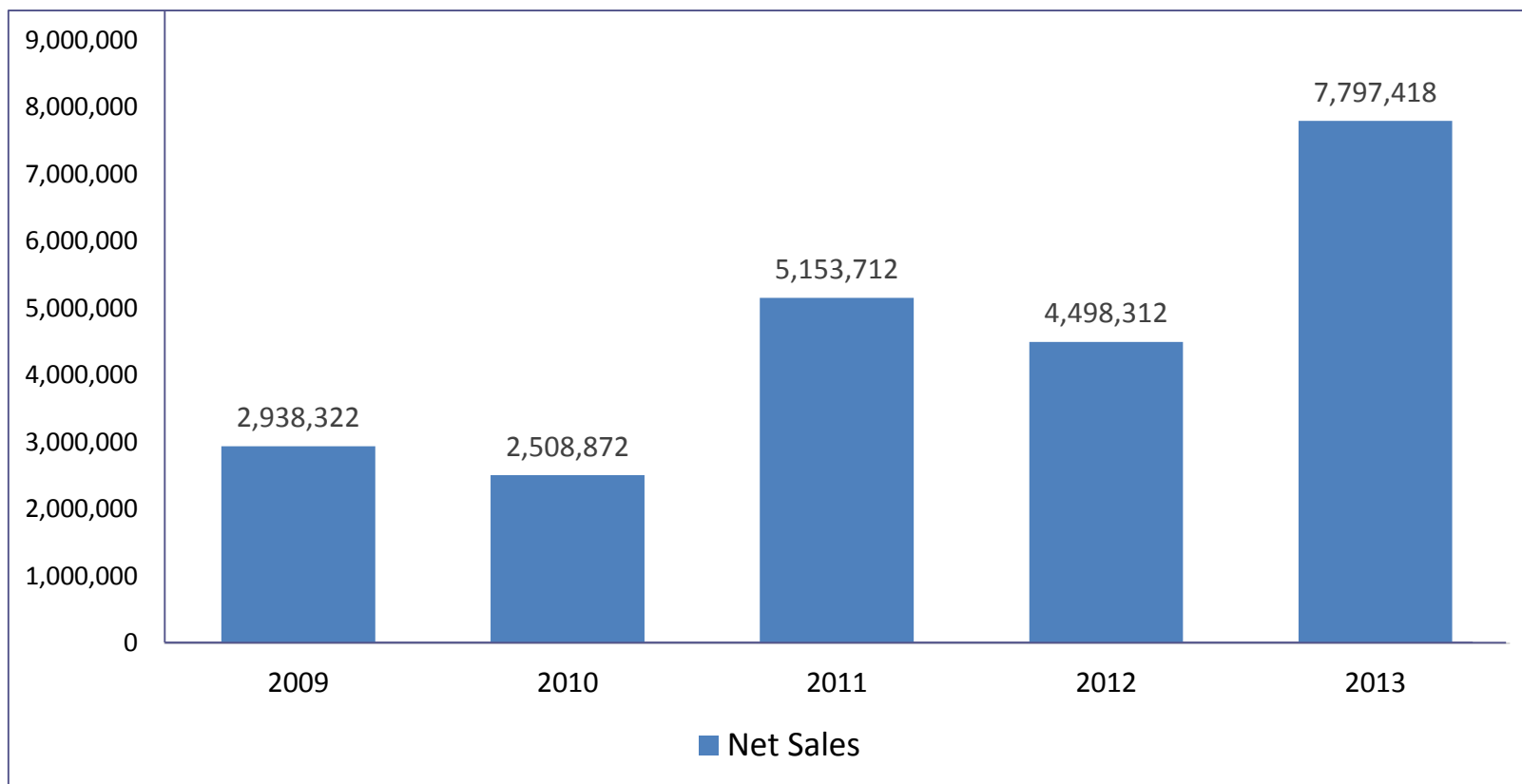




Financial Highlights

Revenue

(NT\$ Thousand)



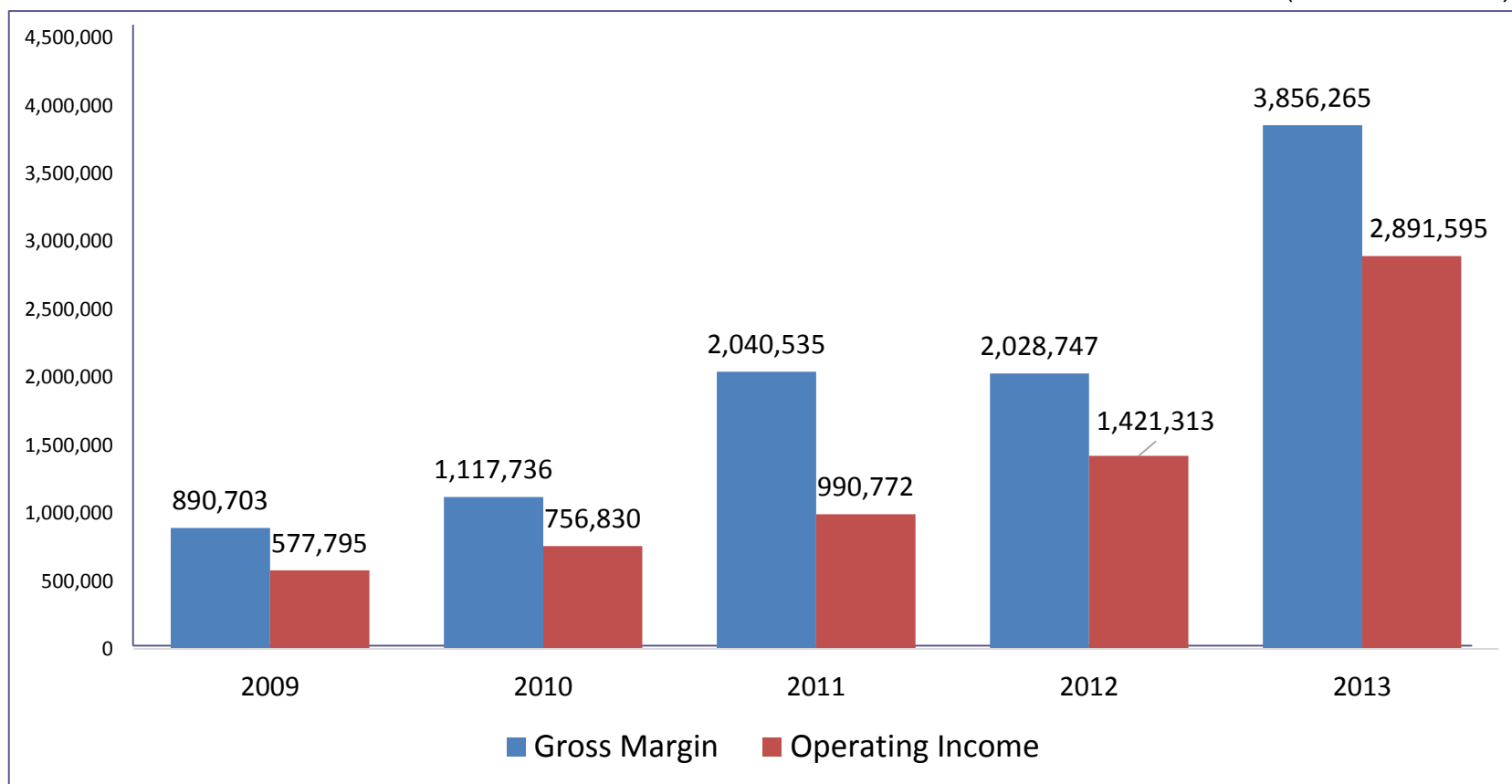
*1. Figures were extracted from audited financial statements.

*2. Financial statements from 2012 were prepared according to IFRS.

- **Revenue has been on a growth trend for the past 5 years and reached NT\$ 7.8 B in 2013.**

Gross Margin & Operation Margin

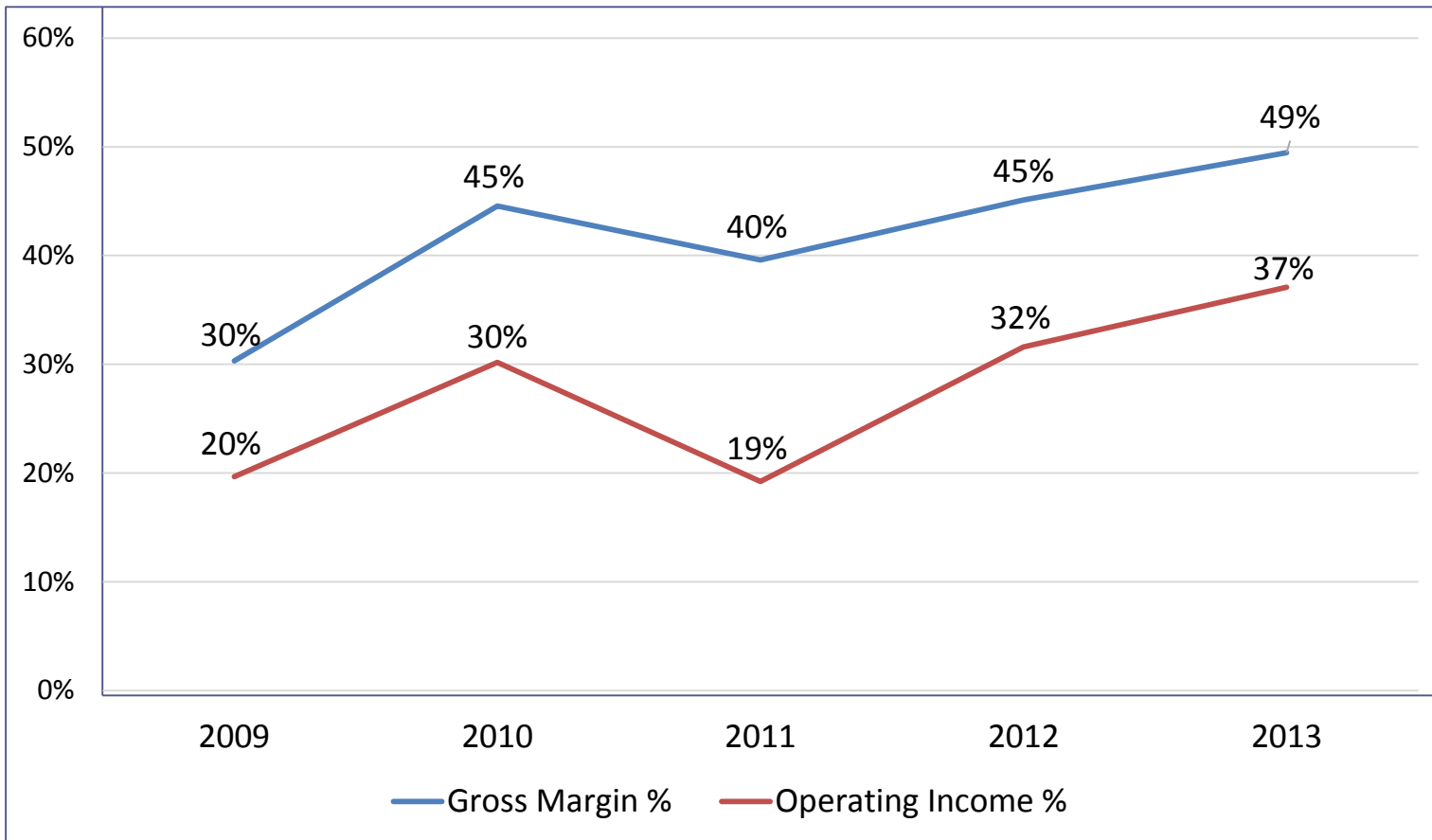
(NT\$ Thousand)



*1. Figures were extracted from audited financial statements.

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Gross Margin % & Operating Income %

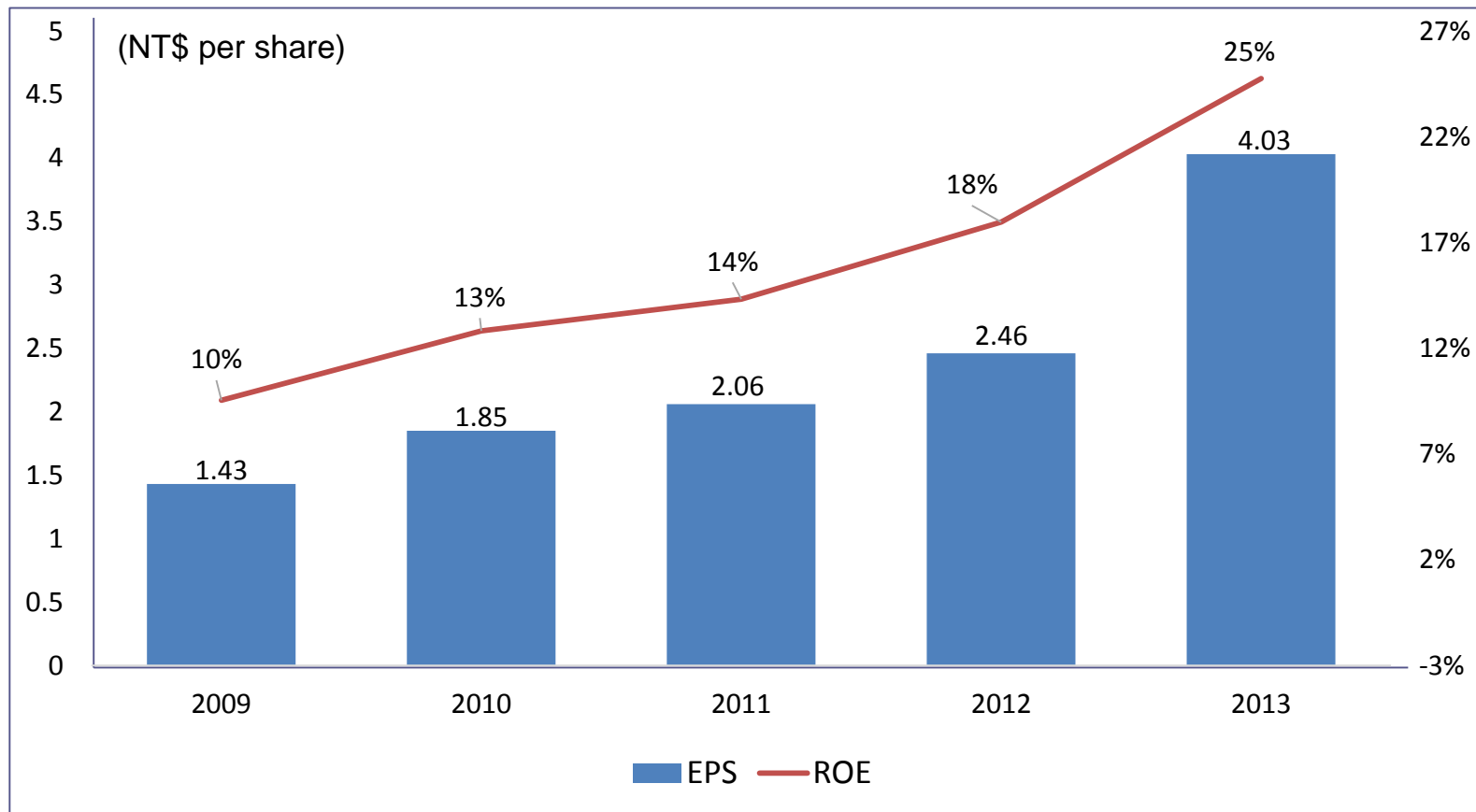


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- **Gross Margin Rate and Operation Income Rate rose continuously along with the increase in revenue. Gross Margin Rate reached 49% in 2013.**

EPS & ROE



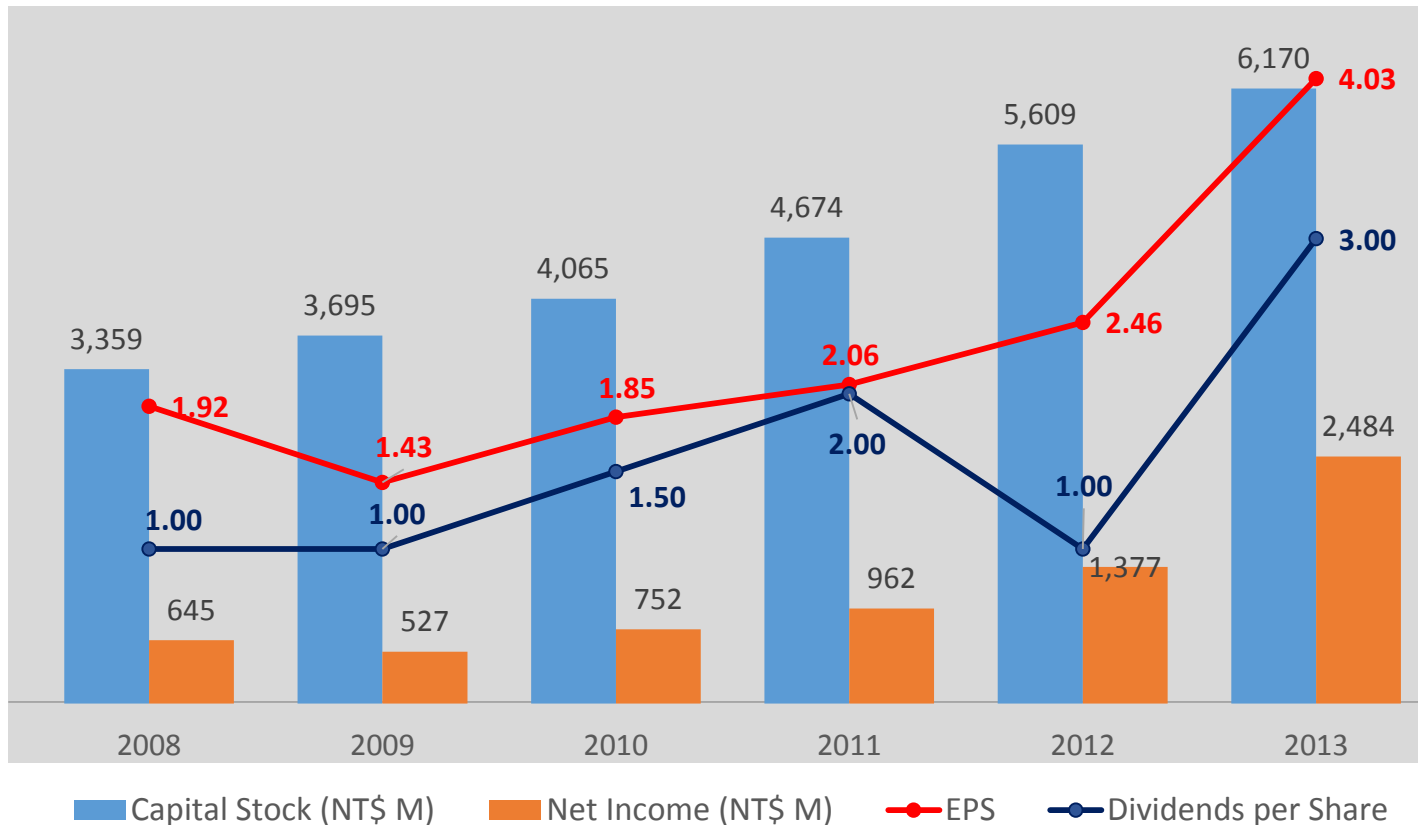
*1. Figures were extracted from audited financial statements.

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- **ROE continued to growth in the past 5 years and reached 25% in 2013.**

Growth on Net Income vs. Growth on Capital

YoY Change	2009	2010	2011	2012	2013	AVG
Capital Stock	10%	10%	15%	20%	10%	13%
Net Income	-18%	43%	28%	43%	80%	35%
EPS	-26%	29%	11%	19%	64%	20%



- In order to keep cash for investment opportunities, Shining had been paying dividends in the form of stock shares since 2009 which led to an average YoY increase of 13% on capital stock. During the same period, the Company gained a higher average growth rate of 35% on net income and continuing growths in EPS. The capital retained from its stock dividends policies had created more value to the Company and its shareholders during this growth phase.



Business Outlook

Current Constructions in Taiwan

(As of Jun'14)

Status	Project	Location	Attributable GFA (Square Meters)	Total Units	Expected Total Sales Amount (NT\$ Million)	Expected Completion 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 completed & for sale in 2014	Shilin Presidential 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

- There are total 19 projects in Taiwan. Sales from 7 projects can be recognized in 2014 including 4 completed and 3 to-be-completed projects.
- Units of 5 pre-sale projects including Jing-Lang, Jing-An, Leftbank, Aimei, and Chun-Yong out of 6 have been completely sold.

Constructions under Development in Mainland

(As of Jun'14)

Project	Property Type	GFA (square meter)	Expected Completion Year	Expected Total Sales from Properties Sold (RMB Million)	Excepted Yearly Revenue from Hotel Operation & Properties Rental (RMB Million)	Shining's Holding Percentage
The Lalu Qangdao 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 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 Chengdu 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 (for sale)	63,728				
	Sub-Total	1,072,631				
Quangdao Shindu Development Project	Commercial (For Sale)	20,000	2015	1,200		67.0%

- **The Lalu Qingdao is scheduled to open on Oct'14. The excepted total sales for Villas sold is RMB 3,000M, excepted yearly revenue from hotel operation is RMB 350M.**
- **The Lalu Nanjing is scheduled to commence operation in 2015, the expected total sales is RMB 4,500M, excepted yearly revenue from hotel operation & rental income is RMB 400M.**

Development Plan

- **Global Presence & Diversification**

- To minimize the impact from economic fluctuations, Shining has been on its way to expand into global market and diversify into different business areas in the hope of maintaining a stable growth and securing the long-term development of the Group.

- **The Lalu Hotel as a spearhead to lead the development of mixed-use, integrated project plans worldwide .**

- Began with tourism business and succeeded in real estate development, Shining's global expansion started with combining these two familiar areas.
- The strategy is to establish The Lalu Hotel as area highlights which leads worldwide mixed development project plans each consists of buildings of hotel, retail shops, serviced department, condo, villa, stadium, playground, etc.
- Sales from hotel operation and mall management (rental income) as percentage of total revenue will continue to increase to secure a stable income.

- **To constantly bring in talents and technology from worldwide**

- To drive Shining's global expansion, we will constantly bring in talents from worldwide to build a innovative, professional and executive team.

Blueprint for Shining's global expansion



**To open 30 Lalu brand hotels in Mainland China in 10 years &
Expand the brand name into the major cities around the world !**

● Under Development ● Under Evaluation

Qingdao
Ninjing
Chengdu

● Under Planning

Guilin
Shenyang

Beijing
Shanghai
Hangzhou
Xian

Wuhan
Dalian
Wusih

Shenzhen
Chongqing
Zhoushan
Tianjin
Jinancn
Lushan
Nanning

Handan
Yangzhou
Nanchang
Fuzhou
Zhangzhou
Weifang
Kunming

Yantai
Sanya
Xiamen
Zhang-
jia-kou

Vietnam
Hanoi
Ho Chi Minh City
Cambodia
Angkor Wat.
Malaysia
Kuala Lumpur

Thailand
Phuket Island
France
Paris
USA
Los Angeles

Janpan
Tokyo

Shining's Version

- To make Lalu a world brand by opening 200 Lalu brand hotels in Japan, US, Europe, and Oceania regions.
- To diversify the Group's operation to cover real estate developments, hotel operations and property managements, to form Shining a diversified, global-reached industry.



Appendix

- The Lalu Qingdao Complex
- The Lalu Nanjing Complex
- The Lalu Chengdu Complex
- The Lalu Guilin Hotel

The Lalu Qingdao Complex

Opening : Oct, 2014

- Features :
 - Located along the shore of the Mountain Phoenix in Huang Island, the Hotel is prominent in peninsula terrain in Kiaochow bay and surrounded by sea and hills.
 - 30 minutes drive from Qingdao airport, 20 minutes to downtown.
 - Designed by Kerry Hill in Australia who is also the designer of Sun Moon Lake, Lalu in Taiwan.
- Property Type :
 - Hotel (86,000 square meter)
 - Rooms: 161
 - Facilities: special wedding church, capacity of 80 table for international conference center, top banquet hall, boutiques, 1,500sm hot spring, SPA, restaurant from different countries
 - Hotel type service apartment (43,000 square meter)
 - 41 rooms sea villa in white sandy beach.
 - 30 rooms cliff Villa in which is 100 square meter for each room.



Location









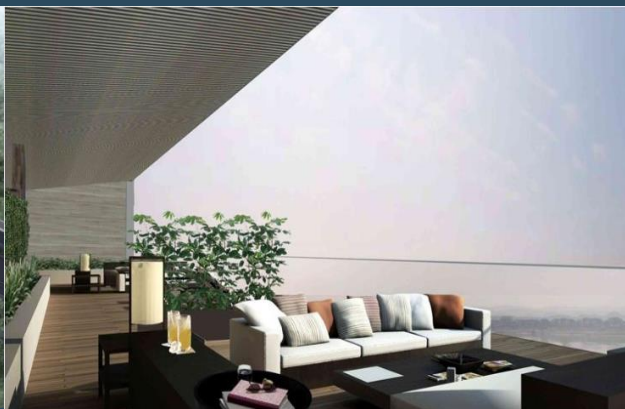
The Lalu Nanjing Complex

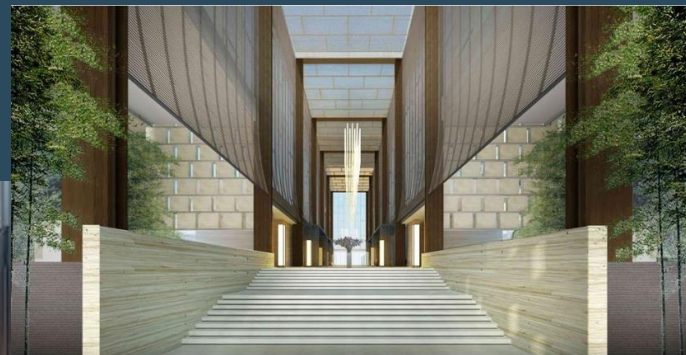
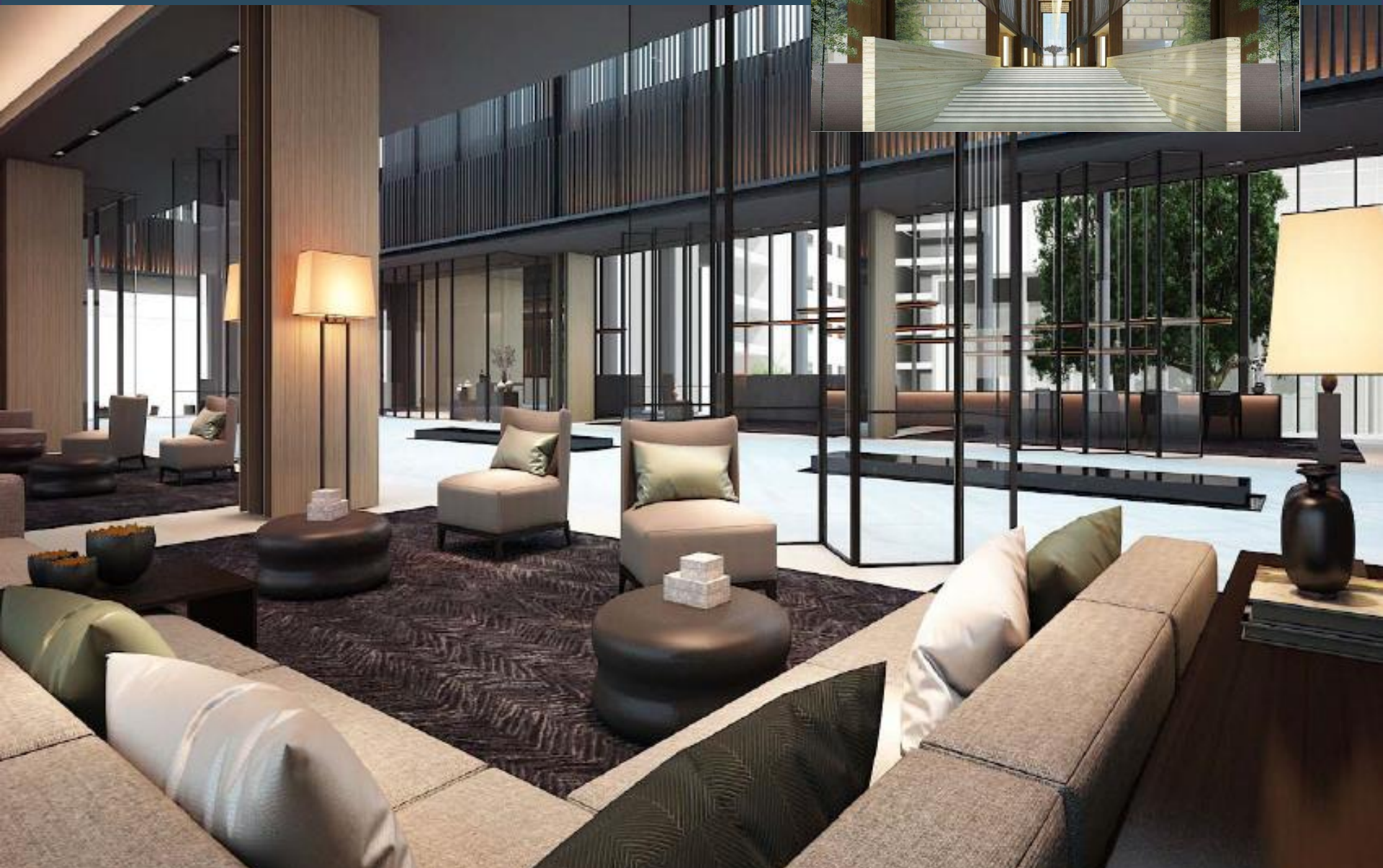
Expected opening : 2015

- Features :
 - Located on the intersection of Yangzijiag Ave and Hanzhongmen St. 50 thousand square meters as base.
 - Nearby the green area along side the Yangtze River which brings in the grand vista for the Hotel.
 - High-end design to meet the highest standard for guest reception and meeting manners to echo the historical role of Nanjing as a capital city of six dynasties.
- Property Type :
 - Hotel (101,714 square meter)
 - Rooms : 335
 - Facilities : shopping mall, banquet hall, office building, international convention center, restaurants of different culture-style, lobby bar 、 roof garden bar 、 coffee shop, SPA, hydrotherapy pools, etc.
 - Hotel type service apartment (72,346 square meter)
 - Office building (71,469 square meter)

Location









The Lalu Chengdu Complex

- Scale :
 - Total land area amounted 192,979 square meters .
 - Total GFA amounted 1,072,631 square meters.
 - Excepted total sales amount reaches RMB 10 billion.
- Types of Developments :
 - Hotel (94,000 square meters)
 - Large-scale commercial complex (457,704 square meters) includes shopping district, 5A office building, boutique shopping plaza, serviced apartments, SOHO, chain malls.
 - High-end residential area (520,927 square meters)



Location















The Lalu Guilin Hotel

- **Features:**
 - A resort of culture-and-creativity with design principle of fitting in the surrounding landscape.
 - Total land area accounts 570 acres including 234 acres for hotel and 336 acres reserved to protect the view of the scenery.
- **Facilities:**
 - All-day dining restaurants, Chinese restaurants, lobby bar, tea house, library, shopping mall, boutiques, banquet hall, SPA, hydrotherapy pools, fitness center, convention center, etc.



項目地點











Thank You