



HUNG SHENG CONSTRUCTION CO., LTD..

2023 INVESTOR CONFERENCE

From Good House to Better Life

We are not only to sale a house but also to create and provide a unique lifestyle for our honor customers.

- **This information is for reference only, and it is not a complete description of the Company's operation. If the content involves predictive information, the Company doesn't imply, declare or guarantee the correctness or reliability of the content. The users should determine at their own risk.**

- **General Information**
- **Financial Performance**
- **Operational overview**
- **Version**
- **Q & A**

- **Established** 9th July, 1986
- **Listed** 12th February, 1996
- **Capital** NT\$4,742,279,000 so far
- **Main operation**

The company's main operations are commissioning construction factory to build residential buildings and commercial buildings for sale or lease businesses.

➤ Profitability for the past two years

List	Amount for 2022	%	Amount from January to September for 2023	%
Operating Revenue	6,968,151	100	2,116,315	100
Operating Cost	3,968,692	57	1,199,759	57
Gross Profit	2,999,459	43	916,556	43
Operating Income	2,175,014	31	530,345	25
Profit before Tax	2,032,919	29	457,772	22
Profit after Tax	1,965,239	28	384,476	18
EPS	NT\$4.15		NT\$0.81	

Unit : NTD thousands

➤ Capital, EPS and dividend distribution in recent years

Year	Capital	EPS	Dividend distribution
107	7,409,812	4.07	
108	5,927,850	1.89	Cash dividends NT\$0.5
109	4,742,279	1.12	Cash dividends NT\$1
110	4,742,279	1.78	Cash dividends NT\$1.2
111	4,742,279	4.15	Cash dividends NT\$1.75

Unit : NTD thousands

➤ Completed construction projects

Region	Area	Peojects	Estimated revenue
New Taipei City	Tamsui District	蒙德里安 (原新世界第二期)	28
		海洋都心二期	9
		宏盛水悅	895
		海上皇宮	1,683
Total			2,615

Unit : NTD million

PS. As of November 30, 2023, the revenue of estimated was \$2,615 million.

Completed Construction Project



宏盛 蒙德里安 (原新世界二期)

Location :

Ln. 126, Sec. 1, Shalun Rd.,
Tamsui Dist., New Taipei City.

Site Area : Around 177,950 (sq ft)

Saleable households : 1 houses

Range of square feet :

2,562.48 (sq ft)

Estimated revenue : \$28 million



宏盛 海洋都心二期

Location :

Sec. 2, Xinshi 3rd Rd., Tamsui
Dist., New Taipei City.

Site Area : Around 142,360 (sq ft)

Saleable households : 1 houses

Range of square feet :

1,352.42 (sq ft)

Estimated revenue : \$9 million



Completed Construction Project



宏盛 水悅

Location :

Sec. 1, Xinshi 3rd Rd.,

Tamsui Dist., New Taipei City.

Site Area : Around 213,540 (sq ft)

Saleable households : 61 houses

Range of square feet :

640.62~ 2,562.48 (sq ft) (1~3 rooms)

Estimated revenue : \$895 million



海上皇宮

Location :

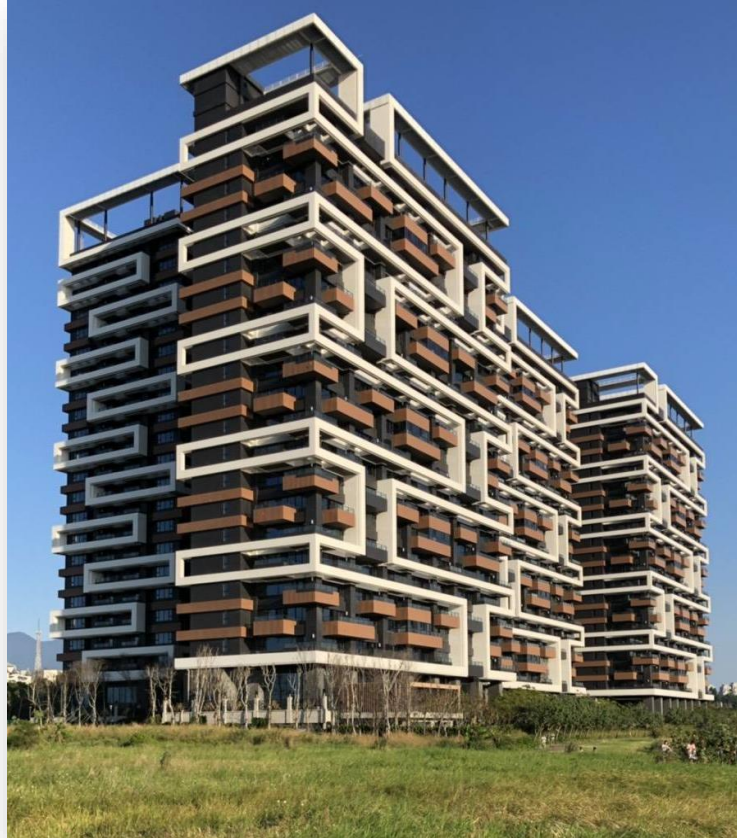
Sec. 3, Binhai Rd.,
Tamsui Dist., New Taipei City.

Saleable households : 40 houses

Range of square feet :

3,167.51~ 4,982.6 (sq ft)

Estimated revenue : \$1,683 million



➤ Ongoing construction projects(Doesn't exist yet)

Region	Area	Project	Estimated revenue
New Taipei City	Xizhi District	Ji 1 (Jointly built)	3,000
New Taipei City	Xindian District	心中央	3,750
Taipei City	Beitou District	Shi Pai (Jointly built and split the sell)	7,066

Unit: NTD million

Ongoing Construction Project



智1 (Jointly built)

Location :

**Xinxing Rd., Xizhi Dist.,
New Taipei City.**

Site Area : Around 56,944(sq ft)

Planning households : 173 houses

Planning parking space :

105 parking stalls

Range of square feet :

925.34~ 1,601.55 (sq ft)

Estimated revenue : \$3,000 million

Estimated completion year :

Year of 2024, Q1



Ongoing Construction Project



宏盛 心中央

Location :

**Yangbei 2nd Road, Xindian District,
New Taipei City.**

Site Area : Around 39,149(sq ft)

Saleable households : 141 houses

Range of square feet :

854.16 and 1,494.78 (sq ft)

Estimated revenue : \$3,750 million

Estimated completion year :

Year of 2024, Q3



| Ongoing Construction Project



石牌 (Jointly built and split the sell)

Location :

Yumin 2nd Rd., Beitou Dist.,
Taipei City.

Site Area : Around 67,621(sq ft)

Planning households : 691 houses

Planning parking space :

508 parking stalls

Range of square feet :

818.57~ 1,067.70 (sq ft)

Estimated revenue : \$7,066 million

Estimated completion year :

Year of 2025, Q3



➤ Pre-construction projects

Region	Area	Project	Estimated revenue	Condition
Taipei City	Zhongshan District	淬白	400	Pre-sale house
Taipei City	Neihu District	掬白	2,150	Pre-sale house

Unit: NTD million

宏盛 淬白



Location :

**Longjiang Rd., Zhongshan Dist.,
Taipei City.**

Site Area : Around 4,270.08(sq ft)

Planning households : 16 houses

Range of square feet :

569.440~ 1,103.290 (sq ft)

Estimated revenue : \$400 million

Estimated completion year :

Year of 2025, Q4



宏盛 掬白



Location :

**Sec. 6, Minguan E. Rd., Neihu Dist.,
Taipei City**

Site Area : Around 13,025.94(sq ft)

Planning households : 50 houses

Range of square feet :

1,103.29~ 2,028.63 (sq ft)

Estimated revenue : \$2,150 million

Estimated completion year :

Year of 2027, Q4



➤ Cases in planning

Region	Area	Project	Estimated revenue	Condition
Taipei City	Nangang District	玉成	10,300	Building Permit Issue
New Taipei City	Tamsui District	新五	6,500	Building Permit Issue
New Taipei City	Xinzhuang District	都五 (蒲陽富都心)	250	Urban renewal co-builder Pre-salehouse Estimated completion year : Year of 2026, Q4

Unit: NTD million

宏盛 國際金融中心

Location :

Ln.168, Sec. 3, Nanjing E. Rd.,
Zhongshan Dist., Taipei City

Story :

1~2(part) 、 9~16 and 19~20

Compile occupancy statistics :
100%



宏盛 海洋都心三期



Location :

**Sec. 3, Xinshi 5th Rd., Tamsui Dist.,
New Taipei City**

Site Area : Around 170,832 (sq ft)

Planning households : 374 houses

Range of square feet :

640.62 ~ 2,491.3 (sq ft)

**Compile occupancy statistics :
about 77%**

PS. As of November 30, 2023.



About Us



Build on Past Achievements and Strive for New Progress

Professional Manager



We shape our buildings; thereafter they shape us.

- Winston Churchill



Hung Sheng

Building houses, landscapes and towns

Education

Cultivating talents is the key first step

About Real Estate

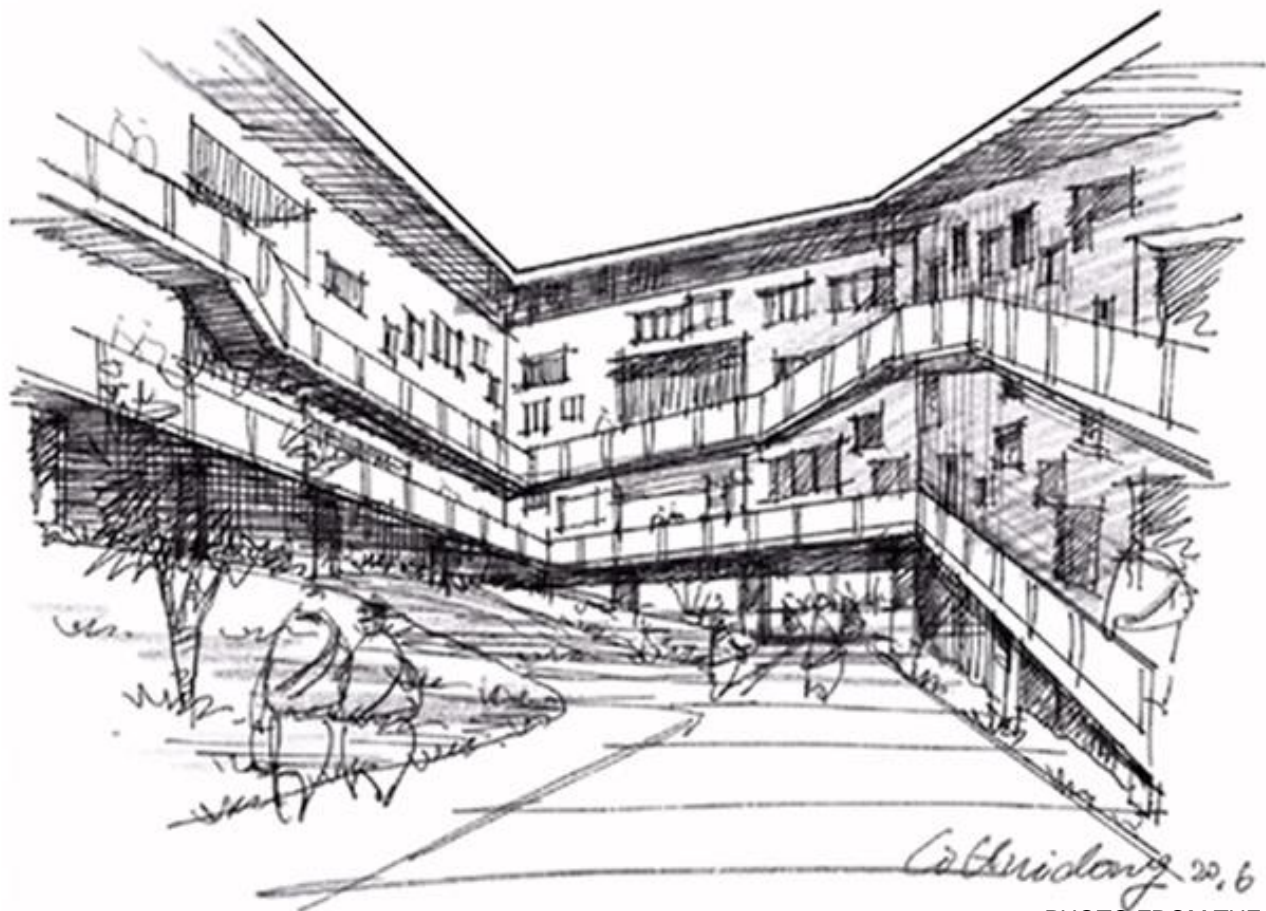


PHOTO FROM THE
INTERNET

EUROPE

UKRAINIAN-RUSSIAN/ISRAELI-PALESTINIAN WARS



E.S.G
**TREATING THE WHOLE
WORLD FAIRLY?**

SOCIALISM

PLANNED ECONOMY

HELPING THE POOR

CHINA
TOP 20

Advantages

Disadvantages

Democracy
|
Autocracy



USA
RISING INTEREST
RATE AGAINST
INFLATION

Advantages

Disadvantages

CAPITALISM

FREE ECONOMY

ROBBING THE RICH

EXTERNAL INTERVENTION?
POLITICS: TAIWAN
INDEPENDENCE
ECONOMY: MARKET

**SINO-US TRADE
WAR**
(ANOTHER FORM OF WORLD WAR)

TAIWA

**EXCEPT TSMC → USMC
NEXT? FOR TAIWAN**

Challenges to Taiwan's Construction Industry

COVID19

Government crackdown on housing prices

Shortage of labor and materials

Population competitiveness

International inflation and interest rate hikes

Tension across the Taiwan Strait



PHOTO FROM THE
INTERNET

The Government's Housing Policies

Five waves of selective credit controls

2020

2021

2021

2021

2021

2023

2023

1

2

3

4

5

6

7

1st wave of
crackdown
Credit control

2nd wave of
crackdown
Credit control

Actual Price
Registration 2.0

3rd wave of
crackdown

4th wave of
crackdown
Credit control

5th wave of
crackdown

The Equalization
of Land Rights
Act

50% loan for the
2nd house of legal
persons
60% loan for the
3rd house of natural
persons
50% loan for
inventories

40% for legal persons
60% loan for the
3rd house of natural persons
50% for idle land in industrial
areas
Integrated Real Estate and
Land Tax 2.0

Full disclosure of house
number
Filing of pre-sale housing for
inspection
Red sheet transaction control
Standardized contract for pre-
sale housing

Specific area loans for natural
persons
No grace period
60% loan for land purchase
50% for idle land in industrial
areas

40% loan for natural persons'
purchase of luxury houses
Land purchase loan reduced
to 50%
Inventory purchase loan
reduced to 40%
Loan for idle land in industrial
areas reduced to 40%

Order of loan restriction on the
2nd house
8 major cities and counties
70% loan restriction on the
2nd house

Prohibition of change of
contract and resale
Prohibition of price
manipulation
Reporting required for contract
cancellation
Controlling private legal
persons from buying houses
Establishment of a
whistleblowing bonus system



The Times

Produce Their Heroes

Heroes Create Their Times



Assess the Time and Situation

Core **Values** Of A Developer



PHOTO FROM THE
INTERNET

**LOCATION!
LOCATION!
LOCATION!**



**TIMING!
TIMING!
TIMING!**



The Difference Of Developers

**General
builders**



**Land
development**

Land development (Land hunting ability
vision and timing)
Sales (Relying on consignment sales)



**How
about you?**

**Large scale
builders**



**Product
strength**

Design (Commissioned to a renowned
architect)
Construction (Commissioned to a renowned
construction company)

**GOOD
HOUSE**



**How
about you?**

**Brand
builders**



Service

Smart Building
Passive Service
Active Service: Service Director

**BETTER
LIFE**

Space

Managing Equation of Developers

$$F(X, Y, Z) = \text{revenue}(X) - \text{cost}(Y) \left\{ (\text{land}(y_1) + \text{construction}(y_2)) \right\} - \text{expenses}(Z)$$

IFRS (International Financial Reporting Standards): Impact on Listed Construction Companies

**Stable revenue planning to create stable profits
Increase fixed income**

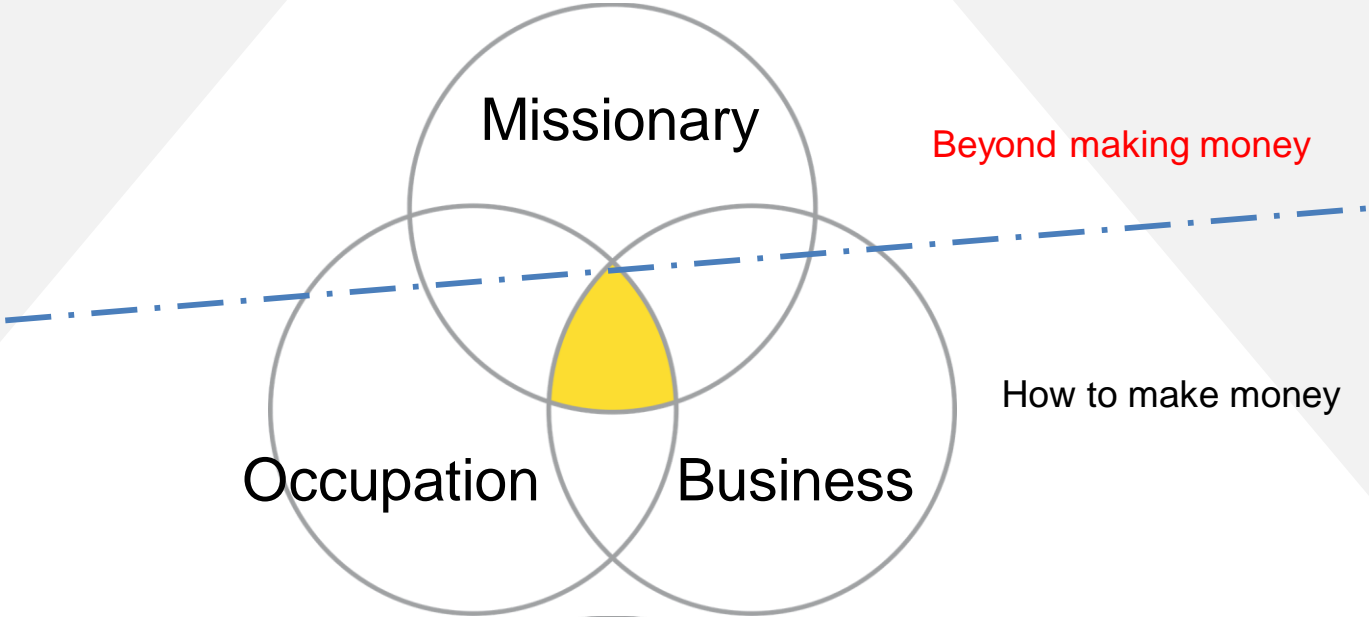
The big remains big (ODM) The small stays flexible (Union)

Sales: $\sum Q \times P$ (Value Up = Product + Service)

Lease: Commercial & Office Buildings

Residential Buildings (Leased Apartments)

Entrepreneur



VISION

Become a leader in architectural technology and a respected happiness-benchmark company

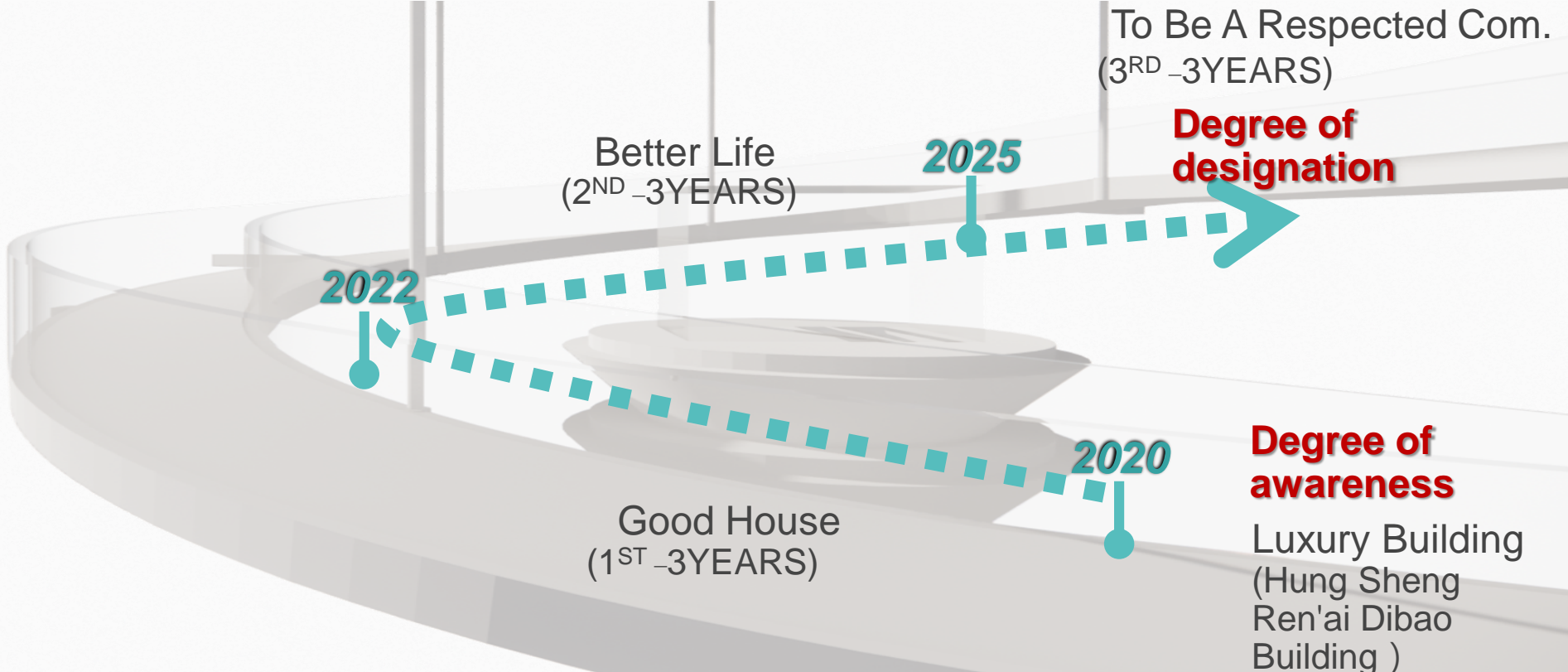
MISSION

Putting people first, and combining and utilizing technological innovation to provide customers with high-quality and comfortable housing

STRATEGY

3-3YRS

KNOW WHERE YOU ARE TO KNOW THE FUTURE



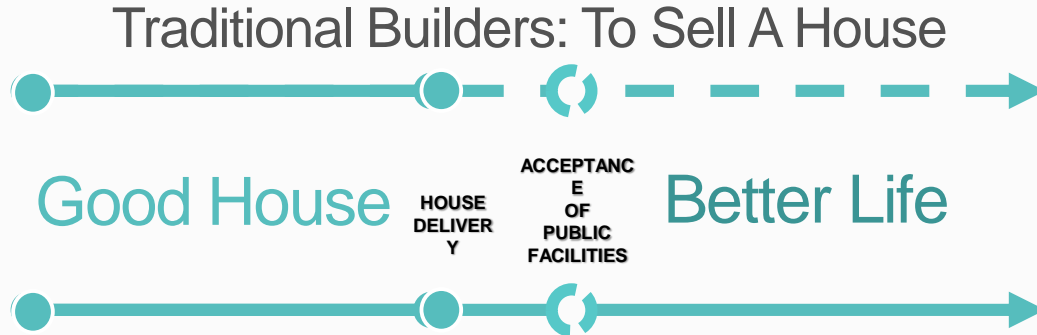


New Business Model

(Either to be the one or the top)

Paradigm Shift Of Business Model

Transformation of Lifestyle



Hung Sheng Construction: To Create & Provide A Unique Lifestyle

(5 years management fee free | On-site service director)

E.S.G Introduction of the design of whole building lifecycle

Paradigm Shift Of Business Model

I never thought of it, and you did it

WO
W

I wanted to have it, and you did it

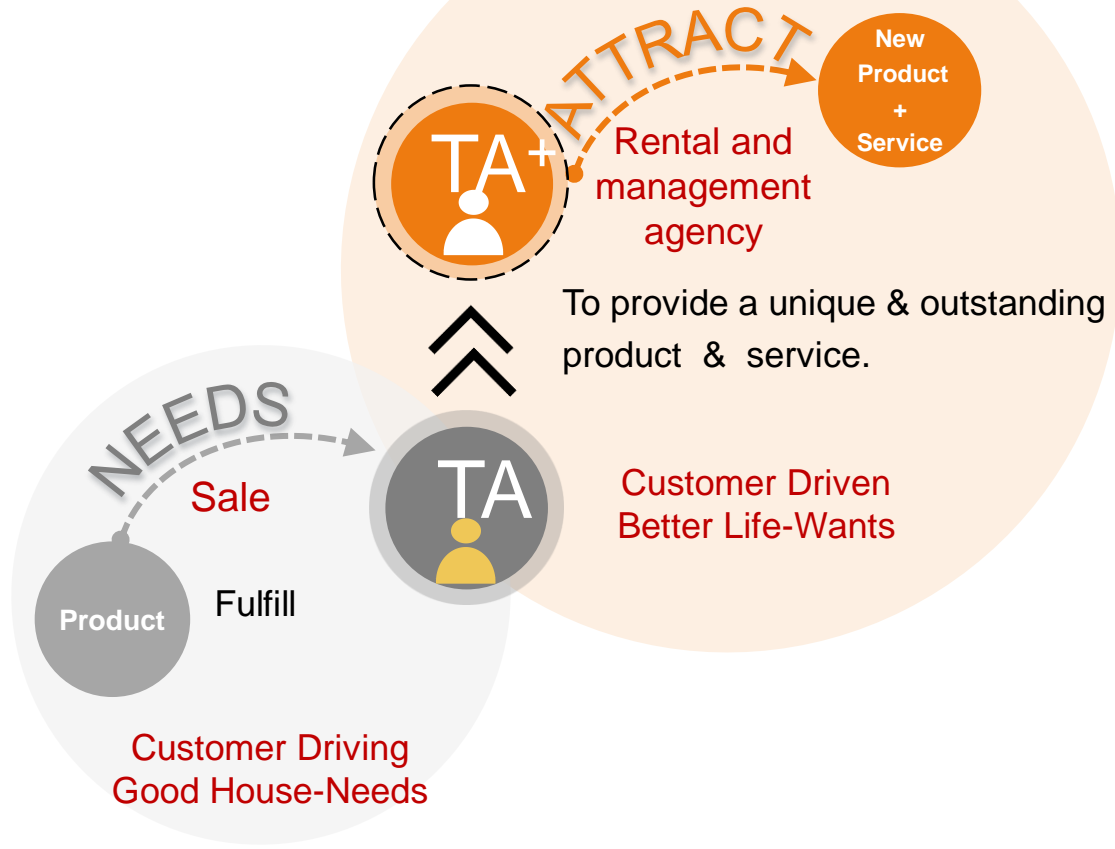
A+

I must have it, and

Basic

GOOD HOUSE

BETTER LIFE





What's a Good House

Bring back the purest people-first principle

Architecture

is the container of the body, mind
and soul

Space

is a time container waiting for events
to be triggered and a field that
carries many imprints of our lives



Good House - Better Life

We are not only to sale a house but also to create and
provide a unique lifestyle for our customers.

**Architecture is a practical art, and a container for
human life which must have a combination of body,
appearance and function**

**Reality is the shadow of virtuality, and virtuality is the
subject of reality**

**A people-oriented space is the protagonist of
architecture**



AI Building

INVISIBLE BUTLER

People | Using the people first principle as the focus of AI function design

Cars | A parking management system aimed at shopping malls, leased buildings and general residents

Objects | Community property services and leasing management, and mechanical and electrical equipment management

Information | Comprehensive digitization of management platforms and modes to establish digital cloud and algorithm



COMBINING TECHNOLOGICAL INNOVATION
TO ESTABLISH PEOPLE-ORIENTED SMART
BUILDINGS



宏盛  生活

It's not how big the house is
how warm the home is
Turn "customers" into "family"



The beauty of a cup of coffee
The kindness from a bowl of hot soup



In Between of People, Architecture And Environment

(The goal of life is living in agreement with nature.)



E.S.G.



Human beings (**S**) live on Earth (**E**) , and ride on the capitalist train (**G**) and flee towards the abyss of the cosmic black hole under the name of civilization, in order to satisfy the ir personal desires.

They continue plundering the resou rces of the Earth, chopping down tr ees indiscriminately, and sucking o n their essences; now the Earth can no longer bear the burden, and is s ick and having a fever...

Human beings - Reflection

The abyss of desire is like a black hole in the universe

The progress of civilization in just 200 years has
destroyed the balance of the Earth for thousands of
years

Human beings pursuit and satisfy their endless material
enjoyment

For the greedy plunder of nature, the Earth is roaring in
high decibel and counterattacking human being with the
greenhouse effect

Let each of us plant a tree every year!



To Plant a tree one day every year



Begining

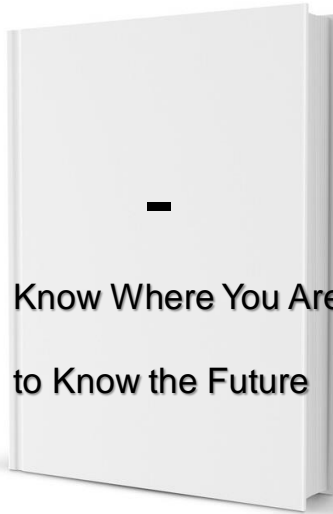
VOLUNTEER
TO
PLANT
A TREE
ONE DAY
EVERY YEAR

I am who I am

-

To be a human being

I am.
Who am I ?
I am who I am.



Know Where You Are
to Know the Future

Seeing the mountain as a mountain, and seeing the water as water.
Seeing the mountain not as a mountain, and seeing the water not as water.
Seeing the mountain as a mountain again, and seeing the water as water again.

Everyone plants a tree for the Earth every year

IT TAKES 10 YEARS TO NATURE A TREE
BUT 100 YEARS TO TRAIN A MAN.



A YEAR'S PLAN IS LIKE PLANTING A TREE.
A TEN-YEAR PLAN IS LIKE PLANTING A
FOREST.
A LIFELONG PLAN IS LIKE CULTIVATING A
MAN.

- ▶ A TREE HAS ONLY ONE HARVEST A YEAR.
A FOREST HAS TEN HARVESTS A YEAR.
A MAN CAN HAVE A HUNDRED OF
HARVESTS A YEAR.

—CHIN DYNASTY · GUANZI · QUANXIU—

Everyone plants a tree for the Earth every year

IT TAKES 10 YEARS TO NATURE A TREE
BUT 100 YEARS TO TRAIN A MAN.



I PLANT IT THE WAY GOD
WILL USE IT;
ONLY THE KING MAY ACT
LIKE GOD.

—CHIN DYNASTY · GUANZI · QUANXIU—

TO SET THE MIND FOR HEAVEN AND EARTH
TO MAKE A LIFE FOR THE LIVING
TO PASS DOWN THE KNOWLEDGE OF THE SAINTS
TO BRING PEACE TO ALL GENERATIONS

CITIZEN OF THE WORLD

Beginning

As a global citizen, I have the responsibility to protect the Earth.

2019 Proposal for adopting the company's creek.

2020 **USR+CSR+U** declaration on protecting the company's creek.

2020 **Body** | Building a green corridor.

2021 **Mind** | Creating a green forest belt to nurture multiple tree species (150 bald cypresses)

2022 **Soul** | Tree cave adoption project

2023 **Enterprise declaration:** Everyone plants a tree for the Earth every year.

Everyone plants a tree for the Earth every year

Individual Healthy exercise and love for nature

Enterprise Green planting to reduce pollution

Earth Green ocean and blue sky with zero carbon emission



VOLUNTEER

TO
PLANT
A TREE
ONE DAY
EVERY YEAR



PLANT A TREE

Everyone plants
a tree for the
Earth every year

E

S

G

BETTER LIFE

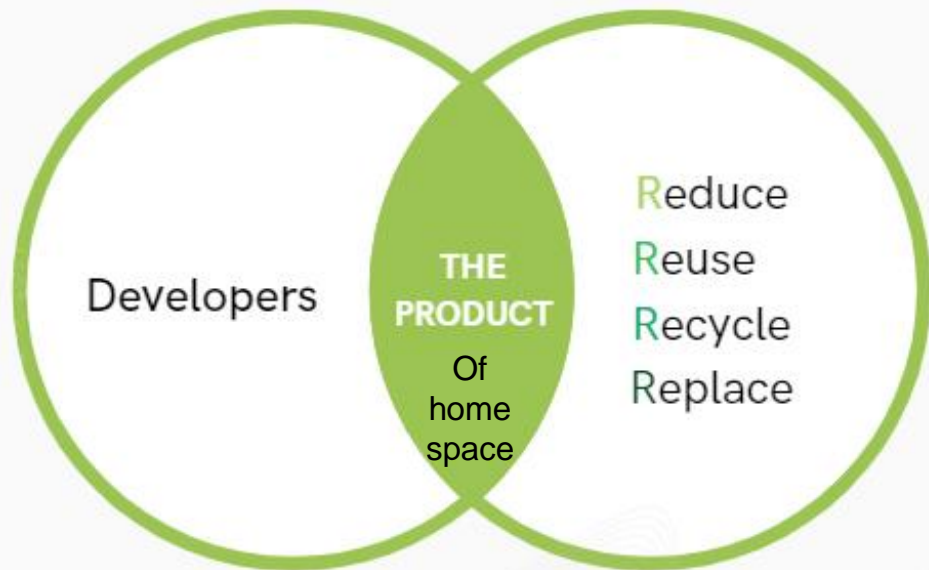
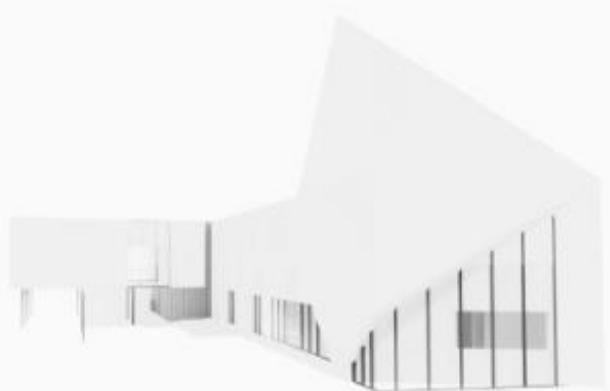
Pursue a frugal life of
renunciation
(body | mind | soul)

GOOD HOUSE

A healthy and good house
with wind | light | water | green



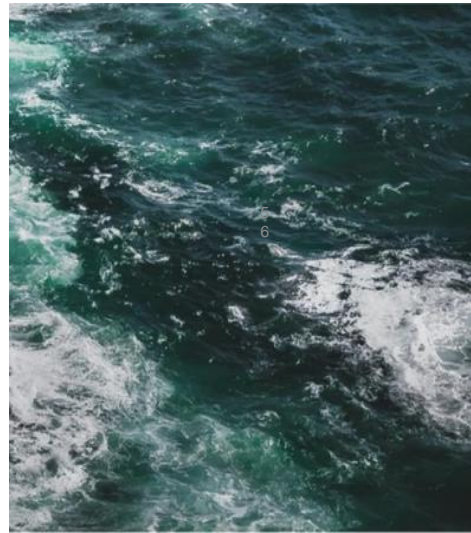
SOULATION OF E.S.G



ESG Community → **Wind | Light | Water | Green**

Green is cheap but luxury

- When ESG becomes a sustainable development indicator for enterprises
- How does Hung Sheng's construction business progress, and what is its relevance to customers?
- ESG should not be a cost item; it is the mission of an enterprise, and the responsibility of each and every one of us.



真美生活 從心開始



每一段生活都是一部紀錄片

生活心語：因為是心
所製作的——時間就是金錢

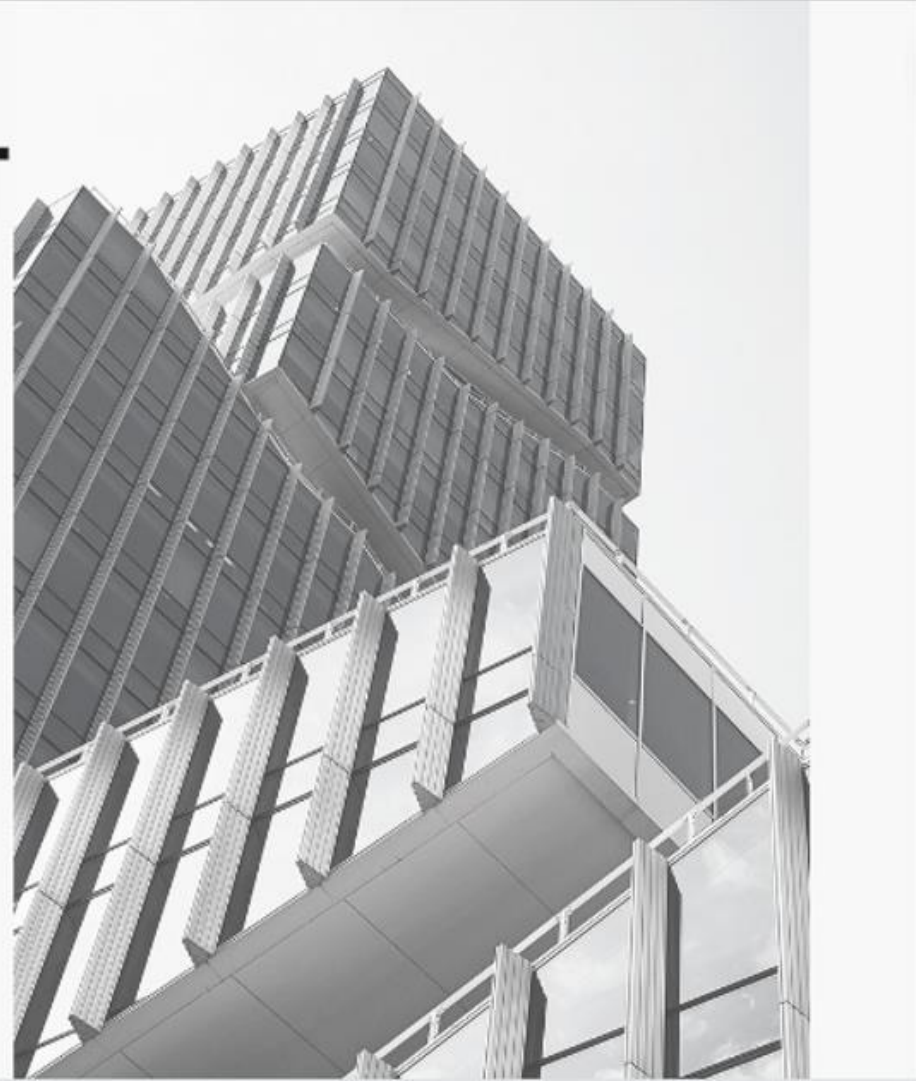


About Market



STATUS OF MARKET

- Policy restrictions
- High volume of new cases
- High interest rate
- High housing price
- Low birth rate
- Construction cost increase
- Difficulty in obtaining development funds



Risk?

Interest rate?

Can't sell?

Can't build?

Whom to **sell** the houses **to** ?

TA

Where there is land (house), there is wealth
Earn more, borrow less and save

Investors

House buyers

Pension management for well-paid retirees

Self-living homeowners



Regardless of
the size of the land,
or the price of the house,
let along its location,
We stick with the same attitude
to find the best solutions for each piece of land,
Create a warm good house for our customers,
and strive to create a field that provides a better lifestyle,
because our thinking is not just about a house, but the people who make up a home - the noble and extraordinary you.

We are not only to sale a house but also to create and provide a unique lifestyle for our honor customers.

Sincere gratitude from Hung Sheng Construction

Be like a rising dragon and a flying phoenix,
with an auspicious dragon spirit



HAPPY
NEW YEAR
OF THE
DRAGON

Duncan Lu

Only hope everything is half satisfactory

Life can never be completely fulfilling

Q & A
THANK YOU

