



Sinyi Realty Inc. (9940)

2018Q4 Earning Release Conference

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March 11, 2019

2018 Consolidated Comprehensive Income



in NT\$ thousands (EPS in NT\$)

| | 2018 | 2017 | YoY | YoY% |
|---|------------|------------|-------------|-------|
| Sales Revenue | 3,644,688 | 9,779,892 | (6,135,204) | (63%) |
| Service Revenue | 9,258,270 | 8,026,889 | 1,231,381 | 15% |
| Net sales | 12,902,958 | 17,806,781 | (4,903,823) | (28%) |
| Sales of Goods Sold | 1,867,712 | 6,062,907 | (4,195,195) | (69%) |
| Service Cost | 6,812,680 | 5,974,258 | 838,422 | 14% |
| Operating cost | 8,680,392 | 12,037,165 | (3,356,773) | (28%) |
| Gross profit | 4,222,566 | 5,769,616 | (1,547,050) | (27%) |
| Gross margin(%) | 33% | 32% | 1pt | - |
| Operating expense | 1,577,664 | 1,305,756 | 271,908 | 21% |
| Operating profit | 2,644,902 | 4,463,860 | (1,818,958) | (41%) |
| Operating margin(%) | 21% | 25% | (4pt) | - |
| Net income | 1,490,923 | 2,827,115 | (1,336,192) | (47%) |
| Net margin(%) | 11% | 16% | (5pt) | - |
| Total net income attributable to the parent company | 1,504,587 | 2,802,827 | (1,298,240) | (46%) |
| EPS Before tax (Note) | 3.83 | 6.28 | (2.45) | (39%) |
| EPS After tax (Note) | 2.04 | 3.80 | (1.76) | (46%) |

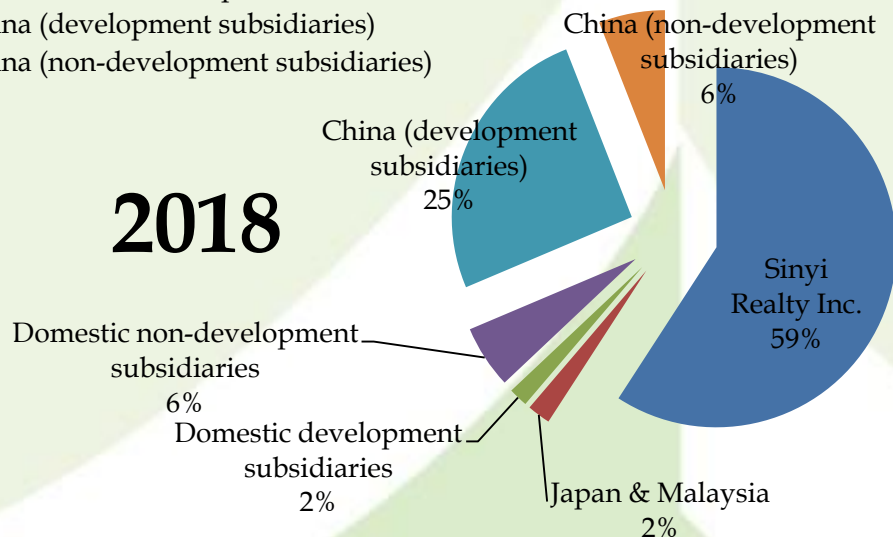
Note: The EPS has been adjusted in according with the stock dividend distributed in prior year .

Sales Revenue Per Business Unit

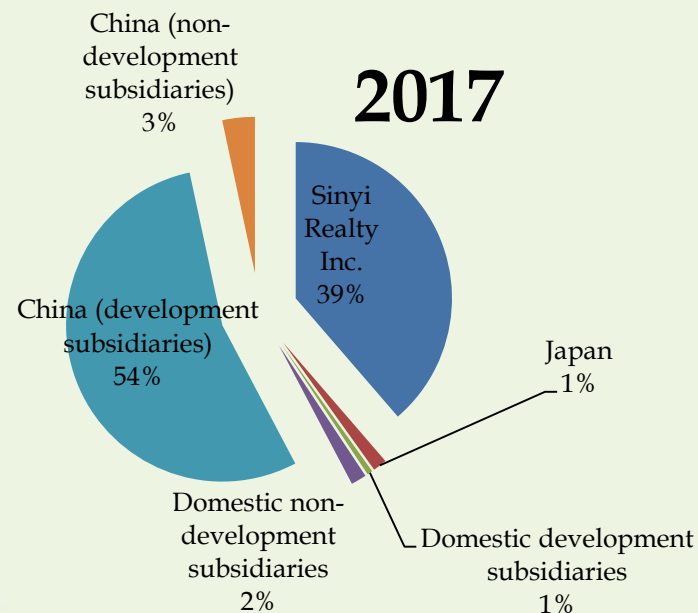


- Sinyi Realty Inc.
- Japan & Malaysia
- Domestic development subsidiaries
- Domestic non-development subsidiaries
- China (development subsidiaries)
- China (non-development subsidiaries)

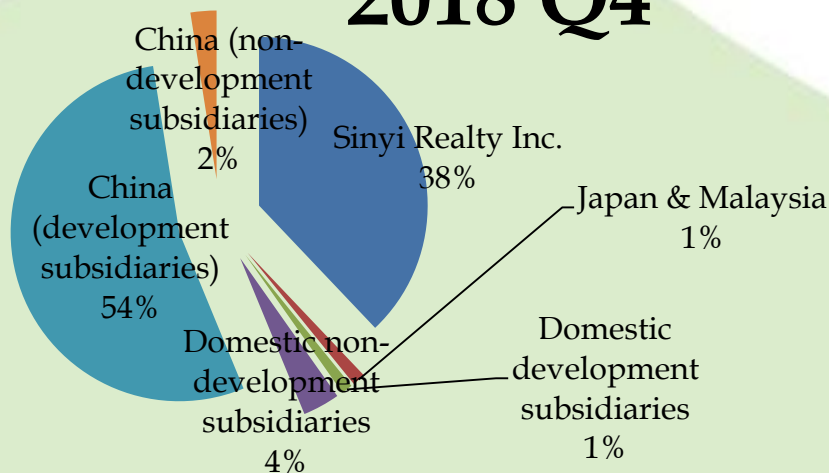
2018



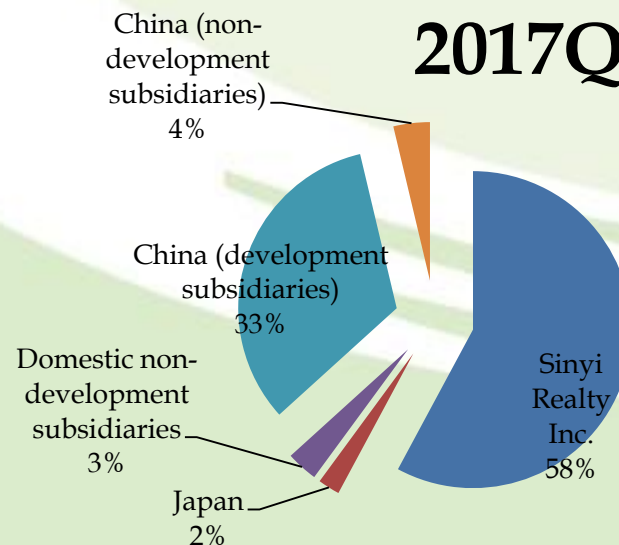
2017



2018 Q4



2017Q4

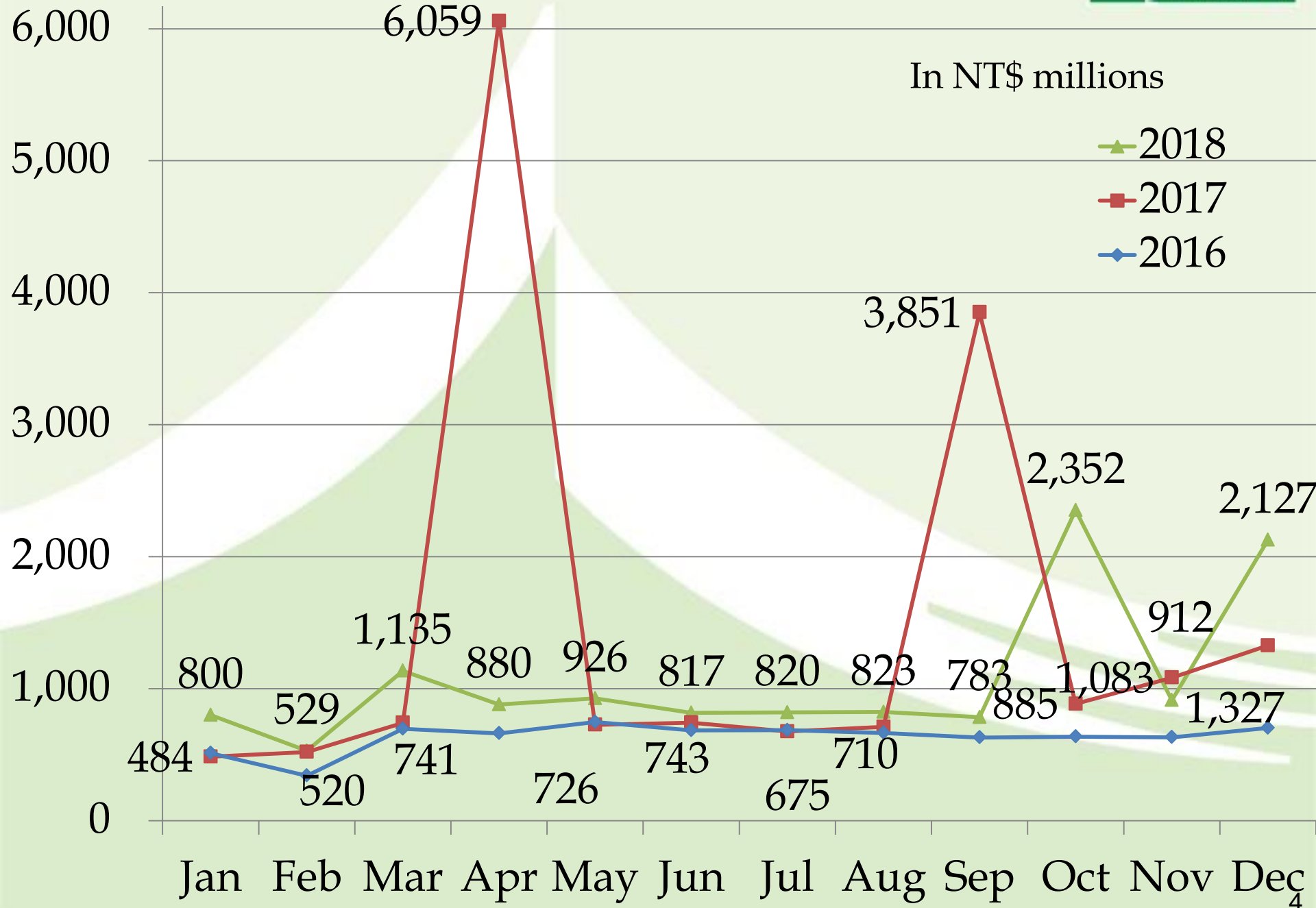


Monthly Consolidated Revenue



In NT\$ millions

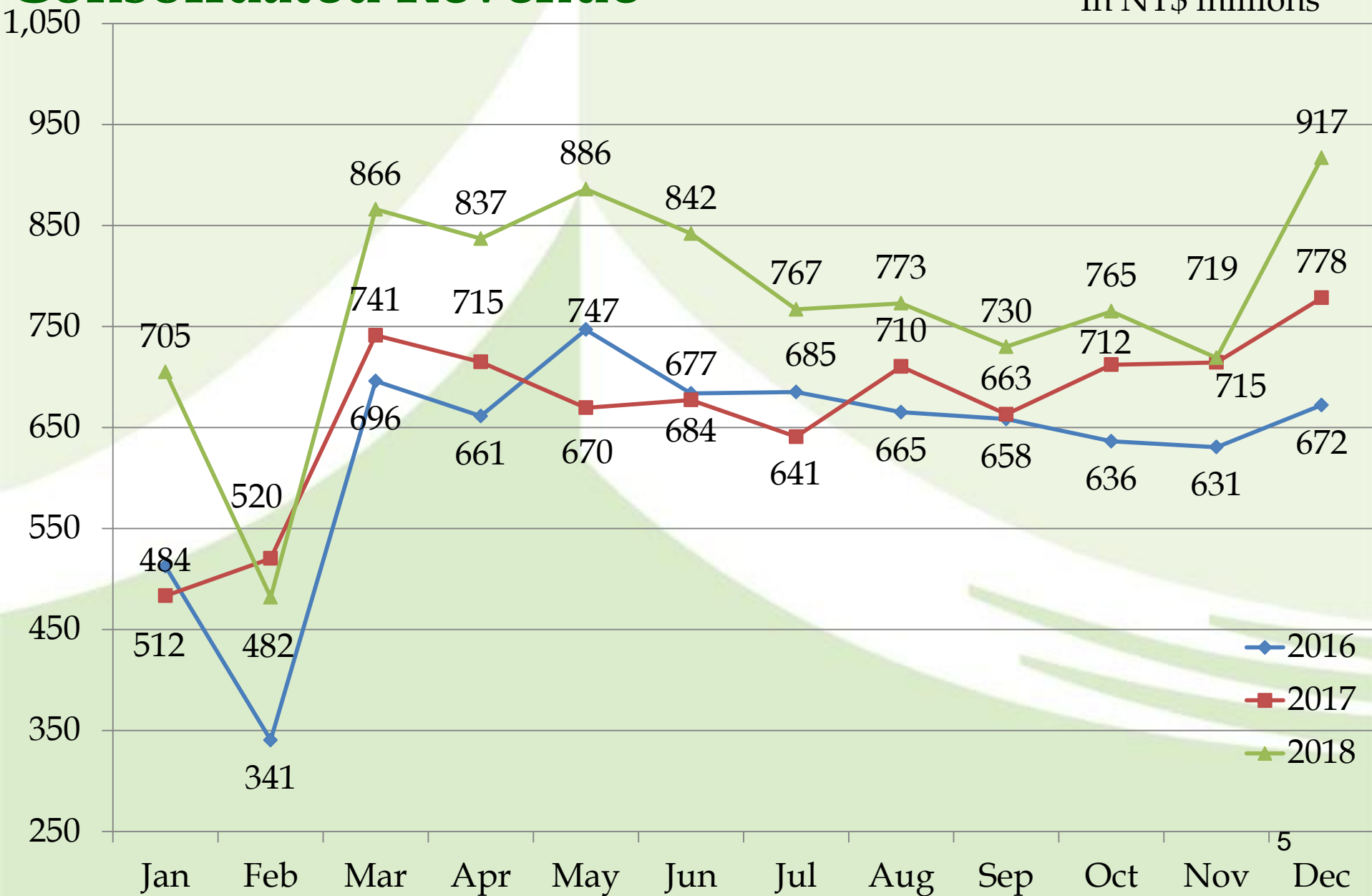
- 2018
- 2017
- 2016



Monthly Non-development Consolidated Revenue



In NT\$ millions



2018 Consolidated Balance Sheets



in NT\$ thousands

| Account | Year | 2018.12.31 | | 2017.12.31 | |
|---|------|-------------------|-------------|-------------------|-------------|
| | | Amount | % | Amount | % |
| Cash & Cash equivalents | | 4,551,253 | 16% | 3,899,831 | 14% |
| Financial assets at fair value through profit or loss | | 4,702,735 | 16% | 201,778 | 1% |
| Financial assets at fair value through other comprehensive income | | 785,371 | 3% | - | - |
| Available-for-sale financial assets | | - | 0% | 823,821 | 3% |
| Accounts & Notes Receivable | | 978,315 | 3% | 870,427 | 3% |
| Inventory | | 11,054,987 | 38% | 11,697,449 | 43% |
| Other Current Assets | | 370,159 | 1% | 3,296,634 | 12% |
| Total Current Assets | | 22,442,820 | 78% | 20,789,940 | 77% |
| Financial assets measured at fair value through other comprehensive income and loss | | 393,127 | 1% | - | - |
| Available-for-sale financial assets | | - | 0% | 204,976 | 1% |
| Property, plant and equipment | | 3,367,109 | 12% | 3,392,572 | 13% |
| Investment property | | 2,269,617 | 8% | 2,265,661 | 8% |
| Other Assets | | 371,391 | 1% | 302,967 | 1% |
| Total Assets | | 28,844,064 | 100% | 26,956,116 | 100% |

2018.12.31 Consolidated Balance Sheets



in NT\$ thousands

| Account | Year | 2018.12.31 | | 2017.12.31 | |
|---|------|-------------------|------------|-------------------|------------|
| | | Amount | % | Amount | % |
| Short-term borrowings | | 748,000 | 3% | 1,608,000 | 6% |
| Contract liabilities - current | | 694,468 | 2% | - | - |
| Other payables | | 1,816,073 | 6% | 1,648,489 | 6% |
| Other current financial liabilities | | 357,126 | 1% | 300,131 | 1% |
| Unearned revenue | | 3,277 | 0% | 179,057 | 1% |
| Current portion of long-term borrowings and bonds payable | | 1,507,682 | 5% | 1,513,210 | 6% |
| Other Current Liability | | 2,175,791 | 8% | 1,380,714 | 5% |
| Total Current Liability | | 7,302,417 | 25% | 6,629,601 | 25% |
| Bond Payable | | 4,400,000 | 15% | 1,500,000 | 6% |
| Long-term debt | | 5,371,478 | 19% | 6,887,406 | 26% |
| Other Liabilities | | 705,936 | 2% | 509,121 | 2% |
| Total Liabilities | | 17,779,831 | 62% | 15,526,128 | 58% |
| Ordinary shares | | 7,368,465 | 26% | 6,515,000 | 24% |
| Capital surplus | | 64,528 | 0% | 63,896 | - |
| Total retained earnings | | 3,772,523 | 13% | 4,760,590 | 18% |
| Total other equity | | (240,436) | (1%) | (40,830) | - |
| Non-controlling interests | | 99,153 | 0% | 131,332 | - |
| Total equity | | 11,064,233 | 38% | 11,429,988 | 42% |

2018 Consolidated Cash Flows

in NT\$ thousands

| | 2018 | 2017 | YoY |
|--|-------------|-------------|-------------|
| Beginning Balance | 3,899,831 | 3,512,457 | 387,374 |
| Net cash (used in) generated from operating activities | 1,965,263 | (6,314,366) | 8,279,629 |
| Net cash generated from (used in) investing activities | (134,883) | 44,121 | (179,004) |
| Net cash generated from (used in) financing activities | (1,163,278) | 6,920,208 | (8,083,486) |
| Effect of exchange rate changes | (15,680) | (262,589) | 246,909 |
| Ending Balance | 4,551,253 | 3,899,831 | 651,422 |

Inventory as of 2018.12.31

in NT\$ thousands

| | 2018.12.31 | 2017.12.31 |
|--|-------------------|-------------------|
| Property under processing of development | | |
| Jiading district, shanghai City | - | 1,967,730 |
| Property to be developed | | |
| Binghu District, Wuxi City | 6,175,692 | 5,907,655 |
| Banqiao District, New Taipei City | 2,440,170 | 2,402,626 |
| Banqiao District, New Taipei City (For Capacity Transfer) | 283,360 | 198,104 |
| Other | | |
| Shihlin District, Taipei City | 2,113 | 2,113 |
| Inventory (Completed) | | |
| Jiading district, shanghai City | 1,894,686 | 799,065 |
| Shihlin District, Taipei City | 258,966 | 420,156 |
| Total Inventory | 11,054,987 | 11,697,449 |

2018.1.1-12.31 Inventory Movement

in NT\$ thousands

| | 2018.1.1- 2018.12.31 | 2017.1.1- 2017.12.31 |
|---|-------------------------|-------------------------|
| Properties under development | | |
| Beginning balance | 10,476,115 | 7,751,302 |
| Current costs incurred | 1,225,250 | 10,006,941 |
| Current transfer inward - Merchandise inventory | (2,802,143) | (7,282,128) |
| Ending balance | 8,899,222 | 10,476,115 |
| Inventory-merchandise | | |
| Beginning balance | 1,219,221 | 0 |
| Current costs incurred | 2,802,143 | 7,282,128 |
| Current transfer inward - Cost of good sold | (1,867,712) | (6,062,907) |
| Ending balance | 2,153,652 | 1,219,221 |
| Other | | |
| Shihlin District, Taipei City | 2,113 | 2,113 |
| Total Inventory | 11,054,987 | 11,697,449 |

Development Project of Sinyi's Subsidiaries

As of 2018.12.31

| Project | Total Available Units | Accumulated as of 2018.12.31 | | | 2018 | | |
|--|-----------------------|------------------------------|-----------------|--------------------|------------|-----------------|--------------------|
| | | Units Sold | Delivered Units | Revenue Recognized | Units Sold | Delivered Units | Revenue Recognized |
| Sinyi Qian-Shi | 21 | 13 | 11 | TWD 300MM | 7 | 6 | TWD 200MM |
| Sinyi Jiating-1st Phase | 566 | 563 | 525 | TWD 13.1B | 236 | 192 | TWD 344MM |
| Sinyi Jiating-2 nd Phase | 543 | 510 | 449 | | | | |
| Sinyi Jiating(1st Phase+2 nd Phase) | 1,109 | 1,073 | 974 | | | | |

2018 Individual Comprehensive Income



in NT\$ thousands

| | 2018 | 2017 | YoY | YoY% |
|-----------------------|-----------|-----------|-------------|-------|
| Net sales | 7,881,107 | 6,886,597 | 994,510 | 14% |
| Operating cost | 5,639,878 | 4,957,229 | 682,649 | 14% |
| Gross profit | 2,241,229 | 1,929,368 | 311,861 | 16% |
| Gross margin(%) | 29% | 28% | 1pt | |
| Operating expense | 917,697 | 846,648 | 71,049 | 8% |
| Operating profit | 1,323,532 | 1,082,720 | 240,812 | 22% |
| Operating margin(%) | 17% | 16% | 1pt | |
| Net income | 1,504,587 | 2,802,827 | (1,298,240) | (46%) |
| Net margin(%) | 19% | 41% | (22pt) | |
| EPS Before tax (Note) | 2.75 | 4.07 | (1.32) | (32%) |
| EPS After tax (Note) | 2.04 | 3.80 | (1.76) | (46%) |

Note: The EPS has been adjusted in according with the stock dividend distributed in prior year .

2018 Sinyi Standalone Balance Sheets



in NT\$ thousands

| Account | Year | 2018.12.31 | | 2017.12.31 | |
|---|------|-------------------|-------------|-------------------|-------------|
| | | Amount | % | Amount | % |
| Cash & Cash equivalents | | 2,423,870 | 10% | 1,554,557 | 7% |
| Financial assets at fair value through other comprehensive income - current | | 257,668 | 1% | - | 0% |
| Available-for-sale financial assets - current | | - | 0% | 228,299 | 1% |
| Accounts & Notes Receivable | | 628,130 | 3% | 528,219 | 2% |
| Other Current Assets | | 231,449 | 1% | 221,169 | 1% |
| Total Current Assets | | 3,541,117 | 15% | 2,532,244 | 12% |
| Financial assets at fair value through other comprehensive income - non-current | | 88,583 | 0% | - | 0% |
| Financial assets measured at cost - non-current | | - | 0% | 54,827 | 0% |
| Investment accounted for using equity method | | 15,227,595 | 62% | 13,351,473 | 55% |
| Property, plant and equipment | | 2,764,481 | 11% | 2,647,588 | 12% |
| Investment property | | 2,590,762 | 11% | 2,726,105 | 13% |
| Other Assets | | 163,293 | 1% | 156,194 | 1% |
| Total Assets | | 24,375,831 | 100% | 21,468,431 | 100% |

2018 Sinyi Standalone Balance Sheets



in NT\$ thousands

| Account | Year | 2018.12.31 | | 2017.12.31 | |
|---|------|-------------------|------------|-------------------|------------|
| | | Amount | % | Amount | % |
| Short-term borrowings | | - | 0% | 800,000 | 4% |
| Other payables | | 1,419,849 | 6% | 1,346,447 | 6% |
| Other current financial liabilities | | 44,619 | 0% | 43,037 | 0% |
| Current portion of long-term borrowings and bonds payable | | 1,500,000 | 6% | 1,500,000 | 7% |
| Other Current Liability | | 424,451 | 2% | 282,123 | 1% |
| Total Current Liability | | 3,388,919 | 14% | 3,971,607 | 18% |
| Bond Payable | | 4,400,000 | 18% | 1,500,000 | 7% |
| Long-term debt | | 5,000,000 | 21% | 4,250,000 | 20% |
| Other Liabilities | | 621,832 | 3% | 448,168 | 2% |
| Total Liabilities | | 13,410,751 | 55% | 10,169,775 | 47% |
| Ordinary shares | | 7,368,465 | 30% | 6,515,000 | 30% |
| Capital surplus | | 64,528 | 0% | 63,896 | 0% |
| Total retained earnings | | 3,772,523 | 15% | 4,760,590 | 22% |
| Total other equity | | (240,436) | (1%) | (40,830) | 0% |
| Total equity | | 10,965,080 | 45% | 11,298,656 | 53% |

2018 Sinyi Standalone Cash Flows



in NT\$ thousands

| | 2018 | 2017 | YoY |
|--|-------------|-------------|-------------|
| Beginning Balance | 1,554,557 | 1,998,262 | (443,705) |
| Net cash (used in) generated from operating activities | 1,208,596 | 1,014,980 | 193,616 |
| Net cash generated from (used in) investing activities | (1,559,534) | (5,219,696) | 3,660,162 |
| Net cash generated from (used in) financing activities | 1,220,251 | 3,761,011 | (2,540,760) |
| Ending Balance | 2,423,870 | 1,554,557 | 869,313 |

Physical Store Location in Taiwan

| Area | 2019.02 | | 2018.02 | | Diff. |
|---------------------|---------|------|---------|------|-------|
| | Number | % | Number | % | |
| Greater Taipei area | 261 | 60% | 258 | 60% | 3 |
| Taoyuan & Hsinchu | 65 | 15% | 64 | 15% | 1 |
| Taichung | 61 | 14% | 61 | 14% | 0 |
| Tainan & Kaohsiung | 48 | 11% | 50 | 11% | (2) |
| Total | 435 | 100% | 433 | 100% | 2 |

Q & A

www.sinyi.com.tw