



興富發集團

Highwealth Corporation

2023 Investor Conference

November 23, 2023



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Sales Report

Highwealth Construction

(including Bo-Yuan, Chyi-Yuh, Yeh Kee, Bi-Jiang)

Vice President Zhao-Xiong Liao



2023 Newly Completed Projects

Area	Project Name	Location	Base Dimension (pin)	Total Sellable Amount (Unit: NT\$ 100 million)	Sales Rate
Taipei	Highwealth T1	Neihu District	1,935.72	75.69	6.09%
Taichung	TOP1 Global Trading Center	Xitun District	905.07	49.96	92.10%
Total	2 projects			125.65	



Online Sales Project (as of Q3)



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Area	Project Name	Location	Available for sale Housing unit/ Parking space	Total Sellable Amount (NT 100 million Dollars)	Sales Rate	Sold Amount (NT 100 million Dollars)	2023 Sales Amount (NT 100 million Dollars)
Greater Taipei	Highwealth T1	Ankang Section, Neihu District	52/370 ,4 storefronts	75.69	6.09%	4.61	4.61
	Taipei One	Subsection 1, Changan Section, Zhongshan District	72/125 ,1 storefronts	149.29	1.35%	2.01	2.01
Taoyuan	Zhan Qian Xinyue	Chinsheng Section, Zhongli District	901/916,34 storefronts	149.16	73.15%	109.11	43.51
	Bo Yue	Shanji Section, Guishan District	1082/1101,33 storefronts	153.52	48.38%	74.27	39.30
	Meishui Water Park (Chyi Yuh)	Xingshan Section, Dayuan District	400/422 ,22 storefronts	72.96	32.75%	23.89	23.89
Taichung	The Summit	Huishun Section, Xitun District	464/471 ,2 storefronts	85.47	89.53%	76.52	0.15
	Wenshin Aiyue	Fenggong Section, Nantun District	569/580 ,8 storefronts	67.30	88.90%	59.83	-
	TOP1 Global Trading Center	Huian Section, Xitun District	134/313 ,4 storefronts	49.96	92.10%	46.01	2.69
	Yang Xing Dian	Xitun Section, Xitun District	351/363 ,8 storefronts	54.55	89.03%	48.57	0.20
	Shicheng Aiyue	Huian Section, Xitun District	1236/1252.8 storefronts (Highwealth holds 28.45%)	39.44	96.39%	38.01	-
	Bo Jin Ai Yue	Huimin Section, Xitun District	271/339	98.52	66.00%	65.02	21.82
	Shicheng Xinyue	Huishun Section, Xitun District	338/357 ,4 storefronts	81.23	90.27%	73.32	27.04
	Yongyue Yifang (Boyuan)	Wenshang Section, Xitun Section	234/430,5 storefront (Boyuan holds 60%)	60.03	51.04%	30.64	30.64
	Fashion Empire (Boyuan)	Huiguo Section, Xitun District	336/388,12 storefront (Boyuan holds 55%)	50.96	77.95%	39.72	39.72
	Aichinhai	Yukuan Section, Anping District	786/693 ,9 storefronts	60.91	100.00%	60.91	0.12
Tainan/Kaohsiung	Welcome to the Future (Boyuan)	Heguan Section, Annan District	1390/1418,29 storefront (Boyuan holds 54.4%)	87.53	32.20%	28.19	28.19
	Highwealth Poai	Subsection 4 , Dagang Section., Sanmin District	307/143	26.57	100.00%	26.57	-
	Senmeishu	Shindo Section, Sanmin District	208/191 ,6 storefronts	35.93	79.74%	28.65	28.65
	Bo Ai Yue	Fushan Section, Zuoying District	574/380 ,6 storefronts	65.90	93.77%	61.80	-
	Aichungho Left Bank (Highwealth + Bijiang)	Poshao Section, Qianjin District	598/319 ,2 storefronts	55.23	93.31%	51.54	0.04
	Zhongzheng One	Qianjin Section, Qianjin District	590/282	58.39	80.12%	46.78	3.68
	Museum One (Chyi Yuh)	Chinhai Section, Kushan District	769/777 ,9 storefronts	174.98	56.54%	98.94	6.36
Total	22 projects			1,753.52		1,094.91	302.62

H 2023 Existing Home Sales Status (as of Q3)

Area	Project Name	Location	Existing home sales amount (NT 100 million Dollars)	Subtotal (NT 100 million Dollars)
Greater Taipei	Times Square Taipei	Zhongshan District	1.74	1.74
Taoyuan	Shihsanho	Zhongli District	0.68	1.24
	Huayue City	Guishan District	0.56	
Taichung	Baida Fuyi	Xitun District	0.03	6.03
	Siji Tianyuan	Xitun District	0.56	
	Hengyong	Xitun District	1.54	
	Kuoja No. 1 Taichung	Xitun District	0.75	
	Holiwon Castle	Xitun District	1.05	
	Wenhuahui	Xitun District	1.27	
	Poshi	Nantun District	0.63	
	Munghuan City	Wuri District	0.20	
Kaohsiung	Yishu Castle	Gushan District	1.90	7.77
	Huarenhui	Gushan District	2.77	
	Kaohsiung CBD	Linya District	3.10	
Total			16.78	16.78



Land Inventory

Area	Project Name	Location	Product Category	Base Dimension (pin)	Total Number of pins (pin)	Total Sellable Amount (NT 100 million Dollars)	Subtotal (NT 100 million Dollars)
Greater Taipei	Gongjian Section	Gongjian Section, Shiji District	Commercial office buildings	14,472.27	86,624 (Highwealth holds 54%)	204.32	204.32
Kaohsiung	Sinsing Section	Subsection 4, Sinsing Section, Sinsing District	Residential	694.24	17,802	84.33	605.62
	Temao 3	Shijia Section, Qianzhen District	Commercial office buildings	9,386.88	146909.00 (Highwealth holds 59.77%)	445.40	
	Sinsing section,subsection3	Subsection 3, Sinsing Section, Sinsing District	Commercial office buildings	621.03	16,114.7	75.89	
Total	4 projects			25,174.42		809.94	809.94



Estimated Promoted Projects



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Area	Project Name (temporary)	Location	Available for sale Housing unit/ Parking space	Total Sellable Amount (NT 100 million Dollars)	Product Category	Number of pins	Unit Price (NT 10 thousand dollars per pin)
Greater Taipei	Beitou Daye Section	Subsection 3, Daye Section, Beitou District	80/108 ,10 storefronts (Highwealth owns 39/42.1 Storefronts)	17.54	Residential + Commercial	Residential area 48-78 pins Office area 46-80 pins	85 - 90 55 - 60
	Danhai 5th	Danhai Section, Danshui District	2085/2265 ,147 storefronts	231.23	Residential + Commercial	Residential area 23-33 pins Office area 41-46.8 pins	32 - 35 28 - 30
	Fudu 6	Subsection 1, Fuduxin Section, Xinzhuang District	468/1178 ,8 storefronts	285.43	Commercial office buildings	75~140 pins	65 - 70
Taoyuan	Chunglu 28 (Bijiang)	Chunglu 2st Section, Taoyuan District	278/489 ,2 storefronts	52.91	Commercial office buildings	60~76 pins	45 - 50
	Chunglu 5th 53 (Highwealth +Boyuan)	Chunglu 1st Section, Taoyuan District	184/560 ,12 storefronts	84.14	Commercial office buildings	54~144 pins	45 - 50
Taichung	Huiguo 88	Huiguo Section, Xitun District	212/579 ,5 storefronts	116.33	Commercial office buildings	60~100 pins	60 - 65
	Huiguo 90	Huiguo Section, Xitun District	428/1118 ,4 storefronts	376.10	Commercial office buildings	60- 100 pins	60 - 65
	Luoman Luolan	Huimin Section, Xitun District	407/420 ,1 storefronts	71.62	Residential	24~35 pins	70 - 75
	Chunggang Huimin 2 (Highwealth +Boyuan)	Huimin Section, Xitun District	308/491 ,2 storefronts	189.52	Commercial office buildings	25~30 pins	65 - 70
	Huiguo 61	Huiguo Section, Xitun District	252/278 ,5 storefronts	54.54	Commercial office buildings	25~30 pins	60 - 65
	Yunding (Chyi Yuh)	Huishun Section, Xitun District	542/568 ,6 storefronts	136.13	Residential + Commercial	Residential area 23.5- 37.2 pins Office area 23.5- 36.7 pins	72 – 90 77 - 110
Kaohsiung	Sen Yue	Shindo Section, Sanmin District	118/212 ,4 storefronts	39.00	Residential	42~48 pins	55 - 60
	Ba Li He Left Bank (Highwealth +Yeh Kee + Bijiang)	Poshao Section, Qianjin District	654/325	85.12	Residential	21~35 pins	50 - 55
	Poshao 3 (Yeh Kee+Bijiang)	Poshao Section, Qianjin District	104/210 ,2 storefronts	59.49	Residential	77~92 pins	50 - 55
	Elegant Mansion (Bijiang)	Wannei Section, Sanmin District	917/702 ,16 storefronts	122.48	Residential	16~26 pins	43 - 48
Total	15 projects			1,921.58			



Price of Newly Complete Residence

Item \ Year	2023	2024	2025	2026	2027	2028	2029	Total
Price of Newly Complete Residence (NT 100 million Dollars)	125.65	359.17	857.68	824.77	1,131.73	740.64	445.40	4,485.04



Future 6-Year Plan

Area	Project Name		Total Sellable Amount (NT\$ 100 million Dollars)	2023	2024	2025	2026	2027	2028	2029
Greater Taipei	1	Beitou Daye Section	17.54			▲				
	2	Danhai 5th	231.23						▲	
	3	Highwealth T1	75.69		▲					
	4	Taipei One	149.29			▲	▲			
	5	Gongjian Section	204.32						▲	
	6	Fudu 6	285.43					▲		
Taoyuan	7	Zhan Qian Xinyue	149.16		▲					
	8	Chunglu 5th 53 (Highwealth + Boyuan)	84.14				▲			
	9	Bo Yue	153.52				▲	▲		
	10	Meishui Water Park (Chyi Yuh)	72.96			▲	▲			
	11	Chunglu 28 (Bijiang)	52.91					▲		



Future 6-Year Plan

Area	Project Name		Total Sellable Amount (NT\$ 100 million Dollars)	2023	2024	2025	2026	2027	2028	2029
Taichung	12	The Summit	85.47			▲				
	13	Wenshin Aiyue	67.30		▲					
	14	TOP1 Global Trading Center	49.96	▲	▲					
	15	Yang Xing Dian	54.55			▲				
	16	Shicheng Aiyue	39.44			▲				
	17	Huiguo 88	116.33				▲			
	18	Huiguo 90	376.10						▲	▲
	19	Luoman Luolan	71.62				▲	▲		
	20	Bo Jin Ai Yue	98.52			▲	▲			
	21	Shicheng Xinyue	81.23				▲			
	22	Chunggang Huimin 2-7 (Highwealth + Boyuan)	189.52					▲		
	23	Huiguo 61	54.54					▲	▲	
	24	Yunding (Chyi Yuh)	136.13					▲		
	25	Yongyue Yifang (Boyuan)	60.03			▲	▲			
	26	Fashion Empire (Boyuan)	50.96				▲			



Future 6-Year Plan

Area	Project Name		Total Sellable Amount (NT\$ 100 million Dollars)	2023	2024	2025	2026	2027	2028	2029
Tainan/ Kaohsiung	27	Aichinhai	60.91		▲	▲				
	28	Welcome to the Future (Boyuan)	87.53				▲			
	29	Highwealth Poai	26.57			▲				
	30	Sen Yue	39.00			▲				
	31	Senmeishu	35.93				▲			
	32	Bo Ai Yue	65.90			▲				
	33	Ba Li He Left Bank (Highwealth +Yeh Kee + Bijiang)	85.12				▲			
	34	Aichungho Left Bank (Highwealth + Bijiang)	55.23		▲					
	35	Zhongzheng One	58.39				▲	▲		
	36	Sinsing Section	84.33						▲	
	37	Temao 3	445.40							▲
	38	Sinsing section,subsection 3	75.89						▲	
	39	Museum One (Chyi Yuh)	174.98			▲				
	40	Poshao 3 (Yeh Kee+Bijiang)	59.49					▲		
	41	Elegant Mansion (Bijiang)	122.48					▲	▲	
		Subtotal	4,485.04							



Consolidated Financial Status

Unit: NT thousand dollars

Item \ Year	2019	2020	2021	2022	As of Q3 2023
Operating Revenue	23,798,201	24,463,018	44,282,065	26,627,233	37,001,963
Operating Cost	17,148,864	17,611,739	30,556,525	17,661,182	23,849,648
Gross Profit	6,649,337	6,851,279	13,725,540	8,966,051	13,152,315
Gross Profit Rate(%)	28	28	31	34	36
Operating Expense	3,143,345	2,714,922	3,710,580	3,329,073	2,841,142
Operating Profit	3,505,992	4,136,357	10,014,960	5,636,978	10,311,173
Income before Tax	3,951,772	3,316,157	11,196,703	4,873,278	9,351,895
Net Income	3,489,017	2,823,254	9,589,110	3,905,940	7,733,251
Profit Margin(%)	15	12	22	15	21
Comprehensive income	3,511,020	2,825,867	9,603,497	3,910,559	7,733,260
Earnings per share	2.66	2.11	6.45	2.29	1.35
Total liabilities	113,380,363	145,006,840	157,800,192	176,117,804	170,495,454
Shareholders' equity	34,443,182	35,800,518	45,715,401	49,048,753	56,233,769
Paid-in Capital	11,666,288	12,902,969	13,927,531	17,146,741	18,841,415



Shareholder Structure

Base Date: October 2, 2023

Shareholder Structure Item	Government Agencies	Financial Institutions	Other Legal Person	Foreign Agency and Foreigner	Individual	Total
Number	3	8	346	302	104,933	105,592
Number of Shares Held	1,010,619	75,292,837	695,428,902	201,755,643	910,653,590	1,884,141,591
Shareholding Ratio	0.05%	4.00%	36.91%	10.71%	48.33%	100.00%



Equity Dispersion

Base Date: October 2, 2023

Shareholding range		Number of Shareholders	Number of Shares Held	Shareholding Ratio
1~	999	20,442	5,460,628	0.29%
1,000~	5,000	55,064	120,982,737	6.42%
5,001~	10,000	12,931	89,111,351	4.73%
10,001~	15,000	6,856	83,190,181	4.42%
15,001~	20,000	2,374	41,130,052	2.18%
20,001~	30,000	3,044	73,543,732	3.90%
30,001~	40,000	1,386	48,027,551	2.55%
40,001~	50,000	805	36,202,144	1.92%
50,001~	100,000	1,526	104,935,389	5.57%
100,001~	200,000	743	99,615,036	5.29%
200,001~	400,000	249	68,239,095	3.62%
400,001~	600,000	57	27,815,985	1.48%
600,001~	800,000	20	13,961,700	0.74%
800,001~	1,000,000	17	14,820,220	0.79%
1,000,001 and above		78	1,057,105,790	56.10%
Total		105,592	1,884,141,591	100.00%



Dividend Policy

Dividend Distribution Year	Cash Dividend (A)		Stock dividend	Ex-dividend Date	Stock Price before the ex-dividend Date (B)	Cash Dividend Yield (%) (A/B)*100% (Note 1)	Dividend Payout Ratio (%) (Note 2)	Remark
	Profit Distribution (dollar/share)	Additional Paid In Capital (dollar/share)	Profit Distribution (dollar/share)					
2023	0.500	0.000	1.000	September 26, 2023	43.05	1.16	65.50	-
2022	4.00650848	0.000	1.00162711	September 26, 2022	47.80	8.38	77.65	-
2021	2.004	0.000	0.000	2021/09/24	46.80	4.28	94.98	-
2020	1.000	0.000	1.000	2020/09/24	46.15	4.33	150.38	2019 Q4
	1.000	0.000	0.000	2020/02/20	46.20			2019 Q3
2019	1.000	0.000	0.000	2019/10/02	49.95	9.01		58.24
	3.500	0.000	0.000				2018	
2018	1.492	2.008	0.000	2018/09/07	49.15	7.12	207.10	-
2017	4.873	0.127	0.000	2017/09/11	48.05	10.41	89.77	-

Note 1 : Cash Dividend Yield = (cash dividend ÷ Stock Price before the ex-dividend Date) *100%

Note 2 : Dividend Payout Ratio = [(cash dividend + stock dividend) ÷ annual EPS] *100%

Note 3 : Cash dividend is distributed quarterly in 2019.

**As of the end of October 2023, cumulative cash dividend is over NT\$55.4 billion.
(including NT\$1.5 billion cash paid back to shareholders due to Reduction of Capital.)**

Future Prospect

- ESG Highlights of the group**
- Micro Office**

**Speaker
Vice President
Zhao-Xiong Liao**

ESG Highlights of the group





ESG Highlights of the group



Title sponsorship for the Taipei Highwealth Baseball Team for 8 consecutive years



Title sponsorship for the “Why Not Me” Basketball Tournament for 2 consecutive years



Completion of 147 BIM projects (27 currently in progress)



Partnership with St. Joseph Technical Senior High School for the launch of a BIM application program



Replacement of wooden molds with 300-times reusable aluminum molds



NT\$ 581 million in charitable donations in 2022

Micro Office



Post-epidemic era

1. Persisting trend of WFH
2. Overall decline in the demand for office space
3. Shrinking size of office space rented by Tech Giants



Rising employee-to-workstation ratio resulting in decreasing demand for office space

For instance, certain companies have reduced their ratios from 1 workstation per employee to 1 workstation per 1.25-1.67 per employee (in other words, every employee only goes to a physical office 3-4 days per week).

Industrial structure

1. Over 99% of newly established enterprises are SMEs (workforce of less than 200, total capital of less than NT\$ 100 million)
2. Number of employees averages only 5.77 per SME
3. The team size of 77.6% of all startups in Taiwan is 10 or less



If office space demand is calculated based on the standard of 6 m²/person, a SME with a workforce of less than 10 employees needs a total office space of 60 m². If the assumed ratio of public areas is 40%, the required number of pins as listed in the housing title deed is 30.25.

Youth entrepreneurship development

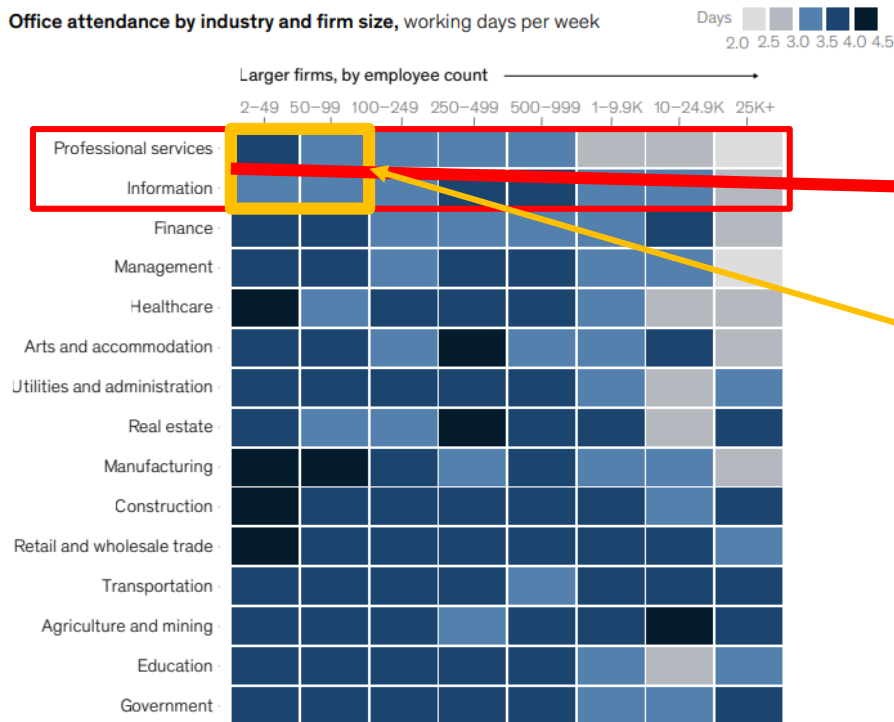
1. Asia Silicon Valley 2.0
2. Social Innovation Action Plan 2.0
3. Placemaking 2.0



The ultimate goal is to provide a Startup-Friendly entrepreneurship environment with affordable rents and perfect office sizes conducive to the vibrant development of startups in Taiwan.

Office attendance is lower in large firms in the knowledge economy.

Office attendance by industry and firm size, working days per week

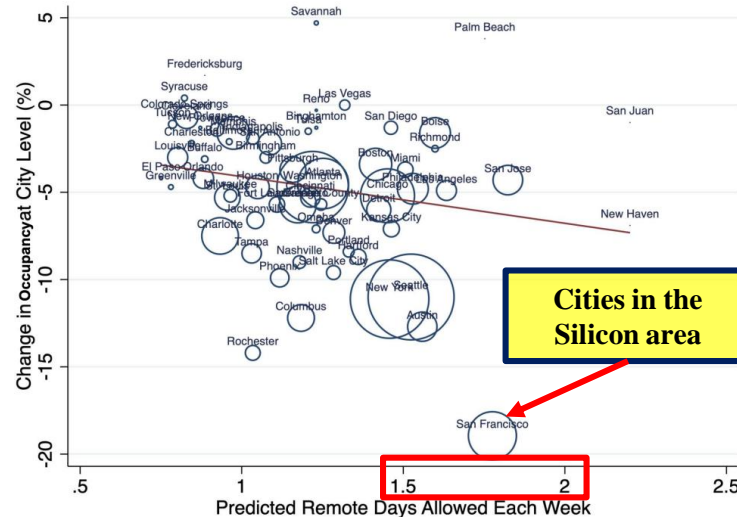
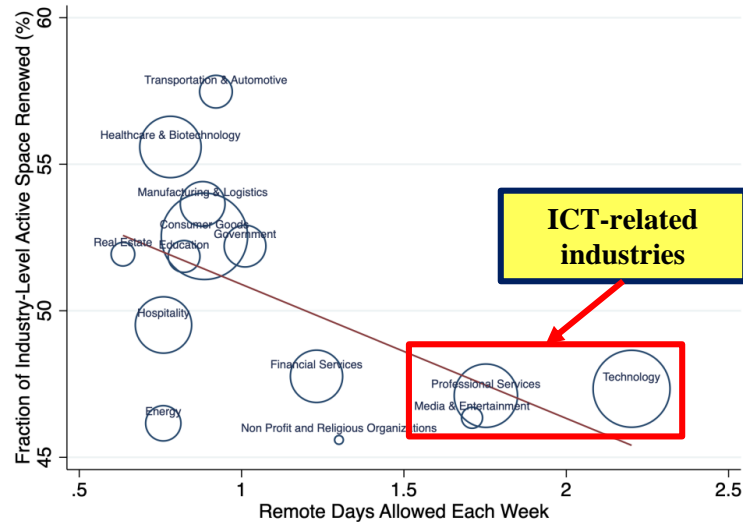


The predominance of WFH trends in these two industries is positively correlated with company size.

Employees of professional services and information enterprises with a workforce of less than 100 in major cities all over the world currently only go to a physical office an average of 3-4 days per week.

Note: Survey respondents were asked, "On average, how many days of the week do you work in the office currently?" These results exclude respondents who said that they were not "currently employed and in the office workforce." They also exclude respondents who said that they were not currently working full time. Source: McKinsey Global Institute analysis

McKinsey & Company



Source: Thesis titled “Work From Home and the Office Real Estate Apocalypse” (NYU & Columbia University October 2023)

Bringing Convenience and Flexibility to Office Interiors and Common Areas

Occupiers are looking for new approaches to interior design within the spaces they lease to make them more effective tools for talent recruitment and retention, and to increase worker productivity. According to the latest CBRE occupier survey, the most common actions to reallocate space in support of new work patterns focus on making space more efficient for the company and more effective for employees. Two-thirds of respondents indicated they were moving away from individual seat assignments toward a greater ratio of seat sharing. A majority 52 percent are planning up to a two-to-one employee-to-seat ratio, while 15 percent are planning up to a three-to-one ratio. Only one-quarter of respondents plan to keep a one-to-one ratio or less.

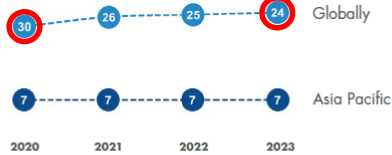
Source: NAIOP Research Foundation – “Hybrid Work and the Future of Office”

The data in this survey report is based on a CBRE-commissioned survey conducted by Commercial Real Estate Development Associate and NAIOP Research Foundation in August 2023. This survey reveals the following:

1. Over 2/3 of respondent enterprises have adopted the sharing of office seats.
2. 52% of respondent enterprises state that they have adopted an employee-to-workstation ratio of 2:1.
3. 15% of respondent enterprises state that they have adopted an employee-to-workstation ratio of 3:1.
4. Only 25% of respondent enterprises state that they maintain an employee-to-workstation ratio of 1:1.

Global Startup Ecosystem Index 2023

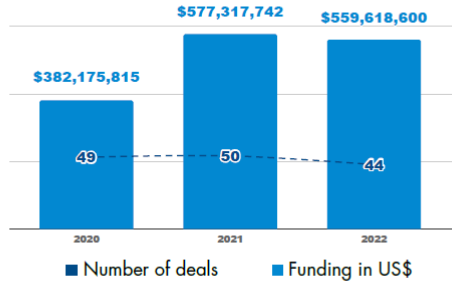
24 Taiwan



National Rank & Change (from 2022)	City	Global Rank & Change (from 2022)	Total Score	Top Industry Global Rank
1 -	Taipei City	46 ⁺¹	14.21	Hardware & IoT ★
2 -	Hsinchu	143 ⁺⁵³	4.63	Hardware & IoT ★
3 -	Taoyuan City	341 ⁺⁹⁹	1.06	Hardware & IoT ★
4 -	Tainan City	446 ⁺¹⁴⁰	0.67	—
5 -	Taichung City	532 ⁺⁸²	0.44	—
6 -	Kaohsiung City	602 ⁺¹²⁴	0.35	—

View Country Ecosystem Dashboard on [StartupBlink website](#).

Funding and Number of Deals



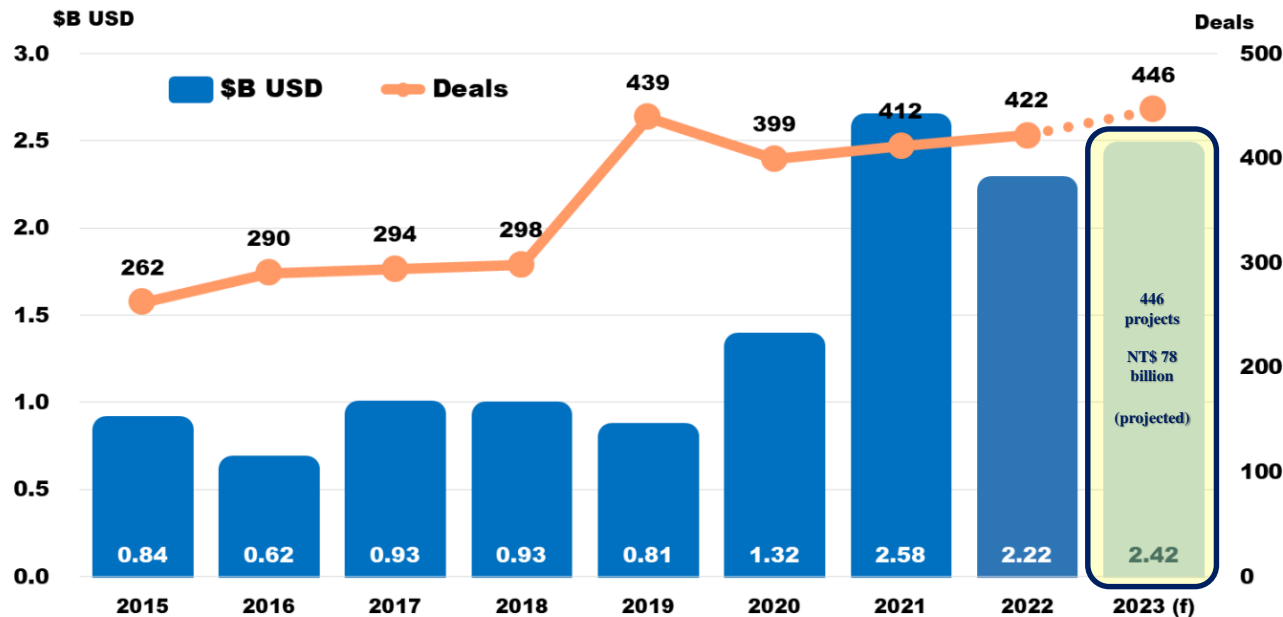
Taiwan continues to climb up in the Index steadily.

- Taiwan continues its steady trajectory toward the top by advancing 1 spot on the Index to 24th.
- In the Asia Pacific region, Taiwan remains stable at 7th, above New Zealand, Indonesia, and Malaysia, and with a significantly higher total score.
- Taiwan ranks 11th worldwide for its business score, surpassing higher-ranked countries in the region such as Japan, South Korea, and China and showcasing a business environment more startup-friendly than any other country in Asia, except Singapore.
- Taiwan's number of cities in the global top 1,000 remains the same as last year, however all 6 cities have positive momentum.

The ranking of Taiwan's startup environment has gradually improved from 30th worldwide in 2020 to **24th** worldwide and **7th** in Asia in 2023.

The business environment is ranked **11th** worldwide, which even surpasses Japan, Korea, and China.

[Learn about StartupBlink](#) | 2023 | [View Global Startup Map](#)



Note: The data period extends from January 1, 2015 to March 31, 2023

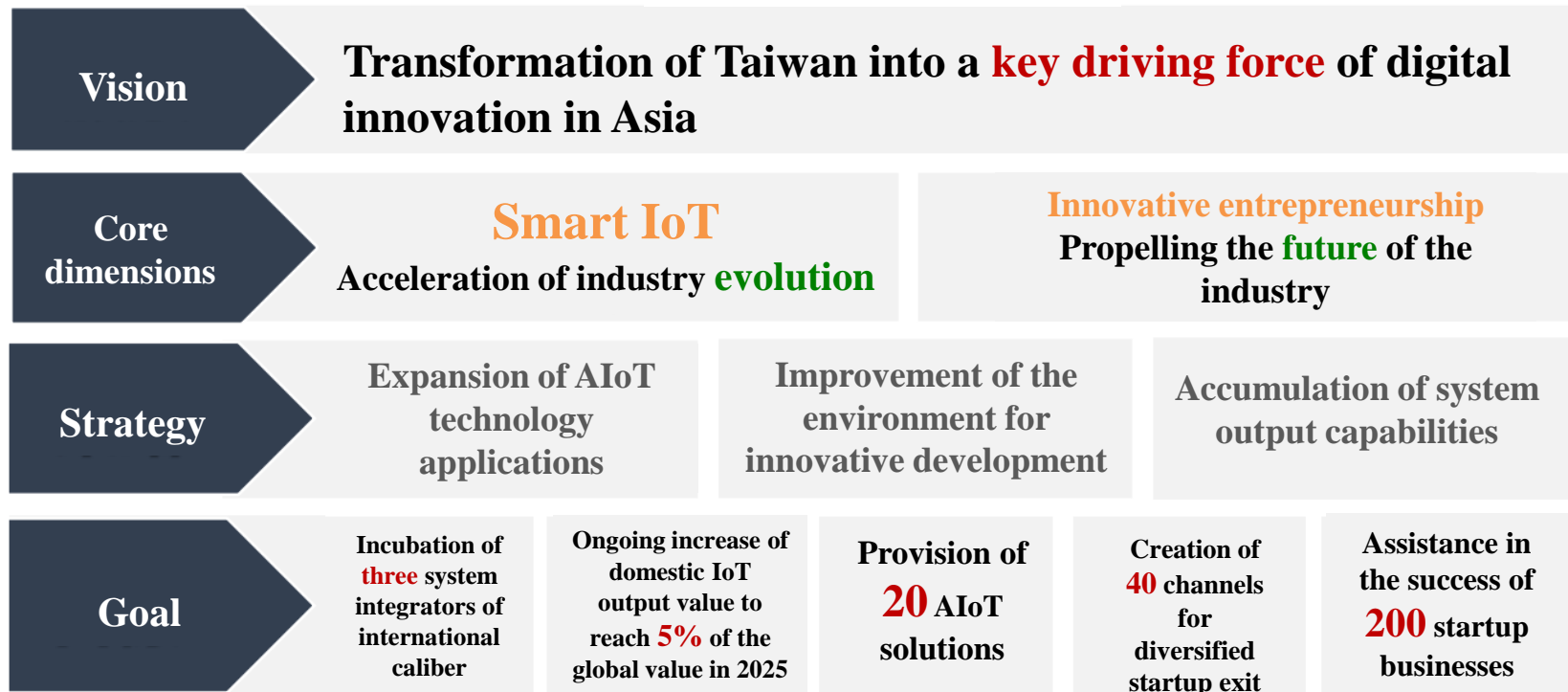
Source: FINDIT research team of the Taiwan Institute of Economic Research

Statistics released by the Taiwan Institute of Economic Research reveal that startup early stage investments in 422 projects in 2022 amounted to a total of US\$ 2.22 billion (approximately NT\$ 72 billion). It is projected that a total of **446** projects will draw investments totaling US\$ **2.42** billion (over NT\$ **78** billion) in 2023. A closer analysis of the data since 2015 clearly indicates that Taiwan has entered a stage of explosive startup growth since 2021.

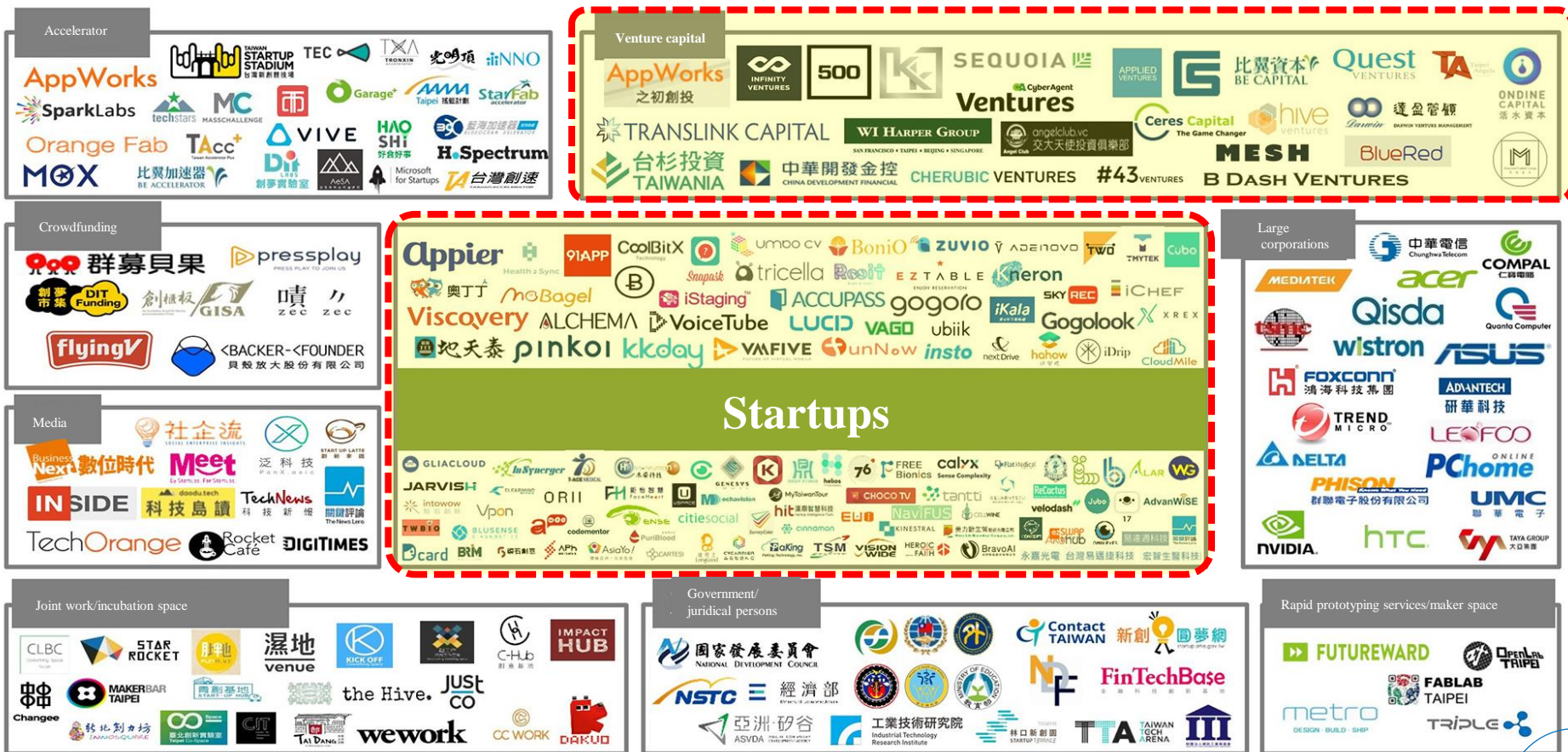


Asia Silicon Valley 2.0

(2021~2024)



H Startup ecosystem - Target customers



Current size of Taiwan startup teams

Startup Outlook and Entrepreneurship

Trends

Entrepreneur



71.1%
First-time
entrepreneurship

11.7 年
Industry
experience

73.0%
Entrepreneur is
male

Startup
enterprise



90.4%
Completion of
company
registration

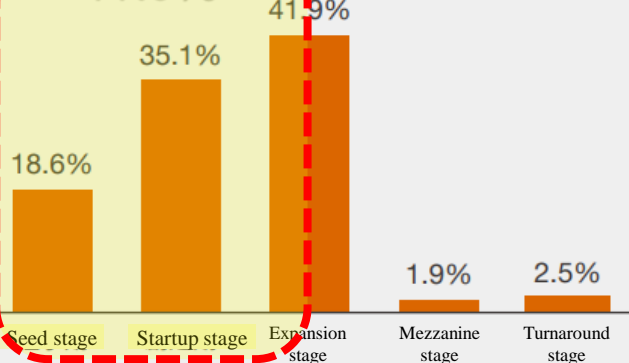
77.6%
Team size of ten
members or less

51.6%
B2B business
model

The 2022 Taiwan Startup Ecosphere Survey jointly conducted by PwC, Small and Medium Enterprise Administration, Ministry of Economic Affairs, and Digitimes reveals that close to 80% of startup teams have a size of ten members or less and 53.7% are still in the seed or startup stage.

Total of

77.6%



1 Seed Stage

Early product inception stage: Exceptional creativity, technology, or team, but the development of concrete products or services are still pending

2 Startup Stage

Product development has been completed, but commercialized mass production has not yet been initiated.

3 Expansion Stage

Products have achieved market acceptance requiring a significant infusion of capital for expansion of operations.

4 Mezzanine Stage

Steady revenue growth, emerging profitability, preparations for product launch planning

5 Turnaround Stage

Startup faces operational predicaments and has gone into the red, which requires a readjustment of the corporate physique and improvement of business management.

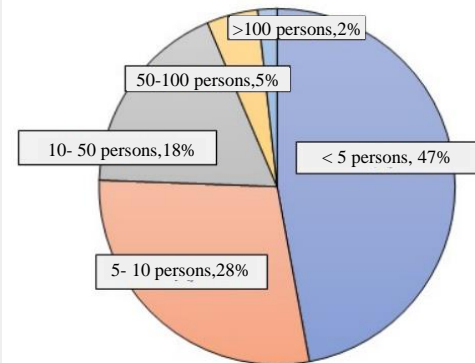
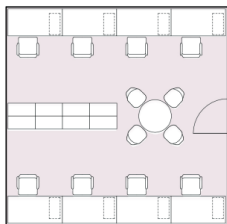


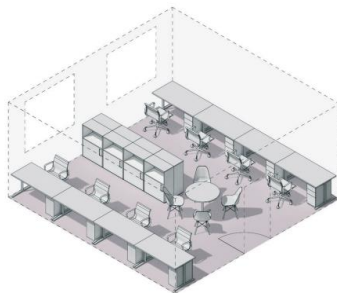
Figure 2 shows benchmarks for other similar institutions for comparison.

OFFICE SPACE GUIDELINE	AREA PER WORKSPACE (m ²)							
	HSE	UCL	Imperial College	Aston	Bristol	LSE	Warwick	Cambridge
Senior single occupancy cellular office			N/A	15	12 - 15	13.5 - 15	< 12	
Single occupancy cellular office	10 - 11	9 - 11	10	9	10	9 - 12	< 6	10 - 12
Shared cellular office	4.5 - 7.5	4.5 - 6	5 - 7.5	6		4.5 - 6		4.5 - 7.5
Open plan office	4.5 - 7.5	4.5 - 6	7.5	6	6.5	4.5 - 6		4.5 - 7.5
Post grad research space	4 - 4.5	4 - 4.5	4	4			4	4 - 4.5

Shared Cellular Office
4.5-6m² per workspace



8 person occupancy



According to the Space Standards Guidelines defined by University College London, the recommended area per workspace of shared cellular offices planned by different institutions/organizations ranges from 4.5-7.5 m².

If office space requirements are calculated based on a startup team size of 10-15 and a standard of 6 m² per workstation, the estimated demand for office space is 60-90 m² (around 18.15-27.23 pins). If the average ratio of public areas is 40%, **the ideal office size for startups is 30.25-45.38 pins per unit.**

The minimum space requirement for a startup with 10 employees can be calculated as follows: $10 * 6 * 0.3025 / 60\% = 30.25$ pins. The acceptable limit for rent is 10% of the annual revenue. Under conditions of different rental market rates and rented areas, the projected annual revenue requirement is as follows:

Annual revenue				Rental market rate (NTD/pin/month)							
		m ² /per person (team of 10)	Room for expansion (additional persons)	600	800	1,000	1,200	1,400	1,600	1,800	2,000
Office property area	30 pins	6	10	216	288	360	432	504	576	648	720
	40 pins	8	13	288	384	480	576	672	768	864	960
	50 pins	10	17	360	480	600	720	840	960	1,080	1,200
	60 pins	12	20	432	576	720	864	1,008	1,152	1,296	1,440
	80 pins	16	26	576	768	960	1,152	1,344	1,536	1,728	1,920
	100 pins	20	33	720	960	1,200	1,440	1,680	1,920	2,160	2,400
	125 pins	25	41	900	1,200	1,500	1,800	2,100	2,400	2,700	3,000
	150 pins	30	50	1,080	1,440	1,800	2,160	2,520	2,880	3,240	3,600
2.72% of the corresponding housing price				265,000/pin	353,000/pin	441,000/pin	529,000/pin	618,000/pin	706,000/pin	794,000/pin	882,000/pin



Required annual revenue:
5-10 million



Required annual revenue:
10-15 million



Required annual revenue:
over 15 million

Note 1: According to statistics disclosed in the 2022 White Paper on Small and Medium Enterprises, the average revenue of SMEs in the information & communication, audiovisual production, technical service, professional service, and supportive service industries amounts to 8.55 million/business. Since SMEs are defined as companies with less than 200 employees or with a capital of less than NT\$100 million, the annual revenue of startups is tentatively estimated at below NT\$ 5 million based on the following formula: $855 * 60\%$.

Note 2: As of December 2022, the minimum ROI rate for life insurance industry investments in real estate is set at 2.72% by Insurance Bureau at Financial Supervisory Commission, Taiwan

Why micro offices?

WFH trends in the post-epidemic era

- Trend of rising employee-to-workstation ratios.
- This phenomenon which is rather unusual in traditional industries is particularly pronounced in the professional service and information & communication industries.
- The trend of working from home is more pronounced in larger enterprises.

Trend of shrinking office space size rented by large corporations and tech giants

- International tech giants such as Google, Facebook, Salesforce, and LinkedIn have all reduced their office space.
- AI startups mostly need small-scale office spaces.
- Decrease of rent and other fixed expenses.

The number of SMEs and size of SME workforce represents the main focus

- SMEs account for over 99% of all enterprises in Taiwan.
- SMEs have an average workforce of 5.77 employees and 77.6% of all startup teams consist of less than 10 members.
- SME and startups are more cost sensitive on rent

Startup development trajectory: Incubation - transition - expansion - internationalization

- Startups need small-scale, independent office spaces during the transition and expansion stage after leaving the incubation center.
- Transnational corporations are surrounded by startups, forming clusters conducive to interactions with other international enterprises and rapid development.
- Linkages between large international corporations and startups based on mentorship boost the development of startup industries and serve as catalysts for the formation of an industry chain ecosystem.



Taichung Chunggang Huimin 2nd

Current progress: Urban Renewal Business Program under review
Projected square footage sales (in pins): 29,846 pins (1,285,216.48 m²)
Projected total sellable amount: NT\$ 18.952 billion
Projected time of usage license acquisition: 2027

Taichung Huiguo 61

Current progress: Urban Renewal Business Program under review
Projected square footage sales (in pins): 8,347 pins
Projected total sellable amount: NT\$ 5.454 billion
Projected time of usage license acquisition: 2027

Kaohsiung Sinsing section, subsection 3

Current progress: Urban Renewal Business Program under review
Projected square footage sales (in pins): 16,114 pins
Projected total sellable amount: NT\$ 7.589 billion
Projected time of usage license acquisition: 2028

Kaohsiung Temao 3

Current progress: Urban Renewal Business Program under review
Projected square footage sales (in pins): 146,909 pins (Highwealth holds 59.77%)
Projected retrieved total sellable amount: NT\$ 44.54 billion
Projected time of usage license acquisition: 2029

Q & A

THANK YOU!