



中華工程股份有限公司

BES Engineering Corporation

2019 Investor Conference
2018-09-27

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AGENDA

- I. Corporation Background
- II. Financial Overview
- III. Business Operation
- IV. Future Perspective

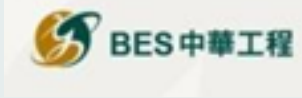
Corporation Background

BES Engineering Corporation was established in 1950, being originally subordinated to State-owned Enterprise Commission, Ministry of Economic Affairs, transferred from governmental to private ownership in June 1994.

Major business: **construction, development, urban renewal & industrial estate development.**



Corporation Background



State-owned company

Before 1978

The state-owned company that managed heavy construction equipments, named as Bureau of Engineering Services (BES), was renamed as BES Engineering Corporation in 1959.



1995-1997

Transition

Reinvestment of profit surplus of NT\$ 1.6 billion, paid-in capital increased to NT\$ 9.4 billion.

Privatization



1978-1995

Officially listed shares, privatization is successful, paid-in capital increased to NT\$ 4.8 billion.

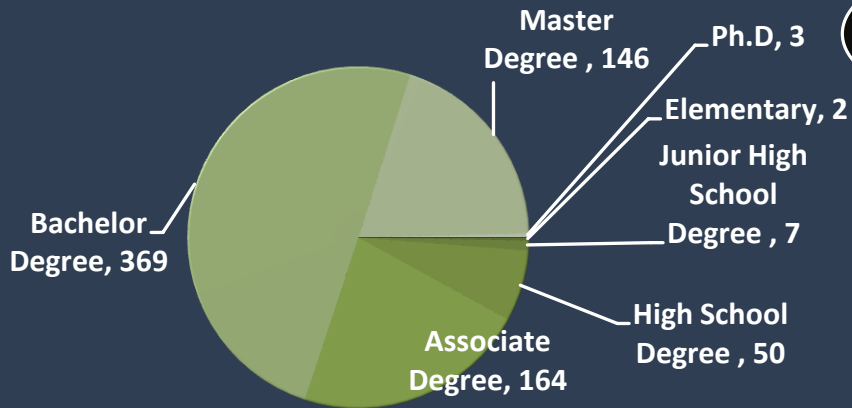
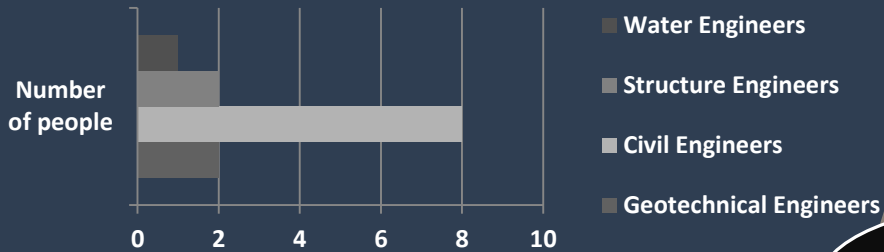


1997-NOW

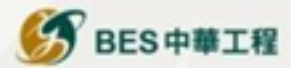
Transformation

Merged into Core Pacific Group, the capital of NT\$ 30 billion, paid-in NT\$ 15.3billion. Restructuring efforts are made to develop both construction and real estate development business.

Professional Team

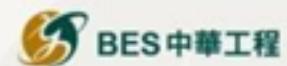


Consolidated Income Statement



	2016	2017	2018	NT\$, million
				2019Q1-Q2
Sales Revenues	9,504	9,782	11,062	6,056
Gross Profit	1,033	1,147	1,054	692
Operating income	241	387	353	342
Total non-operating income and expenses	159	(19)	(128)	(79)
Net Profit Attributable	272	270	356	189
Total Comprehensive income Attributable	239	536	277	430
Total basic earnings per share EPS(NT)	0.17	0.17	0.24	0.12

Consolidated Balance Sheet



NT\$, million

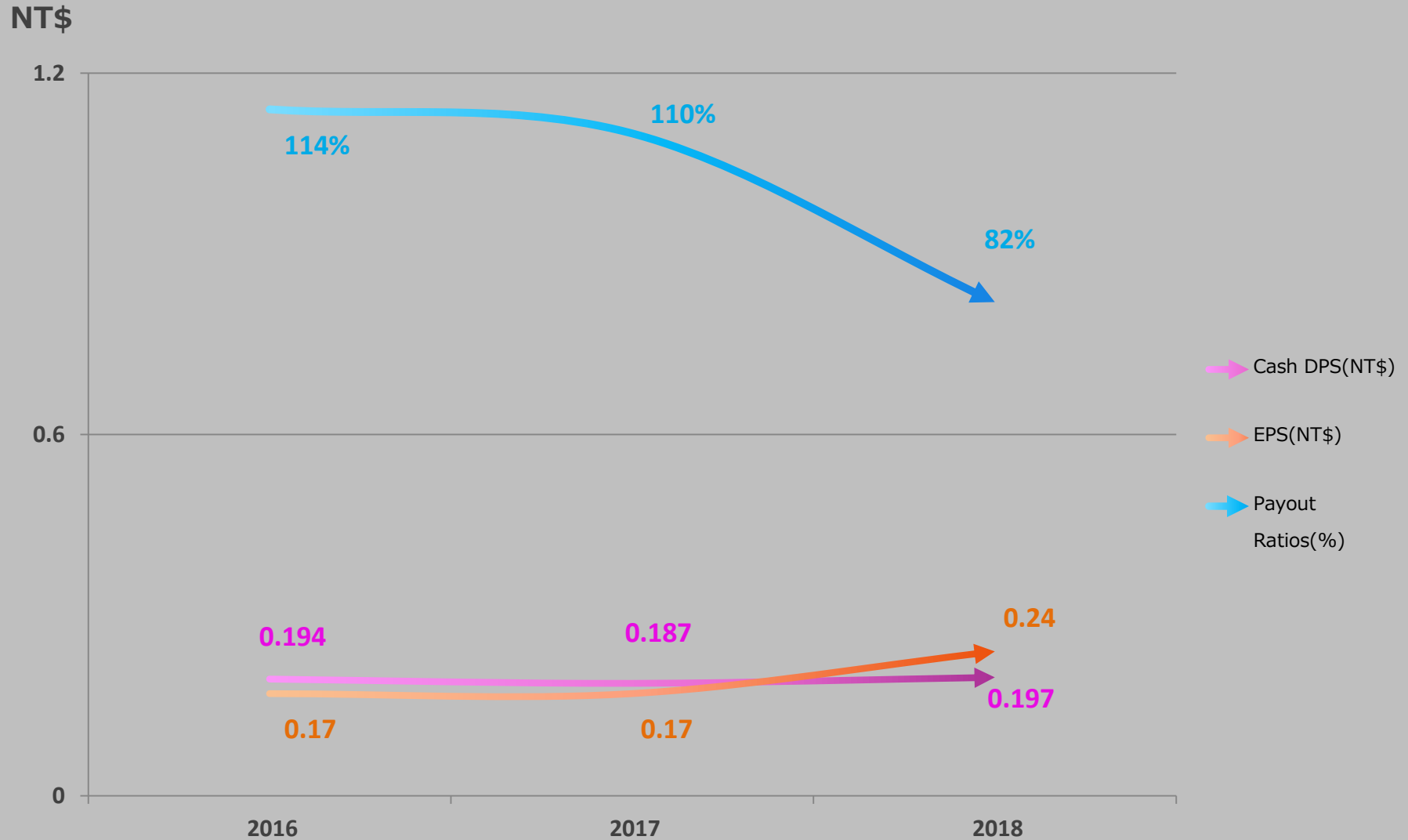
	2016/12/31	2017/12/31	2018/12/31	2019/6/30
Current assets	29,753	28,942	30,417	32,934
Property, plant and equipment	3,538	3,436	3,420	3,381
Investment properties	883	877	844	841
Other non-current assets	4,995	4,774	5,110	5,065
Total assets	39,169	38,029	39,791	42,221
Current liabilities	14,778	13,675	14,126	14,358
Long-term borrowings	2,845	2,463	3,813	5,710
Other non-current liabilities	1,757	1,865	1,858	2,045
Total liabilities	19,380	18,003	19,797	22,113
Total equity	19,789	20,026	19,994	20,108
Net worth per share	12.82	12.97	12.97	13.04

	2016	2017	2018	2019 Q1-Q2	2016- 2019Q2 Construction stock average
Debt Ratio	49.48	47.34	49.75	52.37	58.05~ 60.82
Current Ratio	201.34	211.65	215.32	229.37	168.98~ 192.26
Times Interest Earned Ratio	3.44	2.55	1.43	3.61	
Return on Equity	1.37	1.36	1.78	0.94	
Profit Rate	2.86	2.76	3.22	3.12	

Source :

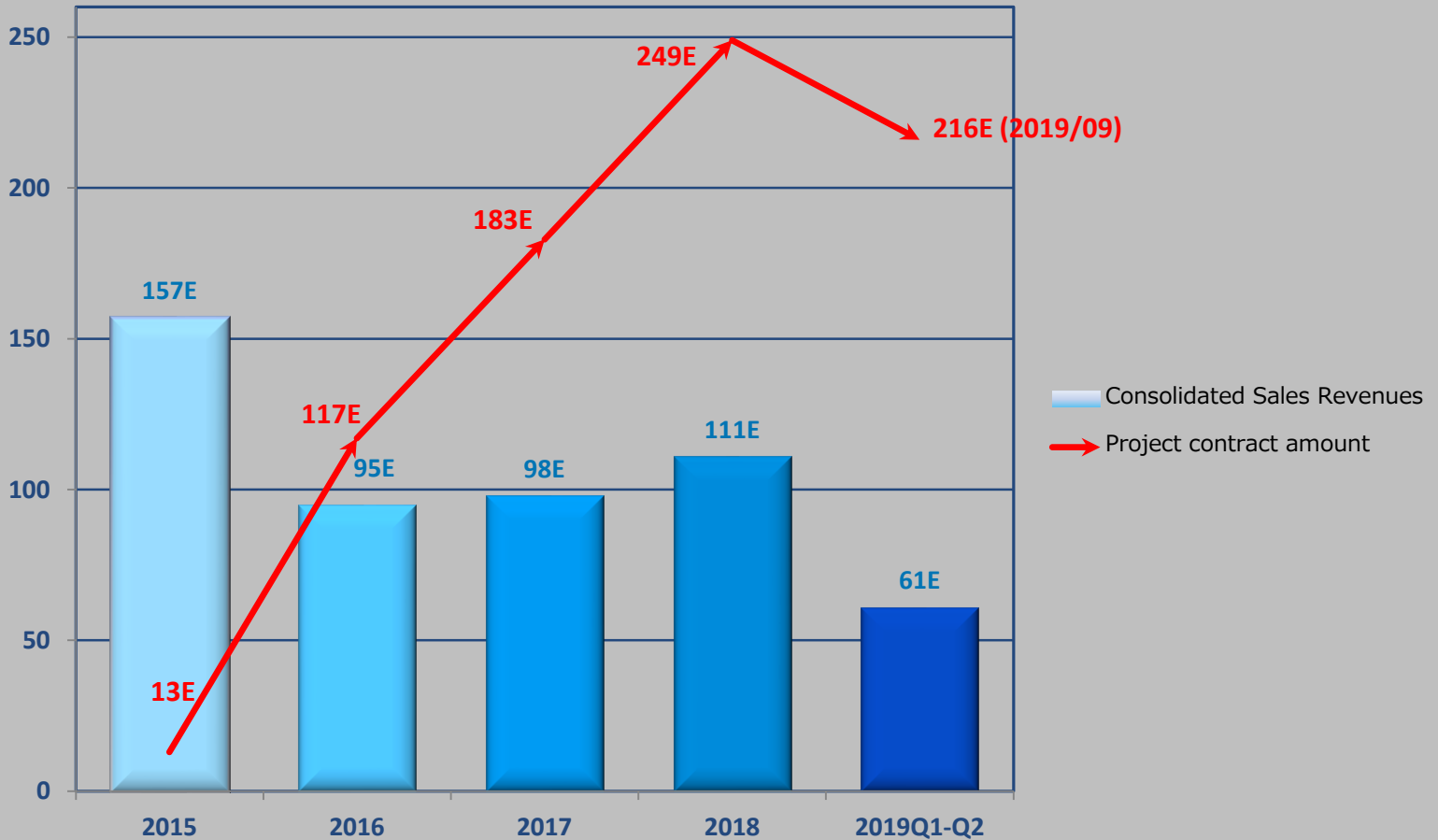


Dividend Payment

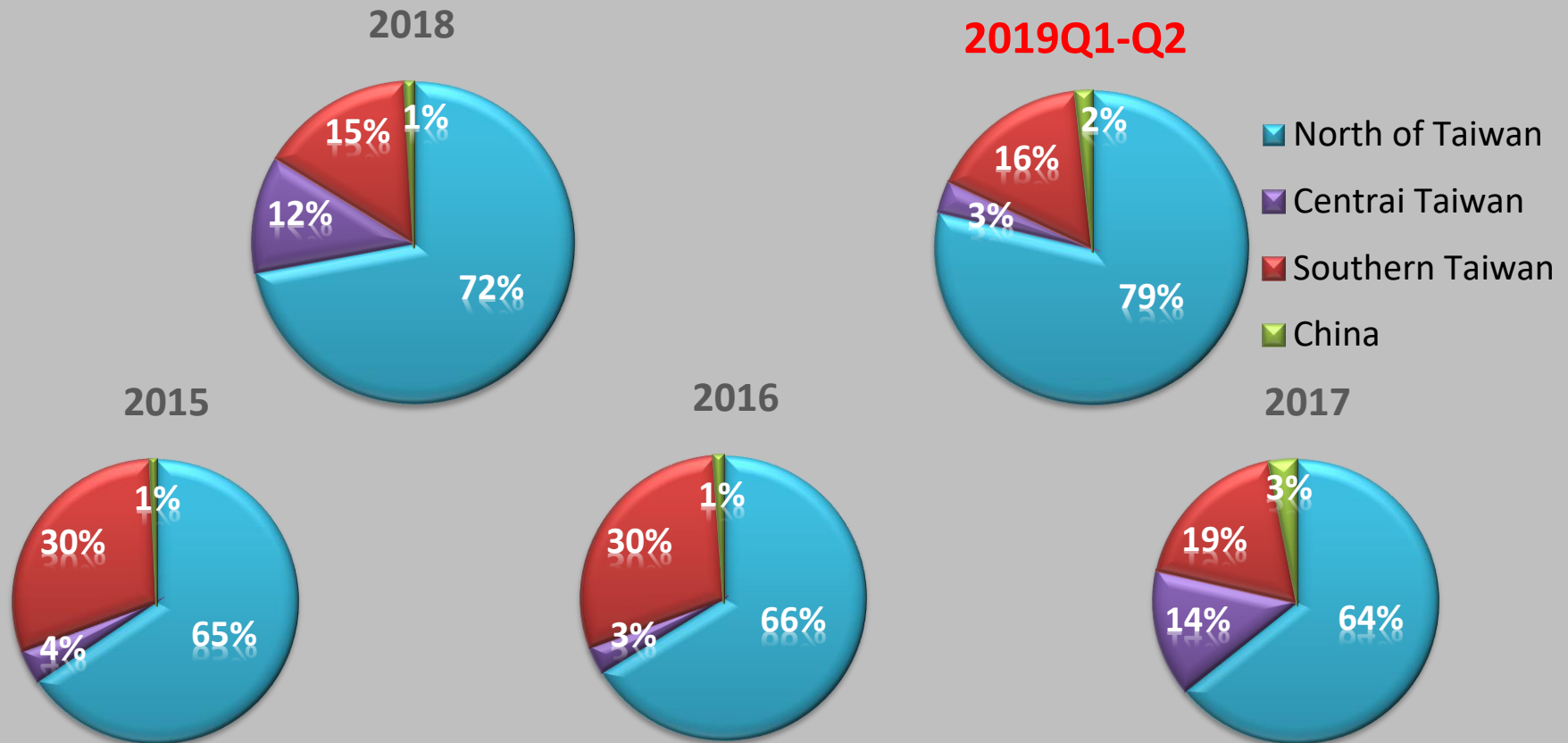


Consolidated Sales Revenues

NT\$, Billion

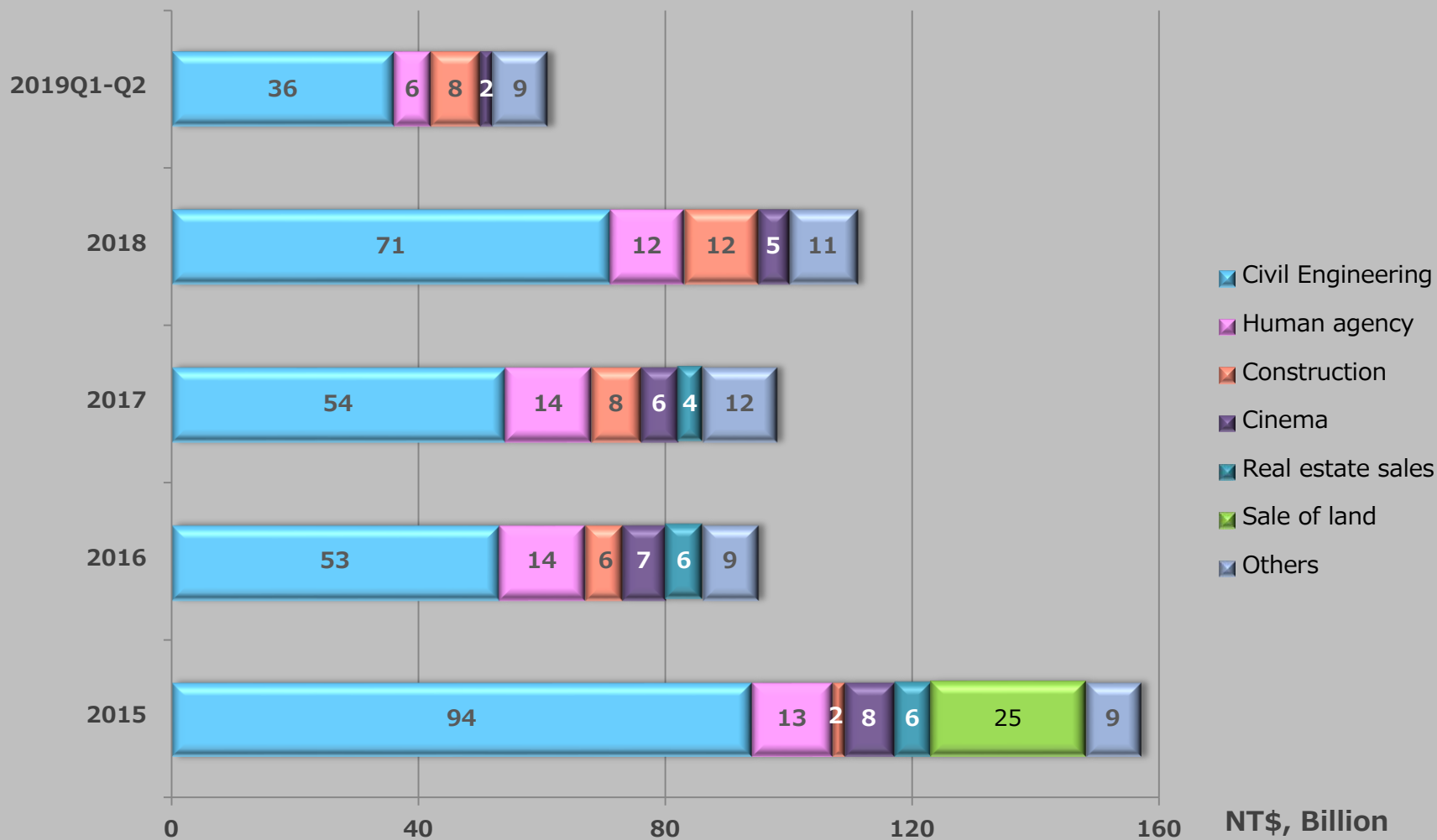


Consolidated revenue distribution in district



NT\$, Billion	2015	2016	2017	2018	2019Q1-Q2
North of Taiwan	103	63	63	80	48
Centrai Taiwan	6	3	14	13	2
Southern Taiwan	47	28	18	17	10
China	1	1	3	1	1

Consolidated Sales Revenues And Breakdown



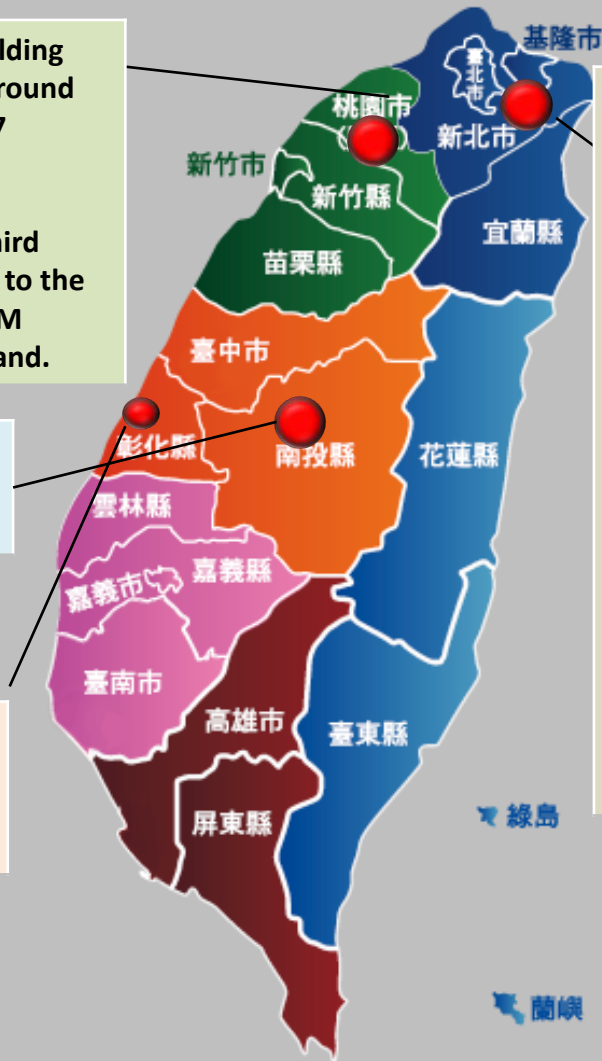
2019 New Undertakings

Taoyuan MRT Green Line GC02 Civil and Building Construction Turnkey Project of the Underground Section Between Southern Daylight and G07 Station (excluding), totaling NT\$ 11,293,000 thousand.

Airport MRT Addition of a Station for the Third Airport Terminal (A14 Station) Cum Extends to the train Chungli Station Construction Plan E & M Project ME06A, totaling NT\$ 341,451 thousand.

Wu Xi Niao Zui Tan Artificial Lake Project - Lake Area Work, totaling NT\$ 8,134,800 thousand.

Zhang Bin Water Surface Type Solar Power Plant Construction Project - Equipment Platform Work, totaling NT\$ 670,000 thousand.



Steel Structure Work of the Aboveground Floors of Main Building, Commercial Zone Construction Project, Yulon Xin Dian Yulon City Development Plan, totaling NT\$ 750,000 thousand.

Construction Management Service Mandatory Case for the Podium Curtain Wall of Yulon City Commercial Zone, BES portion counted NT\$ 23,373 thousand.

Tower Curtain Wall of the Main Building, Commercial Zone Construction Project, Yulon Xin Dian Yulon City Development Plan, BES portion counted NT\$ 401,625 thousand.

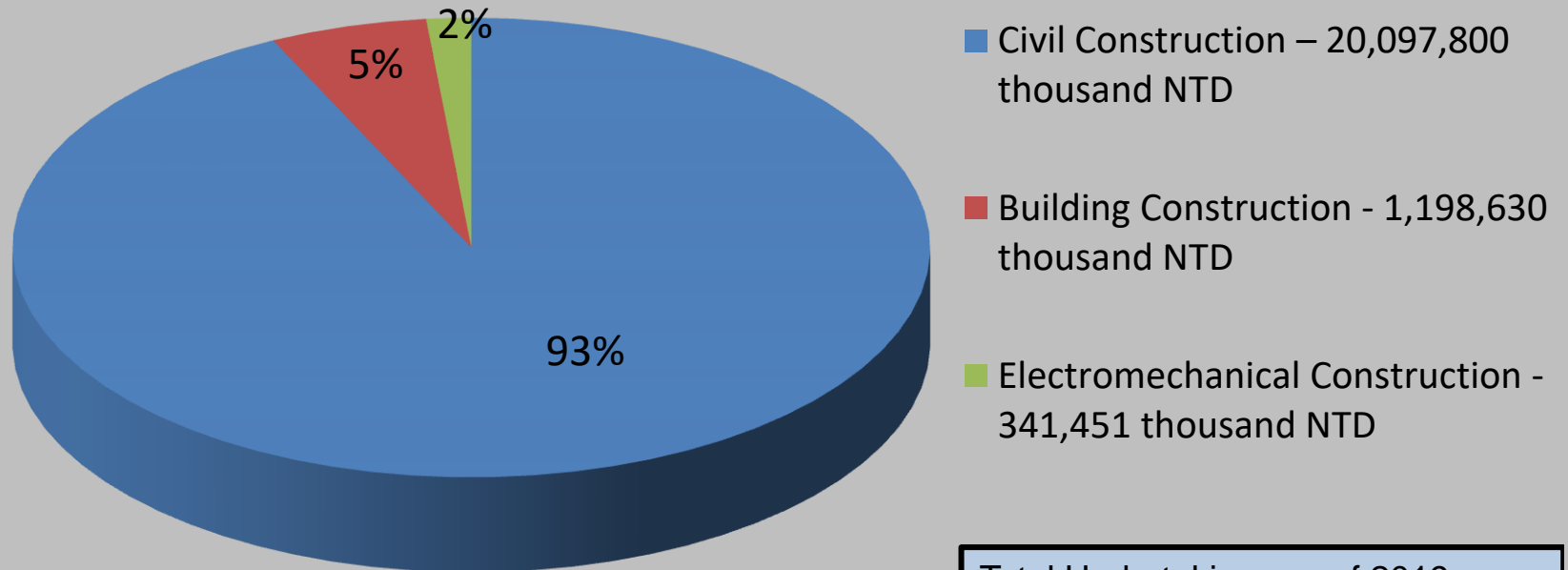
Earthwork of the main building, Commercial Zone Construction Project, Yulon Xin Dian Yulon City Development Plan, BES part counted NT\$ 23,632 thousand.

Total Undertakings as of 2019 August 21,637,881 thousand NTD

2019 New Undertakings

Unit: NT\$,Thousands

Pie Chart of Civil/ Building Undertaking Amounts



Total Undertakings as of 2019 August 21,637,881 thousand NTD

2019 New Undertakings

Seq. No.	1	2
Client	Department of Rapid Transit Systems, Taoyuan	Center Region Water Resources office, Water Resources Agency, Ministry of Economic Affairs
Project Name	Taoyuan MRT Green Line GC02 Civil and Building Construction Turnkey Project of the Underground Section Between Southern Daylight and G07 Station (excluding)	Wu Xi Niao Zui Tan Artificial Lake Project - Lake Area Work
Contract	NTD\$11,293,000 thousand (including tax)	NTD\$8,134,800 thousand (including tax)
Construction period	3715 calendar days as per the owner's notice	1460 calendar days as per the owner's notice



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2019 New Undertakings

Seq. No.	3	4
Client	Chenya Energy Co., Ltd	Yulon Motor Co., Ltd
Project Name	Zhang Bin Water Surface Type Solar Power Plant Construction Project - Equipment Platform Work	Main Steel Structure, Tower Curtain Wall, Earthwork, and Podium Curtain Wall of the Yulon City Construction Management Service Mandatory Case
Contract	NTD\$670,000 thousand (including tax)	NTD\$1,198,630 thousand (including tax)
Construction period	462 calendar days as per the owner's notice	



Co-create the tri-win situation of beautifying the urban environment, improving the living standards of residence, and sustaining the development of enterprises.

From 2010, responding to the government policies, the development antenna actively participated in the urban renewal redevelopment business, being devoted to beautify the urban environment, promote the public interest, reduce public disasters, improve the quality of residence, and use "the first brand of urban renewal" as the goal of implementation, constantly sophisticated with self-expectation.





Yan-Shou K District

Lot size: 2,871

Lot location: Alley 325, Jian-Kang Road, Song-Shan District

Planning of architecture: aboveground 15 floors/underground 3 floors, RC structure

Mode of development : urban renewal

Progress of Construction: build the 11 floor



Yan-Shou I District

Lot size: 4,780

Lot location: Yan-Shou Street, Song-Shan District

Planning of architecture: aboveground 24 floors/underground 4 floors, RC structure

Mode of development : urban renewal

Progress of Urban Renewal: pass the review of the Right Transfer Plan of Urban Renewal in October 2018 ; Obtained a building license in August 2019.



Yan-Shou J District

Lot size: 10,034

Lot location: Yan-Shou Street, Song-Shan District

Planning of architecture: aboveground 21 floors/underground 4 floors, SRC structure

Mode of development : urban renewal

Progress of Urban Renewal: submit the Right Transfer Plan of Urban Renewal for review in October.



Nan-Gang Case

Lot size: 2,216

Lot location: Chong-Yang Road, Nan-Gang District

Planning of floors: aboveground 15 floors/underground 4 floors, RC structure

Mode of development : urban renewal

Progress of Urban Renewal: submit the Investment Plan of Urban Renewal for review in November 2018.



國際會議廳情境示意圖



6米大廳情景示意圖

Tucheng AI Intelligent Industrial Park

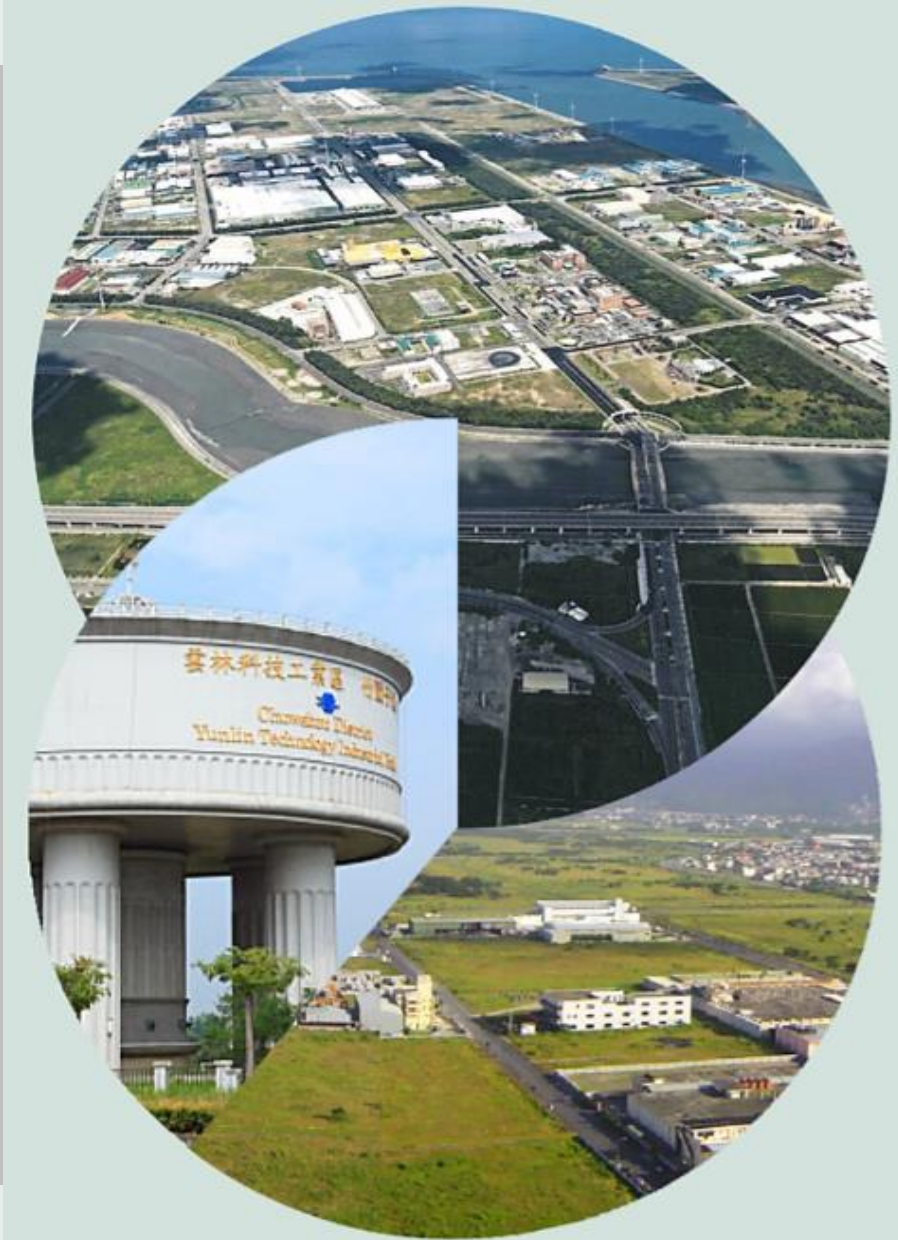
Site Area: 54,488m²

Site Location: Zhong Shan Road, Tu Cheng District, New Taipei City

Floor Planning: aboveground 17 floors/ underground 5 floors, RC structure

Development Type: urban renewal

Urban Renewal Progress: passed on August 30, 2019, of the urban renewal review; currently, the construction license is under way.



Development of Industrial Park

The company was commissioned by the government since 1970, conducting the industrial park development and rental business on behalf of the government. Up to 2019, it develops totally 37 places of industrial park, total development areas approx. 8,656 hectares, the total number of manufacturers introduced about six thousand. It has become a leader of industrial park development in Taiwan.

Development of Industrial Park

	Industrial Park (nos.)	Development Area (hec.)	Sale Area (hec.)	Number of manufacturer (nos.)	Investment Amount (100 million NTD)
Development completed	34	5,628	4,437	6,045	650
Under developing	3	3,028	2,418	375	823
Total	37	8,656	6,855	6,420	1,473

■ Achievement of development

■ 1980~2019 Industrial parks under developing

1. Zhang-Hua Coastal 2455hec.
2. Li-Ze 330hec.
3. Yun-Lin Technology 243hec.

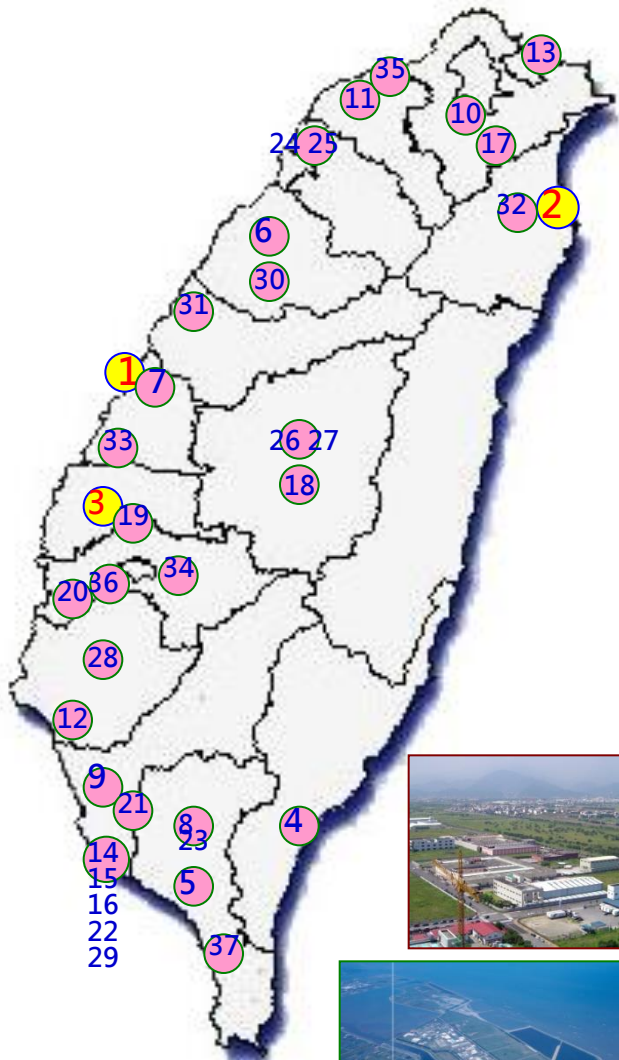
■ 1980~1990 Industrial parks developed

4. Feng-Le 18hec.
5. Nei-Pu 99hec.
6. Zhu-Nan 78hec.
7. Quan-Xing 248hec.
8. Ping-Dong Automobile 100hec.

■ 1970~1980 Industrial Park developed

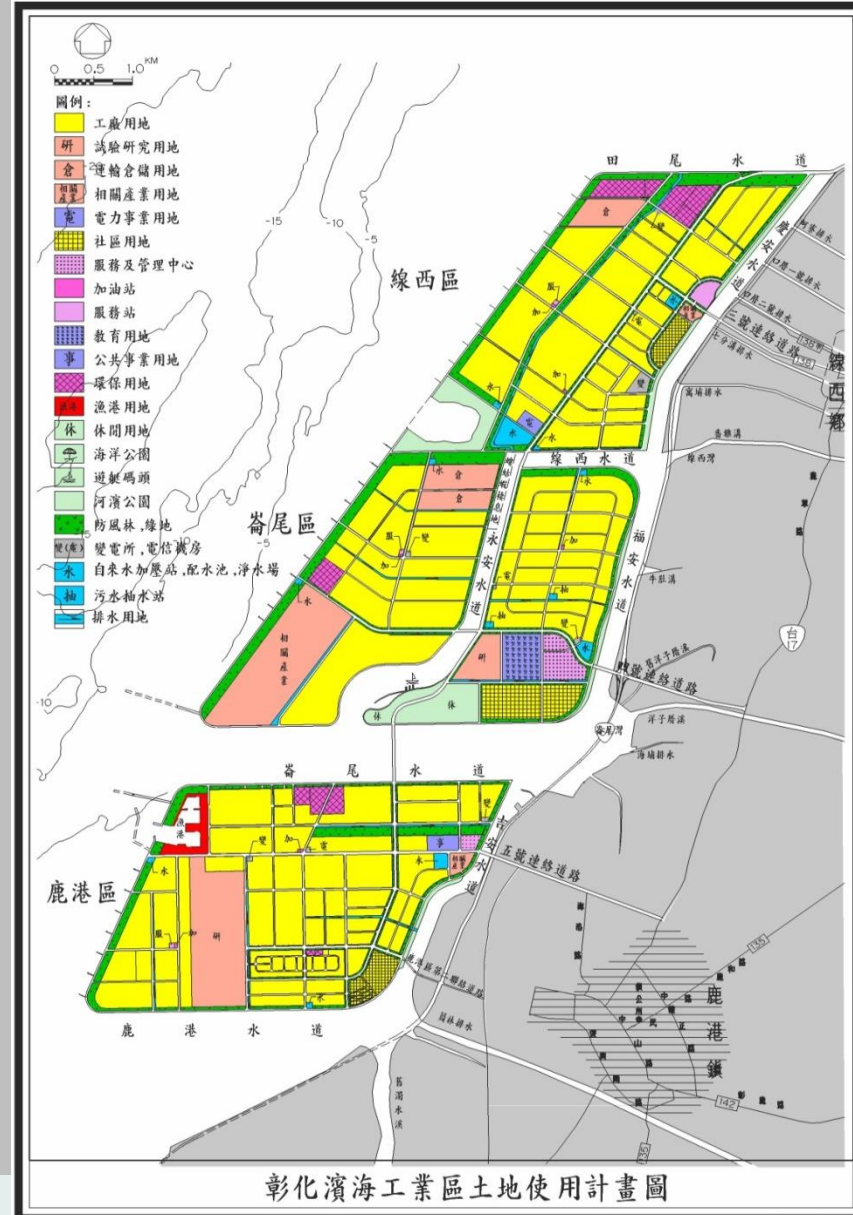
9. Ren-Wu 21hec.
10. Shu-Lin 22hec.
11. Tao-Yuan You-Shi 65hec.
12. An-Ping 198hec.
13. Da-Wu-Lun 30hec.
14. Kaohsiung Coastal 1177hec.
15. Kaohsiung Coastal Small & Medium-sized Enterprises 19hec.
16. Kaohsiung Coastal Industrial Square 15hec.
17. Tu-Cheng 107hec.
18. Zhu-Shan 23hec.
19. Yuan-Zhang 16hec.
20. Yi-Zhu 16hec.
21. Feng-Shan 11hec.

22. Lin-Yuan 388hec.
23. Ping-Dong 156hec.
- 24/25. Xin-Zhu (Expansion) 532hec.
- 26/27. Nan-Gang (Expansion) 411hec.
28. Guan-Tian 227hec.
29. Da-Fa 391hec.
30. Tong-Luo 50hec.
31. Da-Jia You-Shi 218hec.
32. Long-Te 236hec.
33. Fang-Yuan 160hec.
34. Min-Xiong 244hec.
35. Lin-Kou Gong-Er 55hec.
36. Po-Zi 21hec.
37. Ping-Nan 276hec.



Chung-Hua Coastal Industrial Park

“Zhang-Hua Coastal Industrial Park” is the large-scale town-making of industrial park for the first time domestically. Based on a solid traditional industry, it re-shapes the features of Taiwan, introducing emerging industry trends, to achieve a grand and vast new situation of sustainable development.



Hsienhsi District, Lunwei District, Chung-Hua Coastal Industrial Park - 963 hectares of land for sale

Label	Zone	Area (Hectares)	Description of status quo
A	Western Hsienhsi District #3	64	1. Beach land with border dike 2. Embankment completed 3. Need to make the filling and
B	Western Hsienhsi District #3	105	1. Beach land without border dike 2. Need to construct seawalls, reclamation, and public facilities
C	Eastern Lunwei District	253	1. Beach land without border dike (not publicly announced yet) 2. Renewable energy dedicated zone (solar power is prioritized)
Total		422	Beach land with/without border dike



Label	Zone	Area (Hectares)	Description of status quo
D	Western Lunwei District #1	299	1. Land reclamation completed 2. Need to implement public facilities
E	Western Lunwei District #2	160	1. Land reclamation completed 2. Need to implement public facilities
1	Industrial land, Western Lunwei District #1	1 (27)	1. Land for sale and rental under way, 26 hectares sold or rented, 1 hectare left 2. Land reclamation completed, public facilities under construction, scheduled to be completed in Dec. 2019.
2	Dedicated zone for metal industry, Western Lunwei District #1	51 (54)	1. Land reclamation completed, need to implement public facilities 2. Publicly re-announce in Dec. 2018, dividing into phases and zones, the first phase of 5 hectares (24 lots), 3 hectares sold or rented
3	Industrial land, Western Lunwei District #1 (offshore wind power booster station)	0 (11)	1. Land reclamation completed, 4 lots of land totaling 11 hectares rented 2. Need to implement public facilities, scheduled to be completed in 2021
Total		511	Land reclamation completed, need to implement public facilities.

Public Construction

Public Work Projects: total annual budget NT\$ 164.6 billion prepared in Year 2020, plus forward-looking infrastructure projects of Phase 2 special budget provision in 2020 the annual number of NT\$ 100.5 billion, a total of NT\$ 265.1 billion, an increase of NT\$ 9.3 billion compared with Year 2019 on the same annual basis, increased by approximately 3.7%. In addition to continuing to undertake major construction projects released by the government, BES plans to actively pursue private building joint development cases and overseas construction projects.



New Construction Business

The Tucheng AI Intelligent Industrial Park is a development project of urban renewal with self-owned land. Currently, the planning works, such as product positioning, architectural planning, are underway. The construction license is now applying, scheduled to be acquired at the end of the year.

The real commodity housing of "Tao Zhu Yin Yuan", the carbon-absorbed vertical forest art residence, will be completed in the third quarter of 2019, with the public facilities completed in the first quarter of 2020.

The Minsheng Community, Phase III, commences the construction in 2020 and prepare the pre-sale operations. The second phase completed and delivered house.



Industrial Park Development

Still focus on Changhua Coastal Industrial Park in 2020.

- 1.The phase 1 land for sale and rental of Western Lunwei District #1 (available 27 ha /sold 26 ha/ 24 manufacturers) is underway, the infrastructure is scheduled to be completed in Dec. 2019.
- 2.The land for the offshore wind power booster station in the Western Lunwei District #1 (11 hectares can be sold / leased / 4 manufacturers), the construction of the public facilities is expected in Nov. 2019, completion in 2021.
- 3.The public facilities on the land of the Western Hsienhsi District #3 for the environmental protection industrial use are under construction, scheduled to be completed in Jan. 2020.
- 4.The phase 1 land of the dedicated zone for metal industry, Western Lunwei District (5 hectares salable / 3 hectares rented already/ 7 manufacturers)
- 5.Schedule to public announcement of the phase 2 land of Western Lunwei District #1 in Dec. 2019 .(37 hectares salable)



THANK YOU
Q&A