



2023年 中華工程 法人說明會

BES Engineering Corporation Investor Conference

Advocating ESG
Love for the Planet

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AGENDA

中華工程股份有限公司

BES Engineering Corporation



產業概況

STATE OF THE INDUSTRY



財務概況

FINANCIAL STATUS



公司簡介

COMPANY PROFILE



營運概況

OPERATION OVERVIEW



未来展望

FUTURE PERSPECTIV



01

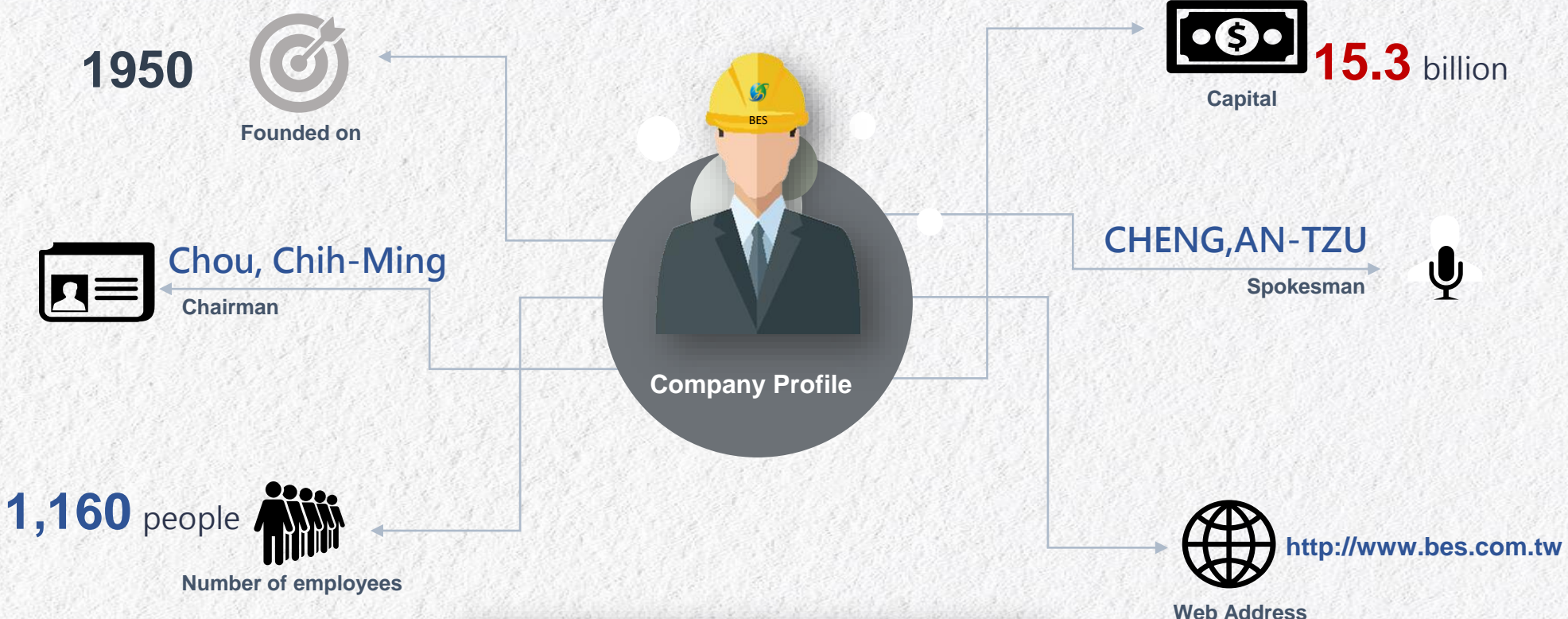
章節 PART

Company Profile

- Basic Information
- Development History of the Company
- Corporate Awards
- Company core values

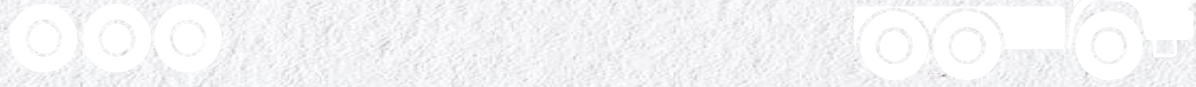
Company Profile-Basic Information

BES Engineering Corporation



Business Services

- Contracting Projects
- Industrial Park Development
- Overseas Development
- Real Estate Development



Company Profile-Development History of the Company

BES Engineering Corporation

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

State-owned company

Before 1978



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

Privatization

1978 ~ 1995



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

Transition

1995 ~ 1997



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

Transformation

1997 ~ 2021



Promote a new wave of tree planting in buildings all over the world, and create a new environment for sustainable living.

ESG

Since 2021



Company Profile-Corporate Awards

BES Engineering Corporation



BES Cloudverse
AI Park
Won the MUSE
Design Awards



Company Profile-Company core values

BES Engineering Corporation



01 People-oriented

Under the concept of "people-oriented", we actively **recruit talents**, **improve the working environment**, and **enhance the welfare of employees** in order to build a **high-performance team**.

02 Innovation for Development

Actively introduce the **company's digital transformation**, and build the "**real-time audio-visual center**" intelligent system, in order to effectively carry out the **progress of the project** and **project quality management**, to create the core value of the **precision quality** enterprise.

03 Construction Safety

Utilizing **AIoT** and other **intelligent device technologies**, combining with the construction production process, to create a construction site **construction safety** and **construction quality**

04 Sustainability Services

Create a sustainable service with customers through "**Customer Service CRM System**" and "**Building Warranty**".

02

章節 PART

State of the Industry

- Lack of labor and materials dilemma
- Net Zero Emissions

State of the Industry

BES Engineering Corporation



缺工缺料困境

Lack of labor and materials dilemma

+ Taiwan's housing market is affected by the international situation

A series of international issues, from the initiation of the U.S.-China trade war and global power play, the ongoing impact of the COVID-19 pandemic and its variants, to the unresolved conflict between Russia and Ukraine. Industry disruptions have occurred in human flow, logistics, goods movement, transportation, technology, and even production flows. The successive chain disruptions have led to a surge in raw material prices, significantly inflating construction costs for builders.

+ Labor Shortage: Government Projects Facing Bid Failures

Taiwan's widespread labor shortage leads to bid failures in many government projects, affecting both the real estate market and public works. For example, a Kaohsiung social housing project saw costs rise from 150,000 to 170,000 TWD per square meter before successfully securing a bid. The construction market faces persistent labor and material shortages with no immediate solution.



Lack of labor and materials Irreversible difficulties in the housing and construction markets



淨零碳排時代影響

Net Zero Emissions

+ Carbon tax costs to rise another 35%

Builders not only grapple with labor shortages but also face rising construction costs from the midstream and downstream building material industries, especially with the impending introduction of carbon taxes. Industry estimates suggest a potential 35% increase in construction costs. The era of low housing prices is expected to end, and builders are focusing on reducing energy consumption and incorporating green building designs to mitigate the impact of carbon taxes and fees in the future.

+ Carbon emissions will be taken into account in the financing of public banks

Banks will consider net-zero carbon emissions in loan assessments, gradually integrating carbon and climate factors into credit risk evaluations. This shift aims to promote societal focus on sustainable development and a transition to low-carbon practices. Carbon footprints may impact financing interest rates, becoming a crucial factor in the cost of funds when obtaining loans from government-owned banks in the future.

03 章節 PART

Operation Overview

- Contracting Projects
- Industrial Park Development
- Real Estate Development

Operation Overview-Contracting Projects

BES Engineering Corporation

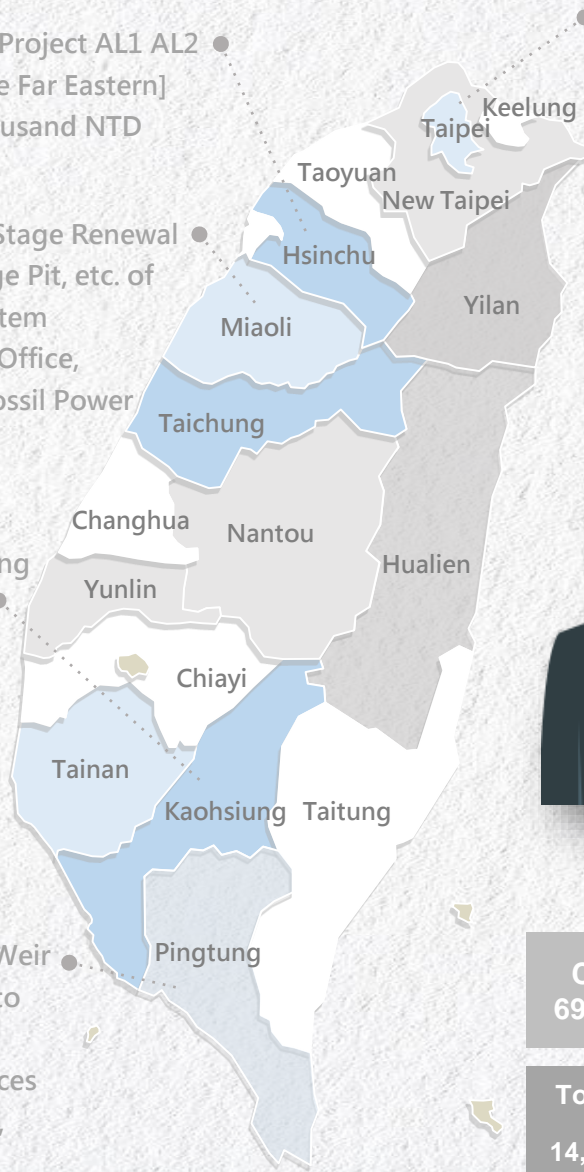
TSMC F20 Project AL1 AL2
[Air Liquide Far Eastern]
69,245 thousand NTD

Tung-Hsiao Power Plant 2nd Stage Renewal
Project Pump House, Discharge Pit, etc. of
Circulation Cooling Water System
[Central Region Construction Office,
Department of Nuclear and Fossil Power
Projects, TPC]
4,498,000 thousand NTD

Nos. 1-1,1-2 and 1-3 of Kaohsiung
New Town Running Beneath
National Freeway No.1 Project
[Freeway Bureau, MOTC]
4,650,820 thousand NTD

Urgent Pipe Line Work of River Weir
from Ping-Tung Industrial Park to
Gaoping River (2023)
[Southern Region Water Resources
Office, Water Resources Agency,
Ministry of Economic Affairs]
156,500 thousand NTD

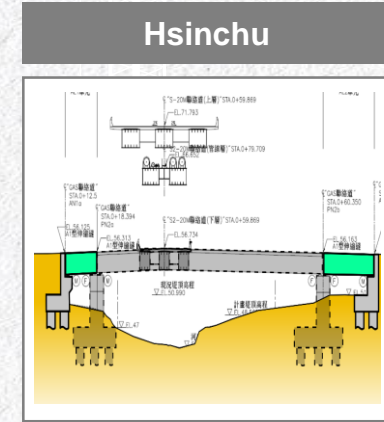
Song-Hu Extra-High Voltage
Substation and Multi-objective
Building
[Northern Region Construction
Office Department of Transmission
Line and Substation Projects
Taiwan Power Company]
4,500,000 thousand NTD



Total
Project
Amount
14.6 billion

CCO as of 2023 Nov
695,642 thousand NTD

Total Undertakings as of
2023 Nov
14,570,207 thousand NTD



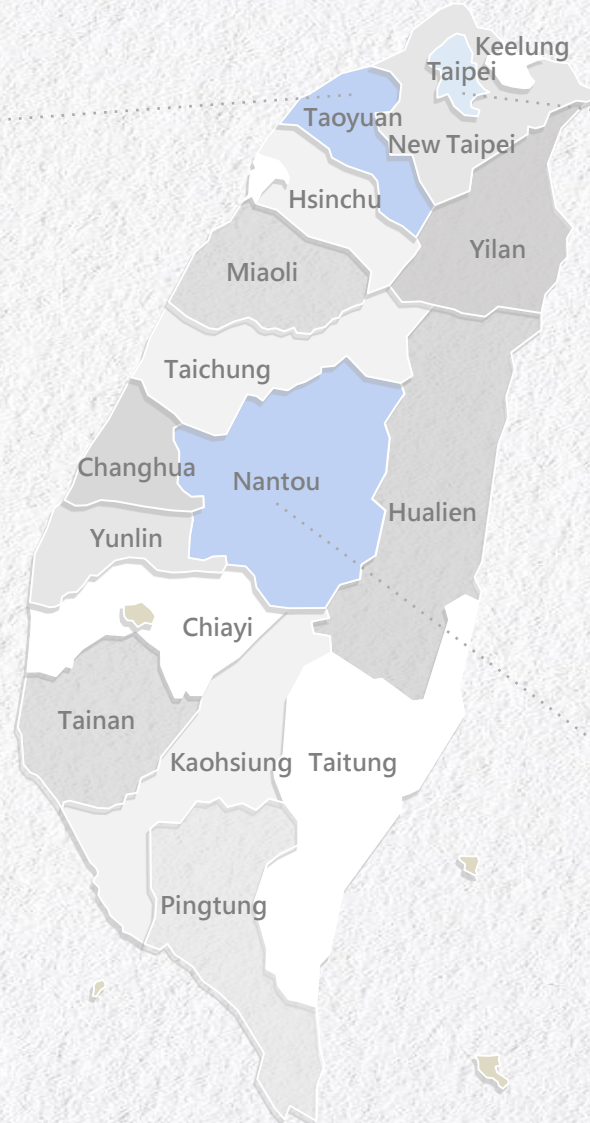
Operation Overview-Contracting Projects

BES Engineering Corporation

Taoyuan

9 projects

- The Construction of Parking Apron, Taxiway and Apron Facilities un Terminal III of Taiwan Taoyuan International Airport
- The Comprehensive Facility Reinforcement Project in Taoyuan International Airport
- Shimen Reservoir Anti-silt Tunnel Project (Phase I) - Amping Anti-silt Tunnel Project
- The New Construction Project of The Pumping Machine Room #7, 8 And 9 and Water Inlet/Outlet Underdrain in Datan Power Plant
- GC02 Civil Engineering and Construction Turnkey Project of The Underground Section Between The Daylighting Section to G07 Station (Exclusive) of The Taoyuan MRT Green Line
- GM01 E & M System Turnkey Project, Taoyuan MRT Green Line
- ME06A The Electromechanical System Engineering of The Project of The Addition of Station of Terminal Three, Taoyuan Airport (A14 Station) and The Extension to The Chungli Railway Station
- Taoyuan Aerotropolis Zone Expropriation (A2 Zone)
- The Rerouting Project of Provincial Highway 15 And Provincial Highway 4 Supports The Expansion of Taiwan Taoyuan International Airport (including Pipeline Burying)



Greater Taipei

7 projects

- New Construction of Health Building Project
- Turnkey Project for The Reconstruction of The First Fruit and Vegetable (Including The Relay in The Dike) and The Wanda Fish Wholesale Market
- CR580C, Eastern Extension Section, Xinyi Line of Taipei MRT
- Bi Yan Ge Project
- New Construction of AI industry Park, Tucheng District, New Taipei City
- New Taipei City, Wen Zi Zun Area 2 District City Rezoning Development Project

- **Song-hu Extra-high Voltage Substation and Multi-objective Building**

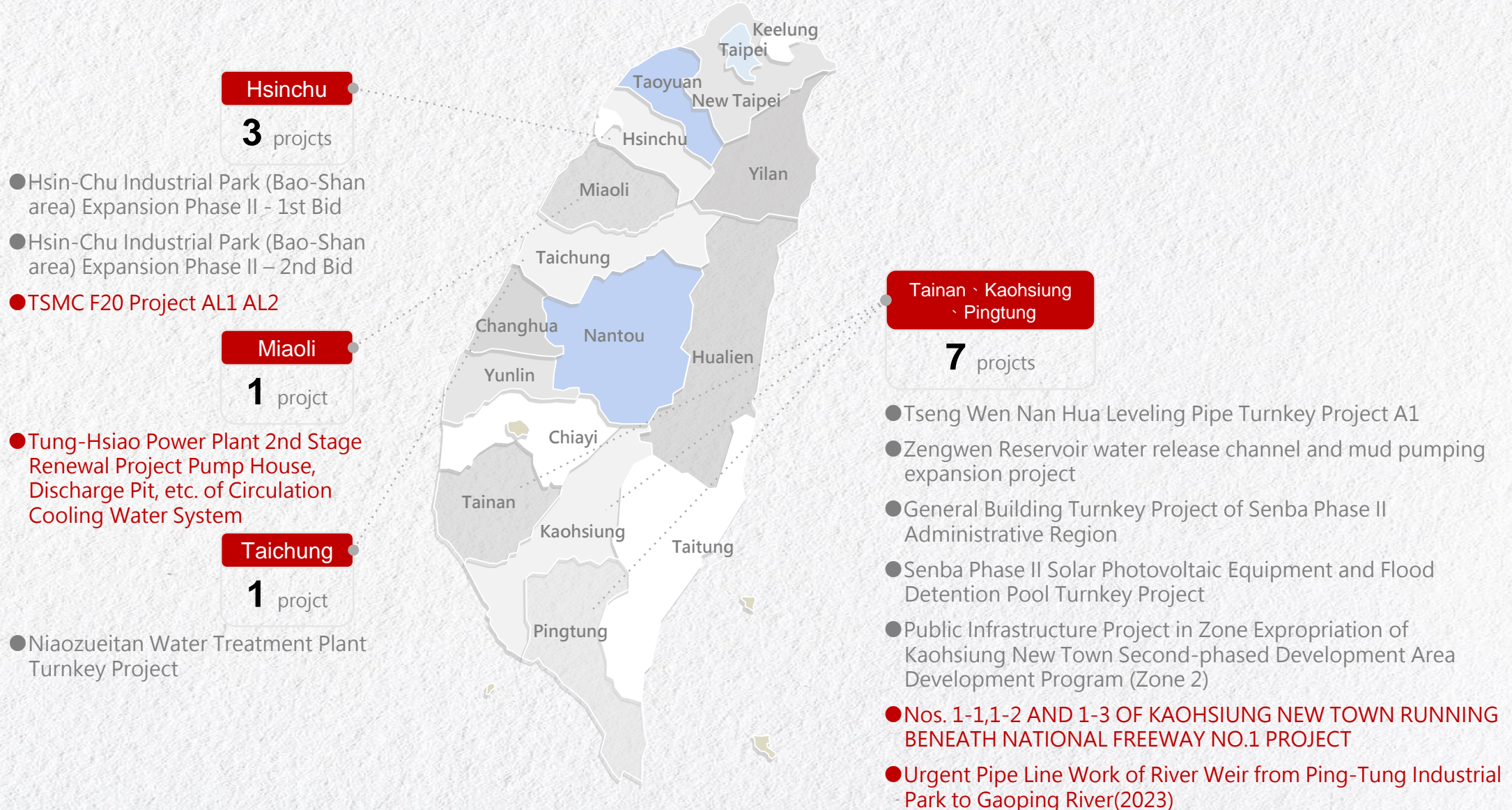
Nantou

1 project

- Wu Xi Niao Zui Tan Artificial Lake Project - Lake Area

Operation Overview-Contracting Projects

BES Engineering Corporation



Operation Overview-Industrial Park Development-Sales

BES Engineering Corporation



2023

Sales Area

33 ha

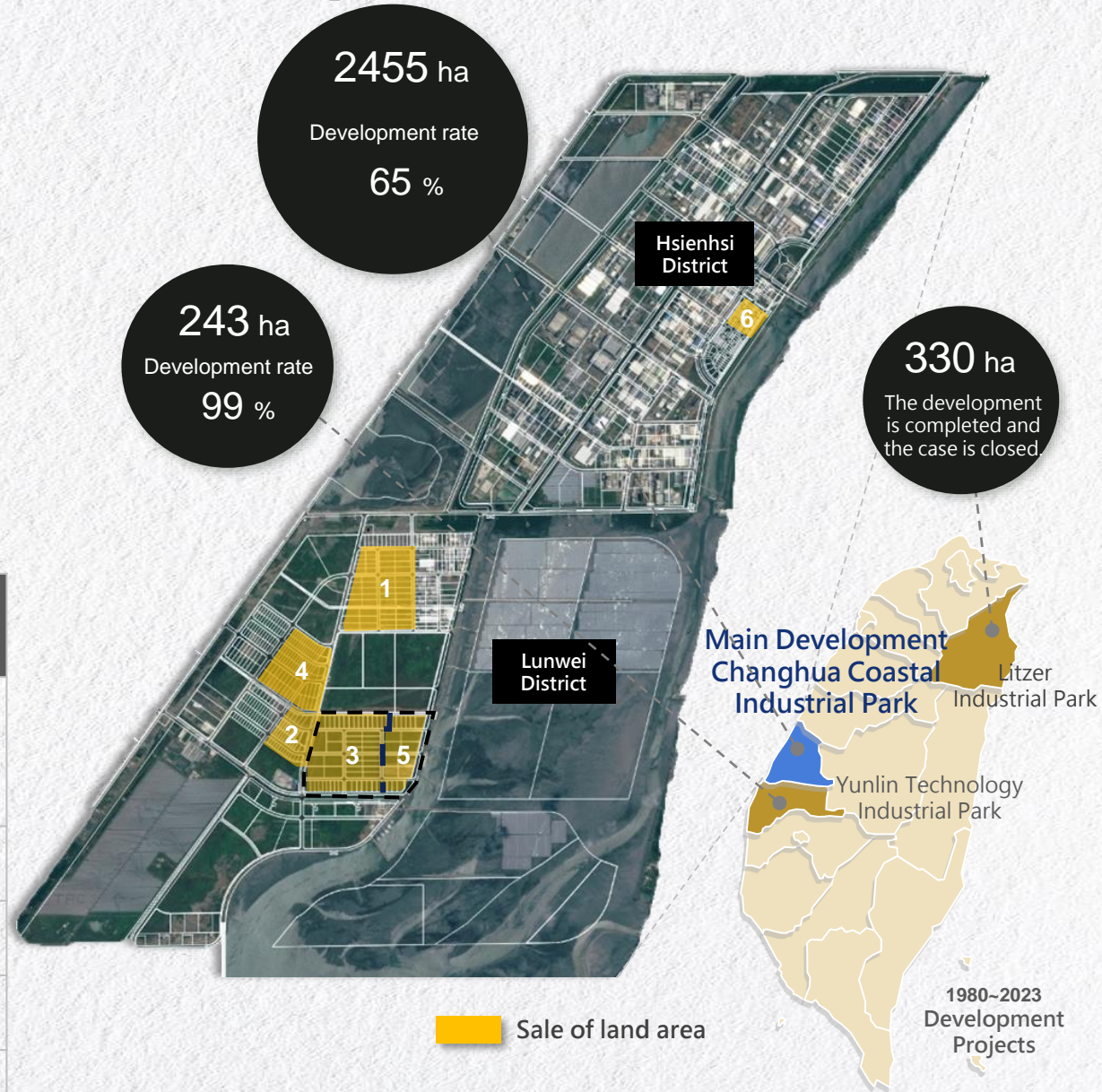


2024

Estimated announced area

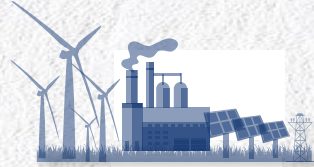
43 ha

	investment promotion	Announced area	Selling Rate	2023 Advances recovered
1	Industrial land, Western Lunwei District #2	32ha	100%	0.132 billion
2	Dedicated zone for metal industry, Western Lunwei District #1, District #2	8.8ha	94%	1.075 billion
3	Industrial land, Western Lunwei District #4-1	33ha	100%	0.283 billion
4	Industrial land, Lunwei District Great Hillock	24ha	Scheduled to be announced in Q2 2024	-
5	Industrial land, Western Lunwei District #4-2 Hillock Hillock	15ha	Scheduled to be announced in Q2 2024	-
6	Community Land, Hsienhsi District	4ha	Announced in 2024 (Time to be confirmed)	-



Operation Overview-Industrial Park Development-Engineering

BES Engineering Corporation



0.85

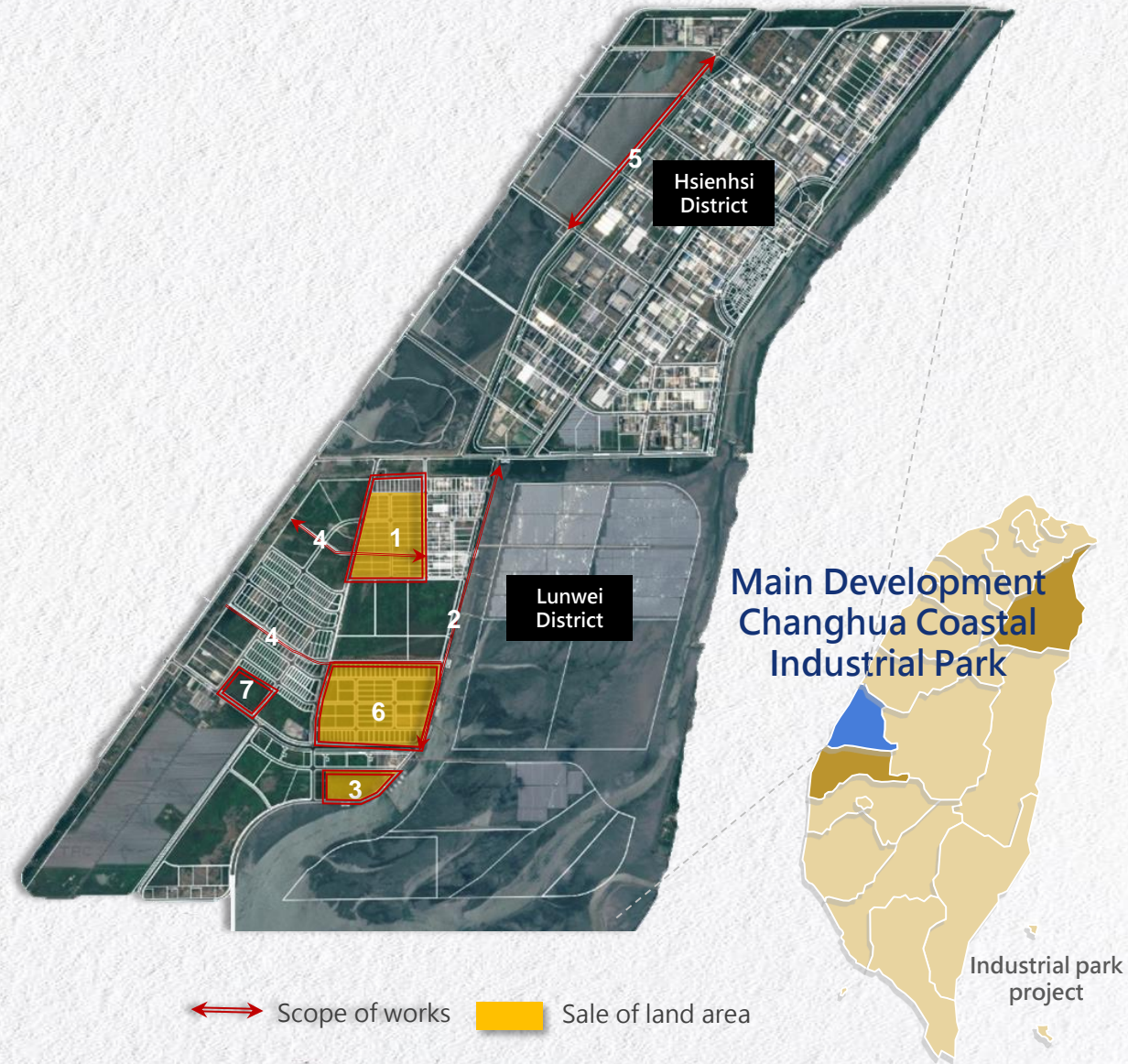
2023 billion
Amount invested in the project



1.09

2024 billion
Amount invested in the project

Project Highlights		Schedule
1	Western Lunwei District #2 Roads And Public Project	completion in 2024
2	Western Lunwei District #3 Roads And Public Project	completion in 2024
3	Waste Treatment Plant Western, Lunwei District Public Project	completion in 2024
4	Western Lunwei District #2 Drainage And Gate Project	completion in 2025
5	Hsienhsi District A2405 Road Embankment Project	2024 of new investment
6	Western Lunwei District #4 Roads And Public Project	2024 of new investment
7	Dedicated zone for metal industry, Western Lunwei District Sewage Treatment Plant Temporary Package Facility	2024 of new investment



Operation Overview-Real Estate Development

BES Engineering Corporation



2023
Development of
business results

26,501 m²

Chengnan Shuiyuan Urban Renewal Project (Government-Initiated)	Site Area	10,541 m ²
Bangdiao Welfare Urban Renewal Project (Government-Initiated)	Site Area	2,873 m ²
Songshan District Xueheng East Project (Government-Initiated)	Site Area	3,603 m ²
Da'an District - Da'an Road Project	Site Area	1,038 m ²
Tucheng District - Sanmin Road Project	Site Area	8,446 m ²

2024
Estimated new development and under development

approximately

26,942 m²

Base Development Area

Items	Currently Under Development and Estimated to be Developed in 2024
1	Songshan District - Versailles Building
2	Songshan District - Xing'an Street Project 2
3	Songshan District - Jiankang Road Project
4	Songshan District - Dongxing Road Project
5	Wenshan District - Wanlong Project
6	Xinyi District - Lane 320, Wuxing Street Project
7	Songshan District-Xing'an Street Project 3
8	Songshan District-Fuxing North Road Project 1
9	Songshan District-Fuxing North Road Project 2
10	Da'an District-Guangfu South Road Project

Operation Overview-Real Estate Development

BES Engineering Corporation



BES - Shui Yan

Site Area – 588 m²

Lot location – Chengde Road, Shilin District, Taipei City

Planning of architecture – aboveground 14 floors /
underground 3 floors · RC structure

Mode of development – urban renewal

Progress of Urban Renewal – completion in Q3 2015



Won the 2014 National Construction Excellence Award

BES - Chang Cui

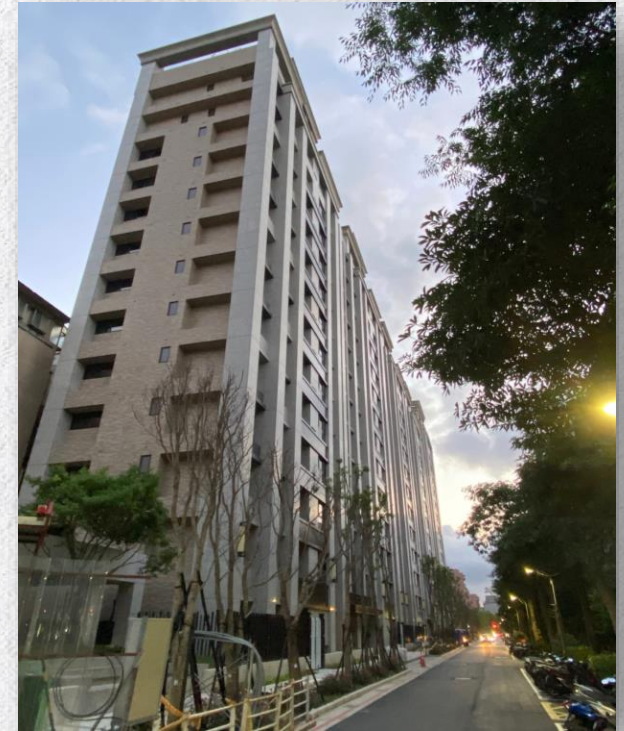
Site Area – 919 m²

Lot location – Jiankang Road, Songshan District, Taipei City

Planning of architecture – aboveground 12 floors /
underground 4 floors · RC structure

Mode of development – urban renewal

Progress of Urban Renewal – completion in Q4 2015



BES - Yun Cui

Site Area – 2,869 m²

Lot location – Jiankang Road, Songshan District, Taipei City

Planning of architecture – aboveground 15 floors /
underground 3 floors · RC structure

Mode of development – urban renewal

Progress of Urban Renewal – completion in Q1 2011

Operation Overview-Real Estate Development

BES Engineering Corporation



BES - Bi Yan Ge

Site Area – 4,780 m²

Lot location – Songshan District, Taipei City

Planning of architecture – aboveground 24 floors /
underground 4 floors · SRC structure

Mode of development – urban renewal

Progress of Urban Renewal – completion in Q3 2024



BES - Ming Sen Yuan

Site Area – 10,033 m²

Lot location – Songshan District, Taipei City

Planning of architecture – aboveground 21 floors / underground 4
floors · SRC structure

Mode of development – urban renewal

Progress of Urban Renewal – Diaphragm Wall Construction in
Progress



**Nangang Chongyang Road
Urban Renewal Project**

Site Area – 2,212 m²

Lot location – Nangang District, Taipei City

Planning of architecture – aboveground 15 floors / underground
4 floors · RC structure

Mode of development – urban renewal

Progress of Urban Renewal – Approved in July 2023 - Relocation
Plan in Progress

Operation Overview-Real Estate Development

BES Engineering Corporation



Shulin Zhongshan Road Urban Renewal Project (Government-initiated)

Site Area – 4,061 m²

Lot location – Shulin District, New Taipei City

Planning of architecture – aboveground 15 floors /
underground 4 floors · RC structure

Mode of development – Government-initiated urban renewal

Progress of Urban Renewal –Submission of business plan and rights change for approval in December 2023.



Xing'an Street Urban Renewal Project

Site Area – 2,238 m²

Lot location – Songshan District, Taipei City

Planning of architecture – aboveground 15 floors /
underground 4 floors · RC structure

Mode of development – urban renewal

Progress of Urban Renewal –Submission of business plan and rights change for approval in December 2023



Da'an Road Urban Renewal Project

Site Area – 1,038 m²

Lot location – Da'an District, Taipei City

Planning of architecture – aboveground 11 floors / underground 4 floors
· RC structure

Mode of development – urban renewal

Progress of Urban Renewal –Submission of business plan and rights change for approval in Q2 2024.

Operation Overview-Real Estate Development

BES Engineering Corporation



**Won the MUSE
Design Awards**

BES Cloudverse AI Park

Site Area – 53,488 m²

Lot location – Tucheng District, New Taipei City

Planning of architecture – aboveground 16 floors /
underground 4 floors · SC structure

Mode of development – urban renewal

Progress of Urban Renewal – completion in Q3 2025



Chengnan Shuiyuan Urban Renewal Project (Government-initiated)

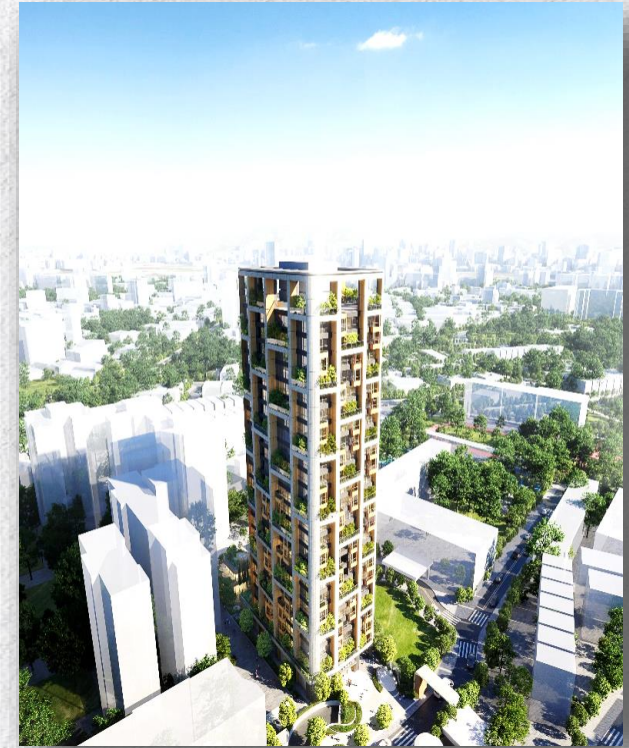
Site Area – 10,541 m²

Lot location – Zhongzheng District, Taipei City

Planning of architecture – aboveground 21 floors /
underground 4 floors · SRC structure

Mode of development – Government-initiated urban renewal

Progress of Urban Renewal – Submission for
Executive Committee review in Q2 2024.



General Banqiao Welfare Urban Renewal Project (Government-initiated)

Site Area – 2,873 m²

Lot location – Banqiao District, New Taipei City

Planning of architecture – aboveground 24 floors /
underground 4 floors · SRC structure

Mode of development – Government-initiated urban renewal

Progress of Urban Renewal – Submission of business plan
and rights change draft for review in Q1 2024

04

章節 PART

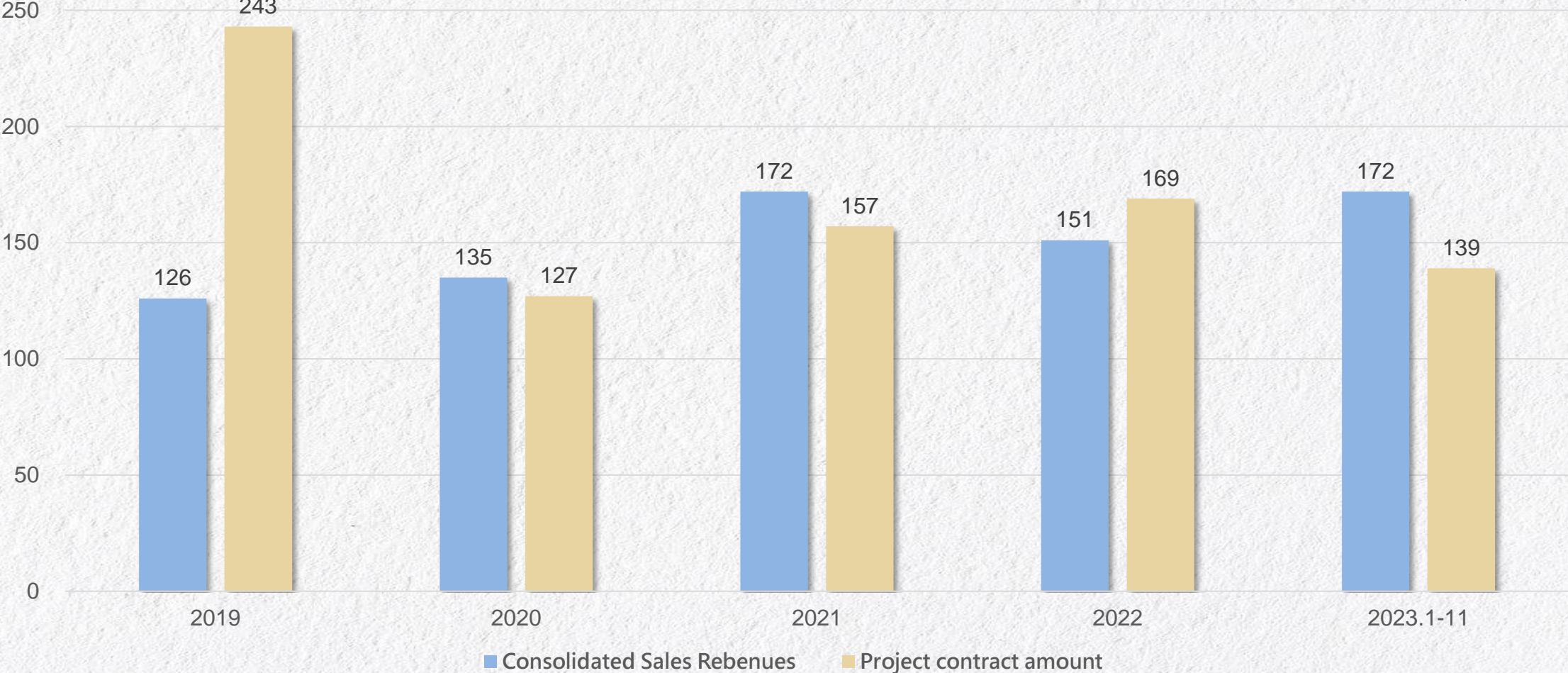
Financial Status

- Consolidated Sales Revenues And Breakdown
- Distribution of Consolidated Sales Revenues
- Consolidated Balance Sheet
- Annual & Q3 Consolidated Income Sheet
- Financial ratio analysis
- Dividend Payment

Financial Status-Consolidated Sales Revenues

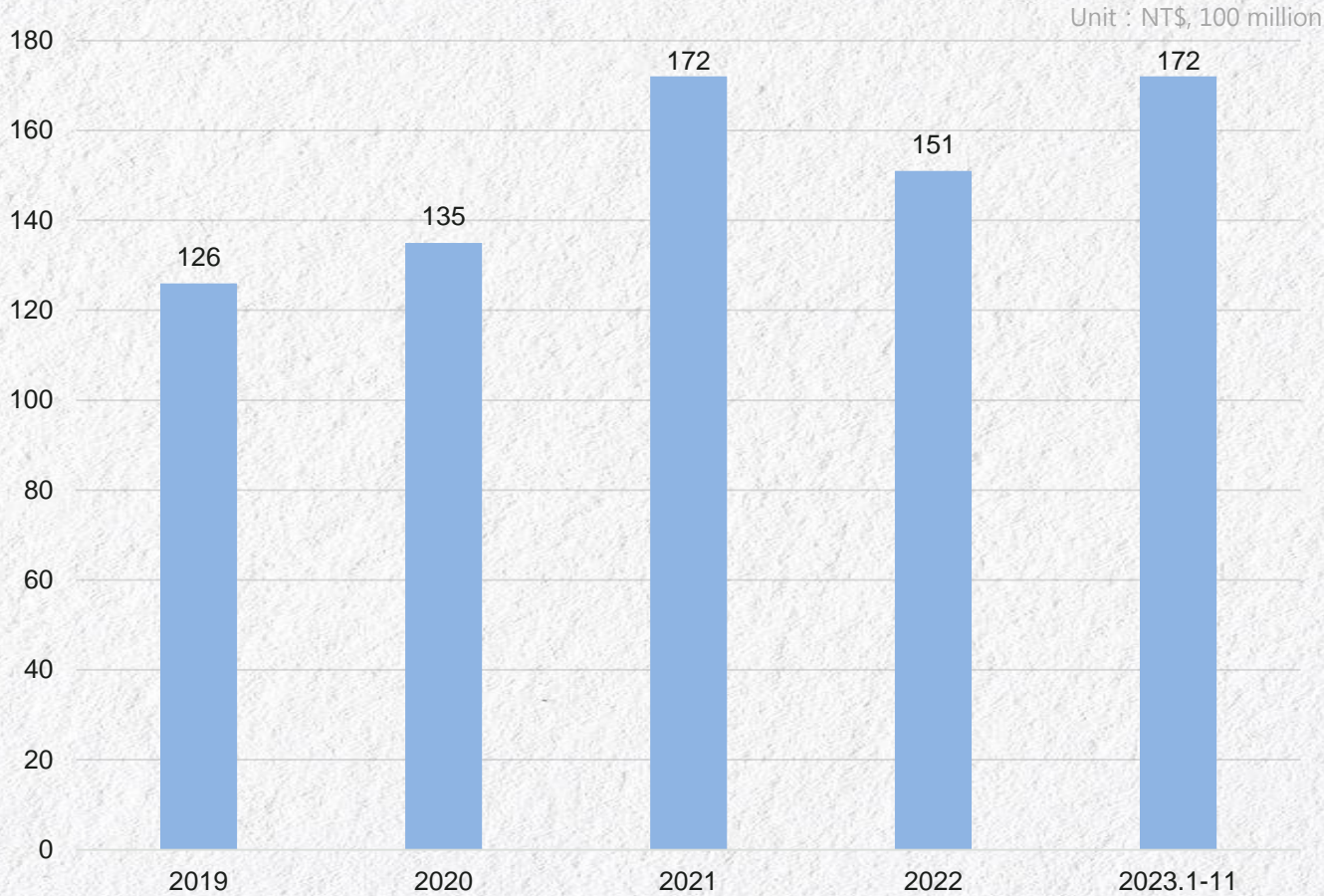
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Unit : NT\$, 100 million

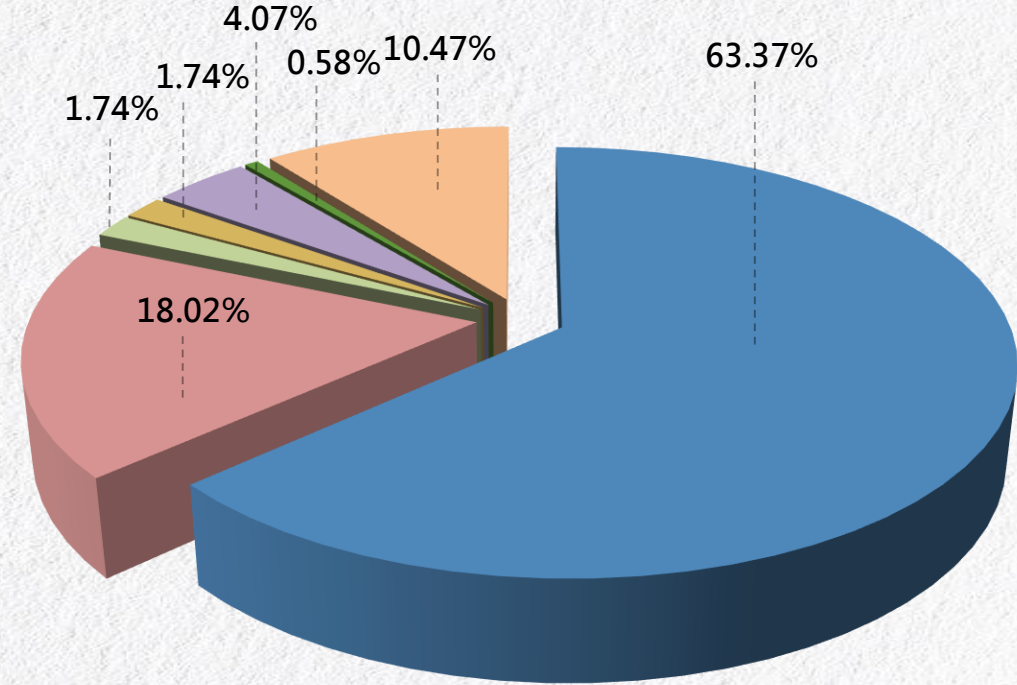


Financial Status-Consolidated Sales Revenues

BES Engineering Corporation



2023.1-11 Consolidated Sales Revenues

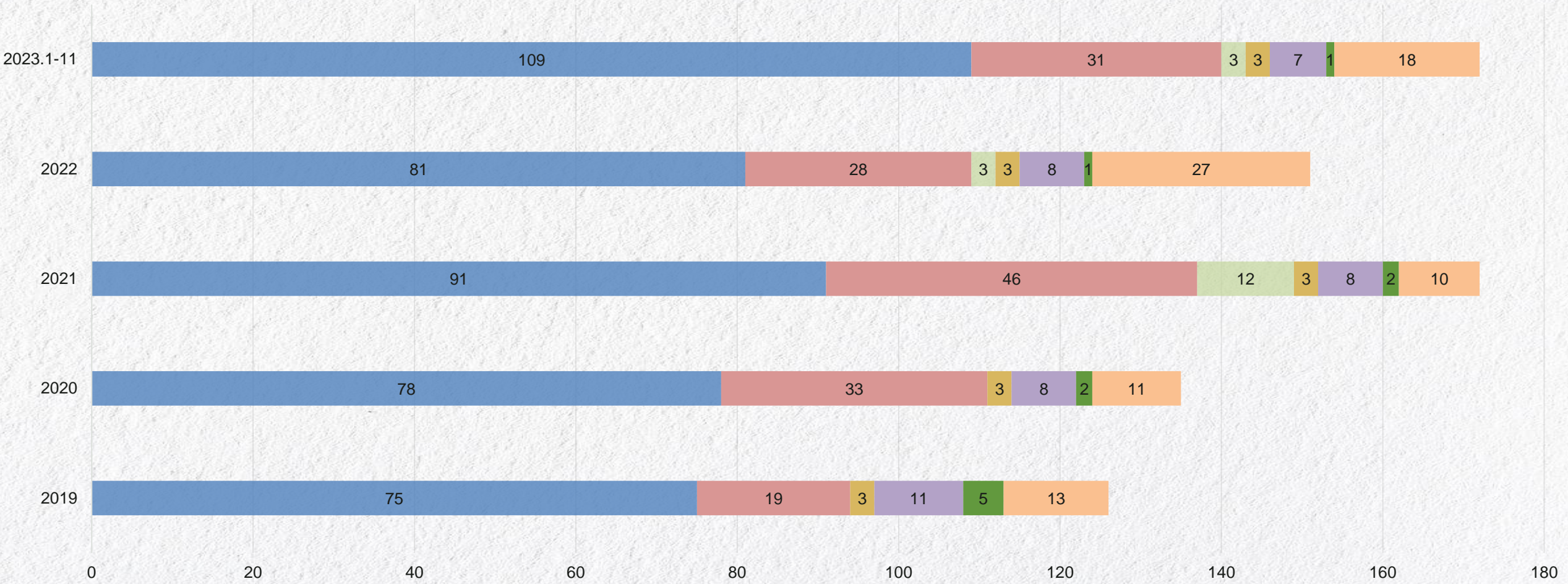


- Civil Engineering
- Construction
- Real estate sales
- Security
- Human agency
- Cinema
- Others

Financial Status-Consolidated Sales Revenues And Breakdown

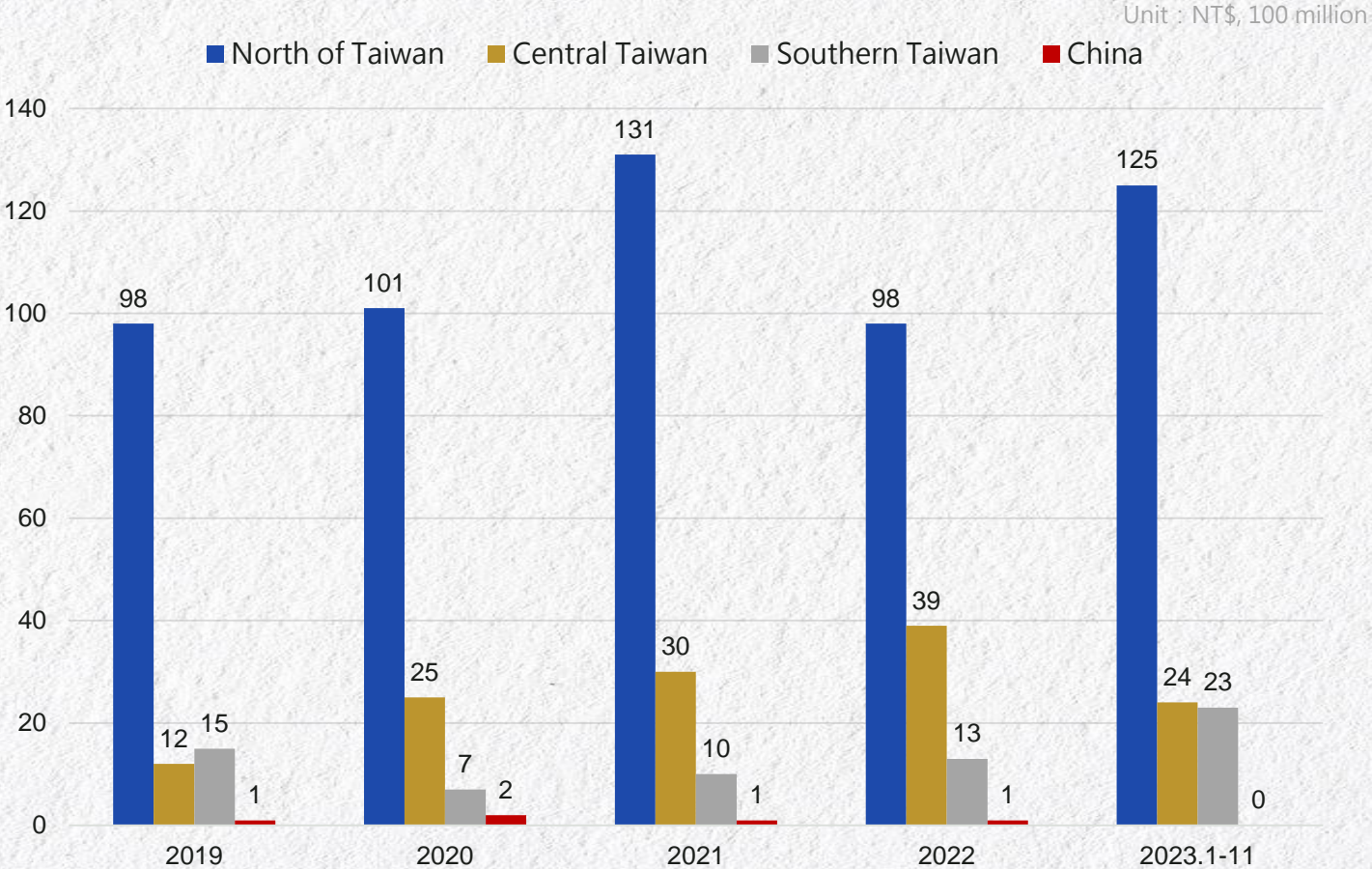
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■ Civil Engineering
 ■ Construction
 ■ Real estate sales
 ■ Security
 ■ Human agency
 ■ Cinema
 ■ Others
 Unit : NT\$, 100 million

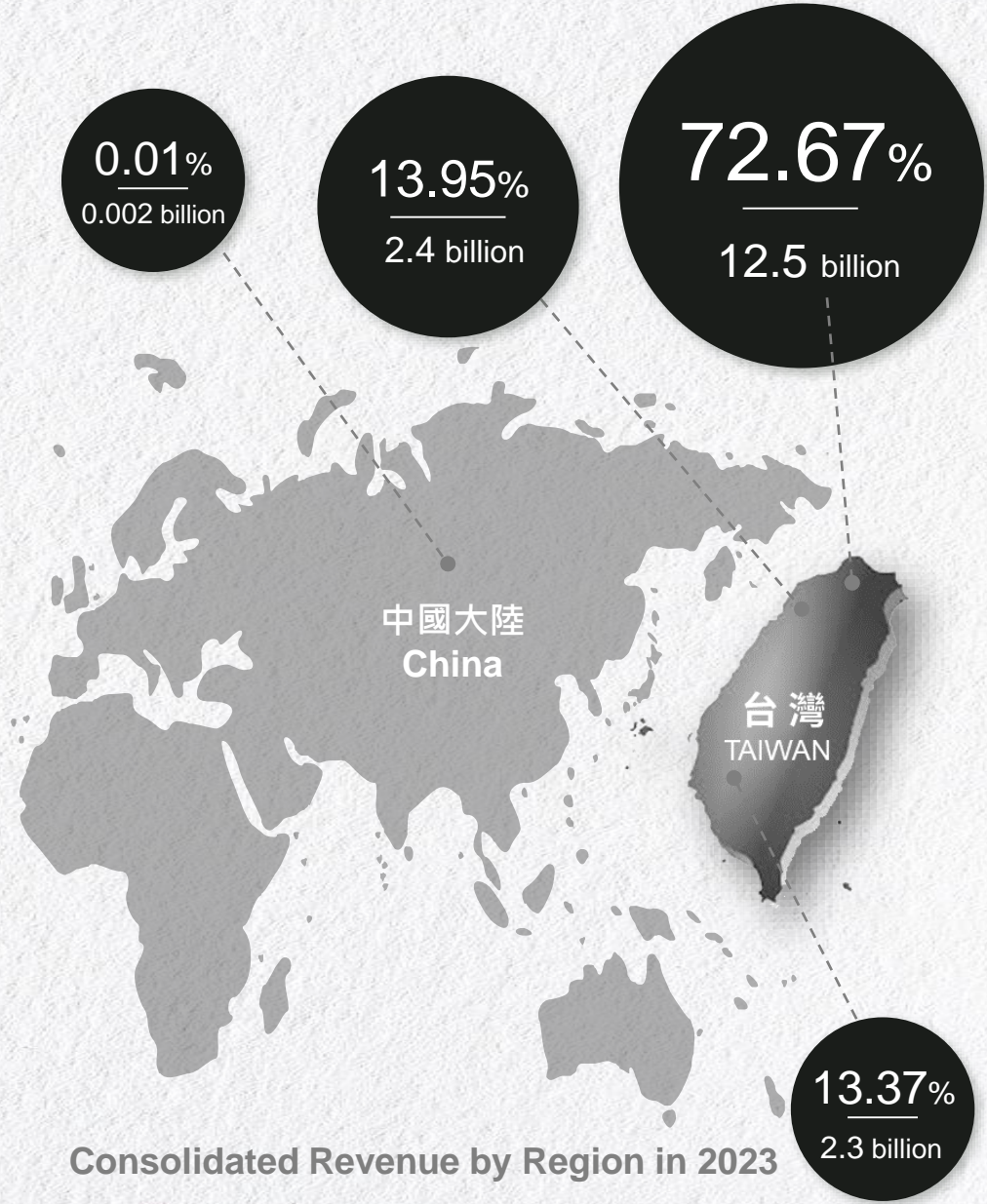


Financial Status-Distribution of Consolidated Sales Revenues

BES Engineering Corporation



Consolidated Revenue by Region for the Past 5 Years



Consolidated Revenue by Region in 2023

Financial Status-Consolidated Balance Sheet

BES Engineering Corporation

Unit : NT\$, Million

Items	2020/12/31	2021/12/31	2022/12/31	2023/09/30
Current assets	33,789	38,755	35,990	42,037
Property, plant and equipment	3,220	3,210	3,089	3,190
Investment properties	829	1,029	1,113	1,101
Other non-current assets	4,271	5,094	4,948	4,730
Total assets	42,109	48,088	45,140	51,058
Current liabilities	16,243	17,472	14,452	18,741
Long-term borrowings	3,607	5,313	5,744	7,794
Other non-current liabilities	1,843	2,374	2,268	2,236
Total liabilities	21,693	25,159	22,464	28,771
Total equity	20,416	22,929	22,676	22,287
Net worth per share	13.27	14.92	14.77	14.49

Financial Status-Annual & Q3 Consolidated Income Sheet

BES Engineering Corporation

Unit : NT\$, Million

Items	2020	2021	2022	2023Q3
Sales Revenues – Annual	13,471	17,197	15,093	13,812
Gross Profit	946	340	1,378	1,063
Operating income	375	(359)	776	659
Total non-operating income and expenses	418	2,837	225	(108)
Net Profit Attributable	599	2,662	805	422
Total Comprehensive income Attributable	699	2,901	571	369
Total basic earnings per share EPS(NT)	0.40	1.75	0.54	0.28
Sales Revenues – Q3	9,690	12,411	10,586	13,812
Gross Profit	719	908	757	1,063
Operating income	315	482	338	659
Total non-operating income and expenses	203	(125)	374	(108)
Net Profit Attributable	397	285	580	422
Total Comprehensive income Attributable	142	342	298	369
Total basic earnings per share EPS(NT)	0.26	0.19	0.38	0.28

Financial Status-Financial ratio analysis

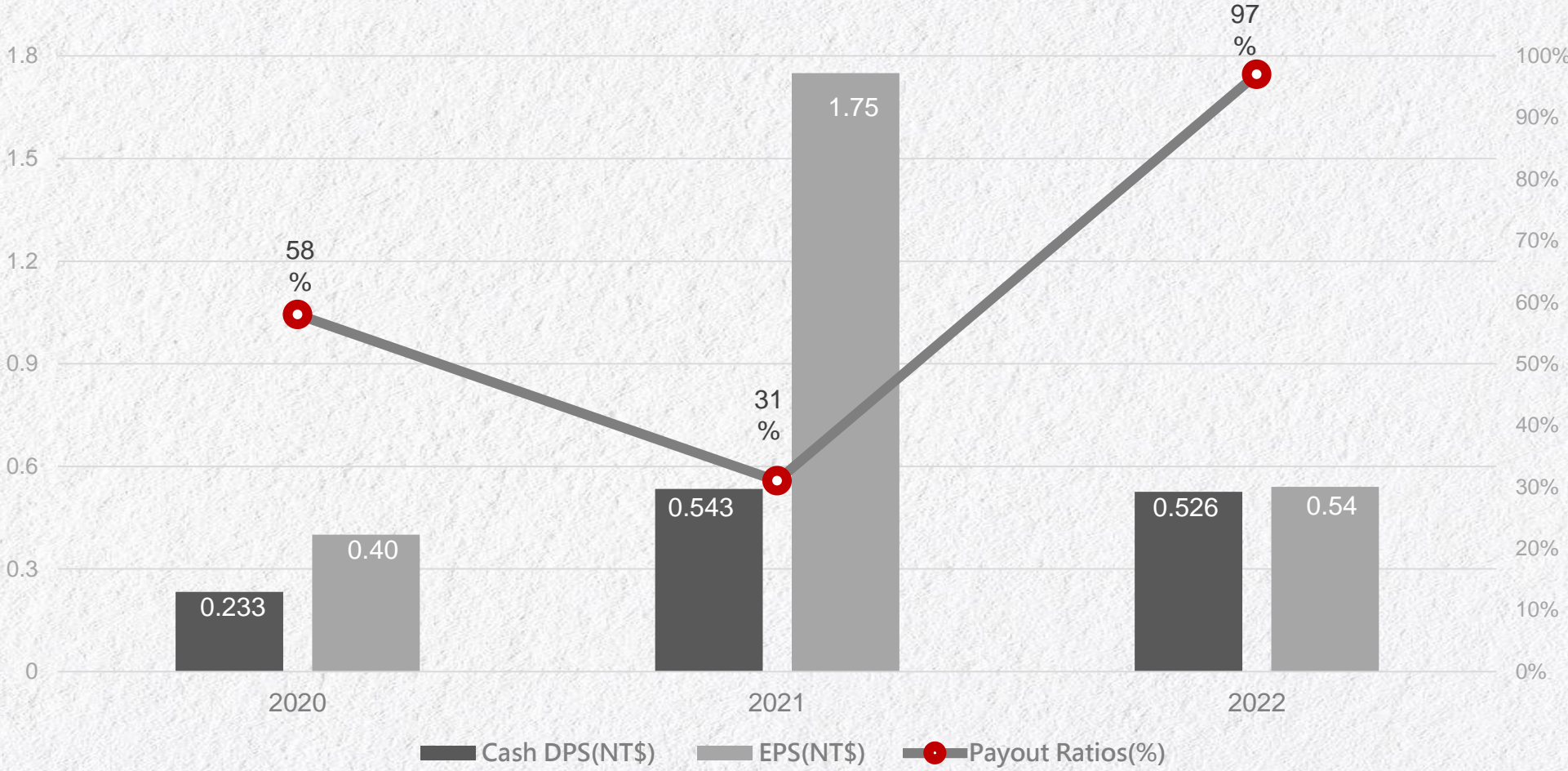
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Items	2020	2021	2022	2023Q3	2020-2023Q3 Construction stock average
Debt Ratio %	51.52 %	52.32 %	49.76 %	56.35 %	61.79 % ~ 65.76 %
Current Ratio %	208.02 %	221.81 %	249.03 %	224.30 %	157.94 % ~ 181.92 %
Times Interest Earned Ratio	5.07	14.92	5.01	4.36	
Return on Equity %	2.96 %	12.28 %	3.53 %	0.68 %	
Profit Rate %	4.45 %	15.48 %	5.33 %	3.06 %	



Financial Status-Dividend Payment

BES Engineering Corporation



05

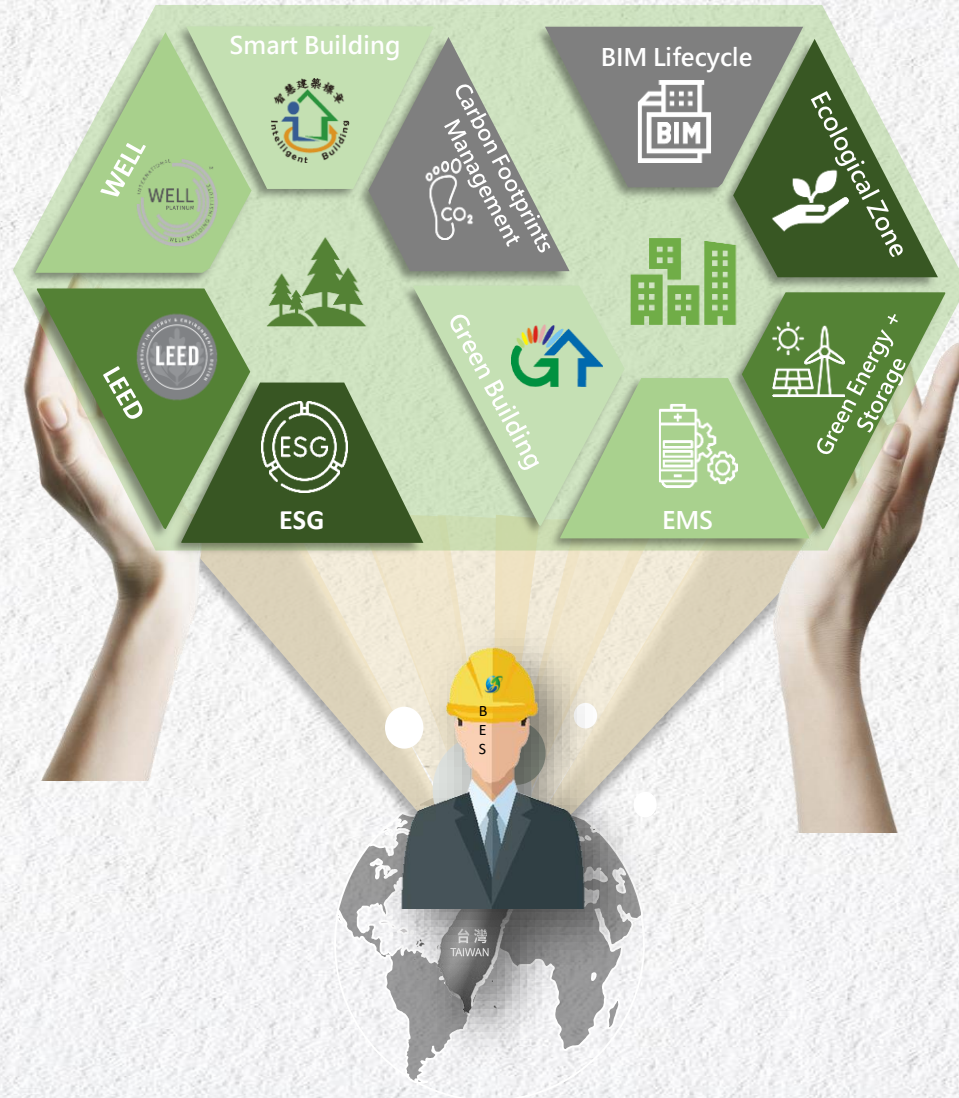
章節 PART

Future Perspective

- Enterprise development strategy
- The Effectiveness of Corporate Sustainable Development

Future Perspective-Enterprise development strategy

BES Engineering Corporation



Transformation against all odds

In response to challenges like "labor and material shortages" impacting the real estate and construction sectors, BES is strategically transforming through a focus on **"data management"** and **"smart technology"**. The company plans to implement an **AIoT** framework, integrating data into a **"Real-time Decision Center"** for efficient decision-making, cost reduction, and risk management. This initiative aims to strengthen corporate operations and navigate the current business challenges effectively.

Embracing a Sustainable Future

BES actively integrates and applies the three major certifications of "Intelligent Green Building" – **Taiwan's EEW** (Ecological, Energy Saving, Waste Reduction, and Healthy), **U.S. LEED** (Leadership in Energy and Environmental Design), and **U.S. WELL** (Well Building Standard). Both the "Construction Development" and "Engineering and Construction" businesses are committed to ESG, managing **carbon footprints through ISO14067** from construction to future operational stages. Integration of artificial intelligence and IoT in electromechanical systems monitors and manages gas and carbon emissions, aiming for the goal of "Net Zero Buildings." This aligns with the company's future operational policy for sustainable development.

Embracing the New Face of Construction

"ESG" is now a cornerstone of corporate management, covering environmental protection, social responsibility, and corporate governance. Amid a sustainability wave post-pandemic, digital transformation and net-zero emissions are key trends in ESG. Traditional industries, facing market challenges, are prioritizing effective management, emphasizing wisdom, digitalization, and ESG sustainability for a fresh industry outlook. BES actively champions **"Smart Technology - Green Building"** as part of its sustainable management approach, contributing to global efforts for a better planet.

Future Perspective-The Effectiveness of Corporate Sustainable Development

BES Engineering Corporation



Enterprise Development Effectiveness

Develop company carbon reduction policy, establish tools for carbon inventory, quantify emissions in design, construction, and operations, and create optimal reduction methods and environmental opportunities

Awarded the world's first PAS 2080 compliant certificate



- Wu Xi Niao Zui Tan Artificial Lake Project
- Balancing development with biodiversity and ecological conservation through engineering methods



Social Responsibility Effectiveness

Leading industry care for migrant workers, collaborated with Shen Chun-Chi Foundation for Thai worker counseling, documented in a film to enhance company brand value.



Corporate Governance Effectiveness

- In the 2022 corporate governance evaluation, BES entered the top **6%~20%** of listed companies.



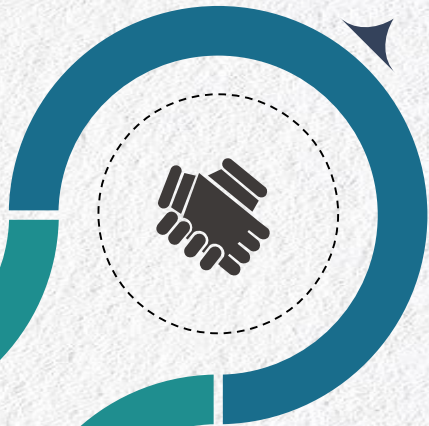
2022

93.71
points

Corporate Governance Evaluation Results



Environmental Protection Effectiveness





陶朱隱園
BES URBAN RENEWAL



Q&A

Thank You