



中華工程股份有限公司

BES Engineering Corporation

2020 Investor Conference
2020-09-28

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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.**

Set up Overseas Department in 2020 while establishing subsidiaries in Myanmar and Vietnam to focus on land development in Southeast Asia.



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.

2015



1978-1995

Privatization

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

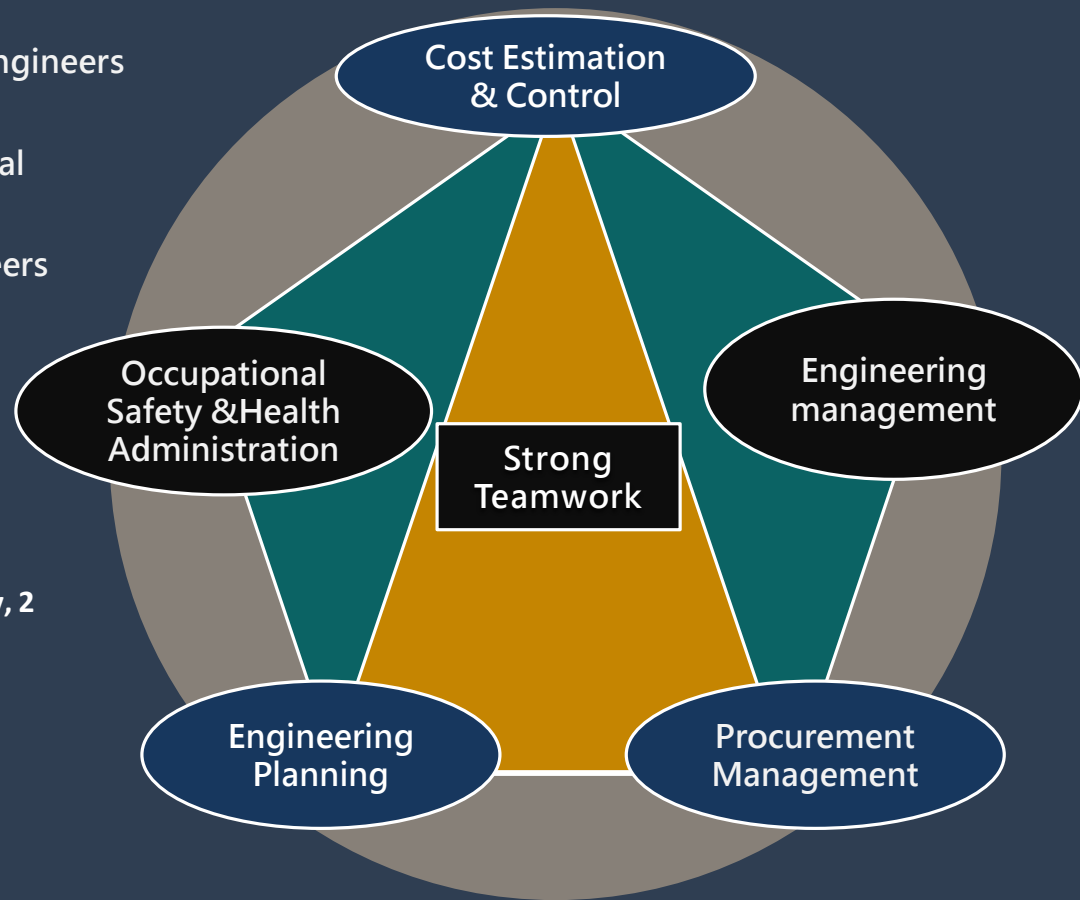
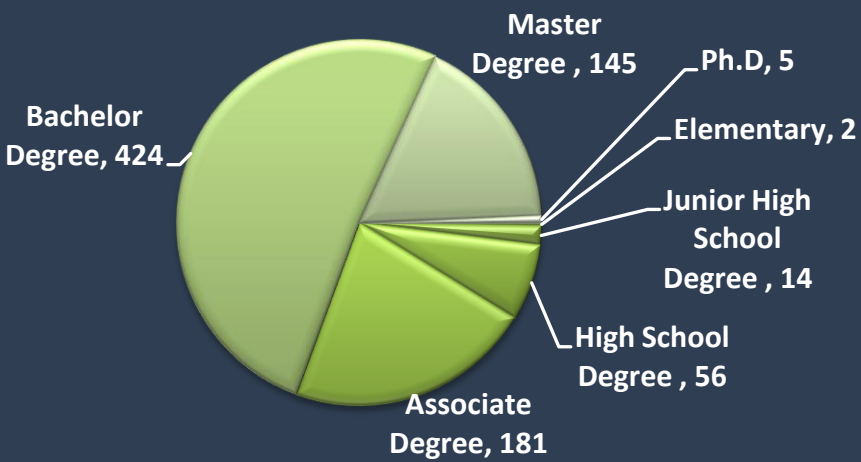
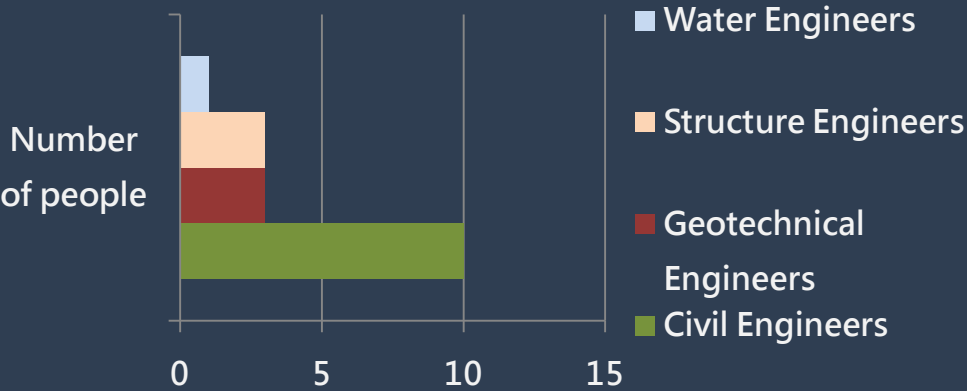


1997-NOW

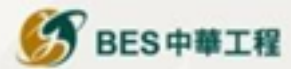
Transformation

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

Professional Team

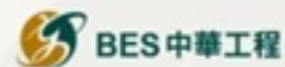


Consolidated Income Statement



	NT\$, million			
	2017	2018	2019	2020Q1-Q2
Sales Revenues	9,782	11,062	12,591	6,269
Gross Profit	1,147	1,054	1,209	428
Operating income	387	353	512	156
Total non-operating income and expenses	(19)	(128)	(95)	199
Net Profit Attributable	270	356	308	270
Total Comprehensive income Attributable	536	277	346	34
Total basic earnings per share EPS(NT)	0.17	0.24	0.20	0.18

Consolidated Balance Sheet



NT\$, million

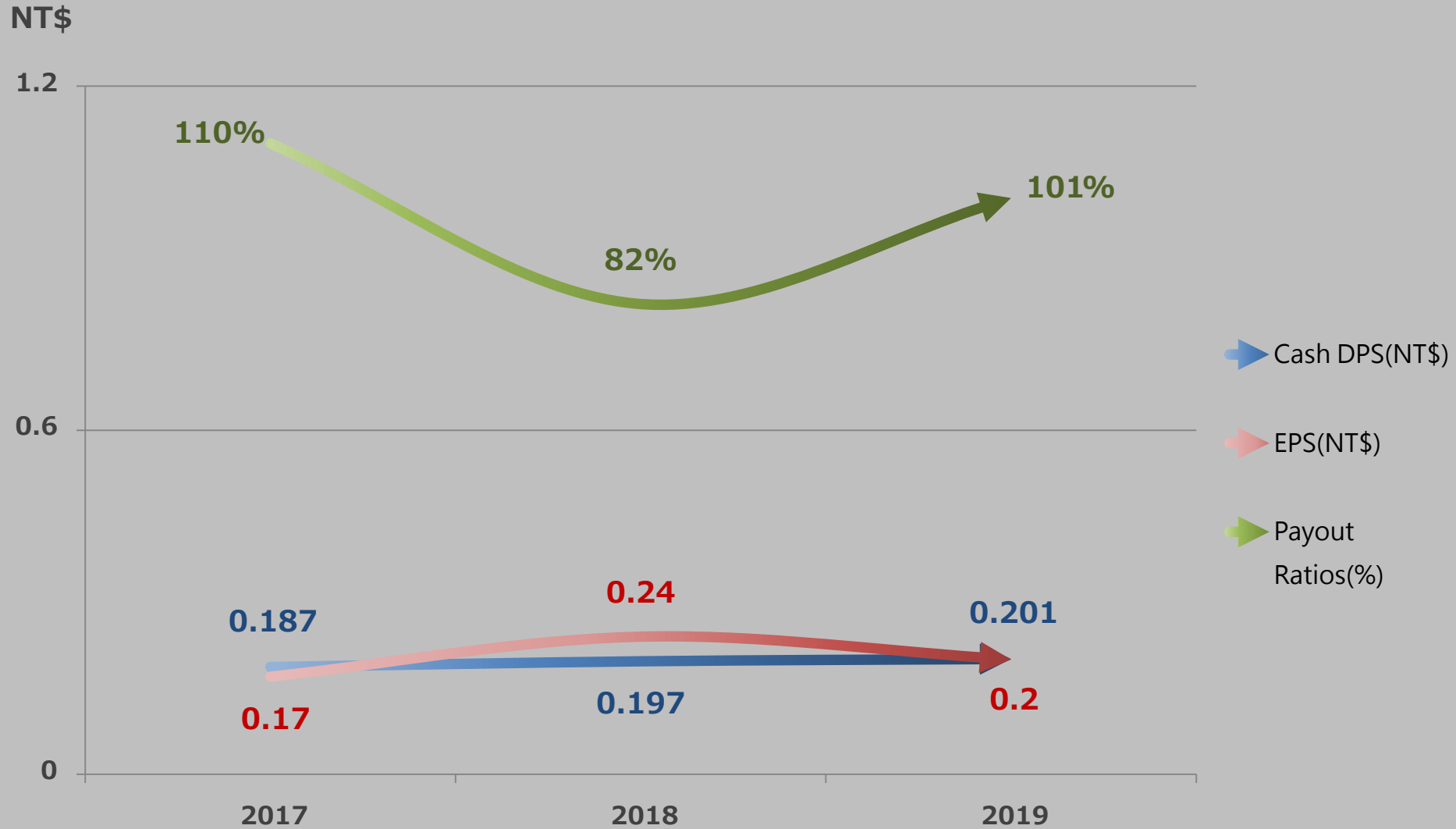
	2017/12/31	2018/12/31	2019/12/31	2020/6/30
Current assets	28,942	30,417	35,382	35,852
Property, plant and equipment	3,436	3,420	3,312	3,232
Investment properties	877	844	833	828
Other non-current assets	4,774	5,110	3,697	3,350
Total assets	38,029	39,791	43,224	43,262
Current liabilities	13,675	14,126	16,565	17,918
Long-term borrowings	2,463	3,813	4,450	3,443
Other non-current liabilities	1,865	1,858	2,185	2,150
Total liabilities	18,003	19,797	23,200	23,511
Total equity	20,026	19,994	20,024	19,751
Net worth per share	12.97	12.97	13.00	12.82

	2017	2018	2019	2020 Q1-Q2	2017-2020Q2 Construction stock average
Debt Ratio	47.34	49.75	53.67	54.35	58.05~62.98
Current Ratio	211.65	215.32	213.60	200.09	171.54~192.26
Times Interest Earned Ratio	2.55	1.43	2.93	4.44	
Return on Equity	1.36	1.78	1.54	1.36	
Profit Rate	2.76	3.22	2.45	4.31	

Source :

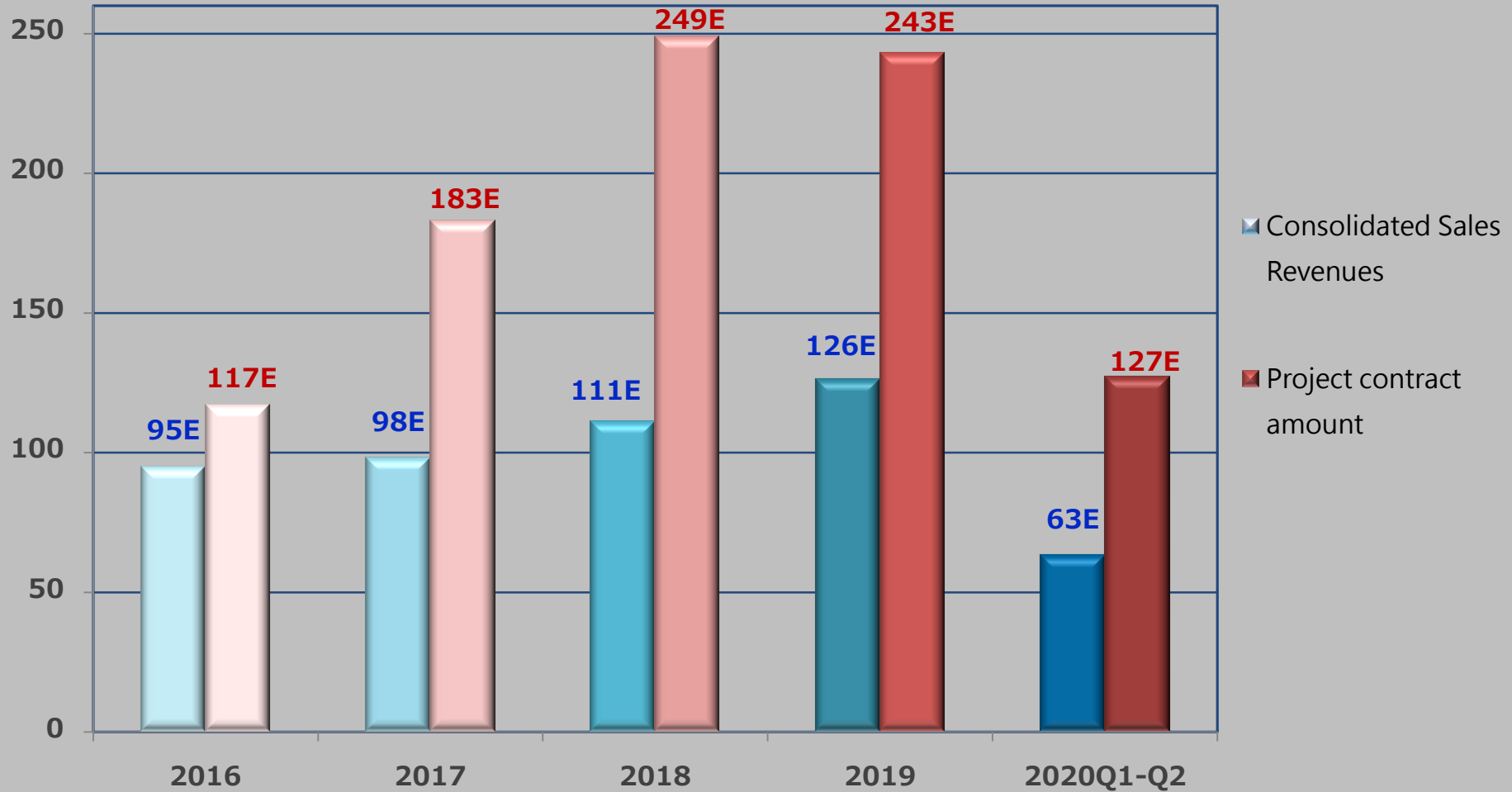


Dividend Payment



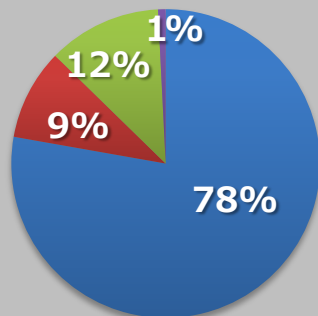
Consolidated Sales Revenues

NT\$, Billion

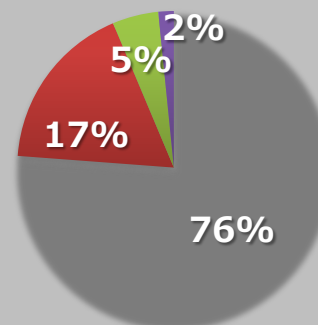


Distribution of Consolidated Sales Revenues

2019

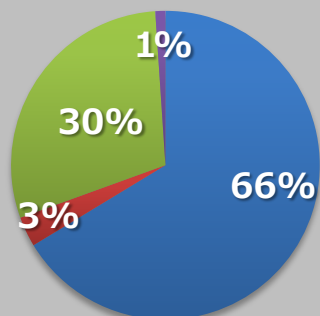


2020Q1-Q2

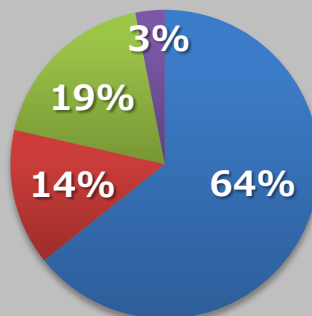


- North of Taiwan
- Central Taiwan
- Southern Taiwan
- China

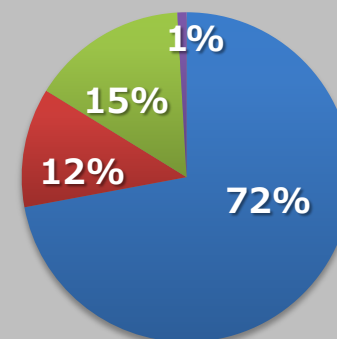
2016



2017

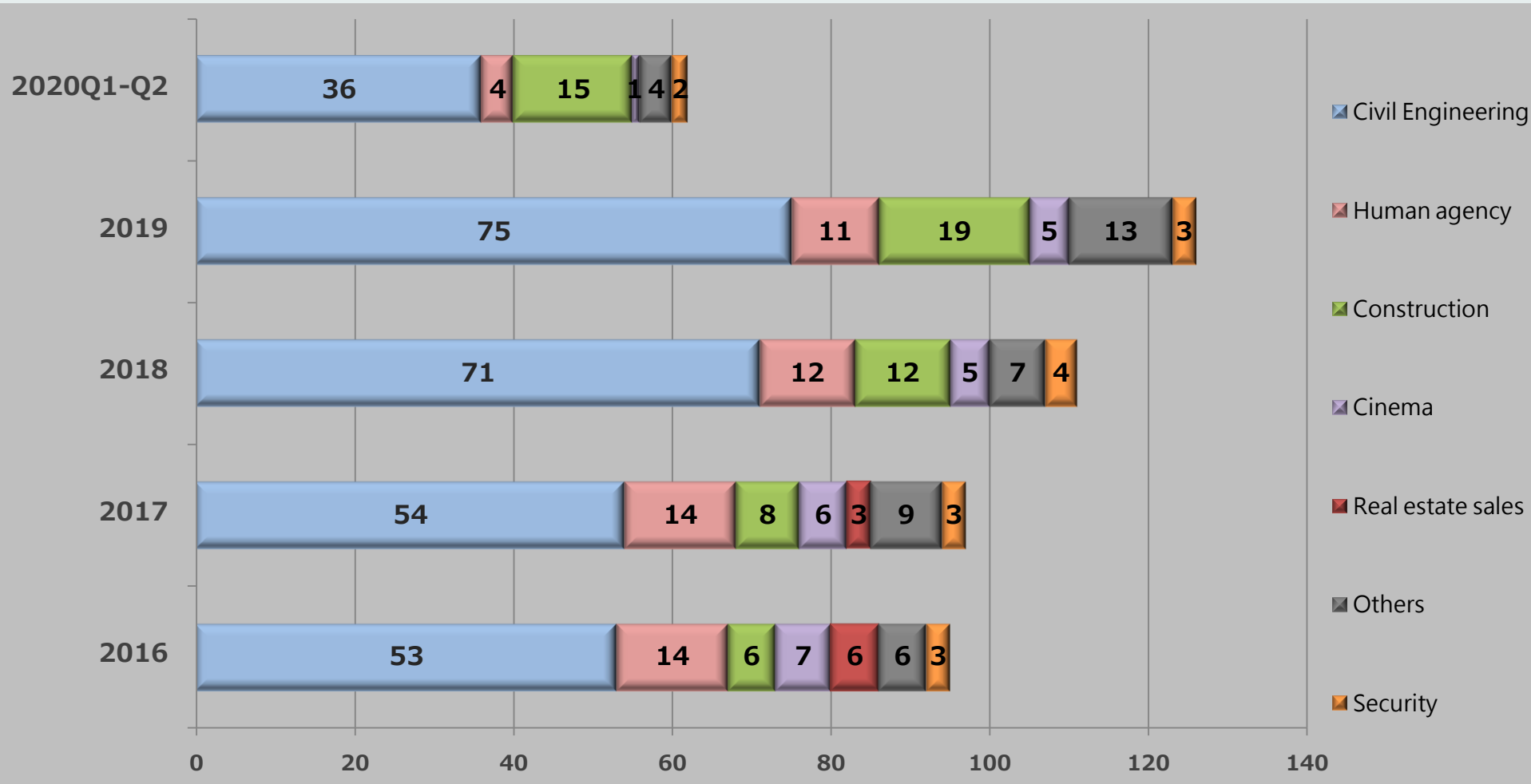


2018



NT\$, Billion	2016	2017	2018	2019	2020Q1-Q2
North of Taiwan	63	63	80	98	48
Central Taiwan	3	14	13	12	11
Southern Taiwan	28	18	17	15	3
China	1	3	1	1	1

Consolidated Sales Revenues And Breakdown



2020New Undertakings



Turnkey project for the reconstruction of the first fruit and vegetable (including the relay in the dike) and the Wanda fish wholesale market.
12,517,171 thousand NTD

Changbin Industrial Area Solar Photoelectric jointly handled the pipeline project connecting with the Changbin E/S substation of Taiwan Electric Power Co., Ltd.
167,849 thousand NTD

**Total Undertakings as of 2020 August
12,685,020 thousand NTD**

2020 New Undertakings

項次	1	2
業主	New Construction Office, Public Works Department, Taipei City Government	Chenya Power Co., Ltd 、 HOLDGOOD ENERGY CO., LTD 、 Ye Heng Power Co., Ltd.
案件名	Turnkey project for the reconstruction of the first fruit and vegetable (including the relay in the dike) and the Wanda fish wholesale market	Changbin Industrial Area Solar Photoelectric jointly handled the pipeline project connecting the Changbin E/S substation of Taiwan Electric Power Co., Ltd
承攬金額	NTD\$12,517,171 thousand (including tax)	NTD\$167,849 thousand (including tax)
工期	2730 calendar days as per the owner's notice	259 calendar days as per the owner's notice

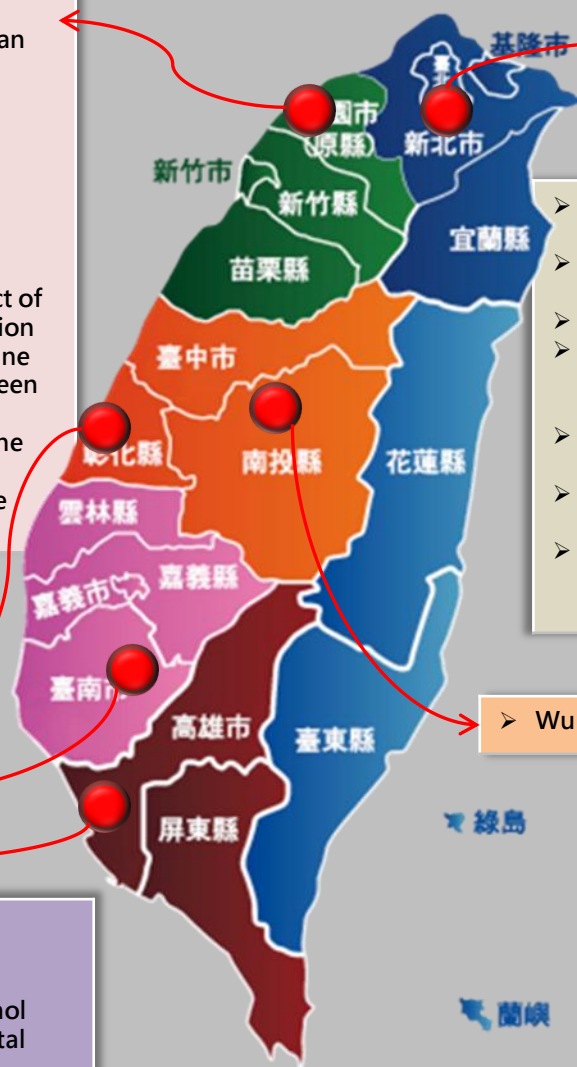


Public Construction

- The construction of parking apron, taxiway and apron facilities in terminal III of Taiwan Taoyuan International Airport
- The earthwork and infrastructure in 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 Taitan 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

- The construction of a solar power plant on the water surface - construction of equipment platform
- Changbin Industrial Area Solar Photoelectric jointly handled the pipeline project connecting the Changbin E/S substation of Taiwan Electric Power Co., Ltd.

- Tseng Wen Nan Hua Leveling Pipe Turnkey Project A1
- The basic design, detail design, procurement and construction engineering for the China Petrochemical Development Corporation's liquid ammonia and phenol storage and transportation project in the intercontinental phase II wharf of Kaohsiung Harbor



- CR580C, Eastern Extension Section, Xinyi Line of Taipei MRT
- Turnkey Project of Gongguan Camp Barracks Rehabilitation.
- New Construction of Health Building Project.
- New Construction of Dingpu Technology Building (Building A), Hua Nan Financial Holdings.
- Public Housing Turnkey Project, Riverside High School Base, Neihu District, Taipei City.
- New Construction of Main Building of Commercial Zone, Yulon City, Phase I
- Turnkey project for the reconstruction of the first fruit and vegetable (including the relay in the dike) and the Wanda fish wholesale market

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

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 m²
Lot location : 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 : Apply for a license in November 2020.



Yan-Shou I District

Lot size : 4,780 m²
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 : Obtained a construction license in August 2019, and demolished ground objects in July 2020



Yan-Shou J District

Lot size: 10,034 m²

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: Urban renewal review completed in April 2020.



Nan-Gang Case

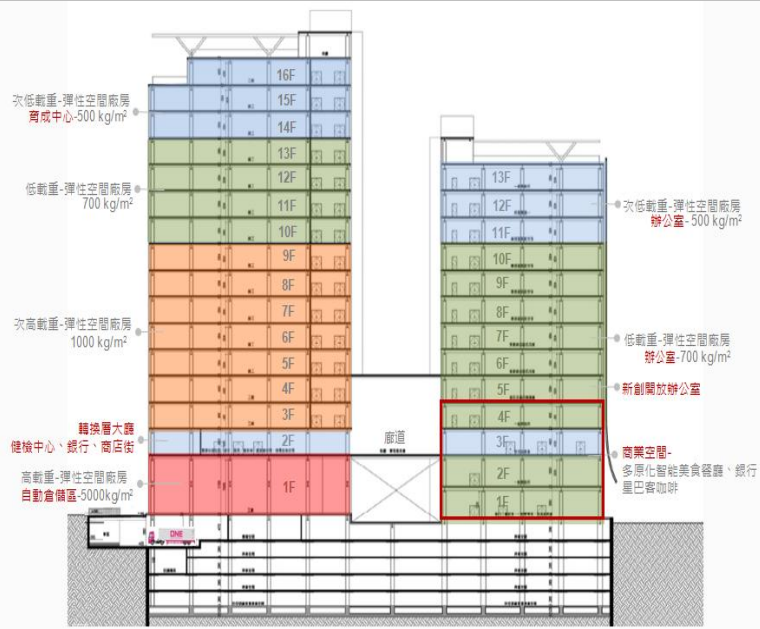
Lot size: 2,216 m²

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: Approval of the business plan can be obtained in October 2020, and all households will be selected by the end of the year.



BES AI Intelligent Industrial Area

Lot size : 53,488 m²

Lot location : Zhong Shan Road, Tu Cheng District, New Taipei City

Planning of architecture : aboveground 16 floors/ underground 5 floors, RC structure

Mode of development : urban renewal

Progress of Urban Renewal : Obtained the construction license in February 2020 and declared to start construction in October.



AI智慧建築建置規劃



5G專網建置

提供雲服務

通話無死角規劃



智能接駁車

多元化智能機器人

智能候車亭

園區IOT與5G應用建置規劃

家居與辦公室自動化



智慧電表與智慧能源



健康照護與智慧醫療



安全船廠與智慧交通



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3D可視化智能戰情中心



40尺大貨車停車及卸貨規劃



智能自動倉儲規劃



成立物流中心及保稅智慧服務平台

民生需求-商業空間建置規劃



多元化智能美食街餐廳



五星級健檢中心



STARBUCKS®
咖啡廳設置



各銀行設櫃服務



多元化運動中心



實體郵局及智能郵局進駐

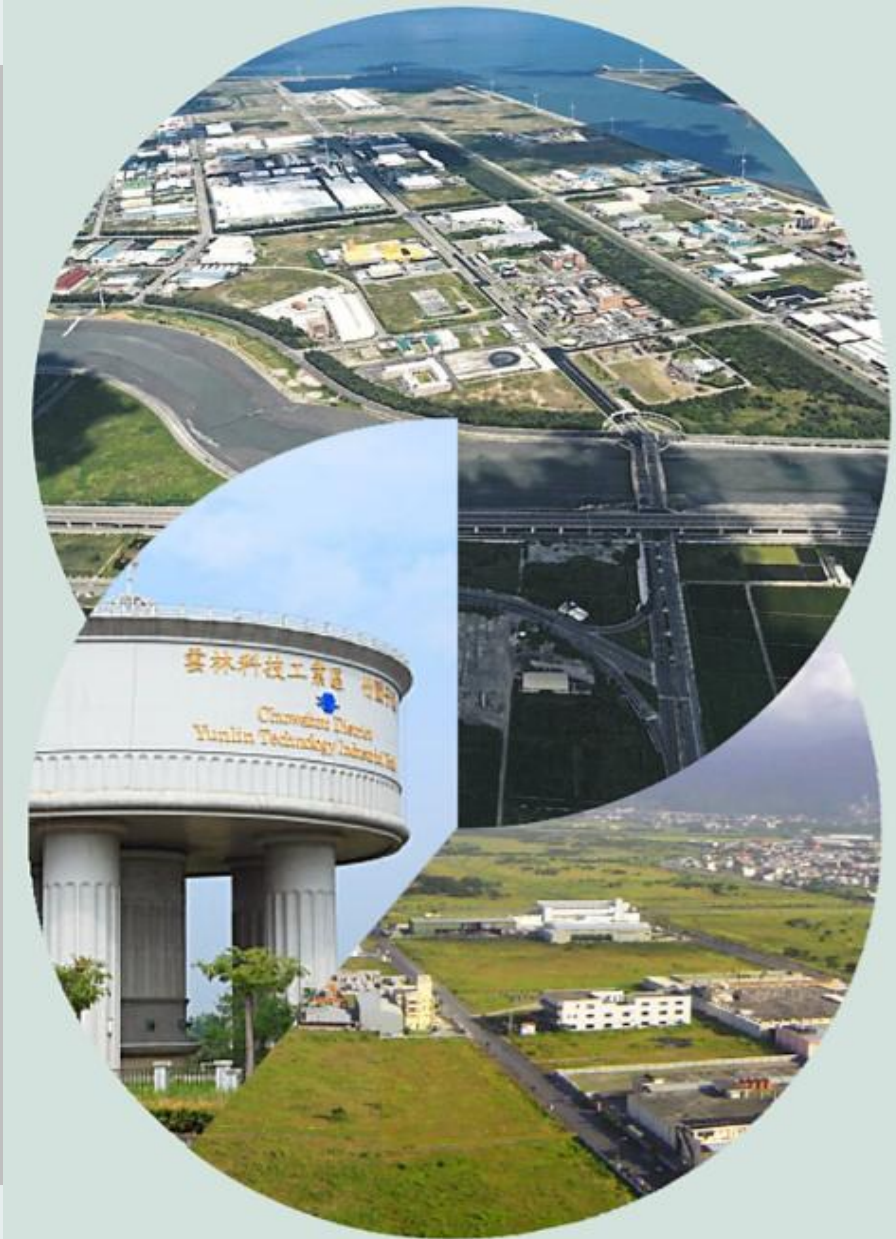


智能化無人商店



高綠覆率公園

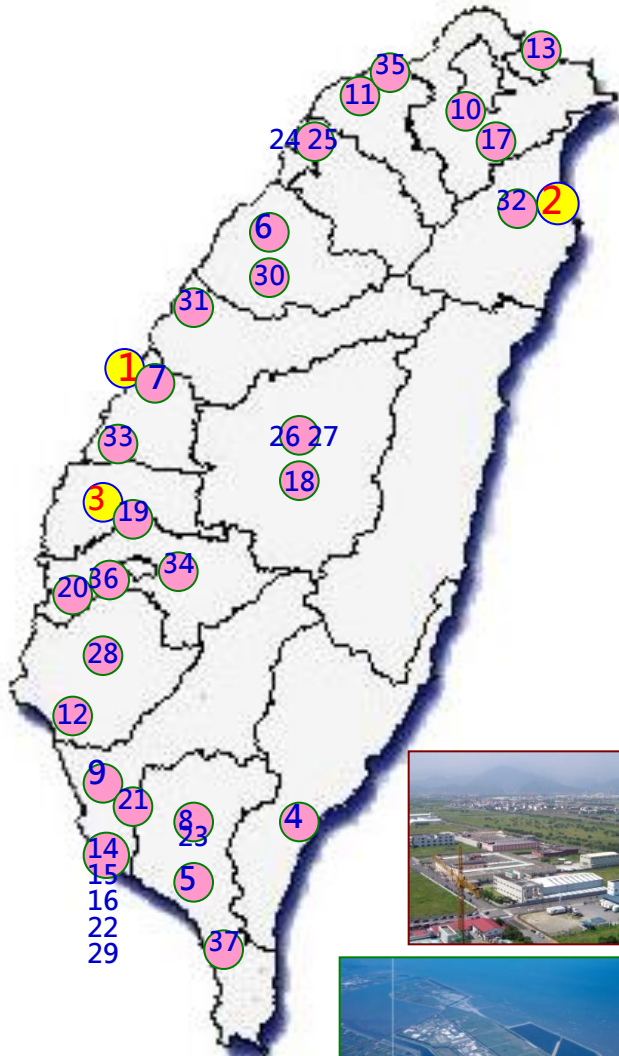




Development of Industrial Area

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 Area



	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 Area 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.

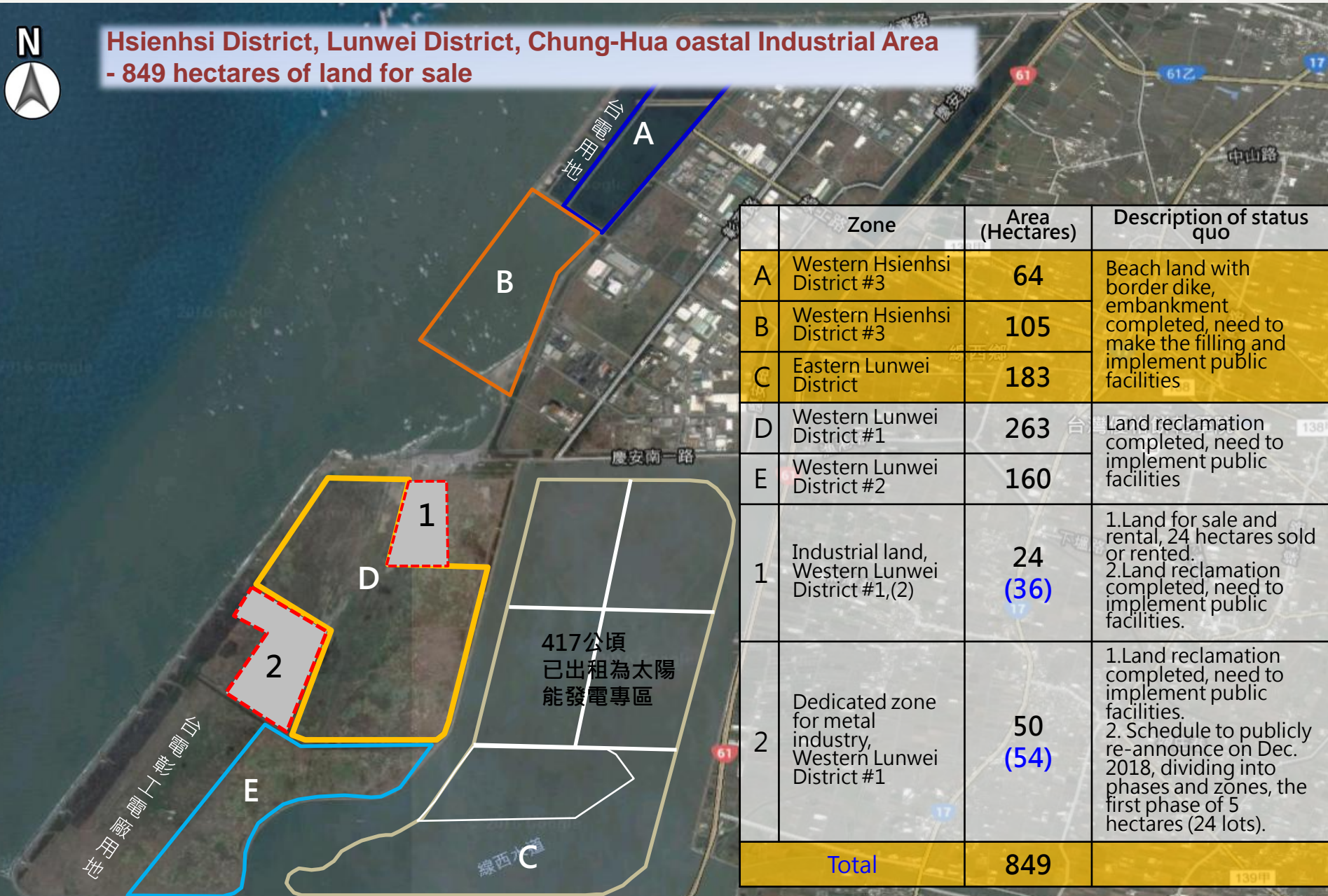
- 21. Feng-Shan 11hec.
- 22. Lin-Yuan 388hec.
- 23. Ping-Dong 156hec.
- 24/25. Xin-Zhu (Expansion) 532hec.
- 26/27. Nan-Gang (Expansion) 411hec.
- 28. Guan-Tian 227hec.
- 29. Da-Fa 391hec.
- 30. Tong-Luo 50hec.
- 31. Da-Jia You-Shi 218hec.
- 32. Long-Te 236hec.
- 33. Fang-Yuan 160hec.
- 34. Min-Xiong 244hec.
- 35. Lin-Kou Gong-Er 55hec.
- 36. Po-Zi 21hec.
- 37. Ping-Nan 276hec.



Development of Industrial Area



Hsienhsi District, Lunwei District, Chung-Hua oastal Industrial Area
- 849 hectares of land for sale



	Zone	Area (Hectares)	Description of status quo
A	Western Hsienhsi District #3	64	Beach land with border dike, embankment completed, need to make the filling and implement public facilities
B	Western Hsienhsi District #3	105	
C	Eastern Lunwei District	183	
D	Western Lunwei District #1	263	Land reclamation completed, need to implement public facilities
E	Western Lunwei District #2	160	
1	Industrial land, Western Lunwei District #1,(2)	24 (36)	1.Land for sale and rental, 24 hectares sold or rented. 2.Land reclamation completed, need to implement public facilities.
2	Dedicated zone for metal industry, Western Lunwei District #1	50 (54)	1.Land reclamation completed, need to implement public facilities. 2. Schedule to publicly re-announce on Dec. 2018, dividing into phases and zones, the first phase of 5 hectares (24 lots).
Total		849	

Public Construction

The government plans to promote the first phase of Foresight 2.0 from 2021 to 2022, with an investment of 230 billion yuan. Next year, the Sales Department will continue to track major public construction projects released by the government, such as:

Taipei MRT North Loop Project, Xindian City Rezoning Project, Taoyuan and Kaohsiung Rail Project, Liquefied Natural Gas Project, Power Plant Renewal Project and landmark construction projects, and actively strive for urban renewals and joint construction projects.



New Construction Business

The third phase of the Minsheng Community Renewal [Biyuan Pavilion], declared to start in October, apply for a licence in 2024.

The fourth phase of the Minsheng Community Renewal is expected for relocation of residents in Q2 of 2021, demolition of buildings in Q3 of 2021, and construction will start in Q1 of 2022.

Expand the scope of cooperation, actively strive for joint construction projects of dangerous and old buildings and urban renewals in Taipei and New Taipei city, and expand the source of construction and development projects for the company.



Industrial Area Development

Changbin Industrial Area will still be the mainstay in 2021

- 1.The land of Lunwei West 1st District Phase 2 is being leased and sold. In July,2020 the first announcement said that there are 17 hectares of land can be sold or leased, and now 12 hectares has been sold and leased by 9 manufacturers. The second announcement of the lease and sale of 19 hectares is scheduled in December, 2020.
- 2.The land used for offshore wind power booster station in Lunwei West 1st District has 11 hectares available for sale and now has already been leased by 4 manufacturers. Public facilities are under construction, and scheduled for being completed in October, 2021.
3. Lunwei West District Metal Zone Phase I. has 5 hectares of land available for sale and now there is 4 hectares already been rented by 10 manufacturers.
4. It is scheduled to announce the third phase of the Lunwei West District Metal Zone in October 2020 with 5 hectares of land available for sale.

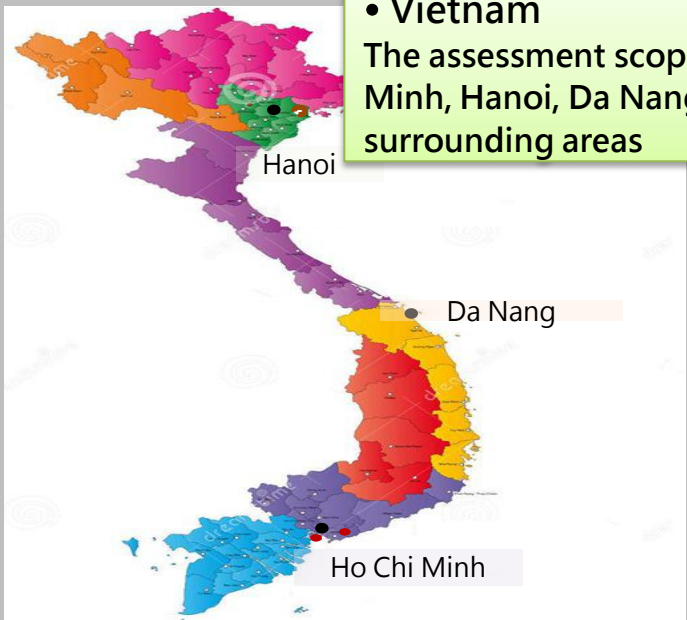


Land development business in Southeast Asia.

- 2020.02 Establish Overseas Department
- 2019.11 Vietnam subsidiary established
- 2017.02 Myanmar subsidiary established



Land development business in Southeast Asia.



• Vietnam
The assessment scope covers Ho Chi Minh, Hanoi, Da Nang and surrounding areas



• Myanmar
The assessment scope is centered on Yangon and surrounding areas



Thank You
For Your Time
and Attention
Q&A