



中華工程股份有限公司

BES Engineering Corporation

2018 Investor Conference
2018-12-28

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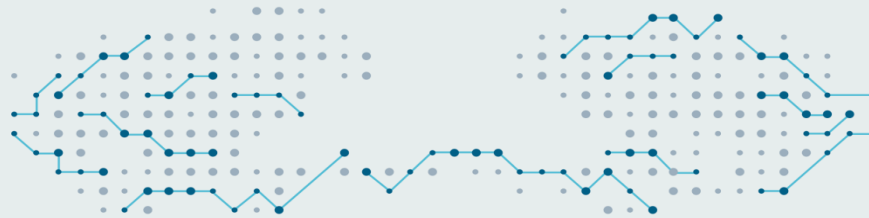
AGENDA

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

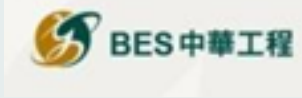
Corporation Background

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.**



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.



Transition

1995-1997

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.

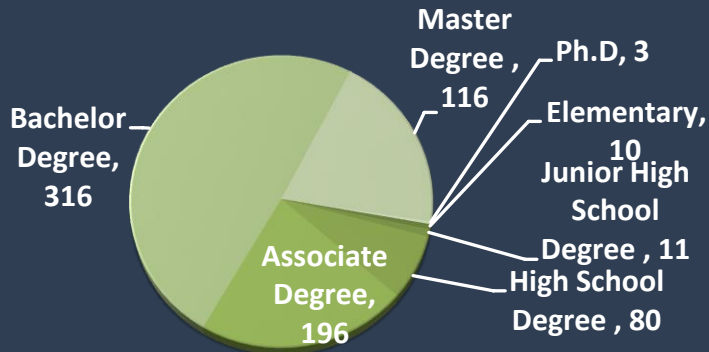
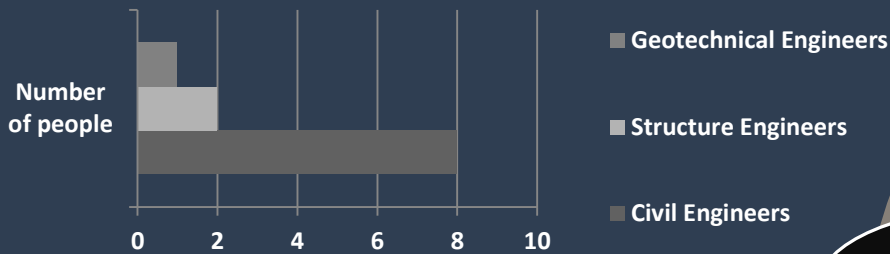


Transformation

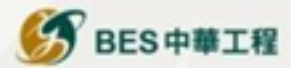
1997-NOW

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

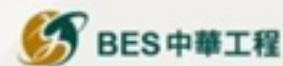


Consolidated Income Statement



	2015	2016	2017	NT\$, million 2018Q1-Q3
Sales Revenues	15,682	9,504	9,782	7,965
Gross Profit	2,073	1,033	1,147	766
Operating income	1,132	241	387	262
Total non-operating income and expenses	(587)	159	(19)	(51)
Net Profit Attributable	534	272	270	368
Total Comprehensive income Attributable	227	239	536	434
Total basic earnings per share EPS(NT)	0.34	0.17	0.17	0.24

Consolidated Balance Sheet



NT\$, million

	2015/12/31	2016/12/31	2017/12/31	2018/9/30
Current assets	27,714	29,753	28,942	30,521
Property, plant and equipment	3,346	3,538	3,436	3,448
Investment properties	902	883	877	846
Other non-current assets	5,071	4,995	4,774	4,796
Total assets	37,033	39,169	38,029	39,611
Current liabilities	11,727	14,778	13,675	14,480
Long-term borrowings	2,857	2,845	2,463	3,074
Other non-current liabilities	2,590	1,757	1,865	1,882
Total equity	17,174	19,380	18,003	19,436
Total liabilities and equity	19,859	19,789	20,026	20,175
Net worth per share	12.87	12.82	12.97	13.07

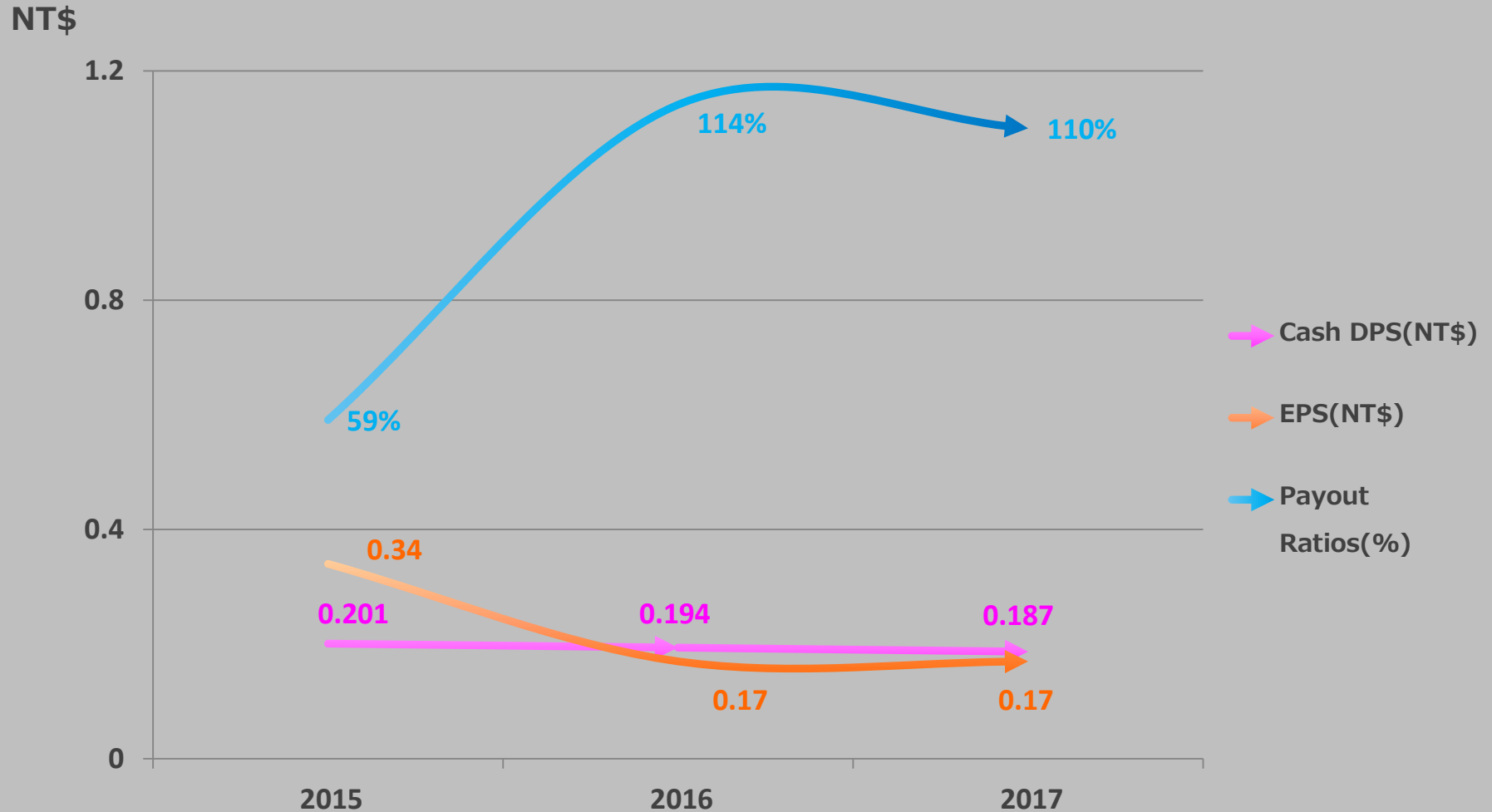
Financial ratio analysis

	2015	2016	2017	2018Q1-Q3	2015-2018Q3 Construction stock average
Debt Ratio	46.37	49.48	47.34	49.07	58.06~60.52
Current Ratio	236.33	201.34	211.65	210.78	165.47~183.30
Times Interest Earned Ratio	5.16	3.44	2.55	1.76	
Return on Equity	2.69	1.37	1.36	1.83	
Profit Rate	3.40	2.86	2.76	4.62	

Source :

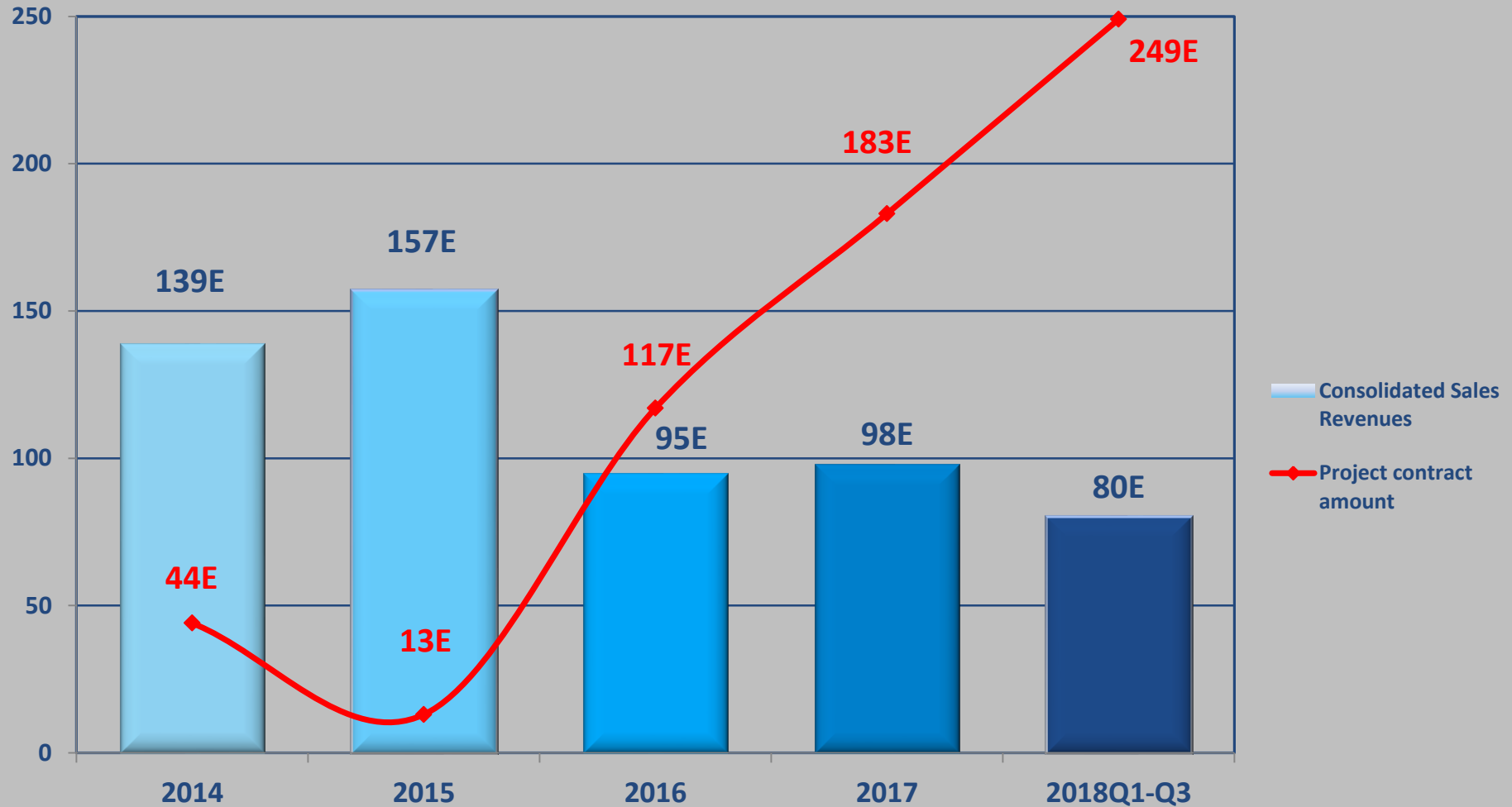


Dividend Payment



Consolidated Sales Revenues

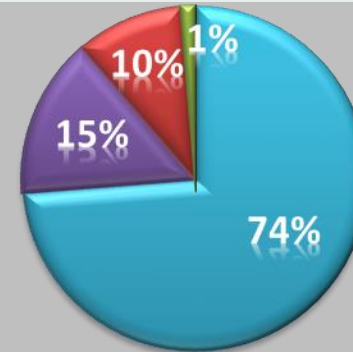
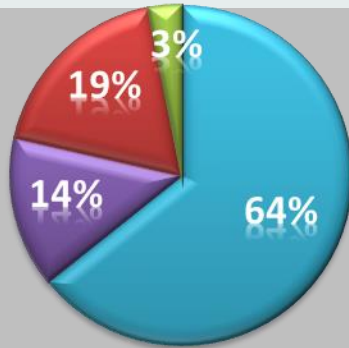
NT\$, Billion



合併營收地區分布

2017

2018Q1-Q3

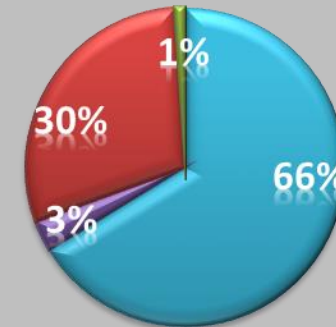
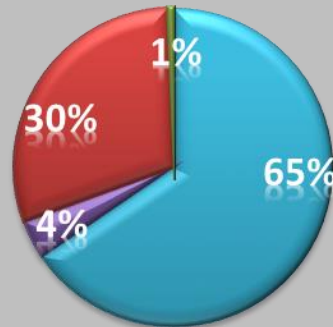
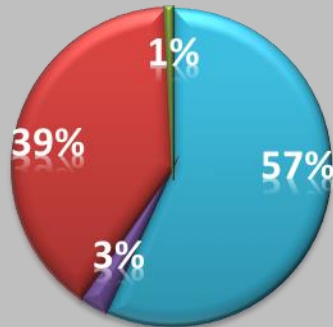


- North of Taiwan
- Centrai Taiwan
- Southern Taiwan
- China

2014

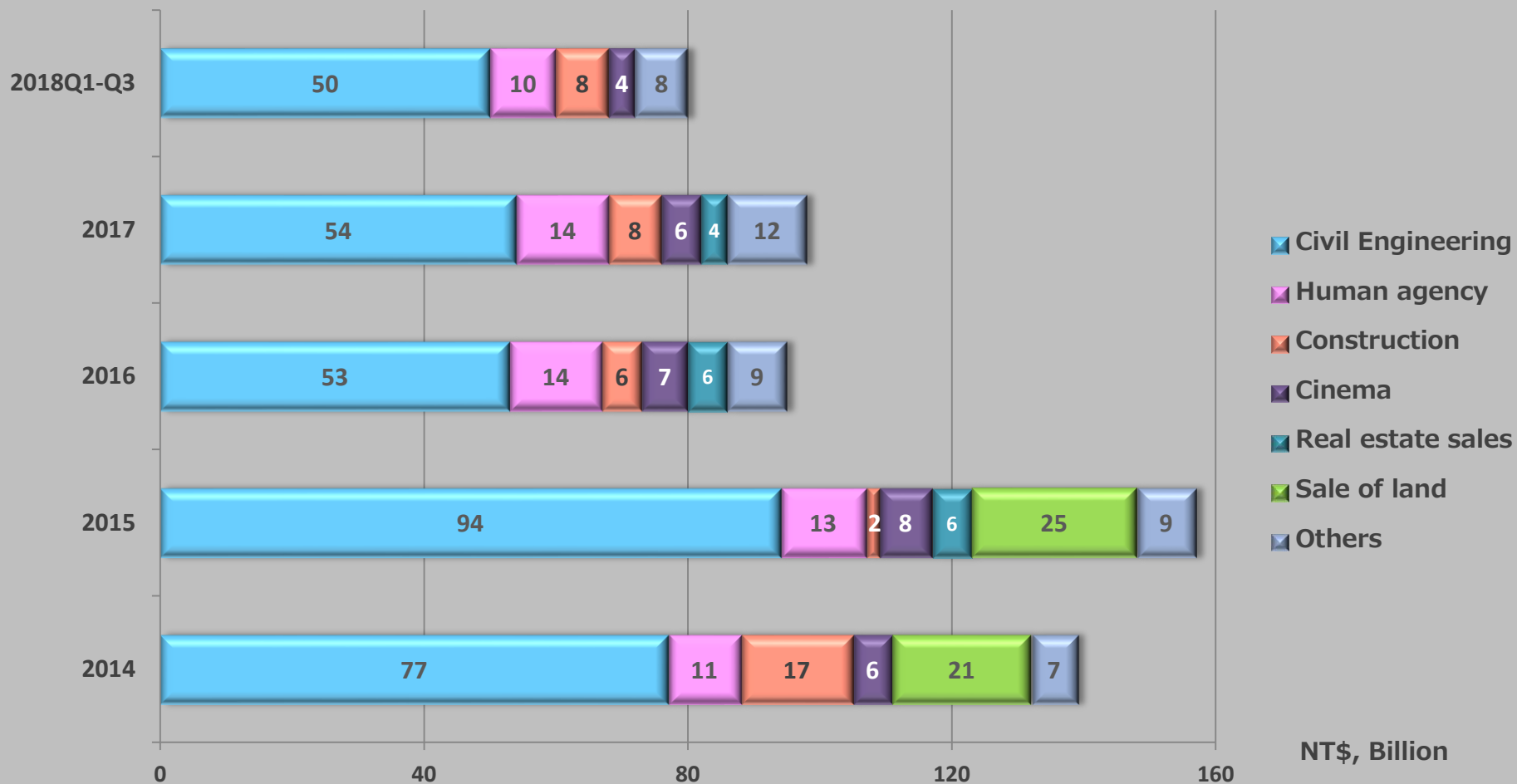
2015

2016



NT\$, Billion	2014	2015	2016	2017	2018Q1-Q3
North of Taiwan	79	103	63	63	59
Centrai Taiwan	4	6	3	14	12
Southern Taiwan	55	47	28	18	8
China	1	1	1	3	1

Consolidated Sales Revenues And Breakdown

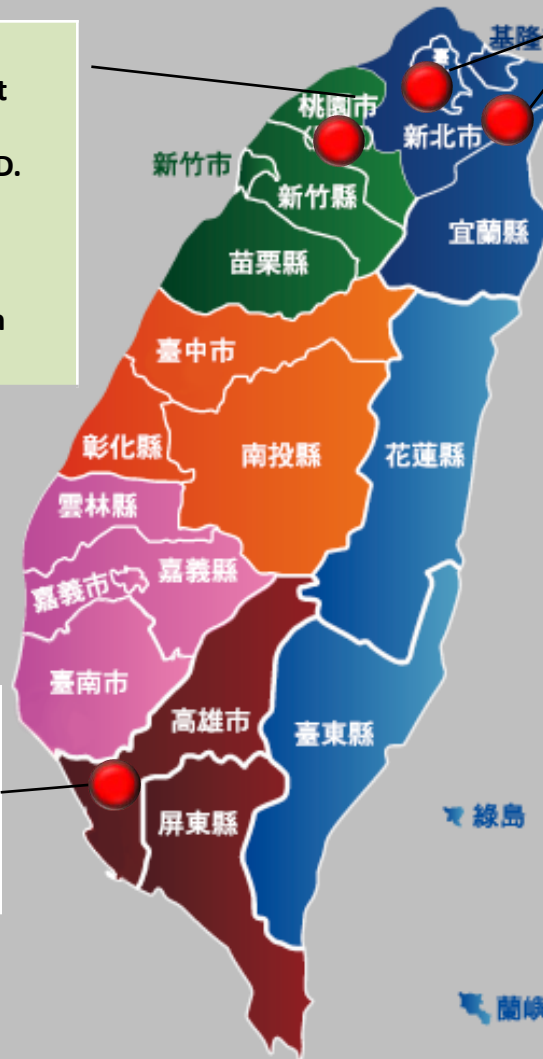


2018 New Undertakings

New Construction of No. 7, No. 8, and No.9 Pumping Machine Buildings, Inlet and Outlet Culverts, etc., Datan Power Plant, totaling 3,516,000 thousand NTD.

GM01 E & M System Turnkey Project, Taoyuan MRT Green Line, totaling 32,409,483 thousand NTD, BES portion 14,181,039 thousand NTD.

Works of Stage 1 Soil Improvement and Stage 2 Driven Pile, Liquid Ammonia and Phenol Storage and Transportation Project, Kaohsiung Intercontinental Phase II Terminal, CPDC, totaling 162,745 thousand NTD.



New Construction of Health Building Project, totaling 2,038,000 thousand NTD.

Public Housing Turnkey Project, Riverside High School Base, Neihu District, Taipei City, totaling 2,647,441 thousand NTD, BES portion 2,460,938 thousand NTD.

New Construction of Dingpu Technology Building (Building A), Hua Nan Financial Holdings, totaling 1,004,900 thousand NTD.

New Construction of Information Building – Civil and Building General Contractor, Hua Nan Bank, totaling 640,000 thousand NTD.

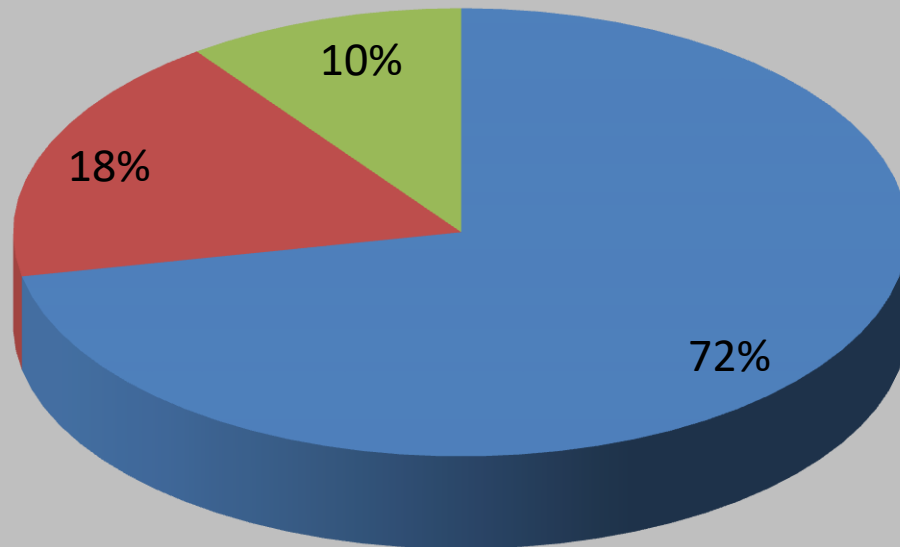
New Construction of Main Building of Commercial Zone, Yulon City, Phase I, totaling 856,800 thousand NTD.

Total Undertakings of 2018 Fiscal Year 24,860,422 thousand NTD

2018 New Undertakings

Unit: NT\$,Thousands

Pie Chart of Civil/ Building Undertaking Amounts



- Civil Construction – 17,859,784 thousand NTD
- Building Construction (Public Sector) 4,498,938 thousand NTD
- Building Construction (Public Sector) 4,498,938 thousand NTD

Total Undertakings of 2018 Fiscal Year 24,860,422 thousand NTD

2018 New Undertakings

Seq. No.	1	2	3
Client	National Taiwan University Hospital	Department of Rapid Transit Systems, Taoyuan	Taipei City Government
Project Name	New Construction of Health Building Project	GM01 E & M System Turnkey Project, Taoyuan MRT Green Line	Public Housing Turnkey Project, Riverside High School Base, Neihu District, Taipei City
Contract	NTD\$2,038,000 thousand (including tax)	NTD\$14,181,039.308 thousand (including tax)	NTD\$2,460,938 thousand (including tax)
	 	 	 

2018 New Undertakings

Seq. No.	4	5	6
Client	Department of Nuclear and Fossil Power Projects – North Construction Office	China Petrochemical Development Corporation	Hua Nan Bank, Hua Nan Assets Management
Project Name	New Construction of No. 7, No. 8, and No.9 Pumping Machine Buildings, Inlet and Outlet Culverts, etc., Datan Power Plant	Works of Stage 1 Soil Improvement and Stage 2 Driven Pile, Liquid Ammonia and Phenol Storage and Transportation Project, Kaohsiung Intercontinental Phase II Terminal, CPDC	New Construction of Dingpu Technology Building (Building A), Hua Nan Financial Holdings
Contract	NTD\$3,516,000 thousand (including tax)	NTD\$162,745 thousand (including tax)	NTD\$1,644,900 thousand (including tax)
			

2018 New Undertakings

項次	7
業主	Yulon Motor Co., Ltd.
案件名	New Construction of Main Building of Commercial Zone, Yulon City, Phase I
承攬金額	NTD\$856,800 thousand (including tax)



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 B1 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



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 2018



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



TAO ZHU YIN YUAN 陶朱隱園

SPECIFICATIONS

Location Address	Taipei Taiwan, Xinyi district (CBD)
Total Floor Area	No.66 & 68 Song Gao Road
Floor	8,160 m ²
Households	21 floors and 4 floors basement 40 Units, each at approximately
Parking space	1,000 m ² (300 pins)
Structure	210 SS Steel Structure & Earthquake Protection System

2018.July
Building Occupation
Permit

2018.Dec.
Reception center

2019 Q2
Show Room

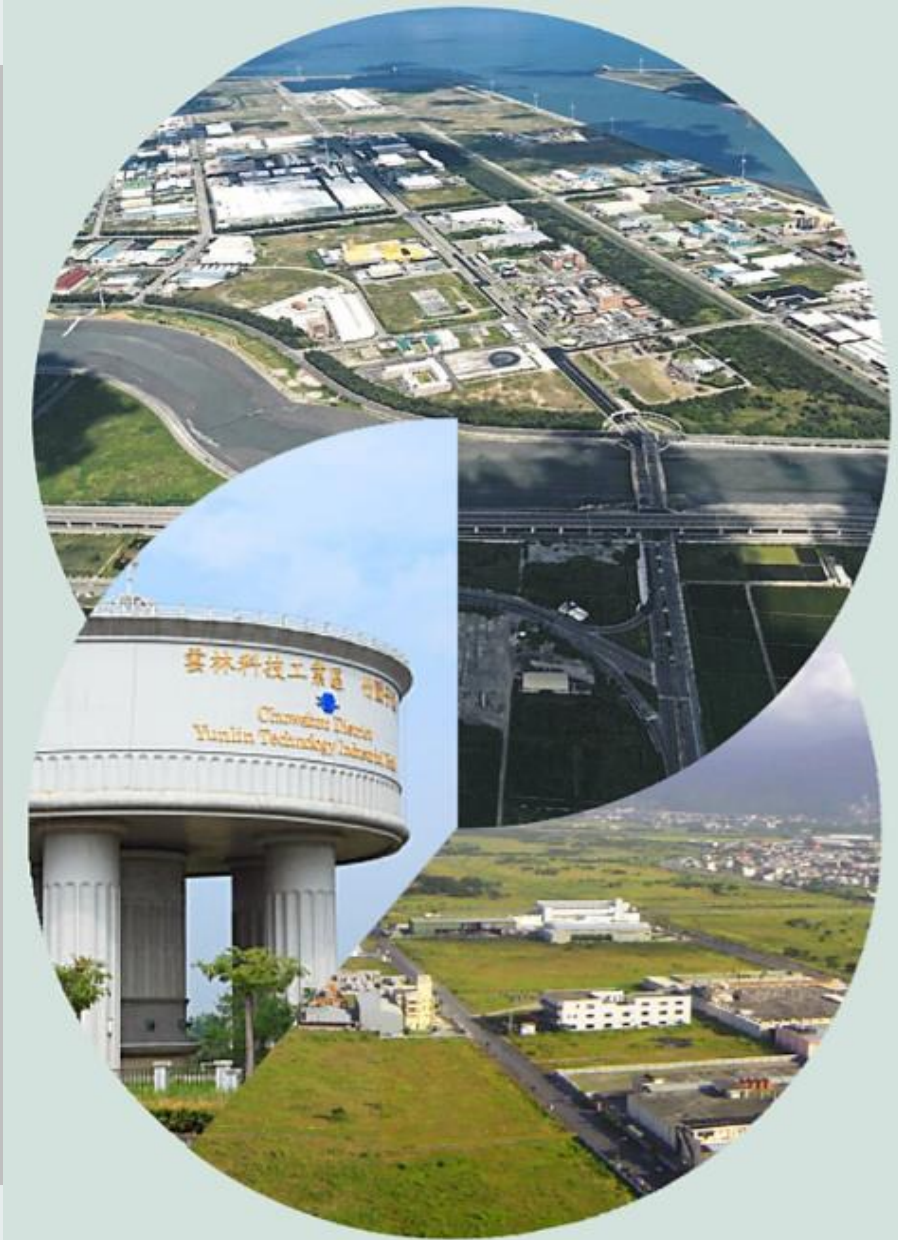
2019 Q3
Public Area





《GLORY》 Bring Taiwan to the World

- **2018 The Winner of the German Design Award in the category Architecture**
- **2017 Sustainable Cities and Human Settlements Awards**
- **2017 iF DESIGN AWARD**
- **CNN ranks as the 2016 world's landmark -- global unique residential case**
- 2016 Five Stars Best Residential High-rise Architecture in Taiwan, Asia Pacific 2016 Awards in International Property Awards, UK.
- 2015 CTBUH Innovation Award for Architecture
- 2014 Singapore WAF Future Architecture Prize
- 2012 US LEED Gold green building



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 2018, 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	2,014	3,40	598
Total	37	8,656	6,451	6,385	1,248

■ Achievement of development

■ 1980~2015 Industrial parks under developing

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

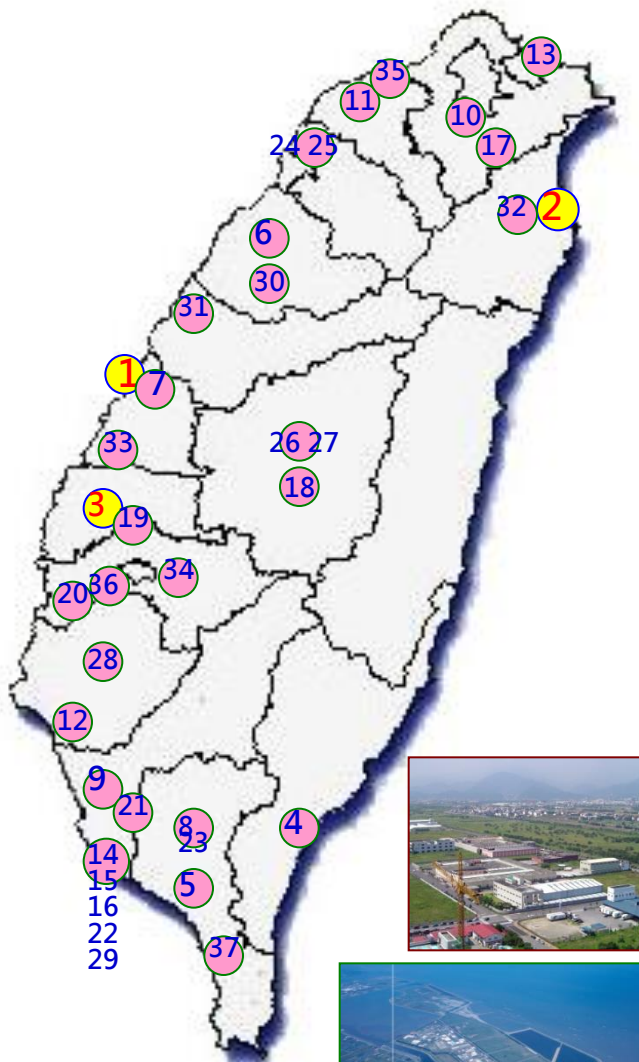
■ 1980~1990 Industrial parks developed

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

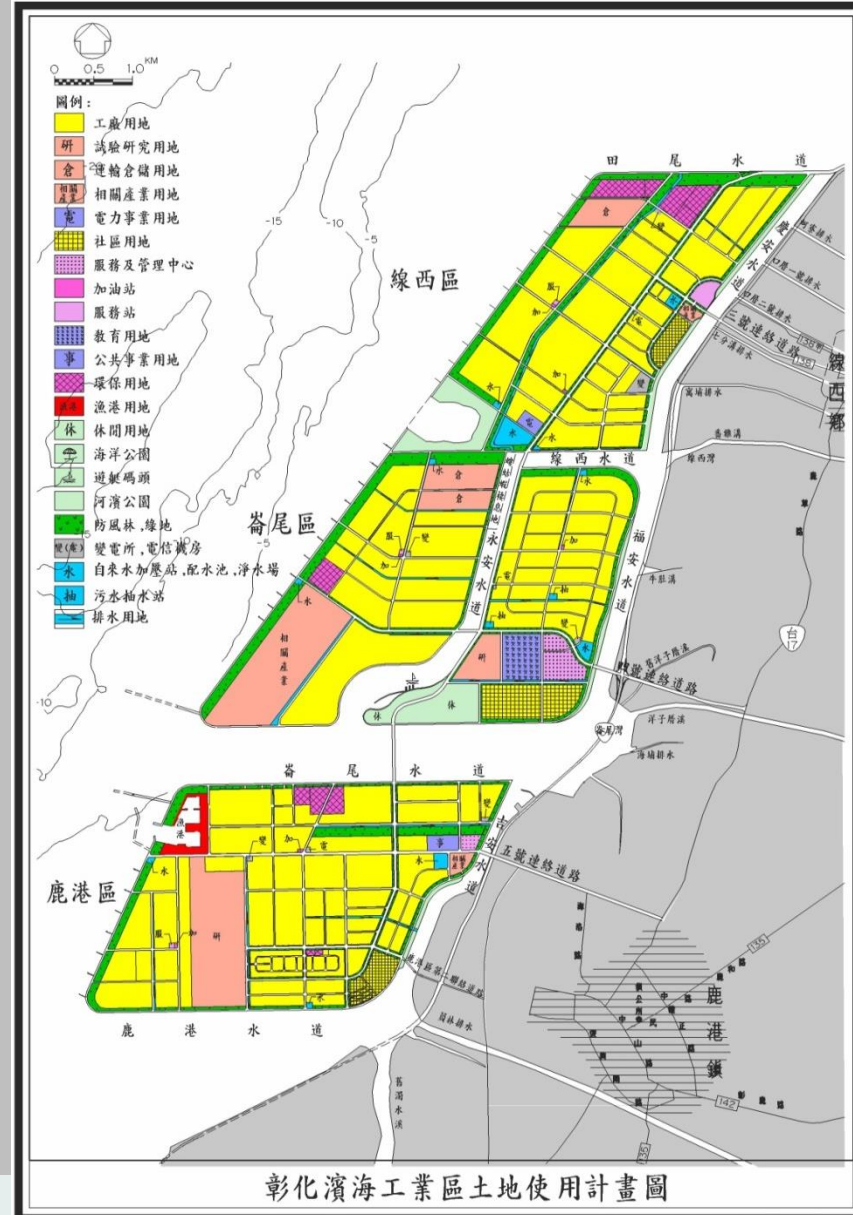
9. Ren-Wu 21hec.
10. Shu-Lin 22hec.
11. Tao-Yuan You-Shi 65hec.
12. An-Ping 198hec.
13. Da-Wu-Lun 30hec.
14. Kaohsiung Coastal 1177hec.
15. Kaohsiung Coastal Small & Medium-sized Enterprises 19hec.
16. Kaohsiung Coastal Industrial Square 15hec.
17. Tu-Cheng 107hec.
18. Zhu-Shan 23hec.
19. Yuan-Zhang 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	Beach land with border dike, embankment completed, need to make the filling and implement public facilities
B	Western Hsienhsi District #3	105	Beach land without border dike, need to construct seawalls, reclamation, and public facilities
C	Eastern Lunwei District	253	Beach land without border dike (not publicly announced yet), renewable energy dedicated zone (solar power is preferred)
Total		422	Beach land with/without border dike



Label	Zone	Area (Hectares)	Description of status quo
D	Western Lunwei District #1	299	Land reclamation completed, need to implement public facilities
E	Western Lunwei District #2	160	Land reclamation completed, need to implement public facilities
1	Industrial land, Western Lunwei District #1	27 (20)	Land for sale and rental, 20 hectares sold or rented. Land reclamation completed, public facilities under construction, scheduled to be completed on Jun. 2019.
2	Dedicated zone for metal industry, Western Lunwei District #1	54	Land reclamation completed, need to implement public facilities. Schedule to publicly re-announce on Dec. 2018, dividing into phases and zones, the first phase of 5 hectares (24 lots).
3	Industrial land, Western Lunwei District #1 (offshore wind power booster station)	11 (11)	Land reclamation completed, 4 lots of land totaling 11 hectares rented, need to implement public facilities, scheduled to be completed on Sept. 2020
Total		541	Land reclamation completed, need to implement public facilities.

Public Construction

In 2019, following the review results of the Preliminary Process and Screening for Major Public Construction Programs, the central official budget has been ratified nearly 140.8 billion NTD, plus the special budgets for forward-looking and water control are 86.2 billion NTD and 8.8 billion NTD respectively, a total of nearly 235.8 billion NTD. If plus the provincial road improvement plan, which is about to be reviewed, the budget is expected to hit an eight-year high. 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 real product of "Tao Zhu Yin Yuan", the carbon-absorbed vertical forest art residence, will be completed in the second quarter of 2019, with the public facilities completed in the third quarter of 2019.

The Minsheng Community, Phase II, will continue to be built in 2019. BES will acquire the ratification letter of the Right Transfer of Urban Renewal for Phase III and carry out the demolition work in 2019.

BES will complete the investment plan review for the development project of urban renewal on the owned land in the Tucheng Industrial Park in 2019 and acquire the ratification letter of urban renewal and construction permit to build a new AI factory building in New Taipei City.



Industrial Park Development

- 2018 focus on Changhua Coastal Park
- Lunwei west 1 district phase 1 land (available 27 ha / sold 20 ha), infrastructure construct to 2019.6
- Lunwei west 1 district land for Offshore Wind power substation (available 11 ha / sold 11 ha), infrastructure construct to 2020.9
- Heinshi west 3 district land, infrastructure construct to 2019.6
- Lunwei East district 347 ha for Solar Renewable energy zone, to build biggest capacity solar power MW zone in Taiwan.
- Lunwei west Plating industrial land re-announce on 2018.12.17, first phase 5 ha (24 parcels)



THANK YOU
Q&A