



**Investor Conference**

**L&K**

**Group**



# Disclaimer

The content of the above Report contains forward-looking statements for the Company and its subsidiaries and its affiliates based on information available at the time the statements were made. Although the Company may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, such statements may be affected by known and unknown risks and inherent uncertainties, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

The presentation is run exclusively for the purpose of disclosing and not for the purpose of soliciting investments or recommending the buying or selling of specific shares or products. In no way does the Company assume any responsibility for any investment or other decisions made based upon the information provided on the statements and the accuracy or completeness of the information. Except as required by law, the Company undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

# Agenda

**01 L&K Introduction**

**02 Operational Summary**

**03 Strategy and Prospect**

**04 Financial Summary**

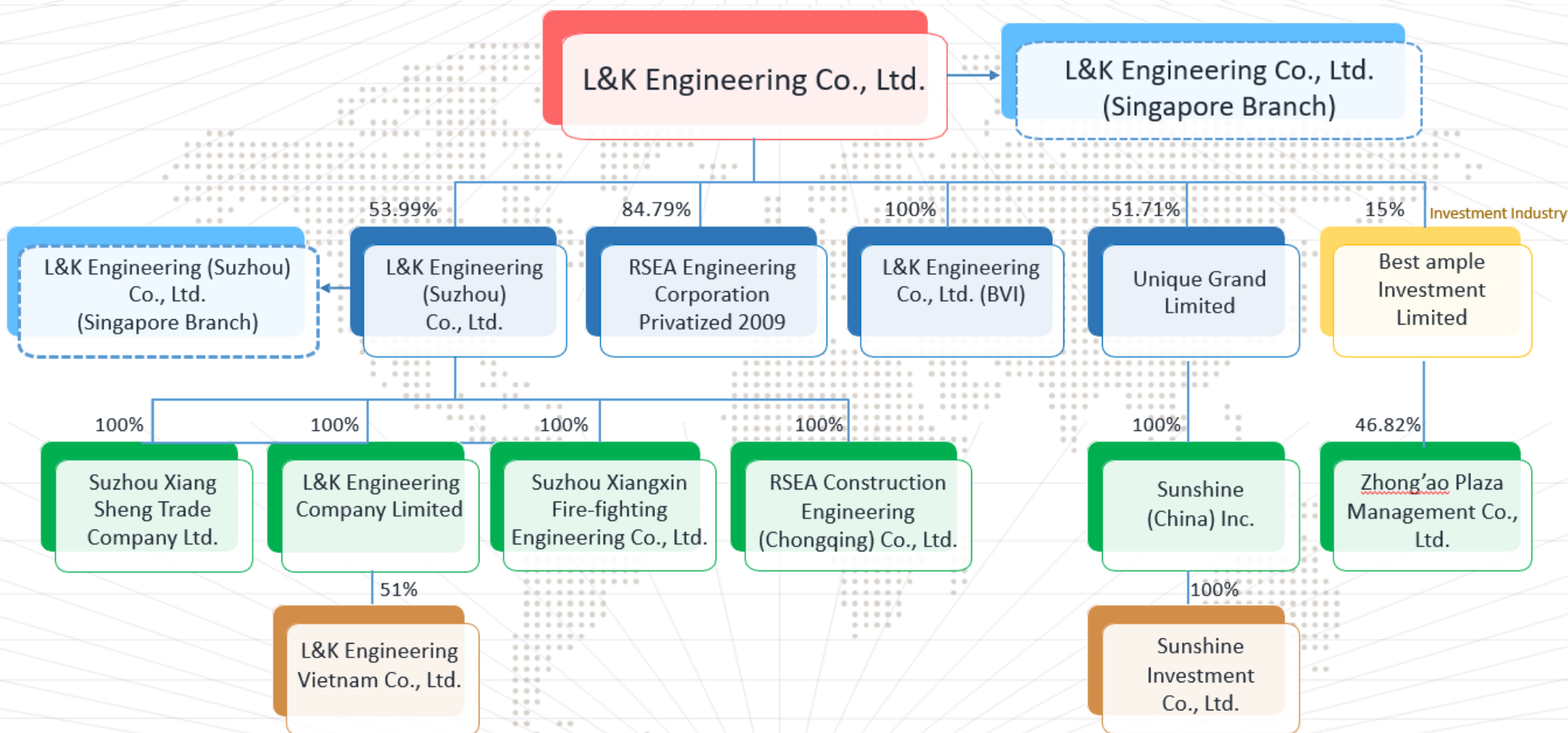
# L&K Introduction

Innovation. Leadership. Professionalism. Waste Reduction. Responsibility

**In the past, we got a foothold in Taiwan.  
Nowadays, we strive to expand our business in China.  
Future, we expect to service the whole Asia.**

# Company Overview

Company	L&K Engineering Co., Ltd.	RSEA Engineering Corporation Privatized 2009	L&K Engineering (Suzhou) Co., Ltd.	Sunshine (China) Inc.
Profile	<ul style="list-style-type: none"> <li>Founded by Yao Chu Shiang (Kenneth Yao) in 1978</li> <li>Listed on Taiwan Stock Exchange in 2003, Stock Code 6139</li> </ul>	<ul style="list-style-type: none"> <li>Founded by Veterans Affairs Council, R.O.C in 1956.</li> <li>Joint-venturing with L&amp;K Engineering Co., Ltd. in Nov. 2009</li> </ul>	<ul style="list-style-type: none"> <li>Founded by Yao Chu Shiang (Kenneth Yao) in 2002</li> <li>Listed on Shanghai Stock Exchange in 2016, Stock Code 603929</li> </ul>	<ul style="list-style-type: none"> <li>Reinvested through Unique Grand Limited by L&amp;K Taiwan in 2010</li> <li>Practice Group's Diversified Business Operation Model in the 21 Century</li> <li>Ecological Town Development(At Present, it has Become the Core Area of TIANFU AG EXPO PARK in Sichuan Province)</li> </ul>
Capital	NT\$ 3.5 Billion (Paid-in Capital is NT\$ 2.325 Billion)	NT\$ 10 Billion (Paid-in Capital is NT\$ 5 Billion)	CNY \$ 213.36 Million	<ul style="list-style-type: none"> <li>Total investment : US\$150 Million</li> <li>Registered capital : US\$99.8 Million</li> </ul>
Service Scope	<ul style="list-style-type: none"> <li>EPC Turnkey (Design, Procurement, Construction)</li> <li>Clean Room Construction and MEP Project</li> </ul>	<ul style="list-style-type: none"> <li>A Class Comprehensive Construction Enterprises</li> <li>Construction Management</li> </ul>	<ul style="list-style-type: none"> <li>EPC Turnkey</li> <li>MEP Installation lass 1</li> </ul>	<ul style="list-style-type: none"> <li>Land Readjustment &amp; Comprehensive Urban Development</li> <li>Construction of Supporting Facilities for Agricultural Leisure Industry</li> <li>Construction and Operation of Agricultural Industry Incubation Park</li> <li>Development and Construction of Sustainable Living Parks</li> </ul>
Employee	505 Employees (as of May 2024)	3,315 Employees (as of May 2024)	796 Employees (as of May 2024)	12 Employees (as of May 2024)
Phone Number	+886-2-2691 9099	+886-2-8691 7366	+86-512-6702 7000	+86-028-6777 8813
Website	<a href="http://www.lkeng.com.tw">http://www.lkeng.com.tw</a>	<a href="http://www.rseaec.com.tw">http://www.rseaec.com.tw</a>	<a href="http://www.lkeng.com.cn">http://www.lkeng.com.cn</a>	



➤ 2024 Engineering Company's Revenues Survey of Common Wealth Magazine-L&K ranked 3<sup>rd</sup> place in 2023.



# Location of Subsidiaries and Branches



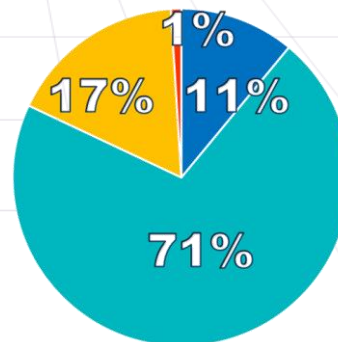
Group Employee

4628

Taiwan	3,794
China	754
Vietnam	37
Singapore	43



## Employees

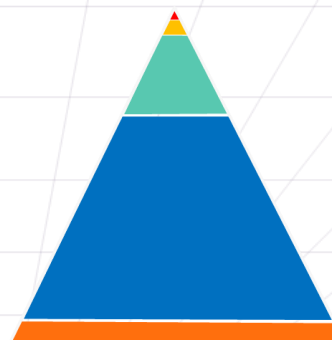


	%	Employees
L&K	11%	505
RSEA	71%	3,315
- Domestic Employee	(15%)	(721)
- Foreign Workers	(56%)	(2594)
L&K (Suzhou)	17%	796
Sunshine (China)	1%	12
Total		4,628

## Skill Profile

Design	250	5%
Project	1,188	26%
Technician	2,847	62%
Others	343	7%

## Education



	%	Employees
Doctor' s Degree	0.2%	7
Master' s Degree	3.7%	171
Bachelor' s Degree	24.2%	1,119
Associate Degree	66.3%	3,071
Senior High School and Under	5.6%	260



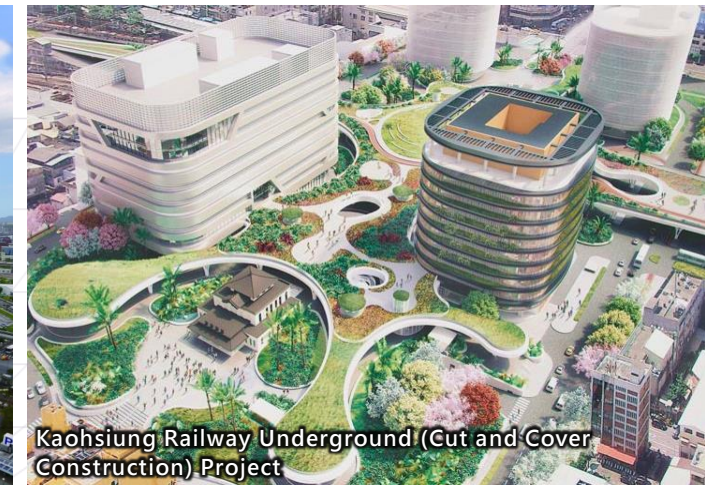
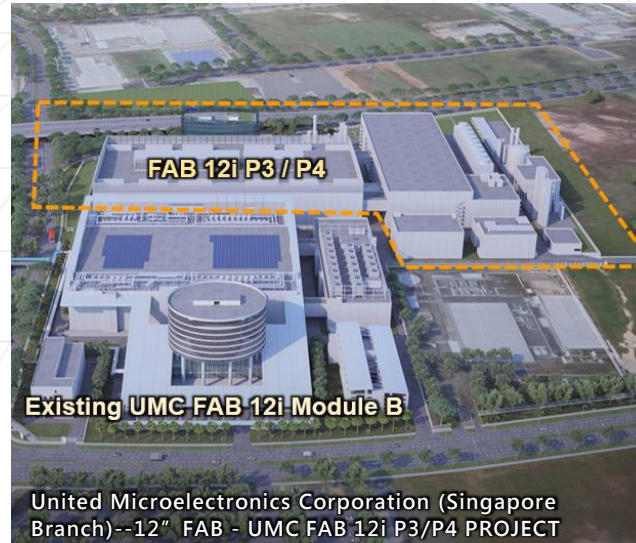
# 1 Scope of Marketing Industries



With More Than 45 Years Engineering Experiences,  
L&K has Progressively Expanded Our Scope of Services .



# The Strategy and Achievement of L&K Group Service





# 1 Sustainable Governance

## Sustainable Business Strategy

Respecting stakeholder rights and addressing important corporate social responsibility issues through appropriate communication and stakeholder engagement methods.

Implementing Corporate Governance

We consider the impact of our operations on ecological efficiency and promote the concept of sustainable consumption. In our operational activities, such as design, procurement, construction, operations, and services, we aim to reduce the environmental and human impact of our business operations.

Developing Sustainable Environments

In compliance with relevant regulations and corporate governance best practices for listed and OTC companies, we strive to provide transparent and relevant sustainable development information to enhance information transparency. We achieve this through the publication of sustainability reports, which detail our progress in promoting sustainable development.

Strengthening Sustainable Development Information Disclosure

Enhancing Social Welfare

We adhere to relevant labor regulations, safeguard employees' legal rights, and respect internationally recognized fundamental labor principles. In addition to providing a safe and healthy working environment for employees, we are committed to reducing factors that could harm employee safety and health, preventing occupational accidents, and providing appropriate career development and training programs for employees.

## Achievements

**afnor**  
GROUPE

The 2023 Sustainability Report has been Verified by a third party (AFNOR Asia Ltd.)



Taipei Performing Arts Center- Taiwan Residential Architecture Award (The Honorable Mention Award)

第23屆 公共工程 金質獎  
**獎狀**

Kaohsiung Station- the 23rd Public Construction Golden Quality Award (the Excellence Award)



Metro Taipei (Wanda-Zhonghe-Shulin Line)- Construction Site EHS Competition by Department of Rapid Transit Systems (The High Distinction Award)



St. John's University- International Industrial Talents Education Program- Indonesia's New Program- Dual Degree Programs (2+2) Guaranteed Employment after Graduation



Certificate from National Yang Ming Chiao Tung University- Department of Civil Engineering



Certificate-Industrial Practical Talents Program



1111 Job Bank- 2023 Happy Enterprise (Silver Award)



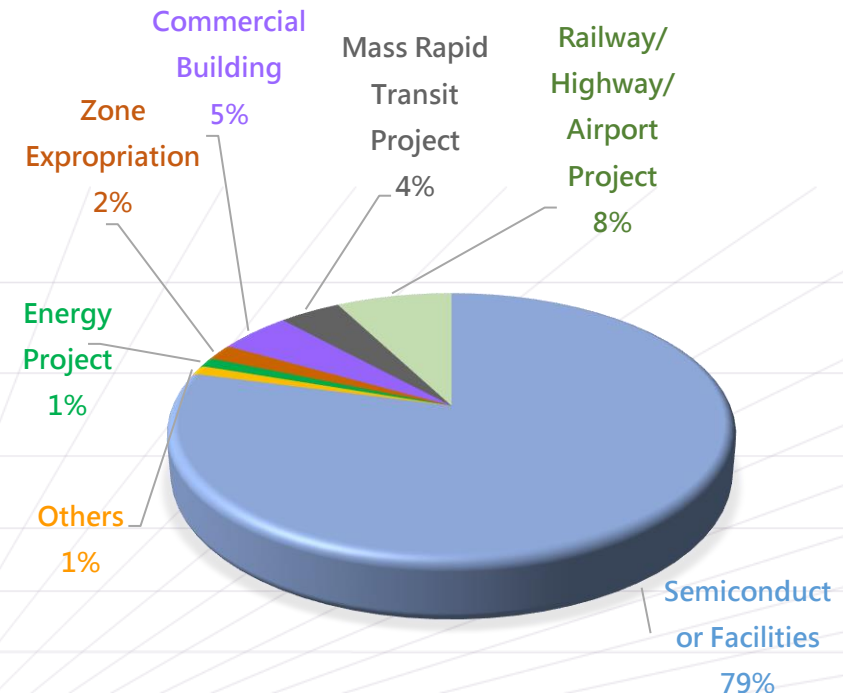
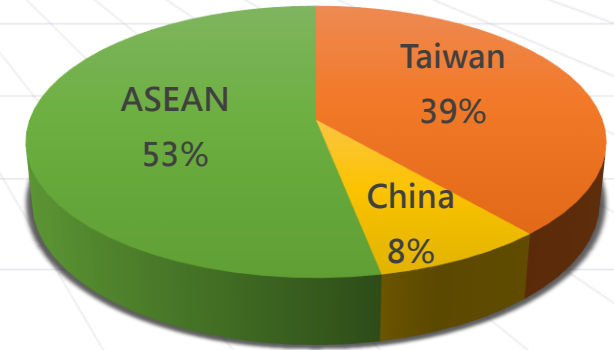
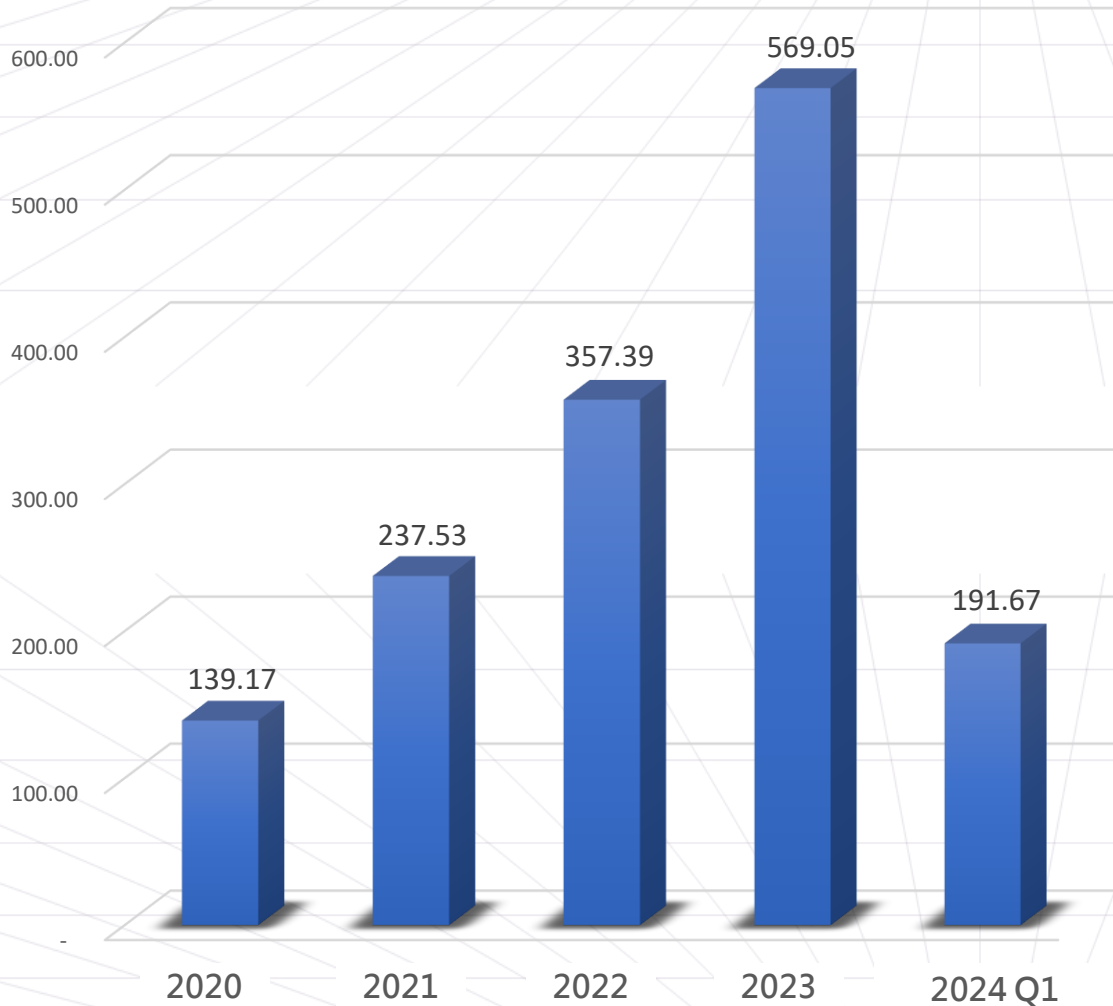
# Operational Summary

Design 、 Procurement 、 Construction 、 Performing 、 After-sales Service ...

# Consolidated Revenue and Distribution

NT \$100 Million

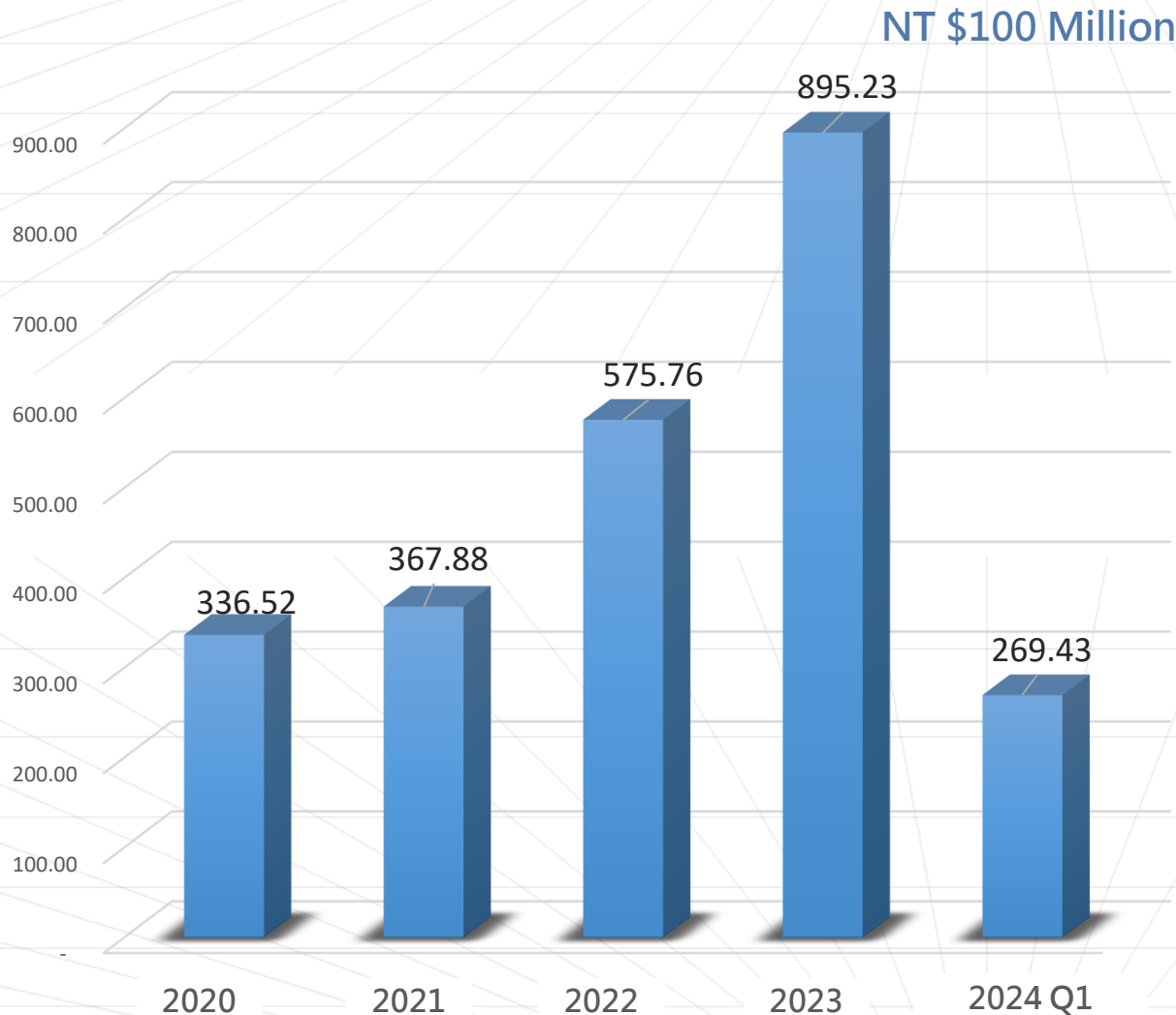
2024 Q1



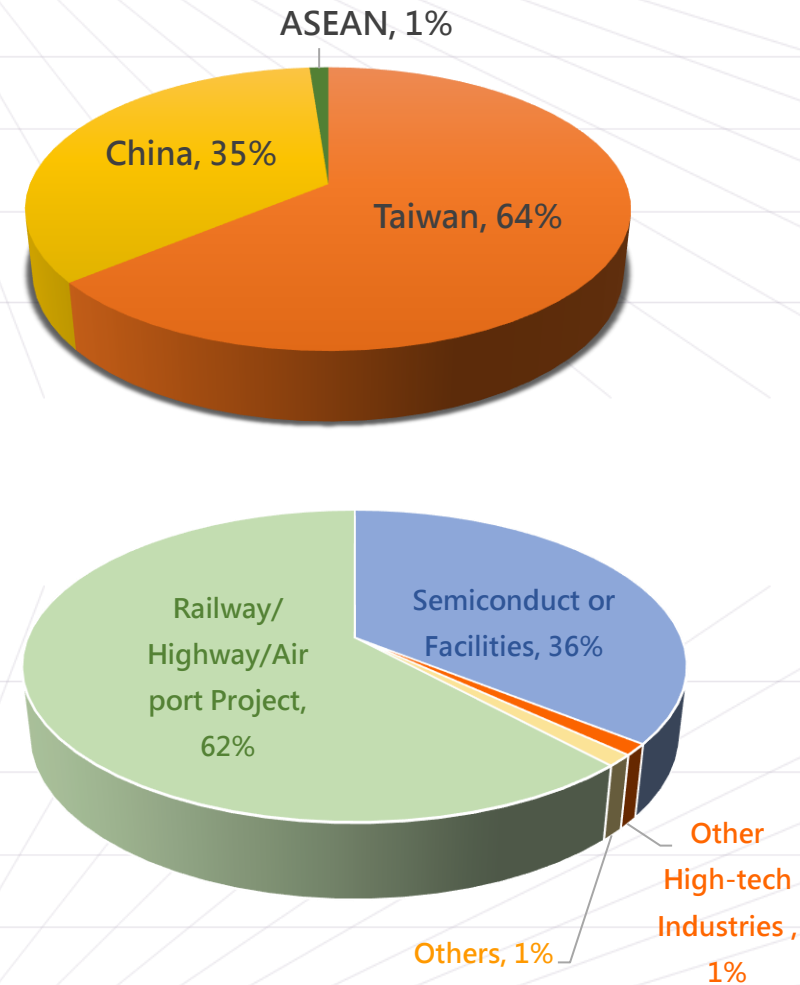
Data source :

Audited and certified report and Independent Auditors' Review  
Report by a certified public accountant.

# Annual Contract Amount and Distribution

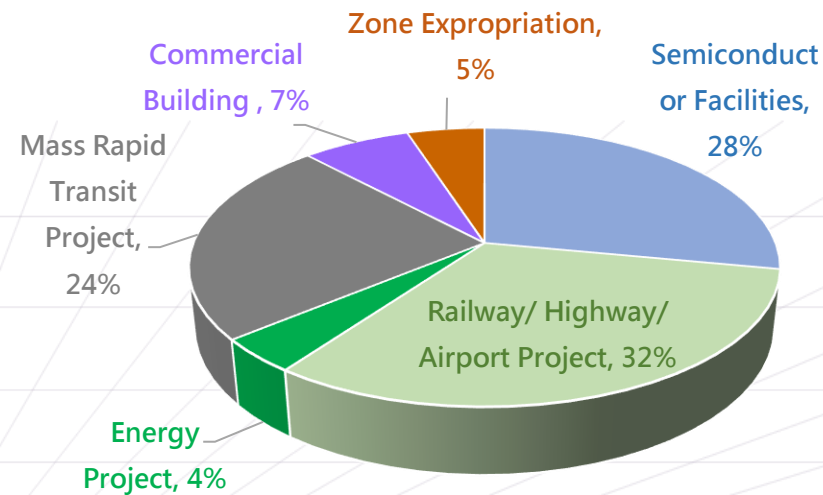
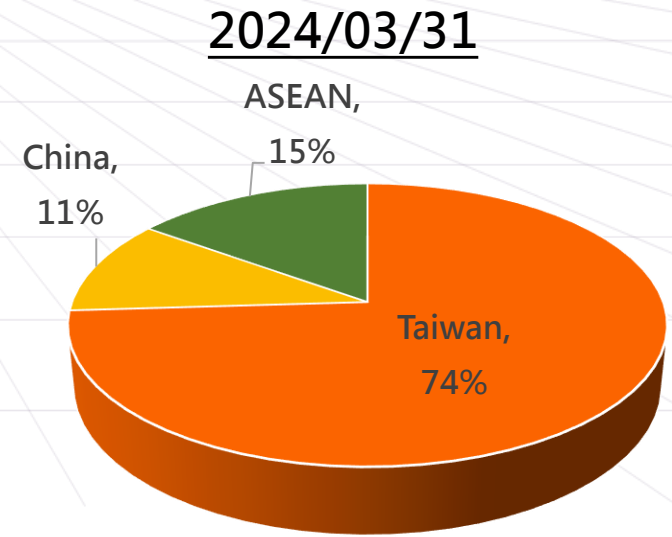
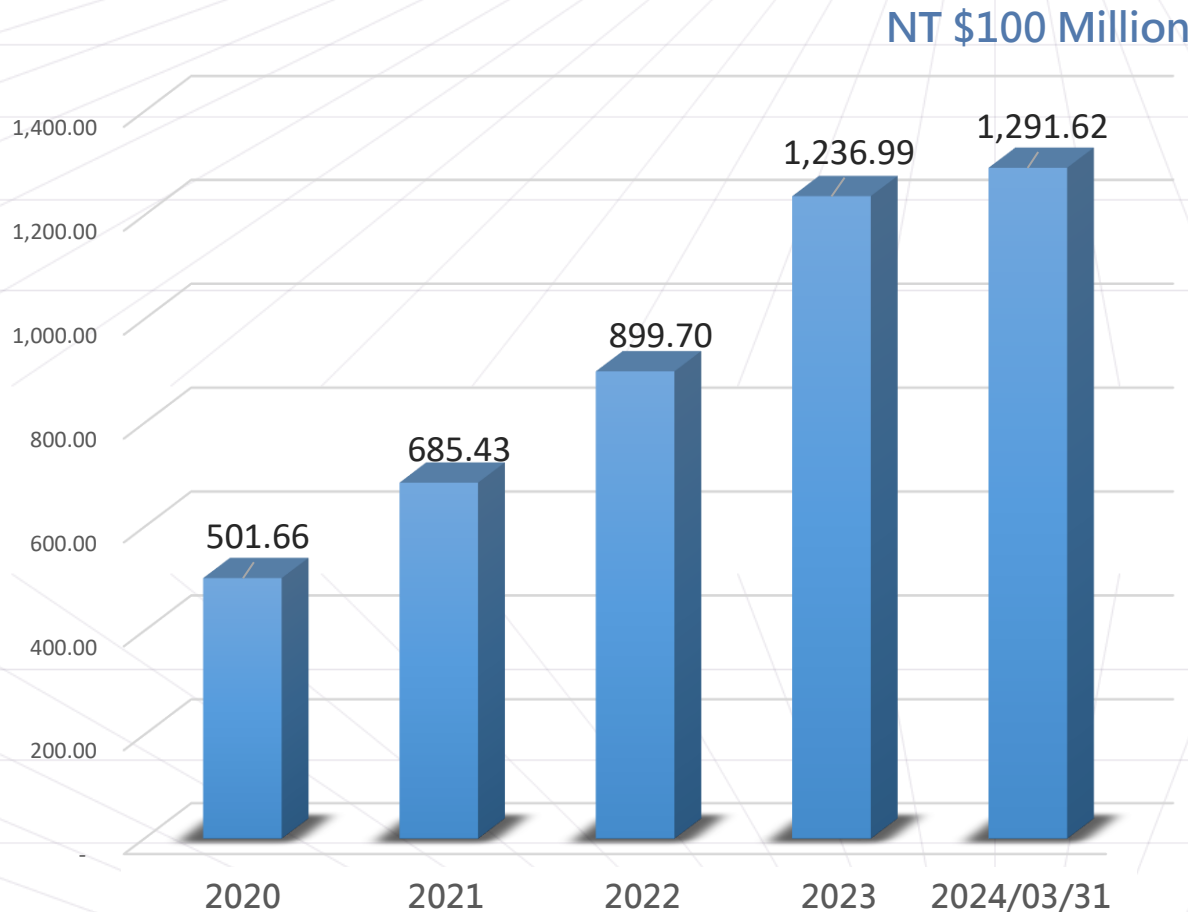


## 2024 Q1





# The Balance of Unfinished Orders on Hand and Distribution



Data source :

Audited and certified report and Independent Auditors' Review Report by a certified public accountant.

# 2 Major On-going Project –Taiwan

Client	Project
<b>1.Mass Rapid Transit Project</b>	
Department of Rapid Transit Systems, New Taipei City	San-Ying Line MRT Project (D&B)
South District Project Office, Department of Rapid Transit Systems, Taipei City Government	Wanda-Zhonghe-Shulin Line Project Phase 1 Contract No.CQ850
Kaohsiung Mass Rapid Transit	Kaohsiung MRT Metropolitan Xiaogang-Linyuan Line RLC01 Civil Engineering Project
<b>2.Railway/ Highway/Airport Project</b>	
Northern Region Engineering Branch Office · Railway Bureau · MOTC	TRA Rapid Transit Systematize in Metropolitan Area and Taoyuan Underground Railway Construction Project – LOT CJ16 Chung Yuan Station Section Underground Engineering
Eastern Region Engineering Branch Office · Railway Bureau · MOTC	Railway Dual-track Electrification Plan in Hualien and Taitung Area, Construction Works of Civil from Guanshan to Shanli, Lot CB05
Southern Region Engineering Branch Office · Railway Bureau · MOTC	AACL212 Kaohsiung Railway Underground (Cut and Cover Construction) Project
Southern Region Engineering Branch Office · Railway Bureau · MOTC	Kaohsiung Station Canopy (Roof Truss) Project
Construction office New Taipei City Government	Construction of Dan Bei Rd.
Taoyuan International Airport Corporation Ltd.	Civil and Architecture Construction Tender for Terminal Building, Taiwan Taoyuan International Airport Terminal 3 Area
<b>3. Energy Project</b>	
Taiwan Power Company	Coal Storage Silo System (D&B) Project, Talin Power Plant Renewal Program
CPC Corporation, Taiwan	Engineering, Procurement, Construction Project of the Terminal Facilities and Piping System for Taichung LNG Plant

# 2 Major On-going Project –Taiwan

Client	Project
<b>4. Zone Expropriation</b>	
Land Administration Department, New Taipei City Government	Contract 1-1, Xin-Tai Yuzizhen Area Urban Land Readjustment and Development Project, New Taipei City
Land Administration Department, New Taipei City Government	Contract 1-2, Xin-Tai Yuzizhen Area Urban Land Readjustment and Development Project, New Taipei City
<b>5. Commercial Building</b>	
New Construction Office, Public Works Department, Taipei City Government	General Building and Underground Parking Lot Project ,Taipei Jingmei Girls High School
Taiwan Life Insurance Co., Ltd.	Taiwan Life C3 Project(Main Contractor Project Of Taipei City Nangang District Jingmao Section Land serial no.15 Superficies)
Taiwan Obayashi Corporation, Farglory Construction, Obayashi Corporation Taiwan Branch Joint Venture	Taipei Dome Complex-Large Indoor Stadium Project - Mechanical & Electrical Construction
<b>6. High-Tech Plants</b>	
Taiwan Semiconductor Manufacturing Co., Ltd.	tsmc F22 P1/P2 Underground Piping Package (Kaohsiung)
Taichung Photronics Photomask Co., Ltd.	Taichung Photronics Photomask FAB Expansion Project
Taiwan Apple LLC, Taiwan Branch	LY3 L30/L40 Cleanroom Phase 1 Expansion Project
United Microelectronics Corp.	UMC FAB 8F Clean Room Expansion and Utility MEP project
Powerchip Semiconductor Manufacturing Corporation	PSMC P5 –Clean Room Construction Project Phase I (25K)
Nan Ya Printed Circuit Board Corporation	Shulin Plant I -Clean Room System (Phase II)



Client	Project
<b>1. Wafer Industry</b>	
Fujian Jinhua Integrated Circuit Co., Ltd.	Hook UP ( Power 、 PV 、 Drain 、 Exhaust 、 Interior 、 PCW&LSW 、 UPW&ROR 、 Natural Gas ) / P1 ELEC and HVAC Expansion (HVAC Package A)
Leading Semiconductor Technology (Shenzhen) Co., Ltd.	SL01 Phase II MEP project
SMIC Jingcheng Integrated Circuit Manufacturing (Beijing) Co., Ltd	2023 BJ Fab3 P1 Electrical System Expansion
ChangXin Memory Technologies, Inc.	FAB A2B Clean Room Project
<b>2. Overseas</b>	
United Microelectronics Corporation (Singapore Branch)	UMC FAB 12i P3/P4 EPC Project
Sunrex Technology Co., Ltd.	Design & Construction-Main Building, Structure and MEP Project

# Strategy and Prospect

## ➤ Mass Rapid Transit Project

- Taipei Metro-North and East Section of the Circular Line
- Kaohsiung MRT Metropolitan Xiaogang-Linyuan Line RLC02 Civil Engineering Project
- Extend Taoyuan MRT Green Line to Zhongli
- Extend MRT San-Ying Line to Taoyuan Bade Section
- Taipei Metro- Xizhi –Donghu Line Turnkey Project

## ➤ Railway/ Highway/Airport Project

- Taoyuan Metropolitan Area Railway Underground Plan

## ➤ Energy & Water Resources, Environment

- The Construction Plan of Indoor Drystorage Facilities for the Spent Nuclear Fuel of Nuclear Power Plant.
- The Renovation Project of Facilities for Draining and Desilting of Wujie Dam



# Taiwan Market

## ➤ Commercial Building

- Urban Renewal Construction Project

## ➤ High-Tech Plants

- Semiconductor Manufacture(Silicon Wafer, Foundry, RAM, Photomask, Equipment, Advanced Packaging)
- High-end Circuit Board and IC Substrate
- Biomedical Pharmaceuticals and Vaccines
- Data Center

# 3 China & Overseas Market

## ➤ China High-Tech Plants

- Memory Chip Companies Continue to Expand.
- Focusing on Developing the IC Industry in the Greater Bay Area(GBA) and Planning to Build the Pearl River Delta Economic Zone into a Semiconductor and IC Industry Cluster.
- Constructing or Expanding Production Capacity in Compound Semiconductor Industry
- Due to the Development in the Fields of AI and IoT, the Enterprise Customized Chips Develop Rapidly.
- The Increase of High-end Equipment Manufacturing Production Line and Intelligent Factory Facilities
- The Investment and Development in Biopharmaceutical Field

# 3 China & Overseas Market

- **The Investment of High-tech Manufacturing Industries like IC in Southeast Asia Continues to Boom.**
  - Singapore Attracts Chip Manufacturers to Invest and Set Up Fabrication Plants.
  - The Investment of High-tech Enterprises in Malaysia, Indonesia and Thailand Continues to Boom.
  - Vietnam Maintains Rapid Growth .



# 3 China & Overseas Market

## ➤ The subsidiary in Chengdu -Sunshine Enterprise Group

- The subsidiary, Sunshine Enterprise Group, was established in Chengdu City, China, and mainly located in the core area of Tianfu Agricultural Expo Park, Chengdu City. The main assets are two major entity parts which Sunshine Industrial Co., Ltd. holds 617.6 are for commercial land and Sunshine Investment Co., Ltd. holds 3,374 are for Residential and commercial land.
- There are some doubts about the outlook for China's overall economic prosperity at this stage, however, since the land assets held by Sunshine Enterprise Group were obtained at a lower cost in the early years, and it has received the positive value from the major construction projects of Tianfu Agricultural Expo Park, therefore, there is extremely strong ability to resist market risks in entity assets. There is neither no risk of significant impairment of asset value nor no urgent need for treatment.
- Our company assesses that the industrial boom in Chengdu has not declined significantly with the slowdown in economic and trade activities in coastal cities, but we will still be cautious. At present, our company's response strategy is to wait and see the development status of the local industry first, and carefully prepare a comprehensive development plan for the Xingyi Town Industrial Incubation Park (the construction and operation of the industrial park and living park). We will start phased development after the economic boom in Chengdu recovers, hoping to create the best return on investment for the company by minimizing development risks and maximizing development benefits.

# 3 Outlook for Entire Market



# Financial Summary





# Financial Summary

## 2024 Q1 Consolidated Statements of Comprehensive Income

NT \$1,000

	2024 Q1		2023 Q1		YOY%
Operating Income	19,166,561	100%	8,235,784	100%	133%
Gross Profit	1,855,881	9.7%	733,841	8.9%	153%
Operating Expenses	(405,885)	-2.1%	(403,539)	-4.9%	1%
Net Operating Income	1,449,996	7.6%	330,302	4.0%	339%
Income before Income Tax	1,505,402	7.9%	440,122	5.3%	242%
Net Income	1,174,907	6.1%	372,811	4.5%	215%
Net Income Attributable to the Parent Company	931,374		319,472		
Basic Earnings Per Share(Dollar)	4.10		1.42		

Data source :

Audited and certified report and Independent Auditors' Review  
Report by a certified public accountant.

# Financial Summary

## 2024 Q1 Consolidated Balance Sheets

NT \$1,000

	2024/03/31	2023/03/31		113/03/31	112/03/31
Liquefiable Assets	33,507,977	31,107,352	Current Liabilities	22,031,704	11,232,531
Receivables to Customers on Construction Contracts	11,913,299	11,483,271	Contract Liability	12,282,957	22,967,472
Other Financial Assets - current	4,151,561	3,633,070	Bonds Payable	467,443	-
Property, Plant and Equipment	787,132	839,281	Short-term & Long-term Borrowings	1,310,990	3,343,942
Right-of-use Asset	2,701,101	2,826,925	Other Non-current Liabilities	752,279	596,071
Other Non-current Assets	1,734,517	1,469,549	Total Liabilities	36,845,373	38,140,016
			Total Shareholders' Equity	17,950,214	13,219,432
Total Assets	54,795,587	51,359,448	Total Liabilities and Equity of Shareholders	54,795,587	51,359,448

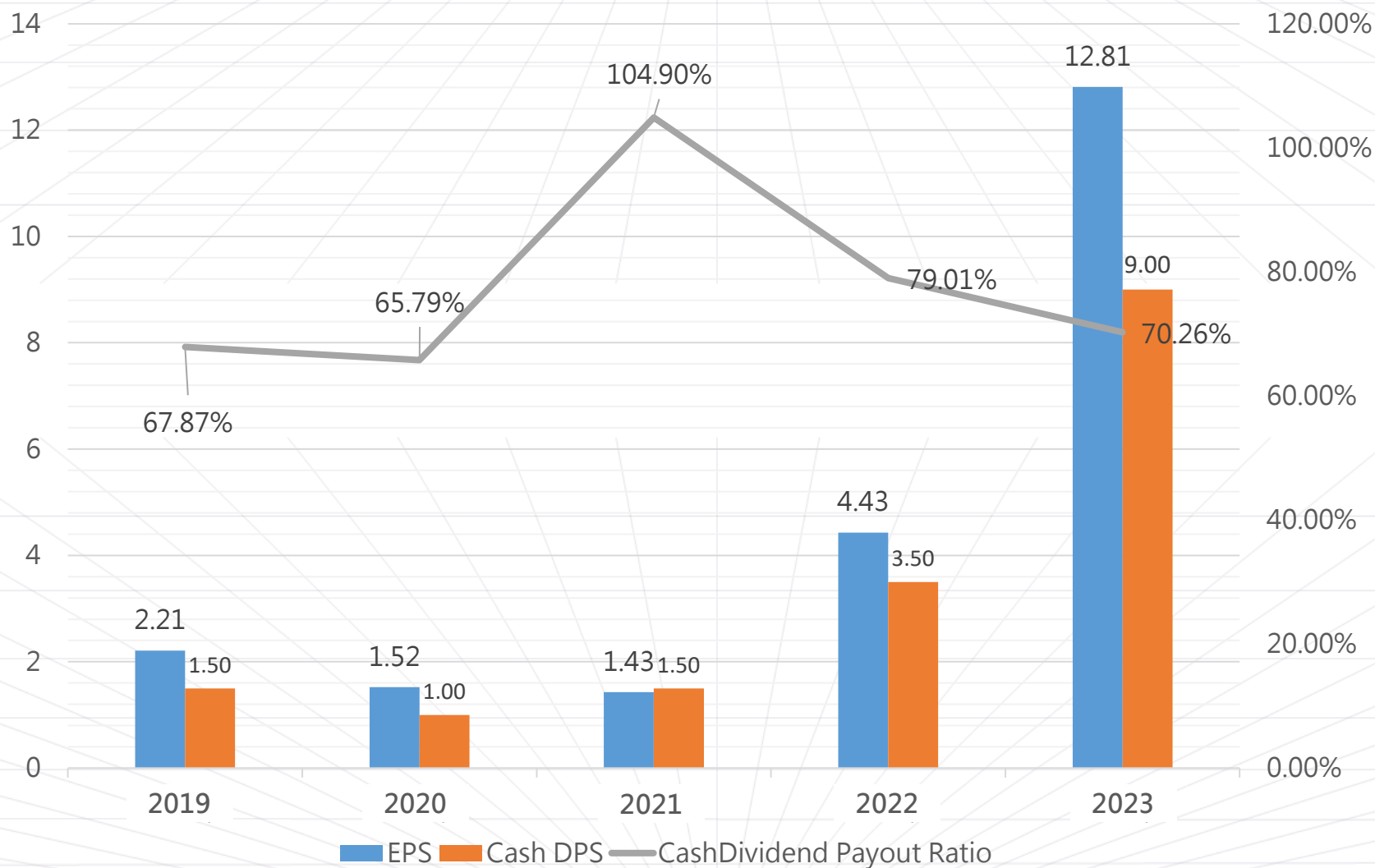
Data source :

Audited and certified report and Independent Auditors' Review Report by a certified public accountant.

# Financial Summary

## Dividend Policy

NTD



Data source :

Audited and certified report and Independent Auditors' Review  
Report by a certified public accountant.





Thank you



Q & A