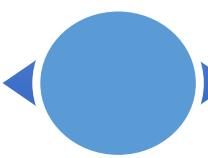


# Investor Conference

L&K  
Group



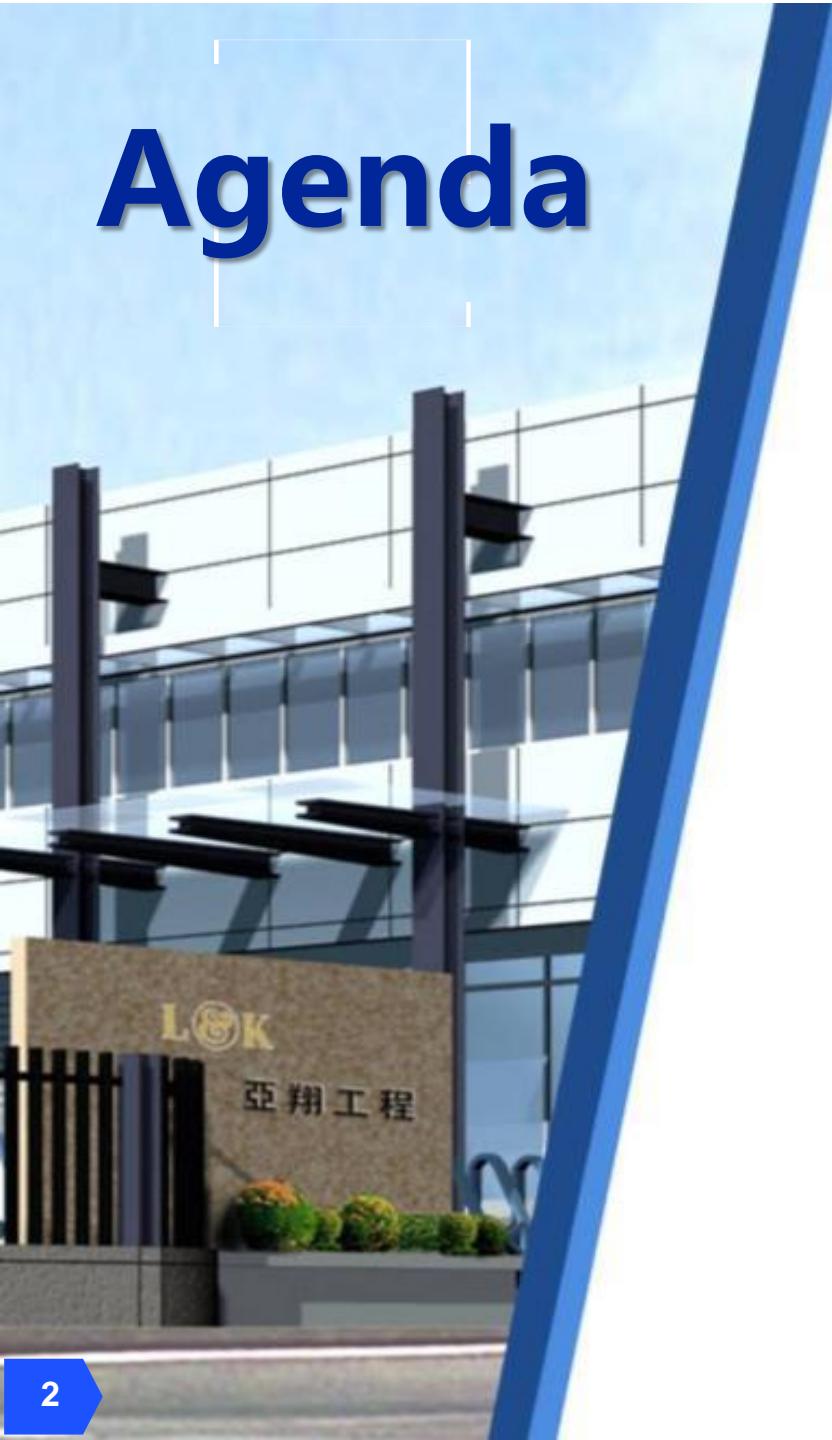


# Disclaimer

The above statements that pertain to future projections constitute the expectations, opinions, outlooks, or predictions of our company and its affiliates based on information available at the time the statements were made. Such statements may be affected by known and unknown risks and inherent uncertainties, the existence or emergence of facts or factors that differ from the assumptions, suppositions, or judgments of the Company, or other factors. Consequently, there may be significant discrepancies between actual results pertaining to the Company's future earnings, management results, financial conditions, and other matters as explicitly or implicitly referred to in the statements and the content of such statements.

The presentation is run exclusively for the purpose of providing information and not for the purpose of soliciting investments or recommending the buying or selling of specific shares or products. Company makes no warranty concerning the accuracy or completeness of the information and will not be liable for any damages arising out of use of the Information thereof.

# Agenda



- 01 L&K Introduction**
- 02 Operational Summary**
- 03 Strategy and Prospect**
- 04 Financial Summary**

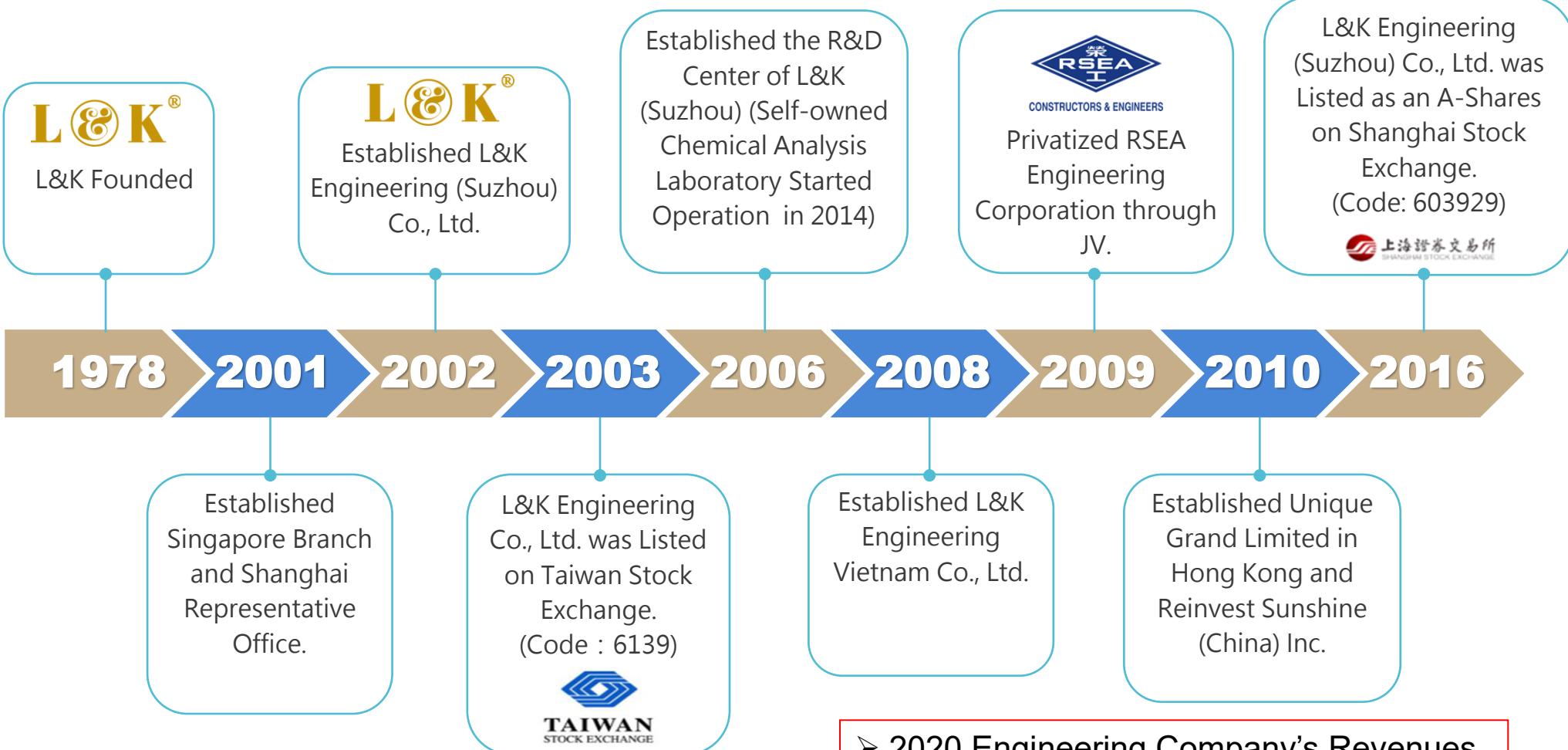
# L&K Introduction

Innovation. Leadership. Professionalism. Waste Reduction. Responsibility

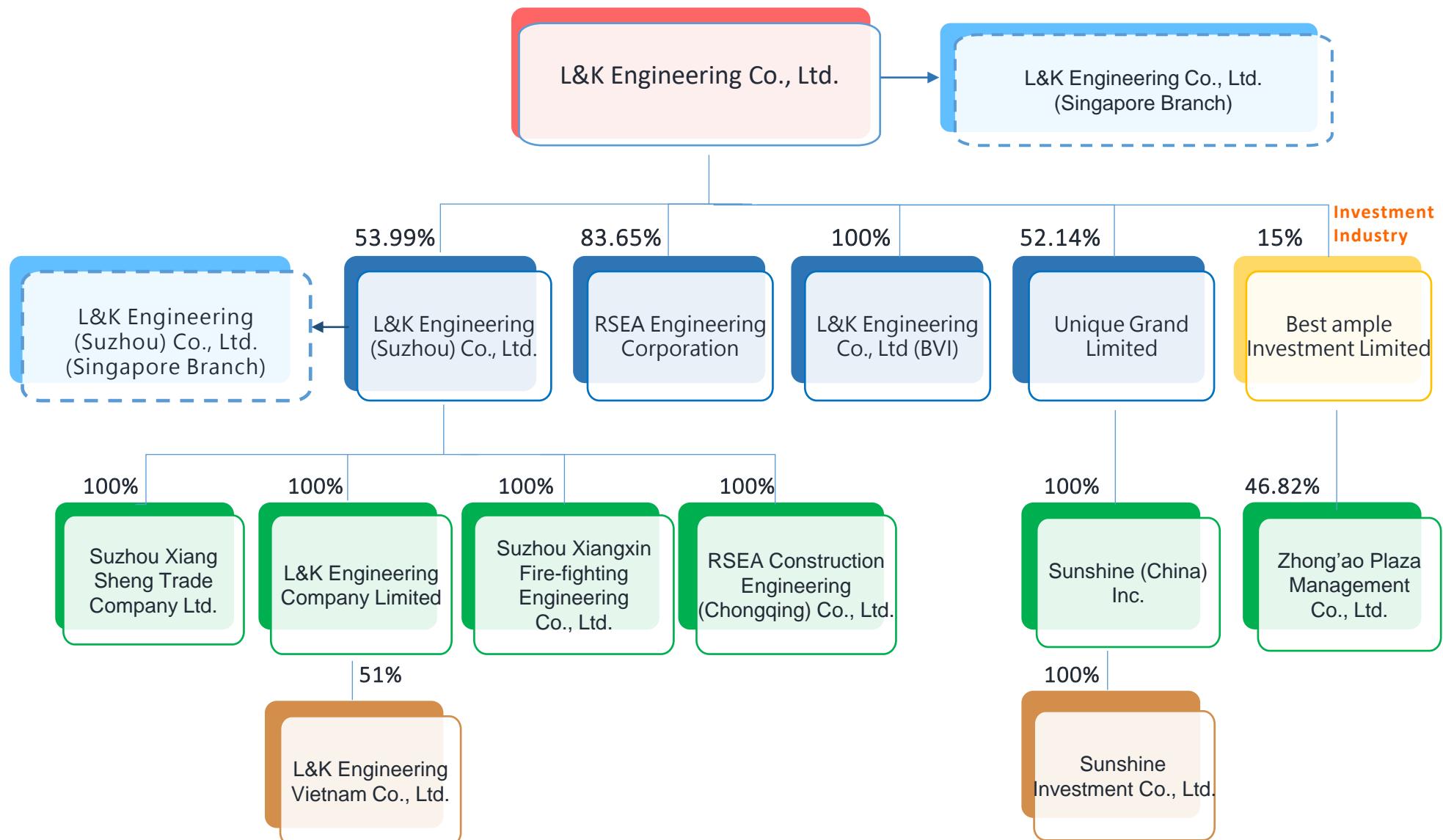
**In the past, we got a foothold in Taiwan.**

**Nowadays, we strive to expand our business in China.**

**Future, we expect to service the whole Asia.**



➤ 2020 Engineering Company's Revenues  
Survey of Common Wealth Magazine-  
L&K ranked 4<sup>th</sup> place in 2019.



Company	• L&K Engineering Co., Ltd.	• RSEA Engineering Corporation	• 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 Commission of Executive Yuan, R.O.C in 1956.</li> <li>Joint-venturing with L&amp;K Engineering Co., Ltd. in Oct. 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> </ul>
Capital	<ul style="list-style-type: none"> <li>NT\$ 3.5 Billion (Paid-in Capital is NT\$ 2.255 Billion)</li> </ul>	<ul style="list-style-type: none"> <li>NT\$ 5 Billion (Paid-in Capital is NT\$ 3.228 Billion)</li> </ul>	<ul style="list-style-type: none"> <li>CNY \$ 213.36 Million</li> </ul>	<ul style="list-style-type: none"> <li>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 Products Manufacture</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive Construction Enterprises and Construction Management</li> </ul>	<ul style="list-style-type: none"> <li>EPC Turnkey</li> <li>MEP Installation Class 1</li> </ul>	<ul style="list-style-type: none"> <li>Development and construction of tourist facilities</li> <li>Natural ecological science and engineering research and development</li> <li>Development and research of energy saving technologies for green resources</li> <li>Corporate and Engineering Management Consulting</li> <li>Environmental Protection Information Service</li> </ul>
Employee	<ul style="list-style-type: none"> <li>409 Employees (as of Oct. 2020)</li> </ul>	<ul style="list-style-type: none"> <li>1013 Employees (as of Oct. 2020)</li> </ul>	<ul style="list-style-type: none"> <li>625 Employees (as of Oct. 2020)</li> </ul>	<ul style="list-style-type: none"> <li>38 Employees (as of Oct. 2020)</li> </ul>
Phone	<ul style="list-style-type: none"> <li>+886-2-2691-9099</li> </ul>	<ul style="list-style-type: none"> <li>+886-2-8691-7366</li> </ul>	<ul style="list-style-type: none"> <li>+86-512-67027000</li> </ul>	<ul style="list-style-type: none"> <li>+86-028-67778813</li> </ul>
Website	<ul style="list-style-type: none"> <li><a href="http://www.lkeng.com.tw">http://www.lkeng.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.rseaec.com.tw">http://www.rseaec.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.lkeng.com.cn">http://www.lkeng.com.cn</a></li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.igarden.cn">http://www.igarden.cn</a></li> </ul>

# Location of Subsidiaries and Branches

**2010**

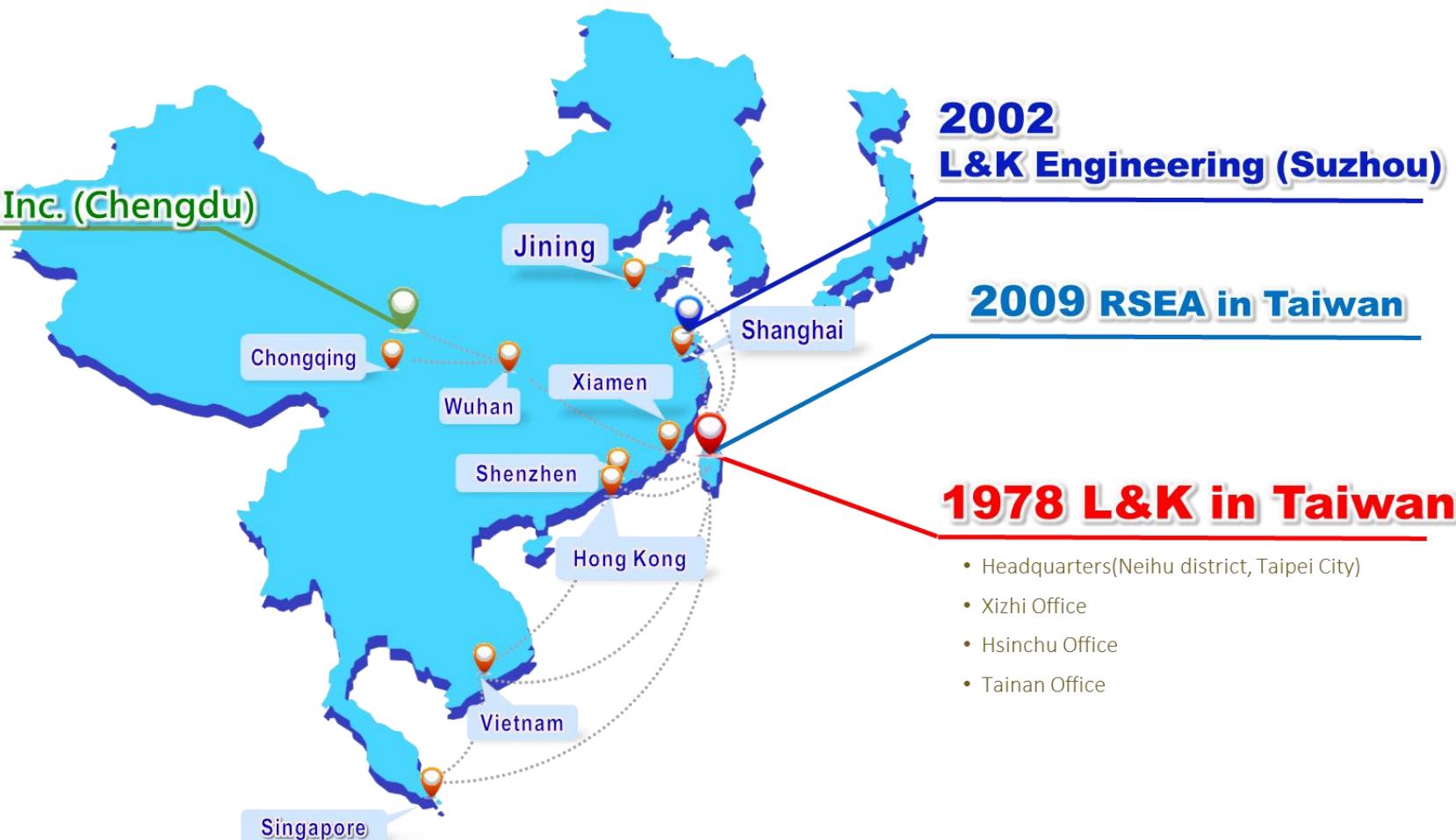
Sunshine (China) Inc. (Chengdu)

**2002**

**L&K Engineering (Suzhou)**

**2009 RSEA in Taiwan**

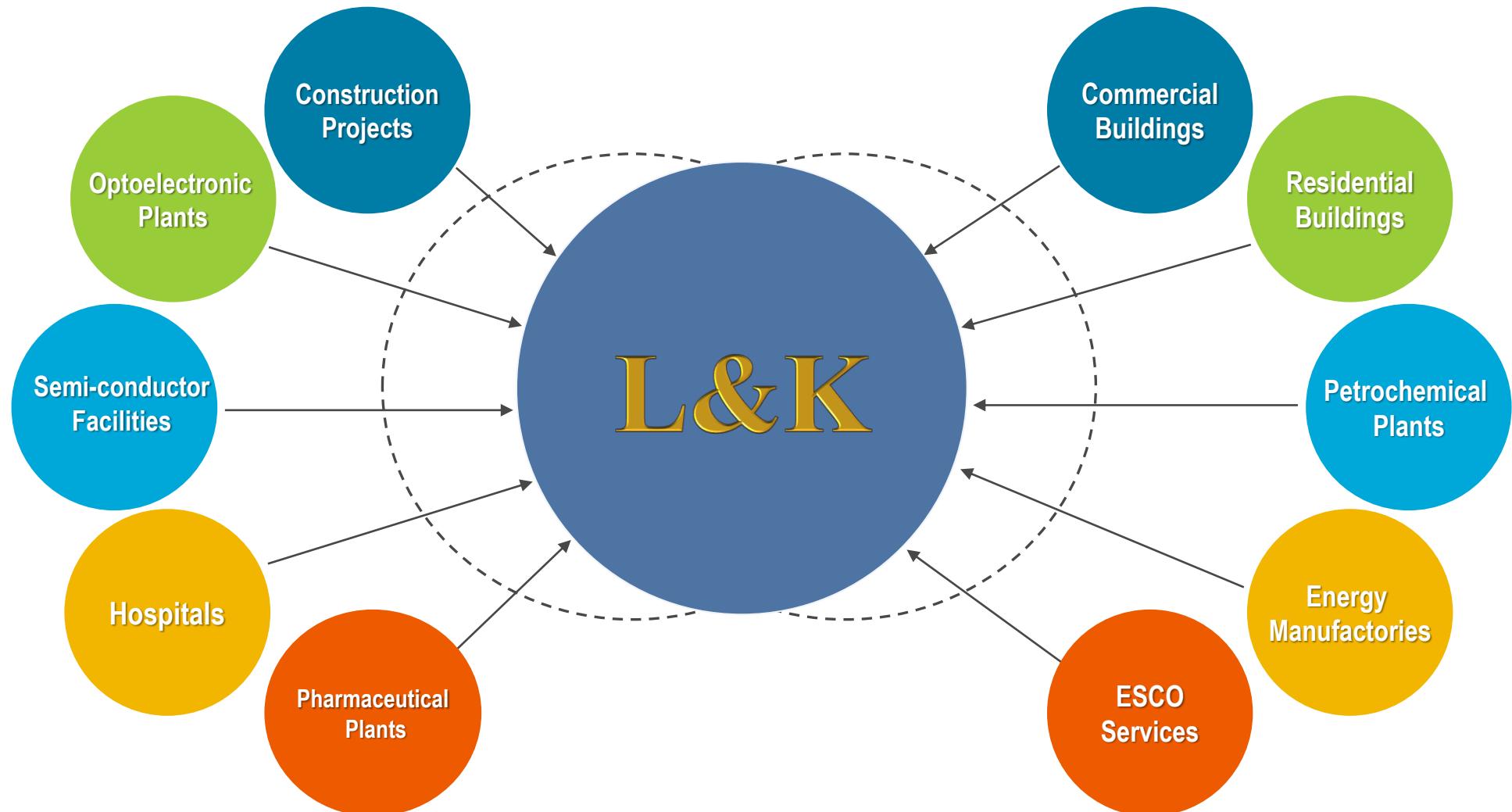
**1978 L&K in Taiwan**



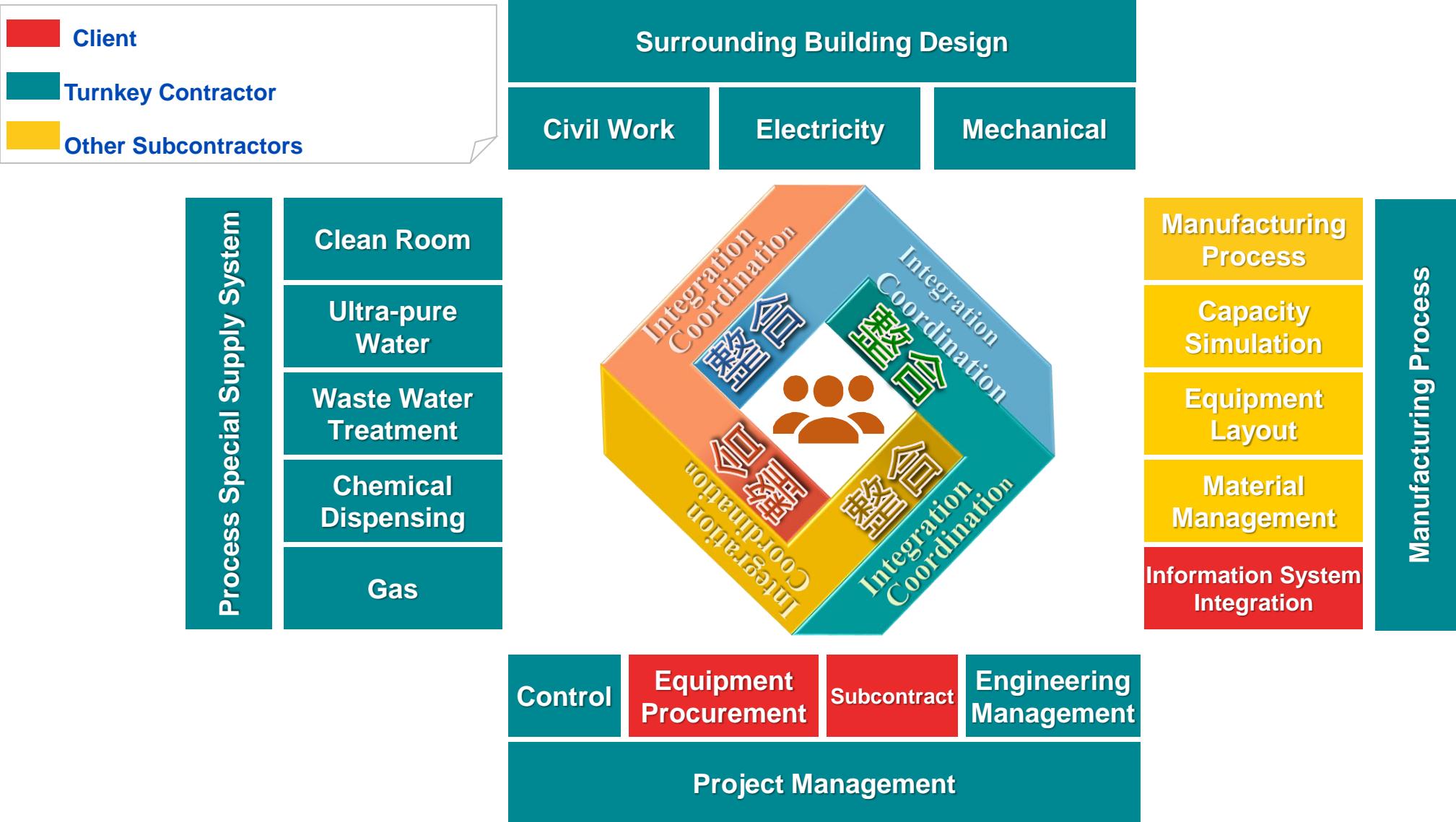
- Headquarters(Neihu district, Taipei City)
- Xizhi Office
- Hsinchu Office
- Tainan Office

# 1 Scope of Marketing Industries

With More Than 42 Years Engineering Experiences, L&K has Progressively Expanded Our Scope of Services Which are Including Hospitals, Pharmaceutical Plants, Commercial Buildings, Residential Buildings, Solar Cell and Module Plants, Solar Energy, Semiconductor Facilities, Optoelectronic Plants, Utility Plants, Petrochemical Plants, ESCO Services, etc.



# Interface Management and Integration - Full Plant Service



# Group Employee Skill Profile

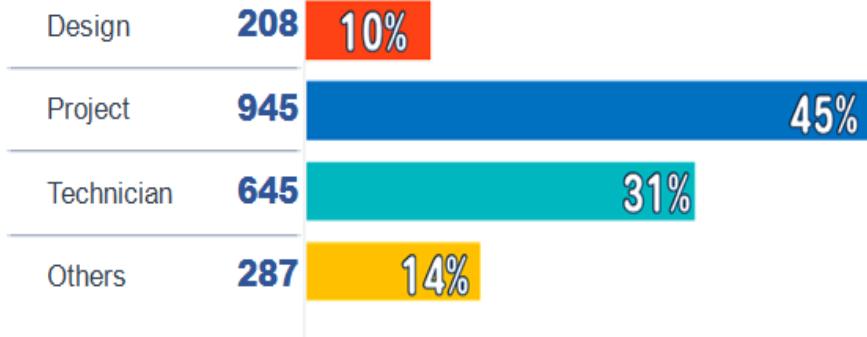
Group  
Employee

**2085**

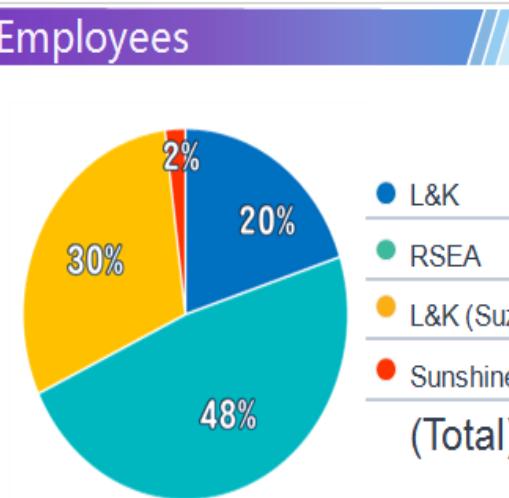
- Taiwan : **1422**
- China : **585**
- Vietnam : **54**
- Singapore : **24**



## Skill Profile



## Employees



Percentage Employees  
(%)

**20%** **409**

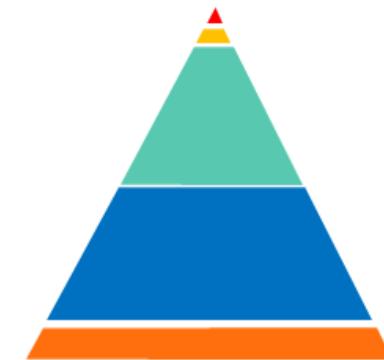
**48%** **1013**

**30%** **625**

**2%** **38**

**2,085**

## Education



Percentage Employees  
(%)

**1%** **14**

**7%** **139**

**42%** **885**

**41%** **853**

**9%** **194**

Date: 2020.10.31

# 1 Major Project Achievements in 5 Years



San-Ying Line MRT Project (D&B)



Contract A-1, Expressway Construction for Provincial Highway No.9 Improvement Project Suao to Yongle Section



West Coast Expressway DaanDajia Mainline Viaduct Project



ACL212 Kaohsiung Railway Underground (Cut and Cover Construction) Project

# 1 Major Project Achievements in 5 Years



Nanshan Life Wenhsin Plaza Building Project



Nanshan Life Shuhsing Plaza Building Project

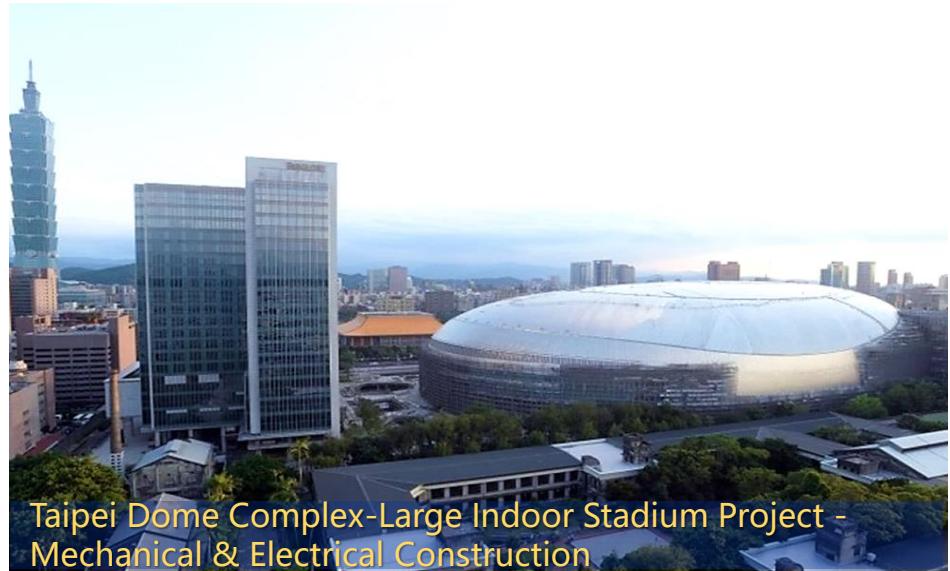


TAMECO New Two-Bay Hanger Construction

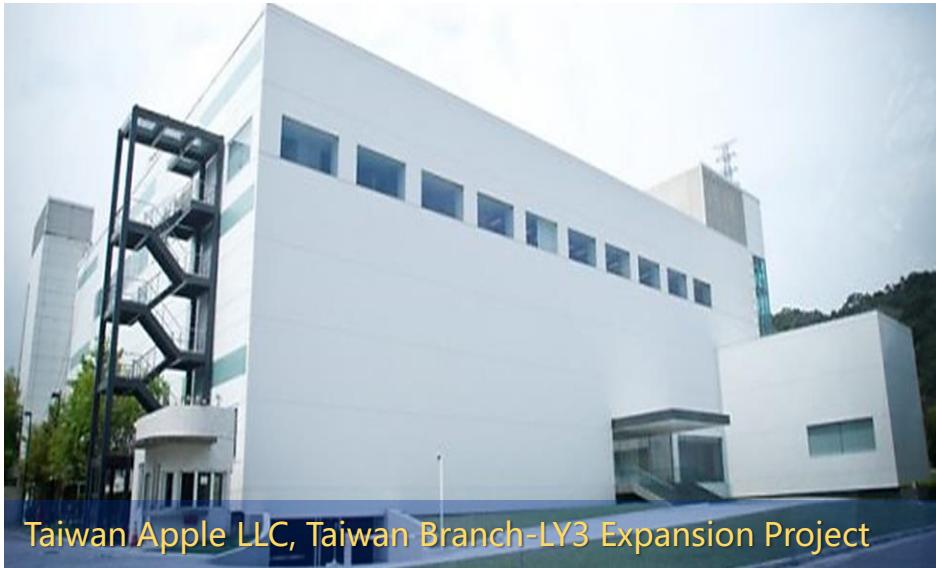


CTCB Head Office Building Project

# 1 Major Project Achievements in 5 Years



# 1 Major Project Achievements in 5 Years



Taiwan Apple LLC, Taiwan Branch-LY3 Expansion Project



Taiwan Semiconductor Manufacturing Co., Ltd.-  
F18P1~P6 Underground Piping System



Macronix International Co., Ltd.-  
FAB5 MEP Expansion Project  
FAB5 BAY29/30 Clean Room Construction Project  
FAB5 Bay29/30 Phase I MEP Expansion Project



Winbond Electronics Corp.-  
Phase I MEP Construction Project of Kaohsiung Plant

# 1 Major Project Achievements in 5 Years



TSMC Nanjing Company Limited-  
TSMC China Nanjing Project-MEP Package



SMIC Integrated Circuit Manufacturing (Shanghai) Co., Ltd.



HeJian Technology (Suzhou) Co., Ltd.-  
77k Clean Room Project



Fujian Jinhua Integrated Circuit Co., Ltd. - 12" FAB-CR  
Project, Process Pipeline Package, Hook Up Project

# 1 Major Project Achievements in 5 Years



Wuhan Hongxin Semiconductor Manufacturing Co., Ltd.-  
Clean Room Projct & MEP Project (Phase I)



Yangtze Memory Technology Corp.-  
General Distribution Package P1-1& P1-2



Wuhan Xinxin Semiconductor Manufacturing Co., Ltd.-  
Clean Room and Process Equipment Pipeline Purchase  
and Install Project



Hefei Changxin Integrated Circuit Manufacture Co.,Ltd.-  
12" Memory Wafer Production Base H03 Process Power  
System Package

# 1 Major Project Achievements in 5 Years



Shanghai Simgui Technology Co., Ltd.-  
8'MEMS MEP&CR Project



Fujian Province Fulian Integrated Circuit Co., Ltd.-  
6" GaAs Integrated Circuit MEP Turnkey Project(Phase I)



Photronics DNP Mask Corporation Xiamen-MEP Project



United Microelectronics Corporation (Singapore)-  
UMC UB 1F Clean Room & EQ Room Project

# 1 Major Project Achievements in 5 Years



Zhen Ding (Qinghuangdao) Technology Holding Limited-QA08 Phase I Interior Project



Tripod (Hubei) Electronic Co., Ltd.-  
New Factory Building Electromechanical and Air  
Conditioning Engineering Supporting Production Facilities  
and Interior Decoration of the Board Compartment Project



HuaTian Technology (Kunshan) Electronics Co., Ltd.-  
Clean Room and MEP Works of Plant #1 (1F)



QingDing Precision Electronics (Huai'an) Co., Ltd.-  
A05 A06 CR and a Matching Project

# 1 Major Project Achievements in 5 Years



Wuhan China Star Optoelectronics Semiconductor Display Technology Co., Ltd. - The 6<sup>th</sup> Flexible LTPS-AMOLED Display Panel Production Line Project



Miyang HKC Optoelectronics Technology Co., Ltd.- 8.6 Generation Thin Film Transistor LCD Project Clean Pack 1 Project

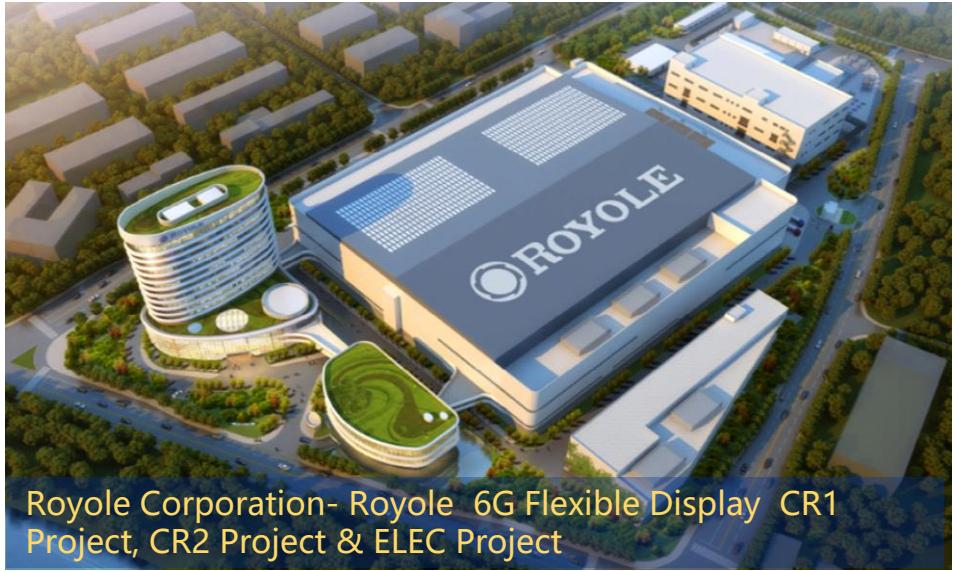


Chongqing HKC Optoelectronics Technology Co., Ltd.- HKC (ChongQing) 8.5+TFT CR1 L10/L20 Project



Photronics Mask Corporation Hefei (PMCH) - 10.5G MEP Project

# 1 Major Project Achievements in 5 Years

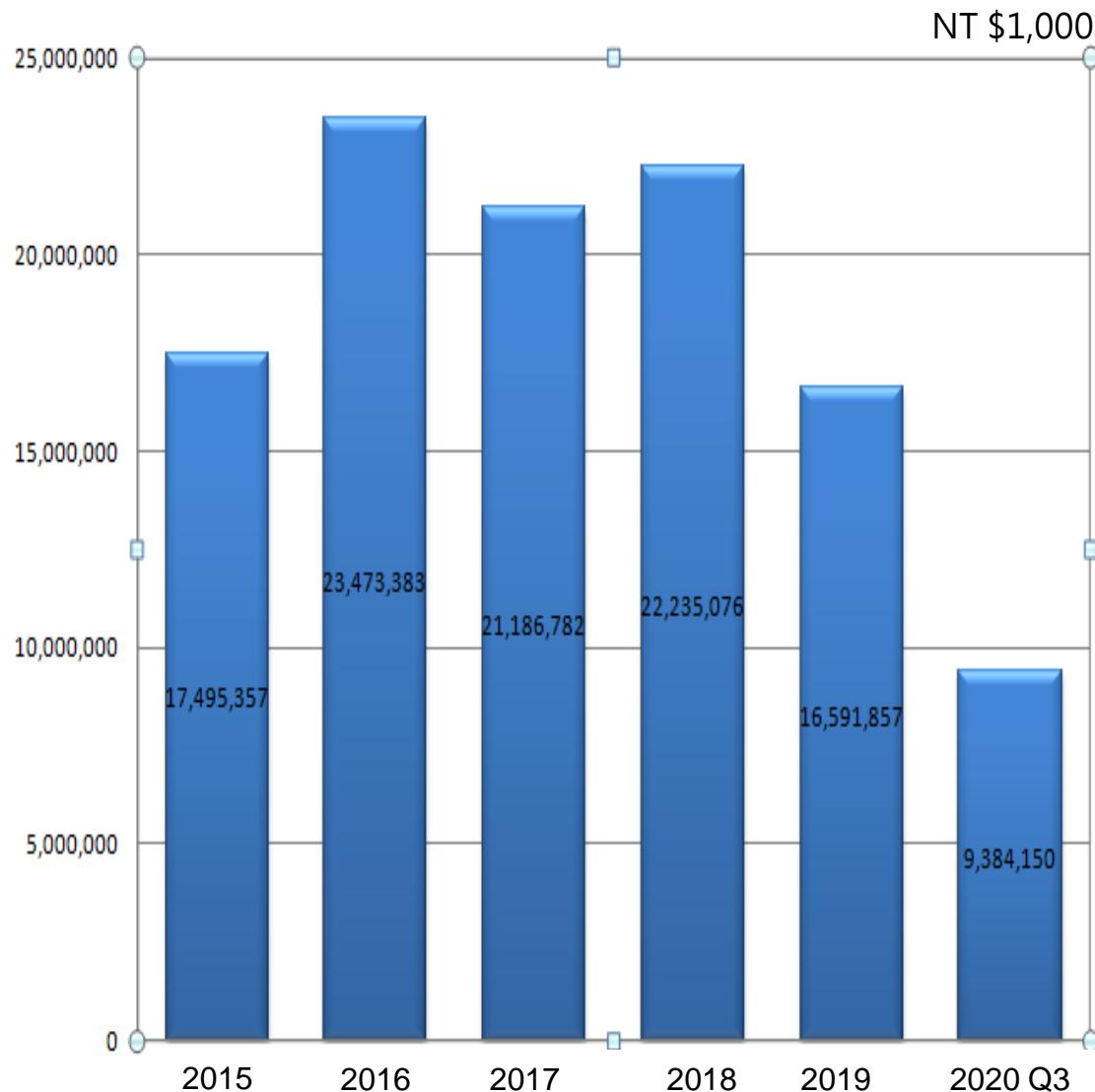


# Operational Summary

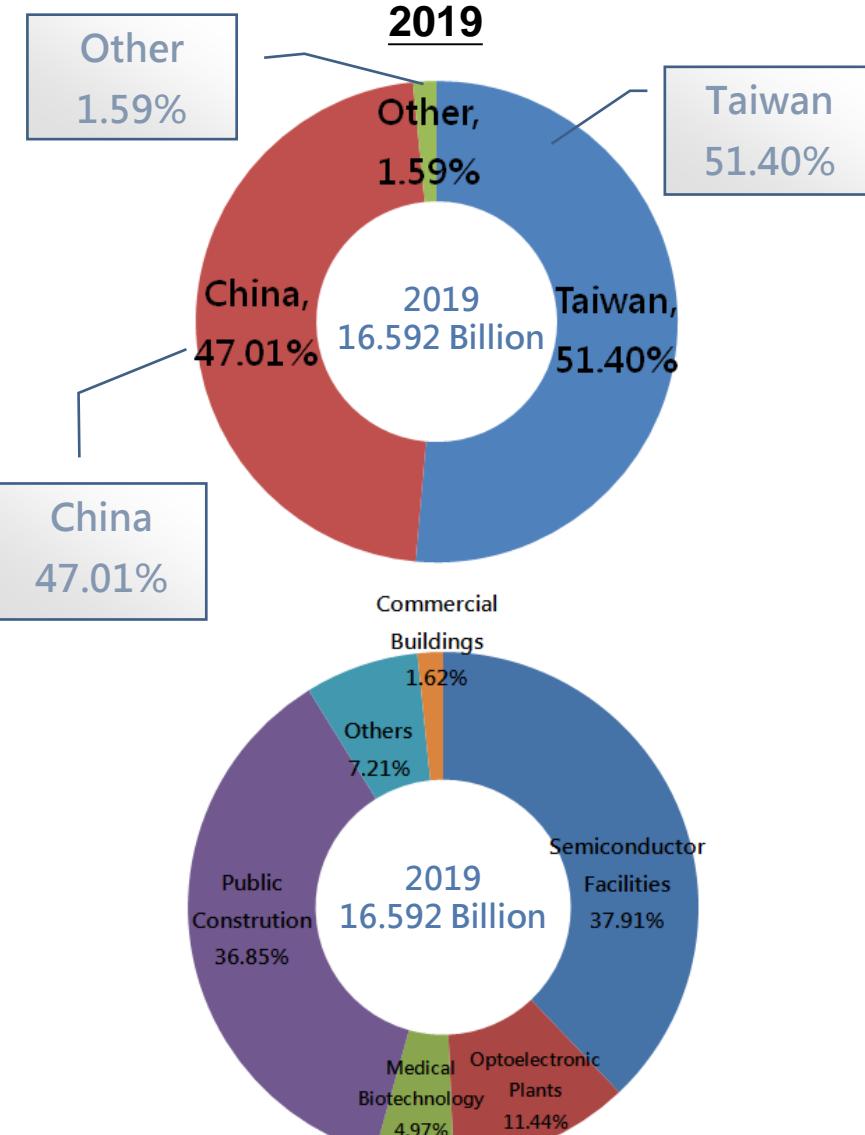
Design、Procurement、Construction、Performing、After-sales Service ...

# Consolidated Revenue and Distribution

Consolidated Revenue



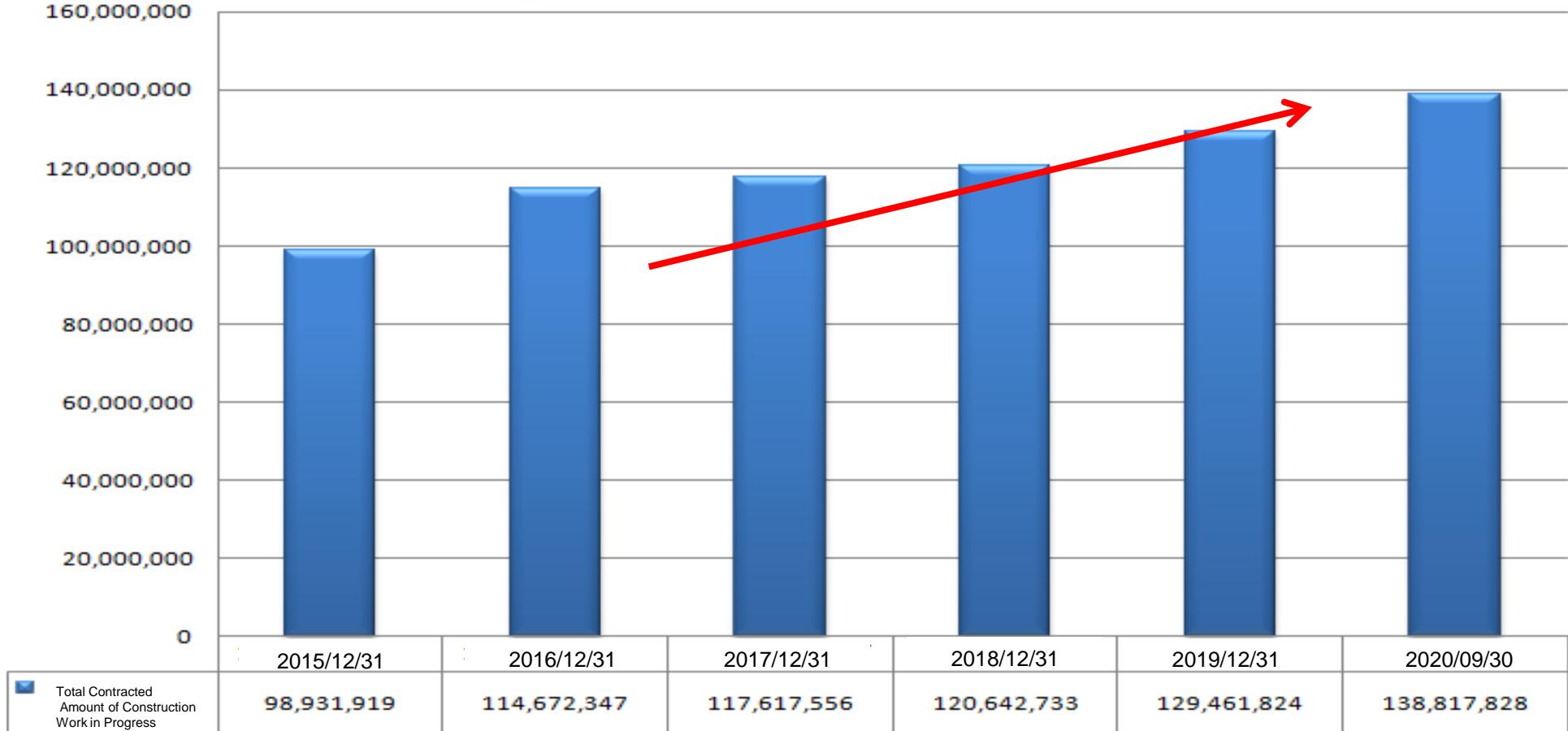
NT \$1,000



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

# Total Contracted Amount of Construction Work in Progress

NT \$1,000



- ◆ From January 2020 to September 2020, the total amount of new contracts is NT\$19.399 billion.
- ◆ The total contracted amount of construction work in progress is NT\$138.818 billion. (as of September 30,2020)
- ◆ The balance of not under construction contracts is NT\$47.374 billion. (As of September 30, 2020)

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.Utility Plants -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
Land Transport Authority (LTA) Singapore	Construction of Mount Pleasant Station and Tunnel for Thomson Line T215
<b>2.Utility Plants - Railway/ Highway Project</b>	
Railway Reconstruction Bureau, Ministry of Transportation And Communications	ACL212 Kaohsiung Railway Underground (Cut and Cover Construction) Project
Railway Reconstruction Bureau, Ministry of Transportation And Communications	Kaohsiung Station Canopy (Roof Truss) Project
Railway Reconstruction Bureau, Ministry of Transportation And Communications	Contract CE02,Civil Engineering of Railway Technology Research and Verification Center
Railway Reconstruction Bureau, Ministry of Transportation And Communications	Railway Technology Research and Verification Center Civil Engineering for C1, C2 Factory of Test and Verification Equipments

## 2 Major On-going Project –Taiwan

Client	Project
<b>3. Utility Plants -Water Environment and Energy Project</b>	
Southern Region Water Resources Office, WRA, MOEA	Nanhua Reservoir Sediment-Sluice Tunnel Project (D&B)
Taiwan Power Company	Coal Storage Silo System (D&B) Project, Talin Power Plant Renewal Program
CPC Corporation, Taiwan	Civil Works of EPCC Project for Full Containment LNG Storage Tanks, Taichung LNG Plant Phase II Expansion Program
Taiwan Power Company	Civil Works of Engineering, Procurement, Construction and Commissioning Works for LNG Storage Tanks of LNG Receiving Terminal Project for Taichung Power Plant

# 2 Major On-going Project –Taiwan

Client	Project
<b>4. Utility Plants -Construction &amp; MEP Project</b>	
Land Administration Department, New Taipei City Government	Contract 1-2, Xin-Tai Yuzizhen Area Urban Land Readjustment and Development Project, New Taipei City
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
Department of Rapid Transit Systems, Taipei City Government (the First District Project Office)	Taipei Performing Arts Center Theater Equipment Phase One < TP4 >

## 2 Major On-going Project –Taiwan

Client	Project
5. High-Tech Plants	
Taiwan Apple LLC, Taiwan Branch	LY3 Expansion Project
Macronix International Co., Ltd.	FAB5 MEP Expansion Project
Macronix International Co., Ltd.	FAB5 BAY29/30 Clean Room Construction Project
Macronix International Co., Ltd.	FAB5 Bay29/30 Phase I MEP Expansion Project
Winbond Electronics Corp.	Phase I MEP Construction Project of Kaohsiung Plant
Taiwan Semiconductor Manufacturing Co., Ltd.	F18 P1/P2/P3/P4/P5/P6 Underground Piping System
Taiwan Semiconductor Manufacturing Co., Ltd.	RD Center Underground Piping Package

# Major On-going Project –China & Overseas

Client	Project
<b>1. Wafer Industry</b>	
Semiconductor Manufacturing International Corporation (Tianjin)	Fab7 P2 Phase II Tianxiang Facility Engineering - Manufacturing Cooling Water System Engineering, Central Power System
Semiconductor Manufacturing South China Corporation	2020 South Phase IV Facility Engineering - CUS/PCW&PV System Expansion Project
Innotron Integrated Circuits Co., Ltd.	40K Power System Expansion Project &Y2020BP Power Station Expansion Project
Yangtze Memory Technology Corp.	National Memory Base Engineering (Phase I) Phase II Engineering Project Gasification Pipeline Engineering Construction Project
United Semiconductor (Xiamen) Co., Ltd.	25K Tools Power Hookup Project
The IT Electronics Eleventh Design and Research Institute Scientific and Technological Engineering Co., Ltd.	Shandong Fuyuan High Power Chip Production Project (Phase I and First Stage Project) Clean Room System Technical Service
HuaTian Technology (Kunshan)Electronics Co., Ltd.	Clean Room and MEP Works of Plant #1 (1F) & Hookup Project (Bid Sections A, C and E)
SJ Semiconductor Corporation	Fab1 (J2A) Phase I Hookup Project

Client	Project
<b>1. Wafer Industry</b>	
Tripod (Hubei) Electronic Co., Ltd.	The Electromechanical Engineering, Air Conditioning Engineering and Supporting Compartment Engineering of the Newly Built Workshop of The Third Factory
Avary Holding(Shenzhen) Co., Ltd.	SA01-4f Dry Film & Exposure RELAYOUT Adjustment Project
Avary Holding(Shenzhen) Co., Ltd.	Huaian Comprehensive Bonded zone ZA03 Phase II Installation and Clean Room and Primary Distribution Project
<b>2. Panel Industry</b>	
Changsha Huike Optoelectronics Technology Co., Ltd.	The Production Line of the 8.6 Generation Ultra-high Resolution Novel Display Device Project - Clean Room Project 1 and Power Hook Up Project 1
Wuhan China Star Optoelectronics Semiconductor Display Technology Co., Ltd.	T3 MOD Clean Room Renovation Project Clean Pack Project
Shenzhen China Star Optoelectronics Technology Co., Ltd.	T1&T2 Clean Room Renovation Project of Experimental Line Modification Machine Project
Wuhan Tianma Microelectronics Co., Ltd.	The Phase II of the 6th Generation LTPS AMOLED Production Line Clean Room Renovation Project

# Major On-going Project –China & Overseas

Client	Project
<b>3.Others</b>	
Ningbo Nanda Optoelectronic Materials Co., Ltd.	ArF Photoresist Product Development and Industrialization Install Project
Huawei Investment & Holdings Co., Ltd.	Dongguan Huawei LG19233 Songshan Lake C11 Precision Mold Project
<b>4.Overseas</b>	
COMPAL (VIETNAM) Limited Company	COMPAL (VIETNAM) Civil Construction Works (CVC P2 )
Universal Scientific Industrial Vietnam Company Limited	Vietnam Building-A Project

# Strategy and Prospect

# Taiwan Market

## Public Construction

### ➤ Railway and Road Construction

- North and South section of the Circular Line (Taipei Metro)
- Wanda-Zhonghe-Shulin Line Project Phase II
- Taoyuan Metropolitan Area Railway Underground Plan
- Taoyuan Airport MRT Added A14 Station
- Taoyuan Metropolitan Area MRT Green Line and Land Integration Development Plan
- Taoyuan MRT Green Line and Extend to Zhongli
- Chiayi City Railway Elevated Plan
- Kaohsiung Metropolitan Area MRT Gangshan and Lujhu Extension Line(Phase II)
- East-West Expressway -Provincial Highway 76 (11k+585~16k+607)-  
Xizhuang - Xihu Section Construction Project

### ➤ Zone Expropriation

- Zone Expropriation of Taoyuan Aerotropolis Plan
- Xin-Tai Yuzizhen Area (Section 1-1) Urban Land Readjustment and Development Project,  
New Taipei City

### ➤ Harbor Engineering and Energy Engineering

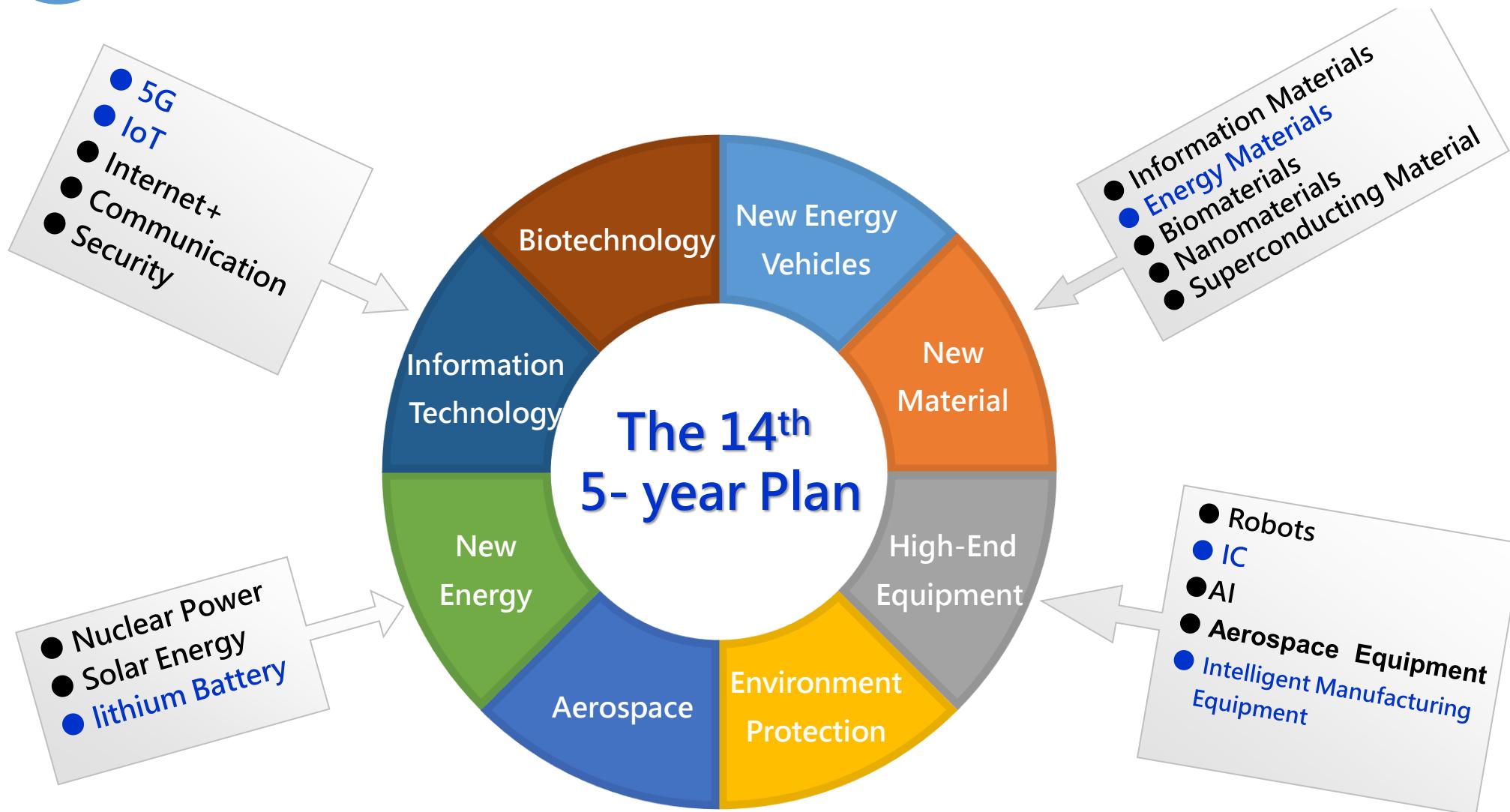
- N-WH Plan-Wharf and Dock Project
- Changhua County Offshore Wind Power Project

## Commercial Building

- Commercial Building
  - Terminal 3 Area Main Terminal Civil and MEP Engineering
  - Asia · Silicon Valley Innovation R&D Center (Turnkey)

## High-Tech Plants

- Semiconductor Manufacture
- Biomedical Pharmaceuticals and Vaccines
- Information Center
- Taiwanese Companies Return to Invest and Build Factories



# 3 China Market

## High-Tech Plants

➤ Presently, L&K Engineering (Suzhou) Co., Ltd. has focused on the market of **semiconductor industry and display screen industry**.

Compared to the epidemic stage in 2020, the market of the investment in construction of clean room related projects in 2021 will be expected to recover.

## Vietnam

➤ Taiwan-funded and China-funded electronics manufacturers have mainly invested in back-end assembly plants in Vietnam now. These plants have promoted the demand of building plants of the supply chain. Therefore, there will be continuous investment and construction projects in the future.

客戶 /Client	投資規模 /Investment
寧波中芯	40億元/4 Billion
廣州粵芯	120億元/12 Billion
重慶華潤微	100億元/10 Billion
杭州富芯	400億元/40 Billion
青島富士康	200億元/20 Billion
北京集電	250億元/25 Billion
海芯微	100億元/10 Billion
格科微	70億元/7 Billion
贛州名芯	200億元/20 Billion
成都領盛	100億元/10 Billion
嘉興中晶	110億元/11 Billion
鄭州惠科	400億元/40 Billion
合肥歐菲光	296億元/29.6 Billion
廈門天馬	480億元/48 Billion
長沙三安	120億元/12 Billion
深圳禮鼎	100億元/10 Billion
無錫健鼎	1800萬美金 / 18 Million (USD)
廣西泰嘉	100億元/10 Billion
湖州合豐泰	290億元/29 Billion
海安正威	100億元/10 Billion
長豐之奇美	100億元/10 Billion

## Tianfu Agricultural Expo Park

- The main business projects invested by Sunshine (China) Inc. are ecological tourism, the construction of tourism and supporting facilities, land consolidation, construction and engineering technical services, etc. The main business area at present is in the core area of Tianfu Agricultural Expo Park, Xingyi Town, Sichuan Province, China.
- The Goal of Tianfu Agricultural Expo Park: By 2035, Xingyi town will become the world's leading agricultural exhibition platform and an innovation base for agricultural industry chain.
- A huge amount of money will be invested in public exhibition halls and the entire environment will be greatly optimized. At that time, Tianfu Agricultural Expo Park will become a beautiful landscape of Sichuan Province. As the construction and public facilities of the park have gradually completed, it is expected that the surrounding traffic, public facilities and commercial facilities will be much more perfect after operation in 2021. Therefore, it is also expected to substantially enhance the market potential of the resources in hand held by Sunshine Enterprise Group.



# Financial Summary

## 2020 Third Quarter Consolidated Statements of Comprehensive Income

NT \$1,000

	2020/09/30		2019/09/30		YOY
Operating Income	9,384,150	100%	11,324,479	100%	-17.1%
Gross Profit	584,850	6.2%	791,469	7.0%	-26.1%
Operating Expenses	(622,502)	6.6%	(538,221)	4.8%	-15.7%
Net Operating Income	(37,652)	0.4%	253,248	2.2%	-114.8%
Income before Income Tax	294,025	3.1%	797,830	7.0%	-63.1%
Net Income	203,673	2.2%	589,817	5.2%	-65.5%
Net Income Attributable to the Parent Company	273,228		440,318		
Basic Earnings Per Share(Dollar)	1.21		1.95		

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

## 2020 Third Quarter Consolidated Balance Sheets

	109/09/30	108/09/30		109/09/30	108/09/30
Liquefiable Assets	10,096,562	10,458,440	Current Liabilities	10,758,225	10,253,485
Receivables to Customers on Construction Contracts	10,044,183	8,726,204	Contract Liability	5,201,724	3,578,720
Other Financial Assets - current	4,779,950	4,291,401	Long-term Borrowings	1,851,273	1,967,432
Property, Plant and Equipment	739,316	855,967	Other Non-current Liabilities	428,137	446,235
Right-of-use Asset	2,763,695	2,907,093	Total Liabilities	18,239,359	16,245,872
Other Non-current Assets	1,002,384	591,758	Total Shareholders' Equity	11,186,731	11,584,991
<b>Total Assets</b>	<b>29,426,090</b>	<b>27,830,863</b>	<b>Total Liabilities and Equity of</b>	<b>29,426,090</b>	<b>27,830,863</b>

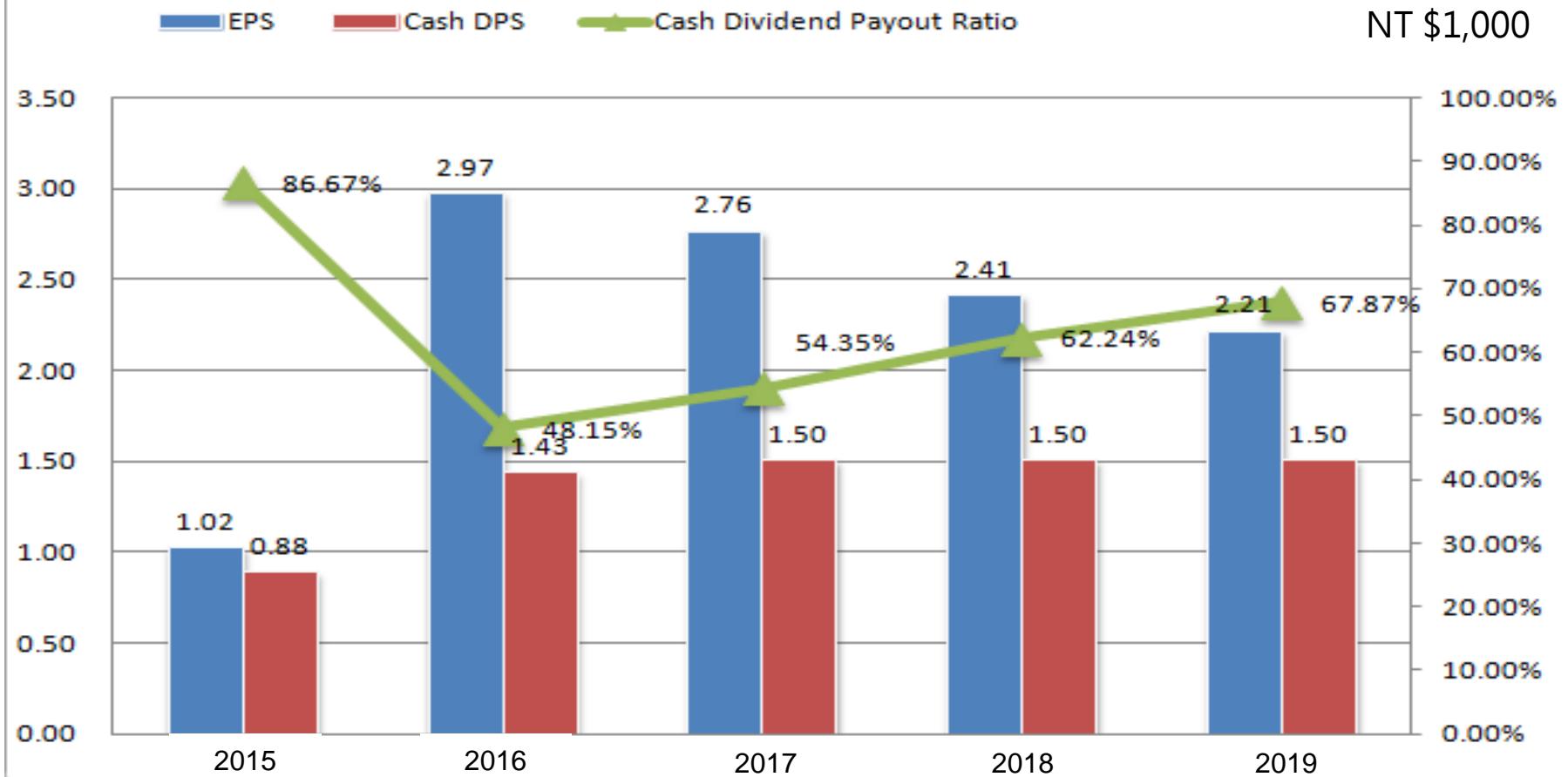
As of September 30, 2020, the Group's cash on the account was NT \$7.784 billion, including other financial asset(those more than three-month certificate of deposit and the guaranteed financial instrument that are limited to use(for example, earmarked cash) or duration).

Data source :

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

# 4 Financial Summary

## Dividend policy



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

# Thank you

## Q & A