



Investor Conference

L&K

Group



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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.**

1

History and Growth

L&K®

L&K Founded

1978

2001

Established
Singapore Branch
and Shanghai
Representative
Office.

2002

L&K®

Established L&K
Engineering (Suzhou)
Co., Ltd.

2003

L&K Engineering
Co., Ltd. was Listed
on Taiwan Stock
Exchange.
(Code : 6139)



2006

Established the R&D
Center of L&K
(Suzhou) (Self-owned
Chemical Analysis
Laboratory Started
Operation in 2014)

2008

Established L&K
Engineering
Vietnam Co., Ltd.



CONSTRUCTORS & ENGINEERS

Privatized RSEA
Engineering
Corporation through
JV.

2009

Established Unique
Grand Limited in
Hong Kong and
Reinvest Sunshine
(China) Inc.

2010

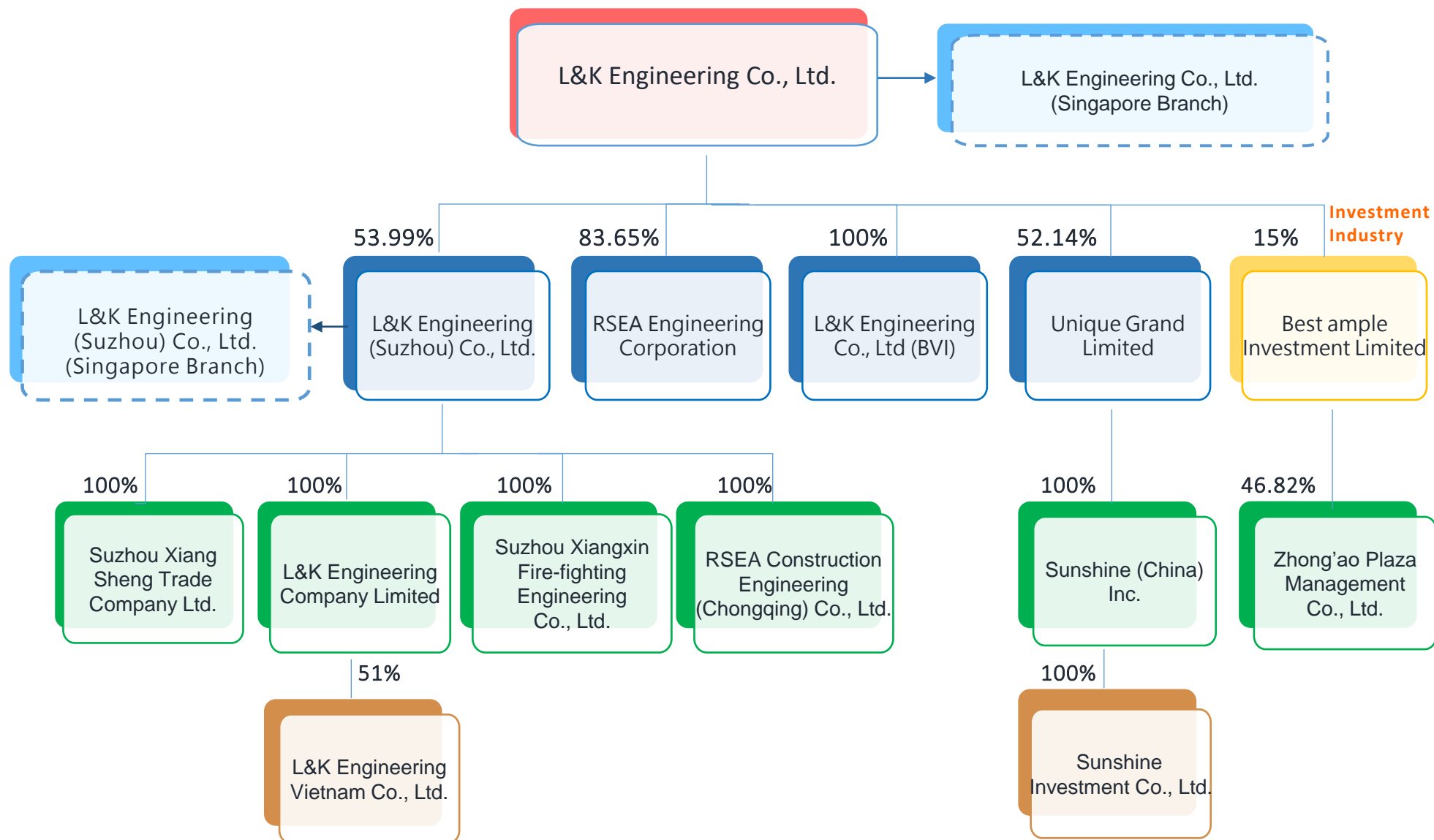
L&K Engineering
(Suzhou) Co., Ltd. was
Listed as an A-Shares
on Shanghai Stock
Exchange.
(Code: 603929)



2016

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

1 L&K Group and Affiliates



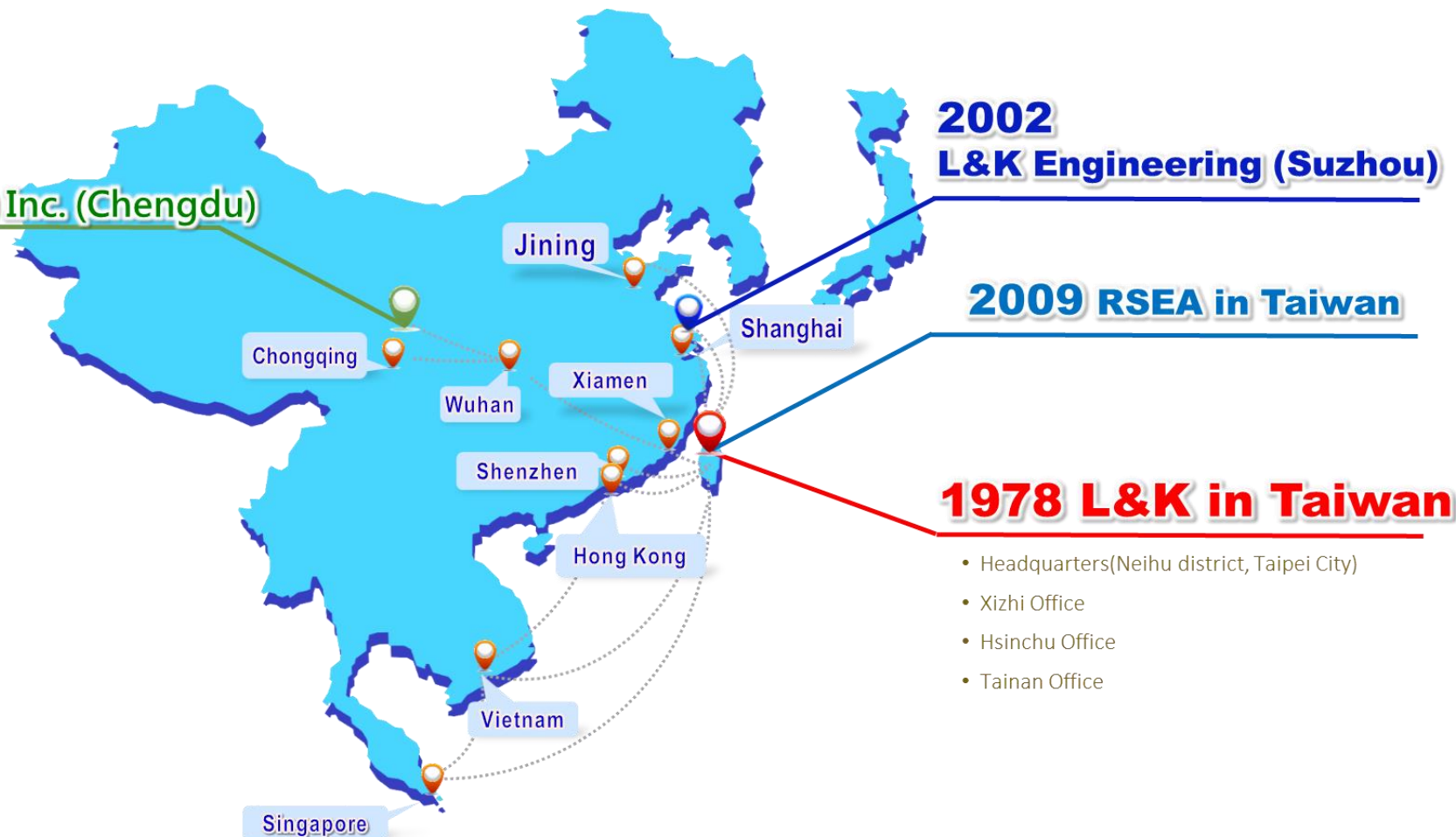
Company Overview

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"> • Founded by Yao Chu Shiang (Kenneth Yao) in 1978. • Listed on Taiwan Stock Exchange in 2003, Stock Code 6139 	<ul style="list-style-type: none"> • Founded by Veterans Affairs Commission of Executive Yuan, R.O.C in 1956. • Joint-venturing with L&K Engineering Co., Ltd. in Oct. 2009. 	<ul style="list-style-type: none"> • Founded by Yao Chu Shiang (Kenneth Yao) in 2002. • Listed on Shanghai Stock Exchange in 2016, Stock Code 603929. 	<ul style="list-style-type: none"> • Reinvested through Unique Grand Limited by L&K Taiwan in 2010.
Capital	<ul style="list-style-type: none"> • NT\$ 3.5 Billion • (Paid-in Capital is NT\$ 2.255 Billion) 	<ul style="list-style-type: none"> • NT\$ 5 Billion • (Paid-in Capital is NT\$ 3.228 Billion) 	<ul style="list-style-type: none"> • CNY \$ 213.36 Million 	<ul style="list-style-type: none"> • US\$99.8 Million
Service Scope	<ul style="list-style-type: none"> • EPC Turnkey (Design, Procurement, Construction) • Clean room Construction and Products Manufacture 	<ul style="list-style-type: none"> • Comprehensive Construction Enterprises and Construction Management 	<ul style="list-style-type: none"> • EPC Turnkey • MEP Installation Class 1 	<ul style="list-style-type: none"> • Development and construction of tourist facilities • Natural ecological science and engineering research and development • Development and research of energy saving technologies for green resources • Corporate and Engineering Management Consulting • Environmental Protection Information Service
Employee	<ul style="list-style-type: none"> • 409 Employees (as of Oct. 2020) 	<ul style="list-style-type: none"> • 1013 Employees (as of Oct. 2020) 	<ul style="list-style-type: none"> • 625 Employees (as of Oct. 2020) 	<ul style="list-style-type: none"> • 38 Employees (as of Oct. 2020)
Phone	<ul style="list-style-type: none"> • +886-2-2691-9099 	<ul style="list-style-type: none"> • +886-2-8691-7366 	<ul style="list-style-type: none"> • +86-512-67027000 	<ul style="list-style-type: none"> • +86-028-67778813
Website	<ul style="list-style-type: none"> • http://www.lkeng.com.tw 	<ul style="list-style-type: none"> • http://www.rseaec.com.tw 	<ul style="list-style-type: none"> • http://www.lkeng.com.cn 	<ul style="list-style-type: none"> • http://www.igarden.cn

Location of Subsidiaries and Branches

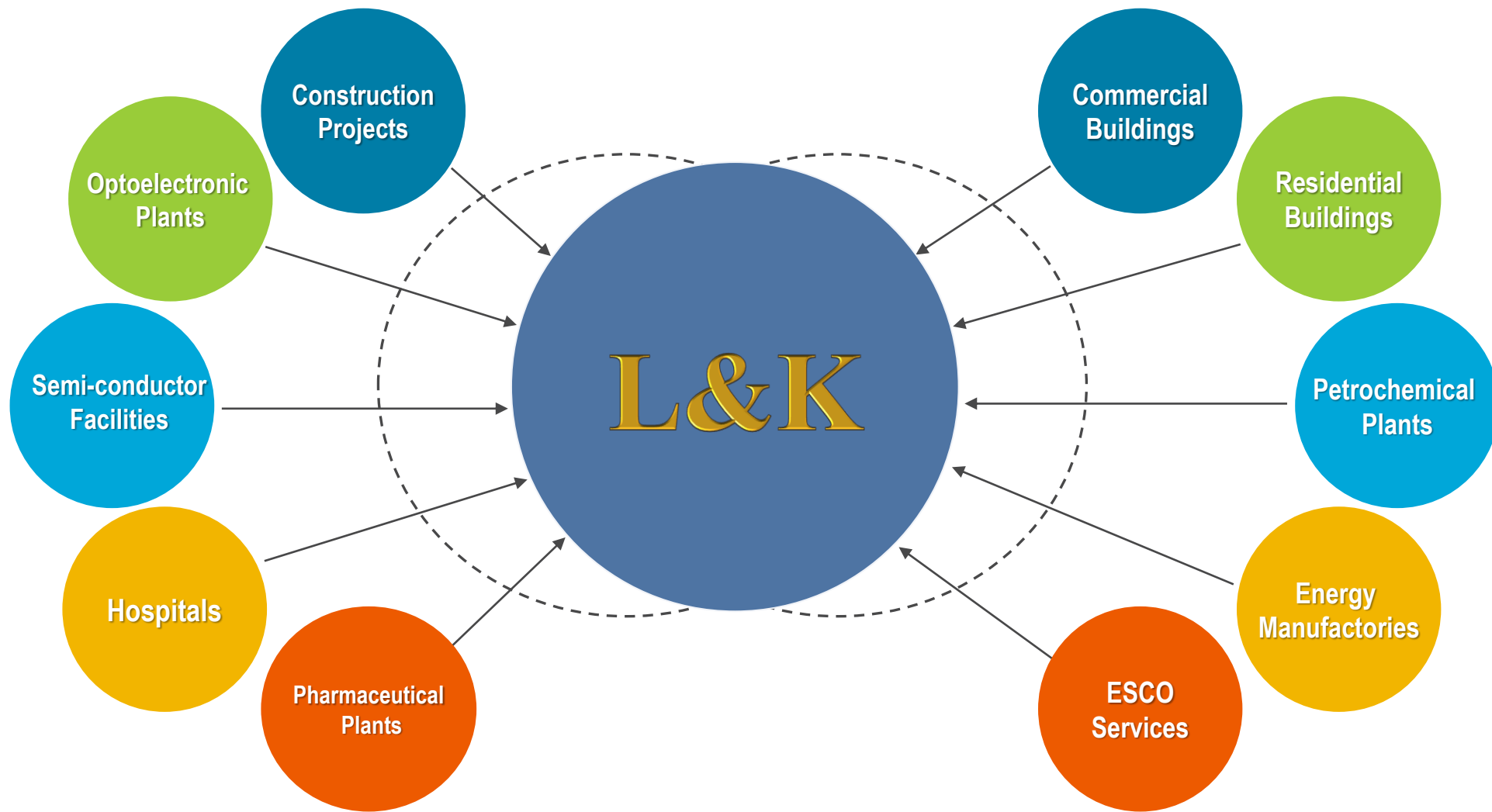
2010

Sunshine (China) Inc. (Chengdu)

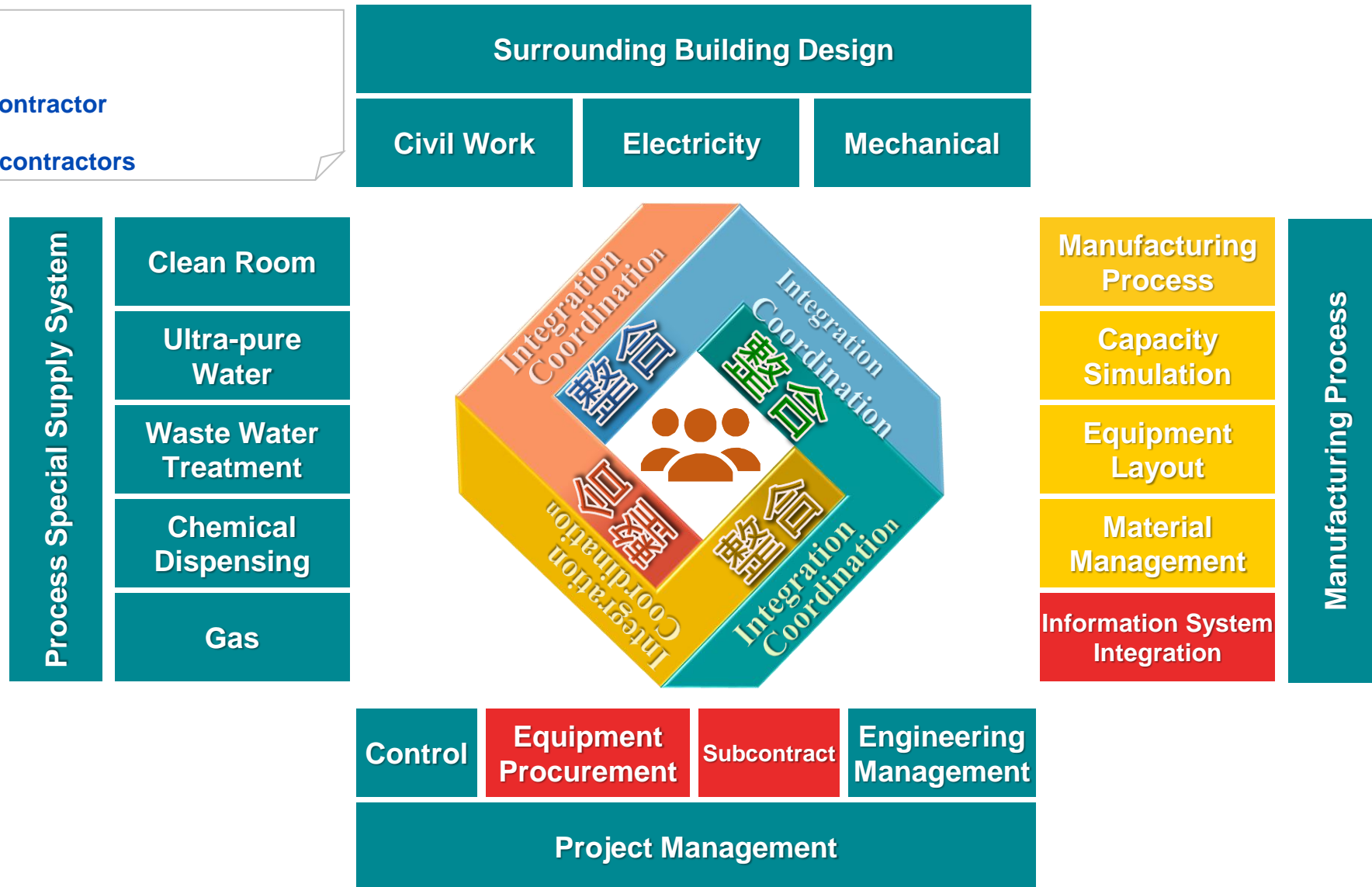


Scope of Marketing Industries

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



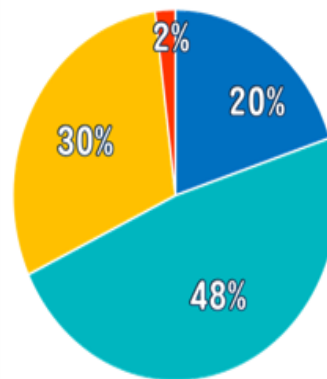
1 Group Employee Skill Profile

**Group
Employee**
2085

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

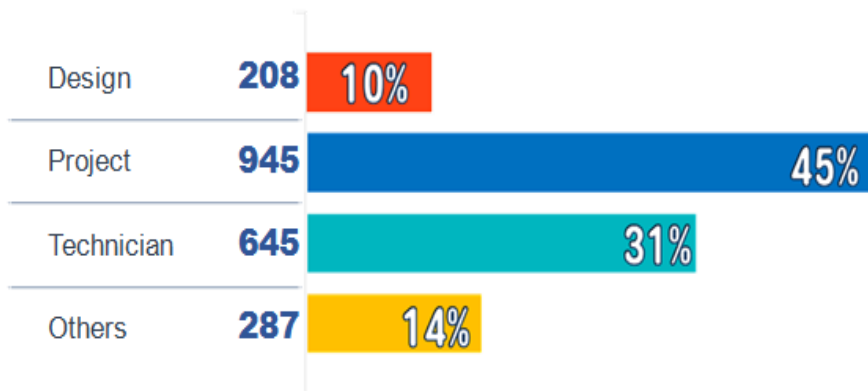


Employees



	Percentage (%)	Employees
L&K	20%	409
RSEA	48%	1013
L&K (Suzhou)	30%	625
Sunshine (China)	2%	38
(Total)		2,085

Skill Profile



Education



	Percentage (%)	Employees
Doctor's Degree	1%	14
Master's Degree	7%	139
Bachelor's Degree	42%	885
Associate Degree	41%	853
Senior High School and Under	9%	194

Date: 2020.10.31

1

Major Project Achievements in 5 Years

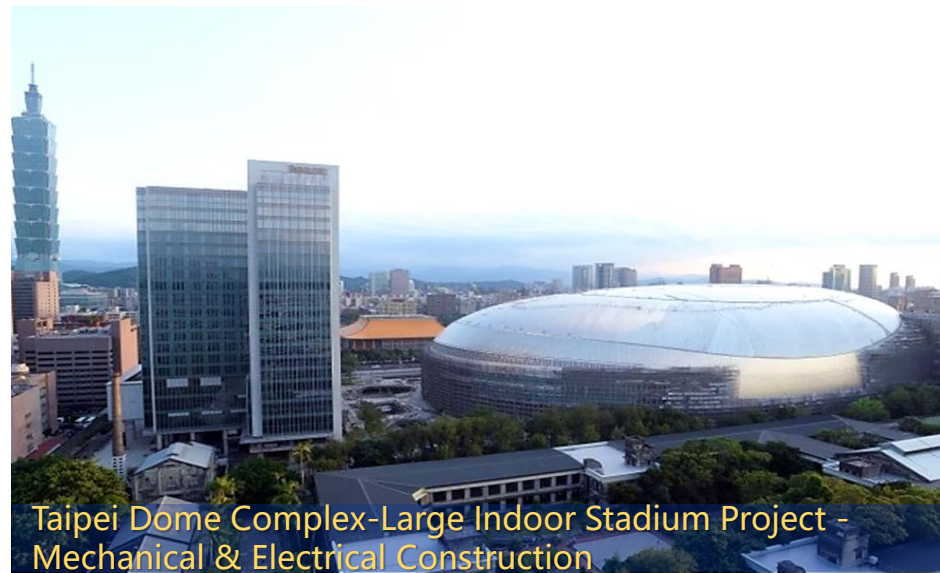


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Major Project Achievements in 5 Years

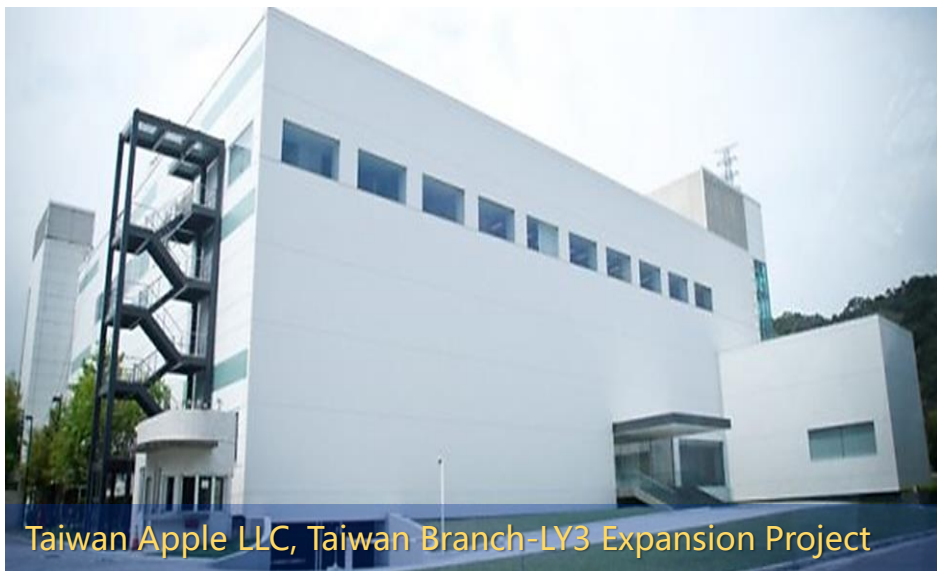


Major Project Achievements in 5 Years



1

Major Project Achievements in 5 Years



1

Major Project Achievements in 5 Years



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

图片出自中国江苏网



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



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



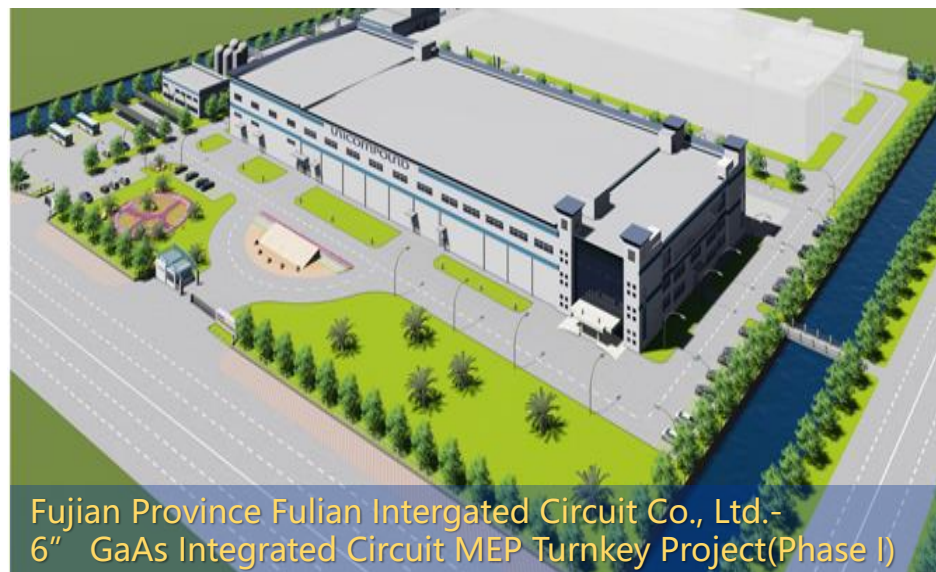
Fujian Jinhua Integrated Circuit Co., Ltd. - 12" FAB-CR
Project, Process Pipeline Package, Hook Up Project

Major Project Achievements in 5 Years



1

Major Project Achievements in 5 Years

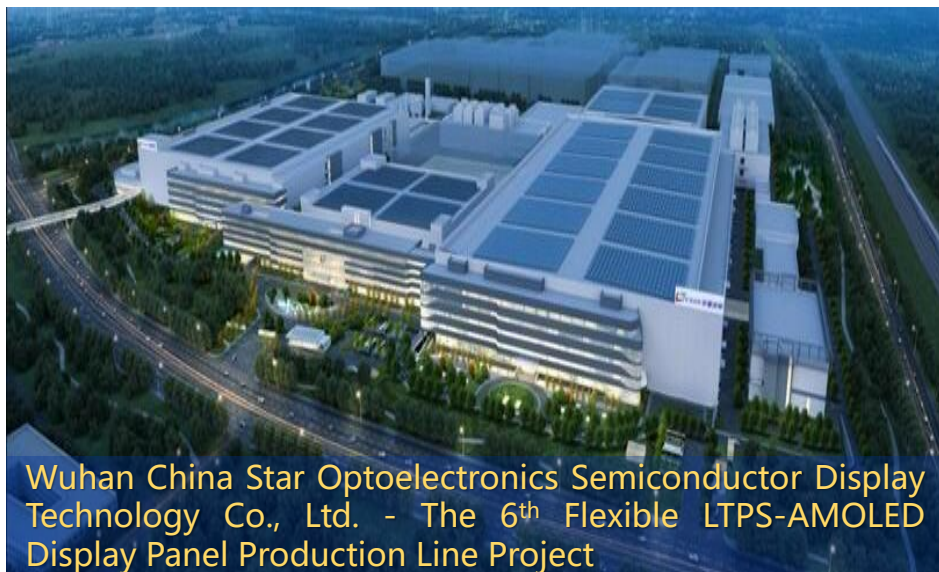


Major Project Achievements in 5 Years

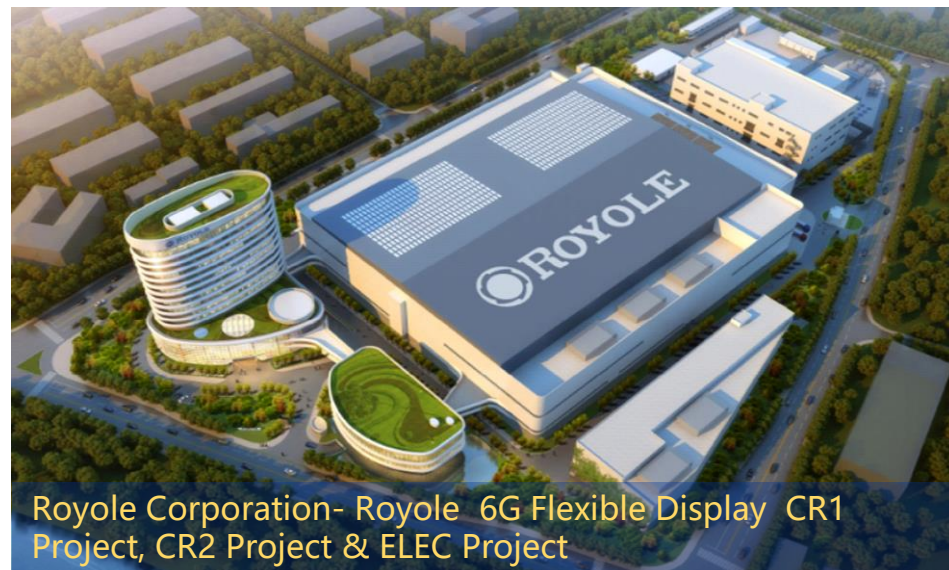


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Major Project Achievements in 5 Years



Major Project Achievements in 5 Years

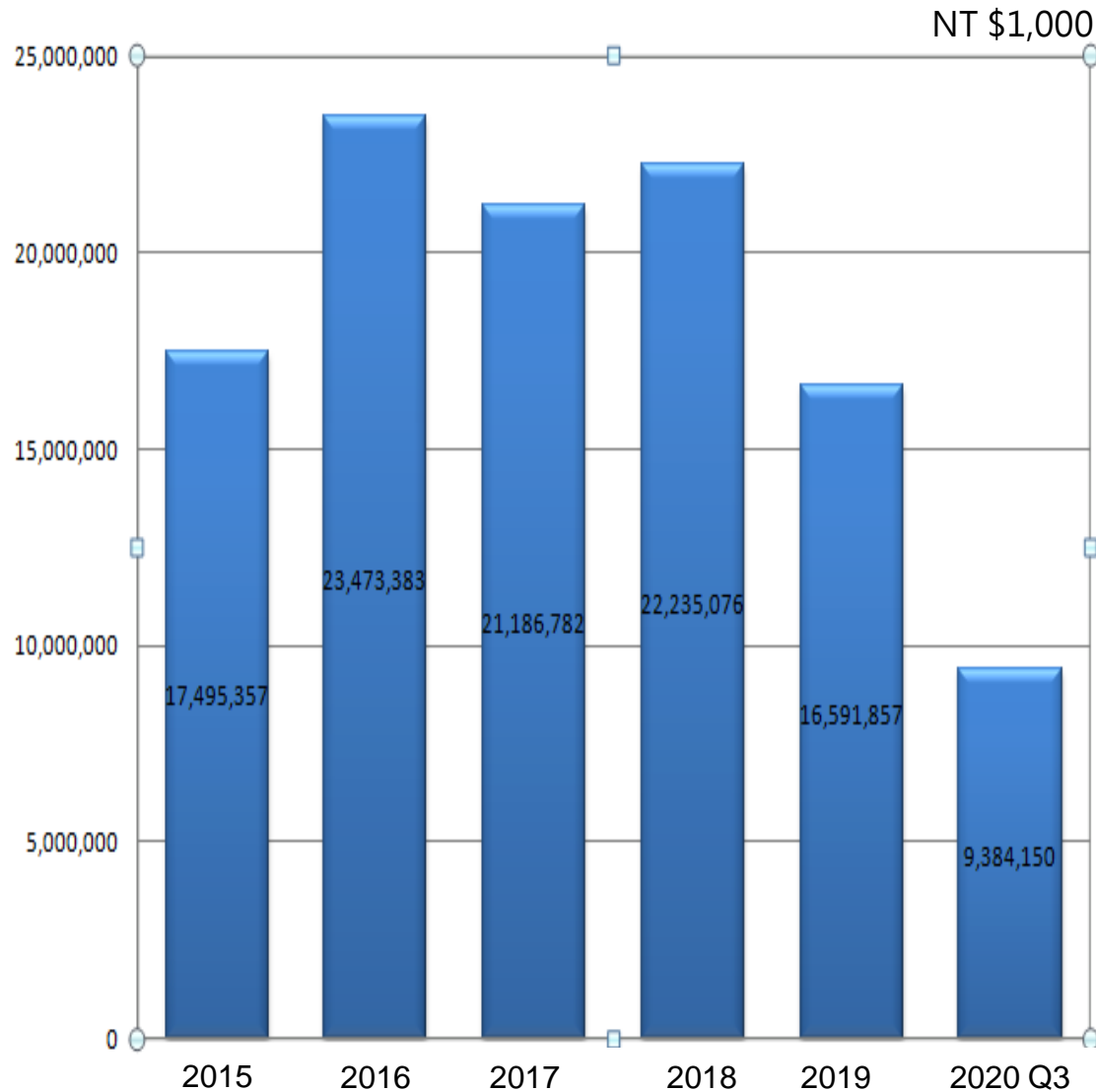


Operational Summary

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

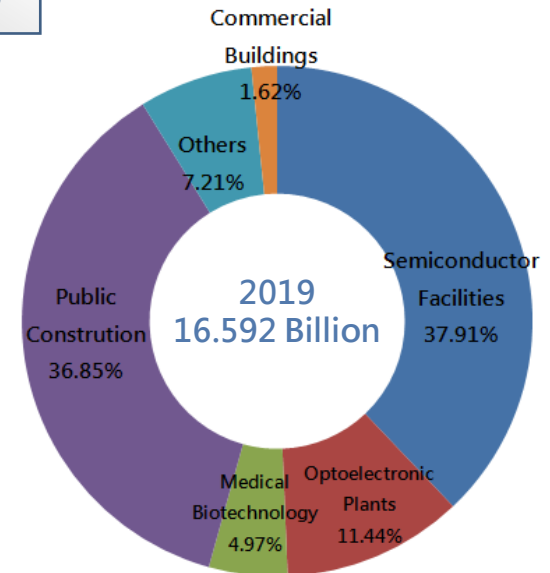
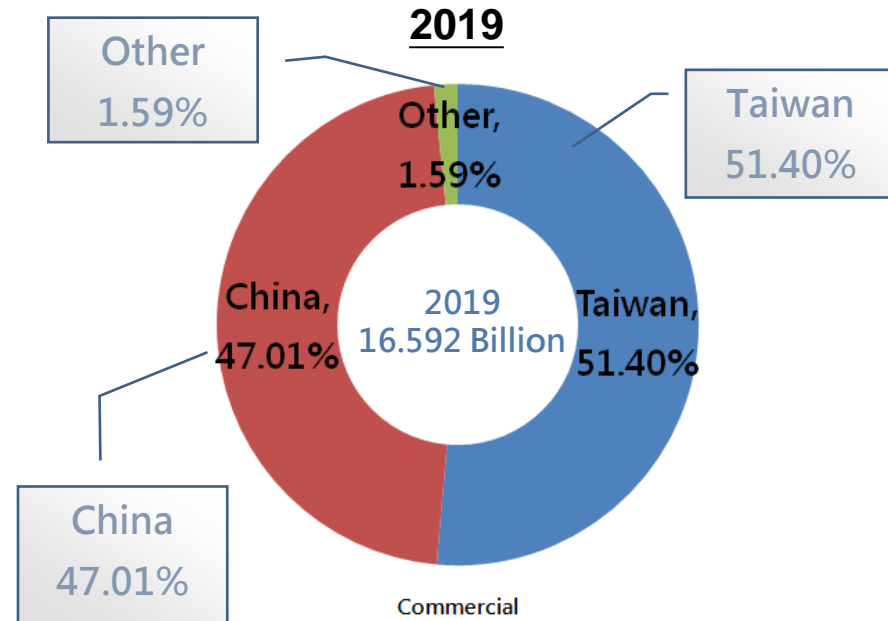
Consolidated Revenue and Distribution

Consolidated Revenue



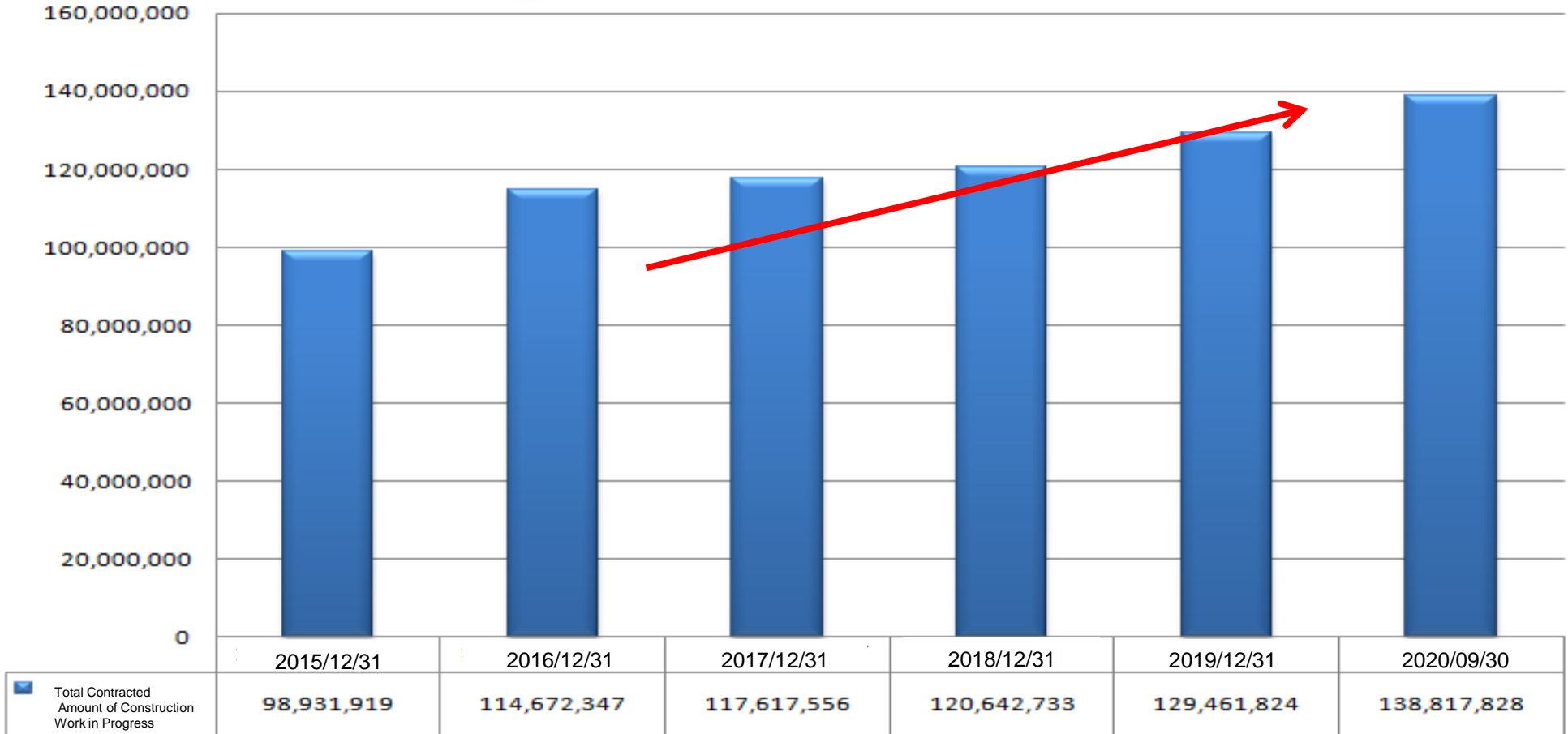
Data source :

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
1.Utility Plants -Mass Rapid Transit Project	
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
2.Utility Plants - Railway/ Highway Project	
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
3. Utility Plants -Water Environment and Energy Project	
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
4. Utility Plants -Construction & MEP Project	
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

Client	Project
1. Wafer Industry	
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
1. Wafer Industry	
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
2. Panel Industry	
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

Client	Project
3.Others	
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
4.Overseas	
COMPAL (VIETNAM) Limited Company	COMPAL (VIETNAM) Civil Construction Works (CVC P2)
Universal Scientific Industrial Vietnam Company Limited	Vietnam Building-A Project

Strategy and Prospect

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

3 Taiwan Market

Commercial Building

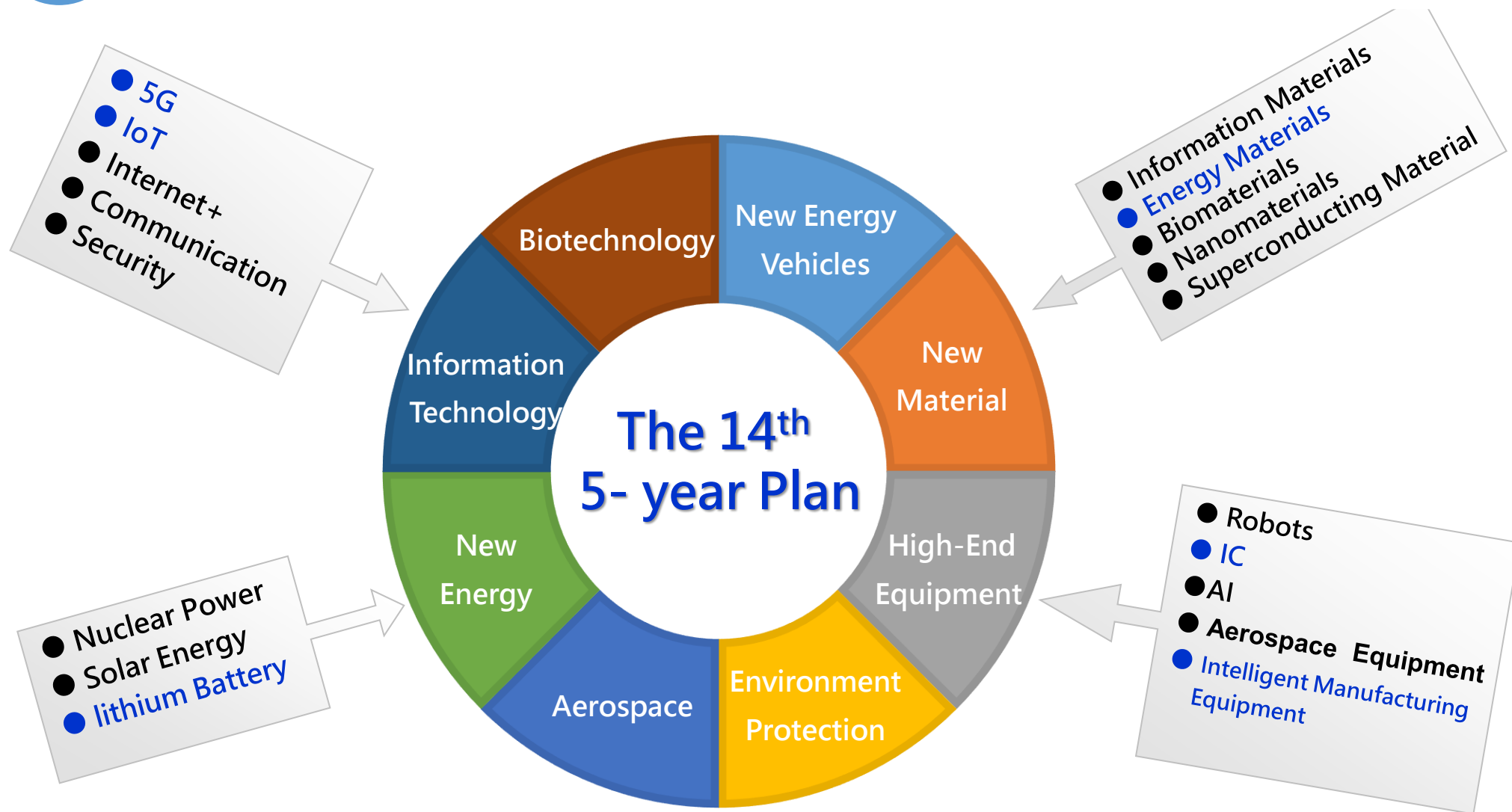
➤ Commercial Building

- 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



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

3 China (Chengdu) Market

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.

3

Outlook for Entire Market



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
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2020 Third Quarter Consolidated Balance Sheets

NT \$1,000

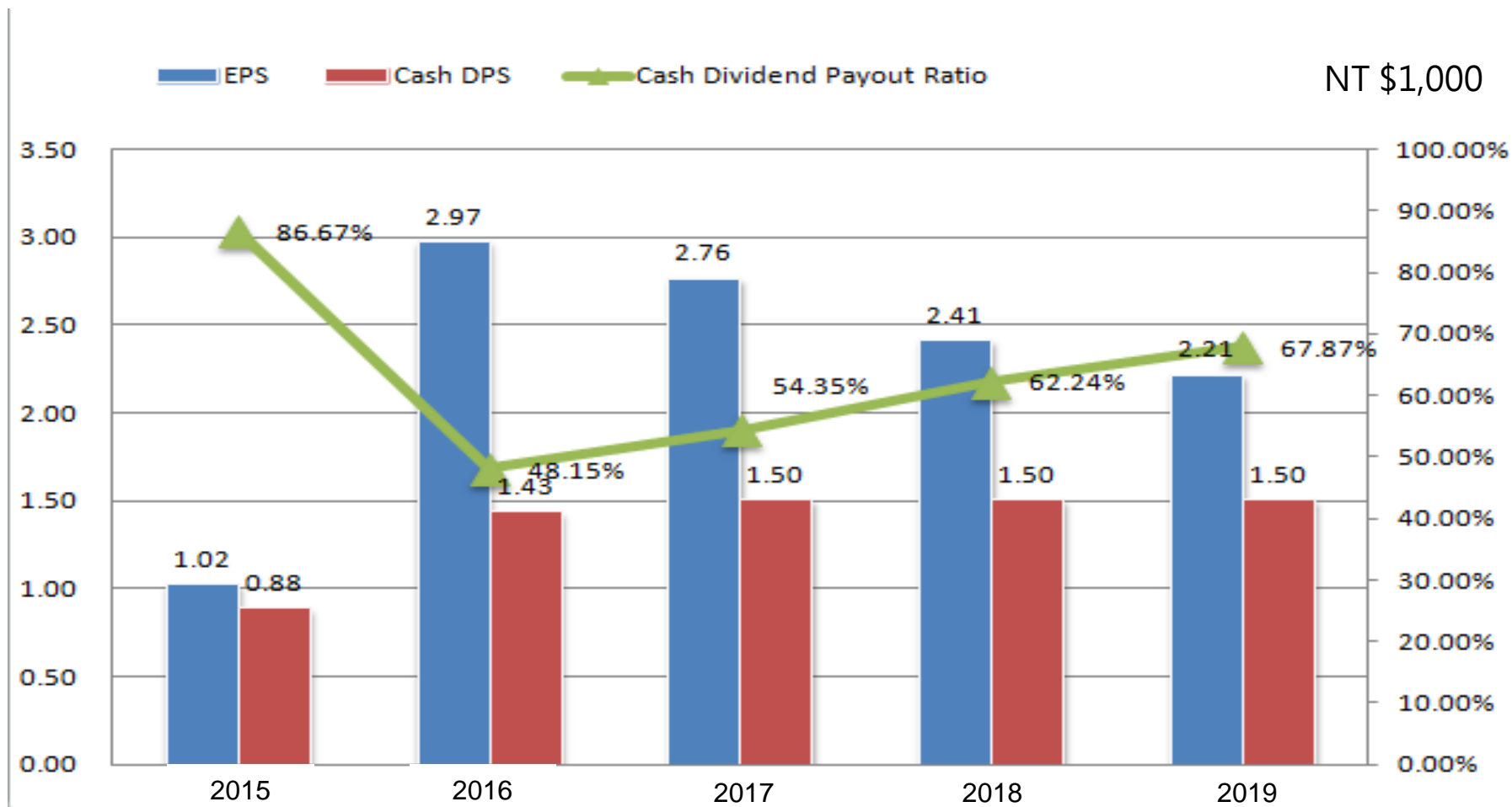
	109/09/30	108/09/30		109/09/30	108/09/30
Liquefiable Assets	10,096,562	10,458,440	Current Liabilities	10,758,225	10,253,485
Receivables to Customers on Construction Contracts	10,044,183	8,726,204	Contract Liability	5,201,724	3,578,720
Other Financial Assets - current	4,779,950	4,291,401	Long-term Borrowings	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
Total Assets	29,426,090	27,830,863	Total Liabilities and Equity of	29,426,090	27,830,863

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.

Dividend policy



Data source :

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

Thank you

Q & A