



KUNG SING Engineering Corporation

2021 Institutional Investors Conference



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 - ❖ Operational overview
 - ❖ Financial summary
 - ❖ Business development
-





Company Profile



➤ Seventy years old history

KUNG SING Engineering Corporation was established in 1947, has been established for 70 years ,2012 The Company's listed stocks . For the domestic large-scale factory to obtain the first ISO 9001 quality management and ISO 14001 environmental management certification the company.



➤ Business scope

Construction engineering



- Comprehensive construction industry
- Dredging industry
- Anti - corrosion, anti - rust works
- Lifting Engineering
- Drilling Engineering
- Waste disposal industry
- Other environmental sanitation and pollution control services

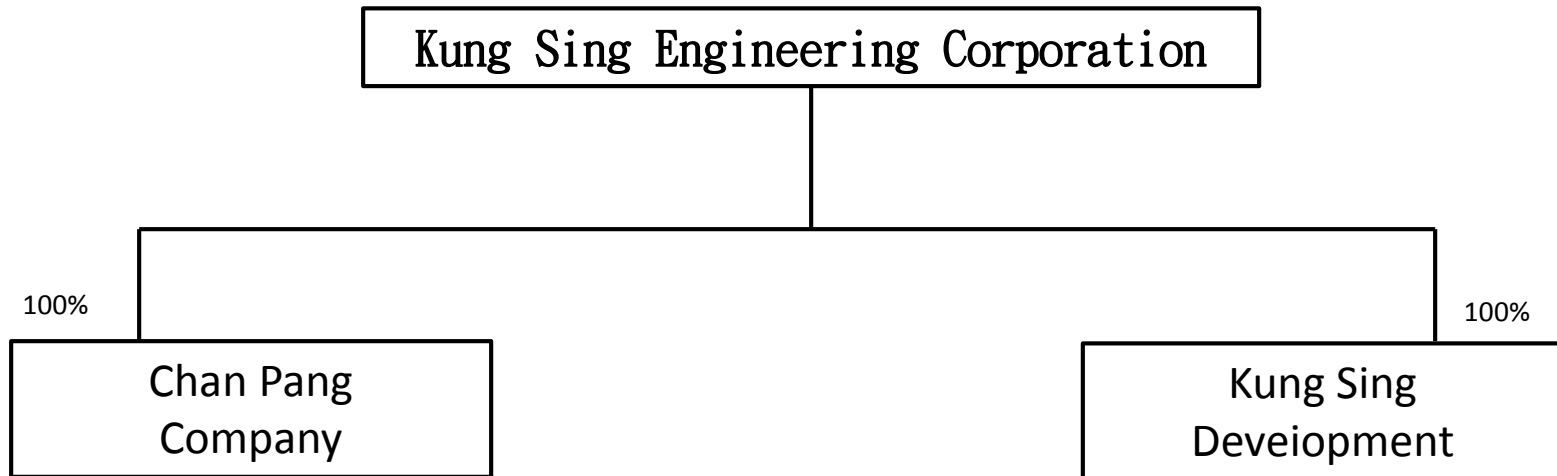
Architecture and Development



- Residential and building development and rental industry
- Industrial plant development and rental
- Development of specific professional areas
- Invest in the construction of public construction
- New town, new community development industry
- Section of the collection and the city to reproduce the agency industry
- Real estate leasing industry
- Urban renewal and reconstruction industry



➤ Relationship Organization Chart



A Summary of Corporate Governance in Recent Three Years

2021

1. Obtained the procurement case for "Emergency Dredging Project of Existing Water Bay of Datan Power Plant".
2. The company was selected as a constituent stock of the Corporate Governance 100 Index!
3. The new construction of Guanyin Tunnel of Suhua Highway on Taiwan 9th Line won the third place of the Golden Road Award
4. The 7th Corporate Governance Appraisal achieved a good score of 89.74 points, and listed companies ranked in the top 20%.

2020

1. New Construction of Guanyin Tunnel Project and Gufong Tunnels Project and Taichung harbor dock No.106 new construction project was finished.
2. The Taichung harbor dock No.106 new construction project won the 2020 Public Works Excellent Project Award from the Ministry of Transportation.
3. The 6th Corporate Governance Appraisal has achieved good results in the top 20% of listed companies.
4. Won the 2020 TCSA Taiwan Corporate Sustainability Award-Corporate Sustainability Report Award-Silver Award.

2019

1. The new construction of the Guanyin Tunnel on the Suhua Highway was completed; Linkou Power Plant Renewal Expansion Plan Cartridge Coal unker System entered the acceptance phase.
2. Won 2018 TCSA Taiwan Enterprise Sustainability Award Corporate Sustainability Report Award - Bronze Award.
3. Received the Excellence Award for Performance Contract issued by Taiwan Power Company.
4. Won the 2019 Happy Enterprise Award from 1111.
5. Received a testimonial from the Thailand Trade and Economic Office, Taipei for taking care of Thai labors.



Operational overview

Construction in progress

Construction of Danjiang Bridge and Connecting Road Network 5K+000~7K+035

Contract amount: NT 12.494 billion

Taipei Port South Wharf S07, S08 Revetment and Rear Line Embankment Construction Project

Contract amount: NT 0.65 billion

Tatan Power Plant Existing Water Bay Emergency Dredging Project

Contract amount: NT 0.86 billion

Taichung Combined Cycle Power Plant Project - Circulating Water Pump House and Tunnel Project

Contract amount: NT 3.75 billion

civil, Electrical & Mechanical from Chaozhou to Linbian, LOT 811, procurement case

Contract amount: NT 1.738 billion

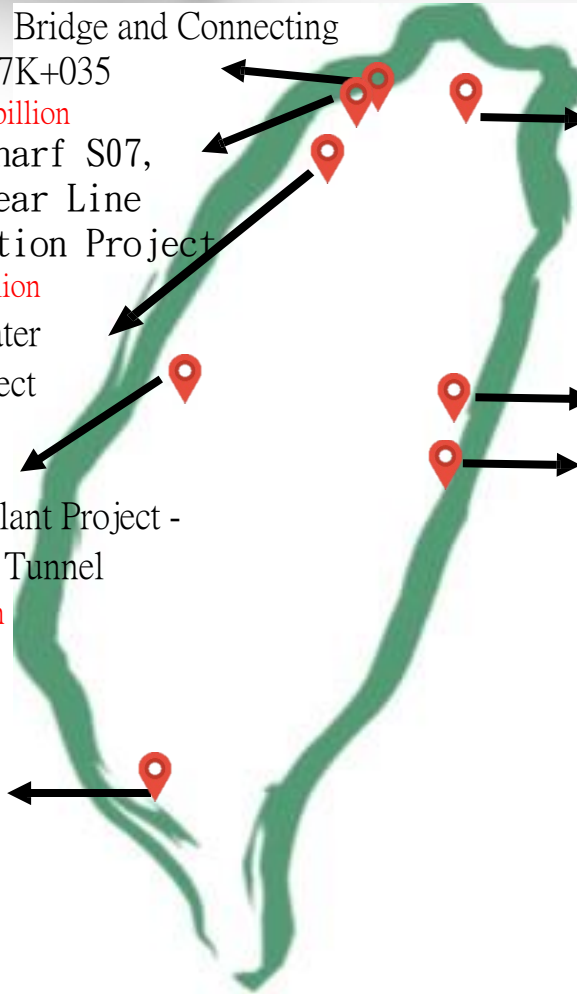
KUNG SING Engineering Co.,Ltd(8F.102.Civil Boulevard Sec.4.Taipei

Taiwan Line 9 212K+800~214K + 685 Papaya River Bridge Reconstruction Project

Contract amount: NT 1.432billion

C031 agent Tainan Nanping to Wannong two-track civil and tram line project

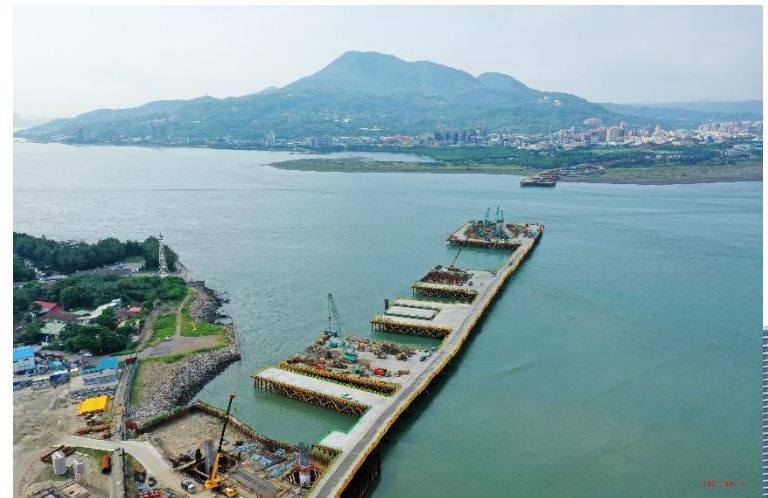
Contract amount: NT 1.148 billion





➤ Construction in progress

| | |
|----------------------|--|
| project name | Construction of Danjiang Bridge and Connecting Road Network 5K+000~7K+035 |
| owner | Directorate General of Highways, MOTC |
| Contract price | NT 12.494 billion |
| Engineering location | North of Taiwan |
| Project progress | 20.15% |



➤ Construction in progress

| | |
|----------------------|--|
| project name | Taipei Port South Wharf S07,S08 Revetment and Rear Line Embankment Construction Projec |
| owner | Taiwan Ports Co., Ltd. Keelung Port Branch |
| Contract price | NT 0.646 billion |
| Engineering location | North of Taiwan |
| Project progress | 59.07% |





➤ Construction in progress

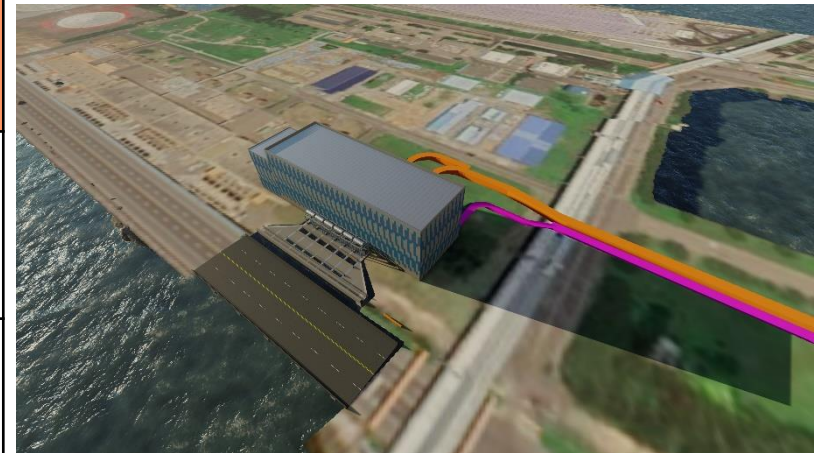
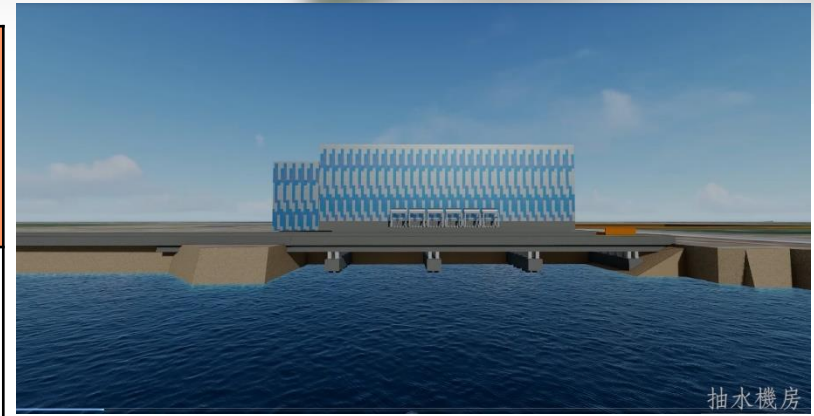
| | |
|----------------------|---|
| project name | Tatan Power Plant Existing Water Bay Emergency Dredging Project |
| owner | Taiwan Electric Power Company Limited |
| Contract price | NT 0.86 billion |
| Engineering location | North of Taiwan |
| project progress | 51.03% |





➤ Construction in progress

| | |
|----------------------|--|
| project name | Taichung Combined Cycle Power Plant Project - Circulating Water Pump House and Tunnel Project |
| owner | Taiwan Electric Power Company Limited |
| Contract price | NT 3.75 billion |
| Engineering location | Central Taiwan |
| project progress | 0.10% |





➤ Construction in progress



| | |
|----------------------|--|
| project name | civil, Electrical & Mechanical from Chaozhou to Linbian, C811Z, procurement case |
| owner | Railway Bureau, MOTC |
| Contract price | NT 1.738 billion |
| Engineering location | Southern Taiwan |
| Project progress | 98.14% |



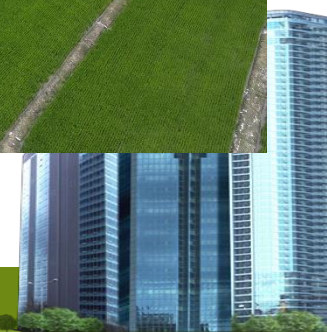
➤ Construction in progress

| | |
|----------------------|--|
| project name | C031 agent Tainan Nanping to Wanrong two-track civil and tram line project |
| owner | Railway Bureau, MOTC |
| Contract price | NT 1.148 billion |
| Engineering location | East of Taiwan |
| project progress | 77.82% |



➤ Construction in progress

| | |
|----------------------|--|
| project name | Taiwan Line 9 212K+800~214K + 685 Papaya River Bridge Reconstruction Project |
| owner | Ministry of Communications Traffic Authority to improve the highway office |
| Contract price | NT 1.432 billion |
| Engineering location | East of Taiwan |
| project progress | 12.35% |



In recent years the project winning record

China Institute of Engineering Award for outstanding work of concrete award.
Concrete Society's Best Popularity Award.

Linkou Power Plant Renewal Expansion Plan Cartridge Coal Bunker System



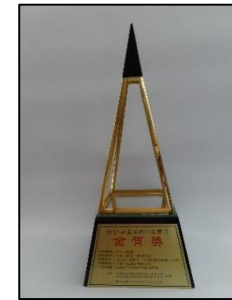
2016



The 17th National Building Gold Award The 17th National Building Gold Award The first prize.

KCL211 standard Lin Luo, bamboo field railway elevated works

2015



2014

Concrete engineering award, non-architectural masterpiece
Taiwan's Taoyuan International Airport's Outside Linking MRT system Construction Project



2013

Environmental impact assessment audit plan selection excellence Taiwan's Taoyuan International Airport's Outside Linking MRT system Construction Project



Recommended by the General Administration of Highways of the Ministry of Communications to win the third place in the Golden Road Award
New Construction of Guanyin Tunnel Project

The 2020 Public Works Excellent Project Award from the Ministry of Transportation.
 The 20th Public Works Gold Award
The Taichung harbor dock No.106 new construction project.

Received the Excellence Award for Performance Contract issued by Taiwan Power Company.

Linkou power plant renovation plan "outlet diversion dike, north breakwater, coal unloading terminal, connecting bridge and related facilities new construction"

The General Administration of Communications of the Ministry of Communications awarded the Excellent Award for Engineering Supervision. **New Construction of Guanyin Tunnel Project**

2018

The 17th Public Works Gold Award - Water Works Project. Ministry of Economic Affairs Public Works Quality Award. **Linkou power plant renovation plan "outlet diversion dike, north breakwater, coal unloading terminal, connecting bridge and related facilities new construction"**
 Smooth opening Certificate of merit.
Taiwan's Taoyuan International Airport's Outside Linking MRT system Construction Project

2017

2021

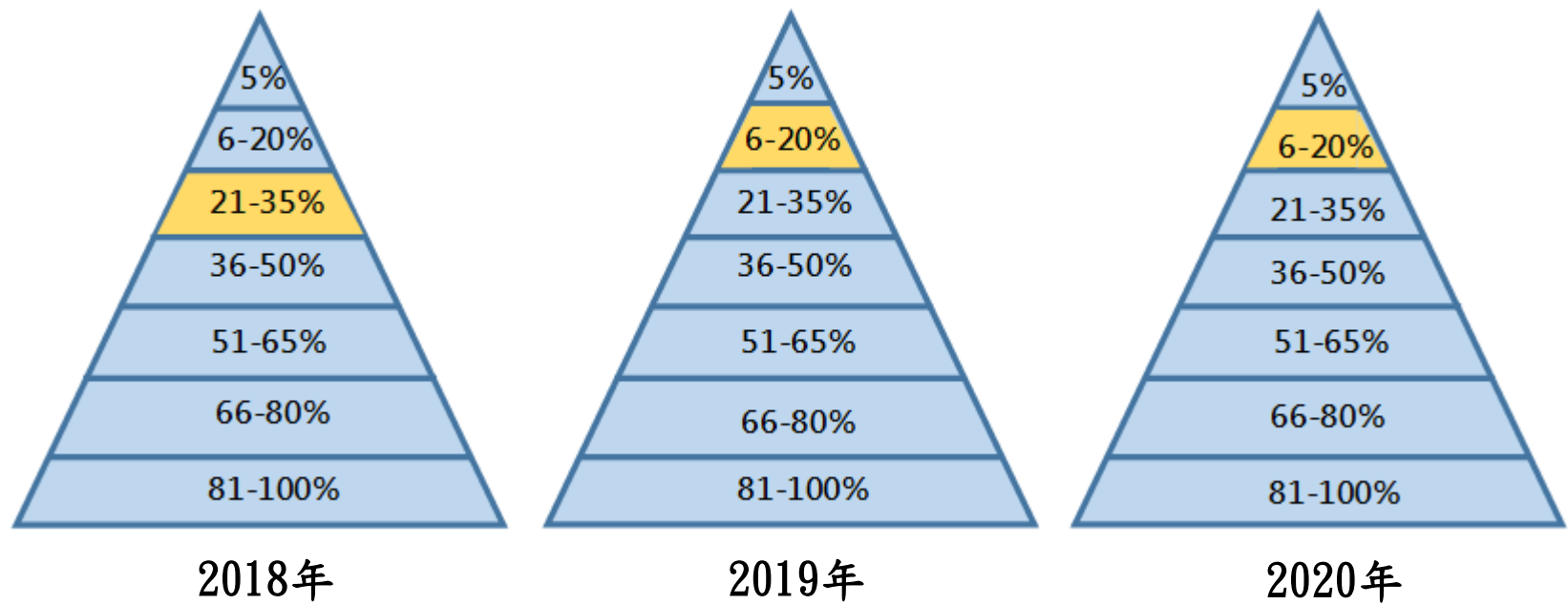
2020

2019



Corporate Governance Performance—Corporate Governance Evaluation Results

We are committed to the strengthening and development of corporate governance. Over the years, we have made efforts in implementing information disclosure, strengthening the functions of the board of directors, diversifying directors, as well as internal control, risk management and corporate sustainability. Effectiveness. The percentage of results in all listed companies is as follows:



In the future, we will continue to work hard for the development of corporate governance, hoping to achieve better results!

Corporate Governance Performance-Highlights performance in 2020

business performance

Operating income in 2020 is NT\$7,159,730 thousand, an increase of 67.17% from 2019 operating income of NT\$4,282,904 thousand.

The return on shareholders' equity in 2020 is 19.94%, an increase of 40.88 from the return on shareholders' equity in 2019 (0.50)%



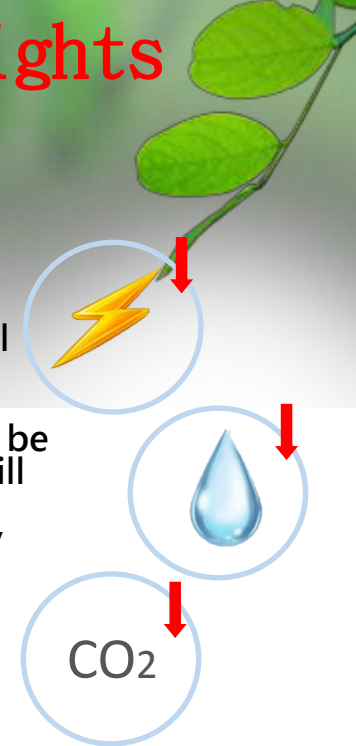
Corporate Governance

- ※In 2020, no corruption or bribery occurred, and no huge fines were imposed for violation of laws and regulations.
- ※The proportion of new suppliers signing "Occupational Safety and Environmental Protection Recognition Letter" and "Environmental and Social Responsibility Recognition Letter" reaches 100%
- ※In 2020, the corporate governance evaluation score will reach 89.74 points, which is the top 20% of all listed companies.

Corporate Governance Performance-Highlights performance in 2020

Environmental protection

- ※In 2020, the total power consumption of the head office and the construction sites will be reduced by 2,685,953 kWh compared with the previous year, and the power saving rate will be 72.48%.
- ※In 2020, the total water consumption of the head office and the construction sites will be reduced by 18,480 kWh compared with the previous year, and the water saving rate will be 40.21%.
- ※In 2020, the carbon emissions of electricity and water consumption will be reduced by 1,680,052KG in total compared with the previous year, and the target of 2% reduction has been reached.
- ※There were no environmental protection complaints in 2020.



Happy workplace

- ※There were no human rights complaints in 2020.
- ※The average salary of non-supervisory grassroots employees is 2.02 times the minimum basic salary.
- ※The average employee salary expenses in 2020 will increase by 33.99% compared to the previous year.
- ※The average employee benefit expenses in 2020 increased by 31.11% compared to the previous year.



For more information on the implementation of corporate governance, please refer to P9-P58 of the "Corporate Governance Report" of the company's annual report.



Corporate Social Responsibility-Sustainable Operation

Kung Sing engineering is the foundation of sustainable operation, and it faithfully implements the business philosophy of "cost first, construction period first, quality first, safety first" and the company management policy of "safety, quality, progress, environmental protection, and cost", and With the mission of fulfilling corporate social responsibility, we are committed to achieving corporate social responsibility to stakeholders such as investors, the government, consumers, employees, and communities, and we would like to reveal the following corporate social responsibility policies:

- There are no accidents in the construction of the project, and the safety of all employees is guaranteed.
- Improve quality management and increase customer satisfaction.
- The overall work progress control is completed as scheduled.
- Friendship with nature and devote to environmental conservation practice.
- Precise cost control, open and transparent information, to ensure the rights and interests of investors.
- Cultivate talents for a long time, take care of employees' well-being, and create a quality working environment.
- Care for the development of the community, promote social welfare, and maintain good neighbor relations.

CSR policy

In order to strengthen the company's emphasis on CSR (Corporate Social Responsibility) and believe that the promotion of CSR can create better competitiveness for the company, under the supervision of the company's highest governance body (board of directors), the general manager has appointed the administrative department to form CSR The work promotion group is responsible for assisting and organizing other departments in the promotion, data collection and execution of CSR related work, and reporting to the company's highest governance body (board of directors).

For the implementation of corporate social responsibility, please refer to the company's website and "Corporate Social Responsibility Report"





Corporate
Operation

Social

Responsibility-Sustainable



Environmentally
friendly goals

Combined with the characteristics of the construction industry, the difference in hydropower consumption before, during and after the project is estimated, and a long-distance emission reduction target of no less than 3% per year is adopted.

Remote
target



Mid-
range
goal



Short-
range
goal

Reduce carbon emissions by 2% annually from 2020 to 2021



Carbon reduction by 10%
after 5 years

Happy workplace goals

Five years later :

1. Increase the training hours of employees to an average of more than 6 hours per person per year.
2. Strengthen environmental safety and health, with the goal of "zero occupational hazards".

Mid-range goal

Remote target

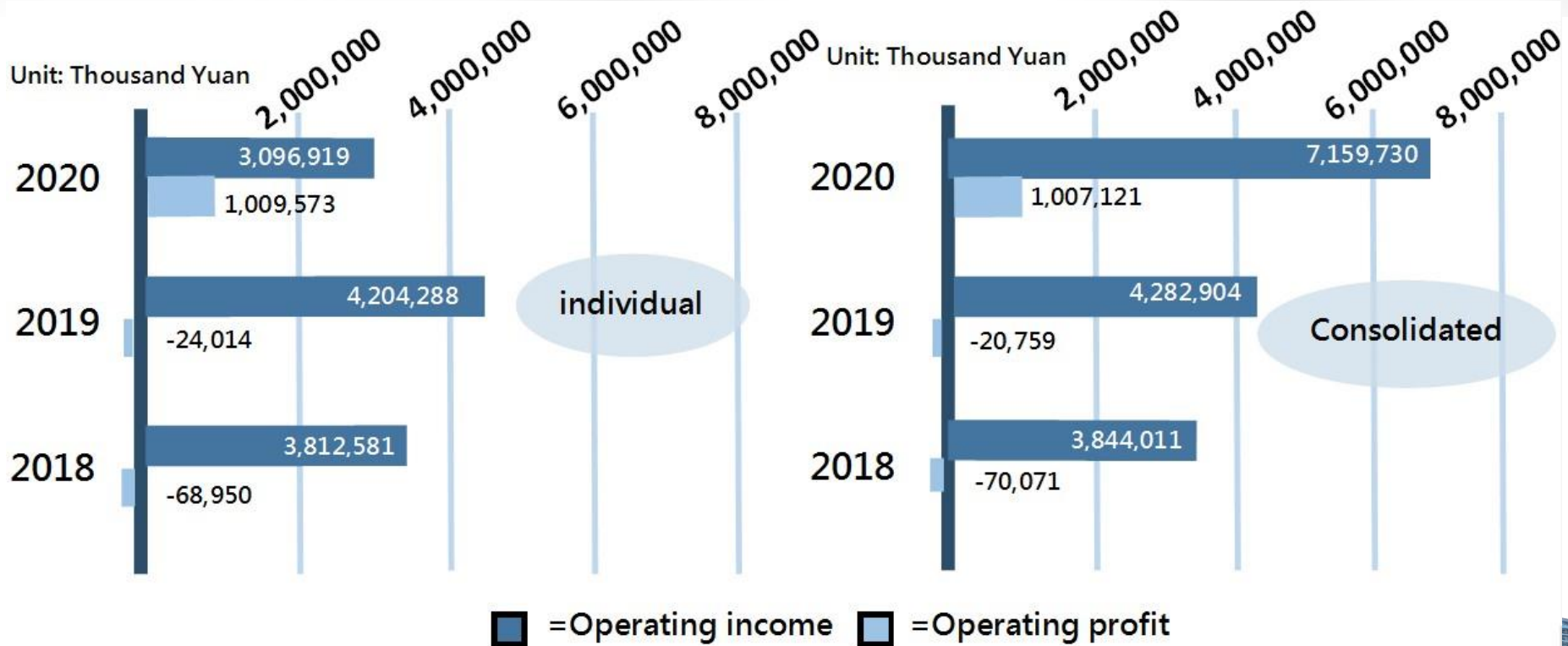
1. Staff function and career development, extend succession plan to middle and low-level supervisors.
2. Continue to strengthen environmental safety and health, with "zero fines" as the ultimate goal.

Short-range goal

(Performance achieved in 2020)

1. Improve employee compensation and well-being
The benefit and expense ratio is >3%, and the employee turnover rate is <3%
2. Added "Quality and Occupational Safety Reward and Punishment Measures for Environmental Protection Performance Evaluation", giving substantive rewards to winning construction sites.

➤ Operating income in the past three years

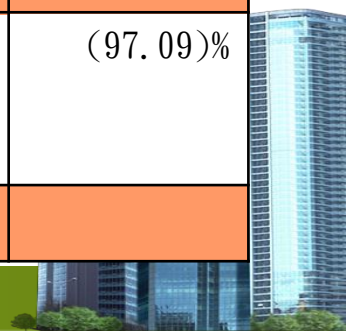




2021 Q2 consolidated consolidated income statement



| NT (thousand) | | | | | |
|---|-------------|-------|-------------|-------|----------|
| period | 2021/6/30 | | 2020/6/30 | | YOY |
| Operating income | 1,399,898 | 100% | 5,857,447 | 100% | (76.10)% |
| Operating cost | (1,250,105) | (89%) | (3,734,705) | (64%) | (66.53)% |
| Operating margin | 149,793 | 11% | 2,122,742 | 36% | (92.94)% |
| Operating expenses | (72,835) | (5%) | (134,139) | (2%) | (45.70)% |
| Operating interest | 76,958 | 6% | 1,988,603 | 34% | (96.13)% |
| Total revenue and expenditure | 732 | -% | (21,878) | -% | 103.35% |
| Pre-tax profit | 77,690 | 6% | 1,966,725 | 34% | (96.05)% |
| Income tax expense | (21,884) | (2)% | (57,687) | (1)% | (62.06)% |
| Current net profit | 55,806 | 4% | 1,909,038 | 33% | (97.08)% |
| Net profit attributable to parent company | 56,601 | 4% | 1,910,010 | 33% | (97.09)% |
| Earnings per share | 0.13 | | 4.27 | | |



➤ 2021 Q2 Consolidated Assets

| NT (thousand) | | | | | |
|---|-----------|------------|--|-----------|-----------|
| Item | 2021/6/30 | 2020/6/30 | Item | 2021/6/30 | 2020/6/30 |
| Cash and cash equivalents | 1,804,567 | 3,278,417 | short-term loan | 390,000 | 1,149,000 |
| Contract assets-liquidity | 1,652,969 | 2,335,729 | Contract liabilities-current | 548,637 | 856,180 |
| Other current assets other than the first two | 3,433,534 | 3,684,252 | Other current liabilities other than the first two | 1,059,385 | 1,634,119 |
| Total current assets | 6,891,070 | 9,298,398 | Total current liabilities | 1,998,022 | 3,639,299 |
| Real estate, plant and equipment | 447,911 | 513,616 | Long term loan | 70,252 | 74,820 |
| Other non-current assets other than the preceding paragraph | 597,396 | 480,128 | Other non-current liabilities other than the preceding paragraph | 219,363 | 132,090 |
| Total non-current assets | 1,045,307 | 993,744 | Total non-current liabilities | 289,615 | 206,910 |
| Total assets | 7,936,377 | 10,292,142 | Total liabilities | 2,287,637 | 3,846,209 |



Business development

- The future direction of the company to expand operations





The presentation ends
Thanks for listening

