



**HSING TA CEMENT CO., LTD.**

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**Presentation**

# DISCLAIMER STATEMENT



- The consolidated financial information included in this presentation were prepared based on IFRS and audited by a CPA.
- Hsing Ta Cement Co., Ltd never announces financial forecasts. Our actual results of operations, financial conditions or business prospects may differ from those expressed or implied in these forward looking statements for a variety of reasons, including but not limited to market demands, price fluctuations, competition, international economic conditions, exchange rate fluctuations and other risks and factors beyond our control.
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## Company Profile

- Date of Establishment : 1964
- Main Business : Cement & related products
- Capital : NT \$ 3.4 Billion
- Chairman : Jee-Shing Yang
- Company address : 7F, No.37 Pao-Ching Rd., Taipei, Taiwan
- Factory address : No.235, Sec.2 Zhongsha Rd., Suao Township, Yilan County Taiwan
- Group employees : 788 people





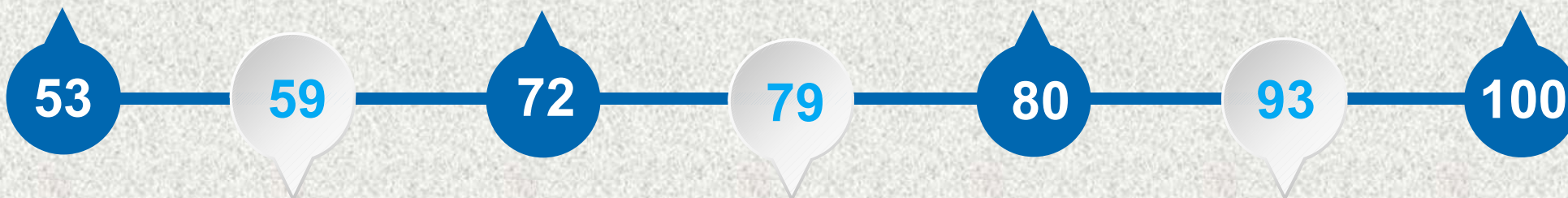
# Company History

Company established

Approved for public offering shares

Approved to be publicly listed on TWSE stock market

Jiang Su Xin Ning New Building Materials, Ltd. Factory completed



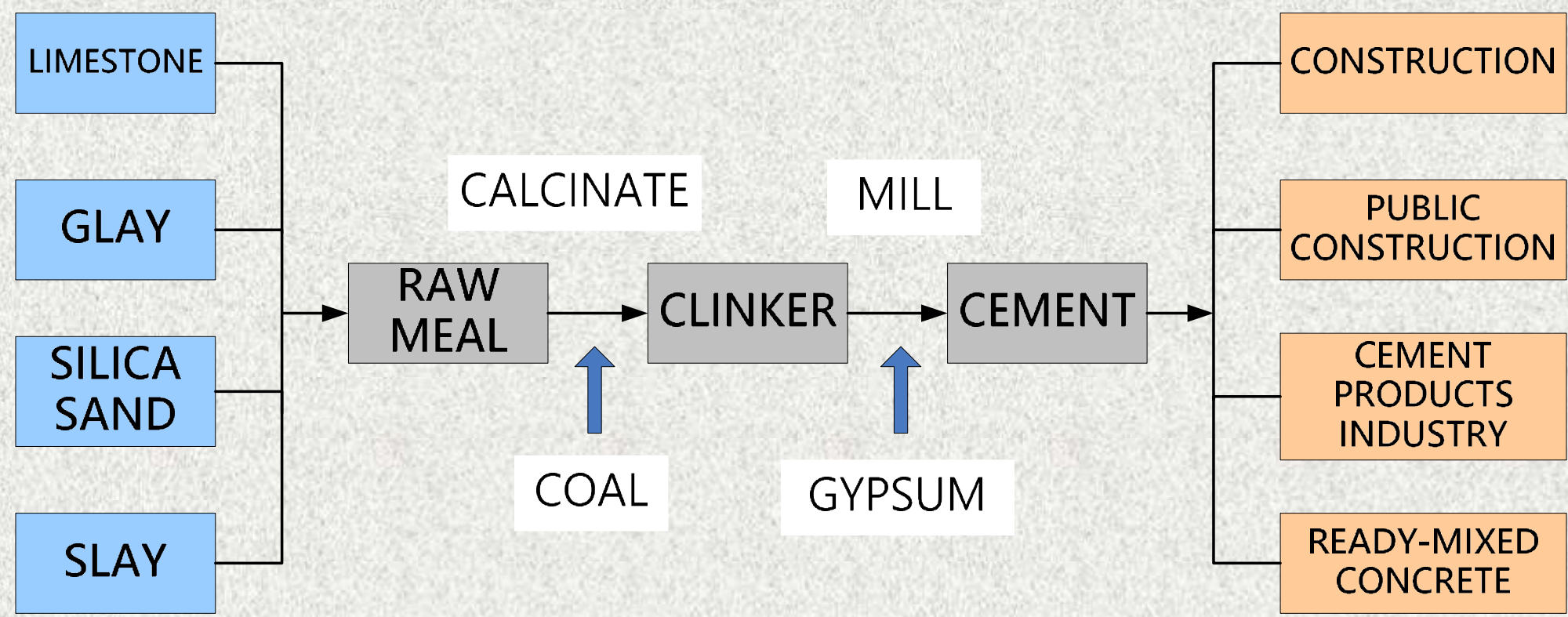
Set up Suao Nanshenghu Plant

Hsing-E Ready-Mixed Concrete Co.Ltd to join the operation

Songshan Hsingta business building was inaugurated

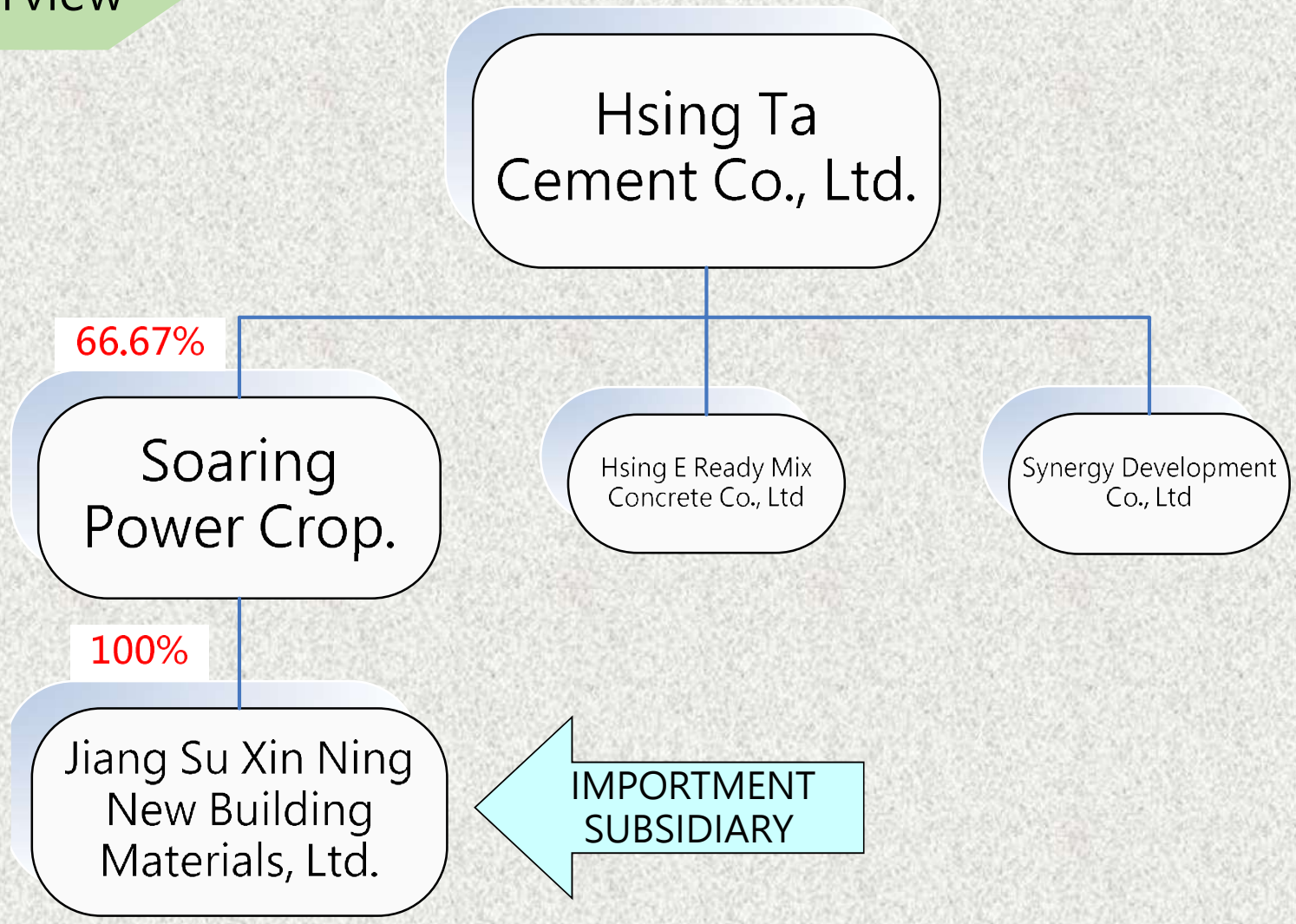
Operation Overview

# Cement production and marketing process



# Investment Framework

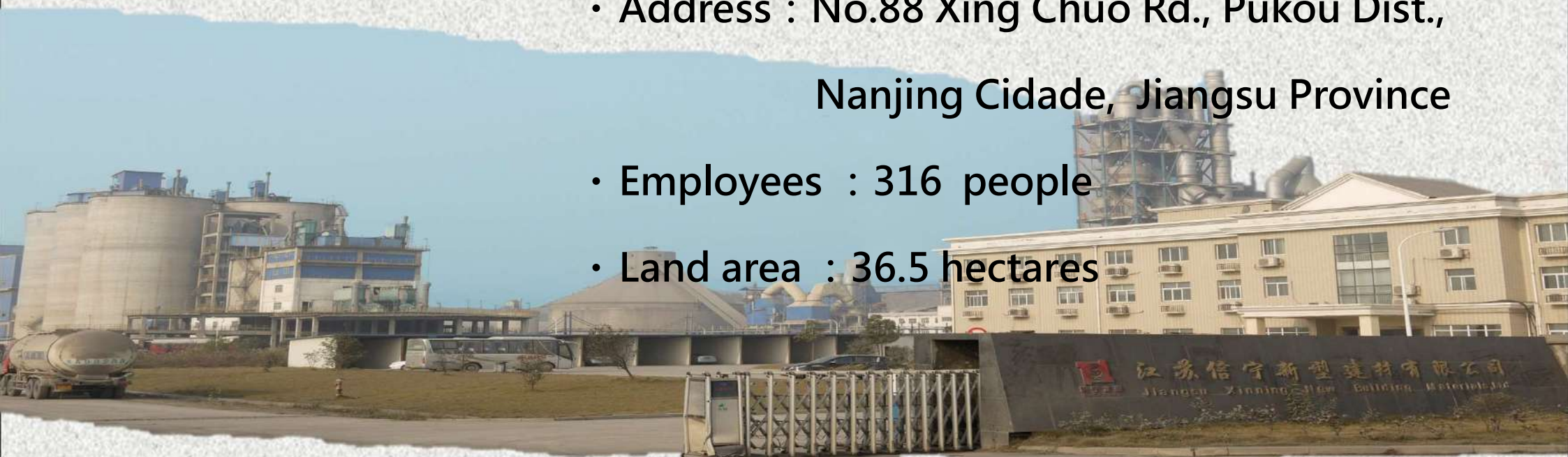
Operation Overview



## Company Profile

Jiang Su Xin Ning  
New Building  
Materials, Ltd.

- Date of Establishment : 2006
- Main Business : Cement production and sales
- Capital : NT \$ 2.23 Billion
- Chairman : Ren-Hsiung Yang
- Address : No.88 Xing Chuo Rd., Pukou Dist.,  
Nanjing Cidade, Jiangsu Province
- Employees : 316 people
- Land area : 36.5 hectares



# Market Share – Cement and Clinker

Hsing Ta

- Taiwan 5.18%
- North Taiwan 23%

Jiang Su  
Xin Ning

- Nanjing 11.25%

# Product Types

## Hsing Ta

- Portland Cement Type I
- Cement Type I , Low Alkali
- Cement Type II, Low Alkali
- Blended hydraulic Cement

## Jiang Su Xin Ning

- PⅡ 52.5 Cement
- PO 42.5 Cement
- PC 32.5 Cement

# Capacity of production- Cement and Clinker

Unit : ton

<b>Taiwan</b>	1,560,000
<b>China</b>	2,100,000
<b>Total</b>	3,660,000



# Annual Production and sales - Cement and Clinker

Unit : ton

<b>Production</b>	2018/1-6	2017Y	2016Y	2015Y
Taiwan	281,790	646,503	703,400	800,583
China	940,507	2,183,521	1,921,279	1,792,999
<b>Total</b>	<b>1,222,297</b>	<b>2,830,024</b>	<b>2,624,679</b>	<b>2,593,582</b>

<b>Sales</b>	2018/1-6	2017Y	2016Y	2015Y
Taiwan	286,803	662,642	717,413	853,281
China	920,189	2,188,817	1,922,278	1,796,273
<b>Total</b>	<b>1,206,992</b>	<b>2,851,459</b>	<b>2,639,691</b>	<b>2,649,554</b>

# Production and sales – Q2

Unit: ton

<b>Production</b>	<b>2018/1-6</b>	<b>2017/1-6</b>	<b>Increase (decrease)</b>	<b>Increase (decrease)%</b>
Taiwan	281,790	316,096	(34,306)	(11)
China	940,507	1,026,173	(85,666)	(9)
<b>Total</b>	<b>1,222,297</b>	<b>1,342,269</b>	<b>(119,972)</b>	<b>(9)</b>

<b>Sales</b>	<b>2018/1-6</b>	<b>2017/1-6</b>	<b>Increase (decrease)</b>	<b>Increase (decrease)%</b>
Taiwan	286,803	328,335	(41,532)	(13)
China	920,189	1,009,920	(89,731)	(9)
<b>Total</b>	<b>1,206,992</b>	<b>1,338,255</b>	<b>(131,263)</b>	<b>(10)</b>

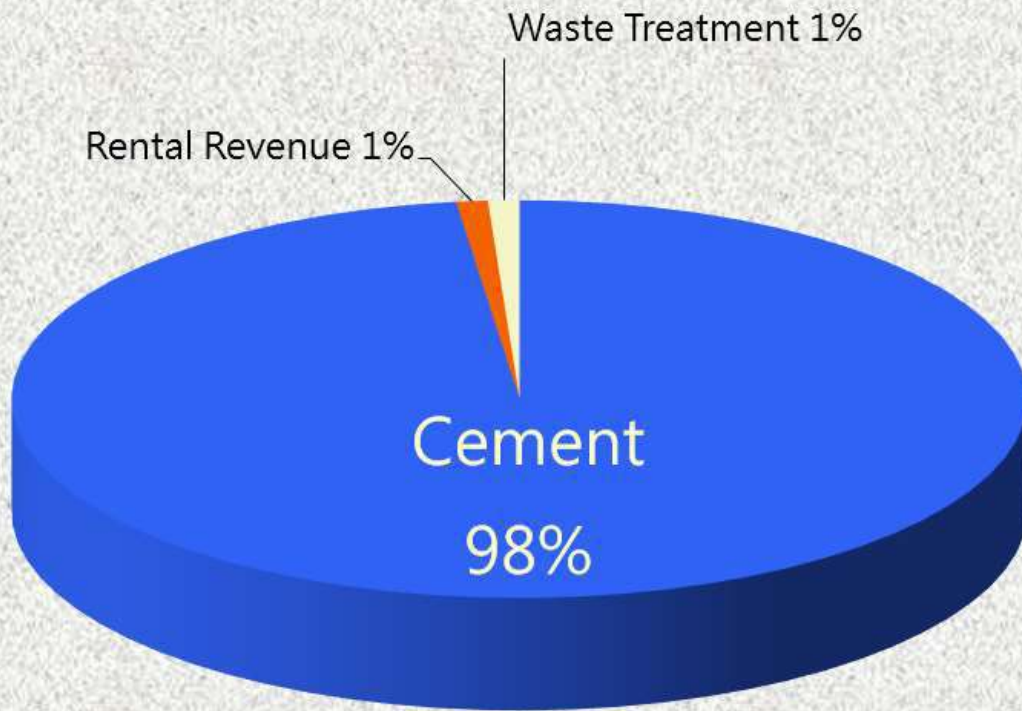
# Consolidated operating revenue

Amount : NT\$ thousand

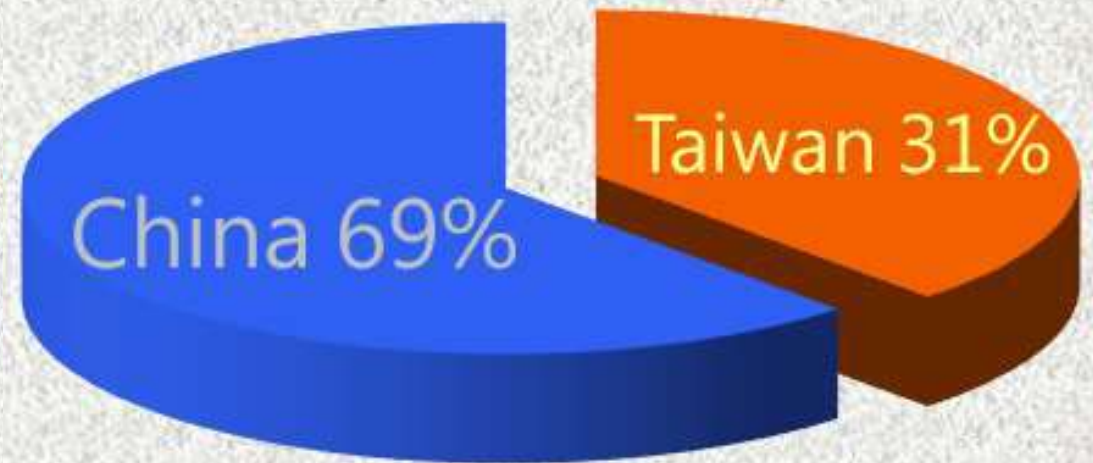
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Total
2018	475,455	182,926	402,999	545,209	625,561	577,408	618,024	598,648	4,026,230
2017	333,060	174,572	462,370	481,754	447,188	418,868	417,078	487,484	3,222,374
Increase	142,395	8,354	(59,371)	63,455	178,373	158,540	200,946	111,164	803,856
(decrease)	42.75%	4.79%	(12.84%)	13.17%	39.89%	37.85%	48.18%	22.80%	24.95%

# Consolidated revenue ratio

## Revenue ratio

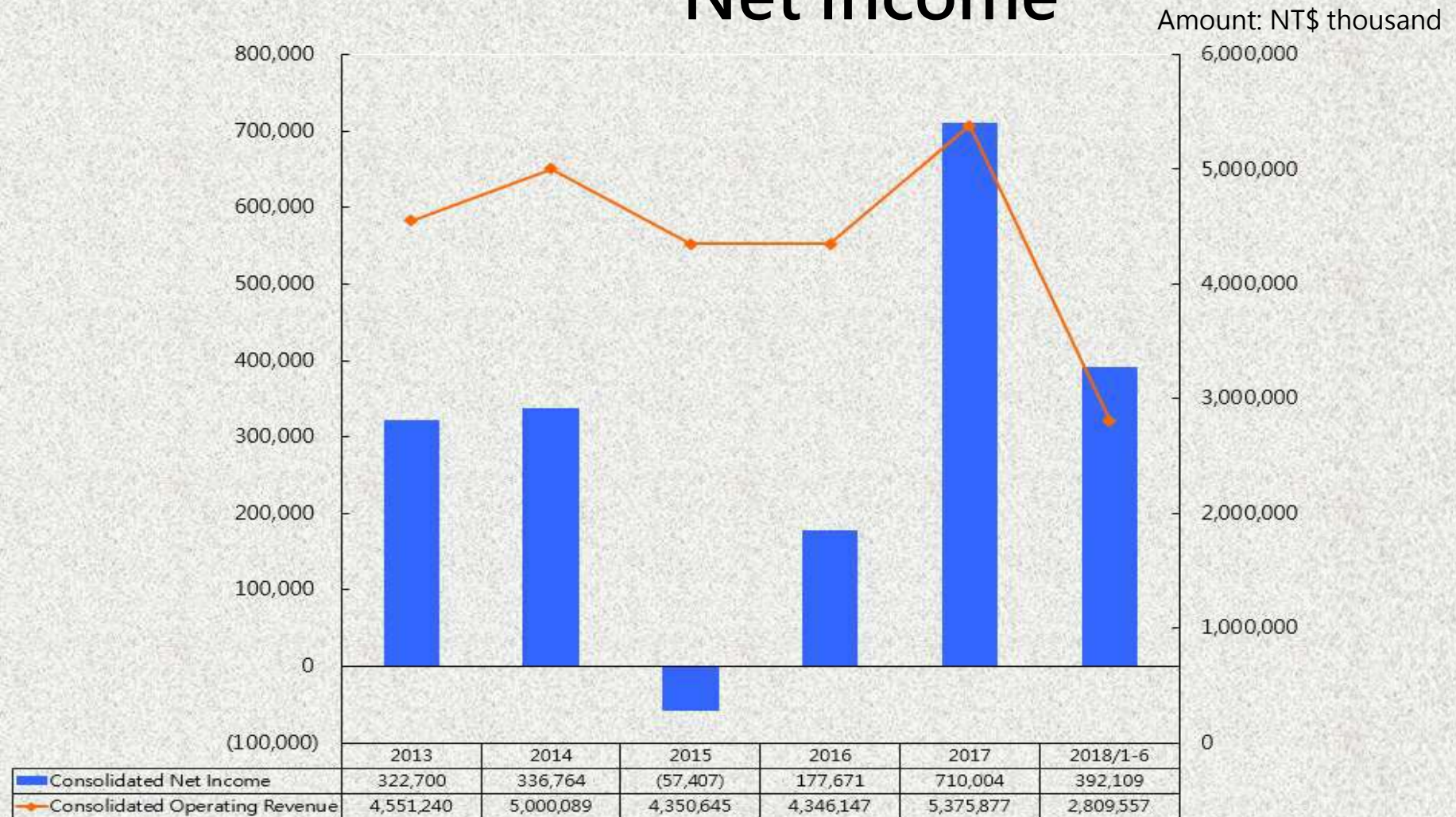


## Regional ratio



## Financial Results

# Consolidated Operating Revenue and Net Income



## Financial Results

# Consolidated Income Statement

Amount: NT\$ thousand

Item \ Year	2018/1-6	%	2017/1-6	%	Increase Amount	Increase %	2017Y	%
Operating Revenue	2,809,557	100	2,317,812	100	491,745	21	5,375,877	100
Operating Gross Profit	822,279	29	440,399	19	381,880	87	1,256,014	23
Operating Income	632,064	22	240,405	10	391,659	163	854,822	16
Non-operating income & expenses	14,995	1	18,416	1	(3,421)	(19)	43,102	1
Net Income	392,109	14	226,531	10	165,578	73	710,004	13
Net income attributable to parent company	248,086	9	159,723	7	88,363	55	491,910	9
EPS(NT\$)	0.69		0.42		0.27		1.32	

## Consolidated Balance Sheet

Amount: NT\$ thousand

Item \ Year	2018/06/30	2017/12/31	2016/12/31	2015/12/31
Current Assets	3,272,975	2,977,260	2,784,672	2,385,481
Non-current Assets	5,743,574	5,599,665	5,858,992	6,250,845
<b>Total Assets</b>	<b>9,016,549</b>	<b>8,576,925</b>	<b>8,643,664</b>	<b>8,636,326</b>
Current Liabilities	1,202,528	965,063	1,239,358	946,924
Non-current Liabilities	718,936	816,786	1,075,485	1,301,474
<b>Total Liabilities</b>	<b>1,921,464</b>	<b>1,781,849</b>	<b>2,314,843</b>	<b>2,248,398</b>
Equity attributable to parent company	5,885,393	5,662,973	5,406,966	5,421,093
non-controlling interest	1,209,692	1,132,103	921,855	966,835
<b>Total Equity</b>	<b>7,095,085</b>	<b>6,795,076</b>	<b>6,328,821</b>	<b>6,387,928</b>
<b>Total Liabilities and Equity</b>	<b>9,016,549</b>	<b>8,576,925</b>	<b>8,643,664</b>	<b>8,636,326</b>

## Recent annual financial information

Item Year	2018Q2	2017	2016	2015	2014
Liabilities to assets ratio(%)	21.31	20.77	26.78	26.03	24.25
Current ratio(%)	272.17	308.50	224.69	251.92	150.36
ROA(%)	4.58	8.54	2.35	(0.41)	3.86
ROE(%)	5.65	10.82	2.53	0.27	4.01
Profit Margin(%)	13.96	13.21	4.09	(1.32)	6.74
EPS(NT\$)	0.69	1.32	0.42	0.04	0.67
DPS(NT\$)	-	0.10	0.10	0.20	0.20

# Direction of business development

Toward a recycling economy industry

Actively strive for public construction

Promote special type cement sales

**Use the characteristic of high temperature kiln to the treatments of heavy metal waste, ash and others.**

- Assist in the removal of waste, reduce the impact of underground burying .
- Promote reuse of metal wastes, reduce resource consumption & social costs of secondary treatment .

## Strength

Free of mining rights approval and environment revaluation within 15 years.

Promote the role of circular economy.

The layout of China is complete.

Production technology is mature.

Upstream and downstream integration is complete.

## Weaknesses

Imported coal raw materials, mining right rents, the relevant taxes are on the rise.

Recruiting new staff is not easy, labor costs increasing year by year.

Market demand slowed down.

Government environmental regulations harsh.  
Environmental awareness is high.

Peer competition in the market.

## Prosepect & Outlook

**Taiwan stable**  
**China increase**

**Year growth**  
**stable and optimistic**

- ◆ **The domestic market remained stable.**
- ◆ **Cement prices in China is growth, and profit increase.**
- ◆ **The main growth depends on China.**

Q&A

