



HSING TA CEMENT CO., LTD.

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.
- The copyright of this document is owned by the Company and may not be directly or indirectly reproduced, redistributed or forwarded to any other person and may not be published in whole or in part for any purpose.

1 | Company Profile

2 | Operation Overview

3 | Financial Results

4 | Prospect & Outlook

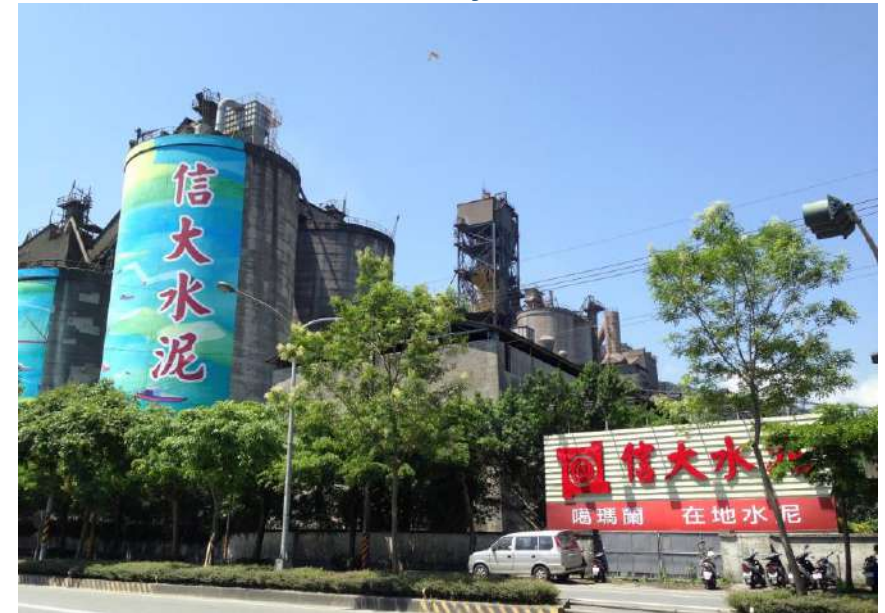


Company Profile

- Date of Establishment : 1964
- Main Business : Cement & related products
- Capital : NT \$ 3.4 Billion
- Chairman : Jee-Shing Yang
- Group employees : 774 people

Company address : 7F, No.37 Pao-Ching Rd., Taipei, Taiwan

Factory address : No.235, Sec.2 Zhongsha Rd., Suao Township, Yilan County Taiwan





信大水泥

信大水泥

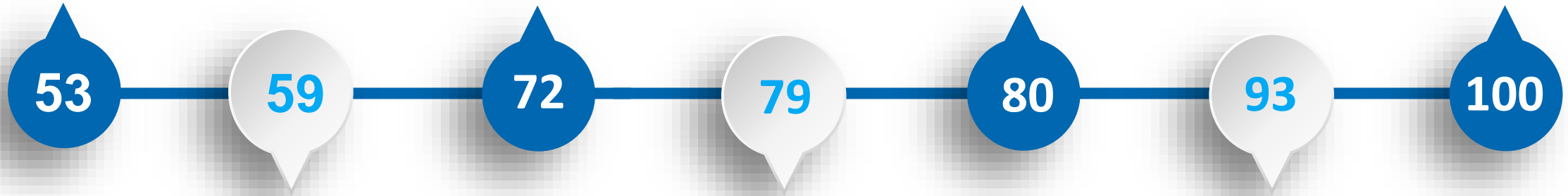
Company History

Company established

Approved for public offering shares

Approved to be publicly listed on TWSE stock market

Jiangsu Xinning New Building Materials, Co 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

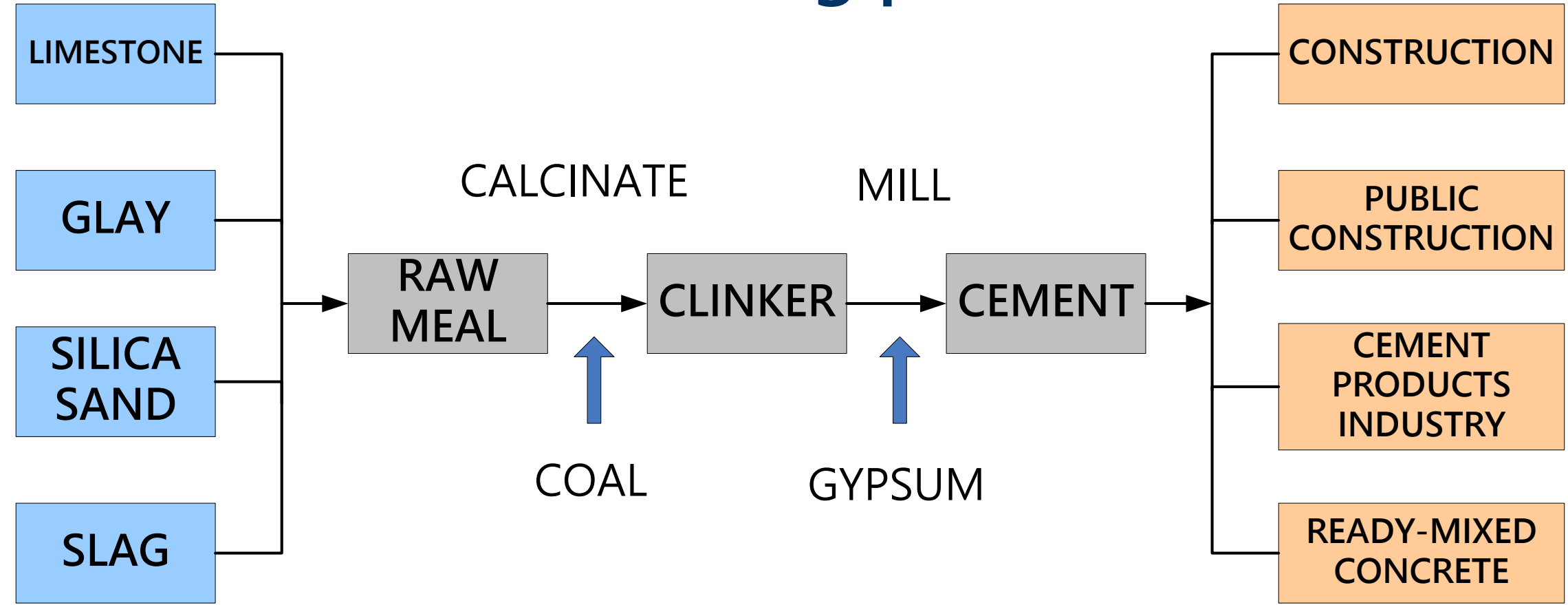
subsidiary
company Profile

Jiang Su Xin Ning
New Building
Materials, Ltd.

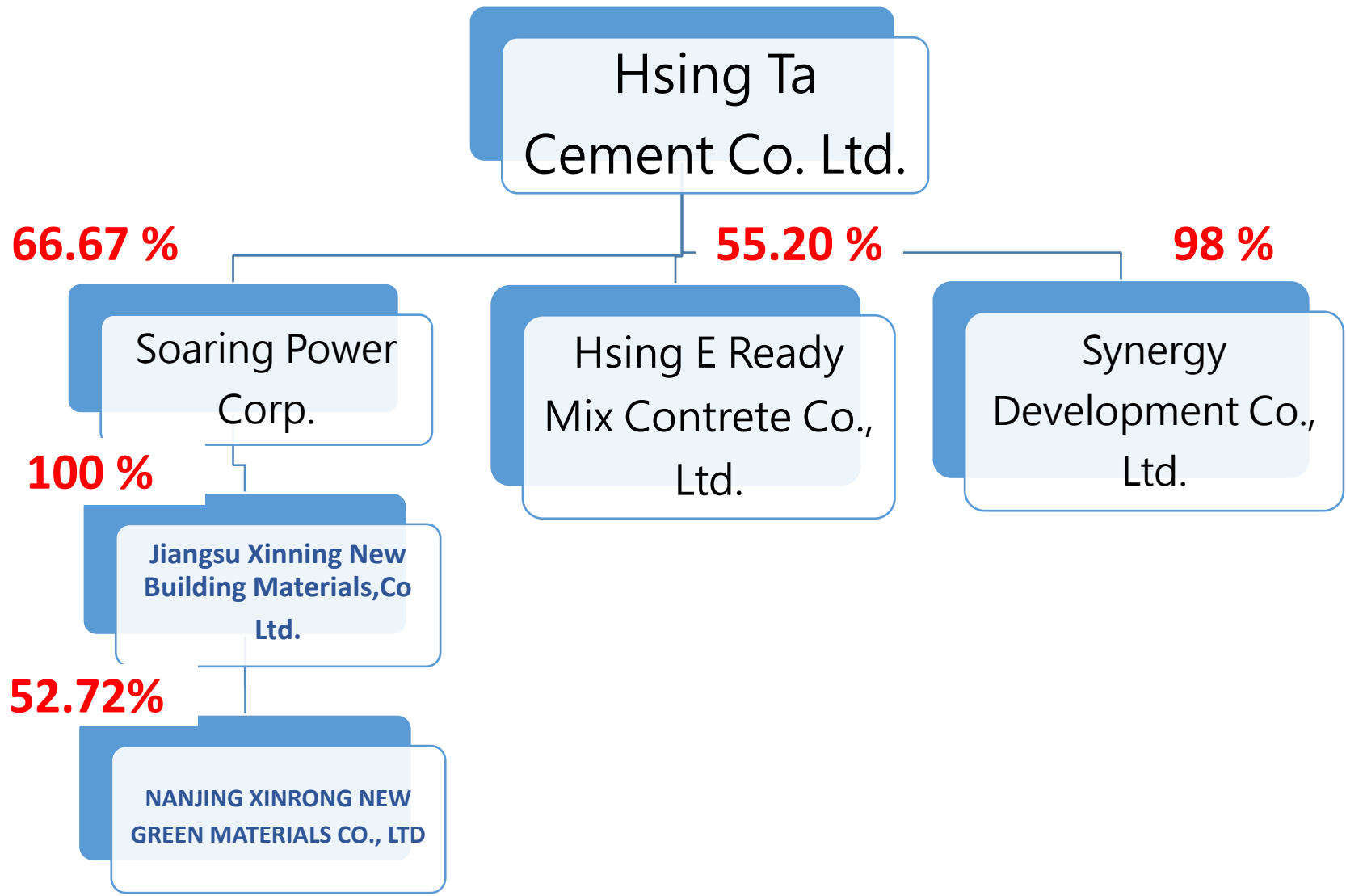
- Date of Establishment : 2006
- Main Business : Cement production and sales
- Capital : NT \$ 2.385 Billion
- Chairman : Ren-Hsiung Yang
- Address : No.88 Xing Chuo Rd., Pukou Dist.,
Nanjing Cidade, Jiangsu Province
- Employees : 325 people
- Land area : 36.5 hectares



Cement production and marketing process



Investment Framework



Market Share – Cement and Clinker

Hsing Ta

- Taiwan 6~7%

Jiang Su
Xin Ning

Nanjing Revenue

- Main Market : Jiangbei District 90%
- Other Market : 10%

Product Types

Hsing Ta

- Portland Cement Type I
- Portland Cement Type I , Low Alkali
- Portland Cement Type II, Low Alkali
- Portland Slag Cement

Jiang Su Xin Ning

- P II 52.5 Cement
- PO 42.5 Cement

Capacity of production- Cement and Clinker

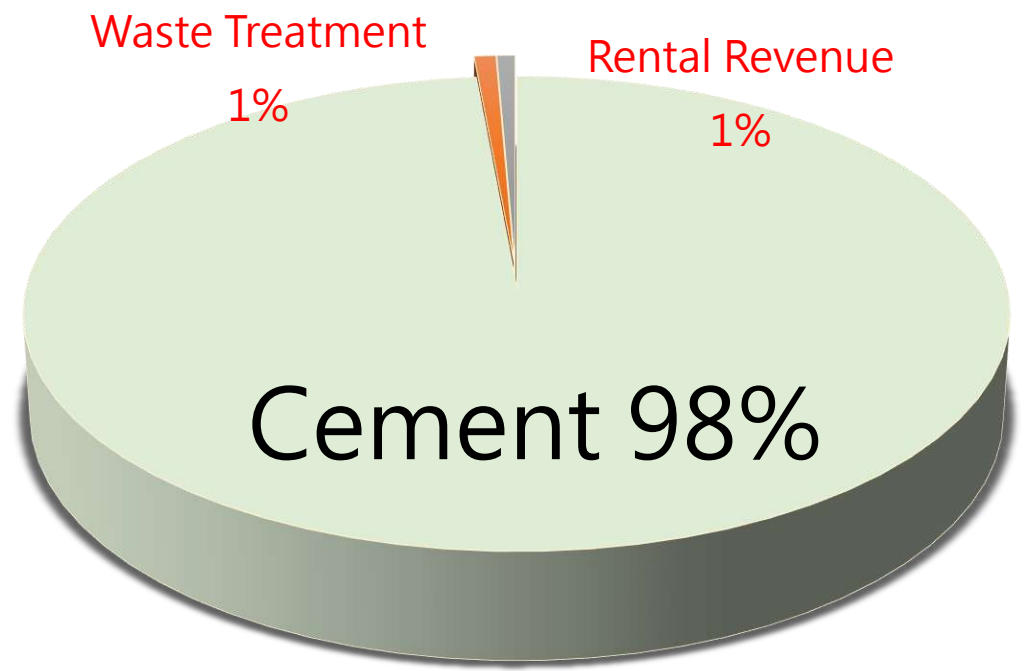
Unit : ton

| | |
|---------------|------------------|
| Taiwan | 1,560,000 |
| China | 2,100,000 |
| Total | 3,660,000 |

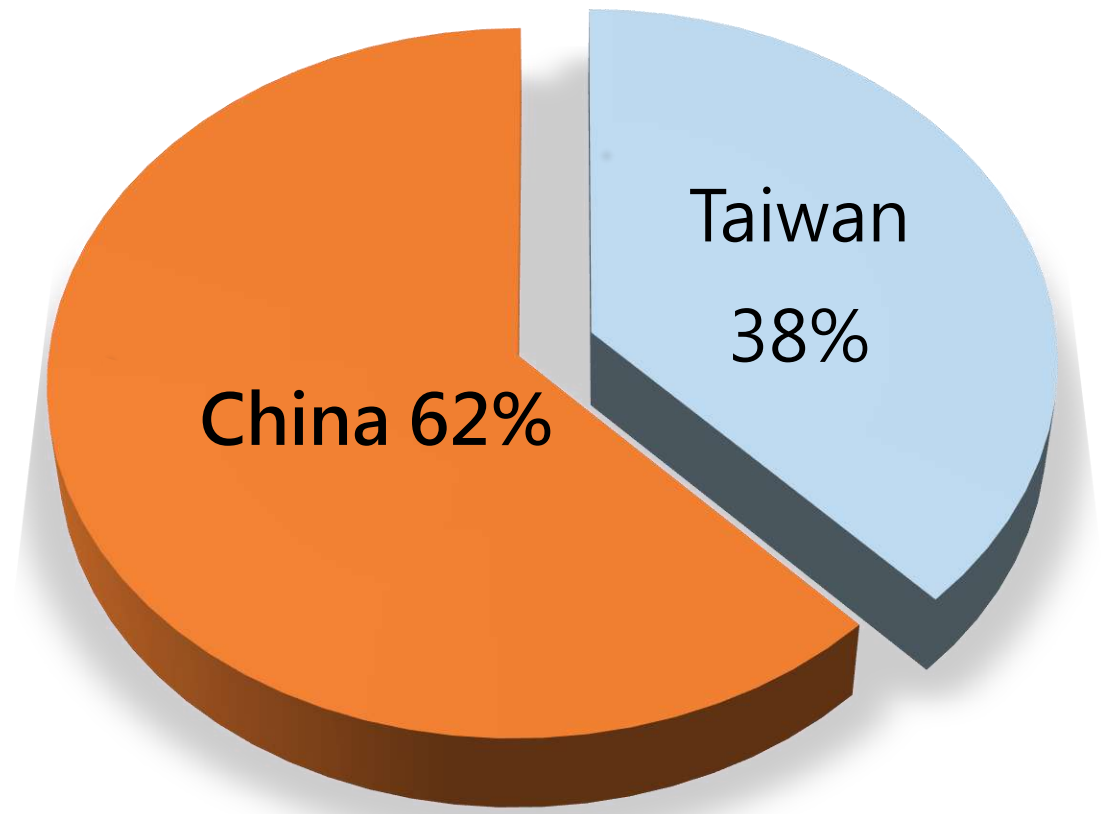


Consolidated revenue ratio-2020Q2

Revenue ratio



Regional ratio

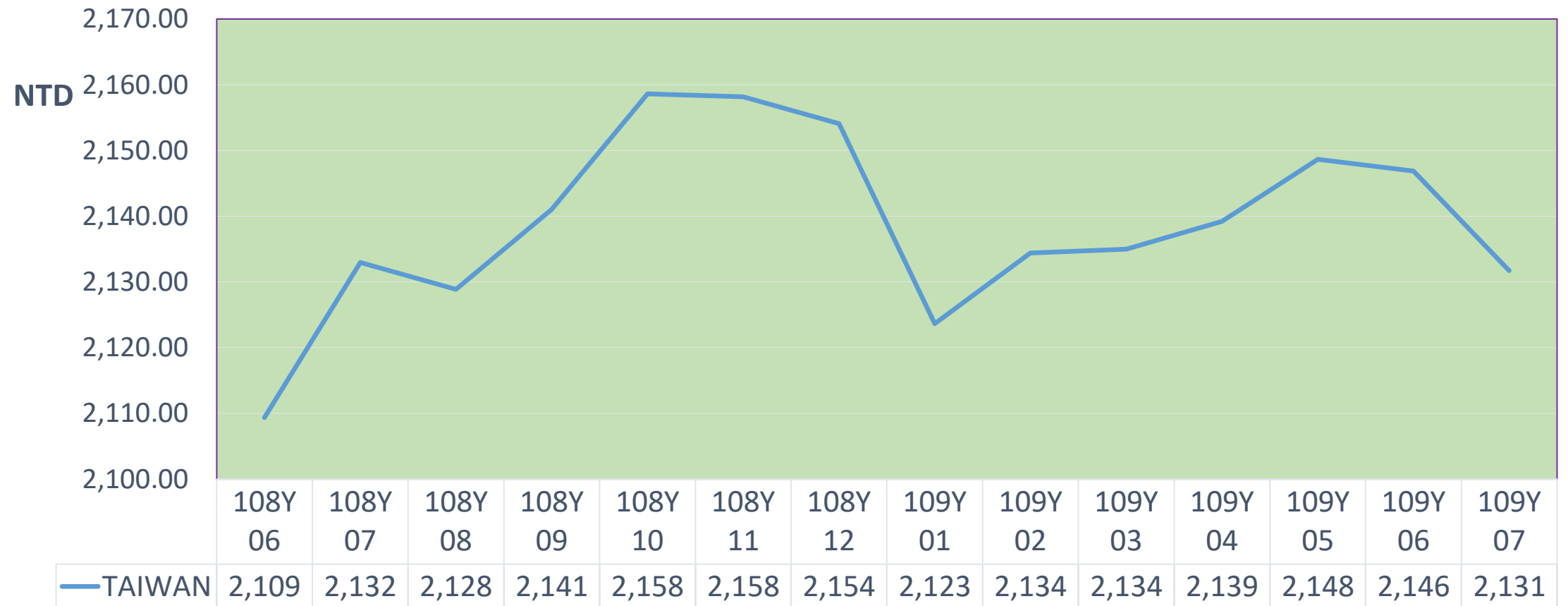


Annual Production and sales – Cement and Clinker

| | | | | Unit: ton |
|-------------------|------------------|------------------|------------------|------------------|
| Production | 109YQ2 | 108Y | 107Y | 106Y |
| Taiwan | 365,323 | 631,172 | 605,514 | 646,503 |
| China | 787,719 | 2,324,479 | 2,121,547 | 2,183,521 |
| Total | 1,153,042 | 2,955,651 | 2,727,061 | 2,830,024 |
| | | | | |
| Sales | 109YQ2 | 108Y | 107Y | 107Y |
| Taiwan | 359,199 | 665,323 | 633,631 | 633,631 |
| China | 774,566 | 2,327,529 | 2,113,365 | 2,113,365 |
| Total | 1,143,765 | 2,992,852 | 2,746,996 | 2,746,996 |

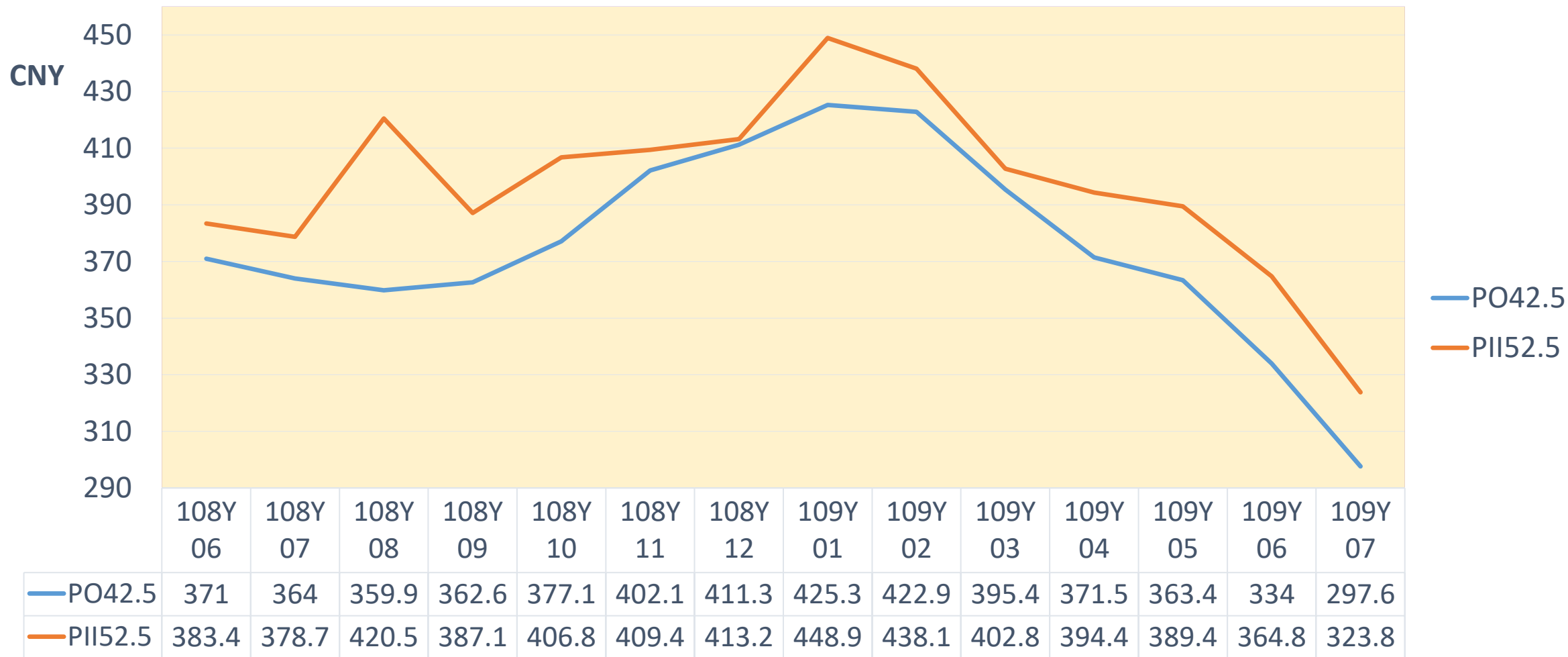
Cement sales unit price

TAIWAN



Cement sales unit price

CHINA



Consolidated Income Statement

| Year Item | 2020Q2 | % | 2019 | % | 2018 | % | 2017 | % |
|---|-----------|-----|-----------|-----|-----------|-----|-----------|-----|
| Operating Revenue | 3,255,948 | 100 | 7,822,895 | 100 | 6,701,130 | 100 | 5,375,877 | 100 |
| Operating Gross Profit | 1,079,352 | 33 | 2,604,455 | 33 | 2,183,831 | 33 | 1,256,014 | 23 |
| Operating Income | 839,075 | 26 | 2,066,501 | 26 | 1,754,741 | 26 | 854,822 | 16 |
| Non- operating income & expenses | (6,267) | 0 | 22,191 | 0 | 4,315 | 0 | 43,102 | 1 |
| Net Income | 477,445 | 15 | 1,458,617 | 19 | 1,253,506 | 19 | 710,004 | 13 |
| Profit attributable to owners of the parent | 316,873 | 10 | 963,670 | 12 | 840,240 | 13 | 491,910 | 9 |
| EPS (NT\$) | 0.93 | | 2.82 | | 2.38 | | 1.32 | |

Financial Results

| Amount: NT\$ thousand | | Consolidated Income Statement | | | | |
|--|-----------|-------------------------------|-----------|-----|--------------------|--------------------------|
| Year Item | 2020Q2 | % | 2019Q2 | % | Increase Amount | Increase (decrease) % |
| Operating Revenue | 3,255,948 | 100 | 3,572,170 | 100 | (316,222) | (9) |
| Operating Gross Profit | 1,079,352 | 33 | 1,153,187 | 15 | (73,835) | (6) |
| Operating Income | 839,075 | 26 | 930,167 | 12 | (91,092) | (10) |
| Non-operating income & expenses | (6,267) | 0 | (6,670) | 0 | 403 | 6 |
| Net Income | 477,445 | 15 | 581,131 | 7 | (103,686) | (18) |
| Profit attributable to owners of the parent | 316,873 | 10 | 355,818 | 5 | (38,945) | (11) |
| EPS(NT\$) | 0.93 | | 1.04 | | (0.11) | (11) |

Consolidated Balance Sheet

Amount: NT\$ thousand

| Item | 2020/6/30 | 2019/12/31 | 2018/12/31 | 2017/12/31 | 2016/12/31 |
|---------------------------------------|-------------------|-------------------|-------------------|------------------|------------------|
| Current Assets | 5,343,616 | 5,683,105 | 4,533,454 | 2,977,260 | 2,784,672 |
| Non-current Assets | 5,268,460 | 5,508,189 | 5,639,022 | 5,599,665 | 5,858,992 |
| Total Assets | 10,612,076 | 11,191,294 | 10,172,476 | 8,576,925 | 8,643,664 |
| Current Liabilities | 1,999,831 | 2,256,725 | 1,983,843 | 965,063 | 1,239,358 |
| Non-current Liabilities | 246,282 | 304,447 | 498,546 | 816,786 | 1,075,485 |
| Total Liabilities | 2,246,113 | 2,561,172 | 2,482,389 | 1,781,849 | 2,314,843 |
| Equity attributable to parent company | 6,678,279 | 6,818,517 | 6,242,201 | 5,662,973 | 5,406,966 |
| Non-controlling interest | 1,687,684 | 1,811,605 | 1,447,886 | 1,132,103 | 921,855 |
| Total Equity | 8,365,963 | 8,630,122 | 7,690,087 | 6,795,076 | 6,328,821 |
| Total Liabilities and Equity | 10,612,076 | 11,191,294 | 10,172,476 | 8,576,925 | 8,643,664 |
| EPS(NT\$) | 19.53 | 19.94 | 17.66 | 15.21 | 14.27 |

Recent annual financial information

| | 2020/06/30 | 2019年 | 2018年 | 2017年 | 2016年 |
|--------------------------------|------------|--------|--------|--------|--------|
| Liabilities to assets ratio(%) | 21.17 | 22.89 | 24.40 | 20.77 | 26.78 |
| Current ratio(%) | 267.20 | 251.83 | 228.52 | 308.50 | 224.69 |
| ROA (%) | 4.38 | 13.79 | 13.60 | 8.54 | 2.35 |
| ROE (%) | 5.62 | 17.87 | 17.31 | 10.82 | 2.79 |
| Profit Margin (%) | 14.66 | 18.65 | 18.71 | 13.21 | 4.09 |
| EPS(NT\$) | 0.93 | 2.82 | 2.38 | 1.32 | 0.42 |
| Per DPS(NT\$) | | 1.10 | 0.80 | 0.10 | 0.10 |

Direction of business development

Toward a recycling economy industry

Cooperate with the government's plan to secure orders for various types of cement required by the project

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.

Promocircular economy the role of.

The layout of China is complete.

Limited production of cement and elimination of low-grade cement in China.

Continuous transformation of plant equipment technology-to carry out waste heat power generation, reduce electricity costs, strengthen sewage treatment and recycling, reduce natural water consumption, denitrification technical transformation, energy saving and carbon reduction effect is good.

Production technology is mature.

The use of recycled materials with low impact on environmental load, improve the efficiency of the use of resources, the development of sustainable management.

Upstream and downstream integration is complete.

Asset activation

Weaknesses

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

Government environmental regulations harsh.
Environmental awareness is high.

Peer competition in the market.

China was affected by the COVID-19 in the first half of the year.

Cautiously optimistic- Stability is expected to grow slightly in Taiwan

1.Cement and clinker sales target 665,000 metric tons.

2.Other operating income-maintenance of leasing, resource reuse income.

3.Activated assets

★Kansai land development- Evaluate the possibilities of multi-angle operation

★Signed with Chainqui Construction and Development Co., Ltd. for the company's joint construction and sub-housing project at No. 106 Hengyang Road, Zhongzheng District, Taipei City.

①The joint construction land area is about 59.895 square meters

②Allocation ratio : Hsingta 70% 、 Chainqui 30%

③ Present value of land is about 450 million(NTD)

The main growth depends on the operation of China

1. Cement sales target 2,200,000 metric tons.
2. Affected by the new crown pneumonia, both revenue and profit declined slightly in the first half of the year. The cement peak season started in the second half of the year. The trend of cement prices in the mainland gradually increased. Due to the impact of floods and rains in Q3, shipments were not as good as last year, but the fundamentals were positive.
3. Nanjing Xinrong New Materials Co., Ltd. invested in the production of ultra-low emission denitrifiers. It is still in the trial phase and the benefits are not yet obvious.
4. Cement staggered production continues, pay attention to the demand for cement from infrastructure and real estate investment after the COVID-19.

Q & A

