



# HSING TA CEMENT CO., LTD.

**Presentation**



# DISCLAIMER STATEMENT

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- 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

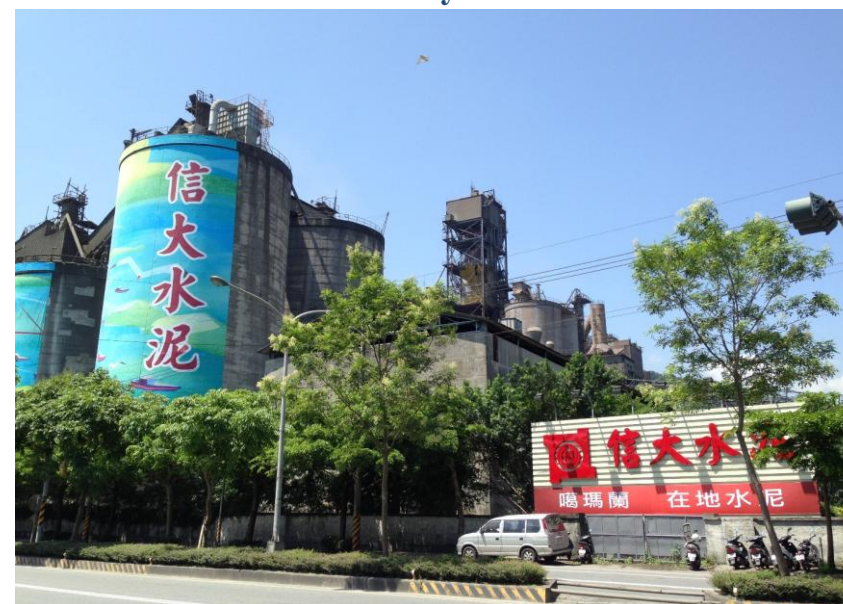


- **Date of Establishment : 1964**
- **Main Business : Cement & related products**
- **Capital : NT \$ 3.4 Billion**
- **Chairman : Jee-Shing Yang**
- **Group employees : 656 people**

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



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

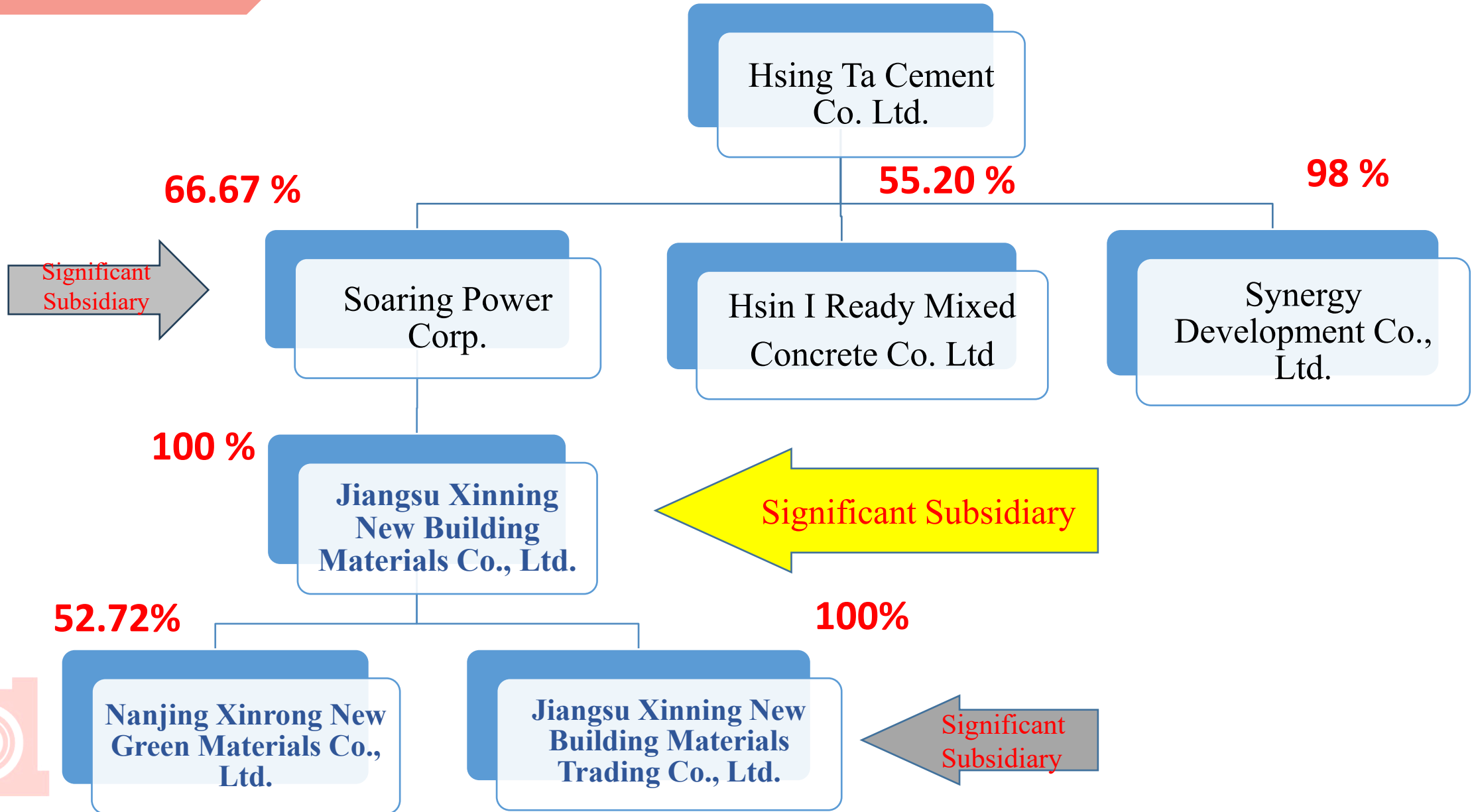






# Investment Framework

## Company Profile



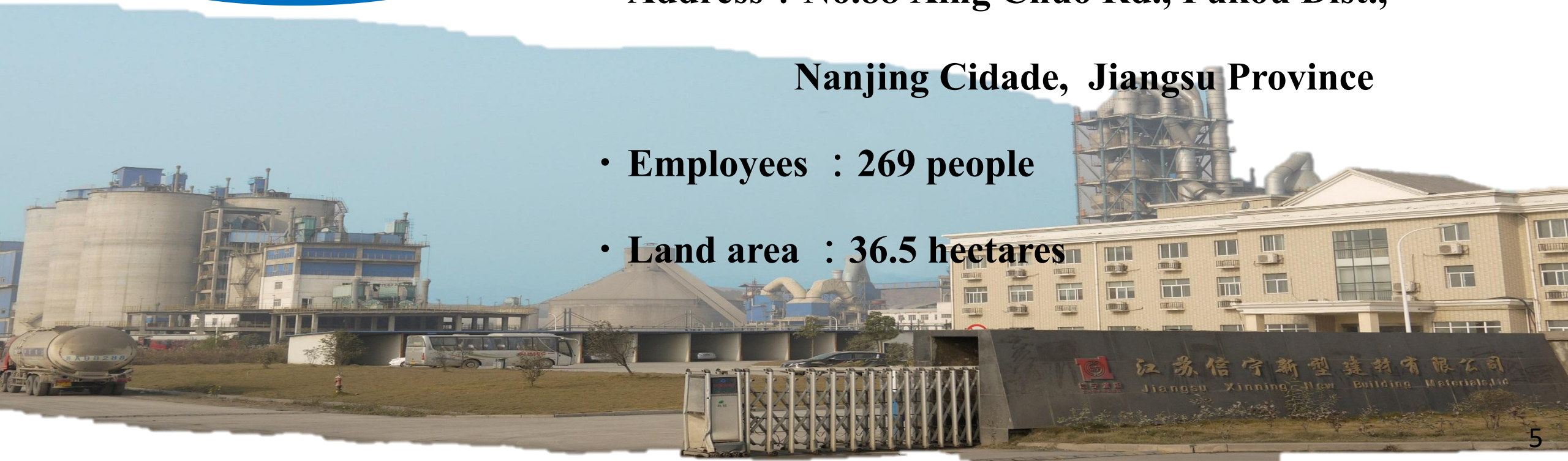
## Subsidiary Company Profile

Jiangsu Xinning  
New Building  
Materials Co.,  
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 : 269 people**
- **Land area : 36.5 hectares**



# Market Share-Cement and Clinker

Hsing Ta

**Taiwan 6.1%**

**Main Market:** Yilan County, Keelung City, Taipei City, New Taipei City and Taoyuan City, 94% of company sales.

**Other Market:** Hsinchu City, Miaoli County, Taichung City and Changhua County, 6% of company sales.

Jiangsu  
Xinning

**Nanjing market is about 15%**

**Main Market:** Areas around the factory, including Jiangbei New District, Jiangnan District and Wujiang in Anhui, 95% of company sales

**Other Market:** Areas in Anhui, including Chuzhou, Maanshan and Hefei, 5% of company sales.



# Product Types

## Hsing Ta

- Portland Cement Type I
- Portland Cement Type I, Low Alkali
- Portland Cement Type II, Low Alkali
- Portland Cement Type II, Heat of moderate hydration
- Portland Slag Cement
- Blended Hydraulic Cement Type II (Portland Limestone Cement)

## Jiangsu Xinning

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



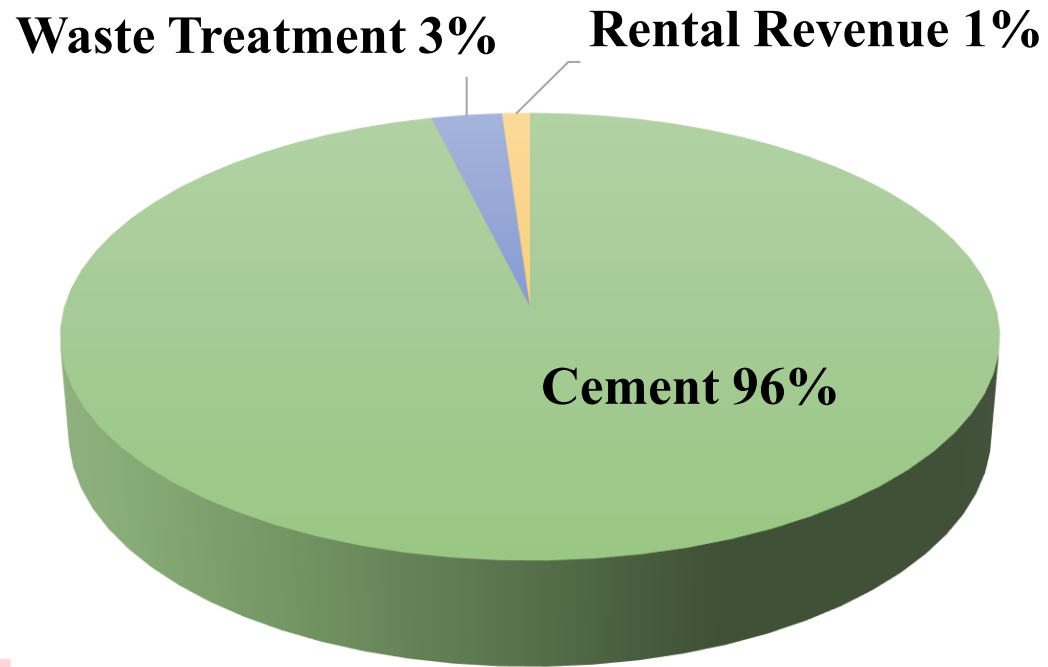
# Capacity of production- Cement and Clinker

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

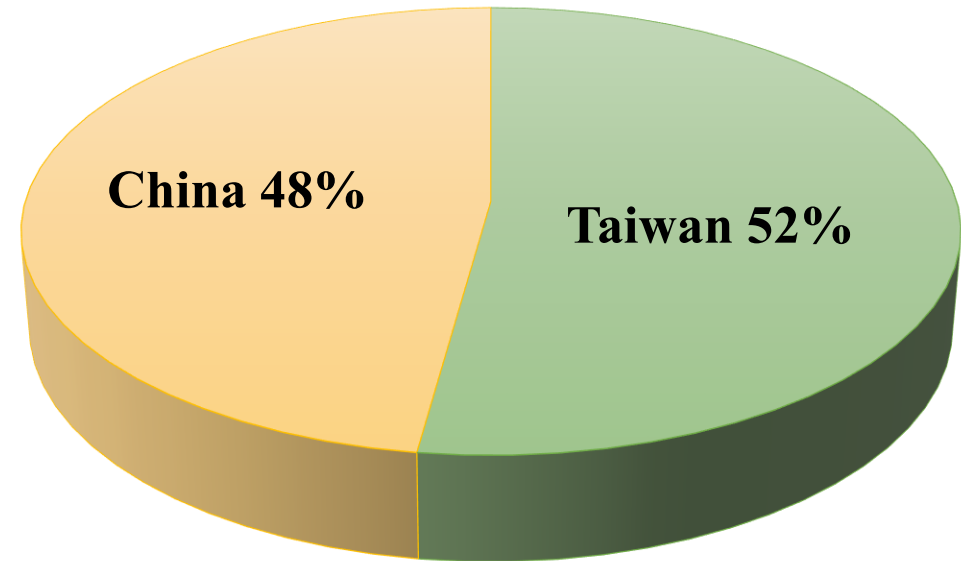


# Consolidated Revenue Ratio

## Revenue Ratio



## Regional Ratio



# Annual Production and Sales- Cement and Clinker

				UNIT : ton
<b>Products</b>	<b>Jan-Sep 2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Domestic</b>	468,527	586,427	731,041	622,805
<b>Mainland China</b>	1,045,371	1,240,078	2,056,280	2,297,624
<b>Total</b>	1,513,898	1,826,505	2,787,321	2,920,429
<b>Sales</b>	<b>Jan-Sep 2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Domestic</b>	444,121	632,675	741,792	637,449
<b>Mainland China</b>	1,073,772	1,247,263	2,051,142	2,297,624
<b>Total</b>	1,517,893	1,879,938	2,792,934	2,935,073



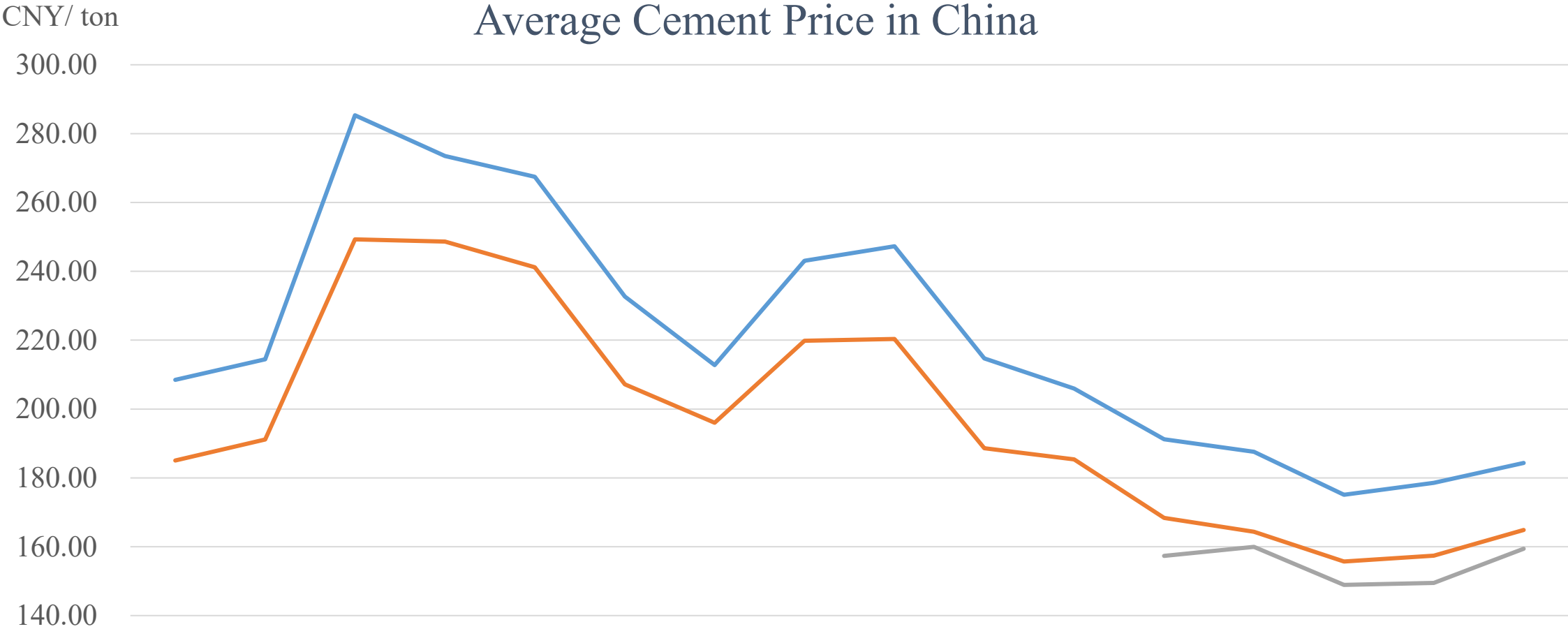
# Cement Sales Unit Price

Average Cement Price in Taiwan



# Cement Sales Unit Price

Average Cement Price in China



	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
PⅡ 52.5	208.45	214.46	285.33	273.48	267.47	232.71	212.73	243.07	247.26	214.71	205.97	191.24	187.56	175.09	178.53	184.33
PO 42.5	185.05	191.15	249.28	248.65	241.17	207.20	195.99	219.81	220.33	188.64	185.37	168.36	164.32	155.70	157.38	164.89
PC 42.5												157.36	159.96	148.91	149.48	159.39



# Consolidated Income Statement

Thousands of NTD						
Year Item	Jan-Sep 2025	%	Jan-Sep 2024	%	Increase (Decrease)	Increase (Decrease) %
<b>Operating Revenue</b>	3,312,269	100	3,532,176	100	(219,907)	(6)
<b>Operating Gross Profit</b>	544,828	16	732,677	21	(187,849)	(26)
<b>Operating Income</b>	332,184	10	468,681	13	(136,497)	(29)
<b>Non-operating income and expenses</b>	88,256	3	48,348	1	39,908	83
<b>Profit after tax</b>	305,045	9	391,560	11	(86,515)	(22)
<b>Profit attributable to owners of the parent</b>	271,774	8	370,699	10	(98,925)	(27)
<b>EPS(NT\$)</b>	0.80		1.08		(0.28)	(26)



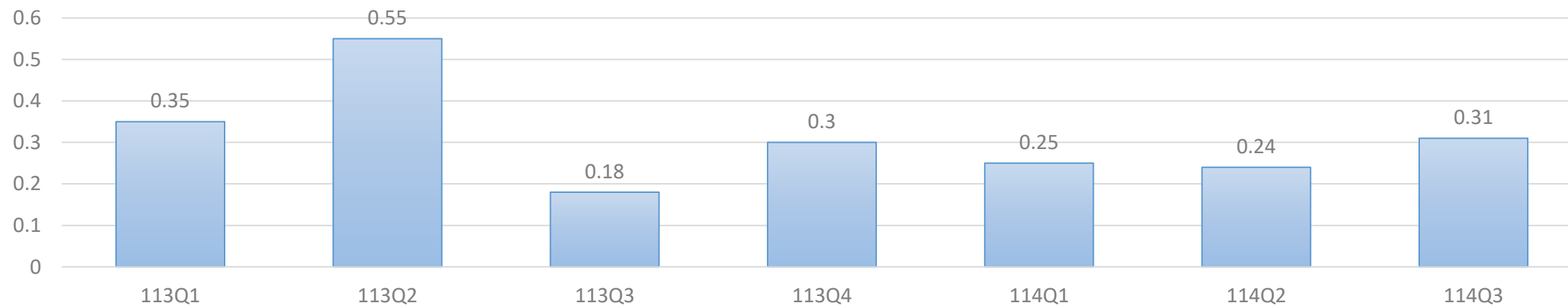
# Consolidated Income Statement

								Thousands of NTD	
Year Item	Jan-Sep 2025	%	2024	%	2023	%	2022	%	
Operating Revenue	3,312,269	100	4,656,290	100	6,259,864	100	6,388,338	100	
Operating Gross Profit	544,828	16	991,648	21	1,341,074	21	1,249,749	20	
Operating Income	332,184	10	651,364	14	989,292	16	911,139	14	
Non-operating income and expenses	88,256	3	60,354	1	122,326	2	81,615	1	
Profit after tax	305,045	9	524,281	11	807,587	13	517,738	8	
Profit attributable to owners of the parent	271,774	8	469,398	10	685,884	11	399,166	6	
EPS(NTD)	0.8		1.38		2.01		1.17		



## Earnings Per Share

NTD/SHARE



### Reasons for the Impact on Earnings of the Taiwan Parent Company:

- **Housing Market Control Policies:** The government continues to suppress overheated housing market by implementing policy.
- **Imported Cement:** Although there is the imposition of anti-dumping duty on cement from Vietnam, domestic cement market still faces the price competition due do dumping of imported cement from Japan and Indonesia.
- **Impact of Environmental Costs:** The environmental costs include the carbon fee, the costs of purchasing green electricity and energy-saving equipment.

### Reasons for the Impact on Earnings of Subsidiary Company in Mainland China :

- **Decrease in Demand:** Because of the decreasing investment in real estate and infrastructure, demand for cement continues to decrease.
- **Overcapacity:** The government policy to control the capacity fails to work efficiently. The issue of cement overcapacity remains serious.
- **Price competition:** Although there is a coordinated price, some competitors don't abide by it because of the fierce market competition. As a result, the cement price fluctuates and decreases.

## Consolidated Balance Sheet

Item	Thousands of NTD				
	2024/9/30	2023/12/31	2022/12/31	2021/12/31	2020/12/31
Current Assets	5,795,336	6,377,807	6,686,926	6,560,477	6,746,334
Non-Current Assets	5,206,014	4,901,427	4,876,244	4,929,549	4,956,011
<b>Total Assets</b>	<b>11,001,350</b>	<b>11,279,234</b>	<b>11,563,170</b>	<b>11,490,026</b>	<b>11,702,345</b>
Current Liabilities	892,888	911,464	1,391,300	1,629,093	1,749,952
Non-Current Liabilities	148,657	165,976	181,269	197,381	99,221
<b>Total Liabilities</b>	<b>1,041,545</b>	<b>1,077,440</b>	<b>1,572,569</b>	<b>1,826,474</b>	<b>1,849,173</b>
Equity attributable to owners of parent	8,120,594	8,298,713	8,117,677	7,765,913	7,830,858
Non-controlling interest	1,839,211	1,903,081	1,872,924	1,897,639	2,022,314
<b>Total Equity</b>	<b>9,959,805</b>	<b>10,201,794</b>	<b>9,990,601</b>	<b>9,663,552</b>	<b>9,853,172</b>
<b>Total liabilities and equity</b>	<b>11,001,350</b>	<b>11,279,234</b>	<b>11,563,170</b>	<b>11,490,026</b>	<b>11,702,345</b>
Net Asset Value per Share	\$ 23.80	\$ 24.33	\$ 23.79	\$ 22.76	\$ 22.90



## Recent Financial information

	Jan-Sep 2025	2024	2023	2022	2021
<b>Liabilities to Assets Ratio (%)</b>	9.47	9.55	13.60	15.90	15.80
<b>Current Ratio (%)</b>	649.06	699.73	480.62	402.71	385.52
<b>ROA ( % )</b>	2.75	4.61	7.02	4.47	10.32
<b>ROE ( % )</b>	3.03	5.19	8.22	5.31	12.51
<b>Profit Margin ( % )</b>	9.21	11.26	12.90	8.10	16.44
<b>EPS (NT\$)</b>	0.80	1.38	2.01	1.17	2.52
<b>Per DPS (NT\$)</b>	-	0.90	1.20	0.80	1.50



# Current Domestic Policy Status



Cement industry expected as the first batch



Management Targets:  
Six major categories of cement products

including clinker, Portland cement, etc.



Self-determined Reduction Plan approved  
→\$ 0.2 discount on carbon fees.

Industry-specific standards apply until 2030



Announcement in Dec 2025

High-Risk Industries

Prevent Carbon Leakage  
X  
Accelerate Green Transformation

TAIWAN  
CBAM



Assessment Basis:  
Product strength and carbon footprint data.



Timeline: Trial reporting in 2026 ;  
official launch in 2027



# Hsing Ta's Response Measures

Policy risks	Impacts on Hsing Ta	Hsing Ta's Response Measures
<b>Industries at High Risk of Carbon Leakage</b>	<ul style="list-style-type: none"> <li>Carbon fees will impact cost and profitability structures.</li> <li>Risk of dumping from imported cement.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Hsing Ta's <b>Self-determined Reduction Plan</b> has <b>passed</b> Ministry of Environment (MOE) review.</li> <li>✓ Expected eligibility for a preferential <b>carbon fee rate (0.2 discount)</b>.</li> <li>✓ Strengthening decarbonization through process optimization, <b>alternative raw materials</b>, and energy efficiency.</li> </ul>
<b>Taiwan CBAM</b>	<ul style="list-style-type: none"> <li>Carbon footprint transparency becomes a key factor in market competitiveness.</li> <li>Impacts public works procurement and collaborations with major clients.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Obtained <b>BSI verification for ISO 14067</b> (Carbon Footprint of Products) for all cement products.</li> <li>✓ Disclosing <b>product strength and carbon footprint data</b> in alignment with the Climate Change Administration.</li> <li>✓ <b>Developing an Internal Carbon Pricing (ICP)</b> mechanism to integrate carbon costs into investment decisions.</li> </ul>



## Sustainable environment

Upgraded raw material processing from electrostatic precipitators to baghouse filtration systems, **reducing particulate emissions by >66%** ◦

- All products verified for carbon footprint under ISO 14067 and certified by BSI; **Portland Cement Type I awarded Taiwan EPA's Carbon Label.**
- The government's annual electricity saving target of 1% for **2020–2024 has resulted in a cumulative saving of 12.9%** ◦
- **2024 cement raw material substitution rate reached 29.59%**, reinforcing circular economy initiatives.
- 779,000 kWh of renewable energy consumed in 2024, including 79,000 kWh of certified green electricity.



## Co-prosperity in society

- **Social Inclusion & Community Engagement 289 employees (867 training hours)** completed human rights training in 2024; **zero complaints** or violations recorded.
- Achieved **“Zero Accident”** workplace safety commitment.
- Actively supported **Atayal Indigenous community** in Dongyue Village, Nan'ao Township, Yilan County: Scholarships, partnerships with Dong'ao Elementary School, festival gifts, condolences for weddings/funerals, and emergency relief.
- Total **social investment in 2024: NT\$2.773 million**, supporting underprivileged groups, community clean-ups, scholarships, and care initiatives.

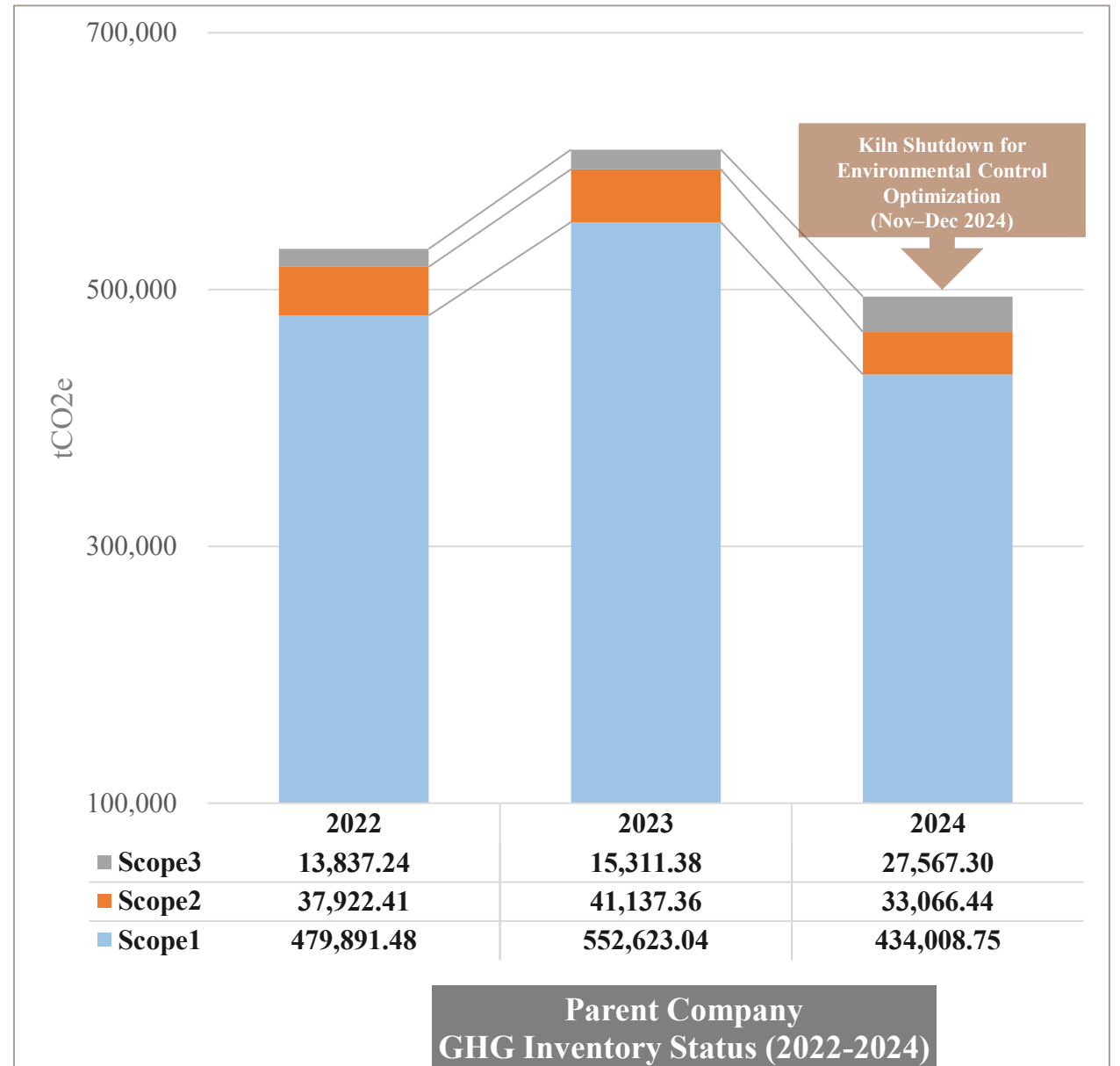
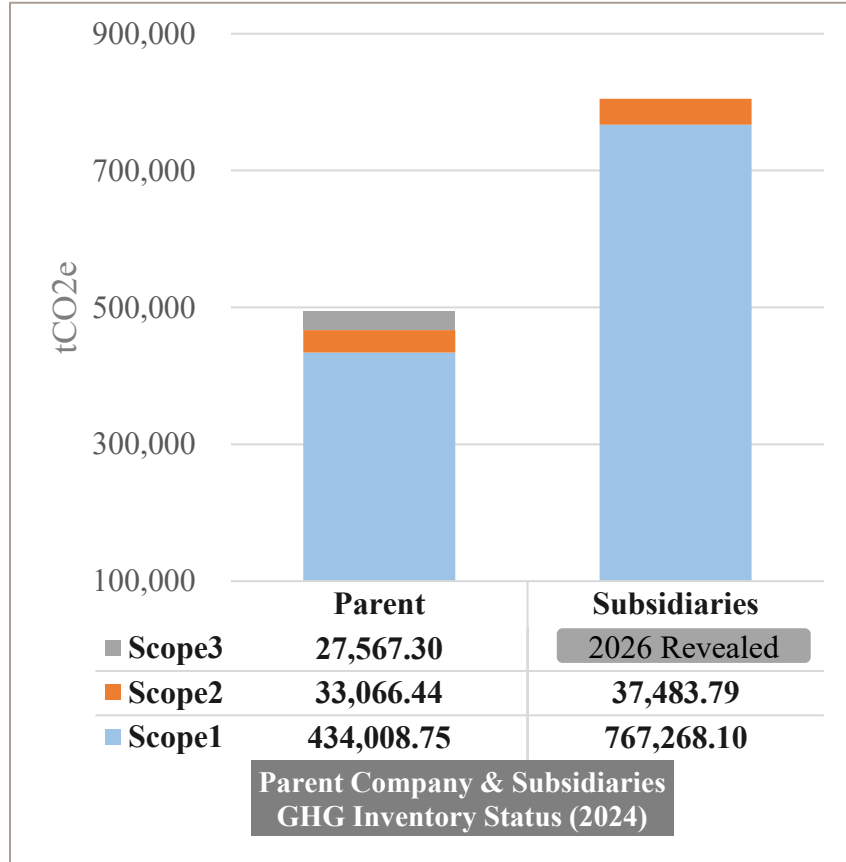


## Corporate governance

- Enhanced ESG competency: **57% of directors' 2024 training hours dedicated to sustainability topics.**
- Conducted 12 information security awareness campaigns, engaging 1,248 employees; cybersecurity staff averaged 8 hours of training.
- Board convened 5 meetings in 2024, with **97.78% overall attendance rate.**
- **Delivered 3,634 hours** of integrity-related training (internal & external), **reaching 550 participants**, covering: Business integrity, legal compliance, occupational safety & health, accounting standards, and internal controls.



# GHG Inventory Status – Parent Company and Subsidiaries



The data was compiled in accordance with ISO 14064 and covers the parent company and major subsidiaries.

# Business Development

### Committed to circular economy and Energy saving and carbon reduction policy

- Approved Voluntary Carbon Reduction Plan; 4.9% emission reduction target by 2030 (vs. 2018–2022 baseline).
- Process optimization and R&D to increase alternative materials, clinker substitutes, and fuels.
- Ongoing assessment of renewable energy expansion and compliant green power procurement to meet the annual 1% energy-saving target.

### Sustainable environment and Social responsibility

- Continuously upgrade and replace air pollution control equipment to enhance energy efficiency, reduce pollutant emissions, and further optimize air pollution prevention and control..
- Strengthen workplace safety awareness programs for employees and suppliers to enhance risk identification capabilities and crisis awareness.
- Corporate Social Responsibility: Annually sponsor scholarships and support local cultural activities. (Total social engagement expenses in 2024 amounted to 2.773 million NTD.)

### Cooperate with Forward-looking Infrastructure Development Program 2.0

- Wide range of Product Category.
- Strive for all types of cement orders required for the project.

### Asset Revitalization

- **Hengyang Road No. 106 Land Joint Construction Project:**
  - ① Building permit obtained on May 6, 2024.
  - ② The construction permit was obtained from the Construction Management Office in January 2025.
- **Guanxi Land (194 hectares) Development Assessment:**
  - ① Improved accessibility with the opening of the Gaoyuan Interchange on National Freeway No. 3.
  - ② Continuing collaboration with the Ministry of Finance's National Property Administration on public-private real estate exchange programs.
- **Songshan Building continue leasing.**

## Hsing Ta Cement Nanshenghu factory The project to purchase the upright limestone mill

### Project Timeline and Impact Assessment

**Organize the Interior of Factory :** November 2025 – February 2026.

**Purchase, Setup and Test:** January – December 2026.

### Operational Impact

Limestone powder is one of the raw materials for making low-carbon cement. It can reduce the cost by milling limestone by Nanshenghu factory.

Capacity: 13 – 15 tons/ hours.

### Benefits and Goals

1. Producing low-carbon cement can reduce carbon emission .
2. After conducting the research of the replacement of a portion of fly ash by limestone powder in producing concrete, limestone powder can supply to concrete factories.

### Benefits and Goals

1. Because coal-fired power is switching to gas-fired power, the supply of fly ash will decrease. A portion of fly ash can be replaced by limestone powder.
2. Reducing clinker content in the production of cement can reduce the carbon emissions per unit and achieve the carbon emission reduction effect.
3. The test quality of cement produced by limestone powder by which 10-15% clinker is replaced is the same as the performance of cement produced by full clinker. Thus reaches the goal of reduction of carbon emissions.



# Hsing Ta Cement Second Mine, Third Excavation Area Development

## Background & Status

The Third Excavation Area is within an approved mining zone. Development was delayed for 20 years after an environmental review in 2003. In 2024, the review was resubmitted but returned by Ministry of Environment according to the analysis of the difference between current environmental conditions.

## Operational Impact

Current operations continue in the Second Excavation Area, mined jointly with Taiwan Cement. The rejection of the Third Excavation Area review does not directly impact operations.

## Mitigation Plan

- The company will revise the environmental and mining plans and resubmit for approval.
- The consent for development was obtained after Indigenous consultation on December 10, 2024.
  - Filing the report to Council of Indigenous Peoples was completed on February 6, 2025.

## Sustainable Development

As an existing mining zone, this is not new development. Hsing Ta Cement will promote green transformation through transparent communication and scientific assessments, balancing development with environmental protection to maintain investor confidence.



## Strength

### **Cost Advantage:**

Abundant limestone and mineral resources provide a cost advantage over industry competitors.

### **Circular Economy:**

Effective use of industrial waste enhances resource efficiency.

### **Geographical Advantage:**

The mainland subsidiary is located near Nanjing Jiangbei New Development Zone, offering competitive logistics and market positioning.

### **Energy-Saving Technology Upgrades:**

Replacement of outdated equipment and installation of energy-saving devices reduce electricity costs and improve efficiency.

### **Supply Chain Integration:**

Strong collaboration with upstream and downstream partners minimizes operational risks.

## Weaknesses

### **Housing Policy and Credit Restrictions:**

Housing market control policies in Taiwan have dampened home-buying interest, indirectly affecting cement demand.

### **Environmental Costs:**

Future regulations are expected to increase carbon fees and green energy procurement costs.

### **Price Competition from Imported Cement:**

Although there is the imposition of anti-dumping duty on imported cement, domestic cement market still under the pressure of the price competition.

### **Anti-involution Policy in China:**

The policy had been implemented for near 2 years. However, it failed to work efficiently.

### **Real Estate Risks in China:**

The decrease in demand for traditional real estate will continue. It causes a serious negative impact on demand for cement.



## Domestic Market

1. Target set at 650,000 metric tons, with 444,000 tons sold by Jan–Sep 2025. Revenue, sales, and profits fell year-over-year due to weak domestic housing demand from government policies and real estate market downturn.
2. To apply for a reduction of carbon fee from 300 NTD per metric ton to 100 NTD per metric ton, Hsing Ta engages in Self-Determined Reduction Plans. According to the project, Hsing Ta will produce and sale 3,000 metric tons of Blended Hydraulic Cement Type IL (Portland Limestone Cement) in 2026.
3. It's a competitiveness that Hsing Ta makes the workability and long-term strength of Blended Hydraulic Cement Type IL be similar to Portland Cement Type I by mixing technology and mixed grinding technology.
4. In order to face the challenge of imported cement, Hsing Ta enhances customer service and product quality to strengthen brand image and maintain sales volume and gross margin instead of lowering the price.



# Mainland Market

1. Target set at 1,500,000 metric tons, with 1,073,772 tons sold by Jan–Sep 2025. Revenue, sales, and profits increased year-over-year due to the decrease in coal price and the increase in cement price in the first half of this year. However, there is still a recession.
2. Market Change:  
The key to market change switches to capacity reduction and green and low-carbon transition. It's a new stage that depends on policies, technologies and management.
3. Key to Survival and Development:
  - (1) Reduce the cost by technologies and management.
  - (2) Research and develop special cement and low-carbon cement.
  - (3) Invest in technologies, such as carbon capture, utilization, storage, and so on, in order to internalize carbon costs.
4. Low-Carbon Transition :  
Currently, energy and carbon emissions are gradually being combined with each other in policies, regulations, and management. It's a future trend that national and local authorities will use a combination of "energy" and "carbon emissions" for inspection and verification. Jiangsu Xinning has completed lots of Ultra-low carbon emissions project to ensure to achieve the goal of Ultra-low emission assessment next year.





**Our high integrity delivers the best quality**

**Thank you for listening**

# Q & A



HSING TA CEMENT CO.,LTD  
Business Department : Tsai, Chih-Chiang