



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.
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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 : 788 people

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



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





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

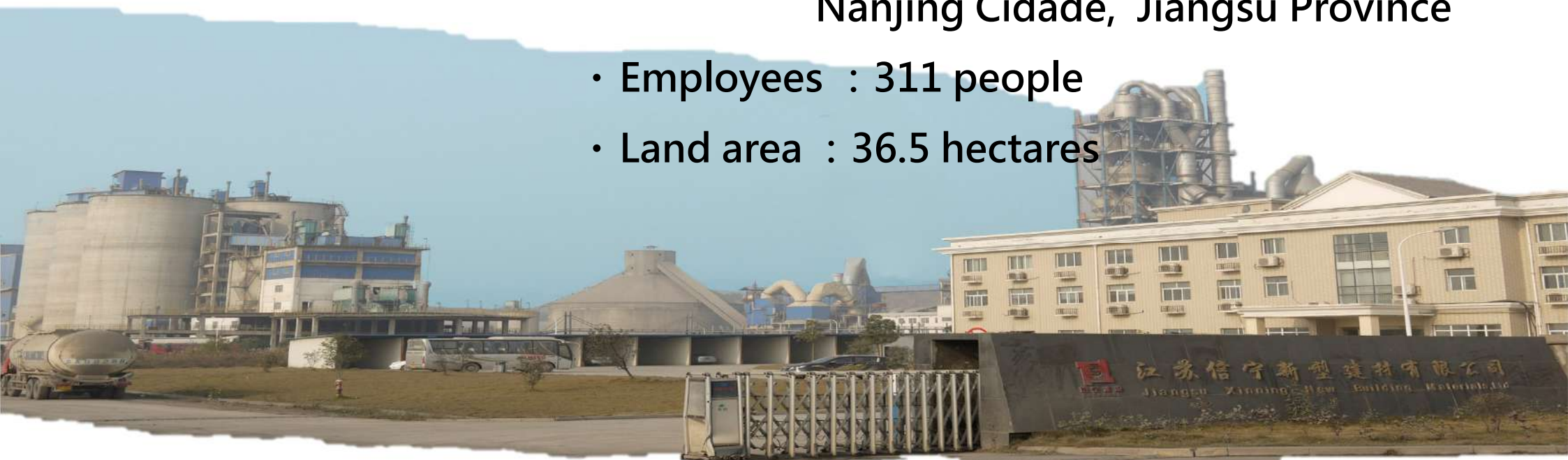
Hsing-E Ready-Mixed Concrete Co.Ltd to join the operation

Songshan Hsingta business building was inaugurated

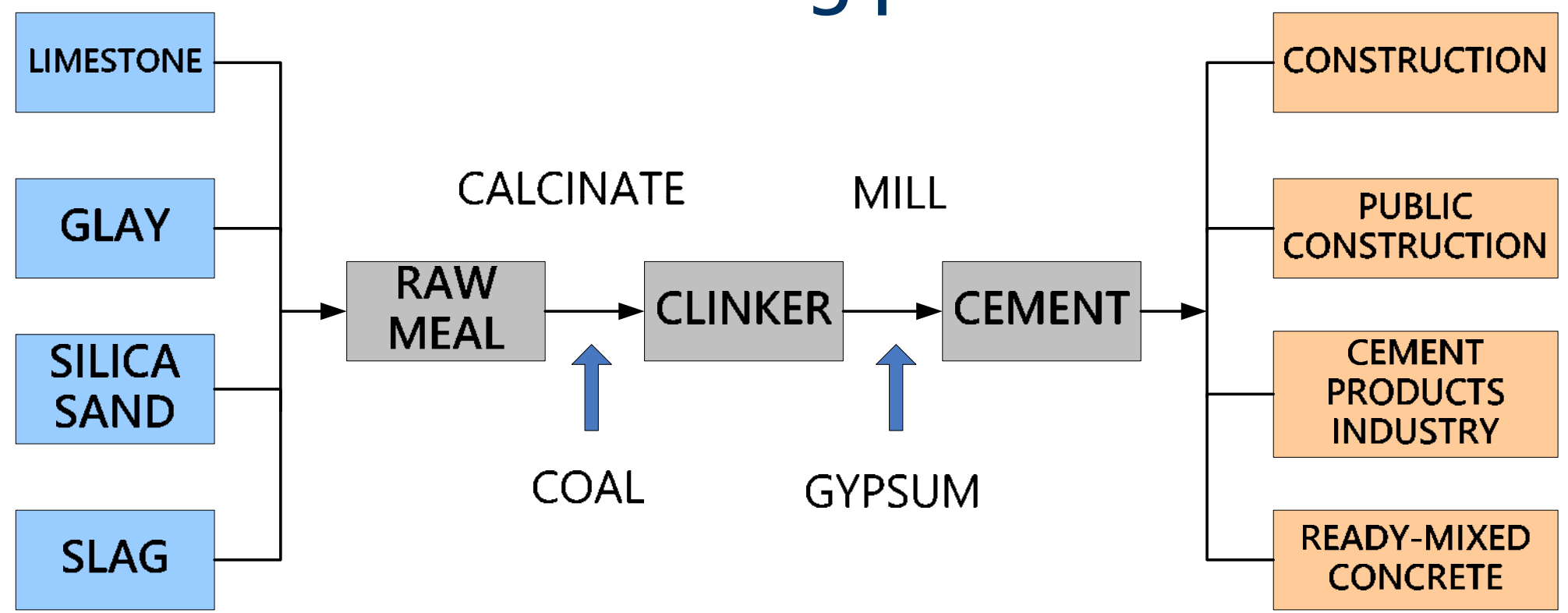
subsidiary
company Profile

Jiang Su Xin Ning
New Building
Materials, Ltd.

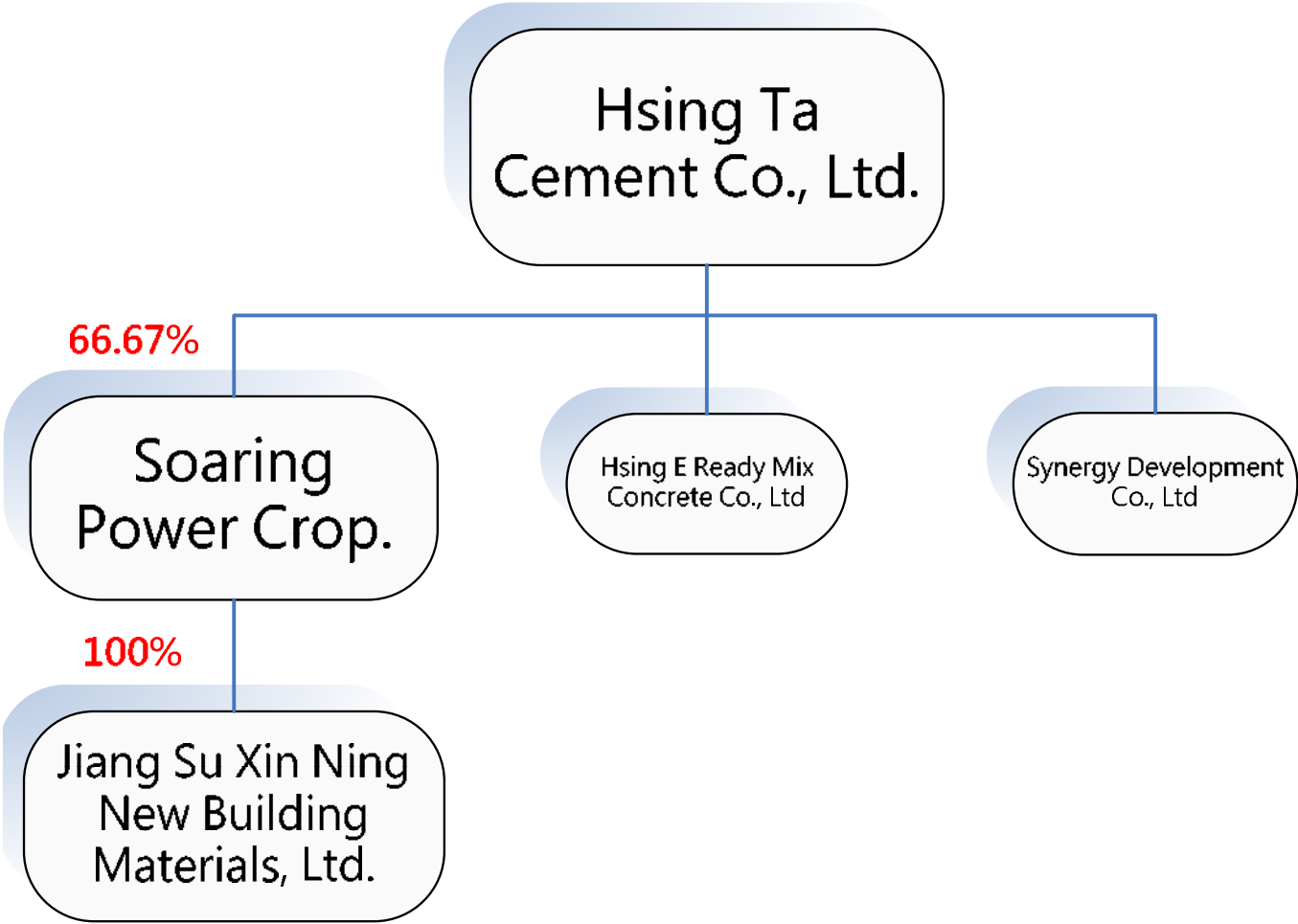
- Date of Establishment : 2006
- Main Business : Cement production and sales
- Capital : NT \$ 2.385 Billion
- Chairman : Ren-Hsiung Yang
- Address : No.88 Xing Chuo Rd., Pukou Dist.,
Nanjing Cidade, Jiangsu Province
- Employees : 311 people
- Land area : 36.5 hectares



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

Jiang Su Xin Ning

- P II 52.5 Cement
- PO 42.5 Cement
- PC 32.5 Cement

Capacity of production- Cement and Clinker

Unit : ton

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



Annual Production and sales – Cement and Clinker

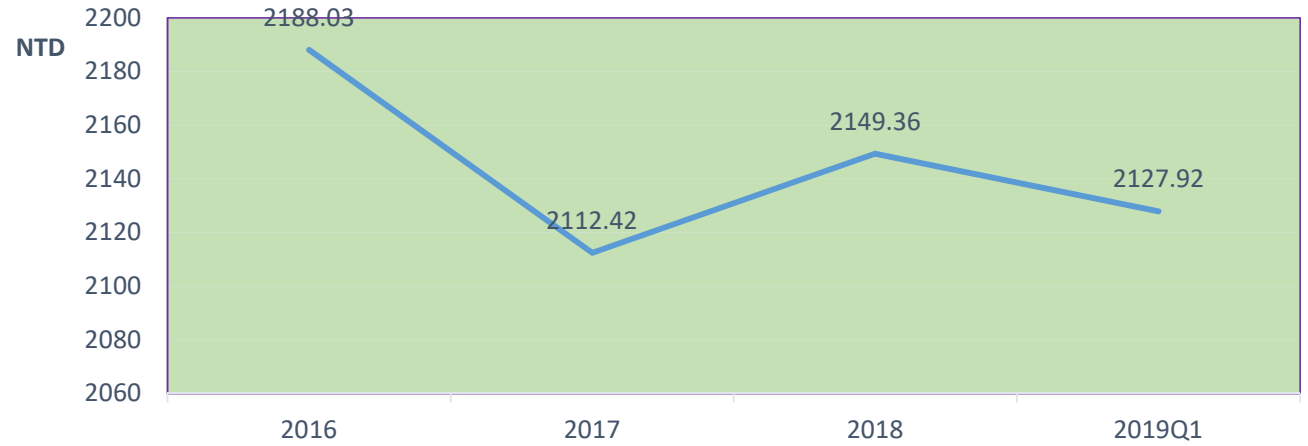
				Unit: ton
Production	107Y	106Y	105Y	104Y
Taiwan	605,514	646,503	703,400	800,583
China	2,121,547	2,183,521	1,921,279	1,792,999
Total	2,727,061	2,830,024	2,624,679	2,593,582
Sales	107Y	106Y	105Y	104Y
Taiwan	633,631	662,642	717,413	853,281
China	2,113,365	2,188,817	1,922,278	1,796,273
Total	2,746,996	2,851,459	2,639,691	2,649,554

Production and sales –Q1

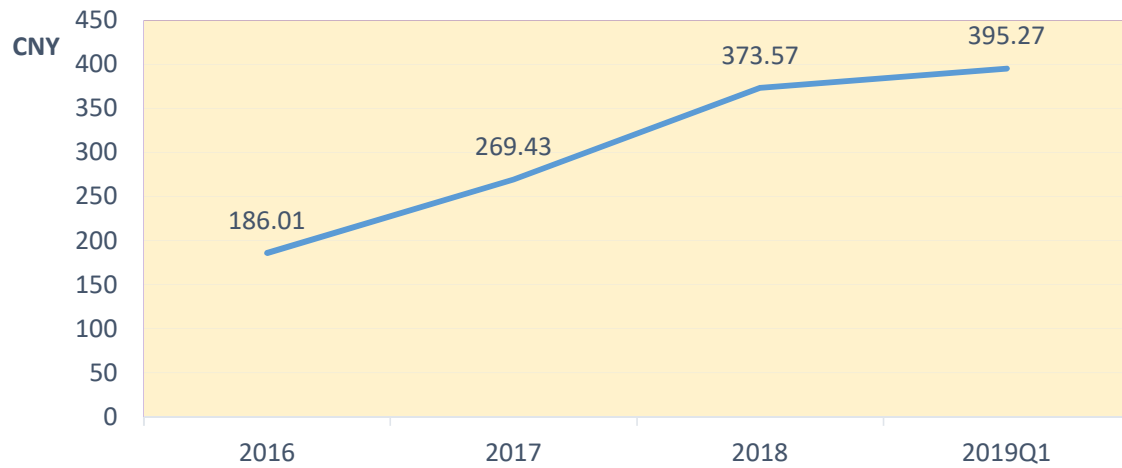
				Unit: ton
Production	2019Q1	2018Q1	Increase (decrease)	Increase (decrease)%
Taiwan	156,644	114,423	42,221	36
China	432,004	340,689	91,315	26
Total	588,648	455,112	133,536	29
Sales	2019Q1	2018Q1	Increase (decrease)	Increase (decrease)%
Taiwan	151,244	153,695	(2,451)	(2)
China	419,930	321,191	98,739	30
Total	571,174	474,886	96,288	20
Consolidated Revenue-Q1	1,360,434	1,061,381	299,053	28

Cement sales unit price

Taiwan

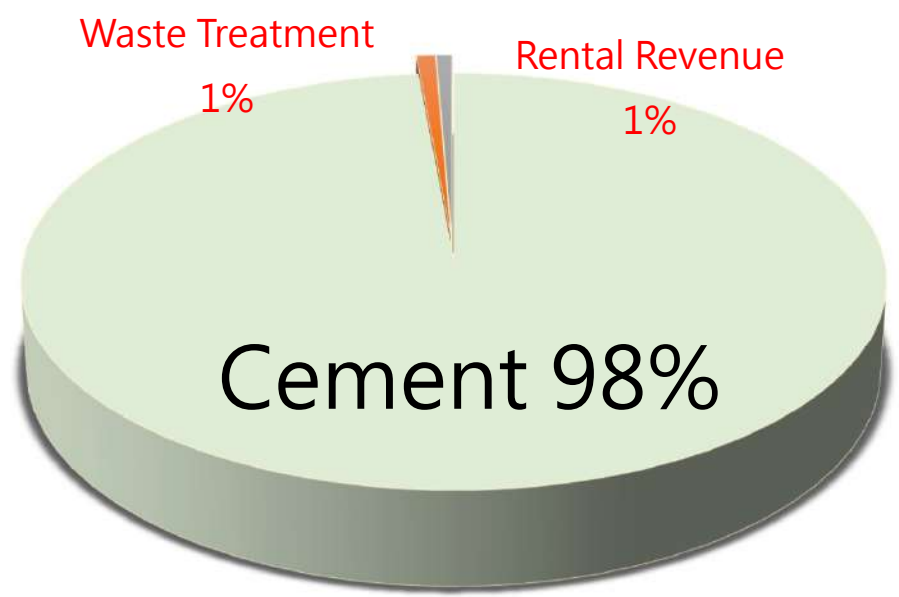


China

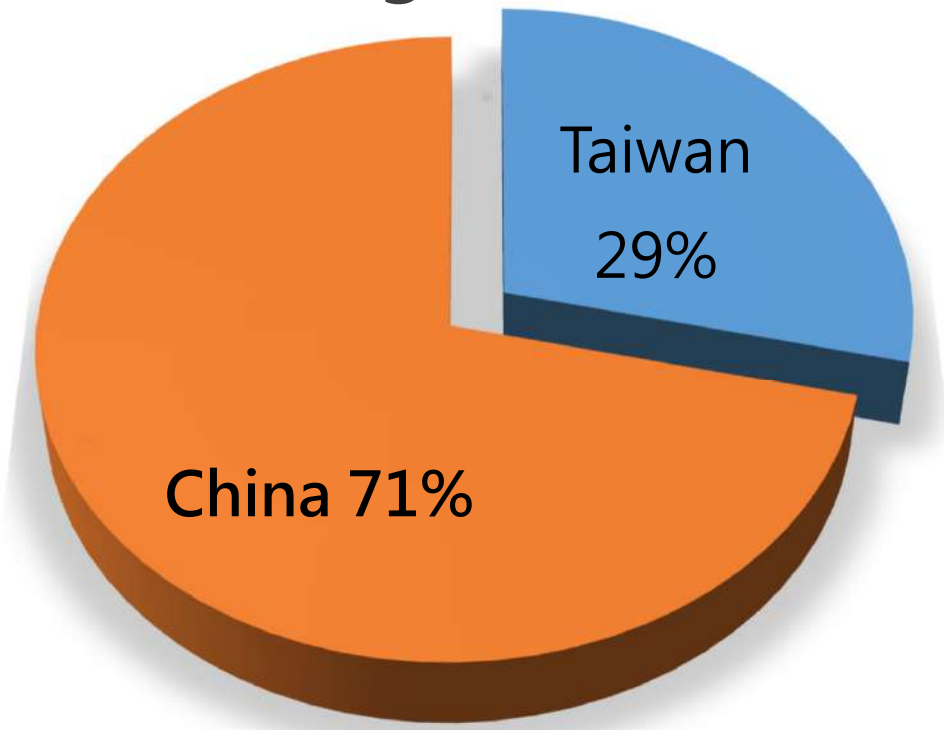


Consolidated revenue ratio-2018

Revenue ratio

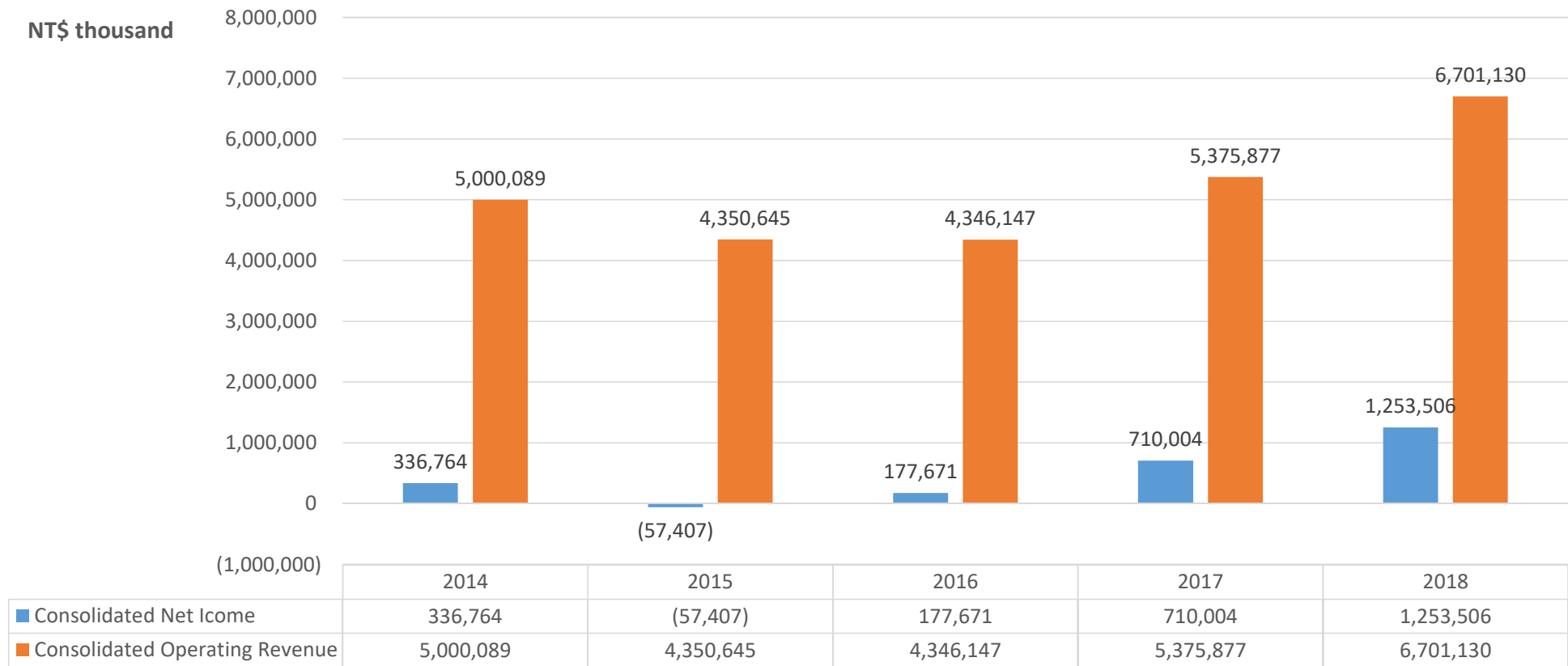


Regional ratio



Operation Overview

Consolidated Operating Revenue and Net Income



Financial Results

Amount: NT\$ thousand		Consolidated Income Statement				
Year Item	2018	%	2017	%	Increase Amount	Increase (decrease) %
Operating Revenue	6,701,130	100	5,375,877	100	1,325,253	25
Operating Gross Profit	2,183,831	32	1,256,014	23	927,817	74
Operating Income	1,754,741	26	854,822	19	899,919	105
Non-operating income	4,315	-	43,102	1	(38,787)	(90)
Net Income	1,253,506	19	710,004	13	543,502	77
Net income attributable to parent company	840,240	13	491,910	9	348,330	71
EPS(NT\$)	2.38		1.32		1.06	80

Consolidated Balance Sheet

Amount: NT\$ thousand

Item	2018/12/31	2017/12/31	2016/12/31	2015/12/31	2014/12/31
Current Assets	4,533,454	2,977,260	2,784,672	2,385,481	2,767,192
Non-current Assets	5,639,022	5,599,665	5,858,992	6,250,845	6,516,323
Total Assets	10,172,476	8,576,925	8,643,664	8,636,326	9,283,515
Current Liabilities	1,983,843	965,063	1,239,358	946,924	1,840,346
Non-current Liabilities	498,546	816,786	1,075,485	1,301,474	411,048
Total Liabilities	2,482,389	1,781,849	2,314,843	2,248,398	2,251,394
Equity attributable to parent company	6,242,201	5,662,973	5,406,966	5,421,093	5,968,311
non-controlling interest	1,447,886	1,132,103	921,855	966,835	1,063,810
Total Equity	7,690,087	6,795,076	6,328,821	6,387,928	7,032,121
Total Liabilities and Equity	10,172,476	8,576,925	8,643,664	8,636,326	9,283,515

Financial Results

Recent annual financial information					
	2018	2017	2016	2015	2014
Liabilities to assets ratio(%)	24.40	20.77	26.78	26.03	24.25
Current ratio(%)	228.52	308.50	224.69	251.92	150.36
ROA (%)	13.60	8.54	2.35	(0.41)	3.86
ROE (%)	17.31	10.82	2.79	(0.86)	4.76
Profit Margin (%)	18.71	13.21	4.09	(1.32)	6.74
EPS(NT\$)	2.38	1.32	0.42	0.04	0.67
每股DPS(NT\$)	0.80	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.

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.

Weaknesses

Materials, mining land 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.

Prudent optimism-

The main growth depends on the operation of China

Stability is expected to grow slightly in Taiwan

Cement and clinker sales target 720,000 metric tons.

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

Continuous integration of resources within the group.

Activated assets-Kansai land development.

Evaluate the possibilities of multi-angle operation

Public works budget outsourcing budget gradually increased.

Taking into account social needs and environmental protection to achieve the goal of industrial symbiosis

Market optimism in China

Cement and clinker sales target 2,000,000 metric tons.

US-China trade war: Conflict is fraught with uncertainties.

Future benefits of transfer investment- Investment in "ultra-low emission denitrification" set up plant plan for the development of the company's important machine, to build a high standard of large-scale denitrification production base.

Cement continues to disperse peak production, high price maintenance.

Focus on infrastructure and investment in the construction of the cement demand pull.

Q&A

