



HSING TA CEMENT CO., LTD.

Presentation



DISCLAIMER STATEMENT

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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 : 730 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

Hsin I Ready Mixed Concrete Co. Ltd joined the operation

Sub Company in Mainland China Jiangsu Xinning New Building Materials Co., Ltd. Factory construction completed

Established Sub Company Mainland China Jiangsu Xinning New Building Materials Trading Co., Ltd.

Sub Company Mainland China Jiangsu Xinning New Building Materials Co., Ltd. received 1st award for Grade A cement enterprise of Jiangsu Province

53

59

72

80

83

93

100

108

109

110

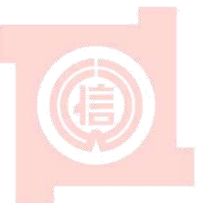
Set up Suao Nanshenghu Factory

Approved to be publicly listed on TWSE stock market

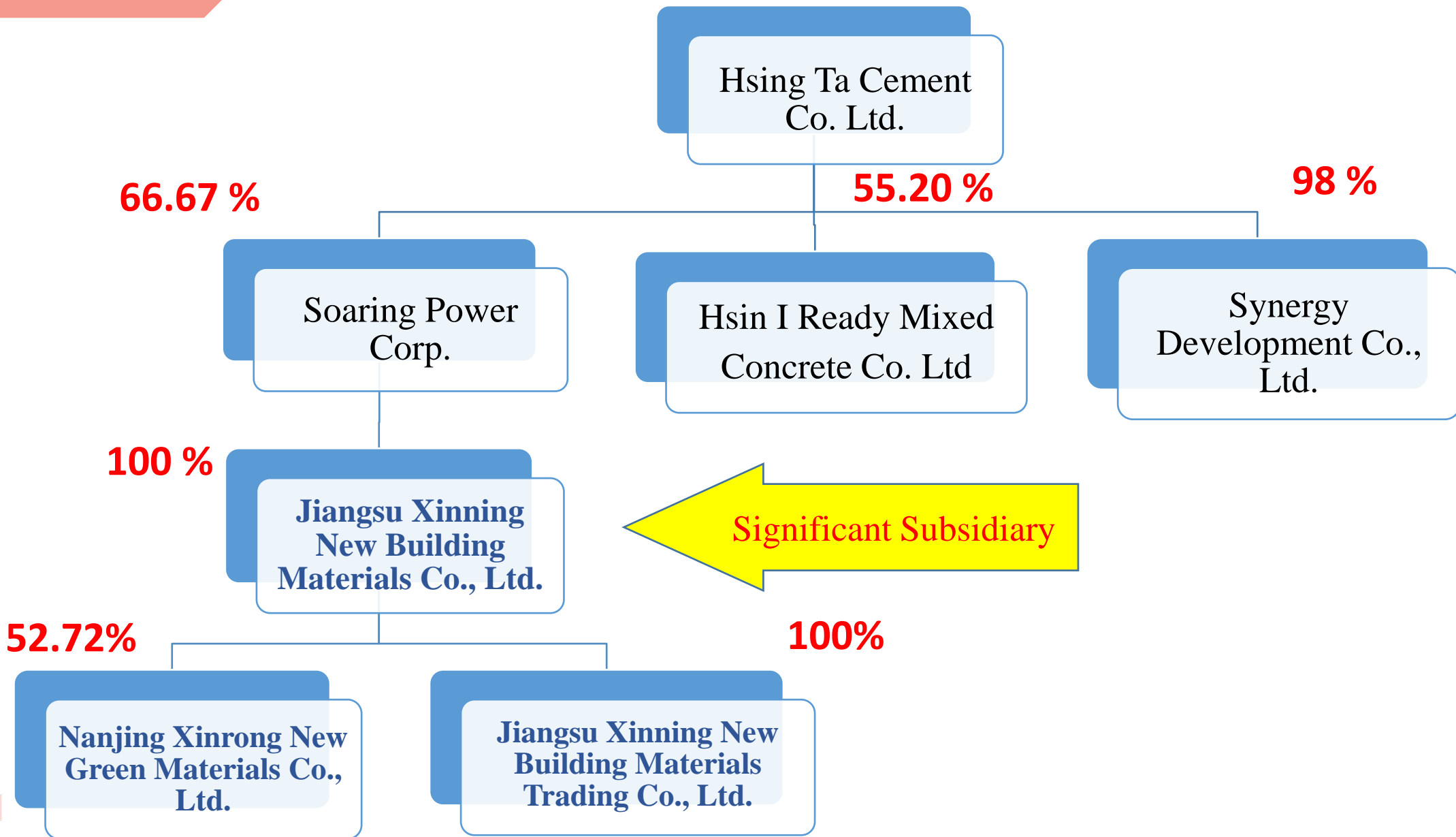
Songshan Hsingta Business Building construction completed

Set up Nanjing Xinrong New Green Materials Co., Ltd.

Sub Company Jiangsu Xinning New Building Materials Co., Ltd. Maintaining Jiangsu Province Grade A cement enterprise Awarded



Investment Framework



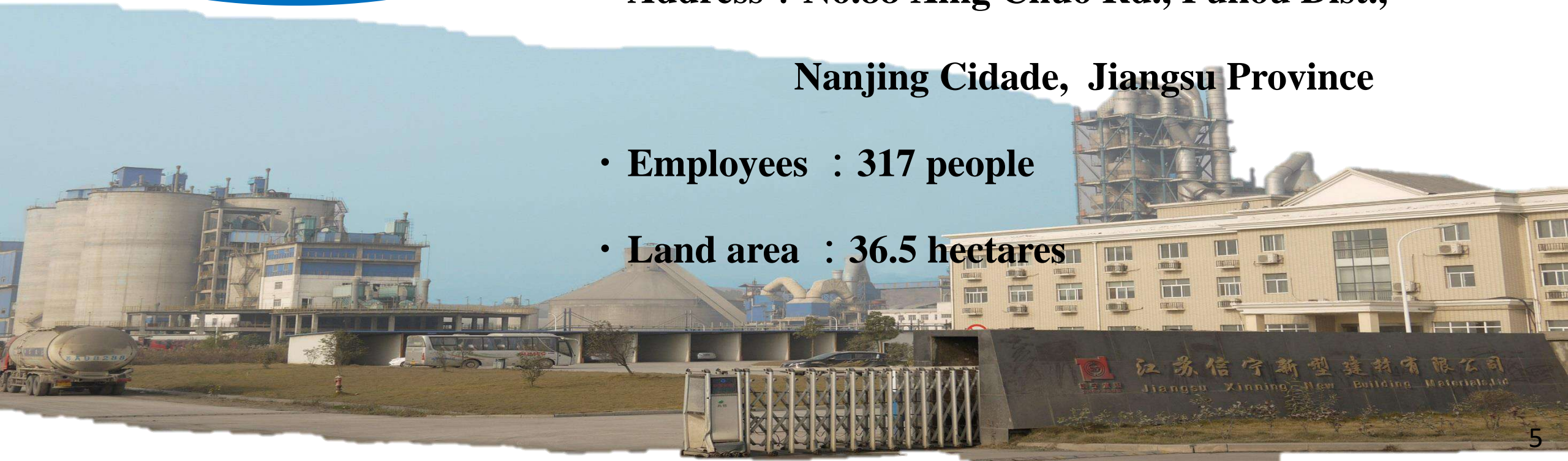
Jiangsu Xinning
New Building
Materials Co.,
Ltd

Subsidiary Company Profile

- **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 : 317 people**
- **Land area : 36.5 hectares**



Market Share-Cement and Clinker

Operation Overview

Hsing Ta

Taiwan 5~6 %

Jiangsu
Xinning

Main Market : Areas around the factory, Jiangbei Nanjing Pukou and Liuhe District, Jiangnan Yuhuatai, Ben Giang, Hexi District, Jiangning District and Anhui Wujiang, 95% of company sales.

Other Market : Anhui Chuzhou, Maanshan area and Hefei District, 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

Jiangsu Xinning

- PII 52.5 Cement
- PO 42.5 Cement



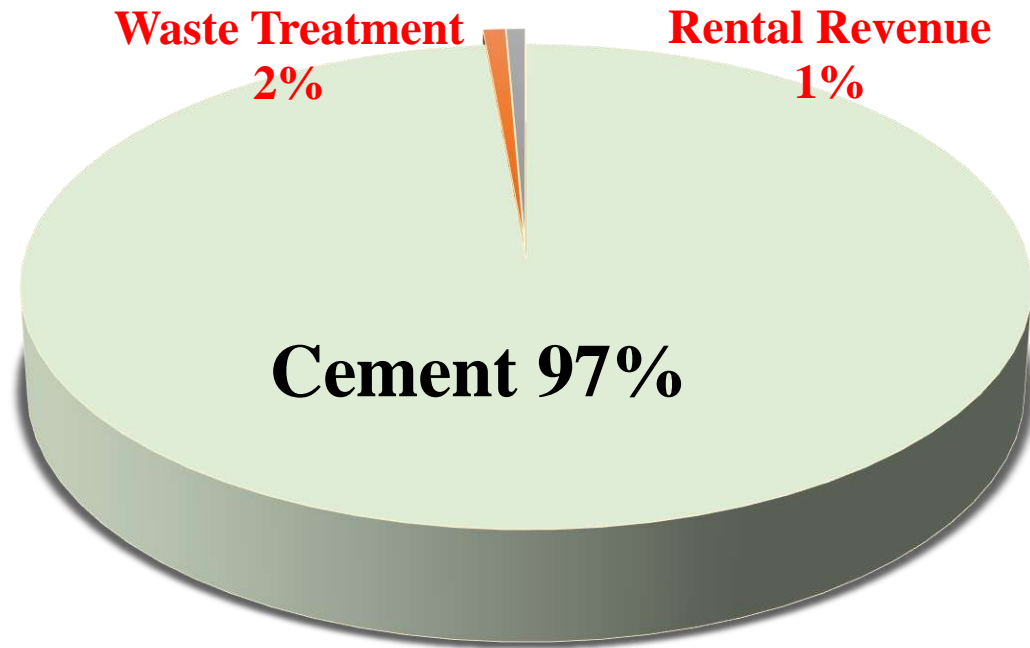
Capacity of production- Cement and Clinker

	Unit : ton
Taiwan	1,560,000
China	2,100,000
Total	3,660,000

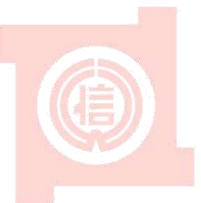
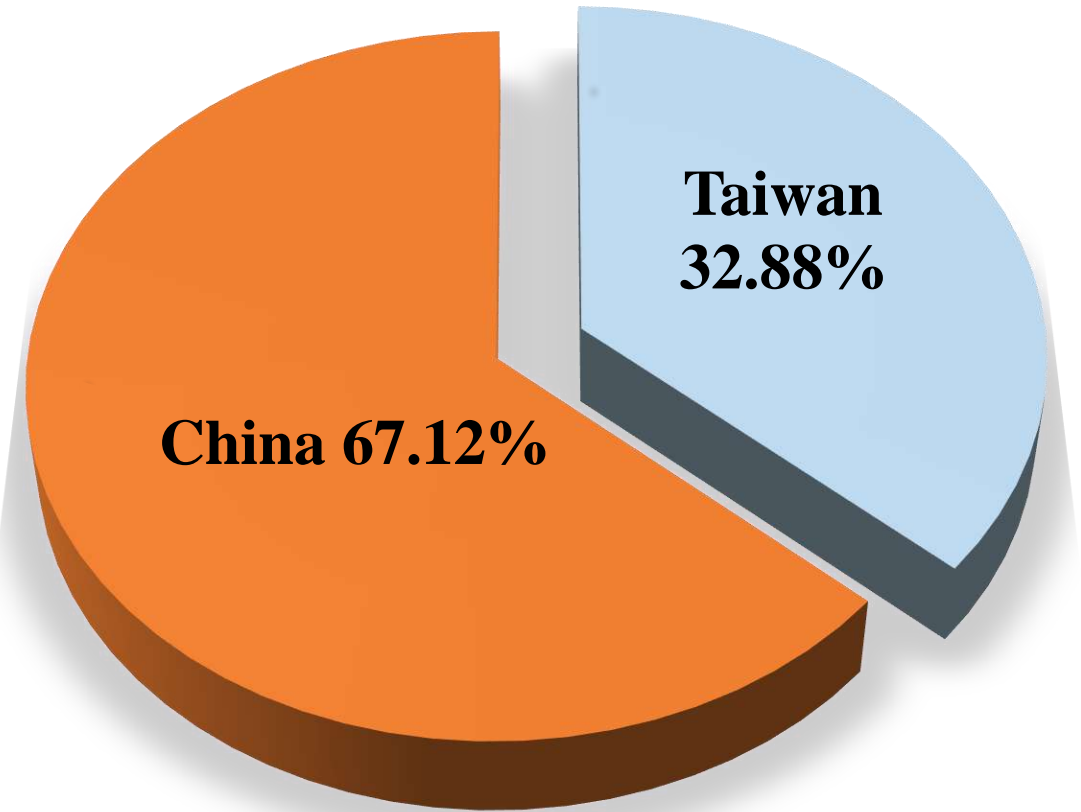


Consolidated Revenue Ratio

Revenue Ratio



Regional Ratio



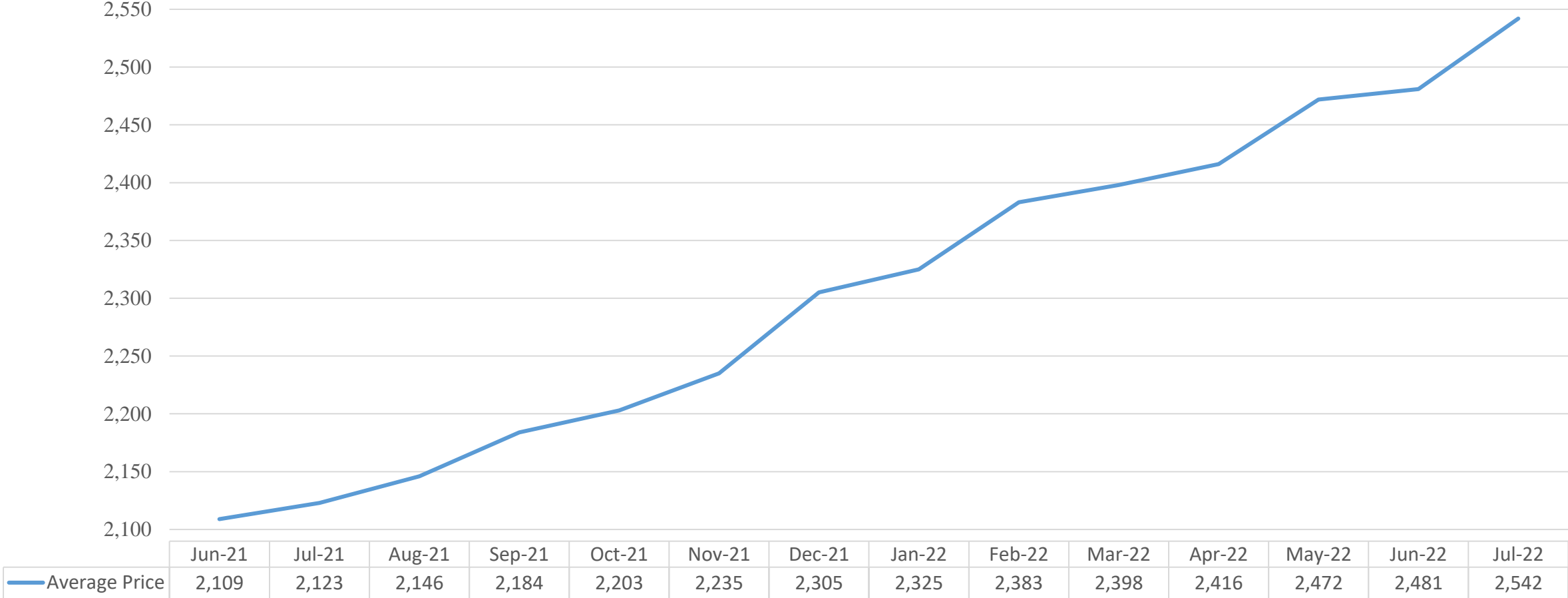
Annual Production and Sales- Cement and Clinker

				UNIT : ton
Products	111Y H1	110Y	109Y	108Y
Domestic	302,541	768,161	732,371	631,172
Mainland China	1,077,295	2,225,497	2,126,103	2,324,479
Total	1,379,836	2,993,658	2,858,474	2,955,651
Sales	111Y H1	110Y	109Y	108Y
Domestic	296,780	819,679	746,175	665,323
Mainland China	1,070,363	2,229,791	2,118,499	2,327,529
Total	1,367,143	3,049,470	2,864,674	2,992,852

Cement Sales Unit Price

Average Cement Price in Taiwan

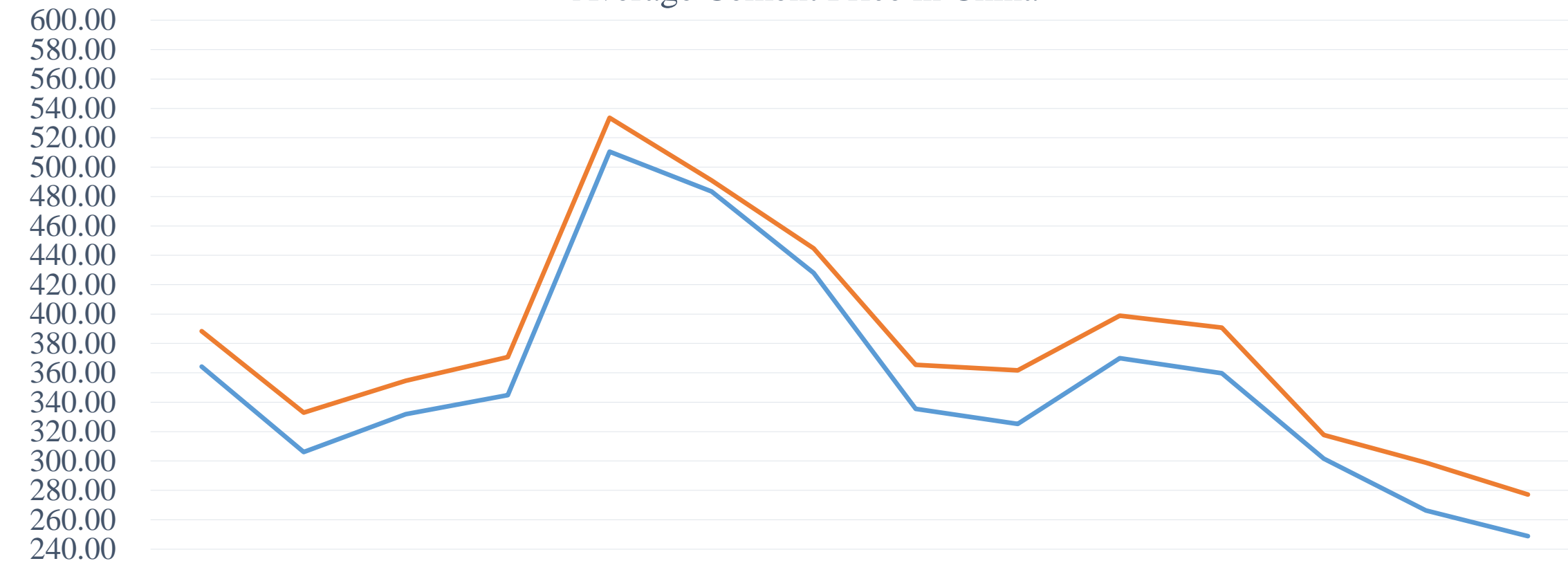
NTD/ton



Cement Sales Unit Price

CNY/ton

Average Cement Price in China



	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
PO42.5	364.23	306.04	331.82	344.87	510.54	483.38	427.95	335.45	325.22	370.04	359.74	301.61	266.34	248.84
PII52.5	388.42	332.84	354.57	370.67	533.65	490.93	444.66	365.51	361.64	398.93	390.78	317.64	298.81	277.16

Consolidated Income Statement

								Thousands of NTD	
Year Item	111Y H1	%	110Y	%	109Y	%	108Y	%	
Operating Revenue	3,004,875	100	7,378,229	100	7,593,294	100	7,822,895	100	
Operating Gross Profit	584,266	19	2,202,927	30	2,609,782	34	2,604,455	33	
Operating Income	420,469	14	1,757,542	24	2,102,359	28	2,066,501	26	
Non-operating income and expenses	4,882	0	81,432	1	16,072	0	22,191	0	
Profit after tax	114,258	4	1,212,790	16	1,448,873	19	1,458,617	19	
Profit attributable to owners of the parent	66,898	2	862,861	11	1,004,034	13	963,670	12	

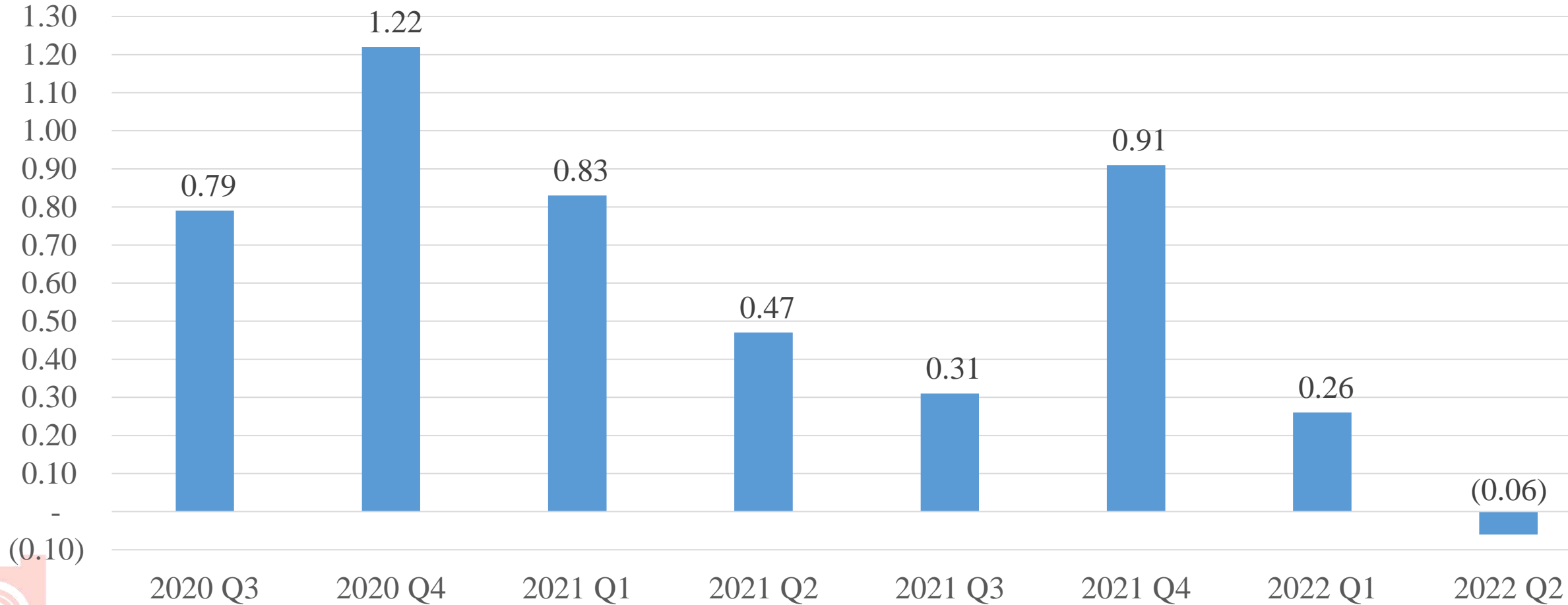


Consolidated Income Statement

Year Item	Thousands of NTD					
	111Y H1	%	110Y H1	%	Increase (Decrease)	Increase (Decrease) %
Operating Revenue	3,004,875	100	3,697,732	100	(692,857)	(19)
Operating Gross Profit	584,266	19	1,215,741	33	(631,475)	(52)
Operating Income	420,469	14	988,913	27	(568,444)	(57)
Non-operating income and expenses	4,882	0	47,442	1	(42,560)	(90)
Profit after tax	114,258	4	636,415	17	(522,157)	(82)
Profit attributable to owners of the parent	66,898	2	445,833	12	(378,935)	(85)
EPS(NT\$)	0.20		1.30		(1.10)	(85)

Earnings Per Share

NTD/Share



Q4 is the peak season.

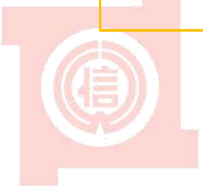
Q4 is the peak season.

Consolidated Balance Sheet

	Thousands of NTD				
Item	111/6/30	110/12/31	109/12/31	108/12/31	107/12/31
Current Assets	6,651,002	6,746,334	6,572,996	5,683,105	4,533,454
Non-Current Assets	4,978,843	4,956,011	5,238,057	5,508,189	5,639,022
Total Assets	11,629,845	11,702,345	11,811,053	11,191,294	10,172,476
Current Liabilities	2,223,545	1,749,952	2,162,621	2,256,725	1,983,843
Non-Current Liabilities	99,787	99,221	107,416	304,447	498,546
Total Liabilities	2,323,332	1,849,173	2,270,037	2,561,172	2,482,389
Equity attributable to owners of parent	7,469,241	7,830,858	7,497,866	6,818,517	6,242,201
Non-controlling interest	1,837,272	2,022,314	2,043,150	1,811,605	1,447,886
Total Equity	9,306,513	9,853,172	9,541,016	8,630,122	7,690,087
Total liabilities and equity	11,629,845	11,702,345	11,811,053	11,191,294	10,172,476
Net Asset Value per Share	\$ 21.84	\$ 22.90	\$ 21.93	\$ 19.94	\$ 17.66

Recent Financial information

	111/6/30	110Y	109Y	108Y	107Y
Liabilities to Assets Ratio (%)	19.98	15.80	19.22	22.89	24.40
Current Ratio (%)	299.12	385.52	303.94	251.83	228.52
ROA (%)	0.98	10.32	12.61	13.79	13.60
ROE (%)	1.19	12.51	15.95	17.87	17.31
Profit Margin (%)	3.80	16.44	19.08	18.65	18.71
EPS (NT\$)	0.20	2.52	2.94	2.82	2.38
Per DPS (NT\$)	1.50	1.50	1.50	1.10	0.80



Business Development

Committed to circular economy and Energy saving and carbon reduction policy

- By use of high temperature kiln in the cement, dispose of organic and inorganic substances that cannot be resolved by incinerators and landfills.
- Find alternative raw materials for making cement, thereby reducing emissions and energy consumption.
- Research & Development production of low carbon cement.

Social responsibility

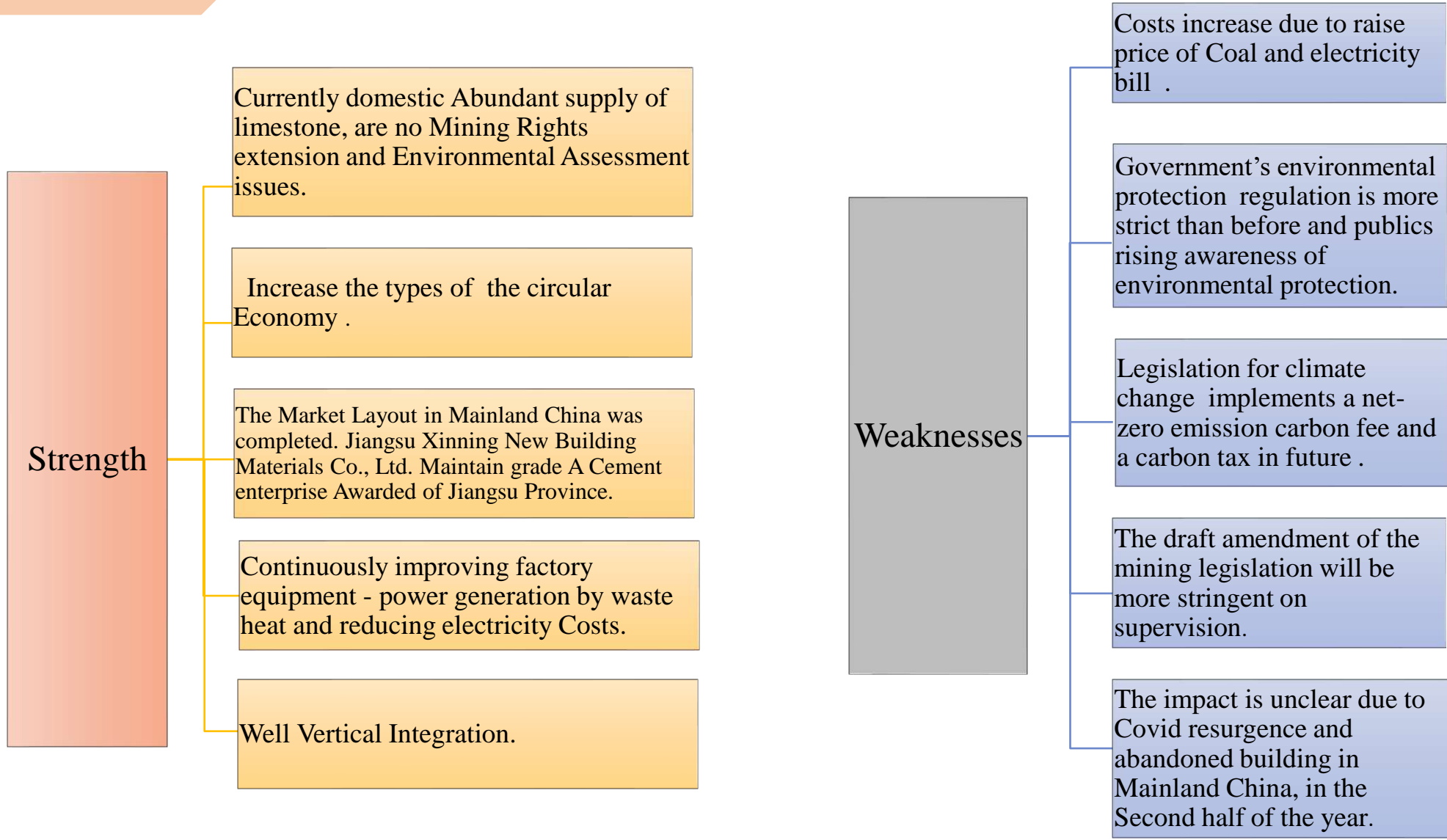
- Safety in mining area, Employees' safety and insurance.
- Bench mining to reduce landscape impact. reducing exposed area, vegetation recovery and Environmental protection.
- Social welfare - Sponsor of scholarship every year .
- Equipment improved continuously for carbon reduction.

Cooperate with Forward-looking Infrastructure Development Program

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

Asset Revitalization

- **Building permit supplement and allocation of housing units on the land located at No. 106 Hengyang Rd. is in progress :**
 - ①The land of joint construction is about 2,131 square feet.
 - ②The percentage of allocation: Hsing Ta Cement Co., Ltd. 70%, Chainqui Construction Development Co., Ltd. 30%.
- **The Guanxi land (194 hectares)-assessment of possibility of diversified management.**
 - ①After the opening of Gaoyuan Interchange of National Highway No. 3, the traffic is more convenient.
 - ②Reapplication of the exchange between national and private property with National property Administration, Ministry of Finance.
- **Songshan Building continue leasing.**



**The domestic market is a mature market ,
Gross requirements with little change.
Cost increased and reflected on the price .**

- 1.The Cement and Clinker sales target is 720,000 metric tons. Sales in the first half of the year reached 290,000 metric tons. The revenue and profits have been declined.
2. The production cost is rising due to the Russia-Ukrainian War and the international coal prices surged. Even though the selling price has been adjusted following the situation, we still need some time to process with the loss of profits. Things will gradually looking up for the company.



Mainland China market declined from last year

The main axis of cement industry development depends on the economic recovery driving the growth of the demand.

1.The cement sales target is 2.22 million metric tons. Sales in the first half of the year was 1.07 million metric tons.

2.H1: Revenue decreased by 20% compared with the same period but profit declined slightly due to intense competition in the industry and the average price is still not as good as the same period last year. In addition to factors such as the high price of international raw material coal, the gross profit will decline, and the profit will decline compared with last year..

3. Nanjing Xin Rong New Green Materials Co., Ltd., 52.72% reinvested by the company, produces denitrifying agent. Due to the low market demand, the sale is suspended on cost considerations.

4. We expected that the demand of cement is generally stable with decline .

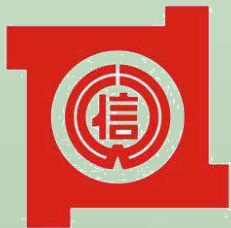




Our high integrity delivers the best quality

Thank you for listening

Q & A



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