



Chia Hsin Cement Corporation

2019 Q2 Results

Disclaimer

The forward-looking statements contained in this presentation are subject to risks and uncertainties and actual results may differ materially from those expressed or implied in these forward-looking statements.

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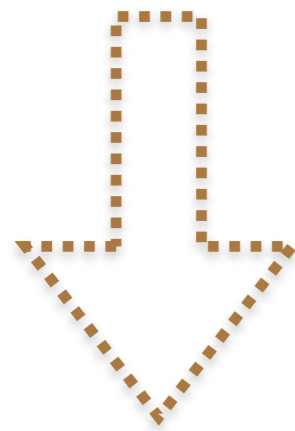
Creating a Better Life

Our foundation business:
Fulfilling basic needs of
humanity's
Textiles, Flour, Cement,
Transportation
B2B

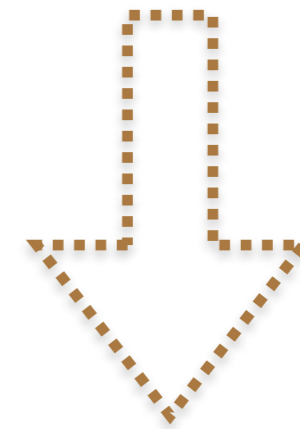


Value-added

Our emerging business:
Providing a new lifestyle
to people who want to
pursues a life experience
Postpartum care center
and Hotel
B2C



House

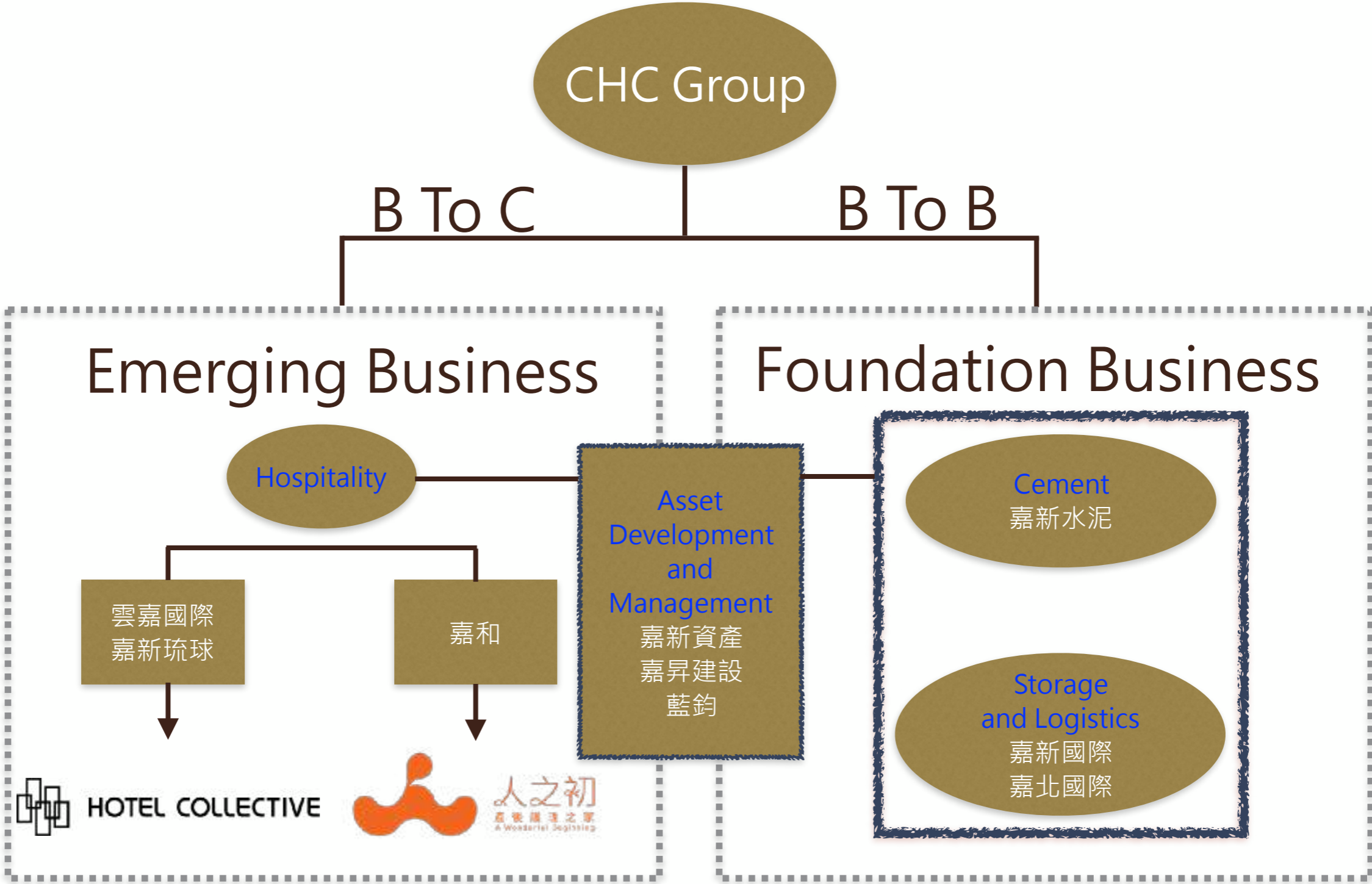


Home

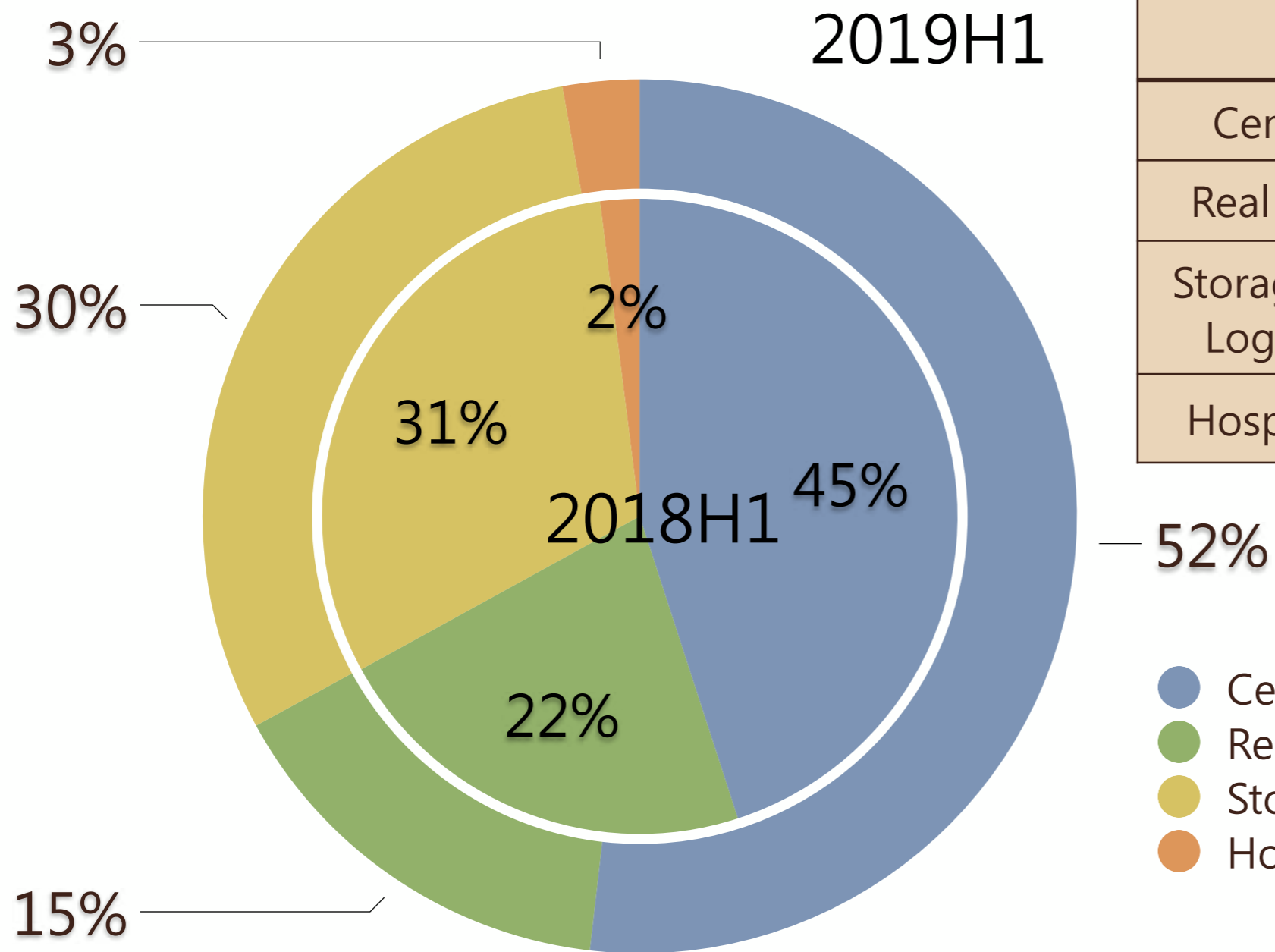


We Change to
connect with you

Business structure of CHC Group



Revenue of business units



Unit: Millions NTD

	2018H1	2019H1
Cement	452	462
Real Asset	224	135
Storage and Logistics	310	268
Hospitality	15	25

- Cement
- Real Asset
- Storage and Logistics
- Hospitality

Operating results of second quarter of 2019

Unit: Millions NTD

	Q2/2019	Q1/2019	QoQ	Q2/2018	YoY
Net Sales	438	452	(3.1%)	530	(17.4%)
Gross Margin(%)	12.2%	14.4%	(2.2ppts)	17.0%	(4.8ppts)
Operating Margin(%)	(13.4%)	(12.4%)	(1.0ppts)	1.2%	(14.6ppts)
Net Non-Operating Income	192	227	(15.4%)	259	(25.9%)
Net Income from Discontinued Operations	603	1	—	69	773.9%
EBITDA	842	279	201.8%	439	91.8%
Net Income	602	126	377.8%	247	143.7%
EPS(NTD)	0.94	0.20	370%	0.38	147.4%

Operating results of first half of 2019

Unit: Millions NTD

	2019H1	2018H1	YoY
Net Sales	890	1,001	(11.1%)
Gross Margin(%)	13.3%	14.5%	(1.2ppts)
Operating Margin(%)	(12.9%)	(2.2%)	(10.7ppts)
Net Non-Operating Income	420	234	79.5%
Net Income from Discontinued Operations	604	316	91.1%
EBITDA	1,121	730	53.6%
Net Income	728	399	82.5%
EPS(NTD)	1.13	0.62	82.3%

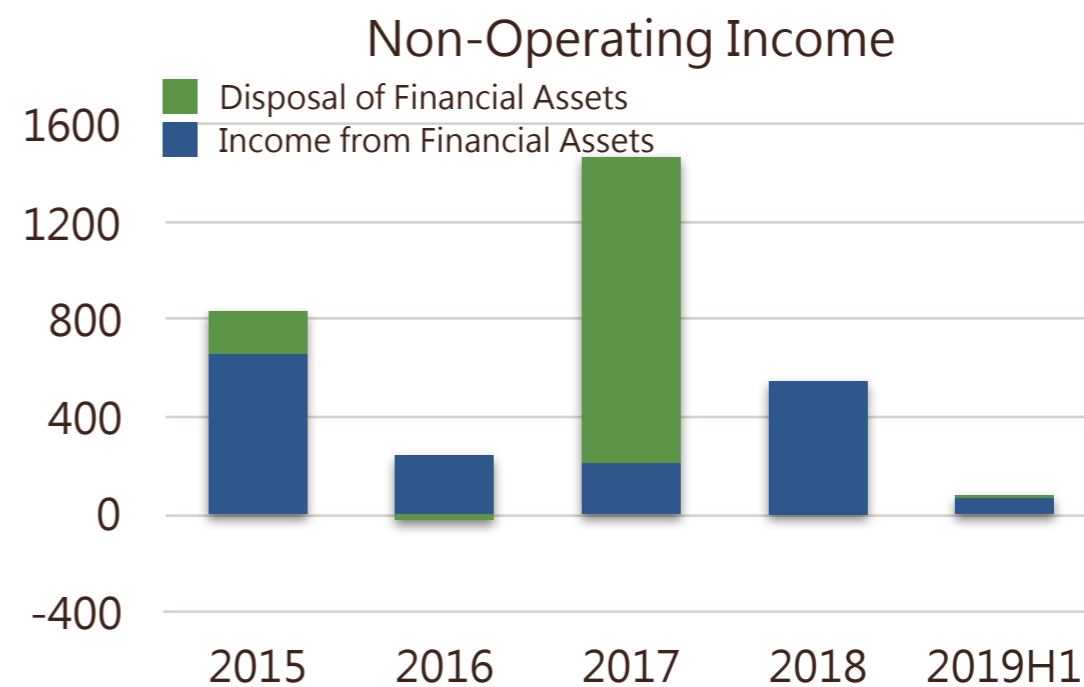
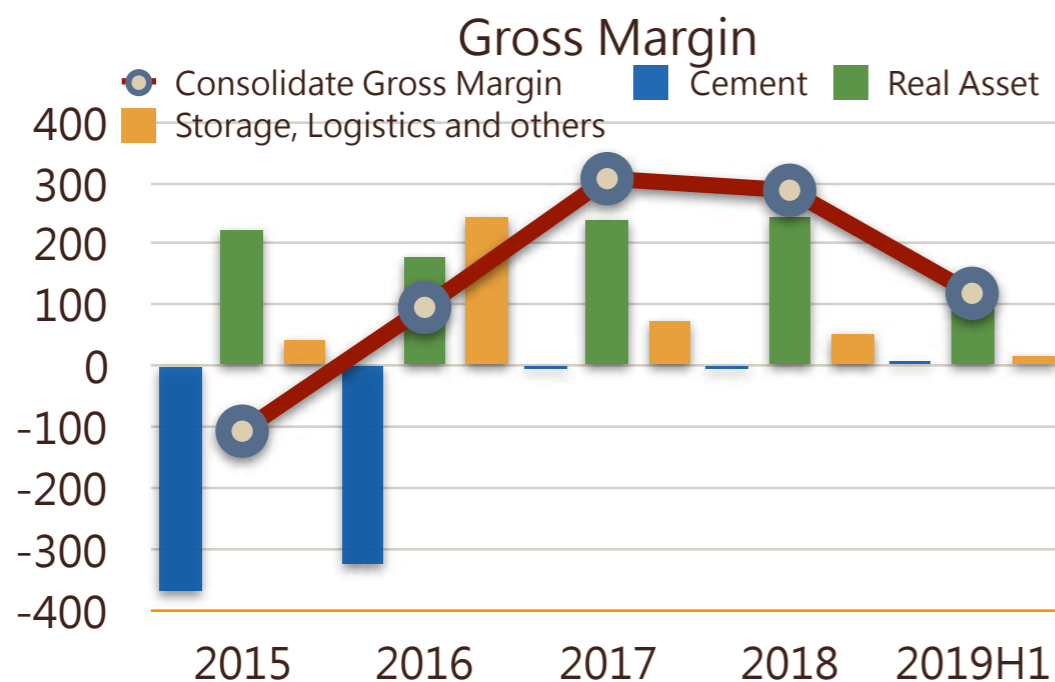
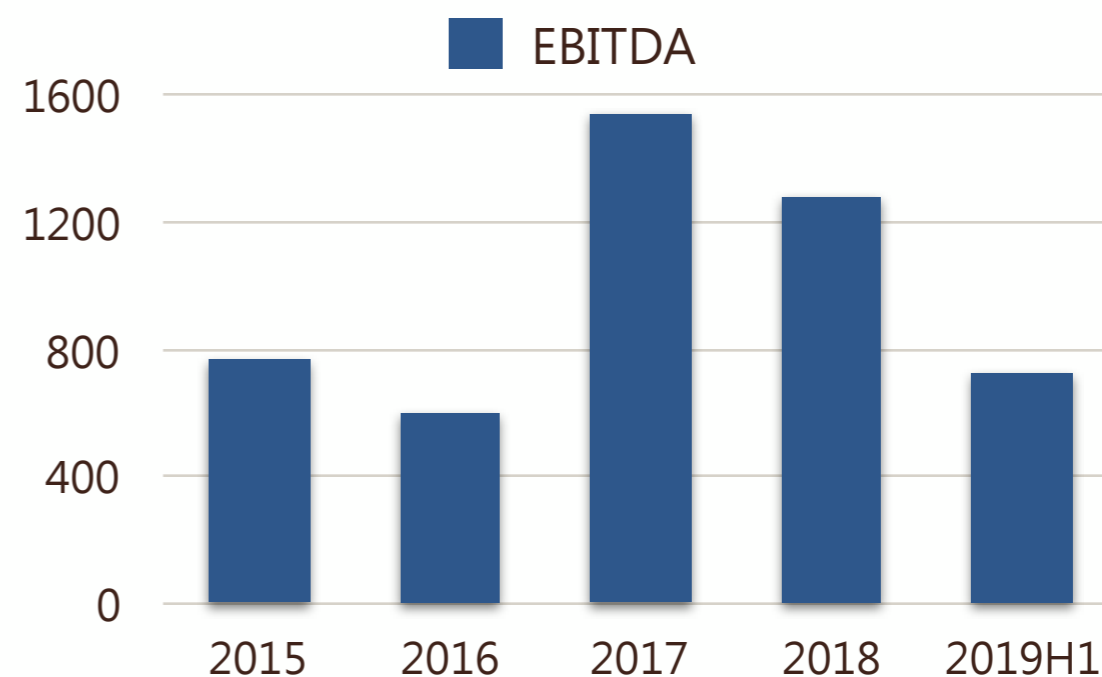
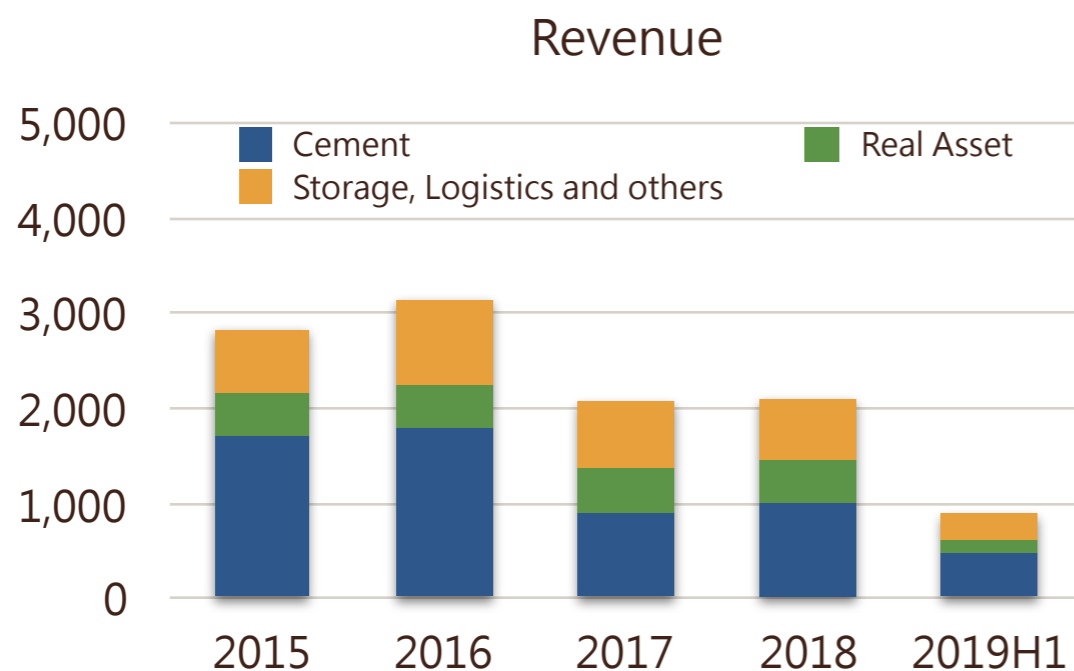
Balance sheet of June 30,2019

Unit: Millions NTD

	2019H1	2018H1
Cash and Cash Equivalents	1,465	2,044
Financial Assets	14,921	13,168
Other Financial Assets	4,132	2,873
Investments accounted for using equity method	2,615	909
Property, Plant, and Equipment	4,276	2,755
Investment Property	6,254	7,591
Total Assets	36,545	31,529
Short-term Borrowings	2,198	2,337
Long-term Borrowings	6,112	5,139
Total Liabilities	13,732	10,200
Common Stock	7,748	7,748
Total Equity	22,812	21,328
Book Value Per Share (NTD)	34.14	30.27

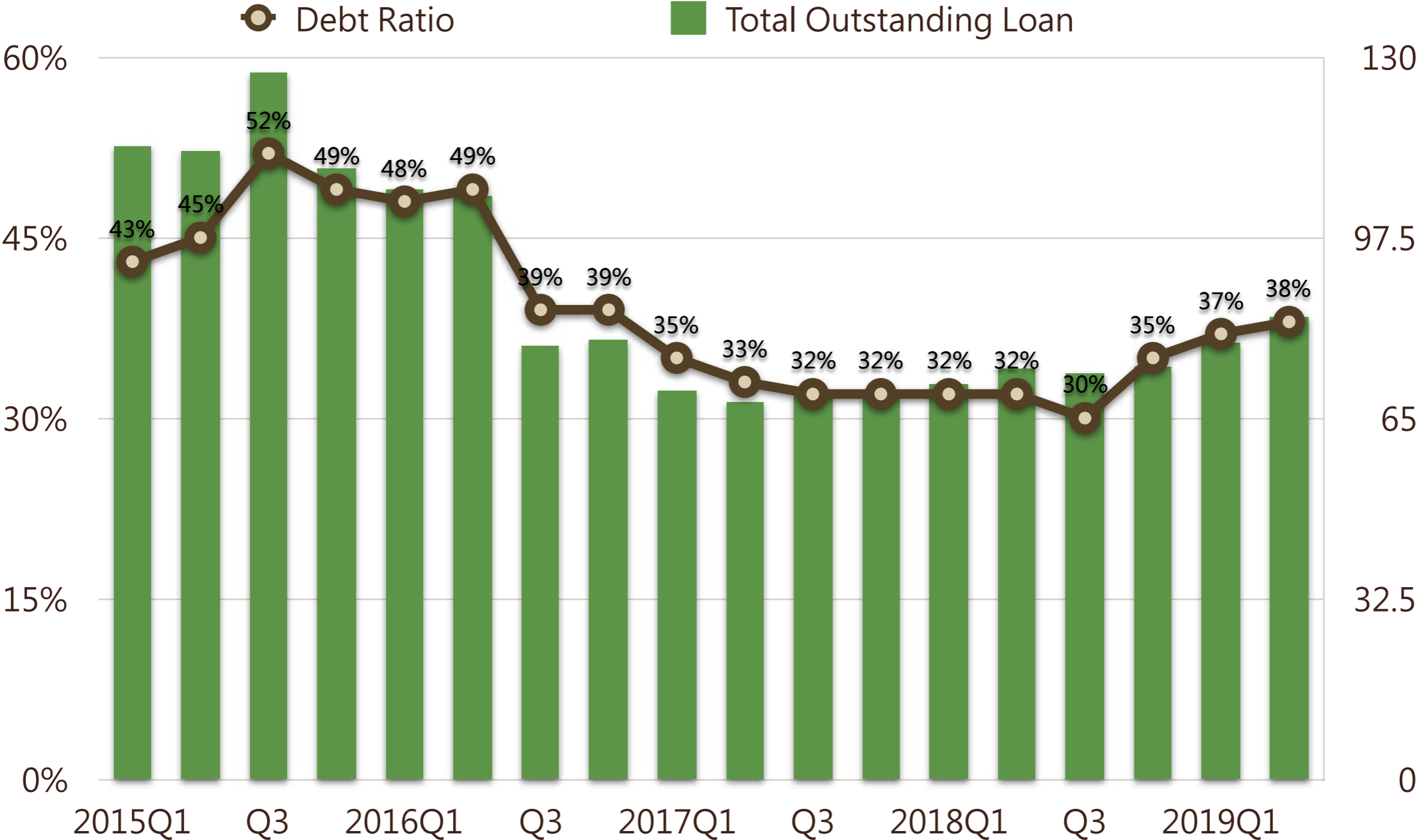
Operating Results by Business Units

Unit: Millions NTD



Total Outstanding Loan and Debt Ratio

Unit: 100 Million NTD



Foundation Business

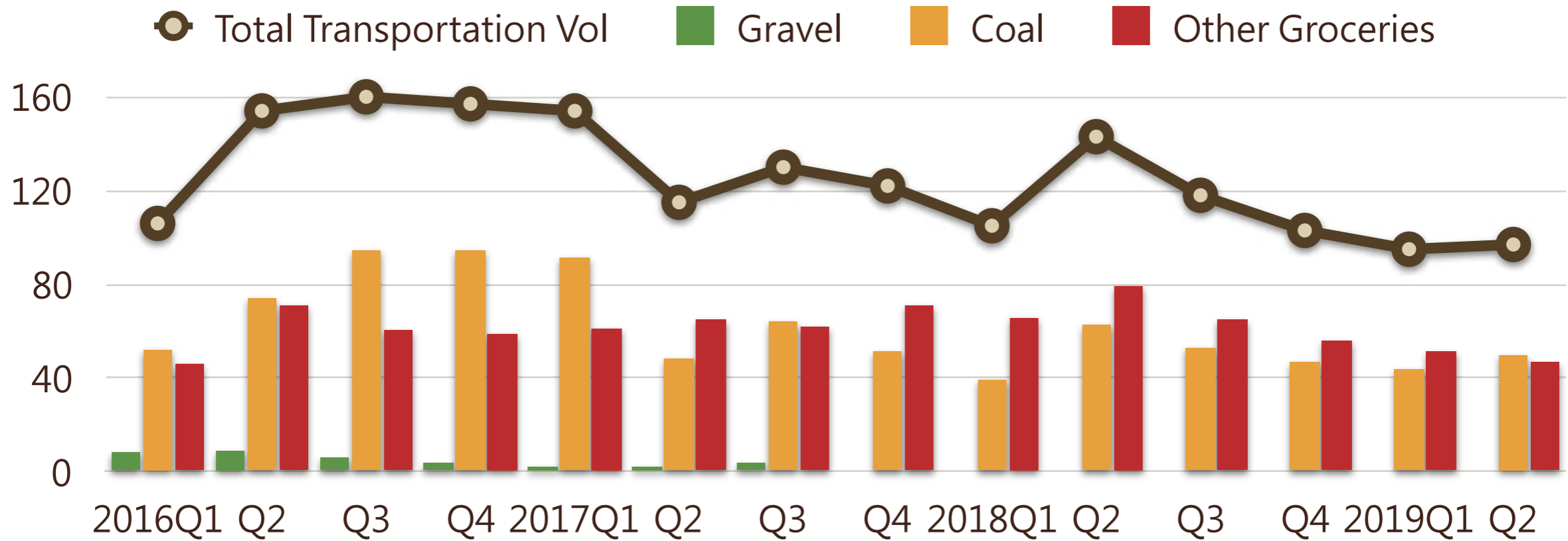
2019 Disposal Situation of China Assets

Unit: Thousands RMB

Company	Items	Disposal Price	Book Value	Gain on Disposal
Jiangsu Union Cement	Land and Buildings	228,800	98,051	130,749
Shanghai Jia Huan Concrete	Land and Buildings	105,430	9,898	Note 1

Note 1: Recognized when the transaction is completed

Taipei Port Throughput Volume



Status of On Hand Project

Case type	Land/Project	Location	Land Area (ping)	Status
Home	Gangshan	Kaohsiung	47,690	Integrate land and improve rental yield
	Kuojian Road	Kaohsiung	4,400	Applying urban renewal process
Overseas	HOTEL COLLECTIVE	Okinawa	1,400	Trial operation in January 2020
	InterContinental Okinawa Chura SUN Resort	Okinawa	11,100	Signed a long-term hotel management agreement with IHG on August 17, 2019

Location	Total Land Area (square meter)	Total Land Area (ping)
Home	669,900	202,600
Overseas (Japan)	41,500	12,500

Emerging Business

LIFE PLUS +

人之初 產後護理之家
A Wonderful Beginning



The first post partum center opened in Dec. 2016 and is now one of the leading brands in Taiwan

人之初中山館業績表現

	入住人數	入住天數	OCC
2018H1	229	2,893	84%
2019H1	198	2,679	78%

人之初敦化館

Address :
No. 230, Dunhua N. Rd.,
Songshan Dist., Taipei City 105

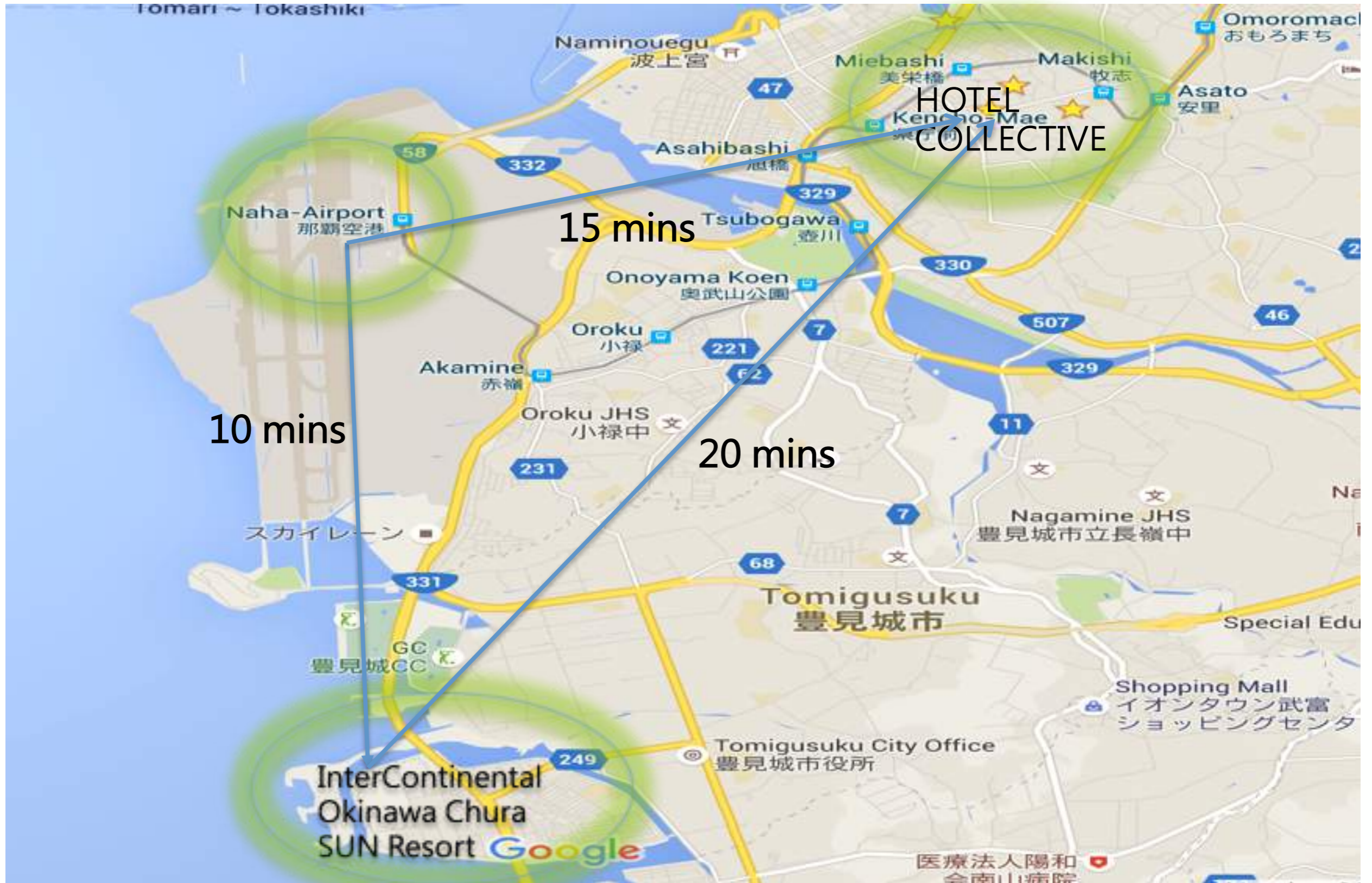




Be.
okinawa

本来の自分を取り戻せる島。

Location



Collective Hospitality



Hotel Collective Naha is the first hotel in the hotel collective brand. In the center of the Naha City, Okinawa and will be the new landmark on the Kokusai Dori. hotel collective is full a service hotel with 260 room, three restaurant, full swimming pool and chapel. It will also have the biggest banquet hall in the city.

Milestone

- 2019/10 Fire inspection
- 2019/10 Completed and delivered
- 2020/01 Trial operation

Project progress of HOTEL COLLECTIVE



Project progress of HOTEL COLLECTIVE



Signed a hotel management agreement with IHG

- ◆ The third largest hotel group company in the world.
- ◆ Rich experience in Japanese operations.
- ◆ 5 star luxury resort hotel brand, INTERCONTINENTAL.
- ◆ The same business philosophy.
- ◆ Diverse and inclusive culture.
- ◆ Environmental sustainability



InterContinental Okinawa Chura SUN Resort

Information

- Resort hotel with 373 rooms
- Right next to Toyosaki beach and close to airport
- Facility including saltwater onsen, recreation center, one of the largest hotel kids club in Okinawa, SPA, gymnasium, indoor-outdoor swimming pools and a chapel with walking distance to the famous Chura SUN beach

2018/Q2 Kuma Kengo& Associates +

Habitech Architect

2018/Q4 hot spring diggingg construction

2019/Q1 hot spring analysis report

2019/Q3 Signed a long-term hotel

management agreement with IHG

2023 Construction completed



- Strengthen cement distribution business of Taiwan
- Indirectly invest in China and other regions through strategic holdings of TCC

Cement Sales and Investment

- We will deploy important facilities for cement, coal and aggregates base on Taipei Port, Taichung Port, and Keelung Port.

Storage and Logistics

- Joint venture with LDC hotel group in A.Roma hotel, Italy
- Building a new brand of postpartum care
- Operate our first hotel brand, HOTEL COLLECTIVE (Trial operation in January, 2020)

Hospitality Business

Asset Development and Management

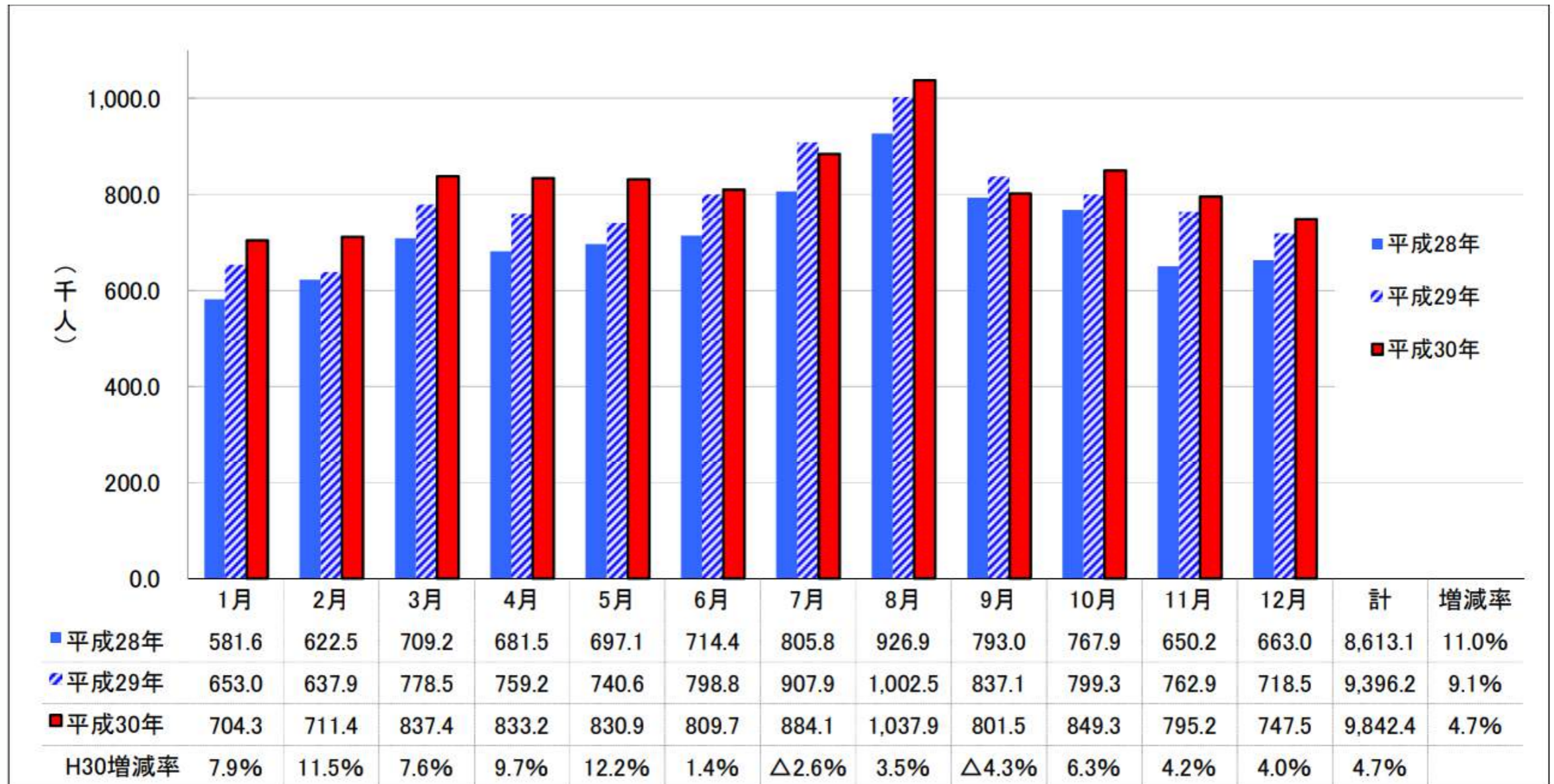
- Realizing the purpose of asset application through urban renewal
- Increase rental yield
- Increase the return of Financial portfolio

New supply of Okinawa hotel

	Location	Hotel Type	Opening	Rooms
HOTEL COLLECTIVE (by CHC)	Naha	Full Service	2020/01	260
Hyatt Regency	Onna	Resort Hotel	Opened	344
Hilton (by Mori Trust)	Sesoko Island	Resort Hotel	2021	300
Irapph Sui, The LUXURY Collection (by Mori Trust)	Miyako Island	Resort Hotel	Opened	67
Halejulani Okinawa (by Mitsui Fudosan)	Onna	Resort Hotel	2019	360
Double Tree resort	Chatan	Resort Hotel	Opened	160
JR Blossom	Naha	Limited Service	Opened	218
Hotel Aqua Citta Naha (By WBF)	Naha	Limited Service	Opened	203

The number of tourists visiting Okinawa is increase year by year

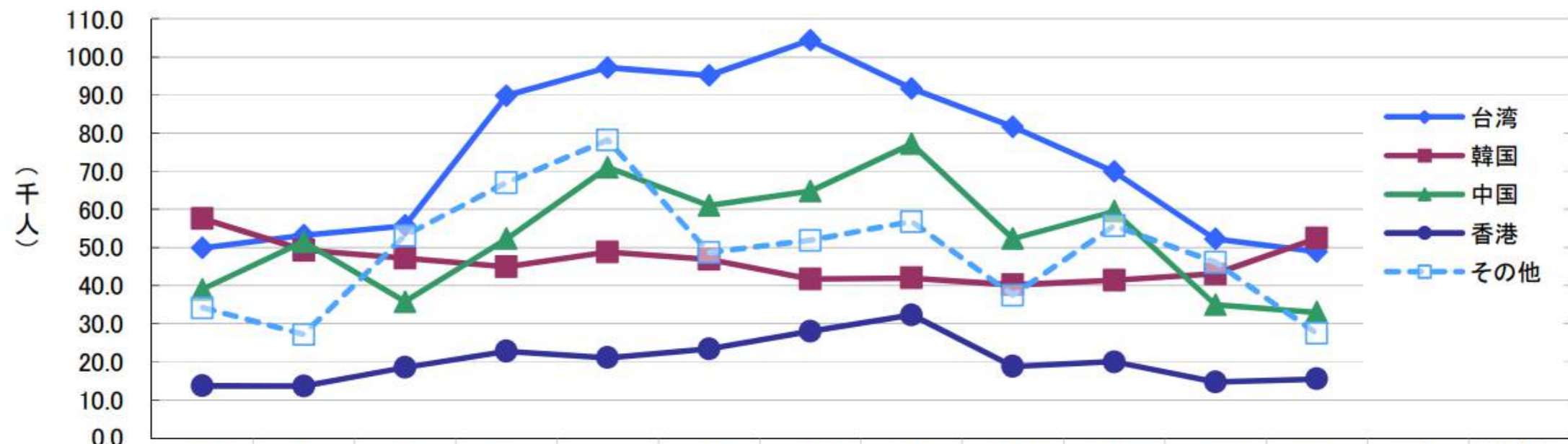
- In 2018, the total visitors of Okinawa is 9,842,400 people and 29.50% is foreign.



資料來源：沖繩縣政府觀光事務單位

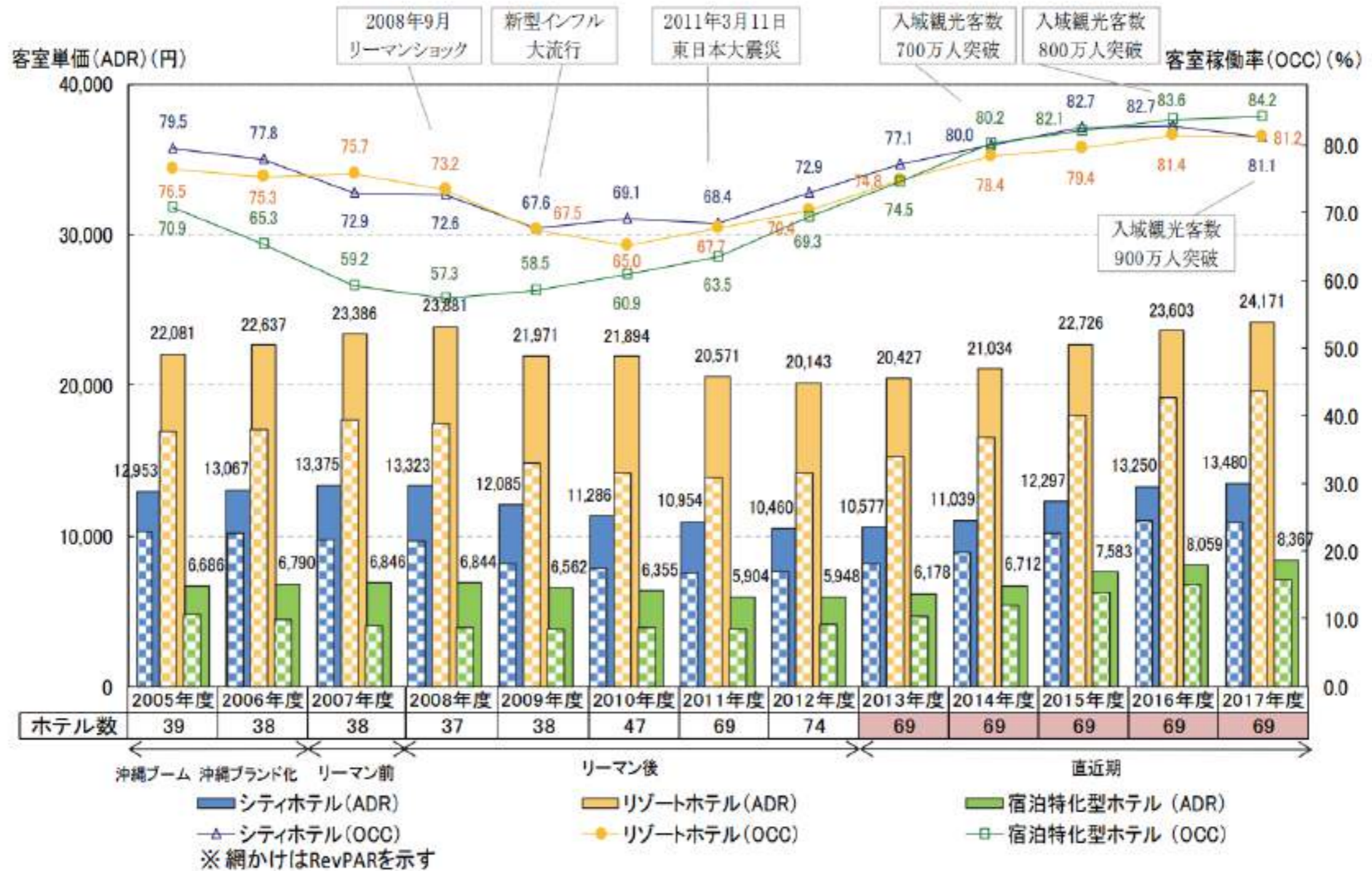
Foreign visitors is the major driving force of growth

- Most of the visitor are domestic visitors, there are 6.84 million visitors from mainland Japan.
- Taiwan visitors are the largest portion of foreign visitors.



	1月	2月	3月	4月	5月	6月	7月	8月	9月	10月	11月	12月	計	増減率
台湾	49.9	53.2	55.7	89.8	97.2	95.1	104.4	91.7	81.7	69.9	52.2	48.9	889.7	13.0%
韓国	57.6	49.3	47.2	44.9	48.8	46.9	41.7	42.0	40.2	41.4	43.1	52.4	555.5	6.2%
中国	39.0	51.5	35.8	52.3	71.0	61.0	64.8	77.2	52.3	59.5	35.0	33.0	632.4	25.5%
香港	13.7	13.6	18.5	22.8	21.1	23.4	28.0	32.3	18.8	20.0	14.7	15.5	242.4	△5.6%
その他	34.2	27.2	53.1	67.0	78.2	48.7	51.9	56.8	37.5	55.7	46.1	27.4	583.8	23.9%
計	194.4	194.8	210.3	276.8	316.3	275.1	290.8	300.0	230.5	246.5	191.1	177.2	2,903.8	14.2%
増減率	32.1%	35.2%	32.8%	27.2%	45.9%	5.2%	△0.6%	8.8%	△1.3%	7.5%	4.8%	△3.2%	14.2%	

Stable growth on ADR and OCC in Okinawa hotel market



資料來源：沖縄振興開発金融公庫