



# Chia Hsin Cement Corporation 2020 Q1 Investors' Conference

# 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.

Chia Hsin Cement Corporation makes no representation or warranty as to the accuracy or completeness of these forward-looking statements and nor does Chia Hsin Cement Corporation undertake any obligation to update any forward-looking statements, whether as a result of new information or future events.



**Enterprise  
Value**

**Brand  
Extension**

**Employee  
Care**

**Social  
Feedback**

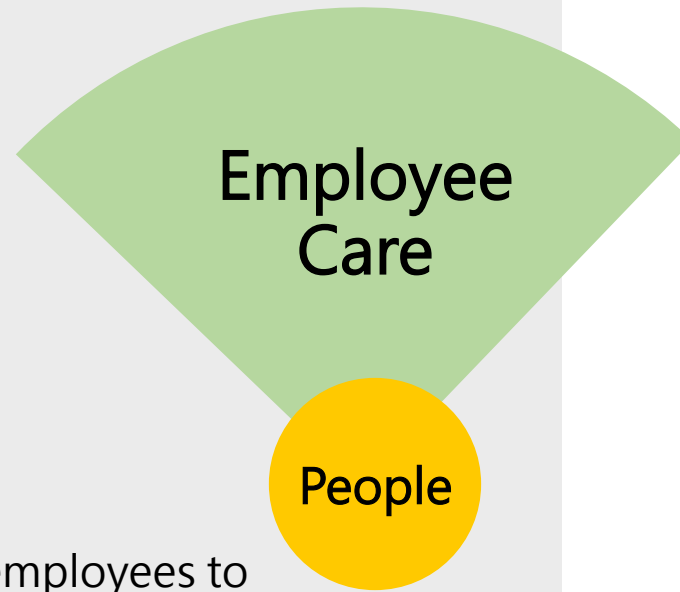
**People**

**Humanities  
and Arts**

**Local  
Participation**

**CHC**

# Our Core Asset



- Provide internal training courses and external training subsidies to encourage employees to continue learning



- Encourage employees to exercise and was awarded the "Taiwan iSport" Certification



- Provide employee childcare subsidies and committed to creating a more friendly workplace environment

- Annual staff outing and year end party in Okinawa.



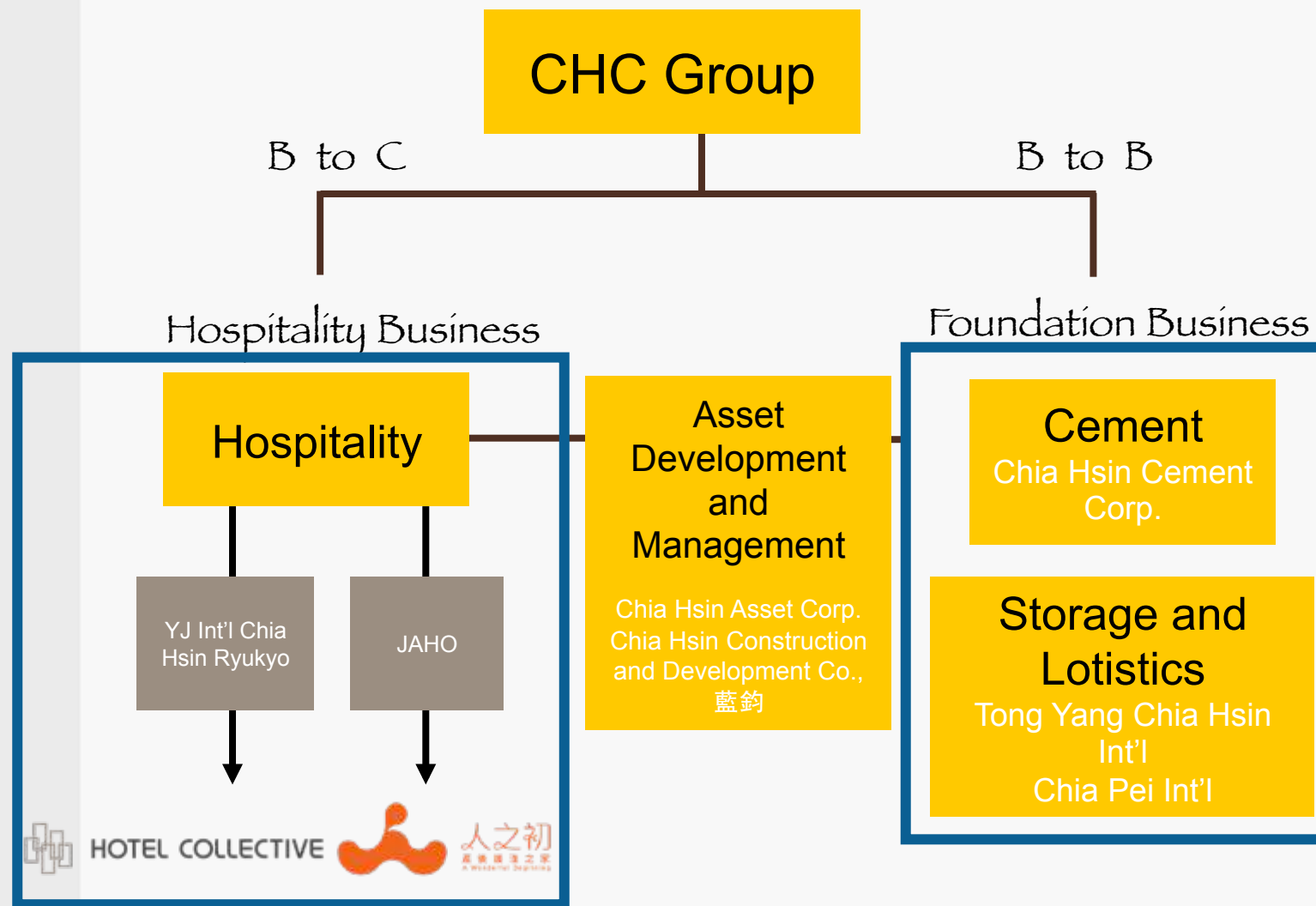
- Recognize senior employee at the Company's 65<sup>th</sup> anniversary fair



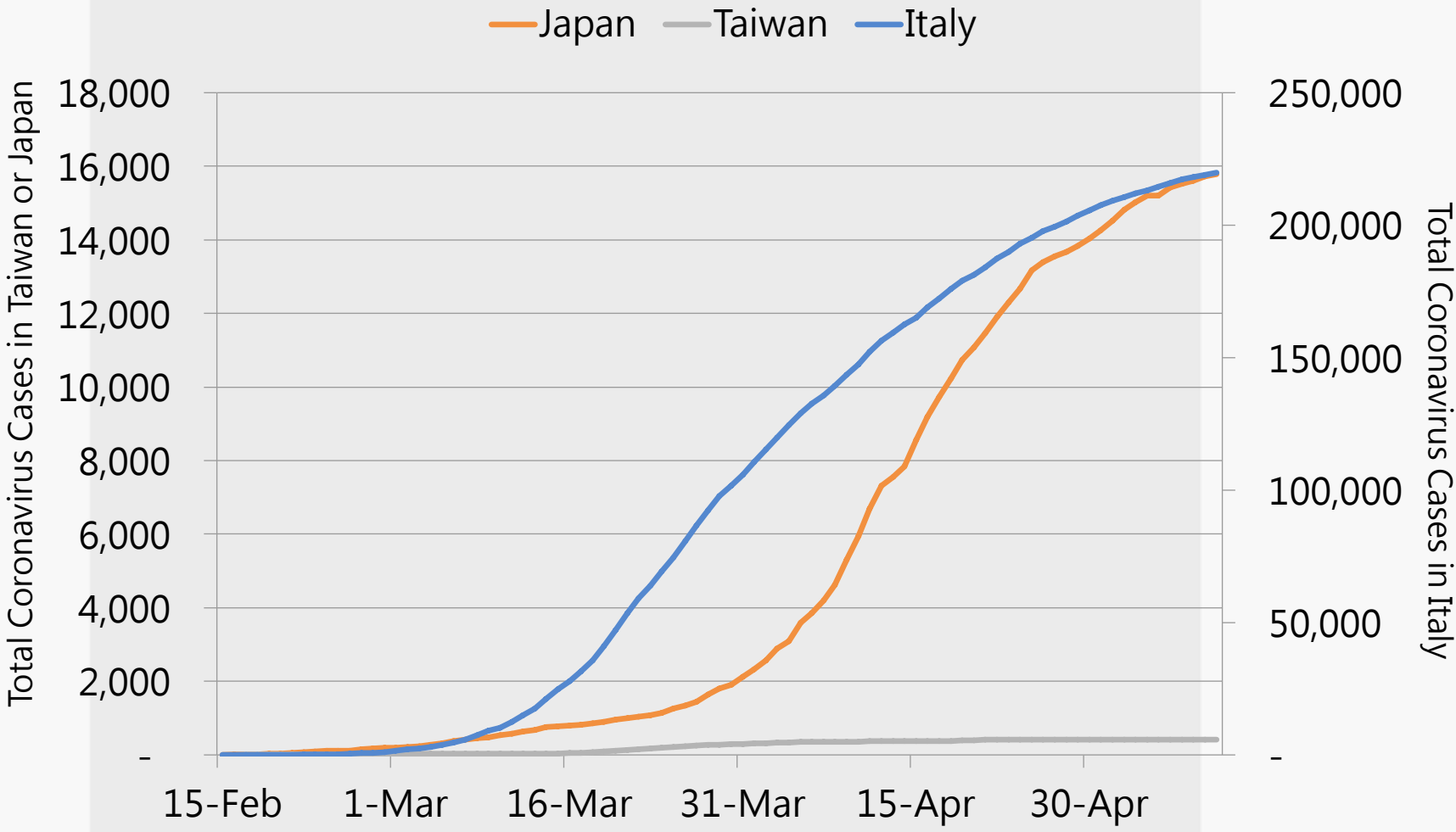
# Internal Stability — Anti-epidemic Measures

- No layoffs or pay cuts
- Suspend all foreign travel
- Measure temperature for employee twice a day
- Set up a temperature monitoring station at entrance and exit of the building
- Allow employees to take turns to work from home
- Allow employee to work from home 14 days if the employee visits the hospital twice in the past week
- Implement staggered worked schedule

# CHC Group Business Structure







# Total Coronavirus Cases

Source : Worldometer



# Hotel Business



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# Anti-epidemic Measures

- Strengthen temperature management and personnel control
  - As of 2/15, staff is required to temperature check by security personnel before entering the premise.
  - During working hours, entire personnel have to wear masks.
- Strengthen disinfection measures
  - Disinfection sprays are installed at both indoor and outdoor public areas to enhance hands sterilizing frequency.
  - Regular disinfection operations such as hotel door handles and switches are implemented.
- Staff care
  - If staff has suspected symptoms, encourage them to report to the supervisor. Allow paid leave, and help them to visit medical institutions.



# Operation Adjustment

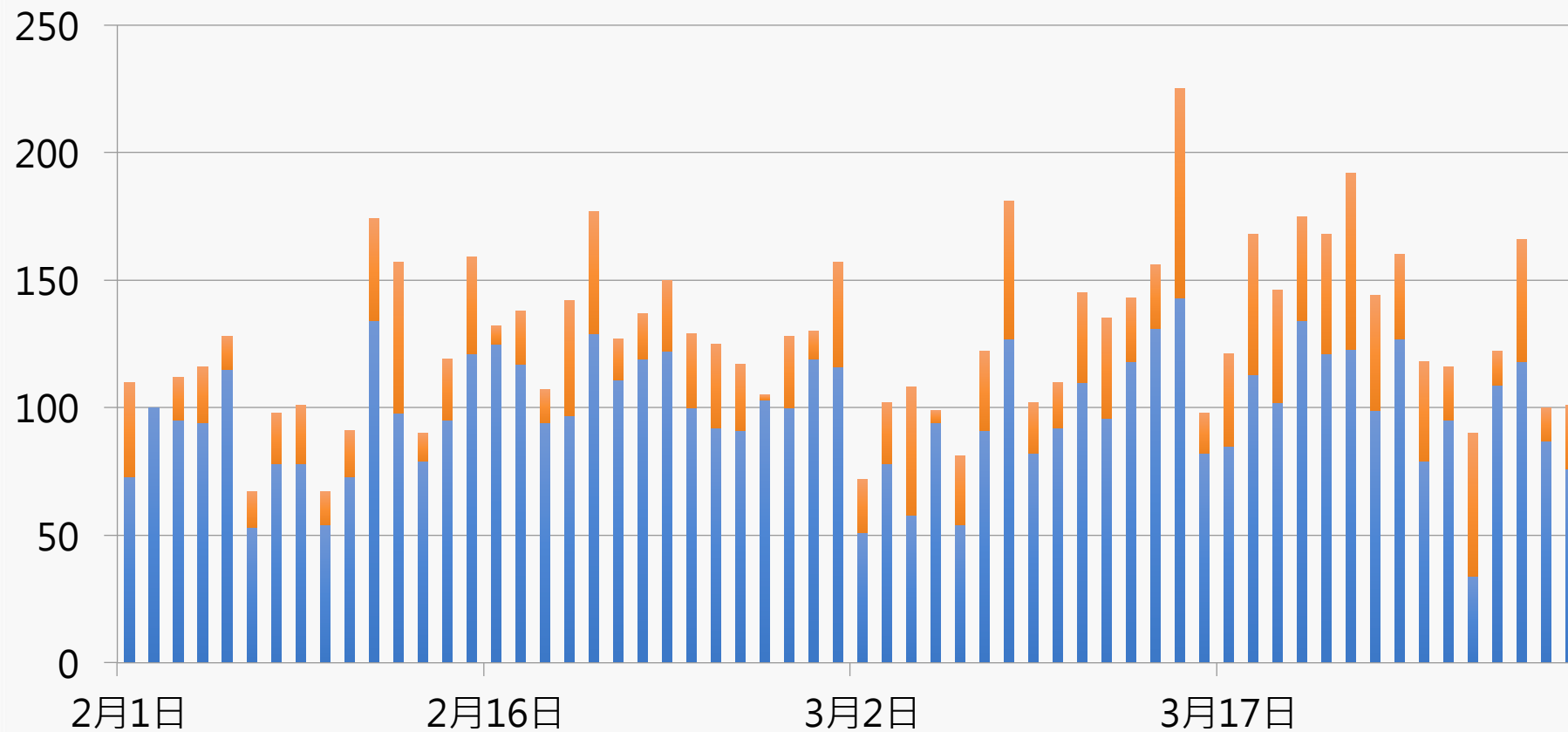
- Re-negotiation of all contracts.
- Stop using temp employees.
- Close down public facilities that are high risk such as:  
sauna, swimming pool, etc.
- Re-examine the service process and strengthen operating procedures.
- As of 4/9, Buffet has been cancelled and replaced by à la carte meals.



# F & B Lunch Guests

Daily guests

■ ADD ■ 居易園



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HOTEL COLLECTIVE

# Recent Status of A. Roma

- The EBITDA performance of January-February period showing YOY growth at double digits.
- In February, led by sample and practiced the epidemic prevention measures.
- Closing the business to in line with the government policy.
- Italian government provides corporate relief funds.



人之初 產後護理之家  
A Wonderful Beginning








SPECIALITES

Zhongshan 1<sup>st</sup> Center  
Lively . Convenient




- Fitness
- Restaurant
- Ease of transportation
- Parking available

PROMISES

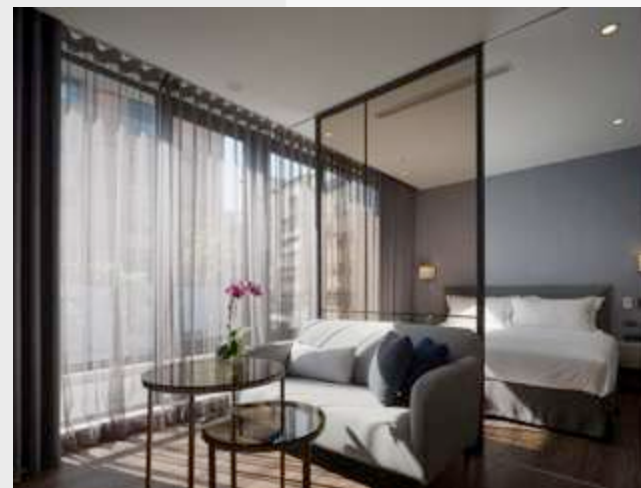
-  Close to Medical Center
-  Professional Team
-  Impression integration on Babies development
-  Traditional Chinese medical support

Dunhua 2<sup>nd</sup> Center  
Privacy . French Urban

- Extreme Privacy
- Trendy design, floor to ceiling windows
- “Exhale” SPA Center Flagship Shop
- Designate floor for children

-  Essential Oil Treatment
-  Professional nursing care
-  WELL Building Standard

# Gem Care-Dunhua



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# Anti-epidemic Measures

- Visitors must register on a named basis, and the number of visitors in each group is limited to three.
- Each room is limited to one visit per day, and is temporarily closed for visits.
- All personnel must wear masks, those with temperature over 37.5 degrees are restricted from enter the building.
- Use the health insurance card to check the travel history of those visitors, accompany guests and related personnel.
- Those with travel history or have contacted the positively diagnosed personnel are forbidden to enter the building for thirty days.
- On-site staff to fill out the TOCC (Travel Occupation Contact Cluster) epidemic prevention declaration information.
- Daily cleaning and disinfection of the baby room and counter at three regular intervals.
- Weekly disinfection for rooms and public areas using UV lamps.



# Operation Adjustment

- 360 degrees facilities tour offered online and orders can be placed offline.
- Strengthen staff education and training.



Healthy Building



# What is WELL?

The WELL Building Standard is the first international certification for measuring and monitor features of the building environment that impact human health and wellbeing.

## Why

We want to be the leading brand for Chinese postpartum care.

We provide you a great environment and take care of all your postpartum needs.

## How

In order to allow you to have a great rest in a high-quality environment, we take care of every detail, including the building environment, public cleaning, meal design, employee benefits.





Healthy Building

# WELL Building Standard Certification



Platinum



Air



Water



Nourishment



Light



Movement



Thermal comfort



Sound



Materials



Mind



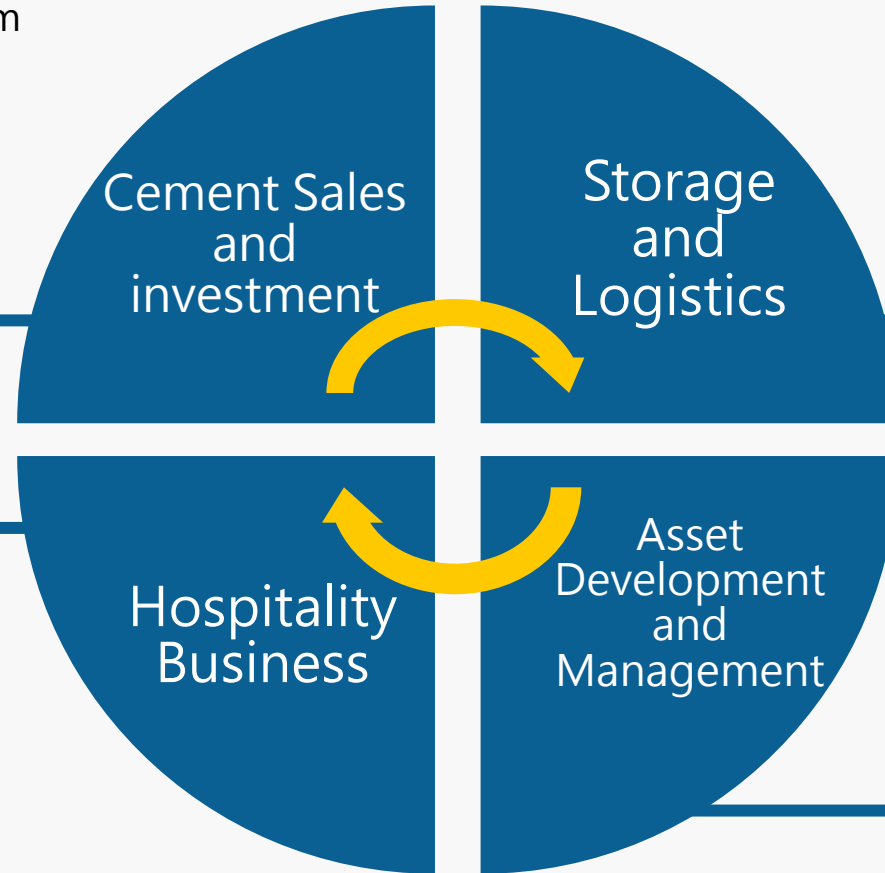
Community



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- Cement sales is not affected by the epidemic.
- Cash dividend income from cement investment expected to be less than last year.

- The volume of loading increased in the first quarter compare with last year, not being affected by the epidemic.



- Performance is severely affected by the epidemic.
- Prioritize epidemic prevention and strengthen internal lecturing and training
- Employee care and social responsibility.

- Main reason for decrease in revenue is the change in consolidated subsidiary.

# 2019 Consolidated Income Statements



Unit : Millions NTD

	2019	2018	YoY
Revenue	1,884	2,092	(10%)
Gross Margin (%)	10.5%	13.8%	(3.3ppts)
Operating Margin (%)	(23.1%)	(5.0%)	(18.1ppts)
Net Non-operating Items	1,421	531	168%
Net Income from Discontinued Operations	590	515	15%
EBITDA	1,863	1,281	45%
Net Income	1,409	769	83%
Basic EPS (NTD)	2.02	1.09	85%
Cash Dividend	1.00	1.00	NA

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# 2020 Q1 Consolidated Income Statements



Unit : Millions NTD

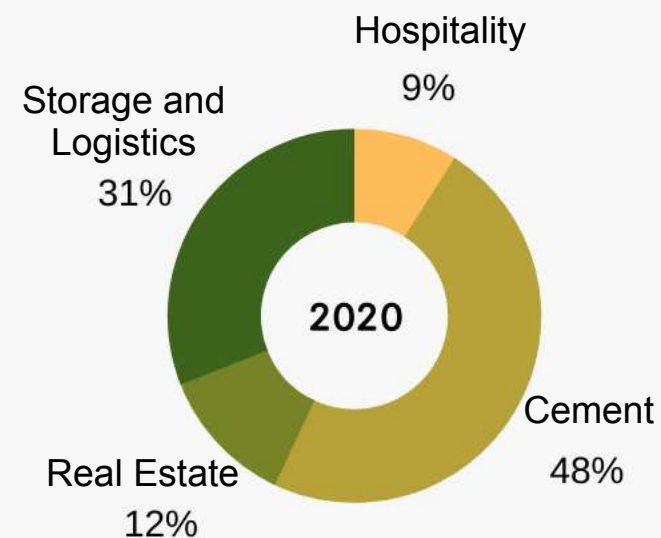
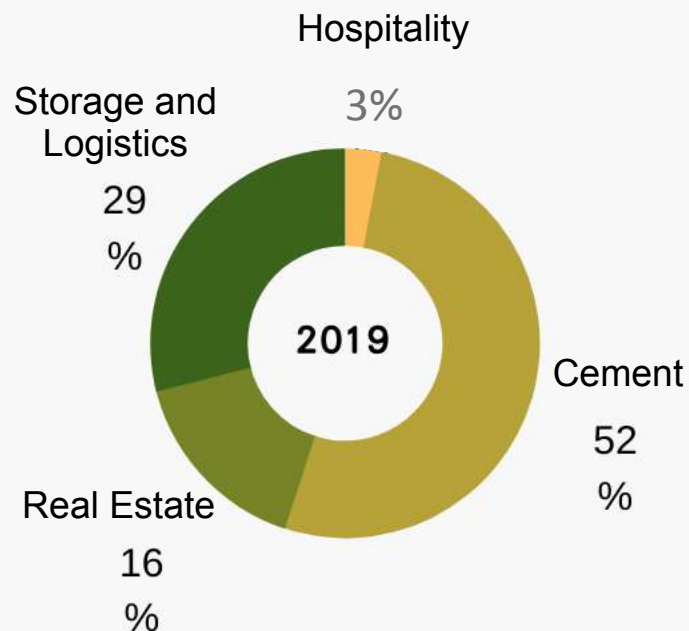
	Q1/20	Q4/19	QoQ	Q1/19	YoY
Revenue	495	521	(5%)	452	10%
Gross Margin (%)	(3.9%)	7.4%	(11.3ppts)	14.4%	(18.3ppts)
Operating Margin (%)	(32.1%)	(40.1%)	8.0ppts	(12.4%)	(19.7ppts)
Net Non-operating Items	(47)	71	(166%)	227	(121%)
EBITDA	(72)	(63)	(14%)	241	(130%)
Net Income	(214)	(188)	(14%)	149	(244%)
Basic EPS (NTD)	(0.33)	(0.29)	(14%)	0.20	(265%)

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# Business Units Revenue breakdown Comparison

Unit : Millions NTD

	2020 YTQ1	2019 YTQ1
Cement	236	234
Real Estate	62	74
Storage and Logistics	150	131
Hospitality	47	13
Total	495	452

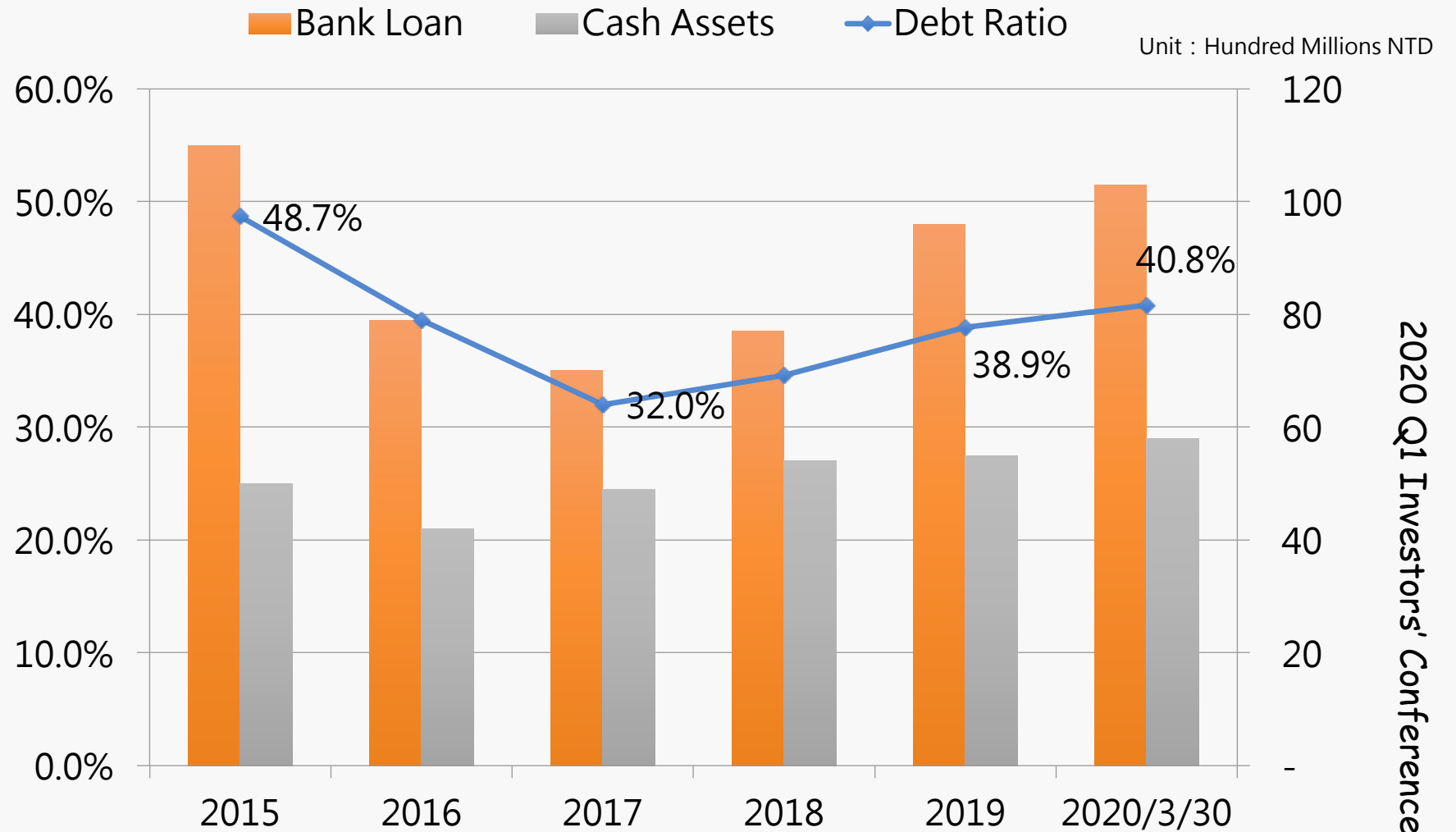


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# Steady Financial Status

Note : Cash Assets=Cash and cash equivalents + Principle protected investments + Bank deposits + Restricted deposits



**Enterprise  
Value**

**Employee  
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**Social  
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# Foremost

Photography World's Emerging Stars

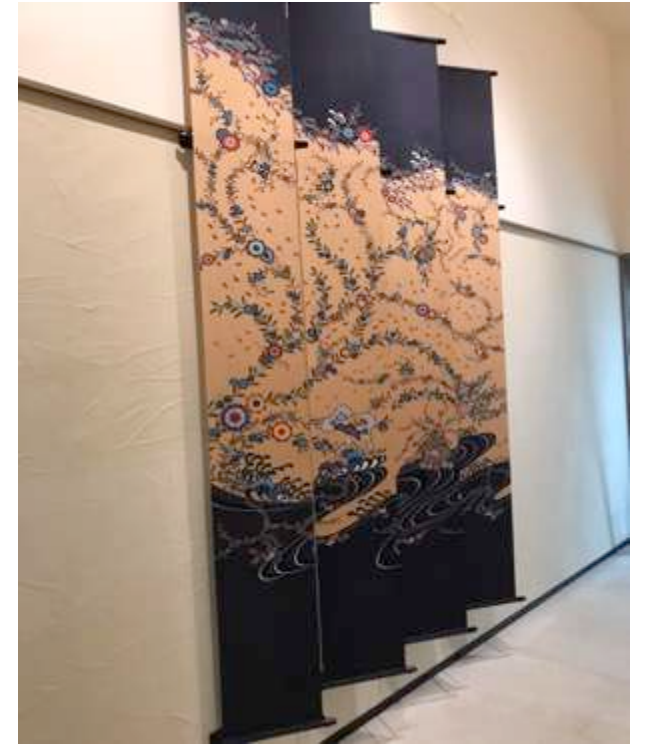


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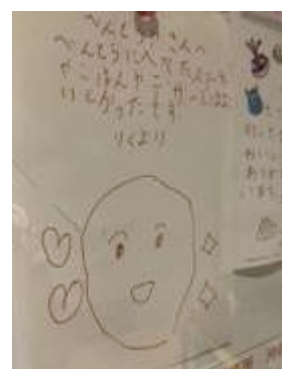
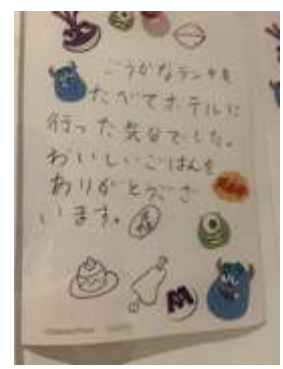
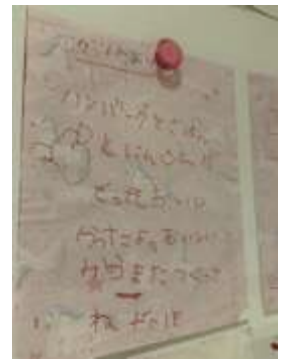


HOTEL COLLECTIVE





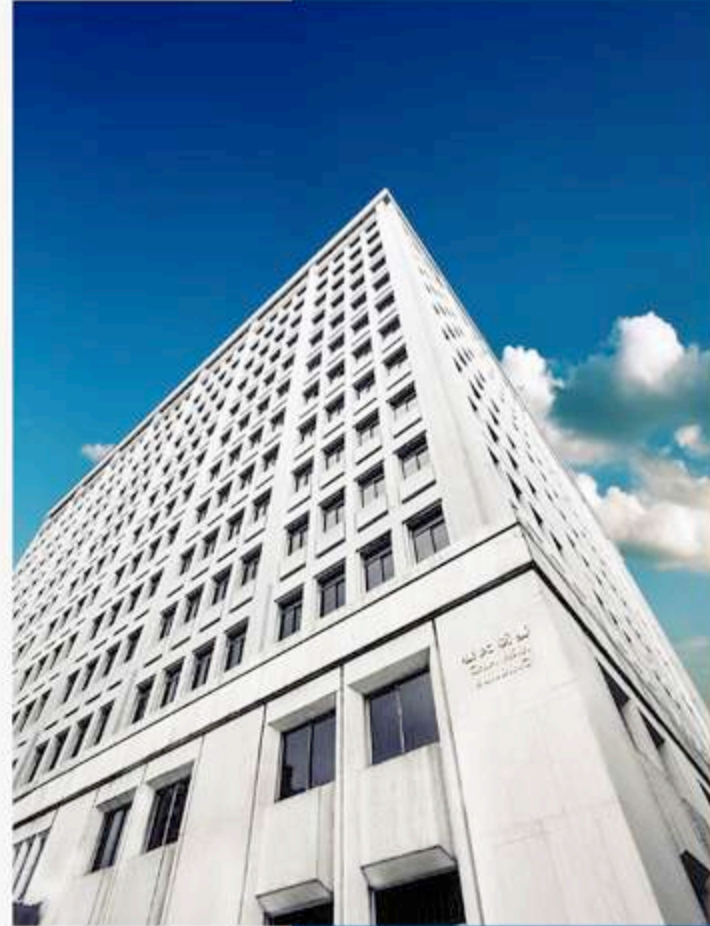




# CHC Social Responsibility

## Our social involvement during the Covid-19 epidemic

- CHC took efforts in raising activities to support this downturned social atmosphere, not only in Taiwan, but also in other parts of the world with sincere hope and blessings for a speedy global recovery.
  - ◎ Taiwan: Cooperate with local merchants, sending lunch boxes to support medical staff in Taipei area.
  - ◎ Japan: Hotel Collective, team providing lunch boxes to local welfare communities in Okinawa.
  - ◎ United States: Donated 20,000 masks to local medical institutions in Boston through the Massachusetts Institute of Technology Alumni Association



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THANK  
YOU



嘉新企業團  
CHIA HSIN CEMENT GROUP



# 2020 China Assets Liquidation

Unit : Thousands RMB

Company	Categories	Sale Value	Book Value	Gain on disposals
Shanghai Jia Huan Concrete	Land and Buildings	105,430	9,898	Record upon transaction completion

# Status of Land Properties

	Land/Project	Location	Land Area (ping)	Status
Domestic	Gangshan	Kaohsiung	47,690	Undergoing land preparation aiming to increase rental earnings.
	Kuojian Road	Kaohsiung	4,400	Ongoing urban renewal applications
Overseas	HOTEL COLLECTIVE	Okinawa	1,400	Opening in Spring, 2020
	InterContinental Okinawa Chura SUN Resort	Okinawa	11,100	Hotel Management Agreement with IHG entered on August 17, 2019

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