

Chia Hsin Cement Corporation

2020 Q3 Investors' Presentation

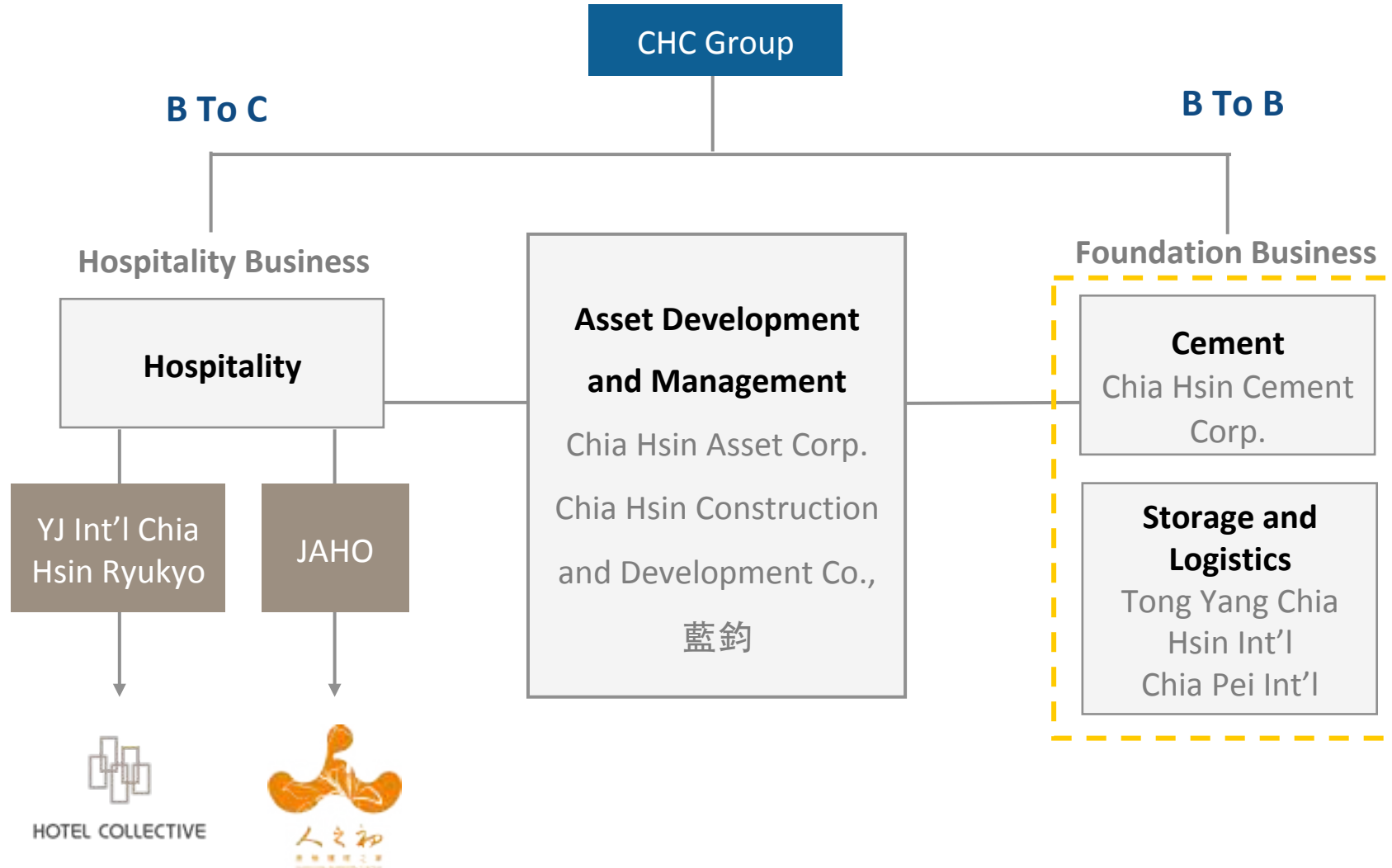


Disclaimer

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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CHC Group Business Structure



2020 Q3 Consolidated Income Statements

Performance

Transaction

ESG

Unit : Millions NTD

	Q3/20	Q2/20	QoQ	Q3/19	YoY
Revenue	489	497	(2%)	473	3.4%
Gross Profit	(18) (3.7%)	(3) (0.6%)	(500%) (3.1ppts)	42 8.8%	(143%) (12.5%)
Operating Income(Loss)	(178) (36.4%)	(159) (31.9%)	(11.9%) (4.5ppts)	(111) (23.6%)	(60%) (12.8ppts)
Net Non-operating Items	830	506	64%	930	(11%)
EBITDA	794	500	59%	884	(10%)
Net Profit(Loss) Attributable to Owner of the company	595	140	325%	757	(21%)
Basic EPS(NTD)	0.93	0.22	323%	1.18	(21%)

2020 Q1-Q3 Consolidated Income Statements

Performance

Transaction

ESG

Unit : Millions NTD

	2020YTQ3	2019YTQ3	YoY
Revenue	1,481	1,363	9%
Gross Profit	(41) (2.8%)	160 11.7%	(126%) (14.5ppts)
Operating Income(Loss)	(496) (33.5%)	(226) (16.6%)	(119%) (16.9ppts)
Net Non-operating Items	1,289	1,350	(5%)
Net Income from Discontinued Operations	1	604	(100%)
EBITDA	1,221	1,926	(37%)
Net Profit(Loss) Attributable to Owner of the company	525	1,485	(65%)
Basic EPS(NTD)	0.82	2.31	(65%)

Business Units

Revenue Breakdown Comparison

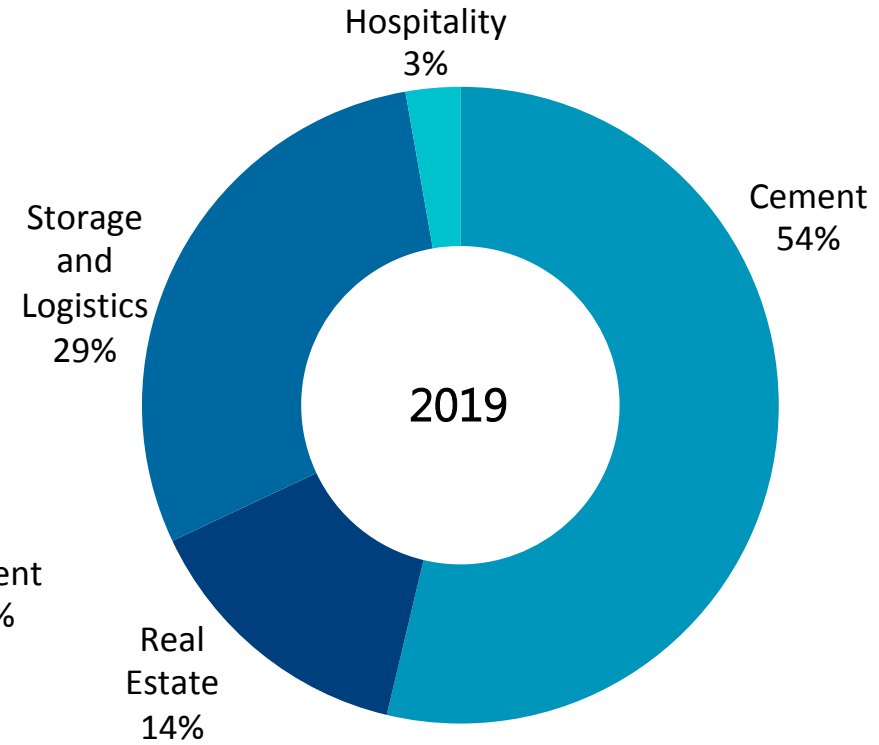
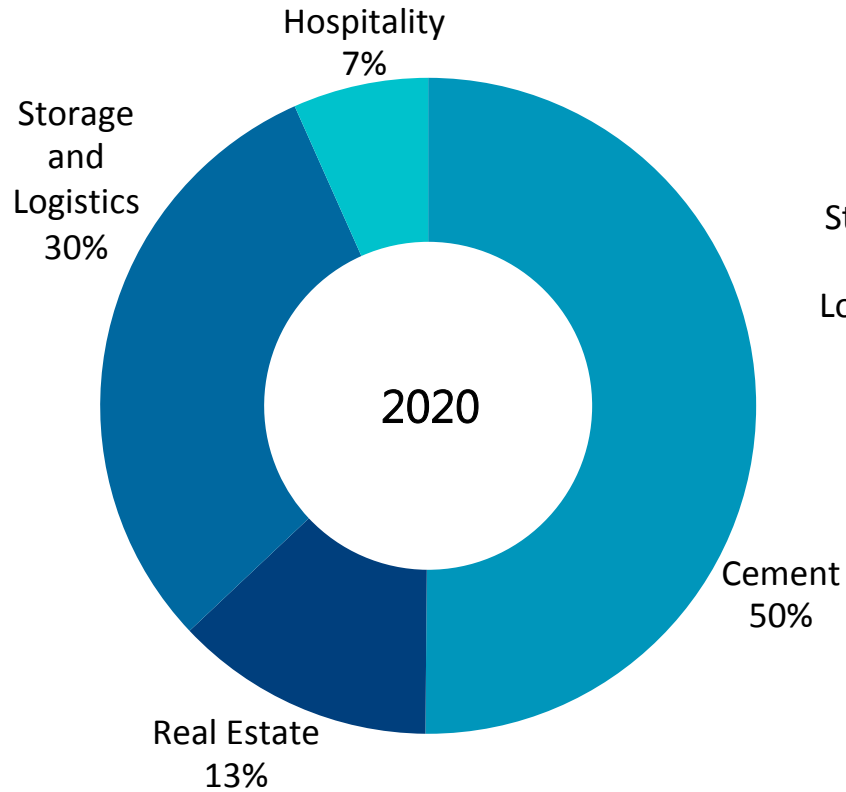
Performance

Transaction

ESG

Unit: Millions NTD

	2020 YTD	2019 YTD
Cement	742	732
Real Estate	190	195
Storage and Logistics	450	398
Hospitality	99	38
Total	1,481	1,363





Overview of 2020 Q4

Disposal of land and building at Lujhu Dist., Taoyuan City

- Total land area : Around 5,831 ping
- Total transaction price : Around NTD1,687 million
- Disposal gain : Around NTD 1,400 million

Performance

Transaction

ESG

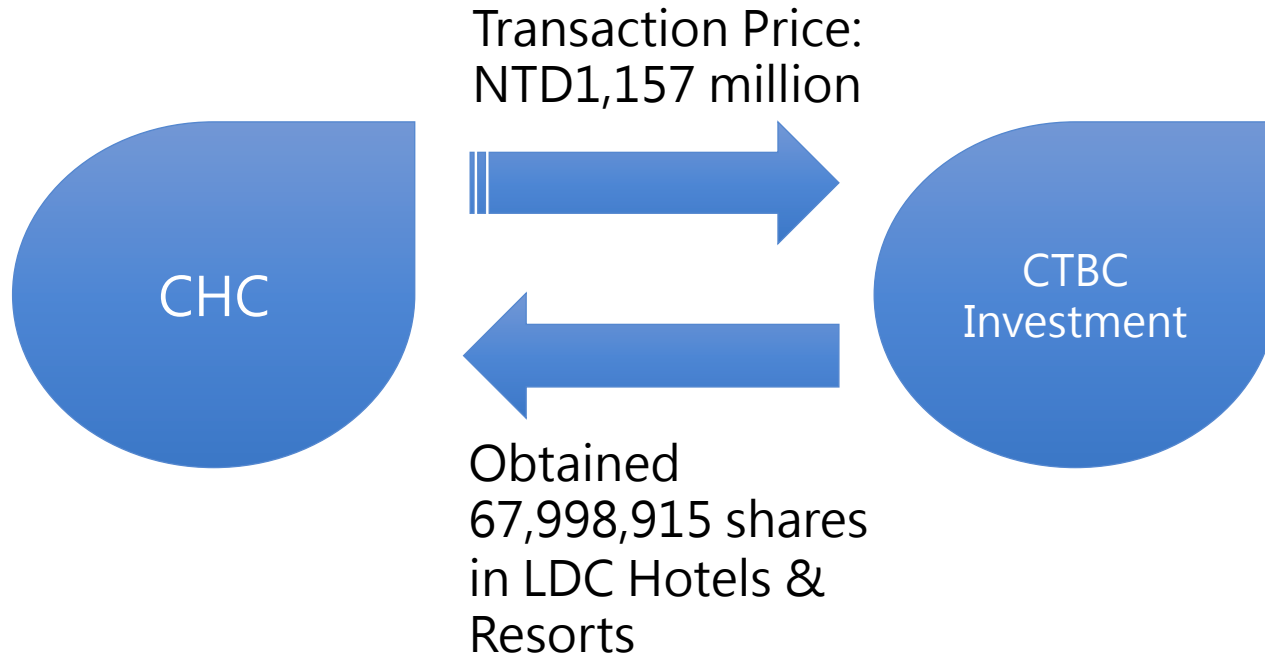


Introduction to equity transaction

Performance

Transaction

ESG



Strategic Investments into LDC Hotels

Performance

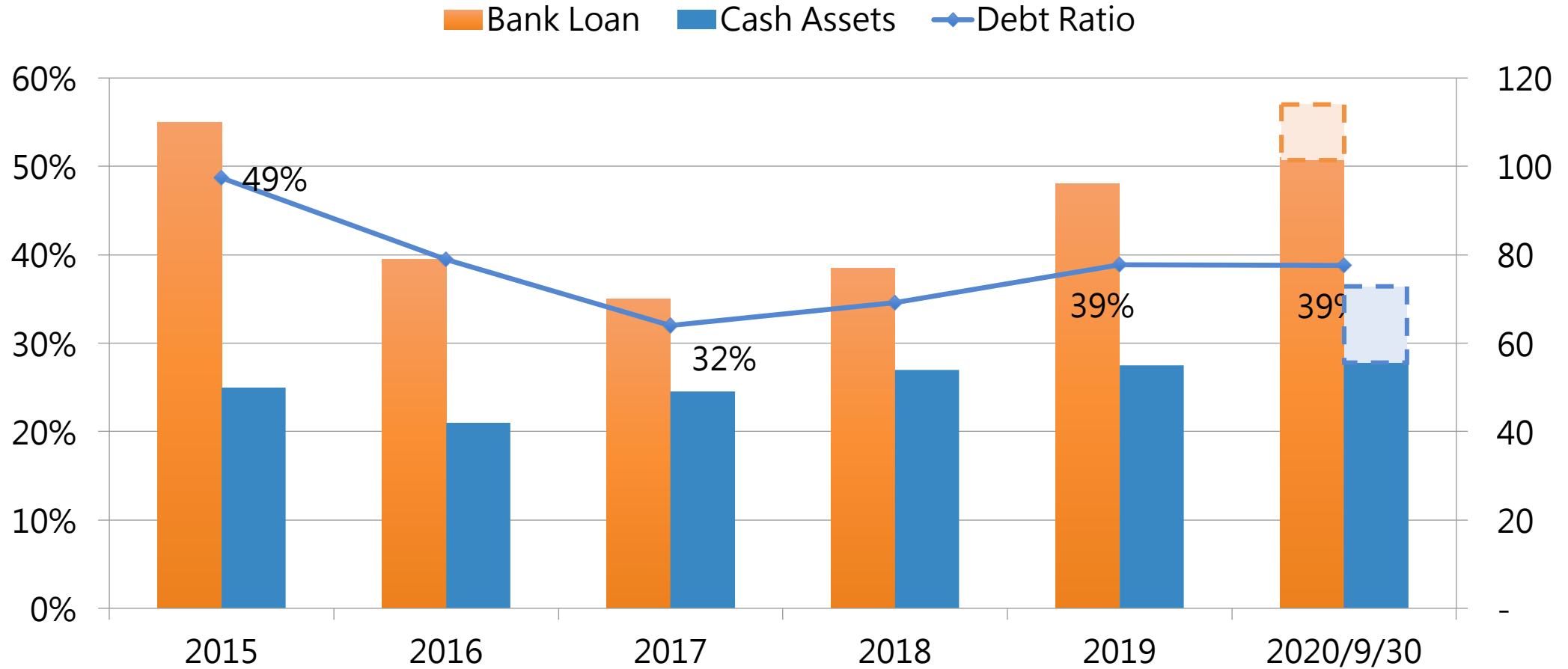
Transaction

ESG

focus on:

- CHC Group has moved into the hospitality sector with the opening of Hotel Collective Naha. However, developing core competence in the hotel industry requires time and cumulative investment. Through M&A or by way of strategic investment could accelerate the process of building ones core competency.
- Through strategic investment into LDC Hotels, CHC Group has officially stepped into the hospitality industry in Taiwan. This investment now becomes a part of our strategic investment portfolio and diversify the overall risks of CHC Group's hotel investment.

Solid Financial Position



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

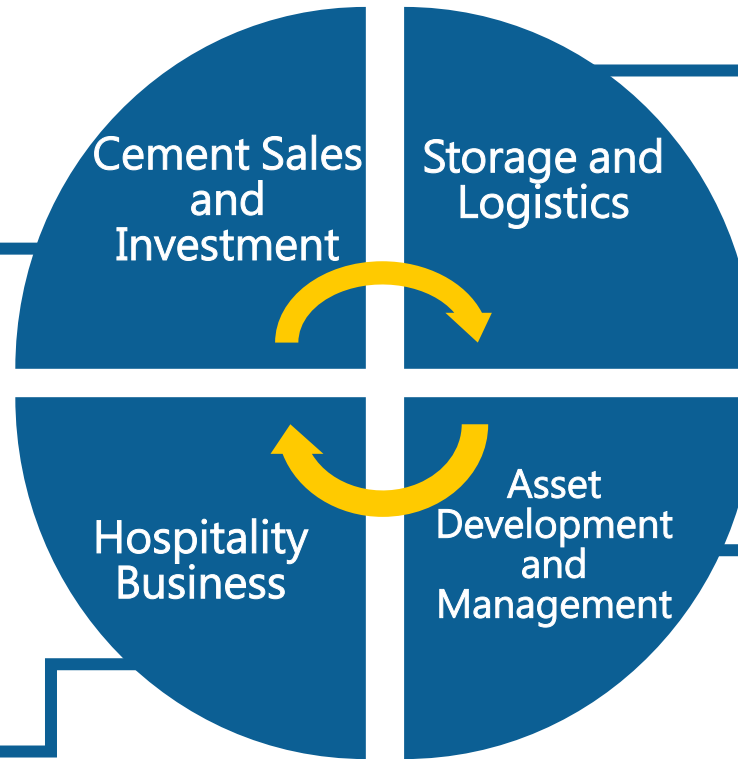
2020 Operation Overview

Performance

Transaction

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- Cement trading is not affected by the pandemic.
- Cash dividend income from cement investment less than 2019.



- Volume of loading increased in the first three quarters of 2020 compared to last year.

- Sales is severely affected by the pandemic.
- Received a 9.1 rating on agoda.
- Improve competitiveness and diversify hotel operation through strategic investment.

- Decrease in revenue is mainly due to changes in consolidation of subsidiary.
- Disposal of land and building at Lujhu Dist., Taoyuan City, contributing approximately NTD1,400 million in profit in 2020.

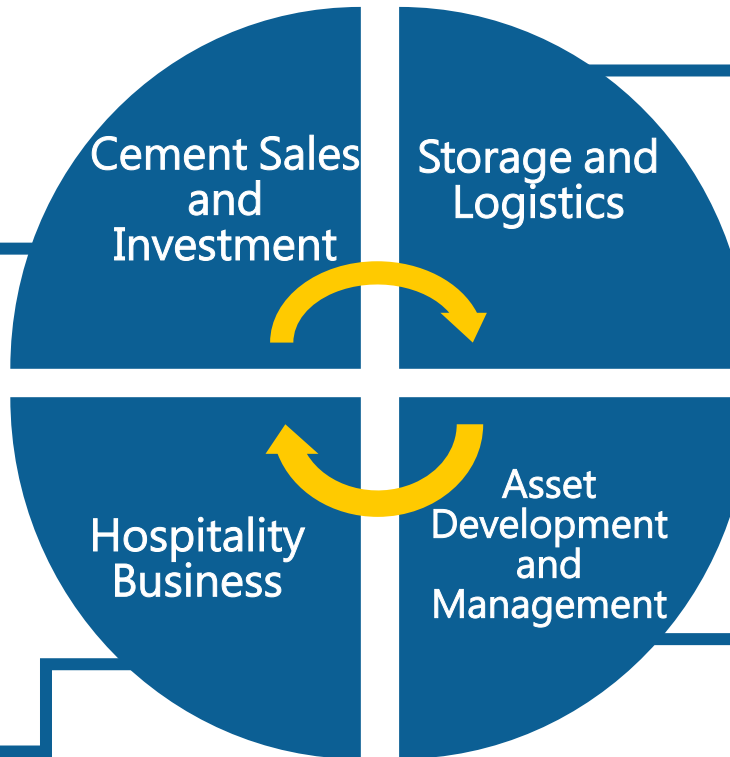
Looking Ahead

PERFORMANCE

TRANSACTIONS

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- Outlook for Taiwan's economy next year is promising, cement sales distributions and investment are trending positively.
- Cash dividends declarations are expected to increase.



- Bulk cargo loading and unloading volume is expected to remain stable next year.

- Once the pandemic stabilizes, we expect Okinawa hospitality sector to gradually rebound.
- We expect to contract out the villa construction for InterContinental Okinawa Chura SUN Resort project in 2021.

- Lease income expected to increase after the reorganization of the old factory land.

Performance

Transaction

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What is derived from the society, contributes back to the society.

- Employee care
- Strengthen the hygiene and safety of the workplace in response to COVID-19
- Foremost World Photography Exhibition and promote Okinawa's "Bingata" Culture
- COVID-19 in Taiwan and Japan, provided caring lunches for frontline medical staff and vulnerable groups, and sent face masks to the medical institution in the United States.
- Through Chia Hsin Foundation, continue to provide scholarships to outstanding disadvantaged children and students.
- Support new start-ups and foster young entrepreneurs





- Value the feedback from our stakeholders, offering personal wellness and hospitality service.
- Protect natural habitats and provide a guest journey with in-depth tourism experience.
- Reduce energy consumption through energy-saving design and equipment.
- Prohibit the consumption of protective food ingredients to maintain ecological balance.
- Participate and sponsor related activities to voice out continuous attention on environmental sustainability issues.
- Support companies with a circular economy concept through strategic investments for a sustainable future.

Board Functions

- Set up the independent director system, and the Audit Committee, consisting of all independent directors, prior to statutory requirement.
- Set up “Performance Evaluation of the Board of Directors” in May 2019, and evaluation was compiled in the 1st quarter of 2020.
- The Chairman no longer serves as CEO after July 2019.

Sustainable Business

- Established and elected the head of corporate governance in July 2019.
- Formulated sustainable organization structure and induction of Risk Management mechanism.



Governance

Information Transparency

- English version of 2020 Annual Report and Financial Report will be provided.
- 2019 Corporate Social Responsibility (CSR) report obtained BSI certification.
- Start to provide the English version of the CSR report in 2021.

Adopt SASB and TCFD, comply with international standards

PERFORMANCE

TRANSACTIONS

ESG



Improve information transparency and promote sustainable operation



Actively strive to be Included in



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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	A public town hall meeting will be held at the year end.
Oversea	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	650,600	196,800
Overseas(Japan)	41,500	12,500