

# Chia Hsin Cement Corporation

## 2020 Q4 Investors' Presentation

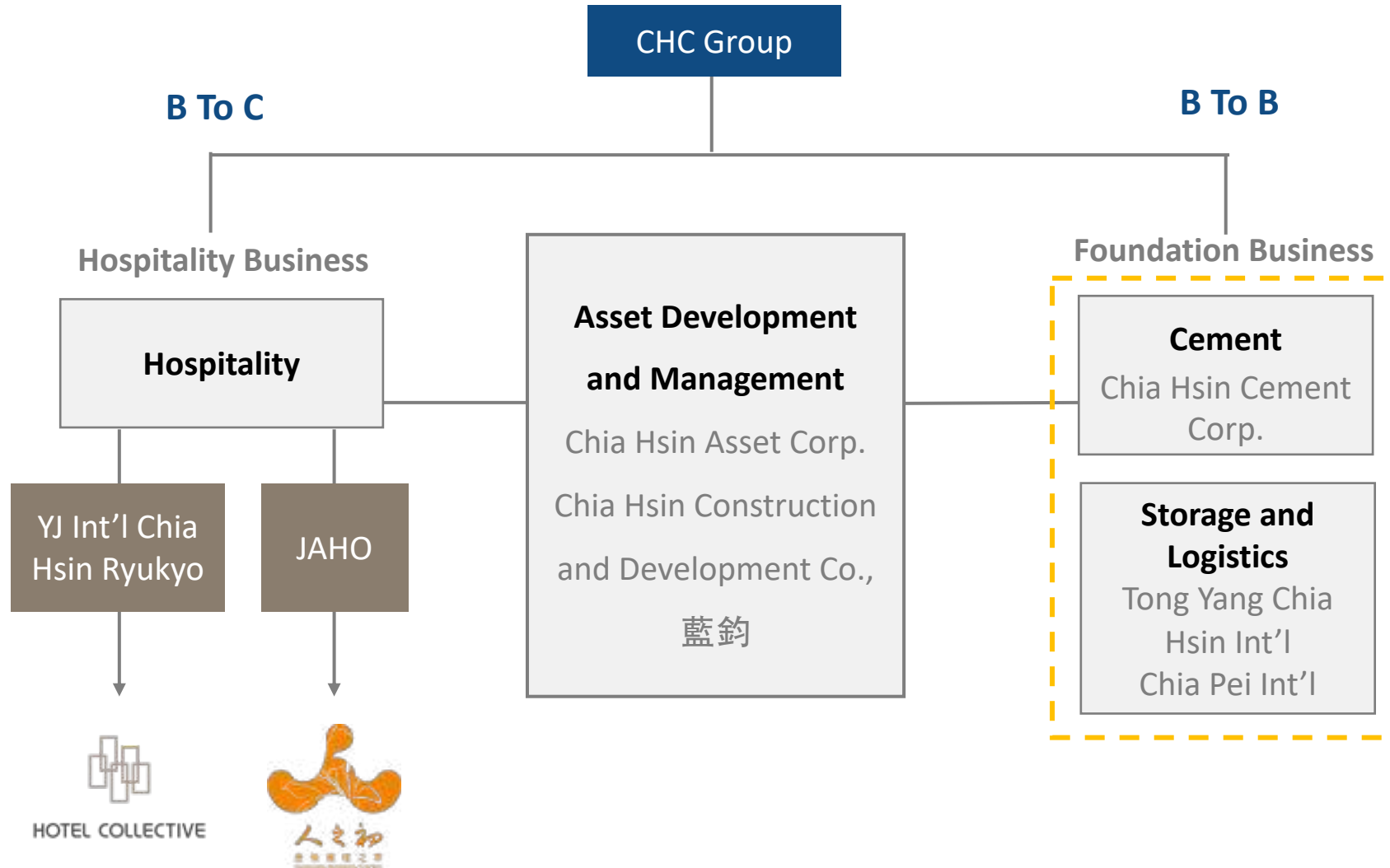


# Disclaimer

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.

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.

# CHC Group Business Structure



## 2020 Consolidated Income Statements

Performance

ESG

Unit : Million NTD

	Q4/20	Q3/20	QoQ	Q4/19	YoY
Revenue	577	489	18%	521	11%
Gross Profit	(103) (17.8%)	(18) (3.7%)	(472%) (14.1ppts)	38 7.4%	(371%) (25.2ppts)
Operating Income(Loss)	1,318 228.4%	(178) (36.4%)	840% 264.8ppts	(209) (40.1%)	731% 268.5ppts
Net Non-operating Items	(6)	830	(101%)	71	(108%)
EBITDA	1,454	794	83%	(63)	2408%
Net Profit(Loss) Attributable to Owner of the company	1,239	595	108%	(188)	759%
Basic EPS(NTD)	1.92	0.93	106%	(0.29)	762%

## 2020 Consolidated Income Statements

Performance

ESG

Unit : Million NTD

	2020	2019	YoY
Revenue	2,058	1,884	9%
Gross Profit	(144) (7.0%)	199 10.5%	(172%) (17.5ppts)
Operating Income(Loss)	823 40.0%	(435) (23.1%)	289% 63.1ppts
Net Non-operating Items	1,283	1,421	(10%)
Net Income from Discontinued Operations	1	590	(100%)
EBITDA	2,675	1,863	44%
Net Profit(Loss) Attributable to Owner of the company	1,764	1,297	36%
Basic EPS(NTD)	2.74	2.02	36%

# Business Units

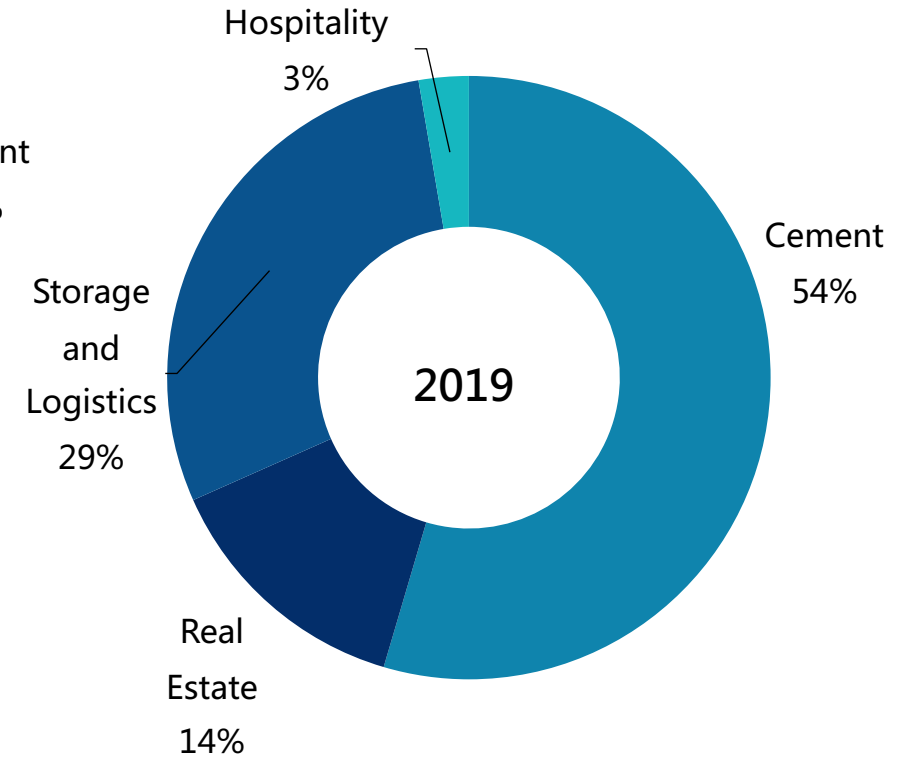
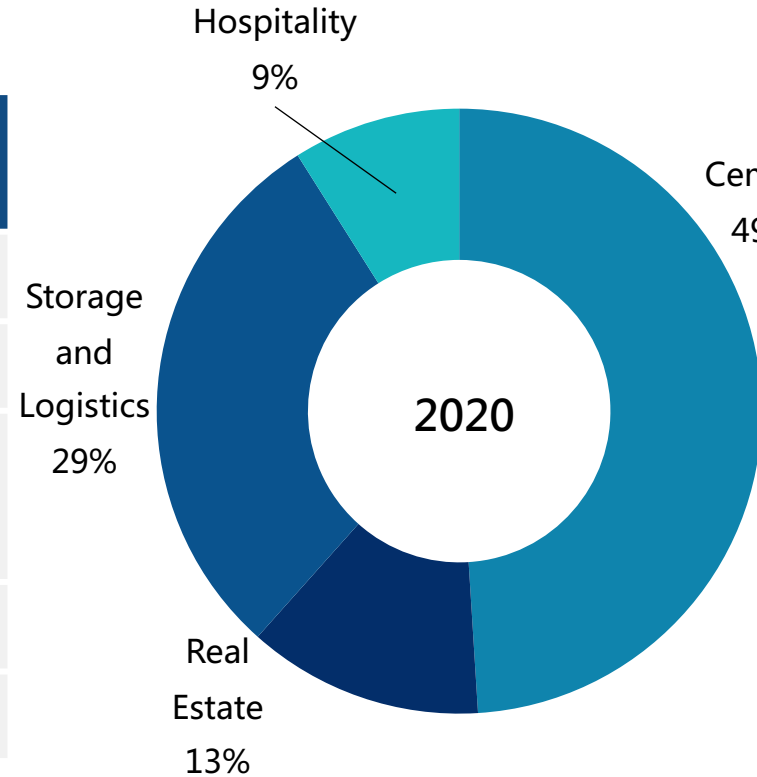
## Revenue Breakdown Comparison

Performance

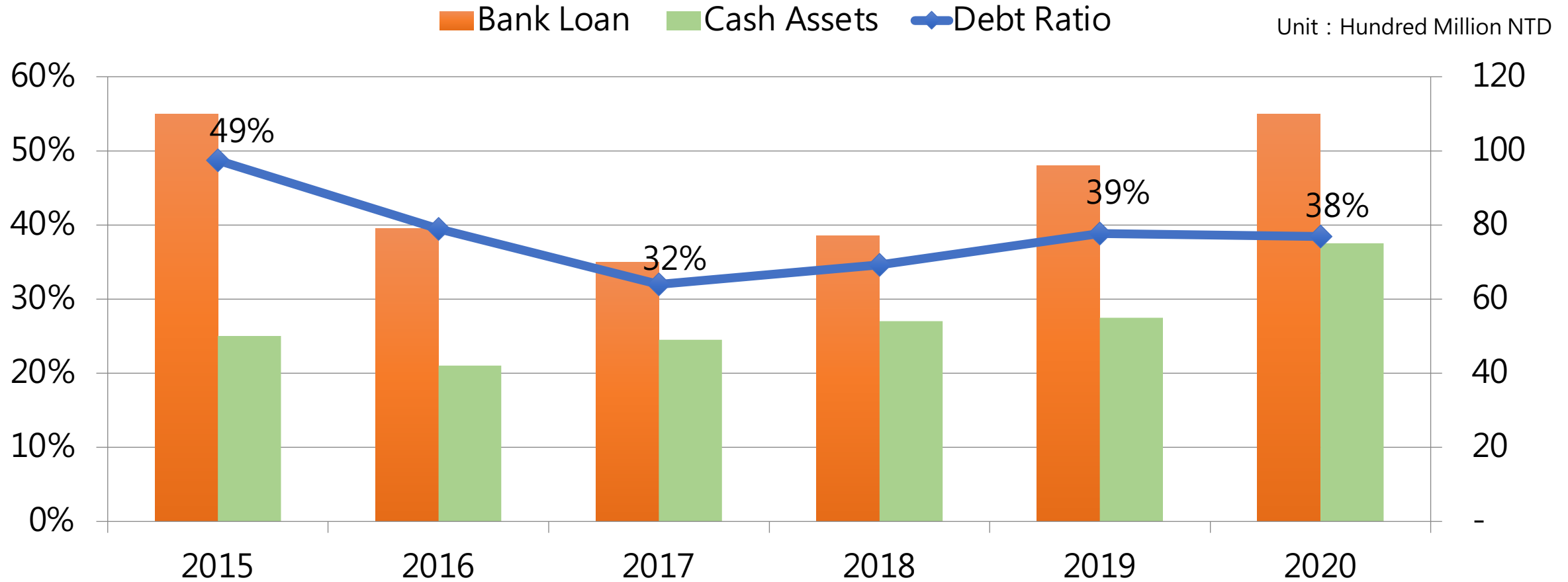
ESG

Unit: Million NTD

	2020	2019
Cement	1,009	1,028
Real Estate	259	260
Storage and Logistics	606	546
Hospitality	184	50
<b>Total</b>	<b>2,058</b>	<b>1,884</b>



# Solid Financial Position



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





# Overview of 2020

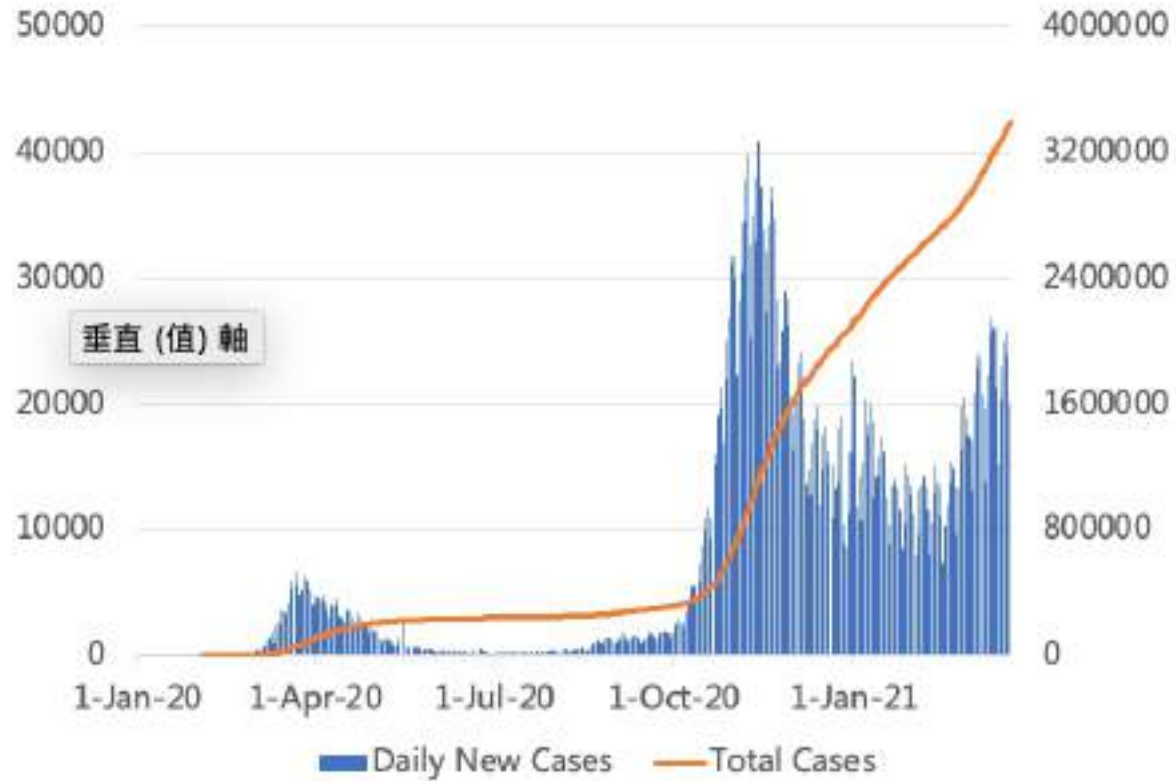


# Covid-19 Cases and Vaccination in Italy

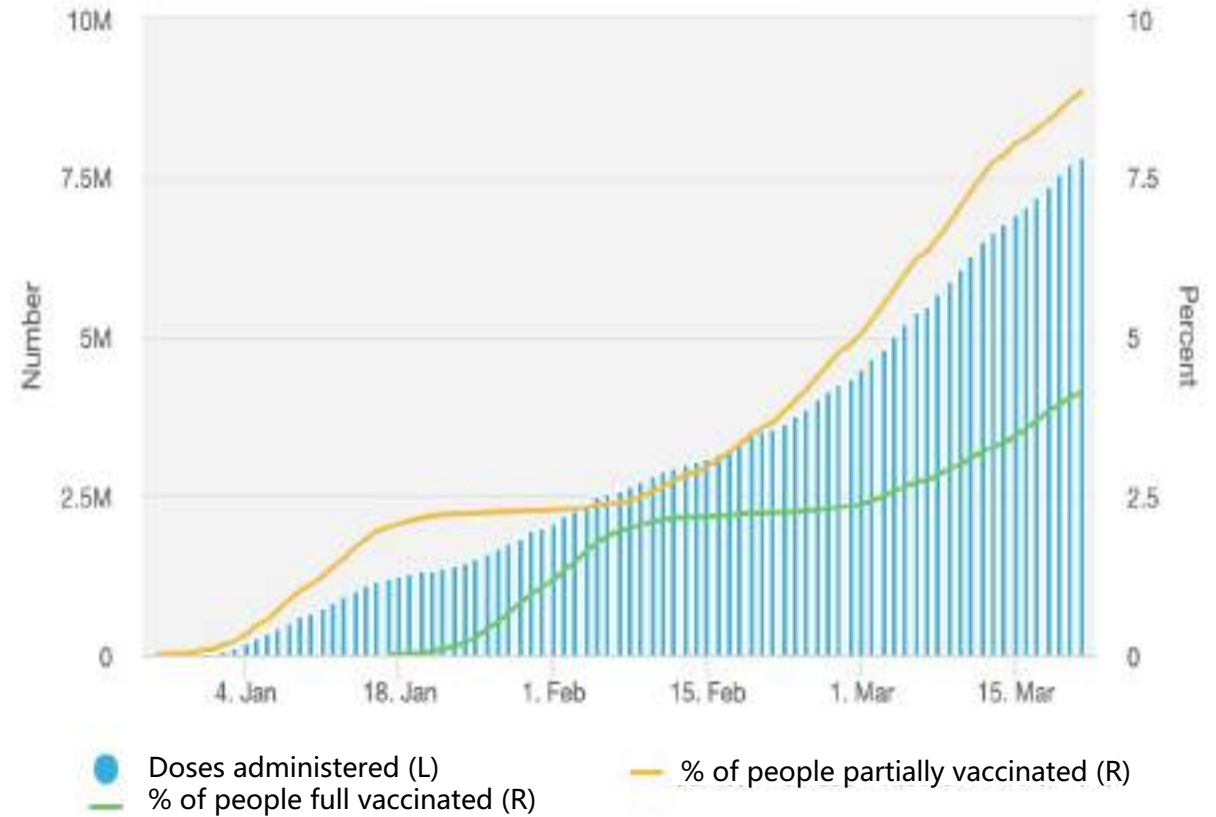
Daily New Cases

Covid-19 Cases in Italy

Total Cases



Vaccination in Italy



Data source : NCHC 、 MacroMicro

2020 Q4 Investors' Presentation



# Covid-19 Cases and Vaccination in Japan

Performance

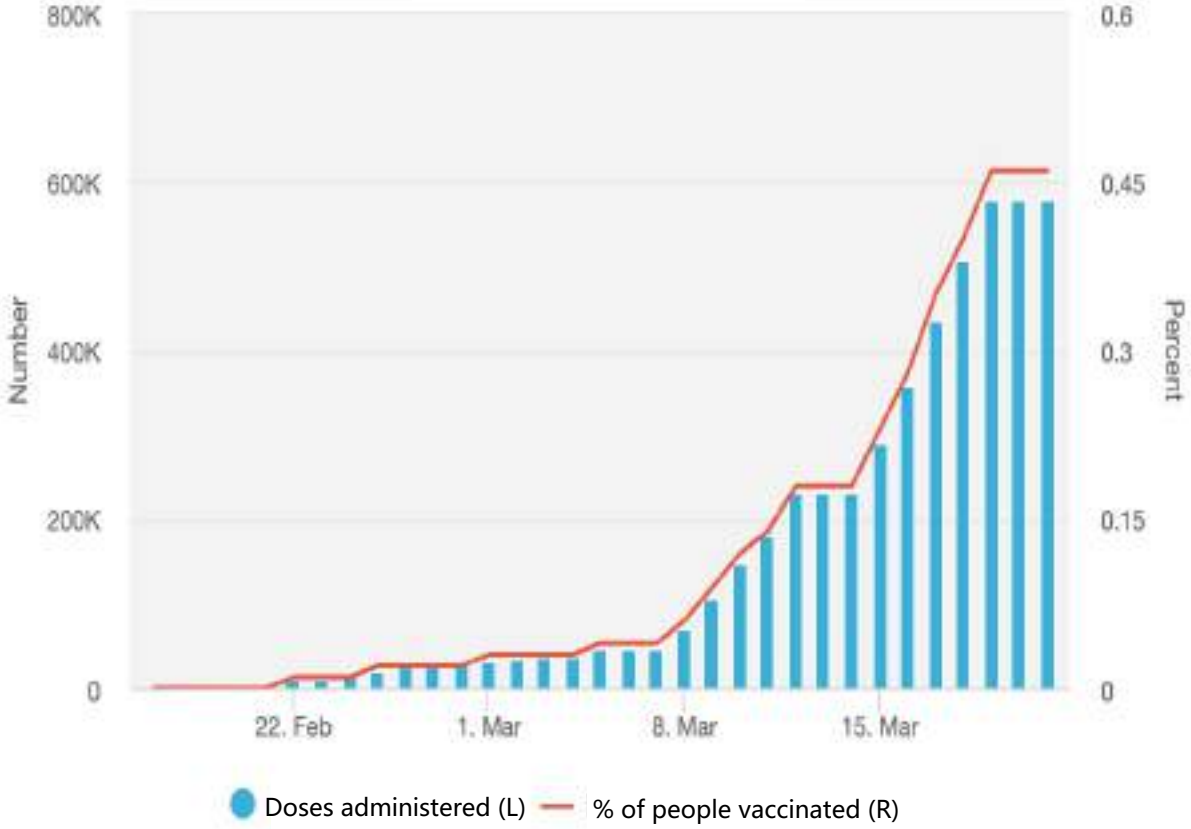
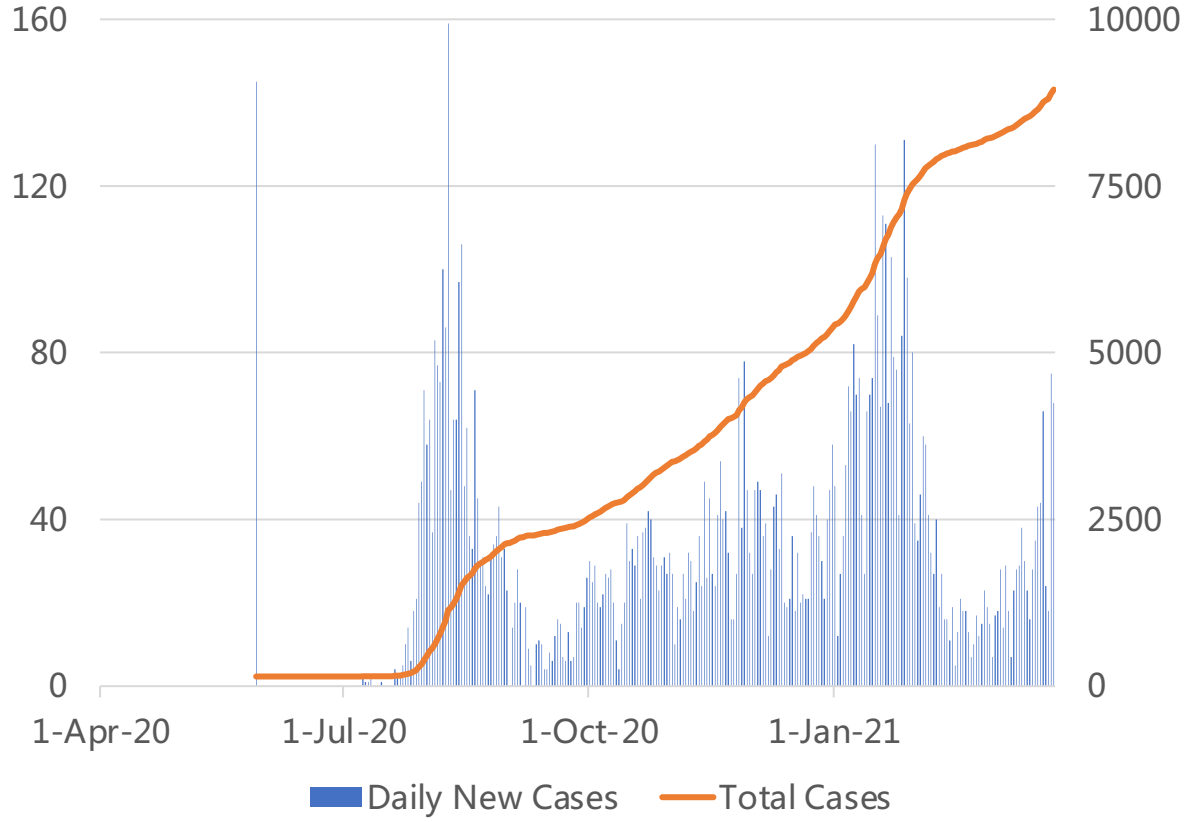
ESG

Daily New Cases

Covid-19 Cases in Okinawa

Total Cases

Vaccination in Japan



Data source : NCHC 、 MacroMicro



# Covid-19 Cases in Taiwan

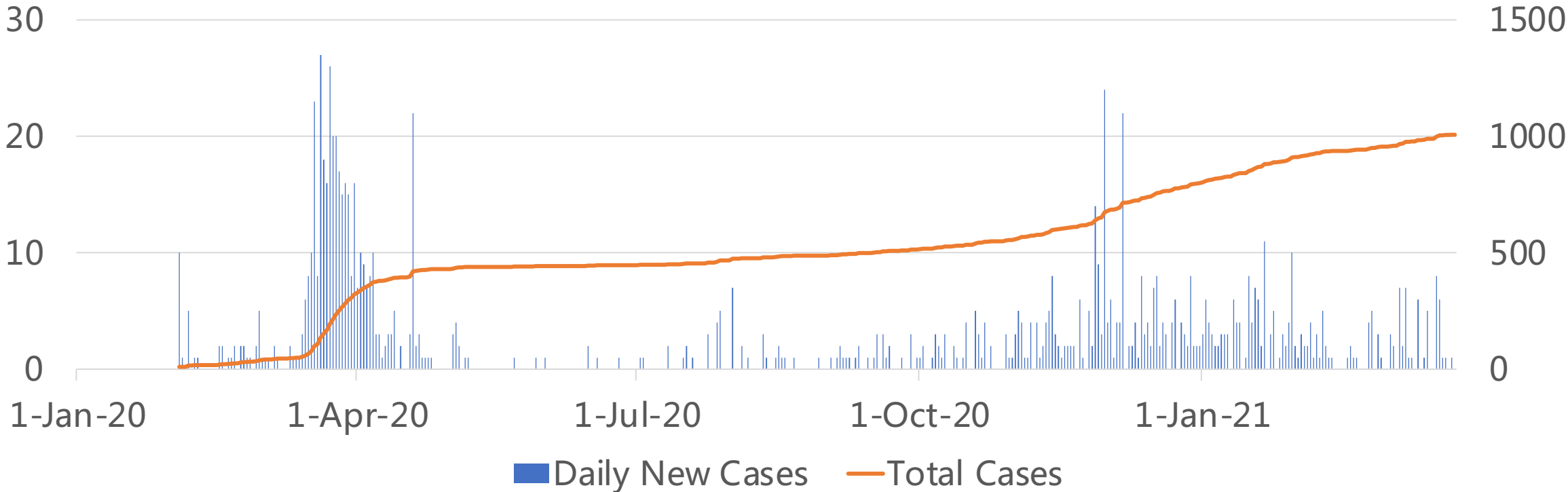
Performance

ESG

Daily New Cases

## Covid-19 Cases in Taiwan

Total Cases



Data source : NCHC



# 2020 Operation Overview

Performance

ESG

- 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 and 9.1 rating on Hotels.com and 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.



# Hotel Portfolio

Performance

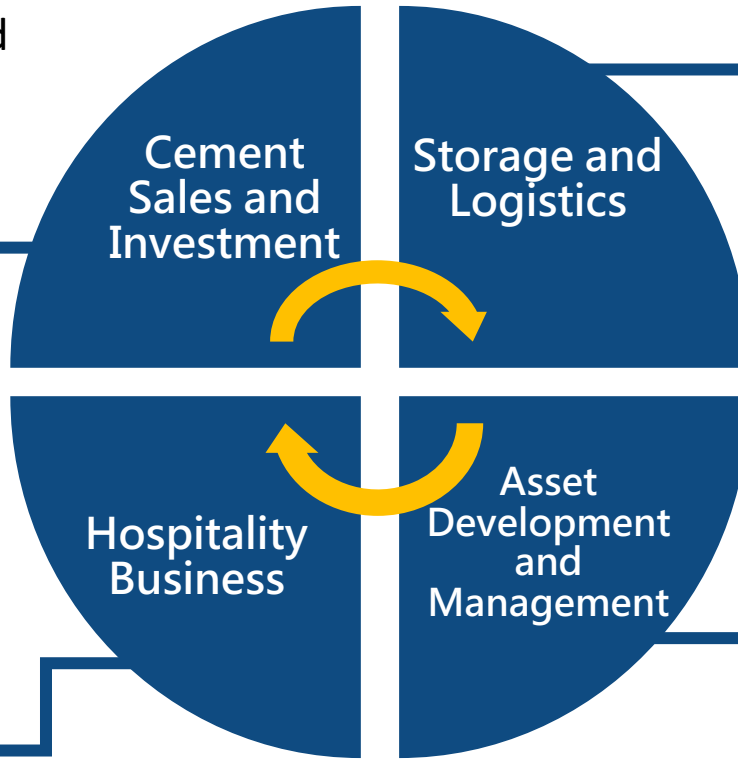
ESG

Investee	Business model	Accounting method
LDC ROME HOTELS S.R.L	Strategic Investment	Equity method investment
Hotel Collective	New self-operated brand	Consolidated Statement
LDC Hotels & Resorts	Strategic Investment	Equity method investment
InterContinental Okinawa Chura SUN Resort	Entrust IHG Group to operate	Consolidated Statement



# Looking Ahead

- Outlook for 2021 Taiwan’s economy 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 in 2021.

- 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.



# Adopt SASB and TCFD, comply with international standards

Performance

ESG



Improve information transparency and promote sustainable operations



Actively strive to be Included in ESG Index





THANK  
YOU

## 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 1<sup>st</sup> 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.



## 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.