遠東集團
FAR EASTERN GROUP

亞洲水泥股份有限公司

Asia Cement Corporation

Stock code:

1102 TT

IR presentation

遠東集團
FAR EASTERN GROUP
Since 1949
ANNIVERSARY
遠東70週年慶

Mar 2020

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Company Snapshot

Company Snapshot

Market Cap: US$ 4.3 bn / NT$ 131.4 bn (as of 30 Mar 2020)

Asia Cement
(1102 TT)

Consolidated Entities

ACC Taiwan

- Established in 1957
- 2nd largest cement producer
- Cement capacity: 5.0 mtpa.

ACC China *(743 HK)*

- 10th largest cement producer
- In Central and Western China
- Cement capacity: 33.0 mtpa.

Other Business

- LNG fired IPP (8% of revenue)
- Cold rolled stainless steel (6% of revenue)

Equity Investments

FENC *(1402 TW)*

U-Ming Marine *(2606 TW)*

Shanshui Cement *(691 HK)*

Investment Portfolio in Far Eastern Group

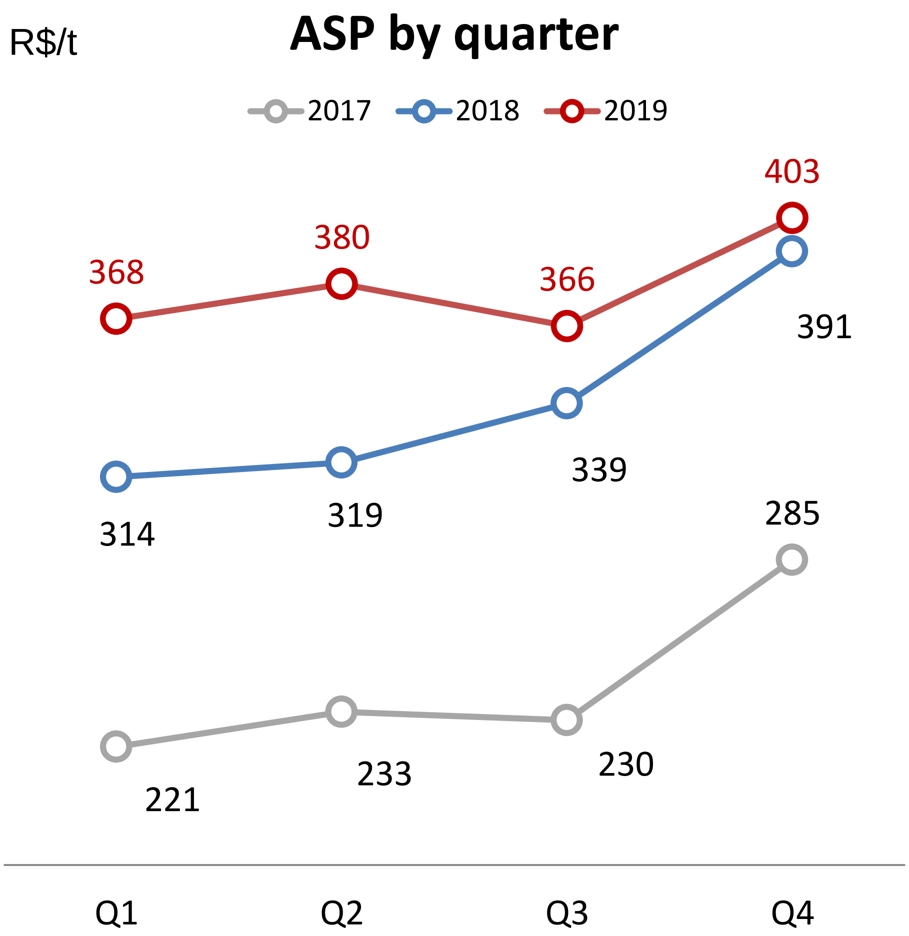
NT$ mn

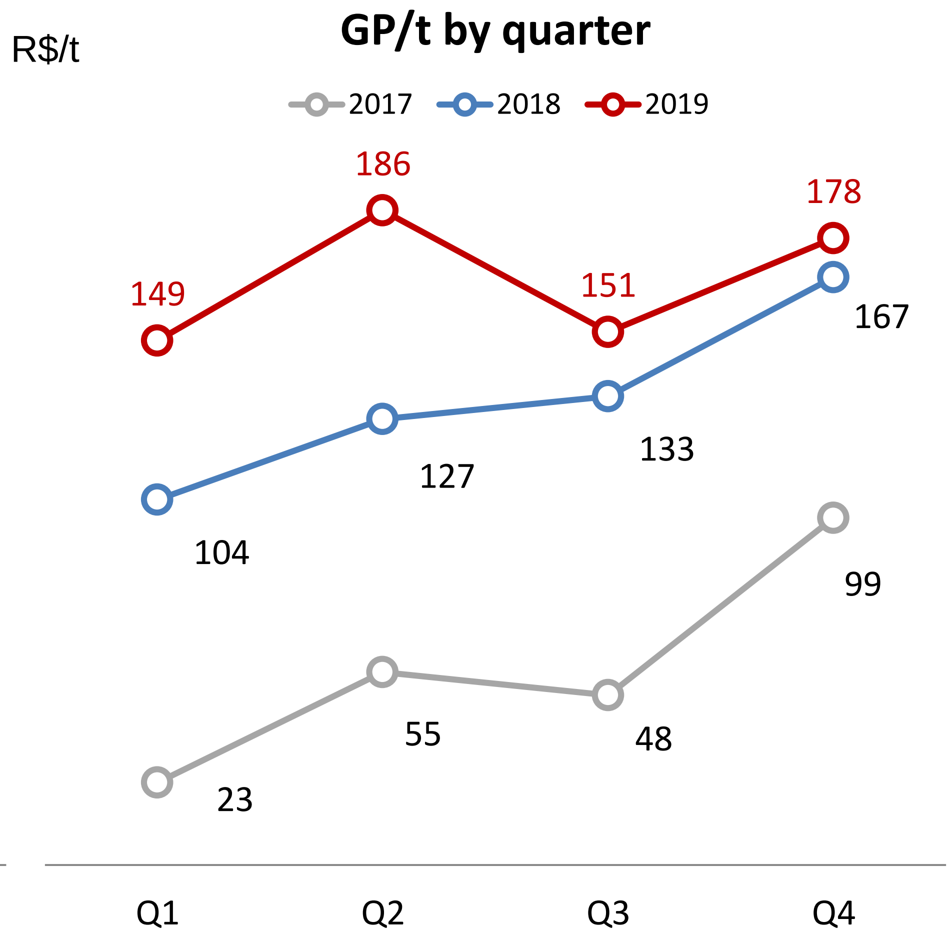
Incor-porated Year	Investees	Stock code	Holdings (1)	Market Value (2)	Equity Income				
					2018	1Q19	2Q19	3Q19	4Q19
2004	Asia Cement (China) Holdings Corp.	743 HK	67.7%	34,420					
1997	Far EasTone Telecommunications Ltd.	4904 TT	1.0%	1,935					
1992	Far Eastern International Bank	2845 TT	2.4%	789					
1975	Oriental Union Chemical Corp.	1710 TT	7.2%	921					
1968	U-Ming Marine Transport Corp.	2606 TT	39.3%	8,458	655	37	13	338	249
1967	Far Eastern Department Stores Ltd.	2903 TT	5.7%	1,705					
1949	Far Eastern New Century Corp.	1402 TT	23.8%	28,756	2,343	331	518	469	320
	Others				1,147	(33)	1,514	1,174	561
	Total			**76,984**	**4,144**	**335**	**2,046**	**1,980**	**1,130**

Note1: Asia Cement comprehensively holds 72.0% of Asia Cement(China) Holdings.
(100%-owned AC(Singapore) holds a 4.1% stake and Asia Engineering Pte. holds a 0.2% stake of Asia Cement(China))
Note2: The market value is calculated on the basis of ACC's holding shares and the equity's closing price at 30 Mar 2020.

What’s New

What’s New: Strong ASP and GP growth of ACCH

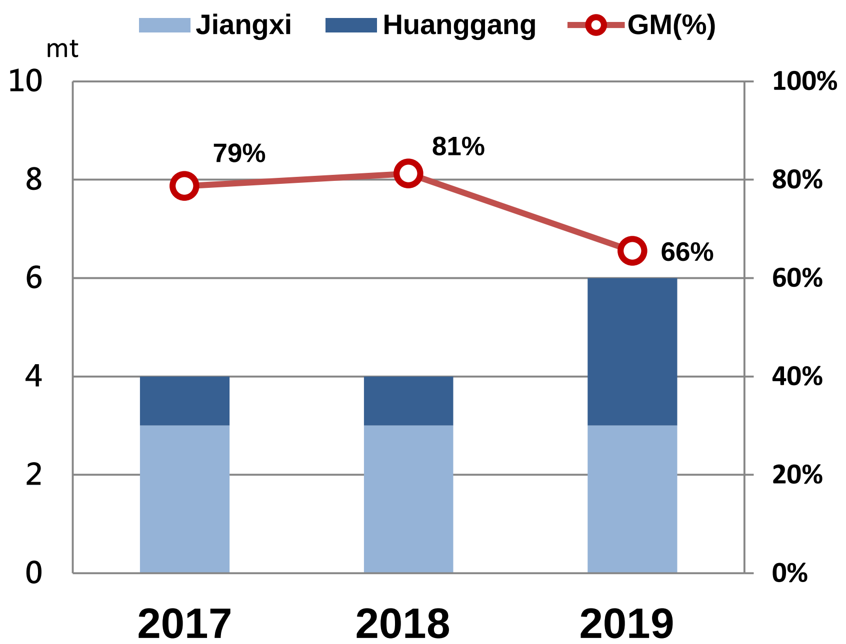




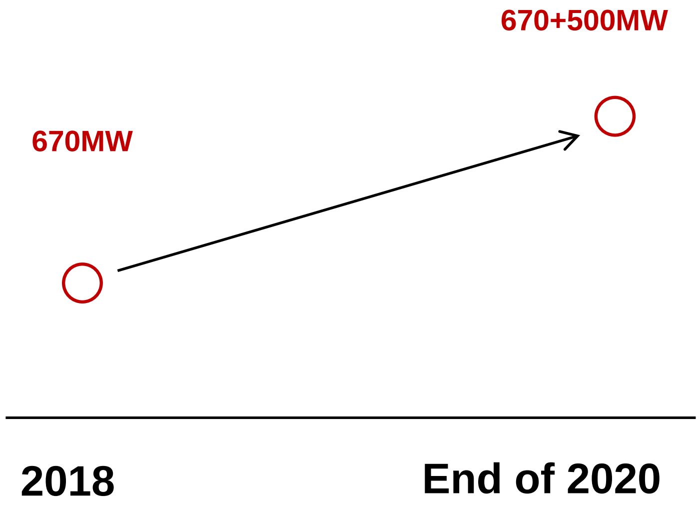
What's New: Undergoing Investments and Future Prospects

1. GM of aggregate was 66% in 2019 due to the production disruption in Jiangxi in 4Q19. Production has resumed in 1Q20.
2. IPP phase II project is expected to start operation by the end of 2020. Total CAPEX budget is NT$10.7bn.

Aggregate Capacity in China



IPP Phase II project in TW



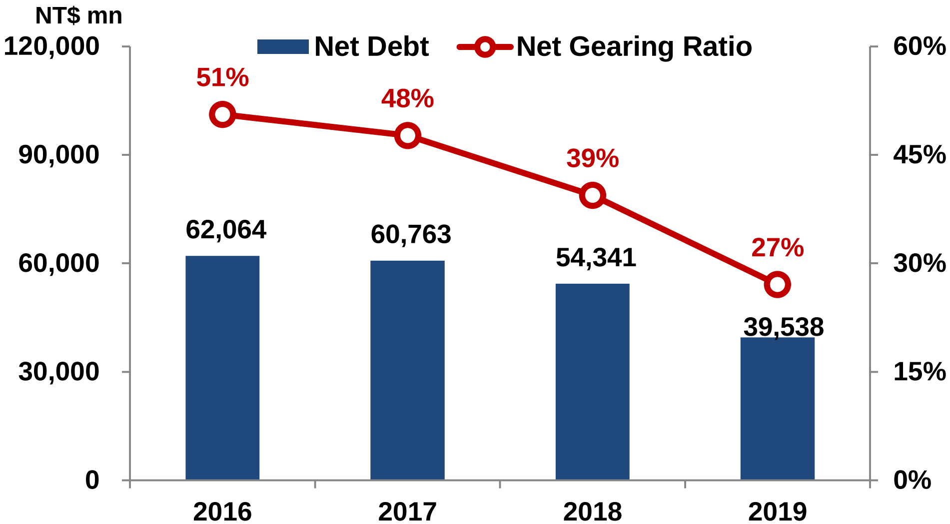
What's New: Growing investment income

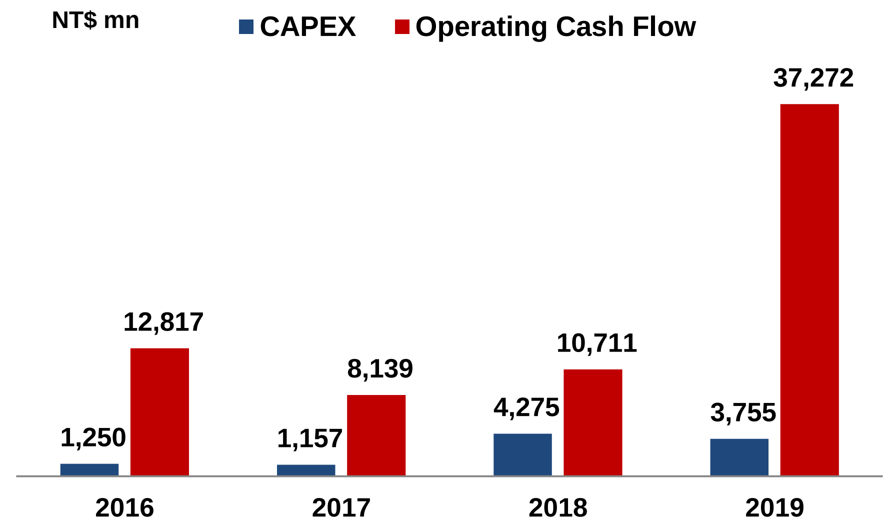
1. U-Ming: BDI index could be bottoming out as China stimulus would drive the global dry bulk demand.
2. FENC: Promising demand for R-PET will contribute polyester segment profits, while textile and real estate businesses are also expected to grow.
3. Shanshui Cement: 2019 profits have improved thanks to strong demand in northern China.

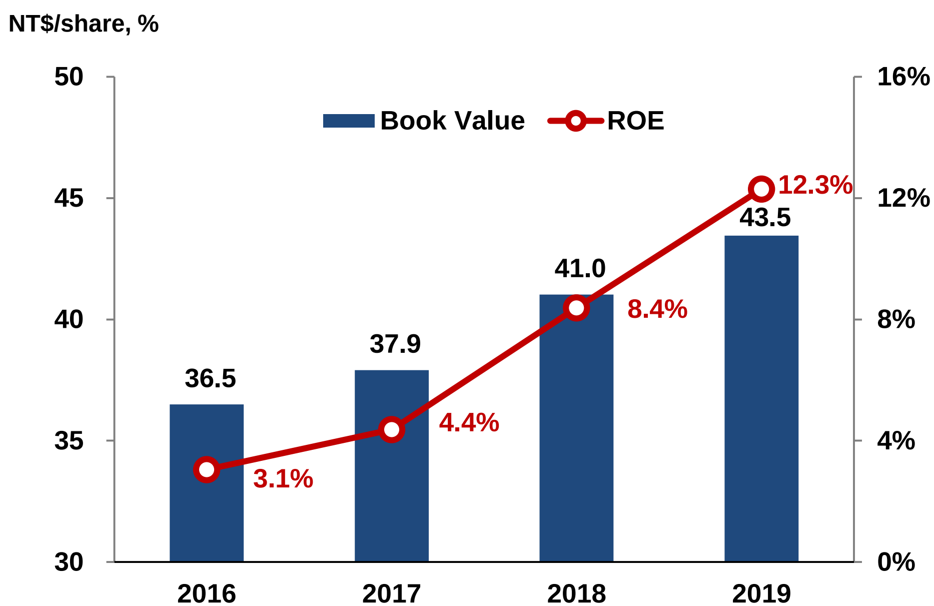
NT$ mn

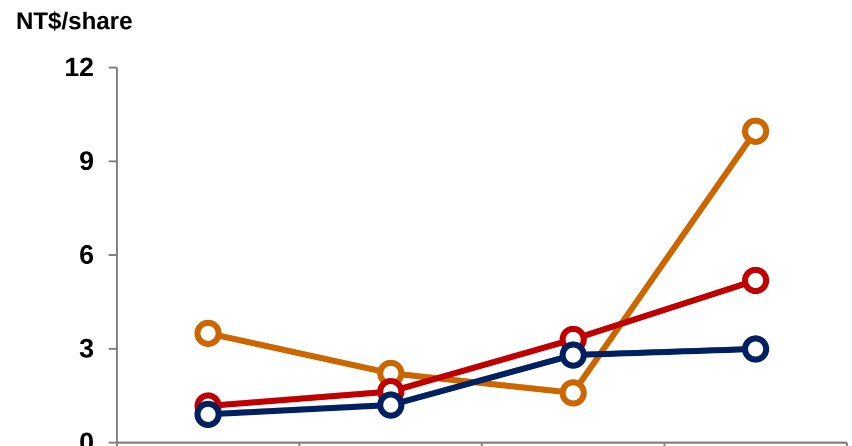
Investees	Holdings	Equity income (1102 TT)									
		1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019
U-Ming Marine Transport Corp.	39.3%	83	199	294	79	655	37	13	338	249	637
Far Eastern New Century Corp.	23.8%	510	1,000	686	147	2,343	331	518	469	320	1,638
Shanshui Cement Co. Ltd.	17.5%	-	-	-	377	377	(169)	1,119	885	376	2,212
Others (unlisted investees)		136	364	162	108	770	136	395	288	185	1,004
Total		**729**	**1,564**	**1,142**	**710**	**4,144**	**335**	**2,046**	**1,980**	**1,130**	**5,490**

Asia Cement (1102 TW): Robust financial structure and high dividend Payout





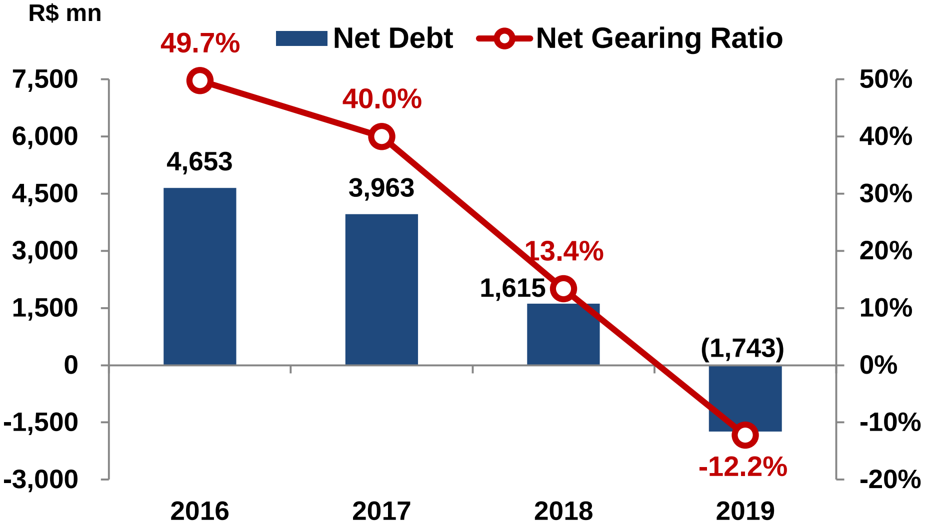


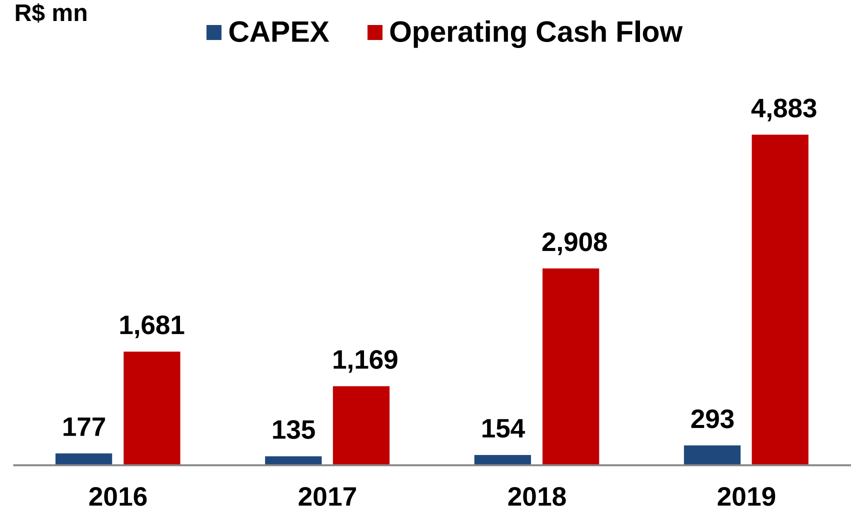


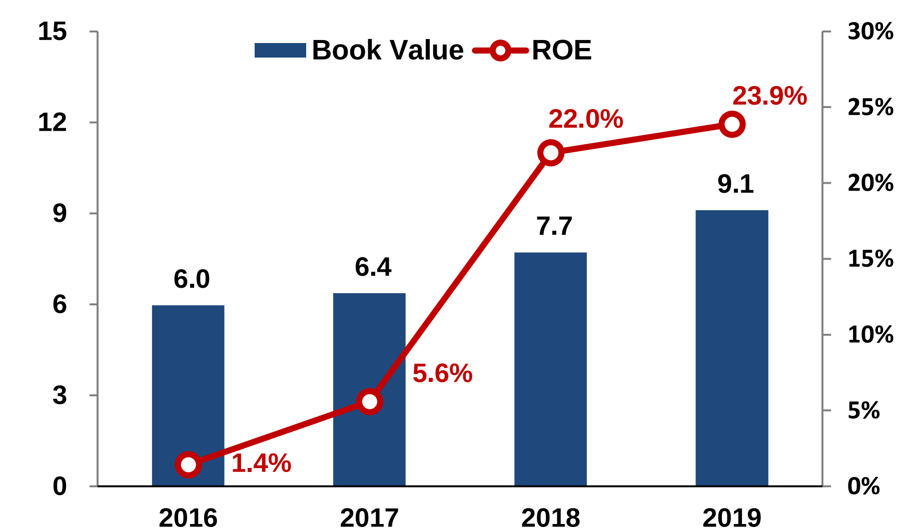
	2016	2017	2018	2019
FCF	3.50	2.22	1.59	10.0
EPS	1.17	1.63	3.31	5.19
DPS	0.90	1.20	2.80	3.00

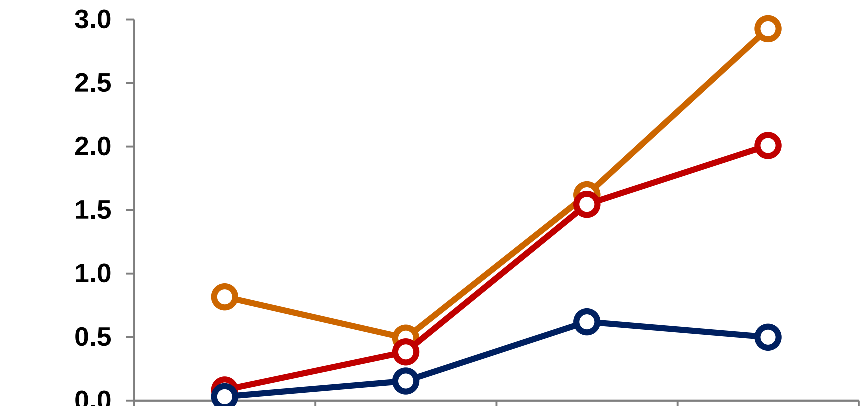
Note: EPS is calculated using total outstanding shares.

Asia Cement (China)(743 HK):
Excellent profitability and rich cash flow







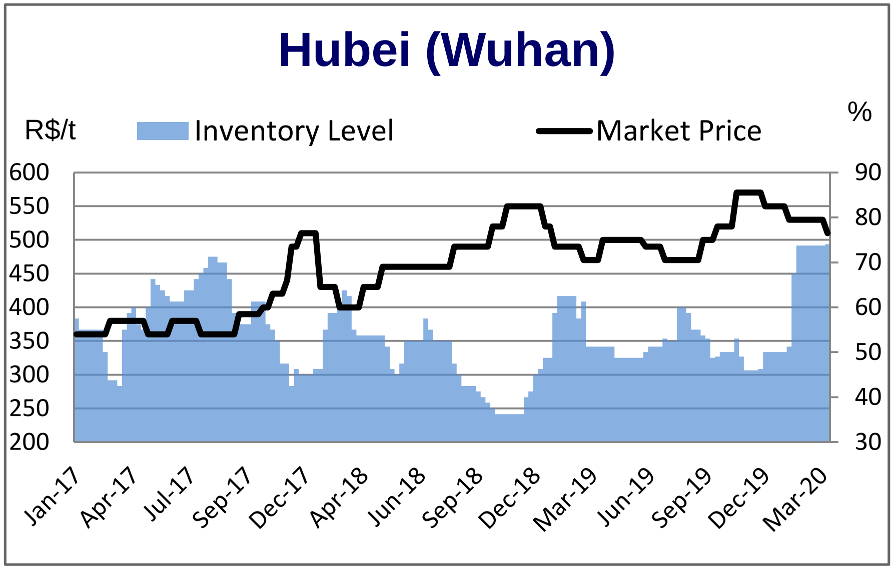


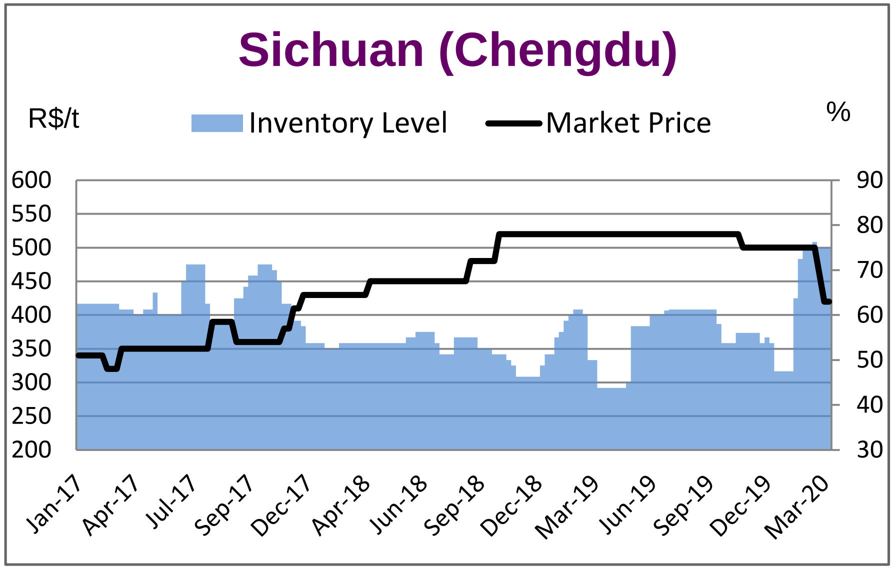
	2016	2017	2018	2019
FCF	0.82	0.49	1.62	2.93
EPS	0.09	0.38	1.55	2.01
DPS	0.03	0.16	0.62	0.5

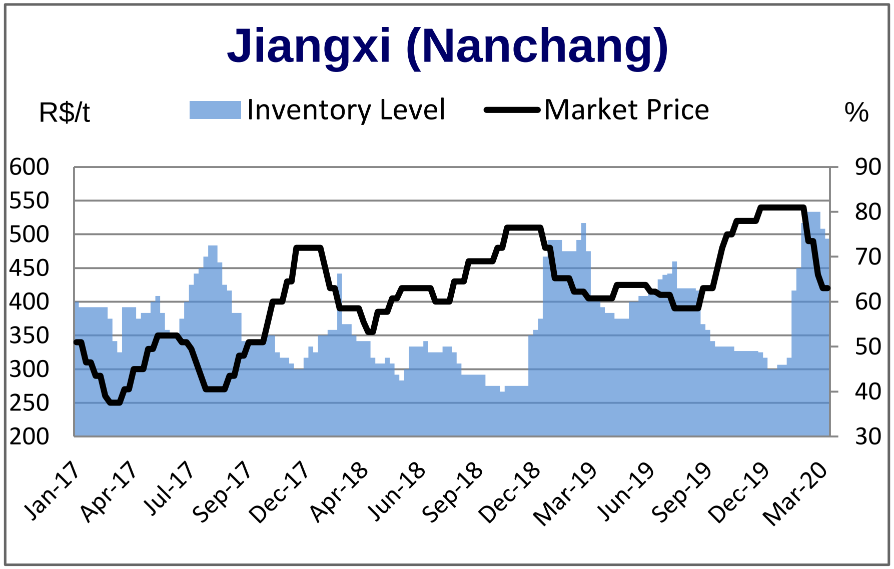
Asia Cement (China) Operating Data

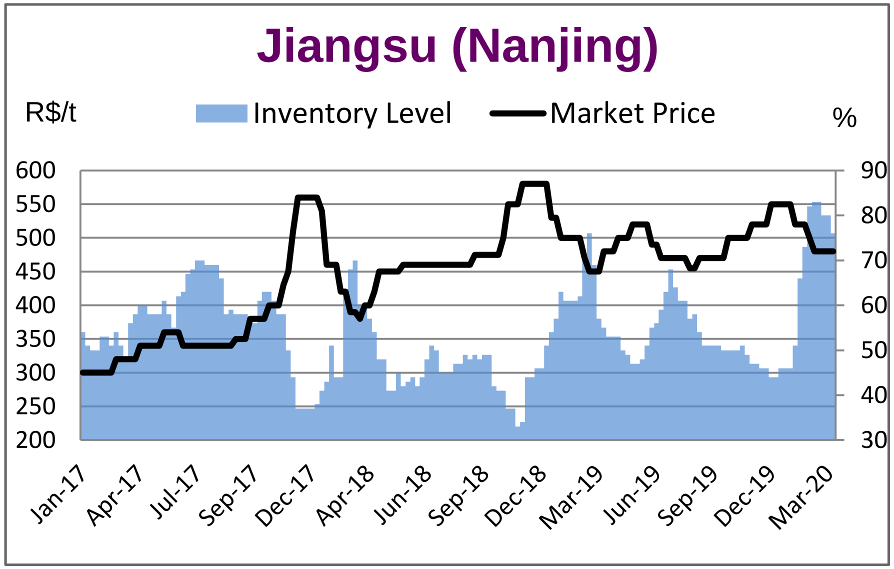
AC(China): Regional P.O42.5 Price & Inventory Level

Unit: R$/t ; %



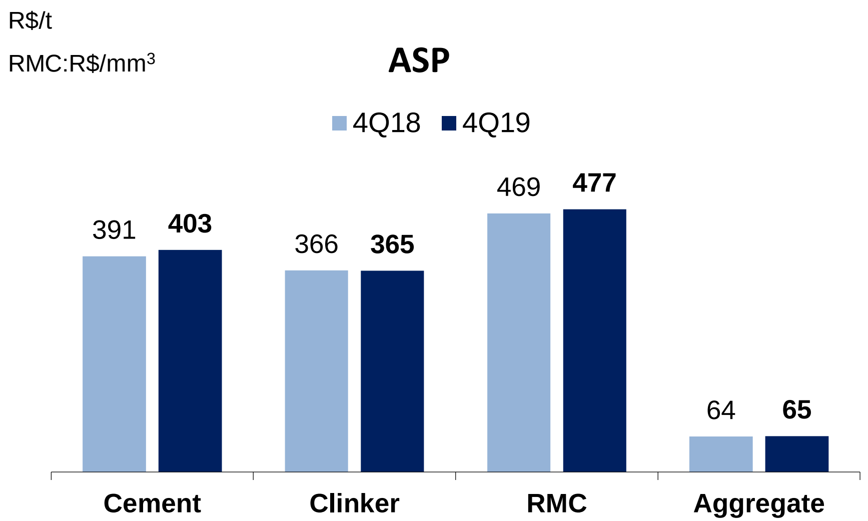




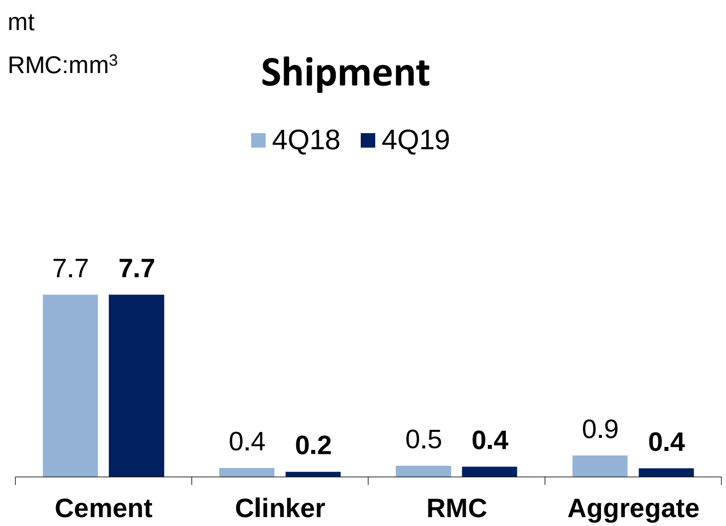


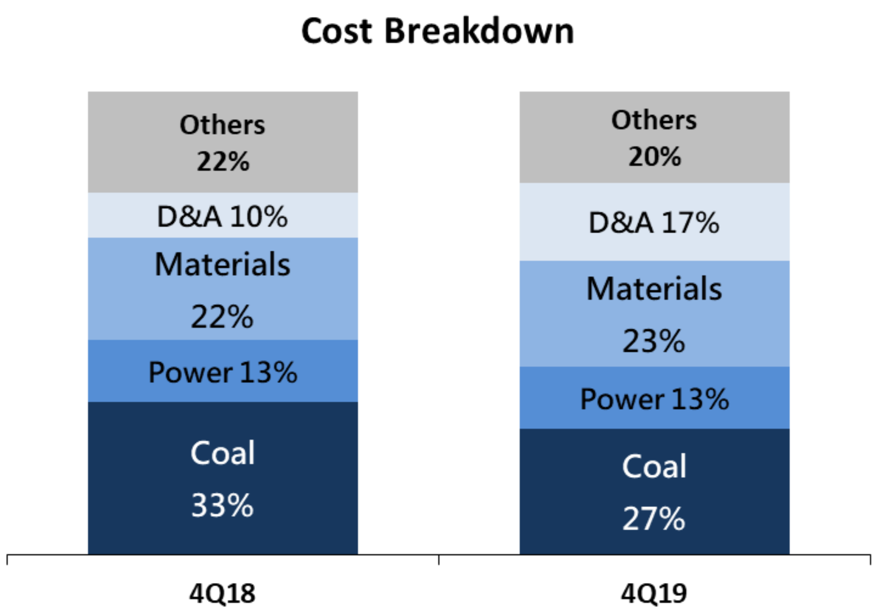
Source: Digit Cement. Inventory level is based on the average of province.

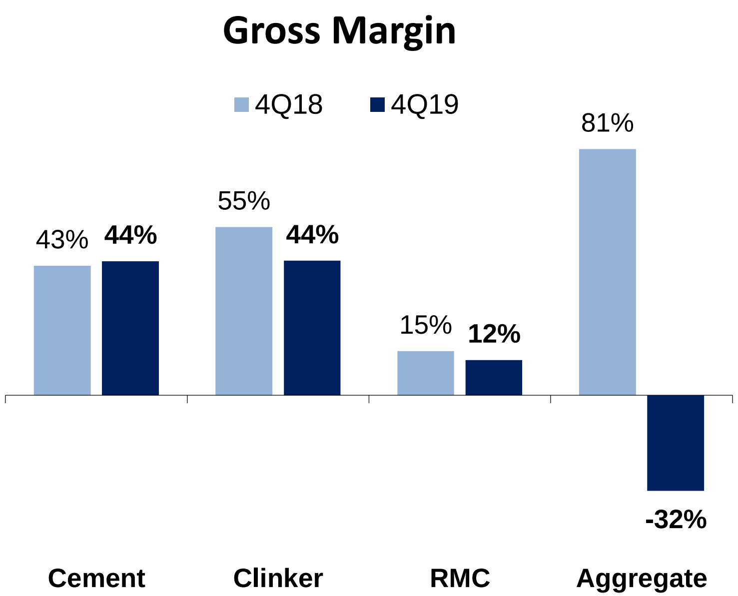
AC(China): 4Q19 Operating data points



Note: Net of VAT

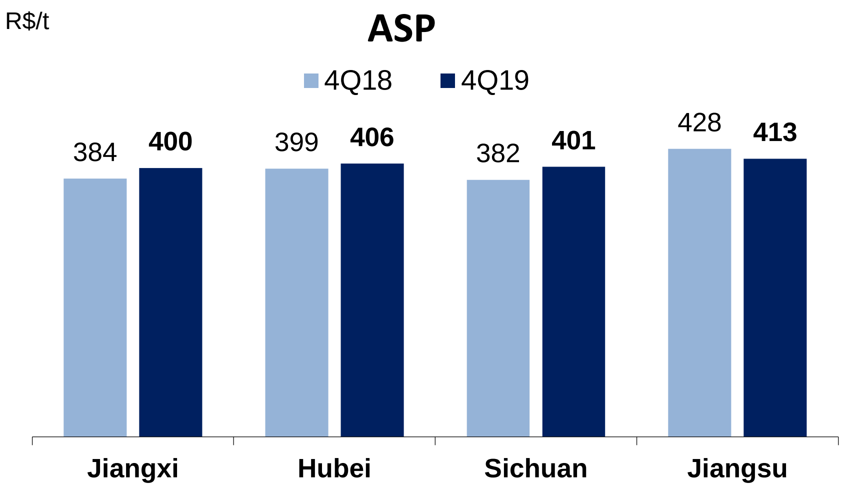


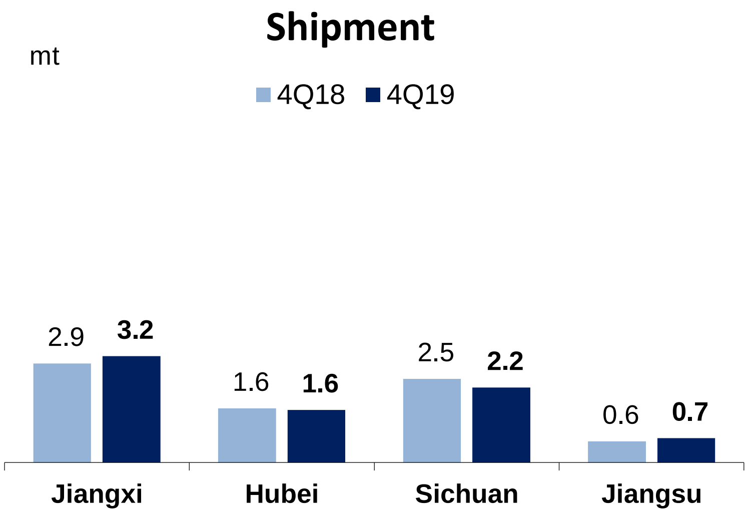




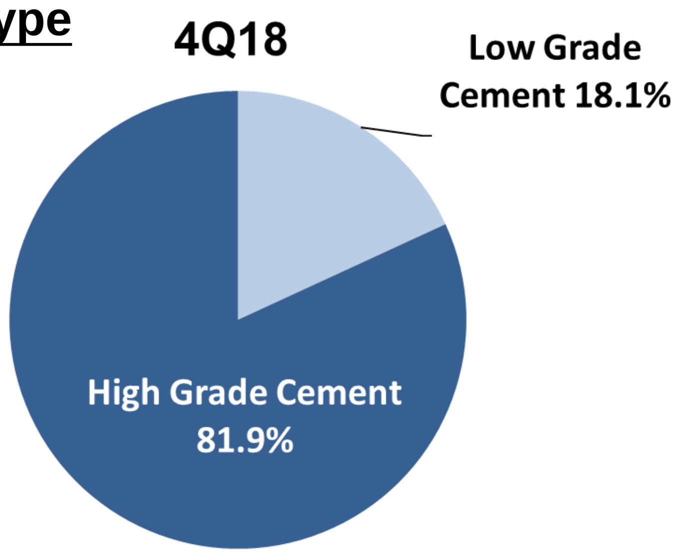
AC(China): 4Q19 Operating data points

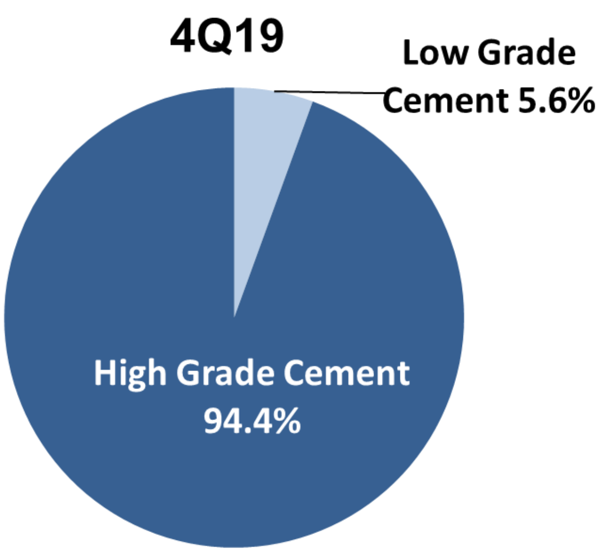
Cement Product by Regions



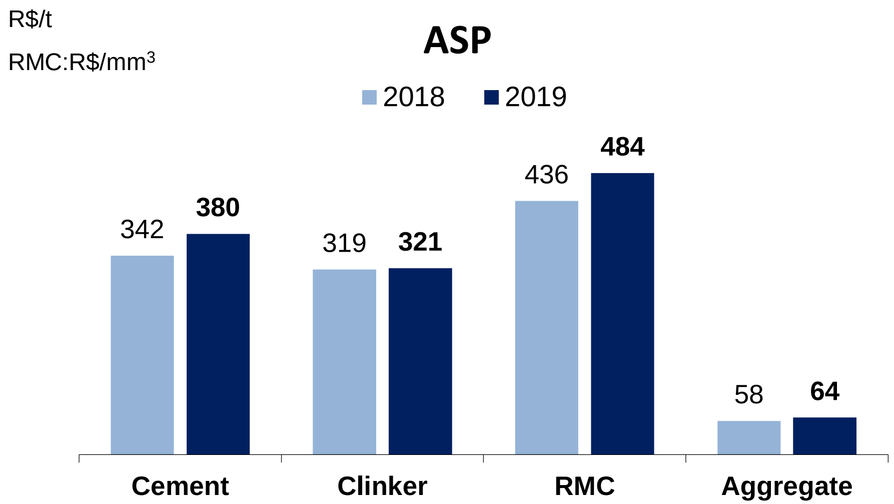


Product Type

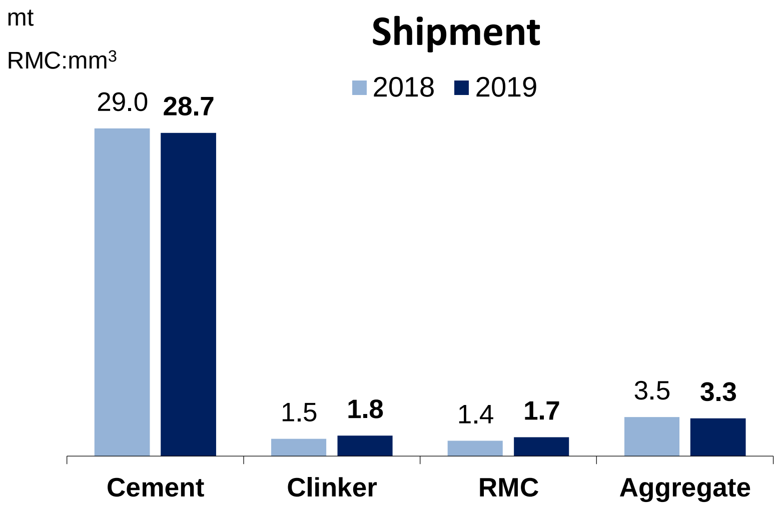


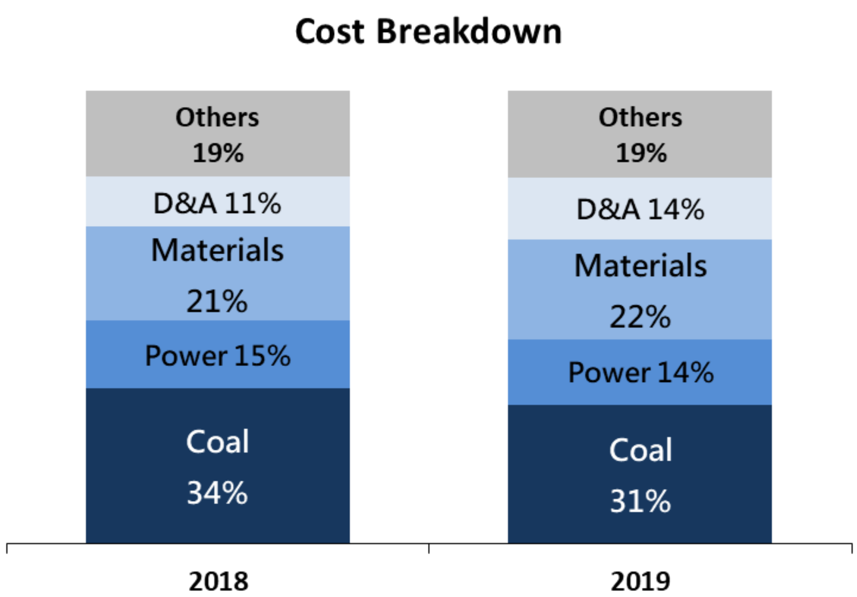


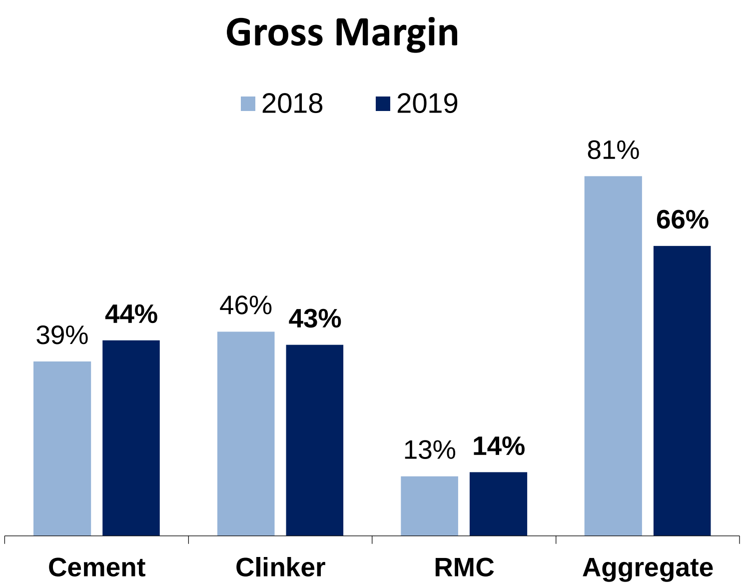
AC(China): 2019 Operating data points



Note: Net of VAT

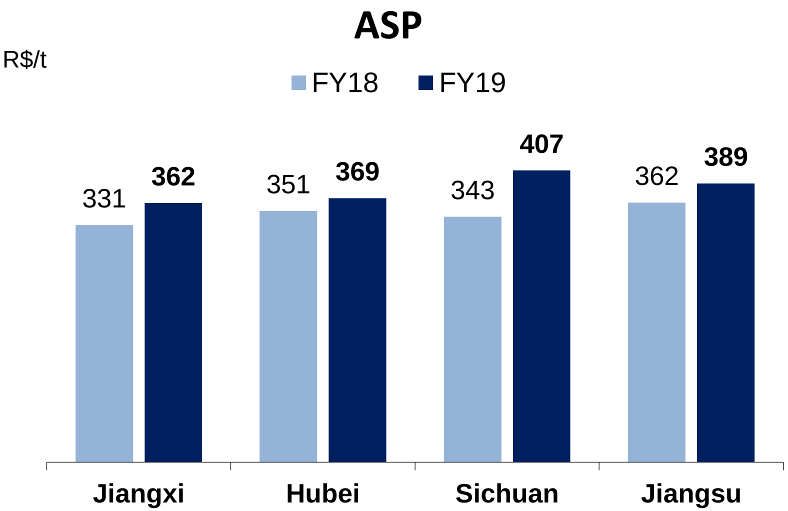


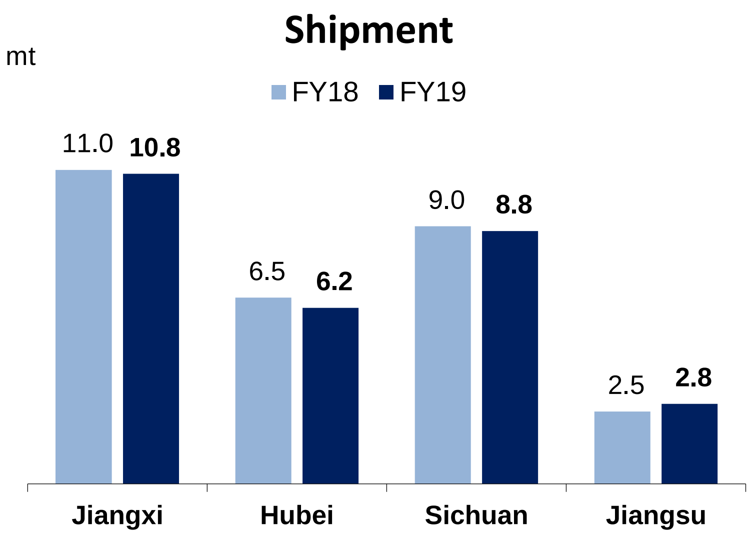




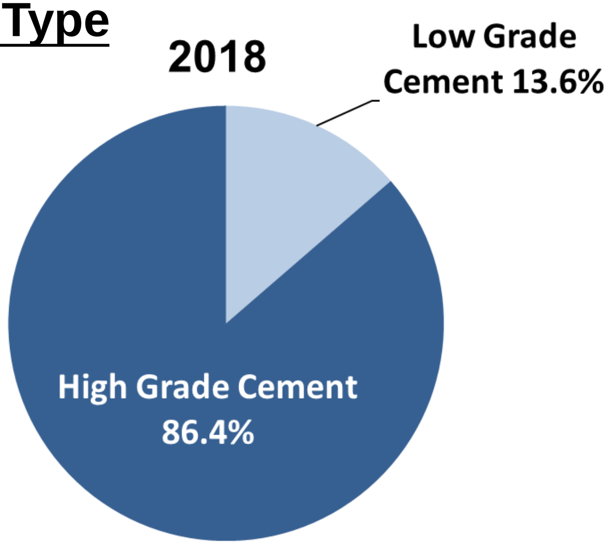
AC(China): 2019 Operating data points

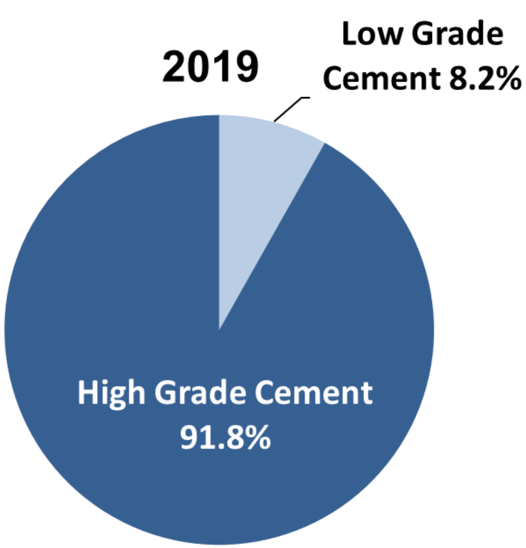
Cement Product by Regions





Product Type

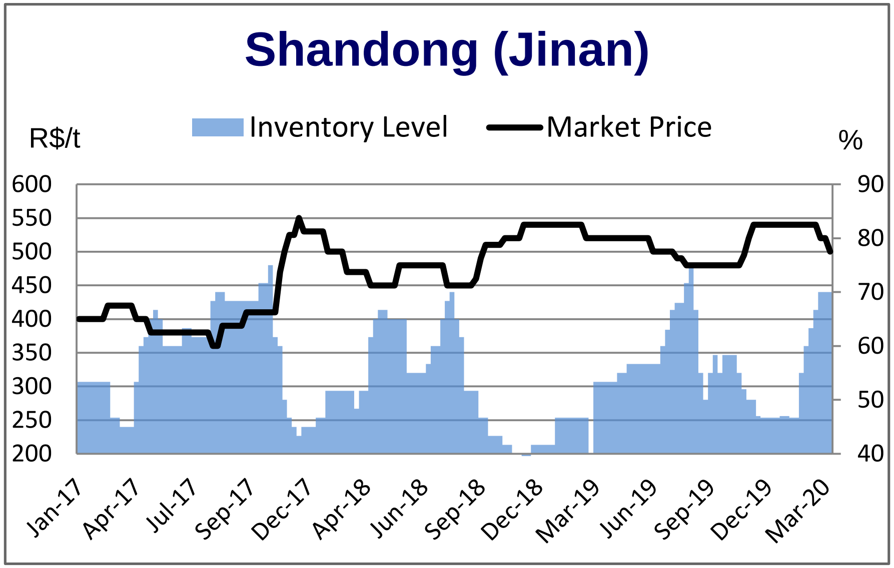


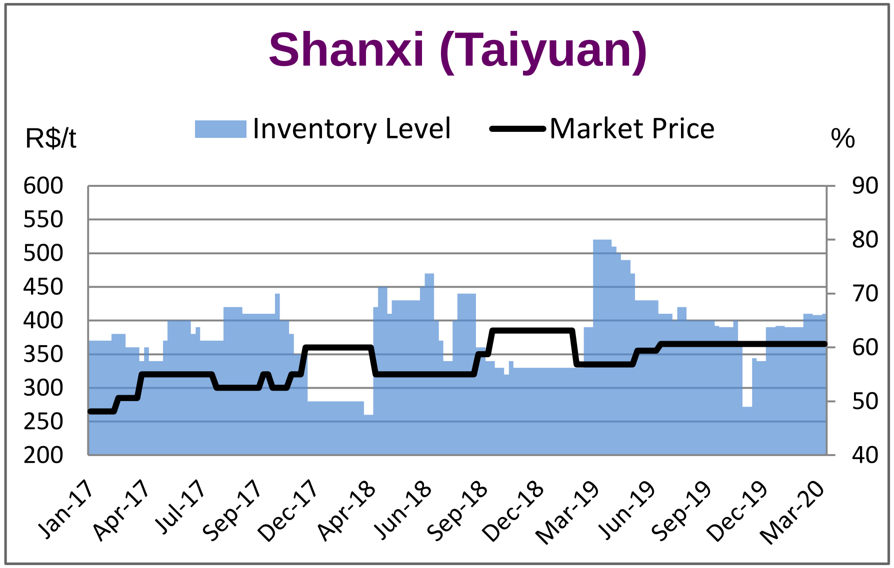


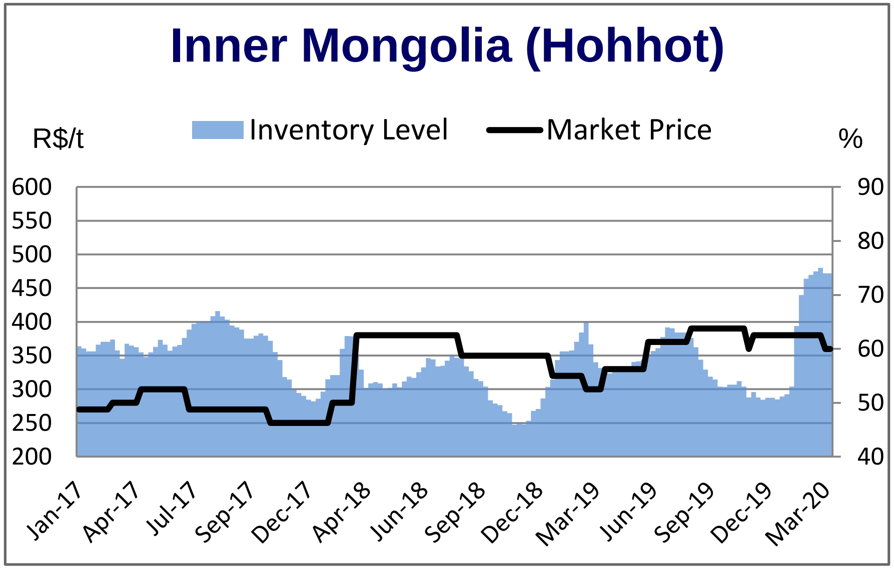
Shanshui Cement Profile

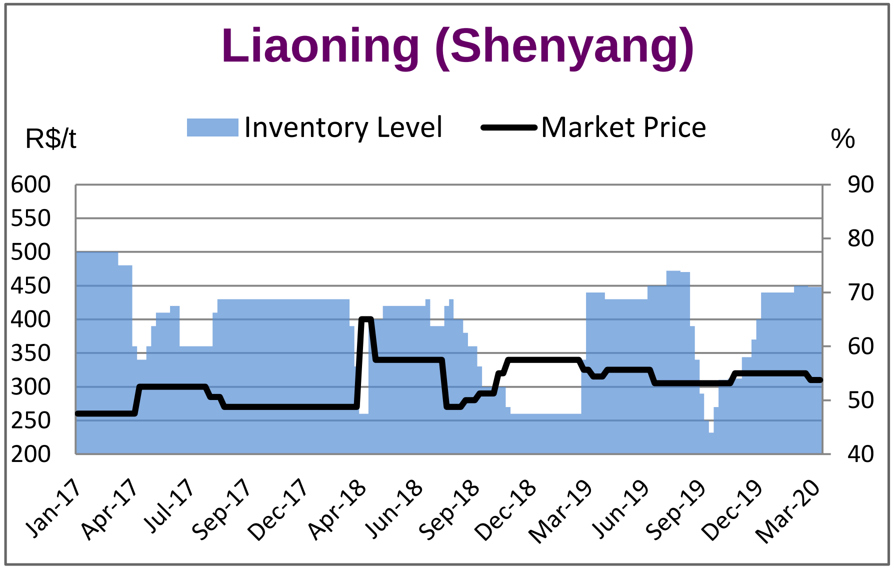
Shanshui: Regional P.O42.5 Price & Inventory Level

Unit: R$/t ; %





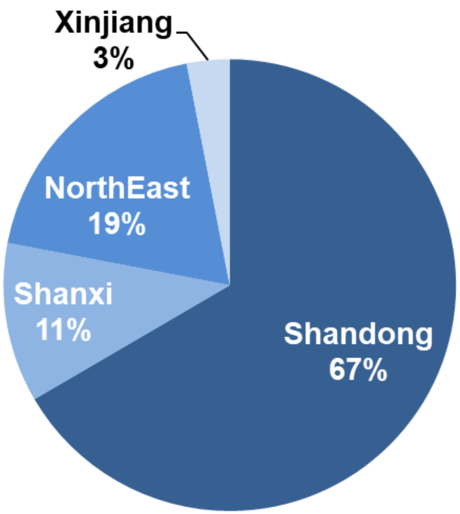




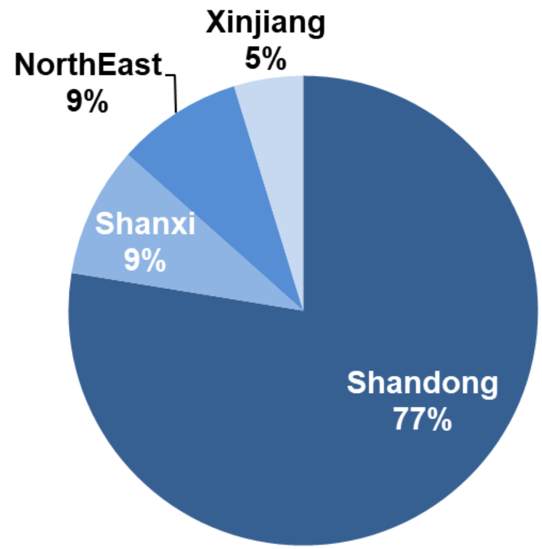
Source: Digit Cement. Inventory level is based on the average of province.

Shanshui: Overview by Regions

2019 Revenue by Regions

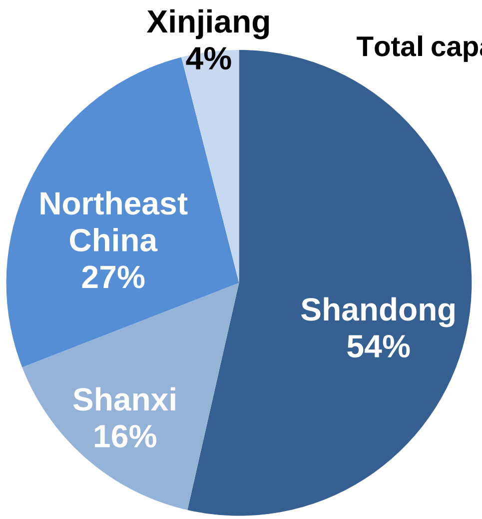


2019 Pretax Profit by Region



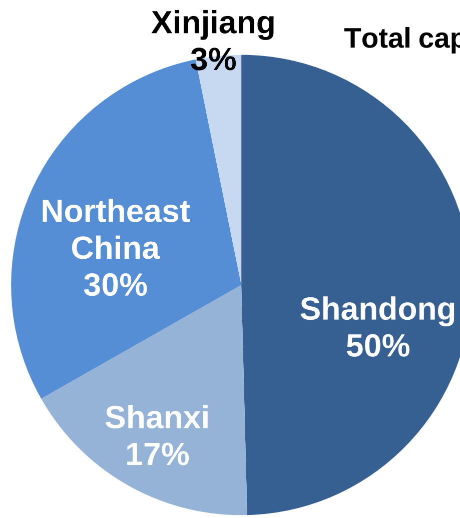
Cement Capacity

Total capacity: 100.38mt



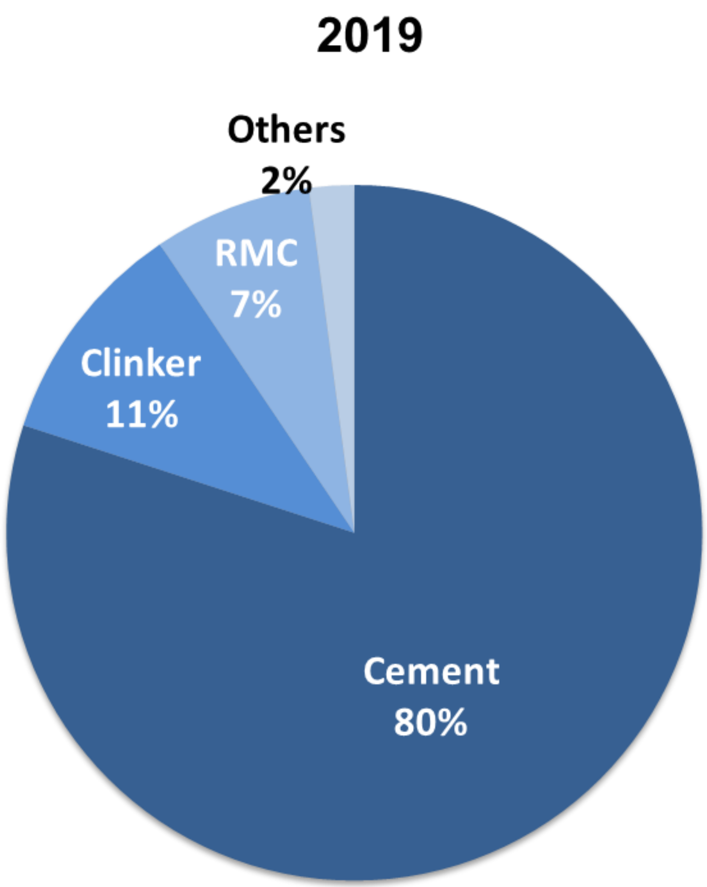
Clinker Capacity

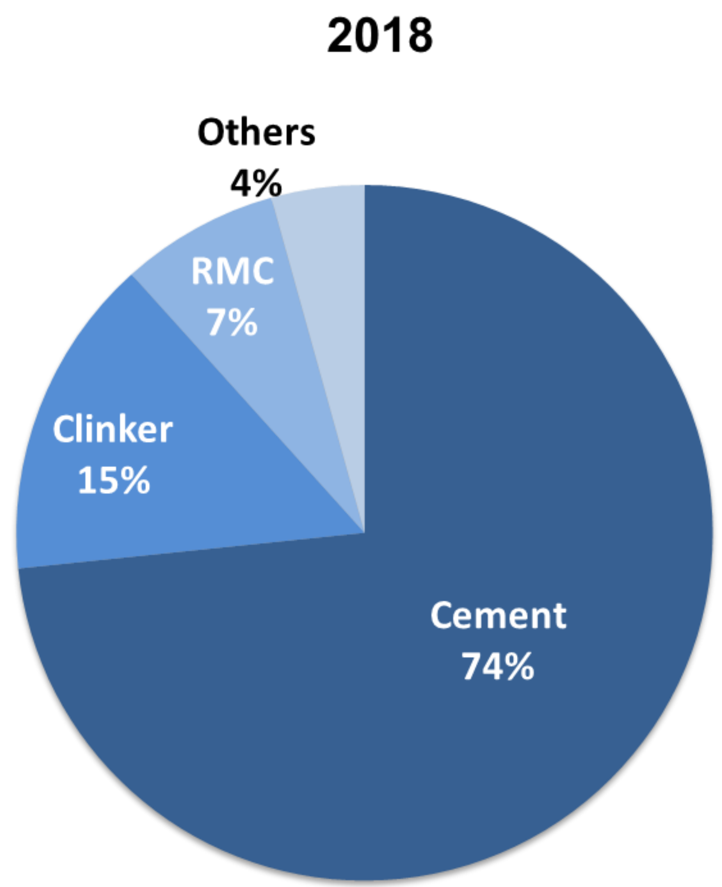
Total capacity: 50.27mt



Note: Western Shandong region includes the capacities in Tianjin city. Northeast China region includes Liaoning province and Inner Mongolia.
Source: China Shanshui Cement Group Ltd. 2019 financial report and 1H19 interim report.

Shanshui: Revenue Breakdown

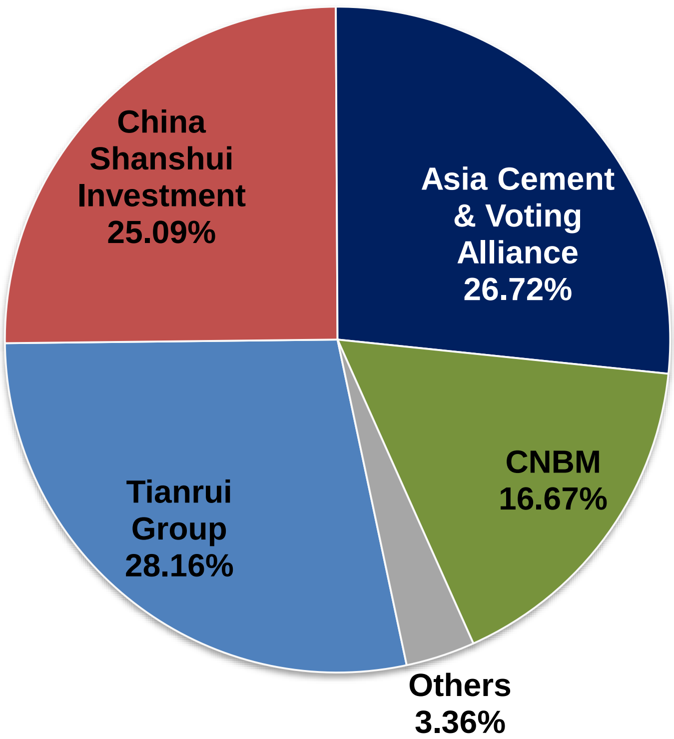




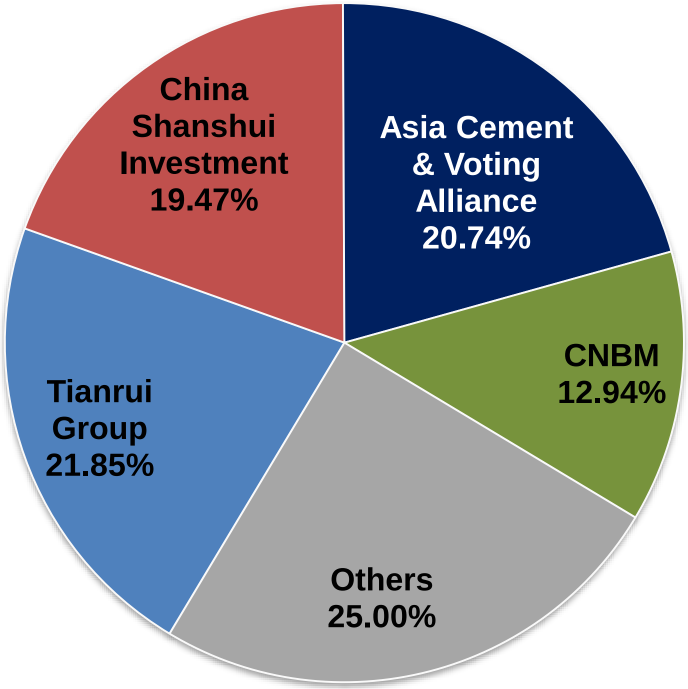
Source: China Shanshui Cement Group Ltd. 2019 financial report

Shanshui: Shareholder Structure

Prior EGM 2018/10/30



Current



Note: Asia Cement holds 17.46%, and 3.28% of the interests are held through agreement to acquire interests in the Company, required to be disclosed under s.317(1)(a) and s.318 of the SFO.

Source: http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1030/LTN20181030956_C.pdf.

PRC Market Overview

China Cement Demand: The New Normal

2009-2011:

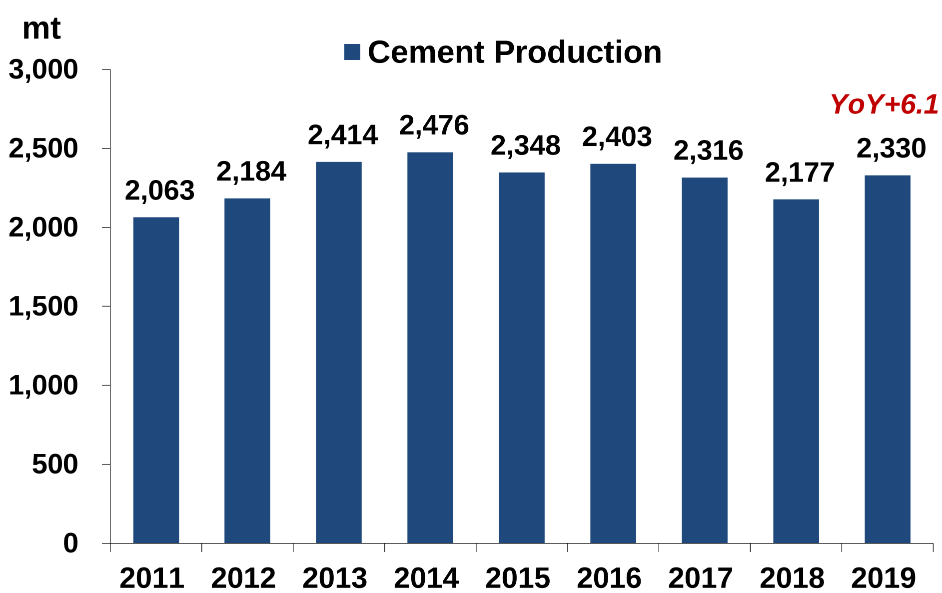
Demand boosted by R$4 trillion stimulus

2012-2015:

Demand increase slowed down and oversupply weakened ASP

2016-2020:

"New Normal Economy" urges Supply-Side Reform and industry evolution.



2020 cement demand :

- China government is proactively taking counter-cyclical measures and issuing more special bonds to offset the economic downturn.
- Demand from property could be stable for 2020 thanks to large under-construction GFA, but Covid-19 adds to the uncertainty.

Source: Ministry of Industry and Information Technology(MIIT), National Development and Reform Commission(NDRC), China Cement Association(CCA)

China Cement Supply-side Reform:

Control capacity expansion	1. Prohibit using outdated pipelines for capacity swap 2. Tightening regulation for cross-provincial capacity swap
Phase out capacities by lifting industry standards	1. Raise UT rate from 70% to 80% 2. Eliminate PC 32.5R grade of cement 3. Promote intelligent manufacturing
Schedule production halt to restrain output	1. The government plays a more active role on implementing. 2. Differentiation measures provide uncertainty in 2020.
Encourage consolidation	1. M&A, cross holding, JVs, sales platform 2. Carry out pilot program to subsidize the exiting capacity

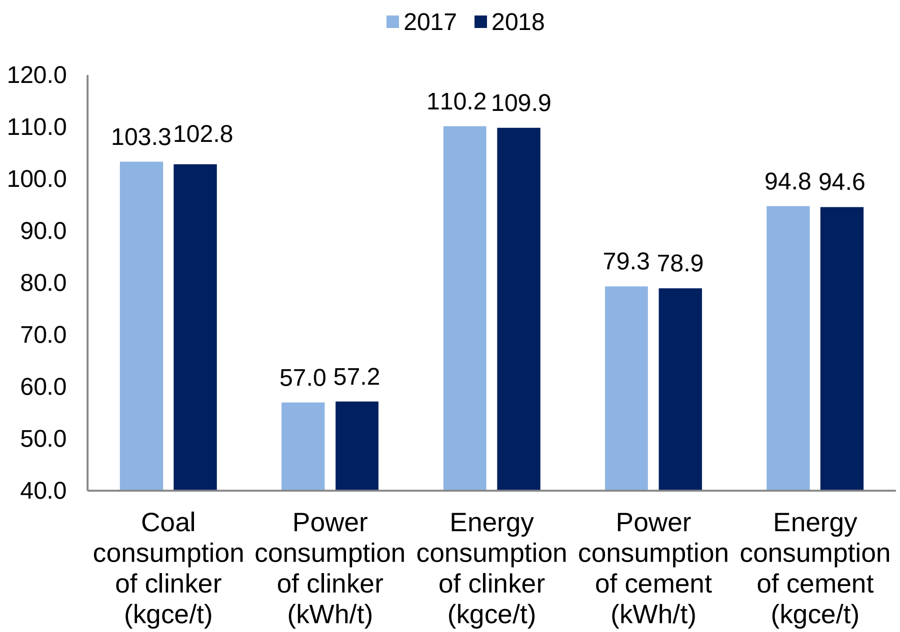
Source: China Cement Association "De-capacity action plan", "Cement industry 13th five year plan", PRC State Council "Guiding policies to facilitate structural upgrade of building materials industry"

AC(China): Survival of the Fittest

Strength of AC(China)

- Superior to regulatory requirements in energy efficiency and GHG emission
- Sufficient limestone resources and reserves
- ＞90% sales are high-grade cement
- 90% UT rate and no ≦ 2500 t/d clinker lines

Energy Consumption and Emission



Unit: mg/m^3	SO_2		NO_X		Dust Particles	
	2017	2018	2017	2018	2017	2018
ACC Jiangxi	80	59	309	282	10	16
ACC Hubei	40	18	262	252	12	8
ACC Sichuan	13	4	294	130	14	5
National Standard	200		400		30	
Special Limit	100		320		20	
Ultra-low Standard	35		100		10	

Note: Averaged by capacity

AC(China): Foreseeable Solid Regional Demand

Yangtze River Economic Belt

Rise of Metropolitan Regions

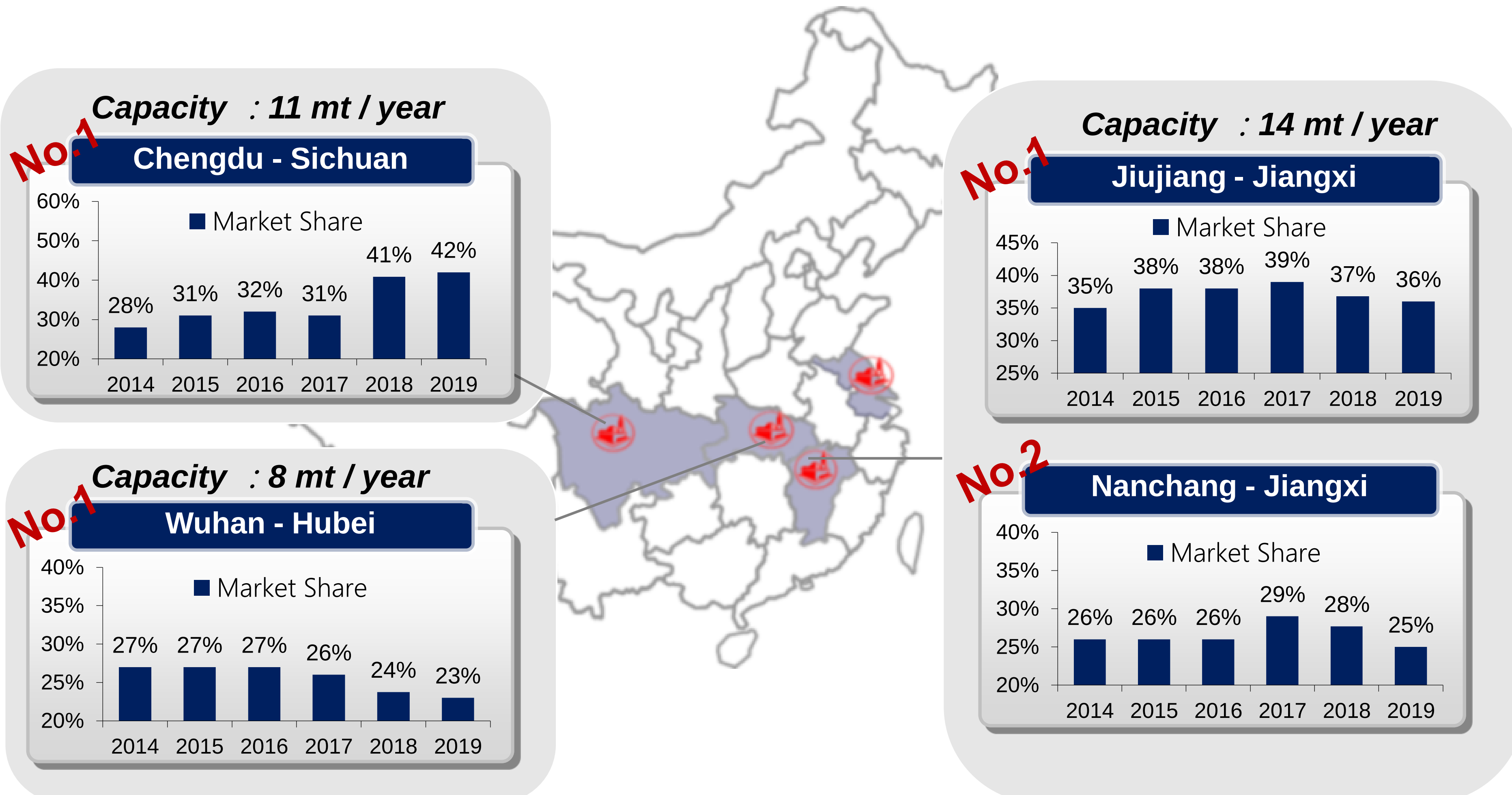
Rigid Demand for Property

Hubei & Sichuan:
Production Halt well-implemented, forming market efficiency

Source: National & Provincial Development and Reform Commission

AC(China) Strategy: to Dominate Locally

2019: Capacity Rank top 10 nationwide

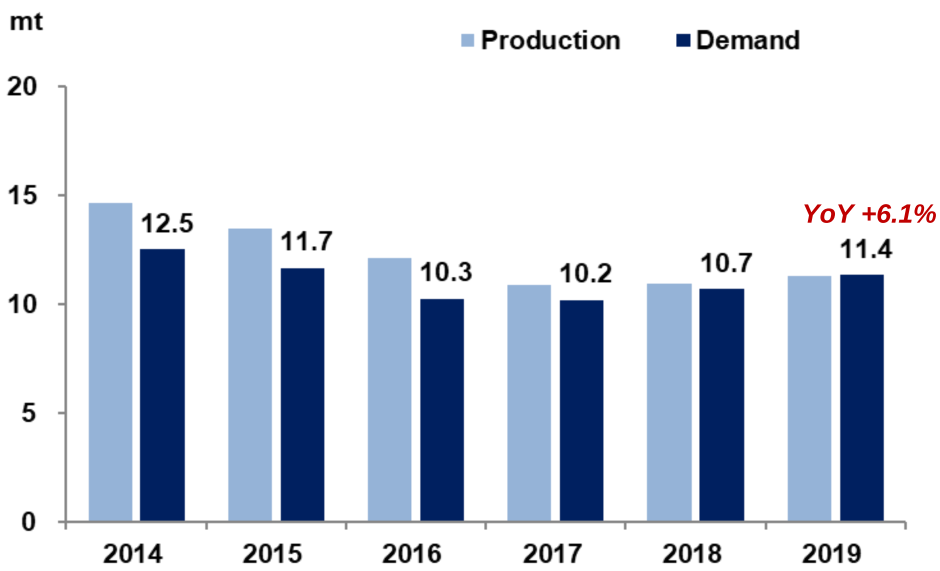


Source: ACC(C) annual report

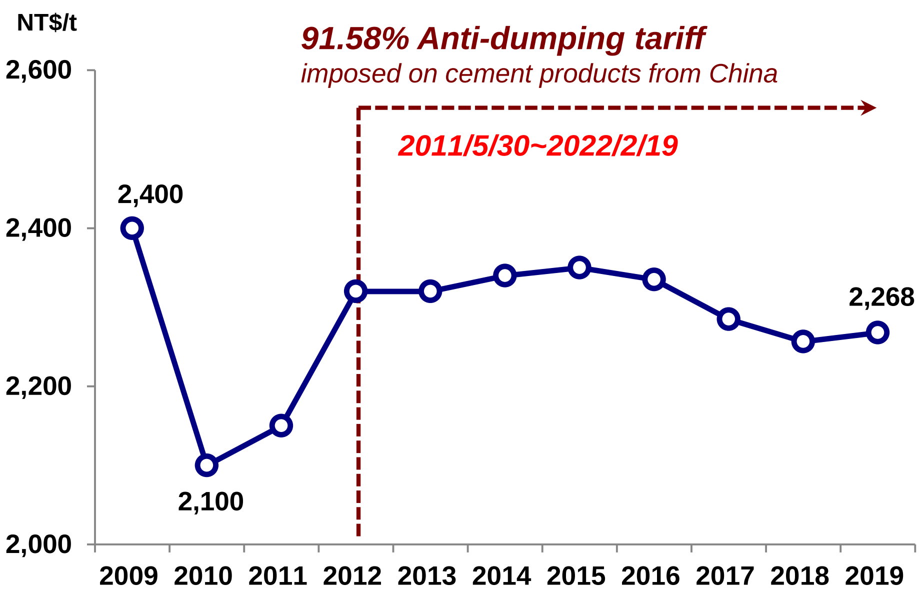
Taiwan Market Overview

TW Cement Market: Sophisticated and Highly Concentrated

Mature and net export cement market



Oligopoly keep ASP steady



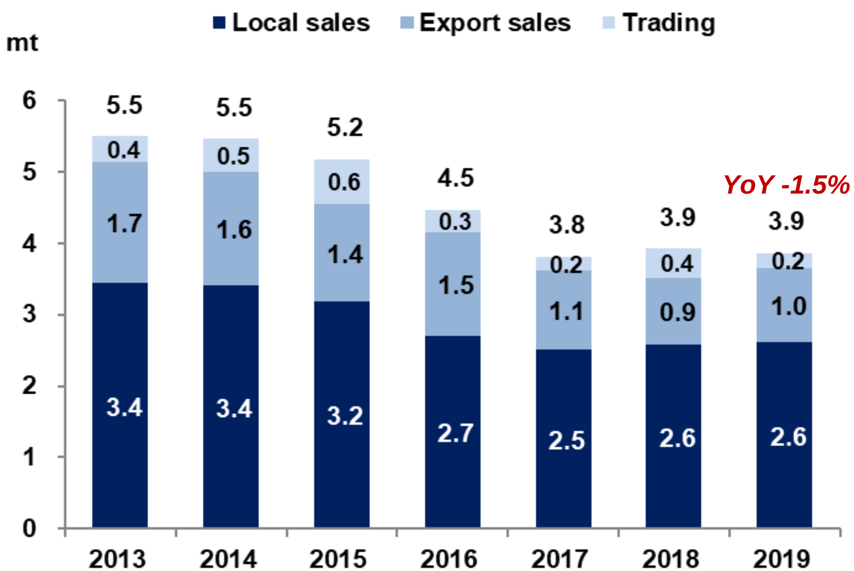
- Demand bottomed in 2017 due to private sector weakness.
- Catalyst: NT$420 billion infrastructure budget from 2018~2021

- **ACC & TCC dominate 75% of production**
- ASP remains steady since anti-dumping tariff blocked import from China

Source: Taiwan Cement Manufacturers' Association, TCMA

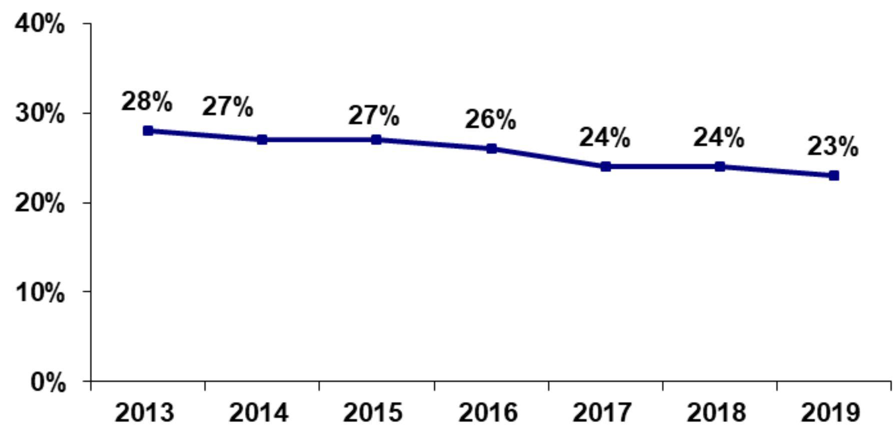
ACC: 2nd Largest Cement Player in Taiwan

- ACC: Cement & Clinker Sales Volume

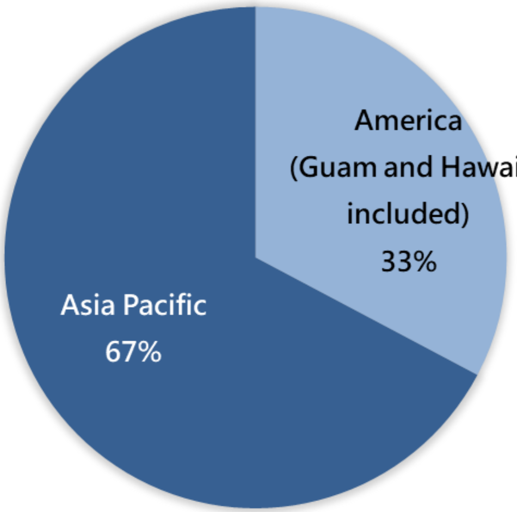


- Stable local market share and shipments
- Pressure from imports still exists.

- Domestic market shares

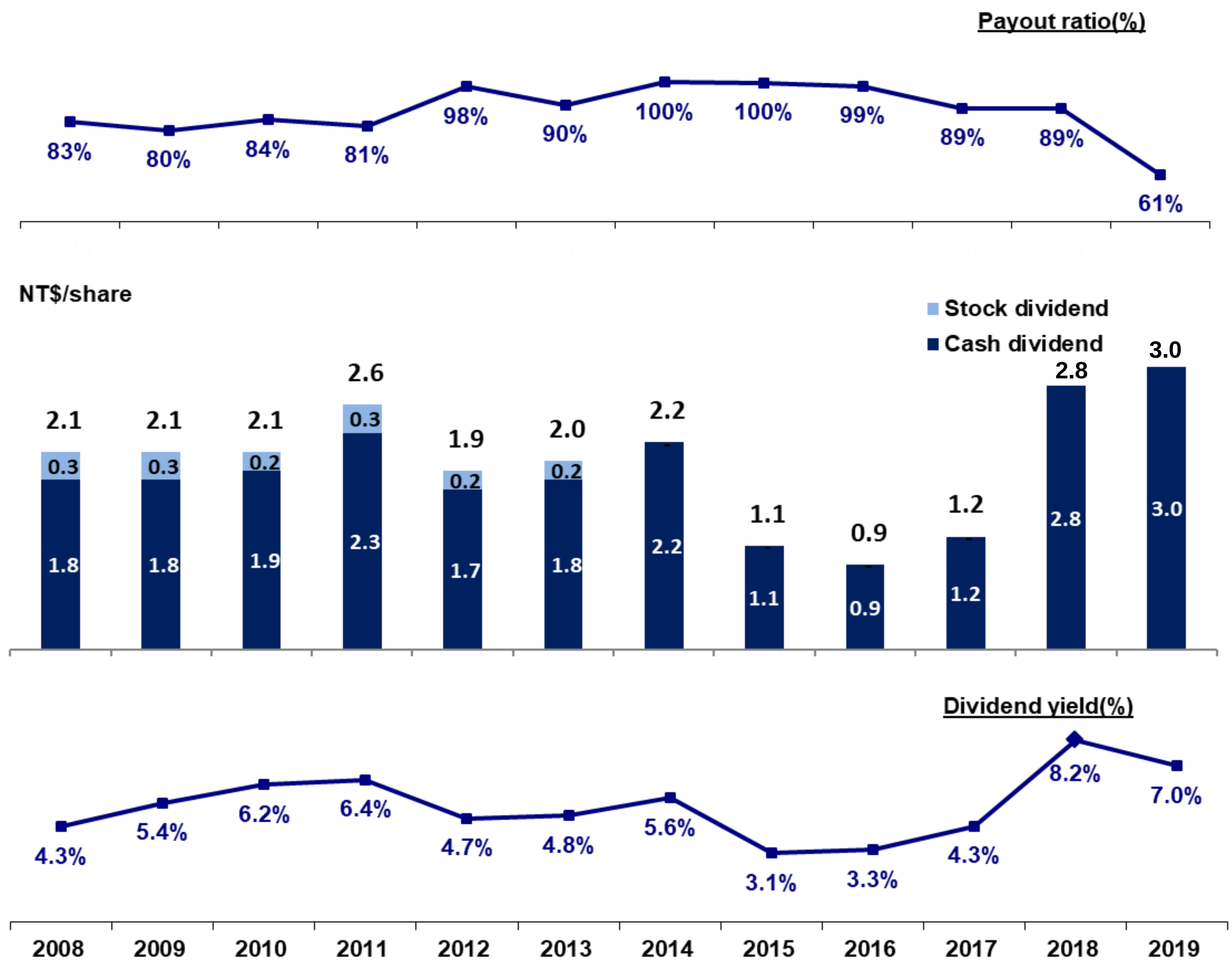


- 2019 Export market coverage



Dividend & Financials

Steady Payout with Enjoyable Yields



Note1: Payable EPS= Net income – Investment property adjustment

Note2: Dividend yield= Cash dividend / Last 12-month average share price

Summary of P&L

NT$ mn

	4Q19	4Q18	YoY	2019	2018	YoY
Operating Revenue	**23,141**	**21,833**	***6%***	**89,348**	**82,741**	***8%***
Operating Cost	16,645	15,604	*7%*	63,747	61,585	*4%*
Net Gross Profit	**6,496**	**6,228**	***4%***	**25,601**	**21,156**	***21%***
SG&A expenses	619	450	*37%*	3,523	3,018	*17%*
Operating profit	**5,863**	**5,793**	***1%***	**22,063**	**18,153**	***22%***
Non-operating income(net)	1,007	(675)		6,330	2,217	
Equity Income	1,130	710	*59%*	5,490	4,144	*32%*
Net Interest Expense	(90)	(309)		(695)	(1,303)	
Dividend Income	3	4		451	435	
Gain (loss) on Investment Property	53	22		198	98	
Gain (loss) on exchange	(333)	103		(260)	91	
Gain (loss) on FVTPL Financial Assets and Liabilities	370	(475)		1,129	(256)	
Others	(125)	(730)		16	(992)	
Pre tax Income	6,870	5,118		28,393	20,370	
Tax	1,562	2,131		6,149	5,481	
Net income	**5,307**	**2,987**	***78%***	**22,244**	**14,889**	***49%***
Profit Attributable to Owners of Parent	**4,001**	**1,819**	***120%***	**17,460**	**11,117**	***57%***
EPS (NT$/share)	**1.27**	**0.58**	***120%***	**5.56**	**3.54**	***57%***
Gross margin	**28.1%**	**28.5%**		**28.7%**	**25.6%**	
Operating margin	25.3%	26.5%		24.7%	21.9%	
EBITDA margin	35.9%	30.9%		31.5%	27.6%	
EBITDA	8,301	6,756		28,183	22,803	

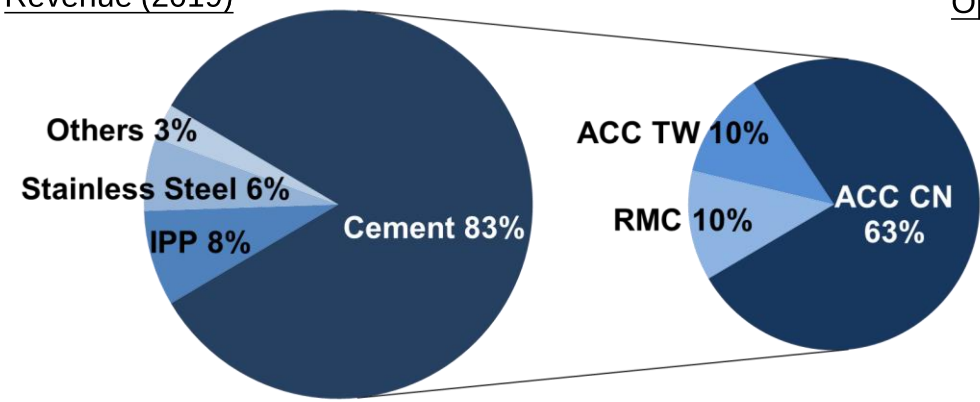
Performance by Segments

NT$ mn

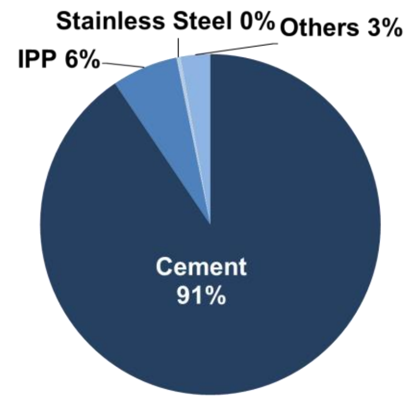
Note: Cement revenue= Taiwan cement operation(cement, RMC and other downstream value chain) + China cement operation

	4Q19	4Q18	YoY	2019	2018	YoY
Operating Revenue	**23,141**	**21,833**	***6%***	**89,348**	**82,741**	***8%***
Cement business	19,859	19,826		73,849	67,340	
Power business	1,422	1,514		7,115	6,682	
Stainless Steel business	1,228	(57)		5,439	5,677	
Others	632	550		2,945	3,042	
Operating Cost	16,645	15,604	*7%*	63,747	61,585	*4%*
Net Gross Profit	**6,496**	**6,228**	***4%***	**25,601**	**21,156**	***21%***
SG&A expenses	619	450	*37%*	3,523	3,018	*17%*
Operating profit	**5,863**	**5,793**	***1%***	**22,063**	**18,153**	***22%***
Cement business	5,519	5,643		19,974	15,952	
Power business	237	149		1,382	1,206	
Stainless Steel business	25	(60)		85	120	
Others	81	61		622	876	

Revenue (2019)



Operating Profit (2019)



Summary of Balance Sheets

NT$ mn

	2019	3Q19	2018
Current Assets	89,242	86,685	80,359
Cash&Cash equivalents	24,735	19,051	14,929
Short-term Investments	31,724	33,515	27,170
Others	32,783	34,119	38,259
Non-Current Assets	208,036	203,707	198,829
Long-term Investment	96,140	94,045	88,646
Fixed Assets	86,858	87,111	88,515
Intangible Assets	7,000	3,630	3,695
Other Assets	18,038	18,922	17,975
Total Assets	**297,279**	**290,393**	**279,188**
Current Liabilities	74,336	64,963	62,804
Short-term debt	55,895	52,604	50,655
Others	18,440	12,359	12,150
Non-Current Liabilities	53,494	59,751	57,335
Bonds Payable	19,281	19,259	12,193
Bank Loans	20,821	27,337	33,594
Others	13,392	13,156	11,549
Total Liabilities	**127,829**	**124,714**	**120,140**
Total Shareholders' Equity	169,449	165,679	159,048
Book Value(NT$/Share)	**43.5**	**42.6**	**41.0**
ROE	**12.3%**	**10.9%**	**8.4%**
Net Debt	39,538	46,633	54,341
Net Gearing Ratio	27.1%	32.6%	39.4%
Net Debt/EBITDA	1.4	1.8	2.4

Note: Net gearing = Nebt debt / (total shareholders' equity - minority interest)

Summary of Cash Flow Statement

NT$ mn

	2019	2018	YoY
Net Income	17,460	11,117	
Depr&Amort	6,120	4,919	
Changes of non-cash WC	5,798	(7,479)	
Disposal/(Acquisition) of FVTPL FA(1)	5,660	(3,051)	
Other Ope. CF Items	2,234	5,205	
Operating Cash Flow	**37,272**	**10,711**	***248%***
CAPEX	(3,755)	(4,275)	
Disposal/(Acquisition) of AC FA(2)	(8,716)	(9,538)	
Disposal/(Acquisition) of FVTOCI FA	(275)	(556)	
Other Inv. CF Items	(2,721)	(90)	
Investing Cash Flow	**(15,466)**	**(14,459)**	***-7%***
Changes in Debt/Borrowings	254	15,793	
Dividends Paid	(9,412)	(4,034)	
Other Fin. CF Items	(2,005)	(768)	
Financing Cash Flow	**(11,163)**	**10,992**	***-202%***
Effect of FX	(836)	(54)	
Net Changes in Cash	**9,806**	**7,190**	***36%***
Free Cash Flow	**33,517**	**6,436**	***421%***

Note1: Under the IFRS 9 applied since 2018, mutual fund investment has been classified as operating activities.

Note2: Mainly over 3 months time deposit.

AC(China): Summary of P&L

R$ mn

	4Q19	4Q18	YoY	2019	2018	YoY
Operating revenue	3,426	3,441	*0%*	12,609	11,330	*11%*
Operating cost	2,009	2,006	*0%*	7,290	6,944	*5%*
Gross Profit	**1,417**	**1,435**	***-1%***	**5,319**	**4,386**	***21%***
Other net income/(loss)	90	3		170	(4)	
Selling&marketing costs	118	118		447	446	
Administative expenses	93	99		429	316	
Operating income	**1,297**	**1,222**	***6%***	**4,613**	**3,620**	***27%***
Finance costs	57	71		268	244	
Shares of results of jointly controlled entities	0	2		5	8	
Pre tax Income	1,240	1,153		4,350	3,383	
Tax	306	304		1,120	882	
Net Income	**933**	**848**	***10%***	**3,230**	**2,501**	***29%***
Profit Attributable to Owners of Parent	**907**	**822**	***10%***	**3,147**	**2,421**	***30%***
Minority interests	26	26		83	80	
EPS (RMB/share)	**0.58**	**0.52**	***10%***	**2.01**	**1.55**	***30%***
Gross margin	**41.4%**	**41.7%**		**42.2%**	**38.7%**	
Operating margin	37.8%	35.5%		36.6%	31.9%	
Net margin	**27.2%**	**24.7%**		**25.6%**	**22.1%**	
EBITDA margin	48.6%	42.0%		45.4%	39.7%	
EBITDA	**1,666**	**1,445**	***15%***	**5,724**	**4,499**	***27%***

AC(China): Summary of Balance Sheets

R$ mn

	2019	3Q19	2018
Current Assets	12,620	12,405	10,452
Inventories	674	729	726
Trade and other receivables	3,963	3,955	4,105
Bank balances and cash	7,943	7,575	5,009
Non-Current Assets	11,366	10,412	10,271
Property,Plant&Equipment	8,077	8,101	8,598
Total Assets	**23,986**	**22,817**	**20,722**
Current Liabilities	7,695	6,620	4,055
Borrowings- due within one year	4,770	5,058	2,475
Trade and other payables	2,174	969	988
Non-Current Liabilities	1,647	2,487	4,225
Borrowings- due after one year	1,444	2,285	4,155
Total Liabilities	**9,343**	**9,107**	**8,280**
Total Equity	**14,643**	**13,710**	**12,442**
Equity Attributable to Parent	14,264	13,357	12,088
Book Value(RMB/Share)	**9.1**	**8.5**	**7.7**
ROE	**23.9%**	**24.9%**	**22.0%**
ROA	14.1%	14.6%	13.0%
Net Gearing Ratio	**-12.2%**	**-1.8%**	**13.4%**
Net Debt	(1,743)	(241)	1,615

Note: Net gearing = Net debt / (total shareholders' equity – minority interests)

AC(China): Summary of Cash Flow Statement

R$ mn

	2019	2018	*YoY*
Net Income		2,421	
Depr&Amort		871	
Changes of non-cash WC		(1,071)	
Other Ope. CF Items		687	
Operating Cash Flow	**4,883**	**2,908**	***68%***
CAPEX		(154)	
Other Inv. CF Items		83	
Investing Cash Flow	**(217)**	**(71)**	***NA***
Changes in Debt/Borrowings		1,727	
Dividends Paid		(243)	
Other Fin. CF Items		(252)	
Financing Cash Flow	**(1,733)**	**1,232**	***-241%***
Effect of FX			
Net Changes in Cash	**2,934**	**4,068**	***-28%***
Free Cash Flow		**2,754**	

Shanshui: Summary of P&L

R$ mn

	4Q19	4Q18	YoY	2019	2018	YoY
Operating revenue	5,427	5,145	*5%*	21,479	17,638	*22%*
Operating cost	3,634	3,454	*5%*	14,207	11,715	*21%*
Gross Profit	**1,793**	**1,691**	***6%***	**7,272**	**5,923**	***23%***
Other net income/(loss)	22	63		337	407	
Selling&marketing costs	198	140		673	528	
Administative expenses	695	696		2,243	2,023	
Operating income	**922**	**917**	***1%***	**4,693**	**3,779**	***24%***
Finance costs	152	211		510	778	
Shares of results of jointly controlled entities	6	21		43	46	
Pre tax Income	777	728		4,226	3,047	
Tax	318	252		1,198	878	
Net Income	**459**	**476**	***-4%***	**3,028**	**2,169**	***40%***
Profit Attributable to Owners of Parent	473	491	*-4%*	2,973	2,197	*35%*
Minority interests	(14)	(15)		55	(28)	
EPS (RMB/share)	**0.11**	**0.11**		**0.68**	**0.62**	
Gross margin	**33.0%**	**32.9%**		**33.9%**	**33.6%**	
Operating margin	17.0%	17.8%		21.8%	21.4%	
Net margin	**8.5%**	**9.3%**		**14.1%**	**12.3%**	

Shanshui: Summary of Balance Sheets

R$ mn

	2019	1H19	2018
Current Assets	6,217	6,573	5,858
Inventories	1,995	1,951	1,459
Trade and other receivables	1,937	2,305	2,127
Bank balances and cash	1,364	1,356	1,304
Non-Current Assets	20,611	20,252	20,215
Property,Plant&Equipment	18,331	18,073	18,131
Total Assets	**26,828**	**26,825**	**26,073**
Current Liabilities	11,182	11,785	13,228
Borrowings- due within one year	3,911	4,093	5,919
Trade and other payables	3,742	3,740	3,240
Non-Current Liabilities	3,046	4,267	3,258
Borrowings- due after one year	2,249	3,459	2,501
Total Liabilities	**14,227**	**16,051**	**16,486**
Total Equity	**12,600**	**10,774**	**9,586**
Equity Attributable to Parent	12,497	10,717	9,522
Book Value(RMB/Share)	**2.9**	**2.5**	**2.2**
ROE	**27.0%**	**34.5%**	**32.7%**
ROA	11.2%	10.1%	8.6%
Net Gearing Ratio	**36.5%**	**56.0%**	**71.8%**
Net Debt	4,567	6,002	6,839

Note: Net gearing = Net debt / (total shareholders' equity – minority interests)

Shanshui: Summary of Cash Flow Statement

R$ mn

	2019	2018	YoY
Net Income			
Depr&Amort			
Changes of non-cash WC			
Other Ope. CF Items			
Operating Cash Flow	**4,167**	**2,180**	***91%***
CAPEX			
Other Inv. CF Items			
Investing Cash Flow	**(1,567)**	**(849)**	***N.A.***
Changes in Debt/Borrowings			
Issuance of Common Stock			
Dividends Paid			
Other Fin. CF Items			
Financing Cash Flow	**(2,554)**	**(349)**	***N.A.***
Effect of FX			
Net Changes in Cash	**46**	**983**	***-95%***
Free Cash Flow			

CSR Achievement

ESG Awards: ACC

Taiwan Corporate Sustainability Awards:

2018 Top 50

Included as a member of the FTSE4Good TIP Taiwan Index by FTSE Russel

Asia Responsible Entrepreneurship Awards:
Winner of Green Leadership

5 years listed in

“Taiwan Corporate Governance 100 Index” and

“Taiwan High Salary 100 Index”

by TWSE

Ministry of Economics Affairs:

6 times award winner of Excellent Company in GHG Reduction

Carbon Disclosure Project:

2018 B List

Sustainable Green Cycling

Local Communication

- Conducting "mining area safety" hearing in Fushi village.
- Create LINE group talk for instant message and communicating.

Mining Area Safety

- Feelingless explosion：Vibration value under 1.5mm/s.
- Water draining and flood detention.
- Slope stability enhancement.

Mining Mountain Greenery

- Mimic natural eco vegetation.
- 23.7 thousand tons of CO_2 reduction.
- 25% waste heat power used in the plant.

Community Caring

- 25% aboriginal hiring in Hualien plant.
- Electric bill subsidy and property repair.
- Promoting tribe education.

ESG Awards: AC(China)

Awards/Recognition

- Jiangxi Yadong and Huanggang Yadong awarded the third prize of **Green Mines Techniques** by **Green Mine Industry Alliance**
- Jiangxi Yadong awarded the name **Remarkable Eco-friendly Cement Corporation** by **China Cement Association**
- AC(China) assessed by **China Building Materials Federation** to be the **Demonstration Company of Energy conservation and Emission Reduction**

Low-carbon Green Intelligent Manufacturing

- Greatly **reduce the use of ammonia water and NO_x** by applying the denitrification techniques of low-nitrogen combustion.
- Reduced the amount of clinker used and saved electricity, equivalent to **decrease of 0.21mt on CO_2 emission** in 2018.
- **29.6% waste heat** power used in the plant.
- Emissions of pollutants all **above the national requirements**.

Sustainable Mines

Completed the experimental scheme for **green mines** in 2018.

Circular Economy

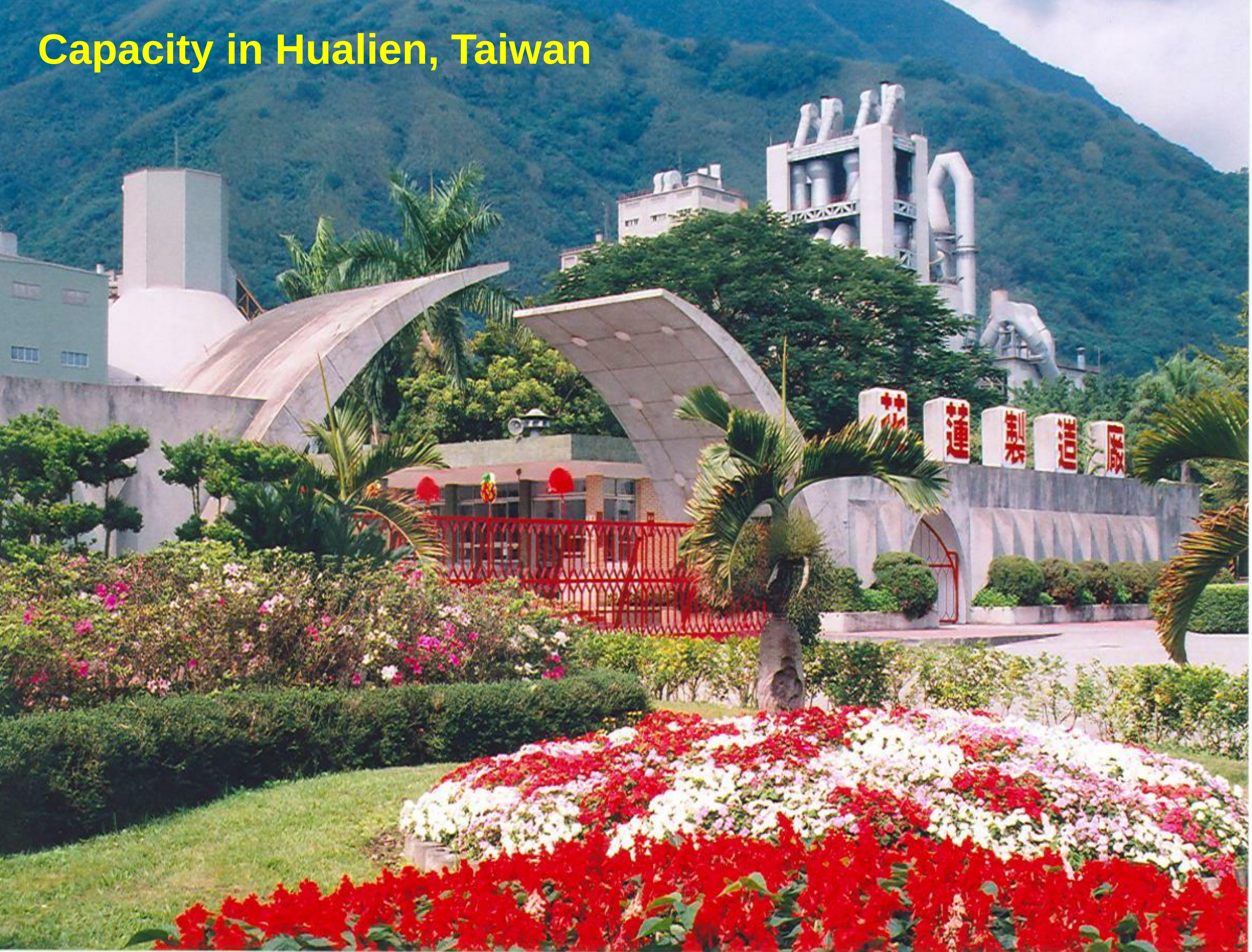
Disposed **12 thousand tons** of wastes in 2018 and strictly follow **classification, recycling, and reuse**. Actively engage in waste co-processing.

Social Care

Donate cement to the neighboring communities, **help the disadvantaged**, and actively participate in charity activities.

Capacity in Jiangxi, China

Capacity in Hualien, Taiwan



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Q&A: Mining Concerns

ACC Eco-friendly Achievements

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