



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



Mar 2021



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- Company Snapshot
- Financial Highlights
- Asia Cement (China) Operating Data
- Shanshui Cement Operating Data
- PRC Industry Overview
- Taiwan Industry Overview
- Financials
- CSR Achievements



Company Snapshot

Company Snapshot



Market Cap: US\$ 5.1 bn / NT\$ 147 bn (as of 13 Nov 2020)

Consolidated Entities

ACC Taiwan

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

AC(China) (743 HK)

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

Other Business

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

Asia Cement (1102 TT)

Equity Investments

FENC
(1402 TW)

U-Ming
Marine
(2606 TW)

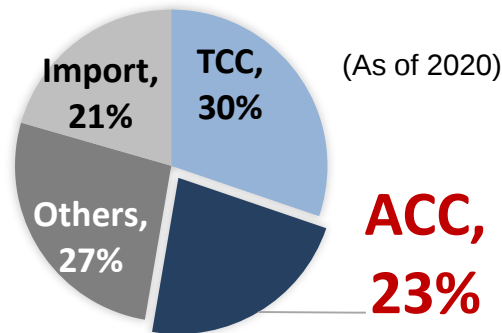
Shanshui
Cement
(691 HK)

ACC(Taiwan) & Other Business

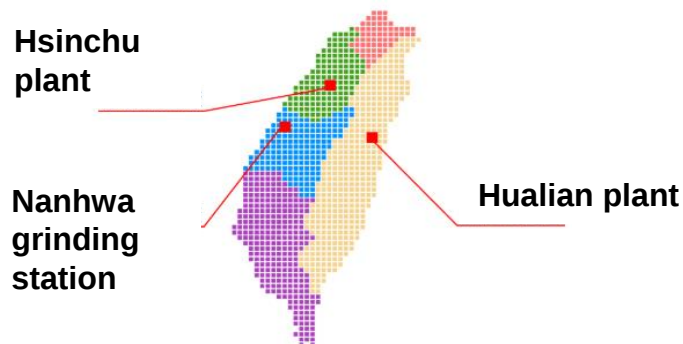


1. **Cement:** 2nd Largest Cement Player in Taiwan.
2. **IPP:** Expanding phase II project with 500MW, COD on 2Q21.
3. **Stainless Steel:** Producing 300 and 400 series products, export oriented.

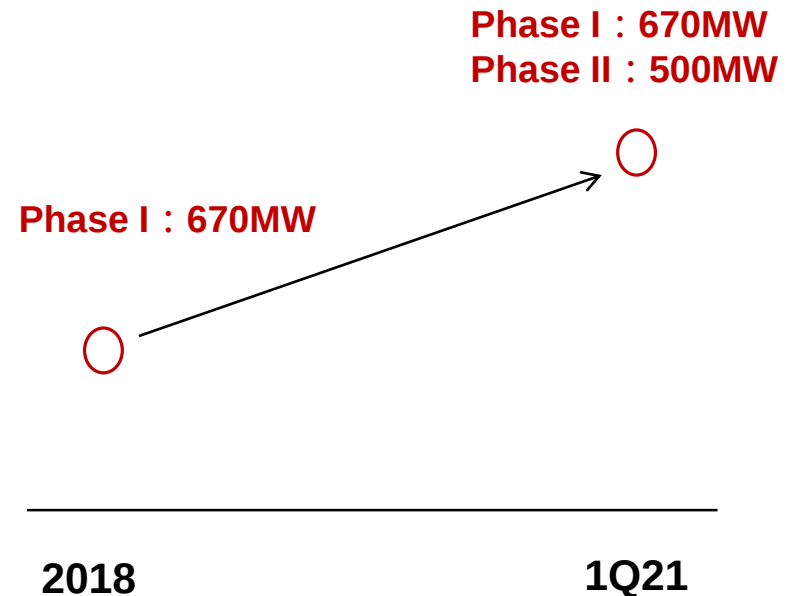
Cement market share in TW



Capacity in TW



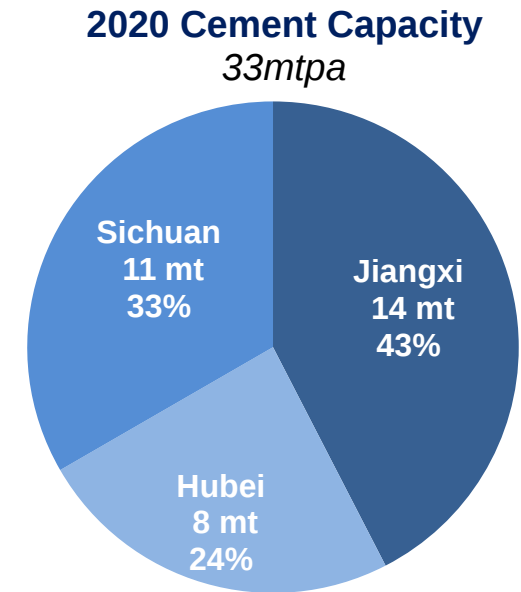
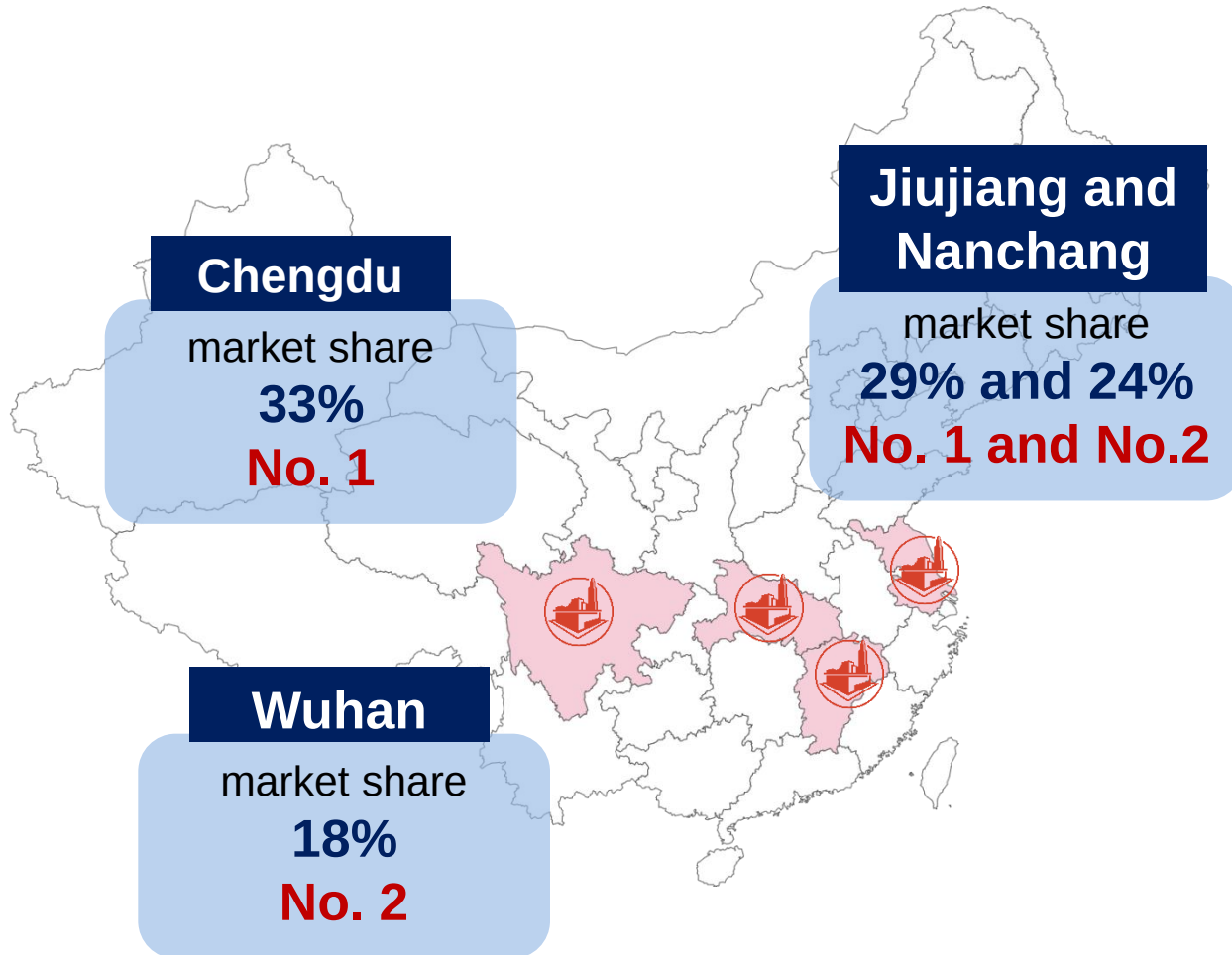
IPP Phase II project in TW



AC(China) Overview



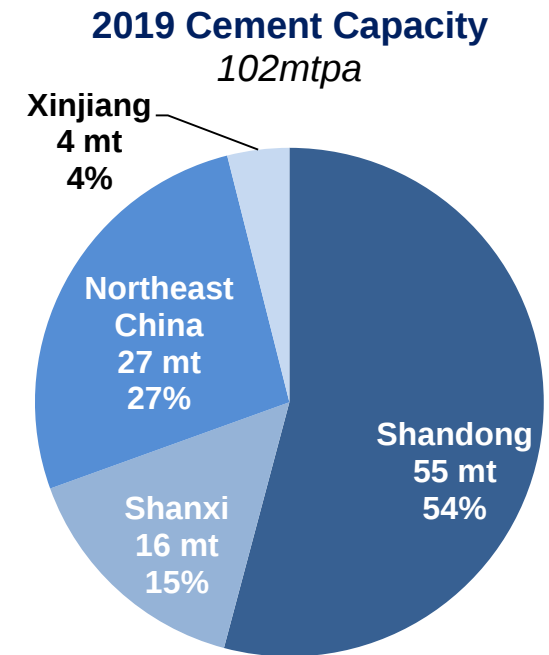
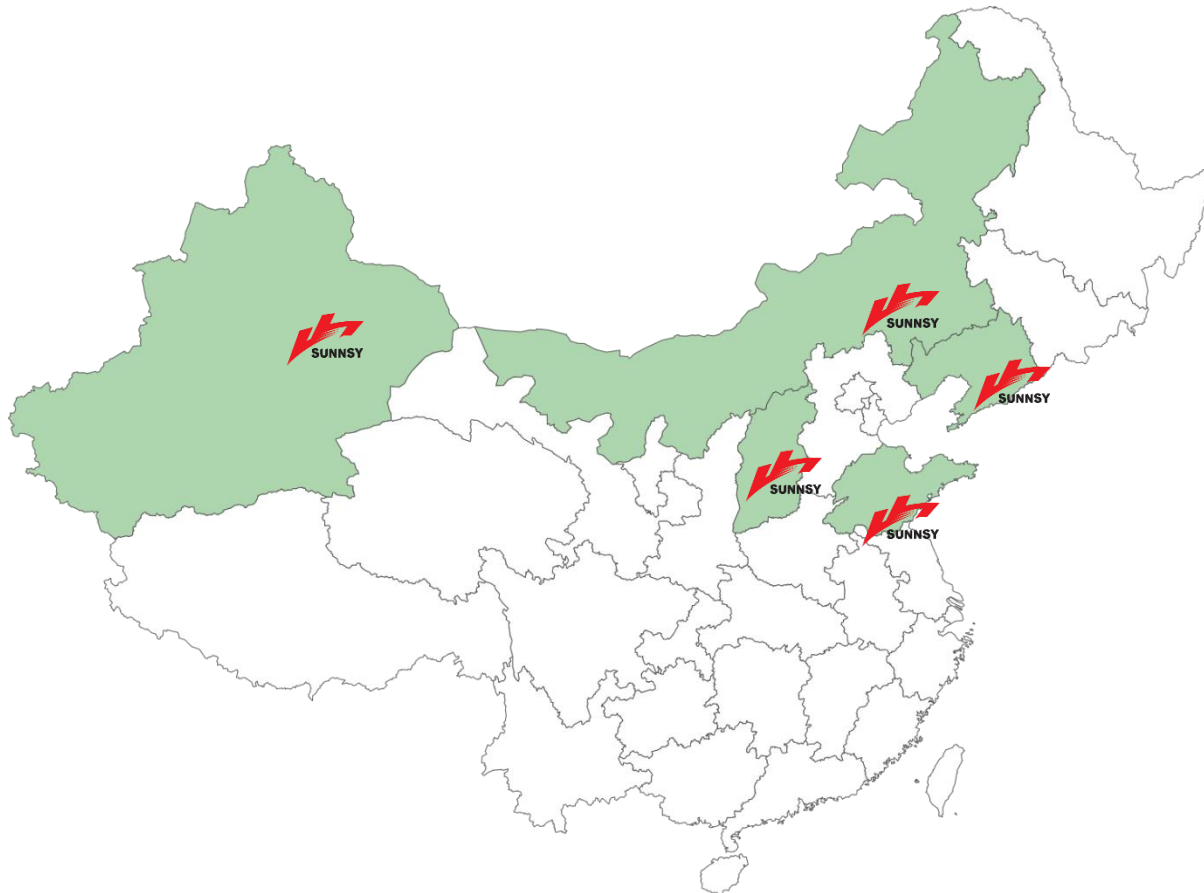
1. Located in the Yangtze River Economic Belt.
2. Leading player in top-tier cities of each operating province.



Shanshui Cement Overview



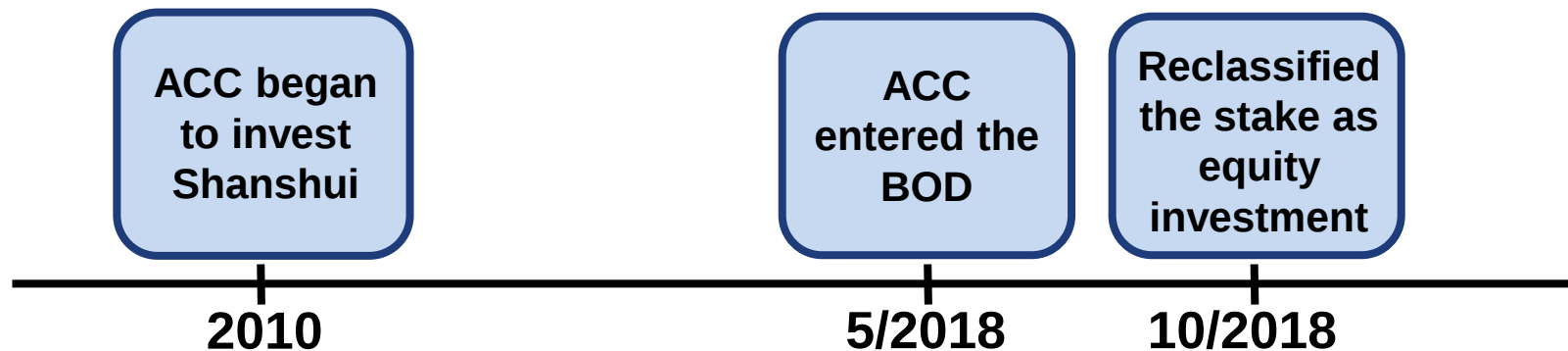
1. One of the major cement producers in Northern China.
2. 7th largest National wide and 2nd largest in Shandong province.



Investment in Shanshui

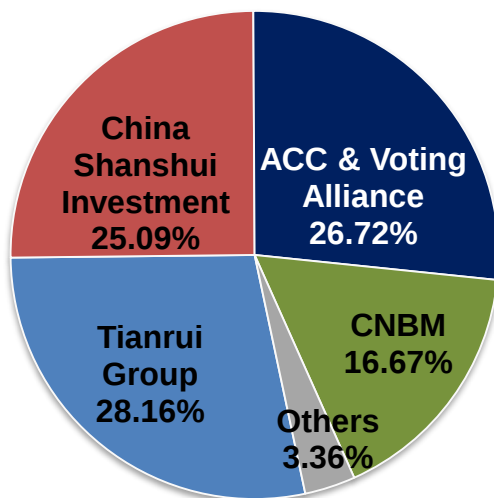


Timeline

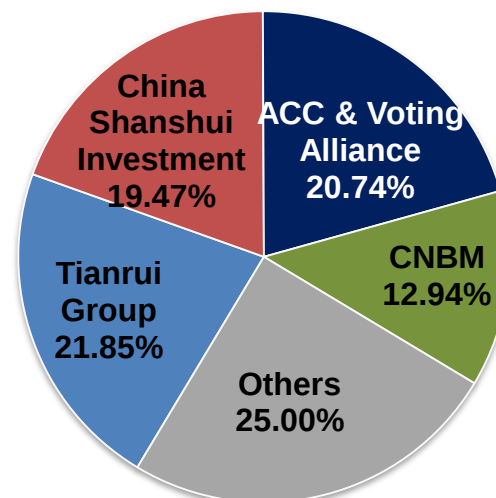


Shanshui Shareholder Structure

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.

Investment Portfolio in Far Eastern Group



NT\$ mn

Incorporated Year	Investees	Stock Code	Holdings	Category	Company Introduction
2004	Asia Cement (China) Holdings Corp. 	743 HK	67.7%	Consolidation	Top 10 cement producer in China
1997	Far EasTone Telecommunications Ltd. 	4904 TT	1.0%	FVTOCI	Top 3 telecom company in Taiwan
1992	Far Eastern International Bank 	2845 TT	2.4%	FVTOCI	Provide diversified financial services in Greater China
1975	Oriental Union Chemical Corp. 	1710 TT	7.2%	FVTOCI	Important supplier of EG and chemical products in Asia-Pacific
1968	U-Ming Marine Transport Corp. 	2606 TT	39.3%	Equity Method	Largest dry bulk carrier in Taiwan
1967	Far Eastern Department Stores Ltd. 	2903 TT	5.7%	FVTOCI	Leading retailer of department store and supermarket in Taiwan
1949	Far Eastern New Century Corp. 	1402 TT	23.8%	Equity Method	Holding Company of Far East Group. Core business integrated from petrochemical to textile.

Note: 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))



Financial Highlights

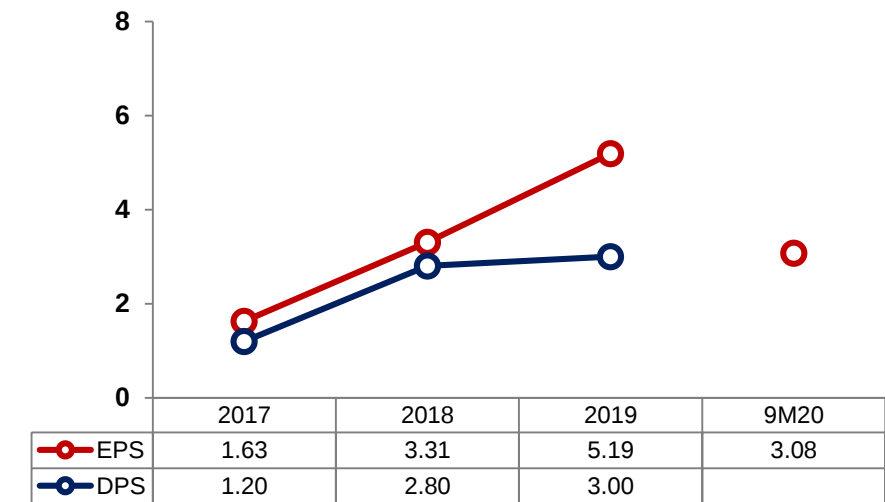
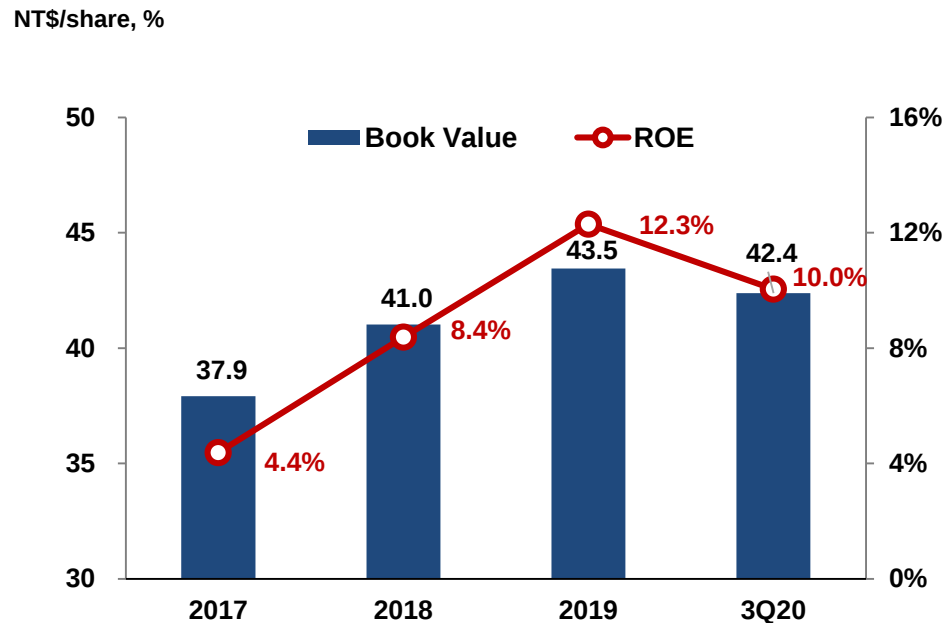
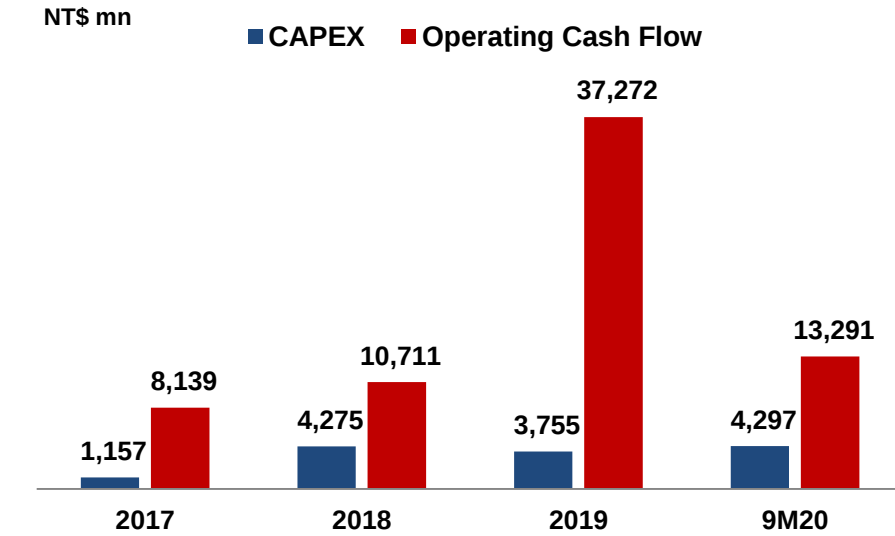
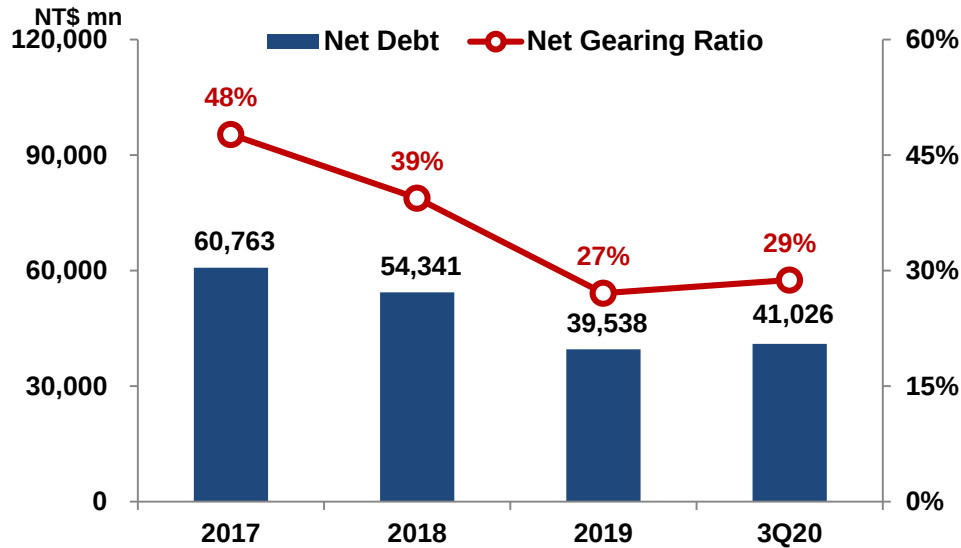
2020 Financials



Summary of P&L (2020)		(NT\$ mn)
Operating Revenue		78,241
Net Gross Profit		23,329
Operating Profit		19,670
Pretax Income		24,144
Net income		18,774
Profit Attribute to Owners of Parent		14,710
EPS(NT\$/share)		4.70
EPS(NT\$/share, by total outstanding shares)		4.38
Summary of Balance Sheets (2020)		(NT\$ mn)
Total Assets		297,087
Total Liabilities		127,200
Total Shareholders' Equity		147,769
Dividend Policy(2020)		
Cash Dividend(NT\$/share)		3.55

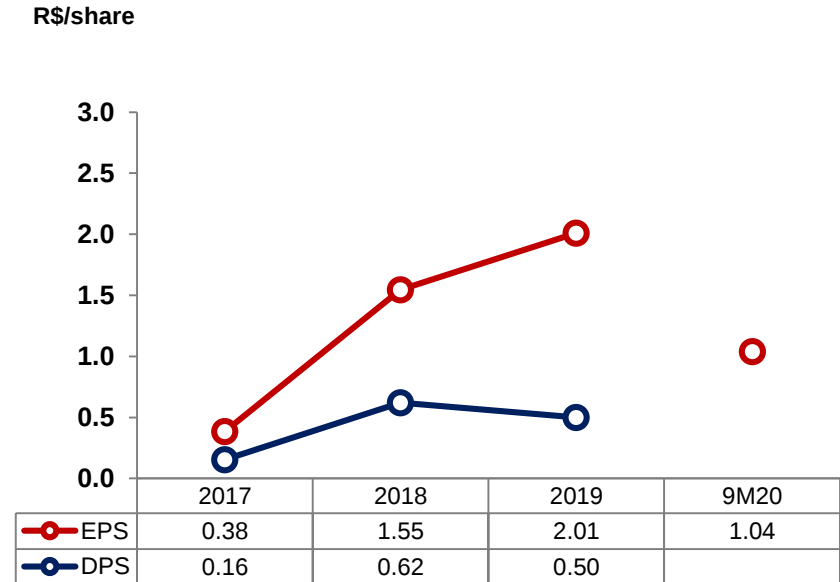
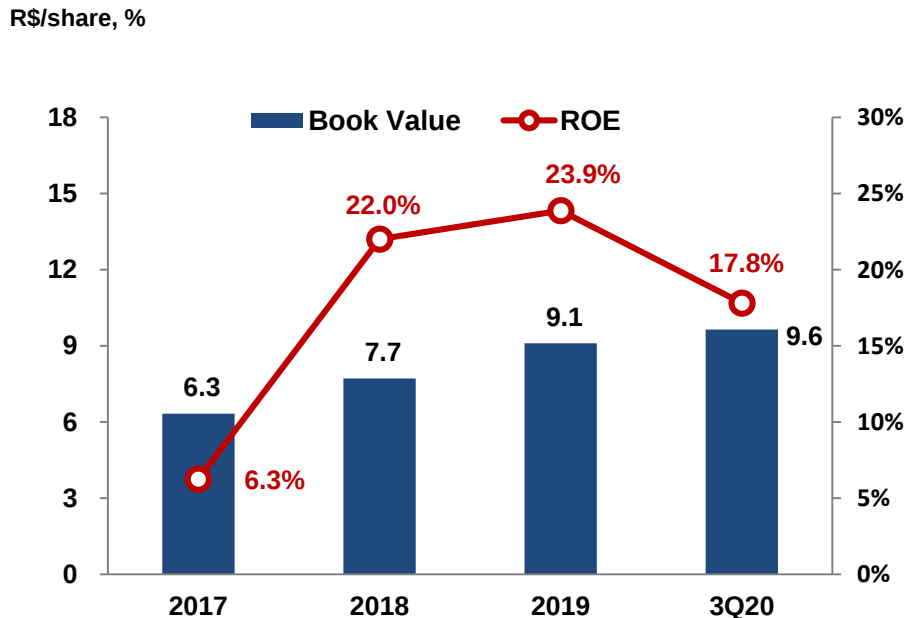
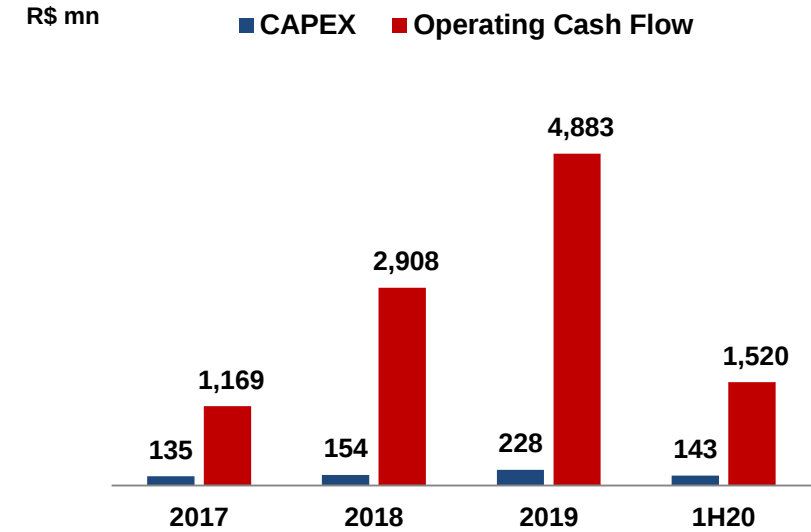
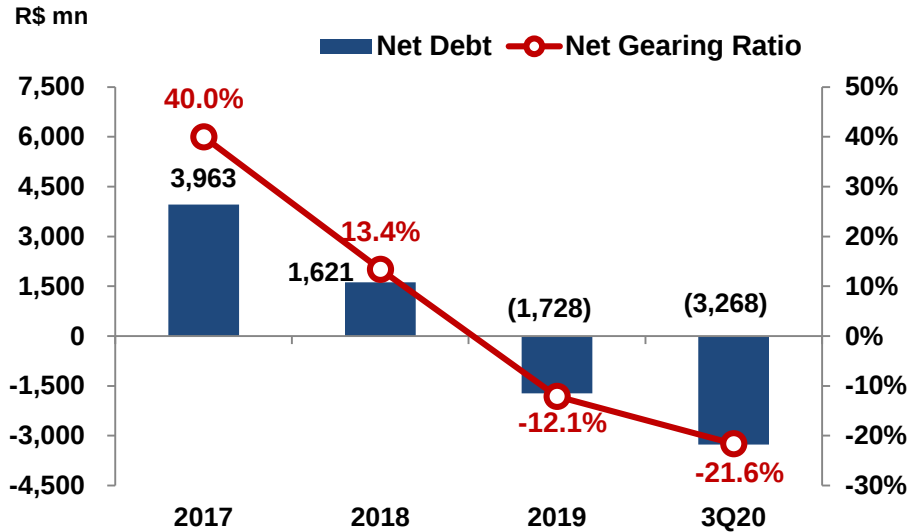
Asia Cement (1102 TW):

Robust financial structure and high dividend payout



Note: EPS is calculated using total outstanding shares.

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



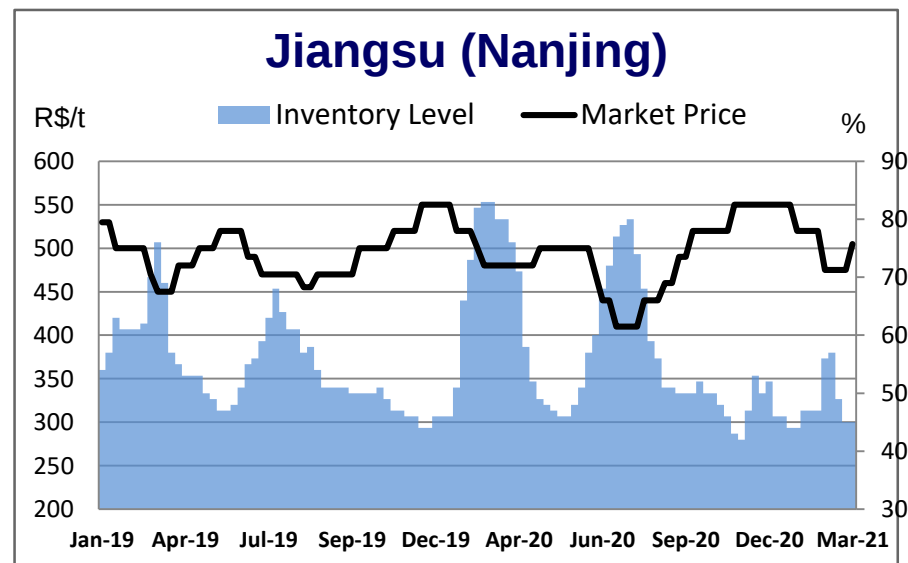
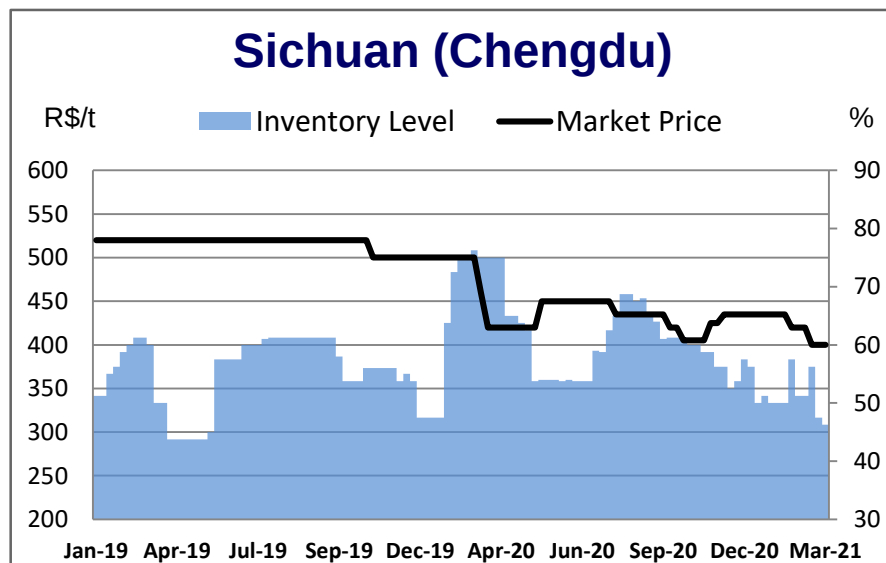
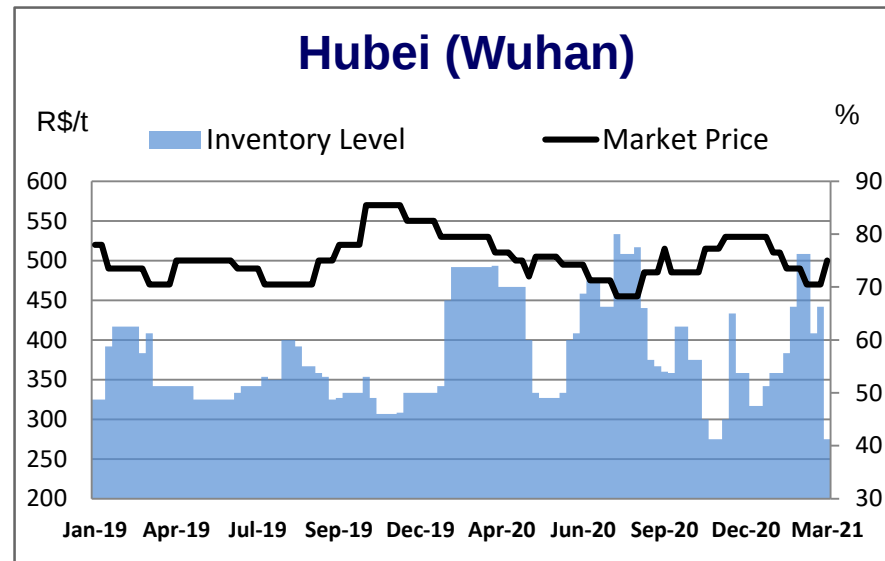
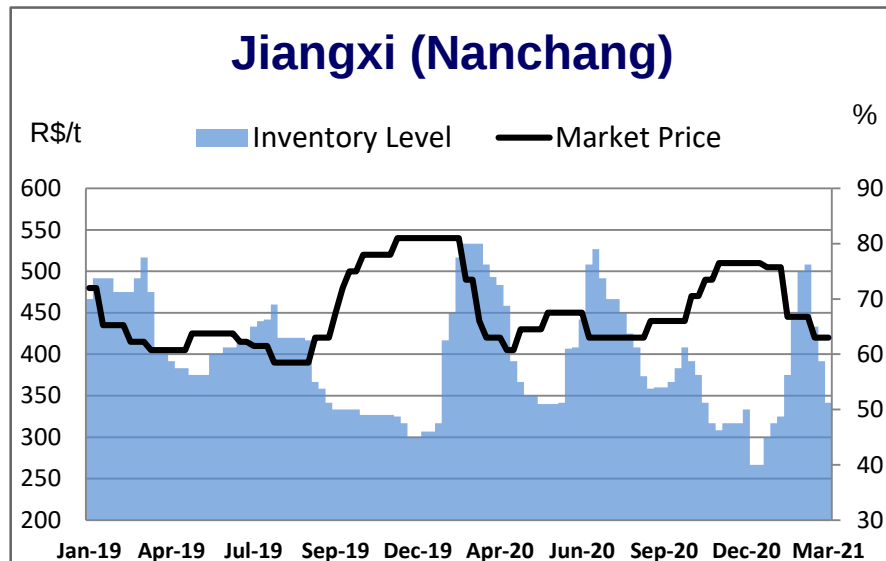


Asia Cement (China) Operating Data

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



Unit: R\$/t ; %



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

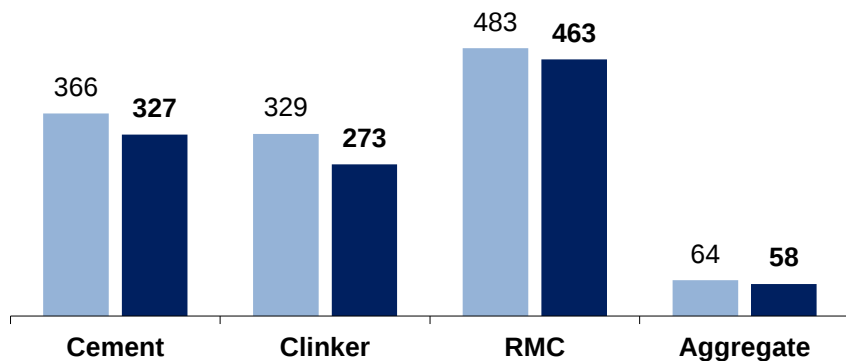
AC(China): 3Q20 Operating Data



R\$/t
RMC:R\$/mm³

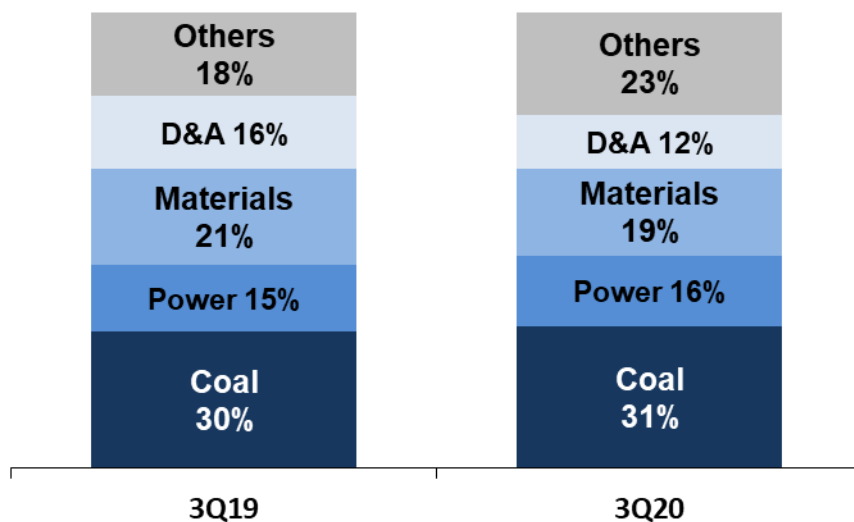
ASP

■ 3Q19 ■ 3Q20



Note: Net of VAT

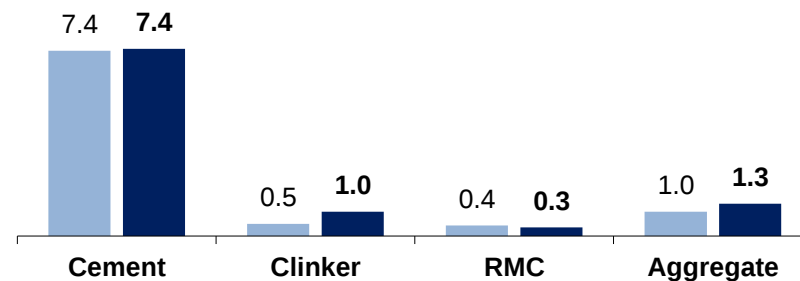
Cost Breakdown



mt
RMC:mm³

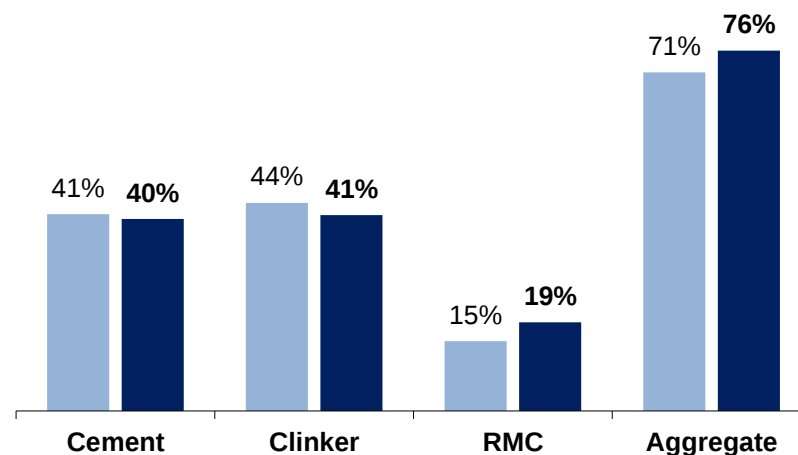
Shipment

■ 3Q19 ■ 3Q20



Gross Margin

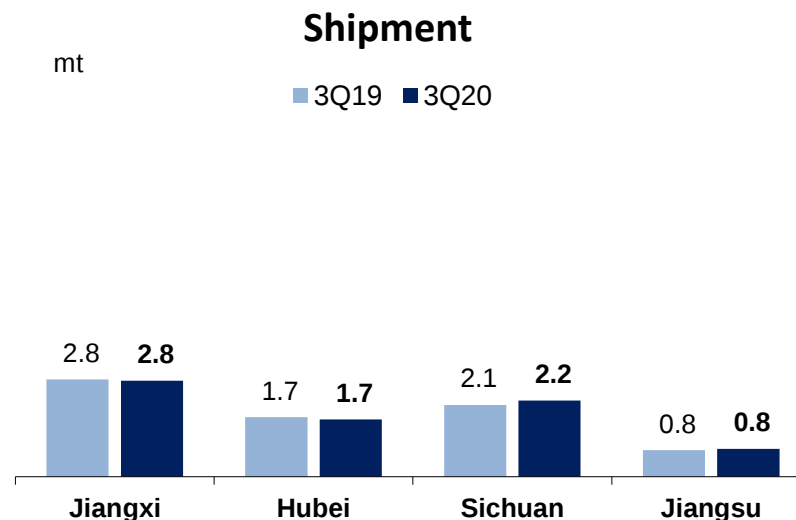
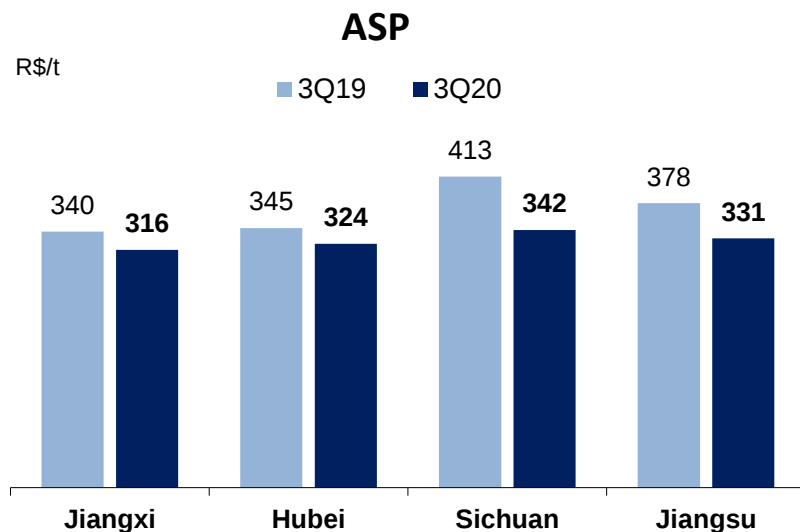
■ 3Q19 ■ 3Q20



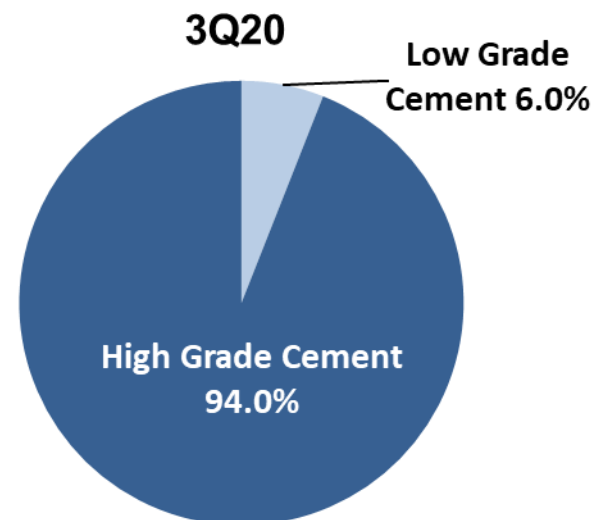
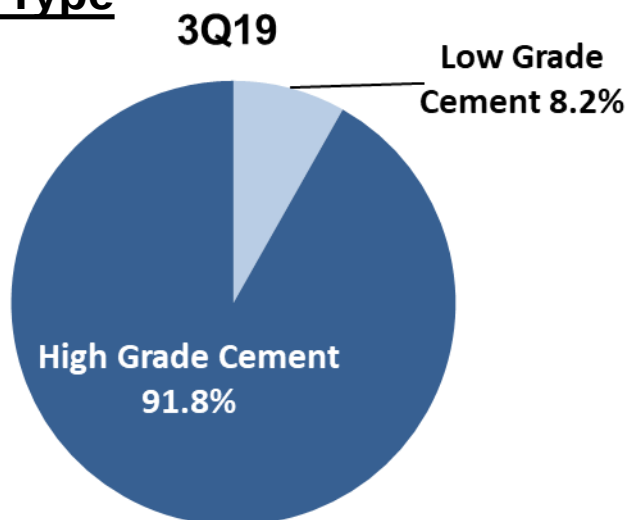
AC(China): 3Q20 Operating Data



Cement Product by Regions



Product Type



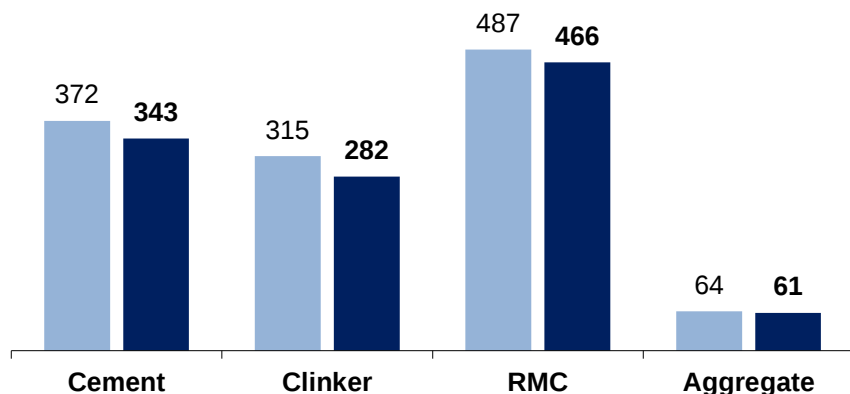
AC(China): 9M20 Operating Data



R\$/t
RMC:R\$/mm³

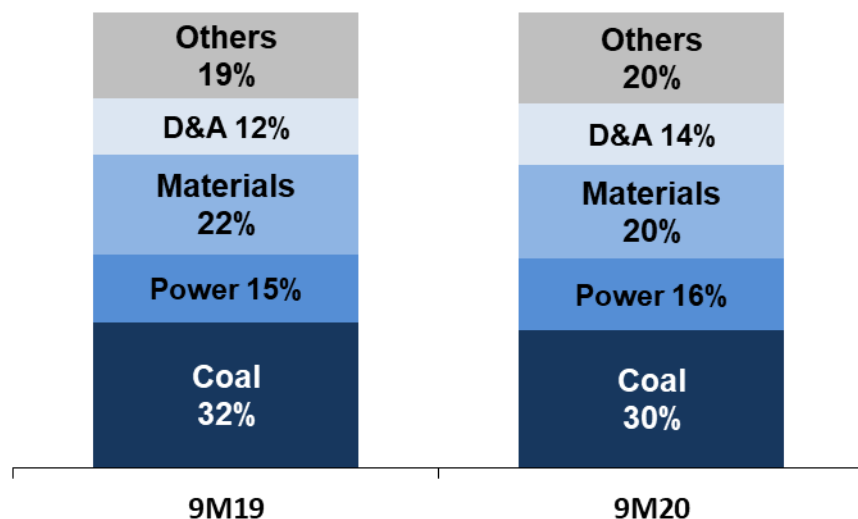
ASP

■ 9M19 ■ 9M20



Note: Net of VAT

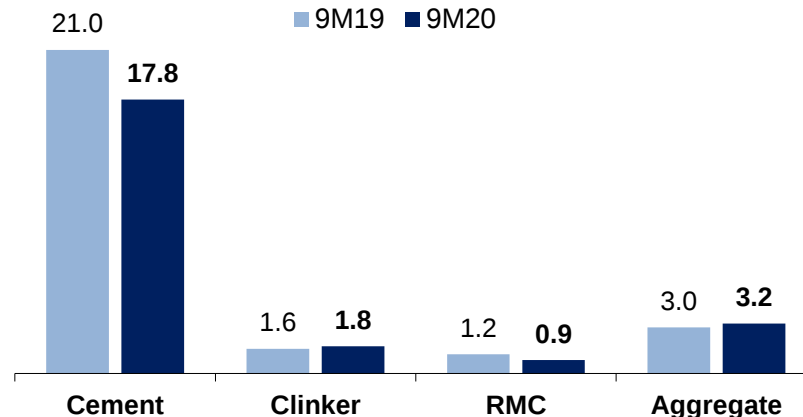
Cost Breakdown



mt
RMC:mm³

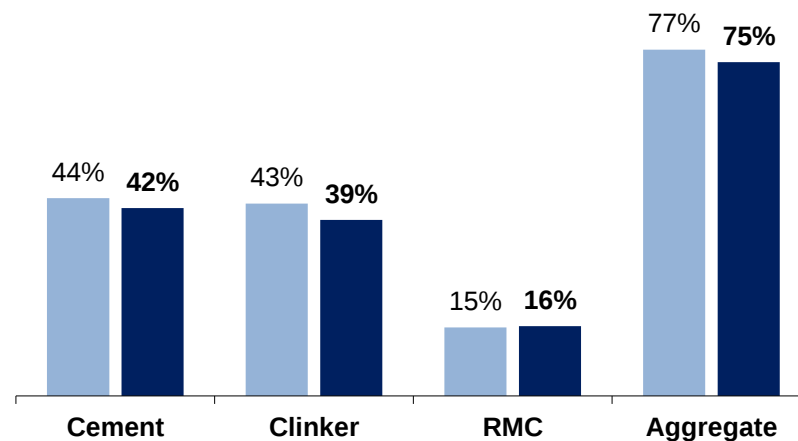
Shipment

■ 9M19 ■ 9M20



Gross Margin

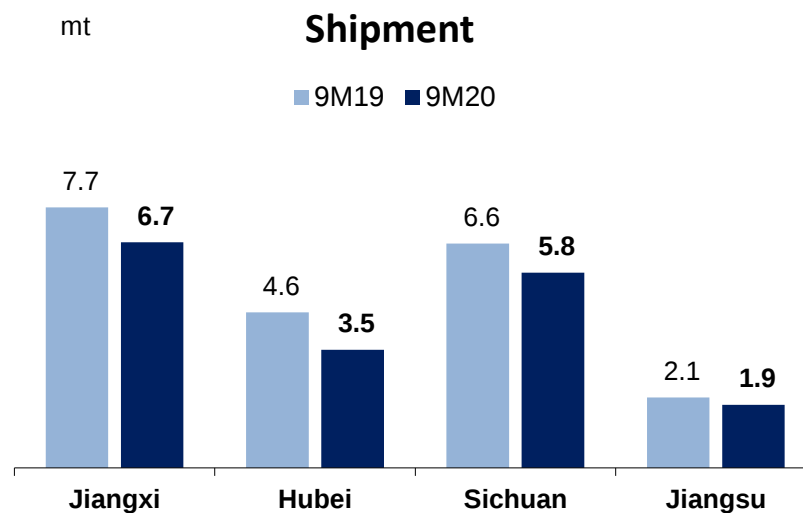
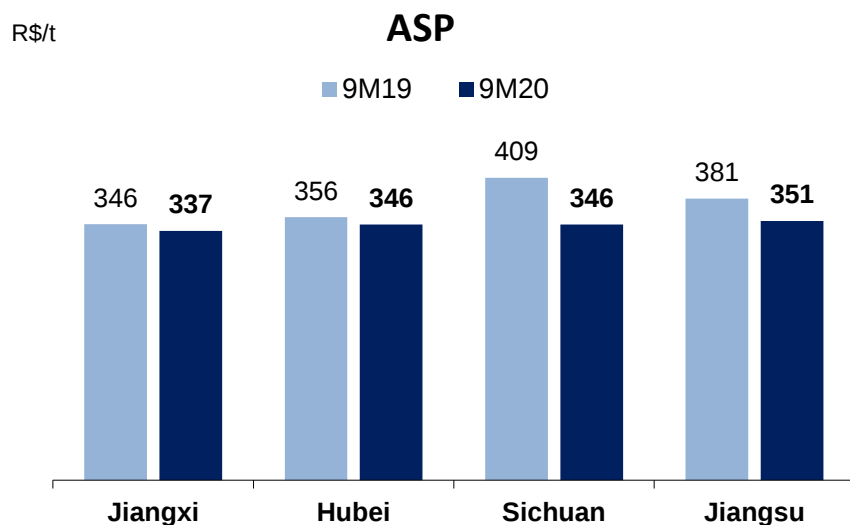
■ 9M19 ■ 9M20



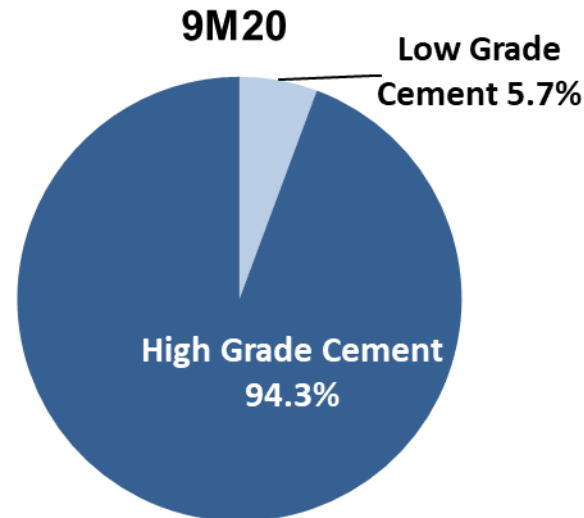
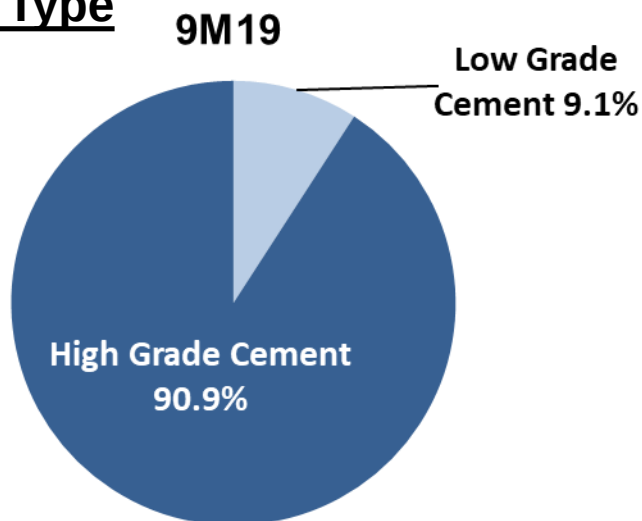
AC(China): 9M20 Operating Data



Cement Product by Regions



Product Type



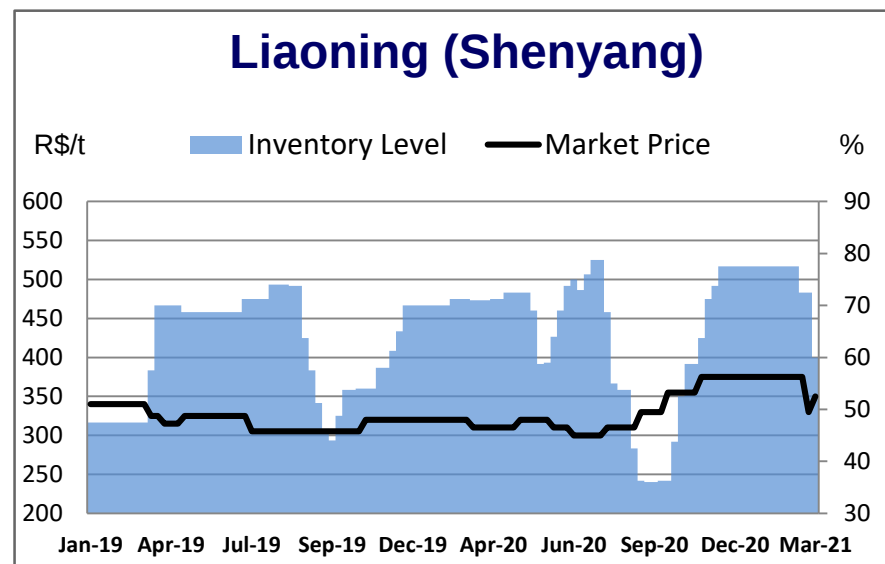
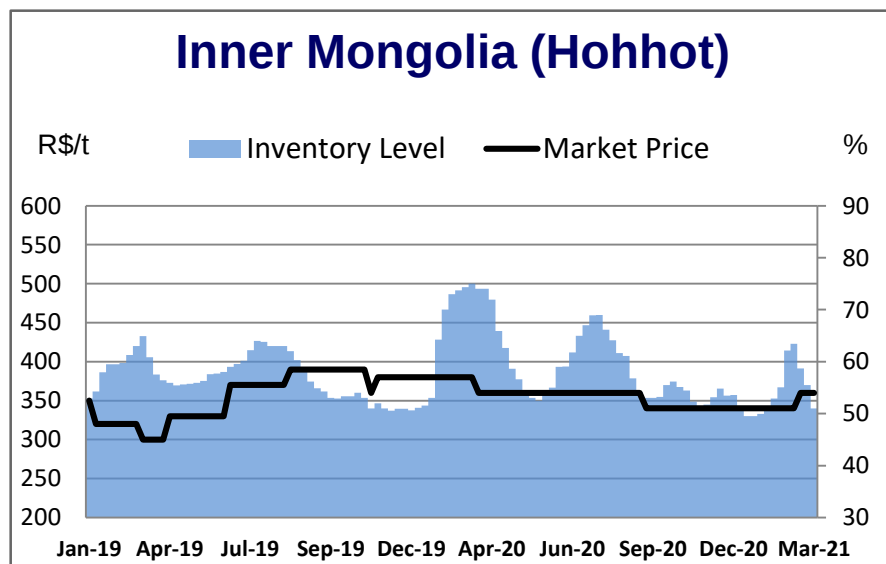
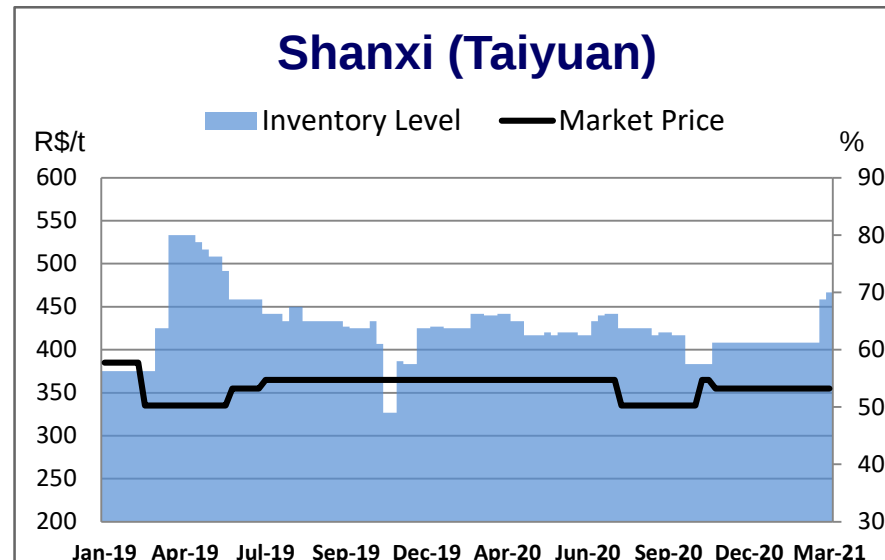
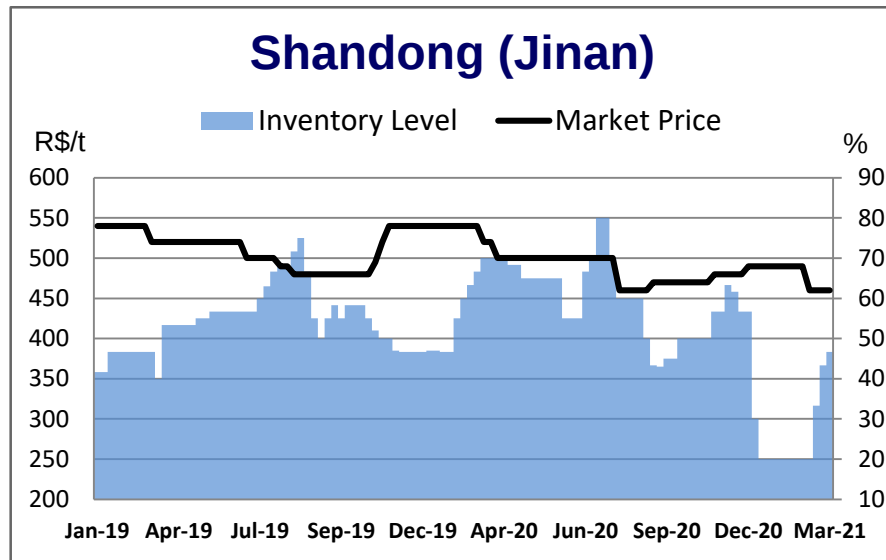


Shanshui Cement Operating Data

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



Unit: R\$/t ; %



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

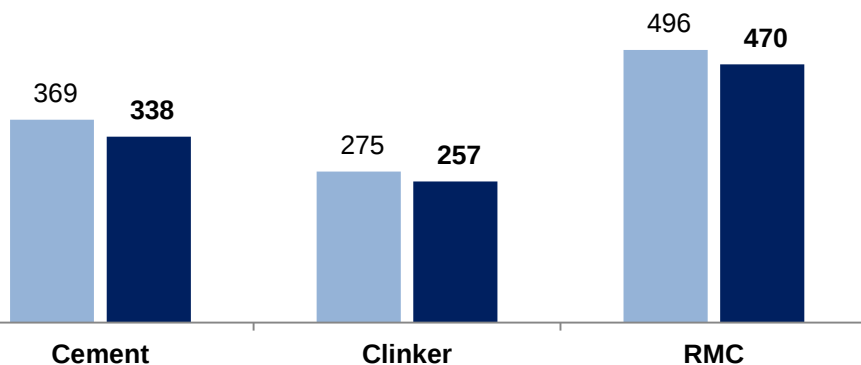
Shanshui: 1H20 Operating Data



R\$/t
RMC:R\$/mm³

ASP

■ 1H19 ■ 1H20

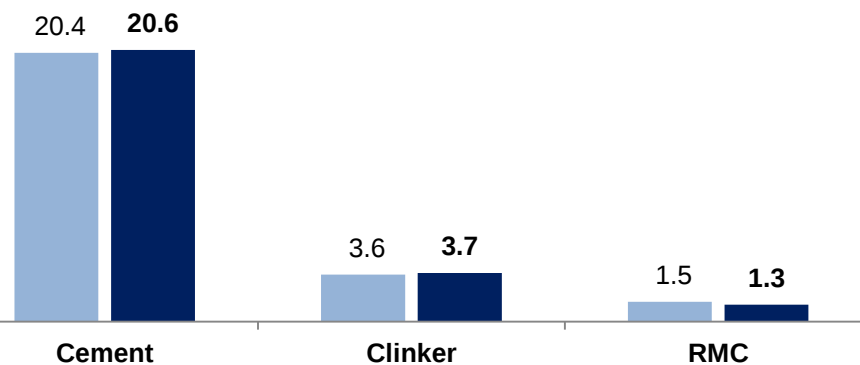


Note: Net of sales tax and surcharge.

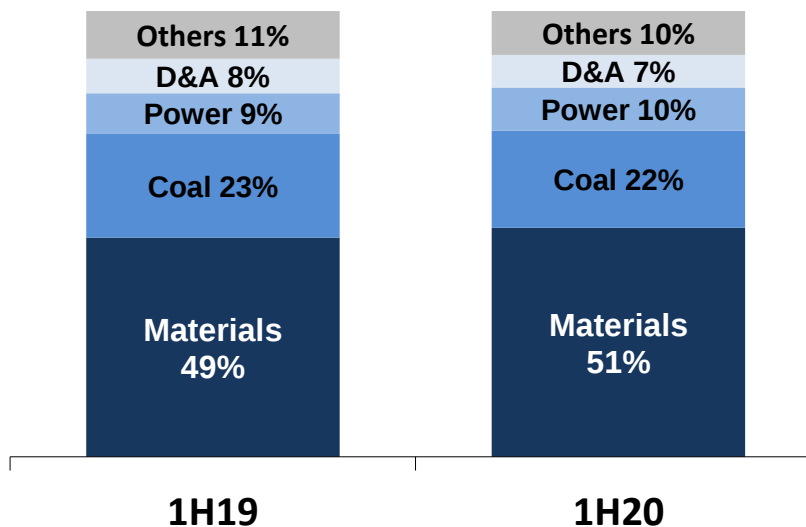
mt
RMC:mm³

Shipment

■ 1H19 ■ 1H20



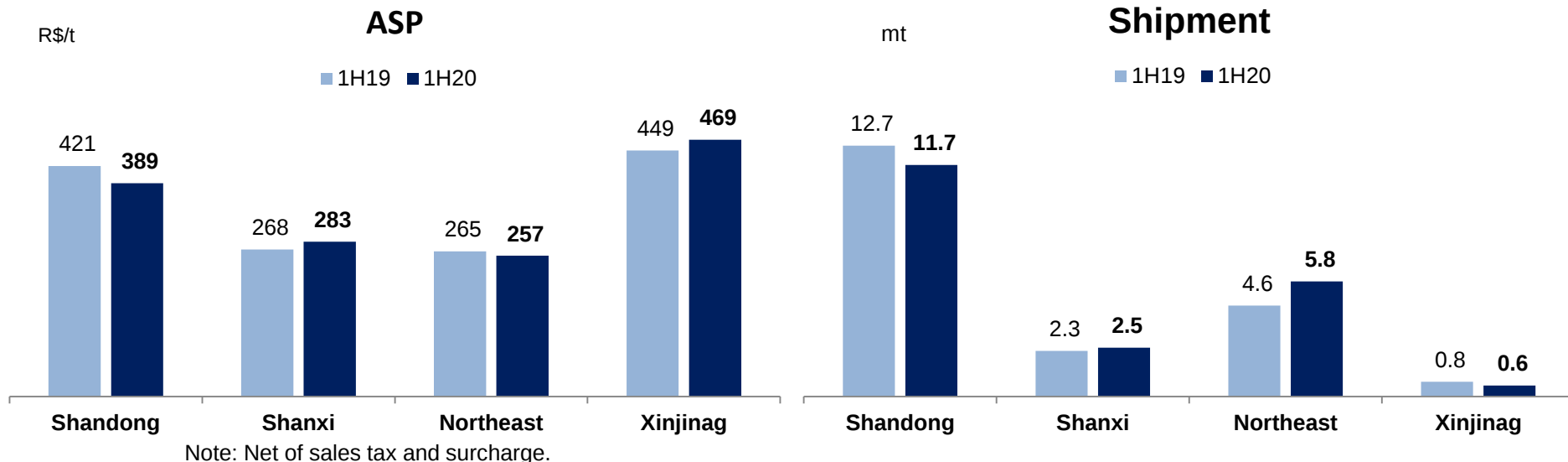
Cost Breakdown



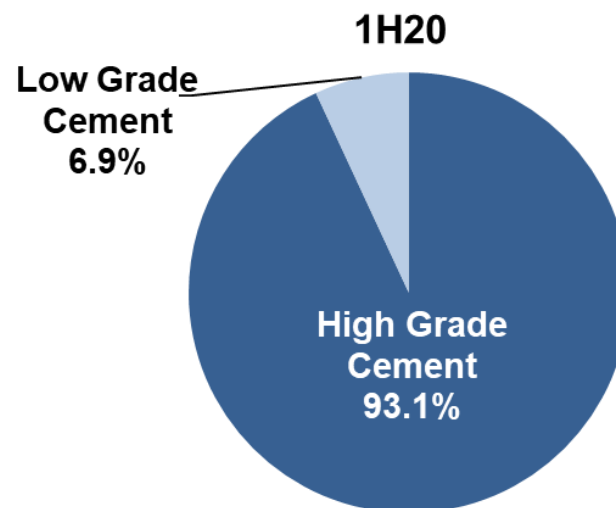
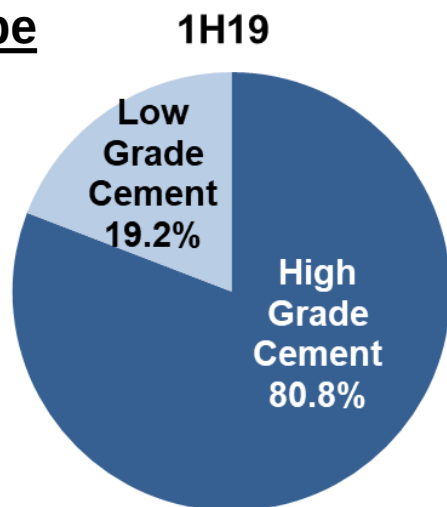
Shanshui: 1H20 Operating Data



Cement Product by Regions



Product Type





PRC Industry Overview

China Cement Demand Outlook

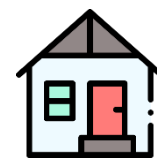


Infrastructure:

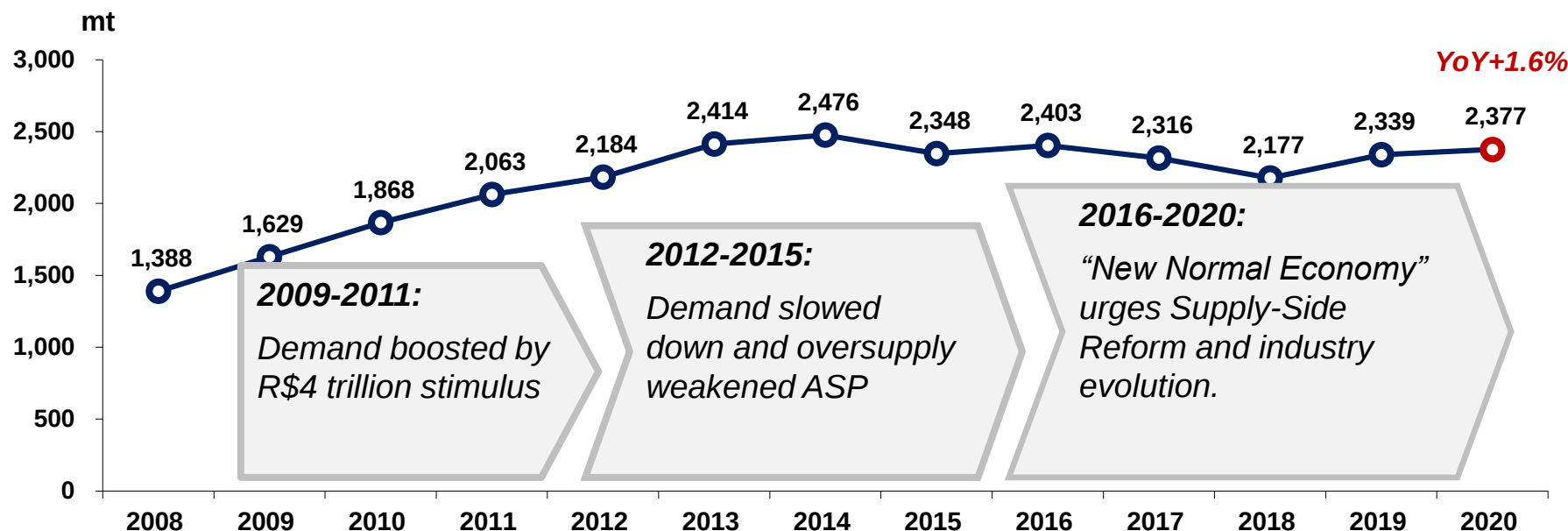
- RMB\$3.65 tn local government special bond for 2021 and raising the urbanization ratio in 14FYP indicates strong demand for transport constructions and infrastructure projects.

Property:

- Rigid demand for real estate in Tier 1&2 cities.
- Construction activities are expected to continue to accelerate in 1H21.



2021-2023: Plateau Period with Well-controlled Supply and Stable Demand



China Cement Industry Policy Trend



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.



Blue sky protection campaign carries on



1. Production halt has continued to contribute to supply discipline since 2016.
2. Stricter regulations developing into ultra low emission and differentiation.



Encourage consolidation

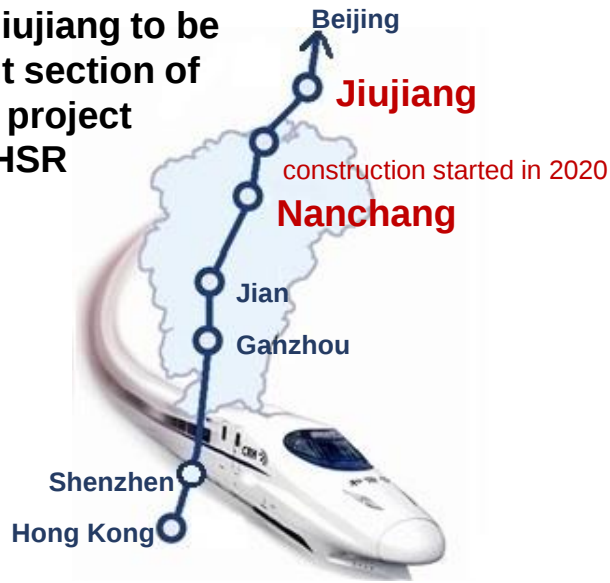


1. M&A, cross holding, JVs, sales platform
2. Subsidizing the exiting capacity with de-capacity funds.

Jiangxi: Guaranteed Mid-long Term Demand



Nanchang-Jiujiang to be an important section of the national project Beijing-HK HSR



1. Important connection to link Beijing, Yangtze delta and Pearl delta.
2. Major projects:

Projects	Estimated Construction Period
Nanchang-Jiujiang High-speed Railway	2020~2023
Anqing-Jiujiang High-speed Railway	2018~2022
Nanchang-Huangshan High-speed Railway	2019~2023
Expansion of Nanchang City Ring Expressway	2020~TBD

ZheGanYue canal to be a national water system



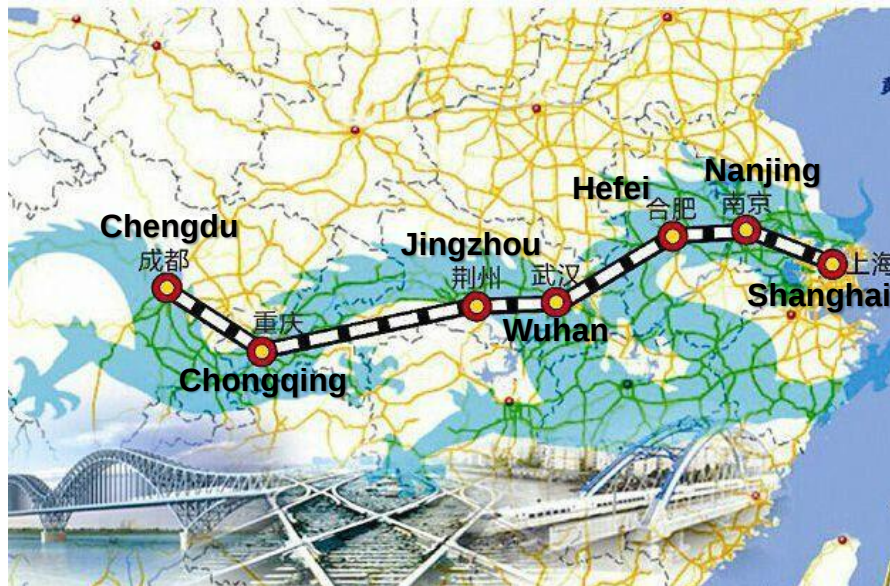
Sichuan: Gateway to the West



Sichuan-Tibet Railway

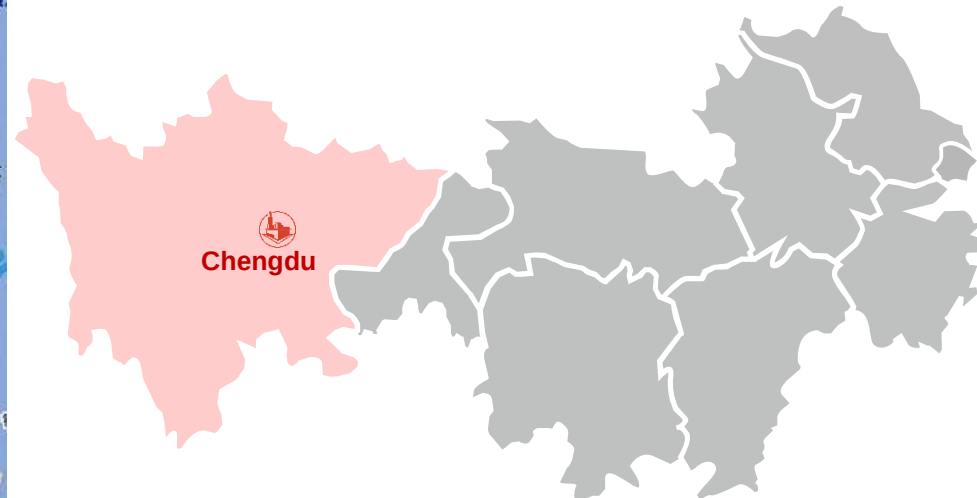


High-speed Railways along the Yangtze River



1. Hub of coordinated development between eastern and western regions.
2. Primary beneficiary of Western Development.
3. Major projects:

Projects	Estimated Construction Period
Sichuan-Tibet Railway	2013~2026
High-speed railways along the Yangtze River	2020~2025
Xian-Chengdu High-Speed Railway	2019~2025
Transportation Integration of Chengdu-Chongqing Twin Cities Economic Circle	2020~2022



Hubei: Post-pandemic Surge of Infrastructure Projects



Two Great Bridges to Be Constructed in Wuhan



Wuhan West Railway Station



1. Great stimulus especially in transportation infrastructure after Covid-19
2. 14th Five-Year Comprehensive Transportation Plan of Wuhan
3. Major projects:

Projects	Estimated Construction Period
Wuhan west railway station	2021~TBD
Wuhan-Dawu Highway	2018~2021
Wuhan-Yangxin Expressway	2018~2020
Shuangliu Yangtze Great Bridge	2020~TBD
Guanggu Yangtze Great Bridge	2020~TBD
Expansion of Tianhe International Airport	2020~TBD



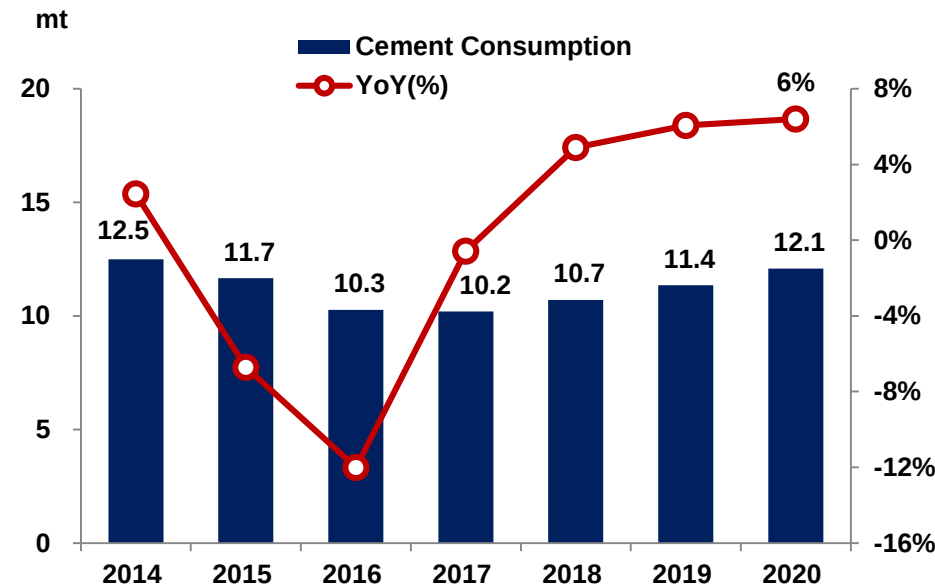


Taiwan Industry Overview

Taiwan Cement Market

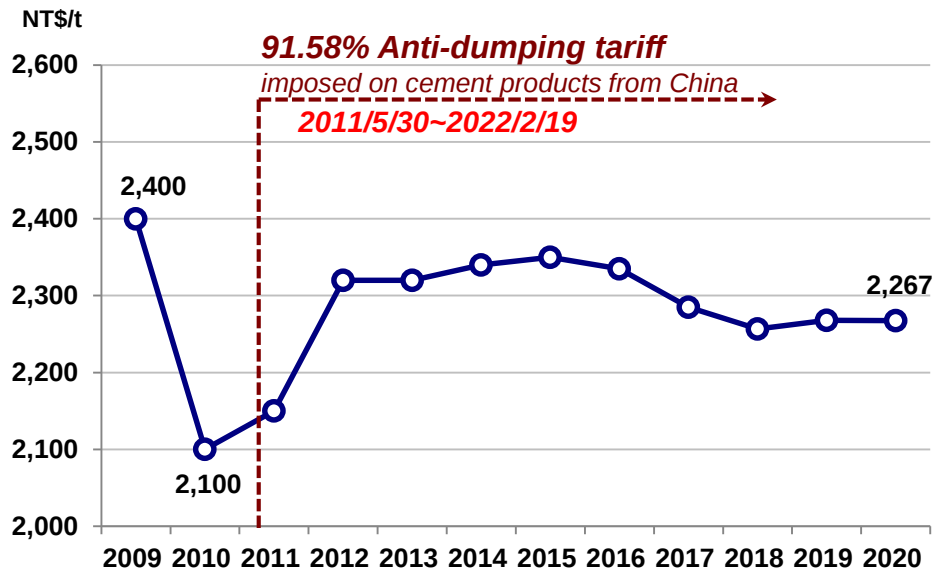


Demand getting warm since 2018



1. Central government proposed the Forward-looking Infrastructure Development Program (2018-2021) with a budget of NT\$420 bn.
2. Trade frictions prompt Taiwanese corporate to return to invest in Taiwan.

ASP remain steady



1. ASP remains steady since anti-dumping tariff blocked import from China.

Note: consumption = local + imports

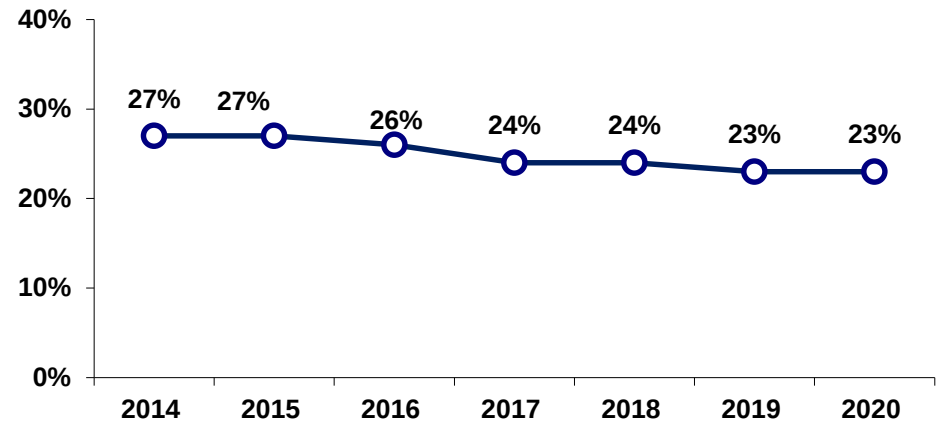
Source: National Development Council, Taiwan Cement Manufacturers' Association

ACC(Taiwan) Outlook: Improving sales and margins



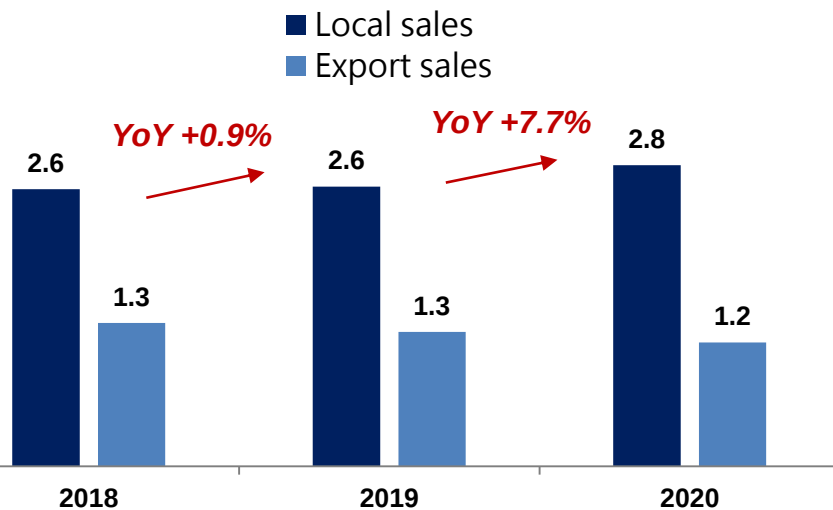
1. Local sales improved in 2020.
2. Gross margin continued to pick up on lower coal cost.

Domestic market shares

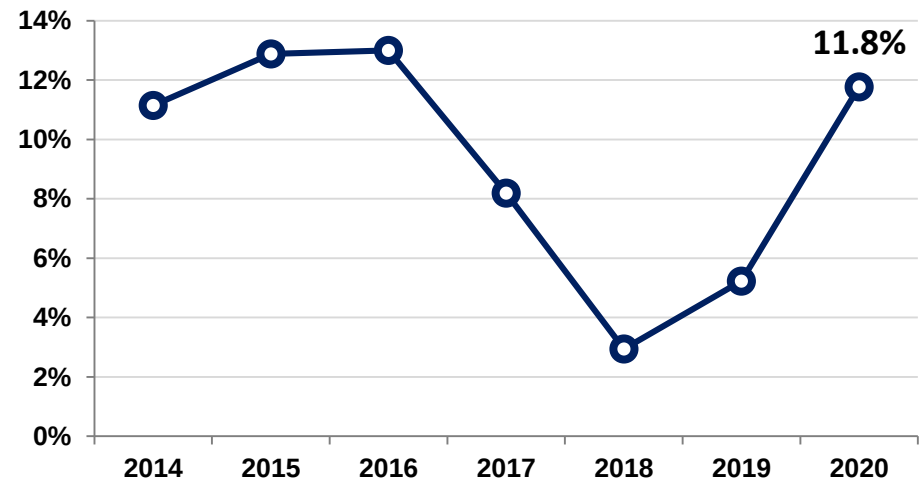


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Cement and Clinker Sales



ACC(Taiwan) Gross Margin



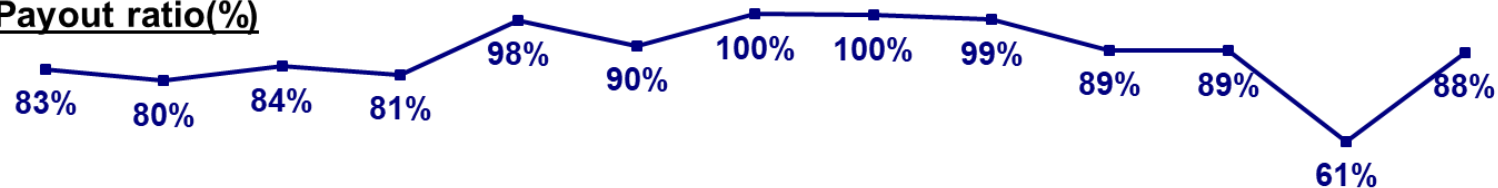


Financials

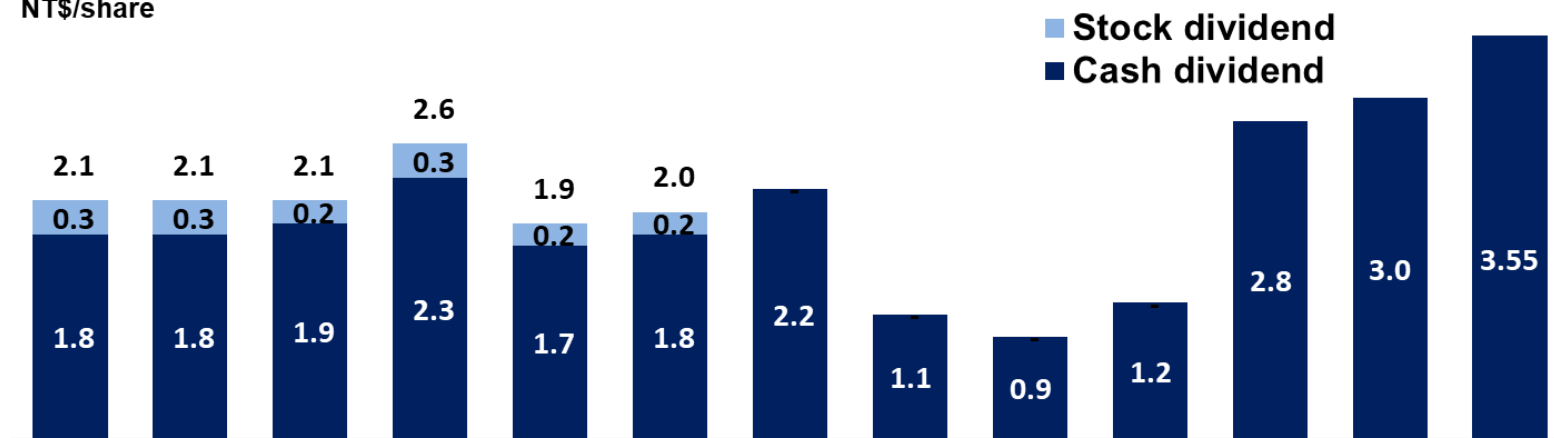
Steady Payout with Enjoyable Yields



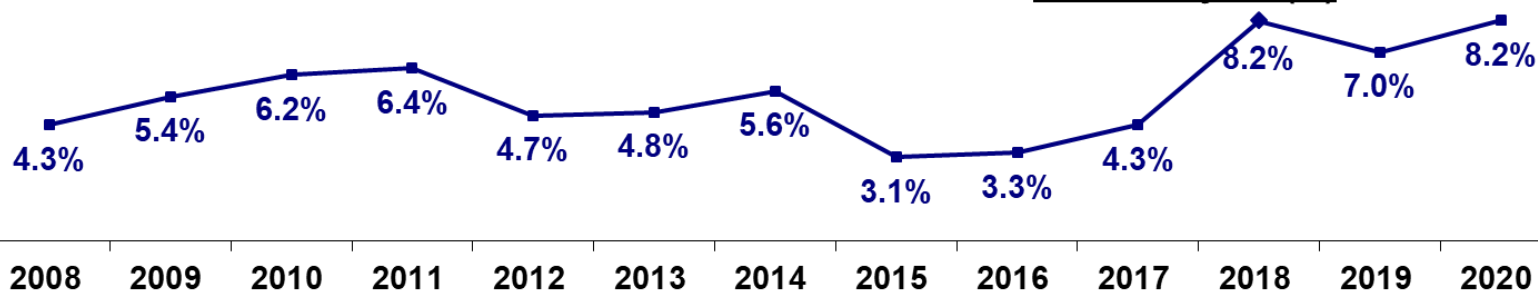
Payout ratio(%)



NT\$/share



Dividend yield(%)



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

	3Q20	3Q19	YoY	9M20	9M19	YoY
Operating Revenue	20,736	22,401	-7%	54,564	66,207	-18%
Operating Cost	14,333	16,031	-11%	38,786	47,102	-18%
Net Gross Profit	6,403	6,370	1%	15,778	19,105	-17%
SG&A expenses	758	1,038	-27%	2,701	2,905	-7%
Operating profit	5,645	5,332	6%	13,077	16,200	-19%
Non-operating income(net)	1,933	1,525	27%	3,785	5,323	-29%
Equity Income	1,599	1,980	-19%	3,590	4,361	-18%
Far Eastern New Century Corp.	425	469	-9%	1,000	1,318	-24%
U-Ming Marine Transport Corp.	292	338	-14%	180	388	-54%
Shanshui Cement Co. Ltd.	719	885	-19%	1,573	1,835	-14%
Others	163	288	-44%	837	819	2%
Net Interest Income (Expense)	13	(145)		(74)	(604)	
Dividend Income	32	27		332	448	
Gain (loss) on exchange	(6)	(20)		(114)	73	
Gain (loss) on FVTPL Financial Assets and Liabilities	171	(405)		(252)	759	
Gain (loss) on Investment Property	100	64		230	145	
Others	25	24		73	142	
Pre tax Income	7,578	6,857		16,862	21,524	
Net income	6,154	5,502	12%	12,988	16,937	-23%
Profit Attributable to Owners of Parent	4,930	4,340	14%	10,341	13,459	-23%
EPS (NT\$/share)	1.47	1.29	14%	3.08	4.00	-23%
Gross margin	30.9%	28.4%		28.9%	28.9%	
Operating margin	27.2%	23.8%		24.0%	24.5%	
Net margin	23.8%	19.4%		19.0%	20.3%	

Note: EPS is calculated using total outstanding shares.

Performance by Segments

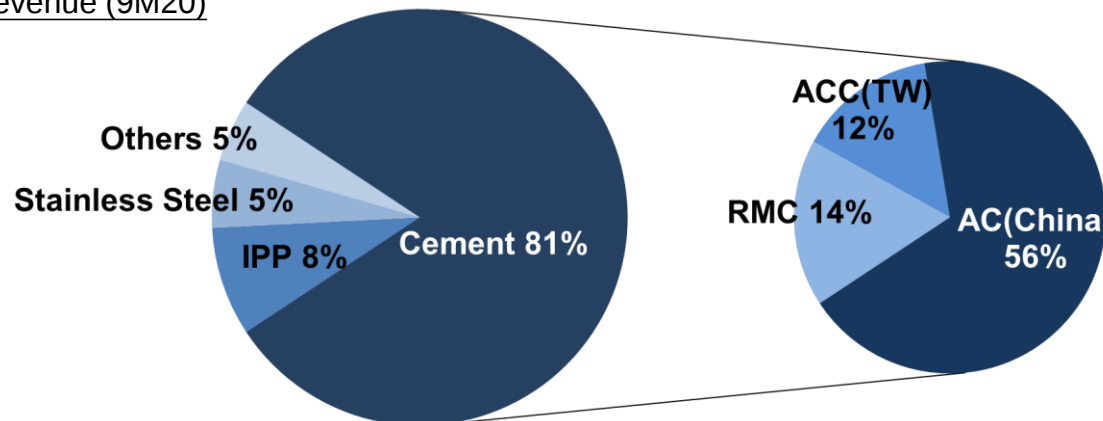


NT\$ mn

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

	3Q20	3Q19	YoY	9M20	9M19	YoY
Operating Revenue	20,736	22,401	-7%	54,564	66,207	-18%
Cement business	17,168	18,072	-5%	44,588	53,990	-17%
Power business	1,744	2,215	-21%	4,629	5,694	-19%
Stainless Steel business	860	1,213	-29%	2,878	4,211	-32%
Others	964	901	7%	2,469	2,313	7%
Operating Cost	14,333	16,031	-11%	38,786	47,102	-18%
Net Gross Profit	6,403	6,370	1%	15,778	19,105	-17%
SG&A expenses	758	1,038	-27%	2,701	2,905	-7%
Operating profit	5,645	5,332	6%	13,077	16,200	-19%
Cement business	4,558	4,523	1%	10,789	14,455	-25%
Power business	659	533	24%	1,383	1,145	21%
Stainless Steel business	0	12	-98%	(28)	59	NA
Others	427	263	62%	933	541	72%

Revenue (9M20)





Summary of Balance Sheets

NT\$ mn

	3Q20		2Q20		2019	
	Amount	%	Amount	%	Amount	%
Current Assets	93,074	31%	92,590	31%	89,242	30%
Cash&Cash equivalents	37,610	12%	20,375	7%	24,735	8%
Short-term Investments	29,871	10%	43,251	15%	31,724	11%
Others	25,593	8%	28,964	10%	32,783	11%
Non-Current Assets	208,997	69%	203,678	69%	208,036	70%
Long-term Investment	93,688	31%	92,136	31%	96,140	32%
Fixed Assets	87,864	29%	87,130	29%	86,858	29%
Intangible Assets	7,209	2%	6,713	2%	7,000	2%
Other Assets	20,235	7%	17,699	6%	18,038	6%
Total Assets	302,070	100%	296,268	100%	297,279	100%
Current Liabilities	71,967	24%	75,561	26%	74,336	25%
Short-term debt	58,409	19%	52,365	18%	55,895	19%
Others	13,558	4%	23,196	8%	18,440	6%
Non-Current Liabilities	63,411	21%	61,188	21%	53,494	18%
Bonds Payable	29,400	10%	32,525	11%	19,281	6%
Bank Loans	20,698	7%	15,387	5%	20,821	7%
Others	13,313	4%	13,276	4%	13,392	5%
Total Liabilities	135,378	45%	136,749	46%	127,829	43%
Total Shareholders' Equity	166,692	55%	159,519	54%	169,449	57%
Book Value(NT\$/Share)	42.4		40.7		43.5	
ROE	10.0%		9.9%		12.3%	
Net Gearing Ratio	28.8%		26.8%		27.1%	
Net Debt	41,026		36,651		39,538	
Net Debt/EBITDA	1.6		1.5		1.4	

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

Summary of Cash Flow Statement



NT\$ mn

	3Q20	3Q19	YoY	9M20	9M19	YoY
Net Income	4,930	4,340		10,341	13,459	
Depr&Amort	1,256	1,210		3,685	3,682	
Changes of non-cash WC	425	(470)		3,609	4,695	
Disposal/(Acquisition) of FVTPL FA ⁽¹⁾	(4,427)	4,383		(5,261)	5,699	
Other Ope. CF Items	3,487	4,204		917	962	
Operating Cash Flow	5,671	13,666	-59%	13,291	28,496	-53%
CAPEX	(1,150)	(340)		(4,297)	(2,468)	
Disposal/(Acquisition) of AC FA ⁽²⁾	17,479	(1,310)		6,776	(10,756)	
Disposal/(Acquisition) of FVTOCI FA	(359)	0		(1,476)	(57)	
Other Inv. CF Items	(2,198)	(33)		(2,214)	(2,293)	
Investing Cash Flow	13,773	(1,683)	NA	(1,211)	(15,573)	NA
Changes in Debt/Borrowings	8,450	836		13,014	2,463	
Dividends Paid	(10,085)	(9,412)		(10,085)	(9,412)	
Other Fin. CF Items	(402)	(317)		(1,508)	(1,568)	
Financing Cash Flow	(2,036)	(8,893)	NA	1,421	(8,517)	NA
Effect of FX	(173)	(419)		(627)	(284)	
Net Changes in Cash	17,234	2,671	545%	12,874	4,122	212%
Free Cash Flow	4,521	13,326	-66%	8,994	26,029	-65%

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



RMB\$ mn

	3Q20	3Q19	YoY	9M20	9M19	YoY
Operating revenue	2,953	3,139	-6%	7,267	9,182	-21%
Operating cost	1,772	1,880	-6%	4,299	5,281	-19%
Gross Profit	1,182	1,258	-6%	2,968	3,902	-24%
Other net income/(loss)	40	(13)		113	80	
Selling&marketing costs	119	108		297	330	
Administrative expenses	67	94		317	336	
Operating income	1,036	1,043	-1%	2,467	3,316	-26%
Finance costs	26	68		121	211	
Shares of results of jointly controlled entities	0	2		1	5	
Pre tax Income	1,011	977		2,347	3,110	
Tax	240	229		667	814	
Net Income	771	748	3%	1,680	2,297	-27%
Profit Attributable to Owners of Parent	749	730	3%	1,627	2,240	-27%
Minority interests	22	18		53	56	
EPS (RMB\$/share)	0.48	0.47	3%	1.04	1.43	-27%
Gross margin	40.0%	40.1%		40.8%	42.5%	
Operating margin	35.1%	33.2%		33.9%	36.1%	
Net margin	25.4%	23.8%		22.4%	25.0%	
EBITDA margin	42.8%	43.6%		43.4%	44.2%	
EBITDA	1,264	1,369	-8%	3,152	4,058	-22%

Note: According to IFRS, losses on work stoppages, which is the fixed operating cost RMB 115mn in 1Q20, were recognized as operating expense.

AC(China): Summary of Balance Sheets



RMB\$ mn

	3Q20		2Q20		2019	
	Amount	%	Amount	%	Amount	%
Current Assets	12,728	53%	12,274	52%	12,620	53%
Inventories	718	3%	726	3%	674	3%
Trade and other receivables	2,453	10%	2,367	10%	3,963	17%
Bank balances and cash	9,534	40%	9,157	39%	7,943	33%
Non-Current Assets	11,073	47%	11,112	48%	11,366	47%
Property, Plant & Equipment	7,691	32%	7,803	33%	8,077	34%
Total Assets	23,801	100%	23,387	100%	23,986	100%
Current Liabilities	5,303	22%	6,199	27%	7,695	32%
Borrowings- due within one year	3,437	14%	4,592	20%	4,770	20%
Trade and other payables	1,208	5%	1,246	5%	2,174	9%
Non-Current Liabilities	3,037	13%	2,497	11%	1,647	7%
Borrowings- due after one year	2,829	12%	2,295	10%	1,444	6%
Total Liabilities	8,340	35%	8,696	37%	9,343	39%
Total Equity	15,461	65%	14,690	63%	14,643	61%
Equity Attributable to Parent	15,108	63%	14,359	61%	14,264	59%
Book Value(RMB/Share)	9.6		9.2		9.1	
ROE	17.8%		18.6%		23.9%	
ROA	10.9%		11.1%		14.1%	
Net Gearing Ratio	-21.6%		-15.8%		-12.1%	
Net Debt	(3,268)		(2,270)		(1,728)	

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

AC(China): Summary of Cash Flow Statement



RMB\$ mn

	3Q20	3Q19	<u>YoY</u>	9M20	9M19	<u>YoY</u>
Net Income						
Depr&Amort						
Changes of non-cash WC						
Other Ope. CF Items						
Operating Cash Flow	1,159	1,028	13%	2,679	3,336	-20%
CAPEX						
Other Inv. CF Items						
Investing Cash Flow	(135)	(34)	NA	(156)	(242)	NA
Changes in Debt/Borrowings						
Dividends Paid						
Other Fin. CF Items						
Financing Cash Flow	(647)	(297)	NA	(932)	(527)	NA
Net Changes in Cash	377	697	-46%	1,591	2,567	-38%

Shanshui: Summary of P&L



RMB\$ mn

	4Q20	4Q19	YoY	2020	2019	YoY
Operating revenue	5,580	5,427	3%	20,891	21,479	-3%
Operating cost	3,691	3,634	2%	13,927	14,207	-2%
Gross Profit	1,889	1,793	5%	6,965	7,272	-4%
Other net income/(loss)	28	22		416	337	
Selling&marketing costs	220	198		681	673	
Administrative expenses	540	695		2,040	2,243	
Operating income	1,157	922	25%	4,659	4,693	-1%
Finance costs	20	152		347	510	
Shares of results of jointly controlled entities	(6)	6		22	43	
Pre tax Income	1,132	777		4,334	4,226	
Tax	274	318		1,059	1,198	
Net Income	858	459	87%	3,274	3,028	8%
Profit Attributable to Owners of Parent	855	473	81%	3,187	2,973	7%
Minority interests	3	(14)		87	55	
EPS (RMB/share)	0.20	0.11		0.73	0.68	
Gross margin	33.9%	33.0%		33.3%	33.9%	
Operating margin	20.7%	17.0%		22.3%	21.8%	
Net margin	15.3%	8.5%		15.3%	14.1%	

Shanshui: Summary of Balance Sheets



RMB\$ mn

	2020		2Q20		2019	
	Amount	%	Amount	%	Amount	%
Current Assets	7,178	26%	7,421	27%	6,217	23%
Inventories	2,288	8%	2,226	8%	1,995	7%
Trade and other receivables	2,319	8%	2,427	9%	1,937	7%
Bank balances and cash	1,401	5%	1,754	6%	1,364	5%
Non-Current Assets	20,499	74%	20,364	73%	20,611	77%
Property, Plant & Equipment	18,022	65%	17,982	65%	18,331	68%
Total Assets	27,677	100%	27,784	100%	26,828	100%
Current Liabilities	9,839	36%	11,105	40%	11,182	42%
Borrowings- due within one year	2,197	8%	3,372	12%	3,911	15%
Trade and other payables	3,605	13%	4,011	14%	3,742	14%
Non-Current Liabilities	1,956	7%	2,770	10%	3,046	11%
Borrowings- due after one year	1,233	4%	2,021	7%	2,249	8%
Total Liabilities	11,795	43%	13,876	50%	14,227	53%
Total Equity	15,882	57%	13,909	50%	12,600	47%
Equity Attributable to Parent	15,703	57%	13,778	50%	12,497	47%
Book Value(RMB/Share)	3.6		3.2		2.9	
ROE	22.6%		25.1%		27.0%	
ROA	11.7%		11.3%		11.2%	
Net Gearing Ratio	11.2%		24.2%		36.5%	
Net Debt	1,764		3,329		4,567	

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

Shanshui: Summary of Cash Flow Statement



RMB\$ mn

	2020	2019	<u>YoY</u>
Net Income	3,187	2,973	
Depr&Amort		1,533	
Changes of non-cash WC		(181)	
Other Ope. CF Items		(158)	
Operating Cash Flow	3,507	4,167	-16%
CAPEX	(1,521)	(1,105)	
Other Inv. CF Items		(416)	
Investing Cash Flow	(1,325)	(1,521)	NA
Changes in Debt/Borrowings		(2,563)	
Issuance of Common Stock		0	
Dividends Paid		0	
Other Fin. CF Items ⁽¹⁾		(37)	
Financing Cash Flow	(2,133)	(2,600)	NA
Effect of FX	(12)	14	
Net Changes in Cash	49	46	7%
Free Cash Flow	1,986	3,061	



CSR Achievements

Sustainable Mining Mountain

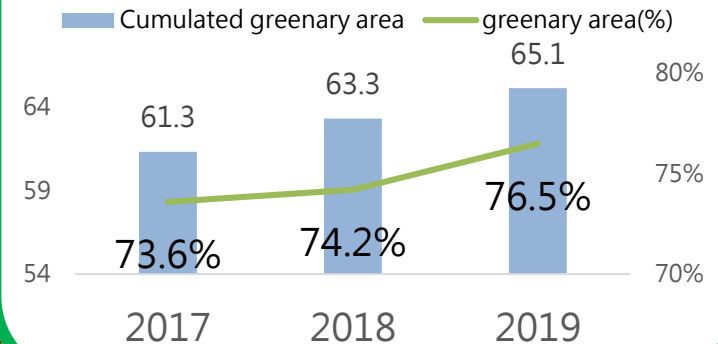


Mining Safety

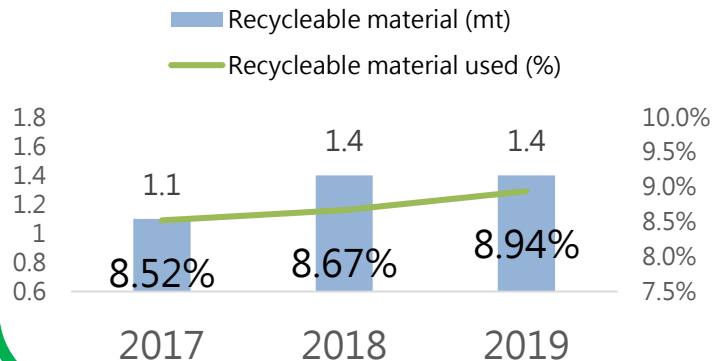


- 24/7 vibration monitoring
- Detention basins building
- No landslide caused by mining in 40 years operation

Environment Restoration



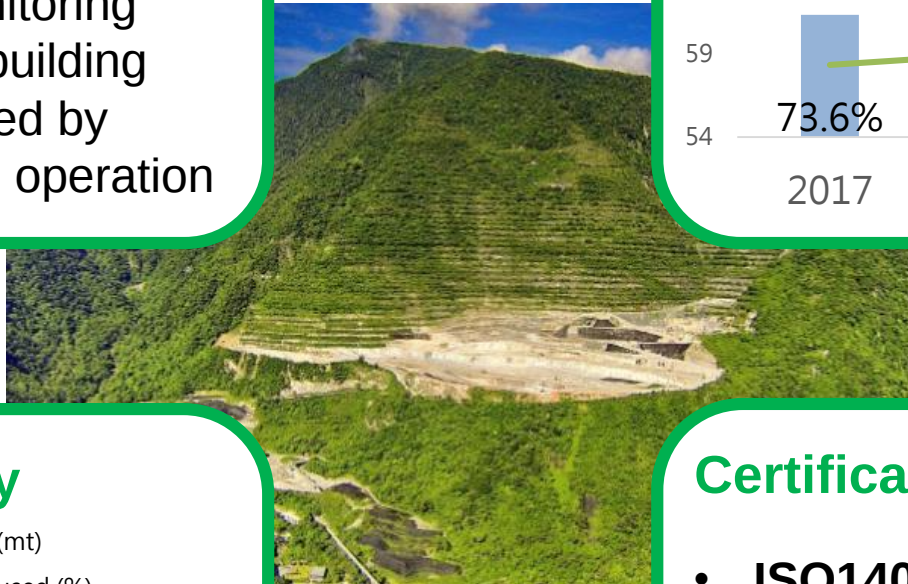
Circular Economy



Certification



- **ISO14067** product carbon footprint
- **ISO14046** product water footprint
- **BS8001** Circular economy highest standard level



Emission Control and Energy Saving



Asia Cement (Taiwan)

as of 2019

Emission (ton)

SO ₂	541
NO _x	4,894
Particles	1,386

Energy Consumption (TJ)

Power	1,154
Coal	12,555
Gasoline	0.31
Diesel	25
Substitute Fuel	75

Asia Cement (China)

as of 2020

Emission (mg/m³)

	Jiangxi	Hubei	Sichuan
SO ₂	 28	 31	 5
NO _x	269	193	 76
Particles	 7	 7	 3

Energy Consumption

Coal Consumption of Clinker (kgce/t)	102.7
Power Consumption of Clinker (kwh/t)	56.5
Energy Consumption of Clinker (kgce/t)	109.6
Power Consumption of Cement (kwh/t)	78.1
Energy Consumption of Cement (kgce/t)	93.9

Note :  superior to ultra-low standard

Green Power Purchasing

Complying with the green energy policy, a total of 67 certificates of renewable energy were purchased in 2019.

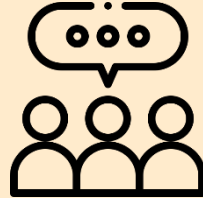


Local Community Care



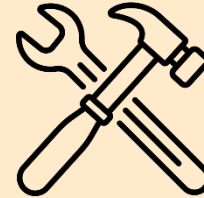
Local Hiring

Provide job opportunities



Communication

Open to inspections to eliminate doubts



Construction

Assist community construction



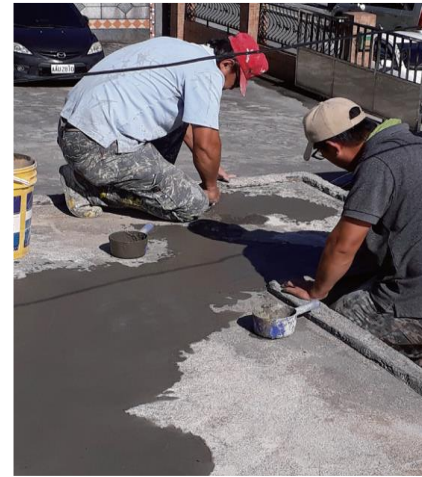
Education

Support aboriginal education

Hualien plant	Aboriginals
Employee	44%
Asia Cement (China)	Local hiring
Employee	71%



Plant visit in Hualien



Free house repairing

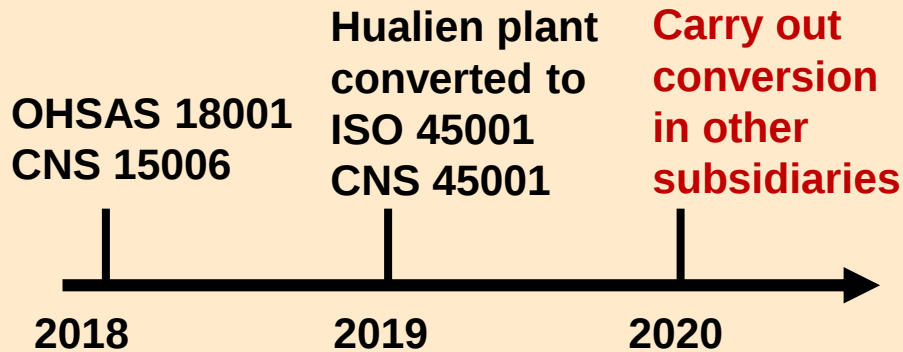


After-school tutoring



Occupational Health

- Safety & health management



- Lower than average injury rate

Location	FR	SR	FSI
Asia Cement(TW)	0	0	0
Asia Cement(CN)	3.03	72	0.47
2017~2019 Cement industry	2.78	1039	1.70

FR : actual disable injuries per million hours worked

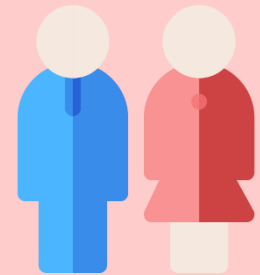
SR : total work days lost cause by injury per million hours worked

$FSI = \sqrt{(FR \times SR) \div 1000}$

Gender Equality Workplace

Year	Resumption rate after parental leave
2017	100%
2018	100%
2019	100%

Equal pay for
equal work



Supply Chain Management



A total of 507 suppliers had signed “Social Responsibility Commitment letter” in 2019 .



Expertise in...



Ethical Management

- **Behavioral Principles**

Anti-corruption

Intellectual Property Rights

Legal

ACC dedicates to meet the standards, and implement training to employees.

- **Unethical Behavior Report**



Whistleblower Protection

0

cases of ethical violations

Pushing on the Goal to Sustainability



	Objective	KPI	2019 Results	2030 Goal
 Environmental Protection	Effective use of resource	Quantity of water re-used	85% of water re-used in Hualian plant	>85% of water re-used in Hualien plant
 Climate Strategy	Reduction of emission	SBTi 、TCFD	SBTi & TCFD evaluation	SBTi & TCFD implementation
		ton of CO ₂ / ton of cement	Reduced by 1.77%*	Reduced by 6%*
 Circular Economy	Application of substitute fuel	Quantity of substitute fuel used	2% of substitute fuel used	15% of substitute fuel used
 Labor Safety	Avoiding occupational injury	ISO 45001	Certified in Hualien plant & Yuan Long	Carry out in other subsidiaries

Note*: Linking to National GHG Control Target of 2005 baseline year.

Source: ACC CSR report



**Taiwan & Global Corporate
Sustainability Award:**

2019 TCSA Top 50

2019 GCSA Great Practice



**FTSE4Good
TIP Taiwan ESG Index**



**2019 Included as a
member of the FTSE4Good
TIP Taiwan Index by FTSE
Russel**



AREA™
— ASIA —
RESPONSIBLE
ENTERPRISE AWARDS

**Asia Responsible
Entrepreneurship Awards:**

2019 Winner of

Green Leadership



6 years listed in

**“Taiwan Corporate Governance
100 Index” and**

**“Taiwan High Salary 100 Index”
by TWSE**



TWSE

**TWSE Corporate Governance
Evaluation:**

Top 6%~20%



Carbon Disclosure Project:

2019 B List

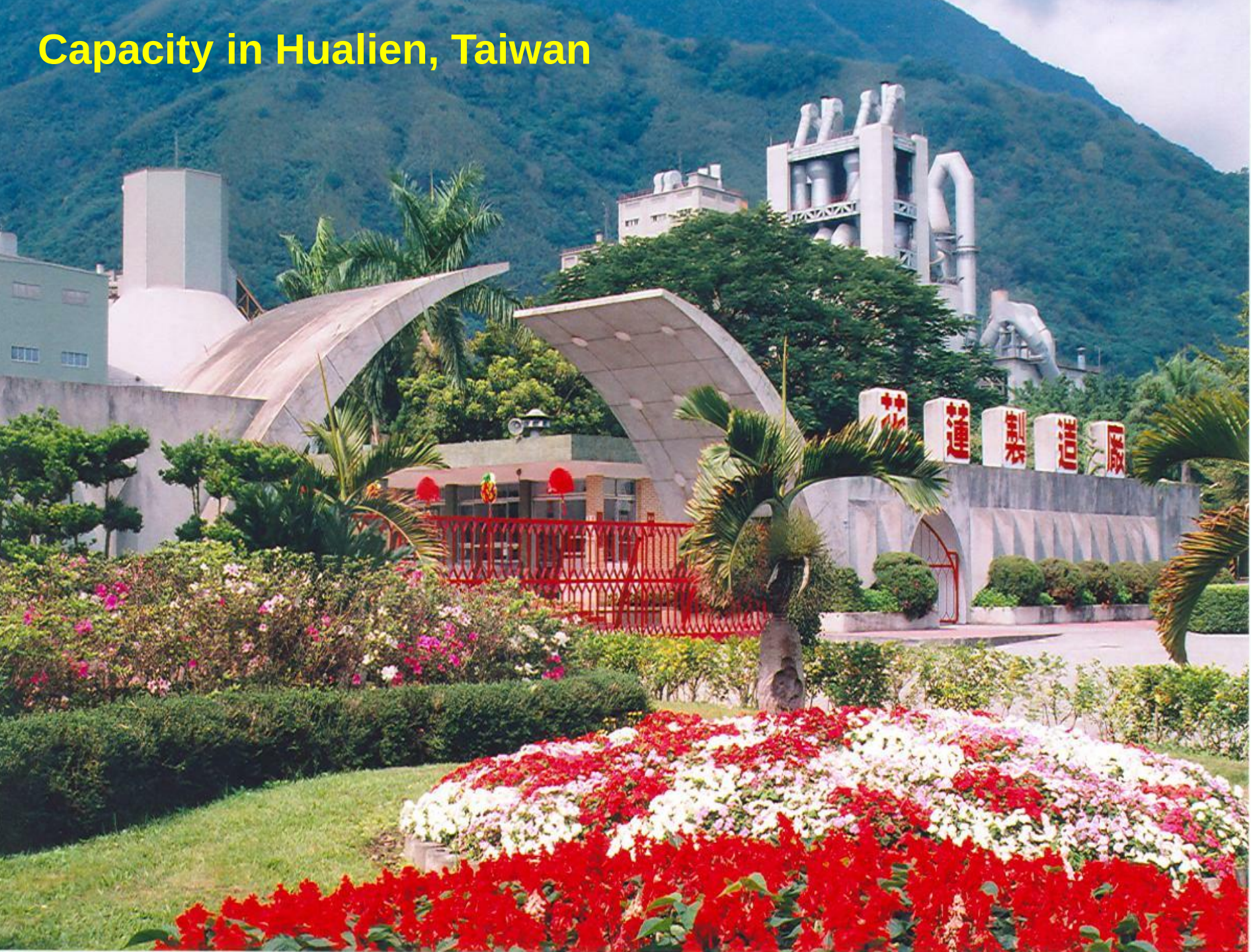
Ministry of Economics Affairs:

**6 times award winner of
Excellent Company in GHG
Voluntary Reduction**

Capacity in Jiangxi, China



Capacity in Hualien, Taiwan





Thank you

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Q&A: Mining Concerns



**ACC Eco-friendly
Achievements**



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