

Chia Hsin Cement Corporation

2017 Q3 Results



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.

Company Profile

- Stock Symbol : 1103
- Establish date : 1954/12/13
- Stock Listing date : 1969/11/14
- Share Capital : NTD 7,748 million
- Market Value : NTD 9,607 million (Calculate with closing price on 30 September, 2017)
- Book Value : NTD 18,790 million (Base on 2017 third quarter consolidate statement)
- Chairman : Jason Kang-Lung, Chang
- President : Shih-Chu, Chi
- Spokesperson : Elizabeth Li-Hsin, Wang
- Business Areas : Cement, Storage and Logistics, Asset Development and Management
- Employee Headcount : 216 (As of 2017/09/30)

Company Milestone

- **First cement production line in Taiwan in 1954**
- List on the Taiwan Stock Exchange in 1969
- In 1998, flagship cement plant completed in China with the financial backing of IFC, and subsequently, publicly listed in Hong Kong in 2003
- In 2008, the Company completed a strategic merger of its China cement operations with TCC International Holdings Ltd. (HKSE: 1136), one of the regions largest operators and part of Taiwan Cement.
- **2009 : Taipei port first bulk terminals was in operation**
- In 2015, CHC officially entered hospitality business and the first hotel investment was in Rome, Italy with LDC hotel group.
- First postpartum center was in operation in 2016
- **TCC scheme of arrangement to privatize TCCIH in 2017 and CHC accepted the offer.**

Chia Hsin Foundation



“To the creators of History 1993”

Founder Dr. M.Y. Chang established Chia Hsin Foundation in 1963, believing that it is the responsibility of every corporation to give back to society.

- Focus on Education and Cultural Development
- Over 100,000 people have received awards and donations, promoting academic excellence and increasing education for under-privileged children
- Received acclamation from ROC Executive Branch in 2010 and Ministry of Education in 2011

- Cement sales in Taiwan
- Strategic investment in TCC

Cement Sales and Investment

- Taipei port
- Taichung port
- Keelung port

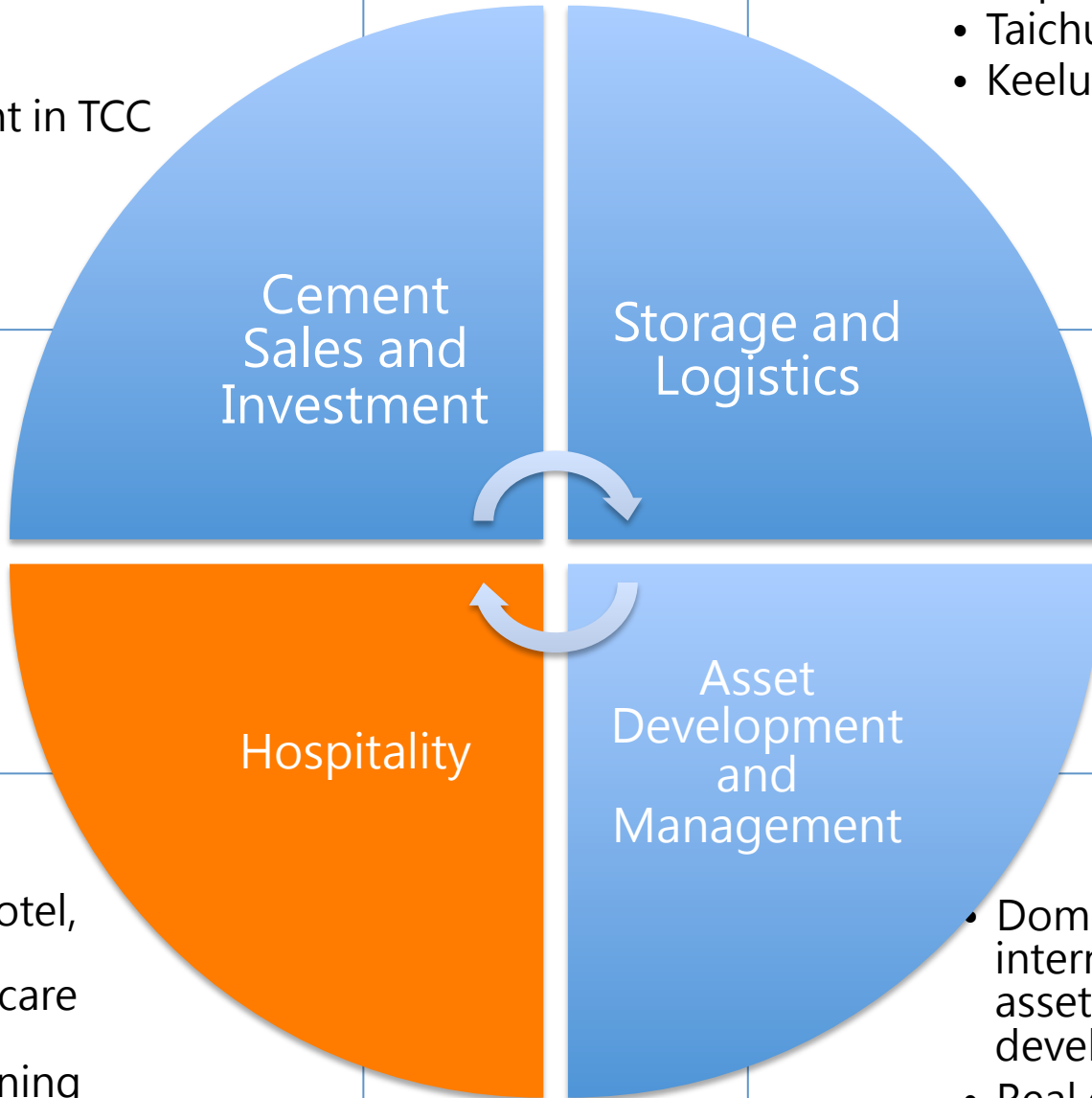
Storage and Logistics

Hospitality

Asset Development and Management

- A.Roma hotel, Italy
- Postnatal care
- Okinawa hotel (opening before 2020)

- Domestic and international asset development
- Real estate leasing



2017 Q3 QoQ Operating Results

Unit: millions NTD

	Q3/17	Q2/17	Q3/16
Net Sales	506	460	743
Gross Margin (%)	11.4%	9.9%	5.0%
Operating Margin (%)	(9.0%)	(16.4%)	(5.8%)
Non-Operating Revenue and Expense	120	102	207
Net Income (Loss)	74	23	149
EPS	0.09	0.02	0.21
Total Asset	27,607	27,599	25,951
Total Debt	8,818	9,030	10,060
Debt Ratio	31.9%	32.7%	38.8%
Book Value Per Share	26.33	26.20	21.98
EBITDA	365	175	320

Operating Results for the Nine Months Ended September 30,2017

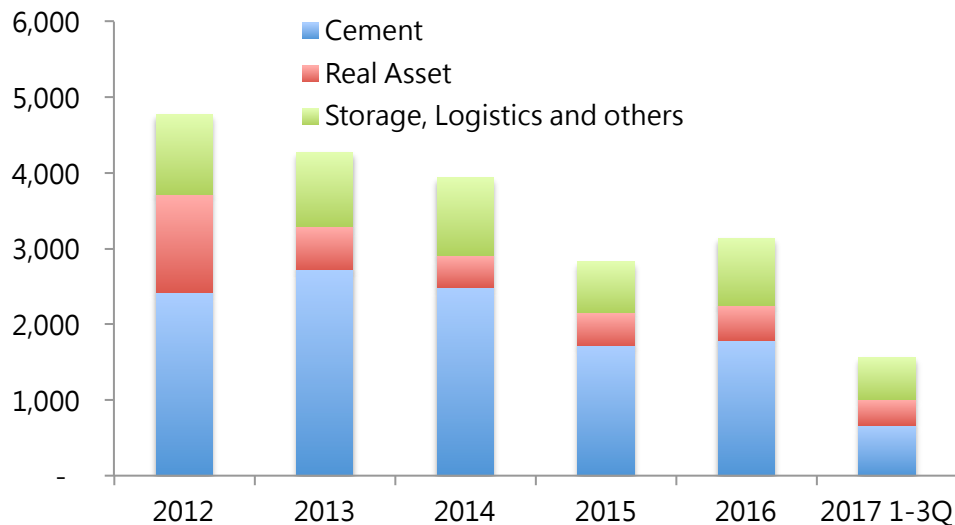
Unit: millions NTD

	1~3Q/17	1~3Q/16
Net Sales	1,565	2,105
Gross Margin (%)	15.0%	2.9%
Operating Margin (%)	(6.2%)	(9.3%)
Non-Operating Revenue and Expense	109	124
Net Income (Loss)	(11)	(104)
EPS	(0.07)	(0.19)
Total Asset	27,607	25,951
Total Debt	8,818	10,060
Debt Ratio	31.9%	38.8%
Book Value Per Share	26.33	21.98
EBITDA	365	320

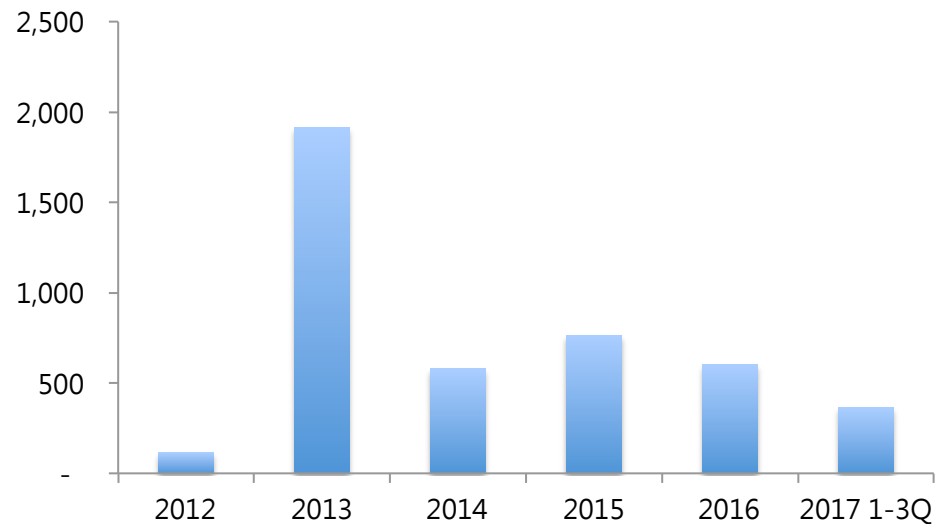
Operating Results by Business Unit

Unit: millions NTD

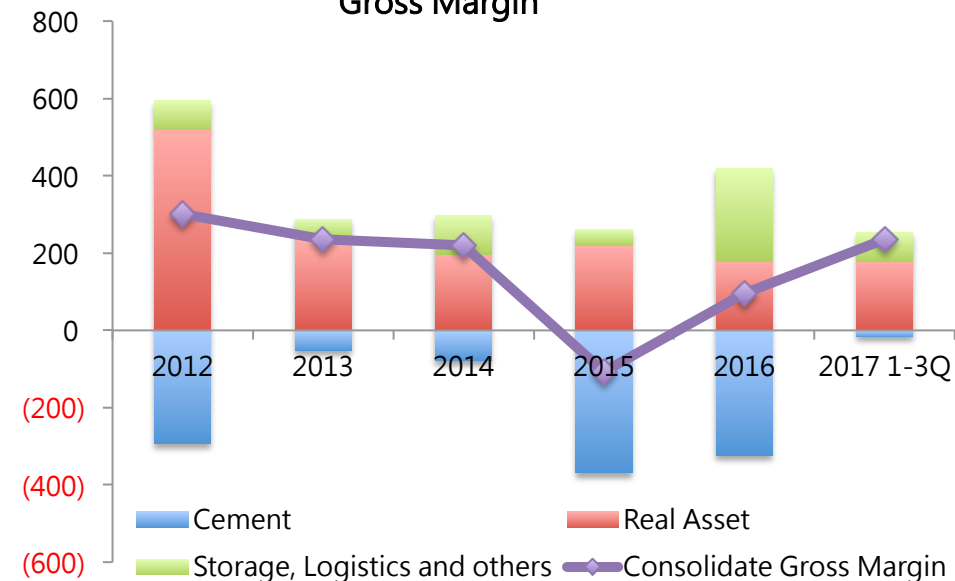
Revenue



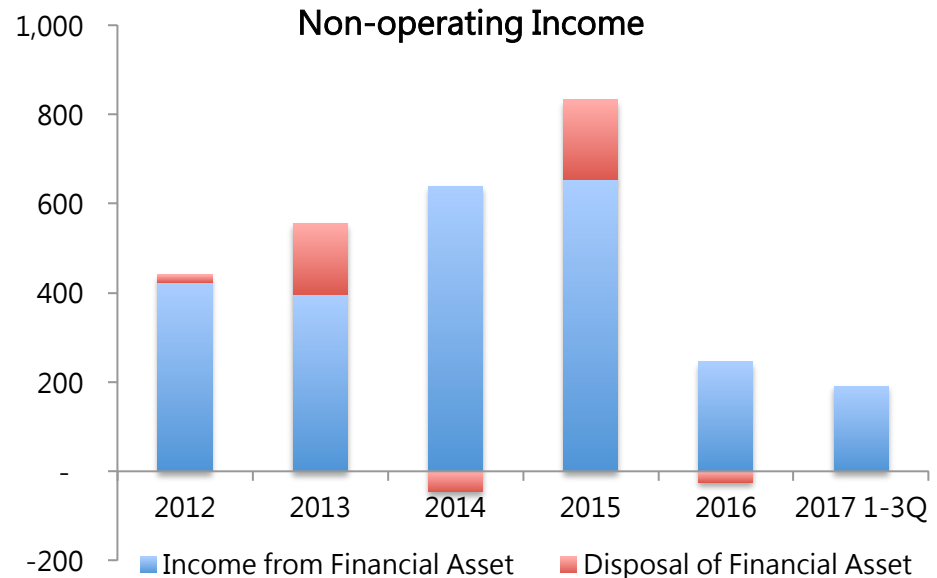
EBITDA



Gross Margin



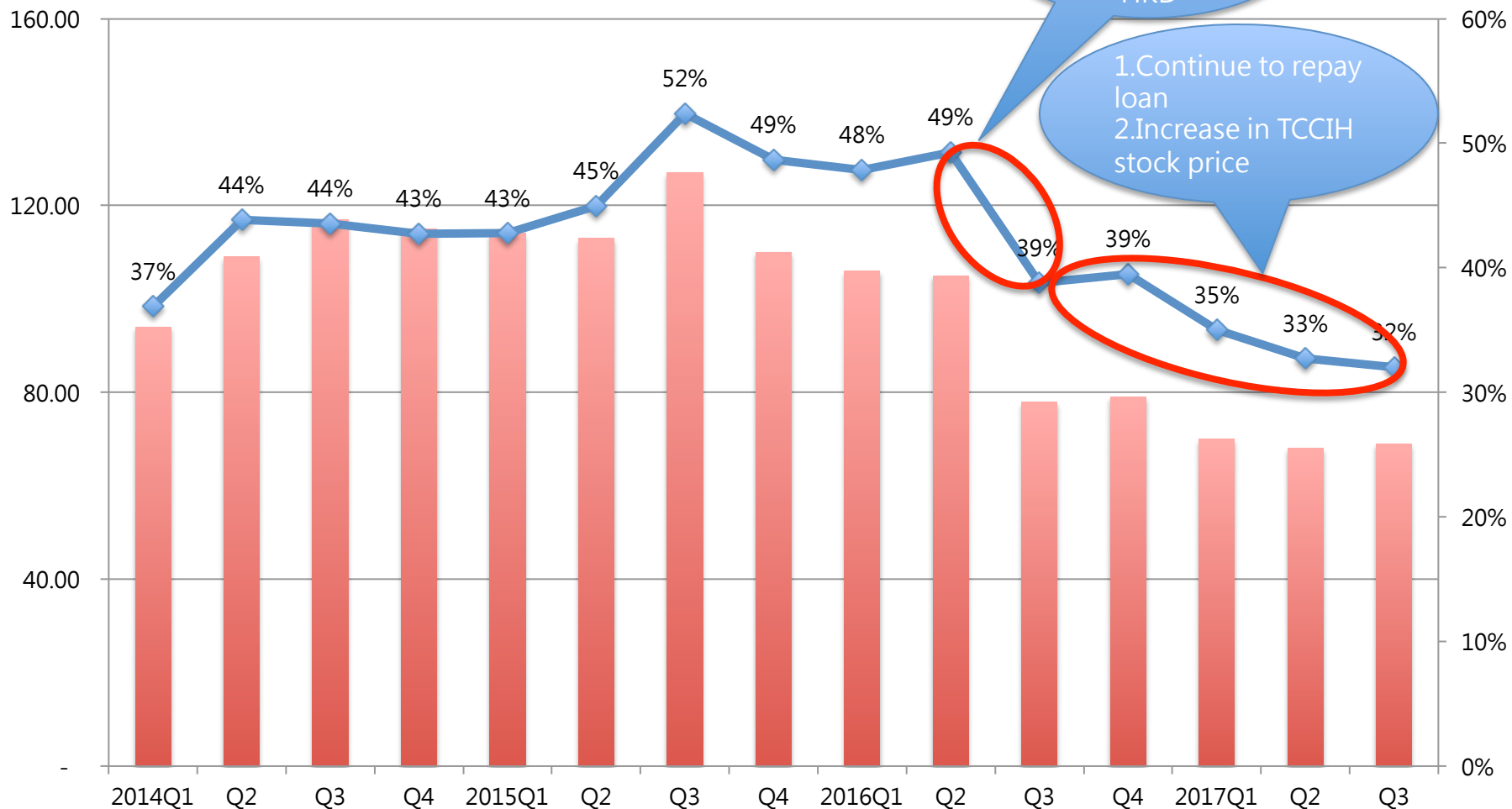
Non-operating Income



Total Outstanding Loan and Debt Ratio

Unit: 100 millions NTD

Total outstanding loan Debt ratio



Repay loan after dispose 303 million shares of TCCIH at 2.2 HKD

1. Continue to repay loan
2. Increase in TCCIH stock price



Cement

Jiangsu Union Cement Update

- Announced liquidation in December 30, 2016.
- Minimum staff on-hand for asset security
- Expected monthly cost outflow of 0.6-0.7 million RMB (utilities, land tax, salary, etc) until liquidation complete.

Key Milestone of CHPL investment in TCCIH

Unit: thousand shares

Time	Event	Shareholding ratio	Number of shareholding	Outstanding shares
2007/08/30	CHC GC merge with TCCIH	28.62%	369,963	1,292,370
2010/01/22	Preferred shares of TCCIH owned by TCCI converted to common shares	16.20%	356,013	2,196,788
2010/04/27	New capital increase by issuing TCCIH shares at 2.1 HKD	16.20%	534,020	3,295,632
2014/03/11	TCCI proposed VGO of TCCIH outstanding common shares at 3.9 HKD	16.20%	534,020	3,295,632
2015/07/16	New capital increase by issuing TCCIH shares at 2.2 HKD	15.84%	782,849	4,943,465
2016/09/05	Dispose 303 million shares of TCCIH at 2.2 HKD	9.71%	479,849	4,943,465
2017/04/24	Accept the scheme of arrangement from TCC group	9.71%	479,849	4,943,465
2017/11/24	After transaction, CHPL will hold 201,536,685 shares of TCC (around 4.75% of TCC outstanding shares)			

Total Investment in TCC Post Conversion

Unit: thousand shares

	Holdings in TCCIH	Holdings in TCC pre-conversion	Number of TCC shares acquired from conversion	Total holdings in TCC post conversion
CHC	8,829	23,105	3,708	26,813
TYCH	-	33,185	-	33,185
CHPL	479,849	-	201,537	201,537
Total	488,678	56,290	205,245	261,535



Storage and Logistics

Storage and Logistics Business

	Taipei Port	Keelung Port	Taichung Port
Maturity of lease contract	Jun, 2045	Jun, 2024	Dec, 2024
Business	Collection of fees from the storage and handling of cement , coal, and aggregates.		
Main storage and logistics product	Coal/Gravel/Slag	Cement	Cement
Storage capacity (Tons)	Gravel : 84,000 Coal : 100,000	38,000	45,000
Main Customer	Taiwan Power Company (before 2017) 、Formosa Plastics Group	Taiwan Cement Corp. 、 Chia Hsin Cement Corp.	Asia Cement Corp./ Chia Hsin Cement Corp.

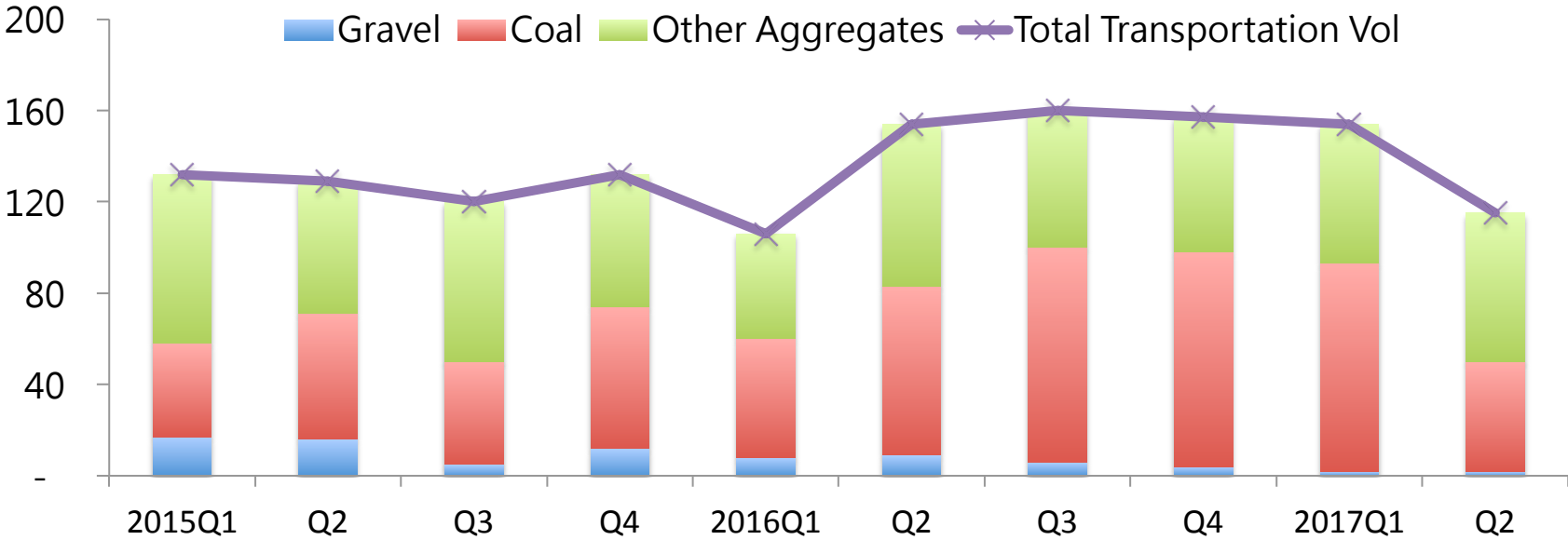
Taipei Port Settlement Case

- Court case lasted 3 years and settlement was reached in December, 2016
- Result of the settlement
 - (1) NTD 412 million was returned to CHC on January, 2017
 - (2) Other aggregate throughput volume can be used to replace contractual obligation of Hualien gravel throughput. (annual cost saving of approximate NTD 70 million)

Taipei Port Throughput Volume



Unit: ten thousand tons





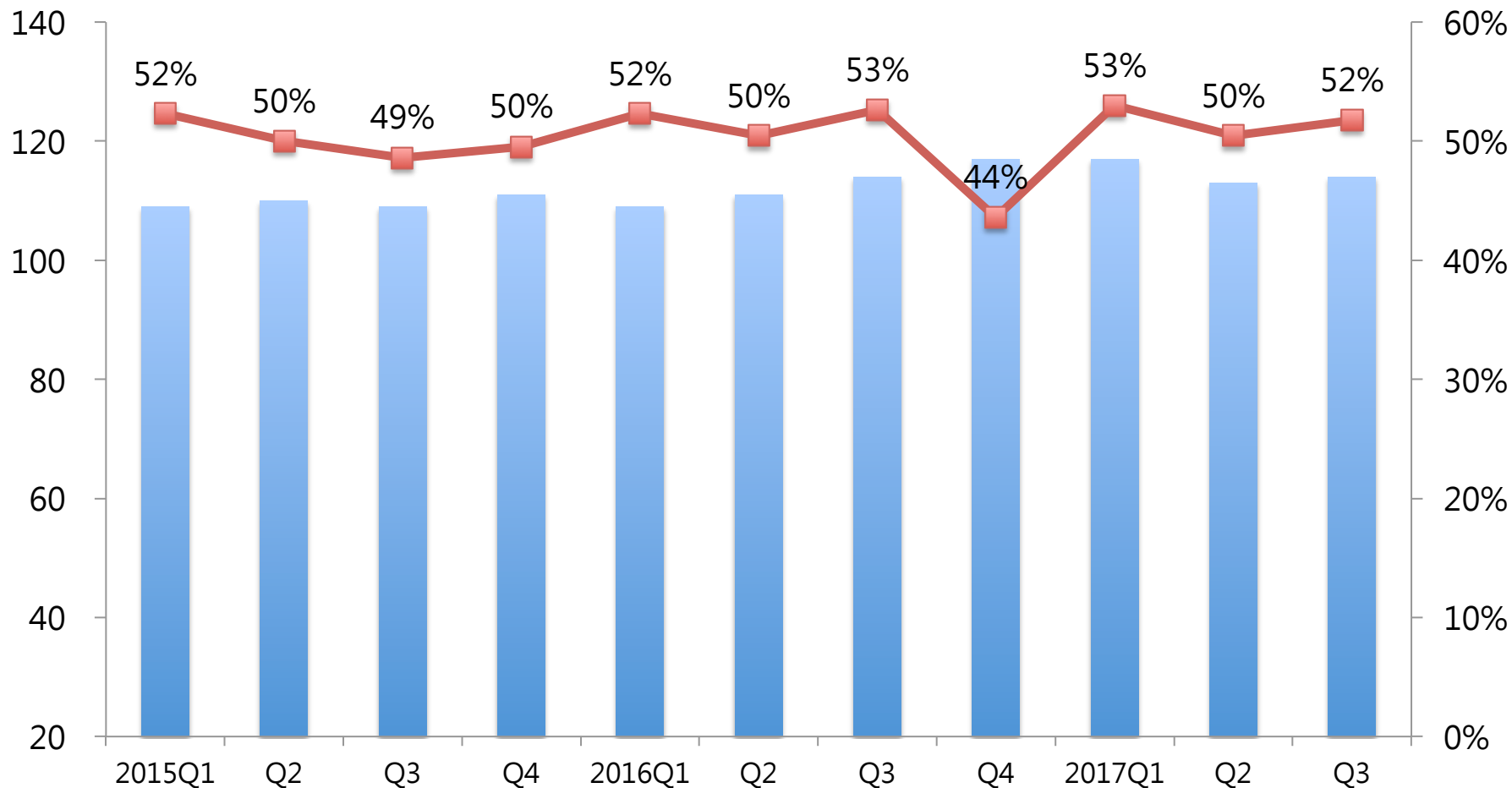
Asset Development and Management

Operating Performance of Real Estate Leasing Business

Unit: millions NTD

Leasing Revenue

Gross Margin



Status of On Hand Project

Case type	Project	Location	Land area (ping)	Status
Home	Taipei Century City Project	Taipei	8,000	Applying urban renewal process
	Tamsui Development Project	New Taipei	1,600	Applying for building permit
	Gangshan Urban Development Project	Kaohsiung	73,500	Applying for zoning change
	Ta Kang Shan Quarry Project	Kaohsiung	113,800	Planning
	Kuojian Project	Kaohsiung	4,400	Obtained development permit
Overseas	Kokusai Dori Project	Okinawa	1,400	Constructing phase
	Toyosaki Project	Okinawa	11,100	Designing phase

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



Hospitality

Evolving with Time

Industry



Hospitality



Better life quality

Material



Spiritual

Before, CHC provided the basic needs of the time.

Today, CHC is entering into the hospitality business and will continue to provide quality services to enhance living experience

We change to connect with you



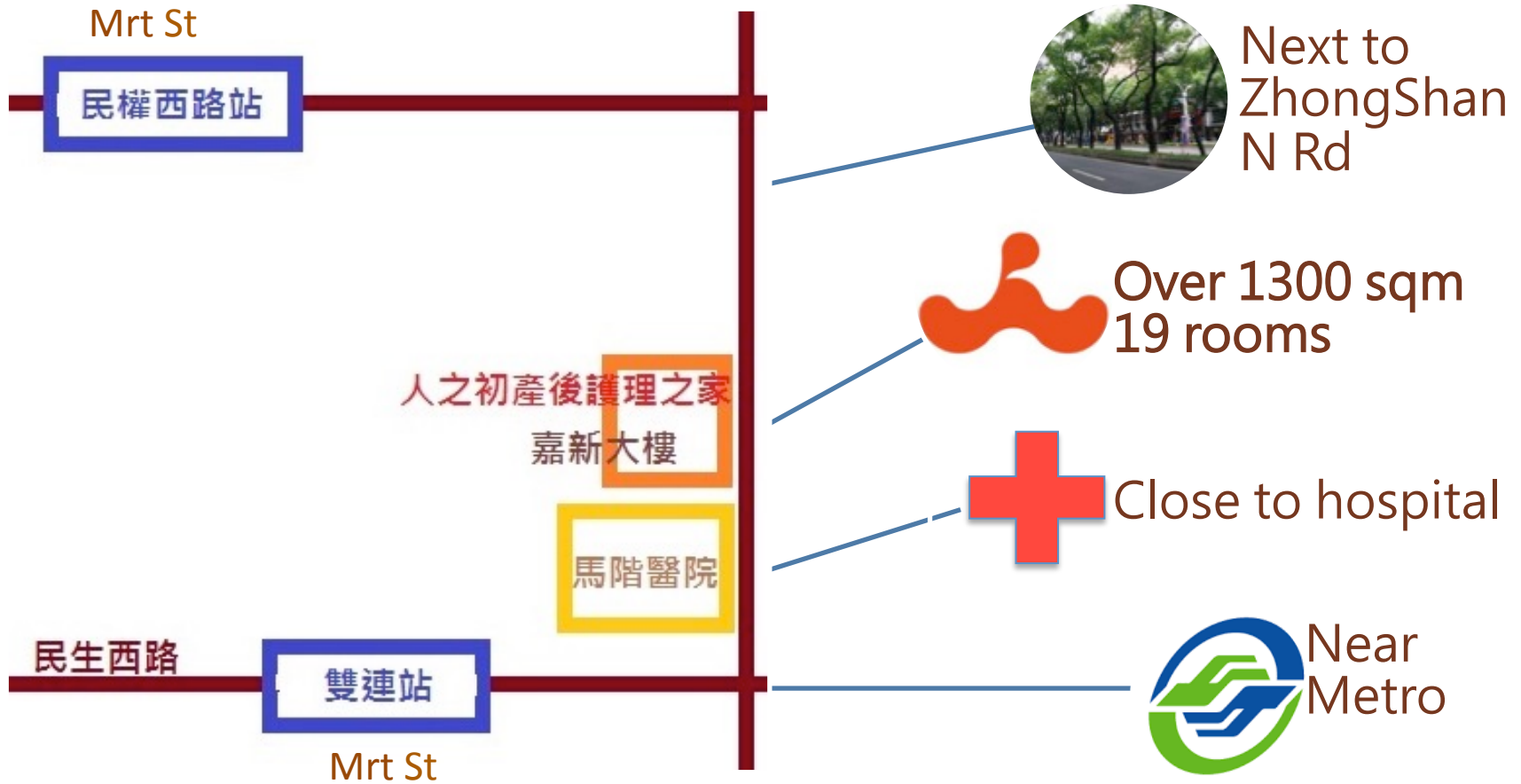
人之初

產後護理之家

A Wonderful Beginning

GEM CARE POSTPARTUM HEALTH CENTER

Location, Location, Location



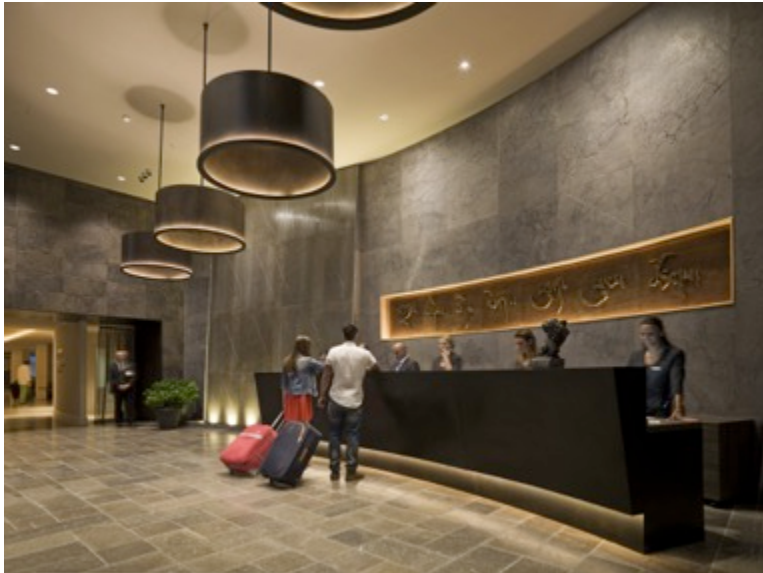


Rome, Italy



A Roma 2017

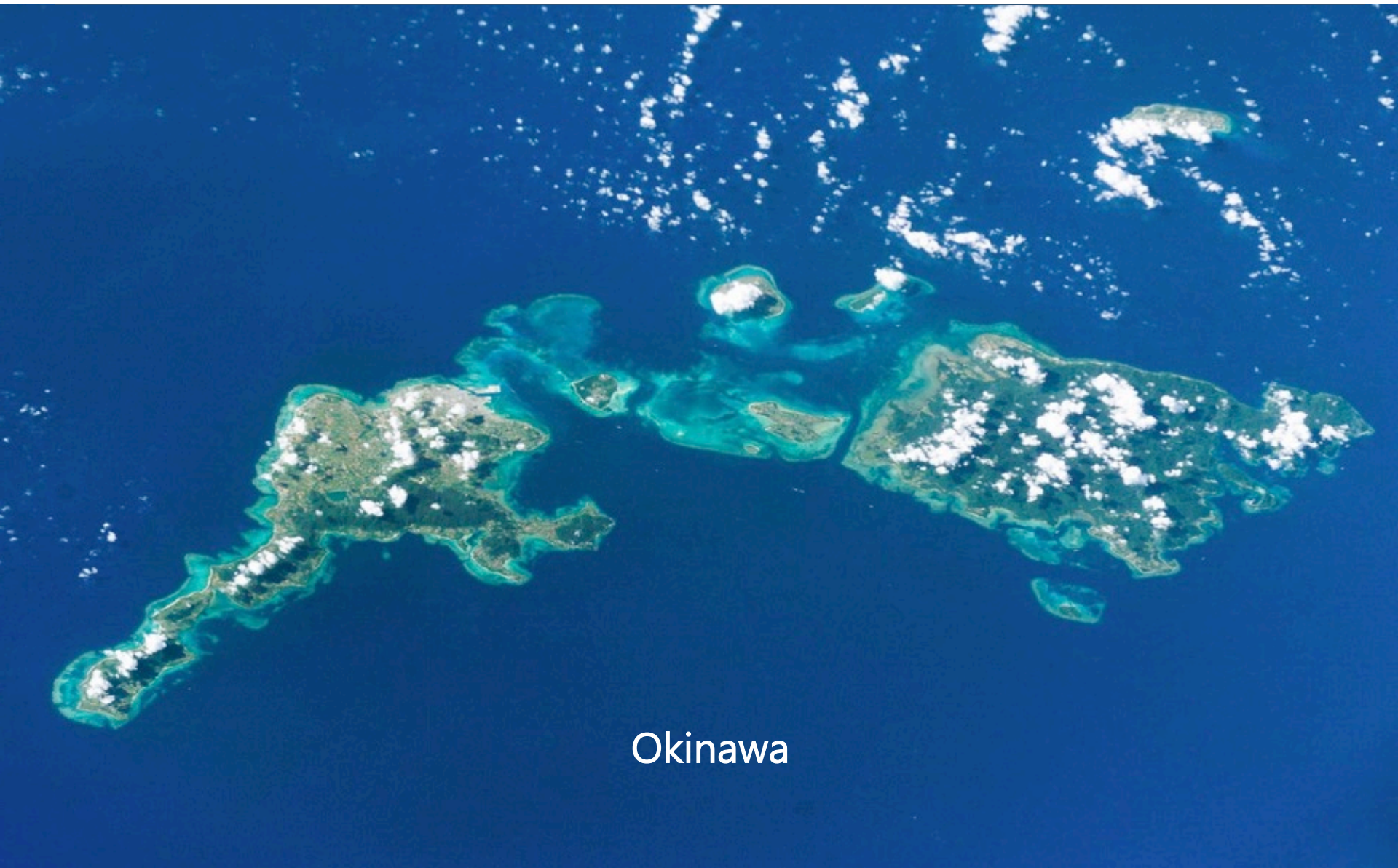
- Grand Opening in Oct 2015
- 70% O.C.C in 2017
- Today, we serviced over 200,000 guests in our hotel.
- We are the one of the best hotel in the region.





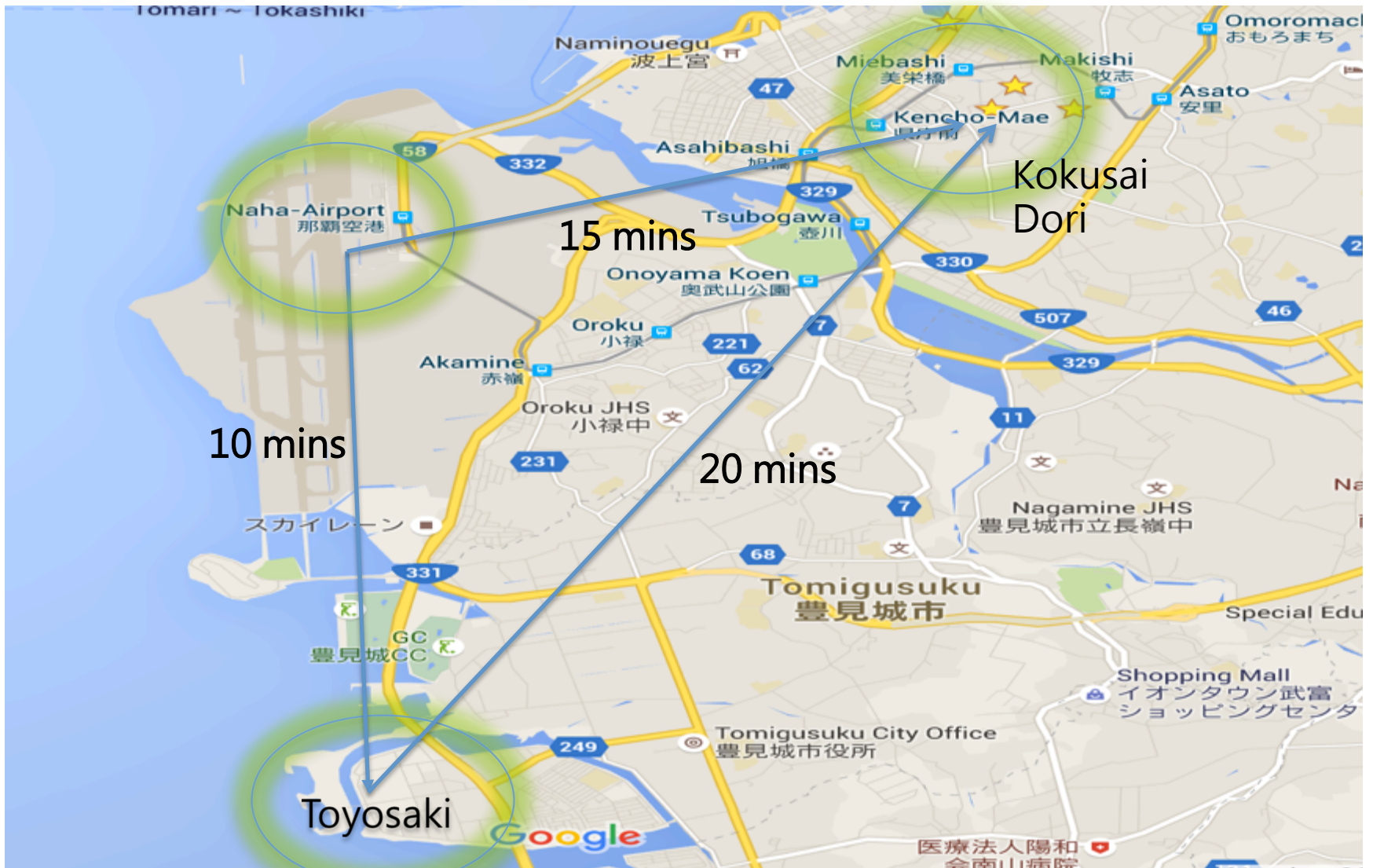
Okinawa, Japan

Okinawa, Japan



Okinawa

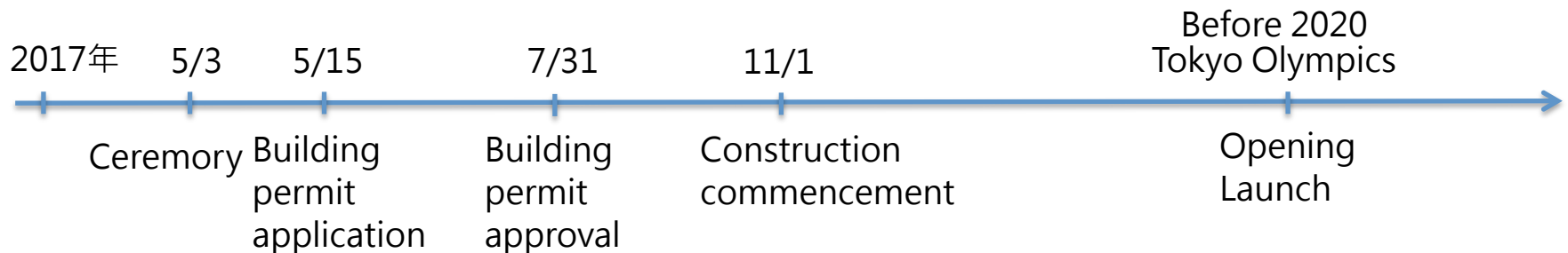
Location



Project Schedule of Kokusai Dori Project



- Exterior Design : Q-Lab
- Structure Design : 大和房屋
浅井謙建築研究所
- Interior Design : PDC
- General Contractor : 熊谷組



Grand Opening Before 2020 Summer Olympics



TOKYO 2020

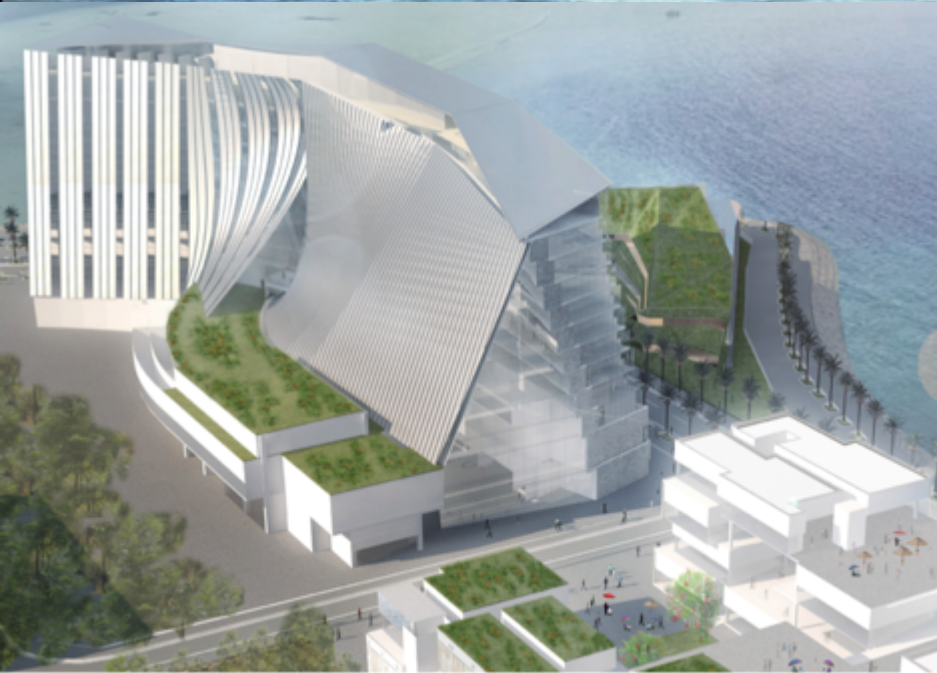


Toyosaki Project

- Location: Tomigusuku, Okinawa
- Building Coverage Rate : 60%
- Building Bulk rate : 200%
- Total Land Area : appr. 37,000 sqm
- Development Plan : Resort Hotel 、 Villa 、 Shopping Mall



Toyosaki Project Concept Design



Building on Our Foundation, Creating the Future

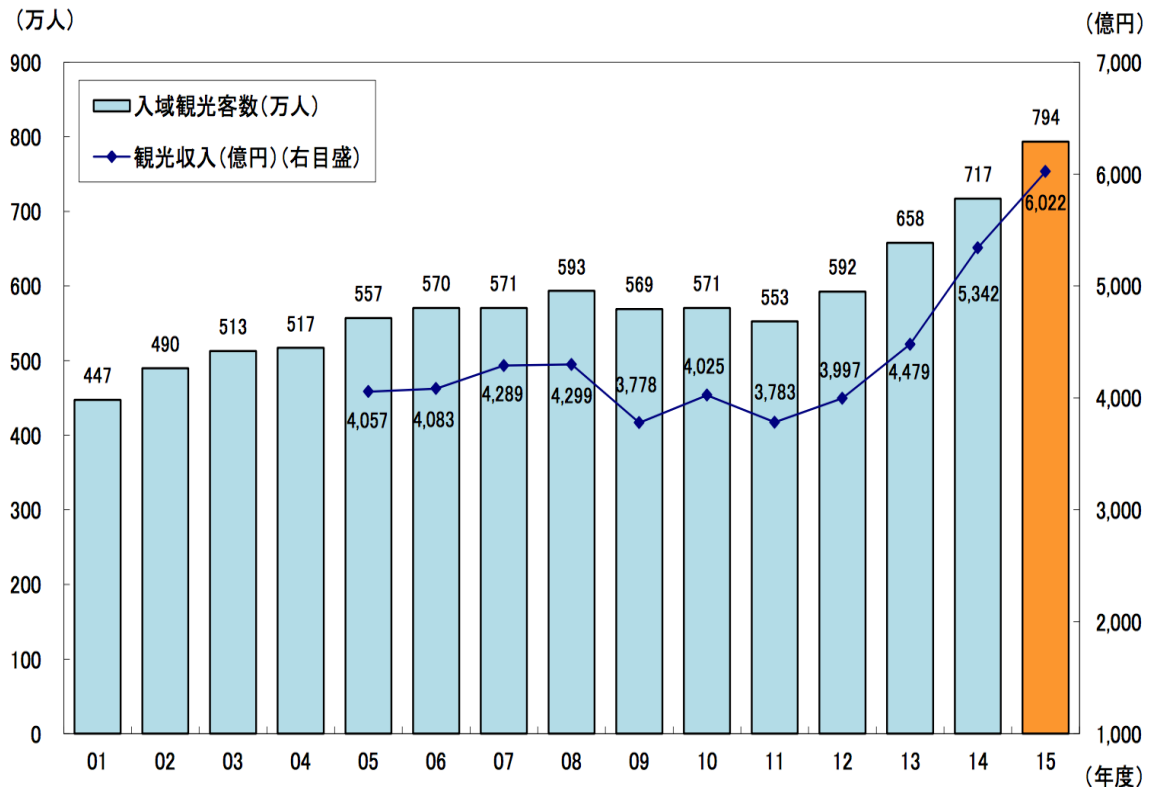
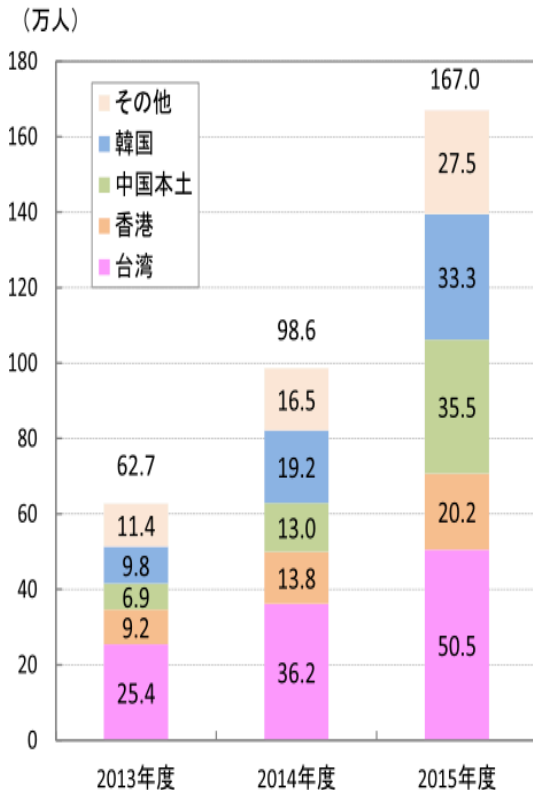


Q & A

Thank you

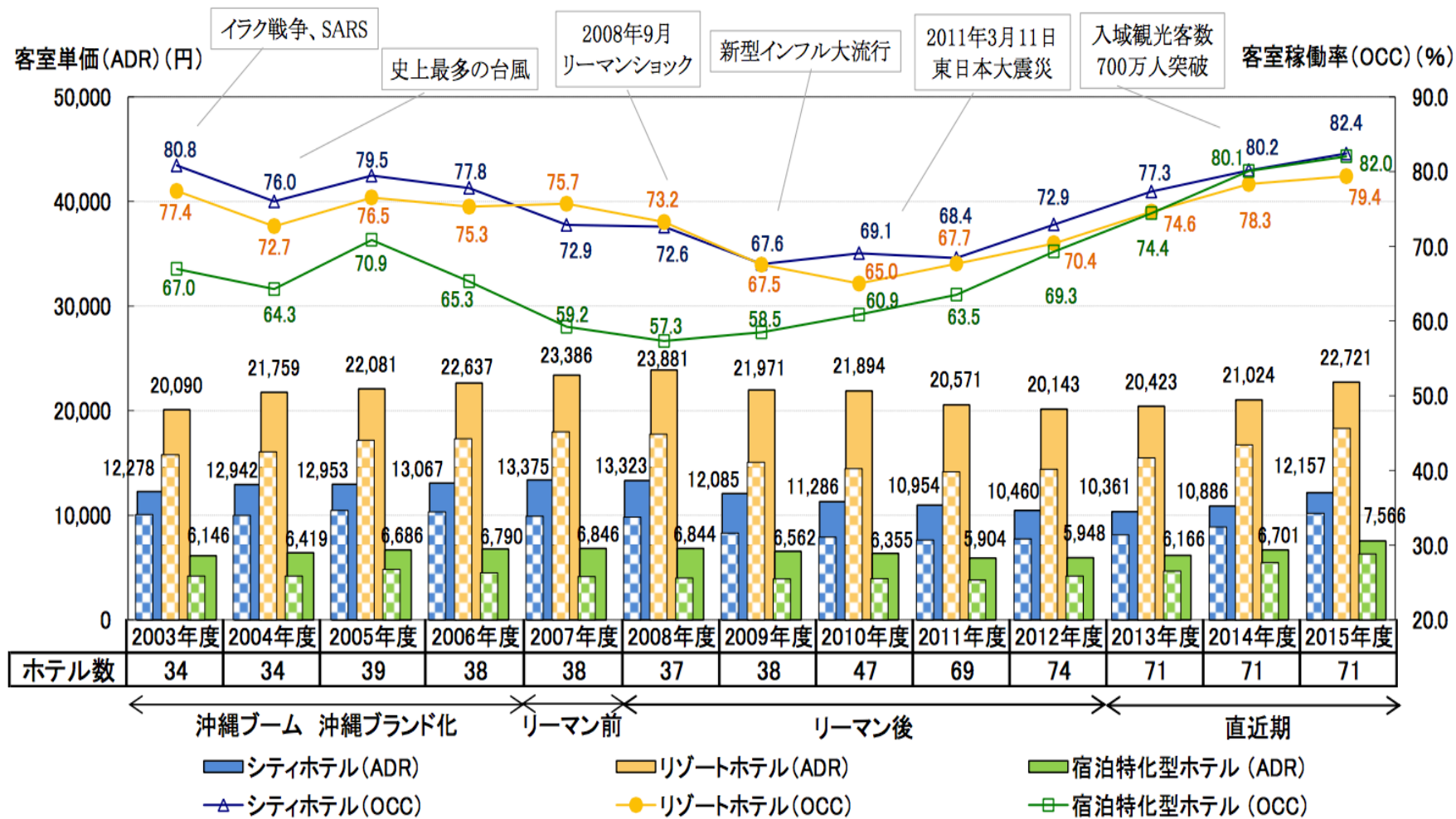
沖繩觀光業發展興盛-年增率7.2~11.1%

- 平成27(2015)年沖繩旅遊人數為7,940,000人。國外旅客為1,670,000人，佔21.03%。近年均呈現增加趨勢。
- 日圓貶值加以距離相近，近年沖繩旅遊人口以台灣為最大宗。



資料來源：沖繩振興開發金融公庫

沖縄飯店平均住房率及單價穩定成長



資料來源：沖縄振興開発金融公庫

沖縄那覇機場積極建設迎國際旅客

ホーム > 那覇空港滑走路増設事業の概要

那覇空港滑走路増設事業の概要

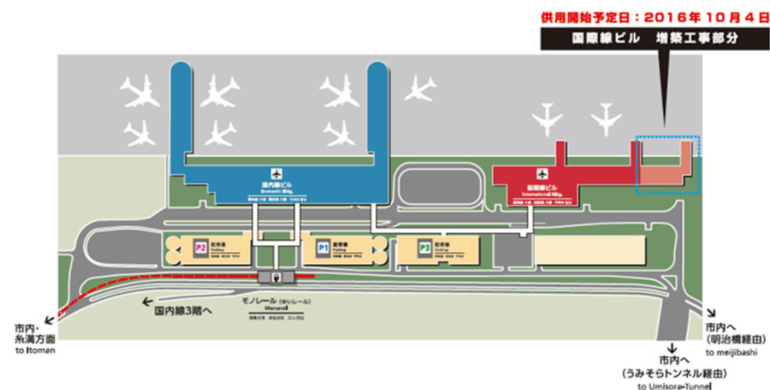
- 事業者 : 内閣府 沖縄総合事務局、国土交通省 大阪航空局
- 滑走路 : 長さ 2,700m×幅 60m (現滑走路の1,310m沖合)
- 埋立面積 : 約160ha
- 発着回数 : 年間約5万回増加 (13・5万回/年→18・5万回/年) ※
※ヘリコプター及び深夜離発着機は含まず
- 工事着手 : 2014年 (平成26年) 1月
- 供用開始 : 2020年 (平成32年) 3月末予定
- 総事業費 : 約1,993億円



国際線旅客ターミナルビル44番コンコース増築工事供用開始のお知らせ

公開日時：2016年09月30日

かねてより建設を進めておりました、「那覇空港国際線旅客ターミナルビル44番コンコース増築工事」が完成し、平成28年10月4日（火）より供用開始を行います。



那覇空港ビルディング株式会社

沖縄縣政府預計2021年觀光客倍增至1千萬人次

3 第5次沖縄縣觀光振興基本計畫の數值目標フレーム等

數值目標のフレーム

- (1) 觀光收入：1兆円
- (2) 觀光客一人当たり消費額：10万円
- (3) 平均滞在日数：5日
- (4) 人泊数：4,027万人泊（うち国内客3,152万人泊、外国空路客875万人泊）
- (5) 入域觀光客数：1,000万人（うち国内客800万人、外国客200万人）

※最上位目標の「觀光收入」は、「一人当たり消費額」×「觀光客数」で算出されることから、一人当消費額と觀光客数の両方を増加させることが政策課題

更新日：2016年4月11日

「沖縄觀光推進ロードマップ」について

沖縄縣では、平成33年度の觀光收入1兆円、入域觀光客数1,000万人等の目標の達成を目指し、官民一体となって中長期的、段階的に誘客及び受入体制整備等の觀光振興施策を推進することを目的に「沖縄觀光推進ロードマップ」を策定しております。

ロードマップは、沖縄觀光に関する状況変化や県及び関係機関の取組状況等を踏まえて、毎年度、見直すこととしており、昨年度の各状況等を踏まえ、今回、内容を見直し（改訂）いたしました。

本ロードマップは、これまで、国、県、觀光関連団体・事業者等で構成する「沖縄觀光推進戦略会議」における議論や関係事業者等との意見交換会等を実施し、多くのご意見等を踏まえ案を取りまとめ、4月11日に知事、両副知事、県庁各部長で構成する「沖縄縣觀光推進本部」を開催し、了承を得て決定したものです。

本ロードマップを基に、觀光関係者の皆さまと緊密に連携して、沖縄觀光の振興に取り組んでまいります。

ロードマップ本文は以下のリンクからご覧ください。

資料來源：沖縄縣政府網站、琉球新報(2017/1/21)

外国人客は38・7%の大幅増の208万2100人で、200万人の万台を超え、県が21年度までの達成目標に据えていた年間200万人を突破した。

県が20日に発表した2016年の暦年（1～12月）入域觀光客数は前年比11・0%増（85万1000人増）の861万3100人で、4年連続で過去最高を更新し、初めて800万人を突破した。県が16年度（16年4月～17年3月）の目標とする觀光客数840万人も大きく上回っており、年度目標の達成もほぼ確実な状況だ。

觀光客最高861万人

県16年内

0万人に早くも到達した。増加の背景には国内外路線の拡充やクルーズ寄港回数の増加などがあり、全体を押し上げた。外国人客の内訳をみると、台湾が27・9%増の60万7300人、中国本土が51・5%増の44万9200人、韓国が44・8%増の43万1300人、香港が16・5%増の22万1千人などだった。

国内客は4・3%増の653万1千人。内訳は東京方面が4・5%増の320万6000人、関西方面が3・6%増の135万8千人、福岡方面が4・8%増の81万4400人、名古屋が8・9%増の53万5100人、その他が0・4%増の62万2900人だった。