

CHC Resources Corporation

November 19, 2020

Outline

Company Overview

Financial Overview

Industry Overview

Operational Prospects



Company Overview

Vision

- Commit to resources sustainability and value innovation
- Become an excellent enterprise of Circular Economy

Core Value

- Integrity 、 Esteem 、 Sustainability

Resources Sustainability Concept

- **Reduce-** Energy saving and waste reduction
- **Reuse-** Make the best use of it
- **Recycle-** Recycling
- **Recovery-** Resources innovation

Main Business



GBFS Cement Division

(The largest producer of GGBFS in Taiwan)



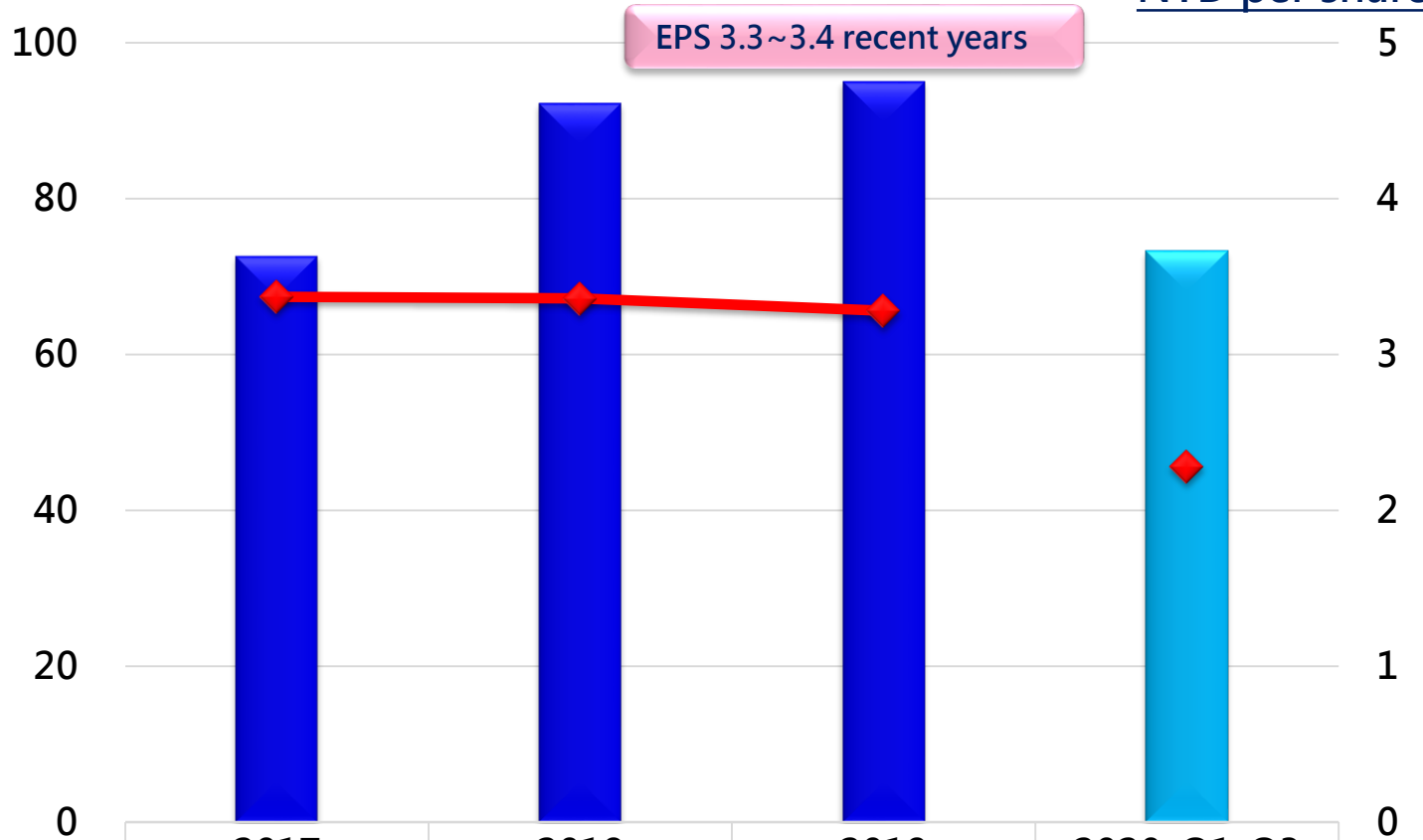
Resource Reutilization Division

Financial Overview

Consolidated Revenue & EPS

NTD 100million

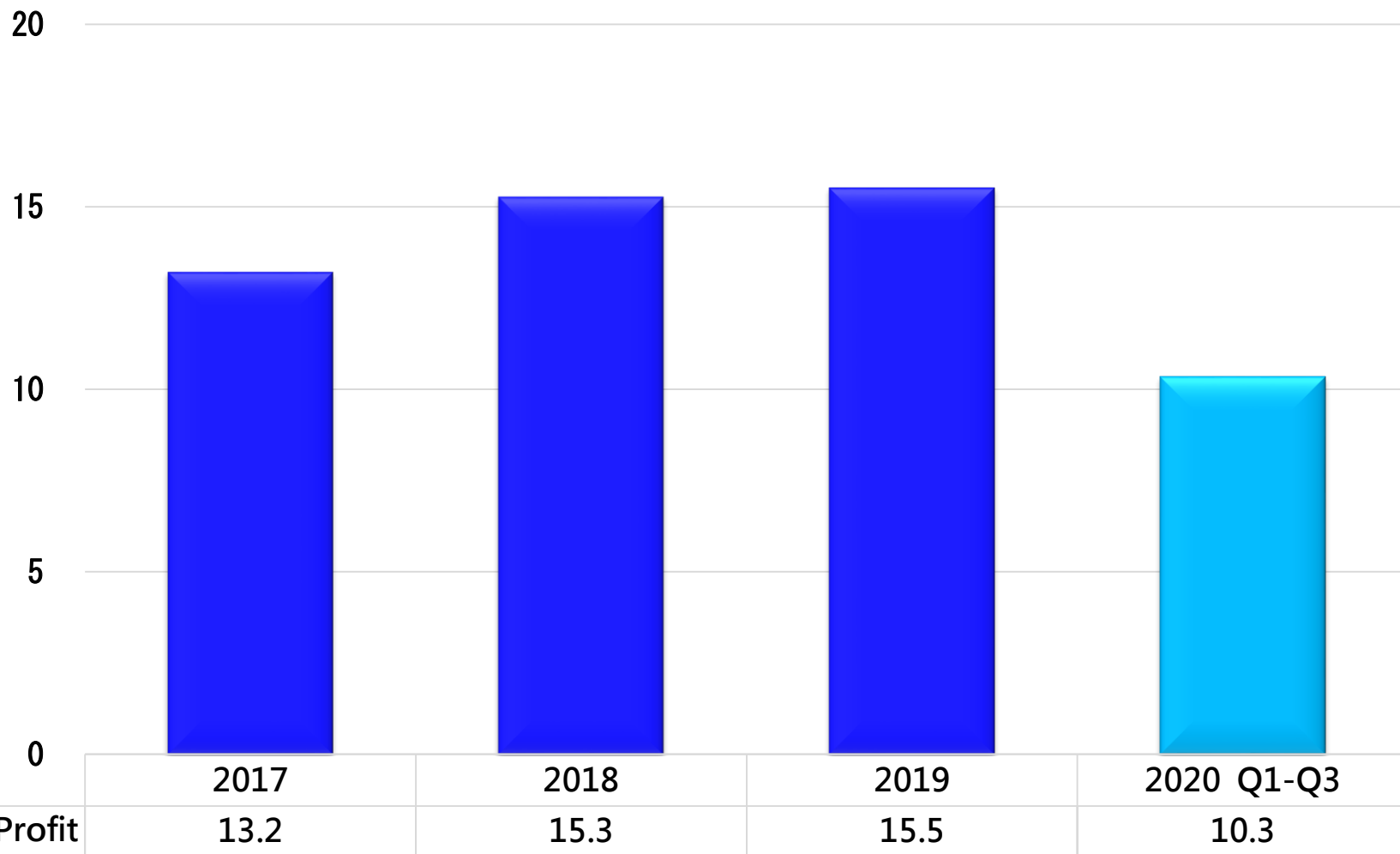
NTD per share



Consolidated Revenue	72.7	92.3	95.1	73.3
EPS	3.4	3.4	3.3	2.3

Gross Profit

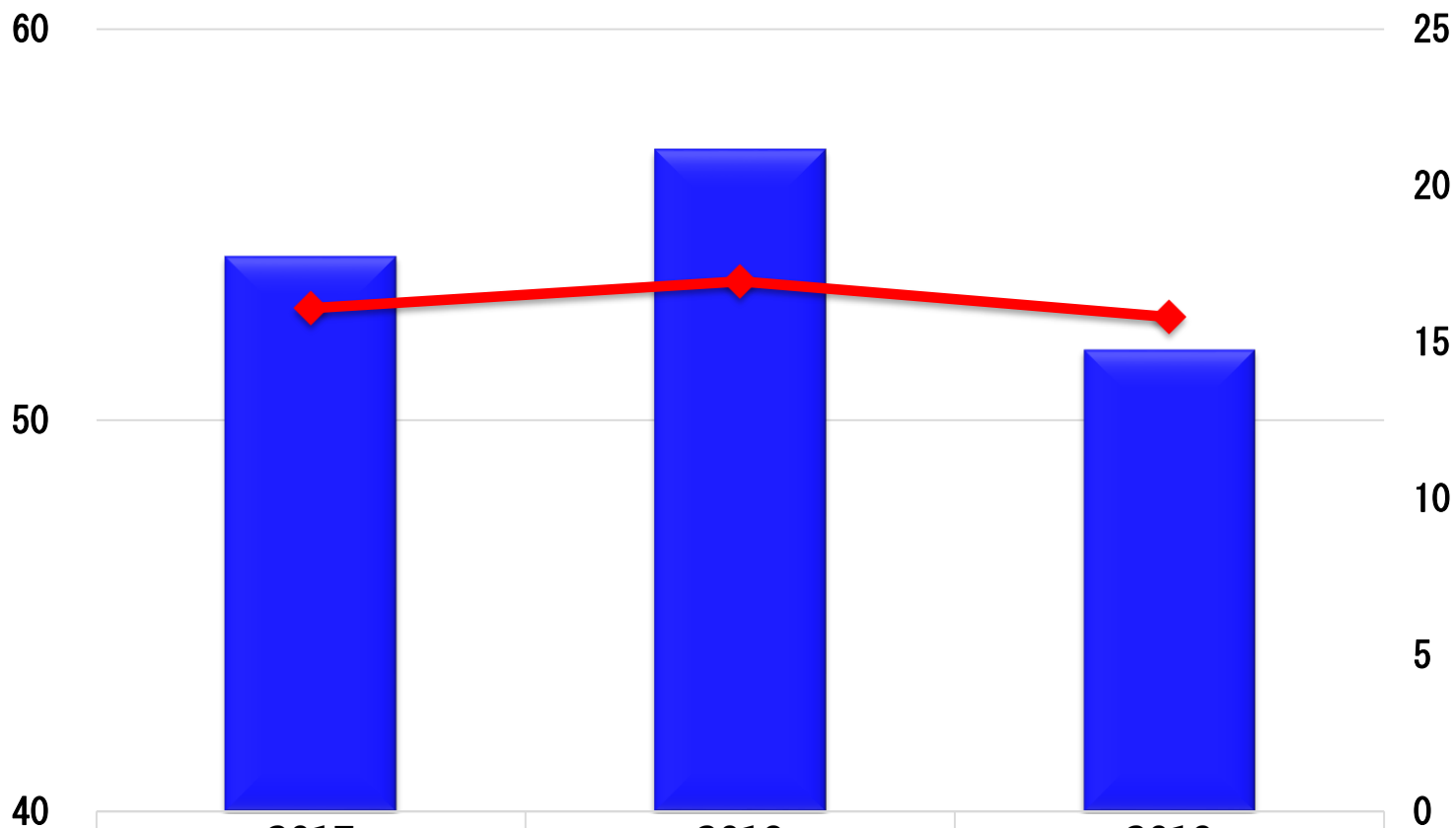
NTD 100million



Stock Price & PE Ratio

NTD per share

PE Ratio



■ Stock Price(average)

◆ PE Ratio

Main Financial Index

%

100.0

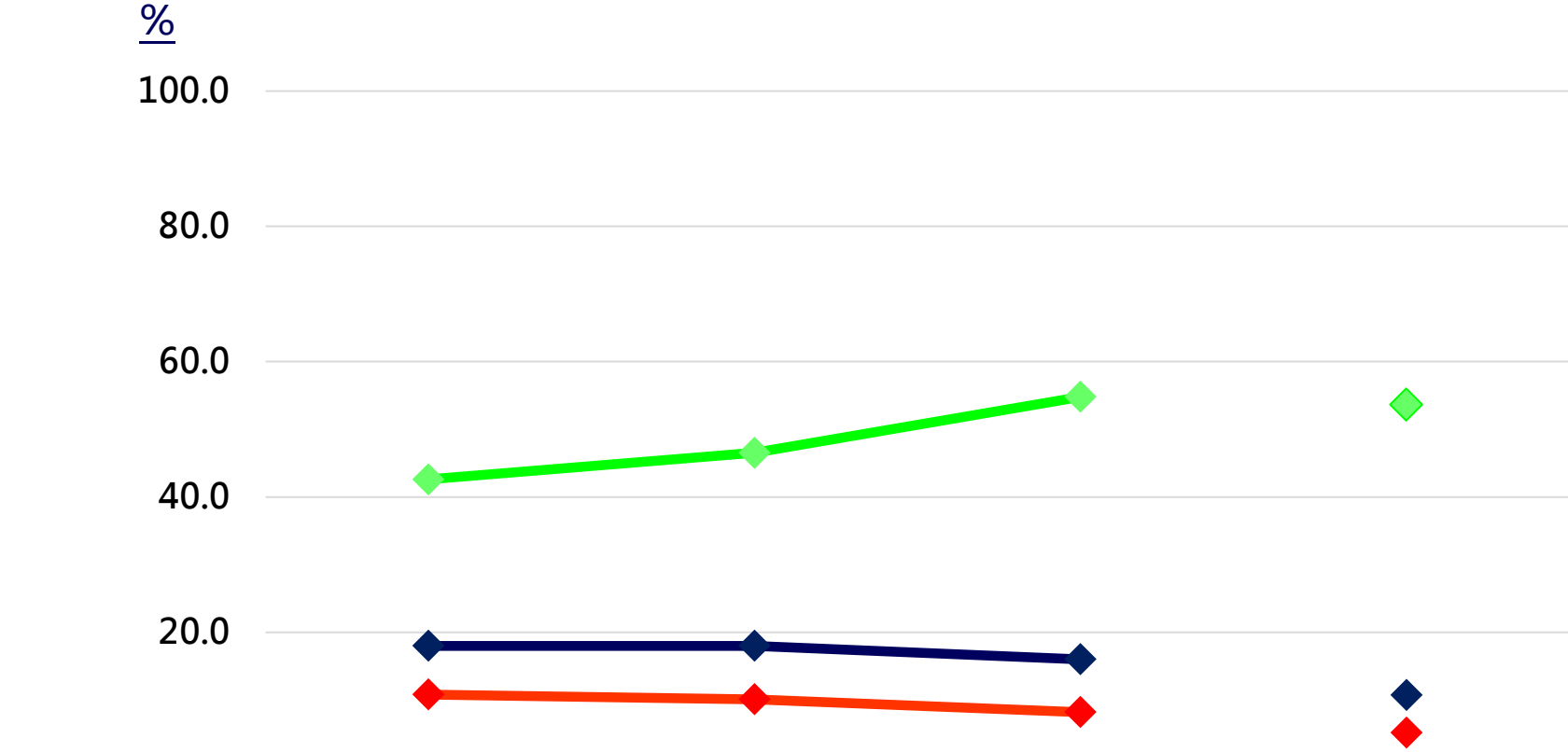
80.0

60.0

40.0

20.0

0.0

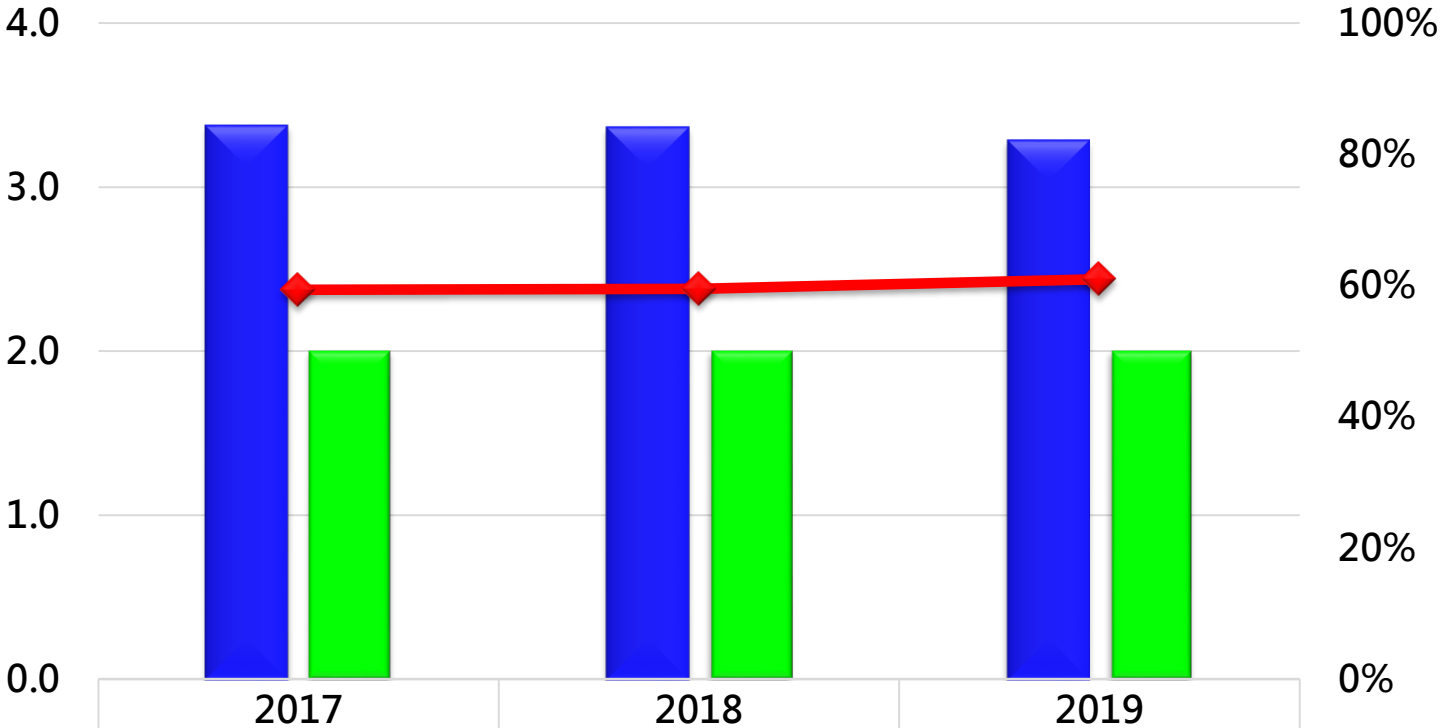


	2017	2018	2019	2020 Q1-Q3
◆ Debits Ratio	42.6	46.5	54.8	53.6
◆ ROA	10.8	10.1	8.2	5.2
◆ ROE	18.0	18.0	16.0	10.7

EPS & Dividend

NTD per share

Dividend payout ratio



EPS	3.4	3.4	3.3
Dividend	2.0	2.0	2.0
Dividend payout ratio	59%	60%	61%

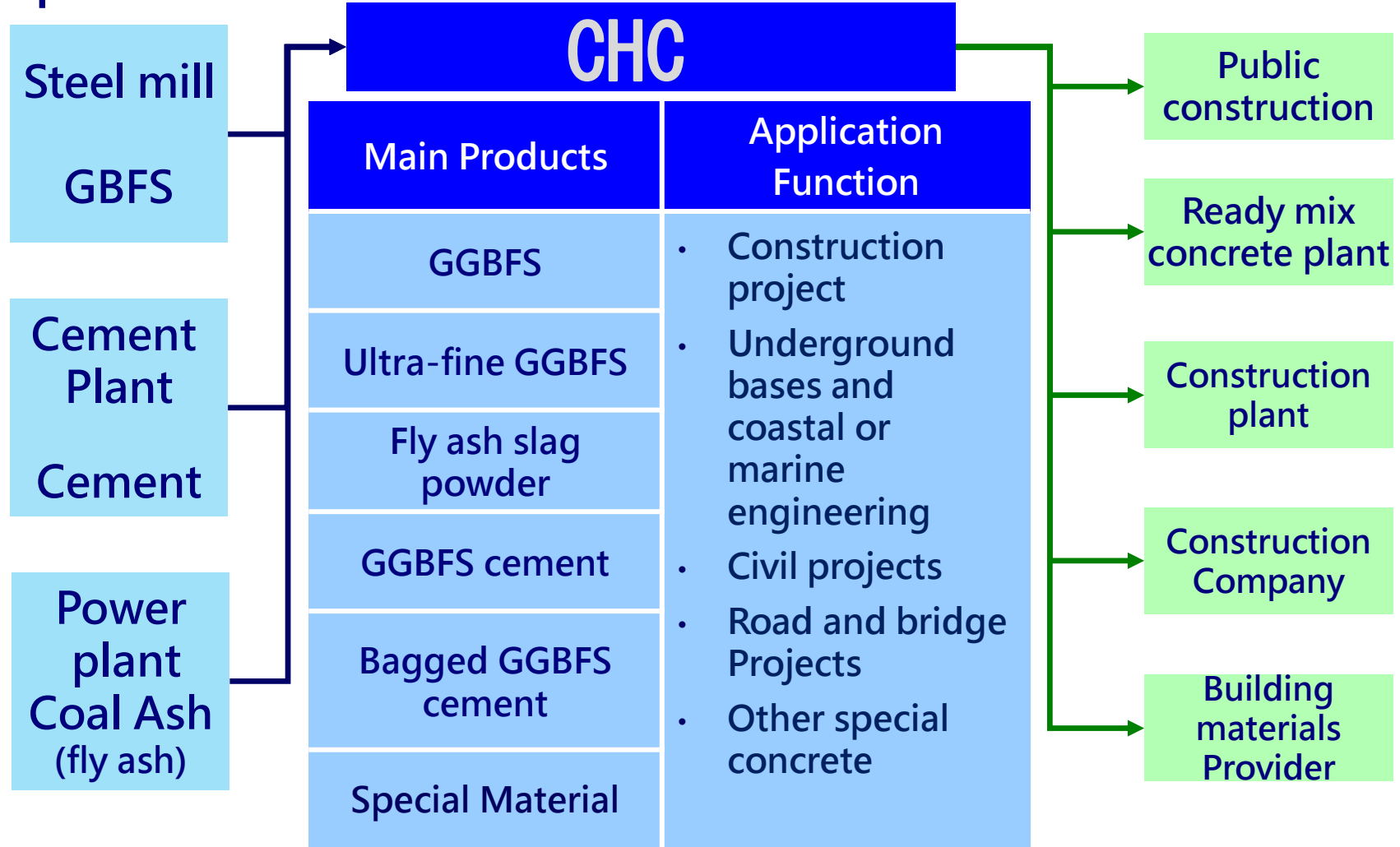
Industry Overview

GGBFS Industrial Relation

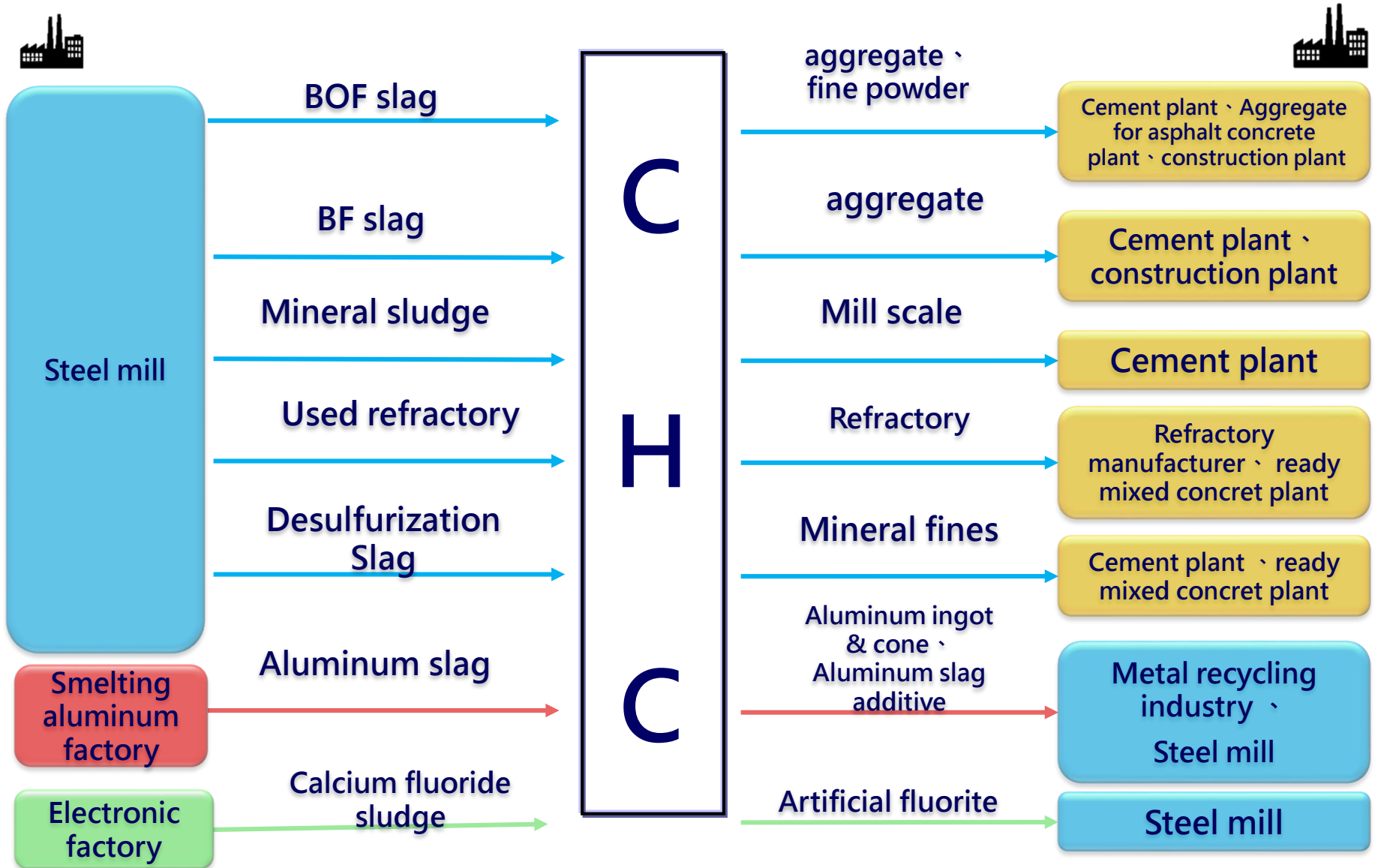
Upstream

Midstream

Downstream

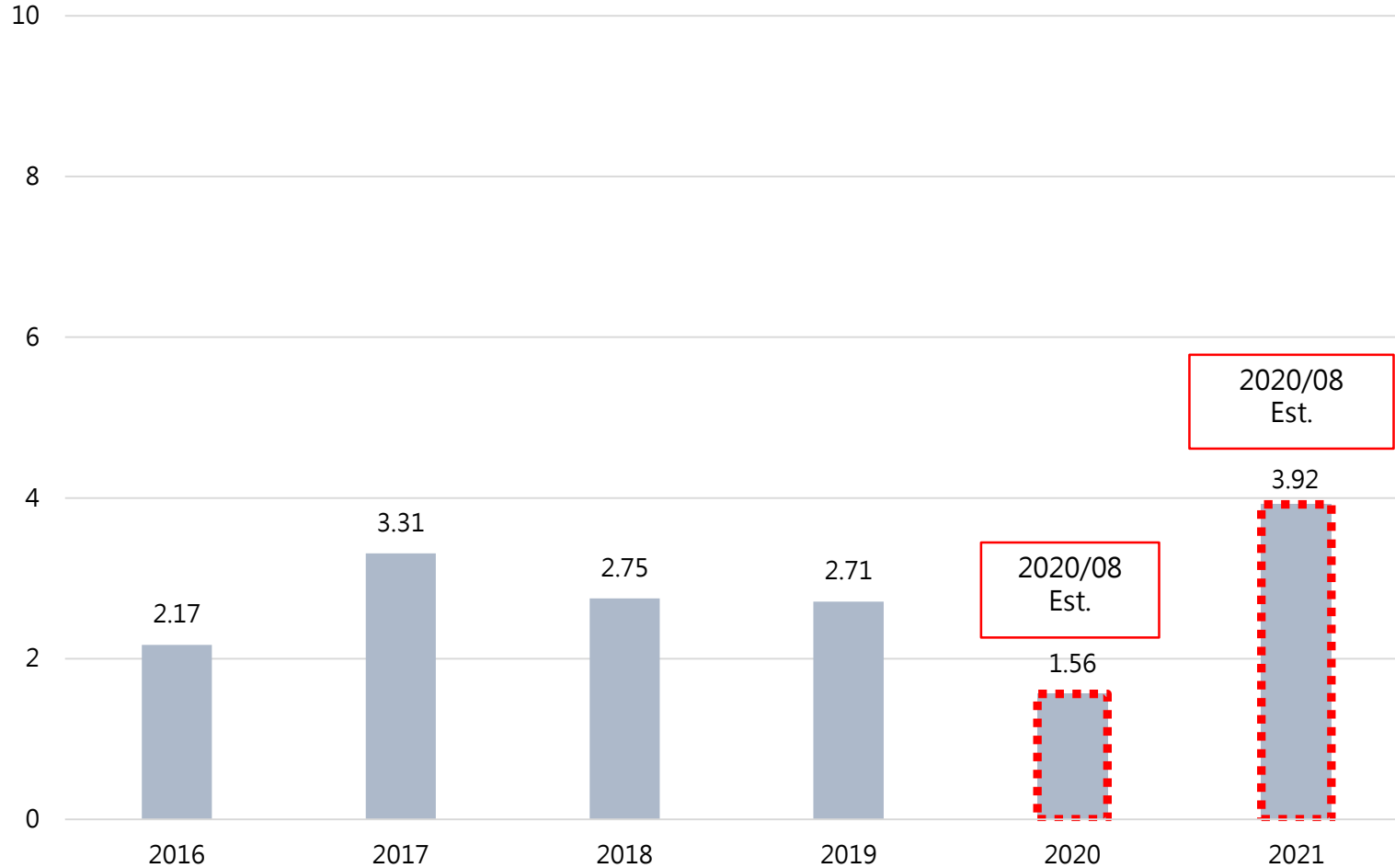


Resource Reutilization Industrial Relation



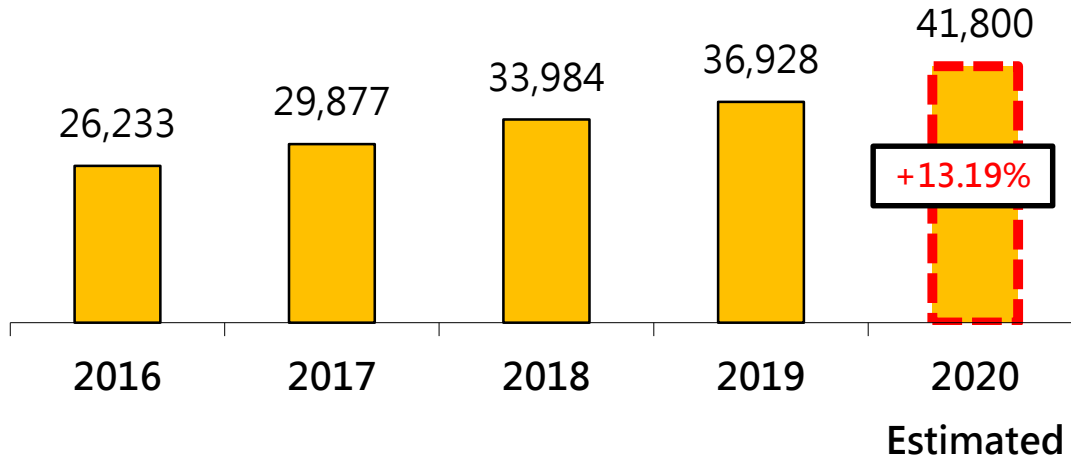
Operational Prospects

Domestic Market-Economic growth rate



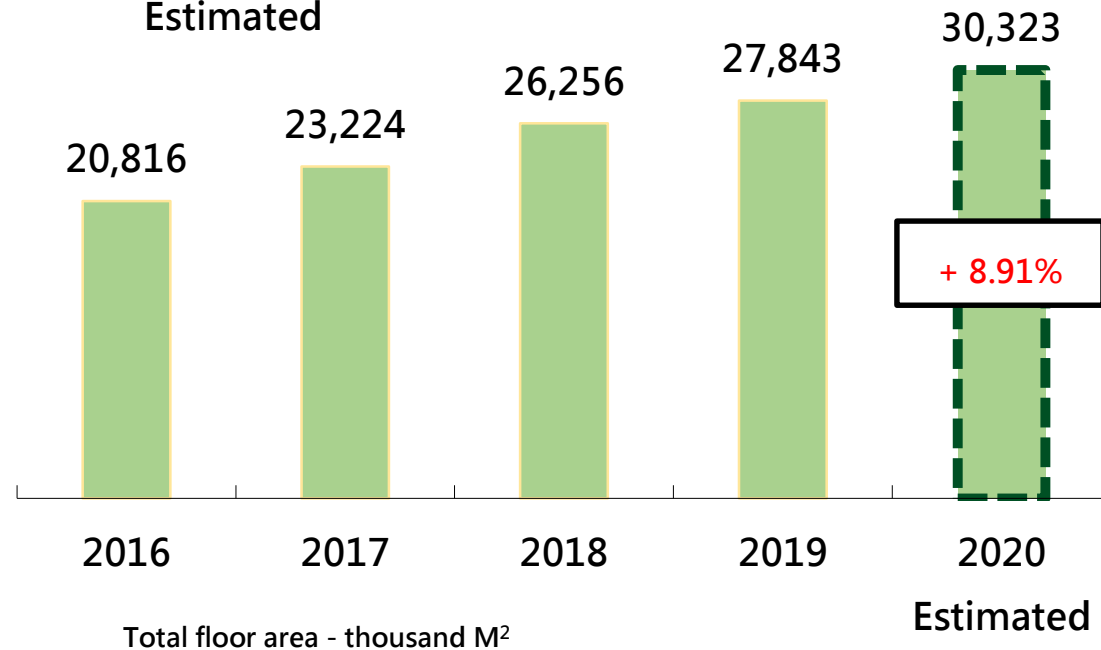
(Source: Directorate General of Budget, Accounting and Statistics)

Domestic Market- Construction license issued



Total floor area - thousand M²

Operation statistics



(2016–2020 source : Construction and Planning Agency)

Total floor area - thousand M²

Domestic Market – Infrastructures Budget

NTD 100million

Item		2020	2021(Draft)	Difference			
Public construction plan		1,575	1,324	- 251(-15.9%)			
The special budget for the Forward-Looking Infrastructure Project		1,005	1,041	<u>+ 36(+3.6%)</u>			
Planned public construction by the budget of subsidiary units of operation and non-operation special funding		1,798	2,975	<u>+ 1,177(+65.4%)</u>			
Total		4,378	5,340	+962(+22%)			
Economy and energy	Transportation and construction	Environmental resources	Agricultural construction	Cultural facilities	Urban development	educational facility	Health benefits
1,792	1,964	698	295	81	76	316	118

Note : Red means" higher than 2020" Green means" Lower than 2020"

(Source: Directorate General of Budget, Accounting and Statistics)

Domestic Market - Large Construction Projects



Green energy industry



Traffic construction



National Defense construction



Semiconductor industry



• Following the related business opportunities from Government industrial policies and backflow of overseas Taiwanese capital, the relative construction plans are on the track of implementation, which will benefit the company.

Domestic Market Prospects

■ Demand :

- According to the aforementioned market factors, such as, macroeconomic indicators, the issuance of construction licenses, public construction budgets, and rising amount of backflow investment from overseas Taiwanese capital; it could be expected that the demands of Ground Granulated Blast Furnace Slag(GGBFS) domestic market will grow steadily in 2021.
- Usage of Granulated Blast Furnace Slag(GBFS) has become more mature on International market in modern time and the price has been going up with the flow as well, which will benefit the maintenance of Ground Granulated Blast Furnace Slag(GGBFS) domestic market.

■ Supply :

- The production capacity of domestic GGBFS manufacturers has exceeded market demands and some of the competitors' expansion plans have also commenced implementation, which increase market uncertainty.

■ Goal in Future :

- Establish long-term cooperative relationships with overseas suppliers to stabilize the source of GBFS and strengthen our supply stability of GGBFS.
- Strictly execute quality management to strengthen quality stability for consolidating long-term relationship with customers.

Overseas Market – South Vietnam Grinding Plant Investment

Investment budget
(factory + land) **USD 34,600,000**

Production capacity **1 million tons / year**

Source of raw material **Formosa Ha Tinh Steel**

Target customers **South Vietnam**

Date of completion **The commissioning is expected to be completed in Q2 2021**



Overseas Market – South Vietnam Grinding Plant Investment

Plant three-dimensional simulation diagram



Overseas Market –

Production and sales planning of South Vietnam Grinding Plant

Item	Present	Future
Products/ Quantity	GBFS 2 million tons / year	<ul style="list-style-type: none">• GBFS 1 million tons / year• GGBFS 1 million tons / year
Target customers	Cement plant 、 Grinding plant	GBFS : Cement plant 、 Grinding plant GGBFS : Ready mixed concrete plant 、 Cement plant

Overseas Market –

The development of GGBFS market in South Vietnam

Item	Strategy	Main practices and results
1	Research on the Proportion of Cementing Materials	According to the characteristics of local cement, to develop the suitable addition ratio of GGBFS.
2	Establish application performance	GGBFS is used in the construction of South Vietnam Grinding Plant.
3	Establish benchmark customers	Select local high-quality customers for trial marketing in advance.
4	Establish product manual	Entrust a professional organization in Vietnam to compile and issue the manual.

Raw Materials Supply To The Cement Industry

Increase the amount of Mineral fines and BOFS as cement raw materials

Mineral fines



BOFS



Mill scale



BFS



Commit to Resources Sustainability and Value Innovation

Become an Excellent Enterprise of Circular Economy



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