

CHC Resources Corporation



July 18, 2024



Outline



I. Company Overview

II. Financial Overview

III. Operational Prospects

IV. Future Outlook





I. Company Overview





Main Business

GBFS Cement Business



Resources Reutilization Business



II. Financial Overview

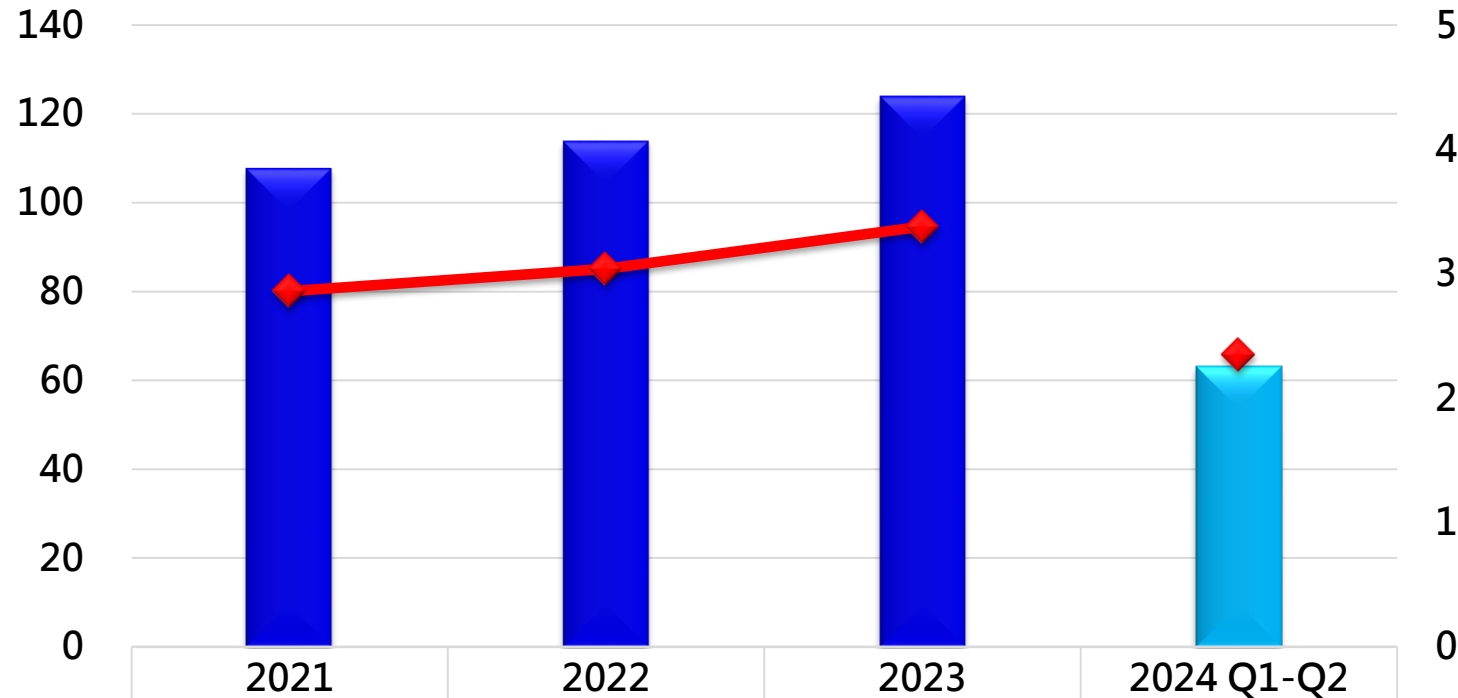
Consolidated Revenue & EPS



NTD 100million

EPS 2.86~3.38 recent years

NTD per share



Consolidated Revenue	107.7	113.8	123.9	63.2
EPS	2.86	3.04	3.38	2.35

2024 Q1~Q2 : unaudited financial figures

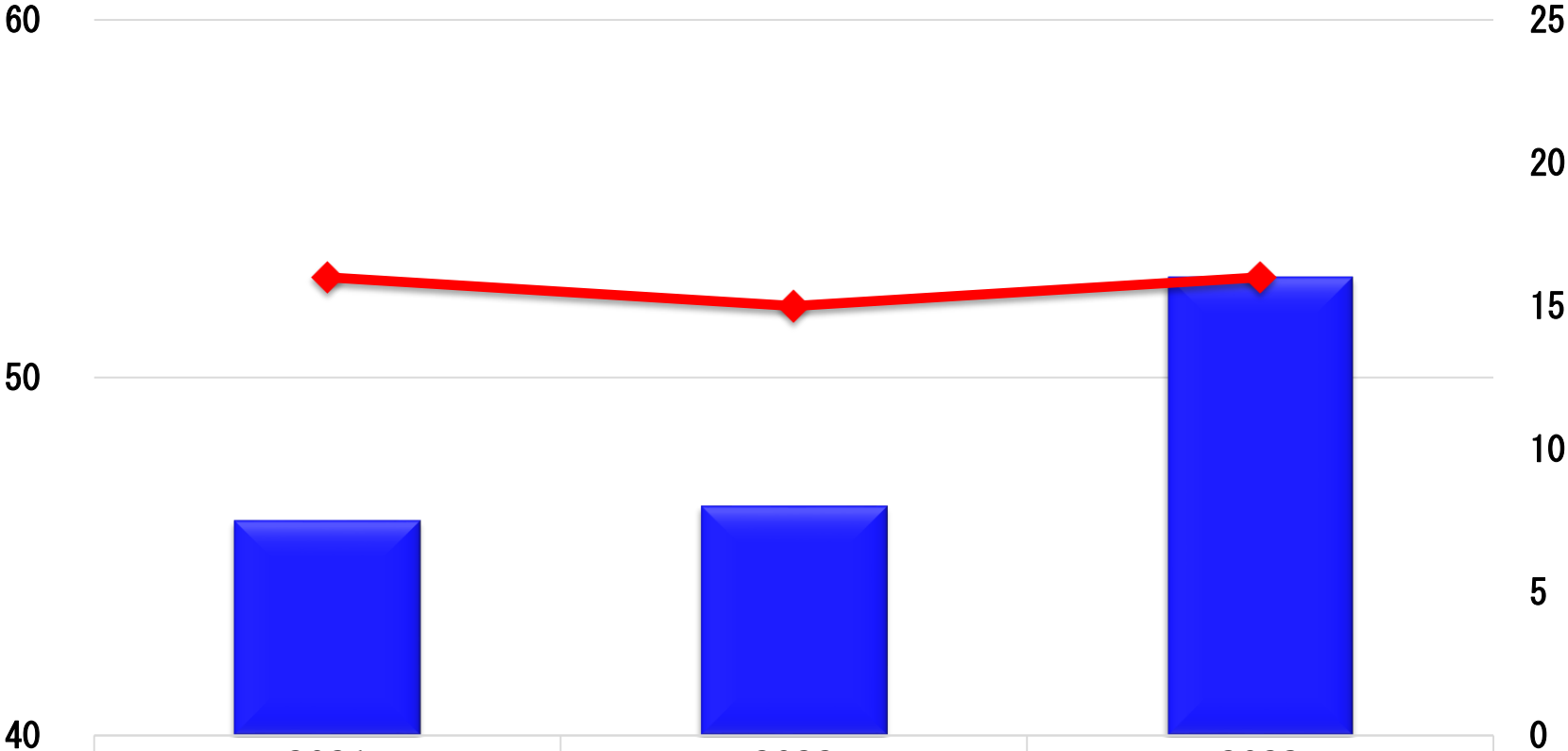


Stock Price & PE Ratio



NTD per share

PE Ratio

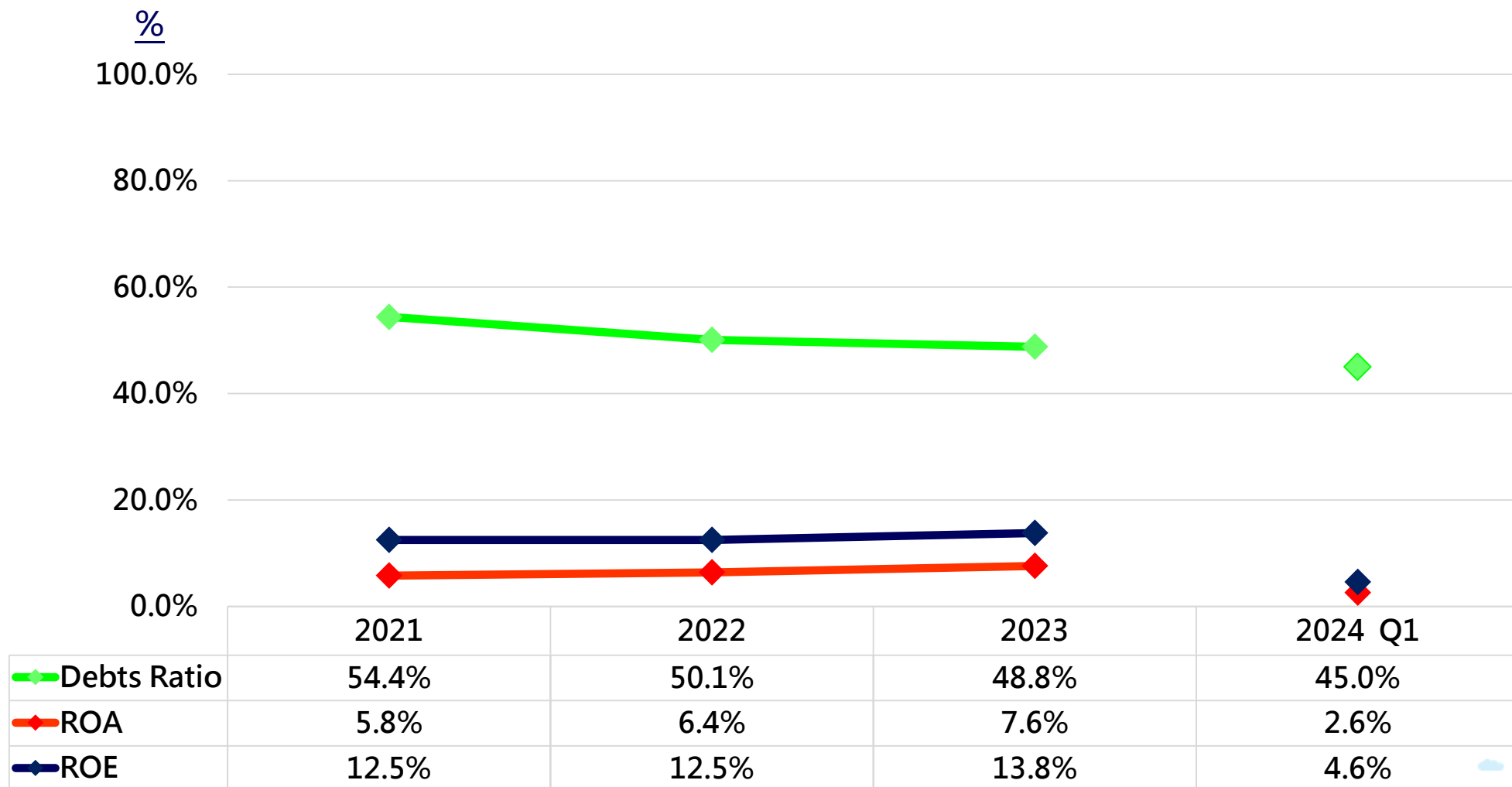


■ Stock Price (average)	2021	2022	2023
	46.0	46.4	52.8
◆ PE Ratio	16	15	16





Main Financial Index

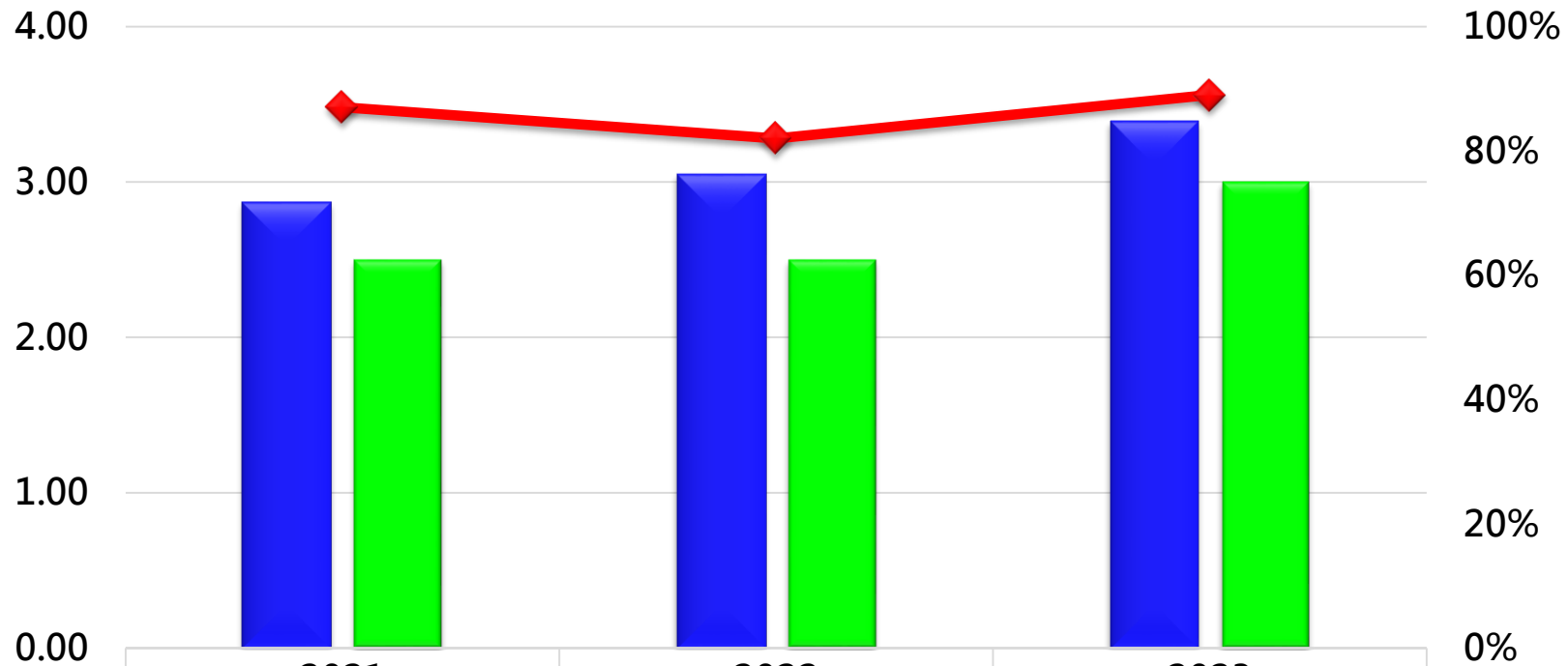


EPS & Dividend



NTD per share

Dividend payout ratio



■ EPS	2.86	3.04	3.38
■ Dividend	2.5	2.5	3.0
◆ Dividend payout ratio	87%	82%	89%



III. Operational Prospects

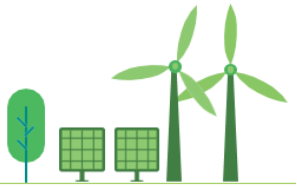
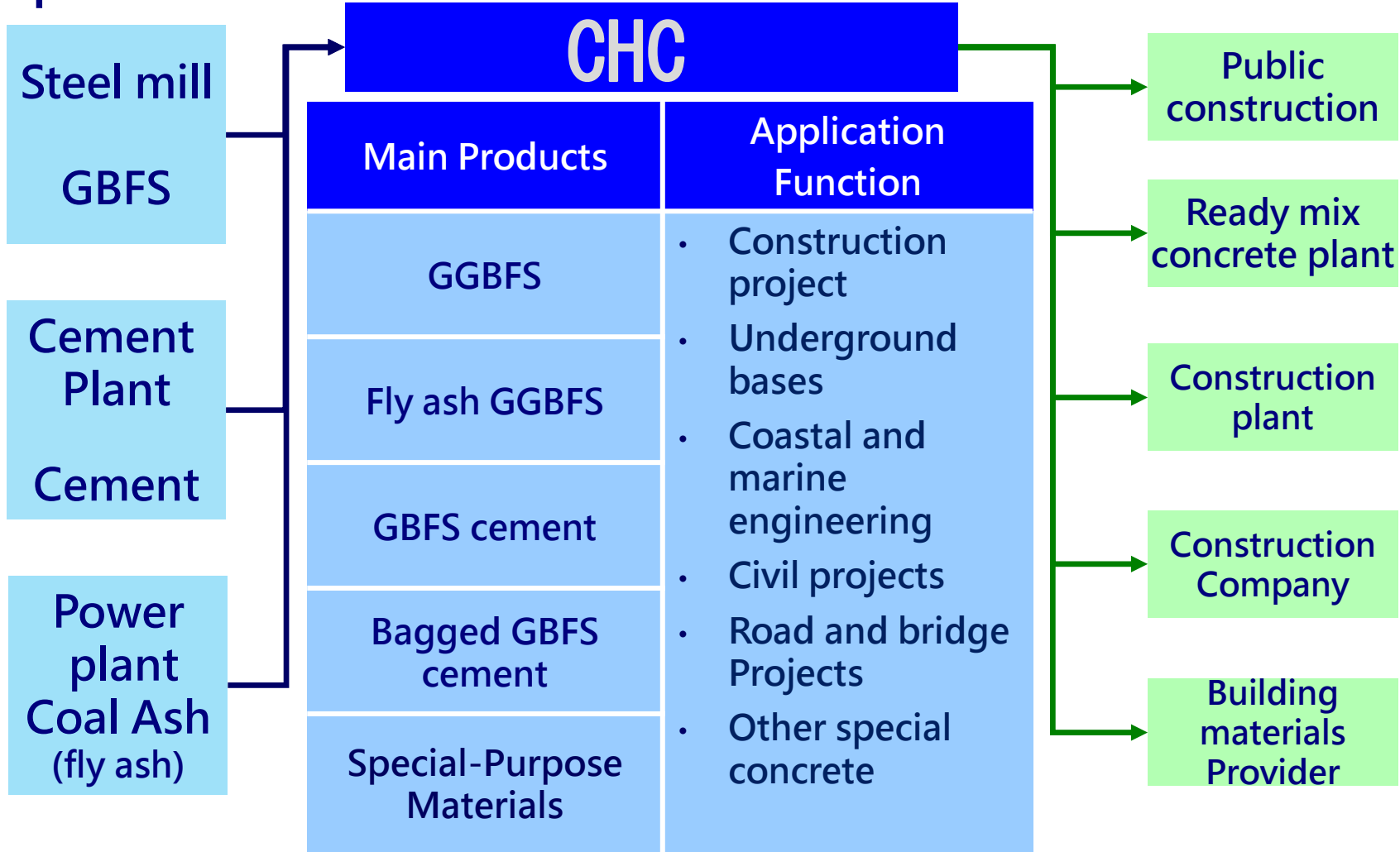
GBFS Cement Business



Upstream

Midstream

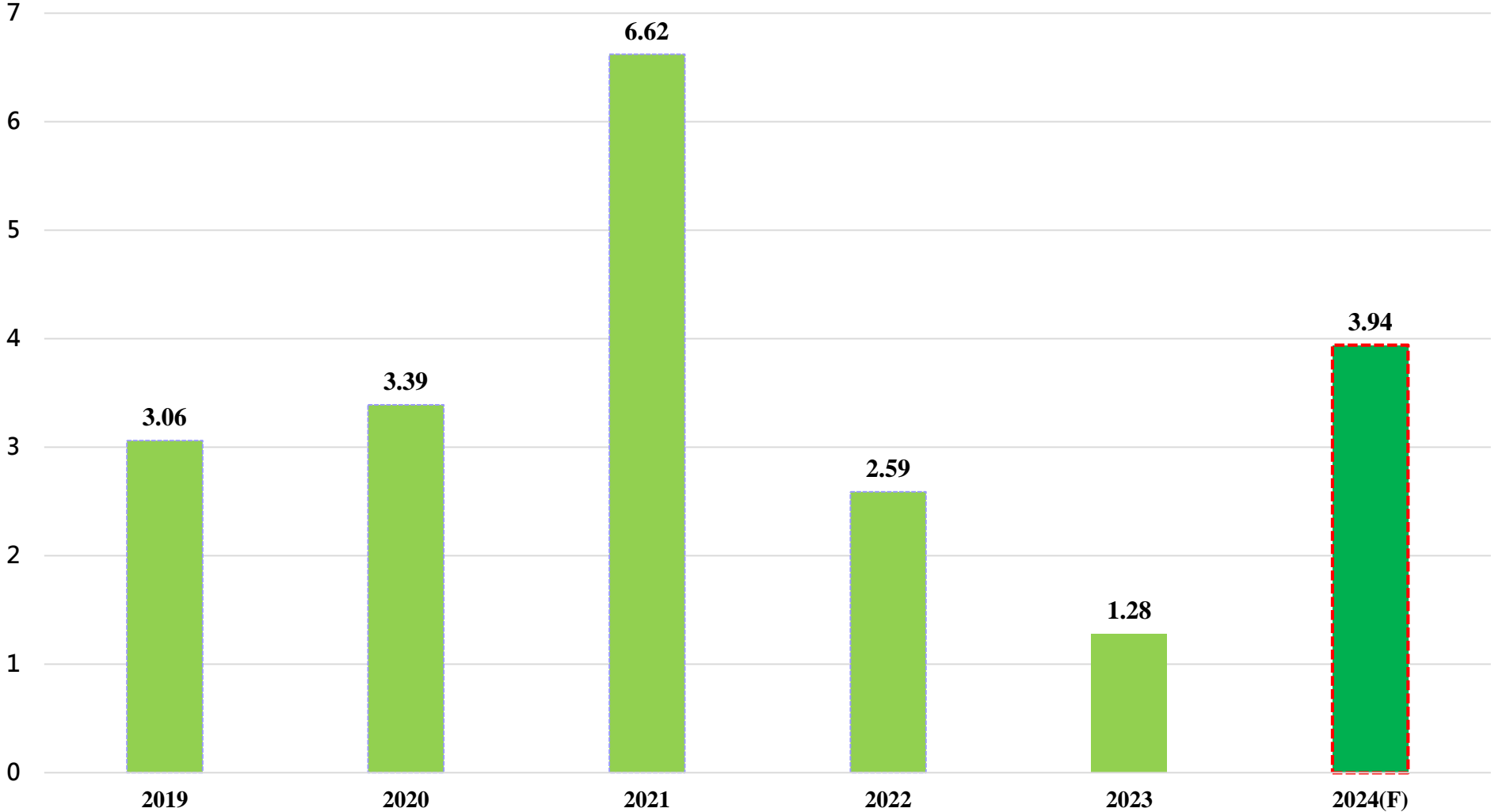
Downstream



Domestic Market



2019-2024 Economic growth rate (%)



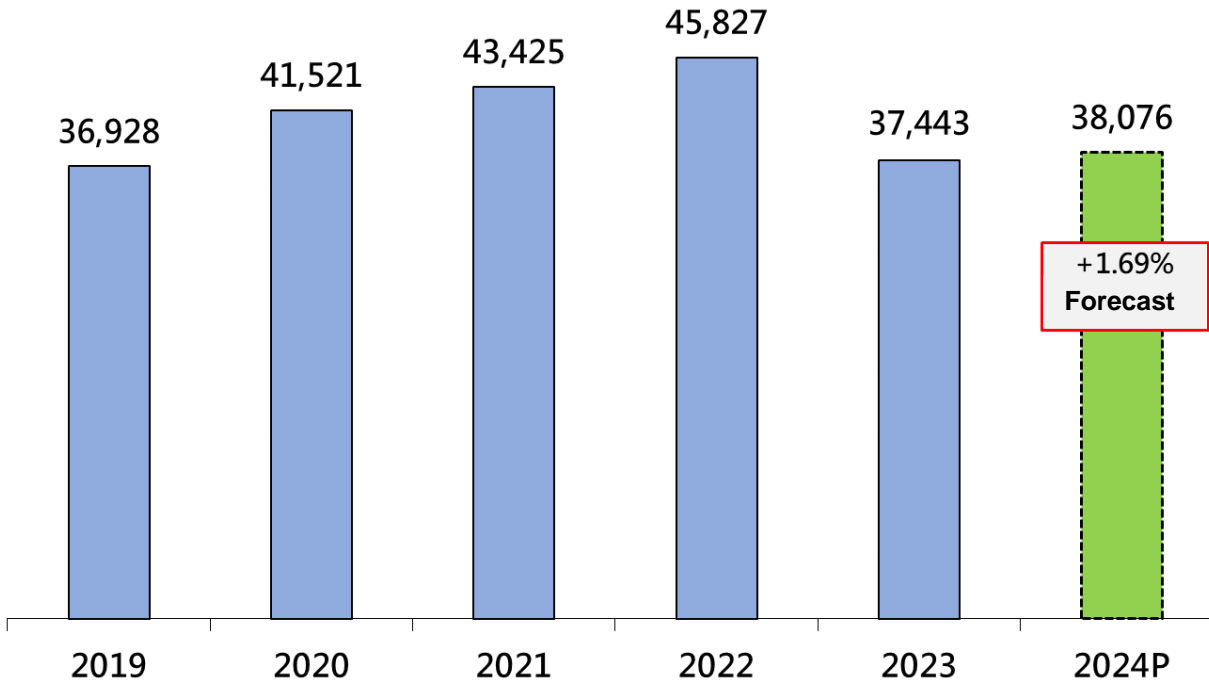
(Source: 2024. 05. 30 Directorate General of Budget, Accounting and Statistics)



Domestic Market

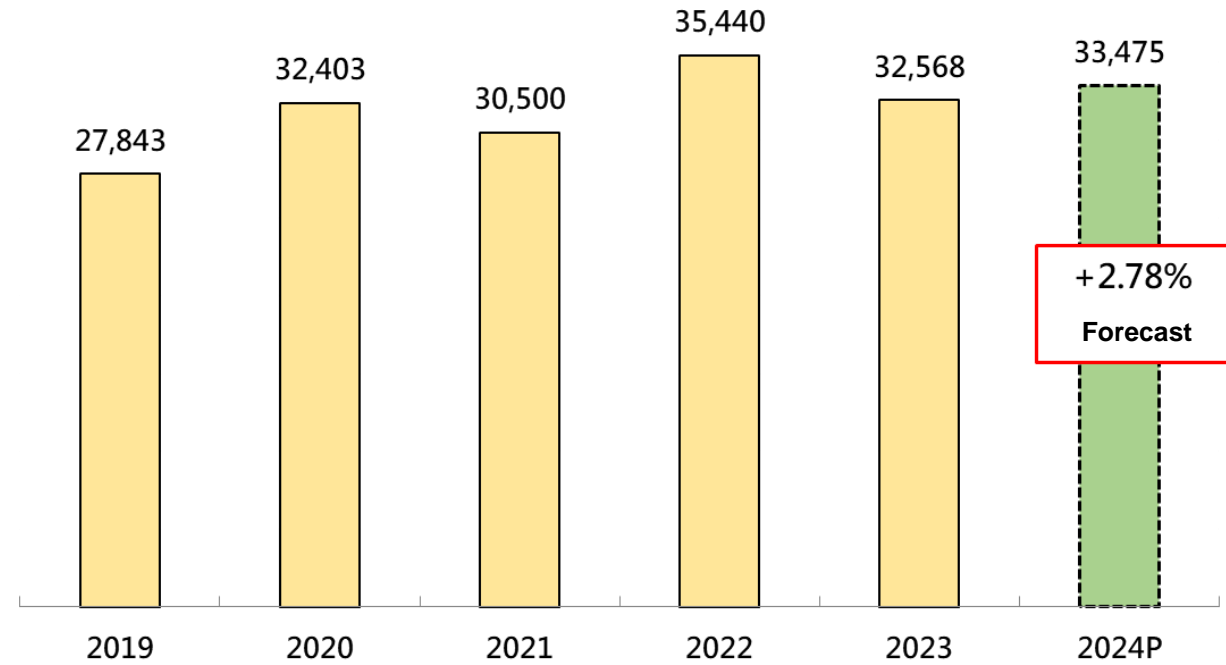


Construction License Issued



Total floor area - thousand M²

Commencement of Construction



Total floor area - thousand M²

(2019-2024 source : National Land Management Agency, MOI)



Domestic Market

Infrastructures Budget



NTD 100million

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

Item	2023	2024	Difference
Public construction plan	1,630	1,928	+298(+18.3%)
The special budget for the Forward-Looking Infrastructure Project	832	844	+12(+1.4%)
Planned public construction by the budget of subsidiary units of operation and non-operation special funding	3,415	3,114	-301(-8.8%)
Total	5,877	5,886	+9(+0.2%)



Energy Industry



Harbor Engineering



Traffic Construction





Domestic Market Prospects

■ Demand :

- Based on the aforementioned indicators, it is projected that the economic growth rate will **remain positive in 2024**, with an **increase** in the forecasted Infrastructures Budget compared to 2023.
- As of May 2024, the Issuance of Construction License and the Commencement of Construction have both declined compared to the same period in 2023, **indicating a cautious stance in the market**. However, these two indicators have **shown consecutive increases over the past three months**. If this trend continues, **the construction industry's prosperity will maintain stability in the latter half of 2024**.
- In recent years, demand for concrete has remained high, contributing **to the stable pricing of GGBFS**.





Domestic Market Prospects

■ Supply :

- During the summer, industry peers adopt off-peak electricity usage for production, limiting supply capacity, which **helps maintain overall supply-demand balance** during the off-season.
- In the future, steel mills will reduce GBFS to comply with carbon reduction policies. **The gap between supply and demand will need to be eased by imports.** Currently, imports are mainly sourced from high-priced Japanese GBFS. Despite the drawback of higher price, it's reliable in terms of quality and stable delivery. **It's important to note the flow of GBFS from China and Korea;** if competitors significantly increase their purchases of these cheaper raw materials, it could impact the market.

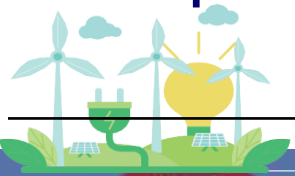




Overseas Market- CHCV Operation

■ Operating Status

- In 2024, Vietnam's construction industry continues to face the problem of market recession. The situation of overcapacity in cement production is getting worse. Cement factories have significantly lowered prices to compete for market share, resulting in a nearly 20% price drop compared to 2023. This has consequently put pressure on both the price and demand for GGBFS. CHCV has successfully increased sales volume and gross profit by implementing strategies, such as **product differentiation, cost reduction in production, expanding into remote areas, and build partnerships with cement plants and batching plants.**
- As a result of improved capacity utilization and reduced unit production costs, the gross profit of GGBFS has gradually increased. This stability has allowed the company to achieve steady growth in operations and maintain profitability.



中聯資源

CHC RESOURCES

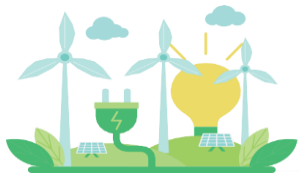




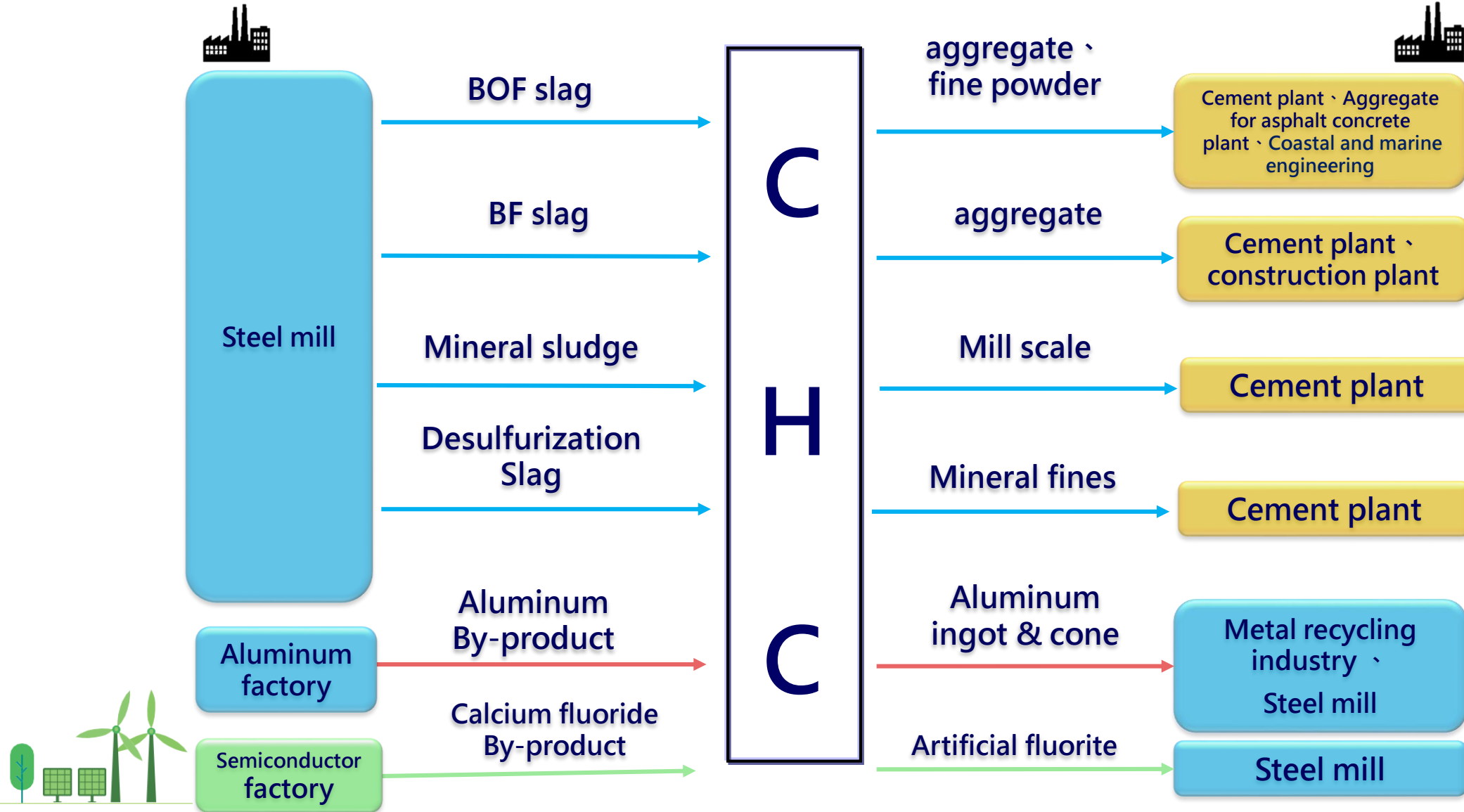
Overseas Market- CHCV Operation

■ Prospect

- Vietnam's Economic Outlook for 2024: The construction market in Vietnam remains sluggish, despite Vietnam government stimulate domestic demand through investments in public constructions. However, slow disbursement of government funds and insufficient cash flow in the construction sector have led to less effective stimulus than anticipated. CHCV will continue **developing its customer base among precast concrete plants and cement factories involved in public infrastructure projects to sustain operational momentum.**



Resources Reutilization Business










Create Circular Economy Value Cross Industries

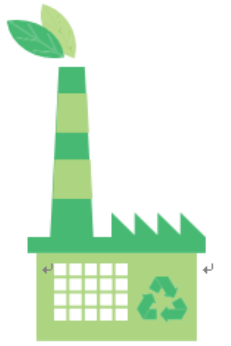


Steel mill

Steel mill By-product

 **中聯資源**
CHC RESOURCES

Mineral fines	BFS	Mill scale	BOFS
			



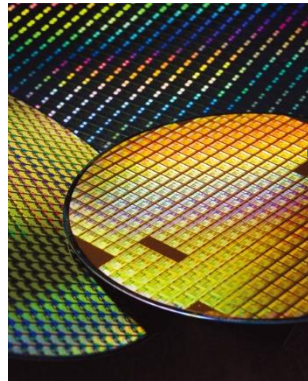
Recovered products are used as cement raw meal and help cement plant to meet CO₂-emission reduction target

Cement Raw Meal



Cement plant

Create Circular Economy Value Cross Industries



Semiconductor factory



Aluminum factory

Calcium fluoride By-product

Aluminum By-product

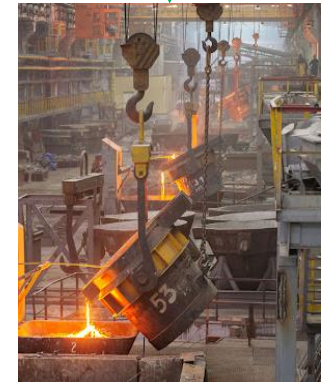
 **中聯資源**
CHC RESOURCES

Artificial fluorite Aluminum cone



Reduce natural raw material mining and promote circular economy

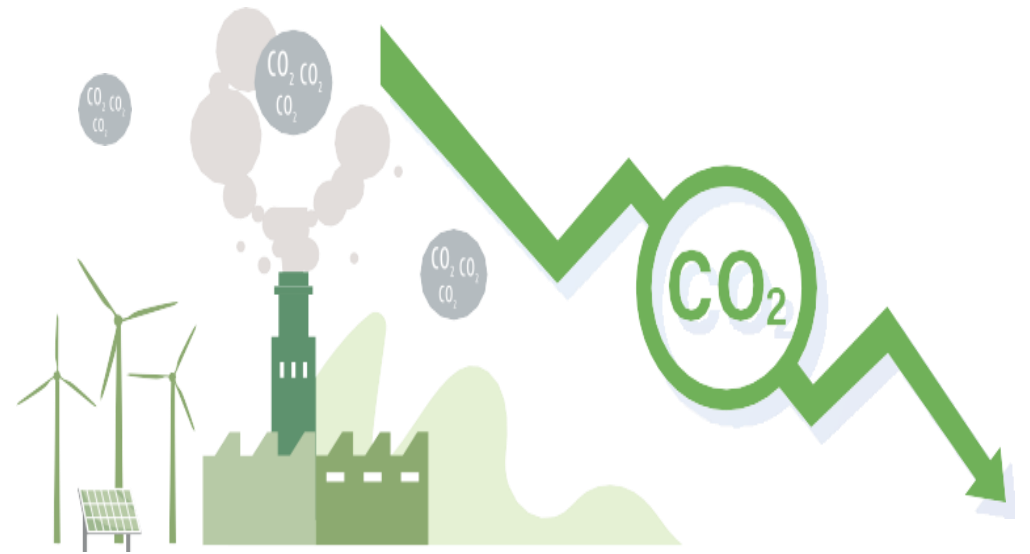
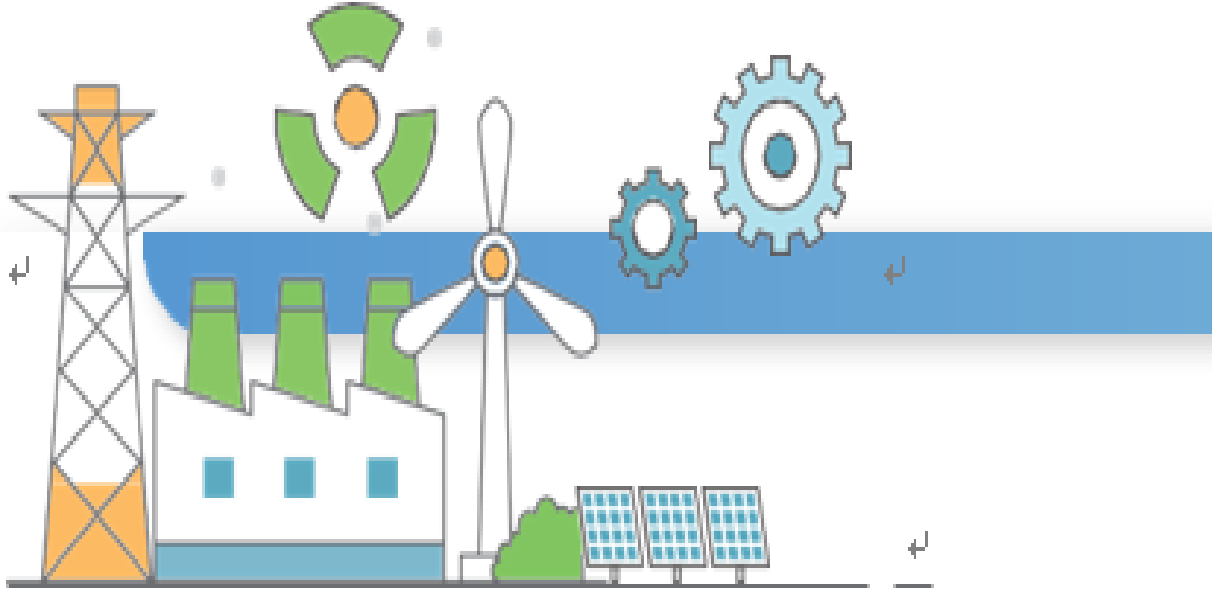
Steelmaking raw materials



Steel mill



IV. Future Outlook



Future Outlook-GBFS Cement Business

(Opportunities in Carbon Reduction and Directions for Promotion)



The Carbon Footprint Difference Between GGBFS and Blended Cement Products

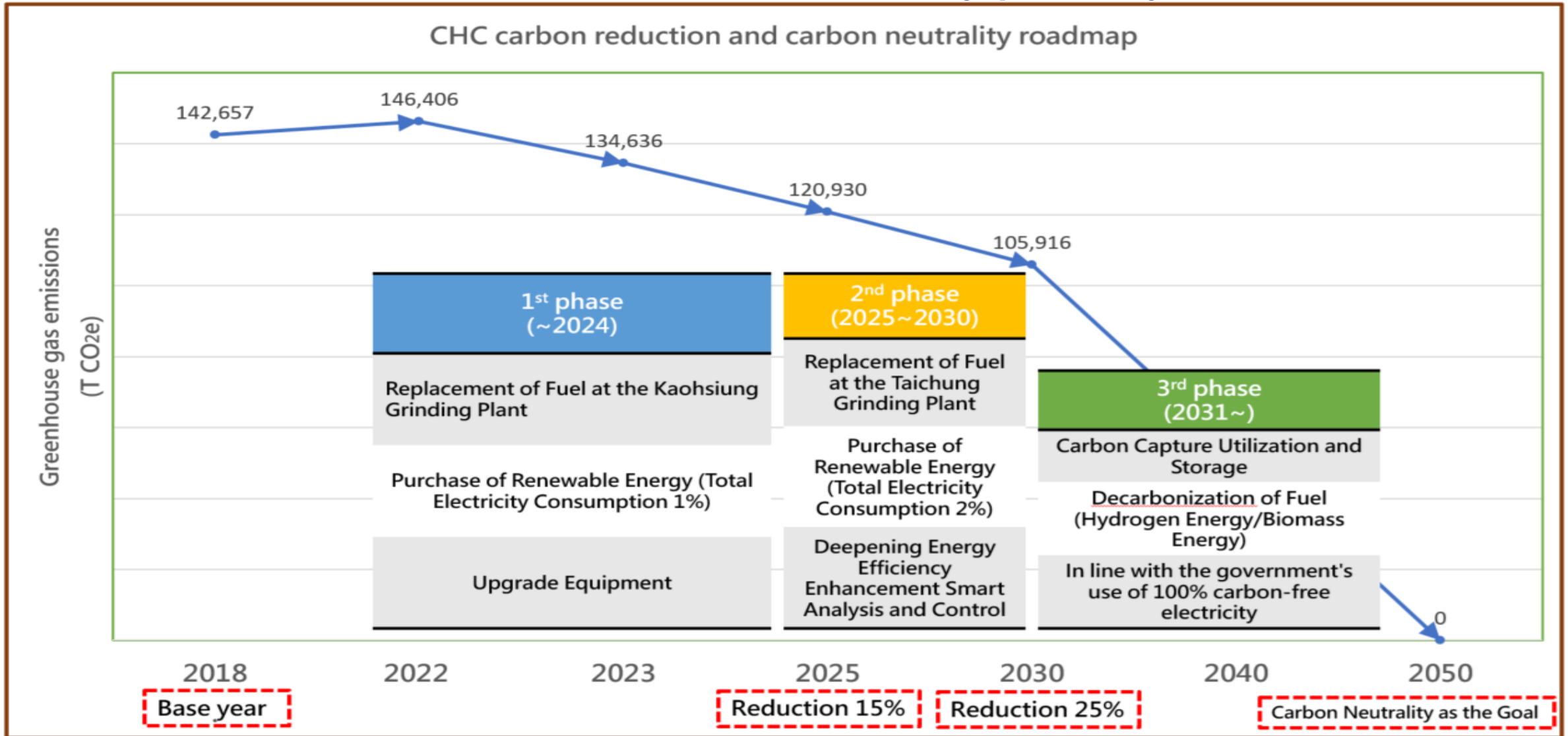
Products	Emissions kgCO ₂ e/mt	Comparative Emissions and Benefits per Ton Compared to Cement kgCO ₂ e/mt
GGBFS	61	-846
Fly Ash GGBFS	47	-860
New Type of GBFS Cement(H2F)	512	-395
Portland GBFS Cement	604	-303
Special-Purpose Materials	359	-548



Note: Ordinary cement emits approximately 907 kg CO₂e per ton. This information is based on data published by the MOENV's Product Carbon Footprint Information Platform.

GGBFS is a low-carbon product. CHC produces approximately 3 million tons annually. Using the CO₂ absorption rate of 389 tons per year for Da'an Forest Park, the carbon reduction of approximately 2.55 million tons is equivalent to the absorption of CO₂ by **6,500** Da'an Forest Parks annually.

Future Outlook-2050 carbon neutrality pathway



Vision

Commit to Resources Sustainability and Value Innovation

Become an Excellent Enterprise of Circular Economy



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Q&A