



東南水泥股份有限公司

SOUTHEAST CEMENT CORPORATION

2024 Q3 INVESTOR SEMINAR

Stock ID : 1110



DISCLAIMER

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Content

- Operating Highlights
- Financial Highlights
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Operating Highlights

Cement and furnace slag Business

Southeast cement

Unit:ton

	Production/Buy-in		Sales	
Type	Cement	Slag	Cement	Slag
2024/1-2024/9	312,654	117,727	347,356	118,838
2023/1-2023/9	337,945	139,550	401,829	129,111
Differential discrepancy	-7.48%	-15.64%	-13.56%	-7.96%

◎In September 2023, the Company's Kaohsiung Port Terminal No. 45 shipping terminal was officially opened and transformed into a cement distributor.

◎ Sales regions: Southern region, with Kaohsiung, Pingtung and Tainan as the main sales targets, off-shore islands and the Central region.

Operating Highlights

Land development
Business

Dong Nai Construction

★ The project in Kaohsiung Yanchao have been built and completed for sale in September 2024.

Preparedness Sales

41 houses in the Dongan section in Dongshan District of Tainan city

Sales to begin mid to late December 2024.

140 households elevator residence in the Dalian section of Pingtung City

Sales to begin mid to late January 2025.

Under construction

20 houses in the Wufu Section in Chaozhou Township of Pingtung City

Estimated completion in the second quarter of 2026.

Operating Highlights

Land development
Business

Dong Nai Construction

Planning cases

16 houses in the frontage area and 128 households elevator residence in the west section of New Hougang in Renwu District of Kaohsiung City

Construction is expected to start in the third quarter of 2024.

144 households elevator residence in the Fu Chun Section in Chaozhou Township of Pingtung County

Construction is expected to start in the second quarter of 2024.

Operating Highlights

Land development
Business

Southeast Milo
International

- ✎ Make full use of 16,129.6 square meters of its own land in Kaohsiung Asia New Bay Area.
- ✎ The overall planning is divided into **Area A (on the side of Fuxing Road)**
Establishment of outlets by major retailers
Construction is expected to start in the first quarter of 2025.
- Area B (on the side of Chenggong Road)**
12 large two-storey stores with flat parking lots
Construction is expected to start in the second quarter of 2025.
- ✎ The operation focuses on commercial space development.
Store mode will be toward the development of independent individual stores in the future.

Operating Highlights

Ready-mix Concrete
Business

Southeast Topgood
Resources Recycling

Kaohsiung Factory

Unit:cubic meter

	Production	Sales
Type	Ready-mix Concrete	
2024/1- 2024/9	194,853	192,765
2023/1- 2023/9	79,758.5	75,768.5
Differential discrepancy	144%	154%

Operating Highlights

Ready-mix Concrete Business

Southeast Topgood Resources Recycling

Dafa Factory



- **Receiving general industrial waste.**
- **The recycled concrete granule products are produced and then handed over to the Concrete factory to be manufactured into CLSM and other cement products.**
- **Plant construction and equipment introduction is expected to be completed in late December 2024.**
- **Apply for commissioning and obtain operating license in the first quarter of 2025.**

Unit: thousand dollars

Financial Highlights

Consolidated income statement

	2024/1- 2024/9	2023	2022	2021
Operating revenues	2,072,159	2,273,518	1,794,015	1,846,785
Gross profit	386,095	203,879	121,279	134,568
Operating profit	278,072	59,378	(31,499)	12,054
Current net income	326,704	156,053	108,124	133,811

Unit: thousand dollars

Financial Highlights

Consolidated balance sheet

	2024/1-2024/9	%	2023	%	2022	%	2021	%
Cash and cash equivalents	451,456	3.6%	287,887	2.4%	296,374	2.5%	419,504	3.8%
Notes and accounts receivable	737,883	5.9%	604,211	5.1%	374,887	3.1%	341,504	3.1%
Inventory	1,247,984	9.9%	1,188,767	10.1%	1,016,152	8.5%	841,074	7.7%
Current assets	2,810,611	22.4%	2,485,708	21.0%	2,486,102	20.7%	2,053,373	18.7%
Total assets	12,552,860	100.0%	11,821,562	100.0%	11,989,689	100.0%	10,958,500	100.0%
Short-term borrowing	935,000	7.4%	898,000	7.6%	1,530,000	12.8%	1,240,000	11.3%
Accounts payable	319,321	2.5%	263,293	2.2%	250,786	2.1%	194,523	1.8%
Current liabilities	1,905,948	15.2%	1,740,711	14.7%	2,381,025	19.8%	1,683,431	15.4%
Non-current liabilities	1,160,678	9.2%	1,055,613	8.9%	881,996	7.4%	564,360	5.1%
Total shareholders' equity	9,486,234	75.6%	9,025,238	76.4%	8,726,668	72.8%	8,710,709	79.5%

Unit: thousand dollars

Financial Highlights

Consolidated revenue performance

	2024/1-2024/9	2023/1-2023/9	Annual growth (decline)
Operating revenues	2,072,159	1,641,523	26.23%
Gross profit	386,095	114,381	237.55%
Operating profit	278,072	4,172	6,565.20%
Other income/expenses	108,528	173,662	(37.51%)
Pre-tax profit	386,600	177,834	117.39%
Current net income	326,704	140,903	131.86%
Other comprehensive income - current	248,436	173,609	43.10%
Total comprehensive income - current	575,140	314,512	82.87%
Net profits attributable to shareholders of owners of the parent	287,746	157,234	83.01%
Net profits attributable to non-controlling interests	38,958	(16,331)	338.55%
Earnings per share	0.50	0.28	78.57%
Closing outstanding shares(thousand shares)	572,000	572,000	-

Financial Highlights

Consolidated
financial analysis
for the most
recent year

	2024/1-2024/9	2023/1-2023/9
Debt Asset ratio (%)	24.43%	21.62%
Current Ratio (%)	147.47%	159.07%
Return on Assets (%)	2.87%	0.83%
Return on equity (%)	3.53%	1.41%
Profit margin (%)	15.77%	1.59%
Earnings per share (NTD)	0.50	0.28

S W O T

- ♦ Deepen customer service and ensure market advantage.
- ♦ The Group's development spans across four major axes, namely cement sales, land asset development, resource recycling, ready-mixed concrete and construction industry, to decentralize operational pressure and vertically integrate resources.
- ♦ Kaohsiung Asia New Bay Area has a good location and is close to many tourist attractions in Kaohsiung City. It also has convenient transportation and a large number of people.
- ♦ The investment recruitment team understands the expansion needs of internationally renowned brands and chain stores, which can help introduce iconic manufacturers to the site and create stable development benefits.

- ♦ Geopolitical tensions, raw material costs are not easy to grasp, and selective credit control by the Central Bank has led to a slowdown in the housing market, slowing down project launches by builders.
- ♦ The progress of construction works has been delayed due to the rising cost of labor shortage.
- ♦ Increased cost of introducing a carbon levy in 2026.



S W O T

- ♦ The government promotes low-carbon cement, low-carbon concrete and circular economy, so that waste resources can be fully recycled and reused, so that waste can be turned into low-carbon products and resources can be regenerated, which brings investment opportunities.
- ♦ Kaohsiung North City planning, the Zuoying High-Speed Railway Science and Technology Center project, Nanzih Technology Industrial Park TSMC factory construction project, Ciaotou Science Park land development project and Renda Industrial Park enterprise factory construction will become the key development areas of North Kaohsiung.
- ♦ Asia Bay 2.0 Intelligent Technology Innovation Park Program, to promote the investment and completion of the second phase of the "Asia Bay Intelligent Technology Building", to provide industrial development, promote employment opportunities, and flourish the Kaohsiung waterfront corridor.

- ♦ The levy of carbon fee in 2026 will definitely increase the operating costs. If no carbon tariff is imposed on imported cement, importers will take advantage of the low price and cost to import large quantities of cement, which will erode the domestic cement market.
- ♦ In the future, the proportion of green power and natural gas power generation will increase, and the cost of electricity will inevitably rise.
- ♦ Online shopping and e-commerce have continued to erode the traditional retail and catering market since their launch, and consumer habits and preferences continue to change.

Southeast Topgood Low-carbon air-cooled blast-furnace slag concrete



Low-carbon and resource recycling are now an inevitable trend.

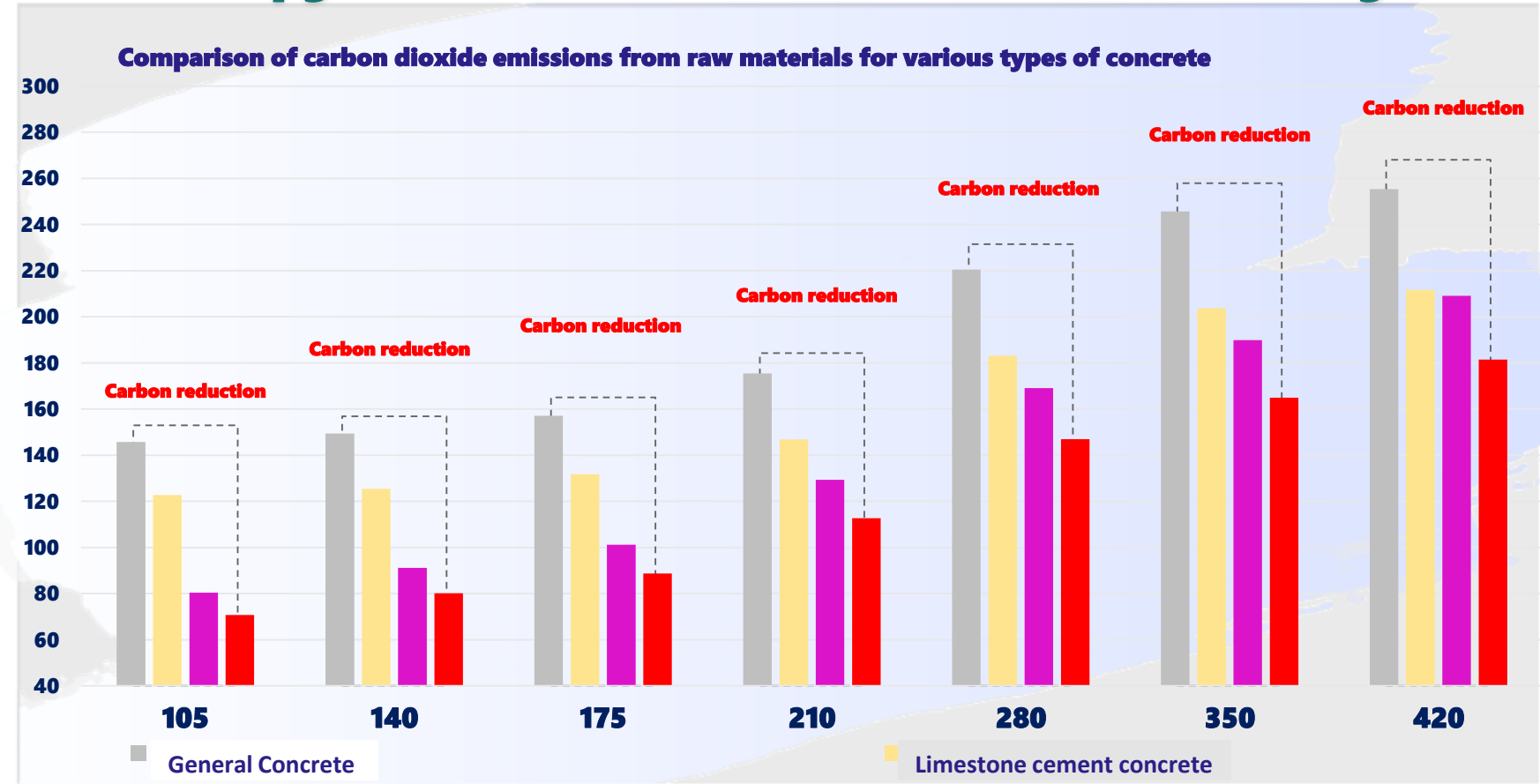
Southeast Topgood Low-carbon air-cooled blast-furnace slag concrete

👉 Use of recycled materials air-cooled blast-furnace slag, instead of natural sand and gravel production, carbon reduction ratio of up to 25~45%.

Comparison of carbon dioxide emissions from raw materials for various types of concrete

Design strength kgf/cm ²	General Concrete	Limestone cement concrete		Southeast Topgood			
				Low-carbon air-cooled blast-furnace slag concrete 〈General cement〉		Low-carbon air-cooled blast-furnace slag concrete 〈Limestone cement〉	
	CO2 emissions	CO2 emissions	Carbon Reduction Ratio 〈Compare to General concrete〉	CO2 emissions	Carbon Reduction Ratio 〈Compare to General concrete〉	CO2 emissions	Carbon Reduction Ratio 〈Compare to General concrete〉
105	146	123	15.7% ↓	80	44.8% ↓	71	51.4% ↓
140	149	125	16.1% ↓	91	39.0% ↓	80	46.4% ↓
175	157	132	16.2% ↓	101	35.6% ↓	89	43.6% ↓
210	175	147	16.3% ↓	129	26.3% ↓	113	35.7% ↓
280	220	183	16.9% ↓	169	23.3% ↓	147	33.4% ↓
350	246	204	17.1% ↓	190	22.7% ↓	165	32.9% ↓
420	255	212	17.1% ↓	209	18.1% ↓	181	28.9% ↓

Southeast Topgood Low-carbon air-cooled blast-furnace slag concrete



■ General Concrete

■ Southeast Topgood Low-carbon air-cooled blast-furnace slag concrete (General cement)

■ Limestone cement concrete

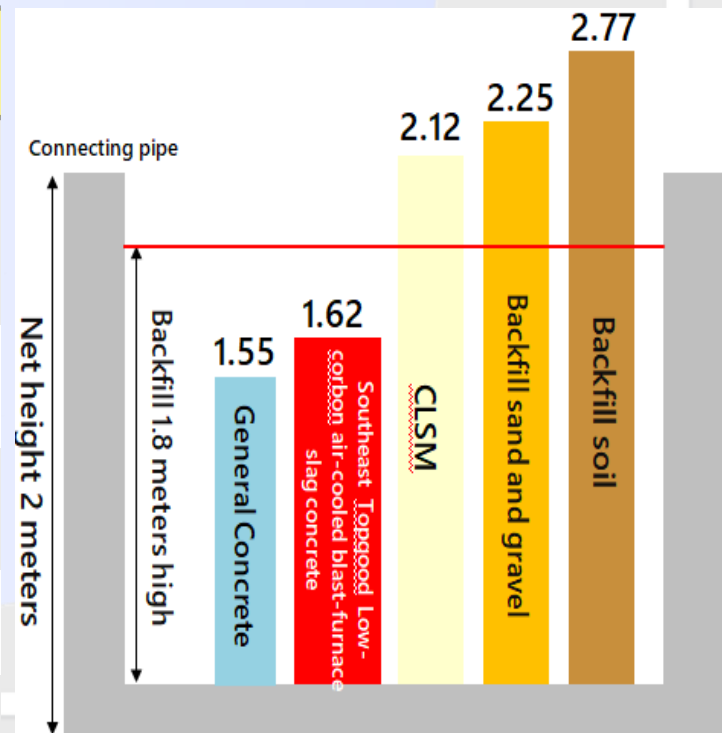
■ Southeast Topgood Low-carbon air-cooled blast-furnace slag concrete (Limestone cement)

Southeast Topgood Low-carbon air-cooled blast-furnace slag concrete



The specific gravity of concrete backfill is close to that of general concrete backfill, so the use of backfill material is more economical than others.

Type	Specification	Unit weight 〈T〉	Quantity 〈m ³ 〉	Irrigation depth〈m〉
Southeast Topgood Low-carbon air-cooled blast-furnace slag concrete	105 kgf/cm ²	2.22	10.14	1.62
General Concrete	105 kgf/cm ²	2.32	9.70	1.55
CLSM	40~140 kgf/cm ²	1.70	13.24	2.12
Backfill sand and gravel	Lose Volume with Water	1.60	14.06	2.25
Backfill soil	Lose Volume	1.30	17.31	2.77



Southeast Topgood Low-carbon air-cooled blast-furnace slag concrete

👍 ISO 9001, ISO14001, ISO45001 certification verified by SGS.

👍 GRMC certification by TCRI.

👍 CETES certification by TCRI.



Q&A



THANKS!