



TCC 2017 Third Quarter Earnings Conference

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.

Taiwan Cement Corporation makes no representation or warranty as to the accuracy or completeness of these forward-looking statements and nor does Taiwan Cement Corporation undertake any obligation to update any forward-looking statements, whether as a result of new information or future events.

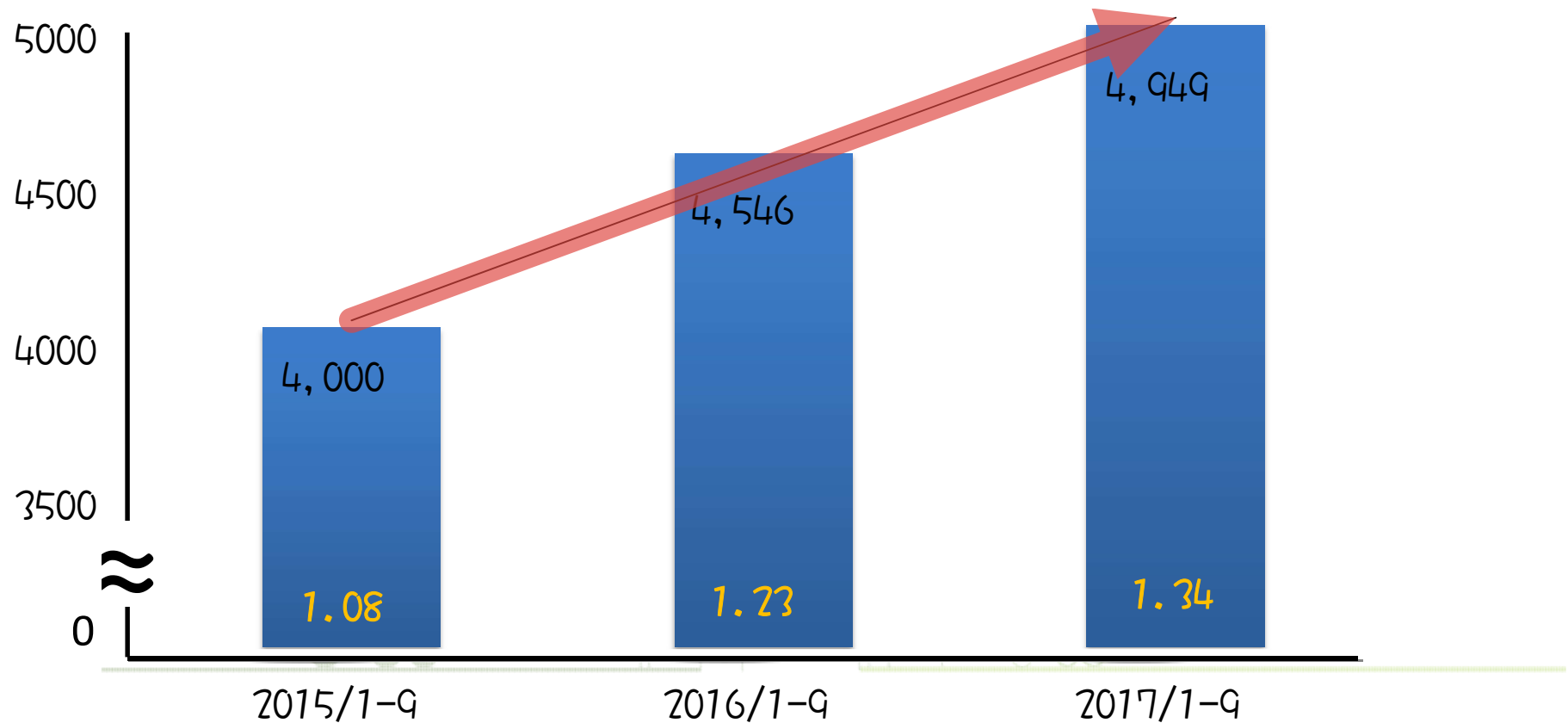
Agenda



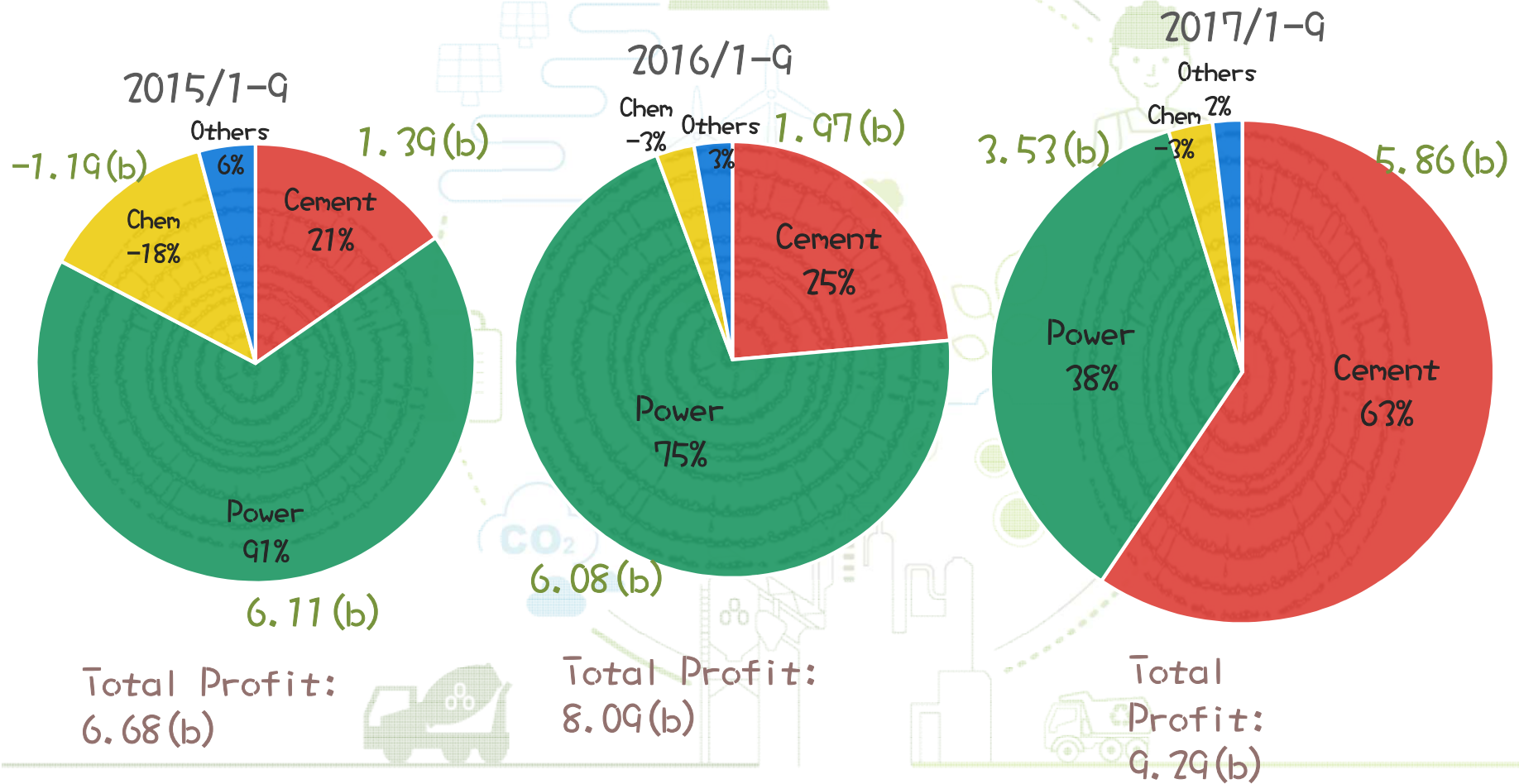
- For the 9 months ended Sept. 30, 2017 Financial Results
- The trend of cement revenue & gross profit
- China Cement Market Recap
- Circular Economy of TCC
 - Sustainable Development : CCUS
 - Energy Recycling : Green Energy
 - Resource recycling : Waste Treatment

Continuous Growth of Net Income Attributed to Shareholders of the Parent company

Unit: NTD millions

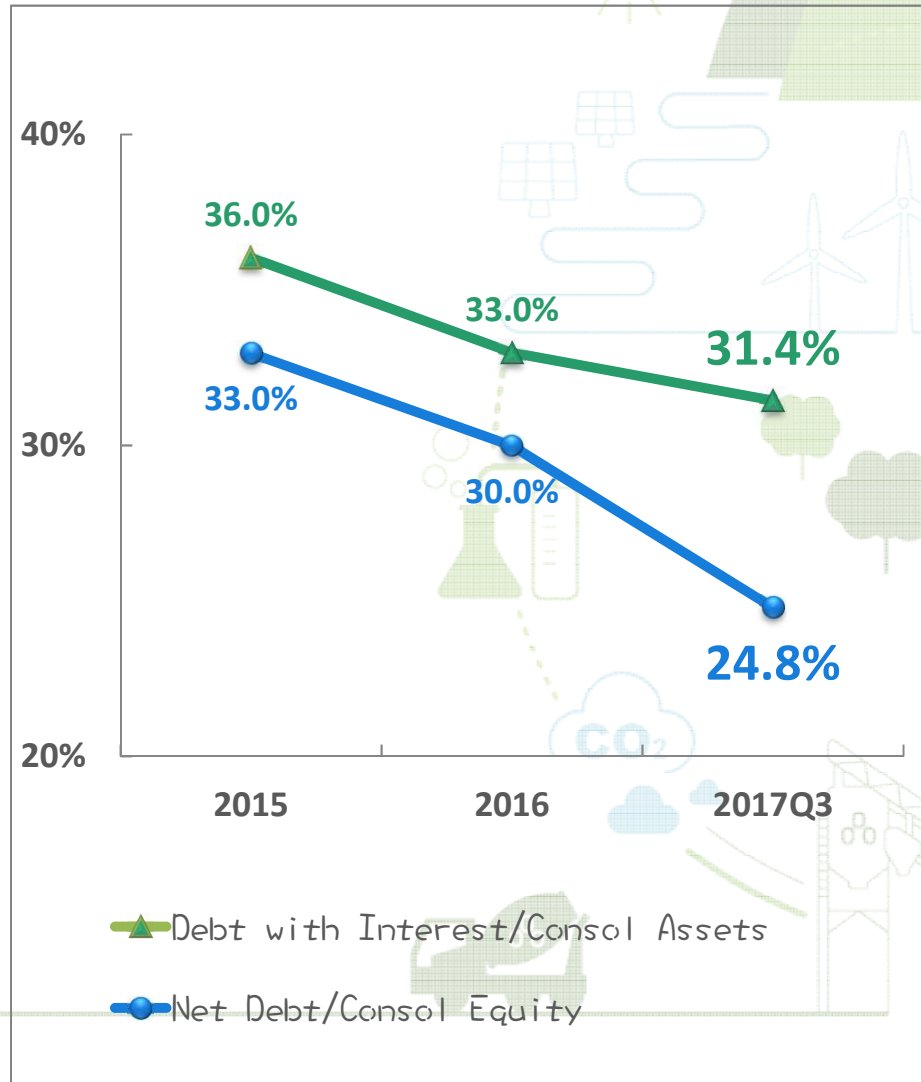


Diversified Profits

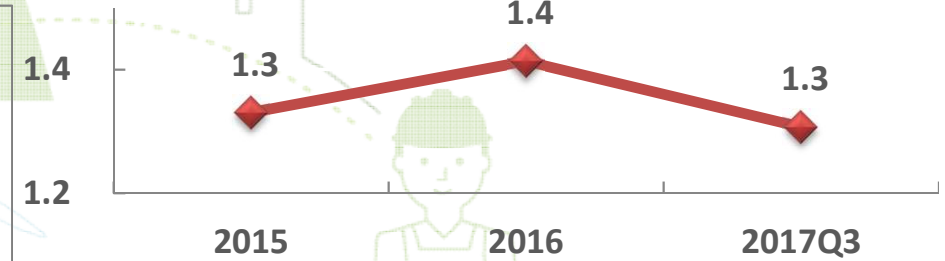


Solid Financial Structure

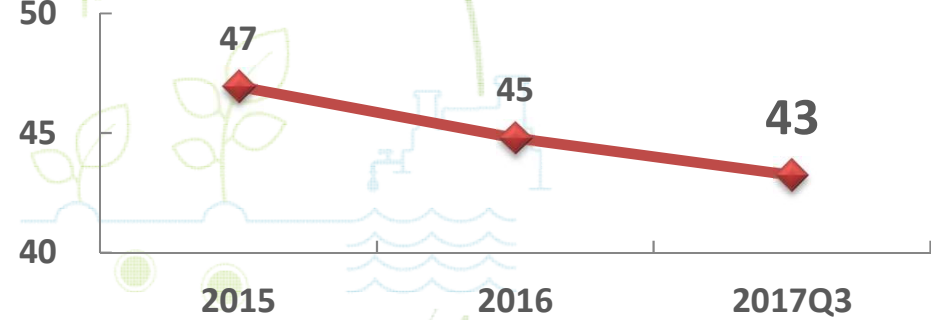
Leverage Ratio (%)



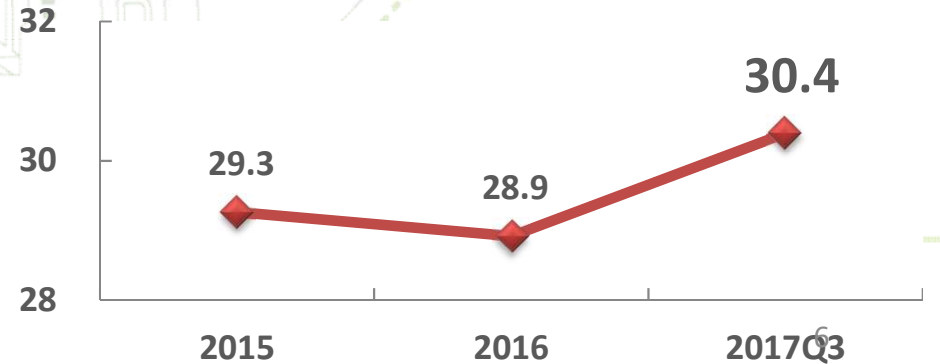
Current Ratio (%)



Debt Ratio (%)



Book Value Per Share



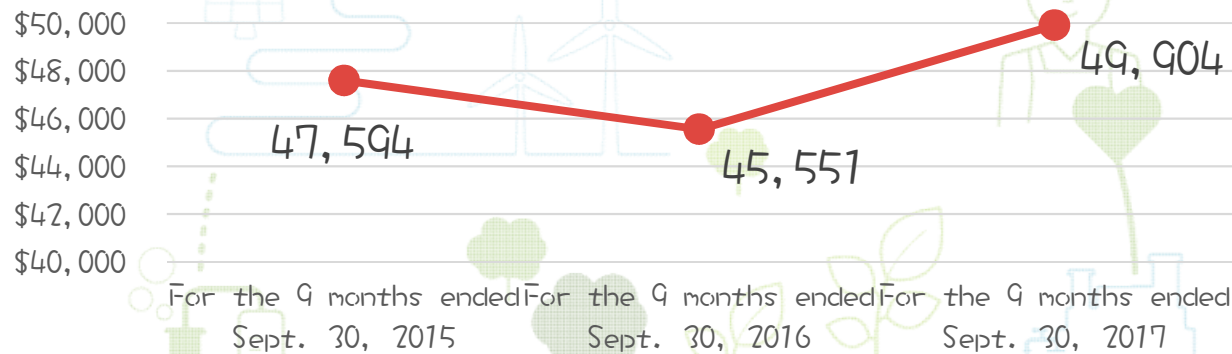
Agenda

- For the 9 months ended Sept. 30, 2017 Financial Results
- The trend of cement revenue & gross profit
- China Cement Market Recap
- Circular Economy of TCC
 - Sustainable Development : CCUS
 - Energy Recycling : Green Energy
 - Resource recycling : Waste Treatment

The Revenue and Gross Profit of Cement Segment

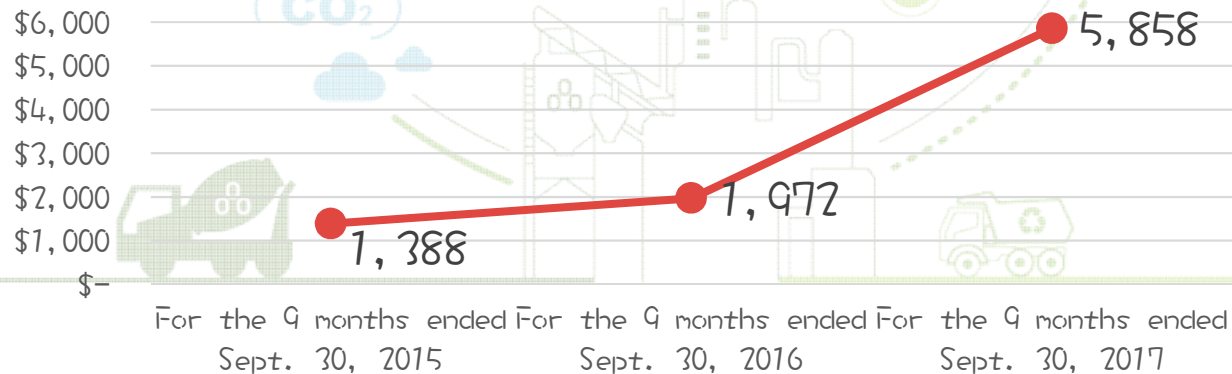
Expressed in millions of NTD

Revenue : The selling price of cement was increased in China

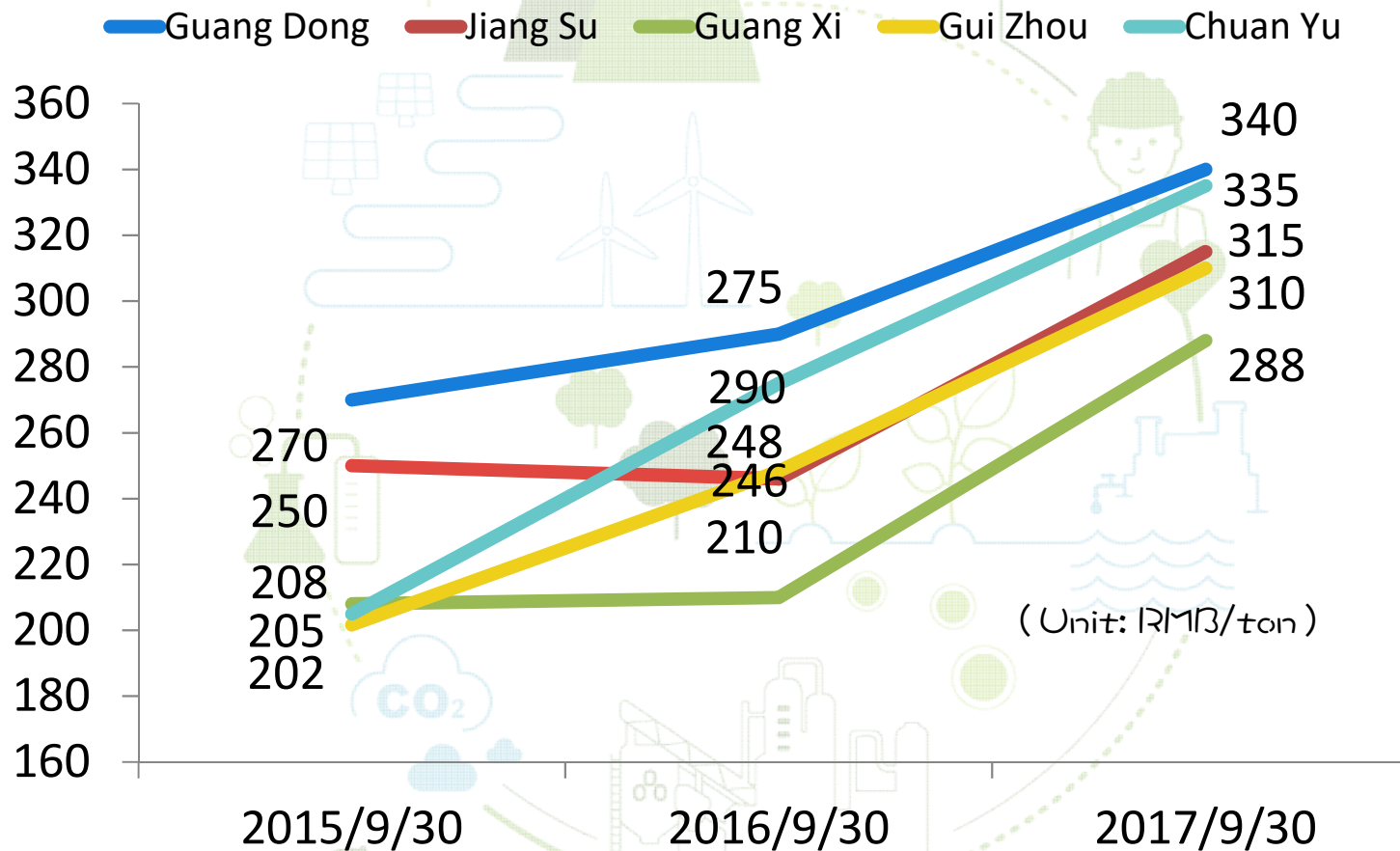


Expressed in millions of NTD

Gross Profit : the selling price of cement was increased more over than COGS



TCC Major Markets in China PO 42.5-grade price



Gross Profit per ton was increased in China



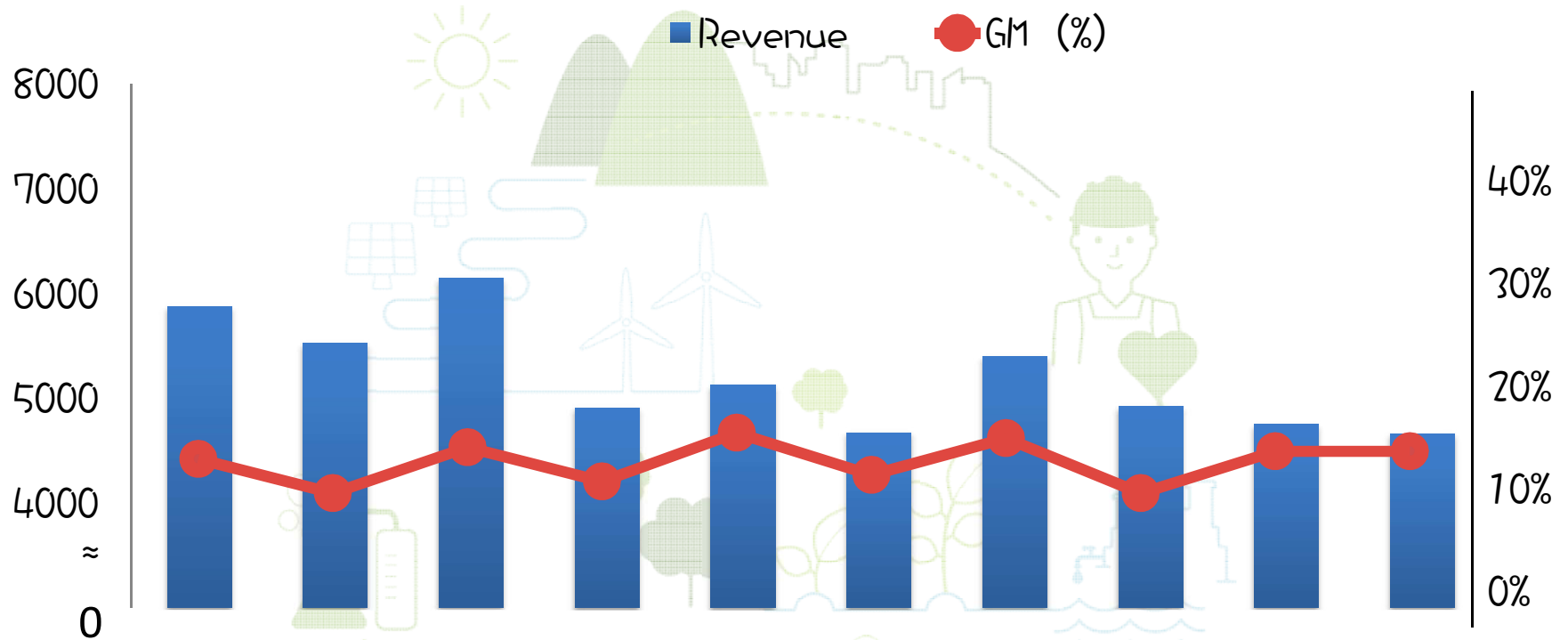
Quarterly	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Sales Volume	13.0	13.5	15.6	11.5	15.0	14.8	16.0	11.6	14.9	13.9
Revenue	2,393	2,289	2,643	1,834	2,524	2,576	3,413	2,545	3,348	3,068
Gross Profit	206	190	369	54	362	386	816	447	696	623
GP per ton	15.9	14.0	23.6	4.7	24.1	26.1	50.9	38.7	46.5	44.7
Operating Profit	(22)	22	101	(109)	155	205	571	200	502	407
GP Ratio	8.6%	8.3%	13.9%	2.9%	14.3%	15.0%	23.9%	17.6%	20.8%	20.2%

Operating Profit = Revenue - COGS - Operating Expense

GP per ton = Gross Profit / Sales Volume

GP Ratio = Gross Profit / Revenue

Gross Profit per ton in Taiwan was stable



	2015	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Revenue (Millions)	5,873	5,519	6,143	4,906	5,121	4,669	5,389	4,920	4,748	4,658
GP Ratio (%)	12.2%	9.6%	13.1%	10.5%	14.2%	11.0%	13.8%	9.6%	12.8%	12.8%

Gross Profit = Revenue - COGS

GP Ratio = Gross Profit / Revenue

Notes : The sales and profit of Concrete was included.

Agenda



- For the 9 months ended Sept. 30, 2017 Financial Results
- The trend of cement revenue & gross profit
- **China Cement Market Recap**
- Circular Economy of TCC
 - Sustainable Development : CCUS
 - Energy Recycling : Green Energy
 - Resource recycling : Waste Treatment

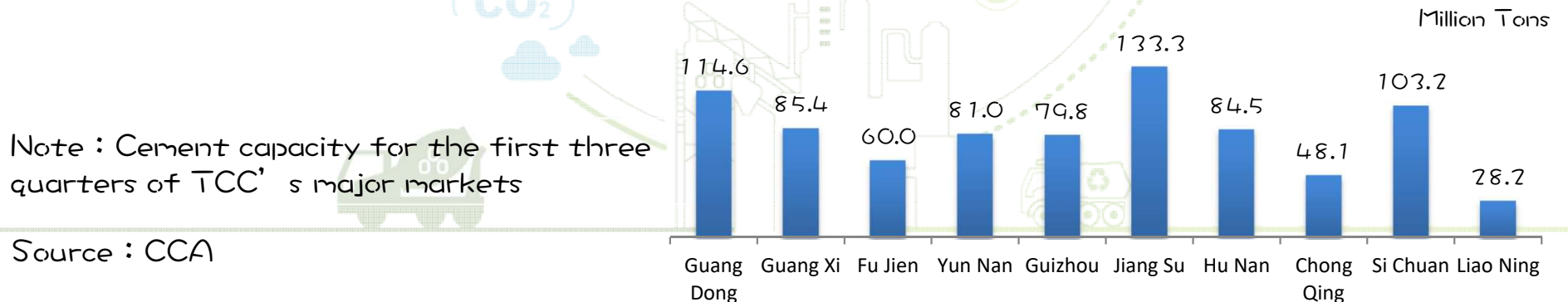
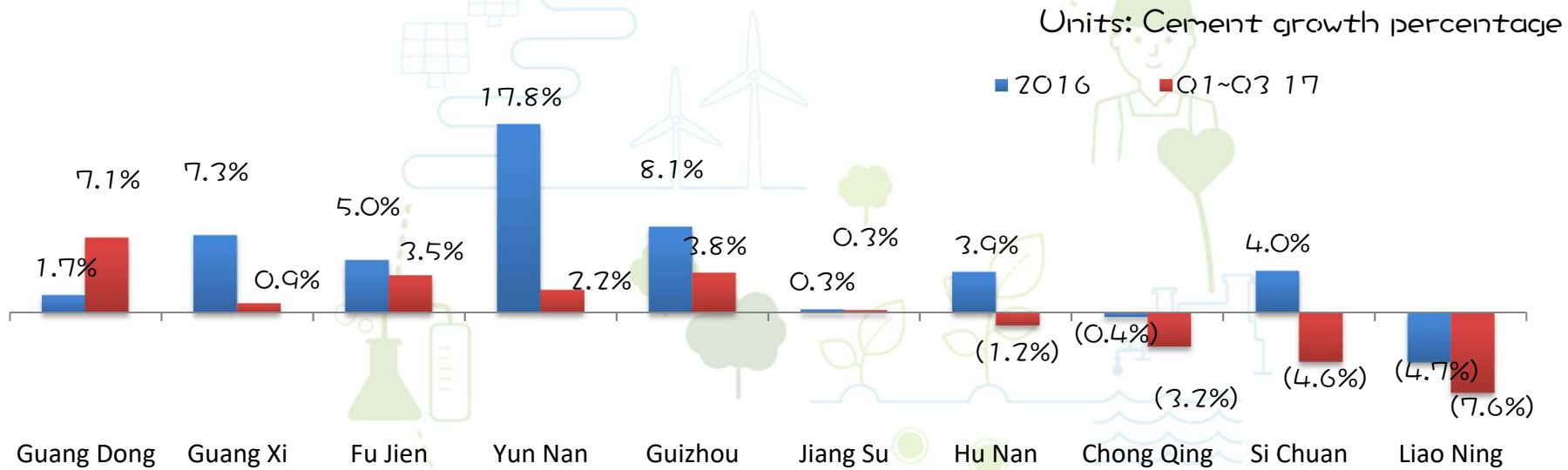
Total Cement Capacity in China

The production of cement was decreased 0.5% in 2017/1-9 compared with the same period



Source : China Cement Association

TCC Major Markets - Besides Guang-Dong, other provinces are facing slowdown in cement growth



Note : Cement capacity for the first three quarters of TCC' s major markets

Source : CCA

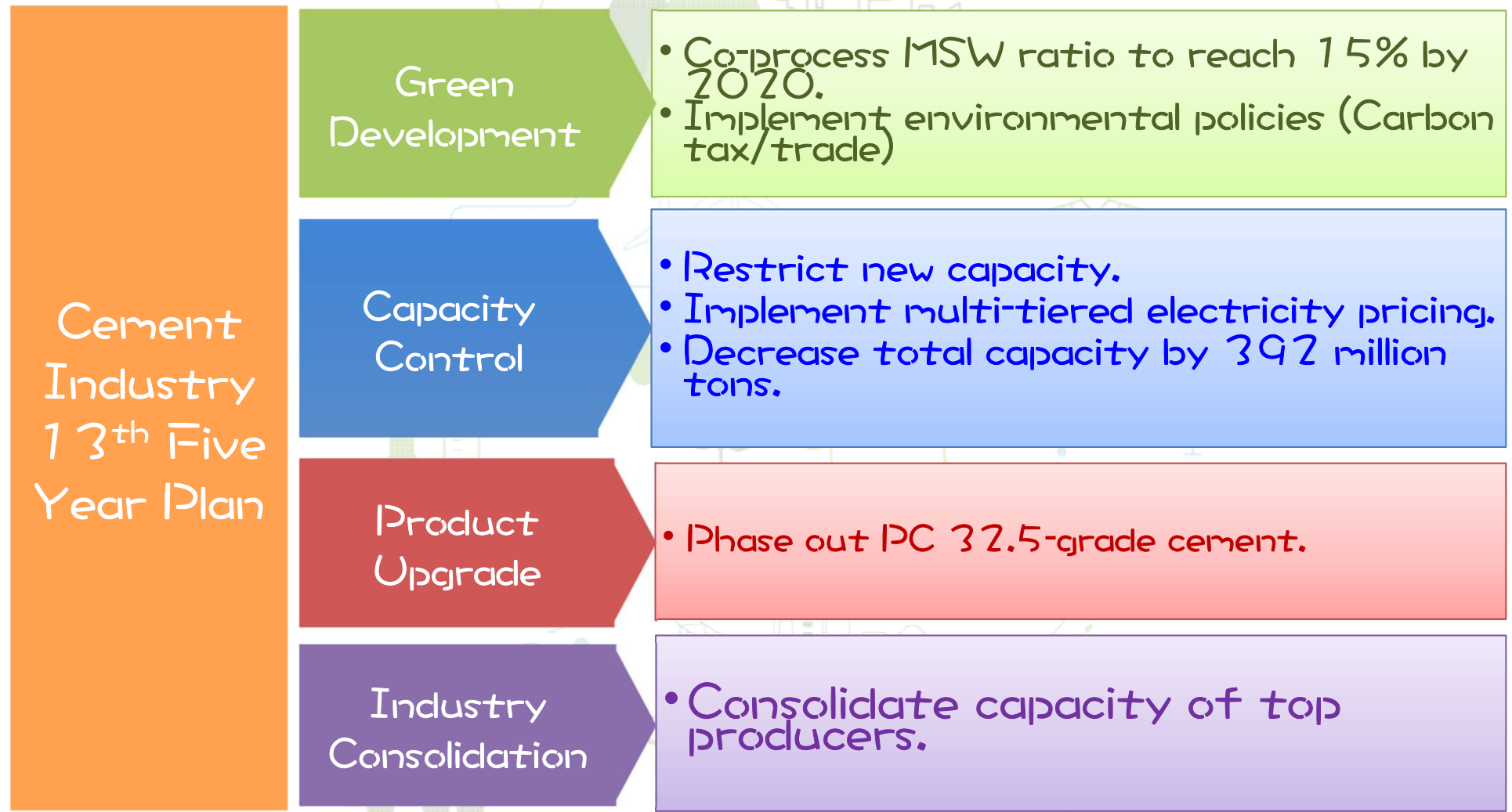
TCCs Capacity Ranks No.7 in China

2016年度中国水泥熟料产能十强 (单位:万吨/年)



Resources: www.ccement.com

Cement Industry Policy of 13th Five Year Plan



Agenda



- For the 9 months ended Sept. 30, 2017 Financial Results
- The trend of cement revenue & gross profit
- China Cement Market Recap
- **Circular Economy of TCC**
 - Sustainable Development : CCUS
 - Energy Recycling : Green Energy
 - Resource recycling : Waste Treatment

永續發展：CCUS

Carbon Capture Utilization and Storage



第一代鈣迴路技術



新世代鈣迴路技術

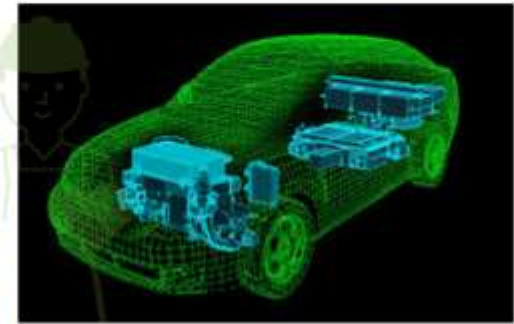


Agenda



- For the 9 months ended Sept. 30, 2017 Financial Results
- The trend of cement revenue & gross profit
- China Cement Market Recap
- **Circular Economy of TCC**
 - Sustainable Development : CCUS
 - **Energy Recycling : Green Energy**
 - Resource recycling : Waste Treatment

Green energy development



Agenda



- For the 9 months ended Sept. 30, 2017 Financial Results
- The trend of cement revenue & gross profit
- China Cement Market Recap
- **Circular Economy of TCC**
 - Sustainable Development : CCUS
 - Energy Recycling : Green Energy
 - **Resource recycling : Waste Treatment**

Resource recycling : Onyx Ta-Ho



- Refuse Incineration plant operation management
 - 8 incineration plants
 - Year throughput 1.98 M Tons
 - Service population 6.50 M
- Waste collection
 - the largest waste collection company in Taipei City
 - Waste collected) : 55,000 Tons/year

- Water management
 - 8 Waste water treatment plants
 - Industries Waste water treatment
- Liquid waste treatment
 - Capacity : 90,000 Tons/year

Resource recycling: The green recycle economic value chain of cement kiln



"One-stop Environmental Protection":

Create a win-win situation for the government, people and enterprises

Diversified waste disposal:

Take the initiative to provide environmentally friendly solutions

- TCC Anshun plant in Guizhou at the end of 2015 put into operation; Shaoguan plant in Guangdong is planning.
- Since 2016, Cooperate with Hualien County government in promoting cement kiln handling domestic garbage. EIA and other procedures in progress.
- Other Counties: Green Fuels - RDF (Garbage becomes valuable, Reduce carbon footprint)
- High temperature of cement kiln digest the waste incineration's bottom residue, fly ash (No burial & no need of land)

Industrial waste disposal: Substitute for raw material & fuel

- Taiwan (calcium fluoride, power plant ash, reduce mining, waste tires, etc.).
- Mainland China (a variety of solid waste, like sludge, waste tires, etc.)

Cement kiln processing waste tires



Instance



- In 2013, 2.883 million tons of waste tires were produced in **Europe** and **49%** were used as alternative fuels, of which **91%** were sent to cement plants

- The alternative fuel quantity per ton of clinker is **15~25%**, in Europe, TCC is planning for **7 ~ 10%**

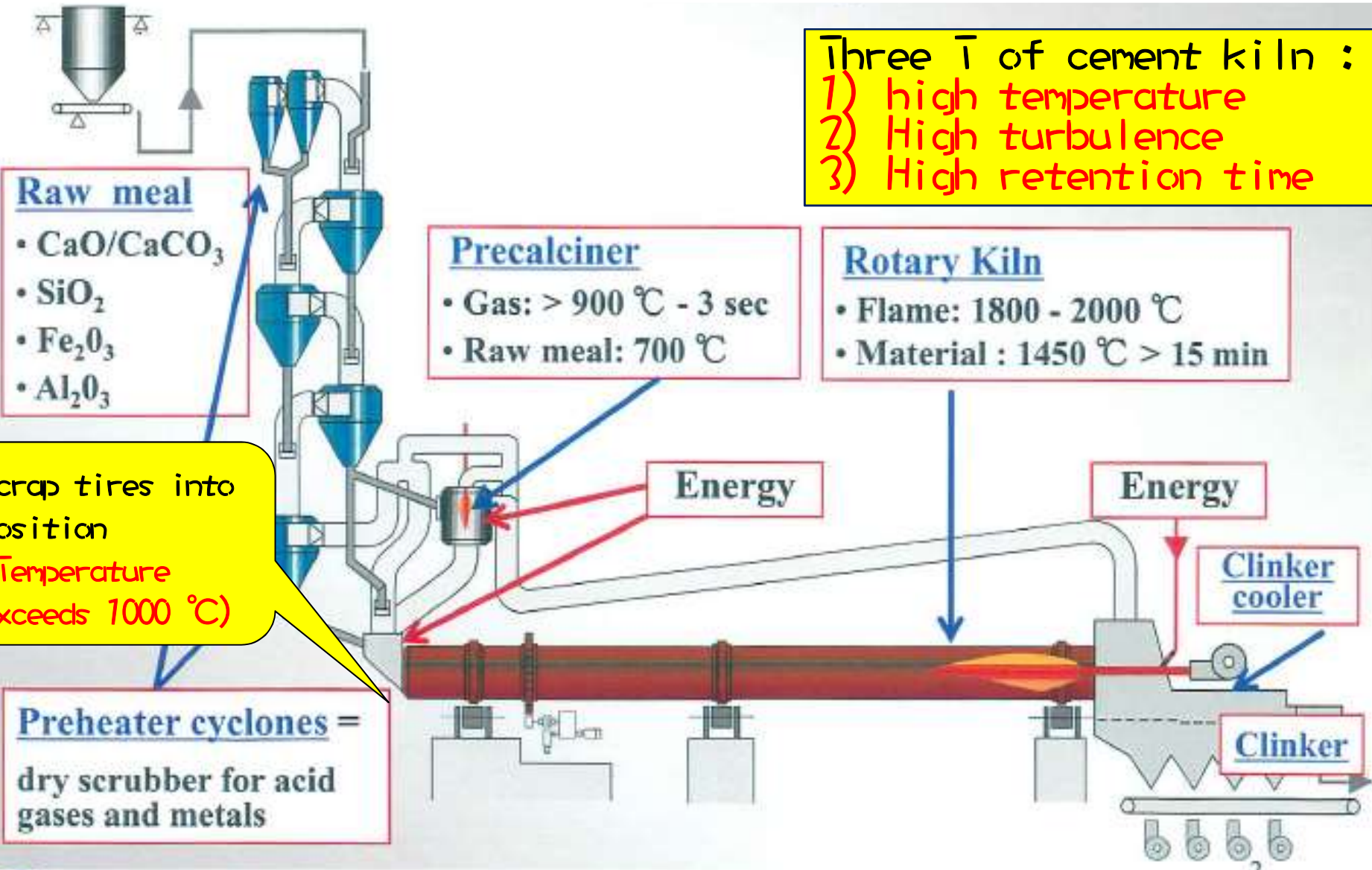
- Advanced countries are all treated with cement plants, like **Japan, Germany, the United States, Canada, Australia etc.**

Cement kiln treatment advantages:

- 1) Environmental protection without worry (**no dioxins**) and composition is simpler than coal
- 2) Reduce **Nox** emissions
- 3) Reduce carbon footprint (alternative fuels)

Cement kiln processing waste tires

Three T of cement kiln :
1) high temperature
2) High turbulence
3) High retention time



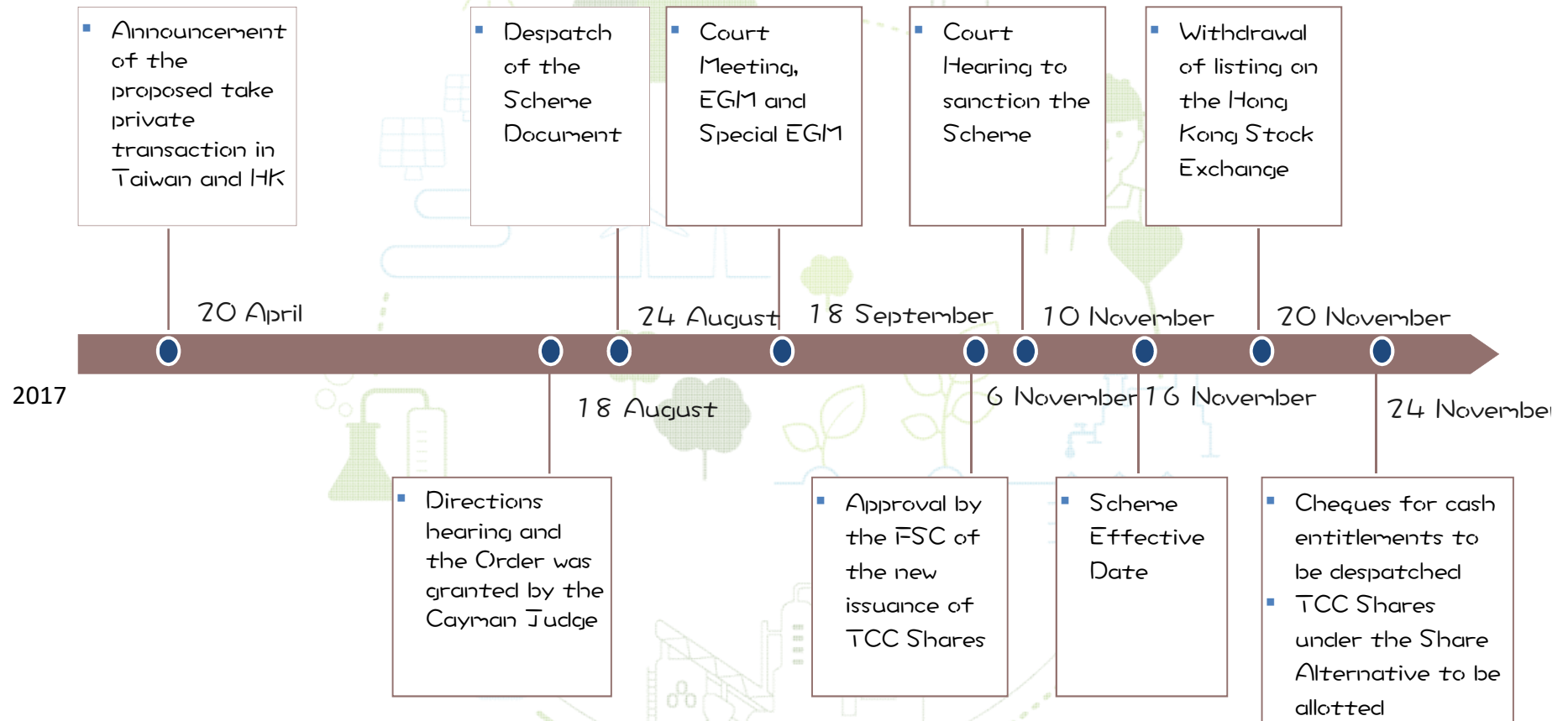
Waste Treatment in TCC Anshun

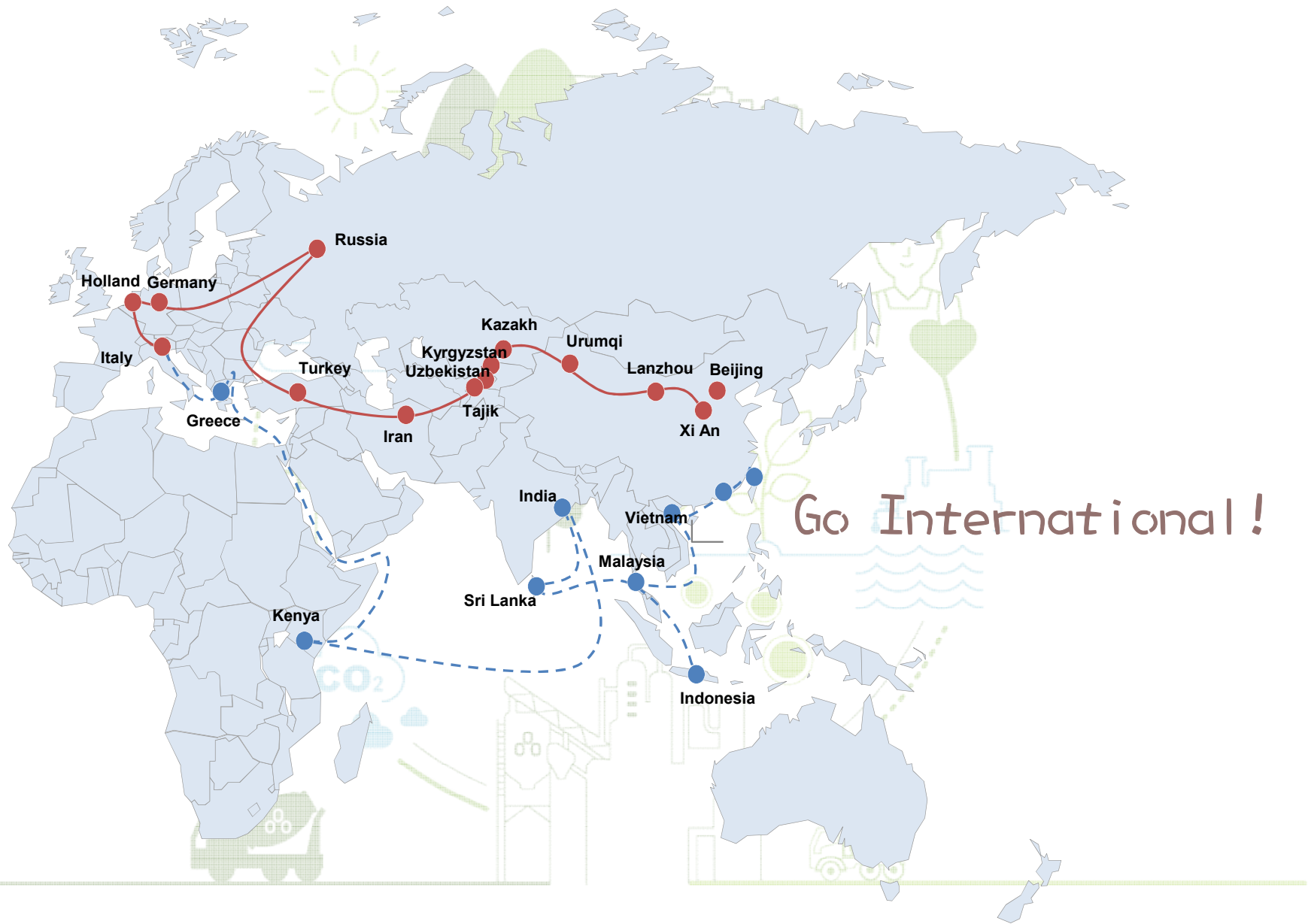


Transaction overview

Offeror	TCC (1101.TW) and TCC International
Company	TCCIH (1136.HK)
Privatisation Proposal	Proposed privatization of the Company by the Offeror by way of a Scheme of Arrangement Upon the Scheme becoming effective, TCCIH will become a wholly-owned subsidiary of TCC and withdraw listing from HKEx
Proposed offer	Offer extended to all shareholders (other than TCC International) in the form of <ul style="list-style-type: none"> ▪ Cash Alternative: HK\$ 3.60 for each Ordinary Scheme Share, or ▪ Share Alternative: 0.420 TCC Shares for each Ordinary Scheme Share (HK\$ 1.00 = NT\$ 3.90)
Key regulatory approvals	TIC, TWSE, TW FSC, HK SFC, HKEx, Cayman Islands Grand Court
Cash Alternative and Share Alternative election	Election of Cash Alternative of Ordinary Scheme Shares: 27.74% Election of Share Alternative of Ordinary Scheme Shares: 72.26%
TCC Shares to be issued and allotted	554,333,141
Dilution	13.05% of total enlarged TCC shares. Estimated accretive earning impact to the original shareholders .

Transaction timetable





Go International!



Thanks for listening.

ir@taiwancement.com