50th

Lucky Cement Corporation

Investor Conference
2024.12.27

Disclaimer

This presentation is based on our audited or reviewed financial statements, which have been prepared in accordance with IFRS reporting standards. For complete details and data, please refer to the Company's financial statements.

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The Company assumes no responsibility in updating or revising the information in this presentation.

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Company Profile

- Time of Incorporation: May 7, 1974
- Time of Listing: June 6, 1990
- Founder: Mr. Liang-Chuan Chen
- Chairman: Ms. Yun-Ju Chen

Milestone

1974

- On May 7, 1974, founder, Mr. Liang-Chuan Chen established Lucky Cement Corporation

1990

- In 1981, Dong'ao Plant was officially operated

- On June 6, 1990, shares were publicly listed

2008

- In 1992, Puxin Plant was bought
- In 1996, the blast furnace slag products were launched

- In 2000, the circular economy business was added
In 2003, the Class B Waste Disposal Permit was obtained

- Completed the second phase expansion of Heren Plant in 2008
The nation's largest manufactured sand production plant.

2025

- New Luckicon Ready Mixed Shulin Plant, expected to be completed in 2025 Q3

- New Luckicon Ready Mixed Haihu Plant, expected to be completed in 2025 Q1

The Story of the Logo

The founder, Mr. Chen Liang-Chuan, started his nascent career in construction, hoping that every young person who wanted to start a family could own a house and feel warm and happy in life. Therefore, to produce high quality and reasonably priced cement for sturdy houses is Mr. Chen's lifelong ambition and goal.

Commit to our Central Purpose: Road to build Lucky Cement

Original intention

In the early days of starting the business, founder Liang-Chuan Chen was deeply involved in the details of manufacturing to ensure top-quality, believing that every effort was a cornerstone laid for young people to build their dreams.

Building foundation

Our Lucky brand adheres to the mission of “building a foundation for happiness”. We are strive to develop our own technology and inject Chairman Chen’s original aspiration into each bag of cement. This insistence is not only our commitment to our products but it also conveys the emotion and value of the home.

Transfor-mation

Nowadays, our brand has become a symbol of happiness, carrying hopes of families, representing a strong belief to “home” and an everlasting cornerstone to help people achieve their dreams.

Sustaina-bility

The beliefs of Chairman Liang-Chuan Chen have become the soul of the brand, which have passed from generation to generation, combining technology and environmental protection. This will Lucky Cement move forward with the times to convey the promise of happiness.

Two generations have created many outstanding results; passing down a legacy to benefit generations to come

Founder of Lucky Cement Group, Mr. Liang-Chuan Chen, passed away on October 8, 2024.

❀ In memory of our founder Chairman Liang-Chuan Chen ❀

Lucky Cement Group moves towards the next 50 years

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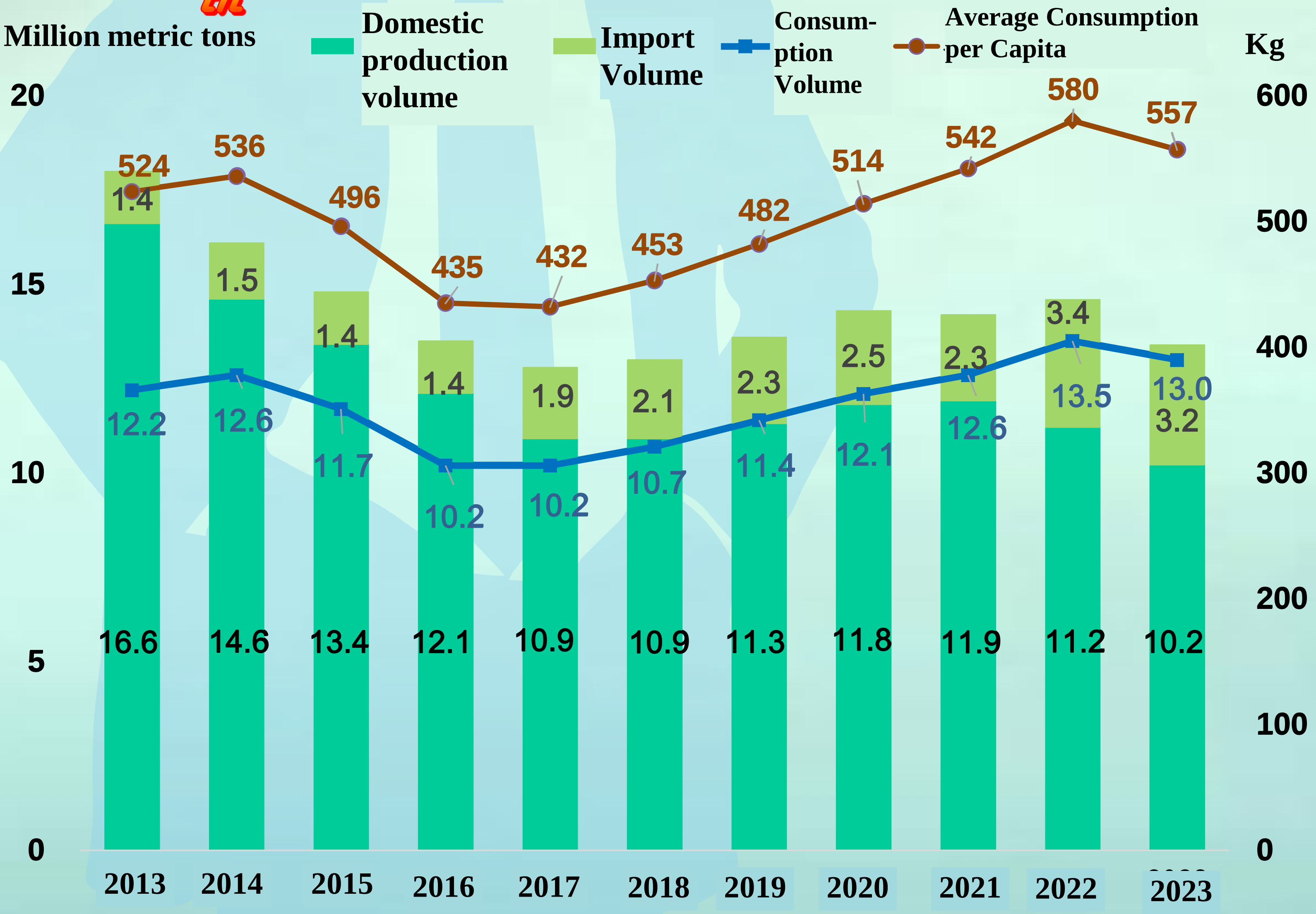
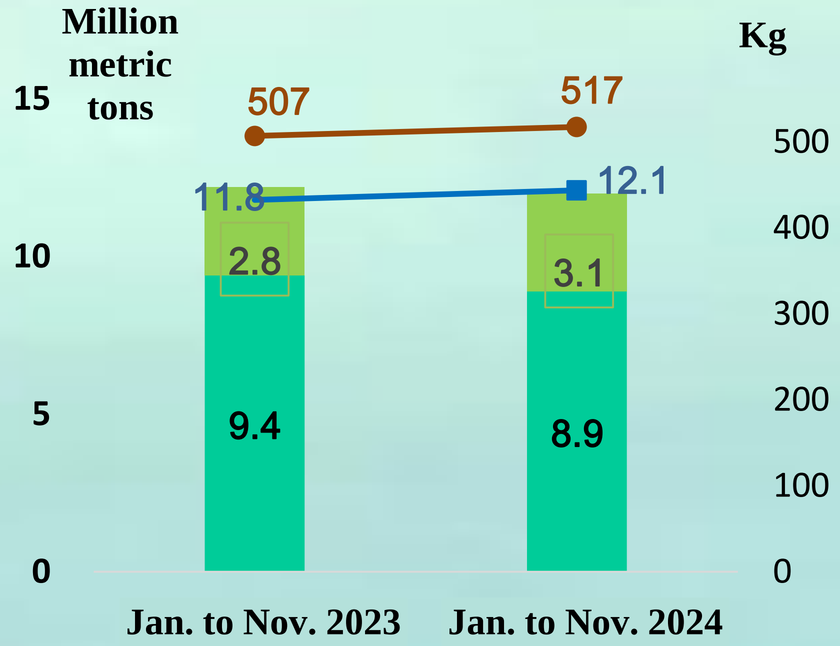
Overview of Cement Supply and Demand in Taiwan

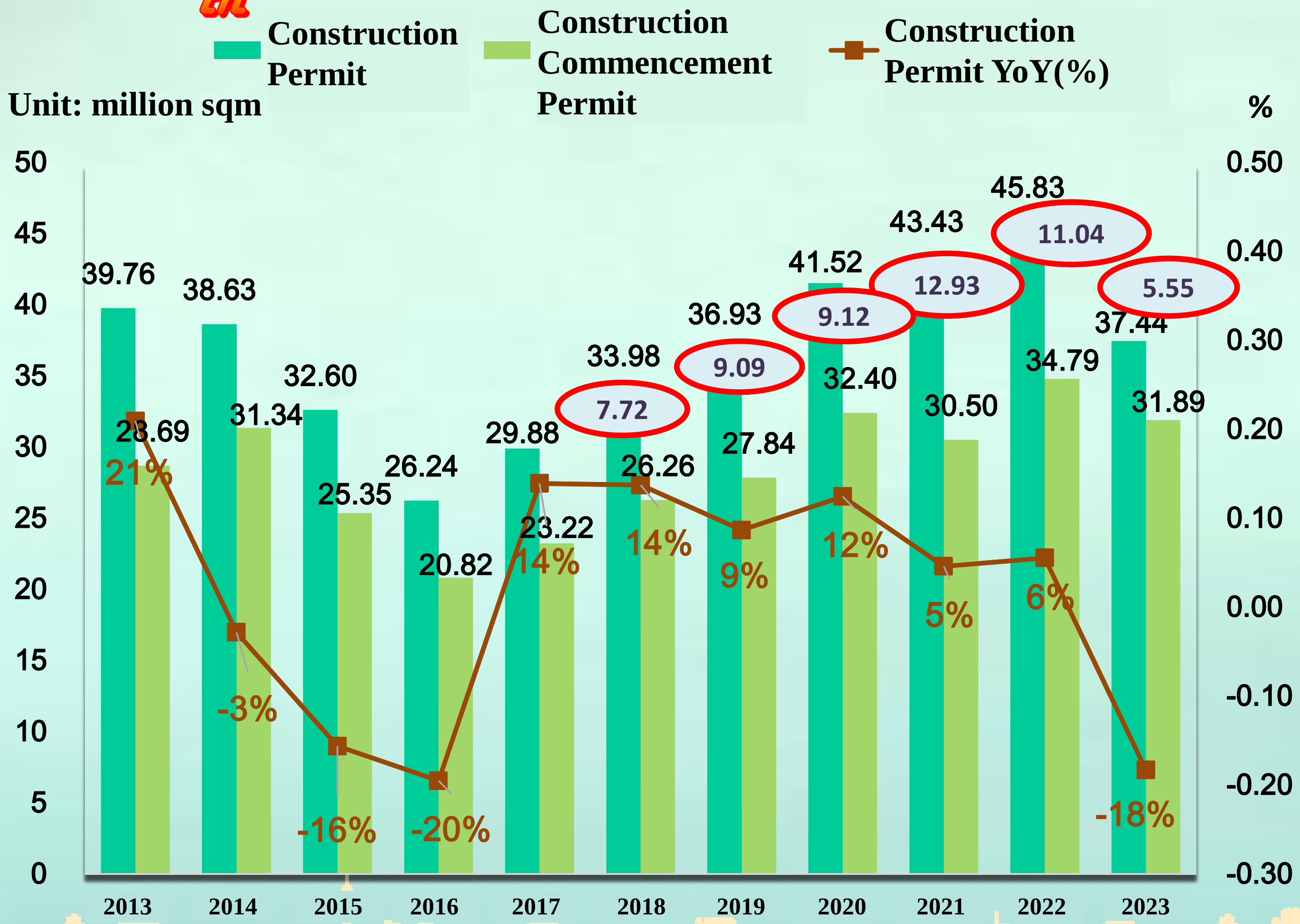


- Domestic cement consumption increased by 1.94% YoY from January to November 2024 compared to 2023
  Per capita volume increased by 1.98%
  Domestically produced cement decreased by 5.96%
  Imported cement increased by 9.45%

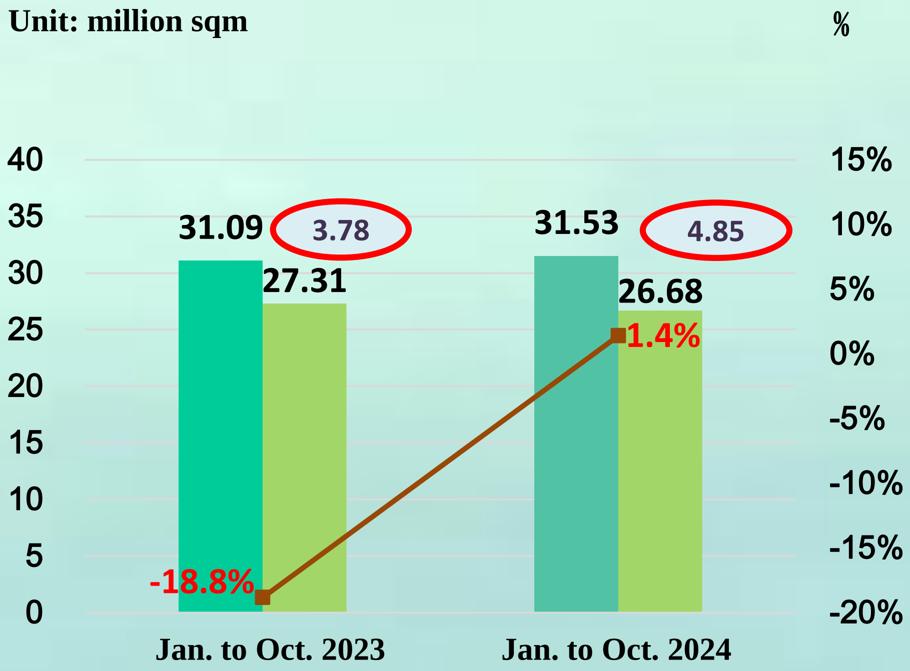


Source: Taiwan Cement Manufacturers' Association

Building Construction Licenses and Construction Commencement Total Floor Area Statistics



Gross floor area for building licenses increased by 1.4% YoY from January to October 2024 compared to 2023



Source: Construction and Planning Agency, Ministry of the Interior

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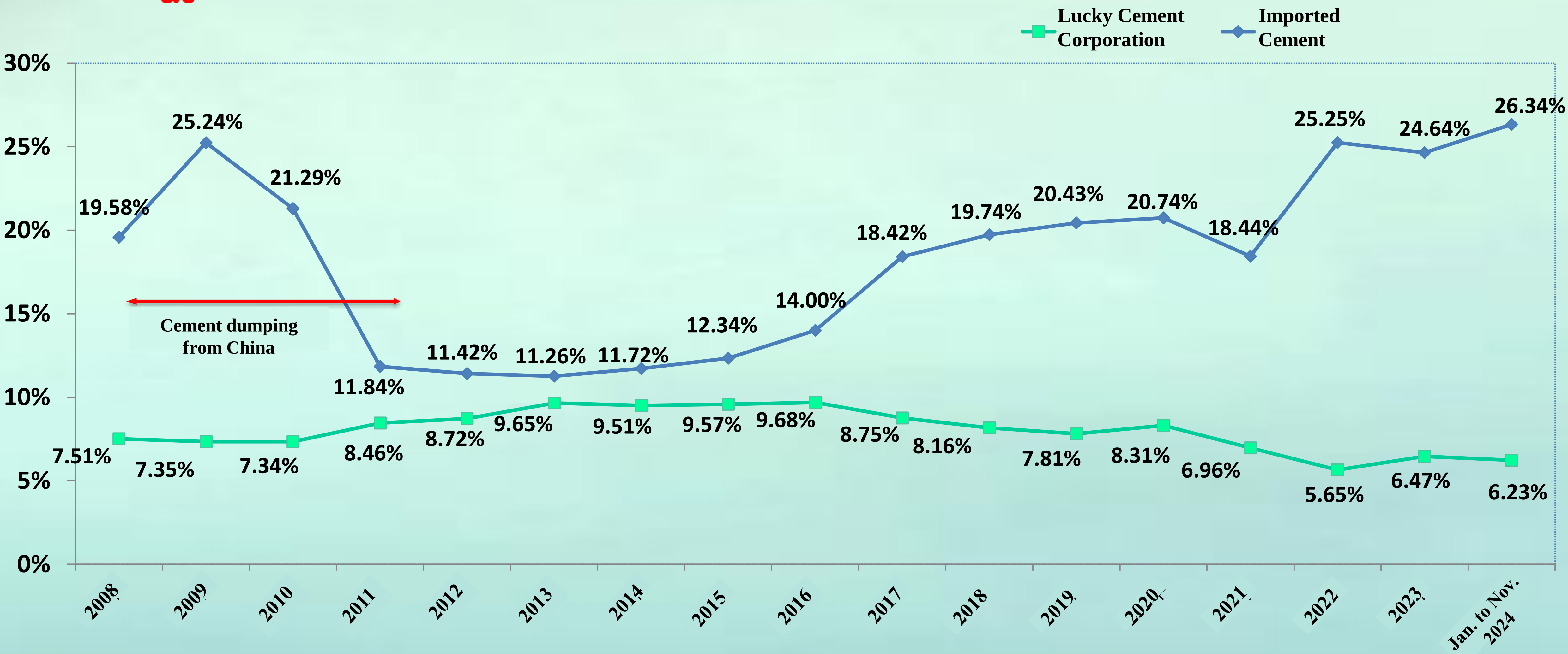
Cement Market Share



Source: Taiwan Cement Manufacturers' Association

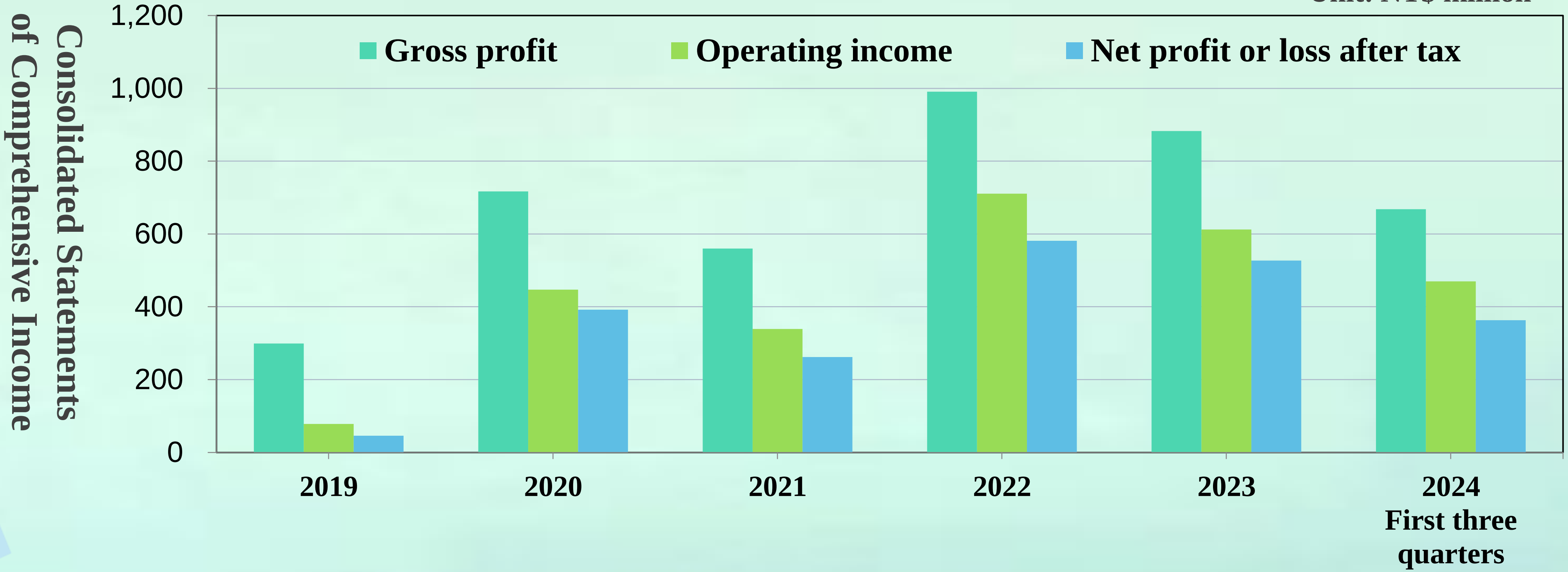
The Company's revenue by product for the past five years

Unit: NT$ million

	2019	%	2020	%	2021	%	2022	%	2023	%	Jan. to Sep. 2024	%
Cement	1,805	48	2,074	46	1,849	46	1,837	44	2,160	44	1,558	44
Cement Products	1243	33	1,669	37	1,249	37	1,379	33	1,811	33	1,275	36
Stone Materials	282	8	323	7	300	7	499	12	606	12	332	9
Others	402	11	464	10	371	10	434	11	518	11	390	11
Total	3,732	100	4,530	100	3,769	100	4,149	100	5,095	100	3,555	100

P&L for the first three quarters, 2019 to 2024

Unit: NT$ million



	2019	%	2020	%	2021	%	2022	%	2023	%	First three quarters of 2024	%
Operating revenue	3,732	100	4,530	100	3,769	100	4,149	100	5,195	100	3,555	100
Gross profit	299	8	717	16	560	15	991	24	883	17	668	19
Operating (loss) profit	78	2	447	10	339	9	711	17	612	12	470	13
Net (loss) profit after tax	46	1	392	9	262	7	581	14	527	11	363	10
Earnings per share (NTD)	0.11		0.97		0.65		1.44		1.30		0.90	

Balance sheet of Q3, 2019 to 2024

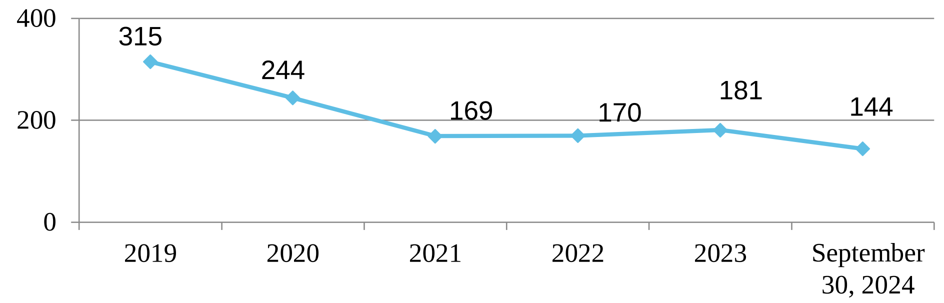
Consolidated balance sheet

Unit: NT$ million

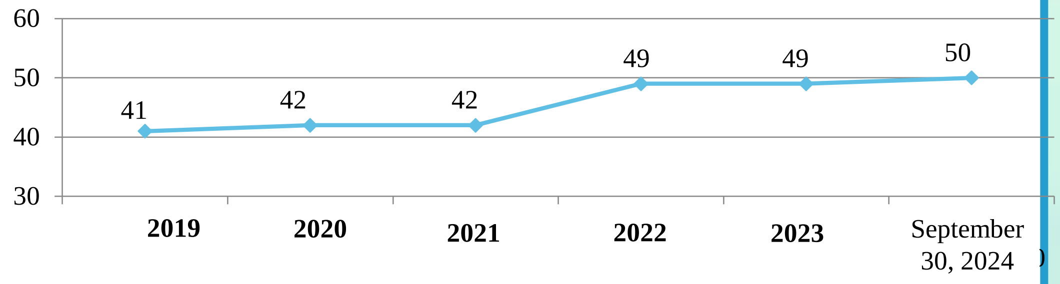
	2019	%	2020	%	2021	%	2022	%	2023	%	September 30, 2024	%
Current Assets	5,087	69%	5,259	66%	5,118	64%	5,920	61%	5,956	60%	5,811	58%
Property, plant and equipment	1,712	23%	2,223	28%	2,302	29%	3,024	31%	3,415	34%	3,724	37%
Other Assets	530	7%	545	7%	622	8%	718	7%	599	6%	566	6%
Total Assets	7,329	100%	8,027	100%	8,042	100%	9,662	100%	9,970	100%	10,101	100%
Current liabilities	1,617	22%	2,151	27%	3,032	38%	3,489	36%	3,298	33%	4,034	40%
Non-current Liabilities	1,391	19%	1,219	15%	364	5%	1,267	13%	1,601	16%	1,026	10%
Total Liabilities	3,008	41%	3,370	42%	3,396	42%	4,756	49%	4,899	49%	5,060	50%
Shareholders' Equity	4,321	59%	4,657	58%	4,646	58%	4,906	51%	5,071	51%	5,040	50%

Financial Ratios and Book Value Per Share

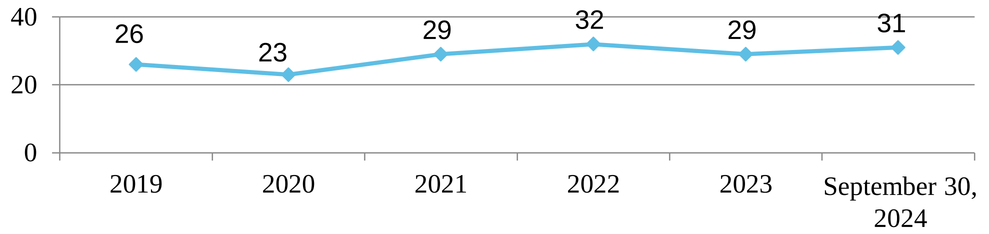
Current Ratio (%)



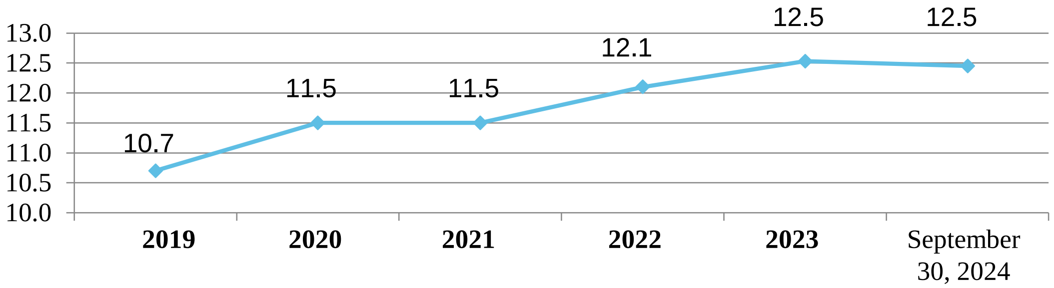
Debt Ratio(%)



Interest-bearing Debt Ratio (%)



Book value per share (NT$)



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Voluntary Emission Reduction

Net-zero Goal

- According to the 2022 inventory results for Ministry of the environment’s industry-specific carbon fee increase - businesses should inventory and verify the sources of GHG emissions in accordance with the “Carbon Fee Triple Bill”, about 281 companies (500 factories) are estimated to be subject to the levy, **including the Company’s “Dong’ao Plant”**

Business

With proposal
Meeting designated targets
Self-determined reduction plan

High carbon leakage risk → Carbon fee = emissions * emission adjustment factor * preferential fee rate

Stage I 0.2; Stage II 0.4; Stage III 0.6

Non-high carbon leakage risk business → Carbon fee = (emissions - 25,000 $MTCO_2e$) * preferential fee rate

Without proposal
Self-determined reduction plan → Carbon fee can only be reduced after 25,000 $MTCO_2e$ with general fee rate applied

Carbon fee

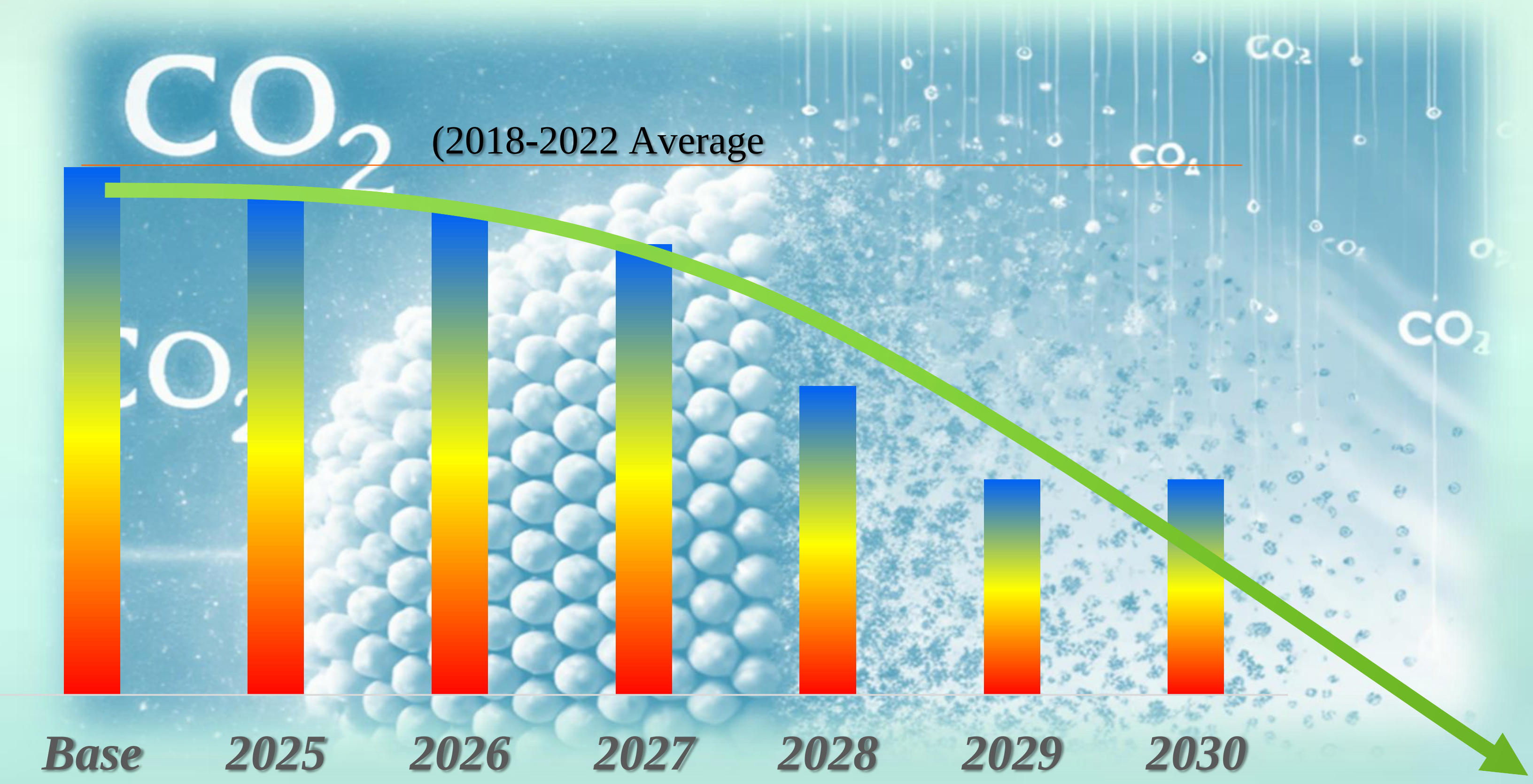
§ Levy Rate From 2025

Carbon fee = emissions * levy rate

Carbon levy rate

General fee rate	NTD 300/ $MTCO_2e$	Estimated payment of NTD 186 million in 2025
Preferential fee Rate A Specified reduction rates for the cement industry (22.3%)	NTD 50/ $MTCO_2e$	Estimated payment of NTD 6.5 million in 2025 (high carbon leakage risk factor obtained)
★Preferential fee Rate B Technology standard specified reduction rate	NTD 100/ $MTCO_2e$	Estimated payment of NTD 13 million in 2025 (high carbon leakage risk factor obtained)

Switching to a low carbon pathway



Implementation of self-determined reduction plan of the Ministry of Environment

Net-zero by 2050 (National Policy)

Strategy

Reduction Measures

- ◎ **Switching to low carbon fuels**
- ◎ **Enhancing Energy Efficiency**
- ◎ **Using renewable energy**
- ◎ **Improving processes**
- ◎ **Negative emission technologies**

Measures to Be Taken

Low carbon fuel

◎ Alternative fuels (replacing coal)

Process improvement

◎ Alternative raw materials (mineral fines)

◎ Limestone cement (lower clinker ratio)

◎ New limestone powder shaft mill

◎ Selected cement grinding aids (clinker reduction, power saving)

Energy efficiency

◎ Coal mill replaced with vertical mill

◎ Coal Mill System Improvement

◎ Kiln technology reform

◎ Large-scale windmill renovation

◎ Raw mill replaced with vertical mill (energy saving, power saving)

Renewable energies

◎ Surplus heat generation

◎ Green power configuration (solar power installation: Hsing-Fu Golf Club, Linkou)

UTMOST DEDICATION

★ Commitment and Vision

We adhere to the central philosophy of “carbon sustainability and innovative development”, emphasizing our commitment to the environment, society, and governance (ESG). Through robust management and technological innovation, we strive to move towards low-carbon transformation, creating long-term value.

★ Low Carbon Targets and Strategies

Focus on carbon reduction pathways - using low-carbon fuels, increasing energy efficiency, improving processes, and using renewable energy.

★ National Policy Synergy and Net-Zero Commitment

Actively respond to Taiwan’s net-zero by 2050 policy and fully participate in the self-determined reduction plan of the Ministry of Environment to ensure the balanced development of carbon fees and emission reduction benefits.

★ Continuous Innovation and Responsibility

Emphasize the central purpose of technological innovation in low-carbon transformation and regularly inventory and optimize the management of the whole process of emissions. Combine social responsibility and strengthen collaboration with stakeholders to create a sustainable ecosystem in a low-carbon economy.

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Q & A

Thank you for your attention