



永固集團股份有限公司

Yonggu Group Inc.

上市股票代號 Stock Code: 5546.TT

The Group Introduction and Results Presentation 3rd Quarter 2022

Dec. 2022





- ❑ This briefing is the subjective and objective factors of the company at the time of the briefing. It summarizes and evaluates the past, present and future operations; it contains forward-looking statements, which will be affected by risks, uncertainties and inferences, and some of them will exceed ours. Outside of control, actual conclusions may differ materially from these forward-looking statements.
- ❑ The information provided (including views on the future) does not express or guarantee its correctness, completeness and reliability, either expressly or implicitly; nor does it represent a complete discussion of the company, the status of the industry, and subsequent major developments.
- ❑ The outlook for the future in this briefing reflects the company's views so far. If there are any changes or adjustments to these, the company is not responsible for reminding and updating at any time.



- **01** Overview
- **02** Advantage
- **03** Operating Results
- **04** Industry Overview
- **05** Future Outlook
- **06** Appendix





Overview



Yonggu Group Inc.



Group Overview

Chairman : CHIEN, Kuo-Chuan

Capital : 824 million

Number of employees : 341

Main Products : Commercial Concrete

Production Volume :

- 2021-3.27 million cubic meters, **the third largest concrete manufacturer in Chongqing**
- 3Q22-1.92 million cubic meters



1999

Chongqing Yonggu
New Building
Materials Co., Ltd.
was registered and
established

2008

**Lafarge Group and
Yonggu set up Chongqing
Lafarge Yonggu Concrete
Group Company with a
joint venture. Capacity of
worth RMB 200 million**

2012

Yonggu separates from
Lafarge and restructures
Yonggu Group, realizing an
annual output value of 500
million RMB

2013

Completed the pumping and
pouring of 339 meters of the
tallest building in western China,
“Chongqing World Financial
Center”.



Group History

永固集團



(1) Was rated as "Green Building and Building Energy Efficiency Demonstration Base"(2) Was rated as a two-star enterprise with green building materials logo(3) Awarded Outstanding Enterprise in China Concrete Industry for the fifth time(4) Yonggu Group's annual production capacity of 2.5 million cubic meters exceeds RMB 1.2 billion.

(1)Chongqing Guohao Grinding Plant officially starts production, the Group enters the upstream concrete material industry.

(2)The daily volume of Jiangbei factory exceeded 5000 cubic meters continuously

2014

2018

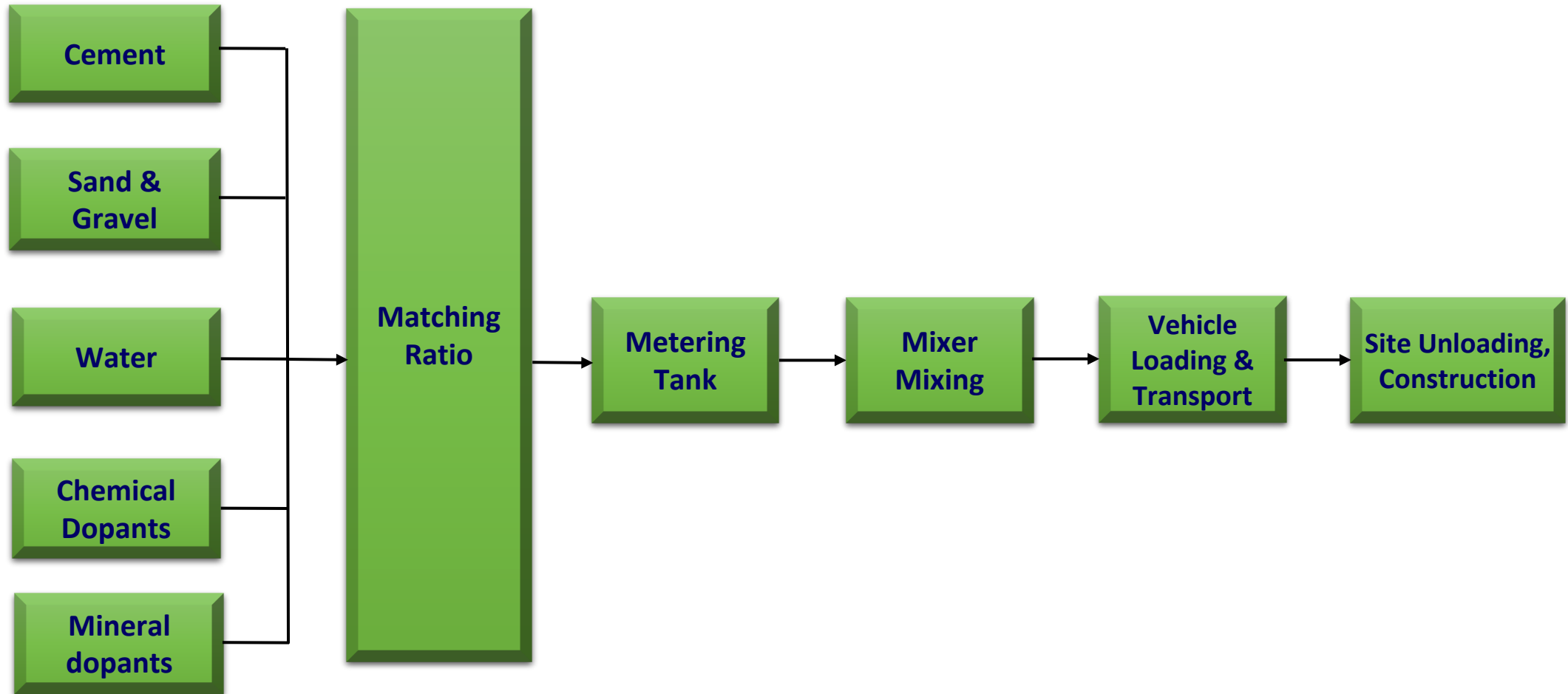
2020

(1) May 20, officially listed on the Taiwan Stock Exchange under the stock name: Yonggu-KY, stock code: 5546

(2) September, successfully acquired Chongqing Taihong New Building Materials Co.

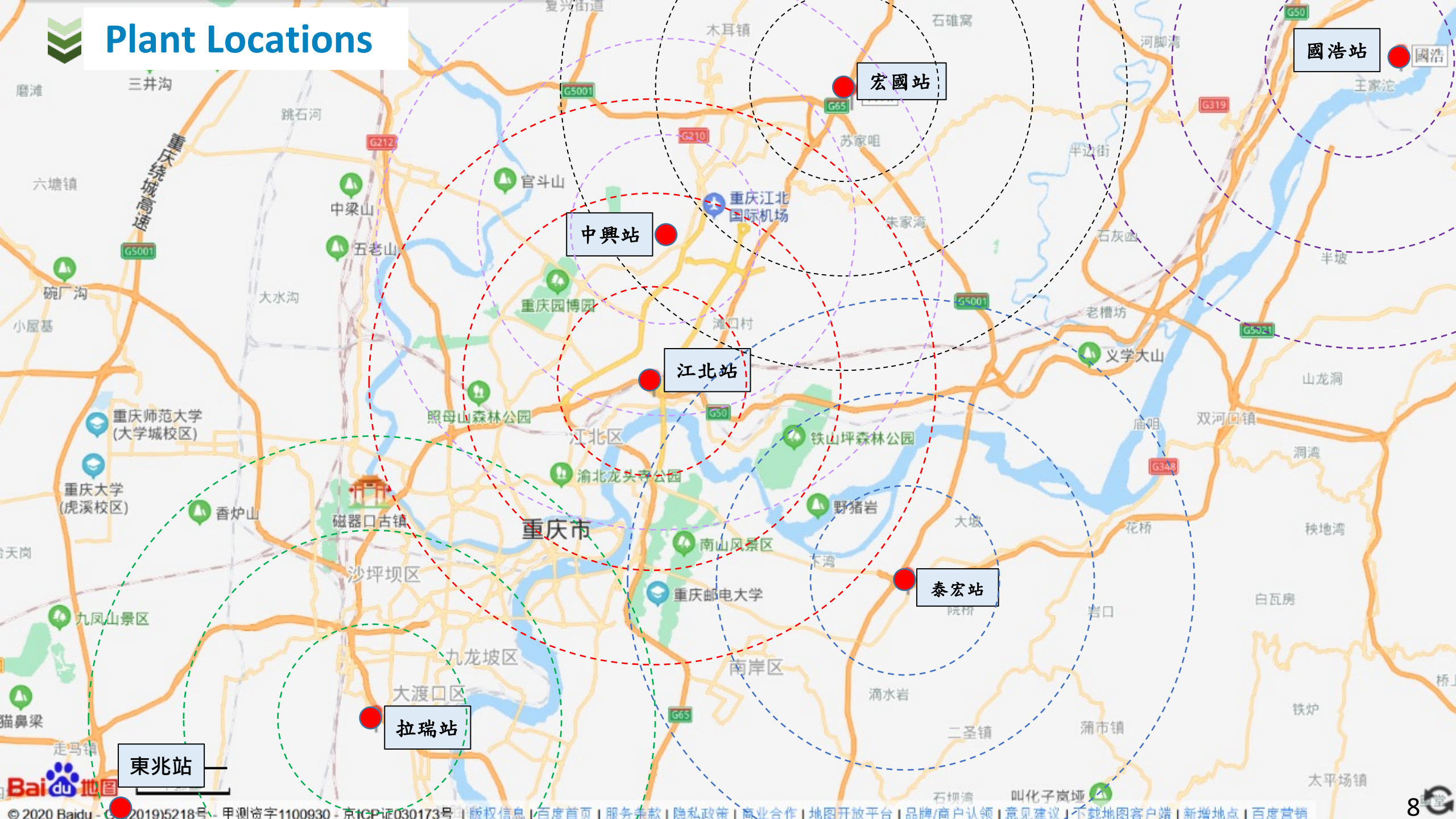
2022

In March, acquired Chongqing Dongzhao Changsheng New Building Materials Co., Ltd.



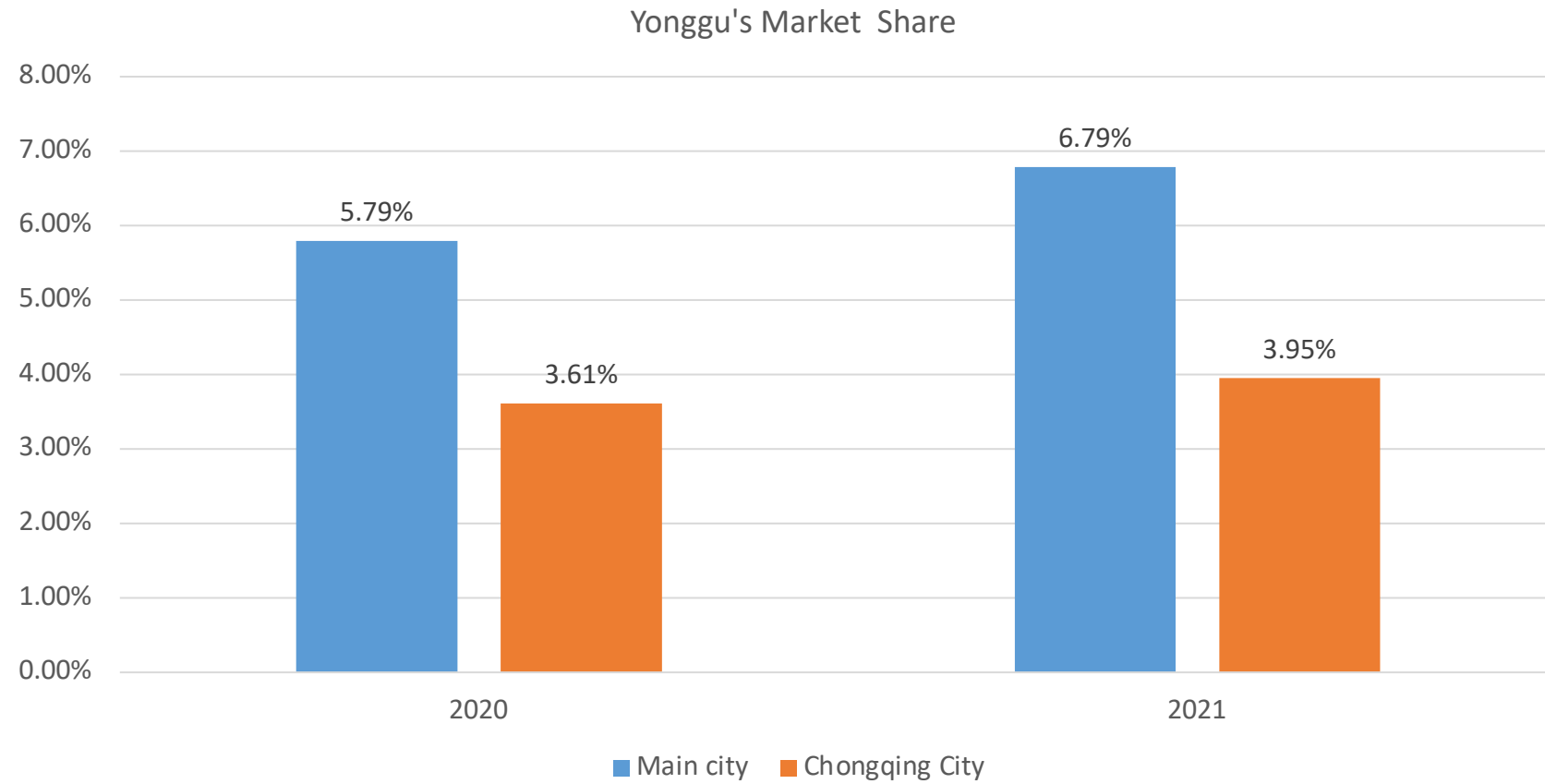


Plant Locations





Unit : %





Bridge supply performance

Since its establishment, Yonggu has constructed more than 10 bridges, and participated in the construction of the following bridges with a length of 13,264 meters.

- 2001 Dafosi Yangtze River Bridge and Yu'ao Bridge
- 2004 Caiyuanba Yangtze River Bridge and Jiahua Bridge
- 2005 Shibampo Yangtze River Bridge double-track bridge
- 2006 Chaotianmen Yangtze River Bridge
- 2007 Jiahua Bridge
- 2014 Dongshuimen Yangtze River Bridge
- 2015 Qiansimen and Shuangbei Jialing River Bridge
- 2016 Cuntan Yangtze River Bridge and Shima River Interchange
- 2017 Hongyancun Bridge, Yuzhong Tunnel, Wanxing Tunnel...
- 2018 Nanji Gate Bridge
- 2019 Gaojia Garden Double Track Bridge and Gaojia Garden Interchange
- 2020 Caijia Jialing River Bridge





Project Performance-- Key Stations

永固集团
YONGGU GROUP INC.



Chongqing High Speed Rail West Station

After the resumption of work in 2020 due to the Covid-19, Yonggu is the first to resume construction and supply!



Chongqing High Speed Rail East Station
Contracted, construction supply in progress



Raffles City Chongqing



Chongqing Grand Theatre

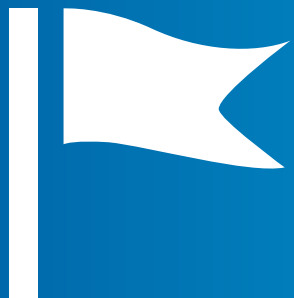


Chongqing New York. New York Building



Chongqing World Financial Center





Advantage



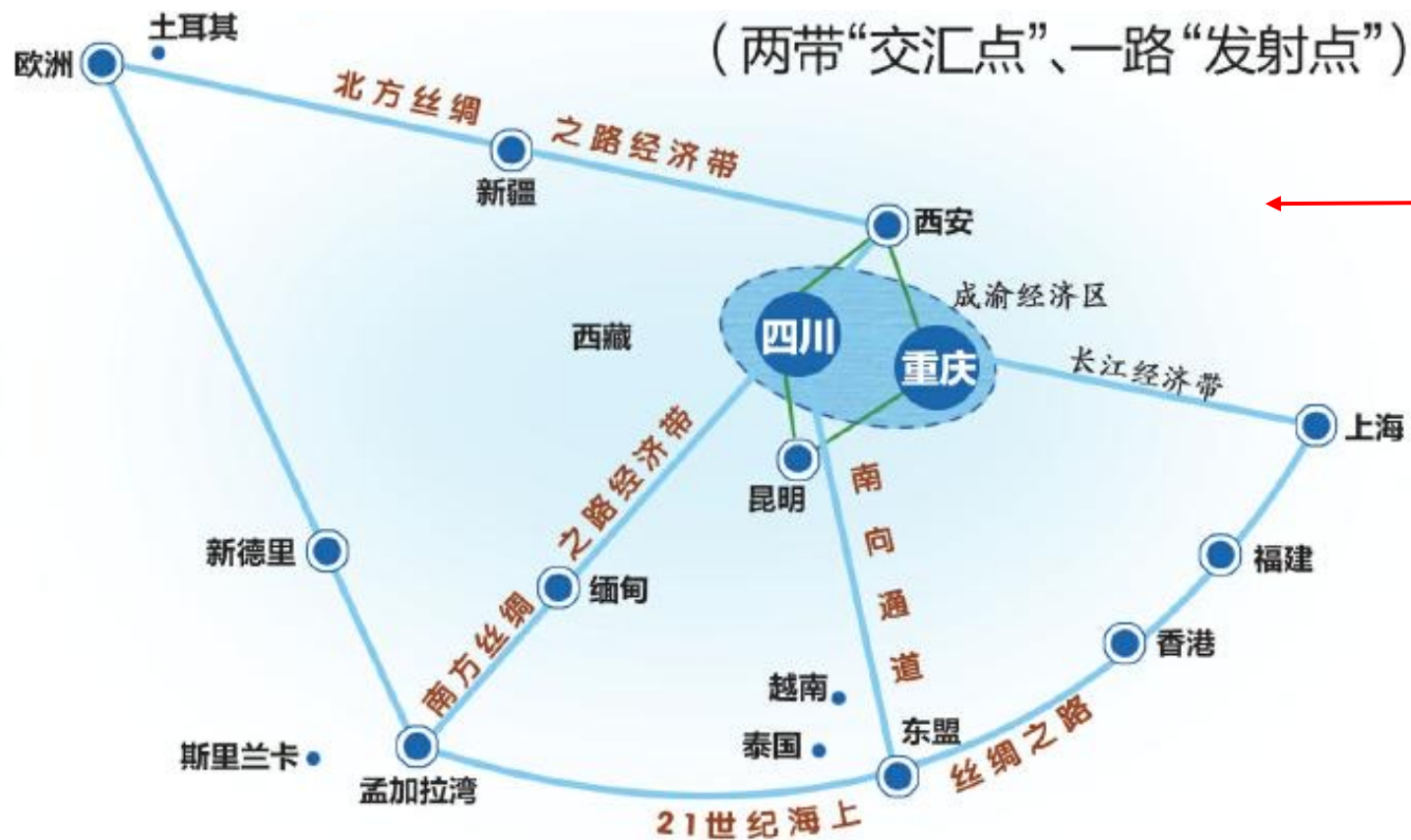


Source : Chongqing Construction Project Price Information Network(<http://www.cqcpqi.com/>)

- Concrete and raw material prices are publicly available and subject to fluctuations during low and high seasons.
- Cement is the main raw material of concrete, cement prices fall instead of cost reduction, on the contrary, cement prices rise, product prices can reflect the increase in costs, **price pass-through ability**.



Chongqing is located at the pivot point of the Western Development and “The Belt and Road Initiative”.





For 22 years, we have cultivated relationships with local governments and have long-term strategic cooperation with dozens of central and state-owned enterprises in China.



Announced by Chongqing Municipality in July 2022
The focus of the 14th Five-Year Plan: Improve the level of urban transportation and create a "metropolitan area on the track"

Current public works projects : Chongqing High Speed Rail East Station, Rail Transit Lines 1, 4, 5, 9, 10, 15, 18, Jiangbei International Airport T3B Terminal and Fourth Runway, Huangjueping Yangtze River Bridge and Phase II Project of Science Avenue, etc.



2019.11

Since 2013, Yonggu has been awarded **"China Concrete Industry Green Production Demonstration Enterprise"** for four consecutive years.

2018.4

Yonggu received the first batch of **"Green Building Materials Evaluation Label"** in Chongqing

2018.1

"Green Building and Building Energy Saving Industrialization Demonstration Base" in Chongqing

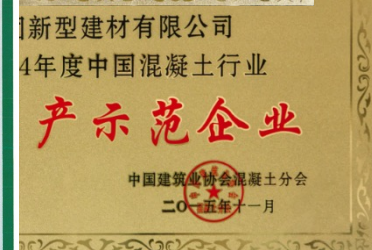
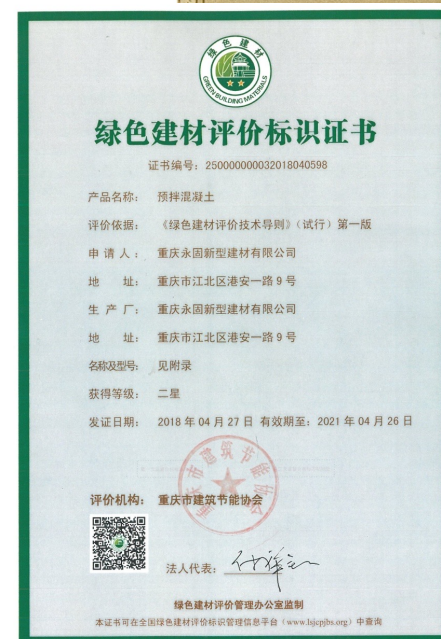
2018.1

"High-tech Enterprise" in Chongqing

2017.10

"2017 Top 100 Most Growing Building Material Enterprises in China"

永固集團





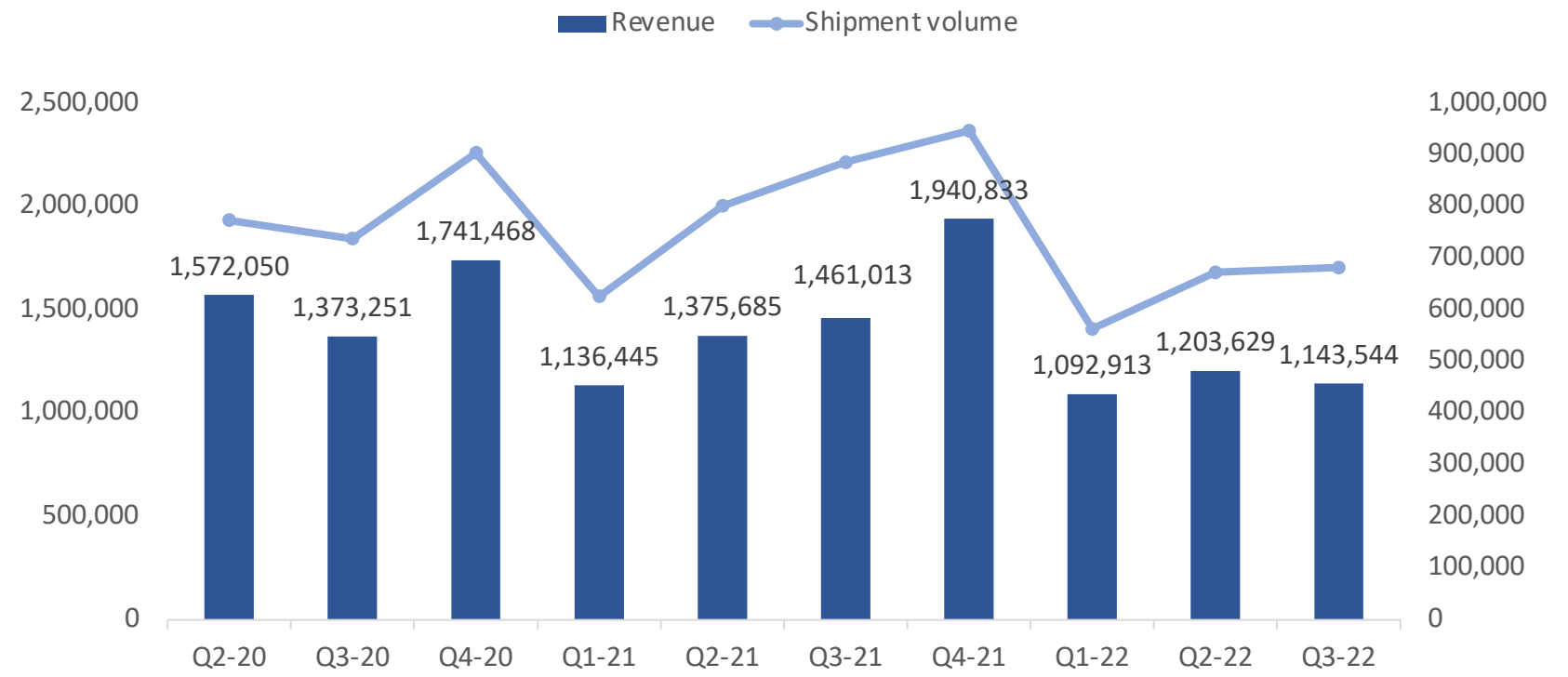
Operating Results



Quarterly Revenue and Sales Volume

Unit : NTD'000

Unit : m3

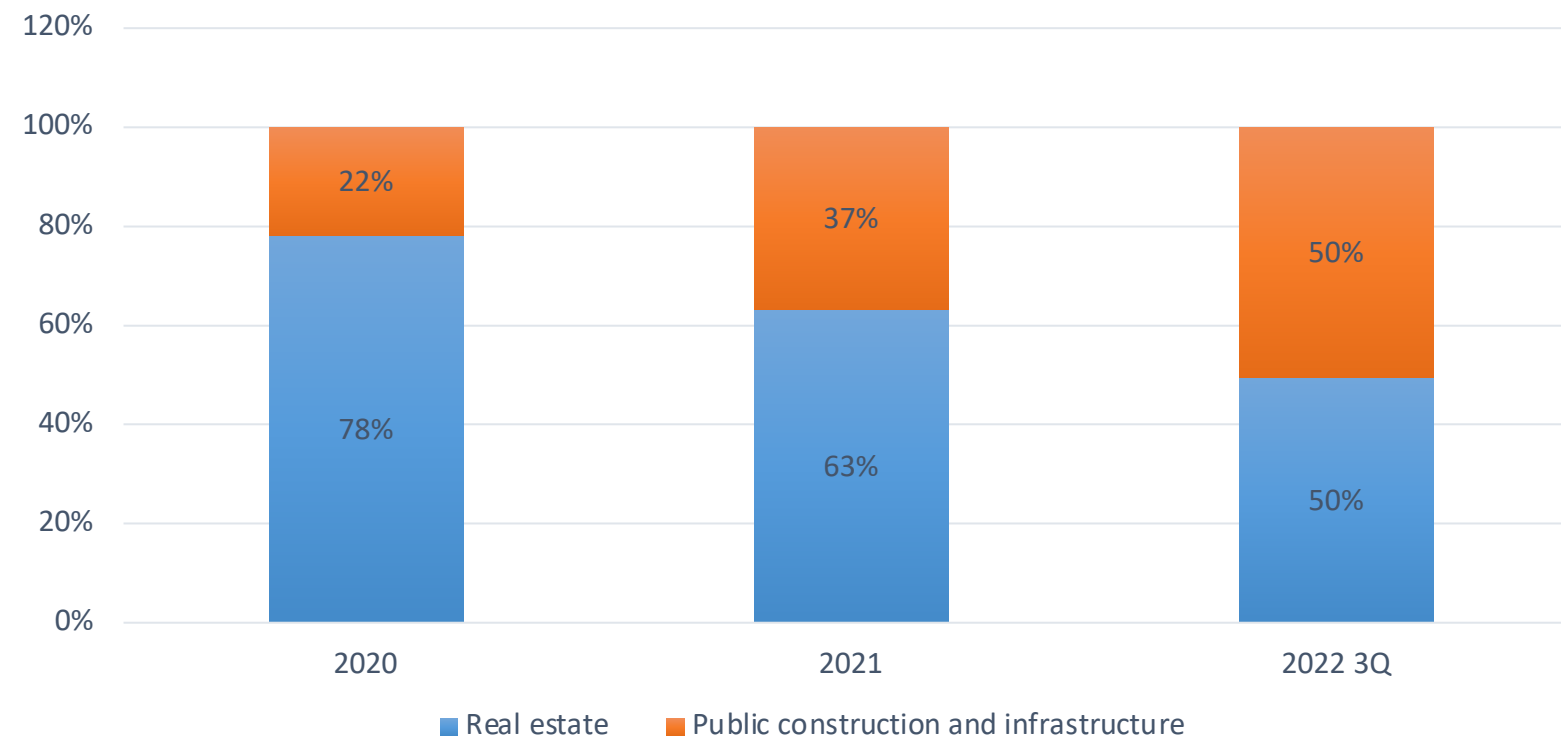




Revenue Breakdown

Unit : %

Revenue Breakdown



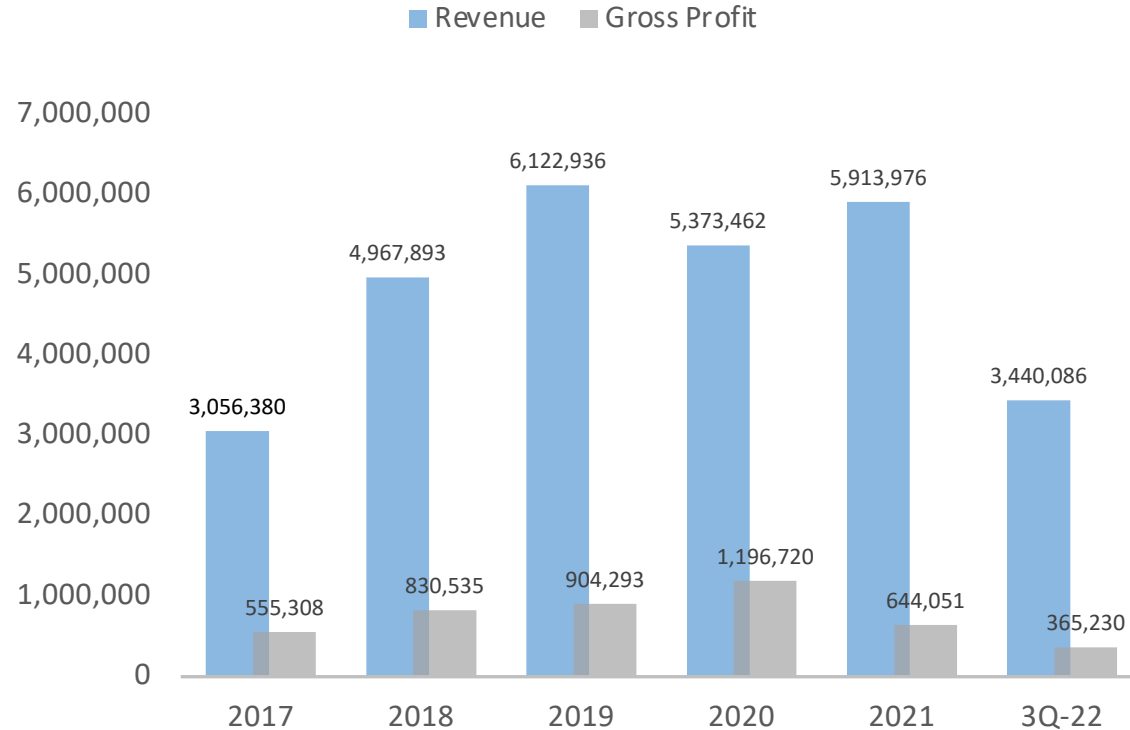


Revenue, Gross Profit, Operating Income and Net Income

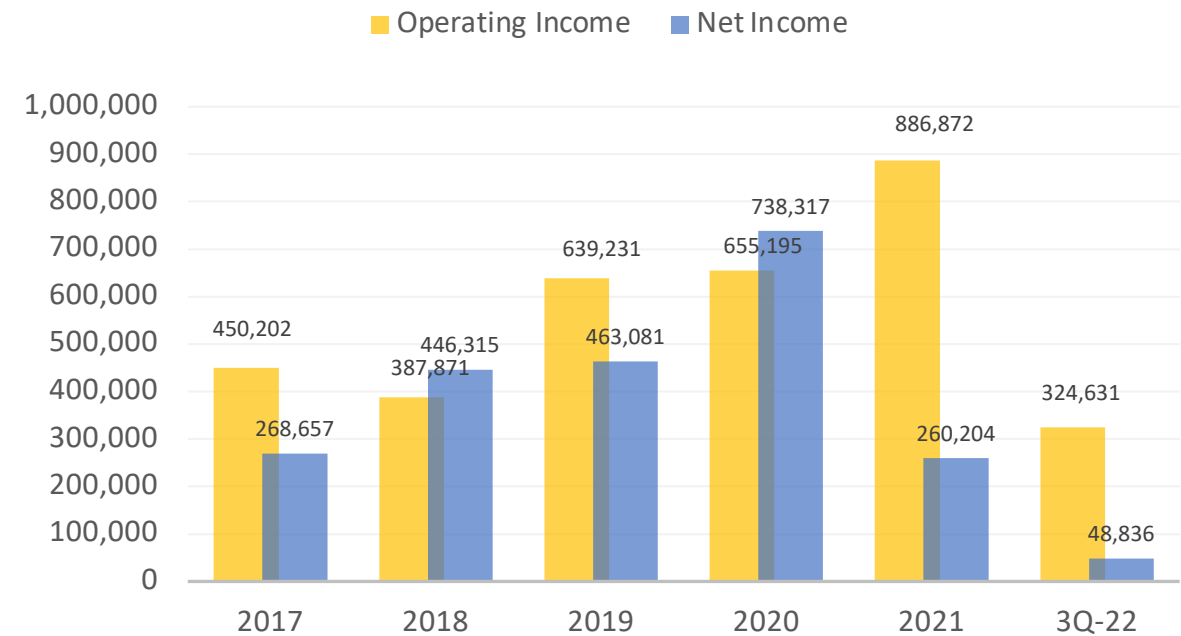
永固集團



Unit : NTD'000



Unit : NTD'000





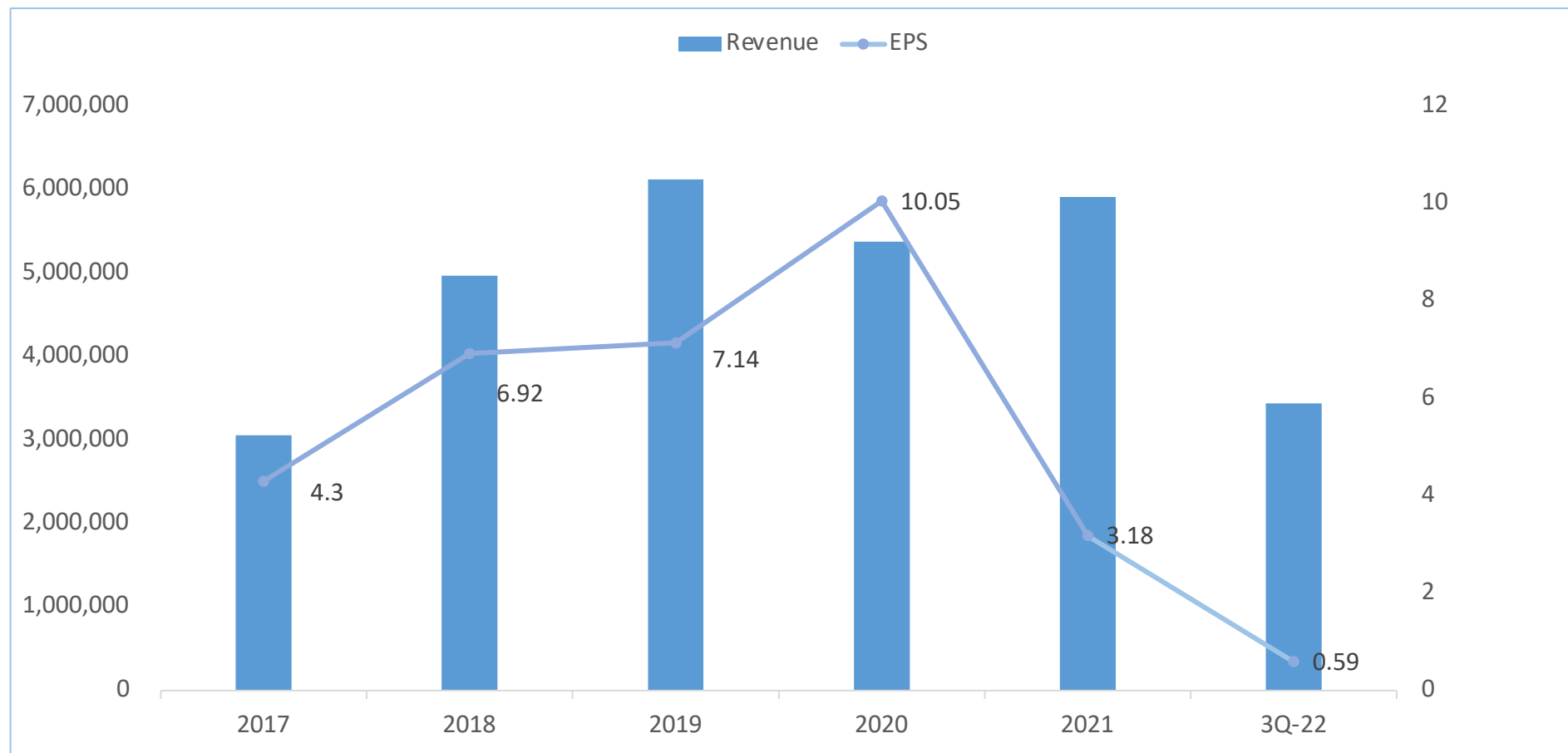
Historical Revenue and Earnings Per Share

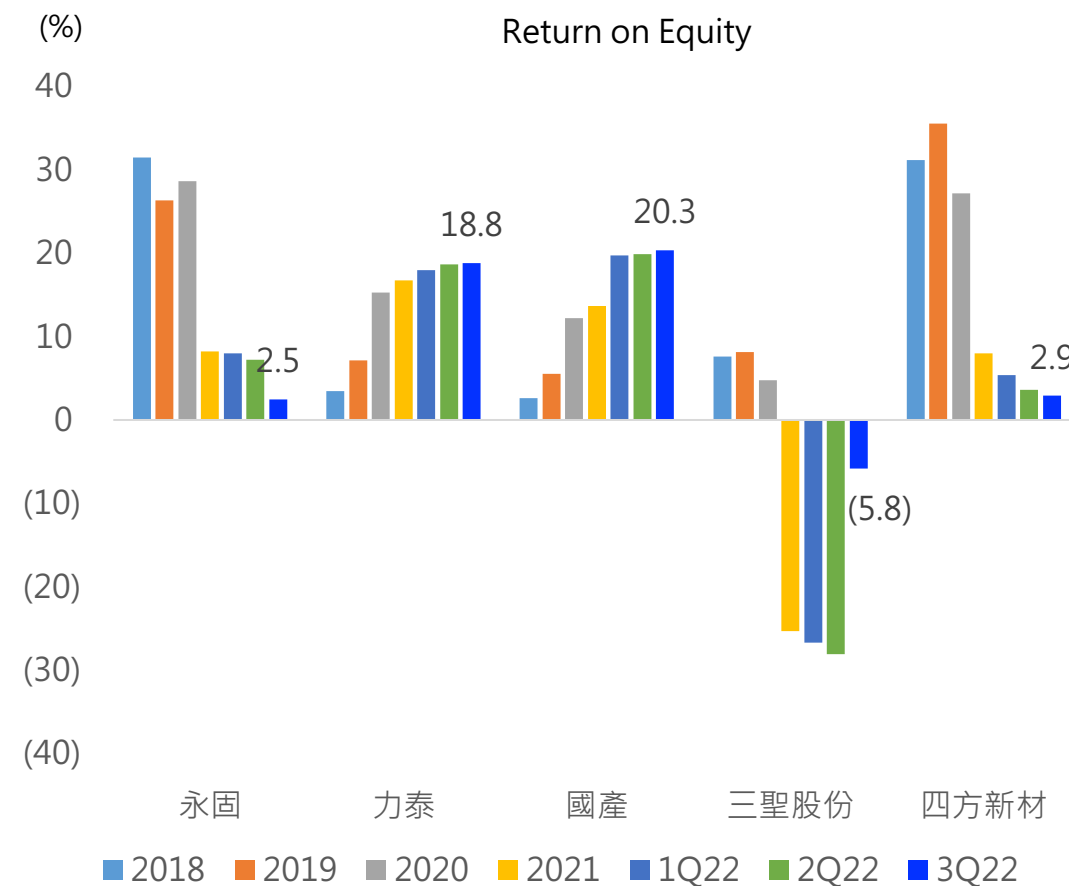
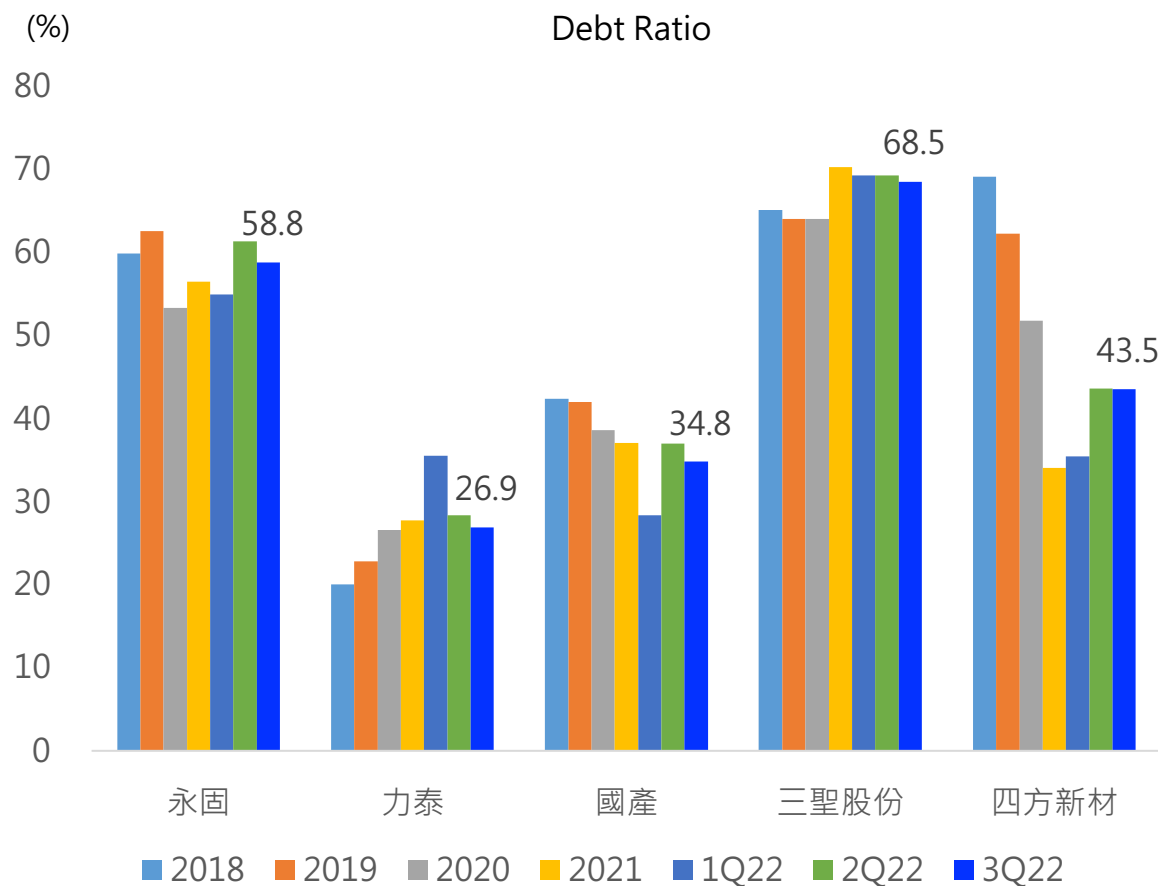
永固集團



Unit : NTD'000

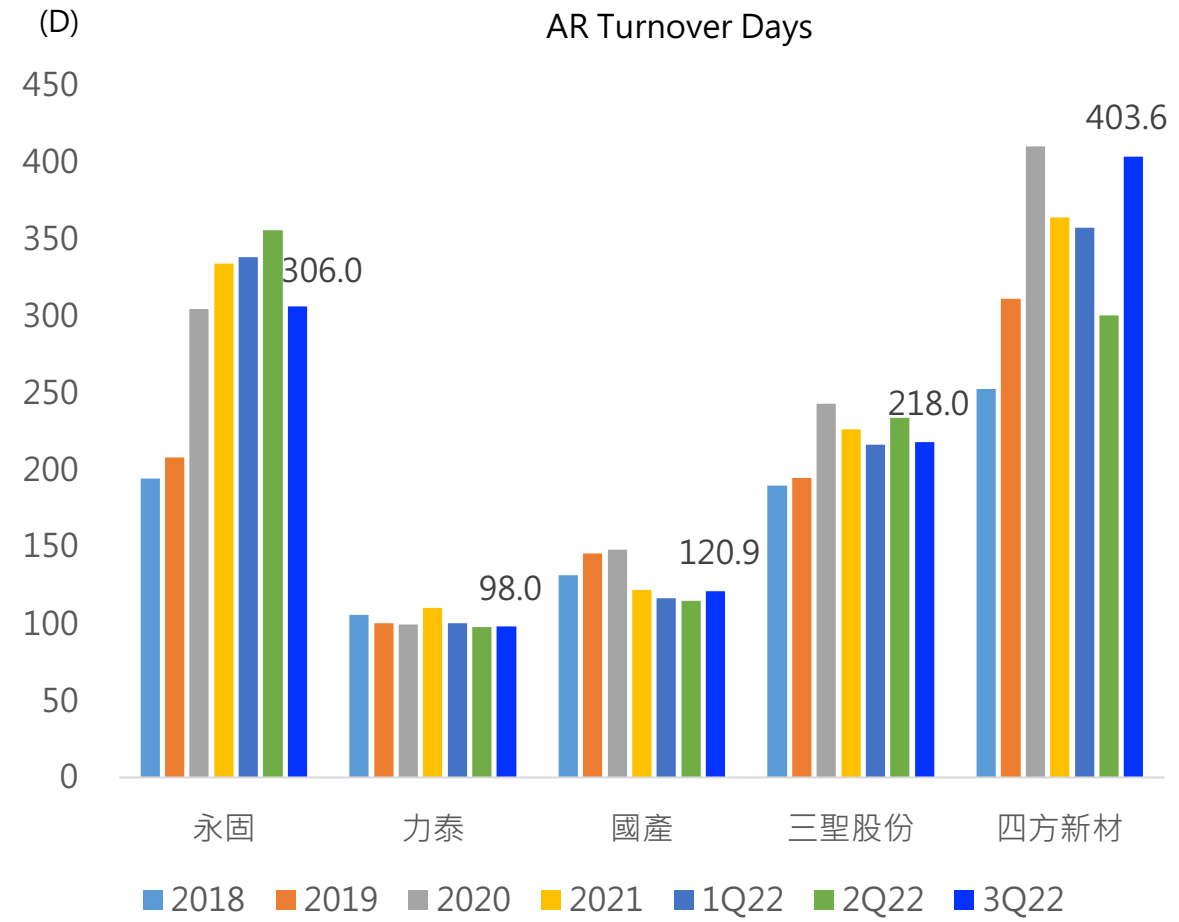
Unit : NTD



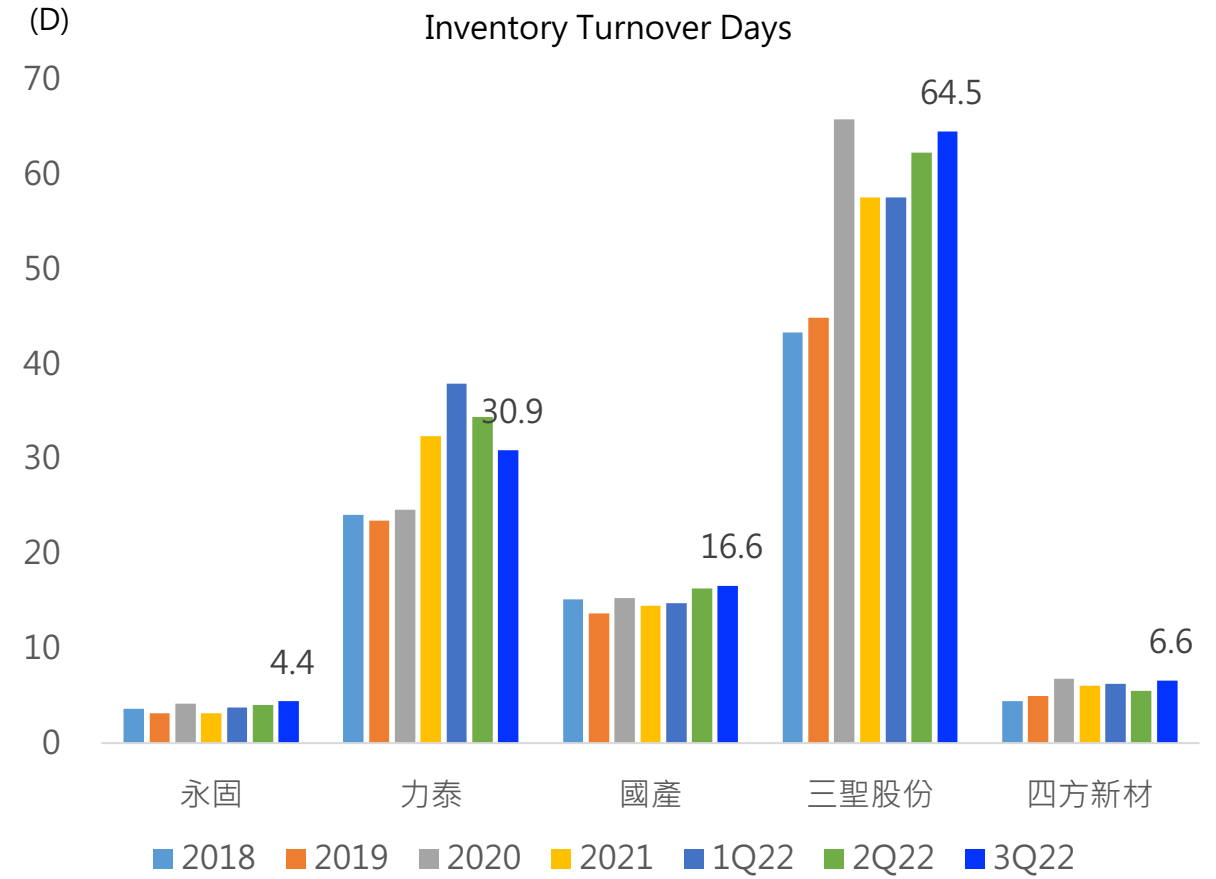




AR Turnover Days



Inventory Turnover Days

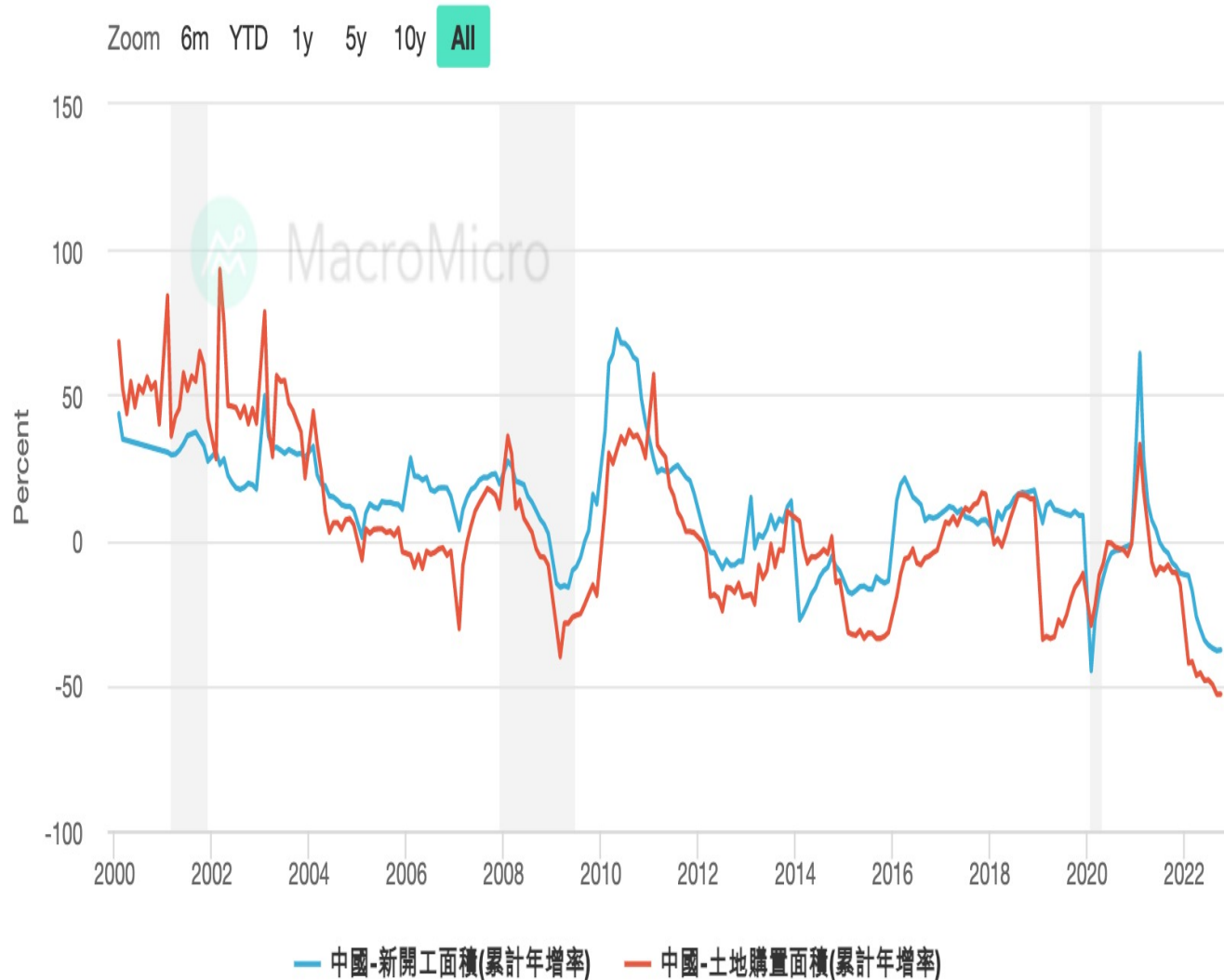




Year	EPS(NT\$)	Dividend(NT\$)	Cash Dividend (NT\$)	Payout Ratio(%)
2019	7.14	4.0	4.0	56%
2020	10.05	5.83	5.83	58%
2021	3.18	5.0	5.0	157%

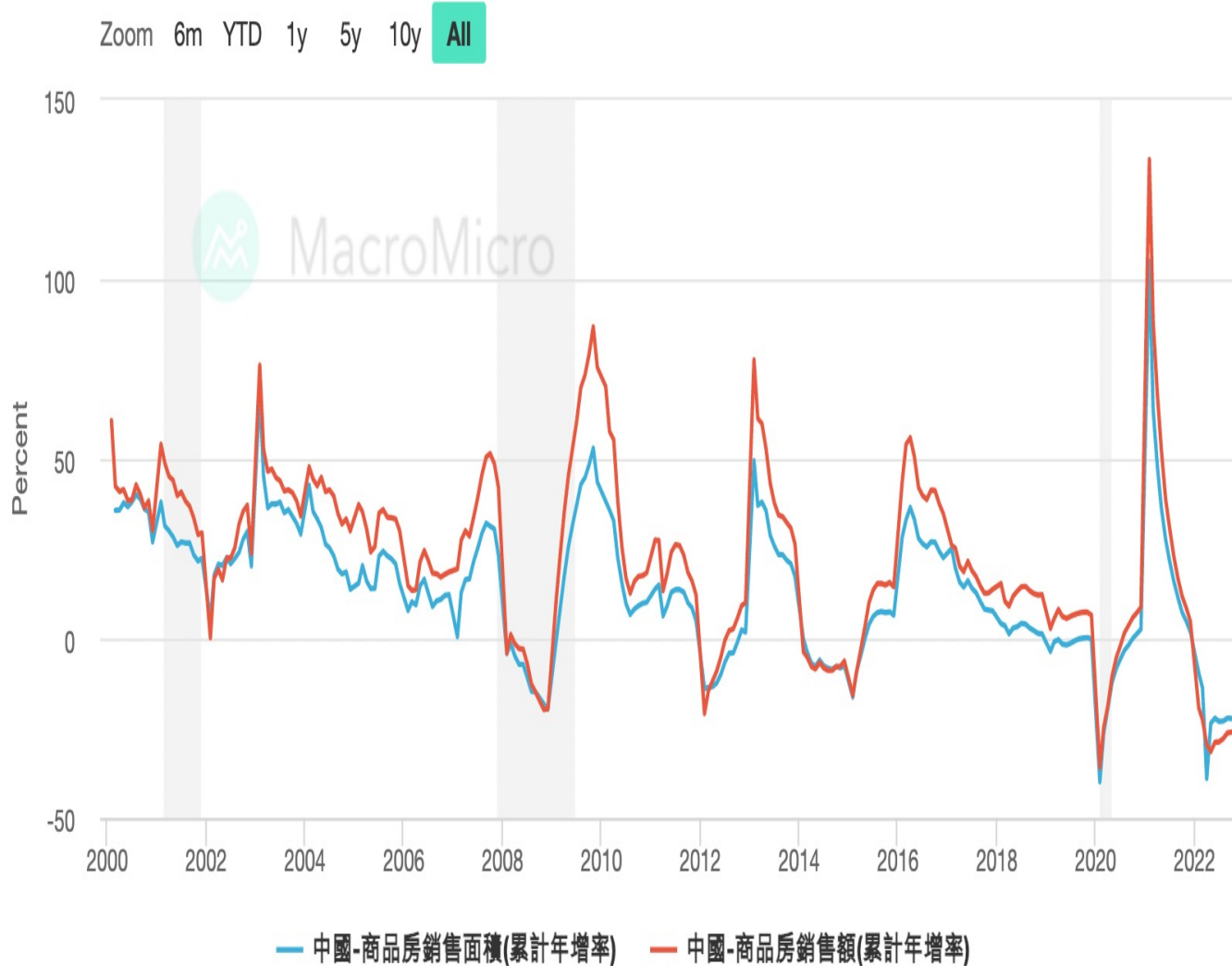


Industry Overview



◆ Current Situation of China's Real Estate Industry –

- In 2022, the Chinese government has loosened real estate-related policies, but there is a lag in the effectiveness of the policies. From January to October, the area of new construction and land purchases both showed an annual decrease, as well as the sales area and sales of commercial housing.
- In November 2022, the People's Bank of China and the China Banking and Insurance Regulatory Commission issued “financial 16” measures to support real estate companies, covering “maintaining real estate financing in a stable and orderly manner”, “actively providing financial services for “guaranteed housing””, “actively cooperating with Risk management of troubled real estate companies, etc., by expanding the financing channels of real estate companies and allowing a variety of loan extensions , it shows that the



◆ Current Situation of China's Real Estate Industry -

Chinese government is actively rescuing real estate that has been in trouble since mid-2020, which is expected to add to the rebound of China's economy and real estate market power.

- ▣ The China Securities Regulatory Commission announced on November 28 the equity financing measures for construction companies, which will allow listed construction companies to sell shares to repay debts and launch mergers and acquisitions, which is the "third arrow" shot by the Chinese government to stabilize the housing market and support the stable and healthy development of the housing market.



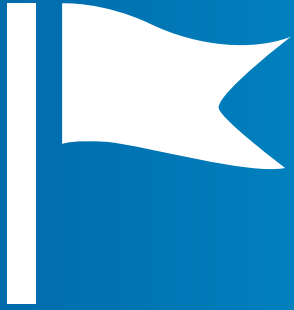
Future Outlook



- ◆ Increasing the proportion of public constructions and infrastructure can reduce exposure to fluctuations in the real estate market.
- ◆ The acquisition of Dongzhao Changsheng Factory was completed in 2022. The factory, with a planned annual production capacity of 3 million cubic meters, is under construction currently. The additional capacity could effectively supply the infrastructure, transportation, investment attraction and construction of government agencies in the adjacent Chongqing Western Science Park.
- ◆ Continue to look for potential horizontal or vertical integration opportunities in order to expand the company's market share and increase the scale and operational efficiency.



Appendix





Green Environmental Protection and Carbon Reduction Effect-- Create a Green Production Enterprise

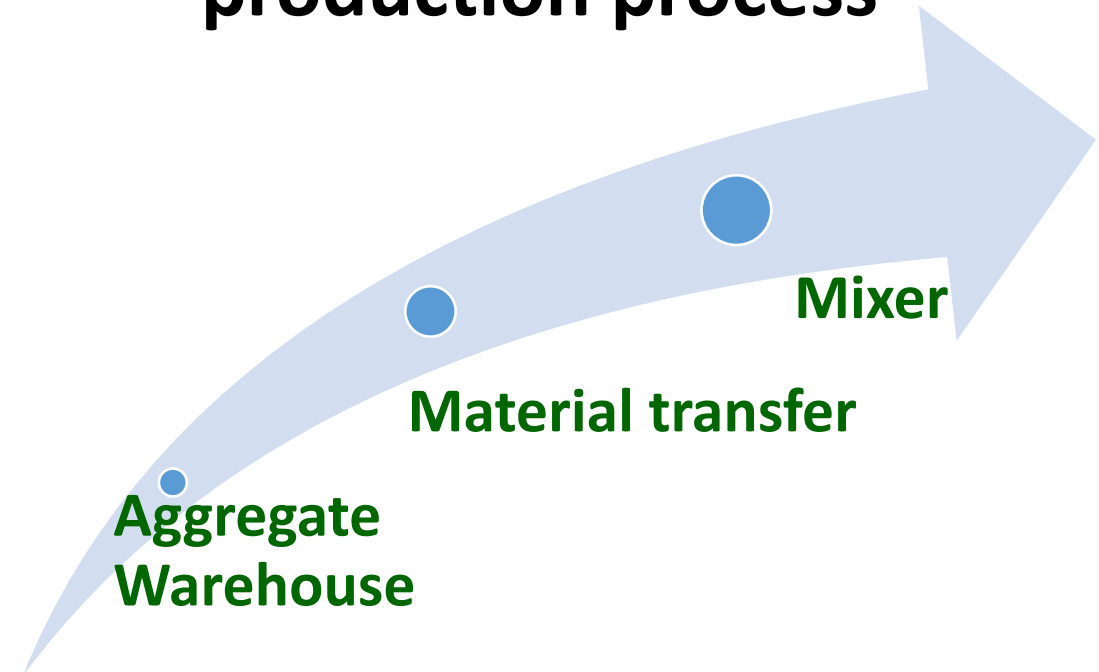
永固集團



Closed factory management, all links completely eliminate dust pollution !!

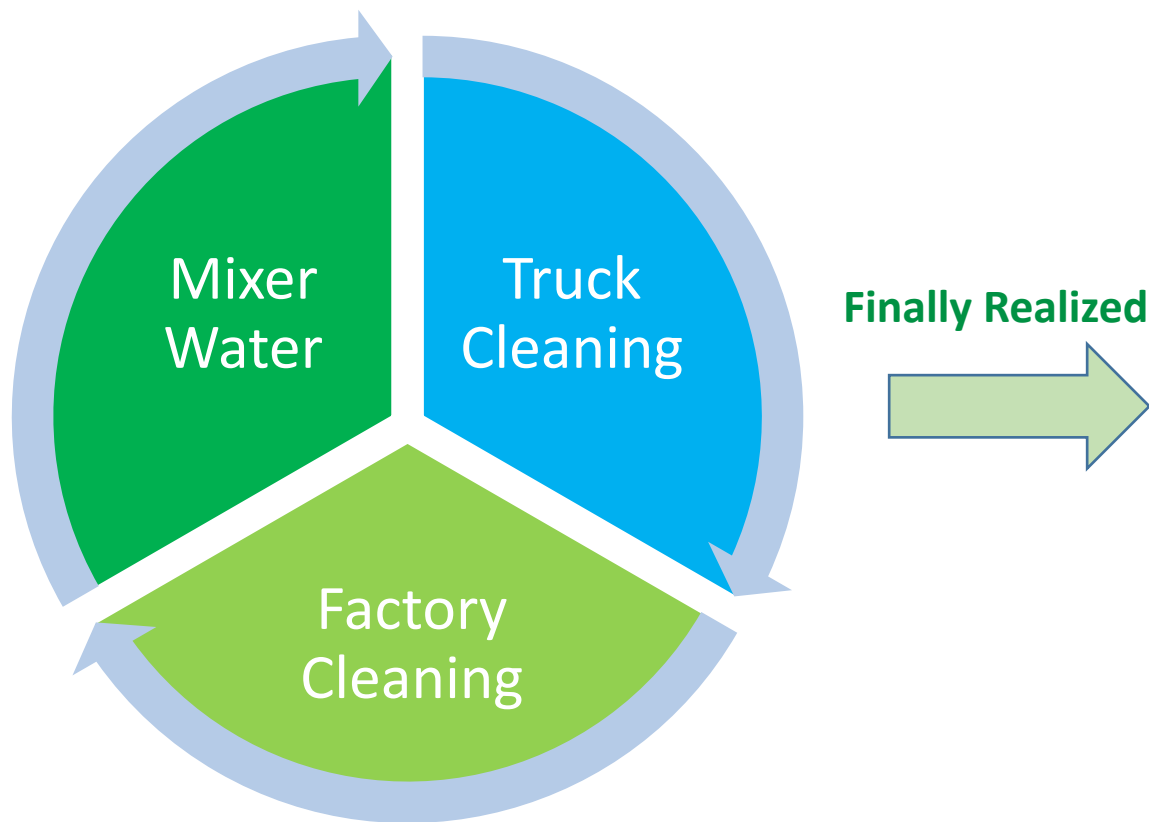


Dust control in production process





Main uses of production wastewater



**Zero discharge of production sewage
and effective water conservation**





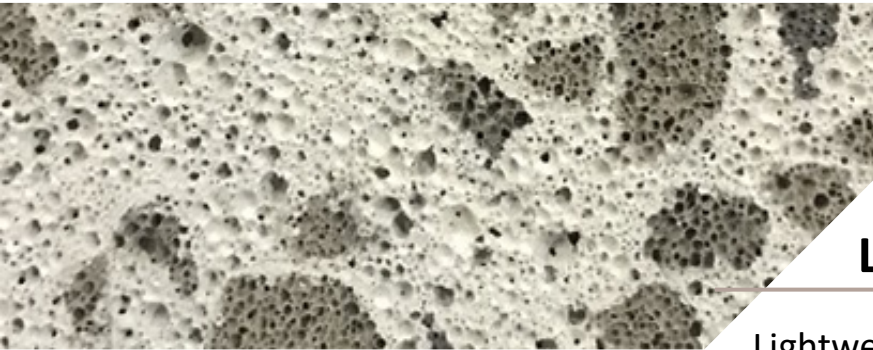
• 2018-

Yonggu received the first batch of **“Green Building Materials Evaluation Label”** in Chongqing

• 2021-

Yonggu received the **“Green Building Materials Evaluation Label”** in Chongqing again.





Lightweight RMC

Lightweight RMC is characterized by the formation of closed foam pores inside the concrete, which makes the concrete lightweight and thermal insulation.

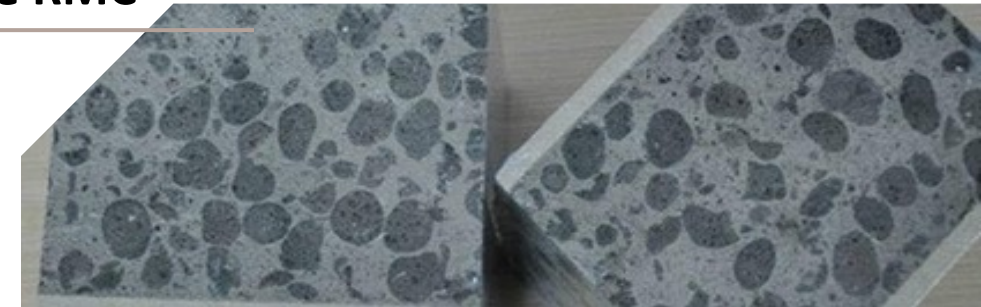


Previous RMC

Permeable RMC can allow rainwater to flow into the ground and effectively replenish groundwater; and can effectively eliminate the hazards of environmental pollution caused by oil compounds on the ground; maintain ecological balance and can alleviate the urban heat island effect. Excellent permeable floor Material.

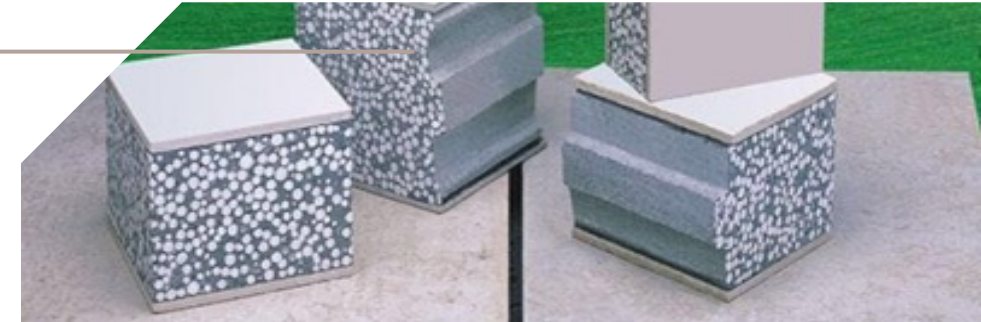
Ceramsite RMC

The strength of ceramsite RMC for structure can be greater than 40MPa, and the heat preservation and heat resistance are good; it can be used for building, bridge, ship and kiln foundation, etc.



Foam RMC has low density and has the properties of sound insulation and shock resistance. It is a new type of building material; usually foamed concrete with a density level in the range of 300-1200kg/m³ can use a large amount of industrial waste residue and will not burn, so it has good fire resistance.

Foam RMC





Building Materials: Go Green

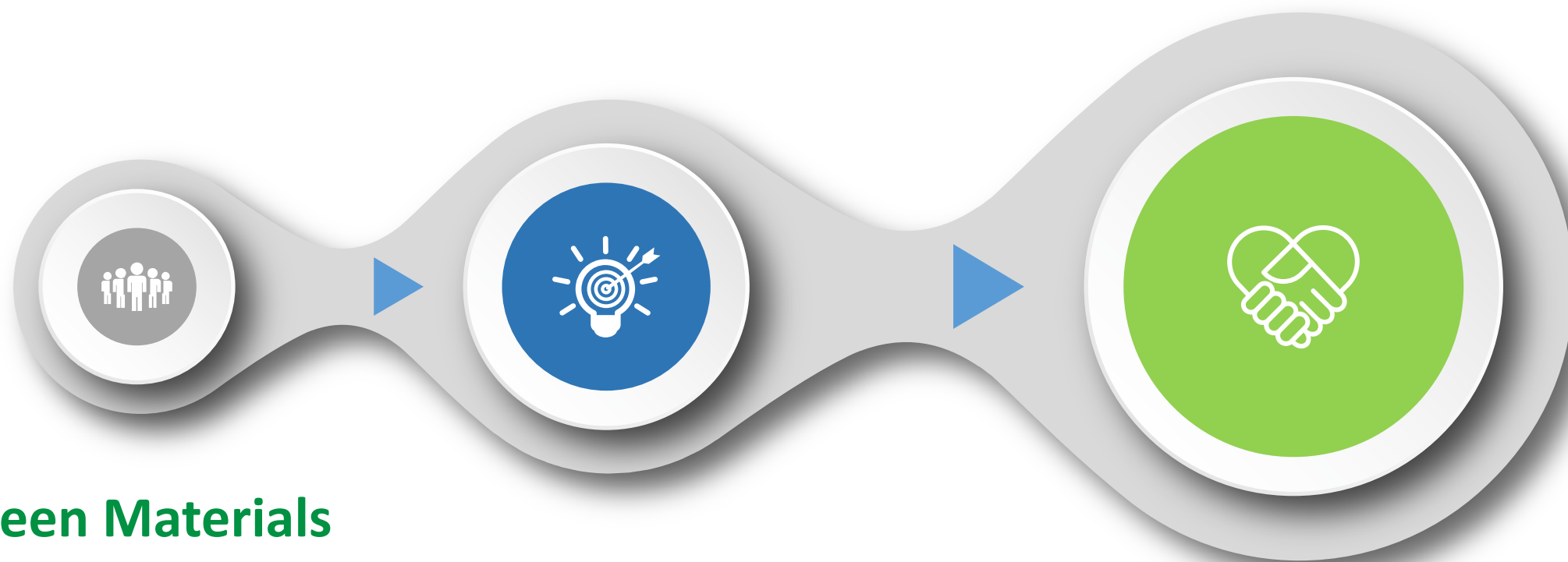
The waste water, waste residue and waste gas generated in the production process meet the requirements of environmental protection, and the **energy consumption** in the production and processing process is as little as possible

The raw materials used in production **are recyclable**, and the main raw materials use minimal one-time resources, and will not cause damage to the environment or ecology during the collection of raw materials



Complete functions during use are health, hygiene, safety, no harmful gas, no harmful radioactivity, etc.

After the end of its service life, that is, it will not cause secondary pollution when it **is discarded**, and it is a **reusable material**.



Green Materials

Green Building

Green Life



Social Responsibility--Charity(1)

永固集團



In the past 22 years, the enterprise has extensively carried out public welfare activities such as helping the poor and helping students, and has donated millions of dollars to people with disabilities, social charity organizations, workers in difficulties and people in disaster areas, which has been fully affirmed and commended by government departments for many times.



↓ In 2005, Yonggu established "Yonggu Hope Primary School" in Yushan Township, Pengshui County, Chongqing, to provide long-term financial support to rural elementary schools in poor areas to renovate dilapidated school buildings and help many out-of-school children to resume their studies.



↓ In 2017, Mr. CHIEN again donated RMB 1 million to Chongqing Charity Federation on behalf of Yonggu to help the needy. His family also established the "Elderly Care Association" in Taiwan to help the lonely and mentally disabled elderly in Taiwan to spend their twilight years without worries.

↑ Since the establishment of Yonggu, we have donated RMB 180,000 each year to subsidize outstanding poor college students of Chongqing Jiaotong University to complete their studies, and established the "Yonggu Spring Charity Foundation" to help poverty-stricken areas to get rid of poverty and become rich.



↑ In 2012, the founder of Yonggu Group, Mr. CHIEN, Kuo-Chuan, organized a large scale "Chun Ci Calligraphy Competition" to strengthen cultural exchanges across the Taiwan Strait, awarding prizes to calligraphy enthusiasts of different ages, encouraging young people to learn more, and bringing together caring Taiwanese people to help those in need.





↓ In 2018, we donated to the "Information Classroom" multimedia teaching platform project under the Chongqing Education Foundation, and purchased several multimedia pens to help the development of education in rural schools in poverty-stricken areas.



↓ In 2020, in order to support the Covid-19 epidemic area and fight against the epidemic, Yonggu Group fulfilled its social responsibility by issuing a fund-raising initiative to all employees, calling on employees to carry out the fine tradition of "support from all sides" and help each other in the epidemic-stricken areas.

↑ We donate to the Chongqing Women's and Children's Foundation Family Support Fund to provide assistance to children and teenagers whose families are in distress due to a sudden loss of support. Each year, 20 children are recognized and provided with financial, educational, recreational, psychological and behavioral support through the Family Support Fund to help them grow up healthily.



↑ In 2019, Yonggu responded to the call of the regional government's "10,000 enterprises helping 10,000 villages" action and formed a one-to-one helper with Hongxia Village in Nanmu Township, Youyang County, and set up a poverty alleviation working group to help Hongxia Village develop collective economic industries and embark on the road to common prosperity.





THANKS

**Wish you success in your
work**

