

RUENTEX

 Ruentex Materials Co., Ltd. (8463)

# 2021 Investor Conference

2021/12

## Disclaimer

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# AGENDA

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**About Ruentex Materials**

**Financial Overview**

**Operating Strategy**

**Q&A**



# AGENDA

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**About Ruentex Materials**

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Q&A

# Company

Chairman	Mr. Mo, Wei Han
President	Mr. Chen, Hsueh Hsien
Established Date	Established in 1992
Head Office Address	10F, No.308, Sec.2, Bade Road, Taipei, Taiwan , R.O.C.
Factory Address:	1. No. 357, Da-An Road, Dongshan Township, Yilan County , Taiwan 2. No. 1-7, 8 <sup>th</sup> Neighborhood, Zhongnan, Liang Township, Pingtung County, Taiwan
Paid-in Capital	NT\$ 1,500,000,000
Main Profit Driver	Cement, Ready-mixed Mortar, Interior Design & Decoration Engineering



# Business



## Ruentex Interior Design

interior design , decoration  
engineering , landscape design  
engineering , Special building  
materials sales agent

Interior Design

Construction

## Ruentex Materials

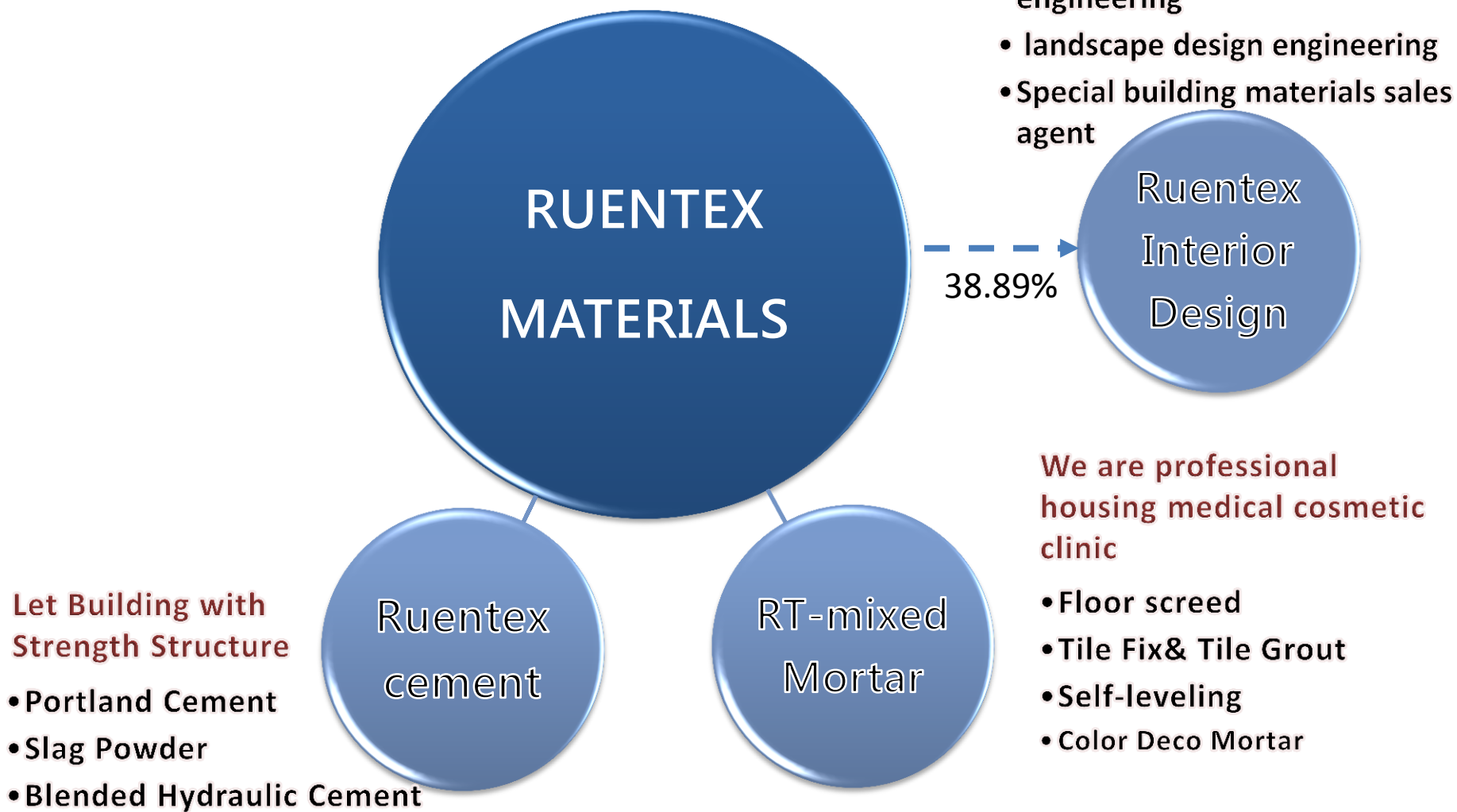
Cement, Slag, Ready-mixed Mortar,  
Mud Construction

Building Materials Supply

Architectural Design

Land Development

# Product



# AGENDA

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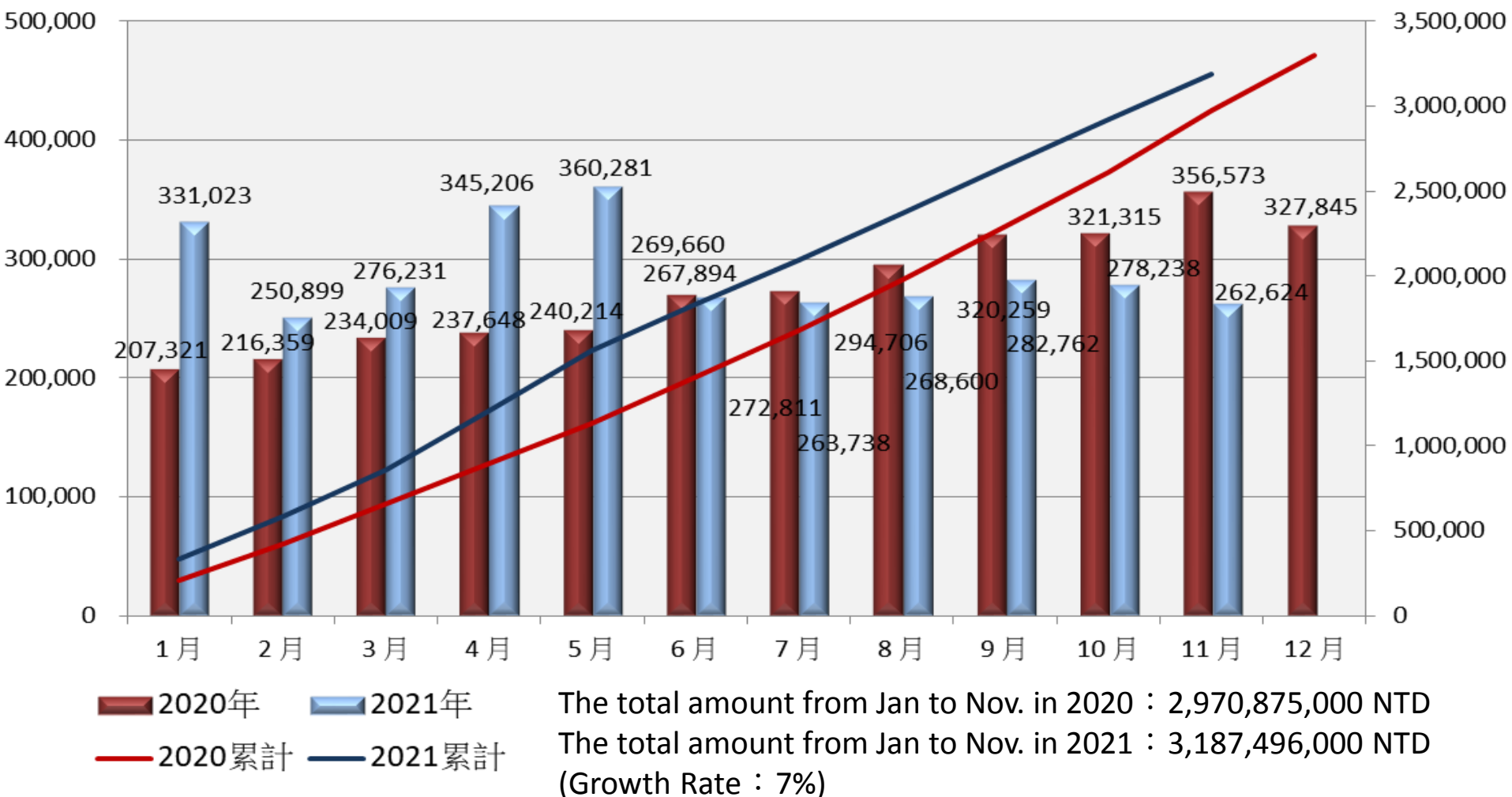
# Financial Overview - Balance Sheets

Expressed in Thousands of New Taiwan Dollars

Asset	2021/09		2020/12		Liabilities and Equity	2021/09		2020/12	
	Amount	%	Amount	%		Amount	%	Amount	%
Cash and cash equivalents	591,396	10	170,968	3	Short-term borrowings & notes and bills payable	489,937	9	549,879	10
Receivables	452,656	8	605,153	11	Payables	570,877	10	514,646	10
Inventories	499,962	9	417,365	8	Other current Liabilities	216,331	3	295,195	5
Other current assets	328,791	5	472,255	9	Long-term loans payable	1,850,000	32	1,650,000	30
					Other non-current Liabilities	116,168	2	49,069	1
<b>Current assets</b>	<b>1,872,805</b>	<b>32</b>	<b>1,665,741</b>	<b>31</b>	<b>Total Liabilities</b>	<b>3,243,313</b>	<b>56</b>	<b>3,058,789</b>	<b>56</b>
Financial asset at fair value through profit or loss - Non-current	99,915	2	63,091	1	Capital Stock-common stock	1,500,000	26	1,500,000	28
Property, plant, equipment	3,454,695	60	3,441,382	63	Capital surplus	696,548	12	656,157	12
Other non-current assets	336,768	6	282,266	5	Retained earnings	85,138	2	281,620	5
					Other equity	(12,597)	-	(44,086)	(1)
					Equity attributable to shareholders of the parent	2,269,089	40	2,393,691	44
					NON-CONTROLLING INTERESTS	251,781	4	-	-
					<b>Total equity</b>	<b>2,520,870</b>	<b>44</b>	<b>2,393,691</b>	<b>44</b>
<b>Total assets</b>	<b>5,764,183</b>	<b>100</b>	<b>5,452,480</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>5,764,183</b>	<b>100</b>	<b>5,452,480</b>	<b>100</b>

## The Monthly Revenue – 2020~2021

Expressed in Thousands of New Taiwan Dollars



# Financial Overview - Comprehensive Income

Expressed in Thousands of New Taiwan Dollars, except EPS

Item	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021 Q1 ~ Q3
Operating revenue	858,153	973,381	815,100		<b>2,646,634</b>
Operation costs	(763,212)	(851,855)	(748,782)		<b>(2,363,849)</b>
Gross profit	94,941	121,526	66,318		<b>282,785</b>
Operating expenses	(56,518)	(74,063)	(96,912)		<b>(227,493)</b>
Operating Profit	38,423	47,463	(30,594)		<b>55,292</b>
Total non-operating	(3,961)	(142,480)	(3,619)		<b>(150,060)</b>
Income before tax	34,462	(95,017)	(34,213)		<b>(94,768)</b>
Net income for the year	27,467	(76,859)	(27,122)		<b>(76,514)</b>
Total comprehensive income	35,270	(75,332)	(1,838)		<b>(41,900)</b>
<b>NET INCOME ATTRIBUTABLE TO: Shareholders of the parent</b>	27,467	(76,859)	(31,590)		<b>(80,982)</b>
Earnings per share	0.18	(0.51)	(0.21)		<b>(0.54)</b>

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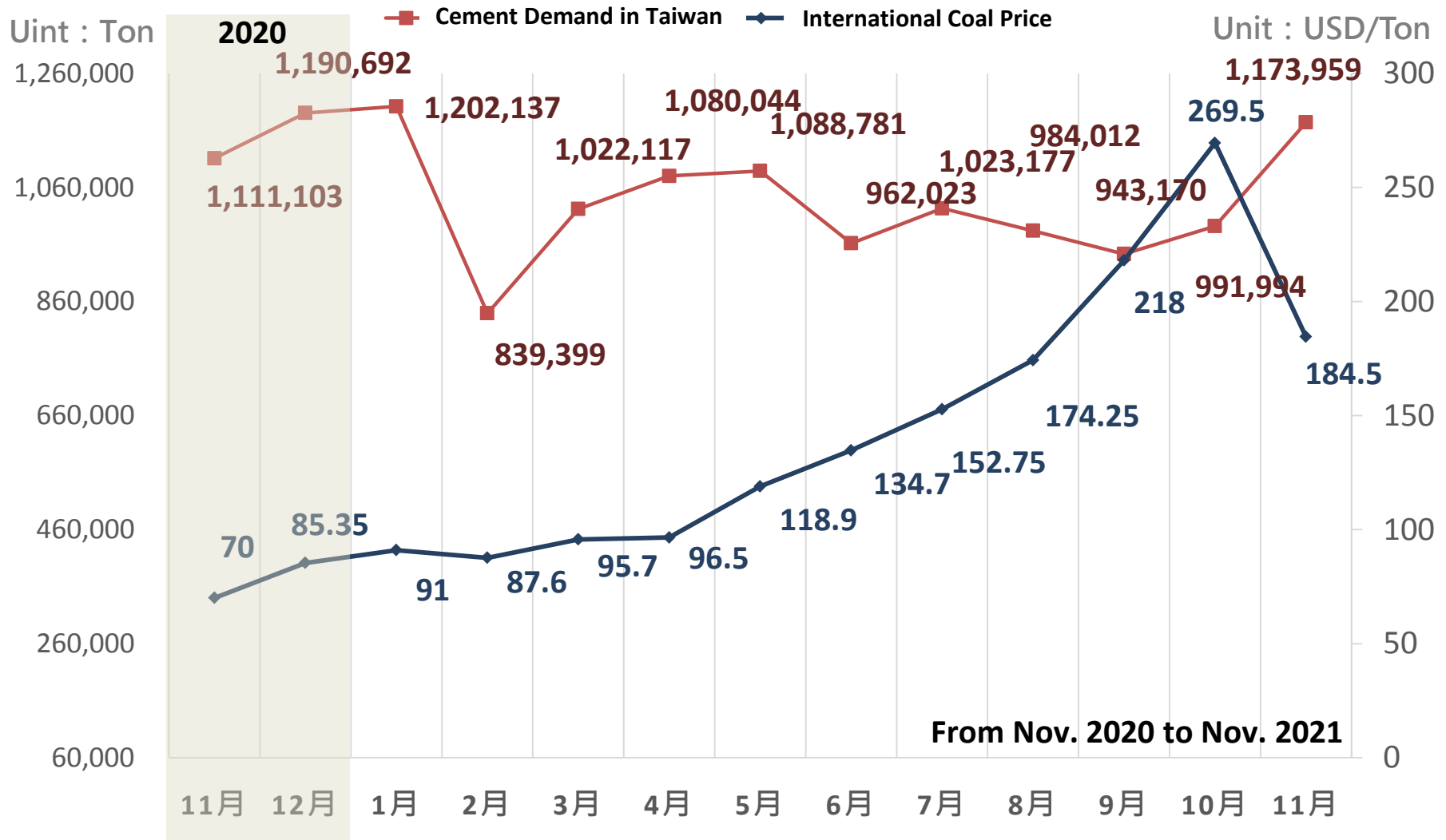
# Environmental Protection • Marketing • Niche Product



## Circular Economy

- Strengthen Multiple Sales Channels and Market Share in South Taiwan
- High Performance Product Development : Offshore Wind Farm Grout
- Interior & Landscape Design Engineering and Building Material Agent

# COMPARISON OF INTERNATIONAL COAL PRICE AND CEMENT DEMAND IN TAIWAN

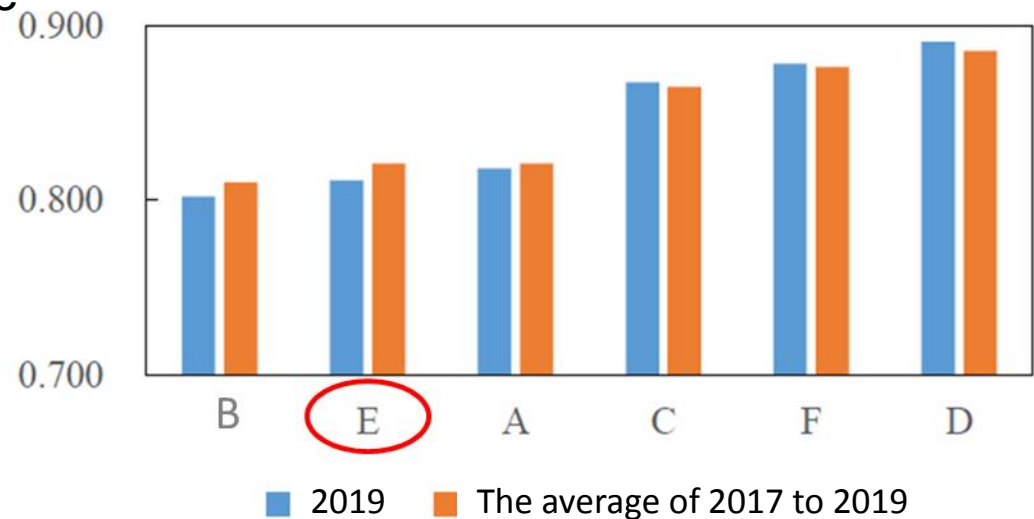


# Cement Production Trend

## CO<sub>2</sub> Reduction :

- Down to 750 kg-CO<sub>2</sub>/t-cem
- 38% Carbon Reduction since 1990

In six factories, the CO<sub>2</sub> emission is between 0.8 and 0.9 ton (CO<sub>2</sub>/ton).



Ref. 工業局統計資料

## Methods :

- Following Suggestion of GCCA
- Raw Material Substitution
- Fuel Substitution
- Clinker Content Reduction
- Carbon Capture / Storage / utilization



- Raw Material Substitution following up the Policy
- Carbon Reduction and Production Cost Reduction

## Environmental Protection • Marketing • Niche Product

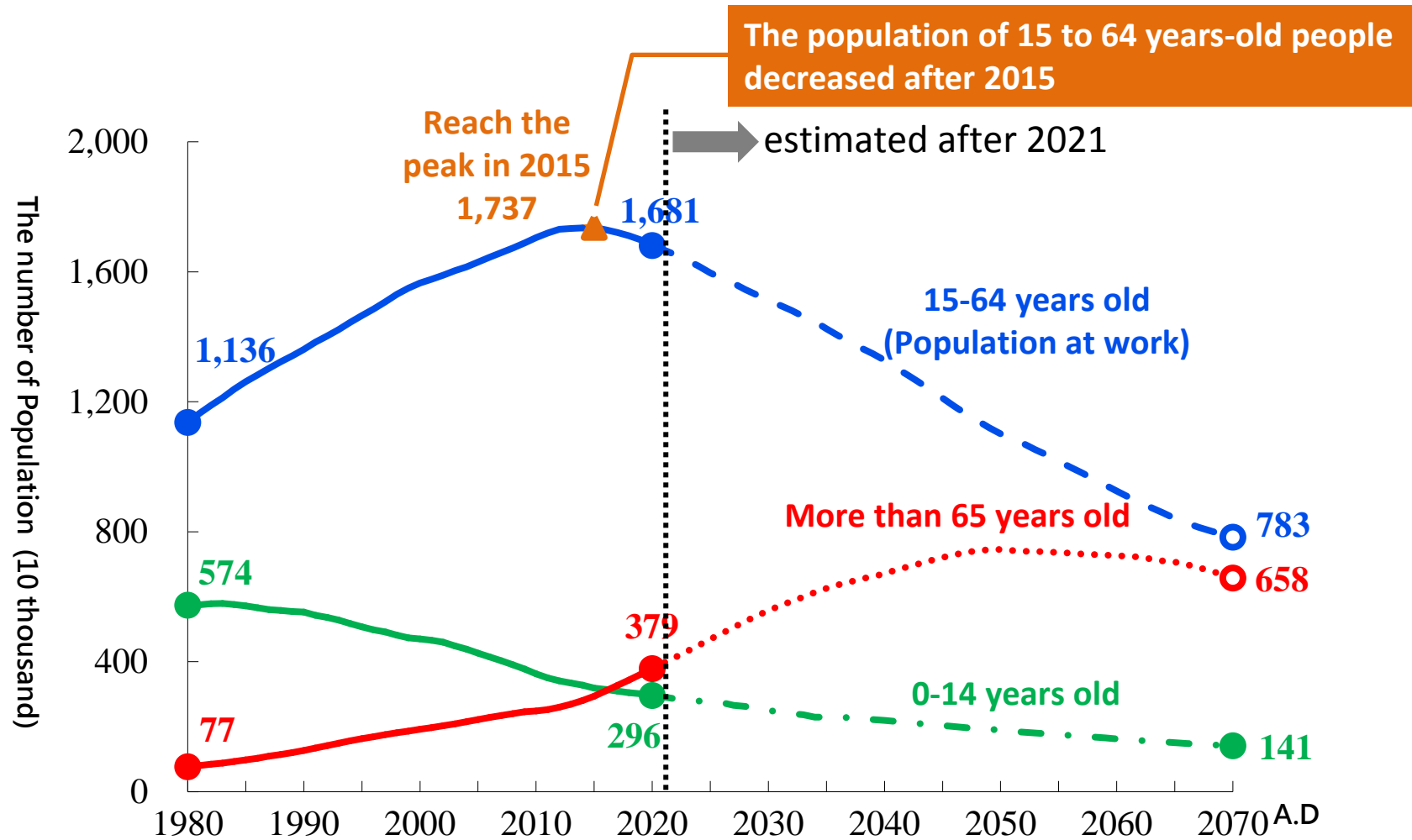
- Circular Economy

✓ Strengthen Multiple Sales Channels and Market Share in South Taiwan

- High Performance Product Development : Offshore Wind Farm Grout
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# Population Ageing is Increasing Seriously beyond Imagination

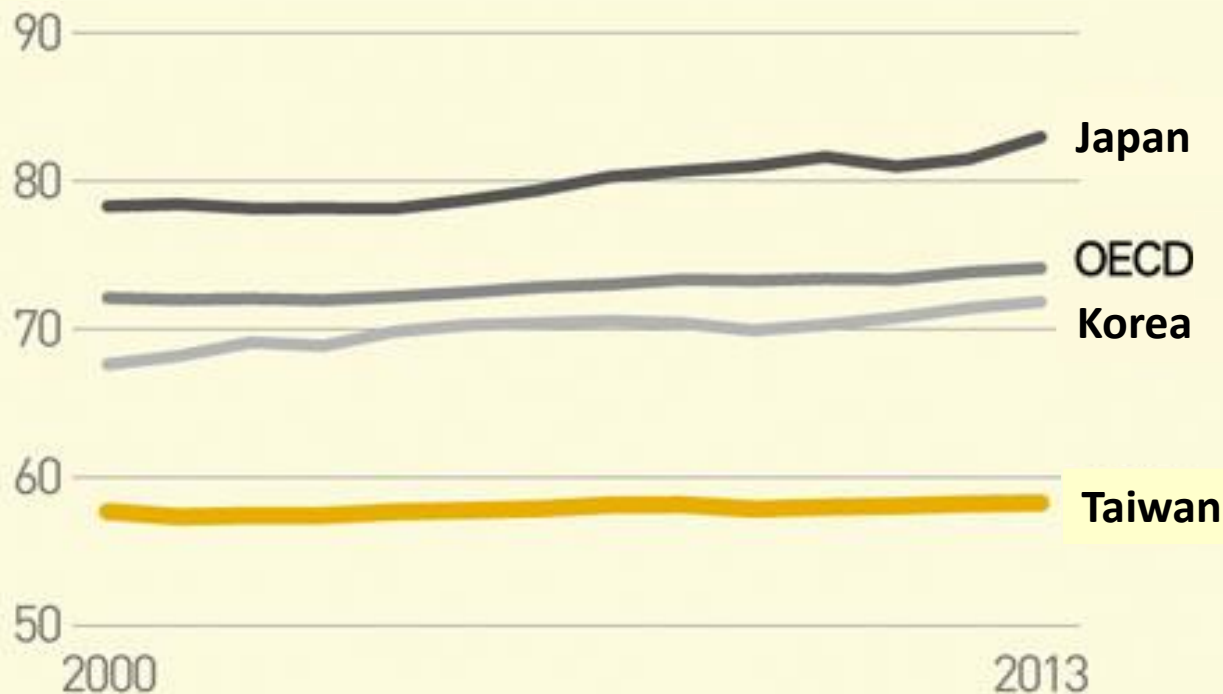


Source : National Development Council



作者：李立心 2015-05-26 天下雜誌573期

**The Labor Force Participation Rate in Taiwan is less than 60%, which is far less than the rate in Japan and Korea.**



Rate in 2019

59.22%

Source : Commonwealth Magazine

# Population Aging, Sub-Replacement Fertility and Labor Shortage will Become Common or even Serious Situation in Taiwan

--- Building Material with Labour Saving and Effort Saving will be a Trend in Construction Industry

# What is Ready-Mix Grout?



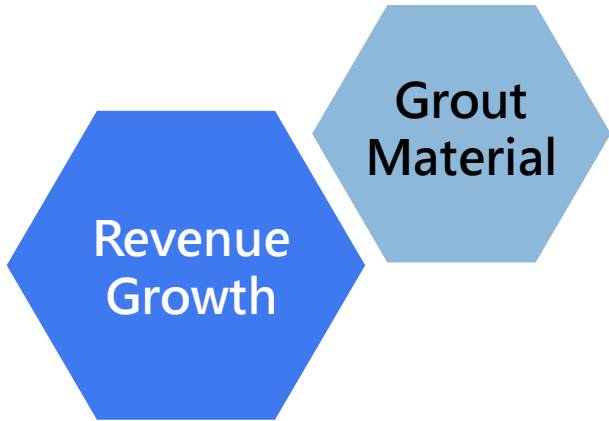
## Ruentex Ready-Mixed Grout

The ready-mixed grout content has been accurately calculated by machine and is packed by bag cleanly and nicely.



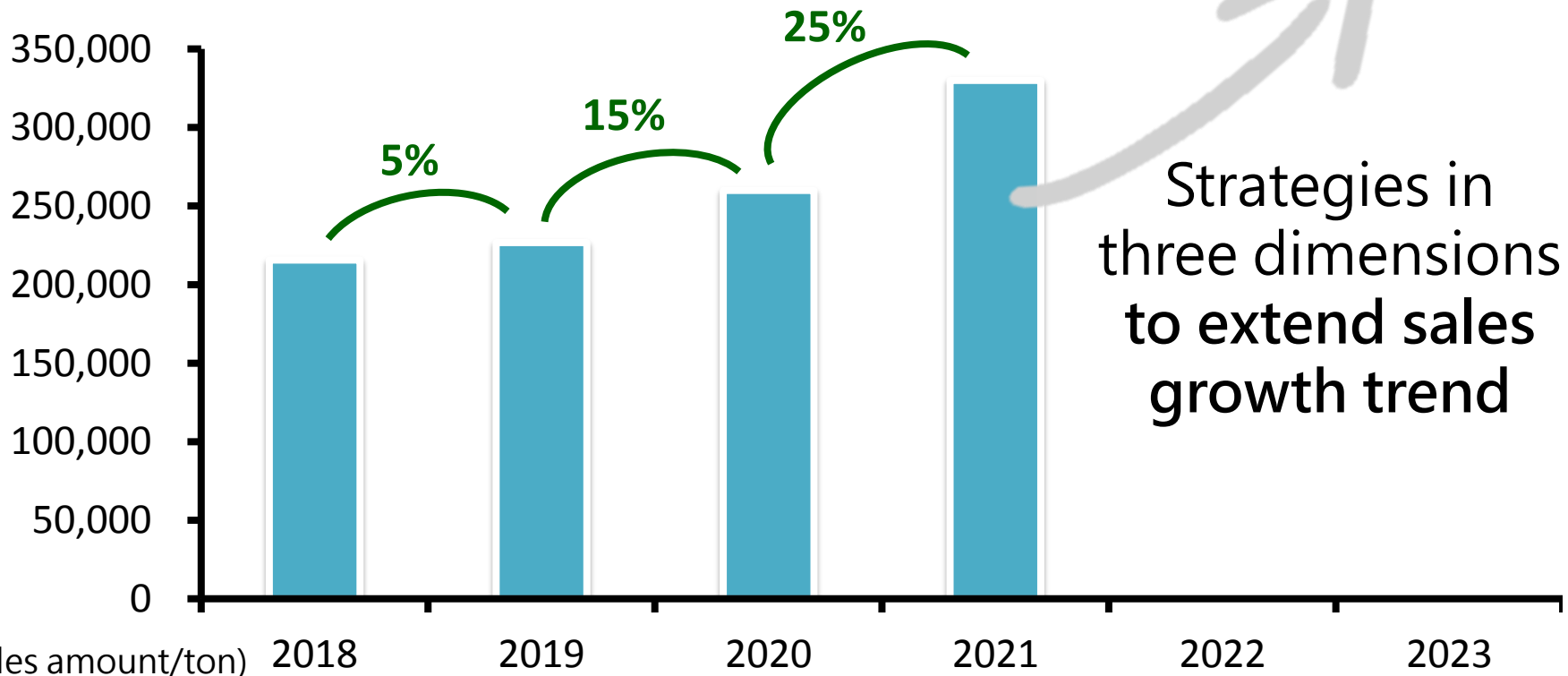
## Old Method of grout mixing is done by labor.

The grout is mixed by labor. The percentage of water, cement and rock is hard to handle and can cause quality issue.

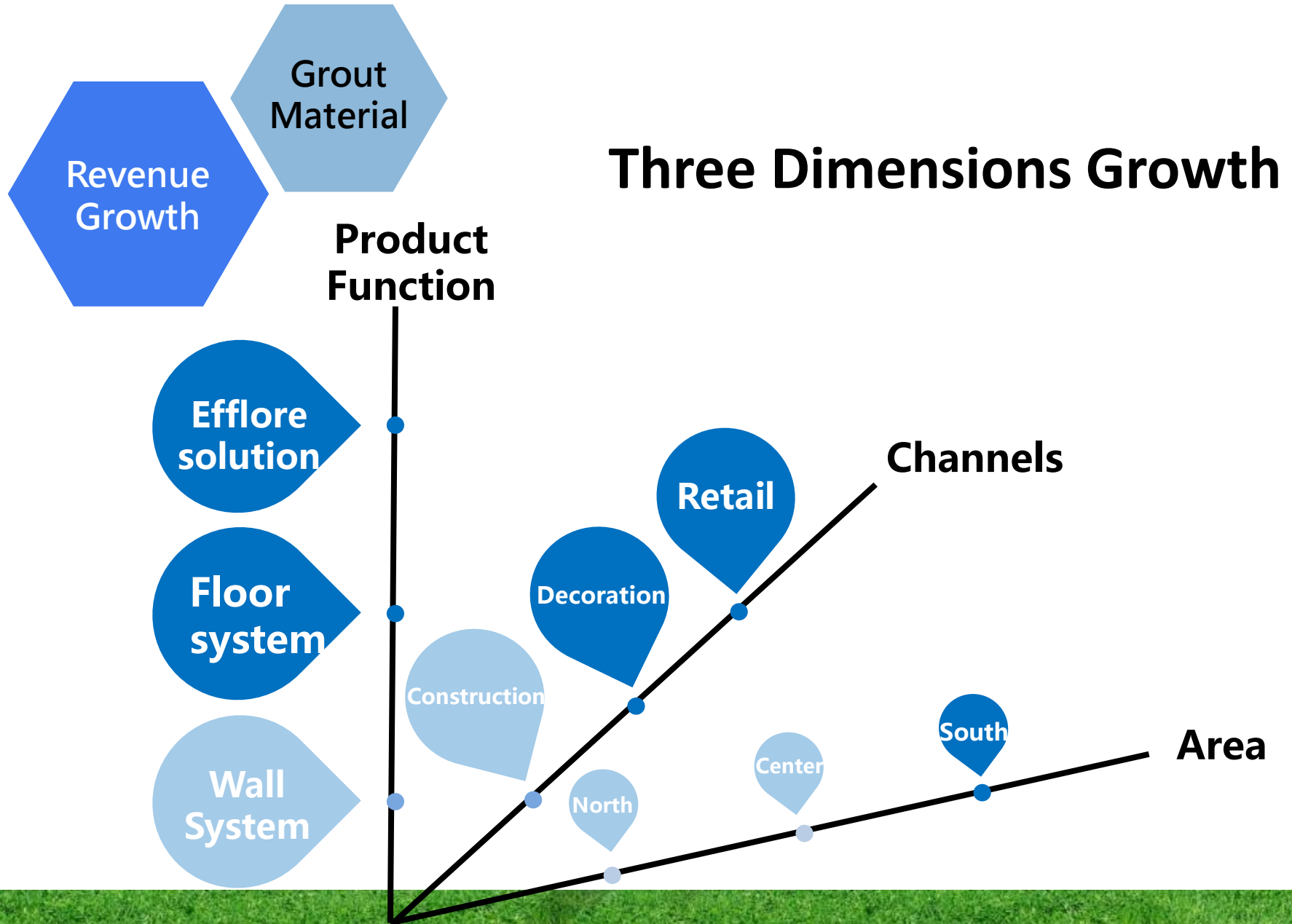


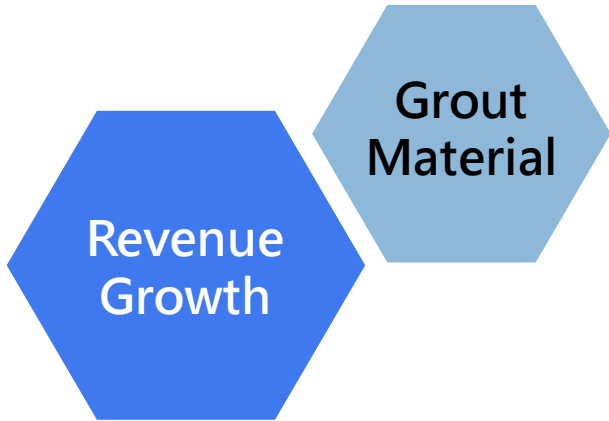
Review sales revenue of ready-mixed grout between 2018 and 2020.

**In 2021, we look forward to achieving new target.**



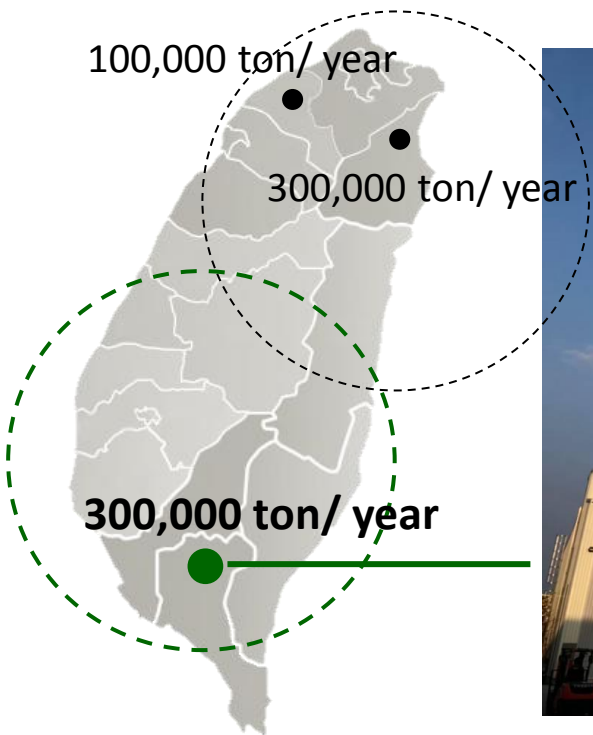
( Sales amount/ton)

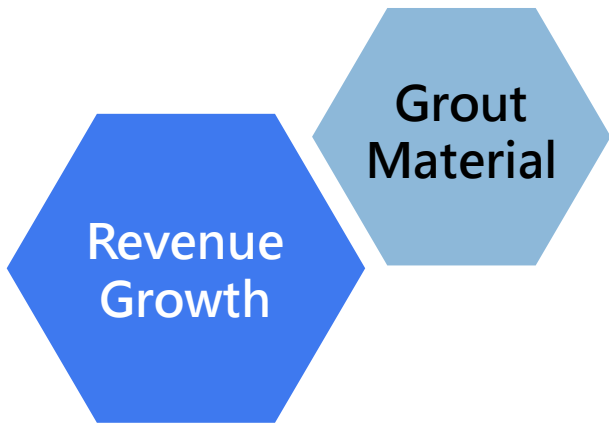




# Three Dimensions Growth

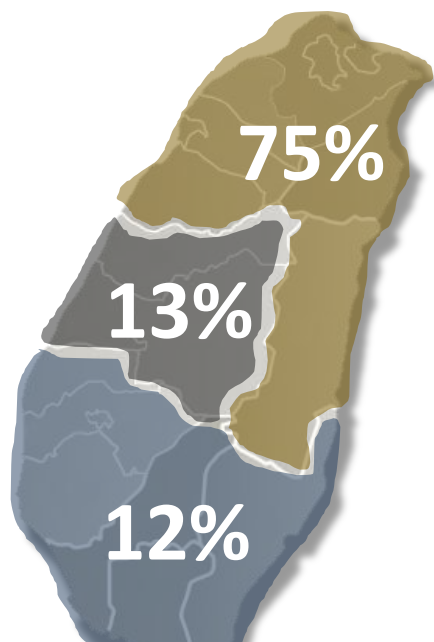
## LIGANG Plant Starts Operation , Southern Taiwan Market is launching





# Three Dimensions Growth

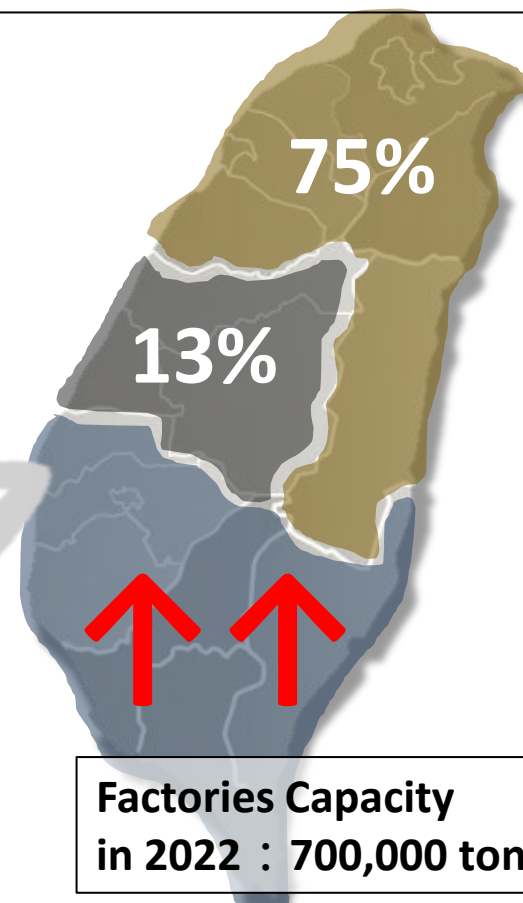
## LIGANG Plant Starts Operation , Southern Taiwan Market is launching



2 Factories Capacity  
in 2021 : 400,000 tons

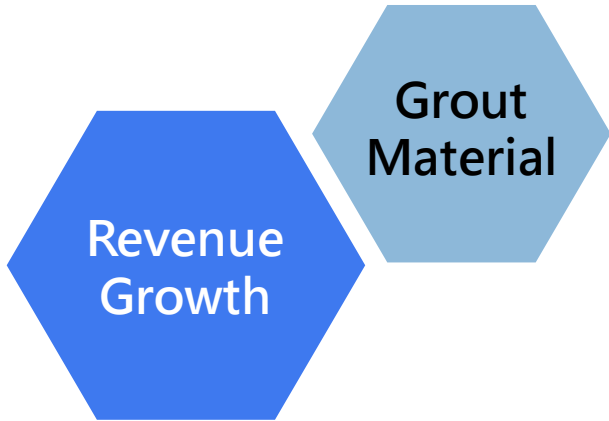


Shipping Fee ↓  
Sand Price ↓  
Real Estate Demand ↑



Factories Capacity  
in 2022 : 700,000 tons





# Three Dimensions Growth

## Distributor Channels development

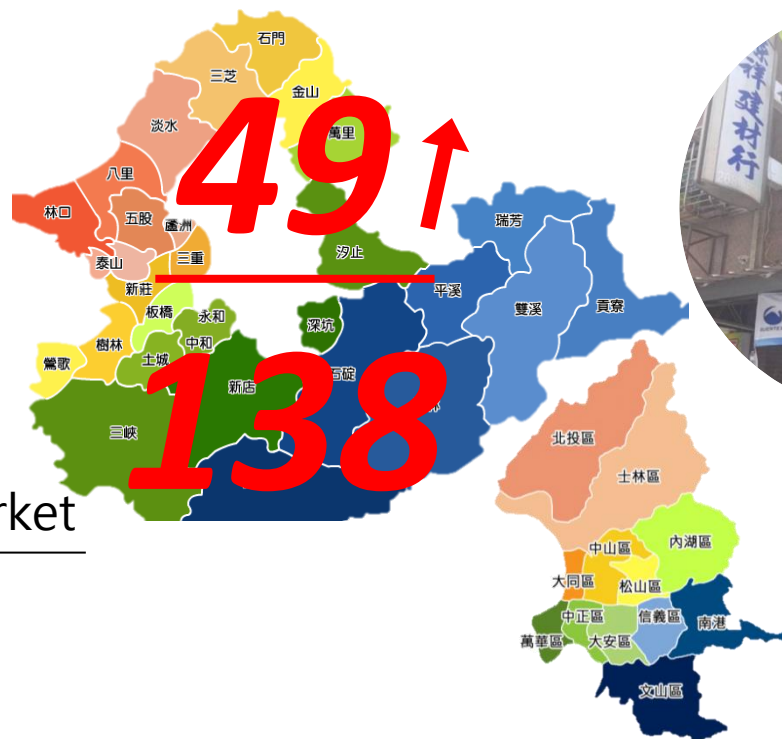
## Strengthen Decoration Market Sales

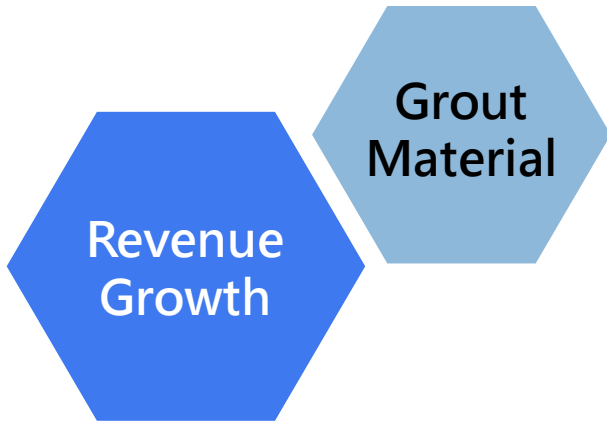
經銷商

棧場

Stores

Decor Market  
Mason



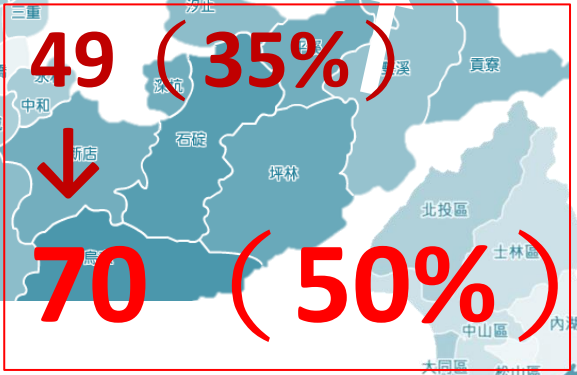


## Three Dimensions Growth

**Distributor Channels development**  
**Strengthen Decoration Market Sales**

### 1 Stores Cooperation

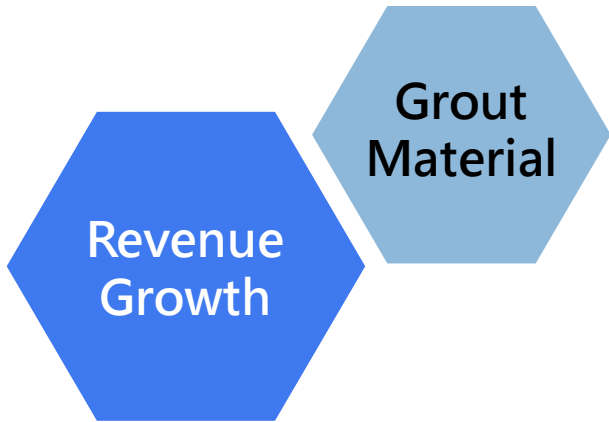
Deliver Network Building  
More Store Cooperation Rate



### 2 Visibility Increase

Canvas and Light Box Ad  
Product Display in Store

### 3 Sales Increase



# Three Dimensions Growth

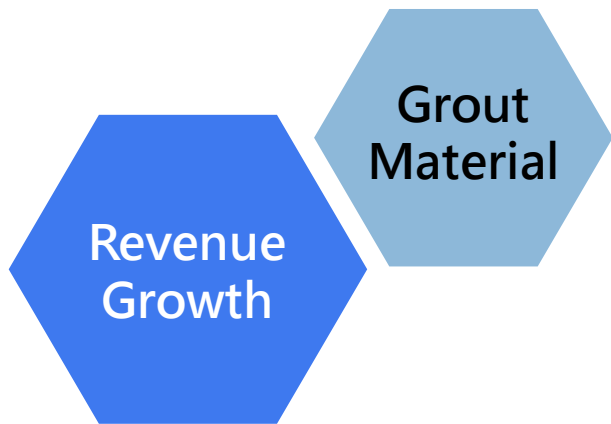
## Retail Package , Eye-Catching Marketing, DIY Market Entry

Low Turnover, High Profit ( 34% ↑ )  
Marketing Benefit > Sales Profit

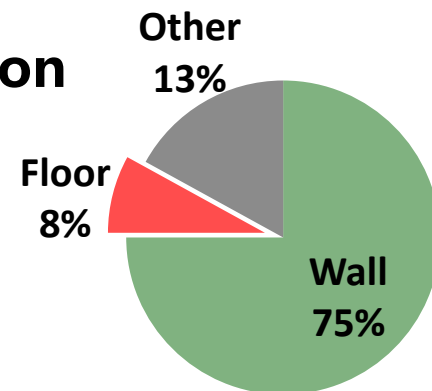


Consumers Awareness  
Increase through Retail

Selecting Ruentex Grout  
when Buying New Houses



## Three Dimensions Growth Floor Material Promotion Benefits of Value Proposition



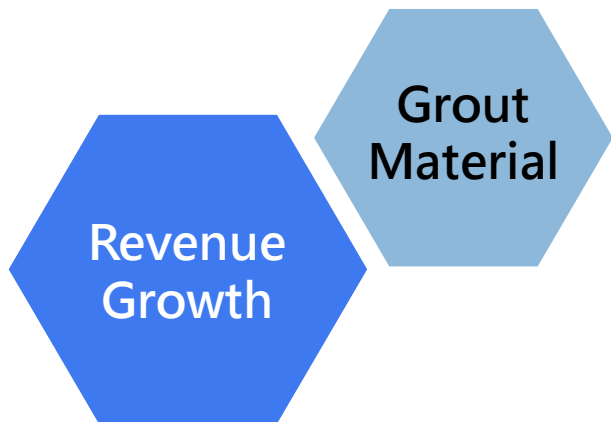
- ◆ Floor Grout
- ◆ Soundproof Floor Grout
- ◆ Flat-Floor Grout
- ◆ Wear-Resistant Grout

Indoor



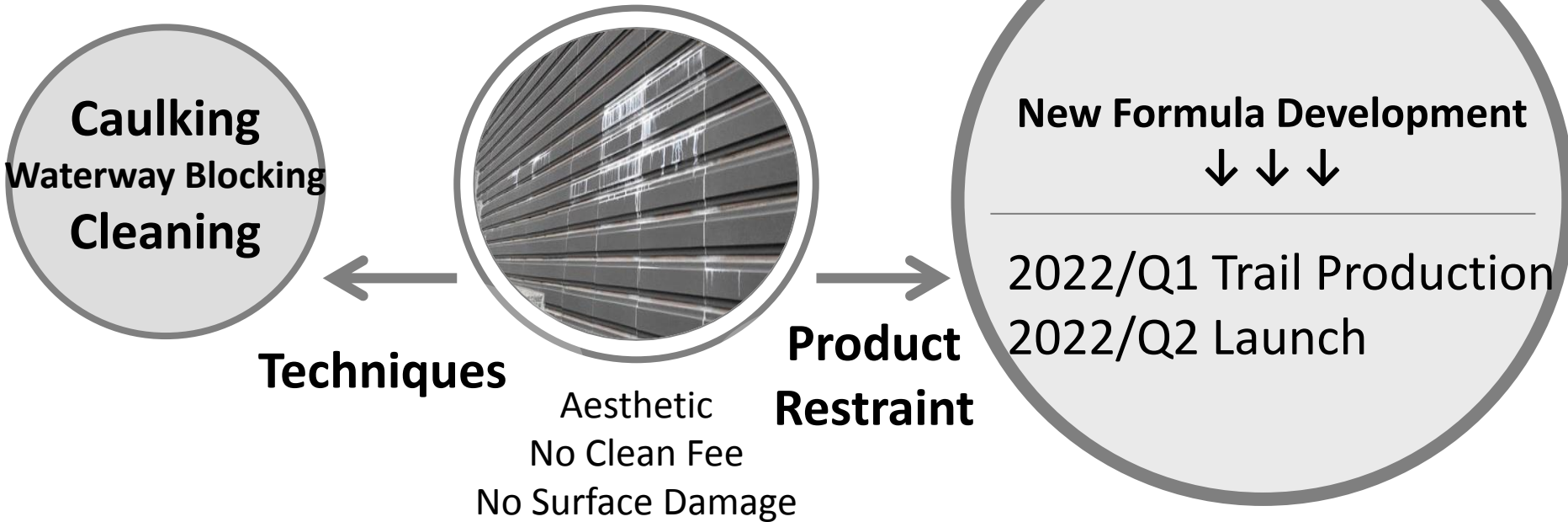
Outdoor

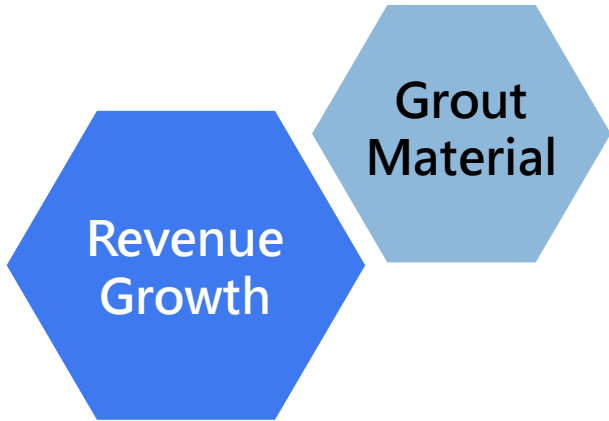
- ◆ Permeable Grout
- ◆ Efflore-Resistant Grout



## Three Dimensions Growth

### By Technique Upgrade and Problem Solving, Efflore-Resistant Grout is Our Future Star

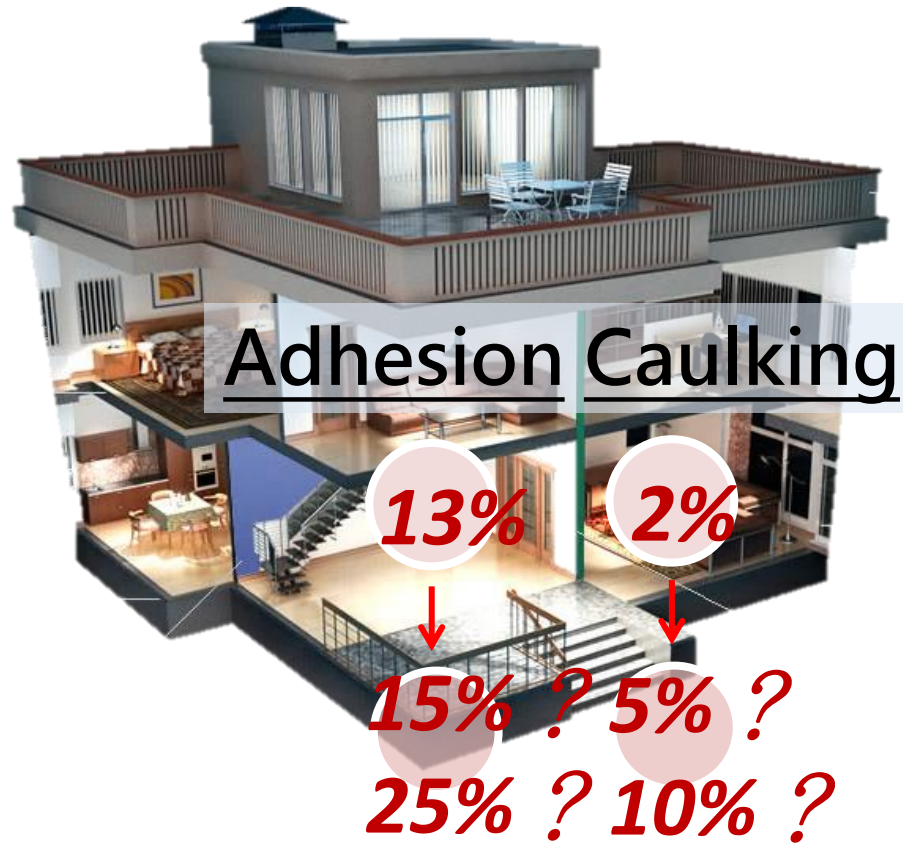
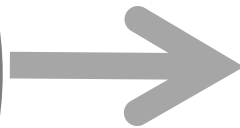




## Three Dimensions Growth

By Technique Upgrade and Problem Solving,  
Efflore-Resistant Grout is Our Future Star

New Formula Development  
↓↓↓  
2022/Q1 Trail Production  
2022/Q2 Launch



## Environmental Protection • Marketing • Niche Product

- Circular Economy

- Strengthen Multiple Sales Channels and Market Share in South Taiwan

- ✓ High Performance Product Development : Offshore Wind Farm Grout

- Interior & Landscape Design Engineering and Building Material Agent



# ShifuGrout Series Product

Materials related to the **localization**  
of the green energy supply chain

Transmission



Onshore  
Substation

Cable

**ShifuGrout T508 Series**  
Thermal Grout

Export Cables

Offshore  
Substation



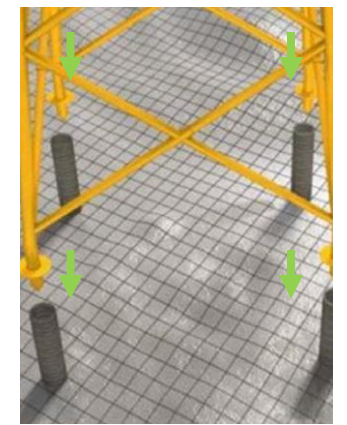
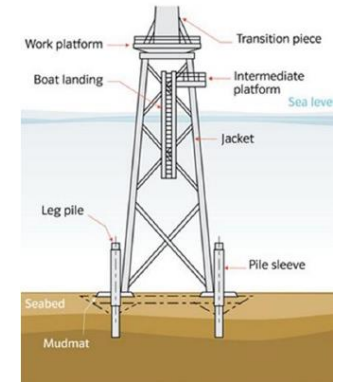
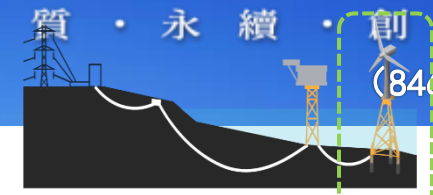
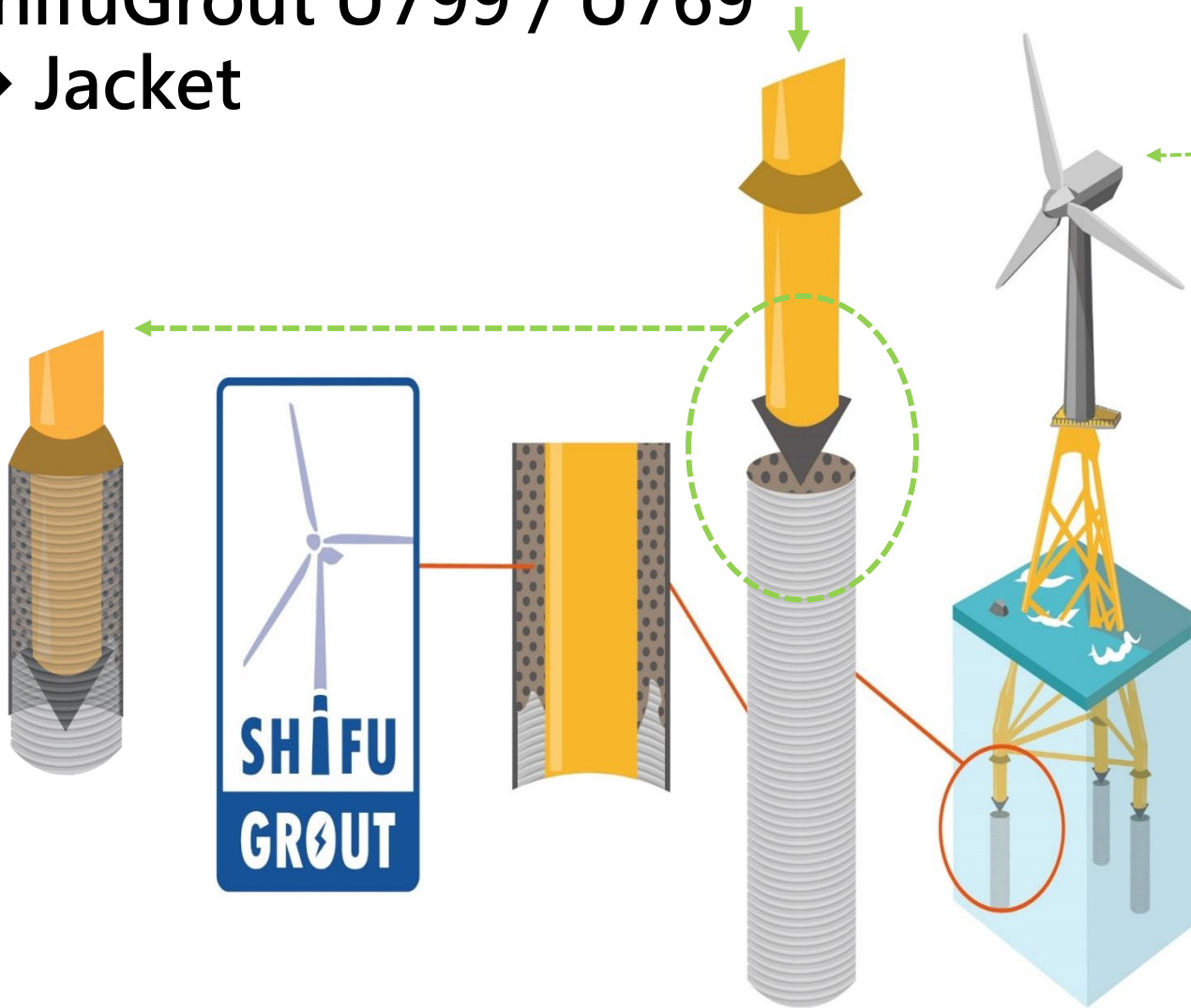
Wind  
Turbine



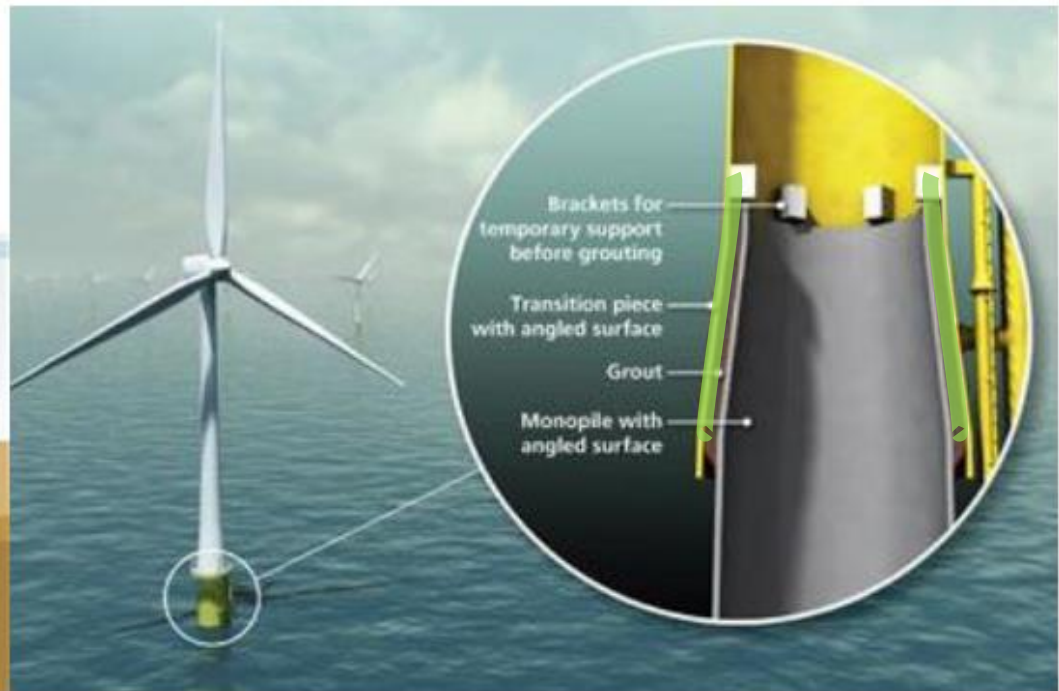
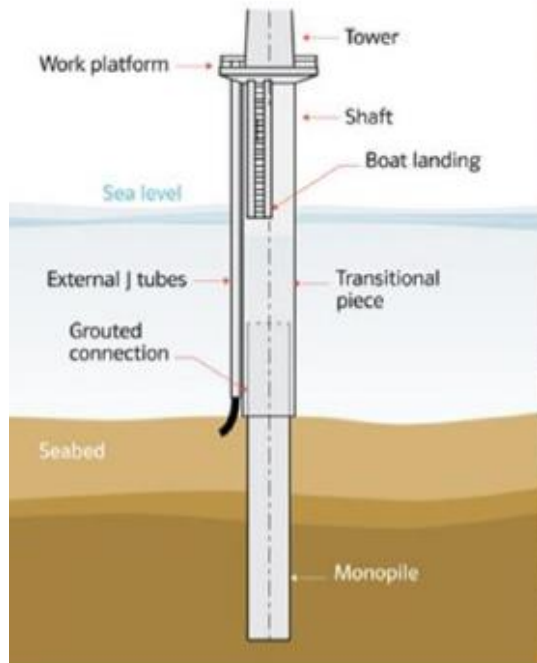
**ShifuGroutU799 / U769**  
Ultra-high strength grout for foundation



# ShifuGrout U799 / U769 → Jacket



# ShifuGrout U799 / U769 → Monopile



**U799**  
For big bag

**Ultra-high strength  
grout  
for foundation**

**U799**  
For silo



**High Early Strength** | 1 day > 7,000psi | **3 days > 10,000psi** | 28 days > 18,000psi



**Long Pot Life** | U799 flowability > **2 hours** (ordinary concrete < 1hr)  
| U769 flowability > **4 hours**



**Instant Dispersion** | **< 6 minutes/tonne** (ordinary concrete 12mins)



**Anti-Washout** | U799, U769 has great viscosity (strong cohesion in water)

## Phase #1 Offshore demonstration incentive programme

237 MW allocated to 2 demonstration wind farms

**Formosa 1:** Commissioned in 2019.

**Taipower 1:** scheduled to be commissioned in 2021.

**Fuhai:** Suspended due to failed to obtain EIA approval in time.

## Phase #2 Offshore zone application for planning

5.5 GW allocated to offshore wind projects through 2 rounds of a selection process (3.8 GW) and a price auction (1.7 GW).

These projects are expected to be commissioned by 2025.

## Phase #3 Offshore wind energy zonal development plan

**Capacity offered:** 1.5 GW per year from 2026 to 2035 (1.5 GW in total)

**Selection process:** Qualification evaluation and competitive price tender.

Local content commitment in proposals will be an important consideration.

## Localization of Offshore Wind Farm Supply Chain in Taiwan

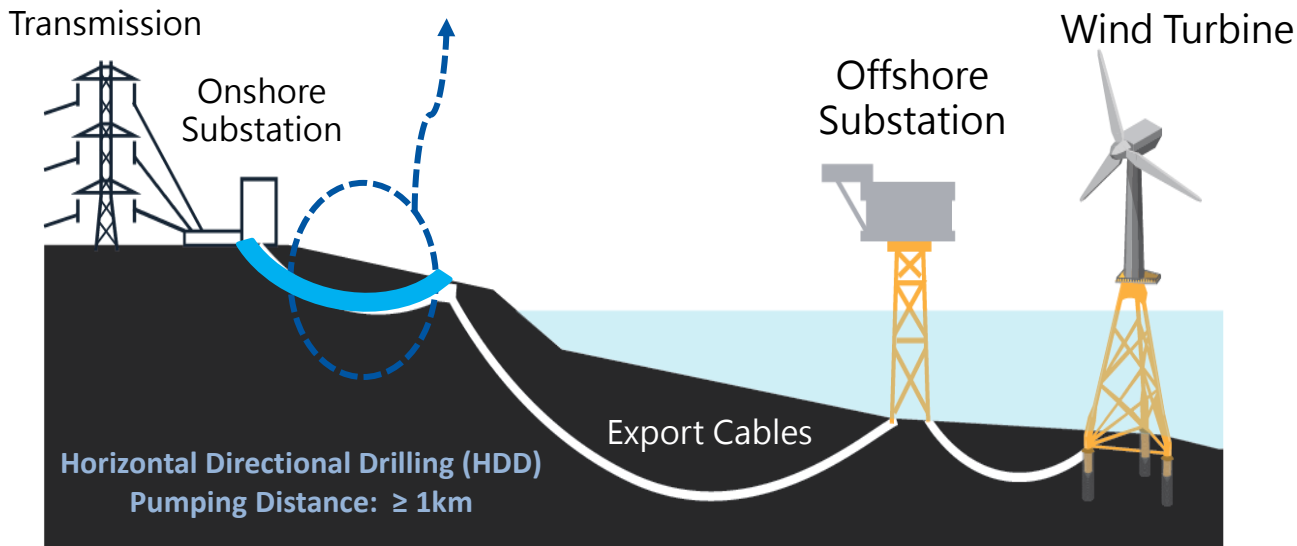
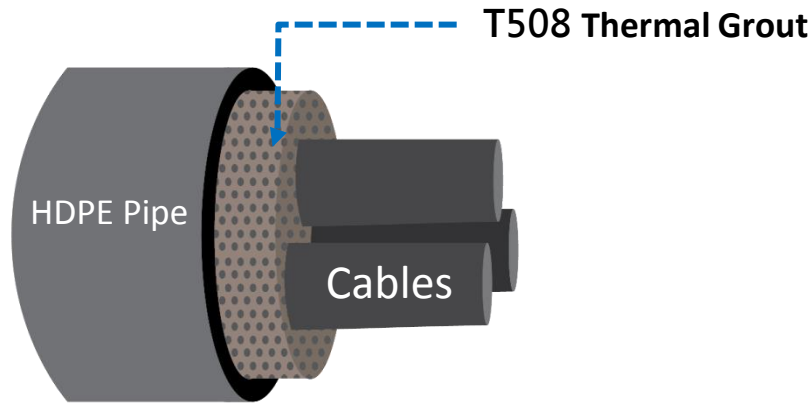


**Additional points** : Developer can choose localized items and quantity, and describe the core ability. The method of counting point would depend on the ratio of localized quantity and core ability.

Items		Score	Description of counting scores
單樁式	主管件 轉接段	1	<ul style="list-style-type: none"> <li>● 關鍵發展項目超額計分</li> <li>● 落實數量超過申設容量60%者方列入計分</li> <li>● 落實數量達申設容量100%者配分1分，未達者則依承諾數量按比例計分</li> </ul>
套筒式	轉接段 主管件 基樁		
浮動式水下基礎		2	<ul style="list-style-type: none"> <li>● 落實數量超過申設容量0%者即列入計分</li> <li>● 落實數量達申設容量100%者配分2分，未達者依比例計分</li> </ul>
Grouting Material		1	<ul style="list-style-type: none"> <li>● The point can be scored when the localized quantity is over 0%.</li> <li>● The point is scored according to the ratio of the localized quantity.</li> </ul>
塗料		1	
防蝕系統：犧牲陽極或外加電流保護		1	
打樁工程架板鋼構		1	

Source : Industrial Development Bureau

# Thermal Grout ShifuGrout T508 Series

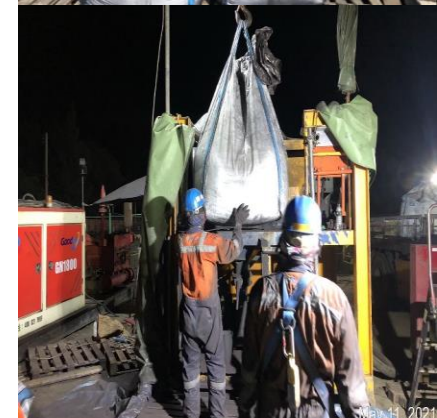


# Thermal Grout ShifuGrout T508 Series

01 **Taiwan's only supplier** for thermal grout

02 **2** offshore track records

03 **Substantial experience** of localization





# Environmental Protection • Marketing • Niche Product

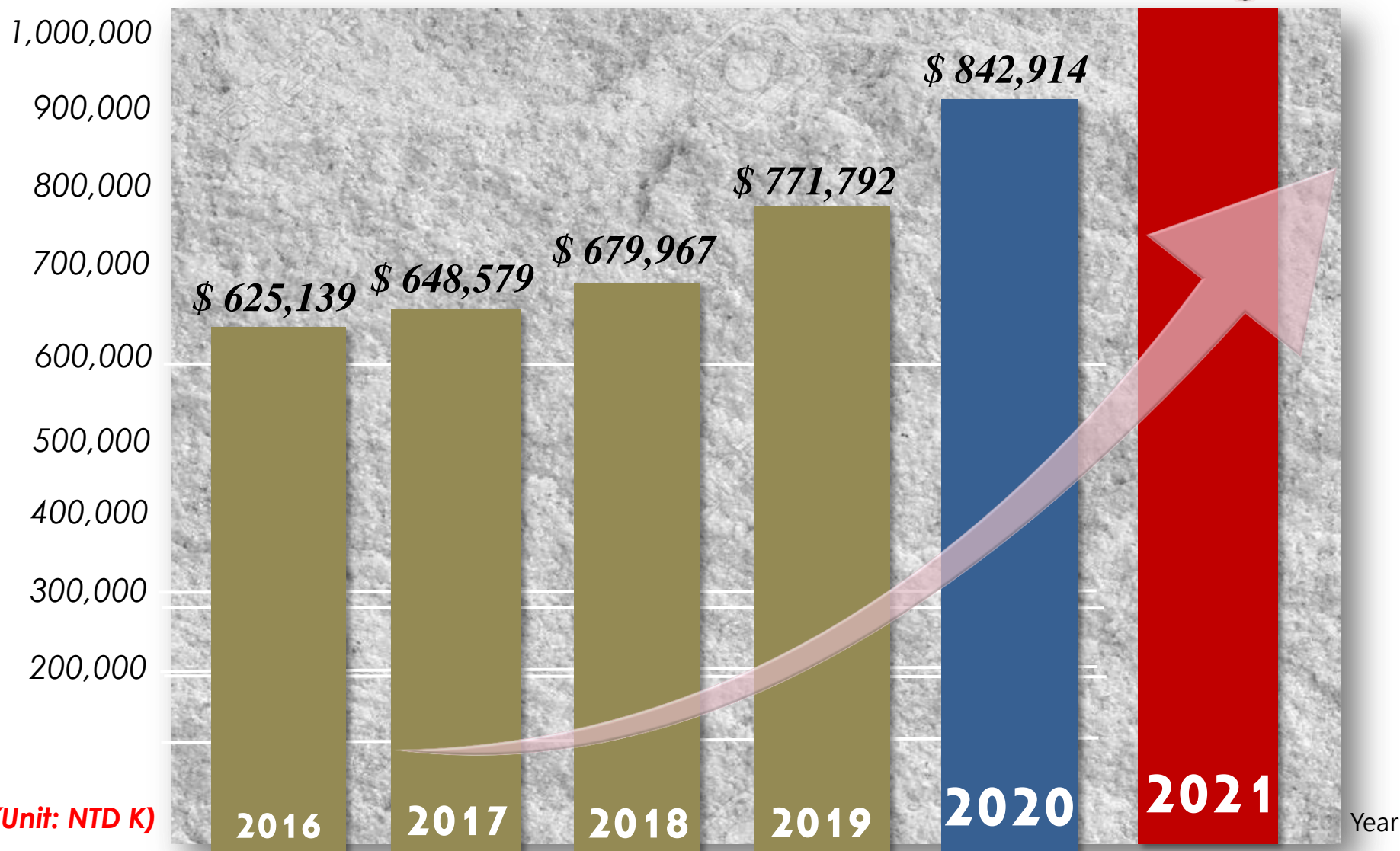
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# The Financial Statement of Ruentex Interior Design



## Major Events of Ruentex Interior Design (RID) in 2021

2021.05.19

During SEO of RID, shareholder's Meeting of Reuntex Material decided to give up the its stock option right to its shareholders.

2021.08.10

RID's board of directors decided to proceed SEO.

2021.09.14

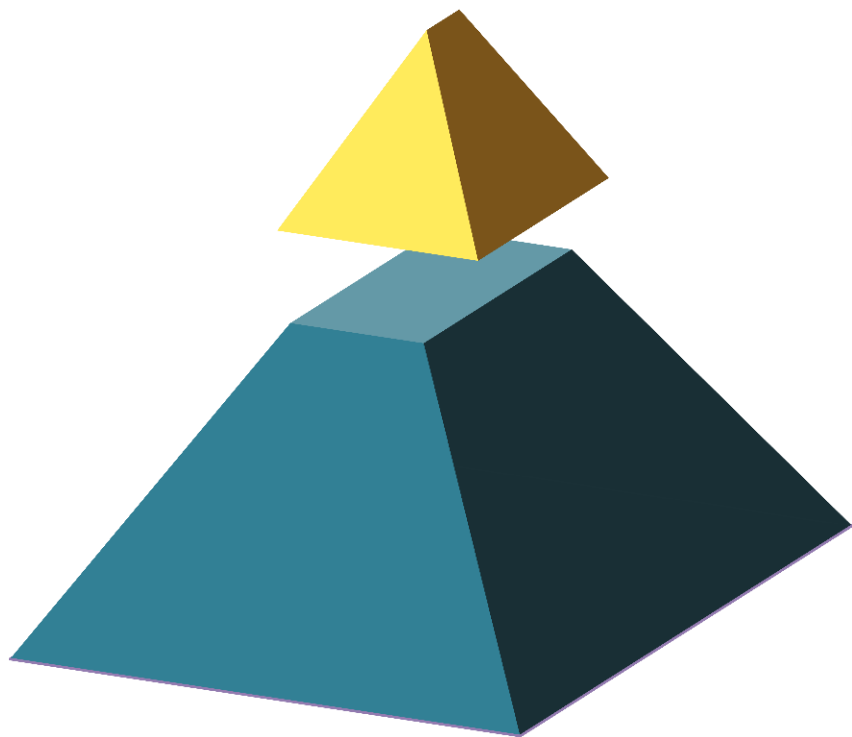
It's the reference date of SEO. Reuntex Material's shareholding ratio decreased to 38.89%.

2021.11.26

RID held shareholder's meeting and planned to apply for emerging stock market.

## Large-Scale Cases

**Ruentex Interior Design** is capable of handling large-space and landscape design.



- ✓ Foreign investment of factories and Headquarters
- ✓ New factories investment from TSMC
- ✓ New investment of housing and hotels
- ✓ Ruentex brand effect
- ✓ Stable supply chain
- ✓ Integration of Ruentex Group Resource

Note : In 2021, there are 12,164 Interior Companies in Taiwan.

# Clients

High  
technology



Electronics



Business



Others





潤德室內裝修工程股份有限公司

介紹

# AGENDA

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**Thank You for Your Attention**

