Chien Shing Stailess Steel Co., Ltd.

Chien Shing Stainless Steel Co., Ltd.

2021 Investor Conference

November 23, 2021

Stock Code : 2025.TW

Disclaimer

- This briefing is based on the information obtained by the company from various sources. Some information may be affected by uncertain factors in the future, making it completely different from the company's original description of the future prospects.

- Changes or adjustments in the future will be released on Market Observation Post System (MOPS).

Chien Shing Stailess Steel Co., Ltd.

Outline

- Company Profile
- Operation Overview
- Financial Performance
- Market Overview
- Q & A

Company Profile

- Founded : MAY, 1972
- Capital : NT $ 2,812 million
- Chairman : Mr. Ye Shuo Tong
- Employee : 61 (Octorber,2021)
- IPO Time：February,1996
- Main business：Manufacture, trade, import and export cold rolled stainless steel.

Company History

Time	Company History
1972	Founded in May 8th.
1989	SEO and IPO.
1990	SEO based on factory construction. Paid-in capital reached NTD 1.1 billion.
1996	The company's stock was listed and passed ISO9002 certification.
2000	Paid-in capital amounted to NTD 3.228 billion.
2009	Typhoon Morakot caused part of the equipment damaged, and repairs were completed within one year.
2012	Developed the first electric locomotive, obtained the official light-duty machine pedal type safety inspection certificate approved by the Ministry of Transport, legally listed on the road.
2017	Conducted a simple merger with three 100% subsidiaries on November 27th in accordance with the resolution of the board of directors and the corporate mergers and acquisitions law, approved by the Ministry of Economic Affairs to merge and change registration on January 4th, 2017. Paid-in capital reached NTD 2.812 billion.

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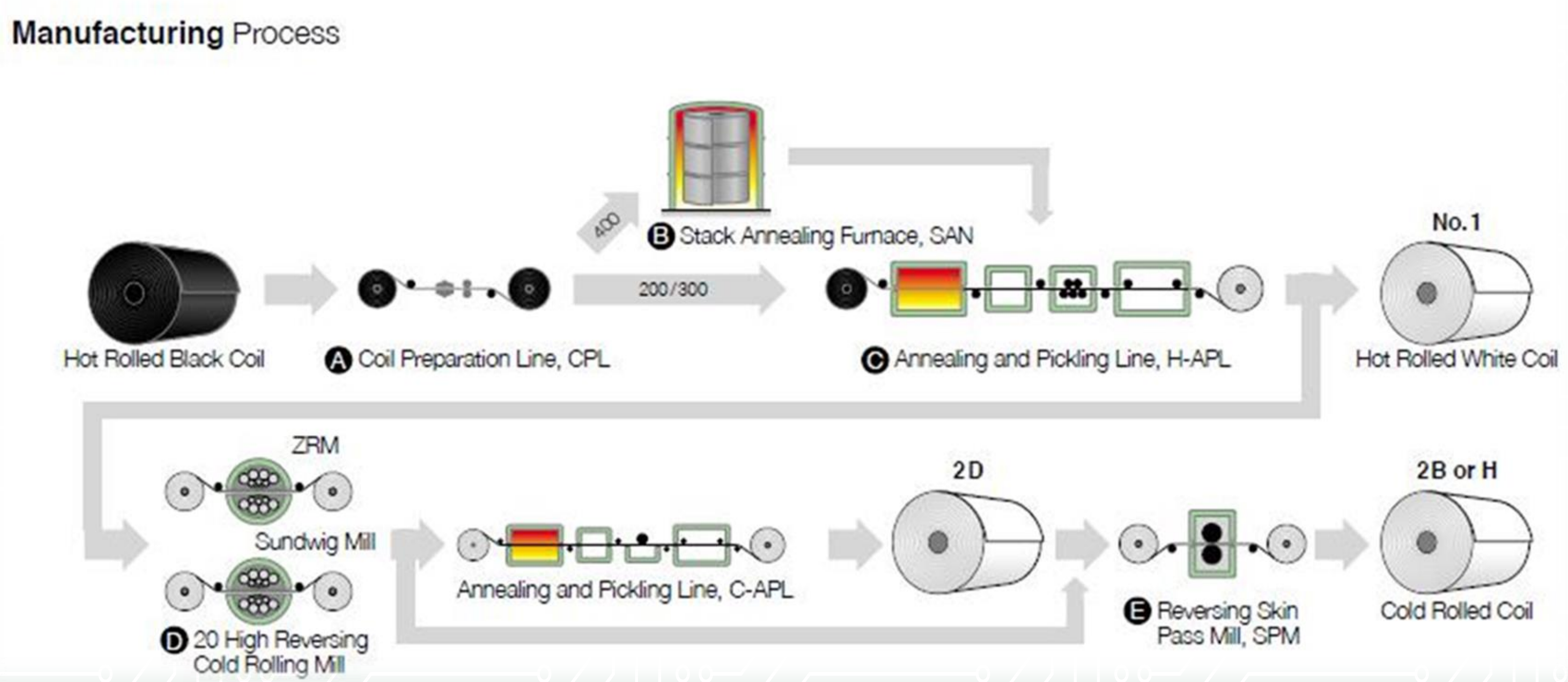
Production Technology & Process



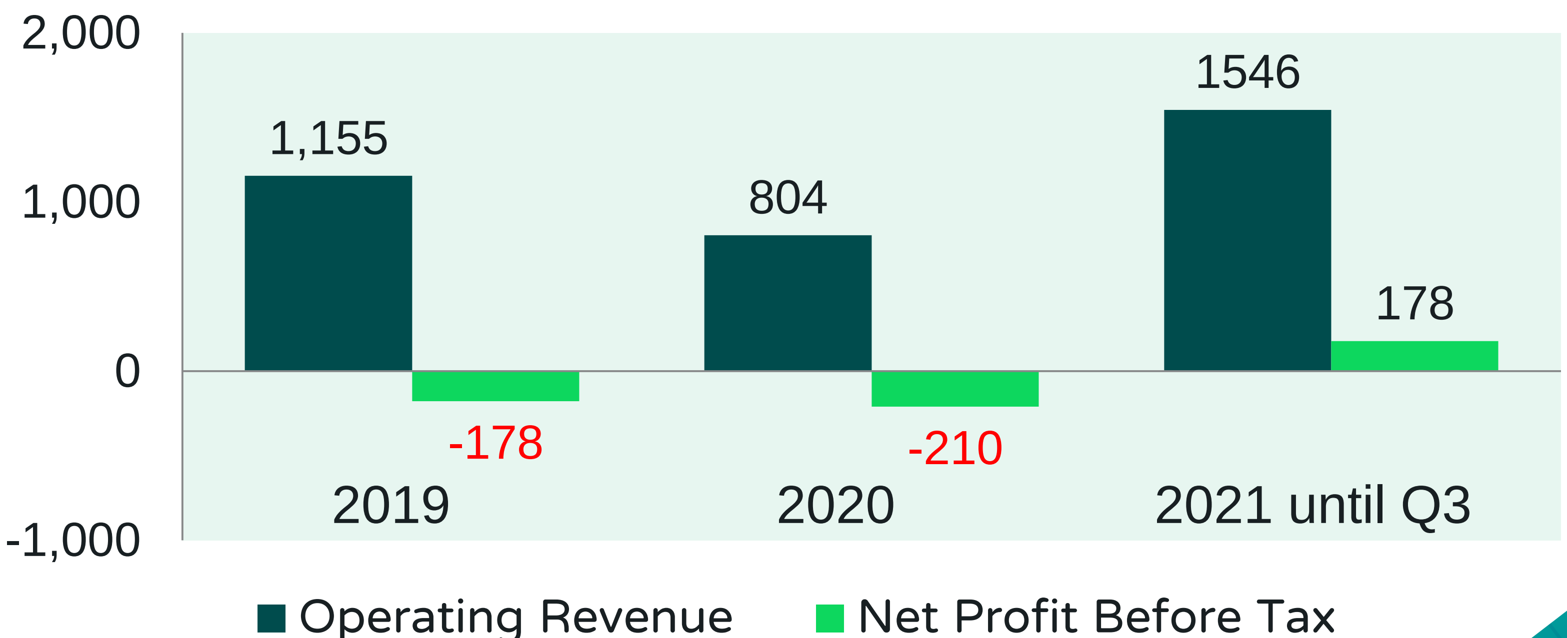
Raw Material:
- **Stainless steel 300 series hot rolled coil.**
- **Width: 1300mm**
- **Thickness: 2.0 to 6.0mm**

Cold Rolled Products:
- **Cold rolled 2B steel plate.**
- **Width: 1300mm**
- **Thickness: 0.3 to 3.5 mm**

Maximum Capacity: 12,000 (MT/month)

Operation Overview

Unit: NTD $1,000	2019	2020	2021 Q1-Q3
Operating Revenue	1,155,098	803,775	1,545,907
Net Profit Before Tax	(177,829)	(209,678)	177,661

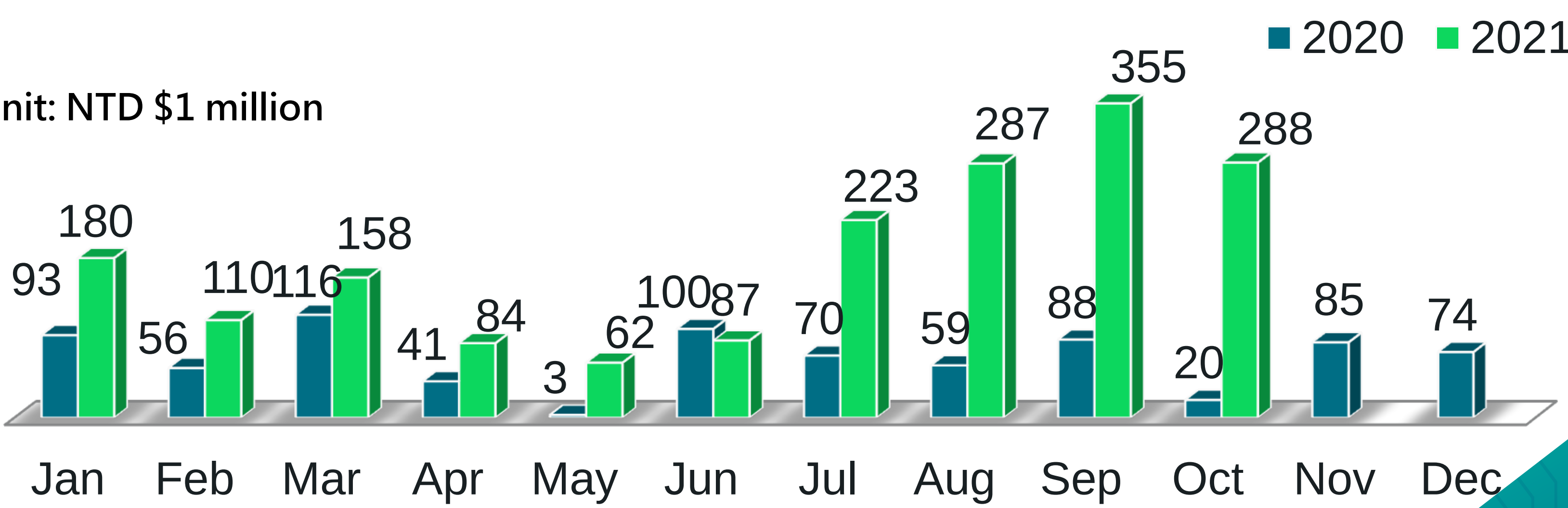


Unit: NTD $1 million

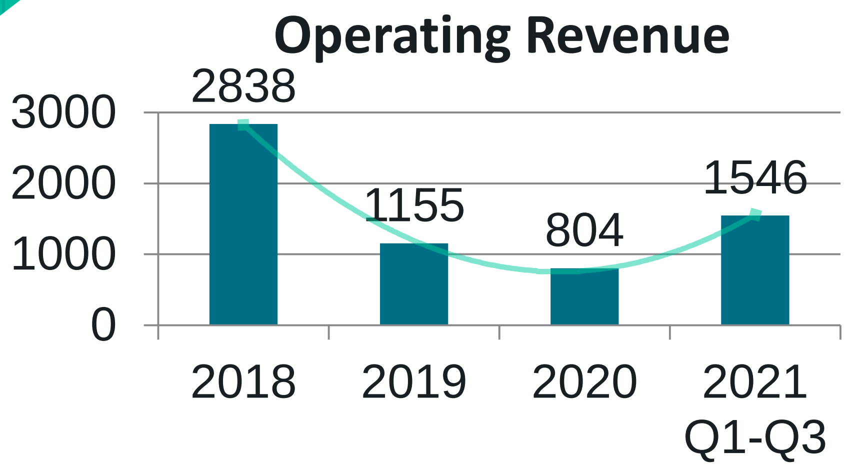
Operation Overview- Operating Revenue per Month

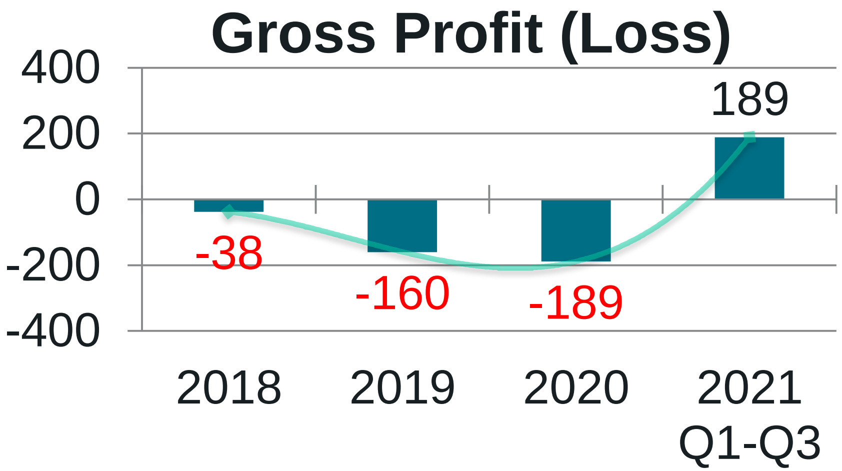
Month	January	February	March	April	May	June	July	August	September	October
Y to Y (%)	93.55	96.43	36.21	104.88	1966.67	-13.00	218.57	386.44	303.41	1340.0

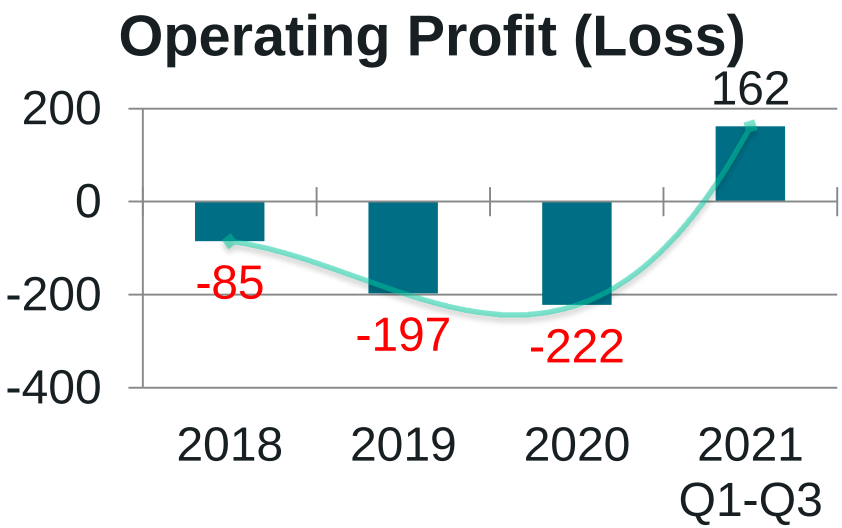
Unit: NTD $1 million

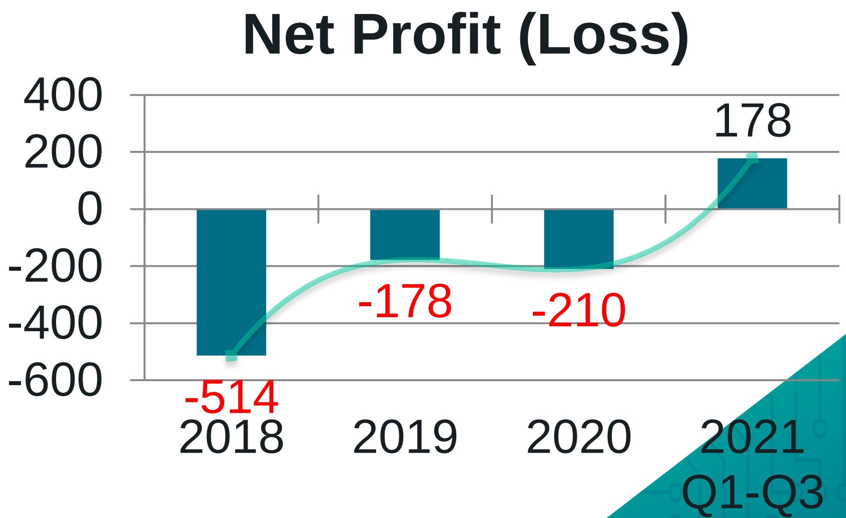


Operation Overview- Operation of 4 years









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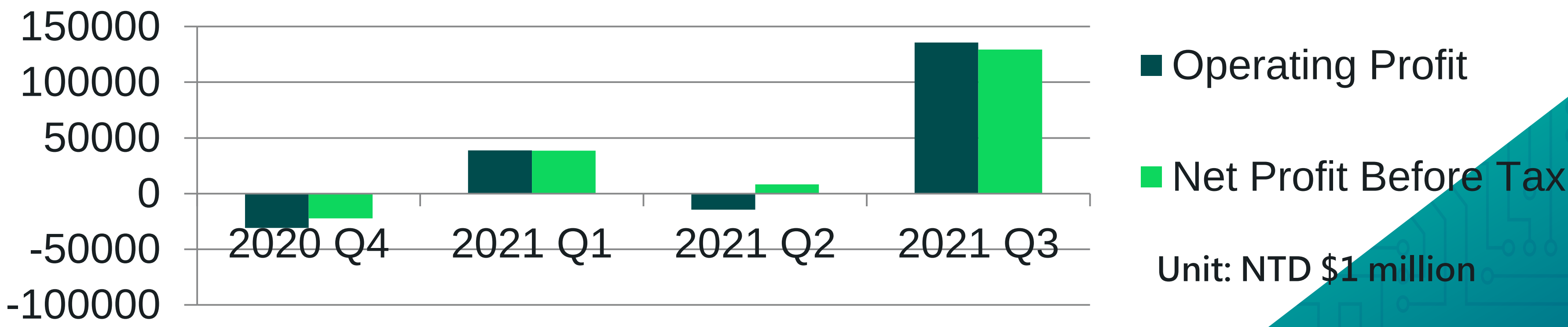
Financial Performance –Balance Sheet

Unit: NTD $1,000	2021/09/30 Amount	%	2020/09/30 Amount	%	2020/09/30 Amount	%
Current Assets	1,007,585	55	726,216	43	906,558	46
Non-Current Assets	831,563	45	956,518	57	1,068,272	54
Total Assets	**1,839,148**	**100**	**1,682,731**	**100**	**1,974,830**	**100**
Current Liabilities	1,226,512	66	237,442	14	193,656	9
Non-Current Liabilities	13,526	1	992,790	59	1,098,951	56
Total Liabilities	599,110	33	452,499	27	682,223	35
Total Assets &Liabilities	**1,839,148**	**100**	**1,682,731**	**100**	**1,974,830**	**100**

Financial Performance – Income Statement

Unit: NTD $1,000	2021 Till Q3	%	2020 Till Q3	%	2020	%
Operating Revenue	1,545,907	100	625,357	100	803,775	100
Gross Profit (Loss)	189,171	12	(165,996)	(27)	(188,829)	(23)
Operating Profit (Loss)	161,634	11	(191,113)	(31)	(221,988)	(27)
Net Profit (Loss)	177,661	11	(187,300)	(30)	(209,678)	(26)
EPS (in dollars)	0.63		(0.67)		(0.75)	



Description of Waste Disposal Legal Case

1. Receive a letter of approval in principle from the competent authority on the company's waste disposal completion report on 2021 July 6th.

2. The competent authority sent person to the company to handle soil and groundwater inspections and other related matters on 2021 July 7th. The inspection and review was carried out by the Environmental Protection Administration, Executive Yuan on October 1st, 2021, and the inspection and review was still in progress on the day of the Investor Conference.

Description of Waste Disposal Legal Case

3. Received a criminal judgment from Tainan District Court on July 9th, 2021. The company was fined NTD$1.2 million for violating the Waste Disposal Law. The chairman of the company was sentenced to five years and four month’ imprisonment. The appeal is currently pending in the High Court.

Market Overview

1. With the increase in the rate of vaccine delivery in various countries, the continuous recovery of infrastructure and private consumption activities will drive the global economy and the continuous recovery of steel demand.
2. The price of steel raw materials is affected by policies of various countries. For example, China adopts export tax rebates, production reduction and carbon reduction policies, and prices fluctuate greatly.
3. The US House of Representatives passed the $1.2 trillion infrastructure project on November 5th, which is expected to be more supportive to international steel prices.

Market Overview

4. Affected by the continuous increase in steel prices and freight rates, the lack of space in international shipping, and the soaring freight rates caused by lack of containers, export customers are affected by this factor, and shipments are not smooth, which in turn squeezes the stability of domestic sales prices.

   Downstream customers are weak in willingness to purchase prices on demand. The performance results for the fourth quarter are still subject to market momentum and price acceptance in the last two months.

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Q & A

Thanks for listening