Chien Shing Stailess Steel Co., Ltd.

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2023 Investor Conference

November 30, 2023

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

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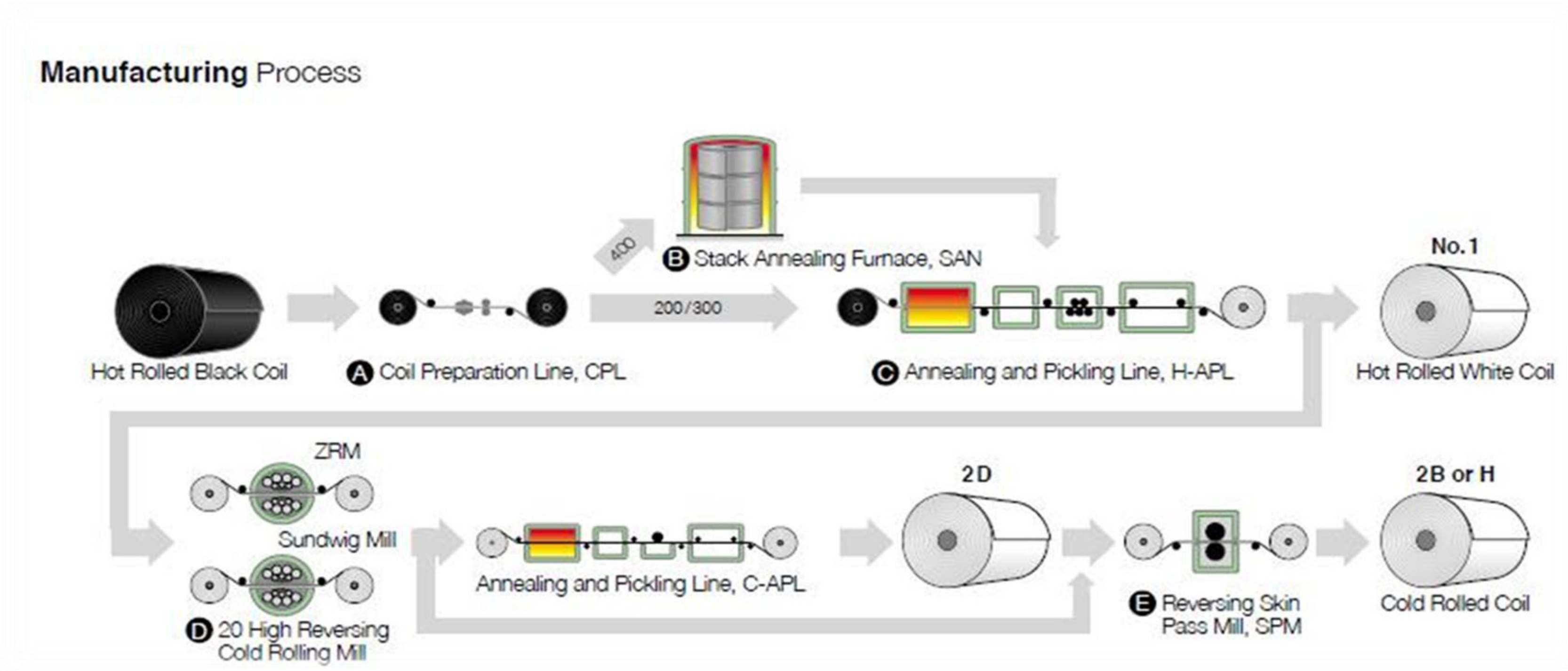
Company Profile

- Founded : MAY 8th, 1972
- Capital : NT $ 2,812 million
- Chairman : Mr. Ye Shuo Tong
- Employee : 62 (Octorber,2023)
- 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, 2018. Paid-in capital reached NTD 2.812 billion.

Production Technology & Process



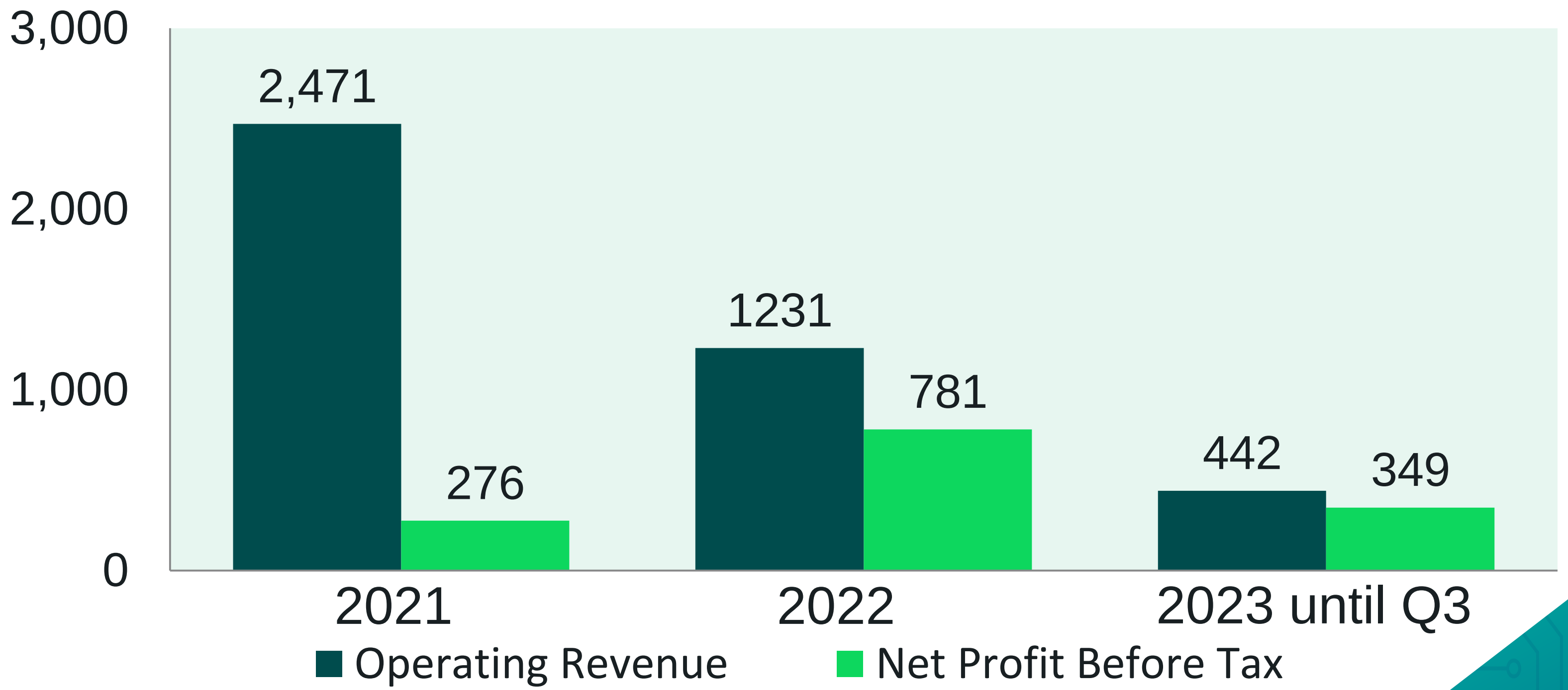
Raw Material:
Stainless steel 300 series hot rolled coil.
Width: 1300mm
Thickness: 2.0 to 6.0mm

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

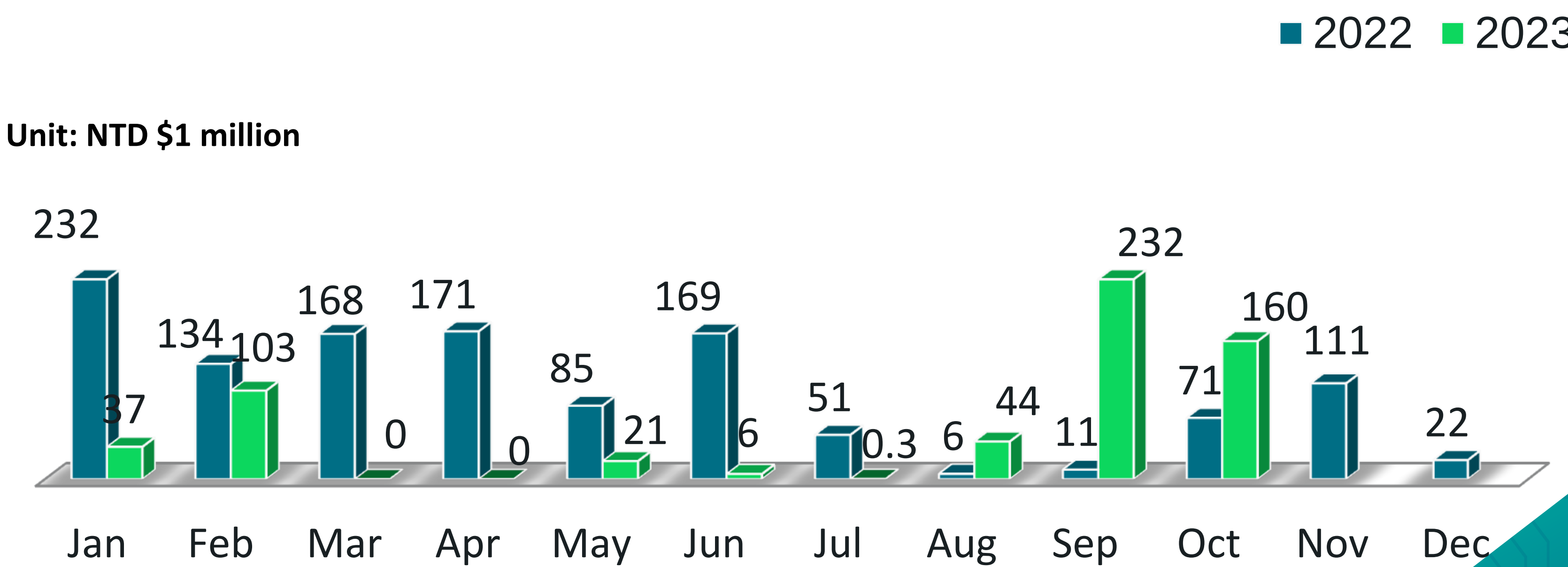
Unit: NTD $1,000	2021	2022	2023 Q1-Q3
Operating Revenue	2,470,941	1,231,007	442,452
Net Profit Before Tax	276,324	780,657	348,550



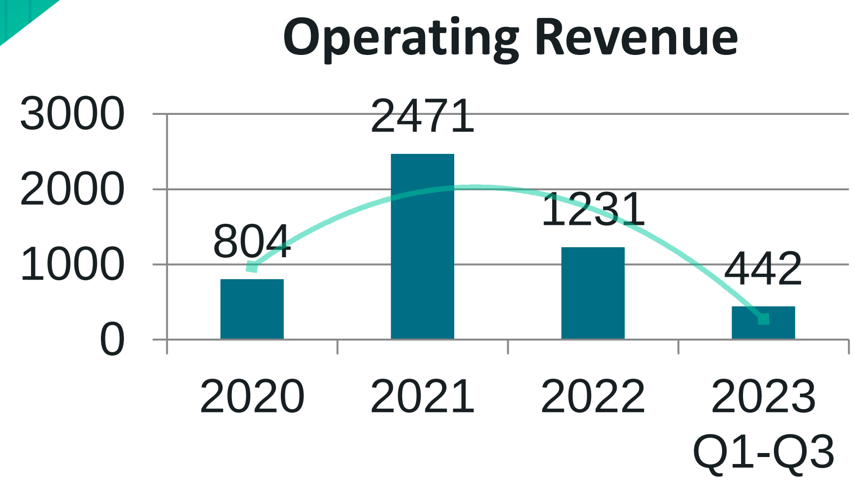
Unit: NTD $1 million

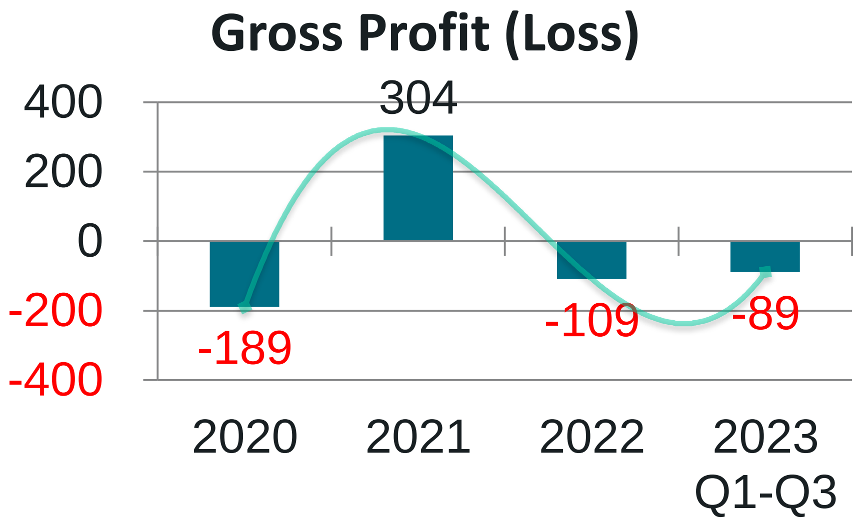
Operation Overview- Operating Revenue per Month

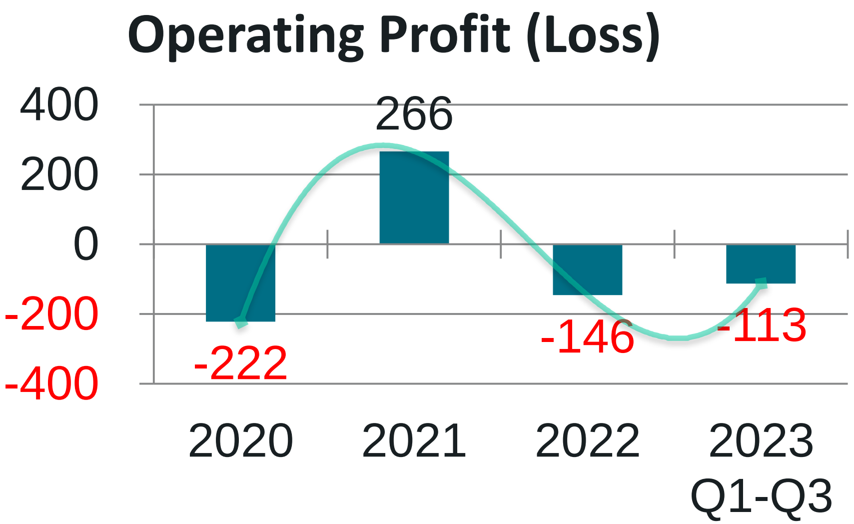
Month	January	February	March	April	May	June	July	August	September	October
Y to Y (%)	(83.85)	(23.23)	(100)	(100)	(75.38)	(96.45)	(99.47)	602.08	2003.93	125.34

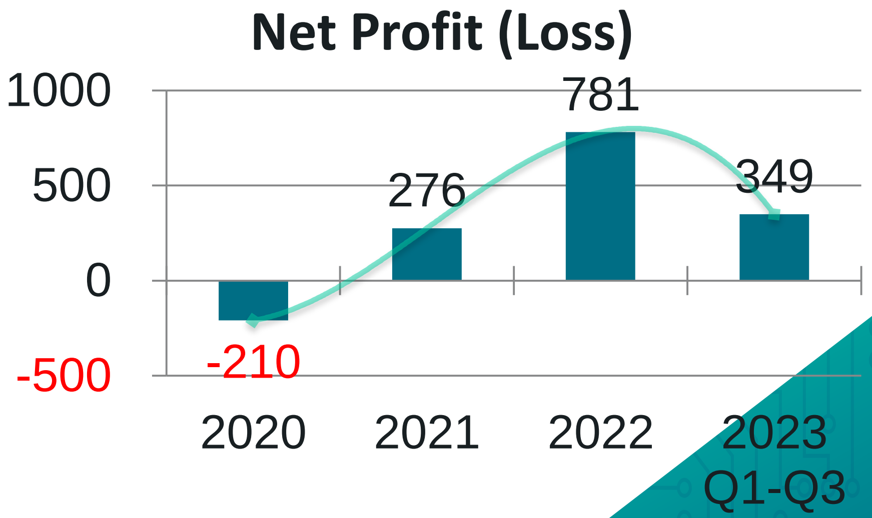


Operation Overview- Operation of 4 years









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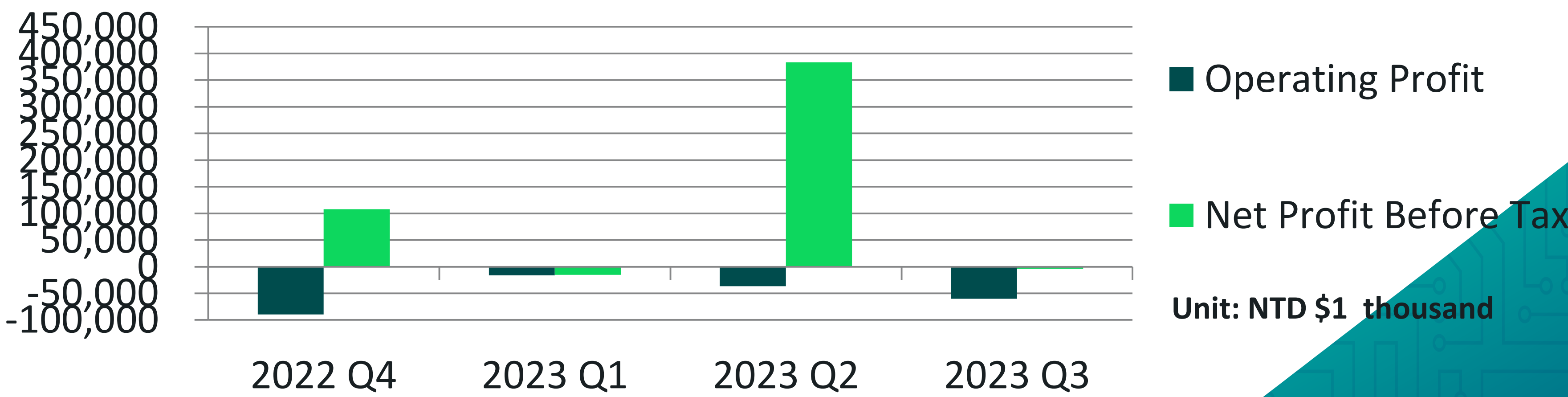
Financial Performance –Balance Sheet

Unit: NTD $1,000	2023/09/30 Amount	%	2022/09/30 Amount	%	2021/09/30 Amount	%
Current Assets	1,338,267	72	1,080,572	62	1,007,585	55
Non-Current Assets	523,967	28	654,008	38	831,563	45
Total Assets	**1,862,234**	**100**	**1,734,580**	**100**	**1,839,148**	**100**
Current Liabilities	38,614	2	364,893	21	1,226,512	66
Non-Current Liabilities	5,524	0	7,477	0	13,526	1
Total Liabilities	1,818,096	98	1,362,210	79	599,110	33
Total Assets &Liabilities	**1,862,234**	**100**	**1,734,580**	**100**	**1,839,148**	**100**

Financial Performance – Income Statement

Unit: NTD $1,000	2023 Till Q3	%	2022 Till Q3	%	2022	%
Operating Revenue	442,452	100	1,027,001	100	1,231,007	100
Gross Profit (Loss)	(89,123)	(20)	(29,824)	(3)	(109,471)	(9)
Operating Profit (Loss)	(112,989)	(26)	(56,163)	(6)	(145,835)	(12)
Net Profit (Loss)	348,550	78	674,426	66	780,657	63
EPS (in dollars)	1.24		2.40		2.78	



Waste Case Description

On July 9th, 2021, our company received a criminal verdict from the Tainan District Court in Taiwan, which ordered us to pay a fine of NT$12 million for violating the Waste Disposal Act. On July 18th, 2022, the Tainan District Prosecutor's Office in Taiwan issued a criminal verdict in accordance with the Taiwan High Court. The Criminal Court of the Tainan Branch ruled that the security deposit of 12 million yuan paid by the company should be transferred to a fine. The company refused to accept the decision and filed an appeal. On September 5th, 2022, it received the criminal judgment of the Tainan Branch of the Taiwan High Court and the appeal was rejected. Therefore, this case has been completely closed.

Market Prospect

1. The world is facing inflation in 2022. In addition, the outbreak of the Russia-Ukraine war in February has affected global manufacturing production and logistics transportation, causing international energy prices and raw material prices to fluctuate violently, making the inflation situation even more dangerous. In order to curb inflation The U.S. Fed's sharp interest rate hikes eventually led to a massive global demand contraction in the second half of the year. The global economic boom cooled significantly quarter by quarter from the second quarter to the fourth quarter of 2022, which also affected the operating performance of domestic stainless steel companies.

Market Prospect

2. In the third quarter of 2023, the stainless steel industry has shown no signs of recovery due to the impact of the mainland market and downstream inventories need to be eliminated. The global steel market has been affected by rising inflation and the Russia-Ukraine war has lasted for more than a year, coupled with the war between Israel and Palestine Conflicts and other factors may further lead to rising oil prices and geo-economic fragmentation, slowing down the recovery of steel demand, and thus impacting the supply and demand of steel products, resulting in reduced sales. There are still signs of uncertainty in the outlook for the steel market in 2024. Judging from the current situation, as the Russia-Ukraine war is expected to slow down in winter and inflation data in various countries improve, if the war between Israel and Palestine ends next spring, Steel market recovery will be faster than expected. It is expected that there will be a significant rebound and recovery in February and March next year, and the company's operations will gradually return to prosperity.

Market Prospect

3. This year, the Legislative Yuan passed the "Climate Change Response Act" on the third reading, Enacting the 2050 net-zero emissions target into law. It is expected that carbon fees will be levied on large annual carbon emitters starting in 2024. The company is forging a "green" strategy in pursuit of low-carbon transformation. Steel Plant, in July 2023, Zhiyuan United Accounting Firm and Fuyouda Biotechnology Co., Ltd. were appointed to jointly guide the company in greenhouse gas inventory and preparation of ESG reports to achieve the goal of ESG sustainable development. Since then, the company has adhered to With a stable operating model, we hope to grow stably and increase profits to reward shareholders.

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Q & A

Thanks for listening