

Stock Code:2014

member of CSC Group 中鋼集團



# CHUNG HUNG STEEL CORPORATION 2025 Q1 INVESTOR CONFERENCE

2025.03.21



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# Company Profile

Date of establishment

**1983.09.29**

Chairman of the Board

**Kuei-Sung Tseng**

President

**Min Chu**

Paid-in capital

**NTD  
14,355,444,460**

Address

**317, Yu Liao Rd.,  
Chiao Tou  
District,  
Kaohsiung City  
82544**

Main stockholder

**China Steel  
Corporation  
(40.59%)**

Main products

**Hot-rolled coil,  
Cold-rolled coil,  
Steel pipe &  
Tube, Hot-rolled  
pickled**

Mills

**Kaohsiung: Hot Rolling  
Mill, Cold Rolling Mill, Steel  
Pipe & Tube mills (Da-fa)  
and Pickling & Galvanizing  
Mill  
Changhua(Zhang-bin  
Industrial Park): Tube mills  
(Lu-kang)**

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# World Economic Growth Forecast

- The IMF released its latest World Economic Outlook in January, revising its global economic growth forecast for 2025 to 3.3%, a 0.1 percentage point increase from the previous projection.
- As inflation continues to ease across countries, the global economy is expected to remain resilient, with the economic growth rate projected to stay at 3.3% in 2026. However, the rise of trade protectionism and its impact warrant close monitoring.
- In addition, China's Two Sessions set the 2025 economic targets, maintaining GDP growth at around 5% while raising the fiscal deficit to 4% to support economic growth. These measures are expected to contribute to the stability of the global economy.

# Manufacturing PMI

- **United States** : Production and new orders rose sharply as companies rushed to stock up ahead of tariff changes, pushing the PMI to a 32-month high.
- **The Eurozone** : Production and orders continued to improve, and business confidence showed a solid rebound, with the manufacturing sector recording two consecutive months of recovery.
- **China** : Businesses gradually resumed operations after the Lunar New Year, leading to a sharp increase in production and orders. Bolstered by policy measures from the Two Sessions, demand expectations improved, driving a strong expansion in the manufacturing sector.
- **India** : Production and new orders moderated slightly, though PMI remained within a high expansionary range.
- **Japan, South Korea** : Japan experienced a slight rebound, while South Korea declined marginally. Businesses expressed concerns over the impact of U.S. trade policies, keeping both PMIs range-bound.
- **ASEAN** : Production and market confidence grew steadily, supporting a moderate expansion in the manufacturing sector.

# Global Crude Steel Production Forecast

- According to the WSD December 2024 report, global crude steel production is expected to be 1,866 million tons in 2025, and reach 1,872 million tons in 2026, reflecting a modest year-on-year growth of 0.3%.
- Additionally, WSD expects that China may introduce capacity rationalization measures as early as 2025, leading to a reduction in steel production capacity. **China's crude steel output is forecasted to decline by 2% to 954 million tons in 2026, which is expected to help restore balance between supply and demand in the domestic steel market.**

# Global Steel Demand Forecast

- According to the World Steel Association's October 2024 report, as the financing environment eases, suppressed private consumption and business investment will gradually recover. Global steel demand is expected to grow by 1.2% in 2025, reaching 1,772 million tons.
- India's steel demand is expected to increase by 8.5% this year, driven by strong infrastructure investments. Other regions are anticipated to see a moderate recovery. Additionally, global efforts in green transition, including the expansion of power grids and renewable energy infrastructure, are likely to support continued growth in steel demand.

# Steel price trend-Hot Rolled (international market)

## 2024.Q4-2025.Q1 Steel Price Trend Recap and Outlook (International)

- **2024.Q4 :**
- **In the U.S.,** planned maintenance reduced supply, allowing mills to raise prices. However, buyers continued to purchase only as needed, which kept the market largely stable.
- **In Europe,** the authorities initiated import registration and anti-dumping investigations targeting specific countries, which not only reduced imports but stabilized market conditions. Local mills raised prices to reflect higher costs, further strengthening steel prices.
- **In Asia,** after the Chinese government introduced a series of economic stimulus policies, market confidence stabilized. However, due to seasonal demand slowing in winter, steel prices bottomed out and traded within a narrow range.

# Steel price trend-Hot Rolled (international market)

## 2024.Q4-2025.Q1 Steel Price Trend Recap and Outlook (International)

- **2025.1Q** : **In the U.S.**, new tariffs have raised the import threshold, further supporting price increases by domestic mills. Some buyers have begun purchasing in advance, resulting in a noticeable price increase. **In Europe**, with expectations of fewer imports, mills are maintaining firm pricing strategies, and the market is steadily recovering. **In Asia**, market transactions slowed slightly due to the Lunar New Year and as market participants were awaiting the introduction of US tariff measures. However, with improving supply-demand and cost support, steel prices remain stable and firm.
- Overall, steel prices in Europe and the U.S. have risen significantly, while the Asian market is consolidating and rebounding. Additionally, manufacturing PMIs in many countries have increased, indicating continued support for downstream demand. While trade protective measures are expected to reshape the global trade landscape, steel mills in most countries remain firm on prices. **As the construction season approaches and downstream demand accelerates, the supply-demand balance is expected to improve steadily, supporting an upward trend in the steel market.**

# Steel Market Outlook

- In terms of macroeconomics, the IMF released the latest World Economic Outlook report (WEO) in January, revising the forecast for global economic growth in 2025 to 3.3% (+0.1%). The IMF also projected that global inflation would decline steadily, enabling central banks to continue monetary easing to support economic growth. Furthermore, manufacturing PMI indices in most countries rose in February, with the U.S. hitting a 32-month high and Europe reaching a 24-month high. This indicates that industrial activity is gradually recovering, and the global economy is expected to maintain moderate growth.
- Regarding steel demand, the World Steel Association (worldsteel) stated in its October short-term steel demand outlook that **as financing conditions gradually ease, private consumption and investment are expected to recover, helping sustain global steel demand resilience.** The report projects that global steel demand will grow by a modest 1.2% in 2025, reaching 1.772 billion tons. Among key regions, India is expected to see an 8.5% increase in steel demand, driven by strong infrastructure investment, while steel demand in the Eurozone and ASEAN regions is also expected to grow by 3.5%.

# Steel Market Outlook

- In China, the official Two Sessions work report maintained the policy stance of "stabilizing growth and boosting consumption." Key measures include raising the fiscal deficit to a record-high 4% and creating fiscal space for potential reductions in the RRR and interest rates to address domestic and external uncertainties. These policies are expected to sustain economic momentum and foster a stable recovery in downstream steel demand. Additionally, the government will continue regulating crude steel production and promoting industry consolidation to reduce excess capacity. These efforts are anticipated to ease supply-demand imbalances and mitigate spillover effects, contributing to the stable operation of the Asian steel market.
- Looking ahead, global uncertainty is rising due to U.S. tariff policies. However, given that inflation is easing across countries and interest rates are gradually being lowered, global consumption and investment demand are improving amid financial easing and technological innovation. Additionally, with the Russia-Ukraine conflict showing signs of de-escalation, new opportunities could arise for global economic growth and industrial recovery. Moreover, the global trade sector is beginning to shift, with steel prices in Europe and the U.S. gradually rising, while market support in Asia strengthens. Steel mills are adopting a more aggressive pricing stance, and with downstream industries enter the peak season, the steel market is projected to trend upward.

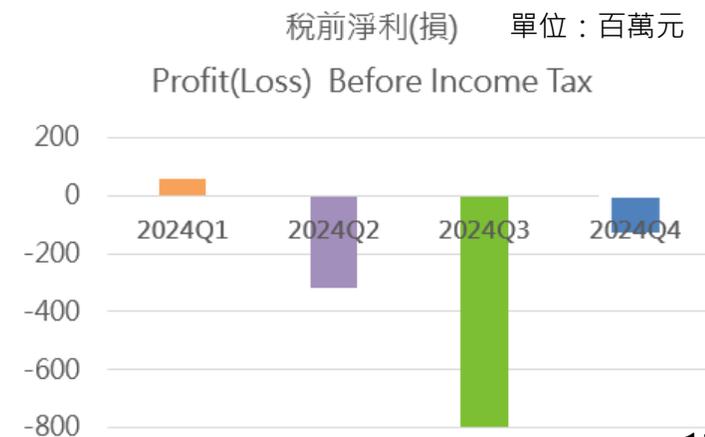
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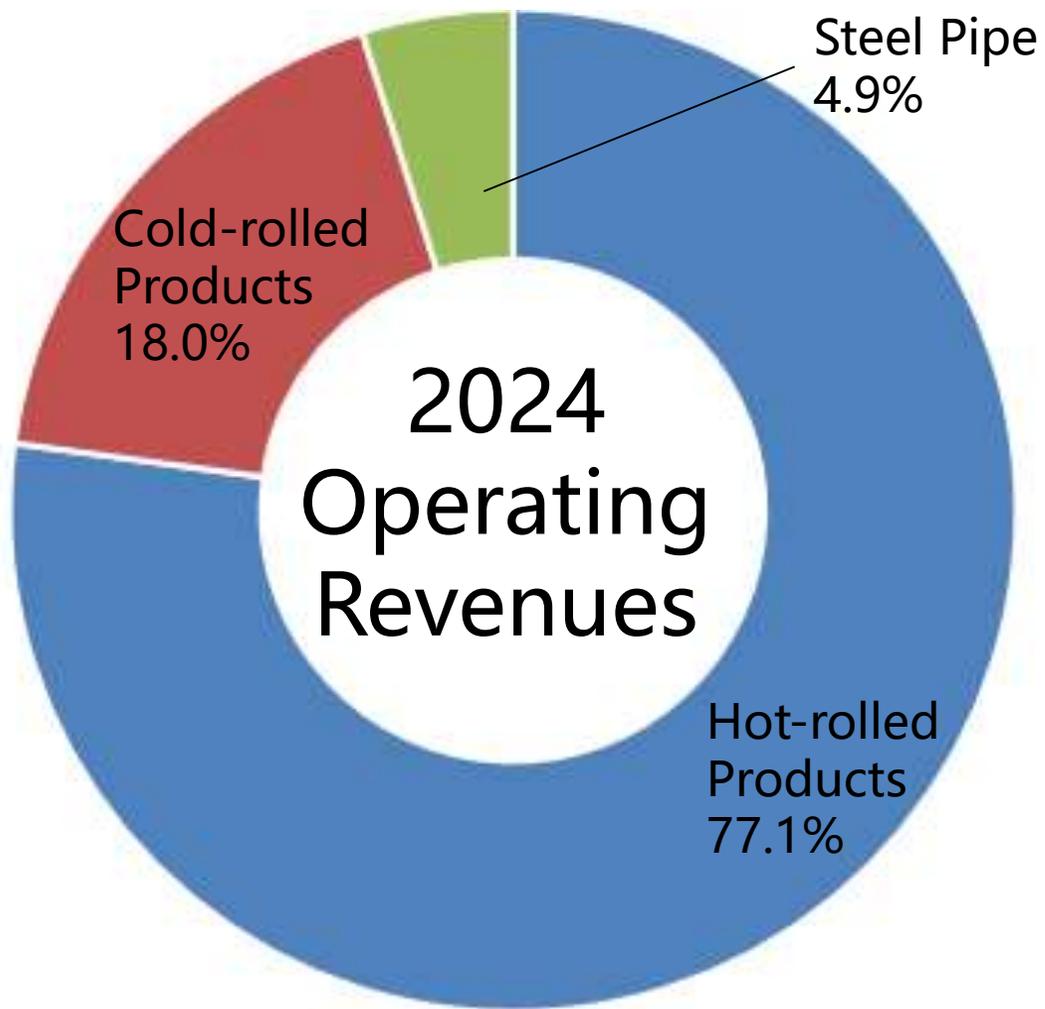
# Financial Overview (1/3)

## Financial Performance

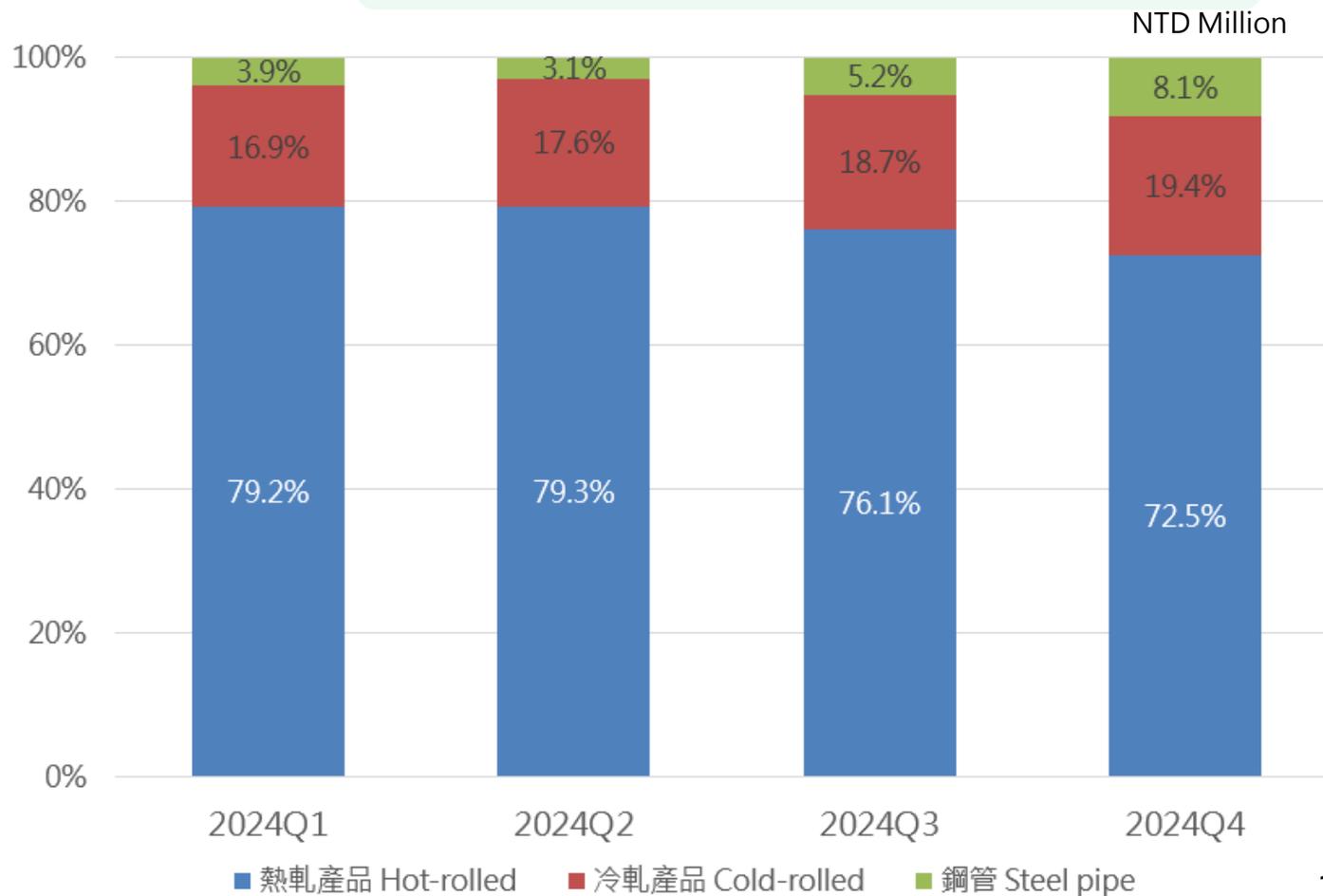
(In Million of New Taiwan Dollars)	2024Q1	2024Q2	2024Q3	2024Q4
Operating Revenues	9,148	8,160	6,705	6,448
Gross Profit(Loss)	183	(212)	(718)	1
Gross Profit(Loss) Rate	2.00%	-2.60%	-10.71%	0.02%
Profit(Loss) Before Income Tax	60	(319)	(797)	(126)
Profit(Loss) Before Income Tax Rate	0.66%	-3.91%	-11.89%	-1.95%
Net Profit(Loss) for the Period	60	(267)	(609)	(75)
EPS	0.04	-0.19	-0.42	-0.05



# Financial Overview (2/3)

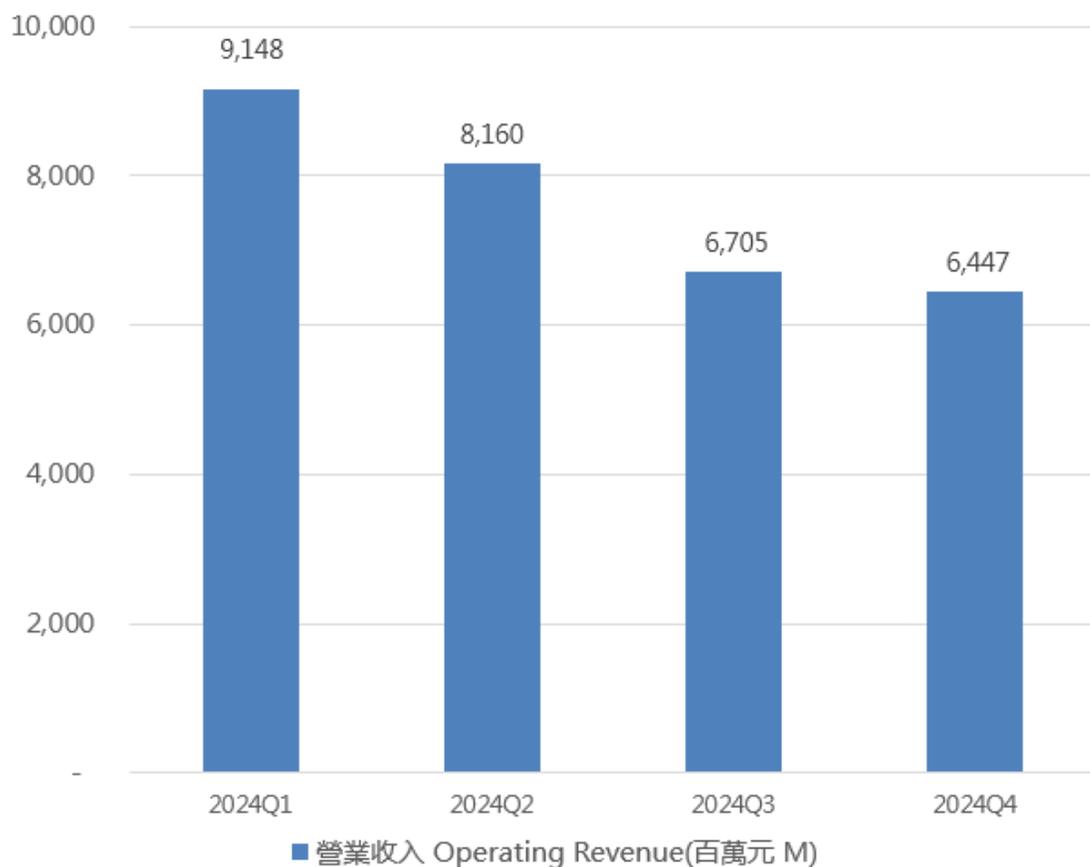


## Table of Sales by Products

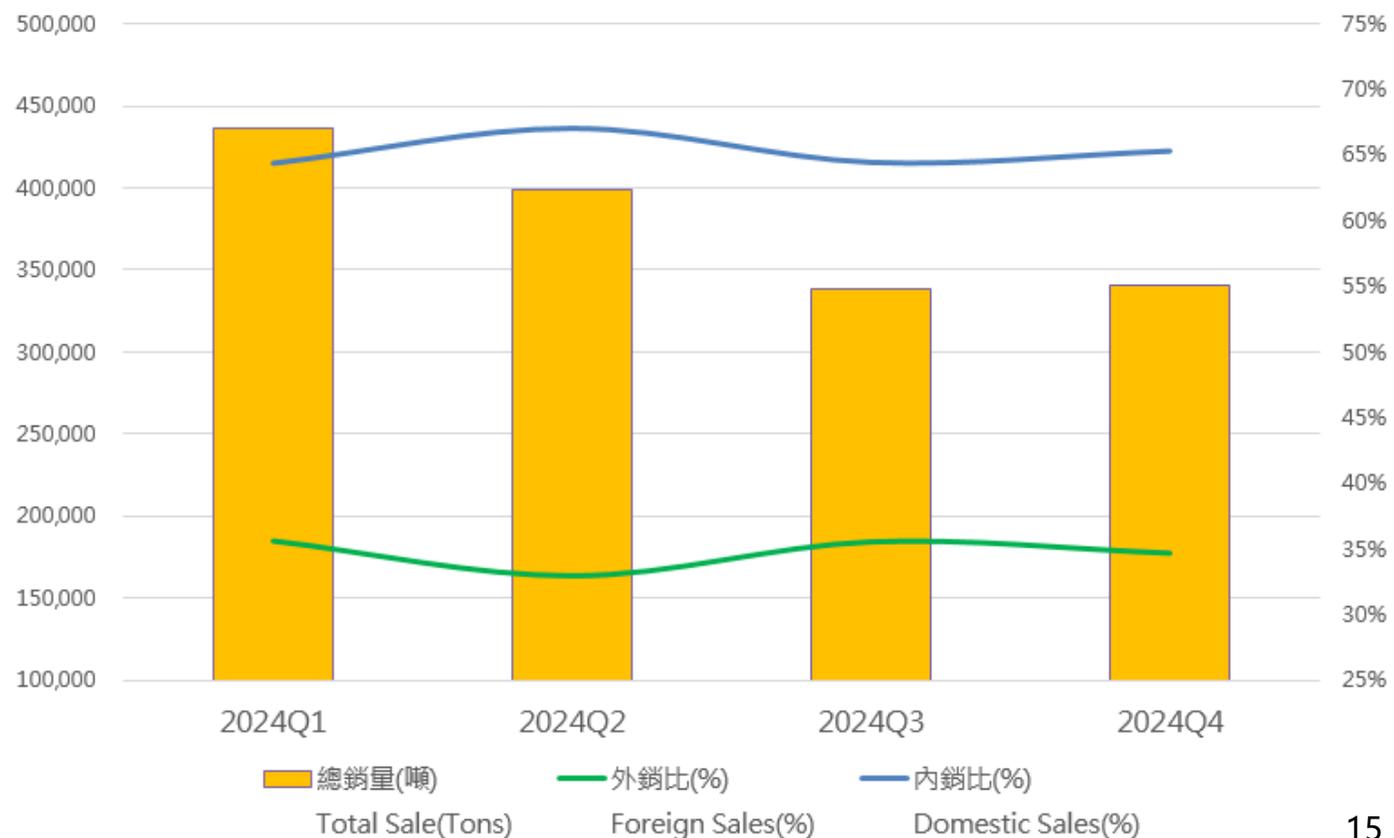


# Financial Overview (3/3)

## Operating Revenue

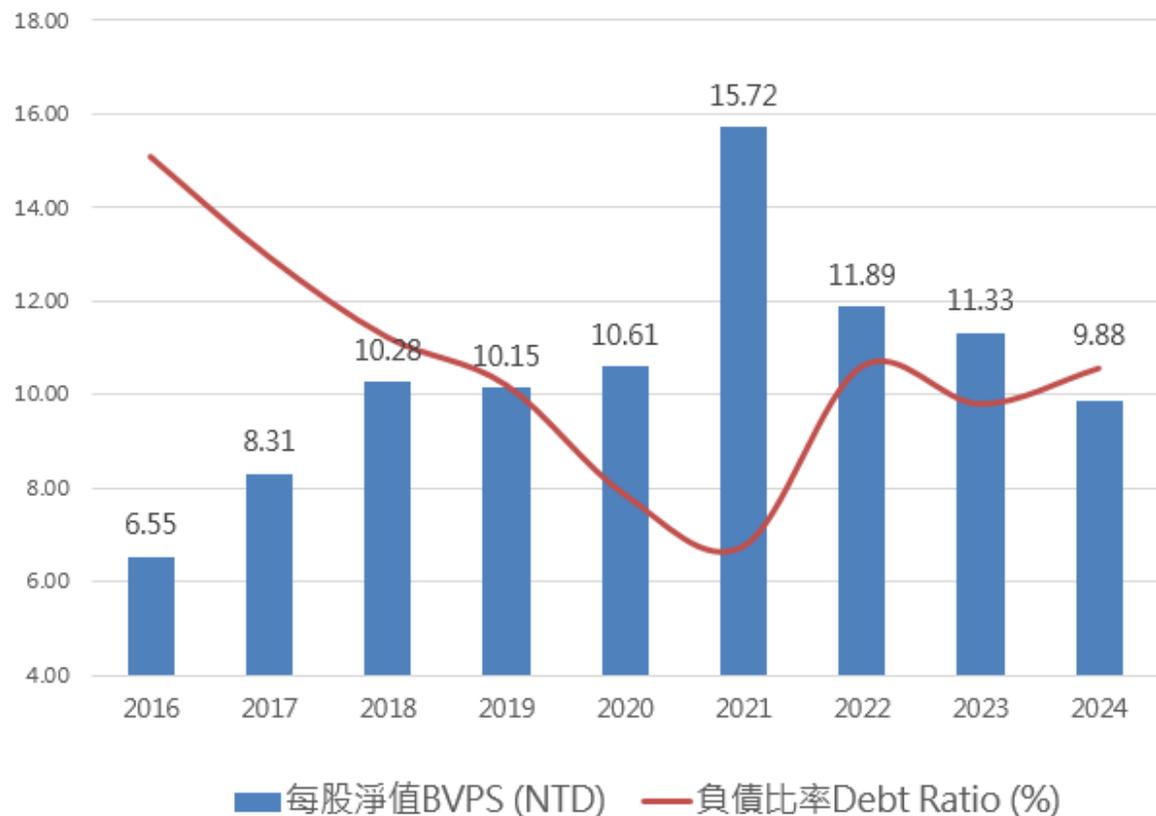


## Quarterly Sales by Products & Domestic and foreign sales ratio

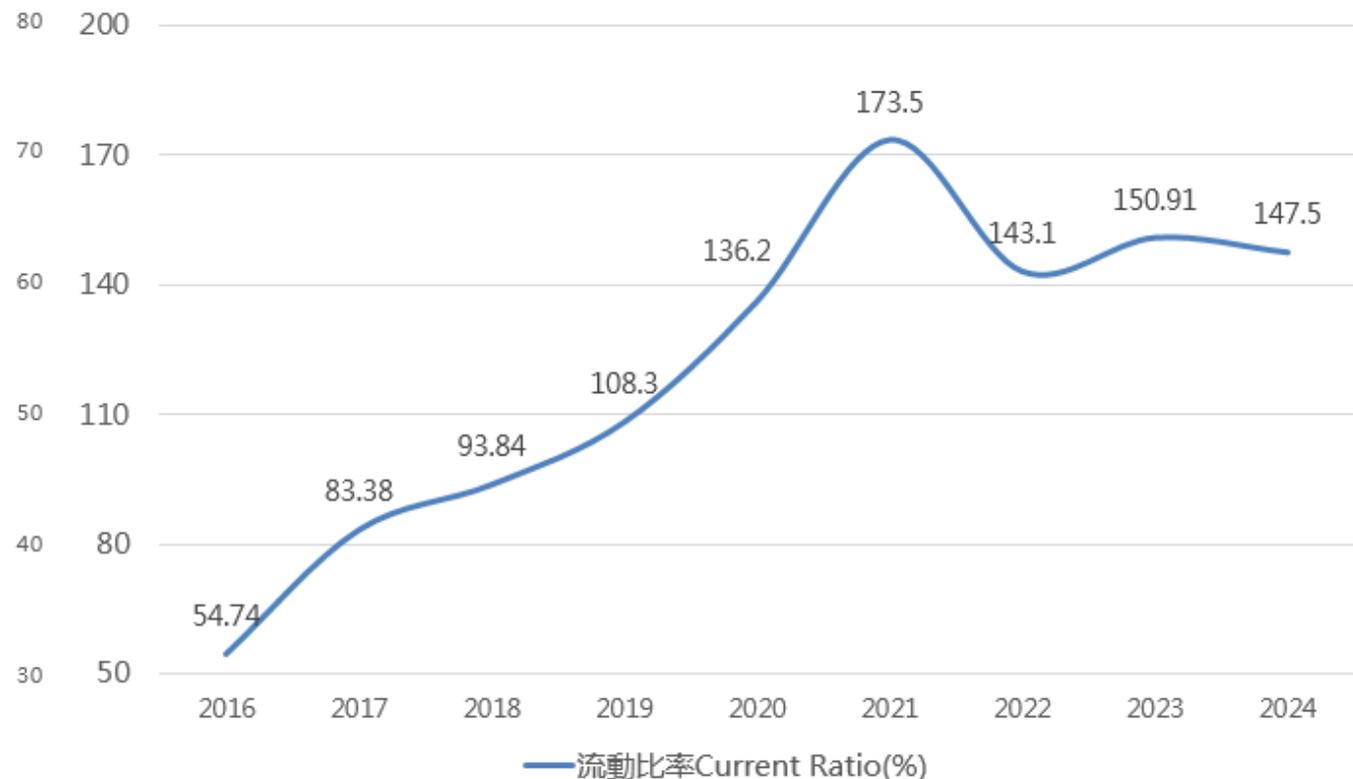


# Financial Performance

## Debt Ratio & Net Worth



## Current Ratio



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# ESG Performance

- Completed carbon footprint assessment and external verification for 13 core products.
- Total greenhouse gas emissions reduced by 5% compared to the baseline year of 2018.
- No environmental fines for four consecutive years.
- Followed the TCFD framework to conduct climate-related financial disclosures.

- Volunteer service grew by 70.94%.
- Zero major work-related Safety incidents.
- Awarded by the Ministry of the Interior as an excellent company for assisting in promoting workplace fire safety and SDGs disclosure practical guidance in 2024.
- The number of high-risk employees for health issues decreased by 49%.

- Second scale (6%~20%) of Corporate Governance Evaluation.
- Linked executive compensation to ESG-related performance.
- Passed the ISO 27001 Information Security Management System standard and obtained TIPS certification.
- Golden in Corporate Sustainability Report of Taiwan Corporate Sustainability Awards.



Q&A



ESG Report



CHS Financial Report



THANK YOU!