

Stock Code:2014

member of CSC Group 中鋼集團



CHUNG HUNG STEEL CORPORATION 2025 Q2 INVESTOR CONFERENCE

2025.06.12



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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

- In April 2025, the IMF released its World Economic Outlook, revising down its forecast for global economic growth in 2025 to 2.8% due to the impact of U.S. tariffs. **The projection for 2026 was slightly raised to 3%.**
- In particular, the U.S. saw a slowdown in growth to 1.8%, as trade tensions and policy uncertainty weakened demand. Meanwhile, China's growth rate declined to 4.0% due to export disruptions caused by trade measures.
- The report noted **that if countries were to lower tariffs or reach agreements that clarify trade policy, global economic growth could receive a boost.**

Manufacturing PMI

- **The United States** : businesses increased domestic procurement in response to tariff changes, with the PMI remaining in a consolidation phase.
- **The Eurozone** : output continued to expand and new orders improved, while the Central Bank maintained its rate cuts in response to trade tensions. The index has risen for four consecutive months.
- **India** : amid changing trade dynamics, a surge in overseas orders has driven output higher, keeping the manufacturing sector in a state of strong expansion.
- **China** : the manufacturing sentiment has recently declined, affected by U.S.-China tariff tensions and ongoing policy uncertainty.
- **Japan** : the decline in output has narrowed, but progress in tariff negotiations with the United States remains slow, leaving the index in a consolidation phase.
- **ASEAN and South Korea** : both output and orders declined due to the impact of U.S. tariffs and ongoing trade uncertainty, putting pressure on the manufacturing sector and weakening business sentiment.

Global Crude Steel Production Forecast

- According to a report by World Steel Dynamics (WSD) dated May 16, 2025, **global crude steel production is forecast to reach 1.861 billion tonnes in 2025, a slight decrease of 0.4% compared with 2024.**
- Furthermore, WSD expects China' s steel output to contract, forecasting a 2.1% year-on-year decline in crude steel production to 974 million tonnes in 2025, which is expected to help improve supply-demand conditions in the domestic steel market.

Global Steel Demand Forecast

- At the Special Governing Meeting held on April 8, the World Steel Association announced that, with countries stepping up fiscal stimulus, advancing infrastructure projects, and shifting toward more accommodative monetary policy, **global steel demand is expected to see a moderate recovery in 2025. However, the recovery momentum may be negatively affected by rising trade protectionism and uncertainty surrounding U.S. tariff policy.**
- In terms of regional outlook, the worldsteel noted that **China' s economy is gradually stabilizing with policy support, and steel demand is expected to improve year by year. Emerging markets such as India, the Middle East, and ASEAN are projected to maintain strong growth momentum. In Europe and the U.S., steel demand is expected to stabilize in 2025, with a potential recovery in growth momentum in 2026.**

Steel price trend-Hot Rolled (international market)

2025.1Q-2025.2Q Steel Price Trend Recap and Outlook (International)

- **2025.1Q :**
- **In the U.S.,** the new tariff regime has raised the threshold for imports, reinforcing the upward momentum of steel mills. Buyers have been making early purchases, leading to a notable price increase.
- **In Europe,** with expectations of gradually shrinking import volumes, steelmakers have continued to hold firm on prices, and the market has been steadily recovering.
- **In Asia,** previous market activity was affected by the Lunar New Year and cautious sentiment surrounding U.S. tariff measures, resulting in slightly slower trading. However, with improving supply-demand dynamics and cost support, steel prices have found a solid bottom and are moving sideways in a consolidating pattern.

Steel price trend-Hot Rolled (international market)

2025.1Q-2025.2Q Steel Price Trend Recap and Outlook (International)

- **2025.2Q** : **In the U.S.**, fluctuating tariff policies have led to more cautious procurement activity, with local prices retreating from recent highs. **In Europe**, buyers and sellers have held firm on their respective positions, but uncertainty surrounding trade negotiations and intense import competition have caused the market to fluctuate within a narrow range. **In Asia**, easing tensions in U.S.-China tariffs have provided a slight boost to market confidence. However, with supply remaining elevated and short-term demand showing limited resilience, prices have continued to move sideways in a consolidating trend.
- Overall, due to the impact of U.S. tariff policies and protectionist measures adopted by multiple countries, the global steel market continues to undergo restructuring in both trade patterns and supply chains. At present, procurement activities in Europe and the United States have turned cautious, while Asia faces seasonal headwinds that may limit demand-side momentum. **The steel market is expected to gradually enter an adjustment phase, with future developments hinging on the outcomes of trade negotiations between the U.S. and other major economies.**

Steel Market Outlook

- From a macroeconomic perspective, the International Monetary Fund (IMF) released its World Economic Outlook report in April, revising the global economic growth forecast for 2025 downward to 2.8% due to the impact of U.S. tariff measures. The 2026 projection sees a modest recovery to 3.0%. The IMF also noted that if the U.S. lowers tariffs on its trading partners, and if other countries succeed in securing preferential trade terms through bilateral agreements, such developments could help reinvigorate global economic momentum. **Additionally, following the preliminary consensus reached between the U.S. and China on May 12 to mutually reduce tariffs and resume trade negotiations, the negative effects of the trade war on the global economy are expected to ease.**
- In terms of steel demand, the World Steel Association stated on April 8 that global steel consumption is expected to see a moderate recovery in 2025, driven by increased fiscal stimulus, infrastructure investment, and more accommodative monetary policies across major economies. However, the recovery momentum may be partially offset by the rising trend of trade protectionism and uncertainties surrounding U.S. tariff policies. **Regionally, China's economy is gradually stabilizing with policy support, and its steel demand is expected to improve steadily over the coming years. Emerging markets such as India, the Middle East, and ASEAN countries are projected to maintain robust growth momentum.**

Steel Market Outlook

- In China, on May 7, the People's Bank of China (PBOC) announced a series of monetary policy measures, including a reserve requirement ratio (RRR) cut and interest rate reductions, injecting approximately RMB 1 trillion in long-term liquidity to stabilize the economy. Subsequently, on May 20, the National Development and Reform Commission (NDRC) stated that several economic stabilization policies are scheduled to be introduced by the end of June. The Commission also emphasized the need to rectify involution-style competition and to accelerate the elimination of outdated and inefficient production capacity in sectors such as steel. These measures, once implemented, are expected to support improvements in steel supply-demand balance, and in turn, contribute to greater stability across the Asian steel market.
- Looking ahead, ongoing uncertainty in U.S. trade policy has heightened global economic volatility, prompting a more cautious stance in the market. As a result, steel prices may enter a short-term correction phase. Nevertheless, with the resumption of trade negotiations between China and the United States, market sentiment is expected to improve. In addition, planned China-EU talks may help ease trade tensions, and the recent ASEAN+3 Finance Ministers' Meeting—featuring a joint declaration to strengthen regional cooperation—is expected to accelerate the restructuring of global trade flows beyond U.S.-centered dynamics. These developments may gradually mitigate the adverse impacts of the tariff conflict on the global economy. Furthermore, as trade agreements between the United States and other countries become more clearly defined, downstream demand is likely to regain momentum, paving the way for a gradual recovery in the global steel market.

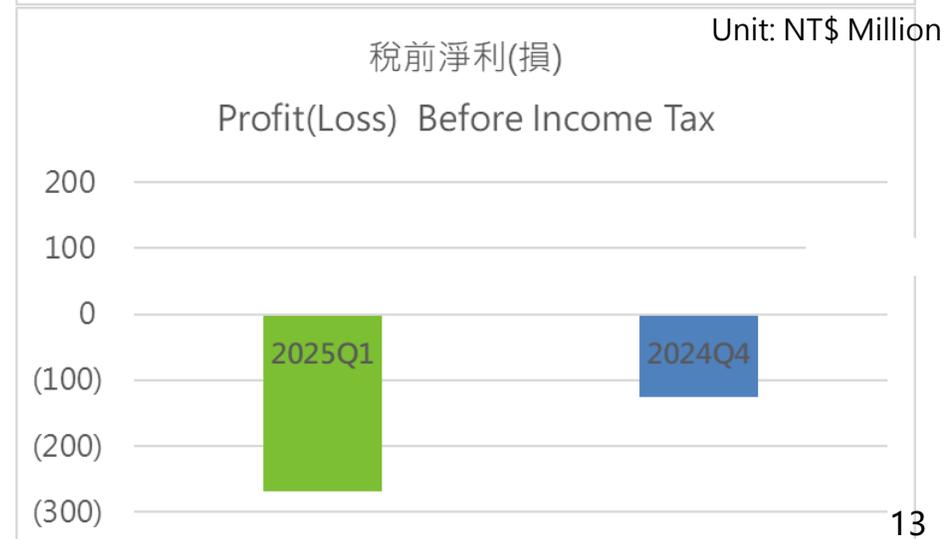
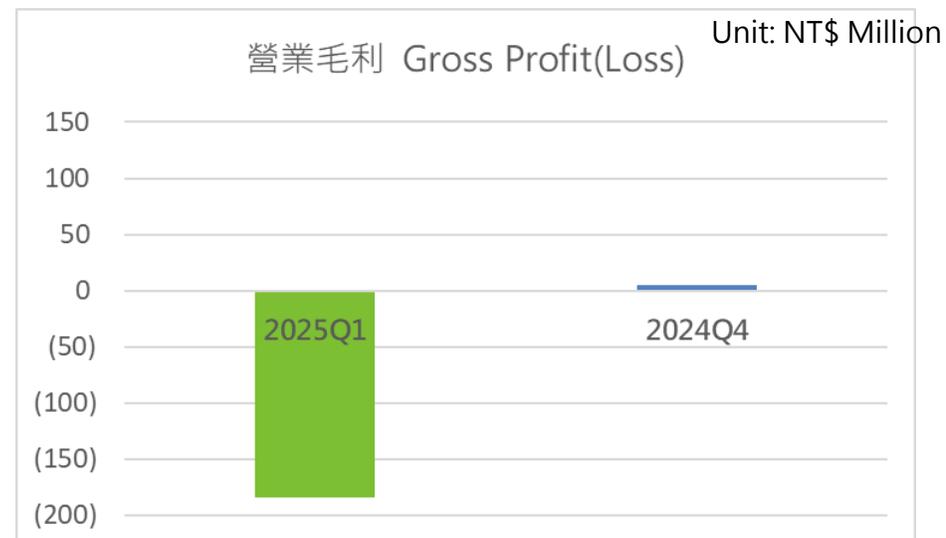
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財務概況 (1/3)

Financial Performance

(In Million of New Taiwan Dollars)	2025 Q1	2024 Q4	QoQ
Operating Revenues	5,760	6,448	-10.67%
Gross Profit(Loss)	-184	1	-18500.00%
Profit(Loss) Before Income Tax	-269	-126	-113.49%
Net Profit(Loss) for the Period	-211	-75	-181.73%
Gross Profit(Loss) Rate	-3.20%	0.02%	
Profit(Loss) Before Income Tax Rate	-4.68%	-1.96%	
EPS	-0.15	-0.05	



Financial Overview (2/3)

Proportion of Annual Sales

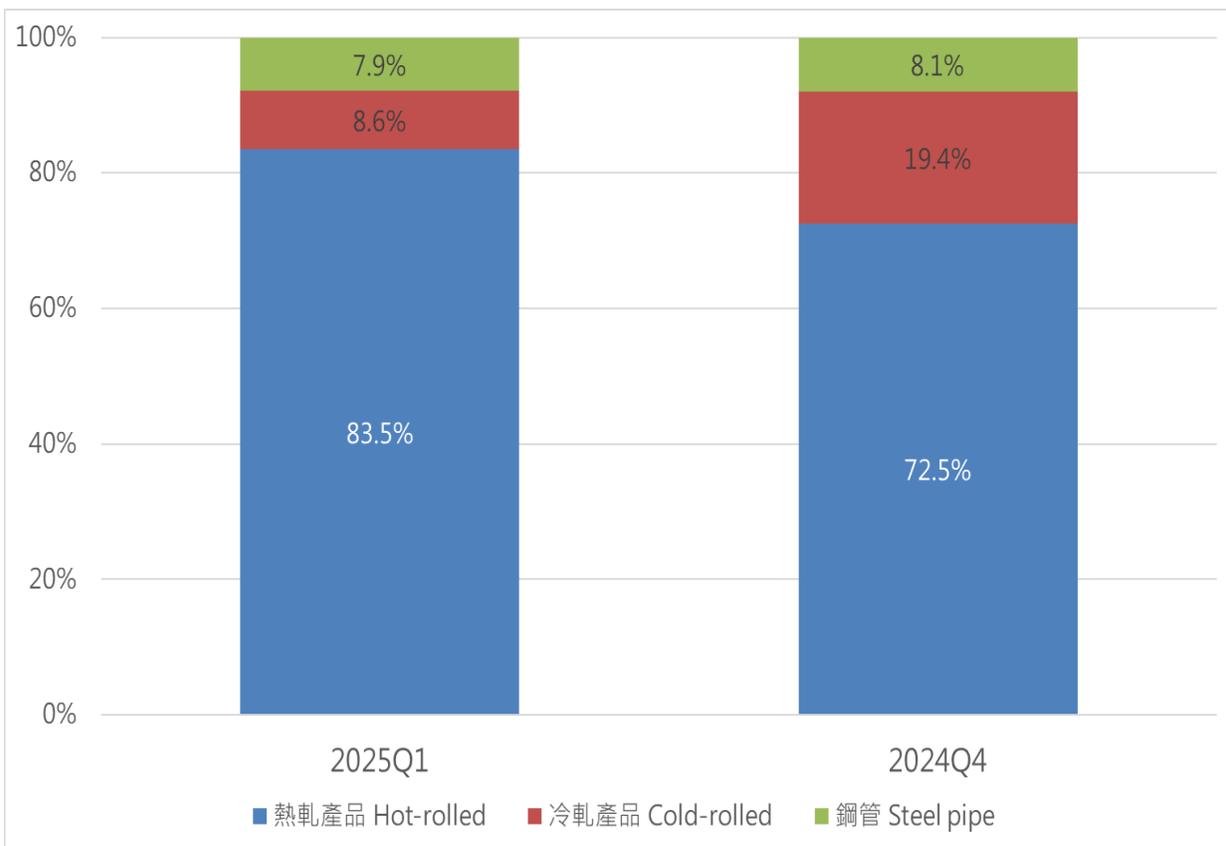
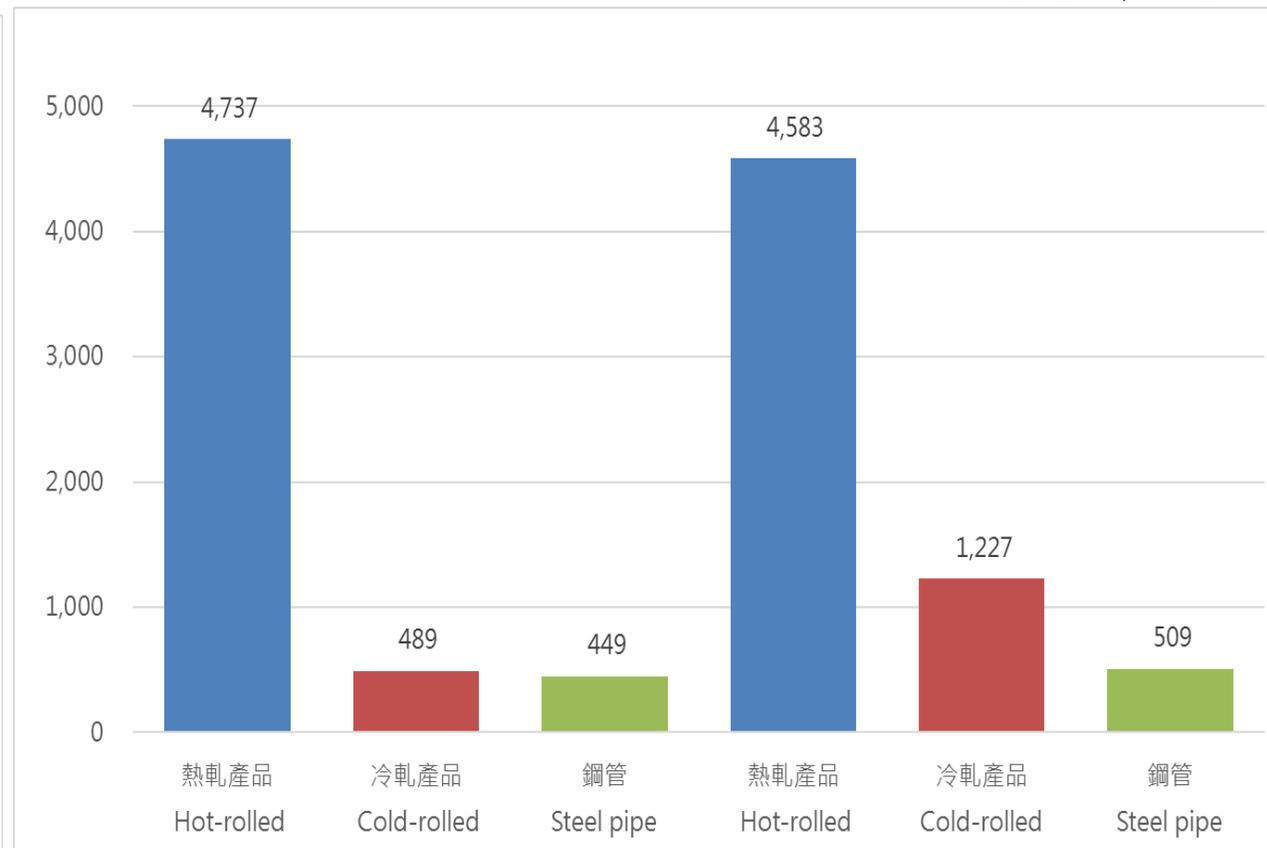


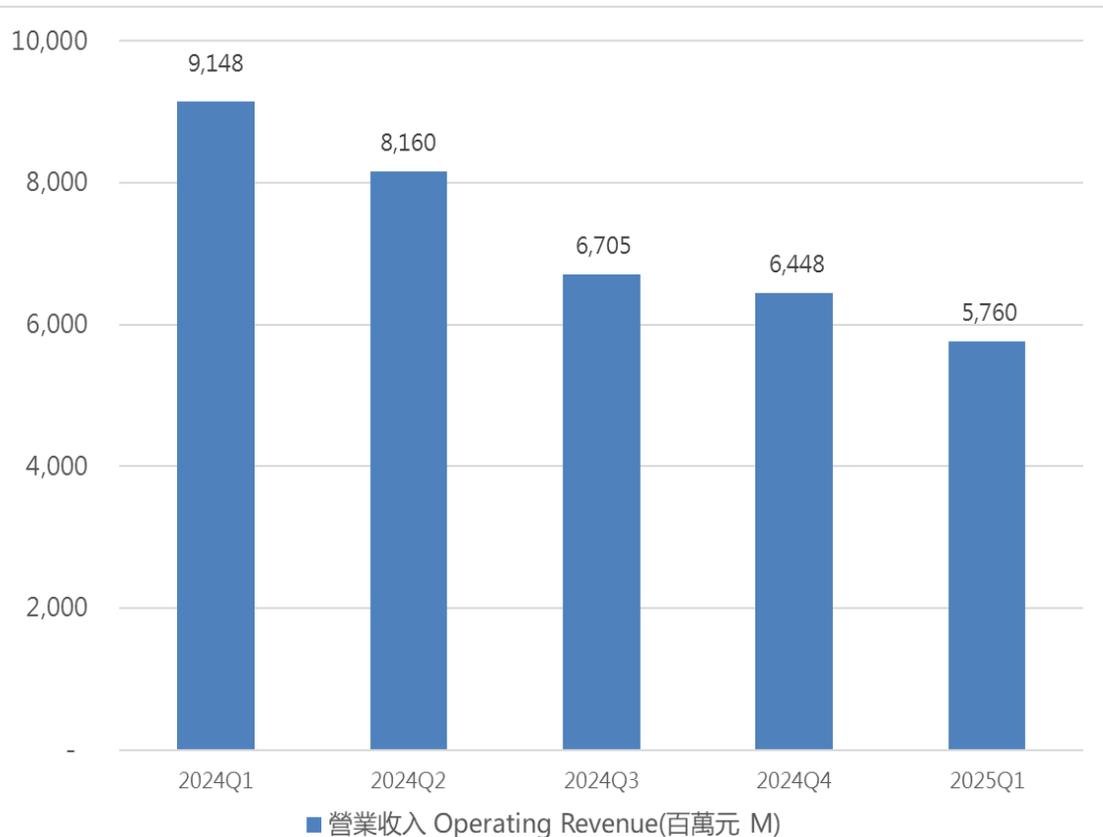
Table of Sales by Products

Unit: NT\$ Million



Financial Overview (3/3)

Operating Revenue

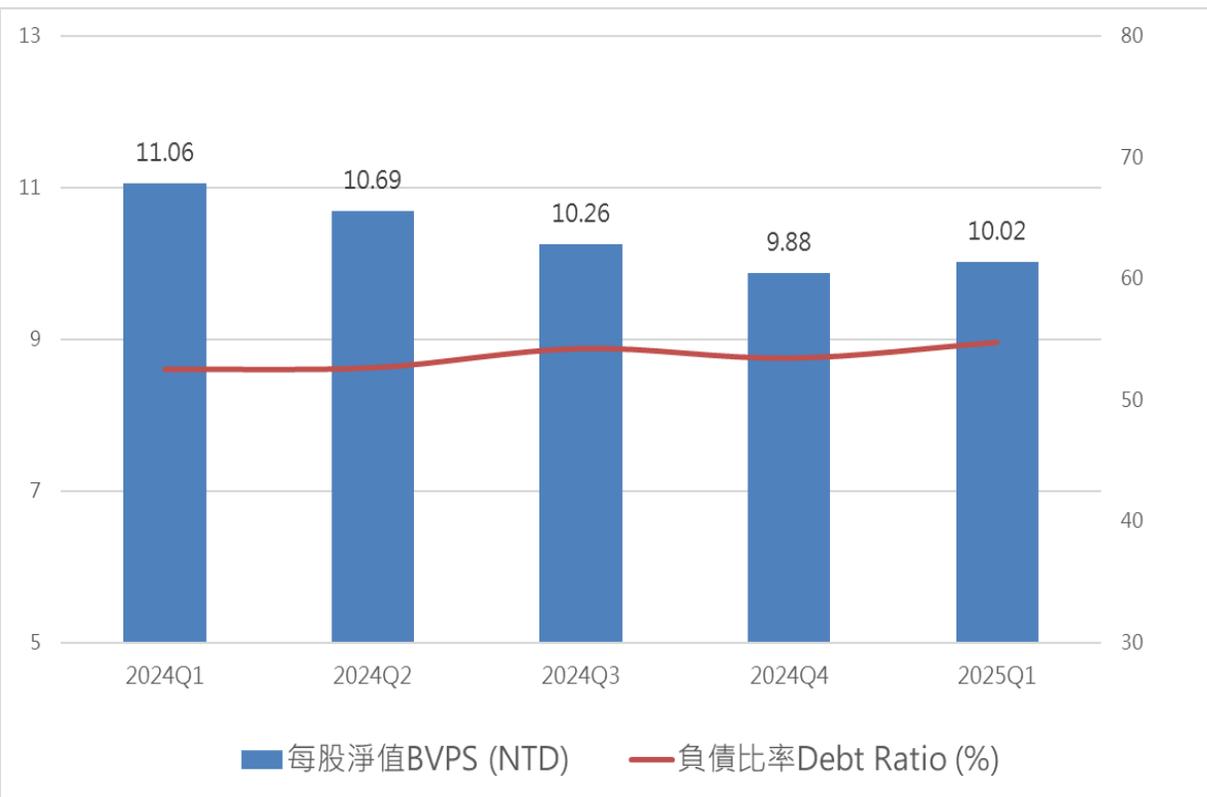


Quarterly Sales by Products & Domestic and foreign sales ratio

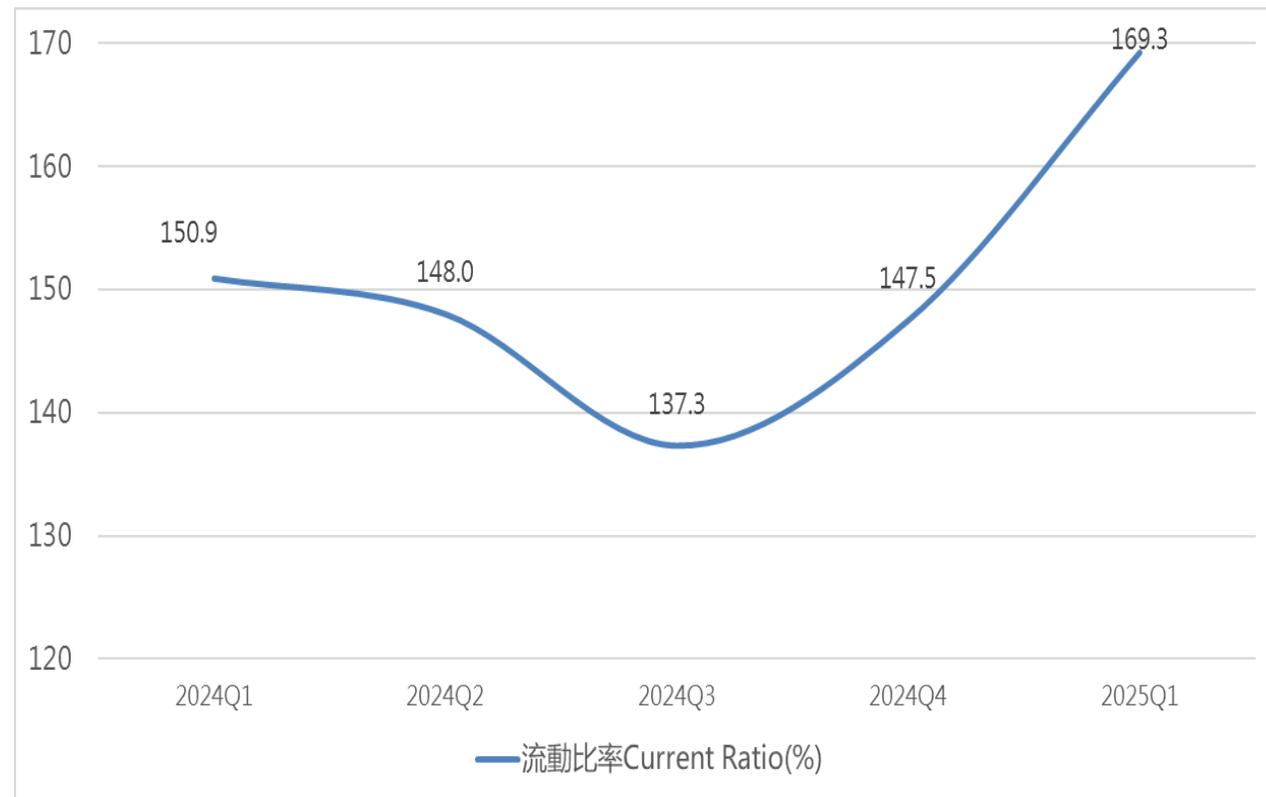


Financial Performance

Debt Ratio & Net Worth



Current Ratio



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Credit Rating & Financial Performance



Credit Rating (2025.04)

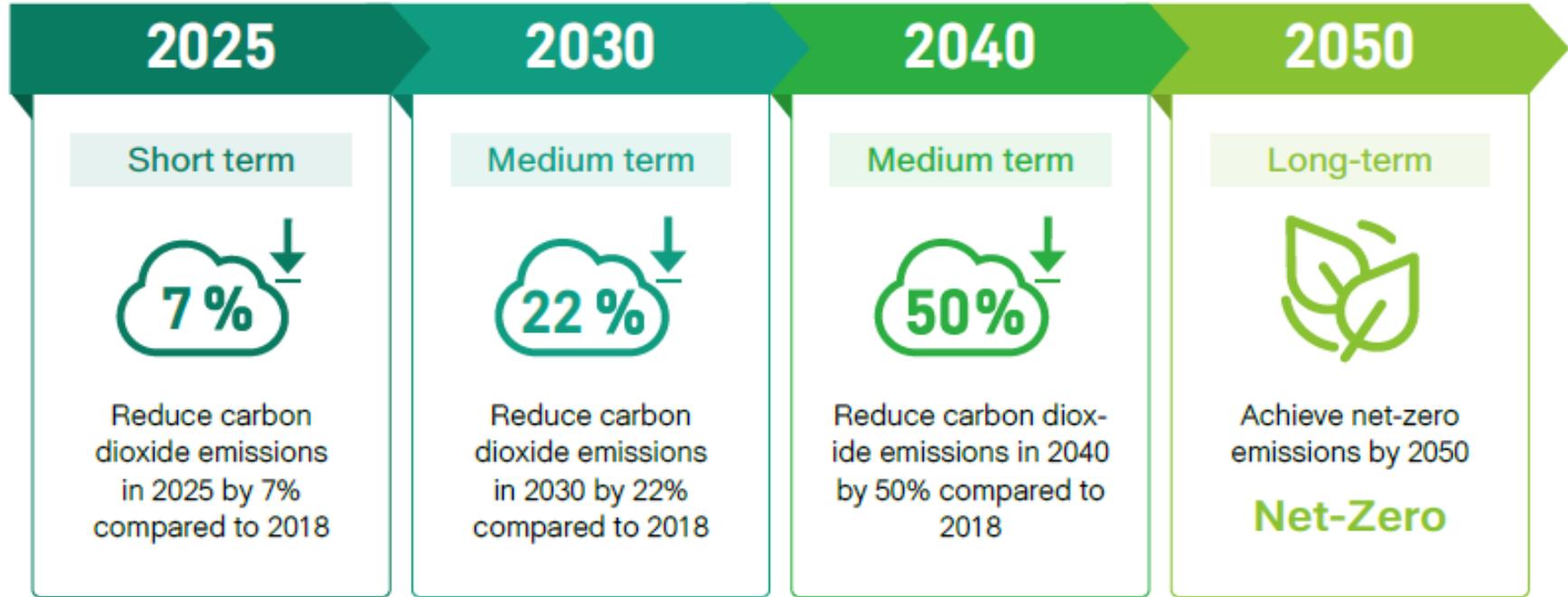
Rating Agency	Short-term Rating	Long-term Rating	Outlook
Taiwan Ratings	twA	twA-1	Negative



Corporate Governance Evaluation

Session	Grade
11 th (2024)	6%~20%
10 th (2023)	6%~20%
9 th (2022)	6%~20%
8 th (2021)	6%~20%
7 th (2020)	6%~20%

Pathways to the Net Zero



- Driving energy savings from utilities system.
- Import green electricity

- Heating furnace change to heat accumulating type.
- High-efficiency once-through boiler

- Heating furnace mixed-fuel hydrogen
- Increase the proportion of green electricity

- Heating furnace switched to low-carbon fuel

Q&A



ESG Report



CHS Financial Report



THANK YOU!