

Stock Code:2014

member of CSC Group 中鋼集團



CHUNG HUNG STEEL CORPORATION 2025 Q3 INVESTOR CONFERENCE

2025.09.24



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Company Profile

Date of establishment

1983.09.29

Chairman of the Board

Min Chu

President

Fu-Liang Wang

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 July 2025, the IMF released its World Economic Outlook, raising the **global GDP growth forecast for 2025 to 3.0% (+0.2 percentage points) from the previous estimate**, reflecting reduced uncertainty from U.S. reciprocal tariff policies and continued easing of inflationary pressures.
- Notably, China' s growth forecast was revised up to 4.8% (+0.8pp), supported by exports and domestic demand policies, while India is expected to maintain strong momentum with growth at 6.4%.
- Overall, despite lingering geopolitical and trade policy risks, easing inflation and declining interest rates are expected to provide support, with **the IMF projecting global GDP growth to gradually recover to 3.1% (+0.1pp) in 2026.**

Manufacturing PMI

- **The United States** : Producers built up inventories ahead of tariff changes, with output and orders rising steadily, and PMI improved.
- **The Eurozone** : Output and new orders continued to improve, and with the potential end of the Russia-Ukraine war, market confidence strengthened, leading the index to rise for eight consecutive months.
- **India** : Strong domestic demand, with output and new orders remaining in expansion, while overseas orders also exceeded the long-term average, PMI remained strong.
- **China** : Output and new orders rebounded, and with the 90-day extension of the U.S.-China tariff grace period, the PMI returned to expansion territory.
- **Japan, South Korea** : Output and new orders remained in contraction, with the PMI moving sideways. However, a preliminary consensus has been reached on U.S. tariffs, and the trade environment is expected to improve.
- **ASEAN** : Output accelerated and new orders improved, boosting market confidence, with the PMI returning to expansion.

Global Crude Steel Production Forecast

- According to the World Steel Dynamics (WSD) report dated August 12, 2025, **global crude steel production is forecast at 1.851 billion tonnes in 2025, down 1.0% year on year**, reflecting uncertainties caused by U.S. trade policies.
- For 2026, WSD projects **global crude steel output at 1.84 billion tonnes, down 0.6% y-o-y**, as China' s production declines under continued government controls partly offset gains elsewhere.

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.**
- **According to the World Steel Dynamics report dated June 27, China's steel demand is expected to be supported by steady growth in infrastructure spending and continued government stimulus measures. In other regions, stronger fixed-asset investment is projected to drive steel demand up by around 6%. Overall, the downward pressure that has constrained the global steel industry over the past two to three years is expected to gradually ease in 2026.**

Steel price trend-Hot Rolled (international market)

2025.2Q-2025.3Q Steel Price Trend Recap and Outlook (International)

- **2025.2Q :**
- **In the U.S.**, the market was repeatedly affected by tariff policies, leading to more cautious purchasing activities and a slight pullback in local prices.
- **In Europe**, buyers and sellers each held firm positions, but due to uncertainty in trade negotiations and intense competition from imports, the local market moved within a narrow range.
- **In Asia**, the earlier easing of U.S.-China tariffs boosted sentiment slightly, but with supply remaining high and short-term demand resilience weak, prices continued to consolidate.

Steel price trend-Hot Rolled (international market)

2025.2Q-2025.3Q Steel Price Trend Recap and Outlook (International)

- **2025.3Q** : **In the U.S.**, affected by steel and aluminum tariffs and trade uncertainties, coupled with the seasonal lull, purchasing slowed and prices moved sideways. **In Europe**, demand was limited during the summer shutdown, but with expectations around CBAM implementation and tighter import quotas, local mills adopted a firm pricing stance, pushing prices slightly higher. **In Asia**, news of production cuts in China and stricter official scrutiny on tax-evading exports have led to the gradual disappearance of low-priced offers, allowing regional prices to find a floor and rebound.
- Overall, as negotiations between the United States and major trading partners gradually take shape, the global trade order is beginning to normalize. Together with the end of Europe' s summer vacation and the Federal Reserve' s rate cuts, these factors are expected to support a steady recovery in steel demand. In addition, **Chinese authorities are promoting policies to curb disorderly competition and eliminate outdated capacity, which will gradually improve supply-demand dynamics in the steel market. As seasonal effects fade, the price floor for steel is expected to gain further support.**

Steel Market Outlook

- On the macroeconomic front, the International Monetary Fund (IMF), in its July World Economic Outlook, reported that with uncertainties surrounding U.S. reciprocal tariff policies easing and inflation continuing to moderate, overall momentum is showing signs of a mild recovery. The global economic growth forecast for 2025 was revised upward to 3.0%, an increase of 0.2 percentage points from the previous projection. Furthermore, on August 12, the grace period for additional U.S.-China tariffs was extended by 90 days, while tariff arrangements between the United States and its major trading partners have largely been settled, signaling a potential stabilization of the global trade order. Together with the Federal Reserve's initiation of its rate-cut cycle in September, the global economy is expected to sustain a moderate recovery.
- On the demand side, the World Steel Association (April 8) stated that with countries stepping up fiscal stimulus, advancing infrastructure projects, and adopting looser monetary policies, global steel demand is expected to recover moderately in 2025. However, the recovery momentum may be affected by rising trade protectionism and uncertainties surrounding U.S. tariffs. Regionally, China's economy is gradually stabilizing with policy support, and steel demand is expected to improve year by year, while emerging markets such as India, the Middle East, and ASEAN are maintaining strong growth momentum.

Steel Market Outlook

- In China, data released by the National Bureau of Statistics on September 15 showed that crude steel output in January–August 2025 totaled 19.6 million tonnes less than the same period last year, down by 2.8% year on year. This indicates that industry policies have already imposed tangible constraints on production. Officials also noted that the next stage will focus on strengthening capacity governance in key industries to facilitate a reasonable recovery in prices. In addition, the Ministry of Industry and Information Technology has recently introduced growth-stabilization plans for the electronics manufacturing, power equipment, and automotive sectors. As these measures are rolled out, demand is expected to recover steadily, accelerating the balance between supply and demand in the steel market.
- Looking ahead, as tariff negotiations between the United States and other countries become clearer, the global trade environment is set to keep improving. Coupled with the gradual monetary easing in major economies, this will further stimulate a rebound in market demand. Meanwhile, Chinese authorities are strengthening efforts to curb “involutionary” competition, which is expected to tighten supply and reinforce support for steel prices. **With seasonal factors gradually fading, steel demand is likely to be released, and the steel market is expected to recover steadily in the fourth quarter.**

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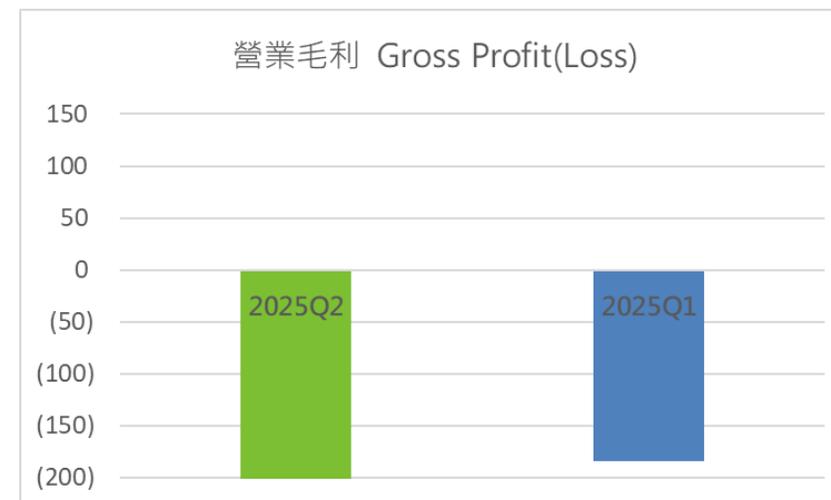
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財務概況 (1/3)

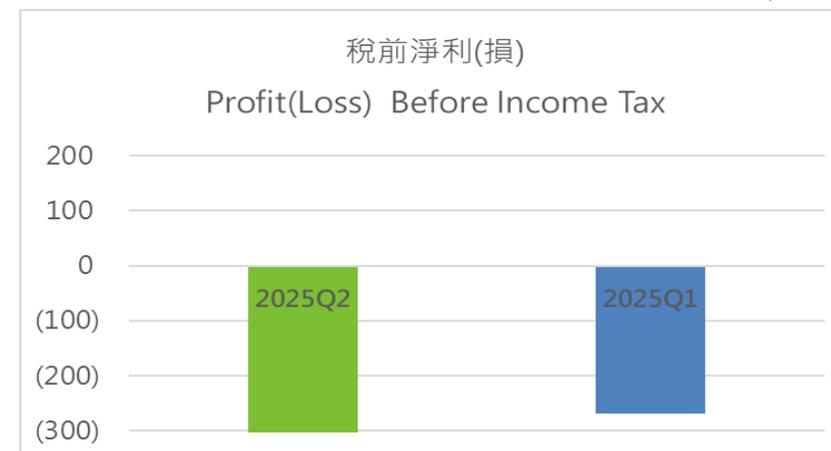
Financial Performance

(In Million of New Taiwan Dollars)	2025 Q2	2025 Q1	QoQ
Operating Revenues	5,361	5,760	-6.93%
Gross Profit(Loss)	-821	-184	-346.20%
Profit(Loss) Before Income Tax	-923	-269	-243.12%
Net Profit(Loss) for the Period	-838	-211	-297.16%
Gross Profit(Loss) Rate	-15.31%	-3.20%	
Profit(Loss) Before Income Tax Rate	-17.22%	-4.68%	
EPS	-0.58	-0.15	

Unit: NT\$ Million



Unit: NT\$ Million



Financial Overview (2/3)

Proportion of Annual Sales

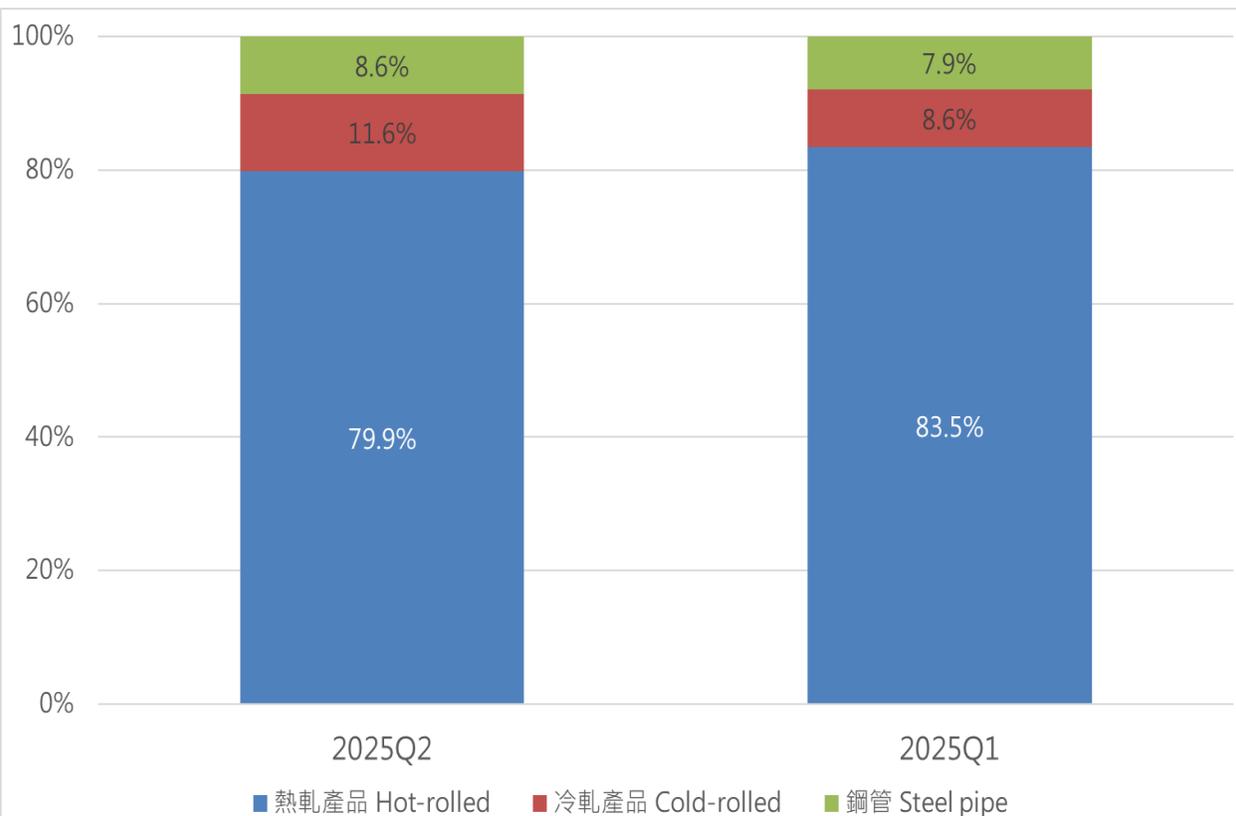
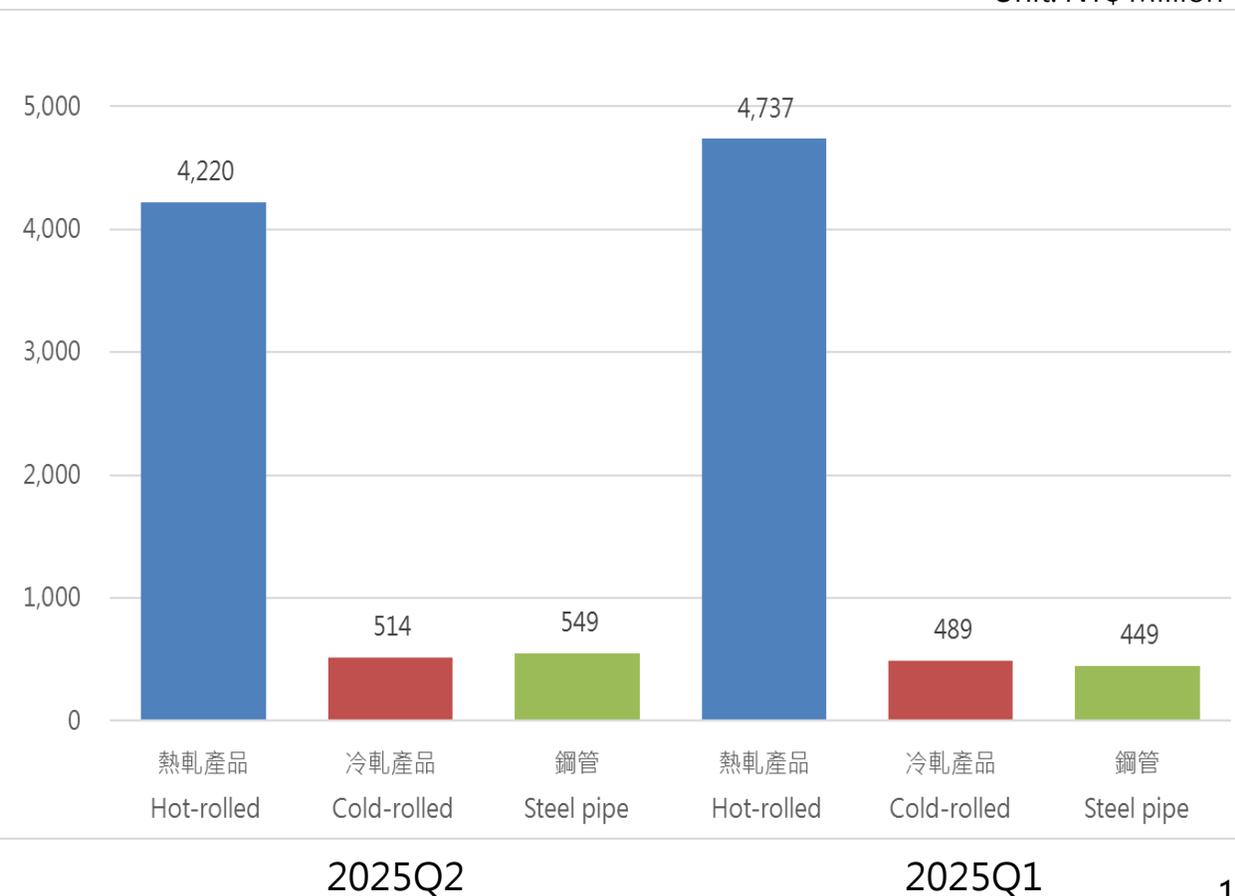


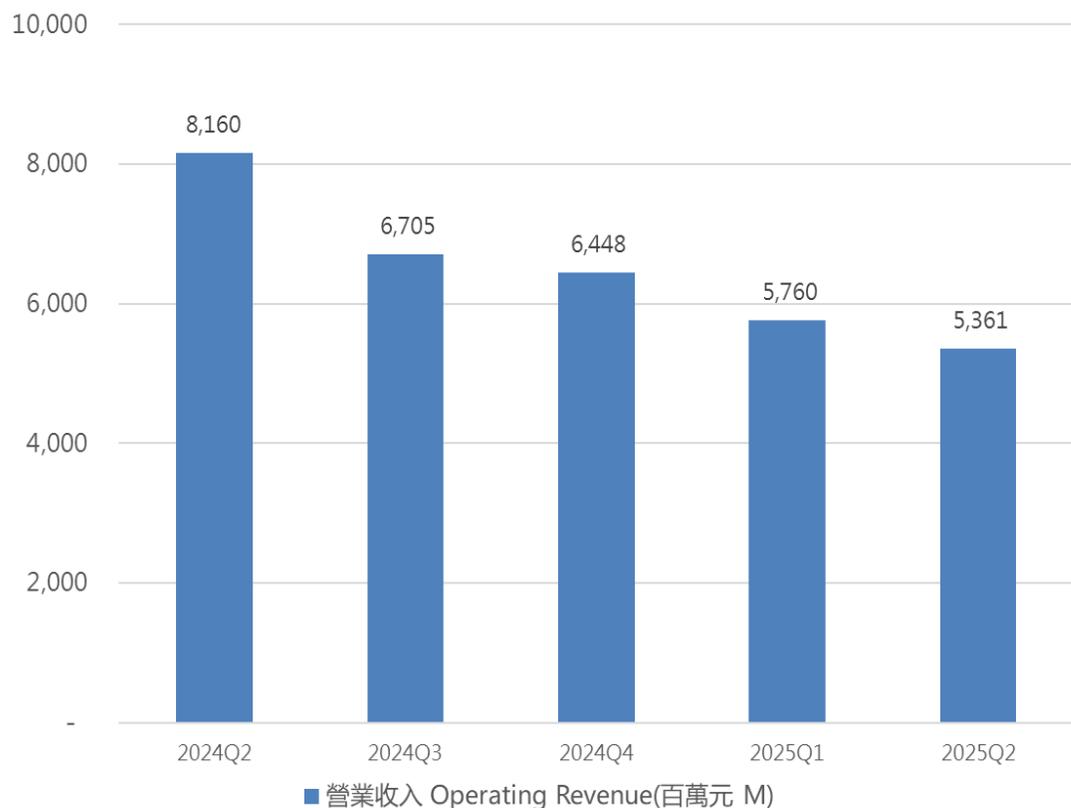
Table of Sales by Products

Unit: NT\$ Million

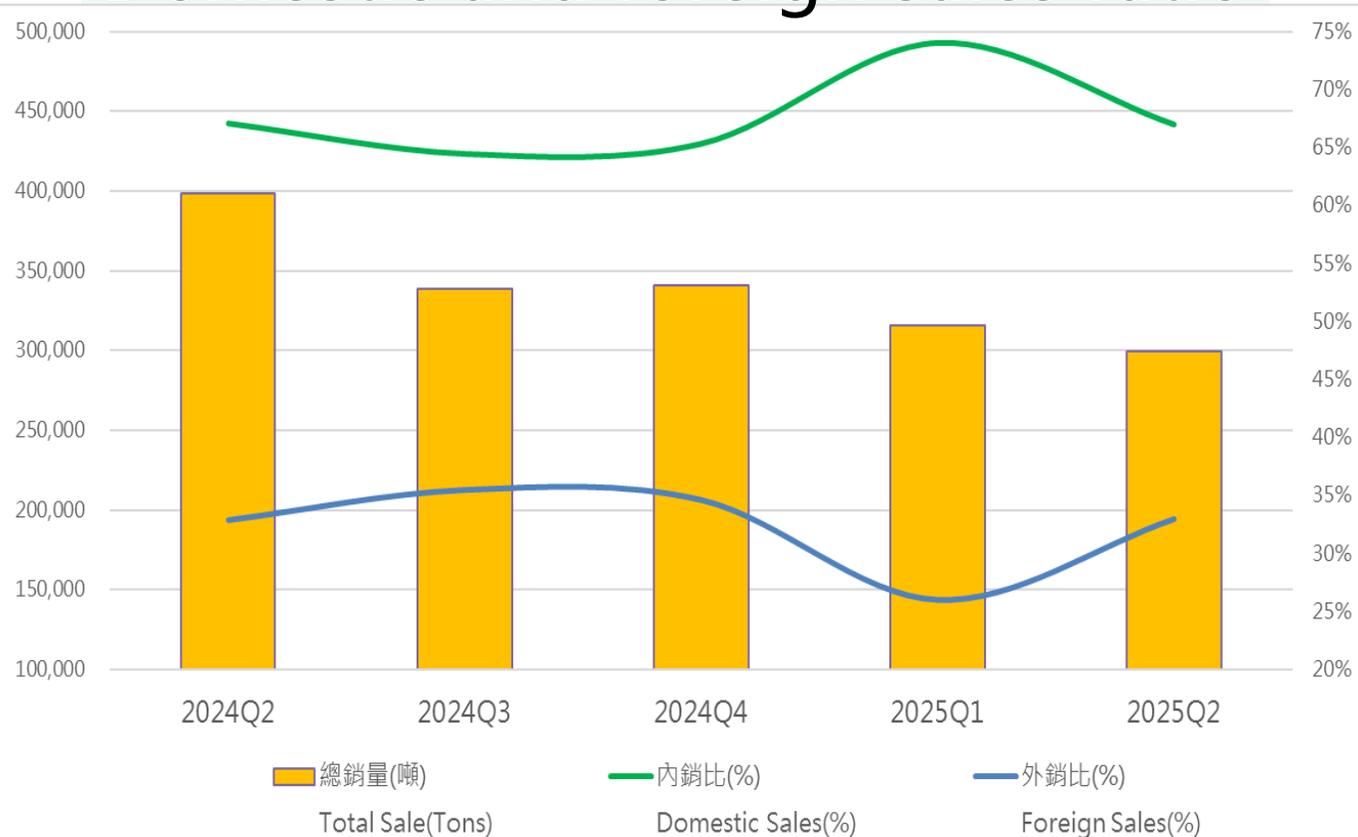


Financial Overview (3/3)

Operating Revenue

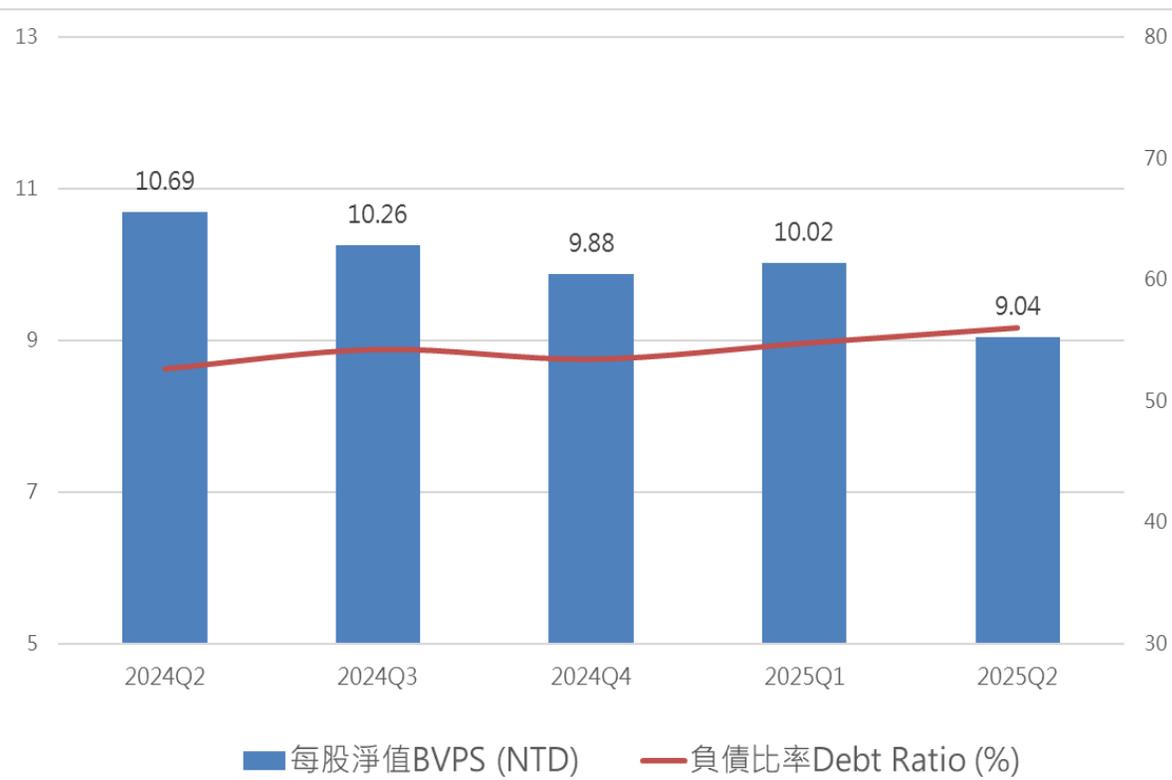


Quarterly Sales by Products & Domestic and foreign sales ratio

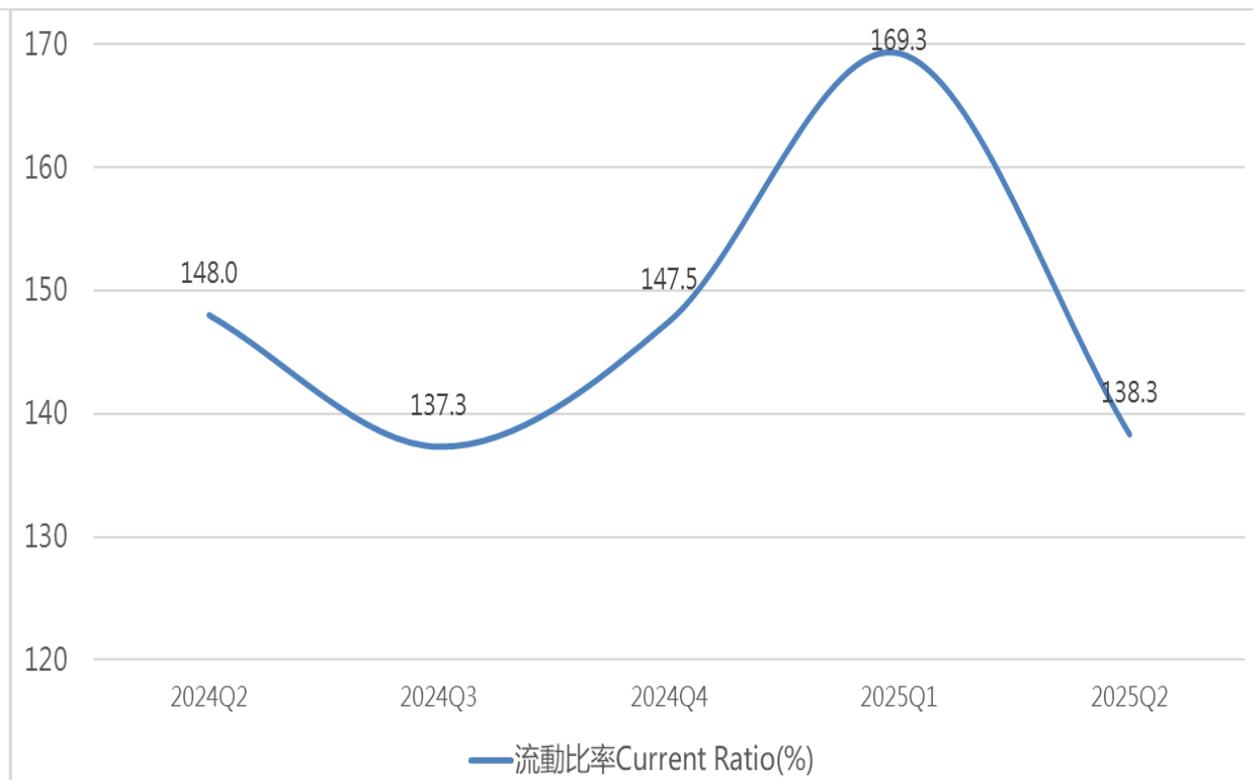


Financial Performance

Debt Ratio & Net Worth



Current Ratio



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Credit Rating & Financial Performance



Credit Rating (2025.04)

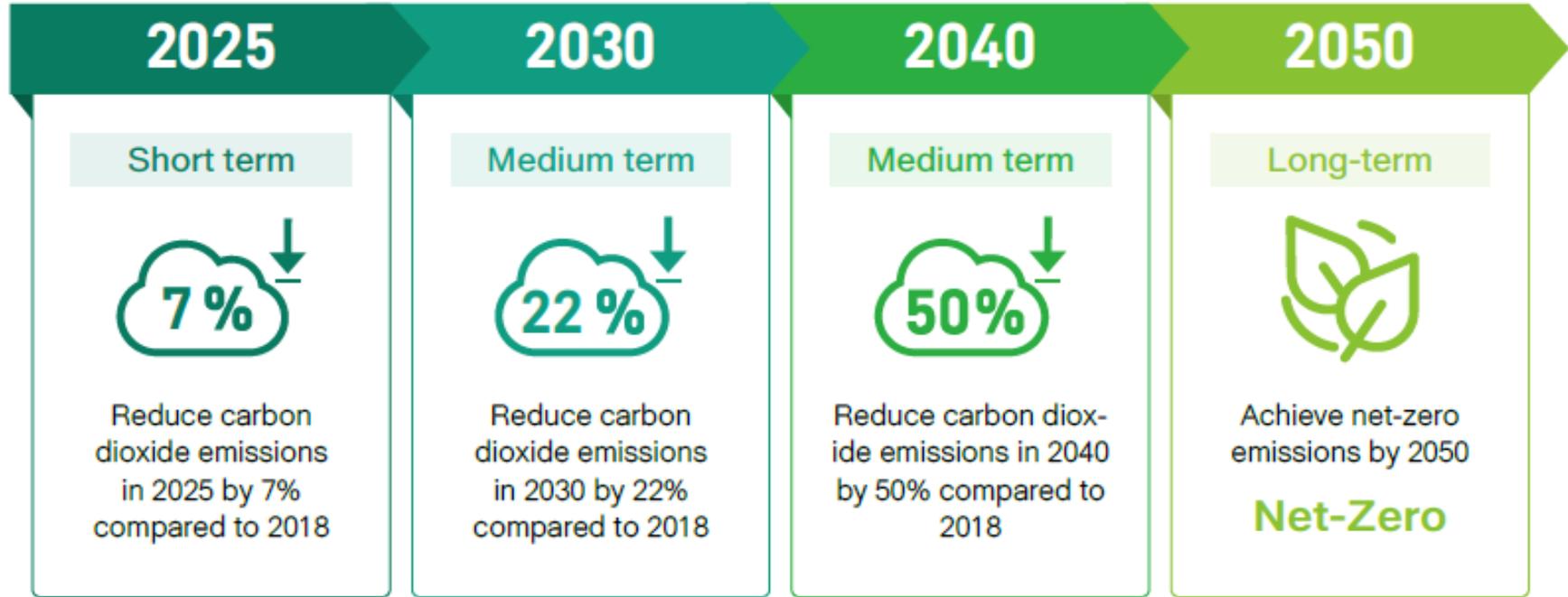
Rating Agency	Short-term Rating	Long-term Rating	Outlook
Taiwan Ratings	twA	twA-1	Negative



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!