

Stock Code:2014

member of CSC Group 中鋼集團



CHUNG HUNG STEEL CORPORATION CSC Group Joint Conference

2025.11.26



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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

- The latest IMF forecast projects global economic growth at 3.2% in 2025, an upward revision of 0.2 percentage points from the July projection, reflecting stronger-than-expected resilience in the global economy.
- Economic growth in China, India, and other emerging markets is expected to remain relatively strong. In addition, easing trade tensions among major economies is likely to help alleviate market concerns over economic uncertainty.
- As global inflation risks gradually subside and financial conditions become more accommodative, **the world economy is projected to sustain moderate growth, with global GDP expected to expand by 3.1% in 2026.** Nevertheless, potential risks from geopolitical tensions and rising protectionism warrant continued attention.

Manufacturing PMI

- **United States** : Driven by inventory restocking and solid domestic demand, both output and new orders have continued to expand.
- **The Eurozone** : The effects of earlier interest rate cuts have begun to materialize, and the overall manufacturing sector is showing signs of a moderate recovery.
- **Japan and South Korea** : Japan' s manufacturing PMI held steady at a low level, while South Korea' s showed a volatile yet stabilizing trend. Both economies remained in contraction, reflecting weaker external demand and softening domestic consumption.
- **China** : The recent PMI edged down slightly, reflecting the lingering impact of earlier U.S.-China trade uncertainties.
- **India** : Domestic demand remained robust, with the index staying stable at a high level.
- **ASEAN** : Solid domestic demand drove notable growth in new orders and output, while easing inflation further strengthened momentum in manufacturing expansion.

Global Crude Steel Production Forecast

- According to the World Steel Dynamics (WSD) report dated October 1, 2025, **global crude steel production is projected at 1,856 million tonnes for 2025, down 0.7% year on year**, reflecting the impact of market uncertainty caused by earlier U.S. trade policies.
- Under continued government controls in China, crude steel output is projected to fall by 1.5% to 963 million tonnes, marking the second consecutive year of decline. Meanwhile, as countries strengthen trade defense measures to curb the impact of imported steel, some regions are likely to see a modest rebound in domestic production. **According to WSD, global crude steel production is expected to edge up by 1.2% in 2026.**

Global Steel Demand Forecast

- According to worldsteel' s forecast in October 2025, global steel demand in 2025 is expected to remain broadly stable at around 1,749 million tonnes. With infrastructure investment remaining strong across most economies and financing conditions expected to improve, global steel demand in 2026 is projected to grow by 1.3% to 1,773 million tonnes, maintaining an overall moderate pace of recovery.
- In China, the decline in steel demand is expected to moderate as the property market shows signs of stabilization. The European Union is likely to experience a rebound driven by economic improvement and higher defense spending. Meanwhile, emerging economies, particularly India, Vietnam, Egypt, and Saudi Arabia, are expected to maintain strong demand supported by sustained domestic growth and expanding infrastructure investment.

Taiwan Apparent Steel Consumption

- According to Taiwan Steel and Iron Industries Association, the cumulative apparent steel consumption from January to September 2025 :
 - (1) Hot-rolled steel plate and coils were 2,535,936 tons, a year-on-year decrease of 6.3%.
 - (2) Cold-rolled steel plate and coils were 824,111 tons, a year-on-year decrease of 12.6%.
 - (3) Galvanized steel sheet and coils were 791,260 tons, a year-on-year decrease of 3.2%.

Taiwan Steel Imports and Exports Overview

- **Imports** : The top five import countries-Japan, China, South Korea, India, and Vietnam-accounted for approximately 92.4% of the total import volume and 90.3% of the total import value during January–September 2025. These countries represent significant competitive threats to the domestic steel industry.
- **Exports** : The top five export destinations-the United States, Japan, Malaysia, Vietnam, and Belgium-accounted for about 51.3% of the total export volume and 51.1% of the total export value during January–September 2025.
- **Main export regions** : The ASEAN region, which includes Vietnam, Malaysia, and Thailand, accounted for 23.6% of total exports and was the largest regional destination for steel exports.
- Europe accounted for 20.0% of total exports, including Belgium, Spain, Italy, and the U.K. .
- Asia accounted for 17.9% of total exports, with major destinations including Japan, mainland China, and Bangladesh.

Steel price trend-Hot Rolled (international market)

2025.3Q-2025.4Q 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.

Steel price trend-Hot Rolled (international market)

2025.3Q-2025.4Q Steel Price Trend Recap and Outlook (International)

2025.4Q

- **In the U.S.**, supply tightened due to maintenance at U.S. mills, while tariffs curbed import interest. Domestic producers raised their prices, prompting a slight rebound in the local steel market.
- **In Europe**, anticipation of CBAM enforcement and stricter trade policies has strengthened mills' resolve to hold prices, supporting a gradual rise in local steel prices.
- **In Asia**, demand recovery has been gradual, but steel prices have found support from raw material costs, resulting in a slightly range-bound market.

Steel price trend-Hot Rolled (international market)

2025.3Q-2025.4Q Steel Price Trend Recap and Outlook (International)

Overall, as global trade and economic activities return to normal and seasonal factors fade, steel demand has begun to recover, with market conditions across regions generally showing signs of stabilization or rebound. Moreover, with the U.S. Federal Reserve entering a rate-cut cycle and supply continuing to contract under China's official "anti-involution" policy framework, supply-demand conditions in the steel market are expected to gradually improve. Steel prices are therefore anticipated to remain firm and move slightly upward in the first quarter of 2026.

Steel Market Outlook

- On the macroeconomic front, **the IMF' s October World Economic Outlook projects global GDP growth at 3.1% in 2026, indicating that major economies remain resilient despite trade-policy uncertainty.** The U.S. Federal Reserve continued its rate cuts in October and announced it will end quantitative tightening in December, a move expected to improve market liquidity and reduce financing costs. Meanwhile, the U.S.–China meeting on October 30 resulted in a one-year deferral of planned tariffs, providing a positive signal for global trade and supply-chain stability. Overall, these developments point to a steady and moderate global economic recovery.
- In terms of steel demand, **the World Steel Association (worldsteel) noted in its October Short Range Outlook that global steel demand is expected to rise by 1.3% in 2026 to 1,773 million tonnes, supported by resilient global economic activity and strong infrastructure investment.** In China, the property market is expected to stabilize, helping narrow the decline in steel demand. In the European Union, improving economic conditions and higher defense spending are likely to support a recovery. Meanwhile, developing economies are set to maintain robust steel demand, driven by economic growth and expanding domestic consumption.

Steel Market Outlook

- In China, the People's Bank of China resumed treasury bond trading operations on October 27, signaling policy support for liquidity and stable economic growth. Furthermore, the National Bureau of Statistics announced that average daily crude steel output in October fell to a nearly 22-month low, while cumulative output from January to October declined by 3.9% year on year, indicating a gradual contraction in supply. According to the October report from World Steel Dynamics (WSD), under continued government regulation, China's crude steel output is projected to decrease by 1.5% to 963 million tonnes by 2026, marking the second consecutive annual decline. This is expected to help improve the global steel supply–demand balance and further strengthen the fundamental support for steel prices.
- Looking ahead, as the United States reaches consensus in trade negotiations with most countries, the global trade environment is becoming more stable. Combined with continued monetary easing by major economies, these developments are expected to strengthen market confidence and support a recovery in demand. In addition, China's efforts to curb “involution-style” competition-through optimizing capacity structure and discouraging aggressive low-price sales-will further improve the supply–demand balance in the steel market. Against this backdrop, **many governments are expected to shift policy focus toward domestic demand. With infrastructure investment and manufacturing activity set to expand, the global steel market is likely to enter a gradual recovery path. As downstream sectors begin replenishing inventories in stages, steel prices are expected to trend steadily higher.**

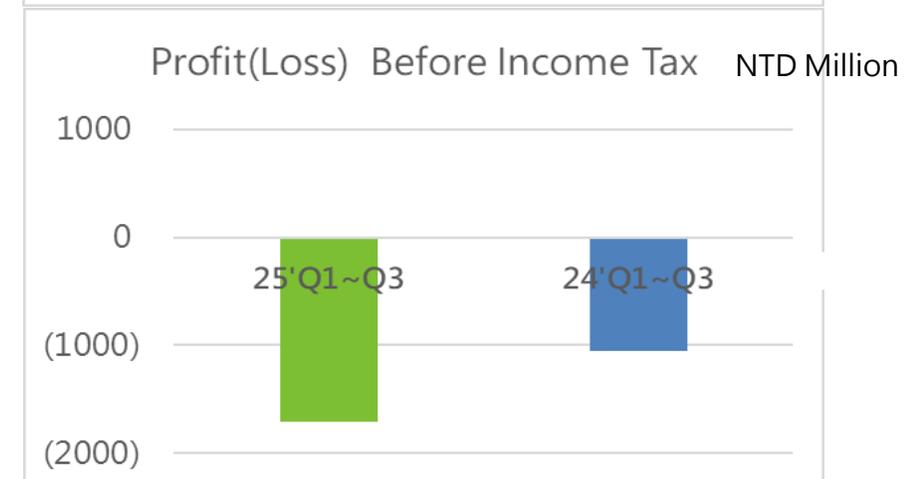
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Financial Overview (1/3)

Financial Performance

(In Million of New Taiwan Dollars)	25'Q1~Q3	24'Q1~Q3	YoY
Operating Revenues	15,237	24,014	-36.55%
Gross Profit(Loss)	-1,452	-747	-94.38%
Profit(Loss) Before Income Tax	-1,708	-1,056	-61.47%
Net Profit(Loss) for the Period	-1,584	-816	-94.12%
Gross Profit(Loss) Rate	-9.53%	-3.11%	
Profit(Loss) Before Income Tax Rate	-11.21%	-4.40%	
EPS(NTD)	-1.10	-0.57	



Financial Overview (2/3)

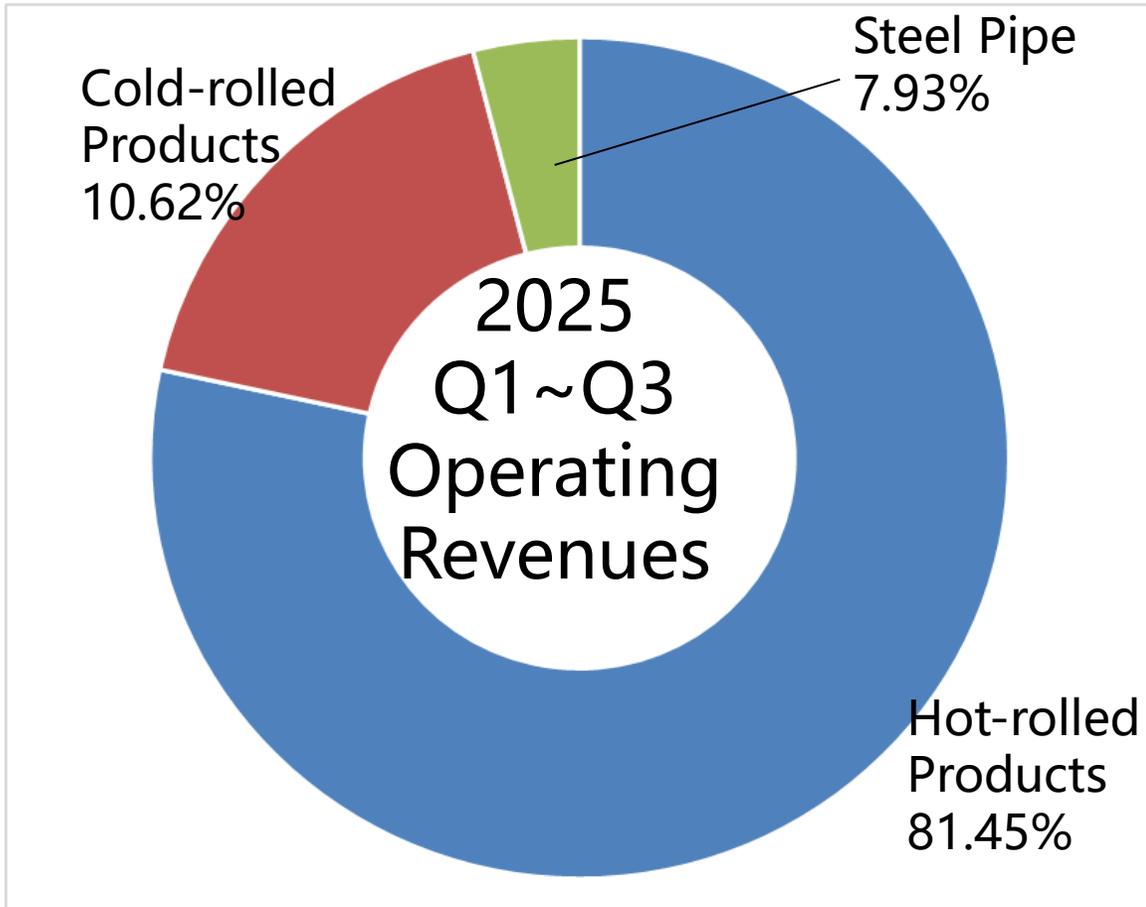
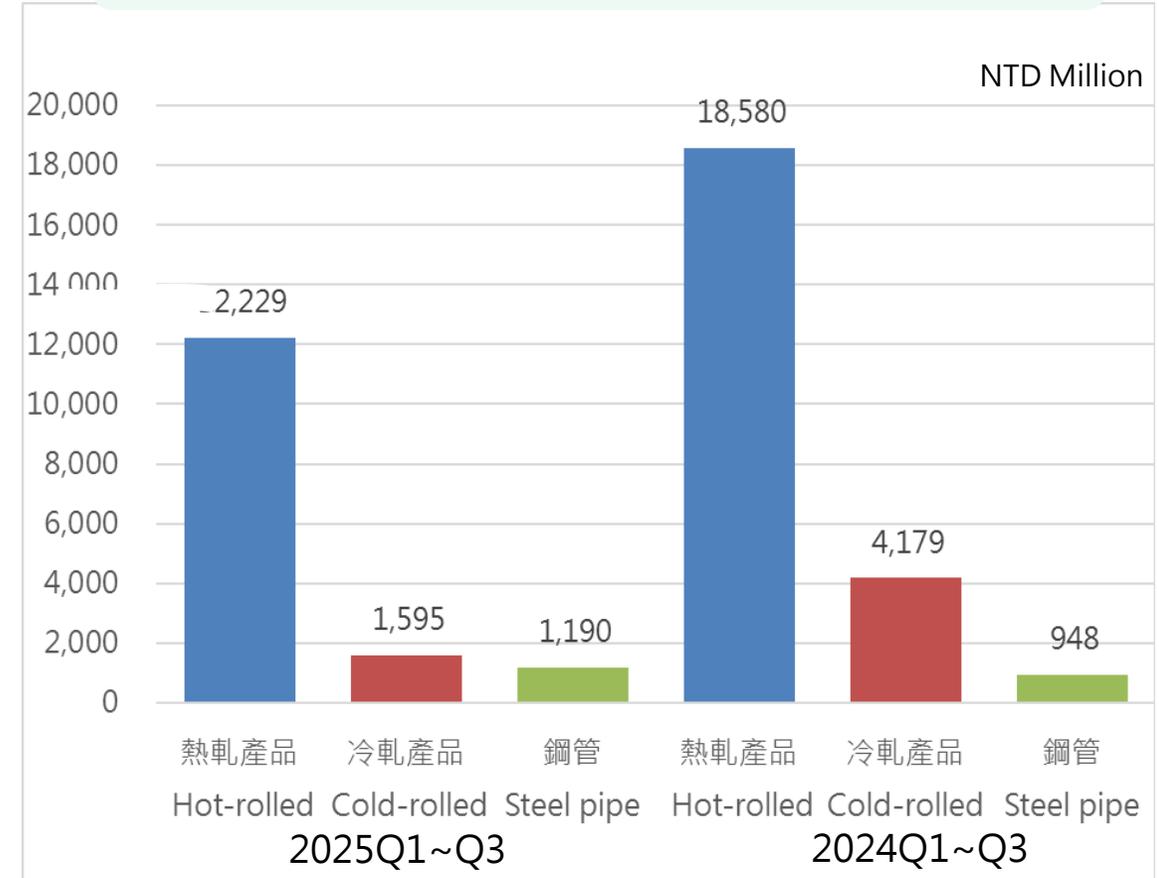
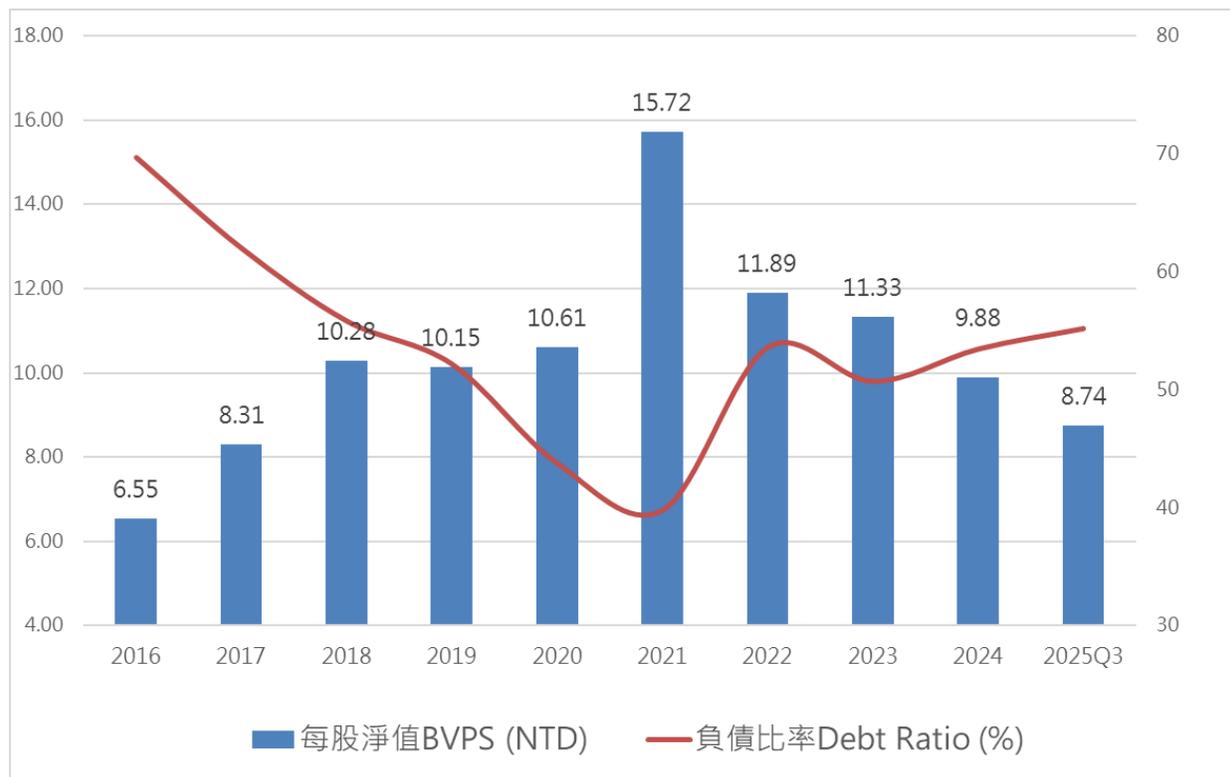


Table of Sales by Products

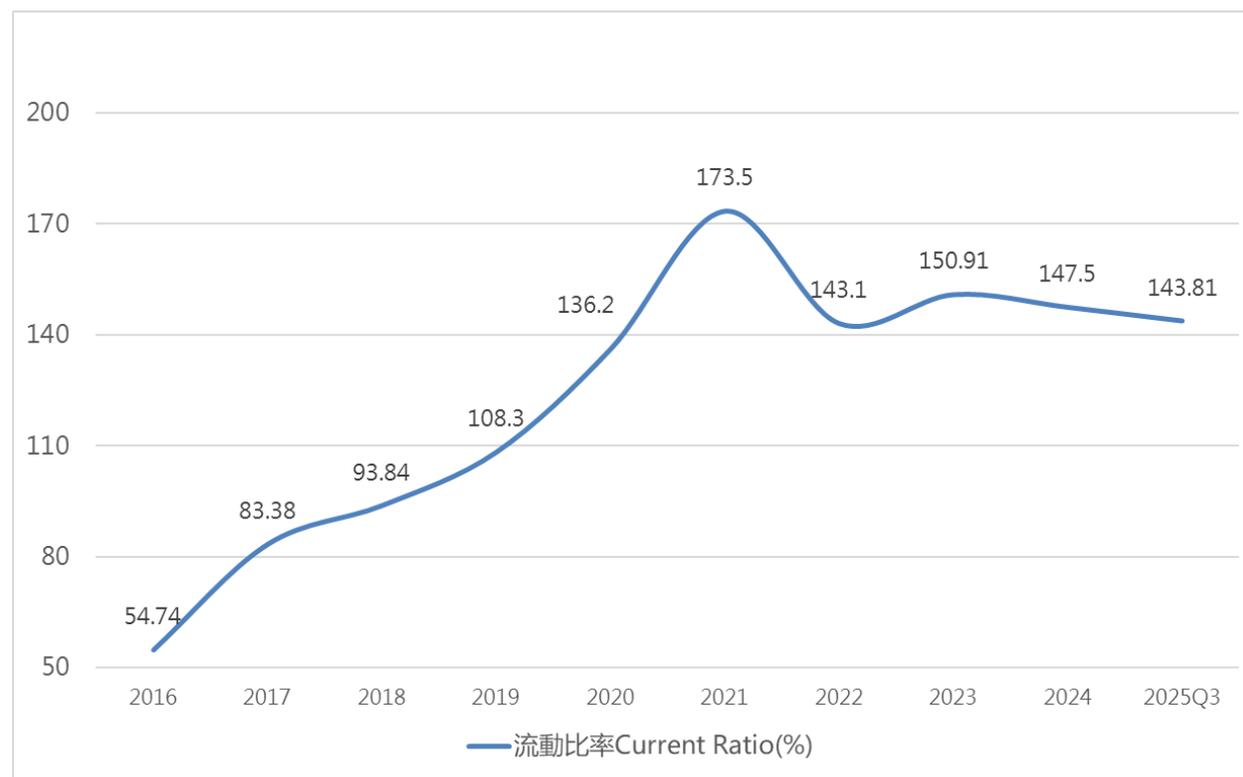


Financial Performance

Debt Ratio & Net Worth



Current Ratio



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Environmental

CHS attaches great importance to environmental and climate change issues, and achieves the goal of environmental sustainability by implementing carbon emission reductions, introducing carbon footprint inspections, and following TCFD framework for management.



Green house gas emissions reduce 5% compare to 2018 (basic year)



Discontinuation of hydrazine (toxic substance)



Follow the TCFD framework for climate-related financial disclosures



No environmental fines for five consecutive years

Reduce the risk associated with toxic substances by introducing a safer deoxidizing agent

To reduce environmental and occupational health risks, the company launched the “Hydrazine Deoxidizer Substitution Project” in 2024.

Hydrazine is classified as a Category 4 toxic substance and is known to be an endocrine disruptor with potential carcinogenic effects in humans.

The company conducted an evaluation of alternative options and selected carbonylhydrazide-based deoxidizers for testing and implementation.

After the verification period (from July 1 to October 31, 2024), the substitution was officially completed on March 22, 2025.



Substitution Results :

- ✓ Eliminated environmental risks associated with hydrazine, reducing the management burden of toxic substances.
- ✓ Maintained deoxidizing and anticorrosion performance, ensuring safe equipment operation.
- ✓ Improved process environmental quality, minimizing potential hazards to employees and the environment.

Social

CHS is committed to improving employee health, safety and health performance, and attaches importance to human rights policies to build a friendly and safe workplace. In addition, CHS has been deeply involved in social welfare for many years and contributes to the society through volunteer services and charity donations.



Announced human rights policy and conducted the first human rights due diligence



Developed a "Health Trend Chart" in the company's application system to support health risk tracking and timely monitoring of employees' health status.



Public welfare donations: NT\$2.833 million;
Volunteer participation: 420 person-times.



Awarded by the Ministry of the Interior as an Excellent Enterprise in Workplace Fire Safety SDGs Disclosure.

Governance



Second scale
(6%~20%) of
Corporate
Governance
Evaluation



Implemented the
TIPS intellectual
property
management
system.



0 case
violates
the code of
ethics cases



ISO 27001
Information Security
Management System
certified in 2024.

Rewards



The Pickling & Galvanizing Mill has passed the Performance evaluation of Occupational Safety and Health by the Ministry of Labor



Honors from the Steel Industry Association's 2024 Safety and Health Performance Evaluation

- The Hot Rolling Mill received the "Excellent Award" in the Rolling Category.
- The Pickling & Galvanizing Mill received the "Progress Award" in the Other Categories.
- The Steel Pipe Mill received the "Special Excellence Award" in the Other Categories.



Awarded the Top 500 Outstanding Importers and Exporters certification mark by the International Trade Administration, Ministry of Economic Affairs.



Awarded the Model Award for Air Quality Purification Zone Adoption by the Kaohsiung City Environmental Protection Bureau.

Q&A



ESG Report



CHS Financial Report



THANK YOU!