



CSC

May 19, 2025



Agenda

01 Company Overview

02 Operating Performance

03 Key Strategies

04 Appendix



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This presentation may contains forward-looking statements. All statements other than historical and current fact, without limitation, including business outlook, predictions, estimates, are forward-looking statements.

Such statements are based upon management's current beliefs and expectations and are subject to various risks, uncertainties and other factors that could cause actual outcomes and results to differ materially.

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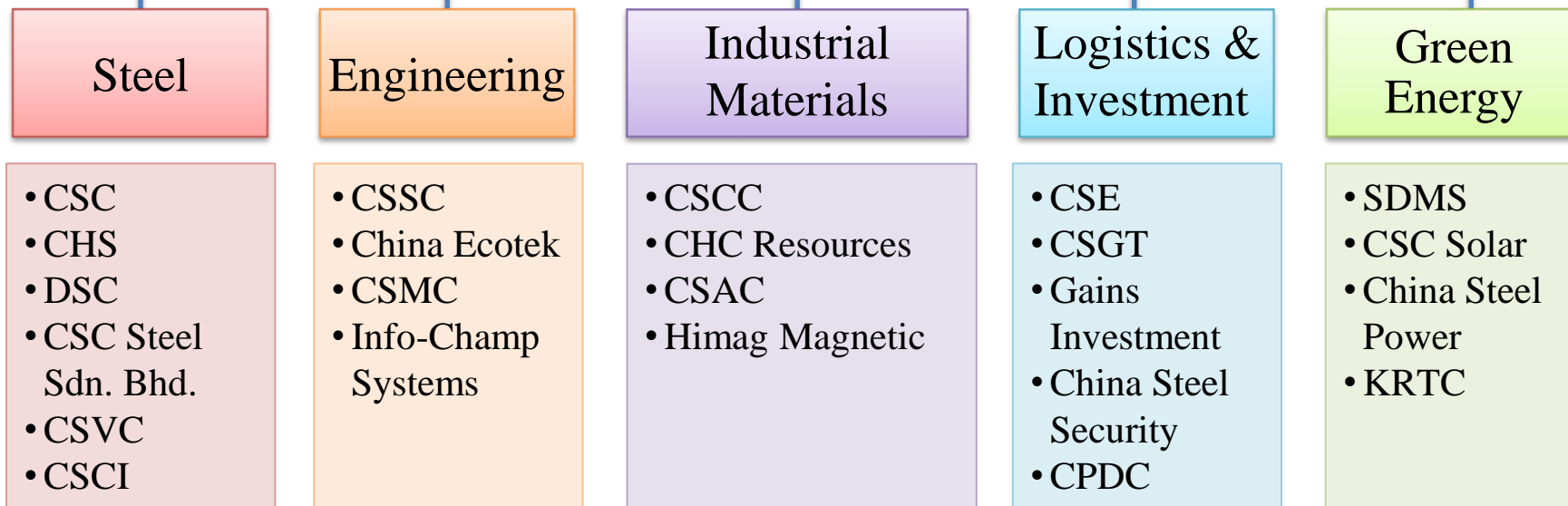
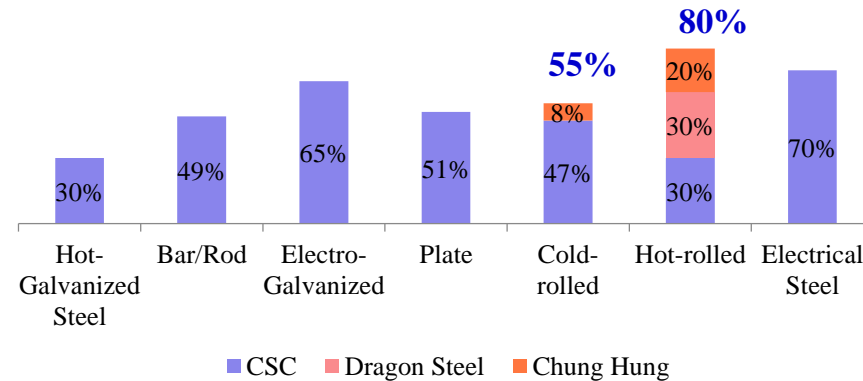
Company Overview



Company Overview – Business Snapshot

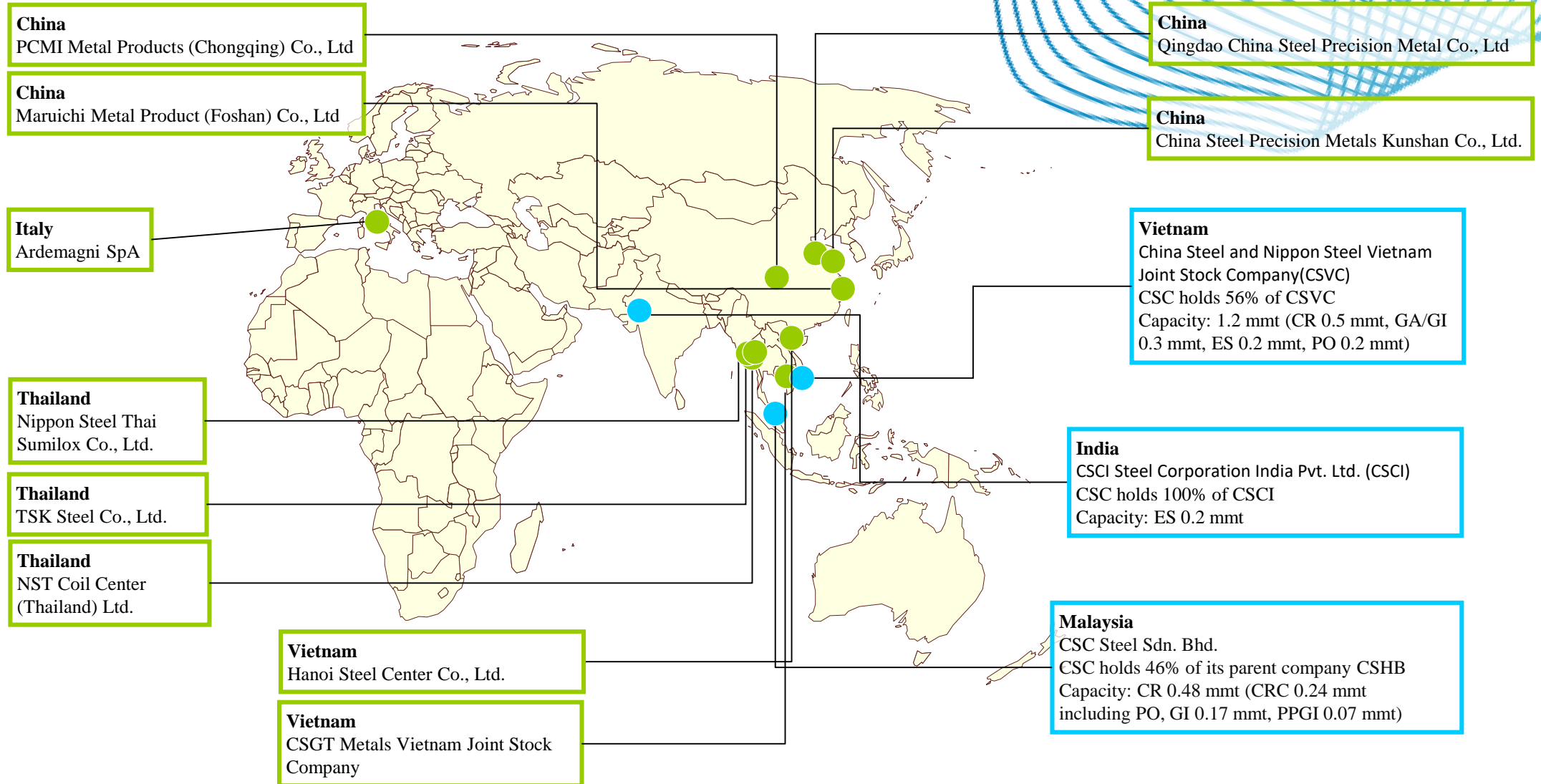
- CSC is the leading Taiwanese steel manufacturer with integrated production capabilities. Crude steel capacity of CSC Group reached about 16 mmt.
 - ✓ CSC: 9.9 mmt
 - ✓ DSC: EAF & No.1&2 BF around 6 mmt
- Dominant position in the domestic market
- Focus on Leading-edge Steel Mill & green energy business. Improve the percentage of high-end and high-margin products.

CSC Group domestic market share (2025.Q1)



Company Overview – Overseas Production Sites and Sales Channels

Established southbound overseas production sites and sales channels to breakthrough tariff barriers.



● Co-invest in coil centers with peers and customers through China Steel Global Trading Co.

● Overseas Investments of CSC group



02

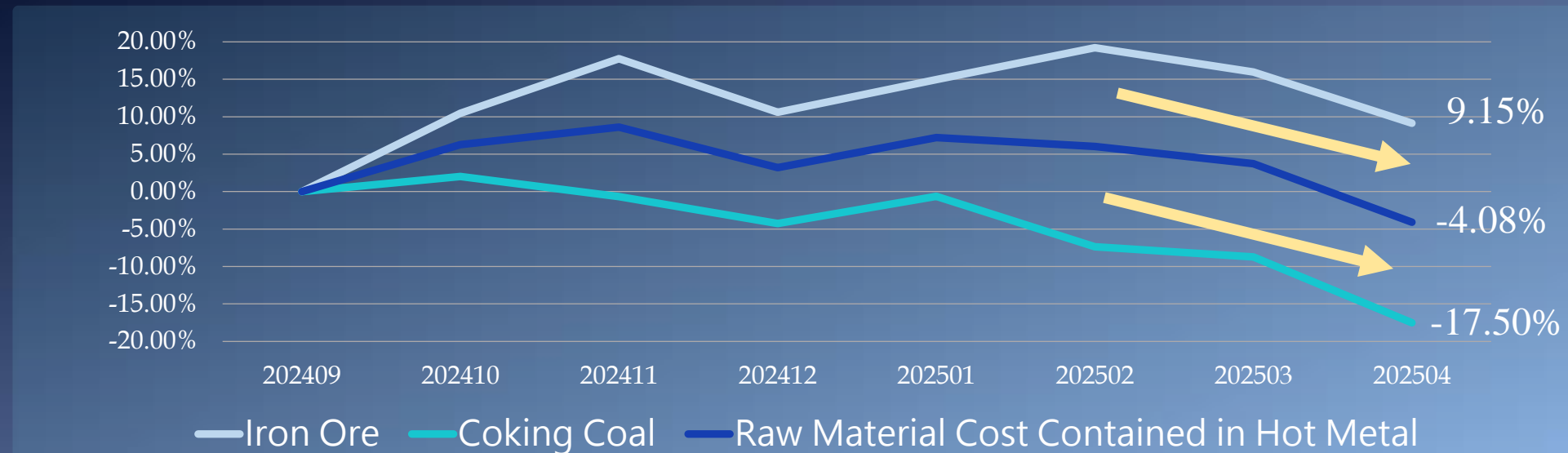
Operating Performance



Raw Material Trend - Iron Ore & Coking Coal

- Coking coal: In 2025 Q1, the ample supply from Australia and the weak demand from steel mills sent the coking coal prices down.
- Iron ore: At the beginning of 2025, iron ore prices rose slightly from the lows in recent years, driven by expectations of economic stimulus in China and a rebound in steel prices. In recent months, China's steel production has rebounded. However, the persistently low profit margins at steel mills, uncertainty surrounding U.S. tariff policies, and expectations of future output cuts reducing raw material demand have once again put downward pressure on prices.
- Overall, raw material procurement prices have been slightly declining since the beginning of 2025.

**Percentage change of incoming raw material price
(compared to Sep. 2024)**



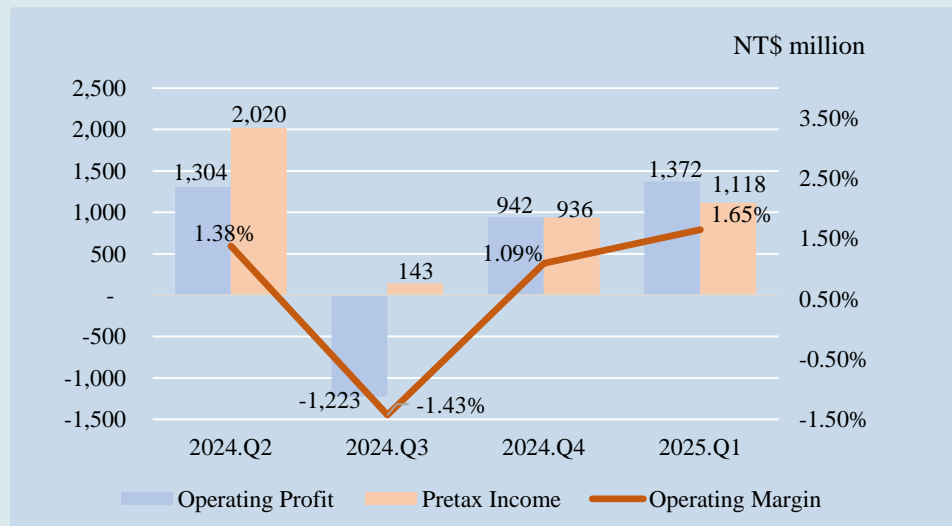
Consolidated Financial Performance

Latest operating results

Amount: NT\$ million

Item	2025.3	2025.2	MoM	2025.1~3	2024.1~3	YoY
Operating Revenue	29,296	28,162	4%	83,170	93,754	-11%
Operating Income	376	719	-48%	1,372	769	+78%
Operating Income Margin	1.28%	2.55%		1.65%	0.82%	
Income Before Income Tax	407	508	-20%	1,118	1,479	-24%

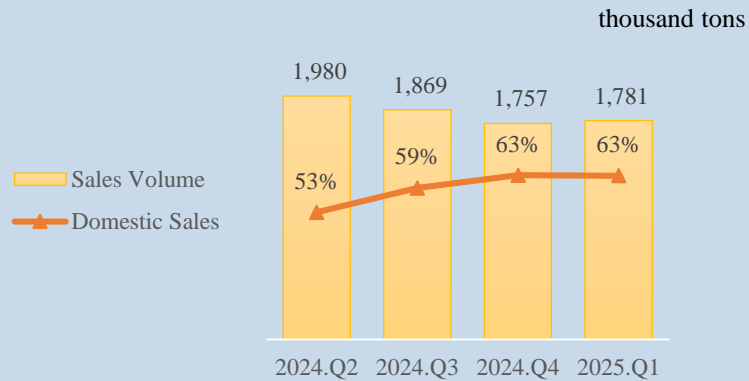
Quarterly profits trend



- ✓ In the second half of 2024, the steel market was weak at first but later stabilized. Profits were under pressure in Q3; however, in Q4, the profitability recovered as raw material costs declined and profits from China Steel Power contributed.
- ✓ In Q1 2025, steel prices saw a slight increase while costs declined, leading to continued improvement in profitability.

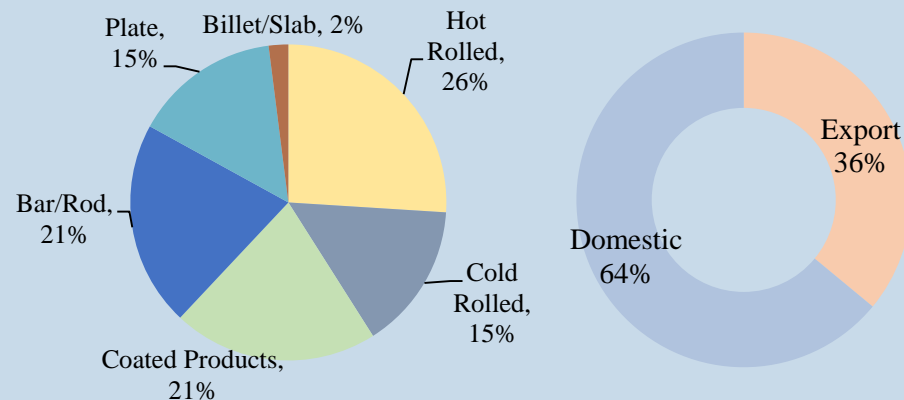
Standalone Production / Sales Performance

Sales analysis

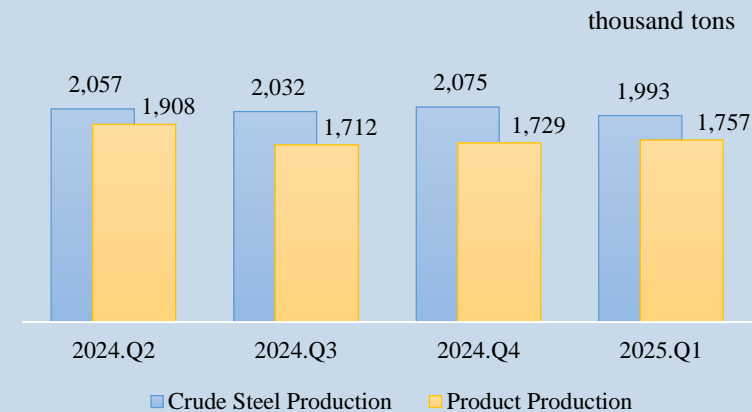


- ✓ In the second half of 2024, the steel demand was weak and export shipments declined due to international competitive pressures. Additionally, fewer working days in October caused by National holiday and typhoon days off resulted in lower sales volumes.
- ✓ In Q1 2025, market sentiment turned optimistic following the positive news such as the U.S. ending tariff exemptions for steel from other countries and hopes for peace talks between Russia and Ukraine. However, due to fewer working days because of CNY, the sales volumes only increased slightly.

2024 Sales value breakdown



Production analysis

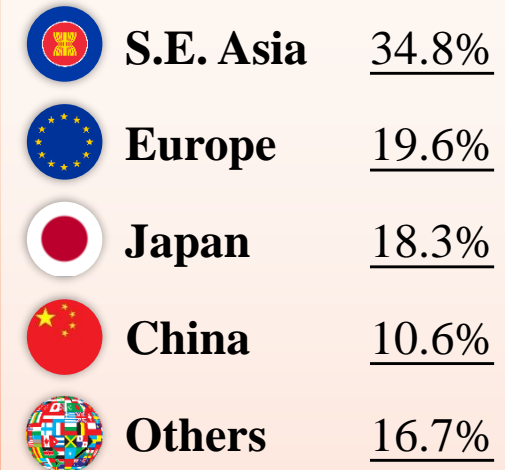
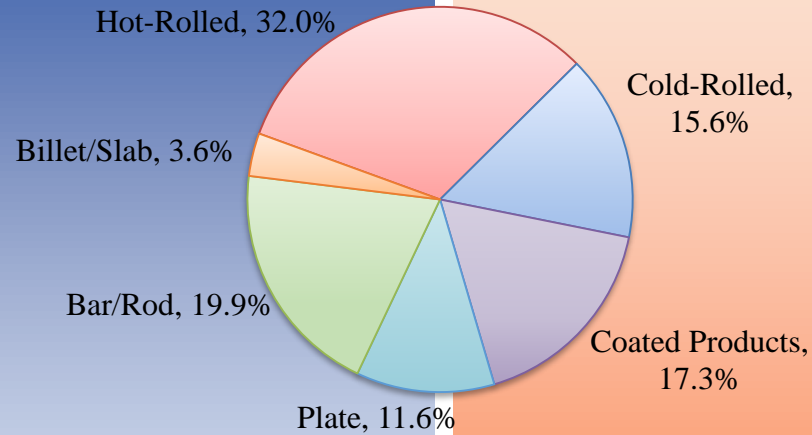
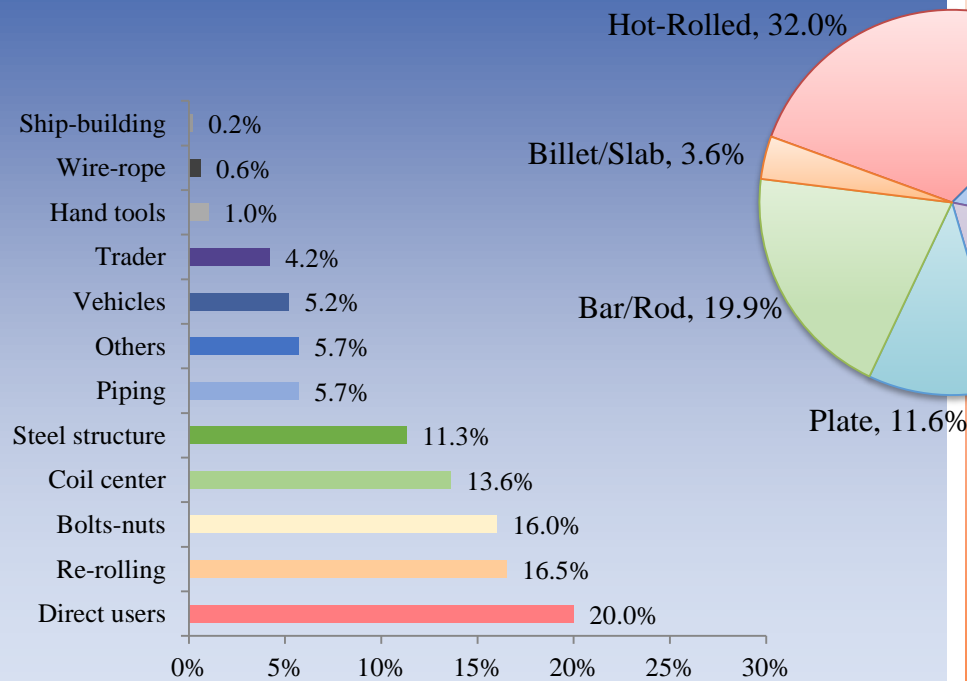


Sales Analysis – CSC Standalone

2025.Q1 sales volume totaled 1.78 million tons - Sales Breakdown

Domestic

62.63%
1.11 million tons



37.37%
0.67 million tons

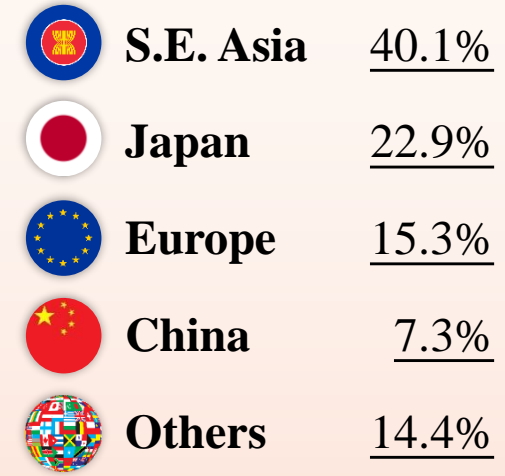
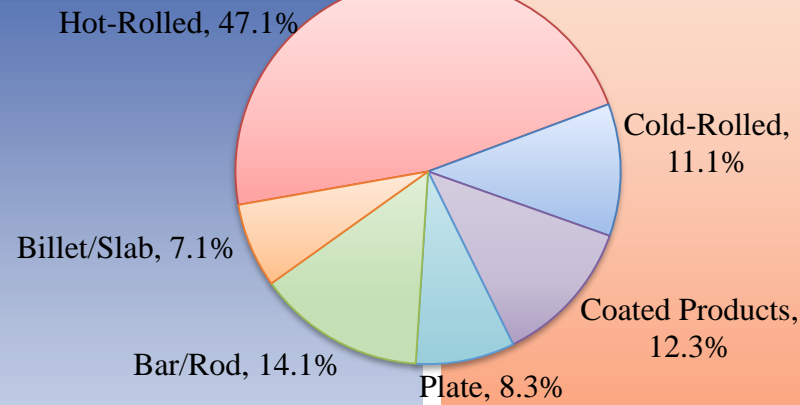
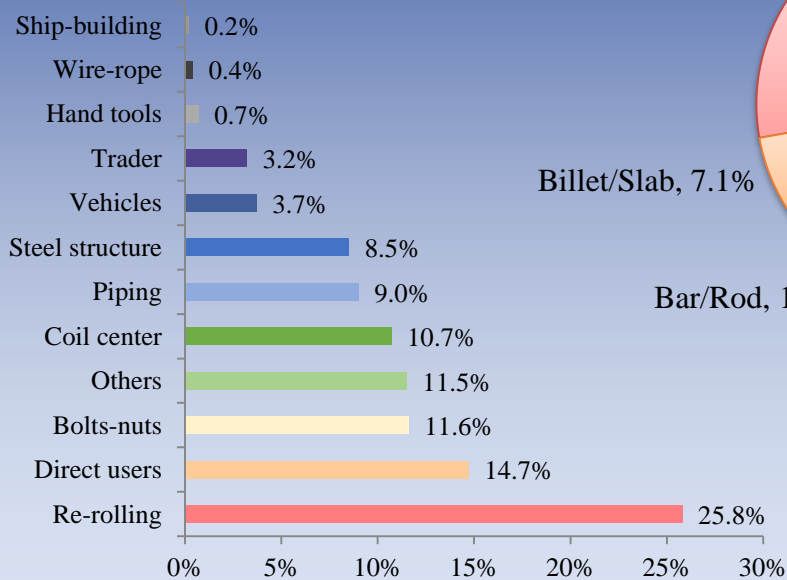
Export

Sales Analysis - CSC & BF Products of DSC

2025.Q1 sales volume totaled 2.51 million tons - Sales Breakdown

Domestic

61.35%
1.54million tons



38.65%
0.97 million tons

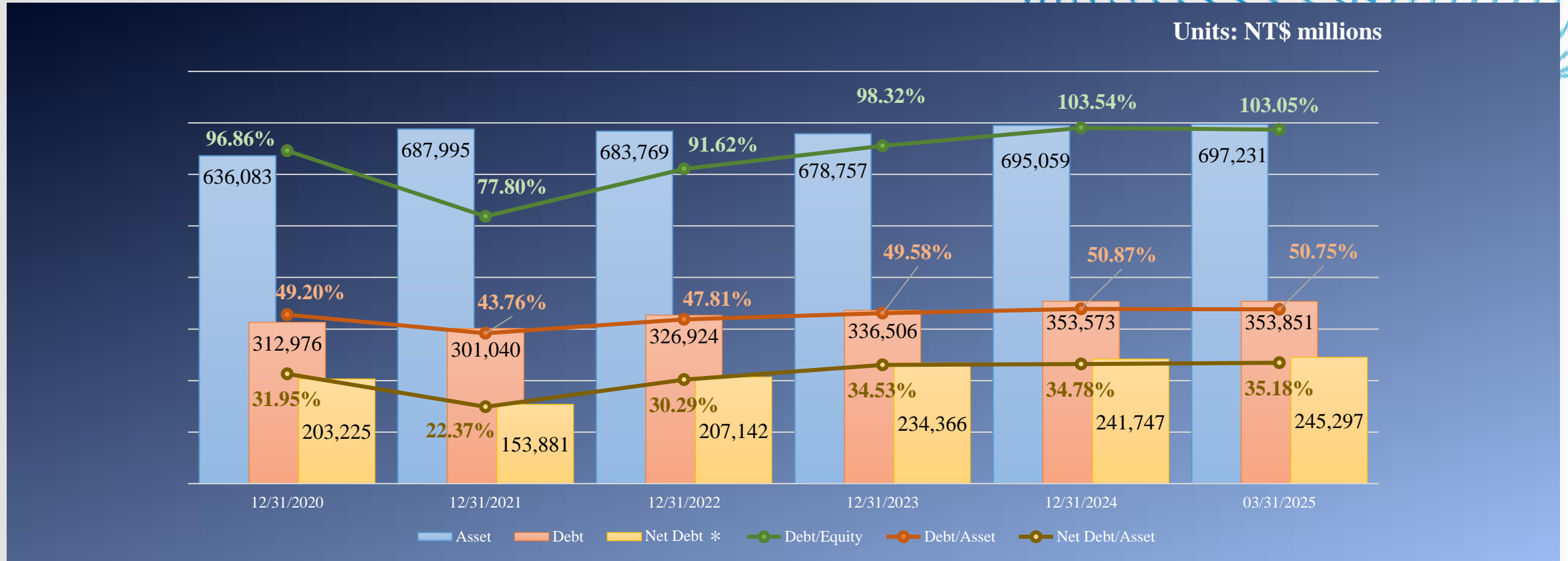
Export

Consolidated Income Statement

Units: NT\$ millions

	2025.Q1	2024.Q1	YoY
Revenues	83,170	93,754	-11%
Gross profit	4,604	4,107	+12%
Gross margins	5.54%	4.38%	
Profit before tax	1,118	1,479	-24%
<u>Net profit</u>	<u>814</u>	<u>1,132</u>	-28%
Attributable to			
Owners of the corporation	243	641	-62%
Non-controlling interests	571	491	+16%
Earnings Per Share (NTD)	\$0.02	\$0.04	-50%

Consolidated Financial Position

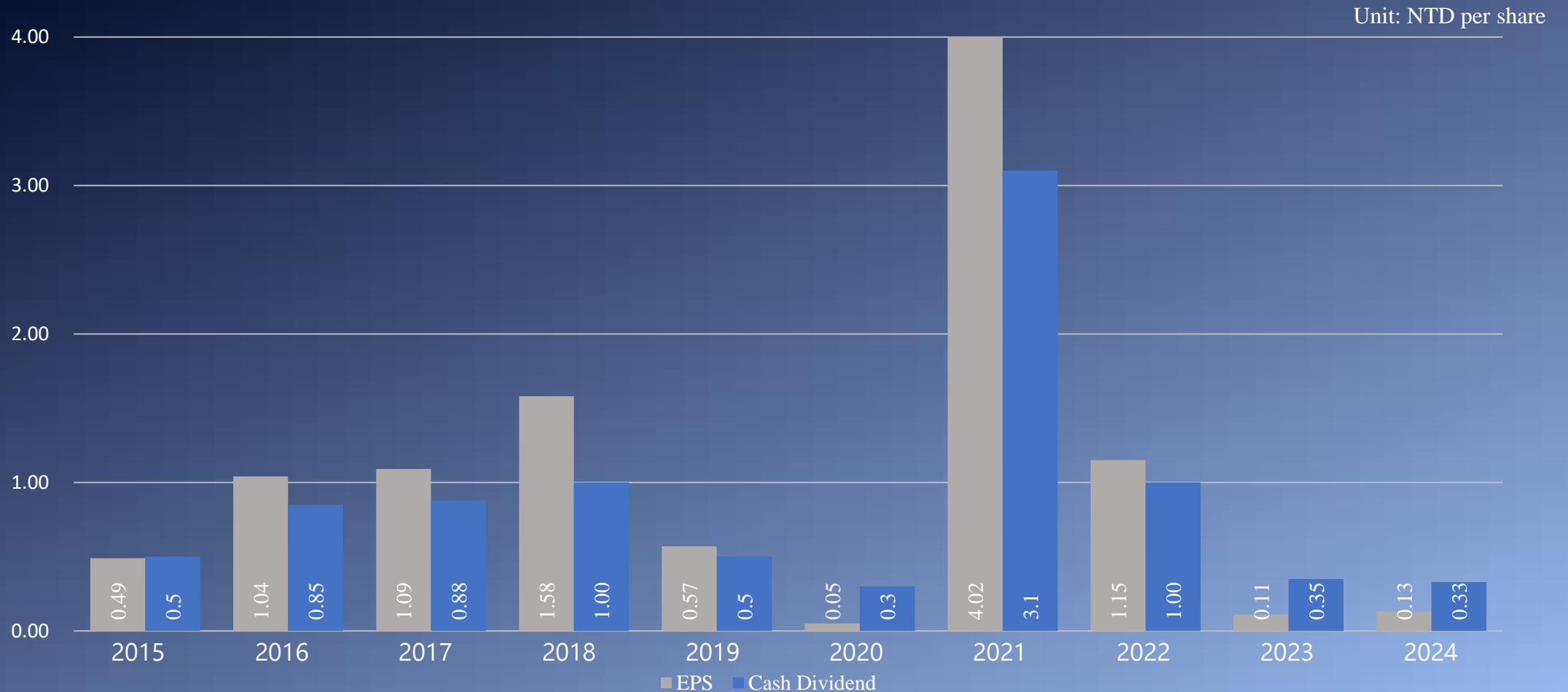


- ✓ In response to the environment of rising interest rates, multiple domestic financing channels, such as issuing corporate bonds, are used to reduce the impact of rising financial costs.
- ✓ Credit rating: Taiwan Ratings twAA- ; Outlook Negative (2025.04.24)
Fitch Ratings AA (tw); Outlook Stable (2025.04.14)

* Net debt = Interest Bearing Debt – cash & cash equivalents – (*financial assets at fair value through profit or loss-current* + *financial assets at fair value through other comprehensive income-current*)

Historical EPS and Dividends Paid

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash Dividend payout(%)	102	82	81	63	88	600	77	87	318	254





03

Key Strategies



2 Core Strategies, 10 Operating Strategies



Develop Advanced
Premium Steel



Establish Excellent
Manufacturing
Capability



Improve Marketing
Capability



Deepen the Upgrade
of Steel-using
Industry



Develop and Enhance
Carbon Reduction
Technologies

Promote to High Value-added Steel Mill
Develop Green Energy Business

Digital Transformation
Low-carbon Transformation
Supply Chain Transformation



Introduce the
Application of AIoT



Explore and Cultivate
in the Green Industry
Business



Pass on and
Enhance Corporate
Culture



Move towards High
Productivity



Build up Highly
Efficient Business
Systems and Processes

Optimal Capacity & Lines Consolidation

Optimal Capacity Planning

- Facing the global steel oversupply and low-price dumping, with the advent of the carbon neutral era, economic structures have changed. In response to these changes, CSC has shifted its focus from production-oriented to **quality-oriented**. By **shutting down or consolidating weaker production lines**, we can **improve resource utilization** and **lower production costs**, creating new opportunities for business transformation. Less is more.
- Setting 2030 as the target year, CSC plans to consolidate production capacity for **under-utilized** and **aging lines** to achieve optimal capacity.

➤ High-Value Product Developments

- Develop **Advanced Premium Steel** and direct resources to high value products.
- Guide downstream industries to produce high value-added products, lead the **upgrade** of Taiwan's **steel industry**, and enhance overall competitiveness.



➤ Effective resource utilization

- Optimize production efficiency and **enhance the use of water, electricity, and other resources**.
- Fulfill corporate social responsibility and achieve **carbon reduction** goals.



➤ Reduce production costs

- Improve the efficiency of production lines and **reduce process costs**.
- Modify organizational structure and **reduce labor costs**.



Optimal Capacity & Lines Consolidation

Implementation Status

6 production lines (equipments) have been shut down.

- Vacuum Oxygen Decarburization (since 1994)
- Batch Annealing Line (since 1982)
- #1 ROD Mill (since 1977)
- Electrical Steel Coating Line (since 1997)
- #1 Hot Rolled Temper Mill & Recoil Lines (since 1982)
- #1 Continuous Annealing Lines (since 1988)

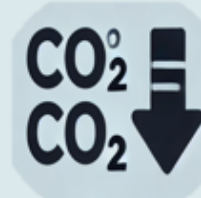
Long-term planning and benefit evaluation

Capacity consolidation



Review and consolidate a total of 26 production lines across ironmaking, steelmaking, and rolling.

Carbon emissions reduction



Reduce process carbon emissions by 2.915 million tons of CO₂e per year.

Cost reduction



Improve efficiency and reduce process costs by about NT\$ 1.355 billion per year.

Organization re-arrangement



Streamline the organization structure by 4.07%, reducing labor costs by about NT\$ 606 million per year.

Develop Advanced Premium Steel

Definition of Advanced Premium Steel (APS)

Products with "High Technical Content, High Profitability, High Industrial Benefit."

Focus on 8 items (Meet customers' needs & Industry trend)

High-Quality Forging Steels	Superior Hand Tool Steels	High Performance Structural Steels	Steel for Green Energy	Ultra-High Strength and Toughness Steels	Advanced Alloy Steels	Cross-Generational Automotive Steels	Ultra-High Efficiency Electrical Steels
							

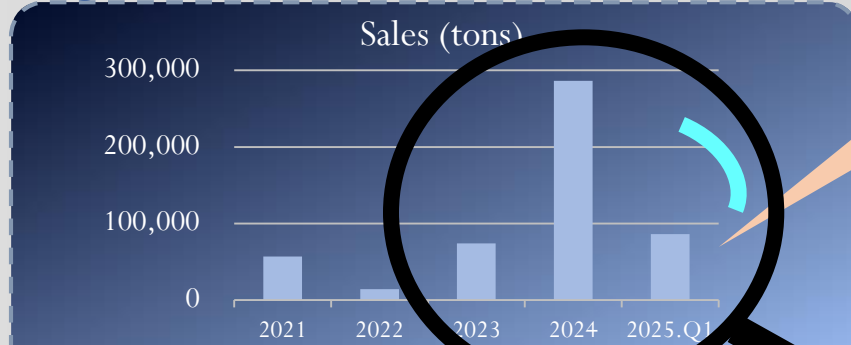
Advanced Premium Steel proportion target (%) (APS sales volume target divided by total sales volume target, which does not include slab, and bloom, and billet.)

Year	2025	2026	2027	2028	2029	2030
Advanced Premium Steel proportion <small>(APS sales volume target divided by total sales volume target, which does not include slab, bloom, and billet.)</small>	11.8%	13.5%	15.2%	16.9%	18.6%	20.3%
Advanced Premium Steel volume <small>(ten thousand tons)</small>	87.4	101.9	116.9	132.2	144.0	159.0

➤ In 2025Q1, the sales volume of APS reached 225 thousand tons, the sales volume of APS reached 13.2%, sales revenues of APS reached 19.9%, and gross profits of APS reached 76.0%. The high technical content and application value of APS can enhance profitability and customer loyalty of the company, as well as better withstand economic fluctuations.

Sales Performance of Advanced Premium Steel

High Performance Structural Steels

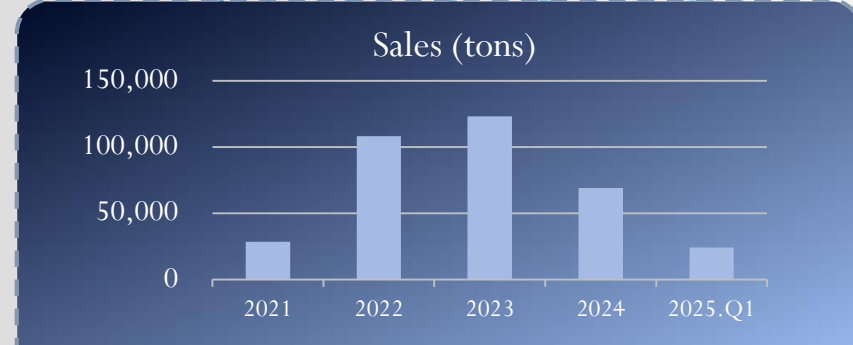


Sales continued to grow in 2025Q1

Sales volume **grew by 66%** YoY in Q1 2025 due to the investment of returned Taiwanese companies and strong economic growth of Taiwan.

Existing construction projects will continue, even with the Taiwan housing control policy and Trump 2.0 effects. The outlook is **cautiously optimistic**.

Ultra-High Efficiency Electrical Steels



EV is **future industry trend**. Verification by new potential automobile customers is currently undergoing and passed. Orders from EV makers go smoothly.

Energy-saving home appliance sales is booming but Trump 2.0 may affect purchases by major U.S. EV makers. The outlook for the first half of the year is **cautiously optimistic**.

Orders grew significantly

SM570

YoY +63%

- Sales volume in Q1 2025 totaled 65 thousand tons, an increase of 25 thousand tons compared to the same period last year.
- Benefiting from the decent steel consumption in Taiwan's steel structure market and the significant increase in **public awareness of shock resistance safety, the orders of CSC's SM570 series steel have grown significantly**.
- Currently, steel structure manufacturers have order visibility extending into the end of 2025, and overall demand is expected to be supported. However, the government has turned conservative in the economic outlook for this year and next, coupled with the central bank's continually intensified measures to reduce property speculation. As a result, the order outlook for 2025 is **aiming at remaining on par with the actual performance of 2024**.

Deepen the Upgrade of Steel-Using Industry

Facilitating industry 4.0

Constructing industry cloud: To increase the **collaborative operational efficiency** of production and sales among factories in the industrial clusters.

Introducing AI technology: To enhance smart manufacturing, production and marketing capabilities.

Collaborative R&D

Establishing **Joint Research Laboratories** to conduct **integrated research** from materials to end products to improve the **innovative effect** of the industrial chain, such as developing **Hand tool digital aided design system** and **Automobile integrated door ring hot stamping technology**, in order to create a win-win situation for both customers and us.



Cultivating core technologies

Integrating resources from industries, government, academia and research institutes to execute projects like **Industry and Academia Alliance** and **Forward-Looking Technology and Industry-Academia Collaboration**, such as developing **low carbon iron making technologies** suitable for Taiwan and promoting the **development of motors for drones and high-end electric vehicles** in NCKU Electric Motor Technology Research Center.

Upgrading of steel-using industry

Promoting the upgrading of steel-using industry by **organizing R&D alliances** and **applying for technology development program** to invest in joint research and development, to achieve the goal of industrial upgrading.

Integrating resources from industries, government, academia and research institutes to facilitate supply chain transformation.

Generating demand and industrial application benefits for Advanced Premium Steel.

Cultivate in the Green Industry Business – Official Operation of Wind Farm in 2025

CSC shareholding

51%
(CIP 49%)

Total investment

**around NTD
55 billion**

Power generation(e)

1.1 billion kWh/yr



Construction & Operating performance

- The installation of all 31 wind turbines was finished in August 2024, with overall power generation performing well.
- CSPC successfully completed the Energy Administration's review, and was granted the electricity entrepreneur license in late April 2025. It is expected to **officially commence commercial operations** in May.



Cultivate in the Green Industry Business – Solar Power

CSC group
shareholding

100%

■ CSC 55% ■ CSCC 15%
■ CEC 20% ■ DSC 10%

Capital

NTD 1.744 billion

Capacity Installed

101.0MW

(until the end of April 2025)



Operating
performance

(until the end of April 2025)



Electricity output
686 million kWh



Revenues from electricity sales
3.23 billion



Carbon reduction
around 342k tons



Equivalent to the CO₂ absorption of
1,954 Kaohsiung Central Park

Note: Estimated based on each year's Taipower electricity carbon emission factor

Year	2017~2022	2023	2024	2025	Total
Actual Capacity Installed (MW)	92.4	5.5	2.7	0.4(until April)	101.0
Electricity Output (100m kWh)	4.35	1.05	1.11	0.35 (until April)	6.86

Future
installation

2~3MW/yr ; the 2025 target of 100MW have been achieved earlier in 2024,
and the total installed capacity is expected to reach 120MW by 2033.

- Keep developing rooftop PV Systems in CSC group industry chain based on the regulation on users with high power consumption in Renewable Energy Development Act and Local Self-governing Green Building Regulations.
- Electrical business license (**accumulated 63.5MW**) has been obtained to gradually increase the proportion of renewable energy used by the group companies. In 2024, the green energy supplied to the group reached more than **61.49 million kWh**, and **more than 61,490 green energy certificates** were obtained.

Decarbonization Pathway

Base year: 2018 (Scope 1+2)

2025

2030

2050

7% reduction

25% reduction

Carbon Neutrality

The final path

Carbon free power + Replacing carbon by hydrogen + CCUS

External Conditions

Carbon Free Power

Green Hydrogen

BF-BOF route

Scrap → Increase scrap use → BOF

Continuous Casting

Electrification/ Carbon free fuel

Rolling

Cogeneration plant

Iron Ore

Coking Coal

Sinter plant

Coking plant

COG

BF

Low carbon BF

LDG → CO · CO₂ → Acetic acid, Methanol, EVA

Carbon-free BF

CO₂ Carbon Capture and Storage CCS

Direct Reduction Process

H₂-DR route

Hydrogen based direct reduction iron making

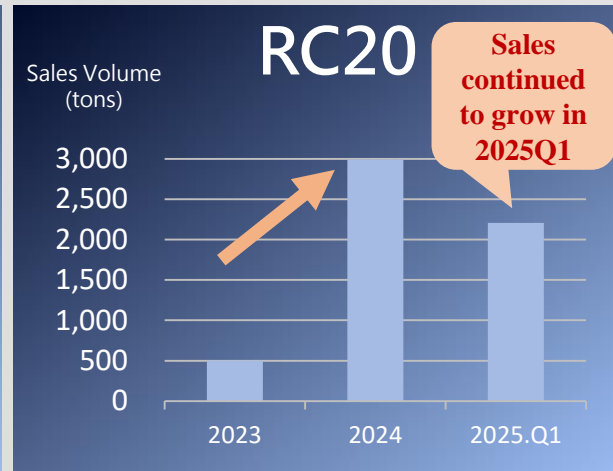
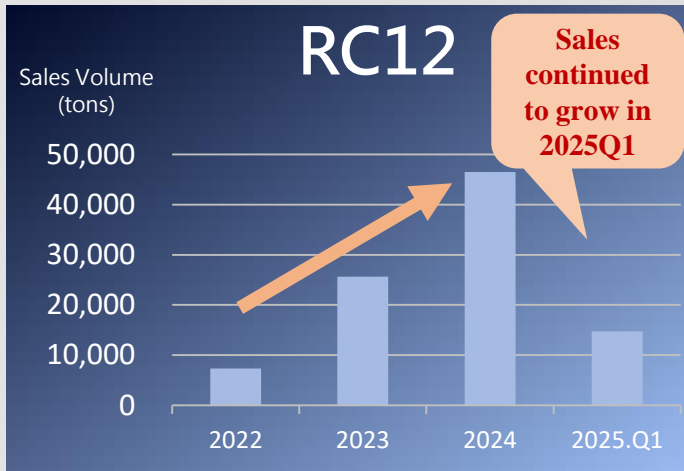
HBI

DRI

EAF

- The medium- to long-term strategies will face the challenges of **technology, resources, and capital**, resulting from the lack of mature technology and green hydrogen resources, as well as the required equipment modification.
- Currently developing hydrogen steelmaking process. In the early stages, **natural gas is used as a hydrogen source** and injected into the blast furnaces to replace part of carbon, thereby **reducing CO₂ emissions from the BF steelmaking process**.

Steel Products with High Recycled Content Keep Growing



The sales volume of steel products with a scrap ratio of 12% and 20% increased significantly.



- Actively develops steel products with high recycled content. CSC obtained **UL2809 RC12 (scrap ratio of more than 12%) certification** in 2021, and then obtained **UL2809 RC20 certification**. These products have been introduced and used by many leading technology manufacturers for applications in computers, servers, display backplanes, etc. In 2024, we cooperated with subsidiary DSC to produce **products with scrap ratio of more than 60% by adding molten iron in the EAF, and obtained UL2809 RC60 certification**. The steel products with high recycled content will be developed continuously.
- Steel products with high recycled content (RC30) are planned to be developed to produce IF steel. **IF steel with RC30 has obtained UL2809 certifications** in 2025.

ESG Performance

- ★ 2025.04 **Received score of (A-) Leadership level on “Climate Change” for two consecutive years, and score of (A-) Leadership level on “Water Security” for the first time**
- ★ 2024.12 **Selected as a component in both DJSI-World and DJSI-Emerging Markets and achieved the global steel industrial leader**
- ★ 2024.12 Won the 2024 “Top 10 Most Prestigious Sustainability Awards-Domestic Corporates” by Taiwan Institute for Sustainable Energy (TAISE)
- ★ 2024.11 Selected as one of the Excellent Manufacturers for Voluntary Reduction of Industrial Greenhouse Gas by the Industrial Development Administration, MOEA for 14 consecutive years
- ★ 2024.11 Won “Sustainable Development Award” by BSI
- ★ 2024.11 Won 8 awards, including Climate Leadership, Water Resource Leadership, Circular Economy Leadership, Growth Through Innovation Leadership, Talent Development Leadership, Supply Chain Leadership, and Aging-Friendly Leadership of Taiwan Corporate Sustainability Awards (TCSA), as well as Corporate Sustainability Reporting Silver Award of Global Corporate Sustainability Awards (GCSA)
- ★ 2024.10 Won 2024 "Net Zero Industry Competitiveness Award" special award by 21st Century Foundation
- ★ 2024.08 Won 1 Gold Award and 2 Bronze Awards in the Taiwan Sustainability Action Award by Taiwan Institute for Sustainable Energy (TAISE) with sustainable projects such as digital transformation
- ★ 2024.04 Recognized as 2024 Sustainability Champion by the World Steel Association





Thank you



04

Appendix



Segment Revenues and Operating Results

Unit : NTD Thousands

2025.Q1	Steel Department	Non-steel Department	Adjustment and Elimination	Total
Revenue from external customers	\$ 62,680,179	\$ 20,490,044	\$ -	\$ 83,170,223
Inter-segment revenue	11,807,203	12,664,431	(24,471,634)	-
Segment revenue	<u>\$ 74,487,382</u>	<u>\$ 33,154,475</u>	<u>(\$ 24,471,634)</u>	<u>\$ 83,170,223</u>
Segment profit (loss)	(\$ 1,270,734)	\$ 2,772,368	(\$ 129,855)	\$ 1,371,779
Interest income	75,375	208,849	(25,936)	258,288
Financial costs	(724,217)	(574,623)	52,838	(1,246,002)
Share of the profit (loss) of associates	(652,891)	1,085,675	(375,306)	57,478
Other non-operating income and expenses	487,591	366,222	(177,130)	676,683
Profit (loss) before income tax	(2,084,876)	3,858,491	(655,389)	1,118,226
Income tax (benefit)	(210,003)	562,600	(48,193)	304,404
Net profit (loss) for the period	<u>(\$ 1,874,873)</u>	<u>\$ 3,295,891</u>	<u>(\$ 607,196)</u>	<u>\$ 813,822</u>