HSIN KUANG STEEL CO., LTD.

2019年12月11日法人說明會

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Company Profile

Company Profile

Chairman	• Alexander M.T.Su
Established & Stock listing	• Established in 1965
	• Stocks listed in 2000
Capital and Employees	• Capital：NT $ 3.1 billion
	• Employees：280人
Revenue and sales in 2018	• Revenue : NT $ 8.836 billion
	• Tonnage sold: 340,000 tons
Headquarters & Factory	• Headquarters：Located in New Taipei City
	• Taoyuan Guanyin District Factory
	• Changhua County Changbin District Factory / APEX
	• Chiayi County Factory/ HUA (Pipe Manufacturing)
	• Tainan City Xinji District Factory
	• Kaohsiung City Factory (Steel Structure)
Quality certifications and awards	• ISO9001 2015
	• ISO14001
	• ISO45001
	• 金商獎
	• 國家磐石獎
	• 天下雜誌2000大企業排名第338名
	• TCSA『企業永續報告書獎』銅獎

Market positioning: We are the value chain integrator in the steel industry

全省佈局

STEEL LOGISTICS


GCSF
Global Corporate Sustainability Forum
全球企業永續論壇
2019
GCSA
TCSA
新光
HSIN KUANG
新光鋼鐵
股份有限公司
HSIN KUANG STEEL
CO., LTD.
企業永續報告書-銅獎

Industry Trend Analysis

State of the steel industry in 2019

- At the beginning of 2019, the breakwater incident in Brazil's Vale led to a sharp rise in iron
- Up to around USD120 / mt
- However, the recovery progress of the bankruptcy event exceeded expectations, and there was no shortage of iron ore supply in a short time
- Trade frictions between China and the U.S.A.
- In 2019, iron ore fell sharply to USD80 / mt, and steel prices also followed its pace
- Nickel price was affected by Indonesia's export ban. It started to rise sharply in July 2019 and fell again in October.

Iron Ore

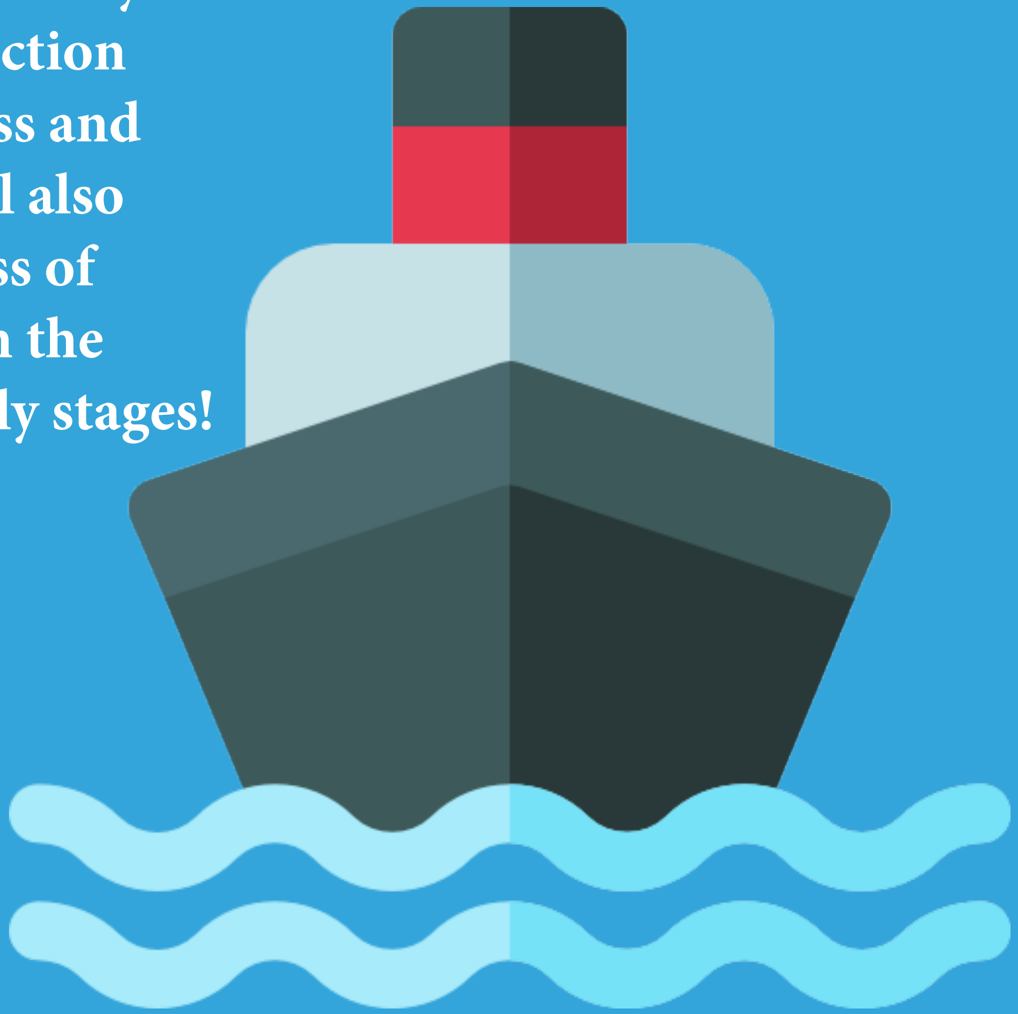
Iron Ore (USD/MT) O 86.50 H 88.00 L 86.50 C 87.50
120
110
100
87.50
80.000
70.000
60.000
50.000
40.000
2015
2016
2017
2018
2019
2020
2019年鐵礦石價格歷經短時間的暴起暴落
2019年底，鋼價落底，止跌回穩
1Y 5Y 10Y All
資料來源：https://tradingeconomics.com/commodity/iron-ore
% num dif

2020 steel industry

- Global trade is shrinking, but the economy has not yet entered a recession
- Consumers and employment remain strong despite slowing business investment growth in the US
- Developed countries are expected to adopt a modest expansionary fiscal and monetary policy
- Industrial destocking phase is coming to an end / steel prices have bottomed out and rebounded
- Taiwan is expected to be a beneficiary of rade frictions between China and the U.S.A
- The amount of Taiwanese investors' return investment is NT$700 billion

Taiwanese investment exceeds 700 billion

- The benefits of many factory construction cases in progress and
- re-ordering will also drive the success of steel demand in the middle and early stages!



Investment / turnover benefits

Operating strategy

Sales and value chain integration

營業管理-多元銷售、提供客戶解決方案

持續開發新客戶、新鋼種

強化專業知識
標準化服務內容

建立品牌形象/產品履歷

協同合作策略/供應鏈合作策略
多元銷售、解決方案

持續深耕直接用戶

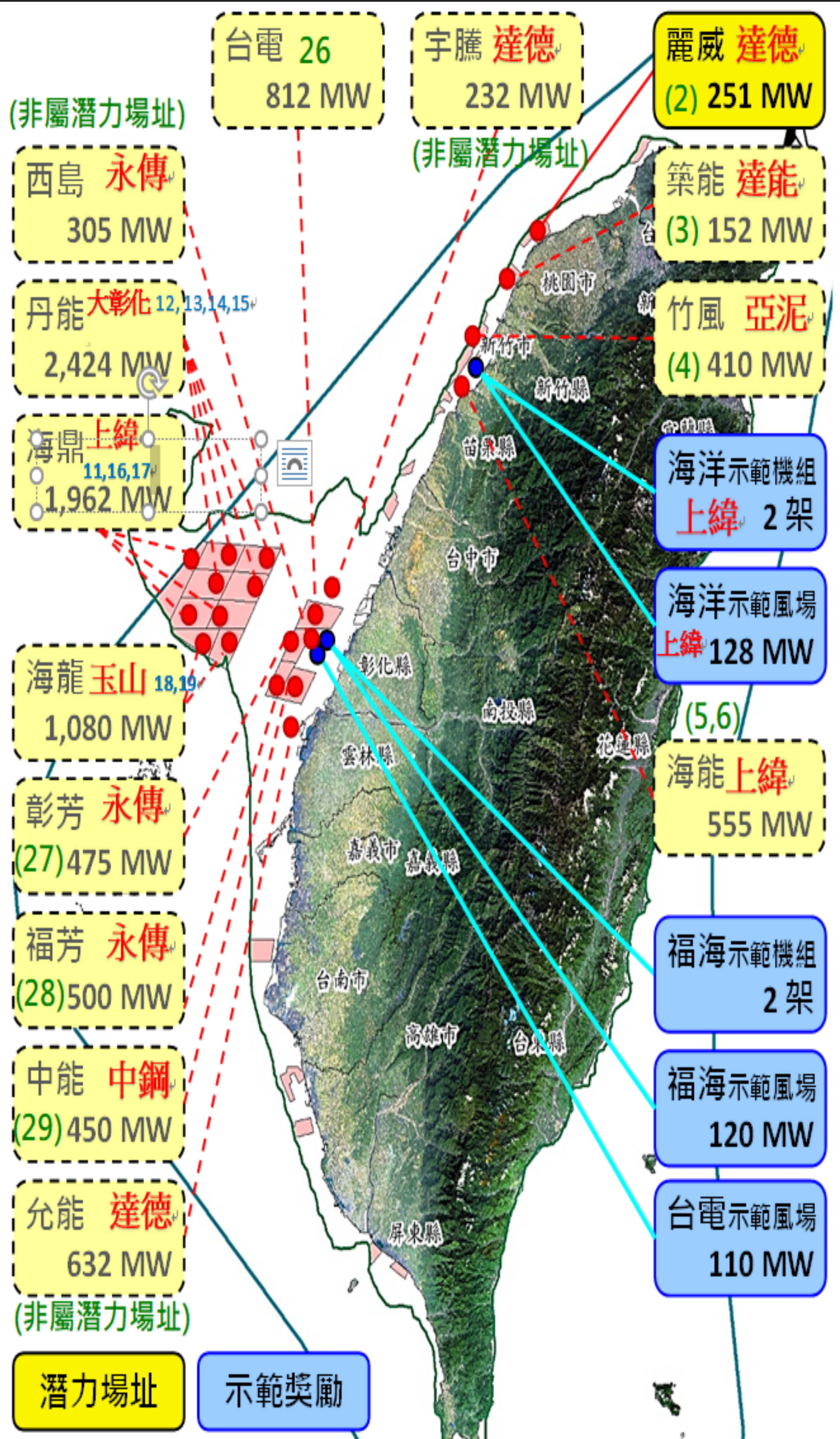
台商回流/轉單效益

Value chain integration creates differentiation

『... The strategy is to pursue differentiation and low cost. By opening a new value boundary, the existing industry's production and production curve will leap forward, creating a new blue ocean, while making competition on the existing boundary irrelevant. "』

-Sailing to the blue ocean

Overview of offshore wind power industry



Government bids

5.5GW by 2025

1. Established APEX
2. Obtained ISO3834, EN1090, HSE certification
3. Order production

OFFSHORE WIND POWER INDUSTRY

APEX


EN 1090 EXC4
ISO 3834-2
銑邊鋼板
Edge-Milled Plate
預彎鋼板
Pre-Bent Plate
單圓
Can
長管
Section
APEX
前端離岸風電設備製造股份有限公司
WIND POWER EQUIPMENT MANUFACTURING CO., LTD.
永續　品質　技術
前瞻視野建立客商間的完美橋梁
端做精準作業流程打造一流品質
建立穩健經營企業理念
實現環保先鋒理想
導角機 Edge Beveling Machine
捲圓機 Roll Bending Machine
清根機 Seam Milling Machine
潛弧焊機 Submerged Arc Welding Machine

Taiwan Offshore Wind power

Status	Developer	M.W.	Operation Date	躉售電價年度	EPC	Project name
Demo	Swancor/Macquarie/ Orsted	128	2019	Demo	JDN	海能(Formosa 1)
	TPC	109.2	2021	Demo	JDN/日立	台電 Phase 1
1st-phase (FIT)	WPD	350	2021	2019	Vanoord or Seaway	麗威
	Swancor	378	2020	2018	Geosea	海能(Formosa 2)
	WPD	360	2020	2018	Van oord	允能
	WPD	348	2021	2018	Van oord	允能
	Orsted	605.2	2021	2019	Orsted	大彰化東南
	Orsted	294.8	2021	2019	Orsted	大彰化西南
	CIP	100	2021	2019		彰芳
	CIP	452	2023	2019		彰芳
	Northerland Power/ Yushan Energy	300	2024	2019	Geosea and CSBC Corp	海龍2-3號
	CSC	300	2024	2019	COP	中能(海峽29區)
	CIP	48	2024	2019		西島
2an-phase	TPC	300	2024			
	Northerland Power/ Yushan Energy	232	2025			
	Northerland Power/ Yushan Energy	512	2025			
	Orsted	337.1	2025			
	Orsted	582.9	2025			
Toal		5,737.2				

Q&A