



# HSIN KUANG STEEL CO., LTD.

2031 TT/TW

Investor Conference Presentation

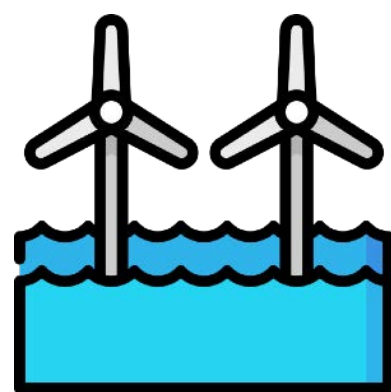
2024.12.25

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Steel Solutions + Project Development + Green Investment



**Offshore wind Farm**



**Solar Power plant**



**Modern  
Multifunctional  
Logistic Center**



**Steel Bridge  
&  
Rail**



**Water Supply Pipe from  
Dam to Dam**





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# 1. Company Profile



Established in

Work Force

1965年

552

Stock No. 2031



新光鋼鐵股份有限公司  
HSIN KUANG STEEL CO., LTD.

Paid-in Capital

Sales Quantity per year

NTD 3.2 billion

480,000mt

Net Zero Together, Sustainable Prosperity, and Responsible Steel

Sales Revenue in 2023

Market Value (2024.8.13)

NTD 16.1 billion

NTD 19 billion





# Milestone

## 1965-1985

- 1965 Establishment of Hsin Kuang Steel Co., Ltd.
- 1985 Reorganized into a limited company

## 1986-2000

- 1998 Guanyin Mills obtained ISO 9001
- 1997 Becamea publicly traded company
- 1999 Changbin Mill Established the “central region steel service center” and a “steel coil leveling and precision cutting center”
- 2000 Public listed (IPO)

## 2001-2015

- 2001 Undertaking the Supply of Steel pot bearing for Taiwan High-Speed Rail”
- 2004 A steel structure components production center was established at the Kaohsiung Mill
- 2010 Offering Steel plate for Taipei MRT project
- 2013 Offering Steel plate for TaiChung MRT project

## 2015 - Future

- 2018 Establishment of Apex
- 2019 Establishment of Hsin Hua
- 2020 Received the TCSA Awards - Silver Prize for the Manufacturing Industry
- 2021 completion and inauguration of Xincheng Logistics Park
- 2023 Completion and grid connection of the 117 MW Phase 1 of the Chiayi Fish-Electricity Symbiosis Power Plant.

## Phase 1

- Starting up stage.

## Phase 2

- Establishing a statewide steel cutting center
- IPO
- Establishment of fine corporate governance

## Phase 3

- Establish upstream and downstream strategic partnerships
- undertake large-scale public and private projects in Taiwan
- corporate vision : 'Working together to build a beautiful new Taiwan.'

## Phase 4

- Diversify portfolio of business
- Become a steel solution provider in different sectors
- Project Development
- Green investment supports industrial development





Our Vision

『Everyone cooperates together to construct a beautiful new Taiwan』

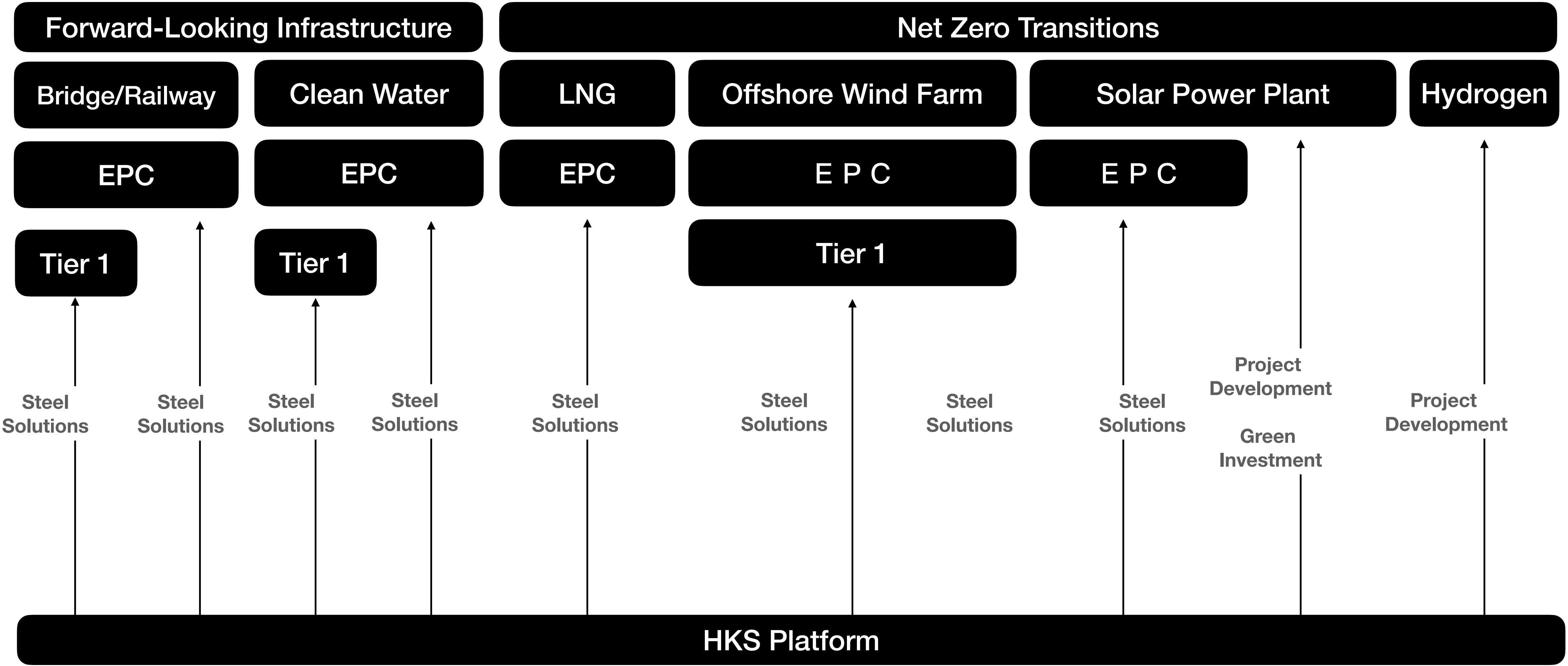
『Everyone cooperates together to construct a sustainable Taiwan with Net-zero carbon emission 』







# Business Diversification



# Group Structure



新光鋼鐵股份有限公司  
HSIN KUANG STEEL CO., LTD.

Diversified steel distribution & Business Channel

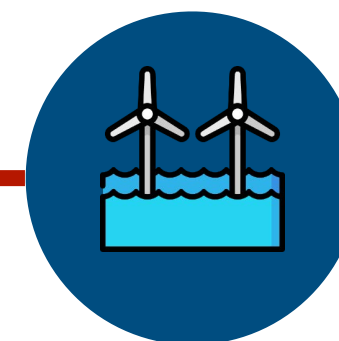
Steel supply for large-scale projects

High corrosion resistant solar mounting system

Steel Structure Engineering & Construction

Steel Processing Services

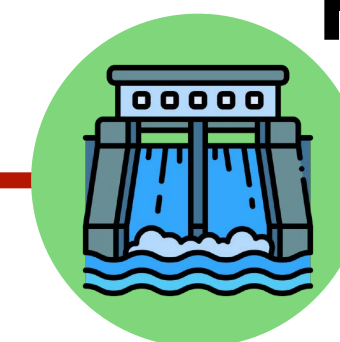
66.14%



## Apex Wind Power

- Offshore wind power underwater infrastructure
- Pressure vessel
- Hydrogen-power infrastructure

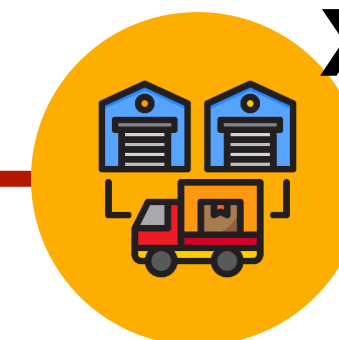
100%



## Hsin Hua

- Steel bridge engineering & construction
- steel pipes for Cooling water intake and discharge for power plants
- Steel water pipe

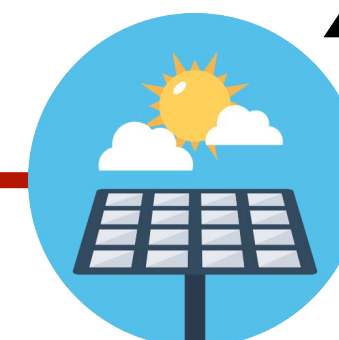
100%



## Xincheng Logistics

- Development and investment in multifunctional logistics centers
- Rental business

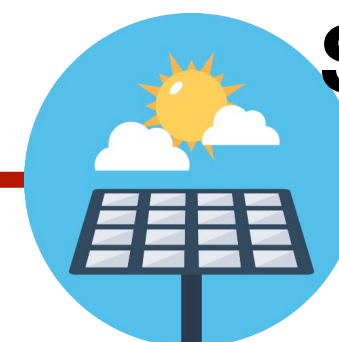
49%



## Xinwei Solar

- Development and investment in rooftop solar power plants

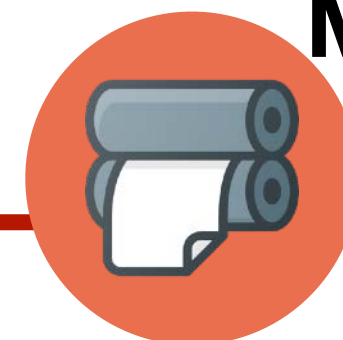
20%



## Sunny Diverse solar

- Development and investment in indoor fish-electricity symbiosis power plants
- CPPA

81%



## Mason Metal

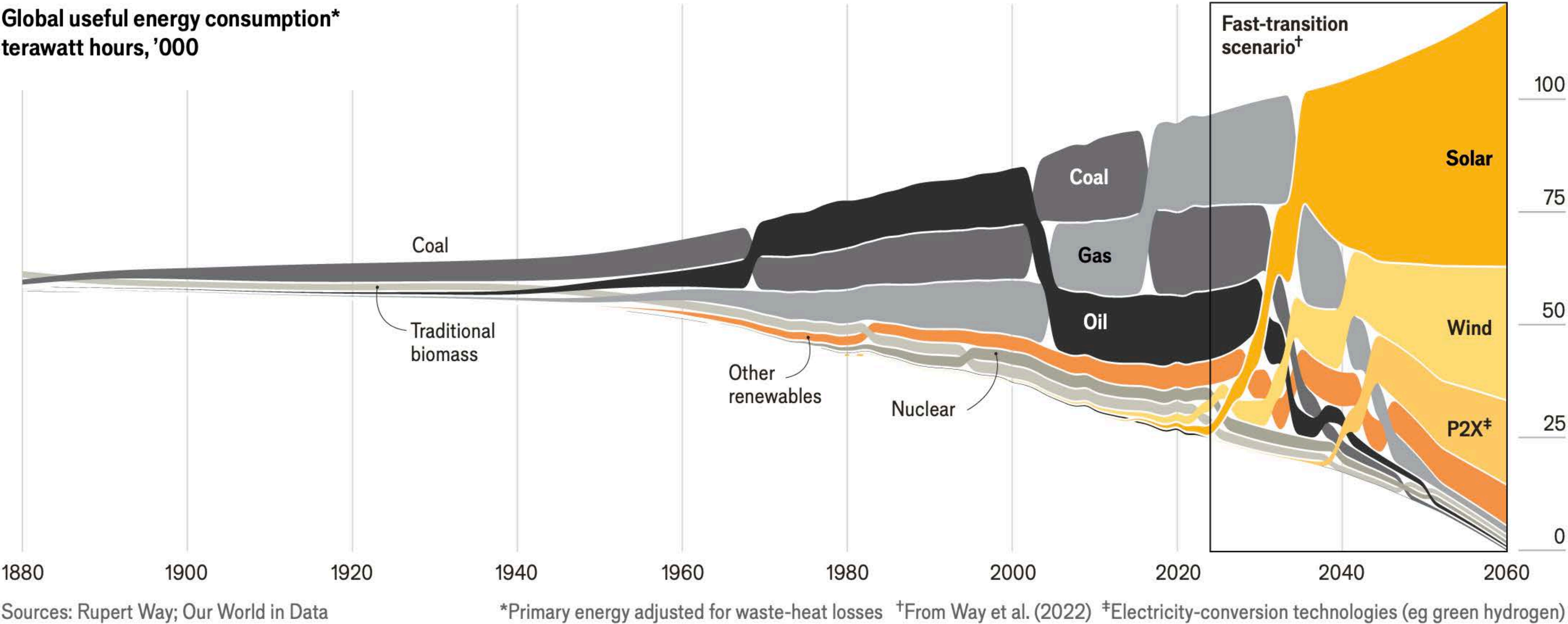
- Steel processing for automotive, home appliances, and computer servers



## 2. Market Overview

# Global Trends

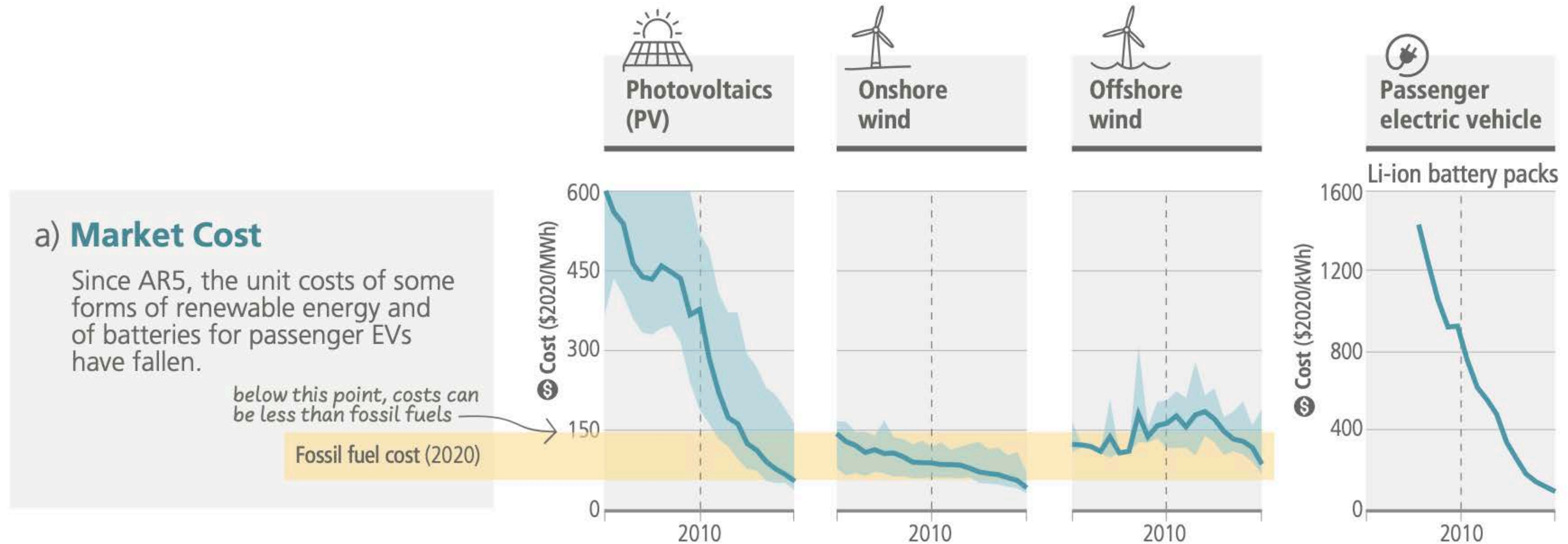
資料來源: The Economist    ↓ **HERE COMES THE SUN** *the past and a possible future*





## Renewable energy costs continue to decline

### Renewable electricity generation is increasingly price-competitive and some sectors are electrifying



資料來源：<https://www.cop28.com/en/global-renewables-and-energy-efficiency-pledge>

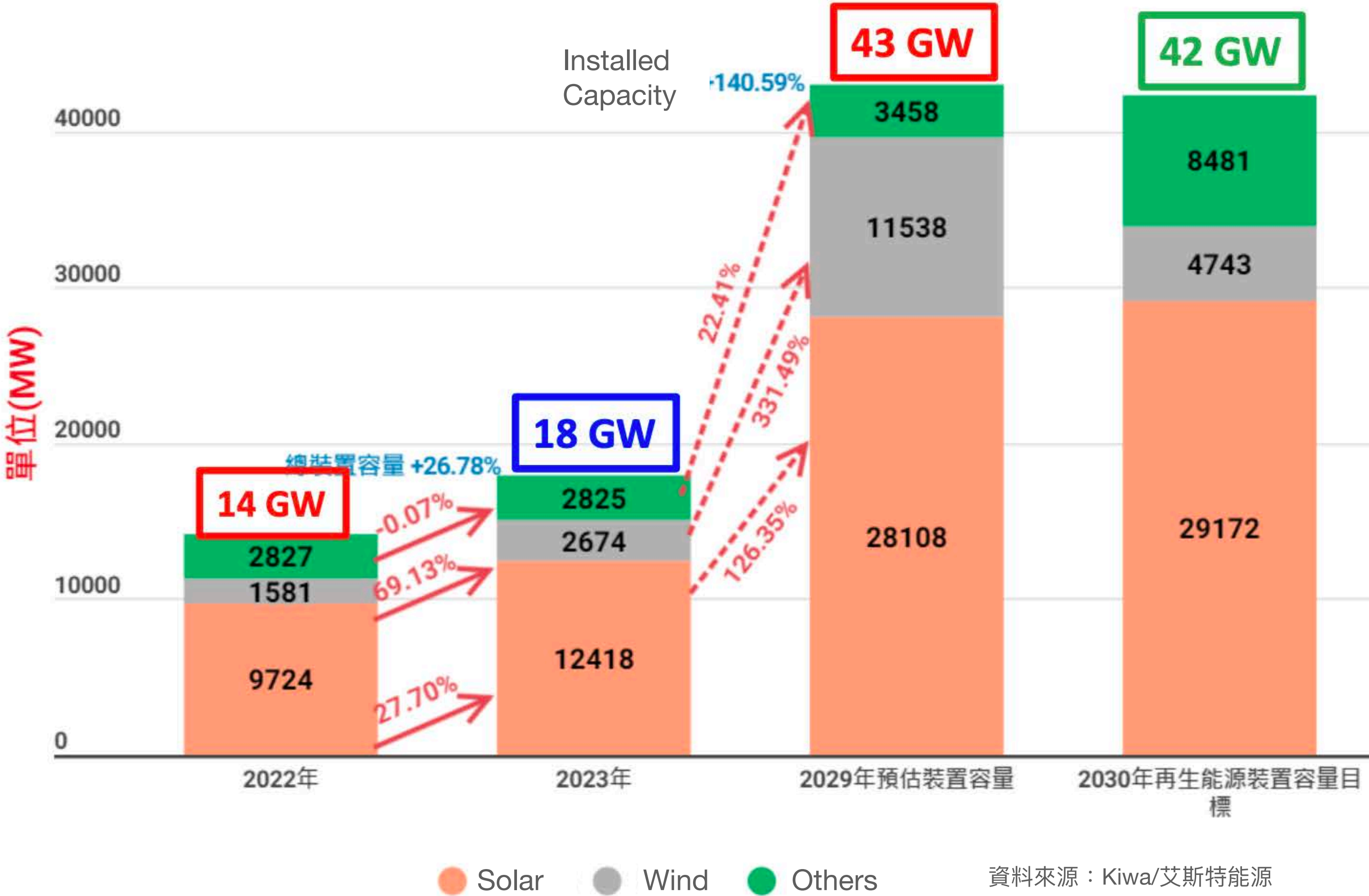


# Renewable energy Policy of Taiwan

Renewable Energy	Offshore Wind farm 2026-2030 1.5GW every year	2050 40-80GW
	Solar 2026-2030 2.0GW every year	2050 40-55GW
Fuel Switch	Expanding usage of natural gas Adopting clean energy/hydrogen	Net Zero LNG CCU technology
Low Carbon Energy	Providing hydrogen, ammonia and biomass fuel for industry and transportation	



# Renewable energy Policy of Taiwan



2024-2029

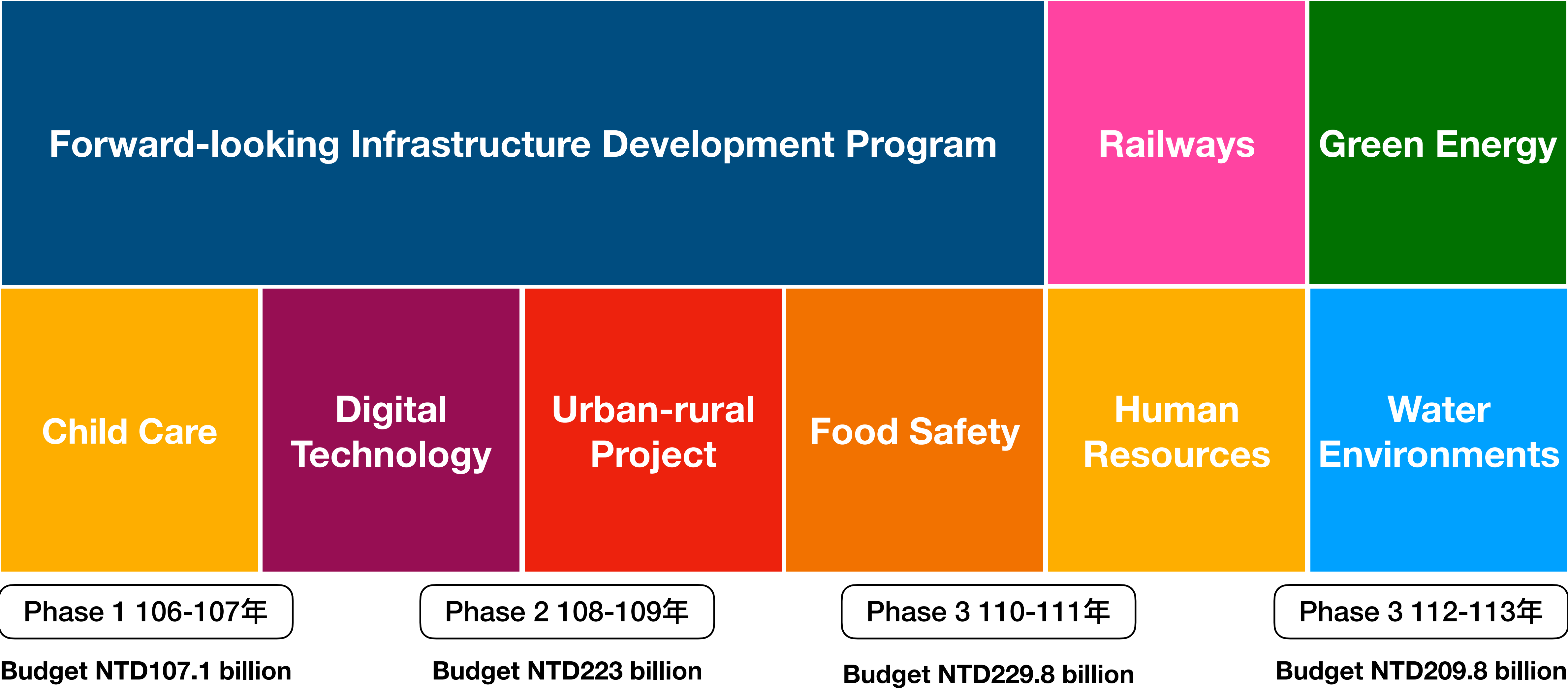
Steel demand from offshore wind farm

Steel demand from solar power plant

2.3 million Mt      1 million Mt



# Forward-looking Infrastructure Development Program



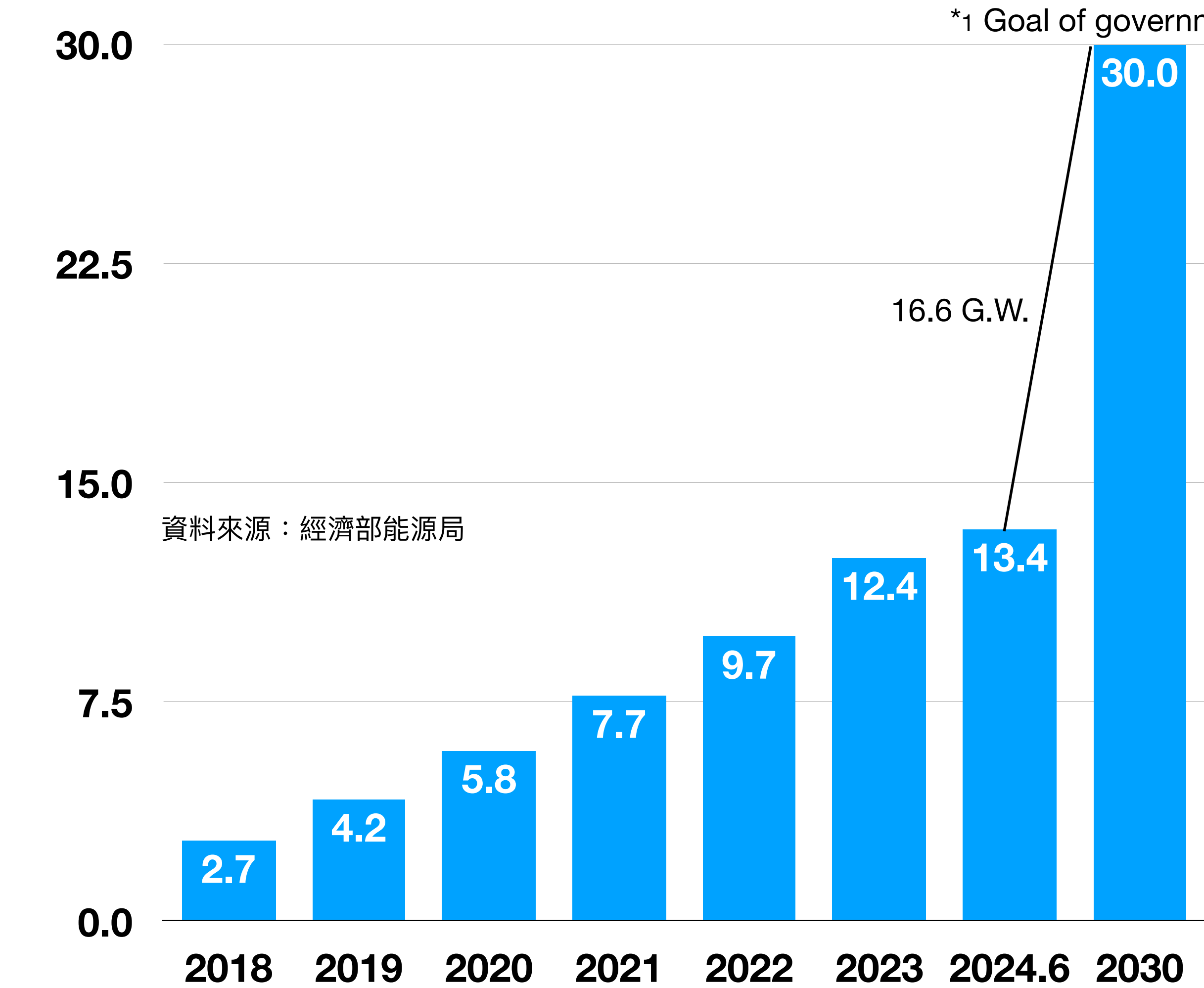


# 3. Operational Overview



# Solar Power Plant

Cumulative installed capacity of solar projects in Taiwan (GW)



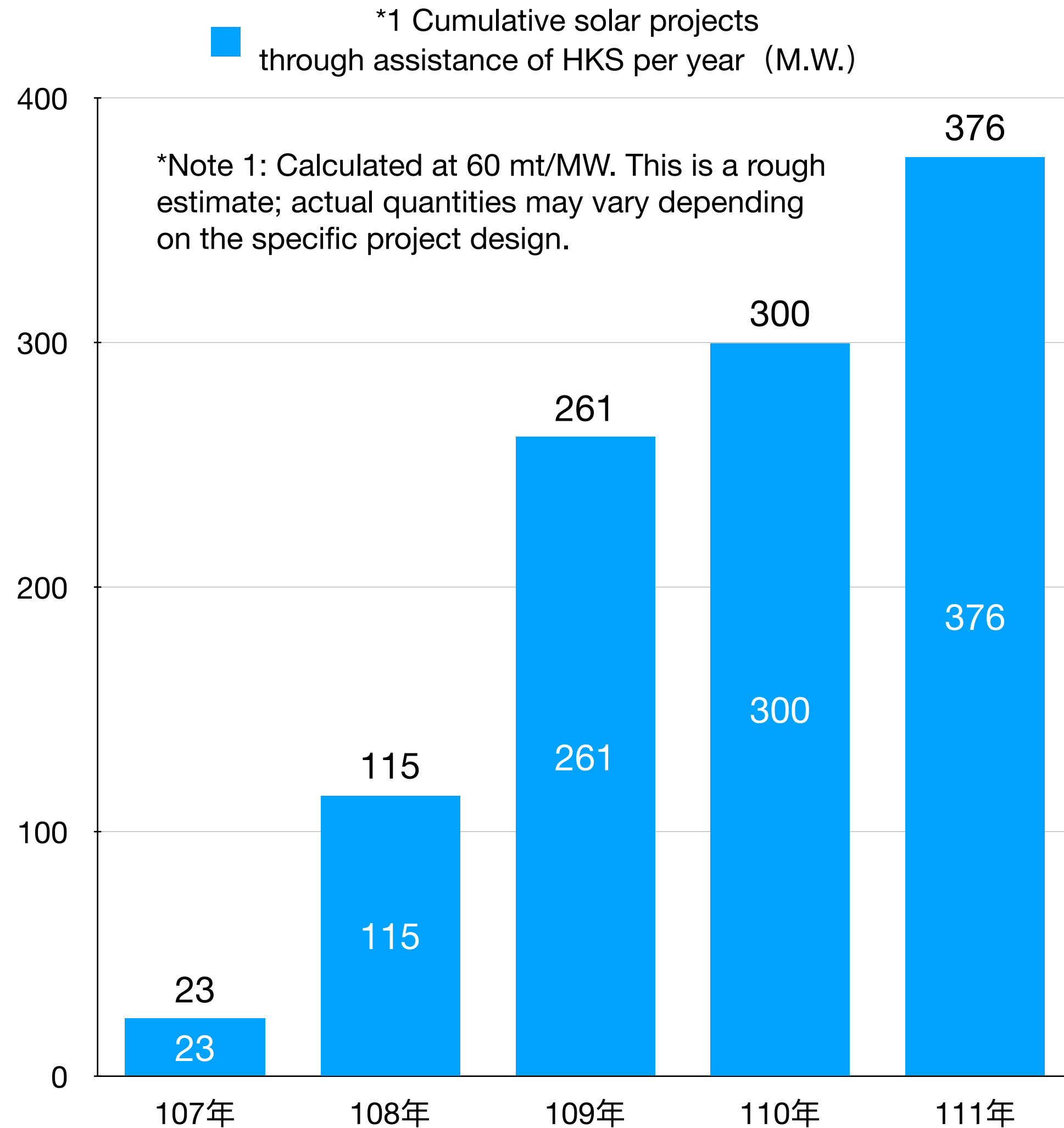
Steel demand from  
solar power plant

\*2 **1 million  
Mt**

\*Note 1: Subject to change with policy adjustments.  
\*Note 2: Calculated at 60 mt/MW. This is a rough estimate; actual quantities may vary depending on the specific project design.



## High-corrosion-resistant solar mounting system







新光鋼鐵股份有限公司  
HSIN KUANG STEEL CO., LTD.

Green Energy Trading

Development of

**Solar Power  
Plants**

Seek

**Trading of  
Green Energy**

Development Stage of Project

**Environmental  
corrosion survey**

Design Stage of Project

**Structure  
Design**

Construction Stage of Project

**Project  
Management**

Operating Stage of Project

**O & M  
Suggestion**



Kaohsiung Wastewater  
Treatment Plant 5 M.W.



Tainan Outdoor Fish-  
Electricity Symbiosis 85 MW



Pingtung Gaoshu Ground-  
Mounted type 32 MW



Yunlin Zhuo-Kan Line Ground-  
Mounted type 12 MW

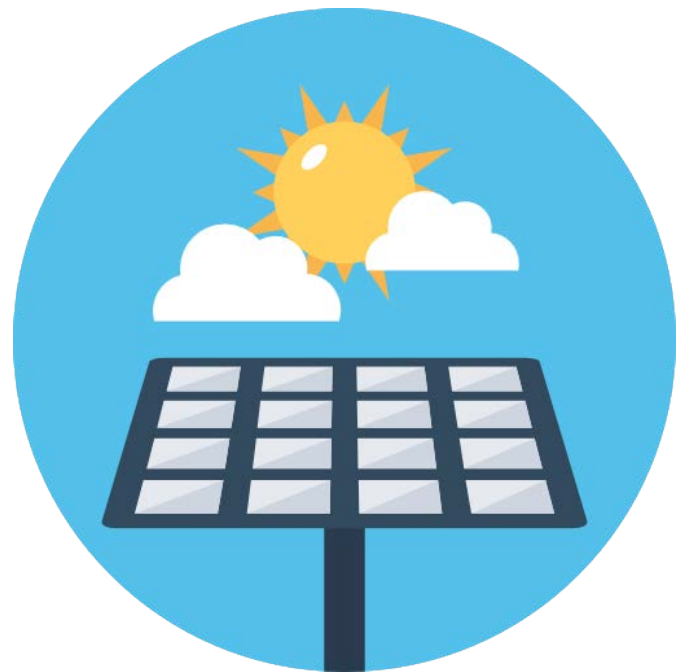


Tainan Qigu Ground-Mounted  
198 MW



彰化大城地面型 65 M.W.





Sunny Diverse Solar

Largest substation capacity in Taiwan

**450M.W.**

Shrimp farming per year

**6,000mt**

Capex

**NTD 20.2 billion**

2023年Phase 1 grid connection

**117M.W.**

Phase 1 + Phase 2 capacity

**238M.W.**

Help local

**Creating jobs**

JV Partners







新光鋼鐵股份有限公司  
HSIN KUANG STEEL CO., LTD.





## Future Plan

Steel Solutions + Project Development + Green Investment

### Greenhouse-type agrisolar power plant

We plan to form a joint venture with strategic partners in the future, focusing on assisting local farmers in building greenhouse-rooftop agrisolar structures in extreme climate conditions. This initiative aims to encourage young farmers to return to their hometowns and promote regional revitalization.

Project Year

**2025-2026**

Install Capacity

**300M.W.**

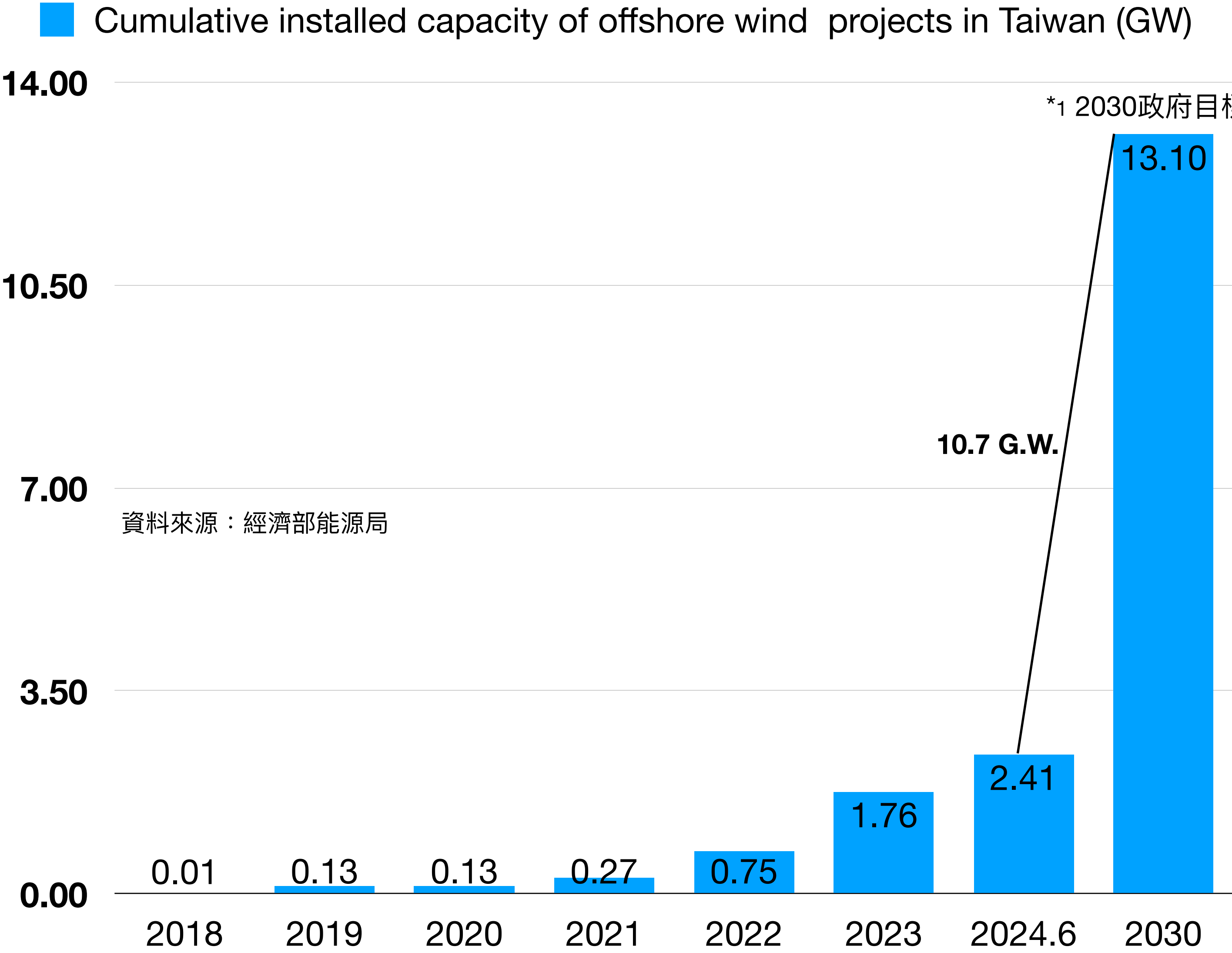
**It will contribute  
to the group's  
revenue.**







# Offshore Wind farm



Offshore wind power steel demand

\*2 **2.3 million**

\*Note1 : Subject to change with policy adjustments.  
\*Note2 : For a single 14 MW wind turbine, the estimated steel requirement is approximately 3,000 tons (excluding the tower). This is a rough estimate, and the actual quantity may vary depending on the specific design of each site.





Offshore Wind Farm

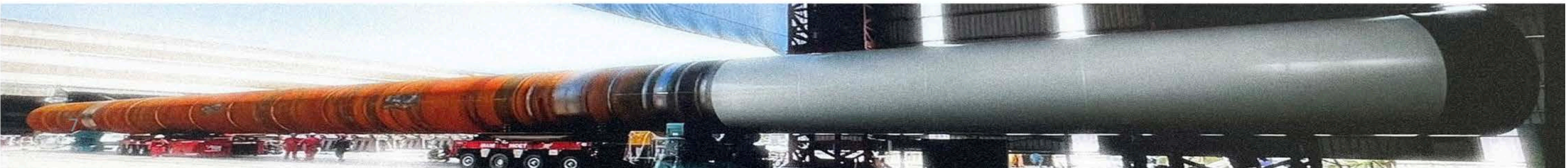
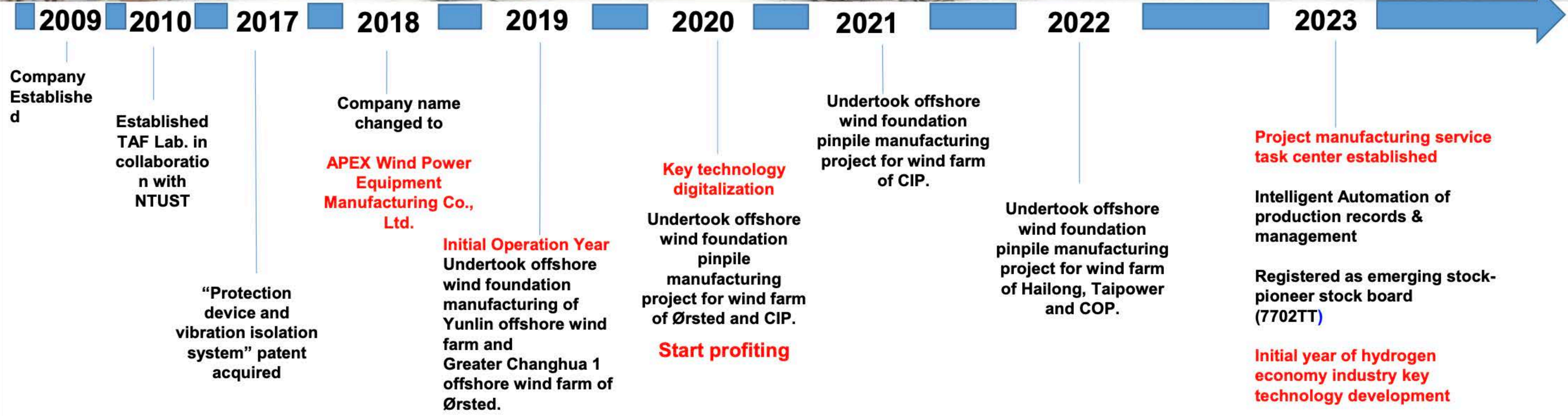
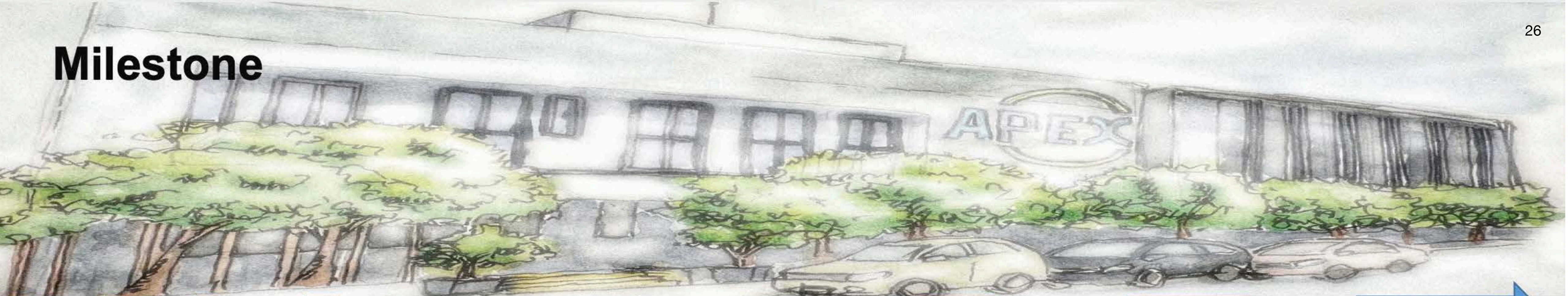


Established in <b>2018</b>	Paid-in Capital <b>NTD660 Million</b>	Market Value(2024.8.13) <b>NTD5.54 billion</b>
Work FORCE <b>80</b>	2023 Sale Revenue <b>1.7 billion</b>	Have participated in <b>6 Wind farm</b>





# Milestone





# High-Quality Products For Extreme Environments

Manufacturing Of Offshore Wind Power Grade Steel Products

Intelligent  
**Automation**

**Paperless**  
**Auto alarm system**  
**Big data collection**

Certification  
**Boiler & pressure  
vessel**

**Apex provides plate  
rolling services and high  
pressure container  
product, which can be  
applied to industries  
such as oil refining,  
chemistry & power  
generation etc.**

Fine track record of  
**Audit**





# Track Records (Offshore-related) 業務實績(風電產業)



## WPD-CTCIM

- Beveled Plate 7,390 Ton
- Aug-19 ~ Mar-20

## Orsted-CT

- Beveled Plate 3,353 Ton
- Nov-19 ~ May-20

## Orsted-FHI

- Beveled Plate 12,334 Ton
- Welding 3,316 Ton  
(52 Sections/240 CAN)
- Feb-20 ~ Mar-21

## Orsted-CT

- Beveled Plate 2,876 Ton
- Aug-20 ~ Dec-20

## CFXD-CT

- Pre-bent Plate 781 Ton
- Nov-20 ~ Jan-21

## CFXD-CTCIM

- Beveled Plate 17,163
- Welding 7,129 Ton  
(80 Sections/ 521  
CANs)
- Jul-20 ~ Sep-21

## CFXD-CT

- Beveled Plate 10,000 Ton
- Welding 5,169 Ton  
(75 Sections/ 318 CANs)
- Jul-21 ~ Jan 22

## ZNWF-CTCIM

- Beveled Plate 28,273 Ton
- Welding 8,000 Ton
- (93 Sections/ 582 CANs)
- Feb-22 ~ Oct-22

## Taipower Offshore Wind Farm Phase II -CT

- Beveled Plate 19,700 Ton
- Section 8,800 Ton
- Oct-22 ~ May-23

## HAI LONG -CSBC

- Beveled Plate 12,000 Ton
- Section 12,000 Ton
- Grand Assembly at CSBC 24,000 Ton
- Mar-23 ~ Jun-24

「彰芳暨西島離岸風場水下基樁製造工程」，CTCIM以超前總進度2.5個月完成生產製造，充分展現本土供應鏈的實力及供貨能力，並奠定離岸風電水下基礎製造領域的地位。  
<https://ec.ltn.com.tw/article/breakingnews/3761483>





全

第



環鋁產線及SECTION 儲區

天車載運可達120噸





新光鋼鐵股份有限公司  
HSIN KUANG STEEL CO., LTD.

Clean Water 、 Bridge/Railway 、 Coal to LNG



新樺鋼鐵

Established in

2019年

Paid-in Capital

NTD 160 million

Work Force

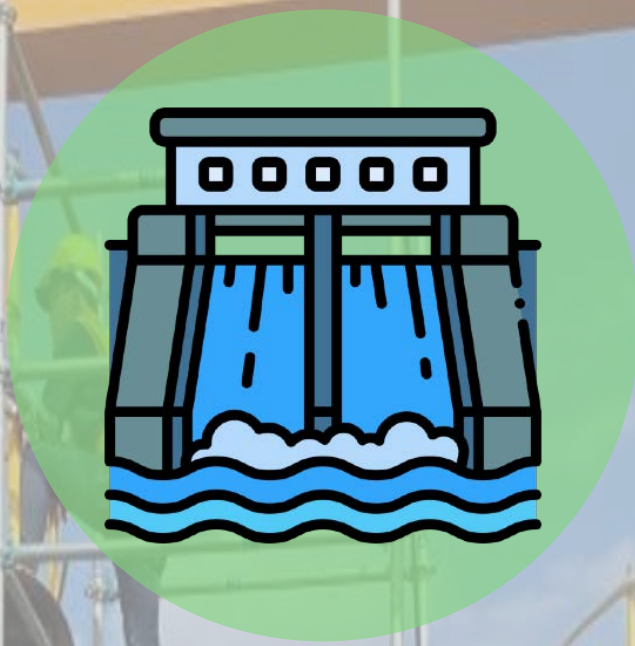
80

The Nanhua secondary water supply  
line-section 2 of the pipe bridge from  
Nanhua to Zuozhen

Merit Award



Bridge/Railway



Clean Water



Coal to LNG

Steel structure engineering  
Bridge structure engineering  
Steel Water Pipe  
Socket-and Spigot joint steel pipe  
Seawater Intake and Discharge Pipe in  
LNG power plant





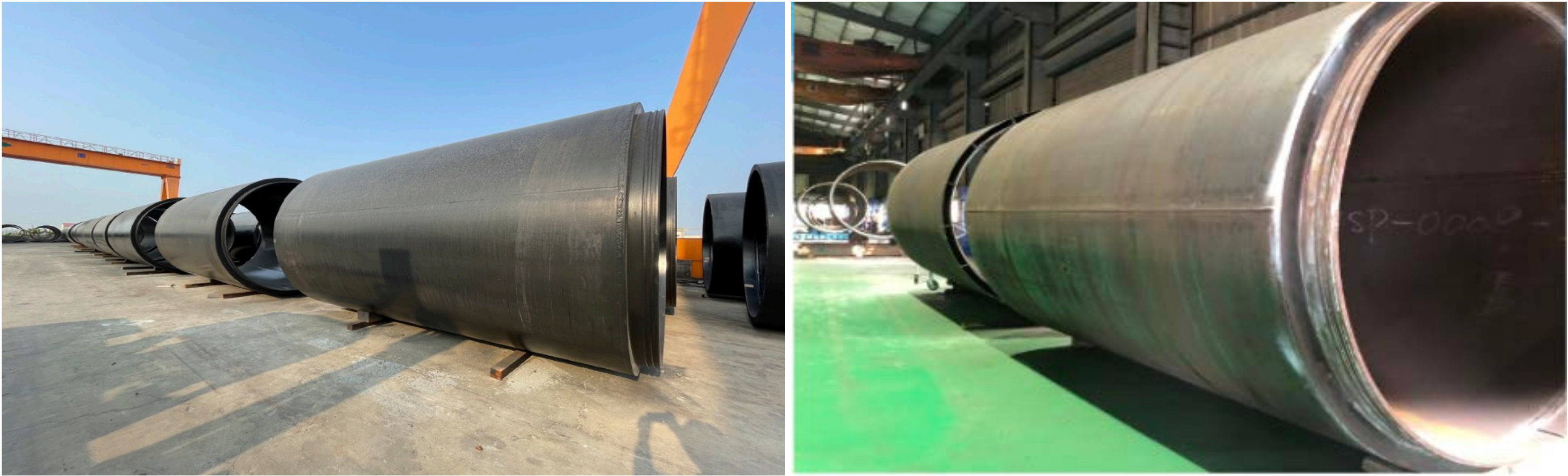
Products

WSP for jacking method

internal ring  
welding for  
leak  
prevention

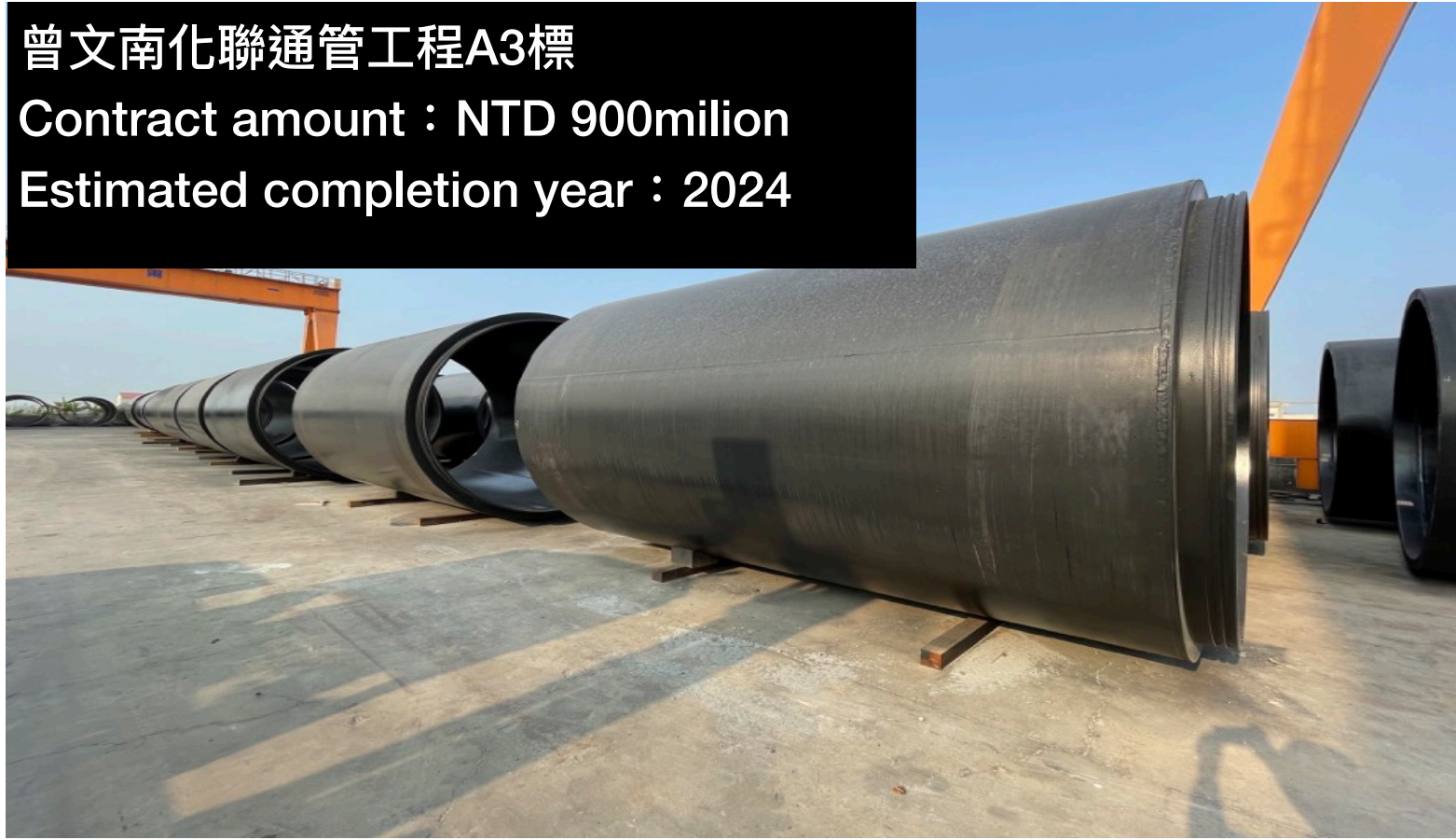
Using  
**Socket-and  
Spigot joint**

Is used on  
**Shield Tunneling  
Method**





曾文南化聯通管工程A3標  
Contract amount : NTD 900million  
Estimated completion year : 2024



大安大甲溪聯通管道工程合  
Contract amount : NTD 380 million  
Estimated completion year : 2025



通霄電廠第二期循環水系統海底取排水管路  
Contract amount : NTD 3.4 billion  
Estimated completion year : 2027



國道一號汐止交流道增設段  
Contract amount : 084 million  
Estimated completion year : Finished



## Track Records

南化複線-南化至左鎮送水管  
Contract amount : NTD 315 million  
Estimated completion year : 2024



花蓮玉里大橋  
Contract amount : NTD 690 million  
Estimated completion year : 2026



2024年8月9日





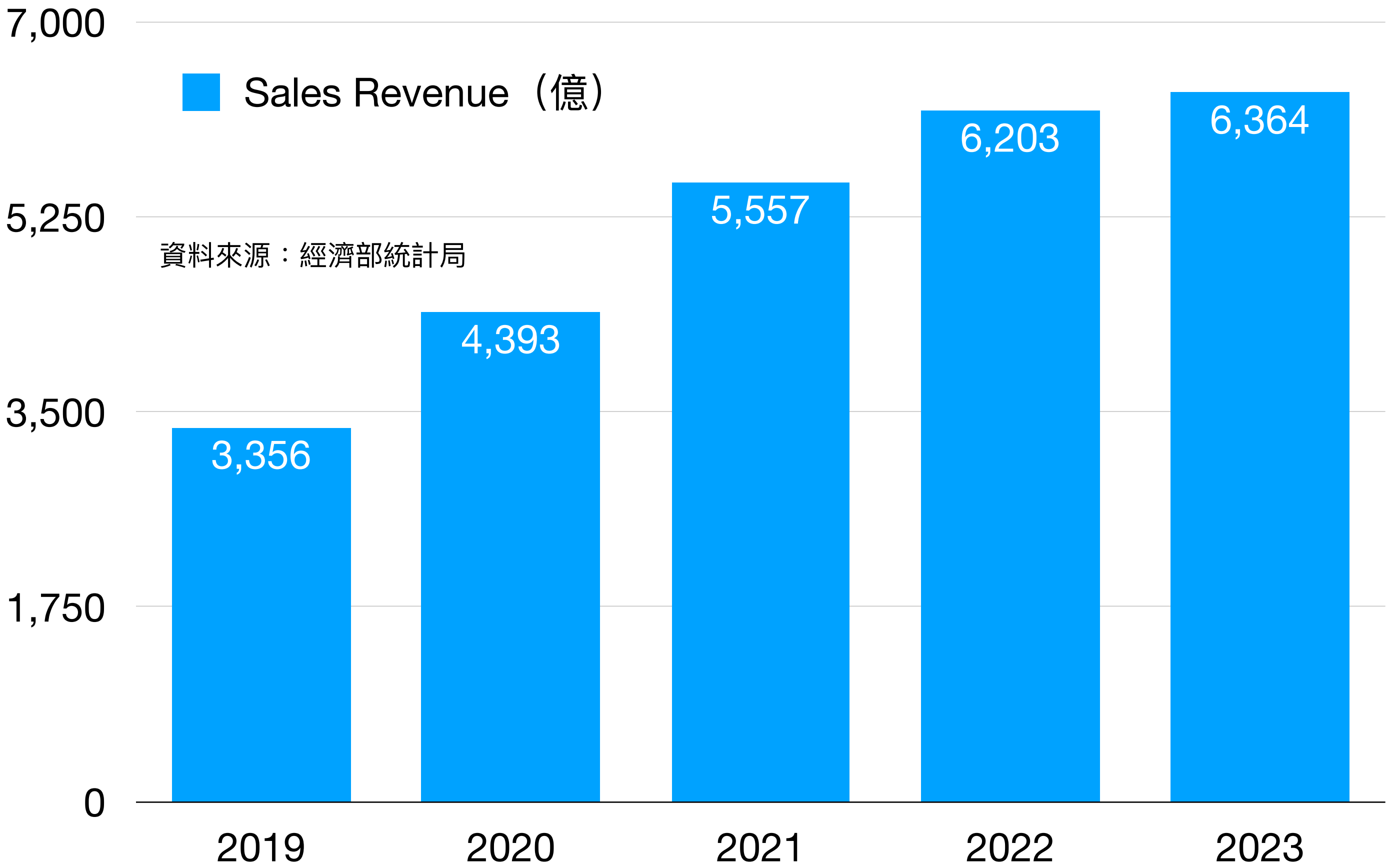
# Current Development Trend of Multifunctional Logistics Centers



With Cold Chain Equipment      Design      Legal and Compliant

Trends      Large-scale 、Automation      Online to Offline

Online sales revenue of the retail industry from 2019 to 2023





# Project Development of Advanced Multifunctional Logistics Centers



新光鋼鐵股份有限公司  
HSIN KUANG STEEL CO., LTD.

Modern Multifunctional Logistic Center

Total land area    Total floor area  
**81,000 m2    162,000 m2**

Annual contribution  
from leasing business  
**EPS 1**  
**Per year**

新澄物流園區



Number of  
logistics  
centers owned

3



Eend  
Users  
International  
major  
companies

新慶物流



Create job  
opportunities

1,500



Roof  
Top Solar  
4.5M.W.



## Future Plan



## Xincheng Logistics

Future partners <b>well-known Japanese companies</b> Major real estate developers	Precise <b>Market Survey</b>	Professional <b>Design &amp; Engineering Team</b>
<b>Fixed income &amp; Potential Capital Gains</b>	HKS Group <b>Project EPC Business</b>	Seek <b>Green Energy Trading with end users</b>



# 4. Financial Performance

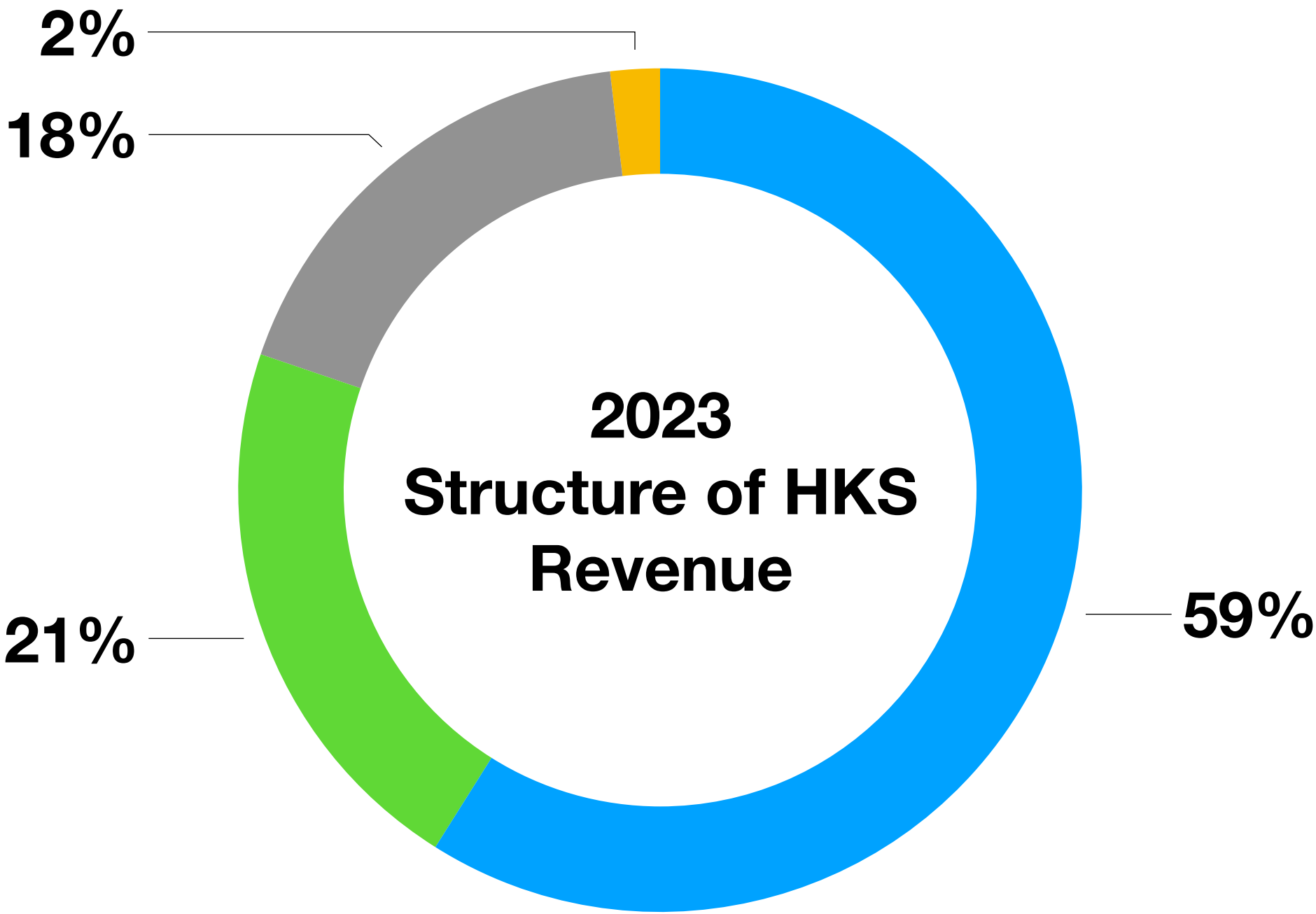




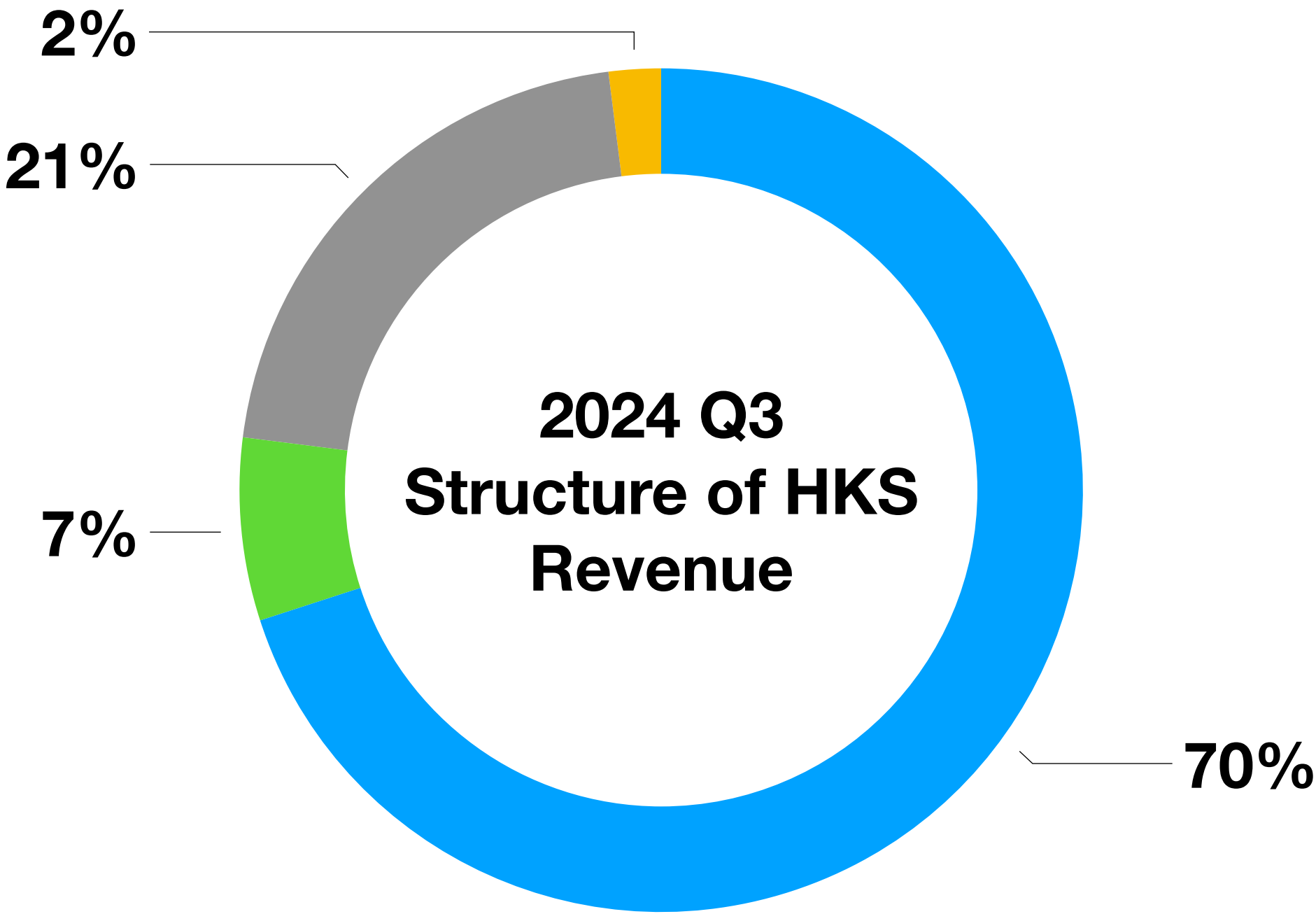
# Structure of HKS Revenue

Diversify source of revenues

- Steel material & Cutting Service
- Business from Green Energy
- Business from Project & Construction Services
- Leasing Business



- Steel material & Cutting Service
- Business from Green Energy
- Business from Project & Construction Services
- Leasing Business



備註：工程服務＝來自鋼結構、淨水資源、橋樑/軌道、燃煤轉氣之服務收入





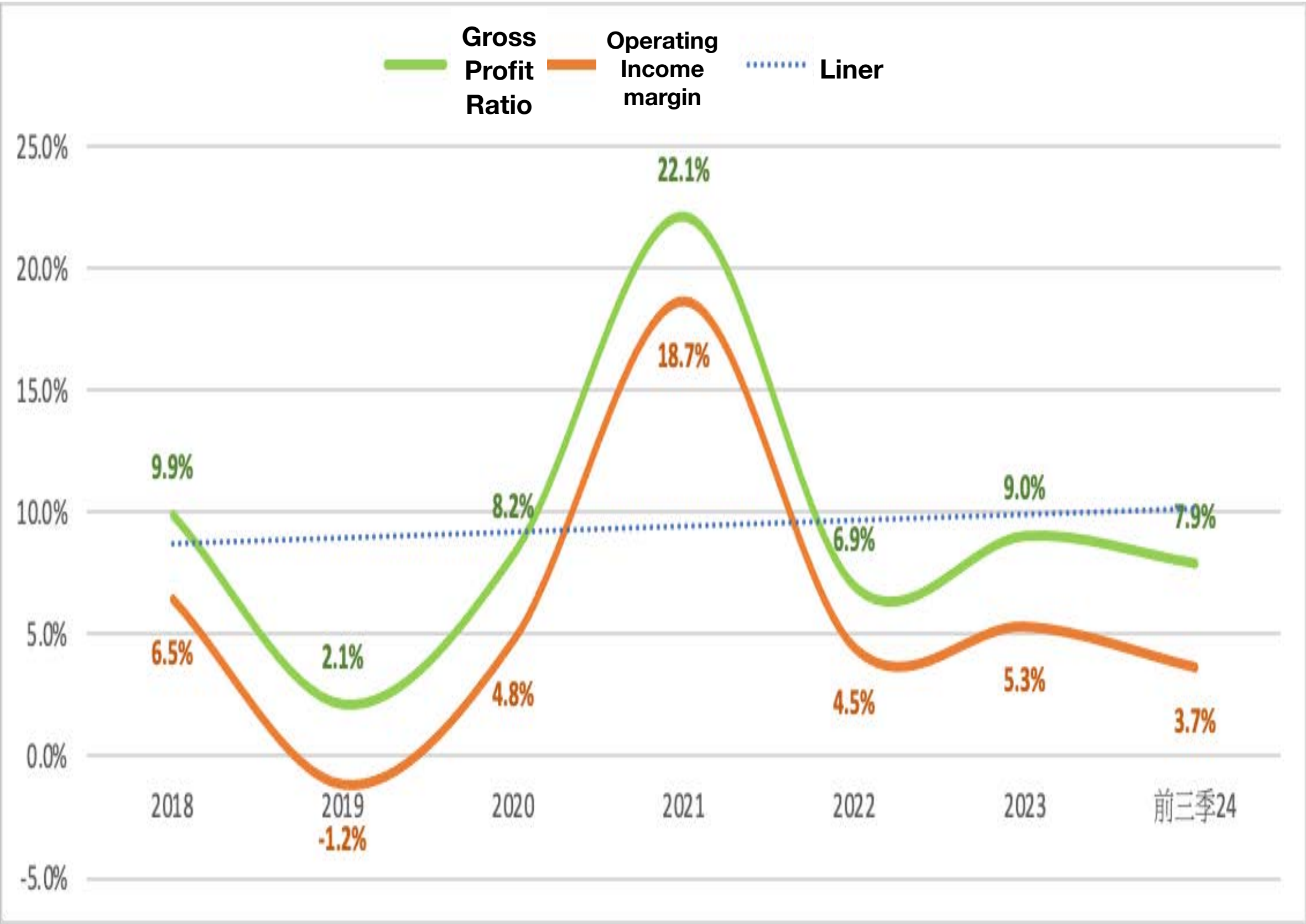
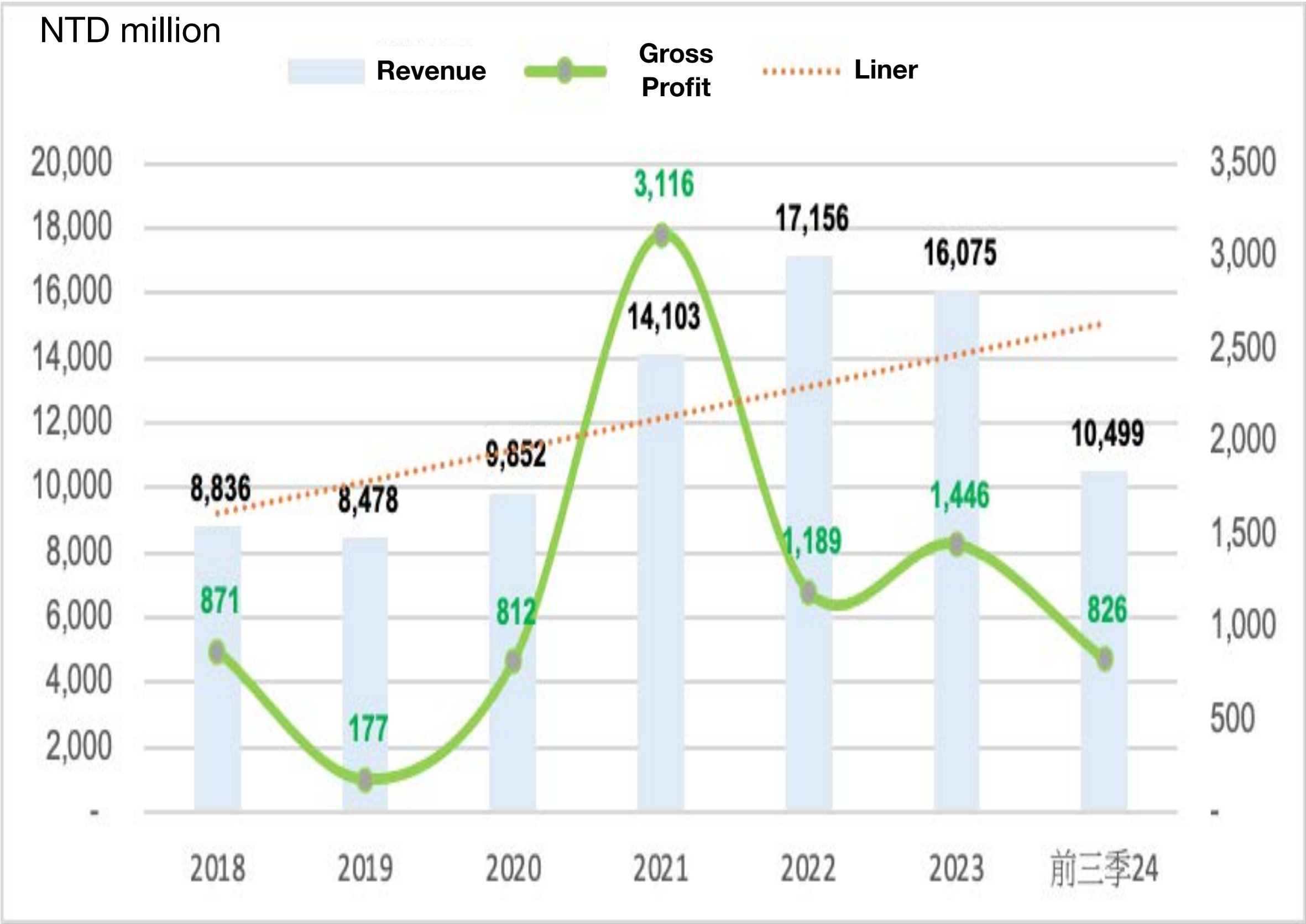
Orders on hand with percentage of each sectors

- Fuel Switch (Coal to LNG)
- Bridge/Railway
- Renewable Energy
- Steel Structure
- Clean Water



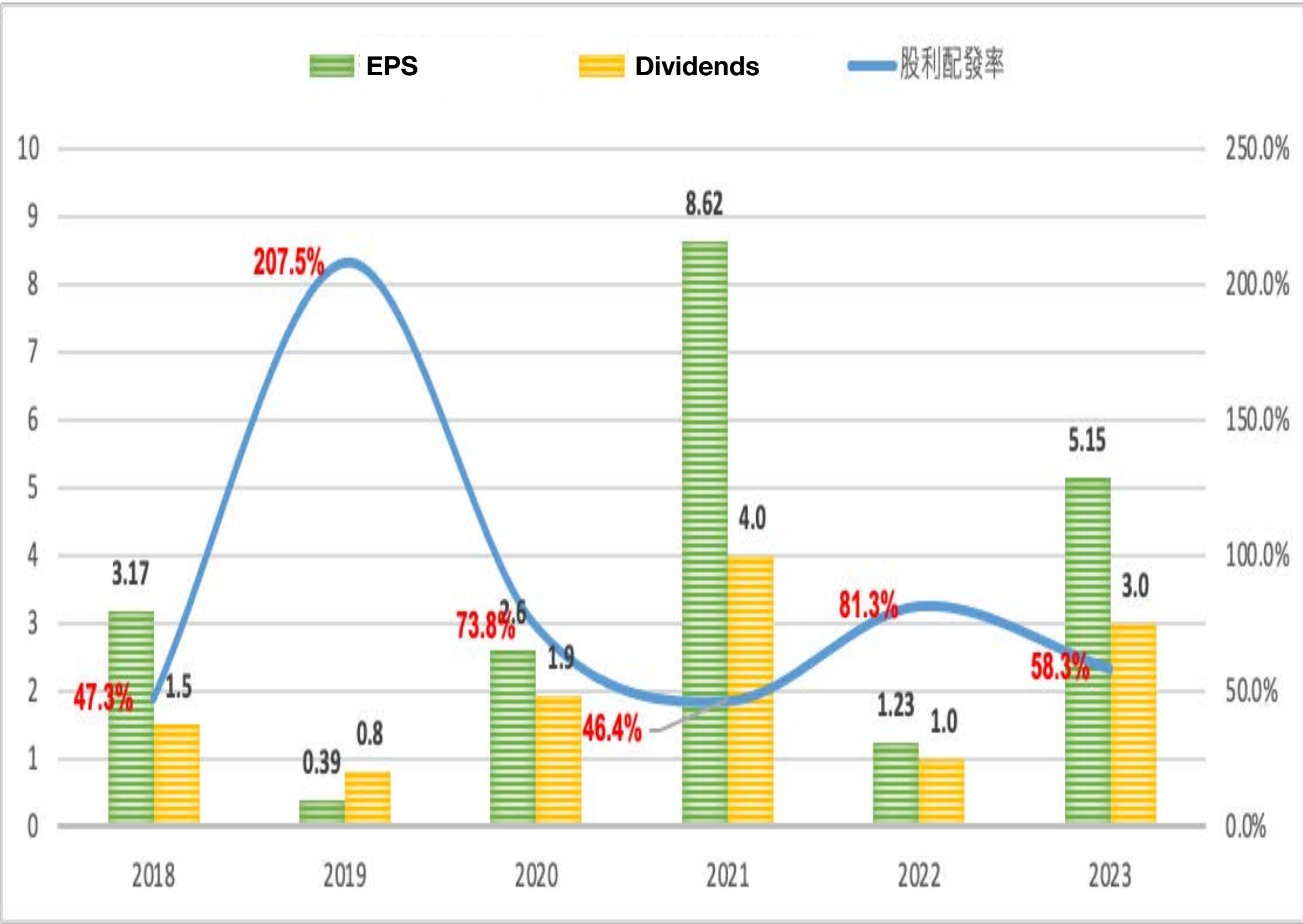
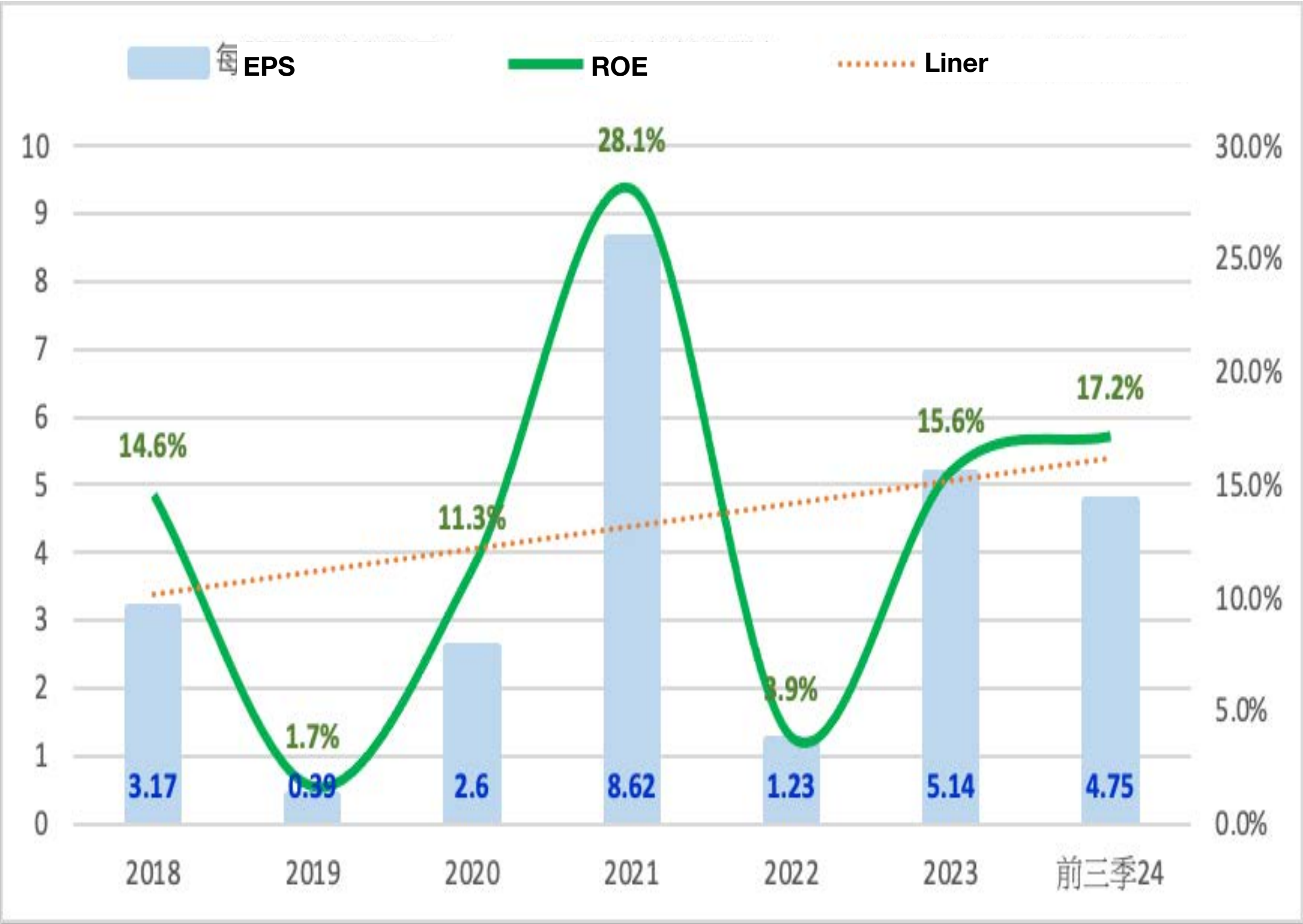


# Key Figures





Key Figures







Income Statement from 2017 to 2024 Q3

New Taiwan Dollar (Millions)	2017	2018	2019	2020	2021	2022	2023	Q3 24
Operating Revenue	8,352	8,836	8,478	9,852	14,103	17,156	16,075	10,499
Gross Profit	1,114	871	177	812	3,116	1,189	1,446	826
Operating Expenses	119	300	275	342	479	424	587	442
Operating (Loss) Income	995	571	-98	470	2,637	765	858	384
Income before tax	1,209	1,142	124	913	3,308	660	1,858	1,627
Net income	1,074	1,000	118	846	2,771	418	1,732	1,556
EPS (NTD)	3.48	3.17	0.39	2.6	8.62	1.23	5.15	4.75
Revenue Growth Rate YoY		5.8%	-4.1%	16.2%	43.1%	21.6%	-6.3%	-12.1%
Gross Profit Margin	13.3%	9.9%	2.1%	8.2%	22.1%	6.9%	9.0%	7.9%
Operating Expense Ratio	1.4%	3.4%	3.2%	3.5%	3.4%	2.5%	3.7%	4.2%
Operating Profit Margin	11.9%	6.5%	-1.2%	4.8%	18.7%	4.5%	5.3%	3.7%
Net Profit Margin	12.9%	11.3%	1.4%	8.6%	19.6%	2.4%	10.8%	14.8%
Return on Equity (ROE)	17.8%	14.6%	1.7%	11.3%	28.1%	3.9%	15.6%	12.5%





Balance Sheet from 2017 to 2024 Q3

New Taiwan Dollar (Millions)	2017	2018	2019	2020	2021	2022	2023	Q3 24
Total Assets	13,818	17,283	16,088	19,893	25,922	24,439	24,439	30,196
Cash	810	1,559	1,099	709	964	1,099	954	1,147
Financial Assets	3,593	4,199	3,755	5,309	5,917	5,074	7,153	8,323
Account and Notes Reciable	2,276	2,586	2,457	3,416	4,392	4,738	5,412	4,064
Inventory	2,749	4,057	3,435	3,849	6,567	5,344	6,157	7,089
Property, Plant and Equipment	4,104	4,501	4,872	6,258	7,593	7,594	7,735	8,366
Total Liabilities	7,340	10,048	9,277	11,792	14,314	14,364	16,290	17,354
Short and Long-term Interest-bearing Liabilities	5,902	8,317	8,590	10,469	11,846	12,656	13,559	13,370
Total Equity	6,478	7,235	6,811	8,101	11,608	10,075	12,063	12,842
Days Sales Outstanding (DSO)	100	100	108	108	101	97	115	124
Days sales of Inventory (DSI)	126	158	170	151	178	140	153	187
Days Payable Outstanding (DPO)		28	25	17	22	16	15	18
Cash Conversion Cycle (CCC)	226	230	253	242	257	221	253	293



# 5. ESG



Sustainable Development Achievement: Environment

HKS	2023		2022	
	Greenhouse gas emission (tCO2e)	Density (tCO2e/million)	Greenhouse gas emission (tCO2e)	Density (tCO2e/million)
Scope 1	4,313	0.32	2,252	0.16
Scope 2	2,716	0.20	2,684	0.19
Scope 3	827,455	60.90	756,389	52.54
Total	834,484	61.42	761,326	52.88

確信單位SGS





# Sustainable Development Achievement: Environment







## Sustainable Development Achievement: Environment

XinCheng Logistics centers, on its roof, has one of the largest single rooftop-type solar plant in Taiwan, 2.7M.W. The quantity is equivalent to 8 Daan Forest Parks in terms of carbon absorption capacity.

Conditions in 2023				Accumulative numbers from beginning to 2023	
Compnay	Installed Capacity (kW)	Power generation (kWh)	Annual carbon reduction (tCO2e)	Power generation (kWh)	Annual carbon reduction (tCO2e)
HKS	7,155	8,582,300	4,368	57,040,533	29,254
Others	4,018	4,267,698	2,172	25,878,228	13,218
合計	11,173	12,849,998	6,541	82,918,761	42,471
Quantity equivalent to the carbon absorption capacity of Daan Forest Parks (389mt/per year/ per park)			17		109





# Sustainable Development Achievement: Society

Employee Rest Area - At the entrance



Employee Rest Area - Activity area



Health Promotion Label



CPR and AED



Health education – Noise prevention, Seminars on the right way to use ear plugs & hazards of dust



Champion of the weight loss contest



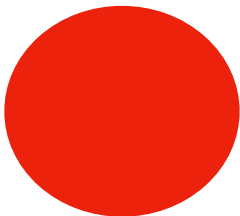
Adhering to the spirit and fundamental principles of human rights protection outlined in various international human rights conventions, such as the United Nations Global Compact, the Universal Declaration of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work  
Implementing WELL Building Certification for new office in 2024

The overall goal of our company is to achieve zero major occupational safety incidents. Over the past three years, we have successfully maintained a performance record with no significant work-related accidents."

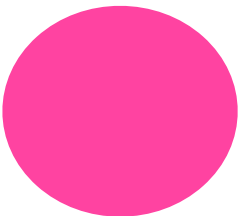




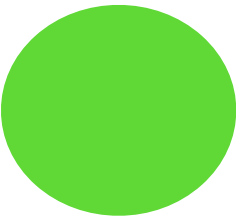
# Sustainable Development Achievement: Society



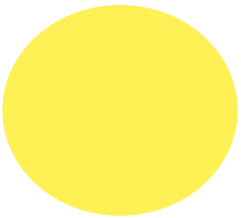
Education



Local Community



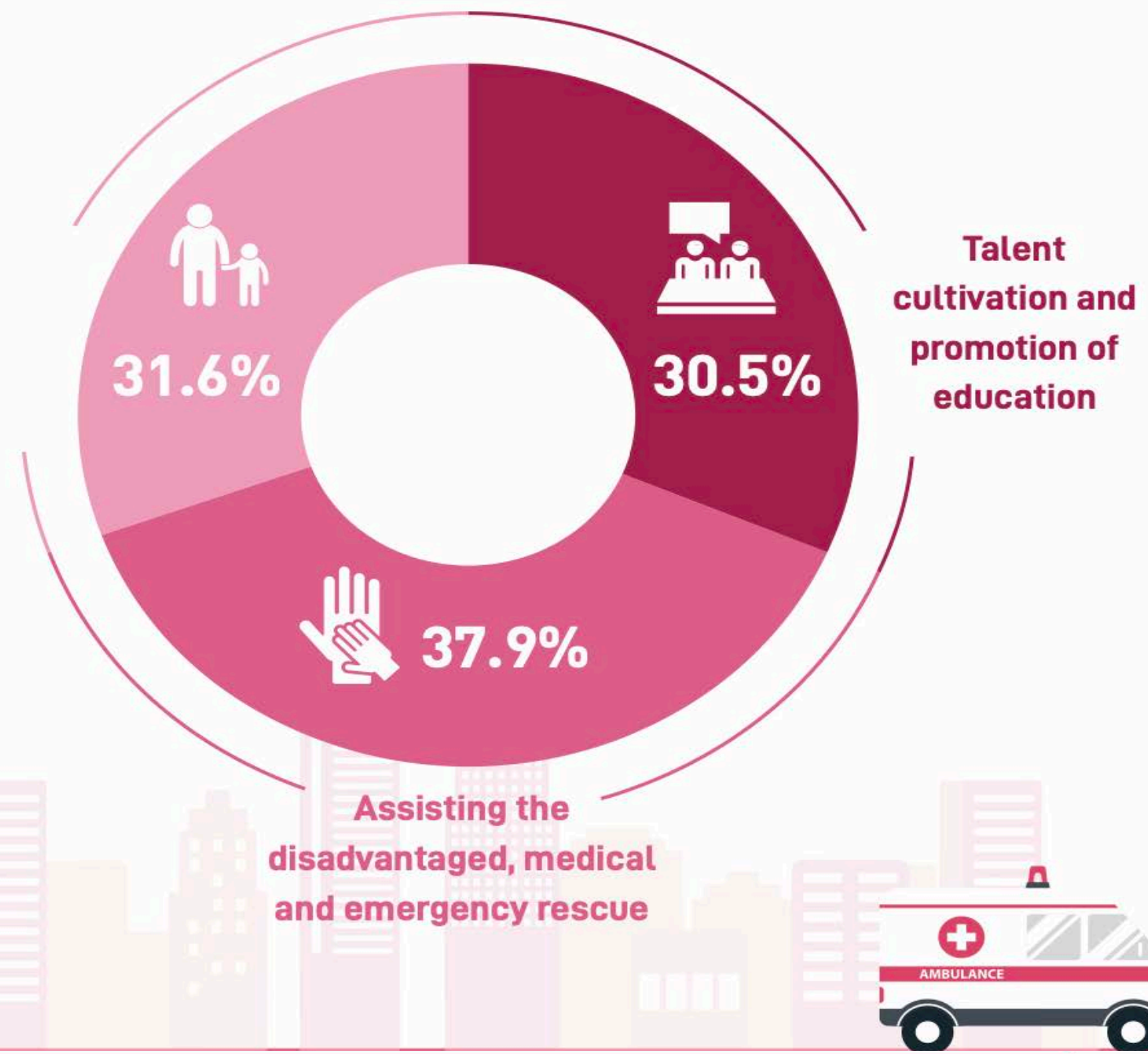
Support for  
disadvantaged group



Medical Subsidies



Community  
care



#### Outstanding Accomplishment and Incentive Program for Juvenile Rehabilitation

The Company cooperated with the Ministry of Justice in rolling out the Outstanding Accomplishment and Incentive Program for Juvenile Rehabilitation. Through providing students in juvenile correctional schools with appropriate educational resources and support, we cultivate their skills and improve their ability to adapt to social life. We purchased musical instruments and donated them to the Music Exploration Class of Li Zhi High School founded by the Agency of Corrections, Ministry of Justice. We also awarded scholarships to students who won prizes in music competitions. Thanks to the education of correctional schools, students have left behind their rebellious years and finally understand how hard it is to be grateful to their parents. In the "Thanksgiving Feast of Love and Reunion" held by Li Zhi High School, students presented homemade dishes to their parents, which was a heartwarming and touching scene.



#### Ambulance Donations

HKS, the Hsin Kuang Steel Tian-Cheng Charity Foundation and the Hui Jung Welfare and Charity Foundation have donated 37 medical treatment vehicles and ambulances across Taiwan thus far.

Hsinchu County



Taoyuan City



Taipei City



New Taipei City



Taichung City



Changhua County



Dounan



Yunlin County



Chiayi County



Kaohsiung City



Luodong, Yilan



Hualien County

