



新光鋼鐵股份有限公司
HSIN KUANG STEEL CO., LTD.

2031 TT/TW

Investor Presentation

2026.04.15



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Agenda

1. Company Introduction
2. Operating Strategy
3. AI Drives Long-Term Growth
4. Financial Figures



Introduction



新光鋼鐵股份有限公司
HSIN KUANG STEEL CO., LTD.

HKS is the Costco of the steel industry

#Retail

#Own product

#Logistics and warehousing development



HKS is like Costco in steel industry

| HKS | Costco |
|---|---|
| Supplier Management: Long-term & strategic partnership. | Supplier Relationships: Long-term partnerships emphasizing supply stability and consistent quality |
| Economies of Scale: Scale-driven procurement | Economies of Scale: Large-volume procurement, low margin-high turnover model, cost leadership |
| Value Creation via Diversified Solutions | Broad Product Assortment with One-Stop Shopping: Multi-category "one-stop" purchasing |
| Integrated Channels: upper stream business channels and over 2000 customers in Taiwan | Extensive Membership Base: Household and business members |
| Subsidiary Collaboration: Apex, Hsin Haun Steel, Mason, XinWie Solar. | Private Label: Kirkland Signature (across multiple categories) |
| Warehouse and Rental Income | — |

2025 Operating results

Operating revenue

NT\$ **16.8** billion

+15.1% YoY

Gross profit margin

8.9 %

0.9% YoY

Gross profit

1.49 billion

+27.5% YoY

Realized gross profit

NT\$ **0.91** billion

+ 52.8% YoY

Realized gross profit margin

5.4 %

+1.3% YoY

Net income attributable to owners of the parent

NT\$ **1.06** billion

EPS NT\$ 3.3



Established in

1965

Employees in group

586

Paid-in Capital

NTD 3.21 billion

Sales Quantity per year

50.8mt

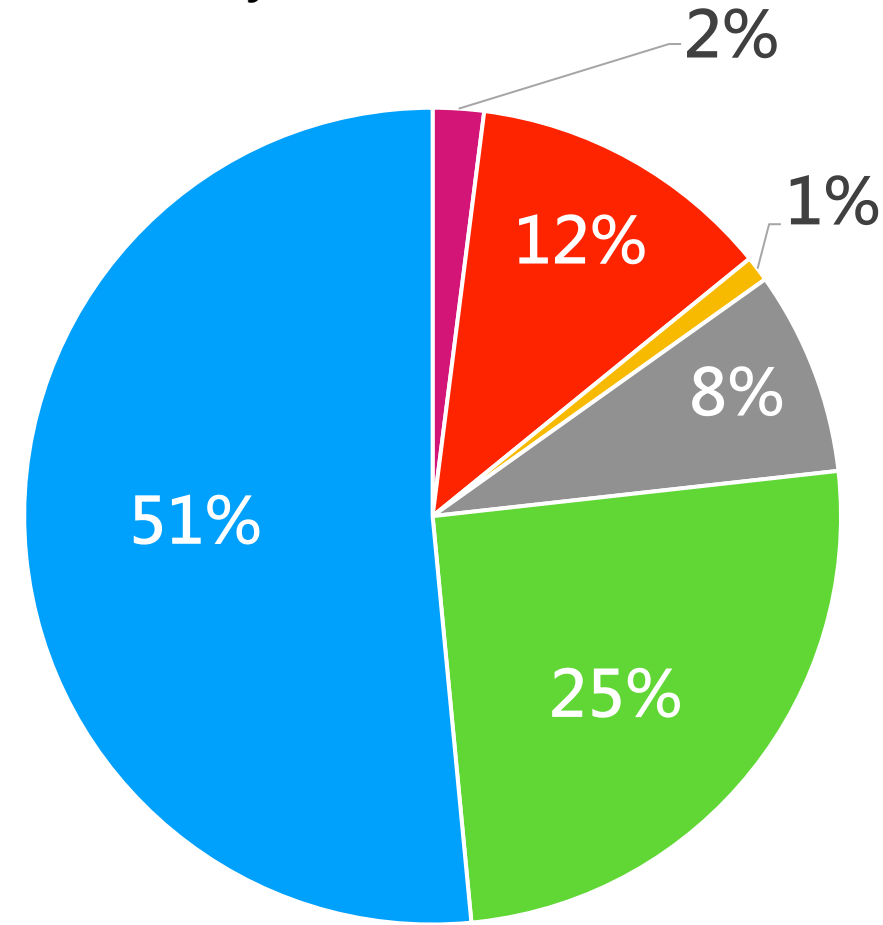
Sales Revenue in 2025

NTD 16.8 billion

Market Value (2026.2.25)

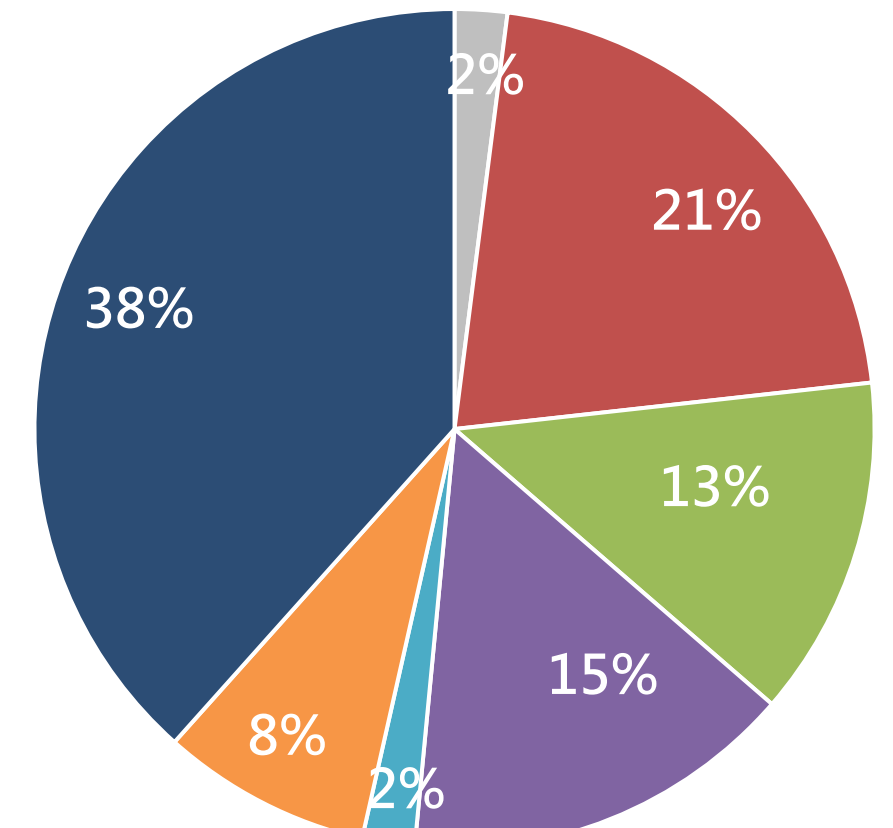
NTD 12.85 billion

Structure of revenue
(By business nature)



- Leasing business
- Construction service
- Cutting services
- Steel products
- Business from project
- Business from steel sales

Structure of revenue
(By business nature)



- Warehousing and logistics
- Machinery industry
- Business from green energy
- Government investment project
- Shipbuilding industry
- Automobile and motorcycle industry
- Private investment project

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 Became a 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.

1

Phase 1

- Starting up stage.

2

Phase 2

- Establishing a steel cutting center through out Taiwan
- IPO
- Establishment of fine corporate governance

3

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.”

4

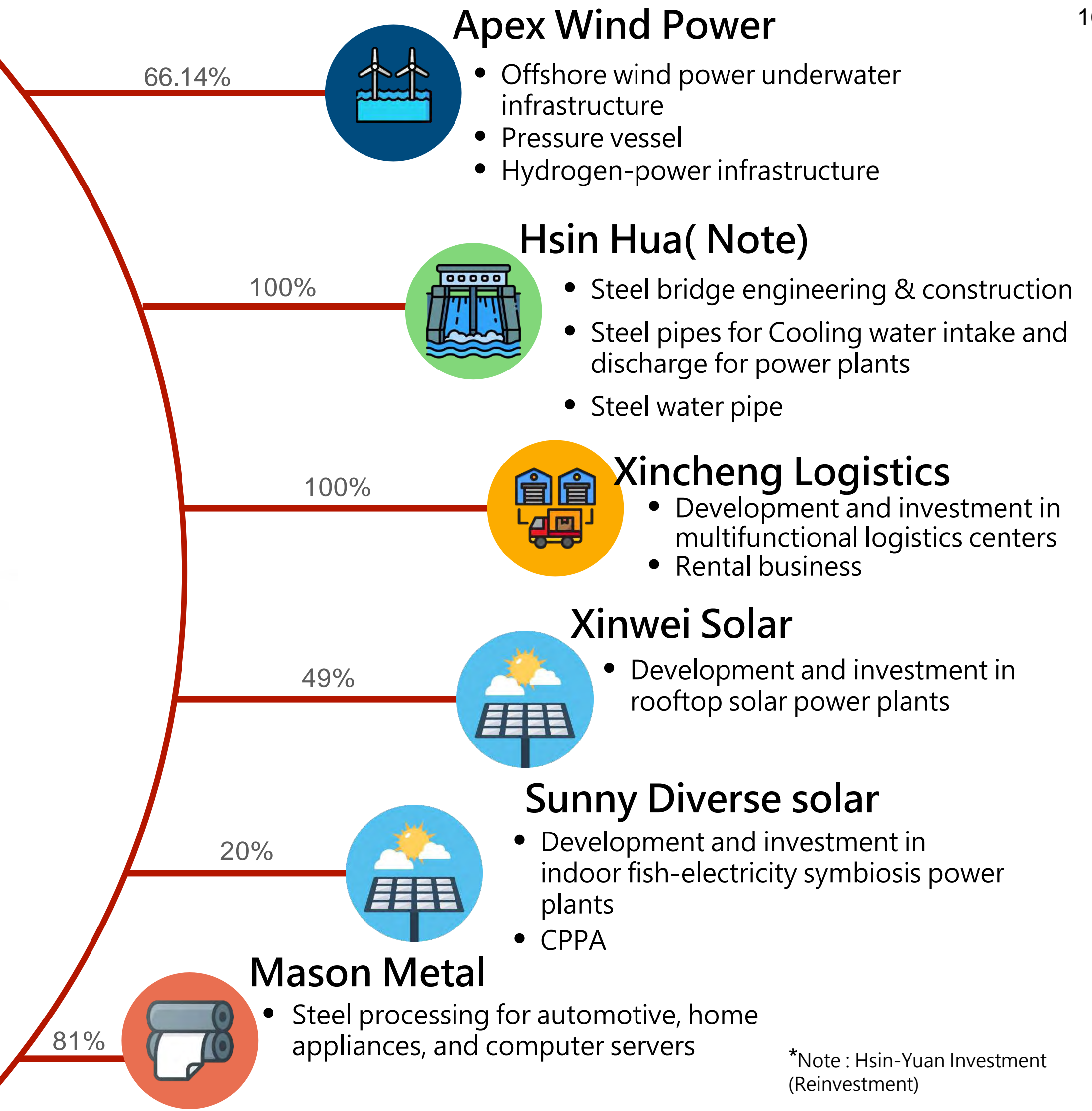
Phase 4

- Diversify portfolio of business
- Become a steel solution provider in different sectors
- supports industrial development via investment of green energy

Group Structure



新光鋼鐵股份有限公司
HSIN KUANG STEEL CO., LTD.



*Note : Hsin-Yuan Investment (Reinvestment)

We have factories throughout the province and provide local supplies, so we have the sensitivity of local industries.

新光鋼鐵公司 總部

- 桃園-新慶物流中心**
 - 面積：16,000坪
 - 複合式大型物流園區
- 桃園-觀音廠**
 - 面積：29,000坪
 - 鋼板裁剪、不鏽鋼裁剪、鍍鋅鋼板裁剪、熱軋鋼捲裁剪中心、橋樑與建築隔震支承製造中心
- 桃園-新和物流園區**
 - 面積：3,668坪
 - 複合式大型物流園區
- 桃園-新澄物流園區**
 - 面積：30,905坪
 - 複合式大型物流園區 (國內最大獨棟大樓屋頂太陽能板，裝置容量為2.74kW)
- 彰濱廠**
 - 面積：15,000坪
 - 風電水下基礎基樁直管工藝設計研發中心、大口徑鋼直管產製中心、鋼捲裁剪、圓棒物流中心
- 嘉義廠**
 - 面積：5,000坪
 - 水資源連通基樁館產製中心及橋樑鋼構製造中心
- 高雄廠**
 - 面積：8,000坪
 - 鋼結構構件製造中心、新型高耐蝕性建材裁剪中心
- 臺南廠**
 - 面積：4,000坪
 - 特殊鋼剪裁及物流中心



Our Vision

『 Everyone cooperates together to construct a beautiful new Taiwan 』

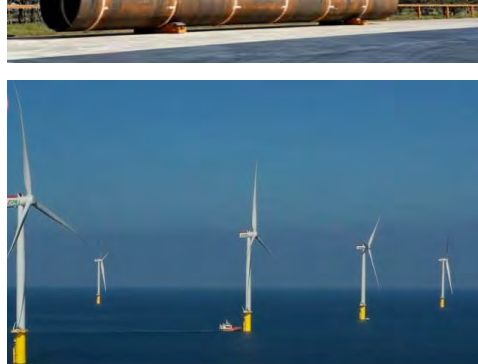
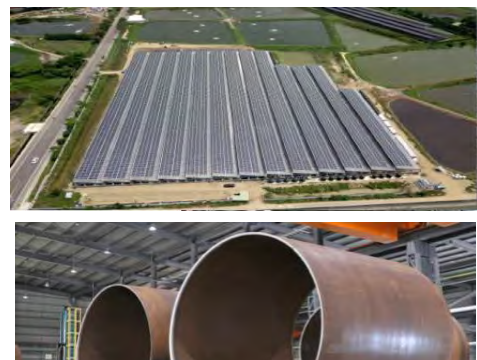
『 Everyone cooperates together to construct a sustainable Taiwan with Net-zero carbon emission 』

2001

From 2018

Before 2030

2050



Renewable Energy

Offshore wind 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

Operating Strategy

Diversified Service Scope

The Most Comprehensive One-Stop Steel Solutions Provider





Comprehensive One-Stop Steel Solutions Provider

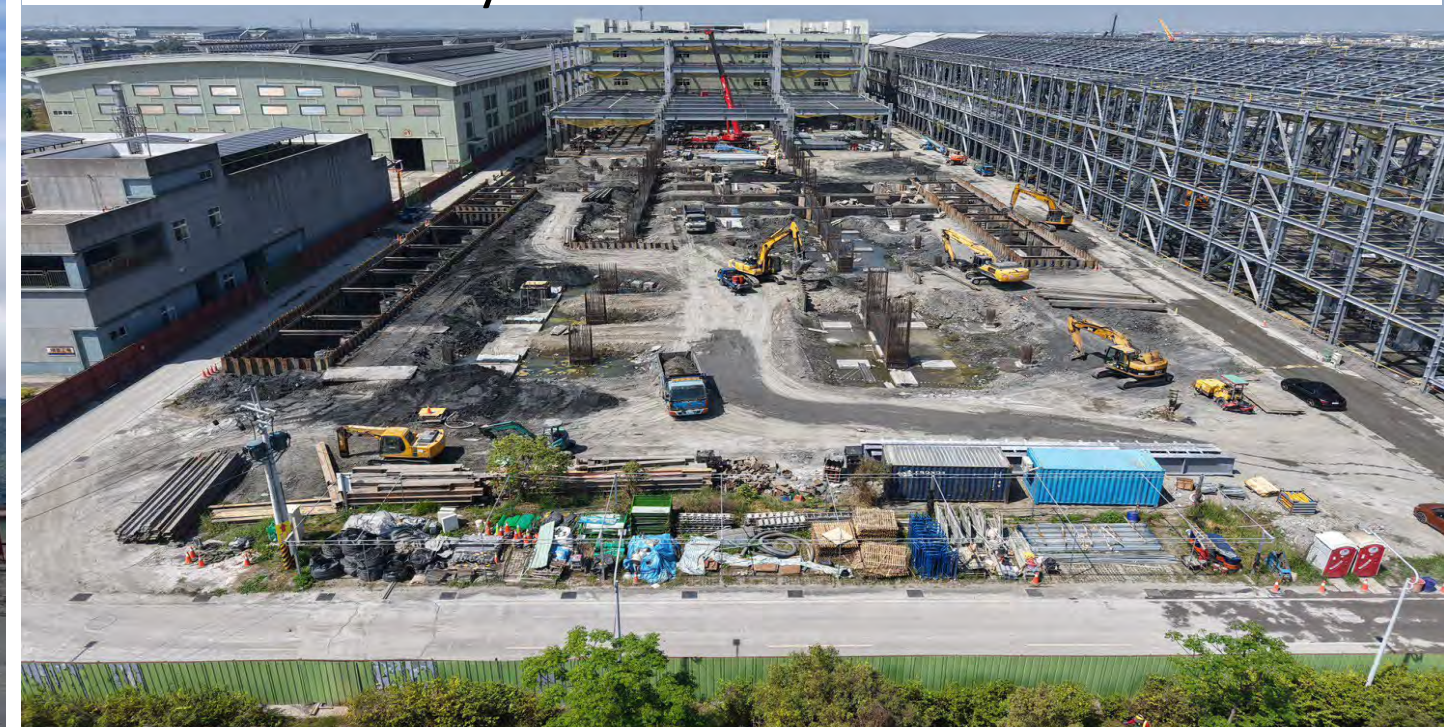
Chien Fu Precision Machouhou Steel Structure Project



Hualien Yuli Bridge Construction Project



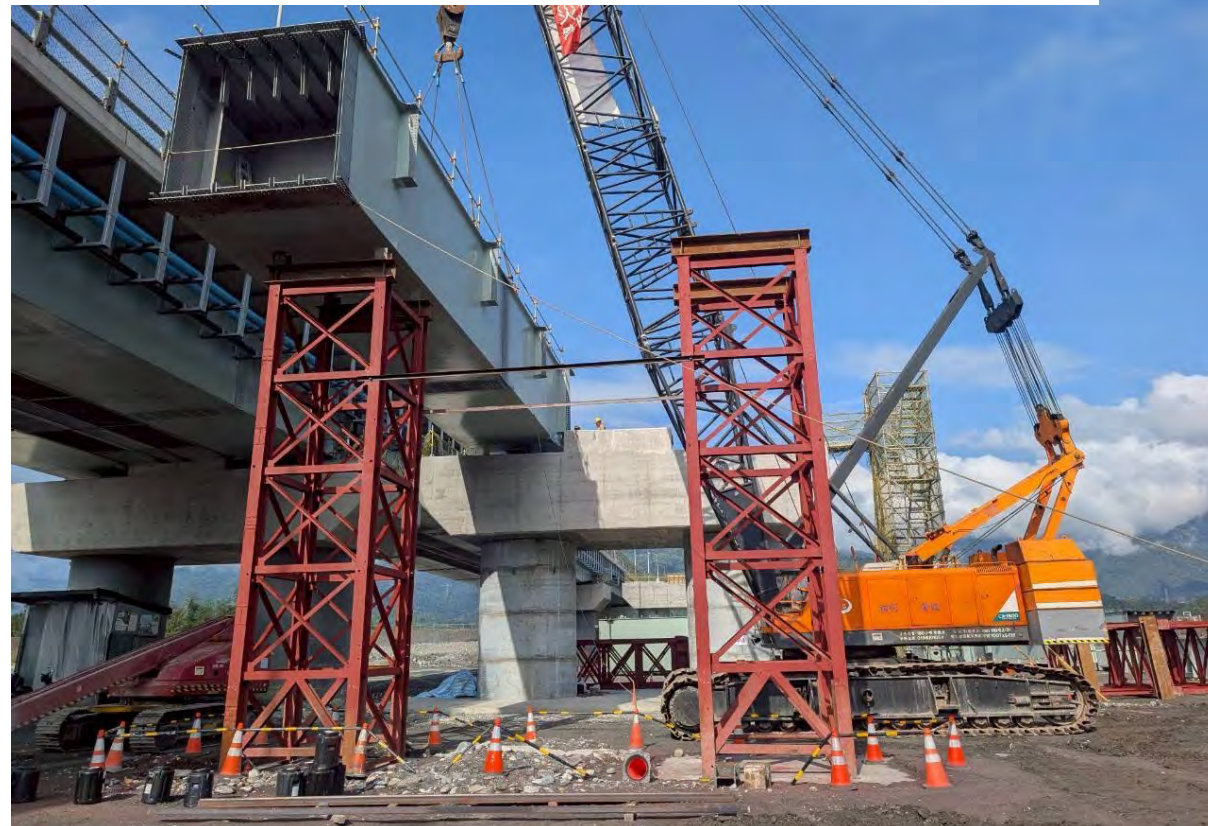
Structural Steel Works for Building A1 at Pingtung Chaozhou Railway station



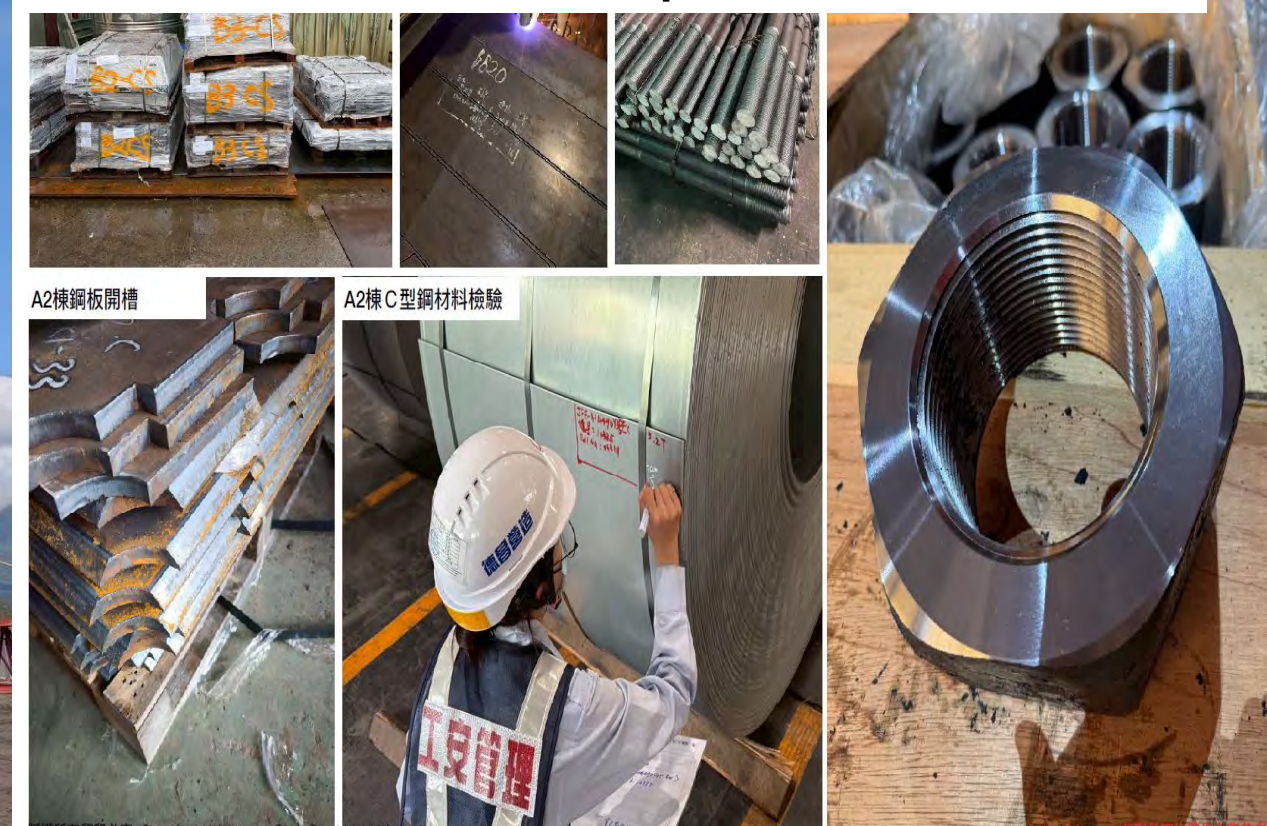
Hualien Yuli Bridge Construction Project



Hualien Yuli Bridge Construction Project

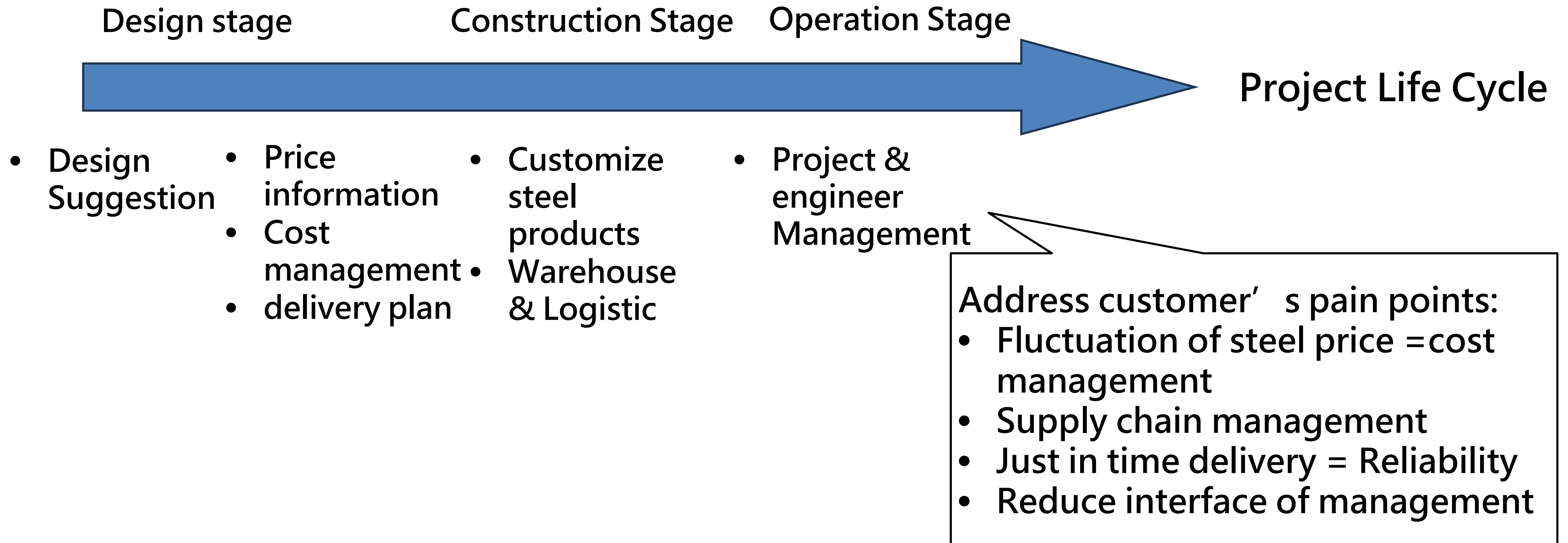


Wide varieties of steel products





Why HKS: Comprehensive One-Stop Steel Solutions Address customer' s Pain Points



Development of modern multi-functional logistics centers



新光鋼鐵股份有限公司
HSIN KUANG STEEL CO., LTD.

Modern Multifunctional Logistic Center

Total floor area
170,962 m2

Annual contribution from
leasing business
EPS 1.2
per year

Xincheng Logistics Park



Number of
logistics
centers owned

3



Number of
logistics
centers
owned

Xinqing Logistics Park



Create job
opportunities

5,000



Roof Top
Solar
4.5M.W

A Professional and Diverse Board

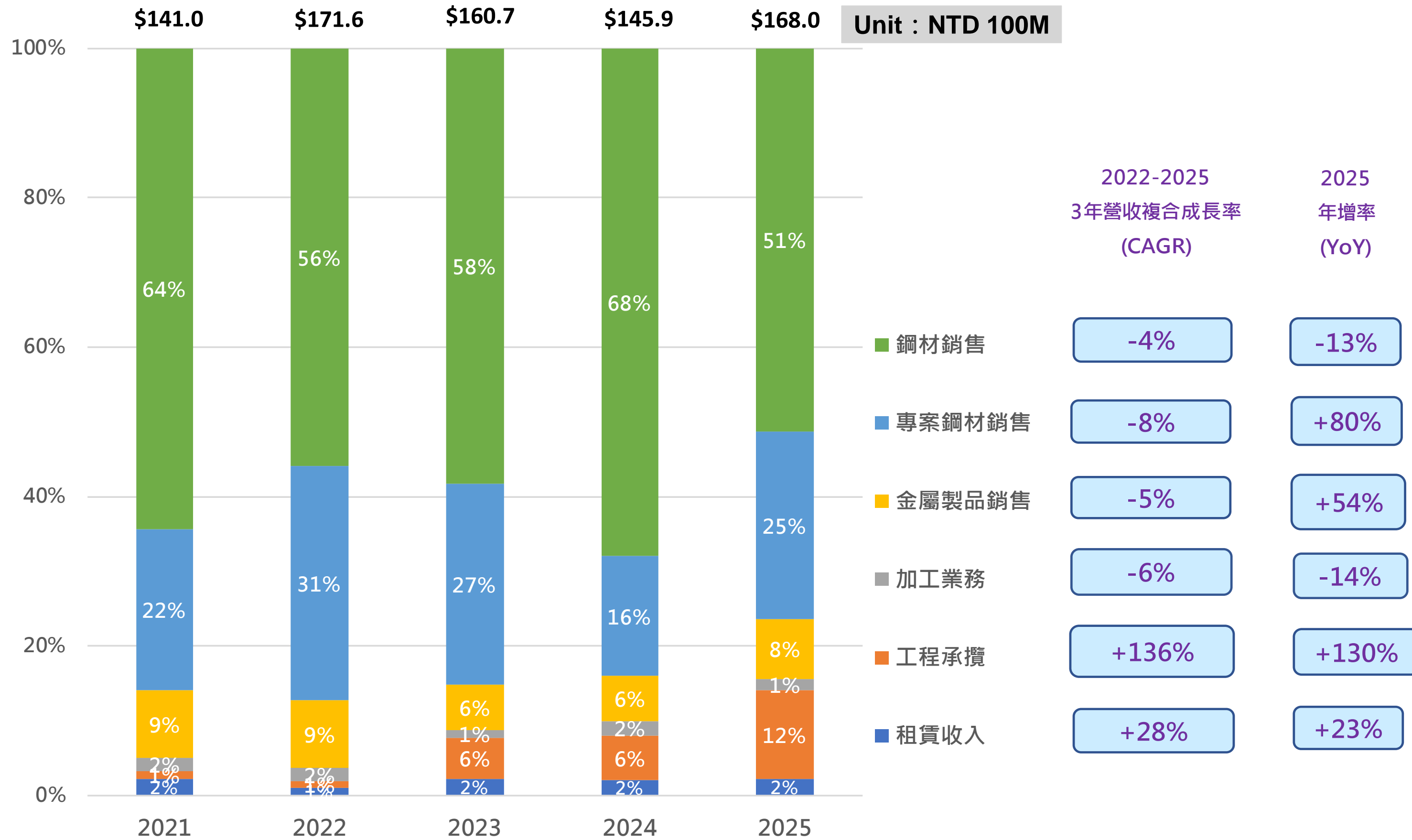


Cross-Generational, Forward-Looking Team



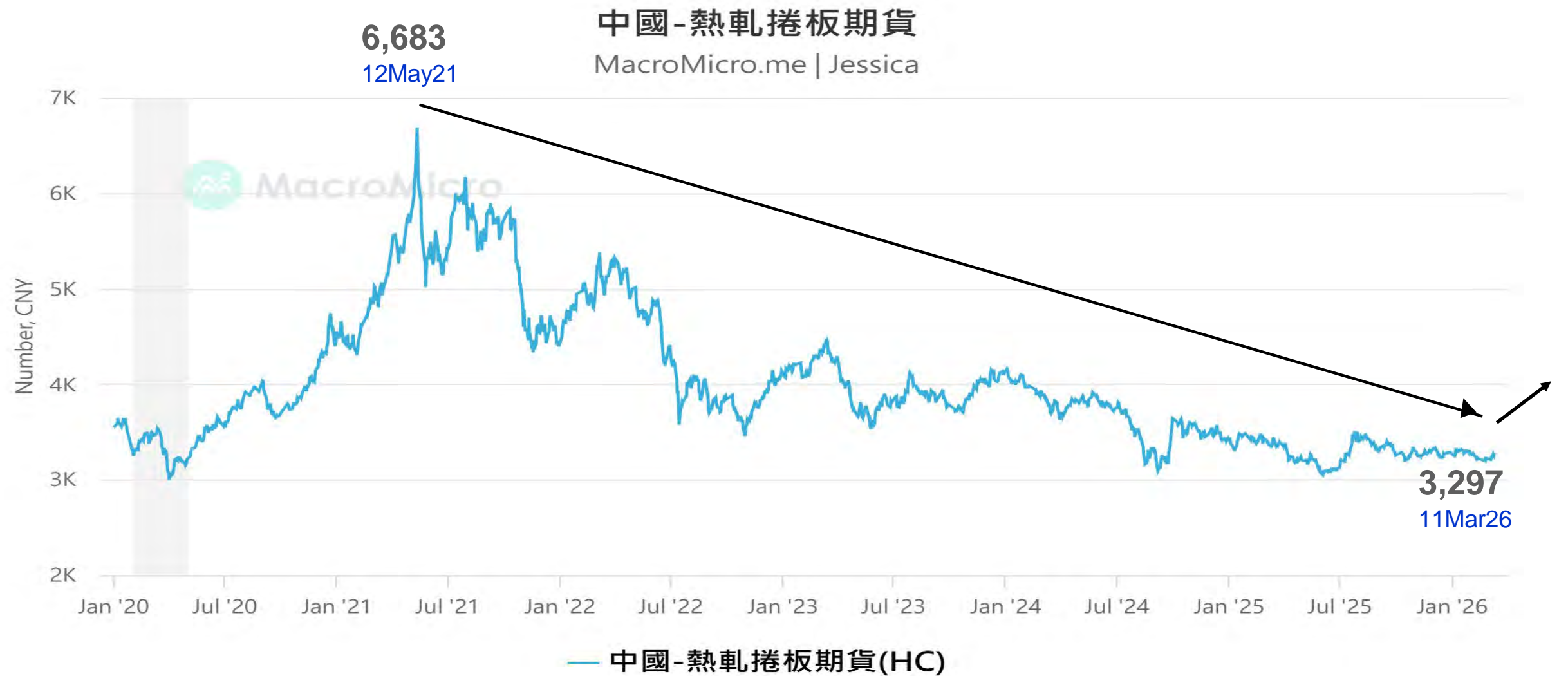
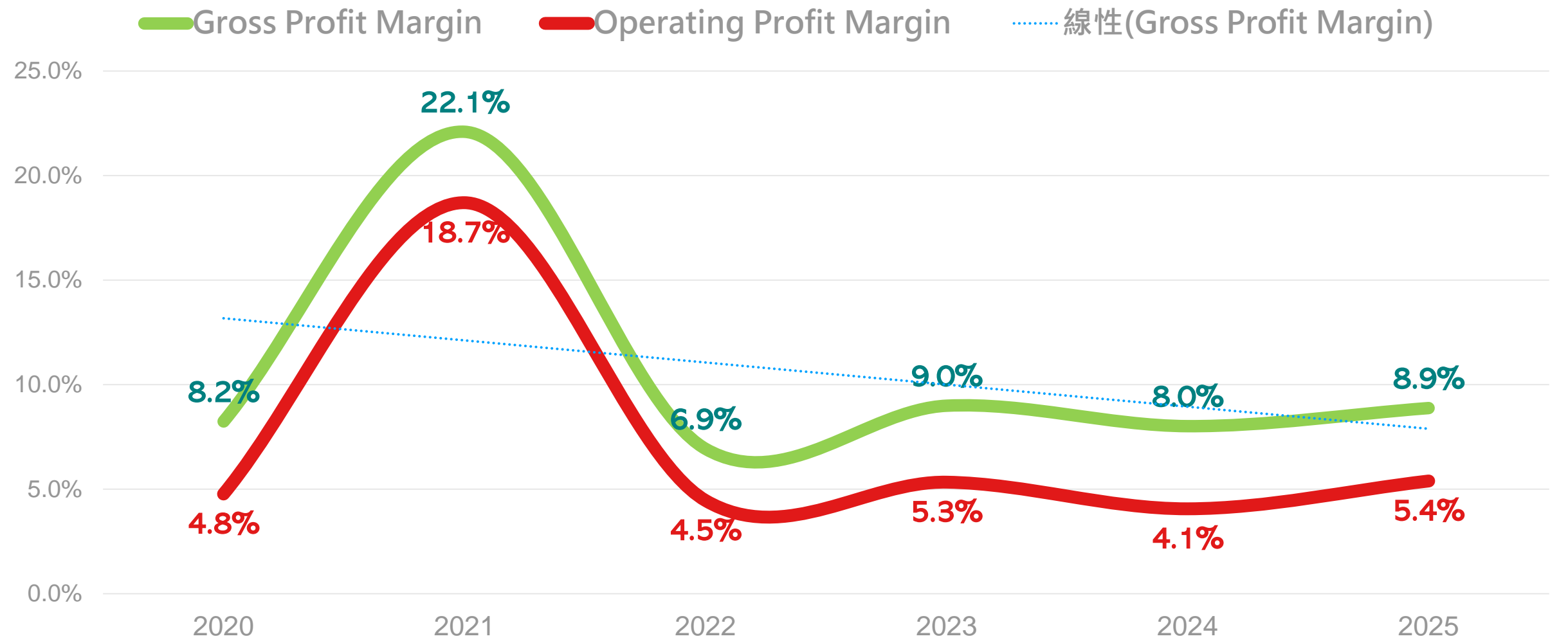


Diversification results are becoming apparent



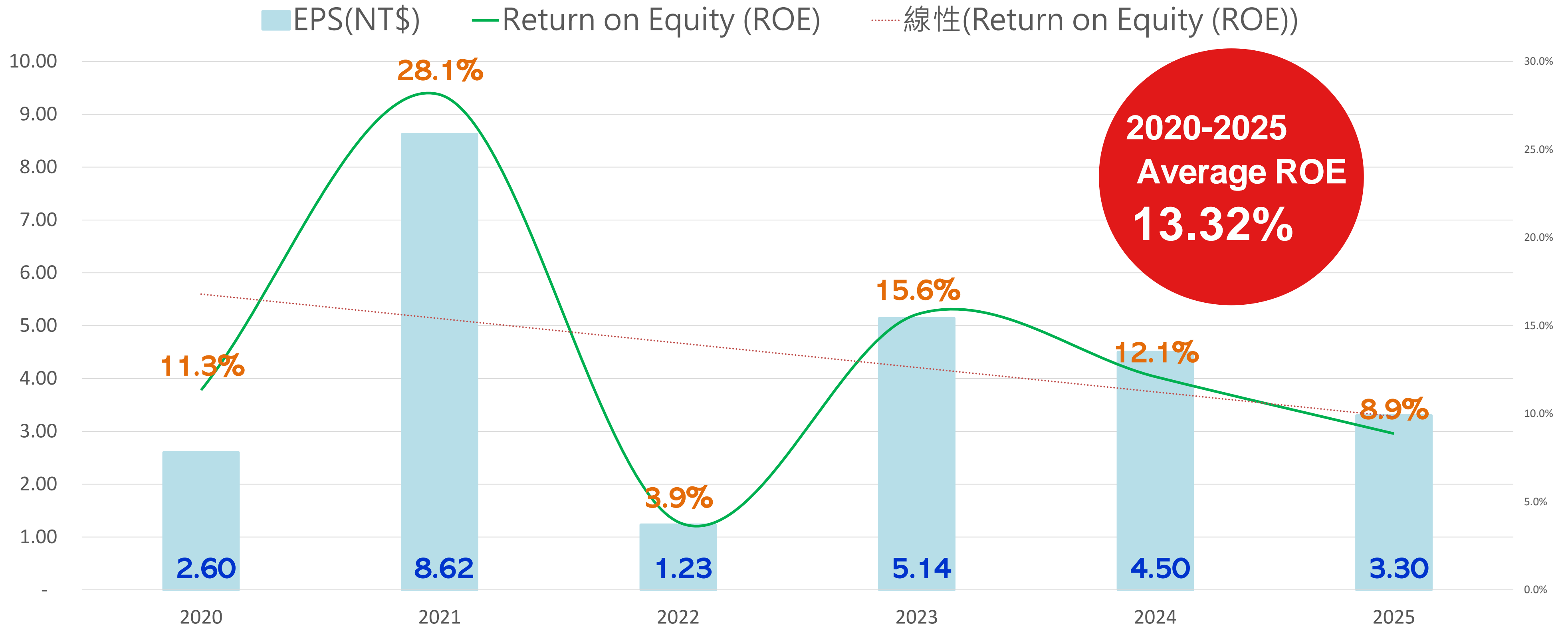


Revenue diversification to combat falling steel prices and business cycles



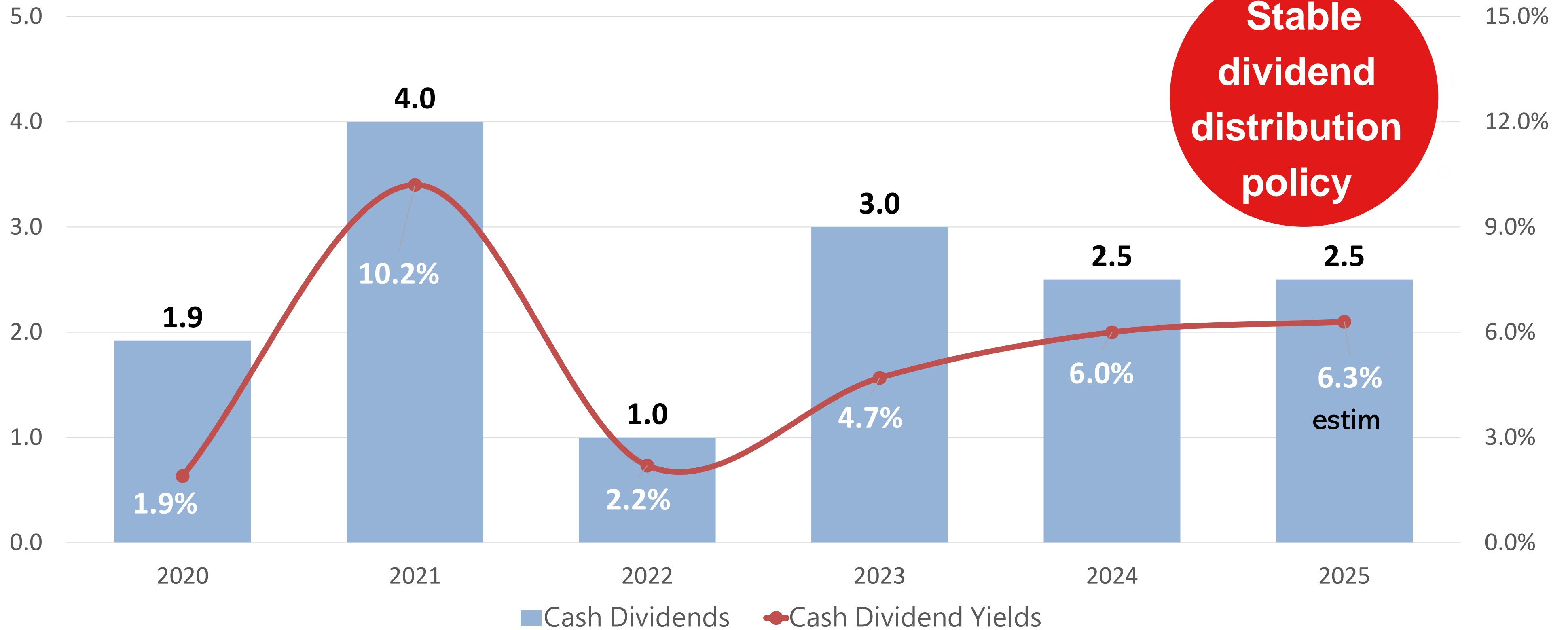


2020-2025 ROE





2020-2025 Cash Dividends and Cash Dividend Yields



*Cash dividend yields are calculated using the market value on the day before the ex-dividend date.



Operational Outlook of 2026-2027

- **With tariff-related uncertainties largely resolved and end-customer demand stabilizing, we take a positive view on operating performance in 2026.**
 - Following the resolution of U.S. reciprocal tariff issues, end-market demand has recovered, supporting inventory restocking. Steel prices have bottomed out and rebounded. Our 2025 sales target of 520,000 tons of steel achieved a completion rate of 96.5%, and for 2026, we set a full-year sales target of 580,000 tons, representing 16% year-on-year growth.
 - As industry demand continues to strengthen and government policies gradually stabilize, public infrastructure projects and private-sector investments are expected to maintain steady growth. We anticipate these drivers to gain momentum over the next 12 months, unlocking broader business opportunities.
 - Based on our current order backlog, and with deliveries expected from wind power projects, bridge construction, and private industrial facilities, we remain optimistic about operating performance in 2026–2027.
- **We continue to view the AI-driven investment cycle as a key long-term growth catalyst.**
 - HKS plays a critical role in technology-related industrial developments, energy infrastructure demand, and public construction projects.
- **The escalation of the U.S.–Iran conflict and rising oil prices may further push up raw material costs, which we continue to monitor closely.**

AI Drives Long- Term Growth



Taiwan plays an indispensable role as a global hub for AI development.

Taiwan's unrivaled dominance in the global semiconductor industry underpins AI training and data center computing worldwide.

60%+

Global Foundry Revenue Market Share

90%

Advanced Process Chip Manufacturing

\$165billion

2024 Semiconductor Industry Output Value

Accounting for approximately 20.7% of Taiwan's GDP

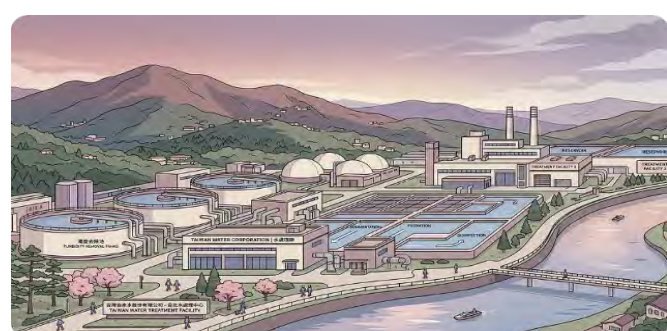
92%

TSMC's Share of Advanced Logic Chips

However, semiconductor manufacturing is an extremely energy- and water-intensive industry. As AI-driven demand continues to fuel fab expansion, Taiwan's power and water infrastructure is facing mounting pressure.



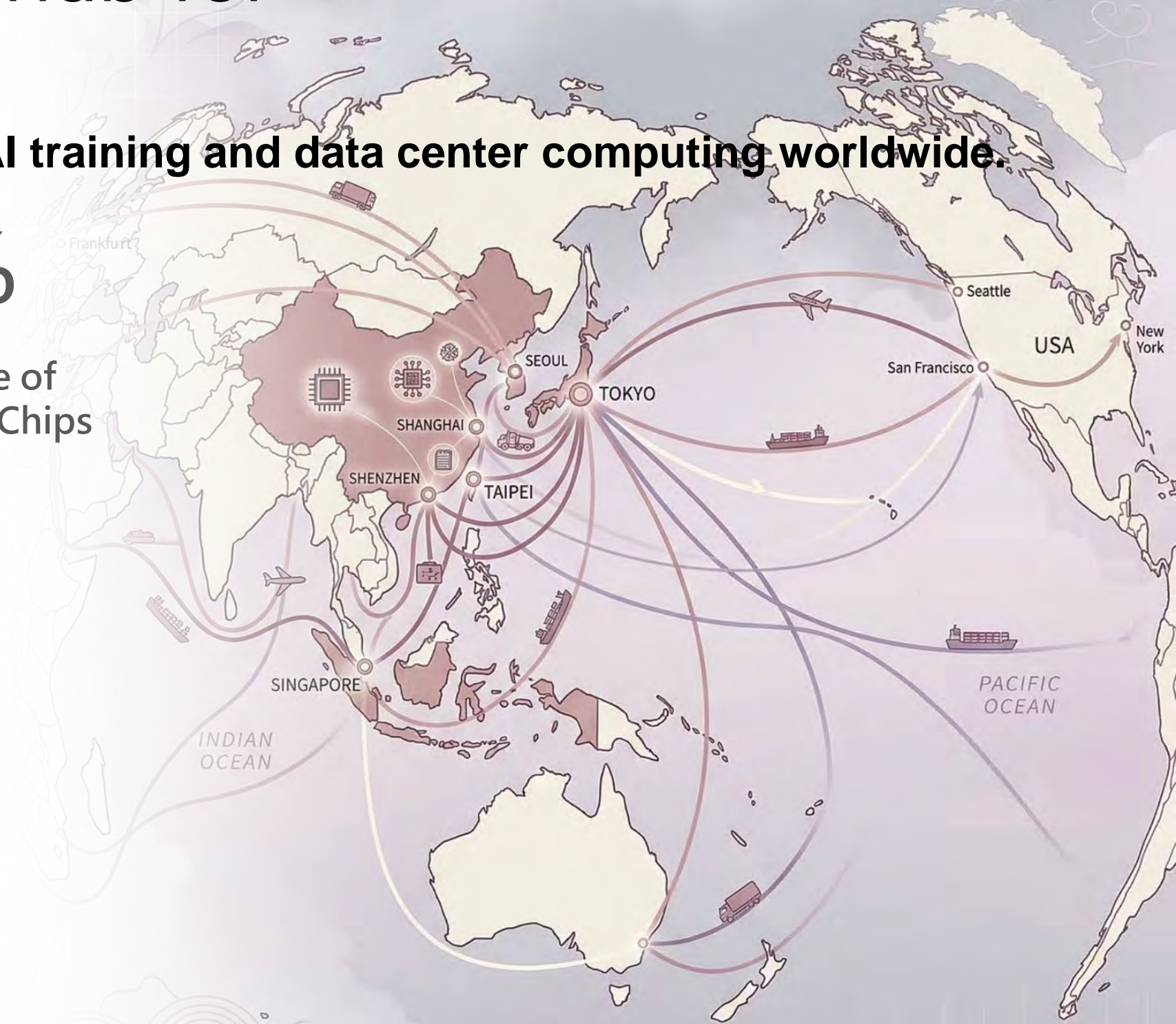
Power Grid Reinforcement Project



Clean Water Resources



Roadway and Transportation Engineering



資料來源:
<https://www.trade.gov/country-commercial-guides/taiwan-semiconductors-including-chip-design-ai>
<https://rdj.ai/taiwan-s-role-in-the-global-ai-hardware-supply-chain>

From Computing Power to Construction Power – AI Driving Infrastructure Demand and Upgrades

The steel industry is gaining growth momentum.



Offshore wind Farm



Solar Power Plants

Energy



Coal-to-Gas Transition



Water Purification Resources

Government Infrastructure Projects



Bridges & Railways



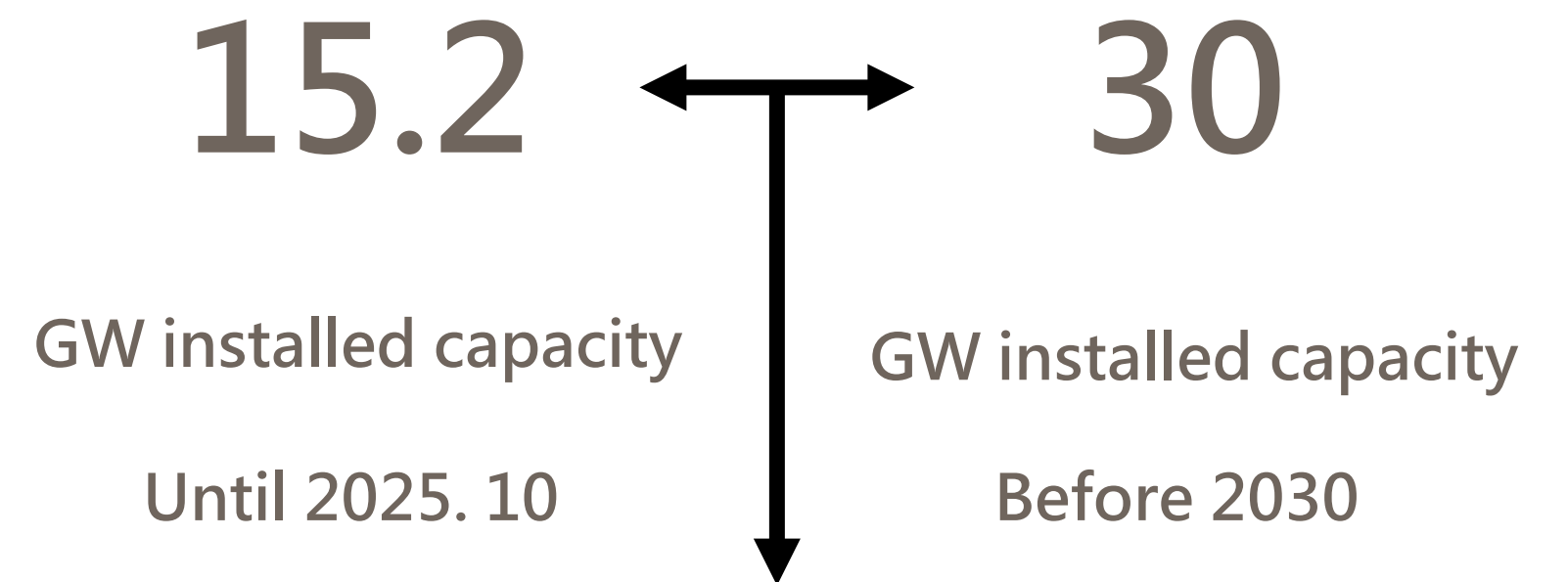
Industrial Plant Construction

Private Sector Construction

The installed capacity of Taiwan solar power

The critical milestone of installed capacity

- From January to October 2025, newly installed capacity totaled approximately 902 MWac, representing a 36% decline year-on-year. As of October 2025, cumulative installed capacity reached 15.2 GWac.
- The government continues to adjust regulations, with a policy focus on rooftop solar installations and dual-use land applications.
- The 2030 target of 30 GW remains unchanged, implying potential steel demand of approximately 0.8 to 1.0 million tons.



Over 1 million tonnes
Of steel demand

Green Energy – Solar Power

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

Development of Solar Power Plants

Seek Trading of Green Energy



Green Energy – Offshore wind farm

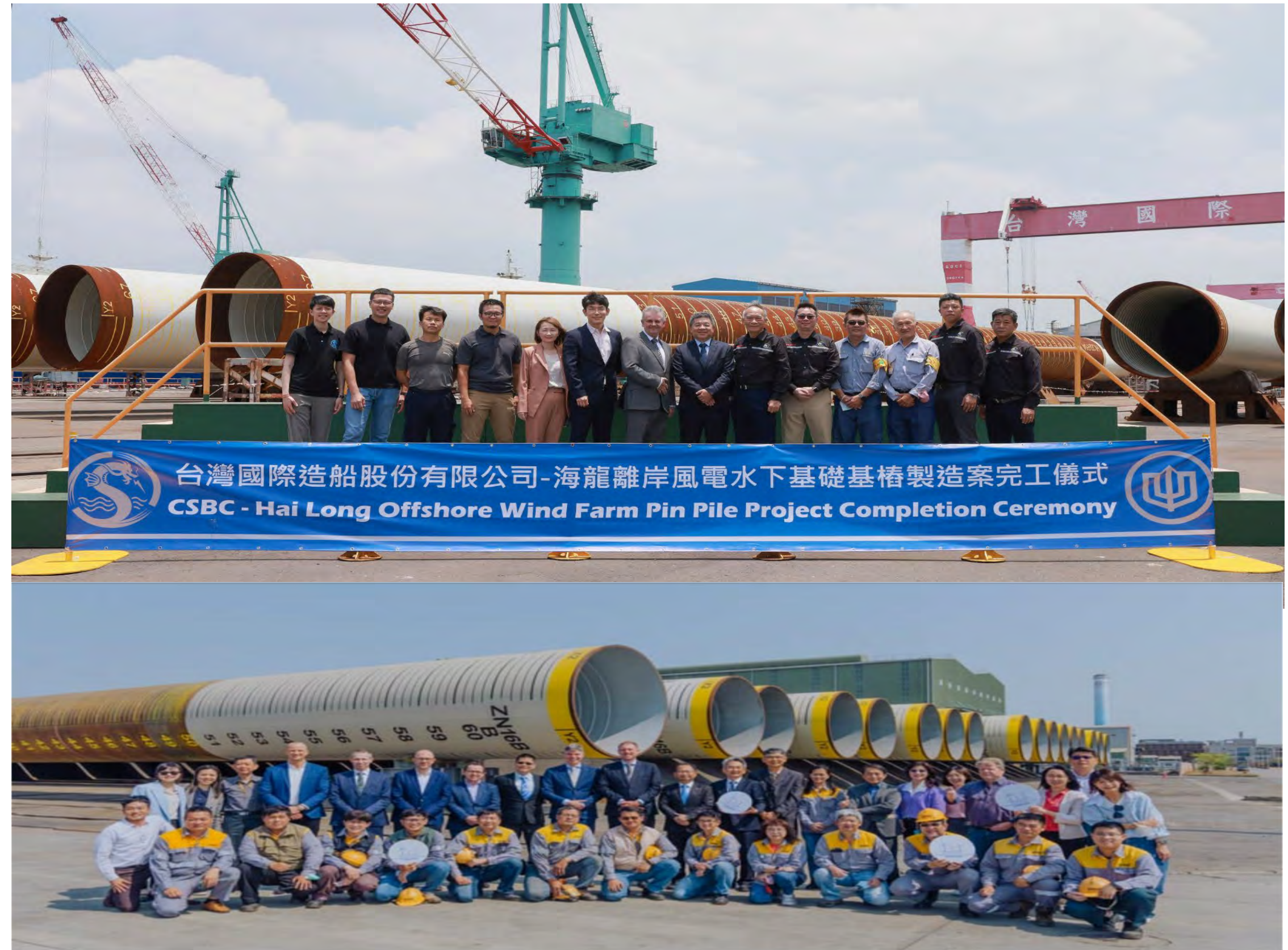
| 階段 | 期數 | 風場名稱 | 開發商/統包商 | 裝置容量 (MW) | 水下基礎數量 | 併網年度 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|----|----|------|---------|-----------|--------|------|----------------------------------|------|------|------|------|------|------|------|------|
| 2 | 1 | 彰芳西島 | CIP | 600 | 62 | 2024 | [Timeline bar from 2021 to 2023] | | | | | | | | |
| | 1 | 台電二 | 富崙能源 | 300 | 31 | 2026 | [Timeline bar from 2022 to 2025] | | | | | | | | |
| 3 | 1 | 海龍 | 北陸能源 | 300 | 21 | 2025 | [Timeline bar from 2023 to 2025] | | | | | | | | |
| | 1 | 颯妙一 | CIP | 500 | 20 | 2027 | [Timeline bar from 2024 to 2026] | | | | | | | | |
| | 1 | 海盛 | 風睿能源 | 495 | 35 | 2028 | [Timeline bar from 2025 to 2027] | | | | | | | | |
| 3 | 2 | 海廣 | 風睿能源 | 800 | 57 | 2029 | [Timeline bar from 2026 to 2028] | | | | | | | | |
| | 1 | 蔚藍海 | 台亞法電 | 440 | 32 | 2029 | [Timeline bar from 2027 to 2028] | | | | | | | | |
| | 2 | 又德 | 森崙能源 | 700 | 50 | 2029 | [Timeline bar from 2028 to 2029] | | | | | | | | |
| 3 | 2 | 颯妙二 | CIP | 600 | 42 | 2030 | [Timeline bar from 2028 to 2029] | | | | | | | | |
| | 3 | 待定 | 北陸能源 | 600 | 42 | 2030 | [Timeline bar from 2029 to 2030] | | | | | | | | |
| 3 | 3 | 待定 | 沃旭能源 | 700 | 50 | 2031 | [Timeline bar from 2030 to 2031] | | | | | | | | |

- ◆ 正式製造合約簽署 / 預計簽署
 - ◆ 水下基礎開工/有條件開工/部分開工通知
 - ◆ 全數水下基礎交付完成 (港邊交貨 FAS/ 上船 FOB)
- █ 水下基礎製造時程
█ 港邊儲存區儲存時程

Solid demand

資料來源: 世紀風電上市櫃前發表會, <https://mopsov.twse.com.tw/nas/STR/207220260225M001.pdf>

Taiwan has a strong offshore wind farm supply chain



俊鼎交付中能風場93支基樁展現本土量能
台船環海接棒展開安裝作業



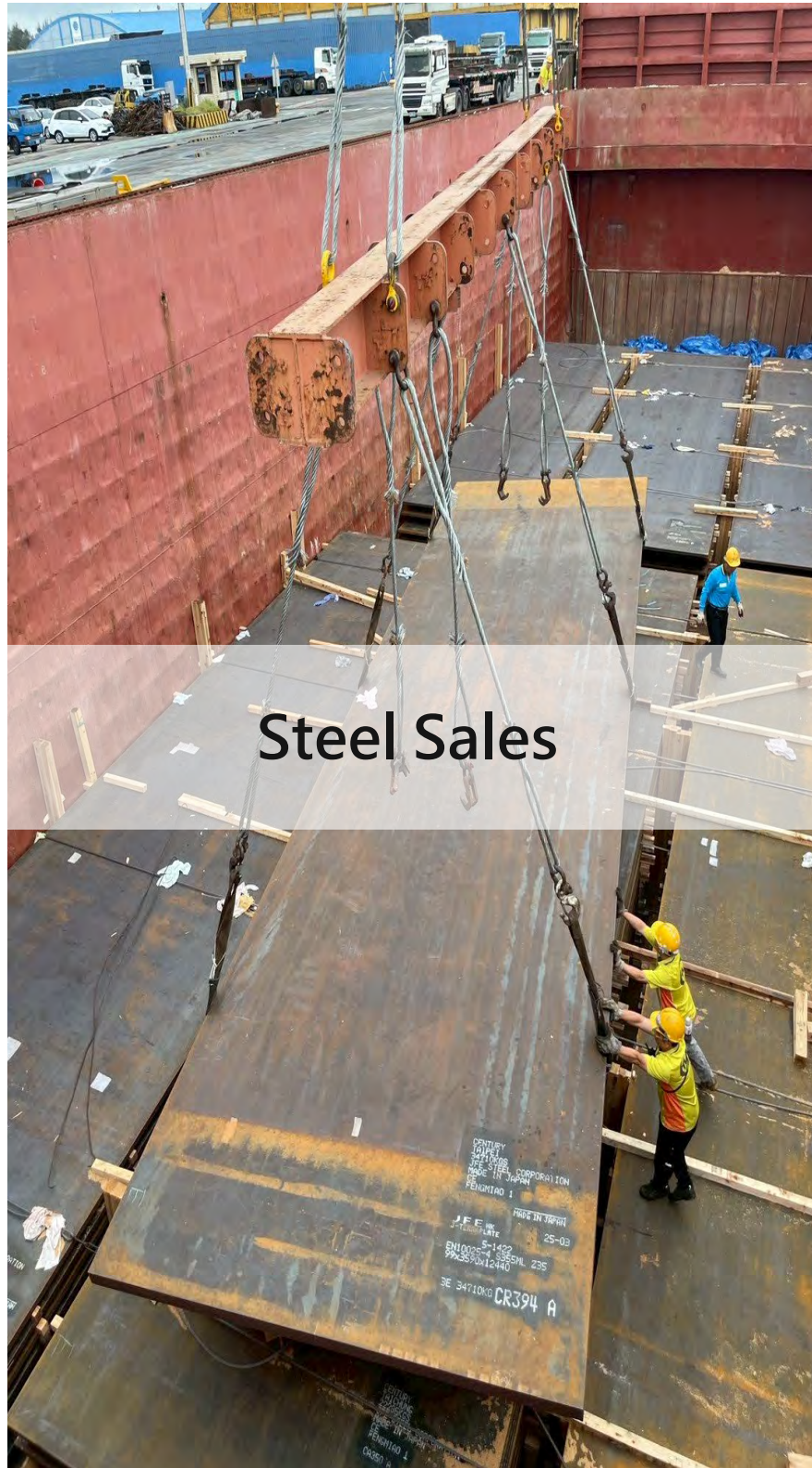
Total Solution

International Certification

Digitalized

Qualified by Tier 1 and job owner

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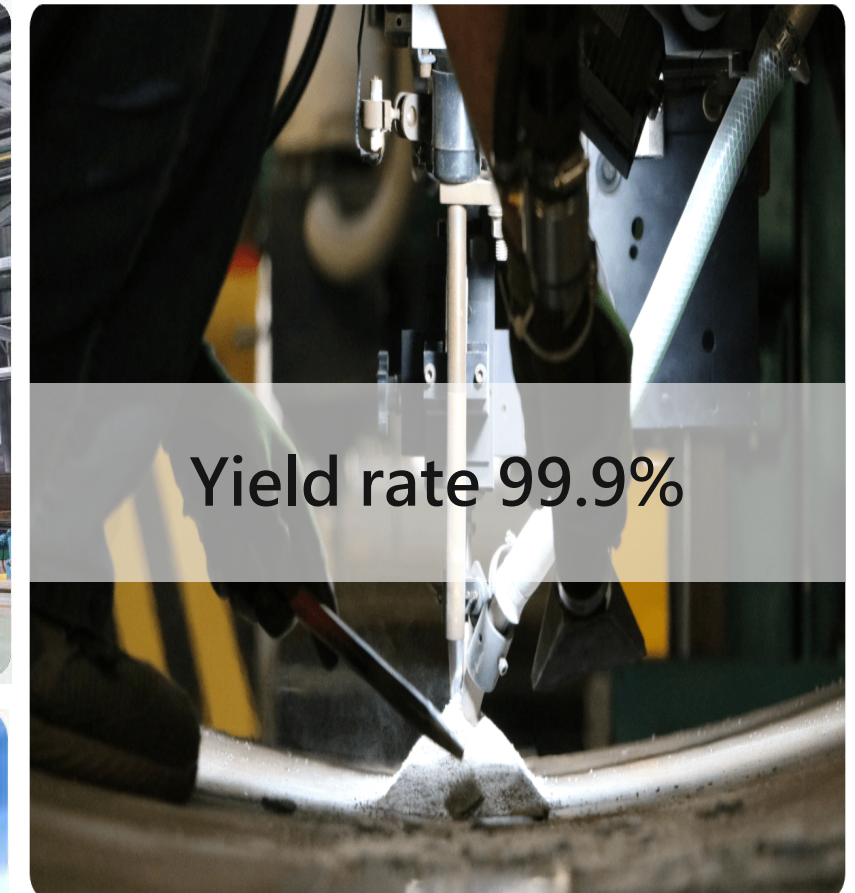
Steel Sales



Plate milling



Pipe can



Yield rate 99.9%



Pre-Bending



Pipe section



Five major international certifications

Progress and Implementation Status : offshore wind power plant project

Owner verification



Plates arrived



Pipe can

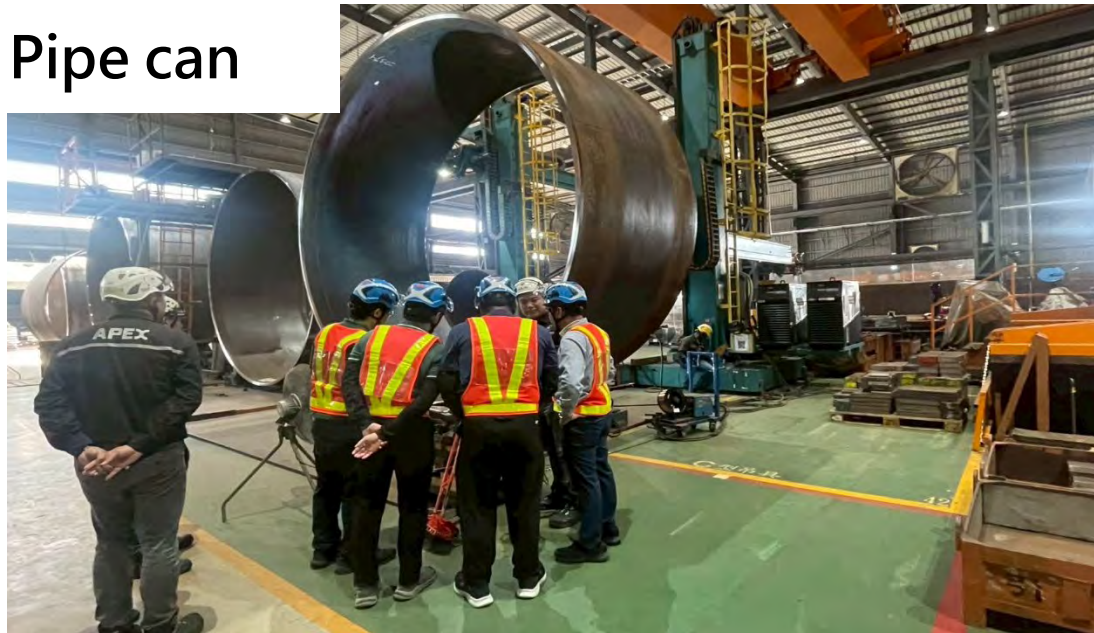


Plate processing



Pipe can



Pipe section processing





Government & Private Sector Investment

1

Central Government
Public Infrastructure
Spending

800 Billion

NDC (139th Committee Meeting, March 19): Preliminary 2026 public infrastructure budget expected to remain in line with last year

2

TSMC 2026
Capital
Expenditure

\$52-56 billion

3

Public-Sector-
Led Urban
Renewal
Investment

89.8billion

Total Value of Successful Investment Projects Facilitated by the National Housing and Urban Regeneration Center from 2018 to 2024

4

E-commerce
Logistics
Market Size

68billion

Distribution Research Institute Forecast:2030 E-commerce Logistics Market Size (NTD) to Drive Long-Term Construction Demand

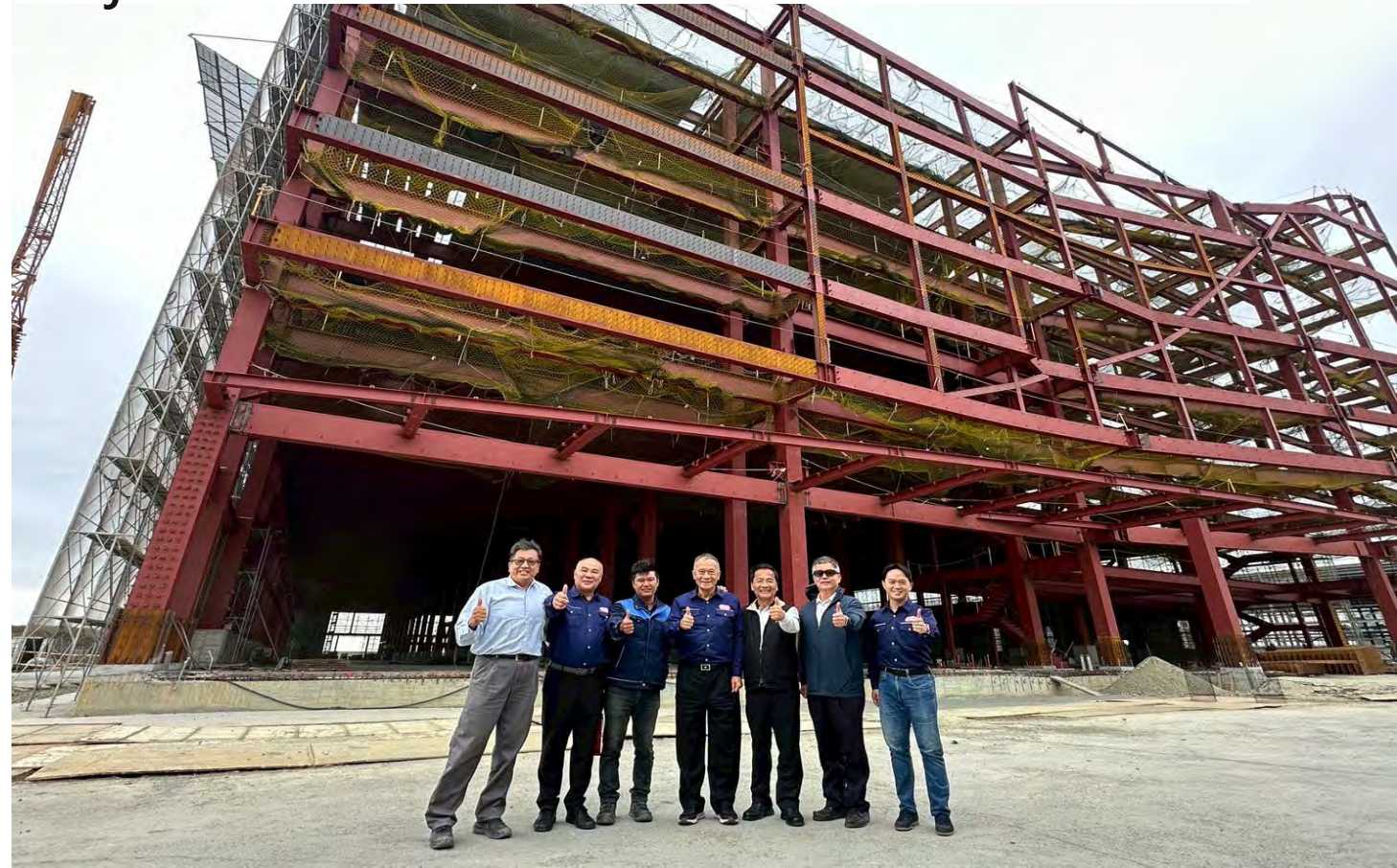
Total Logistics
Investment by the Top
Five Players

100billion

Uni-President, momo (Fubon Media), PChome, PX Mart, and Coupang have collectively invested over NTD 100 billion.

Progress and execution status: Various steel structure projects have commenced one after another.

Chien Fu Precision Machouhou Steel Structure Project



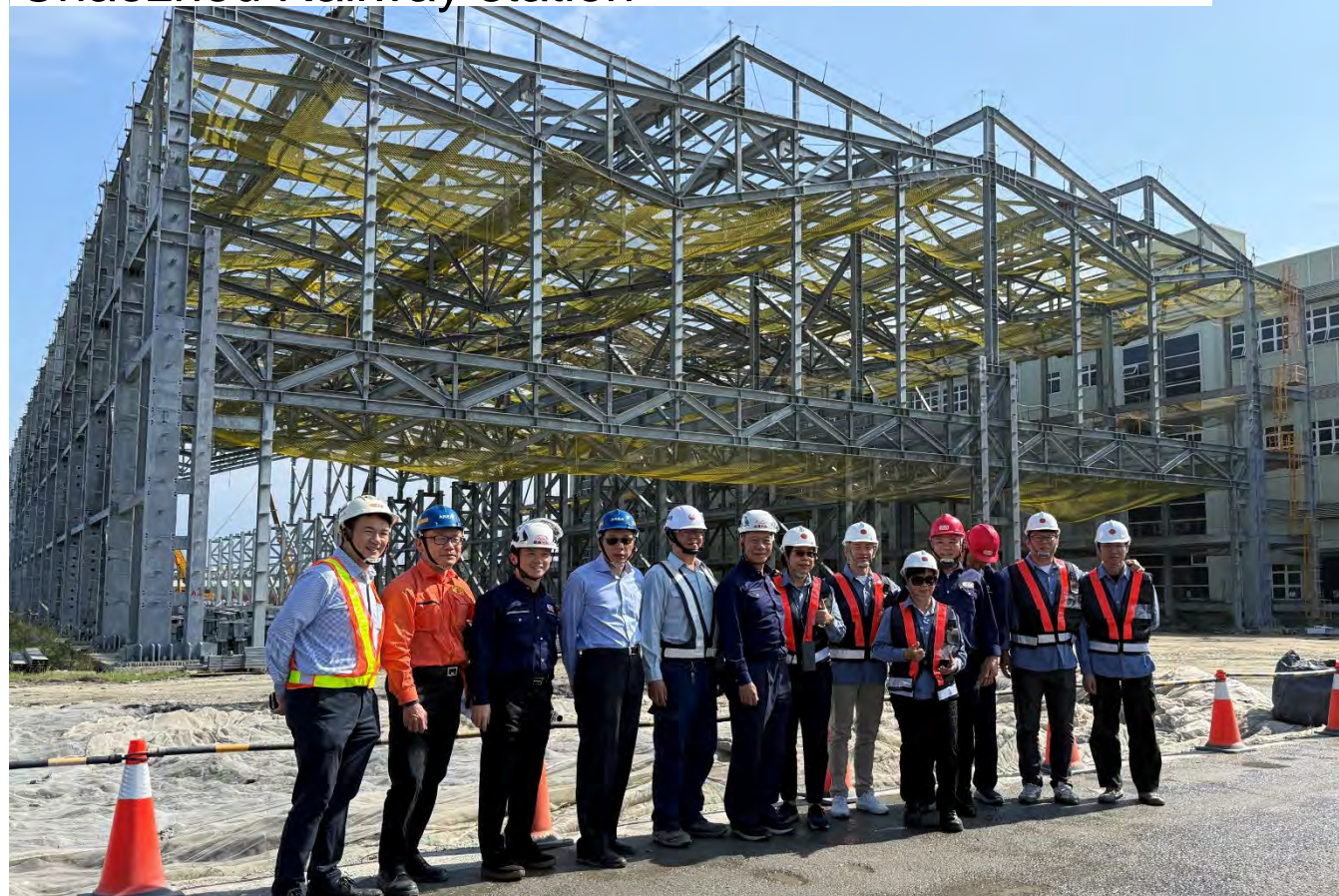
Chien Fu Precision Machouhou Steel Structure Project



Hualien Yuli Bridge Construction Project



Structural Steel Works for Building A2 at Pingtung Chaozhou Railway station



Structural Steel Works for Building A1 at Pingtung Chaozhou Railway station





Progress and Implementation Status : Steel Piping for Cooling Circulation Water Intake and Discharge System – Tungshiao Power Plant Phase II

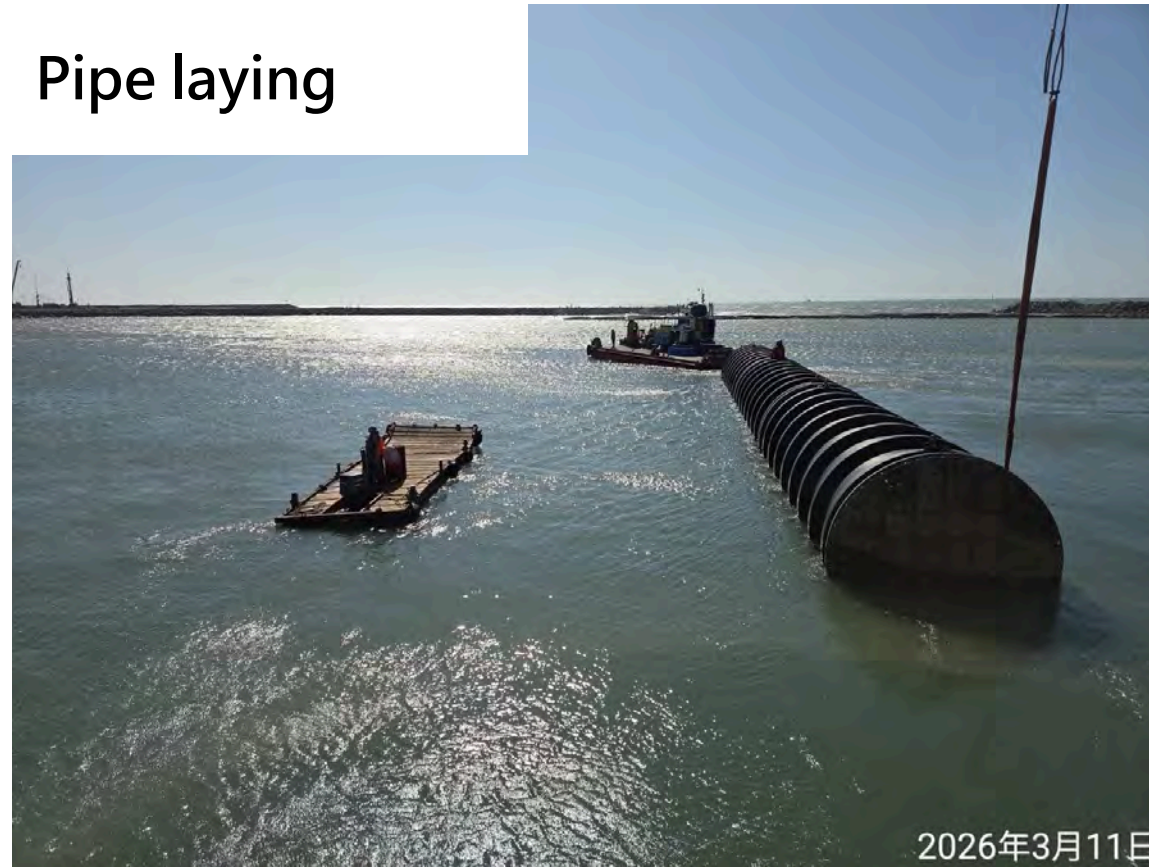
Seawater pipe



Drainage pipe hoisting



Pipe laying



Pipe section processing



Pipe laying



Long-term operating goals

- **Achieving a double-digit compound annual growth rate (CAGR) in revenue**
 - Continue to deepen our presence in existing application areas while capitalizing on the AI wave to actively expand related customers and application markets.
- **Increasing the proportion of products other than steel sales to over 50%**
 - Focus on upgrading technology and services to create higher added value for our customers
 - Continue to expand logistics and warehousing business to increase stable cash flow.
- **Continue to improve our long-term ROE**
 - Enhance operational efficiency and continue to develop diversified revenue and profit sources.
- **Maintain a robust cash dividend policy**
 - Leveraging cash flow from rental income, we will mitigate the impact of economic cycles.



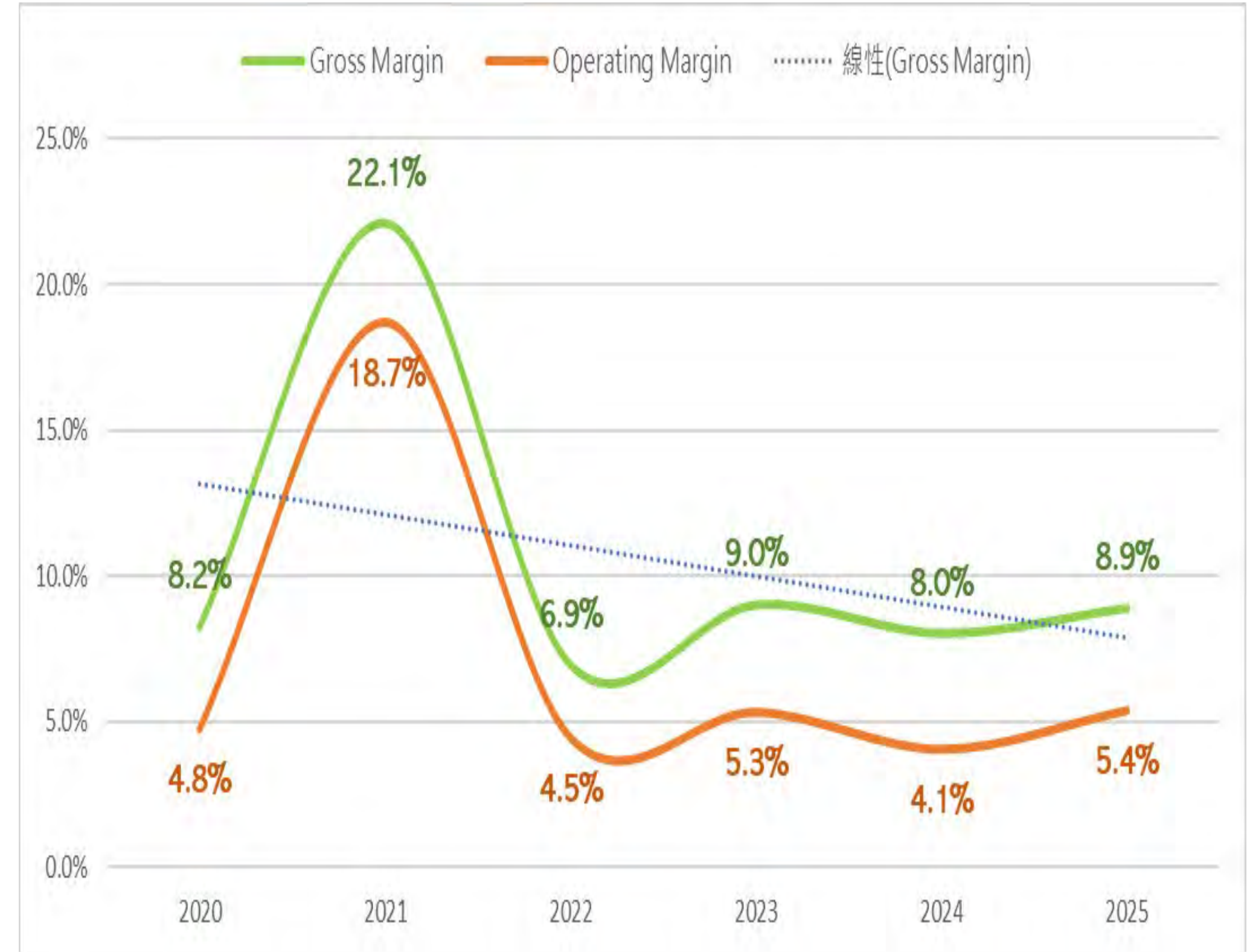
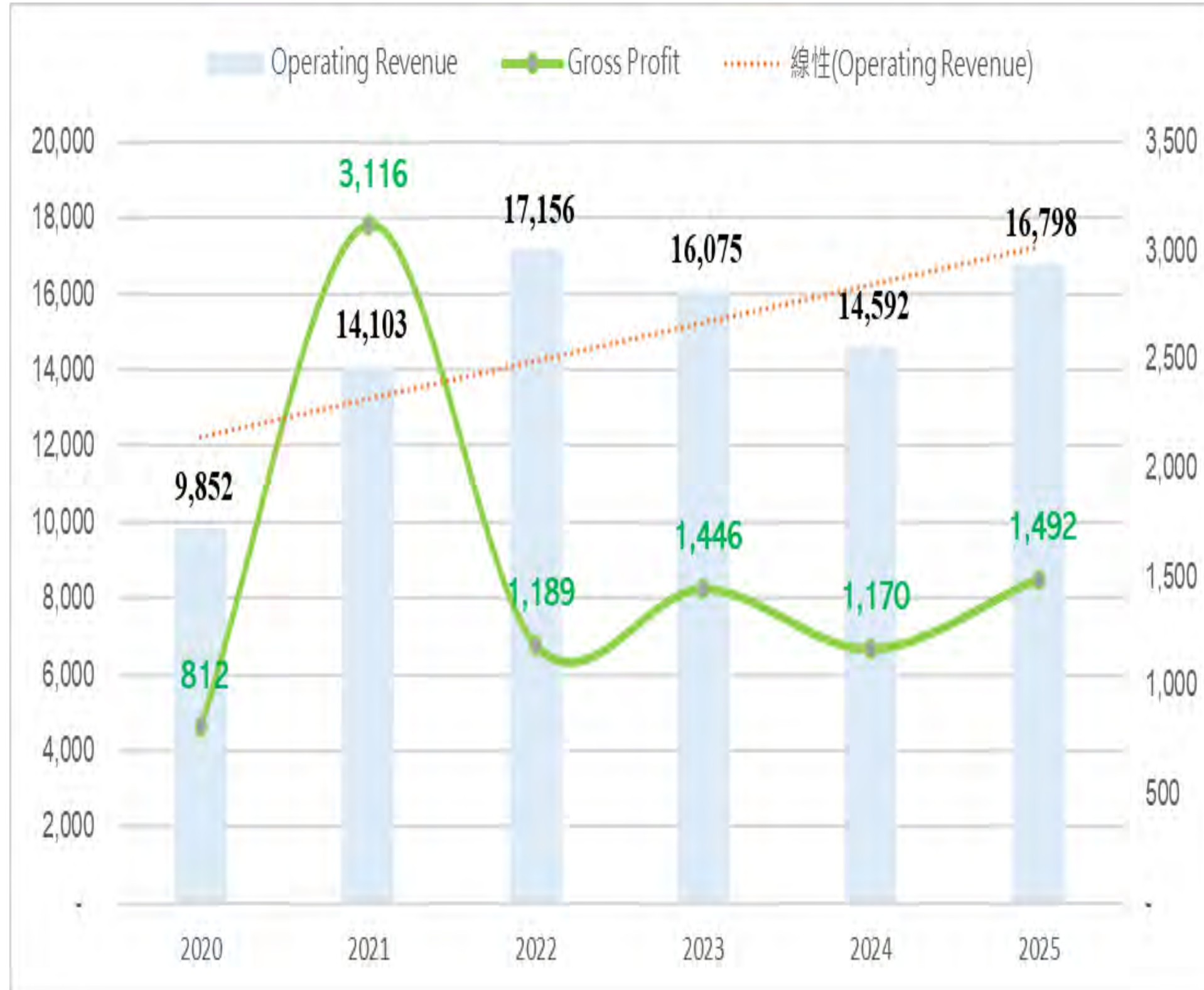
Sustainable Development

| Environmental | Social | Governance |
|---|--|---|
| <p>Greenhouse Gas Management & Sustainability Initiatives</p> <ul style="list-style-type: none"> ● ISO 14064-1 Certification for Scope 1, 2 & 3 GHG inventories across all Group plants in 2024 <p>Renewable Energy</p> <ul style="list-style-type: none"> ● Installed capacity: 16.57 MW (27 solar power plants) ● Cumulative generation: 100.23 million kWh → CO₂ reduction: 51,127 tons ● 500 tons of project-based carbon credits pre-purchased for operational offset <p>Biodiversity & Eco-Initiatives (Guanyin Plant)</p> <ul style="list-style-type: none"> ● Created biodiversity habitat to enhance ecological diversity ● Employees engaged in greening & eco co-existence activities ● Recorded species: 80+ plants, 60+ animals ● Remarkable discovery: Rhopalimiris gagai (newly described in 2023) | <p>Employee-Friendly Workplace & Talent Management</p> <ul style="list-style-type: none"> ● Employee Shareholding Trust established → participation rate >60% ● Average salary in 2024: 1.82× Taiwan statutory minimum wage ● Zero human rights violations or workplace safety incidents in 2024 ● GBCI WELL Gold Certification for 17th-floor office, Sanchong HQ <p>Sustainable Supply Chain</p> <ul style="list-style-type: none"> ● Supplier Code of Conduct return rate: 81% <p>Customer Relationship Management</p> <ul style="list-style-type: none"> ● Customer satisfaction score: >90 for two consecutive years <p>Social Engagement</p> <ul style="list-style-type: none"> ● Actively protect local community ecology ● Participate in beach cleanup activities to support ocean and environmental sustainability | <p>Awards & Recognition</p> <ul style="list-style-type: none"> ● TCSA Taiwan Corporate Sustainability Report Award – Manufacturing (Platinum) ● Six consecutive years of recognition ● 11th Corporate Governance Evaluation <ul style="list-style-type: none"> • Score range: 51%–65% • Improved one grade from previous year <p>Board Composition</p> <ul style="list-style-type: none"> ● Independence: 4 out of 10 directors are independent → 40% independence ● Diversity: Targeting >20% female board members <p>Information Security Management</p> <ul style="list-style-type: none"> ● ISO 27001 certified in 2025 ● No major information security incidents in 2025 |

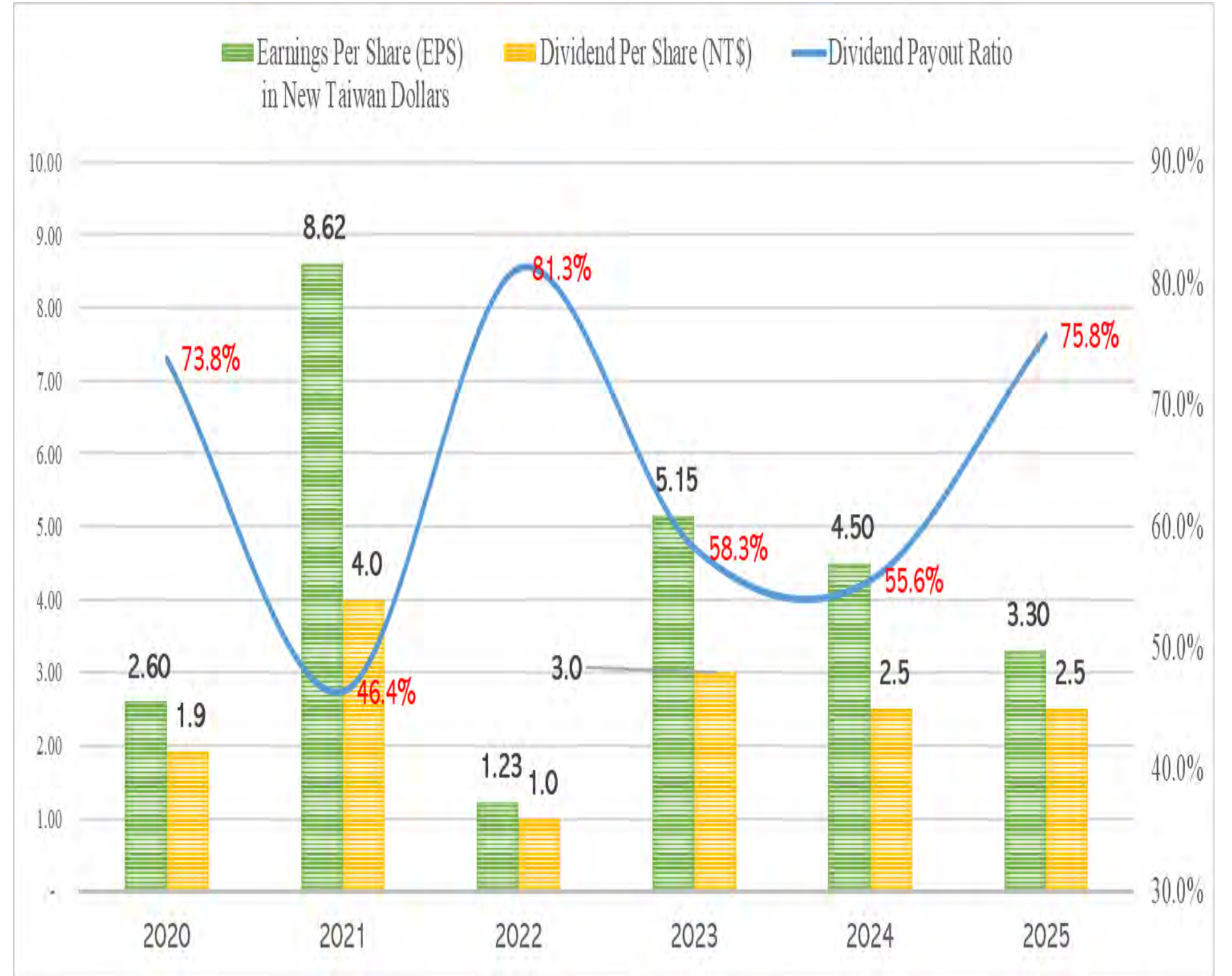
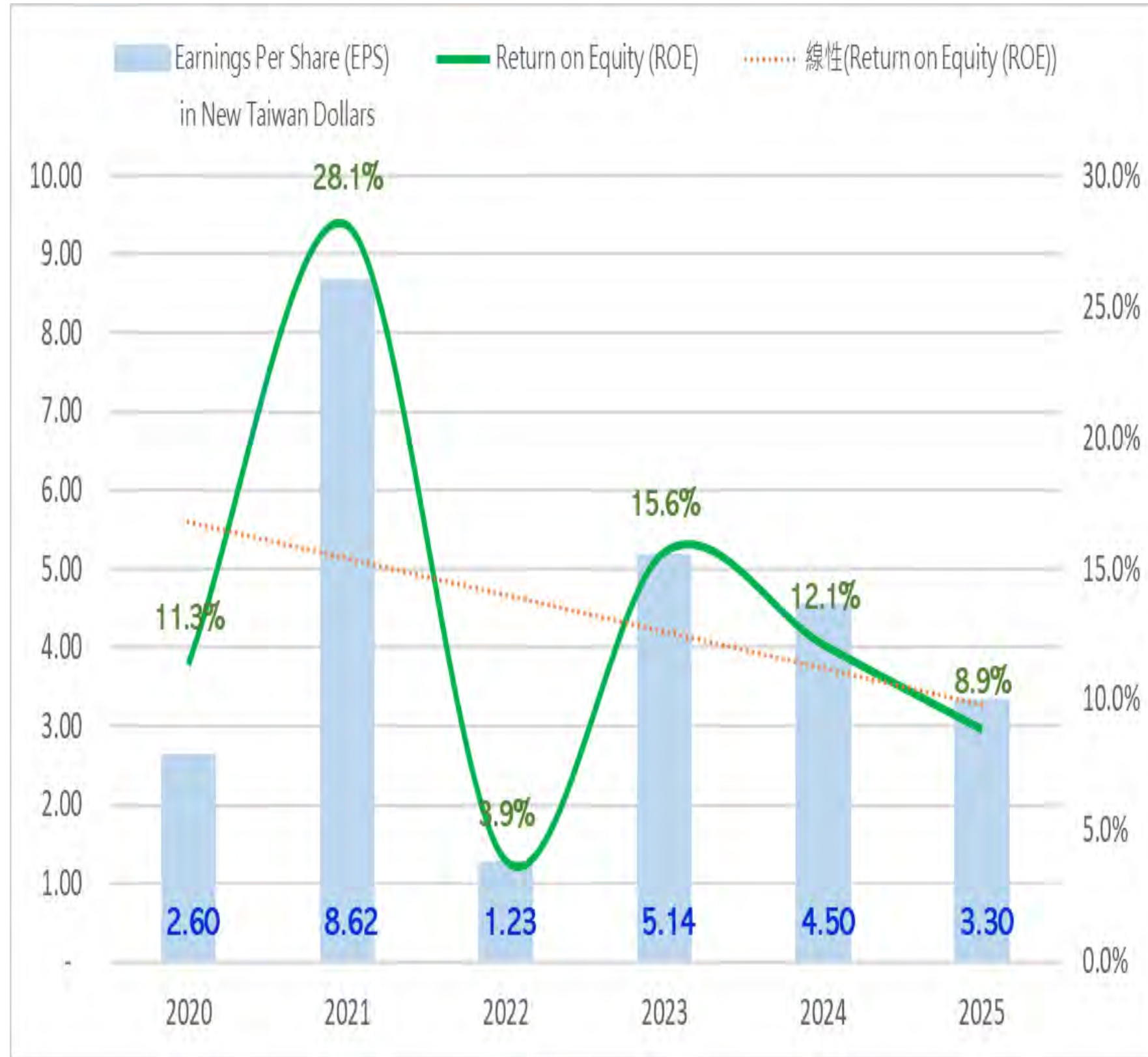
Financial data

2020-2025 Key Figures

NT\$ million



2020-2025 Key Figures





CONSOLIDATED INCOME STATEMENT 2017-2025

| NT\$ million | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-------|-------|-------|-------|--------|--------|--------|--------|--------|
| Operating Revenue | 8,352 | 8,836 | 8,478 | 9,852 | 14,103 | 17,156 | 16,075 | 14,592 | 16,798 |
| Gross Profit | 1,114 | 871 | 177 | 812 | 3,116 | 1,189 | 1,446 | 1,170 | 1,492 |
| Operating Expenses | 119 | 300 | 275 | 342 | 479 | 424 | 587 | 577 | 586 |
| Operating Income | 995 | 571 | (98) | 470 | 2,637 | 765 | 858 | 593 | 906 |
| Profit Before Tax | 1,209 | 1,142 | 124 | 913 | 3,308 | 660 | 1,858 | 1,594 | 1,319 |
| Net Income | 1,074 | 1,000 | 118 | 846 | 2,771 | 418 | 1,732 | 1,476 | 1,100 |
| Earnings Per Share (EPS) in New Taiwan Dollars | 3.48 | 3.17 | 0.39 | 2.60 | 8.62 | 1.23 | 5.14 | 4.50 | 3.30 |
| | | | | | | | | | |
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Revenue Growth Rate | | 5.8% | -4.1% | 16.2% | 43.1% | 21.6% | -6.3% | -9.2% | 15.1% |
| Gross Margin | 13.3% | 9.9% | 2.1% | 8.2% | 22.1% | 6.9% | 9.0% | 8.0% | 8.9% |
| Operating Expense Ratio | 1.4% | 3.4% | 3.2% | 3.5% | 3.4% | 2.5% | 3.7% | 4.0% | 3.5% |
| Operating Margin | 11.9% | 6.5% | -1.2% | 4.8% | 18.7% | 4.5% | 5.3% | 4.1% | 5.4% |
| Net Profit Margin | 12.9% | 11.3% | 1.4% | 8.6% | 19.6% | 2.4% | 10.8% | 10.1% | 6.5% |
| Return on Equity (ROE) | 17.8% | 14.6% | 1.7% | 11.3% | 28.1% | 3.9% | 15.6% | 12.1% | 8.9% |



CONSOLIDATED BALANCE SHEETS 2017-2025

| NT\$ million | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Assets | 13,818 | 17,283 | 16,088 | 19,893 | 25,922 | 24,439 | 28,353 | 29,551 | 28,718 |
| Cash | 810 | 1,559 | 1,099 | 709 | 964 | 1,099 | 954 | 1,212 | 1,270 |
| Accounts Receivable and Notes Receivable | 2,276 | 2,586 | 2,457 | 3,416 | 4,392 | 4,738 | 5,412 | 4,375 | 3,438 |
| Inventory | 2,749 | 4,057 | 3,435 | 3,849 | 6,567 | 5,344 | 6,157 | 6,262 | 5,593 |
| Property, Plant and Equipment (PPE) | 4,104 | 4,501 | 4,872 | 6,258 | 7,593 | 7,523 | 7,735 | 8,952 | 9,333 |
| Total Liabilities | 7,340 | 10,048 | 9,277 | 11,792 | 14,314 | 14,364 | 16,290 | 17,203 | 16,261 |
| Short-term and Long-term | 5,902 | 8,317 | 8,590 | 10,469 | 11,846 | 12,656 | 13,559 | 15,249 | 14,382 |
| Total Equity | 6,478 | 7,235 | 6,811 | 8,101 | 11,608 | 10,075 | 12,063 | 12,348 | 12,457 |
| | | | | | | | | | |
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Days Sales Outstanding | 100 | 101 | 109 | 109 | 101 | 97 | 116 | 122 | 88 |
| Days Inventory Outstanding | 127 | 159 | 171 | 151 | 179 | 141 | 153 | 184 | 165 |
| Days Payable Outstanding | 24 | 29 | 25 | 18 | 23 | 17 | 15 | 15 | 25 |
| Cash Conversion Cycle | 203 | 230 | 254 | 243 | 257 | 222 | 254 | 292 | 228 |