



Chun Yuan Steel Industry Co., Ltd Investor Conference 2020





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Performance ----- P11-P19

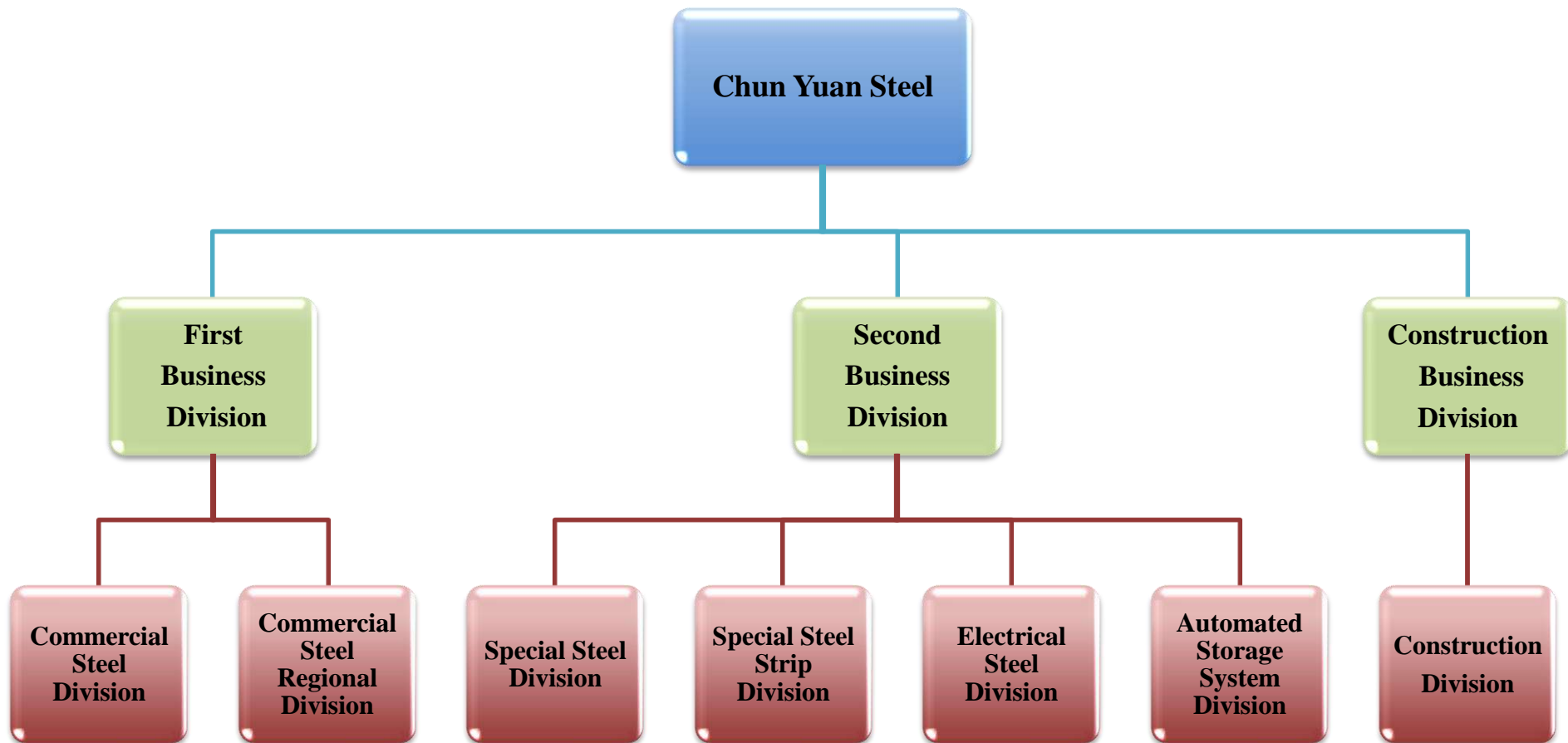


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★ 1、About Us



- ⊙ Established : 1965
- ⊙ Listed : 1989
- ⊙ Capital : NTD 6.48 billion
- ⊙ Headcount : about 1, 400



Head Office

Commercial Steel Regional Division

- Taoyuan Branch Office
- Xizhi Branch Office
- Tucheng Branch Office
- Hsinchu Branch Office
- Taichung Branch Office
- Tainan Branch office

Longtan Plant Area

Special Steel Strip Division

- Rollin Plant

Automated Storage Division

- Storage Plant

Construction Division

- Steel Structure Plant

Special Steel Division

- Longtan Branch Office

Commercial Steel Division

- Commercial Steel Xizhi Plant

Special Steel Division

- Erchong Branch Office
- Tucheng Branch Office
- Taichung Branch Office
- Yongkang Branch office

Electrical Steel Division

- Sales Department
- Taichung Plant

Kaohsiung Plant Area

Commercial Steel Regional Division

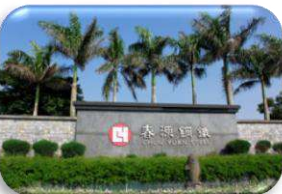
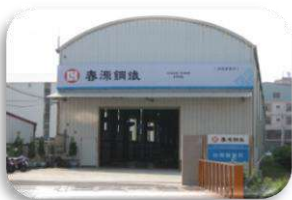
- Kaohsiung Plant

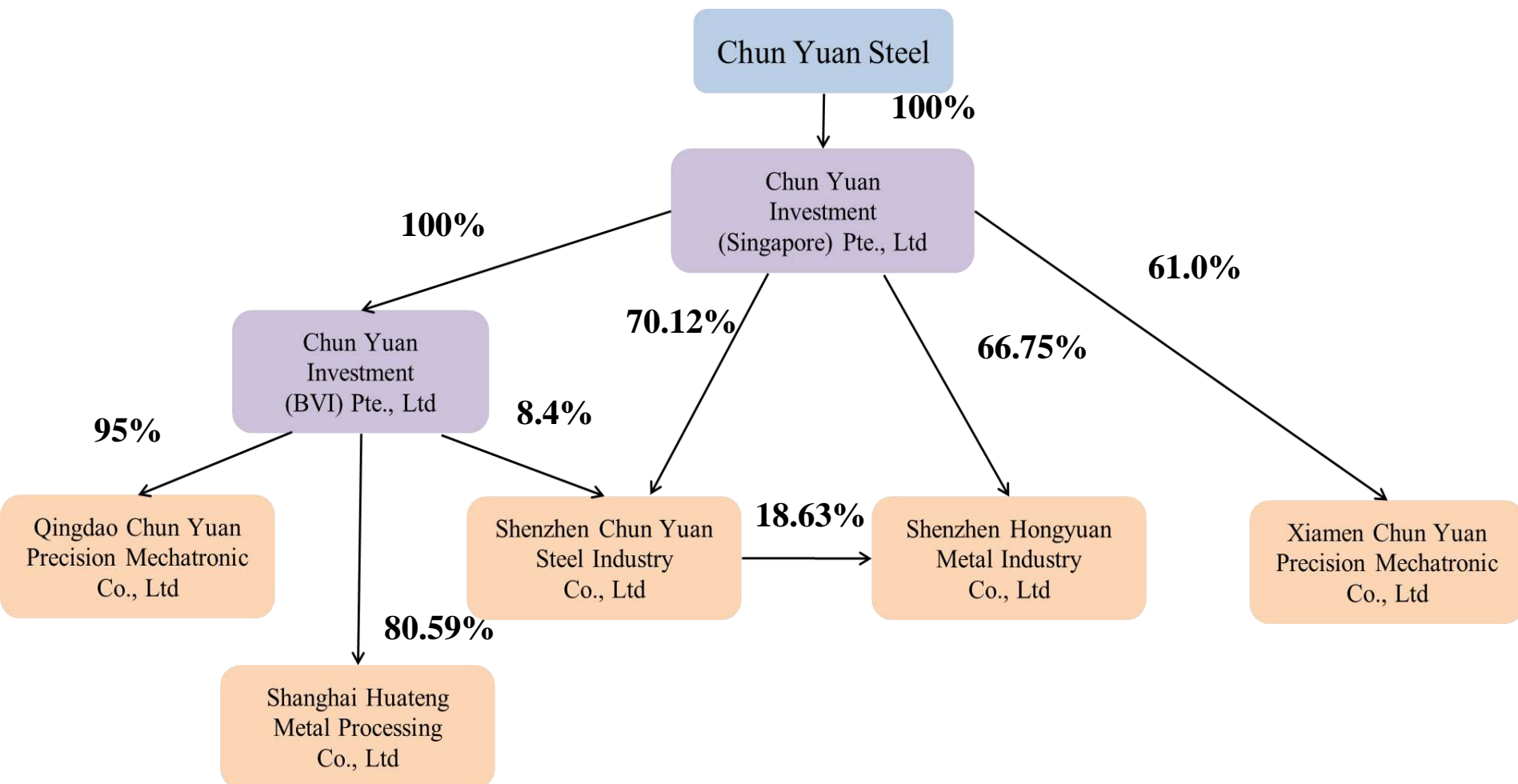
Construction Division

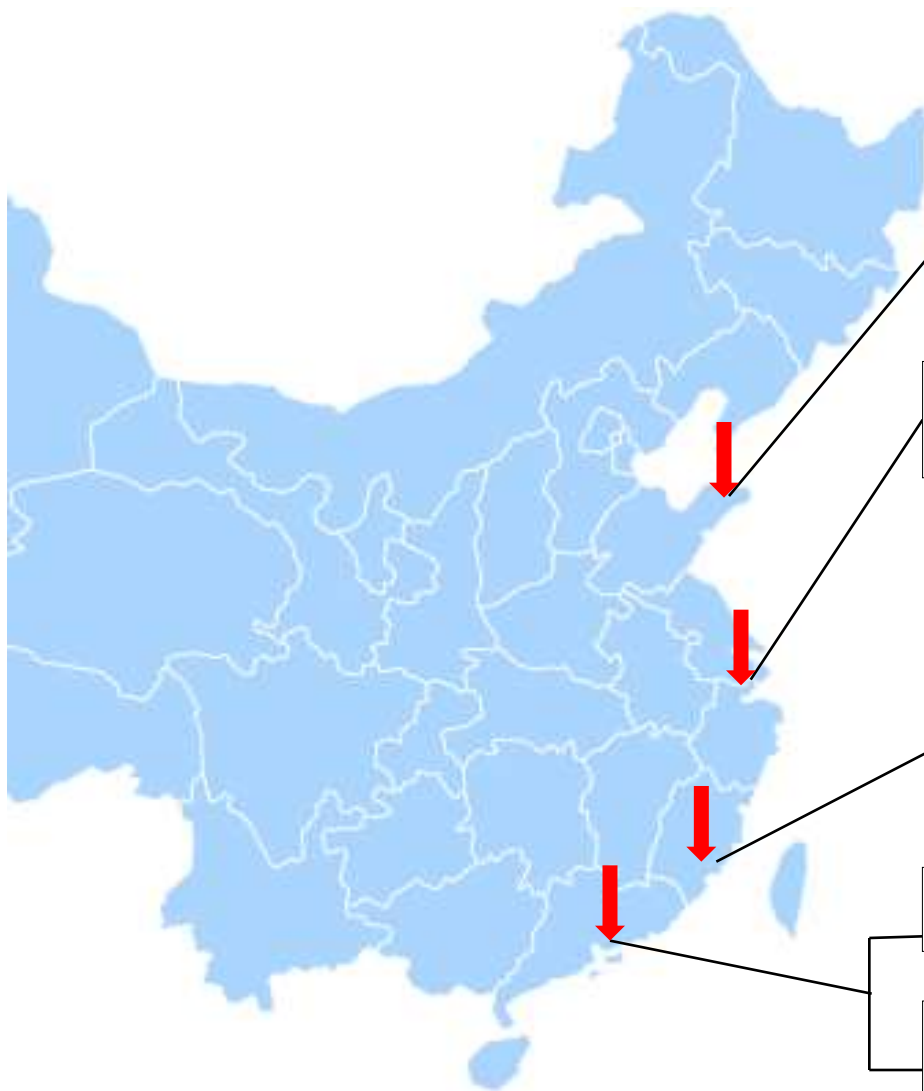
- Steel Structure Kaohsiung Plant Manufacturing Section 2

Special Steel Division

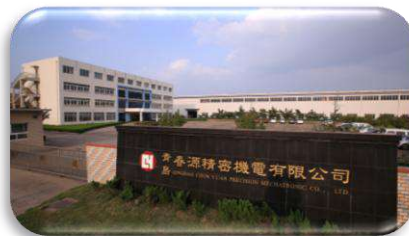
- Kaohsiung Branch Office



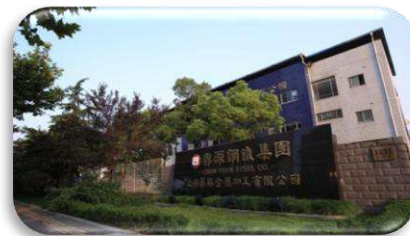




Qingdao Chun Yuan
Precision Mechatronic Co.,
Ltd



Shanghai Huateng Metal
Processing
Co., Ltd



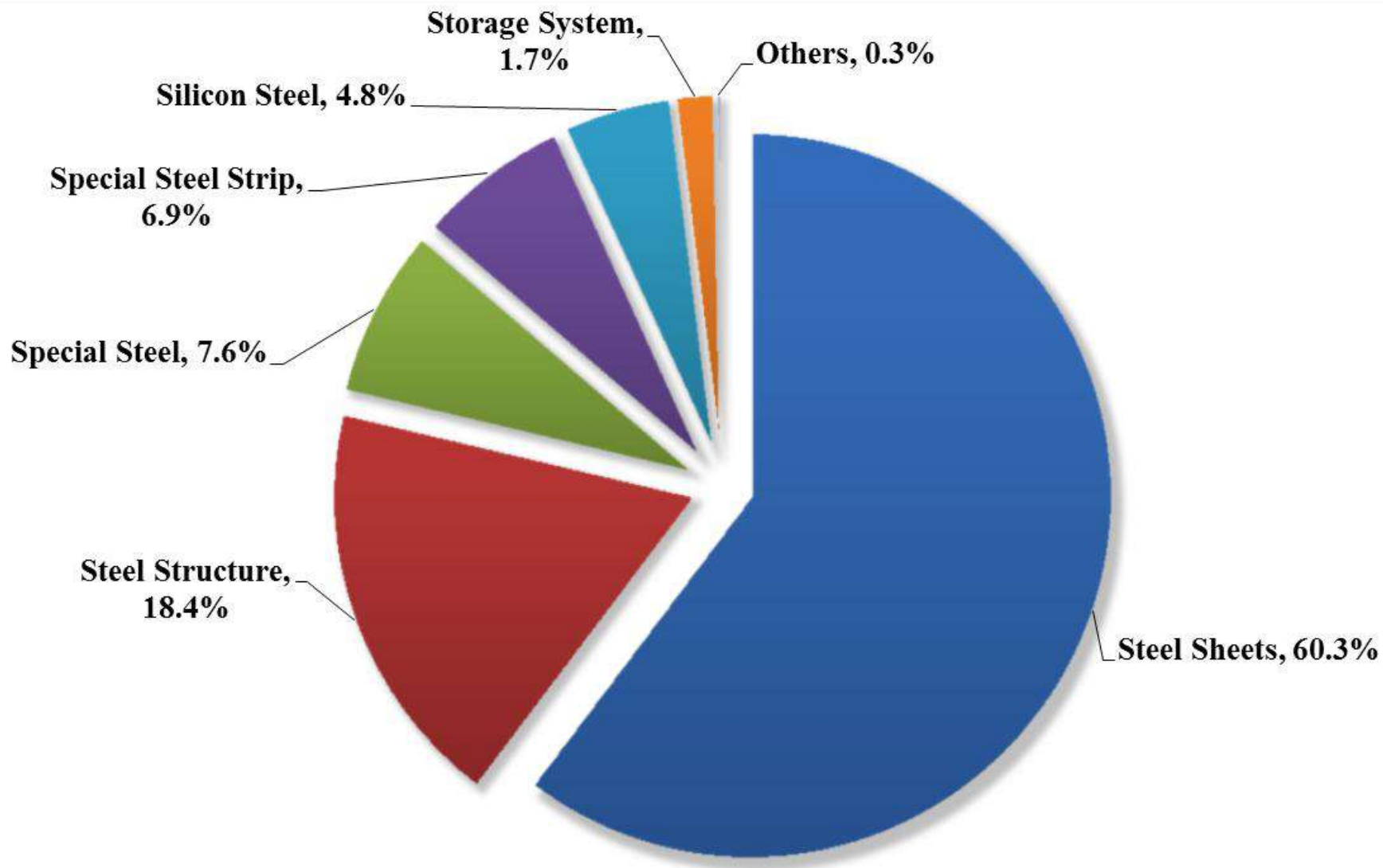
Xiamen Chun Yuan
Precision Mechatronic Co.,
Ltd

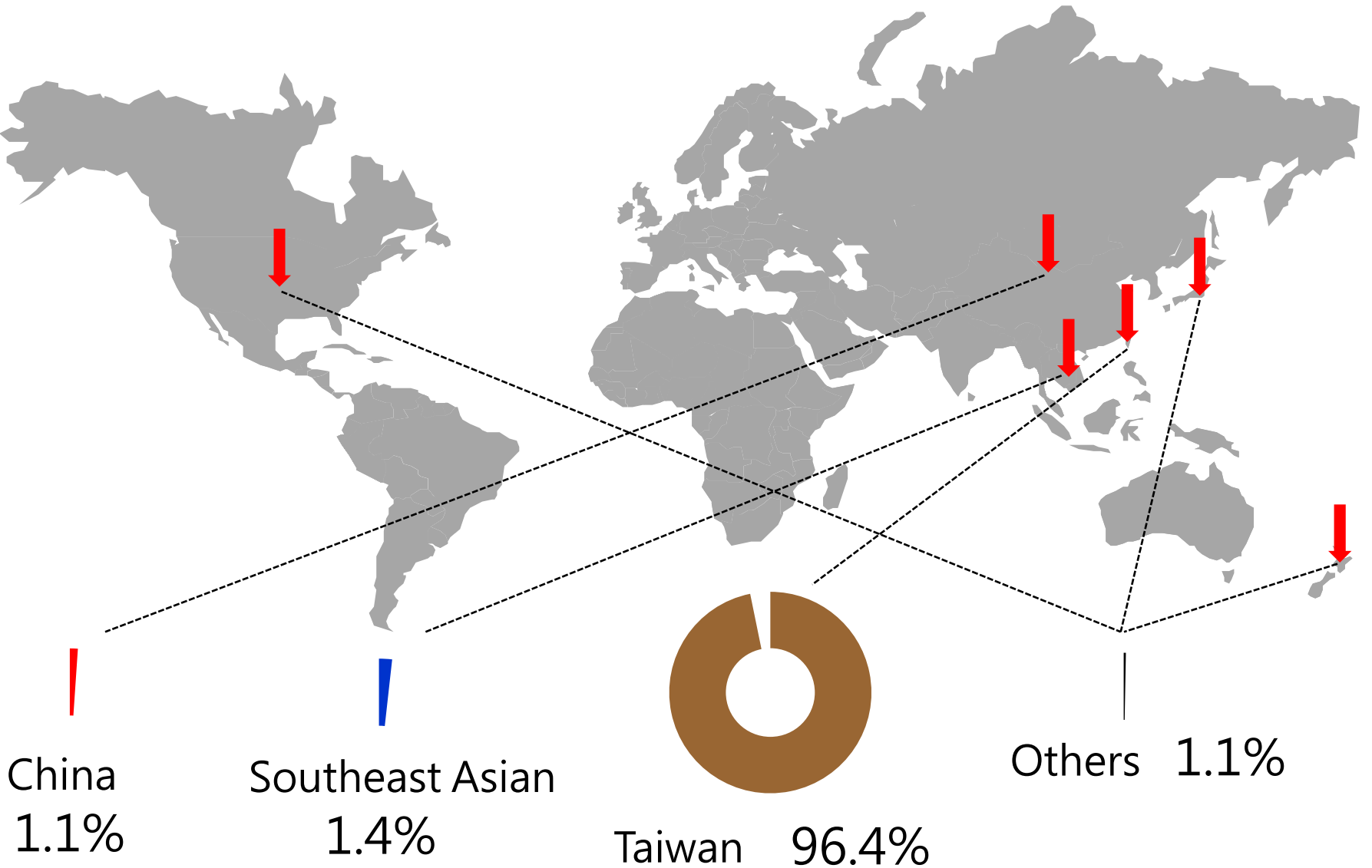


Shenzhen Chun Yuan
Steel Industry Co., Ltd

Shenzhen Hongyuan
Metal Industry
Co., Ltd







2017

- Ministry of Labor :
TTQS Talent Quality-
Management System
Evaluation (corporate
version) Gold Medal
- CSD :
The 30th Taiwan Continuous
Improvement Awards,
Bronze Medal (Commercial
Steel Division, Xizhi Plant /
Special Steel Strip Division,
Rolling Plant)

2018

- Ministry of Labor :
TTQS Talent Quality-
Management System
Evaluation (corporate
version) Gold Medal
- CSD :
The 31th Taiwan Continuous
Improvement Awards,
Bronze Medal (Commercial
Steel Division, Xizhi Plant /
Special Steel Strip Division,
Rolling Plant / Commercial
Steel Regional Division,
Kaohsiung Plant)

2019

- Ministry of Labor :
TTQS Talent Quality-
Management System
Evaluation (corporate
version) Gold Medal
- CSD :
The 32th Taiwan Continuous
Improvement Awards,
Silver Medal (Commercial
Steel Division, Xizhi Plant) /
Bronze Medal (Special Steel
Strip Division, Rolling Plant)
- 1111 : **Happy Enterprise**

★ 2、Operating Performance

Consolidated Balance Sheets

Unit: NT\$ thousand

	2019Q3		2018Q3	
	Amount	%	Amount	%
Current assets	11,477,218	65	11,785,335	65
Non-current assets	6,298,513	35	6,257,667	35
Total Assets	17,775,731	100	18,043,002	100
Current liabilities	6,196,098	34	6,163,056	34
Non-current liabilities	985,082	6	998,377	6
Total Liabilities	7,181,180	40	7,161,433	40
Total Equity	10,594,551	60	10,881,569	60

Consolidated Statements Of Comprehensive Income

Unit: NT\$ thousand

	2019Q3		2018Q3	
	Amount	%	Amount	%
Revenues	11,940,106	100	13,870,326	100
Gross profit	697,489	6	816,440	6
Operating income	103,432	1	197,129	2
Profit before tax	188,993	1	295,125	2
Profit	154,061	1	243,456	2
Total comprehensive income	50,644	-	66,315	1

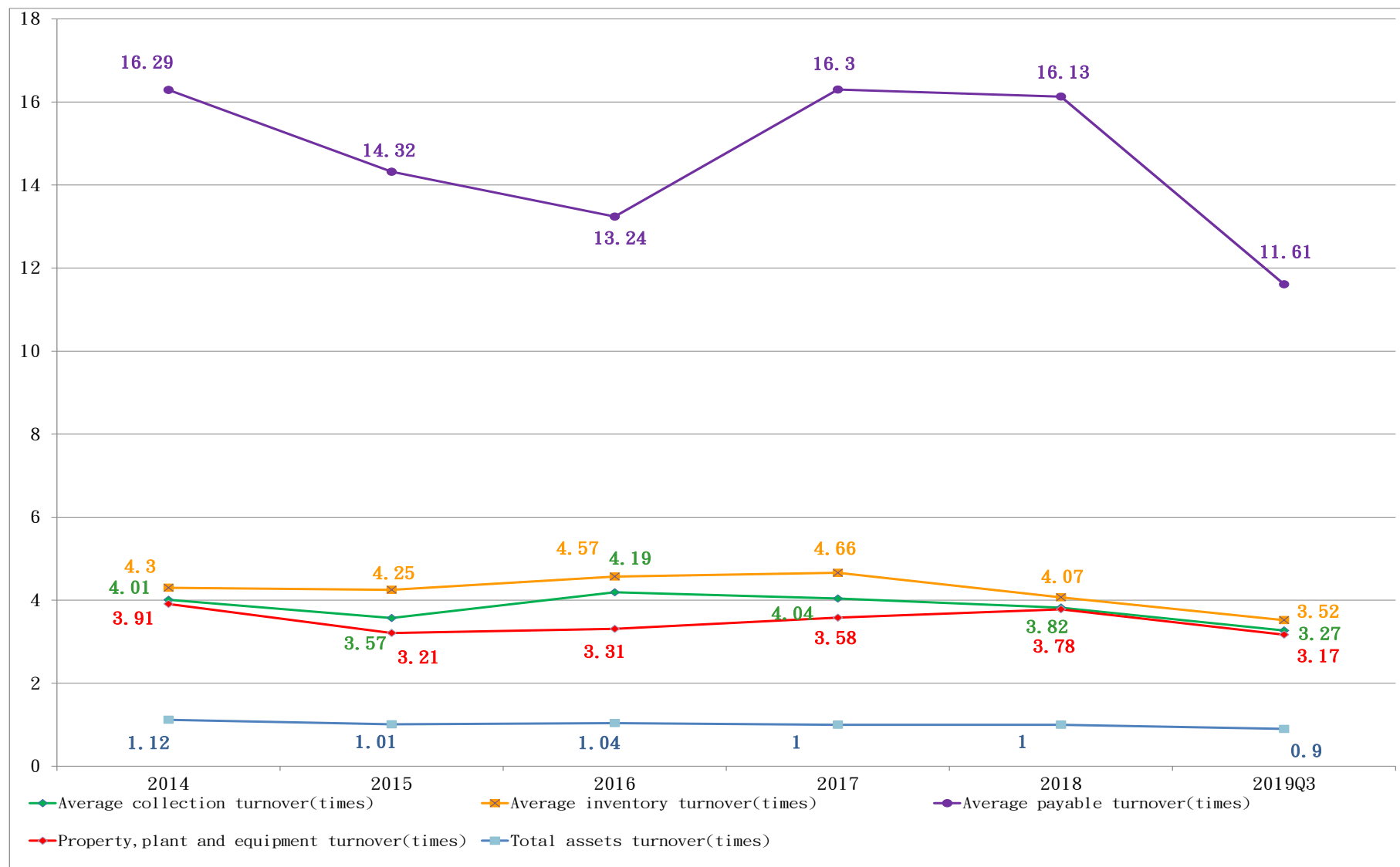
Financial Ratio Analysis

		2019Q3	2018Q3
Operating Performance Analysis	Average collection turnover (times)	3.27 ↓	3.86
	Average collection days	111.71 ↑	95
	Average inventory turnover (times)	3.52 ↓	4.17
	Average inventory days	103.57 ↑	87
	Average payable turnover (times)	11.61 ↓	14.43
	Property, plant and equipment turnover (times)	3.17 ↓	3.76
	Total assets turnover (times)	0.9 ↓	1.03

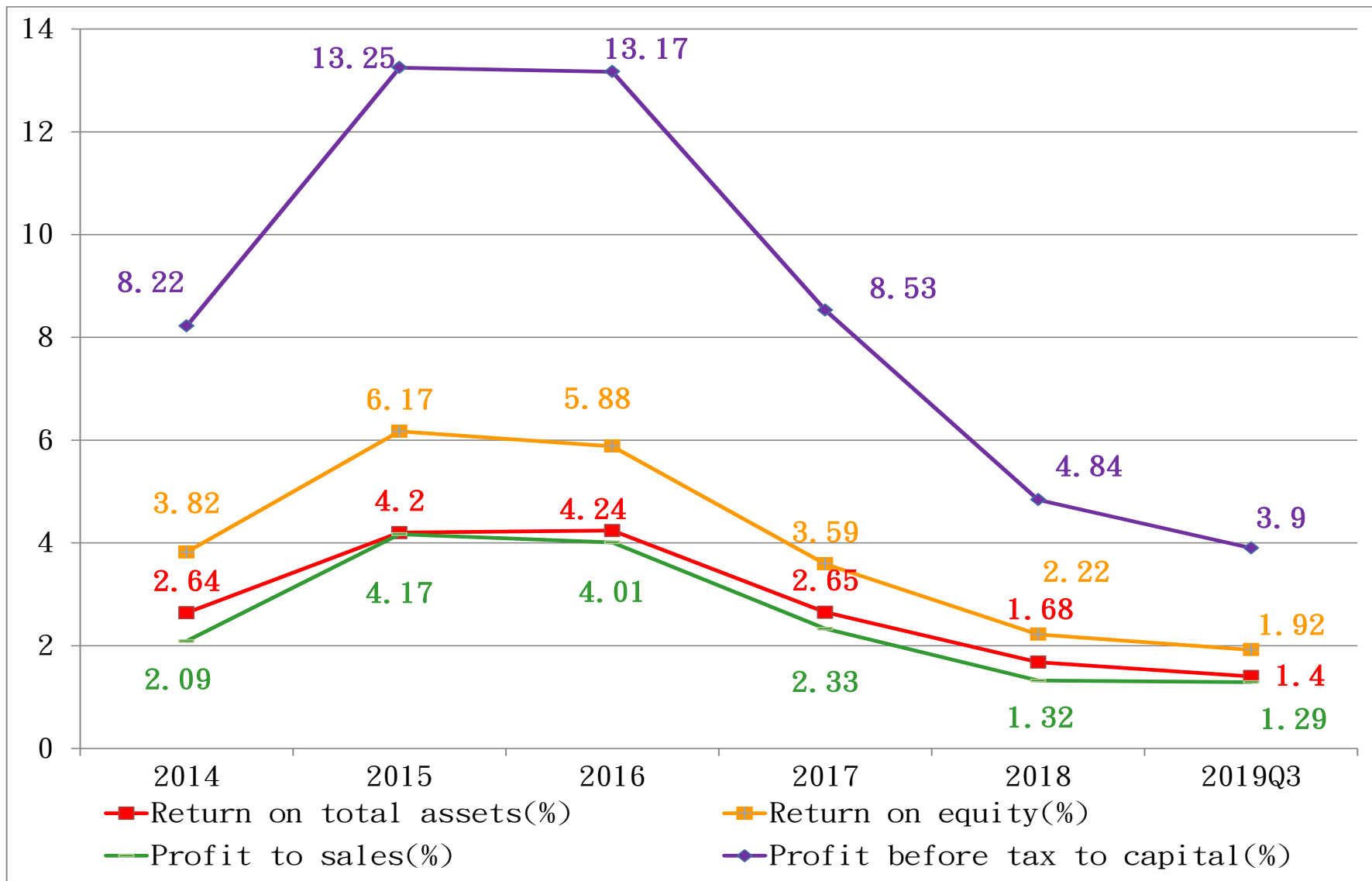
Financial Ratio Analysis

		2019Q3	2018Q3
Profitability Analysis	Return on total assets (%)	1.4 ↓	2.13
	Return on equity (%)	1.92 ↓	2.96
	Profit before tax to capital(%)	3.9 ↓	6.09
	Profit to sales (%)	1.29 ↓	1.76
	EPS(NT\$)	0.24 ↓	0.37

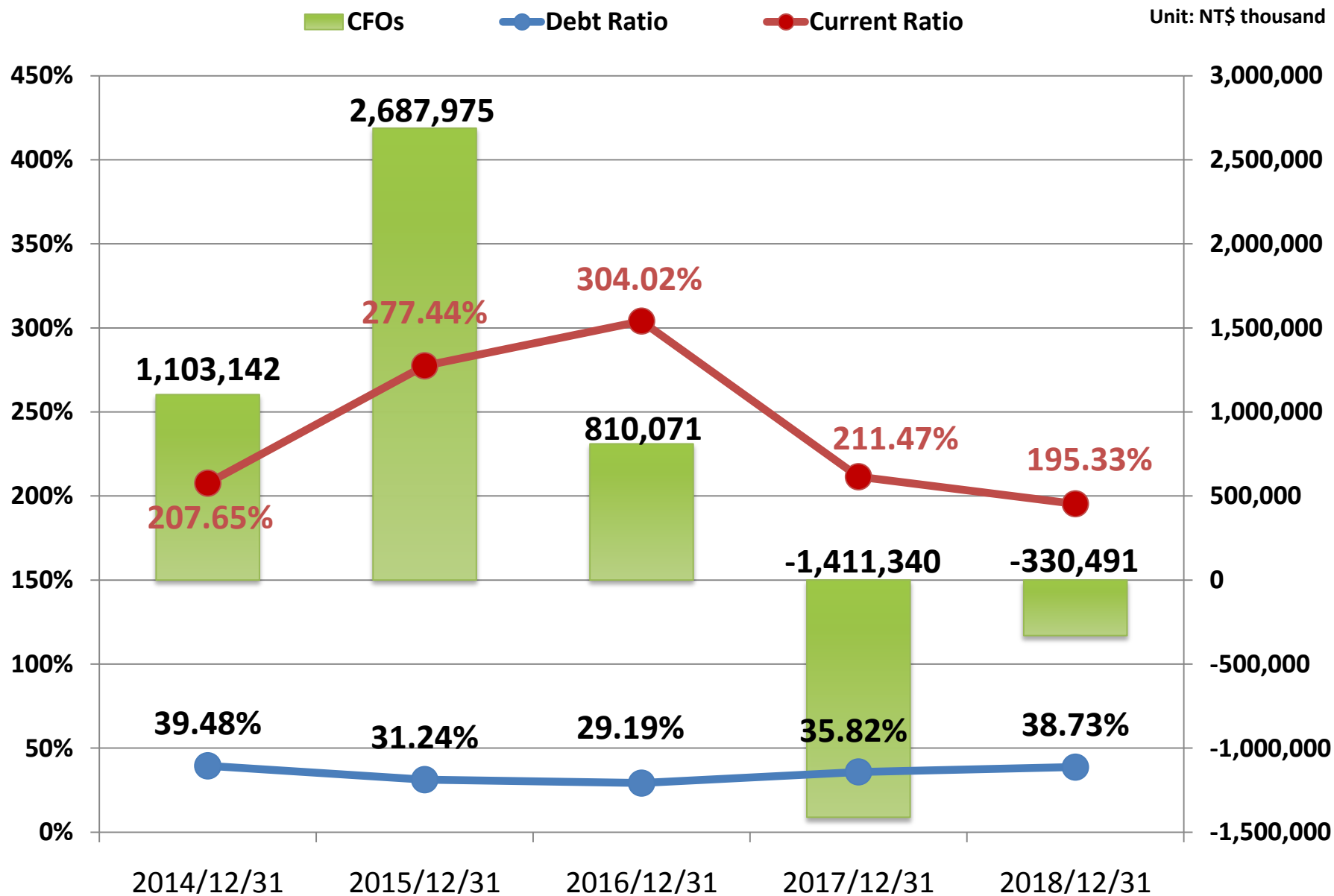
Operating Performance Analysis



Profitability Analysis



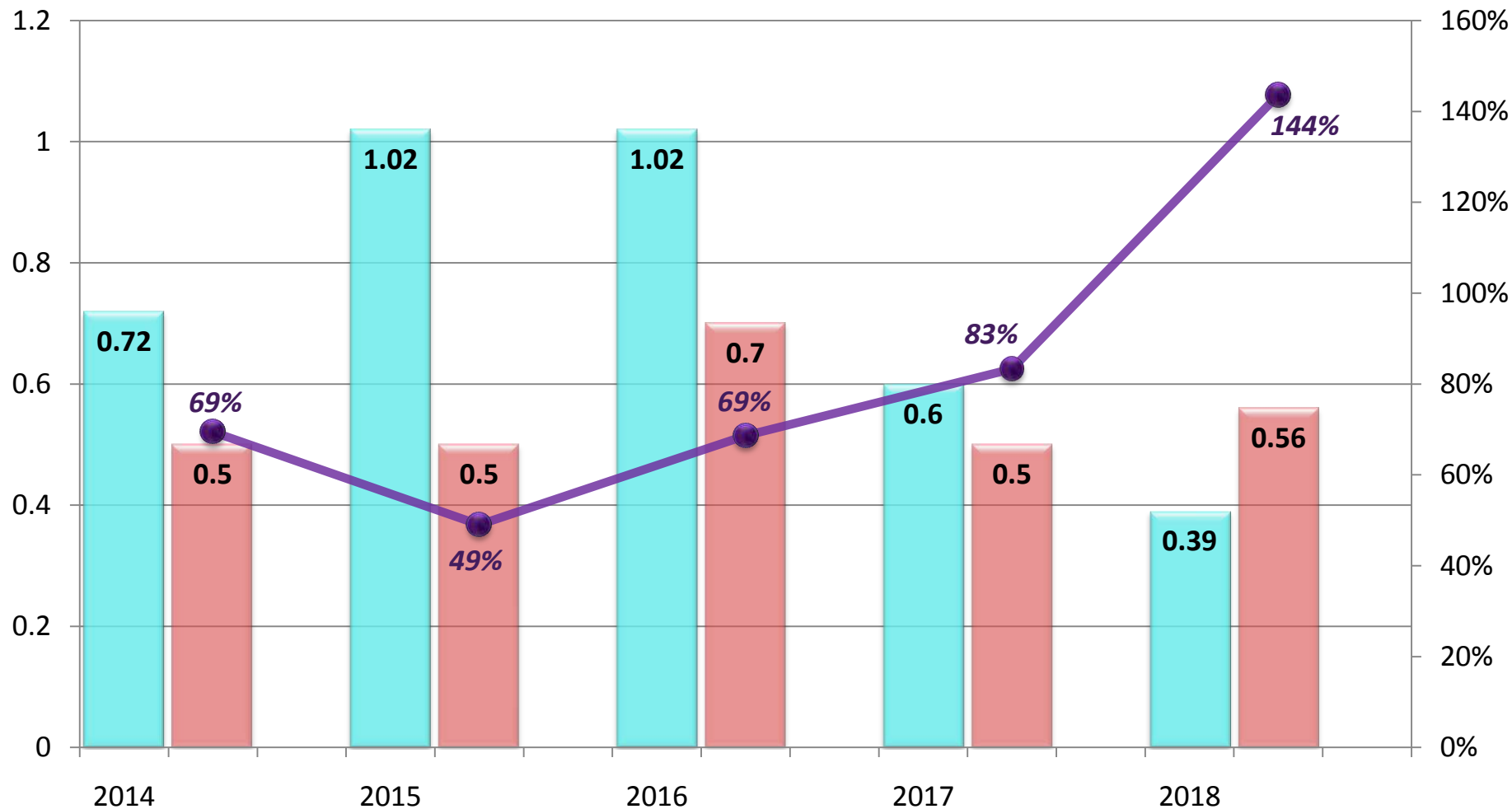
Financial Review



Historical EPS and Dividends Paid

Unit: NT\$

EPS Cash Dividend Dividend payout ratio



★ 3、Strategies

Customer Management Strategies

1. Consolidate existing customers, develop new customers and increase market share.
2. Pay attention to the political & economic situations and industrial trends, explore business opportunities aggressively.

Account Management Strategies

1. Modify customers' credit quota in time and prevent bad debt depend on the variations of operational environment.
2. Enhance account management, increase collection rate, shorten tenor and construct reasonable operating conditions.

Rationalization of Costs

Strategies

1. Propose expense rationalization plans.
2. Propose process/efficiency improvement programs.
3. Search for multiple and competitive sources, lower procurement costs.

Inventory Management

Strategies

1. Procure material cautiously, perform optimal inventory management.
2. Expedite inventory turnover, and prevent inventory evaluation loss.
3. Enhance the management for the inventory over 3 months.

Talent Cultivation

Strategies

1. Conduct human resource planning, and plan recruitments accordingly.
2. Conduct job rotation continuously and cultivate multi-skilled abilities.

R&D and Innovation

Strategies

1. Technology R&D strategies :
 - ① Laborsaving process, automation
 - ② New technique, new manufacturing process
2. Market R&D strategies :
 - ① New products, new markets

Equipment Investment

Strategies

1. Inventory all equipment. Replace obsolete with new equipment.
2. Give careful consideration to the investment plans.

Plant Investment

Strategies

1. Ensure the approved plant and office investments can be completed on schedule.
2. Administrative units assist, support, check, and track investment progress.

End