



春源鋼鐵  
CHUN YUAN STEEL

# Chun Yuan Steel Industry Co., Ltd Investor Conference 2020



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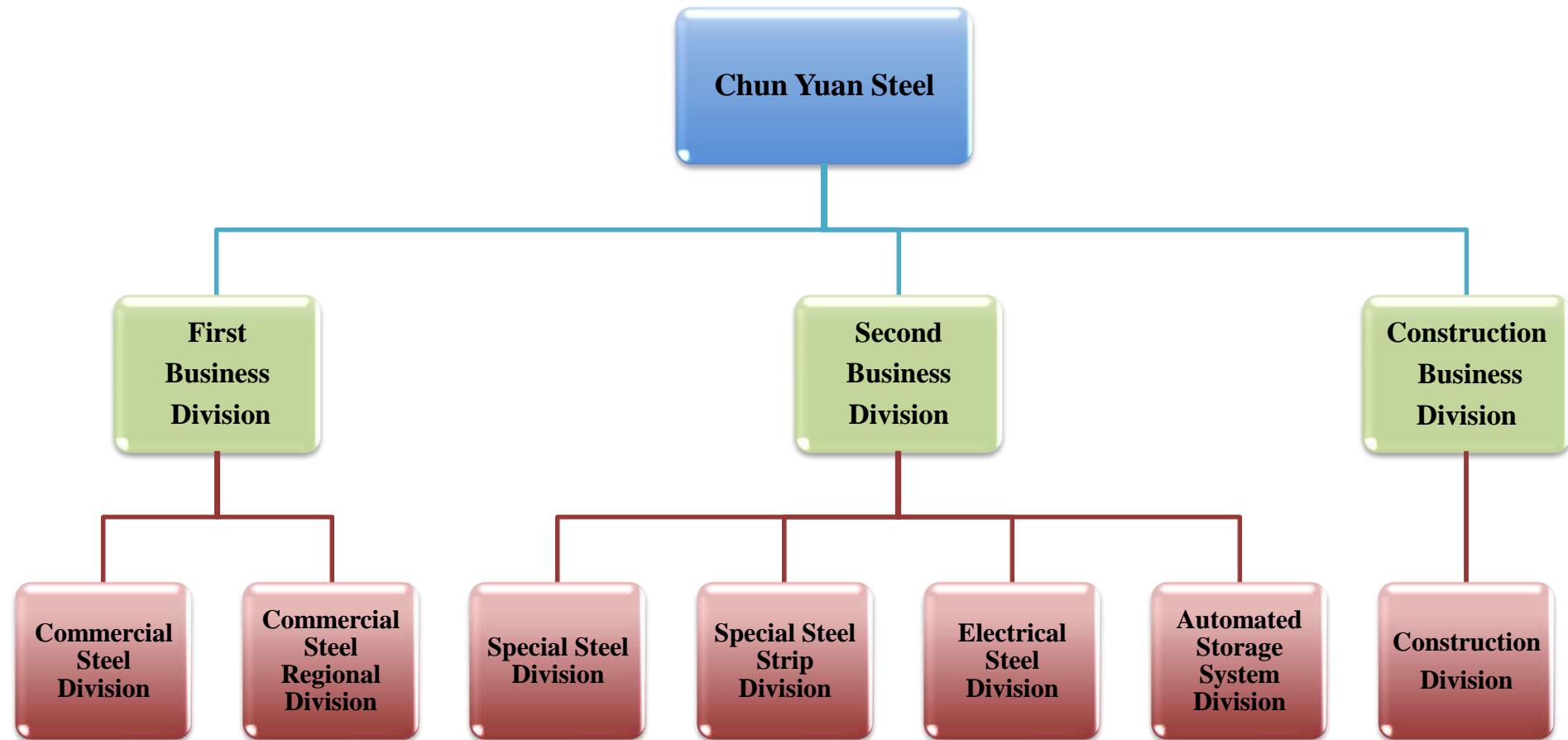
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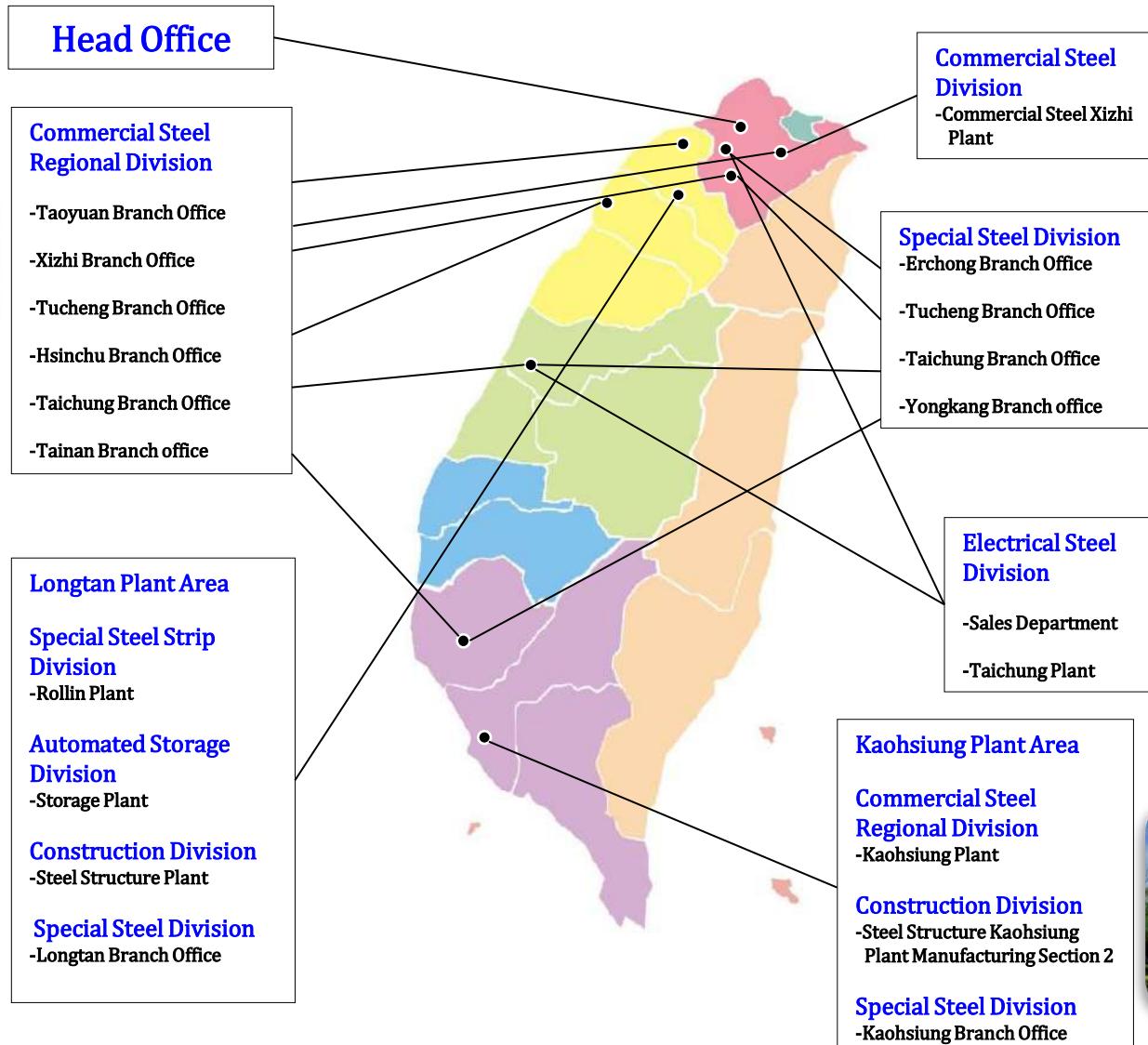


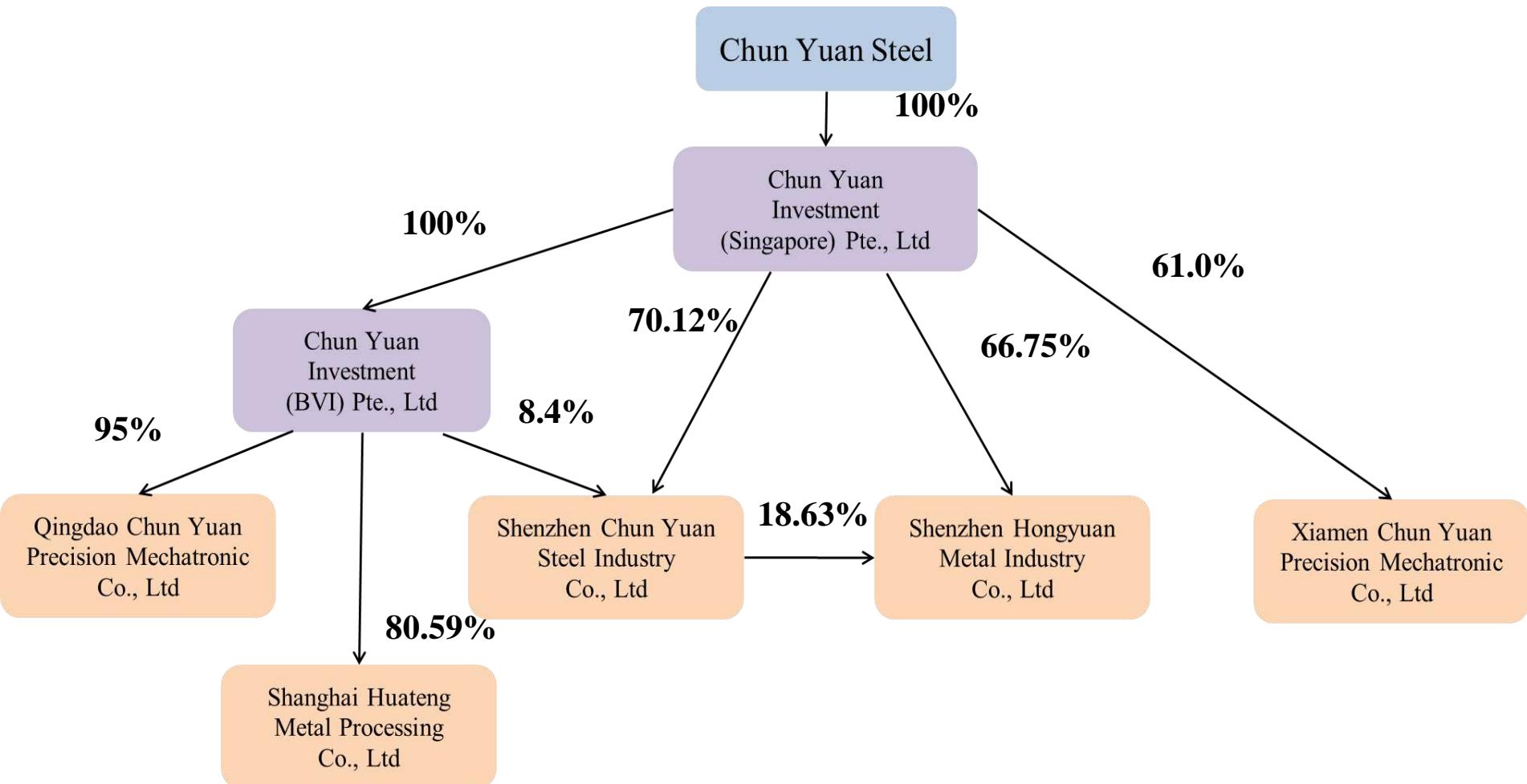
# 1、About Us

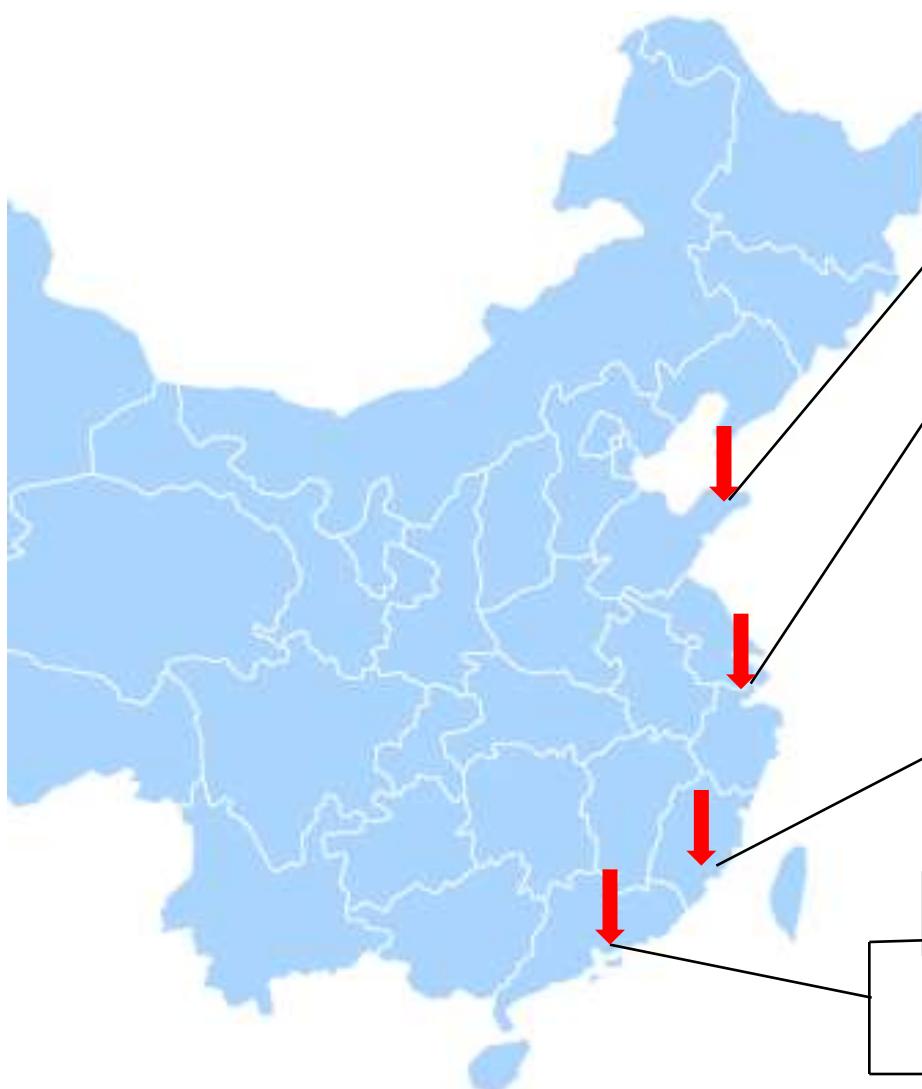


- ◎ Established : 1965
- ◎ Listed : 1989
- ◎ Capital : NTD 6.48 billion
- ◎ Headcount : about 1, 400

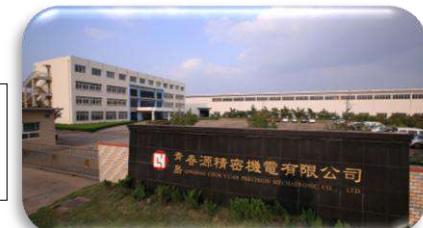




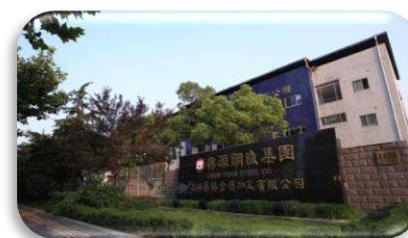




Qingdao Chun Yuan  
Precision Mechatronic Co.,  
Ltd



Shanghai Huateng Metal  
Processing  
Co., Ltd



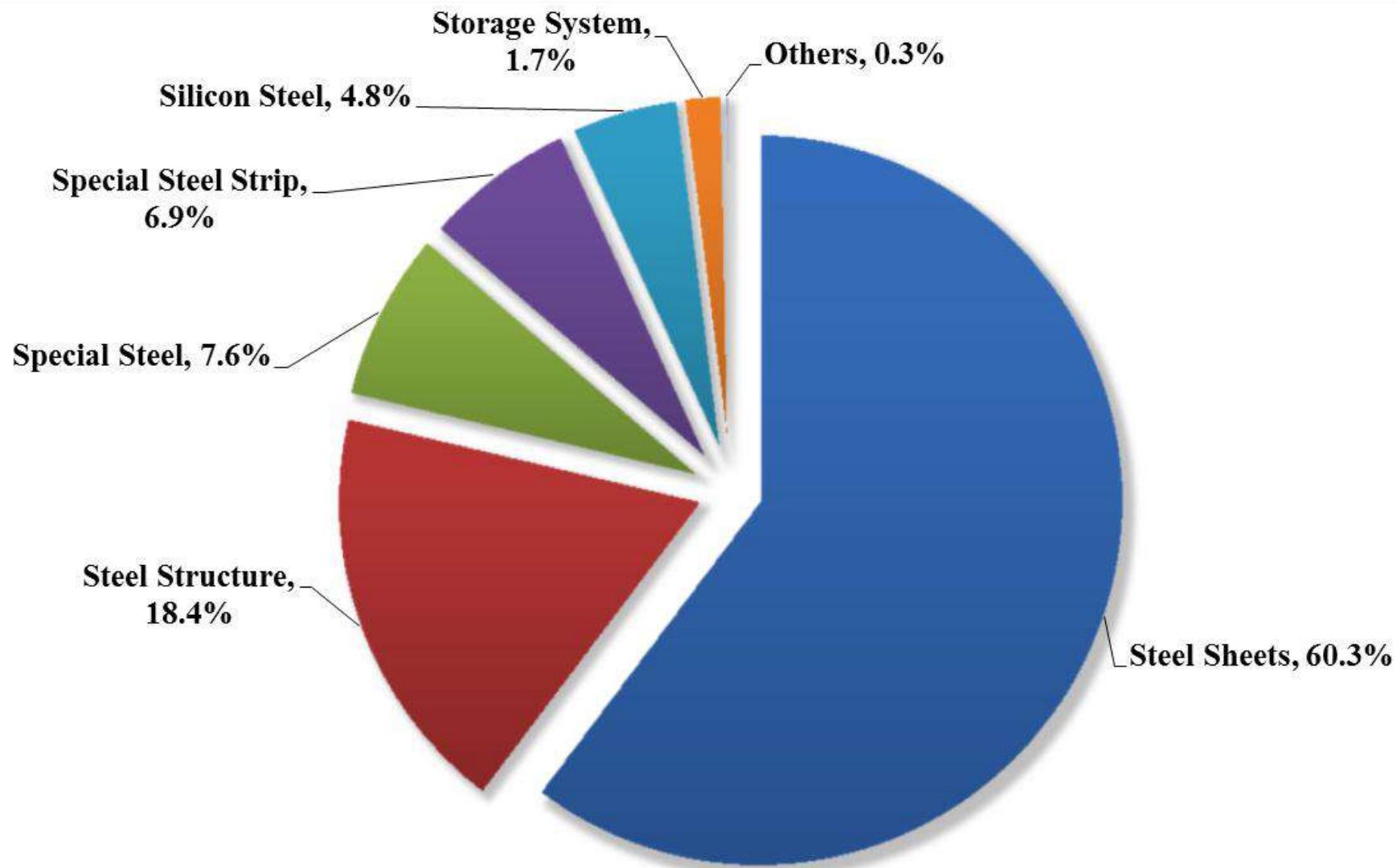
Xiamen Chun Yuan  
Precision Mechatronic Co.,  
Ltd

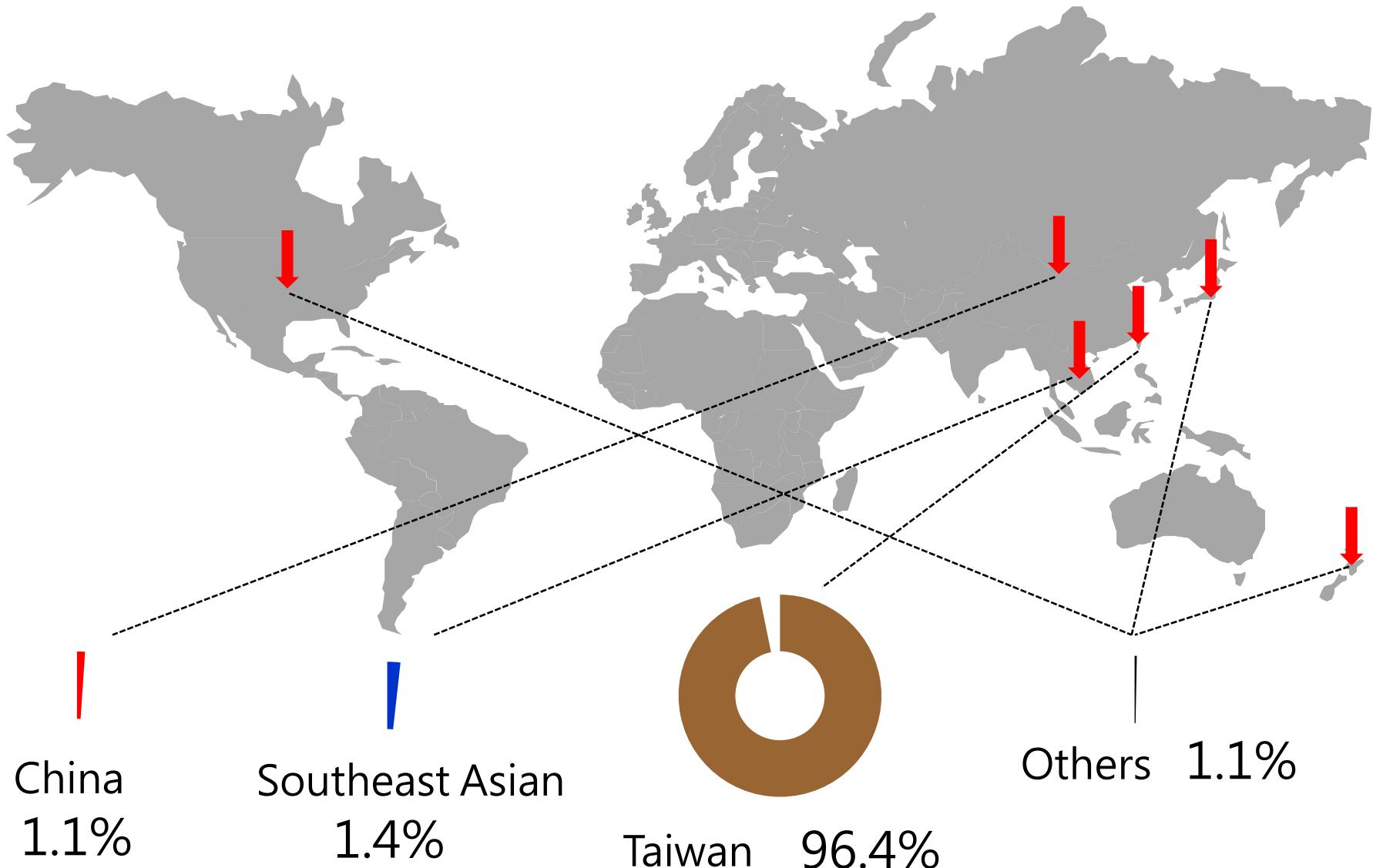


Shenzhen Chun Yuan  
Steel Industry Co., Ltd



Shenzhen Hongyuan  
Metal Industry  
Co., Ltd





2017

- Ministry of Labor :  
TTQS Talent Quality-Management System Evaluation (corporate version) Gold Medal
- CSD :  
The 30<sup>th</sup> 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 31<sup>th</sup> 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 32<sup>th</sup> 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
<b>Total Assets</b>	<b>17,775,731</b>	<b>100</b>	<b>18,043,002</b>	<b>100</b>
Current liabilities	6,196,098	34	6,163,056	34
Non-current liabilities	985,082	6	998,377	6
<b>Total Liabilities</b>	<b>7,181,180</b>	<b>40</b>	<b>7,161,433</b>	<b>40</b>
<b>Total Equity</b>	<b>10,594,551</b>	<b>60</b>	<b>10,881,569</b>	<b>60</b>

# 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

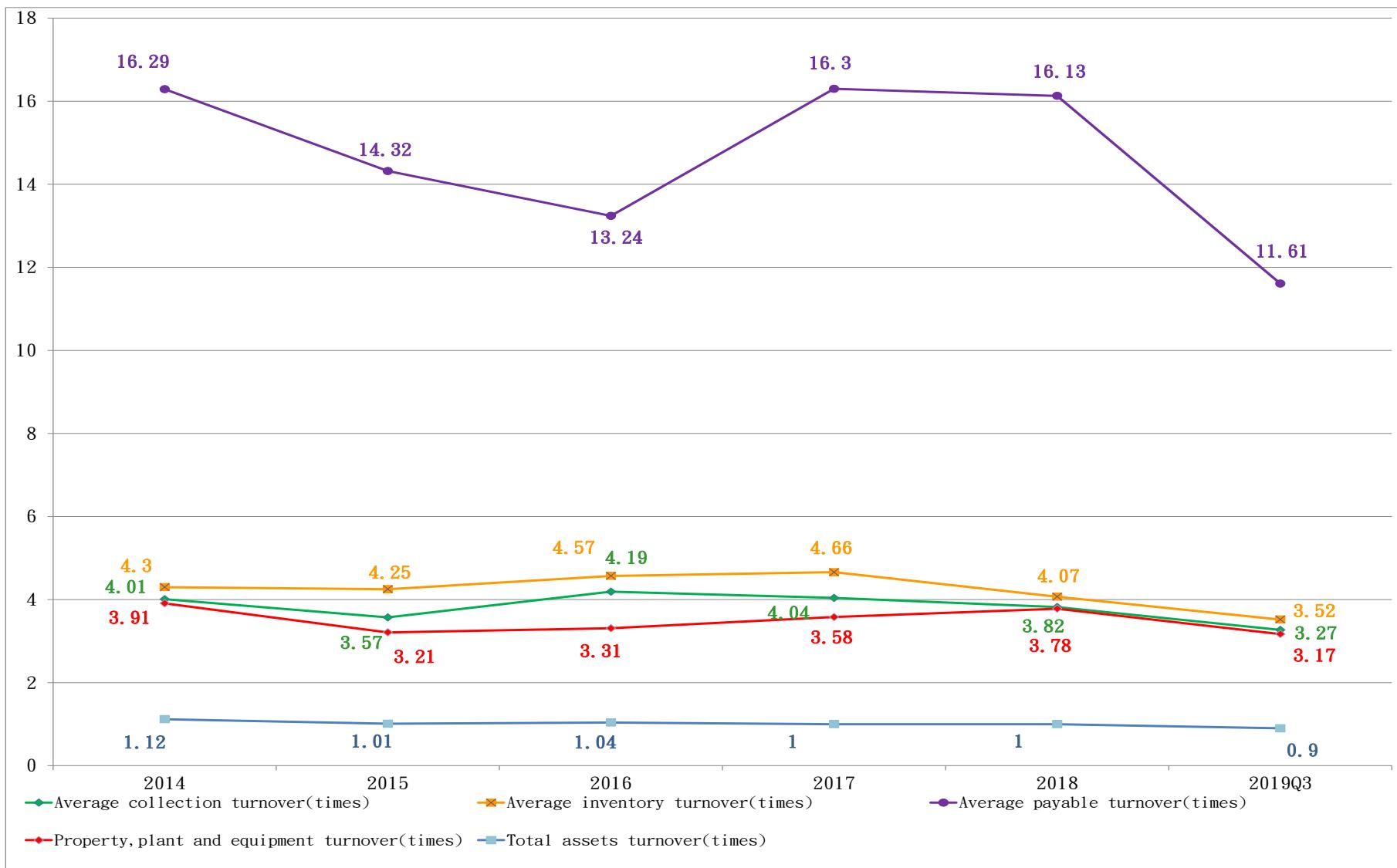
# Financial Ratio Analysis

		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

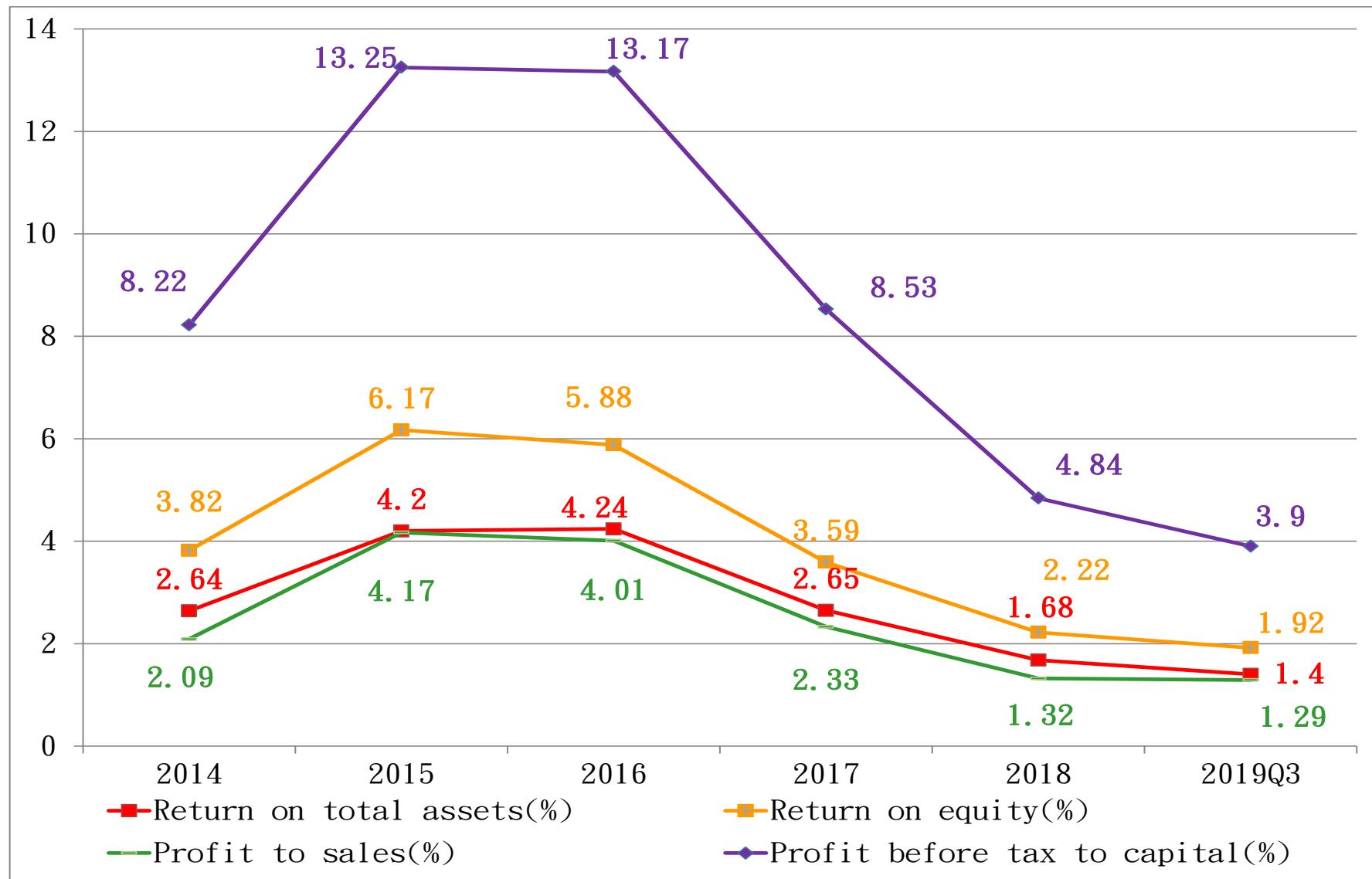
# Financial Ratio Analysis

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

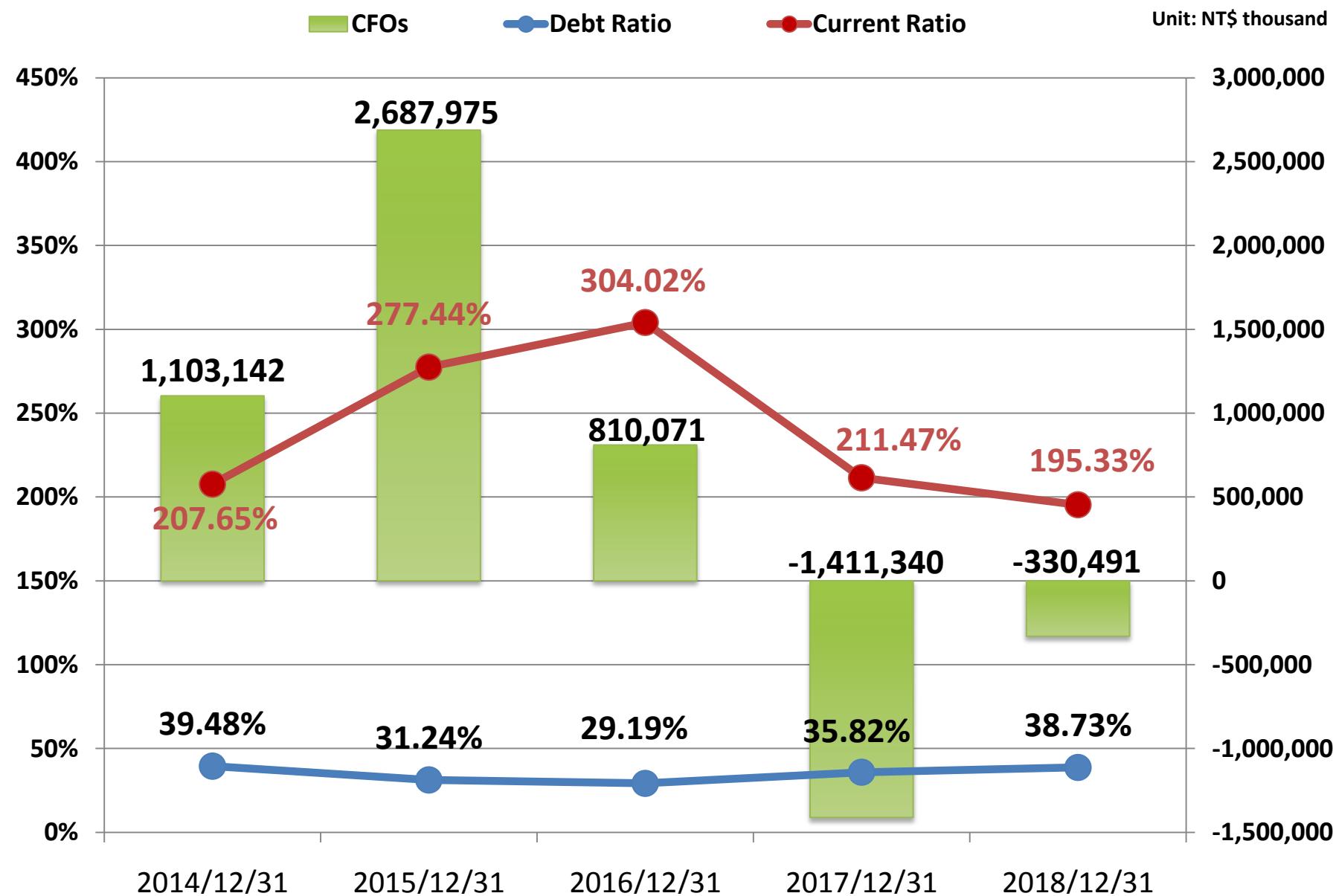
# Operating Performance Analysis



# Profitability Analysis



# Financial Review



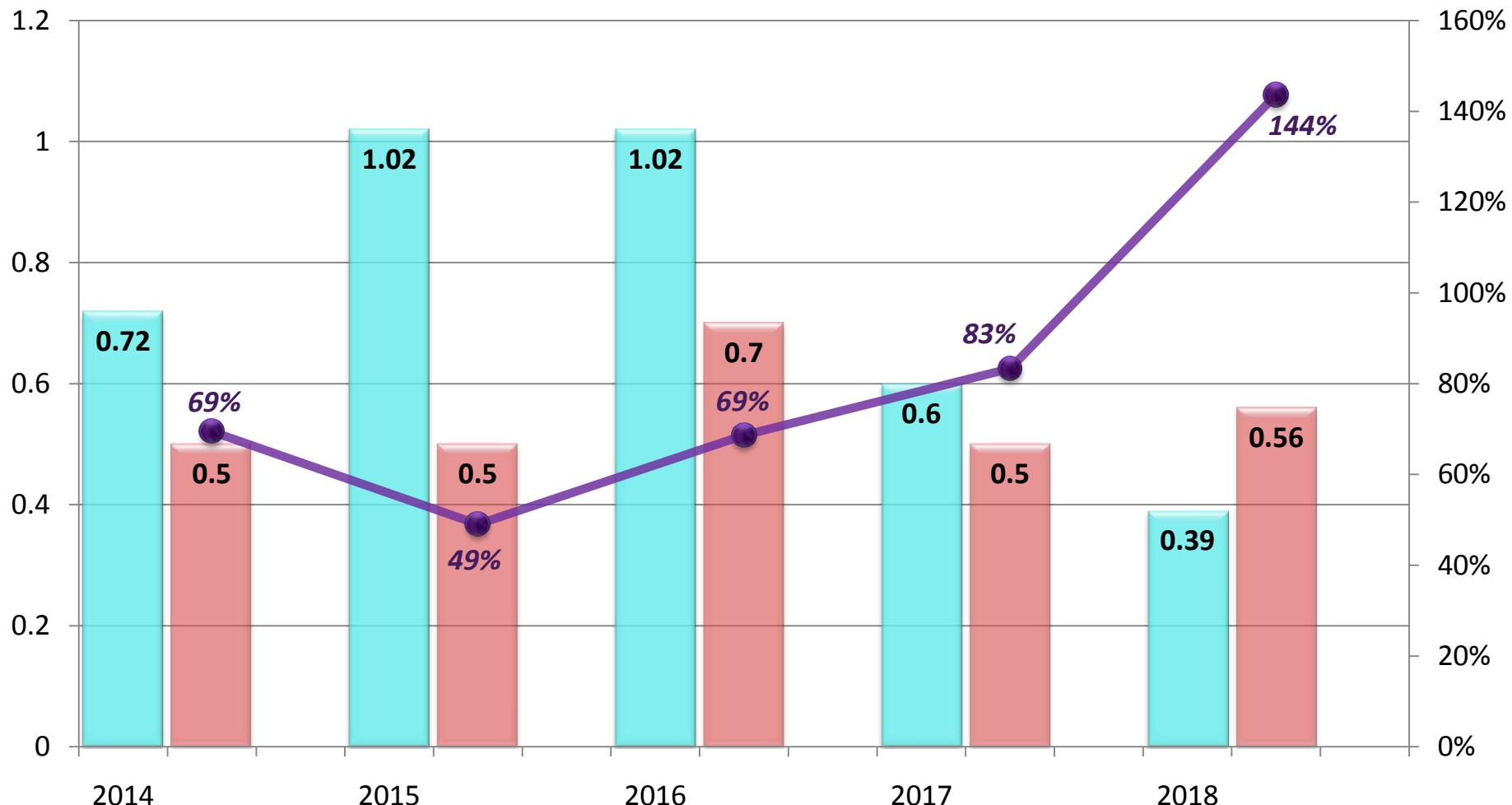
# Historical EPS and Dividends Paid

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