

China Steel Chemical Corp.

May, 2021



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The Brief Introduction to CSCC

Chronology of Major Events

- 1.CSCC established in February 1989.
- 2.Plants completed during 1991~1993.
- 3.CSCC IPO listed in Taiwan in November, 1998
- 4.CSCC was awarded “Industrial Excellence Award “ and “National Outstanding SMES Award” in 2000 and 2001.
- 5.CSCC achieved OHSAS 18001 certification during 2001~2008.
- 6.CSCC achieved CNLA in April, 2002. And granted authentication in April 2005 and November, 2008.
- 7.Refined Naphthalene Unit expansion completed in April 2009.
8. The capacity 1,400 MT/YR of Green Mesophase Powder Plant completed in January 2010.
- 9.The Light Oil Distillation plant phase 2 completed in April 2010.
- 10.The line G5/G6 of Green Mesophase Powder Plant reaching capacity to 2,600 MT/YR completed during the third quarter 2011.



The Brief Introduction to CSCC

Chronology of Major Events

11. Obtained the CNS15506 certification in April 2012, and obtained the CNS15506 recertification from March 2016 to March 2019.
12. Obtained ISO50001 certification in July 2013, and obtained ISO50001 recertification from July 2016 to July 2019.
13. Obtained ISO / TS16949 certification in October 2013; obtained ISO / TS16949 recertification in September 2016; and obtained the IATF 16949:2016 certification in September 2018.
14. Invested in joint venture with Formosa Ha Tinh (Cayman) Limited in January 2016.
15. The line of Green Mesophase Powder Plant reaching capacity to 7,500 MT/YR in June 2019.
16. Mesophase Powder Plant go into operation in 2019.
17. Paid-up capital : NT\$ 2.369 billion



The Brief Introduction to CSCC

The Structure of Shareholder

unit : per thousand stocks

Major shareholder	Shares	Percentages
China Steel Corp.	68,787	29.04%
Fubon Life Insurance Co., Ltd.	14,048	5.93%
International CSRC Investment Holdings Co., Ltd.	11,759	4.96%
Ever Wealthy International Corp.	4,754	2.10%
HSBC Hosts Matthews Asia Dividend Fund Investment Account	3,828	1.62%

As of : July, 2020



The Brief Introduction to CSCC

Table of academic degree in CSCC's employees

Academic Degree	No.	Percentages
Ph.D.	9	3%
Master's Degree	82	27%
Bachelor's Degree	173	57%
Junior College and Senior High School	41	13%
Total	305	100%

As of : Mar., 2021



The Brief Introduction to CSCC

Unit: NT\$ thousands

2019	01	02	03	04	05	06	07	08	09	10	11	12	Total
Revenue	689,967	584,475	744,685	631,257	648,487	586,009	758,858	712,468	687,702	607,352	377,379	513,351	7,541,990
Operating Income	154,816	117,582	157,996	137,680	122,028	106,951	154,404	146,911	145,296	116,123	26,297	56,309	1,442,393
Net income before tax	167,368	126,085	184,027	147,816	141,191	117,374	164,915	156,459	180,478	106,055	31,554	72,004	1,595,326
WTI Oil Price	51	55	58	64	61	55	57	55	57	54	57	60	57
2020	01	02	03	04	05	06	07	08	09	10	11	12	Total
Revenue	554,160	518,292	526,725	332,281	394,598	422,791	335,847	432,718	393,207	452,816	496,347	503,992	5,363,774
Operating Income	101,421	69,825	57,757	33,280	57,748	54,594	51,549	61,693	41,563	82,915	68,602	88,952	769,899
Net income before tax	109,439	73,576	48,645	30,333	69,681	91,722	51,082	81,662	62,518	82,498	74,659	75,204	851,019
WTI Oil Price	58	51	29	16	28	38	41	42	40	39	41	47	39
2021	01	02	03	04	05	06	07	08	09	10	11	12	Total
Revenue	456,534	505,420	706,902	649,410									2,318,266
Operating Income	66,952	85,242	110,365	109,369									371,928
Net income before tax	69,173	85,644	130,878	103,629									389,324
WTI Oil Price	52	59	62	62									59

* The announcement of 2021 is based on self-reported consolidated net income before tax.



The Brief Introduction to CSCC

Unit: NT\$ millions

	2016	2017	2018	2019	2020	2021/1~4
Revenue	5,143	6,242	8,560	7,542	5,364	2,318*
Net income after tax	1,038	1,208	1,516	1,298	708	389*
EPS(NT\$)	4.45	5	6.5	5.57	3.09	-

* The announcement is based on self-reported consolidated net income before tax.

EPS	2017				2018				2019				2020				2021
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	1.14	1.16	1.31	1.39	1.4	1.63	1.92	1.55	1.68	1.45	1.78	0.66	0.78	0.71	0.7	0.9	1.01



The Brief Introduction to CSCC

unit : metric tons

Period Input	2016	2017	2018	2019	2020	2021/1~4
Coal Tar	258,193	253,172	257,637	255,066	260,216	85,965
Light Oil	94,834	100,590	117,102	124,062	116,302	38,398



Dividend Payout

	2014	2015	2016	2017	2018	2019	2020
EPS	9.5	5.37	4.45	5.0	6.5	5.57	3.09
Cash Div.	8.3	4.5	4.5	4.6	5.3	5.0	2.8
Stock Div.	0	0	0	0	0	0	0

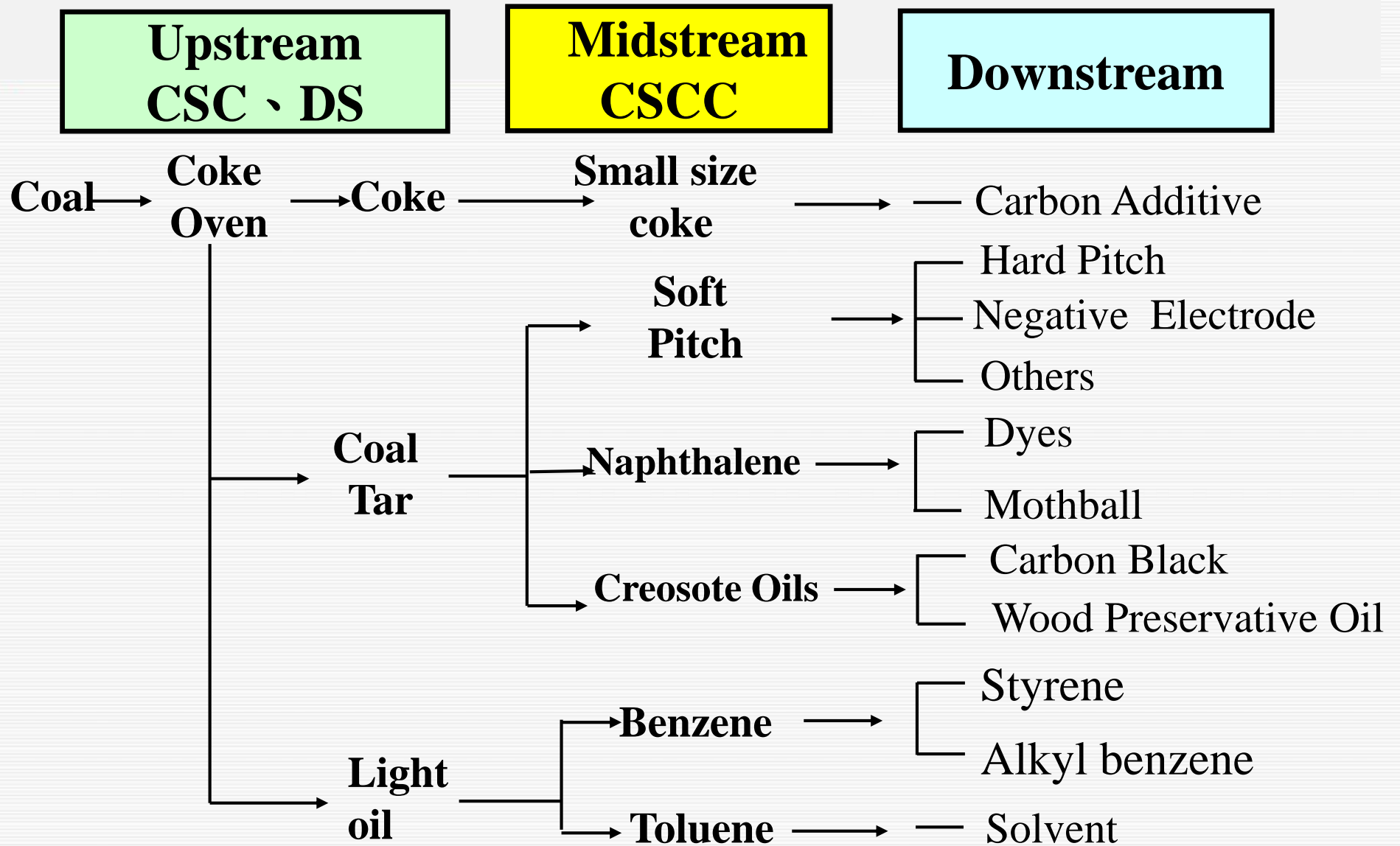


Sales Revenue breakdown by products

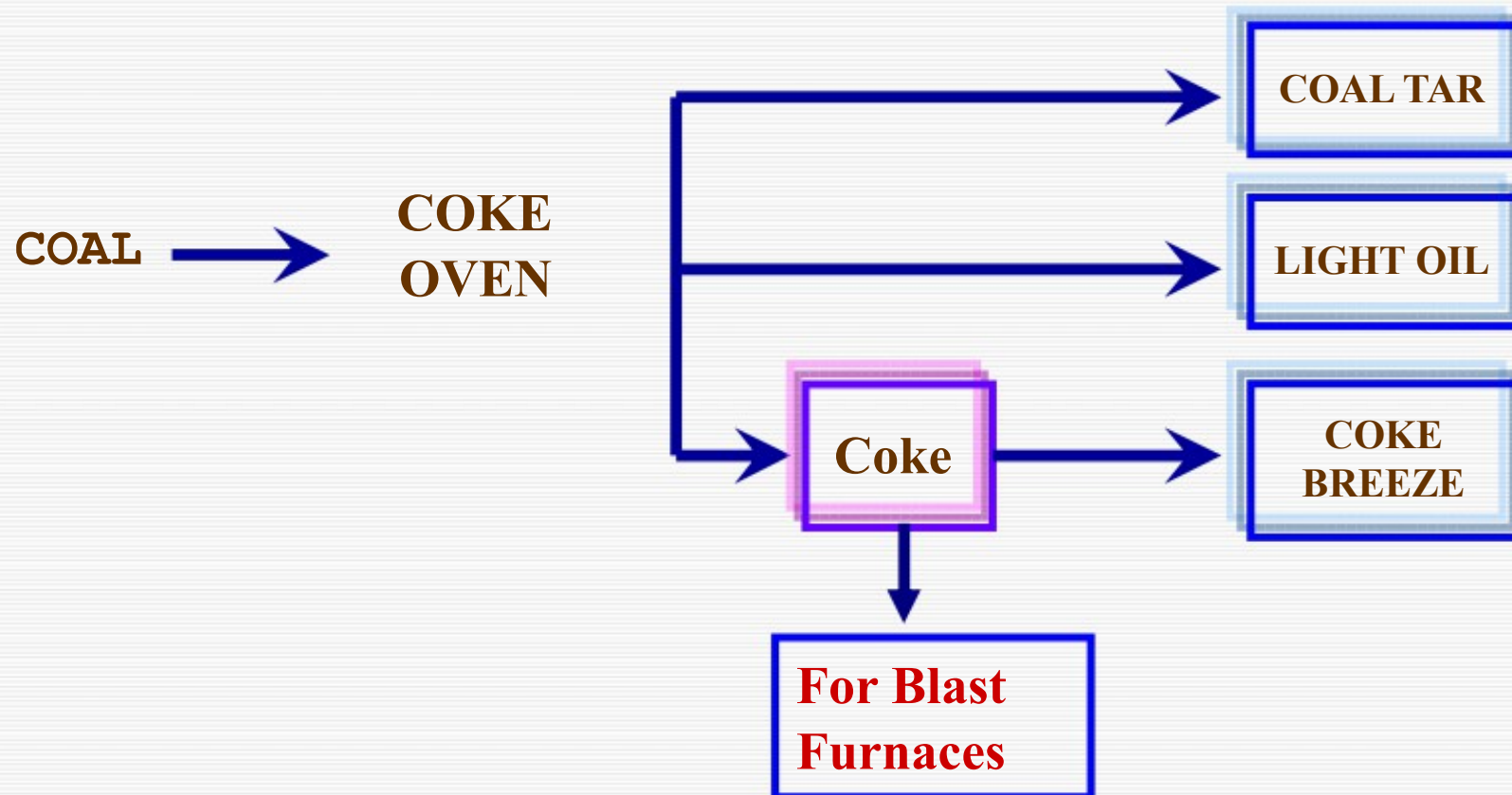
	2019	2020/1Q	2020/2Q	2020/3Q	2020/4Q	2020	2021/1Q
Light Oil	29%	32%	25%	31%	24%	28%	31%
Benzene	24%	28%	20%	25%	20%	24%	26%
Coal Tar	47%	45%	50%	43%	51%	47%	42%
Creosote Oils	26%	26%	27%	26%	27%	26%	25%
Soft Pitch	12%	11%	15%	7%	16%	13%	10%
Naphthalene	7%	6%	7%	9%	6%	7%	6%
Carbon Material	5%	5%	4%	4%	4%	4%	5%
Coke Breeze	7%	7%	10%	10%	9%	9%	9%
Trading	11%	9%	8%	10%	11%	10%	11%



The Relating Product Map of Coal Chemical Industries

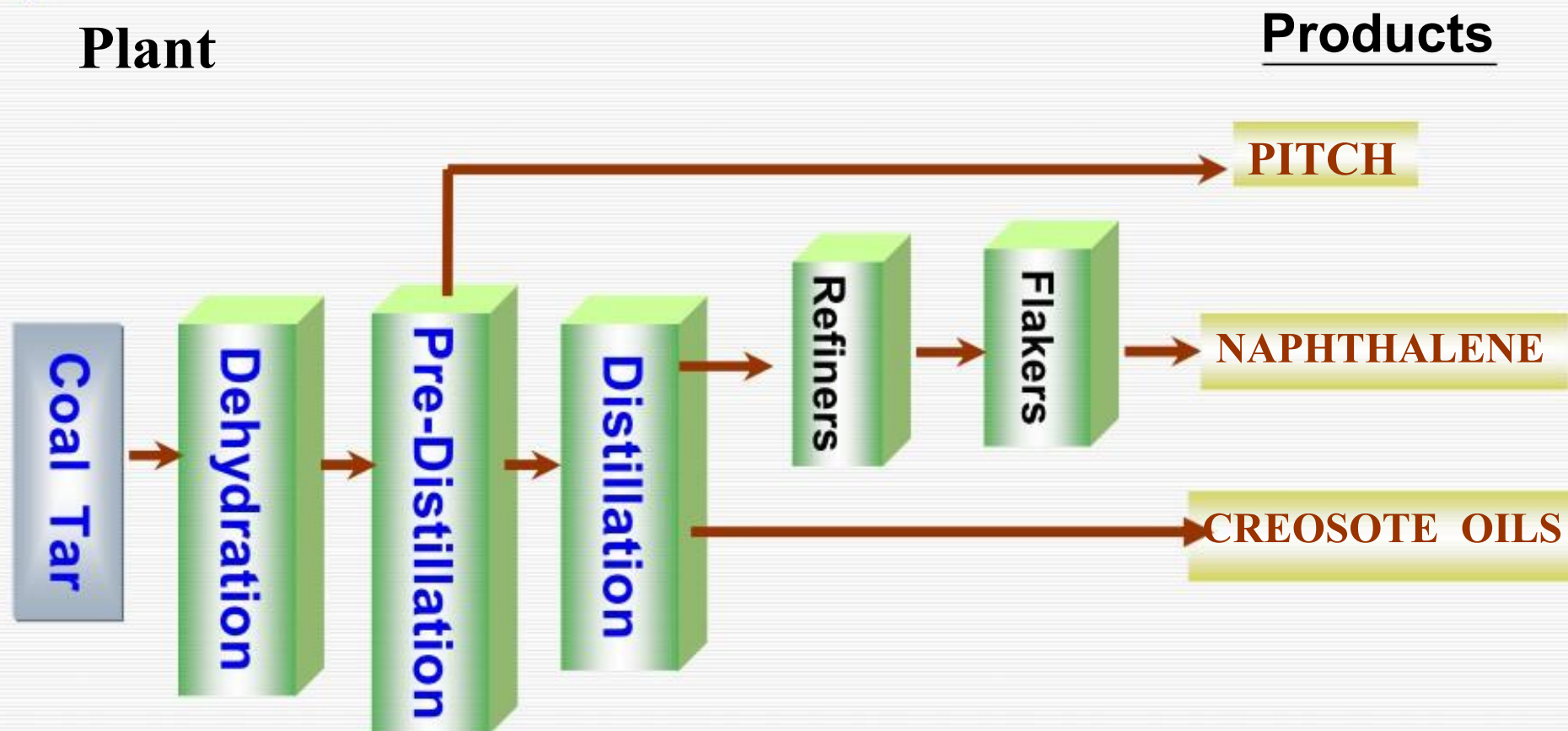


The Relating Product Map of Coal Chemical Industries



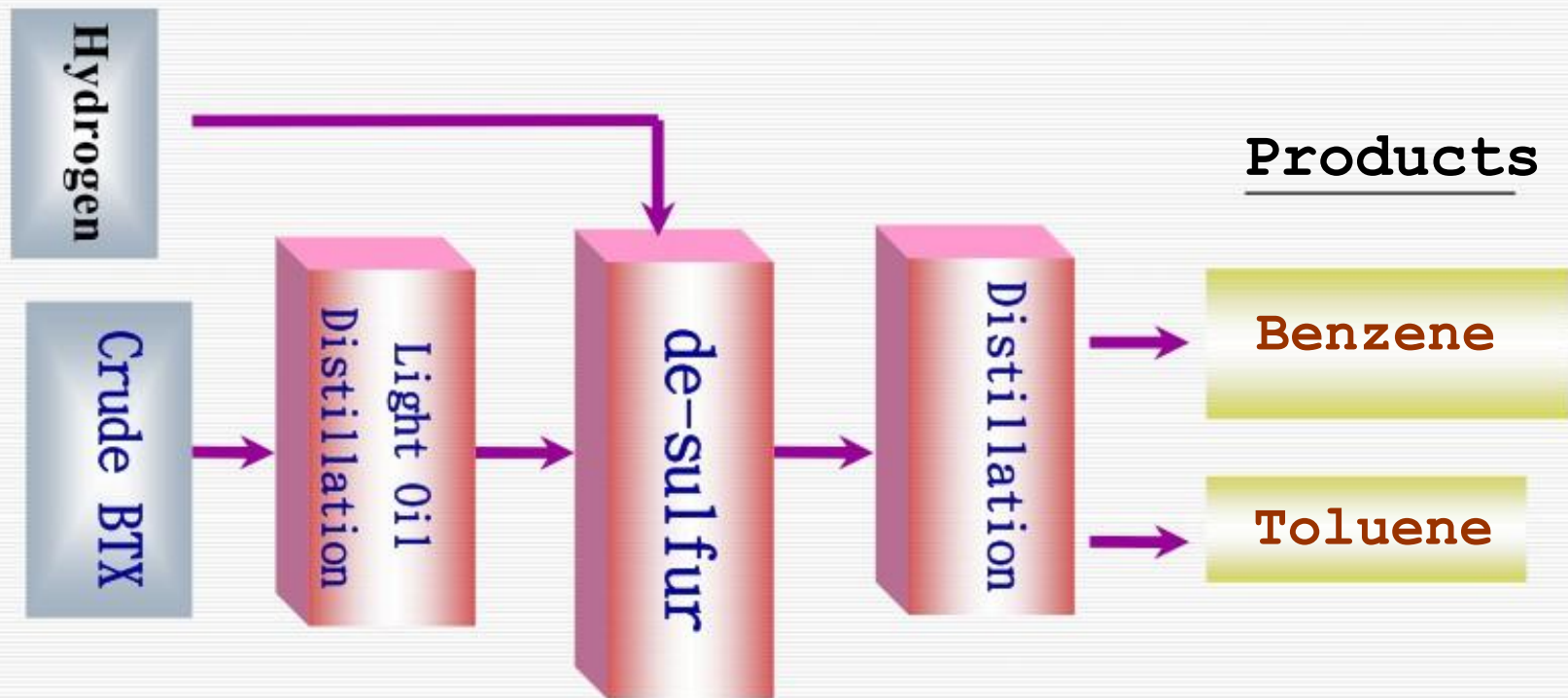
The Relating Product Map of Coal Chemical Industries

The Process of the Coal Tar Distillation Plant



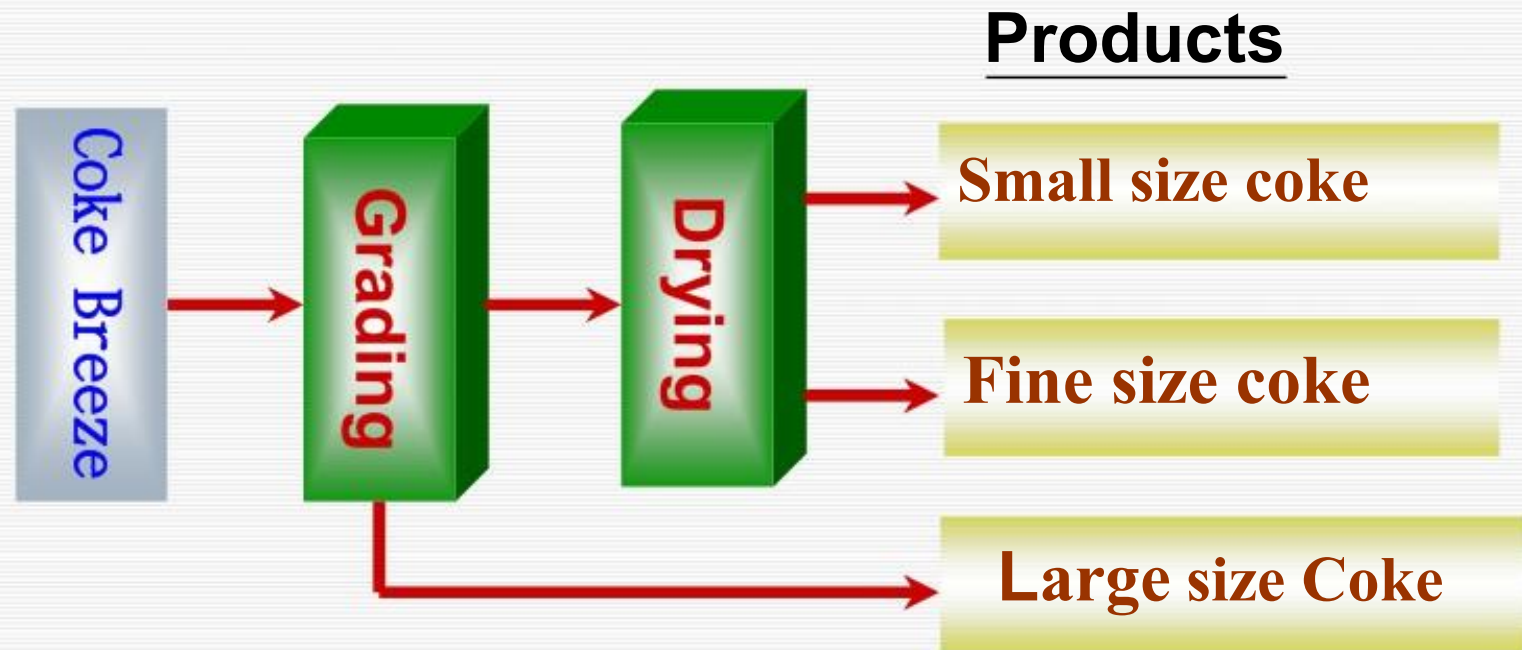
The Relating Product Map of Coal Chemical Industries

The Process of the Light Oil Distillation Plant



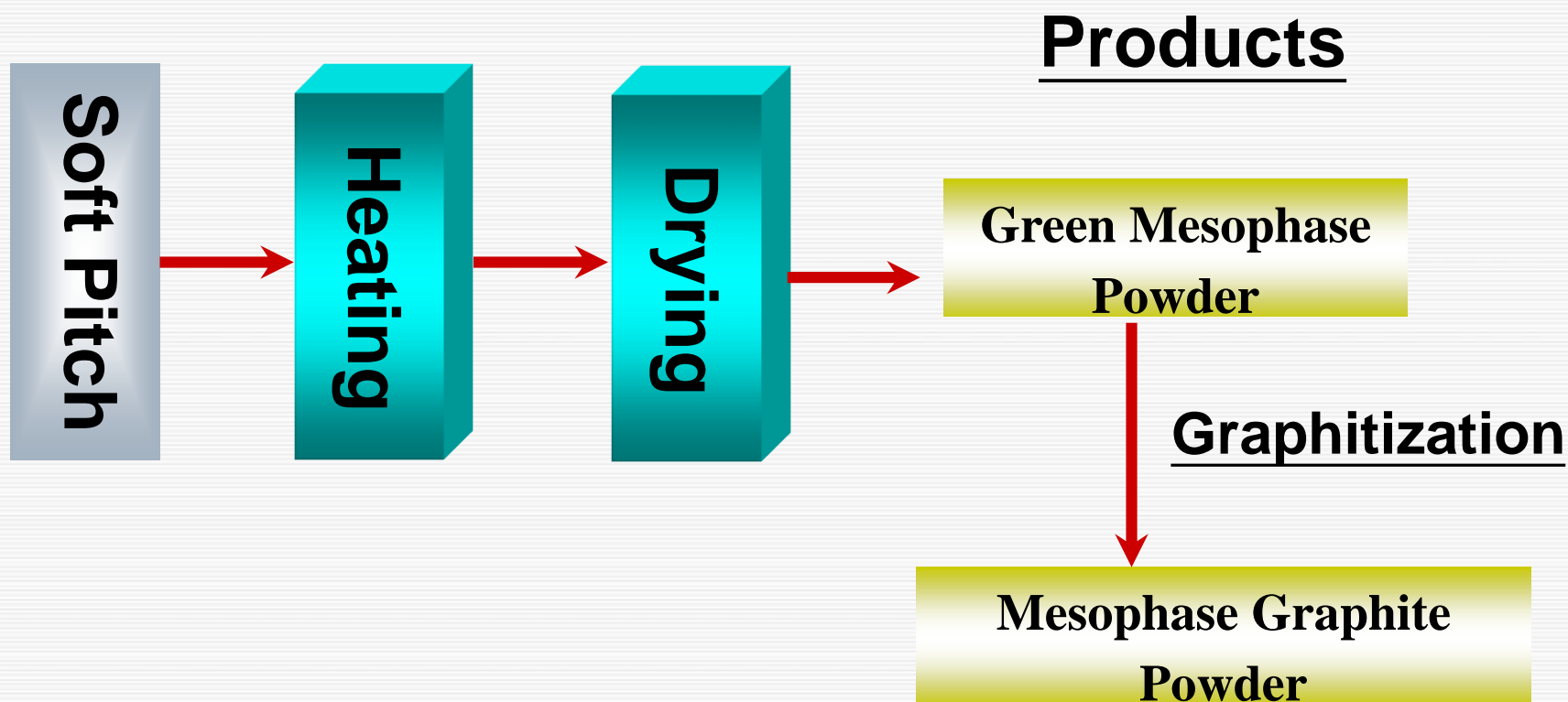
The Relating Product Map of Coal Chemical Industries

The Process of the Coke Breeze Plant



The Relating Product Map of Coal Chemical Industries

✚ The Process of the Green Mesophase Powder plant



The Industrial Use for CSCC

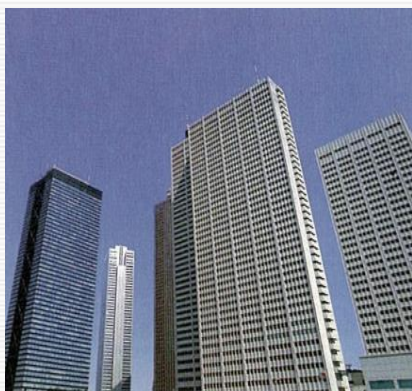


The Appliance of Naphthalene

Naphthalene

Sulfonated naphthalene formaldehyde condensates

Water-reducing admixture



B-naphthol, Tobias acid, J-acid

Dyestuffs pigment



Mothballs



Phthalic anhydride (PA)



The Appliance of Creosote oils

Creosote oils

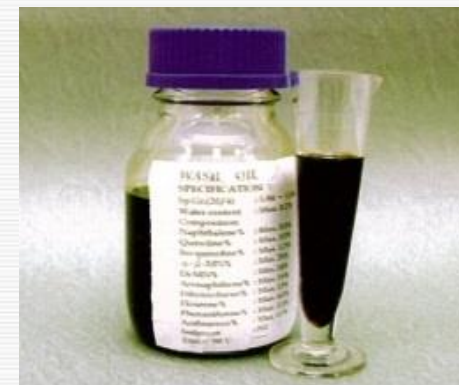
**Carbon
black**



Wood preservative oil



Wash oil



The Appliance of Benzene

Benzene

Styrene

External shell for 3C's product and sport materials



Phenol

Epoxy resin paint



Caprolactam

Nylon 6



Alkyl-benzene

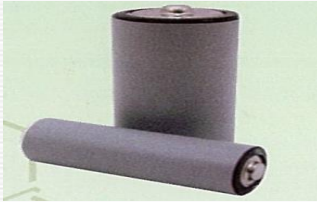
detergents



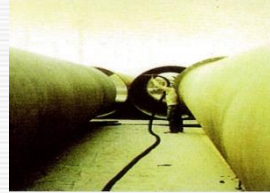
The Appliance of Soft Pitch

Soft Pitch

Primary
electrode rod



Water and rust
proofing materials



Green Mesophase
Powder

Mesophase
Graphite Powder

Lithium Ion
Battery



Active Carbon for
Supercapacitor

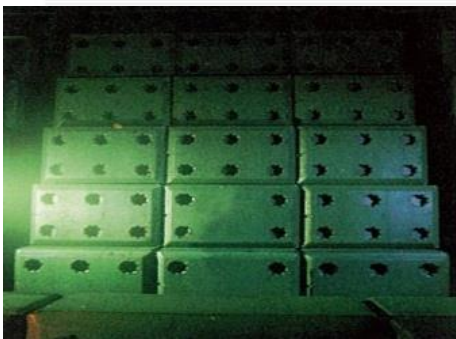


Isotropic Graphite



Hard Pitch

Electrode binder



Roofing Pitch



New Products Development

- ✚ High Soft Point Pitch (HSP):utilized as wrapping materials to cover carbon for Li-ion Batteries anode or as binder material for fireproofing material.
- ✚ High Soft Point Pitch is a special pitch which possesses a soft point higher than 260°Cand have high fixed carbon ratio (ca. 80-85%). It is also utilized as carbon fiber precursor, because the production procedure of HSP is similar to the one of carbon fiber procedure.
- ✚ Nowadays, the pre-launch sample is provided to customers for testing as wrapping material for Li-ion batteries anode and fireproofing material. Mass production process design had been completed and evaluation of mass product line will be made after market expands.



New Products Development

- ✦ The quality of AC is great as Japan leading brand. The AC has already been sold worldwide.
- ✦ Due to the expansion of Li-ion batteries anode material, establishing graphitizing factory is planning. Studying abroad techniques of graphitization, evaluation of inductive graphitizing furnace and mass production plan are progressing.



CSCC's Meso-Graphite

■ Application: High Energy & Power density in LIB

Energy Density(Wh/Kg): Low  High

Power Density(W/Kg): Strong  Low

MG10
MG08

MG11
FMGP

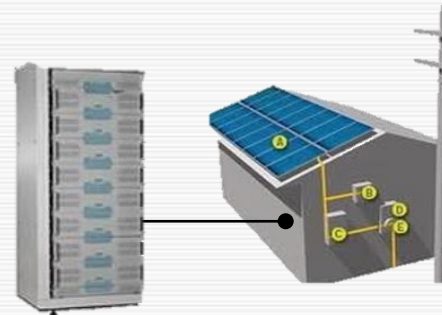
MG12
MGP

MG13

PT/HEV

EV/ESS

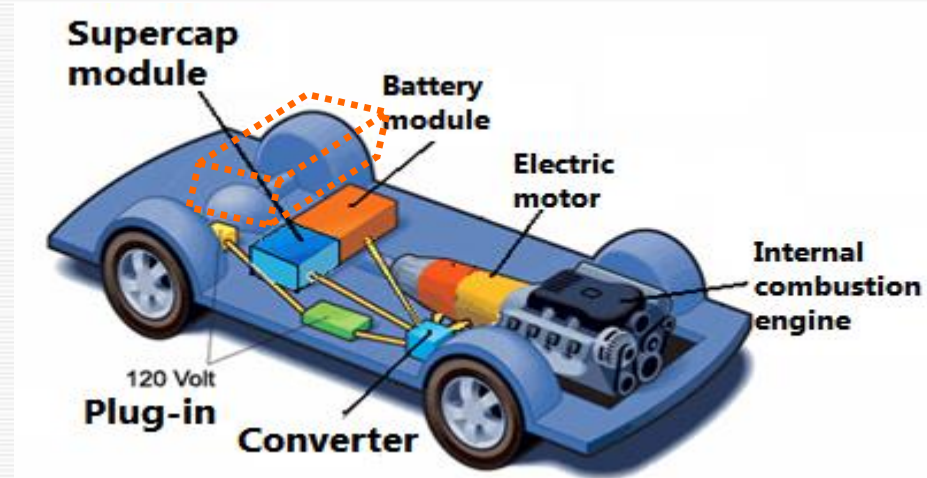
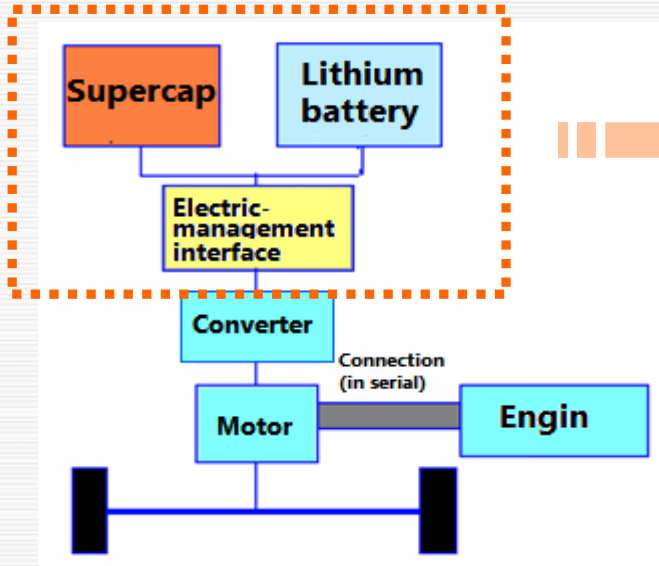
Tablets/3C



Applications of Supercapacitors

PHEV

(Plug in hybrid electric vehicles)



Also in..



E-Bus



Light Rail Transit



Wind turbine



Introduction of Advanced Lead-Acid Battery

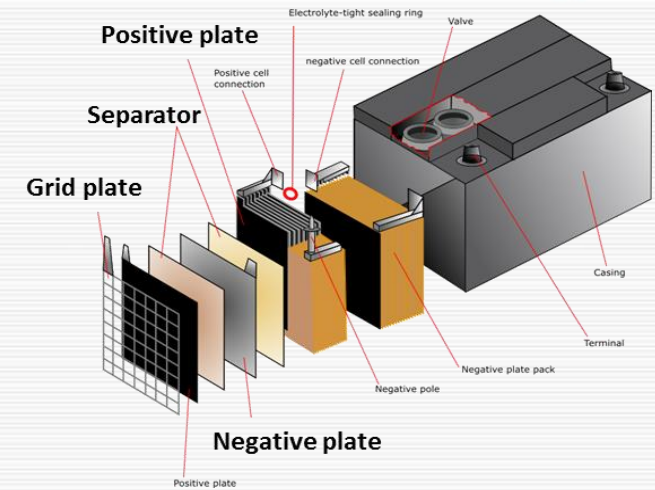
Advanced Lead-Acid Battery

Advantages

- Lower costs
- High battery recycling
- High ambient tolerance
- Low amount of maintenance
- Extending the life of LAB
- Large current capability

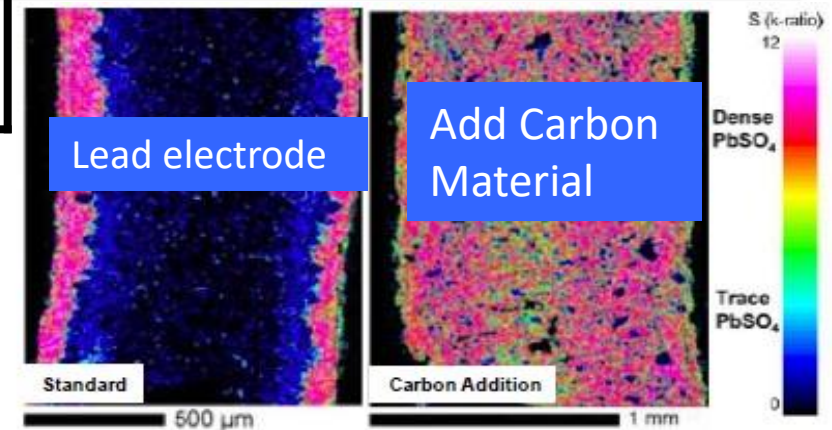
Disadvantages

- Unfriendly environmental materials (Pb, Acid)
- Typical charging efficiency only around 70%



Advantages of addition activated carbon into LAB

1. Increasing conductivity
2. Improving the uniformity of Pb/PbSO₄
3. Capacitance effect
4. Adsorption of sulfuric acid, supplying of electrolyte in the plate nearly.



Elimination of hard sulfation by carbon additions, allowing more complete usage of the battery (both images are from cells at end of life). Fernandez et al., 2010.

Source: Pavlov D., Lead-acid Batteries: Science and Technology. Elsevier, 2011.





Q&A

