



CHINA STEEL CHEMICAL CORPORATION (1723) Investor Conference

June 2024



Safe Harbor statement

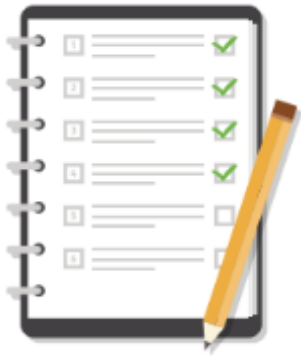
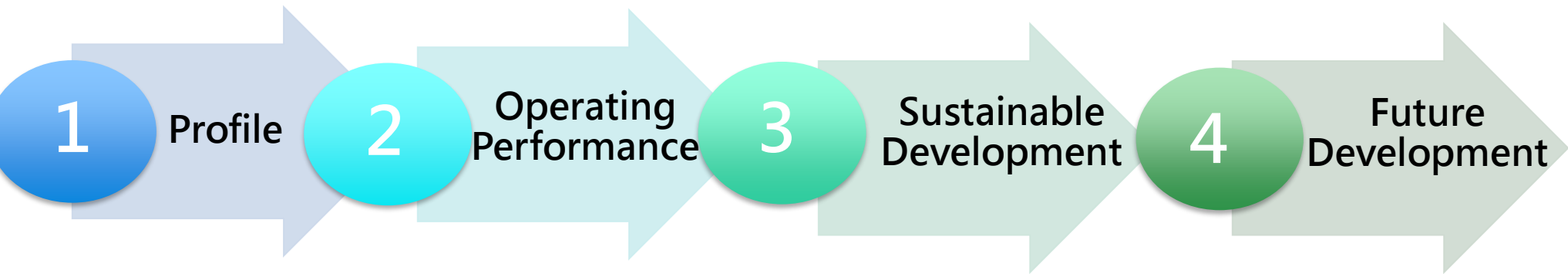
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- Such statements are based upon management's current beliefs and expectations and are subject to various risks, uncertainties and other factors that could cause actual outcomes and results to differ materially.
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Recap of Recent Major Events

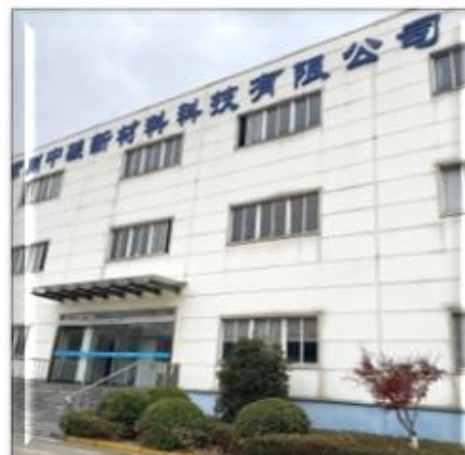
- CSCC Board of directors approved the investment in a second line of graphitization furnaces at the Pingnan Carbon Materials Plant.(2022/05/05),estimated completion date is second quarter 2024.
- CSCC approved the investment in Research and Development Center at the Pingnan Carbon Materials Plant.(2023/09/27),estimated completion date is the end of year 2025.



Agenda



1、Profile



Basic information

Company name	China Steel Chemical Corporation
Inception	February 3, 1989
Company Address	25F, No. 88, Chenggong 2nd Road, Qianzhen District, Kaohsiung City, 806
Capital	NT\$2,369,044,800
Listed Date	November 27, 1998 (Stock symbol : 1723)
Number of Employees	312 (PhD-9 、 Master-95 ; Male-87% 、 Female-13%)

- the first coal chemical company with Graphitization in Taiwan

The structure of shareholder

Major shareholder	Percentages
China Steel Corp.	29.04%
International CSRC Investment Holdings Co., Ltd.	4.96%
Fubon Life Insurance Co., Ltd.	4.75%
Yuanta Taiwan High Dividend Low Volatility ETF	2.54%
Ever Wealthy International Corp.	2.01%

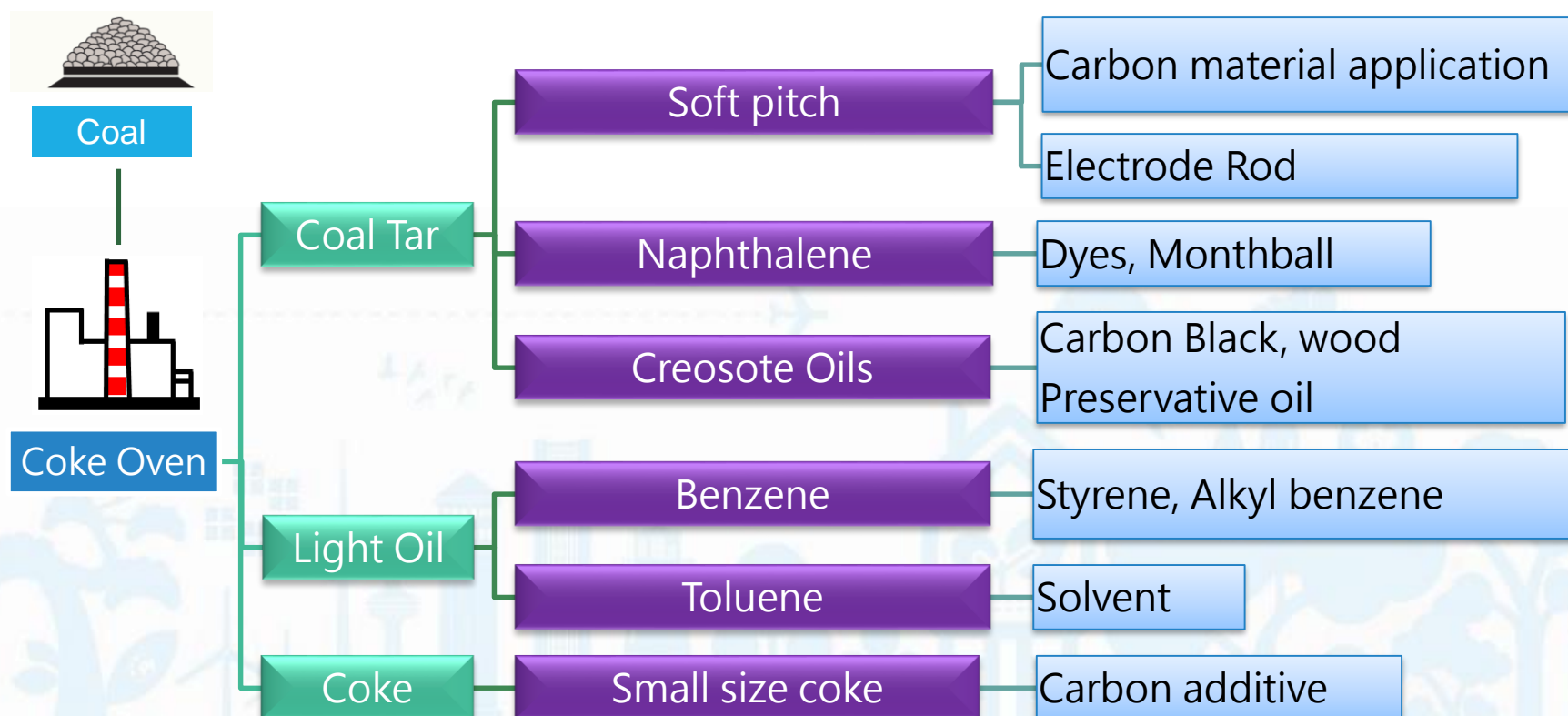
As of : Apr 14,2024

The Relating Product Map of Coal Chemical Industries

Upstream
(CSC · DS)

Midstream
(CSCC)

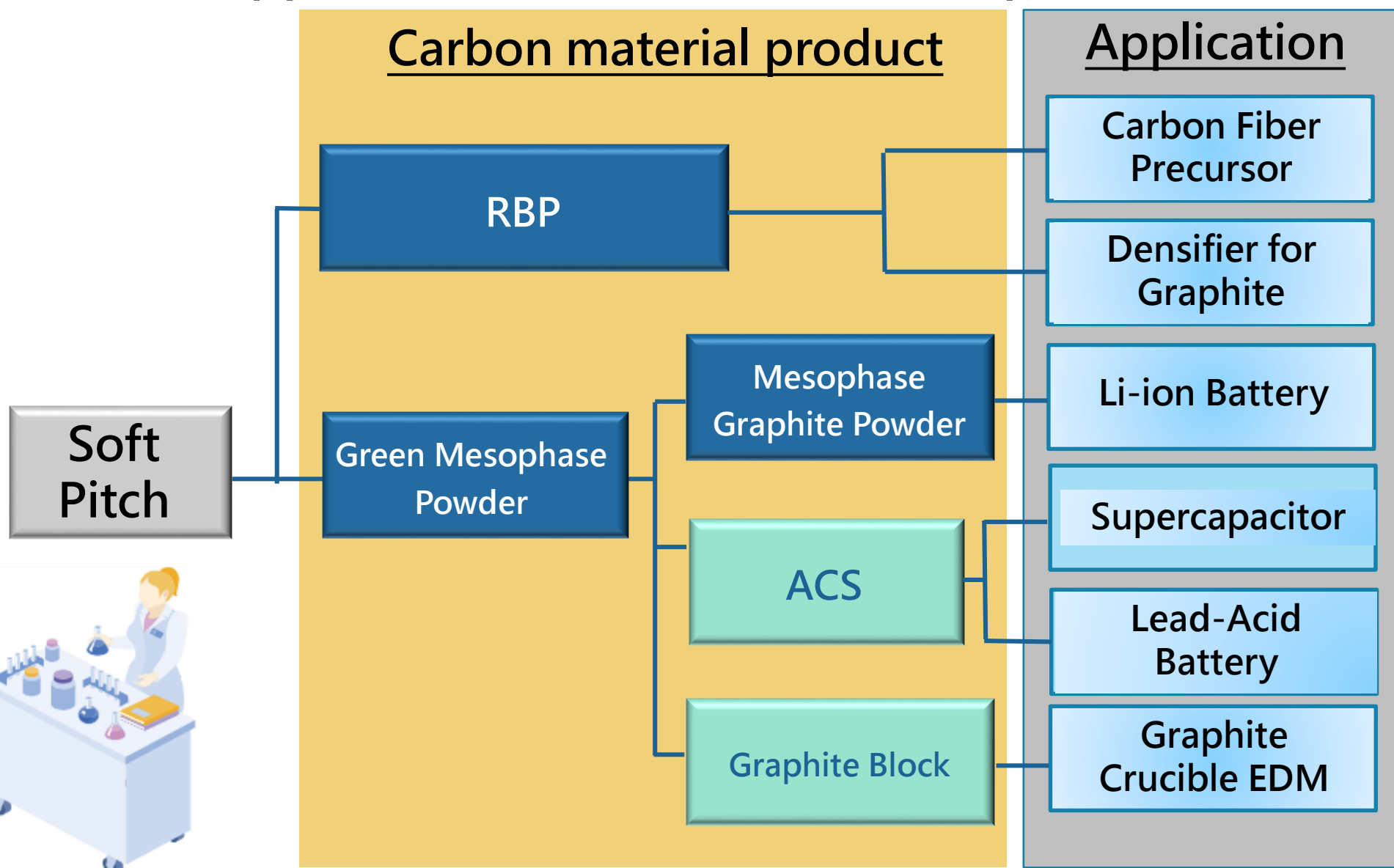
Downstream



Coal Chemical Products Sales

Product	Domestic /Export	Product Overview
Creosote Oils	55 / 45	Used for making carbon black, a raw material for tires. Export market mainly in Japan.
Soft Pitch	1 / 99	Used for baking aluminum anode materials, mainly exported to long-term customers in Australia.
Naphthalene	10 / 90	Used for making naphthalene balls and dyeing pigments. Naphthalene balls exported to Southeast Asia, and dyeing pigments exported to India.
Benzene	100 / 0	A basic raw material for the petrochemical industry with wide applications. Insufficient domestic supply must rely on imports, and now for all are domestic sales .
Toluene	6 / 94	Used as a solvent, mainly exported to Singapore.
Coke Products	100 / 0	After partial processing, supplied to domestic customers for making carbon- additive.

Applications of Carbon material product

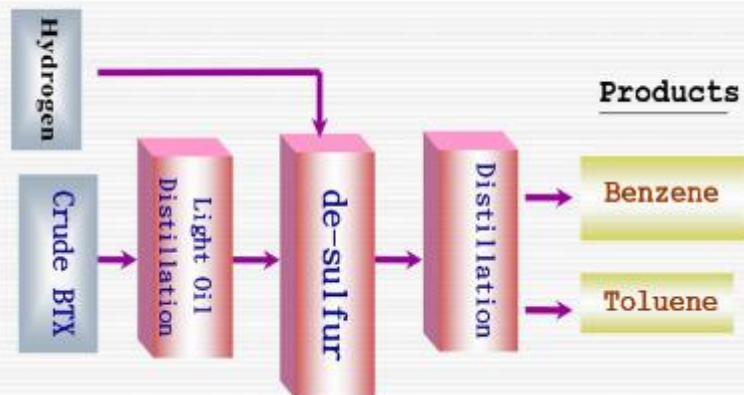


Carbon material product

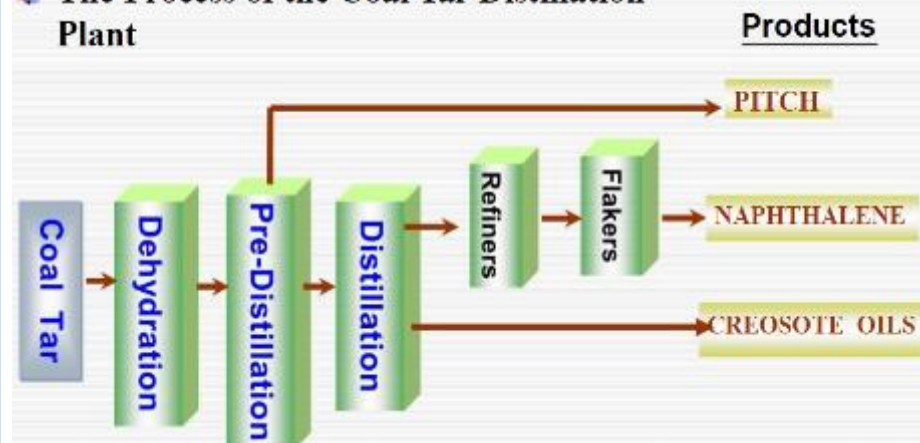
Product	Ratio	Domestic/ Export	Product Overview
Green Mesophase Powder	1.0%	31 / 69	<ul style="list-style-type: none"> ● Mainly sold to anode material factories for producing anode materials, with exports primarily to China. ● Also used for other applications in non-anode materials.
Mesophase Graphite Powder	8.0%	22 / 78	Sold to battery cell factories for making Li-ion Battery, with exports primarily to China, Southeast Asia, and Japan.
RBP	1.5%	0 / 100	Sold for use in steelmaking electrode rods for dipping processing, with exports primarily to China, Southeast Asia, and Japan.

The Relating Product Map of Coal Chemical Industries

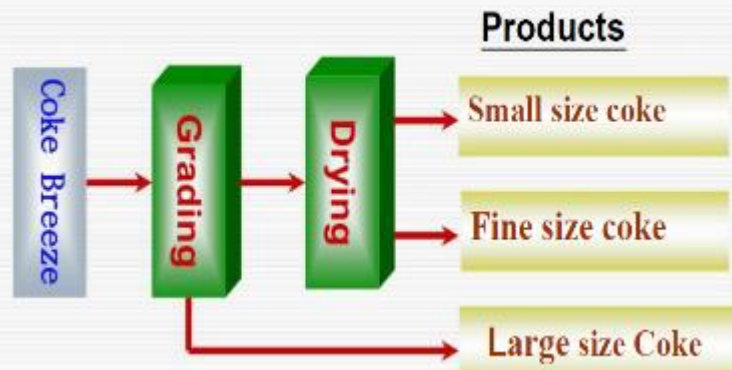
The Process of the Light Oil Distillation Plant



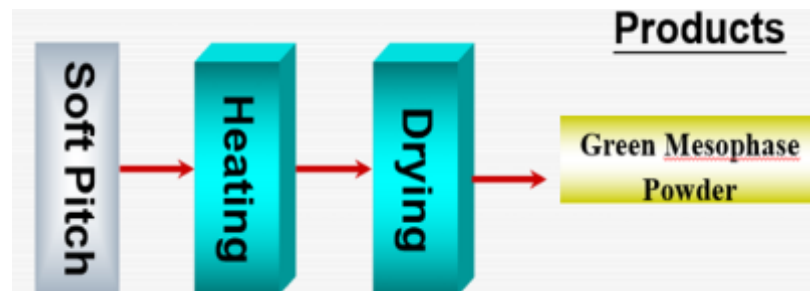
The Process of the Coal Tar Distillation Plant



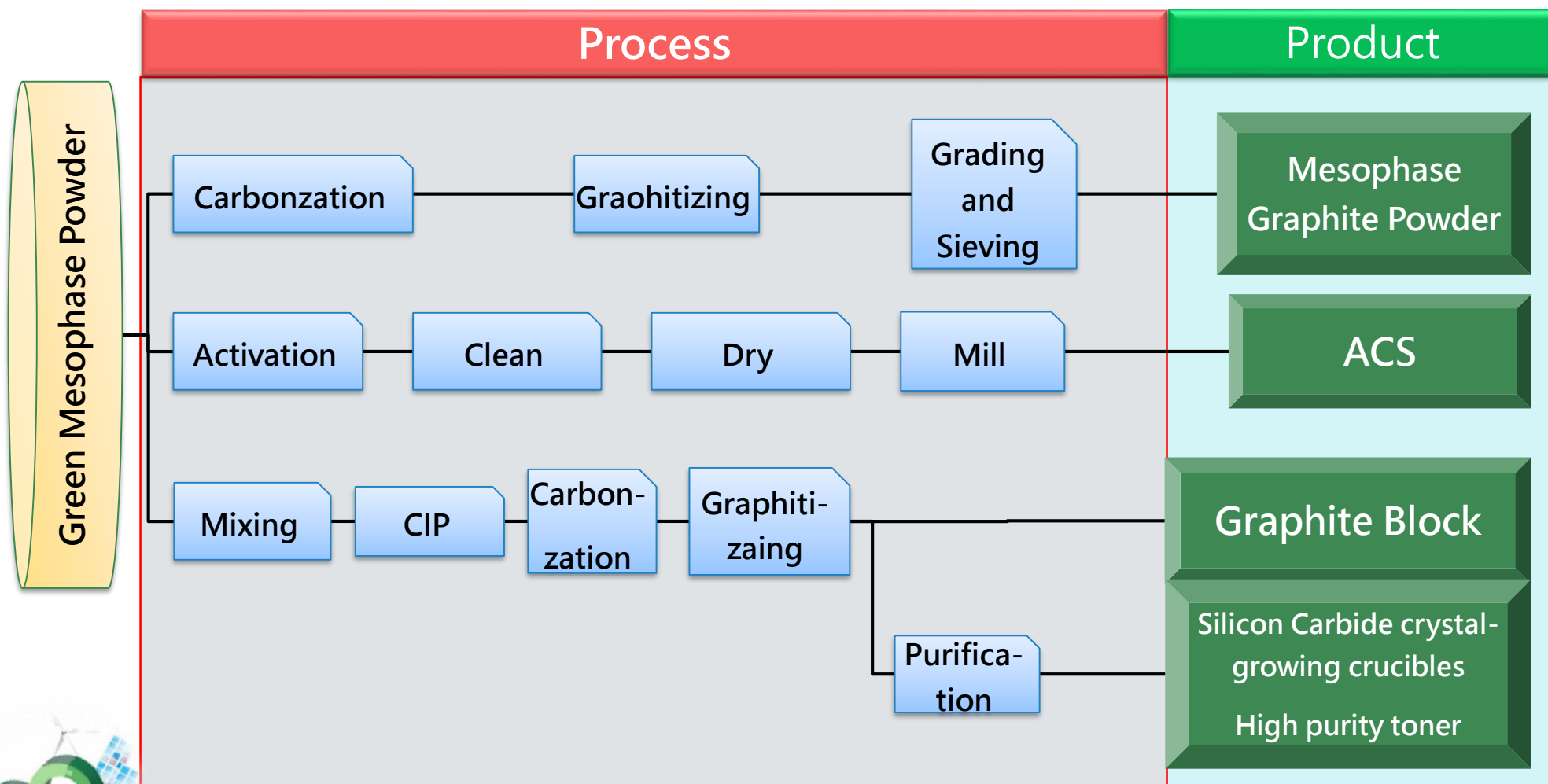
The Process of the Coke Breeze Plant



The Process of the Green Mesophase Powder plant



The Relating Product Map of Carbon Material Industries

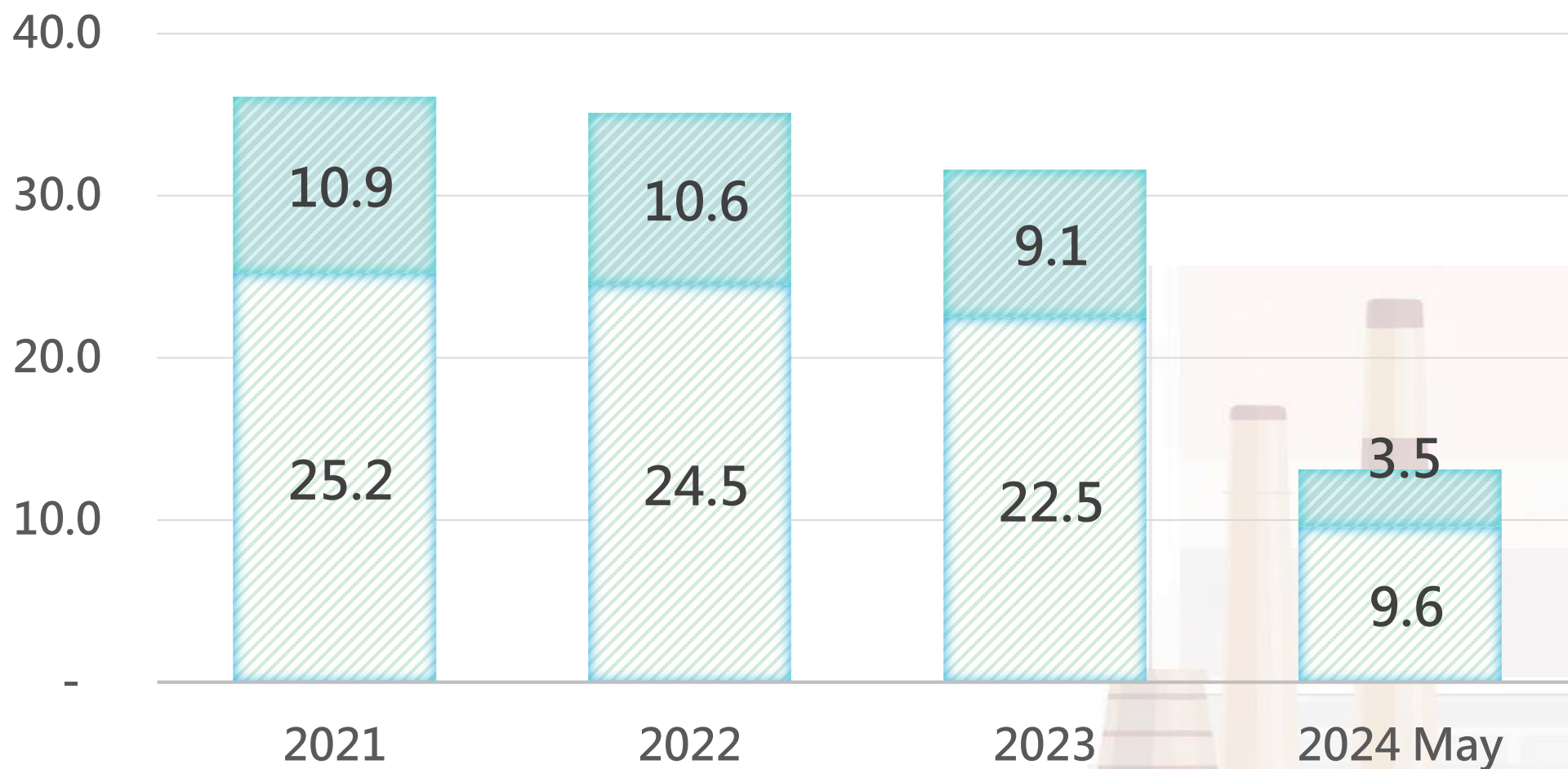


2、Operating Performance



Raw material inputs

■ Coal Tar(Unit : ten thousand metric tons)
 ■ Light Oil(Unit : ten thousand metric tons)



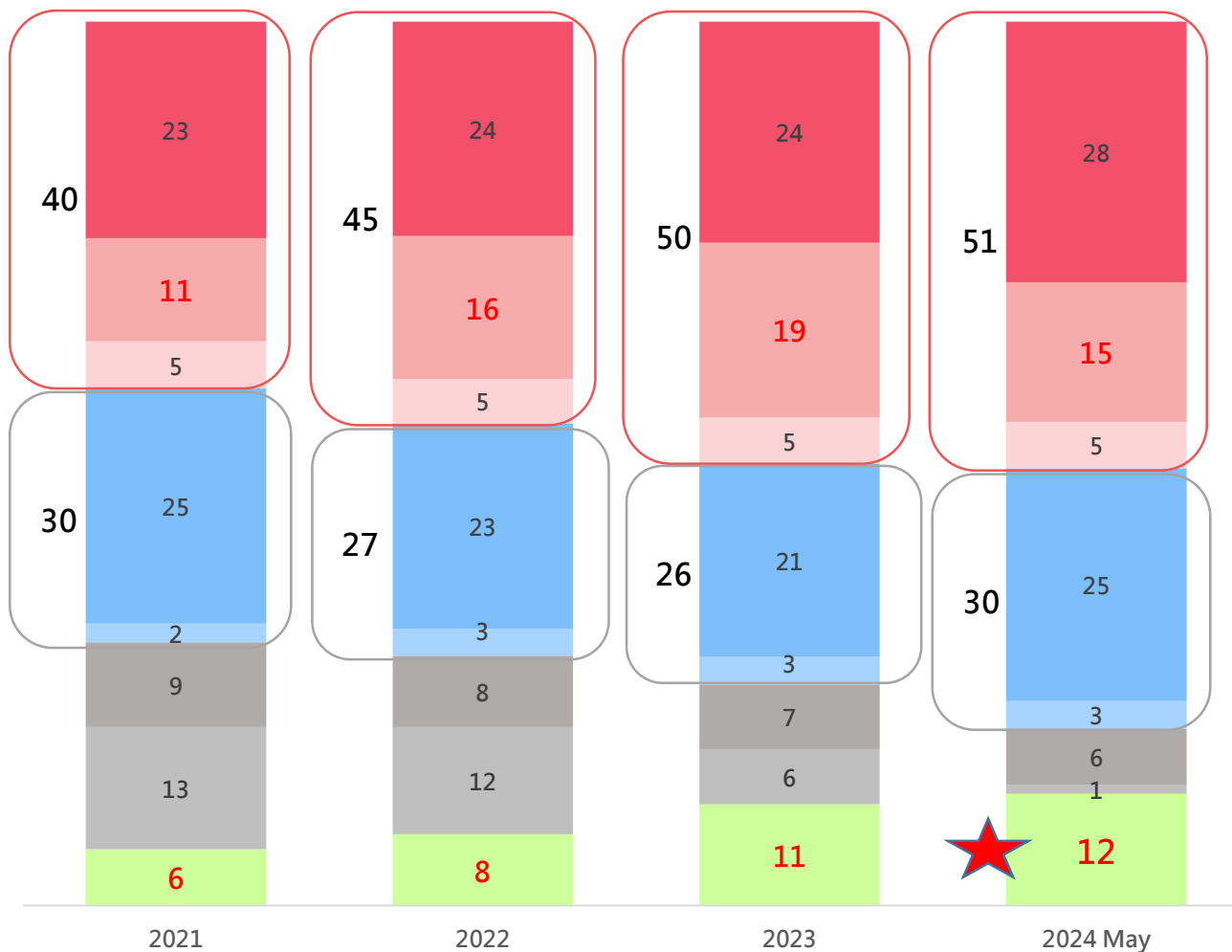
Revenue breakdown by products in the past three years

Unit : %

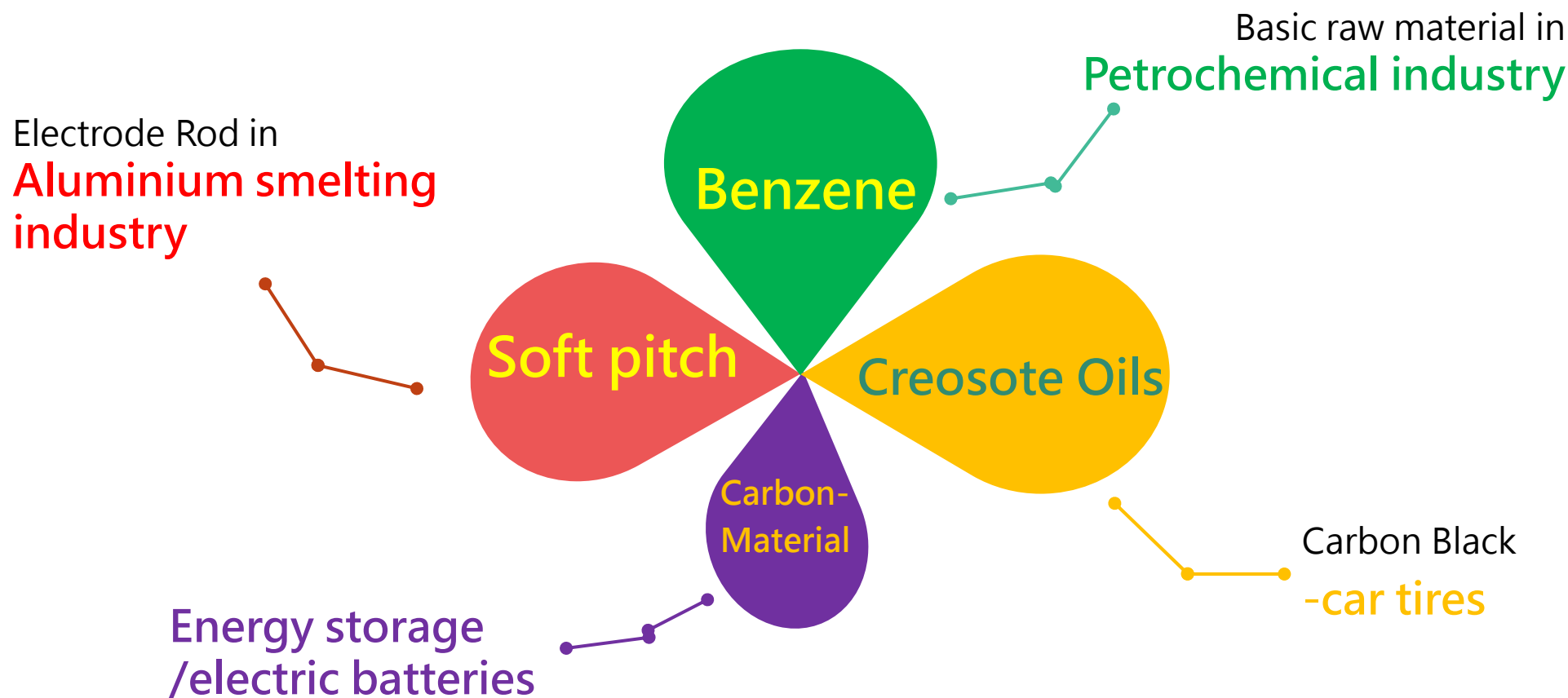
Coal Tar Product

- Creosote Oils
- Soft Pitch
- Naphthalene
- Benzene
- Toluene
- Coke(including processing item)
- Trading
- Carbon Material
- Others(Balance)

LO Product

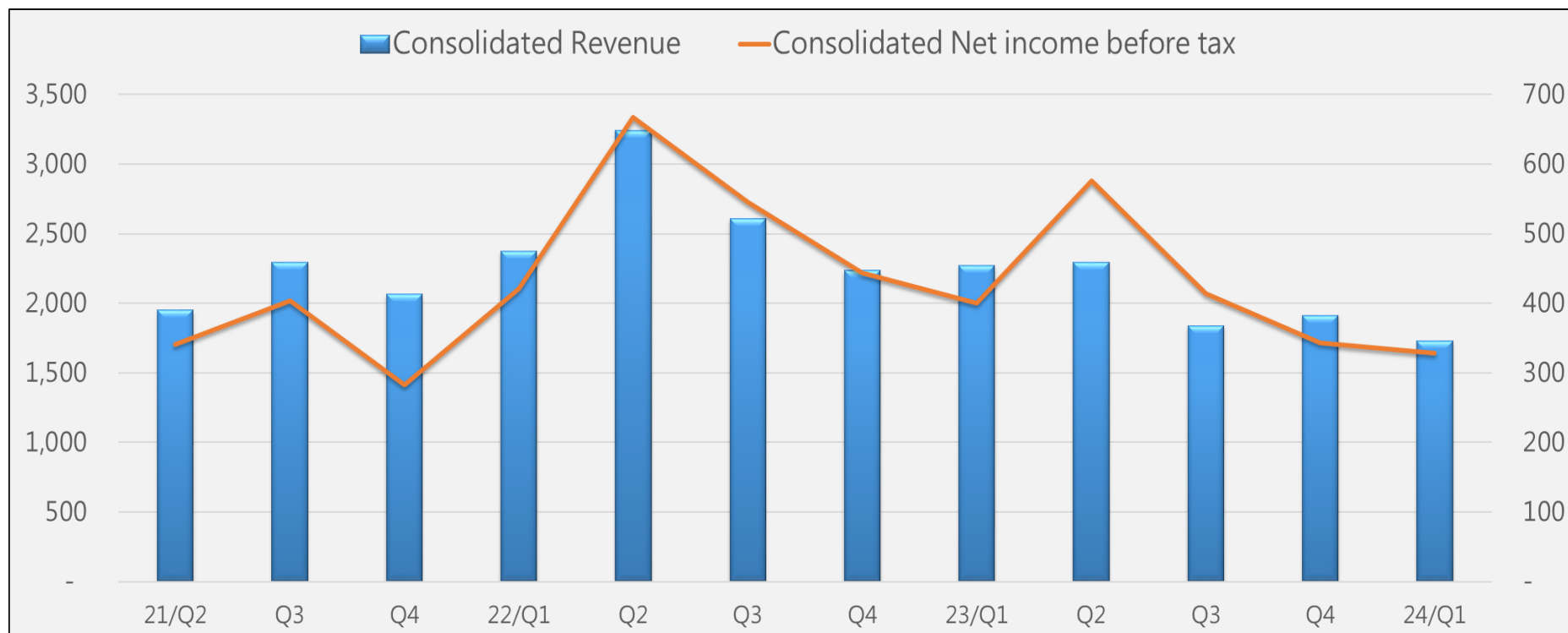


Coverage of a variety of industries



Consolidated Revenue and Net income before tax in the past three years

Unit : NTD Million



	2024 April	2024 May
Consolidated Revenue	752	743
Consolidated Net income before tax	161	153

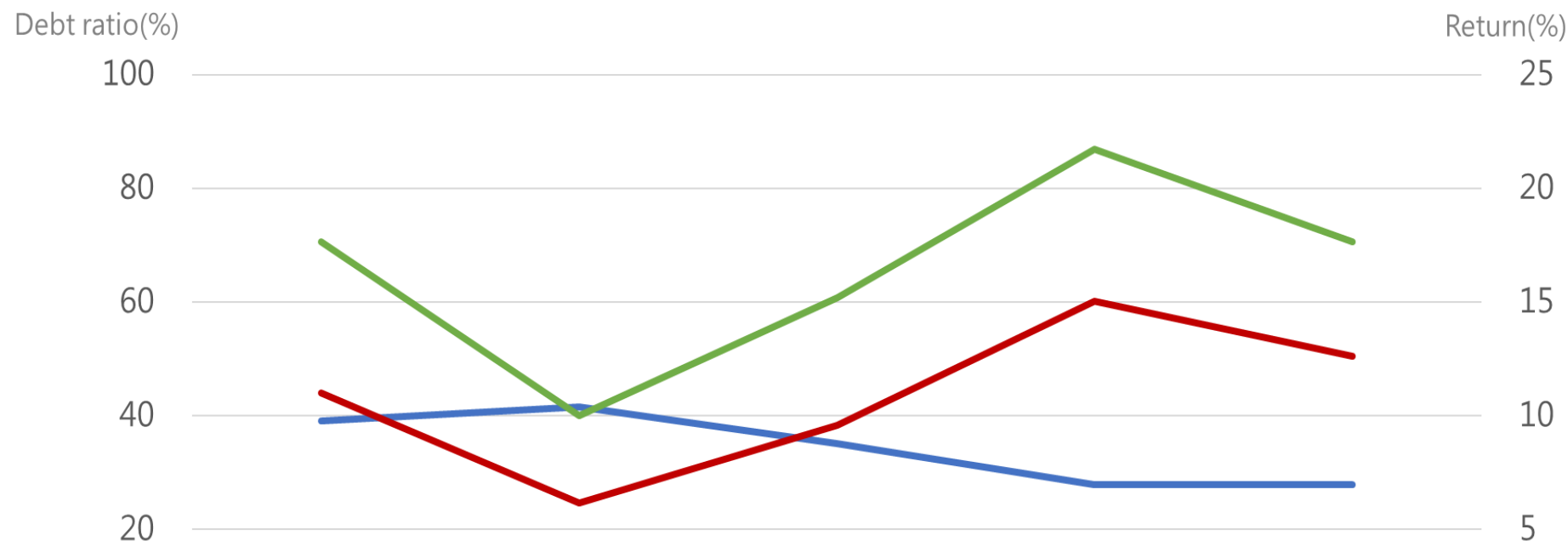
2023

Revenue : 8,318 ; Net income before tax : 1,733

2024 January to May

Revenue : 3,224 ; Net income before tax : 642

Major financial indicator



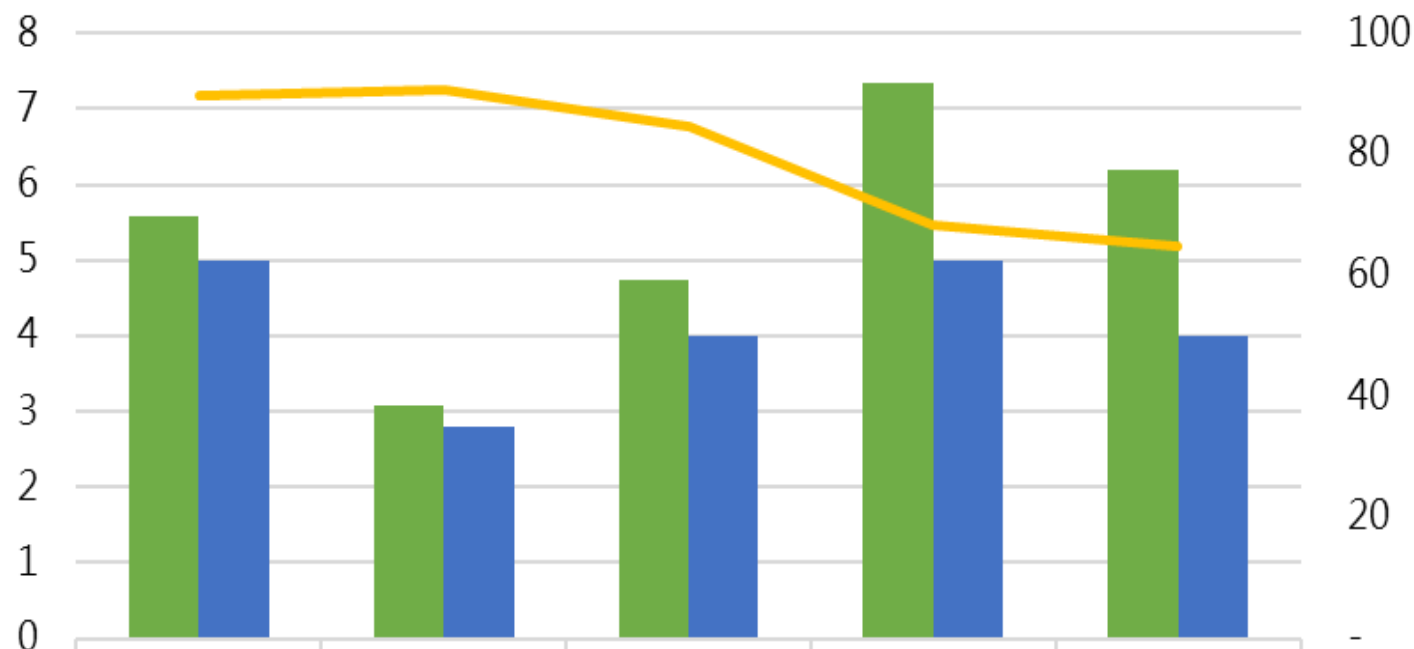
	2019	2020	2021	2022	2023
Debt ratio	39	42	35	28	28
ROA	11.0	6.2	9.6	15.0	12.6
ROE	17.6	10.0	15.2	21.7	17.6

Dividend Policy

EPS and Dividend in the past five years

Div. payout ratio
Unit : %

Unit : NTD/Per share



■ EPS	5.57	3.09	4.73	7.33	6.18
■ Cash Div.	5	2.8	4	5	4
— Div. payout ratio	90	91	85	68	65

3 、 Sustainable Development



Corporate governance Evaluation

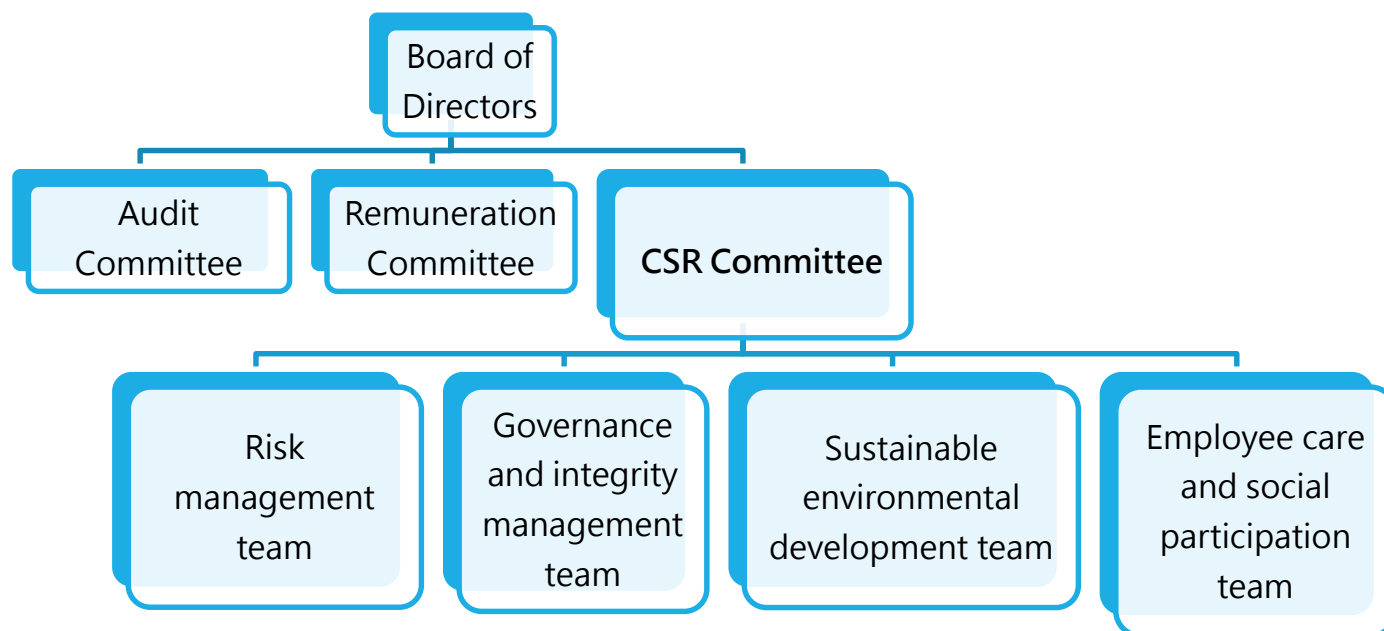
To establish Sustainable Development Committee.

Governance



CSCC was in the second grade(6%~20%) according to the lasted corporate governance evaluation results(2023), and for four consecutive years.

CSCC was involved TWSE Corporate Governance 100 index(2022 and 2023).



Save energy and Reduce carbon emissions

	Cumulative average electricity saving rate(%)	Water/Waste water use intensity(%)	Air pollution reduction (SOx tons/year) (NOx tons/year)	Scope 1 and 2 reduction (%)
Short-term goals (2024)	1.05 (Coal Chemical) 1.00 (Carbon Chemical)	1.5 (Coal Chemical) 1.1 (Carbon Chemical)	SOx : < 5 NOx : < 25	2
Medium- term goals (2025-2028)	1.05 (Coal Chemical) 1.10 (Carbon Chemical)	1.5	SOx : < 3 NOx : < 20	2025~26 : 2 2027~28 : 5
Long-term goals (2029~2033)	1.1	2	SOx : < 1 NOx : < 15	2029~30 : 5 2031~33 : 3 FY2050 carbon Neutrality

Carbon Reduction Achievement:

In 2023, the company's carbon emissions inventory showed a total of 103,187 tons, **a reduction of 3,640 tons** compared to 2022, exceeding the planned reduction target.

ESG Awards

2021-2024



Awarded TIPS Level A Patent and certification

2023



Awarded Certification of information security ISO 27001

2019-2023

➤ Gold Award from TCSA



2022

- National Enterprise Environmental Protection Award-Bronze medal
- Top 100 Carbon materials competitiveness on Business Weekly
- Awarded Badge of Accredited Healthy Workplace (preliminary).

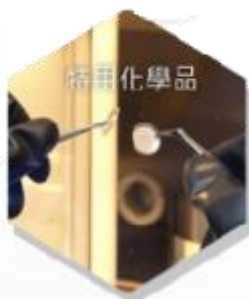
2023

- Awarded for Environmental Protection Sustainability Contribution Award
- Awarded for Excellent Trading Business
- Awarded for Environmental Education Award
- Awarded Badge of Accredited Healthy Workplace

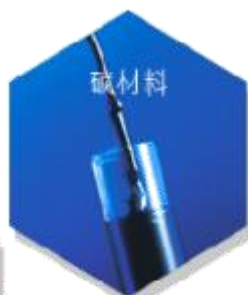
4、Future Development



顧客至上



特用化學品



碳材料

品質第一

誠信為先



展望未來

合作無間

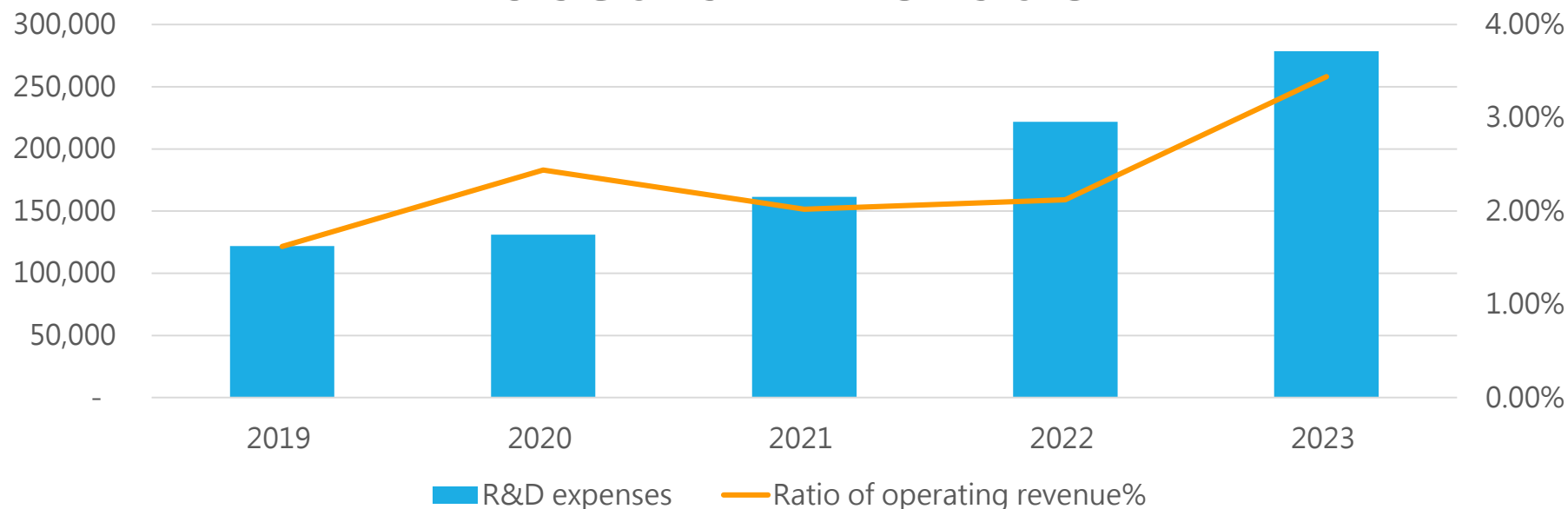
Anode material

Advanced Carbon for Supercapacitors

Graphite Block

R&D expenses and Industrial innovation

Unit : NTD Thousands



Industrial innovation subsidy projects in recent years

Execution situation

I - The development of high-purity carbon powder and isotropic graphite for use in compound semiconductors.

Completed

II - The development of anode materials for electric bus batteries

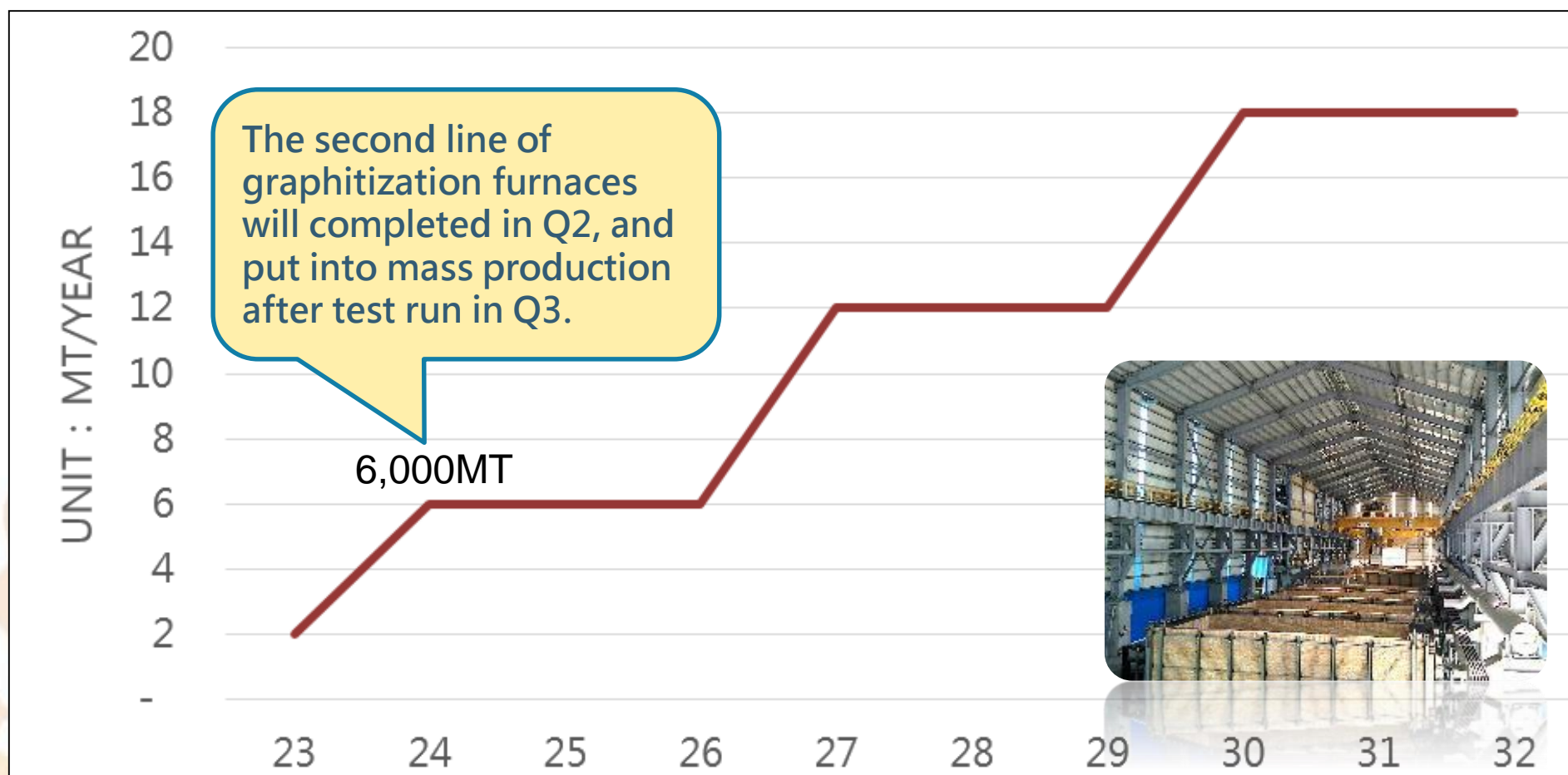
Completed

III- The development of high-purity graphite crucible for SiC crystal growth used in compound semiconductors.

Executing

Carbonization Furnaces Expansion

- To plan and expand carbonization furnaces due to the increased demand for anode material.



CSCC's Meso-Graphite

■ Feature: High first columbic efficiency, high energy – density, high discharge capability and long cycle life.

■ Application: High Energy & Power density in LIB

Energy Density(Wh/Kg):Low

Power Density(W/Kg):Strong

High

Low

Future Development

- ✓ High efficient discharge characteristics(100C-200C)
- ✓ High Capacitance of Silicon Carbide products(520/550mAh/g)
- ✓ High Capacitance of fast charge products(5C/8C)
- ✓ Composite development of Mesophase and artificial graphite

UF1

UF2

Racing car / HEV



MG11

MG10

PT / Drone



MG12

TAG11

EV / ESS



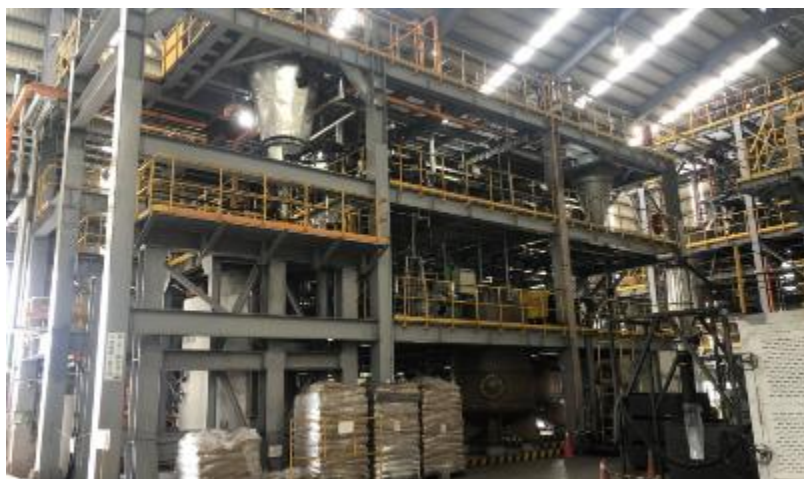
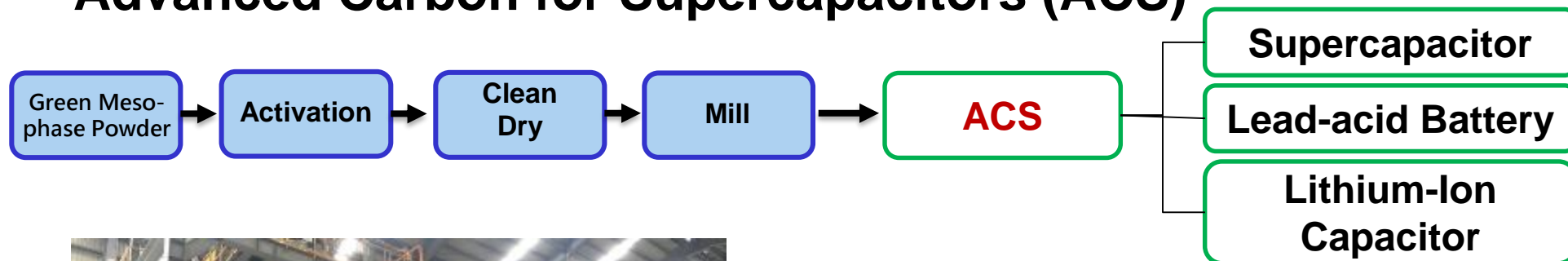
MG13

BS481

Tablets / 3C



Advanced Carbon for Supercapacitors (ACS)



Features of ACS

- ✓ High Surface Area
- ✓ High Capacitance
- ✓ High Quality

- ACS annual production capacity is 90MT/year(two production line)

Applications of ACS

Supercapacitors

- Supercapacitors have high efficient charge and discharge characteristics. Cycle life is more than twenty thousand times.

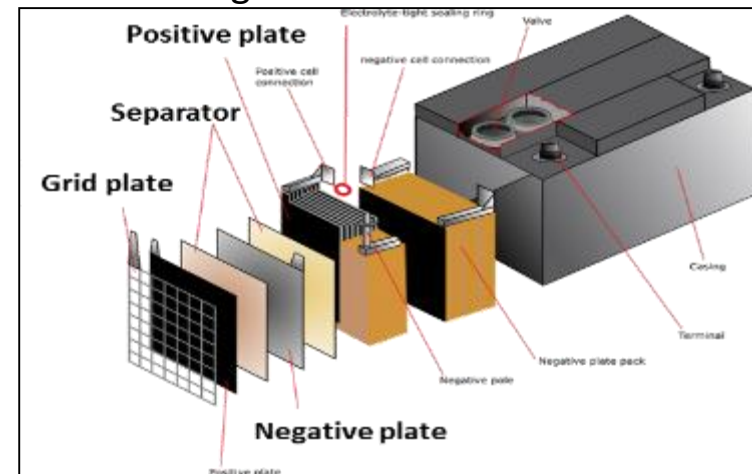


- Rail vehicle, wind power, automobile field, smart grid, smart appliances

Advanced Lead-Acid Battery

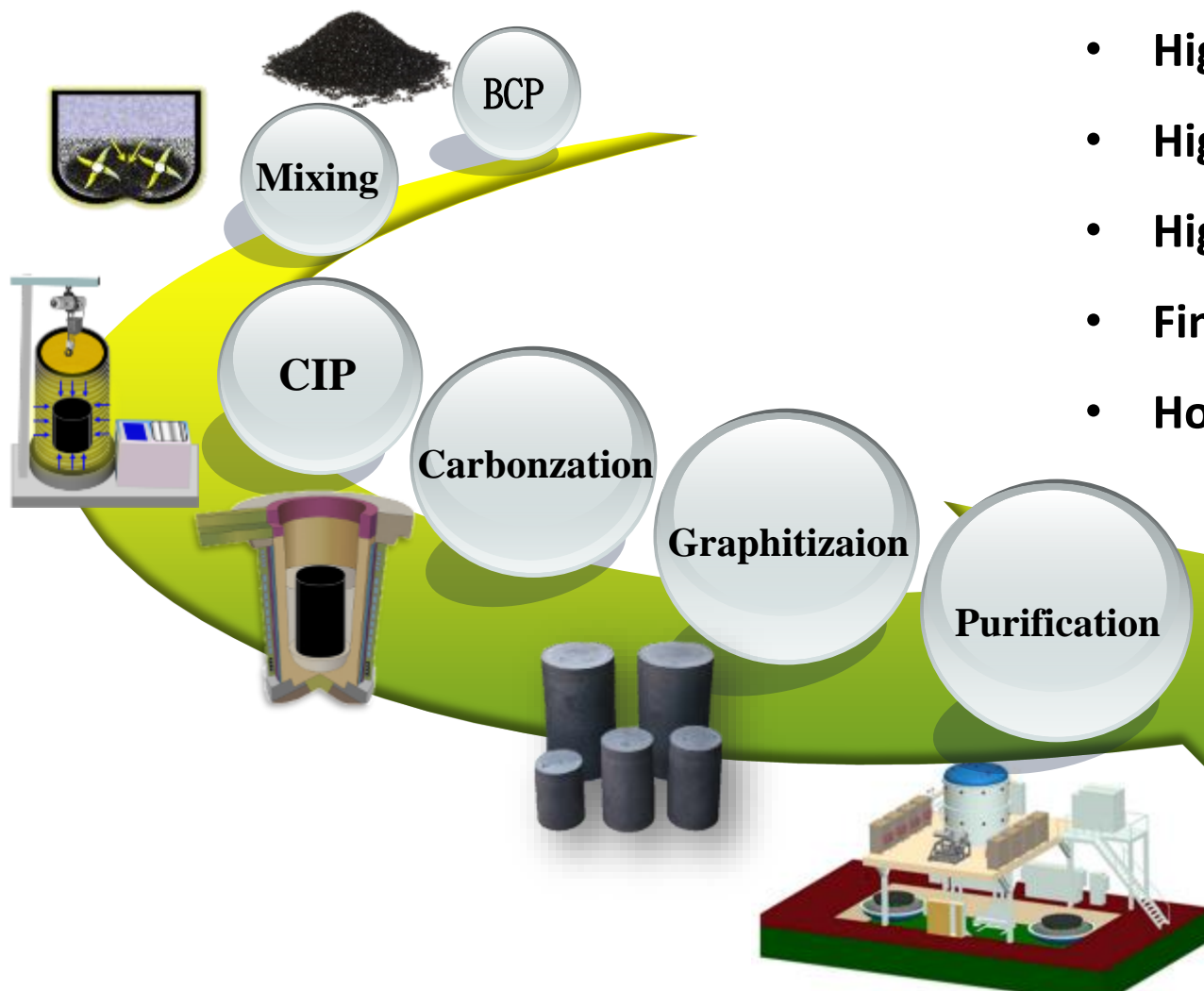
Advantages of addition activated carbon into LAB

- Increasing conductivity
- Improving the uniformity of $Pb/PbSO_4$
- Extending the life of LAB



- Start-Stop Battery
- UPS uninterruptible power system

Graphite Block



- Thermal and Chemical Resistance
- High Thermal Conductivity
- High Purity
- High Density
- Fine Structure
- Homogeneous

✓ Supply 5N Level high-purity carbon powder and graphite crucible, which is the key material in graphite components for semiconductor industry.

Graphite Block

連接板



螺帽



連鑄治具



3D玻璃模具



支撐軸件



連鑄模具



加熱器



石墨電極



半導體構件



SiC長晶坩堝



SiC長晶坩堝



高純碳粉



Our Vision

永續友善環境、綠能精緻製造
成為綠能產業關鍵碳材料供應者

顧客至上、誠信為先、品質第一、合作無間





Q&A



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