

◦ **Chien Shing Stainless Steel Co., Ltd.**

2017 Investor Conference

September 15, 2017

Stock Code : 2025.TW

Disclaimer Notice

This briefing is based on information the Company obtains from various sources. Some information may be affected by future uncertainties resulting in the discrepancies in the original plan and the future prospects.

The change will be released in Market Observation Post System (MOPS).

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Company Profile

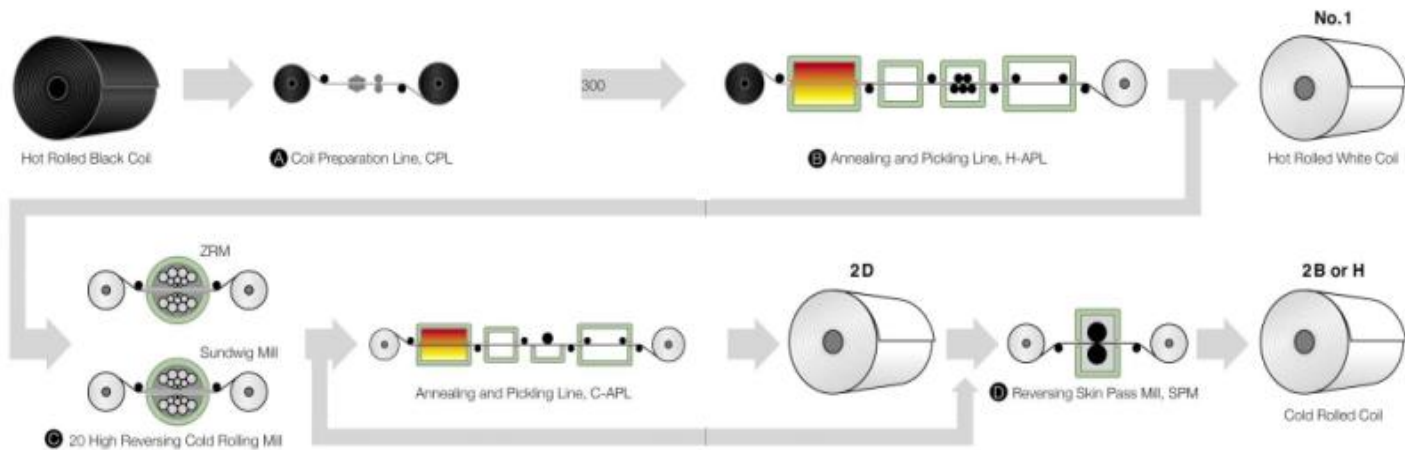
- Founded : MAY, 1972
- Stock Listing Day : February, 1996
- Capital : NT \$ 3,238 million
- Chairman : Mr. Ye Shuo Tong
- Employee : **127** people
- Main business : Stainless steel cold rolled products manufacturing, trading, and import and export business

Company History

- 1972 : Founded on May 8
- 1989 : For cash replenishment and public offering.
- 1990 : With the construction of capital increase, paid-up capital of 1.1 billion yuan.
- 1991 : Cold rolling mill began to test production, capital increased to 1.65 billion yuan.
- 1993 : Bell-shaped annealing furnace, sub-machine, leveling cutting machine test.
- 1996 : The company listed on the stock, paid-up capital of 2.42 billion yuan, through the ISO9002 certification, set up a subsidiary of Chien Yin investment (shares) company.
- 1997 : Paid-up capital of 2.662 billion yuan.
- 1998 : Set up a subsidiary of Chien Yi investment (shares) company.
- 1999 : Set up a subsidiary of Chien Din investment (shares) company.
- 2000 : The second annealing pickling line began to test, paid-up capital of 3.228 billion yuan.
- 2001 : The second cold rolling mill began to test.
- 2009 : Typhoon Morakot wind damage part of the equipment damage, has been completed within one year.
- 2011 : Chien Din Investment (shares) company changed its name to the ecoda (shares) company.
- 2012 : The company completed the development of the first electric locomotive, the Ministry of Transportation approved by the ordinary light of the machine foot pedal type safety test certification, legal listing on the road.

Production Technology & Process

Manufacturing Process



Raw Material:

**Stainless steel 300 series hot rolled coil,
Width 1250mm, thickness 2.0 ~ 6.0mm**

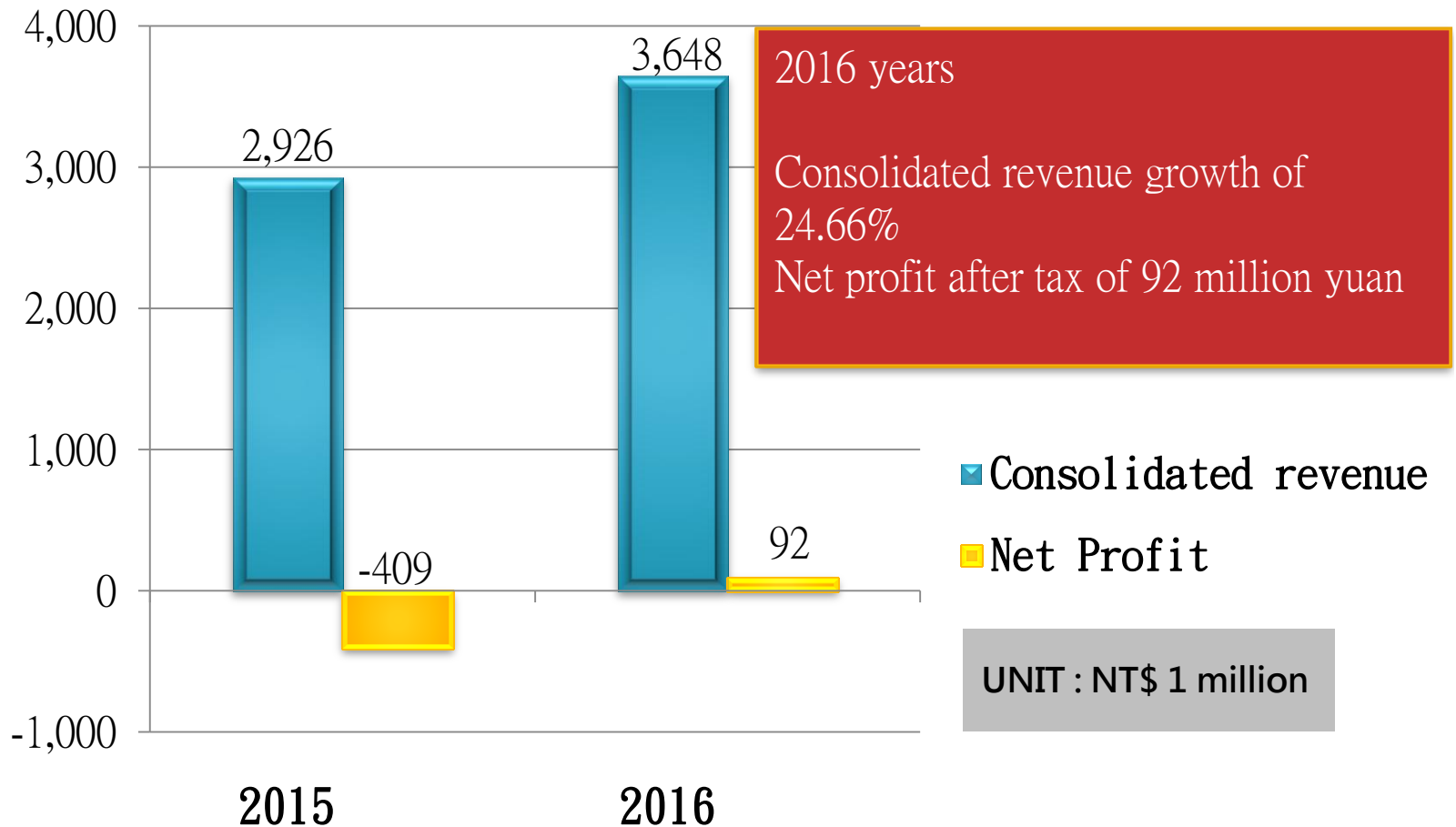
Maximum capacity 10,000 Ton / month

Cold Rolled Products:

Width: 1250mm

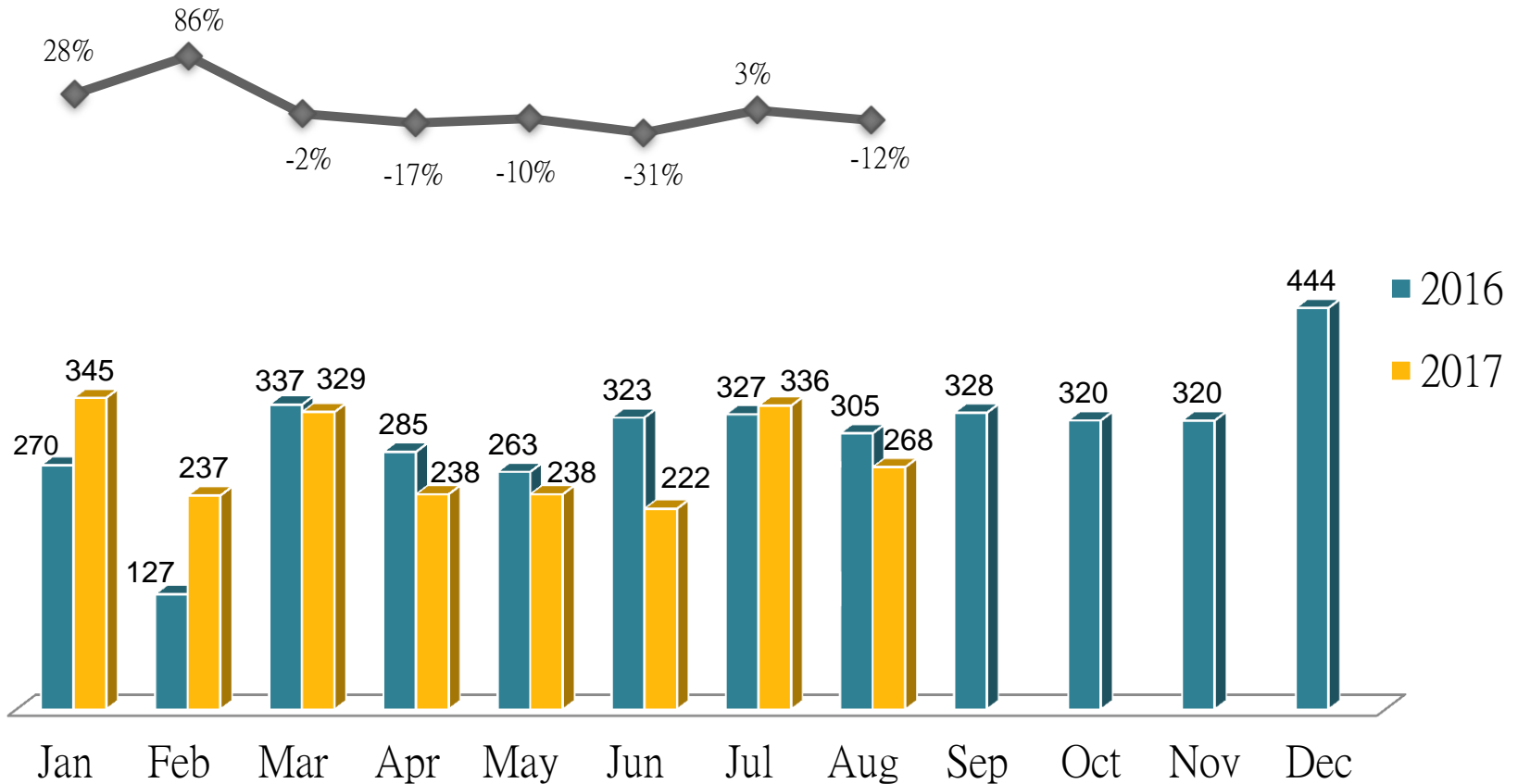
Thickness; 0.3 to 3.5 mm (cold rolled 2B steel plate)

Operating Highlights



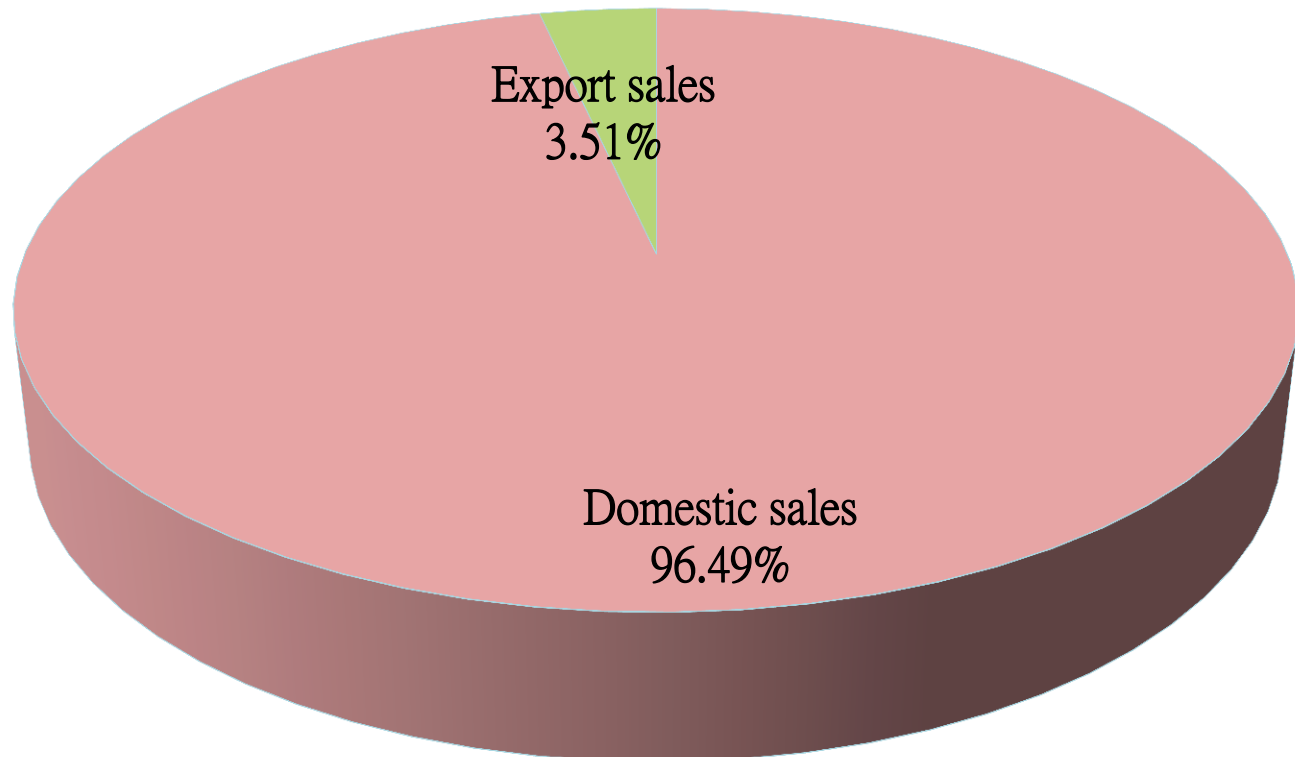
Operating Highlights - Sales Profile

UNIT : NT\$ 1 million



Operating Highlights – Sales Ratio

2017 H1 ratio of domestic and export sales



Financial Performance – Consolidated Balance Sheets

UNIT : NT\$ 1000

	June 30, 2017 Amount	%	December 31, 2016 Amount	%	December 31, 2015 Amount	%
Current assets	1, 098, 944	46	913, 837	41	1, 120, 481	44
Non-current assets	1, 290, 366	54	1, 331, 332	59	1, 453, 224	56
Total assets	2, 389, 310	100	2, 245, 159	100	2, 573, 705	100
Current liabilities	1, 218, 108	51	1, 005, 940	45	1, 410, 185	55
Non-current liabilities	17, 761	1	17, 761	1	17, 577	1
Total equity	1, 153, 441	48	1, 221, 458	54	1, 145, 943	44
Total liabilities and equity	2, 389, 310	100	2, 245, 159	100	2, 573, 705	100

Financial Performance - Consolidated Statements of Comprehensive Income

UNIT : NT\$ 1000

	Six months ended June 30, 2017 Amount	%	Year ended December 31, 2016 Amount	%	Year ended December 31, 2015 Amount	%
Operating revenue	1,607,626	100	3,648,157	100	2,926,372	100
Operating costs	(1,648,989)	(103)	(3,538,115)	(97)	(3,190,504)	(109)
Net operating margin(loss)	(41,363)	(3)	110,042	3	(264,132)	(9)
Operating expenses	(24,629)	(1)	(55,239)	(1)	(53,872)	(2)
Non-operating income and expenses	(6,960)	(1)	38,992	1	(88,755)	(3)
Profit(loss) for the period	(73,795)	(5)	91,860	3	(408,797)	(14)
Earnings per share(in dollars)	(0.26)		0.33		(1.45)	

Financial Performance – Consolidated Statements of cash flows

UNIT : NT\$ 1000

	For the six- month period ended June 30, 2017 Amount	For the year ended December 31, 2016 Amount	For the year ended December 31, 2015 Amount
Net cash flows from (used in) operating activities	(326,001)	399,334	(654,852)
Profit before tax	(73,795)	92,110	(408,444)
Depreciation	55,538	111,363	112,293
Net cash flows from (used in) operating activities	(4,363)	12,076	(59,740)
Cash paid for acquisition of property, plant and equipment	(8,941)	(5,615)	(62,290)
Net cash flows from (used in) financial activities	236,614	(405,171)	619,162
Cash and cash equivalents at end of period	39,223	132,973	126,734

Future Prospect

Due to the advantage of economic recovery led by United States and the developed countries as well as Euro area manufacturing boom expand quickly, 2017 global economic could be superior to 2016' s.

In the steel part, with the fluctuations in raw material prices and Mainland China steel production capacity control policy, it will support the international steel prices rising slowly and stainless steel business prospects can be expected to be better than last year.

Future Prospect

Recently Global market has been changing quickly, especially Mainland China stainless steel market changes the most. CSSSC' s operation must be well prepared to adapt the changes by working out the forecast plan with strategy to make the business grow stably.

◦ Chien Shing Stainless Steel Co., Ltd.

Q & A

Thank you !