

# XCINOX

## Investor Conference

2023.12.12



Management System  
ISO 9001:2015  
ISO 14001:2015  
ISO 45001:2018

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# Notice



This document may contain "forward-looking statements." In addition to historical information provided in this presentation, examples of forward-looking statements are (but not limited to) future prospects, forecasts and estimates, etc.

Forward-looking statements are based on management's current views on future events. These views are affected by risks and uncertainties, which may cause significant discrepancies between actual results and the forward-looking statements.

Any forward-looking statements made in this document only apply as of the date of this presentation. Investors shall not place undue reliance on these forward-looking statements. Regarding these views, in addition to those which are regulated by laws, if there are any changes or adjustments in the future, the company is not responsible for reminding and will not update this document at any time in the future.

This statement of notice apply to all forward-looking statements contained in this presentation.

# Outline

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- **Company Profile**
- **Operational highlights**
- **Strengths**



# Company Profile

# Locations in Taiwan



## Puoshing Mill (1973)

- Pipe  
approx. 45,000 m<sup>2</sup>



## Shijou Mill/HQ(2001)

- Tube  
approx. 54,000 m<sup>2</sup>



## Douliou Mill I(2007)

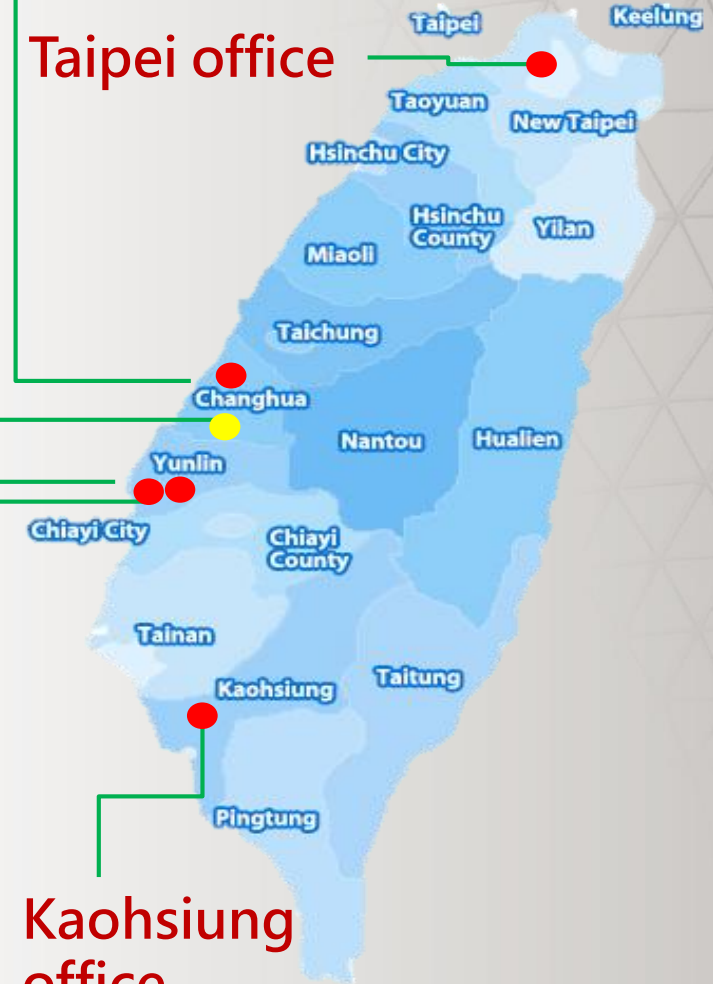
- Service Center  
approx. 73,000 m<sup>2</sup>



## Douliou Mill II(2019)

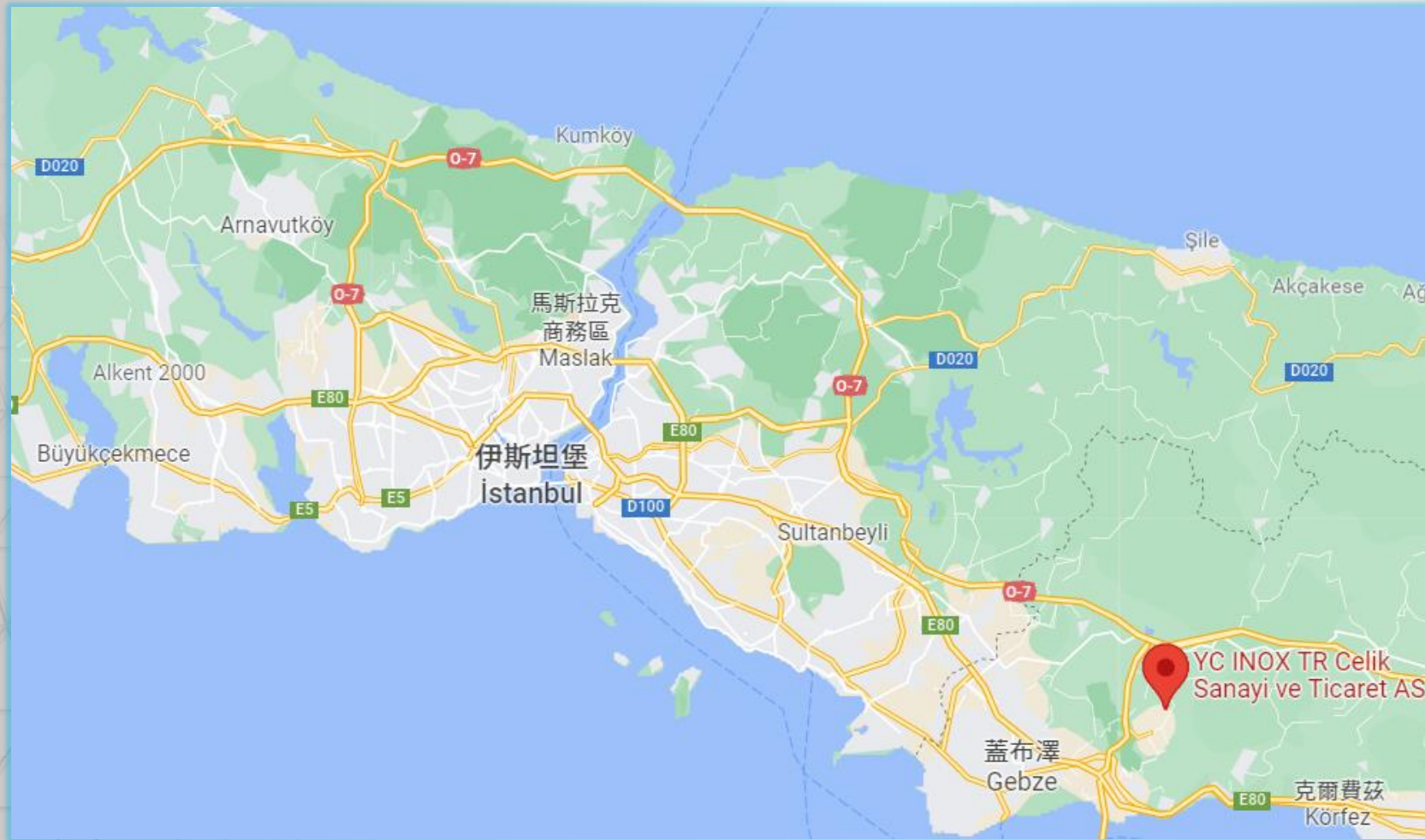
- Pipe  
approx. 68,000 m<sup>2</sup>

Taipei office



Kaohsiung office

# Locations in Turkiye



## Mills in Turkiye (Kocaeli)

- Service center and Tube(1<sup>st</sup> Phase)
- Pipe(2<sup>nd</sup> Phase)
- Total approx. 96,000 m<sup>2</sup>

# Turkish Mill (Headquarters)



# Turkish Mill (Tube)





# Turkish Mill (Service center)



# Turkish Mill Simulation (Pipe)



# Main Products



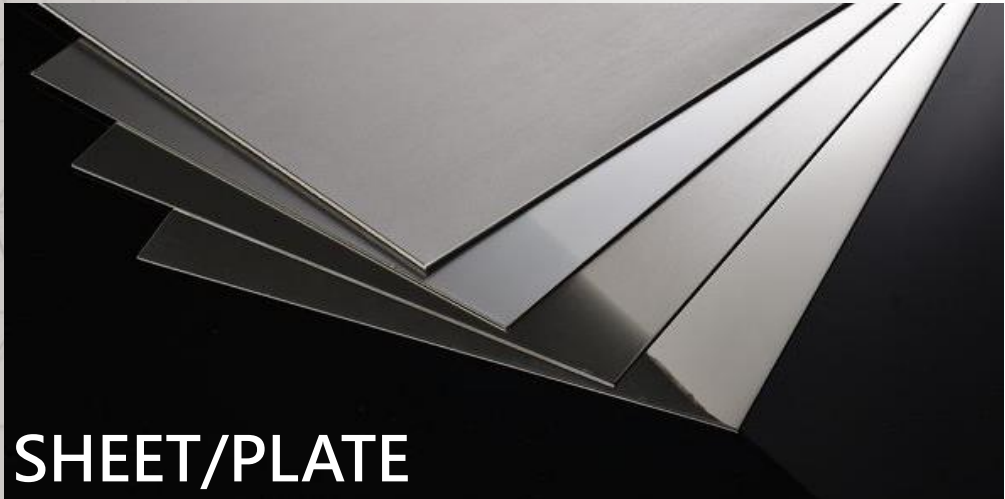
**PIPE**



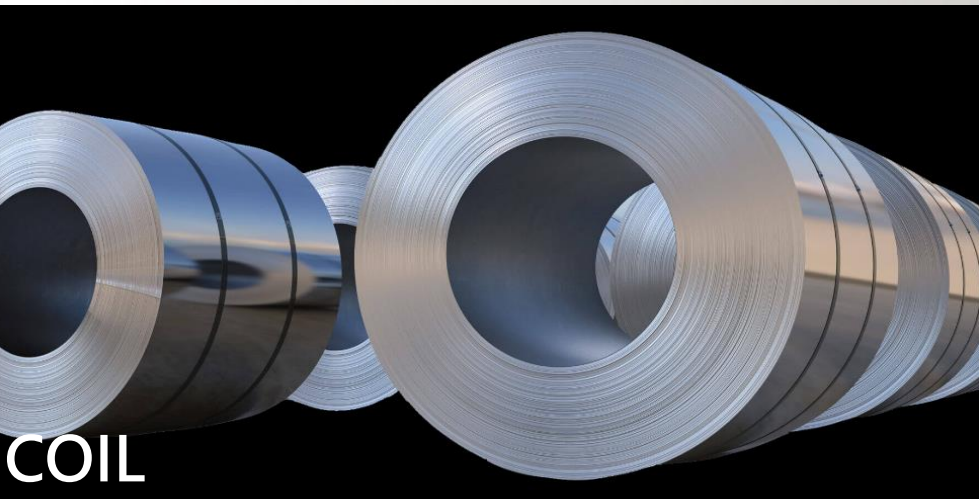
**TUBE**



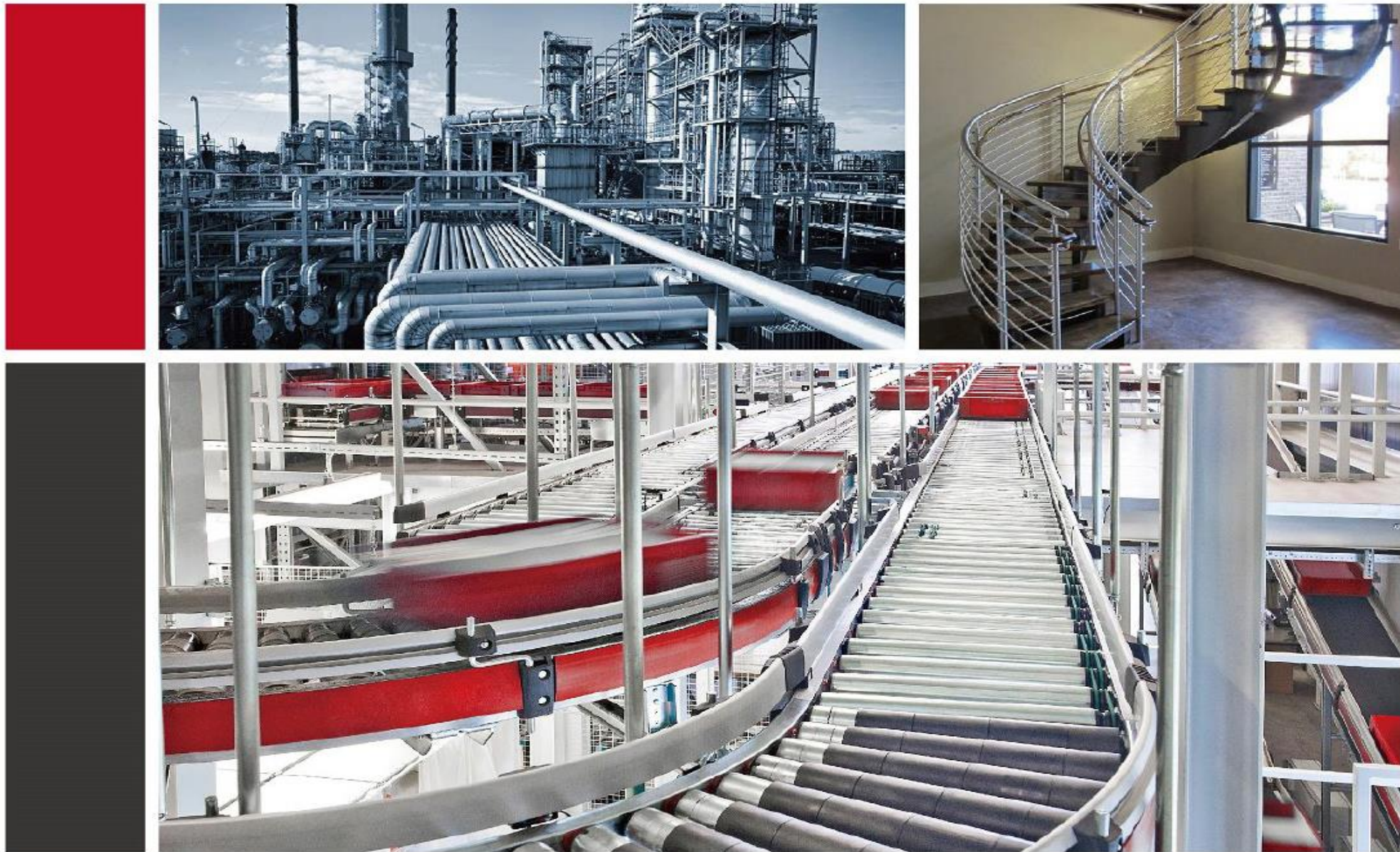
**SHEET/PLATE**



**COIL**



# Product application–Pipe and Tube



# Product application–Sheet/Plate



# Capacity



## Taiwan

Pipe/Tube : 12,000 Tons/M

Sheet/Plate/Coil : 10,000 Tons/M

## Turkiye

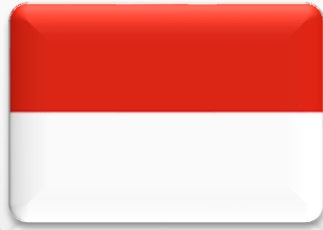
Pipe/Tube : 3,500 Tons/M

Sheet/Plate/Coil : 4,000 Tons/M

Total Capacity  
of the Group  
29,500  
Tons/M

- No.1 in Taiwan, Top 5 welded stainless steel pipe/tube producer & coil service center worldwide\*  
(Rated by Austria SMI (Steel Market Intelligence) magazine in 2017)

# Raw material suppliers



TSINGSHAN



WALSIN / YUSCO / TANG ENG / YYS /  
TUNG MUNG



TISCO/YONGJIN



POSCO



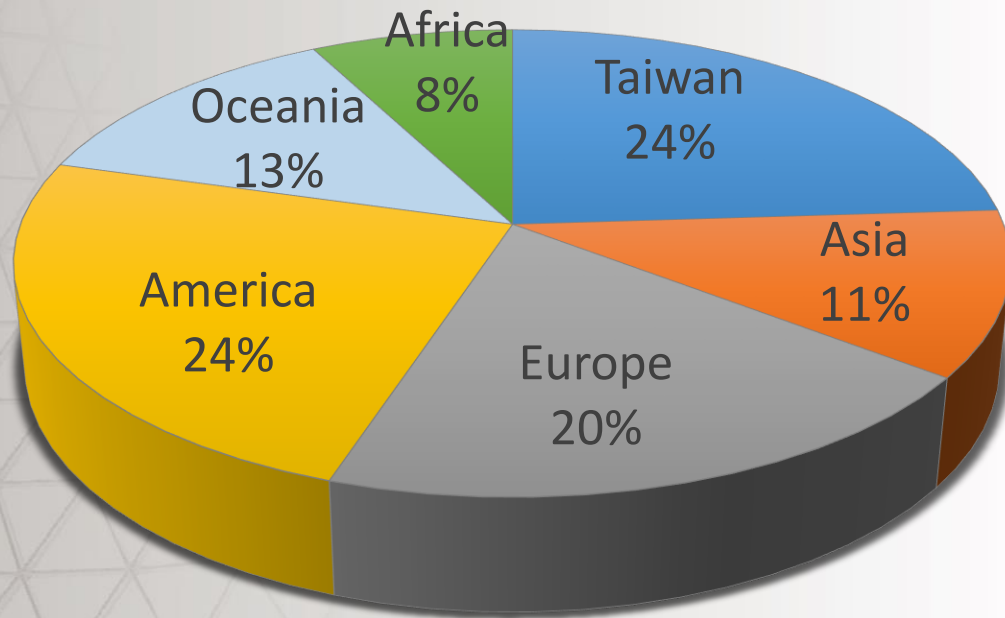
# Operational highlights



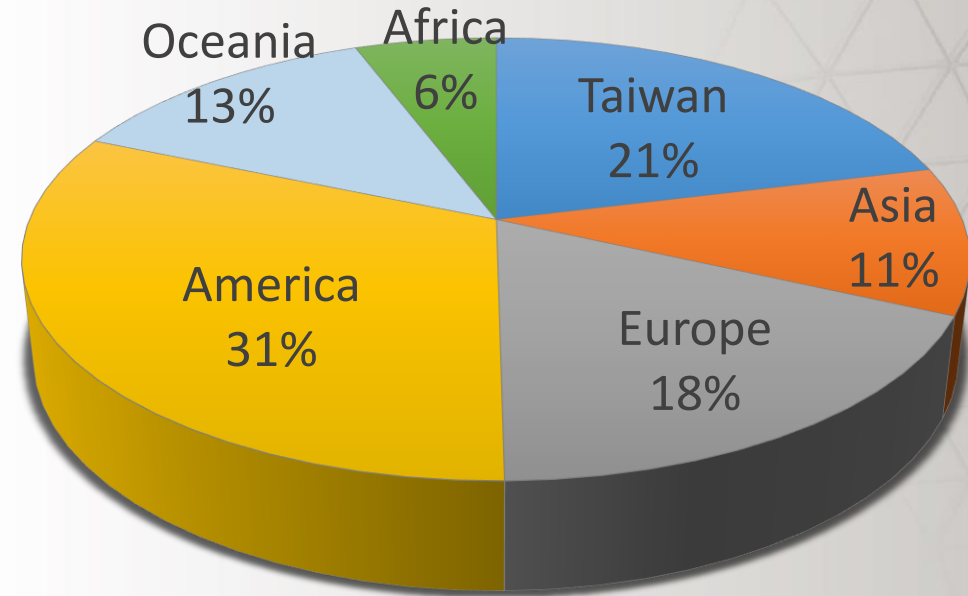
# Global Sales (by region)



2022



2023Q1~Q3



■ 台灣 ■ 亞洲 ■ 歐洲 ■ 美洲 ■ 大洋洲 ■ 非洲  
Taiwan Asia Europe Americas Oceania Africa

# Sales percentage (by product)



Product\Year	2021	2022	2023Q1~Q3
Stainless Steel Pipe/Tube	53.3%	56.9%	56.8%
Stainless Steel Sheet/Plate/Coil	45.3%	41.4%	41.5%
Other Stainless Steel Products	1.4%	1.7%	1.7%
Net Sales (in billion)	17.78	16.84	11.77

# Pipe and Tube Market Share



In Taiwan\Year	2020	2021	2022
Export	48.4%	44.5%	44.0%
Domestic Sale	22.8%	23.4%	20.7%

Source: Import and Export Statistics of 2022 Steel Product Annual Report, TSIIA, calculated by YC.

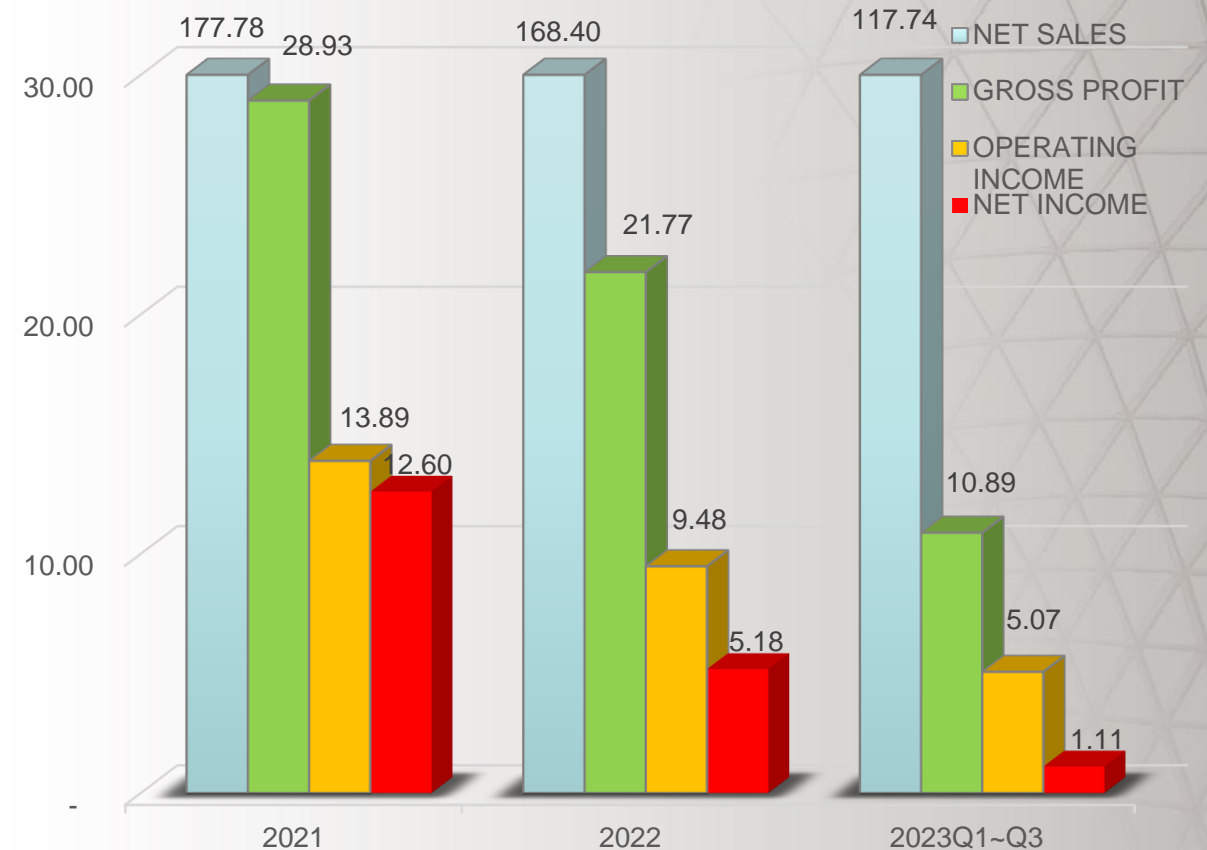
# Operating Results



Unit: in hundred millions of NTD

Item\Year	2021	2022	2023 Q1~Q3
NET SALES	177.78	168.40	117.74
GROSS PROFIT	28.93	21.77	10.89
OPERATING INCOME	13.89	9.48	5.07
NET INCOME	12.60	5.18	1.11
Loss on hyperinflation	-	(5.71)	(6.71)

In hundred million



# Operating Results(cont')



Item\Year	2021	2022	2023Q1~Q3
Gross Margin	16.3%	12.9%	9.2%
Operating Expense Ratio	8.5%	7.3%	4.9%
Operating Profit Ratio	7.8%	5.6%	4.3%
EPS	2.86	1.16	0.25

# Dividend policy



Year	EPS(NT\$)	Cash Dividend(NT\$)	Stock Dividend(NT\$)	Sum(NT\$)	Annual Avg. Stock Price	Yield rate
2018	2.23	1.80	-	1.80	25.95	6.94%
2019	1.53	1.50	-	1.50	26.09	5.75%
2020	1.04	1.50	-	1.50	24.22	6.19%
2021	2.86	1.50	-	1.50	32.22	4.65%
2022	1.16	1.50	-	1.50	29.95	5.01%



# Strengths

# Strengths



ESG

- Quality Assurance\Leading technical
- One stop purchasing with abundant products
- Turkish mill starts
- Worldwide marketing channels



# Product Validation



CNS (National Standards of the Republic of China)



JIS (Japanese Industrial Standards)



NSF (National Sanitation Foundation)



CE (Conformité Européene)



WaterMark of Australian Building Codes Board



DNV (Det Norske Veritas)



RINA (Registro Italiano Navale)



BV (Bureau Veritas)



LR (Lloyd's Register)



UKCA ( UK Conformity Assessed )

# Laboratory Accreditation



TAF (Taiwan Accreditation Foundation)  
Laboratory Accreditation

# Quality System Certification



ISO 9001 Quality Management System

ISO 3834 Welding Management System

PED 2014/ 68/ EU & AD 2000 W0

# Environmental, Safety, and Health Certification



TUV Rheinland :

ISO 14001 Environmental Management System

ISO 45001 Occupational Health and Safety Management System

CNS 45001 Taiwan Occupational Safety and Health Management System

ISO 50001 Energy Management System

ISO 14064-1 Greenhouse Gas Emission Inventory Standard

# Information Security Certification



IAS Information security management systems

ISO/IEC 27001



# Worldwide marketing channels

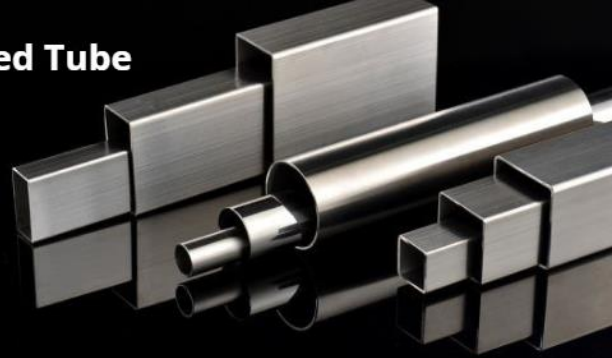


# Abundant products

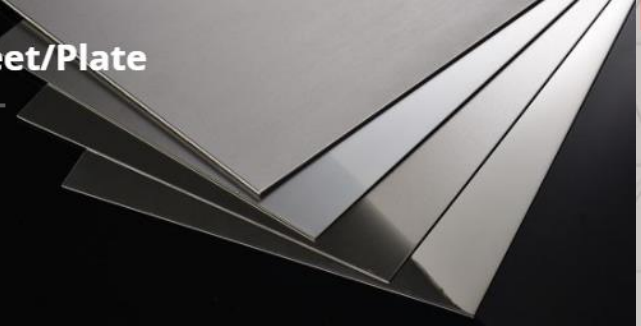
Welded Pipe



Welded Tube



Sheet/Plate



Coil



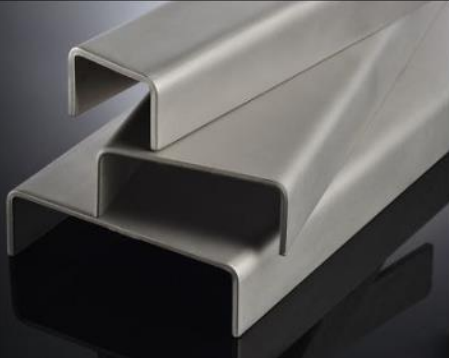
Flat Bar



Angle



U Channel



Checker Plate



All Products



# Sustainable Development - Water Resource Management



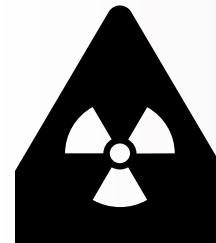
Regulatory Compliance: Adopted AFB biological treatment technology, ensuring industrial wastewater discharged complied with national effluent standard for nitrogen discharge ahead of its implementation in 2027.



Recycling of Domestic Sewage: Domestic sewage is treated using MBBR biological system, ensuring the recycled water quality meets the internal standards for safe reuse within the factory, with a pure water recovery efficiency of 70%.



Industrial Wastewater Recycling: Through the use of multi-stage desalination RO system to reach water recycling rate of 100%.



Industrial Acid Recovery: We recover usable industrial acids, further reducing amount of sludge generation and chemical usage, achieving waste acid recovery rate of over 85%.

# Sustainable Development –Energy and Greenhouse Gas Management



ISO 50001 Energy Management System Certification: Establish energy-saving policies, enhance the awareness of energy efficiency and conservation among the employees within the group, to protect the environment.



Renewable Energy Installation and Usage: The first phase of the solar power generation system with 5,511.72 kWp generation capacity is operational. The second phase, expected to generate 6,028.46 kWp, is scheduled to commence in 2024. It is anticipated that these installations will reduce CO2 emissions by approximately 8,030 metric tons, equivalent to the carbon absorption capacity of 20.6 Daan Forest Parks, or the benefit of afforestation of 811 hectares. This effort is a proactive contribution to global climate action goals and corporate sustainability.



Implementation and Verification of ISO 14064-1 Greenhouse Gas Inventory: To gain a deeper understanding of the Company's greenhouse gas performance, various energy-saving and waste-reduction projects have been implemented in response to national and international trends, progressing towards the 2050 net-zero emissions target.



Your **C**hoice  
For Stainless

