

Institutional Investors Conference

彰源企業股份有限公司

FROCH ENTERPRISE CO., LTD.

Company Profile/ Operational Briefing/ Q&A

Rooting Humanity .Respecting Customer. Protecting Earth . Securing Life

Integrity



Harmonious



Sustainability





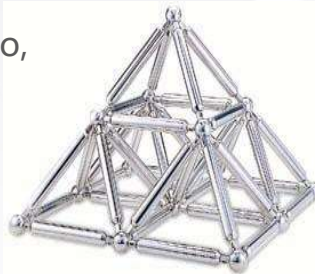
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COMPANY PROFILE



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COMPANY PROFILE



1984

Company
Establishment

1991

The Securities
Regulatory
Commission
approved public
offering of the
company

1998

Stock listing

2000

- Froch Metal (Suzhou) Co., Ltd.
- Century Nova Steel, Co., Ltd. - CN
- Froch Stainless Co., Ltd. - CN

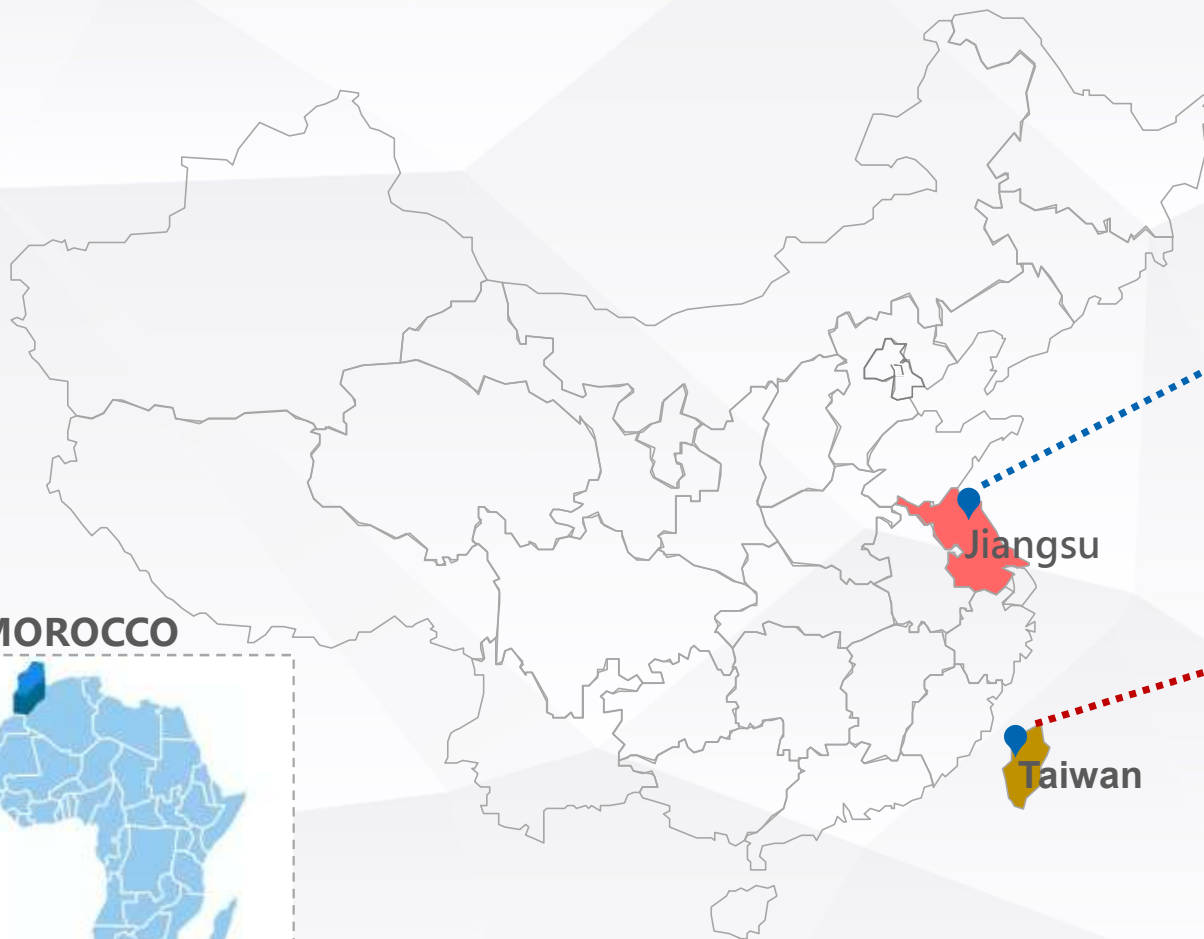
2023

- Froch Stainless Morocco

History



COMPANY PROFILE



MOROCCO

Company Overview

Capital amount:
TWD2,805Millions

CHINA PLANT

Located: **Wuxi, Jiangsu , China**

Land Size: **250,583M²**

Number of Employees: **300**

Source of Material: DOMESTIC **100%**

TAIWAN PLANT

Located: **Tou-Liu City, Yun-Lin**

Land Size: **211,389M²**

Number of Employees: **600**

Source of Material:

DOMESTIC: **72%**

IMPORTED: **28%**



Industry Properties



Steel Making

Slab

Hot Rolled
Cold Rolled

Sheets and Coils

Tubes and Pipes

Slitting



Cutting



Surfacing

Slitting



Piping



Surfacing

Construction
Material

Petrochemical

Medical
Equipment

Electrical

Machinery /
Fabrication

Kitchenware

Semiconductor
industry

Sewage and
Water Treatment

Transportation

Foods
and Beverages

Electronics

Pulp and Paper



Main Products



Material



編號	201	204	304	316	430
Chromium <small>Anti-Rust</small>	18%	18%	18%	18%	18%
Nickel <small>Anti-Acid and Alkali</small>	3.50%	2%	8%	10%	0%
Manganese <small>Ductility</small>	5.50%	8%	2%	2%	1%
Molybdenum <small>Hardness and Corrosion Resistant</small>	0%	0%	0%	2.50%	0%
Corrosion Resistant	★★★★	★★★★	★★★★★	★★★★★	★★★★
Hardness	★★★★	★★★★	★★★★★	★★★★★☆	★★★★
Characteristic	Rust Industrial Grade	Rust Industrial Grade	Wide Range of Uuses & Food Grade	Expensive & Medical Grade	Magnetic



02

Operational Briefing



Operational Briefing



industry trend

Sluggish end-market demand



Business Trends

Facing numerous uncertainties



Operational Briefing

Nickel prices have stabilized



industry trend - U.S. Reciprocal Tariffs



Timeline of U.S. Steel and Aluminum Tariff Policies (2018–2025)

Time	Policy Direction	Policy Details
2018-03	Implementation of Steel & Aluminum Tariffs (Section 232)	<ol style="list-style-type: none">1. Announced 25% tariff on steel and 10% on aluminum; initially targeted at major exporters, with exemptions for Canada and Mexico.2. Tariffs effective March 23, 2018. Exemptions further applied to EU, Australia, South Korea, Brazil, Argentina.
2018-06	Exemption and Quota System by Countries	<ol style="list-style-type: none">1. Canada and Mexico: Initial exemption cancelled on June 1, 2018, exemption resumed on May 20, 2019.2. EU: Initial exemption cancelled on June 1, 2018, TRQ applied to individual EU member countries on January 1, 2022.3. TRQ applied to Argentina, Brazil, and South Korea.4. Full exemption for Australia.
2020-02	Expansion of Tariffs Application	<ol style="list-style-type: none">1. Imposed additional tariffs on steel and aluminum derivative products, such as:<ul style="list-style-type: none">• steel nails, car bodies, and cast bumpers.• aluminum wires, aluminum car parts.2. Exempted countries: from February 8, 2020 - Argentina, Australia, Brazil, Canada, Mexico, South Korea. From January 1, 2022 - EU member countries.
2025-02	Comprehensive Tariff Adjustment	<ol style="list-style-type: none">1. Cancelled all previous exemptions and quotas, reimposition of Section 232 tariffs: 25% on steel and aluminum.2. Tariffs on Russian aluminum remains 200%, particularly for raw aluminum (manufactured through Rolf Hochhuth process).3. Tariffs extended to more aluminum derivatives, include structural steel, pre-fabricated steel, US Department of Commerce will issue further guideline within 90 days.4. Melt and Poured steel and aluminum in USA can be exempted.5. Took effectiveness from March 12, 2025.



industry trend



Steel Industry

- ◆ The risk of weakening global steel demand is on the rise.
- ◆ Although Taiwan benefits from favorable steel tariffs, subdued demand makes it difficult to support price recovery.
- ◆ Nickel prices have stabilized
- ◆ China's steel industry continues to face overcapacity, and whether production control measures can be effectively implemented remains a key factor.



prudent

toughness

Supply
and
demand

transform



Business Trends



**Economic
situation**

Prospects

The global economy continues to grow at a sluggish pace, shaped by evolving geopolitical tensions and shifts in international trade.

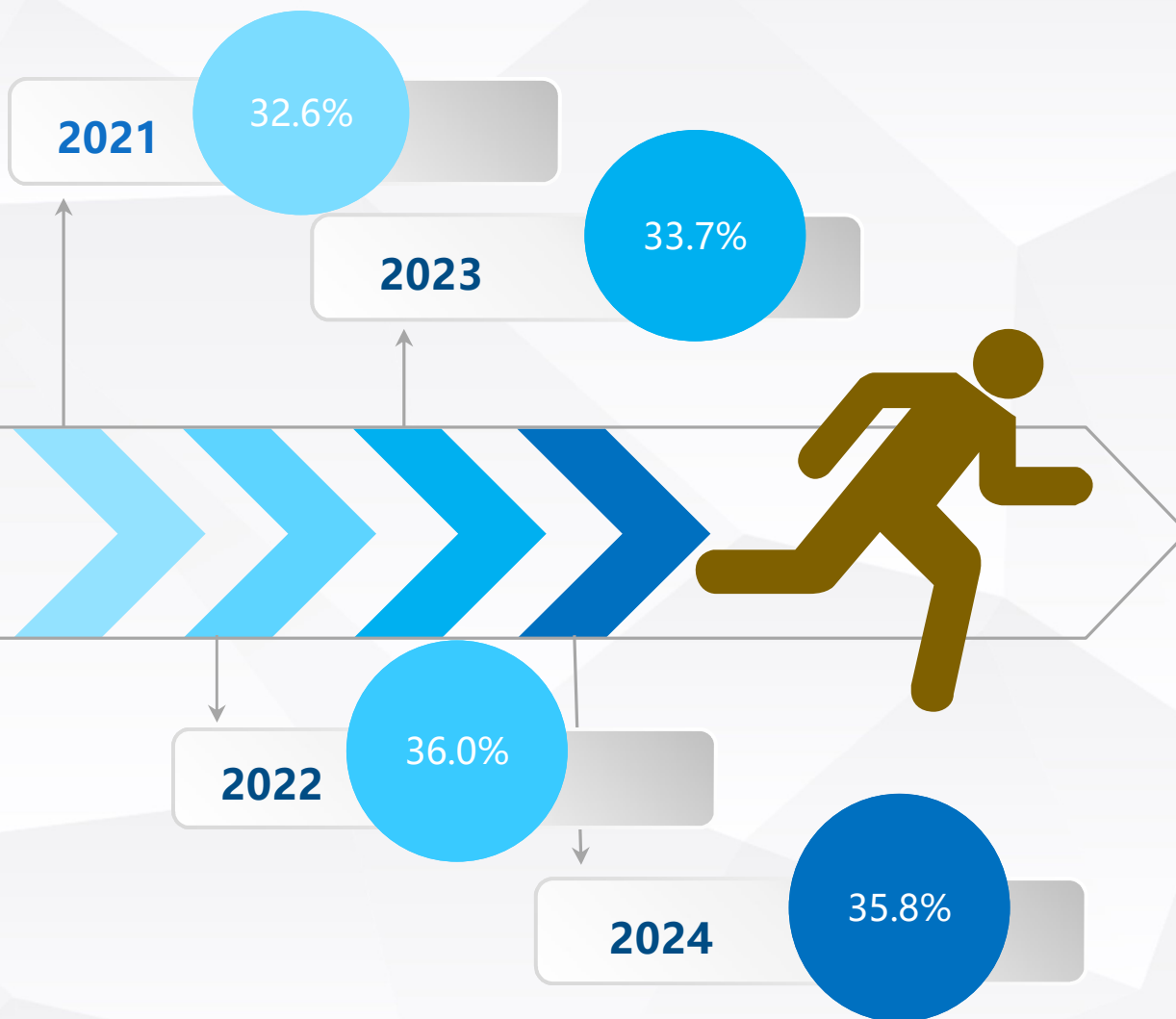
The global macroeconomic environment is undergoing significant changes, and continued caution is advised moving forward.



Trend



Operational Briefing



Stainless Steel Pipe Export Market Share – Taiwan

FROCH accounts for approximately one-third of Taiwan's stainless steel pipe exports, consistently maintaining a market share between 32% and 36%. Its export network spans over 100 countries, supported by a highly stable and well-established distribution channel.



Operational Briefing



Operational Report – Sales Breakdown

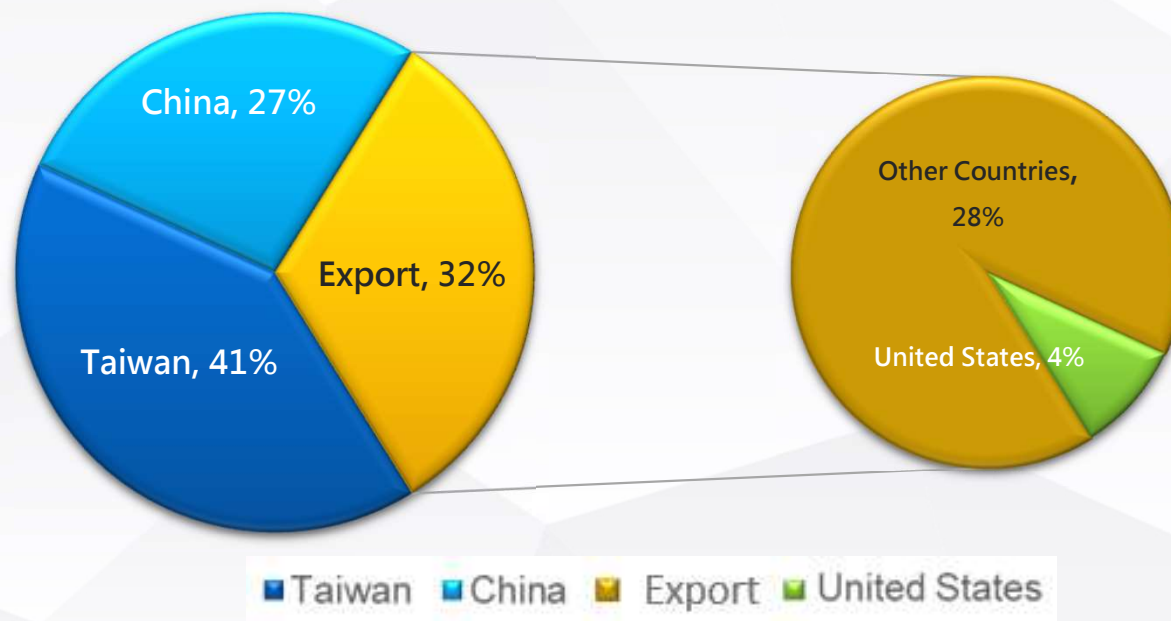
In fiscal year 2024, consolidated revenue reached NT\$12.39 billion, representing a decline of approximately 4% compared to the previous year.

Fluctuations in nickel prices led to corresponding volatility in product prices. Despite this, total sales volume grew by around 4%, with sales to the United States accounting for approximately 4% of the total.

Annual Total Revenue

12,398,000,000

2024 Regional Sales Breakdown



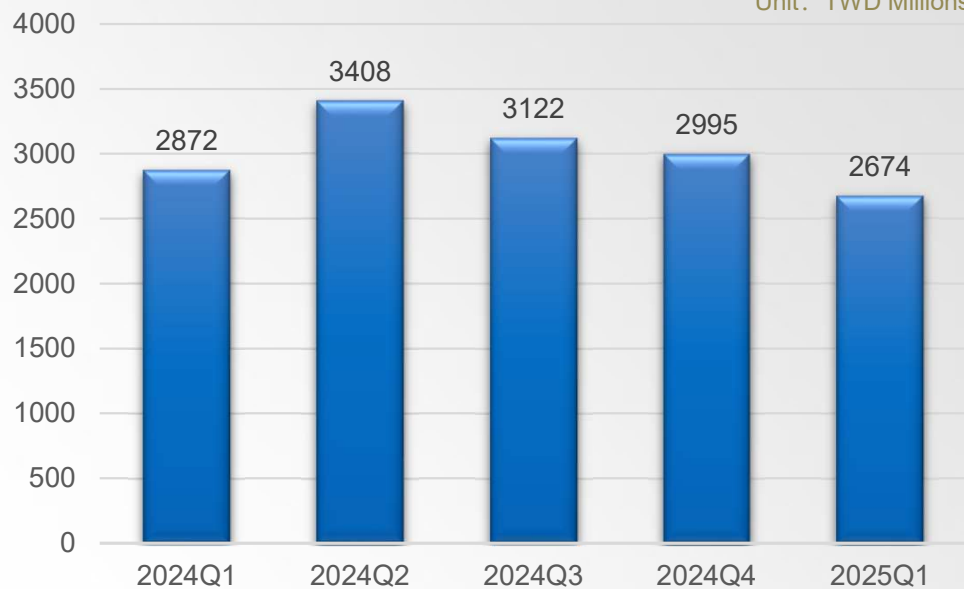


Operational Briefing

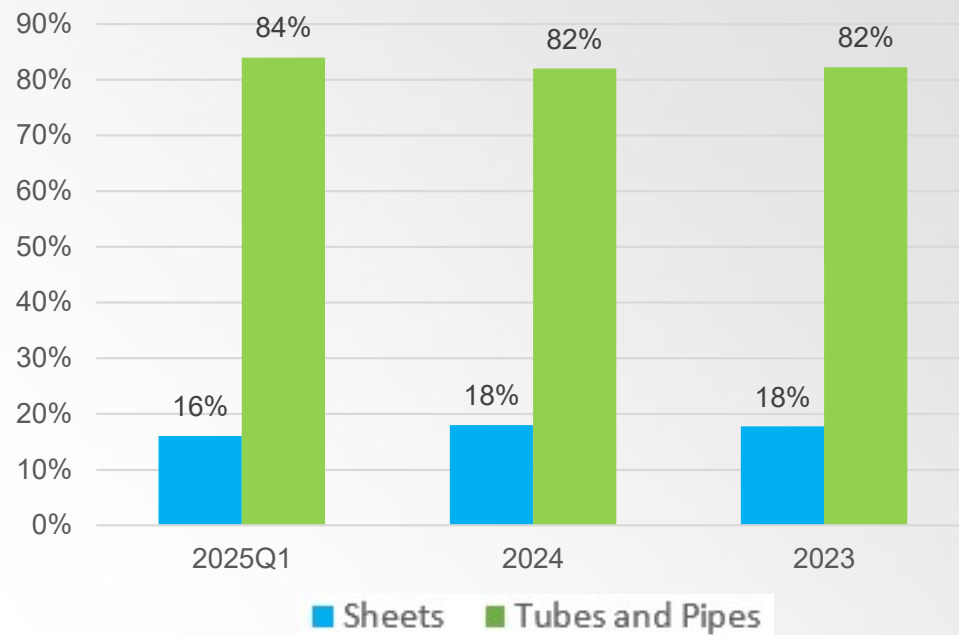


Consolidated Revenue

Unit: TWD Millions



Product Category Percentage



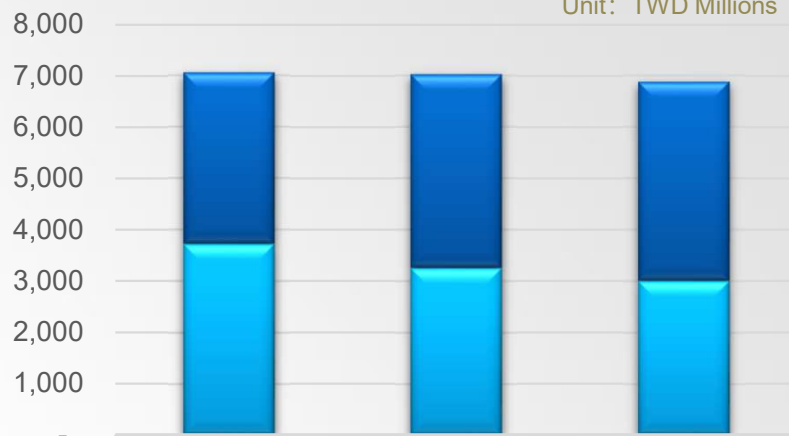


Operational Briefing



Balance Sheets-**Liabilities**

Unit: TWD Millions



■ current liabilities
■ Non-current liabilities

	2023	2024	20251Q1
current liabilities	3,334	3,771	3,876
Non-current liabilities	3,720	3,251	3,002



Liabilities

2023 loan 60 billion/

Long-term loans 33 billion/Short-term loans 27 billion

2024 loan 61 billion/

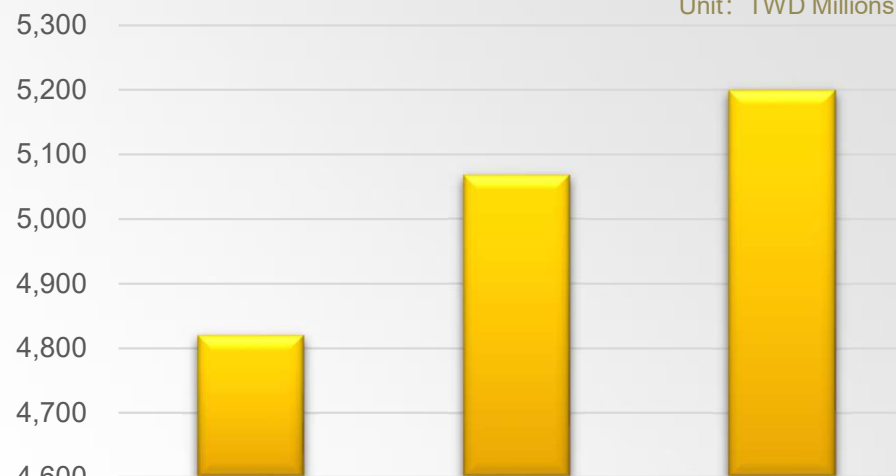
Long-term loans 29 billion/Short-term loans 32 billion

2025 loan 53 billion/

Long-term loans 26 billion/Short-term loans 27 billion

Balance Sheets-**Equity**

Unit: TWD Millions



■ Total Equity

	2023	2024	20251Q1
Total Equity	4,820	5,068	5,200



Equity

2023 Cash Dividends 4.21 billion

2024 Cash Dividends 1.40 billion

2025 Cash Dividends 0.00 billion

→ (Expected cash dividends 1.96 billion)



Operational Briefing



Outflow

Capital Expenditures 2.68 billion
Cash Dividends 1.40 billion
Loan repayment 1.10 billion



Inflow

Income before income tax 3.11 billion
Depreciation 2.87 billion



Operational Briefing

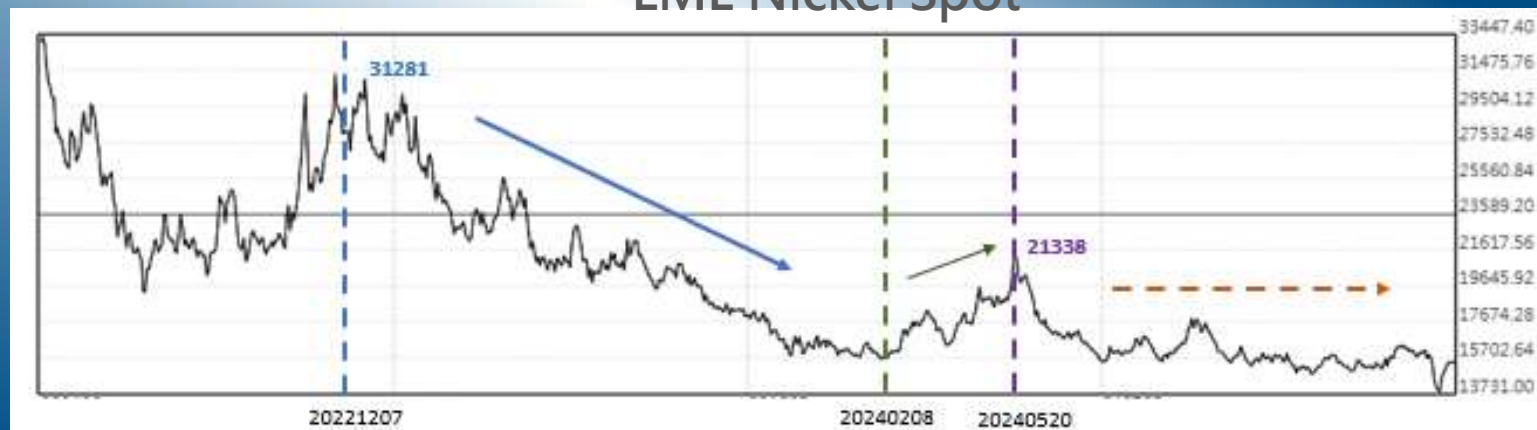


Gross profit & Gross Profit Margin

Unit: TWD Millions



LME Nickel Spot





Operational Briefing

Promote the implementation of sustainable development



■ Energy Related Information

Area	2022 Energy Savings	2023 Energy Savings	2024 Energy Savings
	(Electricity Kwh)	(Electricity Kwh)	(Electricity Kwh)
Taiwan	252081	143637	268207



■ Carbon Emission Related Information

Taiwan									
Category	Category 1			Category 2			Category 3		
Project	Carbon Dioxide Emissions	Production (metric tons)	Carbon dioxide intensity (CO2e equivalent/metric ton)	Carbon Dioxide Emissions	Production (metric tons)	Carbon dioxide intensity (CO2e equivalent/metric ton)	Carbon Dioxide Emissions	Production (metric tons)	Carbon dioxide intensity (CO2e equivalent/metric ton)
	(CO2e Equivalent)			(CO2e Equivalent)			(CO2e Equivalent)		
2022	6124	98241	0.0623	13090	98241	0.1332	74830	98241	0.7617
2023	4969	90666	0.0548	11932	90666	0.1316	337423	90666	3.7216
2023	4418	94023	0.0470	12179	94023	0.1295	372723	94023	3.9642

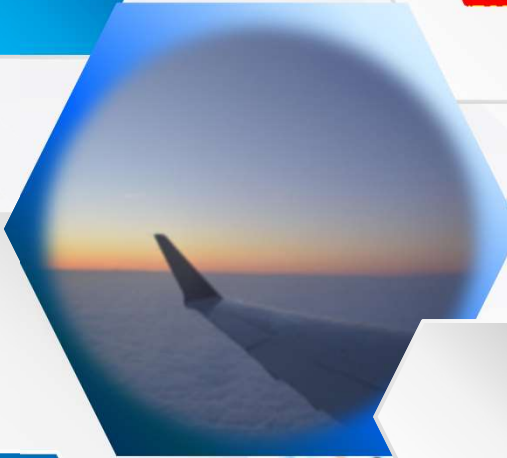
THANKS

Integrity



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