



# CHIH LIEN INDUSTRIAL CO., LTD.



## Investor Conference



# Disclaimer

- The presentation and the related information released simultaneously contain forward-looking information obtained from both internal and external sources of the company.
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# — 、 Company Overview

# Factory Introduction



**CHIH LIEN**



**ADMINISTRATION  
BUILDING**



**AUTO PICKLING  
PLANT (I)**



**AUTO PICKLING  
PLANT (II)**



**STEEL WIRE PLANT**



**STEEL BAR PLANT**

# (一) 、 Company Overview

## Founded

- September , 1973 . Founder : Mr. Hsieh Ren-Ho
- Chairman of the Board : Mr. PAN,CHUNG-LIANG
- Capital : NTD 975 Million

## Company Location

- 480,Chung Shing Road, Shin Wu District, Tao Yuan City, Taiwan (327-49)

## Factory Location

- 480,Chung Shing Road, Shin Wu District, Tao Yuan City, Taiwan (327-49)
- Factory Area : 68,746 square meters

## Main Products

- Steel Wire 、 Steel Bar

## Employees

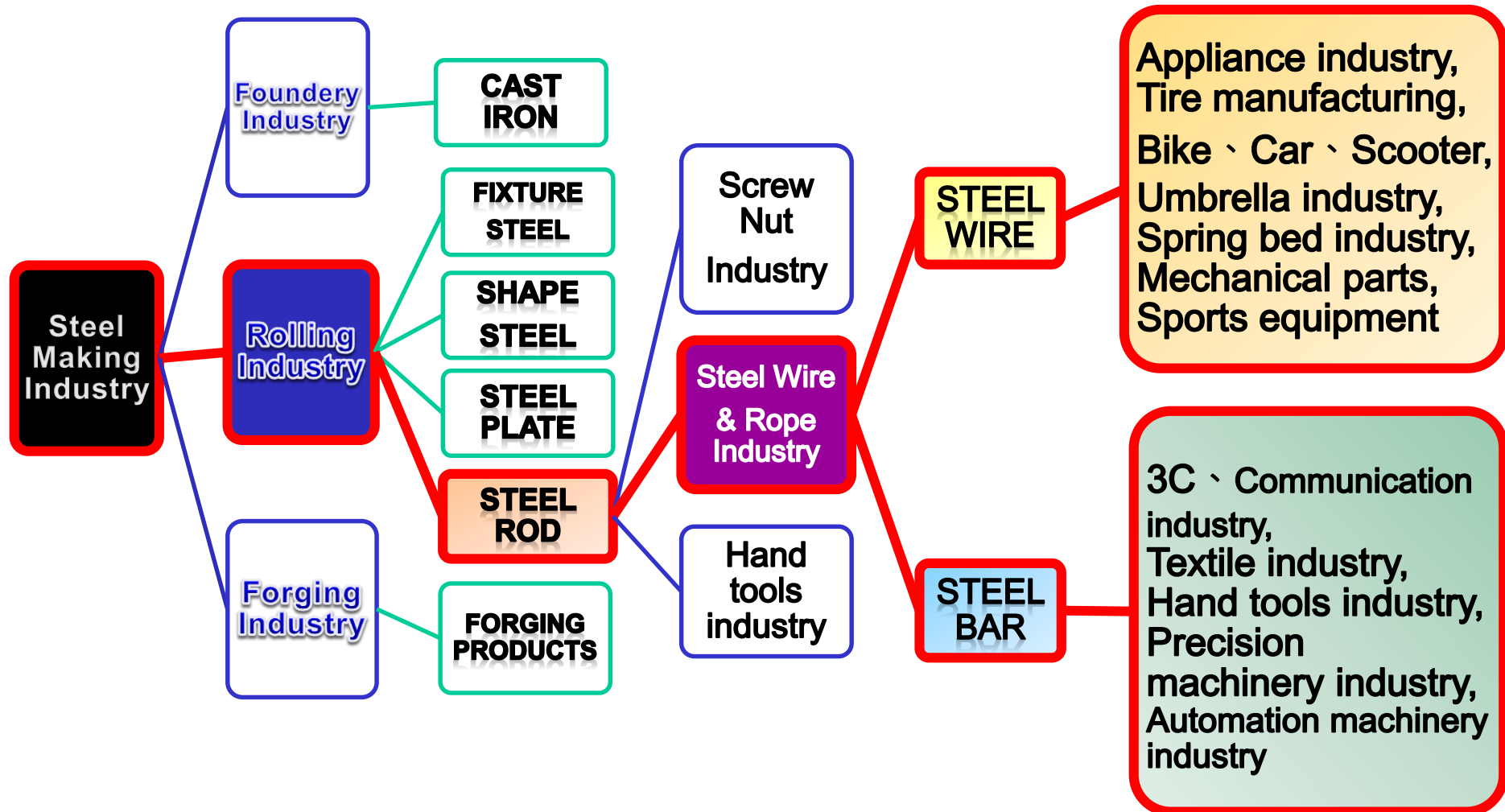
- 1 44 (2024.09.30)



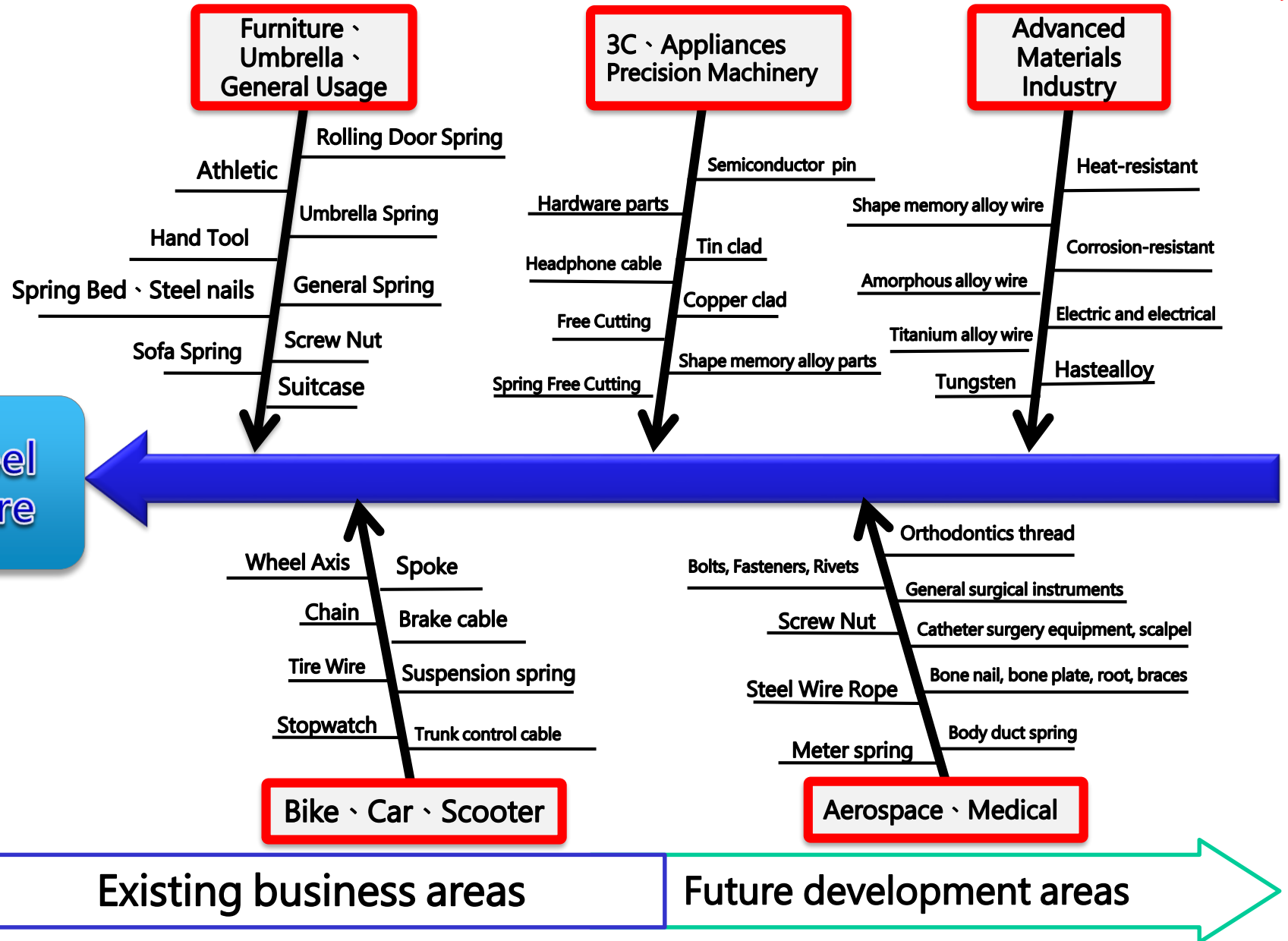
## (二) 、 Industries Related Map

### Upstream

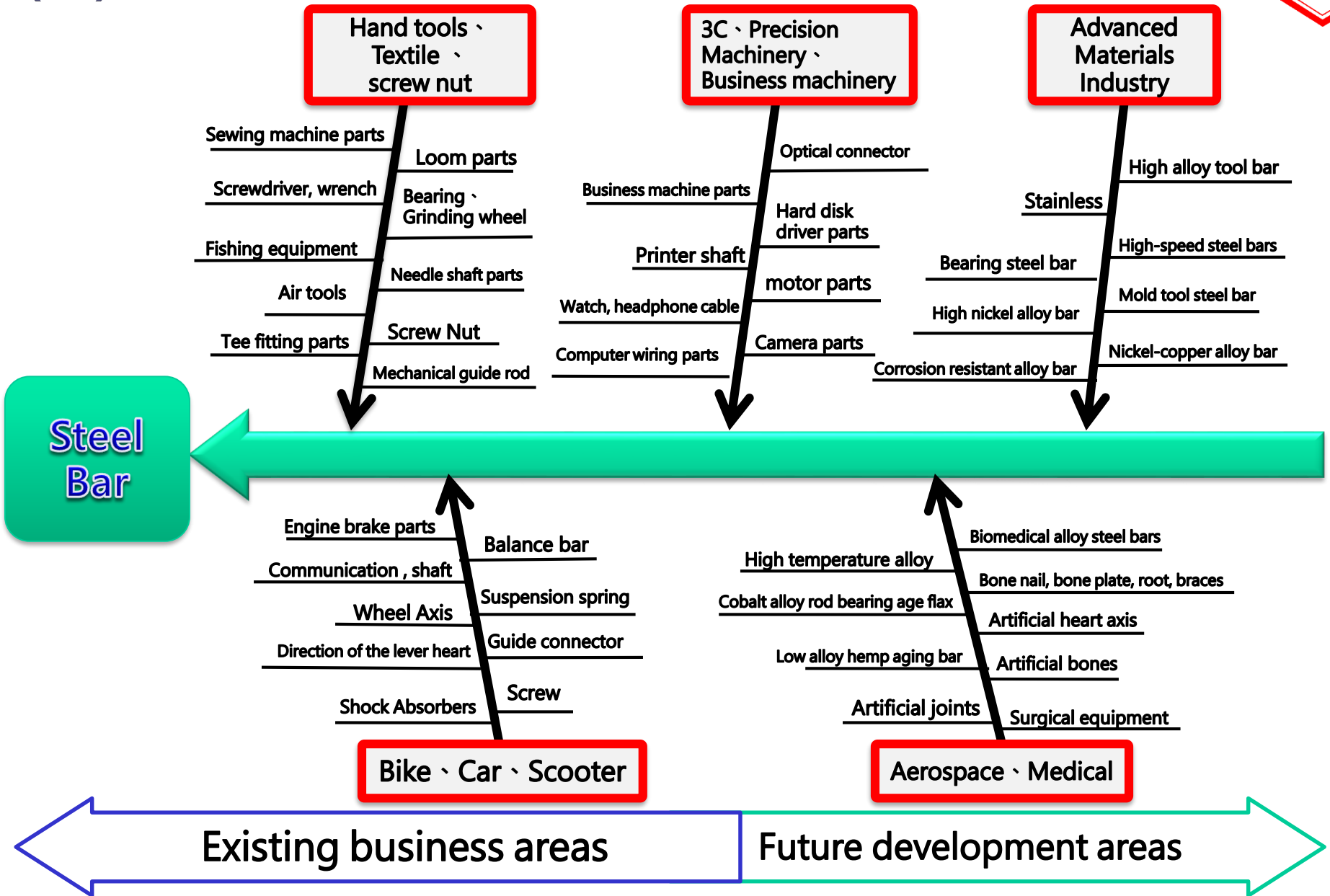
### Secondary processing



# (三) 、Product Use - Steel Wire



# (四) 、Product Use - Steel Bar

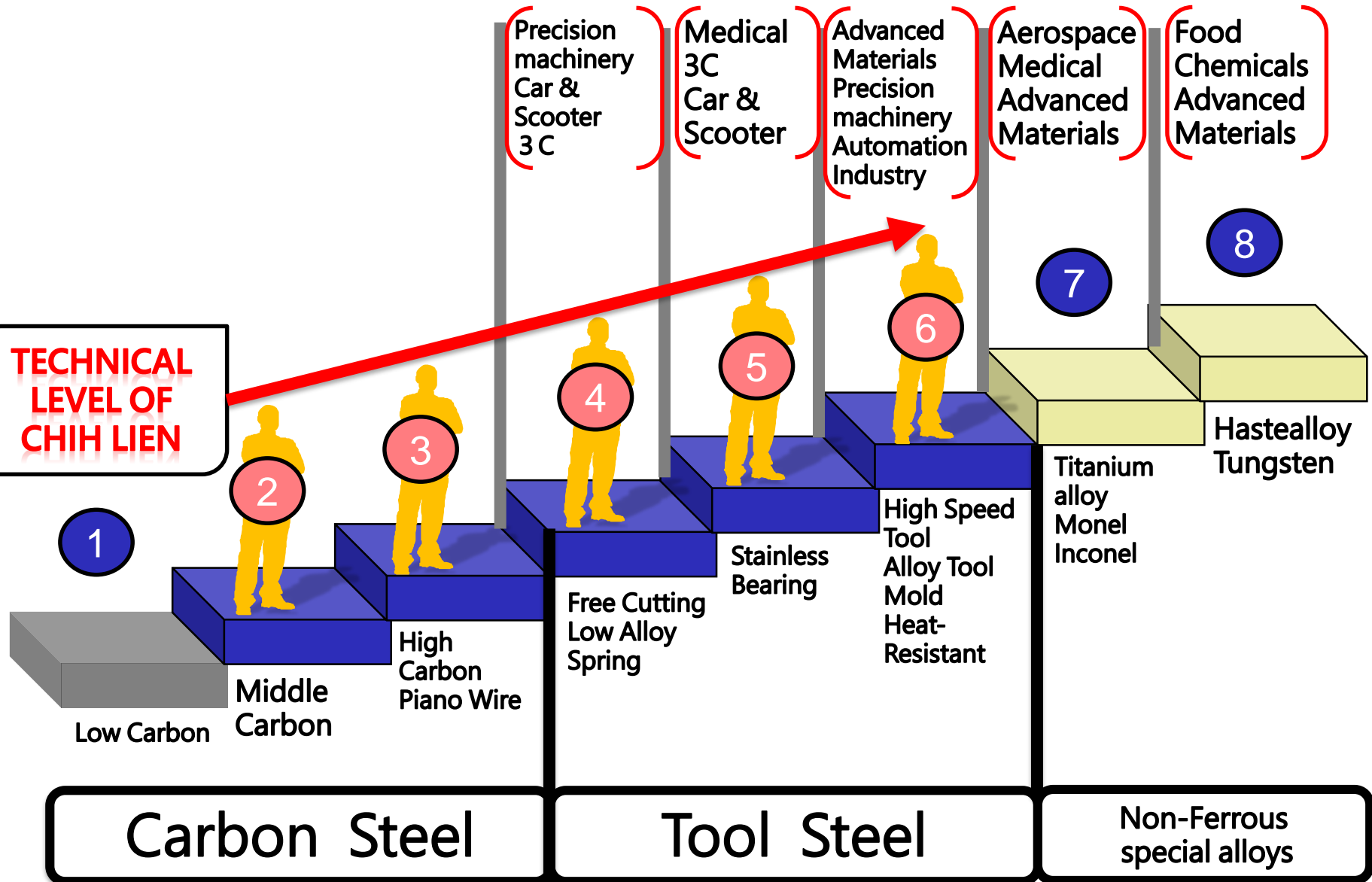




## (五)、Production Technology Positioning



Metal plastic deformation technology ladder diagram



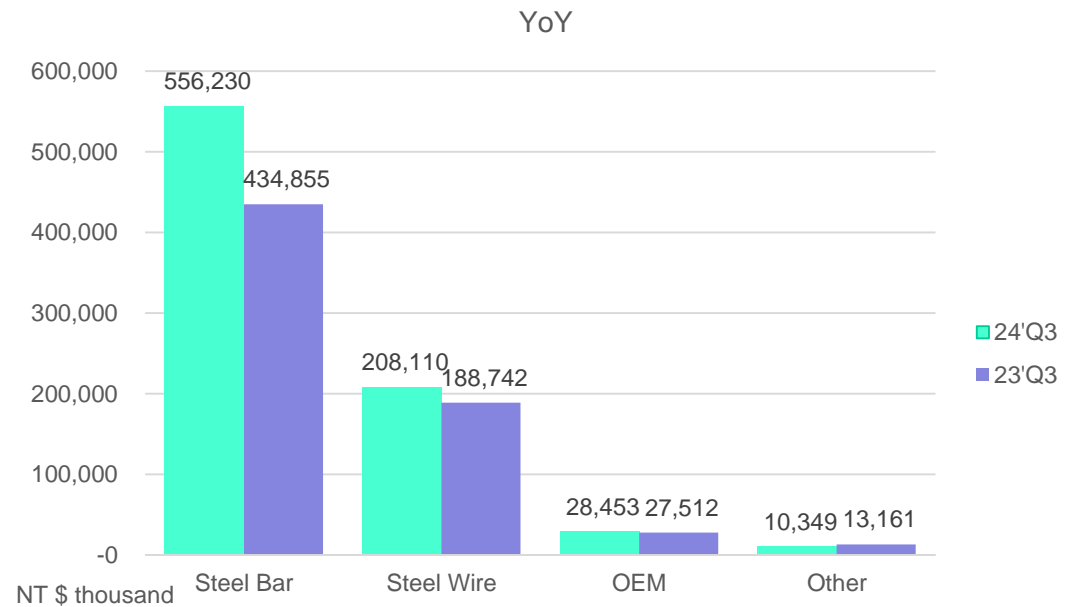
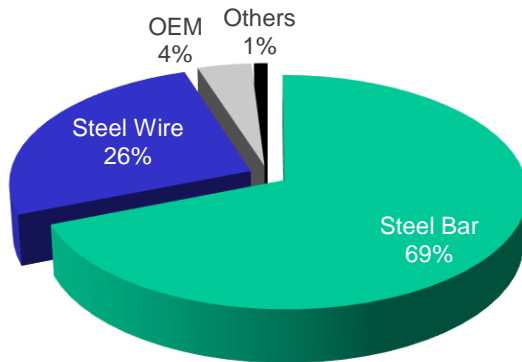
## (六) 、 Industry Product Differentiation



	Company	CHIH LIEN	Company A	Company B	Company C
Carbon steel	LOW CARBON STEEL		●	●	●
	MIDLE CARBON STEEL	★	●	●	●
	HIGH CARBON STEEL	★			●
	SPHEROIDIZE	★		●	●
	ANNEALING	★		●	●
Tool Steel	FREE CUTTING STEEL	★	●	●	●
	SPRING STEEL	★		●	
	BEARING STEEL	★			
	HEAT-RESISTANT STEEL	★			
	ALLOY STEEL	★		●	
	STAINLESS STEEL	★		●	

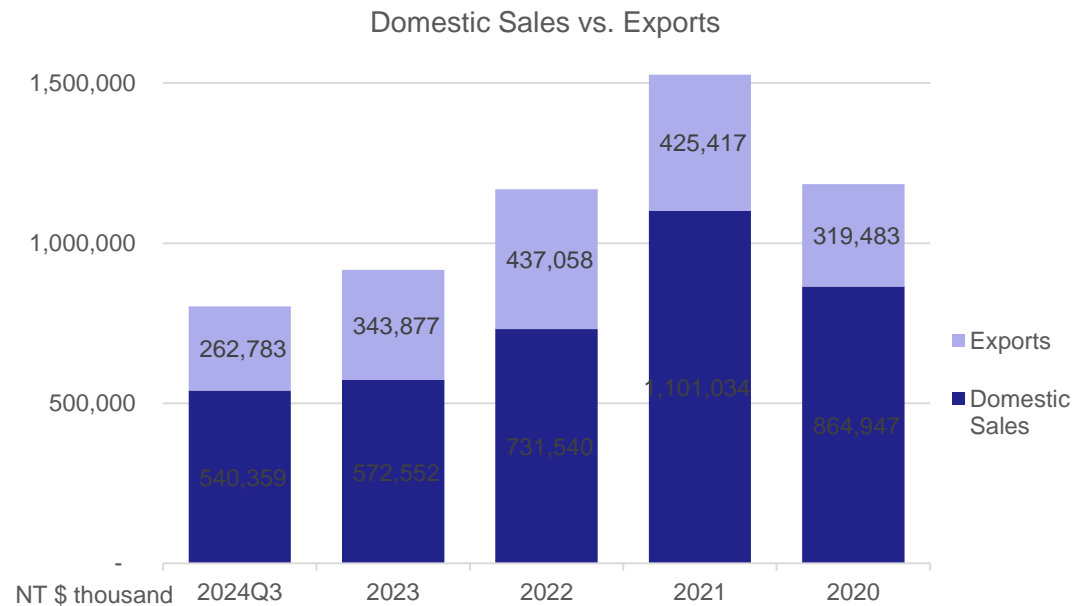
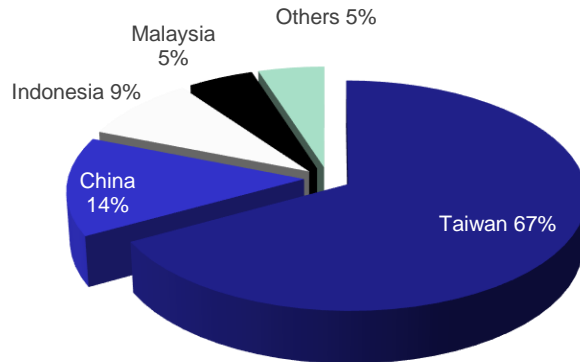
## **二、Sales Analysis**

## 2024Q3 Sales analysis - By Product





## 2024Q3 Sales analysis - By Country



# (三) 、 Industry Overview



## 1. Status and Development of Industry

- At the beginning of the year, the market's economic recovery was not as expected, and the weakening purchasing power in the middle and downstream markets due to inflation. As a result, the steel market showed a significant decline throughout 2023. However, by the third quarter of 2023, there were signs of stabilization in the steel market. Moreover, China Steel Corporation said that as inflation eased toward the end of 2023, the cycle of interest rate hikes would come to a halt. International steel demand has also shown signs of improvement. Additionally, major steel mills anticipate price increases next year, indicating a steady upward trend in the steel market in the future.

## 2. Industrial Characteristic

- Upstream and downstream industries have a high level of relevance、 Low product substitution、 Long life cycle

## 3. Product trend

- Straightness 、 Surface Smoothness、 Environment

## 4. Competition

- The major competitor in domestic : Camellia Metal、 Song Ho、 Chia Ta World



## **三、Business focus and operation strategy**

(一)

## Improvement of production equipment

- 1.Entering the automotive fasteners market.
- 2.Pickling equipment replacement · Upgrade more advanced and environmentally automatic pickling equipment.

(二)

## Important marketing policy

- 1.Expanding export and direct customer proportion.
- 2.Increasing the width and depth of steel wire products.

(三)

## Future development strategy

- 1. Purchasing new type steel bar equipment · Developing of new products.
- 2.To set up factories or business offices in Southeast Asia countries.

## 四、Operating Performance



# 2024Financial Statements

## Operating Performance

(NT \$ thousand )	2024Q3	2023Q3	YoY
Net Sales	803,142	664,270	138,872
Gross Profit	59,206	10,081	49,125
Operating Profit(Losses)	8,158	(38,673)	46,831
Non-operating Income(Expenses)	(2,436)	304	(2,740)
Income before Income Tax	5,722	(38,369)	44,091
Income Tax	1,175	596	579
Net Income (Loss)	4,547	(38,965)	43,512
EPS(NT\$)	0.05	(0.40)	0.45
Gross Profit Margin	7%	2%	+5bps
Operating Margin	1%	-6%	+7bps
Net Profit Margin	1%	-6%	+7bps



# 2024Financial Statements

## Balance Sheet

(NT \$ thousand)	2024Q3		2024Q2		2023Q3	
	Amount	%	Amount	%	Amount	%
Cash and Cash Equivalents	89,019	5%	126,278	7%	90,568	5%
Net Accounts Receivable and Notes Receivable	191,902	11%	238,056	13%	196,648	10%
Net Inventory	476,155	27%	402,873	22%	545,847	29%
Property, plant and equipment	964,131	54%	974,711	54%	1,009,908	53%
<b>Assets Total</b>	<b>1,782,687</b>	<b>100%</b>	<b>1,795,579</b>	<b>100%</b>	<b>1,903,809</b>	<b>100%</b>
Short-term loans	145,420	8%	127,508	7%	203,599	11%
Accounts payable	124,707	7%	128,975	7%	58,107	3%
Long-term loans	327,542	18%	351,667	20%	448,000	24%
<b>Liability Total</b>	<b>677,329</b>	<b>38%</b>	<b>689,225</b>	<b>38%</b>	<b>787,285</b>	<b>41%</b>
<b>Equity Total</b>	<b>1,105,358</b>	<b>62%</b>	<b>1,106,354</b>	<b>62%</b>	<b>1,116,524</b>	<b>59%</b>

### Key Financial Indicator

Days Sales Outstanding	49	53	60
Days Inventory Outstanding	172	156	279
Current Ratio(%)	200	206	225
Debt Ratio(%)	83	104	86



# 2024Financial Statements

## Cash Flows

	2024.1.1 ~ 2024.9.30	2023.1.1 ~ 2023.9.30
(NT \$ thousand)		
<b>Cash and cash equivalents at the beginning of the period</b>	<b>118,616</b>	<b>88,763</b>
Net cash inflows (outflows) from operating activities	101,201	200,947
Net cash inflows (outflows) from investing activities	(6,891)	3,290
Net cash (outflows) inflows from financing activities	(123,782)	(202,432)
Effect of changes in exchange rate on cash and cash equivalents	(125)	0
<b>Cash and cash equivalents at the end of the period</b>	<b>89,019</b>	<b>90,568</b>
Capital Expenditur	(13,378)	(11,552)
Free Cash Flow	114,579	212,499



## 六、EPS & Dividend Distribution

## EPS & Dividend Distribution

	2019	2020	2021	2022	2023
EPS	0.18	0.28	1.47	0.48	(0.56)
Cash Dividend	0.35	0.25	1.20	0.35	0.00
Stock Dividend	0.00	0.00	0.00	0.00	0.00
Dividend Distribution Ratio	194%	89%	82%	73%	0%



# **The End**

**~ THANK YOU FOR YOUR ATTENTION ~**