



彰源企業股份有限公司

FROCH ENTERPRISE CO., LTD.



Institutional Investors Conference

2024



Company profile



Headquarters:

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Yun-Lin 640, Taiwan (R.O.C.)



Tel:

05-5571668



Website:

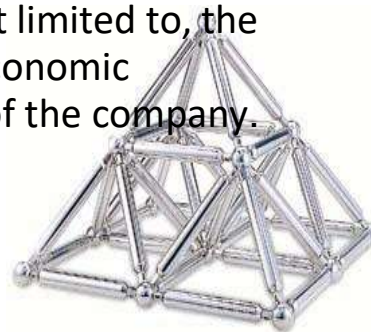
WWW.FROCH.COM



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COMPANY
PROFILE

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Q&A



PART 01

COMPANY PROFILE >

- Company Overview
- Industry Properties
- Main products

COMPANY PROFILE

Company Overview

- 1、Capital amount : TWD28.05Millions
- 2、Land Size : TAIWAN PLANT 210,213M²
CHINA PLANT 250,583M²
- 3、Number of Employees : TAIWAN 600
CHINA 300



COMPANY PROFILE

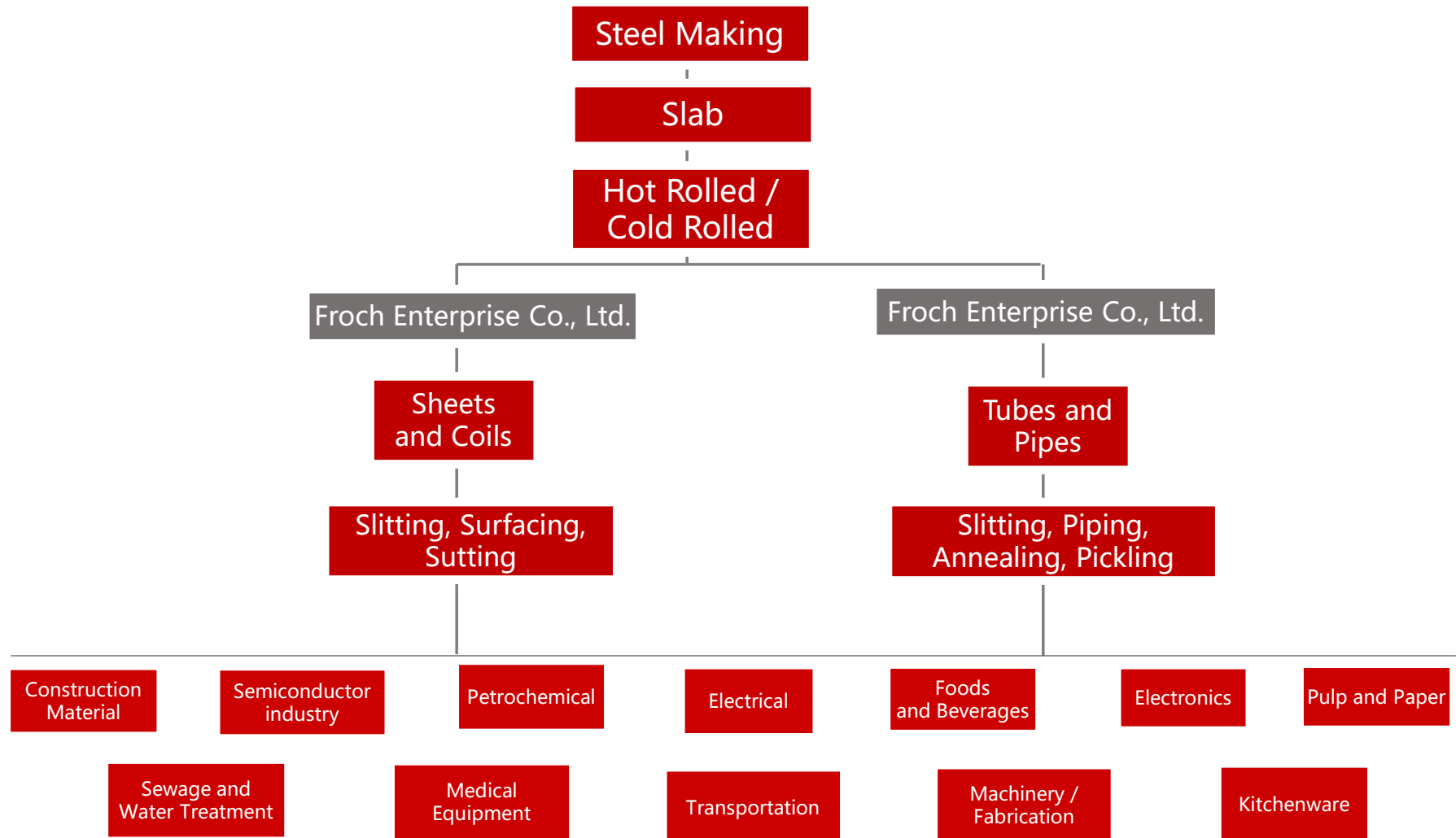
STAINLESS STEEL SHEETS AND COILS



STAINLESS STEEL TUBES AND PIPES

The Company is mainly specialized in the professional manufacturing and sales of stainless steel tubes and pipes and stainless steel sheets and coils.

Industry Properties



Main products



**SOURCE OF
MATERIAL:
2023**

- **TAIWAN PLANT-**
Located: Tou-Liu City, Yun-Lin
Individual/Consolidated Sales Revenue
Percentage: 72% (2023)
- **CHINA PLANT-**
Located: Wuxi, Jiangsu
Individual/Consolidated Sales Revenue
Percentage: 28% (2023)



TAIWAN PLANT

DOMESTIC : 66%

IMPORTED : 34%



CHINA PLANT

DOMESTIC : 100%



Main products



INDUSTRIAL PIPES

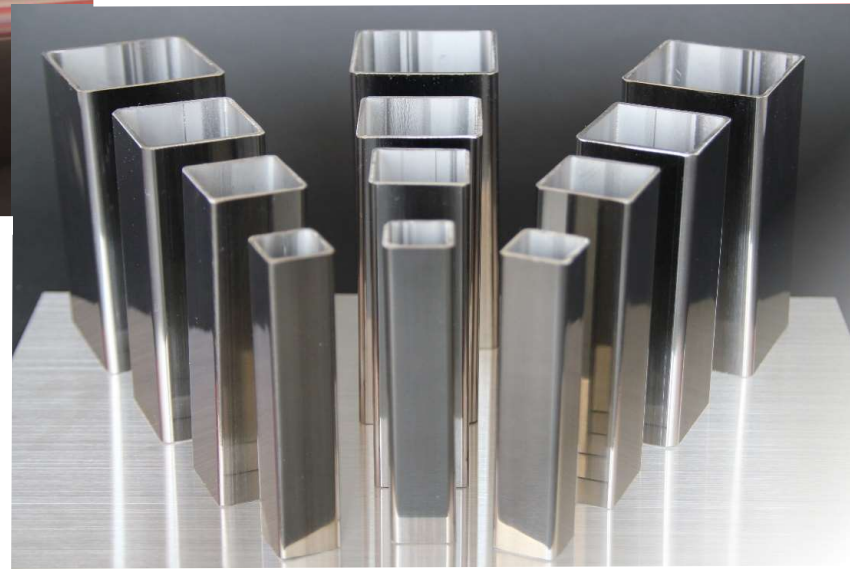
High temperature resistance

Anti-corrosion

Pressure Resistant



Main products



MECHANICAL TUBES

- Bright and Shiny Surface
- Round, Square, and Rectangular in Shape
- Broad Product Applications

Main products

STAINLESS STEEL SHEETS



Building's Curtain Walls



Elevators



Kitchen Utensils



Satinless Steel Sanitation Tanks



COMPANY
PROFILE

OPERATIONAL
BRIEFING

Q&A



PART 02

Operational Briefing >

- Business Trends
- Industry Status
- Operational Briefing

Operational Briefing



Industry trend

●2022

The Russian-Ukrainian war broke out, Russia was subject to sanctions, and supply decreased.

Strong interest rate hike, demand slows down

The epidemic limits container transportation capacity and caused the buyers to double-book or repeatedly book the orders

●2023

Strong supply and weak demand, destocking

●In the future

United States: Expects to encounter inflation and relieve tight monetary policy. This helps to release the deferred demand.

Europe: The quota mechanism helps to limit market supply.

China: The steel mills turn expected production deduction into reality. This helps to increase the price once the demand resumes.

Operational Briefing

Source of information: President Wu, Chai-Yi, Taiwan Research Institute, 2024 Taiwan and World Economic Outlook

Industry Status Taiwan



In 2023, the production momentum of the traditional manufacturing industry remained weak.

In 2024, look forward to private consumption to return to normal levels, and investment and exports will improve due to the booming and rebound of global economics and global trade, but uncertainty risks remain high.



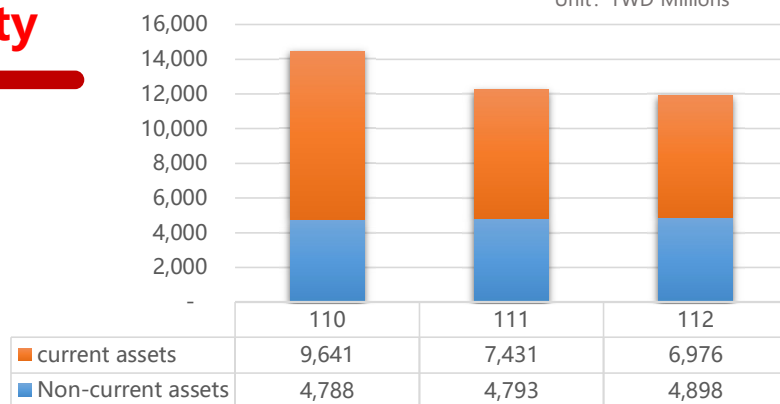
Taiwan Manufacturing PMI survey rose from 47.2 in July 2023 to 52.4 in April 2024. Both production volume and new orders are on an upward trend. Corporate inventories and employment have stabilized and inflationary pressure has become relatively mild. It is expected that Taiwan's manufacturing industry will gradually recover and grow steadily in the second half of the year.

Operational Briefing

Assets Liabilities + Equity

Balance Sheets - Assets

Unit: TWD Millions



Assets

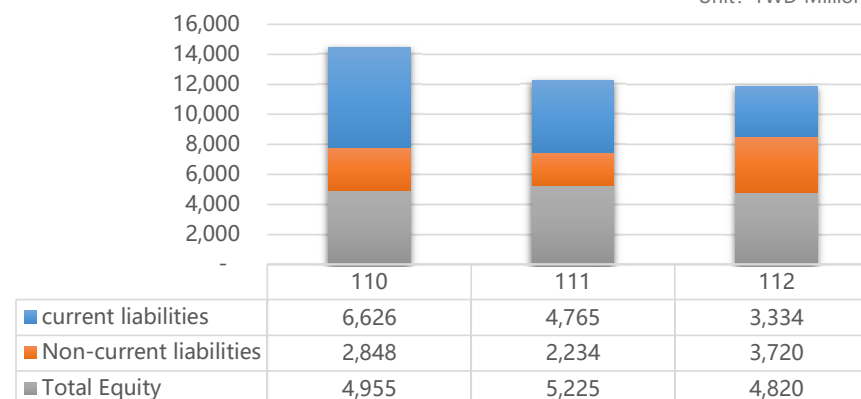
2021 inventories: 6,100 Millions

2022 inventories: 4,700 Millions

2023 inventories: 4,100 Millions

Balance Sheets – Liabilities + Equity

Unit: TWD Millions



Liabilities

2021 borrowings: 7,800 Millions

Long-term borrowings: 2,400 Millions

Current portion of long term borrowings: 5,400 Millions

2022 borrowings: 5,600 Millions

Long-term borrowings: 1,800 Millions

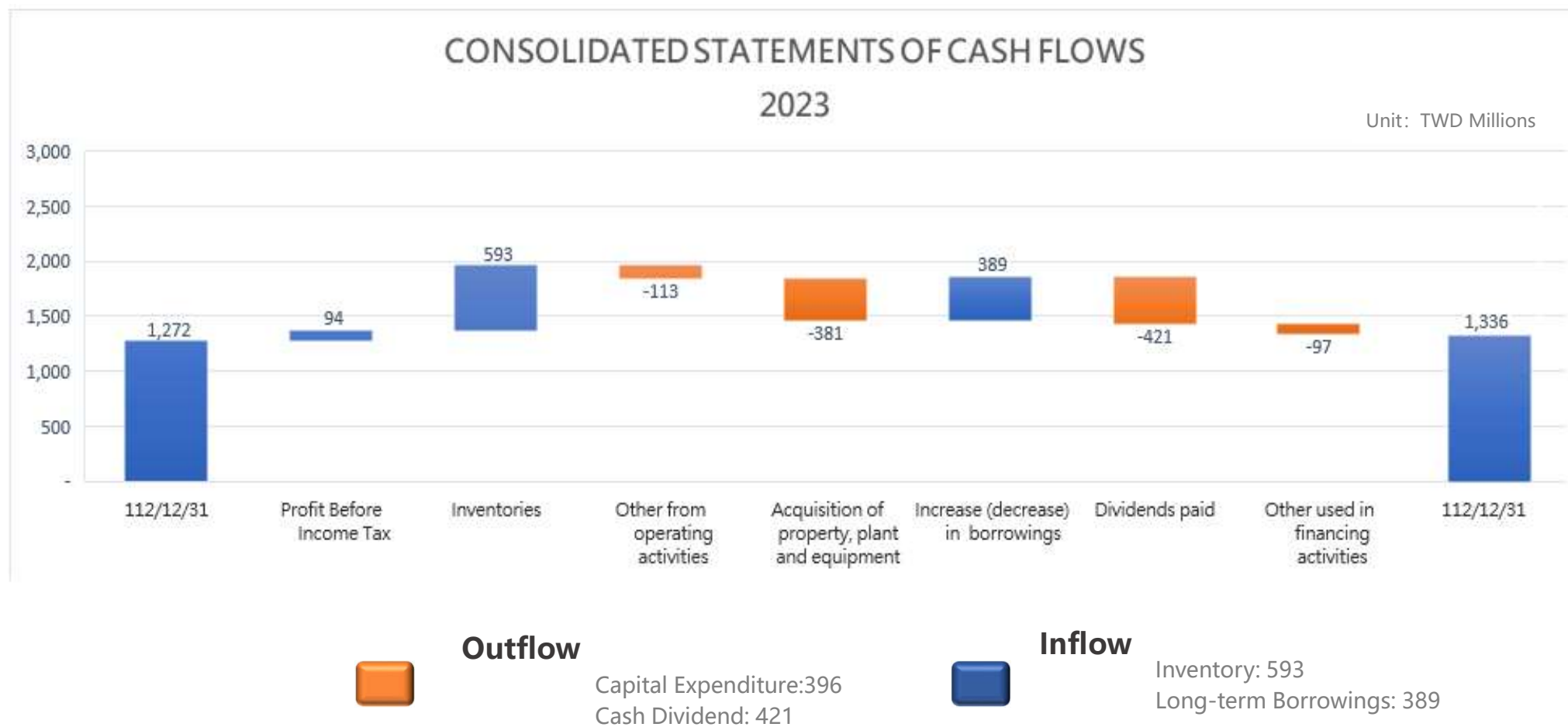
Current portion of long term borrowings: 3,800 Millions

2023 borrowings: 6,000 Millions

Long-term borrowings: 3,300 Millions

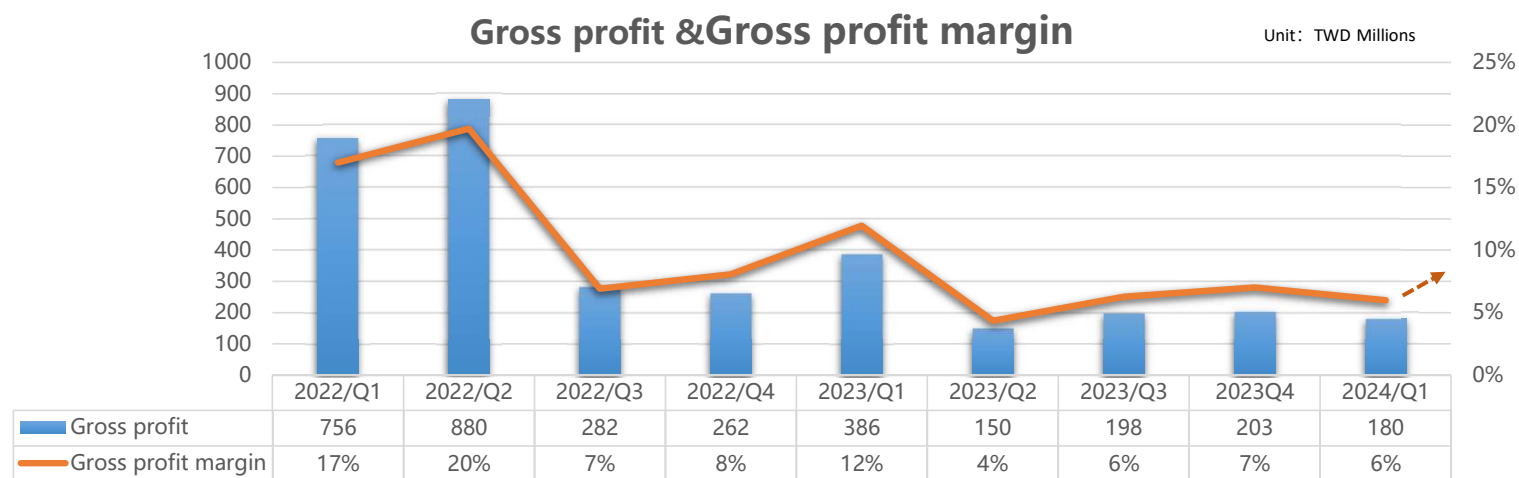
Current portion of long term borrowings: 2,700 Millions

Operational Briefing



Operational Briefing

Gross Profit & Gross Profit Margin



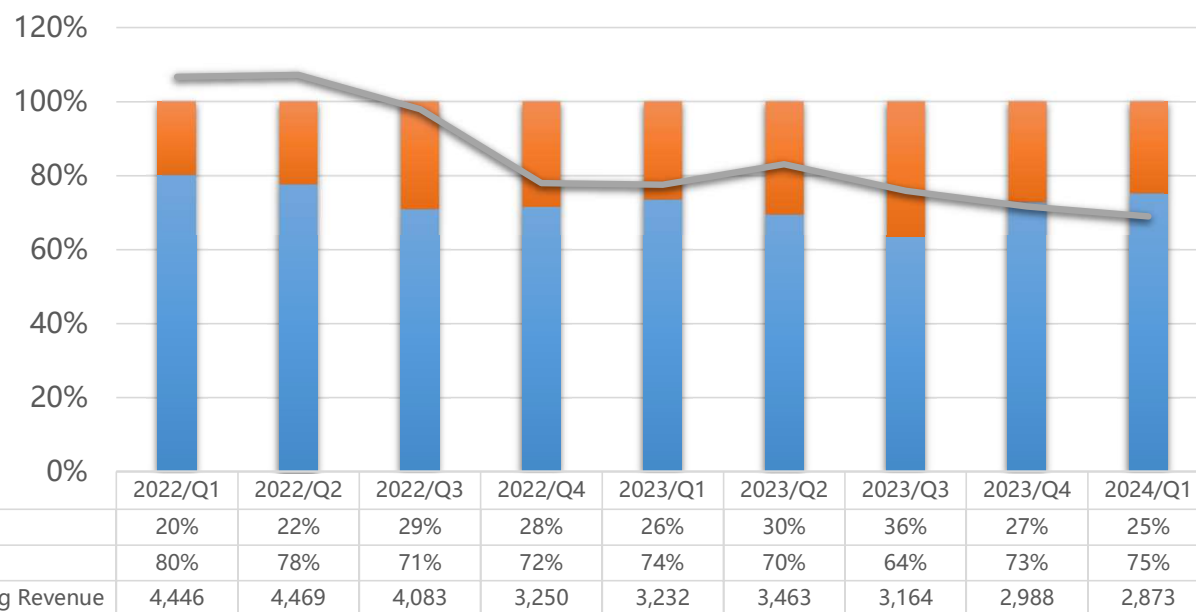
鎳-現貨(LME Nickel Spot)



Operational Briefing

Operating Revenue & Proportions

Operating Revenue



2024Q1		
Revenue	Y/Y	Q/Q
Taiwan	- 9%	-1%
China	-17%	-13%
Revenue	-11%	- 4%

Operational Briefing



Major Investments

2023/09/12 Board's Approval to Set Up
FROCH AFRICA CO., LTD. to Invest in a new
Subsidiary in the Kingdom of MOROCCO.
Total Investment Amount:USD30,000,000



FROCH AFRICA CO.,LTD.

The establishment registration was approved by the Investment Review Committee of the Ministry of Economic Affairs in September 2023.

The establishment registration was completed in October 2023 and the first-stage capital of USD 7.5 million was in place.



FROCH STAINLESS MOROCCO

Registration has been completed in December 2023

The first phase of capital was completed in March 2024, with approximately USD7.5 million in capital.



2024 Major Investment

1. Land acquisition
2. Factory planning and construction

Operational Briefing



Dividends Paid

The dividend policy is in line with the development plan/investment environment/funding needs/domestic and foreign competition and takes into account the interests of shareholders

Latest news

Dividends belonging 2023:
On 2024/03/13, the Board of Directors resolved to allocate a cash dividend of TWD\$0.5 per share.

Dicidends



★★★★★

Q & *A*

Rooting Humanity
Respecting Customer
Protecting Earth
Securing Life

Thank you!