鑫永銓股份有限公司

HSIN YUNG CHIEN CO., LTD.

Investor Conference

2024.12.20

Speaker: Special assistant Stella Fu

Disclaimer

- This presentation includes predictive information about the future operations of the company, and such estimates carry unrealized risks and uncertainties.
- The actual operational results, financial condition, and business outlook of the company in the future may differ from these predictive statements due to various risks beyond the company's control.
- The forward-looking statements in this presentation reflect the company's estimates as of the present, and investors should not interpret these estimates as legally binding commitments.
- If there are any changes or adjustments to the future outlook, the company is not obligated to provide timely reminders or updates.

Outline


1
Company Profile
2
Business Performance
3
Product Introduction
4
Future Prospects
5
Q & A

Company History

- 1964 | Founded in Taichung City
- 1980 | Moved the factory to Nantou City
- 1999 | Construction of Factory II
- 2003 | Renamed as Hsin Yung Chien
- 2004 | Company Stock pre-listing
- 2005 | The 14th National Award of Outstanding SMEs
- 2006 | Company Stock listing
- 2007 | Construction of Factory I and III
- 2008 | Construction of Factory IV
- 2010 | Stock market listed (IPO)
- 2011 | Establishment of a large-scale Inflatable rubber dam production line
- 2012 | Industrial Park Beautifying Championship
- 2013 | Establishment of a steel cord conveyor belt production line
  | The 1stMittelstand Award" awarded by MOEA
- 2014 | Establishment of 3M Rotocure production line
- 2017 | Establishment of the largest solar power generation system in Nantou
- 2019 | Construction of Factory V
- 2020 | R&D Wave energy membrane
- 2021 | Construction of R&D Lab
- 2022 | Establishment of wave energy membrane production line
- 2023 | Completion re-construction of Factory IV
- 2024 | Introduced ISO50001 Energy Management System

International Certification

ISO 9001:2015

金屬工業研究發展中心
METAL INDUSTRIES RESEARCH & DEVELOPMENT CENTRE

CERTIFICATE
OF CONFORMITY

Hsin Yung Chien Co., Ltd.
No. 294, Nan Kung 3rd Rd., Nantou 540, Taiwan
鑫永銓股份有限公司
540 南投縣南投市南南三路 294 號

HAS BEEN CERTIFIED AS MEETING THE REQUIREMENTS OF

ISO 9001:2015

FOR THE FOLLOWING SCOPE

The production of:
Rubber belts for portable conveyors, flame-resistant rubber belts for conveyors, rubber belts for conveyors.

下列項目之生產：
輕便型輸送機用橡膠帶、耐燃性輸送用橡膠帶、輸送用橡膠帶

The registration scope of site(s) of the organization is as found in ANNEX of this Certificate.

Certificate No.: SXWY010-17
Effective Date: November 4, 2022
Expiry Date: November 3, 2025
Originally Registered: December 18, 1995/BSMI
(Date/Certification body)

Chairman, MIRDC

TAF Management System Certification M0019 · IAF · MIRDC ISO 9001

ISO9001

ISO 14001:2015

金屬工業研究發展中心
METAL INDUSTRIES RESEARCH & DEVELOPMENT CENTRE

CERTIFICATE
OF CONFORMITY

Hsin Yung Chien Co., Ltd.
No. 294, Nan Kung 3rd Rd., Nantou 540, Taiwan
鑫永銓股份有限公司
540 南投縣南投市南南三路 294 號

HAS BEEN ASSESSED AND CERTIFIED AS MEETING THE REQUIREMENTS OF

ISO 14001:2015

FOR THE FOLLOWING SCOPE

The related activities of the production of:
Rubber belts for conveyors.

下列項目之生產的相關活動：
輸送用橡膠帶

The registration scope of site(s) of the organization is as found in ANNEX of this Certificate.

Certificate No.: SXWE004-04
Effective Date: August 28, 2021
Expiry Date: August 27, 2024
Originally Registered: March 11, 2009/BSMI
(Date/Certification body)

Chairman, MIRDC

TAF Management System Certification M0019 · IAF · MIRDC ISO 14001

ISO14001

ISO 45001:2018

金屬工業研究發展中心
METAL INDUSTRIES RESEARCH & DEVELOPMENT CENTRE

CERTIFICATE
OF CONFORMITY

Hsin Yung Chien Co., Ltd.
No. 294, Nan Kung 3rd Rd., Nan Kuang Industrial Zone, Nantou 540, Taiwan
鑫永銓股份有限公司
540 南投縣南投市工業區南南三路 294 號

HAS BEEN ASSESSED AND CERTIFIED AS MEETING THE REQUIREMENT OF

ISO 45001:2018

FOR THE FOLLOWING SCOPE

The related activities of the production of :
Rubber belts for portable conveyors, flame-resistant rubber belts for conveyors, rubber belts for conveyors.

下列項目之生產的相關活動:
輕便型輸送機用橡膠帶、耐燃性輸送用橡膠帶、輸送用橡膠帶

The registration scope of site(s) of the organization is as found in ANNEX of this Certificate.

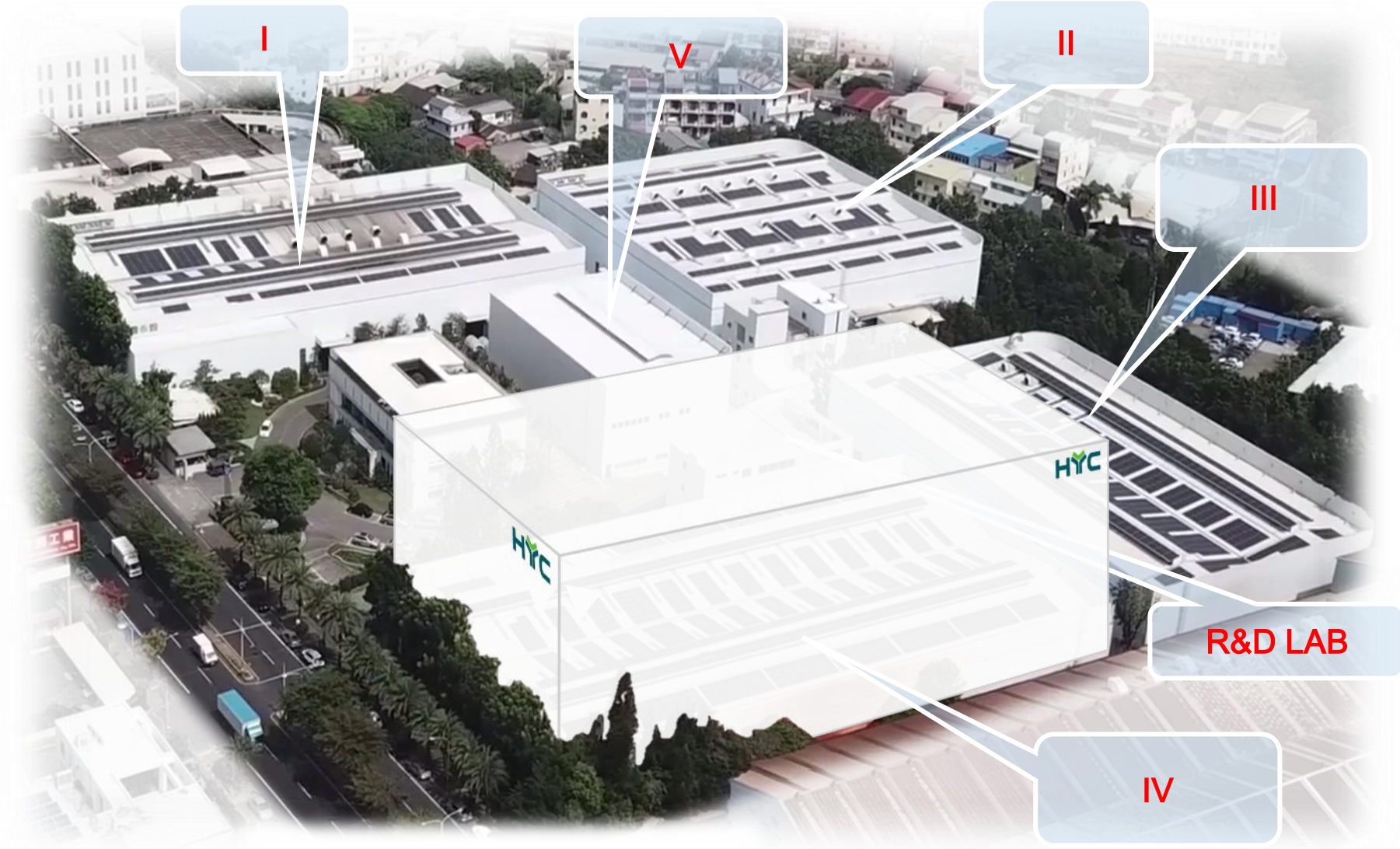
Certificate No.: 514S002-00
Effective Date: October 31, 2019
Expiry Date: October 30, 2022
Originally Registered: November 10, 2010/BSMI
(Date/Certification body)

Chairman, MIRDC

TAF Management System Certification M0019 · MIRDC ISO 45001

ISO45001

Factory Layout



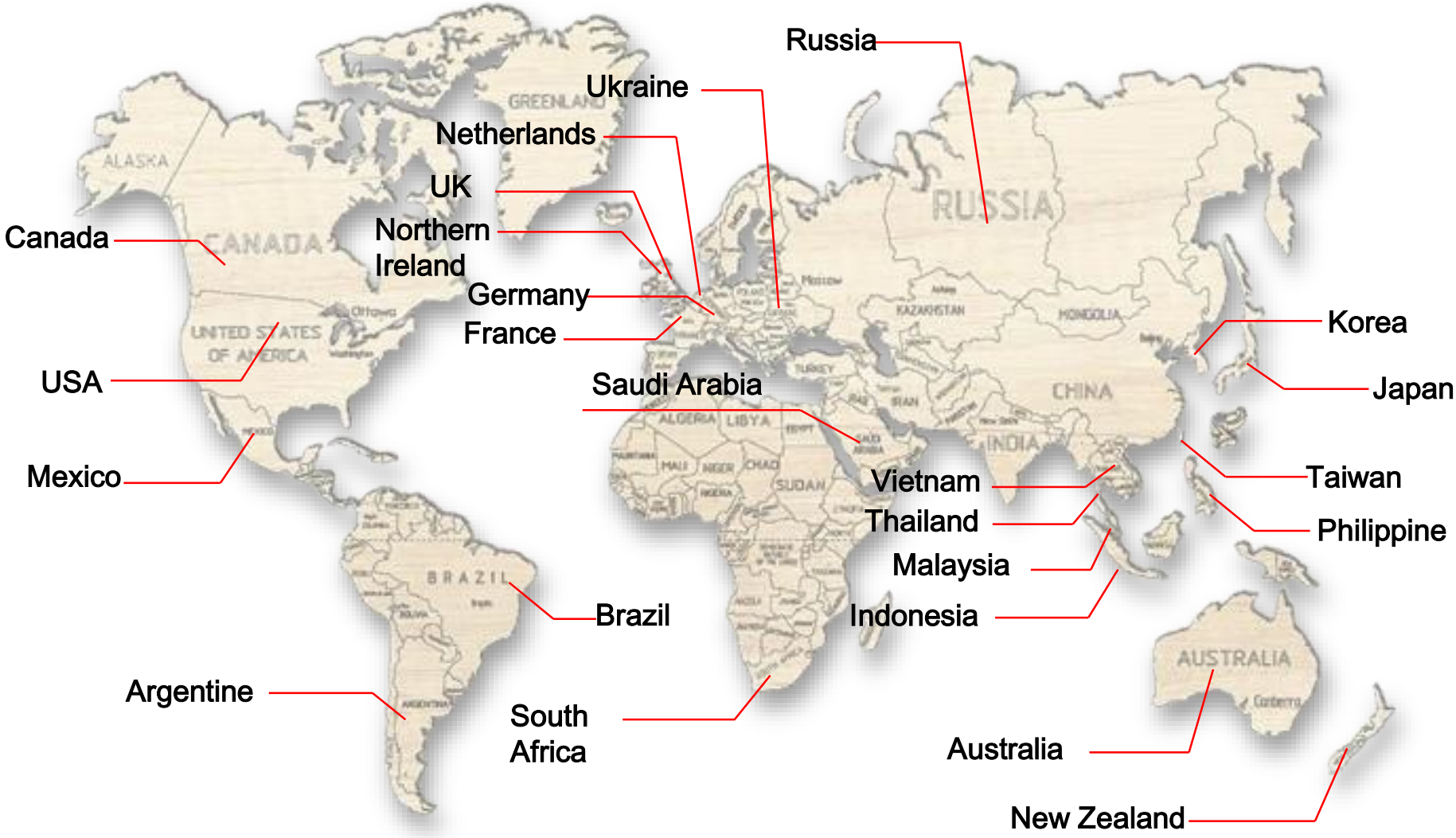
綠美化環境




Improving the environment demonstrates a commitment to carbon reduction.




Market


Russia
Ukraine
Netherlands
UK
Northern Ireland
Germany
France
Canada
USA
Mexico
Saudi Arabia
Brazil
Argentine
South Africa
Vietnam
Thailand
Malaysia
Indonesia
Korea
Japan
Taiwan
Philippine
Australia
New Zealand
GREENLAND
ALASKA
CANADA
UNITED STATES OF AMERICA
RUSSIA
KAZAKHSTAN
MONGOLIA
CHINA
INDIA
TURKEY
IRAN
ALGERIA
LIBYA
EGYPT
MALI
NIGER
CHAD
SUDAN
NIGERIA
BRAZIL
AUSTRALIA

BUSINESS PERFORMANCE

Financial Results

Unit：NT$1000/per common share

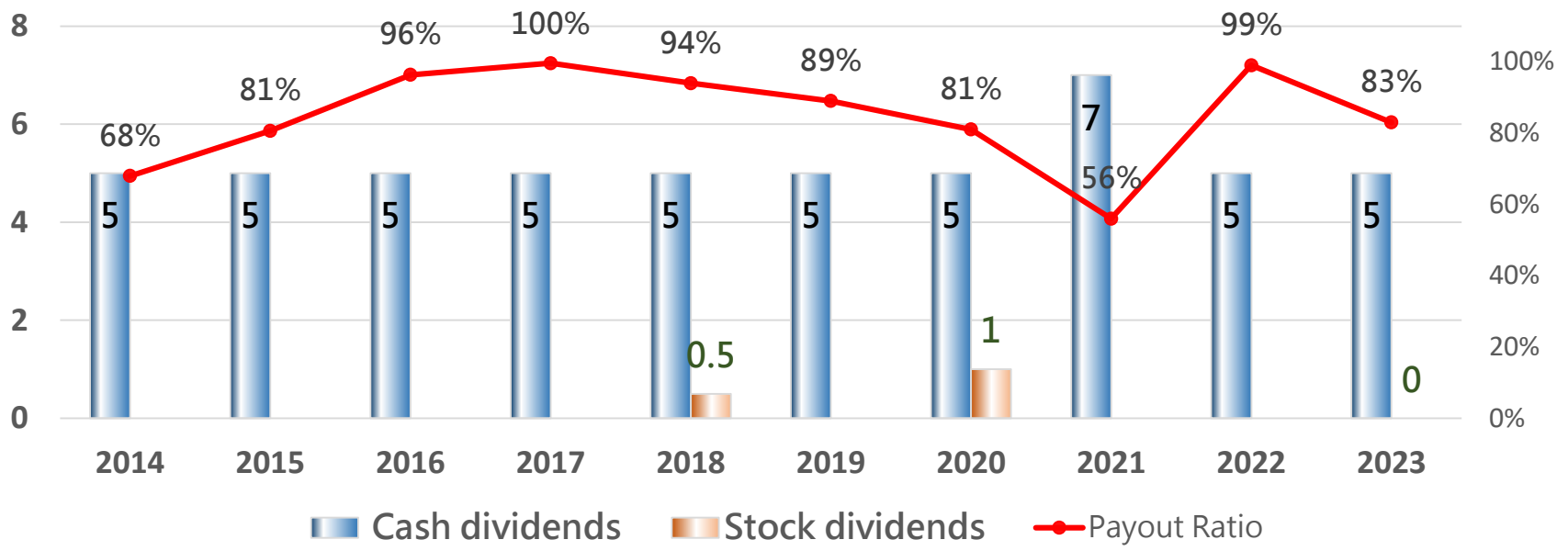
Year	2019	2020	2021	2022	2023	2024 Q1~Q3
Operating Revenue	1,658,837	1,596,510	1,937,193	1,845,955	1,558,156	1,063,111
Net Operating Margin	608,209	664,702	816,312	841,907	659,292	423,238
Gross Margin (%)	36%	42%	42%	45%	42%	40%
Operating Profit	455,402	508,135	522,449	596,811	525,319	317,594
Non-operating income and expenses	45,110	110,383	542,893	-81,048	58,002	49,721
Profit before income tax	500,512	618,518	1,065,342	515,763	583,321	367,315
Profit for the year	399,524	523,696	968,394	391,971	469,185	294,610
Number of shares for the year	70,902	70,902	77,992	77,992	77,992	77,992
EPS (after tax)	5.63	Main 5.83 +Other 1.56 Total=7.39	Main 5.46 +Other 6.96 Total=12.42	Main 6.07 -Other 1.04 Total=5.03	6.02	3.78

Business Performance

Unit: NT$ millions

Year	2018	2019	2020	2021	2022	2023	2024.Q3
Operating Revenue	1,844	1,659	1,596	1,937	1,846	1,558	1,063
Gross Margin (%)	35%	36%	42%	42%	45%	42%	40%
Main EPS	5.85	5.63	5.83	5.46	6.07	6.02	3.78
Other EPS	0	0	1.56	6.96	-1.04	0	0

Dividend policy



Unit: NT$

Dividend for the year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EPS	7.34	6.2	5.19	5.02	5.85	5.63	7.39	12.42	5.03	6.02
Cash dividends	5	5	5	5	5	5	5	7	5	5
Stock dividends	0	0	0	0	0.5	0	1	0	0	0
Payout ratio	68%	81%	96%	100%	94%	89%	81%	56%	99%	83%

PRODUCT INTRODUCTION

Rubber product Introduction and Application

Industry

- Steel Plant
- Power plant
- Cement plant
- Mining
- Asphalt plant
- Paper mill
- Dock
- Moving equipment

Agriculture

Aviation

Logistics

Recycling

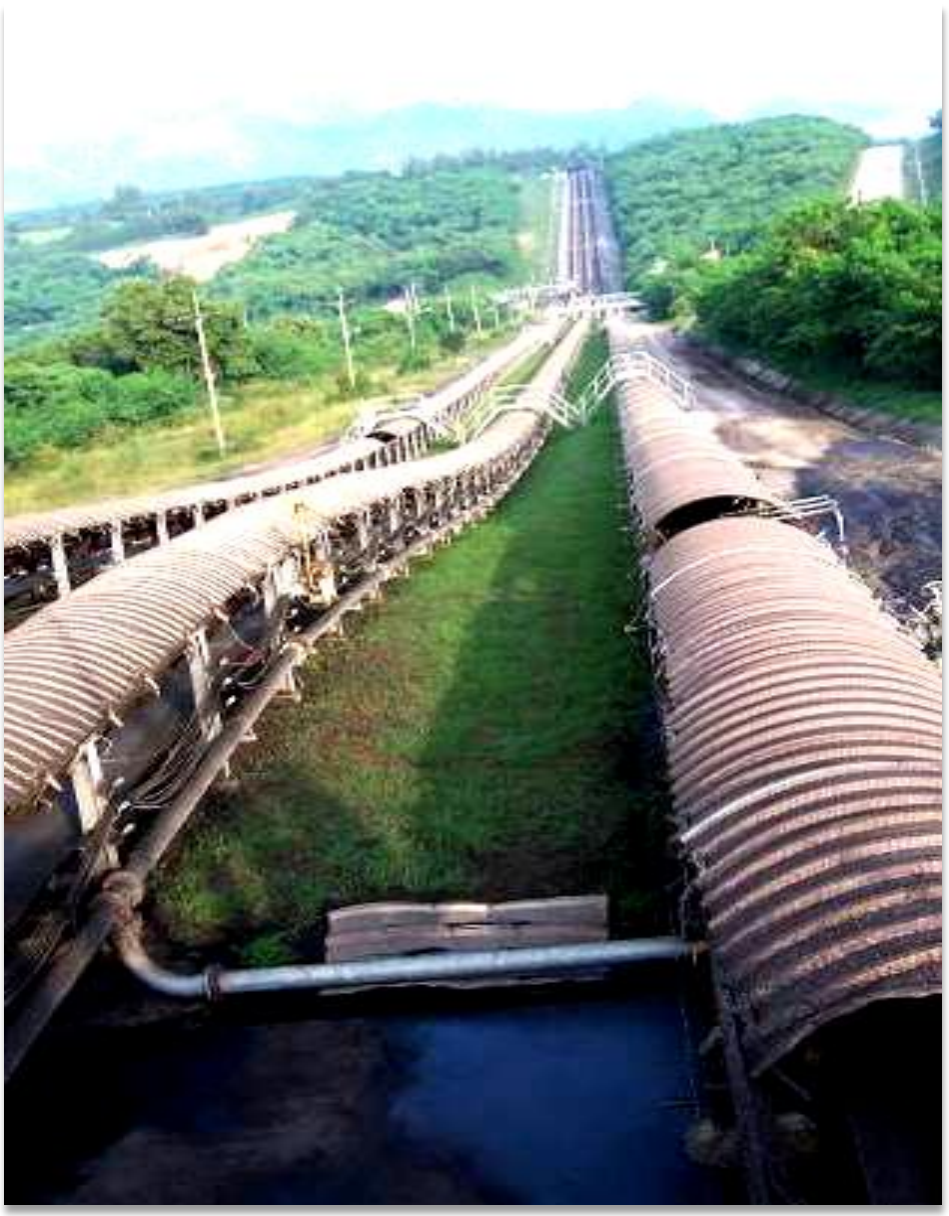
Dairy

Hydropower

Green Energy

- Product specifications comply with national standards of major economies in the world.
  ASTM、DIN、ISO、BS、JIS、AS、GB

Application-Mining



Application-Forestry, Industry

Application-Agriculture, Aviation, Logistics

Application- Moving equipment

Application- Dairy farming

Europe and the USA are the main sales area, also it has being apply to some farms in Taiwan. Not only friendly to the animals, the milk production of dairy cows can be increased by about 10%, according to European and USA studies.

Application- Inflatable Rubber Dam

Landscape

Power Generation

Flood Control

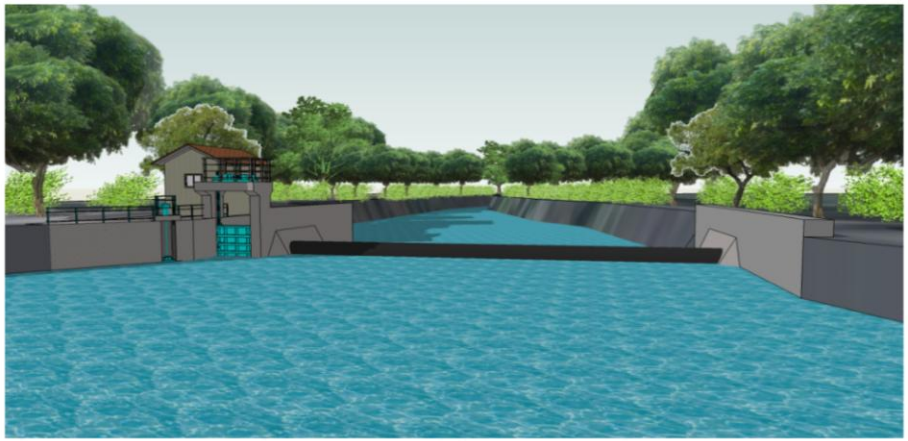
Irrigation

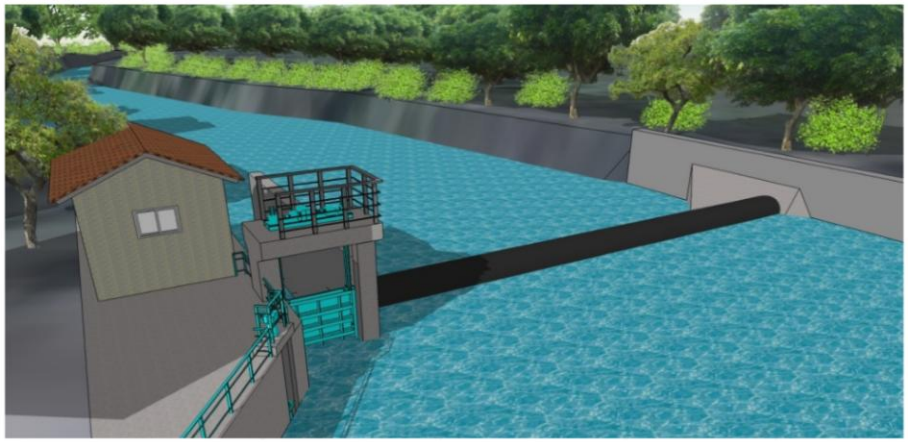
Water Storage

Ecology

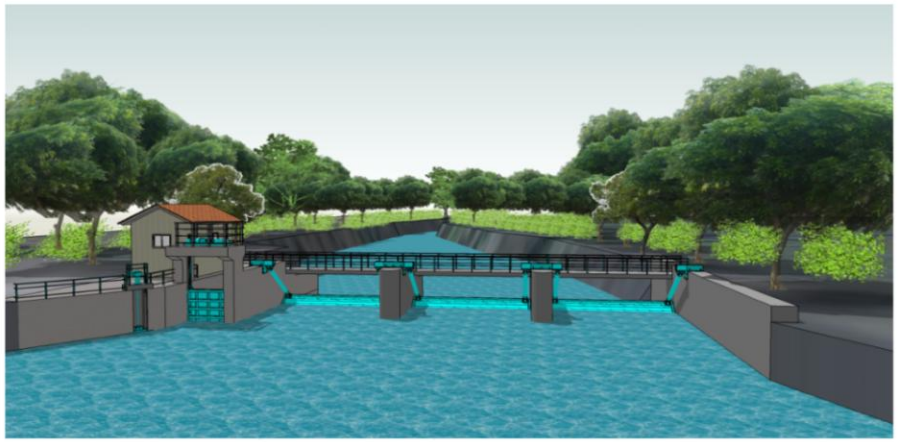
Inflatable Rubber Dam

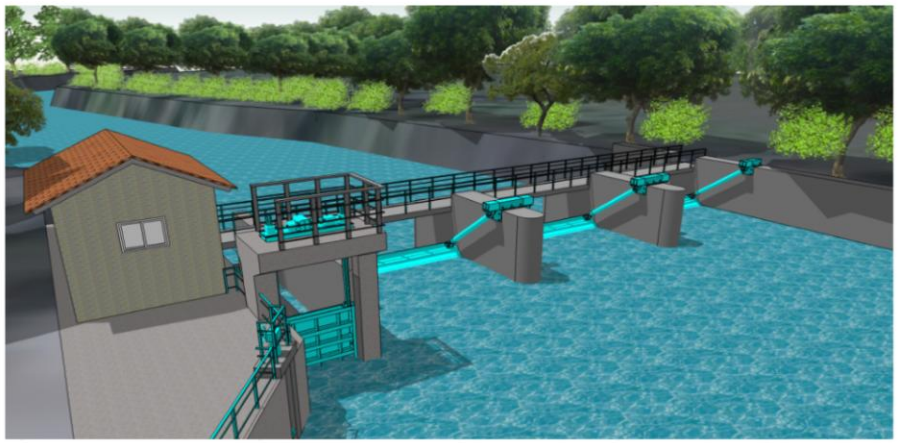
Inflatable Rubber Dam 3D graphics





Steel gate 3D graphics





- The river does not require pier supports, and the flow section is unobstructed.
- The river surface has a natural landscape, and good visibility.
- Easy maintenance and low cost in management.

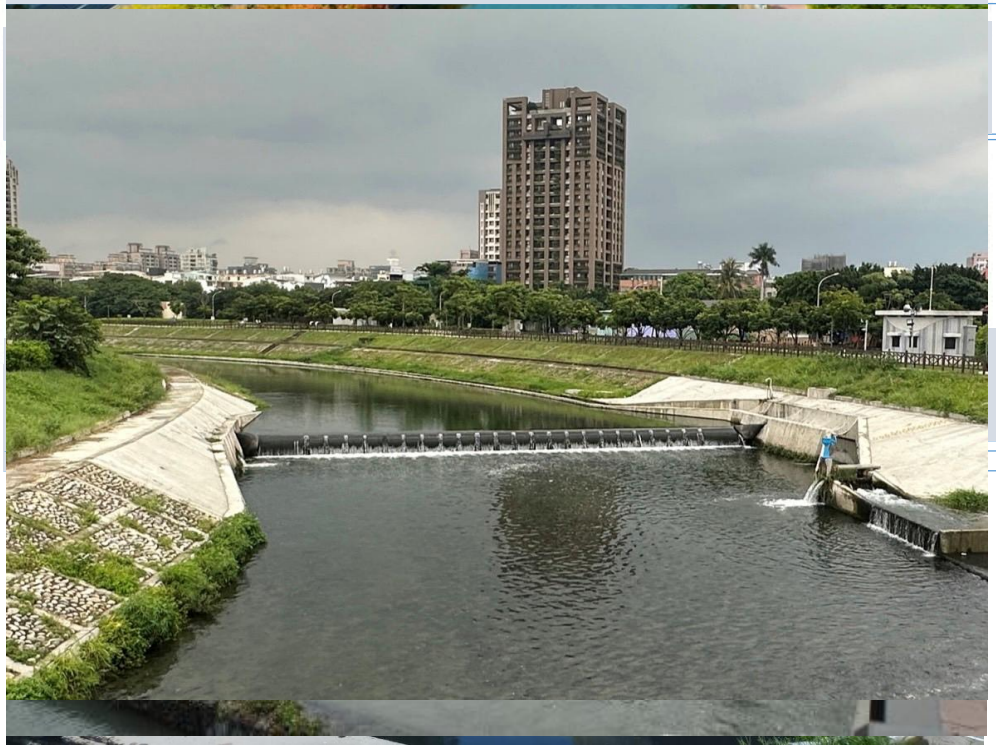
Application-Hydropower

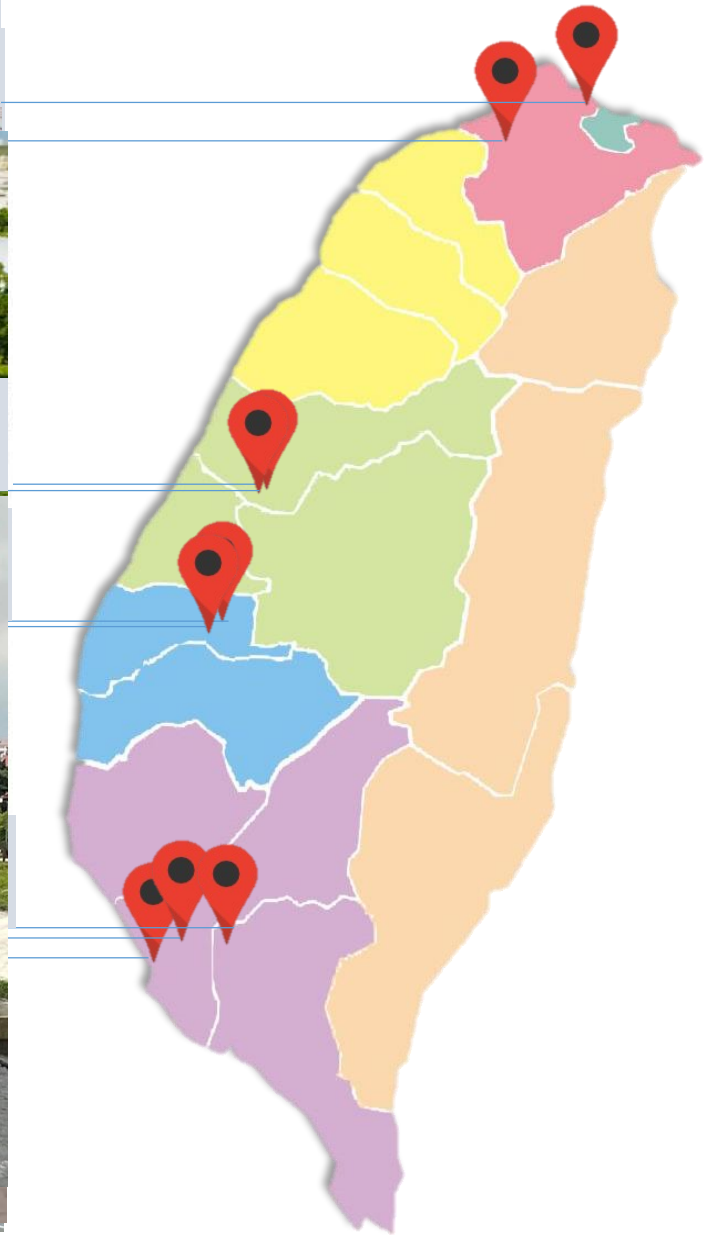
- Rubber Dam Equipment: Large-sized rubber products
- Products: Inflatable Rubber dams, Wave power membrane, Marine pollution barriers, and various types of large rubber sheets.
- The developed inflatable rubber dams have successfully entered the Japanese market and are currently the largest import manufacturer in Japan. HYC has also demonstrated excellent application in Taiwan, and received The “Agricultural Construction Award” from COA.

Inflatable Rubber Dam Sites in Taiwan

New Taipei City

Taichung





Taiwan SHP Industries Alliance

In response to the global net-zero emissions target by 2050, the demand for renewable energy is soaring, and the future development of small-scale hydropower is promising. With numerous rivers in Taiwan, large enterprises can adopt rivers and install rubber dams in suitable locations to generate green electricity. This not only contributes to the development of new green energy but also helps store water, reducing the pressure on water scarcity.

HYC annually provides dozens of rubber dams to facilitate the establishment of small-scale hydropower in regions such as Kanto, Kansai, and Okinawa in Japan. Given the similar geographical and environmental conditions between Taiwan and Japan, where hydropower has matured, it is anticipated that Taiwan will soon follow suit.

The prospects for the development of small-scale hydropower in Taiwan are becoming more promising, with increasingly mature overall environmental conditions. Small-scale hydropower is expected to become the third of our country's renewable energy. Utilizing the unique construction method of rubber dams, we can build structures that "blend into the natural landscape of rivers and beautify the environment." This approach promotes small-scale hydropower generation that considers ecological conservation.

Composite material product Introduction

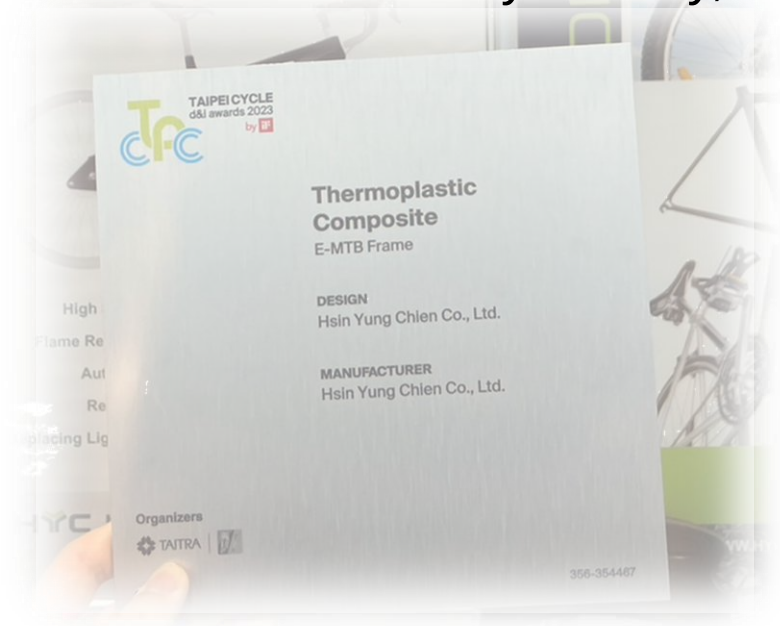
KEY CONSUMABLES FOR FUTURE

Composite material product Introduction

Main Products

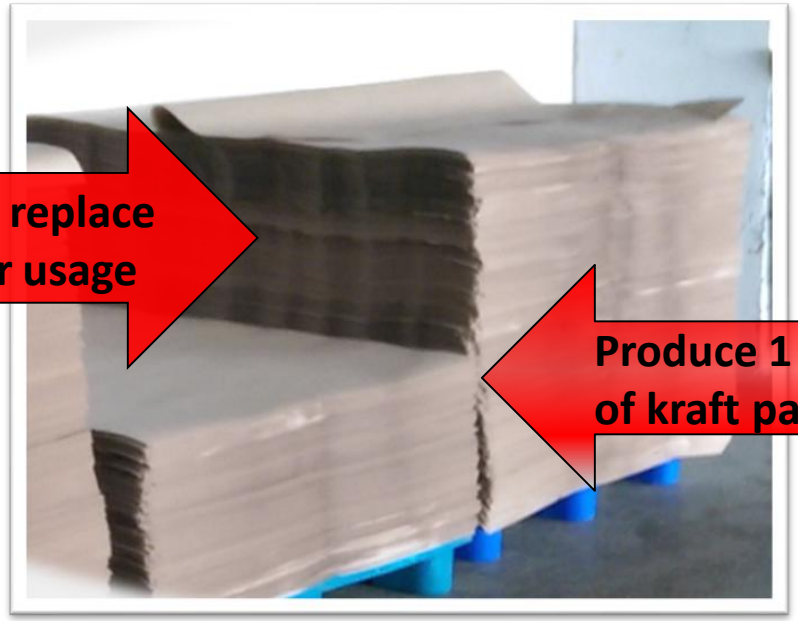
- **Eco-friendly hot-press cushion pad**
  - Environmental protection, automation
  - Won “The 63th iENA Gold and Silver Award” in 2011

- **Carbon Fiber Thermoplastic Composites**
  - Environmentally friendly, Lightweight, Automated, Recyclable



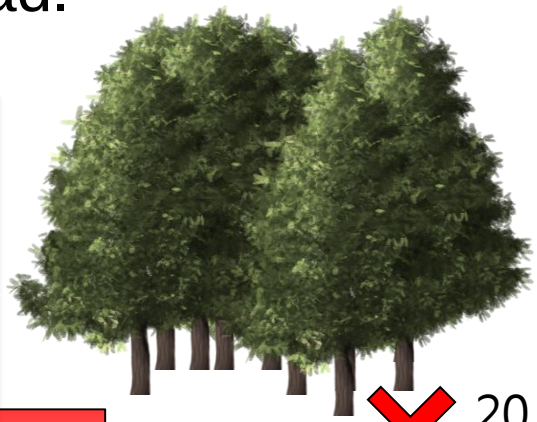
Eco-friendly Hot-press cushion pad

With 50-year experience of production and rubber development technology, we have developed this stable, manageable, and recyclable cushion pad.



2 cushion pads can replace 1 ton of kraft paper usage

Produce 1 ton of kraft paper



20 trees

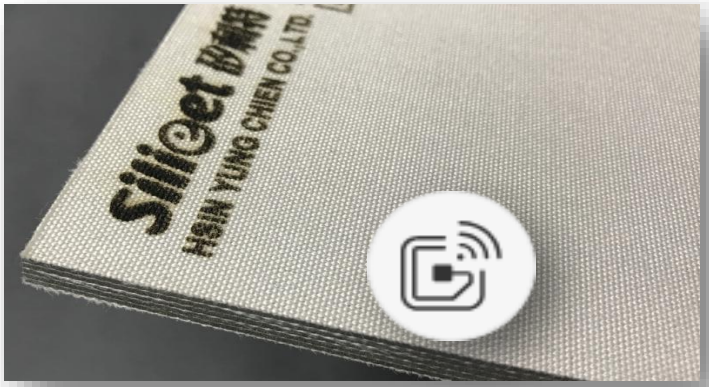
100 water tanks

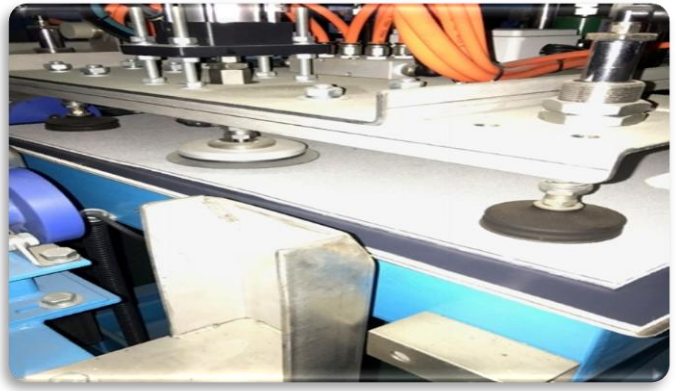
Patent
New No. M551128
New No. M551122

Advantages of Hot-press cushion pad

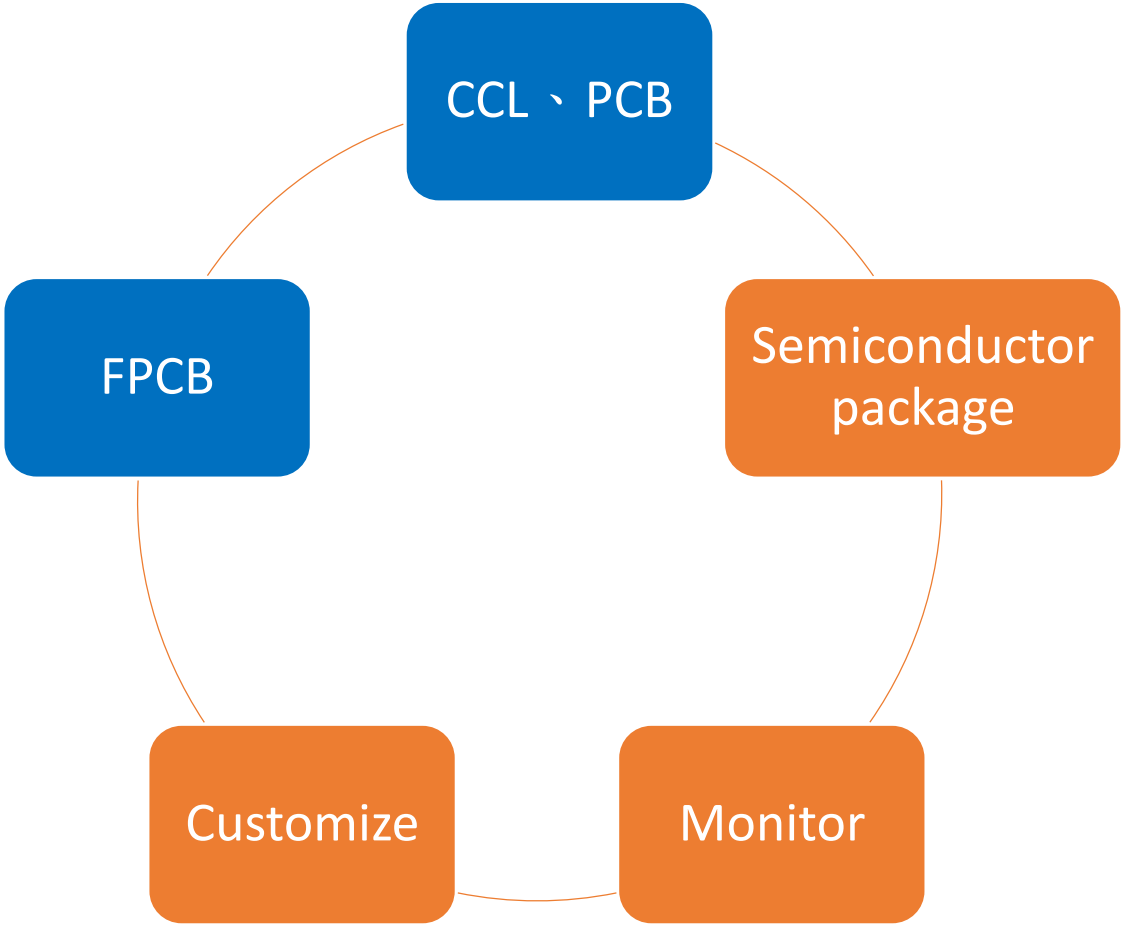
- Soft surface protects steel plates without sticking to them
- Tough material that resists chipping, edge breakage, and delamination
- Lightweight, flexible, and easy to handle
- Halogen-free, ensuring no risk of pollution
- Low pressure loss, high buffering performance, and stable quality
- Customizable QR CODE and RFID for quick identification and easy
- management
- No oil leakage, odorless, and dust-free
- Moisture content strictly controlled below 2%
- Fully singed and sealed edges, preventing fraying and debris shedding
- Maximum operating temperature: 250°C

Embedded RFID





Hot-press cushion pad market

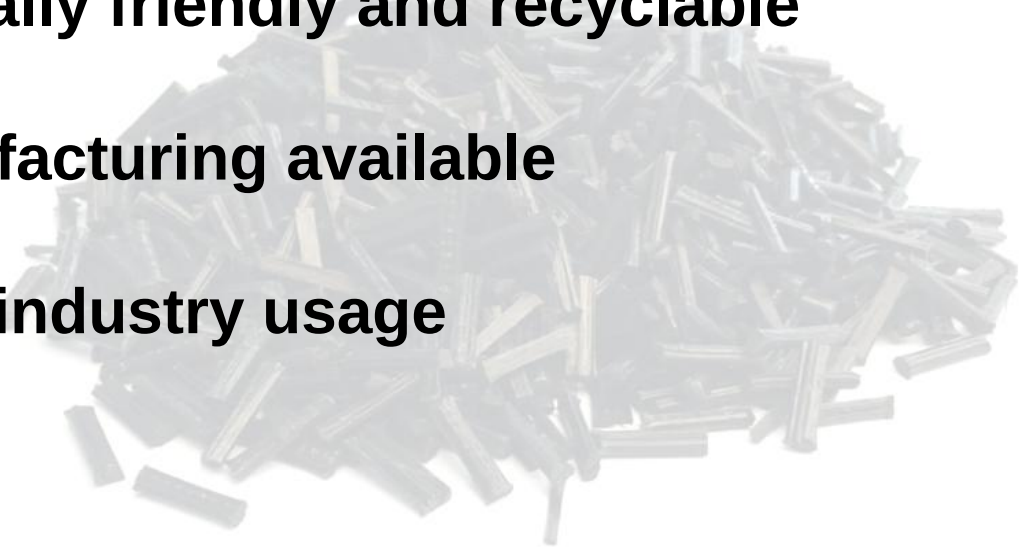


Currently targeting the PCB and FPCB hot-press cushion pad market.

Carbon Fiber Thermoplastic Composites

Material properties

- Temperature resistance up to 285 ℃
- High strength can replace metal
- Environmentally friendly and recyclable
- Repeat manufacturing available
- Available for industry usage
- Lightweight



Material Application-Bike Frame

1. High Strength
2. Flame Resistance
3. Automation
4. Recyclable
5. Replacing Light Metal

Material Application-Bike Rim

01 Same Layup as Thermoset

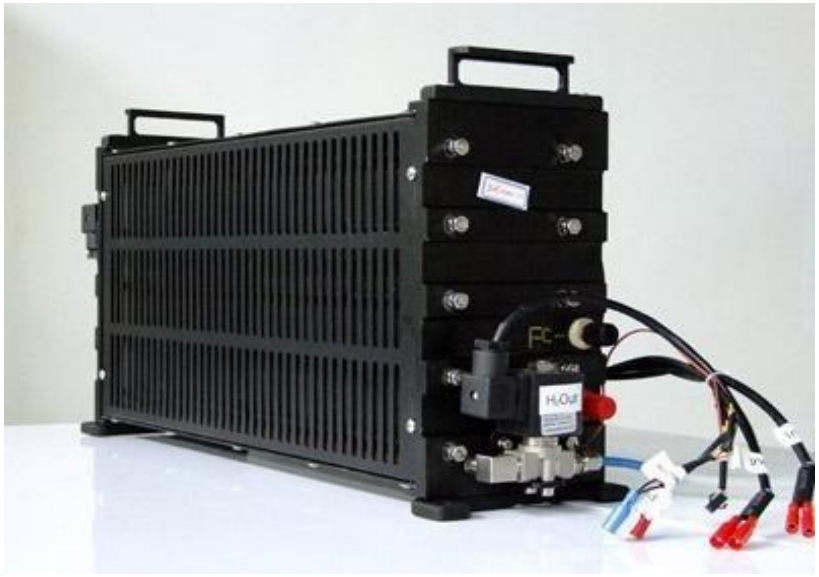
02 Highly Automated

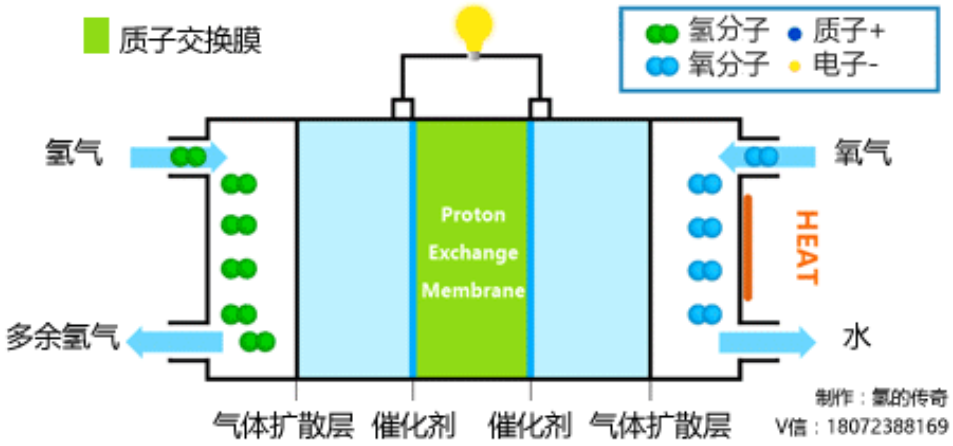
03 Consistent quality

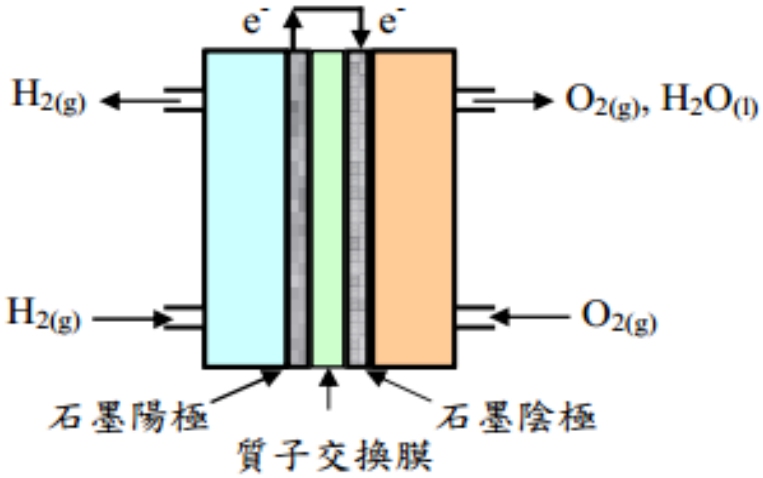
Material Application-Fuel Cell Bipolar Plate

Fuel cells are a form of energy with low ecological pollution and high power generation efficiency. The bipolar plate, which constitutes the majority of the fuel cell's structure, is one of its key components.

Bipolar plates made from polymer-based conductive composite materials offer advantages such as being lightweight, highly corrosion-resistant, cost-effective, and quick to process. If breakthroughs in conductivity can be achieved, these plates have the potential to gradually replace graphite or metal bipolar plates.

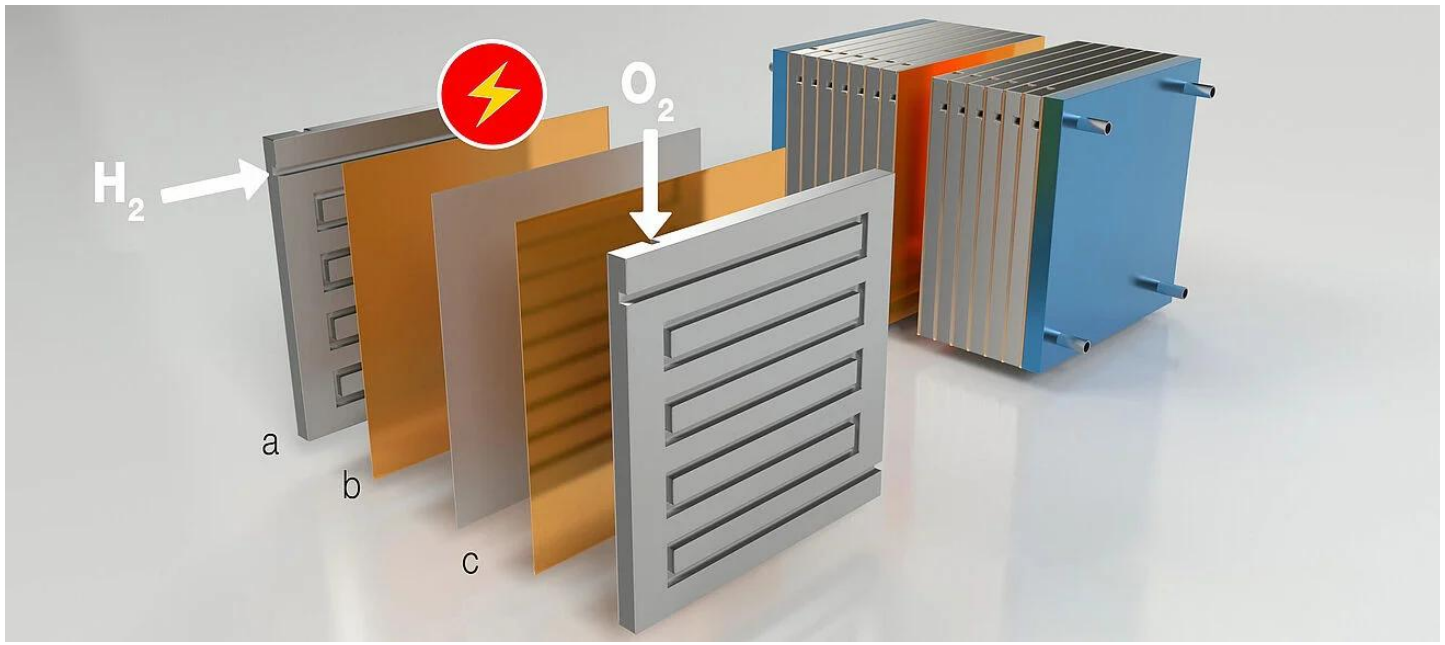






氫氧燃料電池示意圖

Material Application-Fuel Cell Bipolar Plate



a： Bipolar Plate； b：GDL； c：PEM

Fuel cells convert chemical energy from gaseous hydrogen into electricity, water, and heat. Proton Exchange Membrane Fuel Cells (PEMFCs) show the most promise, particularly in the automotive industry for medium and heavy-duty vehicles. On the other hand, Solid Oxide Fuel Cells (SOFCs) are primarily used for stationary energy storage.

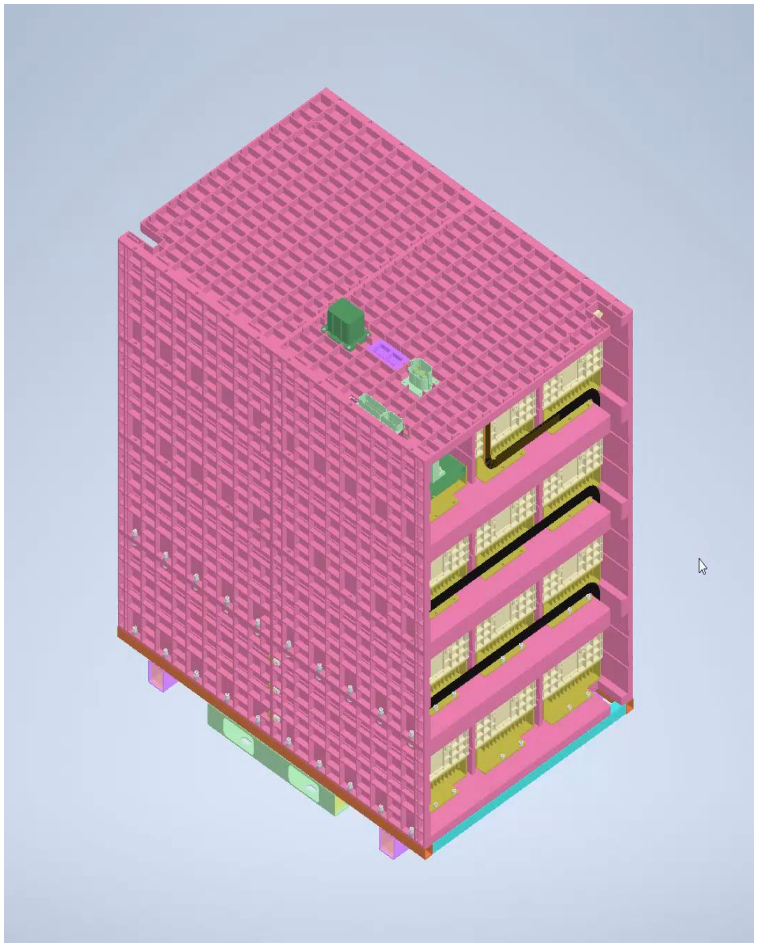
A Proton Exchange Membrane Fuel Cell (PEMFC) consists of a Membrane Electrode Assembly (MEA), which includes the Proton Exchange Membrane (PEM), Catalyst Layer (CL), Gas Diffusion Layer (GDL), Bipolar Plates, and Seals.

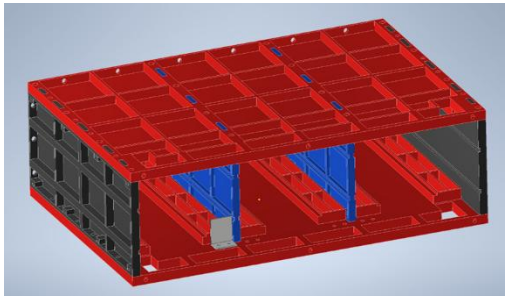
The main research and development goals for fuel cell bipolar plates include cost efficiency, performance enhancement, and extended service life.

Material Application-Electric Bus Battery Box

High-Rigidity Flame-Resistant Modular Electric Bus Battery Box

Features include lightweight design, easy assembly, efficient heat dissipation, and enhanced battery safety.





Material Application- Hydrogen Tank

- **Hydrogen Tank specifications**
  - Stainless steel liner size:

  Length: 1048mm, Thickness: 5mm, Outer diameter 313 mm

  - The diameter of the hydrogen tank after winding is 337.3 mm

  - According to the international standard R134 as the testing and R&D benchmark

Future Prospects

- Continue to develop low-carbon, green energy and recyclable products- such as Inflatable Rubber Dam, marine pollution barriers and floating ball.
- Continue to promote our brand, KING and NEWsheet to Global.

KING NEWsheet

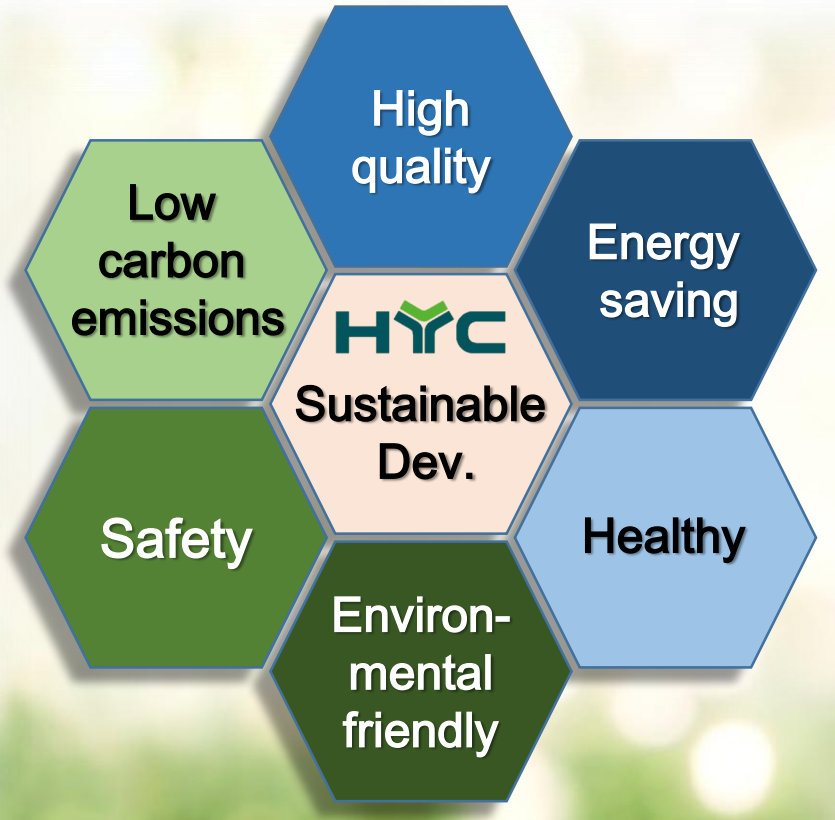
- Sustainable Development ESG-Greenhouse Gas Inventory and Reduction.

E- Energy management, Low-carbon processes, Green products

S- Corporate Social Responsibility

G- Promote shareholder rights and enhance information transparency

Green Product



HYC focuses on sustainable development from material research and development, product design and manufacturing, and provides customers with the most environmentally friendly products and the best quality of use.

Green Product

- Eco-Friendly
- Low Carbon
- Comply with REACH standard

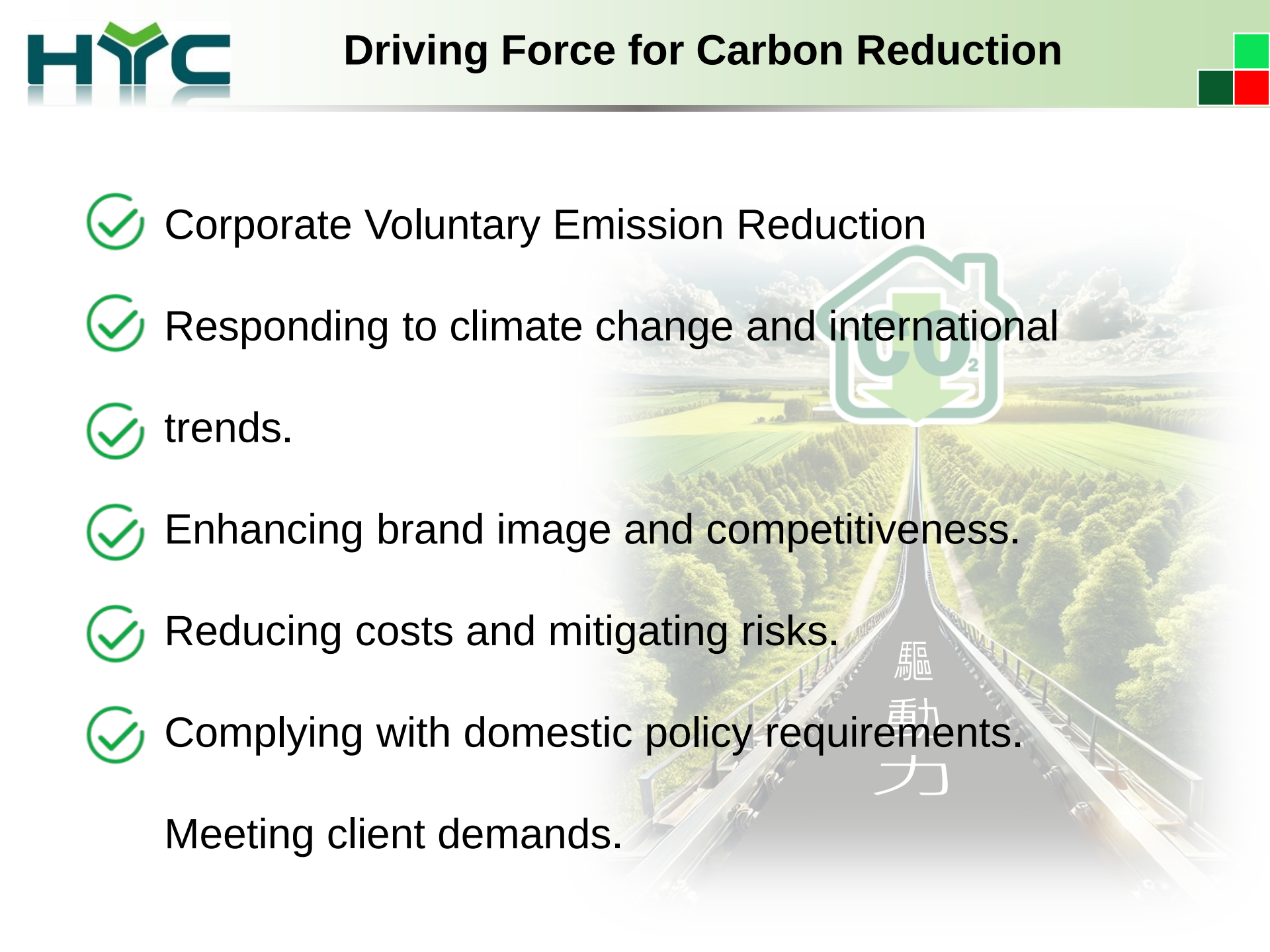
- Energy-efficient Power
- Green Energy
- Plastic Reduction

- Safety
- Durability
- Sustainability

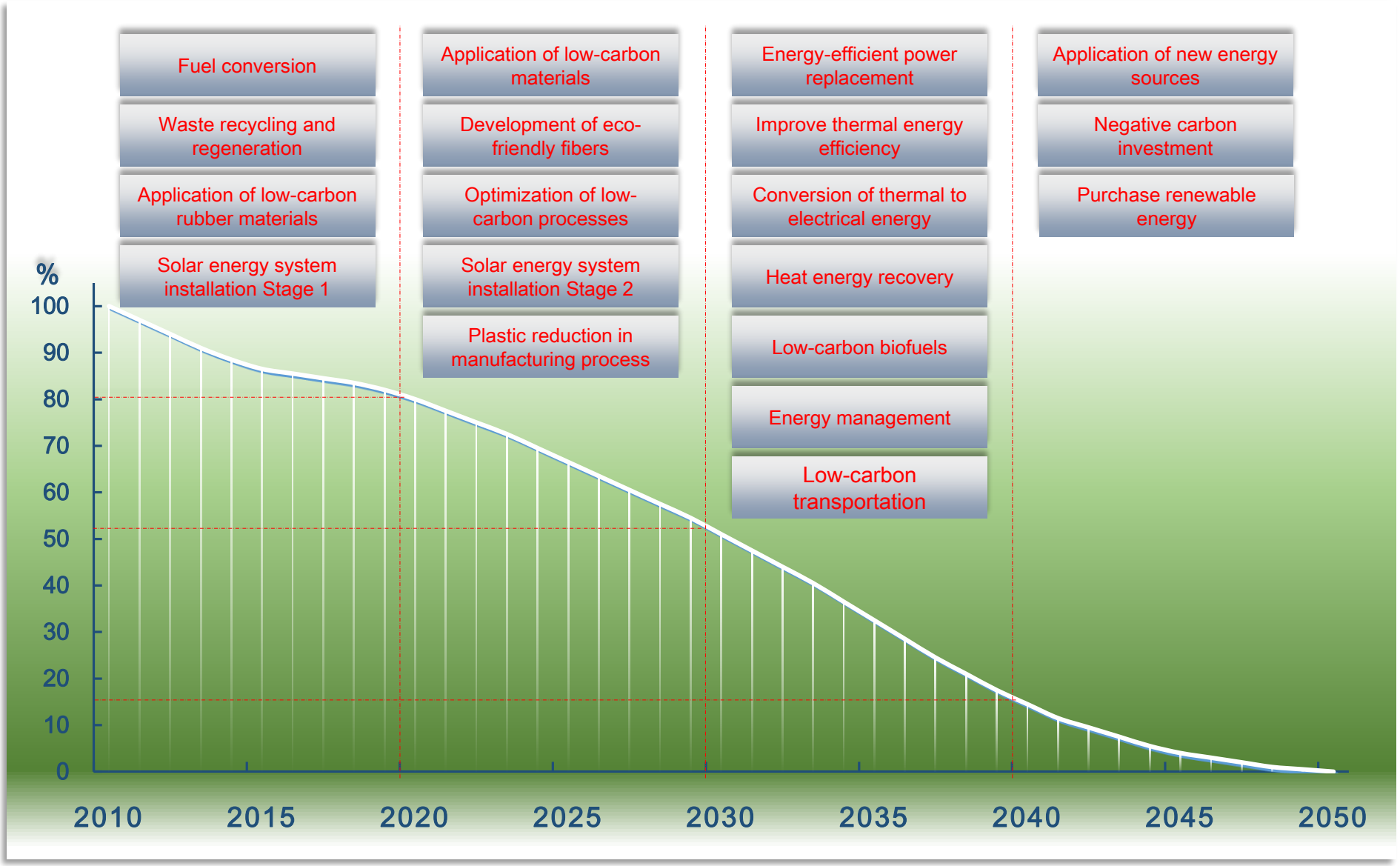
Driving Force for Carbon Reduction

- Corporate Voluntary Emission Reduction
- Responding to climate change and international
- trends.
- Enhancing brand image and competitiveness.
- Reducing costs and mitigating risks.
- Complying with domestic policy requirements.

  Meeting client demands.



Net-zero carbon reduction Plan



Charity/Social Responsibility/Friendly Workplace

- ✓ Subsidies students
- ✓ Relief provisions in three festivals.
- ✓ Low carbon emission and green environment.
- ✓ Contribute money for domestic and overseas great calamity.
- ✓ Concern about senior citizens living alone.
- ✓ Sponsor community events
- ✓ Offer NTD$30 millions financial support during COVID-19 to people in need to apply

- ✓ Year- end Bonus, New project Bonus, Special Contribution Bonus.
- ✓ Company trip, Family Day
- ✓ Scholarship for on Job Training
- ✓ Scholarship for Employees Children
- ✓ Company Restaurant
- ✓ Offer discount products with cooperated business company.
- ✓ Company uniform
- ✓ Employees yearly Health Check
- ✓ Workplace Health Promotion

Thank you for listening and your feedbacks.

HYC Website