



國泰化工廠股份有限公司
CATHAY CHEMICAL WORKS, INC

2024 Investor Conference





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Briefing Outline

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I . 2023 Operational Performance Report

(1) Annual Income Statement

Unit : Thousand NTD

Item	2023	2022	Increase & Decrease	
			Amount	Rate %
Operating Revenue	476,391	571,458	(95,067)	(16.64)
Operating Cost	438,322	508,241	(69,919)	(13.76)
Gross Profit	38,069	63,217	(25,148)	(39.78)
Operating Expense	75,063	70,149	4,914	7.01
Operating Income	(36,994)	(6,932)	(Note 1) (30,062)	(433.67)
Non-Operating Income & Expenses	385,205	291,521	(Note 2) 93,684	32.14
Income before Tax	348,211	284,589	63,622	22.36
Income Tax Profit	2,154	1,319	835	63.31
Net Income	350,365	285,908	64,457	22.54
Earning per Share	2.32	1.89	0.43	22.75

Note 1: The decrease in operating income was due to the decline in revenue and the provision of employee bonuses and directors' remuneration in accordance with the company's articles of association.

Note 2: The increase in non-operating income was due to our reinvestment corporation TAIWAN PURITIC CORP. (和崧科技), increasing the profit.

(2) Profitability Analysis

Item		2023	2022
Asset remuneration rate (%)		12.16	10.72
Return on equity (%)		12.90	11.41
Paid-in capital ratio (%)	Business Interest	(2.45)	(0.46)
	Net profit Before Tax	23.07	18.85
Net interest rate (%)		73.55	50.03

(3) Operating Status Analysis

Zinc Ingot, the main material of our Company, has been affected by the global economic downturn. The price of Zinc ingot dropped significantly in 2023, from US\$3,289 per ton in January to US\$2,502 by the end of the year. The price decrease reached up to 23.93% range, seriously affecting the Company's revenue and profit performance in 2023. Fortunately, benefit from the well-operating performance of our reinvestment corporation, TAIWAN PURITIC CORP., non-operating income increased substantially. The net profit after tax in 2023 was NT\$350.36 million, which increased 22.54% compared with the previous year. Earnings per share reached \$2.32, reaching the peak since the Company was listed in 1990.

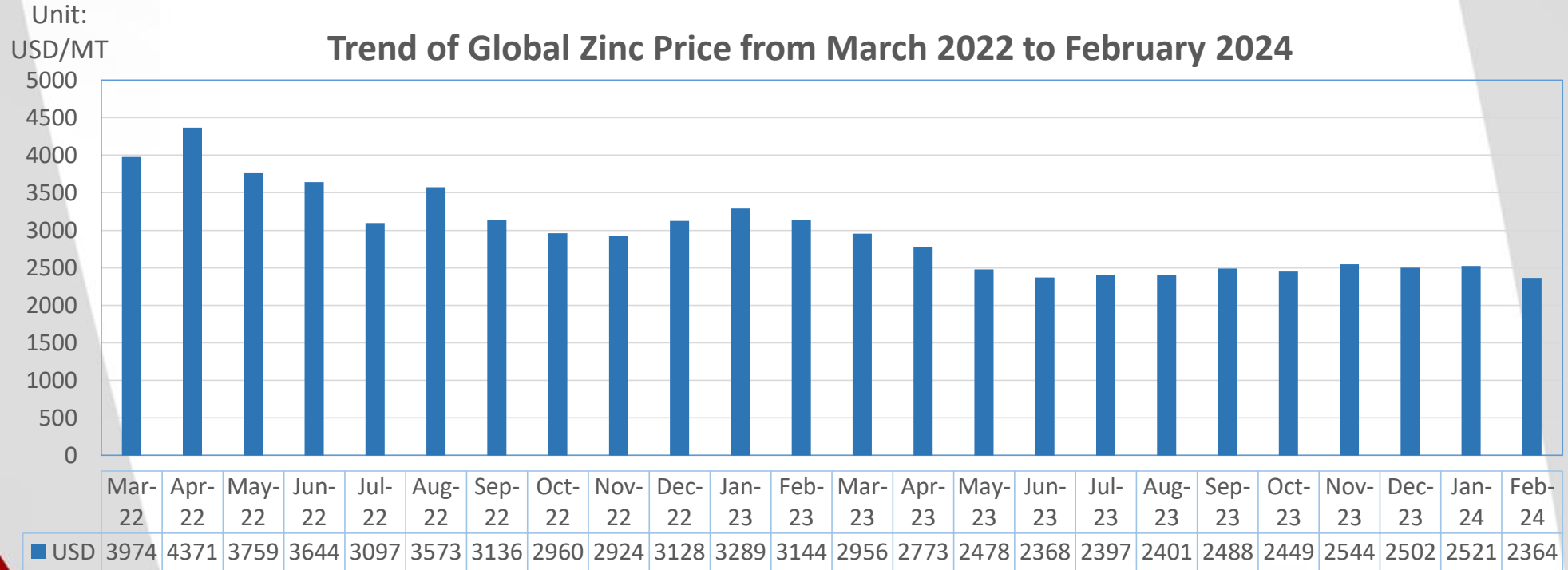
II. Important Reinvestment Overview

February 29, 2024

Category	Corporation	Shareholding	Shareholding Ratio	Dividend (2023)
Investment by equity method	 和淞科技 TAIWAN PURITIC CORP.	17,899 (Thousand Shares)	29.44%	NT\$90,996,155
Marketable securities holding	 利華羊毛 REWARD WOOL INDUSTRY CORPORATION	9,643 (Thousand Shares)	9.68%	NT\$4,105,684

III. Summary of Future Prospect

(1) Trend of Global Zinc Price



Although Zinc prices have fluctuated slightly since the second half of the year 2023, there has been a leveling-off trend, which could be a beneficial to the Company's operations recovery in 2024.

(2) Operational Prospects

Looking forward to 2024, the relaxation of the epidemic may help the global economic system return to normalcy. However, facing inflationary pressures and the continued impact of wars, the landscape remains fraught with challenges and uncertainties. The company's operating strategy continues to align with goals of innovation, high quality, diversification, and sustainability. We are not only actively expanding into overseas markets, but also enhancing competitiveness through ongoing development and quality improvement efforts.

Furthermore, the company is actively disposing of idle assets to bolster working capital and strengthen investment management, root in the chemical industry, and dedicate to maximizing benefits for shareholders.

(3) Description of current status of idle asset disposal

1. Former site of Xinwu Warehouse

Land Numbers : Tou-Jou Section

No. 23, 24, 116, 121 Land Numbers

Base area	1,047.66 Ping
Use Zoning	Special Agricultural Zone
Land Use Category	Type D Building Land
Legal Building Coverage Ratio	70%
Legal Floor Area Ratio	300%
Frontage Roadway	20 meters wide

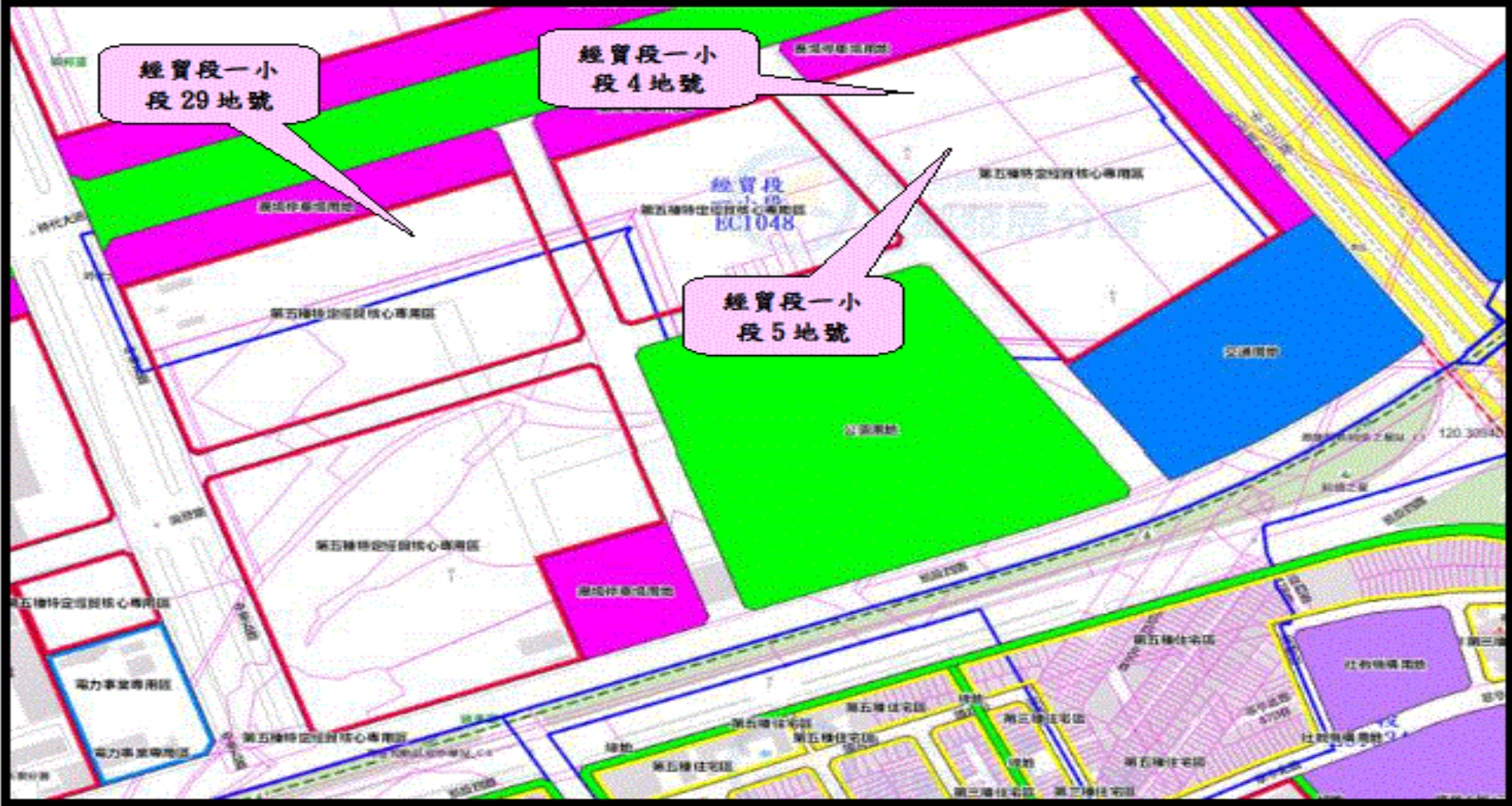
Building Numbers : Tou-Jou Section

No. 6 Building Number

Building Area	1,003.967 Ping
Building Structure	Reinforced Brick Construction
Building Floor	Three Floors Overground
Construction Completion Date	May 10, 1974

The idle asset, Xinwu warehouse of the Company, was signed to be sold to BIG SUNSHINE CO., LTD. on February 21, 2024. The total transaction price is NT\$188,570,000 (tax included) ,The disposal proceeds are approximately NT\$174 million, which are expected to be recorded in the second quarter.

2. Location of the former Kaohsiung factory



(1) As the construction promoted by Kaohsiung government in Ciaotou Science Park, Asian New Bay Area, and the relocation of the 205th Arsenal, the land of our Company's former site factory in Kaohsiung (16,643.95 square meters & approximately 5,034.79 pings) will become a core area in 5G AIoT innovation Park. This area benefits from the construction of transportation networks such as MRT, light rail, and highway, also with a good condition based on department stores entering, consummate life functions, and rare seascape with a large green landscape. The Kaohsiung City Economic and Trade Development Association is now actively discussing how to raise the usage rate in the residential area and create the most favorable development conditions.

(2) On December 1, 2023, the Company's extraordinary general meeting announced approval for the disposal of the land at the former site of the Kaohsiung factory through public tendering, and authorized the board of directors to handle the case. The case was entrusted to SAVILLS (TAIWAN) LIMITED to act as an intermediary and handle the tendering process. The base price of the first tender is NT\$4.908 billion, which failed. Currently, the second tender is being actively handled, tendering is expected to start from April 9th.

Q & A

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THANKS FOR WATCHING

