

Ticker Symbol : 2006



東和鋼鐵企業股份有限公司
TUNG HO STEEL ENTERPRISE CORP.

2019 Investor Conference

Sep 26, 2019

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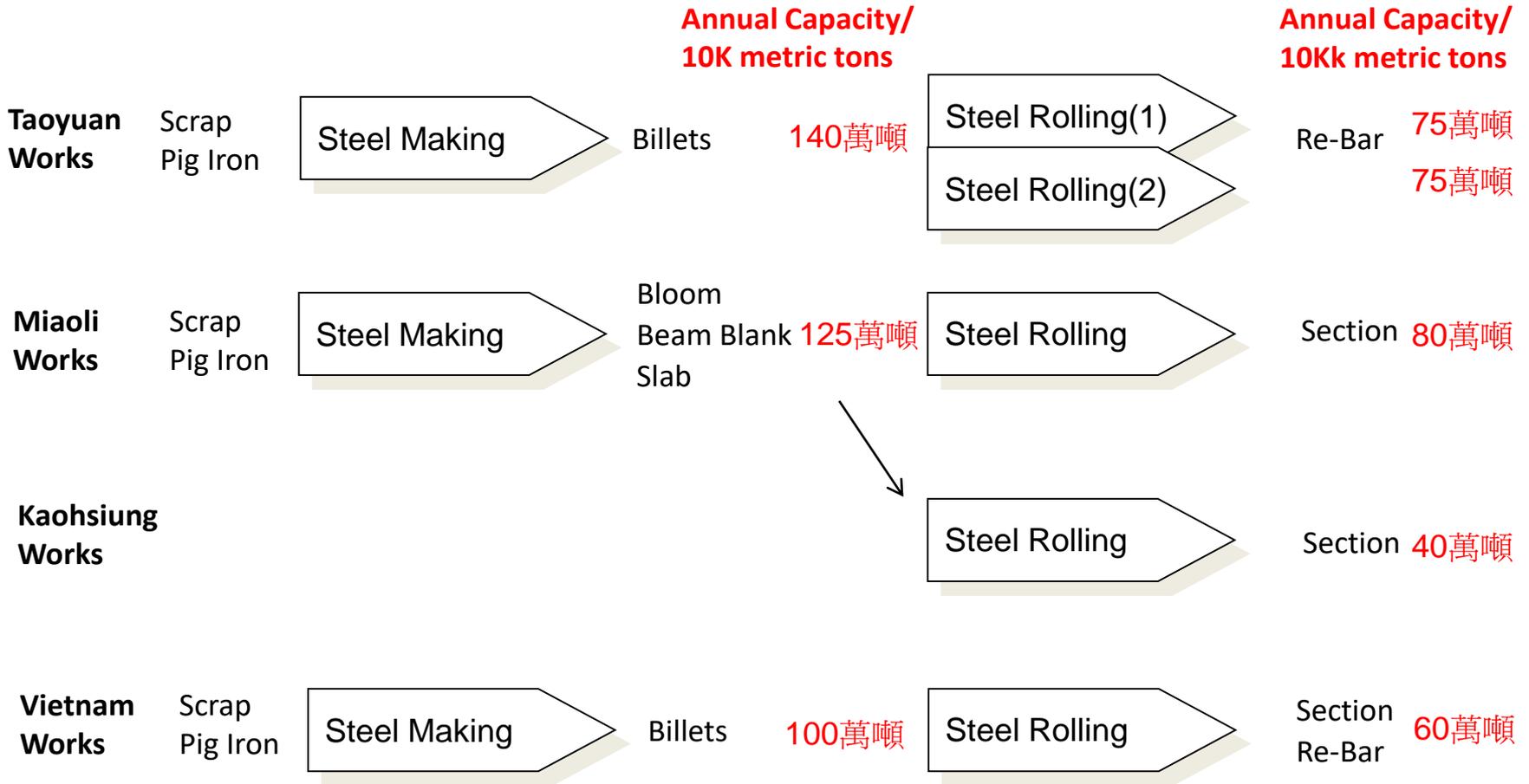
Agenda

- 1. Corporate Profile**
- 2. Financial Performance**
- 3. Key Messages**
- 4. Q&A**

Corporate Profile

- **Date of incorporation : May 30, 1962**
- **Date of IPO : July 13, 1988**
- **Issued common stock : 1,004,060 thousand shares**
- **Number of employees : 1,668**
- **Head Office : 6F., No.9, Sec. 1, Chang-an E. Rd., Taipei City, Taiwan**
- **Corporate culture : Self-discipline. Love of knowledge. Optimism.**

Facilities and Products



Agenda

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Consolidated Statements of Comprehensive Income

	For the six months ended Jun. 30		
	2019	2018	%
(Expressed in Millions of New Taiwan Dollars)			
Operating revenue, net	23,200.40	18,847.38	123.10%
Operating costs	(21,265.96)	(17,173.53)	123.83%
Gross profit, net	1,934.44	1,673.85	115.57%
Operating expenses, net	(1,006.32)	(981.78)	102.50%
Operating profits	928.12	692.07	134.11%
Non operating income and expenses	29.26	40.83	71.66%
Income tax expense	(240.72)	(168.69)	142.70%
Net income	716.66	564.21	127.02%
attributable to owners of parent	711.63	568.40	
Non controlling interests	5.03	(4.19)	
Earnings per share	0.71	0.57	
Gross profit ratio (%)	8.34%	8.88%	
Operating profit ratio (%)	4.00%	3.67%	
Net profit ratio (%)	3.09%	2.99%	

Consolidated Balance Sheets

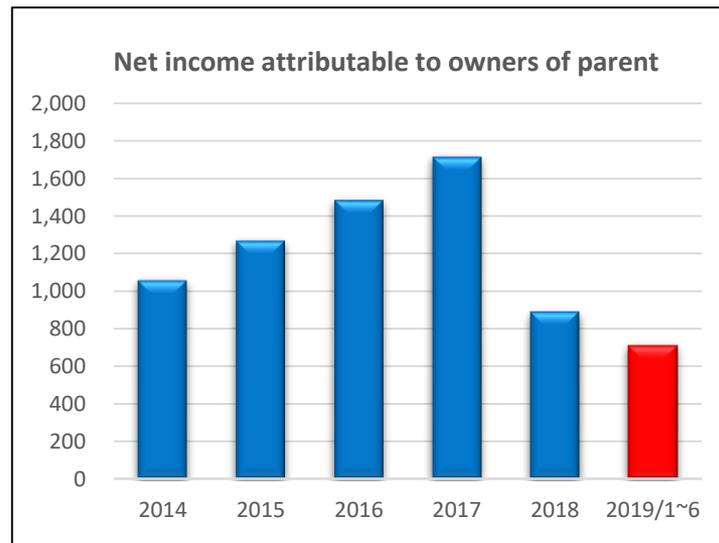
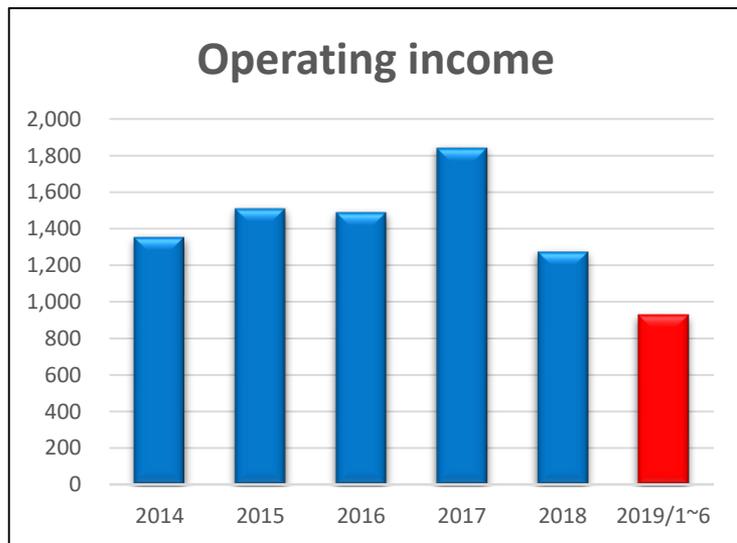
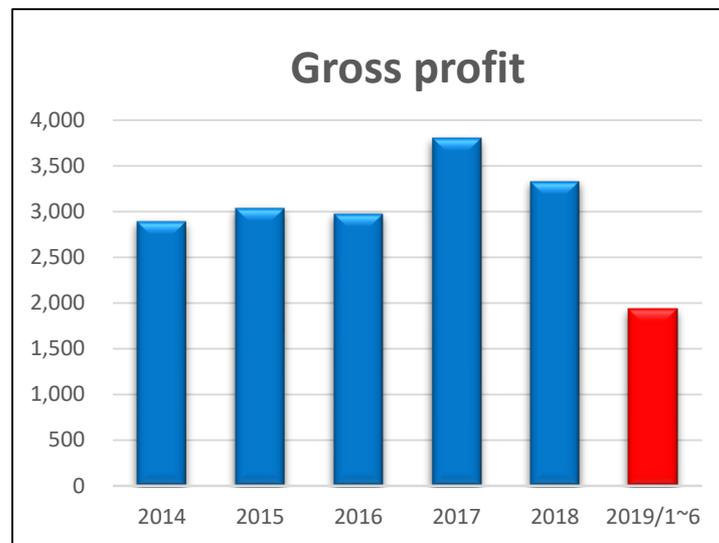
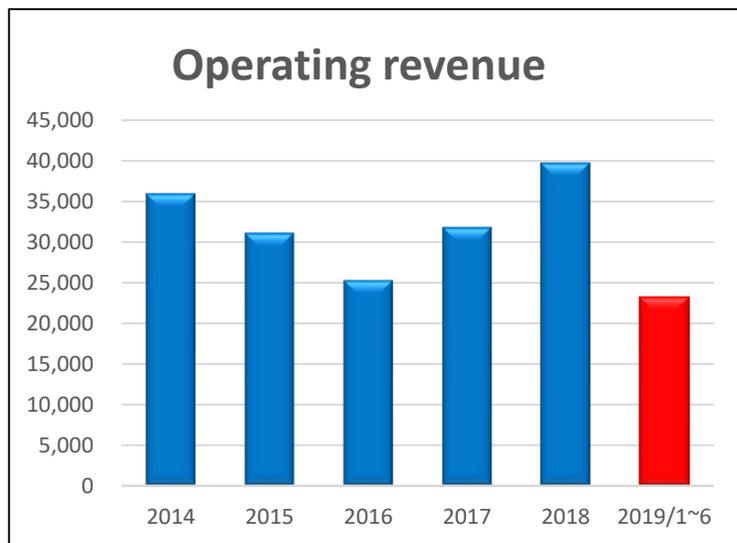
(Expressed in Millions of New Taiwan Dollars)	2019.6.30		2018.12.31		2018.6.30	
	AMT	%	AMT	%	AMT	%
Current assets	22,948.23	48%	22,968.95	47%	18,425.31	41%
Cash and Current financial assets	944.38	2%	1,232.54	3%	1,535.76	3%
Receivable, net	7,028.88	15%	5,042.96	10%	5,181.81	11%
Inventory	13,994.33	29%	15,453.08	32%	10,842.91	24%
other current assets	980.64	2%	1,240.37	3%	864.83	2%
Non current assets	25,202.66	52%	25,589.54	53%	26,841.86	59%
Real properties, plants and devices	20,245.96	43%	20,694.94	43%	20,785.64	45%
other non current assets	4,956.70	9%	4,894.60	10%	6,056.22	13%
Total assets	48,150.89	100%	48,558.49	100%	45,267.17	100%
Current liabilities	17,706.91	36%	17,489.73	36%	15,769.00	35%
Short term loans	11,968.21	25%	13,252.10	27%	9,948.89	22%
other current liabilities	5,738.70	11%	4,237.63	10%	5,820.11	12%
Non-current liabilities	6,826.57	14%	7,058.00	15%	6,052.97	13%
Total liabilities	24,533.48	51%	24,547.73	51%	21,821.97	48%
Total equity	23,617.41	49%	24,010.76	49%	23,445.20	52%
Total liabilities & equity	48,150.89	100%	48,558.49	100%	45,267.17	100%

Consolidated Statements of Cash Flows

(Expressed in Millions of New Taiwan Dollars)	For the six months ended Jun. 30	
	2019	2018
Cash at beginning of period	1,097.98	1,020.46
Cash flows from operating activities	1,457.70	(1,937.59)
Cash flows from investing activities	(286.01)	(866.41)
Cash flows from financing activities	(1,535.77)	3,163.09
Effect of exchange rate changes	55.83	(60.00)
Cash at beginning of period	789.73	1,319.55
Free Cash flows	1,171.69	(2,804.00)
Cash dividends	1,204.87	1,405.69

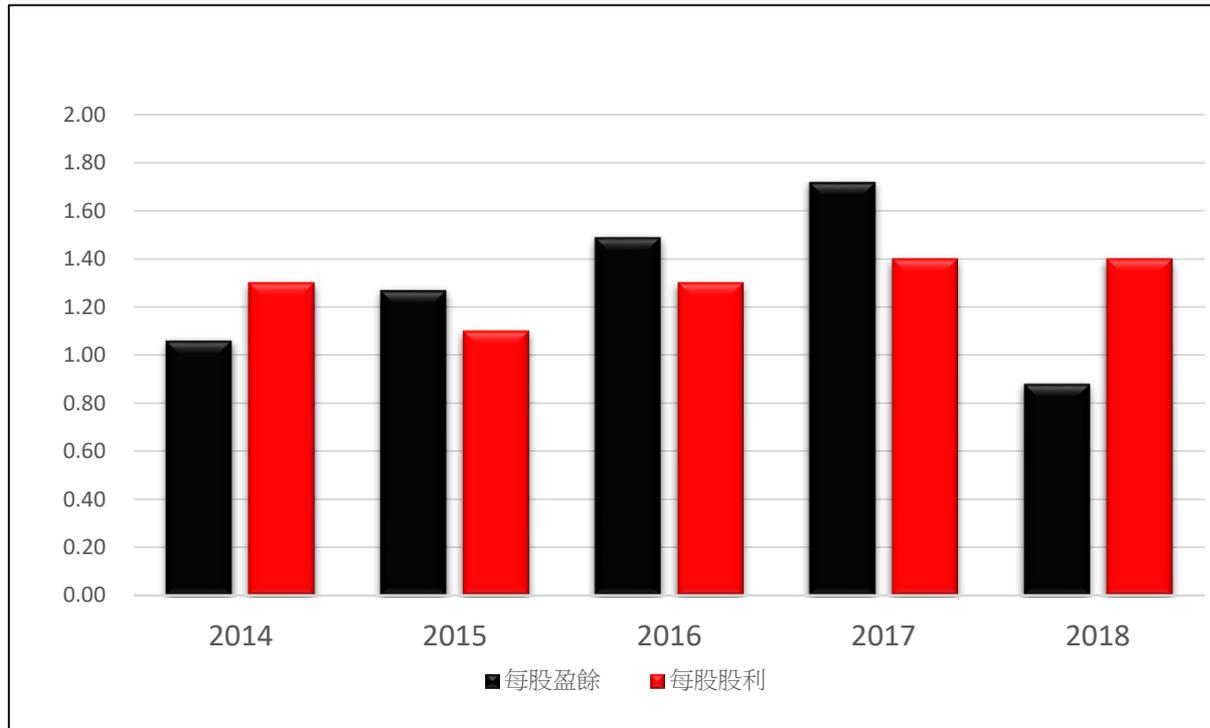
(NT\$Millions)

Historical Operating Results



Historical Dividend

(NT\$)



■ Earnings per share

■ Dividend per share

Agenda

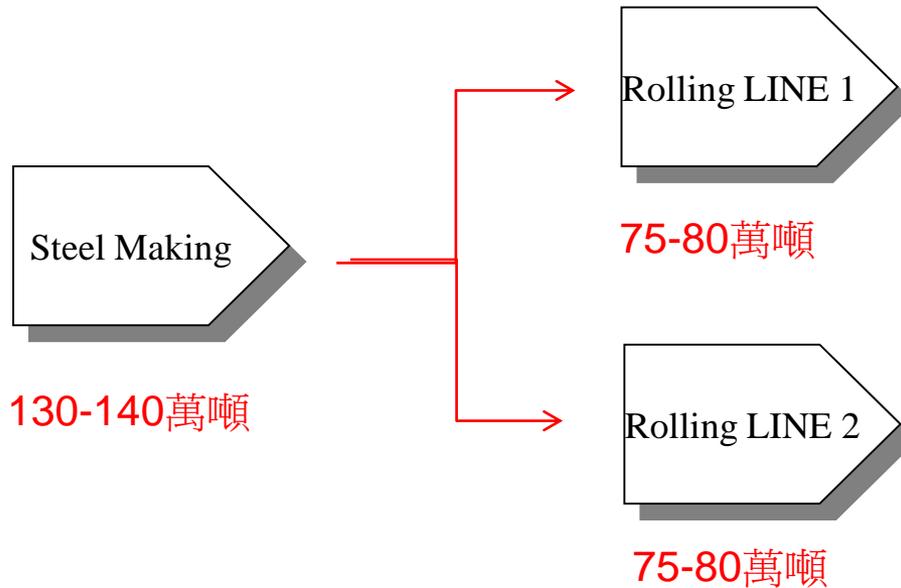
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Key Messages

1. **Improvement of Taoyuan Works' capabilities and efficiency**
2. **THSVC new rolling mill put into production**
3. **Corporate Governance Performance**

Improvement of Taoyuan Works' capabilities and efficiency

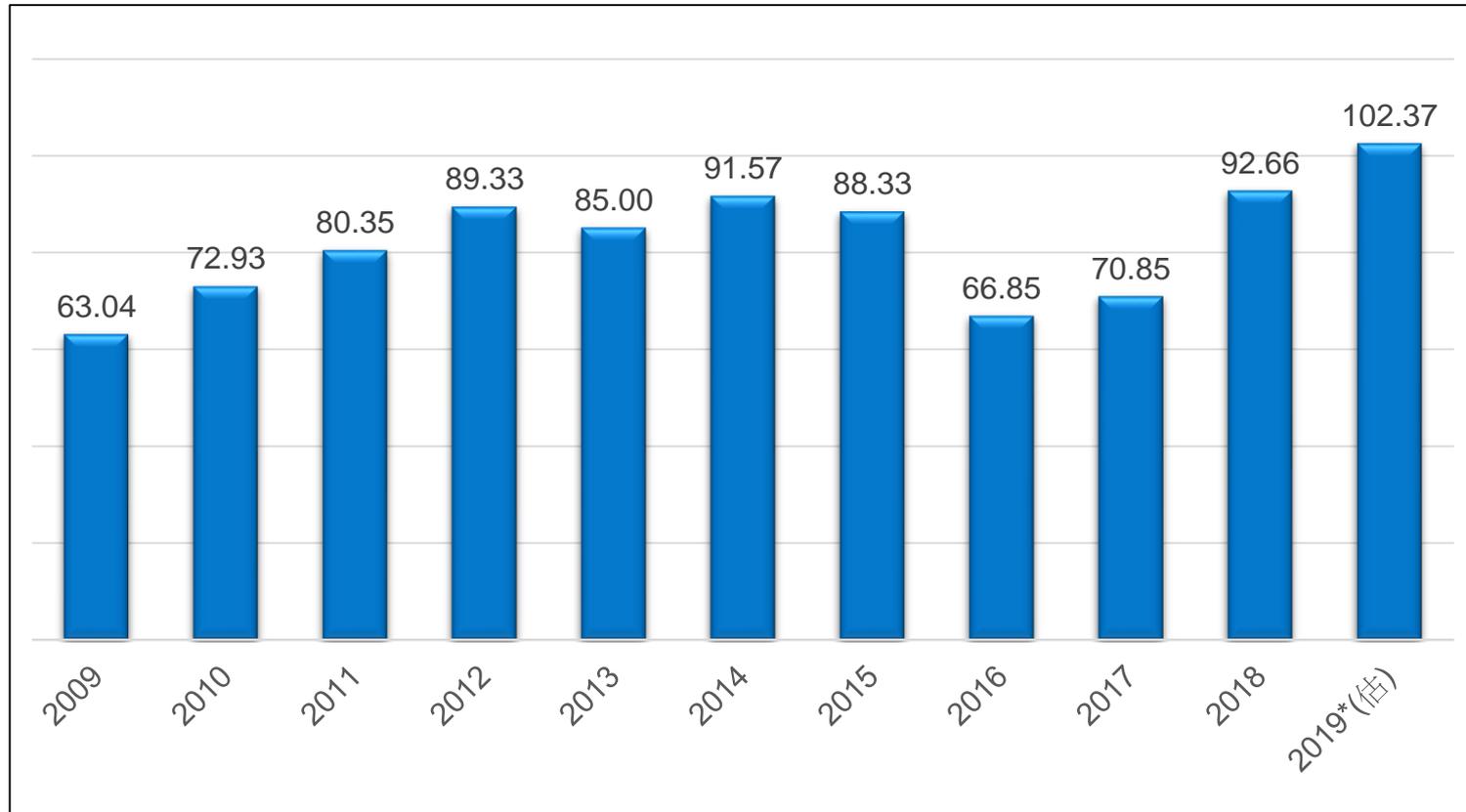
Annual Capacity/
10K metric tons



Improvement of Taoyuan Works' capabilities and efficiency

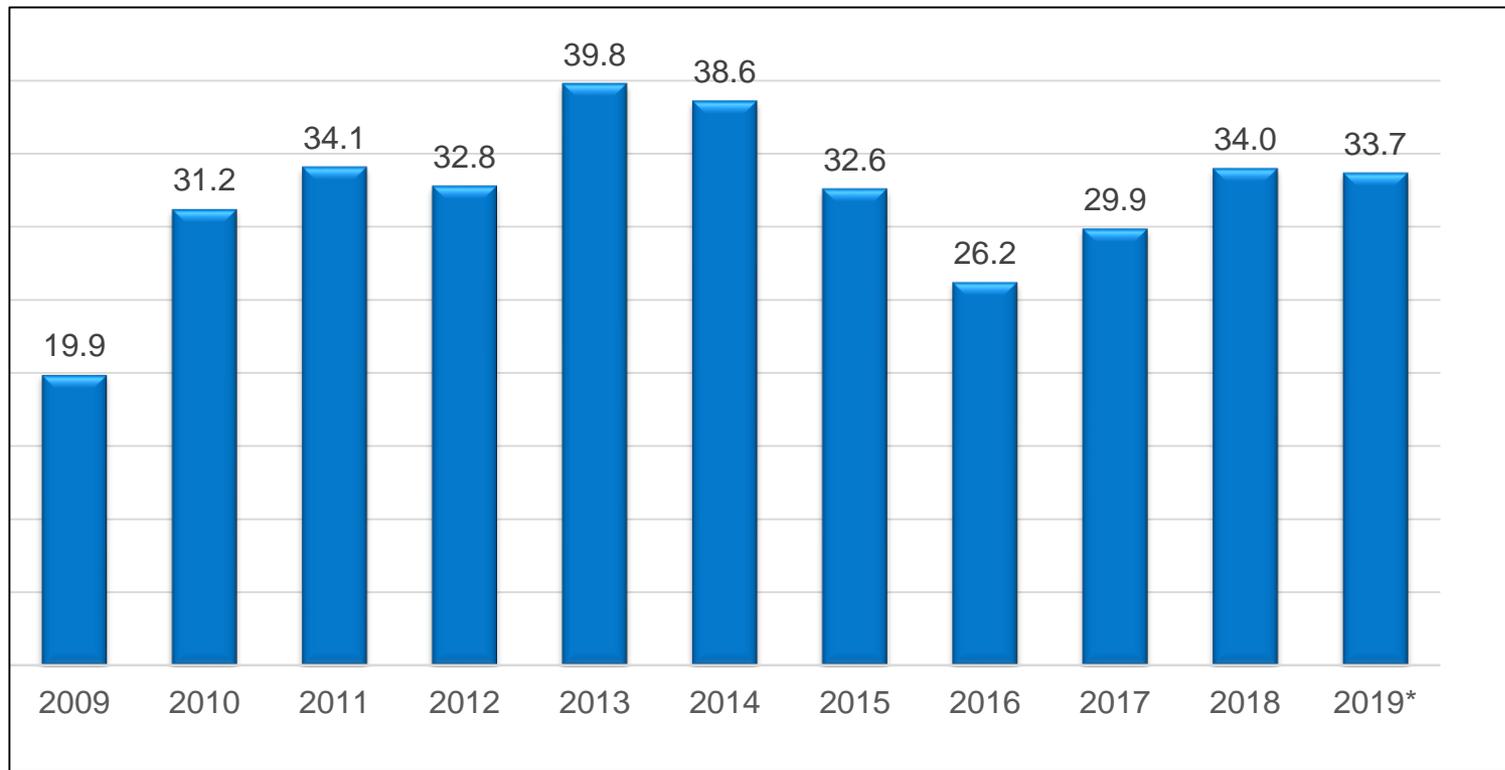
Tung Ho Steel' annual rebar production

10K metric tons



Improvement of Taoyuan Works' capabilities and efficiency

Floor area of building permit(Million m2)



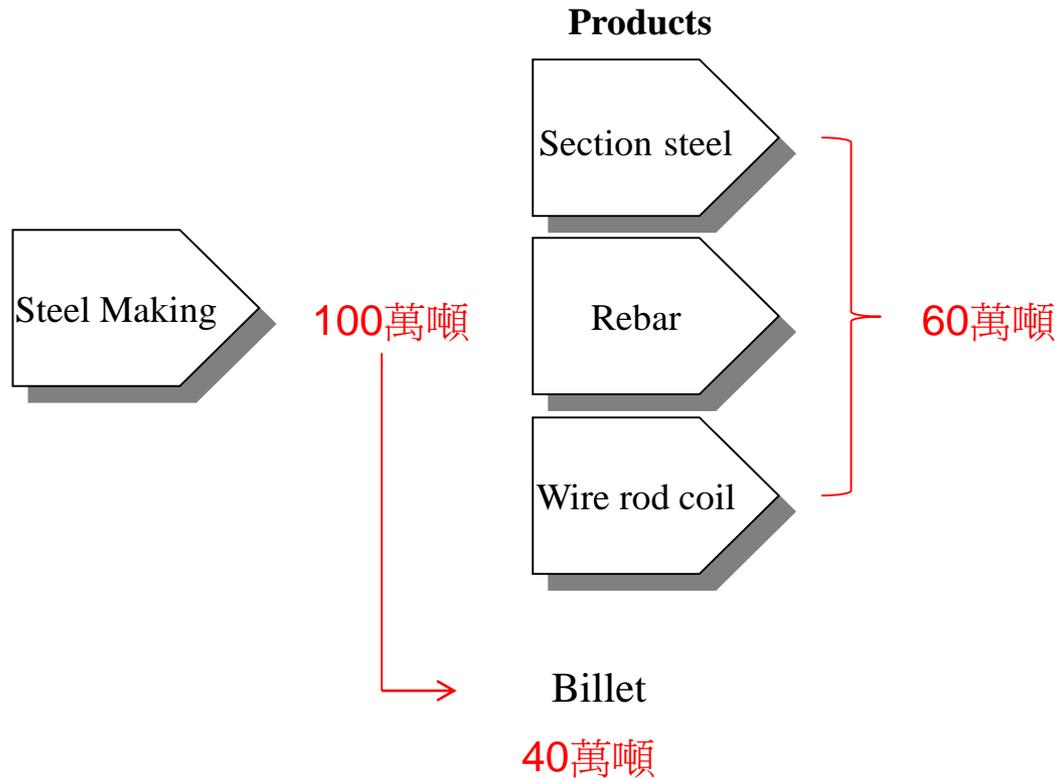
台灣鋼筋
年需求量
(百萬噸)

3.90 4.99 5.66 5.73 5.79 6.06 5.65 4.77 4.71 5.23 5.44*

* 依1-6月統計
數據推估

THSVC new rolling mill put into production

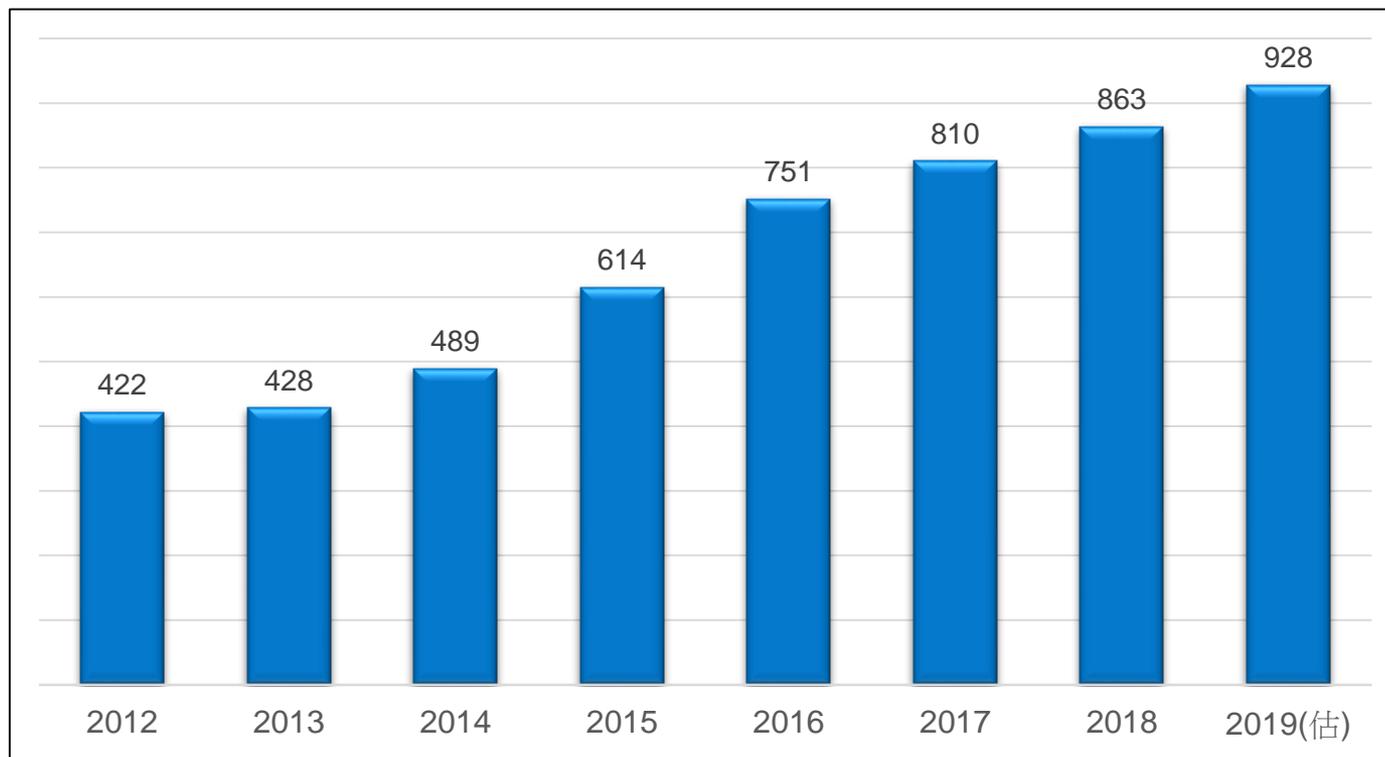
Annual Capacity/
10K metric tons



THSVC new rolling mill put into production

Annual Demand of long steel products in Vietnam domestic market

10K metric tons



Corporate Governance Performance

- Tung Ho Steel Enterprise Corporation was endowed with the honor to win the “Traditional Manufacturing – Gold Award” of “TCSA Taiwan Enterprise Sustainability Award ”, in year 2018 ◦
- It’s the fourth year that Tung Ho Steel Enterprise Corporation has been evaluated for 6% to 20% in corporate governance evaluation system from TWSE ◦
- Tung Ho Steel Enterprise Corporation was included in the “ Taiwan Stock Exchange Corporate Governance Index 100 ” for two consecutive years.



東和鋼鐵企業股份有限公司
TUNG HO STEEL ENTERPRISE CORP.

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