

Ticker Symbol : 2006



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

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# 2020 Investor Conference

Dec 15, 2020

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- The Company's actual results of operations, financial condition and results of operations may differ from the forecasted information, which may be due to various factors including but not limited to market demand, changes in various policies and regulations and the overall economic situation, and other factors or risks the Company can not control.
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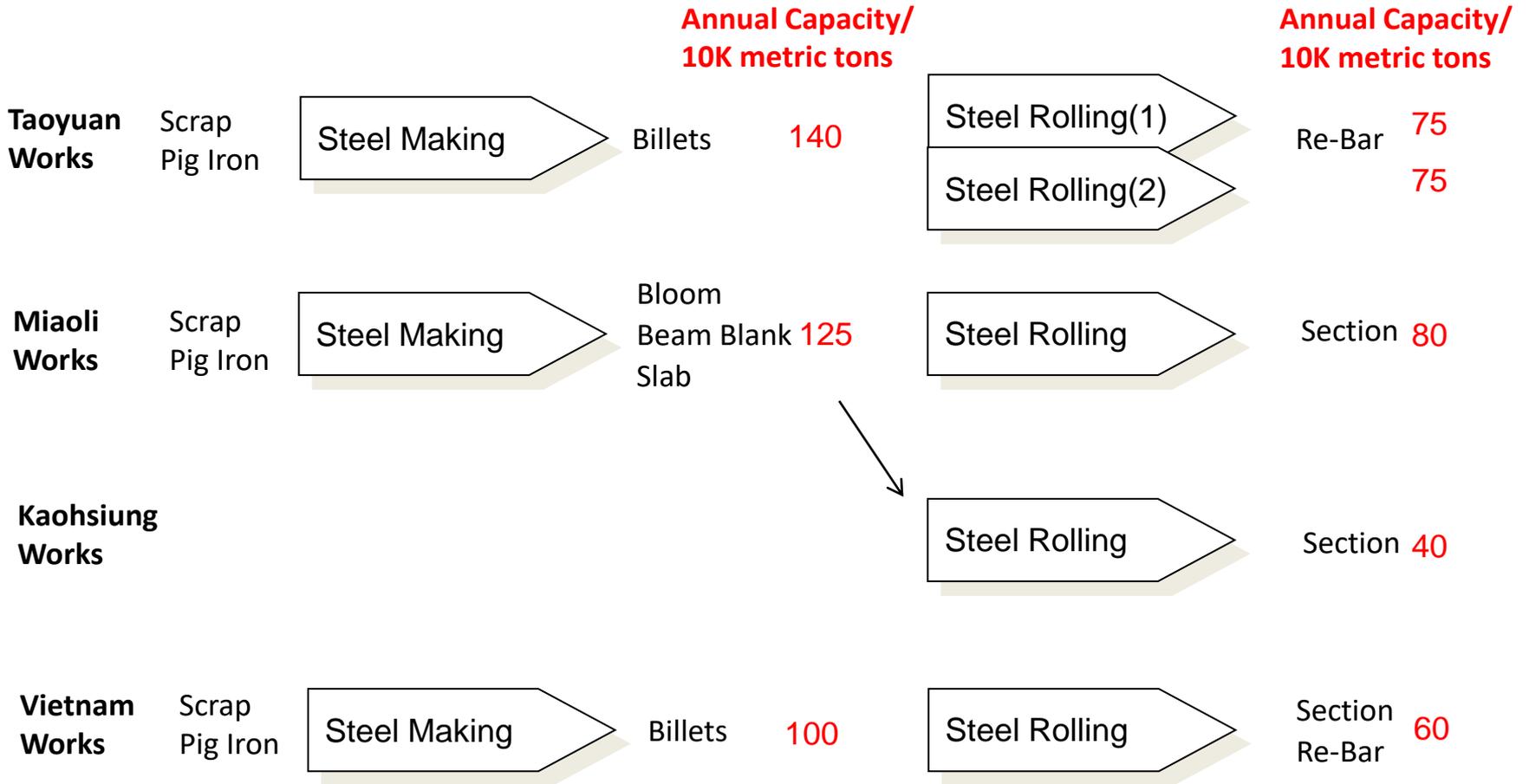
# Agenda

- 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 : 1,016,790 thousand shares**
- **Number of employees : 1,744**
- **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

1. Corporate Profile
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4. Q&A

# Consolidated Statements of Comprehensive Income

	For the nine months ended Sep. 30		
	2020	2019	%
(Expressed in Millions of New Taiwan Dollars)			
Operating revenue, net	30,115.58	33,734.73	89.27%
Operating costs	(25,824.29)	(30,826.72)	83.77%
Gross profit, net	4,291.29	2,908.01	147.57%
Operating expenses, net	(1,515.10)	(1,496.28)	101.26%
Operating profits	2,776.19	1,411.73	196.65%
Non operating income and expenses	(76.35)	51.68	-147.74%
Income tax expense	(730.97)	(363.43)	201.13%
Net income	1,968.87	1,099.98	178.99%
attributable to owners of parent	1,982.69	1,100.37	
Non controlling interests	(13.82)	(0.39)	
Earnings per share	1.97	1.1	
Gross profit ratio (%)	14.25%	8.62%	
Operating profit ratio (%)	9.22%	4.18%	
Net profit ratio (%)	6.54%	3.26%	

# Consolidated Balance Sheets

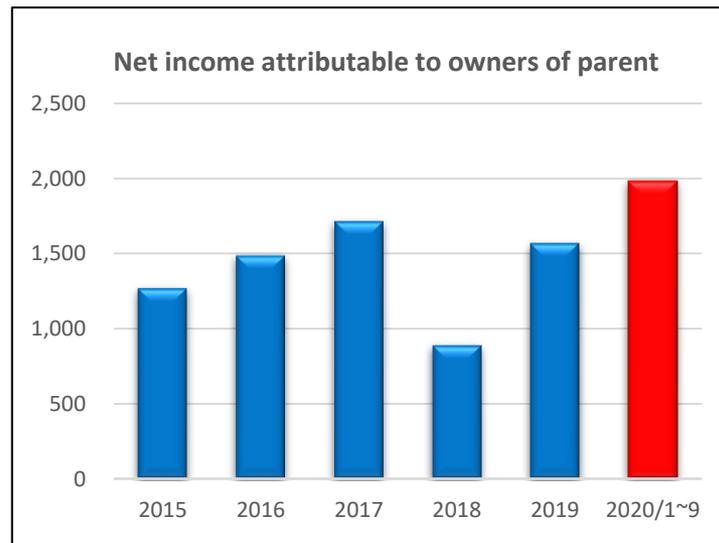
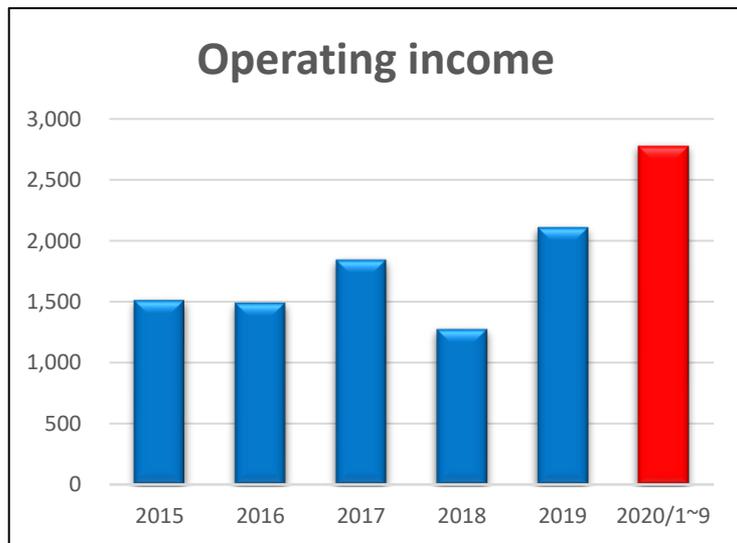
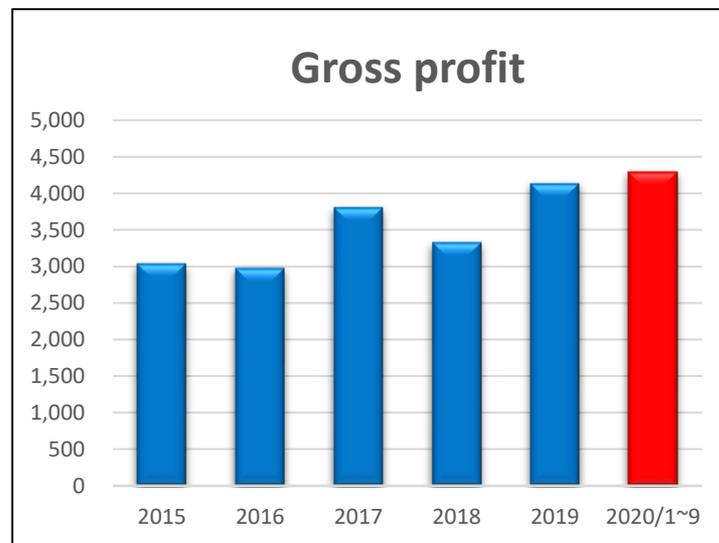
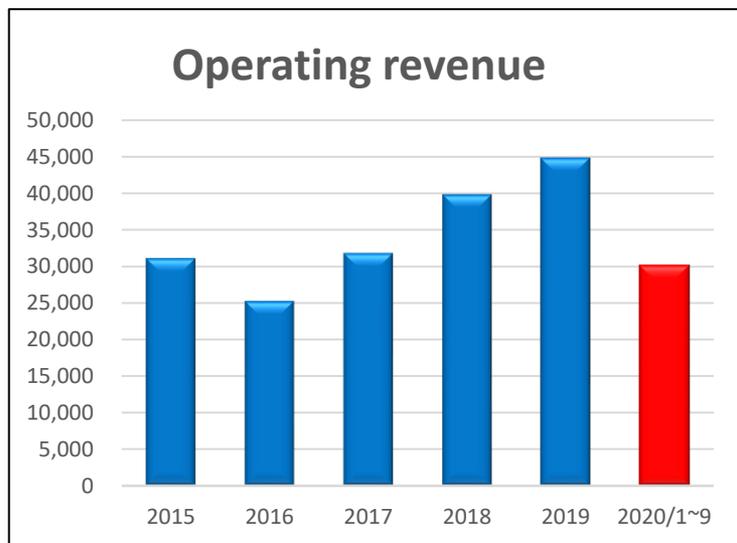
(Expressed in Millions of New Taiwan Dollars)	2020.9.30		2019.12.31		2019.9.30	
	AMT	%	AMT	%	AMT	%
<b>Current assets</b>	<b>20,985.56</b>	<b>47%</b>	<b>23,009.27</b>	<b>48%</b>	<b>23,996.03</b>	<b>49%</b>
Cash and Current financial assets	1,434.71	3%	1,139.81	2%	1,456.39	3%
Receivable, net	5,614.90	13%	7,095.44	15%	6,510.28	14%
Inventory	13,068.28	29%	13,819.64	29%	14,892.33	30%
other current assets	867.67	2%	954.38	2%	1,137.03	2%
<b>Non current assets</b>	<b>23,521.49</b>	<b>53%</b>	<b>24,682.24</b>	<b>52%</b>	<b>24,948.95</b>	<b>51%</b>
Real properties, plants and devices	18,748.29	42%	19,648.49	41%	20,035.03	41%
other non current assets	4,773.20	11%	5,033.75	11%	4,913.92	10%
<b>Total assets</b>	<b>44,507.05</b>	<b>100%</b>	<b>47,691.51</b>	<b>100%</b>	<b>48,944.98</b>	<b>100%</b>
<b>Current liabilities</b>	<b>15,987.75</b>	<b>36%</b>	<b>15,670.44</b>	<b>33%</b>	<b>17,758.92</b>	<b>36%</b>
Short term loans	8,286.70	19%	10,496.72	22%	12,971.82	27%
other current liabilities	7,701.05	17%	5,173.72	11%	4,787.10	10%
<b>Non-current liabilities</b>	<b>3,375.09</b>	<b>8%</b>	<b>7,719.66</b>	<b>16%</b>	<b>7,210.53</b>	<b>15%</b>
<b>Total liabilities</b>	<b>19,362.84</b>	<b>44%</b>	<b>23,390.10</b>	<b>49%</b>	<b>24,969.45</b>	<b>51%</b>
<b>Total equity</b>	<b>25,144.21</b>	<b>56%</b>	<b>24,301.41</b>	<b>51%</b>	<b>23,975.53</b>	<b>49%</b>
<b>Total liabilities &amp; equity</b>	<b>44,507.05</b>	<b>100%</b>	<b>47,691.51</b>	<b>100%</b>	<b>48,944.98</b>	<b>100%</b>

# Consolidated Statements of Cash Flows

(Expressed in Millions of New Taiwan Dollars)	For the nine months ended Sep. 30	
	2020	2019
Cash at beginning of period	976.85	1,097.98
Cash flows from operating activities	5,847.62	1,939.29
Cash flows from investing activities	(231.61)	(374.74)
Cash flows from financing activities	(5,249.18)	(1,445.47)
Effect of exchange rate changes	(49.16)	73.88
Cash at beginning of period	1,294.52	1,290.94
Free Cash flows	5,616.01	1,564.55
Cash dividends	1,355.48	1,204.87

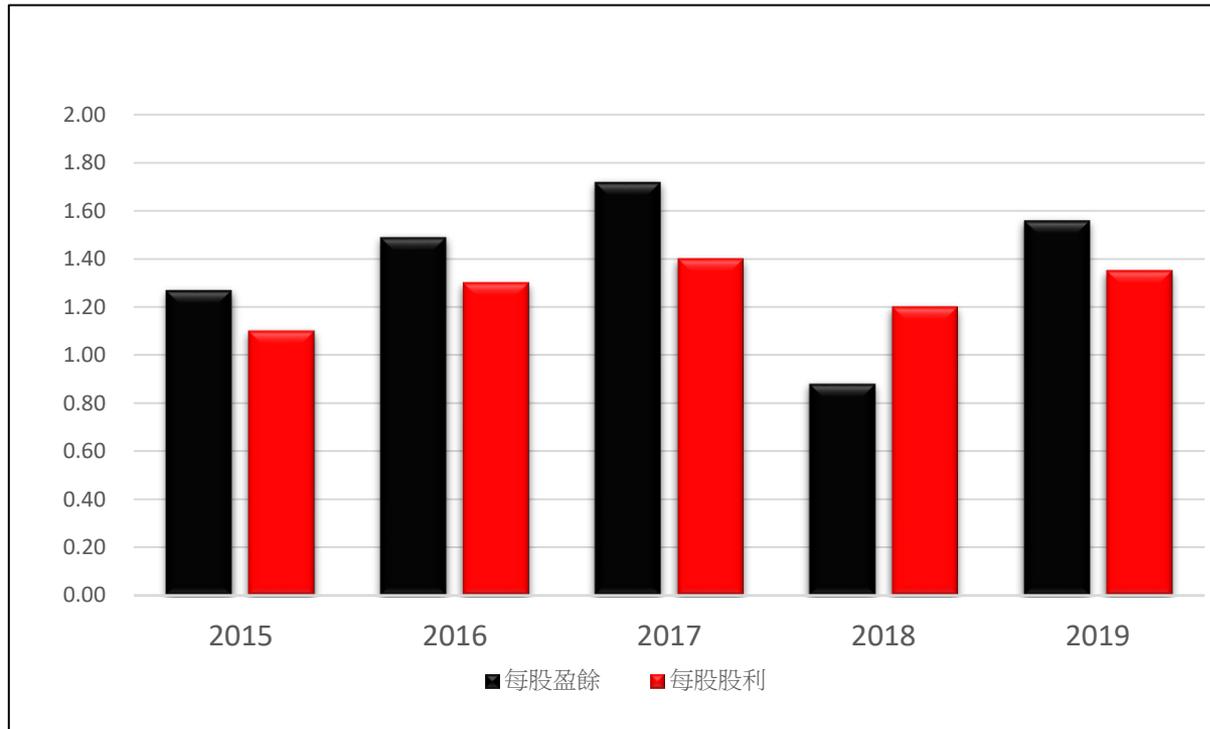
(NT\$Millions)

## Historical Operating Results



# Historical Dividend

(NT\$)



■ Earnings per share

■ Dividend per share

# Agenda

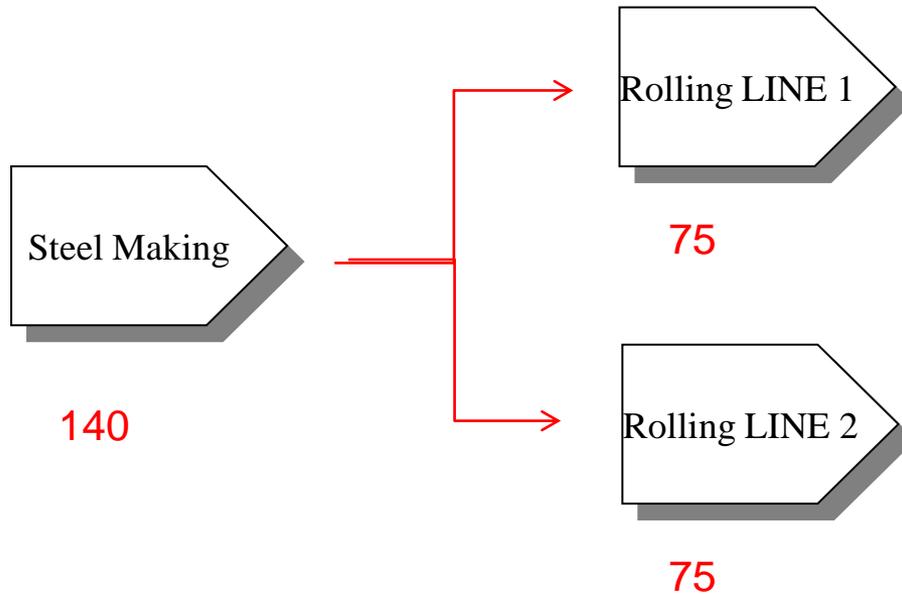
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## Key Messages

- 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

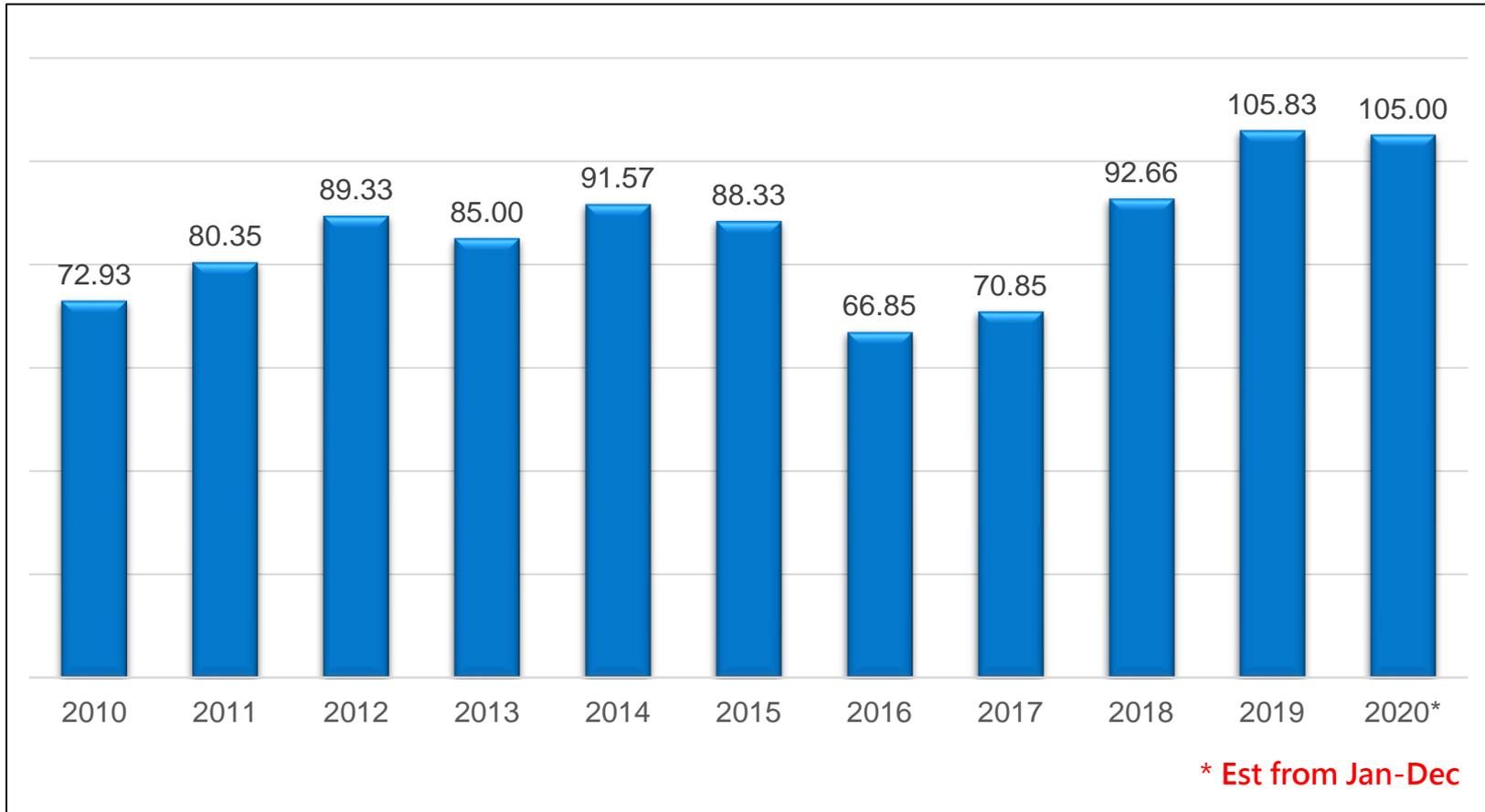
Annual Capacity/  
10K metric tons



# Improvement of Taoyuan Works' capabilities and efficiency

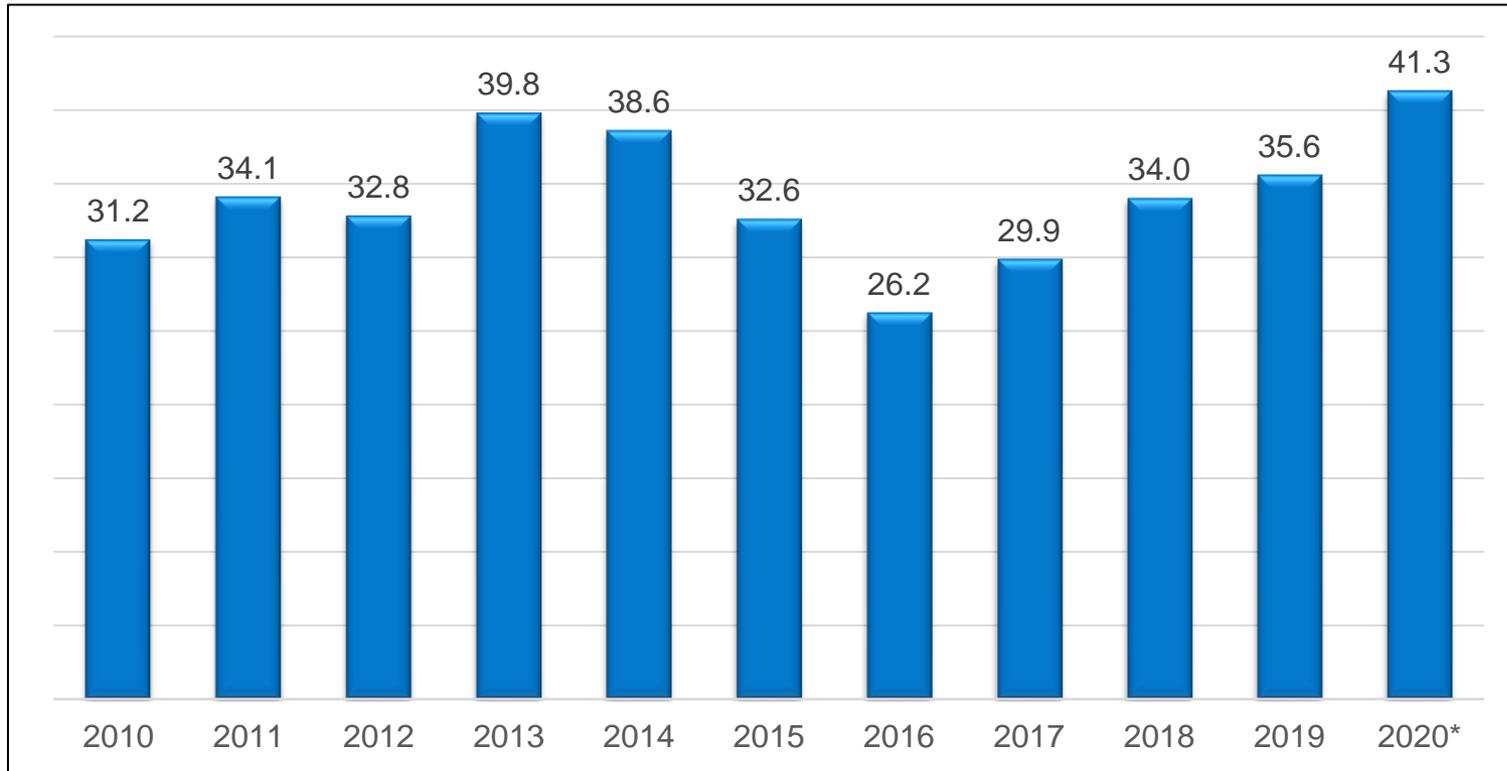
## Tung Ho Steel' annual rebar production

10K metric tons



# Improvement of Taoyuan Works' capabilities and efficiency

Floor area of building permit(Million m2)



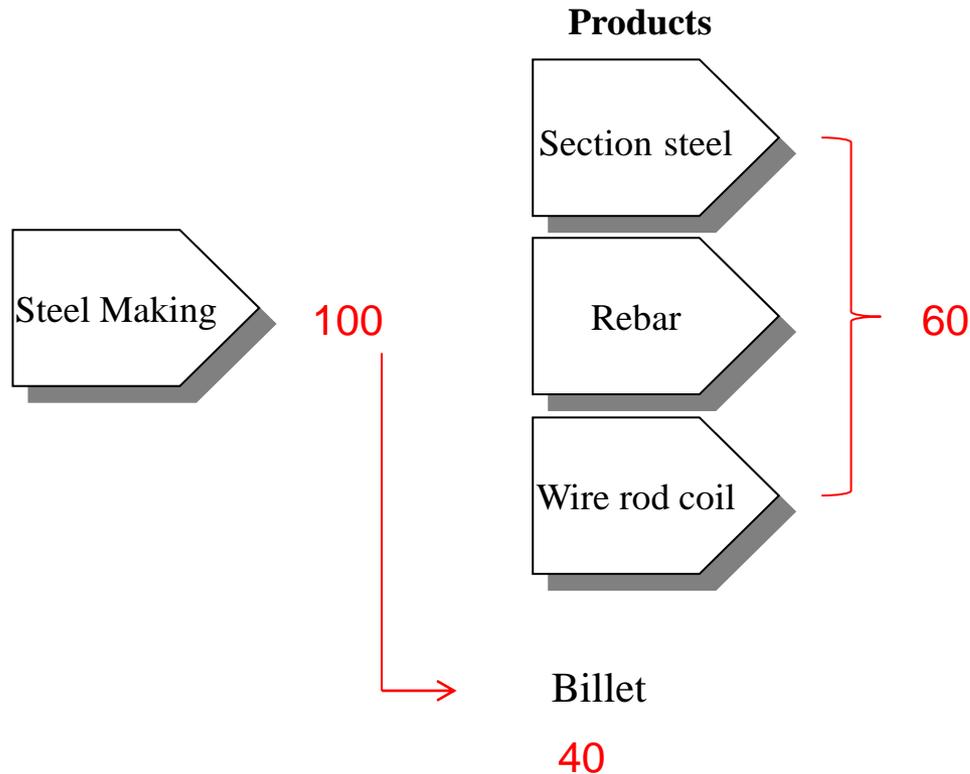
4.99 5.66 5.73 5.79 6.06 5.65 4.77 4.71 5.23 5.49 5.59\*

Taiwan Annual Steel Demand (Million tons)

\* Est from Jan-Dec

# THSVC new rolling mill put into production

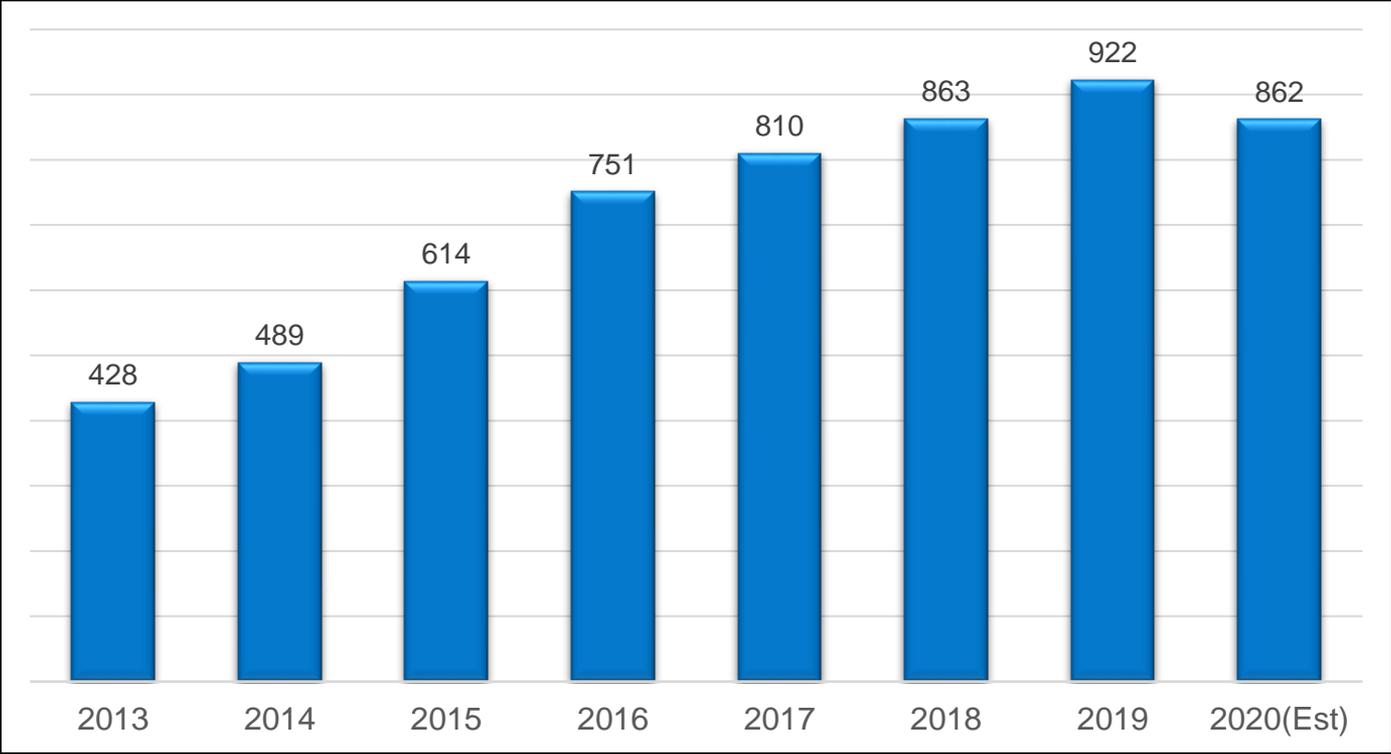
Annual Capacity/  
10K metric tons



# 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 ” ◦
- It’s the five 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.



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