

Ticker Symbol : 2006



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

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# 2023 Investor Conference

Sep 12, 2023

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- The information contained in this presentation and its accompanying announcements, including its business outlook, financial position and business forecasts, is based on internal information and external economic developments as a whole.
- 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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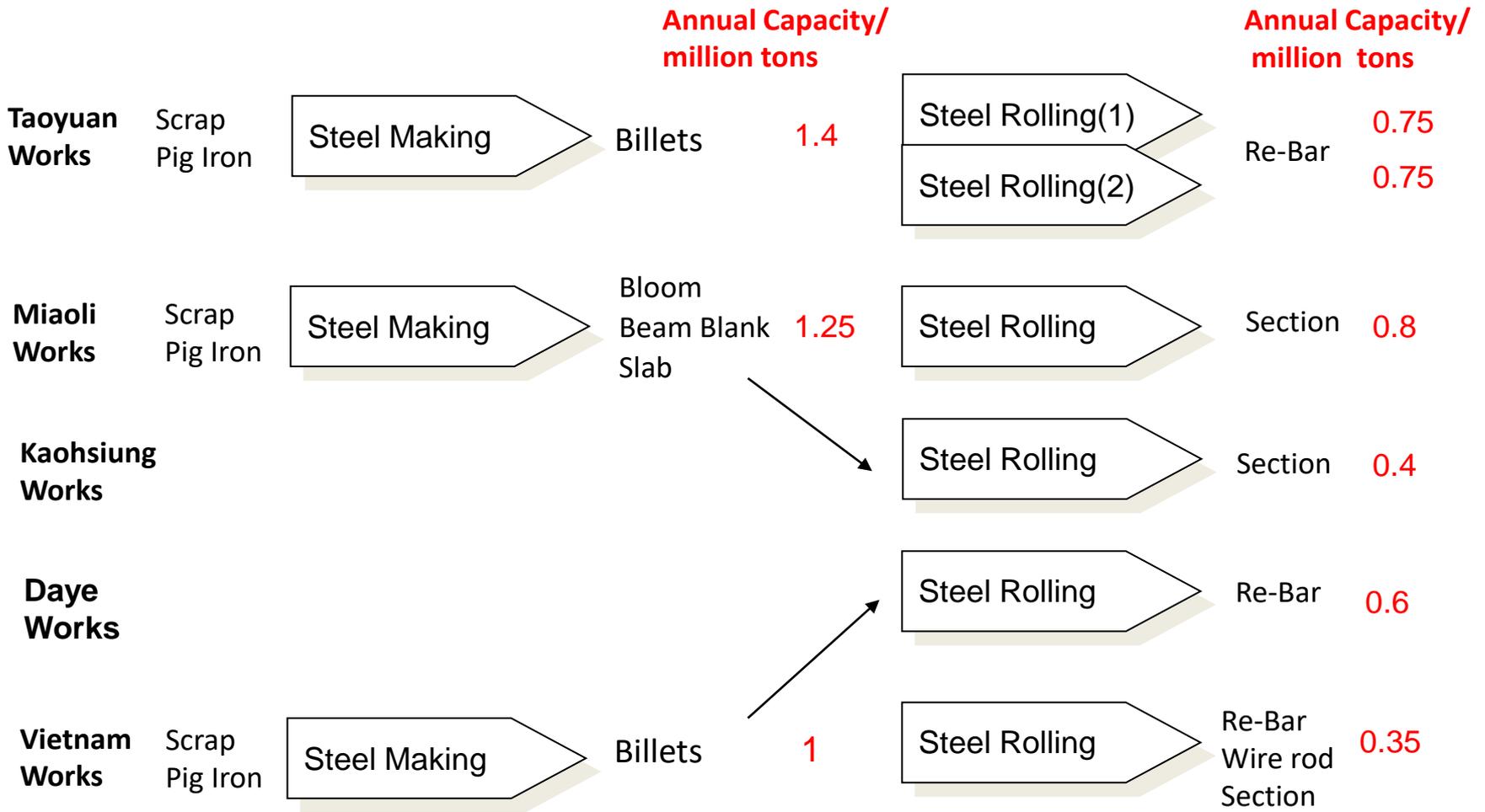
# Agenda

- 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 : 730,214 thousand shares**
- **Number of employees : 2,016**
- **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
2. Financial Performance
3. Key Messages
4. Q&A

# Consolidated Statements of Comprehensive Income

	For the six months ended Jun. 30		
	2023	2022	%
(Expressed in Millions of New Taiwan Dollars)			
Operating revenue, net	29,435.81	31,421.21	93.68%
Operating costs	(25,327.44)	(27,030.12)	93.70%
Gross profit, net	4,108.37	4,391.09	93.56%
Operating expenses, net	(1,244.59)	(1,193.34)	104.29%
Operating profits	2,863.78	3,197.75	89.56%
Non operating income and expenses	21.08	163.11	12.92%
Income tax expense	(655.27)	(731.45)	89.59%
Net income	2,229.59	2,629.41	84.79%
attributable to owners of parent	2,221.73	2,619.57	
Non controlling interests	7.86	9.84	
Earnings per share	<b>3.04</b>	<b>3.59</b>	
Gross profit ratio (%)	13.96%	13.97%	
Operating profit ratio (%)	9.73%	10.18%	
Net profit ratio (%)	7.57%	8.37%	

# Consolidated Balance Sheets

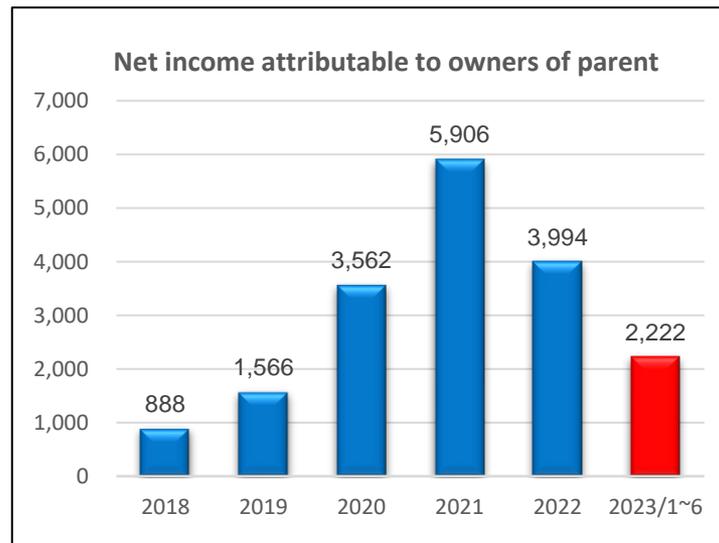
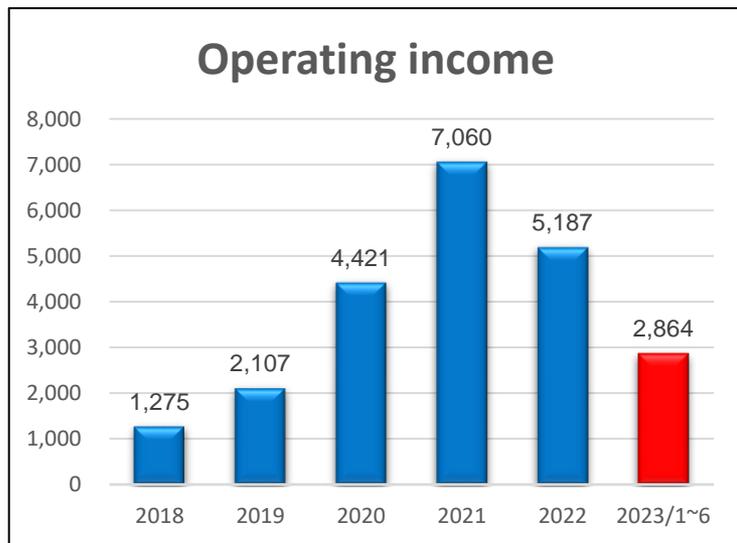
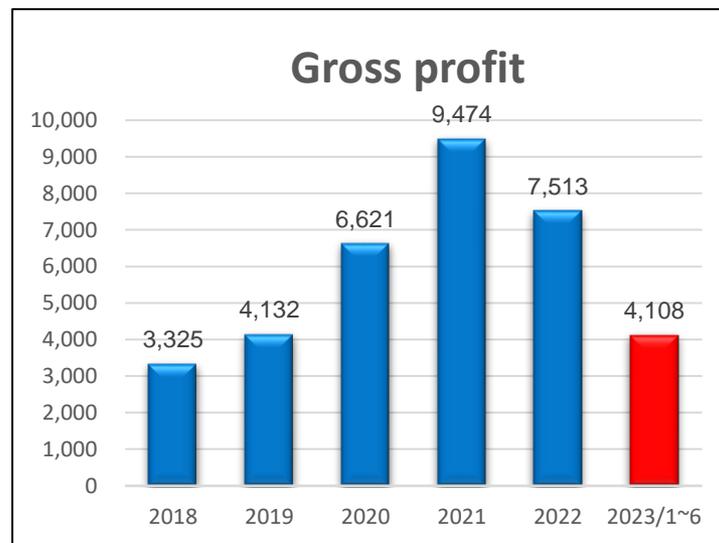
(Expressed in Millions of New Taiwan Dollars)	2023.6.30		2022.12.31		2022.6.30	
	AMT	%	AMT	%	AMT	%
<b>Current assets</b>	<b>31,005.93</b>	<b>56%</b>	<b>29,655.05</b>	<b>54%</b>	<b>33,171.05</b>	<b>60%</b>
Cash and Current financial assets	2,018.23	4%	2,289.25	4%	1,874.49	3%
Receivable, net	8,719.13	16%	7,446.21	14%	8,583.27	15%
Inventory	18,802.88	34%	18,821.30	34%	21,454.56	39%
other current assets	1,465.69	3%	1,098.29	2%	1,258.73	2%
<b>Non current assets</b>	<b>24,677.11</b>	<b>44%</b>	<b>25,111.50</b>	<b>46%</b>	<b>23,294.02</b>	<b>42%</b>
Real properties, plants and devices	19,597.59	36%	20,038.57	37%	18,105.89	34%
other non current assets	5,079.52	8%	5,072.93	9%	5,188.13	8%
<b>Total assets</b>	<b>55,683.04</b>	<b>100%</b>	<b>54,766.55</b>	<b>100%</b>	<b>56,465.07</b>	<b>101%</b>
<b>Current liabilities</b>	<b>23,767.21</b>	<b>43%</b>	<b>22,605.25</b>	<b>41%</b>	<b>25,450.52</b>	<b>46%</b>
Short term loans	15,637.85	28%	14,594.47	27%	16,613.34	30%
other current liabilities	8,129.36	15%	8,010.78	15%	8,819.18	16%
<b>Non-current liabilities</b>	<b>3,149.79</b>	<b>6%</b>	<b>3,246.78</b>	<b>6%</b>	<b>3,363.97</b>	<b>6%</b>
<b>Total liabilities</b>	<b>26,917.00</b>	<b>48%</b>	<b>25,852.03</b>	<b>47%</b>	<b>28,814.49</b>	<b>52%</b>
<b>Total equity</b>	<b>28,766.04</b>	<b>52%</b>	<b>28,914.52</b>	<b>53%</b>	<b>27,650.58</b>	<b>50%</b>
<b>Total liabilities &amp; equity</b>	<b>55,683.04</b>	<b>100%</b>	<b>54,766.55</b>	<b>100%</b>	<b>56,465.07</b>	<b>101%</b>

# Consolidated Statements of Cash Flows

(Expressed in Millions of New Taiwan Dollars)	For the six months ended Jun. 30	
	2023	2022
Cash at beginning of period	2,126.51	1,530.39
Cash flows from operating activities	1,732.97	1,175.04
Cash flows from investing activities	(256.52)	(122.32)
Cash flows from financing activities	(1,792.36)	(1,112.34)
Effect of exchange rate changes	(33.55)	211.85
Cash at beginning of period	1,777.05	1,682.62
Free Cash flows	1,476.45	1,052.72
Cash dividends	2,555.75	4,673.37

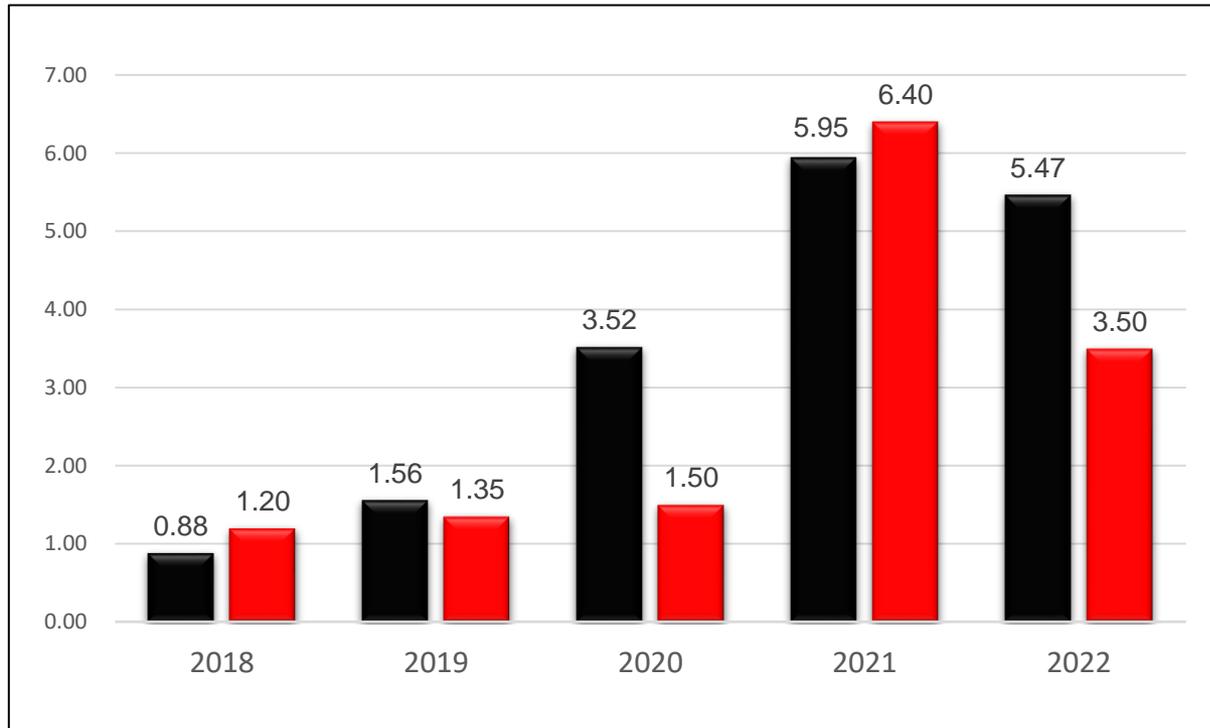
(NT\$Millions)

# Historical Operating Results



# Historical Dividend

(NT\$)



■ Earnings per share

■ Dividend per share

# Agenda

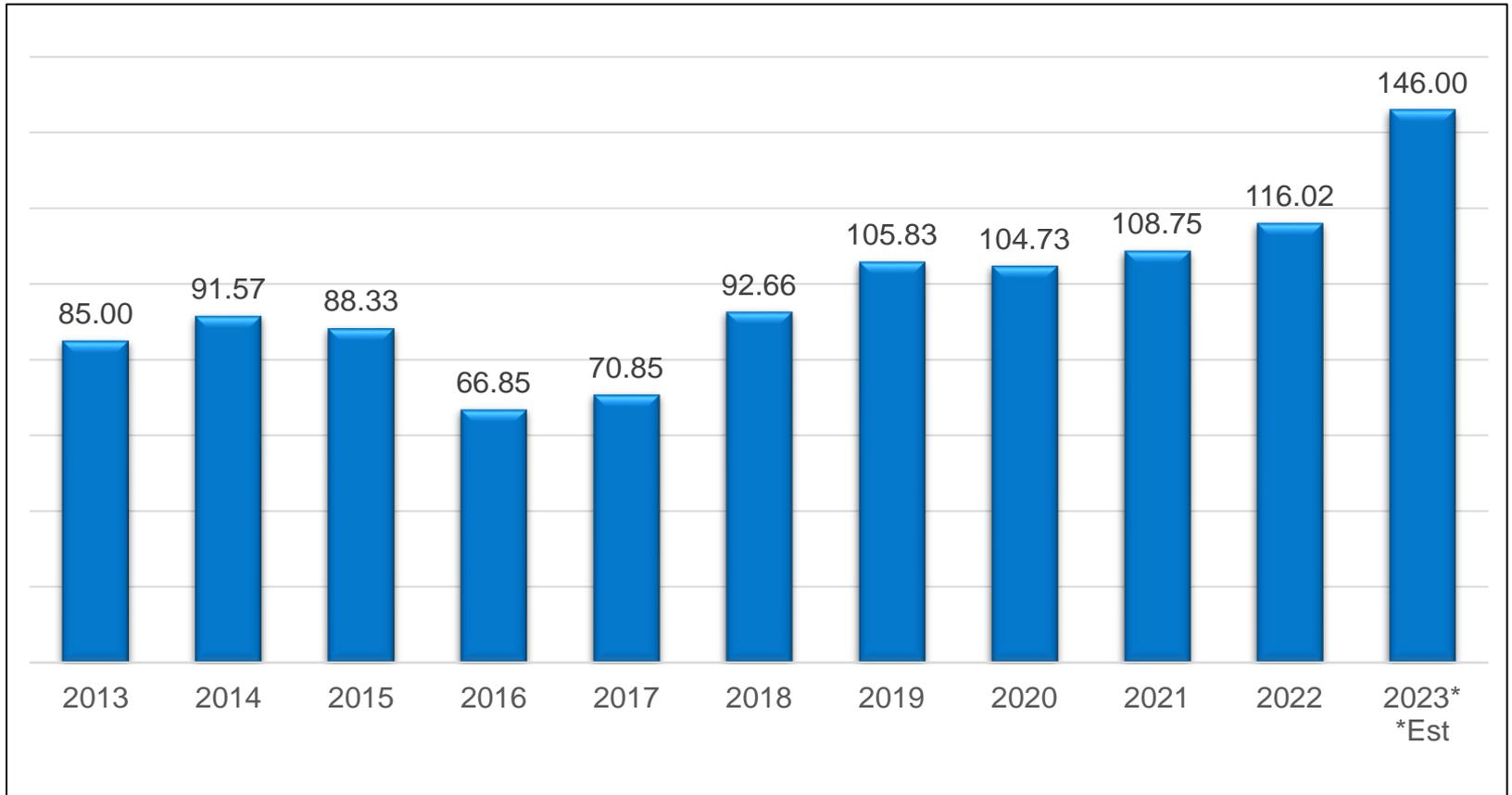
1. Corporate Profile
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## Key Messages

1. Improvement of Taoyuan Works' capabilities and efficiency
2. Daye Works' rolling mill production
3. THSVC rolling mill put into production
4. Domestic H-beam demand and production
5. Corporate Governance Performance

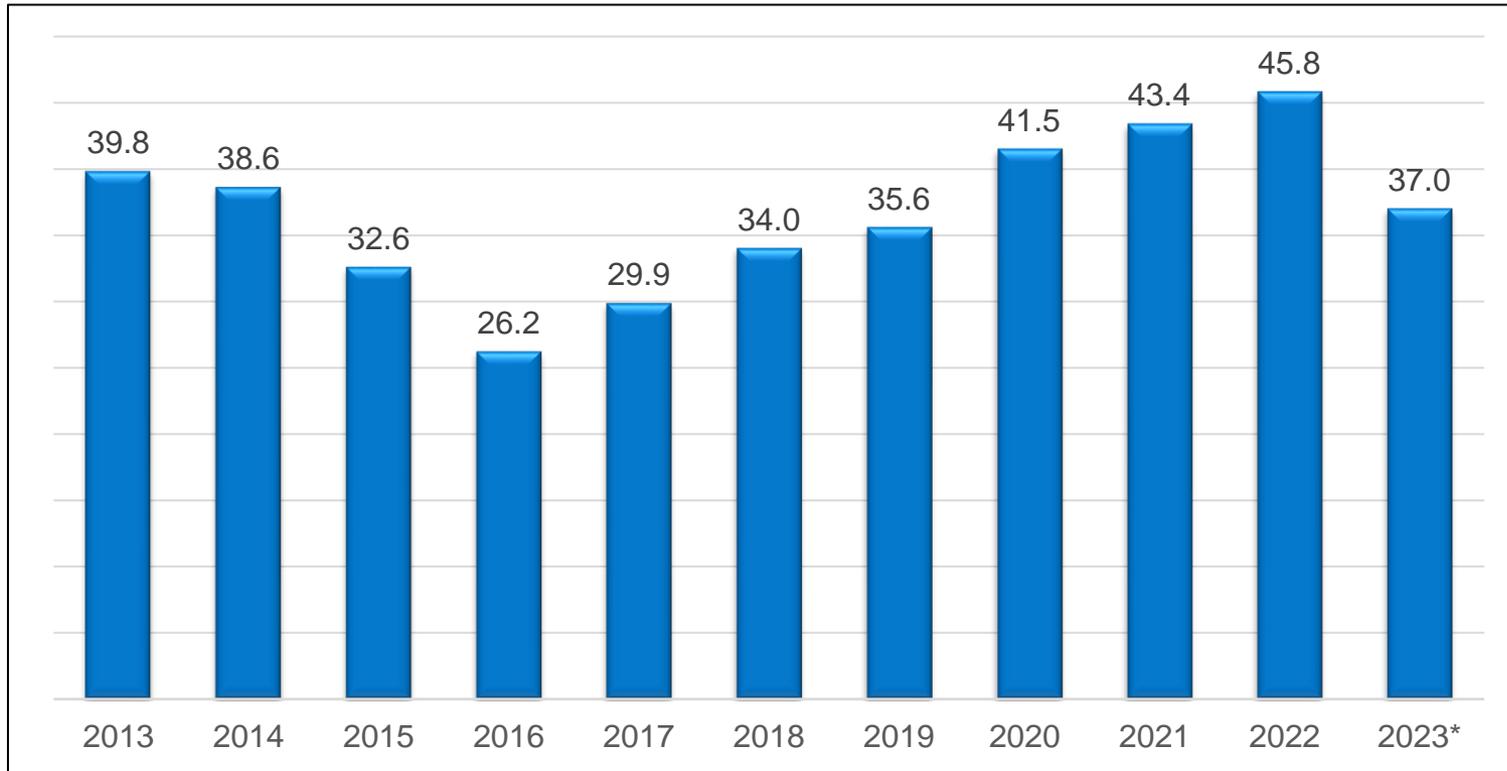
# Tung Ho Steel' annual rebar production

10K metric tons



# Improvement of Taoyuan Works' capabilities and efficiency

Floor area of building permit(Million m2)



5.79 6.06 5.65 4.77 4.71 5.23 5.49 5.96 6.06 6.22 6.61\*

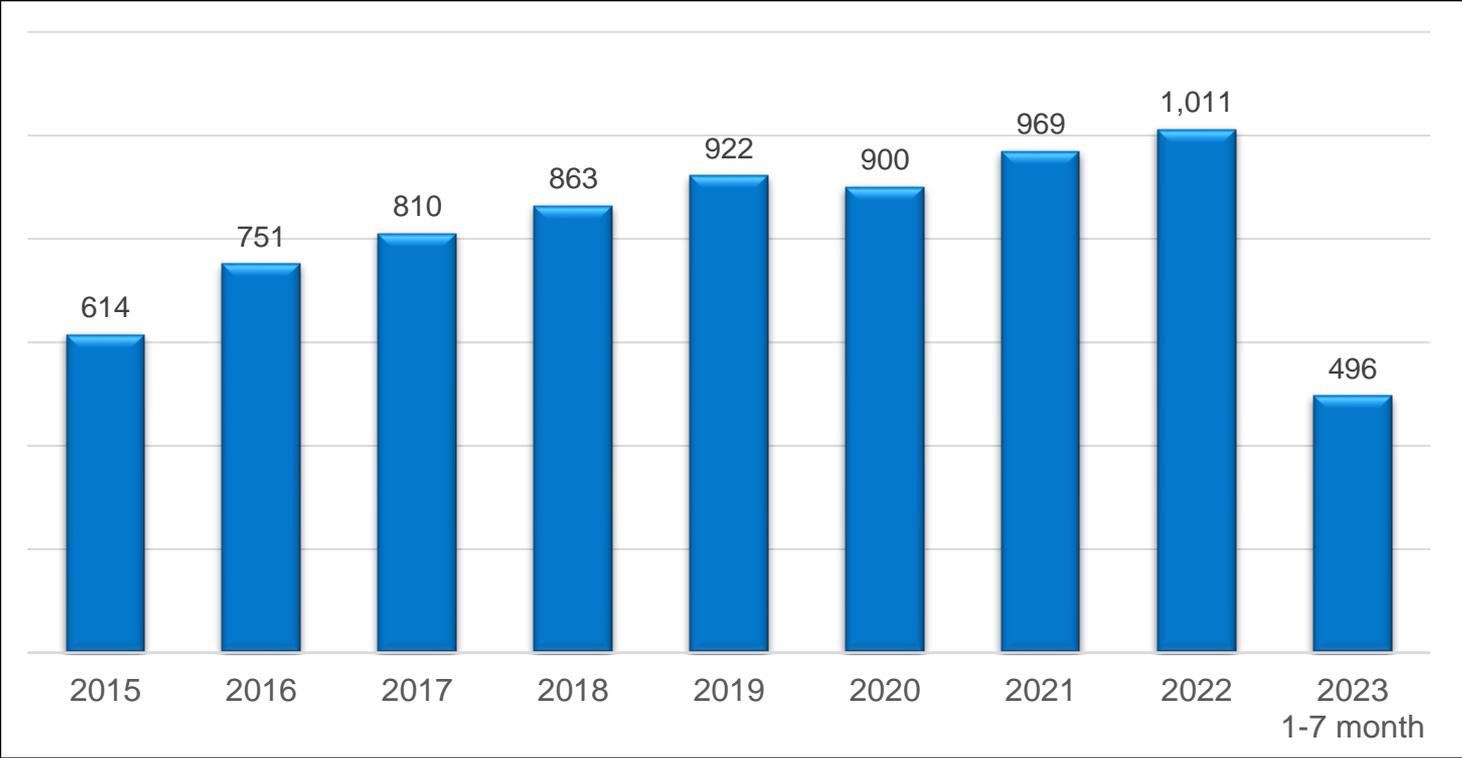
Taiwan Annual Steel Demand (Million tons)

\* Est from Jan-Jun

# THSVC new rolling mill put into production

Annual Demand of long steel products in Vietnam domestic market

10K metric tons

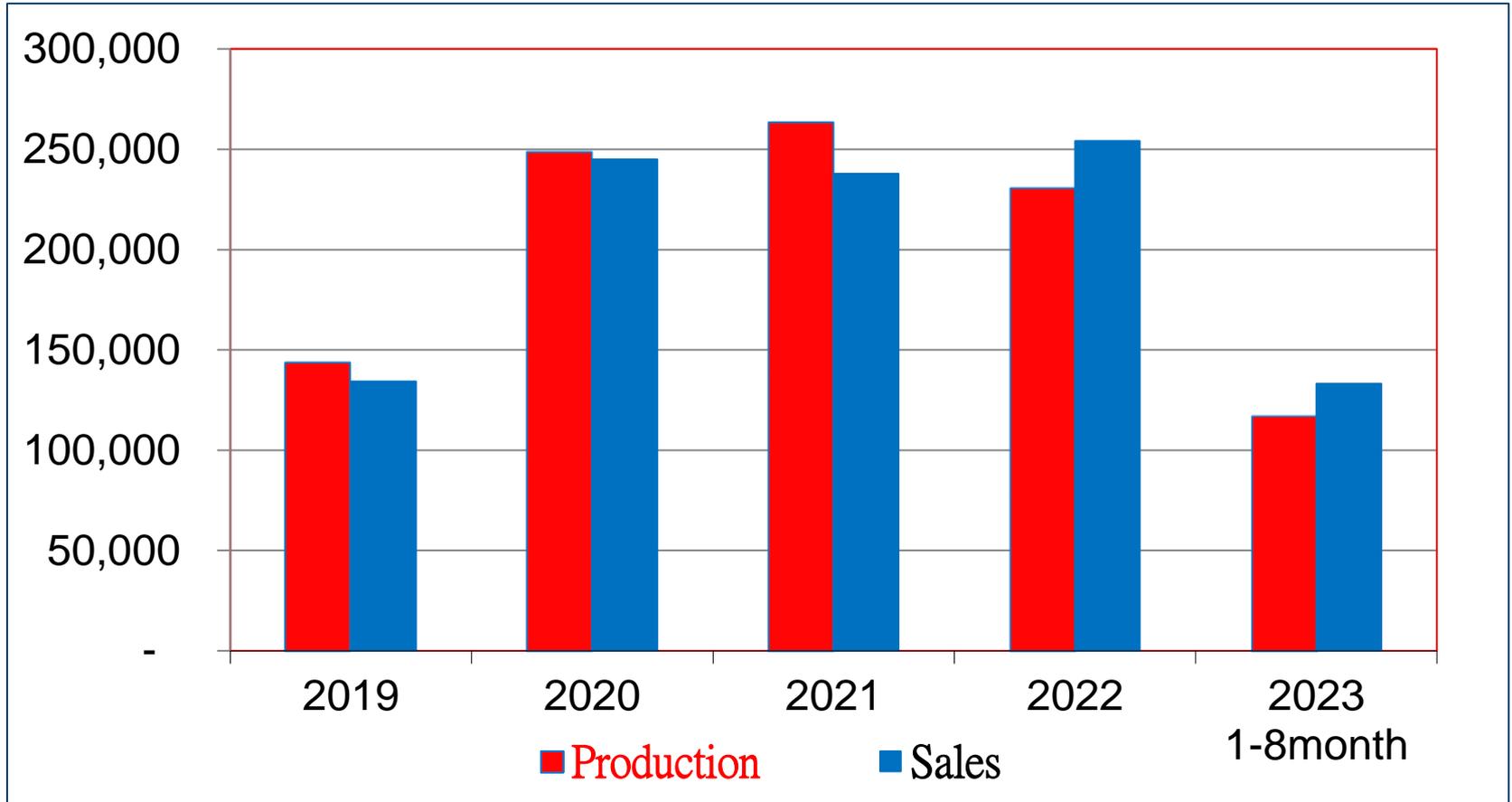


2015~2020 Annual demand for construction steel-Members

2021~2023 Annual demand for construction steel- Members & Non-Members

# THSVC new rolling mill put into production

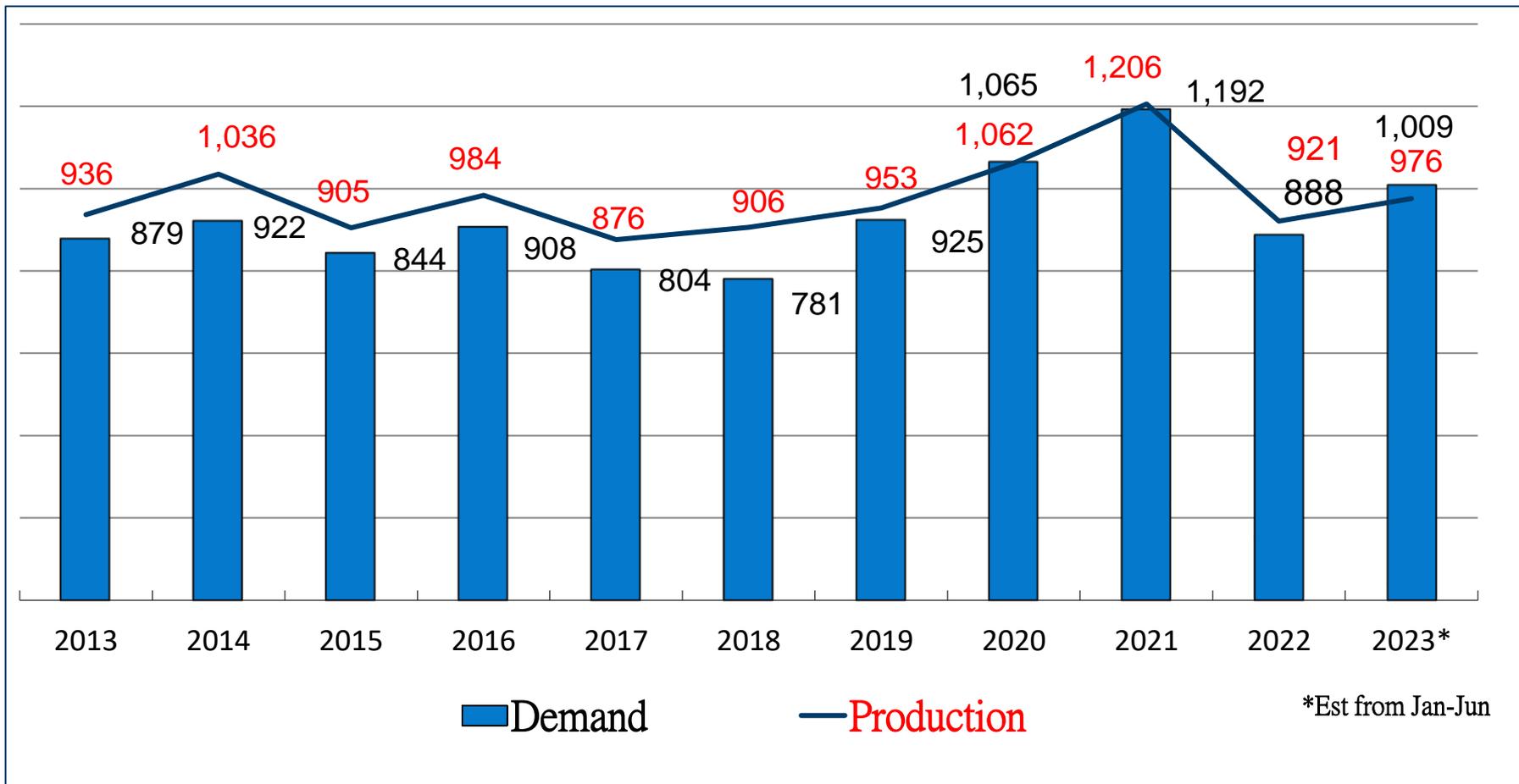
THSVC、mt



- 2021/5 Highest Production 45,161mt
- 2020/12 Highest Sales 40,530 mt

# Domestic H-beam demand and production

TSIIA、000mt



# **Corporate Governance Performance**

- **First Domestic Steel Manufacturer Obtaining EPD for All Steel Products**
- **Tung Ho Steel is a member of the World Steel Association's Climate Action program**
- **Tung Ho Steel officially signed as TCFD Supporter in February, 2021**
- **Publishing voluntary "Task Force on Climate-related Financial Disclosures (TCFD) reports" for three consecutive years. Tung Ho Steel's Task Force on Climate-related Financial Disclosures (TCFD) Report 2023 has been verified by BSI. According to BSI, the maturity model for Climate-related Financial Disclosures is Level 5+: Excellence grade.**
- **Honored with the Gold Award in the Traditional Manufacturing Category in Taiwan Corporate Sustainability Awards (TCSA) Corporate Sustainability Report Award.**
- **Ranked in the 6%-20% among the listed companies in the 8th TWSE Corporate Governance Evaluation.**

# Corporate Governance Performance

- Being continuously included as a constituent stock of the " TWSE Corporate Governance 100 Index" for five consecutive years.
- Tung Ho Steel completed the CDP Climate Change Questionnaire and achieved a "Management Level (B)" rating, surpassing the global corporate average of (B-). This demonstrates that our company has entered the stage of climate change management and is taking integrated actions on climate-related issues.
- To respond to the global trend and the national net zero emissions target by 2050, the Company incorporated climate change into the material topic for sustainable development and passed the 2030 phased goal of net zero emission.
  1. 30% Carbon Reduction: the total carbon emissions in 2030 is aimed to be reduced by 30% compared with the 2005 level.
  2. RE 30: By 2030, 30% of the total electricity consumption will come from renewable energy.
- Our company's sustainability report has adopted the Sustainable Accounting Standards Board (SASB) indicators for the steel manufacturing industry.



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