

Ticker Symbol : 2006



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

2023 Investor Conference

Dec 26, 2023

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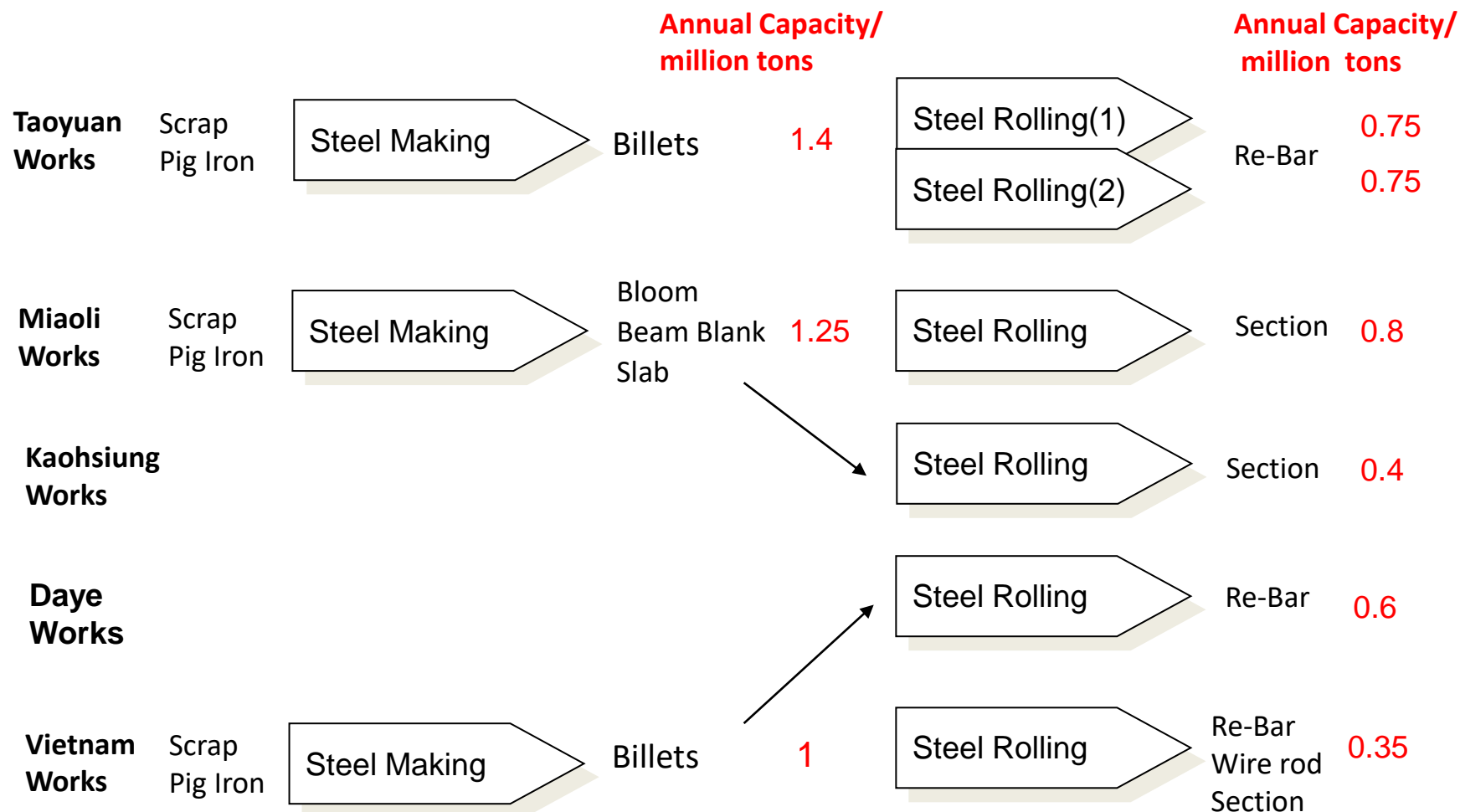
Agenda

- 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 : 2,068**
- **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 nine months ended Sep. 30		
	2023	2022	%
(Expressed in Millions of New Taiwan Dollars)			
Operating revenue,net	44,451.77	45,360.69	98.00%
Operating costs	(38,277.71)	(39,791.78)	96.20%
Gross profit,net	6,174.06	5,568.91	110.87%
Operating expenses,net	(1,853.42)	(1,740.99)	106.46%
Operating profits	4,320.64	3,827.92	112.87%
Non operating income and expenses	10.30	177.17	5.81%
Income tax expense	(985.19)	(897.31)	109.79%
Income from Continuing Operation	3,345.75	3,107.77	107.66%
Income from Discontinued Department	56.71	67.26	84.31%
Net income	3,402.47	3,175.04	107.16%
attributable to owners of parent	3,384.93	3,162.08	
Non controlling interests	17.54	12.96	
Earnings per share	4.64	4.33	
Gross profit ratio (%)	13.89%	12.28%	
Operating profit ratio (%)	9.72%	8.44%	
Net profit ratio (%)	7.65%	7.00%	

Consolidated Balance Sheets

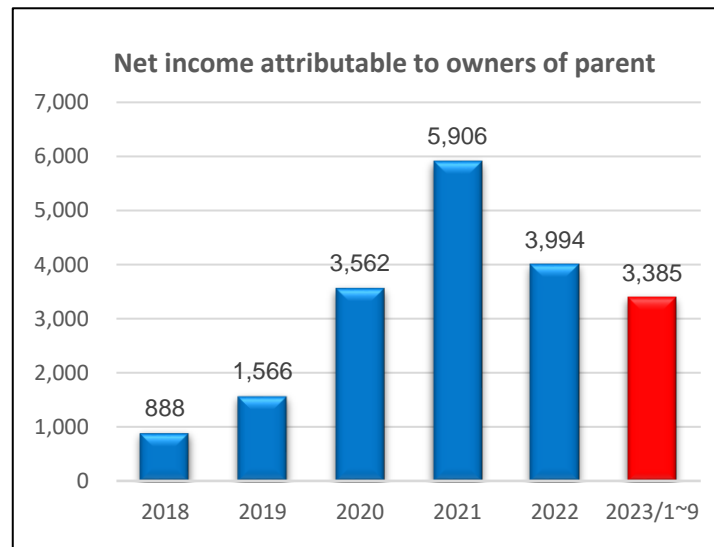
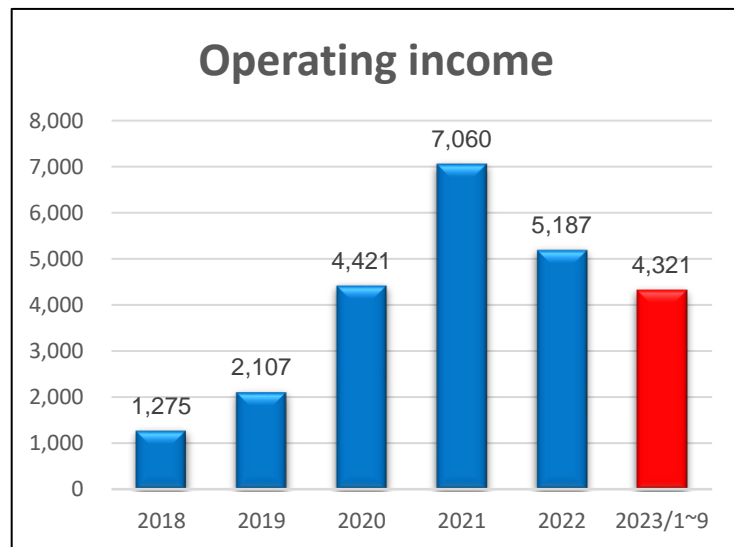
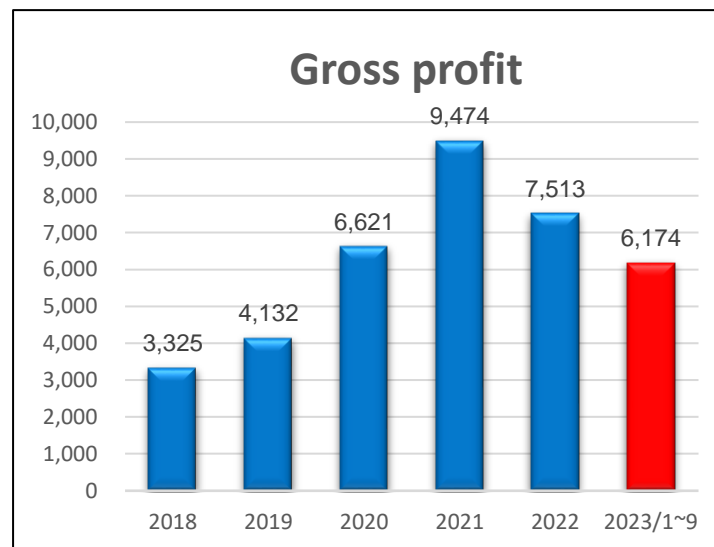
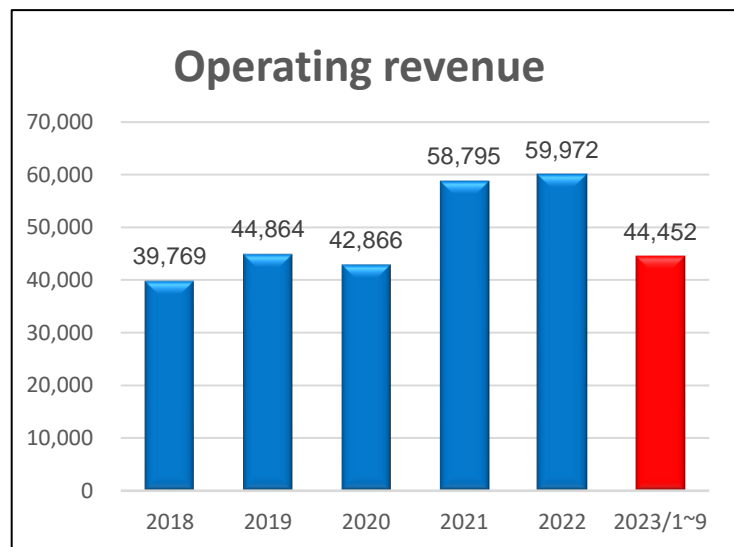
(Expressed in Millions of New Taiwan Dollars)	2023.9.30		2022.12.31		2022.9.30	
	AMT	%	AMT	%	AMT	%
Current assets	32,547.76	57%	29,655.05	54%	31,278.11	55%
Cash and Current financial assets	2,446.57	4%	2,289.25	4%	2,014.17	4%
Receivable, net	8,257.75	15%	7,446.21	14%	7,733.60	14%
Inventory	19,640.86	35%	18,821.30	34%	20,154.09	35%
other current assets	2,202.58	4%	1,098.29	2%	1,376.25	2%
Non current assets	24,375.07	43%	25,111.50	46%	25,653.20	45%
Real properties, plants and devices	19,380.85	35%	20,038.57	37%	20,224.47	37%
other non current assets	4,994.22	8%	5,072.93	9%	5,428.73	10%
Total assets	56,922.83	100%	54,766.55	100%	56,931.31	100%
Current liabilities	24,943.32	44%	22,605.25	41%	24,832.92	44%
Short term loans	15,520.96	27%	14,594.47	27%	16,593.15	29%
other current liabilities	9,422.36	17%	8,010.78	15%	8,239.77	14%
Non-current liabilities	2,083.95	4%	3,246.78	6%	3,883.67	7%
Total liabilities	27,027.27	47%	25,852.03	47%	28,716.59	50%
Total equity	29,895.56	53%	28,914.52	53%	28,214.72	50%
Total liabilities & equity	56,922.83	100%	54,766.55	100%	56,931.31	100%

Consolidated Statements of Cash Flows

(Expressed in Millions of New Taiwan Dollars)	For the nine months ended Sep. 30	
	2023	2022
Cash at beginning of period	2,126.51	1,530.39
Cash flows from operating activities	3,507.77	3,474.23
Cash flows from investing activities	(497.32)	(2,789.55)
Cash flows from financing activities	(3,007.76)	(780.98)
Effect of exchange rate changes	198.19	363.84
Cash at beginning of period	2,327.40	1,797.93
Free Cash flows	3,010.45	684.68
Cash dividends	2,555.75	4,673.37

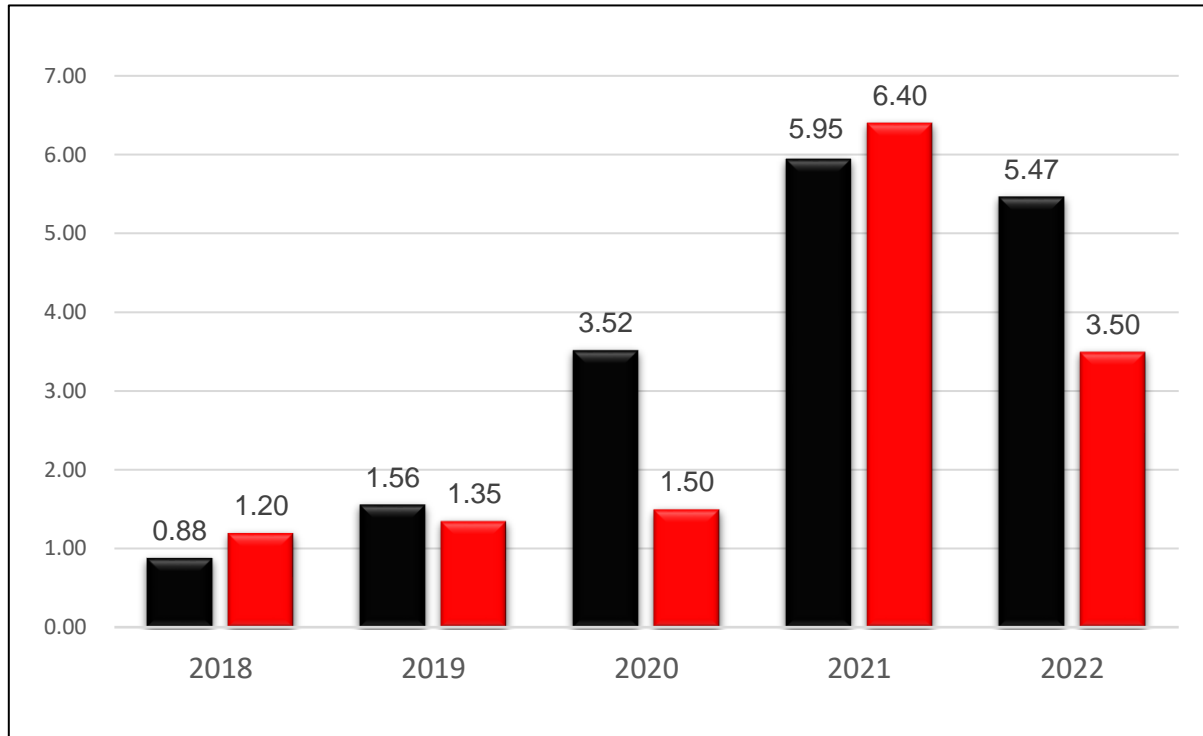
(NT\$Millions)

Historical Operating Results



Historical Dividend

(NT\$)



■ Earnings per share

■ Dividend per share

Agenda

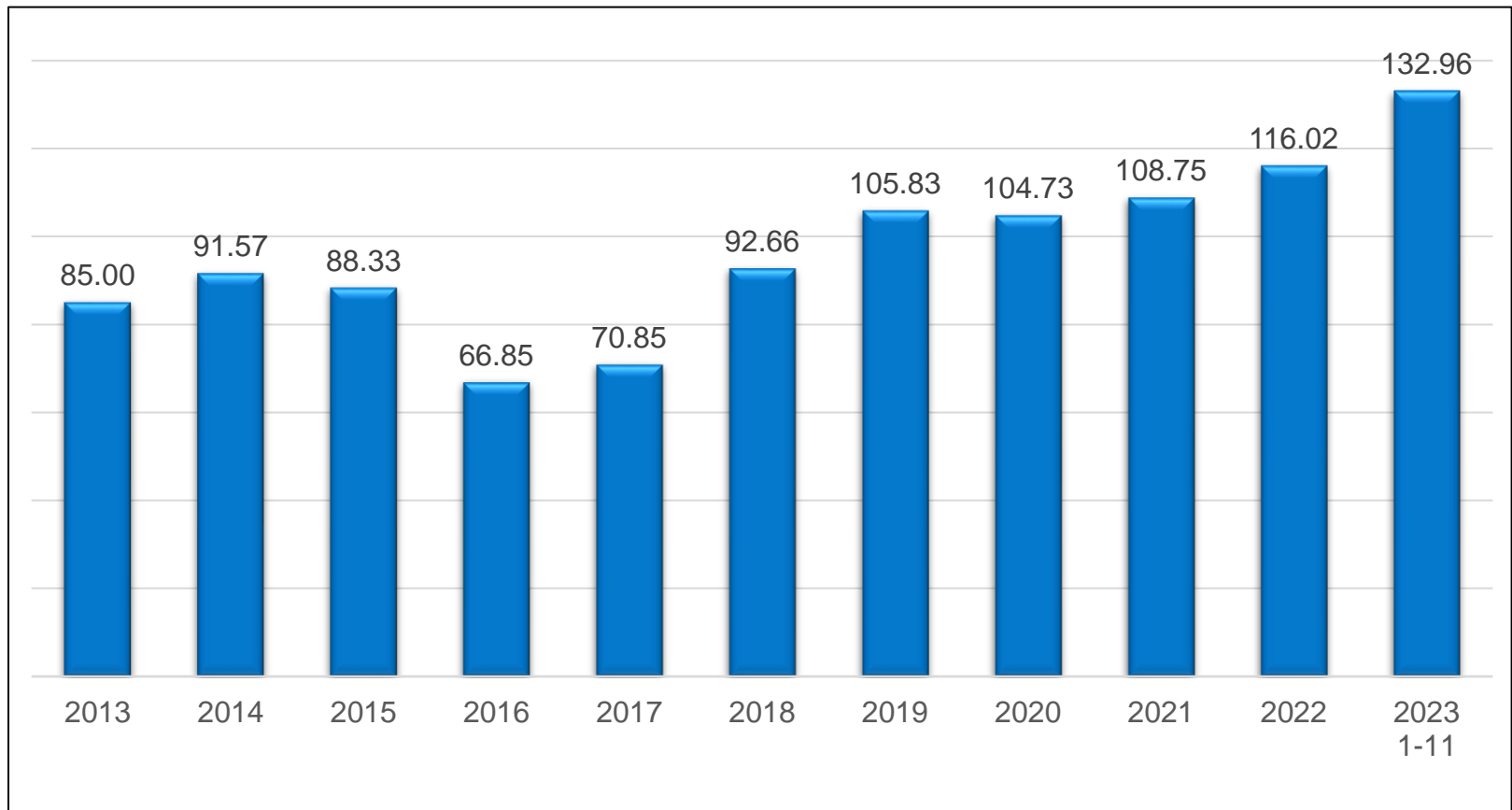
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Key Messages

- 1. Daye Works' rolling mill production**
- 2. Domestic H-beam demand and production**
- 3. THSVC rolling mill production**
- 4. Corporate Governance Performance**

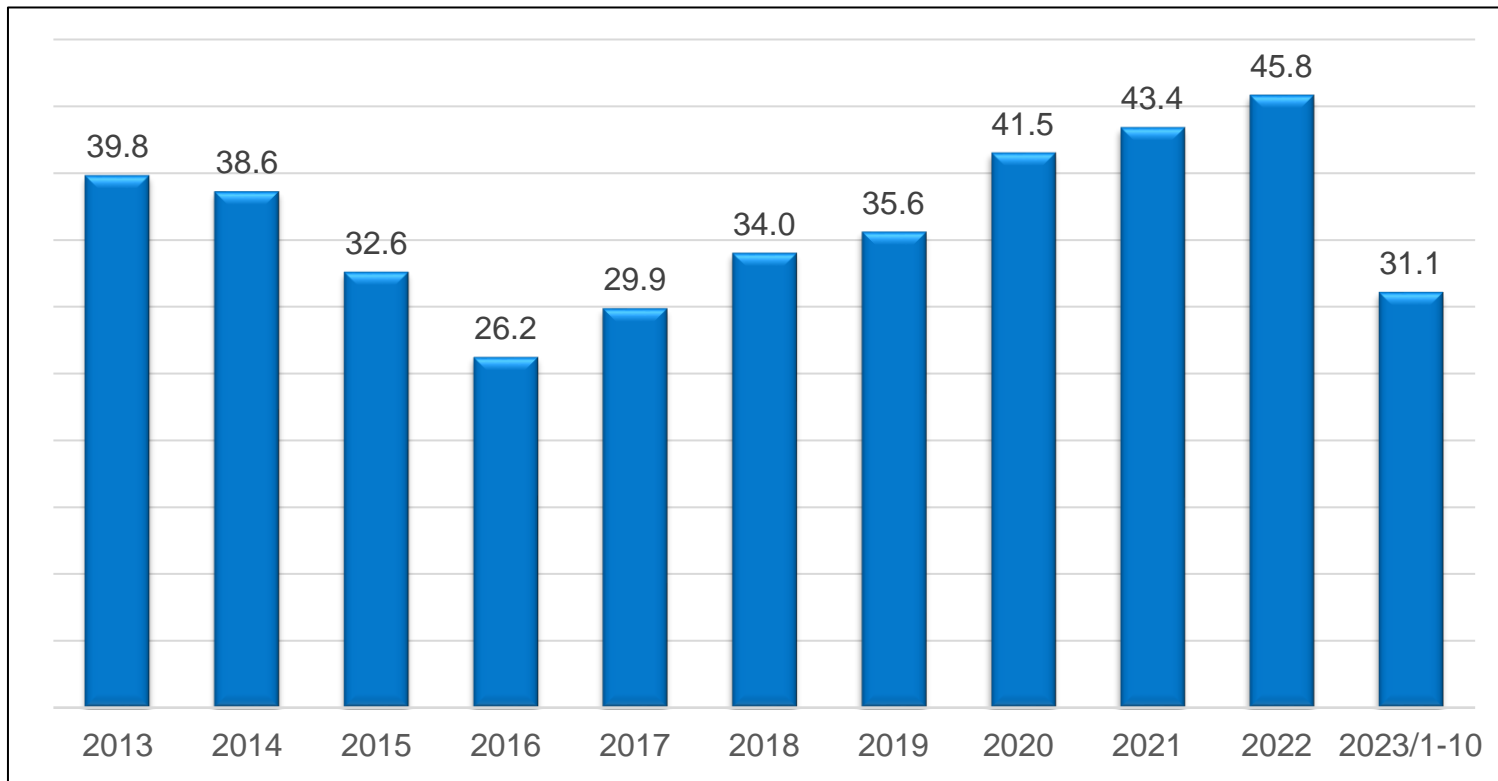
Tung Ho Steel' annual rebar production

10K metric tons



Improvement of Taoyuan Works' capabilities and efficiency

Floor area of building permit(Million m²)



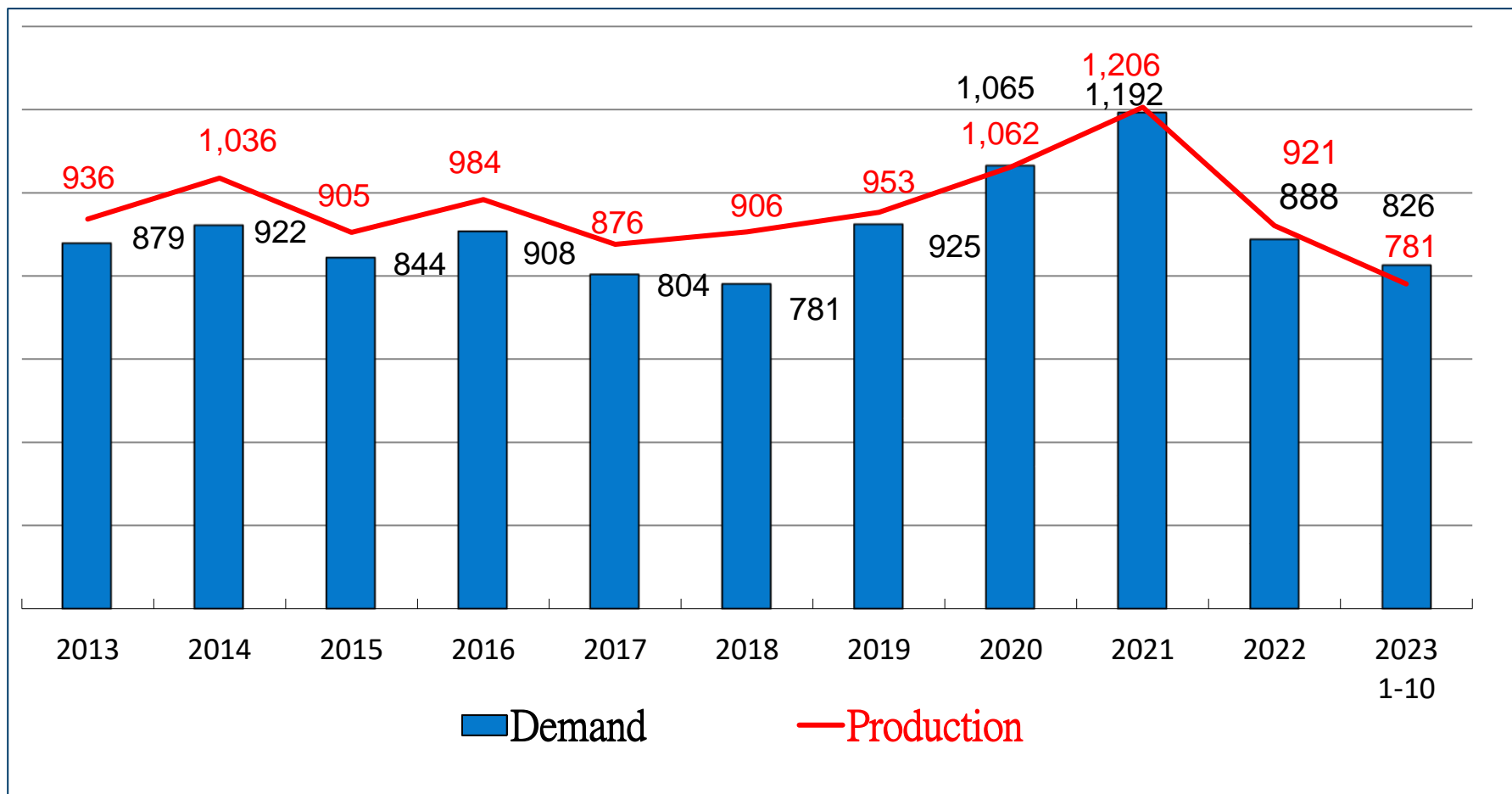
5.79 6.06 5.65 4.77 4.71 5.23 5.49 5.96 6.06 6.22 5.41*

Taiwan Annual Steel Demand (Million tons)

* Jan-Oct

Domestic H-beam demand and production

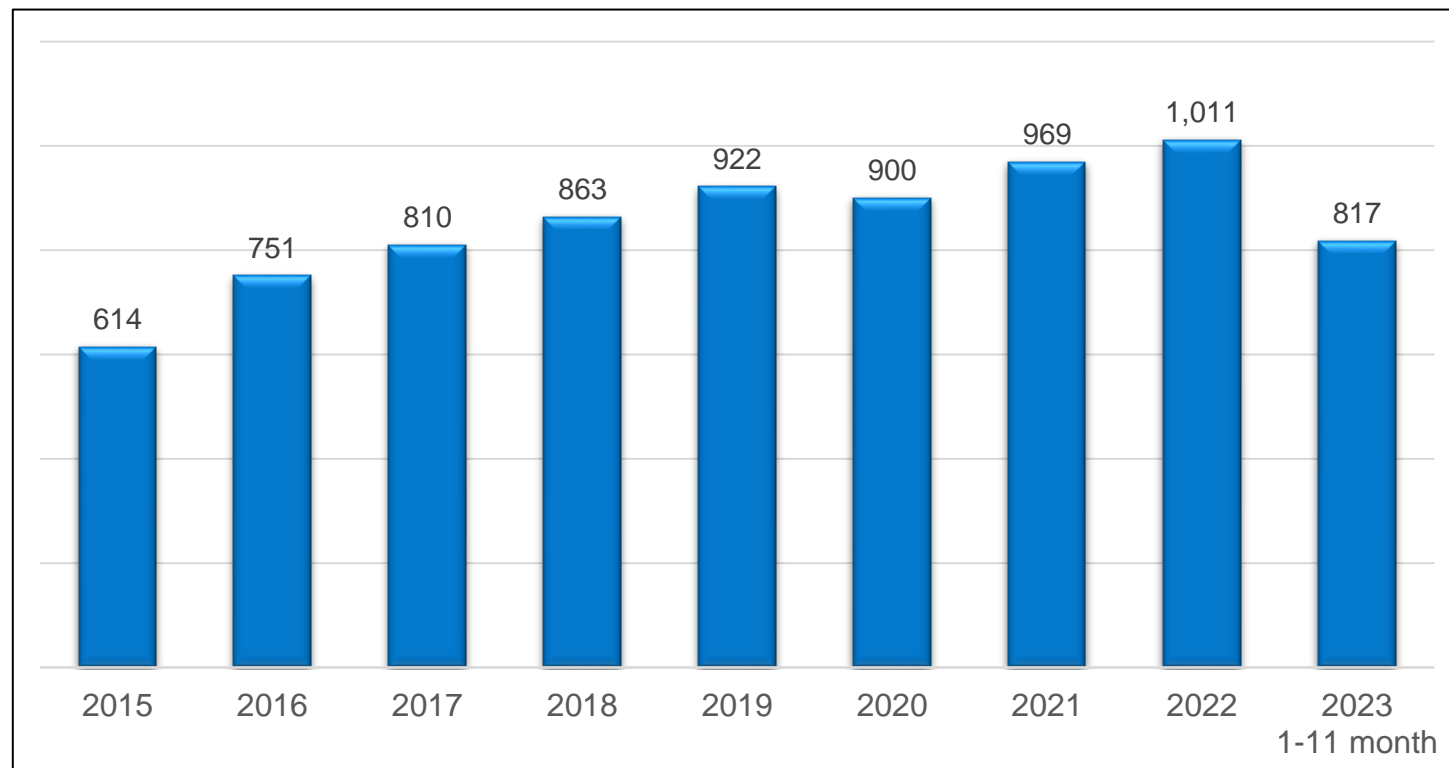
TSIIA、000mt



THSVC new rolling mill put into production

Annual Demand of Construction steel products in Vietnam domestic market

10K metric tons

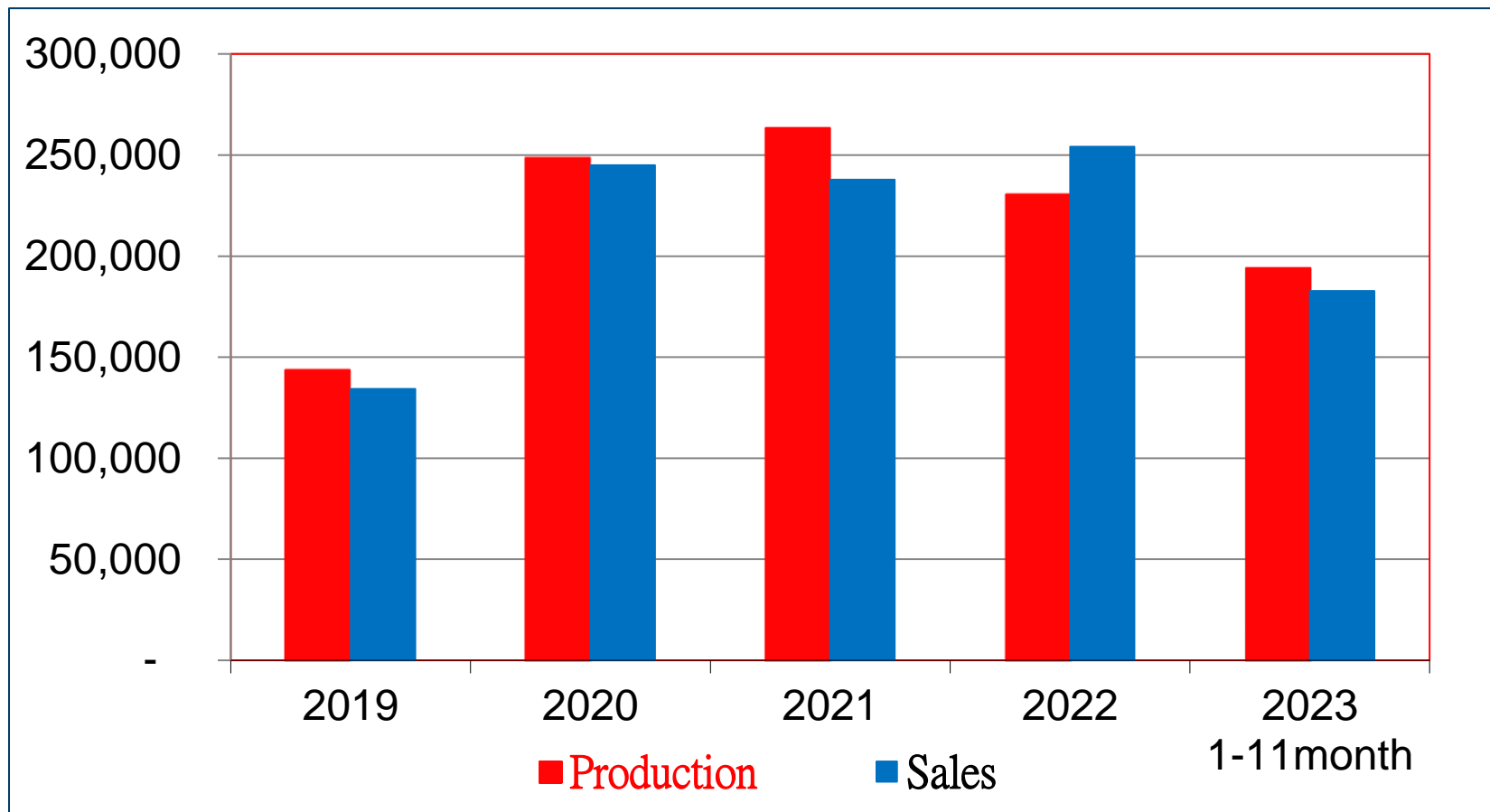


2015~2020 Annual demand for construction steel-Members

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

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.**
- **2023 "Net Zero Industry Competitiveness" Steel Industry's Highest Honor Excellence Award**
- **4th Taiwan Circular Economy Award "Corporate Award - Outstanding Award"**

Corporate Governance Performance

- Ranked in the 6%-20% among the listed companies in the 8th TWSE Corporate Governance Evaluation.
- 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 (C). 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.

Corporate Governance Performance

- Our company's sustainability report has adopted the Sustainable Accounting Standards Board (SASB) indicators for the steel manufacturing industry.



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