

Ticker Symbol : 2006



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

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## **2018 Investor Conference**

Dec.19,2018

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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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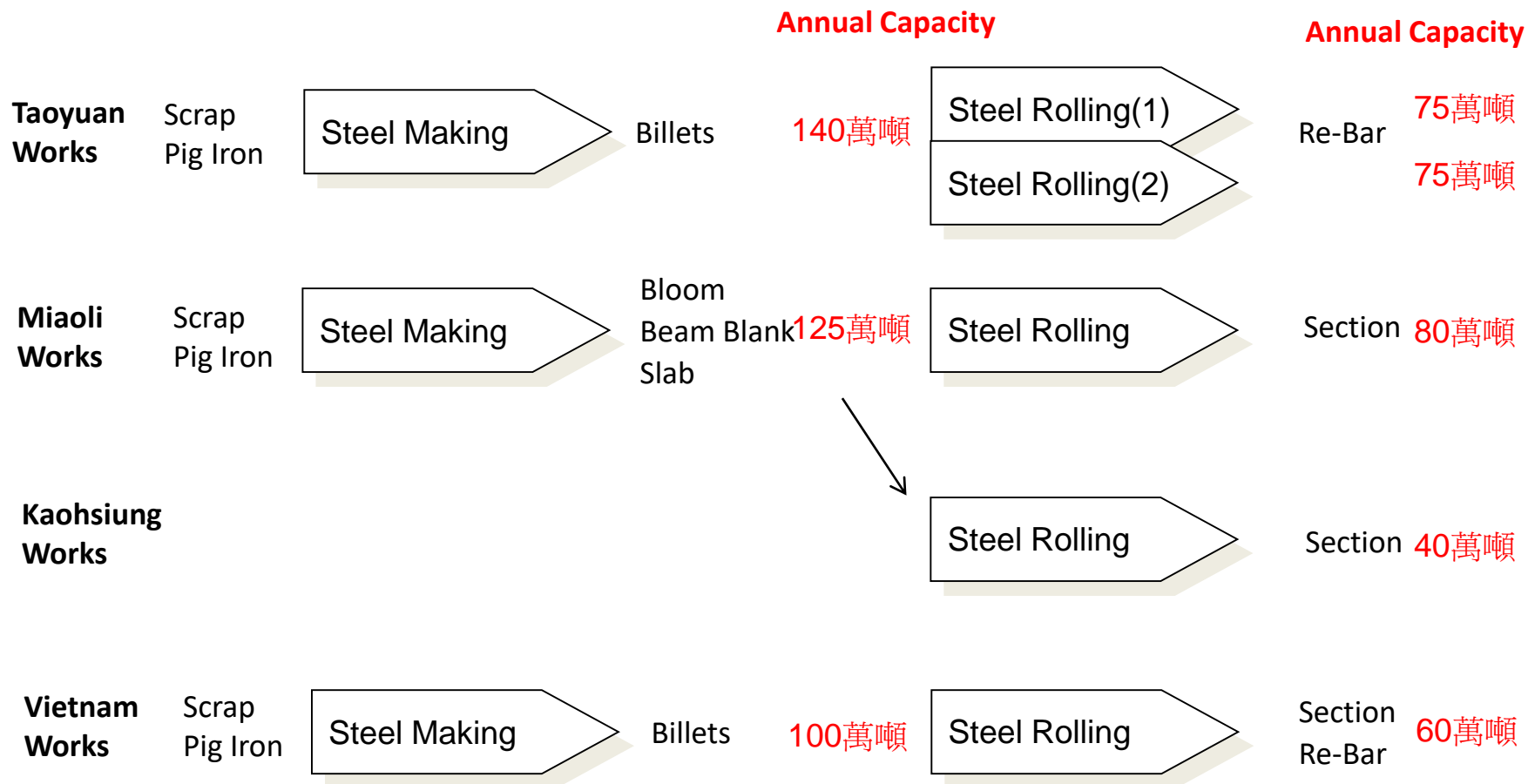
# **Agenda**

- 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 : 1,004,060 thousand shares**
- **Number of employees : 1,644**
- **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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# Consolidated Statements of Comprehensive Income

For the nine months ended Sep. 30

	2018	2017	%
(Expressed in Millions of New Taiwan Dollars)			
Operating revenue, net	29,883.59	22,531.84	132.63%
Operating costs	(27,367.49)	(19,842.18)	137.93%
Gross profit, net	2,516.10	2,689.66	93.55%
Operating expenses, net	(1,478.15)	(1,466.41)	100.80%
Operating profits	1,037.95	1,223.25	84.85%
Non operating income and expenses	(22.45)	119.18	-18.84%
Income tax expense	(227.00)	(179.98)	126.13%
Net income	788.50	1,162.45	67.83%
attributable to owners of parent	789.51	1,171.72	67.38%
Non controlling interests	(1.01)	(9.27)	10.90%
Earnings per share	0.79	1.17	
Gross profit ratio (%)	8.42%	11.94%	
Operating profit ratio (%)	4.95%	5.43%	
Net profit ratio (%)	2.64%	5.16%	

# Consolidated Balance Sheets

(Expressed in Millions of New Taiwan Dollars)	2018.9.30		2017.12.31		2017.9.30	
	AMT	%	AMT	%	AMT	%
<b>Current assets</b>	<b>19,235.68</b>	<b>42%</b>	<b>14,835.35</b>	<b>36%</b>	<b>13,939.24</b>	<b>35%</b>
Cash and Current financial assets	1,188.82	3%	1,206.82	3%	1,030.30	3%
Receivable,net	4,801.69	10%	4,788.48	12%	4,192.93	10%
Inventory	12,291.84	27%	8,175.73	20%	7,903.69	20%
other current assets	953.33	2%	664.32	2%	812.32	2%
<b>Non current assets</b>	<b>26,989.33</b>	<b>58%</b>	<b>26,462.04</b>	<b>64%</b>	<b>26,259.21</b>	<b>65%</b>
Real properties, plants and devices	20,419.18	45%	20,582.55	50%	20,419.18	50%
other non current assets	6,570.15	13%	5,879.49	14%	5,840.03	15%
<b>Total assets</b>	<b>46,225.01</b>	<b>100%</b>	<b>41,297.39</b>	<b>100%</b>	<b>40,198.45</b>	<b>100%</b>
<b>Current liabilities</b>	<b>16,017.81</b>	<b>34%</b>	<b>13,268.07</b>	<b>32%</b>	<b>12,719.37</b>	<b>32%</b>
Short term loans	11,564.80	25%	8,898.11	22%	8,371.66	21%
other current liabilities	4,453.01	9%	4,369.96	12%	4,347.71	10%
<b>Non-current liabilities</b>	<b>6,338.06</b>	<b>14%</b>	<b>3,996.29</b>	<b>10%</b>	<b>3,931.22</b>	<b>10%</b>
<b>Total liabilities</b>	<b>22,355.87</b>	<b>48%</b>	<b>17,264.36</b>	<b>42%</b>	<b>16,650.60</b>	<b>41%</b>
<b>Total equity</b>	<b>23,869.14</b>	<b>52%</b>	<b>24,033.03</b>	<b>58%</b>	<b>23,547.85</b>	<b>59%</b>
<b>Total liabilities &amp; equity</b>	<b>46,225.01</b>	<b>100%</b>	<b>41,297.39</b>	<b>100%</b>	<b>40,198.45</b>	<b>100%</b>



# Consolidated Statements of Cash Flows

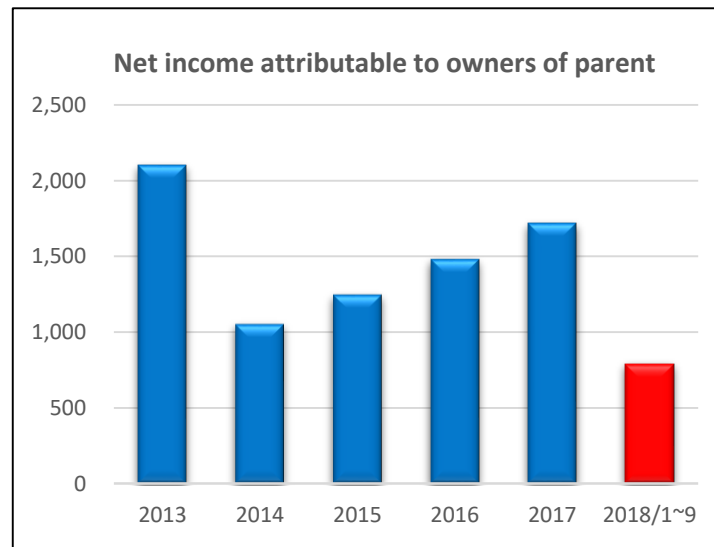
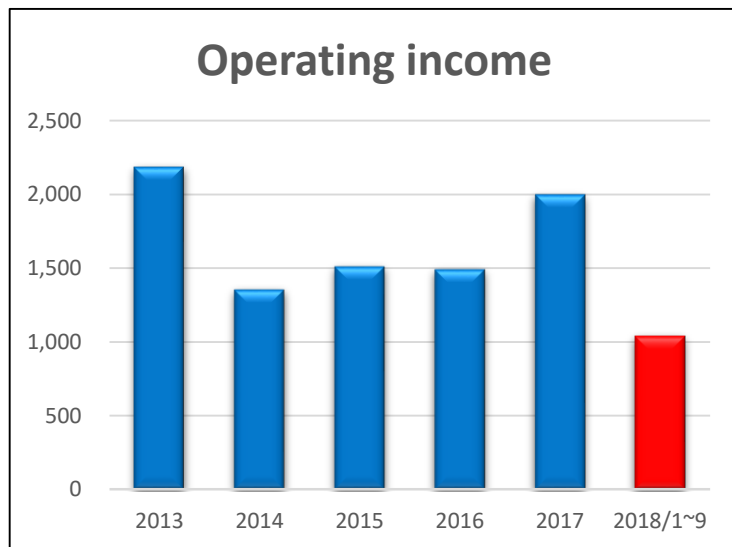
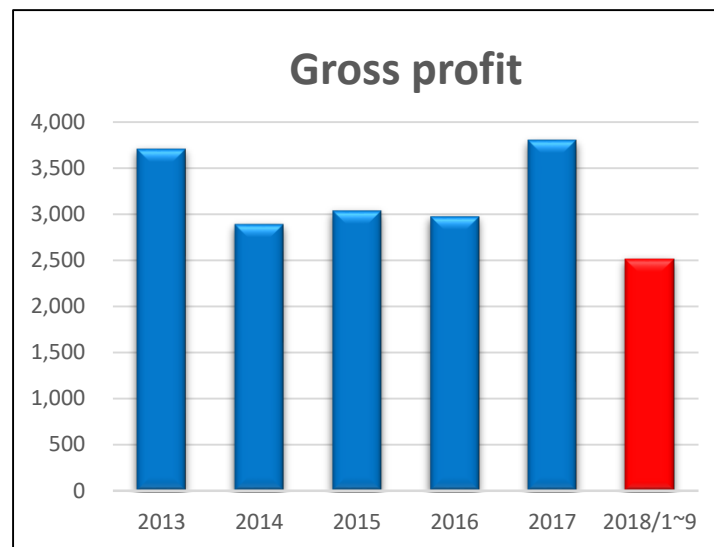
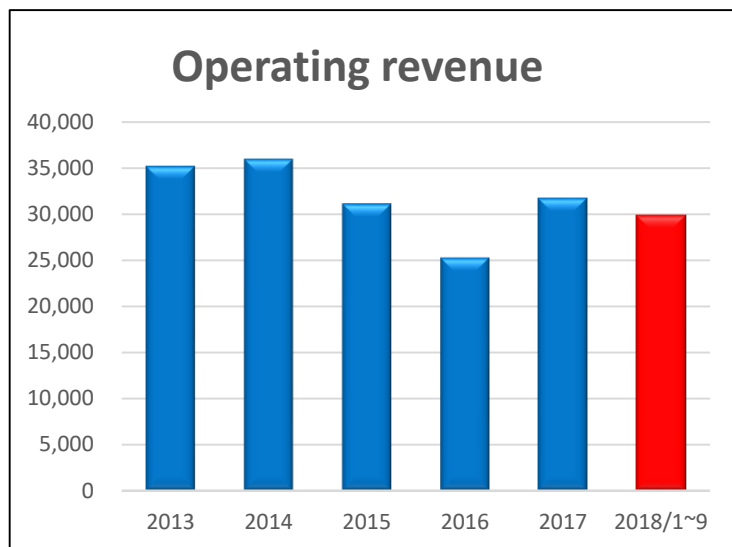
(Expressed in Millions of New Taiwan Dollars)	For the nine months ended Sep. 30	
	2018	2017
Cash at beginning of period	1,020.46	2,088.48
Cash flows from operating activities	(2,416.78)	(356.53)
Cash flows from investing activities	(1,202.26)	(3,166.95)
Cash flows from financing activities	3,735.45	2,103.93
Effect of exchange rate changes	(117.16)	174.23
Cash at beginning of period	1,019.71	843.16
Free Cash flows	(3,619.04)	(3,523.48)
Cash dividends paid	1,405.69	1,297.69

## Consolidated Statements of Cash Flows

(Expressed in Millions of New Taiwan Dollars)	For the nine months ended Sep. 30	
	2017	2016
Cash at beginning of period	2,088.48	3,993.89
Cash flows from operating activities	(356.53)	1,849.12
Cash flows from investing activities	(3,166.95)	(2,137.76)
Cash flows from financing activities	2,103.93	(1,877.32)
Effect of exchange rate changes	174.23	(41.54)
Cash at beginning of period	843.16	1,786.39
Free Cash flows	(3,523.48)	(288.64)
Cash dividends paid	1,297.69	1,098.04

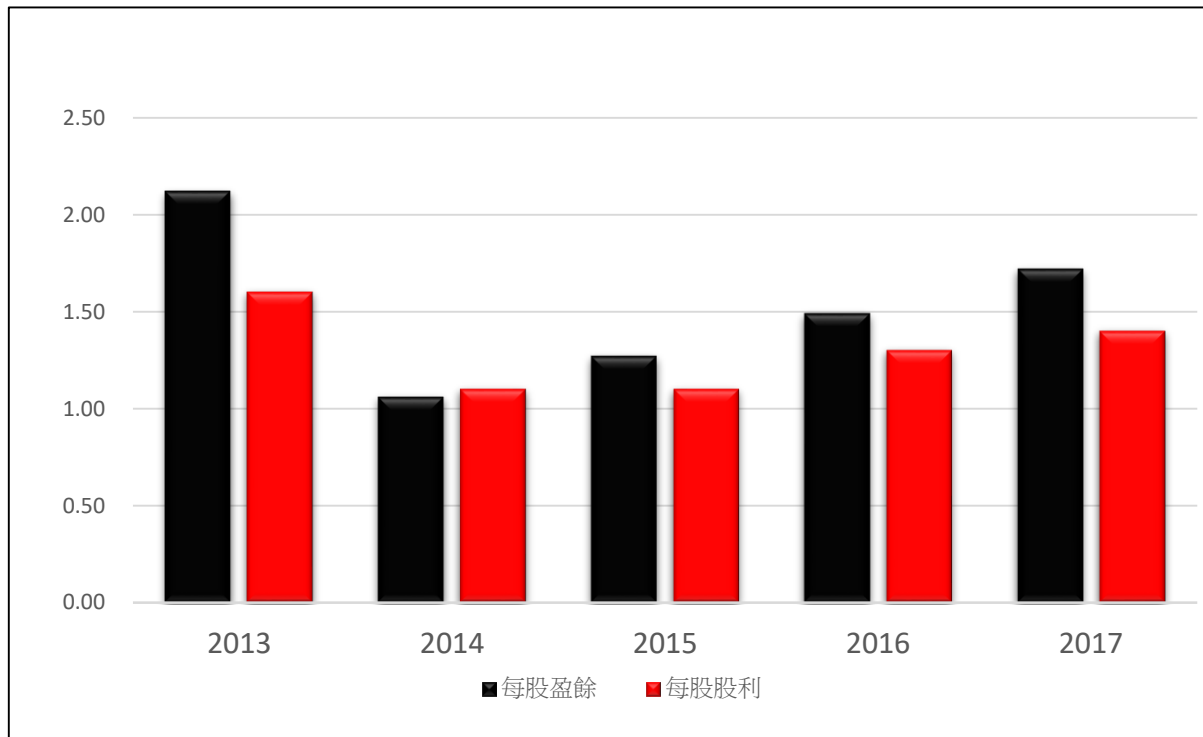
(NT\$Millions)

## Historical Operating Results



# Historical Dividend

(NT\$)



■ Earnings per share      ■ Dividend per share

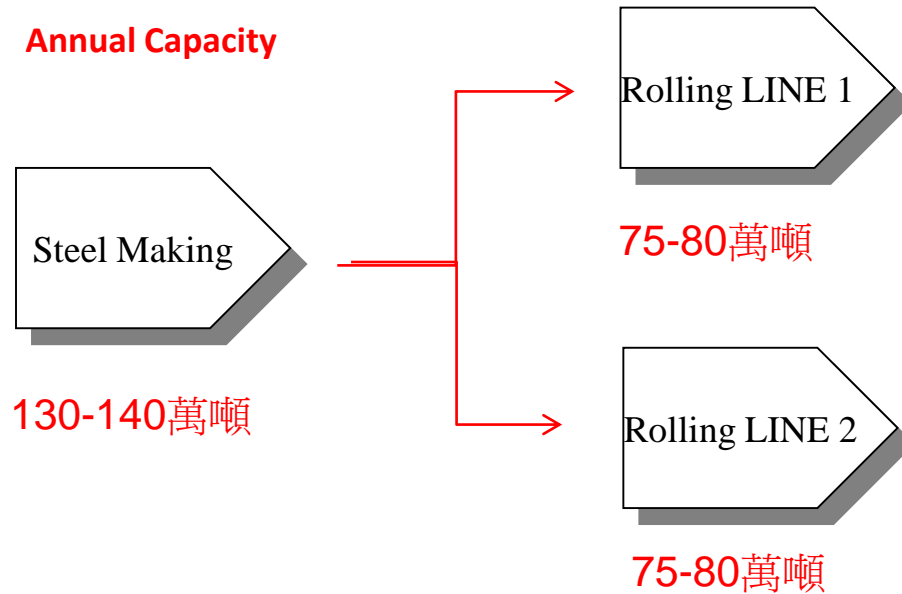
# Agenda

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## **Key Messages**

- 1. Improvement of Taoyuan Works' capabilities and efficiency**
- 2. THSVC new rolling mill put into production**
- 3. An Associate Member WSA**

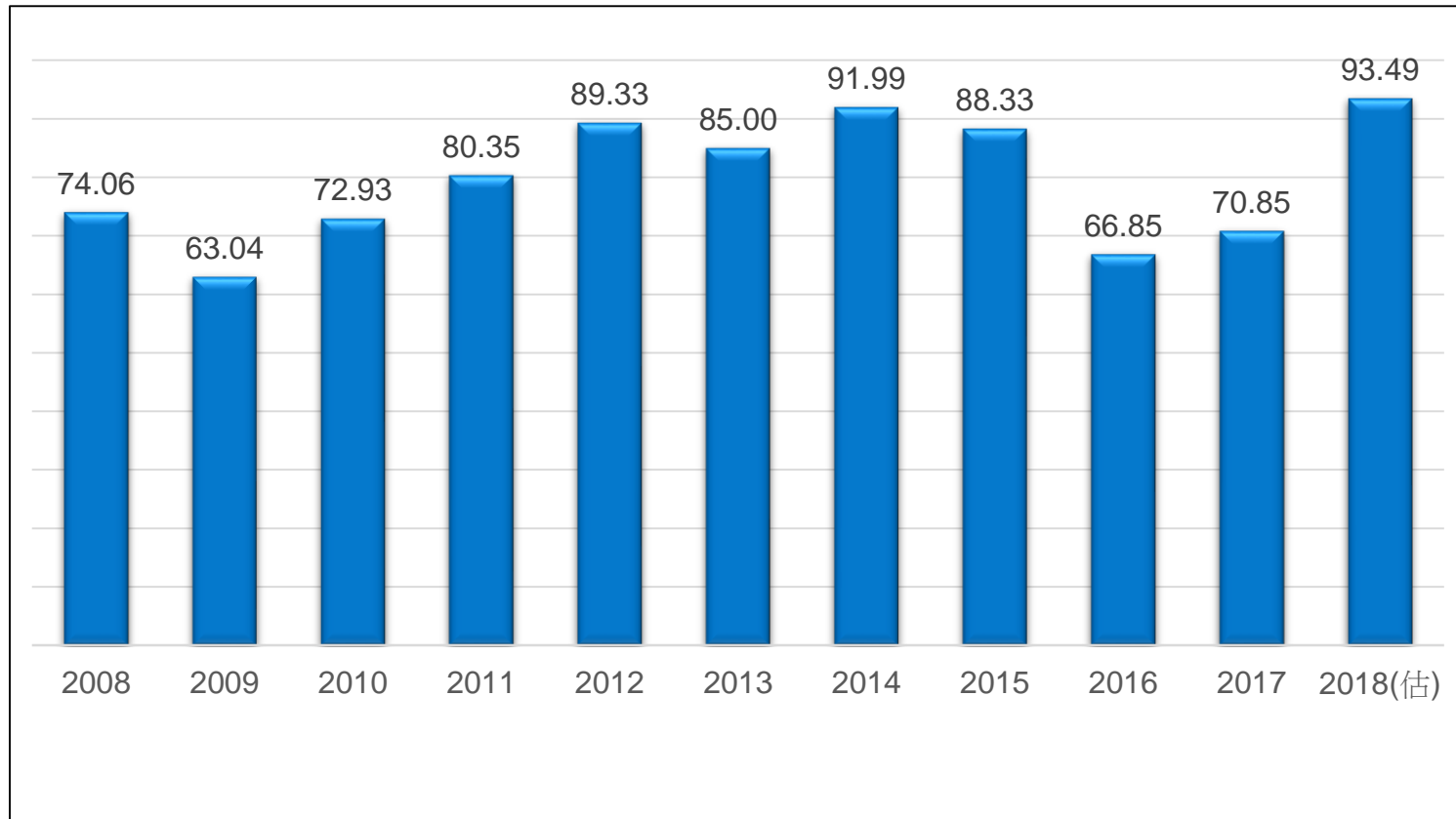
# Improvement of Taoyuan Works' capabilities and efficiency



# Improvement of Taoyuan Works' capabilities and efficiency

## Tung Ho Steel' annual rebar production

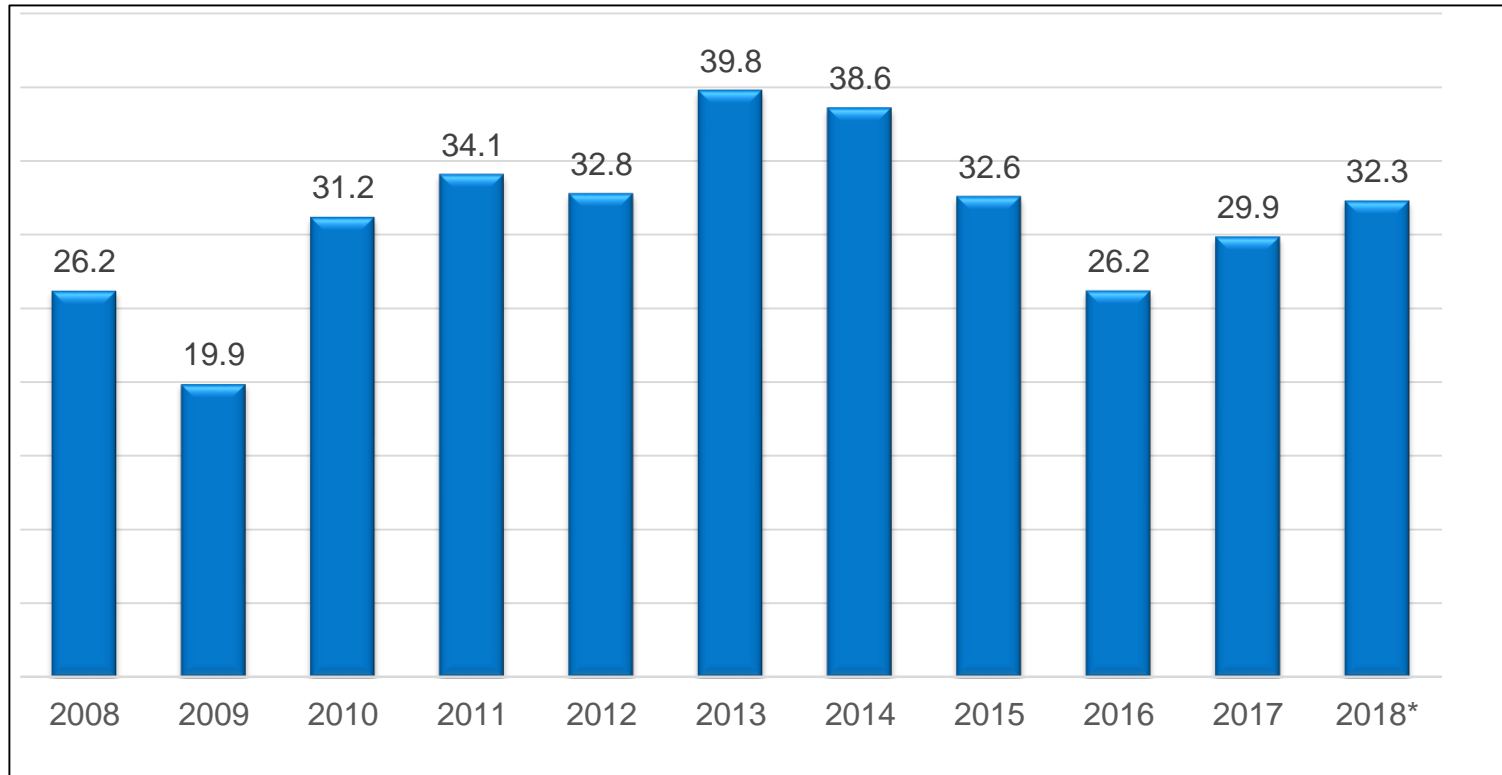
10k metric tons





# Improvement of Taoyuan Works' capabilities and efficiency

Floor area of building permit(Million m2)

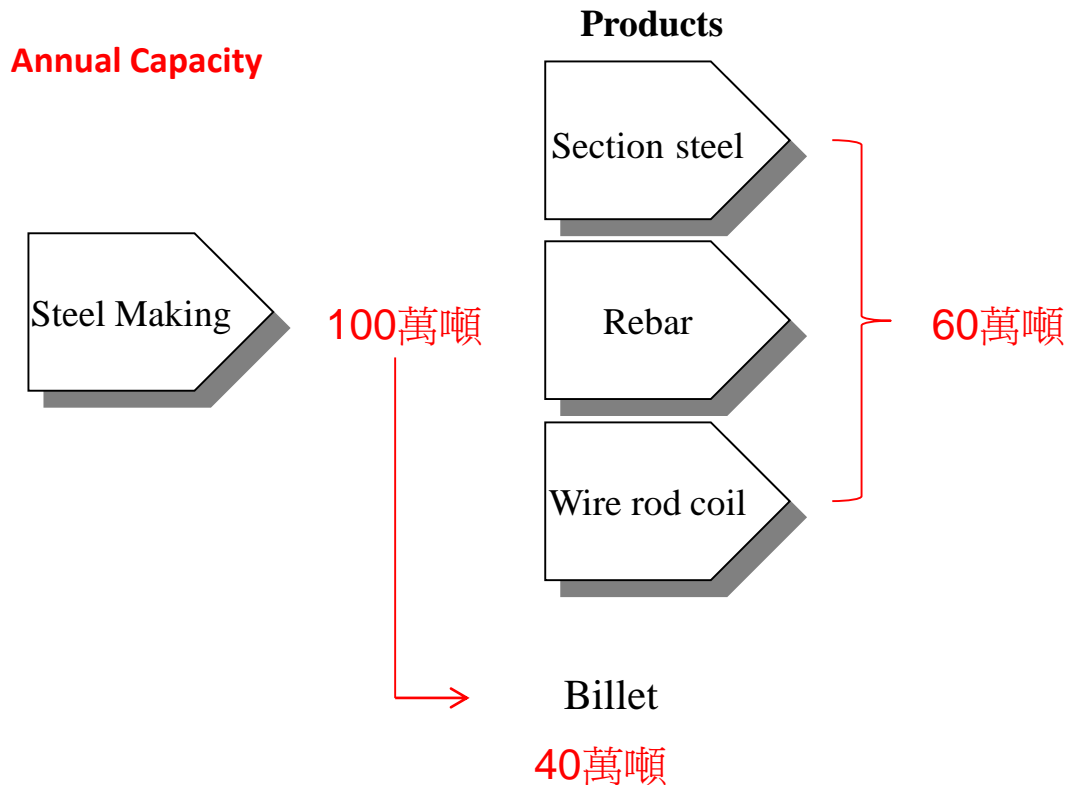


台灣鋼筋  
年需求量  
(百萬噸)

4.85 3.90 4.99 5.66 5.73 5.79 6.06 5.65 4.77 4.71 4.99

\* 依1-8月統計  
數據推估

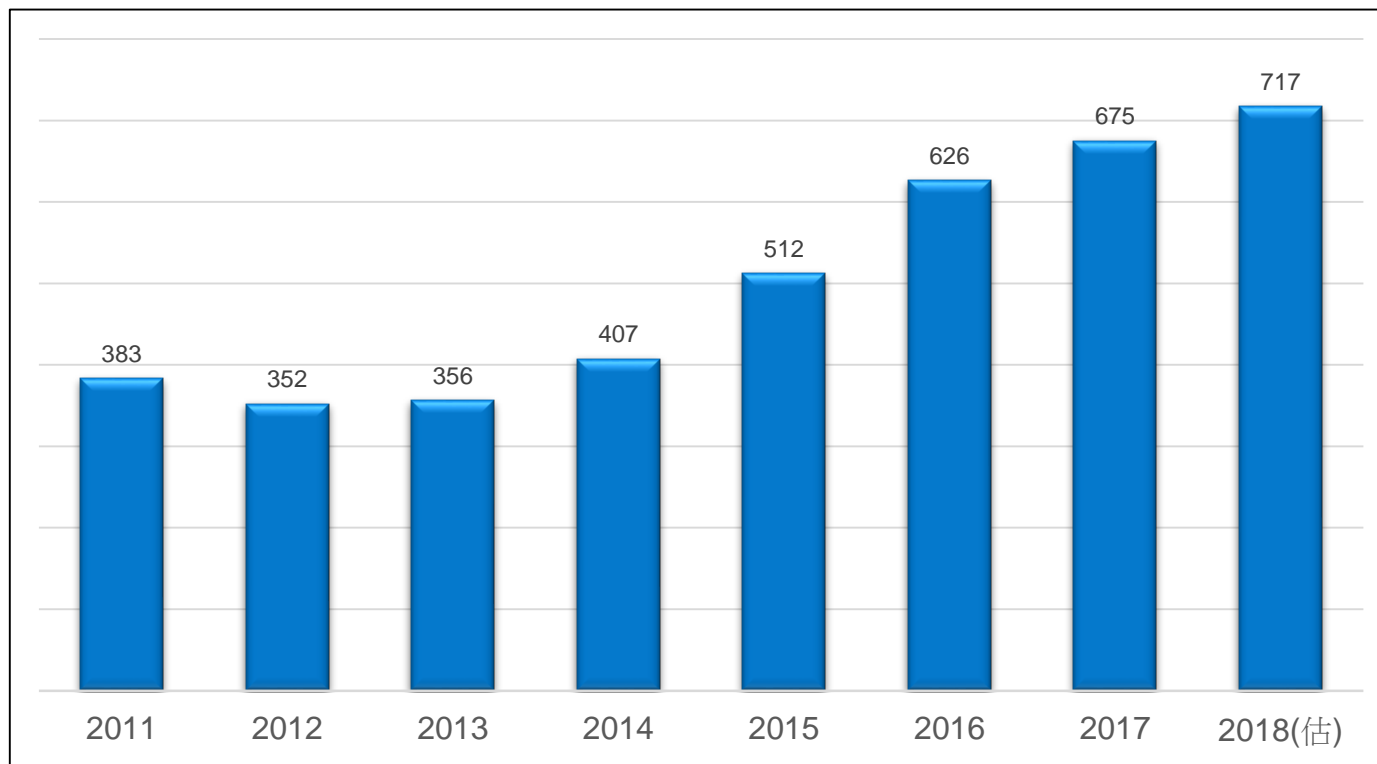
# THSVC new rolling mill put into production

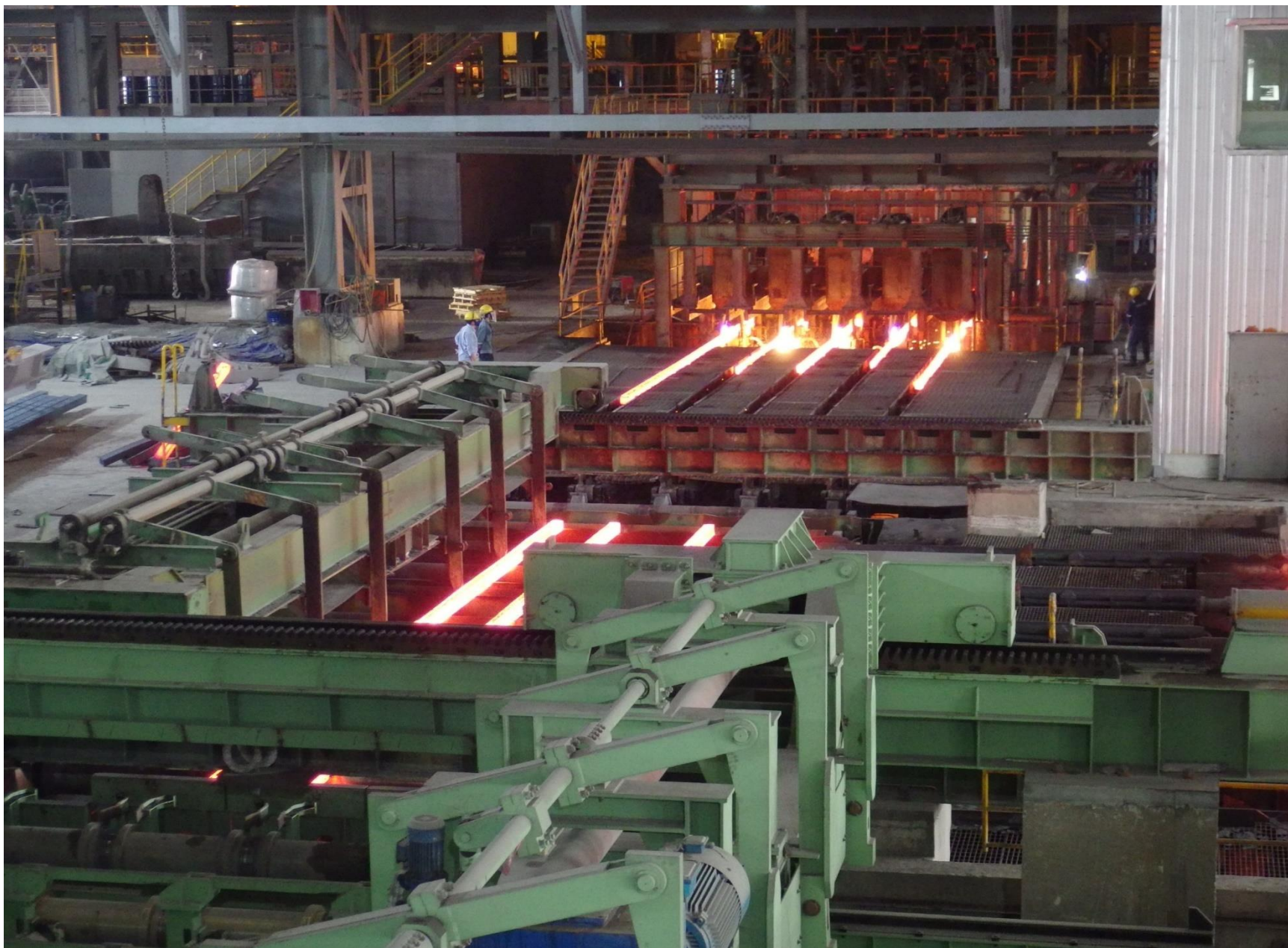


# THSVC new rolling mill put into production

Annual Demand of long steel products in Vietnam domestic market

10k metric tons





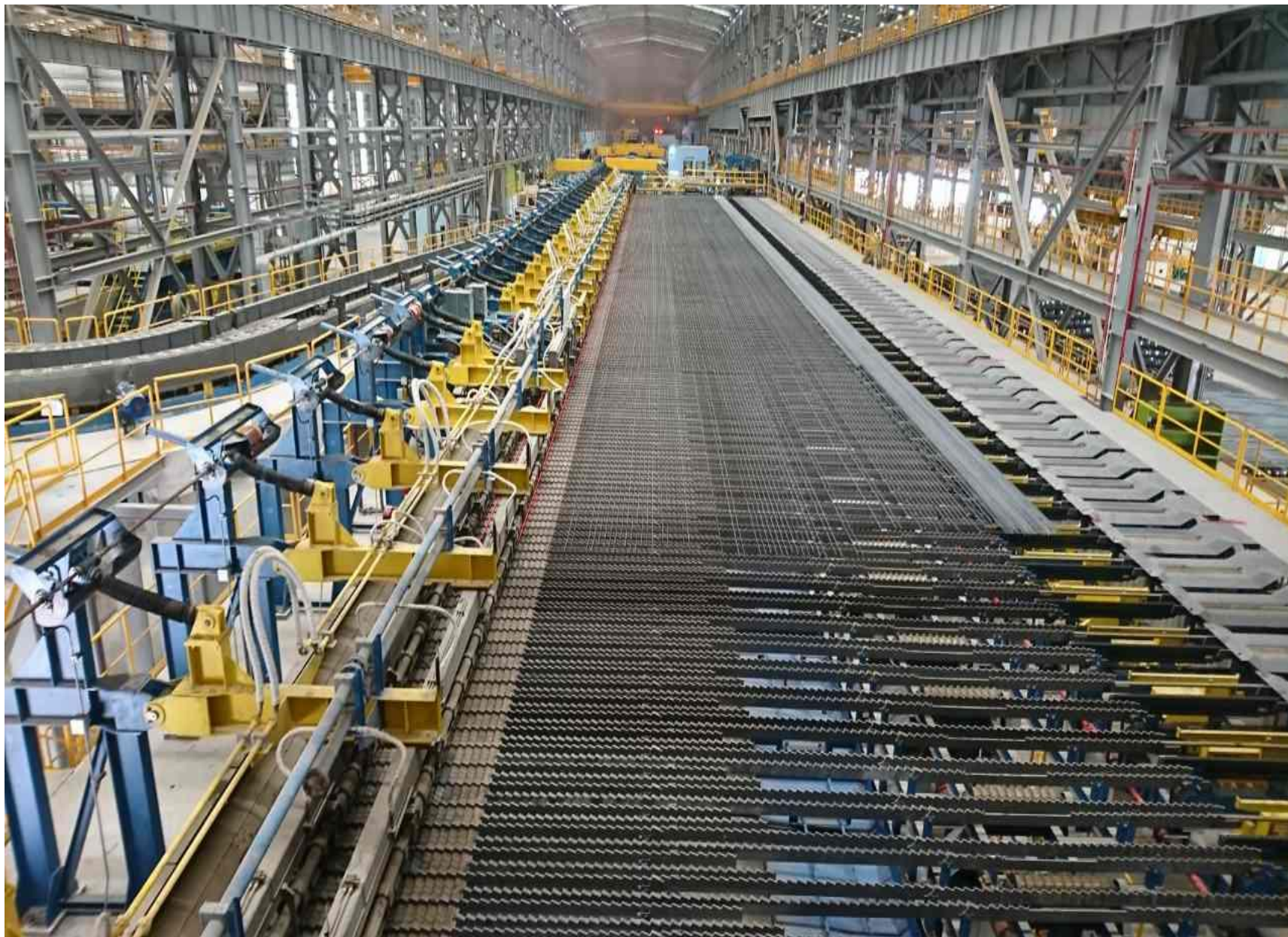












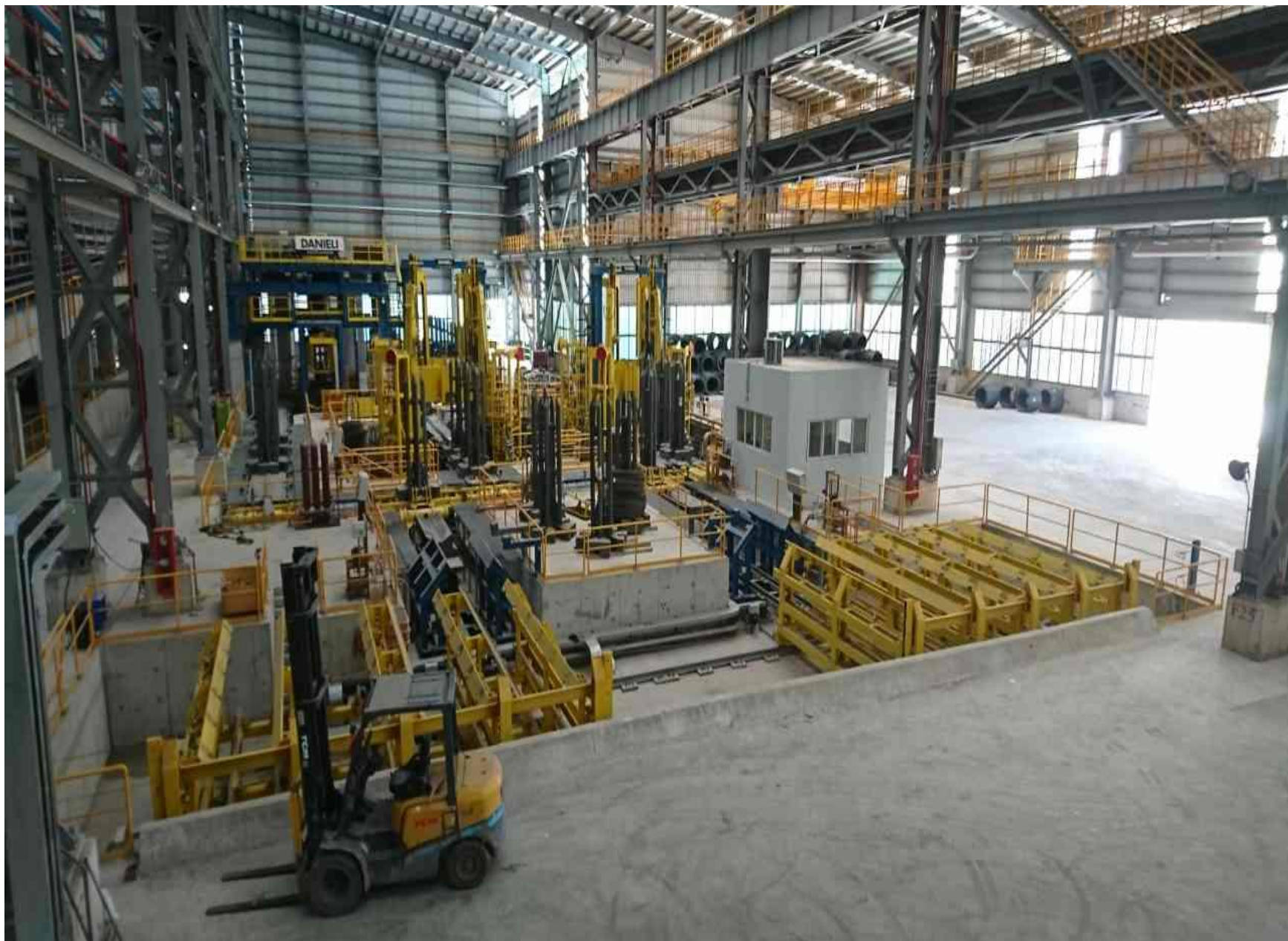












# **An Regular Member of WSA**

- **Tung Ho Steel' 2017 raw steel production has already passed the 1.8 million metric tons cut-off level enabling us to qualify as a Regular Member of worldsteel.**
- **Access the worldsteel extranet to members that provides details of all programmers, activities, campaigns and network with other steel industry professionals**
- **The worldsteel Climate Action Recognition Programme recognizes steel producers that have fulfilled their commitment to participate in the worldsteel CO2 emissions data collection programmer.**

# An Regular Member of WSA

**worldsteel**  
ASSOCIATION

## Tung Ho Group



In recognition of your participation in the worldsteel CO<sub>2</sub> data collection programme 2017-2018.



Edwin Basson  
Director General



Kosei Shindo  
worldsteel Chairman



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

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