Tonghwa Corporation

(FORMERLY KNOWN AS TONG-HWA SYNTHETIC FIBER CO., LTD.)

Third Quarterly Financial Results
Investor Conference

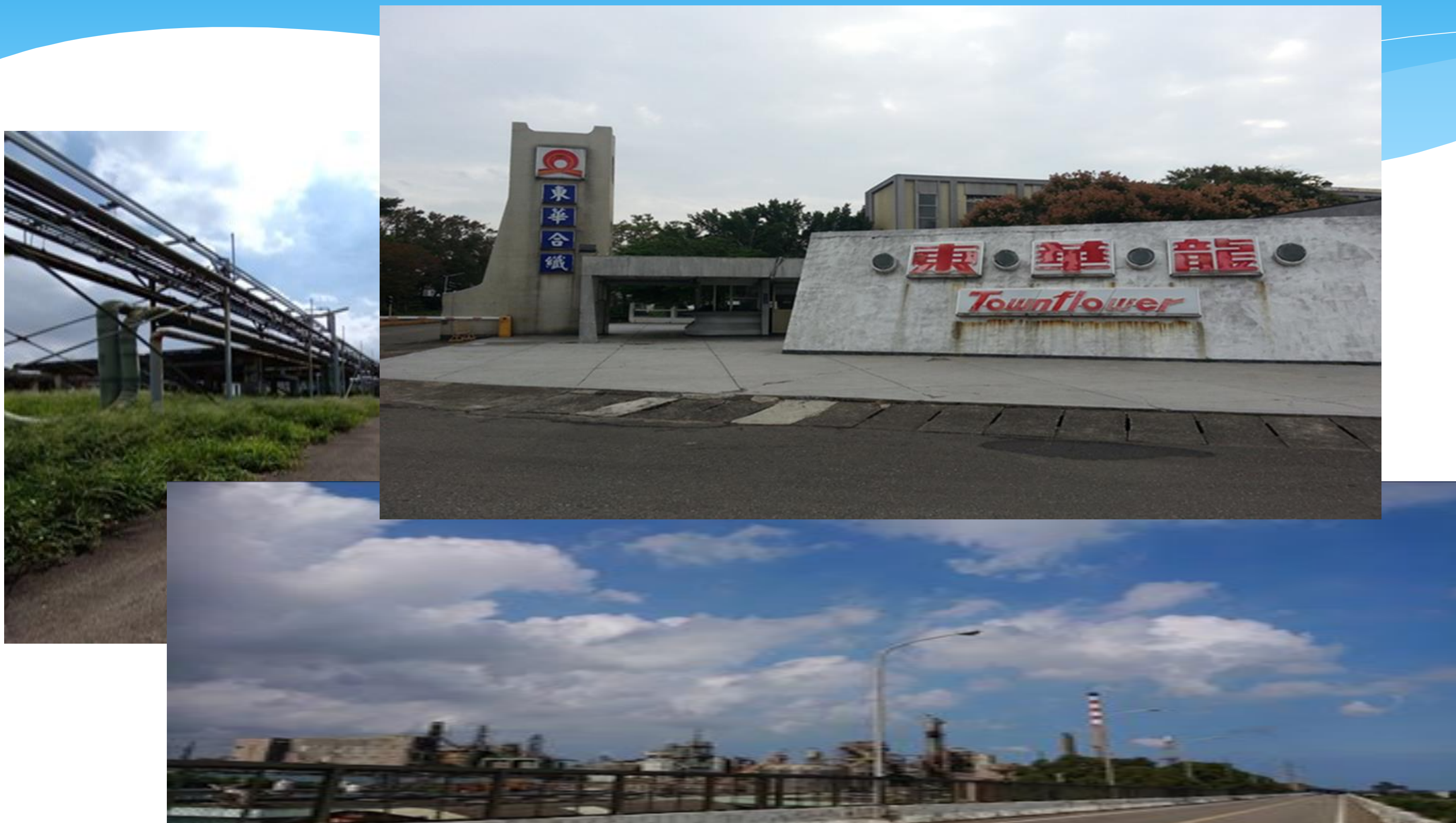
December 2023

Stock Code 1418

Agenda

- Company Profile
- Transformation Plan for Asset Revitalization
- 3rd Quarterly Financial Results

Company Profile



Company Profile

Founded
March 2, 1970

Date of listing

February 14, 1977

Capital

568 millions

Number of employee

45 people

Company Profile

- In order to respond to diversified operations and develop diversified businesses, the motion to change company name to “TONGHWA CORPORATION" was approved at the 2022 Annual General Meeting of Shareholders, and the company name was officially changed on Oct. 6, 2022 with the approval of the Ministry of Economic Affairs.

Transformation plan for asset revitalization

- In order to revitalize the assets, the board of directors approved the resolution on Jan. 27th, 2022 that the land located in the Tonghwa section of Zhubei City will be jointly built with "Taizhan Construction Co., Ltd." to construct a factory and office building with “Jointly-constructed with house divided” approach.

Transformation plan for asset revitalization

- On March 29, 2022, both parties signed the real estate joint construction contract.
- On October 16, 2023, the supplemental contract for the joint construction was signed. The company will provide 3,599.96 ping (坪) of land, and "Taizhan” corporation will invest funds, for joint development and construction. Both parties agreed allocation of the value of right of the joint-construction is 27.0% for the company and 73.0% for "Taizhan“ corporation.

3rd Quarterly Financial Results

CONSOLIDATED BALANCE SHEETS Reviewed

September 30,2023

Amount: NT$ thousand

	Amount	%
Current assets	767,677	18%
Noncurrent assets	3,493,620	82%
Total assets	4,261,297	100%
Current liabilities	2,619,436	61%
Noncurrent liabilities	487,156	11%
Total liabilities	3,106,592	73%
Capital	568,343	13%
Capital reserve	8,008	0%
Retained earnings	(892,331)	-20%
Others	1,551,007	36%
Treasury stocks	(80,333)	-2%
Total equity attributable to owners of parent company	1,154,694	27%
Non-controlling interests	11	0%
Total equity	1,154,705	27%
Net per share (NT$)	21.26	

3rd Quarterly Financial Results

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME Reviewed

For the Nine Months Ended September 30, 2023

	Amount: NT$ thousand	
	Amount	%
NET REVENUE	16,997	100%
COST OF REVENUE	(12,931)	-76%
GROSS PROFIT	4,066	24%
OPERATING EXPENSES	(56,490)	-332%
OTHER OPERATING INCOME AND EXPENSES,	1,215	7%
INCOME FROM OPERATIONS	(51,209)	-301%
NON-OPERATING INCOME AND EXPENSES	(22,977)	-135%
INCOME BEFORE INCOME TAX	(74,186)	-436%
INCOME TAX EXPENSE	0	0%
NET INCOME	(74,186)	-436%
OTHER COMPREHENSIVE INCOME (LOSS)	(853)	-5%
TOTAL COMPREHENSIVE INCOME FOR THE	(75,039)	-441%
NET INCOME (LOSS) ATTRIBUTABLE TO:		
Shareholders of the parent	(74,180)	-436%
Noncontrolling interests	(6)	0%
TOTAL COMPREHENSIVE INCOME		
Shareholders of the parent	(75,033)	-441%
Noncontrolling interests	(6)	0%
EARNINGS PER SHARE (NT$)	(1.37)	

THANKS!