

# TONG MING F-5538

Year 2015

# Company Profile

- Key Business:

Tong Ming Enterprise Co., Ltd.  
(浙江東明不銹鋼製品股份有限公司)

Winlink Fasteners Co., Ltd.  
(岡山東穎開發股份有限公司)

Tong Win International Co., Ltd.

- Capital amount: NTD 1,680,000 ,000
- Number of employees : 840 persons
- Land occupation: 152,000M<sup>2</sup>

# Company Milestone



# Products & Applications

- Stainless Steel Bolts & Nut
- Stainless Steel Drawn Wire
- Special application blue prints parts



- Construction 17%
- Machine assembling 15%
- Transportation equipment 15%
- Telecom transform station 13%
- Energy industry 12%
- Environmental equipment 5%
- Nuclear power equipment 3%
- Marin industry 3%
- Others 17%

# Products & Applications



# Products & Applications



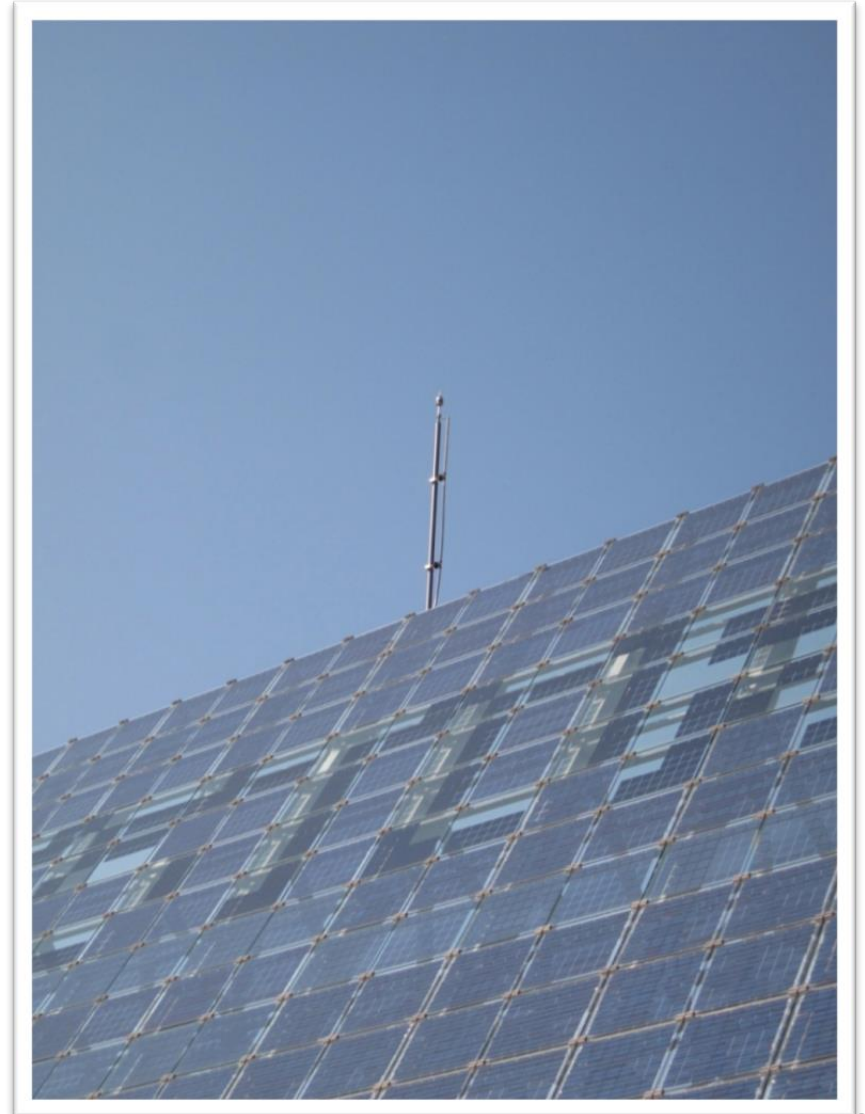
# Products & Applications



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# Products & Applications



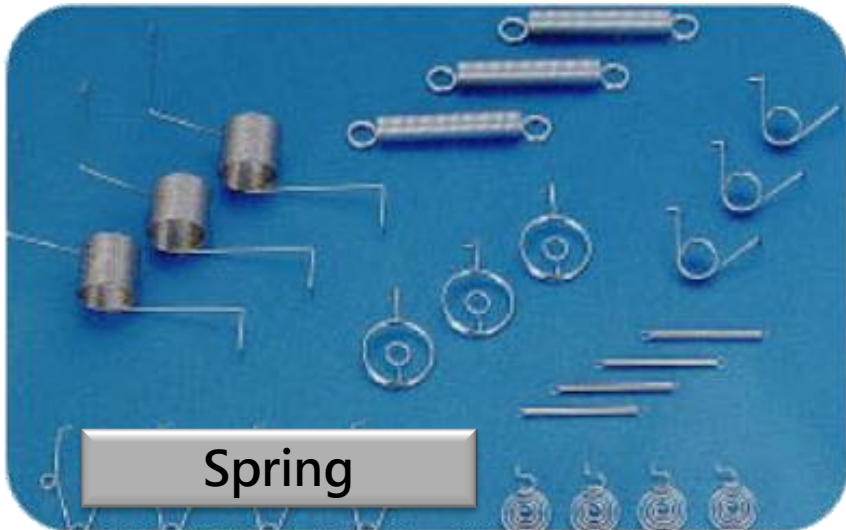
# Products & Applications



Cable



Carrier



Spring



E.P.Q. Products

# Sales For Different Products

Items	Drawn Wire	Fasteners (Export)	Fasteners (domestic)	Special Parts
Business model	Production By Orders	Production by Orders	Production by Planning	Sub-Contractor
Target Market	Chinese end Users	Importers or Distributors In Overseas	4,000 Distributors	OEM & Distributors In Global Market
Sales (year 2014)	25.61%	23.74%	40.80%	9.85%
Sales ( 2015 Q1+Q2)	24.04%	26.42%	38.60%	10.94%

# Market State

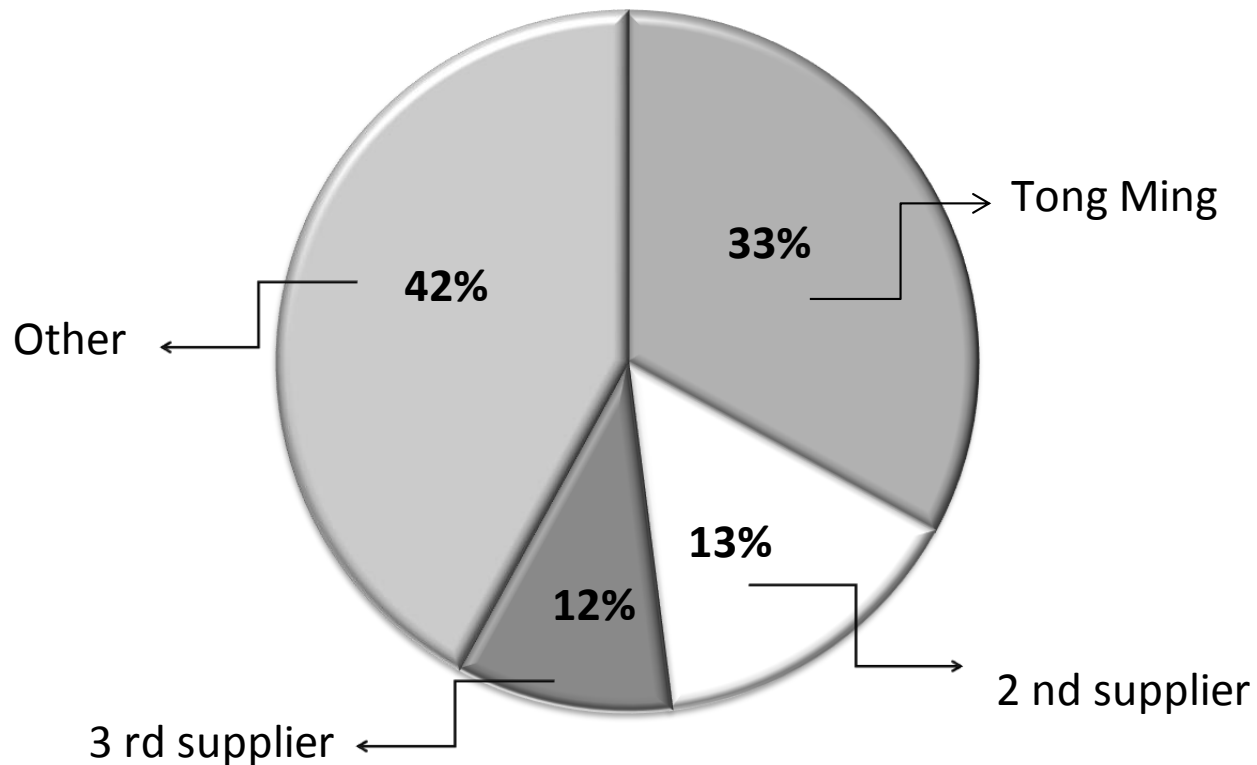
- Tong Ming is the largest stainless steel fasteners manufacturer in China which has best marketing scope.
- Tong Ming could produce 22,370 kinds of fasteners which is the widest products application coverage in the world.
- Tong Ming is the only one who owns production line, private brand and distribution channel system.
- Tong Min adjusts the strategy of material purchasing and maintains the competitive advantage of global market.
- Tong Ming will keep extending the density of channels and consolidating the vertical integration.

# Strong Past & Powerful Future

- Tong Ming is the largest stainless steel fasteners & wire manufacturer in China. In domestic market, 33 branches companies are established in the main cities of China. And we have two trading companies, which are developing special application parts in Taiwan.
- We have own the highest efficient production, the largest products coverage, and the largest market share.
- Tong Ming is the only one maker in global market, which owns production line, brand name, and distribution channel system.
- We will keep upgrading our competitive advantage points in order to extend our growth power and profit result.

# Market Share In China

Tong-Ming's market share in China of 300 series standard fasteners is 33%.



# Our Win Strategies

- Exchange rate could be hedged by company operation.
- The diversification of purchasing selectivity.
- The switch of E-commerce applications from east China area to country-wide.
- The difference of marketing.

# High Efficiency In Production

- Large numbers of forming machines and rolling machines: 250sets for rolling
- Well-designed production line
- Good production facilities
- Precise controlling on production tools
- Low defective parts rate: under 0.3%



Customers  
Export : 279  
Domestic : 4,000



Product  
22,370 Items



Annual output  
60,000MT



# One Stop Purchasing Service

- Build up a special sales model with a extreme high competition barrier

22,370 items products

+ special blue print items

+ high value-adding parts out sourcing

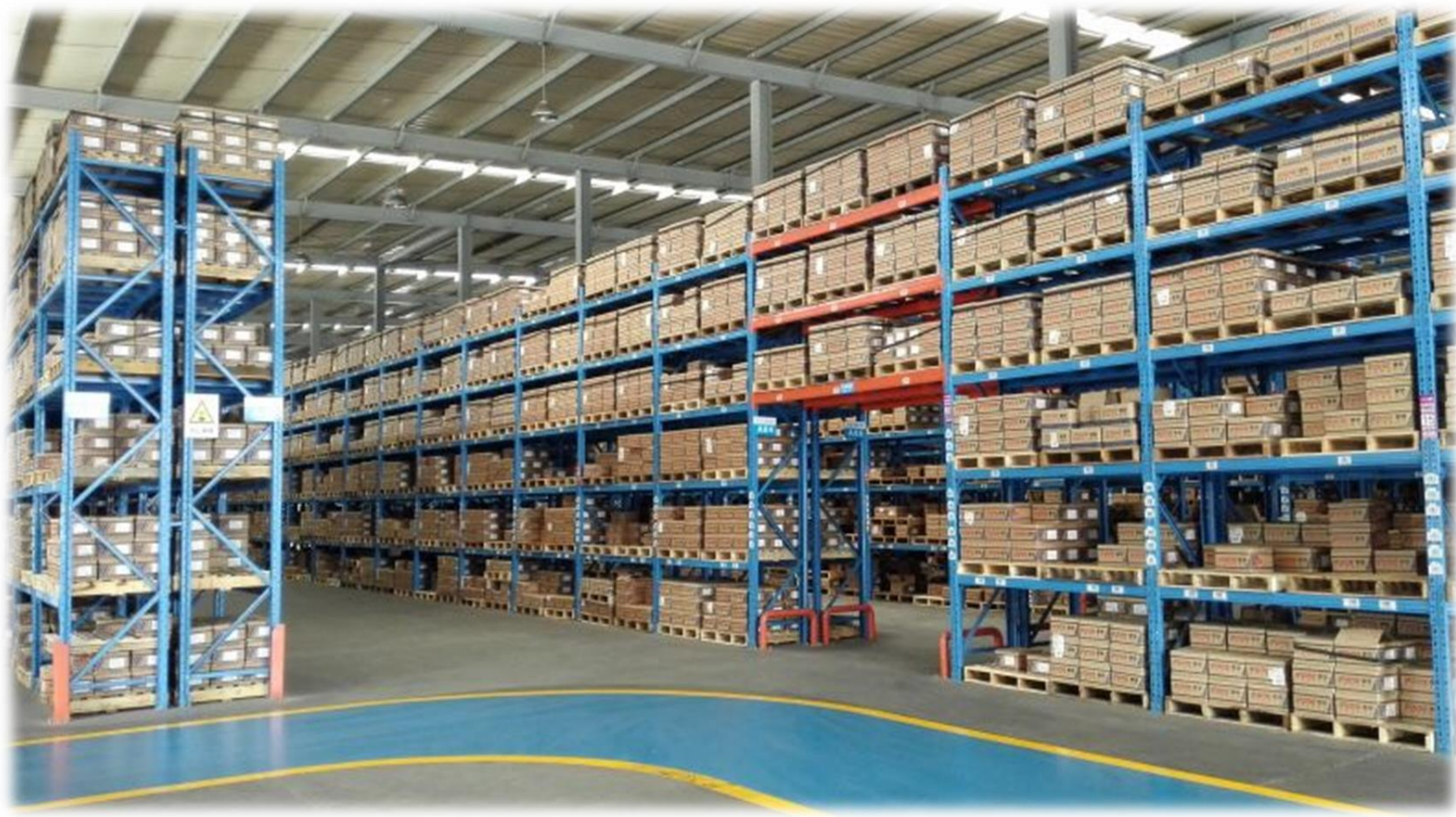
+33 branch companies

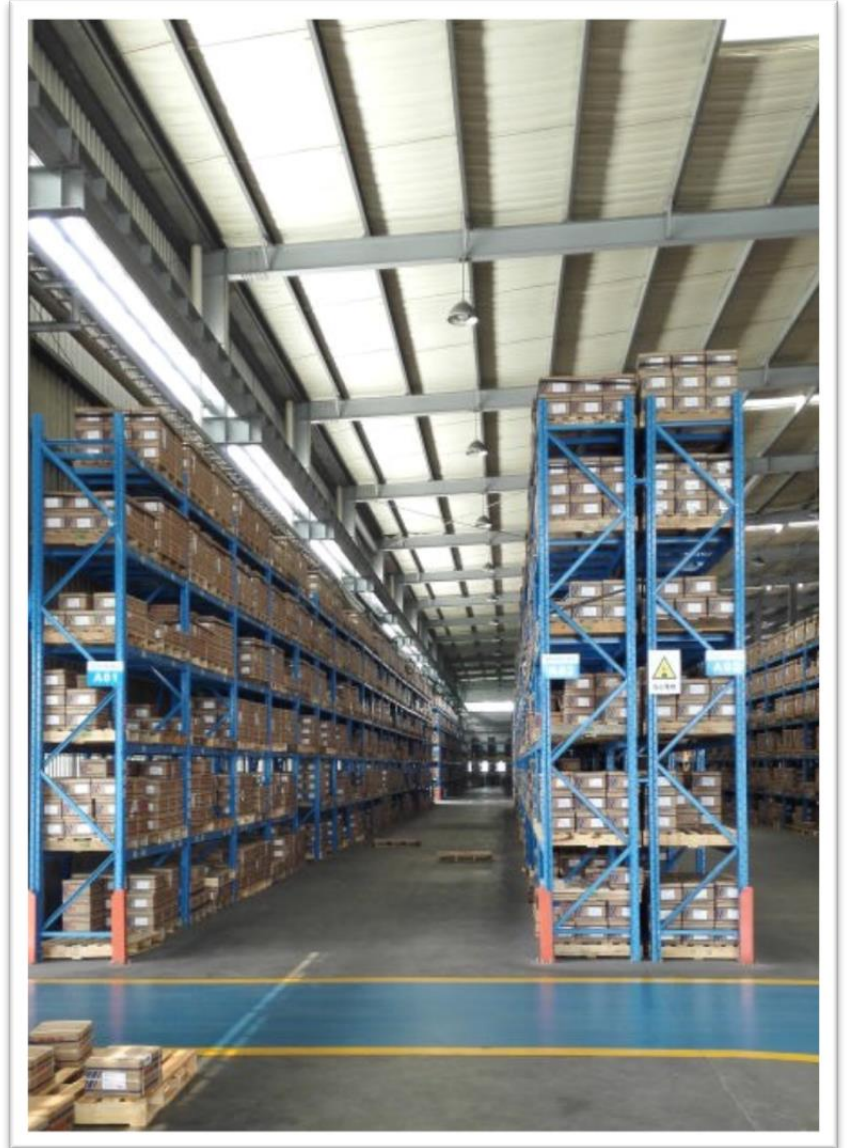
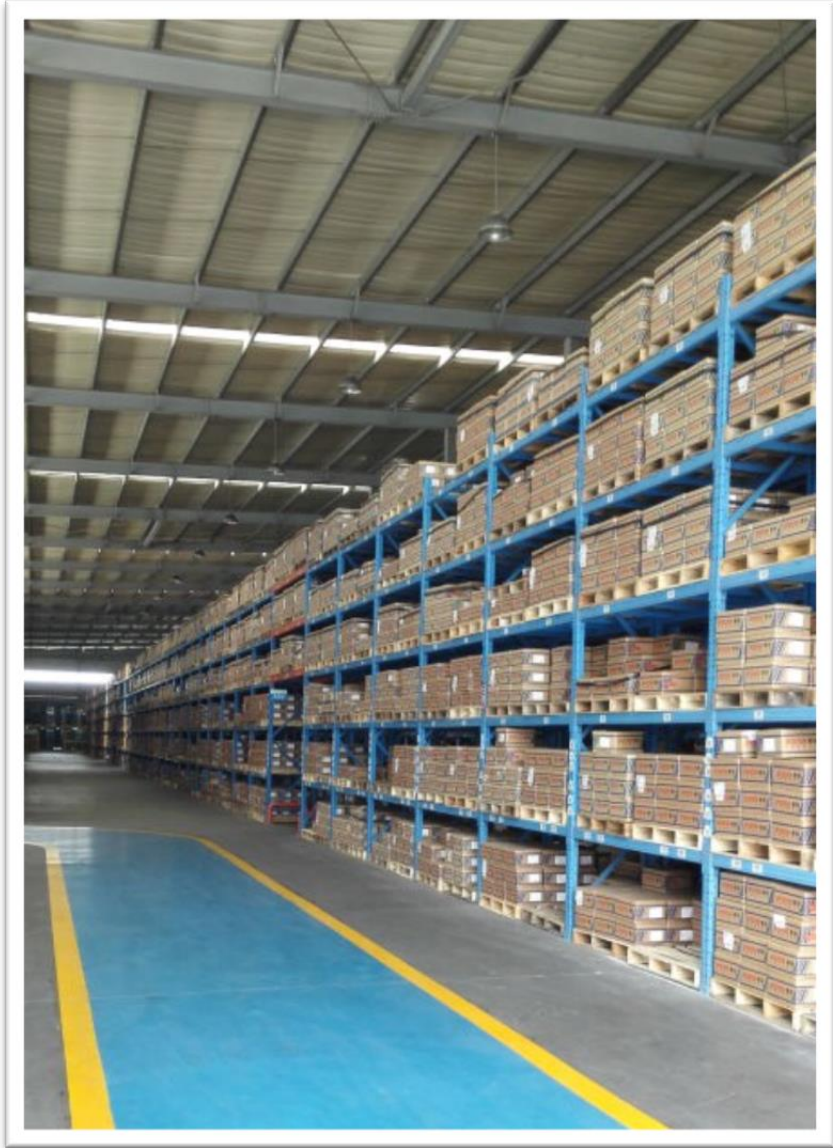
+ 4,000 distributors

= One stop purchasing service channel













# Advantage On Material Purchasing

	Tong Ming	Other
Purchase Scale	<ul style="list-style-type: none"> <li>• Material-purchasing volume: 5,000 MT per month</li> </ul>	<ul style="list-style-type: none"> <li>• Small purchase volume</li> </ul>
Source	<p>Oversea</p> <ul style="list-style-type: none"> <li>• Walsin Lihwa (Taiwan)</li> <li>• NSSC (Japan)</li> </ul> <p>Domestic (China)</p> <ul style="list-style-type: none"> <li>• Bao Steel</li> <li>• Dongbei Special Steel</li> <li>• Yong Xing Special Stainless Steel</li> </ul>	<ul style="list-style-type: none"> <li>• Limit material source</li> </ul>

# Preparing For The Future

Year	2012		2013		2014		2015	
Products	Capacity	Output	Capacity	Output	Capacity	Output	Capacity	2015 Q1+Q2 Output
Fasteners	32,000	29,287	36,000	32,602	36,000	32,349	18,000	16,248
Fasteners %	57%	61%	58%	59%	58%	59%	58%	60%
Drawn Wire	24,000	18,810	26,000	22,238	26,000	22,656	13,000	10,775
Drawn Wire %	43%	39%	42%	41%	42%	41%	42%	40%
Amount	56,000	48,097	62,000	54,840	62,000	55,005	31,000	27,023

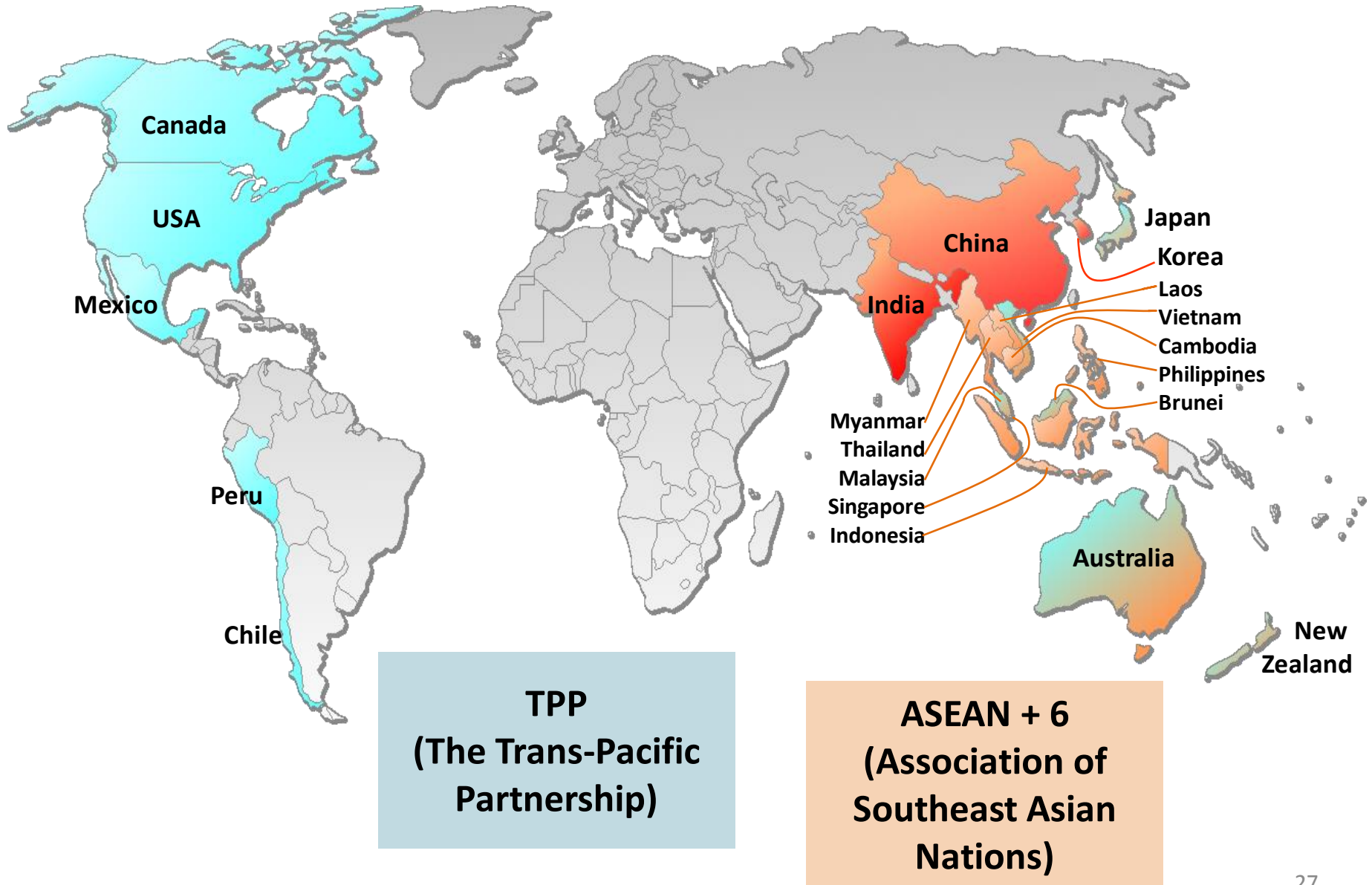


Jiaxing	Harbin
Zhongshan	Chongqing
Tianjin	Changzhou
Beijing	Shenzhen
Taizhou	Shaoxing
Shijiazhuang	Huizhou
Hefei	Yangzhou
Xi'an	Wuxi
Foshan	Xiamen
Kunshan	Guangzhou
Hangzhou	Xinghua
Dongguan	Jinan
Shanghai	Shenyang
Songjiang	Shenyang
Wuhan	Suzhou
Changsha	Dalian
Qingdao	Zhengzhou
Nanjing	Wenzhou

# Our Location

The main production based in located in Jiaxing. There are 33 branches, which offer service to 4000 distributors.

# Our Location



# Nickel Price

## January, 2010 - August, 2015

\* Net Profit For The Period (NTD/1,000)



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# Financial Result

- Consolidated Statement of Income for year 2010-2014
- Statement of Income for 2015 Q1 & Q2
- Our performance reflects our strategy in sales channel. And the earning per share is the best result in past three years records. That is a profitable growth.

# 2010-2014 Statement Of Income

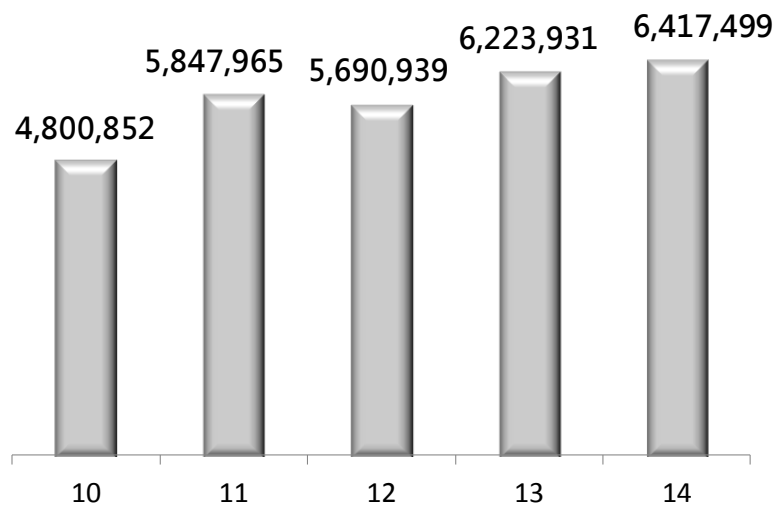
Items	2010	2011	2012	2013	2014
Sales	4,800,852	5,847,965	5,690,939	6,223,931	6,417,499
Gross Profit	920,547	521,975	588,087	792,959	1,135,203
Net Operating Income	610,574	174,192	188,658	326,718	660,921
Profit Before Income Tax From Continuing Operations	601,065	130,136	178,197	292,131	652,640
Net Profit For The Period	455,366	90,674	163,225	240,795	516,122
Earnings Per Share (NTD)	3.02	0.61	1.08	1.56	3.05

# Statement Of Income For 2015 Q1 & Q2

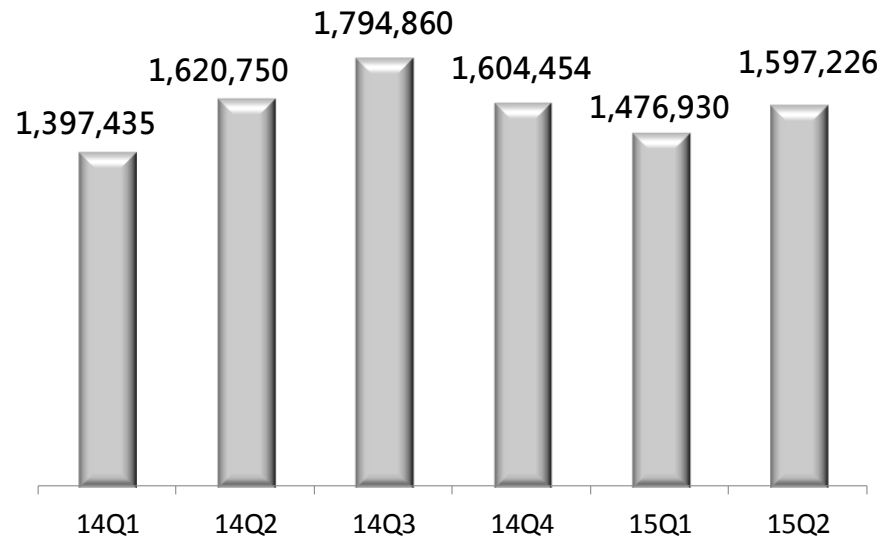
Items	2015 Q1	2015 Q2	2015 Q1+Q2
Sales	1,476,930	1,597,226	3,074,156
Gross Profit	235,958	226,976	462,934
Net Operating Income	103,062	107,556	210,618
Profit Before Income Tax From Continuing Operations	104,666	110,478	215,144
Net Profit For The Period	83,703	77,245	160,948
Earnings Per Share (NTD)	0.50	0.46	0.96

# Financial Review

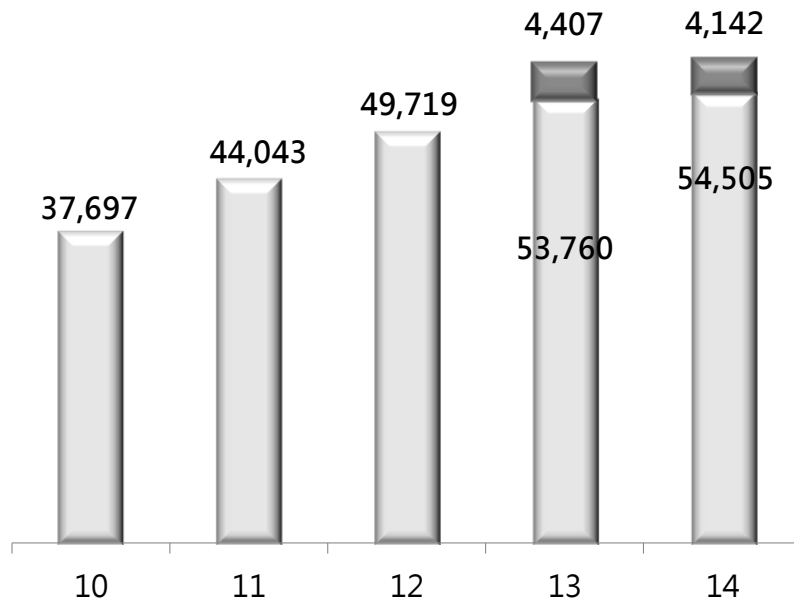
- 2010-2014 five-year sales  
2014 Q1 ~2015 Q2 Sales
- 2010-2014 five-year sales quantities  
2015 Q1 & Q2 sales quantities
- 2010-2014 five-year gross profit margin  
2014 Q1 & 2015 Q2 gross profit margin
- 2010-2014 five-year operating profit ratio  
2014 Q1 & 2015 Q2 operating profit ratio
- 2011-2015 Q2 sales allocation and gross profit margin



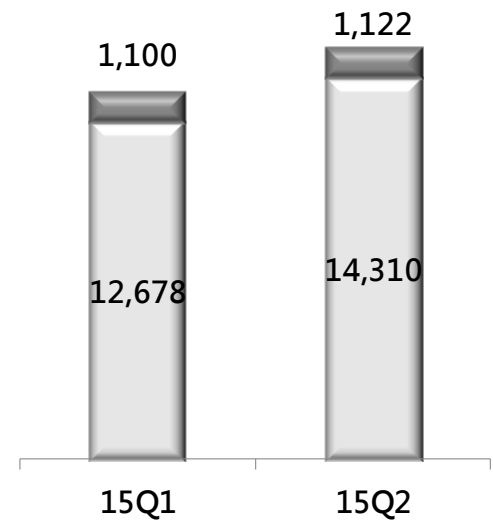
10~14 five-year sales(NTD/1,000)



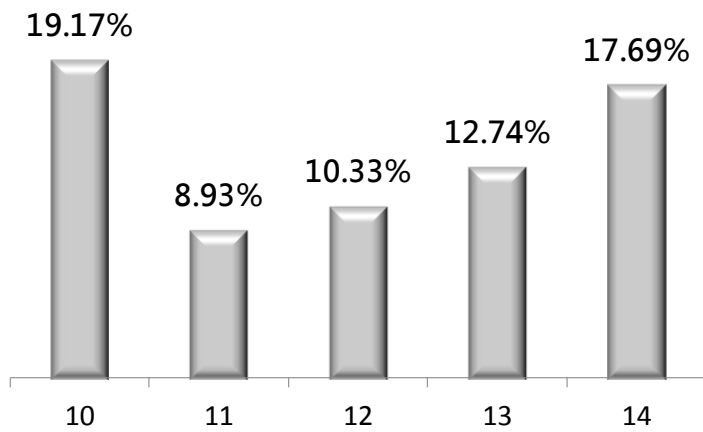
2014~2015Q2 sales(NTD/1,000)



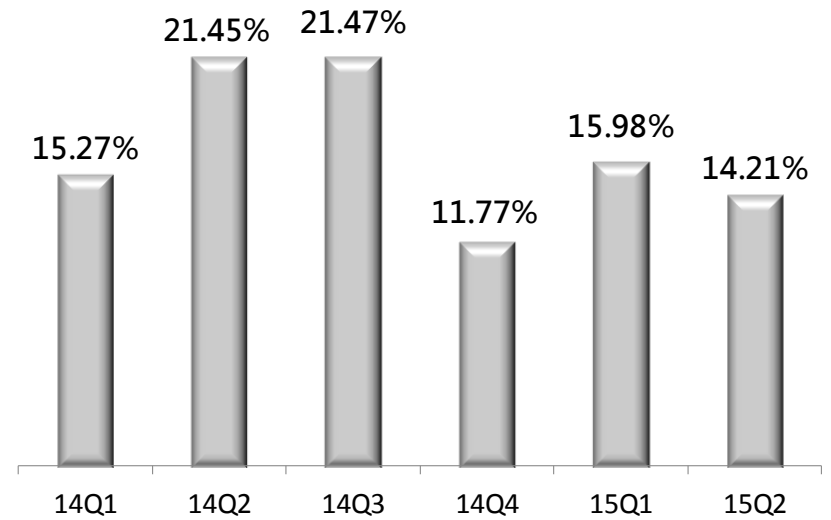
10~14 five-year sales QTY(ton)



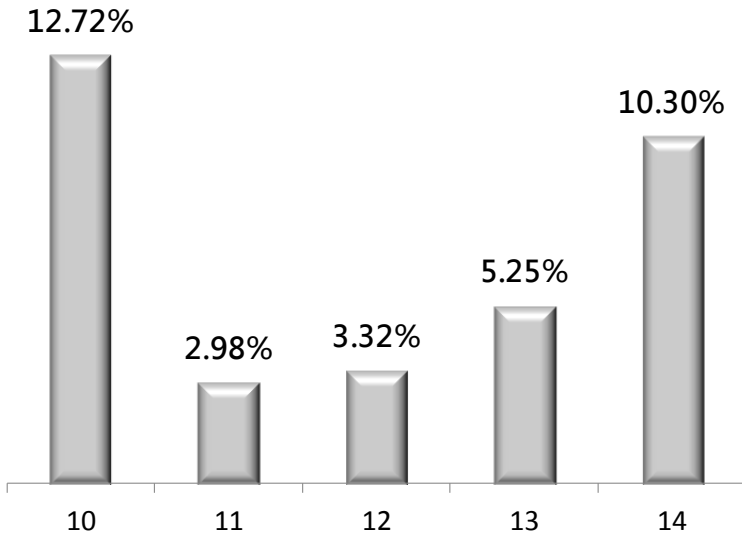
15Q1~Q2 sales QTY(ton)



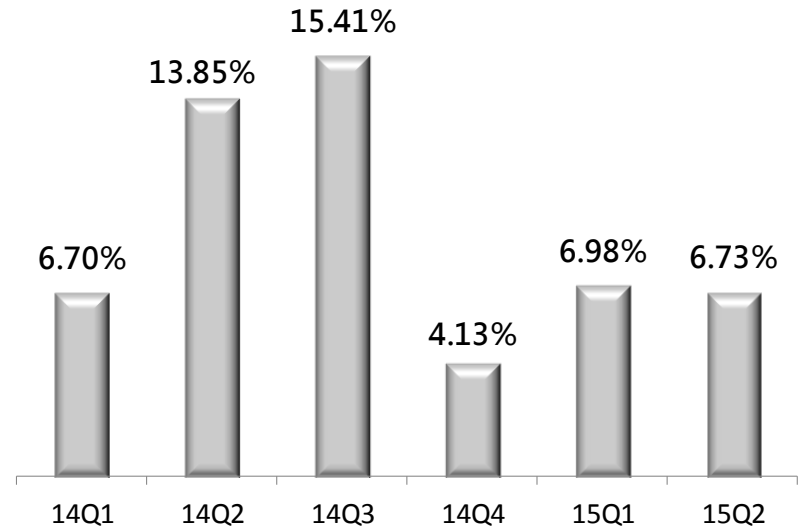
10~14 five-year gross profit margin



14Q1~15Q2 gross profit margin



10~14 five-year operating profit ratio



14Q1~15Q2 operating profit ratio

## Sales allocation

NTD/1000;%

Items	2011		2012		2013		2014		2015 Q1+Q2	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fasteners	4,006,517	68.51	3,699,500	65.01	3,525,171	56.64	3,719,433	57.96	1,809,175	58.85
Drawn Wire	1,751,769	29.96	1,744,351	30.65	1,670,988	26.85	1,643,490	25.61	738,972	24.04
Other	89,679	1.53	247,088	4.34	381,685	6.13	422,404	6.58	189,676	6.17
Special Parts	0	0.00	0	0.00	646,087	10.38	632,172	9.85	336,334	10.94
Sum	5,847,965	100.00	5,690,939	100.00	6,223,931	100.00	6,417,499	100	3,074,156	100

## Gross profit margin

NTD/1000;%

Items	2011		2012		2013		2014		2015 Q1+Q2	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fasteners	483,131	12.06	522,923	14.13	500,853	14.21	778,625	20.93	344,241	19.03
Drawn Wire	34,805	1.99	41,879	2.40	108,914	6.52	165,150	10.05	38,656	5.23
Other	4,040	4.50	23,284	9.42	120,013	31.44	128,648	30.46	46,784	24.67
Special Parts	0	0.00	0	0.00	63,179	9.78	62780	9.93	33,253	9.89
Sum	521,975	8.93	588,087	10.33	792,959	12.74	1,135,203	17.69	462,934	15.06

# Profitable Growth

1. The extending of existing channels → increasing the branch, distributor channels and E-commerce applications
  2. Direct sale → set up a subsidiary and work with end-user to expend the market.
  3. Overseas → focus on Southeast Asia and Northeast Asia with current channel model
- The development of Niche products : Solar Industry , aerospace industry and automotive industry

