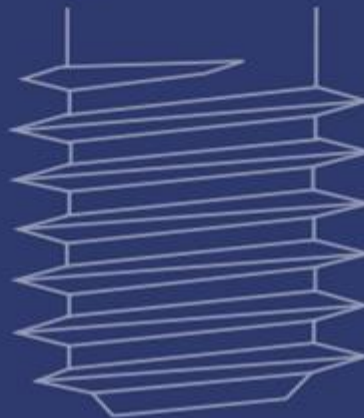




TONG 4.0

Growing a powerful future

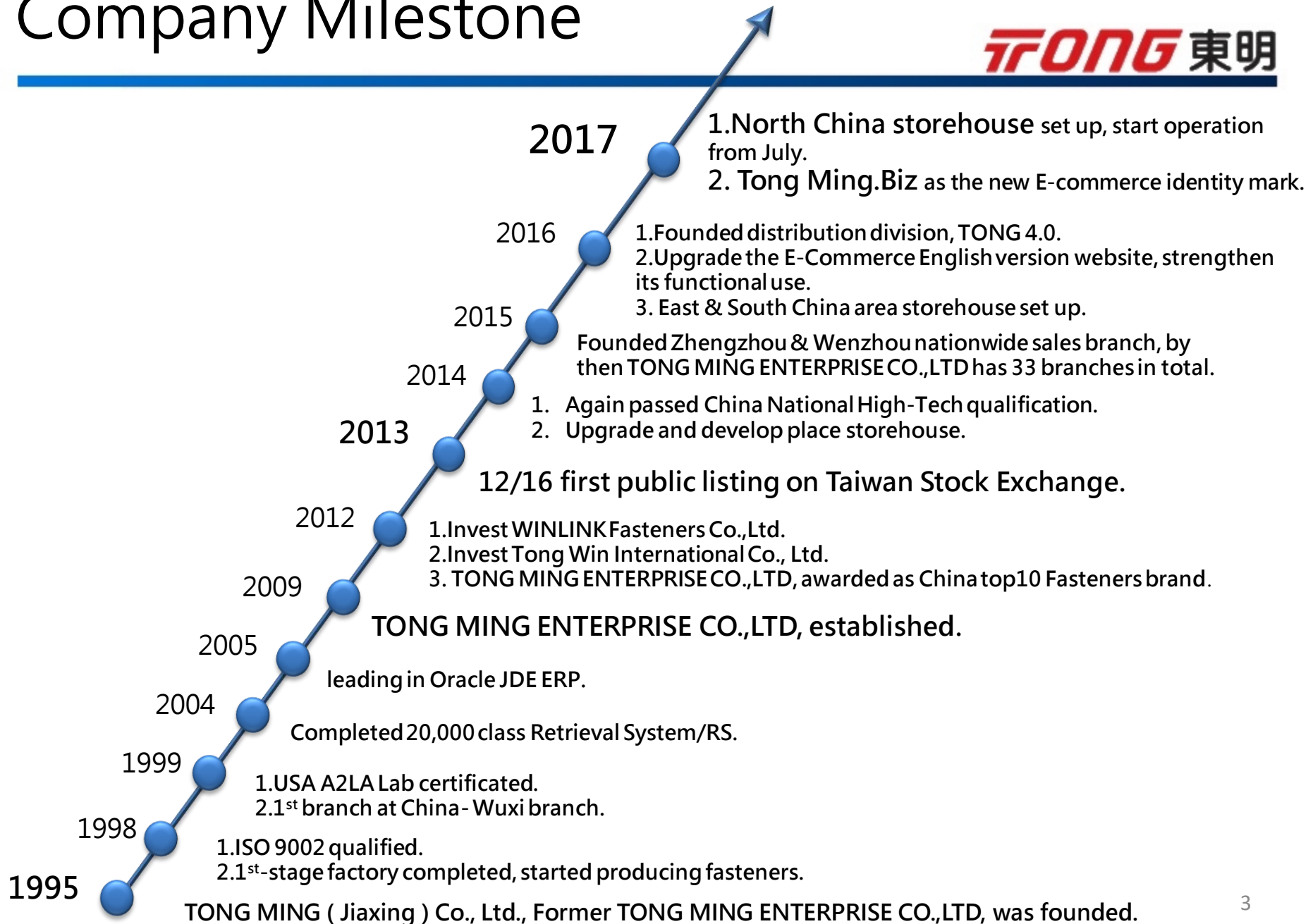


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Company Milestone

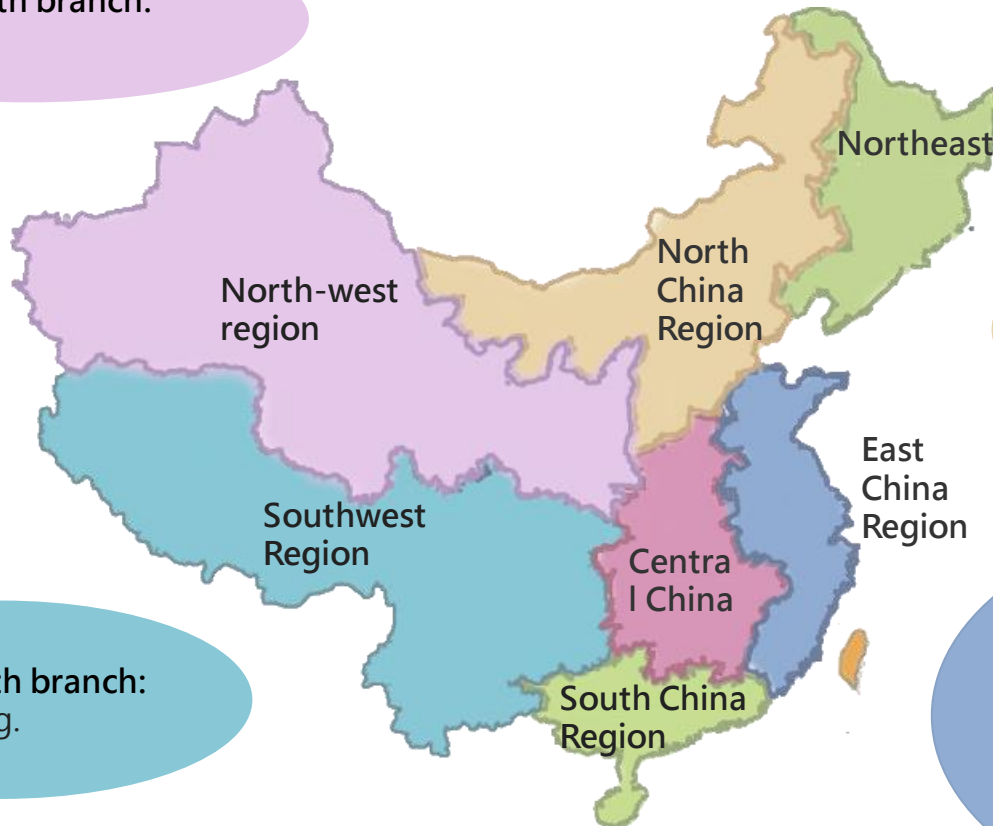


Regional Storehouses



- North China storehouse-Tianjin
Area: 2,000 m²
Inventory Capacity: 600 tonne
- East China storehouse-Jiaxing
Area: 6,000 m²
Inventory Capacity: 3,500 tonne
- South China storehouse-Foshan
Area: 2,700 m²
Inventory Capacity: 650 tonne

West-north branch:
Xi'an.



East-north branch:
Harbin, Qingdao,
Dalian. 3 in total.

North China branch:
Beijing, Jinan,
Shenyang, Tianjin,
Shijiazhuang. 6 in total.

West-south branch:
Chongqing.

East China branch:
Hangzhou, Wuhan, hangsha,
Taizhou, Shaoxing Shanghai-
Songjiang, Wenzhou, Wuxi,
Nanjing, Xinghua, hangzhou,
Suzhou, Kunshan, Hefei,
Yangzhou. 15 in total.

South China branch:
Guangzhou, Shenzhen,
Zhongshan, Zhongshan,
Foshan, Dongguan. 6 in total.

Product and Application



- Stainless Steel Fasteners:
Screws 、 Nuts 、
Construction Hardware 、
Stamping parts
- Stainless Steel Wires

Tiny, but stays all around.

Product and Application



Sales Analysis & Target Market

Items	Stainless Steel Wires	Fasteners (Export)	Fasteners (Domestic Sale)	Niche Products
Business model	Made-To-Orders	Made-To-Orders	Built to Stock	High-Class Customer orientation services
Customers	Chinese end - factories	Mainly Export	4,000+ Dealers	For High-end product demanders
Revenue Percentage (year 2015)	20.37%	24.34%	43.25%	12.04%
Revenue Percentage (year2016)	20.73%	20.64%	46.14%	12.49%

Competitive model

Those who divorce culture life from economic life in business is doom to fail. — Francis Fukuyama

- Utilizing Strategic Purchase for Operational Hedging Risk Management
 - ➡ Stabilization of material suppliers and currency.
- Strengthen the ability in terms of storage and logistic to response to customer, and create strong adhesive customer relationship.
 - ➡ Daily purchase order over 6,000 order, and shipment over 4,000 order..
- E-commerce as a way to conquer the marketing limit, we can launch the new product with speedy pace.
 - ➡ Substitute rate over 70%, which has outbreak the sale at solid shop and make tremendous effect at marketing
- Product differentiation:
 - ➡ Broaden the product line and innovated the original Marketing model so as to attract small-scale customer from Europe.
- Trust:
 - ➡ Trust as an vital capital, especially for those market that are not fully socialized, means to be more higher valued. And it is sure to be shown and reflected on the price.

High Efficiency In Production

- Production forming machine: 256 set
- Qualified production line design
- Advanced production equipment
- Specific control on the production mold
- Defective rate: under 3‰
- High-efficiency logistic process
- Promote eco-friendly production mode



Number of customers:
export:295
domestic:4,000



Number of product
items: 27,000 kinds



Yearly production ton:
close to 65,000ton



Shipment per single
day over 6,000+ orders



decrease acid-cleaning
rate

Preparing For The Future

Year	2015		2016		2017Q1		2017(Expect)	
Products	Capacity	Output	Capacity	Output	Capacity	Output	Capacity	Output
Fasteners	36,000	33,366	46,800	39,223	11,700	8,855	52,800	44,500
Fasteners %	58%	61%	66%	64%	66%	65%	66%	65%
Drawn Wire	26,000	21,564	24,000	22,302	6,000	4,760	27,200	23,500
Drawn Wire %	42%	39%	34%	36%	34%	35%	34%	35%
Amount	62,000	54,930	70,800	61,525	17,700	13,615	80,000	68,000

Stay-still at leading position for logistics support



27,000 kinds of product

Increasingly Out-sourcing product

Special application product

High Adding Value
platform make
limitless possibility

Automated Storage and
retrieval system

32branches

AS/RS warehouse space : 19,198

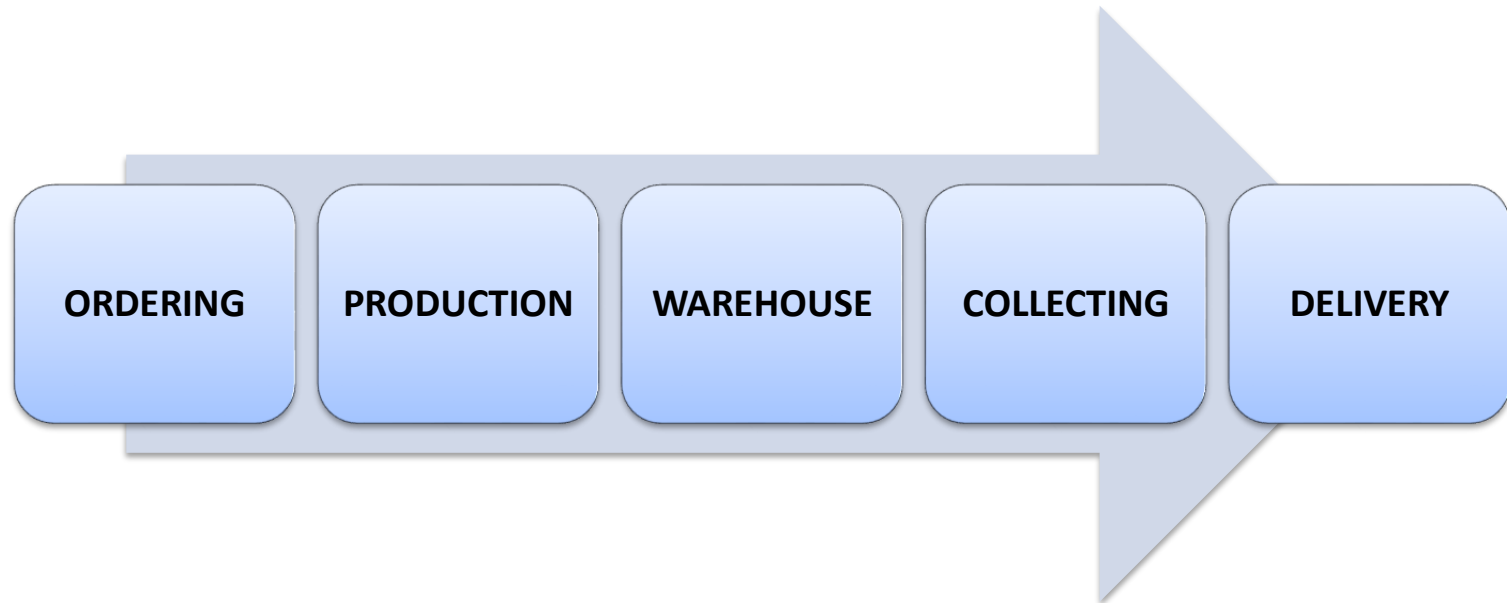
Single warehouse space : 8,221

Bulk-Cargo warehouse : 8,064

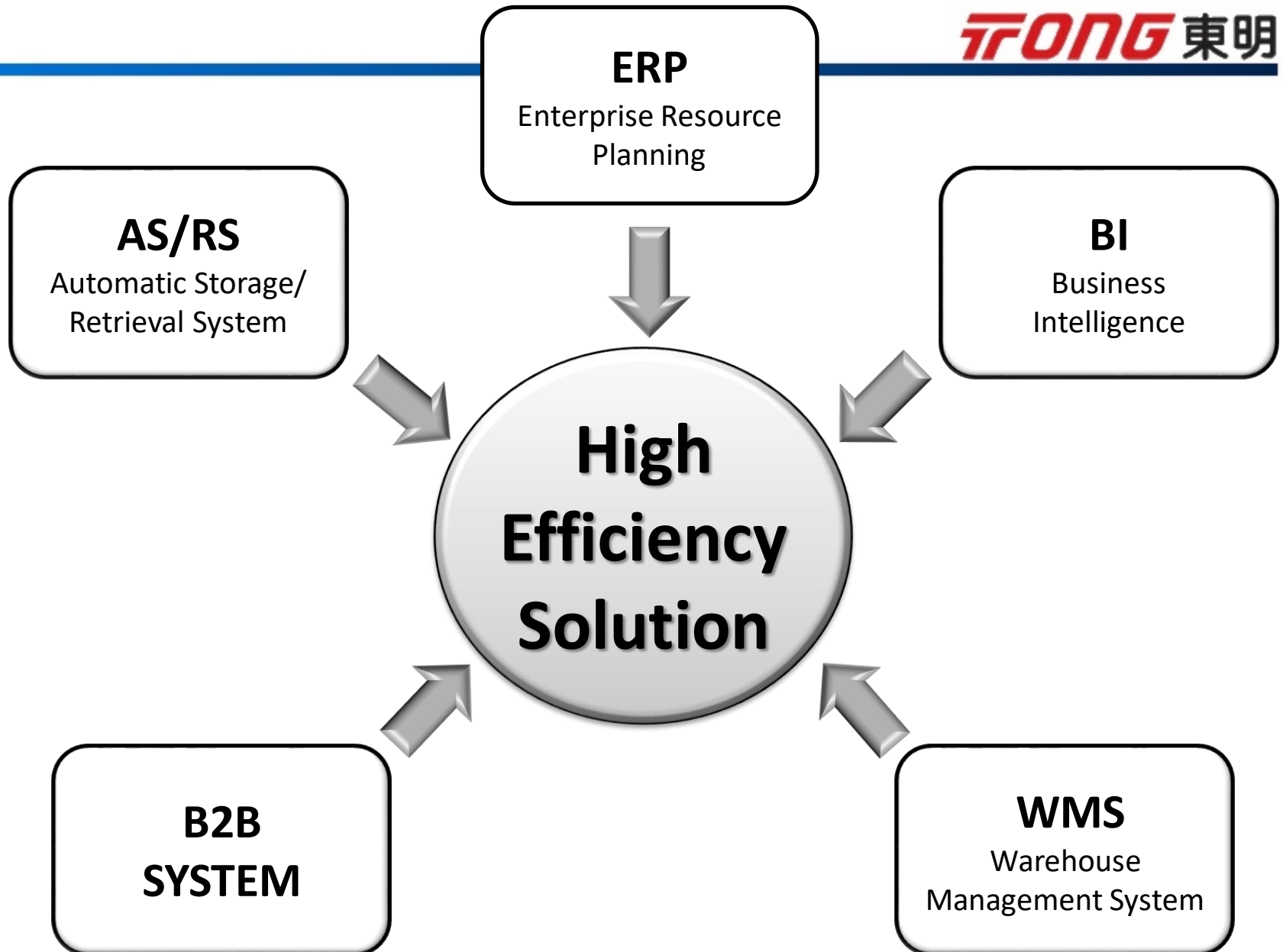
Single warehouse : 40

Regional warehouse : 2

Branch warehouse : 32

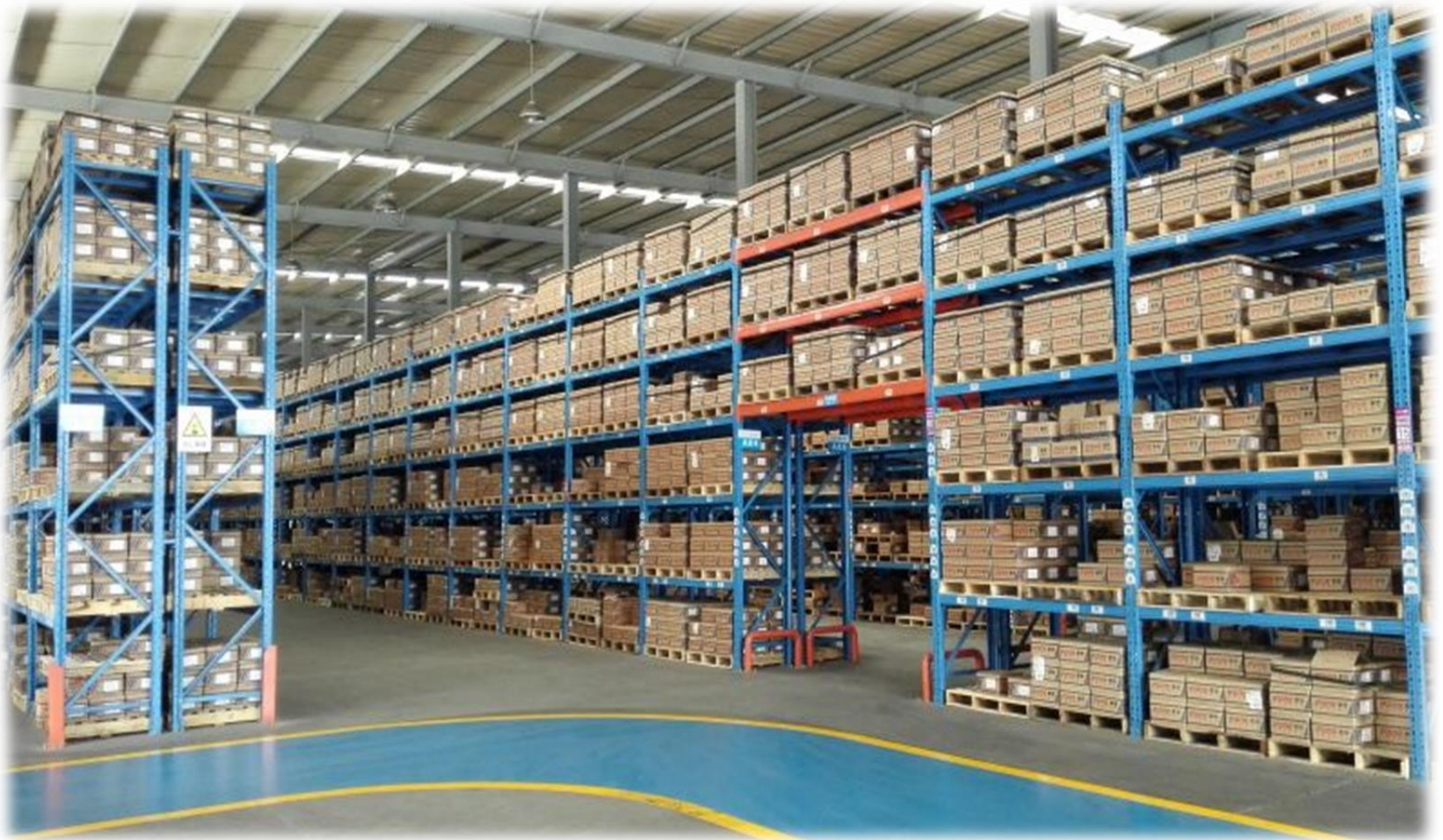


- 27,000 items + 7,000MT inventory + shortage rate less than 5% + idle rate less than 3% = 6,000 ~ 7,000 orders/day

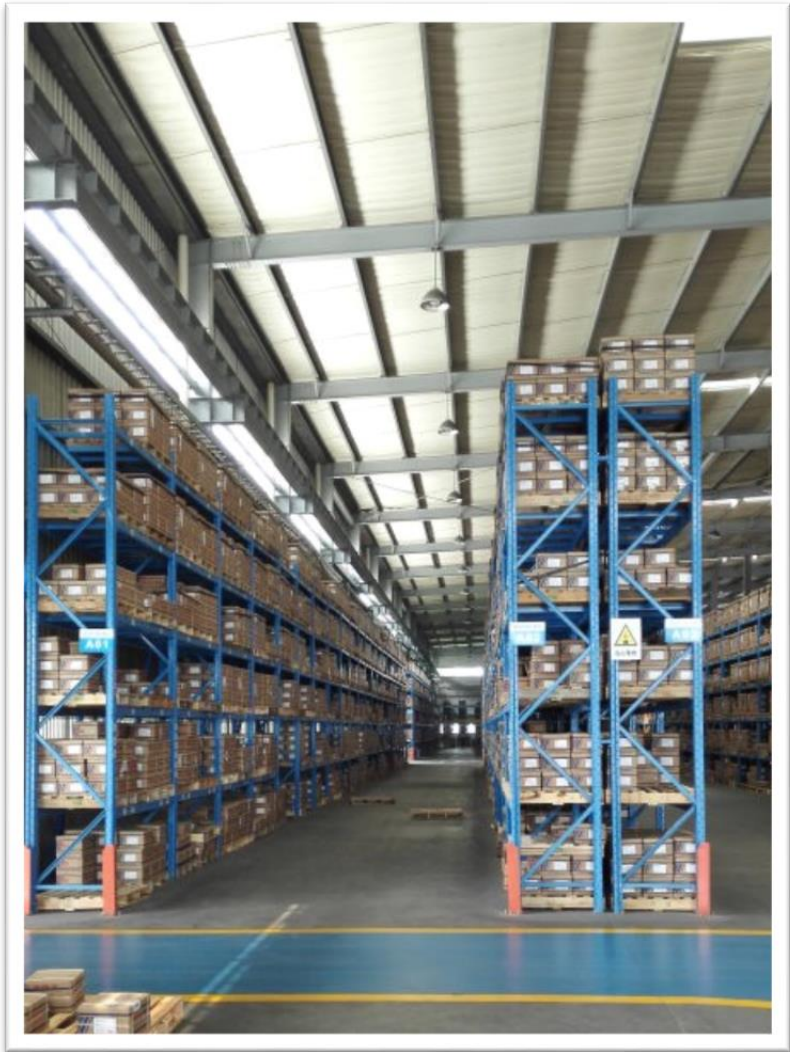
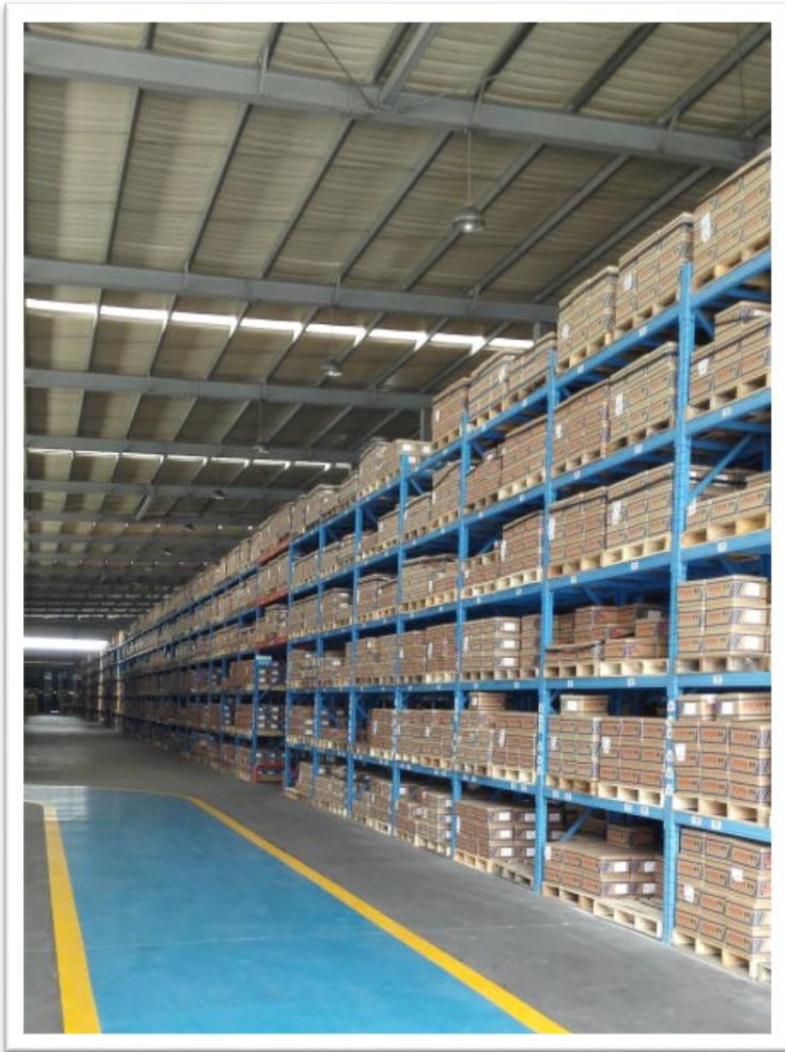




AS/RS warehouse



Single warehouse



Single warehouse



Bulk-Cargo warehouse



Single warehouse for shipment



浙江东明

Regional warehouse



Branch warehouse



Nickel Price

January, 2013 - May, 2017



InfoMine.com

Financial Review

- ◆ 2012-2016 five-year sales
2016 Q1 ~ 2017 Q1 Sales
- ◆ 2012-2016 five-year sales quantities
2016 Q1 ~ 2017 Q1 sales quantities
- ◆ 2012-2016 five-year gross profit margin
2016 Q1 ~ 2017 Q1 gross profit margin
- ◆ 2012-2016 five-year operating profit ratio
2016 Q1 ~ 2017 Q1 operating profit ratio
- ◆ 2013-2017 Q1 sales allocation and gross profit margin
- ◆ Profitable Growth
- ◆ Dividend Policy

Statement Of Income



NTD/1000

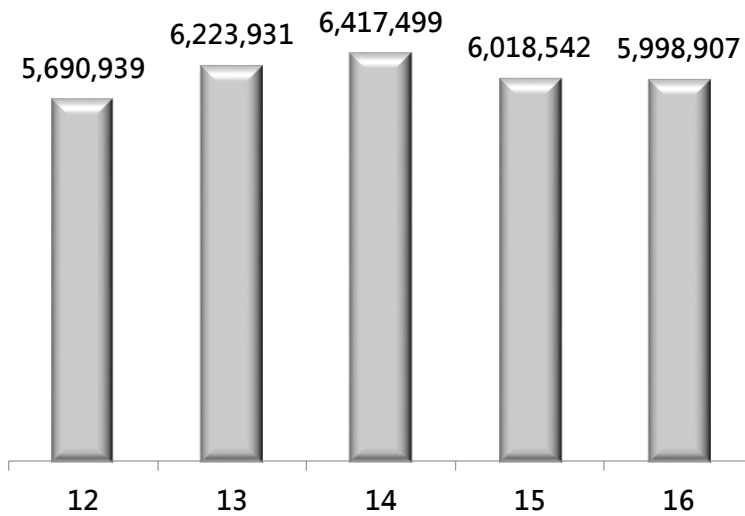
Items	2012	2013	2014	2015	2016
Sales	5,690,939	6,223,931	6,417,499	6,018,542	5,998,907
Gross Profit	588,087	792,959	1,135,203	814,159	1,094,823
Net Operating Income	188,658	326,718	660,921	321,117	603,005
Profit Before Income Tax From Continuing Operations	178,197	292,131	652,640	323,110	597,791
Net Profit For The Period	163,225	240,795	516,122	237,283	467,632
Earnings Per Share (NTD)	1.08	1.56	3.05	1.42	2.78

Statement Of Income

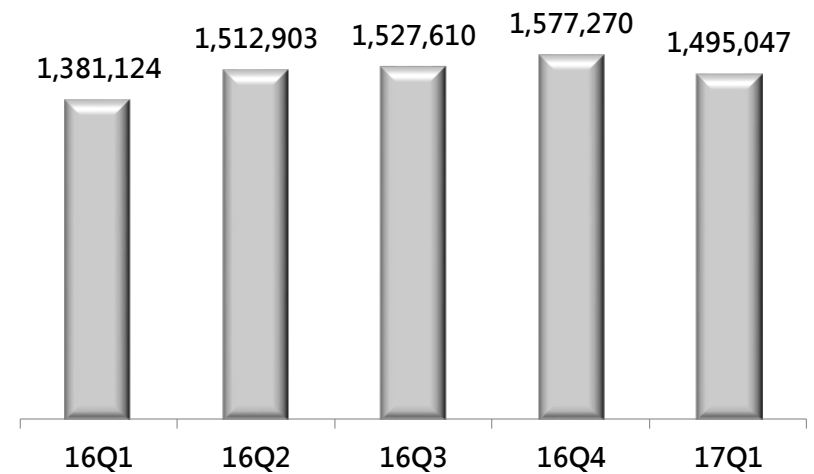


NTD/1000

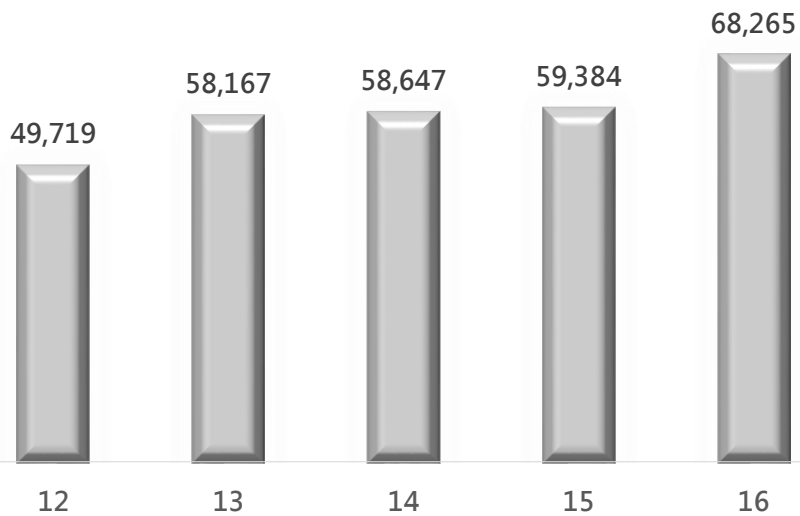
Items	2016 Q1	2016 Q2	2016 Q3	2016Q4	2017Q1
Sales	1,381,124	1,512,903	1,527,610	1,577,270	1,495,047
Gross Profit	211,832	260,119	274,839	348,033	315,115
Net Operating Income	92,327	123,772	157,279	229,627	196,110
Profit Before Income Tax From Continuing Operations	92,481	126,254	130,954	248,102	198,510
Net Profit For The Period	74,174	100,516	99,534	193,408	146,669
Earnings Per Share (NTD)	0.44	0.60	0.59	1.15	0.87



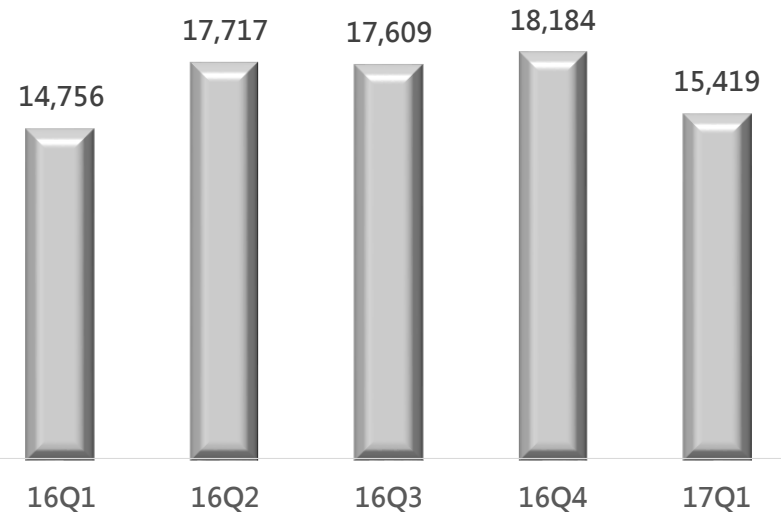
12 ~ 16 five-year sales(NTD/1,000)



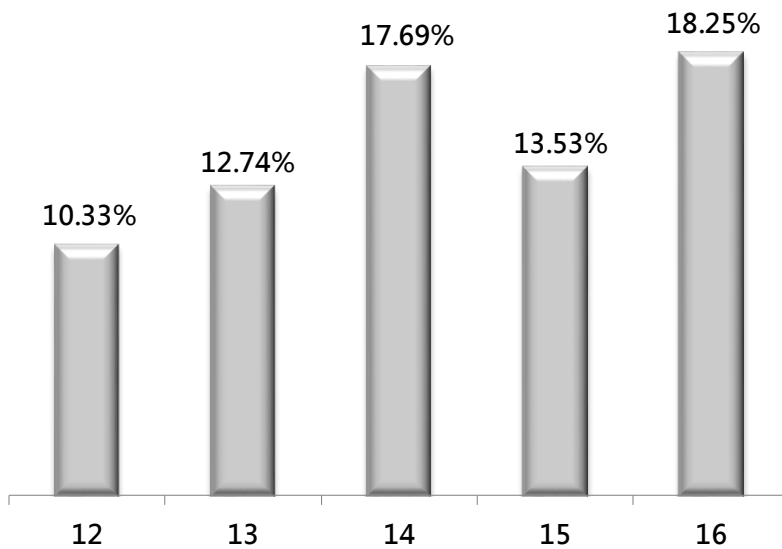
2016 ~ 2017Q1 sales(NTD/1,000)



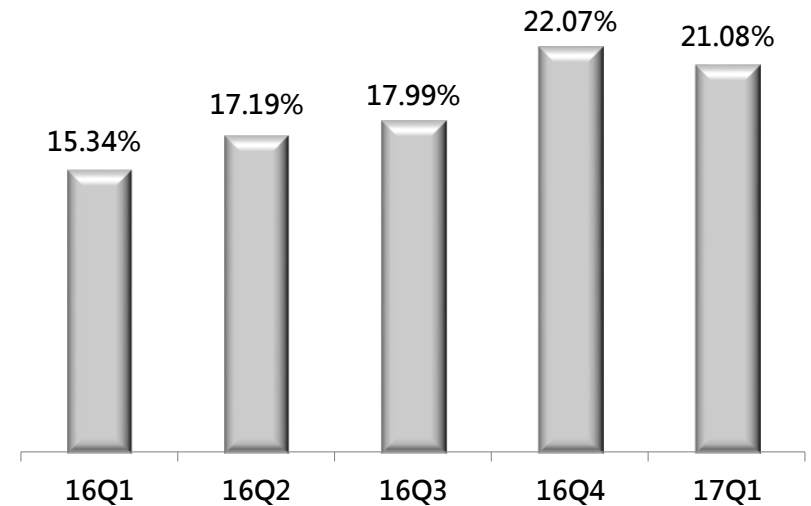
12 ~ 16 five-year sales QTY(ton)



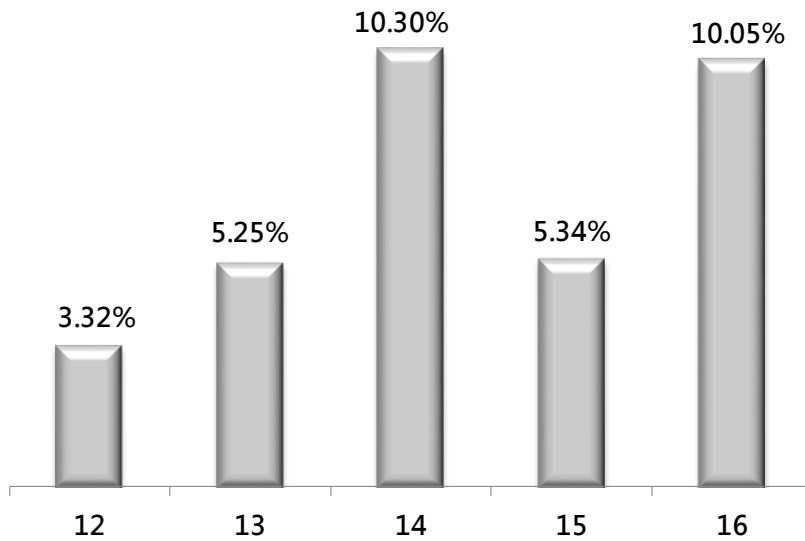
16Q1 ~ 17Q1 sales QTY(ton)



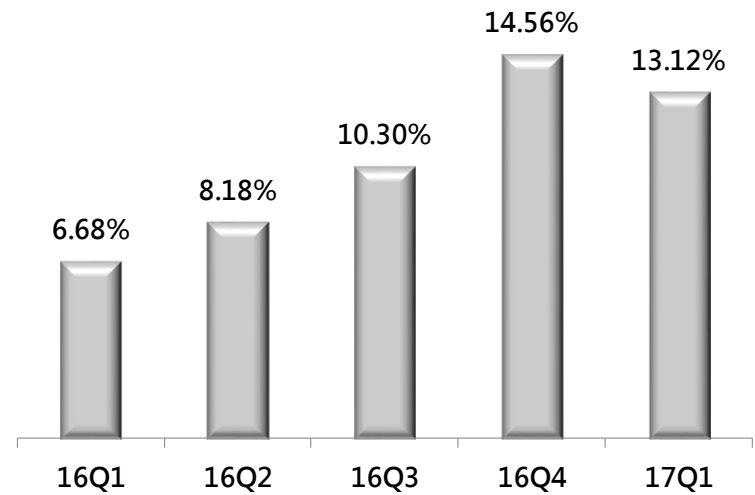
12 ~ 16 five-year gross profit margin



16Q1 ~ 17Q1 gross profit margin



12 ~ 16 five-year operating profit ratio



16Q1 ~ 17Q1 operating profit ratio

Sales allocation

NTD/1000;%

Items	2013年度		2014年度		2015年度		2016年度		2017Q1	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fasteners	3,525,171	56.64	3,719,433	57.96	3,659,555	60.80	3,583,150	59.73	896,701	59.98
Drawn Wire	1,670,988	26.85	1,643,490	25.61	1,225,770	20.37	1,243,669	20.73	316,475	21.17
Other	381,685	6.13	422,404	6.58	408,885	6.79	422,843	7.05	97,504	6.52
Special Parts	646,087	10.38	632,172	9.85	724,332	12.04	749,245	12.49	184,367	12.33
Sum	6,223,931	100.00	6,417,499	100	6,018,542	100	5,998,907	100	1,495,047	100

Gross profit margin

NTD/1000;%

Items	2013年度		2014年度		2015年度		2016年度		2017Q1	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fasteners	500,853	14.21	778,625	20.93	580,278	15.86	784,083	21.88	223,769	24.95
Drawn Wire	108,914	6.52	165,150	10.05	60,938	4.97	124,488	10.01	46,513	14.70
Other	120,013	31.44	128,648	30.46	98,895	24.19	112,694	26.65	30,644	31.43
Special Parts	63,179	9.78	62780	9.93	74,048	10.22	73,558	9.82	14,488	7.70
Sum	792,959	12.74	1,135,203	17.69	814,159	13.53	1,094,823	18.25	315,115	21.08

Executive and operational vision



- ◆ Increasingly reduce branch and shipment from each branches to take more efficient way for selling. Annual sales goal for 2017: increase growth in China fasteners market to 20% 、 export market 8% 、 stainless steel market 5%.
- ◆ Reduce cost via E-commerce and regional warehouses and increase daily order purchases. By using all-around system, to promote capital efficiency and continuously launch new product and product specification.
- ◆ Main growth for future market will be enterprise transformation and substitution. China government has confined production of frequency electric furnace from 2016 and the sub-market will radically decrease there after. The expected growth from main stream production line will be very positive.
- ◆ Promote sales to Europe and USA market to extend the benefit.

Dividend Policy

- Maintain High interest rate and raise Return On Equity.
- Stable, mainly cash dividend.

Items/Year	14	15	16	17Q1
Return on equity(%)	14.84	6.61	13.32	4.17
Cash dividend(NTD)	2.2	1	2	?
Earnings Per Share(NTD)	3.05	1.42	2.78	0.87
Interest Rate(%)	72.13	70.42	71.94	?























