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TONG MING

KY 5538

TONG

Growing a powerful future



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TONG WIN INTERNATIONAL CO., LTD.

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Company Milestone

2019

- Smart Computing and strengthen production arrangement
- Wuhan region warehouse

2018

- Strengthen the manufacture concordance
- Extend distribution product
- Set up new area warehouse: Chengdu

2017

- North China inventory hub set up, start operation from July.
- Tong Ming Biz as the new E-commerce identity mark.
- Merge domestic branches

2013

- 12/16 first public listing on Taiwan Stock Exchange.

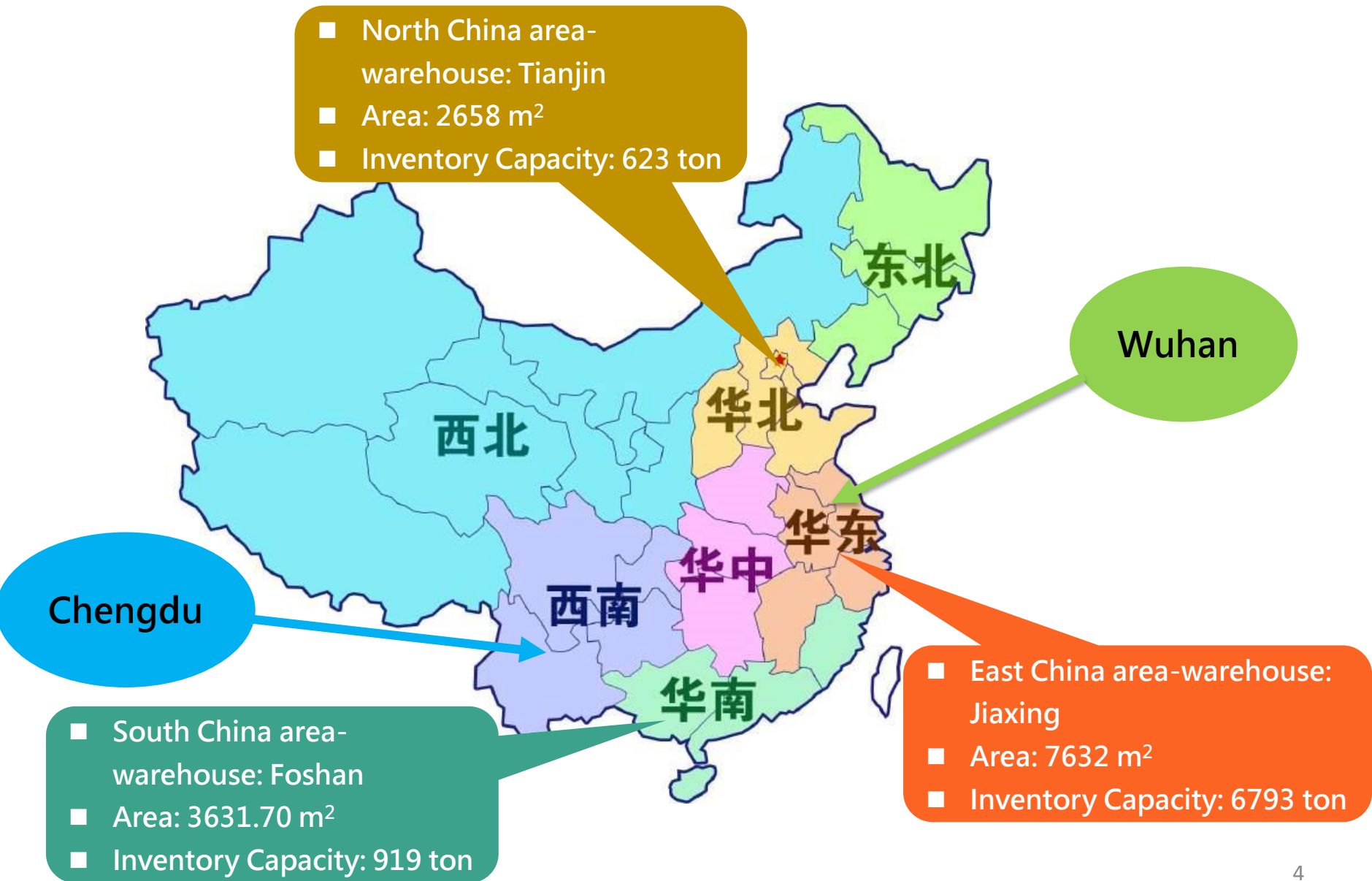
1998

- 1st-stage factory completed, started producing fasteners

1995

- TONG MING (Jiaxing) Co., Ltd., former TONG MING ENTERPRISE CO.,LTD, was founded

Regional hubs



North China (6 branches):
Beijing, Jinan, Shenyang, Tianjin,
Shijiazhuang, Chengzhou

Northwest China:
Xian

Northeast (2 branches):
Qingdao, Dalian



Southwest:
Chongqing, Chengdu

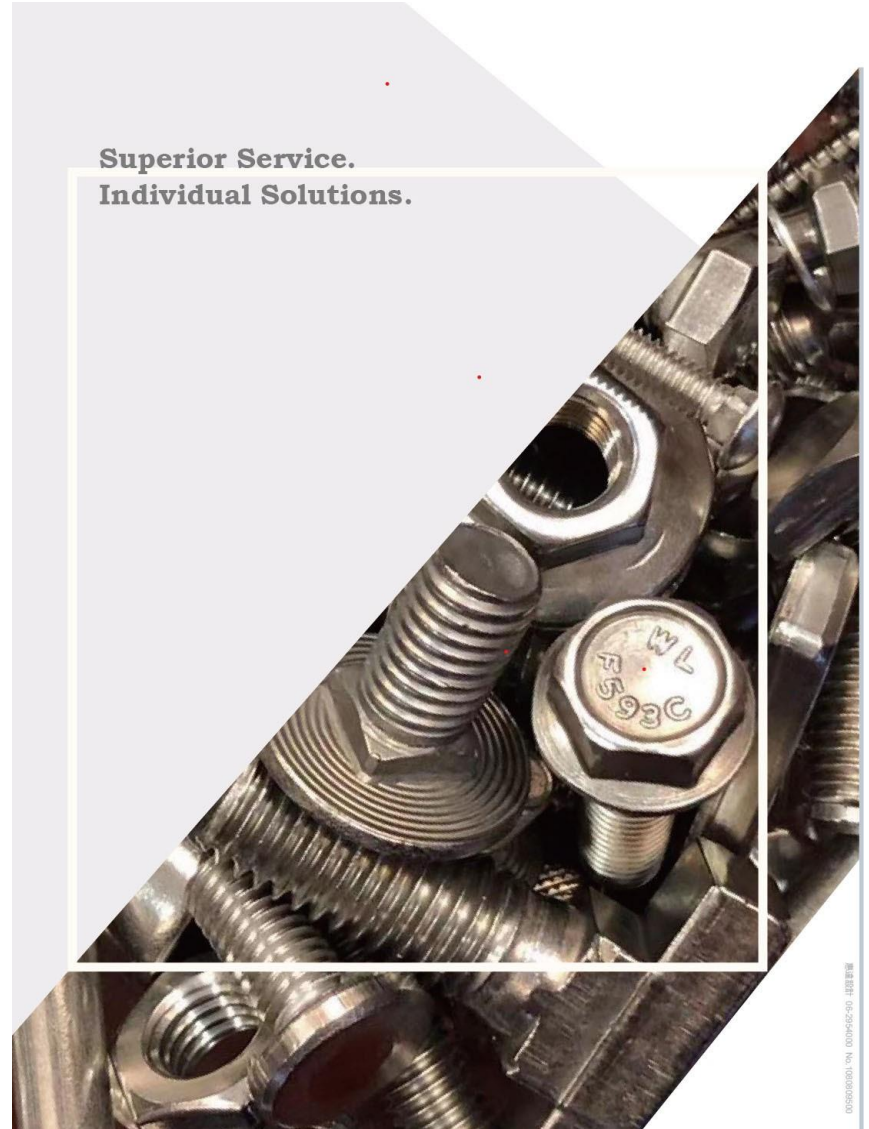
East (13 branches): Hangzhou,
Wuhan, Changsha, Shaoxing,
Shanghai, Taizhou, Wuxi,
Wenzhou, Nanjing, Xinghua,
Changzhou, Suzhou, Hefei

South China (5 branches):
Guangzhou, Shenzhen,
Xiamen, Foshan, Dongguan

Product and Application

- **Stainless Steel fasteners:**
Screws, Nuts, Bolts, Construction parts, Stamping parts
- **Stainless Steel wires**

**Superior Service.
Individual Solutions.**



Product and Application



Product and Application



Solar Industry

Product and Application



High-speed
Railway

Product and Application



New energy
automobile battery

Product and Application



**Water
resources**



Capacity investment implementation and plan



Transformation of production line

The equipment upgrade of air pollution and water pollution

The upgrade of mechanical equipment

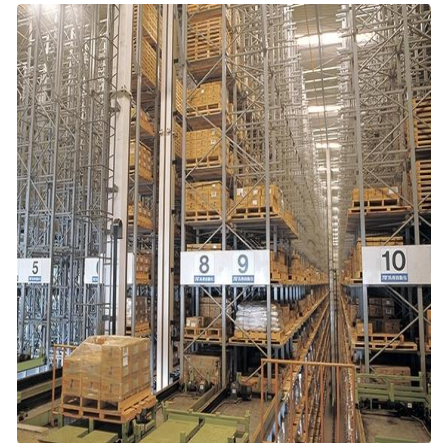
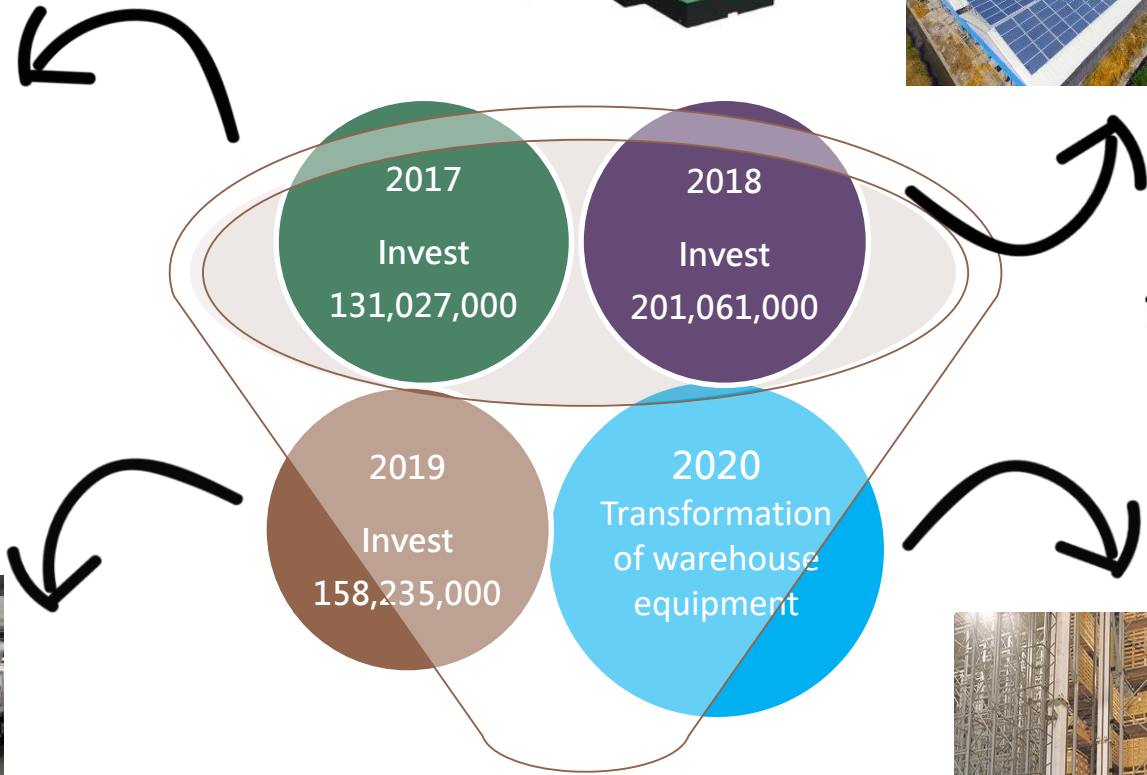


2017
Invest
131,027,000

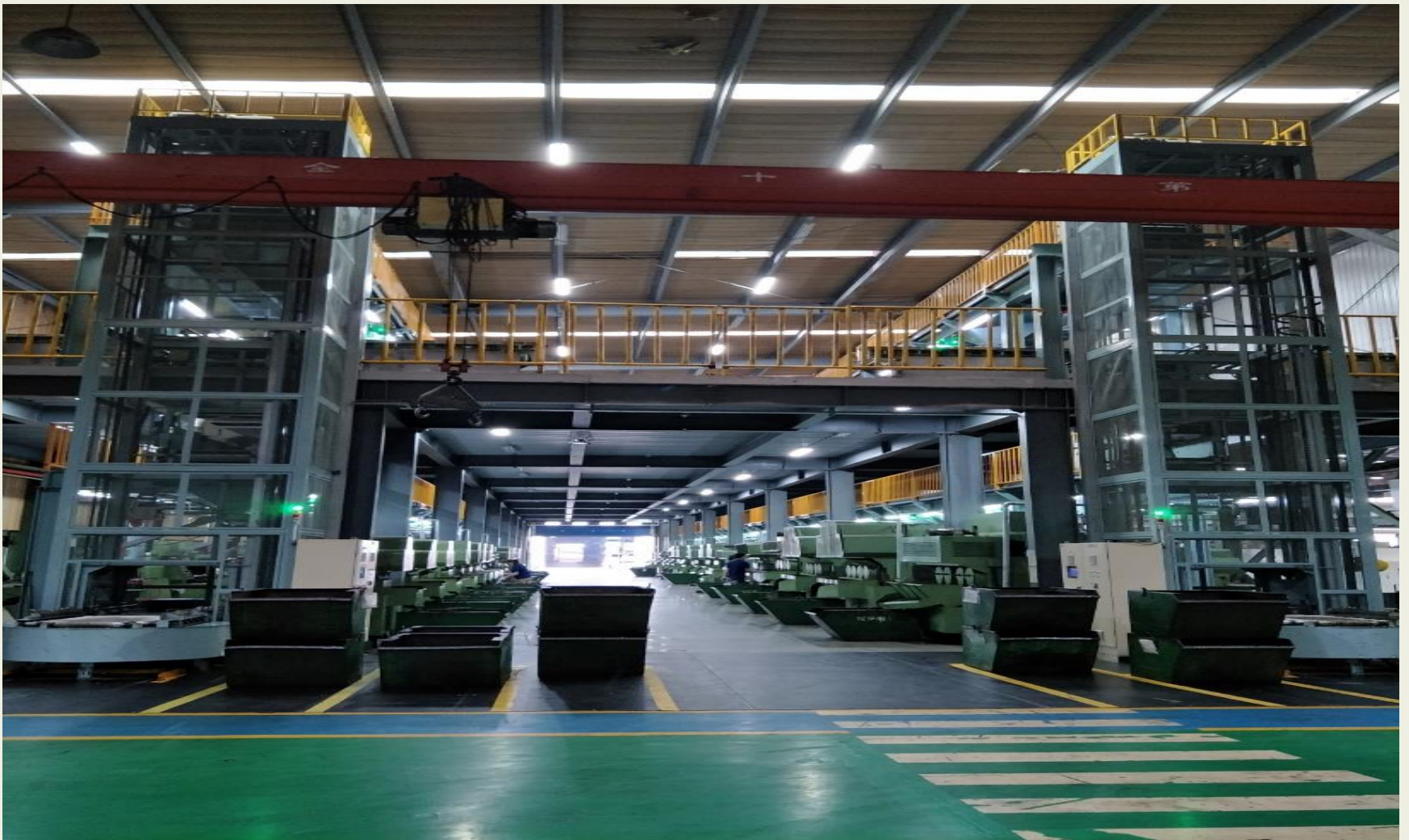
2018
Invest
201,061,000

2019
Invest
158,235,000

2020
Transformation
of warehouse
equipment



**New equipment
Logistic facility**



Transformation of
production line



Environmental equipment



**New Waste water
processing station**

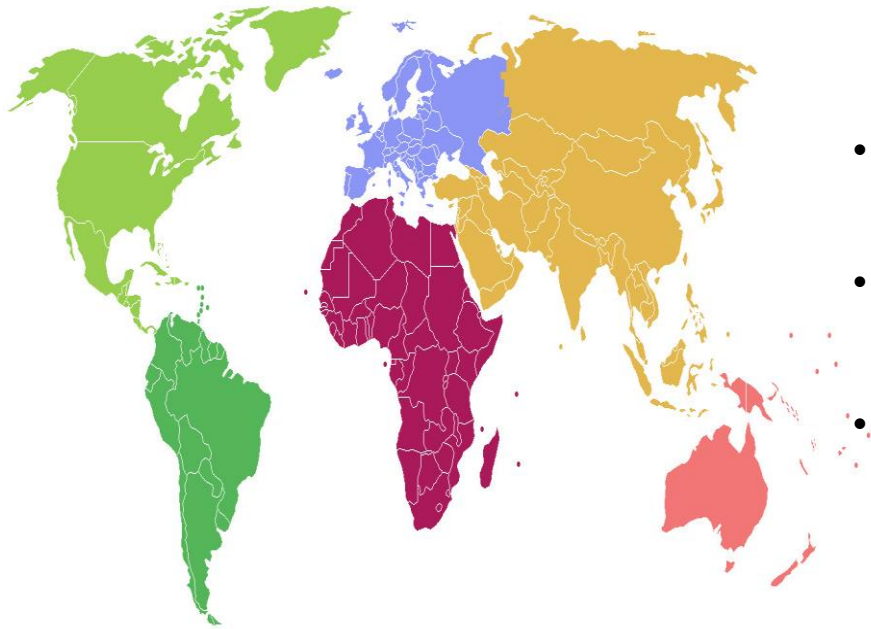


Screw forming machine



Wire-rod storage area

International market change and position



- U.S-China trade war impact export amount
- Domestic market keep enhancing
- Enlarge of cooperation transaction platform

Sales Analysis and Target market

Event	Drawn Wires	Fasteners (Export)	Fasteners (Domestic)	Niche-products	
Business model	By order	By order	Stock plan	High-value customizable	
Customers	China manufacturer	Distributor	Over 5,800 distributor	High-end user	
Revenue Percentage %	2018	17.37%	19.32%	42.89%	20.42%
	2019 Q1~Q2	18.04%	15.58%	45.89%	20.49%

Distributor Network









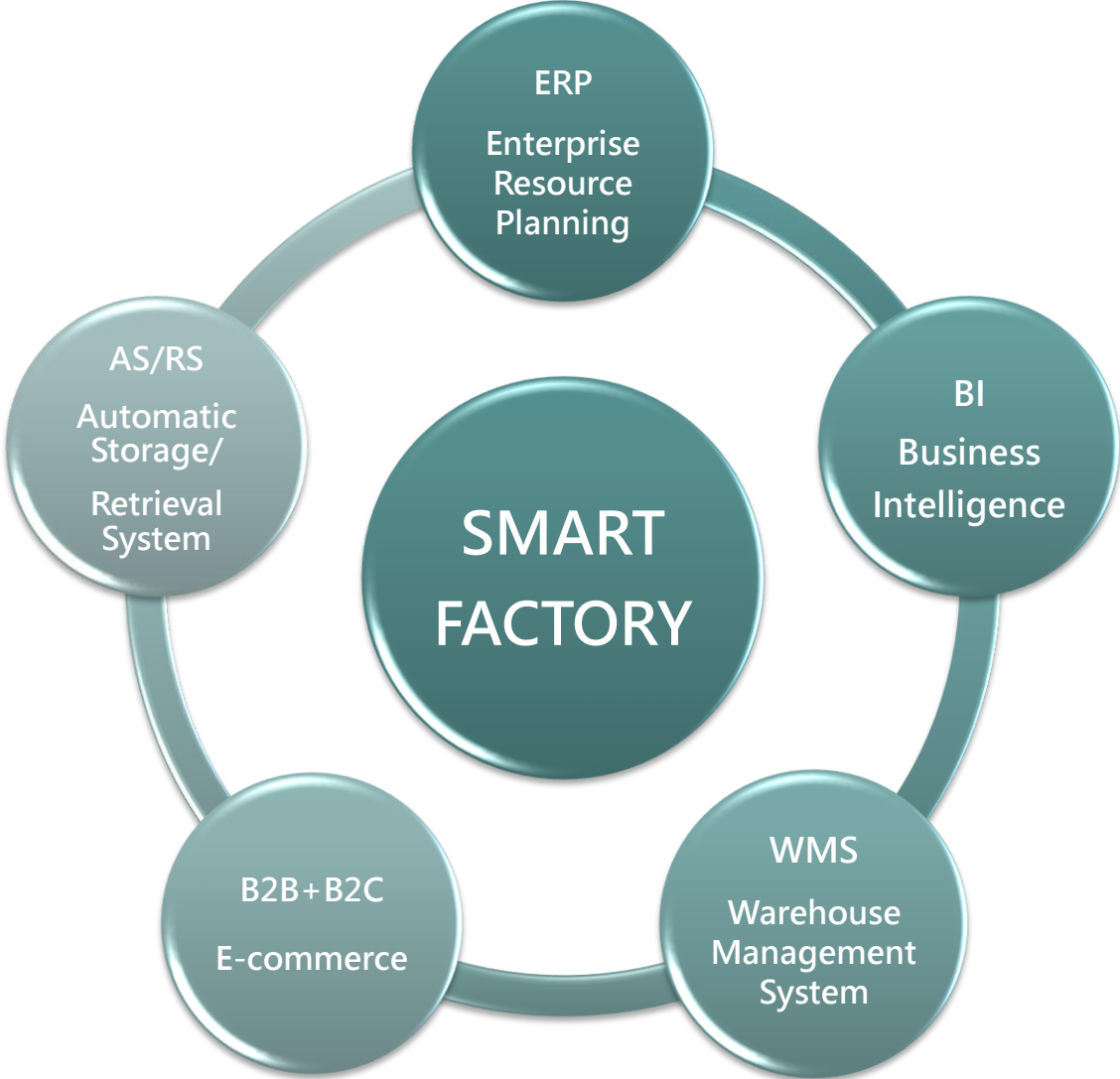
Achievements



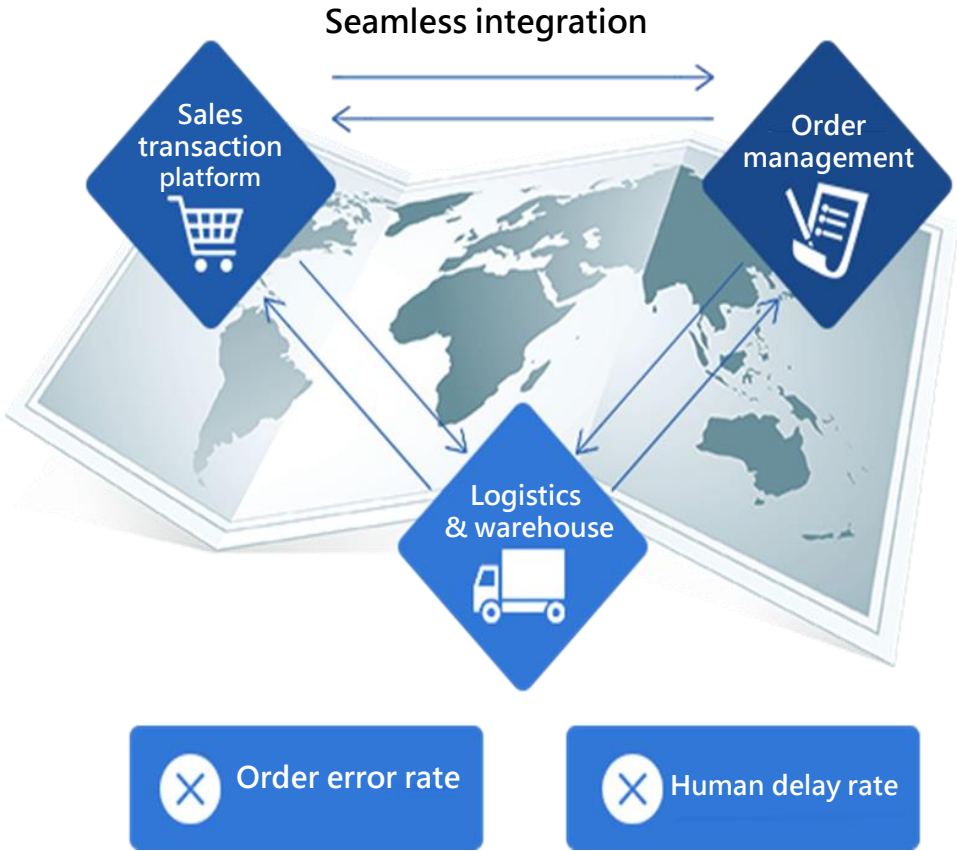
Always get ready to advance market demand

year	2017		2018		2019 (Expect)	
Main products	Capacity	Output	Capacity	Output	Capacity	Output
Fasteners	52,120	46,582	54,400	47,907	60,000	50,500
Fasteners %	63%	66%	64%	68%	67%	67%
Drawn wires	30,000	24,081	30,000	22,228	30,000	24,500
Drawn wires %	37%	34%	36%	32%	33%	33%
Total	82,120	70,663	84,400	70,135	90,000	75,000

Competition Revolution



Competition Revolution



On-line quick response



High-efficiency logistic



Cash-flow safty



South China hub



North China hub



Head office hub
East China hub



2014~2019 Nickel price trend

Nickel Price
January, 2014 - Oct, 2019



Financial Review

- ◆ 2014-2018 five-year sales
- ◆ 2018/1-6 & 2019/1-6 Concise income statement YoY
- ◆ 2014-2018 five-year sales quantities
2018 Q1 ~ 2019 Q2 sales quantities
- ◆ 2014-2018 five-year gross profit margin
2018 Q1 ~ 2019 Q2 gross profit margin
- ◆ 2014-2018 five-year operating profit ratio
2018 Q1 ~ 2019 Q2 operating profit ratio
- ◆ 2015-2019/Q1-Q2 sales allocation and gross profit margin
- ◆ Operational Vision
- ◆ Dividend Policy

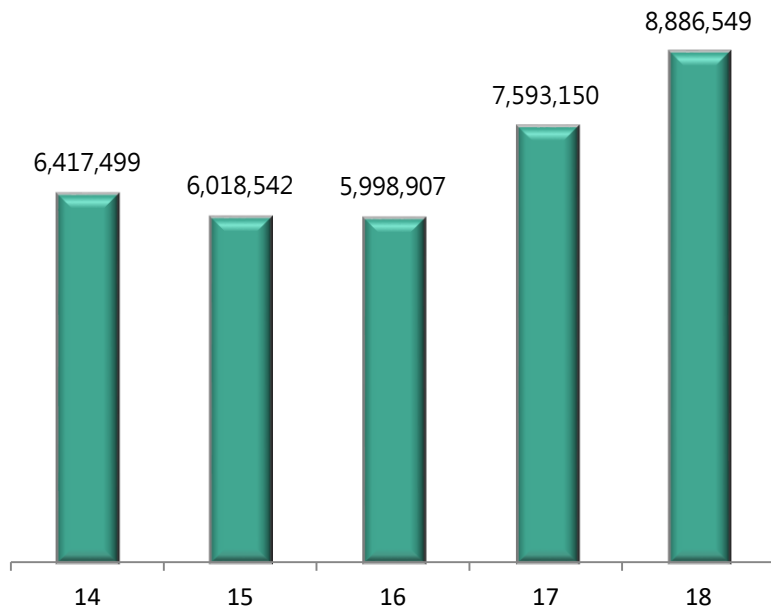
Statement Of Income

NTD/1000

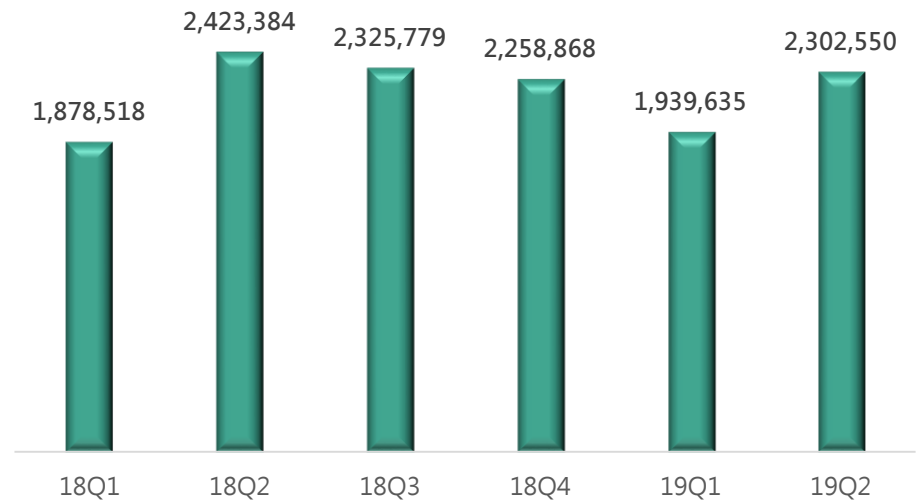
Items	2014	2015	2016	2017	2018
Sales	6,417,499	6,018,542	5,998,907	7,593,150	8,886,549
Gross Profit	1,135,203	814,159	1,094,823	1,428,517	1,327,998
Net Operating Income	660,921	321,117	603,005	920,219	728,384
Profit Before Income Tax From Continuing Operations	652,640	323,110	597,791	868,315	672,199
Net Profit For The Period	516,122	237,283	467,632	685,825	537,442
Earnings Per Share(NTD)	3.05	1.42	2.78	4.07	3.19

Statement Of Income

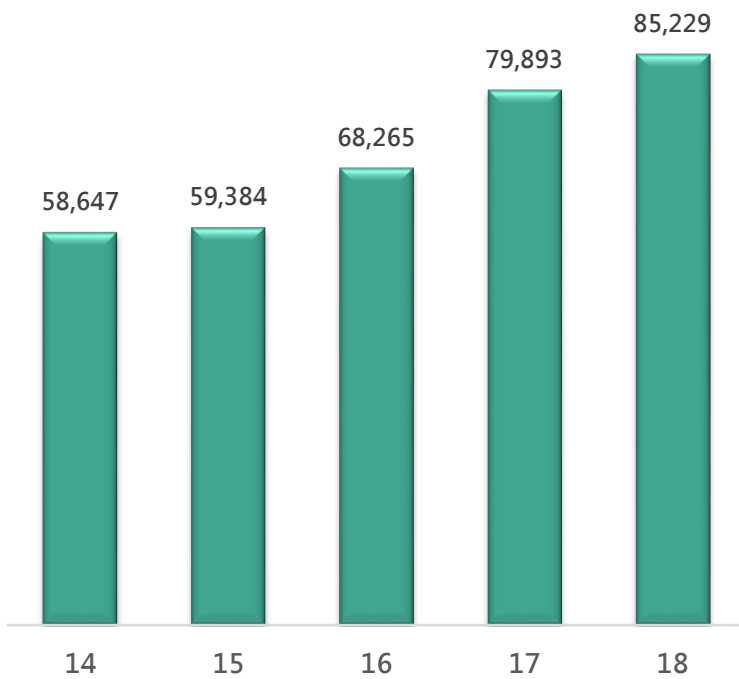
Items	NTD/1000			
	2018/1-6	2019/1-6	Increase (decrease)	Increase % (decrease)
Sales	4,301,902	4,242,185	-59,717	-1.39
Gross Profit	738,412	510,250	-228,162	-30.90
Net Operating Income	442,564	232,444	-210,120	-47.48
Profit Before Income Tax From Continuing Operations	393,029	198,868	-194,161	-49.40
Net Profit For The Period	307,340	169,235	-138,105	-44.94
Earnings Per Share(NTD)	1.82	1.00	-0.82	-45.05



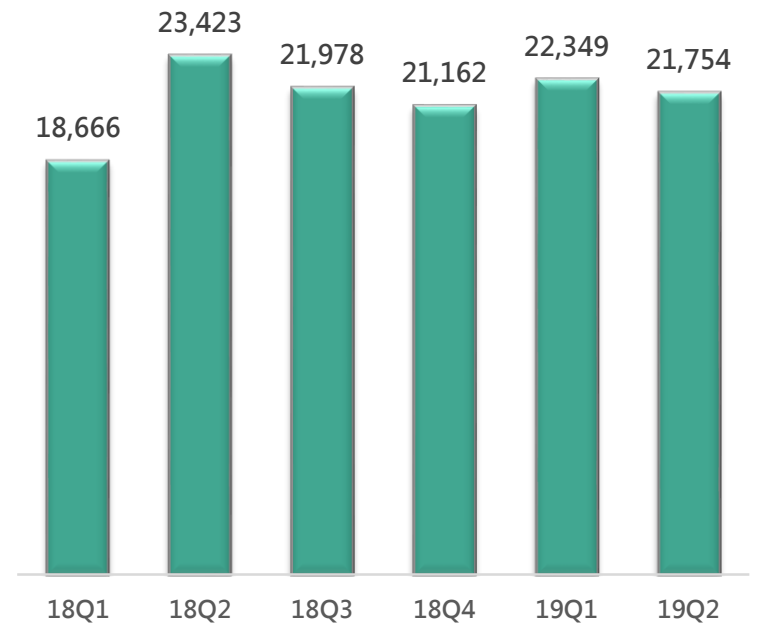
14 ~ 18 five-year sales(NTD/1,000)



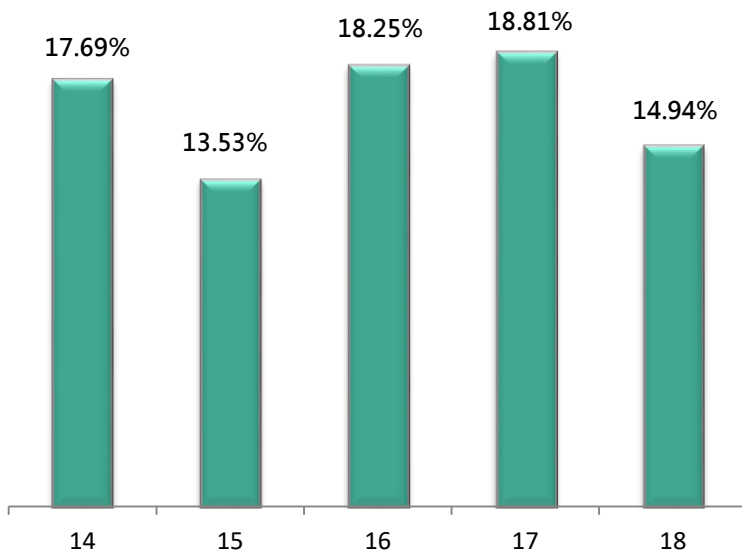
2018Q1 ~ 2019Q2 sales(NTD/1,000)



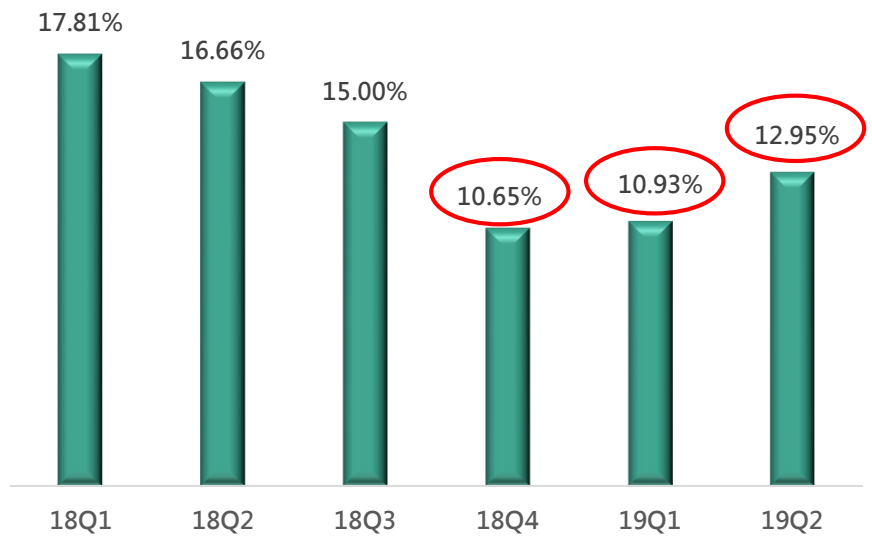
14 ~ 18 five-year sales QTY(ton)



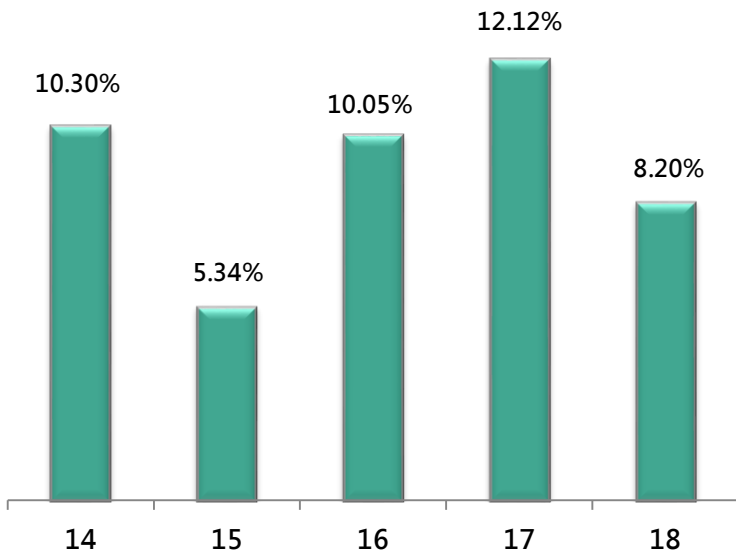
18Q1 ~ 19Q2 sales QTY(ton)



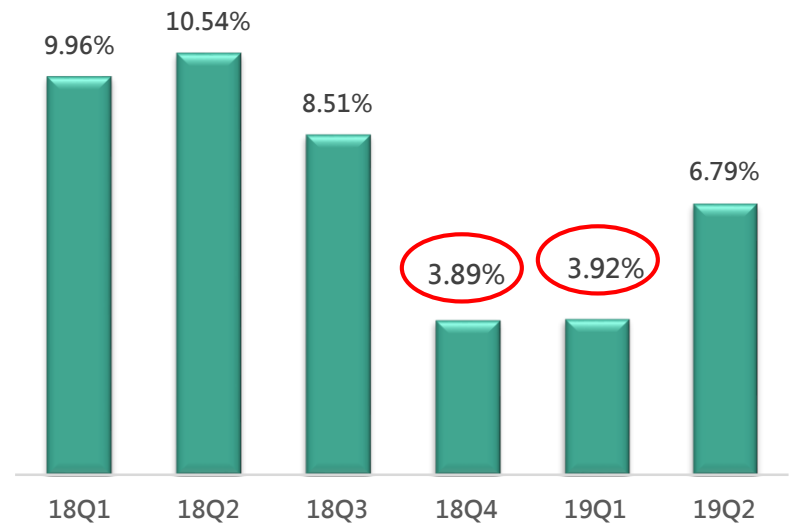
14 ~ 18 five-year gross profit margin



18Q1 ~ 19Q2 gross profit margin



14 ~ 18 five-year operating profit ratio



18Q1 ~ 19Q2 operating profit ratio

Sales allocation

NTD/1000 ; %

Items	2015		2016		2017		2018		2019/1-6	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fasteners	3,659,555	60.80	3,583,150	59.73	4,388,586	57.80	4,986,422	56.11	2,292,280	54.04
Drawn Wire	1,225,770	20.37	1,243,669	20.73	1,576,883	20.76	1,543,192	17.37	765,111	18.04
Other	408,885	6.79	422,843	7.05	498,462	6.56	542,208	6.10	315,529	7.43
Special Parts	724,332	12.04	749,245	12.49	1,129,219	14.87	1,814,727	20.42	869,265	20.49
Total	6,018,542	100	5,998,907	100	7,593,150	100	8,886,549	100	4,242,185	100

Gross profit margin

NTD/1000 ; %

Items	2015		2016		2017		2018		2019/1-6	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fasteners	580,278	15.86	784,083	21.88	970,064	22.10	871,023	17.47	325,194	14.19
Drawn Wire	60,938	4.97	124,488	10.01	217,458	13.79	153,772	9.96	52,403	6.85
Other	98,895	24.19	112,694	26.65	155,038	31.10	139,066	25.65	66,826	21.18
Special Parts	74,048	10.22	73,558	9.82	85,957	7.61	164,137	9.04	65,827	7.57
Total	814,159	13.53	1,094,823	18.25	1,428,517	18.81	1,327,998	14.94	510,250	12.03

Operational Vision

- Using trade to balance the influence of U.S-China trade war
- 40% increasing of production capacity in three years
- Market share keep growing up stably

**STRENGTHEN
COMPETITIVE ADVANTAGE
TOGETHER**



Dividend Policy

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

Items/Year	16	17	18
Return on equity(%)	13.29	18.64	13.91
Cash dividend(NTD)	2	2.5	2
Earnings Per Share(NTD)	2.78	4.07	3.19
Interest Rate(%)	71.94	61.43	62.70

