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TONG MING

KY 5538

**TONG**

Growing a powerful future



開曼東明控股股份有限公司  
TONG MING ENTERPRISE CO., LTD.

TEL: 886-7-6235538  
E-mail: ir@tonggroup.com.tw

浙江東明不銹鋼製品股份有限公司  
岡山東穎開發股份有限公司  
TONG WIN INTERNATIONAL CO., LTD.

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# Company Milestone

2020

- Strengthen quick response and the development of construction screw
- Epidemic prevention business opportunities

2019

- Smart Computing and strengthen production arrangement
- Wuhan region warehouse

2018

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

2013

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

1998

- 1<sup>st</sup>-stage factory completed, started producing fasteners

1995

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

# Regional hubs

- North China area-warehouse:  
Tianjin
- Area: 5,000m<sup>2</sup>
- Inventory Capacity: 670 ton



Chengdu

- South China area-warehouse:  
Foshan
- Area: 5,267 m<sup>2</sup>
- Inventory Capacity: 683 ton

Wuhan

- East China area-warehouse:  
Jiaxing
- Area: 7632 m<sup>2</sup>
- Inventory Capacity: 16,137 ton



# Product and Application



**Solar Industry**

# Product and Application



High-speed  
Railway

# Product and Application



New energy  
automobile battery

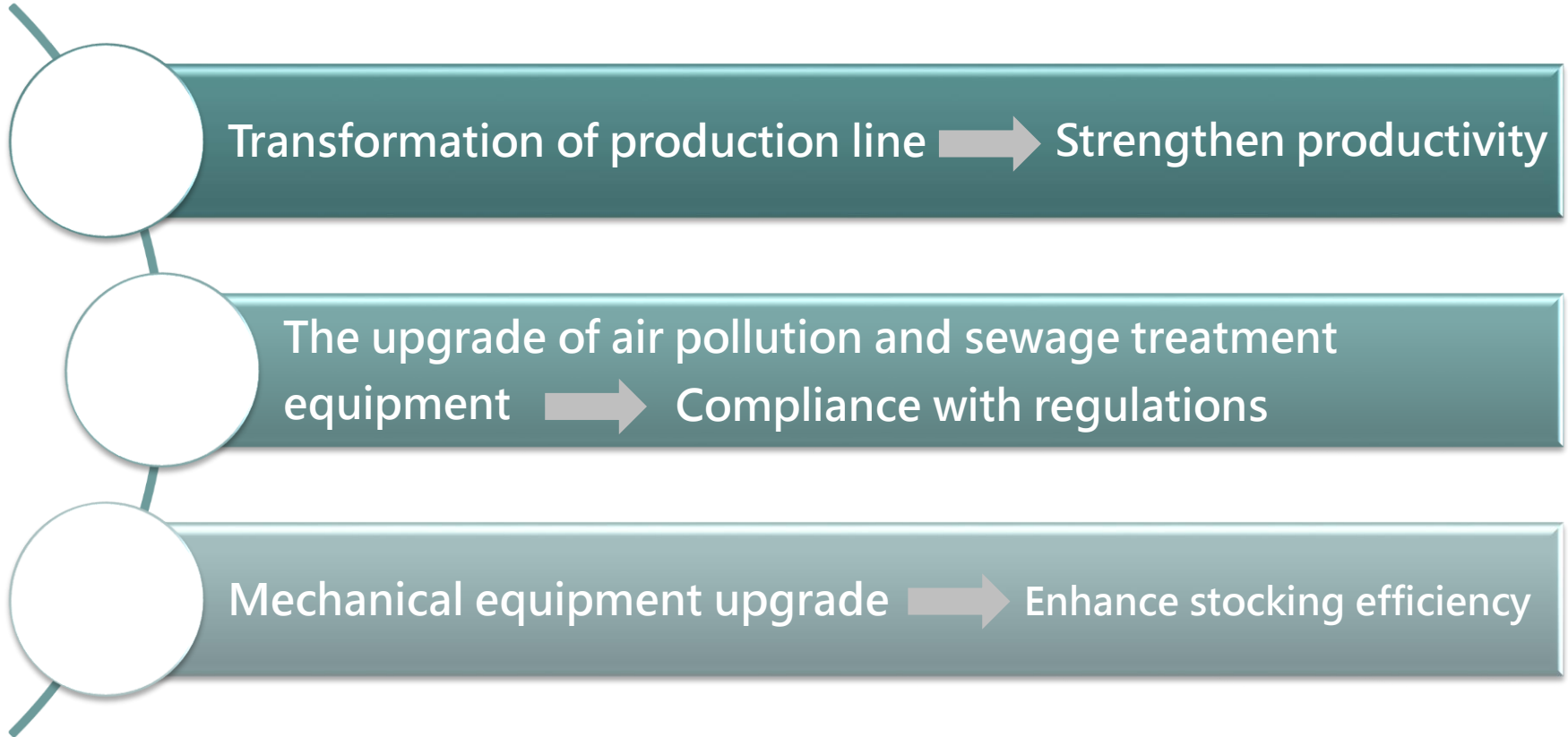
# Product and Application

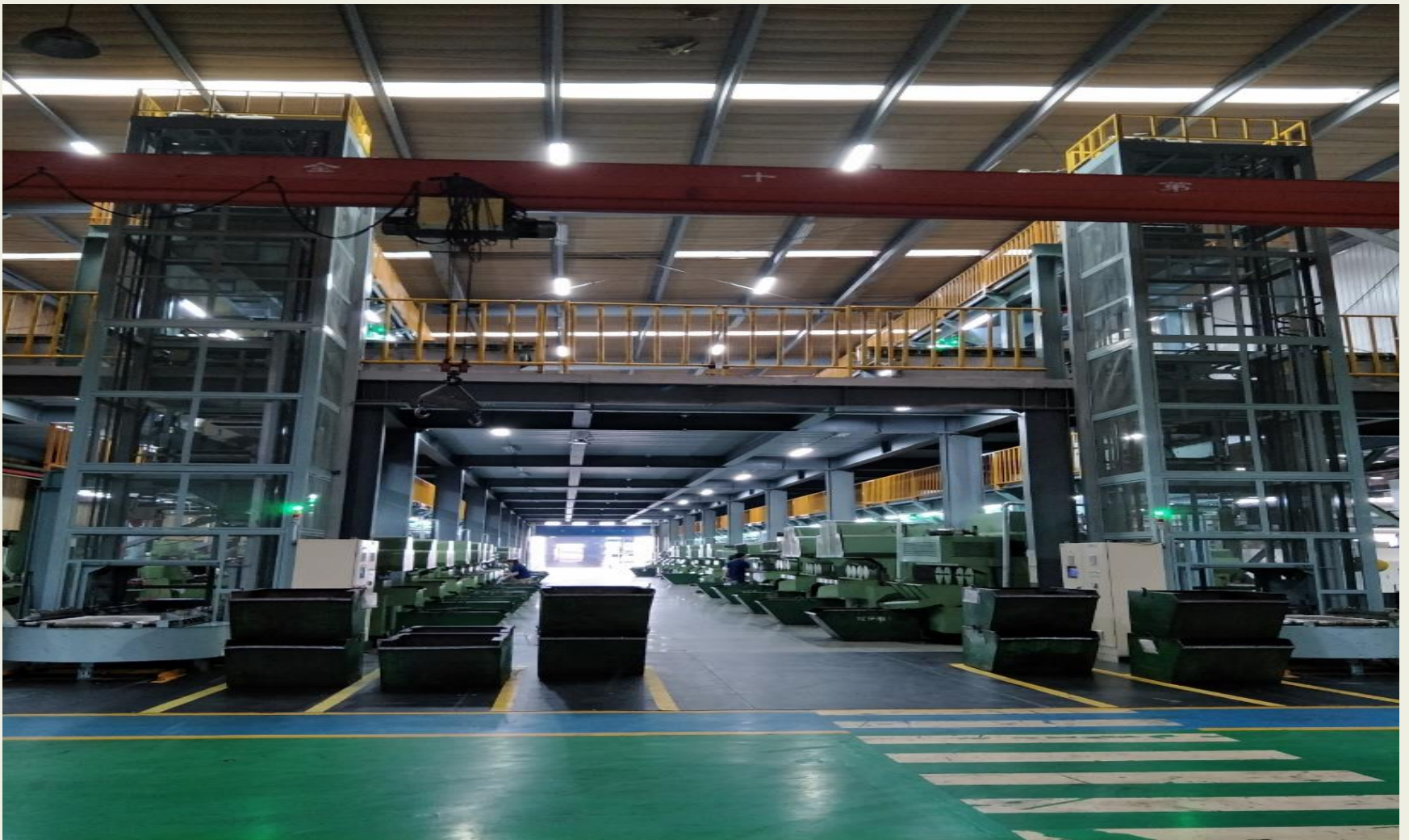


Water  
resources



# Capacity Investment Implementation and Plan





**Transformation of  
production line completed**



**Environmental equipment**

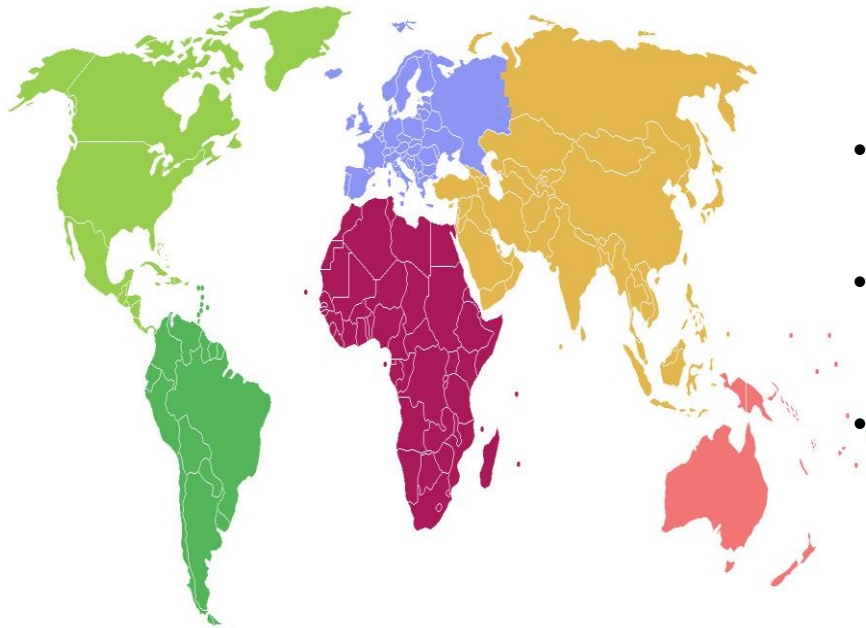


**New sewage  
processing station**



**Screw forming machine**

# 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 6,800 distributor	High-end user	
Revenue Percentage %	2019	18.82%	14.48%	47.23%	19.11%
	2020 Q1~Q2	17.79%	13.10%	50.36%	18.75%

# New Industry Implementation



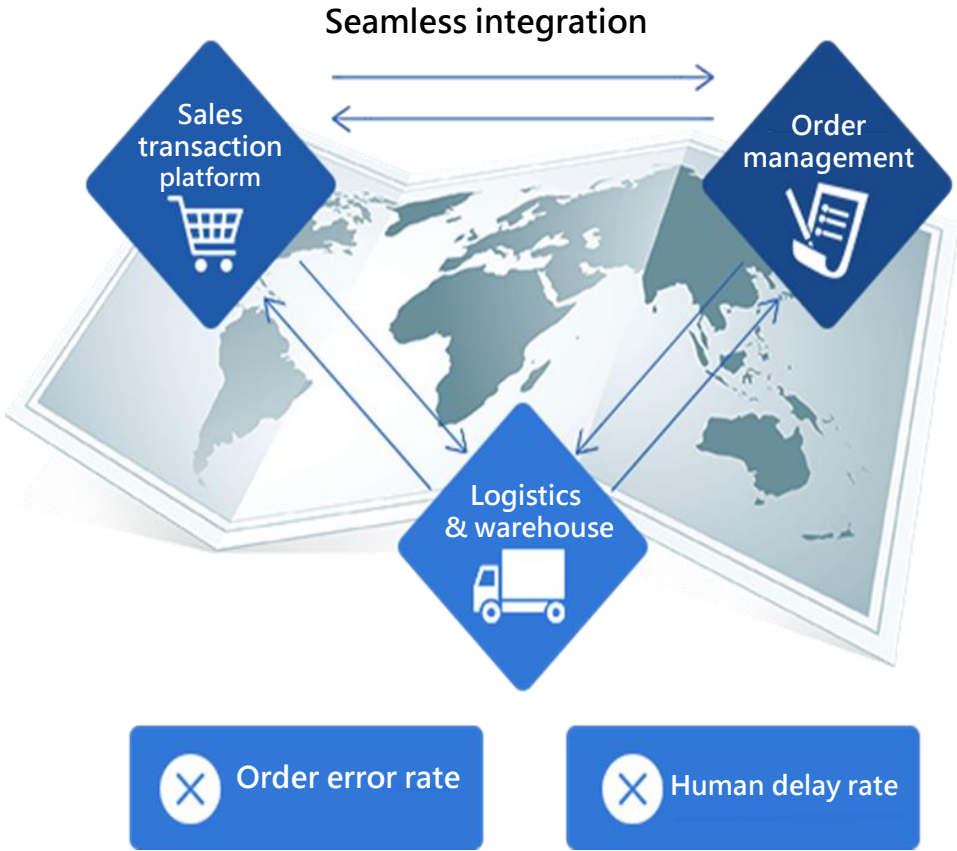
# Achievements



# Growth of Capacity

year	2018		2019		2020 (Expect)	
Main products	Capacity	Output	Capacity	Output	Capacity	Output
Fasteners	54,400	47,907	55,450	49,983	63,000	57,000
Fasteners %	64%	68%	65%	66%	66%	67%
Drawn wires	30,000	22,228	30,000	25,630	32,000	28,000
Drawn wires %	36%	32%	35%	34%	34%	33%
Total	84,400	70,135	85,450	75,613	95,000	85,000

# Competition Revolution



On-line quick response



High-efficiency logistic



Cash-flow safety



**2017**  
**Invested**  
**131.027**  
**million**

**2019**  
**Invested**  
**158.235**  
**million**

**Optimize**  
**Production**

**2018**  
**Invested**  
**201.061**  
**million**

**2020**  
**Invested**  
**106.48**  
**million**

**Logistics**  
**Equipment**



# Financial Review

- ◆ 2015-2019 five-year sales
- ◆ 2019/1-6 & 2020/1-6 Concise income statement YoY
- ◆ 2015-2019 five-year sales quantities  
2019 Q1 ~ 2020 Q2 sales quantities
- ◆ 2015-2019 five-year gross profit margin  
2019 Q1 ~ 2020 Q2 gross profit margin
- ◆ 2015-2019 five-year operating profit ratio  
2019 Q1 ~ 2020 Q2 operating profit ratio
- ◆ 2016-2020/Q1-Q2 sales allocation and gross profit margin
- ◆ Operational Vision
- ◆ Dividend Policy

# Statement of Income

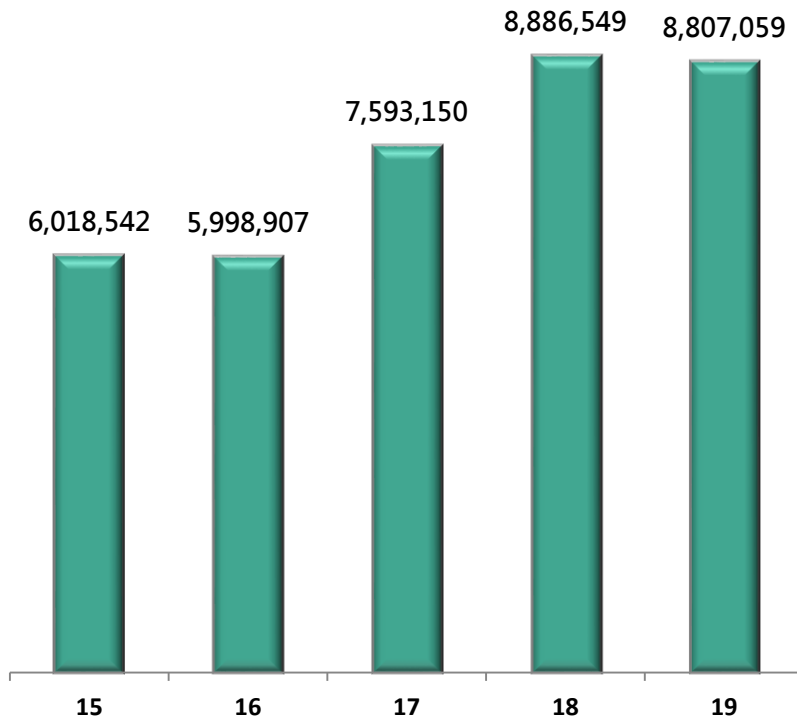
NTD/1000

Items	2015	2016	2017	2018	2019
Sales	6,018,542	5,998,907	7,593,150	8,886,549	8,807,059
Gross Profit	814,159	1,094,823	1,428,517	1,327,998	1,221,920
Net Operating Income	321,117	603,005	920,219	728,384	654,299
Profit Before Income Tax From Continuing Operations	323,110	597,791	868,315	672,199	588,475
Net Profit For The Period	237,283	467,632	685,825	537,442	467,504
Earnings Per Share(NTD)	1.42	2.78	4.07	3.19	2.77

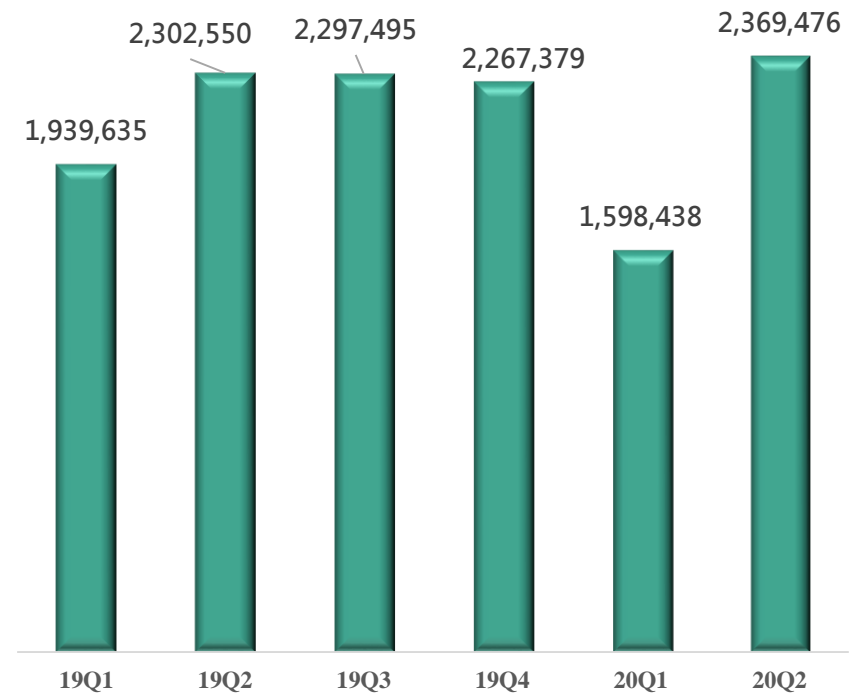
# Statement of Income

Items	2019/1-6	2020/1-6	Increase (decrease)	NTD/1000
				Increase % (decrease)
Sales	4,242,185	3,967,914	-274,271	-6.47
Gross Profit	510,250	463,973	-46,277	-9.07
Net Operating Income	232,444	185,856	-46,588	-20.04
Profit Before Income Tax From Continuing Operations	198,868	164,455	-34,413	-17.30
Net Profit For The Period	169,235	140,474	-28,761	-16.99
Earnings Per Share(NTD)	1.00	0.83	-0.17	-17.00

# Changes in Income

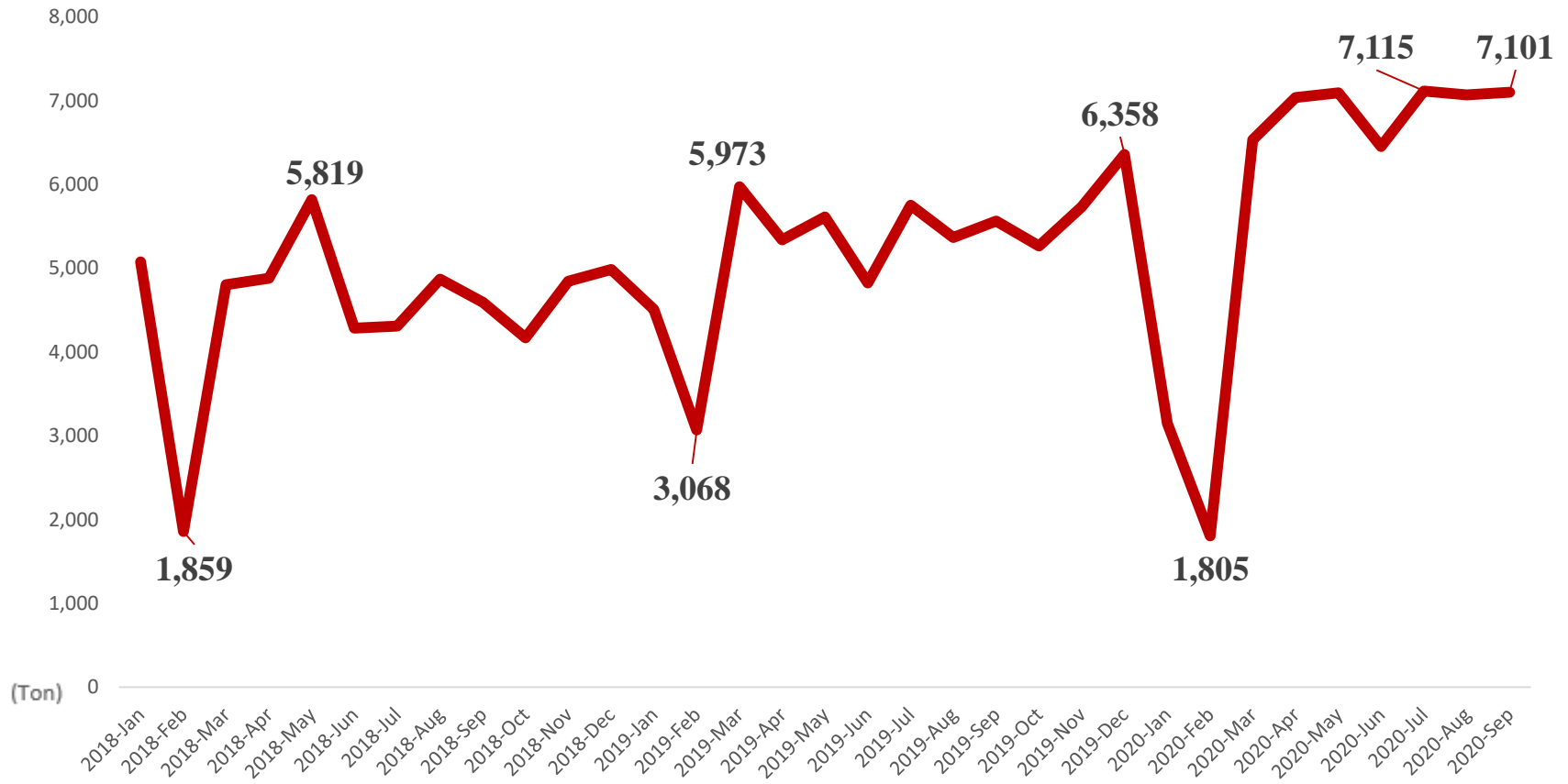


15 ~ 19 five-year sales(NTD/1,000)

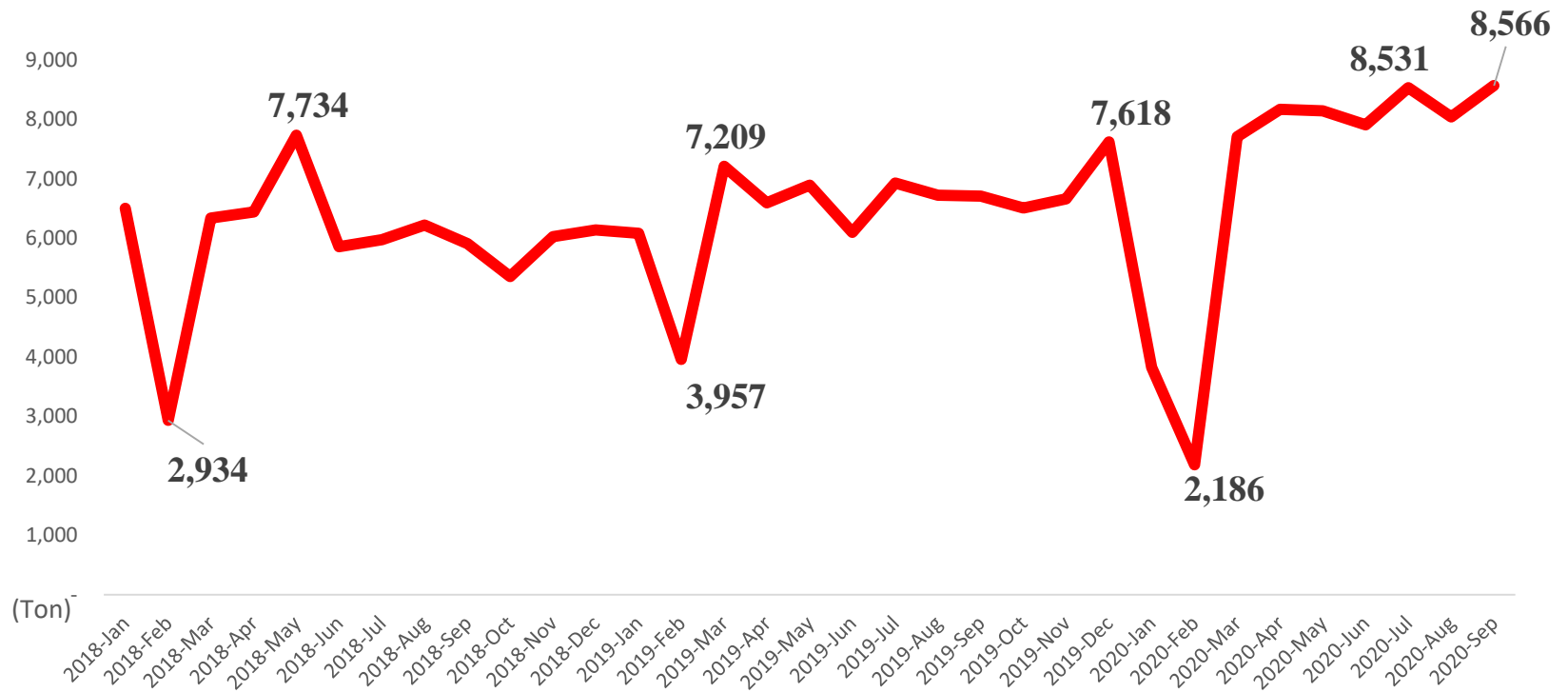


2019Q1 ~ 2020Q2 sales(NTD/1,000)

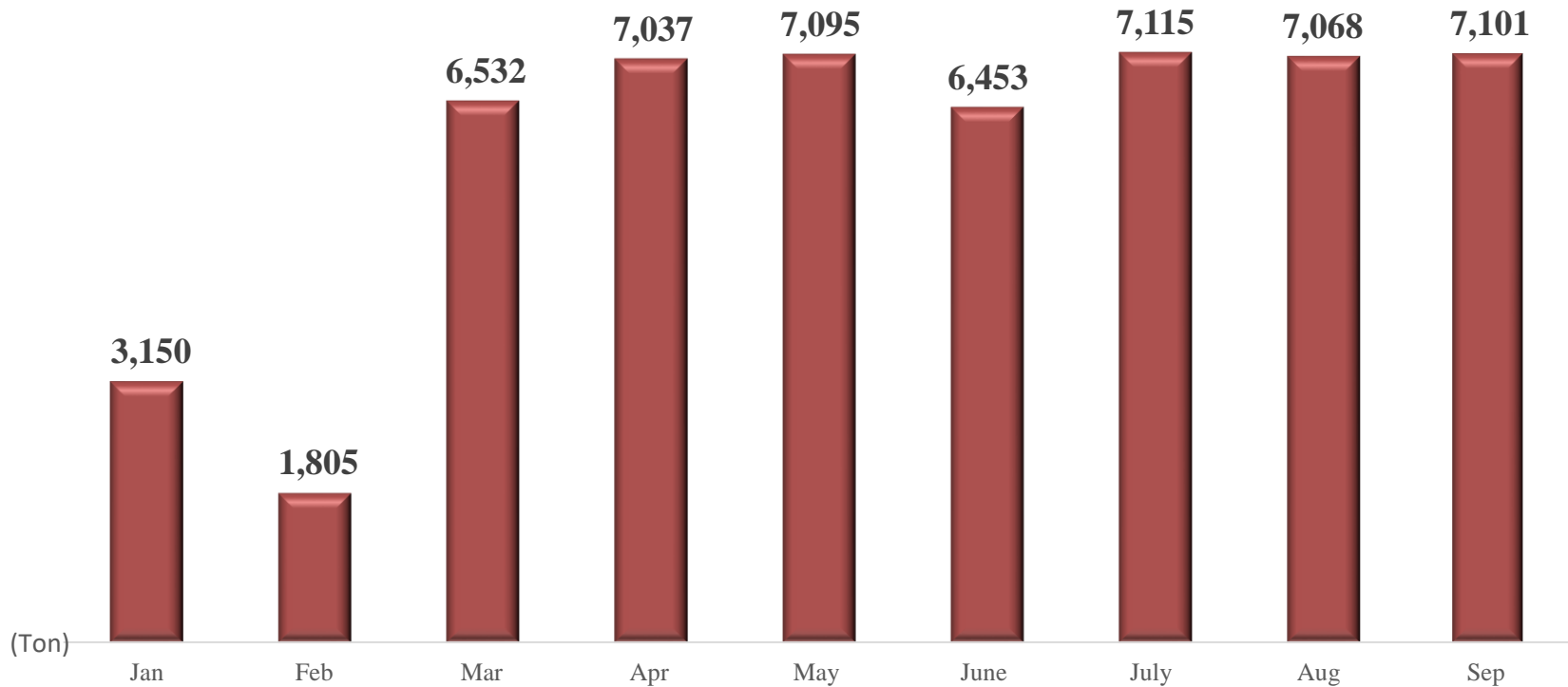
# Changes in Shipments-Domestic



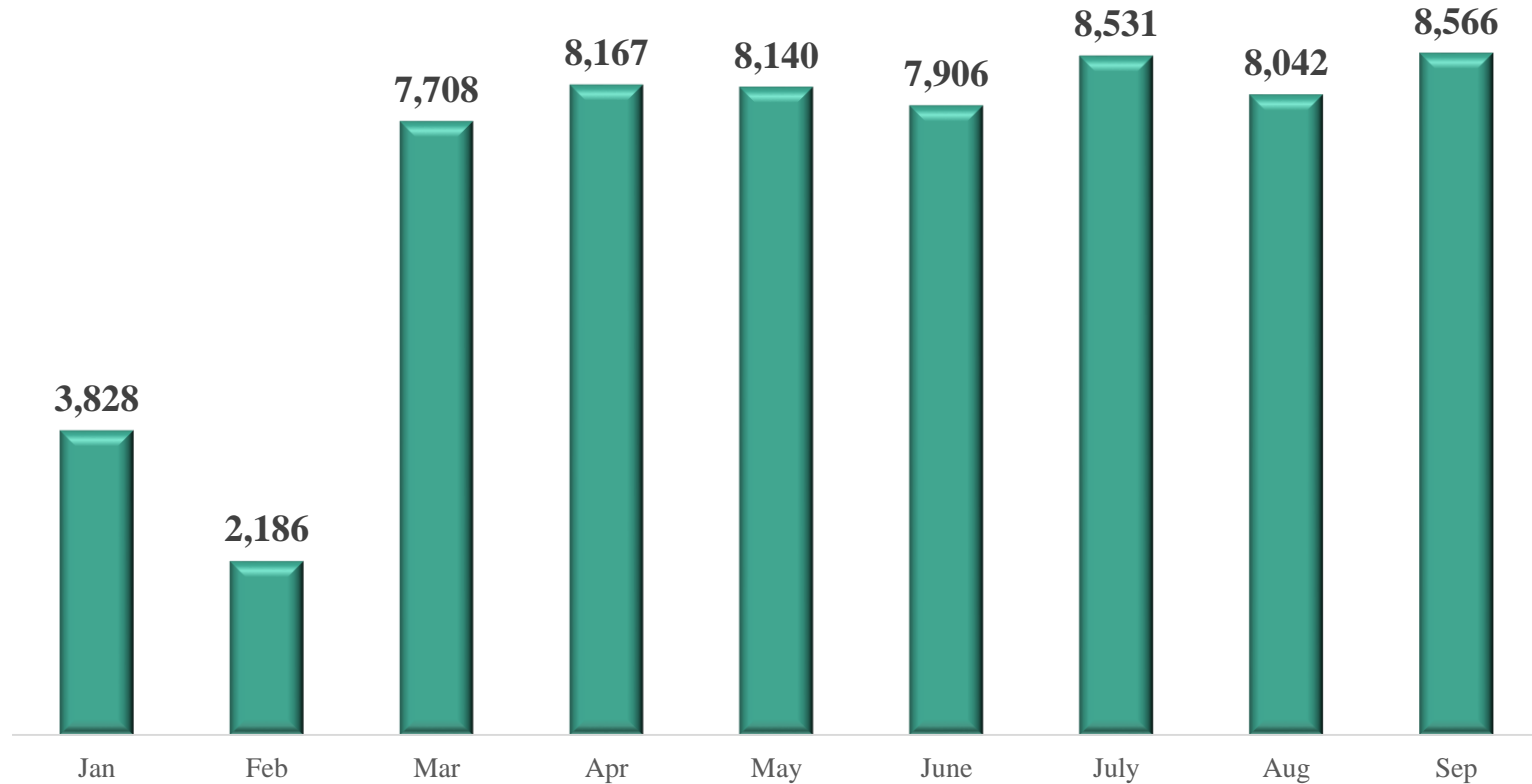
# Changes in Shipments-Total



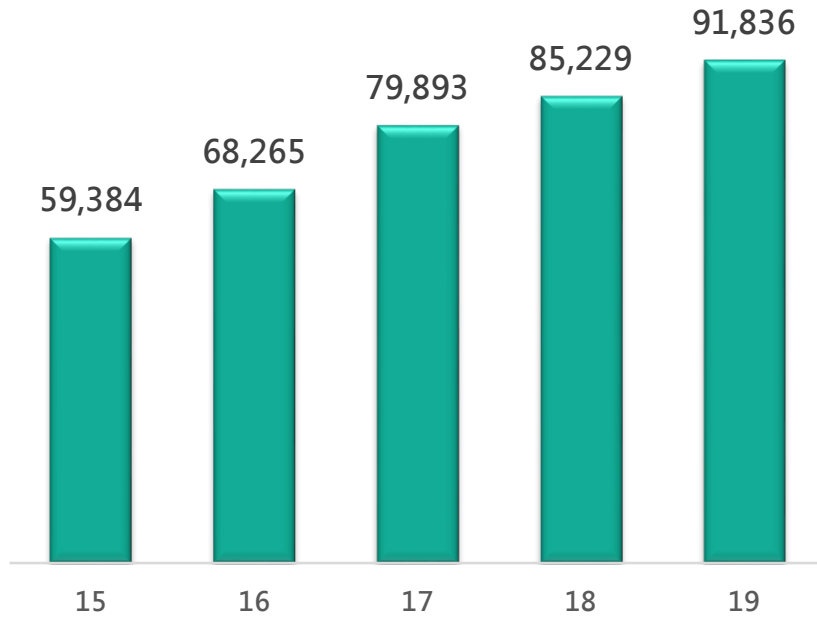
# 2020 Changes in Shipments-Domestic



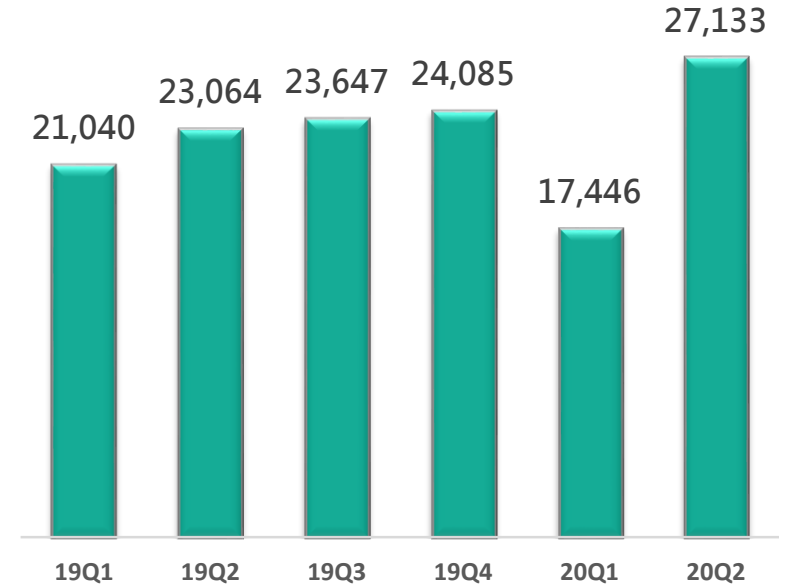
# 2020 Changes in Shipments-Total



# Changes in Sales

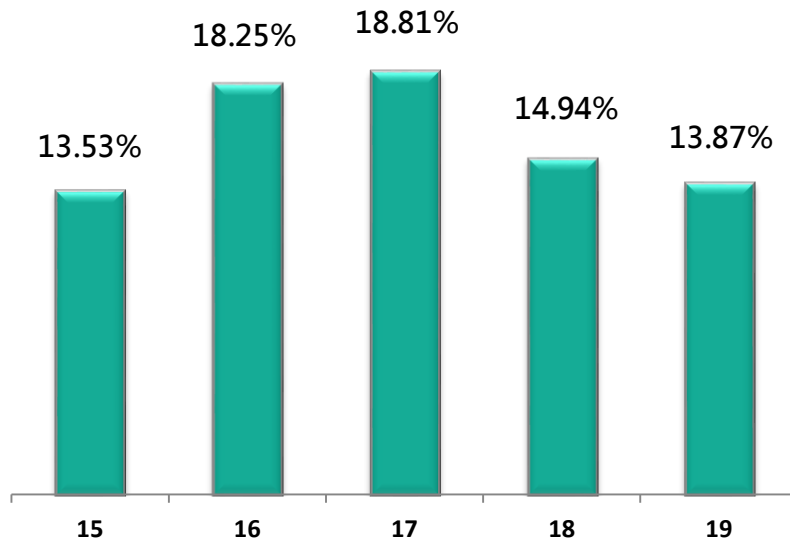


15 ~ 19 five-year sales QTY(ton)

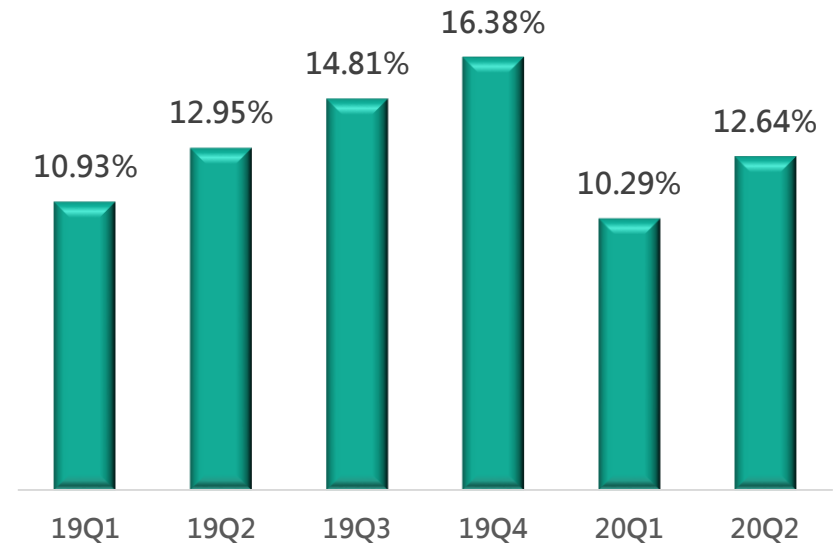


19Q1 ~ 20Q2 sales QTY(ton)

# Profit Margin

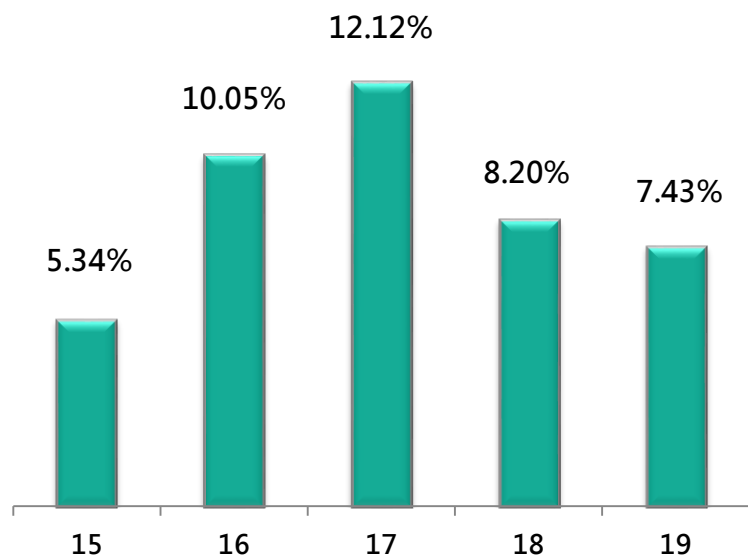


15 ~ 19 five-year gross profit margin

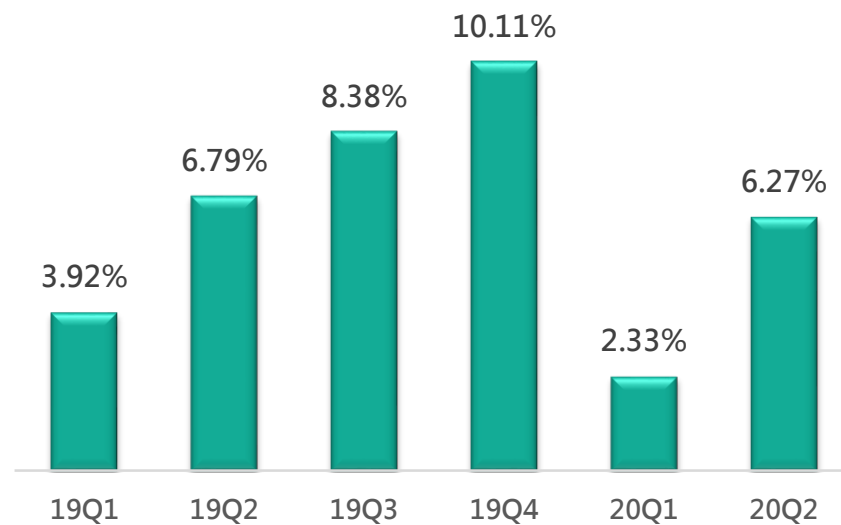


19Q1 ~ 20Q2 gross profit margin

# Profit Ratio



15 ~ 19 five-year operating profit ratio



19Q1 ~ 20Q2 operating profit ratio

# Changes in Sales and Profit Margin of Main Product

## Sales allocation

NTD/1000 ; %

Items	2016		2017		2018		2019		2020/1-6	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fasteners	3,583,150	59.73	4,388,586	57.80	4,986,422	56.11	4,791,121	54.40	2,171,582	54.73
Drawn Wire	1,243,669	20.73	1,576,883	20.76	1,543,192	17.37	1,657,524	18.82	705,991	17.79
Other	422,843	7.05	498,462	6.56	542,208	6.10	675,209	7.67	346,256	8.73
Special Parts	749,245	12.49	1,129,219	14.87	1,814,727	20.42	1,683,205	19.11	744,085	18.75
Total	5,998,907	100	7,593,150	100	8,886,549	100	8,807,059	100	3,967,914	100

## Gross profit margin

NTD/1000 ; %

Items	2016		2017		2018		2019		2020/1-6	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fasteners	784,083	21.88	970,064	22.10	871,023	17.47	780,136	16.28	261,940	12.06
Drawn Wire	124,488	10.01	217,458	13.79	153,772	9.96	155,036	9.35	57,673	8.16
Other	112,694	26.65	155,038	31.10	139,066	25.65	145,580	21.56	72,249	20.87
Special Parts	73,558	9.82	85,957	7.61	164,137	9.04	141,167	8.39	72,110	9.69
Total	1,094,823	18.25	1,428,517	18.81	1,327,998	14.94	1,221,920	13.87	463,972	11.69

# Operational Vision

- Improve the competitiveness in Chinese domestic market
- Stabilize the growth of future market share

# Dividend Policy

- Maintain high interest rate and raise return on equity.
- Stable, mainly cash dividend.

Items/Year	17	18	19
Return on equity(%)	18.64	13.91	12.03
Cash dividend(NTD)	2.5	2	1.5
Earnings Per Share(NTD)	4.07	3.19	2.77
Interest Rate(%)	61.43	62.70	54.15











***TONG*** 東明

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**Small screws have the power to move the world**

