



開曼東明控股(股)公司
TONG MING ENTERPRISE CO.,LTD.
KY 5538

Institutional Investor Conference
2021.04.14

TONG MING Smart manufacturing
Master the future with technology



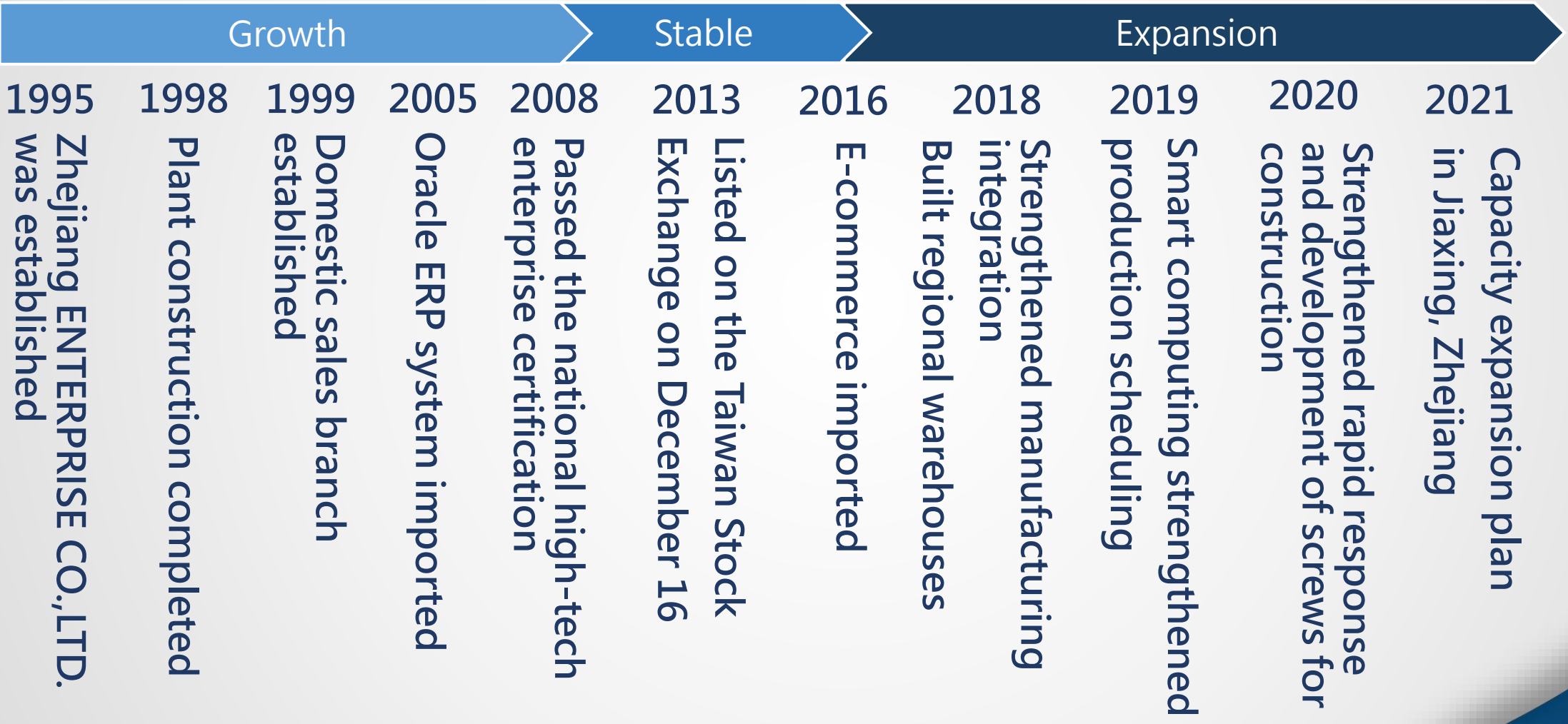


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Company history





Company status



Top 3 market share of fine wire in China



8,000 distribution channel



No. 1 market share in China



The largest single plant in the world



The only one in the world with manufacturing to distribution channel integration



Industrial applications





Products introduction

We are a service passionately focused on the professional development and success of our customers

Fasteners(screws, nuts)



Fine wire



Strategic external trade products





Industry introduction

- 🔩 Big domestic market in China
- 🔩 Regional market industry development application: Solar energy, electric vehicles, rail transit, animal husbandry, building construction, cold chain equipment, urban infrastructure, environmental water treatment, water resources equipment, power plants, cooling towers, mechanical equipment, food equipment.





Industrial applications



Solar energy



Glass curtain



Industrial applications



Rail transit





Industrial applications



Animal husbandry

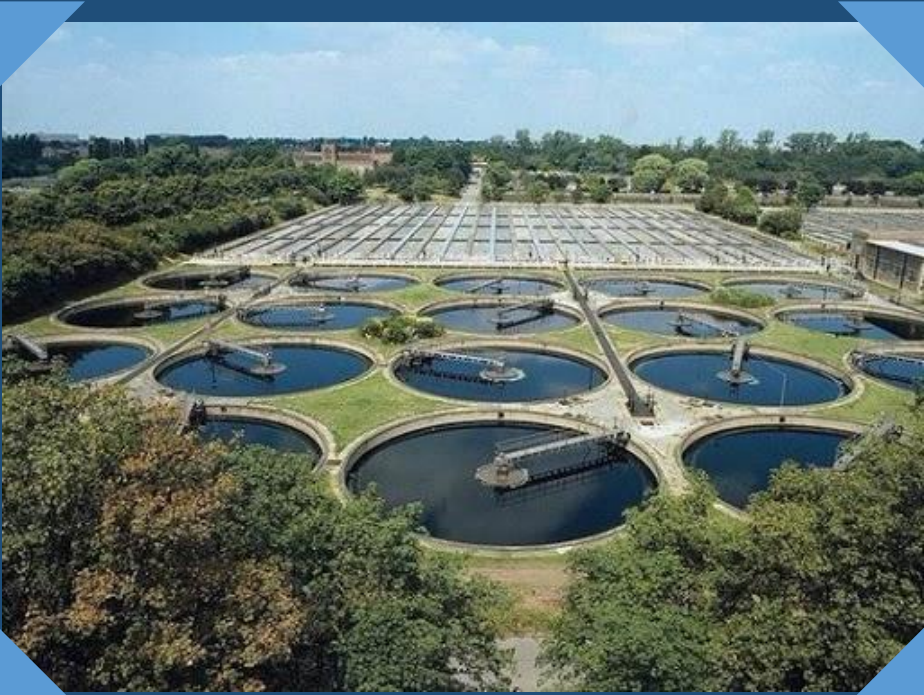


Animal husbandry



Industrial applications

Water treatment



Water resource





Industrial applications

Air-
conditioning
systems



Plant
equipment



Mechanical
equipment



Smart
manufacturing
automation
equipment



Industrial applications

Bridges



Cell site



Railing

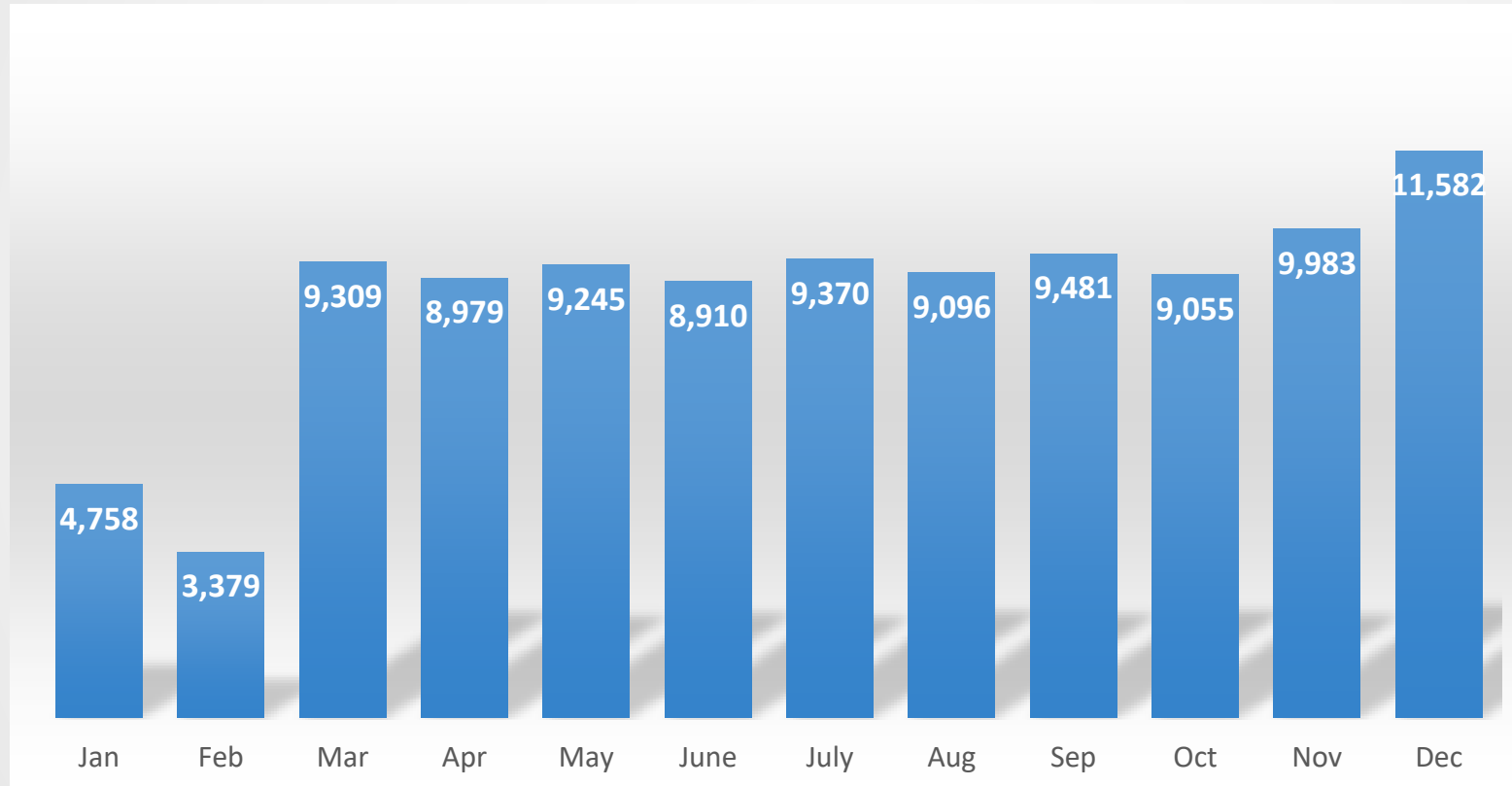


Business model





Changes of shipments in 2020 for TONG MING KY

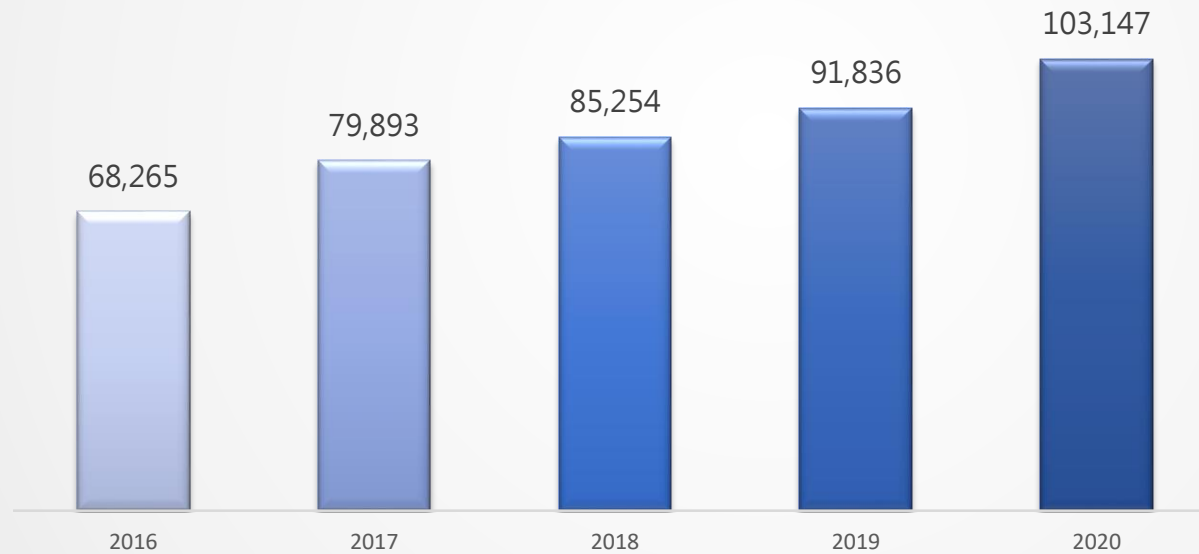


Unit: TON



Changes of shipments for the past 5 years for TONG MING KY

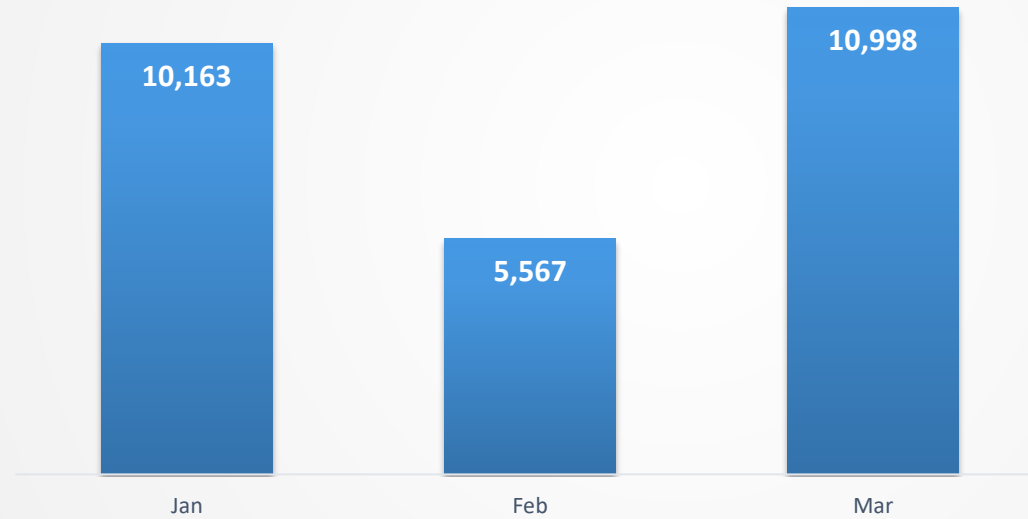
Unit: TON





Changes of shipments for 2021 Q1 of TONG MING KY

Unit: TON





TONG MING KY operating outputs and current status : difference between oversea and domestic sales

		Fine wire	Fasteners (International)	Fasteners (Domestic)	Strategic external trade products
Business model		Manufacture by order	Manufacture by order	Distribution service	Proactive partner
Customer feature		End users in China	Foreign distributors	More than 8,000 distributors	Key foreign customers
Sales proportion	2019	18.82%	14.84%	47.23%	19.11%
	2020	19.00%	12.23%	53.14%	15.63%

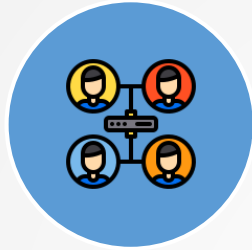


Zhejiang TONG MING outputs and current status



Customers

Oversea : 350
Domestic : more than 8,000



Estimated outputs

Estimated outputs of 2021: 100,000 tons



Products

32,000 types



Shipments

Handle more than 8,000 items per day



Environment protection

Reduce oil pollution and air, water purify



- ✦ Production molding machine: 310 sets
- ✦ Punctual design of production line
- ✦ Advanced production equipment
- ✦ Precised production molds control
- ✦ Defective rate: less than 0.3%
- ✦ High-performance logistic
- ✦ Promote an environment friendly manufacturing model



Domestic sales model in Zhejiang TONG MING

Smart manufacturing
Good quality
Large stocks



Self-owned channels
Quick supply
Quick response



E-commerce
Stocks visibility
Fast look up



Logistics
Order today
24 hour delivery



New products
TONG quality
Outsourcing

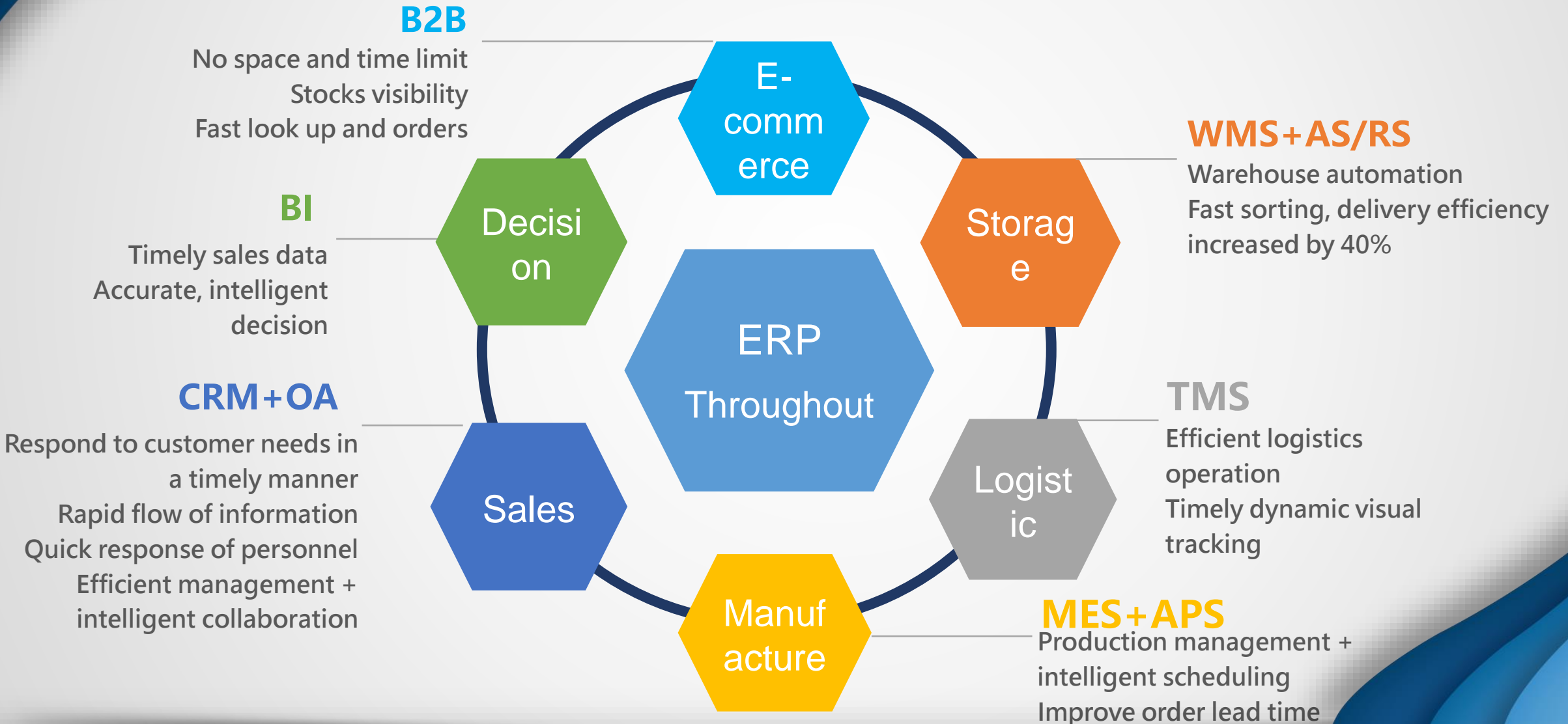


Be the most powerful support for customers



Manufacture+Channel+Internet:2020 Circulation platform

Internet application, system capability is the foundation





Key competitive advantages



Large products coverage.

Meet the buy side' s needs.



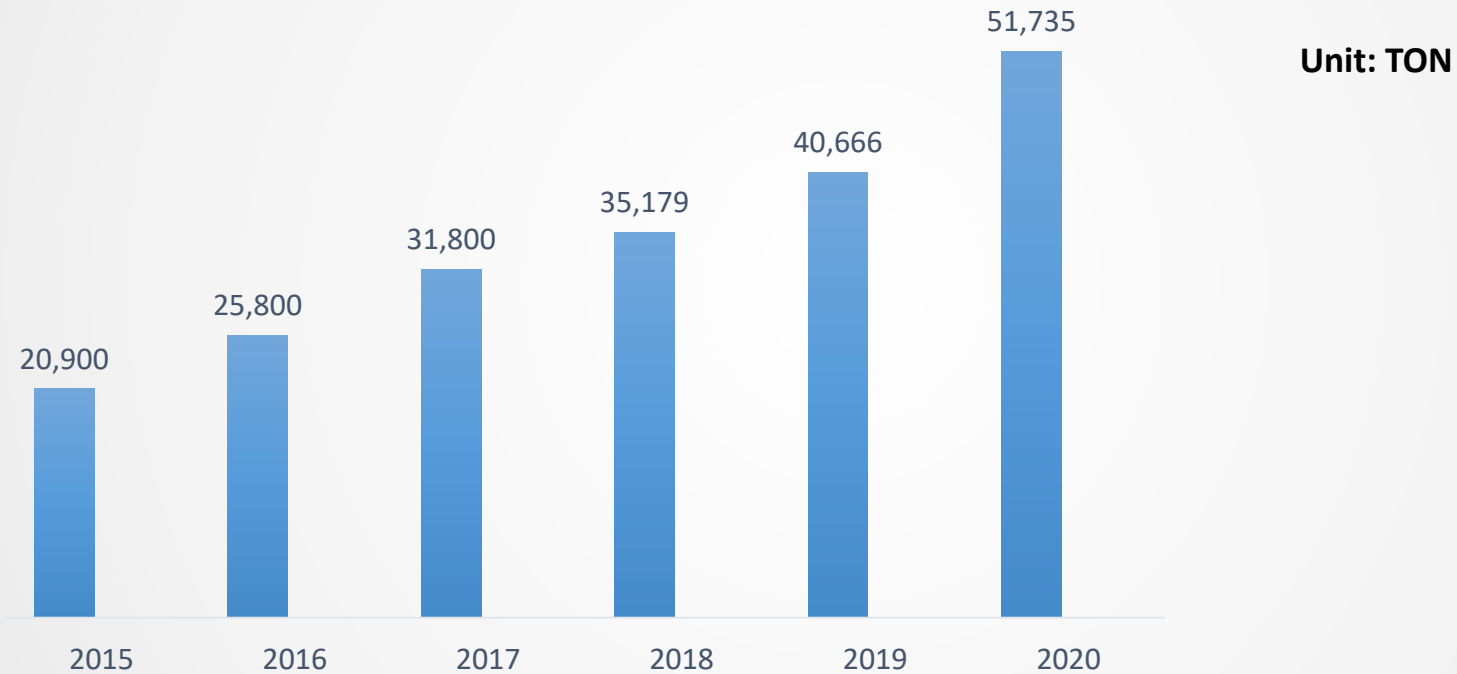
Minimize the operation cost for the customers.



E-commercialized service and creating added value.

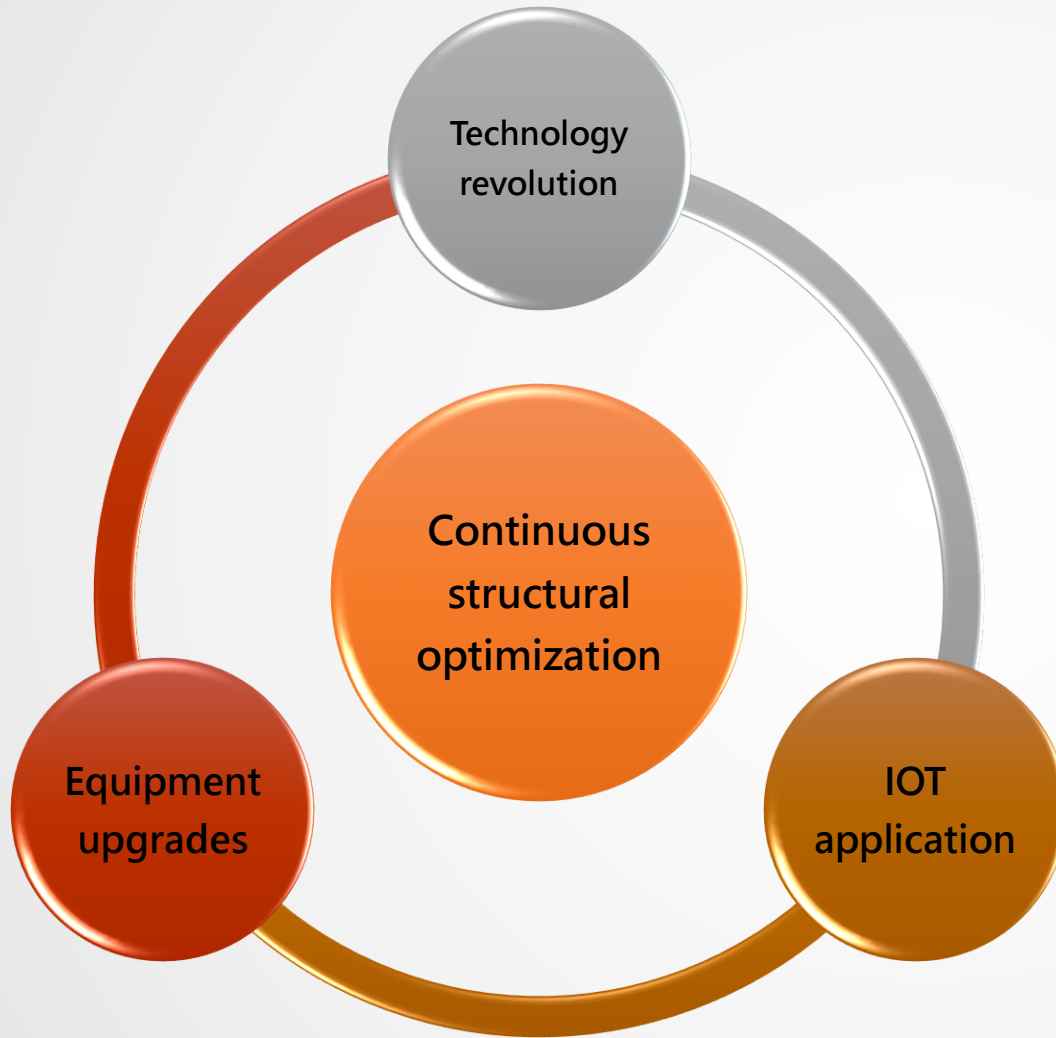


Zhejiang TONG MING growth of domestic sales between in 2015~2020 (Fasteners)





Smart manufacturing



- 🔧 Information analysis
- 🔧 Automatic transmission line
- 🔧 Automatic tending system
- 🔧 Process upgrade
- 🔧 Automatically count packaging
- 🔧 Maximize automatic storage
- 🔧 Fast sorting system

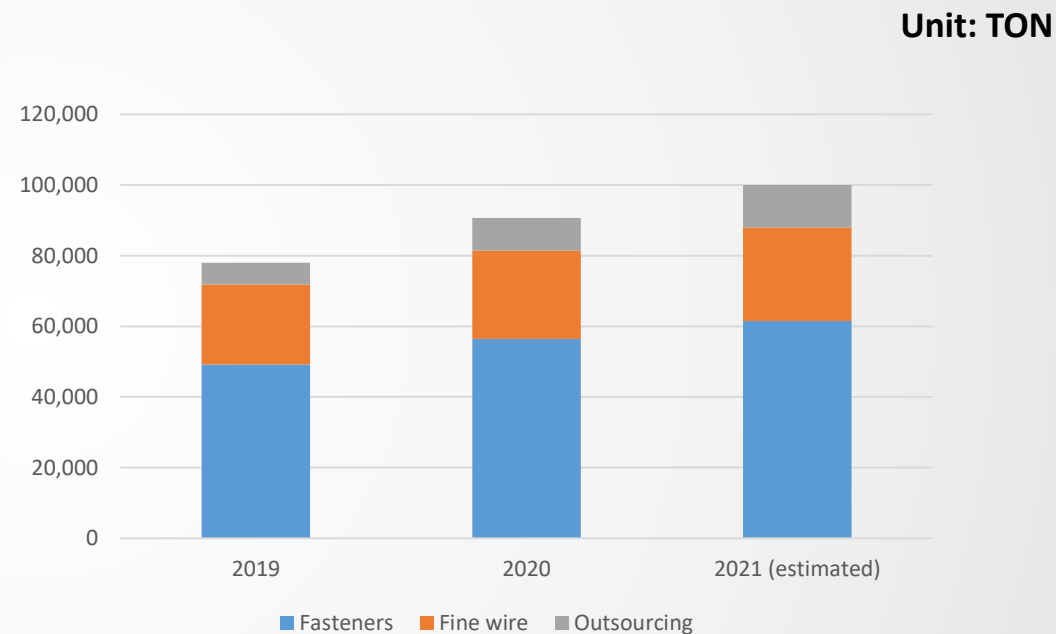
Future expansion plan





Zhejiang TONG MING outputs

Year	2019	2020	2021 (estimated)
Main products	Outputs	Outputs	Outputs
Fasteners	49,165	56,468	61,500
Proportion	63%	62%	62%
Fine wire	22,697	25,007	26,500
Proportion	29%	28%	27%
Outsourcing	6,099	9,246	12,000
Proportion	8%	10%	11%
Total	77,961	90,721	100,000





Investment plan

Land : 48,097 square meters



Equipment upgrade gradually



Capacity planning: an increase of 100,000 tons in 3~5 years



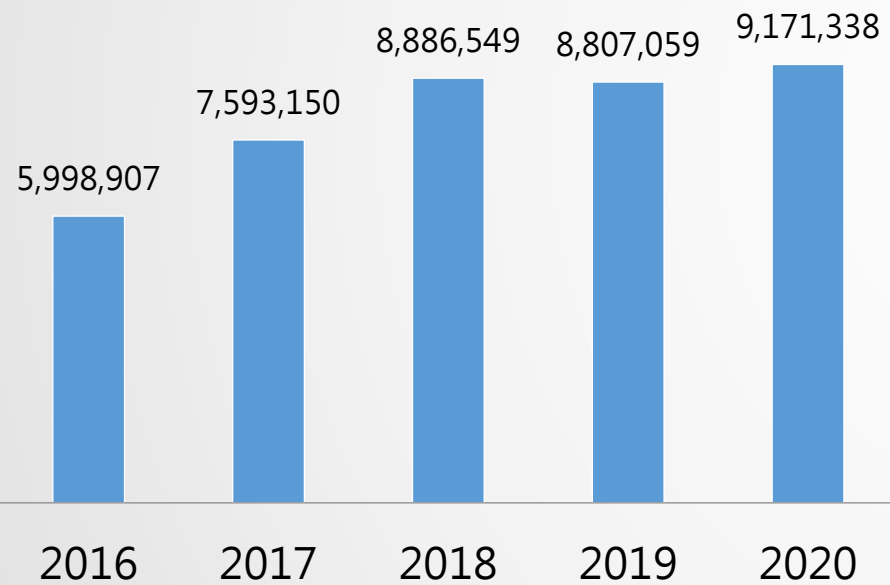
Important financial information



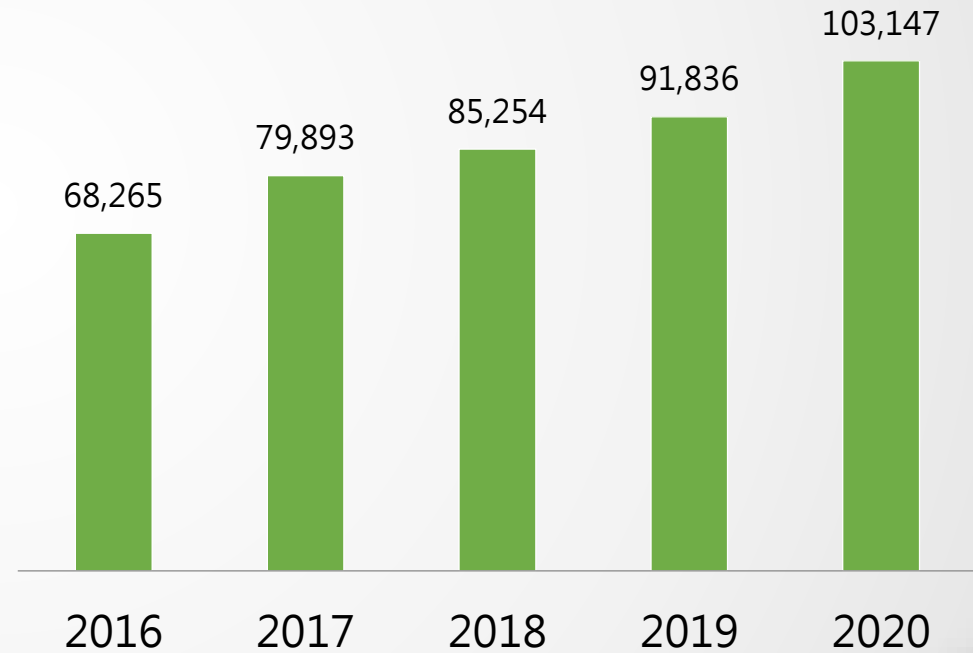


TONG MING KY sales in the past 5 years

Sales volume (Thousand New Taiwan Dollars)

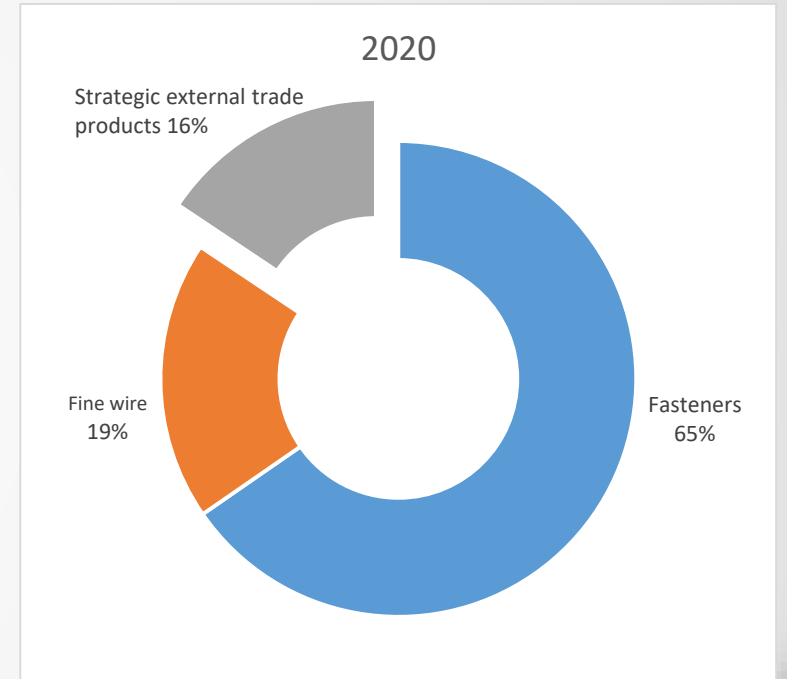
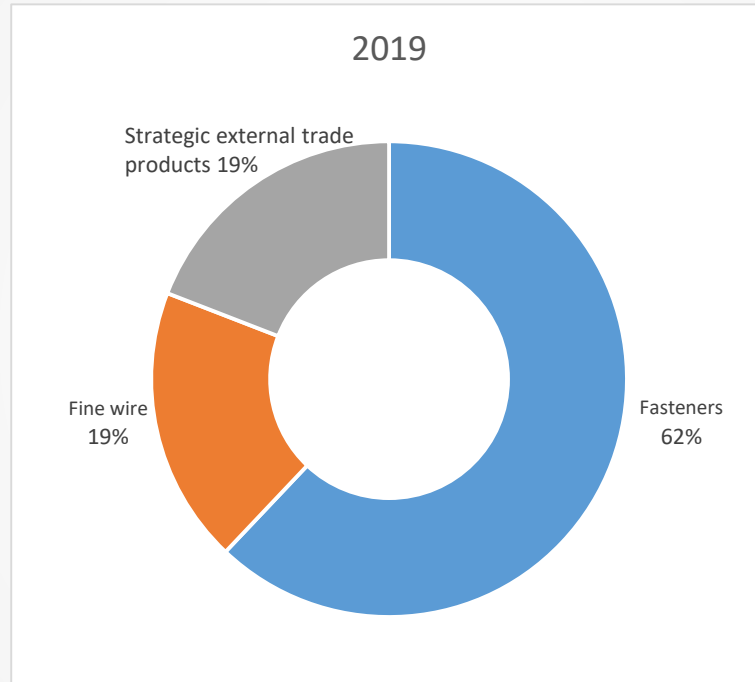
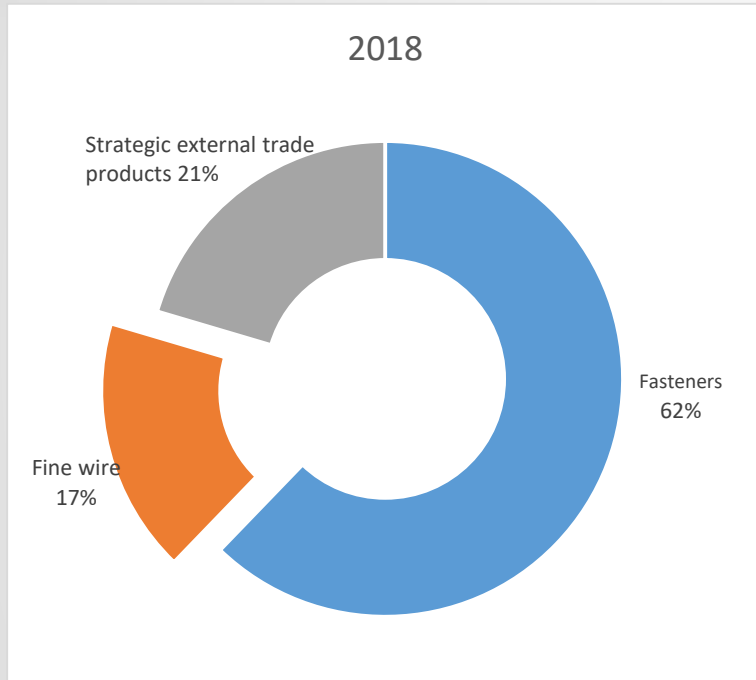


Sales(Ton)



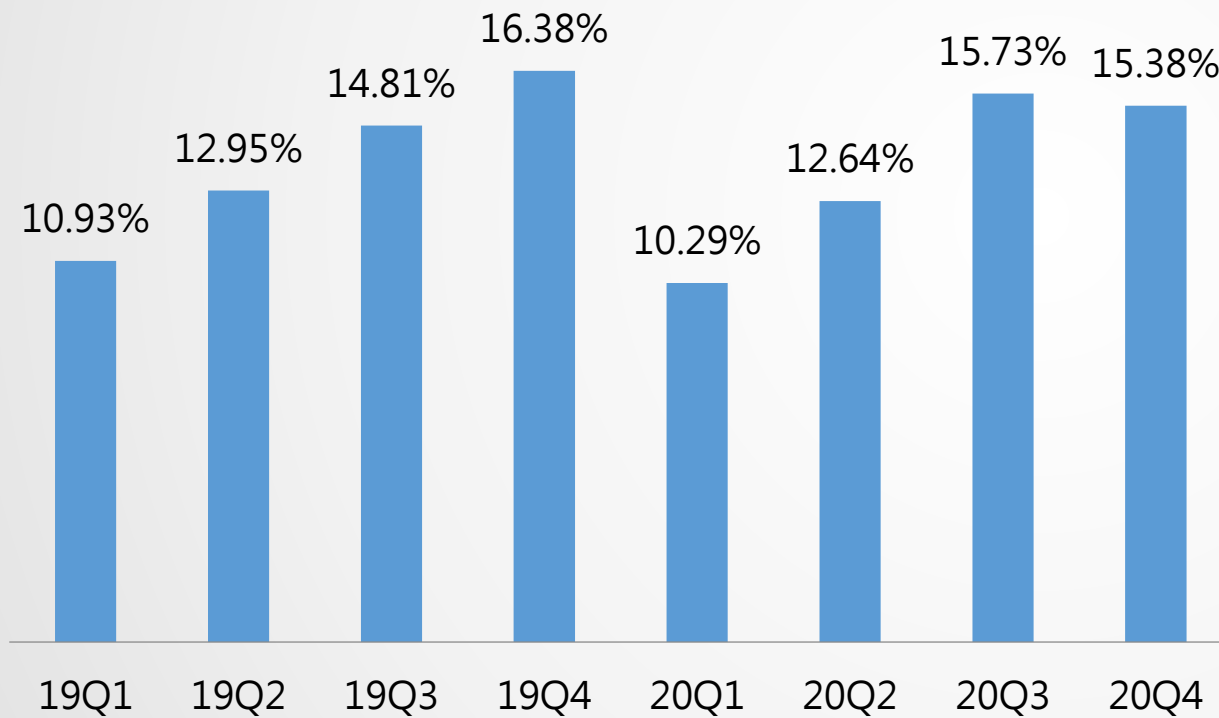


TONG MING KY proportion of product turnover in the past 3 years





TONG MING KY quarterly gross margin %

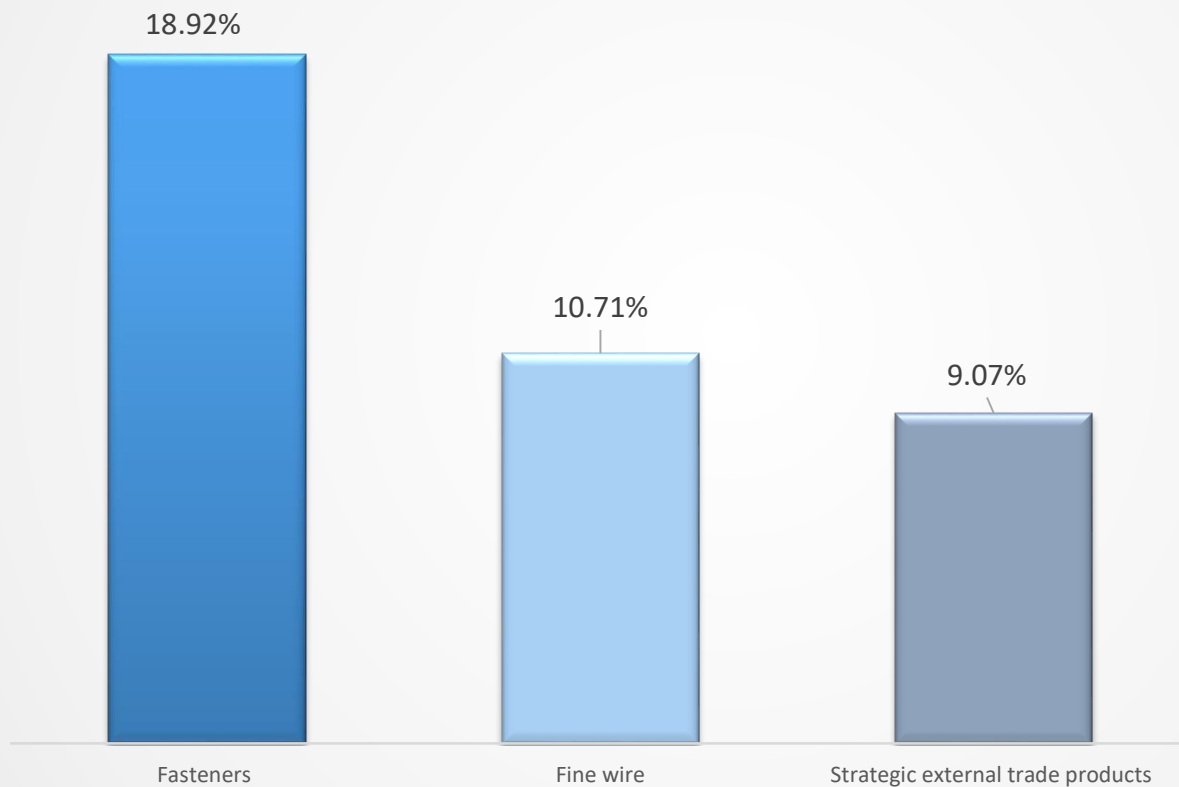


Factors:

1. Fluctuation of raw material
2. Product combination
3. Market share expansion strategy
4. Individual market share differences

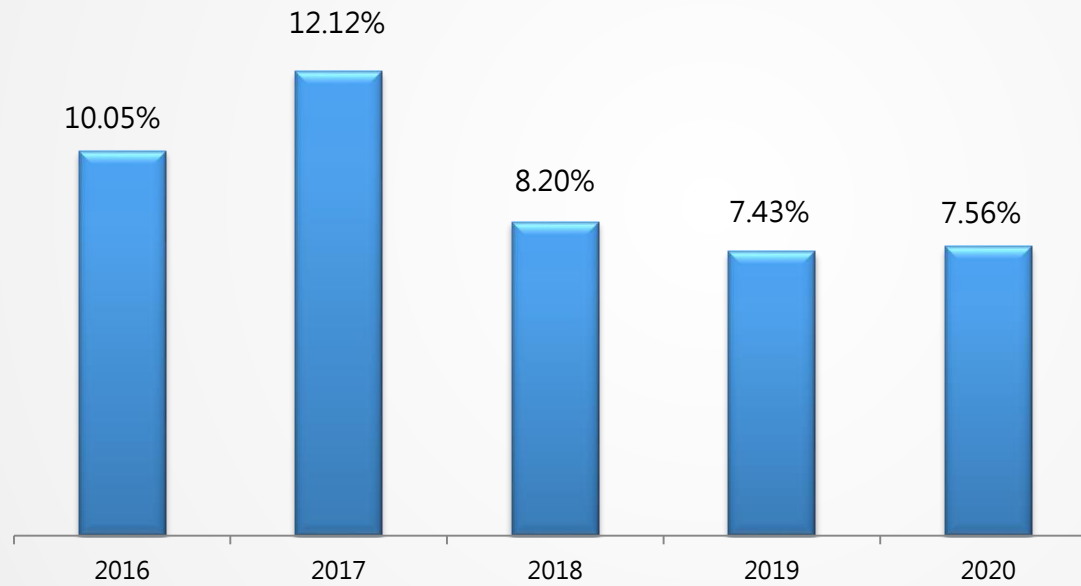


TONG MING KY average margin for the products %





TONG MING KY net profit for the past 5 years %





TONG MING KY historical profit and loss

Thousands NTD

	2016	2017	2018	2019	2020
Revenue	5,998,907	7,593,150	8,886,549	8,807,059	9,171,338
Gross profit	1,094,823	1,428,517	1,327,998	1,221,920	1,273,041
Net profit	603,005	920,219	728,384	654,299	693,083
Net profit before tax	597,791	868,315	672,199	588,475	590,599
Net profit after tax	467,632	685,825	537,442	467,504	494,824
Earnings per share (New Taiwan Dollar)	2.78	4.07	3.19	2.77	2.94



TONG MING KY condensed profit and loss over the same period

Thousands NTD

	2019	2020	Volume of profit (loss)	Increase (decrease) rate%
Revenue	8,807,059	9,171,338	364,279	4.14%
Gross profit	1,221,920	1,273,041	51,121	4.18%
Net profit	654,299	693,083	38,784	5.93%
Net profit before tax	588,475	590,599	2,124	0.36%
Net profit after tax	467,504	494,824	27,320	5.84%
Earnings per share (New Taiwan Dollar)	2.77	2.94	0.17	6.14%

Future operational development prospects





Future development and dividends

Output doubles in 3~5 years

Stable dividends

	2018	2019	2020
Return on equity (%)	13.91	12.03	12.29
Cash dividend (NTD)	2	1.5	1.8
Earnings per share (NTD)	3.19	2.77	2.94

THANK YOU