



開曼東明控股(股)公司
TONG MING ENTERPRISE CO.,LTD.
KY 5538
Institutional Investor Conference
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TONG MING Smart manufacturing
Master the future with technology

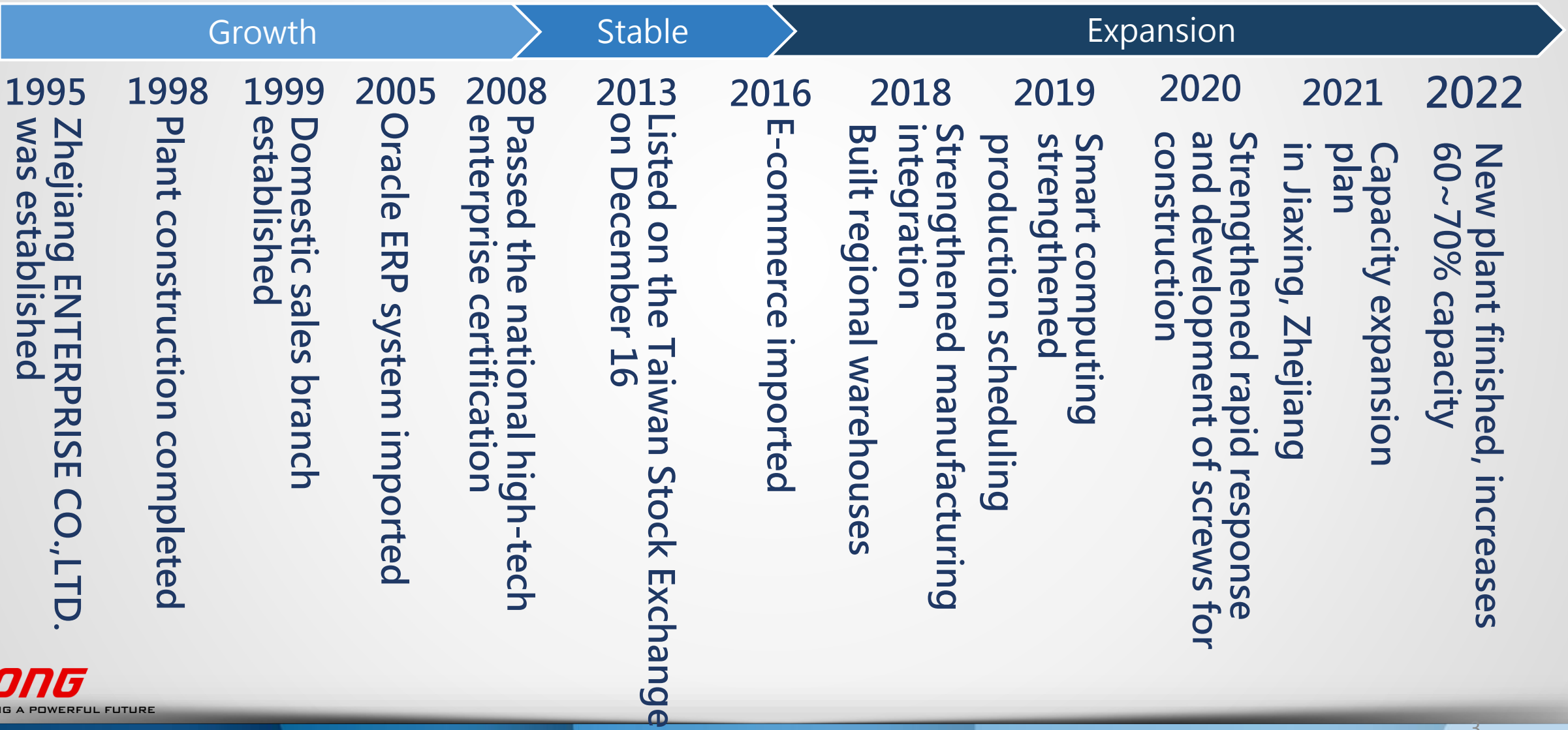


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Company history





Market and company status



Top 3 market share of fine wire in China



10,000 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 - Application

- Big domestic real economy 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.





Industry introduction — Global view

Keep 3~5% annual demand growth

Power station



Infrastructure



Green energy



Electrical Equipment



Medical station

Operating performance



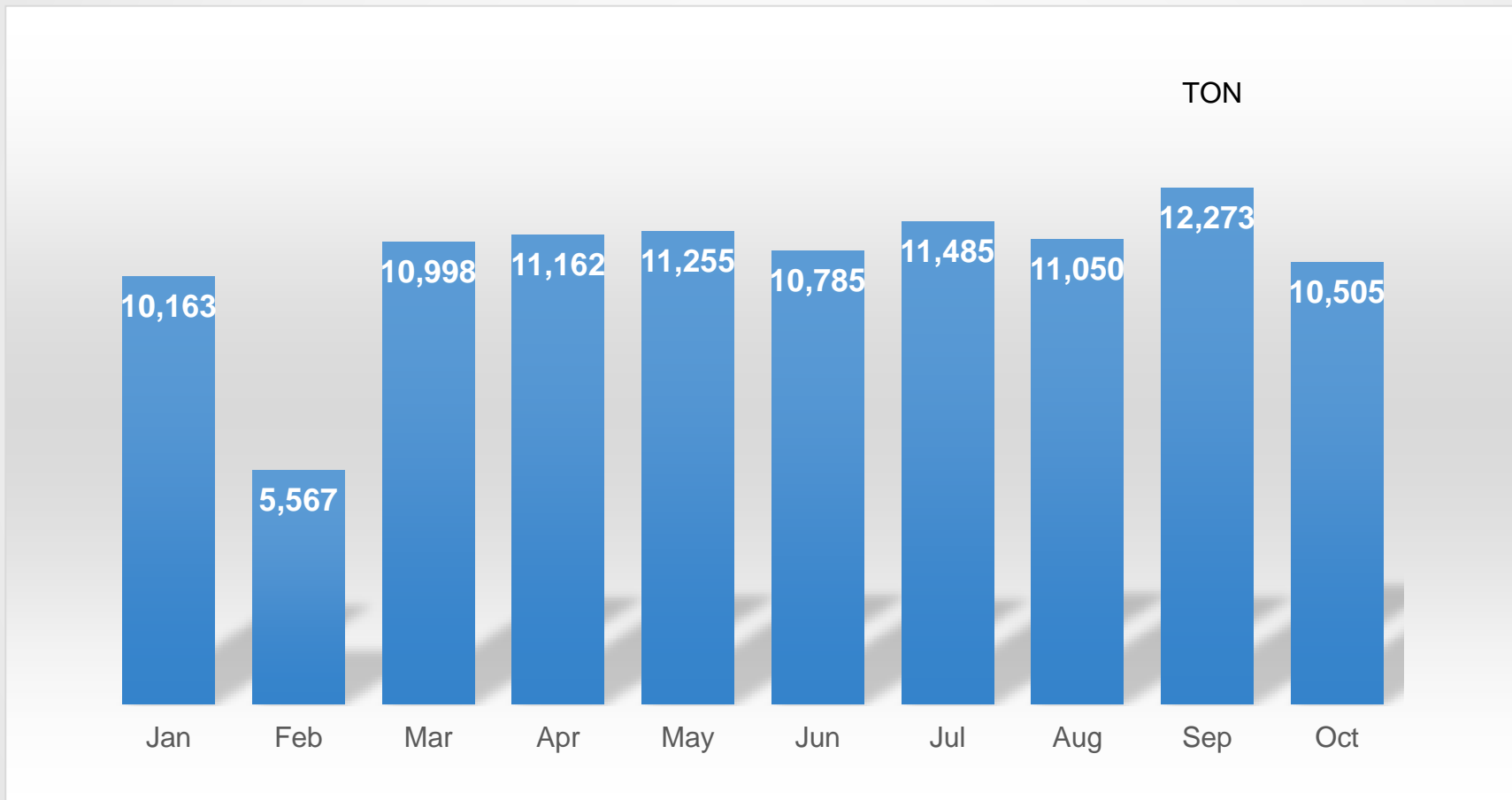


Changes of shipments in 2020 for TONG MING KY



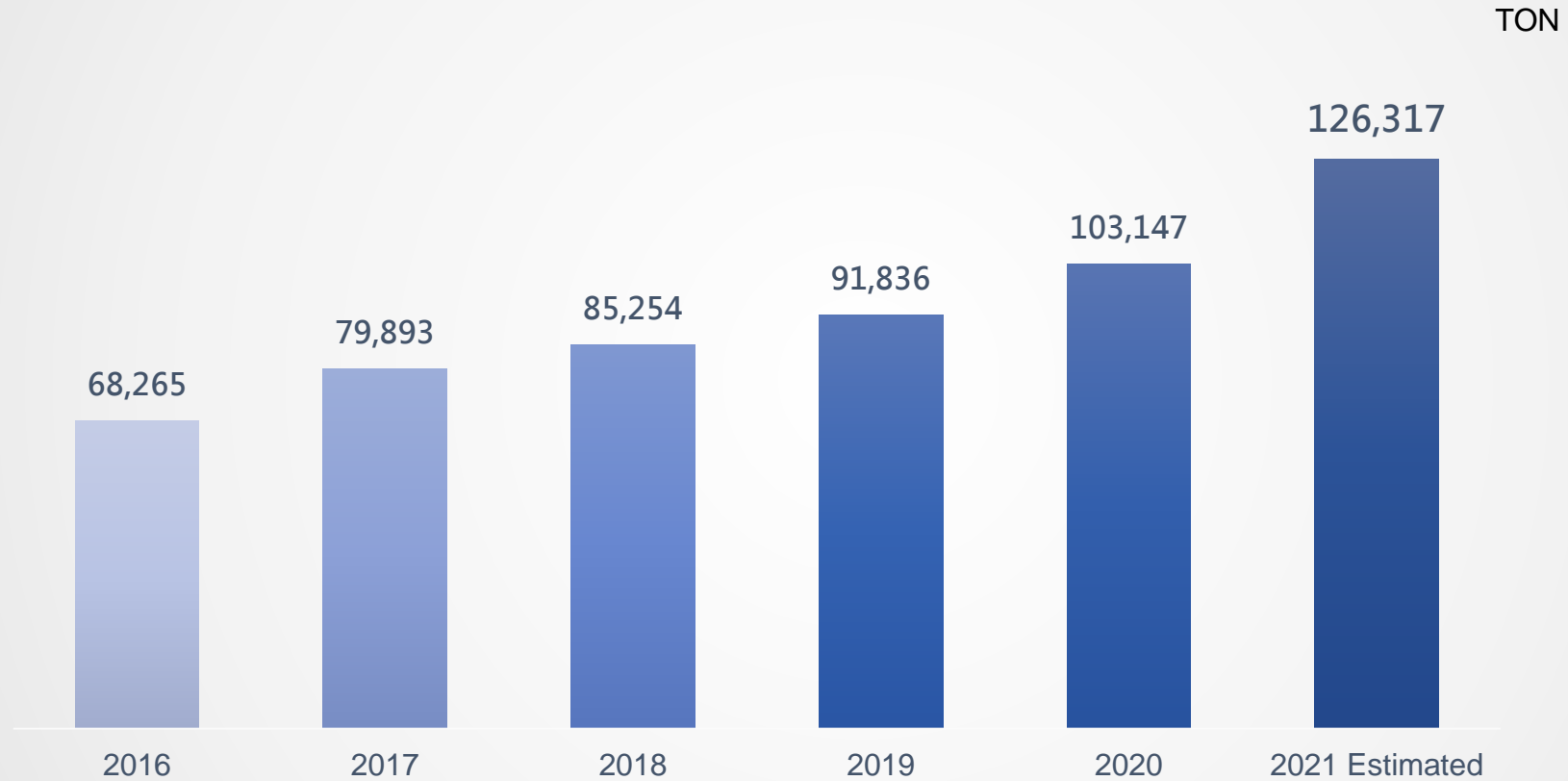


Changes of shipments in January ~ October 2021 for Tong Ming KY





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





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

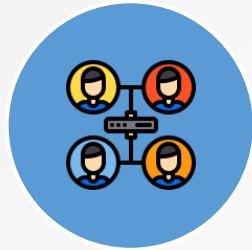
		Fine wire	Fasteners (International)	Fasteners (Domestic)	Strategic external trade products
Business model		Manufacture by order	Manufacture by order	Distribution service	Proactive partner
Customer feature		End users in China	Foreign distributors	More than 10,000 distributors	Key foreign customers
Sales proportion	2020	19.00%	12.23%	53.14%	15.63%
	2021 Q1-Q3	18.10%	14.55%	51.22%	16.13%



TONG MING KY capacity performance

Customers

Oversea : 350
Domestic : more than
10,000



Estimated outputs

Estimated outputs
of 2021:
120,000~130,000 tons



Products

32,000 types



Shipments

Handle more than 8,000
items per day



Environment protection

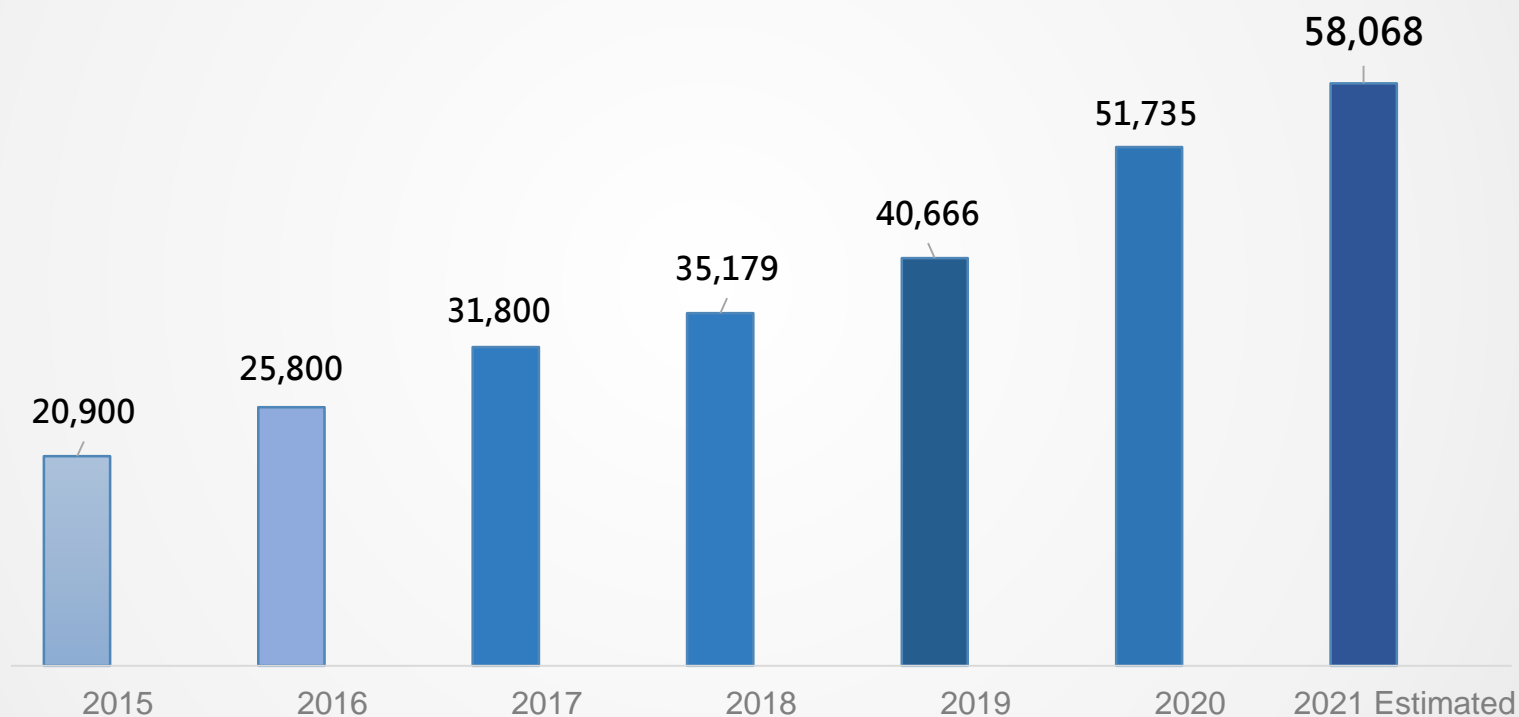
Reduce oil pollution and air,
water purify



- 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



Zhejiang TONG MING growth of domestic sales between in 2015~2021 (Fasteners)

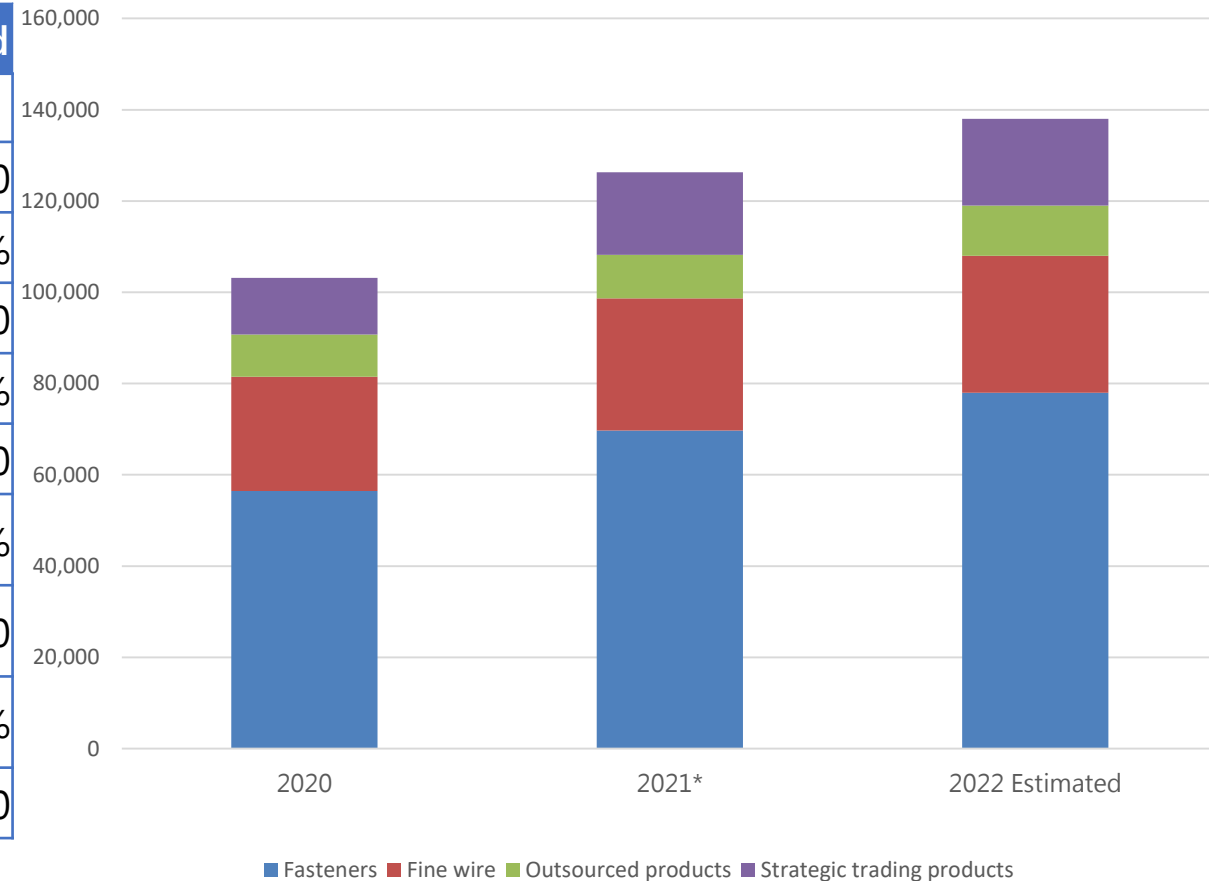




Shipments of TONG MING KY in the last two years

Year	2020	2021*	2022 Estimated
Main product	Shipment	Shipment	Shipment
Fasteners	56,468	69,700	78,000
Fasteners ratio	55%	55%	65%
Fine wire	25,007	29,000	30,000
Fine wire ratio	24%	23%	25%
Outsourced products	9,246	9,500	11,000
Outsourced products ratio	9%	8%	9%
Strategic trading products	12,426	18,117	19,000
Strategic trading products ratio	12%	14%	14%
Total	103,147	126,317	138,000

*2021 is estimated with the first 3 quarters



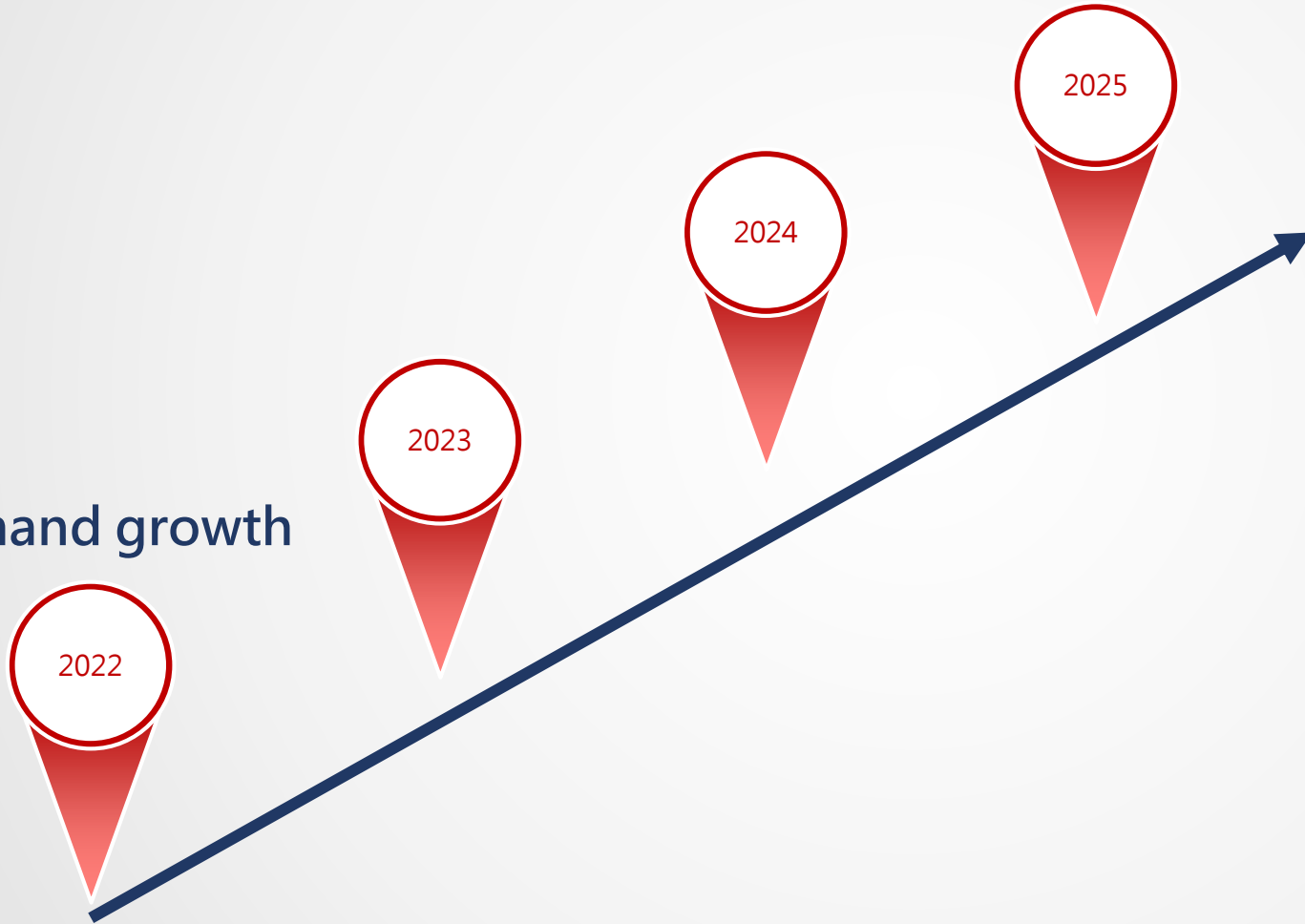
Future expansion plan





Reasons for the new plant

Market demand growth



Effective marketing model

-  Service
-  Channel
-  Quality
-  Production



Investment plan

Land : 47,927 square meters

Products: Small screws and nuts

Capacity planning: an increase of 80,000 tons in 3~5 years





Land area of new and current plants



47,927.0m²



152,062.5m²



Capacity of new and current plants



First year: 45,000 tons
Grow to 80,000 tons after 3
years



136,000 tons



Production lines of new and current plants



New plant will focus on producing nuts and small screws. 35,000 tons of nuts and 10,000 tons of small screws will be produced in the first year. Estimated to finish and start producing in October 2022



Continuous production increase for current screw range

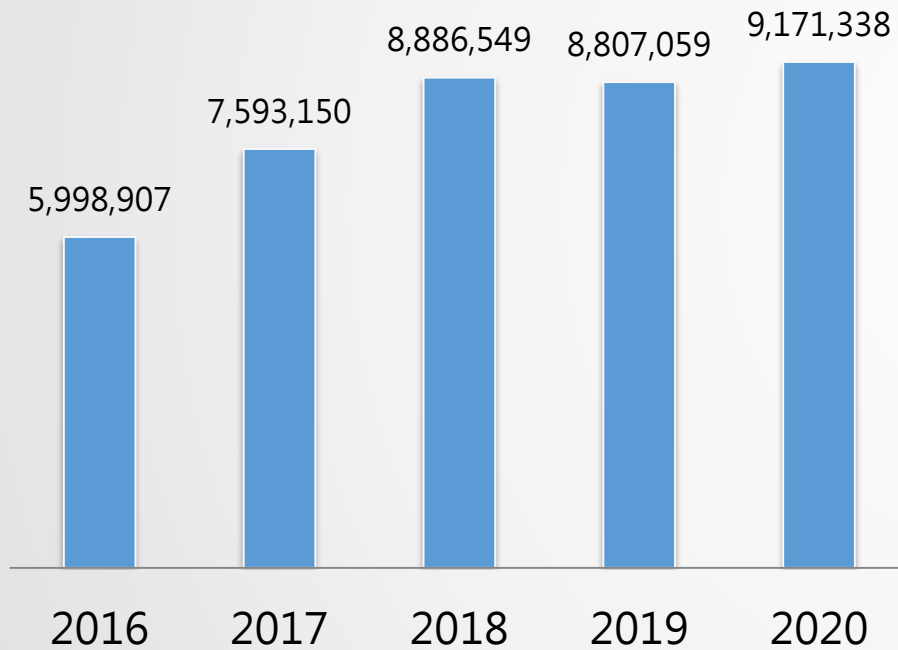
Important financial information



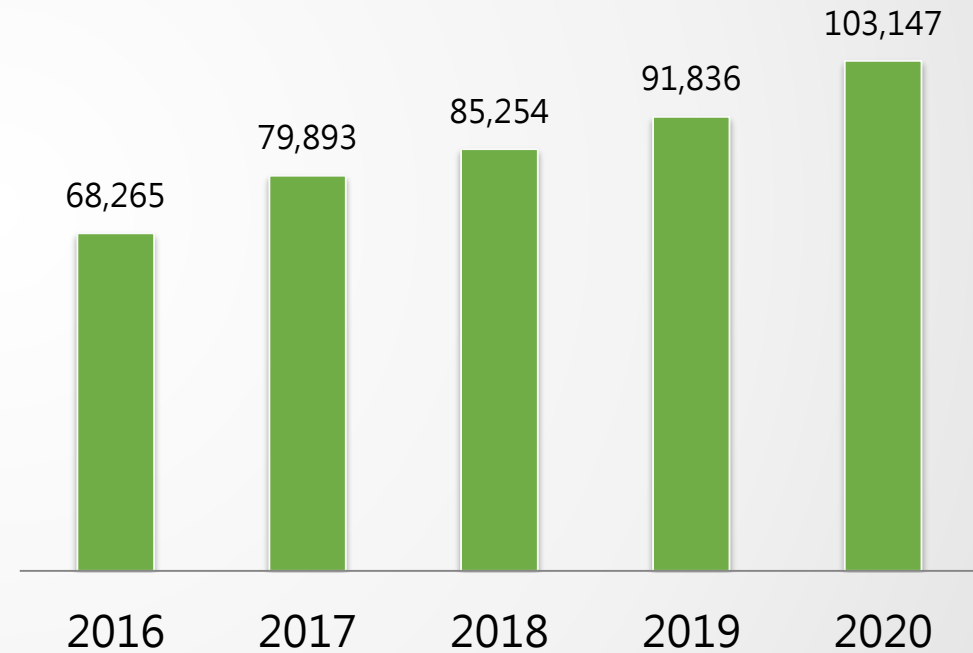


TONG MING KY sales in the past 5 years

Sales volume (Thousand NTD)

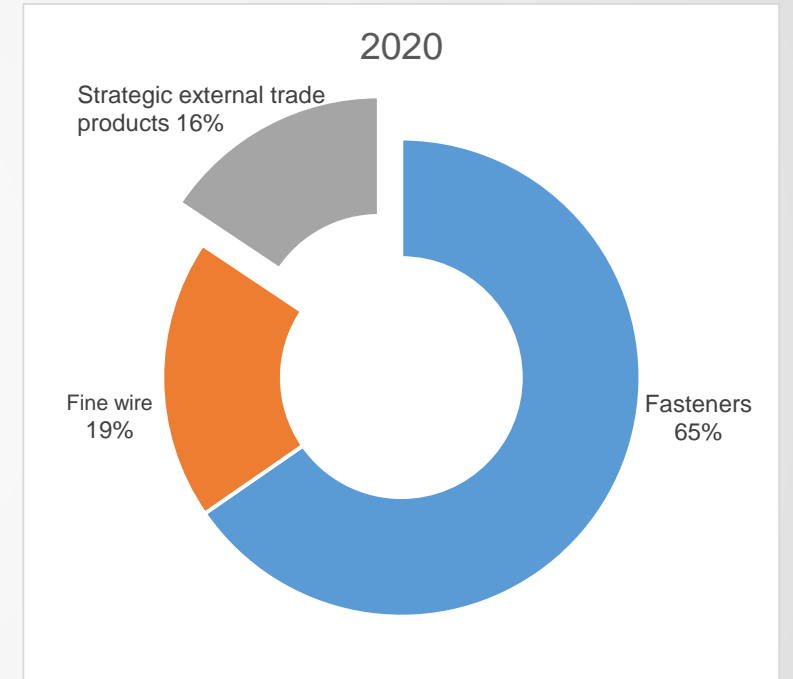
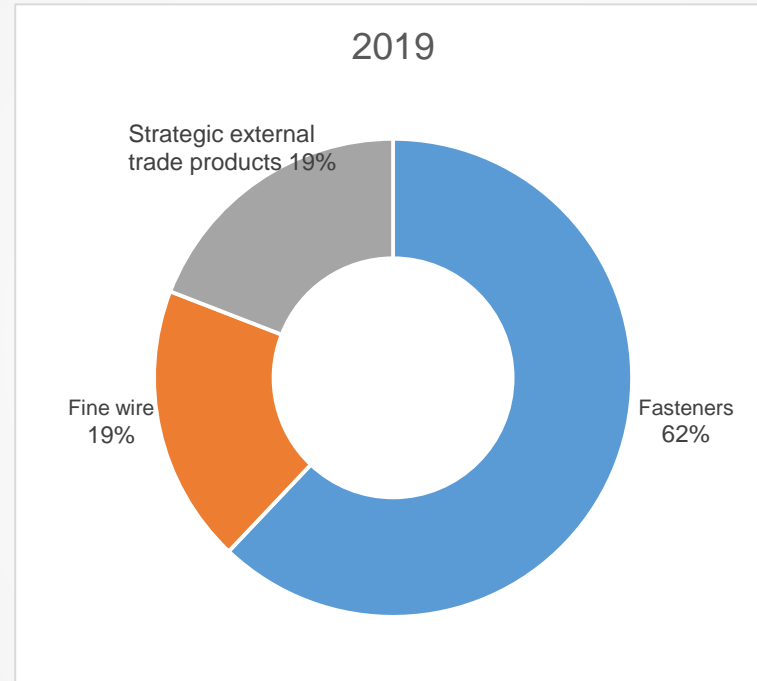
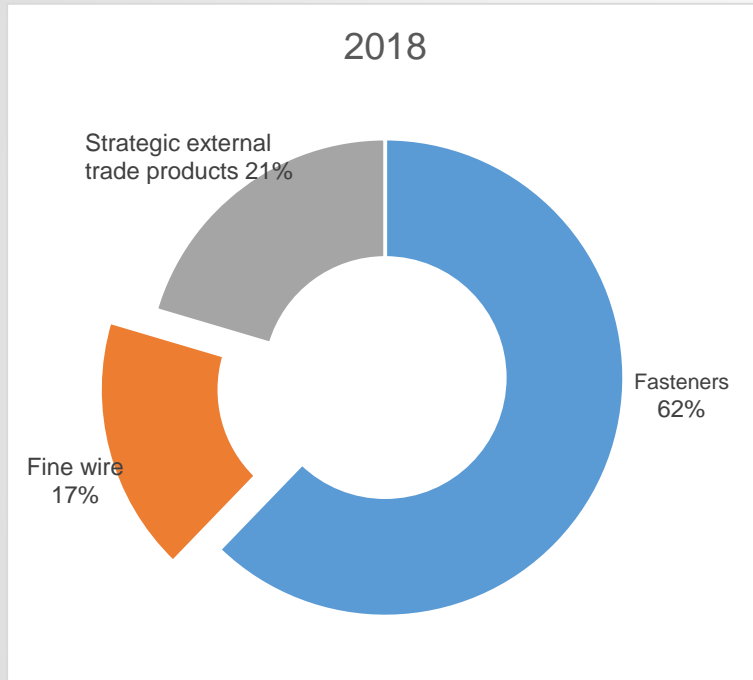


Sales(Ton)



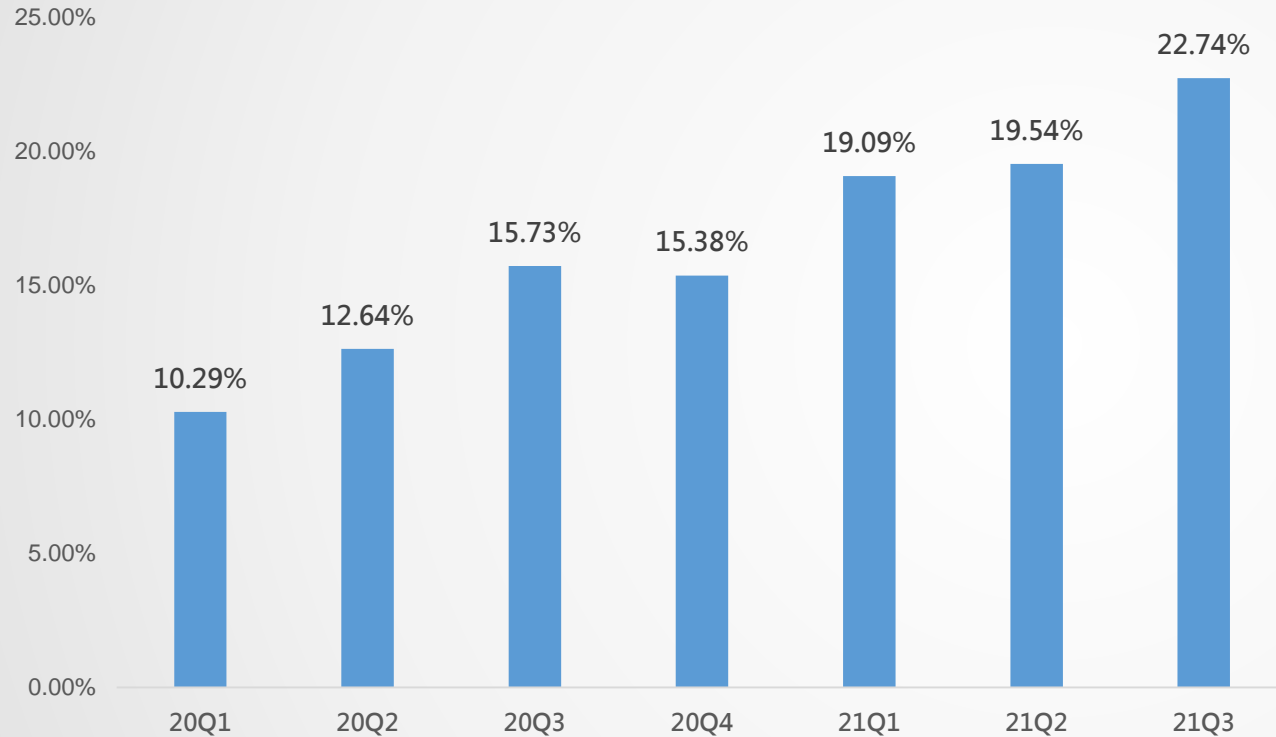


TONG MING KY proportion of product turnover in the past 3 years





TONG MING KY quarterly gross margin %

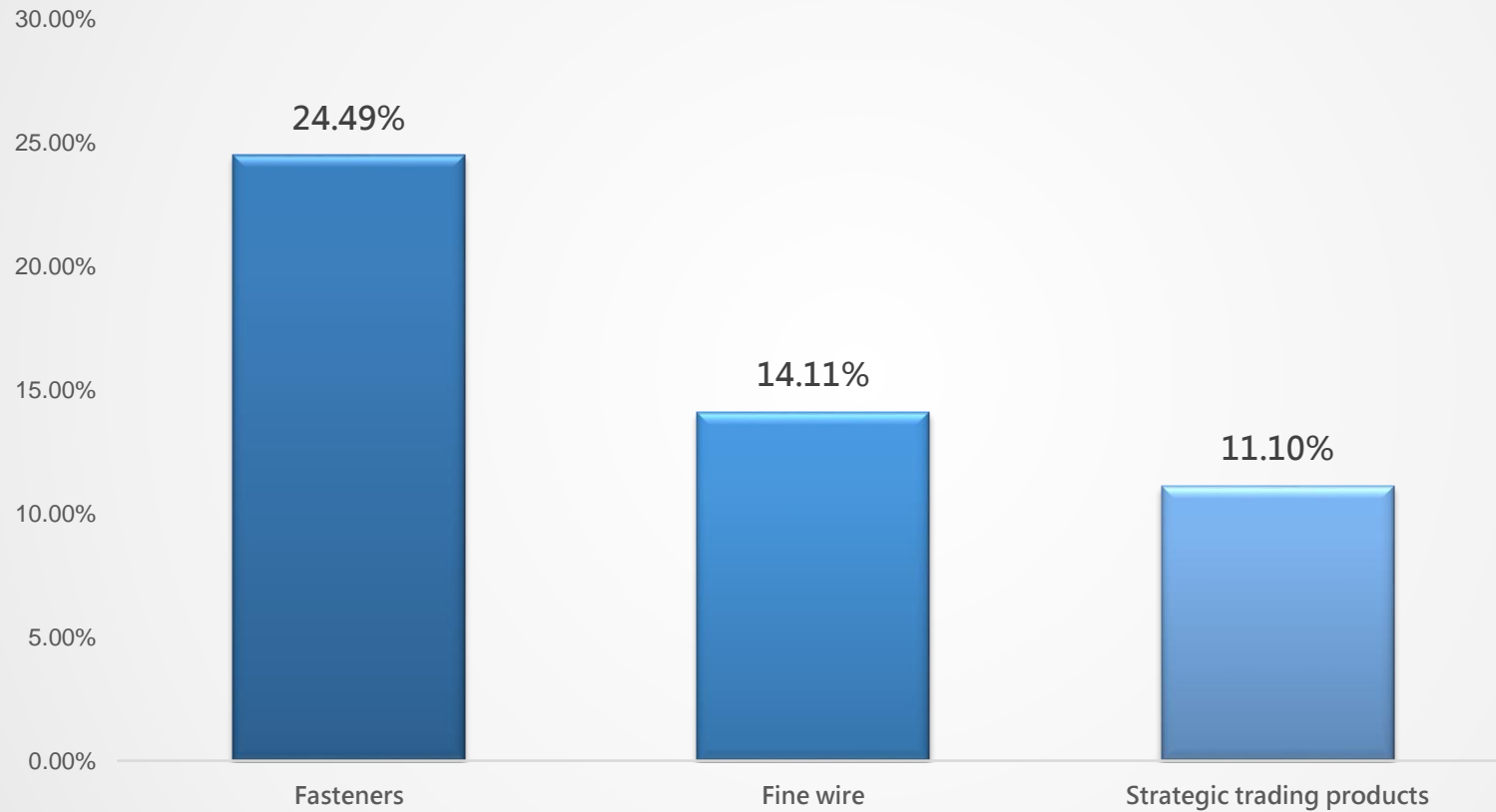


Factors:

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

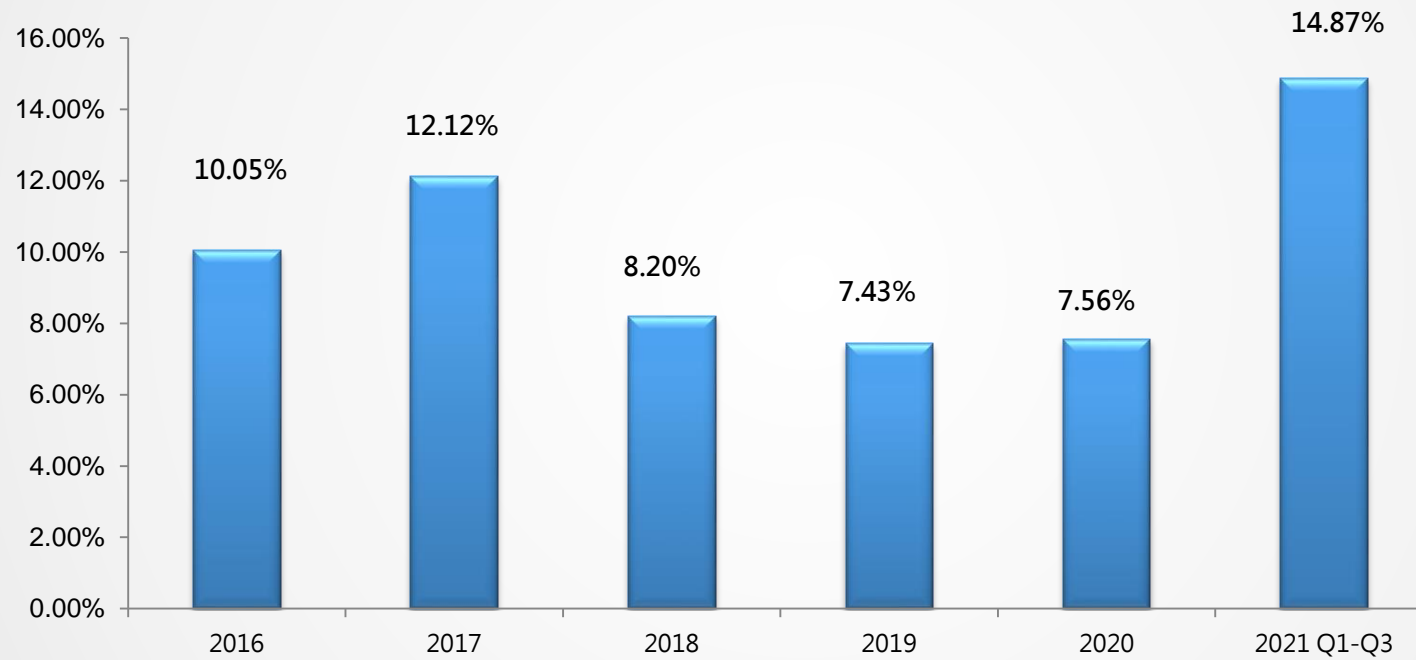


TONG MING KY average product margin % for the first 3 quarters





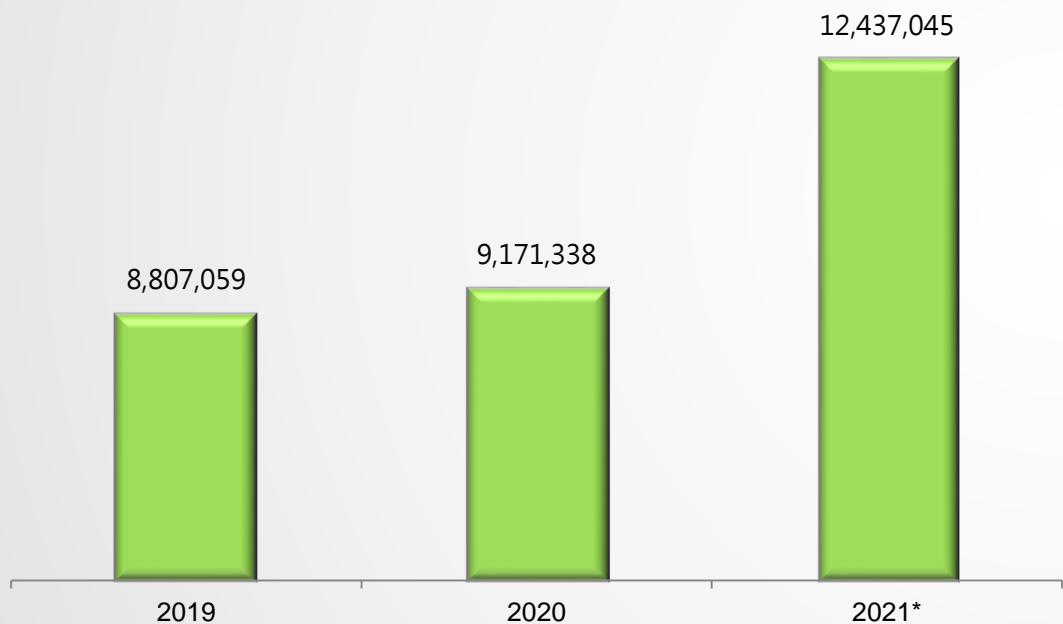
TONG MING KY net profit for the past 5 years %



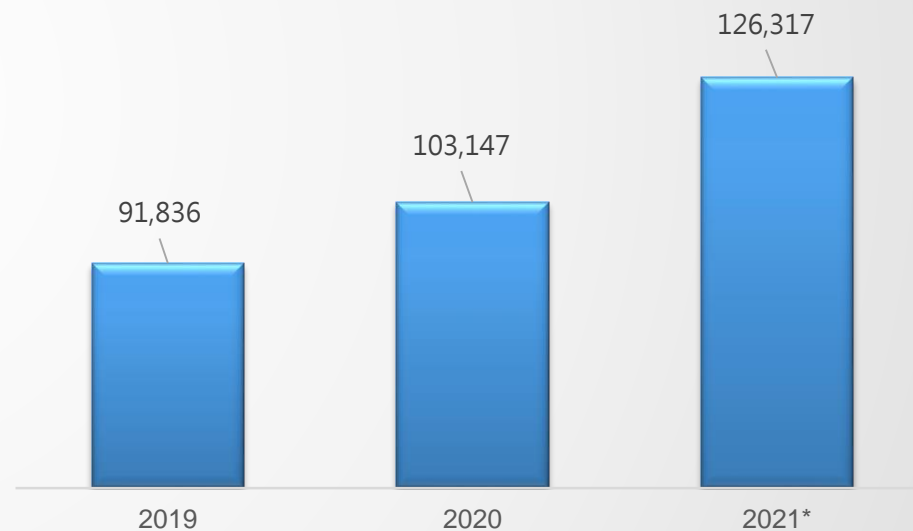


TONG MING KY changes in revenue and shipments in recent years

Revenue (thousands)



Shipment(ton)



*2021 is estimated with the first 3 quarters



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
Basic earnings per share(NTD)	2.78	4.07	3.19	2.77	2.94



TONG MING KY condensed profit and loss over the same period

Thousands NTD

	2021 Q1-Q3	2020 Q1-Q3	Volume of profit (loss)	Increase (decrease) rate%
Revenue	9,327,783	6,424,271	2,903,512	45.20%
Gross profit	1,927,330	850,450	1,076,880	126.62%
Net profit	1,387,013	427,135	959,878	224.72%
Net profit before tax	1,250,589	381,144	869,445	228.11%
Net profit after tax	1,017,650	302,028	715,622	236.94%
Earnings per share (New Taiwan Dollar)	5.85	1.79	4.06	226.26%

Future operational development prospects





Future development and dividends

Output doubles in 3~5 years

Stable dividends

	2019	2020	2021 Q1-Q3
Return on equity (%)	12.03	12.29	26.5
Cash dividend (NTD)	1.5	1.8	To be confirmed
Earnings per share (NTD)	2.77	2.94	5.85

THANK YOU