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開曼東明控股(股)公司
TONG MING ENTERPRISE CO.,LTD.
KY 5538
Institutional Investor Conference
2022.10.26

TONG MING Smart manufacturing
Master the future with technology

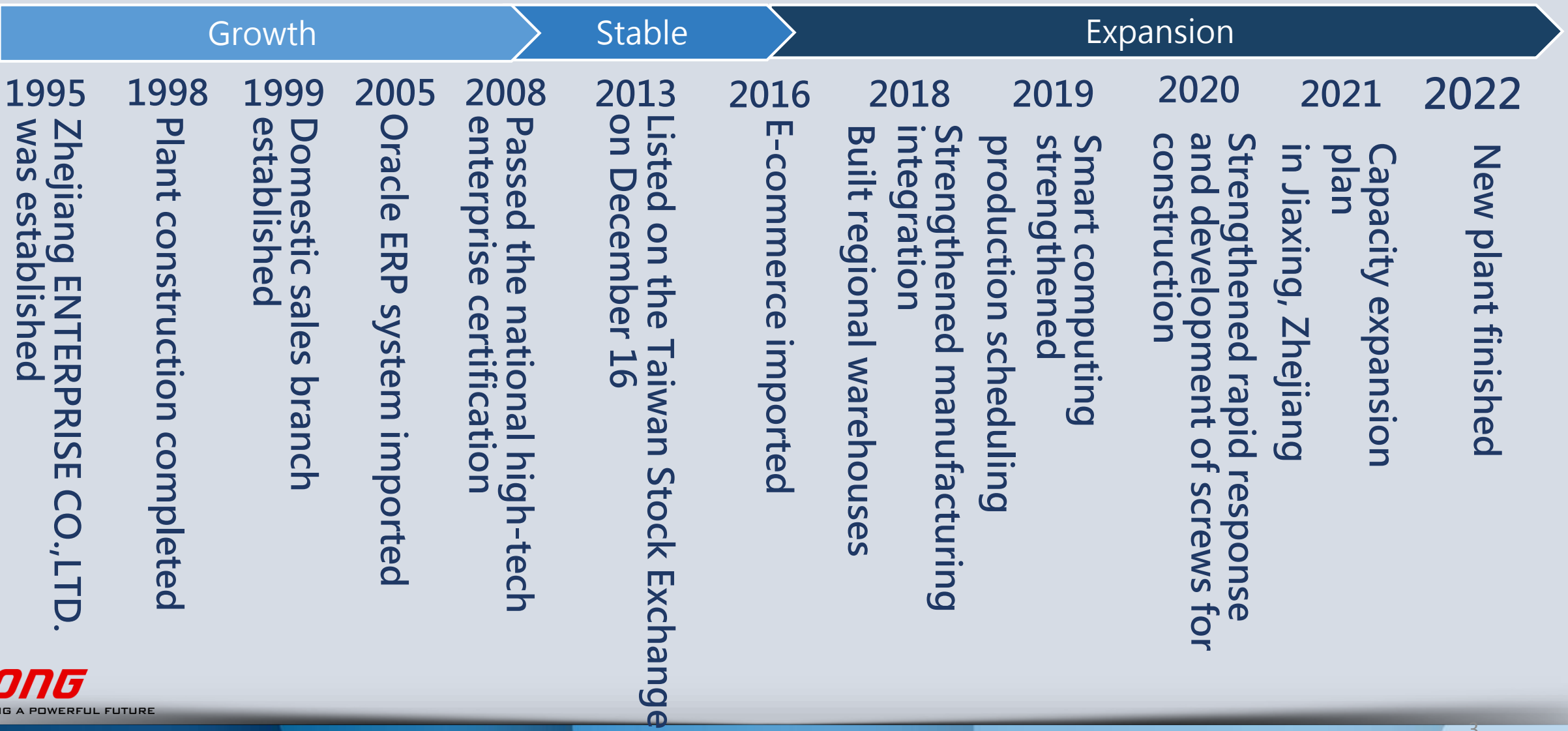


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Company history





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





Major Application Industries in 2022- Solar Energy





**Rapidly increasing
demand from
Photovoltaic Industry**





Products introduction

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

Fasteners(screws, nuts)



Fine wire

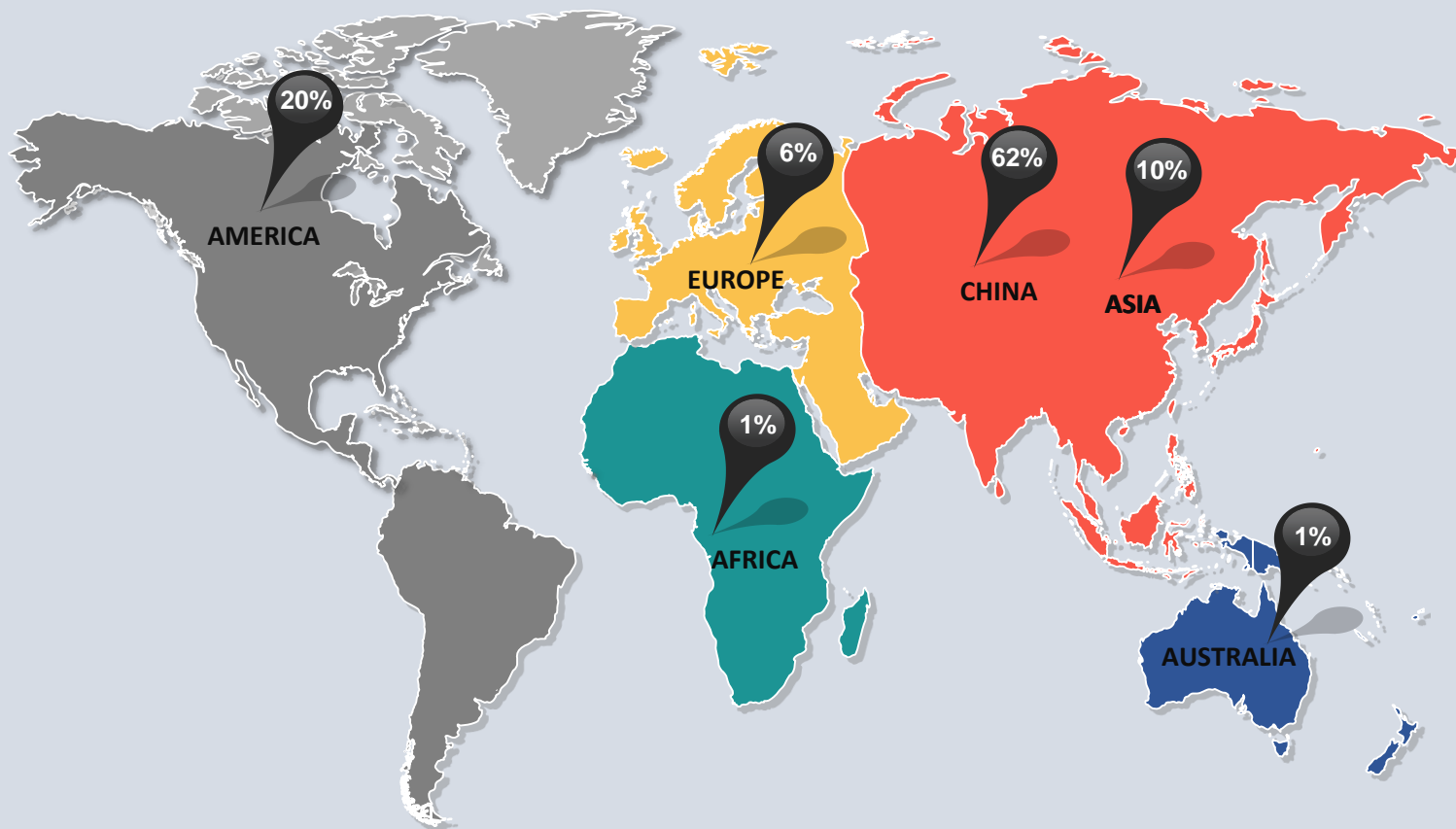


Strategic external trade products





Industry introduction — Global view



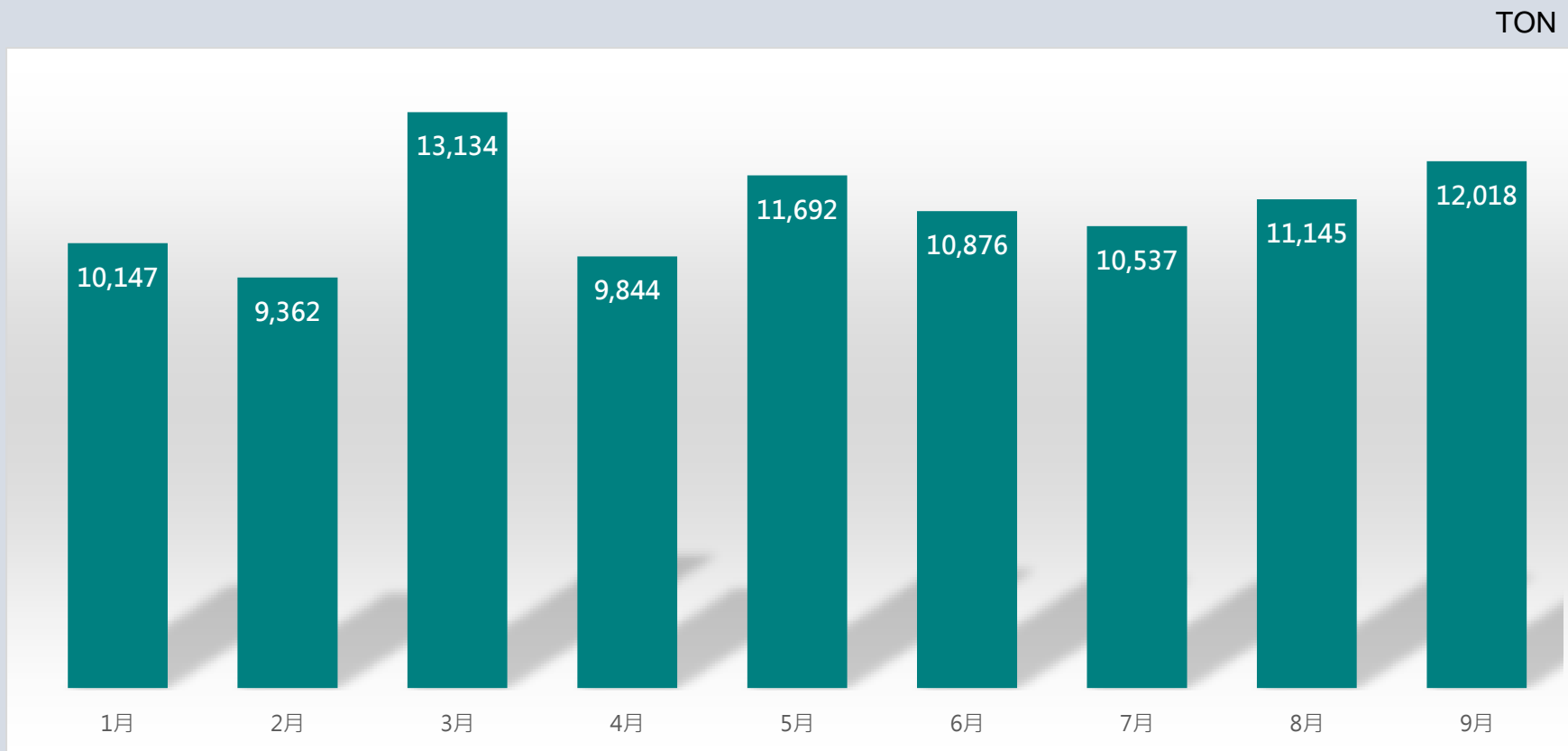
- Demand in China have gradually recover by 2022 Q3.
- USA have been steadily growing with their strategic partners
- European suffers the impact of Energy crisis
- Other regions remain steady

Operating performance



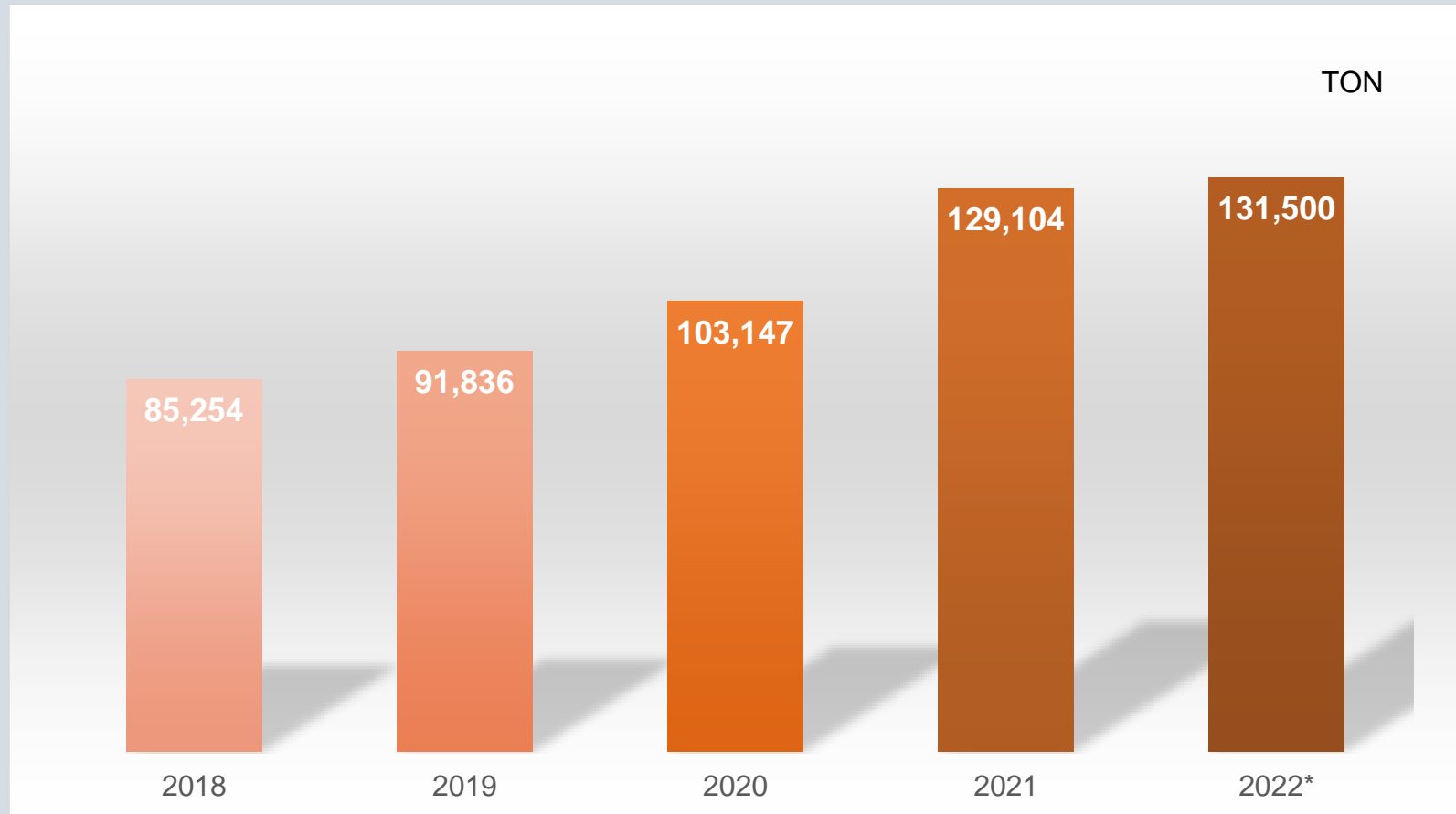


Changes of shipments in January ~ September 2022 for Tong Ming KY





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

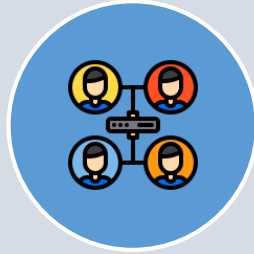
Items		Fine wire	Fasteners (International)	Fasteners (Domestic)	Strategic external trade products
Business model		Manufacture by order	Manufacture by order	Distribution service	Proactive partner
Customer feature		End users in China	Foreign distributors	More than 10,000 distributors	Key foreign customers
Sales proportion	2021	18.18%	15.57%	49.35%	16.90%
	2022 H1	15.40%	19.91%	46.71%	17.98%



TONG MING KY capacity performance

Customers

Oversea : 350
Domestic : more than
10,000



Estimated outputs

Estimated outputs
of 2022:
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

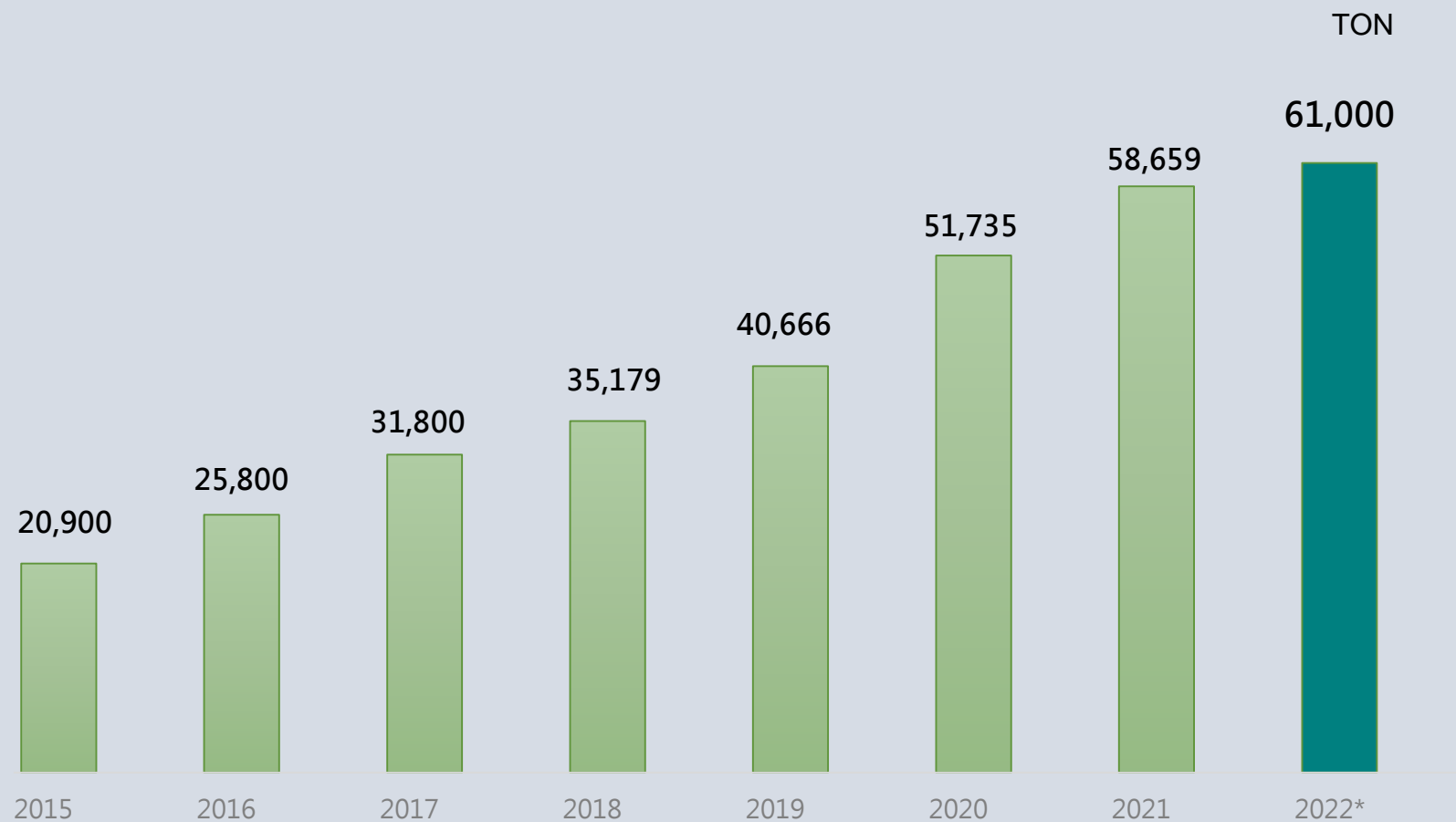


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- Production molding machine: 310 sets
- Punctual design of production line
- Advanced production equipment
- Precised production molds control
- Defective rate: less than 0.3%
- High-performance logistic
- Promote an environment friendly manufacturing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



Zhejiang TONG MING growth of domestic sales between in 2015~2022 (Fasteners)

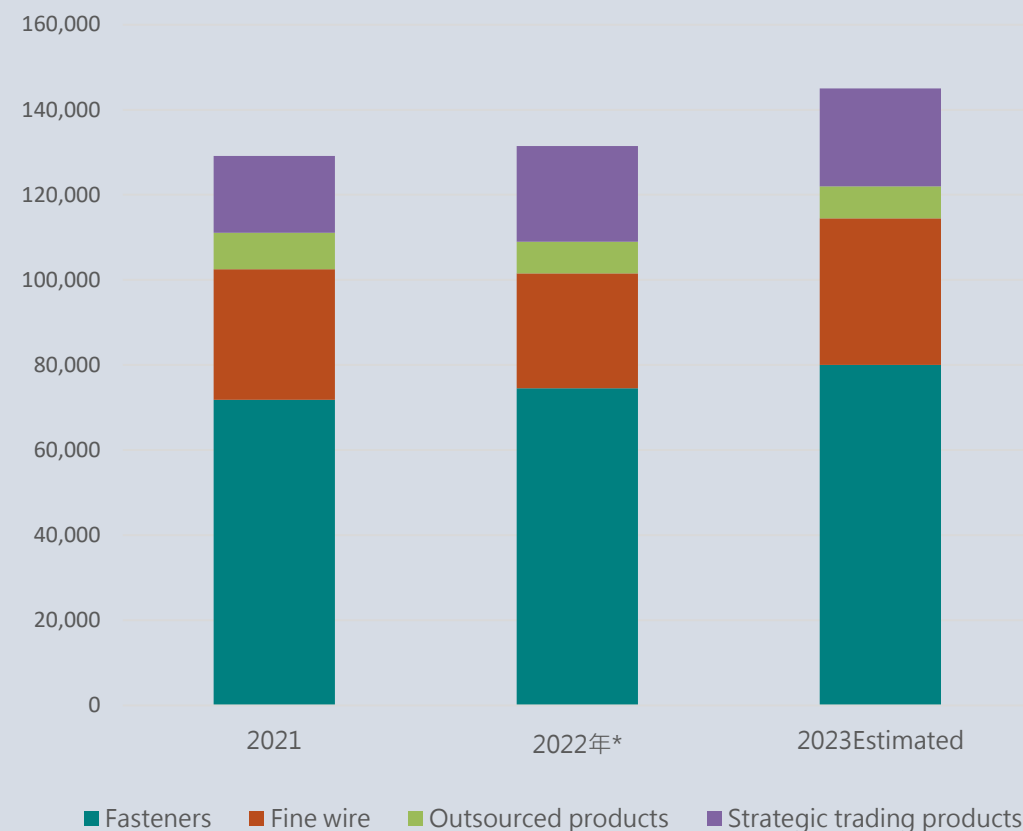




Shipments of TONG MING KY in the last two years

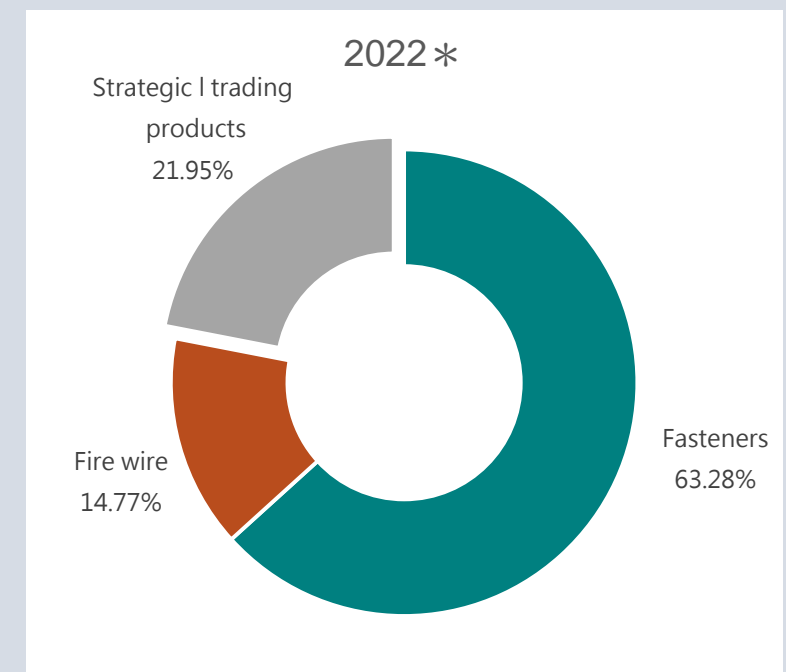
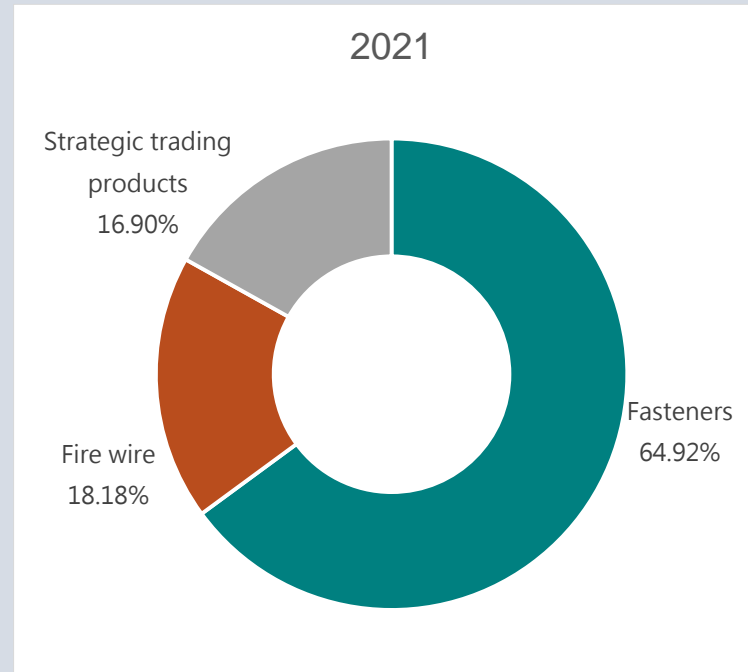
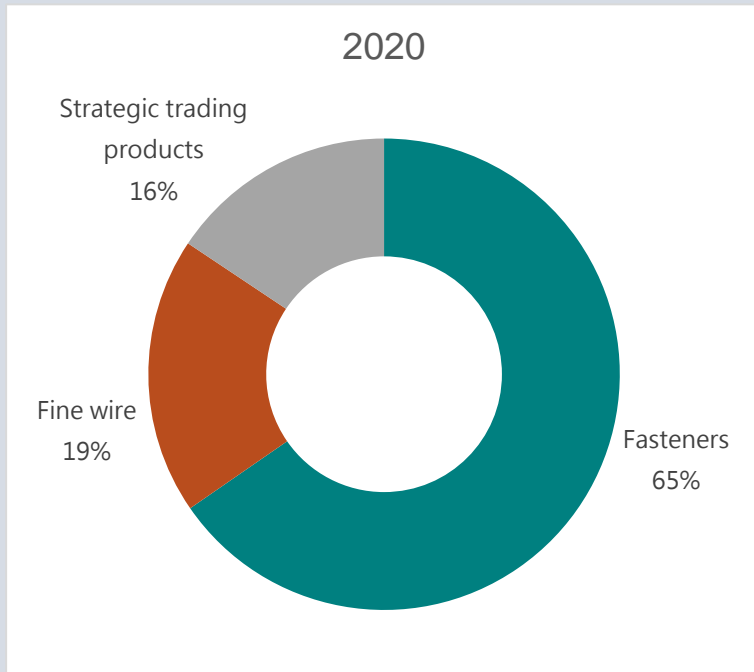
Year	2021	2022*	2023Estimated
Main product	Shipment	Shipment	Shipment
Fasteners	71,838	74,500	80,000
Fasteners ratio	56%	57%	55%
Fine wire	30,676	27,000	34,500
Fine wire ratio	24%	21%	24%
Outsourced products	8,550	7,500	7,500
Outsourced products ratio	6%	6%	5%
Strategic trading products	18,040	22,500	23,000
Strategic trading products ratio	14%	16%	16%
Total	129,104	131,500	145,000

*2021 is estimated with the first 3 quarters





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



Current status of our new factory





Land area & capacity of new and current plants



First year: 45,000 tons
Grow to 80,000 tons after 3 years
 $47,927.0m^2$

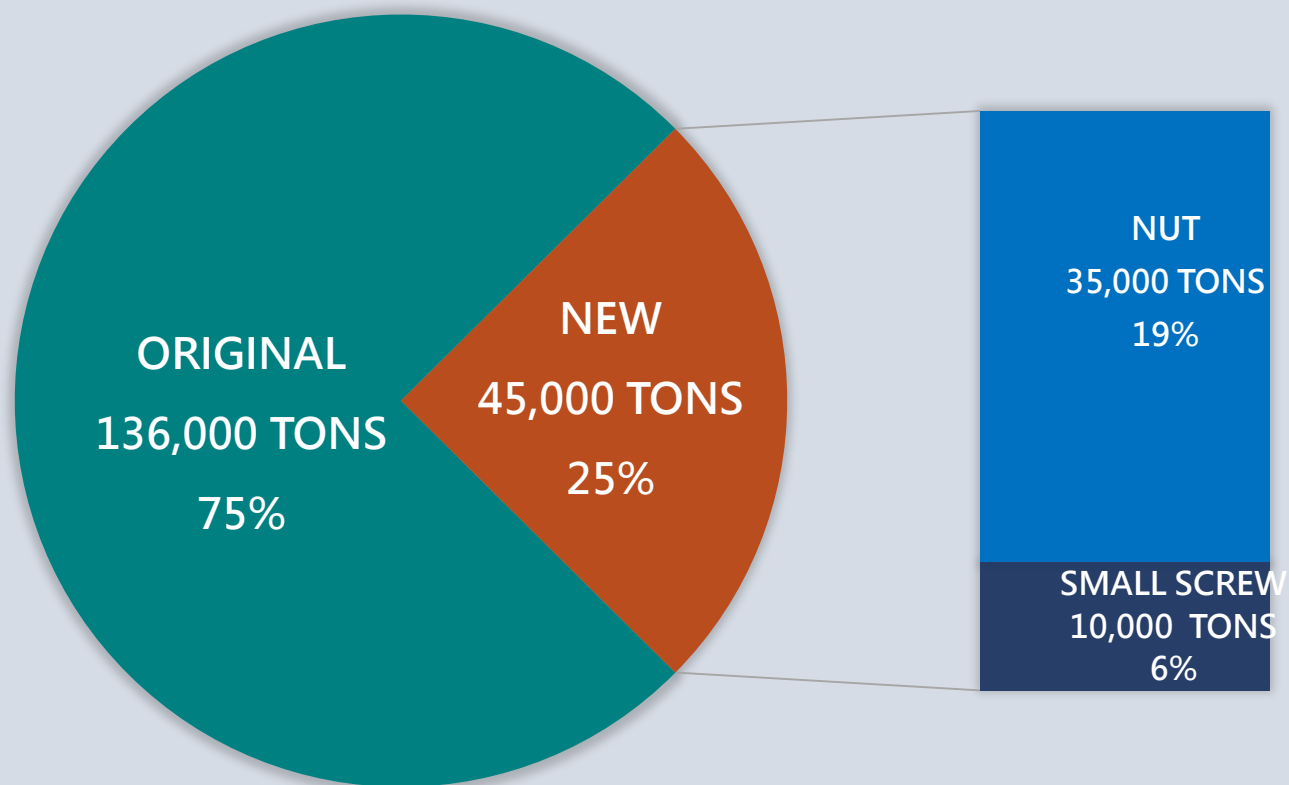


136,000 ton
 $152,062.5m^2$



New Factory: 5 to 8% additional productivity per year

CAPACITY AFTER EXPANSION(TON)





New Factory

Planning

- To meet the market demand of coming 3 to 5 years
- Wire Factory includes two wire drawing and annealed wire production lines
- Screw 10,000 tons ; Nut 35,000 tons

Progress

- First production line of wire factory have been finished in July.
- The first stage of Screw and Nut factory have been finished. Expected to pass the acceptance in November to December



Production lines of new and current plants



The new factory will produce mainly nuts and screws.
In the first year, 35,000 tons of nuts and 10,000 tons of small screws will be produced.

Due to power restrictions and the impact of the pandemic, the acceptance of new factory will be delayed until November to December. In March to April 2023, the equipment will be installed and ready for production.

New Factory(For nuts and screws)
Address: Gaoke Road, Jiaxing City, Zhejiang Province
The main structure of building have been mostly finished



New Factory(For nuts and screws)
Address: Gaoke Road, Jiaxing City, Zhejiang Province
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Wire Factory- Tong Heer
Address: Gaoke Road,
Jiaxing City,
Zhejiang Province





The interior of Tong Heer wire factory

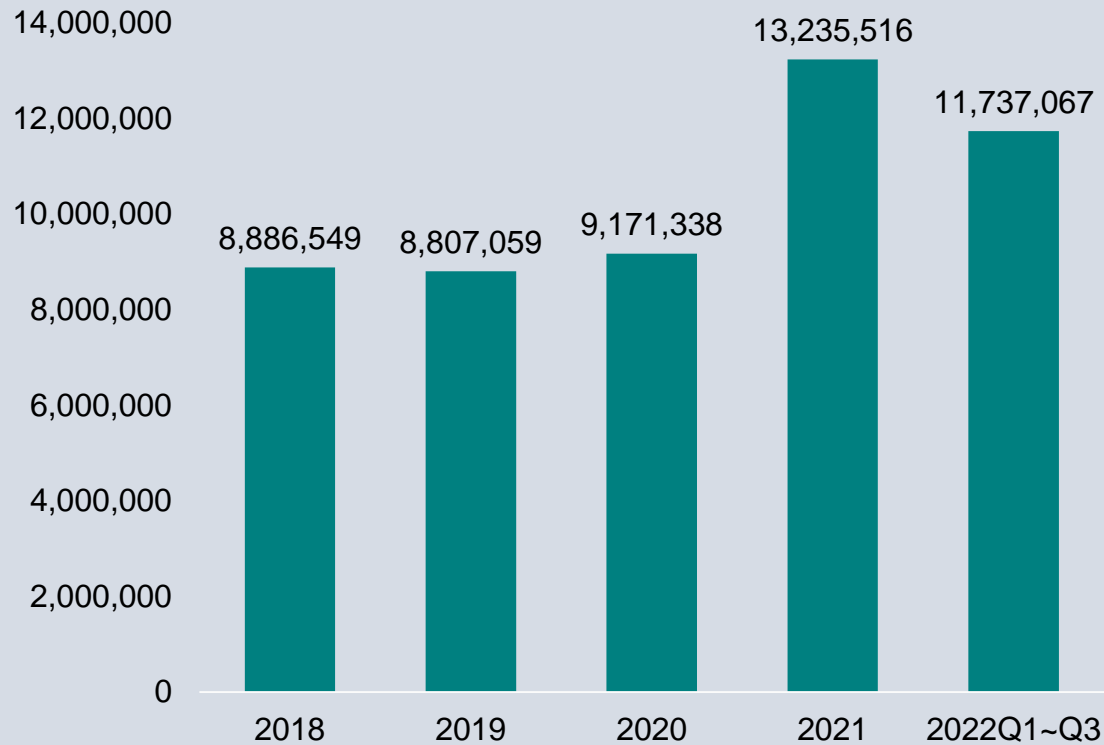
Important financial information



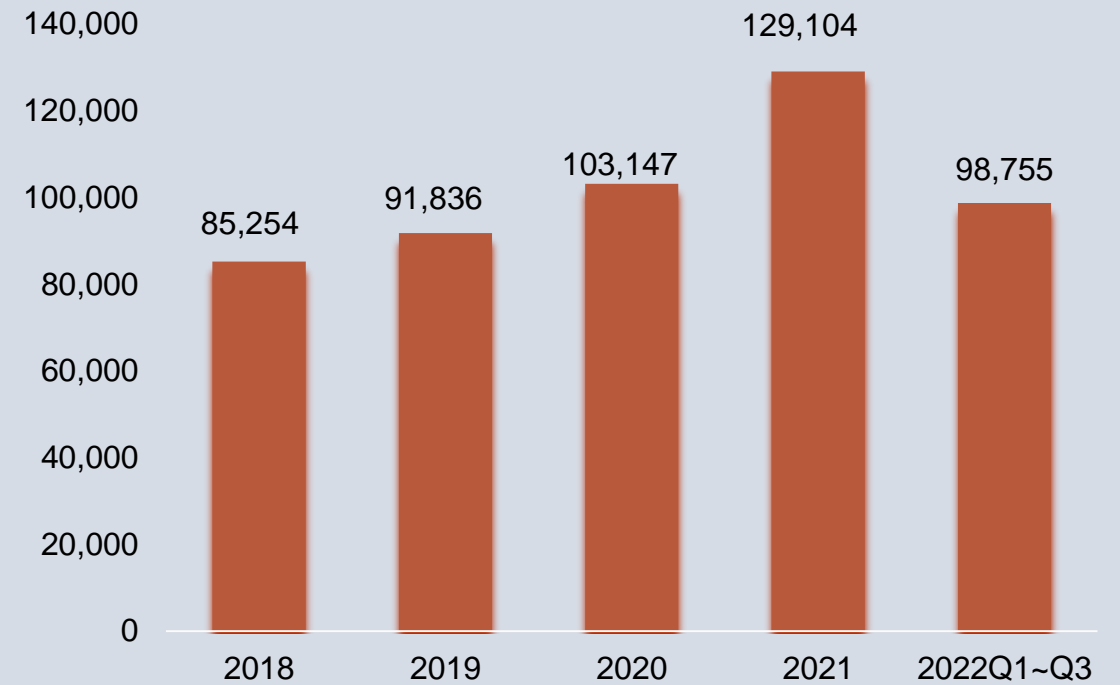


TONG MING KY sales in the past 5 years

Sales volume(Thousand NTD)



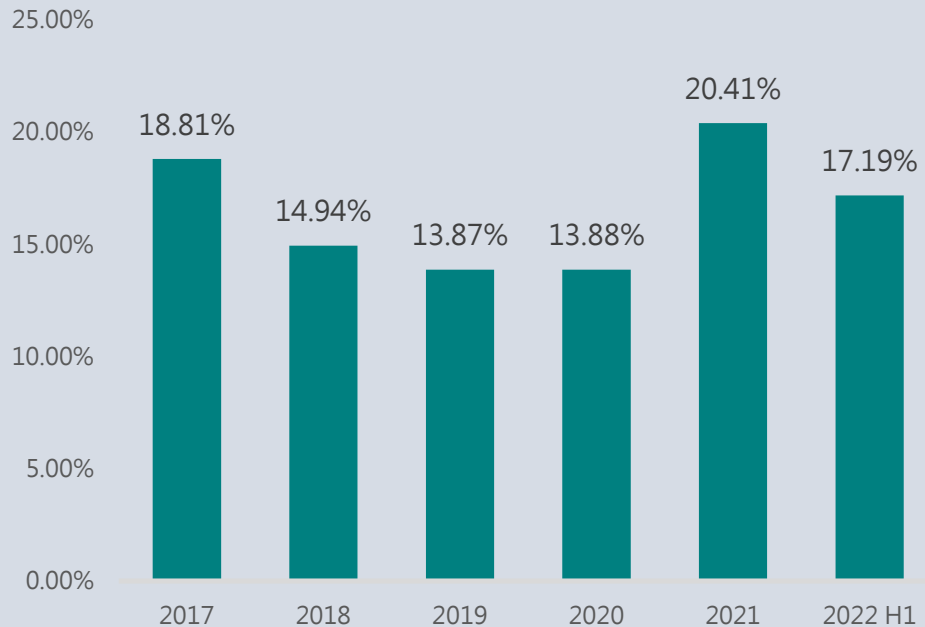
Sales(Ton)



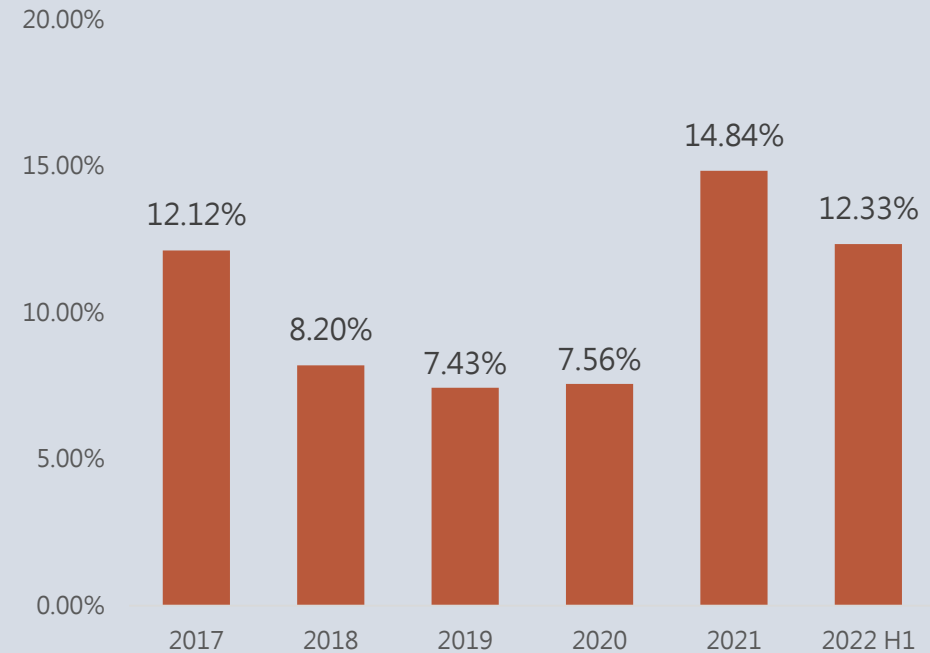


TONG MING KY GROSS MARGIN & OPERATING NET PROFIT MARGIN FOR 5 YEARS

Gross margin(%)

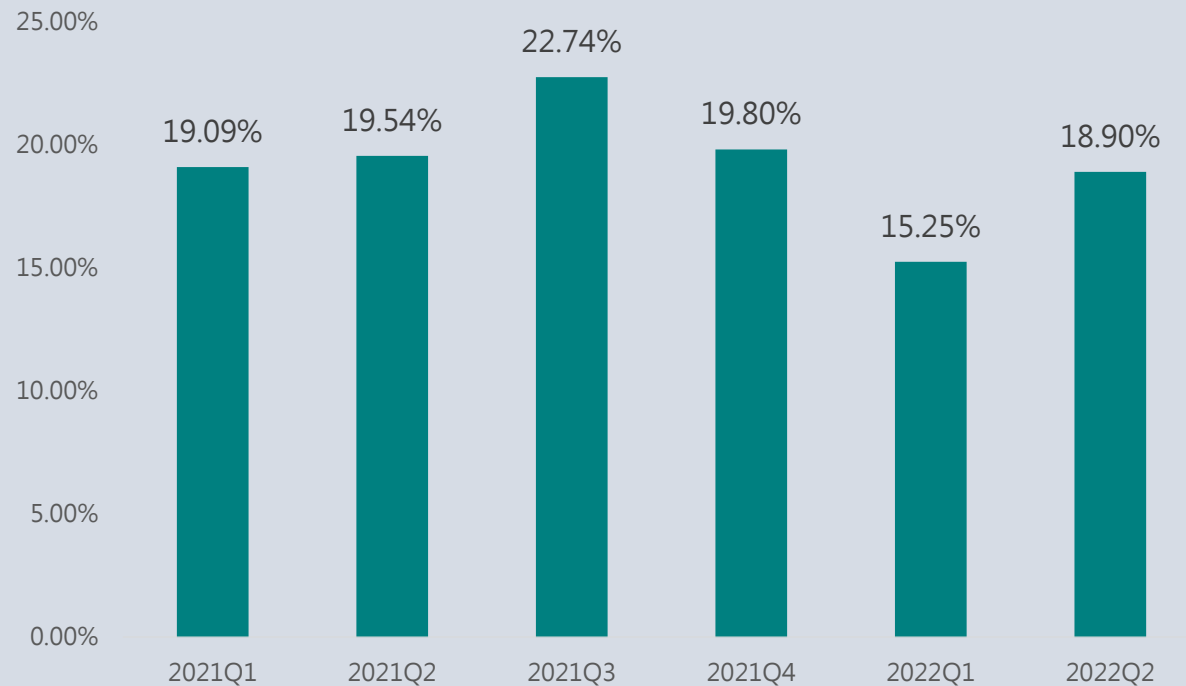


Net profit(%)





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



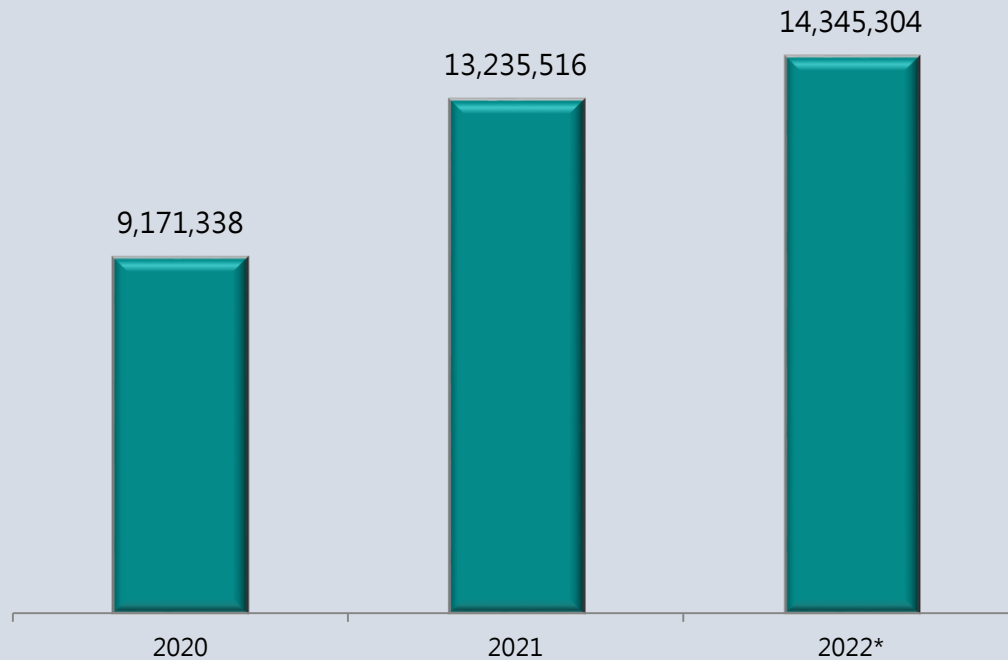
TONG MING KY average product margin % for the first 3 quarters



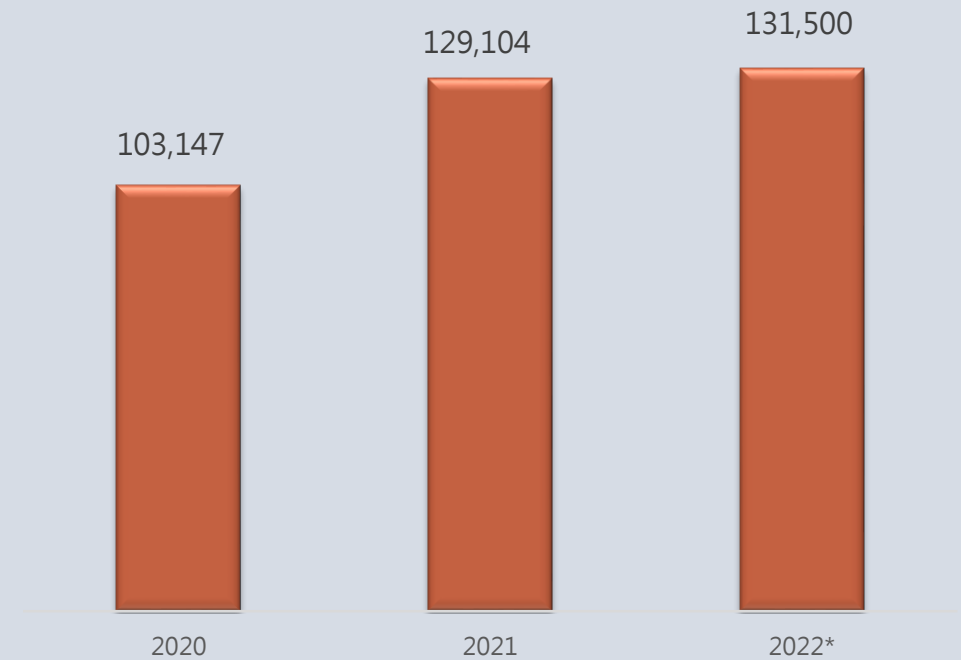


TONG MING KY changes in revenue and shipments in recent years

Revenue(thousands)



Shipment(ton)



*2022 is estimated with the first 3 quarters



TONG MING KY historical profit and loss

Thousands NTD

	2017	2018	2019	2020	2021
Revenue	7,593,150	8,886,549	8,807,059	9,171,338	13,235,516
Gross profit	1,428,517	1,327,998	1,221,920	1,273,041	2,700,990
Net profit	920,219	728,384	654,299	693,083	1,964,277
Net profit before tax	868,315	672,199	588,475	590,599	1,792,646
Net profit after tax	685,825	537,442	467,504	494,824	1,447,912
Basic earnings per share(NTD)	4.07	3.19	2.77	2.94	8.00



TONG MING KY condensed profit and loss over the same period

	Thousands NTD			
	2022 H1	2021H1	Volume of profit (loss)	Increase (decrease) rate%
Revenue	7,799,384	5,704,118	2,095,266	36.73%
Gross profit	1,340,369	1,103,487	236,882	21.47%
Net profit	961,739	747,071	214,668	28.73%
Net profit before tax	922,370	613,344	309,026	50.38%
Net profit after tax	740,120	489,724	250,396	51.13%
Earnings per share (New Taiwan Dollar)	3.66	2.90	0.76	26.21%



Future development

- Growing with market demand
- Opportunities from additional capacity





Future development and dividends

Stable dividends

	2020	2021	2022 H1
Return on equity (%)	12.29	27.02	11.10
Cash dividend (NTD)	1.8	3.2	To be confirmed
Earnings per share (NTD)	2.94	8	3.66

THANK YOU