



**TONG**

開曼東明控股(股)公司  
TONG MING ENTERPRISE CO.,LTD.  
KY 5538  
Investor Meeting 2024.08.27

TONG MING Intelligent Manufacture  
Creating a new service through technology

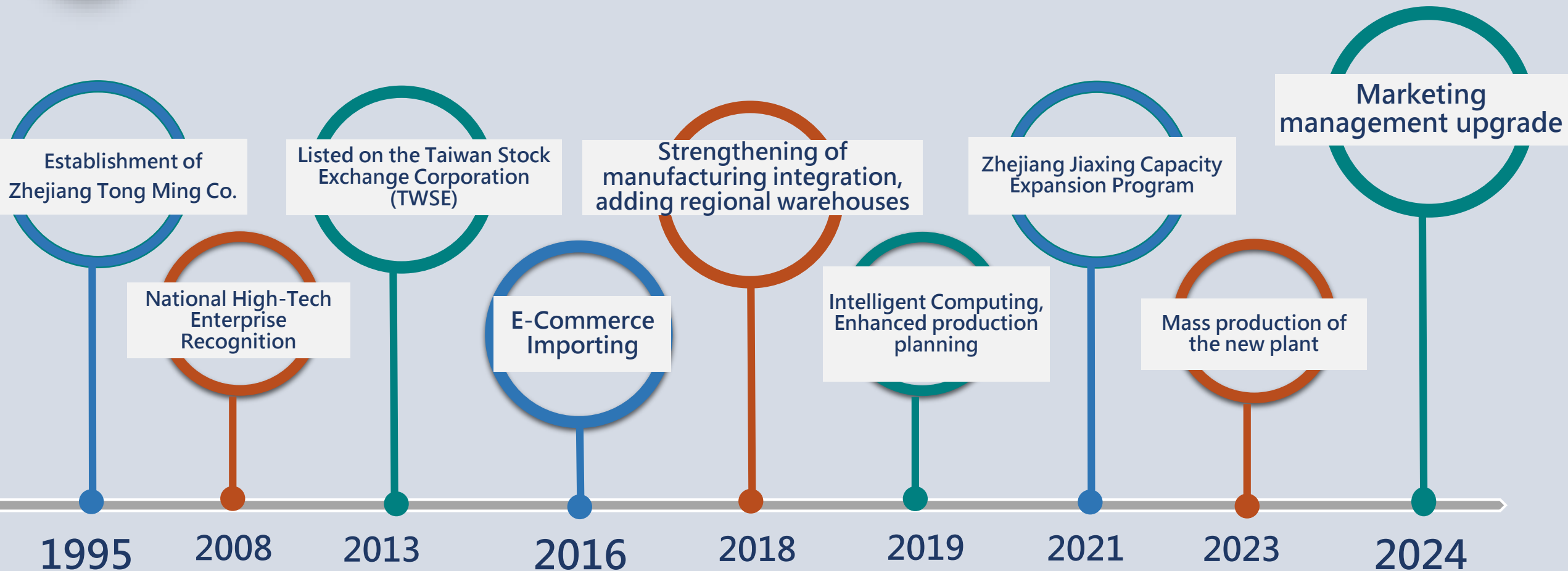


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# 公司沿革





# Market and company status



The largest single plant in the world



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



No. 1 market share in China



Top 3 market share of fine wire in China



10,000 distribution channel





# Major Application Industries - Solar Energy





# Energy Storage Equipment





# 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





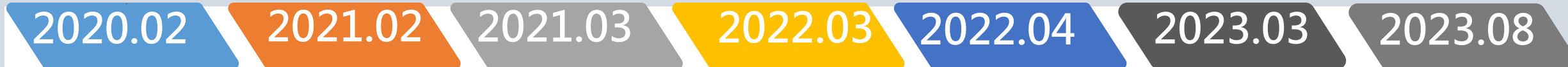
# Company's recent awards

- 2019 Top Ten Industrial Enterprises for High Quality Development
- 2019 Outstanding Enterprises in Digital Economy
- 2019 Advanced Organization for Harmonious Labor Relations

- Top Ten Technological Innovation Enterprises of Fasteners in Zhejiang Province
- Top Enterprise of Single Product for Fasteners in Zhejiang Province

- The red cross award for fraternity and love, bronze medal

- National Specialized Small Giant



- 2020 Top 10 Industrial Enterprises for High Quality Development

- 2021 Top 10 Industrial Enterprises for High Quality Development

- 2023 Love and Charity Donation Certificate



## ◆ Greenhouse gas inventory and verification schedule planning and implementation

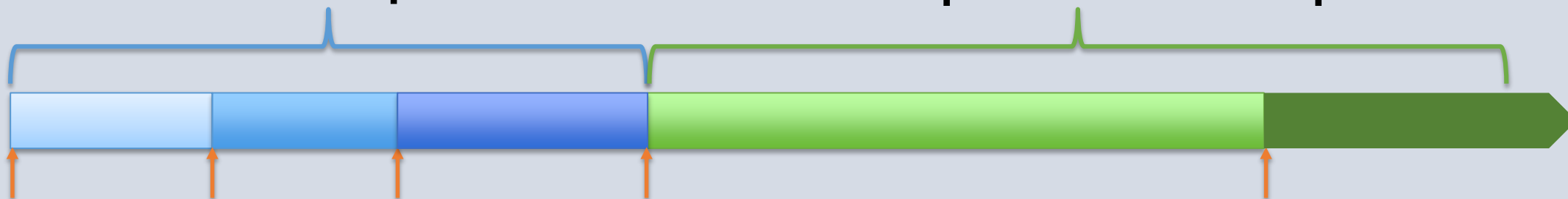
| Project  | Parent company | Subsidiaries |
|--|----------------|--------------|
| Determine the establishment of full-time (part-time) units, number of people and scope of duties | 2022.08        | 2024.08      |
| Make inventory plan  | 2022.12        | 2024.12      |
| Make verification plan   | 2023.12        | 2026.12      |
| Actual import of ISO14064  | 2024.01        | 2025.01      |
| ISO 14064 verification time  | 2024.01        | 2027.06      |



# CBAM implementation stage

## Transitional period

## Formal implementation period



Oct. 1st, 2023  
Start implementing  
CBAM

Jan. 1st, 2024  
Start declaration

After July 2024,  
the default  
value cannot  
be used to  
exceed 20% of  
the total  
carbon  
emissions.

Carbon tax will be  
levied after January  
2026, and third-  
party review will be  
required.

The EU ETS will no  
longer provide free  
carbon emission  
quotas after 2034.



# So far we have done

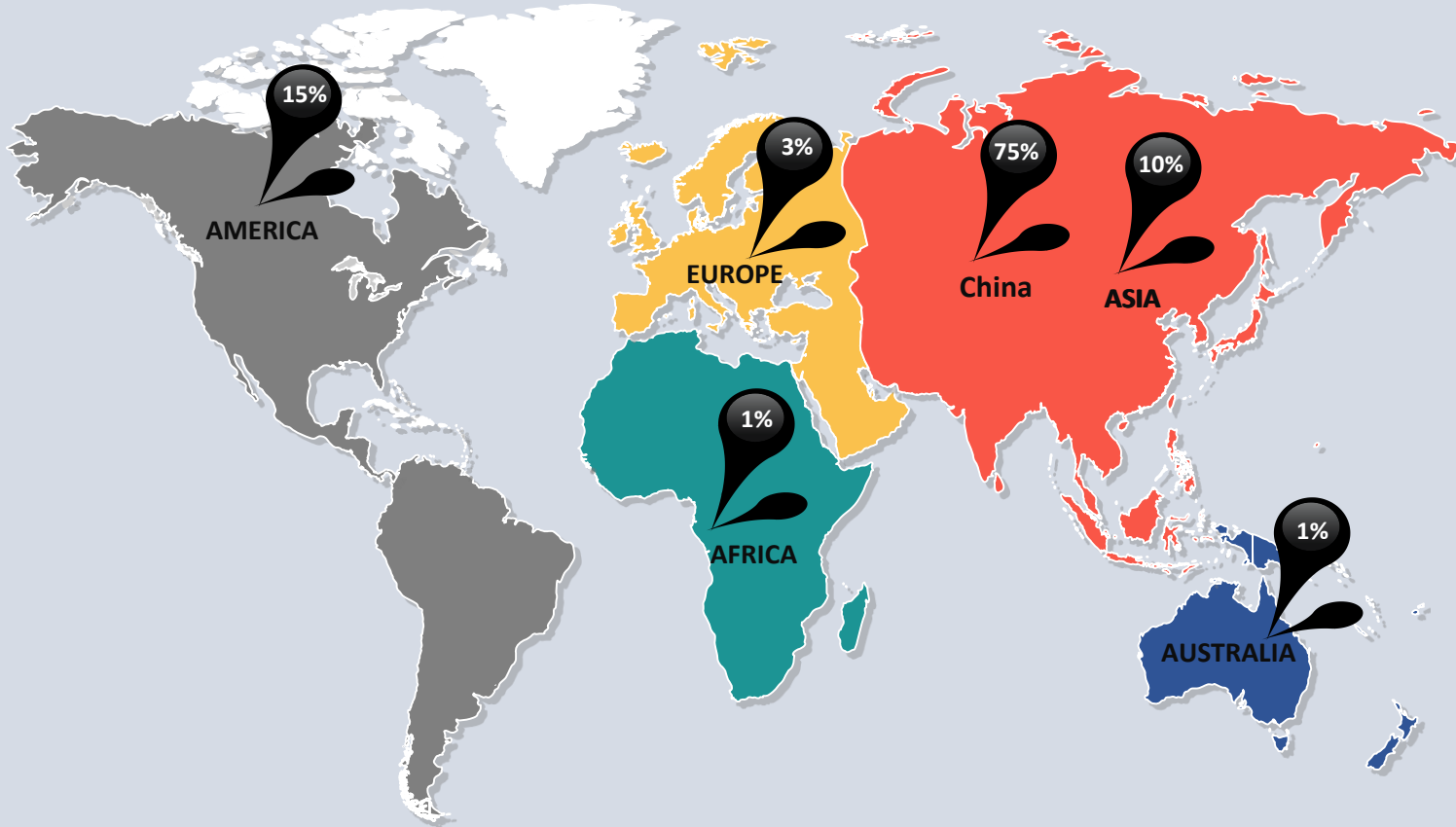
- Production institutions: The carbon footprint verification of the manufacturing boundaries has been completed, and information on direct and indirect emissions of products can be provided. The latest carbon emission data are as follows:

| Direct emissions<br>( tCO <sub>2</sub> e ) | Indirect emissions<br>( tCO <sub>2</sub> e ) | Total Emissions<br>( tCO <sub>2</sub> e ) |
|--|--|---|
| 1.951                                      | 1.173  | 3.124                                     |

- Trading institutions: CBAM-related education and training on the supply chain has been completed, with the ability to provide direct and indirect emissions data.
- Discussing inspection procedures and methods with a third-party inspection unit recognized by the EU.
- The carbon reduction plan of the "Science Based Targets initiative ,SBTi" is being planned and formulated.



# Industry Market Profile - Worldwide Status



- Regional economic protectionism deepens and competition barriers become more complex
- Global investment slow down
- China's demand has gradually recovered
- Impact of trade tariffs and Russia-Ukraine war continues
- Inventory replenishment after U.S. interest rate cut

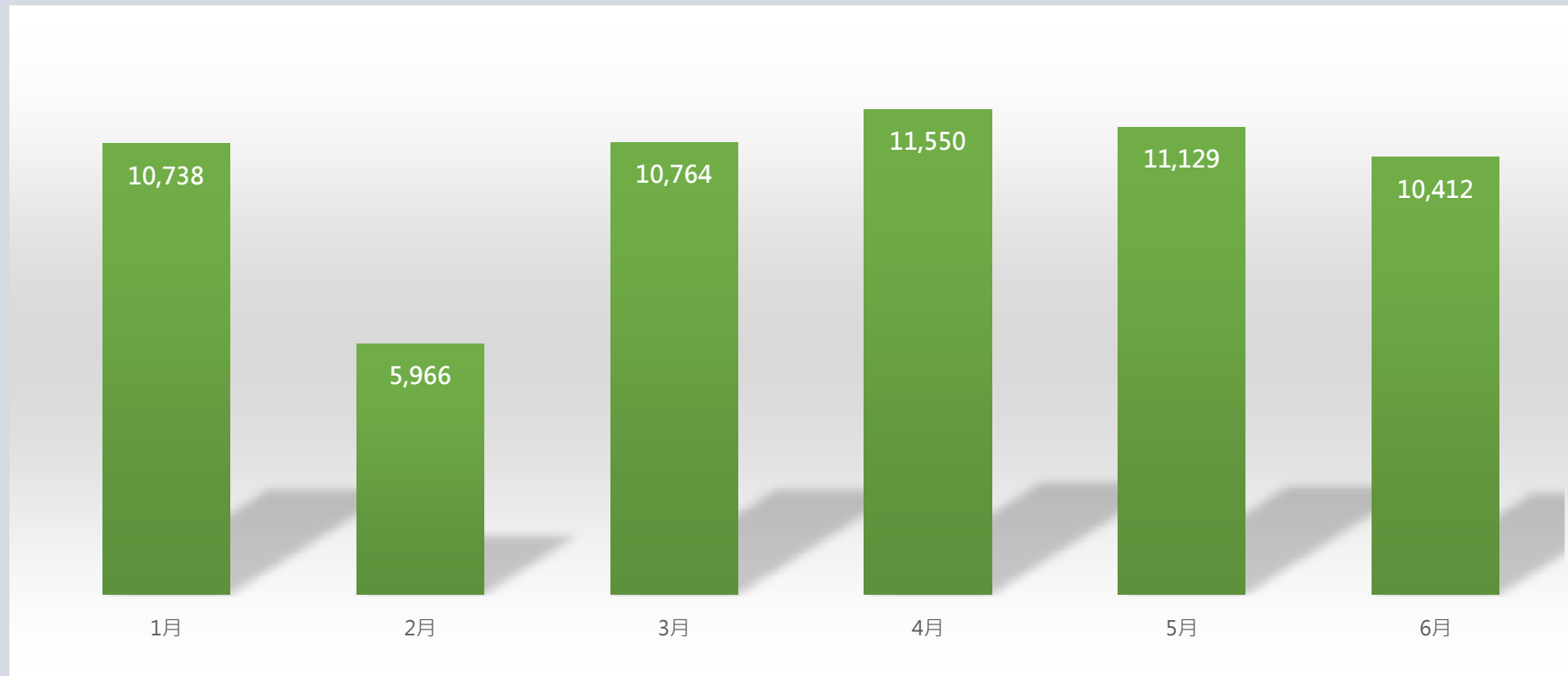
# Business Performance





# TONG MING KY -Variation of shipment volume from January to June, 2024

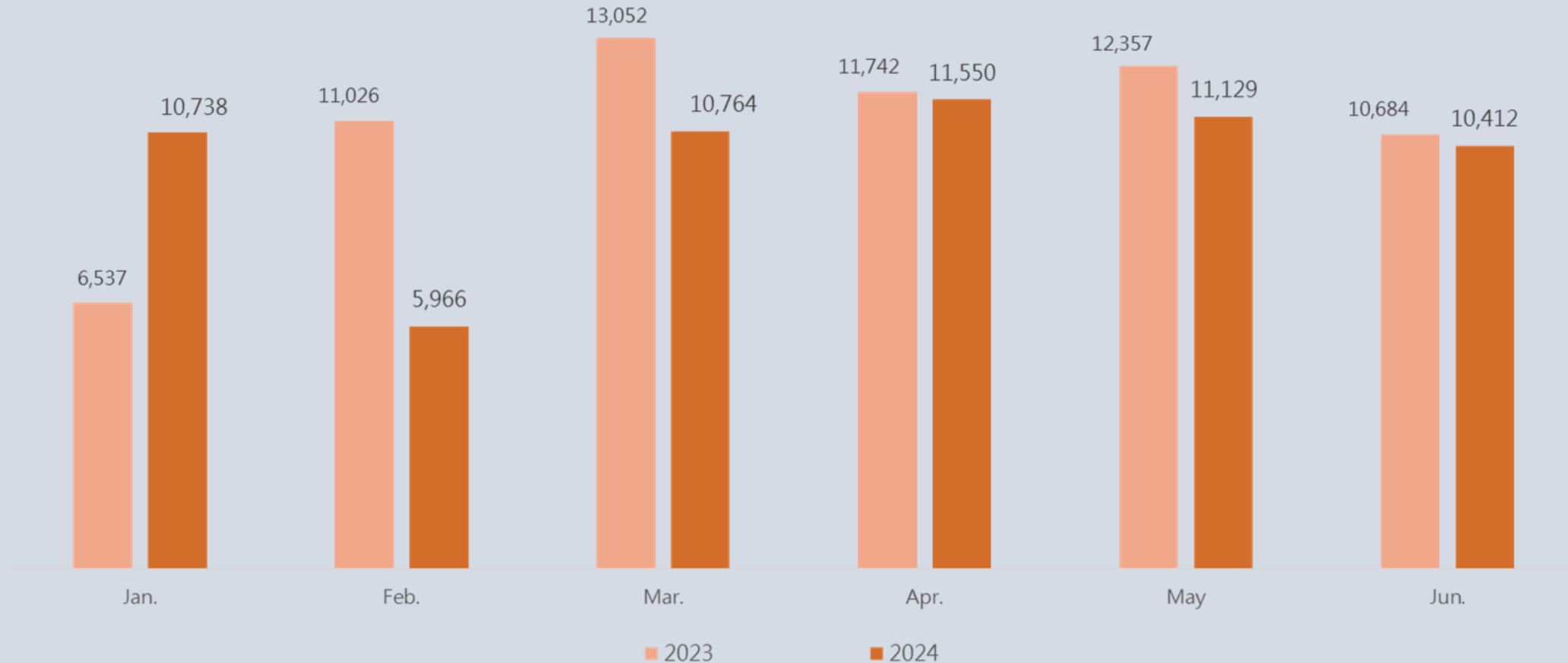
Unit: Tons





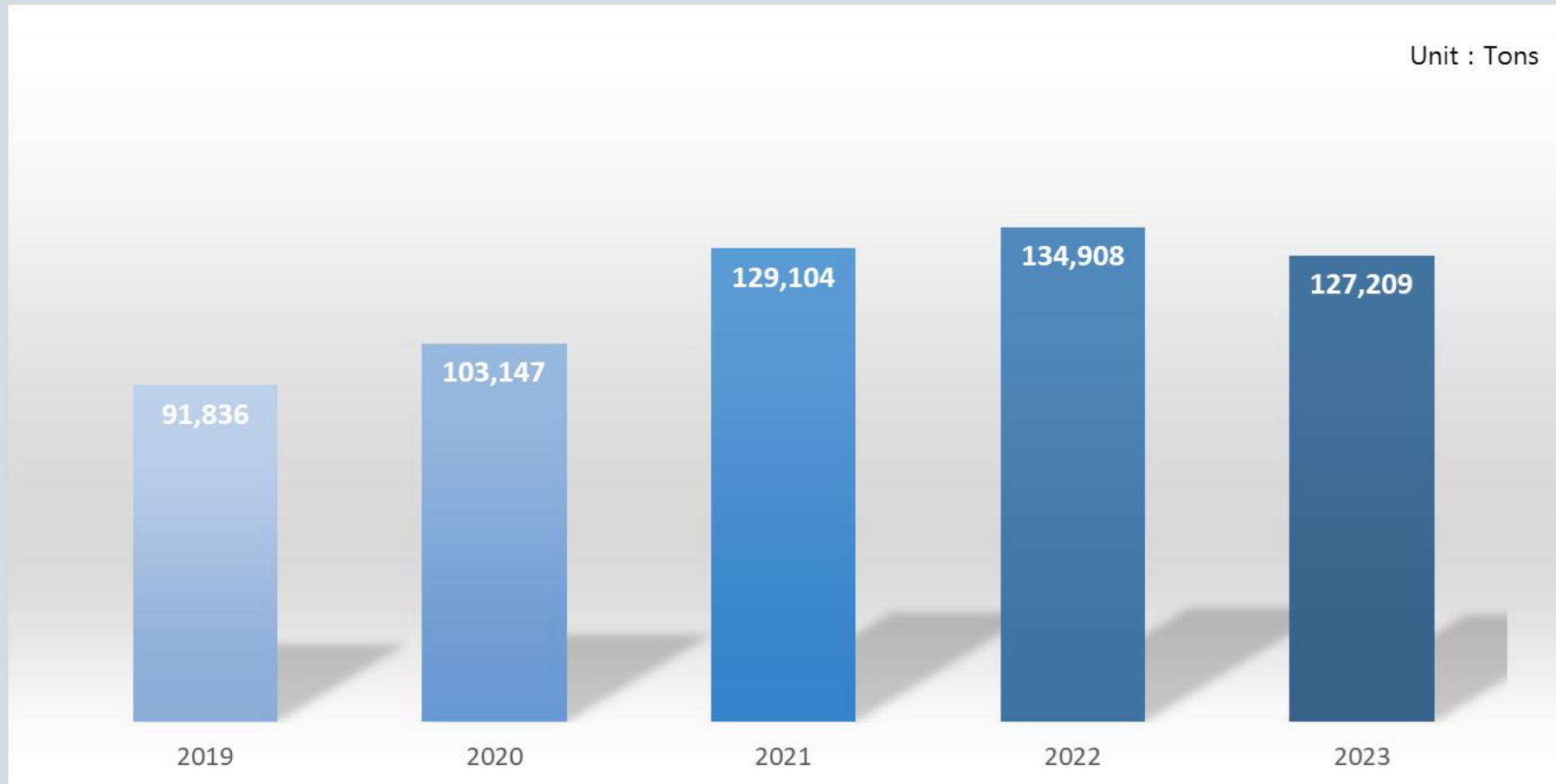
# Tong Ming KY -H1 2024 Shipment volume compared with year early

Unit: Tons





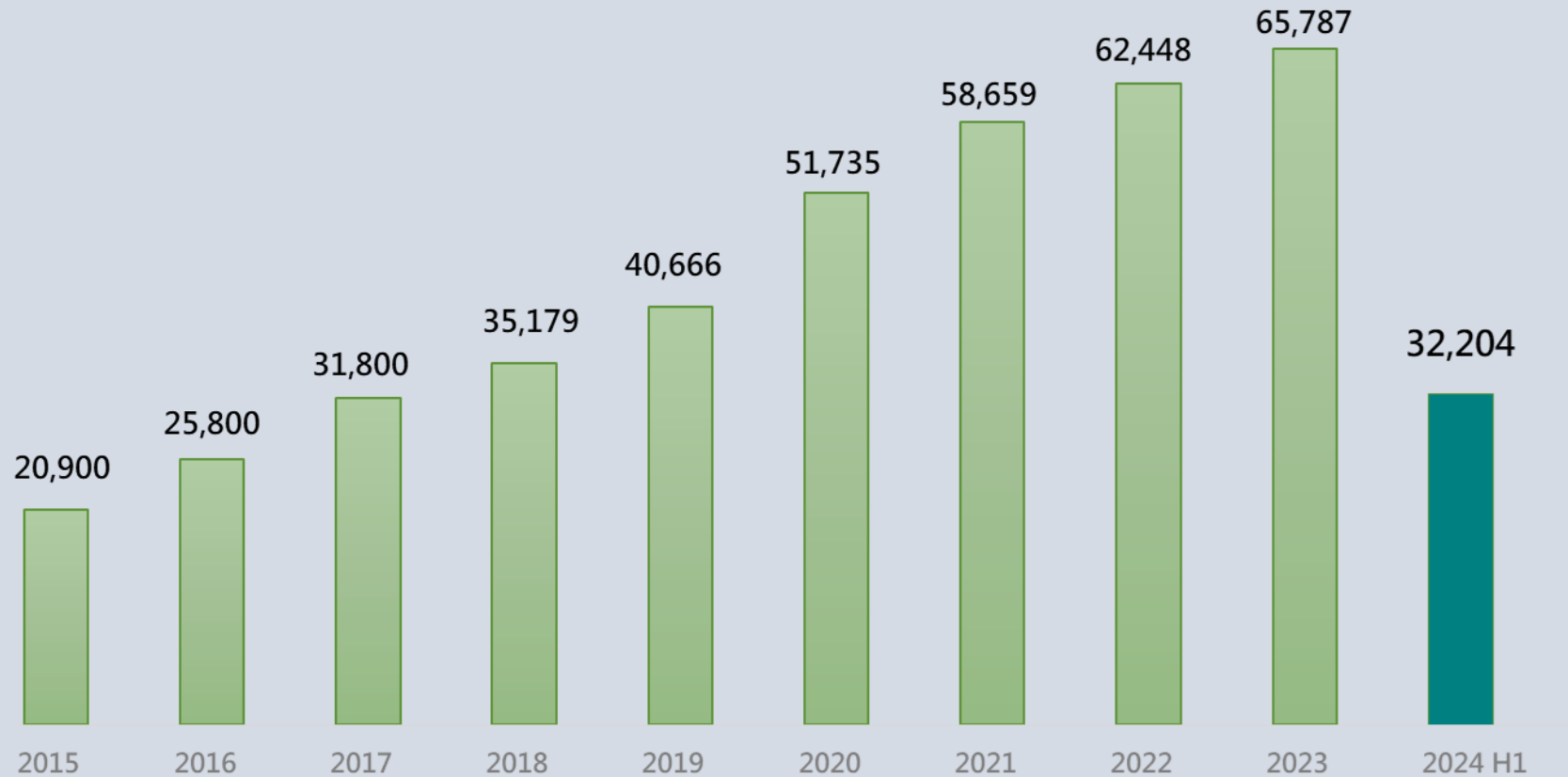
# Tong Ming KY -Variation of shipment volume of in the past 5 years






# Tong Ming Domestic Sales Shipment Growth in the H1 of 2015~2024 (Fasteners)

Unit : Tons





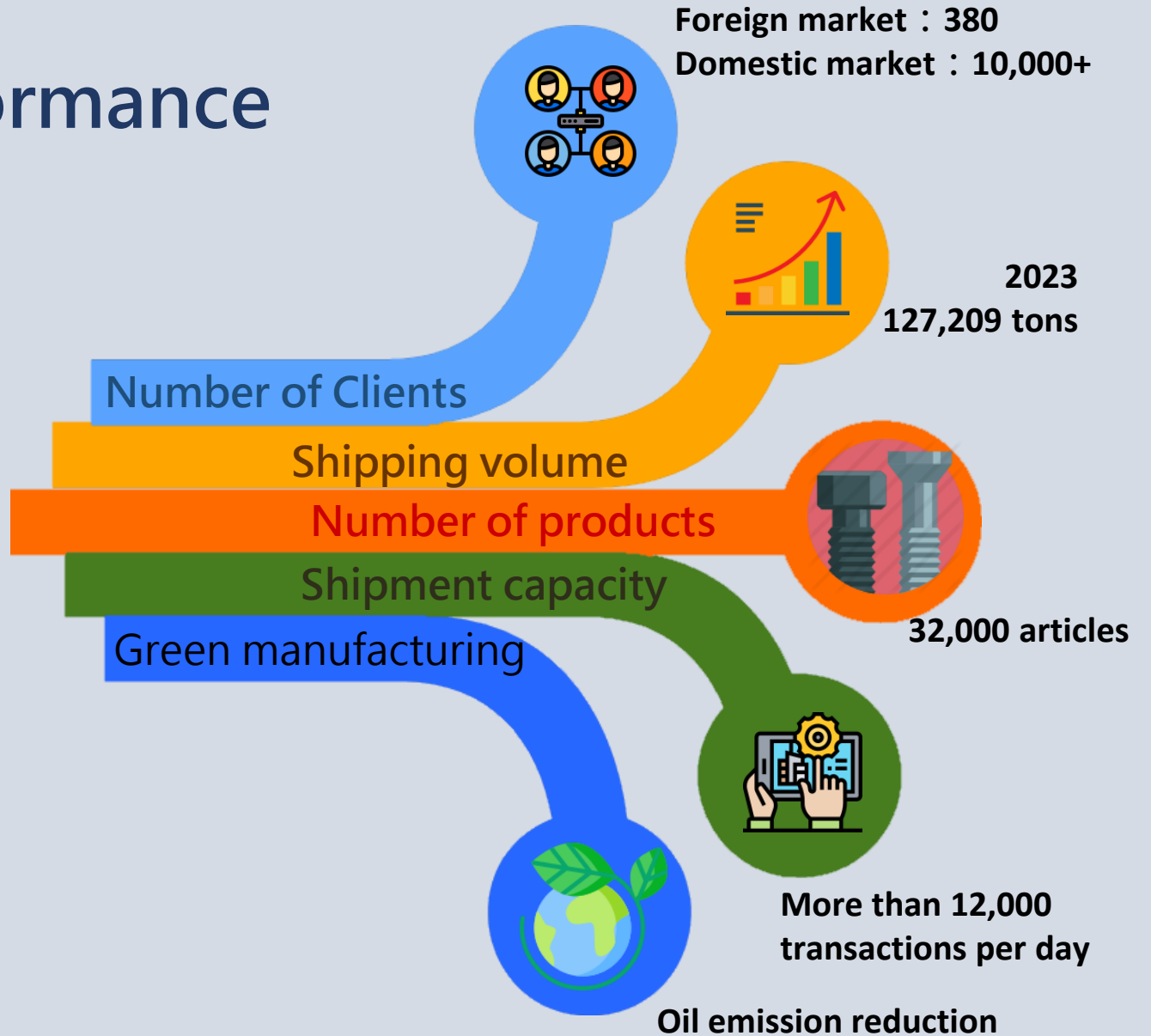
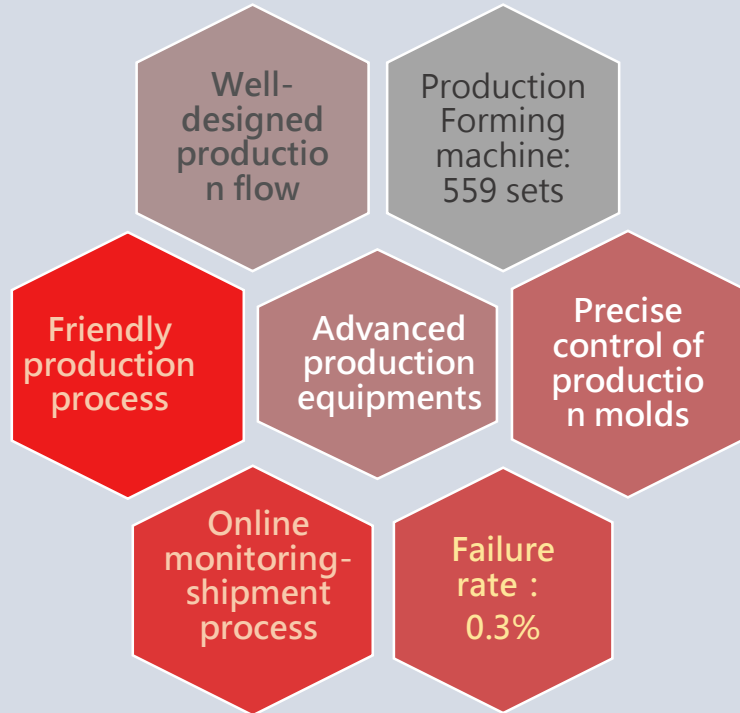
# Tong Ming KY - Business Performance and Status: Difference between Domestic market and Foreign Sales

| Programs                                |         | Fine wire                            | Fasteners (Foreign market)   | Fasteners (Domestic market) | Strategic Trading Products |
|---|---------|--------------------------------------|--|-----------------------------|----------------------------|
| Operation Model                         |         | Production by order                  | Production by order  | Distribution service        | Proactive Partners         |
| Customer Type                           |         | Terminal factories in Domestic China | Overseas distributors  | Over 10,000 Distributors    | Overseas Key Accounts      |
| Percentage of product-specific turnover | 2023    | 16.13%                               | 12.54%   | 54.47%                      | 16.86%                     |
|   | 2024 H1 | 18.18%                               | 14.33% <br>Increase | 56.68%                      | 10.81%                     |

Inventory reduction in the market



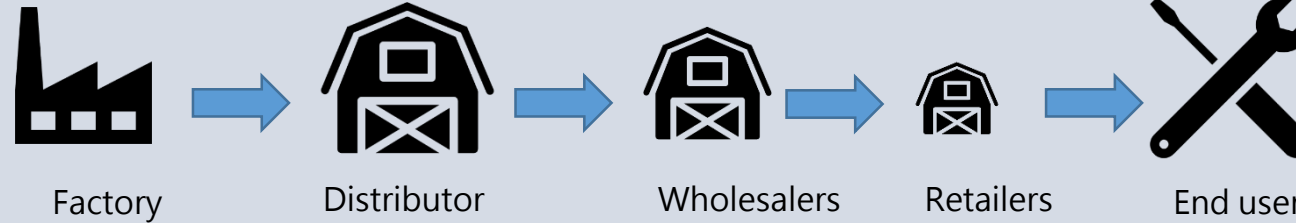
# Tong Ming KY – Productivity Performance



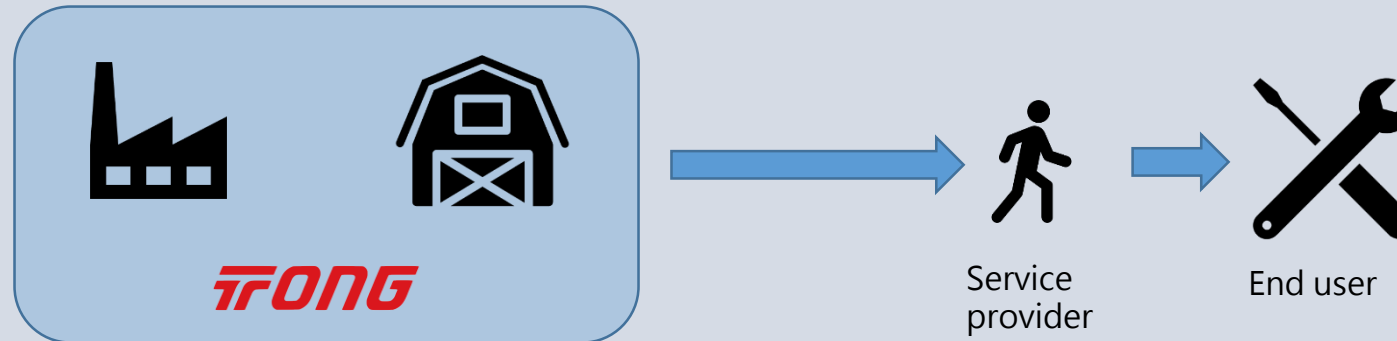


# Tong Ming KY- Market mold – Help clients to minimize the purchasing risk

Traditional  
Supply Chain

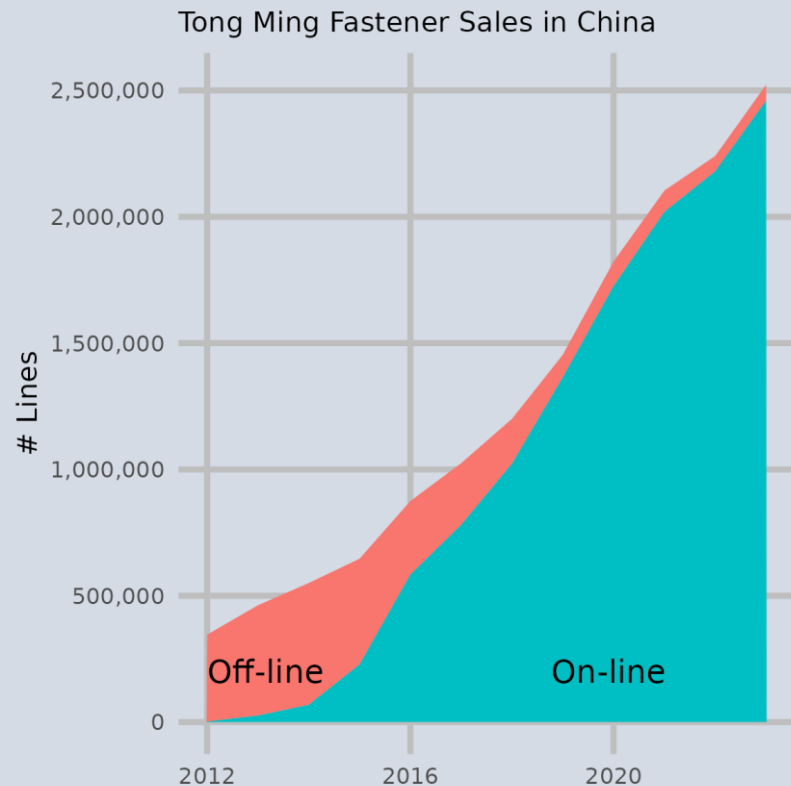


Tong Ming





# Deeply Cultivate e-commerce platform





# Advantages of Tong Ming 4.0

## Our customer do not need to hold the inventory

- **Fast Delivery** place the order before 5:30pm today, and it will be delivered in next morning
- **Small Order** one carton · one box · one bag or one piece
- **Complete product range** 99% utilization rate · quick replenishment · high quality

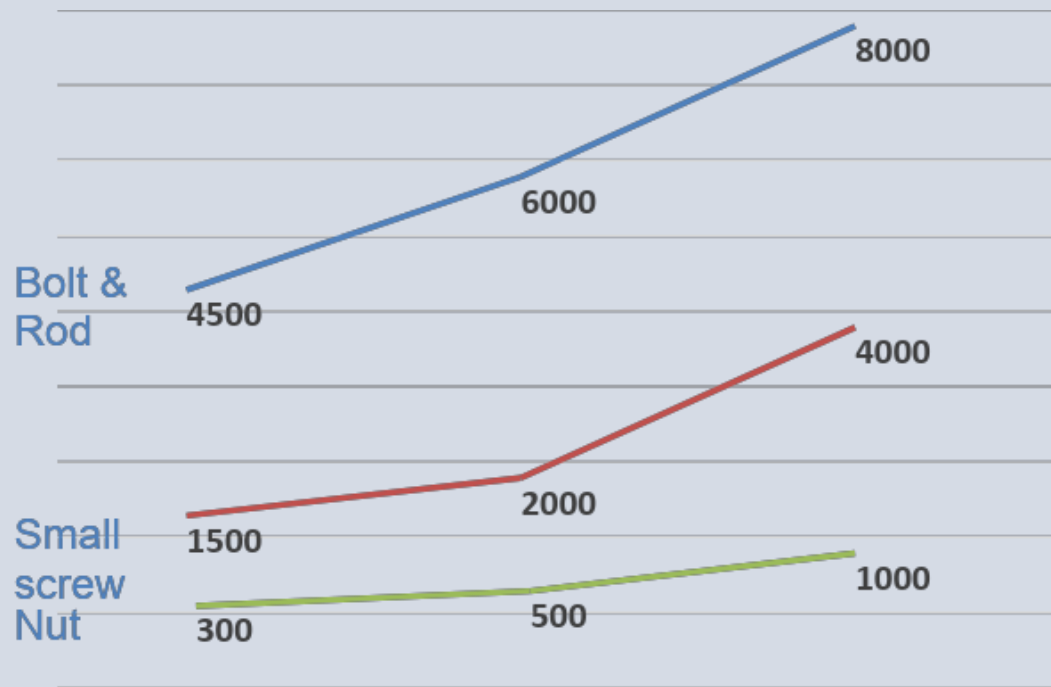
## Reduce capital requirements

- **Reduce capital requirements** Tong Ming can ship to customers' customers
- **Quick customization** Surface treatment · Re-packing · Re-labeling
- **Financing services** Cooperate with Industrial and Commercial Bank of China to provide financing to customers



# Increased fastener production capacity

*Original Factory + New Factory*





# Large-size bolt production line



## Product Range expansion



M27-M36  
Cold Forming

| DIN933-1987(FT) |             | DIN931-1987(PT) |              |
|-----------------|-------------|-----------------|--------------|
| M4-0.7          | 8 - 40 mm   | M6-1.0          | 30 - 150 mm  |
| M5-0.8          | 8 - 65 mm   | M8-1.25         | 30 - 300 mm  |
| M6-1.0          | 10 - 150 mm | M10-1.5         | 35 - 300 mm  |
| M8-1.25         | 12 - 200 mm | M12-1.75        | 40 - 300 mm  |
| M10-1.5         | 16 - 300 mm | M14-2.0         | 45 - 300 mm  |
| M12-1.75        | 20 - 300 mm | M16-2.0         | 45 - 300 mm  |
| M14-2.0         | 25 - 200 mm | M20-2.5         | 60 - 200 mm  |
| M16-2.0         | 25 - 200 mm | M22-2.5         | 70 - 250 mm  |
| M18-2.5         | 30 - 200 mm | M24-3.0         | 80 - 250 mm  |
| M20-2.5         | 30 - 200 mm | M27-3.0         | 90 - 200 mm  |
| M22-2.5         | 50 - 200 mm | M30-3.5         | 90 - 200 mm  |
| M24-3.0         | 50 - 200 mm | ※M39-4.0        | 100 - 400 mm |
| M27-3.0         | 60 - 300 mm | ※M42-4.5        | 100 - 400 mm |
| M30-3.5         | 70 - 300 mm | ※M45-4.5        | 100 - 400 mm |
| M33-3.5         | 70 - 200 mm | ※M48-5.0        | 100 - 400 mm |
| M36-4.0         | 80 - 200 mm |                 |              |

| DIN912-1983 FT |             | DIN912-1983 PT |             |
|----------------|-------------|----------------|-------------|
| M3- 0.5        | 6 - 40 mm   | M4- 0.7        | 30 - 50 mm  |
| M4- 0.7        | 6 - 50 mm   | M5- 0.8        | 30 - 50 mm  |
| M5- 0.8        | 8 - 65 mm   | M6- 1.0        | 35 - 150 mm |
| M6- 1.0        | 8 - 150 mm  | M8- 1.25       | 40 - 150 mm |
| M8- 1.25       | 12 - 150 mm | M10-1.5        | 45 - 150 mm |
| M10-1.5        | 16 - 150 mm | M12-1.75       | 55 - 150 mm |
| M12-1.75       | 20 - 150 mm | M14-2.0        | 60 - 150 mm |
| M14-2.0        | 25 - 150 mm | M16-2.0        | 60 - 150 mm |
| M16-2.0        | 25 - 150 mm | M20-2.5        | 80 - 150 mm |
| M20-2.5        | 40 - 150 mm |                |             |
| M24-2.5        | 80 - 200 mm |                |             |
| M30-2.5        | 90 - 200 mm |                |             |

\*A4-80 also available

M24 & M30  
Full Thread  
Cold Forming





# Manufacturing tools sales (video file)





## D2-80 Duplex stainless steel

32001 is a duplex steel material with higher strength, better corrosion resistance, and superior anti-galling performance compared to 304. Additionally, the material cost is lower than stainless steel 304.

This material is a top recommendation by Tong-Ming Company in the industry. It has been successfully applied in the Qingdao Metro, Prefabricated Buildings, photovoltaics, new energy batteries, textile machinery, and more.



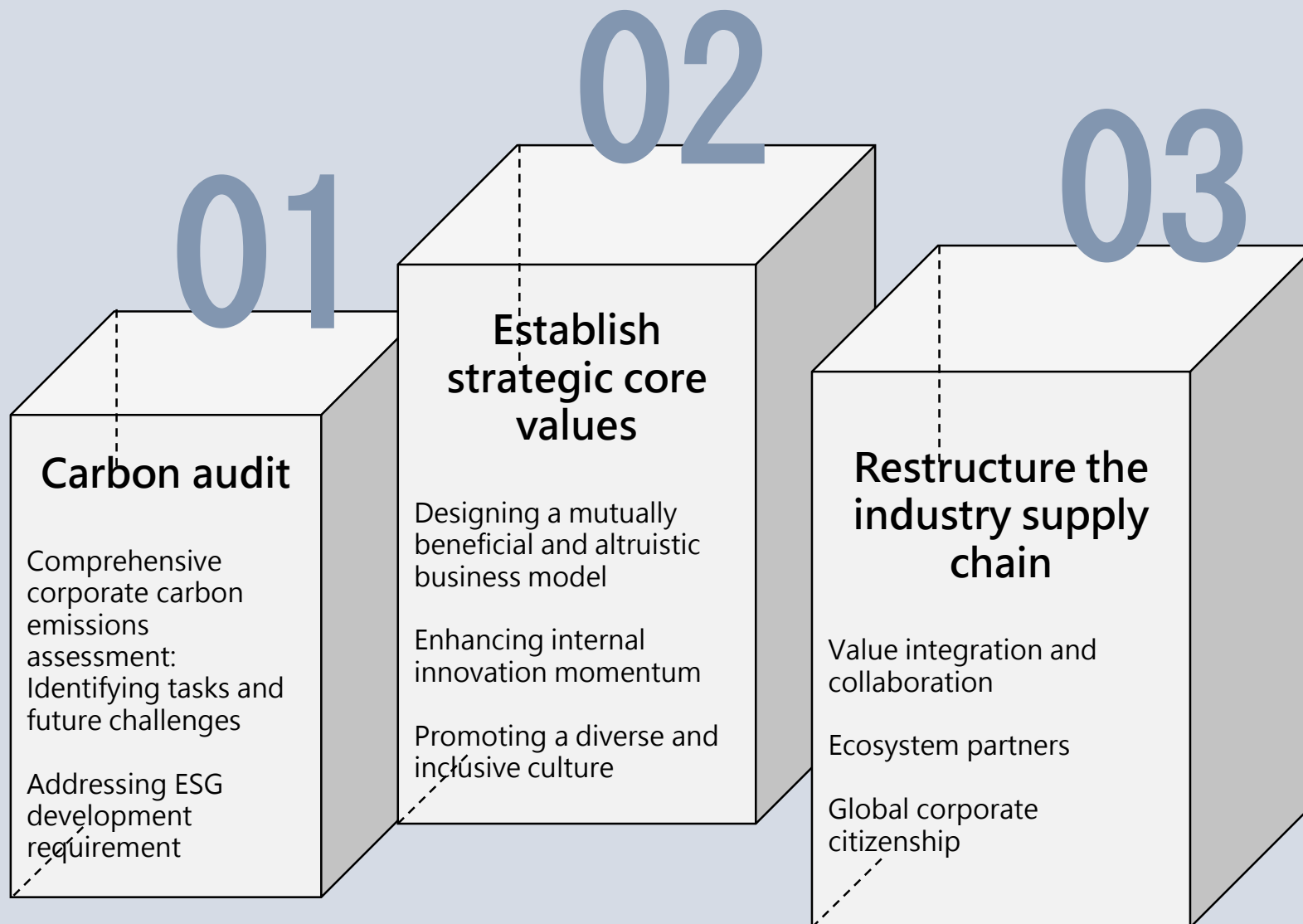


# D2-80 Duplex stainless steel





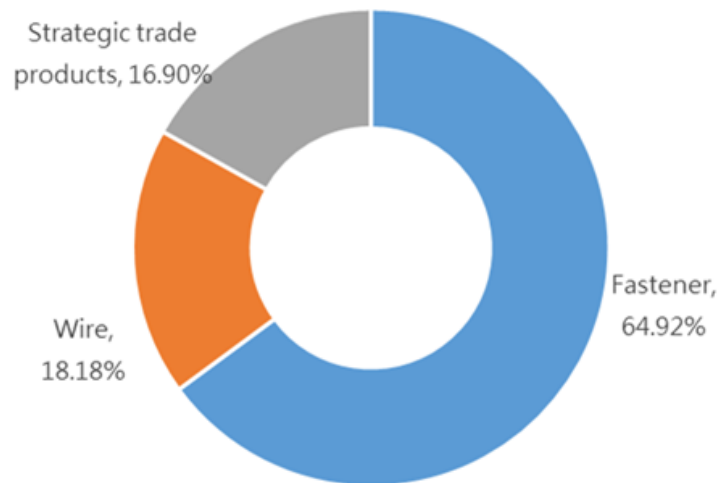
# Core strategy of the business ecosystem



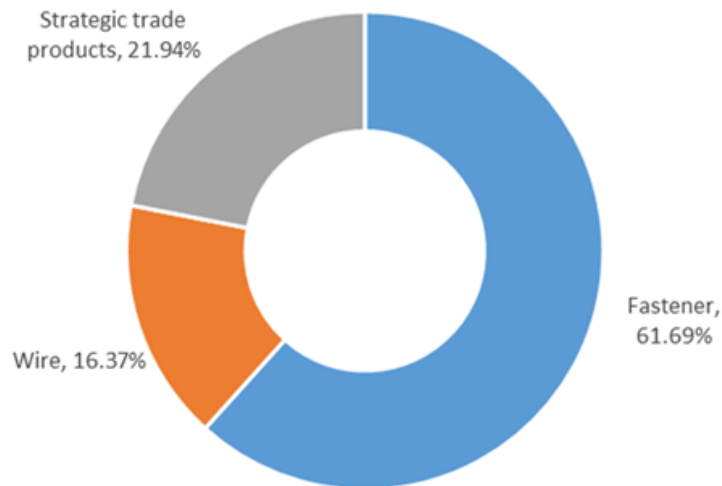


# Tong-Ming KY's sales revenue distribution of products over the past three years (by amount)

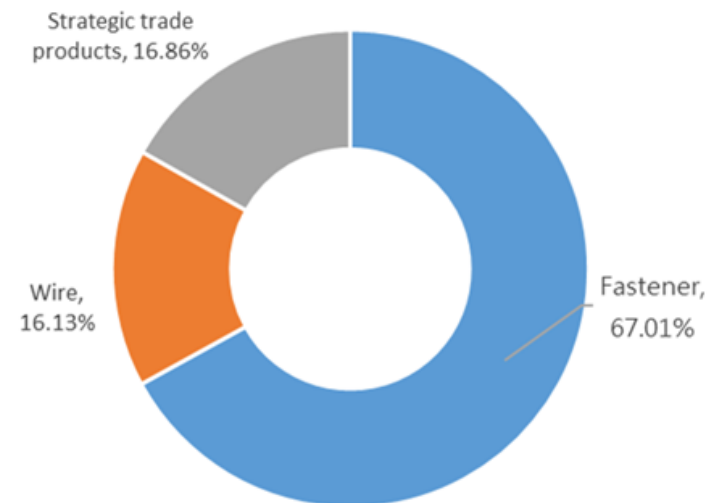
2021



2022



2023



# Status of the New Plant





# Land area & capacity of new and current plants



Capacity :  
first year 45,000tons  
3~5 years grow to 80,000 tons  
Land Area : 47,927.0m<sup>2</sup>



Capacity : 136,000tons  
Land Area : 152,062.5m<sup>2</sup>



# The new plant



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.

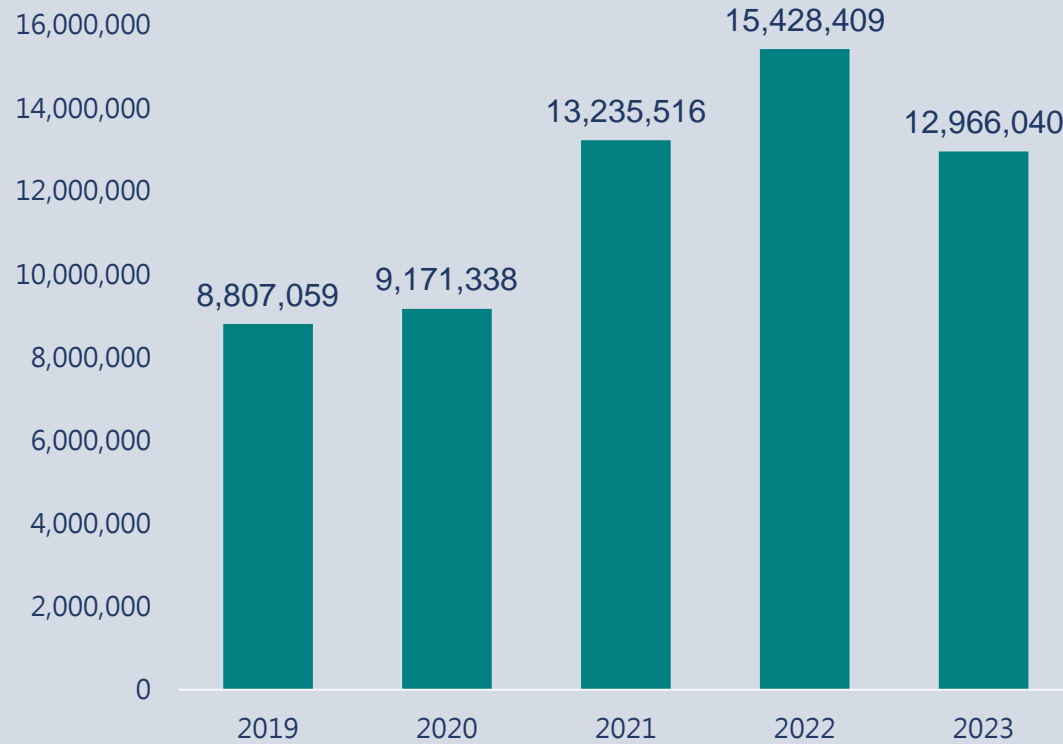
# Key Financial Information



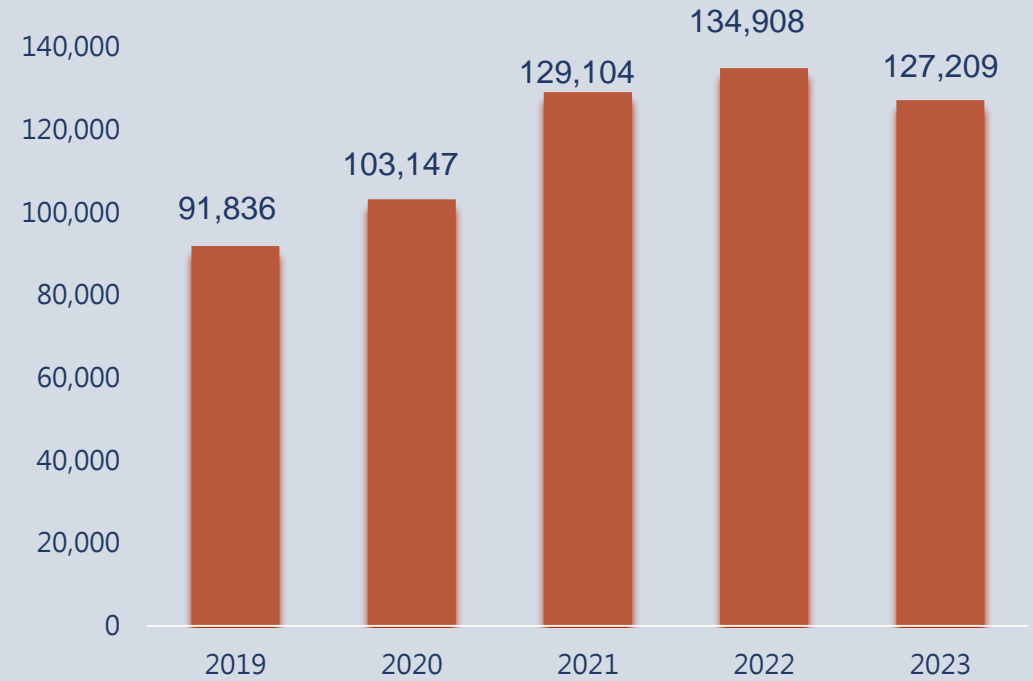


# Tong Ming KY- Sales volume and value in the last five years

Sales Value (Thousand TWD)



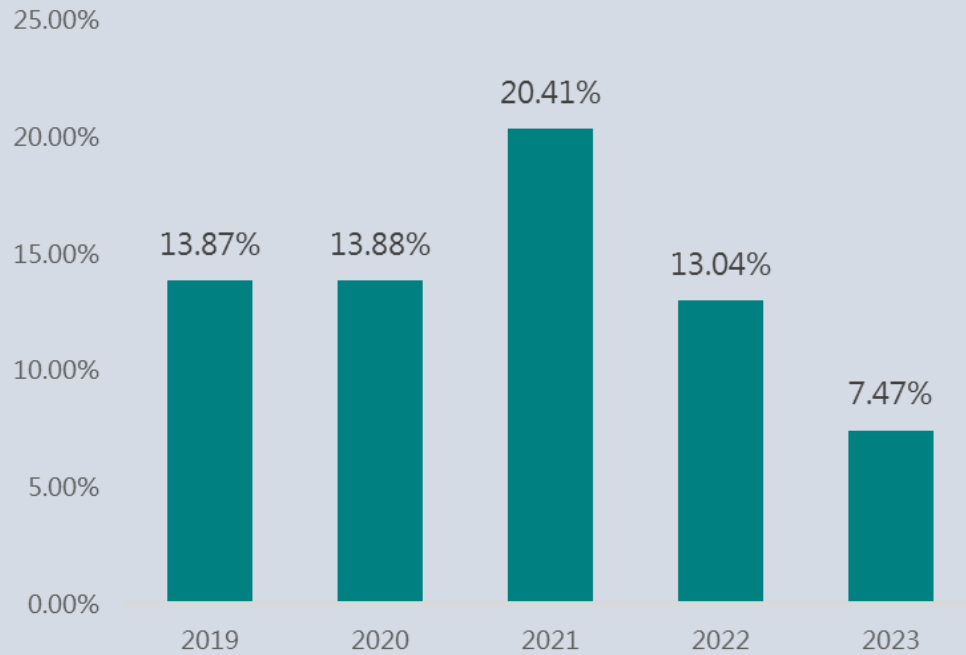
Shipment Volume (Ton)



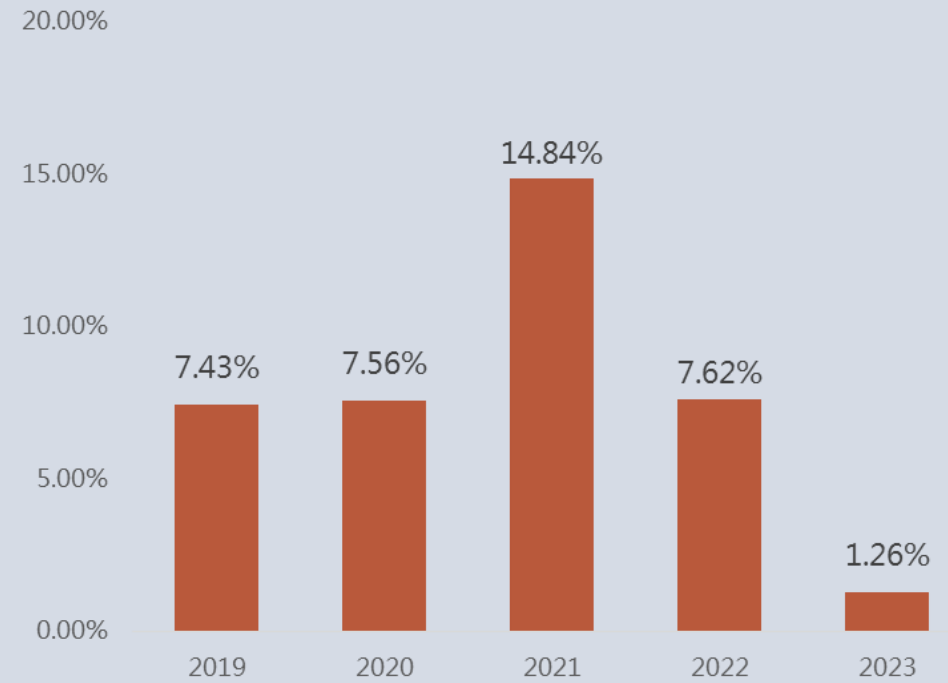


# Tong Ming KY- Gross Margin and Operating Margin for the last 5 years

Gross Margin (%)

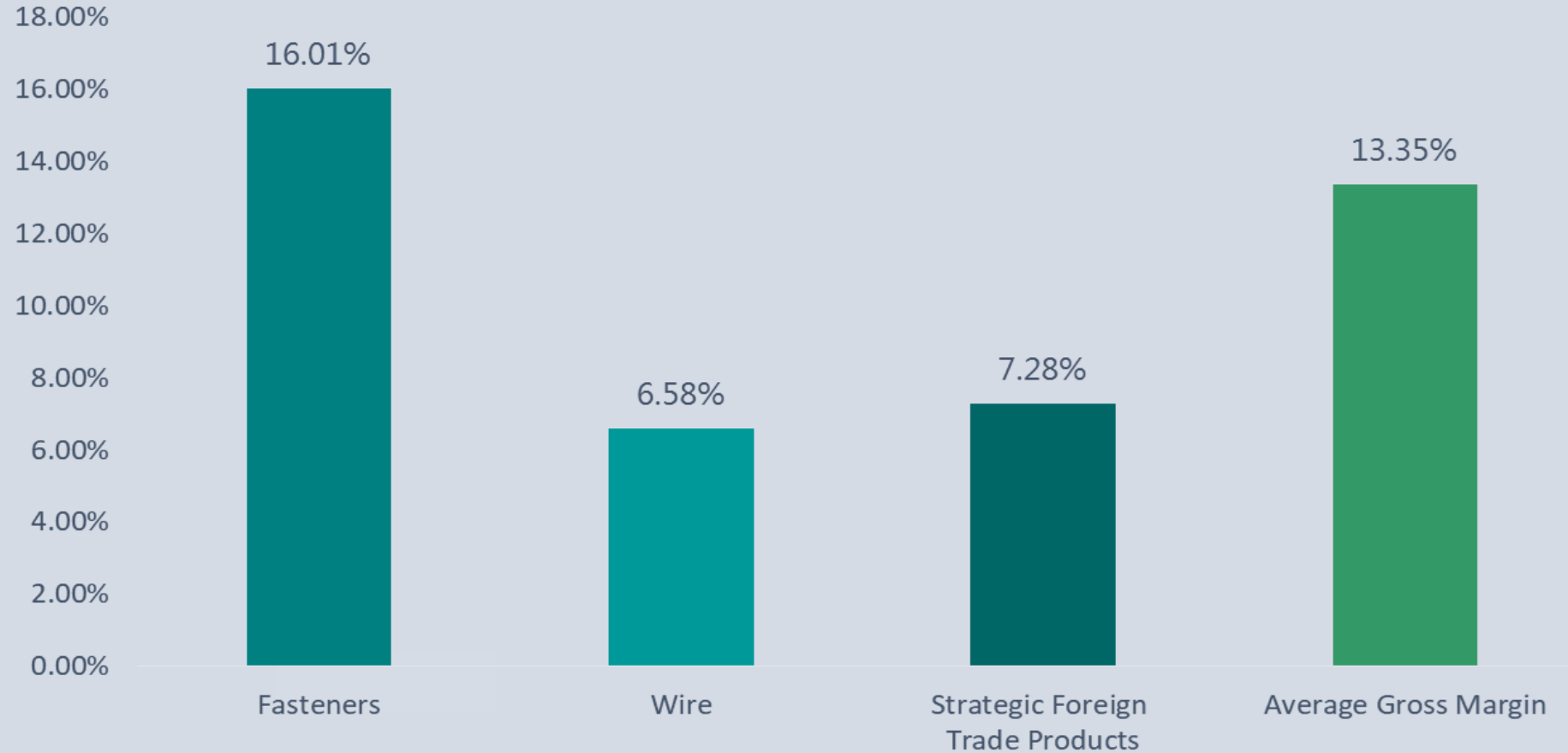


Operating Margin (%)





# Average Gross Margin for Products in H1 of 2024





# Tong Ming KY- Quarterly gross margin



## Factors that Impact Gross Profit

- 1.Raw Material Fluctuation
- 2.Product Composition
- 3.Market Share Expansion Strategy
- 4.Difference in market share



# Tong Ming KY-Historical profit or loss

Thousand NTD

| Programs                | 2019      | 2020      | 2021       | 2022       | 2023       |
|-------------------------|-----------|-----------|------------|------------|------------|
| Operating revenue       | 8,807,059 | 9,171,338 | 13,235,516 | 15,428,409 | 12,966,040 |
| Gross Profit            | 1,221,920 | 1,273,041 | 2,700,990  | 2,011,850  | 967,980    |
| Operating profit        | 654,299   | 693,083   | 1,964,277  | 1,176,248  | 163,088    |
| Pre-Tax Income          | 588,475   | 590,599   | 1,792,646  | 1,122,957  | 113,977    |
| Net income              | 467,504   | 494,824   | 1,447,912  | 914,430    | 136,282    |
| Earnings per share(NTD) | 2.77      | 2.94      | 8.00       | 4.53       | 0.67       |



# Tong Ming KY-Simplified Profit and Loss Comparison

Thousand NTD

| Programs                | 2024 H1   | 2023 H1   | Increase<br>(decrease) | Increase<br>(decrease) ratio |
|-------------------------|-----------|-----------|------------------------|------------------------------|
| Operating revenue       | 5,775,228 | 7,057,663 | (1,282,435)            | (18.17%)                     |
| Gross Profit            | 770,941   | 474,284   | 296,657                | 62.54%                       |
| Operating profit        | 378,668   | 82,346    | 296,322                | 359.85%                      |
| Pre-Tax Income          | 405,801   | 42,515    | 363,286                | 854.49%                      |
| Net income              | 329,774   | 94,171    | 235,603                | 250.19%                      |
| Earnings per share(NTD) | 1.63      | 0.46      | 1.17                   | 254.35%                      |

# ure Development

opportunities arising from new  
duction capacity. Retaining a leading  
ition in a highly competitive market

m Quantity to Service Quality and  
tainable Social Responsibility





# Future Development and Dividends

- Conservative financial, investment and profit planning in the short term .
- Profitability is expected to be conservative, with dividends maintained at a certain percentage.

| Program/Year                | 2022  | 2023 | 2024 H1 |
|-----------------------------|-------|------|---------|
| Rate of return on equity(%) | 13.57 | 2.01 | 9.82    |
| Cash Dividends(NTD)         | 2     | 1    | ?       |
| Earnings per share(NTD)     | 4.53  | 0.67 | 1.63    |

Thank you