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TYCOONS GROUP ENTRRRPRISE CO., LTD

2021 INVESTOR CONFERENCE

2021.09.01

Stock code : 2022



- Disclaimer

This presentation is based on the information obtained from various sources which the Company believes to be reliable. But at some point in the future, there are a variety of factors which could cause actual results to differ materially from those statements. Therefore, please refer to the information on MOPS website as the main basis if any adjustment has been made.

(<http://mops.twse.com.tw/mops/web/index>)



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1. Company Overview



Tycoons Group Main Products



Wire Rod



Annealing Wire



Steel Bar



Tycoons Group Main Products





Tycoons Taiwan



Year of Establishment : 1980

Area : 24,453m²

Product Range : Wire 、 Screws



Tycoons Thailand



Year of Establishment : 1996

Product Range : Wire 、 Screw 、 Bolt & Fastener 、 Steel Bar

Area : 510,198m²



Tycoons China



Year of Establishment : 2003 Product Range : Wire
Area : 72,007m²



Tycoons Vietnam



Year of Establishment : 2013 Product Range : Wire
Area : 76,000m²



2. Operation Overview



2021 Consolidated Statements of Comprehensive Income

Unit : NTD Thousand (except EPS)

| | 2021/1-6 | 2010/1-6 | 2010/1-12 |
|--------------------------------------|-----------|-----------|-----------|
| Net Sales | 6,262,217 | 4,304,647 | 7,930,384 |
| Gross Profit | 905,424 | 230,925 | 532,957 |
| Gross margin% | 14% | 5% | 7% |
| Operating Income | 651,771 | 19,179 | 117,682 |
| Operating Margin% | 10% | 0% | 2% |
| Net Income(loss) | 474,344 | (191,279) | (219,823) |
| Net Income (loss) Owner of parent | 340,170 | (162,872) | (185,640) |
| EPS (NT\$) | 0.71 | (0.34) | (0.39) |



2021 Consolidated Condensed Balance Sheet

Unit : NTD Thousand (except BV)

| | <u>2021/6/30</u> | <u>2010/6/30</u> | <u>2010/12/31</u> |
|--------------------------------------|------------------|------------------|-------------------|
| Cash | 700,987 | 542,448 | 252,026 |
| Inventory | 2,924,537 | 2,033,358 | 2,387,923 |
| Property, Plant and Equipment | 3,342,927 | 3,666,143 | 3,694,924 |
| Total Assets | 8,926,950 | 8,170,818 | 8,162,208 |
| Bonds payable, current portion | 200,000 | 0 | 200,000 |
| Long-term borrowing, current portion | 36,142 | 55,036 | 52,165 |
| Long-term Bank loans | 25,000 | 262,276 | 37,500 |
| Total Liabilities | 3,291,716 | 3,145,710 | 2,711,010 |
| Debt Ratio (%) | 37% | 39% | 33% |
| Shareholders' Equity | 5,635,234 | 5,025,108 | 5,451,198 |
| Book Value ---- NT\$ | 11.74 | 10.47 | 11.36 |



3. Market Overview and Future Outlook



Market Overview

1. China canceled the export steel tax refunds in the first half year of 2021 and United States plans to set Infrastructure construction into action actively. Such instructions caused strongly steel market demand; the iron ore price has been boosted higher shortly. Even the iron ore price revised down recently, the coal mine price raised strongly which support the global steel market stay in the high-end price. It is hard to find the decrease trend from the US or EU market. The high demand of steel keep working without change in 2021. Q4 is the traditional hot season will have nice performance definitely.



Market Overview

2. With the continuous positive development of steel market, our company keep rising progressively. To satisfy the mass order request from clients, the current equipment will renew to up the whole capacity. This positive trend could bring more advantage in the near future.



Future Outlook

1. Regard to the export tax increased in Russia and the hot-rolling/ cold rolling steel 13% export refunds canceled in China, the expected global steel supply will tighter and unbalance. Based on the demand more than supply, the high-end price trend will clearer in the market.
2. With the vaccine coverage rate increasing popularity in many countries, the infrastructure construction and consumption back to normal smoothly. The steel request will be released step by step. The international logistic has some troubles recently under lack of container, vessel space, and harbor fills serious uncertain factors. The freight cost and schedule have significantly delay to make the cost more expensive than normal period.



Future Outlook

3. The COVID-19 still transforming, Delta and other virus might spread the infected areas. The vaccination plan is not the same in each country, it will affect the economic recovery timetable and demand from each market directly and indirectly.



4. Corporate Social Responsibility



Corporate Social Responsibility

Corporation Governance Evaluation

2020 the Seventh Corporation Governance Evaluation ranks top 21-35%

Employee Welfare

Apart from providing labor and health insurance for employees, the Company also purchases group insurance for employees (including foreign employees) and provides lunch to employees at the cafeterias to take care of their diet. Every year, medical check-ups are also organized for employees and their families.

On-site Medical Services

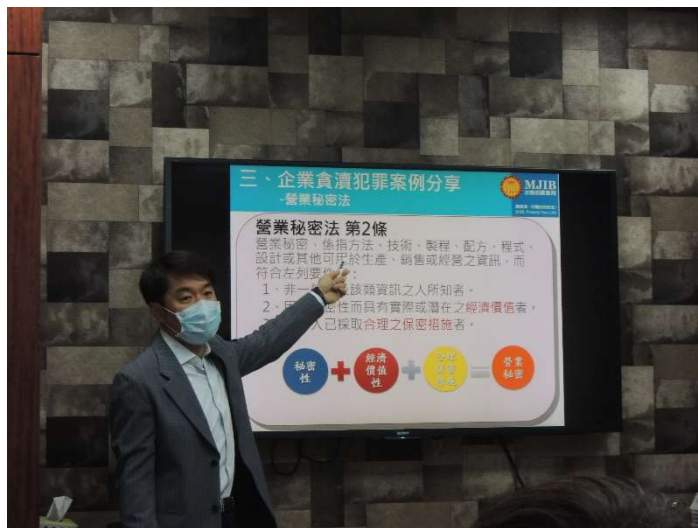
In accordance with the frequency of medical professionals providing on-site medical services stipulated by the Labor Health Protection Act, Article 4, the Company arranged two on-site visits by doctors in 2020, and two on-site visits by nurses every month. The Company also arranges for service items stipulated in the Labor Health Protection Act, Article 10 to be provided to employees. 20



Corporate Social Responsibility

Employee Training

The Company holds training for new recruits and existing employees. All trainings are recorded and filed. The training program aims to enhance the employees' capabilities and serves as a reference for their promotions.





Corporate Social Responsibility

Carbon Reduction

1. The main scope of business of the Company includes the manufacturing, trading and fabrication of wire rods, screws and wires. For the prevention of pollution sources, the Company has installed dust removal systems, waste water and gas treatment facilities, exhaust equipment and other equipment. Furthermore, as per the environmental protection regulations, the Company has designated personnel to undertake the pollution prevention measures depending on the on-site operations, and engaged inspection institutions approved by the Environmental Protection Administration to perform inspections from time to time. Therefore, with appropriate control engineering, the Company meets the emission standards stipulated by the Environmental Protection Administration.



Corporate Social Responsibility

Carbon Reduction

2. By adjusting production procedures, utilizing energy conservation equipment (e.g. gas-fired boilers, switching to high-performance motors of IE3 level or higher) and other measures, the Company seeks to reduce its greenhouse gas emissions.
3. By controlling the optimal air-fuel ratio, using clean fuel, lowering sludge moisture content etc., the Company seeks to meet waste reduction targets and develop toward green production.
4. The Company makes concerted efforts to reduce the carbon footprint of the manufacturing process and gives priority to green procurement as much as possible. In 2020, green procurement amounted to T\$3,395,834. The Company shall insist on its environmental protection philosophy going forward and giving priority to green products in the manufacturing process.



Thanks