



TSANGYOW

**TSANG YOW (1568)**

# 2024Q3 OPERATIONAL REPORT



# Disclaimer



“

The best strategic partner  
for transmission systems

”

The actual operating results, financial condition, and business performance of our company in the future may differ from the forecasted information, whether expressed or implied. This variance may be attributed to various factors, including but not limited to price fluctuations, competitive conditions, international economic situations, exchange rate fluctuations, market demands, and other risks beyond our control.

The forward-looking statements in this presentation reflect our views as of the present and are subject to change. The company is not obligated to provide further reminders or updates in the event of any changes or adjustments to these views in the future.

The content in this presentation is not intended as investment advice.

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公司簡介

Company Profile

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CONTINUOUS IMPROVEMENT

EXCEEDING NEEDS

# Company Profile- World-Class Transmission System Manufacturer

設立日  
ESTABLISH



1985/1/16

資本額  
CAPITAL



1.03billion

員工人數  
Employees



330

上市時間  
Company Listed



2014

廠區  
Plant



Taiwan 4 (Chiayi Minxiong)  
Malaysia 1 (Under construction)



# Company profile- MIT high quality technology



## Headquarters

- Factory area: about 10,710 m<sup>2</sup>
- Number of employees: 155
- Process attributes: precision machining, tooth processing, grinding, heat treatment, assembly
- Maximum production capacity: 600 million



## Chenggong plant

- Factory area: about 5,200 m<sup>2</sup>
- Number of employees: 80
- Process attributes: precision machining, grinding, laser welding
- Maximum production capacity: 1.1 billion



## Chungshan plant #2

- Factory area: about 10,600 m<sup>2</sup>
- Number of employees: 85
- Process attributes: stamping, precision machining, laser welding
- Maximum production capacity: 650 million



## Chungshan plant #3

- Factory area: about 8,700 m<sup>2</sup>
- Number of employees: 40
- Process attributes: Stamping automated production line, spin forming
- Maximum production capacity: 200 million

# Company profile-

## Fulfill all OEM AM/OES customer

### Casting

- ◆ Automatic mold casting
- ◆ pressure casting
- ◆ gravity casting
- ◆ Precision casting
- ◆ lost wax casting



### High quality products

- ◆ Stamping/Mold Design
- ◆ Spin forming
- ◆ Precision Machining
- ◆ Tooth processing
- ◆ heat treatment
- ◆ laser welding
- ◆ Assemble
- ◆ test



OEM  
Tier1 supplier



AM/OES  
Service parts  
OES parts

### Forging

- ◆ hot forging
- ◆ Warm forging
- ◆ cold forging
- ◆ extrusion forging



### Powder metallurgy

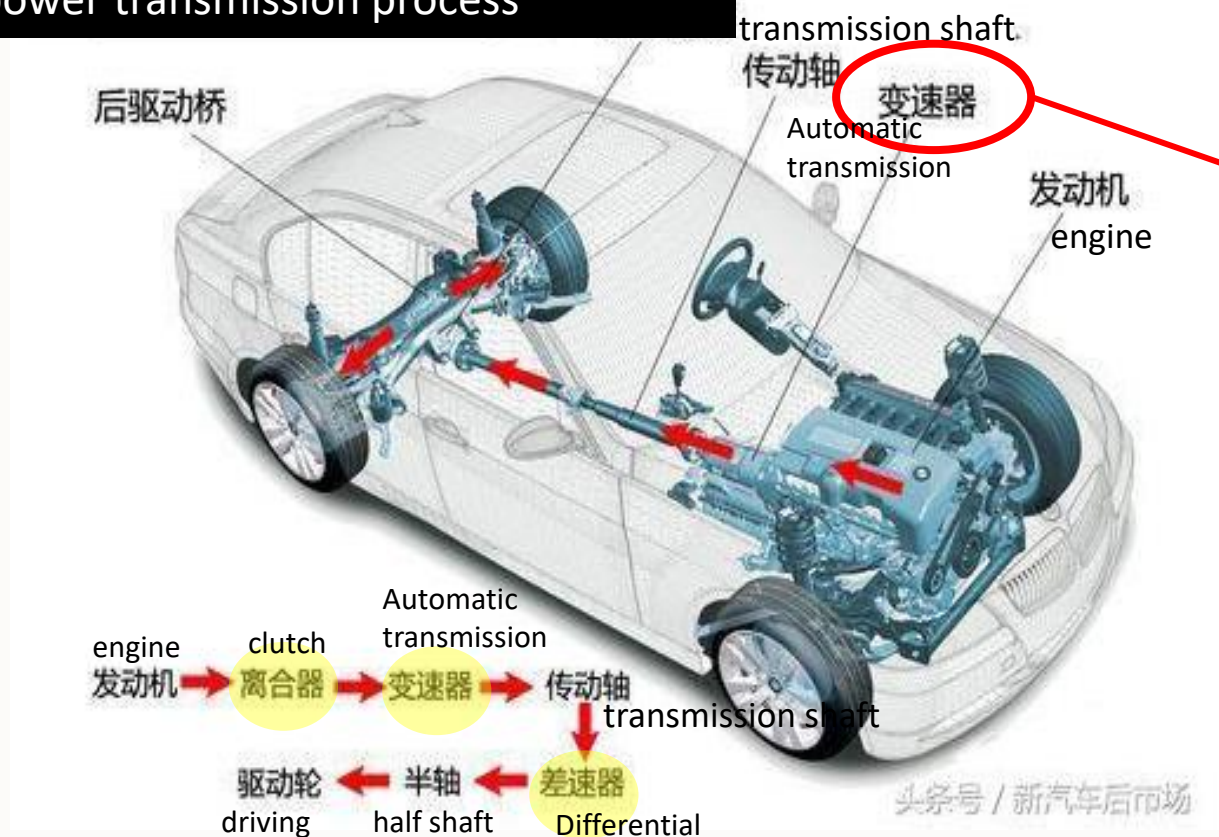


# Company profile

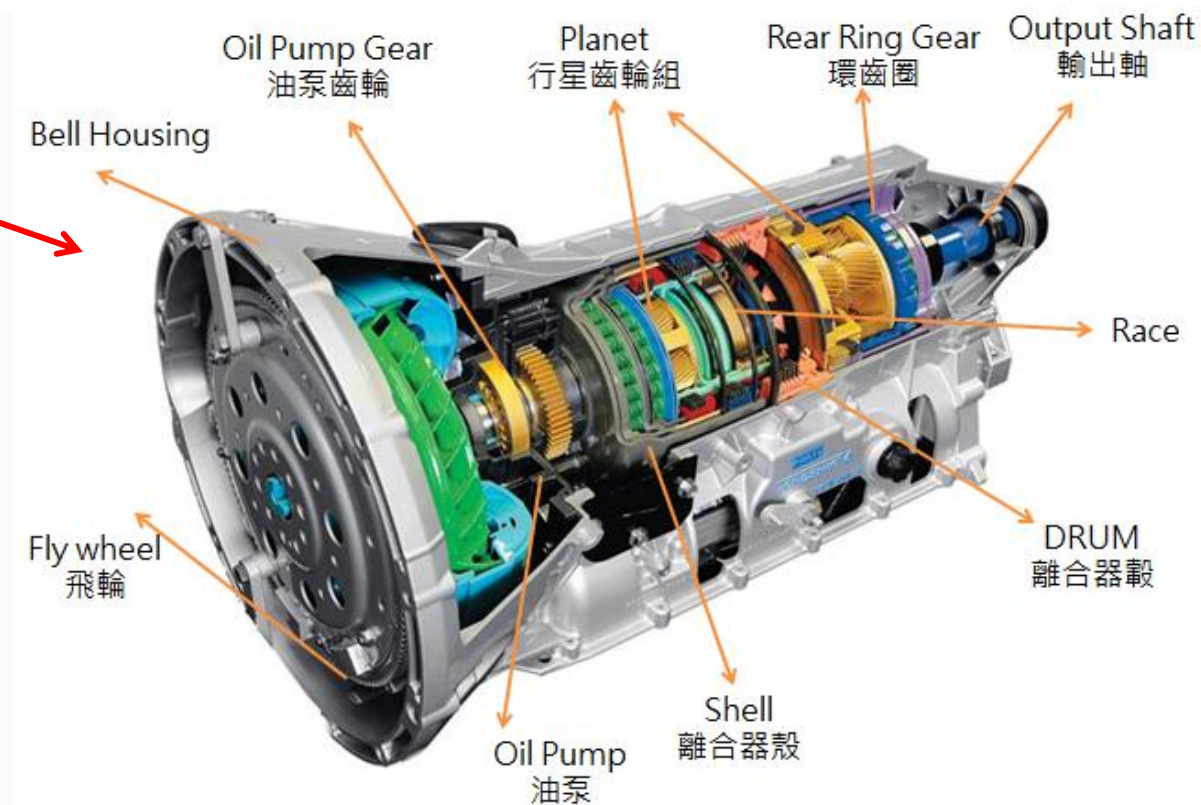
## World-Class Transmission System Manufacturer

A vehicle traveling on the road must first set its wheels in motion. The system responsible for transmitting the engine's power to the wheels, enabling the vehicle to move, is known as the drivetrain. The basic drivetrain components include the power transfer unit, transmission mechanism, differential, and drive shaft.

Schematic diagram of automobile power transmission process



Automatic transmission



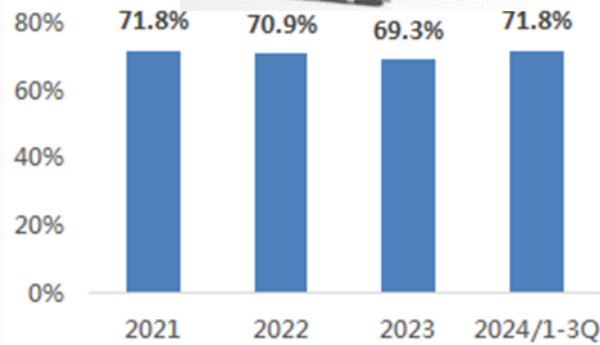


# Company profile - Main products

Unit : TWD/Thousand



## Automotive



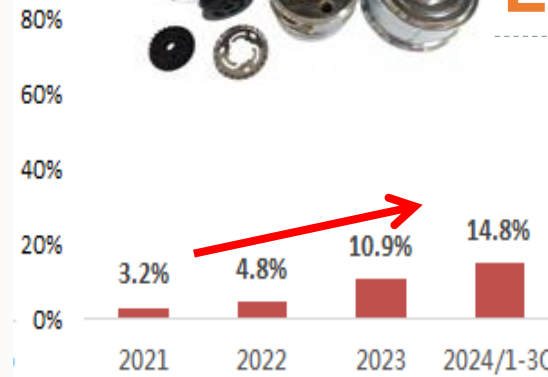
Transmission parts

### Customers

Ford 、 GM 、 JUGUAR 、 Range Rover 、  
STELLANTIS 、 Volkswagen....等



## EV E-bike



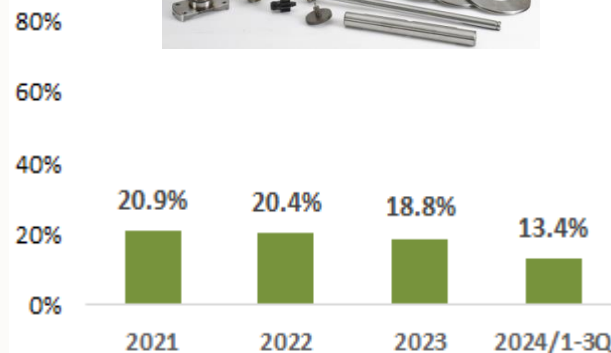
EV E bike components: clutch system parts,  
gearbox parts, motor casings

### Customers

Ferrari 、 VOLVO 、 Mazda...等



## Industry



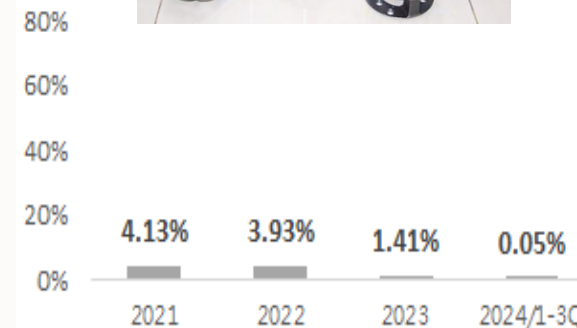
Industrial / off high way/ truck

### Customers

SCANIA 、 ABB 、 SUMITOMO 、  
CATERILLAR 、 JOHN DEERE...等



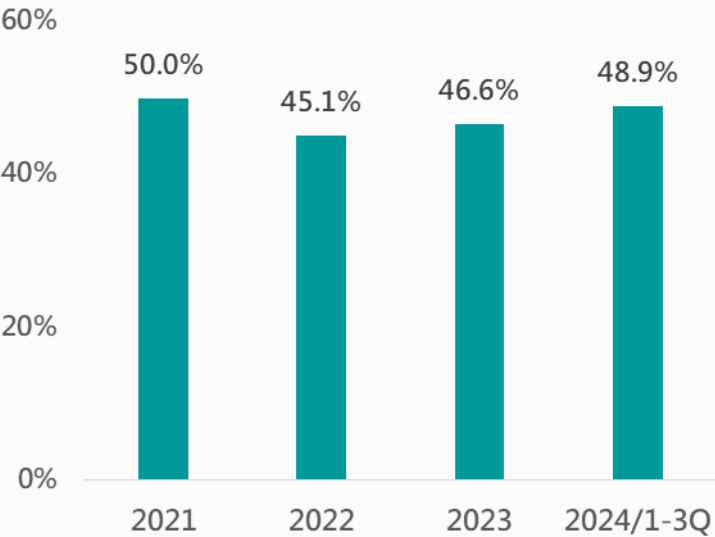
## other



Ship transmission and engine system parts, OEM  
parts, etc.

# Company profile - TA Market products percentage

Unit : TWD/Thousand

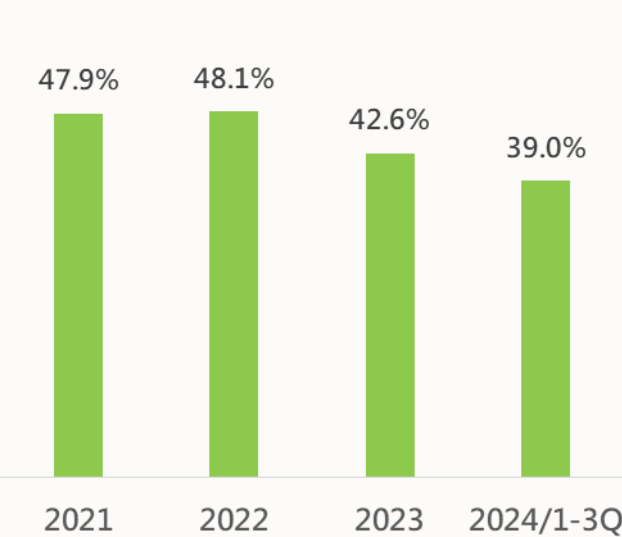
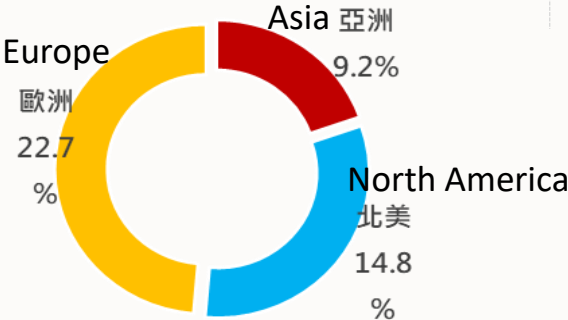


■ OEM市場

## OEM

- Automotive transmission system components
- Industrial machinery transmission system components
- New energy vehicle components

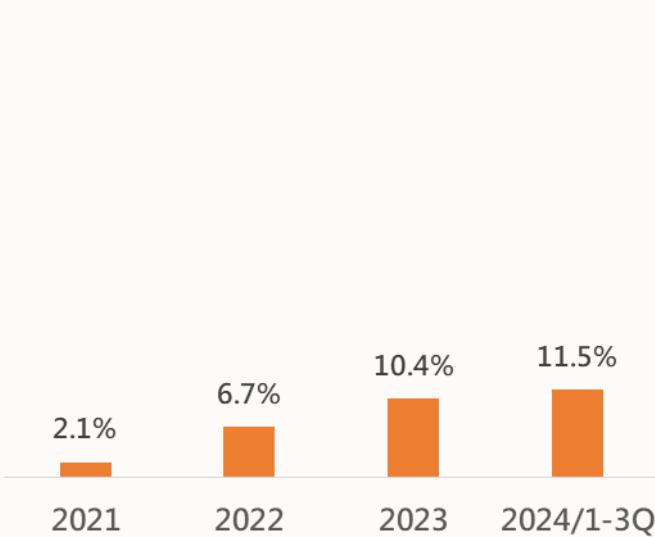
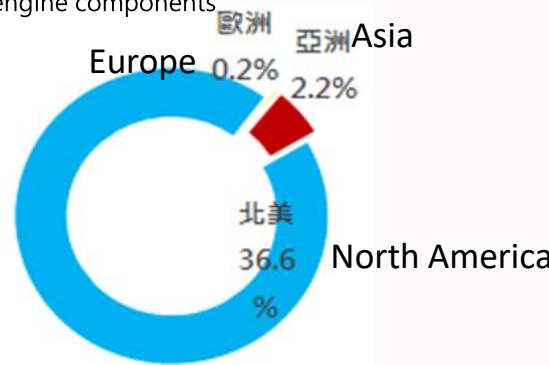
Proportion of overall revenue(2024/1-3Q)



■ AM市場

## AM

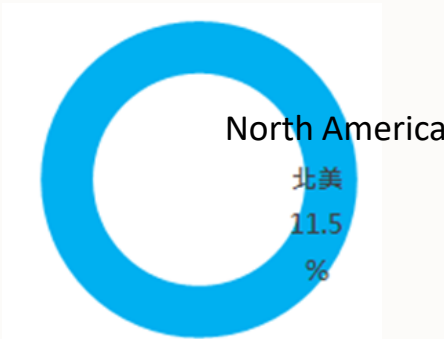
- Automotive transmission system components
- Industrial machinery transmission system components
- engine components



■ OES市場

## OES

- Automotive transmission system components







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02

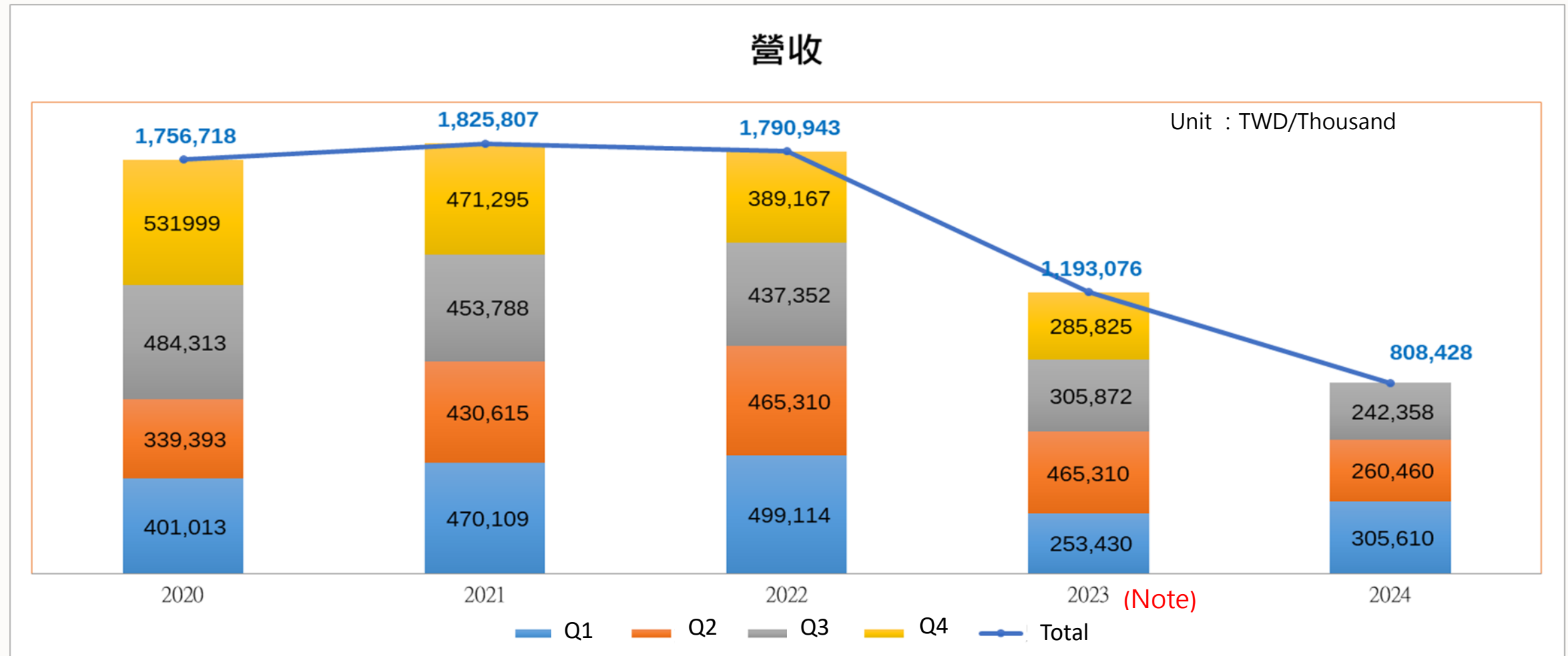
營運概況

Operational overview

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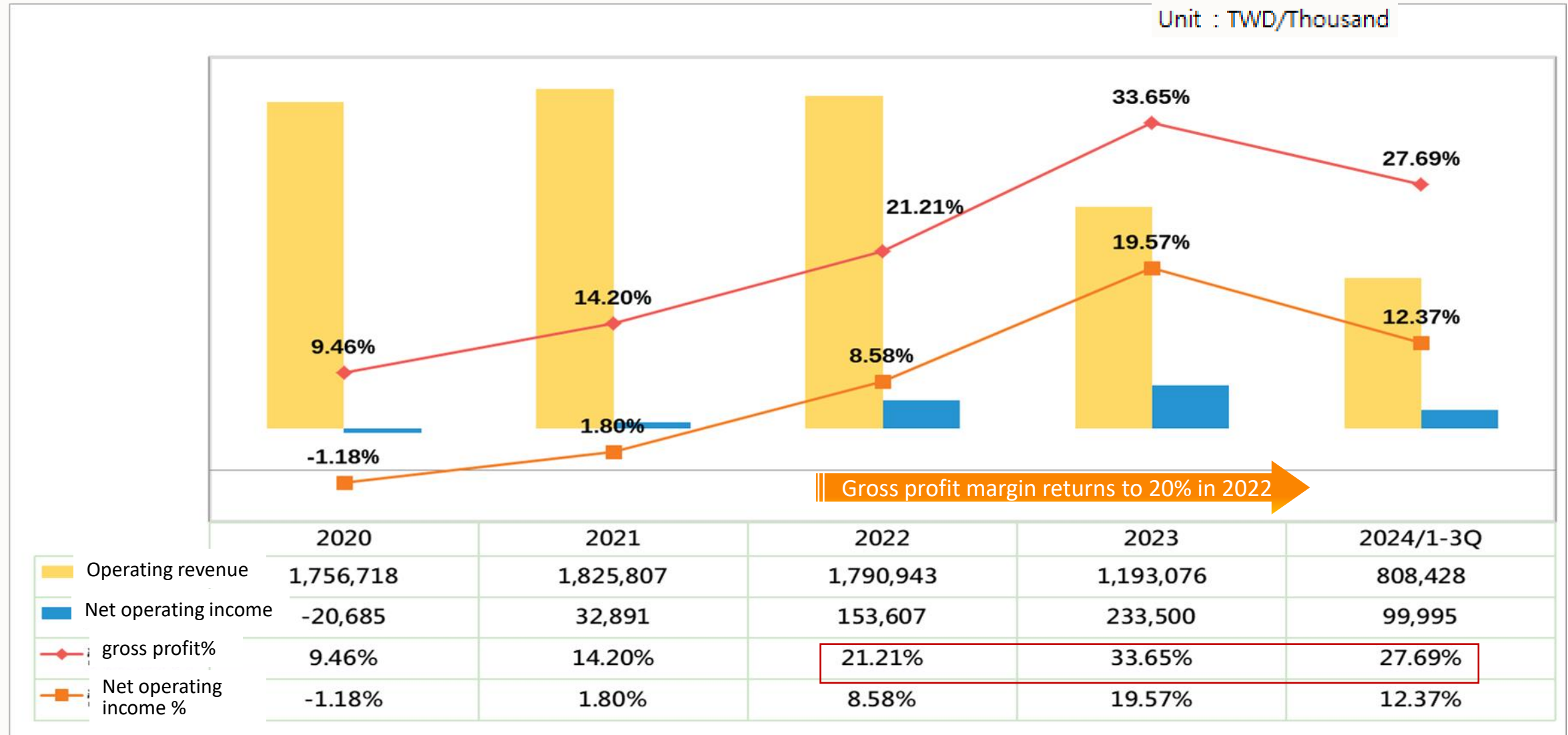


# Operational Overview – Revenue Performance in the Past Five Years



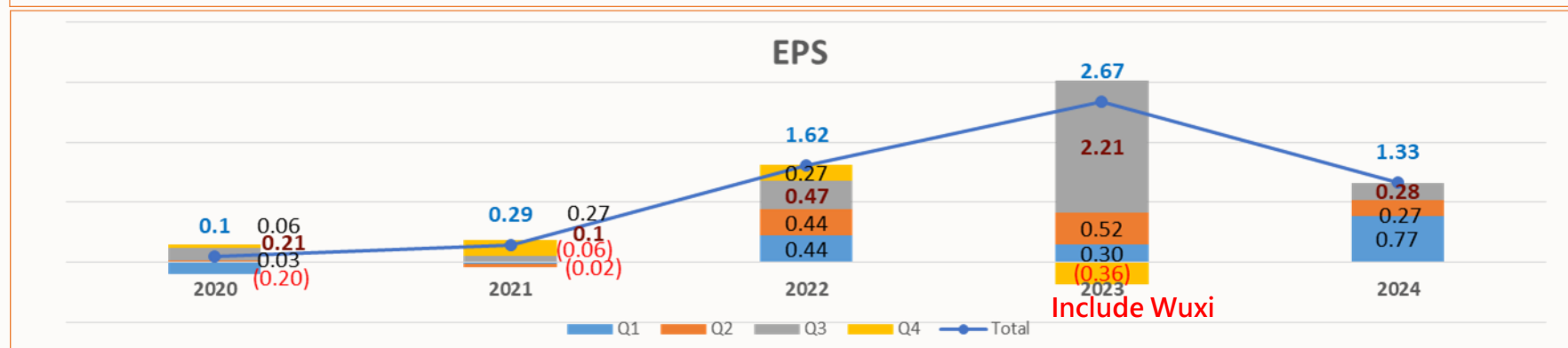
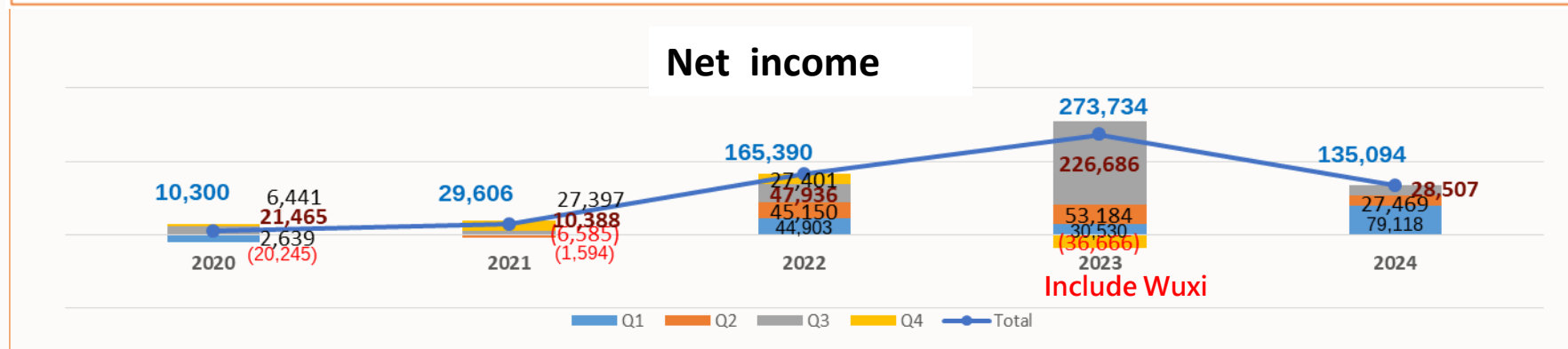
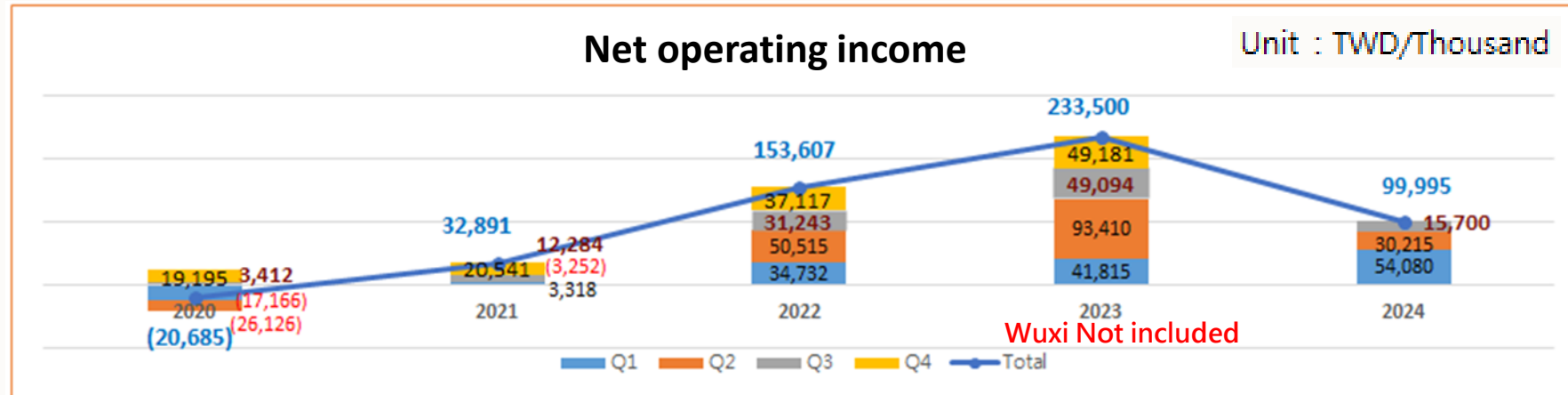
**(Note):** As the Wuxi subsidiary in China completed its transfer and disposal in July of the 2023 fiscal year, the consolidated income statements for each quarter of the 2023 fiscal year have been adjusted in accordance with IFRS #5. The profit and loss of the Wuxi subsidiary have been reclassified as discontinued operations. Therefore, the income statements for the 2023 fiscal year do not include the results of the Wuxi subsidiary.

# Operational Overview – Profitability Performance in the Past Five Years



Wuxi Not included

# Operational Overview – Profitability Performance in the Past Five Years







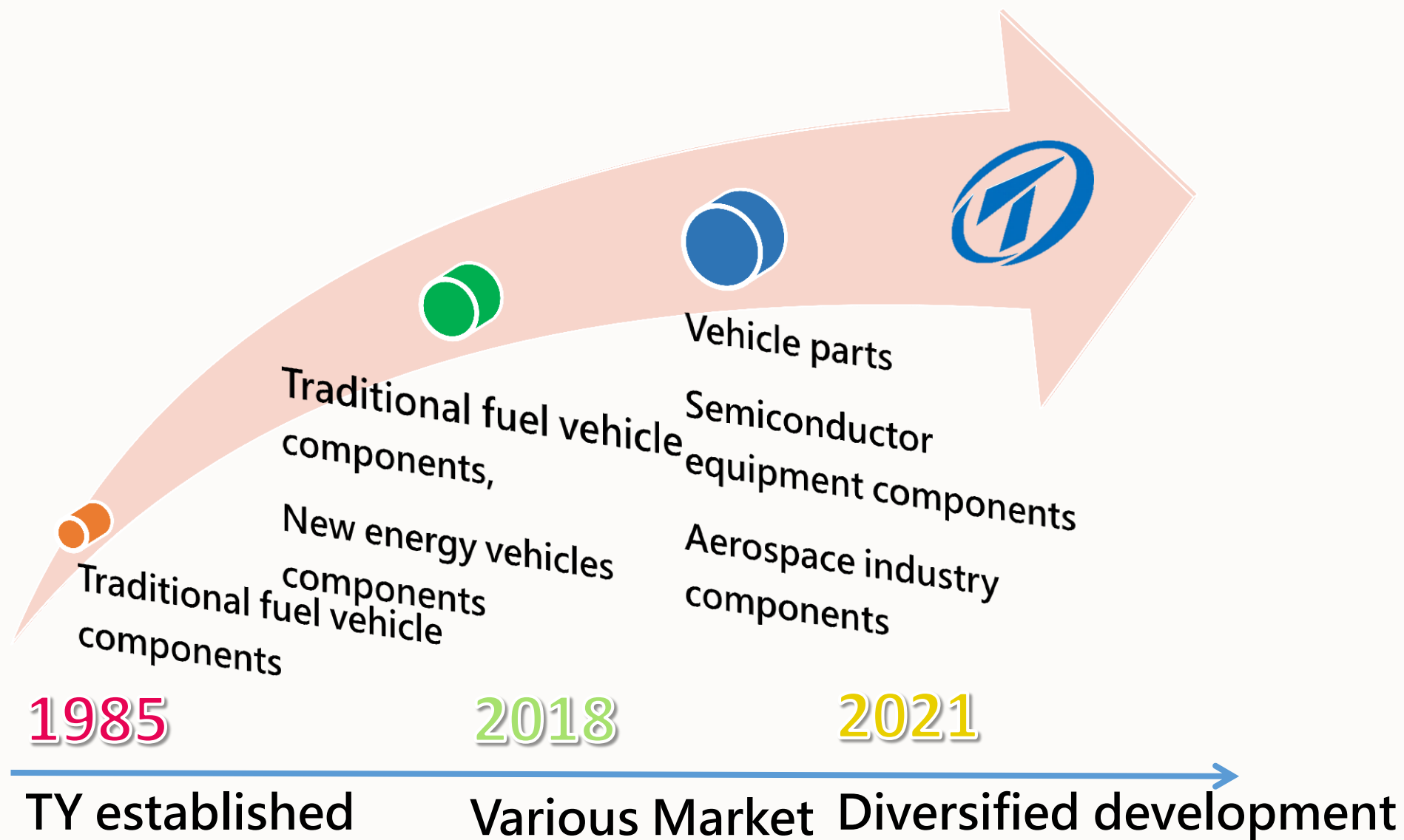
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03

競爭利基

Competitive advantage //

# Expanding into Various Industries with High-Quality Products





# Strive for Niche Market – Product quality management and certification



## Diverse industries and market products

- Accumulated many years of experience in the AM market, mastered market demand conditions, had rich reverse development and design capabilities, and had a complete product line to meet customers' One-stop shopping needs
- Main Tier1 and Tier2 suppliers of major automobile manufacturers. We have complete OEM quality management capabilities and have won the trust of customers.
- Successfully entered the sales field of new energy vehicles and continues to improve competitiveness on the path of product transformation
- \*Obtained aerospace quality system (AS9100) certification and qualified supplier recognition from major international semiconductor equipment manufacturers, which is conducive to the expansion of business opportunities in diversified market development

## Products certification

- The product market certification takes about 2 to 3 years, the production process is complicated, and the industry entry barriers are high, highlighting the high order visibility.
- Obtained aerospace quality system (AS9100) certification and qualified supplier recognition from major international semiconductor equipment manufacturers

- From the procurement of raw materials to the shipment of finished products, strict quality control is implemented to ensure that every step is perfect and smooth.
- Strictly abide by the quality policy and continuously conduct quality control at each stage of incoming materials, semi-finished products and finished products to ensure that all processes meet the highest standards required by customers and maintain quality stability.
- We have implemented the IATF 16949 quality management system and ISO 14001 environmental management system, and have also introduced OEM production line management and TPM, 5S, Kanban management and other production systems from professional car manufacturers, and continue to work towards "lean production".



Strive for Niche market-  
one-stop shop with experienced process technology and  
customization to meet order needs



Stamping /  
Tool design

Flow  
Forming

Precision  
Machining

Gear  
machining

Heat  
treatment

Laser  
welding

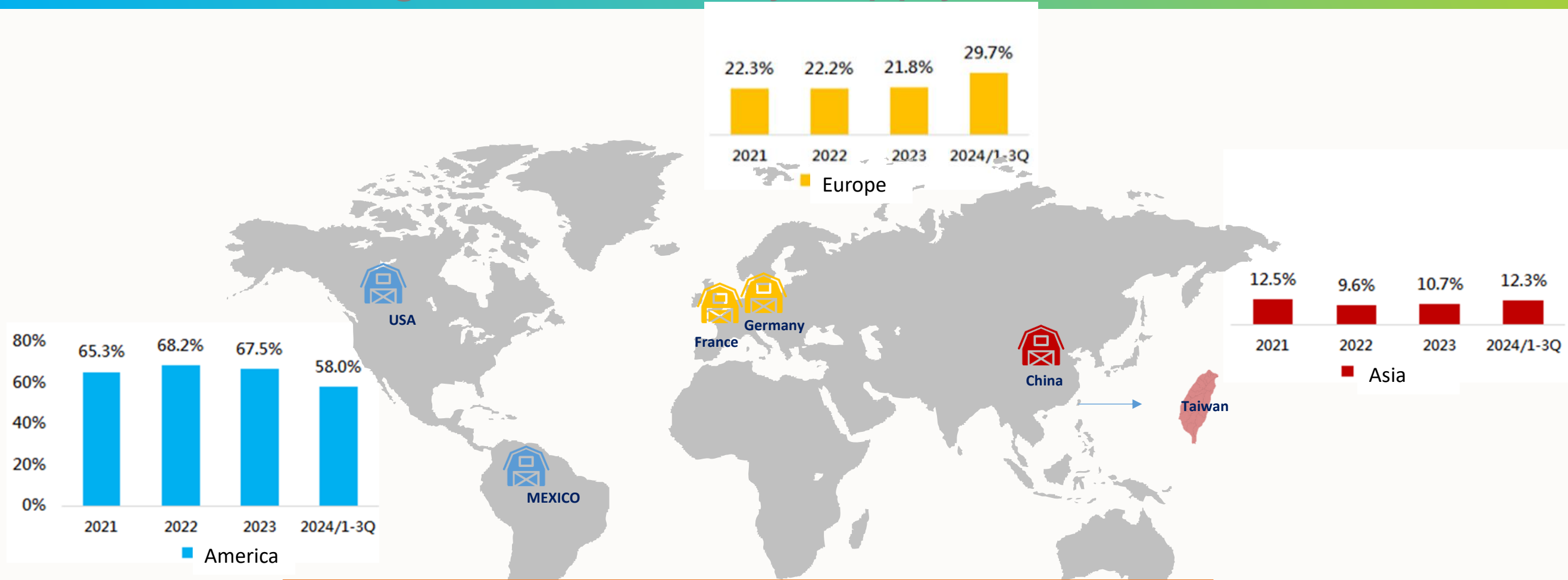
Assembly

Inspection  
/Test

35 years of automotive parts stamping forming technology and related mold design and self-made capabilities can effectively shorten the development time of stamping products and ensure the stability of product quality.



# Strive for Niche Market- MIT base , global and timely supply



4 production bases in Taiwan and 5 overseas  
warehouses around the world  
Produced in one place, supplied globally





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04

未來發展

Future Development

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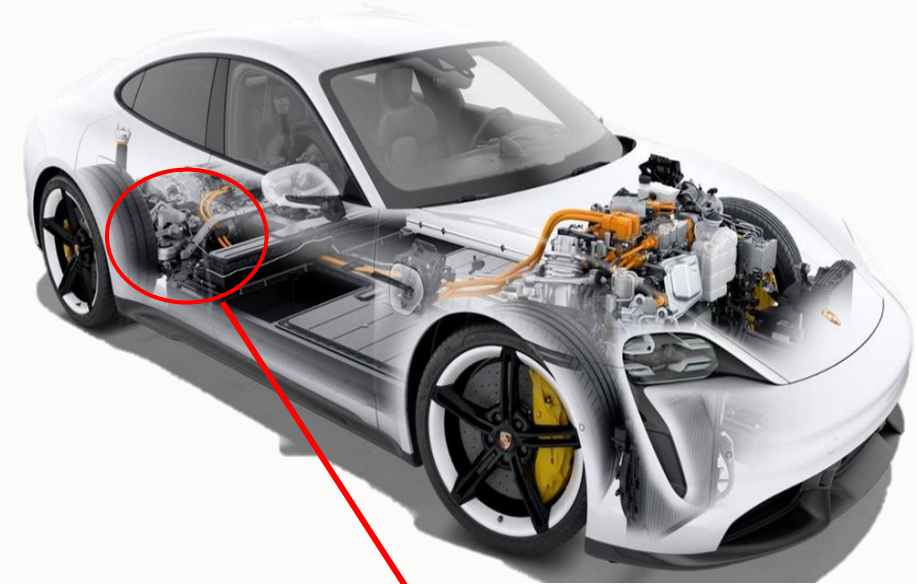
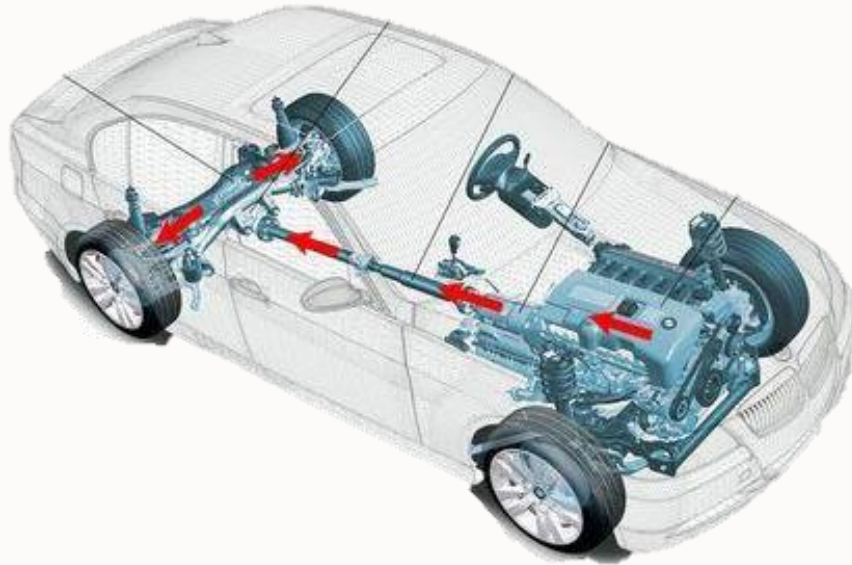


# Transmission system market size

According to a report by foreign research institution **technavio**, the global automotive transmission system market size is expected to grow at a compound annual growth rate of **6.28%** from 2022. to **2027 will reach to \$52.34 billion** . It mainly benefits from the advantages of better fuel efficiency and smoother and faster shifting of automatic transmissions such as CVT and DCT. It is a key component in the technological progress of today's automotive industry towards energy saving, carbon reduction and ESG sustainable development. , promoting the continuous improvement of market penetration rates of CVT and DCT, and also creating a good business development environment for the automotive transmission system-related supply chain.



# Future Development-Opportunities for TY in the new energy vehicle market



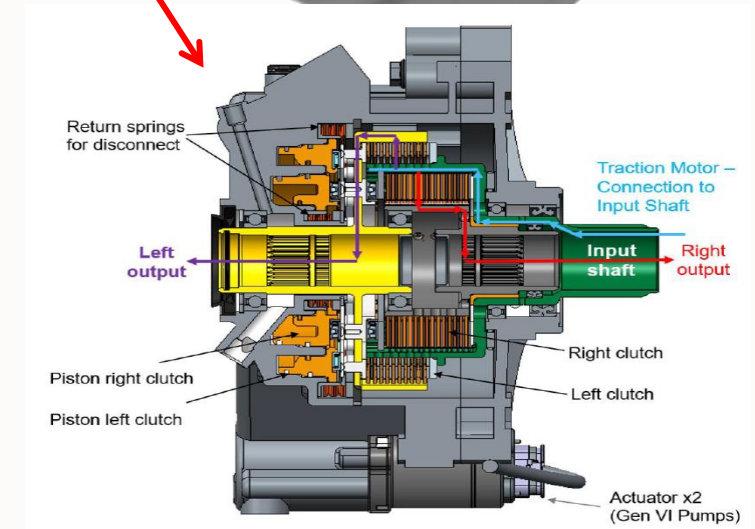
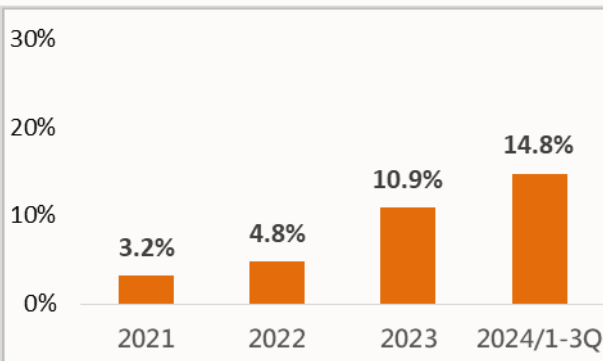
## EV , E-bike

### Tsang Yow supply

EV, E-bike components: clutch system parts, gearbox parts, motor casings

### Customers

Ferrari , VOLVO、Mazda...etc





# Market Trends - Shortened Supply Chain Trends in the Semiconductor Industry

## Global Semiconductor Supply and Demand Challenges and the Current State of the Equipment Market

### 1. Chip Shortage Background:

- The COVID-19 pandemic disrupted logistics, leading to a global supply-demand imbalance and highlighting the importance of semiconductor supply chain resilience.
- Countries worldwide regard semiconductors as strategic resources and are actively enhancing their self-sufficiency capabilities.

### 2. Strategies of International Companies:

- Companies such as Applied Materials, Lam Research (both U.S.-based), and ASML (Netherlands-based) are proactively establishing facilities in Asia to reduce logistics costs and better serve their customers.

## Development Potential, Challenges, and Prospects of the Semiconductor Industry in Southeast Asia

### 1. Major Challenges:

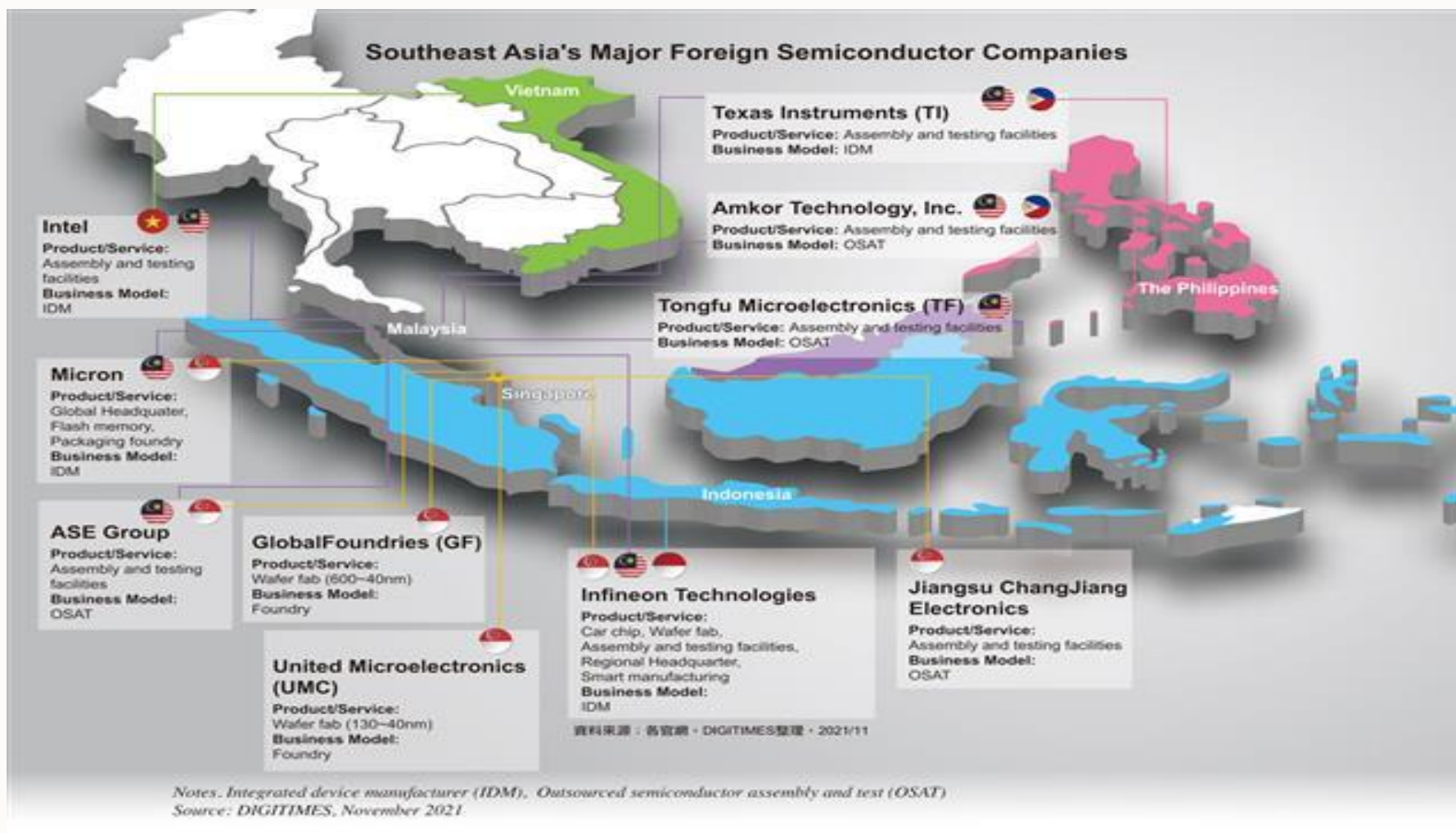
- Insufficient capital, technology, infrastructure (e.g., water and electricity), and legal frameworks.
- Significant talent shortages hinder the development of a complete supply chain.

### 2. Potential and Prospects:

- Increased inflow of international investments; in 2021, ASEAN attracted \$19 billion in foreign direct investment (FDI), signaling a gradual shift in supply chains.
- Beyond packaging, testing, and component manufacturing, the region could potentially engage in high-end semiconductor manufacturing if it enhances its technological capabilities and infrastructure.

# Market Trends: The Deployment Strategies of Major International Companies in Southeast Asia

In the context of global changes, Southeast Asian countries are demonstrating a proactive attitude toward establishing semiconductor supply chains. Industries such as electric vehicles, data centers, and servers are continuously driving international investments into Southeast Asia. This presents an opportunity to gradually extend the supply chain across the upstream, midstream, and downstream sectors of the semiconductor industry.





# Future development - Target Malay Market and expand into diversified industry market layout

## YORU TECH (Malaysia)

- The estimated investment amount is USD 6.6 million (TY holds 55% of the shares)
- Target market: critical components for semiconductor equipment





# YORU TECH (Malaysia)



2024/10/7  
Groundbreaking  
ceremony



Completed



Certification



2026年Q2  
Mass  
production



# Future development - high product quality certification, multi-industry market layout

## Transformation

Refining technological advantages, promoting product transformation, entering new industrial fields and diversified product markets, and increasing revenue capacity

## Specialization

Optimize production and sales schedules, continue lean production, ensure quality/cost/delivery optimization and risk control, and maintain operational resilience

## Digital transformation

Promote digital transformation, move towards intelligent production and digital management, drive new corporate value and enhance industrial competitiveness



## Globalization

Accelerate regional economic layout, establish short-chain supply capabilities, and enhance global competitiveness.

## Niche market

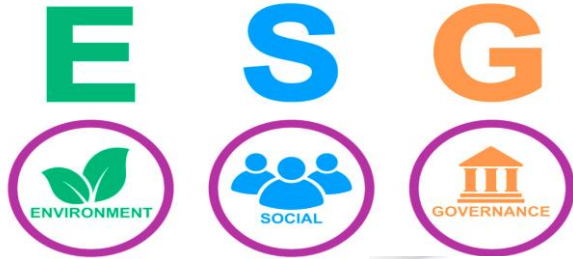
Expand business opportunities in the new south to the country. In the past, Taiwan's auto parts exports were focused on European and American countries. In order to diversify the export market and avoid trade risks, also expand into emerging markets such as India and ASEAN as soon as possible.

## ESG Sustainability

Implement corporate governance, environmental symbiosis, and social prosperity, and pursue sustainable corporate growth.



# Future Development- ESG Sustainability



- ISO14001 Certificated
- Completed ISO 14064-1 GHG inventory categories
- Established private own Solar Power Plant (renewable energy)
- To reduce CO2 (carbon dioxide) emission and replace the Energy saving equipment
- Established Tsang Yow charity foundation in 2016
- Participated Blood Donation Event locally in 2023 and 2024
- Sponsor Charitable Fundraising Activities in 2023
- 2024 Cerebral Palsy Association Charity Bread Purchase Program
- 2024 Hualien Earthquake Disaster Relief Donations
- 2024 Haomeiliao Parent-Child Beach Cleanup Activity
- ISO45001Certificated
- National Outstanding Healthy Workplace-Health Management Award in 2022
- 2021&2023 Taiwan Outstanding Workplace – Vitality Award
- 2024 National Excellence Award for Healthy Workplaces – Holistic Health Award
- Support the job opportunity for hearing impairment people , and hire more vulnerable workers
- Formulate an employee assistance plan to help employees work with peace of mind, live happily, and be healthy and secure

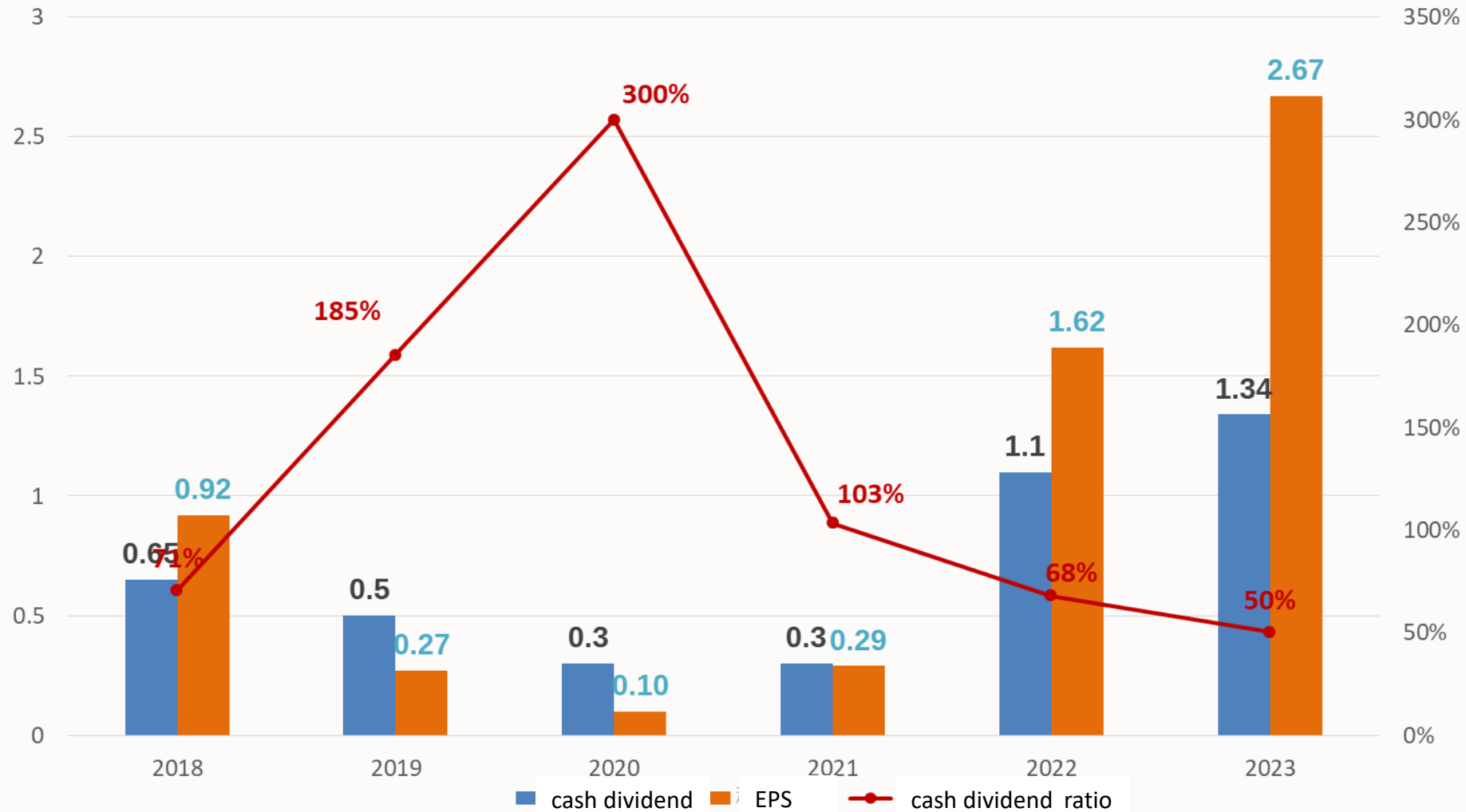




# Dividend distribution situation

➤ The average cash dividend distribution ratio exceeds 50%

Unit: TWD dollar/ %



# THANK YOU

## Q & A



Tsang Yow is committed to understanding each customer in order to provide services that meet or even exceed customer requirements. Let each other become the best partners on the road to success to achieve WIN-WIN.



: <https://www.tsangyow.com.tw/tw/index.php>