



TSANGYOW

TSANG YOW (1568)

2025Q2 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 m²
- 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 m²
- 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 m²
- Number of employees: 85
- Process attributes: stamping, precision machining, laser welding
- Maximum production capacity: 650 million



Chungshan plant #3

- Factory area: about 8,700 m²
- 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

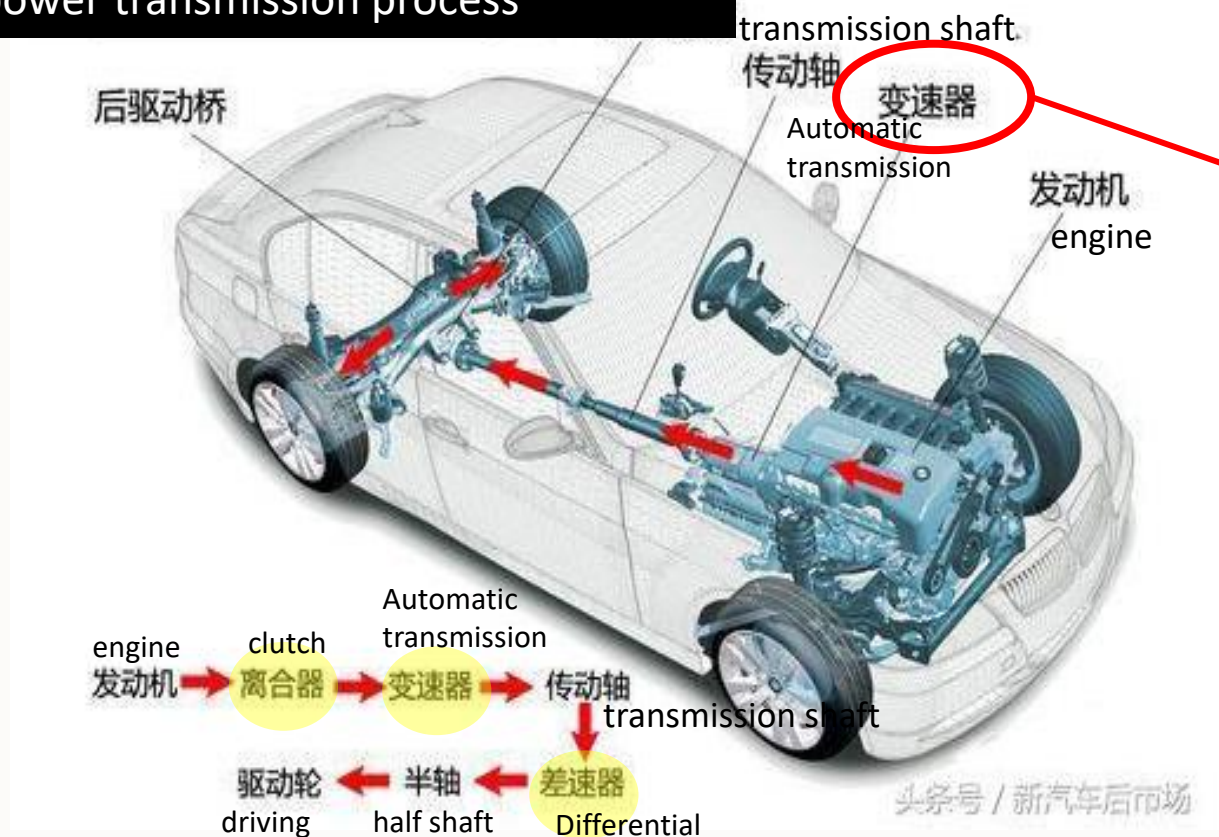


Company profile

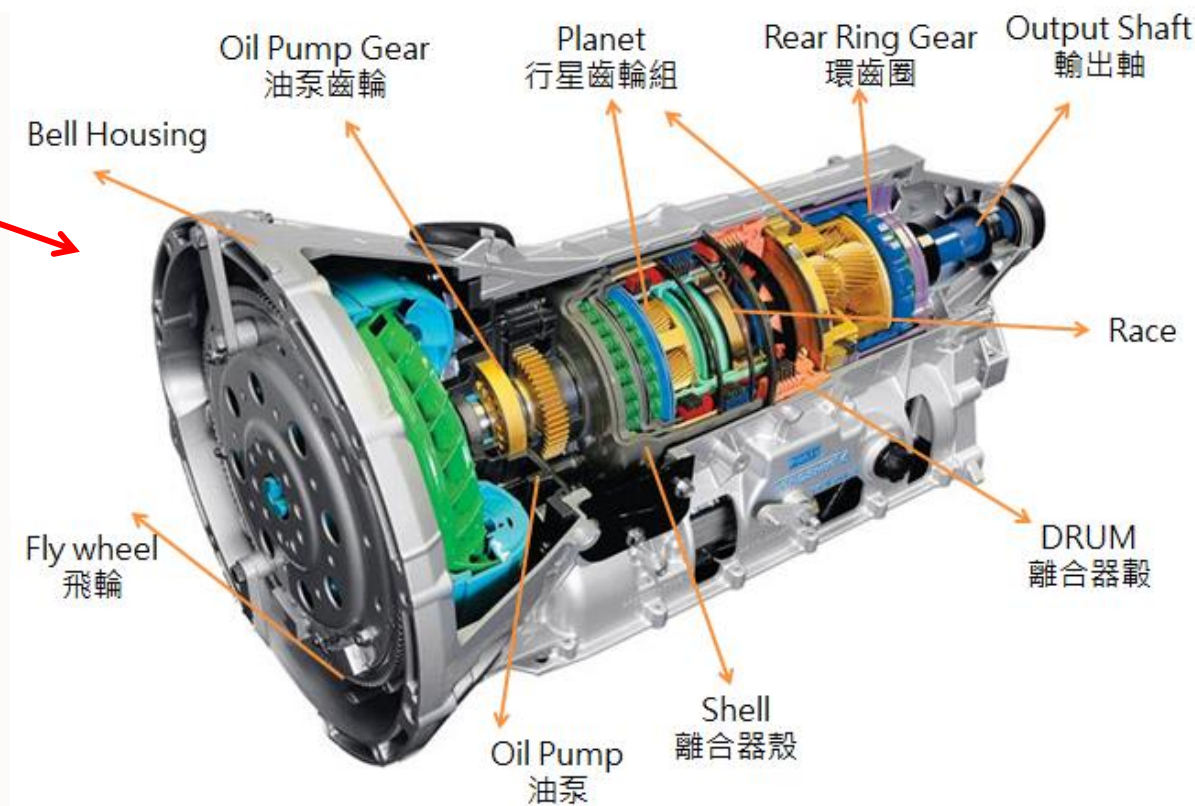
World-Class Transmission System Manufacturer

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

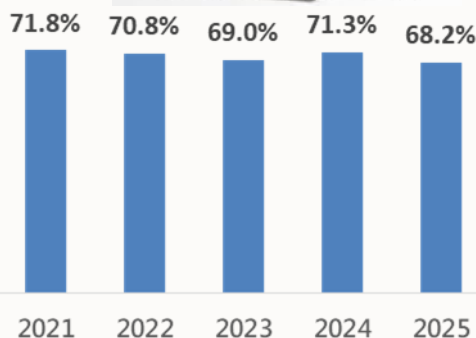


Company profile - Main products

Unit : TWD/Thousand



Automotive



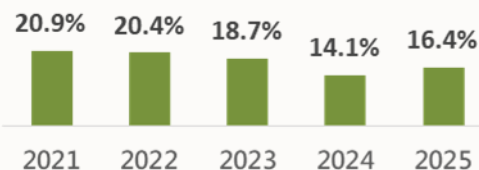
Transmission parts

Customers

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



Industry



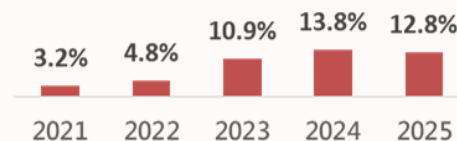
Industrial / off high way/ truck

Customers

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



EV E-bike



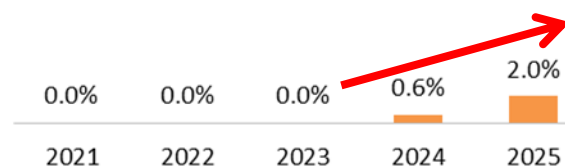
EV E bike components: clutch system parts,
gearbox parts, motor casings

Customers

Ferrari 、 VOLVO 、 Mazda...等

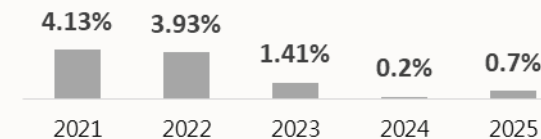
SEMI equipment

Semiconductor advanced process front-end
deposition and CMP equipment parts, etc.



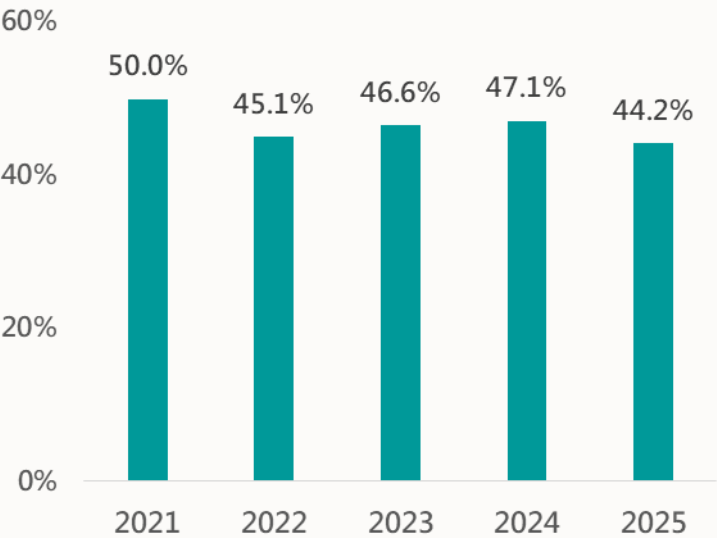
other

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



Company profile - TA Market products percentage

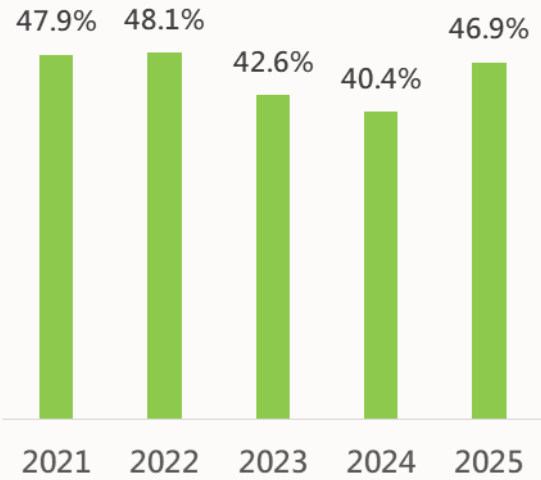
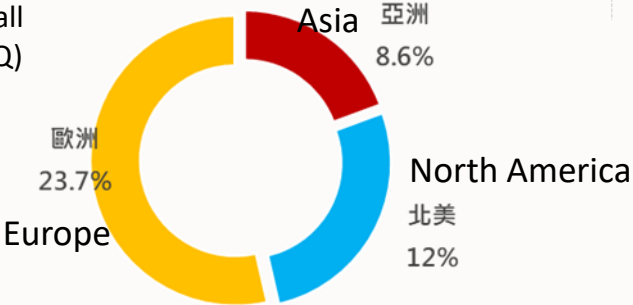
Unit : TWD/Thousand



OEM

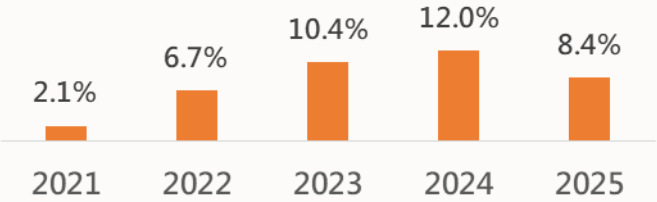
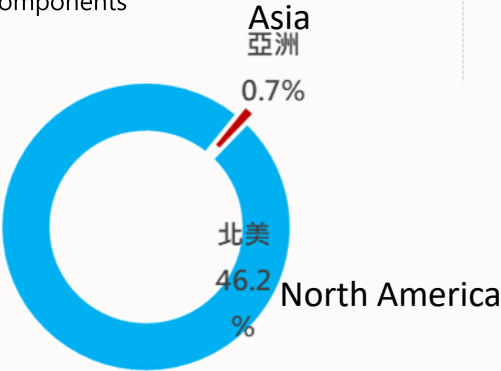
- Automotive transmission system components
- Industrial machinery transmission system components
- New energy vehicle components

Proportion of overall revenue(2025/1-2Q)



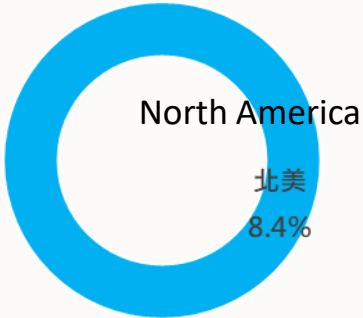
AM

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



OES

- Automotive transmission system components





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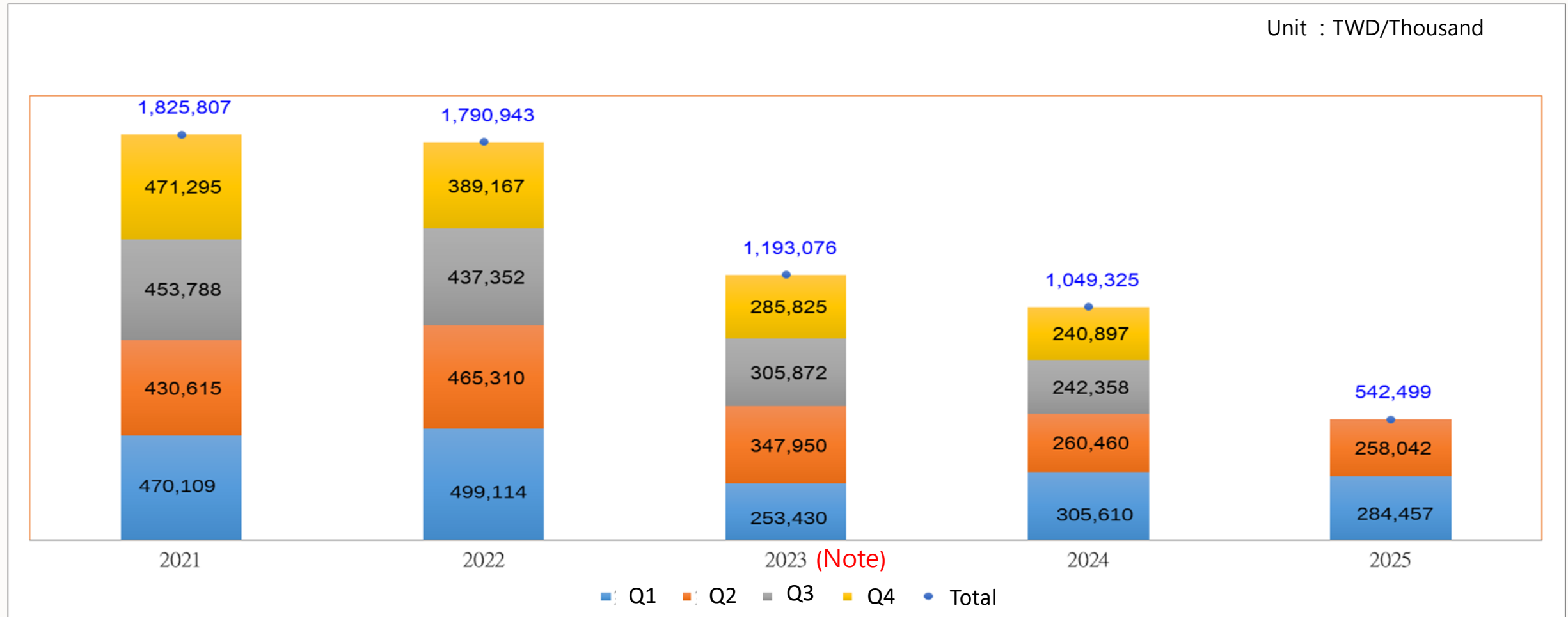
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營運概況

Operational overview

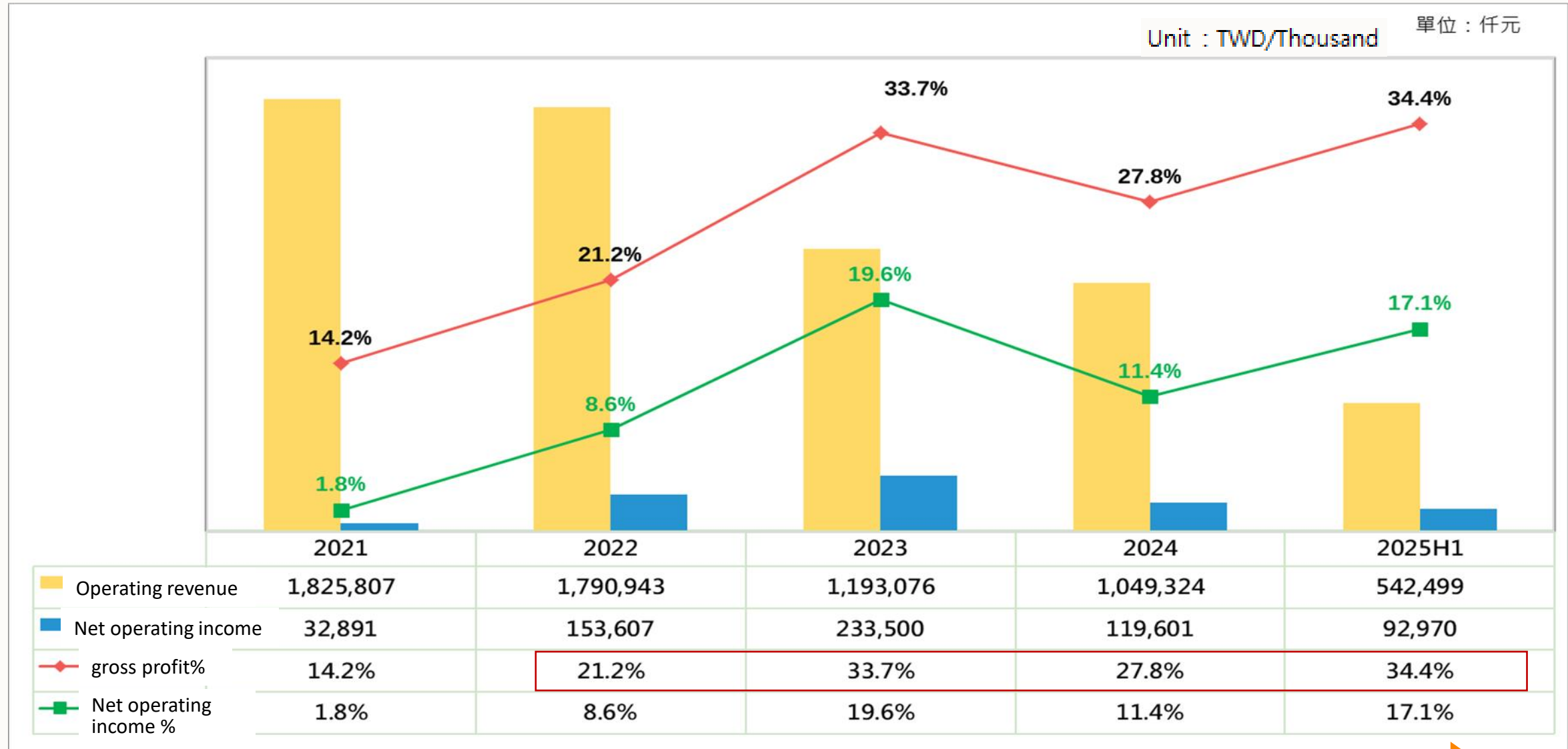
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Operational Overview – Revenue Performance in the Past Five Years



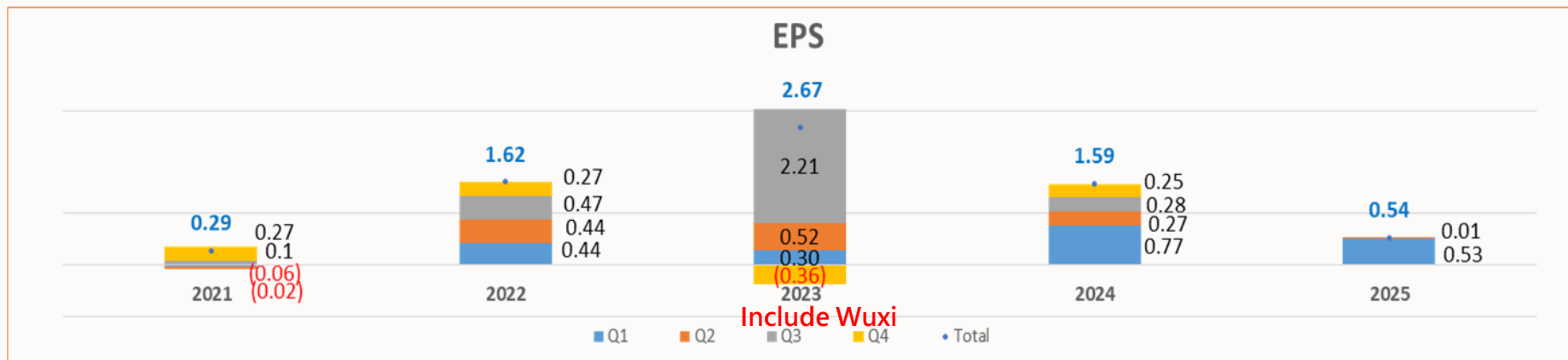
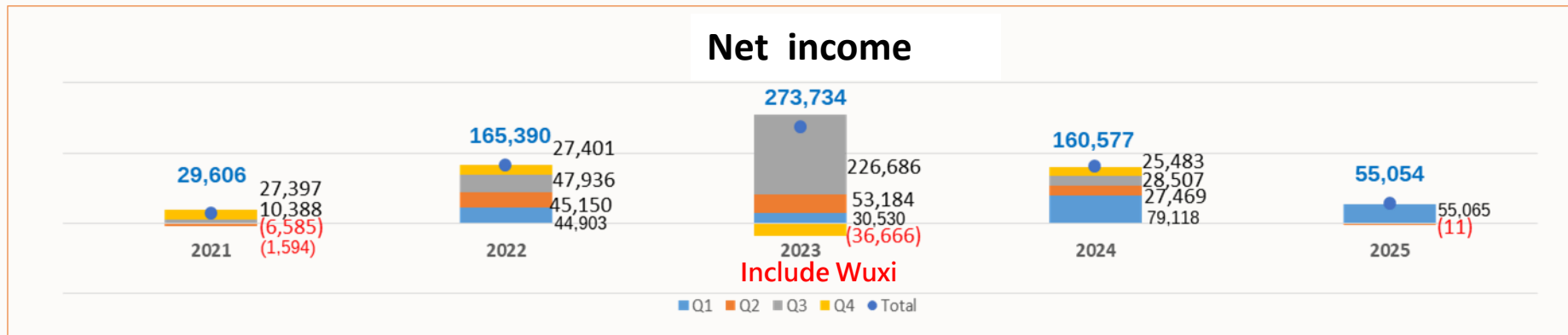
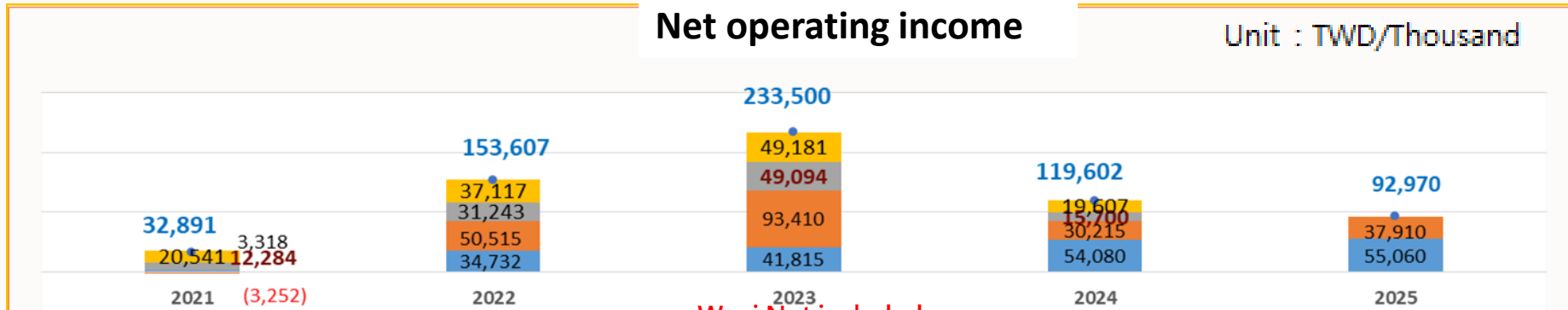
(Note): As the Wuxi subsidiary in China completed its transfer and disposal in July of the 2023 fiscal year, the consolidated income statements for each quarter of the 2023 fiscal year have been adjusted in accordance with IFRS #5. The profit and loss of the Wuxi subsidiary have been reclassified as 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

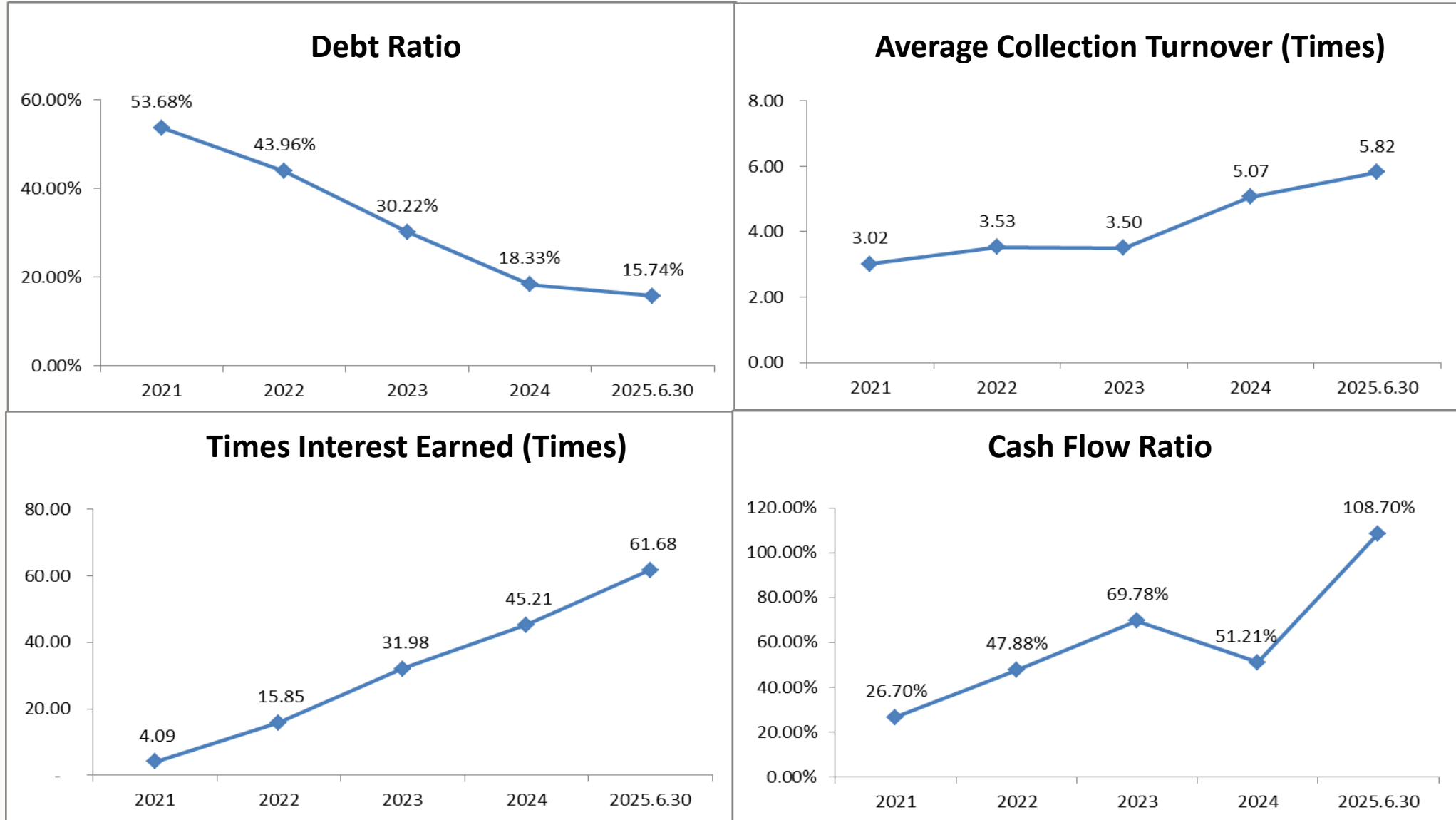


Gross profit margin will remain above 20% starting from 2022

Operational Overview – Profitability Performance in the Past Five Years



Operational Overview – Financial Performance in the Past Five Years





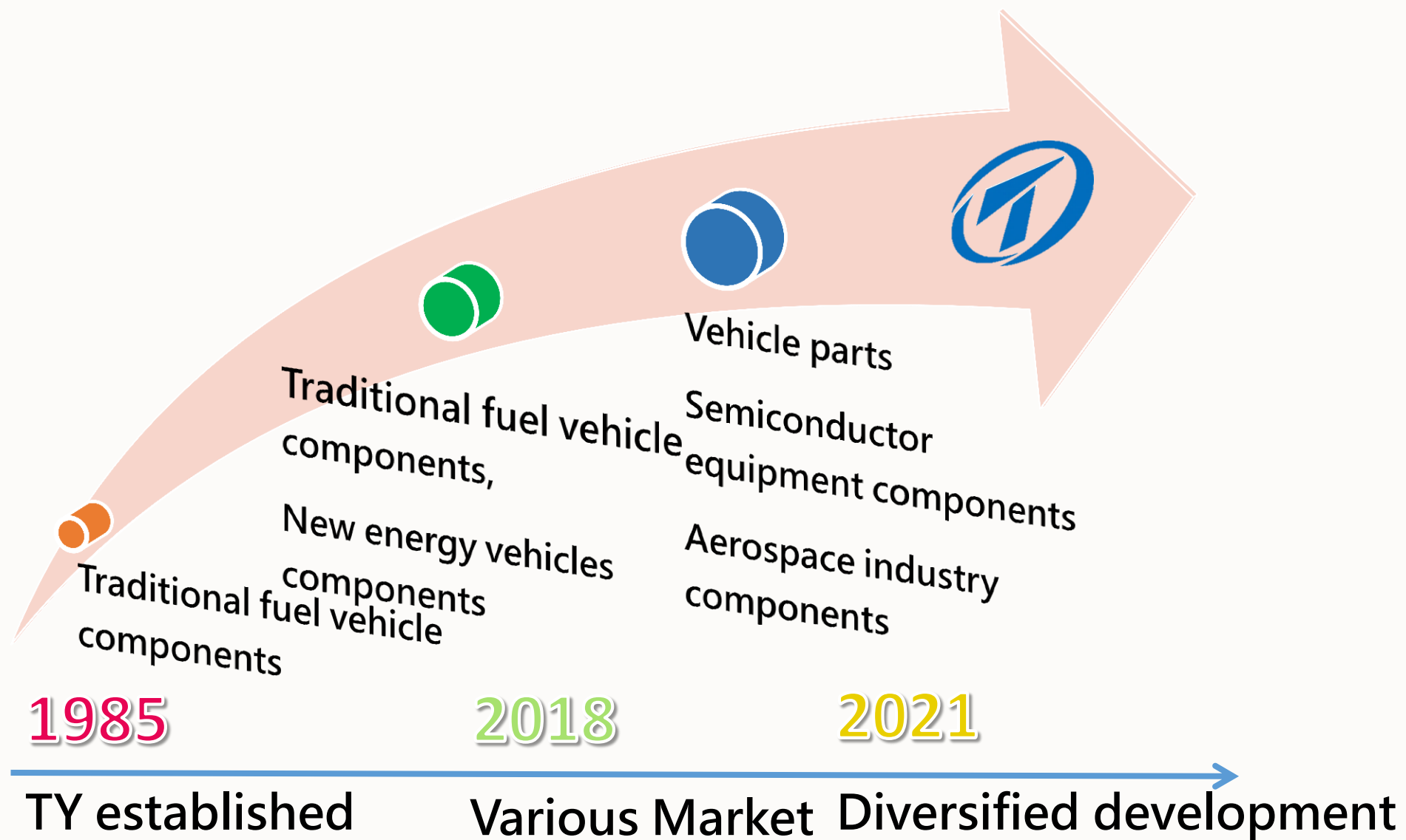
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Competitive advantage //

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

Quality Management

- 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- High product quality certification and multi-industry market layout

Highly technical integration capabilities (stamping, precision machining, tooth processing, laser welding, heat treatment, assembly testing, etc.) can produce various high-precision metal parts for automobiles, and can operate in diversified industrial markets (EX: Semiconductors, aerospace...)



IATF 16949:2016



AS9100:D/JISQ 9100:2016/EN
9100:2018



ISO 9001:2015

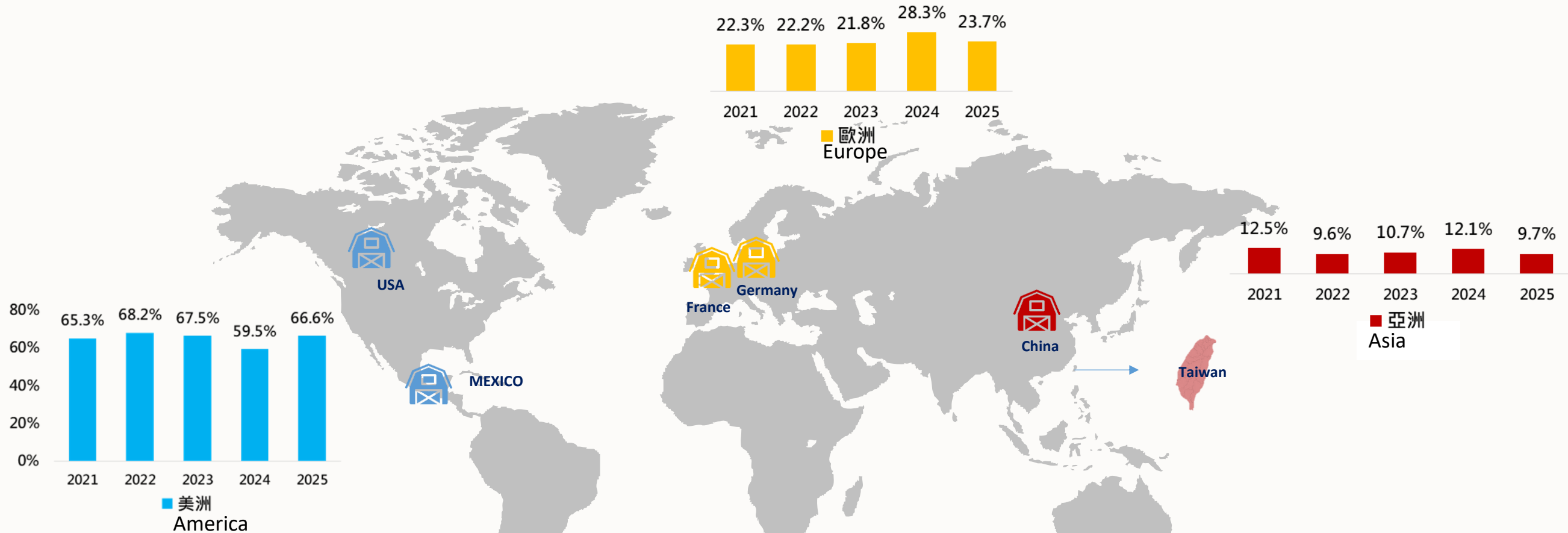


ISO 14001:2015



ISO 45001:2018

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

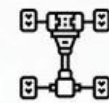
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Future Development

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Transmission system market size

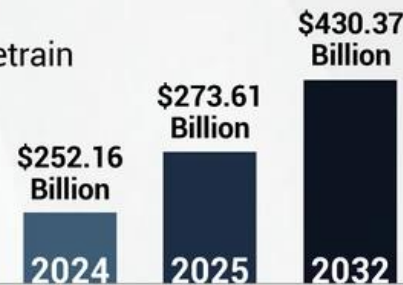
According to a report by the international research institute Fortune Business Insights, the global automotive powertrain market size was USD 252.16 billion in 2024. The market is expected to grow from USD 273.61 billion in 2025 to **USD 430.37 billion by 2032**, at a compound annual growth rate (CAGR) of **6.7%** during the forecast period. The Asia-Pacific region dominated the global market in 2024 with a share of 38.23%. The U.S. automotive powertrain market is projected to experience significant growth, reaching an estimated value of USD 59.66 billion by 2032. As the automotive industry moves toward energy efficiency, carbon reduction, and ESG-driven sustainable development, technological advancements in key components are creating a favorable business expansion environment for the automotive powertrain supply chain.



AUTOMOTIVE DRIVETRAIN MARKET

FORTUNE
BUSINESS INSIGHTS

Automotive Drivetrain Market to grow at **6.7% CAGR** during 2025-2032



TRENDS

- Increasing Demand for Luxury Features
- Usage of Advanced Technology

DRIVERS

- Development Of All Wheel Drive For Future Vehicles And Increasing Technology

ASIA PACIFIC



\$97.78 Billion
2023

\$96.39 Billion
2024

Europe
North America
Rest of World



BY DRIVE TYPE

- Front Wheel Drive 48.94%
- Rear Wheel Drive
- All Wheel Drive

INDUSTRY DEVELOPMENT

Subaru and Toyota Group's Aisin collaborated on developing a next-gen EV drivetrain.



BY VEHICLE TYPE

- Passenger Cars
- Electric Vehicle
- Commercial Vehicles

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:

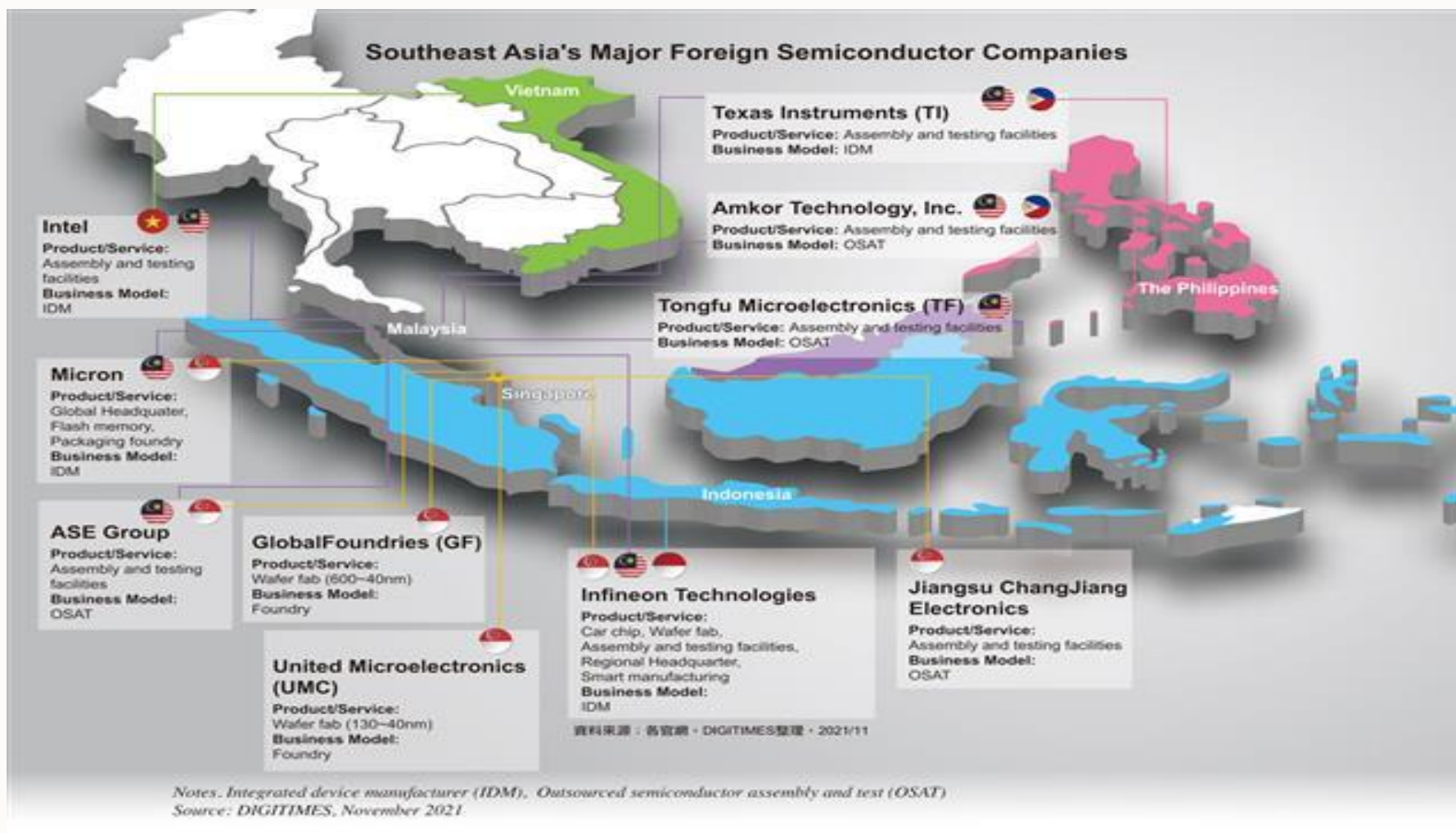
- Insufficient capital, technology, infrastructure (e.g., water and electricity), and legal frameworks.
- Significant talent shortages hinder the development of a complete supply chain.

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

2024/10/7
Groundbreaking
ceremony



Plant construction

Sep.2025 CPC

YORU TECH (Malaysia)

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

2026Q1

Equipment arrival ·
Certification

2026Q2

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.

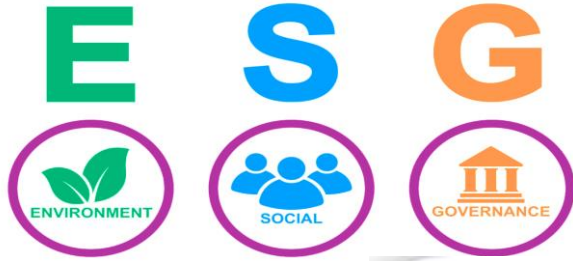
Niche market

In order to diversify export markets and reduce tariff impacts and trade risks, in addition to taking into account the North American market, our largest customer, we will also actively develop the European and Southeast Asian markets.

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



Future Development- Excellent performance in Corporate Governance Evaluation

The 11th Round (2024) Corporate Governance Evaluation

- All listed companies **TOP 36% to 50%**
- The market value under NT\$5 Billion **TOP 2% to 10%**

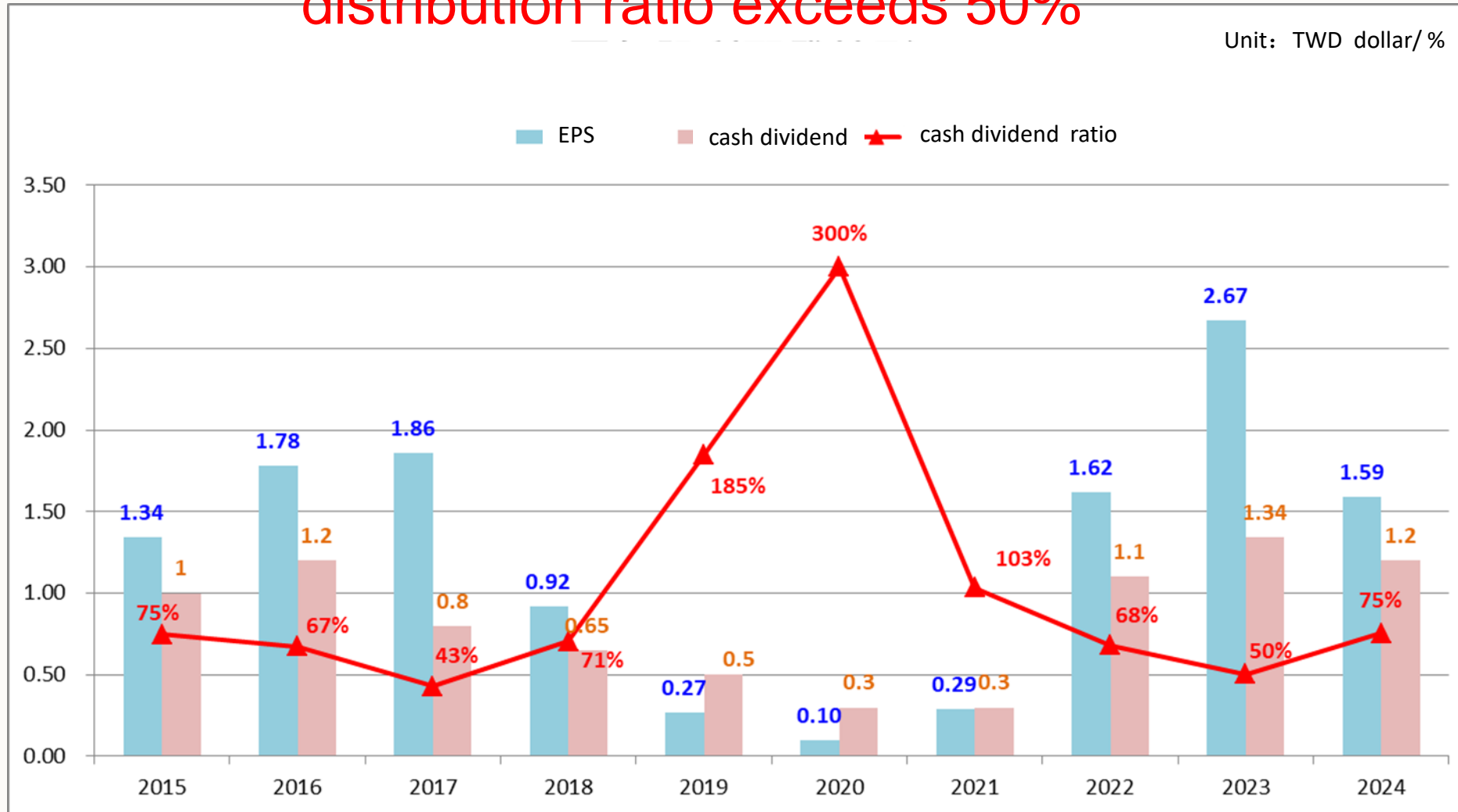


The 10th Round (2023) Corporate Governance Evaluation

- All listed companies TOP 66% to 80%
- The market value under NT\$5 Billion TOP 21% to 40%

Dividend distribution situation

➤ The average cash dividend distribution ratio exceeds 50%



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>