



# Annual & Quarterly Report of Major Fastener Plants in Emerging Nations

compiled by Dean Tseng, Fastener World, Inc.

## Malaysian TONG HERR RESOURCES BERHAD **TONG**

(Unit: USD)

	2012	2011	YOY
Revenue	152	188	-19.1%
Pre-tax Profit	9.194	15.124	-39.2%
Net Asset	122	125	-2.4%

TONG HERR RESOURCES BERHAD, branch of Taiwan TONG HWEI Enterprise, released its 2012 annual report. The company analyzed that the drop of revenue and profit was due to the impact of EU investigation and circumvention measures in the second half of 2012. Despite that, the company still holds a positive view for this year, stating that the Myanmar branch launched in Q1 as well as the Thailand branch launched in Q2 will together enlarge capacity and product range. In addition, EU has terminated the anti-dumping investigation on Malaysia and Thailand, and subsequently the company forecasts that its sales in the European fastener market will turn stable and its profit will return to the satisfactory level.

## Brazilian FIBAM REFERENCIA EM FIXADORES



The Company is a pioneer in producing metal fasteners for the auto parts and construction industry. Committed to advanced manufacturing technology and quality, the company is one of the industry leaders in Latin America and exports to global continents.

FIBAM INDUSTRIAL COMPANY 2012 Result(R \$ thousand)			
	2012	2011	YOY
Operating Revenue	109,358	122,798	-10.94%
Gross Profit	19,179	23,572	-18.63%
Product Sales	139,315	157,150	-11.34%

FIBAM INDUSTRIAL COMPANY 2013 Q1 Result(R \$ thousand)			
	2013	2012	YOY
Net Operating Revenues	25,082	27,172	-7.69%
Gross Profit	4,004	3,175	26.00%
Net Income	1,340	2,966	-54.82%

Slight recovery of industry performance resulting in increased production in 2013 Q1 compared to 2012 Q1.

### Message From The Management

The year 2012 was full of challenges for the Brazilian automotive industry. While waiting for answers about the uncertainties and threats originating from rich countries such as the slow recovery of the U.S. economy and worsening European crisis, the domestic market recorded decline in industrial production and frustration with the GDP performance. Nevertheless, it lived with continuing inflationary pressure and rise in the dollar against the real. For 2013, we believe in a gradual resumption of growth in the numbers production units.

## Korean TSM TECH CO., LTD



TSM TECH is the only titanium bolts/nuts manufacturer in Korea. The company's financial report for the year 2012 is arranged as the table on the right.

(Unit: Million USD)

Year	2010	2011	2012
Sales Revenue	219.94	275.88 (up 0.25%)	288.93 (up 4.73%)
Gross Profit	34.17	41.03 (up 20.07%)	43.60 (up 6.26%)
Total Comprehensive Income	0.96	7.72 (up 7 fold)	1.35 (down 82.5%)

## Korean KPF



### (1) 2012 Year Result

(Unit: \$ million)

	2012	2011	2010
Sales	277.6	247.3	185.3
Gross Profit	40.6	34.6	26.5
Net Income	10.9	10.1	17.2

### (2) 2013 Q1 Result

Sales and profit of the fastener division started to drop in Q3 2012, while sales of the auto parts division remained comparatively stable. Although the revenue of 2013 Q1 dropped, the company has made good preparations for expansion of clients' orders and turnaround for the headquarters and overseas branches.

### Sales & Business Condition

(Unit: KRW billion)

Quarter	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1
Revenue	728	745	659	643	635
Gross profit (Gross profit Margin, %)	109 (15.0%)	122 (16.4%)	82 (12.4%)	93 (14.4%)	61 (9.6%)
Operating Margin (Operating Margin, %)	63 (8.6%)	75 (10.1%)	24 (3.6%)	50 (7.8%)	8.3 (1.3%)

### (3) 2013 Q2 Result

	Company	Div	`12(A)	`13 1Q(A)	`13 2Q(E)	`13 3Q(E)	`13 4Q(E)	`13(E)	%	
Sales	HQ	Fasteners	1,495.9	298.3	350.2	367.7	367.7	1,383.8	-7.5%	
		Automotive parts	1,279.8	336.4	394.9	414.6	414.6	1,560.4	21.9%	
		Subtotal	2,775.7	634.7	745.0	782.3	782.3	2,944.2	6.1%	
		Vietnam	Fasteners	146.5	77.0	99.5	109.5	109.5	395.5	170.0%
		Espanoa	Automotive parts	223.4	79.5	93.4	98.0	102.9	373.9	67.0%
		Jinan	Automotive parts				17.3	26.0	43.3	
		<b>Total</b>	<b>3,145.6</b>	<b>791.2</b>	<b>937.9</b>	<b>1,007.1</b>	<b>1,020.7</b>	<b>3,756.9</b>	<b>19.4%</b>	
OP	HQ		212.0	8.3	55.9	58.7	58.7	181.5	-14.4%	
	Vietnam		-28.3	(6.4)	(3.4)	1.0	1.0	(7.8)		
	Espanoa		-48.3	(7.5)		4.4	4.4	1.3		
	Jinan		-9.1	(5.8)	(5.8)	(4.6)	1.0	(15.2)		
		<b>Total</b>	<b>126.3</b>	<b>-11.4</b>	<b>46.7</b>	<b>59.4</b>	<b>65.1</b>	<b>159.8</b>	<b>26.5%</b>	
OPM		%	4.0%	-1.4%	5.0%	5.9%	6.4%	4.3%		

## Indian Sundram Fasteners

Improved market conditions resulted in higher sales in all the units of the company. Steady rise in demand for the Company's products resulted in additional investments in working capital. The company made substantial investments in creation of capacities for new products and additional capacities for manufacture of existing products to meet projected demand from domestic and international customers.



## Sundram Fasteners Limited

(Unit: USD)

	2012	2011	YOY
Revenue	363.3	304.6	19.2%
Pre-tax Profit	26.40	24.20	+9.0%
Net Profit	18.89	17.69	+6.0%

## Indian Panchmahal Steel Limited

(Unit: USD)



	2012	2011	YOY
Revenue	58.3	77.9	-26.5%
Pre-tax Profit	0.881	1.408	-37.25%
Net Profit	0.628	0.959	-34.7%

The current business environment is difficult and challenging on account of the overall global slowdown and also the weak investment climate and slowing the Indian economy. The high volatility in the exchange rate further adds the uncertainties of business. However, the company endeavors to remain competitive & improve operations and the management is confident of the future growth of the company.

## Malaysian CHIN WELL HOLDINGS BERHAD

The year under review began positively, as the landmark ruling by the European Union (EU) validated Chin Well's position as one of the eight companies regarded as a genuine fastener manufacturer and exporter in Malaysia. The Group's fastener exports to the EU were therefore exempted from tariffs of up to 85%. Undoubtedly, this resulted in the Group enjoying tremendous leverage in the sector.

The first half of FY2012 still witnessed pockets of growth in selected EU countries, such as Germany and Netherlands where the public sector still implemented housing and infrastructure projects. Nonetheless, the general global sentiment turned cautious in the second half of the year, on account of the prolonged EU crisis. The trend of sales orders tended to be for smaller quantities with urgent delivery deadlines, indicating that the fasteners were primarily for maintenance and replacement, rather than new expansion.

### Future Strategy

We target to supply our fasteners to more Do-It-Yourself customers. We believe that our prior experience in serving this niche market through our Vietnam operations provides us the necessary experience and capability to broaden our clientele in this sector going forward.



(Unit: USD)

	2012	2011	YOY
Revenue	157	157	0%
Pre-tax Profit	22.06	16.01	+37.7%
Net Profit	14.91	11.12	+34.1%

## Korean PUNG KANG CO., LTD.

(Unit: Million USD)



	39th (semi-) 2013.2	38th 2012.8	37th 2011.8	36th 2010.8
Revenue	38.89 (down 50.3%)	78.27 (up 14%)	68.61 (up 20.2%)	57.04
Gross Profit	5.34 (down 56.8%)	12.37 (up 10.44%)	11.20 (up 48.5%)	7.54
Operating Profit	1.08 (down 74.8%)	4.29 (up 5.66%)	4.06 (up 55.5%)	2.61
Net Profit	1.99 (down 62.5%)	5.31 (up 37.56%)	3.86 (up 37.5%)	1.90