

# Congrats! Sheh Fung Stocks to be Officially Traded Over the Counter



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With Fubon Financial as its securities underwriter, Sheh Fung Screws held its sales results announcement conference on March 22 and announced that its stocks would be officially traded over the counter by the end of April. Sheh Fung Screws Co., Ltd. was established in 1973 and more than 85% of its revenue comes from screws, which are all custom-made. It has over 100 customers mainly located in Americas, Europe, the Oceania, Asia and Taiwan. Its products are mainly for construction, outdoors and home improvements & DIY applications.

Sheh Fung's products are mostly for export to USA, Europe, Australia and the Middle East. With the year-on-year GDP growth in emerging markets like Thailand, India and Indonesia, the demand from the construction industry is likely to increase. Hence, in addition to maintaining good relationships with existing customers, Sheh Fung is also actively expanding business to these emerging markets and has successfully gained a lot of new customers and shipping products to them continuously. "The manufacturing procedures of a screw include heading, forming, threading in the preliminary phase and heat

treating, plating, coating, painting, packaging and many other processes. Sheh Fung has our own unique niche to integrate all manufacturing procedures into one line, making us able to ensure good quality and lead times control and being the strongest backup to our sales colleagues to accept more orders. That is why Sheh Fung has been admired by our customers worldwide. Moreover, our new factory has been officially completed and operational since 2015, giving us more capabilities to satisfy what our customers really need," General Manager Kent Chen said.

"Sheh Fung is a company with over 40 years of history and has stable partnership with our loyal customers. For years, we have paid much of our attention to making the quality, lead times, and functions of those custom-made screws satisfying to our customers. Such long-term collaboration has established mutual trust between Sheh Fung and our customers on screw quality. This is why our top 10 customers keep coming to us for solutions in the past 3 years. Thus far Sheh Fung has installed 2 automatic inventory systems, robotic arms for packaging, unmanned part moving vehicles, SAP, Manufacturing Execution System (MES), production monitoring system and Dynamical Decision System (DDS). We are active in promoting intelligent manufacturing and management, in order to be the robust supporting force behind global buyers," General Manager Ken Chen added.



Looking forward, Sheh Fung will continue to establish better relationships with existing customers and will seek more customers that can strengthen its niche in the market. Within 3-year effort, Sheh Fung has successfully won the orders from U.S. distributors and completed shipments. It has also expanded its business to Southeast Asian countries and successfully gained orders from Thailand and India. Sheh Fung expects to continuously achieve better operating results and improve manufacturing procedures to effectively reduce cost, in order to create more ROI for its shareholders in the long term.

The revenue of Sheh Fung in 2016 was NTD 1,118 million, with a gross margin of 17.57%, higher than 2014's or 2015's record. Thanks to the gradually increasing manufacturing efficiency of its Mitou-based factory, its operating profit is also on the rise year after year. Moreover, its net profit after tax in 2016 showed a growth of 63.91%, with the EPS of NTD 3.04, demonstrating a steady growth in both operating performance and operating profit.

With 40 years of company history, Sheh Fung's management has been taken over by the 2nd generation- General Manager Kent Chen, who has brought several new ideas into the business running of the company. General Manager Kent Chen, as a new generation being quite active in the fastener industry, brings advantages to the company, customers and employees with his highly efficient management style. After its stocks are officially traded over the counter, Sheh Fung definitely will become a shiny star in the fastener industry.

