

KMC Investor Report

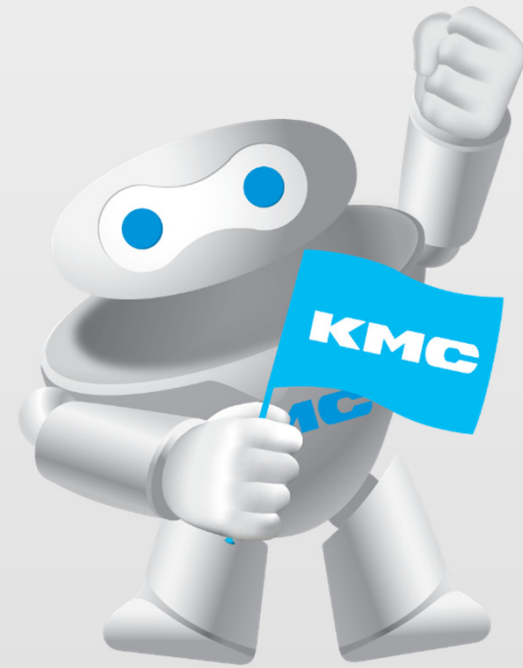
May, 2016

This meeting may contain forward-looking statements with respect to the financial condition, results of operations and business of the company. These forward-looking statements represent the company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed. Certain statements, such as those that include the words "potential" , "estimated" , and similar expressions or variations on such expressions may be considered "forward-looking statements" . Financial numbers in this report may include preliminary unaudited numbers or management accounts.

Agenda

- ◆ KMC Group
- ◆ Pursuit of Excellence
- ◆ Integration & Development plans
- ◆ Financial Summary

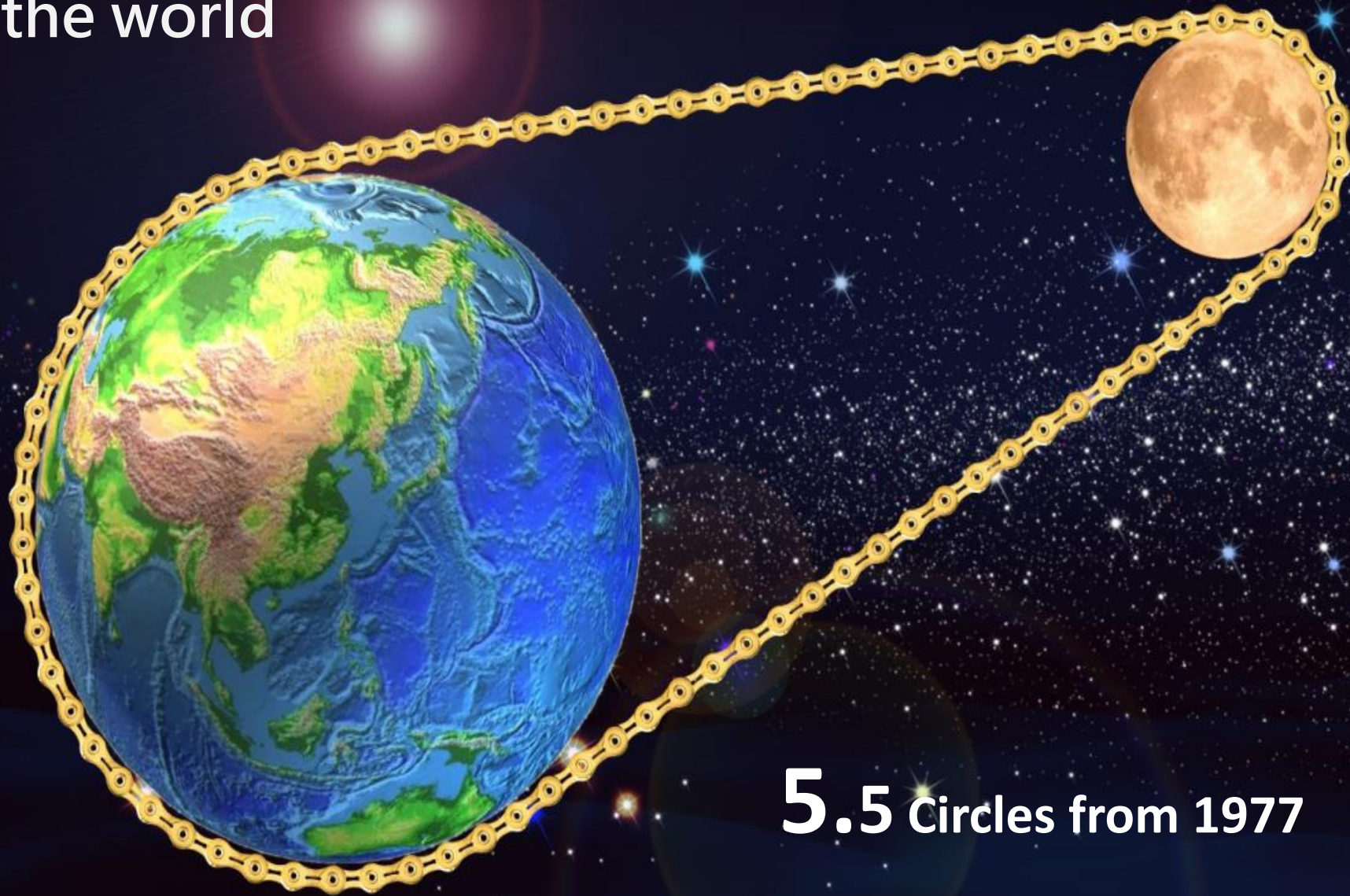
KMC Group



The Pursuit of Perfection

The foundation of KMC was initiated in 1977 with the purchase of several second-hand chain manufacturing machines by KMC founder, Charles Wu. At that time, it was the smallest chain manufacturer in the world, but with Charles determination and professionalism coupled with superior manufacturing processes ,KMC quickly became the market leader in chains.

KMC is the Largest chain manufacturer
in the world



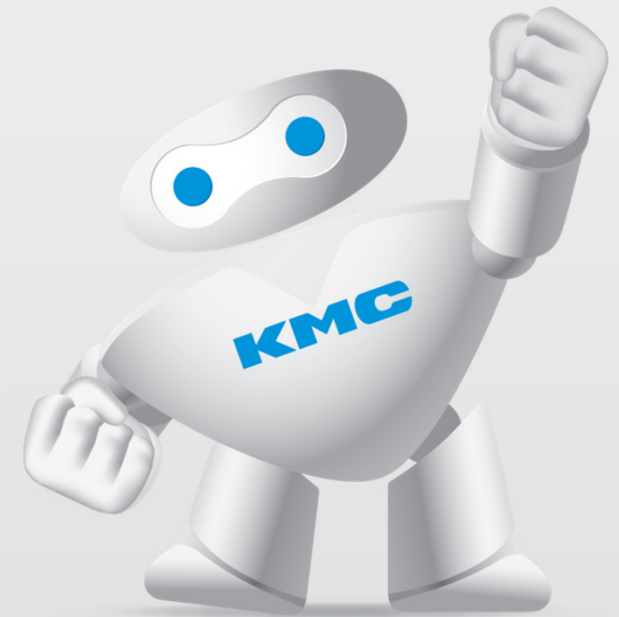
5.5 Circles from 1977

Milestone



Global Distribution, KMC reaches over 130 countries in 13 languages





Pursuit of Excellence

Integration in Core Technology

Key Technology :

- 1) Link and Structure Design
- 2) Premium Coating and Heating Process

Precise Mold



KMC
Champion
Chain

Unique KMC Chain



最高小軸嵌合力
Highest Pin Power

KMC 黃金鍍鈦塗層
KMC Titanium Nitride Coating

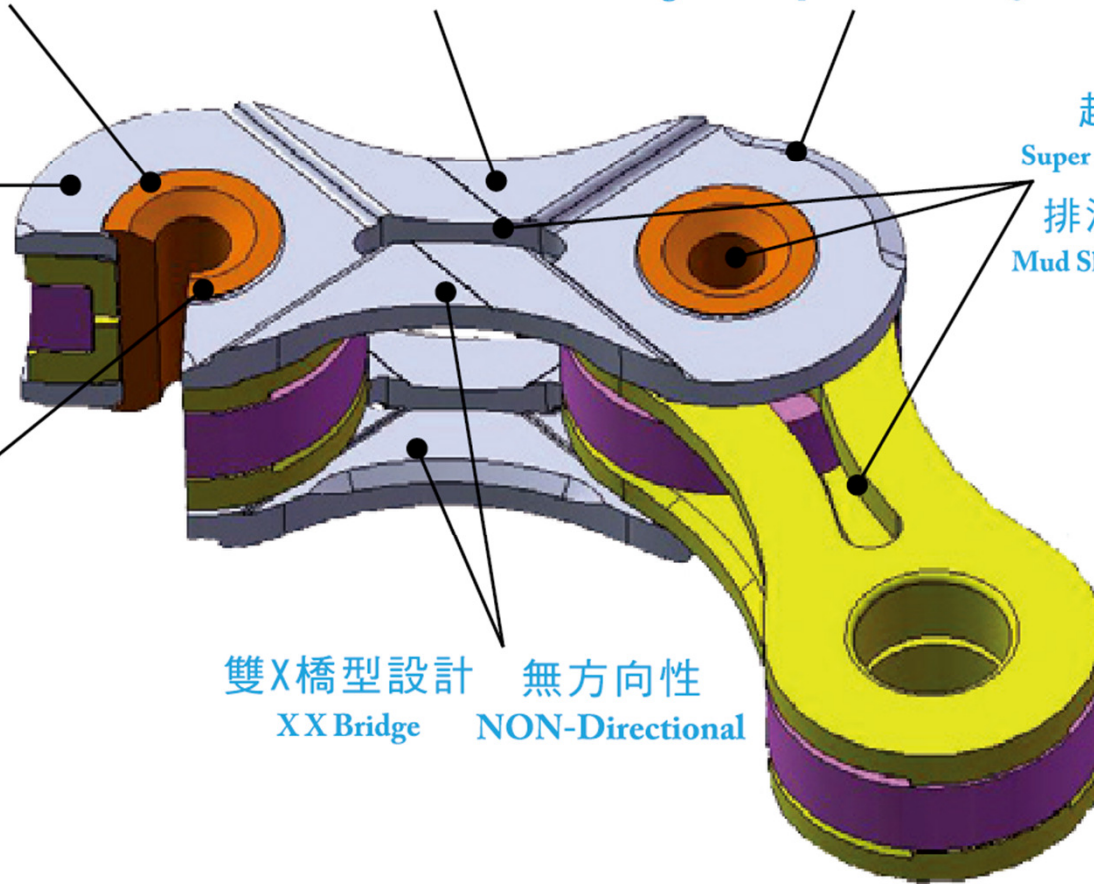
最佳導角設計
Optimal Chamfering

高剛性
High Rigidity

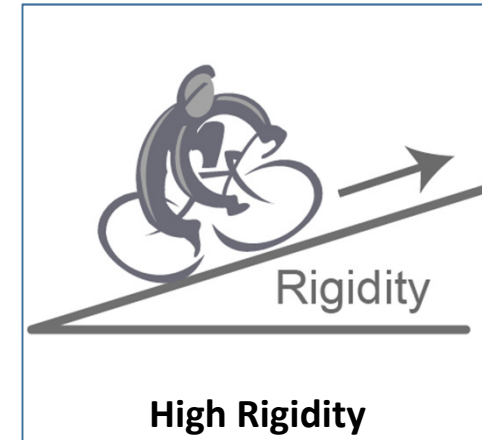
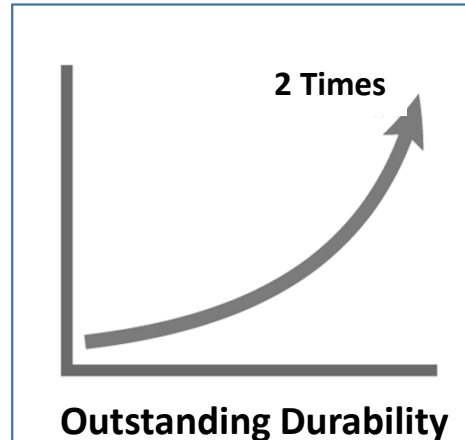
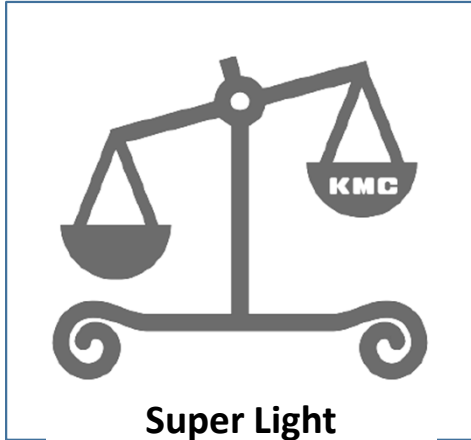
超輕量
Super Light Weight
排泥孔設計
Mud Shedding Design

超強耐磨耗
XX Durability

雙X橋型設計 無方向性
XX Bridge NON-Directional

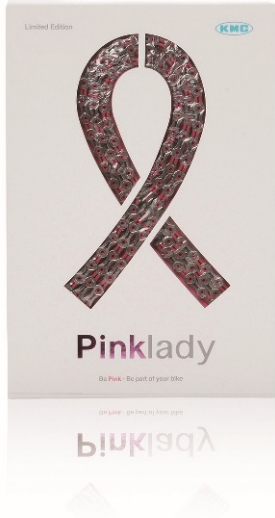


Why KMC Chain ?





11 iF Awards in 8 Consecutive Years
 5 Red Dot Awards in 3 years
 3 Taiwan Excellence Awards in 6 years



KMC Sponsored Top Riders and Teams



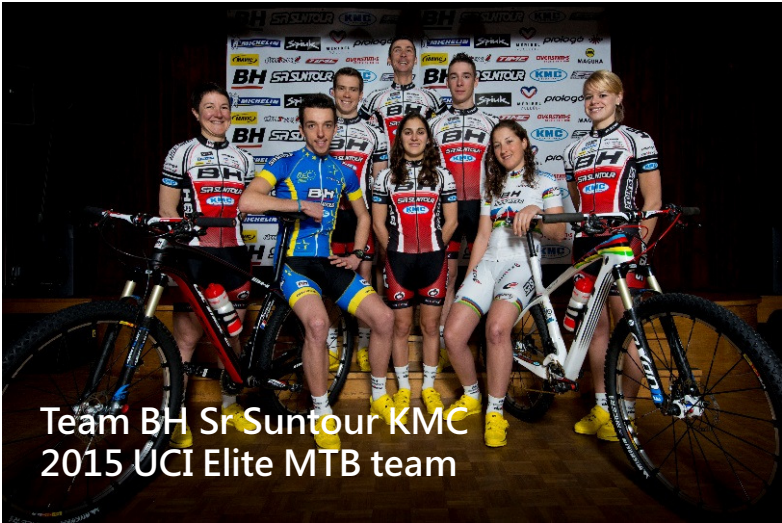
London Olympics MTB Gold & Silver Medal
 London Olympics BMX Gold Medal
 Beijing Olympics MTB Gold Medal



Team MTN Qhubeka
 Le Tour de France 2015



Caja Rural - Seguros RGA
 Vuelta a Espana 2014 & 2015



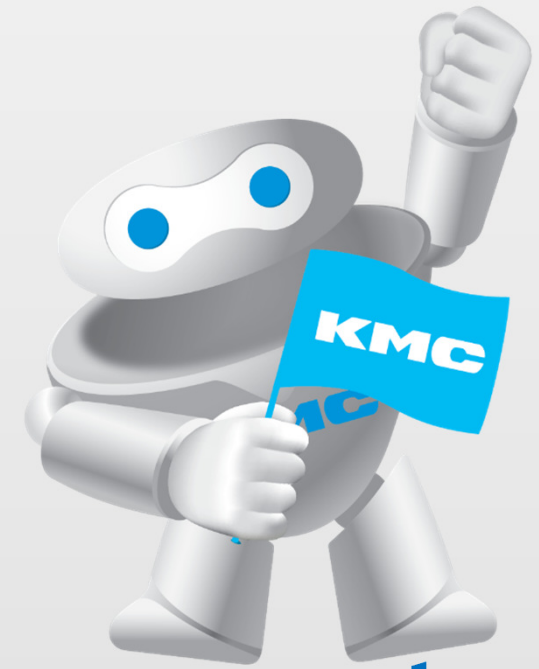
Team BH Sr Suntour KMC
 2015 UCI Elite MTB team

CSR

KMC cooperates with many cycling associations to promote cycling culture and sports.

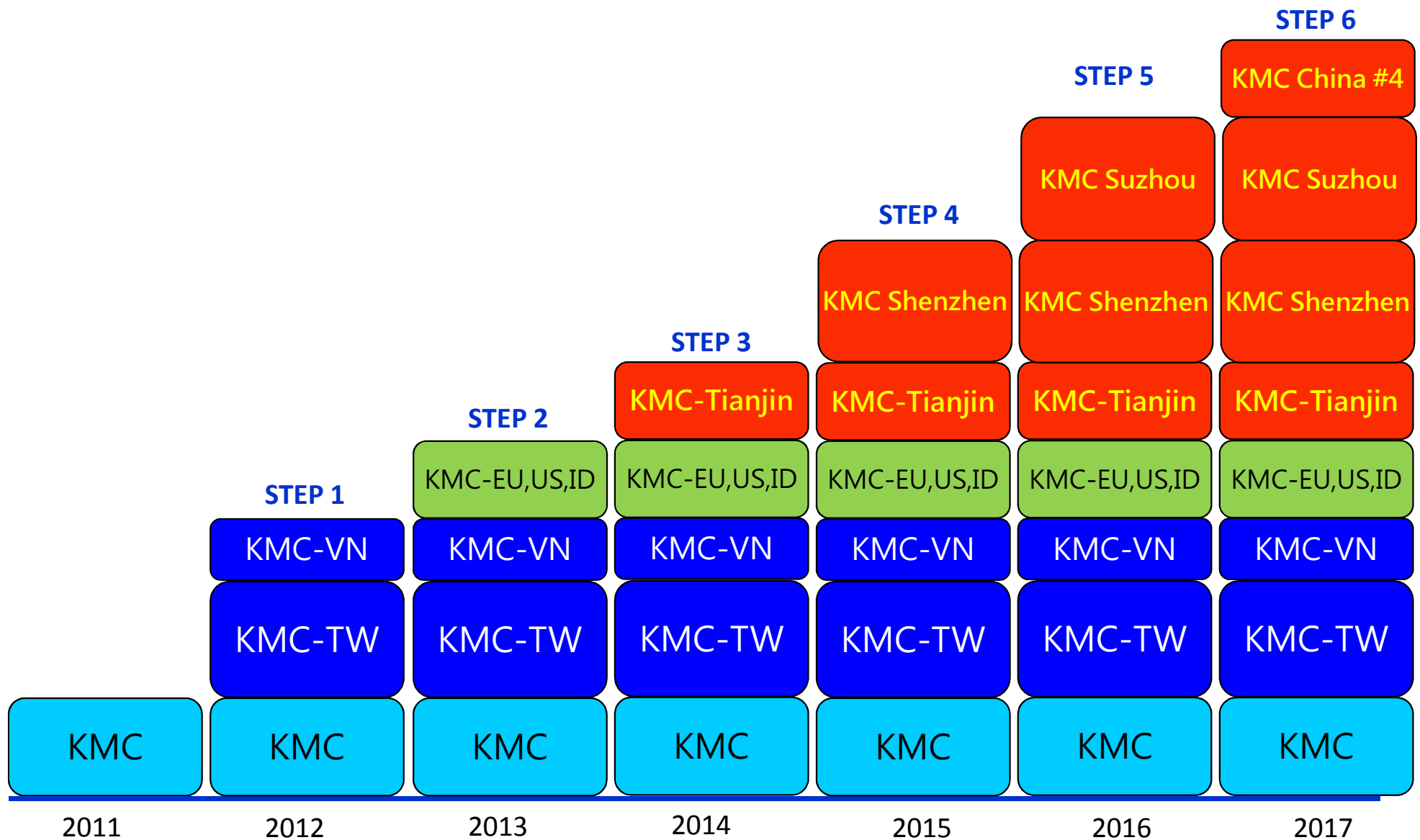
- Dream-Maker
- Young Rider Training
- Elderly Physical Fitness Detection
- School Community Sponsorship
- Love Cycling
- Taiwanese Cycling Team Sponsorship
- Bicycle Knowledge Propagation





Integration & Development plans

Integration plans



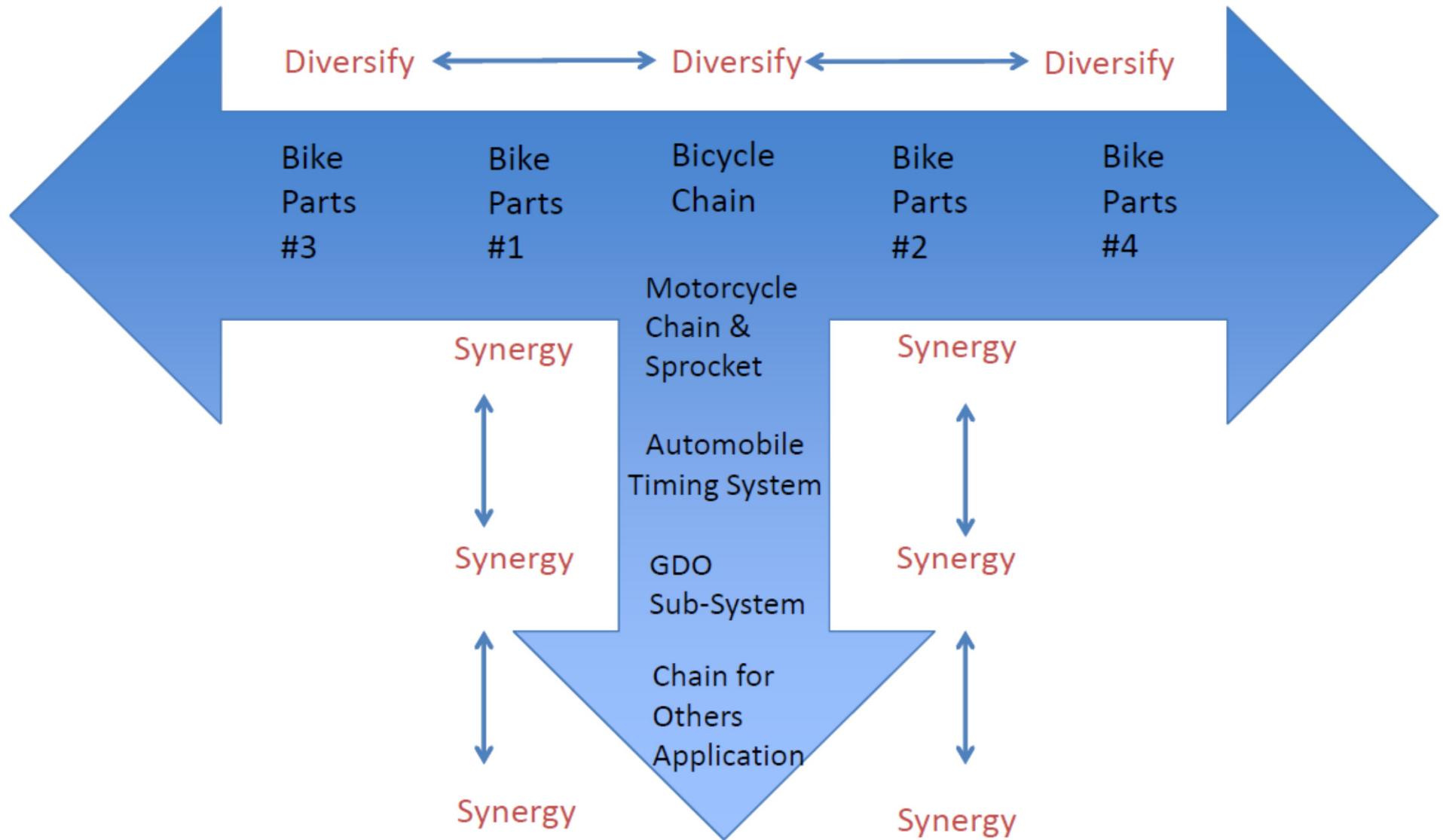
Prior Acquisition

新台幣百萬元/ unit in NT\$ million

年度 (Year)	被收購公司 (Target Company)	收購價格 (Purchase Price)	收購價對淨值比 (PB Ratio)	本益比 (PE Ratio)
FY12	台灣桂盟 / 越南桂盟 (KMC Taiwan & Vietnam)	1,000	1.7	6.1
FY13	歐洲/美國桂盟 & 印尼桂盟 (KMC Europe/ USA and KMC Indonesia)	400	1.5	7.8
FY14	天津桂盟 (KMC Tianjin)	800	1.7	8.9
FY15	深圳桂盟 (KMC Shenzhen)	2,950	1.5	8.9
FY16	蘇州桂盟* (KMC Suzhou)	1,600	1.7	8.9

*2016年第3季併入 (consolidated in 3Q16)

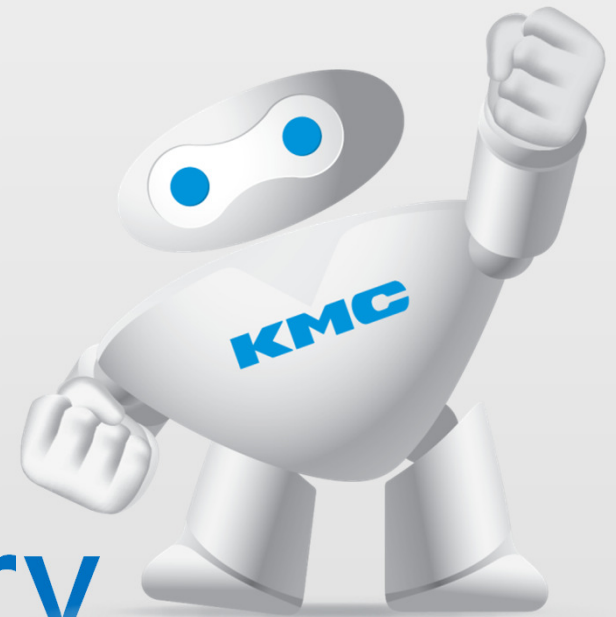
Development Plan



Operating Objects

- ◆ Continuously improve product mix
- ◆ Enhance in After Market business and Brand
- ◆ Application of Industry 4.0
- ◆ Organization Restructure for strengthening operation
- ◆ Co-work with strategy partner in Bicycle components and accessories

Financial Summary



Consolidated Balance Sheet

合併資產負債表 Consolidated Balance Sheet (Audited)

新台幣百萬元/Unit:NT\$ million

		FY11		FY12		FY13		FY14		FY15		1Q16	
		經營層改組		收購台灣/越南桂盟		收購歐美印桂盟		收購天津桂盟		收購深圳桂盟			
		Backdoor-listing		KMC-Taiwan/Vietnam consolidated		KMC-EU&US&ID consolidated		KMC-Tainjin consolidated		KMC-Shenzen consolidated			
現金及約當現金	Cash and cash equivalents	830	88%	395	20%	681	26%	900	26%	1,560	22%	1,762	24%
其他流動資產	Other current assets	92	10%	670	34%	840	32%	1,012	29%	1,520	22%	1,482	20%
固定資產	Fixed assets	2	0%	514	26%	486	19%	824	23%	2,476	36%	2,448	34%
其他資產	Other assets	15	2%	382	19%	584	23%	772	22%	1,412	20%	1,568	22%
資產總計	Total Assets	939	100%	1,961	100%	2,592	100%	3,508	100%	6,969	100%	7,260	100%
銀行借款	Loan from bank	0	0%	341	17%	708	27%	586	17%	1,249	18%	1,980	27%
其他及長期負債	Other liabilities	76	8%	499	25%	385	15%	657	19%	1,713	25%	1,111	15%
負債合計	Total Liabilities	76	8%	841	43%	1,093	42%	1,244	35%	2,962	43%	3,091	43%
股本	Capital	1,030	110%	1,030	53%	1,056	41%	1,092	31%	1,200	17%	1,200	17%
保留盈餘及其他	Retained Earnings	(168)	-18%	90	5%	443	17%	1,173	33%	2,807	40%	2,969	41%
股東權益合計	Total Equity	862	92%	1,120	57%	1,499	58%	2,265	65%	4,007	57%	4,169	57%
負債及股東權益總計	Liabilities and Equity	939	100%	1,961	100%	2,592	100%	3,508	100%	6,969	100%	7,260	100%

Consolidated Income Statement

合併損益表 Consolidated Income Statement (Audited)

新台幣百萬元/Unit:NT\$ million

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		Backdoor-listing		KMC-Taiwan/Vietnam consolidated		KMC-EU&US&ID consolidated		KMC-Tainjin consolidated		KMC-Shenzen consolidated			
營業收入	Net Sales	173	100%	1,353	100%	2,092	100%	2,780	100%	3,374	100%	954	100%
營業毛利	Gross Profit	22	13%	384	28%	645	31%	948	34%	1,298	38%	402	42%
營業利益	Operating Profit	(30)	-18%	248	18%	403	19%	537	19%	753	22%	237	25%
淨利	Net Income	2	1%	257	19%	378	18%	462	17%	700	21%	189	20%
每股盈餘	EPS(NT Dollars)	0.02		2.49		3.76		4.31		6.22		1.58	

Contact IR Team

For more information or to provide feedback on our investor relation, please contact at

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or ir@kmc-international.com



KMC 桂盟

The Largest Chain Manufacturer In The World