

# KMC Investor Report

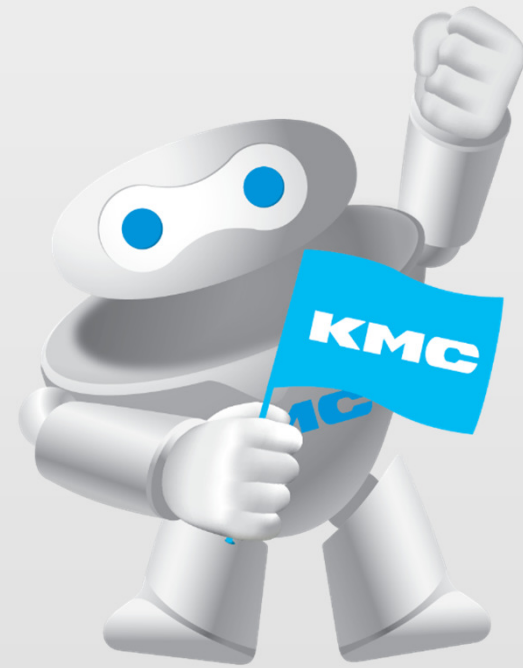
August, 2016

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

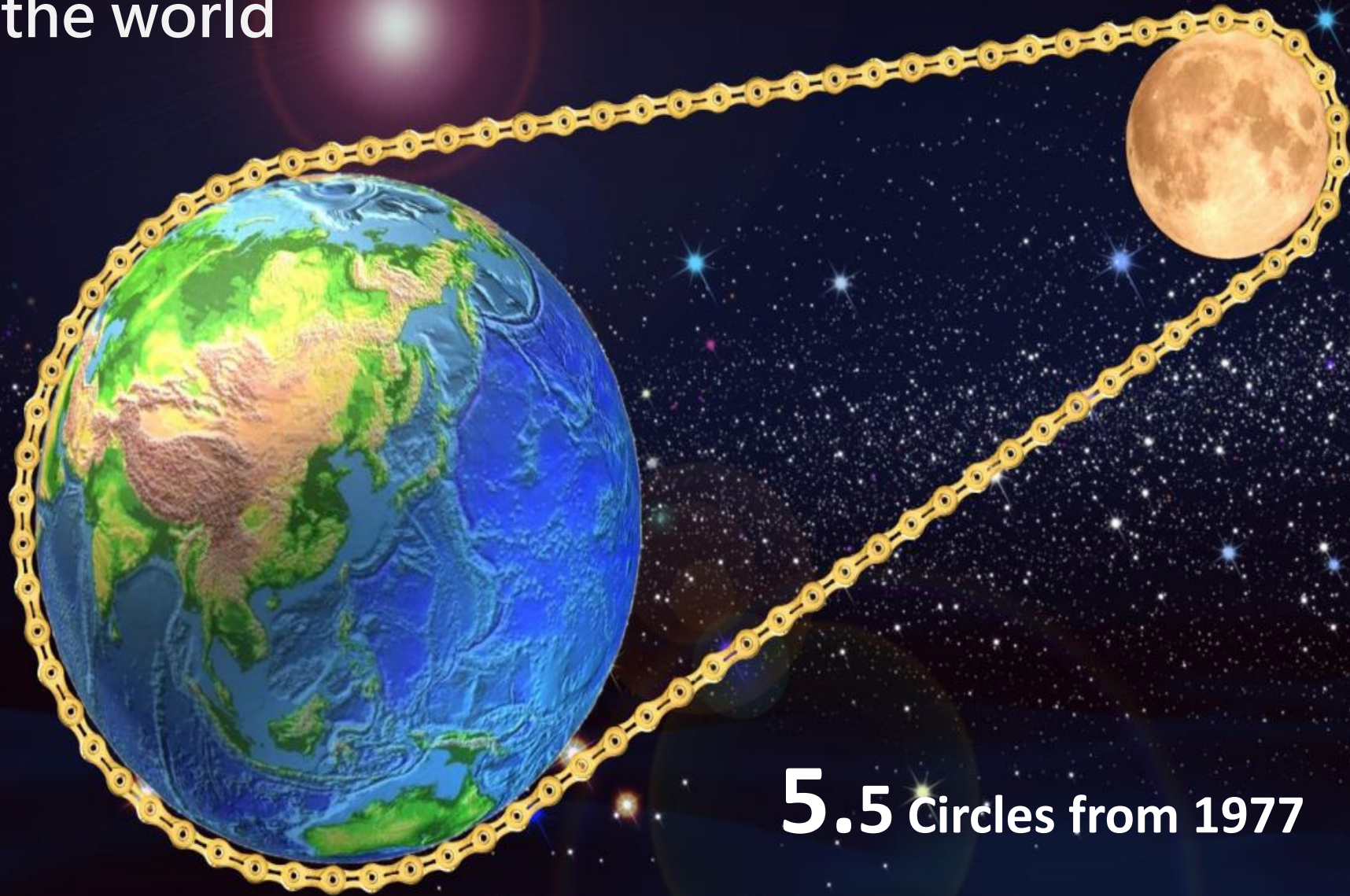
# KMC Group



# 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

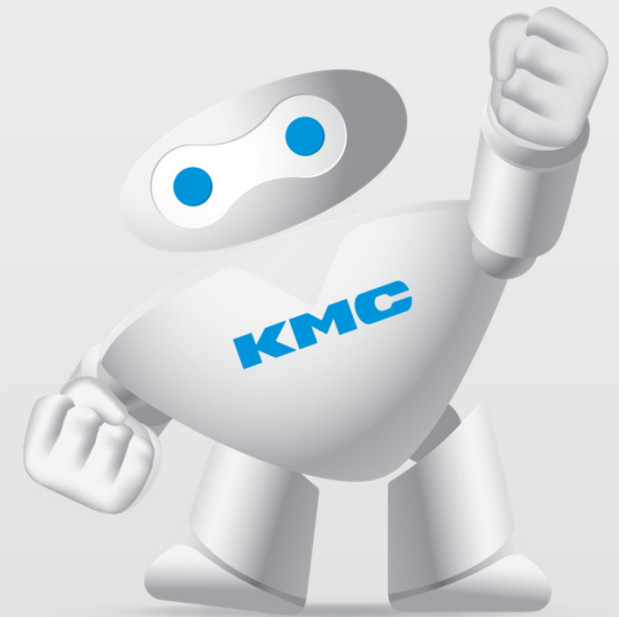
# Milestone



# 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

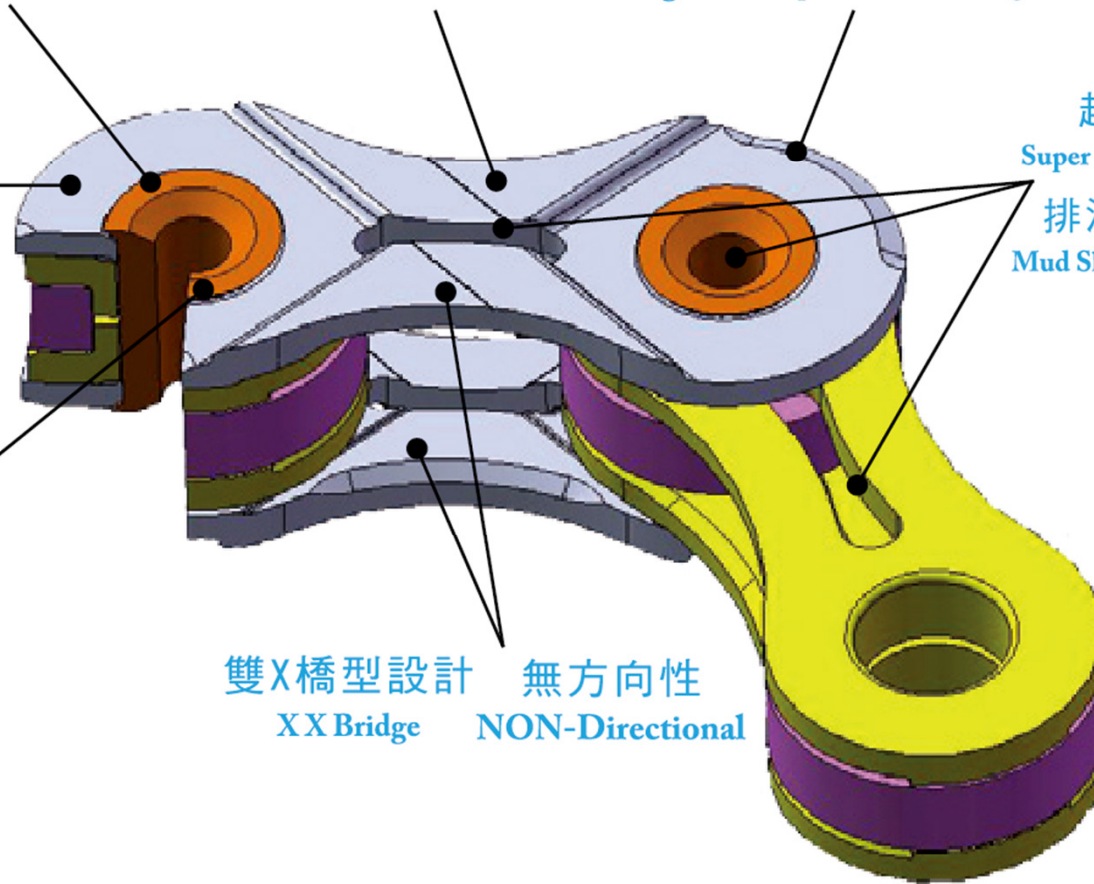
高剛性  
High Rigidity

超輕量  
Super Light Weight

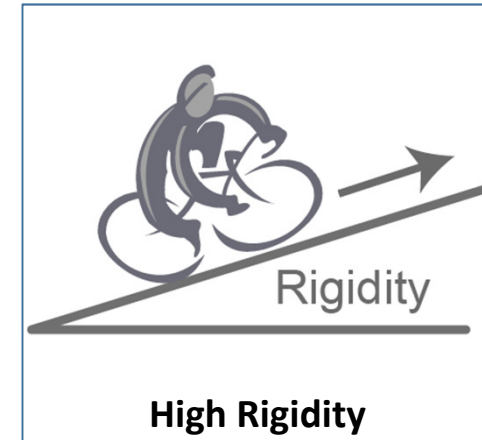
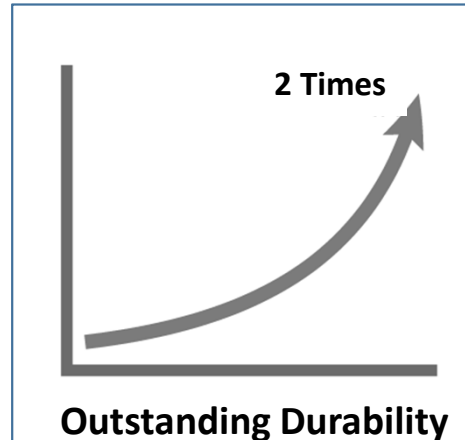
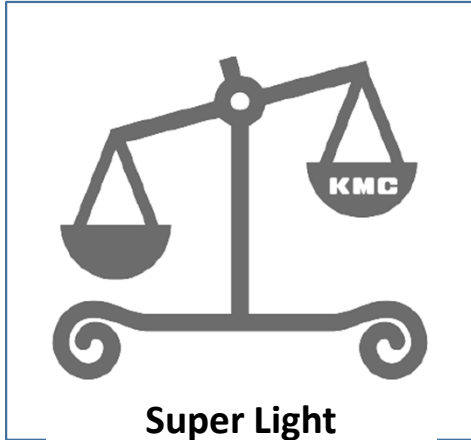
排泥孔設計  
Mud Shedding Design

超強耐磨耗  
XX Durability

雙X橋型設計 無方向性  
XX Bridge NON-Directional

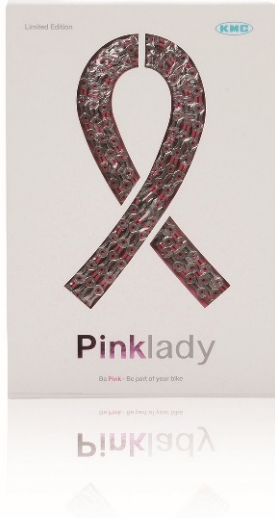


# Why KMC Chain ?





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



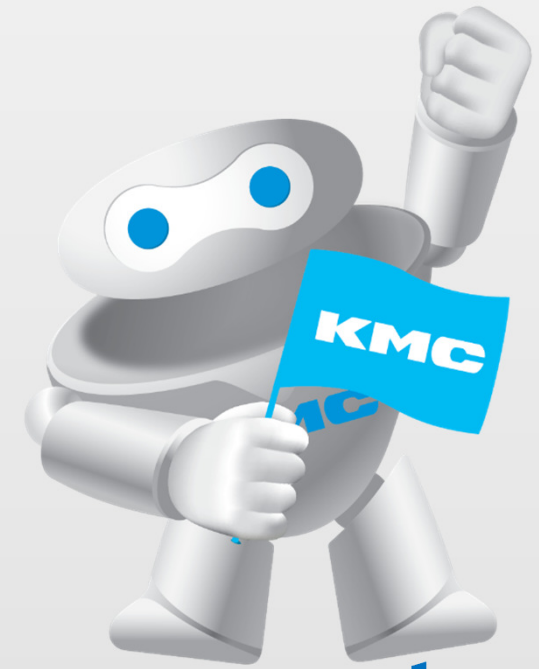
Team BH Sr Suntour KMC  
 2015 UCI Elite MTB team

# 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

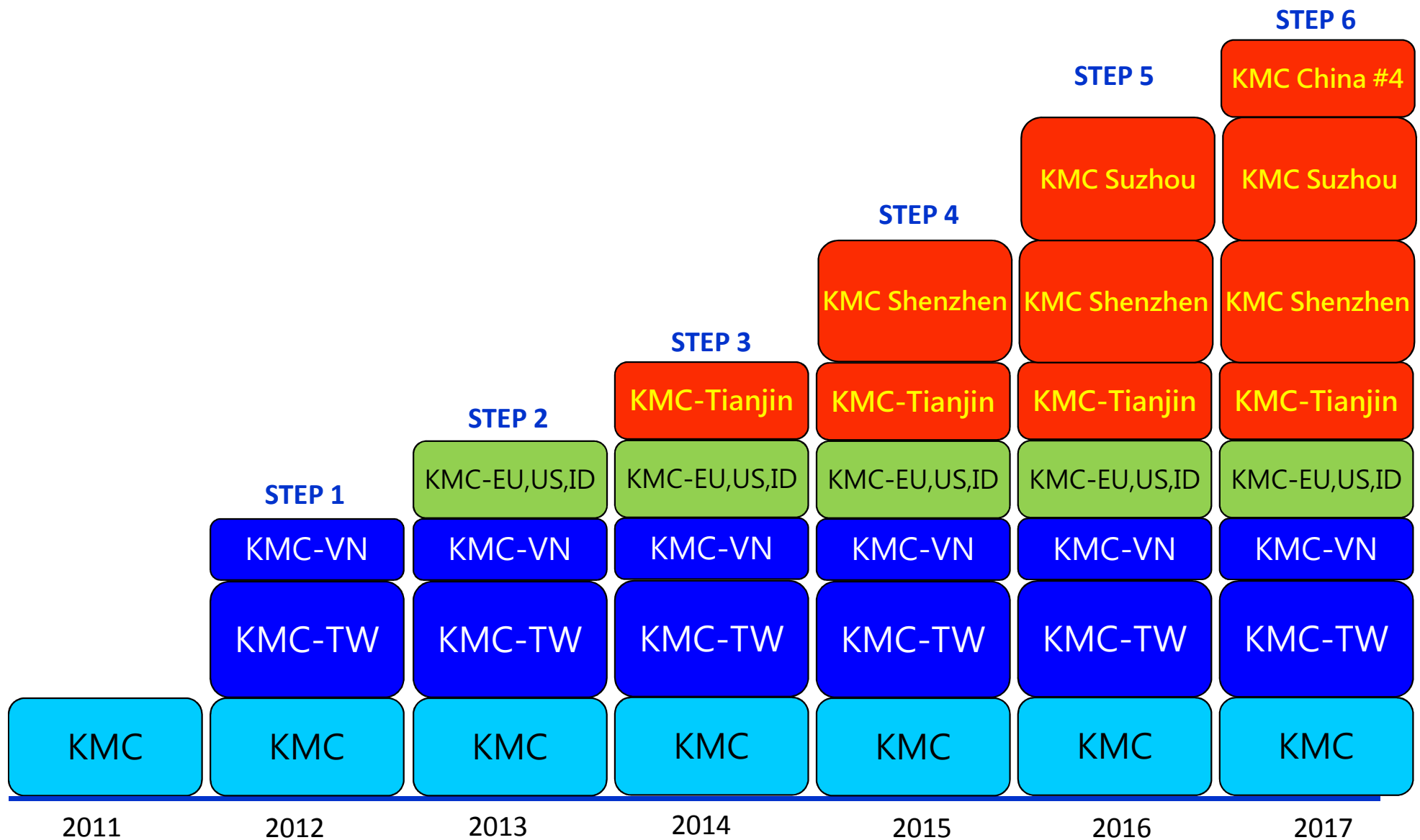




# Integration & Development plans



# Integration plans



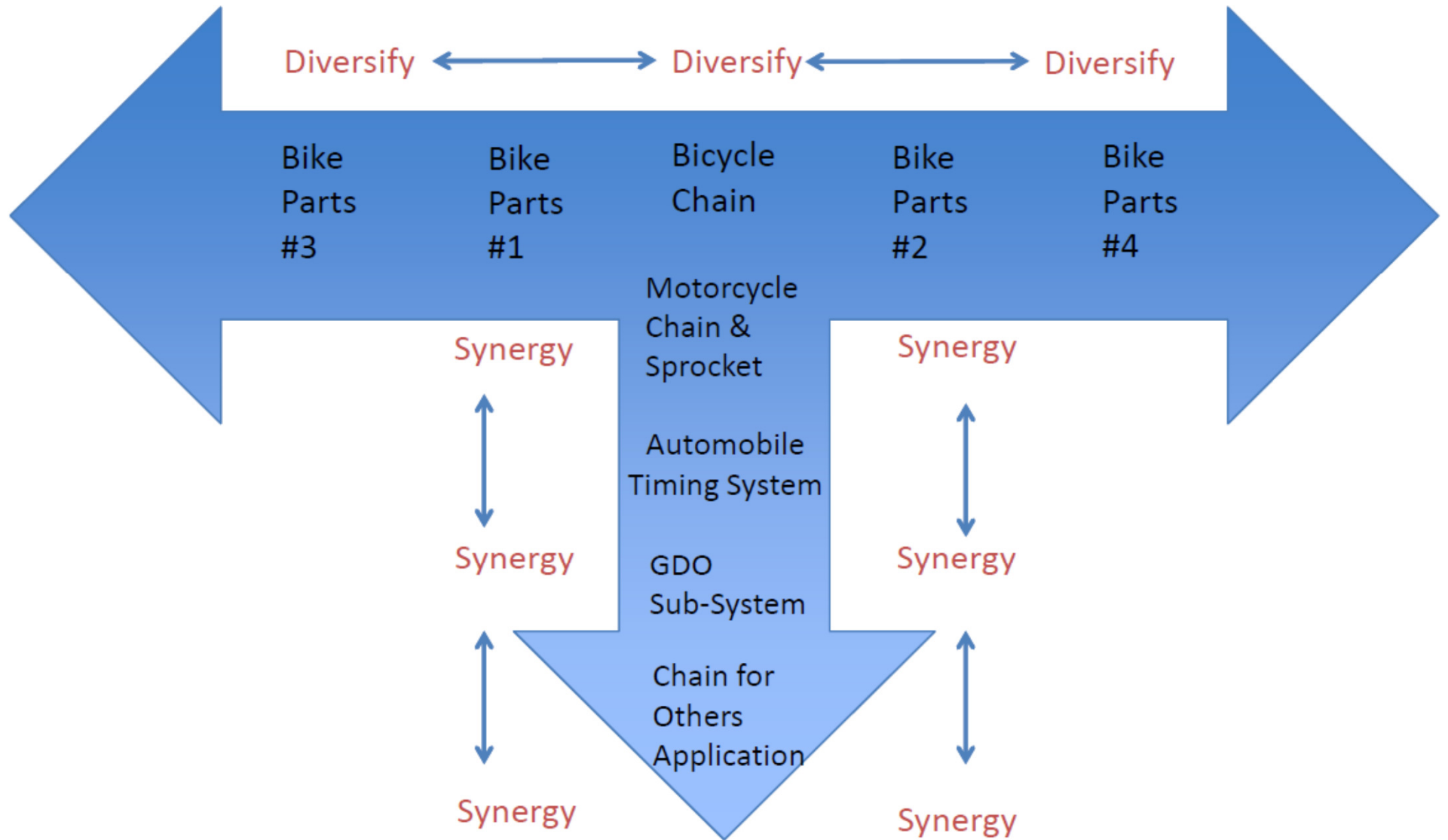
# Prior Acquisition

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)

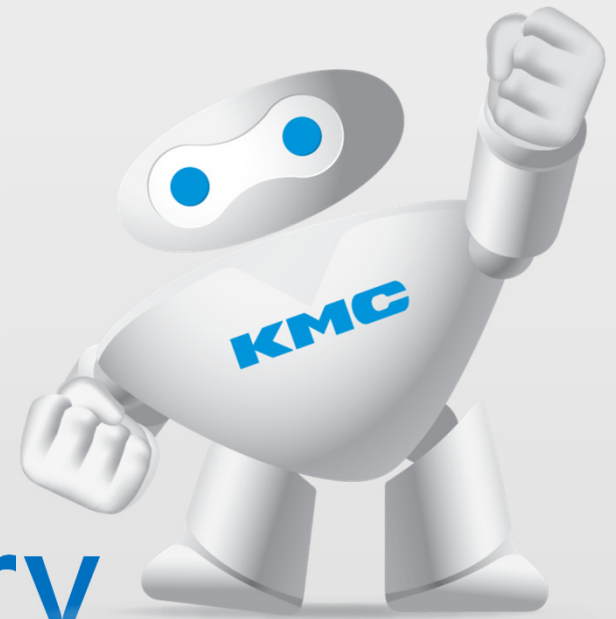
# Development Plan



# 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		1H16	
		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%	2,143	28%
其他流動資產	Other current assets	92	10%	670	34%	840	32%	1,012	29%	1,520	22%	1,526	20%
固定資產	Fixed assets	2	0%	514	26%	486	19%	824	23%	2,476	36%	2,383	31%
其他資產	Other assets	15	2%	382	19%	584	23%	772	22%	1,412	20%	1,533	20%
<b>資產總計</b>	<b>Total Assets</b>	<b>939</b>	<b>100%</b>	<b>1,961</b>	<b>100%</b>	<b>2,592</b>	<b>100%</b>	<b>3,508</b>	<b>100%</b>	<b>6,969</b>	<b>100%</b>	<b>7,585</b>	<b>100%</b>
銀行借款	Loan from bank	0	0%	341	17%	708	27%	586	17%	1,249	18%	2,248	30%
其他及長期負債	Other liabilities	76	8%	499	25%	385	15%	657	19%	1,713	25%	1,384	18%
負債合計	Total Liabilities	76	8%	841	43%	1,093	42%	1,244	35%	2,962	43%	3,632	48%
股本	Capital	1,030	110%	1,030	53%	1,056	41%	1,092	31%	1,200	17%	1,200	16%
保留盈餘及其他	Retained Earnings	(168)	-18%	90	5%	443	17%	1,173	33%	2,807	40%	2,752	36%
股東權益合計	Total Equity	862	92%	1,120	57%	1,499	58%	2,265	65%	4,007	57%	3,952	52%
<b>負債及股東權益總計</b>	<b>Liabilities and Equity</b>	<b>939</b>	<b>100%</b>	<b>1,961</b>	<b>100%</b>	<b>2,592</b>	<b>100%</b>	<b>3,508</b>	<b>100%</b>	<b>6,969</b>	<b>100%</b>	<b>7,585</b>	<b>100%</b>

# Consolidated Income Statement

合併損益表 Consolidated Income Statement (Audited)

新台幣百萬元/Unit:NT\$ million

		FY11		FY12		FY13		FY14		FY15		1H16	
		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			
營業收入	Net Sales	173	100%	1,353	100%	2,092	100%	2,780	100%	3,374	100%	1,890	100%
營業毛利	Gross Profit	22	13%	384	28%	645	31%	948	34%	1,298	38%	828	44%
營業利益	Operating Profit	(30)	-18%	248	18%	403	19%	537	19%	753	22%	517	27%
淨利	Net Income	2	1%	257	19%	378	18%	462	17%	700	21%	363	19%
每股盈餘	EPS(NT Dollars)	0.02		2.49		3.76		4.31		6.22		3.03	

# 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](mailto:ir@kmc-international.com)





# KMC 桂盟

The Largest Chain Manufacturer In The World