

KMC Investor Report

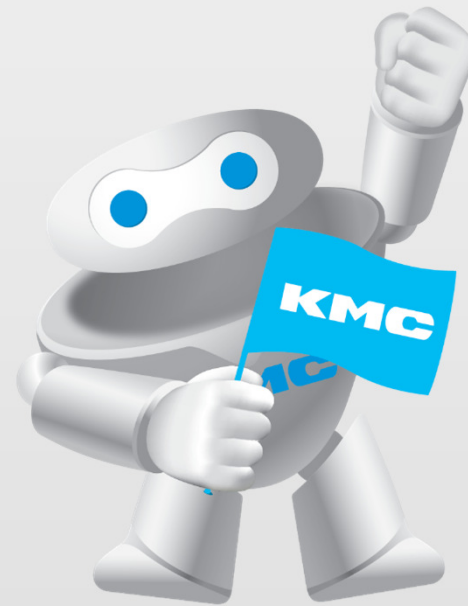
November, 2016

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

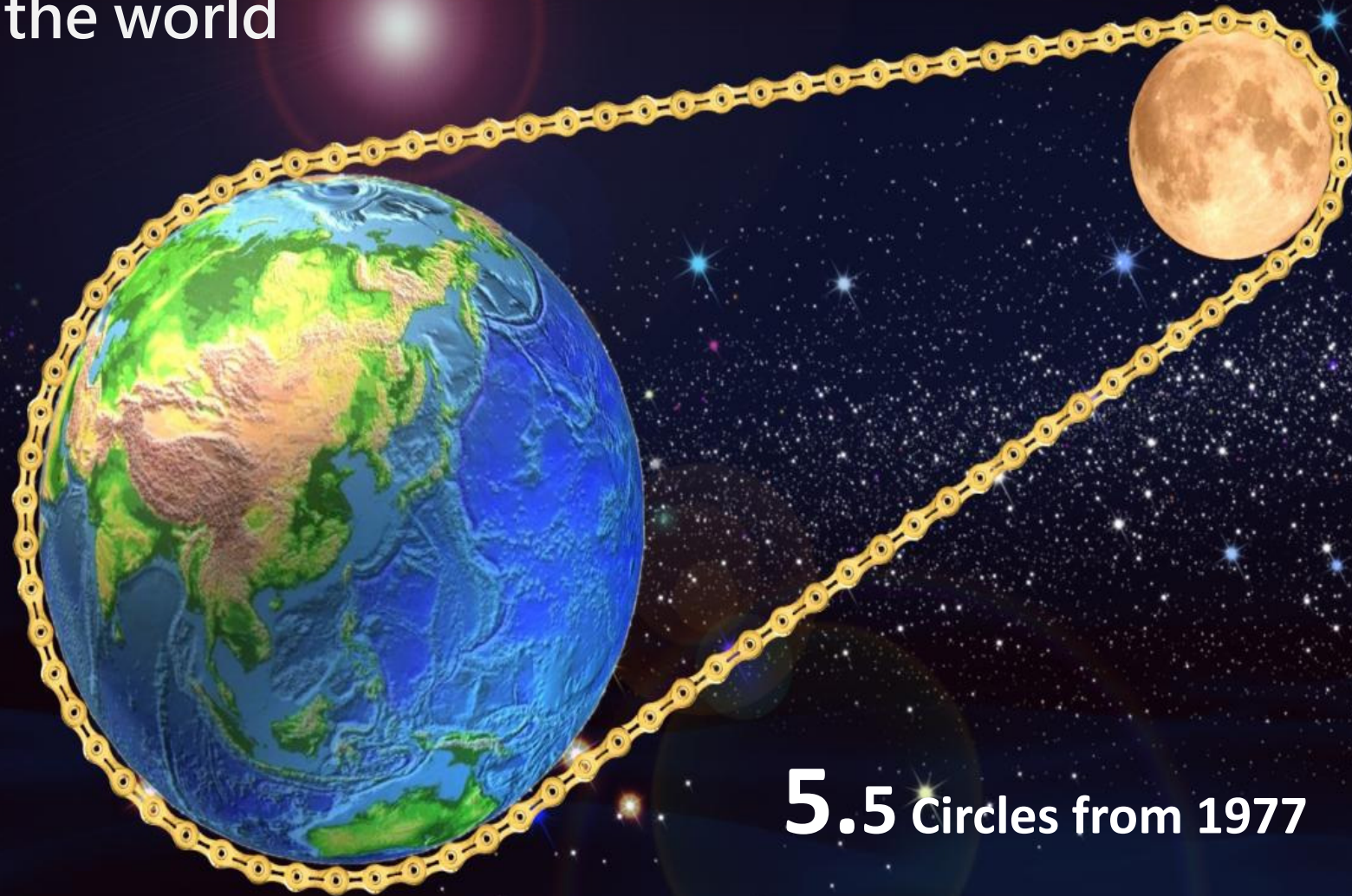
KMC Group



The Pursuit of Perfection

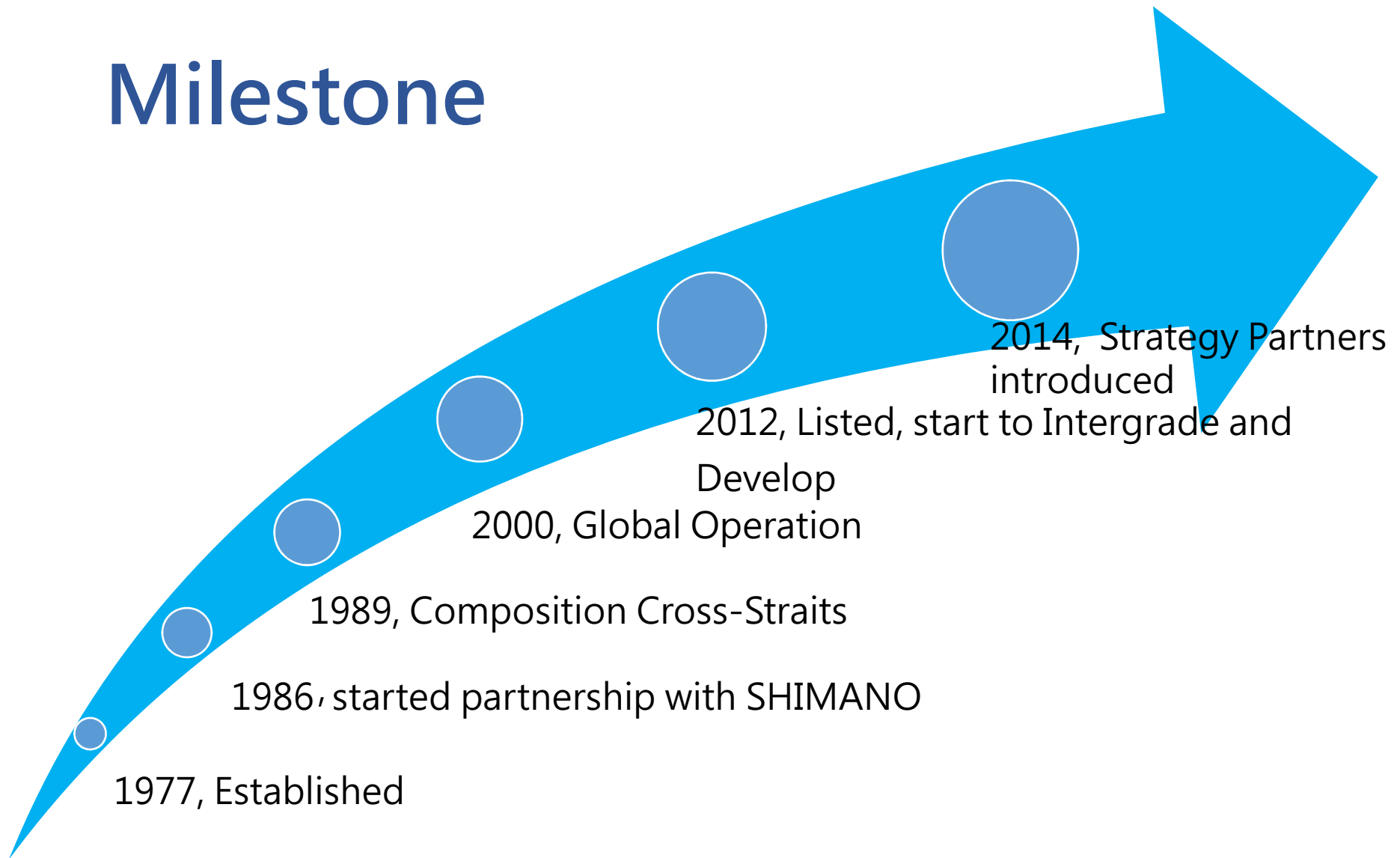
The foundation of KMC was initiated in 1977 with the purchase of several second-hand chain manufacturing machines by KMC founder, Charles Wu. At that time, it was the smallest chain manufacturer in the world, but with Charles determination and professionalism coupled with superior manufacturing processes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

KMC is the Largest chain manufacturer
in the world



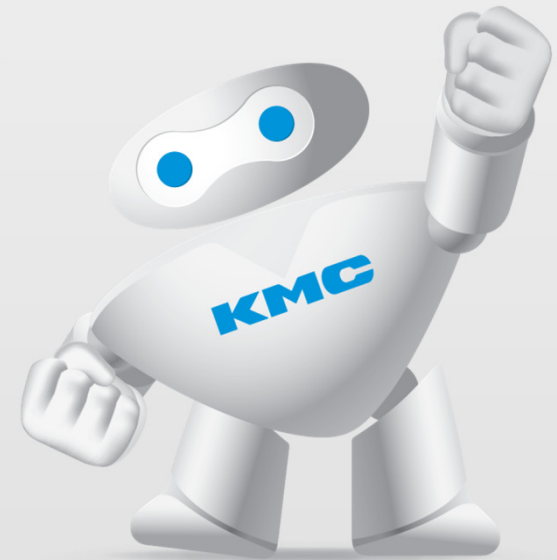
5.5 Circles from 1977

Milestone



Global Distribution, KMC reaches over 130 countries in 13 languages





Pursuit of Excellence

Integration in Core Technology

Key Technology :

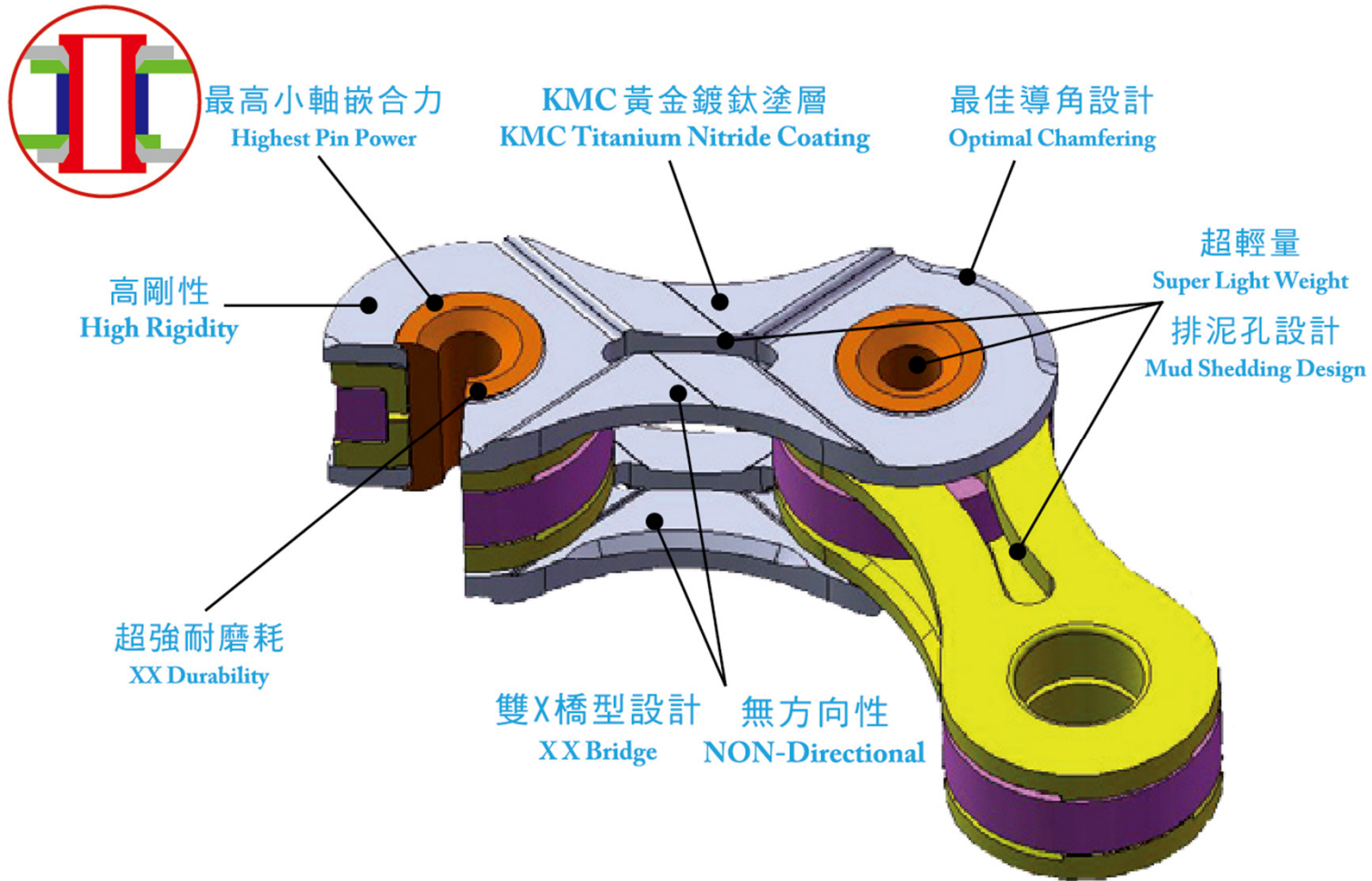
- 1) Link and Structure Design
- 2) Premium Coating and Heating Process

Precise Mold

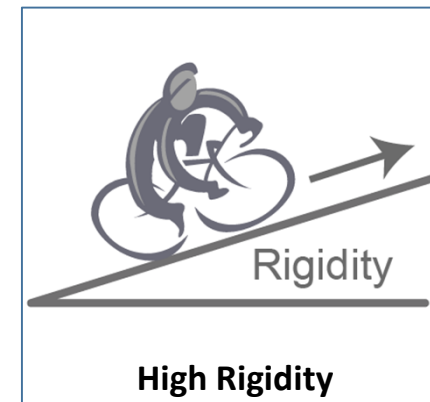
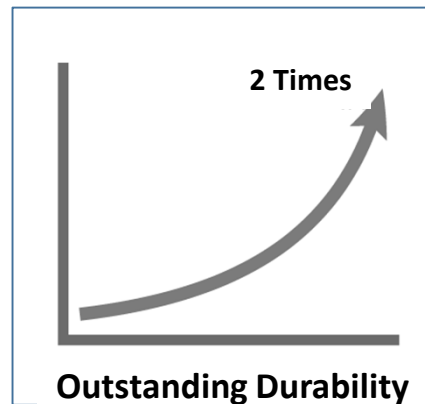
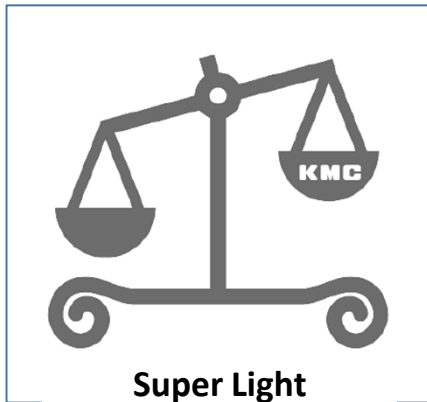


KMC
Champion
Chain

Unique KMC Chain

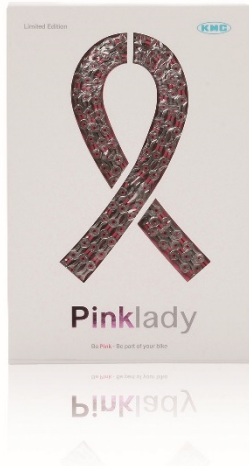


Why KMC Chain ?





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

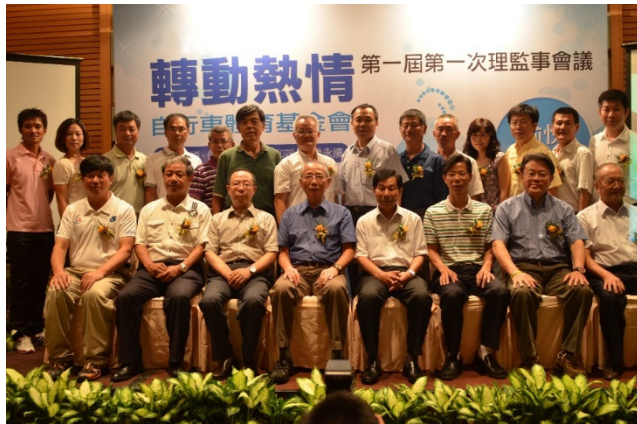


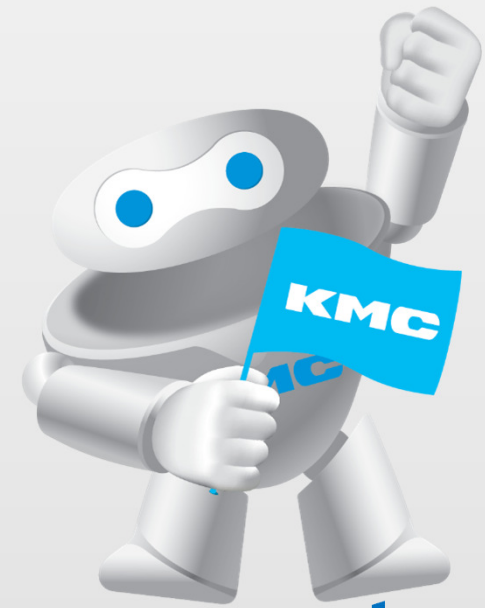
Team BH Sr Suntour KMC
2015 UCI Elite MTB team

CSR

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

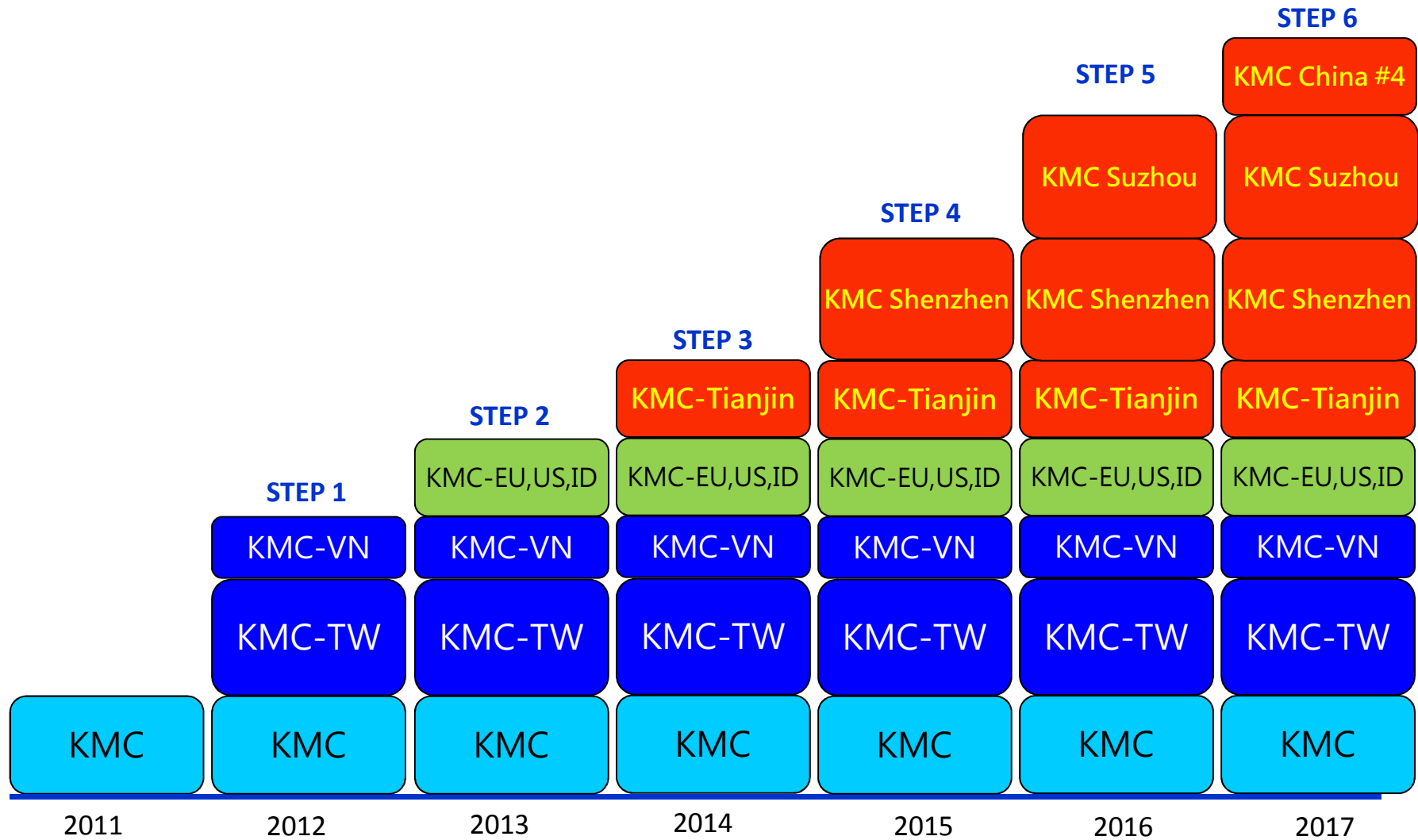
- Dream-Maker
- Young Rider Training
- Elderly Physical Fitness Detection
- School Community Sponsorship
- Love Cycling
- Taiwanese Cycling Team Sponsorship
- Bicycle Knowledge Propagation





Integration & Development plans

Integration plans



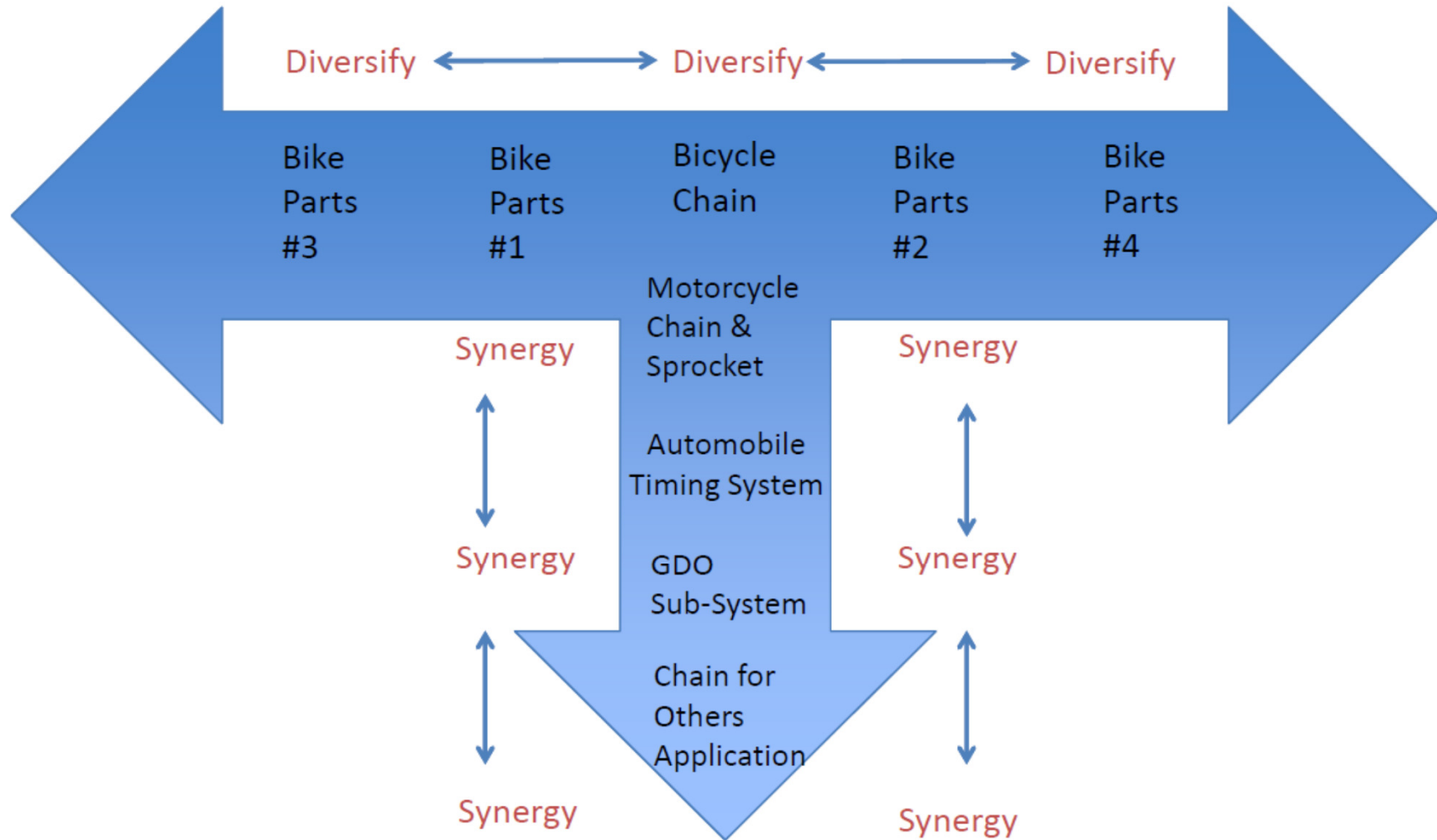
Prior Acquisition

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)

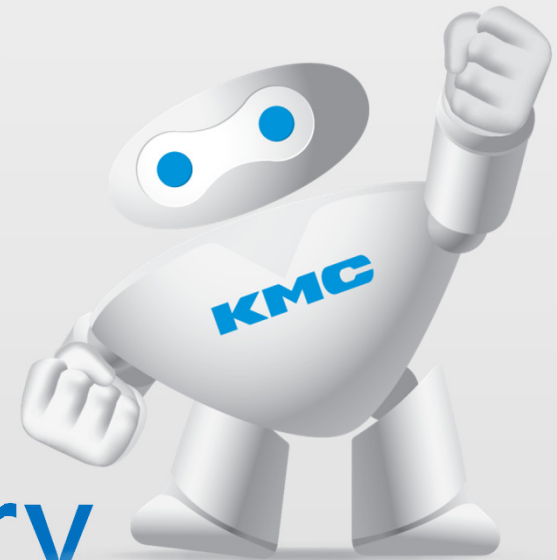
Development Plan



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 | | The first 9 months of FY16 | |
|------------------|-------------------------------|------------------|-------------|---------------------------------|-------------|---------------------------|-------------|--------------------------|-------------|--------------------------|-------------|----------------------------|-------------|
| | | 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 | | 收購蘇州桂盟 | |
| | | Backdoor-listing | | KMC-Taiwan/Vietnam consolidated | | KMC-EU&US&ID consolidated | | KMC-Tainjin consolidated | | KMC-Shenzen consolidated | | KMC-Suzhou consolidated | |
| 現金及約當現金 | Cash and cash equivalents | 830 | 88% | 395 | 20% | 681 | 26% | 900 | 26% | 1,560 | 22% | 1,960 | 23% |
| 其他流動資產 | Other current assets | 92 | 10% | 670 | 34% | 840 | 32% | 1,012 | 29% | 1,520 | 22% | 1,728 | 20% |
| 固定資產 | Fixed assets | 2 | 0% | 514 | 26% | 486 | 19% | 824 | 23% | 2,476 | 36% | 2,962 | 34% |
| 其他資產 | Other assets | 15 | 2% | 382 | 19% | 584 | 23% | 772 | 22% | 1,412 | 20% | 2,058 | 24% |
| 資產總計 | Total Assets | 939 | 100% | 1,961 | 100% | 2,592 | 100% | 3,508 | 100% | 6,969 | 100% | 8,708 | 100% |
| | | | | | | | | | | | | | |
| 銀行借款 | Loan from bank | 0 | 0% | 341 | 17% | 708 | 27% | 586 | 17% | 1,249 | 18% | 3,158 | 36% |
| 其他及長期負債 | Other liabilities | 76 | 8% | 499 | 25% | 385 | 15% | 657 | 19% | 1,713 | 25% | 1,511 | 17% |
| 負債合計 | Total Liabilities | 76 | 8% | 841 | 43% | 1,093 | 42% | 1,244 | 35% | 2,962 | 43% | 4,669 | 54% |
| 股本 | Capital | 1,030 | 110% | 1,030 | 53% | 1,056 | 41% | 1,092 | 31% | 1,200 | 17% | 1,200 | 14% |
| 保留盈餘及其他 | Retained Earnings | (168) | -18% | 90 | 5% | 443 | 17% | 1,173 | 33% | 2,807 | 40% | 2,839 | 33% |
| 股東權益合計 | Total Equity | 862 | 92% | 1,120 | 57% | 1,499 | 58% | 2,265 | 65% | 4,007 | 57% | 4,039 | 46% |
| 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% | 8,708 | 100% |

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 | | The first 9 months of FY16 | |
|------|------------------|------------------|------|---------------------------------|------|---------------------------|------|--------------------------|------|--------------------------|------|----------------------------|------|
| | | 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 | | 收購蘇州桂盟 | |
| | | Backdoor-listing | | KMC-Taiwan/Vietnam consolidated | | KMC-EU&US&ID consolidated | | KMC-Tainjin consolidated | | KMC-Shenzen consolidated | | KMC-Suzhou consolidated | |
| 營業收入 | Net Sales | 173 | 100% | 1,353 | 100% | 2,092 | 100% | 2,780 | 100% | 3,374 | 100% | 2,918 | 100% |
| 營業毛利 | Gross Profit | 22 | 13% | 384 | 28% | 645 | 31% | 948 | 34% | 1,298 | 38% | 1,303 | 45% |
| 營業利益 | Operating Profit | (30) | -18% | 248 | 18% | 403 | 19% | 537 | 19% | 753 | 22% | 815 | 28% |
| 淨利 | Net Income | 2 | 1% | 257 | 19% | 378 | 18% | 462 | 17% | 700 | 21% | 597 | 20% |
| 每股盈餘 | EPS(NT Dollars) | 0.02 | | 2.49 | | 3.76 | | 4.31 | | 6.22 | | 4.98 | |

Contact IR Team

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

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KMC 桂盟

The Largest Chain Manufacturer In The World