

KD Holding Corporation

2015

2nd Investor/Press Conference

2015.09.30

專業 誠信 團隊 創新 *Professionalism Integrity Teamwork Innovation*

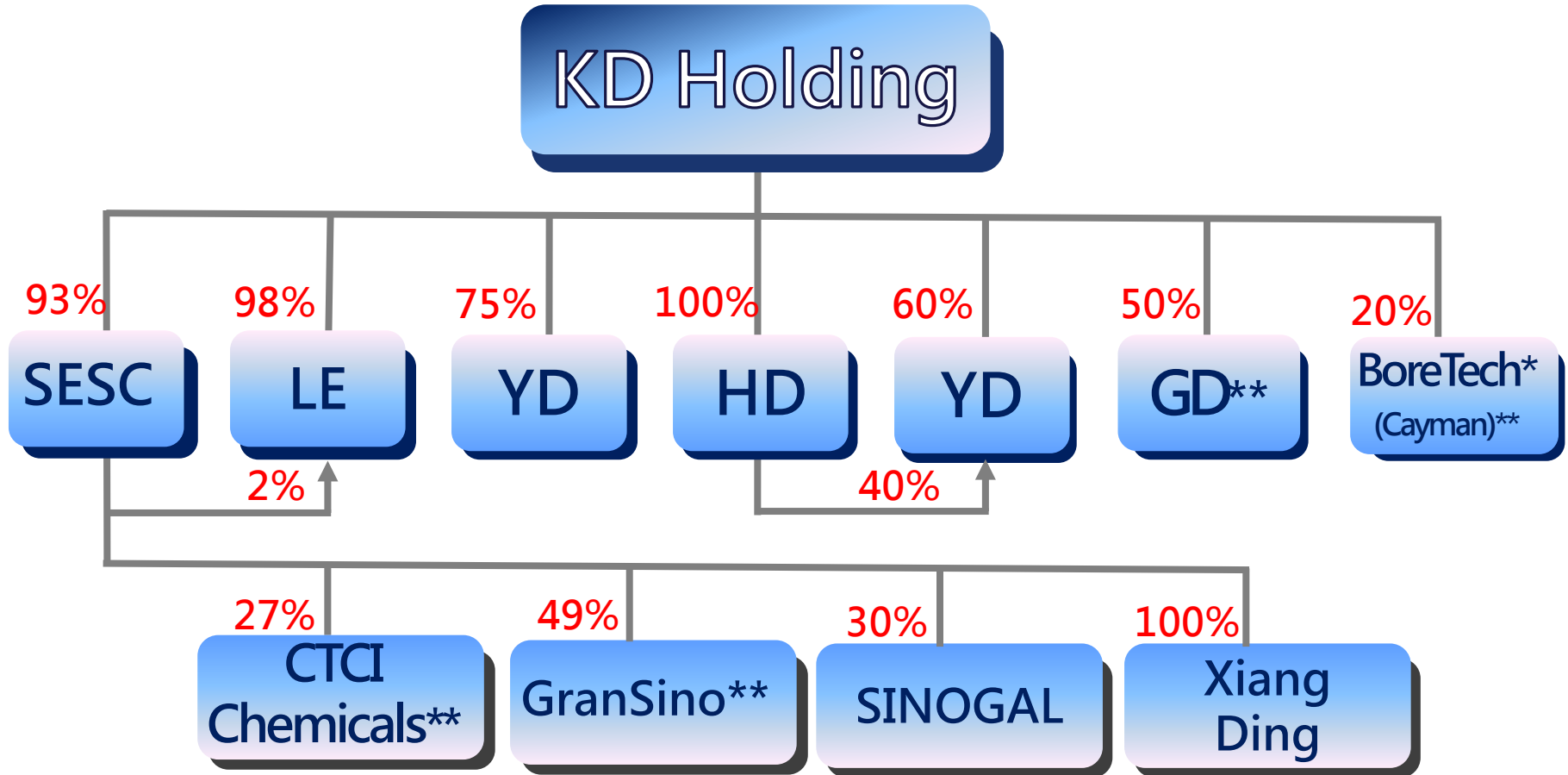


崑鼎投資控股股份有限公司
KD Holding Corporation

Agenda

- KD Investment Structure
- 2015 H1 Consolidated Income Statements
- Consolidated Revenues Breakdown
(by Subsidiaries & Categories)
- Cash Dividends and EPS
- Review of 2015
- Future Outlook

KD Investment Structure



* BORETECH Resource Recovery Engineering Co., LTD,
Investment in July, 2014.

-- 2 -- ** By Equity Accounting Method

Consolidated Income Statement

In TWD '000

	2015 H1		2014 H1		YOY
	Amount	%	Amount	%	%
Operating Revenues	1,981,437	100.00%	1,910,504	100.00%	3.71%
Operating Costs	(1,430,061)	-72.17%	(1,397,491)	-73.15%	2.33%
Gross Profit	551,376	27.83%	513,013	26.85%	7.48%
Operating Expenses	(78,276)	-3.95%	(75,389)	-3.95%	3.83%
Operating Income	473,100	23.88%	437,624	22.90%	8.11%
Non-Operating Income	29,171	1.47%	20,329	1.07%	43.49%
Net Income (Before Tax)	502,271	25.35%	457,953	23.97%	9.68%
Net Income (After Tax)	367,017	18.53%	331,082	17.33%	10.85%
EPS After Tax (TWD)	5.62		5.18		

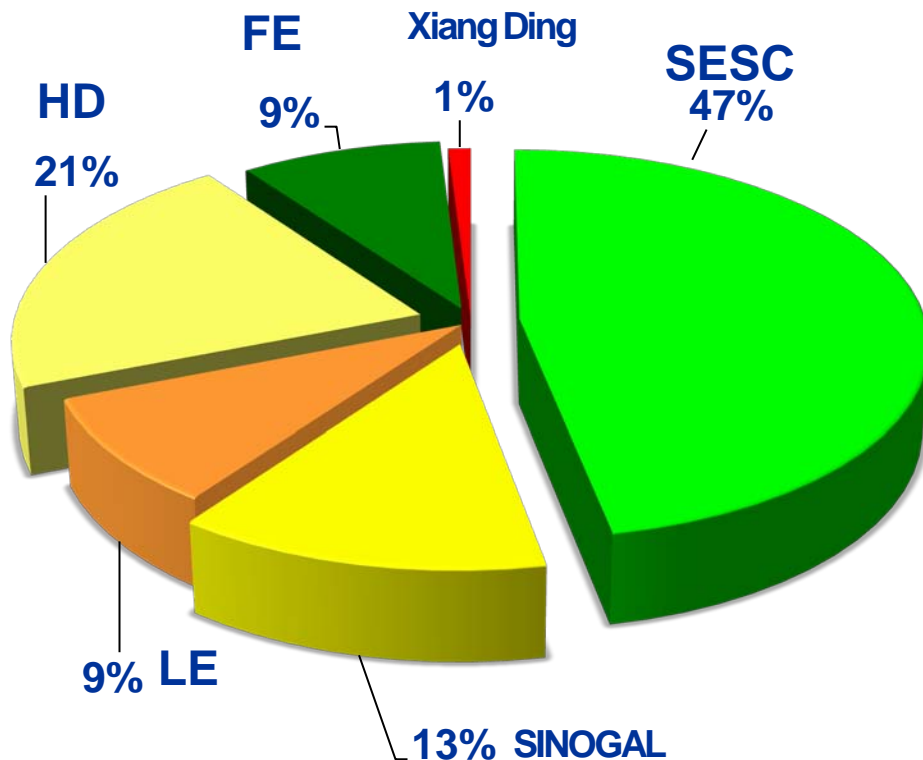
Consolidated Balance Sheet Statement

In TWD '000

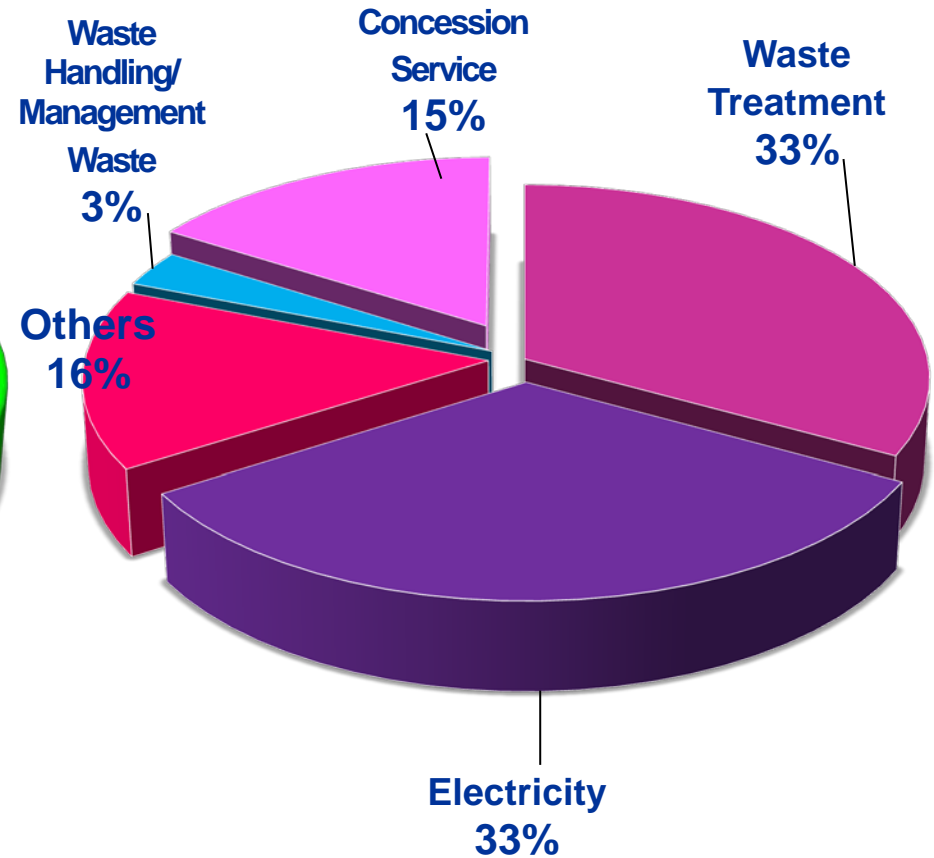
	2015/6/30		2014/6/30	
	Amount	%	Amount	%
Current Assets	3,765,518	49.24%	3,706,494	50.13%
Investments Accounted for using Equity Method	586,517	7.67%	153,633	2.08%
Property, Plant & Equipment	53,001	0.70%	49,168	0.66%
Other Non-Current Assets	3,241,661	42.39%	3,484,406	47.13%
Total Assets	7,646,697	100.00%	7,393,701	100.00%
Current Liabilities	2,362,618	30.90%	2,161,334	29.23%
Non-Current Liabilities	849,265	11.10%	995,991	13.47%
Total Liabilities	3,211,883	42.00%	3,157,325	42.70%
Equity	4,434,814	58.00%	4,236,376	57.30%
Total Liabilities & Equity	7,646,697	100.00%	7,393,701	100.00%

Consolidated Revenues Breakdown

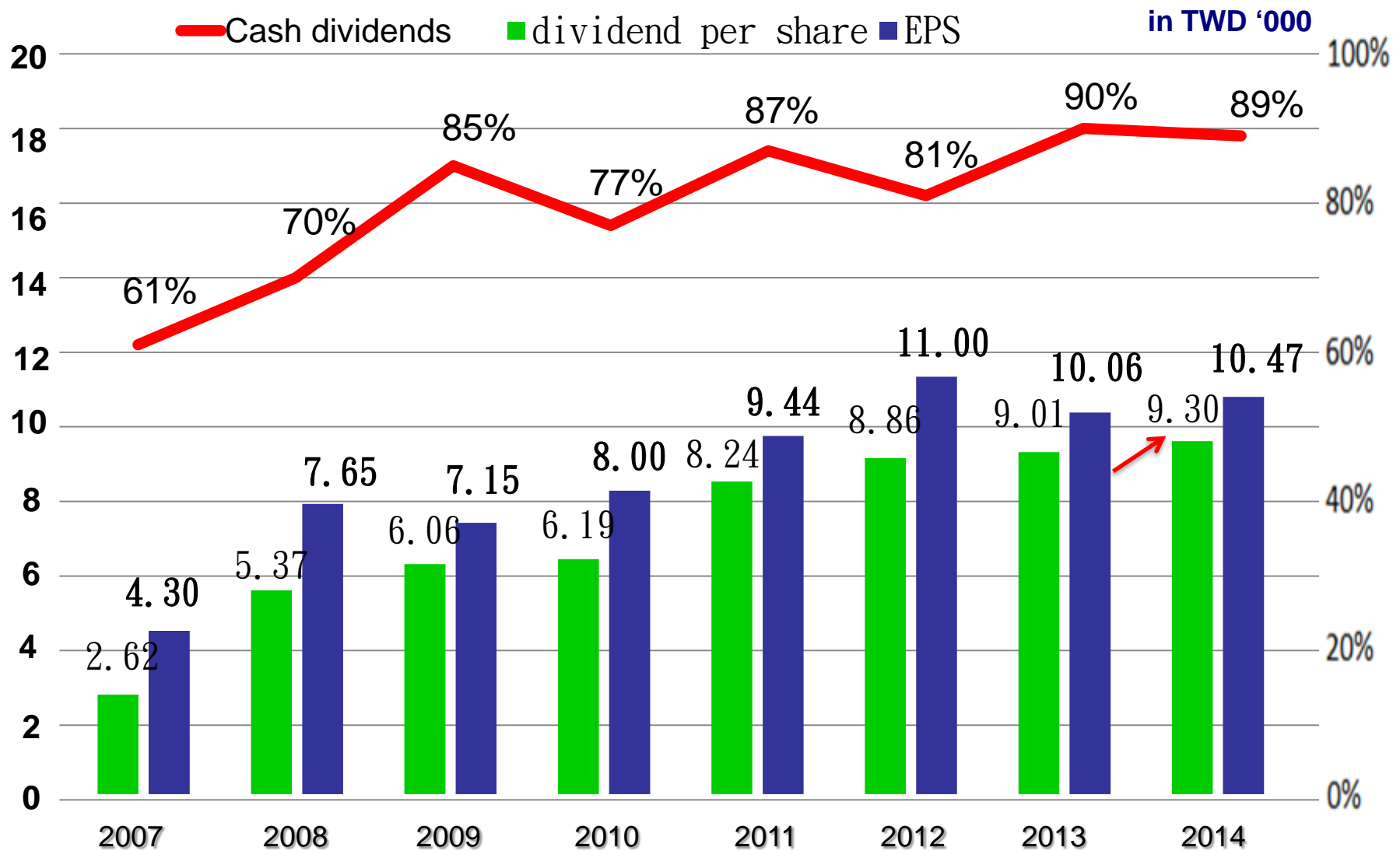
2015 H1 Consolidated Revenues Breakdown by Subsidiaries



2015 H1 Consolidated Revenues Breakdown by Categories



Cash Dividends and EPS



Review of 2015 (1/3)

■ Corporate Management and Operation

- ▶ Up to date, acquired 15 patents in Taiwan, 7 patents in China
- ▶ Ranked as “Grade A++” in the “12nd Information Disclosure and Transparency Rankings for Public Listed Company” by TWSE
- ▶ Ranked as top 5% in the “1st Corporate Governance Evaluation” by TWSE
- ▶ Ranked as 4th rank in Medium-sized Enterprises of “2015 Excellence in CSR” by CommonWealth magazine

■ Business Development

- ▶ **Renewal/Upgrade of Mechatronics System and Environmental Protection**
 - Acquired the service contract for equipment maintenance, overhaul, renewal and upgrade, and refuse crane operation for other WtE Plant
 - Acquired the service contract for O&M supervision for WtE plant Guangdong and Shanghai
 - Acquired the service contract for test-run of mechatronics system for MRT lines

Review of 2015 (2/3)

■ Business Development (cont' d)

▶ Renewal/Upgrade of Mechatronics System and Environmental Protection (cont' d)

- Acquired the service contract for functional improvement of HVAC system and the relative O&M service for universities and medical institutes
- Acquired the O&M service contract for demonstrated plant of kitchen waste treatment overseas
- Acquired the O&M service contract for fumigation facility of Anti Quarantine Bureau

▶ Green Energy: PVPP

- Following lots of commercial operated projects in Taiwan, acquired 2 other developing rights for PVPP in 2015 , planned to finish construction and begin the operation in 2016
- Stepped in US PVPP market, the construction of New Jersey plant is smoothly on going and plans to operate in 1st half of 2016

Review of 2015 (3/3)

■ Unaudited financial statement of Aug. and YTD 2015

	In TWD '000
	Amount
Consolidated Operating Income of Aug. 2015	79,899
Consolidated Cumulative Operating Income for the eight-months period ended Aug. 31, 2015	637,264
Consolidated Income Before Income Tax of Aug. 2015	103,835
Consolidated Cumulative Income Before Income Tax for the eight-months period ended Aug. 31, 2015	706,828

Future Outlook (1/4)

- Continuing the Development Policy on Environmental Protection, Green Energy and Resource Recycling
- Based on the Experience Domestically to Internationalize the Business Overseas:
 - ▶ Having strategic cooperation with well-known European construction enterprise group, to co-develop the business in global environmental protection market
 - ▶ Having the strategic cooperation with the biggest resource recycling enterprise group in East Europe, to step-in the WtE business in that area
- Materialization the Business through Investment, Operation Management and Renewal/Upgrade of Mechatronics System
- Environmental Protection and Renewal/Upgrade of Mechatronics System in Taiwan:
 - ▶ To improve technical capability deeply, to expand sales horizontally
 - ▶ Environmental protection and water treatment
 - Adhering government policy to strive for BOT or O&M service for sewage treatment or water-regeneration project

Future Outlook (2/4)

■ Environmental Protection and Renewal/Upgrade of Mechatronics System in Taiwan (cont' d)

- ▶ Renewal/Upgrade of mechatronics system:
 - Corrosion prevention and renewal of boiler tube for WtE plant
 - Due to the coming commercial operation of Airport MRT, light rail, and operation model of airport being changed towering as enterprise structure, the demand of this business area is predicted to be continuously growth

■ WtE Business Overseas

▶ Actively Expanding of WtE Business

China:

- Following the successful experience of O&M supervision works, government is introducing the policy into more regions, the market is predicted to be continuously increased
- Based on the successful experiences on O&M supervision works, to strive for the investment or O&M service at appropriate timing

Future Outlook (3/4)

■ WtE Business Overseas (cont'd)

▶ Actively expanding of WtE (incineration plant) business (cont'd)

- Following the PPP policy announced by central government recently, KD is basing on the experiences of O&M supervision to cooperate with state owned enterprise which has other advantages, to co-develop the WtE PPP project in China

Southeast Asia:

- After years of market contacts and regional needs on environmental protection, the market potential in this area is gradually increasing, KD is keeping actively developing and carefully choosing the appropriate targets

India:

- With rapid economic growth and environmental pollution issues becoming more serious, government is towering the implementation of WtE BOT project
- With approximately 45 municipals having more than 100 million population accompanied garbage generated around 80,000 tons, at least 80 WtE plants with 1,000 T/D scale in the country is predicted
- Based on abundant local EPC experiences and the optimized technology and cost of CTCI group, to cooperate with local enterprise with relevantly operational record as well as good connection to jointly develop the market

Future Outlook (4/4)

■ Green Energy

- ▶ To expand PVPP volume steadily
- ▶ PVPP policy is bound to continue or more active in Taiwan, the market volume is expected still large, investment targets will be continually and carefully chosen in the market with fierce competition
- ▶ Based on the development experiences in US and the global EPC project of CTCI group, keeping finding appropriate targets in such regions

■ Resources Recycling

- ▶ To develop resource recycle business overseas
To expand overseas market through finding, integrating and be in alliance with Taiwan' s company with proper expertise and overseas partner with local stock resource, will be continuously proceeded
- ▶ To develop the organic waste treatment project by anaerobic fermentation process
To strive for the BOT project initiated by government



Thanks