



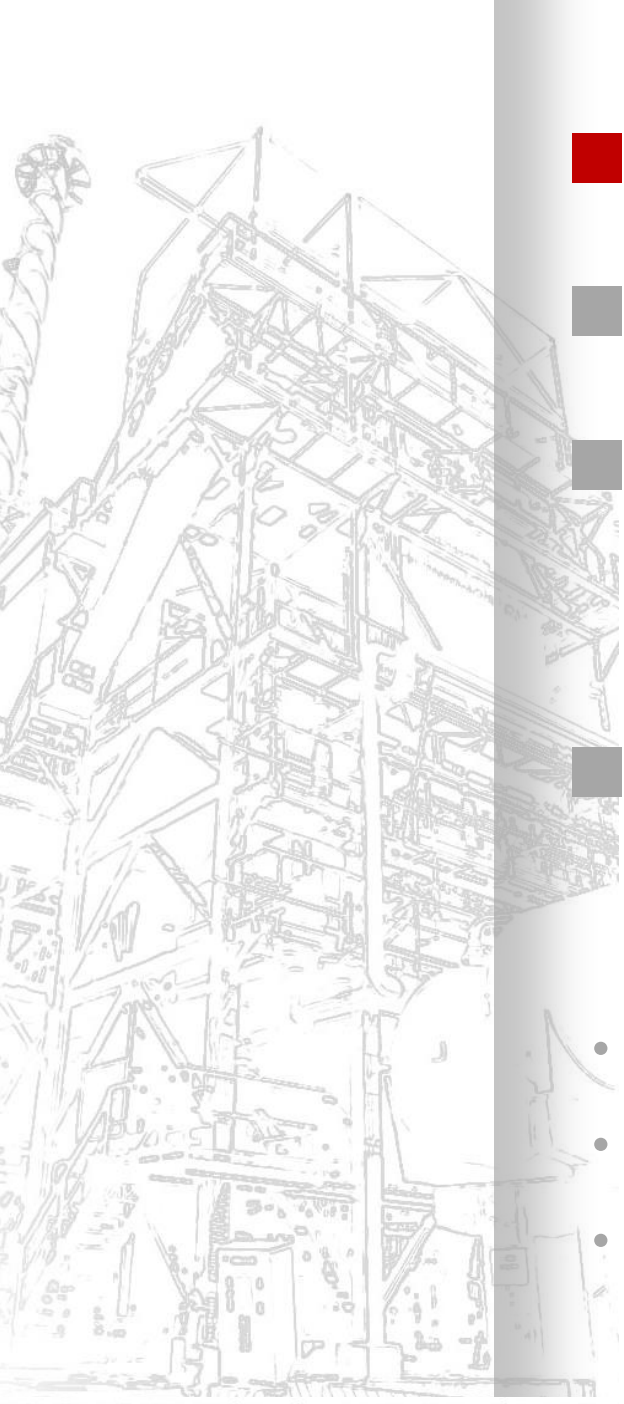
崑鼎投資控股股份有限公司
KD Holding Corporation



KD Holding 2016 1st Investor/ Press Conference

Becoming the Benchmark for Energy/Resource
Conversion and Its Sustainable Use

2016/03/29



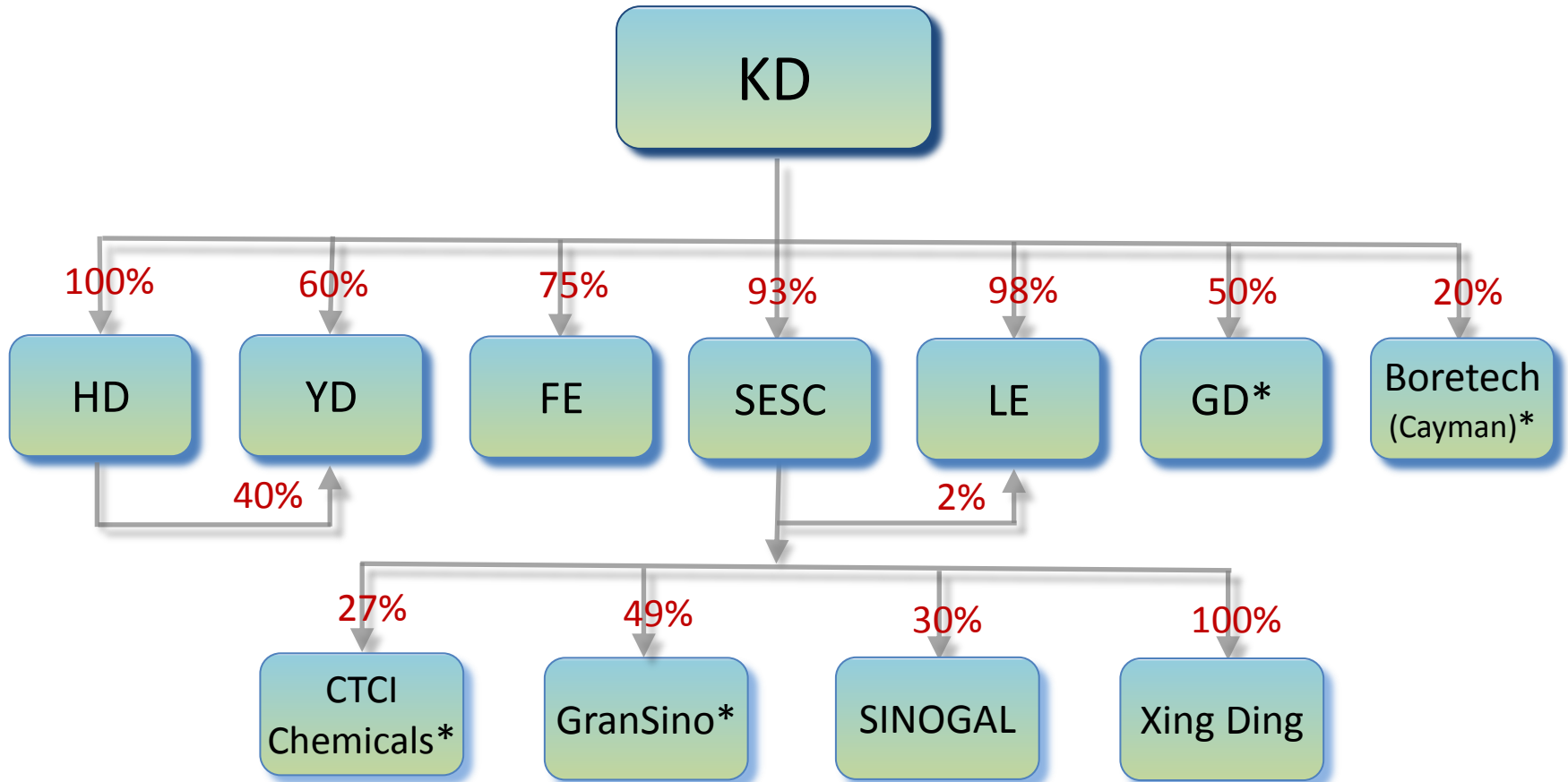
■ KD Investment Structure

■ Review of 2015

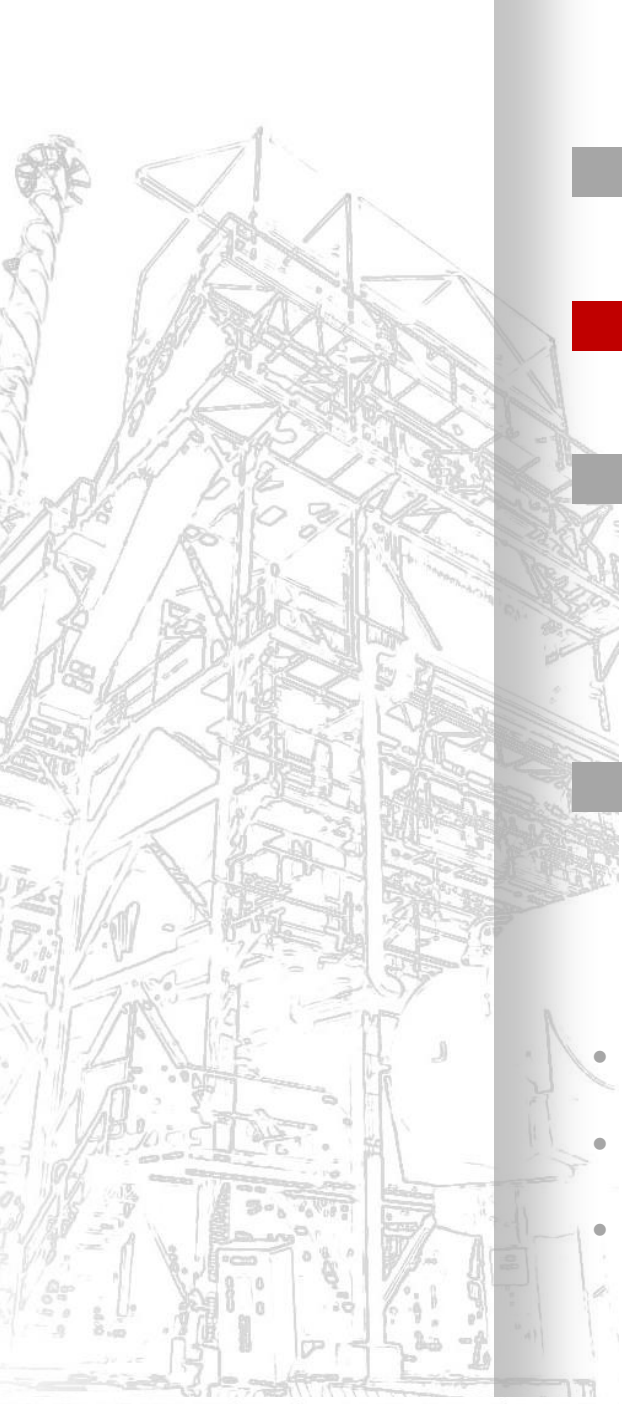
■ Business Strategy and Future Outlook

■ Summary of 2015 Financial Report

- 2015 Consolidated Financial Statements
- Consolidated Revenue Breakdown
- Cash Dividend



*By Equity Accounting Method



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■ Business Development

✓ Mechatronics System Upgrade and Environmental Protection - Taiwan

Besides existing long-term service contracts, KD awarded number of new contracts:

- Service contract for equipment maintenance, overhaul, renewal and upgrade, and refuse crane operation for WtE Plant
- Service contract for test-run of mechatronics system for MRT lines
- Service contract for functional improvement of power system and the relative O&M service for airport
- Service contract for functional improvement of HVAC system and the relative O&M service for universities and medical institutes

■ Business Development

✓ WtE Business - Overseas

Besides service contract for O&M supervision for Shanghai Laogang WtE Plant, KD awarded number of new contracts :

- Service contract for O&M supervision for Guangdong Zhongshan North WtE Plant
- Service contract for O&M supervision for Guangdong Zhongshan Middle WtE Plant
- Service contract for O&M supervision for Shanghai Jingsang WtE Plant
- Service contract for O&M for food waste treatment demo plant in Macau
- Service contract for functional improvement and O&M for hazardous waste treatment plant in Macau

■ Business Development

✓ Green Energy

Following lots of commercial operated projects in Taiwan, two other PVPP developing rights has been acquired:

- PVPP on harbor area in south Taiwan, planned to finish construction and begin the operation in 2016
- PVPP on land of environmental protection related facility, planned to finish construction and begin the operation in 2016

Meanwhile, the construction of PVPP in USA is smoothly on going and plans to operate in 1st half of 2016.

■ Business Development

✓ Resource Recycling

- Acquired service contracts for waste management for Taiwan middle region government
- Following two commercial operated projects in China, new business development on PET recycling have been implemented:
 - Acquired the contract on newly developed PET recycling line (6 tons/hr), to be delivered soon
 - Signed MOU with European company for B to B cooperation
 - The bottle washing plant in USA has been upgraded and the cost of production is expected to be declined

■ Awards

- KD Holding Corporation ranked as Grade A++ in the 2014 Information Disclosure and Transparency Rankings and evaluated as Top 5% in the 2014 Corporate Governance Evaluation System
- KD Holding Corporation ranked the 304th in the Top 650 Service Enterprises of 2014 Commonwealth Magazine Top 2000 Enterprises Survey, and ranked Top 5 in the financial holding sector
- SESC ranked the 383rd in the Top 650 Service Enterprises of 2014 Commonwealth Magazine Top 2000 Enterprises Survey, and ranked Top 2 in the environment health service sector
- SESC Tainan Science Park Resource Recycling Center honored with the award of 2014 ROC Enterprise Environmental Protection Silver from EPA

■ Awards

- SESC Xindian Plant honored with the award of 2014 ROC Enterprise Environmental Protection Bronze from EPA
- SESC Tainan Science Park Resource Recycling Center honored with the award of 2015 Outstanding Environmental Protection Entity from Southern Taiwan Science Park
- GD THSR Yenchou PVPP has earned 2015 Kaohsiung Photovoltaic Intelligent Building Certificate Silver from Kaohsiung City Government
- GD Kaohsiung MRT Daliao PVPP has earned the 2015 Kaohsiung Photovoltaic Intelligent Building Certificate Silver from Kaohsiung City Government
- SESC Ms. Lin was named the 2014 Outstanding Occupational Safety and Health Faculty of the Year

■ Performance

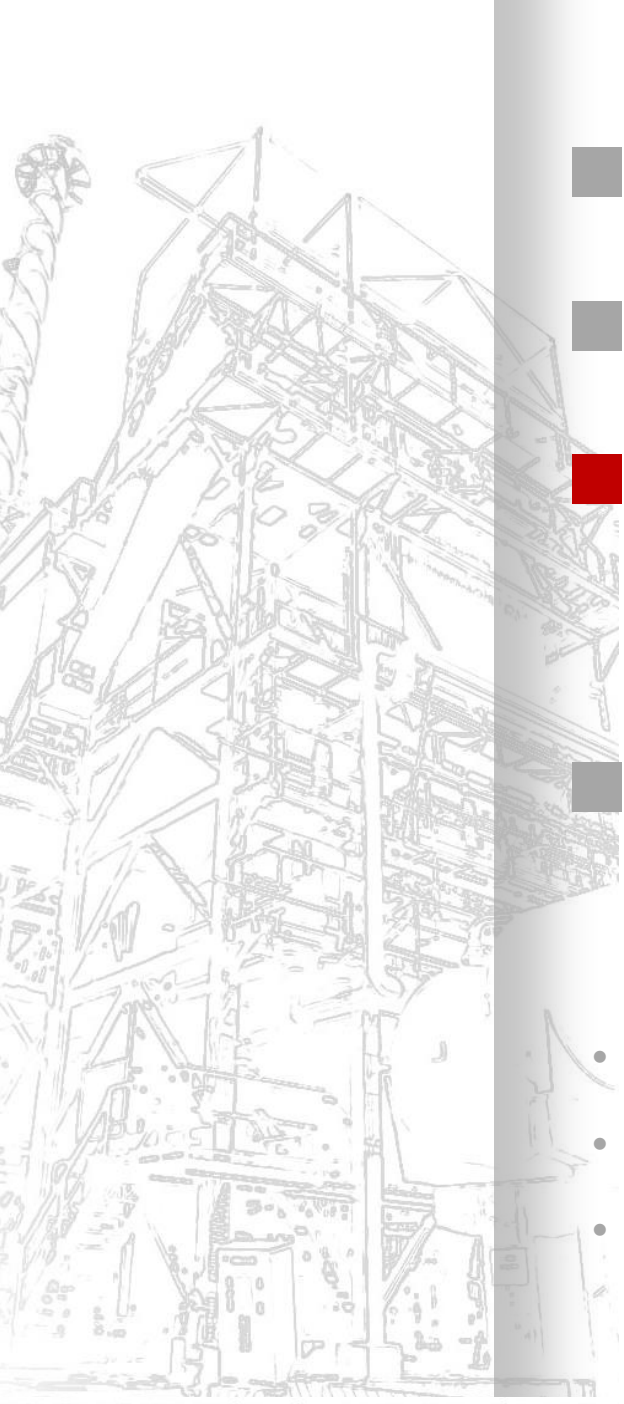
- Keelung Plant honored with the award of 2014 WtE Premium Performance
- Hsintien, Taoyuan South, Miaoli and Houli Plants honored with the award of 2014 WtE Excellent Performance
- Shulin, Hsintien, Tainan, Houli and Miaoli Plants honored with the award of 2014 Excellent Occupational Safety and Health Entity from Ministry of Labor
- Hsintien Plant has no lost-time injury for over 130 million hours
- Miaoli Plant has no lost-time injury for over 84 million hours
- Hsintien and Shulin Plants honored with 2015 Premium Labor Safety and Health Unit from New Taipei City Government
- Tainan Science Park Resource Recycling Center honored with the award of 2014 WtE Excellent Performance from Southern Taiwan Science Park
- Tainan Plant honored with the award of 2015 Excellent Greening Entity

■ Innovation

- Owns 19 patents in Taiwan and 8 patents in China

■ CSR

- KD Holding Corporate Sustainability Report 2014 certified with AA1000 and GRI G4.0
- KD Holding Corporation listed among “Top 100 for Excellence in Corporate Social Responsibility” by CommonWealth Magazine
- Tainan Science Park Resource Recycling Center has earned 2015 Environmental Education Certification from EPA
- Miaoli Plant honored with the award of 2015 Innovative Teaching Plan
- Tainan Science Park Resource Recycling Center honored with the award of 2015 Badge of Accredited Healthy Workplace
- Miaoli Plant honored with the award of 2015 Badge of Accredited Healthy



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■ Business Strategy

- ✓ **Development policy keeps focusing on Environmental Protection, Green Energy and Resource Recycling**
- ✓ **Expand overseas business based on the domestic experience**
 - Cooperate with the state owned enterprise in China, to step-in the WtE business in that area
 - Cooperate with large construction enterprise group in Malaysia, to step-in the WtE business in that area
 - Cooperate with large waste management enterprise group in India, to step-in the WtE business in that area
- ✓ **Materialize the business through investment, operation management and mechatronics system upgrade**

■ Future Outlook

✓ Mechatronics System Upgrade and Environmental Protection - Taiwan

- Improve technical capability and expand sales territory
- Maintain existing contract
 - Strive for service contract extension for Hsintien and Shulin Plant
- Upgrade Mechatronics System
 - Promote corrosion prevention and renewal of boiler tube for WtE plant
 - Strive for O&M contract for Mechatronic system for rail transportation system (light rail, airport MRT, Singapore MRT etc.)
 - Strive for other O&M contract for Mechatronic system for airport
 - Strive for other O&M contract for Mechatronic system for public facility

■ Future Outlook

✓ WtE Business - Overseas

- China

- Following the successful experience of O&M supervision works, government is introducing the policy into more regions and the market is predicted to be continuously increased
- Based on the successful experiences on O&M supervision works, KD will strive for the investment opportunity or O&M service at appropriate timing
- Following the PPP policy announced by central government recently, KD will work with state owned enterprise on WtE PPP project in China

■ Future Outlook

✓ WtE Business - Overseas

- **ASEAN and India**

- Cooperate with Malaysia local enterprise on WtE Plant bid by providing O&M service and search for appropriate investment targets
- Make arrangement with India local enterprise on WtE Plant O&M cooperation and search for appropriate investment targets
- In general, the market development in this area is gradually increasing, such as central government start making master plan and releasing bid in municipality. KD keeps close tracking the progress of these developments or projects

■ Future Outlook

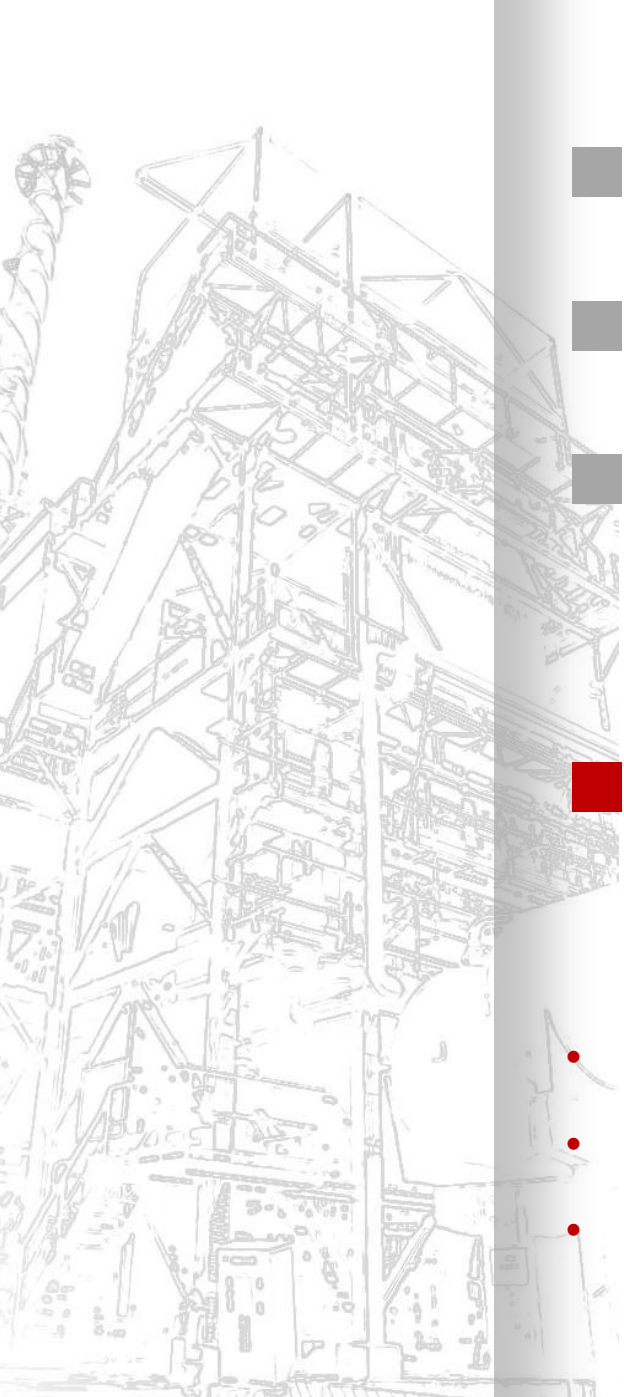
✓ Green Energy

- Green energy policy is more active in Taiwan nowadays and the market volume is expected to be increased. KD keeps carefully searching for the investment targets
- KD together with group subsidiary in Malaysia and local partner to co-evaluate the investment opportunity in Malaysia gas power plant and PVPP
- Based on the development experiences in USA and the global EPC job site from CTCL group, KD keeps searching appropriate targets

■ Future Outlook

✓ Resource Recycling

- Work with India, Mexico PET bottle washing business customers and look for the possibility of providing polyester production line in the future
- Strive for the government planned project for organic waste treatment project with anaerobic fermentation process
- Expand overseas market through finding, integrating and be in alliance with Taiwan's company with proper expertise and overseas partner with local stock sources

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2015 Consolidated Income Statement

Unit:NT\$,Thousand

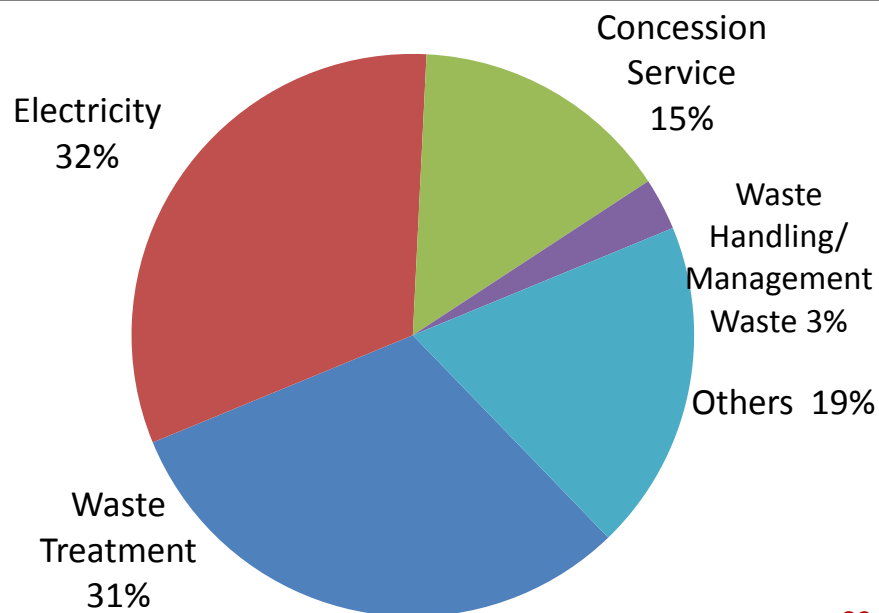
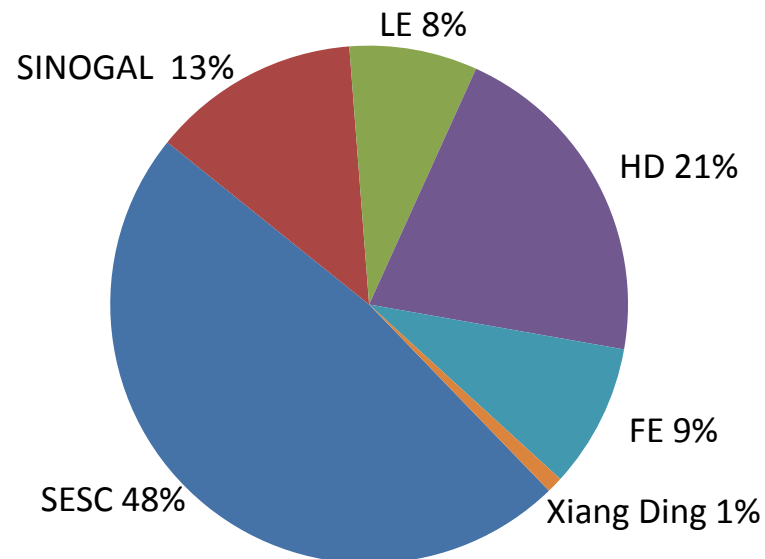
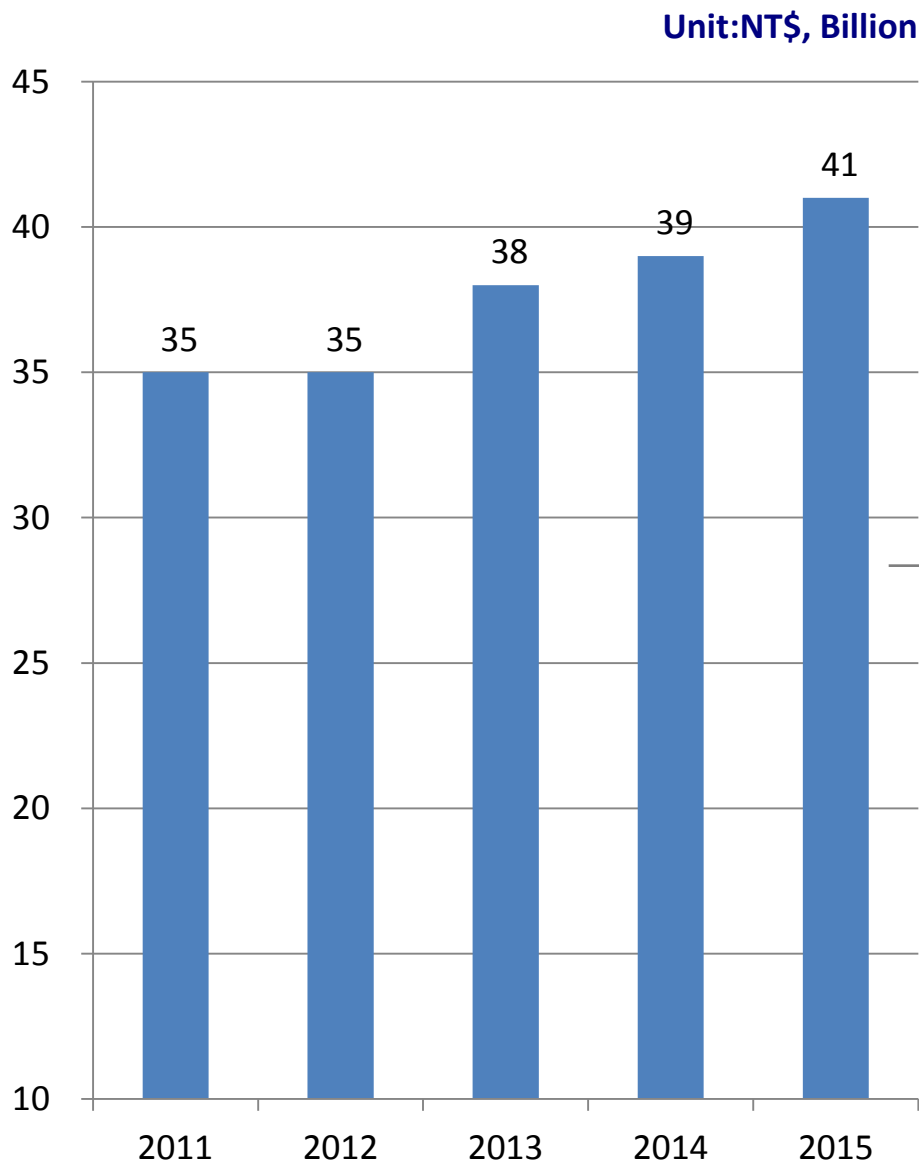
	<u>2015/12/31</u>		<u>2014/12/31</u>		<u>YOY</u>
Operating Revenue	4,078,753	100.0%	3,925,027	100.0%	3.9%
Operating Costs	(3,018,765)	-74.0%	(2,891,796)	-73.7%	4.4%
Gross Profit	1,059,988	26.0%	1,033,231	26.3%	2.6%
Operating Expenses	(165,874)	-4.1%	(170,399)	-4.3%	-2.7%
Operating Profit	894,114	21.9%	862,832	22.0%	3.6%
Total Non-Operating Income and Expenses	74,765	1.8%	69,663	1.8%	7.3%
Profit before income tax	968,879	23.7%	932,495	23.8%	3.9%
Income Tax Expense	(130,320)	-3.2%	(135,809)	-3.5%	-4.0%
Profit for the period	838,559	20.5%	796,686	20.3%	5.3%
Profit attributable to Owners of the parent	710,370	17.4%	678,857	17.3%	4.6%
EPS After Tax (TWD)	10.84		10.55		2.7%

2015 Consolidated Balance Sheet

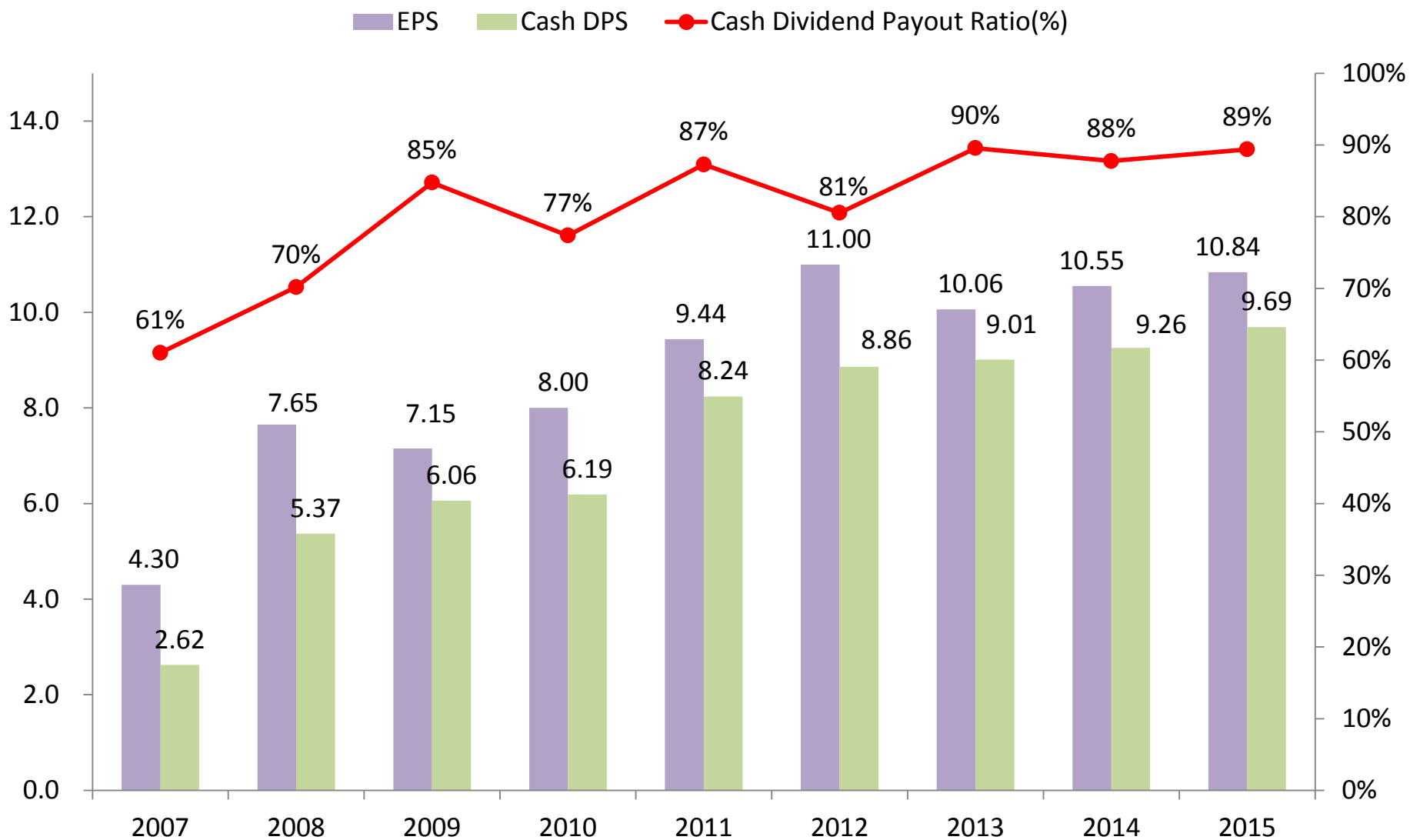
Unit:NT\$,Thousand

	<u>2015/12/31</u>	<u>2014/12/31</u>		<u>2015/12/31</u>	<u>2014/12/31</u>
Current Assets	3,883,204	3,323,216	Current Liabilities	1,949,874	1,638,459
Financial Assets	453,088	397,507	Non-Current Liabilities	794,592	912,233
Non-Current Assets	3,772,910	3,912,267	Long-term borrowings	364,800	523,200
Property, Plant & Equipment	51,075	60,915	Other Non-Current Liabilities	429,792	389,033
Other Non-Current Assets	3,721,835	3,851,352	Total Liabilities	2,744,466	2,550,692
			Equity	4,911,648	4,684,791
Total Assets	7,656,114	7,235,483	Total Liabilities & Equity	7,656,114	7,235,483

Consolidated Revenue Breakdown



Cash Dividend





Thank you