

Kinko Optical Co., LTD.

2017 Institutional Investors' Conference



Stock symbol: 6209
2017.11.24

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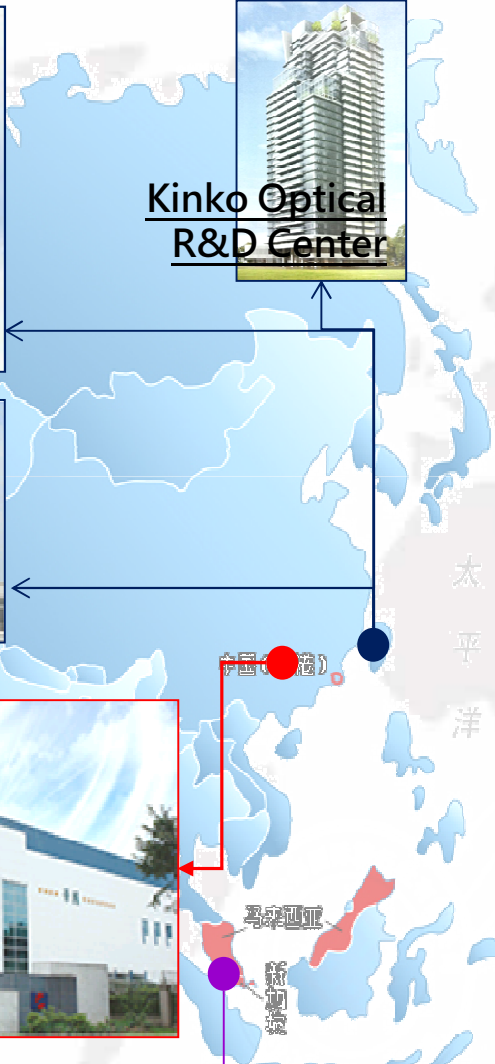
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Outline



- 1. Company Overview**
- 2. Management performance**
- 3. Future prospect and vision**

Company Overview



Established: 19th June 1980

Founder/C.E.O. Mr. Chen, Ching-Chi (Kent)

GM: Mr. Chou, Liang-Chang

Registered capital: Approx. USD\$52 million

Main business units: Glass Lens / Molding Glass Lens / Lens units /Optical Lens design & manufacture

Numbers of Employee: Approx. 4,000 people

H.Q.: Kinko Optical (Taichung Taiwan)

Factories: Kinko Optical (Taichung Taiwan)
Foshan HuaGuo (GuangDong China)

Offices: Singapore HuaGuo(Singapore)
Kinko Optical (Shenzhen China)
R&D (Taichung Taiwan)

Business Distribution and Main Products



KINKO

K I N K O O P T I C A L G R O U P

Huaguo Foshan
Guangdong China

Glass

- DSLR camera lens
- Medical apparatus lens
- CCTV surveillance lens
- FA (industry lens)
- Vehicle lens



Kinko
Taichung, Taiwan

Glass, Plastic & Molding Glass

- DSLR camera lens
- High-end mobile phone, NB lenses
- Projector lens
- Security & IP lens
- Vehicle camera lens
- Wide Angle camera lens (Ex.360deg)
- Gaming lens
- 3D sensing lens



Huaguo
Singapore

Trading



Three Optical Components

KINKO

LENSES

今國光學工業股份有限公司

KINKO OPTICAL CO., LTD.



Glass Polished Lens
(Spherical)



G
Lens

Hybrid/All plastic/
All glass Lens unit
(Aspherical+spherical)



P
Lens



Molding Glass
(Aspherical)



Gmo
Lens



**Kinko
Optical**

Glass Lens Capability and Main Customer



- The world's largest polished glass lens supplier

Kinko (Taichung Taiwan)	Hua Gou (Foushan Guangzhong)
4.5 KK /M	12 KK /M



- Main customers include Canon, Nikon, Tamron, Panasonic & Sony
- Around 38 years experience of making camera lenses
- Lens Diameter: $\phi 2.5 \sim 160\text{mm}$.



Molding Glass Lens



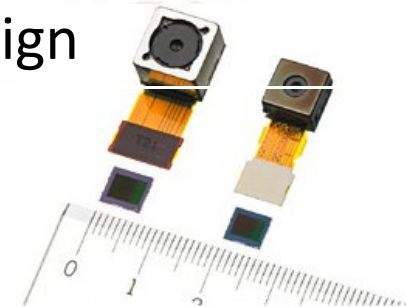
- Capacity: 1KKpcs /M
- Technology: Aspheric lens;
Compress molding glass through high temperature
- Customer: Japan
- Applications: Digital camera, DSLR Camera, surveillance camera, automotive camera and other mobile applications
- Advantage Reduce chromatic aberration, shorten the TTL,
Simplify the structure, critical processes are all manufactured in house
- Lens Diameter $\Phi 2\sim 40\text{mm}$



Plastic and Hybrid Lens



- Capacity: 15KKpcs /M
- Production equipment: 100% auto-assembly
100% Lens and lens holder auto-screwing
100% MTF auto-sorting
- Complete layout: Have all glasses, plastic and molding glass, optical components production/manufacturing technologies
- A high level of flexibility: Customized product design



Product Applications



Management Performance: Annual Comparison

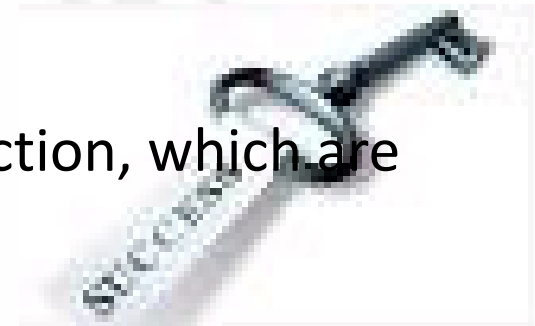


2017Q3 P&L (CONSOLIDATED)	2016Q3		2017Q3		Growth rate
	Amount	%	Amount	%	%
Unit: NT \$ 1,000					
Sales revenue	3,015,427	100.0%	2,835,022	100.0%	-6.0%
Operating costs	2,723,812	90.3%	2,658,487	93.8%	-2.4%
Net operating margin	291,615	9.7%	176,535	6.2%	-39.5%
Total operating expenses	375,422	12.5%	336,291	11.9%	-10.4%
Selling and administrative expenses	291,301	9.7%	242,662	8.6%	-16.7%
Research and development expenses	84,121	2.8%	93,629	3.3%	11.3%
Operating profit (loss)	(83,807)	-2.8%	(159,756)	-5.6%	90.6%
Non-operating income and expenses	53,885	1.8%	42,967	1.5%	-20.3%
Profit (loss) before income tax	(29,922)	-1.0%	(116,789)	-4.1%	290.3%
Income tax (expense) benefit	(5,330)	-0.2%	23,852	0.8%	-547.5%
Profit (loss) for the year	(35,252)	-1.2%	(92,937)	-3.3%	163.6%
Profit (loss) attributable to owners of the parent	2,553	0.1%	(82,598)	-2.9%	-3335.3%
EPS	0.02		(0.51)		

Competitive advantages



- Around 40 years experience of lenses processing in optical industry
- Optical lens processing capability is the no.1 in the world
- One of the lens factory in the world which owns glass, plastic and molding glass production lines
- When design the lens, the alternative materials are including factory-made material
- Design and manufacturing with high temperature endurance experience
- Auto-assembly and auto-inspection
- Start with design, sample run and mass production, which are all design and manufactured in house



Future Prospect and Vision



- Become one of the largest HYBRID lens (Glass +Plastic) factory in the world
- Get into the first-class mobile brand in China
- Become a major supplier for the Tier 1 Automotive customer
- Get into the global surveillance and IOT supply chain
- Product structure optimization would be the high additional value for product



KINKO

LENSES

今國光學工業股份有限公司

KINKO OPTICAL CO., LTD.

Thank you for your attention

