KAYEE INTERNATIONAL GROUP

Stock Code：2939

Company Presentation

Nov. 2021

Disclaimer

This presentation and release may contain forward-looking statements which may include projections on future results of operations, financial condition and business prospects based on our own information and other sources. The actual results of operations, financial condition and business prospects may differ from those explicitly or implicitly indicated in those forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, supply chain issues, global economic conditions, exchange rate fluctuation and other risks and factors beyond Kayee's controls. The forward-looking statements in this presentation, if any, only reflect the current view of Kayee International Group Co., Ltd. as of the date of its release. Kayee undertakes no obligation to update those forward-looking statements for events or circumstances that occur subsequently.

Company Overview

Basic Information

Date of Establishment： 2015/5 (Parent Company)

Date of Listing : 2018/1

Capital stock : 455 M

President/General Manager : Tsai, Mou-Fu

Number of employees : 306 people (as of 110/11/10)

Regulation Compliance Team : CFO/ Cheng Yu Ping、
Administration Dept./ Lee Kun Shu、
Corporate Governance Dept./Huang Jing Yi

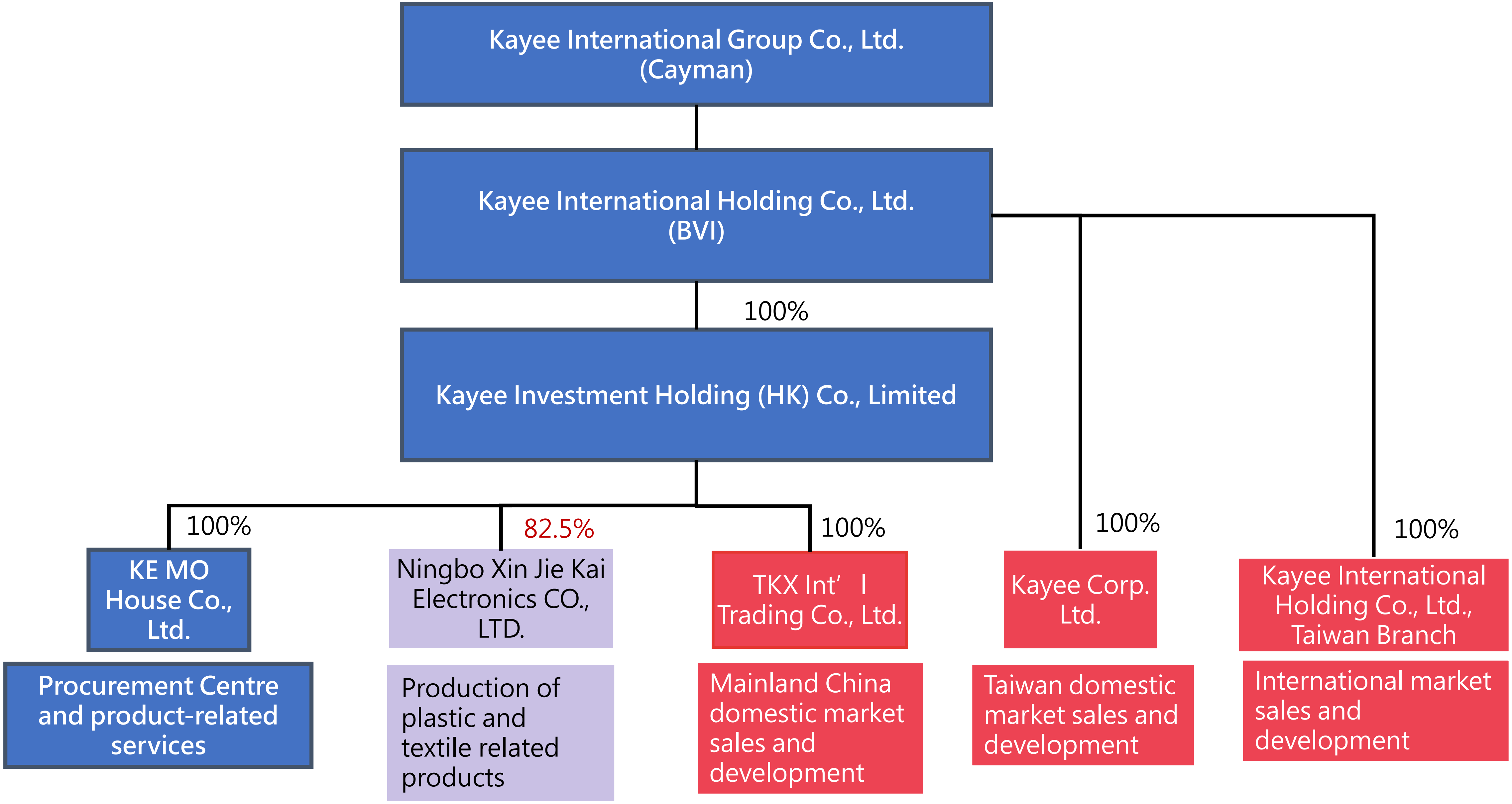
Main businesses :

Product Development, manufacturing and Omni-channel sales

Satellite TV, shopping channel, E-commerce, Mail order, In Store TV

Channel product development

Organization Structure

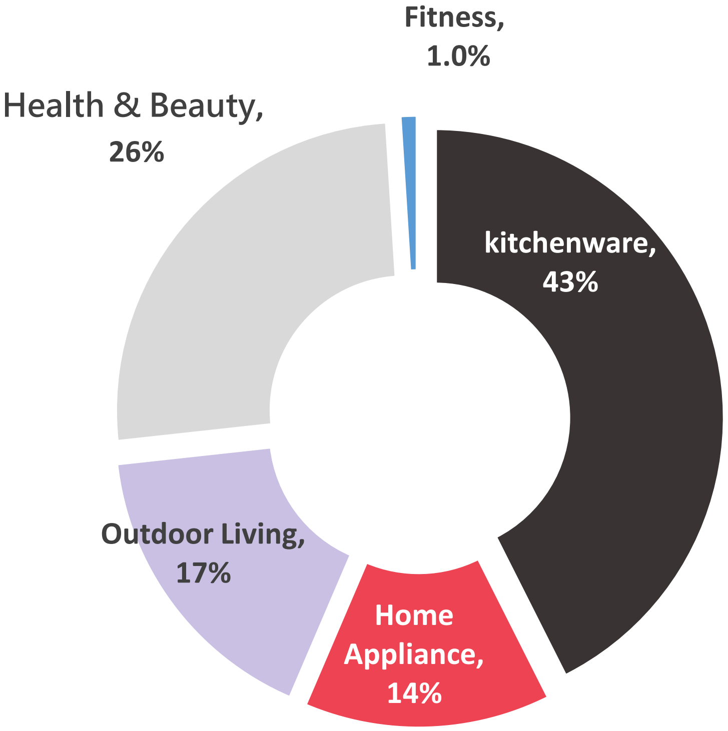


We Offer A Variety Of Products To Channels

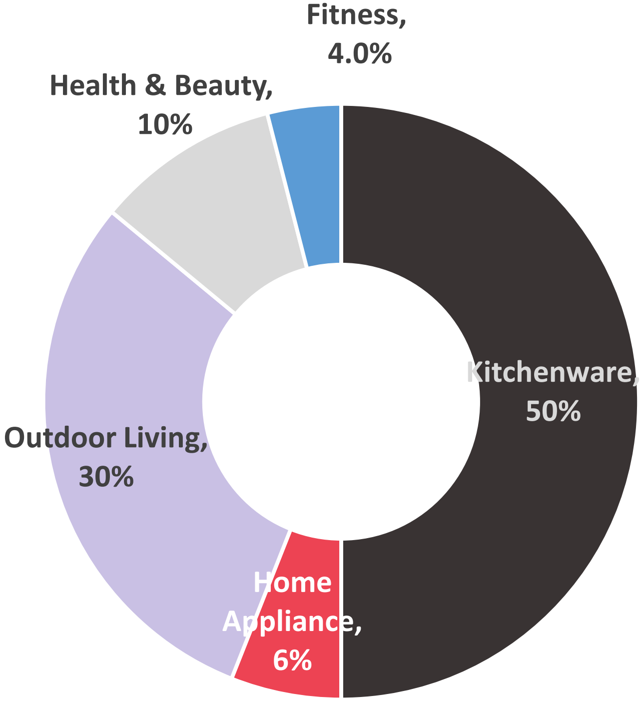
We supply lifestyle and general merchandizing products

Product Sales Breakdown (%)
(by our 5 main categories)

<u>2020</u>



<u>2021 1/1~9/30</u>



Over 30 Years Of Product Development Experience

Our core competence helps our channels to gain and occupy market share in their product space very rapidly, particularly DRTV

Experience

We posses a dedicated and experienced team.

Keen Market Sense

We know what product will sell, and we know how to tweak it to sell even better

Product Development

We insert our own creativity and innovation (IP) into our products and are very mindful of time to market

Managing Manufacturers

We run with an asset-light model. At the same time, we can ramp up volume quickly without sacrificing quality via our manufacturing partners (eg. Copper chef)

Financial Information

Five-Year Income Statement

(NTD M)	2016	2017	2018	2019	2020	2021 1/1~9/30
Revenue	**3,747**	**5,605**	**3,126**	**2,245**	**1,838**	**851**
Gross Profit	**1,073**	**1,518**	**828**	**622**	**511**	**165**
Operating Expenses	344	393	339	330	420	190
Operating Profit	**729**	**1,125**	**489**	**292**	**91**	**(25)**
Non Operating Income/(Loss)	21	(76)	137	18	(39)	(15)
Pretax Income	**750**	**1,049**	**626**	**310**	**52**	**(40)**
Tax Expenses	146	193	110	72	49	4
Minority Interest	(4)	(1)	10	2	(6)	(5)
Net Income	**608**	**857**	**506**	**236**	**9**	**(39)**
EPS (NTD)	**13.22**	**18.63**	**10.31**	**5.00**	**0.2**	**(0.85)**

Key Financial Ratios (%)	2016	2017	2018	2019	2020	2021 1/1~9/30
Gross Margin	28.6	27.1	26.5	27.7	27.8	19.4
Operating Expense Ratio	9.2	7.0	10.8	14.7	22.9	22.3
Operating Margin	19.5	20.1	15.6	13.0	5.0	(2.9)
Net Margin	16.2	15.3	16.2	10.5	0.5	(4.6)

Five-Year Balance Sheet

(NTD M)	2016	%	2017	%	2018	%	2019	%	2020	%	2021Q3	%
Total Assets	**1,570**	**100.0**	**2,042**	**100.0**	**2,040**	**100.0**	**1,784**	**100.0**	**1,417**	**100.0**	**1,264**	**100.0**
Cash & Marketable Securities	799	50.9	505	24.7	1,328	65.1	1,102	61.8	705	49.8	714	56.5
AR & NR	609	38.8	620	30.4	504	24.7	390	21.9	312	22.0	251	19.9
Inventories	71	4.5	64	3.1	107	5.2	91	5.1	114	8.0	70	5.5
Fixed Assets	38	2.4	32	1.6	31	1.5	27	1.5	45	3.2	40	3.2
Other Assets	53	3.4	821	40.2	70	3.4	174	9.8	241	17.0	189	15.0
Total Liabilities	**437**	**27.8**	**516**	**25.3**	**418**	**20.5**	**355**	**19.9**	**359**	**25.3**	**343**	**27.1**
AP & NP	189	12.0	217	10.6	205	10.0	152	8.5	105	7.4	122	9.7
Other Liabilities	248	15.8	299	14.7	213	10.5	203	11.4	254	17.9	221	17.4
Total Equity	**1,133**	**72.2**	**1,526**	**74.7**	**1,622**	**79.5**	**1,429**	**80.1**	**1,058**	**74.7**	**921**	**72.9**

Quarterly Income Statement

Income Statement (NTD$M)	3Q21	2Q21	3Q20	QoQ	YoY
Net Revenue	**351**	**178**	**561**	97.2%	(37.4%)
Gross Profit	**77**	**15**	**166**	413.3%	(53.6%)
Gross Margin	21.9%	8.4%	29.6%	160.7%	(26.0%)
Operating Expenses	73	53	126	37.7%	(42.1%)
Opex Ratio	20.8%	29.8%	22.5%	(30.2%)	(7.6%)
Operating Income	**4**	**(38)**	**40**	(110.5%)	(90.0%)
Operating Margin	1.1%	(21.3%)	7.1%	(105.2%)	(84.5%)
Net Non-Operating Income (Loss)	3	(20)	(6)	(115.0%)	(150.0%)
Pre-Tax Income	7	(58)	34	(112.1%)	(79.4%)
Income Tax Expense	5	(5)	19	(200.0%)	(73.7%)
Minority Interest	(2)	(3)	(2)	(33.3%)	-
Net Income	**4**	**(50)**	**17**	(108.0%)	(76.5%)
Net Margin	1.1%	(28.1%)	3.0%	(103.9%)	(63.3%)
EPS (NT$)	**0.1**	**(1.09)**	**0.38**	(109.2%)	(73.7%)

Quarterly Balance Sheet

Balance Sheet (NTD$M)	2021/09/30	%	2020/12/31	%	2020/09/30	%
Cash and Cash Equivalents	641	50.7	622	43.9	552	34.9
Notes and Accounts Receivable, Net	251	19.9	312	22.0	444	28.0
Inventories	70	5.5	114	8.0	97	6.1
Other Current Assets	152	12.0	177	12.5	330	20.8
Fixed Assets	40	3.2	45	3.2	39	2.5
Other Long-term Assets	110	8.7	147	10.4	122	7.7
Total Assets	**1,264**	**100.0**	**1,417**	**100.0**	**1,584**	**100.0**
Current Liabilities	258	20.4	283	20.0	499	31.5
LT Debt	-	-	-	-	-	
Other Non-Current Liabilities	85	6.7	76	5.3	92	5.8
Total Liabilities	**343**	**27.1**	**359**	**25.3**	**591**	**37.3**
Common Stock	455	36.0	455	32.1	457	28.9
Total Equity	466	36.9	603	42.6	536	33.8
Book Value per Share (NT$)	**921**	**72.9**	**1,058**	**74.7**	**993**	**62.7**
Key Indices						
Current Ratio (Current Assets / Current Liabilities)	431.8%		432.9%		285.2%	

Quarterly Cash Flow Statement

Cash Flow Statement (NTD$M)	3Q21	4Q20	3Q20
Beginning Balance	622	571	571
Cash from Operating Activities	110	(21)	(299)
Cash from Investing Activities	9	445	471
Cash from Financing Activities	(112)	(386)	(203)
FX Impact	12	13	12
Change in Cash	19	51	(19)
Ending Balance	641	622	552

New-Product Development

No. of products

Product Categories	2020	2021 January~ September
Health & Beauty	12	16
Outdoor Living	5	7
Home Appliance	1	1
Fitness	2	2
Healthy Cookware	14	13
Copper Chef	11	1
Total	**45**	**40**

Goals & Strategies

Gain more revenue shares from our biggest US channel

Ready To Regain Growth in 2022

Channel Diversification: Grow and expand our channels internationally, especially in Europe, Japan, Taiwan, and China

Supply Chain Diversification: Development of supply chains outside of China to minimize the impact of the China–United States trade war

Regain revenue growth in 2022 through sales and strategy adjustments, and benefit from post-COVID-19 pandemic economy

Innovations In Product Development

Rotating Spin Mop

Cleaning made easy with this cordless and flexible rotating spin mop. Suitable for floors, windows and even ceiling or hard to reach areas

Electrolyte Mop

Transforms water and salt into super-effective solution through electrolysis – Sanitizes and Clean all at once!

Aero 360 Steam Pro

We improved upon the idea of iron, our Aero 360 Steam Pro gets clothes dry and crease-free in minutes

Pet Grooming Dryer

Pet grooming and drying done at the same time with this multifunctional hand-held device

Product Development – Shifting Our Focus To Higher Margin Products

KAYEE

Kayee's Own Development

We develop our own product from scratch or improve (add our innovation/IP) on existing product

Customized Products

Client comes to us with a concept. We develop the product from scratch (design, materials, manufacturers, time to market, QA/QC, all with end price hitting the targeted price range in mind)

High

Focus

Low

Customized Products

Kayee's Own Development

Client Inquiry

SWOT Products

SWOT Products

Our internal SWOT analysis meetings to evaluate potential products to sell. Key points to evaluate includes cost, materials, time to market, product uniqueness, etc…

Client Inquiry

Client comes to us to source a product that's already in the market. We may or may not insert our own product development know-how, depends on price and product.

Low

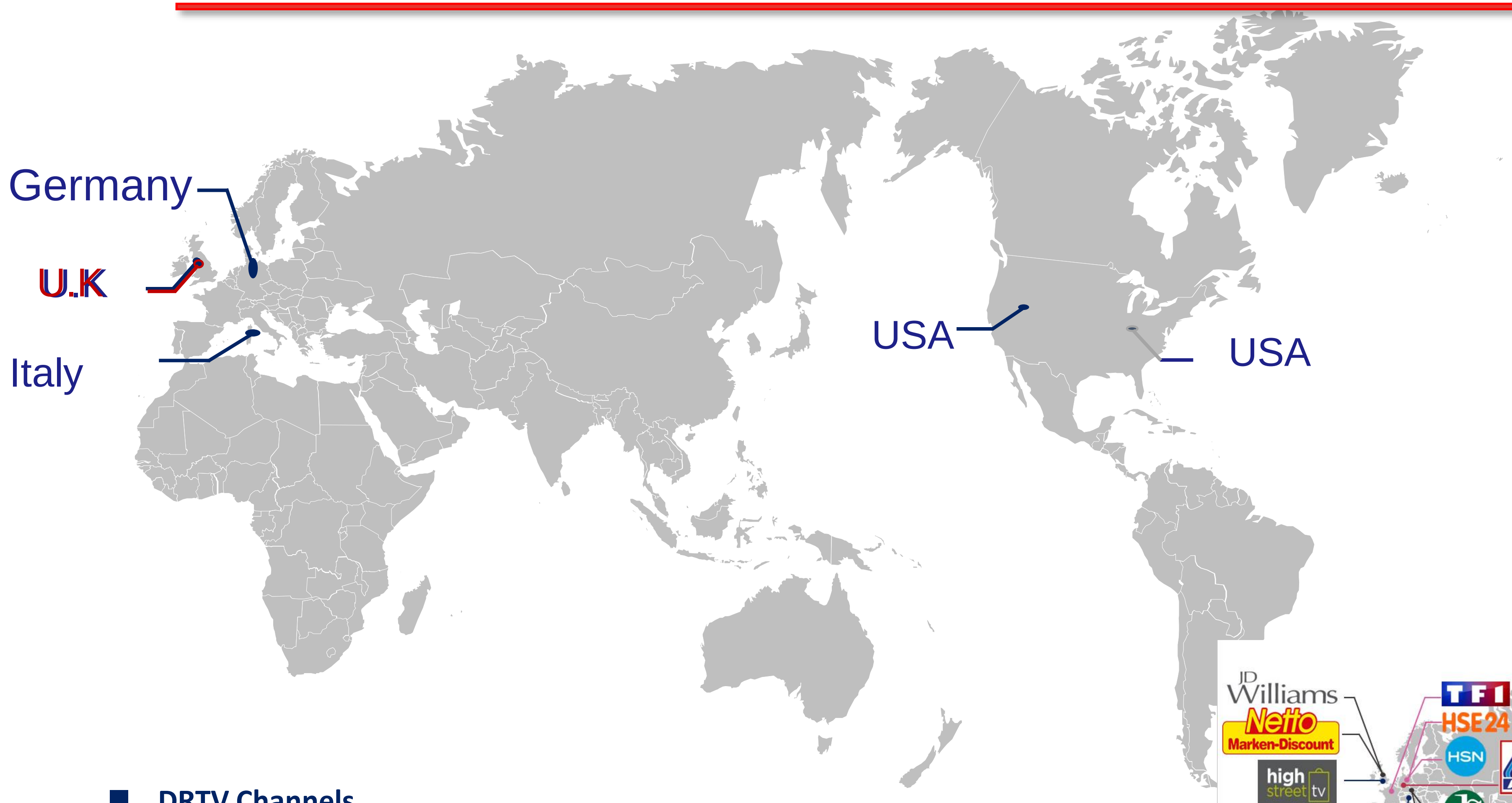
High

Margin

The 5 New(s)

1. New Customers and Markets
2. New Products
3. New supply chains
4. New Business Module
5. New office

1. New Customers and Markets



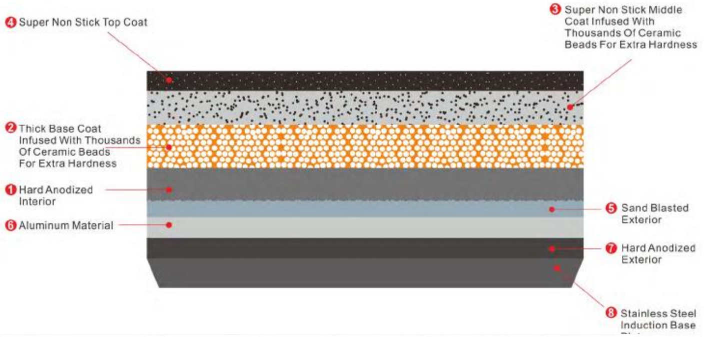
- DRTV Channels
- Retail Channels
- Home Shopping
- E-Commerce Channels

2. New Products-2021

Professional-Grade Pots and Pans
Forever Pans can sear like stainless, caramelize like cast iron, and they have a super nonstick
Forever Pans have exactly what you need to sear, simmer, broil, braise, roast, steam, crisp, fry, do it all.

Why Choose Emeril Forever Cookware

- Emeril Forever Pan Has A 3 Layers Daikin Super Nonstick Coating That Will Not Scratch, Wrap, Chip, Peel Or Dent.
- Also This Cookware Is Made Of Hard-anodized Aluminum (inside & Outside), The Unique Double Process Makes The Core Stronger Than Steel.



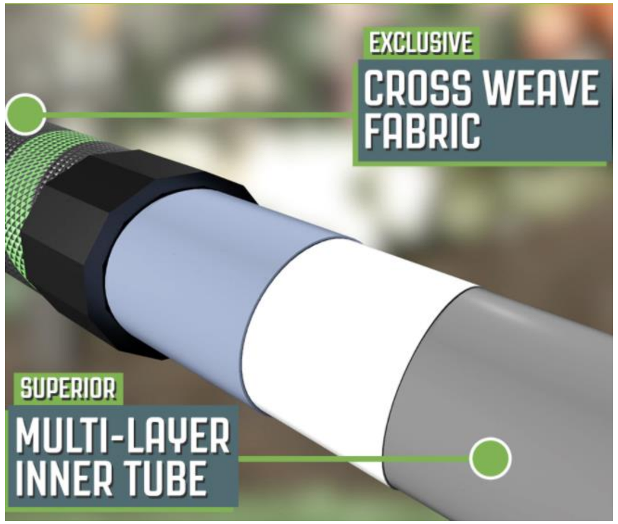
Our Technology

- DAIKIN SUPER NON STICK
- HARD ANODIZED

4 Layers
1. Hard Anodized Interior.
2. Thick Base Coat Infused With Thousands Of Ceramic Beads For Extra Hardness.
3. Super Non Stick Middle Coat Infused With Thousands Of Ceramic Beads For Extra Hardness.
4. PTFE Super Non Stick Top Coat .

TESTED, **PROVEN**, AND **CERTIFIED** TO BE THE **STRONGEST** AND **LIGHTEST** HOSE YET!

2021



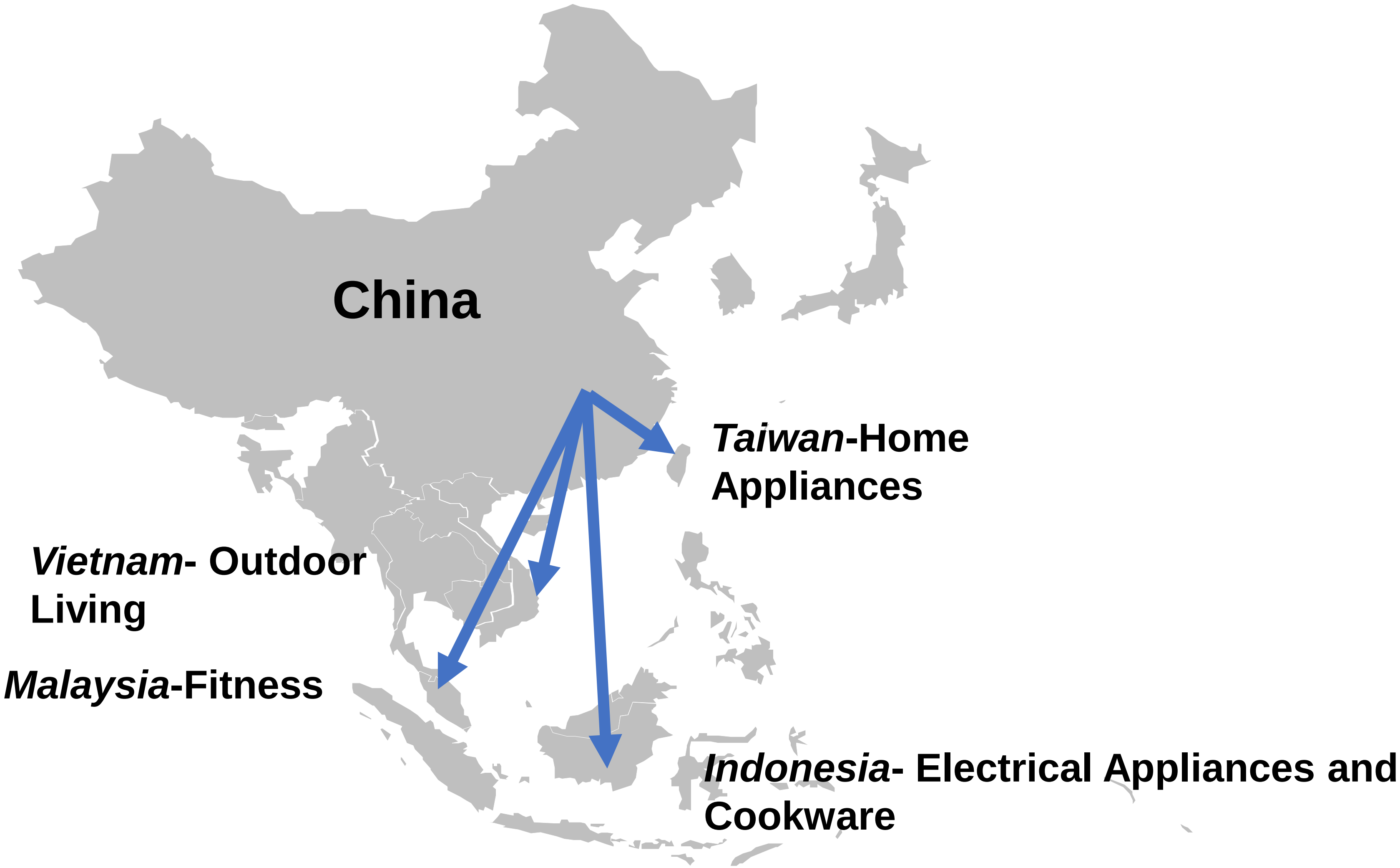
Expands Up To 50 Ft

Stores Easily

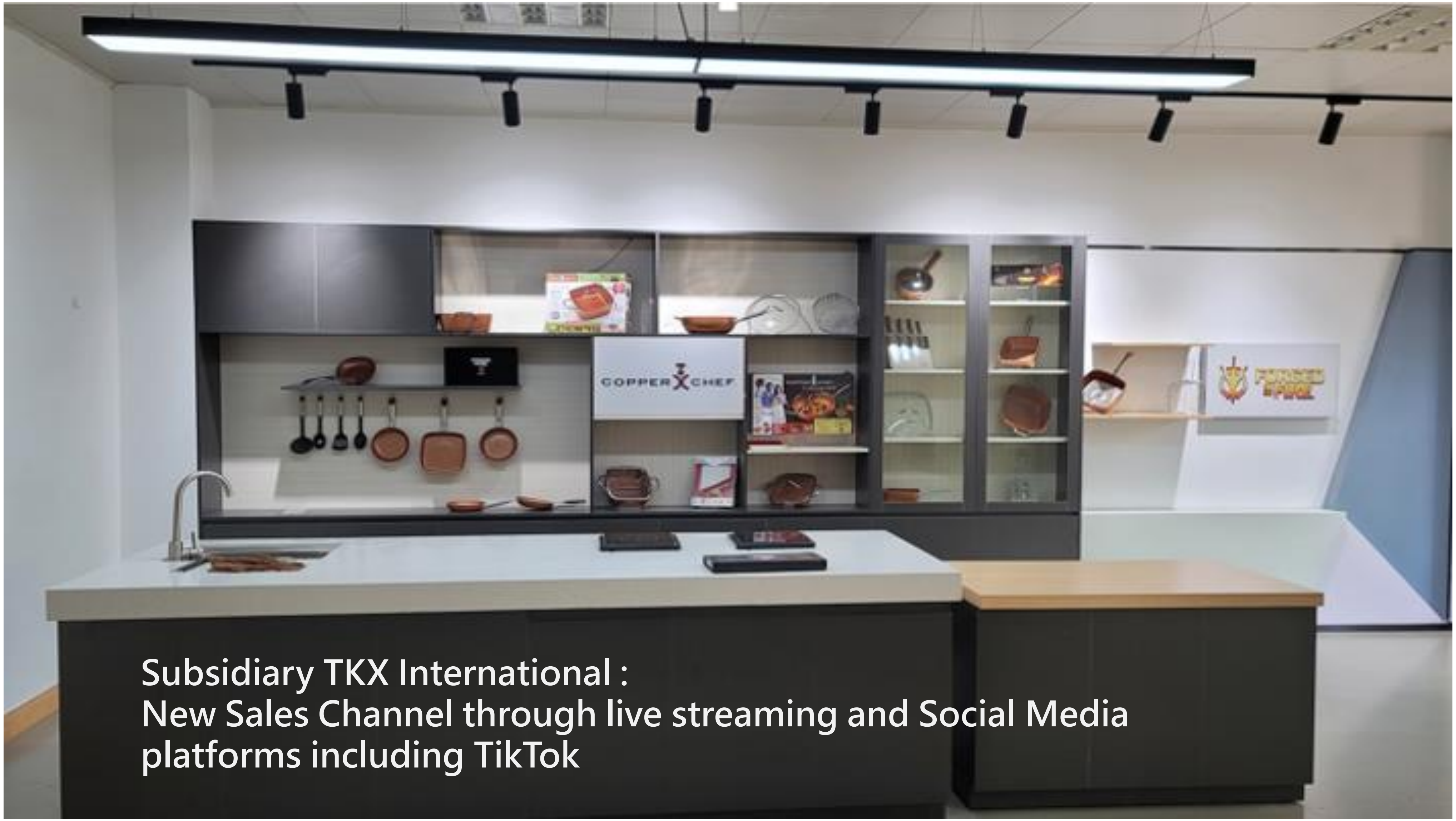
Weighs About 2 Lb

Solid Metal Fittings

3. New Supply Chains



4. New Business Module



Subsidiary TKX International :
New Sales Channel through live streaming and Social Media platforms including TikTok

5. New Office

The boards agreed to the purchase of a new office in 2021/10/15 .
Estimated settlement time: end of 2023

Future Prospects

Challenges	Opportunities
• High freight cost increases customers' cost • Containers congestion and shortage delay sales progress • Continuation of U.S trade war increases costs for U.S. customers • Restrictions on electricity and production in China may extend product delivery time	• Increase product exposure through investment in additional marketing resources including the budgeted 8 short TV spots and 4 long TV spots • Joint Venture with customers and supply chains, leveraging on each others' strengths to create a win-win situation • Strengthen Kayee's Own Development Products • Continue to provide best service to current customers, promote new products and help customers build brand-awareness to increase customers' loyalty to Kayee • Continue to develop and expand on new potential markets and new channels

Thank You!