光群雷射科技(股)公司
K Laser Tech. Inc.

K Laser Group
Holography Expert !

Speaker：Alex Kuo, Ph.D., Chairman
Date：2013.09.17

Website: www.klasergroup.com

Company Background

K Laser Group

April 1988	Established at SBIP, Hsinchu, Taiwan to manufacture holographic security label product.
Dec. 1999	Public listed on OTC of Taiwan Stock Market.
April 2001	Hsin-Chu Head Quarter grand opening.
	Subsidiary – EverestDisplay Established.
2001	Public listed on main board of Taiwan Stock Market.
	Founded K Laser China Group and K Laser Wuxi is the business center of China.
July 2004	Subsidiary – Optivision Established.
Now	Total 11 manufacturing sites ,14 sales offices around the word and 1 advance R&D center in the USA.
	Over 839 employees(Holographic Business Uint and the largest holographic material supplier in the world.

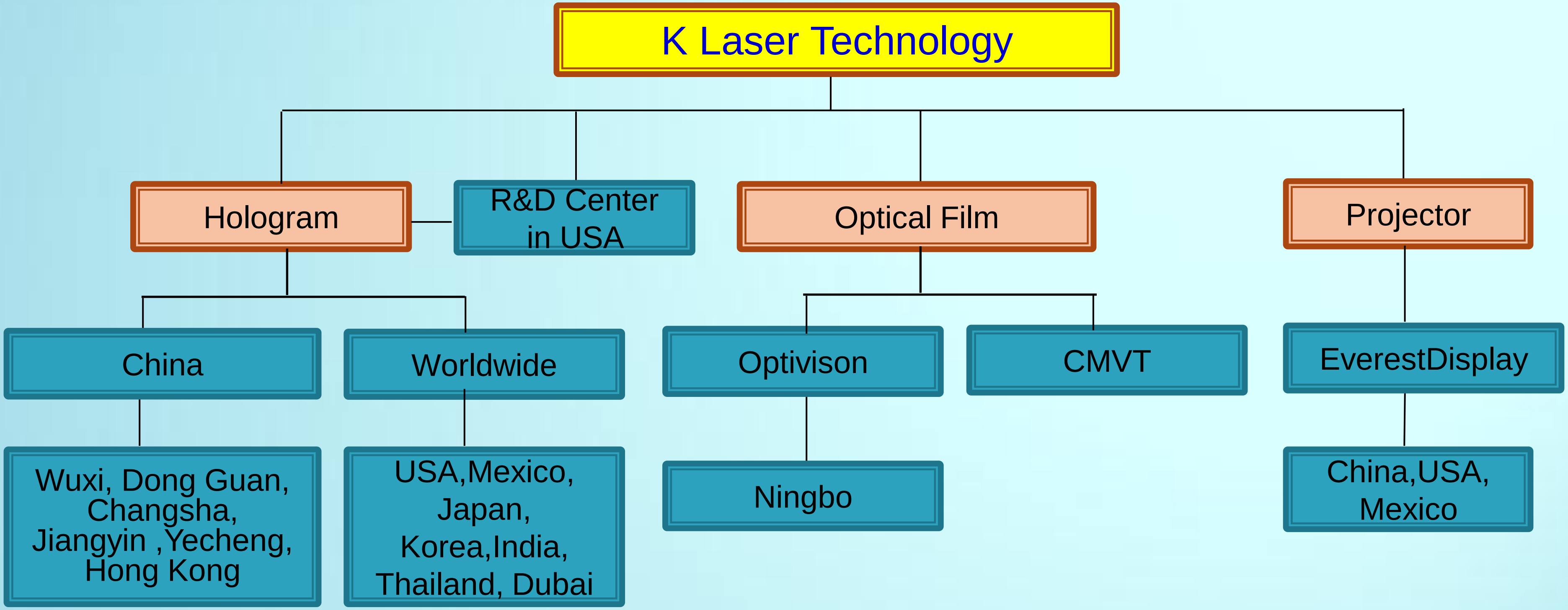
Management Team

Chairman: Alex Kuo
Ph. D. in Electro Optics,
State University of New York at Stony Brook, New York

CEO : Daniel Kuo
MS in Civil Engineering,
New Jersey Institute of Technology, New Jersey

Management Philosophy

Global Investment Structure



K Laser China：Established in 2001, focus on the market of China, currently more than 98% of sales are from domestic market of China.
The shareholding percentage is changed to 99.6% from 77.57% since 2013

Optivision: The main shareholders are Chimei Innolux Corporation and K Laser.

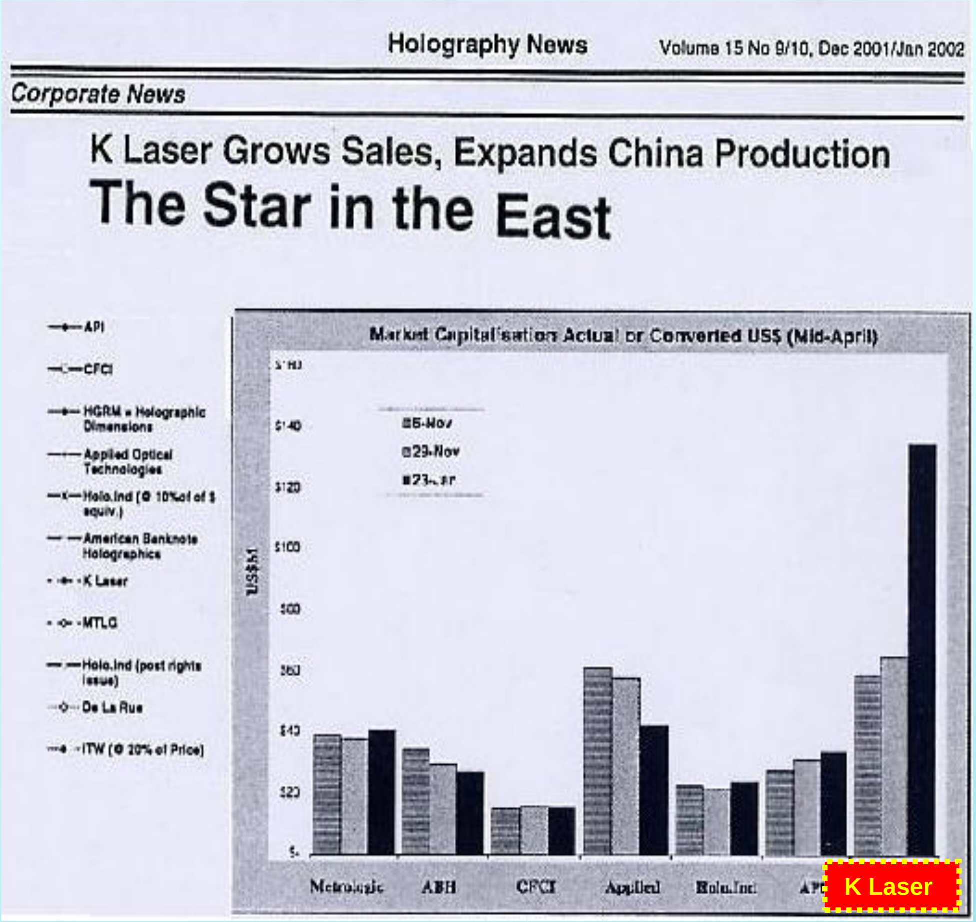
EverstDisplay: The main shareholders are K Laser, Wuxi Venture Capital Group and CIDC.

CMVT: The shareholder structure: Chi Mei Corporation 84% 、 K Laser 16%.

Products and Industry Position

Products： Anti-counterfeiting packaging materials used on tobacco, wine, medicines, cosmetic and any other brand name paroducts , it also can be used in credit card, bank notes, passports and other valuable certificates coupons.

Industry Position：
the largest in China, which accounted for about 25% of tobacco security market.
the largest holographic material supplier in the world.


Holography News Volume 15 No 9/10, Dec 2001/Jan 2002

Corporate News

K Laser Grows Sales, Expands China Production

The Star in the East

K Laser Group

Marketing Accomplishments

- **Multinational Sales Channels.**
- **100% Owned Brand Name.**
- **Diverse Product Offerings.**
- **Stable Sales Price.**

R&D Accomplishments

- Patents : Europe /US / Japan :9 , Taiwan: 26, China: 4
- High Security Mastering: Up to 10,000 dpi
- Raw Materials Cost 20% Less Than our Competitors
- In-house Designed Production Equipment
- 100% Key Component Technology Controlled by Ourselves

K Laser – The First Truly Global Hologram Producer

GRAPHY NEWS

ternational Business Newsletter of the Holography Industry

ISSN 0895-9080 VOLUME 18 | NO 5 | JUNE 2004

K Laser – the First Truly Global Hologram Producer

Taiwanese embossed hologram producer K Laser Technology Inc is completing the first year of its five-year expansion plan. It is now organised into five regional business units (for China, Asia, Europe, India-Middle East-Africa and the Americas) and has eight production plants, three of them in China with others in Japan, Thailand, India and the USA, with its mastering and largest plant at its home base in Taiwan. This makes K Laser the most global hologram producer: Kurz has foil production plants in Germany, the USA and Korea, but only produces holograms in Germany; API plc has hologram production in the UK, USA and China (a joint venture), and Applied Optical Technologies has production in the UK and the USA.

K Laser's first production plant outside Taiwan was at WuXi in China, opened in 2001. It has wide web embossing production and metallisation here, with 114 staff – expected to grow to 143 by the end of 2004. This was followedby the Dong Guan Factory, established in 2002, and Puguang Science & Technology in Yibin, established in 2003 as a joint venture with

Continued on page 8

Global Hologram Producer... cont'd

Wuliangyi Group, one of the leading distilleries in China. The Dong Guan plant has installed wide web machines and the staff number is expected to grow from 143 to 172 employees this year. This will make K Laser one of the largest hologram producers in China, where it is targeting 2004 sales of US$38.8m, which Yu-Mei Tsai, marketing communications manager, told **Holography News** is a 100% increase from last year.

The US factory, established in 2002, employs 13 staff running wide web embossing machines producing holographic PET films. The plant serves North & Central Americas, where the company is targeting $4.5m in sales this year, at a growth rate of 22%. K Laser also has a research lab in the US, although all commercial origination services remain in Taiwan. The Thai factory also began production in 2002, with wide web embossing and converting equipment to produce on films and laminated paper and board. The plant employs 51 people and its market coverage includes Thailand, Indonesia, Malaysia, and the Philippines. Its 2004 sales target is $3.3m. The Japanese factory was established last year, with wide web embossing machines to produce on hot foil and PET film. The staff number will grow from 4 to 7 staff by the end of this year, with expected sales of $1.9m from the Japanese market.

K Laser also established its presence in the Indian market last year, where it has a plant with wide web embossing and slitting equipment, with 10 staff. Market coverage from India includes Bangladesh, Pakistan, and Sri Lanka, with 2004 sales targeted at $2.9m.

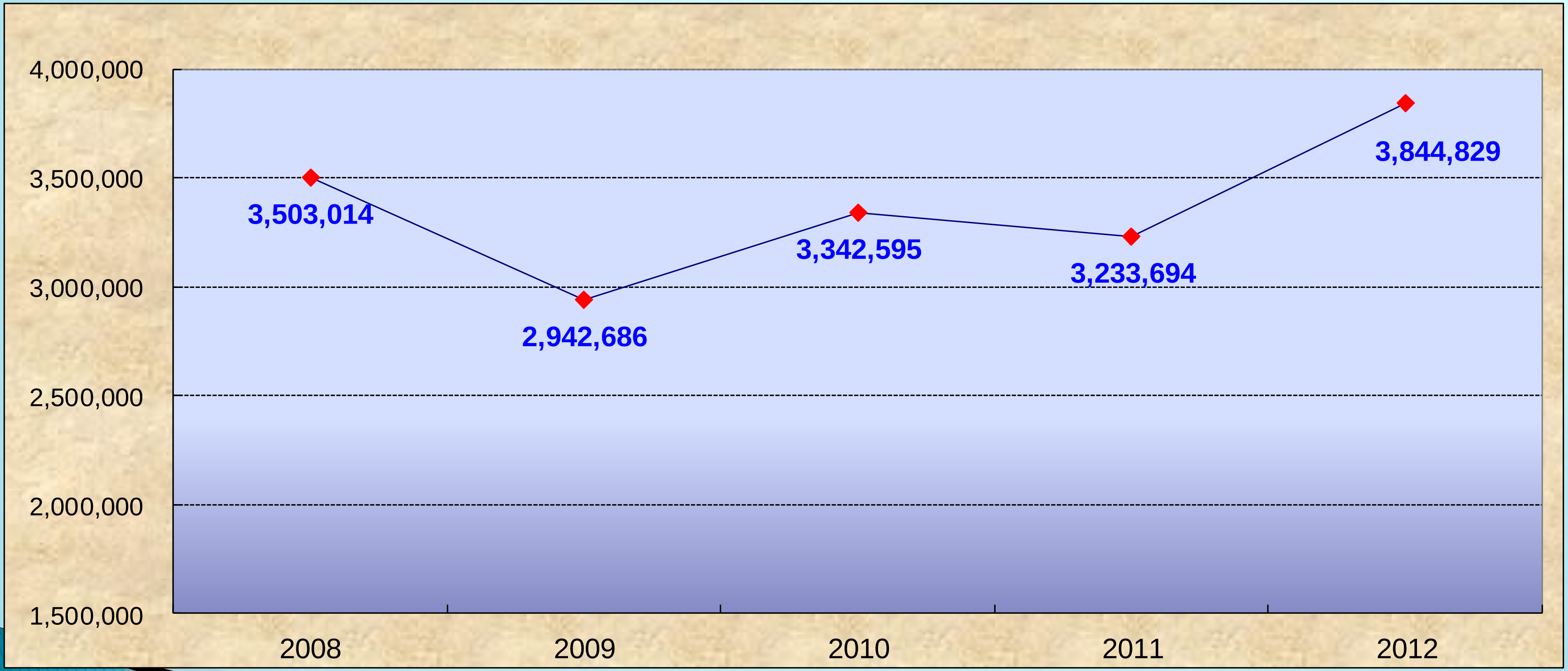
Contact: www.Klaser.com.tw.

Financial Data-Consolidated

❖ Five-year Revenue

In NTD$1,000

Item	2008	2009	2010	2011	2012
Revenue	3,503,014	2,942,686	3,342,595	3,233,694	3,844,829
YOY%	-5.0%	-16.0%	13.6%	-3.3%	15.0%



Financial Data-Consolidated

❖ Five-year Gross Margin

In NTD$1,000

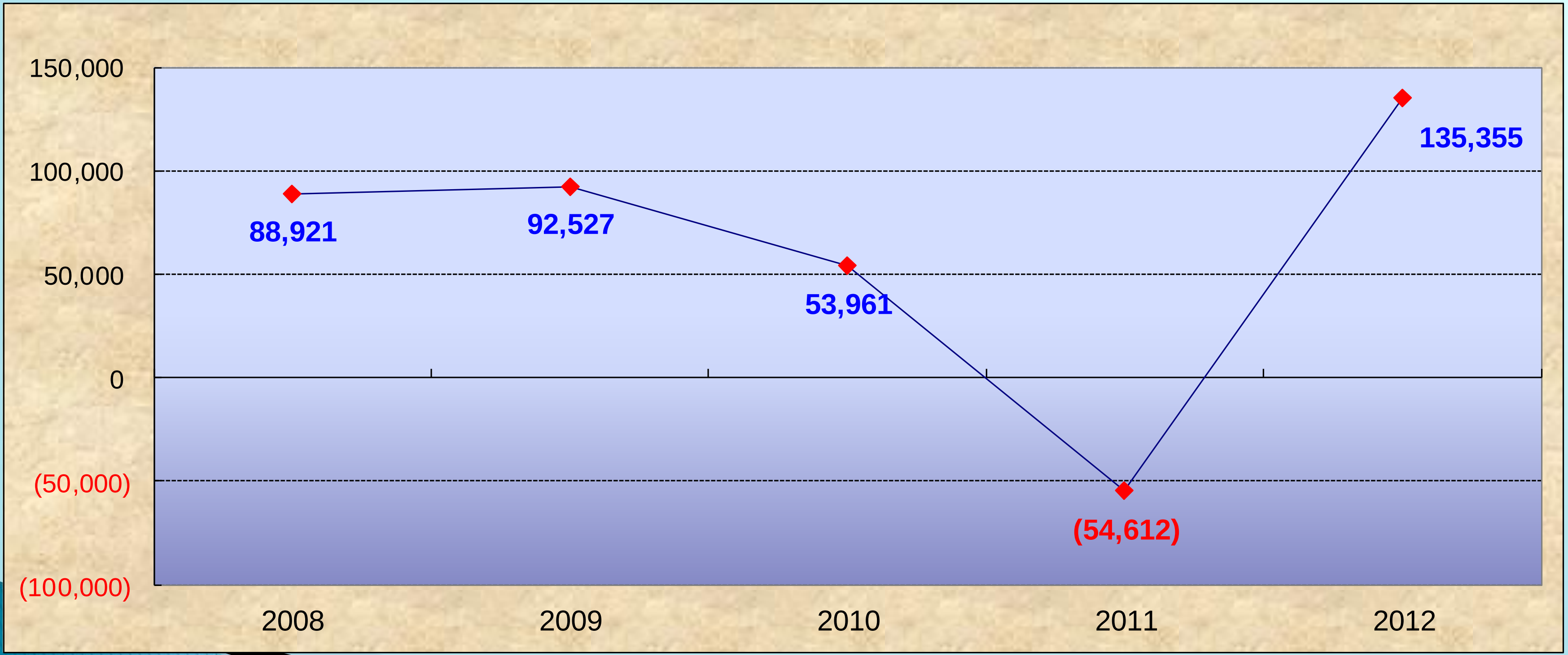
Item	2008	2009	2010	2011	2012
Gross Margin	877,364	761,038	795,274	723,813	905,960
%	25.0%	25.9%	23.8%	22.4%	23.6%

Financial Data-Consolidated

Five-year Net Income

In NTD$1,000

Item	2008	2009	2010	2011	2012
Net Income	88,921	92,527	53,961	(54,612)	135,355
YOY%	-78.6%	4.1%	-41.7%	-201.2%	150.8%



Financial Data-Consolidated Income Statement

2013 vs. 2012 Consolidated Six Months

In NTD$1,000

Item	2013 Six Months	%	2013 Six Months	%	YOY (%)
operating revenue	2,004,910	100	1,557,629	100	29
Gross profit from operations	511,513	26	384,431	25	33
Operating expenses	373,616	19	307,974	20	
Net operating income	137,897	7	76,457	5	80
Non-operating income and expenses	69,129	3	1,825	0	
Profit from continuing operations before tax	207,026	10	78,282	5	
Profit from continuing operations	184,312	9	56,035	4	229
Non-operating income and expenses	135,137	7	43,050	3	214
Profit from continuing operations before tax	49,175	2	12,985	1	
*Basic earnings per share from continuing operations	0.91		0.29		

***Earnings per share is based on the weighted average number of outstanding shares**

(Sources：Reviewed by Deloitte & Touche)

K Laser Group

Financial Data-Consolidated Balance Sheet

2013.6.30.

In NTD$1,000

Item	Amount		Item	Amount
Current Assets	3,179,193		Current Liabilities	1,716,197
Cash and Cash Equivalents	985,318		Noncurrent Liabilities	846,860
Financial Asset- Current	39,731		Total Liabilities	2,563,057
Notes Receivable and Accounts Receivable	1,446,259		Ordinary Share	1,629,350
Inventories	570,826		Capital Surplus	430,180
Other Current Assets	137,059		Retained Earnings	669,215
Funds and Long-Term Investments	625,299		Other Equity	6,409
Fix Assets	1,524,422		Treasury Shares	(92,522)
Others Assets	248,086		Non-controlling interests	371,311
Total Assets	5,577,000		Total Equity	3,013,943
			*Book value per share	17.06

***Book value per share=(Total equity- Non controlling interests) / (outstanding shares 154,934 thousand shares)**

(Sources：Reviewed by Deloitte & Touche)

K Laser Group

Financial Data-Consolidated Consolidated Statements of Cash Flow

2013.6.30

In NTD$1,000

Item	Amount
Profit (loss) before tax	207,026
Depreciation and Amortization Expense	103,700
Notes Receivable and Accounts Receivable	87,629
Inventories	1,129
Notes Payable and Accounts Payable	(109,639)
Others	(40,497)
Net Cash Provided by Operating Activities	249,348
Proceeds from Disposal of Property, Plant and Equipment	(100,927)
Acquisition or Proceeds from Financial Assets and Investments Accounted for using Equity Method	(85,755)
Others	3,464
Net Cash Provided(Used in) by Investing Activities	(183,218)
Net Cash Provided(Used in) by Financing Activities	(59,457)
Effect of Exchange Rate Changes	55,280
Net Cash in Cash and Cash Equivalents	61,953
Cash and Cash Equivalents, Beginning of year	923,365
Cash and Cash Equivalents, End of year	985,318

(Sources：Reviewed by Deloitte & Touche)

Optivision - Investment Structure

Optivision-Consolidated Income Statemenet

2013 vs. 2012 Consolidated Six Months

In NTD$1,000

Item	2013 Six Months	%	2013 Six Months	%	YOY (%)
operating revenue	607,498	100	472,523	100	28.6
Gross profit from operations	140,261	23	77,143	16.3	81.8
Operating expenses	61,383	10	66,857	14.1	
Net operating income	78,878	13	10,286	2.2	666.8
Non-operating income and expenses	27,452	5	(5,537)	(1.2)	
Profit from continuing operations before tax	106,330	18	4,749	1.0	2,139
Profit from continuing operations	106,330	18	4,749	1.0	2,139
Non-operating income and expenses	106,330	18	4,749	1.0	
Profit from continuing operations before tax	0	0	0	0.0	
*Basic earnings per share from continuing operations	2.78		0.11		

***Earnings per share is based on the weighted average number of outstanding shares**

(Sources：Reviewed by Deloitte & Touche)

Optivision-Consolidated Balance Sheet

2013.6.30.

In NTD$1,000

Item	Amount		Item	Amount
Current Assets	773,567		Current Liabilities	392,331
Cash and Cash Equivalents	175,575		Noncurrent Liabilities	-
Financial Asset- Current	-		Total Liabilities	392,331
Notes Receivable and Accounts Receivable	394,290		Ordinary share	384,765
Inventories	181,742		capital surplus	-
Other Current Assets	21,960		retained earnings	133,221
Financial Asset – non current	-		Other Equity	503
Fix Assets	128,642		Treasury shares	0
Others Assets	8,611		Non-controlling interests	-
Total Assets	910,820		Total equity	518,489
			*Book value per share	13.48

***Book value per share=(Total equity- Non controlling interests) / outstanding shares**

(Sources：Reviewed by Deloitte & Touche)

OptiVision-Consolidated Consolidated Statements of Cash Flow

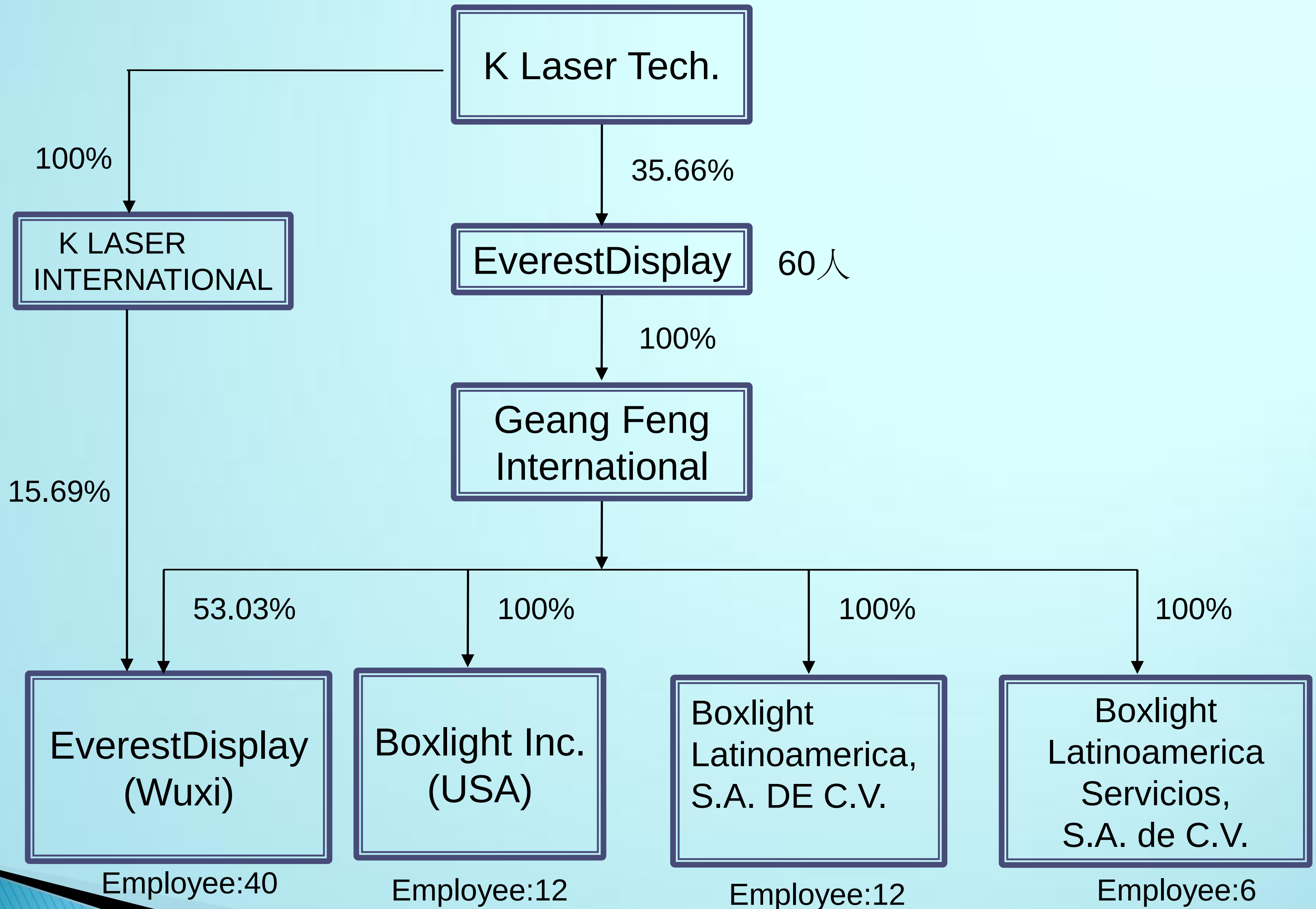
2013.6.30

In NTD$1,000

Item	Amount
Profit (loss) before tax	106,330
Depreciation and Amortization Expense	17,616
Notes Receivable and Accounts Receivable	(46,685)
Inventories	(25,208)
Others	(4,366)
Net Cash Provided by Operating Activities	47,687
Acquisition from Disposal of Property, Plant and Equipment	(5,330)
Acquisition or Proceeds from Financial Assets and Investments Accounted for using Equity Method	0
Others	(66)
Net Cash Provided(Used in) by Investing Activities	(5,396)
Net Cash Provided(Used in) by Financing Activities	24,394
Net Cash in Cash and Cash Equivalents	68,292
Cash and Cash Equivalents, Beginning of year	107,283
Cash and Cash Equivalents, End of year	175,575

(Sources：Reviewed by Deloitte & Touche)

EverestDisplay-Investment Structure



EverestDisplay-Income Statement

Jan.~ Aug.2013 v.s. Jan.~ Aug.2012

In NTD$1,000

Item	Jan.~Aug.2013	%	Jan.~ Aug.2013	%	YOY (%)
operating revenue	312,748	100	405,807	100	(23)
Gross profit from operations	245,065	78	341,170	84	
Operating expenses	67,683	22	64,637	16	5
Operating expenses	59,819	19	63,677	16	
Selling and Administrative expenses	40,584	13	45,182	11	
R&D expenses	19,235	6	18,495	5	
Profit from continuing operations	7,864	3	960	0	719
Non-operating income	11,925	4	3,983	1	
Non-operating expenses	16,527	5	18,906	5	
Profit from continuing operations	3,262	1	(13,963)	(3)	123
Tax expense	2	0	(830)	(0)	
Profit from continuing operations	3,260	1	(13,133)	(3)	125
earnings per share	0.1		(0.4)		125

***Earnings per share is based on the weighted average number of outstanding shares**

(Sources：EverestDisplay)

Q & A

Thank you !!