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鈺德科技股份有限公司 U-Tech Media Corporation

Y18 Earning Conference

107/12/25

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Outline

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- Financial structure
- Change the investment situation
- Development strategy and business plan

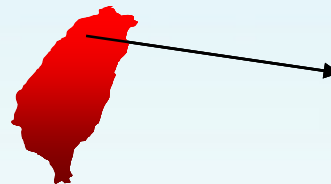
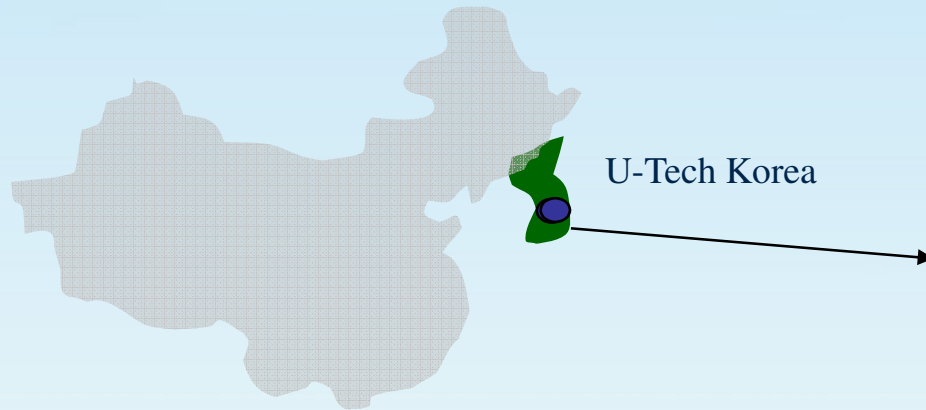
Operating base

- Establish time: August 1994
- Capital: NT \$ 1.45 billion
- Main products: pre-recorded CD / DVD / Blue-Ray Disc (BD)
- Company Factory:
 - Domestic: Tao-yuan Hua-ya Science and Technology Park
 - Foreign: Korea

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Operating base



**U-Tech Hua-Ya
Headquarters**

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Certification performance

- Certified by McDonald's Social Responsibility Certification, awarded the highest level "Green Level" certification through the certificate
- Acquired the ISO9001, ISO14001, OHSAS 18001 certification
- Acquired the SONY Green Partner environmental quality assurance system
- Acquired the BDA (Blu-ray Disc Alliance) BD50 certification
- Acquired the International Toy Industry Association (ICTI) to verify that the first pre-recorded media disc factory through the verification of manufacturers
- Certified by the International Recording Media Association (IRMA) as the first Asian anti-piracy demonstrative manufacturer
- Acquired the certification of DVD Forum Class B certification labs

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Company competitiveness

- The largest pre-recorded media factory in Taiwan
- Asia's first pre-recorded disc media factory certified by the International Recording Media Association
- An authorized pre-recorded disc media factory in the Asia Pacific area by Hollywood film publishers
- The first pre-recorded media disc factory in Taiwan that was certified by ICTI, International Toy Industry Association
- The first and only one pre-recorded disc media factory providing one-stop integrated services in Taiwan
- The first pre-recorded disc media factory in Asia -except Japan- that was certified by Blu-ray Disc Alliance for producing single-layer (25GB) and double-layer(50GB) Blu-ray discs

Financial structure – Income Statement

In NT\$,000s

Item \ Year	Year 2015	Year 2016	Year 2017	3Q Year 2018
Sales revenue	951,160	948,476	815,563	571,207
Cost of goods sold	655,714	603,948	572,954	421,686
Gross profit	295,446	344,528	242,609	149,521
Operating expense	280,348	220,182	226,452	132,543
Operating profit (loss)	15,098	124,346	16,157	16,978
Non-operating income/exp.	162,500	(27,095)	125,249	46,083
Pre-tax income (loss)	177,598	97,251	141,406	63,061
Income tax	35,836	9,876	12,602	6,761
Net income (loss)	141,762	87,375	128,804	56,300
Basic EPS	0.84	0.57	0.86	0.39

Financial structure – financial analysis

		Year 2015	Year 2016	Year 2017
Financial structure	Debts / Assets(%)	19.37	26.72	23.62
	Long-term capital / fixed assets(%)	212.38	267.85	250.67
Solvency	Liquidity ratio(%)	169.27	299.12	187.23
	Quick ratio(%)	156.18	286.53	178.06
	Interest Protection Multiples	-7.00	21.20	11.76
Operational capacity	AR overturn (times)	5.04	5.67	5.41
	Average collection period (days)	72.42	64.37	67.46
	Inventoty overturn (times)	12.27	13.44	13.69
	Average sales period (days)	29.74	27.15	26.66
	Fixed asset overturn (times)	0.75	0.93	0.97
	Asset overturn (times)	0.30	0.33	0.32
Profitability	ROA(%)	-2.18	5.17	3.15
	ROE(%)	-2.85	6.41	3.88
	Pre- tax income / actual capital ratio(%)	-2.46	11.68	6.40
	Net income ratio(%)	-7.71	14.90	9.21
	EPS	-0.36	0.84	0.57
Cash flow	Cash flow ratio (%)	42.94	40.94	26.07
	Cash flow allowable ratio (%)	208.91	342.94	333.04
	Cash flow re-invest ratio(%)	3.33	3.10	0.31

Investment

➤ Cultural industry

- We launching a brand-new biz model which operate and develop Cultural and Creative business by Brick Yard 33 which cooperated with Old Houses Project of Department of Cultural affairs Taipei City Government . By this platform we obverted thinking and absorbed nutrition of running cultural and creative business for further development of extend scale.

➤ Solar industry

- Through group resources integration steps to innovative technology of the solar energy market which encouraged by government.

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Cultural industry

C4C12 C9C11 2018



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American military club(Brick Yard 33)

Music culture promotion

- ✓107/04/22 Golden Faith concert from 1950s-1960s
- ✓107/05/13 Music Never End-Classical chinese music concert.
- ✓107/07/29 Fundraising charity concer



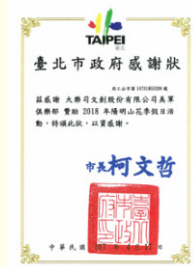
Lecture / Exhibition

- ✓107/01/20 Lecture on "From Camellia women to Camellia Art".
- ✓107/03/25 Lecture on "How to select houseplants".
- ✓107/12/01 Lecture series on the chrysanthemum exhibition
- ✓Achievement exhibition of Department of Architecture and Urban Design, PCCU
- ✓Ceramic Exhibition.



Charity activities

- ✓ Sponsor Local activity
- ✓ Sponsor Taipei City Yangming Home for the disabled
- ✓ Sponsor Childrens home
- ✓ New clothes and second-hand clothing raise for preschool.



Old house activation



Brick Yard 33 a trip



Old town of Grass Mt

Historical and memorial area which residence of American army dorms since 1950-1978, we renamed as old town of Grass Mt. Continuing and developing our cultural and creative business. This block with 6 units of house which restored its original picture and recreated new spot-light park for leisure and touring purpose.

- ✓ Unit C4 : Musician of Yu-Yu Ma ,he was lived C4 before 7 years old
- ✓ Unit C12 : A drama of well-known TV was shoot at C12 in 1970s

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Before renovation



After renovation



C9、C11 Under construction



Solar industry

- # The government is implementing the nuclear-free homeland policy and has announced three major policies: "achieve a nuclear-free homeland, ensure stable power supply and improve air pollution".
- # Base on the policies, the government will give a full implementation of the commitments of measures to stabilize power supply. Hence we invested solar power system as core axis to focus.
- # Major solar installations around government or city hall buildings total 277 cases until July 2018.
- # U-Tech hold Formosa Sun Energy Corp. stockshare 73.64% currently.



**Elementary School
in Pingtung hsien**

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Development strategy and business plan

- **Replication optical disc industry is blocked due to multi alternative media. Keeping survive is our task.**
- **Diversification toward to leisure and cultural creative fields to meet lifestyle of consumers. Links to old house project benefits from synergy.**
- **The trend is towards to clean energy ,we focused on government and city hall PV system installation market meets the energy policy of government and achieve economic scale growth.**

The End

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