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Elite Advanced Laser Corporation

Investor Conference

2018/04/10

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Safe Harbor Notice

Elite Advanced Laser Corporation’s statement of its current expectations are forward-looking statements which are subject to significant risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements.

Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

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Major Products and Applications

LD for information	Pick-up head, 3D sensing, Automotive head light
	Automotive head-up display, Pico projector, High power industrial Laser
LD for communication	Fiber-to-the-home（FTTH）, Data center
	Base station, Long-haul communication
Power semiconductor	Power MOSFET
	IGBT
	Power Management ICs

We provide ODM/OEM service of assembly and testing

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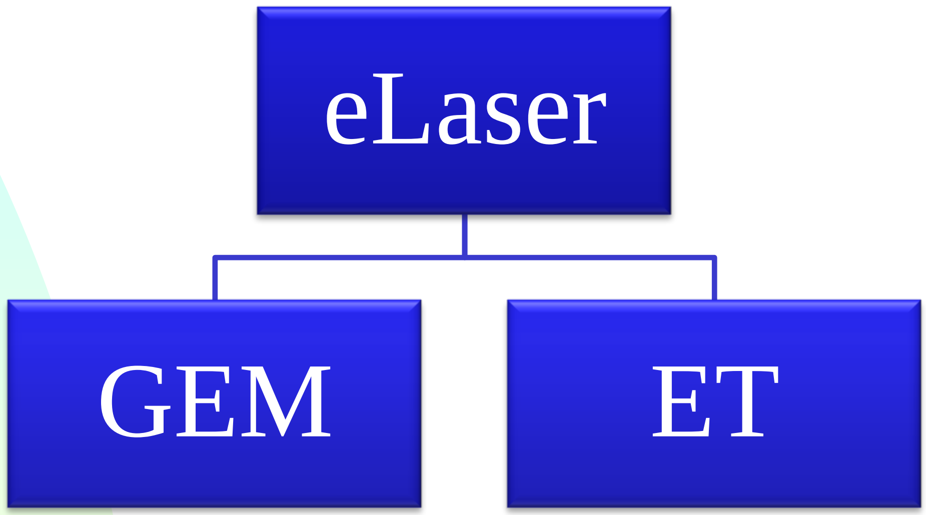
Affiliated Company



Shareholding ratio 49.42%

Shareholding ratio 66.77%

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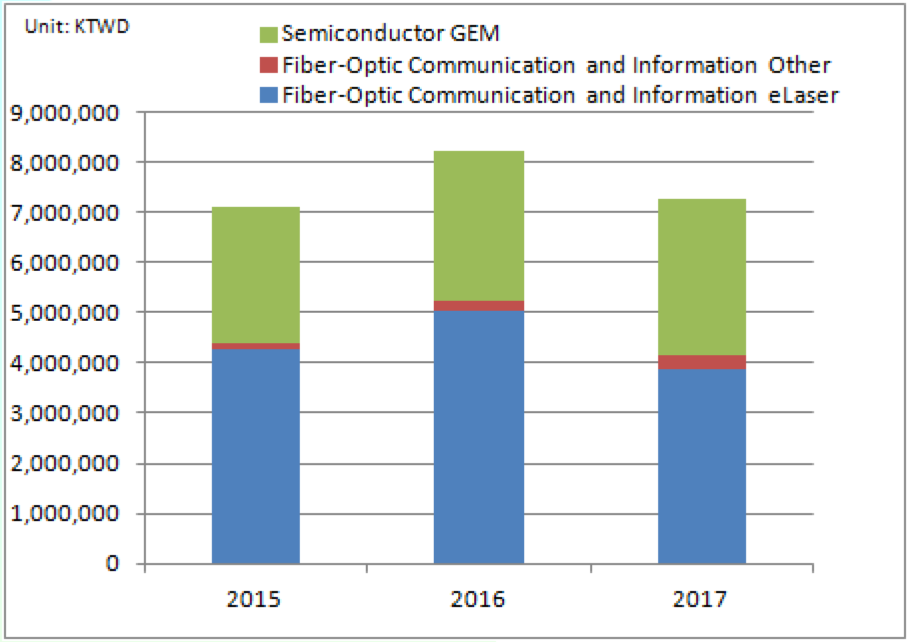
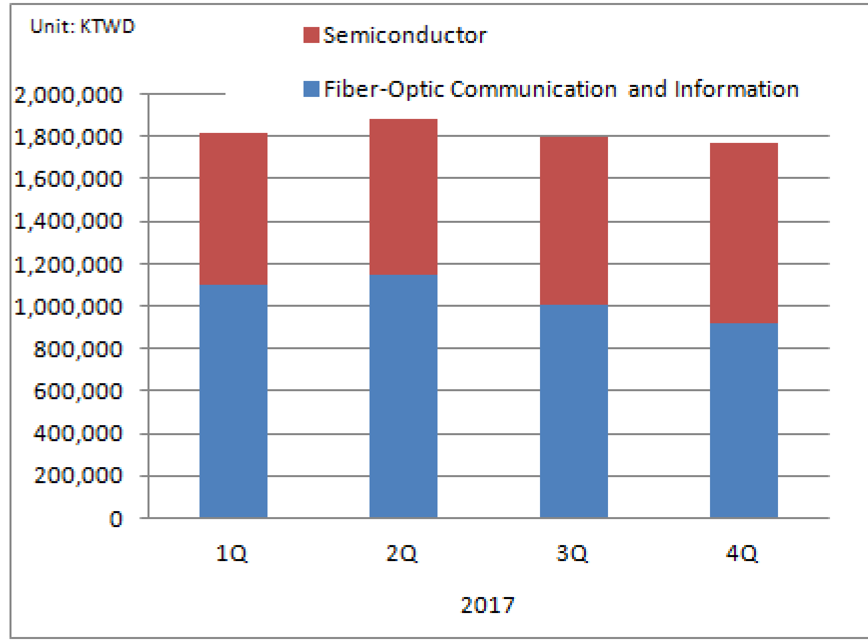
Consolidated Revenue



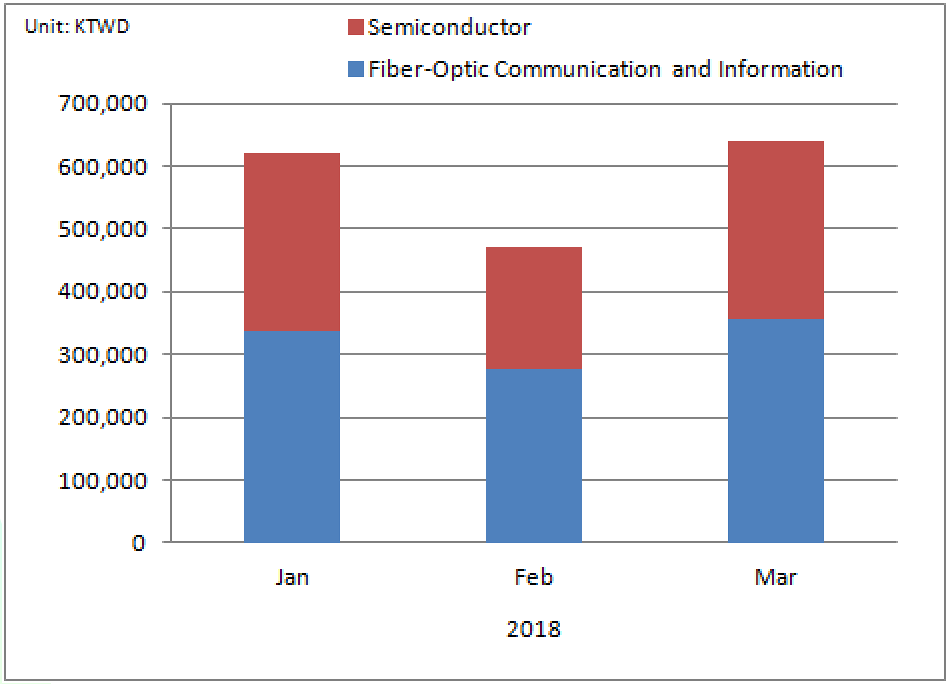


Unit: KTWD

Segment	Company	2016		2017						Growth Rate
		Total		1Q	2Q	3Q	4Q	Total		
Fiber-Optic Communication and Information	eLaser	5,250,839	5,021,450	1,101,457	1,146,358	1,007,020	919,985	4,174,820	3,869,351	-23%
	Other		229,389						305,469	33%
Semiconductor	GEM	2,956,016	2,956,016	712,574	739,212	793,004	849,578	3,094,368	3,094,368	5%
Total		8,206,855	8,206,855	1,814,031	1,885,569	1,800,025	1,769,563	7,269,188	7,269,188	-11%

Other includes ET revenue and revenue write off

Consolidated Revenue



Unit: KTWD

Segment	Company	2018			
		Jan	Feb	Mar	Total
Fiber-Optic Communication and Information	eLaser Other	336,210	277,203	356,343	969,756
Semiconductor	GEM	284,809	194,181	282,909	761,900
Total		621,019	471,384	639,252	1,731,656

Other includes ET revenue anc

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Consolidated Statement of Comprehensive Income

Unit: KTWD

	2016	2017				
	Total	1Q	2Q	3Q	4Q	Total
Revenue	8,206,855	1,814,031	1,885,570	1,800,024	1,769,563	7,269,188
Gross Profit	2,451,191	483,718	502,805	504,449	555,337	2,046,309
GP%	29.9%	26.7%	26.7%	28.0%	31.4%	28.2%
Operating Expenses	618,080	116,519	128,588	126,546	159,805	531,458
Operating Profit	1,833,111	367,199	374,217	377,903	395,532	1,514,851
OP%	22.3%	20.2%	19.8%	21.0%	22.4%	20.8%
Non-Operating Profit	95,811	(120,106)	7,885	(445)	1,457	(111,209)
Profit Before Tax	1,928,922	247,093	382,102	377,458	396,989	1,403,642
Tax expense	433,761	62,861	87,775	80,832	79,953	311,421
Net Profit	1,495,161	184,232	294,327	296,626	317,036	1,092,221
Non-Controlling Interests	306,581	62,844	81,781	90,224	107,465	342,314
Owners of Parent	1,188,580	121,388	212,546	206,402	209,571	749,907
Earnings per Share	10.77	0.92	1.60	1.56	1.58	5.66

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Individual Statement of Comprehensive Income

Unit: KTWD

	2016	2017
Revenue	5,021,450	3,869,351
Gross Profit	1,465,174	857,518
GP%	29.2%	22.2%
Operating Expenses	347,231	269,552
Operating Profit	1,117,943	587,966
OP%	22.3%	15.2%
Non-Operating Profit	335,193	320,514
Profit Before Tax	1,453,136	908,480
Tax expense	264,556	158,573
Net Profit	1,188,580	749,907
Earnings per Share	10.77	5.66

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Consolidated Balance Sheet

Unit: KTWD

	2016	2017			
	4Q	1Q	2Q	3Q	4Q
Cash and Cash Equivalents	2,886,222	2,920,003	3,056,535	2,137,393	2,531,018
Accounts Receivable	1,489,053	1,370,479	1,437,623	1,409,608	1,419,177
Inventories	464,519	434,122	378,733	423,143	427,212
Total Current Assets	5,455,870	5,120,771	5,306,368	4,425,917	4,648,422
Property, Plant and Equipment	2,116,500	2,044,243	2,141,481	2,181,765	2,331,604
Total Non-Current Assets	2,587,895	2,701,026	2,735,572	2,798,154	3,008,270
Total Assets	8,043,765	7,821,797	8,041,940	7,224,071	7,656,692
Accounts Payable	1,069,099	770,762	845,636	844,232	782,995
Total Current Liabilities	2,383,452	2,101,054	2,928,011	1,780,011	1,821,412
Total Non-Current Liabilities	281,838	270,902	244,926	258,174	353,019
Total Liabilities	2,665,290	2,371,956	3,172,937	2,038,185	2,174,431
Ordinary Share	1,103,647	1,103,647	1,103,647	1,324,376	1,324,376
Stock Dividend to be Distributed			220,729		
Capital Surplus	446,760	446,760	447,448	447,448	447,448
Retained Earnings	2,282,061	2,393,142	1,667,589	1,873,991	2,080,441
Other Equity Interest	(8,376)	(48,259)	(30,984)	(21,913)	(29,767)
Owners of Parent	3,824,092	3,895,290	3,408,429	3,623,902	3,822,498
Non-Controlling Interests	1,554,383	1,554,551	1,460,574	1,561,984	1,659,763
Total Equity	5,378,475	5,449,841	4,869,003	5,185,886	5,482,261
Liabilities / Assets Ratio	0.33	0.30	0.39	0.28	0.28
Current Ratio	2.29	2.44	1.81	2.49	2.55
Book Value per Share	34.65	35.29	25.74	27.36	28.86

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Individual Balance Sheet

Unit: KTWD

	2016	2017
	4Q	4Q
Cash and Cash Equivalents	1,000,619	437,580
Accounts Receivable	807,099	727,832
Inventories	328,580	300,493
Total Current Assets	2,346,294	1,510,357
Investments	1,601,126	1,751,088
Property, Plant and Equipment	1,359,805	1,339,279
Total Non-Current Assets	3,073,923	3,491,742
Total Assets	5,420,217	5,002,099
Accounts Payable	727,971	370,865
Total Current Liabilities	1,328,673	838,943
Total Non-Current Liabilities	267,452	340,658
Total Liabilities	1,596,125	1,179,601
Ordinary Share	1,103,647	1,324,376
Capital Surplus	446,760	447,448
Retained Earnings	2,282,061	2,080,441
Other Equity Interest	(8,376)	(29,767)
Total Equity	3,824,092	3,822,498
Liabilities / Assets Ratio	0.29	0.24
Current Ratio	1.77	1.80
Book Value per Share	34.65	28.86

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Consolidated Statement of Cash Flows

Unit: KTWD

	2016	2017			
	Total	1Q	1Q-2Q	1Q-3Q	Total
Net Cash Flows from (Used in) Operating Activities	1,923,446	292,537	592,259	763,658	1,348,056
Net Cash Flows from (Used in) Investing Activities	(468,867)	(150,178)	(346,651)	(510,637)	(703,843)
Net Cash Flows from (Used in) Financing Activities	(233,763)	(25,539)	(26,426)	(945,682)	(865,059)
Effect of Exchange Rate Changes	(119,834)	(83,039)	(48,869)	(56,168)	(134,358)
Net Increase (Decrease) in Cash and Cash Equivalents	1,100,982	33,781	170,313	(748,829)	(355,204)
Cash and Cash Equivalents at Beginning of Period	1,785,240	2,886,222	2,886,222	2,886,222	2,886,222
Cash and Cash Equivalents at End of Period	2,886,222	2,920,003	3,056,535	2,137,393	2,531,018

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Individual Statement of Cash Flows

Unit: KTWD

	2016	2017
	Total	Total
Net Cash Flows from (Used in) Operating Activities	1,147,520	423,081
Net Cash Flows from (Used in) Investing Activities	(99,584)	(283,681)
Net Cash Flows from (Used in) Financing Activities	(598,684)	(669,711)
Effect of Exchange Rate Changes	(2,506)	(32,728)
Net Increase (Decrease) in Cash and Cash Equivalents	446,746	(563,039)
Cash and Cash Equivalents at Beginning of Period	553,873	1,000,619
Cash and Cash Equivalents at End of Period	1,000,619	437,580

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Future Outlook

- Risk in USD/TWD exchange rate fluctuations

- 2.5G GPON：Demand grows head-on competition at price
- EML：Posted inventory depletion and demand recover slowly
- Data center：100G replaces 40G quickly
- Information laser：Significant growth this year

- Cloud computing and 5G wifi are the keys of future development
- Strong growth prospects in consumer laser market
- Application on automotives are emerging

Q & A

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Thank You