

Letter to Shareholders

To our shareholders:

We are glad to declare that K Laser Group was doing a great job in 2007 even though we were under the negative impacts of hiking raw material and oil prices, and the threat of inflation. Our EPS after tax for 2007 reached NTD3.12. Compared to 2006, the revenue growth rate was 14.67%, and net profit increased by 58.43%. We were able to achieve those records because of several reasons: 1) Security products were used broadly in Eastern Europe. 2) High gross margin cold foil products were getting popular globally. 3) We successfully advanced our market share in the mass cigarettes packaging industry in China.

K Laser Group's average gross profit margin in 2007 was 33%. Net operating profit increased by 16.65% to reach 142 million NT dollars. Those were evidences that we had made the right decision to focus on high margin products. In the next two years, K Laser Group will keep on enhancing K Laser brand name and corporate images, and promoting product quality to win more customers. We will also broaden our distribution channels to ensure the greatest benefits when we complete the resources integration in K Laser Group.

K Laser China Group (KLCN) also had great performance in 2007. Its consolidated sales revenue had grown by 11.85% from 2006 to 2007. Net profit increased by 177% to reach 325 million NT dollars. In 2007, K Laser Wuxi and K Laser Dong Guan had gone through vertical industry integration and implemented an information sharing system. Those efforts had enabled them to feedback to customers promptly and thus, successfully improved customer satisfaction. They also had planned products geared toward the markets other than cigarette packaging. We expect to see a healthy contribution to sales revenues from those non-cigarette packaging products in 2008.

Since K Laser Group started "re-organization" and "re-engineering" in 2005, and "resources integration" in 2007, we have seen the synergy bringing great momentum for growth to K Laser Group. In 2008, K Laser will continuously develop new product applications and maximize the additional value of products. In the meantime, K Laser Korea will establish a manufacturing plant to aggressively pursue the local security packaging business. K Laser Thailand (KLTH) will complete the expansion of its manufacturing plant in 2008. By then, KLTH will have enough production capacity to serve the South East Asia market. We expect those activities overseas will further boost K Laser Group's revenue growth.

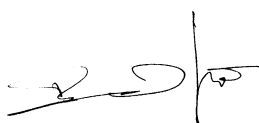
Our vision for K Laser Group is to become a world-class security packaging solutions provider and bring the greatest benefits to our customers. We will endeavor to develop new materials and applications, and provide professional services to become customers' favorite supplier. Here, we would like to take this chance to thank our shareholders for your supports and our employees for their great efforts. We will keep the great spirit of teamwork and continue to lead K Laser successfully in the future.

Sincerely,



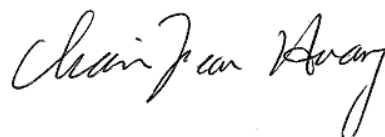
Alex Kuo
Chairman

Sincerely,



Daniel Kuo
CEO

Sincerely,



Chien-Fong Huang
Director