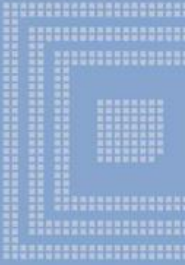




ASE GROUP



ASE Inc. 2017 Fourth Quarter Earnings Release

Tien Wu
Chief Operating Officer

Feb. 1, 2018

Safe Harbor Notice



This presentation contains "forward-looking statements" within the meaning of Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended. Although these forward-looking statements, which may include statements regarding our future results of operations, financial condition or business prospects, are based on our own information and information from other sources we believe to be reliable, you should not place undue reliance on these forward-looking statements, which apply only as of the date of this press release. The words "anticipate," "believe," "estimate," "expect," "intend," "plan" and similar expressions, as they relate to us, are intended to identify these forward-looking statements in this press release. Our actual results of operations, financial condition or business prospects may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including risks associated with cyclicity and market conditions in the semiconductor or electronic industry; changes in our regulatory environment, including our ability to comply with new or stricter environmental regulations and to resolve environmental liabilities; demand for the outsourced semiconductor packaging, testing and electronic manufacturing services we offer and for such outsourced services generally; the highly competitive semiconductor or manufacturing industry we are involved in; our ability to introduce new technologies in order to remain competitive; international business activities; our business strategy; our future expansion plans and capital expenditures; the uncertainties as to whether we can complete the share exchange contemplated by a joint share exchange agreement between Siliconware Precision Industries Co., Ltd. and us; the strained relationship between the Republic of China and the People's Republic of China; general economic and political conditions; the recent global economic crisis; possible disruptions in commercial activities caused by natural or human-induced disasters; fluctuations in foreign currency exchange rates; and other factors. For a discussion of these risks and other factors, please see the documents we file from time to time with the Securities and Exchange Commission, including our 2016 Annual Report on Form 20-F filed on April 21, 2017.



ASE-SPIIL Transaction Update



- **ASE and SPIIL received all antitrust approvals for the combination and establishment of ASE Industrial Holding Co., Ltd.**
 - **Taiwan:** November 16, 2016, Taiwan Fair Trade Commission
 - **United States:** May 16, 2017, U.S. Federal Trade Commission
 - **China:** November 24, 2017, China Ministry of Commerce (MOFCOM) issued a conditional approval with a two-year restricted period. For more details, please visit MOFCOM's website:
<http://fldj.mofcom.gov.cn/article/ztxx/201711/20171102675701.shtml>
- **Key Dates**
 - 2018 Jan 27 to Feb 9: Electronic voting period
 - 2018 Feb 12: ASE & SPIIL Extraordinary General Meeting (EGM)
 - **2018 Apr 17 (tentative): The last trading day of ASE & SPIIL shares**
 - **2018 Apr 30 (tentative): Effective Date of ASE Industrial Holding**
 - 2019 Nov 24: Expiration of MOFCOM conditions



ASE 2017 Recap



Achieved record high revenue

- 2017 Group revenue US\$9.6bn, up 12 % YoY
- 4Q17 Group revenue US\$2.8bn, up 14% QoQ
- 4Q17 EMS revenue US\$1.4bn, up 31% QoQ

Momentums in growing markets

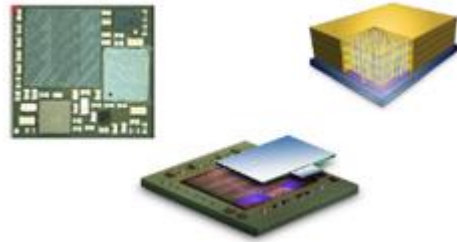
- 2017 Group SiP business grew +42% YoY
- Bumping, Flip Chip, Wafer-level Packaging (+11% YoY)
- General semi devices, e.g. analog, MCU, PMIC, sensors in new applications

Profitability improvement

- 2017 IC ATM gross margin would have improved under constant currency environment vs. 2016.
- 2017 USI gross margin expanded to 10.2% from 9.8% in 2016
- 2017 USI net profit reached record high at US\$189mn (+65% YoY)



Convergence of Packaging and System Integration



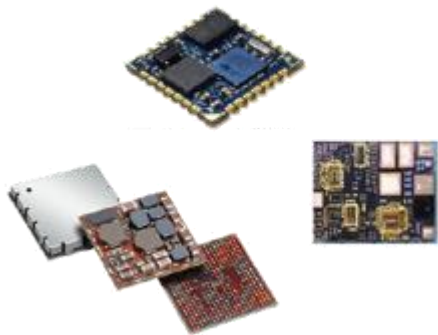
**IC Developer
Driven**



**OSAT & EMS
Integration & Miniaturization
System-in-Package (SiP)**



**System OEM
Driven**



SiP Intelligent Design

The Next Generation of SiP Design Tool



- ASE Group collaborates with Cadence on *SiP-id* solution that addresses the design/verification challenges of complex layout of advanced packages, including ultra-complex SiP, Fan-Out and 2.5D packages.

Standard Design Flow

Aggregation wafer-, package-and system-level design requirement

Open Design Tool

Yield simulation based on design-to-volume database

Faster Design Time

vs. existing tools with manual operation

SiP-id (Intelligent Design) Platform

Advanced IC Package Design + Verification Tool from Cadence



cādence®



ASE 2018 Outlook: Positioned for Growth



Business Expansion

- Continue to drive top-line growth and margin improvement
- Expect a strong pickup starting in 2Q18
- Continue to drive SiP business growth
- Strong design-in pipeline across communication, automotive, memory, high-performance computing

Technology Advancement

- Invest in strategic technologies for growth
- SiP-*id* collaboration with Cadence
- Enrich technology portfolio with embedded substrate, Fan-out, 2.5D, and SiP building blocks

And, a new era ahead for ASE & SPIL

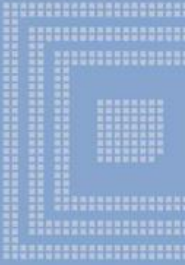


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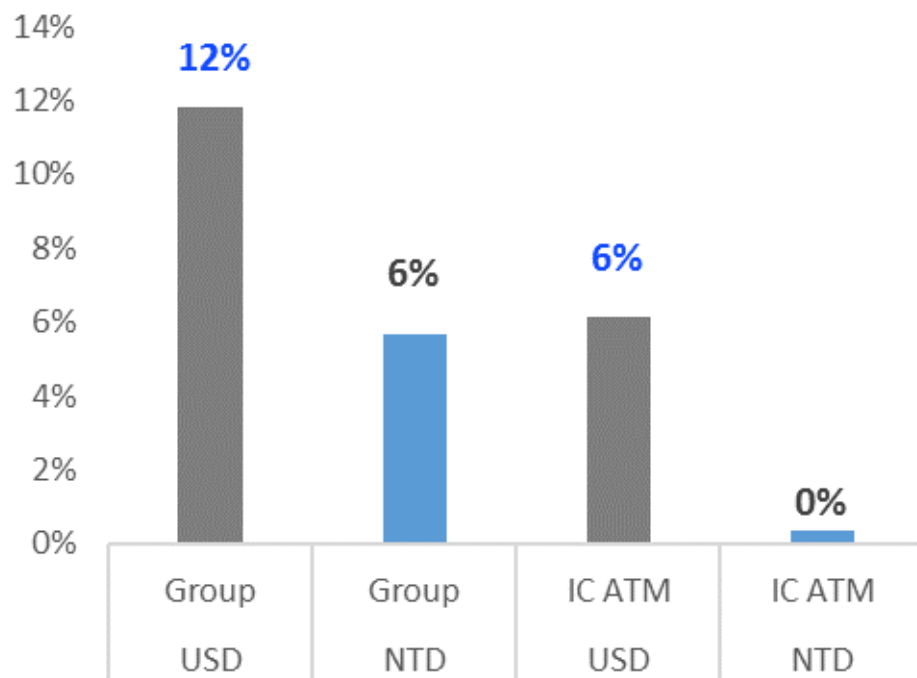
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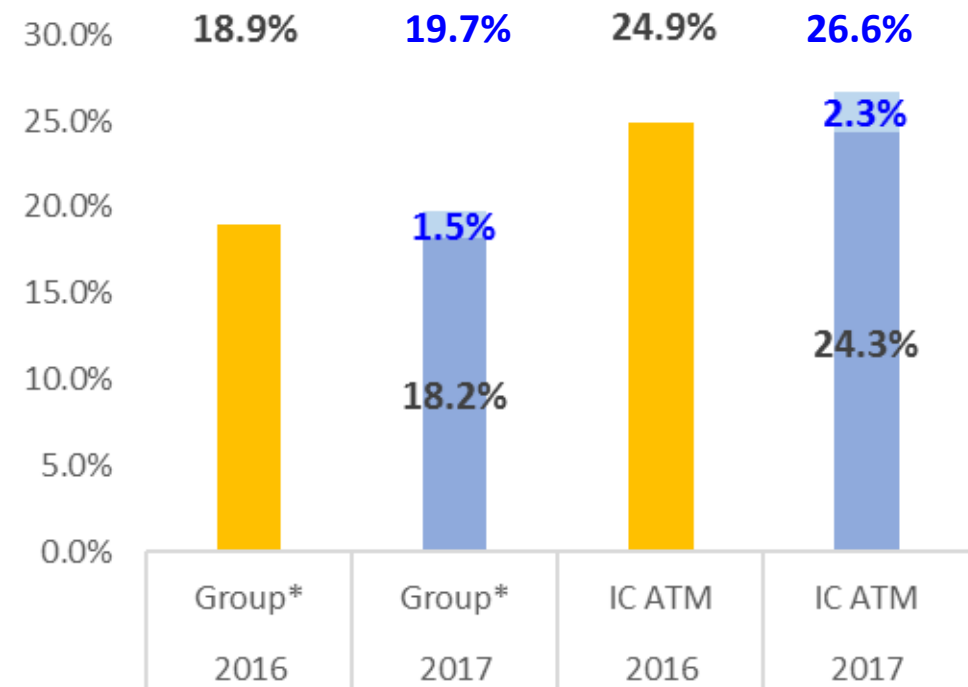
Foreign Exchange Implication

- Foreign Exchange Rate assumption (USD/NTD):
 - 2016 and 2017 (32.22 vs. 30.42): 5.6% NTD appreciation against USD YoY

2017 Full Year Revenue Growth



Gross Margin by Sector



*Group gross margin excludes real estate business

Consolidated Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q4 / 2017	%	Q3 / 2017	%	Change
Net Revenues:					
Packaging	33,045	39.4%	32,880	44.5%	1%
Testing	6,553	7.8%	6,889	9.3%	-5%
Direct Material	922	1.1%	948	1.3%	-3%
EMS	43,285	51.5%	33,098	44.8%	31%
Others	181	0.2%	63	0.1%	187%
Total Net Revenues	83,986	100.0%	73,878	100.0%	14%
Gross Profit	14,793	17.6%	13,848	18.7%	7%
Operating Income (Loss)	7,706	9.2%	7,068	9.6%	9%
Pretax Income (Loss)	7,879	9.4%	7,815	10.6%	1%
Income Tax Benefit (Expense)	(1,085)	-1.3%	(1,083)	-1.5%	
Noncontrolling Interest	(548)	-0.7%	(396)	-0.5%	
Net Income Attributable to Shareholders of the Parent	6,246	7.4%	6,336	8.6%	-1%
Basic EPS (NT Dollar)	0.74		0.76		-3%
Diluted EPS (NT Dollar)	0.71		0.69		3%
EBITDA	16,147	19.2%	15,243	20.6%	6%



Consolidated Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million)	Q4 / 2017	%	Q4 / 2016	%	Change
Net Revenues:					
Packaging	33,045	39.4%	33,620	43.6%	-2%
Testing	6,553	7.8%	7,303	9.5%	-10%
Direct Material	922	1.1%	806	1.0%	14%
EMS	43,285	51.5%	34,627	44.9%	25%
Others	181	0.2%	772	1.0%	-77%
Total Net Revenues	83,986	100.0%	77,128	100.0%	9%
Gross Profit	14,793	17.6%	15,374	19.9%	-4%
Operating Income (Loss)	7,706	9.2%	8,130	10.5%	-5%
Pretax Income (Loss)	7,879	9.4%	9,660	12.5%	-18%
Income Tax Benefit (Expense)	(1,085)	-1.3%	(1,274)	-1.7%	
Noncontrolling Interest	(548)	-0.7%	(429)	-0.6%	
Net Income Attributable to Shareholders of the Parent	6,246	7.4%	7,957	10.3%	-22%
Basic EPS (NT Dollar)	0.74		1.04		-29%
Diluted EPS (NT Dollar)	0.71		0.88		-19%
EBITDA	16,147	19.2%	17,227	22.3%	-6%



Consolidated Statements of Comprehensive Income

Full Year-over-Year Comparison

(unaudited)



(NT\$ Million)	FY / 2017	%	FY / 2016	%	Change
Net Revenues:					
Packaging	126,225	43.5%	125,283	45.6%	1%
Testing	26,157	9.0%	27,032	9.8%	-3%
Direct Material	3,690	1.3%	3,262	1.2%	13%
EMS	133,948	46.1%	115,395	42.0%	16%
Others	421	0.1%	3,912	1.4%	-89%
Total Net Revenues	290,441	100.0%	274,884	100.0%	6%
Gross Profit	52,732	18.2%	53,187	19.3%	-1%
Operating Income (Loss)	25,218	8.7%	26,660	9.7%	-5%
Pretax Income (Loss)	30,929	10.6%	27,984	10.2%	11%
Income Tax Benefit (Expense)	(6,261)	-2.2%	(5,091)	-1.9%	
Noncontrolling Interest	(1,680)	-0.6%	(1,250)	-0.5%	
Net Income Attributable to Shareholders of the Parent	22,988	7.9%	21,643	7.9%	6%
Basic EPS (NT Dollar)	2.82		2.82		0%
Diluted EPS (NT Dollar)	2.62		2.37		11%
EBITDA	62,240	21.4%	59,133	21.5%	5%



IC ATM Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q4 / 2017	%	Q3 / 2017	%	Change
Net Revenues:					
Packaging	34,226	81.9%	33,897	81.0%	1%
Testing	6,556	15.7%	6,889	16.5%	-5%
Direct Material	989	2.4%	1,048	2.5%	-6%
Others	23	0.0%	20	0.0%	15%
Total Net Revenues	41,794	100.0%	41,854	100.0%	0%
Gross Profit	10,862	26.0%	10,486	25.1%	4%
Operating Income (Loss)	6,001	14.4%	5,724	13.7%	5%
Pretax Income (Loss)	7,099	17.0%	7,205	17.2%	-1%
Income Tax Benefit (Expense)	(776)	-1.9%	(784)	-1.9%	
Noncontrolling Interest	(77)	-0.2%	(85)	-0.2%	
Net Income Attributable to Shareholders of the Parent	6,246	14.9%	6,336	15.1%	-1%
EBITDA	13,508	32.3%	13,175	31.5%	3%



IC ATM Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million)	Q4 / 2017	%	Q4 / 2016	%	Change
Net Revenues:					
Packaging	34,226	81.9%	35,242	81.1%	-3%
Testing	6,556	15.7%	7,303	16.8%	-10%
Direct Material	989	2.4%	898	2.1%	10%
Others	23	0.0%	20	0.0%	15%
Total Net Revenues	41,794	100.0%	43,463	100.0%	-4%
Gross Profit	10,862	26.0%	11,645	26.8%	-7%
Operating Income (Loss)	6,001	14.4%	6,373	14.7%	-6%
Pretax Income (Loss)	7,099	17.0%	9,038	20.8%	-21%
Income Tax Benefit (Expense)	(776)	-1.9%	(967)	-2.2%	
Noncontrolling Interest	(77)	-0.2%	(114)	-0.3%	
Net Income Attributable to Shareholders of the Parent	6,246	14.9%	7,957	18.3%	-22%
EBITDA	13,508	32.3%	14,746	33.9%	-8%



IC ATM Statements of Comprehensive Income

Full Year-over-Year Comparison

(unaudited)



(NT\$ Million)	FY / 2017	%	FY / 2016	%	Change
Net Revenues:					
Packaging	130,902	81.3%	129,851	80.9%	1%
Testing	26,160	16.2%	27,032	16.8%	-3%
Direct Material	3,932	2.4%	3,550	2.2%	11%
Others	87	0.1%	83	0.1%	5%
Total Net Revenues	161,081	100.0%	160,516	100.0%	0%
Gross Profit	39,208	24.3%	40,002	24.9%	-2%
Operating Income (Loss)	19,810	12.3%	20,700	12.9%	-4%
Pretax Income (Loss)	26,973	16.7%	25,424	15.8%	6%
Income Tax Benefit (Expense)	(3,671)	-2.3%	(3,481)	-2.2%	
Noncontrolling Interest	(314)	-0.2%	(300)	-0.2%	
Net Income Attributable to Shareholders of the Parent	22,988	14.3%	21,643	13.5%	6%
EBITDA	48,004	29.8%	50,168	31.3%	-4%

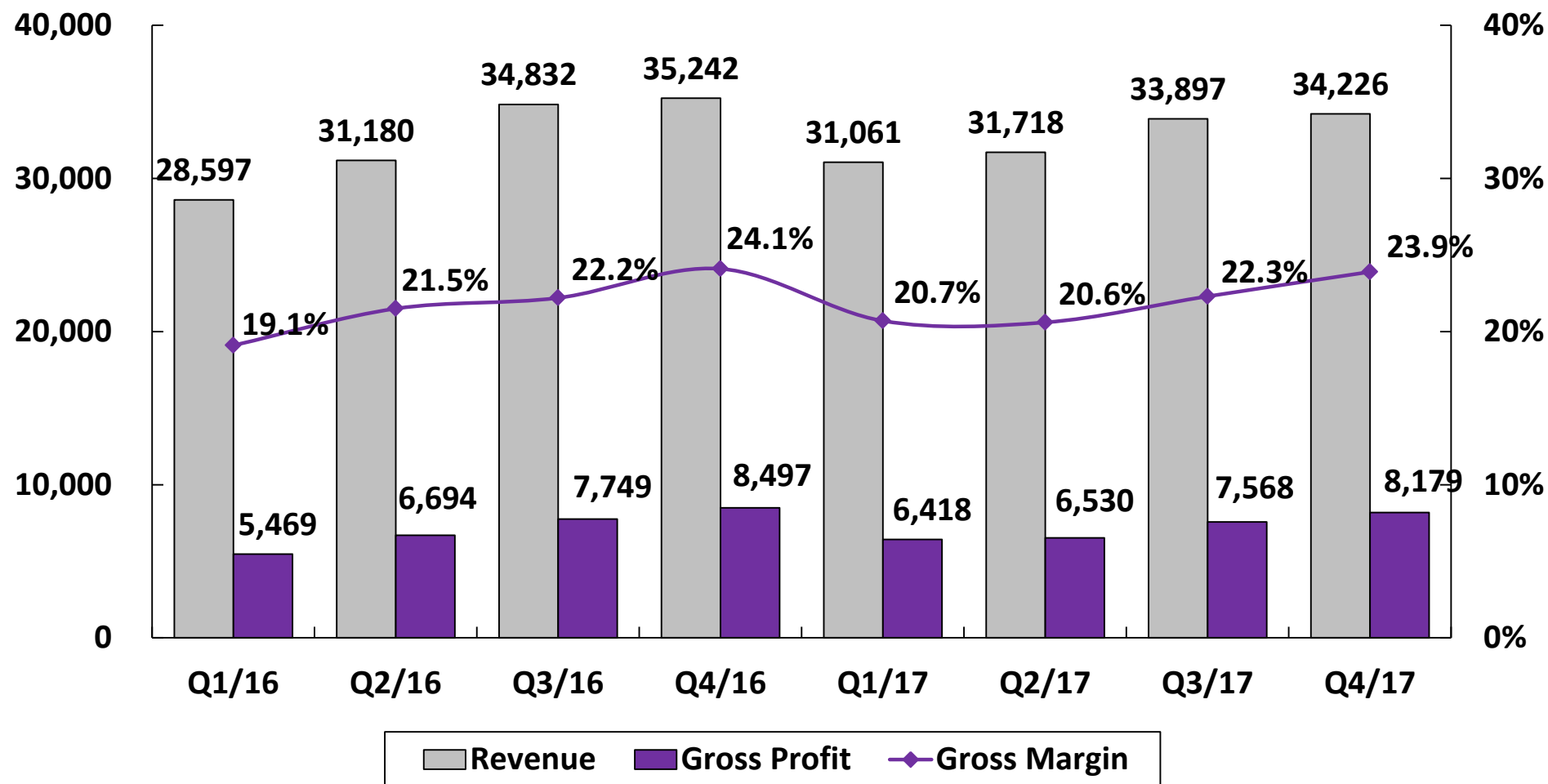


Packaging Operations

(unaudited)



NT\$ Million

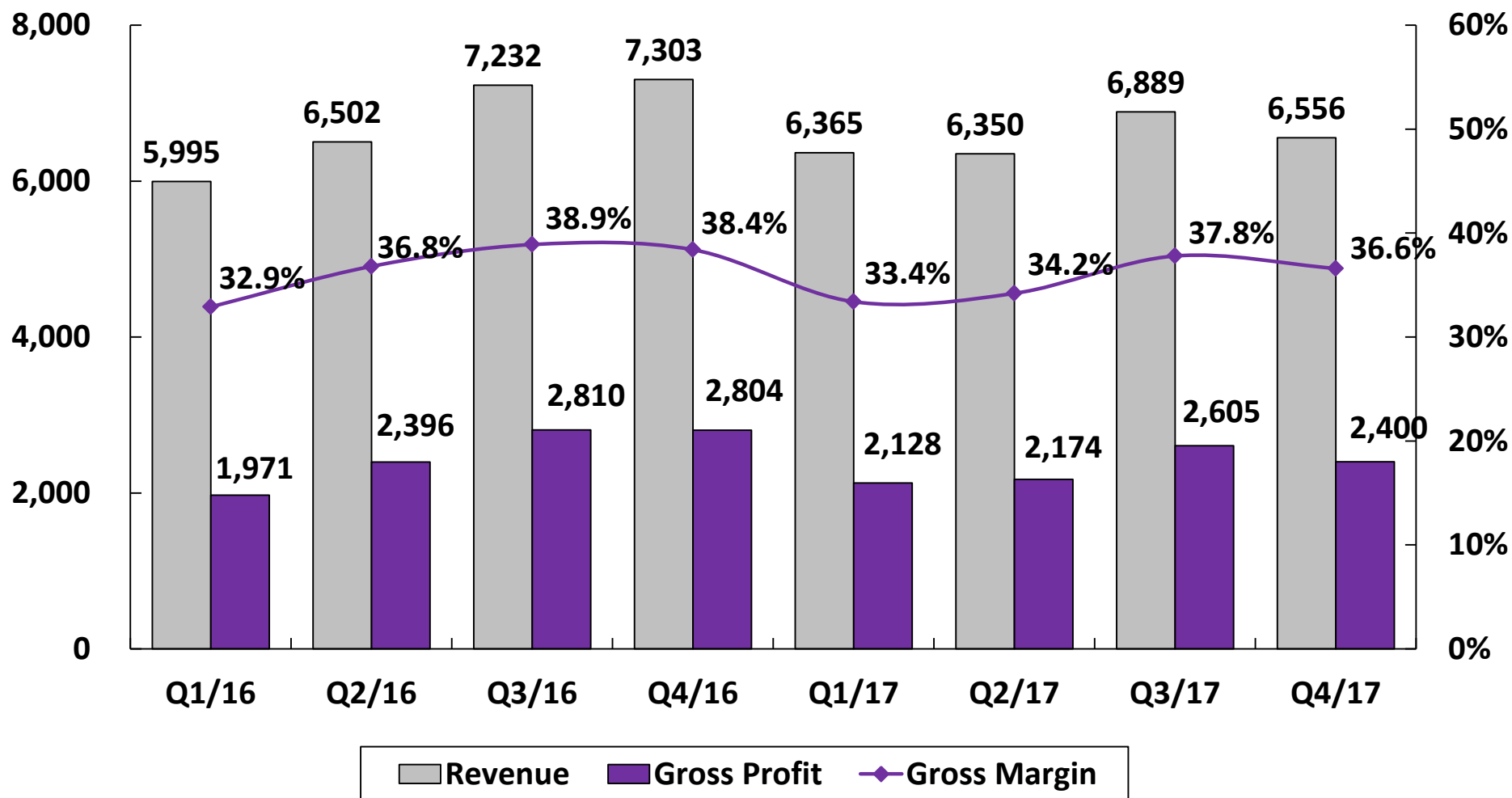


Testing Operations

(unaudited)



NT\$ Million

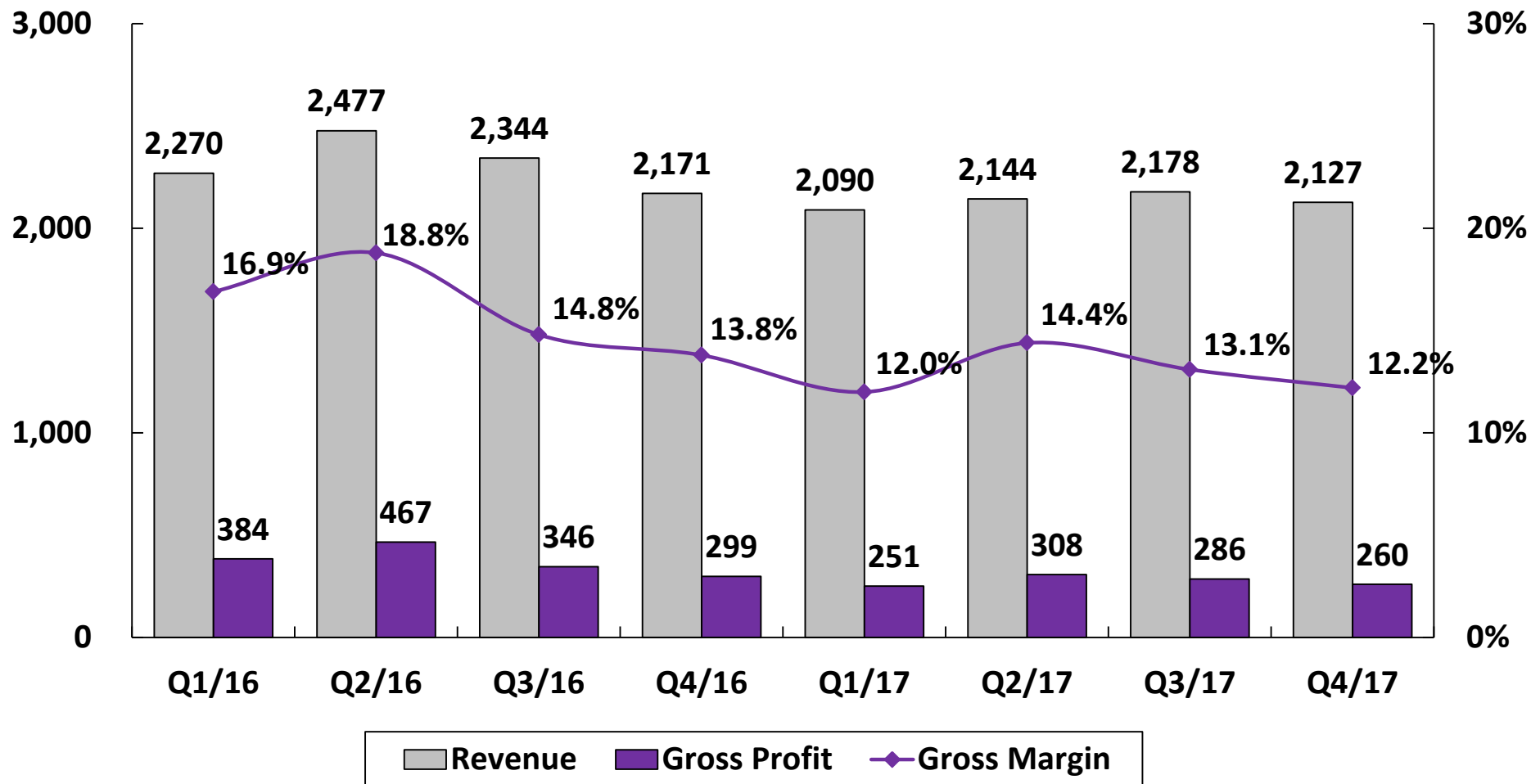


Material Operations

(unaudited)

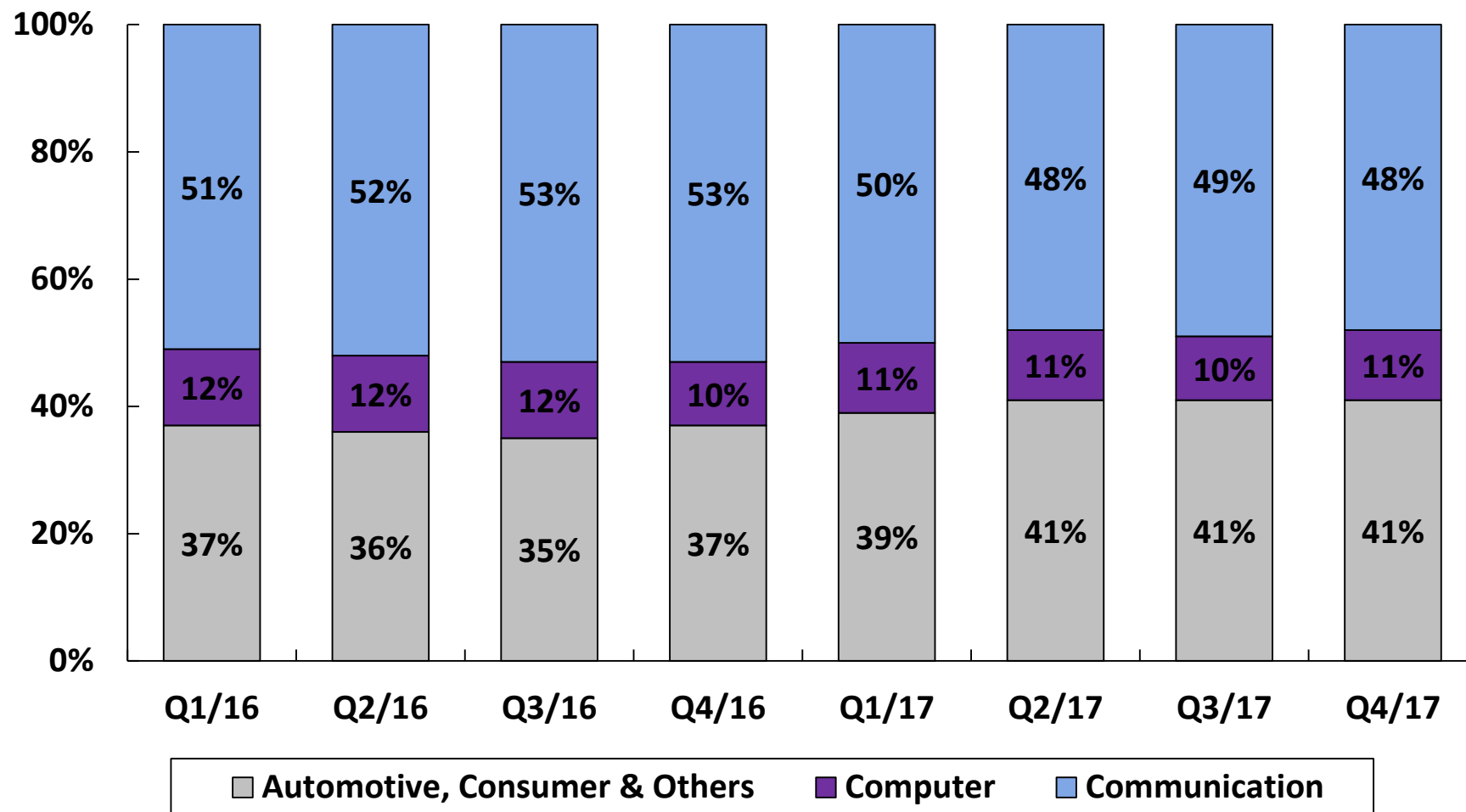


NT\$ Million



IC ATM Revenue by Application

(unaudited)

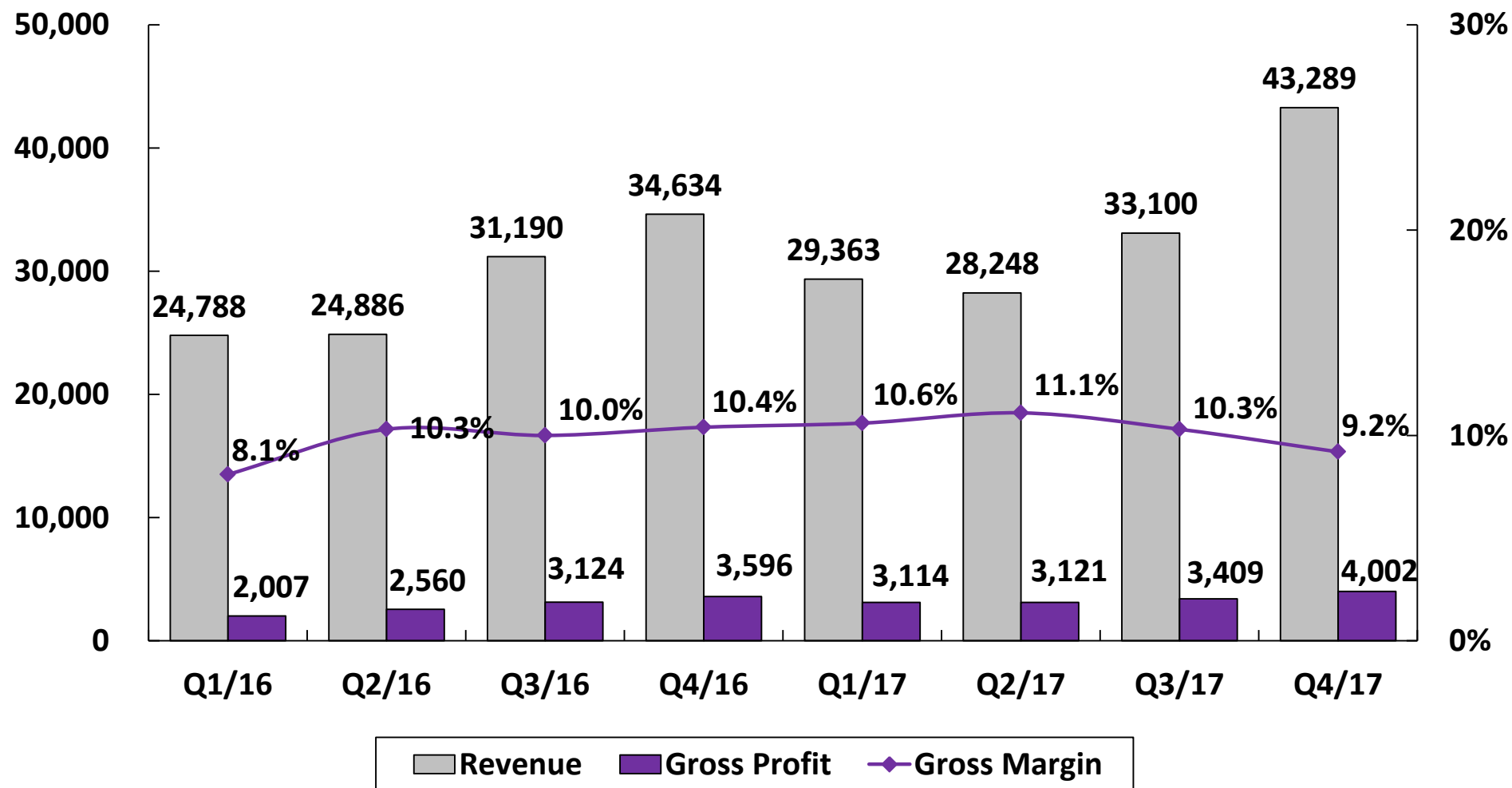


EMS Operations

(unaudited)



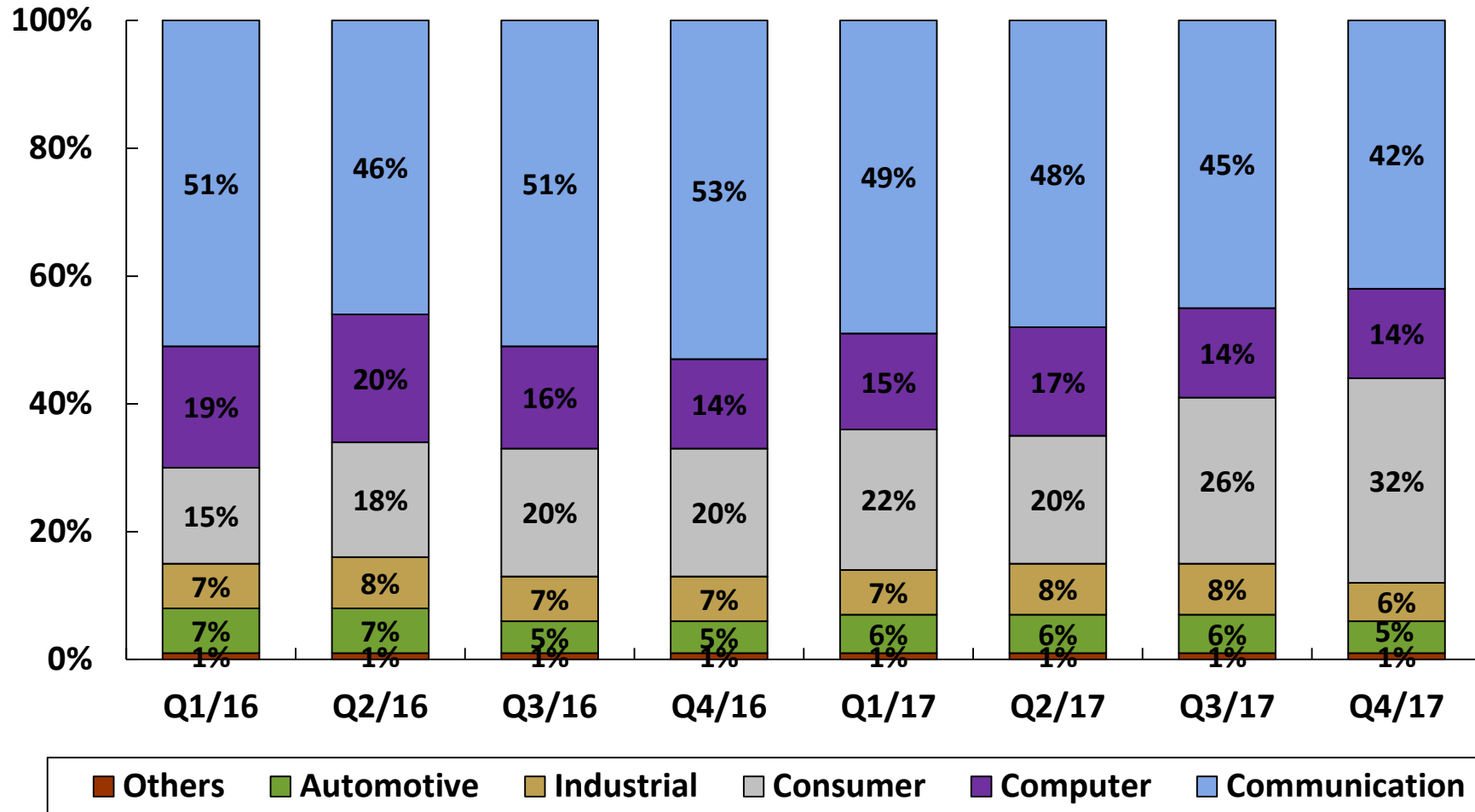
NT\$ Million



EMS Operations

EMS Revenue Breakdown

(unaudited)



Key Balance Sheet Items & Indices

(unaudited)



(NT\$ Million)	Dec. 31, 2017	Sept. 30, 2017	Change
Cash and cash equivalent	46,078	38,975	18.2%
Financial assets - current	5,785	3,989	45.0%
Financial assets - non current & investments - equity method	50,983	51,107	-0.2%
Property, plant & equipment	135,169	136,982	-1.3%
Total assets	363,858	359,999	1.1%
Short-term borrowings & short-term bills payable	17,963	19,638	-8.5%
Current portion of bonds payable	6,161	6,137	0.4%
Current portion of long-term borrowings & capital lease obligations	8,280	6,882	20.3%
Bonds payable	16,982	16,981	0.0%
Long-term borrowings & capital lease obligations	27,520	32,908	-16.4%
Total equity (Including non-controlling interest)	204,001	197,956	3.1%
Quarterly EBITDA	16,147	15,243	5.9%
Current ratio	1.37	1.37	
Net debt to equity	0.12	0.20	

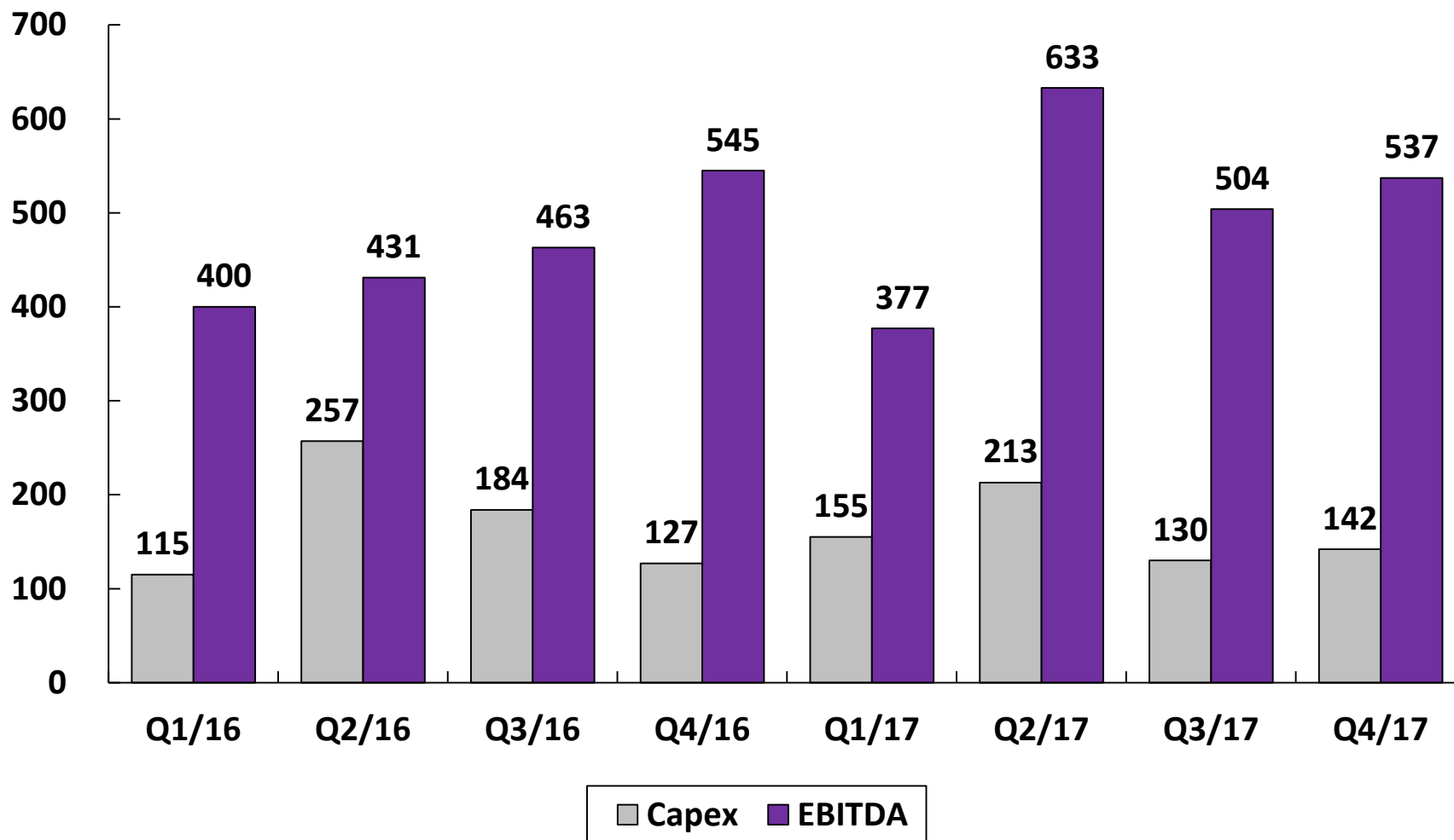


Equipment Capital Expenditure vs. EBITDA

(unaudited)



US\$ Million



First Quarter 2018 Outlook



Based on our current business outlook and exchange rate assumptions, management projects overall performance for the first quarter of 2018 to be as follows:

- In USD terms, IC-ATM 1Q18 business should be slightly ahead of 1Q17 levels;**
- Excluding foreign exchange impacts, IC-ATM 1Q18 gross margin should also slightly improve versus 1Q17 levels;**
- EMS 1Q18 business should be slightly below 3Q17 levels;**
- EMS 1Q18 gross margin should be slightly above 4Q17 levels.**



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