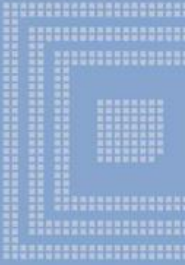




ASE GROUP



ASE Inc. 2017 First Quarter Earnings Release

April 28, 2017

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 submitted the required materials to the Taiwan Fair Trade Commission (the “TFTC”) on July 29, 2016 and the TFTC issued a no objection letter in respect of the transaction.**
- **ASE and SPIIL submitted the required materials to the Ministry of Commerce of the People’s Republic of China (“MOFCOM”) on August 25, 2016. MOFCOM formally accepted the parties’ notification materials on December 14, 2016. On April 12, 2017, ASE received MOFCOM's notice extending its review to Phase III review.**
- **The parties are continuing to cooperate with the U.S. Federal Trade Commission’s (“FTC”) investigation, and are working toward a goal of successfully completing the investigation as soon as possible.**



Consolidated Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q1 / 2017	%	Q4 / 2016	%	Change
Net Revenues:					
Packaging	29,809	44.8%	33,620	43.6%	-11%
Testing	6,365	9.6%	7,303	9.5%	-13%
Direct Material	892	1.3%	806	1.0%	11%
EMS	29,355	44.1%	34,627	44.9%	-15%
Others	133	0.2%	772	1.0%	-83%
Total Net Revenues	66,551	100.0%	77,128	100.0%	-14%
Gross Profit	11,978	18.0%	15,377	19.9%	-22%
Operating Income (Loss)	5,228	7.9%	8,133	10.5%	-36%
Pretax Income (Loss)	3,857	5.8%	9,669	12.5%	-60%
Income Tax Benefit (Expense)	(886)	-1.3%	(1,274)	-1.7%	
Noncontrolling Interest	(402)	-0.6%	(430)	-0.6%	
Net Income Attributable to Shareholders of the Parent	2,569	3.9%	7,965	10.3%	-68%
Basic EPS (NT Dollar)	0.33		1.04		-68%
Diluted EPS (NT Dollar)	0.30		0.88		-66%
EBITDA	11,764	17.7%	17,227	22.3%	-32%



Consolidated Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million)	Q1 / 2017	%	Q1 / 2016	%	Change
Net Revenues:					
Packaging	29,809	44.8%	28,036	45.0%	6%
Testing	6,365	9.6%	5,995	9.6%	6%
Direct Material	892	1.3%	892	1.4%	0%
EMS	29,355	44.1%	24,749	39.7%	19%
Others	133	0.2%	2,699	4.2%	-95%
Total Net Revenues	66,551	100.0%	62,371	100.0%	7%
Gross Profit	11,978	18.0%	11,449	18.4%	5%
Operating Income (Loss)	5,228	7.9%	5,206	8.3%	0%
Pretax Income (Loss)	3,857	5.8%	5,374	8.6%	-28%
Income Tax Benefit (Expense)	(886)	-1.3%	(1,318)	-2.1%	
Noncontrolling Interest	(402)	-0.6%	(174)	-0.3%	
Net Income Attributable to Shareholders of the Parent	2,569	3.9%	3,882	6.2%	-34%
Basic EPS (NT Dollar)	0.33		0.51		-35%
Diluted EPS (NT Dollar)	0.30		0.40		-25%
EBITDA	11,764	17.7%	13,229	21.2%	-11%



IC ATM Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q1 / 2017	%	Q4 / 2016	%	Change
Net Revenues:					
Packaging	31,061	80.9%	35,242	81.1%	-12%
Testing	6,365	16.6%	7,303	16.8%	-13%
Direct Material	935	2.4%	898	2.1%	4%
Others	24	0.1%	20	0.0%	20%
Total Net Revenues	38,385	100.0%	43,463	100.0%	-12%
Gross Profit	8,835	23.0%	11,647	26.8%	-24%
Operating Income (Loss)	3,985	10.4%	6,375	14.7%	-37%
Pretax Income (Loss)	3,218	8.4%	9,046	20.8%	-64%
Income Tax Benefit (Expense)	(570)	-1.5%	(967)	-2.2%	
Noncontrolling Interest	(79)	-0.2%	(114)	-0.3%	
Net Income Attributable to Shareholders of the Parent	2,569	6.7%	7,965	18.3%	-68%
EBITDA	9,800	25.5%	14,746	33.9%	-34%



IC ATM Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million)	Q1 / 2017	%	Q1 / 2016	%	Change
Net Revenues:					
Packaging	31,061	80.9%	28,597	80.5%	9%
Testing	6,365	16.6%	5,995	16.9%	6%
Direct Material	935	2.4%	931	2.6%	0%
Others	24	0.1%	20	0.1%	20%
Total Net Revenues	38,385	100.0%	35,543	100.0%	8%
Gross Profit	8,835	23.0%	7,832	22.0%	13%
Operating Income (Loss)	3,985	10.4%	3,222	9.1%	24%
Pretax Income (Loss)	3,218	8.4%	4,464	12.6%	-28%
Income Tax Benefit (Expense)	(570)	-1.5%	(529)	-1.5%	
Noncontrolling Interest	(79)	-0.2%	(53)	-0.1%	
Net Income Attributable to Shareholders of the Parent	2,569	6.7%	3,882	10.9%	-34%
EBITDA	9,800	25.5%	10,580	29.8%	-7%

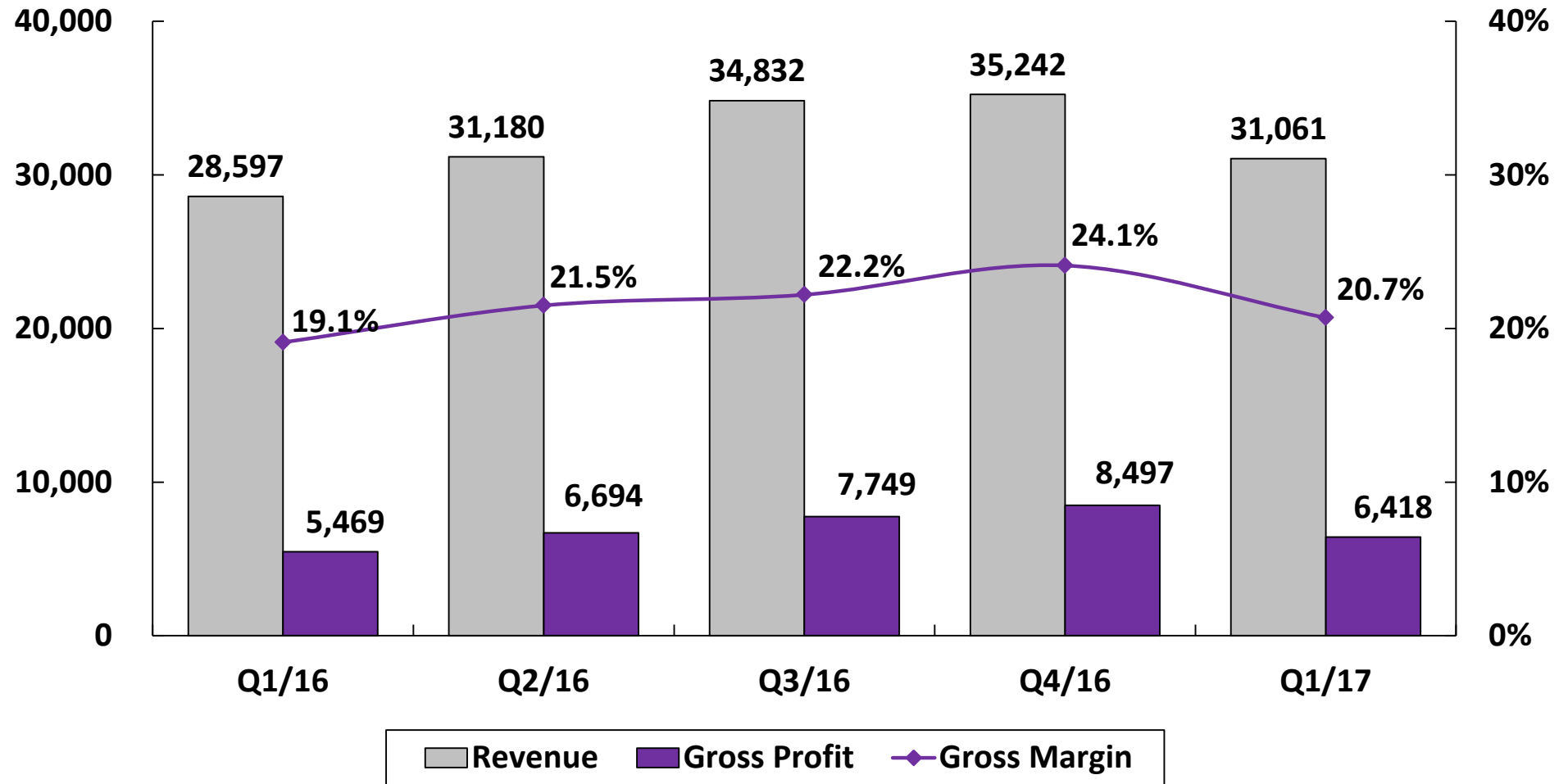


Packaging Operations

(unaudited)



NT\$ Million

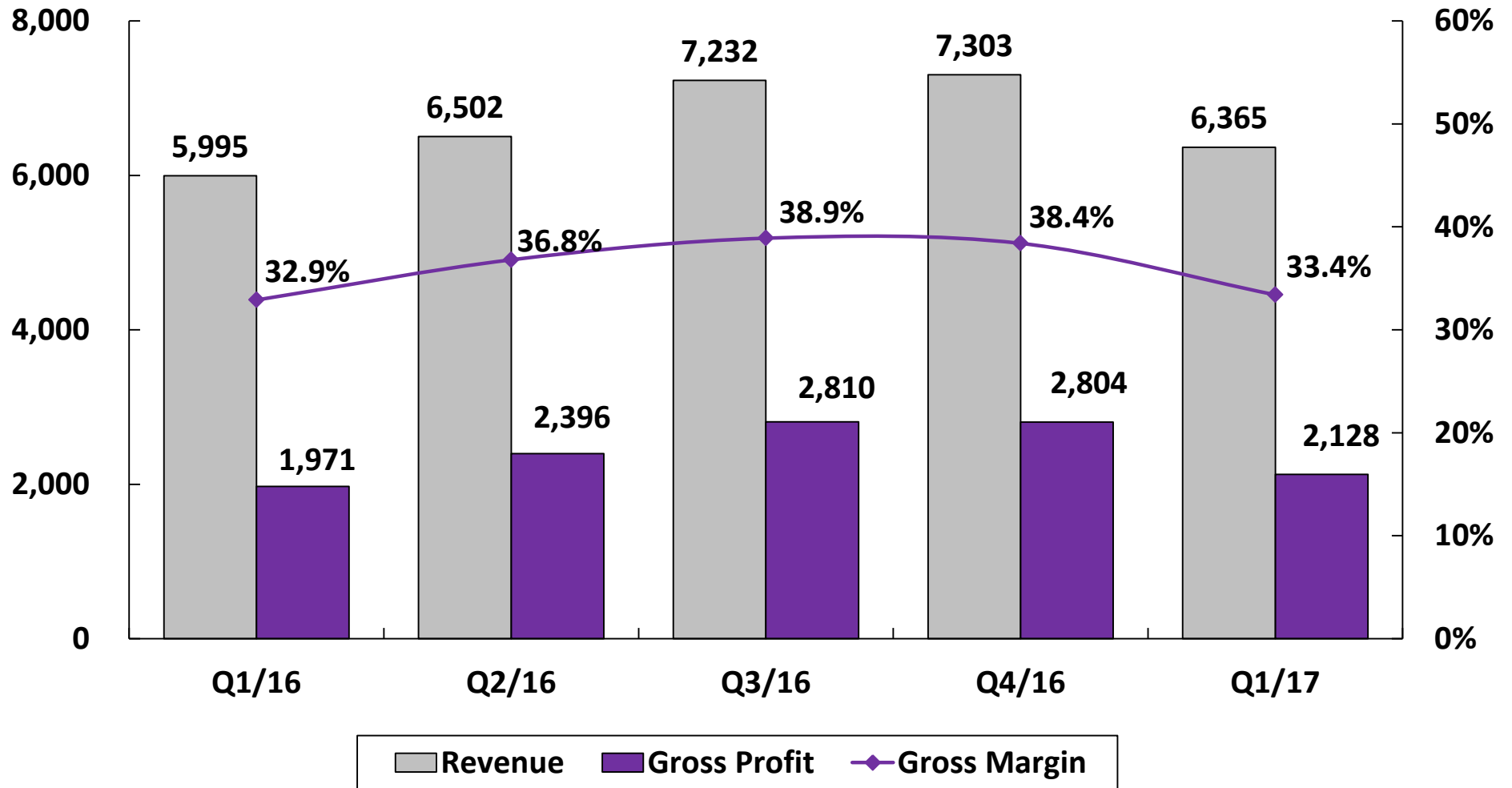


Testing Operations

(unaudited)



NT\$ Million

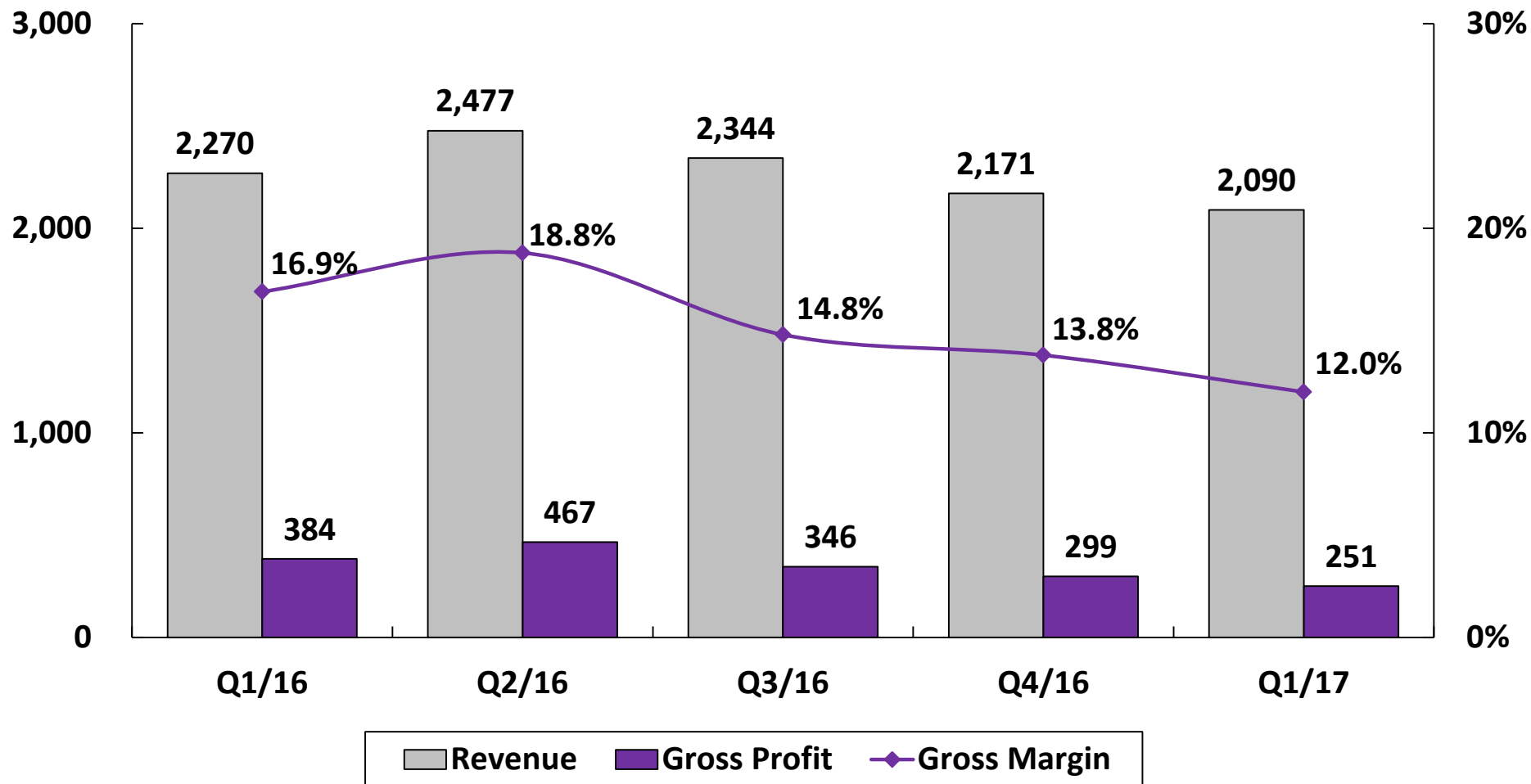


Material Operations

(unaudited)

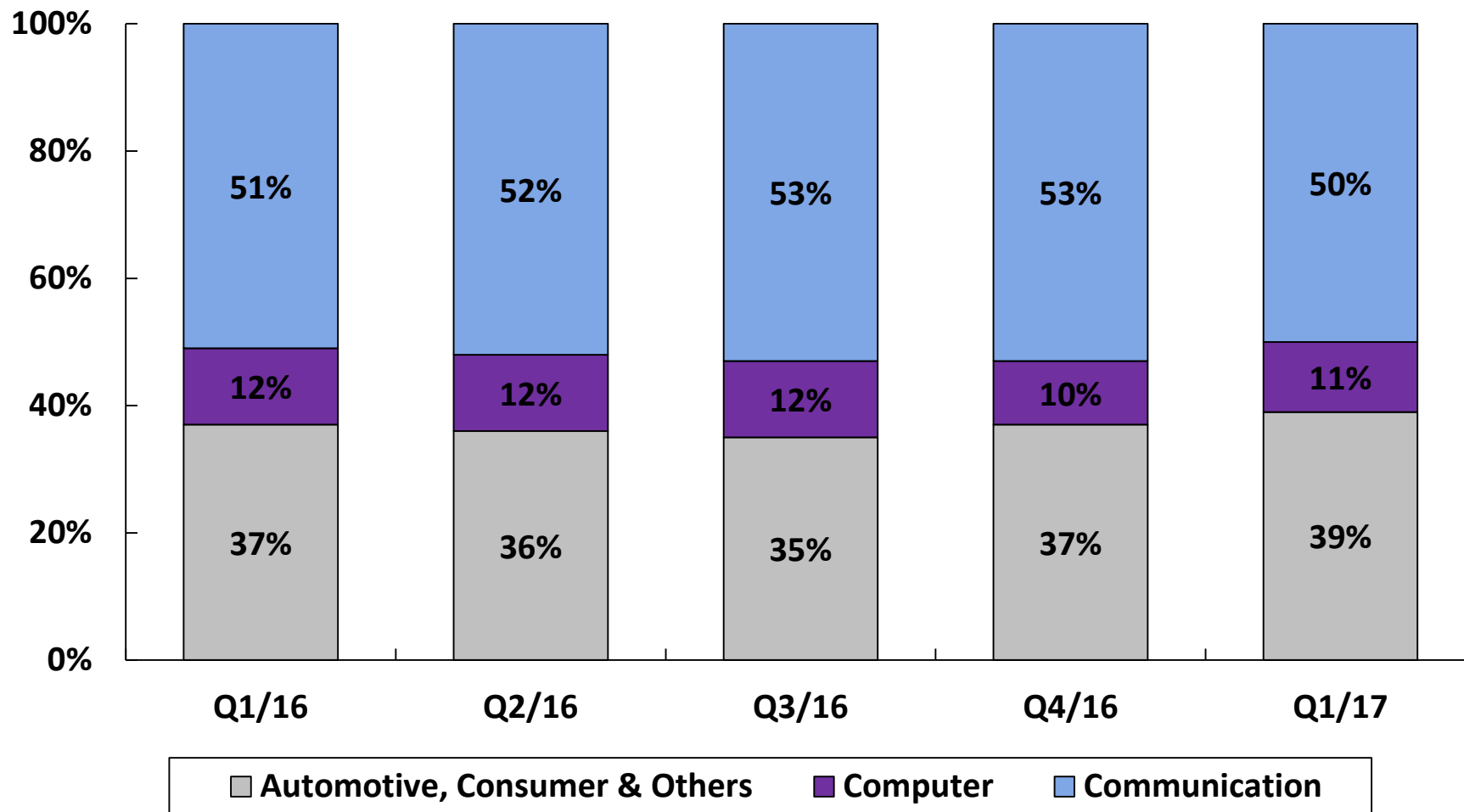


NT\$ Million



IC ATM Revenue by Application

(unaudited)

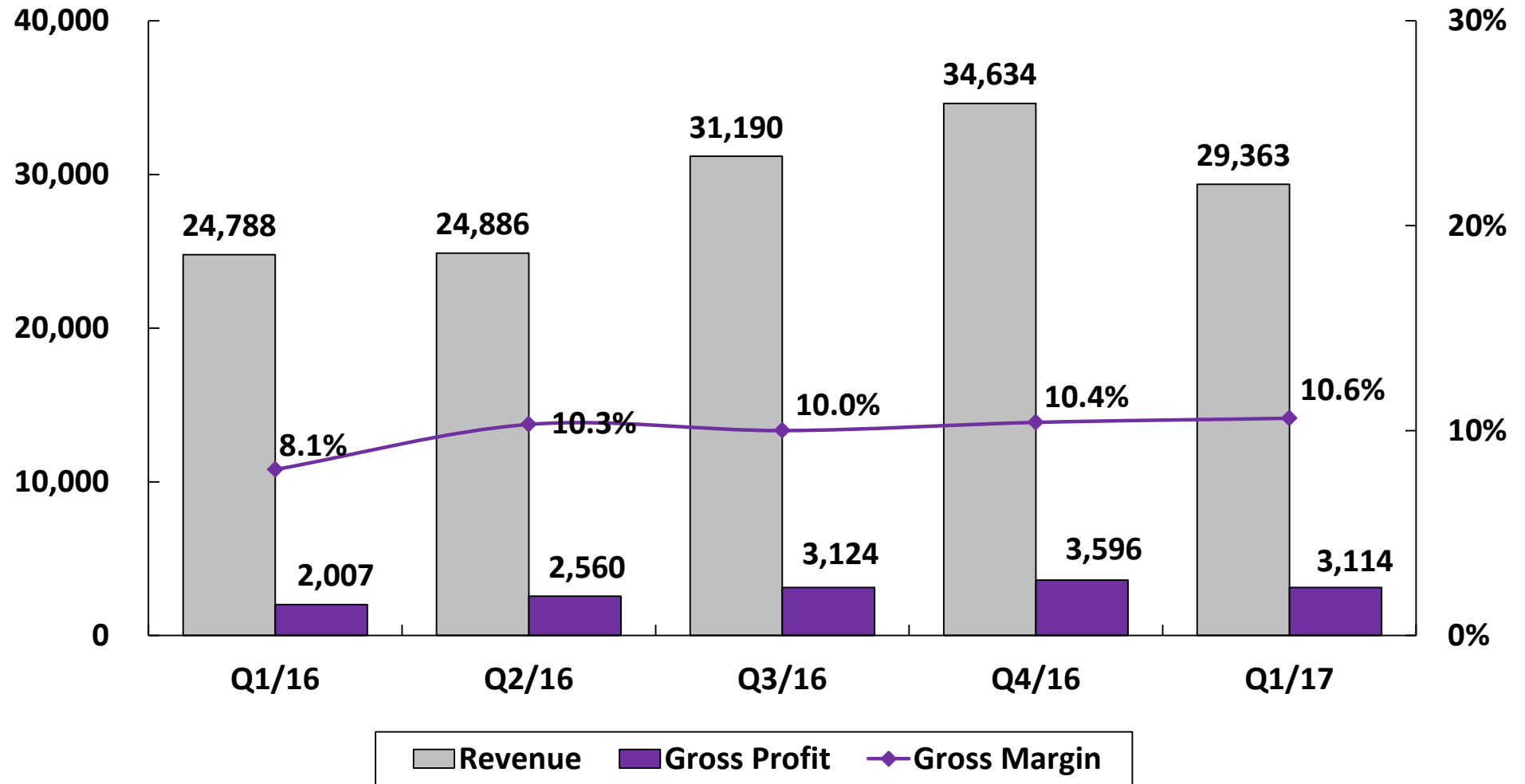


EMS Operations

(unaudited)



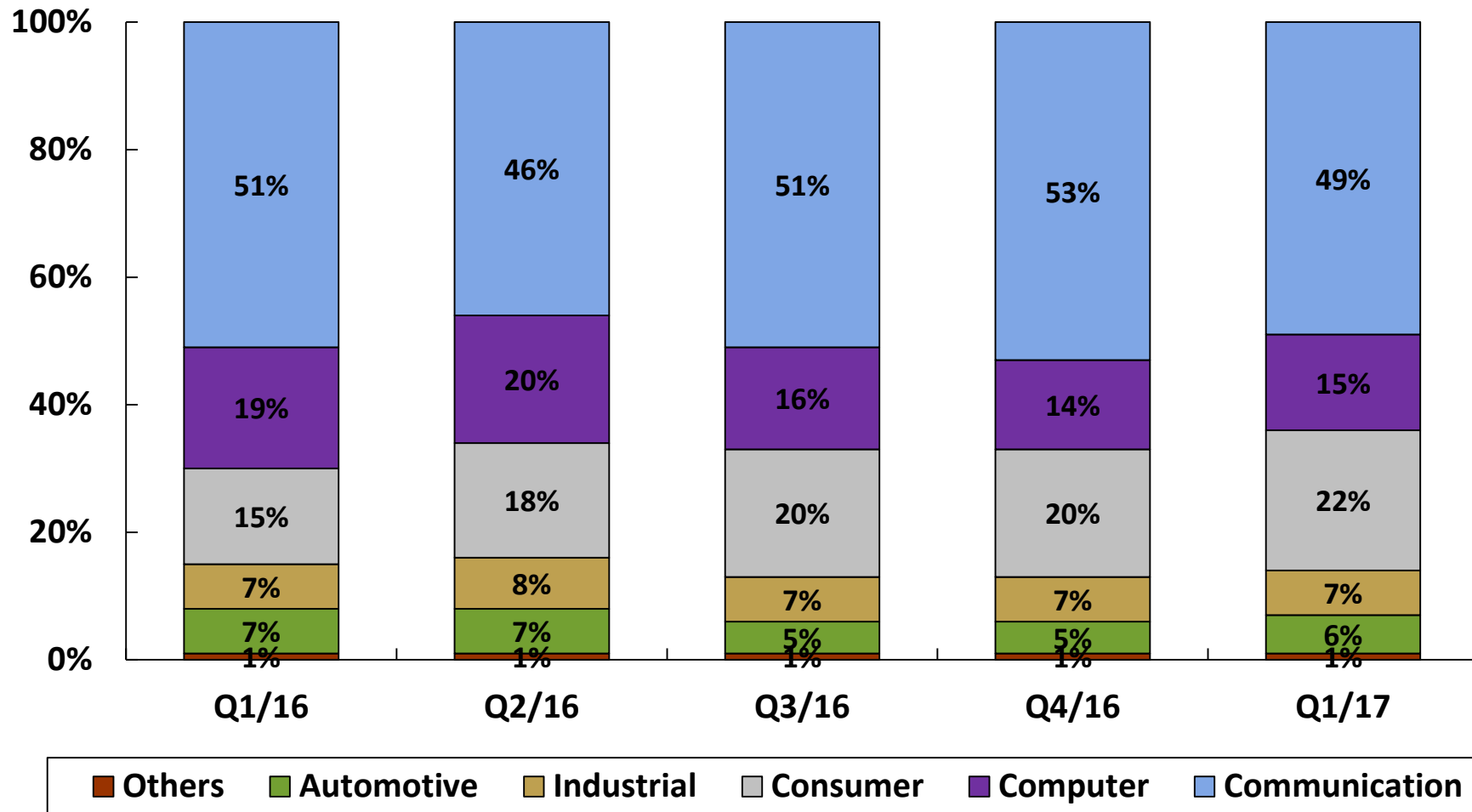
NT\$ Million



EMS Operations

EMS Revenue Breakdown

(unaudited)



Key Balance Sheet Items & Indices

(unaudited)



(NT\$ Million)	Mar. 31, 2017	Dec. 31, 2016	Change
Cash and cash equivalent	42,474	38,392	10.6%
Financial assets - current	3,720	3,895	-4.5%
Financial assets - non current & investments - equity method	52,200	52,174	0.0%
Property, plant & equipment	140,072	143,880	-2.6%
Total assets	347,549	357,943	-2.9%
Short-term borrowings & short-term bills payable	13,400	20,956	-36.1%
Current portion of bonds payable	15,179	9,658	57.2%
Current portion of long-term borrowings & capital lease obligations	7,218	6,683	8.0%
Bonds payable	28,476	27,342	4.1%
Long-term borrowings & capital lease obligations	33,639	47,013	-28.4%
Total equity (Including non-controlling interest)	176,790	169,347	4.4%
Quarterly EBITDA	11,764	17,227	-31.7%
Current ratio	1.38	1.37	
Net debt to equity	0.30	0.41	

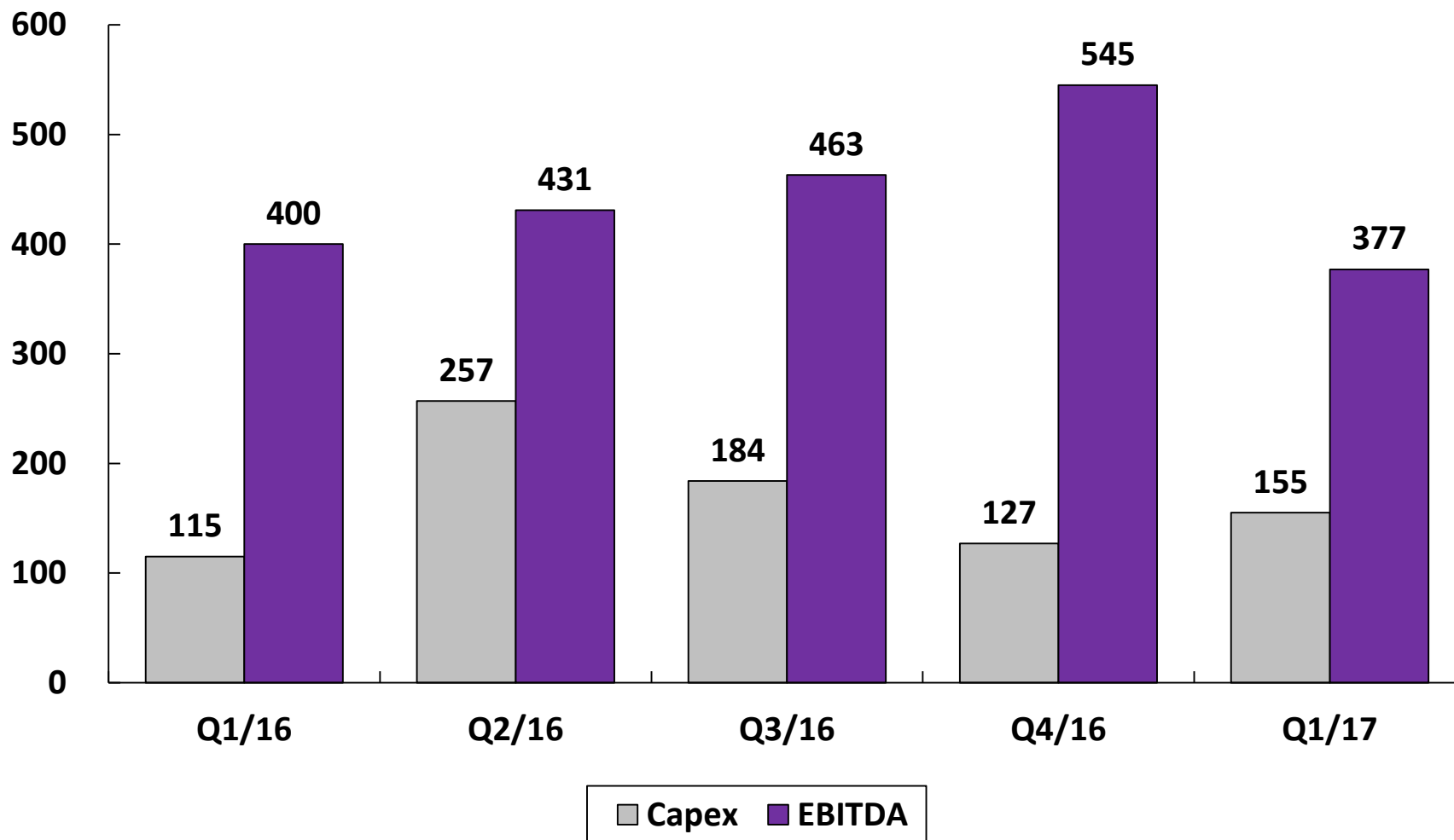


Equipment Capital Expenditure vs. EBITDA

(unaudited)



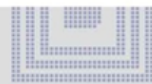
US\$ Million



Second Quarter 2017 Outlook

Based on our current business outlook and exchange rate assumptions, management projects overall performance for the second quarter of 2017 to be as follows:

- **IC ATM 2Q17 business and gross margin should both be similar to previous quarter;**
- **EMS 2Q17 business should be similar to the average of 2Q16 and 3Q16 levels;**
- **EMS 2Q17 gross margin should be similar to previous quarter.**



Thank You

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