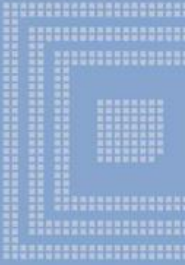




ASE GROUP



ASE Inc. 2017 Third Quarter Earnings Release

October 27, 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-SPIL Transaction Update

- On November 16, 2016, the Taiwan Fair Trade Commission issued a no objection letter in respect of the transaction.
- On May 16, 2017, ASE received a letter from the U.S. Federal Trade Commission (“FTC”) confirming its non-public investigation on the transaction has been closed.
- ASE and SPIL initially submitted the required materials to the Ministry of Commerce of the People’s Republic of China (“MOFCOM”) on August 25, 2016 and underwent Phase I, Phase II and Phase III statutory reviews by MOFCOM. In light of the expiration of the statutory review period for Phase III review, on June 6, 2017, ASE withdrawn its original filing and re-filed the same case with MOFCOM. On September 30, we received the notification from MOFCOM of extending the review to Phase III. The parties will continue to cooperate with MOFCOM on its review of the transaction.



Consolidated Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q3 / 2017	%	Q2 / 2017	%	Change
Net Revenues:					
Packaging	32,880	44.5%	30,494	46.2%	8%
Testing	6,889	9.3%	6,350	9.6%	8%
Direct Material	948	1.3%	928	1.4%	2%
EMS	33,098	44.8%	28,210	42.7%	17%
Others	63	0.1%	44	0.1%	43%
Total Net Revenues	73,878	100.0%	66,026	100.0%	12%
Gross Profit	13,848	18.7%	12,116	18.4%	14%
Operating Income (Loss)	7,068	9.6%	5,219	7.9%	35%
Pretax Income (Loss)	7,815	10.6%	11,390	17.3%	-31%
Income Tax Benefit (Expense)	(1,083)	-1.5%	(3,207)	-4.9%	
Noncontrolling Interest	(396)	-0.5%	(336)	-0.5%	
Net Income Attributable to Shareholders of the Parent	6,336	8.6%	7,847	11.9%	-19%
Basic EPS (NT Dollar)	0.76		0.97		-22%
Diluted EPS (NT Dollar)	0.69		0.89		-22%
EBITDA	15,243	20.6%	19,085	28.9%	-20%



Consolidated Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million)	Q3 / 2017	%	Q3 / 2016	%	Change
Net Revenues:					
Packaging	32,880	44.5%	33,449	46.0%	-2%
Testing	6,889	9.3%	7,231	9.9%	-5%
Direct Material	948	1.3%	805	1.1%	18%
EMS	33,098	44.8%	31,174	42.8%	6%
Others	63	0.1%	125	0.1%	-50%
Total Net Revenues	73,878	100.0%	72,784	100.0%	2%
Gross Profit	13,848	18.7%	14,111	19.4%	-2%
Operating Income (Loss)	7,068	9.6%	7,436	10.2%	-5%
Pretax Income (Loss)	7,815	10.6%	6,870	9.4%	14%
Income Tax Benefit (Expense)	(1,083)	-1.5%	(976)	-1.3%	
Noncontrolling Interest	(396)	-0.5%	(392)	-0.5%	
Net Income Attributable to Shareholders of the Parent	6,336	8.6%	5,502	7.6%	15%
Basic EPS (NT Dollar)	0.76		0.72		6%
Diluted EPS (NT Dollar)	0.69		0.64		8%
EBITDA	15,243	20.6%	14,701	20.2%	4%



IC ATM Statements of Comprehensive Income

Quarterly Sequential Comparison

(unaudited)



(NT\$ Million)	Q3 / 2017	%	Q2 / 2017	%	Change
Net Revenues:					
Packaging	33,897	81.0%	31,718	81.2%	7%
Testing	6,889	16.5%	6,350	16.3%	8%
Direct Material	1,048	2.5%	960	2.5%	9%
Others	20	0.0%	20	0.1%	0%
Total Net Revenues	41,854	100.0%	39,048	100.0%	7%
Gross Profit	10,486	25.1%	9,027	23.1%	16%
Operating Income (Loss)	5,724	13.7%	4,102	10.5%	40%
Pretax Income (Loss)	7,205	17.2%	9,462	24.2%	-24%
Income Tax Benefit (Expense)	(784)	-1.9%	(1,541)	-3.9%	
Noncontrolling Interest	(85)	-0.2%	(74)	-0.2%	
Net Income Attributable to Shareholders of the Parent	6,336	15.1%	7,847	20.1%	-19%
EBITDA	13,175	31.5%	11,522	29.5%	14%



IC ATM Statements of Comprehensive Income

Quarterly Year-over-Year Comparison

(unaudited)



(NT\$ Million)	Q3 / 2017	%	Q3 / 2016	%	Change
Net Revenues:					
Packaging	33,897	81.0%	34,832	81.0%	-3%
Testing	6,889	16.5%	7,232	16.8%	-5%
Direct Material	1,048	2.5%	920	2.1%	14%
Others	20	0.0%	22	0.1%	-9%
Total Net Revenues	41,854	100.0%	43,006	100.0%	-3%
Gross Profit	10,486	25.1%	10,966	25.5%	-4%
Operating Income (Loss)	5,724	13.7%	6,190	14.4%	-8%
Pretax Income (Loss)	7,205	17.2%	6,314	14.7%	14%
Income Tax Benefit (Expense)	(784)	-1.9%	(719)	-1.7%	
Noncontrolling Interest	(85)	-0.2%	(93)	-0.2%	
Net Income Attributable to Shareholders of the Parent	6,336	15.1%	5,502	12.8%	15%
EBITDA	13,175	31.5%	12,635	29.4%	4%

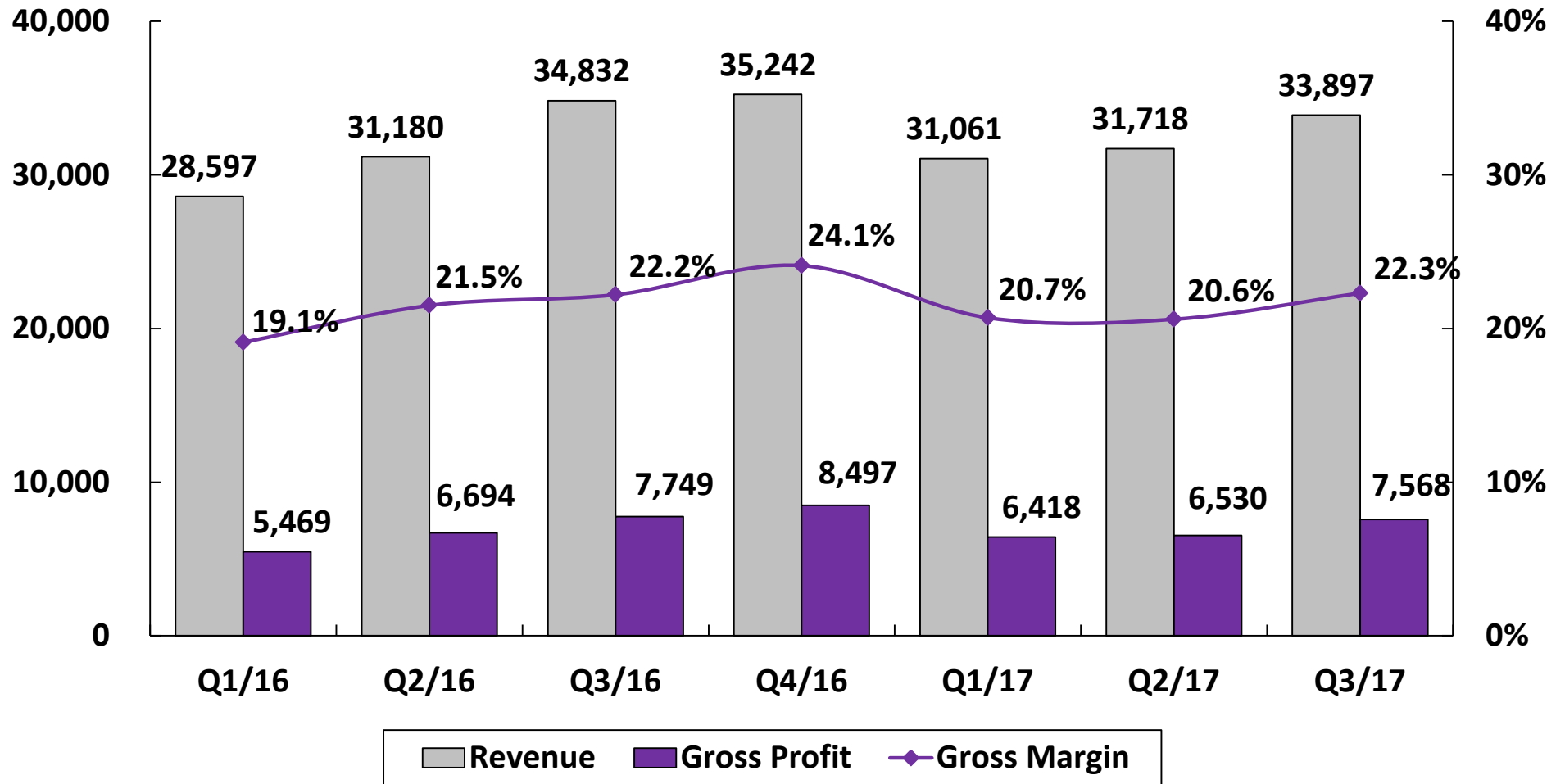


Packaging Operations

(unaudited)



NT\$ Million

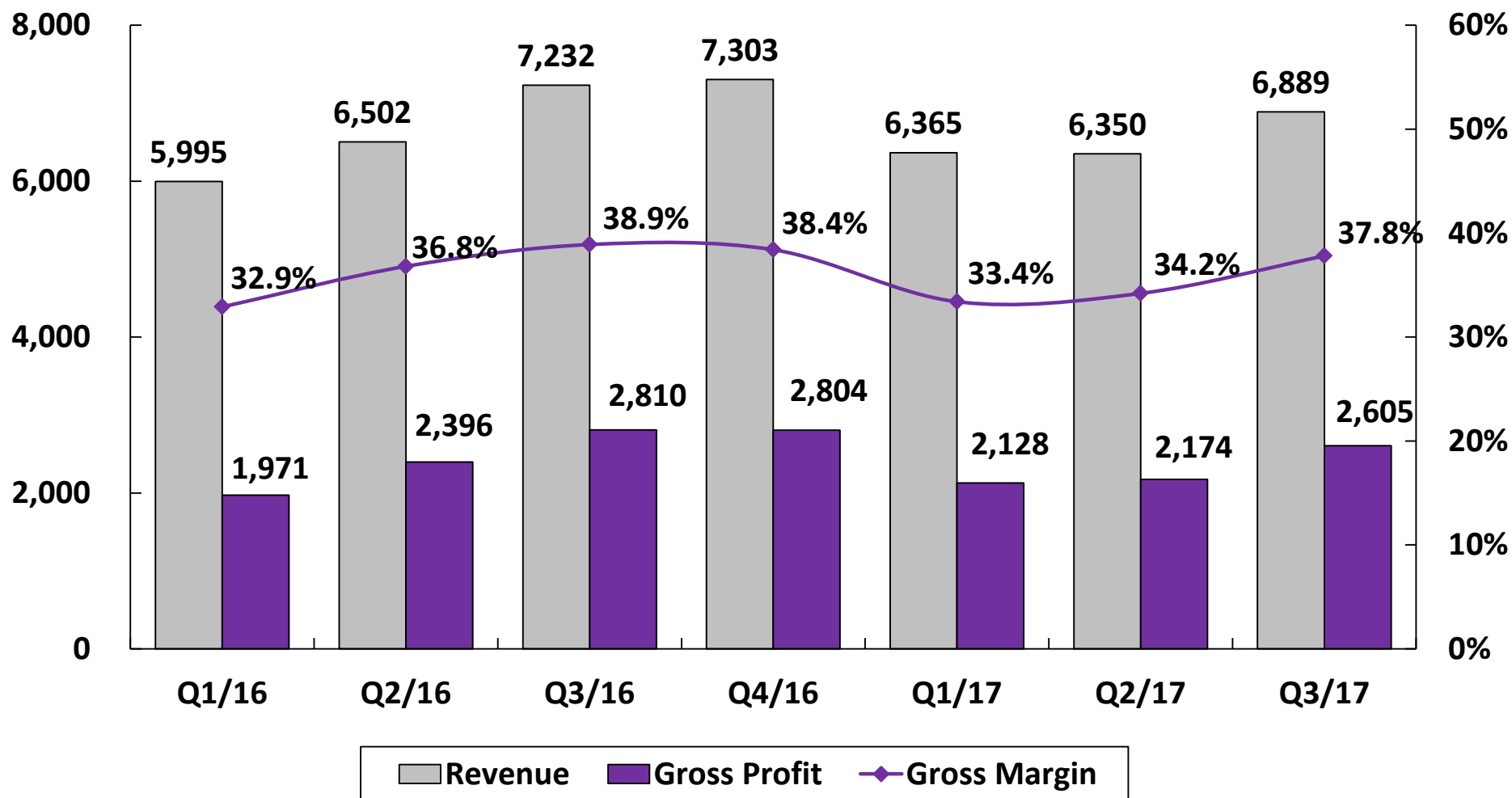


Testing Operations

(unaudited)



NT\$ Million

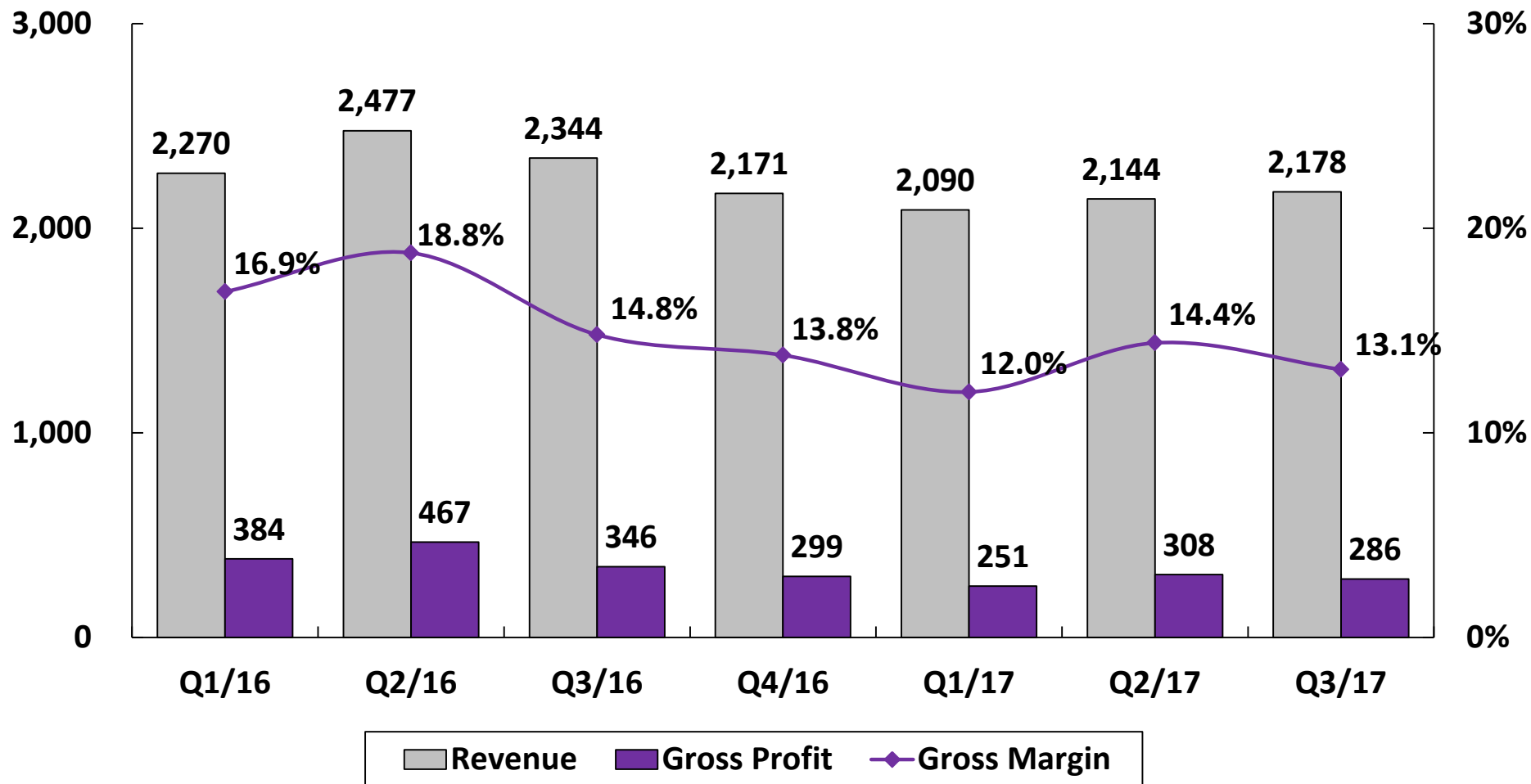


Material Operations

(unaudited)

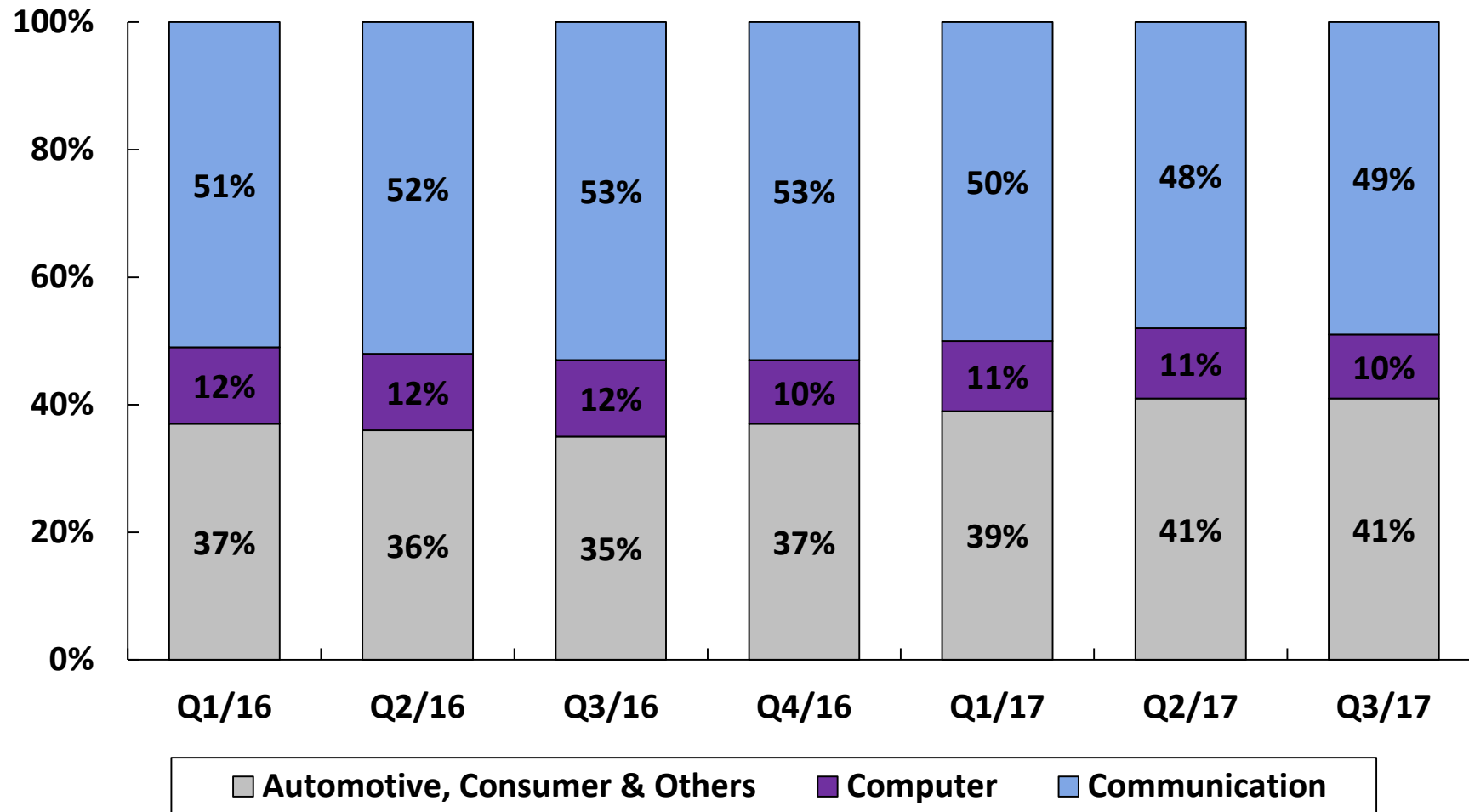


NT\$ Million



IC ATM Revenue by Application

(unaudited)

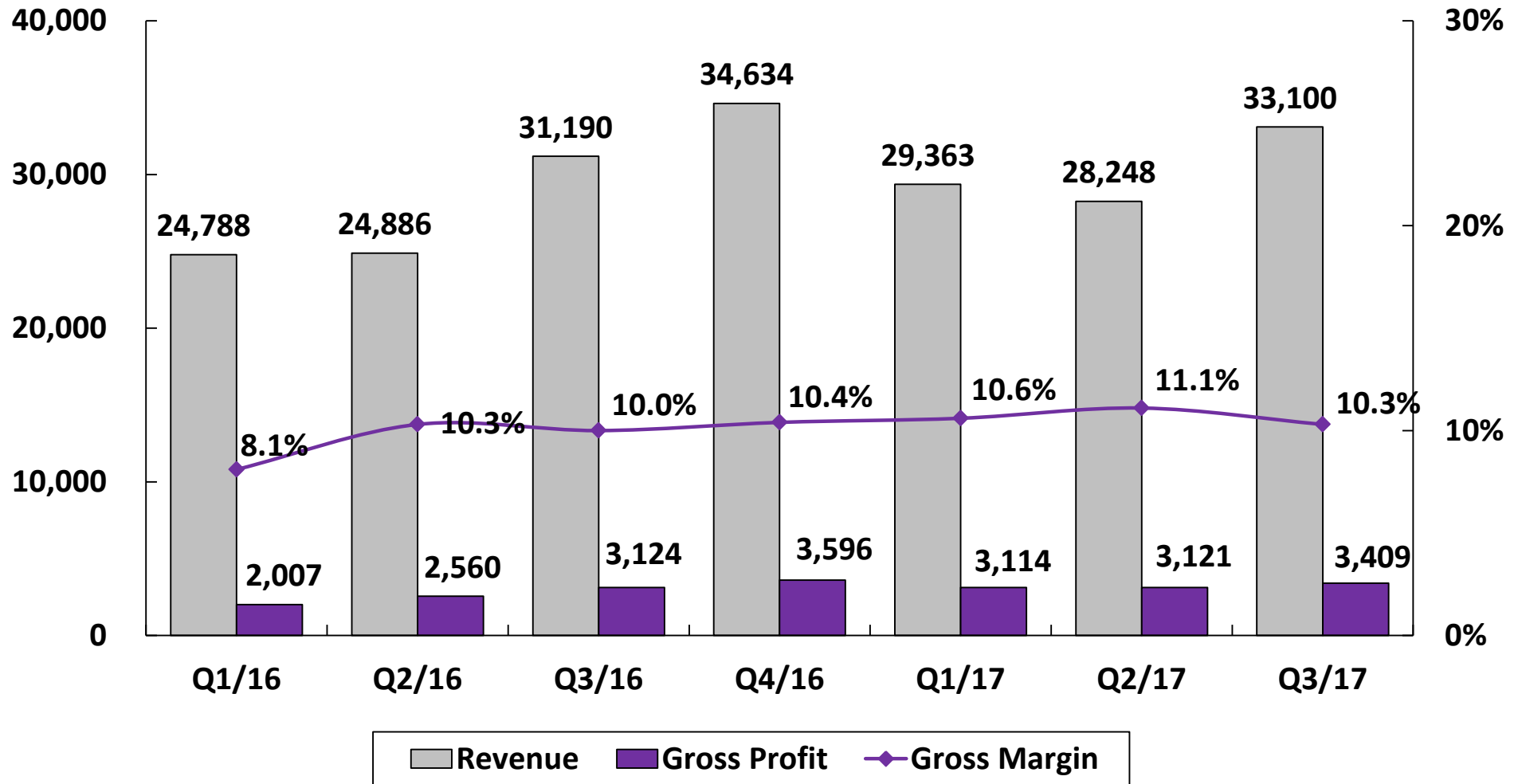


EMS Operations

(unaudited)



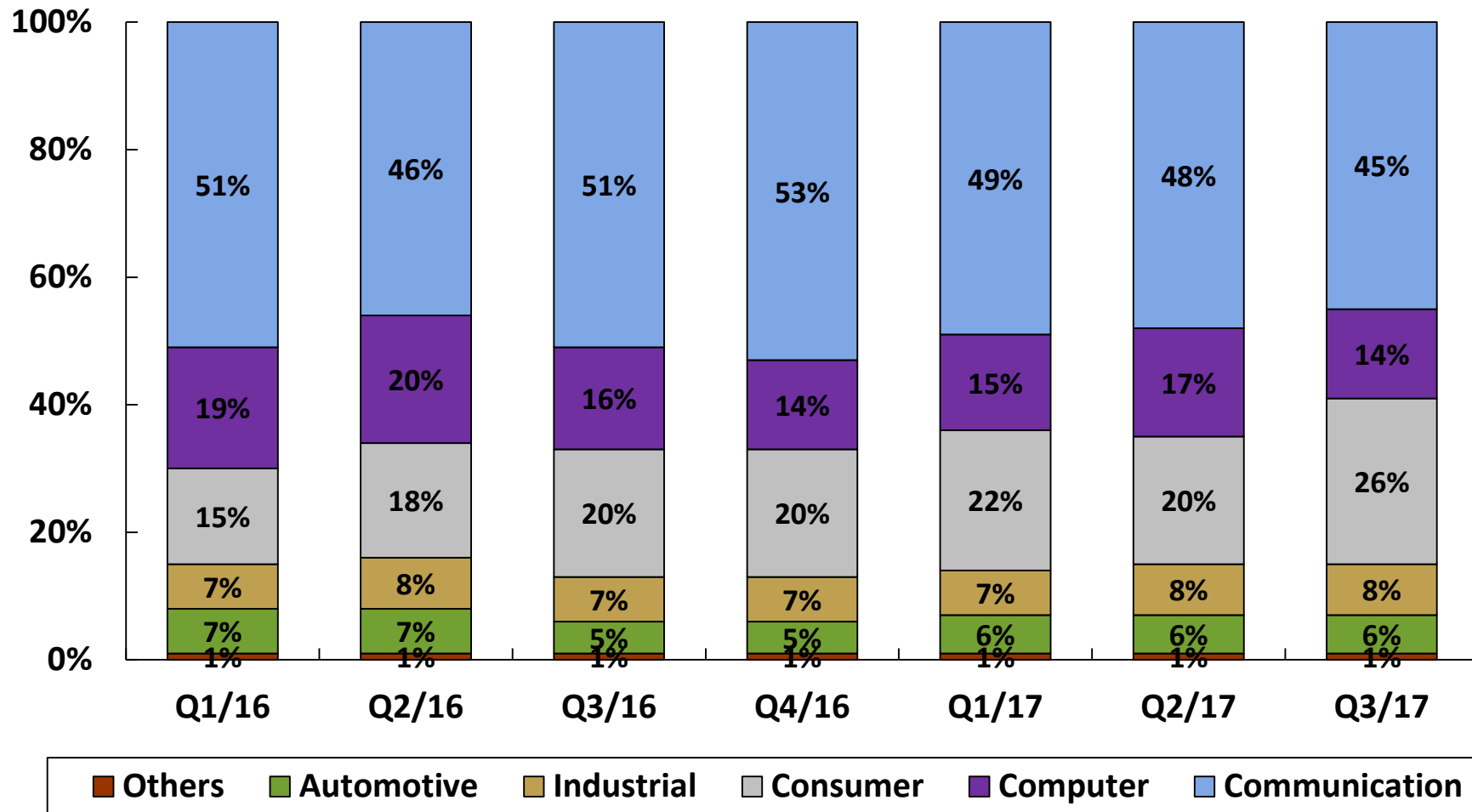
NT\$ Million



EMS Operations

EMS Revenue Breakdown

(unaudited)



Key Balance Sheet Items & Indices

(unaudited)



(NT\$ Million)	Sept. 30, 2017	Jun. 30, 2017	Change
Cash and cash equivalent	38,975	43,891	-11.2%
Financial assets - current	3,989	4,138	-3.6%
Financial assets - non current & investments - equity method	51,107	50,878	0.5%
Property, plant & equipment	136,982	140,378	-2.4%
Total assets	359,999	356,623	0.9%
Short-term borrowings & short-term bills payable	19,638	14,209	38.2%
Current portion of bonds payable	6,137	15,236	-59.7%
Current portion of long-term borrowings & capital lease obligations	6,882	7,454	-7.7%
Bonds payable	16,981	25,845	-34.3%
Long-term borrowings & capital lease obligations	32,908	28,823	14.2%
Total equity (Including non-controlling interest)	197,956	179,063	10.6%
Quarterly EBITDA	15,243	19,085	-20.1%
Current ratio	1.37	1.30	
Net debt to equity	0.20	0.24	

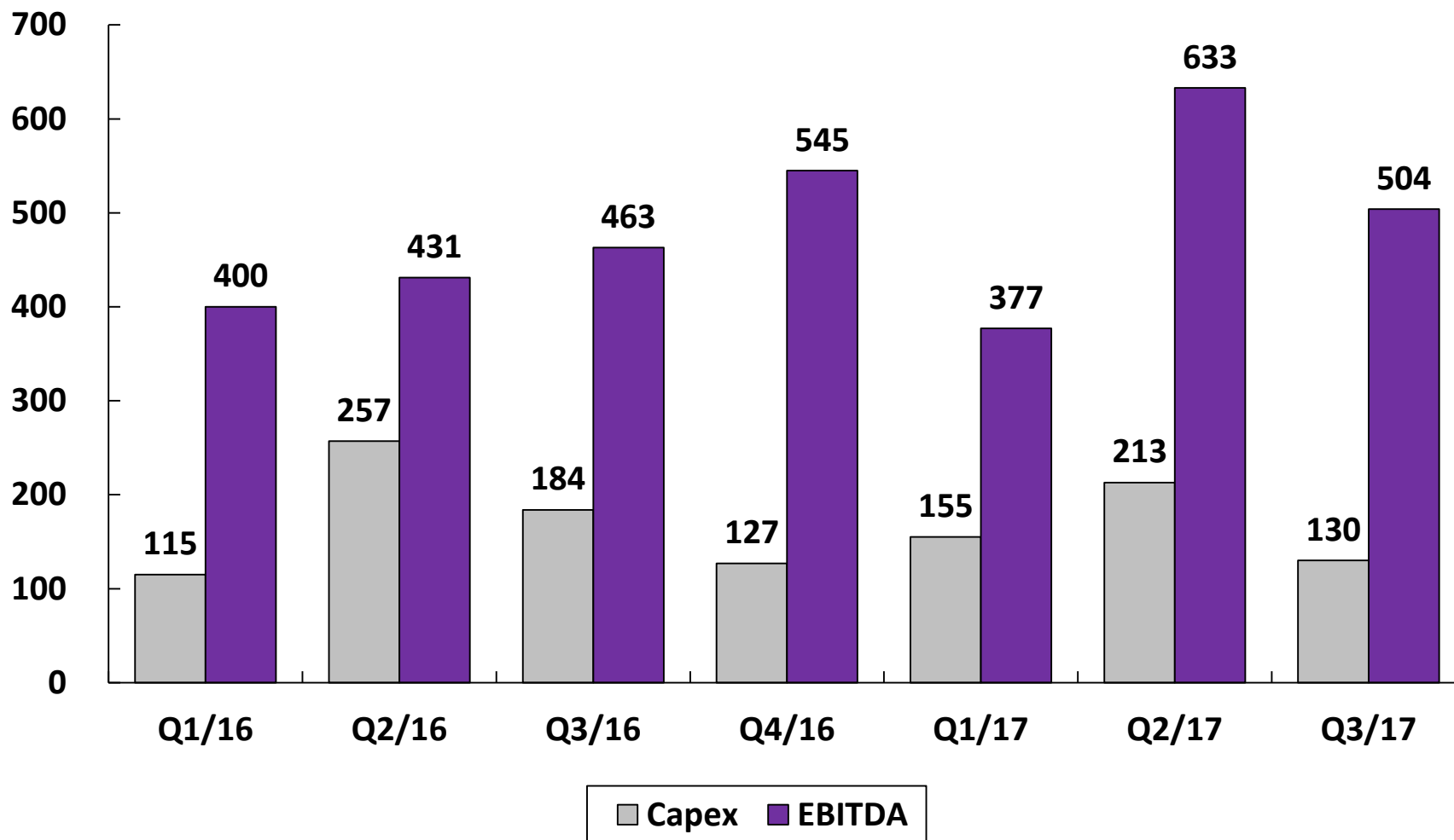


Equipment Capital Expenditure vs. EBITDA

(unaudited)



US\$ Million



Fourth Quarter 2017 Outlook

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

- **IC ATM 4Q17 business and gross margin should both be similar with 3Q17 level;**
- **EMS 4Q17 business should be similar with IC ATM 4Q17 level;**
- **EMS 4Q17 gross margin should be above 1Q16 level.**



Thank You

www.aseglobal.com
ir@aseglobal.com

