C SUN 48th ANNIVERSARY

2014 / 2nd Investor Conference
October 16th, 2014
Dr. Webber Wang, President
Venue: DENWELL Hotel, Taipei

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Agenda

- Operation Results of 2013 & 2014/Q1~Q3
- Revenue, Industry vs. Core Technology
- Market Prospect of Each Industry
- Subsidiaries

Operation Results
2013 & 2014/Q1~Q3

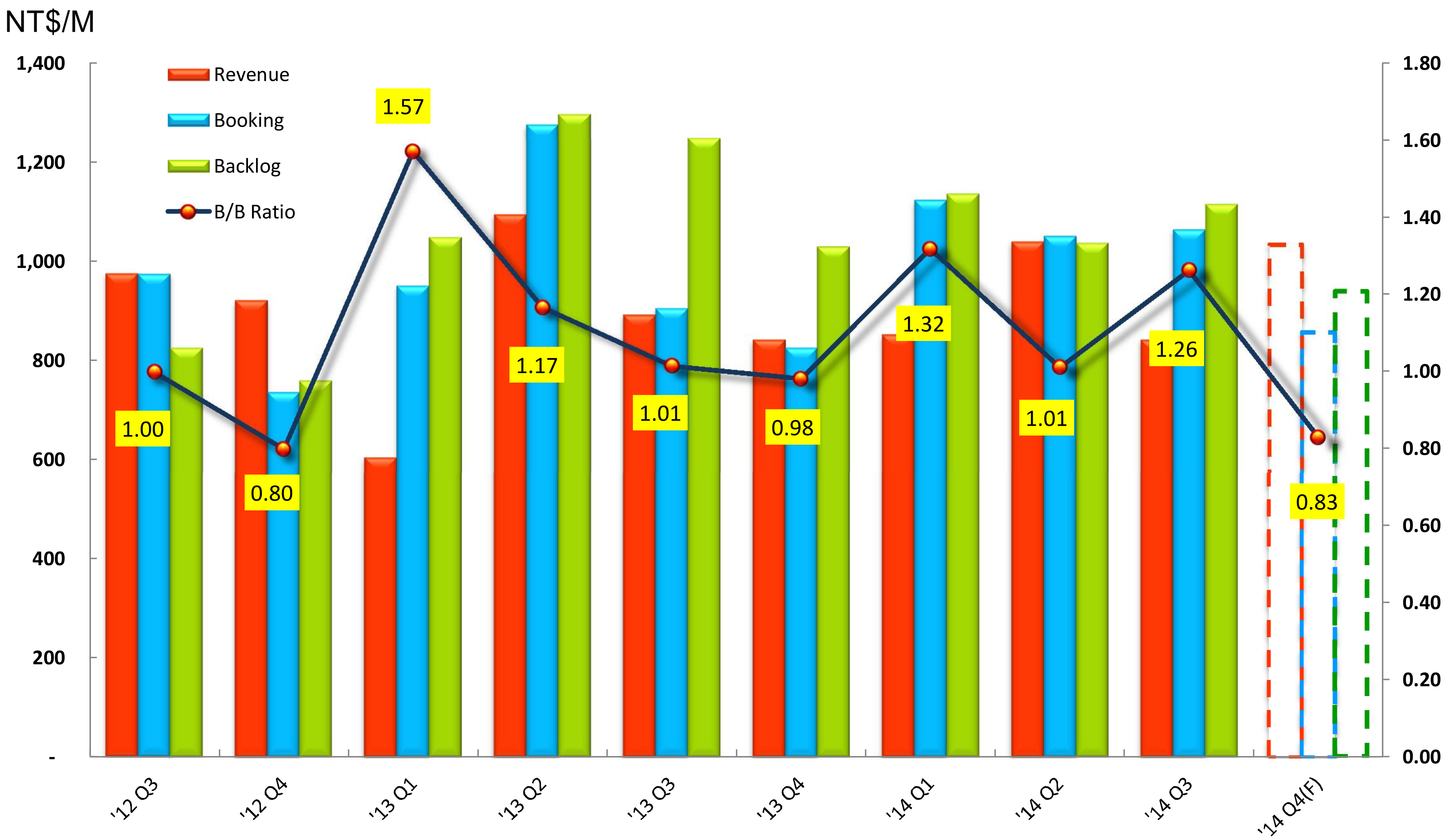
Operation Results - 2013 & 2014/Q1~Q3

in TWD millions

	2014/1~9*		2013/1~9		2013		2012		2011	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Revenue-Consolidated	2,743		2,594		3,438		3,653		4,394	
COGS		0.0%	1,729	66.6%	2,311	67.2%	2,381	65.2%	2,953	67.2%
Gross Margin		0.0%	866	33.4%	1,126	32.8%	1,272	34.8%	1,441	32.8%
Operating Expense		0.0%	725	27.9%	956	27.8%	984	26.9%	947	21.6%
Operating Income		0.0%	141	5.4%	171	5.0%	288	7.9%	494	11.2%
Net Non-Op. Profit		0.0%	157	6.0%	173	5.0%	5	0.1%	90	2.1%
Net Income Before Tax		0.0%	298	11.5%	344	10.0%	293	8.0%	521	11.9%
Attribute to Stockholder's of the Parent			241	9.3%	286	8.3%	262	7.2%	396	9.0%
ROE			9.15%		10.59%		9.95%		15.19%	
EPS (NT$/after tax)			$1.51		$1.80		$1.67		$2.58	
Debt Ratio			49.60%		47.97%		46.48%		43.46%	

* : Unaudited

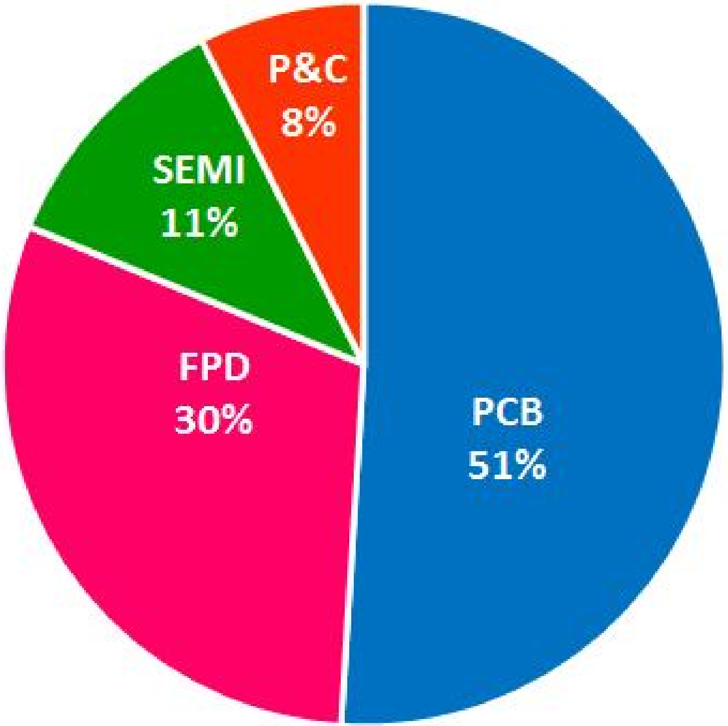
B/B Ratio & Backlog - 2012/Q3~2014/Q4



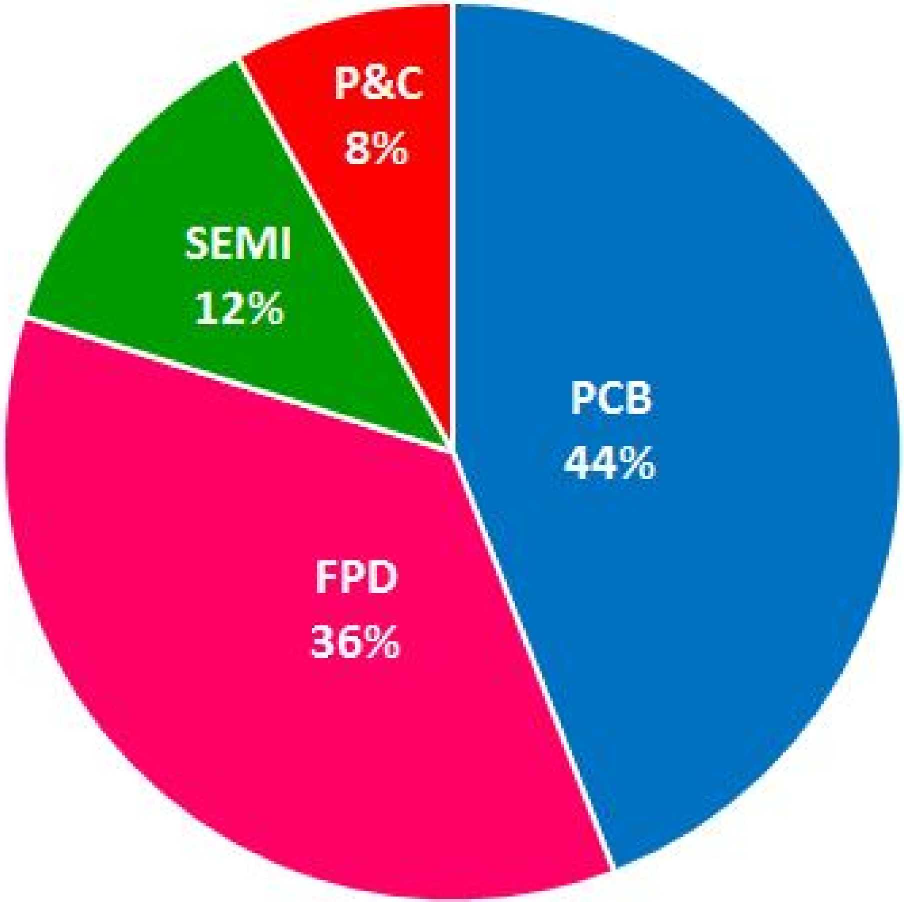
Revenue, Industry vs. Core Technology

Revenue Breakdown by Industry

2013/Q1~Q4

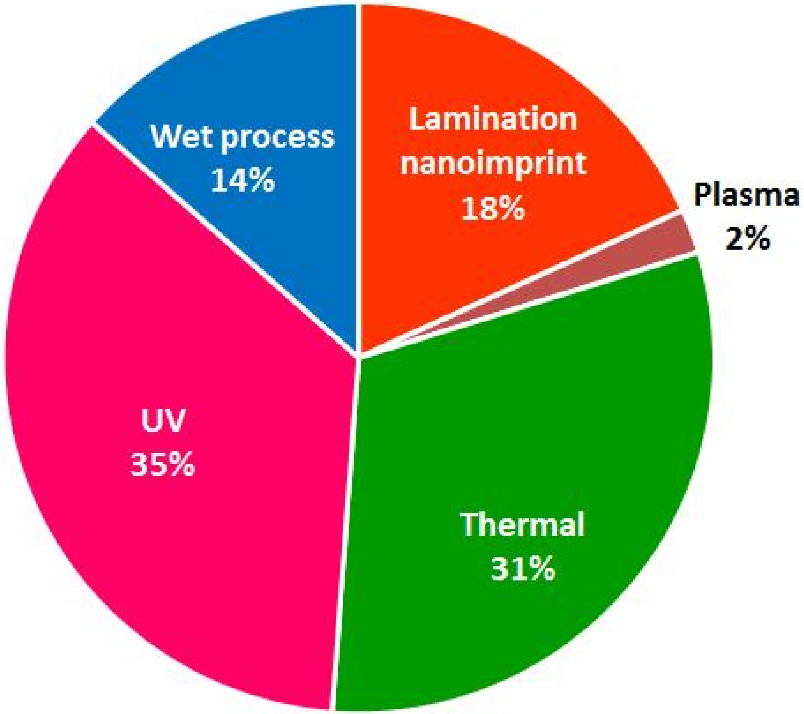


2014/Q1~Q3

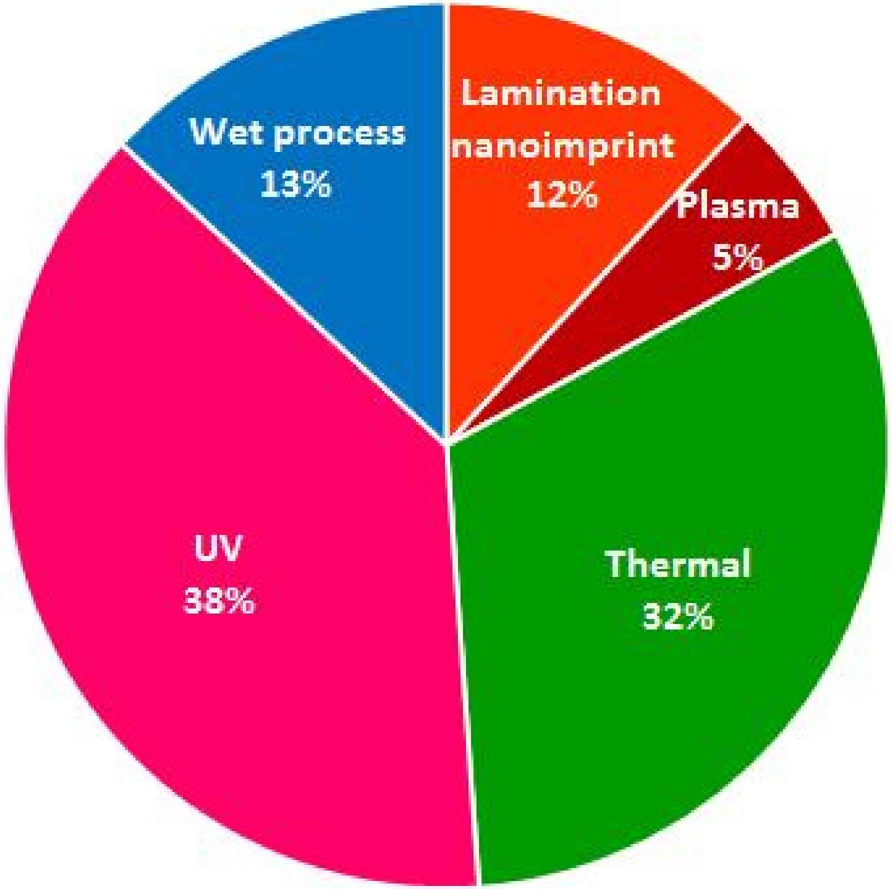


Revenue Breakdown by Core Technology

2013/Q1~Q4



2014/Q1~Q3



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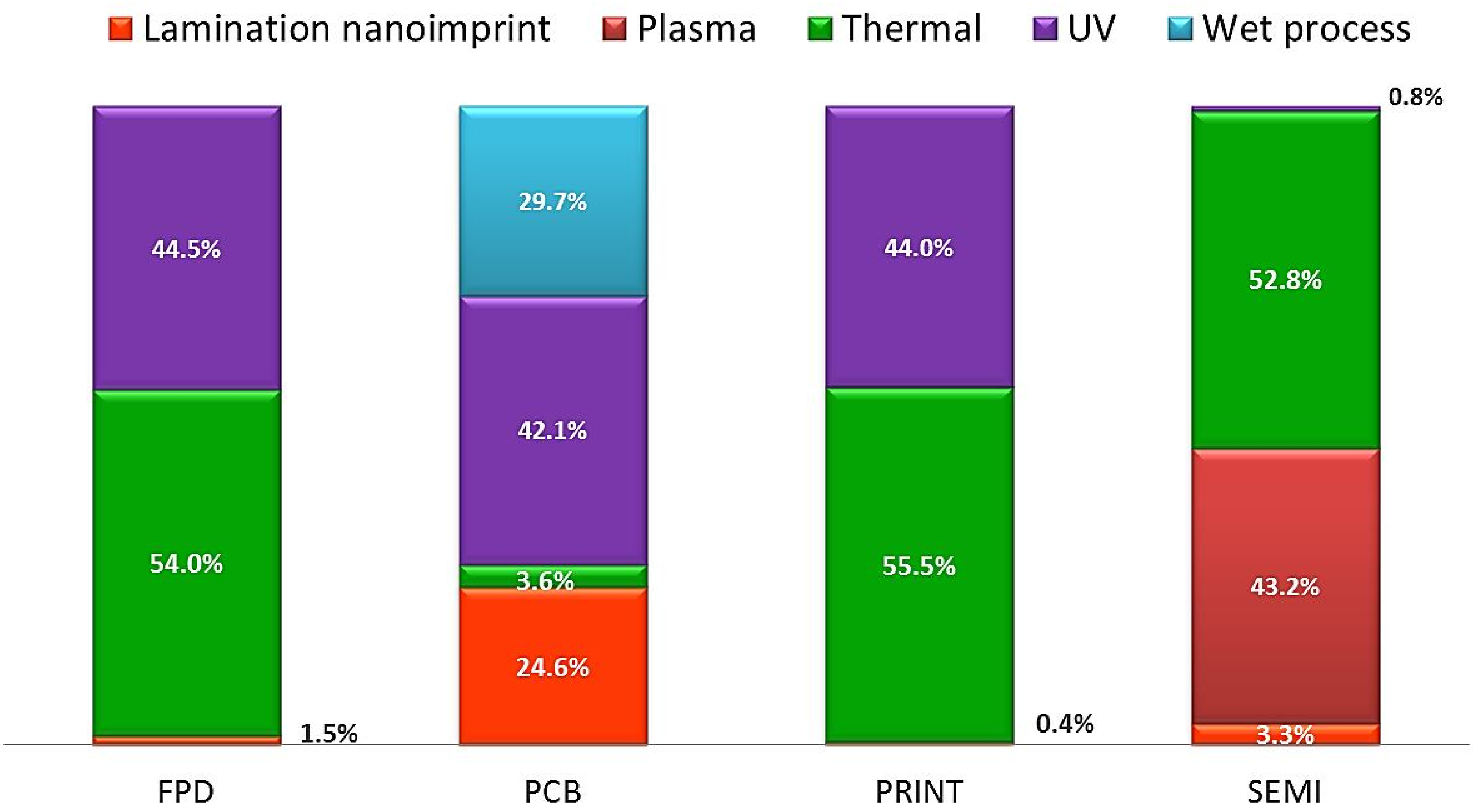
2014 Revenue Ratio of Core Tech. by Industry

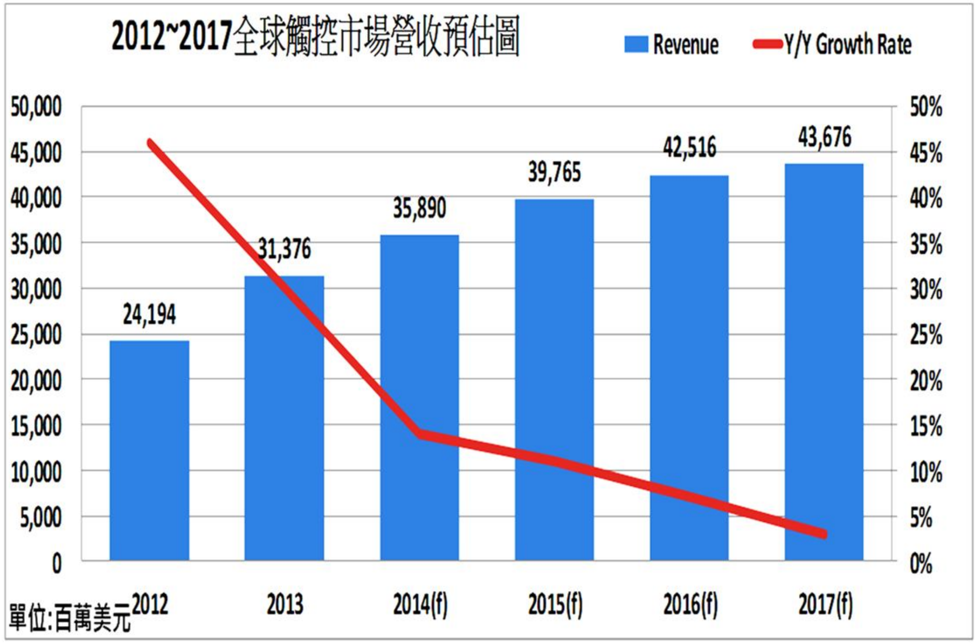


Market Prospect of Each Industry

- Display : TFT, TP
- PCB
- Printing & Coating (P&C)
- SEMI/LED

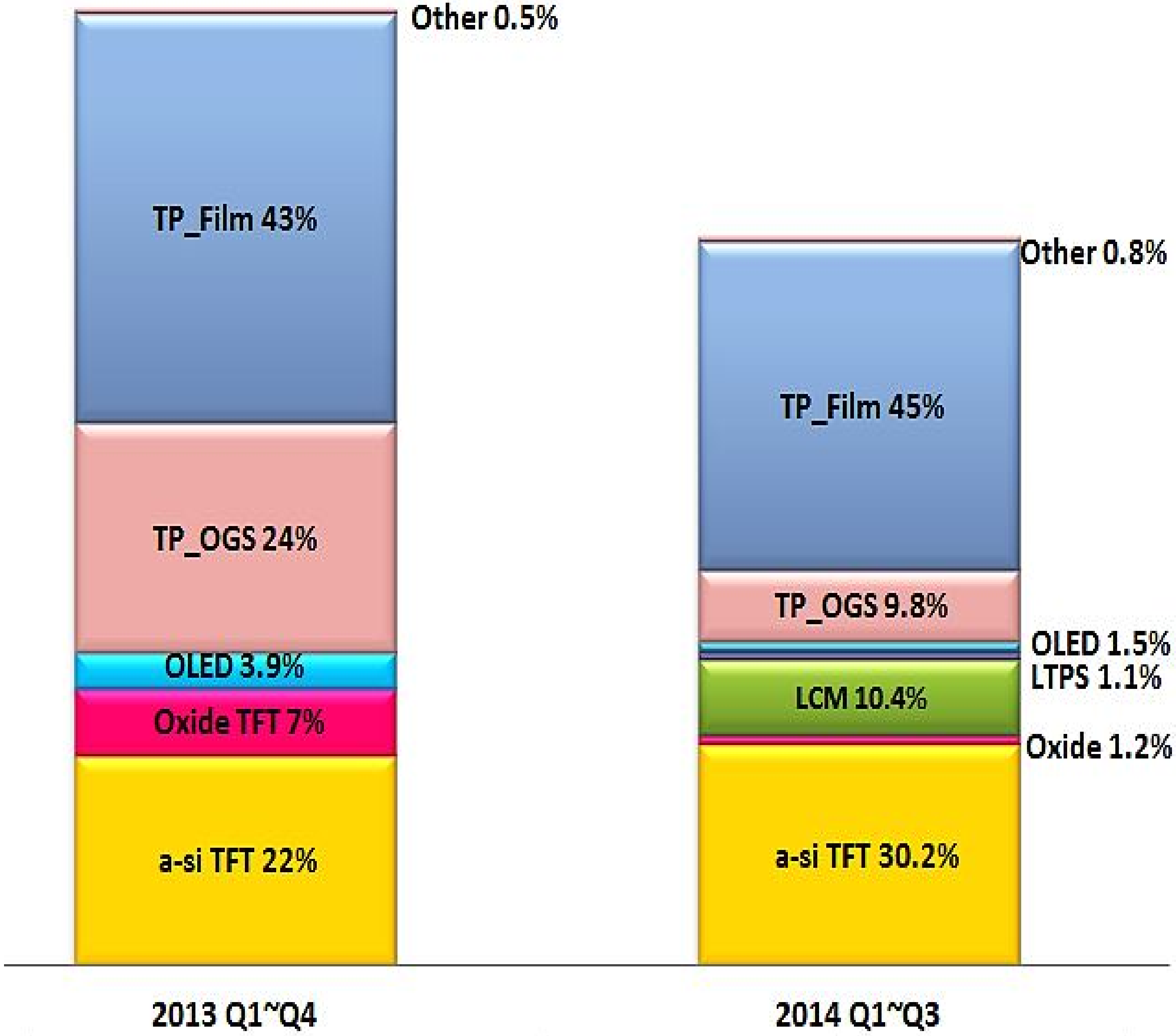
Global Market of Display

資料來源：工研院IEK(2014/04)



資料來源：工研院IEK、經濟部ITIS計畫(2013/8)

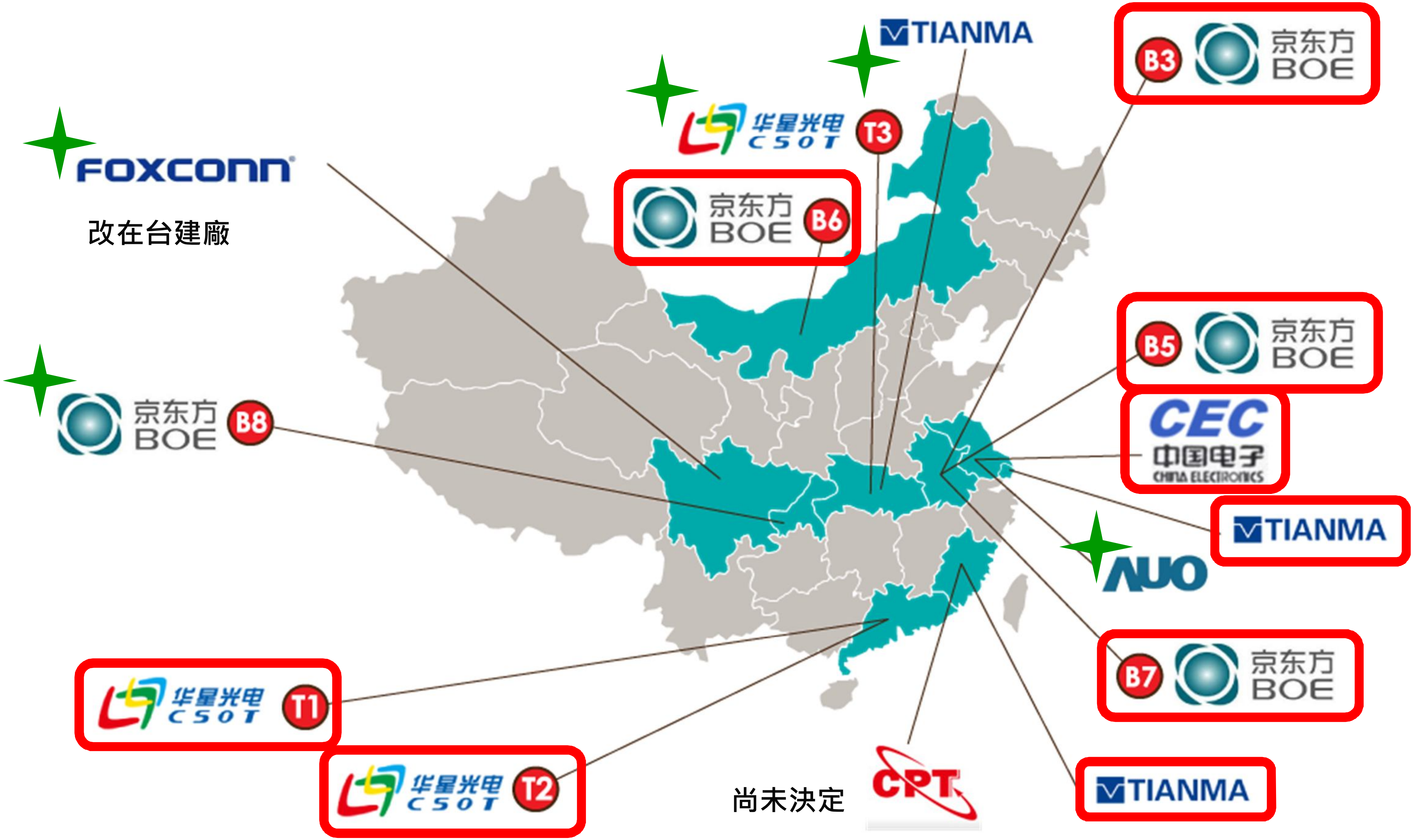
Booking Ratio of CSUN in Display Industry



2014:

1. 訂單金額比2013 增加
2. a-TFT訂單金額及比例增加
3. TP-film訂單金額增加
4. OGS訂單金額及比例減少

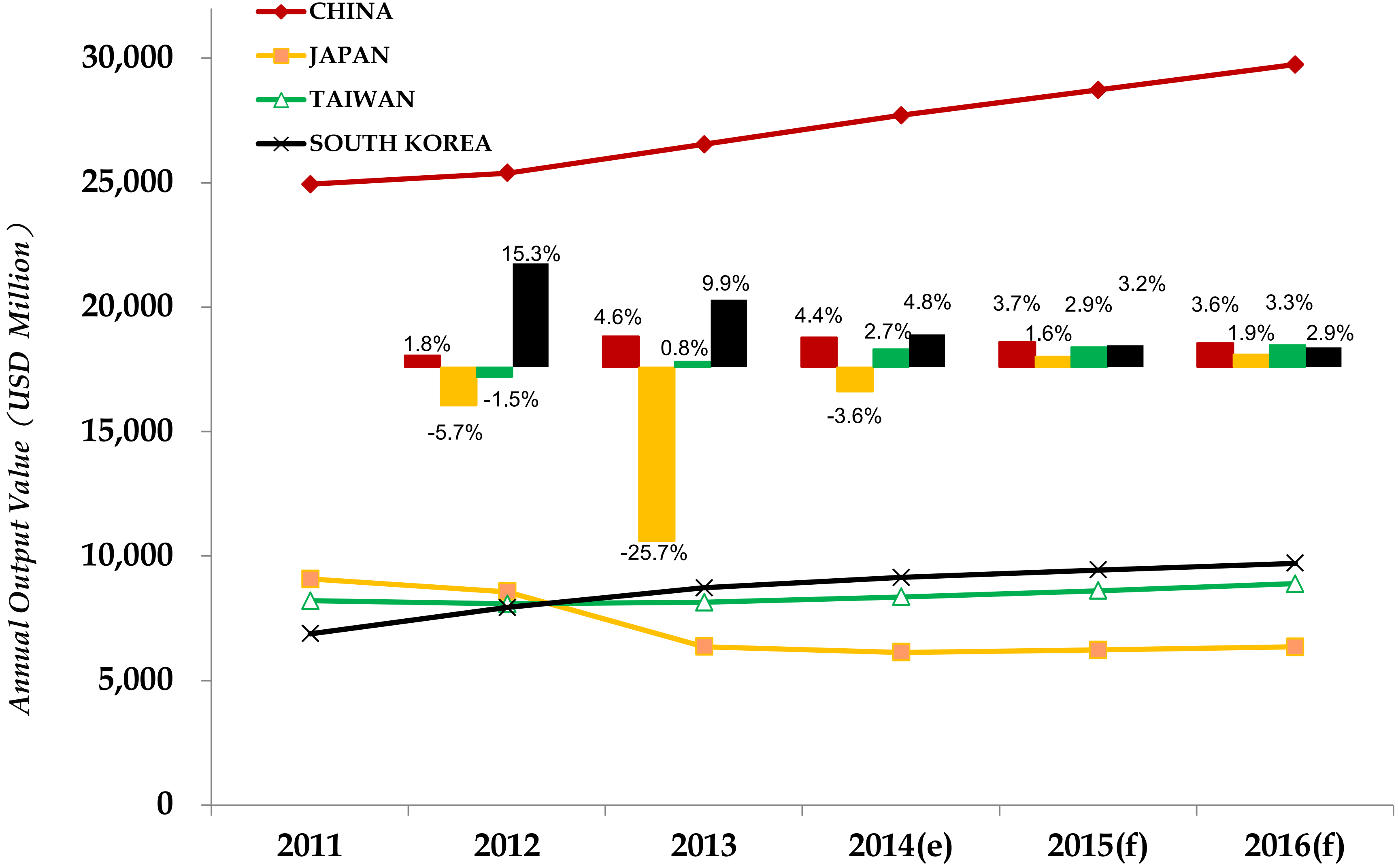
TFT-LCD Market in China 2014~2016



Display SWOT

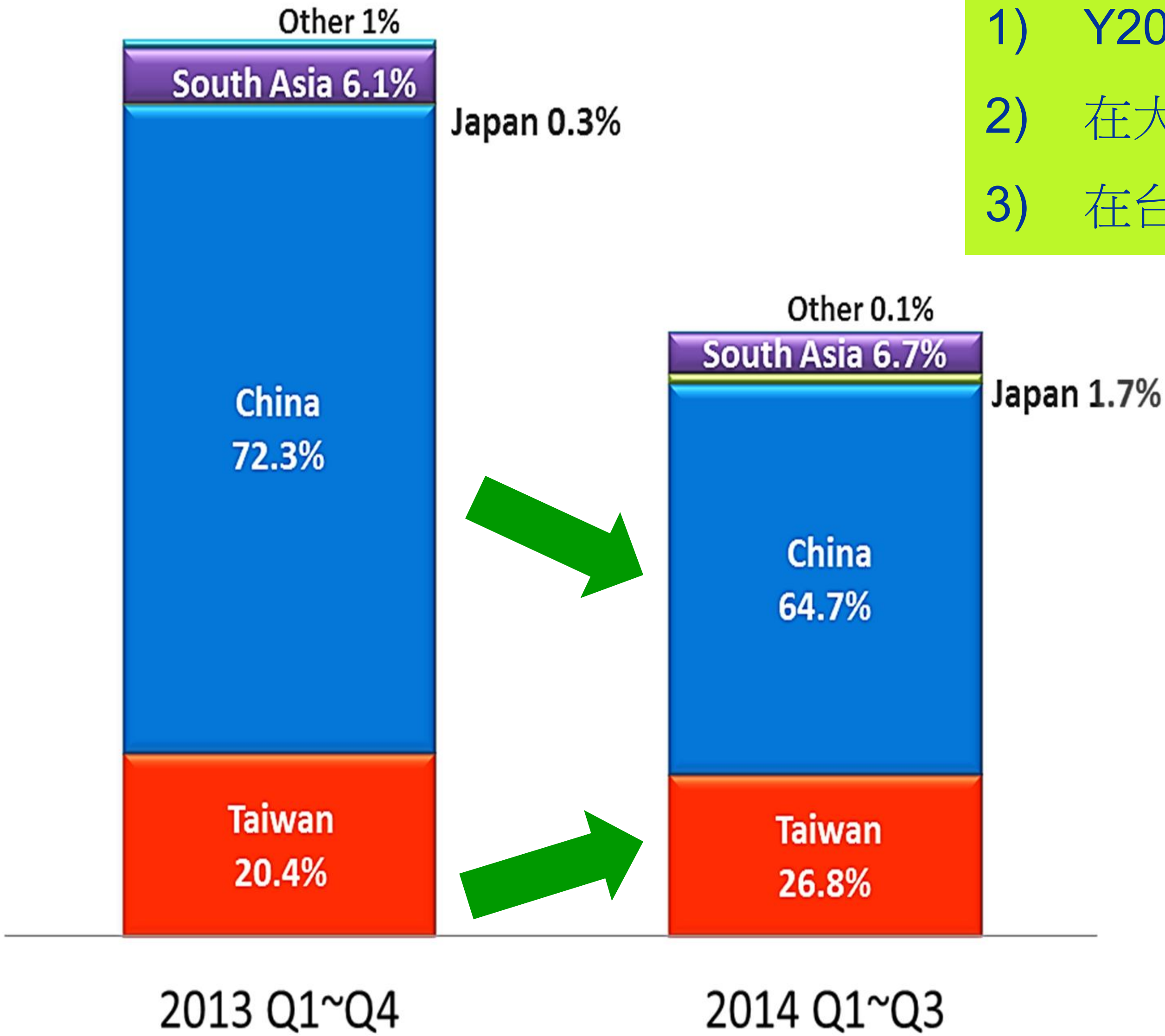
Strength	Opportunity
➢ 接近市場，易與客戶建立良好關係且取得新市場訊息及新製程情報。對客戶之機動性強及配合度高 ➢ 熱風/UV多層爐已屬國產品唯一品牌，且TFT產品線齊全(光與熱) ➢ 熱風與UV多層爐之技術大型化(次世代)具有在地生產的優勢，組裝/裝機經驗豐富 ➢ TFT 、TP 皆有產品可提供給客戶	➢ 大陸擴廠(a-Si、LTPS、OLED、Oxide) ➢ 終端市場 smart phone、i-pad、大sizeTV、穿戴式的新需求，帶動a-si、LTPS、OLED、Oxide台灣擴線新的需求 ➢ Oxide 市場需求逐步增加 ➢ 台灣新的TFT擴廠
Weakness	**Threat**
➢ 產品過度集中TFT Market，易受景氣循環	➢ Korea/Japan的競爭加劇

Market Trend of Global PCB Industry (by Region)



資料來源：工研院IEK(2014/04)

Booking Ratio of CSUN PCB by Region



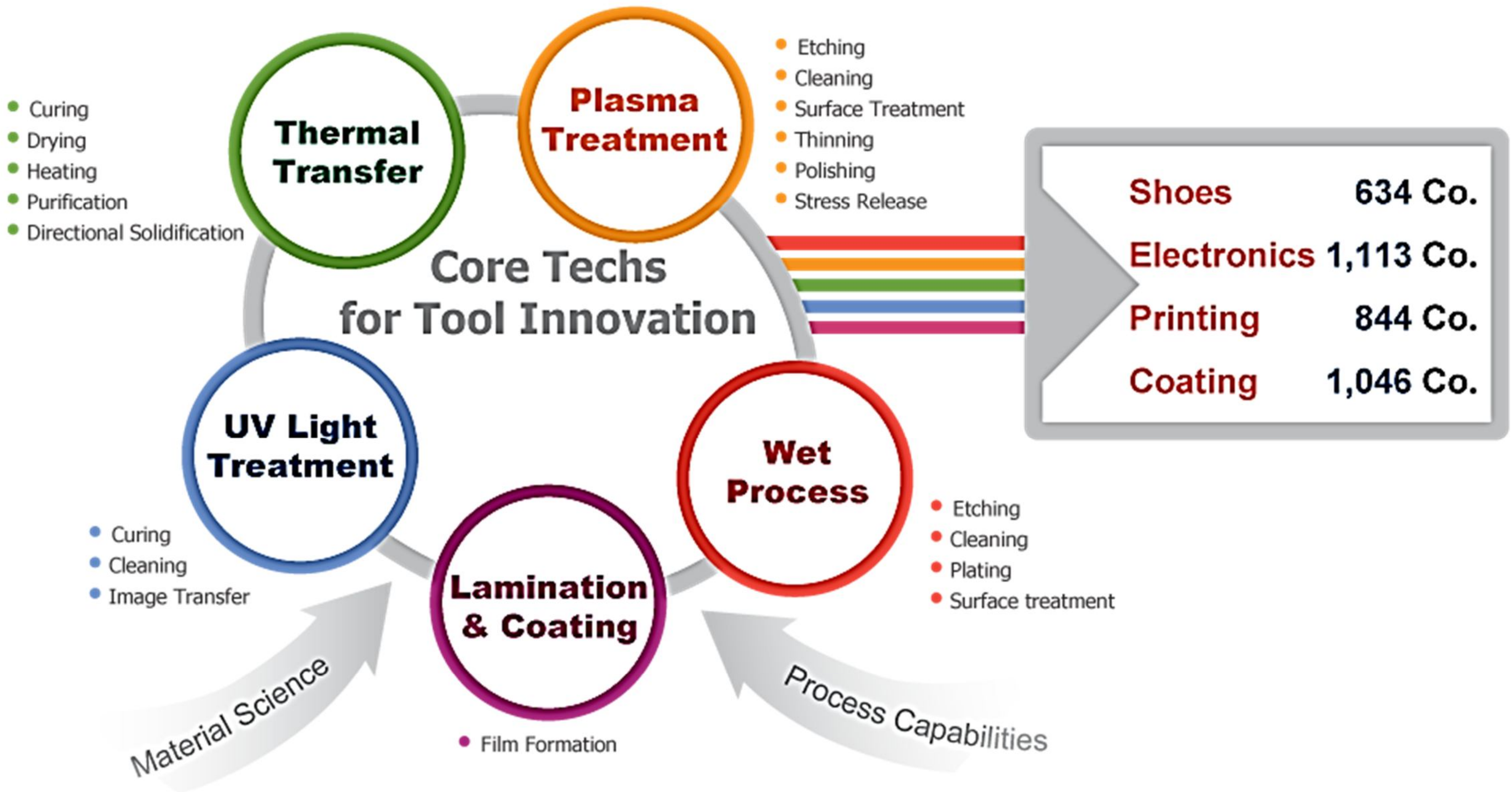
1) Y2013/Y2014業績相當
2) 在大陸中低階產品競爭激烈，市場下降
3) 在台灣高階產品需求增加

PCB SWOT

Strength	Opportunity
➢ 產品線完整(壓膜機、曝光機、濕製程、烤箱) ➢ 大台面的半自動機曝光機產品完整 ➢ 內層的自動機大小台面的產品完善 ➢ 壓膜機的市占率世界第一	➢ 曝光、壓模核心技術，跨入TP、PV產業應用 ➢ 因為勞工的缺乏，對良率的提升，市場對自動內外層、防焊曝光機的需求增加
Weakness	**Threat**
➢ 中低階產品成本過高(相對於大陸新的競爭者)	➢ 在中國中低階曝光機競爭者，低價競爭激烈 ➢ DI在高階市場(HDI、IC載板)的滲透率漸漲

Total Customers of Print & Coating Industry

Integrated with Materials & Processes



Integration & Automation of Shoes Process

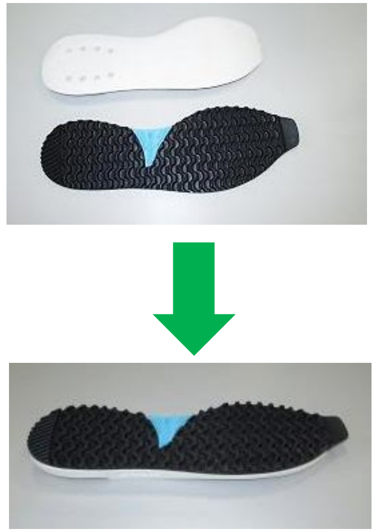
❖ **Conventional Process**

Washing → Upper/Bottom Priming

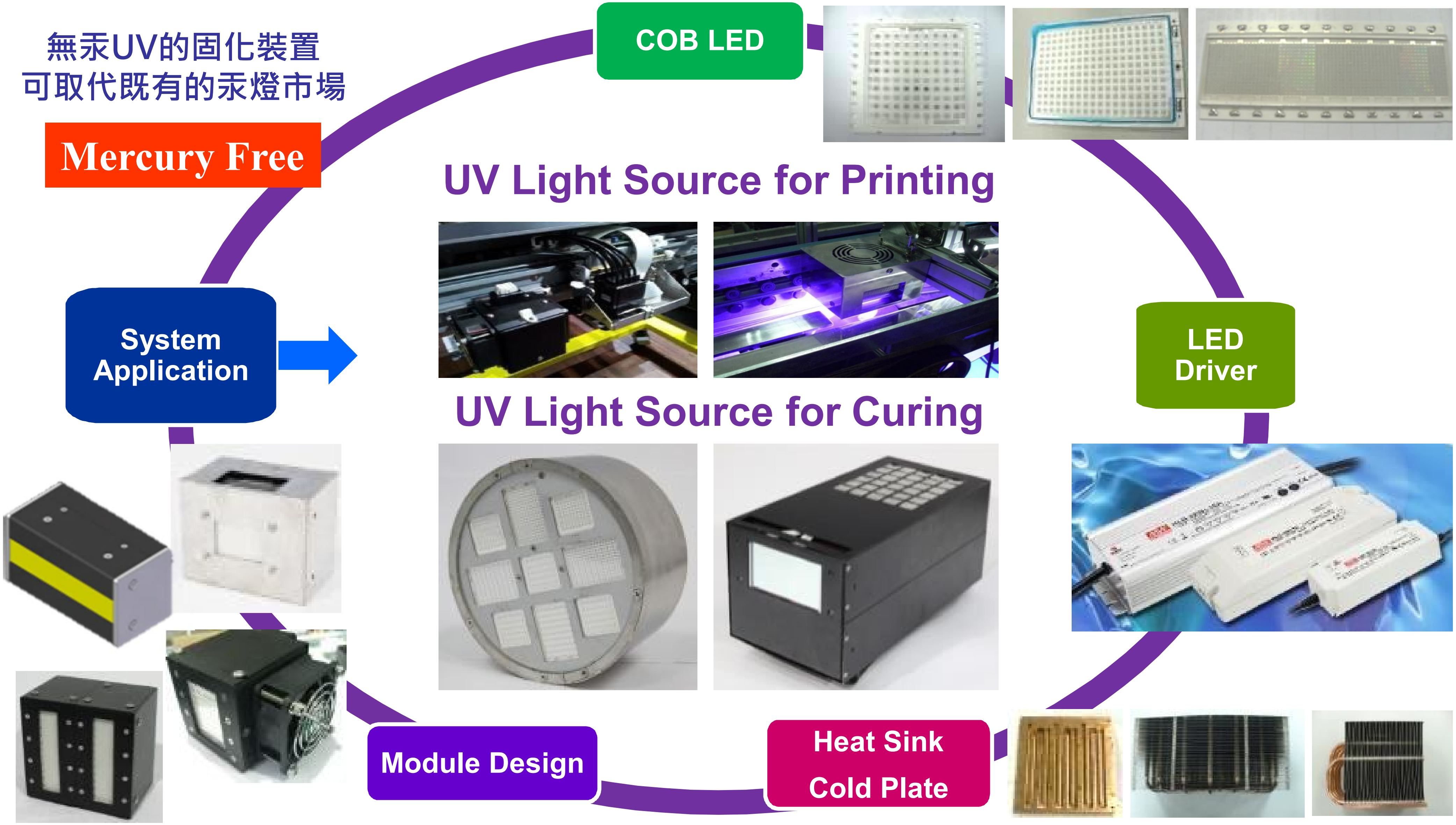
- ✓ 15億雙鞋:需500 條線x 20人
- ✓ x 3 班= 30000 人 (for 中底)
- ✓ C SUN自動線，只需3000人

❖ **C SUN Automated Priming Machine**

Washing → Dry & Preheater | Upper/Bottom Priming | Air Knife Drying | Dry | Cooler | 3D UV Irradiation



Print & Coating – Application of UV LED



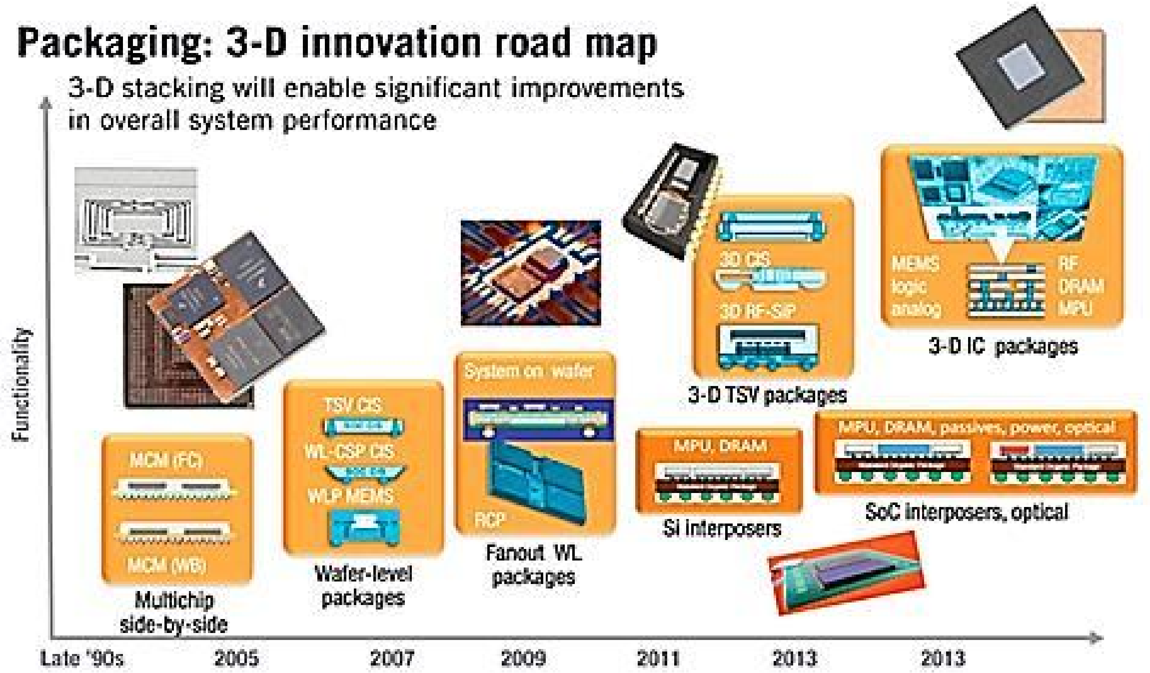
Printing & Coating SWOT

Strength	Opportunity
➢ 市場能見度高 ➢ 客戶多且涵蓋產業廣泛 (鞋業、電子、印刷、塗裝)	➢ 環保節能趨勢 ➢ 自動化整合，節省人力成本、管理成本
Weakness	**Threat**
➢ 缺乏主製程設備 (目前僅有光、熱固化的附屬周邊設備)	➢ 低價競爭者多

Internet of Things (IoT, 物聯網) & 3DIC

在「台積電站在制高點看物聯網　為產業打造完整生態鏈」一文文末就提到，
一顆物聯網的晶片，基本上要包含以下的區塊：

- MCU 微控制器 (通常是採用ARM的)
- Sensor (溫度、震動、陀螺儀、濕度、壓力、高度)
- Power IC (太陽能、能源收集、電耗)
- eMMC內嵌式記憶體 (快閃、NVM、SRAM)
- Connector (GSM、GPRS、LTE、Zigbee、WiFi、Mesh Network)



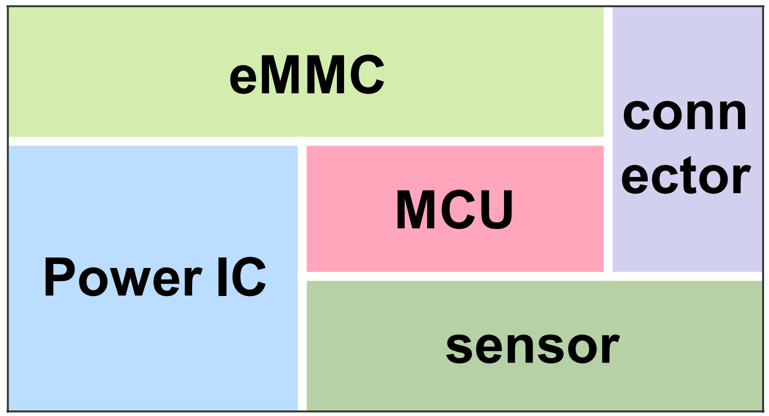
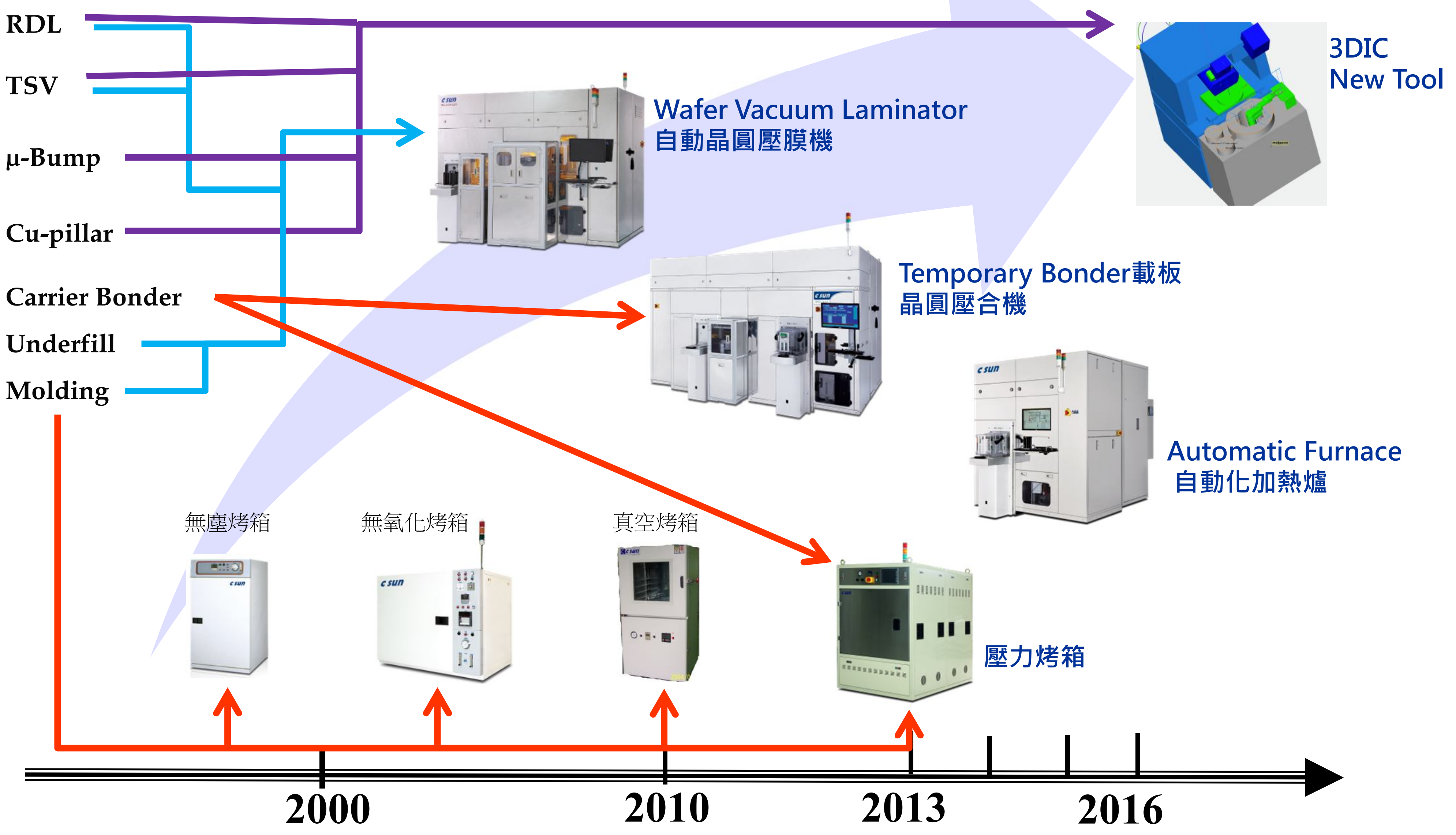


Fig. IoT IC

SEMI: Roadmap of 3DIC EQ Development



SEMI SWOT

Strength	Opportunity
➢ WVL已進入大公司，進行3DIC之應用已3年 ➢ Batch OVEN 為OSAT廠之主要品牌 ➢ Temporary Bonder已被Foundry廠採用for 3DIC ➢ 設備性價比最優 ➢ Automatic Furnace/ Pressure Oven已被半導體廠採用	➢ IoT 帶動2.5D/ 3DIC的需求
Weakness	**Threat**
➢ 3DIC未成熟應用種類太多，規格持續的改變，必須持續投入研發。無法涵蓋所有客戶的需求 ➢ 未能與國際材料商合作	➢ 競爭者皆為國際一流大廠，性能應用及成熟的時間點(研發投資的長短)都是考驗

TCF 創峰

2014 與2013相當

- 軟板訂單延後
- Desmear PTH 市場競爭大
- 垂直電鍍線訂單延遲（for IC 載板）
- 化學錫客戶擴產延遲（for 汽車板、伺服器板）

2015 成長機會

- 非接觸式垂直除膠渣、化學銅、電鍍設備為2015年的成長機會

HQC – Yang Mei New Factory (楊梅新廠)

- ChungLi Factory 4"PSS capacity of Q4 (中壢廠Q4產能)=~40,000 PCS/Q
- YangMei factory(楊梅) capacity of 2015Q1= Max 60K~70K pcs/M
- Q4完成國內客戶認證
- 6” Pilot Run (試產中)，2015Q1= 3K~5K pcs/M
- 海外客戶部分認證完成，部分認證中，已小量量產中

2014 /H2 產能未如預期?

- 客戶更改規格、開發時間較久，因為壓印製程需要更改治具，所以時間較久。例: 邊距縮小

- 客戶提高規格(Pattern Loss 減少)的要求， 由於壓印技術對於無塵等級的要求較高，中壢廠無塵等級的設計不夠高，因此重工率大幅提高(楊梅新廠有良好的無塵等級設計)

- 客戶提高對於整片磊晶良率的要求(Pattern Loss少)，也同時提高對於Bin集中率的要求。華順同時已於Q3改善製程，達到客戶的要求

Thank You