

c sun **48th** ANNIVERSARY

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Dr. Webber Wang, President

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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

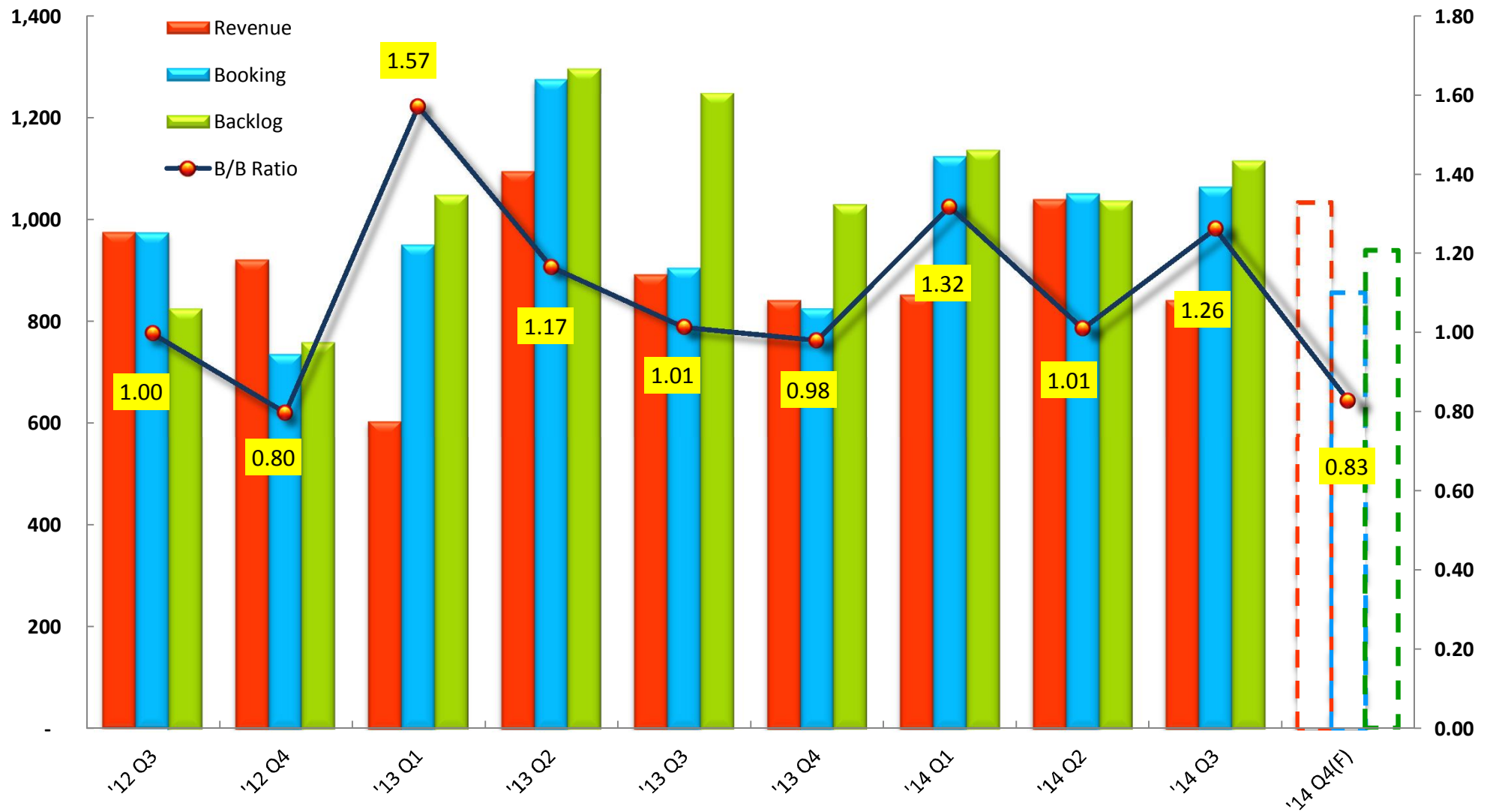
in TWD millions

	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%	

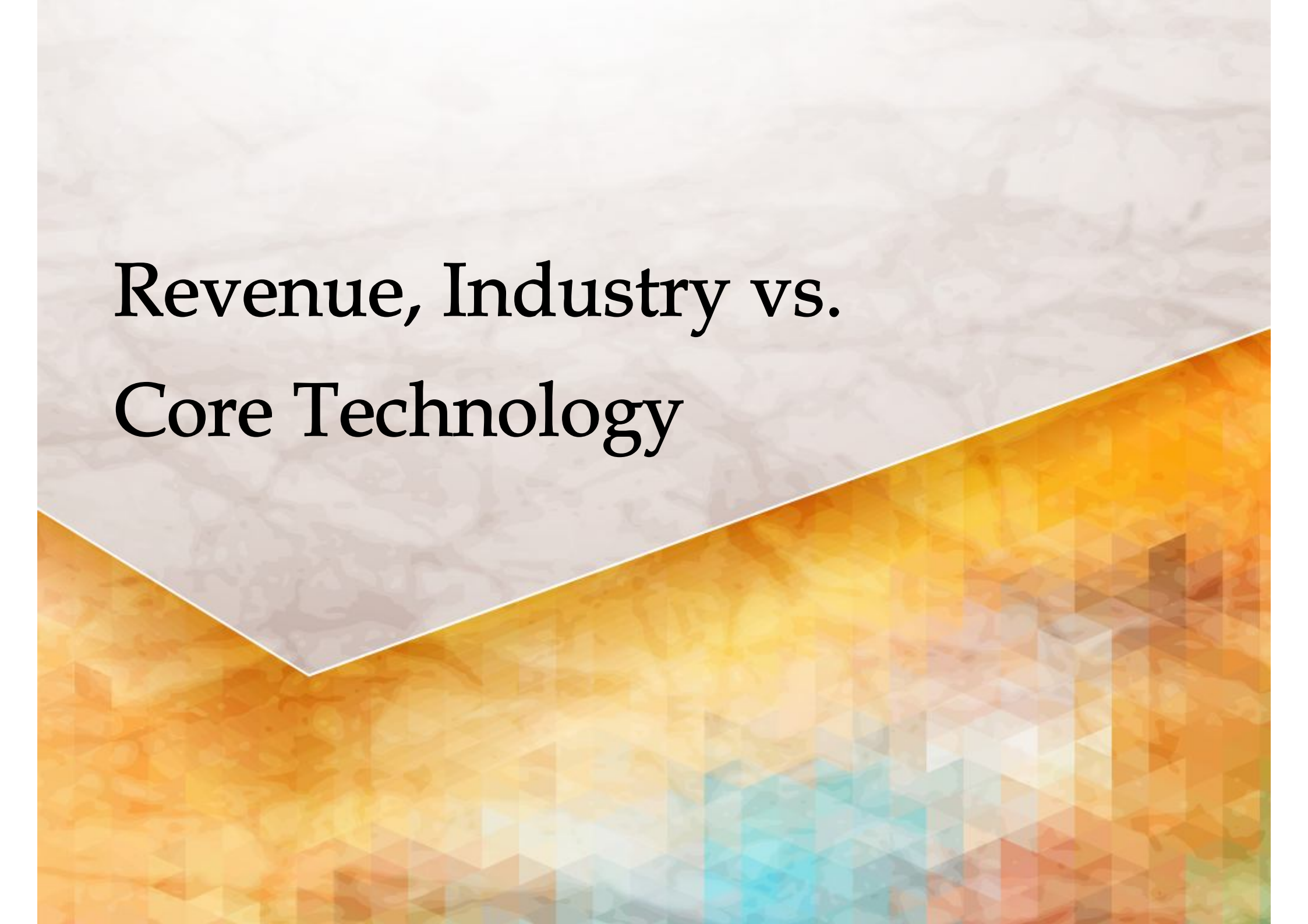
* : Unaudited

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

NT\$/M

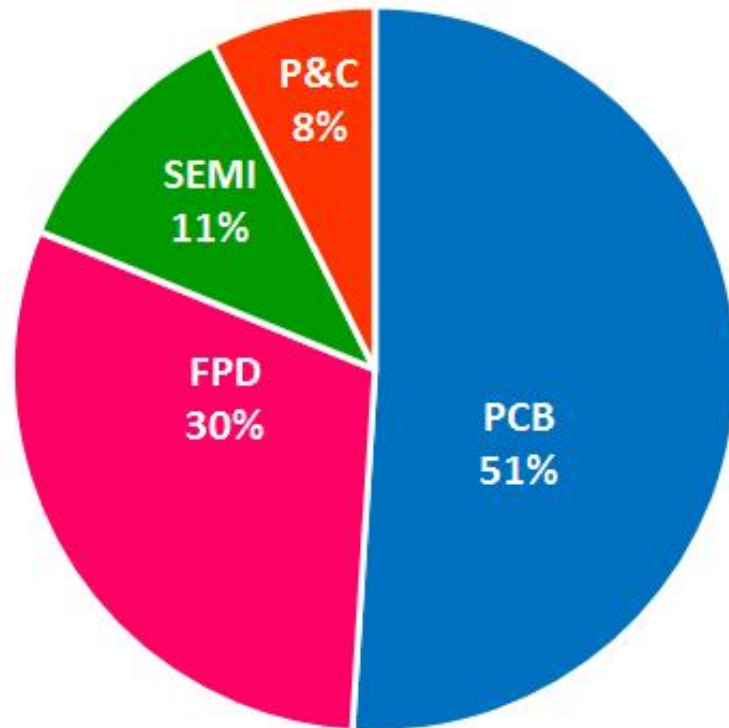


Revenue, Industry vs. Core Technology

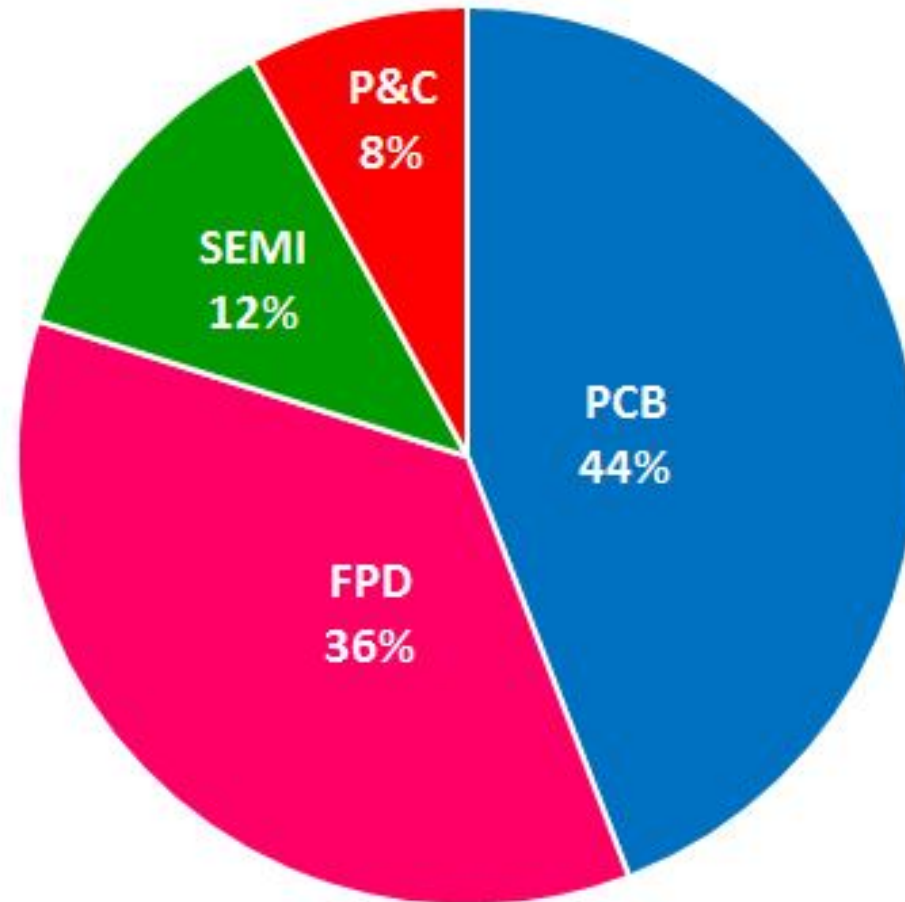
The background of the slide is an abstract geometric pattern. The upper portion is a light beige color with a subtle, faint pattern. A diagonal line divides the slide, with the lower portion featuring a vibrant, multi-colored geometric pattern of triangles and polygons in shades of orange, yellow, and blue. The text is positioned in the upper left area, overlaid on the beige background.

Revenue Breakdown by Industry

2013/Q1~Q4

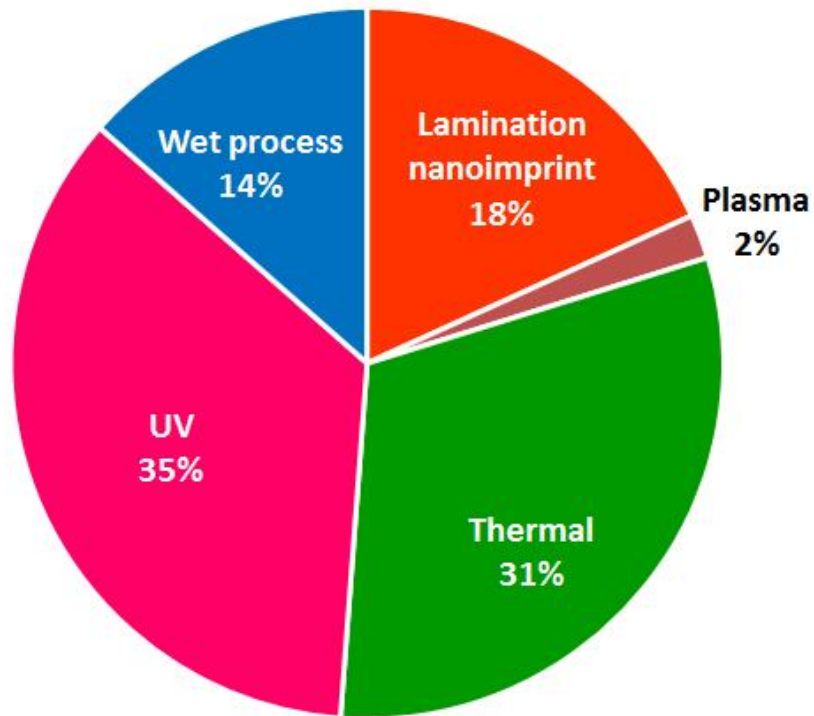


2014/Q1~Q3

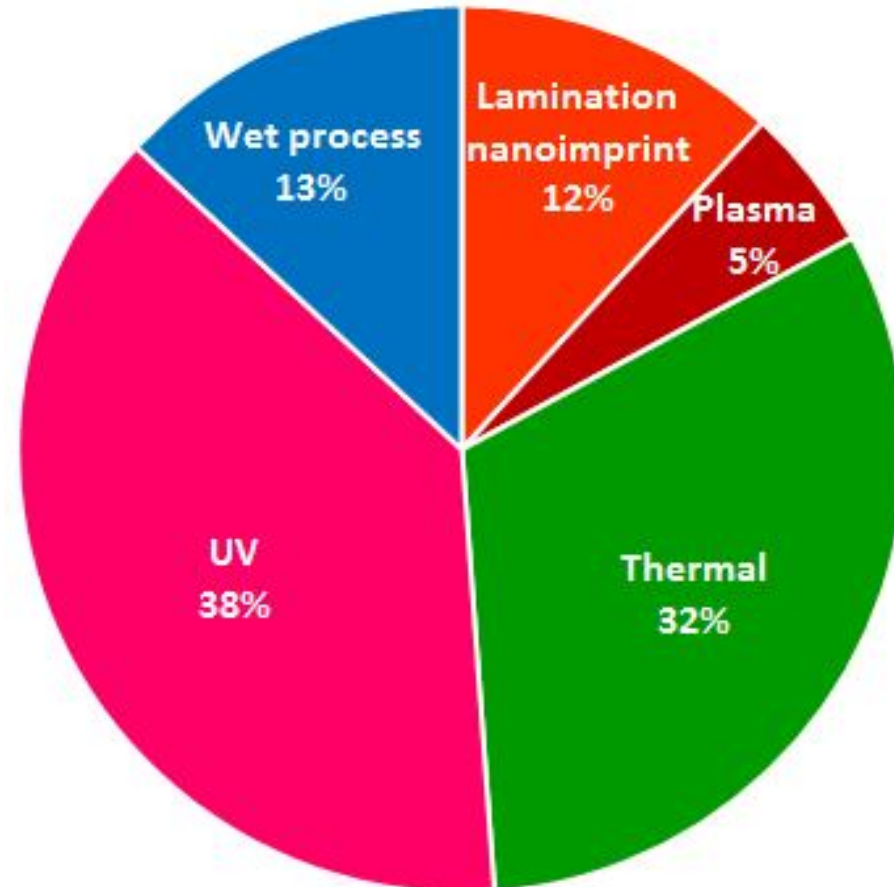


Revenue Breakdown by Core Technology

2013/Q1~Q4

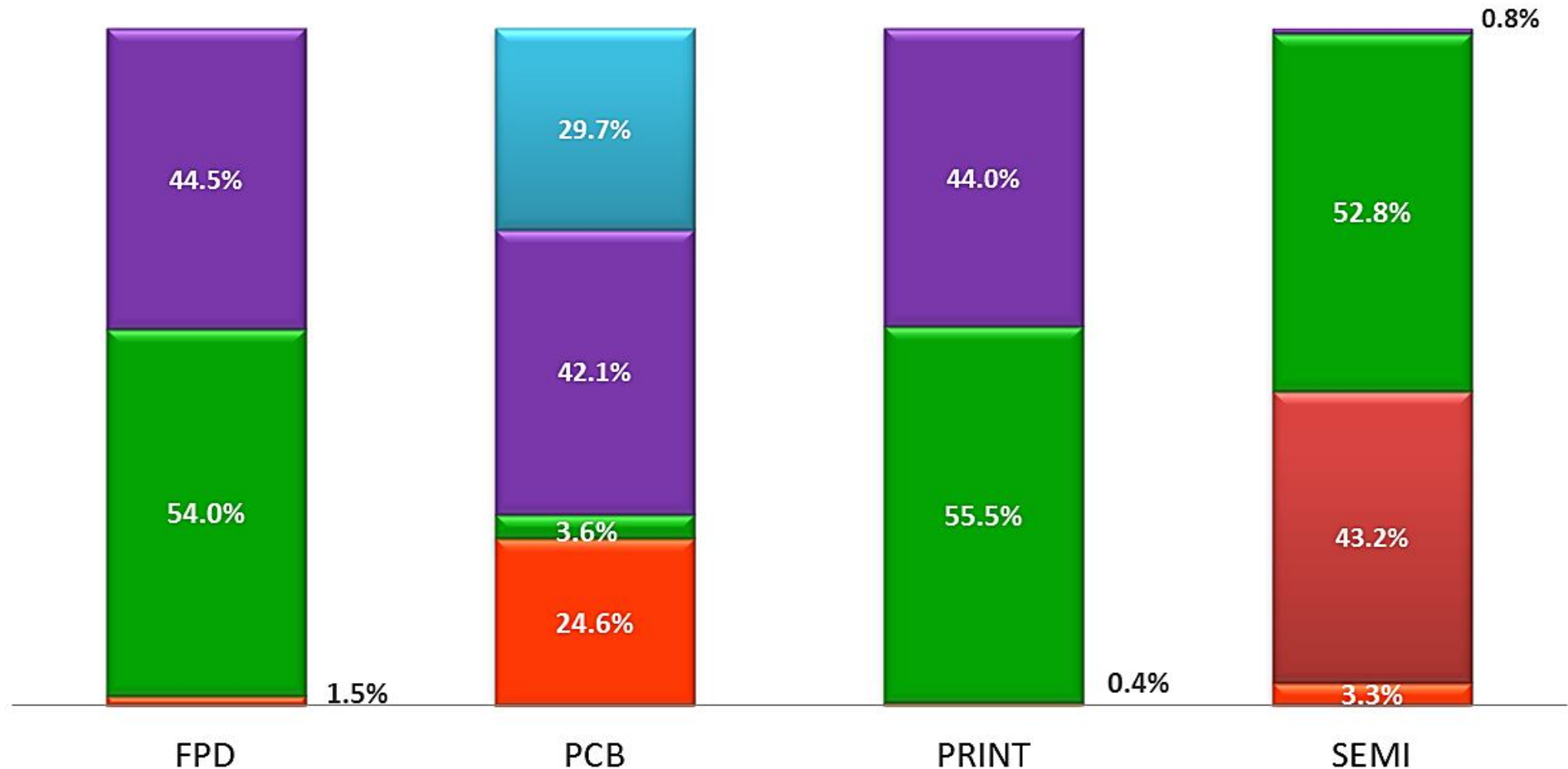


2014/Q1~Q3



2014 Revenue Ratio of Core Tech. by Industry

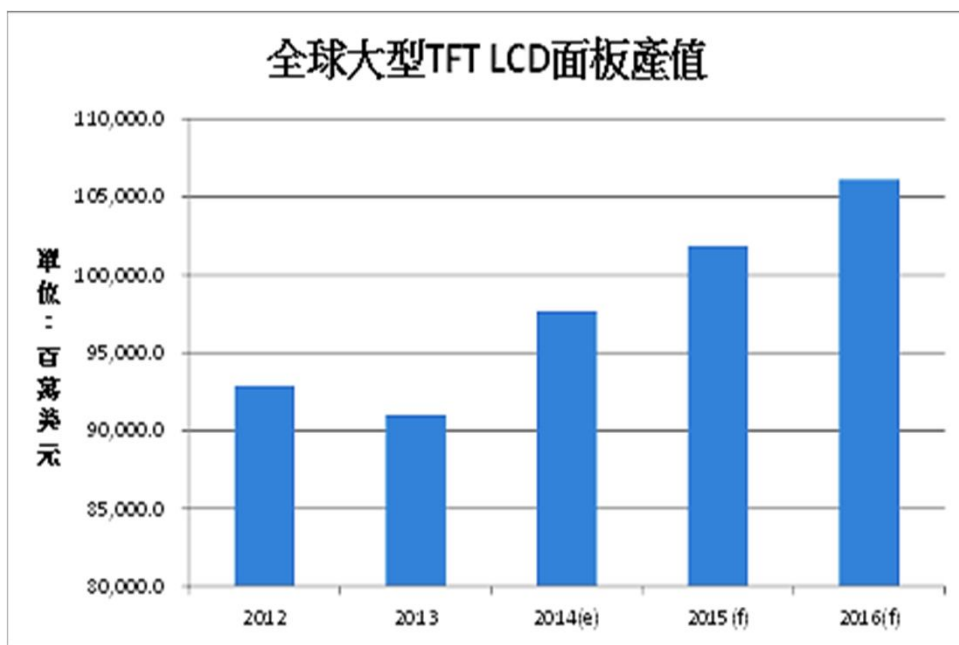
■ Lamination nanoimprint ■ Plasma ■ Thermal ■ UV ■ Wet process



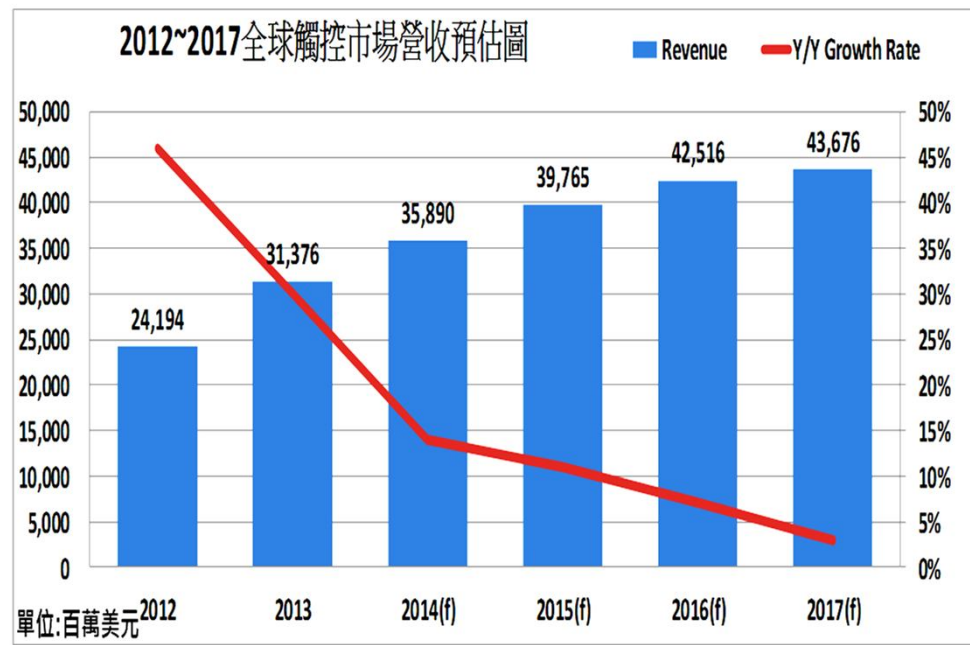
Market Prospect of Each Industry

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

Global Market of Display

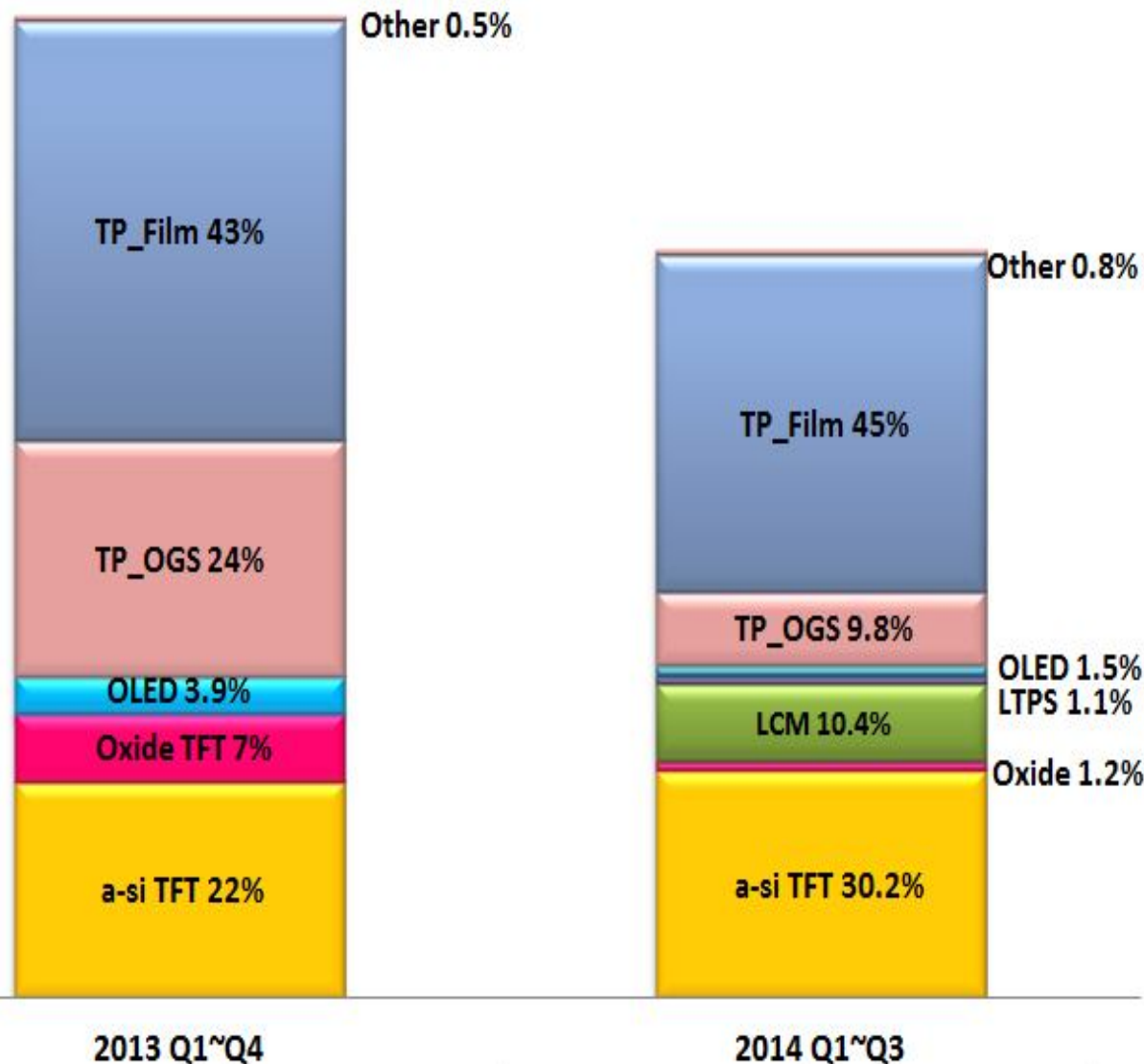


資料來源：工研院IEK(2014/04)



資料來源：工研院IEK、經濟部ITIS計畫(2013/8)

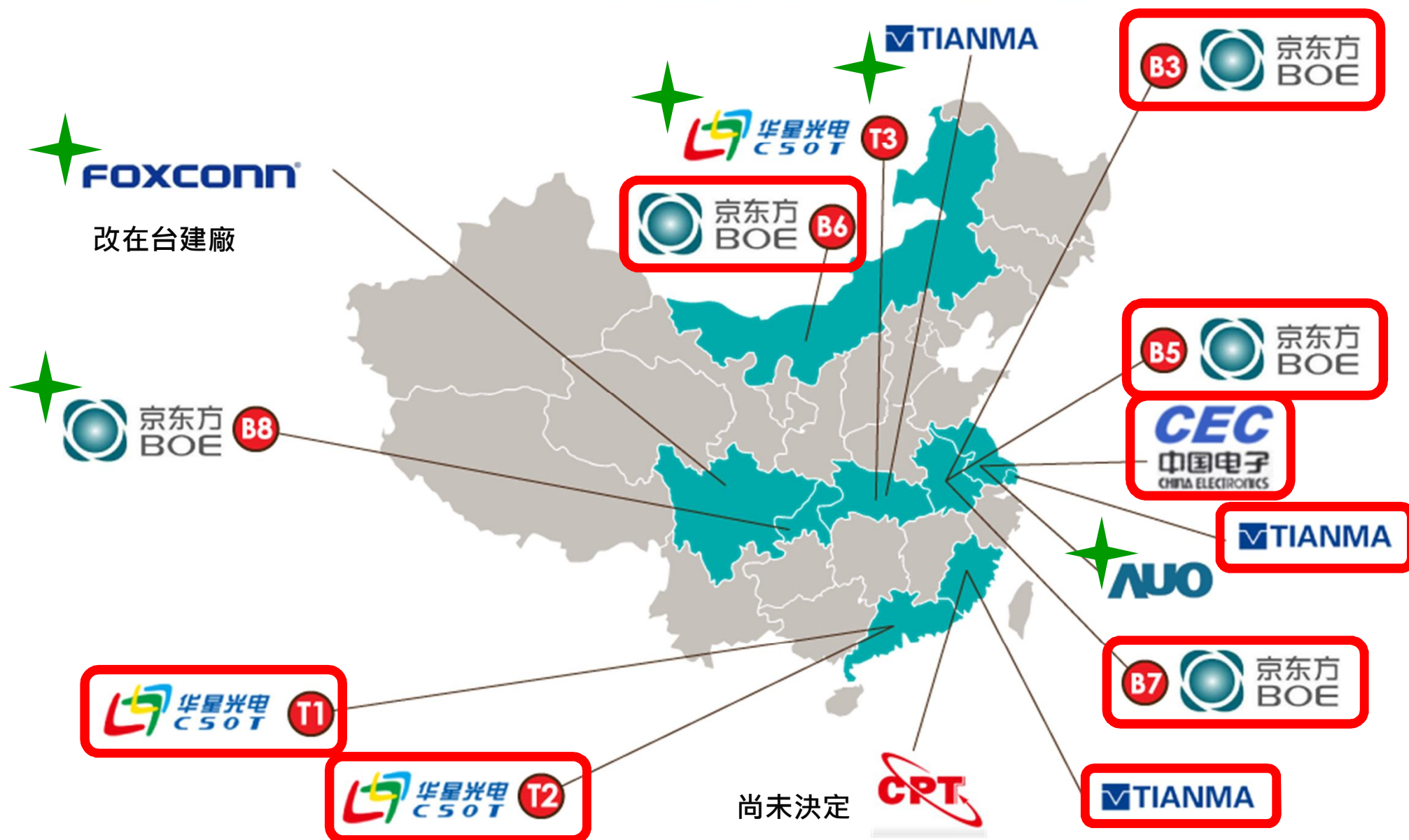
Booking Ratio of CSUN in Display Industry



2014:

1. Booking amount more than 2013.
2. Booking and ratio of a-TFT are increase.
3. Booking of TP-film is increase.
4. Booking and ratio of OGS are decrease.

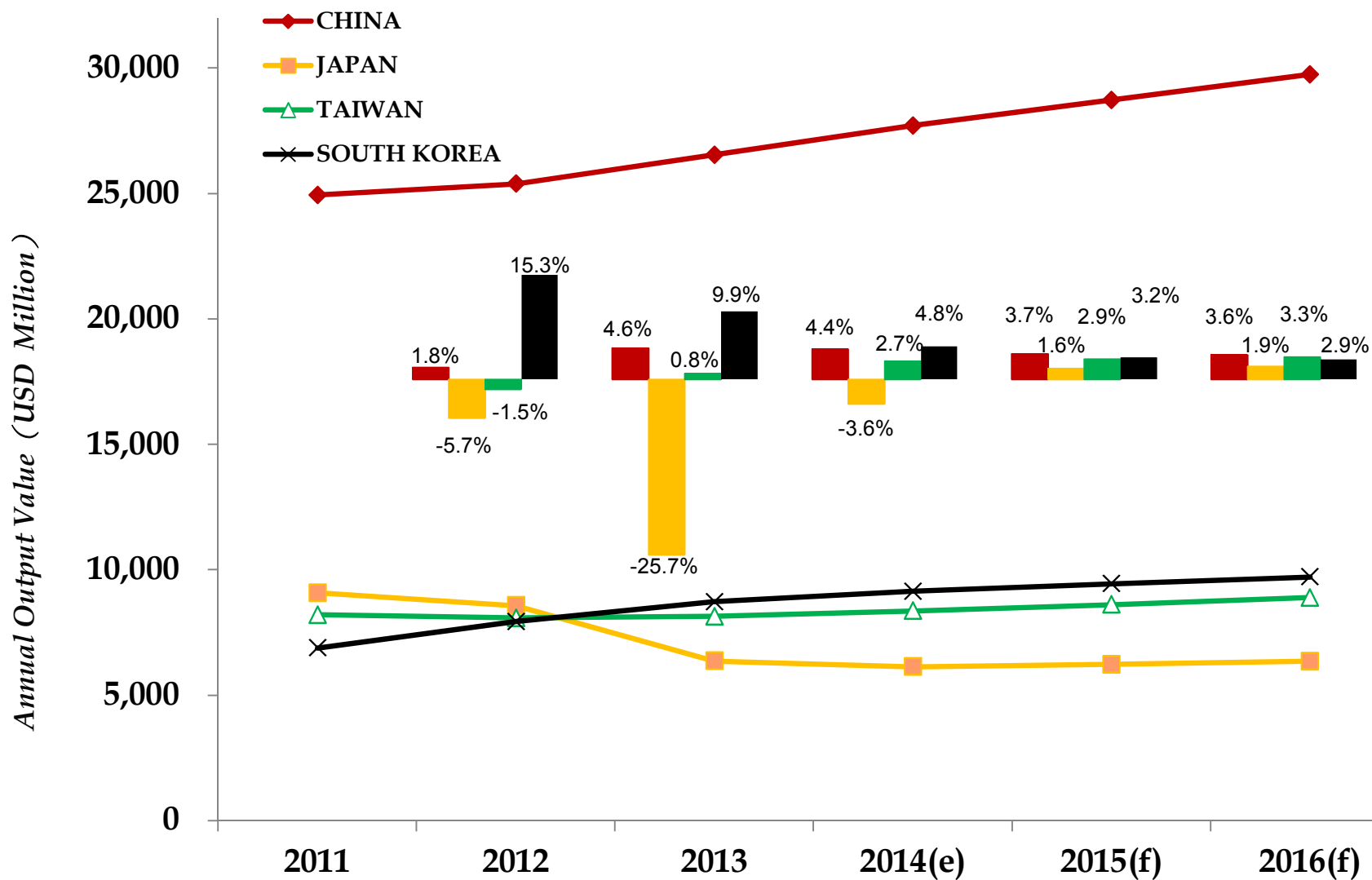
TFT-LCD Market in China 2014~2016



Display SWOT

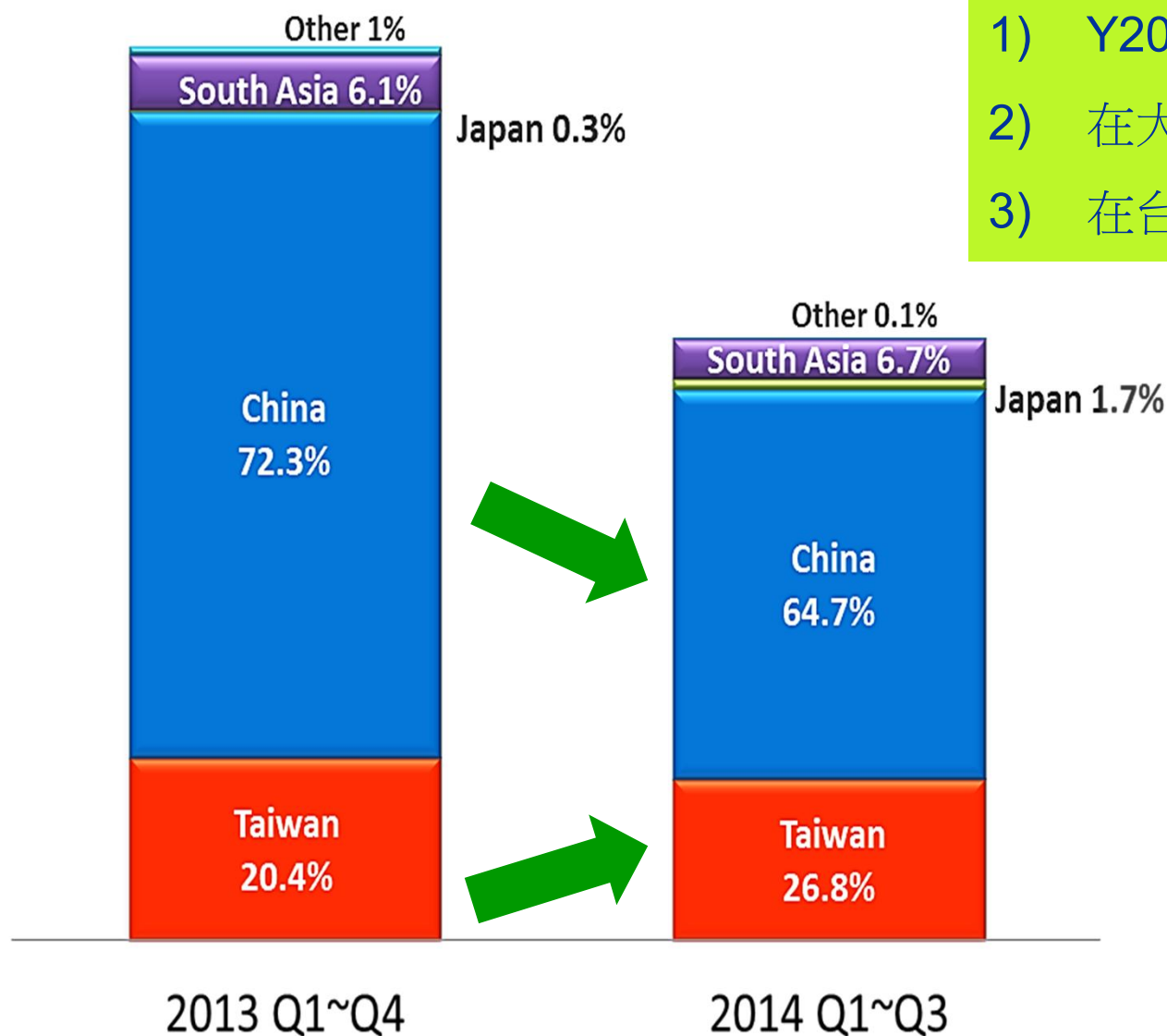
Strength	Opportunity
➤ 接近市場，易與客戶建立良好關係且取得新市場訊息及新製程情報。對客戶之機動性強及配合度高 ➤ 熱風/UV多層爐已屬國產品唯一品牌，且TFT產品線齊全(光與熱) ➤ 熱風與UV多層爐之技術大型化(次世代)具有在地生產的優勢，組裝/裝機經驗豐富 ➤ TFT、TP 皆有產品可提供給客戶	➤ 大陸擴廠(a-Si、LTPS、OLED、Oxide) ➤ 終端市場 smart phone、i-pad、大sizeTV、穿戴式的新需求，帶動a-si、LTPS、OLED、Oxide台灣擴線新的需求 ➤ Oxide 市場需求逐步增加 ➤ 台灣新的TFT擴廠
Weakness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

- 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

Opportunity

- 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

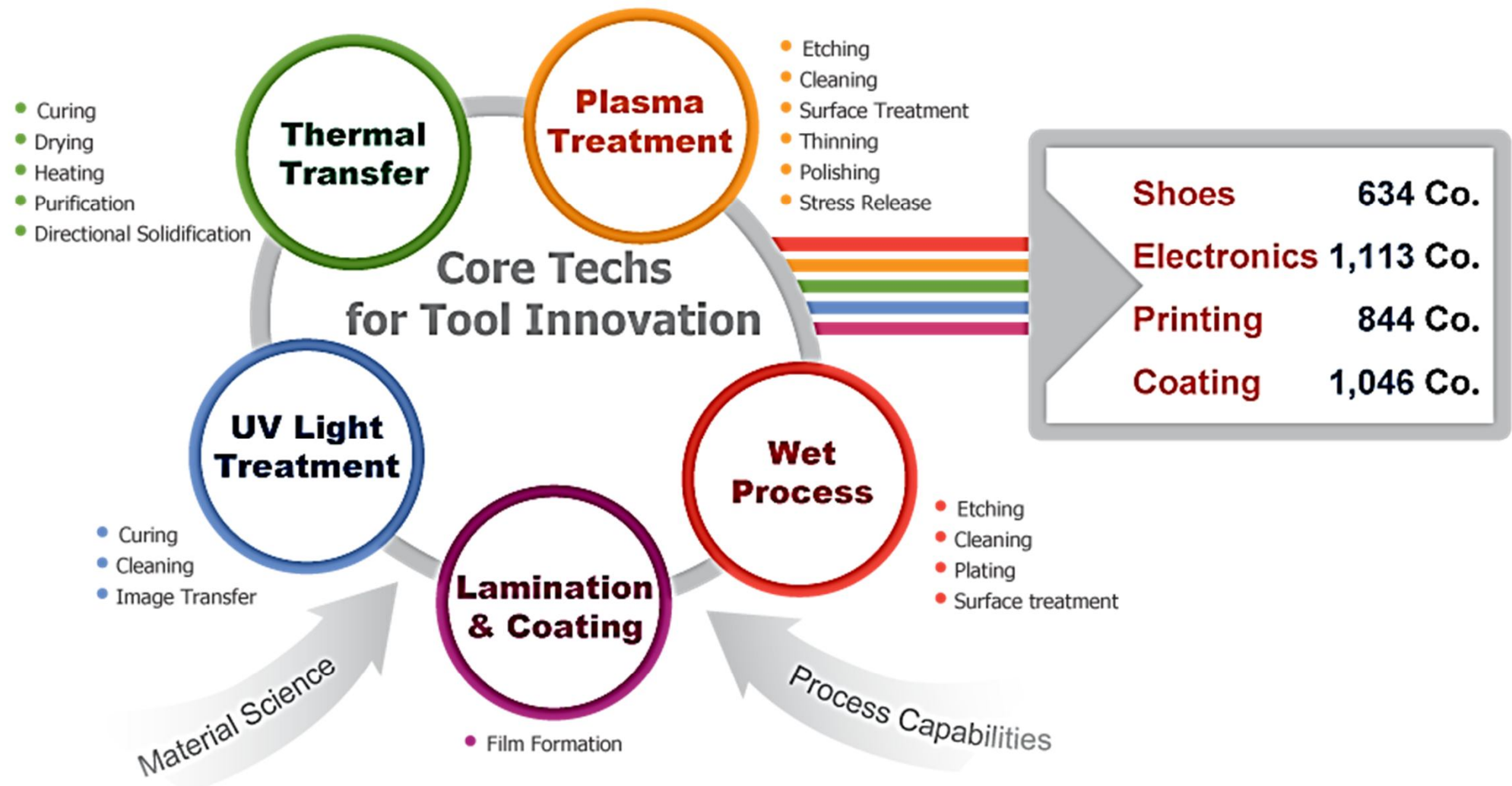
- 中低階產品成本過高(相對於大陸新的競爭者)

Threat

- 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

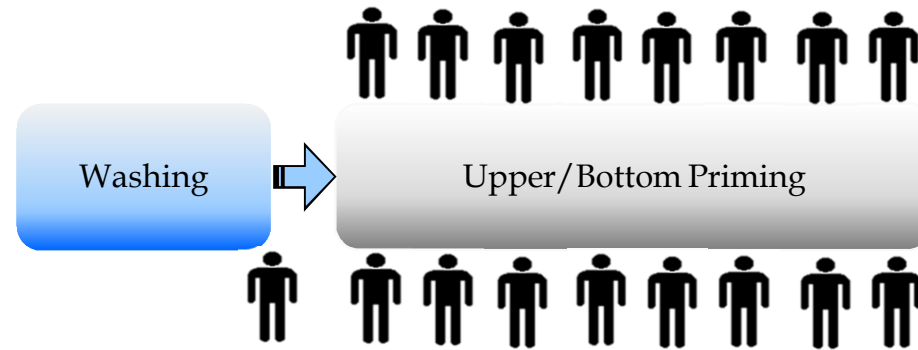
Total Customers of Print & Coating Industry

Integrated with Materials & Processes



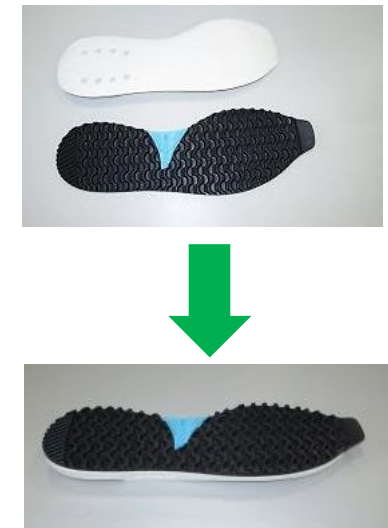
Integration & Automation of Shoes Process

❖ Conventional Process



- ✓ 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



Print & Coating - Application of UV LED

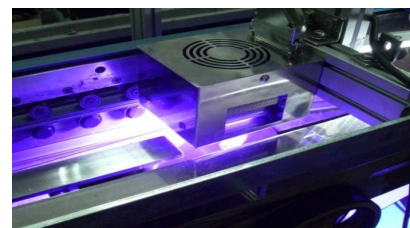
無汞UV的固化裝置
可取代既有的汞燈市場

Mercury Free

COB LED



UV Light Source for Printing



UV Light Source for Curing



LED Driver



**Heat Sink
Cold Plate**



Module Design



System Application



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)

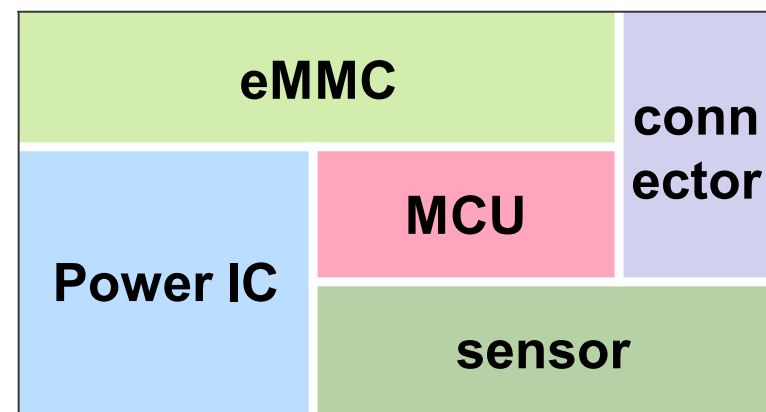
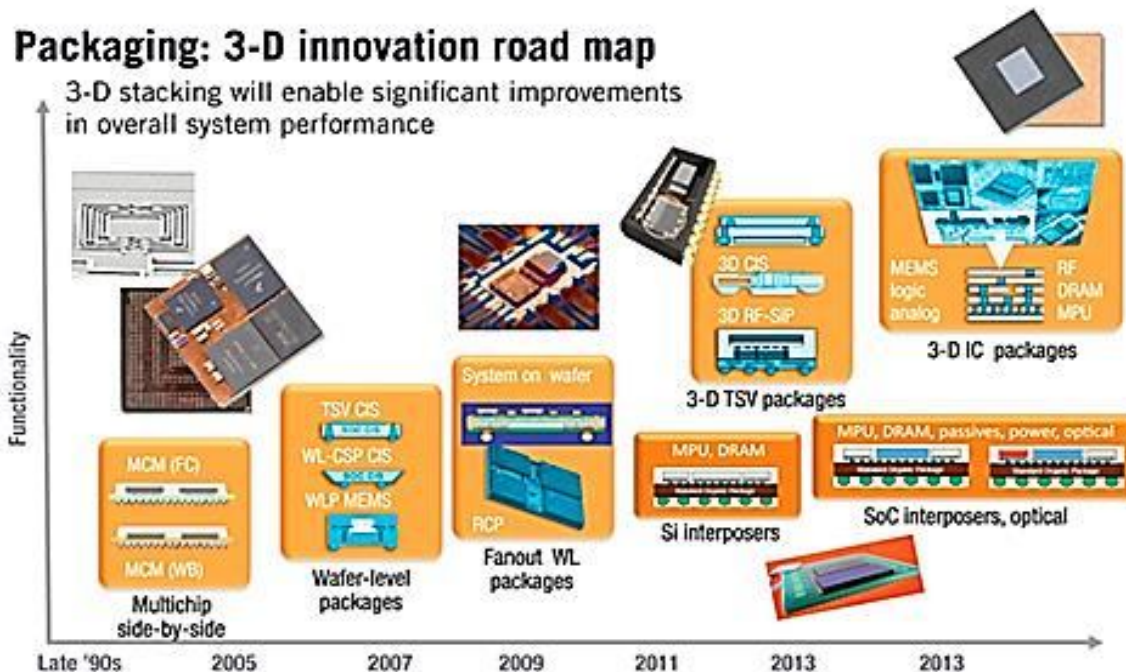
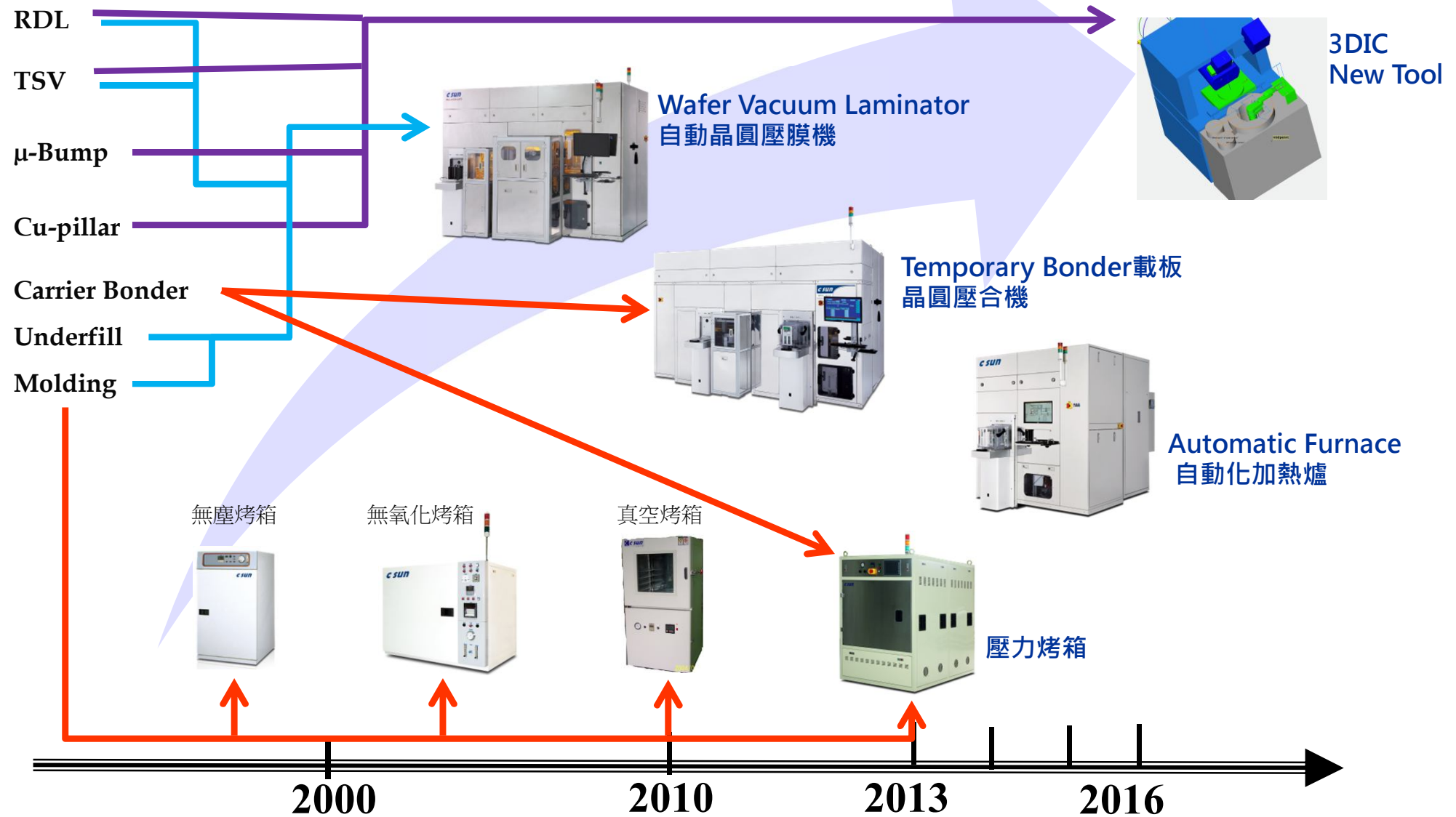


Fig. IoT IC

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

2014 Revenue is around the same level as that in 2013.

- Slow of order in FPC sector
- Challenging Competition of Desmear PTH product in HDI sector
- Delay of order of continuous contact free vertical Desmear PTH, Stripping, and Copper Plating product in IC substrate sector
- Delay of order of Tin Immersion product in the sector of PCB for automobile and server



2015 Outlook

- Continuous contact free vertical Desmear PTH, Stripping, and Copper Plating product in IC substrate sector is expected to be one of the key growth momentum

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



HQC why Cannot Reach Target at H2 of 2014?

一、customer change spec , so the whole production line should change new imprinting mold (the new mold take time to prepare , this is unique for imprinting tech) and process (include material)

Example: decrease the edge width of wafer.

二、customer increase PSS spec request (ex: Less Pattern Loss), Since imprinting tech need higher classroom level to avoid particle issue. But ChungLi factory which has not good classroom design enough. Therefore, rework rate is increase a lot. YangMei factory have a better classroom design for PSS.

三、Customer also request higher yield rate of Epi (Less Pattern Loss). And also request narrow bin wavelength. HQC modify the process and reach customer target spec at Q3.

Thank You