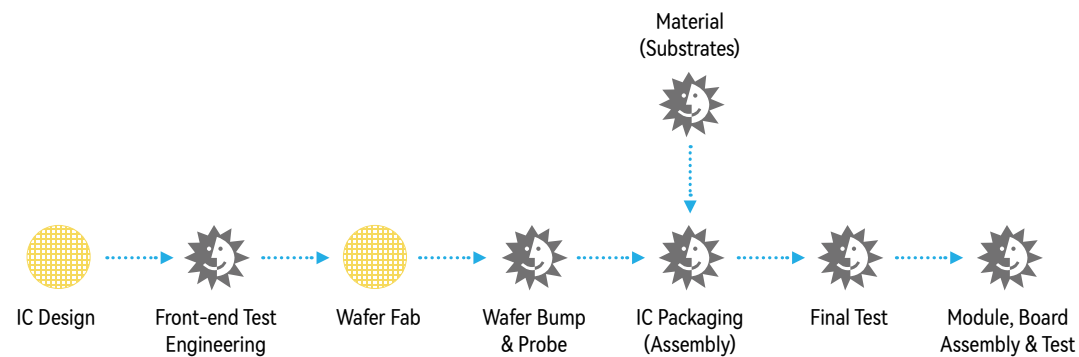# OPERATING MODEL

1.1 Company Profile

ASE Technology Holding Co., Ltd. ("ASEH") (TWSE: 3711; NYSE: ASX), established in April 2018 and its subsidiaries include ASE, SPIL and USI. ASEH's mission is to create a business model that combines the strengths of member companies to enhance research and development, increase the level of competitiveness, develop an integrated supply chain and expand our global market footprint. Our structure enables us to innovate and develop miniaturized, high performance and highly integrated services for customers to increase the speed to market for their next-generation products and solutions. By integrating the group's resources, we can continue to explore strategic opportunities with industry partners to strengthen technology innovation and reduce risks, and to create a sustainable future for the industry. For details, please visit https://www.aseglobal.com

Service Scope

IC Design → Front-end Test Engineering → Wafer Fab → Wafer Bump & Probe → IC Packaging (Assembly) → Final Test → Module, Board Assembly & Test

Material (Substrates) → IC Packaging (Assembly)

ASEH is the leading provider of semiconductor manufacturing services in assembly and test. The company offers complete turnkey solutions covering front-end engineering test, wafer probing and final test, IC packaging, materials and electronic manufacturing services and develops leading edge technologies to serve the semiconductor, electronics and digital technology market.

Global Operation

Headquartered in Taiwan, ASEH's sales and manufacturing facilities are strategically located globally in Taiwan, China/ Hong Kong, South Korea, Japan, Malaysia, Singapore, Vietnam, Mexico, U.S.A., Tunisia and European countries. ASEH has a worldwide headcount of over 92,000 employees (as of December 2023).

- IC Services
- System Services
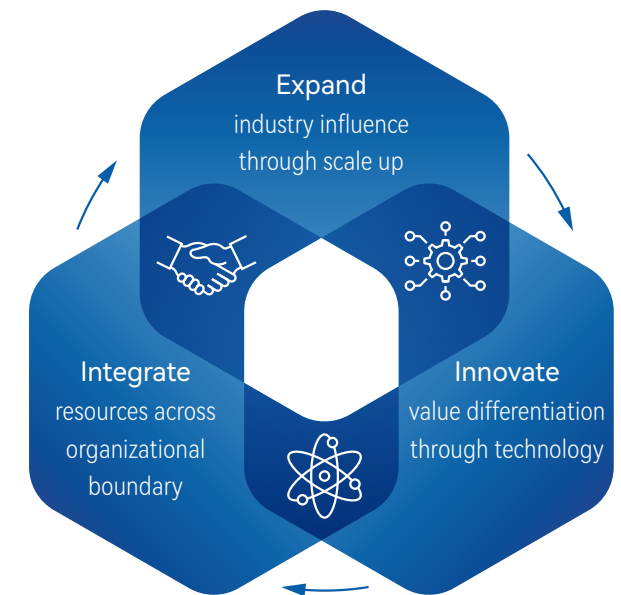- Service Centers
- Sales and Representative Offices

1.2 Mission and Vision

ASEH offers the best manufacturing services in semiconductor packaging/testing, substrates, and systems. We act as an extension of our customers' own operations, helping them achieve maximum success through efficient resource utilization and our extensive manufacturing chain. To stay ahead of the semiconductor technology curve, ASEH builds a highly experienced and skilled engineering team that continually innovates and develops the most advanced semiconductor technologies.

ASEH adheres to the highest corporate governance standards and transforms business philosophies into sustainable actions. As a major player of the global semiconductor chain, we carefully strategize according to industry development and trends, and seek talent and resources worldwide. We form strategic alliances with the government, industry, academia and business partners to keep innovating and create a mutually beneficial business environment. These alliances help support our sustainable development goals to achieve the betterment of mankind and ecological conservation.
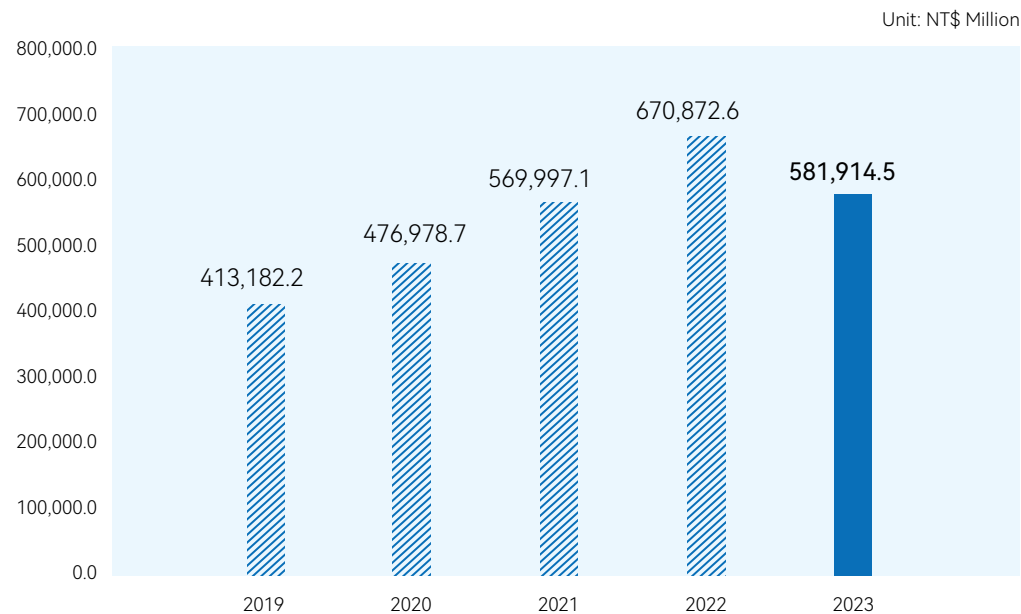
ASEH Value Creation Model

In alignment with our mission and vision, and to maintain industry innovation and leadership, we incorporated future industry trends together with the feedback from our senior management and operating units on the indicators about corporate sustainability to establish the ASEH Value Creation Model. Our value creation model consists of three strategies – Integrate, Expand, Innovate. The model enables ASEH to respond to future challenges and more importantly, it forms the basis of ASEH's foundation in integrating sustainability into our business strategy.

Expand
industry influence through scale up

Integrate
resources across organizational boundary

Innovate
value differentiation through technology

1.3 Financial Performance[1]

The Group's consolidated revenue in 2023 amounted to NT$581.9 billion (including NT$306.7 billion in semiconductor assembly and testing business, NT$268.3 billion in electronic manufacturing services and NT$6.9 billion in others), under the global economic circumstances, a decline of approximately NT$89 billion over 2022, declined 13.3% year-over-year. In terms of the semiconductor assembly and testing business, the consolidated revenue in 2023 declined by NT$53.2 billion over 2022, with a decline of 14.8% year-over-year (excluding substrate and inter-segment revenue). In addition, for the electronic manufacturing services business, the consolidated revenue in 2023 decreased by NT$33.8 billion over 2022, with a decline of about 11.2% year-over-year.

Annual Operating Revenue

Unit: NT$ Million

Year	Revenue
2019	413,182.2
2020	476,978.7
2021	569,997.1
2022	670,872.6
2023	581,914.5

2023 Revenue

We categorize our operating revenues geographically based on the headquarters in which customers are located.

Region	Percentage
United States	63.6%
Taiwan	12.1%
Asia	13.0%
Europe	11.2%
Others	0.1%
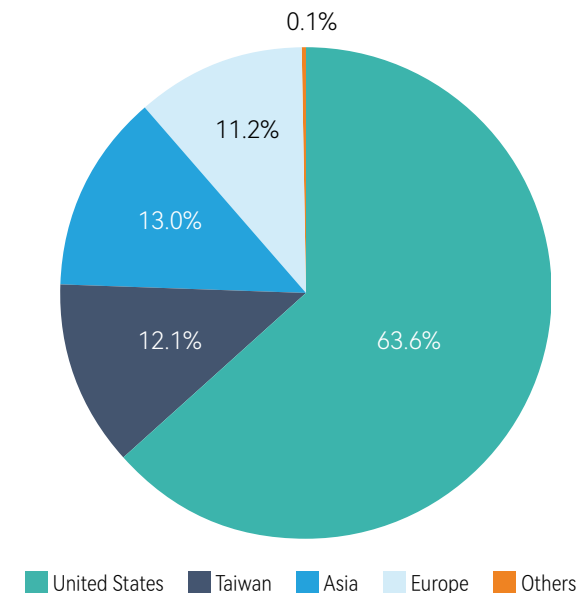
[1] For further details on financial performance, please refer to our consolidated financial report: https://ir.aseglobal.com/html/ir_financial.php