

Tatung Company

(2371TT)

Integrity, Honesty, Industry, Frugality

Safe Harbor Statement

The statements included in this presentation that are not historical in nature are forward-looking statements. These forward-looking statements which may include statements regarding Tatung group future results of operations, financial condition, and investment plan are subject to significant risks and uncertainties and are based on Tatung group current expectations.

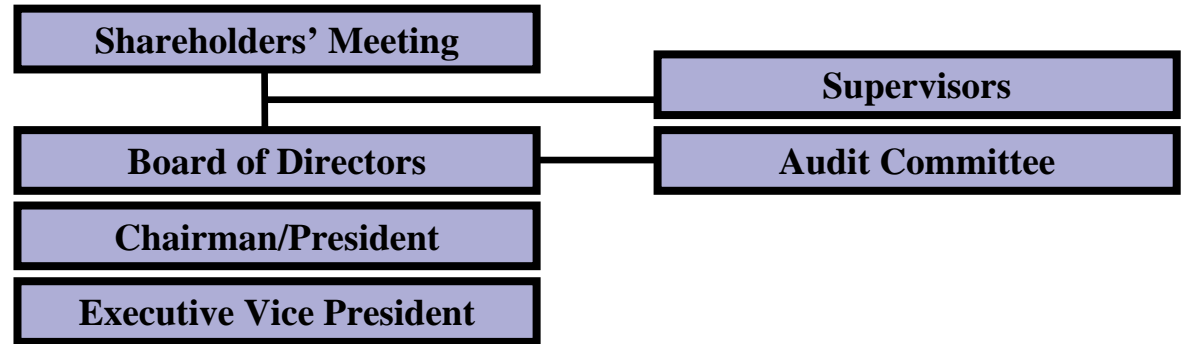
Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical fluctuation and our gross margin affected by downward price pressures; our dependence on growth in the demand for our products; dependence on access to raw materials and components; general economic and political conditions; possible disruptions in commercial activities caused by natural and human-induced disasters; and fluctuations in foreign currency exchange.

Additional information as to these and other factors that may cause actual results to differ materially from Tatung group forward-looking statements can be found in Tatung annual report on Market Observe Post System in TSEC website. Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

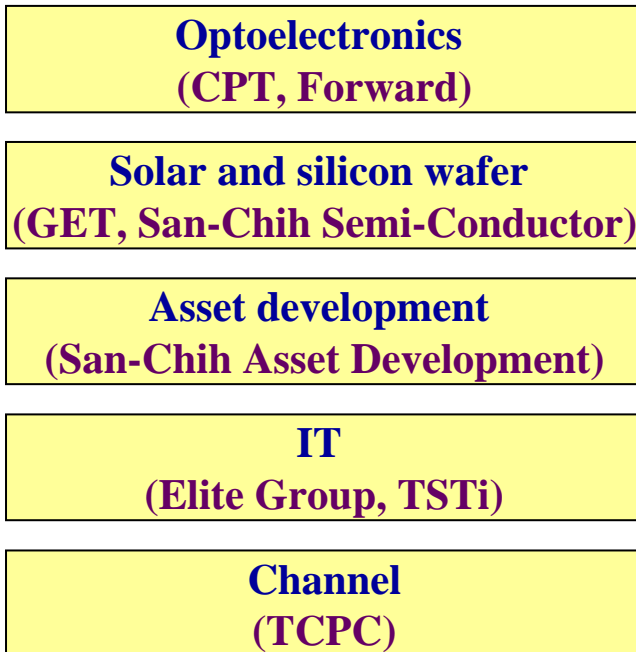
Tatung Company Profile

(2371 TT)

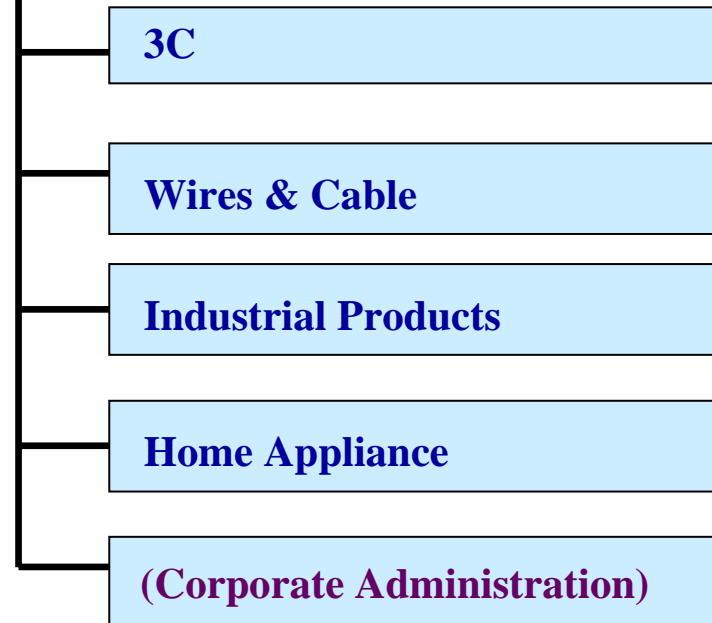
Established: 1918
Capital: NT\$ 44 Billion
(US\$ 1.3 Billion)



Core Investment



Core Business

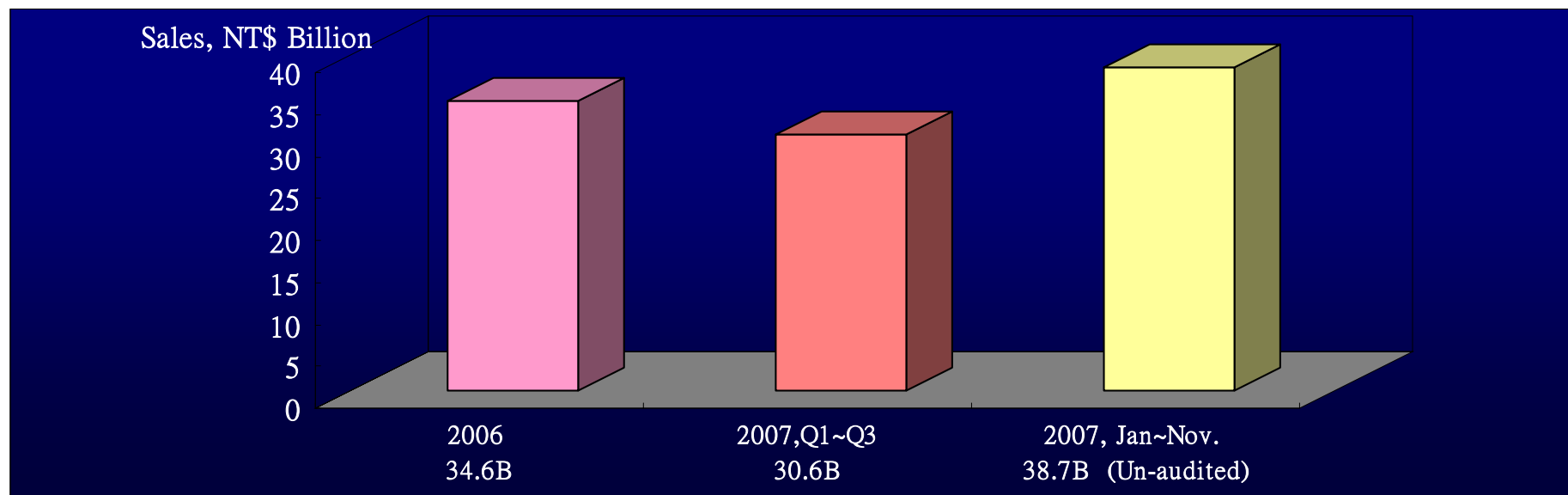


Financial Information

NT\$ Billion

	2006	2007, 1H	2007, Q1~Q3	2007, Jan~ Nov. (Un-audited)
Sales	34.6	19.4	30.6	38.7
Net Income/Loss	-8.18	1.8	3.52	
EPS(NT dollar)	-1.97	0.42	0.8	
Diluted EPS		0.36	0.78	

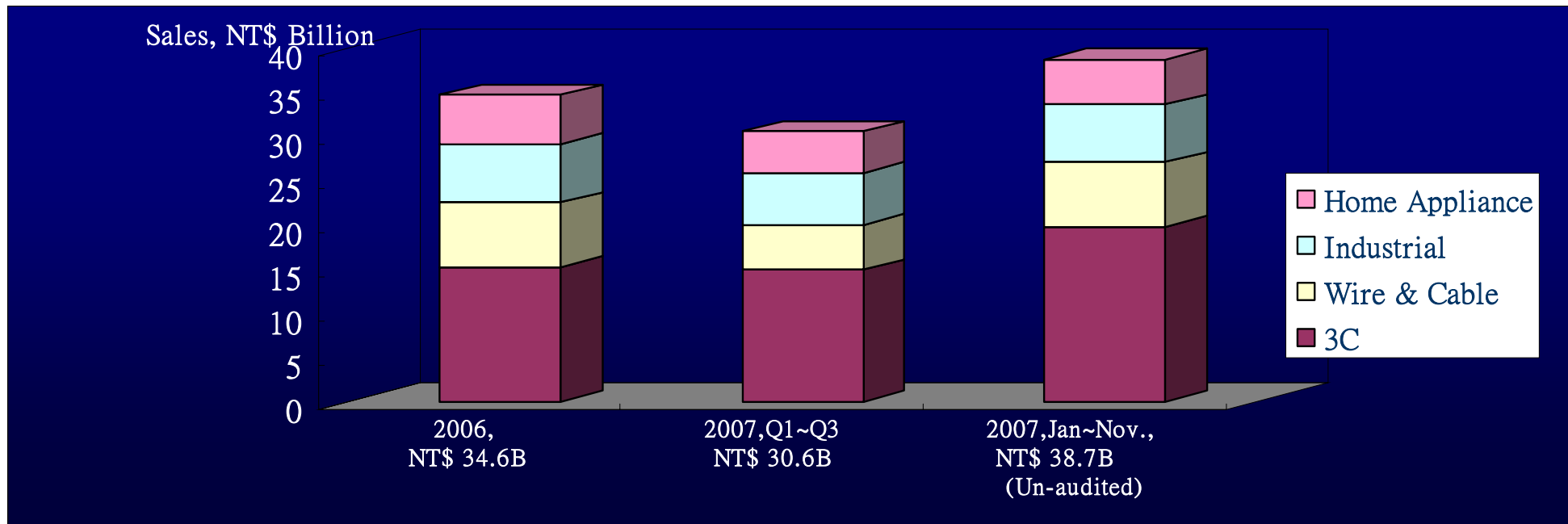
Notes: Diluted EPS is based on assumption of full conversion on outstanding CB and stock option



Core Businesses

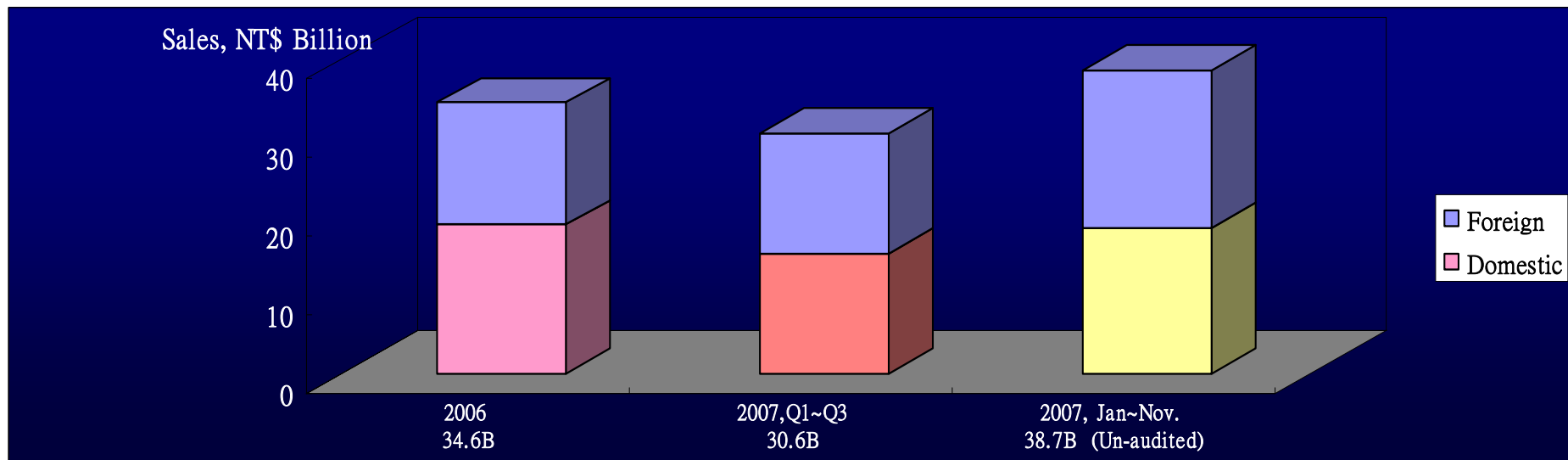
Sales Ratio

<u>Core Business</u>	<u>2006</u>	<u>2007, Q1~Q3</u>	<u>2007, Jan~ Nov.</u> <i>(Un-Audited)</i>
1. 3C (mainly displays)	44%	49%	51%
2. Wires and Cables	21%	19%	19%
3. Industrial Appliance	19%	17%	17%
4. Home Appliance	16%	15%	13%



Market Base

	<u>2006</u>	<u>2007, Q1~Q3</u>	<u>2007, Jan~ Nov.(Un-audited)</u>
	<u>Domestic/Foreign</u>	<u>Domestic/ Foreign</u>	<u>Domestic/ Foreign</u>
Tatung	55% / 45%	50%/ 50%	48%/ 52%
3C	20% / 80%	16% / 84%	15%/ 85%
Wires and Cables	80% / 20%	83% / 17%	83%/ 17%
Industrial Appliance	80% / 20%	80% / 20%	82%/ 18%
Home Appliance	85% / 15%	86% / 14%	85%/ 15%



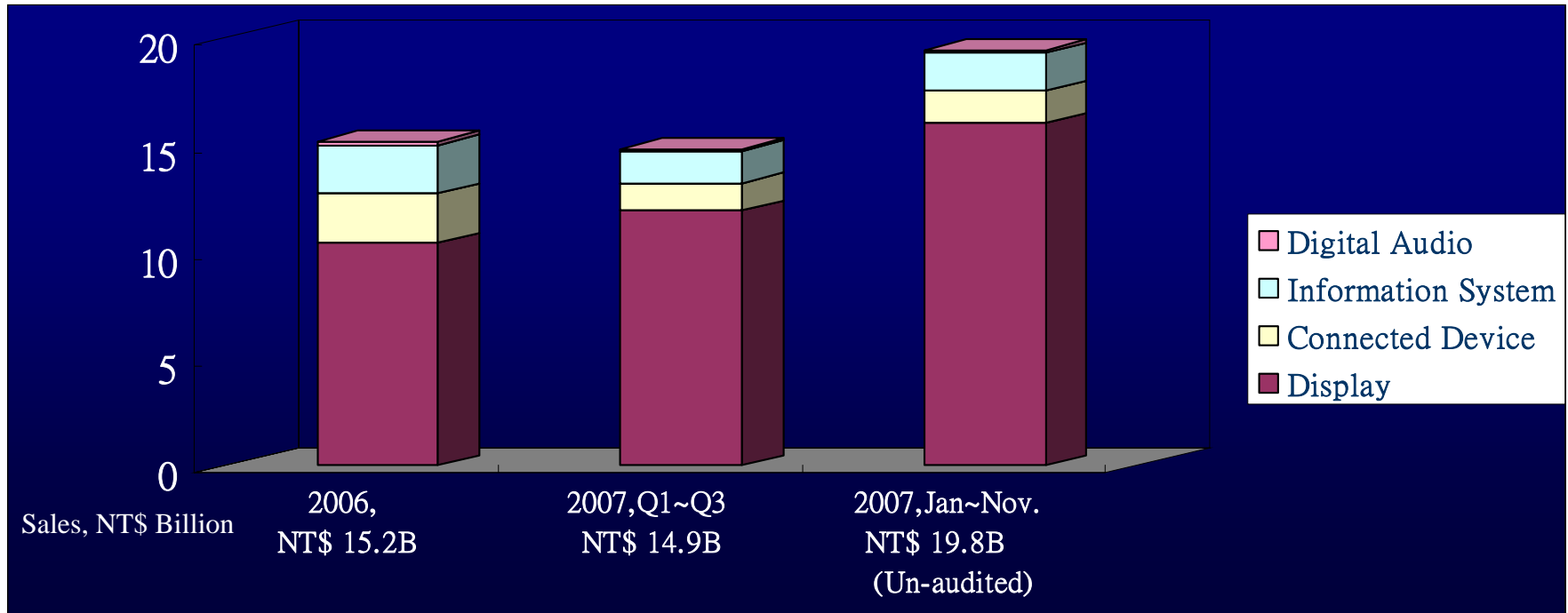
Overall Strategies

- **Core businesses:**
 - ✓ **Increase Sales Revenue and improve gross margins**
 - ✓ **Add higher value-added businesses into the company**
 - ✓ **Divest businesses do not generate enough margin. Streamline product mix to create better margins and improve production efficiency**

- **Core Investments:**
 - ✓ **Focus on higher margin and high tech businesses**
 - ✓ **Enhance asset values through asset development and management**
 - ✓ **Monetize investments and increase market value by listing on public markets**
 - ✓ **Review those non-core businesses to decide whether to merge with other partners and be a happy investor or sell-off or divest through comprehensive re-engineering programs**

3C -Product Category

	<u>2006</u>	<u>2007Q1~Q3</u>	<u>2007, Jan~ Nov (Un-Audited)</u>
➤ Display	69%	80%	82%
➤ Connected Device	15%	9%	8%
➤ Information System	15%	10%	9%
➤ Digital Audio	1%	1%	1%



3C- Strategy Planning

- **Increase sales revenue and margins by enlarging scale.**
- **Integrate with Proview for sharing designs and components/ suppliers to improve cost structure.**
- **Close down business without prospects.**

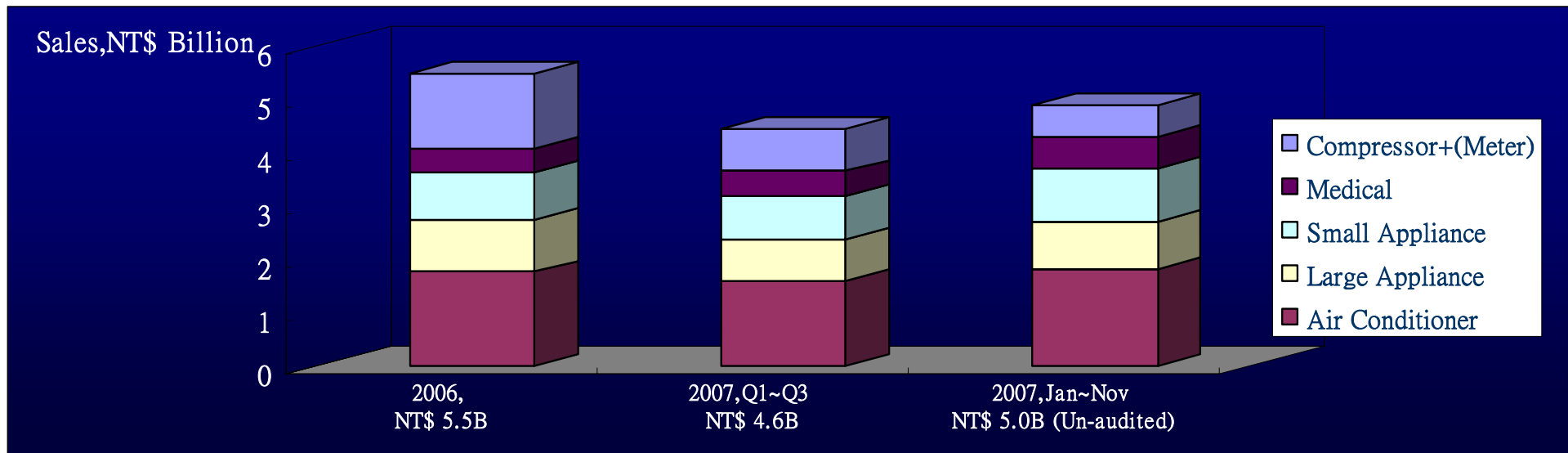
Integration with Proview for improvements

- **Tatung will leverage Proview designs and cost structure to improve the cost structure.**
- **Proview will use Tatung's overseas factories and Tatung factories will reduce its overhead by adding volumes.**
- **Tatung can leverage Proview's product lines, expand product variety, satisfy different customers' needs with limited resources.**

Home Appliance -Product Category

	<u>2006</u>	<u>2007, Q1~Q3</u>	<u>2007, Jan~ Nov. (Un-Audited)</u>
➤ Air Conditioner	32%	34%	36%
➤ Large Appliance	18%	18%	18%
➤ Small Appliance	16%	19%	21%
➤ Medical	8%	11%	12%
➤ Compressor+ (Meter)	26%	18%	12%

Notes: Meter transferred to Industrials Business in 2007, Q4

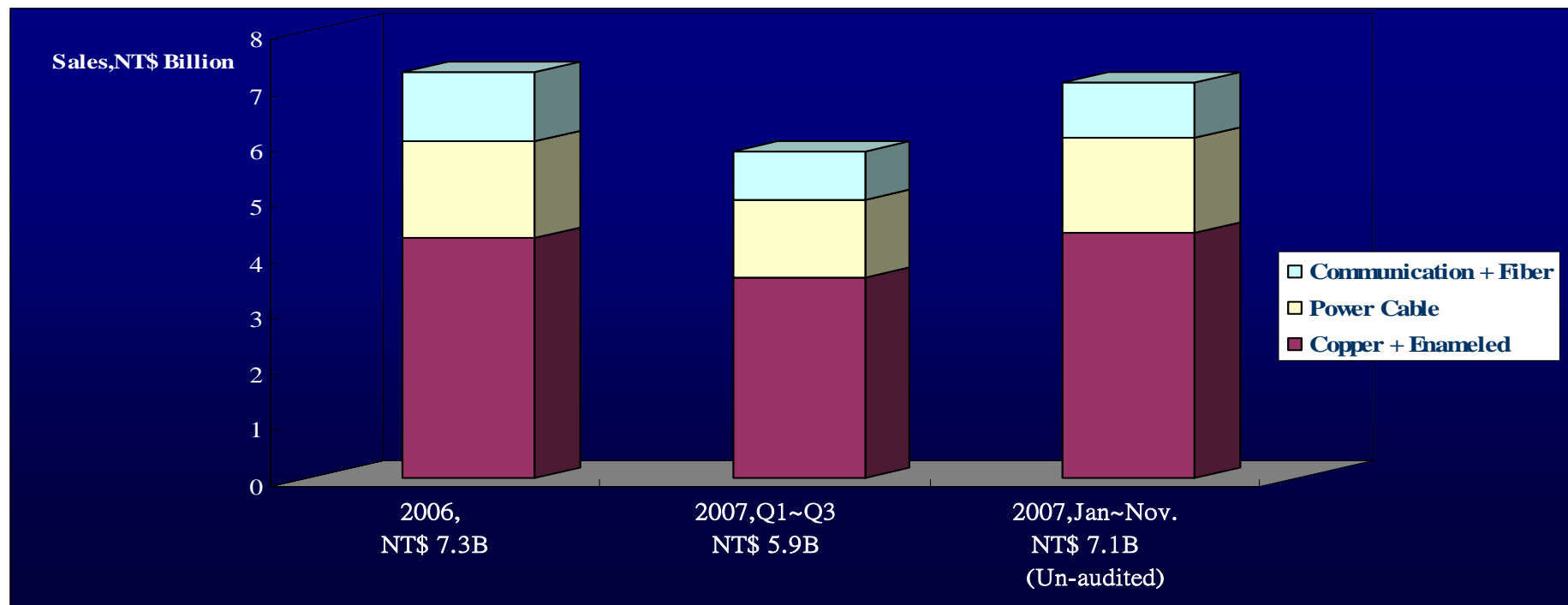


Home Appliance - Strategy Planning

- **With right cost structure, Home Appliance is increasing export sales and business scale worldwide.**
- **Vietnam to be global production center**
 - ✓ **Large home appliances production has transferred to Vietnam in Q4, 2007.**
 - ✓ **Estimated to have 15% cost down by the transfer**
- **Focus R&D efforts in high-end energy saving products.**
- **Further develop high value-added medical care products**

Wire & Cable -Product Category

	<u>2006</u>	<u>2007, Q1~Q3</u>	<u>2007, Jan~ Nov. (Un-Audited)</u>
➤ Copper & Enameled	59%	61%	62%
➤ Power Cable	24%	25%	24%
➤ Communication +Fiber	17%	14%	14%



Wire & Cable -Strategy Planning

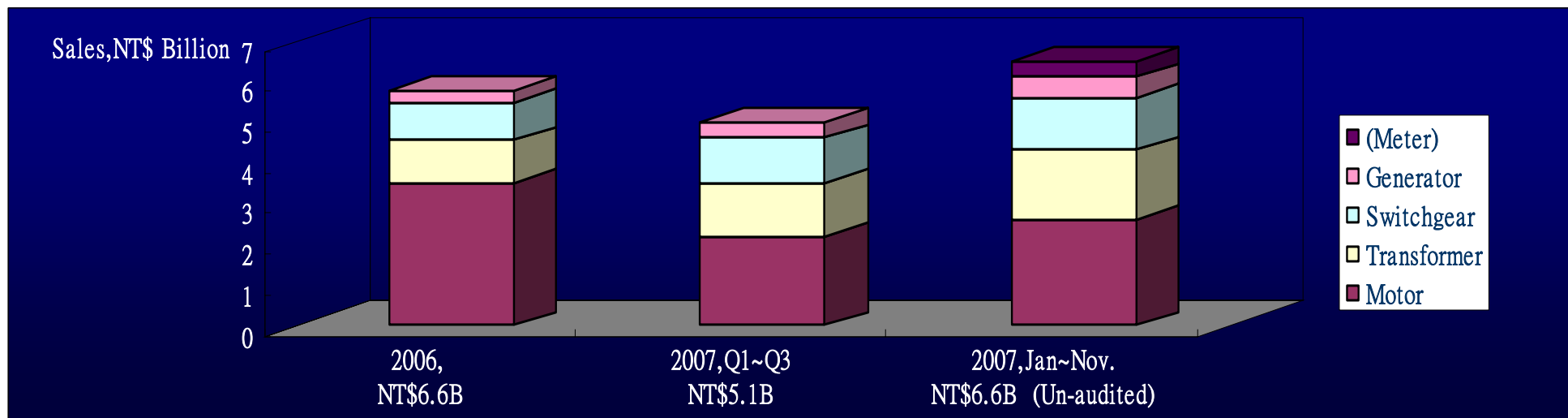
- **Taiwan as strategy-developing and high-end production center.**
 - ✓ **Expand high-tech capacity in Taiwan to serve government infrastructural and large industrial markets.**
 - ✓ **Develop advanced technology and timely strategy for different market demands.**

- **Global factories as global information network and low-end production centers.**
 - ✓ **Expand capacity in China and Thailand while extend investment into Vietnam.**
 - ✓ **Pursue global ramping infrastructure markets for low-end models.**
 - ✓ **Feedback promptly market information to create best timing strategy.**

Industrial Appliance -Product Category

	<u>2006</u>	<u>2007, Q1~Q3</u>	<u>2007, Jan~ Nov. (Un-Audited)</u>
➤ Motor	53%	44%	40%
➤ Transformer	16%	27%	26%
➤ Switchgear	14%	21%	20%
➤ Generator	5%	8%	8%
➤ (Meter)			6%

Notes: Meter transferred to Industrials Business in 2007, Q4



Industrial Appliance -Strategy Planning

- **Classified marketing and productions for diversified global demands :**
 - ✓ **To expand capacity in Taiwan for developed countries and high-end product markets.**
 - ✓ **To expand capacity in China and Vietnam for developing countries and low-end product demands.**
 - ✓ **To develop advanced integration on hydraulic and solar power systems to pursue high added values.**
 - ✓ **To extend service network to U.S. and Middle East per customer demands.**

Core Investments

Main Investments

Listed Companies

<i>Financial in 2007, Jan~Nov.</i> <i>(Un-Audited)</i>	CPT (2475 TT)	GET (3519 TT)	San-Chih Semi- (3579TT)	Forward (8085 TT)	TSTi (8099 TT)	ECS (2331 TT)
Sales (NT\$ Billion)	131.3	4.44	0.67	4.7	3.0	75.4
<i>Financial in 2007, Q1~Q3</i>	CPT (2475 TT)	GET (3519 TT)	San-Chih (3579TT)	Forward (8085 TT)	TSTi (8099 TT)	ECS (2331 TT)
Sales (NT\$ Billion)	103	3.2	0.549	3.7	2.3	52.3
Net Income/Loss (NT\$ Billion)	2.5	0.34	3.0	0.086	0.116	0.267
EPS (NT dollar)	0.28	4.14	43.36	0.62	1.81	0.22
Group Holding (Financial Recognition %)	26%	58% Via San-Chih Semi-	85%	28%	56%	25%

Main Investments

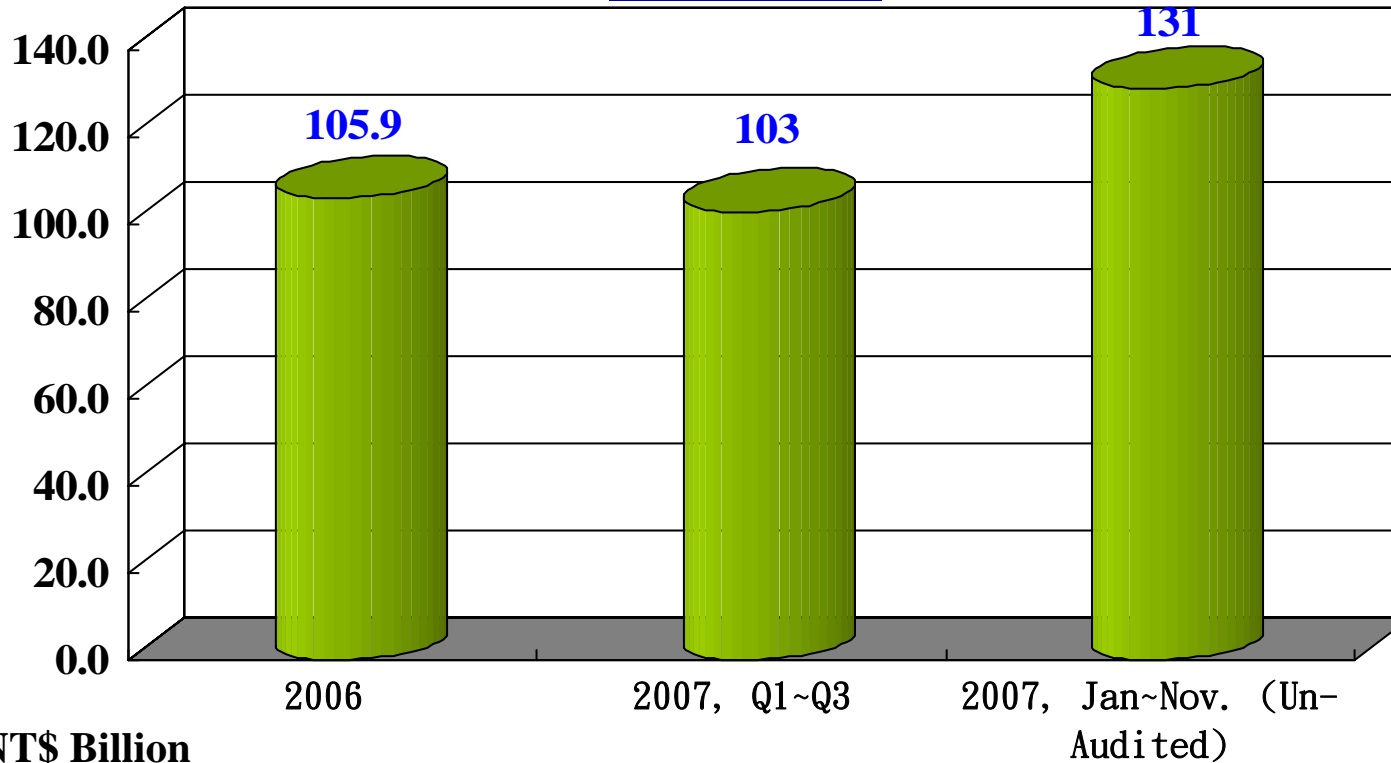
Non-Listed Companies

<i>Financial in <u>2007, Jan~ Nov.</u></i> <i>(Un-Audited)</i>	San-Chih Asset	TCPC
Sales (NT\$ Billion)	2.4	8.2
<i>Financial in <u>2007, Q1~Q3</u></i>	San-Chih Asset	TCPC
Sales (NT\$ Billion)	2.2	6.6
Net Income/Loss (NT\$ Billion)	0.957	0.046
EPS (NT dollar)	1.87	1.87
Group Holding (Financial Recognition %)	100%	100%

Chunghwa Picture Tubes

(2475 TT)

Sales, NT\$ Billion



Unit: NT\$ Billion

	2006	2007, Q1~Q3	2007, Jan~ Nov (Un-audited)
Sales	105.9	103	131
Net income	-13.9	2.5	
EPS (NT\$)	-1.7	0.28	

Chunghwa Picture Tubes

(2475 TT)

- **Switch G3 and one G4.5 fab to focus on Small & Medium sized panels. Small & Medium BU takes leading position in industry.**
- **G6 and one G4.5 fab focus on niche MN and NB.**
- **Alliance with tier one OEM/ODM or TV brand name for next fab.**
- **Strengthen vertical integration to increase value.**
- **Securing demand from Tatung, Proview, TPV and other key customers to ensure full capacity utilization even at downturn of economic cycles.**
- **Focus on profit.**
- **Leverage PE for future growth.**
- **R&D focus on innovating display products and reducing costs.**
- **Inventory control.**

Proview Investment

- **Investment:** US\$ 20 Million
(Through San-Chih Asset Development)
- **Holding:** 16.22%
- **Shares:** 125M shares
- **Price:** HK\$ 1.25/ share

Expected Contributions to Tatung Group:

- **Investment Income for San Chih Asset Development**
- **Cost Saving for Display business in Tatung**
- **Providing secured demand for CPT panels**
- **Providing products to TCPC with competitive cost to enhance its market share in Taiwan market and reduce related-party business ratio to facilitate TCPC's IPO**

Green Energy Technology

(3519 TT)

Taiwan Largest Multi-Crystalline Solar Wafer Maker

➤ Capacity ramp up

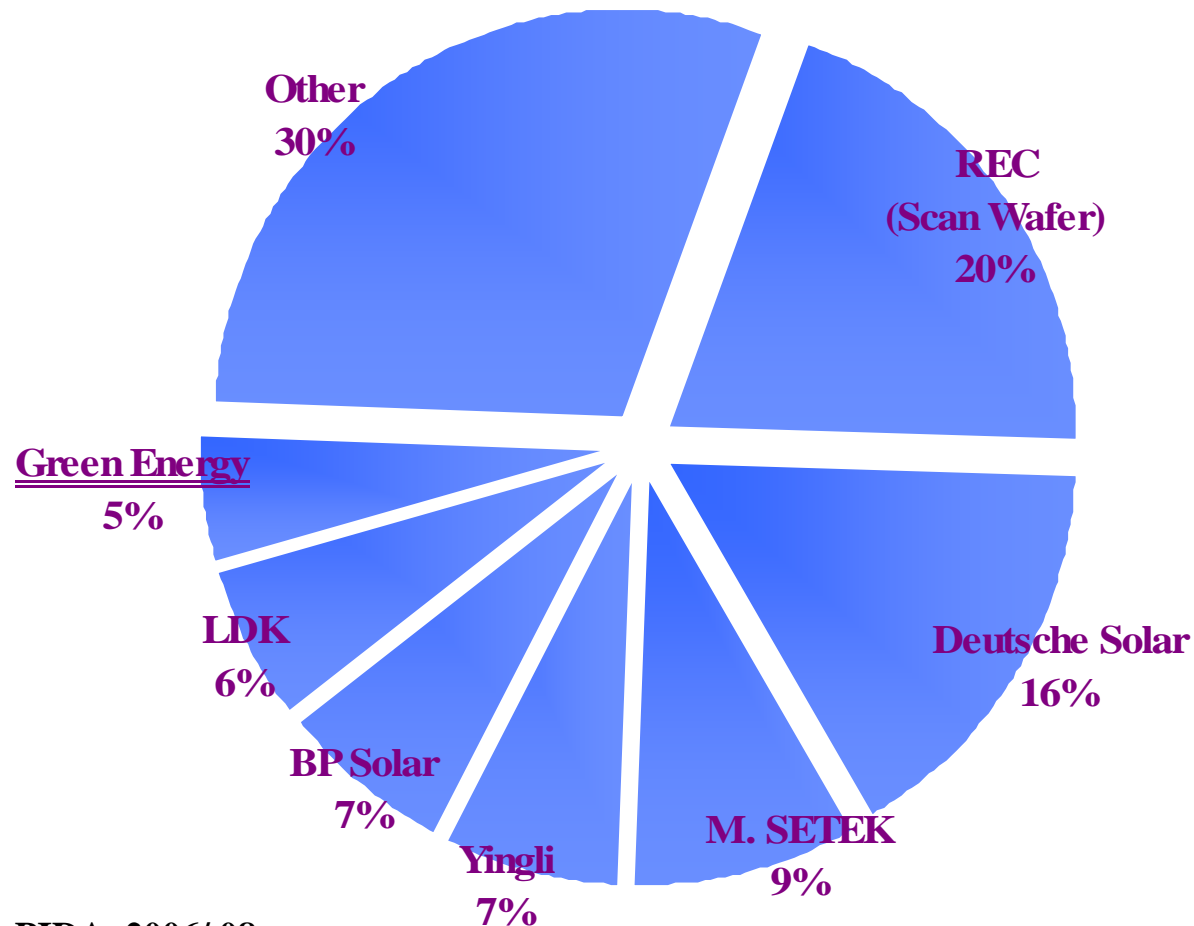
Scaling up	Furnace	Annual Capacity (MW)
Dec. 2006	26	65
Aug. 2007	46	110
Dec. 2007	80	200

➤ To IPO on main board in 1H, 2008

Current Capital	NT\$ 864M	(86.4M shares)
IPO expected to raise	NT\$ 101M	(10.1M shares)
<hr/> Expected IPO capital	<hr/> NT\$ 965M	<hr/> (96.5M shares)

Green Energy Technology

GET in Global Multi-Crystalline Solar Wafer Market



Sources : PIDA, 2006/ 08

Green Energy Technology

GET in Global Multi-Crystalline Solar Wafer Market

	2007		2008	
	Production	Multi- crystalline Market Share	Production	Multi- crystalline Market Share
Multi-crystalline wafers & ingot	100MW	6%	200MW	8%

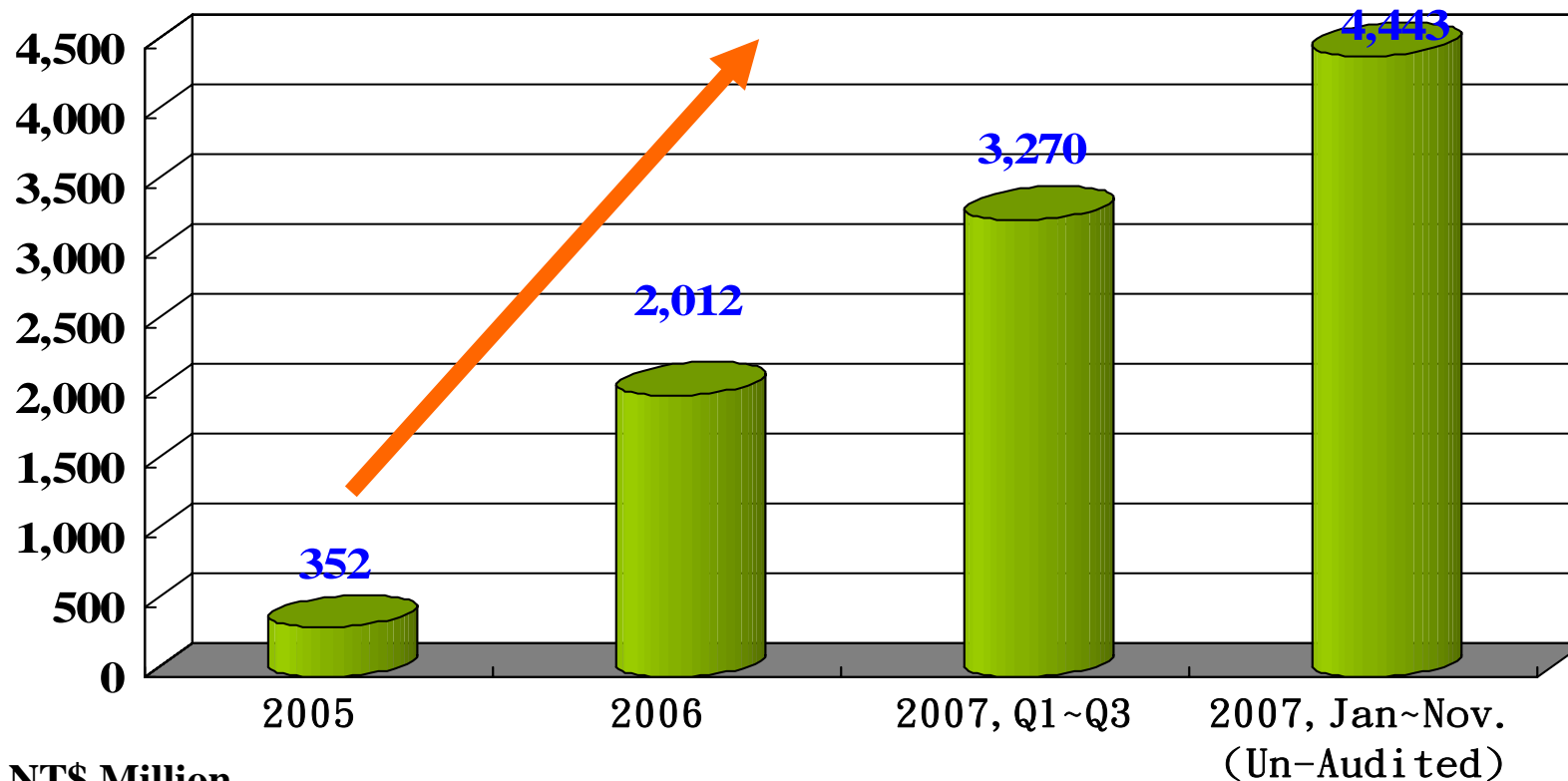
Based on Photon Consulting magazine global output estimation in 2007, March.~Nov.

- ✓ Estimated global silicon crystalline output in 2007=> 3.3 GW
- ✓ Estimated global silicon crystalline output in 2008=> 5 GW
- ✓ Single crystalline share => 43.4%
- ✓ Multi-crystalline share => 46.5%

Green Energy Technology

Business Growth

Sales, NT\$ Million



Unit: NT\$ Million

	2005	2006	2007, Q1~Q3	2007, Jan~ Nov. (Un-Audited)
Sales	352	2,012	3,270	4,443
Net income	-60	539	343	
EPS (NT\$)	-0.94	6.65	4.14	

Green Energy Technology

Capacity Ramp for Crystalline Silicon Wafer

- **Q3, 2007**
 - ✓ GET capacity reached 580 ingots per month with 46 furnaces.
 - ✓ Monthly shipment reached more than 2.8 million wafers.
- **Q4, 2007**
 - ✓ Monthly shipment reaches more than 3.1 million wafers
 - ✓ GET capacity reaches 1000 ingots per month with 80 furnaces on site in December.
- **2008**
 - ✓ Annual capacity reaches 200MW with over 3,000 tons of multi-crystalline ingots output.
 - ✓ Planning to increase 35% of furnace throughput by enlarging crucible output from 270kg/ ingot to 450 kg/ingot.
 - ✓ Thinner wafer and advanced silicon recycling technology.
- **2009**
 - ✓ Target to reach market share 10% in worldwide multi-crystalline solar wafer industry.

Green Energy Technology

Thin Film G8.5

- The first in Taiwan and the 7th in the world to develop G8.5 thin film production line.
- Applied Material as Turn-key.
 - ✓ *1st stage annual capacity (Q4, 2008): 30MW*
 - ✓ *Further annual capacity (Q4, 2009): 50MW*
 - ✓ *Guaranteed transferring rate: beginning 6% with improvement plans over time*

San-Chih Semi-Conductor Co.

(3579TT)

- **Established:** 1981
- **Capital:** NT\$ 700 Million

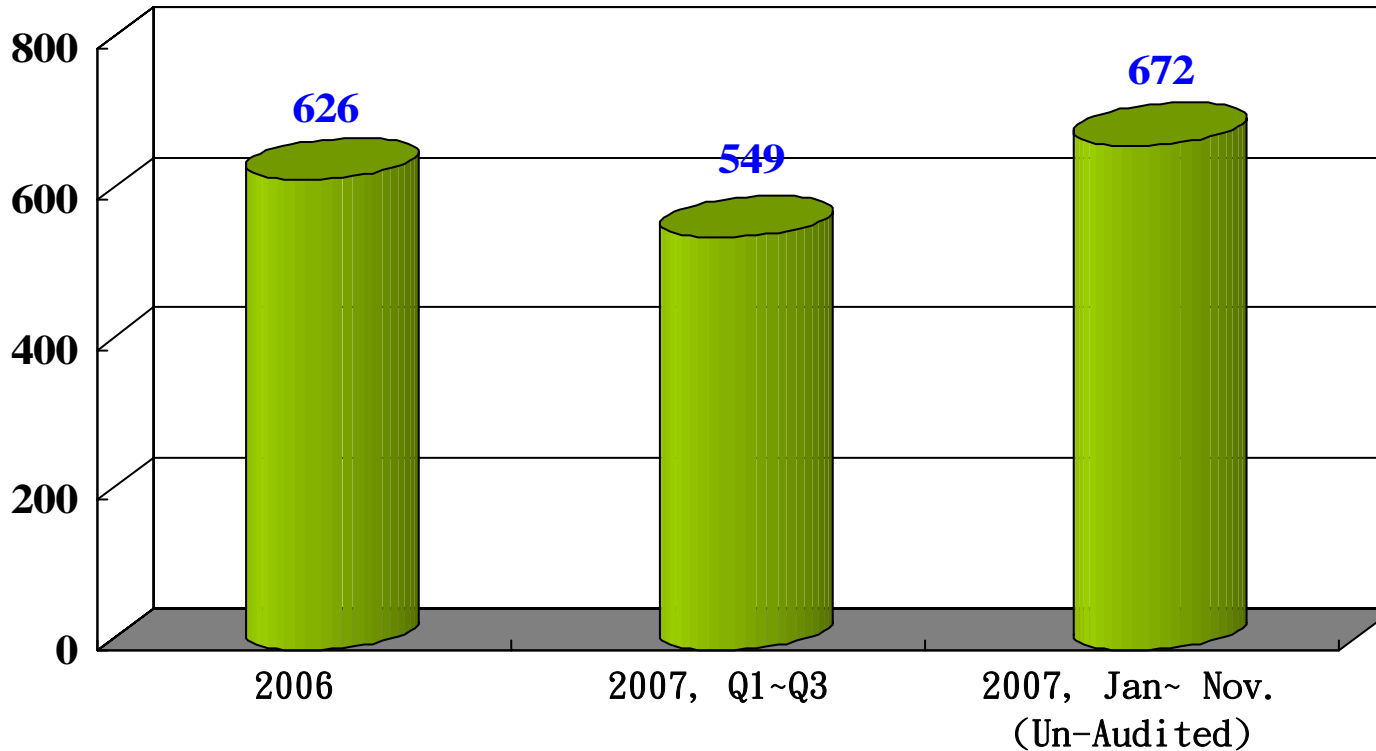
- **27-year experience in single crystalline ingot casting/ wafering**
- **Manufacturing CZ lapping wafers for diodes (3” and 4” mainly)**
- **Experienced with wafer reclaiming**

- **Schedule to IPO: -- End of 2008 on TSEC main board**

San-Chih Semi-Conductor Co.

Business Grow

Sales, NT\$ Million



Unit: NT\$ Million

	2006	2007, Q1~Q3	2007, Jan~Nov. (Un-audited)
Sales	626	549	672
Net income (Includes investment)	1,308	3,035	
EPS (NT\$)	14.93	43.36	

San-Chih Asset Development

With remarkable quality brand, Tatung asset development projects always hit the highest unit price in the area located.

Land banks:

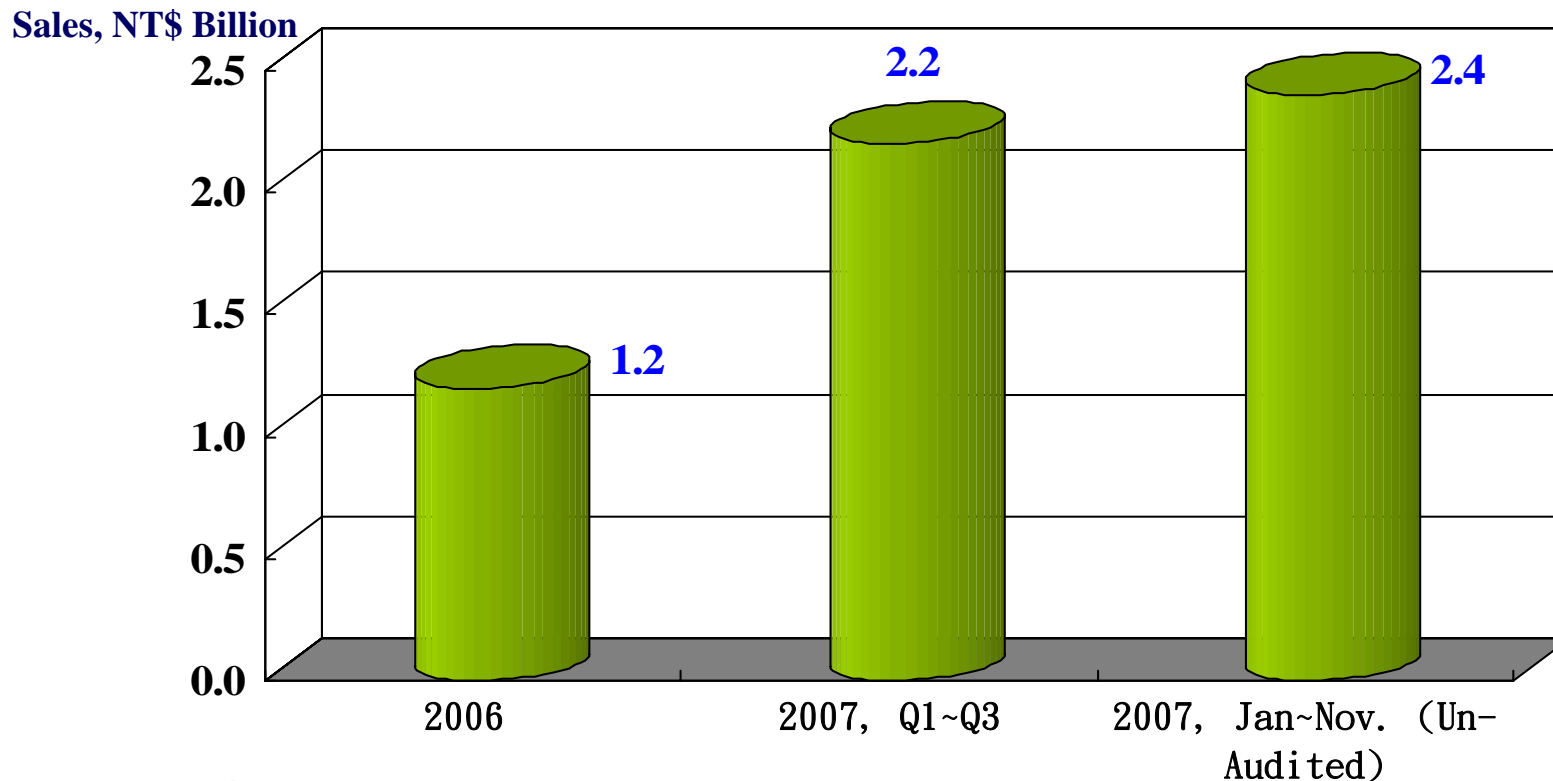
Estimated 450,000 Pings

(≐ 1.48 Million Square Meters or 15 Million Square Feet)

Current Book Value: 22 Billion

***The company reserves estimation on government appraised value nor market value as each development project will generate very different results. The estimations can be highly speculative.**

San-Chih Asset Development



Unit: NT\$ Billion

	2006	2007, Q1~Q3	2007, Jan~Nov. (Un-audited)
Sales	1.2	2.2	2.4
Net income	0.27	0.95	
EPS (NT\$)	0.52	1.87	

Asset Development -Strategy Planning

- 1. For residential areas, Tatung will evaluate cash flow situations as well as locations to decide to pre-sell or to keep the land and property for rental income.**
- 2. For commercial areas, Tatung conducts marketing survey (by Jones Lang LaSalle) to ensure best applications for each lot.**
- 3. For un-designated industrial areas, Tatung plans to review what are the best applications at each location.**
- 4. For designated industrial areas, eventually Tatung will transfer all productions to these areas. For each site Tatung will review the margin creations of the products produced and gradually build up higher value-added products to create better margin rate for each square meter of land.**

Tatung Consumer Products Co.

Tatung consumer products through its own channel

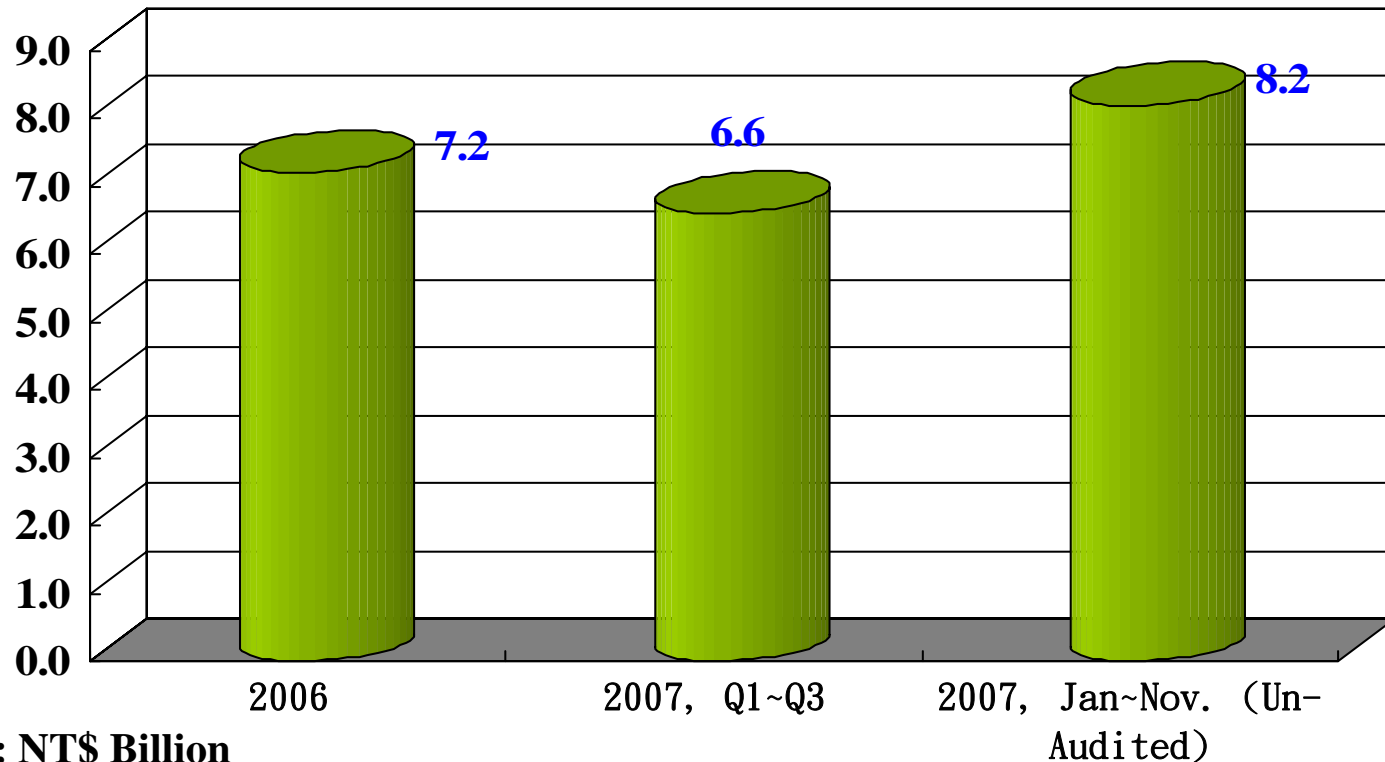
- **Currently 222 retail stores in Taiwan**
- **Execute promotion projects with other channels**
- **Save margins by reducing one layer of distribution channels**
- **3-year store renovations is under going and expecting to expand by end of 2008.**

✓ **Renovating schedule:**

--- Dec. 2006	30 stores
--- Oct., 2007	150 stores
--- End of 2007	220 stores
--- End of 2008	350 stores

Tatung Consumer Products Co.

Sales, NT\$ Billion

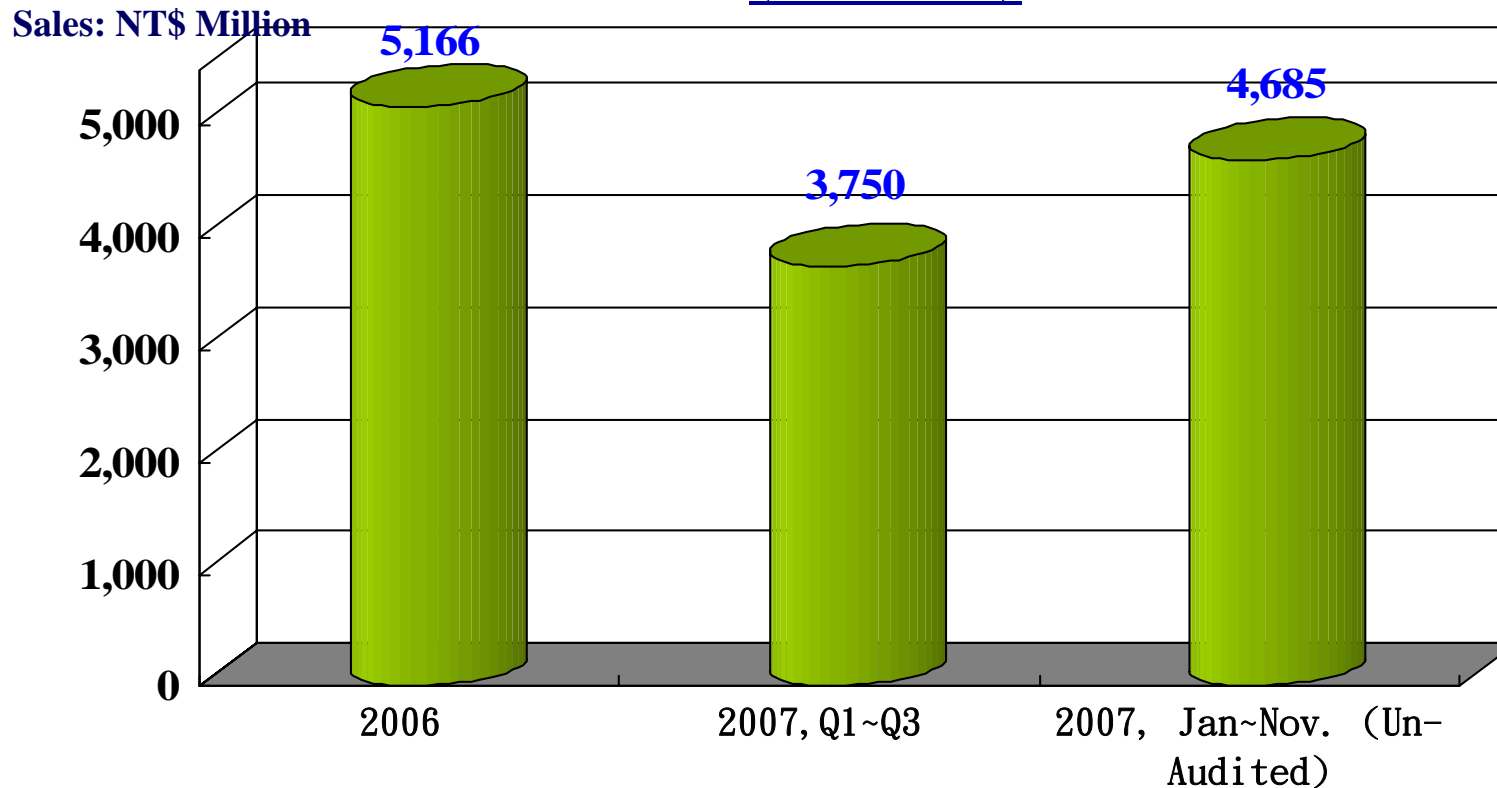


Unit: NT\$ Billion

	2006	2007, Q1~Q3	2007, Jan~ Nov (Un-audited)
Sales	7.2	6.6	8.2
Net income	0.014	0.046	
EPS (NT\$)	0.59	1.87	

Forward Electronics Co.

(8085 TT)

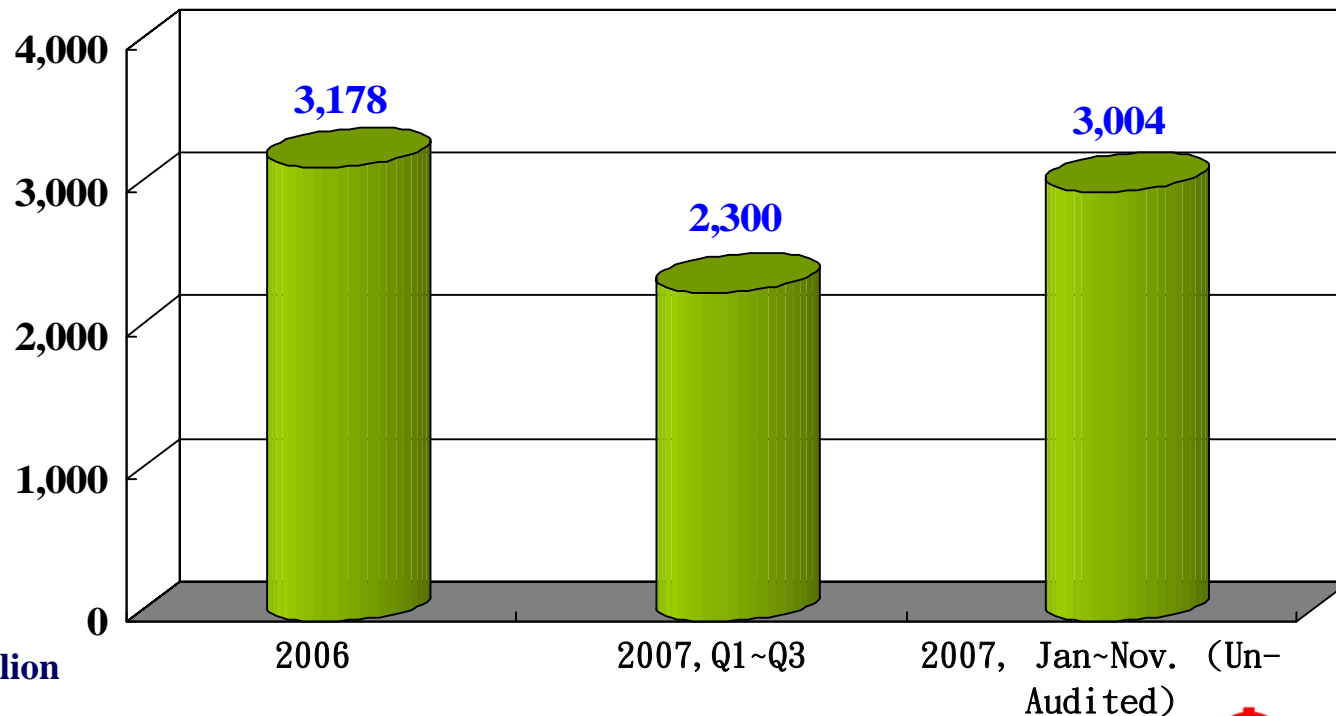


	2006	2007, Q1~Q3	2007, Jan~ Nov. (Un-Audited)
Sales (NT\$ Million)	5,166	3,750	4,685
Net Income (NT\$ Million)	195	87	
EPS	1.86	0.62	

Tatung System Technologies Inc.

(8099 TT)

	2006	2007, Q1~Q3	2007, Jan~ Nov. (Un-Audited)
Sales (NT\$ Million)	3,178	2,300	3,004
Net Income (NT\$ Million)	178	116	
EPS (NT\$ dollar)	2.97	1.81	

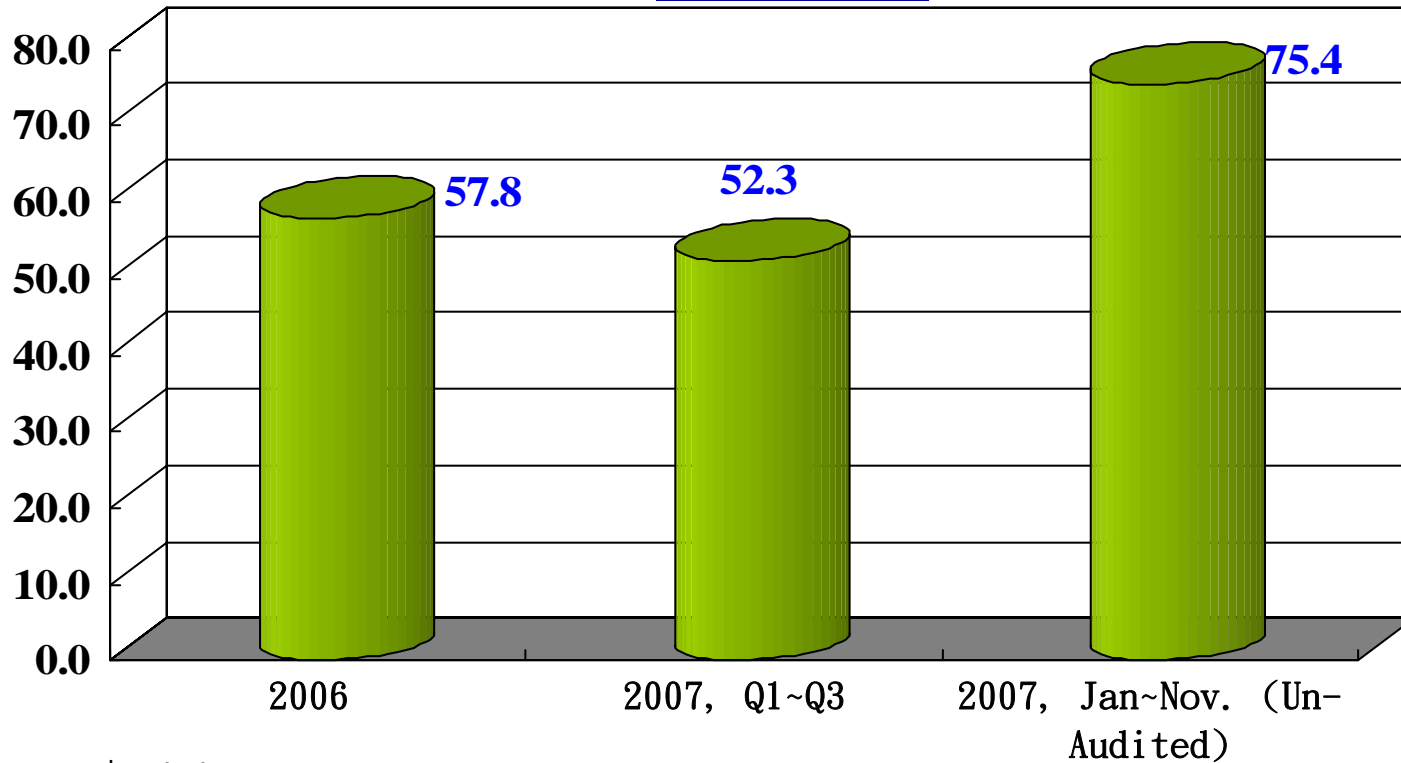


Sales: NT\$ Million

Elite Group Computer Systems

(2331 TT)

Sales, NT\$ Billion



Unit: NT\$ Billion

	2006	2007, Q1~Q3	2007, Jan~Nov. (Un-Audited)
Sales	57.8	52.3	75.4
Net income	-1.3	0.267	
EPS (NT\$)	-1.25	0.22	



The Brand Which Best Represents Taiwan
(China Times Survey, Sep. 10, 2007)

Thank you

