



中美矽晶製品股份有限公司
Sino-American Silicon Products Inc.



SAS (5483 TT) 1Q20 Results Presentation

May, 2020

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SAS at a Glance



SAS at a Glance

- The leading manufacturer and supplier of green energy.
- Through multiple investments, SAS strategically expands its territory into value-added business.

Key Numbers

39 years

Since 1981
establishment

24.5%

1Q 2020
ROE
(Return On Equity)

NTD
15.2bn

1Q 2020
Revenue

NTD
ab50bn

Market Cap
(2020.5)

NTD
2.37

1Q2020
EPS

NTD
5.00

2019 Dividend

7,846

Employees
(till 03/31/2020)

12

Countries

26

Sites Globally

1,300+

Patents*

89%

Semiconductor
revenue share

111MW

Plant installation
Since 2014

Note: 1. The figures are group consolidation numbers
2. Include pending and granted patents

Milestones

1st Semiconductor Si wafer maker in Taiwan

SAS – 1981
MEMC – 1959 (STP ground breaking)
GWJ – 1977
GT – 1999
TOPSIL – 1972

Remain profitable for 20 years in semiconductor business

Market Value

Grow >300 times in 20 years
(from 400M NTD to ab 50bn NTD).

Built 3 fabs

(organic growth)

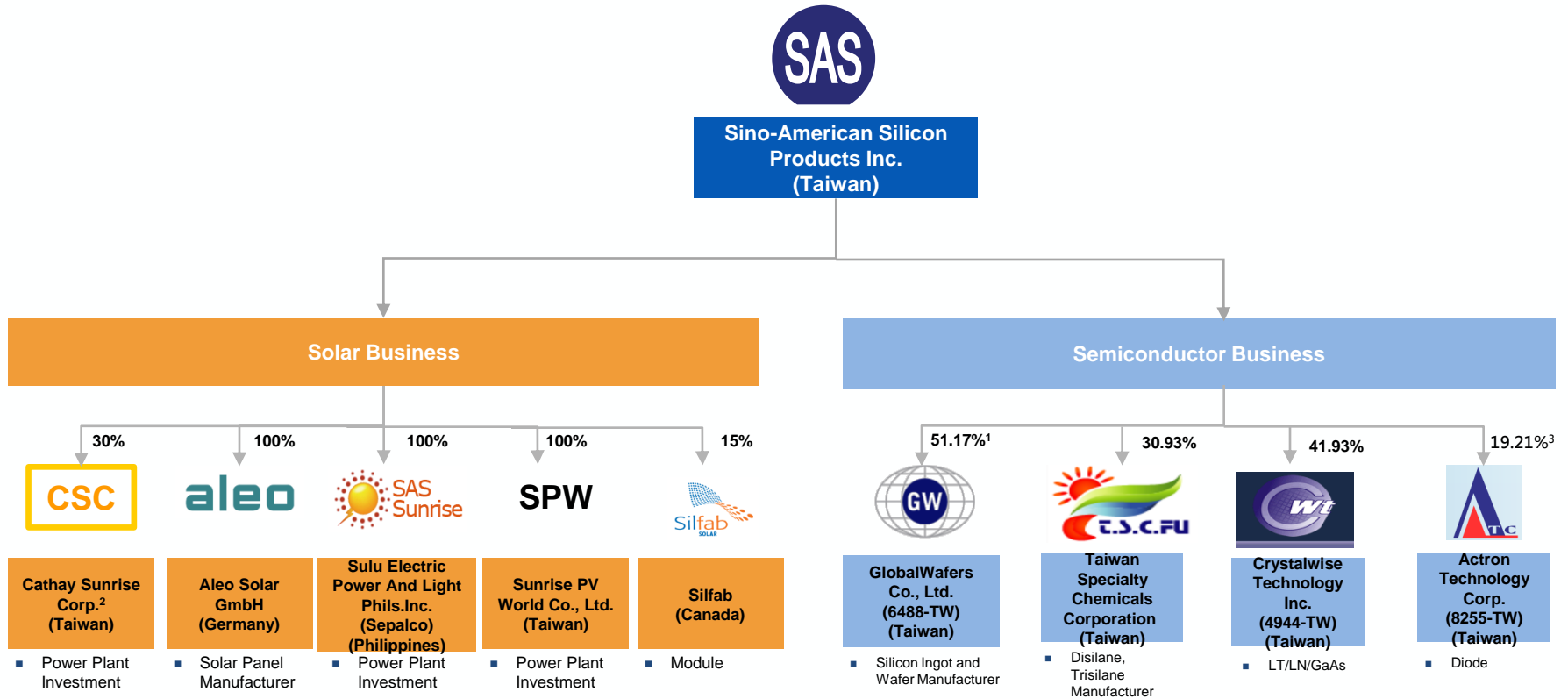
Acquired 13 fabs (M&A's)
from 1998 to 2018.

Fulfill social responsibility

- Sustainable payback and robust dividends to shareholders
- 0 bad debt to suppliers, banks, business partners
- Trying every means to protect employees work right even in economic downturn, including internal transfer, early retirement and much better than bylaws



SAS Group Structure



Note:

1. SAS' shareholding % of GWC : GWC shares held by SAS / GWC total outstanding shares deducting repurchased shares
2. SAS BoD resolved to dispose CSC shareholding in May, 7, 2020
3. The shareholding % of Actron Technology Corp. is as of May 14, 2020.

Strategic Deployment-

➤ Solar Business

- Simplify cell and module capacity, focus on **high-value products**
- **Aggressive power plant deployment** –as response to TW energy policy (20GW in 2025)

➤ Semiconductor Business

GlobalWafers Co., Ltd.



- **World's #3 silicon wafer supplier** and the **largest non-JP player**
- Dedicated in quality and yield improvement
- Aiming to augment market share with competitive products



Strategic Deployment-

➤ Value-Added Business

Actron Technology Corporation

- World's leading automotive diode suppliers.

Taiwan Specialty Chemicals Corporation

- Disilane, Trisilane manufacturer, TSMC supplier

Crystalwise Technology Inc.

- Sapphire Components Manufacturer, GaAs development



ACTRON TECHNOLOGY CORP.



台灣特品化學股份有限公司
Taiwan Speciality Chemicals Corporation



➤ Others

With the financial superiority – high cash and low debt, SAS dedicates in:

- Improving manufacturing and niche products
- Potential M&A
- Strategic Alliance

Financial Strength

Profitable Growth

- Delivered 26% revenue CAGR and 16% EPS CAGR since 2001.

Consistently High Payout Ratio

- Very high historical payout ratio (>80%) provides stable dividend semi-annually.*

Robust Balance Sheet

- Allows SAS to continue executing its capital management and invest business with high potential.

Note : 2019 dividend payout is subject to AGM approval on June 24, 2020.

SAS Moats



Superior operation strategy

SAS succeeds in maintaining cash positive in solar business, its correct operating strategy and management efficiency make SAS able to maneuver nimbly through the ever-changing solar industry.



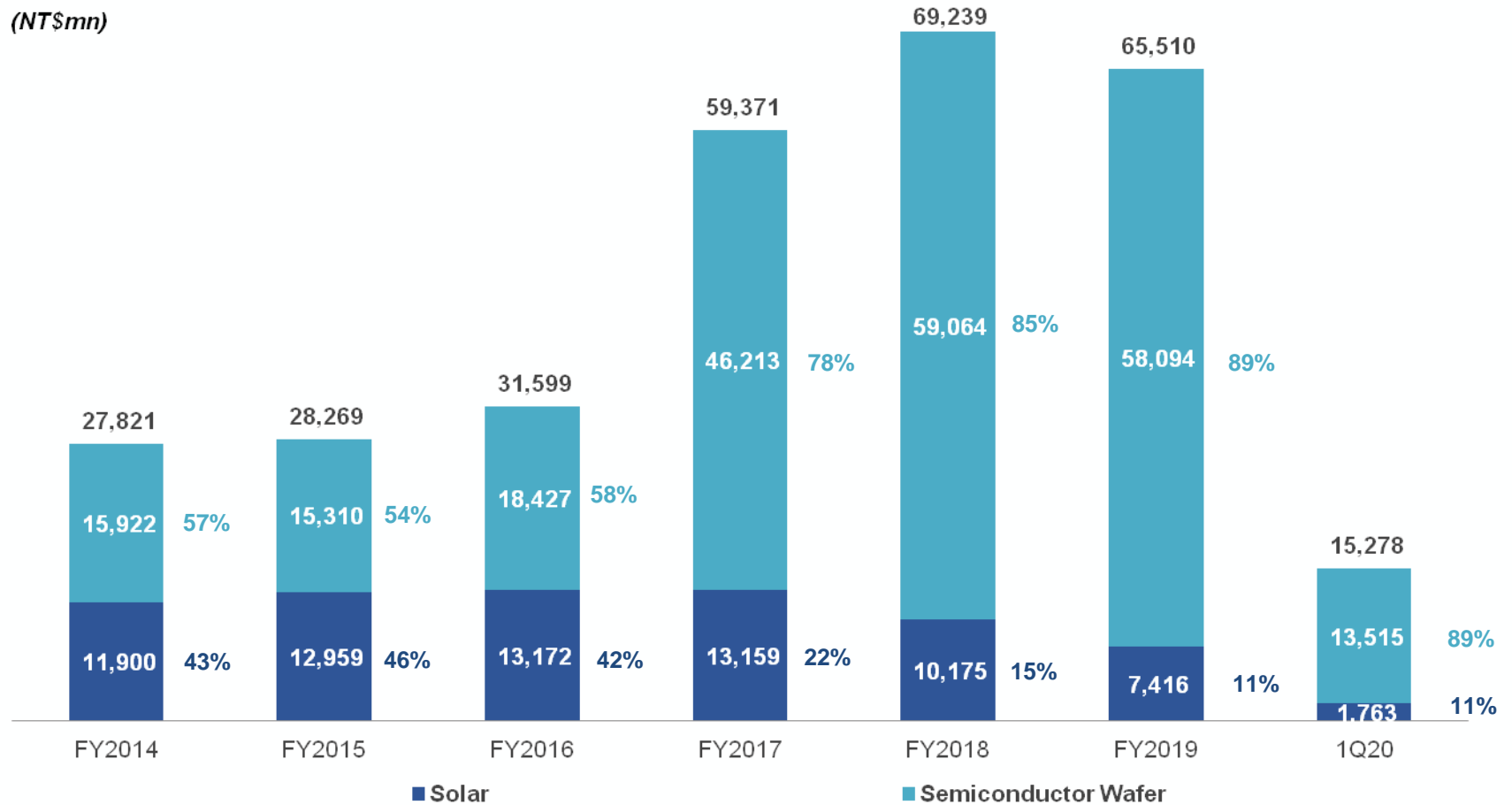
Value Investing

Capable of identifying potential business, fosters their innovation which turns into economic growth.



Group Revenue by Business

(NT\$mn)



SAS Recent Event

➤ Corporate Governance

- Both SAS and GWC are awarded Top 5% corporate governance among all listed companies in Taiwan
(SAS 6th year and GWC 2nd year in a row)

➤ GWC Repatriation of Offshore Funds

- Amount : USD 355 million (over NTD 10 billion)
- Investment plan :
 - ✓ Capacity expansion for advanced process.
(Mainly for 300mm advanced products and technologies)
 - ✓ Increase SiC and SI SiC capacity.
 - ✓ Enhance GWC TWN HQ R&D for product differentiation.
 - ✓ Invest in **renewable energy** for CO2 emission cut.
- ***Sunrise PV Four Co., Ltd. (SPV)**, a solar power plant previously owned by SAS, is now a 100% subsidiary of GWC, equipping GWC with its own solar power system. With SPV, GWC not only enhances the green energy weight in the manufacturing, but also reflects its early deployment and thorough preparation to the growing focus on renewable energy policy in Taiwan as well as worldwide.



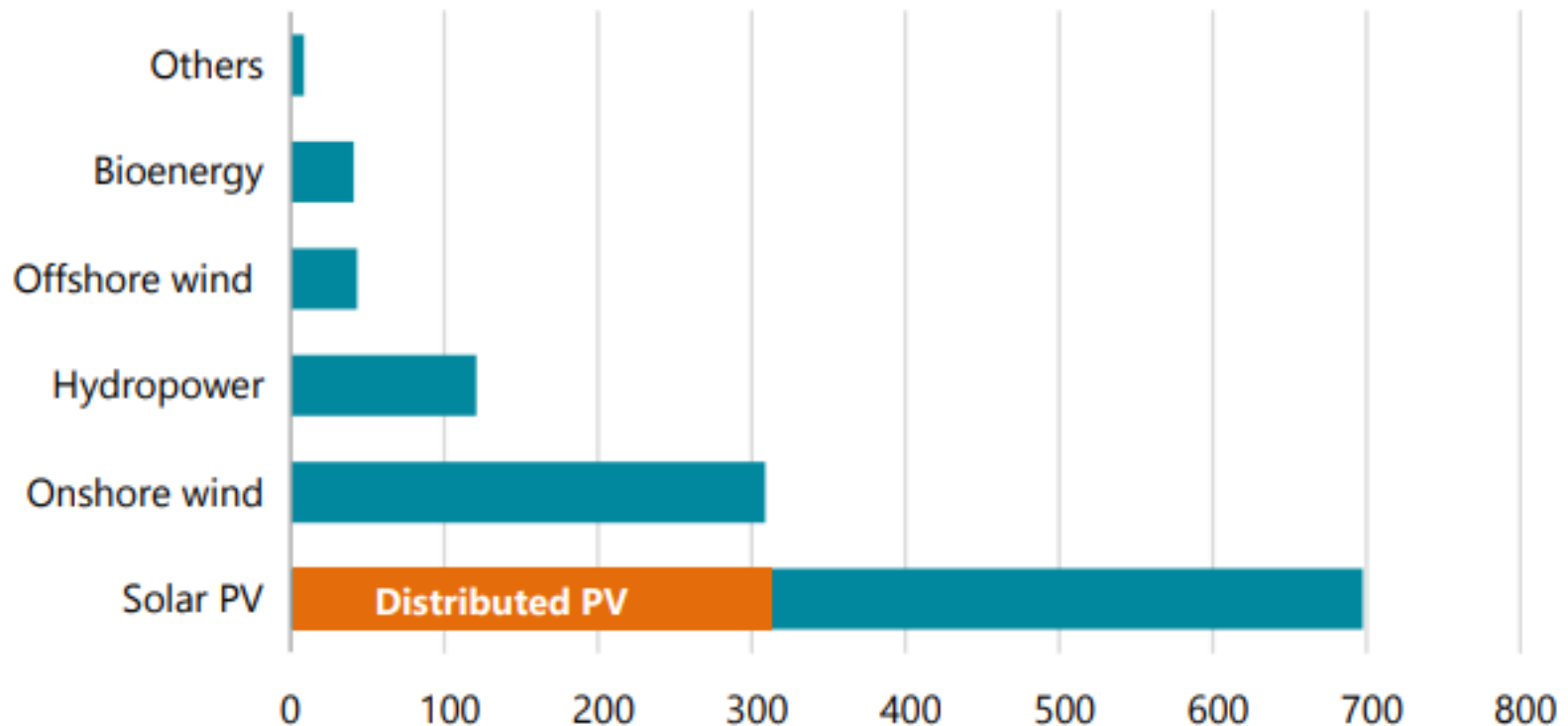
Industry Overview

Solar PV Drives Strong Growth in Renewable Capacity Expansion

- Research shows that renewables expand by 50% through 2024, with distributed PV alone growing as much as onshore wind. Also, International Energy Agency (IEA) forecast is 14% higher than last year due to improved policies and increasing competitiveness

Renewable Capacity Growth Between 2019 and 2024 by Technology

Unit: GW



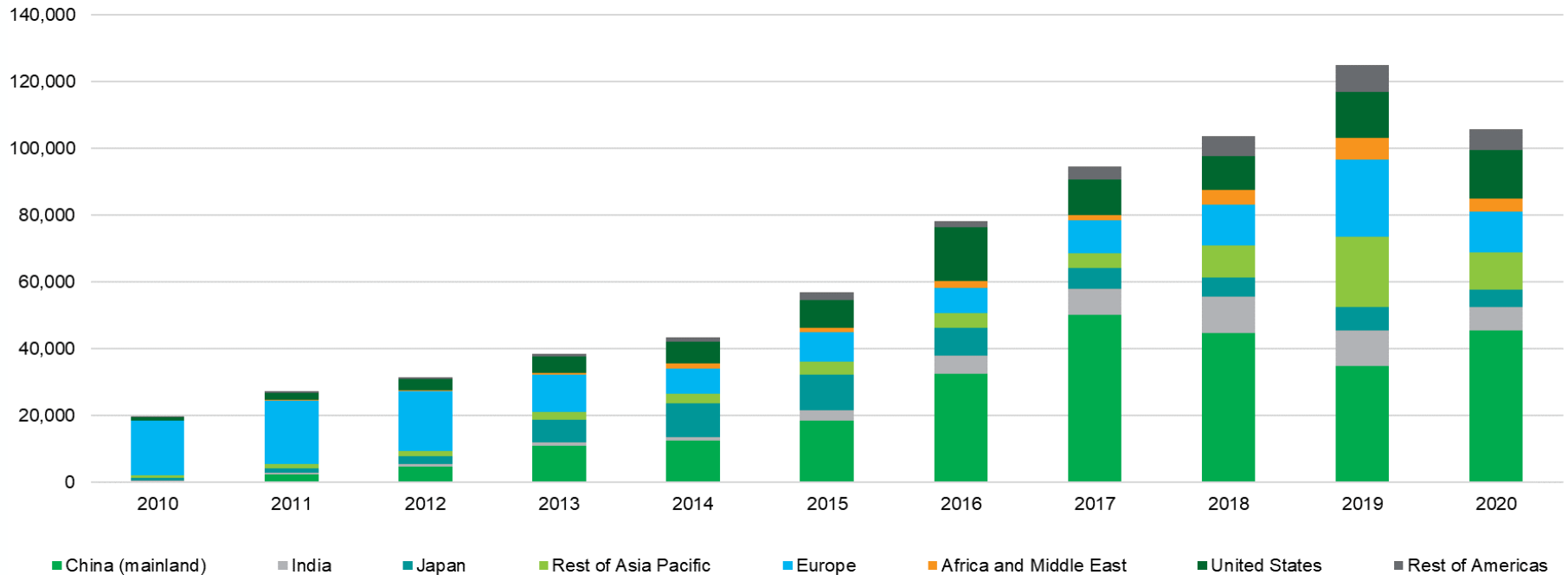
Source: international Energy Agency, Oct 2019

Solar Expects Slow Recovery Post COVID-19

- Market analysis projects that COVID-19 will severely impact the planning and initiation of new PV projects through the second half of 2020. Key growth markets in recent years such as Europe, India and the rest of Asia will be hit the hardest. However, it still expects China to reach 45GW in solar installations by the end of 2020, a 50% increase over the 30GW it had added in 2019.

Global Annual PV Installations by Region- March 2020 forecast

Unit: MW

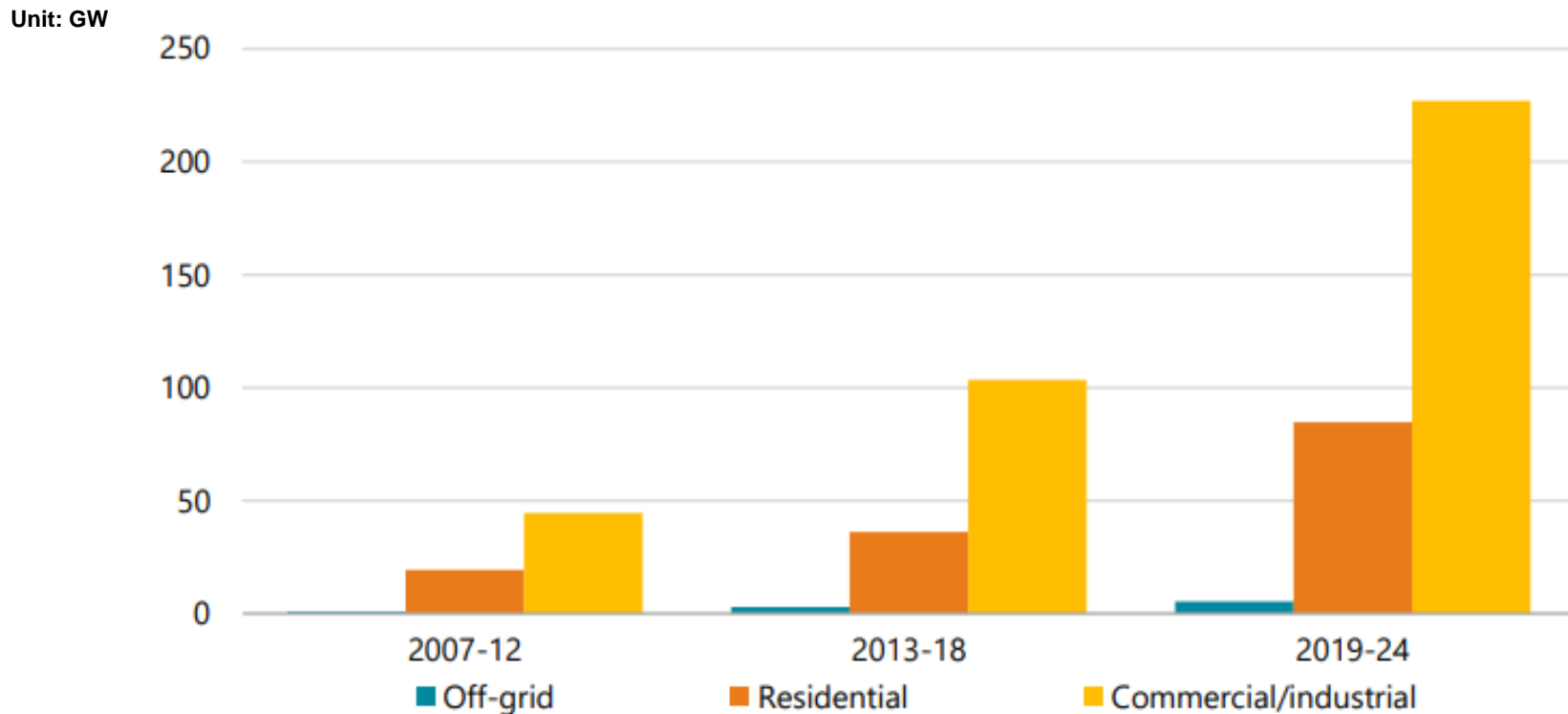


Source IHS Markit, Mar 2020

Commercial and Industry Lead Distributed PV Growth

- It is expected that economies of scale and better match between PV output and electricity demand in commercial and industrial applications enable higher self-consumption, saving more on electricity bills than in case of residential.
- A series of policies implemented by Taiwan and other nations will encourage enterprises to use more green power or other renewable energy.

Distributed PV Growth by Application



Source: international Energy Agency, Oct 2019



SAS Consolidated Performance Update



Financial Highlights

SAS achieves financial sustainability and improves operational performance after recognizing onerous contract provision (NTD4.35bn) of polysilicon LTA in 2019, which alleviated SAS from its last LTA burden, a healthier financial structure is expected from now on.

1Q20 - Stable financial performance

● Revenue

- ✓ NTD 15,278mn (QoQ : 0.2%)
- ✓ EBITDA: 5,095mn (QoQ : 6.6%)
- ✓ EBIT: 3,766mn (QoQ : 8.4%)
- ✓ GM: 33% (QoQ : -2%)
- ✓ Operating Profit: 24.3% (QoQ : -0.3%)
- ✓ Net Profit : 18.2% (QoQ : 1.8%)
- ✓ EPS: NTD 2.37 (QoQ : NTD 0.51)

Note : 1. FX Rate: NTD:USD = 30.225



Financial Highlight : 1Q20 vs. 4Q19

(NT\$mnn)	1Q20	4Q19	QoQ
Revenue	15,278	15,242	0.2%
EBITDA* ¹	5,095	4,780	6.6%
EBITDA %	33.4%	31.4%	2.0%
EBIT	3,766	3,476	8.4%
Operating Profit	3,706	3,747	-1.1%
Operating Profit %	24.3%	24.6%	-0.3%
Net Profit	2,787	2,501	11.4%
Net Profit %	18.2%	16.4%	1.8%
EPS	NT\$2.37	NT\$1.86	NT\$0.51
ROE* ² (annualized)	24.5%	20.8%	3.7%
ROA* ³ (annualized)	10.3%	9.2%	1.1%

1. EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization.

2. ROE = Net Profit / Average Shareholders Equity

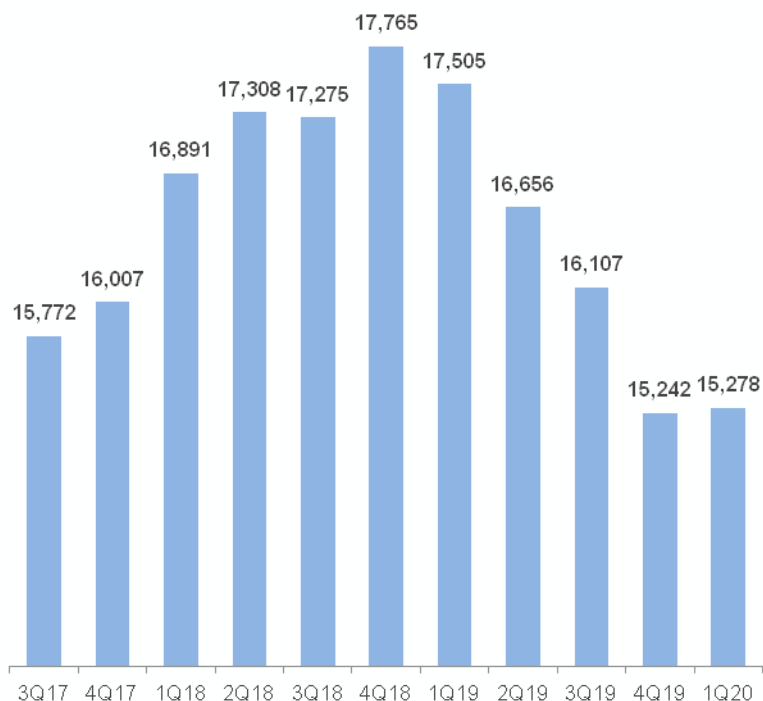
3. ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset



Revenue

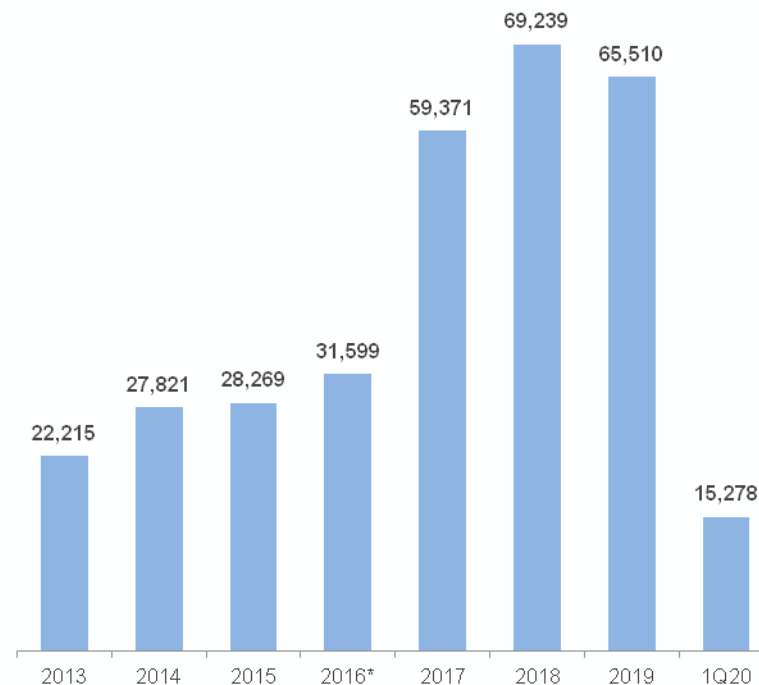
Quarterly

(NT\$mn)



Annual

(NT\$mn)



Note:

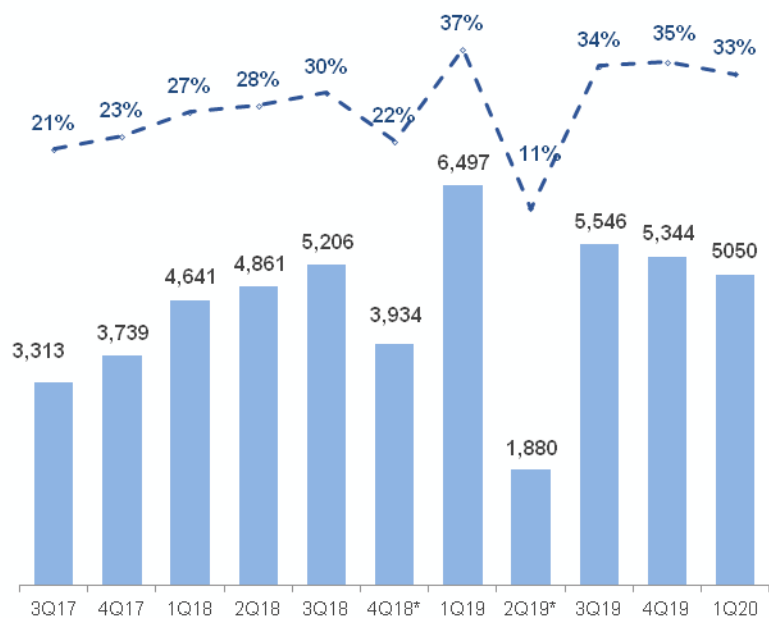
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2. Impairment of assets and onerous contract provision were recognized in 4Q18 & 2Q19 respectively



Gross Profit

Quarterly

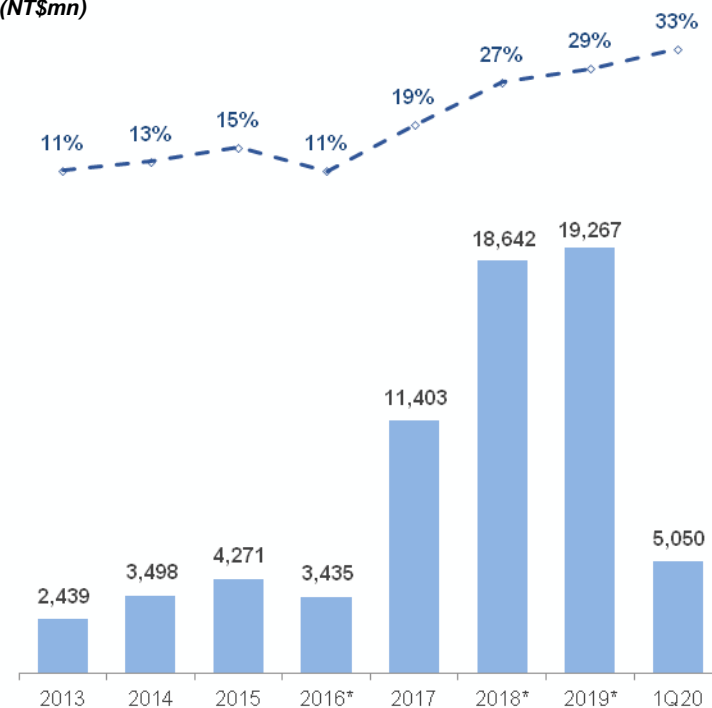
(NT\$mn)



■ Gross Margin - - - GM% (incl. write-off)

Annual

(NT\$mn)



■ Gross Margin - - - GM% (incl. write-off)

Note:

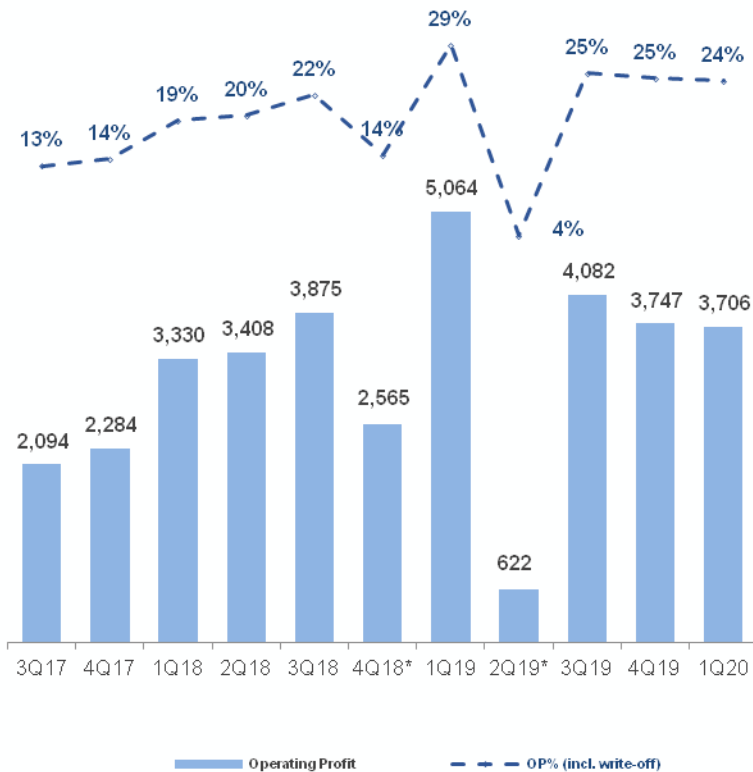
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Operating Profit

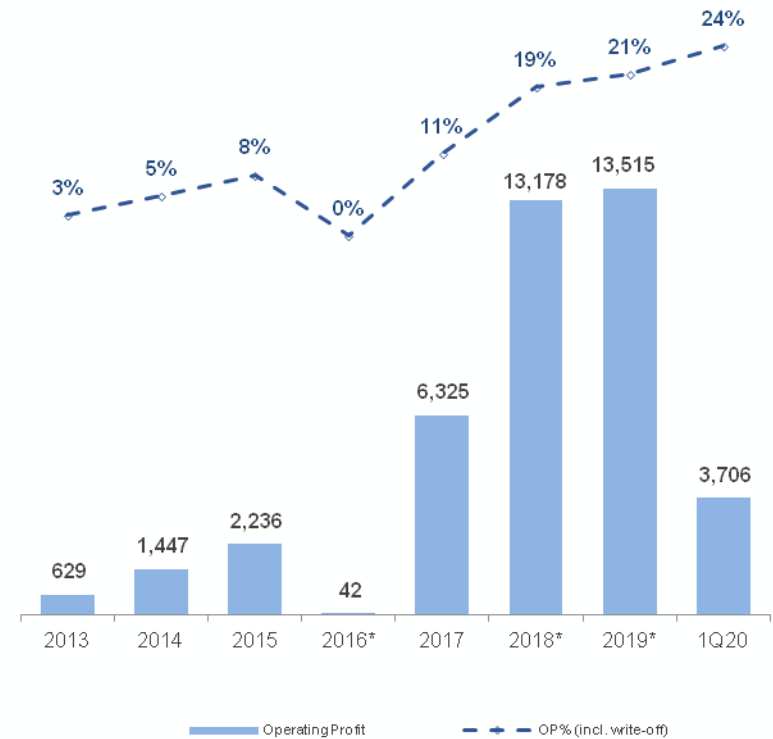
Quarterly

(NT\$m)



Annual

(NT\$m)



Note:

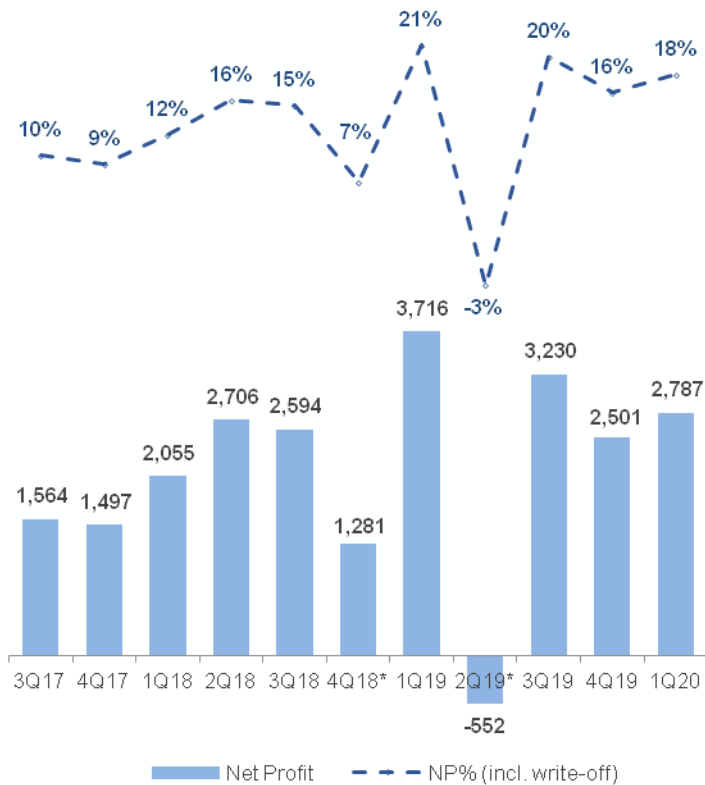
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Net Profit

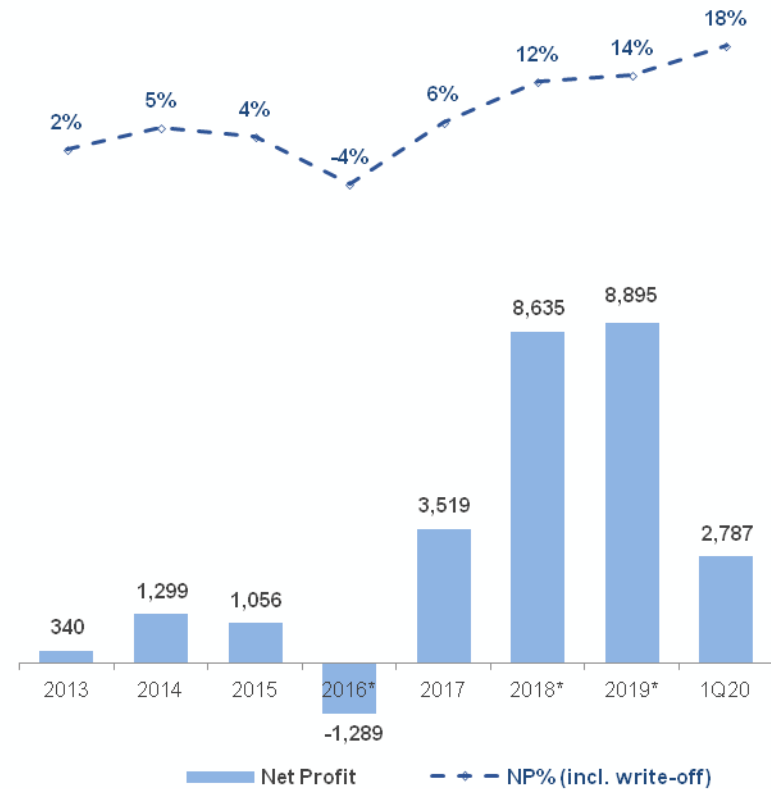
Quarterly

(NT\$m)



Annual

(NT\$m)



Note:

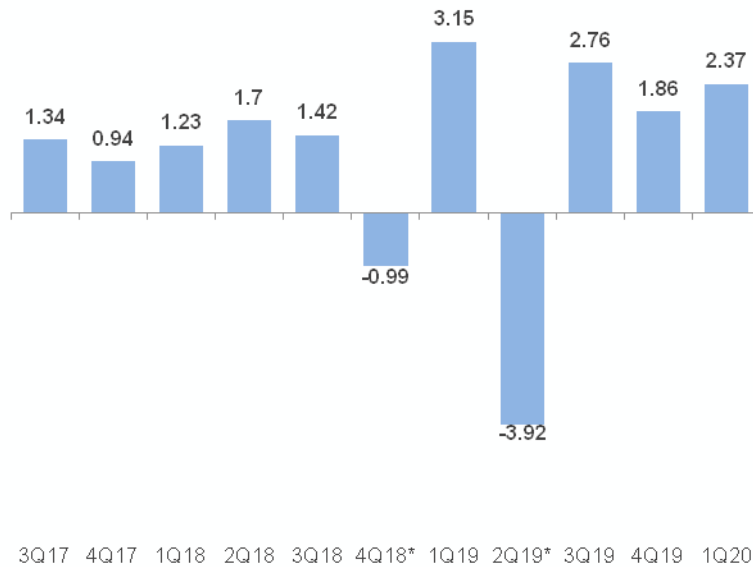
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EPS

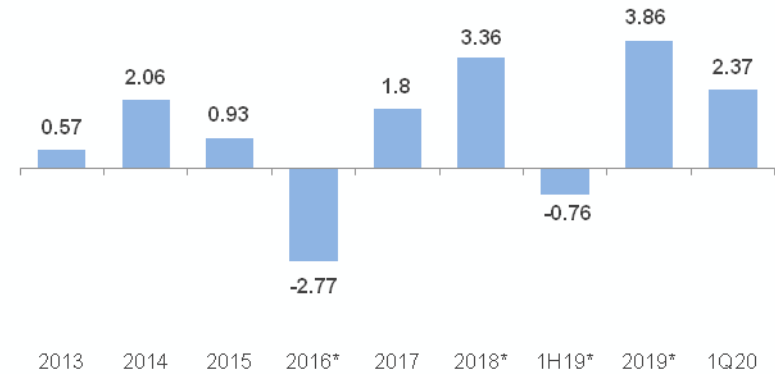
Quarterly

(NT\$)



Annual

(NT\$)



Note:

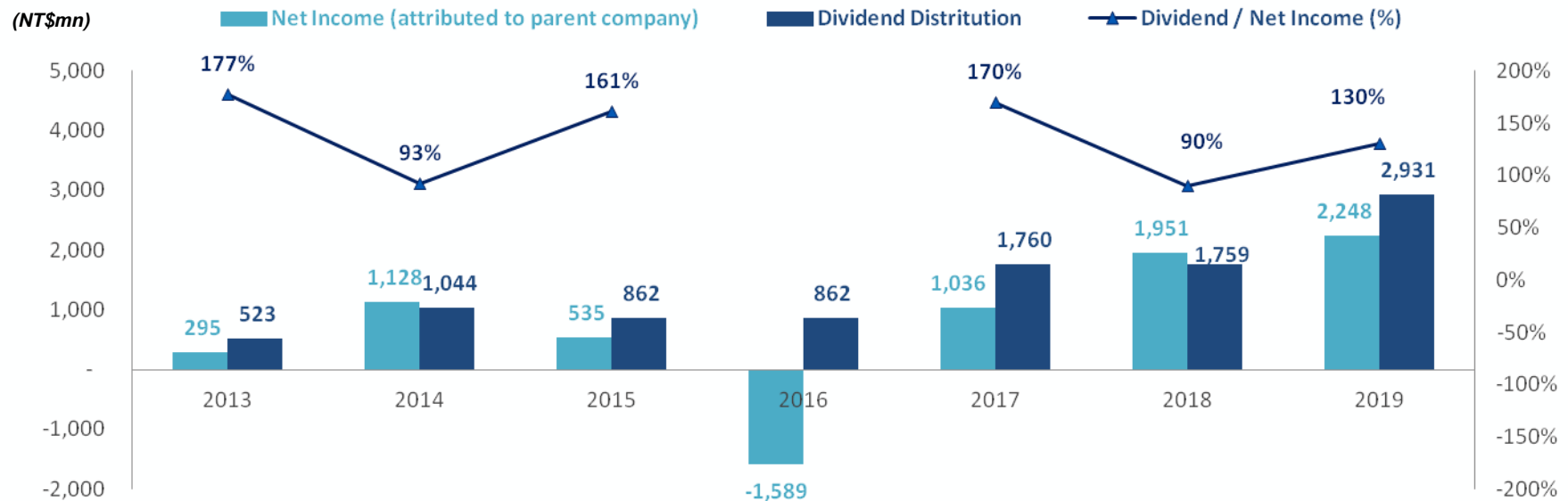
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Smoothing Out the Shareholder Dividend Stream

- Dividend payout once every 6 months to smooth out the income stream for shareholders.
- Our track record of consistently robust dividend payouts reflects SAS's commitment to shareholder value creation.
- Dividend Distribution schedule :
 - 1H20 dividend → to be distributed in 1Q21
 - 2H20 dividend → to be distributed in 3Q21

Dividend Distribution vs. Net Income Attributed to Parent Company



* 2019 dividend payout is subject to AGM approval on June 24, 2020

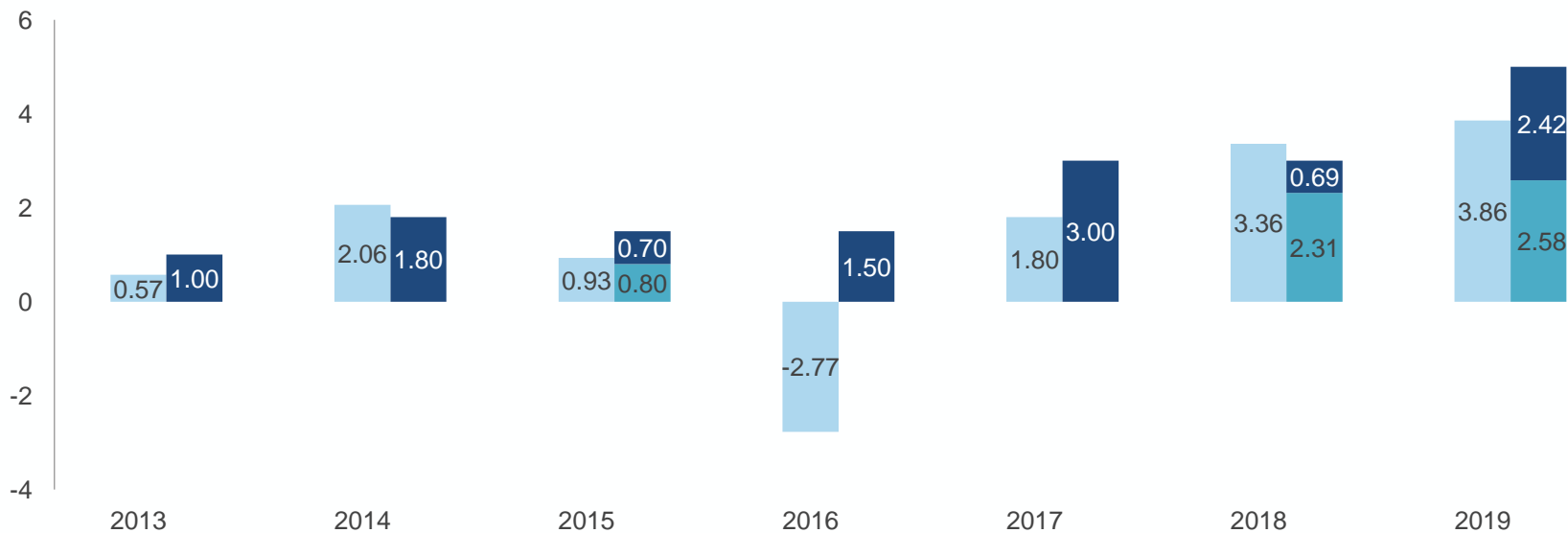


Dividend Payout

➤ SAS is committed to provide a stable dividend payout

Dividend versus EPS

■ EPS ■ Dividend from Earning ■ Dividend from Capital Surplus



Dividend Payout Ratio	2013	2014	2015	2016	2017	2018	2019
	175.4%	87.4%	161.3%	NA	166.7%	89.3%	129.5%

* 2019 dividend payout is subject to AGM approval on June 24, 2020



Income Statement

Income statement

(NT\$mm)	2013	2014	2015	2016*	2017	2018*	2019	1Q20
Revenue	22,215	27,821	28,269	31,599	59,371	69,239	65,510	15,278
<i>Growth (%)</i>	<i>20.80%</i>	<i>25.20%</i>	<i>1.60%</i>	<i>11.80%</i>	<i>87.90%</i>	<i>16.60%</i>	<i>-5.30%</i>	<i>-</i>
Gross Profit	2,439	3,498	4,271	3,435	11,403	18,642	19,267	5,050
<i>Gross Profit Margin (%)</i>	<i>11.00%</i>	<i>12.60%</i>	<i>15.10%</i>	<i>10.90%</i>	<i>19.20%</i>	<i>26.90%</i>	<i>29.40%</i>	<i>33.10%</i>
EBITDA	4,058	4,214	4,184	2,052	11,741	19,030	18,668	5,095
<i>EBITDA Margin (%)</i>	<i>18.30%</i>	<i>15.10%</i>	<i>14.80%</i>	<i>6.50%</i>	<i>19.80%</i>	<i>27.50%</i>	<i>28.50%</i>	<i>33.40%</i>
Operating Profit	629	1,447	2,236	42	6,325	13,178	13,515	3,706
<i>Operating Profit Margin (%)</i>	<i>2.80%</i>	<i>5.20%</i>	<i>7.90%</i>	<i>0.10%</i>	<i>10.70%</i>	<i>19.00%</i>	<i>20.60%</i>	<i>24.30%</i>
Profit before Tax	128	1,925	1,960	-856	5,126	13,318	13,924	3,838
<i>Profit before Tax Margin (%)</i>	<i>0.60%</i>	<i>6.90%</i>	<i>6.90%</i>	<i>-2.70%</i>	<i>8.60%</i>	<i>19.20%</i>	<i>21.30%</i>	<i>25.10%</i>
Net Profit	340	1,299	1,056	-1,289	3,519	8,635	8,895	2,787
<i>Net Profit Margin (%)</i>	<i>1.50%</i>	<i>4.70%</i>	<i>3.70%</i>	<i>-4.10%</i>	<i>5.90%</i>	<i>12.50%</i>	<i>13.60%</i>	<i>18.20%</i>
EPS (NT\$)	0.57	2.06	0.93	-2.77	1.8	3.36	3.86	2.37

Note:

1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.

2. Impairment of assets and onerous contract provision were recognized in 4Q18 & 2Q19 respectively



Balance Sheet

Balance Sheet

(NT\$mm)	2013	2014	2015	2016	2017	2018	2019	1Q20
Assets								
Cash and cash equivalents	3,682	5,391	5,902	9,269	20,343	36,829	34,901	29,747
Account receivable	4,064	5,019	6,204	8,560	8,830	9,881	8,507	9,109
Inventories	4,416	1,607	5,749	9,708	10,048	7,881	7,398	7,206
Property, plant and equipment	16,098	15,244	18,905	41,398	37,529	37,439	40,277	41,188
Other assets	11,414	13,627	9,427	14,079	12,593	11,955	18,300	21,993
Total assets	39,674	40,887	46,186	83,014	89,343	103,985	109,383	109,243
Liabilities								
Short-term loan	2,576	3,486	2,676	17,704	14,367	9,335	11,465	11,164
Account payable	2,754	2,713	2,932	6,328	5,352	5,236	4,180	4,190
Long term loan	4,373	3,807	2,546	16,357	5,034	2,040	0	0
Other liabilities	9,385	9,299	9,464	15,399	20,814	39,460	45,122	51,475
Total liabilities	19,088	19,304	17,617	55,787	45,566	56,071	60,767	66,829
Shareholder Equity	20,586	21,583	28,570	27,227	43,777	47,914	48,616	42,414

Note:

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2. Impairment of assets and onerous contract provision were recognized in 4Q18 & 2Q19 respectively

3. Account receivables include account receivables from related parties.

4. Account payables include account payables from related parties.



GlobalWafers Performance Update



GlobalWafers at a Glance

- The leading semiconductor wafer manufacturer.
- Our unparalleled operating model and market strengths make GlobalWafers the unique position in semiconductor supply chain.

Key Numbers



Note:

1. Including pending and granted patents
2. Cash = cash and the equivalent + restricted cash

GWC Financial Strength

82%Rev.
CAGR**61%**EPS
CAGR

Rapid & Solid Growth

Delivered 82% revenue CAGR and 61% EPS CAGR since 2011

35bn

Cash*

Sufficient Cash

Cash* is equal to 97% of total equity

>25%

High ROE

Consistently deliver high ROE, achieving >25% ROE since 2018

8%

Depr./Rev. %

Low Depreciation

PPE required by M&A lowers depreciation cost and translates to higher revenue efficiency.

Note : Cash = cash and the equivalent + restricted cash



GWC Financial Highlight : 1Q20 vs. 4Q20

(NT\$m)	1Q20	4Q19	QoQ
Revenue	13,515	13,506	0.1%
EBITDA* ¹	5,015	4,959	1.1%
EBITDA %	37.1%	36.7%	1.1%
EBIT	3,845	3,772	1.9%
Operating Profit	3,805	3,853	-1.3%
Operating Profit %	28.2%	28.5%	-0.3%
Net Profit	2,880	2,908	-1.0%
Net Profit %	21.3%	21.5%	-0.2%
EPS	NT\$6.62	NT\$6.68	-NT\$0.06
ROE* ² (annualized)	28.2%	30.9%	-2.7%
ROA* ³ (annualized)	12.0%	14.7%	-2.7%

1. EBITDA = Net Profit + Tax + Interests + Depreciation + Amortization.

2. ROE = Net Profit / Average Shareholders Equity

3. ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset

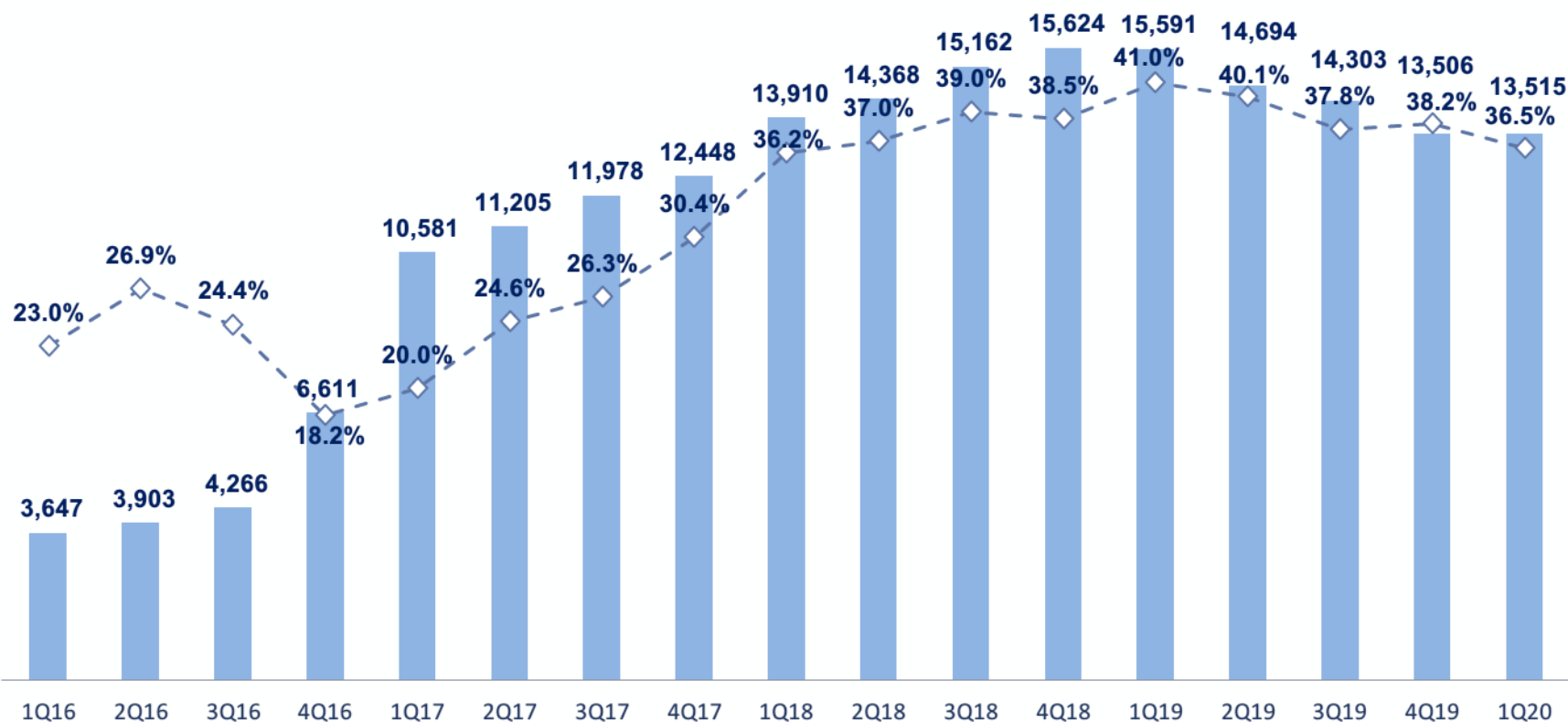


GWC Revenue & Gross Margin

Revenue & Gross Margin

(NT\$mn)

Revenue - ◇ - GM %

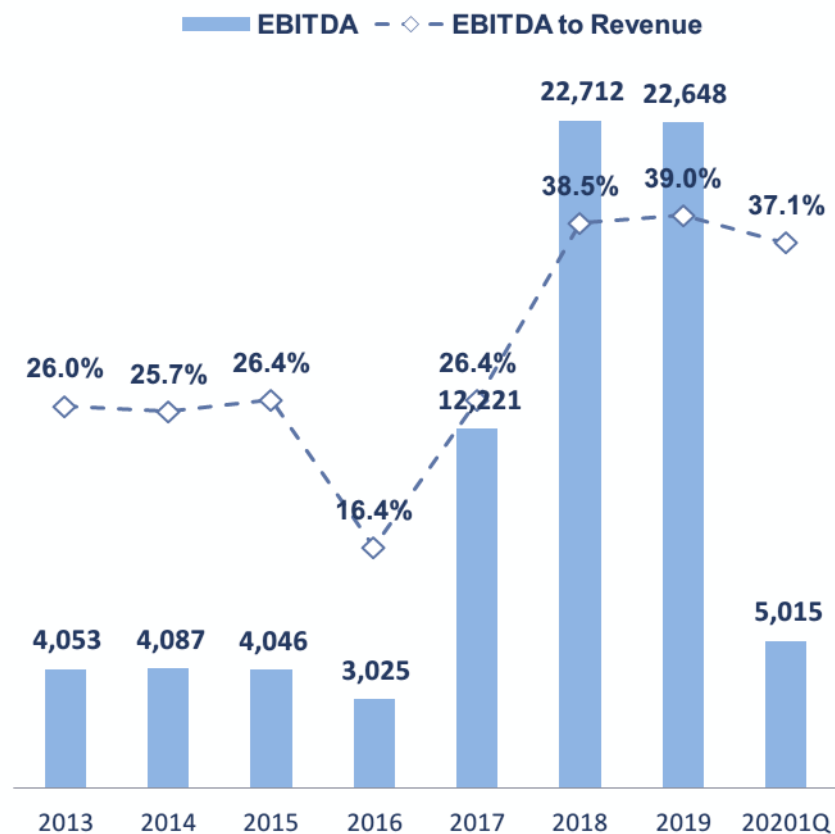




GWC EBITDA & EPS

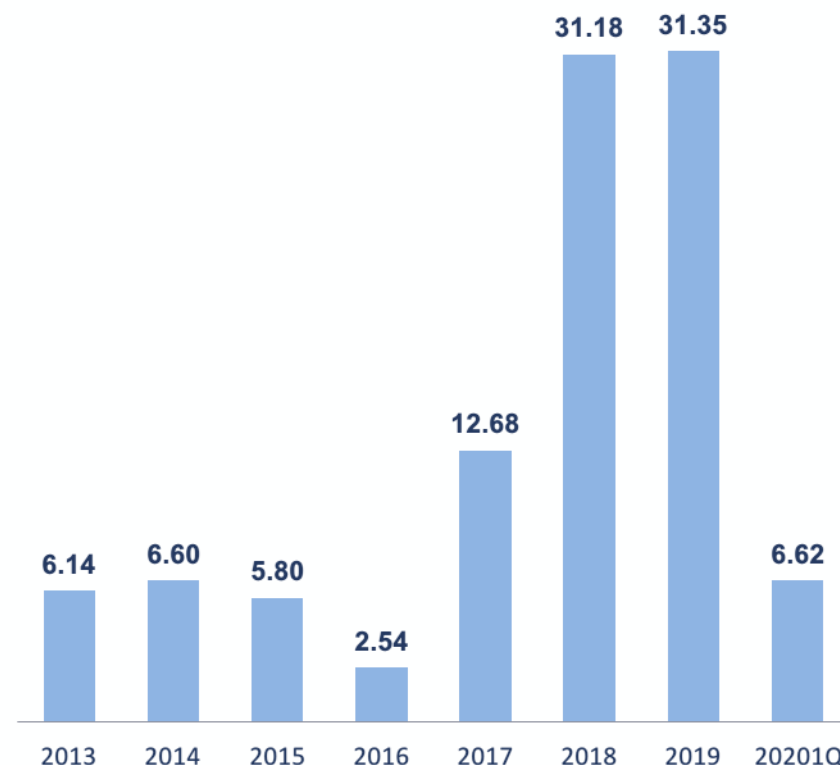
EBITDA

(NT\$mn)



EPS

(NT\$)





GWC Income Statement

Income Statement								
<i>(NT\$m)</i>	2013	2014	2015	2016	2017	2018	2019	1Q20
Revenue	15,570	15,922	15,310	18,427	46,213	59,064	58,094	13,515
<i>Growth (%)</i>	-	2.3%	-3.8%	20.4%	150.8%	27.8%	-1.6%	-
Gross Profit	3,663	3,728	4,073	4,130	11,808	22,299	22,847	4,938
<i>Gross Profit Margin (%)</i>	23.5%	23.4%	26.6%	22.4%	25.6%	37.8%	39.3%	36.5%
EBITDA	4,053	4,087	4,046	3,025	12,221	22,712	22,648	5,015
<i>EBITDA Margin (%)</i>	26.0%	25.7%	26.4%	16.4%	26.4%	38.5%	39.0%	37.1%
Operating Profit	2,194	2,336	2,685	1,378	7,414	17,578	17,897	3,805
<i>Operating Profit Margin (%)</i>	14.1%	14.7%	17.5%	7.5%	16.0%	29.8%	30.8%	28.2%
Profit before Tax	2,204	2,679	2,808	1,344	6,875	18,253	18,554	3,922
<i>Profit before Tax Margin (%)</i>	14.2%	16.8%	18.3%	7.3%	14.9%	30.9%	31.9%	29.0%
Net Profit	1,948	2,095	2,044	939	5,278	13,634	13,636	2,880
<i>Net Profit Margin (%)</i>	12.5%	13.2%	13.4%	5.1%	11.4%	23.1%	23.5%	21.3%
EPS (NT\$)	6.14	6.60	5.80	2.54	12.68	31.18	31.35	6.62

Note: Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02-Dec 2016 – 31-Dec 2016.



GWC Balance Sheet

Balance Sheet

(NT\$mn)

	2013	2014	2015	2016	2017	2018	2019	1Q20
Assets								
Cash and cash equivalents	1,536	2,685	3,662	5,628	18,794	35,214	32,822	28,285
Account receivable	3,165	3,694	4,538	7,642	7,869	9,226	8,140	8,574
Inventories	3,291	2,829	3,262	7,307	7,347	7,040	6,849	6,416
Property, plant and equipment	9,796	8,972	9,361	31,036	28,202	30,887	34,697	35,747
Other assets	3,286	3,204	2,994	8,948	8,020	7,455	14,078	17,691
Total assets	21,074	21,385	23,816	60,560	70,232	89,822	96,586	96,713
Liabilities								
Short-term loan	1,302	2,069	696	12,982	10,738	5,042	9,886	9,582
Account payable	1,816	1,789	1,383	5,126	4,269	4,870	3,837	3,746
Long term loan	--	--	--	14,367	3,663	430	0	0
Other liabilities	4,821	4,325	5,012	12,267	17,508	36,324	37,790	46,812
Total liabilities	7,939	8,184	7,091	44,742	36,178	46,666	51,513	60,140
Shareholder equity	13,135	13,201	16,725	15,819	34,054	43,156	45,073	36,573

Note:

1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.

2. Account receivables include account receivables from related parties.

3. Account payables include account payables from related parties.



Thank you