



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



SAS (5483 TT) 2Q20 Results Presentation

August, 2020

Spokesman: CW Lee, Vice President
TEL: +886-3-577-2233 EXT: 2291
Email: CWLee@saswafer.com



Disclaimer

This presentation has been prepared by Sino-American Silicon Products Inc. (the “Company”). This presentation and the materials provided herewith do not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in any jurisdiction or an inducement to enter into investment activity, nor may it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Any decision to purchase securities in a proposed offering should be made solely on the basis of the information contained in the offering circular published in relation to such proposed offering, if any.

The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. The information contained in this document should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the presentation. None of the Company nor any of its affiliates, advisors or representatives will be liable (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.



Executive Comments

1. COVID-19

- Supply chain disruption and quarantine policies imposed by various nations result in delayed solar installations.
- Damage magnitude for long-term is unclear since it depends on if the containment is effective.
- Pandemic-induced volatile market slightly impacted revenue, with aggressive cost control profitability improved.

2. 1H 2020

- Successful business transformation, superior operation strategy and onerous write-off in 2019 made SAS outperformed itself and peers.
- Semiconductor revenue from GlobalWafers contributed 90% of its revenue GWC, solar revenue share accounted for 10%.
- The fast-changing global situation and geopolitical friction triggered FX volatility and it is hard to predict

3. Dividend Policy

- 2019 Cash dividend of NTD 5 per share will be distributed on August 14th 2020, totaled NTD 2,931mn (USD 99mn)* with 130% payout ratio.
- Starting from 2020, dividend payout once every six months to smooth out the income stream for shareholders.

Note:

1. FX Rate: NTD:USD = 29.63

Executive Comments

4. Outlook

- In Taiwan, with the encouragement from government policies and favorable solar irradiance, the proportion of renewable energy in power generation has gradually increased.
- The explicit Renewable Energy Promotion Project announced by Bureau of Energy, Ministry of Economic Affairs aims to increase the installed photovoltaic power capacity in Taiwan to 6.5 GW by 2020.
- Various nations has policies and stimulate packages to revive the solar industry, the market is expected to be slowly recovered post COVID-19.
- Encouraged by RE100 program, many leading corporations are enlarging green energy portion and same emphases are also applied to their supply chain.

5. AWSC (Advanced Wireless Semiconductor Company)

- 6" GaAs Foundry.
- Key Technology: HBT, 0.5~0.15um pHEMT, VCSEL, SAW Filter, GaN for RF
- Through participation in AWSC's private placement, SAS acquires 22.53% shareholding over AWSC.
- Synergy:
 - ✓ SAS' strategic reinvestment in compound semiconductor materials.
 - ✓ Superior SiC substrates & GaN provided by GlobalWafers enable AWSC to capture more opportunities in 5G, 3D sensing.

Executive Comments

6. GWC

- Robust demand for WFH and medical electronics make 2Q better than 1Q.
- The logistic challenges resulted from COVID-19 outbreak and the subsequent restriction measures offset partial profits.
- Utilization
 - ✓ 8” – good
 - ✓ 12” – very good, demands for 12” advanced wafers are very strong.
- Cash flow from operations of NT\$ 6,175mn (US\$ 208mn)*¹ and cash*² of NT\$ 32,097mn (US\$ 1,083mn)*¹ reflect our correct operation strategy and emphasize the strength of our business model and financial moats.

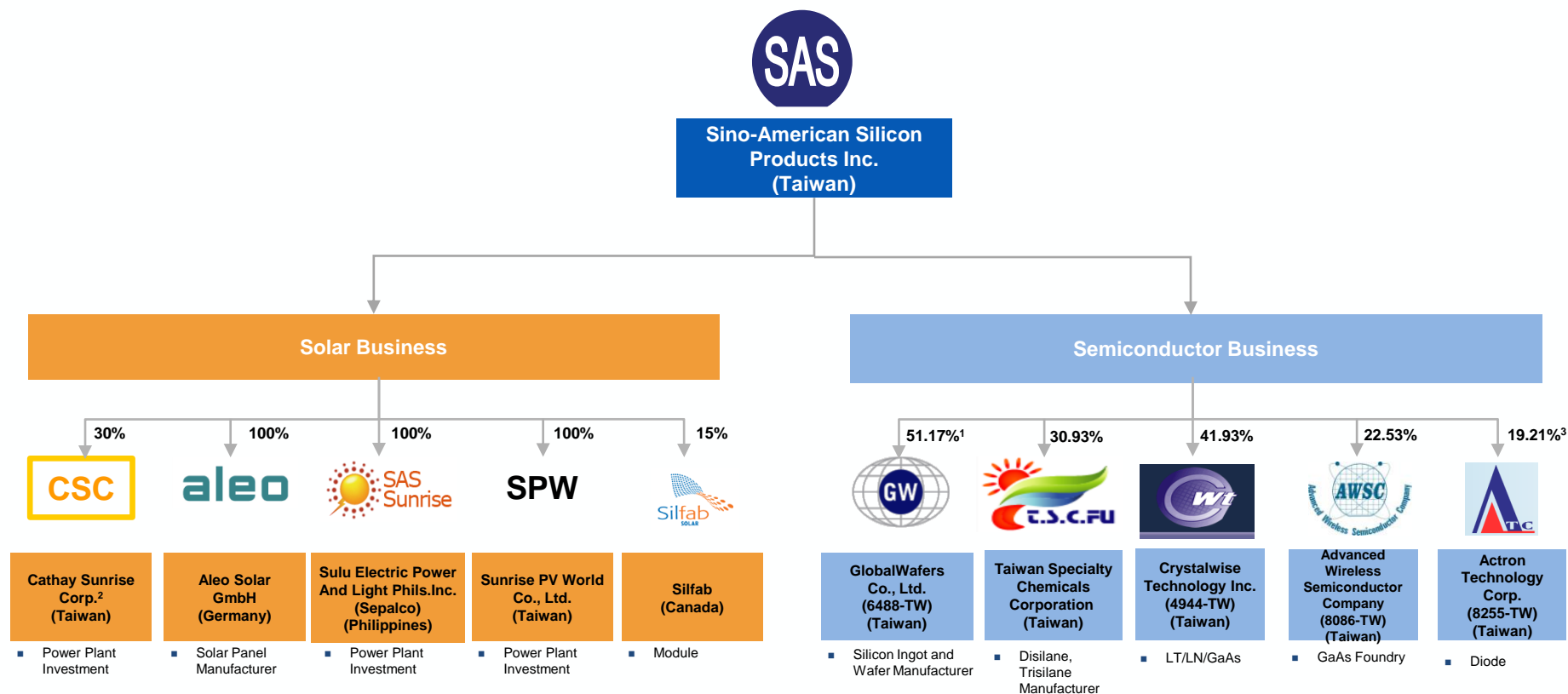
Note:

1. FX Rate: NTD:USD = 29.63

2. Cash = cash and the equivalent + restricted cash



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 End of June.



Reinvestment in AWSC

- AWSC (Advanced Wireless Semiconductor Company) is a GaAs HBT, D pHEMT, IPD, ED pHEMT, and ED BiHEMT pure foundry service company.
- Through participation in AWSC's private placement, SAS acquires 22.53% shareholding over AWSC, the reinvestment marks SAS' strategic deployment in compound semiconductor materials.

A Glance over Advanced Wireless Semiconductor Company (AWSC)

| Advanced Wireless Semiconductor Company (AWSC) | |
|--|--|
| ➤Capital | US\$ 65 Million |
| ➤Products | 6" GaAs Foundry <ul style="list-style-type: none">- HBT (PA)- ED pHEMT (SW/LNA)- VCSEL (3D Sensing) |
| ➤Quality | ISO9001/14000/IATF16949 Certified |
| ➤Strength | <ul style="list-style-type: none">- The cost-effective and reliable mainstream manufacturing process technology- Broad technologies and extensive experiences in wireless and optoelectronics applications- Profound expertise in pHEMT could be applied in GaN technology |
| ➤Synergy | <ul style="list-style-type: none">- Collaboration in developing GaN to quickly supply 5G, electric vehicles and other high-frequency and high-power products.- Construct a competitive compound semiconductor industry chain in Taiwan- Expand operation scale and improve operation performance |

Compound Semiconductor – SiC & GaN

- SiC & GaN leverage many important advantages over traditional silicon technology, conveniently exploited to fabricate ultra performance power device
- Will play a crucial role in the future of electronics owing to its potential in boosting power handling capability with better efficiency

GaN & SiC Features

SiC

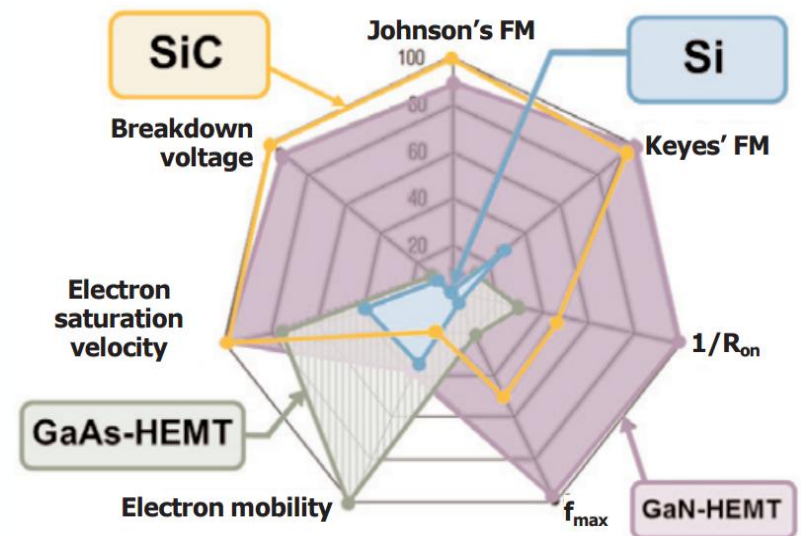
- Combine higher breakdown voltage with larger bandgap energy, capable of heat management and large current traffic.
- Exhibit high electro-thermal conductivity and fast-switching simultaneously, reducing conduction and frequency-switching loss.

GaN

- High breakdown field to operate at much higher voltages than other semiconductor devices
- Offer high power density and superior thermal conductivity, reliable in heat dissipation.
- Demonstrate great saturation velocity with large charge capability.

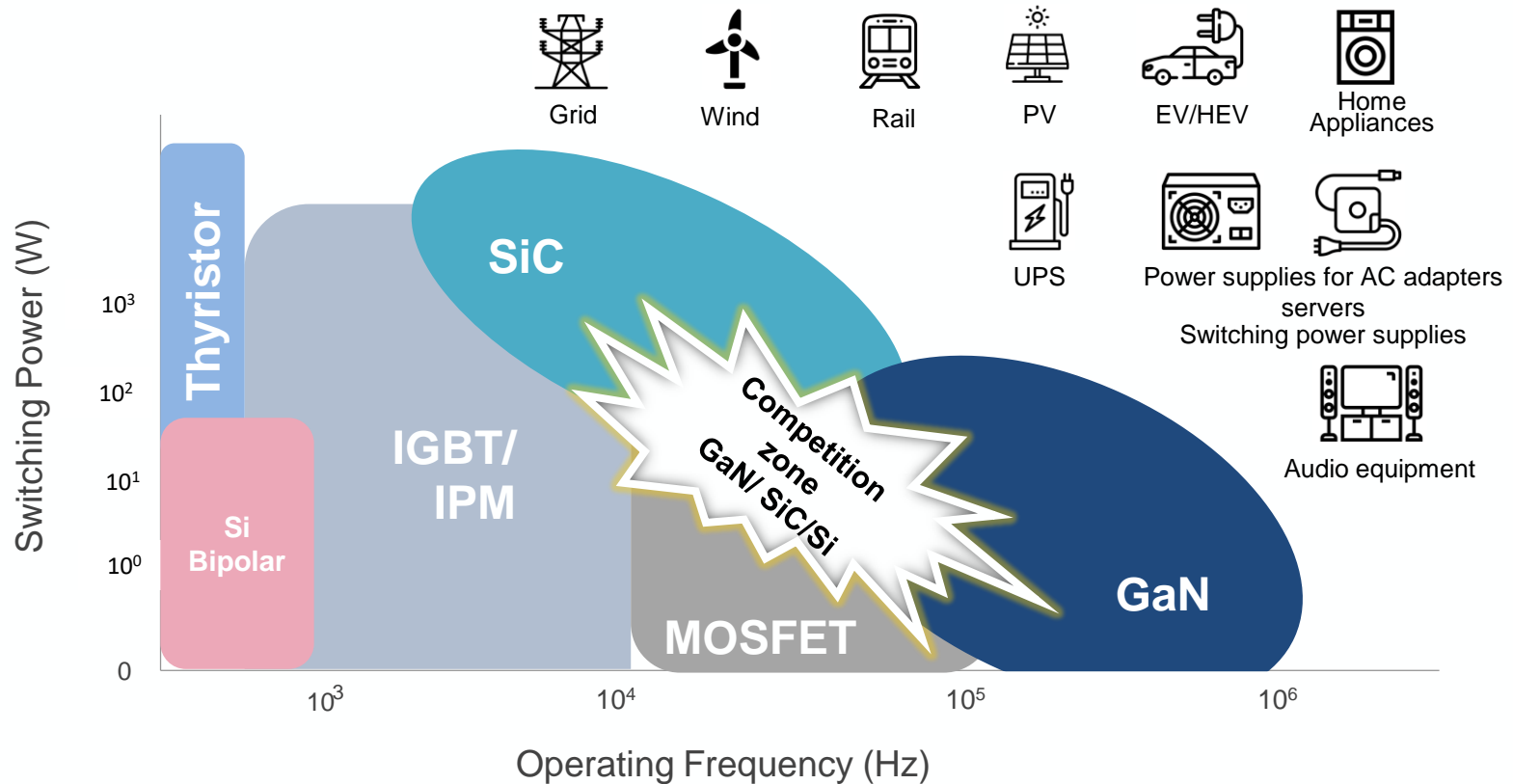
Source: OKI Semiconductor, May, 2014

Comparison of GaN/SiC/Si/GaAs High-Power RF Transistors



How SiC & GaN Captures Market Shares Over Incumbent Silicon Technologies

SiC & GaN vs. Silicon Technologies

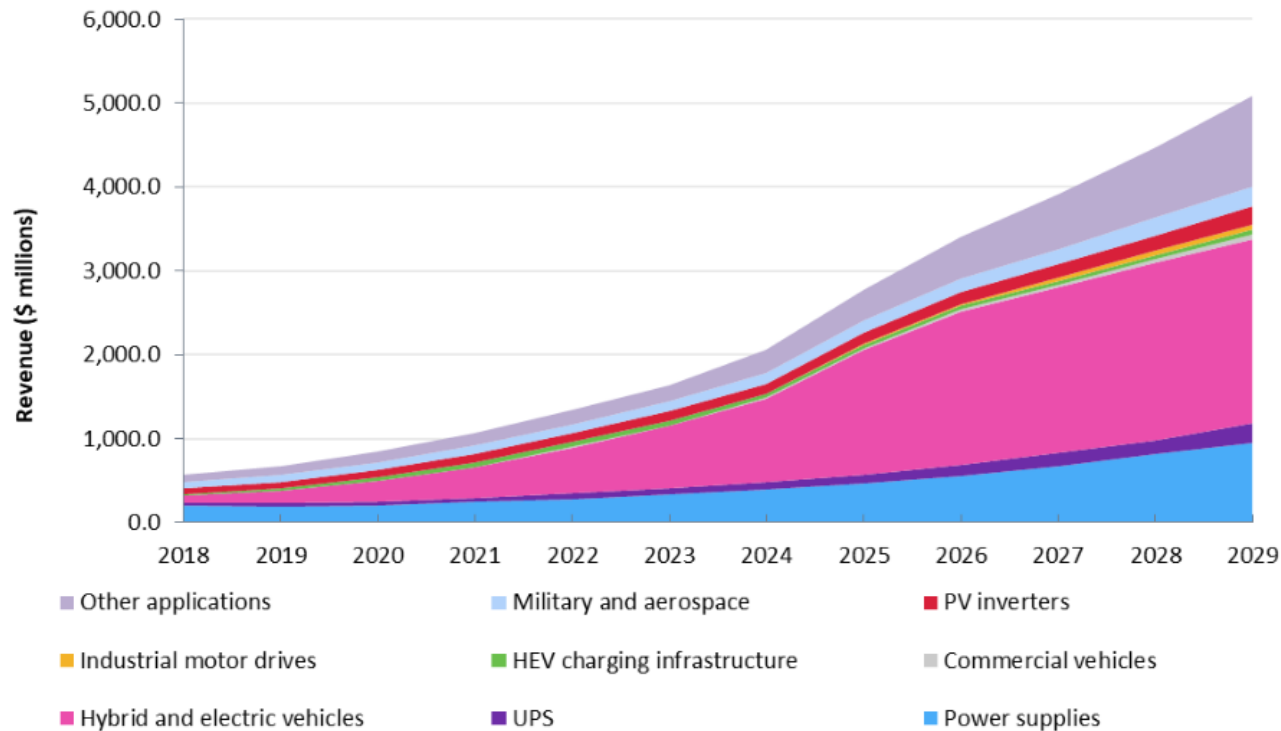


Source: Yole, 2018

SiC & GaN Power Semiconductor Market Forecast

- Research shows that the emerging market for SiC and GaN power semiconductors is forecast to rise to \$854 mn by the end of 2020, pass \$1 bn in 2021, and to increase at a double-digit annual rate to \$5 bn by 2029, energized by demand from hybrid & electric vehicles, power supplies, and photovoltaic (PV) inverters.

SiC & GaN Power Semiconductor Market Forecast by Application

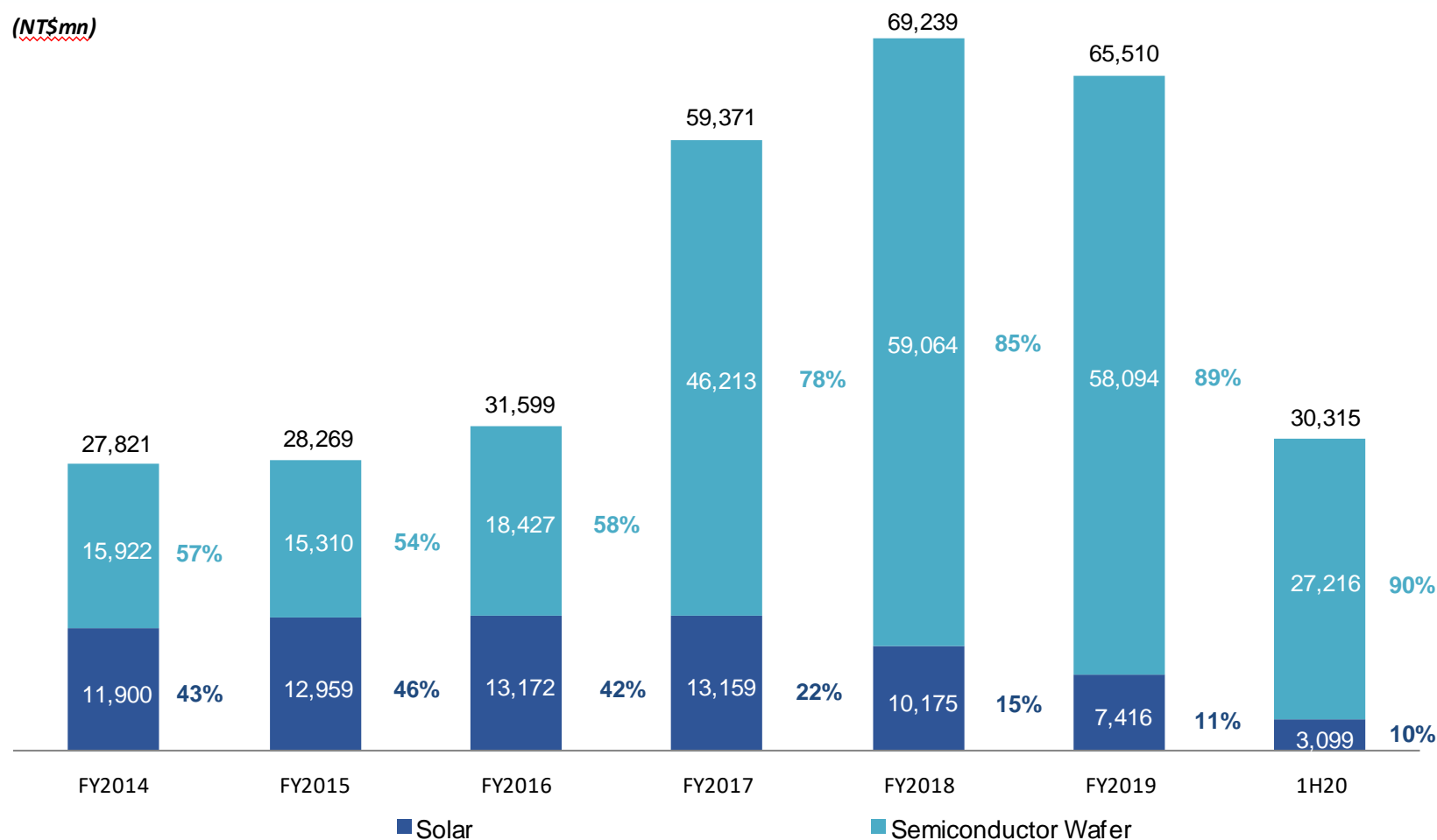


Source: Omdia, July, 2020



Group Revenue by Business

(NT\$mn)



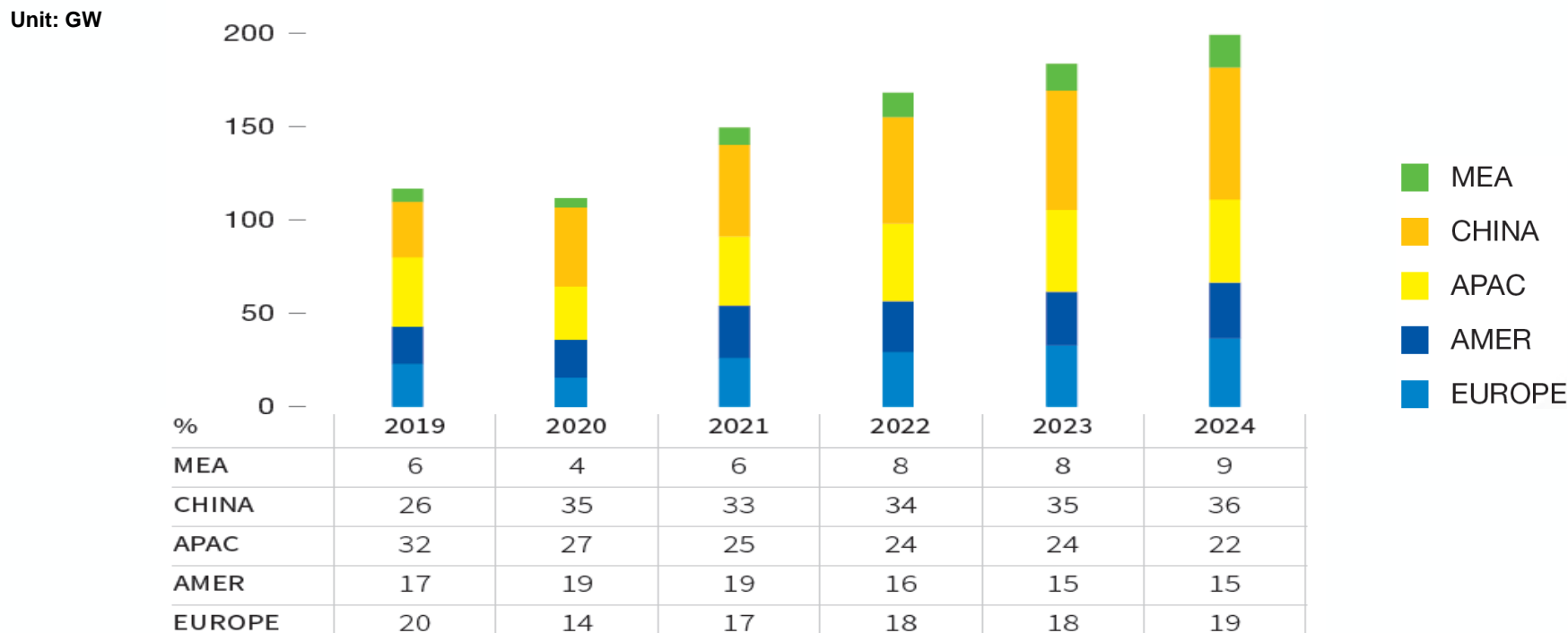


Industry Overview

Solar Expects Slow Recovery Post COVID-19

- Forecast shows that China and the rest of Asia-Pacific will continue to dominate global demand.
- Once the Chinese solar market programme restructuring is completed, scheduled for next year, the country is also expected to develop more smoothly as the major market in the world. In 2021, the overall market is expected to be recovered gradually as Europe is expected to grow its shares slightly, while the American Continent is estimated to slightly lose shares.

Evolution of Global Annual Solar PV Market Share Until 2024



Note:

1.MEA= Middle East and African region

2.AMER = the Americas

3.APAC=Asia-Pacific or Asia Pacific

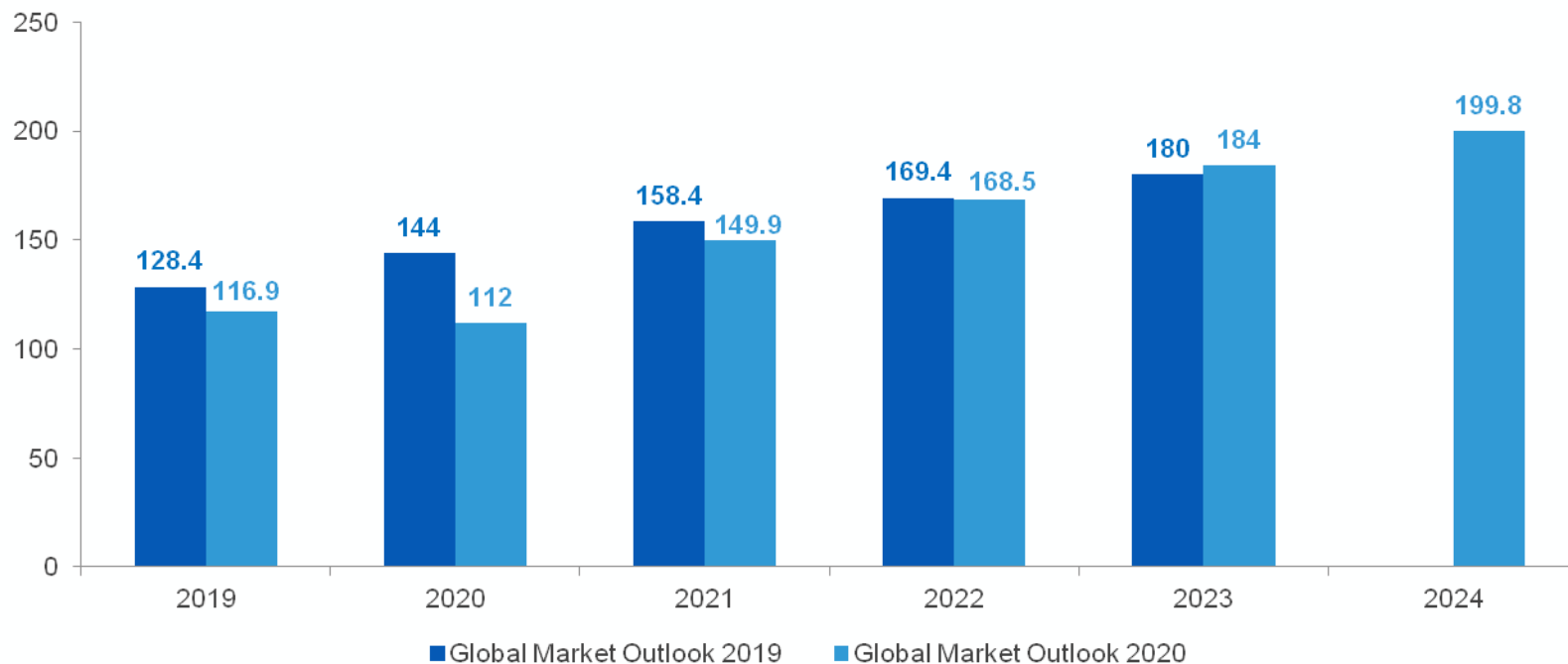
Source: Solar Power Europe, June 2020

Solar Global Market Outlook

- Government supports in solar industry as part of COVID-19 economic stimulus packages can be already seen around the world.
- The updated outlook of the global market shows a notable 34% growth rate to 150GW in 2021, anticipating significant governmental recovery support, but still 6% short of the previous forecast. Only in 2024 are the virus impacts expected to be fully left behind.

Comparison of Global Market Outlook 2019 v.s. 2020

Unit: GW



Source: Solar Power Europe, June 2020

Leading Enterprises Focusing on Renewable Energy

- World-leading companies partner with their suppliers to advance the use of clean energy so as to reduce product-related carbon emissions.

Clean Energy Program from Apple Inc.

Supplier Clean Energy

April 2019 Program Update

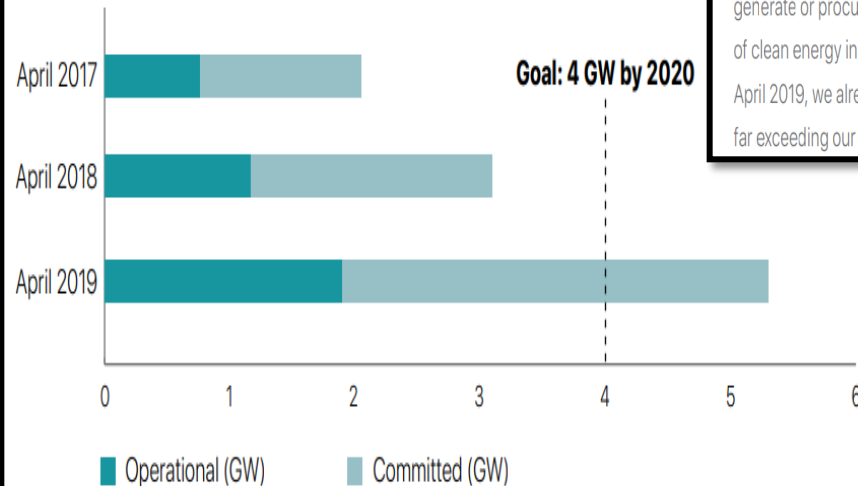
Supplier Commitments

As we continue transitioning our supply chain to clean energy, these 44 suppliers—including 15 new commitments in the past six months—have committed globally to producing Apple products with 100 percent clean energy:

- | | | |
|--------------------------------------|-------------------------------|------------------------|
| • Advanced International Multitech* | • Golden Arrow | • Quadrant |
| • Arkema | • H.B. Fuller* | • Quanta Computer |
| • AT&S* | • Hon Hai Precision Industry* | • RRD |
| • Bemis Associates* | • Ibiden | • RyPax |
| • Biel Crystal (HK) Manufactory Ltd. | • Jabil | • SanHuan* |
| • BOE* | • LEALEA Enterprise* | • SDK* |
| • Catcher Technology | • Lens Technology | • Solvay |
| • Compal Electronics | • Lishen | • STMicroelectronics* |
| • Corning Incorporated* | • Luxshare-ICT | • Sunway Communication |
| • COSMO* | • Mega Precision | • Sunwoda Electronics |
| • DSM Engineering Plastics | • Nidec* | • Taiyo Ink Mfg. Co. |
| • ECCO Leather | • Pegatron | • tesa SE |
| • Fastway Creation | • Primax Group | • TSMC* |
| • Finisar | • Qorvo | • Wistron |
| • Goertek* | | • Yuto |

*Suppliers that have committed to 100 percent renewable energy since publication of the last Program Update in October 2018.

Progress toward 4 gigawatts



4 GW


By 2020, Apple and our suppliers will generate or procure at least 4 gigawatts of clean energy in our supply chain. As of April 2019, we already have commitments far exceeding our goal.

Source: Apple Supplier Clean Program Update & Apple Environmental Responsibility Report, April 2019

TSMC Expands Renewable Energy Usage

- Up to the end of July 2020, TSMC signed renewable energy purchase agreements bringing TSMC total renewable energy capacity to 1.2GW.
- TSMC officially joined RE100 on July 27th to commit a long-term goal of supplying 100% of its power from renewable energy by 2050.

TSMC Purchased Renewable Energy in 2020 (Solar & Wind)

|  國家再生能源憑證中心 National Renewable Energy Certification Center | | | | |
|---|-----------------------------|----------------|----------------|-------------------------|
| 選擇年份 2020 | | | | |
| # | Seller Power Plant | Buyer | Type of Energy | Amount Of Certification |
| 1 | 華固能源股份有限公司 華固義隆地太陽光電廠 | 台灣積體電路製造股份有限公司 | Solar | 2146 |
| 2 | 台灣艾貴太陽能源股份有限公司 台灣艾貴義竹發電廠 | 台灣積體電路製造股份有限公司 | Solar | 8376 |

Ørsted 沃旭能源

Ørsted and TSMC sign the world's largest renewables corporate power purchase agreement

08.07.2020 15:00



Today, **Ørsted and Taiwan-based TSMC** have signed a corporate power purchase agreement (CPPA). TSMC will offtake the full production from Ørsted's **920MW Greater Changhua 2b & 4 offshore wind farm**, making it the largest-ever contract of its kind within renewable energy. The 20-year fixed-price contract period starts once Greater Changhua 2b & 4 reaches commercial operations in 2025/2026, subject to grid availability and Ørsted's final investment decision.

Note:




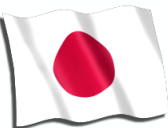
1. One energy certification = 1000 kWh

Source: National Renewable Energy Certification Center, July, 2020; Ørsted Energy, July, 2020

Stimulus Packages to Boost Solar Post COVID-19

- Many nations consider solar a benefactor in COVID-19 economic recovery packages, and launch various stimulus programs.

Stimulus Packages Around the World

| Nation | Stimulus Packages |
|---|--|
|  Malaysia | <ul style="list-style-type: none"> •A new tender for 1 GW_{AC} utility-scale solar capacity to be set up in Peninsular Malaysia. |
|  Switzerland | <ul style="list-style-type: none"> •The expansion of solar PV systems this year with 46 million CHF (48.5 million USD). |
|  European Commission | <ul style="list-style-type: none"> •The new Multiannual Financial Framework (MFF) <ul style="list-style-type: none"> ➢COVID-19 rescue fund of 2021-2027 ➢1,074.3 billion EUR (1,211.8 billion USD) ➢30% will be applied to natural resources and the environment •Next Generation EU: <ul style="list-style-type: none"> ➢a two-year 750 billion EUR (846 billion USD) COVID-19 recovery instrument ➢Partial fund will be used to roll out solar energy projects across member states |
|  Japan | <ul style="list-style-type: none"> •Launching of the economic stimulus package of almost 1 billion USD to support corporate PPAs to facilitate. |

Note:

1.GW_{AC} = Gigawatts in Alternating Current

2.PPAs = Power Purchase Agreements

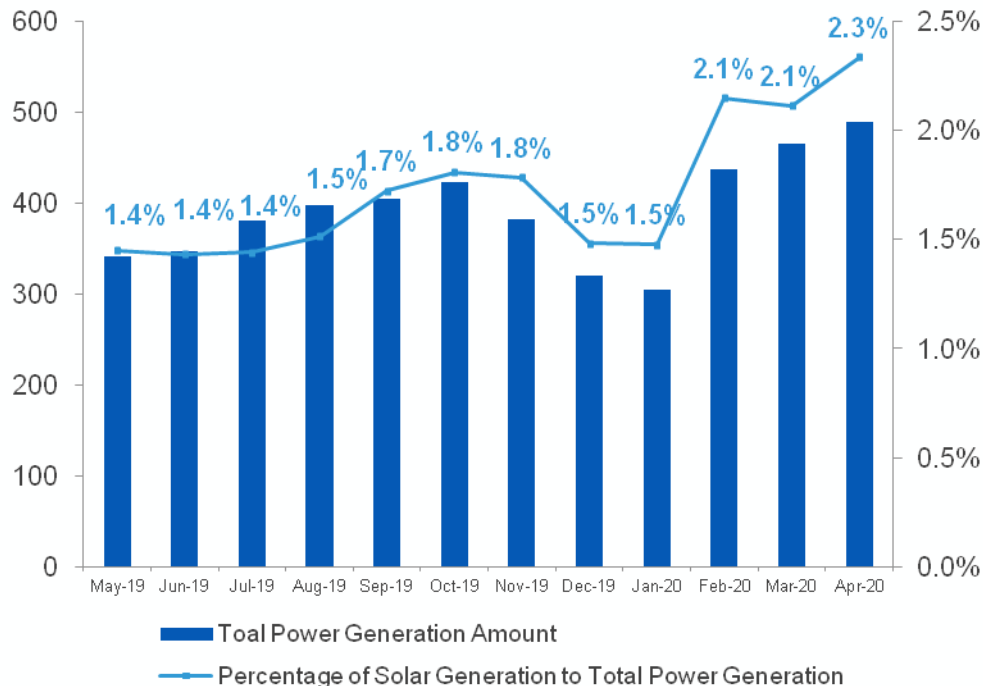
Source: Solar Power Europe, June 2020, EU News, July 2020

Solar Becomes One of the Primary Alternative Energy in Taiwan

- With policies and incentives introduced by Taiwan government and the favorable high level of solar irradiance, solar power generation is scaling up. In summer noon, solar comprises more than 5% of Taiwan's total generation, and it is likely to become norm.

Solar Power vs. Taiwan Total Power Generation (Per month)

Unit: GWh

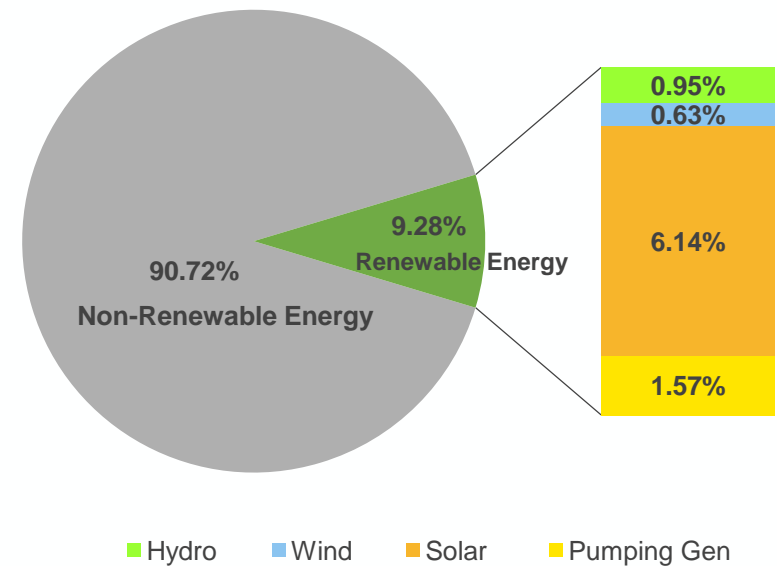


Note:

1. Statistics are the average from July 10, 2020 to July 17, 2020 at midday.

Source: Bureau of Energy Ministry of Economic Affairs & Taiwan Power Company, Summarized by SAS

Solar Power Weights in Taiwan's Total Generation (at July midday) ¹

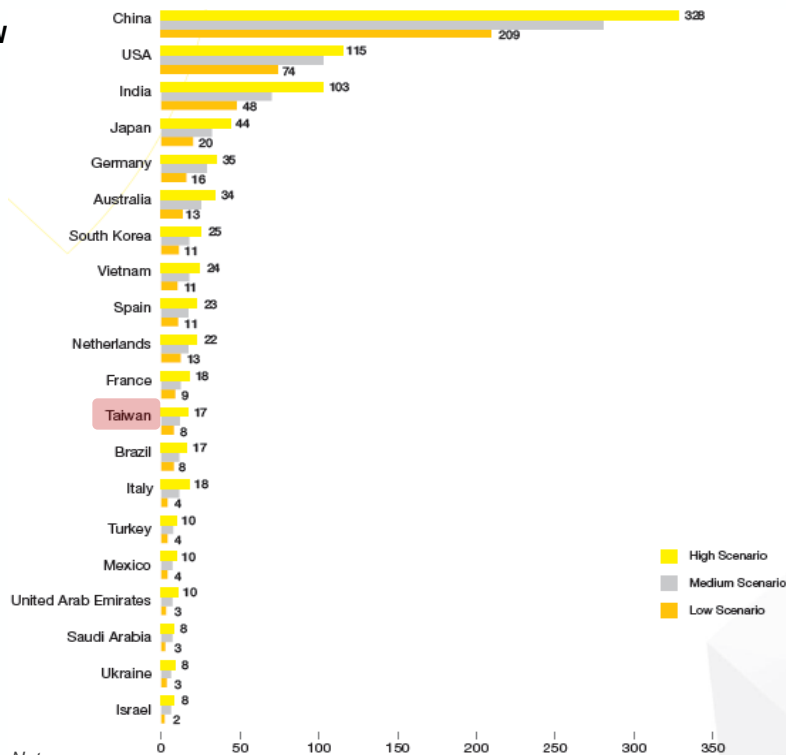


Promising Solar PV Market in Taiwan

- The research expects Taiwan solar PV market to reach the growth rate of 31% from 2020 to 2024. The promising market demonstrates the determination of the Taiwan Government to promote renewable energy and to reduce reliance on conventional power sources such as coal and nuclear.

Top 20 Markets Solar PV Additions 2020-2024

Unit: GW



Note:

1. The Medium Scenario: The scenario anticipates the most likely development given the current state of play of the market.
2. The Low Scenario: The forecast is based on the assumption that policymakers halt solar support and other issues arise, including interest rate hikes and severe financial crisis situations.
3. The High Scenario: The forecasts the best optimal case in which policy support, financial conditions and other factors are enhanced.

Source: Solar Power Europe, June 2020

Top Global Solar PV Markets' Prospects

| | 2019 TOTAL CAPACITY (MW) | 2024 TOTAL CAPACITY MEDIUM SCENARIO BY 2024 (MW) | 2020 - 2024 NEW CAPACITY (MW) | 2020 - 2024 COMPOUND ANNUAL GROWTH RATE (%) | POLITICAL SUPPORT PROSPECTS |
|----------------------|--------------------------------|---|-------------------------------------|--|-----------------------------------|
| China | 205 187 | 485 987 | 280 800 | 19% | ☀️ |
| United States | 76 119 | 178 869 | 102 750 | 19% | ☀️ |
| India | 42 031 | 111 881 | 69 850 | 22% | ☀️ |
| Japan | 62 951 | 95 076 | 32 125 | 9% | ☀️☁️ |
| Germany | 49 729 | 78 643 | 28 914 | 10% | ☀️ |
| Australia | 15 977 | 40 168 | 24 191 | 20% | ☀️☁️ |
| South Korea | 10 872 | 28 456 | 17 584 | 21% | ☀️ |
| Vietnam | 6 458 | 23 720 | 17 262 | 30% | ☀️ |
| Spain | 10 641 | 27 734 | 17 093 | 21% | ☀️ |
| Netherlands | 6 559 | 23 495 | 16 936 | 29% | ☀️ |
| France | 9 874 | 22 033 | 12 159 | 17% | ☀️ |
| Taiwan | 4 151 | 15 977 | 11 826 | 31% | ☀️ |
| Brazil | 4 460 | 15 935 | 11 475 | 29% | ☀️ |
| Italy | 20 600 | 31 904 | 11 304 | 9% | ☀️☁️ |
| Turkey | 5 994 | 13 139 | 7 145 | 17% | ☁️☔️ |
| Mexico | 4 940 | 11 863 | 6 923 | 19% | ☔️☔️ |
| United Arab Emirates | 2 009 | 8 789 | 6 780 | 34% | ☀️ |
| Saudi Arabia | 478 | 7 185 | 6 707 | 72% | ☀️ |
| Ukraine | 5 937 | 12 058 | 6 121 | 15% | ☀️ |
| Israel | 2 104 | 7 999 | 5 895 | 31% | ☀️ |



SAS Consolidated Performance Update



Financial Highlights

➤ **SAS financial structure is healthy with promising future via reinvestment on strategic business and onerous write-off on polysilicon LTA last year.**

➤ **2Q20**

✓ **Net income attributed to the parent company with NTD 1,516 mn - 3rd BEST!**

➤ **1H20**

✓ **Net income attributed to the parent (NTD 2,900 mn) - BEST EVER!**

✓ **Gross Profit & Operating Profit & EPS - 2nd BEST!**



Financial Highlight : 2Q20 vs. 1Q20

| (NT\$m) | 2Q20 | 1Q20 | QoQ |
|--------------------------------|----------|----------|----------|
| Revenue | 15,037 | 15,278 | (2%) |
| EBITDA* ¹ | 5,539 | 5,095 | 9% |
| EBITDA % | 36.8% | 33.4% | 3.4% |
| EBIT | 4,123 | 3,766 | 10% |
| Operating Profit | 4,038 | 3,706 | 9% |
| Operating Profit % | 26.9% | 24.3% | 2.6% |
| Net Profit | 3,172 | 2,787 | 14% |
| Net Profit % | 21.1% | 18.2% | 2.9% |
| EPS | NT\$2.59 | NT\$2.37 | NT\$0.22 |
| ROE* ² (annualized) | 28.9% | 24.5% | 4.4% |
| ROA* ³ (annualized) | 11.8% | 10.3% | 1.5% |

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



Financial Highlight : 1H20 vs. 1H19

| (NT\$m) | 1H20 | 1H19 | YoY |
|--------------------------------|----------|------------|----------|
| Revenue | 30,315 | 34,161 | (11%) |
| EBITDA* ¹ | 10,634 | 8,357 | 27% |
| EBITDA % | 35.1% | 24.5% | 10.6% |
| EBIT | 7,889 | 5,722 | 38% |
| Operating Profit | 7,744 | 5,687 | 36% |
| Operating Profit % | 25.5% | 16.6% | 8.9% |
| Net Profit | 5,959 | 3,164 | 88% |
| Net Profit % | 19.7% | 9.3% | 10.4% |
| EPS | NT\$4.96 | (NT\$0.76) | NT\$5.72 |
| ROE* ² (annualized) | 25.4% | 13.7% | 11.7% |
| ROA* ³ (annualized) | 11.1% | 6.1% | 5.0% |

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



Financial Highlight : 1H20 vs. 2H19

| (NT\$m) | 1H20 | 2H19 | YoY |
|--------------------------------|----------|----------|----------|
| Revenue | 30,315 | 31,349 | (3%) |
| EBITDA* ¹ | 10,634 | 10,310 | 3% |
| EBITDA % | 35.1% | 32.9% | 2.2% |
| EBIT | 7,889 | 6,327 | 25% |
| Operating Profit | 7,744 | 7,828 | (1.1%) |
| Operating Profit % | 25.5% | 25.1% | 0.4% |
| Net Profit | 5,959 | 5,731 | 4% |
| Net Profit % | 19.7% | 18.3% | 1.4% |
| EPS | NT\$4.96 | NT\$4.62 | NT\$0.34 |
| ROE* ² (annualized) | 25.4% | 24.6% | 0.8% |
| ROA* ³ (annualized) | 11.1% | 10.6% | 0.5% |

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

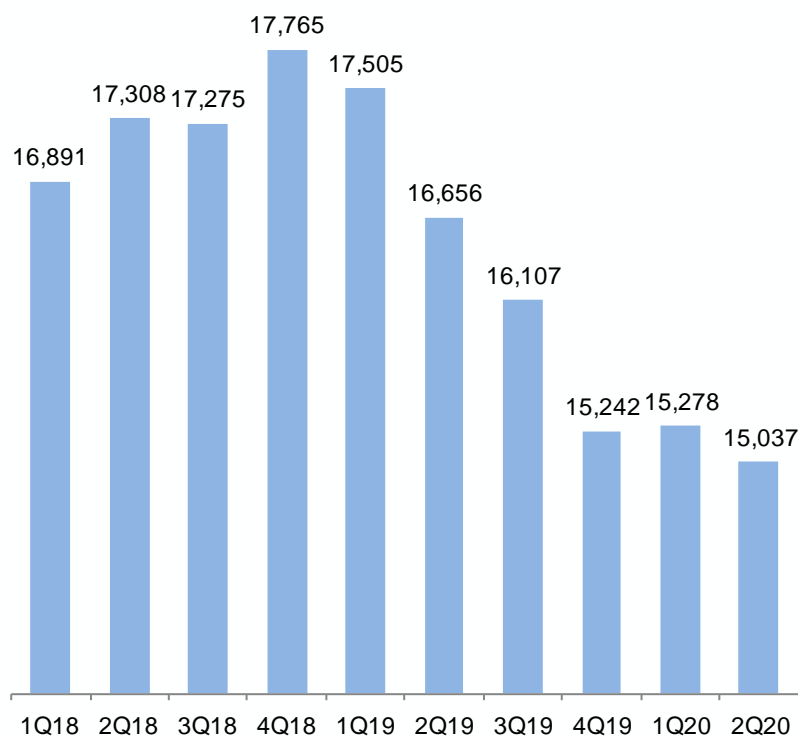
2. ROE = Net Profit / Average Shareholders Equity

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

Revenue

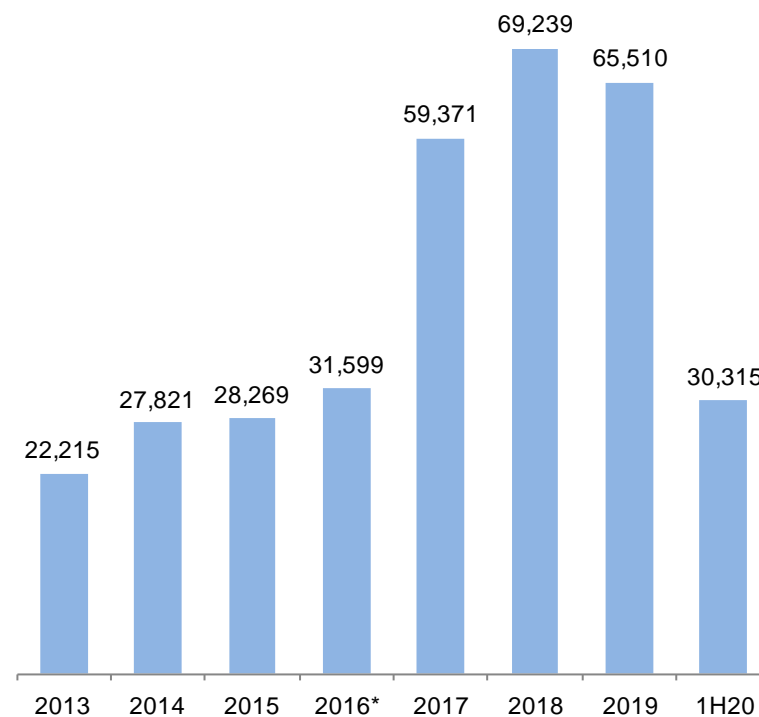
Quarterly

(NT\$mn)



Annual

(NT\$mn)



Note:

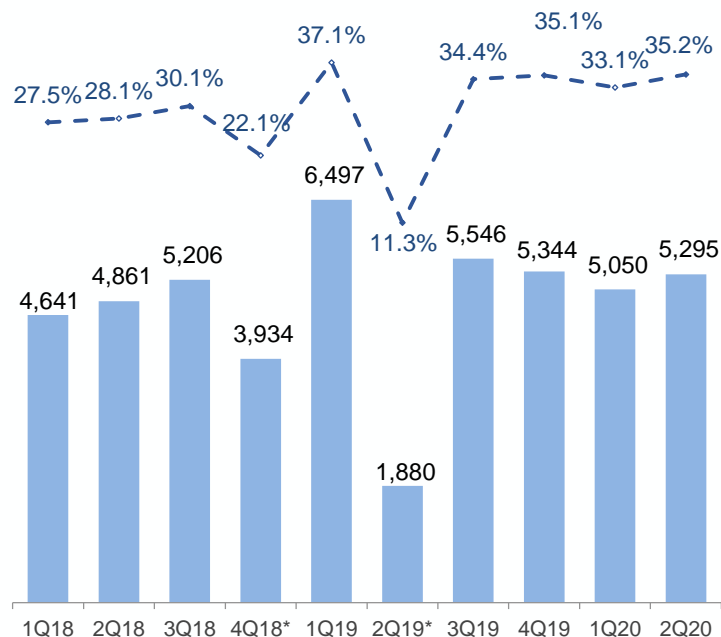
1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 full year revenue was restated.

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

Gross Profit

Quarterly

(NT\$mn)

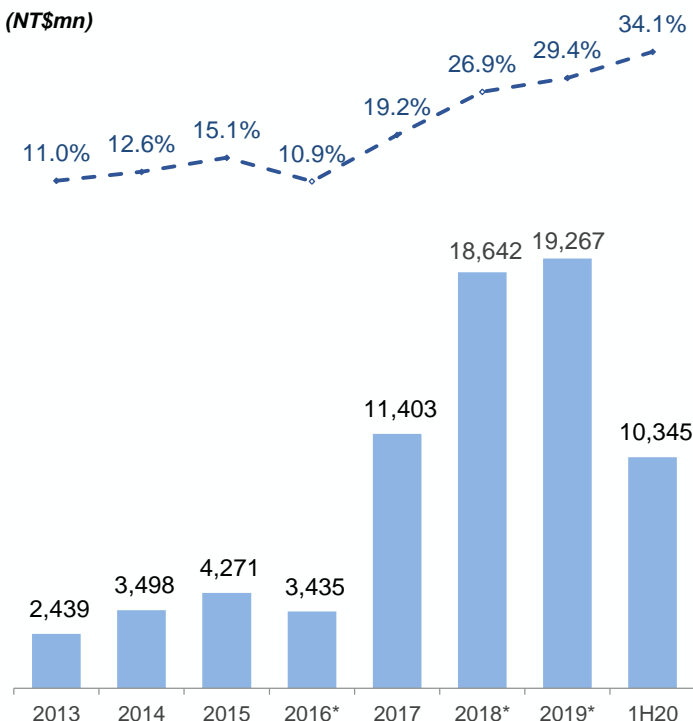


■ Gross Margin

- - - GM%

Annual

(NT\$mn)



■ Gross Margin

- - - GM%

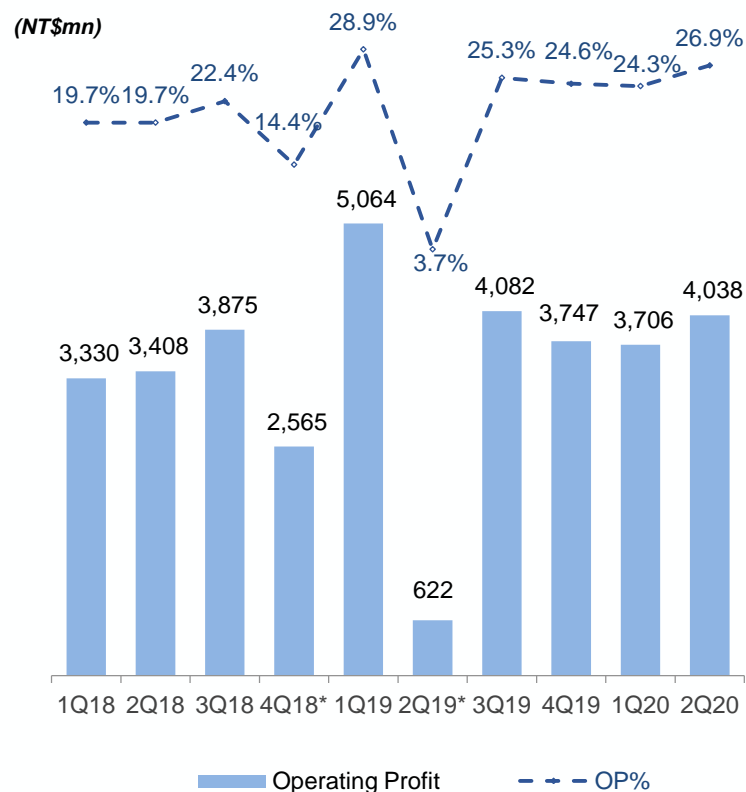
Note:

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.

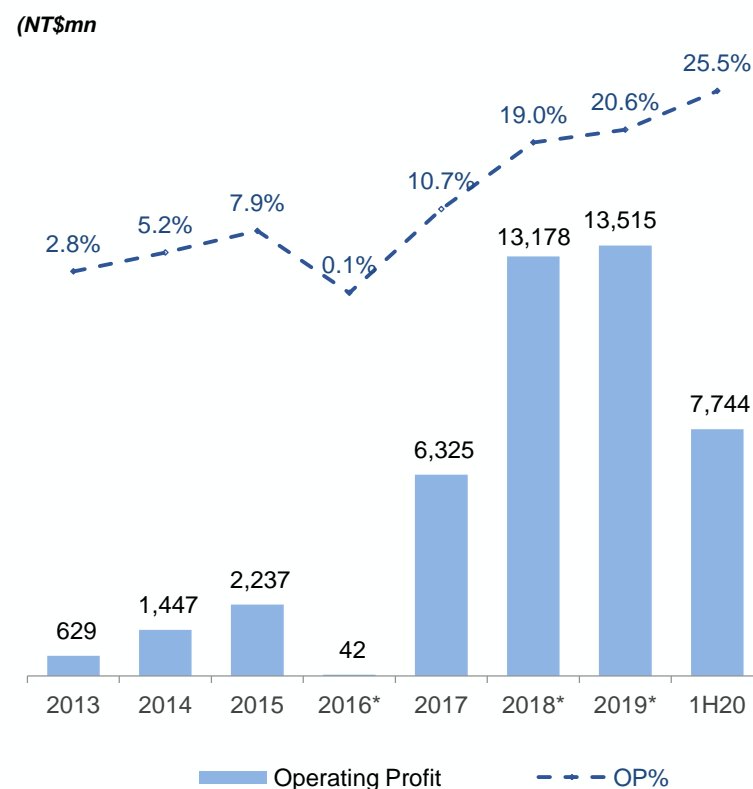
2. Impairment of assets and onerous contract provision were recognized in 4Q18 & 2Q19 respectively

Operating Profit

Quarterly



Annual



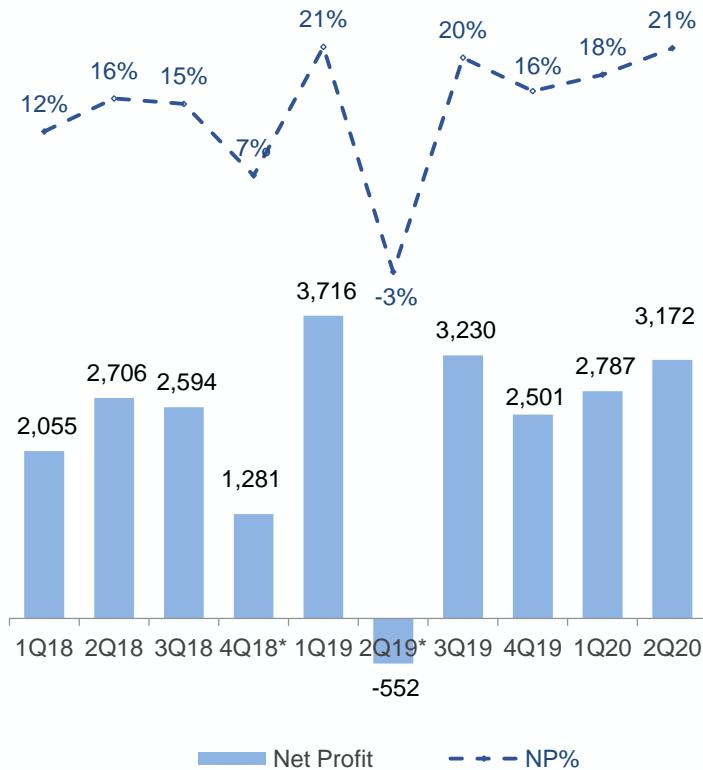
Note:

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

Net Profit

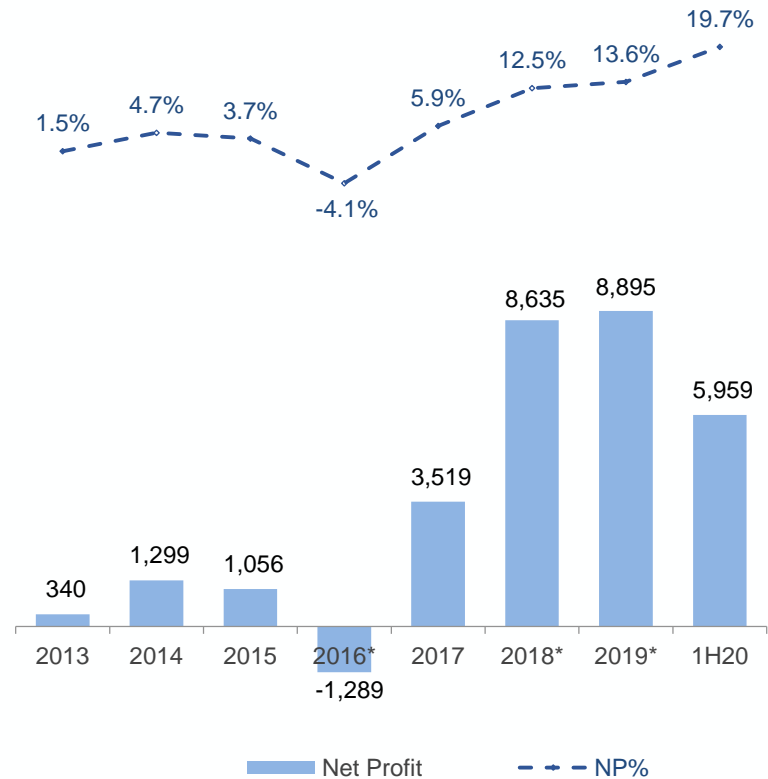
Quarterly

(NT\$mn)



Annual

(NT\$mn)



Note:

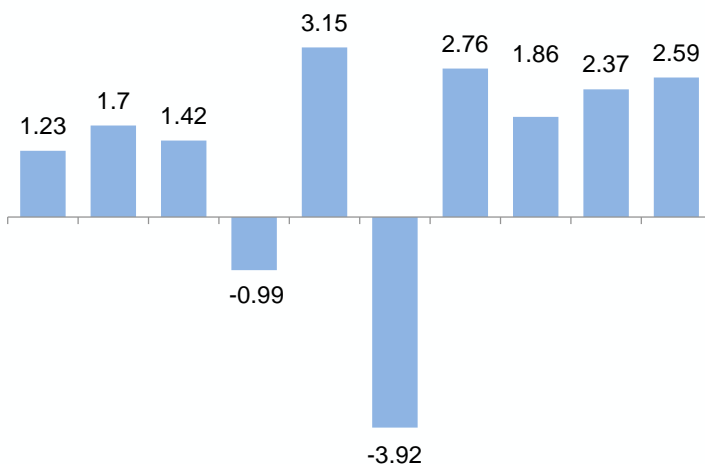
1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.
2. Impairment of assets and onerous contract provision were recognized in 4Q18 & 2Q19 respectively



EPS

Quarterly

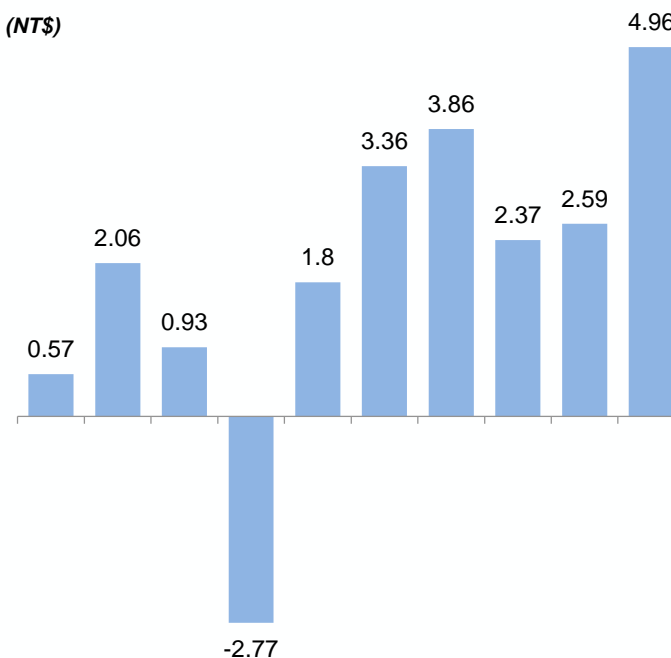
(NT\$)



1Q18 2Q18 3Q18 4Q18* 1Q19 2Q19* 3Q19 4Q19 1Q20 2Q20

Annual

(NT\$)



2013 2014 2015 2016 2017 2018 2019 1Q20 2Q20 1H20

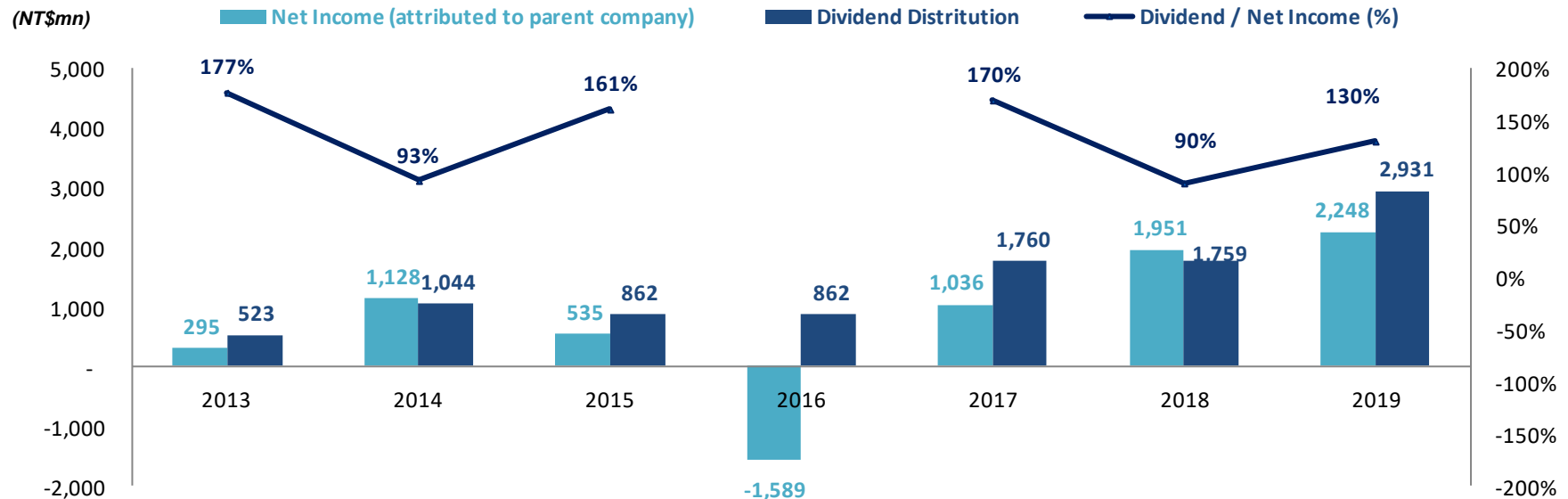
Note:

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

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

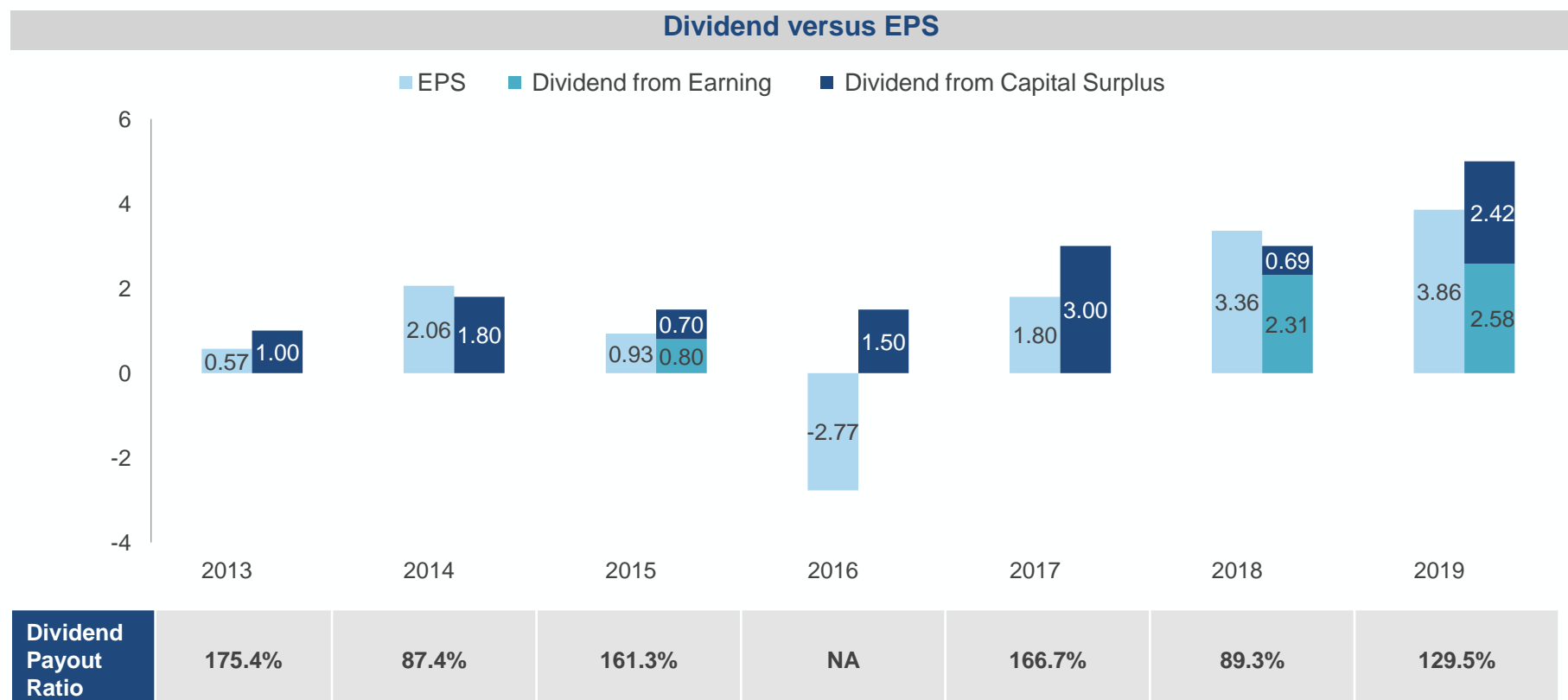


* 2019 dividend payout was subject and approved by AGM on June 24, 2020, and will be distributed on August 14th, 2020.



Dividend Payout

- SAS is committed to provide a stable dividend payout



* 2019 dividend payout was subject and approved by AGM on June 24, 2020, and will be distributed on August 14th, 2020.



Income Statement

Income statement

| (NT\$mn) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 1Q20 | 2Q20 | 1H20 |
|-------------------------------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 22,215 | 27,821 | 28,269 | 31,599 | 59,371 | 69,239 | 65,510 | 15,278 | 15,037 | 30,315 |
| <i>Growth (%)</i> | <i>20.8%</i> | <i>25.2%</i> | <i>1.6%</i> | <i>11.8%</i> | <i>87.9%</i> | <i>16.6%</i> | <i>(5.4%)</i> | <i>0.2%</i> | <i>(1.6%)</i> | <i>(3.3%)</i> |
| Gross Profit | 2,439 | 3,498 | 4,271 | 3,435 | 11,403 | 18,642 | 19,267 | 5,050 | 5,295 | 10,345 |
| <i>Gross Profit Margin (%)</i> | <i>11.0%</i> | <i>12.6%</i> | <i>15.1%</i> | <i>10.9%</i> | <i>19.2%</i> | <i>26.9%</i> | <i>29.4%</i> | <i>33.1%</i> | <i>35.2%</i> | <i>34.1%</i> |
| EBITDA | 4,058 | 4,214 | 4,184 | 2,052 | 11,741 | 19,030 | 18,668 | 5,095 | 5,539 | 10,634 |
| <i>EBITDA Margin (%)</i> | <i>18.3%</i> | <i>15.1%</i> | <i>14.8%</i> | <i>6.5%</i> | <i>19.8%</i> | <i>27.5%</i> | <i>28.5%</i> | <i>33.4%</i> | <i>36.8%</i> | <i>35.1%</i> |
| Operating Profit | 629 | 1,447 | 2,236 | 42 | 6,325 | 13,178 | 13,515 | 3,706 | 4,038 | 7,744 |
| <i>Operating Profit Margin (%)</i> | <i>2.8%</i> | <i>5.2%</i> | <i>7.9%</i> | <i>0.1%</i> | <i>10.7%</i> | <i>19.0%</i> | <i>20.6%</i> | <i>24.3%</i> | <i>26.9%</i> | <i>25.5%</i> |
| Profit before Tax | 128 | 1,925 | 1,960 | (856) | 5,126 | 13,318 | 13,924 | 3,838 | 4,201 | 8,039 |
| <i>Profit before Tax Margin (%)</i> | <i>0.6%</i> | <i>6.9%</i> | <i>6.9%</i> | <i>(2.7%)</i> | <i>8.6%</i> | <i>19.2%</i> | <i>21.3%</i> | <i>25.1%</i> | <i>27.9%</i> | <i>26.5%</i> |
| Net Profit | 340 | 1,299 | 1,056 | (1,289) | 3,519 | 8,635 | 8,895 | 2,787 | 3,172 | 5,959 |
| <i>Net Profit Margin (%)</i> | <i>1.5%</i> | <i>4.7%</i> | <i>3.7%</i> | <i>(4.1%)</i> | <i>5.9%</i> | <i>12.5%</i> | <i>13.6%</i> | <i>18.2%</i> | <i>21.1%</i> | <i>19.7%</i> |
| EPS (NT\$) | 0.57 | 2.06 | 0.93 | (2.77) | 1.80 | 3.36 | 3.86 | 2.37 | 2.59 | 4.96 |

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\$mn) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 1Q20 | 1H20 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | | | | |
| Cash and cash equivalents | 3,682 | 5,391 | 5,902 | 9,269 | 20,343 | 36,829 | 34,901 | 29,747 | 27,699 |
| Account receivable | 4,064 | 5,019 | 6,204 | 8,560 | 8,830 | 9,881 | 8,507 | 9,109 | 8,744 |
| Inventories | 4,416 | 1,607 | 5,749 | 9,708 | 10,048 | 7,881 | 7,398 | 7,206 | 7,719 |
| Property, plant and equipment | 16,098 | 15,244 | 18,905 | 41,398 | 37,529 | 37,439 | 40,277 | 41,188 | 42,536 |
| Other assets | 11,414 | 13,627 | 9,427 | 14,079 | 12,593 | 11,955 | 18,300 | 21,993 | 20,344 |
| Total assets | 39,674 | 40,887 | 46,186 | 83,014 | 89,343 | 103,985 | 109,383 | 109,243 | 107,042 |
| Liabilities | | | | | | | | | |
| Short-term loan | 2,576 | 3,486 | 2,676 | 17,704 | 14,367 | 9,335 | 11,465 | 11,164 | 5,996 |
| Account payable | 2,754 | 2,713 | 2,932 | 6,328 | 5,352 | 5,236 | 4,180 | 4,190 | 4,404 |
| Long term loan | 4,373 | 3,807 | 2,546 | 16,357 | 5,034 | 2,040 | 0 | 0 | 1,312 |
| Other liabilities | 9,385 | 9,299 | 9,464 | 15,399 | 20,814 | 39,460 | 45,122 | 51,475 | 49,981 |
| Total liabilities | 19,088 | 19,304 | 17,617 | 55,787 | 45,566 | 56,071 | 60,767 | 66,829 | 61,693 |
| Shareholder Equity | 20,586 | 21,583 | 28,570 | 27,227 | 43,777 | 47,914 | 48,616 | 42,414 | 45,349 |

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
3. Account receivables include account receivables from related parties.
4. Account payables include account payables from related parties.



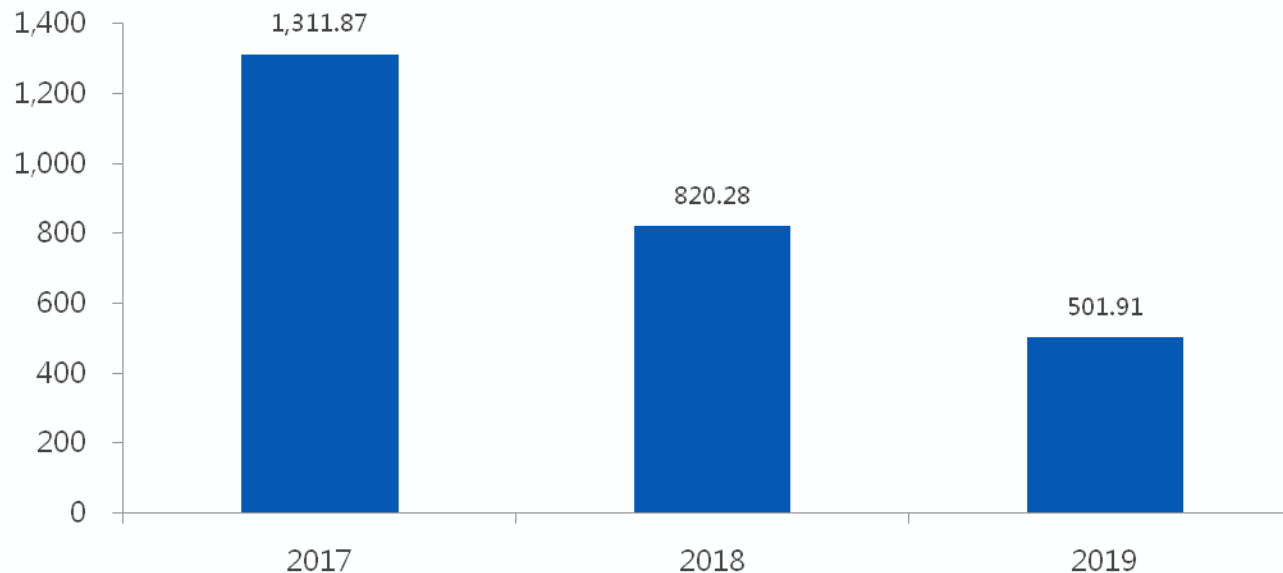
ESG Highlights

Water Resources Management

- SAS is fully committed to recycling (including rainwater and process water) and reuse.
- 2019 water recycle rate*¹ achieved 50%.
- Our total water withdrawal quantity in 2019 was 501.91 Km³, decreased greatly compared with 1,311.87 Km³ in 2017, mainly because of the effective water conservation measures.

Water Withdrawal Quantity

Unit:Km³



Note:

1. Water Recycling Rate = Volume of recycled water ÷ Total volume of water withdrawn.

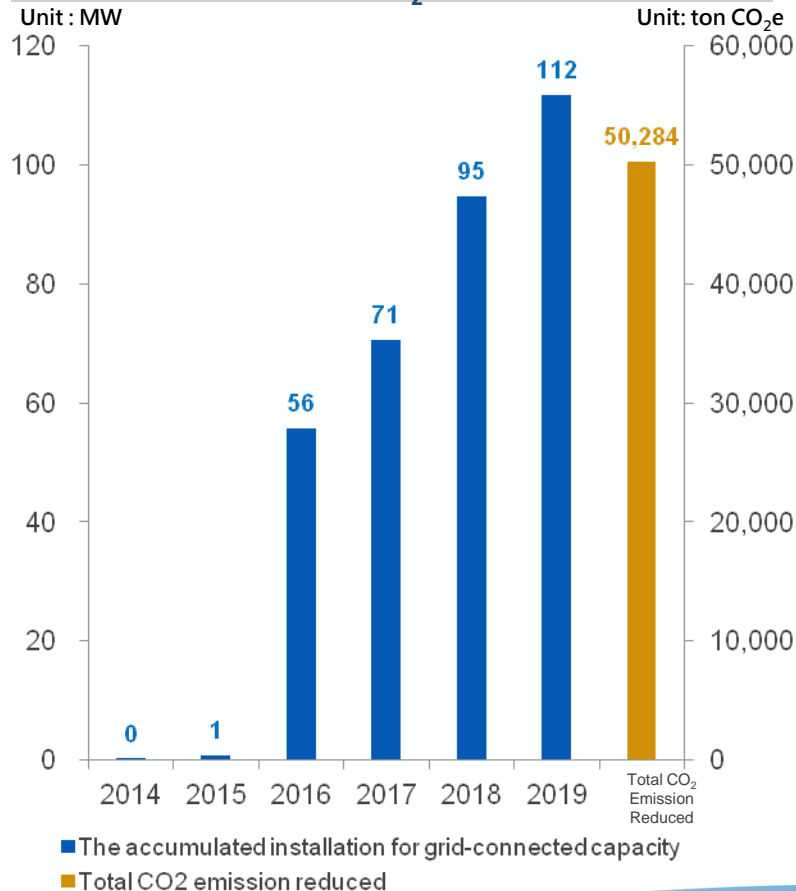
2. The calculation scope in 2017 covered Chunan Branch (Plant 1 and Plant 2) and Yilan Branch (Plant 1, Plant 2 and Plant 3)

3. In 2018, the Chunan Branch Plant 1 and the Yilan Branch Plant 2 were closed in 2018. The calculation scope covered Chunan Branch (formerly Plant 2) and Yilan Branch (Plant 1 and Plant 3).

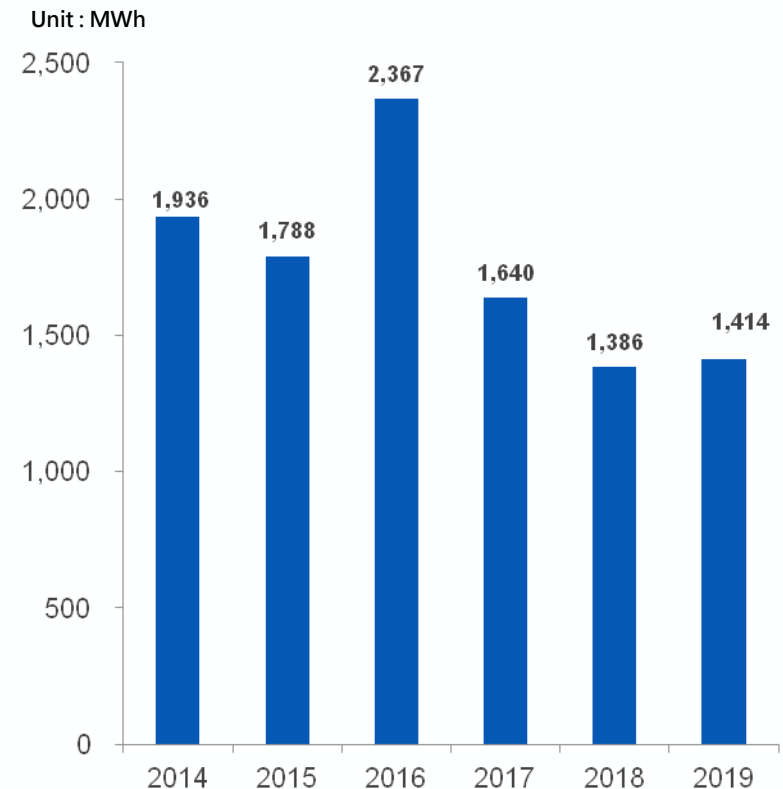
Energy Management

- The accumulated installation for grid-connected capacity exceeded 111.65MW and reduced the CO₂ emission by 50,284 tons.

Power Installation from Power Plant Built by SAS & the Total CO₂ Emission Reduced



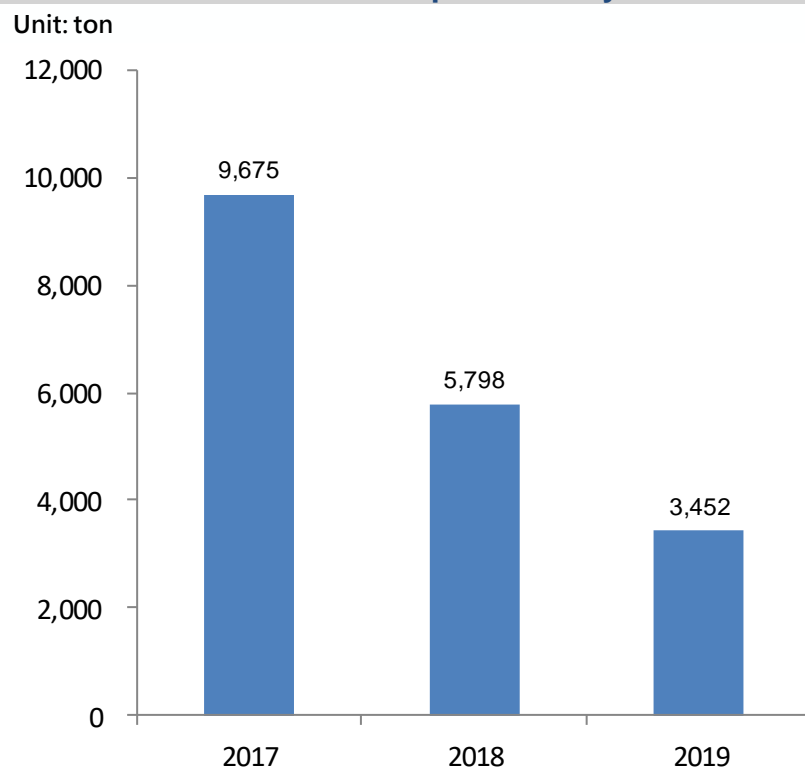
Electricity Needed for Generating NTD 100mn



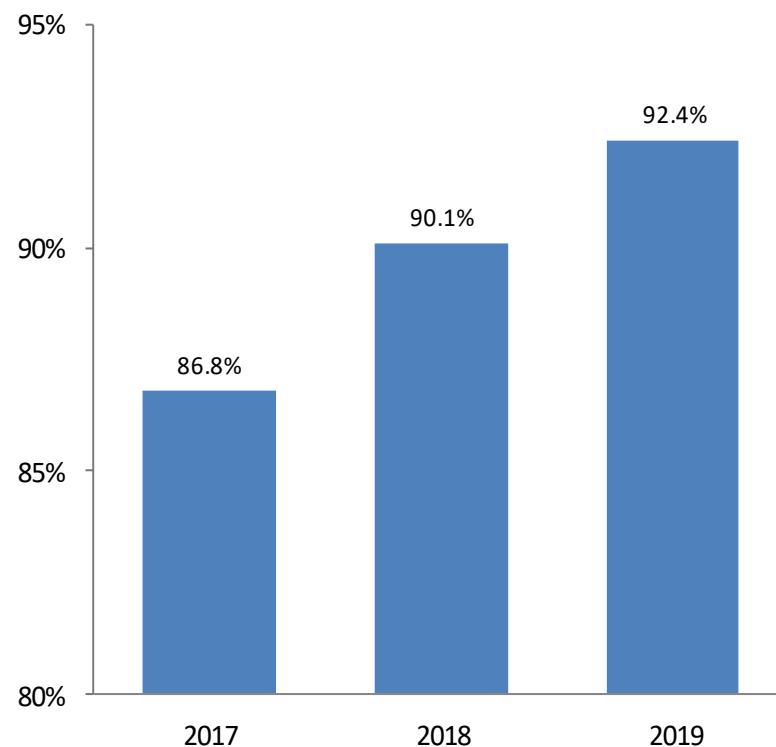
Waste Management

- SAS establishes internal waste management procedure to reduce the waste output quantity effectively.
- SAS is committed to improving reuse and recycle, resources reuse ratio achieved 92.4% in 2019.

Waste Output Quantity



Resources Reuse Ratio*1



Note:

1. Resource Reuse ratio = Reused materials(ton)/total waste output(ton)

2. The calculation scope in 2017 covered Chunan Branch (Plant 1 and Plant 2) and Yilan Branch (Plant 1, Plant 2 and Plant 3)

3. In 2018, the Chunan Branch Plant 1 and the Yilan Branch Plant 2 were closed in 2018. The calculation scope covered Chunan Branch (formerly Plant 2) and Yilan Branch (Plant 1 and Plant 3).

Ethical Business Practice



Legal Compliance

Achieve compliance with local legal requirements and international standards.

Codes of Ethical Conduct

Formulate guidelines to be observed by all directors, managers and staff members.

Risk Assessment

Establish risk assessment mechanism, analyze and evaluate periodically.

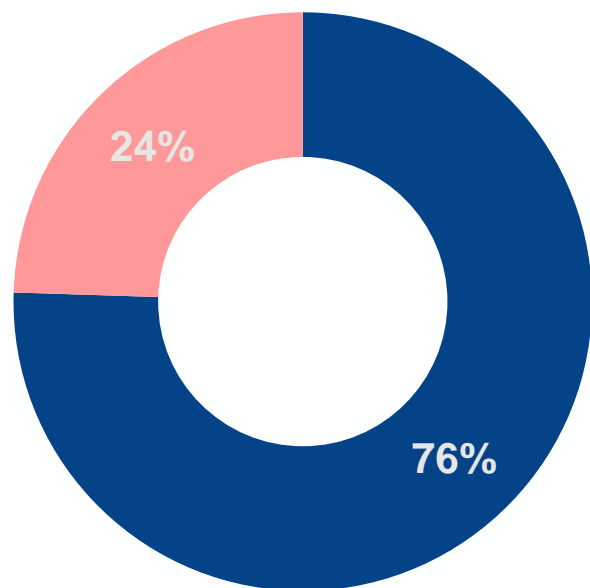
Grievance System

Set up grievance system to prevent dishonesty and protect whistleblower to the fullest extent possible

Diversity and Inclusion

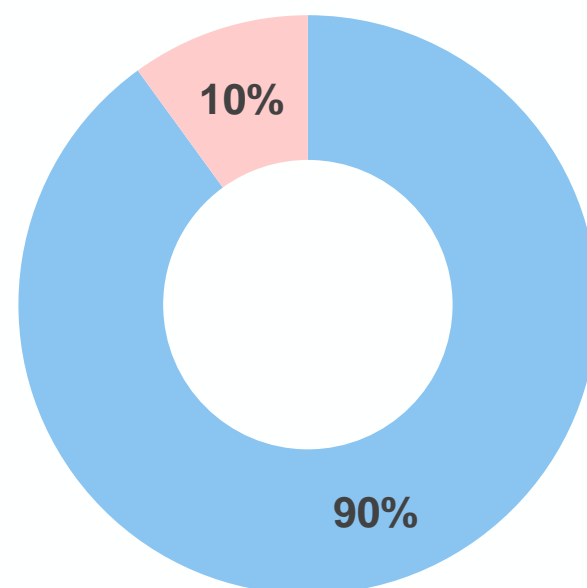
- SAS is committed to supporting gender equality, advancing women in the workplace globally.
- Women in our workforce is 24% overall, 10% on our board.

Percentage of Women in Our Workforce



■ Male ■ Female

Percentage of Women on Our Board (%)



■ Male ■ Female



GlobalWafers Performance Update

2Q20 Financial Highlights

- **2Q20 profitability (%) edges up and beats last 3 quarters.**
- **Net Profit 24.8% hits record.**
- **Robust demand for WFH and medical electronics make 2Q better than 1Q.**
 - ✓ Revenue: 13,701mn (QoQ : 1.4%)
 - ✓ EBITDA: 5,609mn (QoQ : 11.8%)
 - ✓ EBIT: 4,344mn (QoQ : 13%)
- **Good Profits despite of COVID-19**
 - ✓ Gross Margin: 38.6% (QoQ : 2.1%)
 - ✓ Operating Profit: 30.9% (QoQ : 2.7%)
 - ✓ **Net Profit : 24.8% (QoQ : 3.5%) - Best Ever !**
 - ✓ EPS: NTD 7.81 (QoQ : NTD 1.19)
- **Financial Leverage**
 - Sufficient cash*2 position – NT\$ 32,097 mn (US\$ 1,083 mn)*1
 - Prepayment – NT\$ 18,458 mn (US\$ 623 mn)*1

Note:

1. FX Rate: NTD:USD = 29.63
2. Cash = cash and the equivalent + restricted cash



Financial Highlight : 2Q20 vs. 1Q20

| (NT\$m) | 2Q20 | 1Q20 | QoQ |
|--------------------------------|----------|----------|----------|
| Revenue | 13,701 | 13,515 | 1.4% |
| EBITDA* ¹ | 5,609 | 5,015 | 11.8% |
| EBITDA % | 40.9% | 37.1% | 3.9% |
| EBIT | 4,344 | 3,845 | 13.0% |
| Operating Profit | 4,229 | 3,805 | 11.2% |
| Operating Profit % | 30.9% | 28.2% | 2.7% |
| Net Profit | 3,397 | 2,880 | 18.0% |
| Net Profit % | 24.8% | 21.3% | 3.5% |
| EPS | NT\$7.81 | NT\$6.62 | NT\$1.19 |
| ROE* ² (annualized) | 29.6% | 28.2% | 1.4% |
| ROA* ³ (annualized) | 13.2% | 12.0% | 1.2% |

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



Financial Highlight : 2Q20 vs. 2Q19

| (NT\$m) | 2Q20 | 2Q19 | YoY |
|--------------------------------|----------|----------|-----------|
| Revenue | 13,701 | 14,694 | -6.8% |
| EBITDA* ¹ | 5,609 | 5,872 | -4.5% |
| EBITDA % | 40.9% | 40.0% | 0.9% |
| EBIT | 4,344 | 4,682 | -7.2% |
| Operating Profit | 4,229 | 4,673 | -9.5% |
| Operating Profit % | 30.9% | 31.8% | -0.9% |
| Net Profit | 3,397 | 3,542 | -4.1% |
| Net Profit % | 24.8% | 24.1% | 0.7% |
| EPS | NT\$7.81 | NT\$8.15 | -NT\$0.34 |
| ROE* ² (annualized) | 29.6% | 35.5% | -5.9% |
| ROA* ³ (annualized) | 13.2% | 16.0% | -2.8% |

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



Financial Highlight : 1H20 vs. 1H19

| (NT\$m) | 1H20 | 1H19 | YoY |
|--------------------------------|-----------|-----------|-----------|
| Revenue | 27,216 | 30,285 | -10.1% |
| EBITDA* ¹ | 10,624 | 12,235 | -13.2% |
| EBITDA % | 39.0% | 40.4% | -1.4% |
| EBIT | 8,189 | 9,922 | -17.5% |
| Operating Profit | 8,034 | 9,873 | -18.6% |
| Operating Profit % | 29.5% | 32.6% | -3.1% |
| Net Profit | 6,278 | 7,399 | -15.2% |
| Net Profit % | 23.1% | 24.4% | -1.3% |
| EPS | NT\$14.42 | NT\$17.02 | -NT\$2.60 |
| ROE* ² (annualized) | 29.6% | 35.5% | -5.9% |
| ROA* ³ (annualized) | 13.2% | 16.0% | -2.8% |

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



Financial Highlight : 1H20 vs. 2H19

| (NT\$m) | 1H20 | 2H19 | YoY |
|--------------------------------|-----------|-----------|----------|
| Revenue | 27,216 | 27,809 | -2.1% |
| EBITDA* ¹ | 10,624 | 10,412 | 2.0% |
| EBITDA % | 39.0% | 37.4% | 1.6% |
| EBIT | 8,189 | 7,980 | 2.6% |
| Operating Profit | 8,034 | 8,024 | 0.1% |
| Operating Profit % | 29.5% | 28.9% | 0.6% |
| Net Profit | 6,278 | 6,237 | 0.7% |
| Net Profit % | 23.1% | 22.4% | 0.7% |
| EPS | NT\$14.42 | NT\$14.33 | NT\$0.09 |
| ROE* ² (annualized) | 29.6% | 29.9% | -0.3% |
| ROA* ³ (annualized) | 13.2% | 13.5% | -0.3% |

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

2. ROE = Net Profit / Average Shareholders Equity

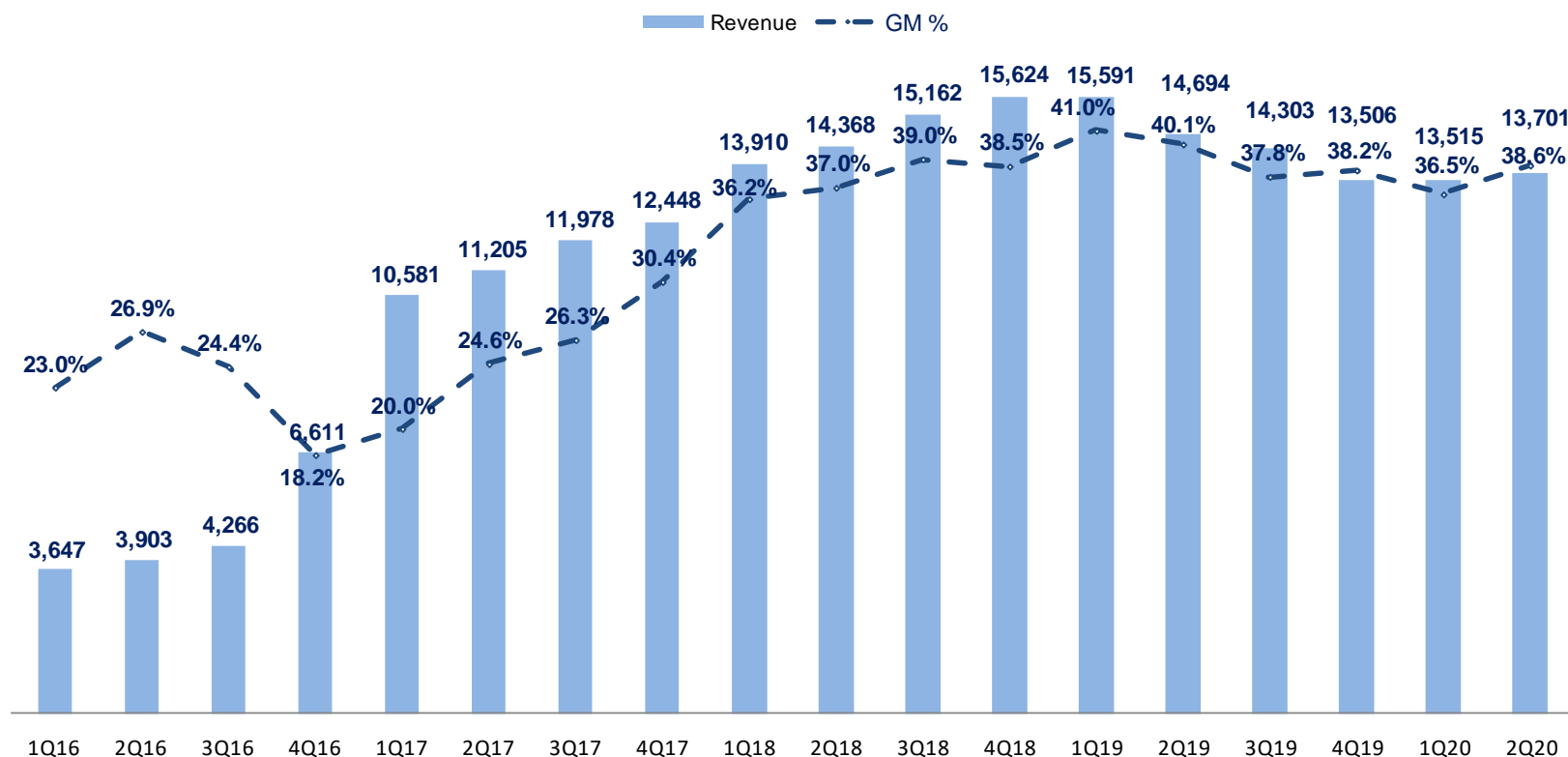
3. ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset



Revenue & Gross Margin

Revenue & Gross Margin

(NT\$mn)

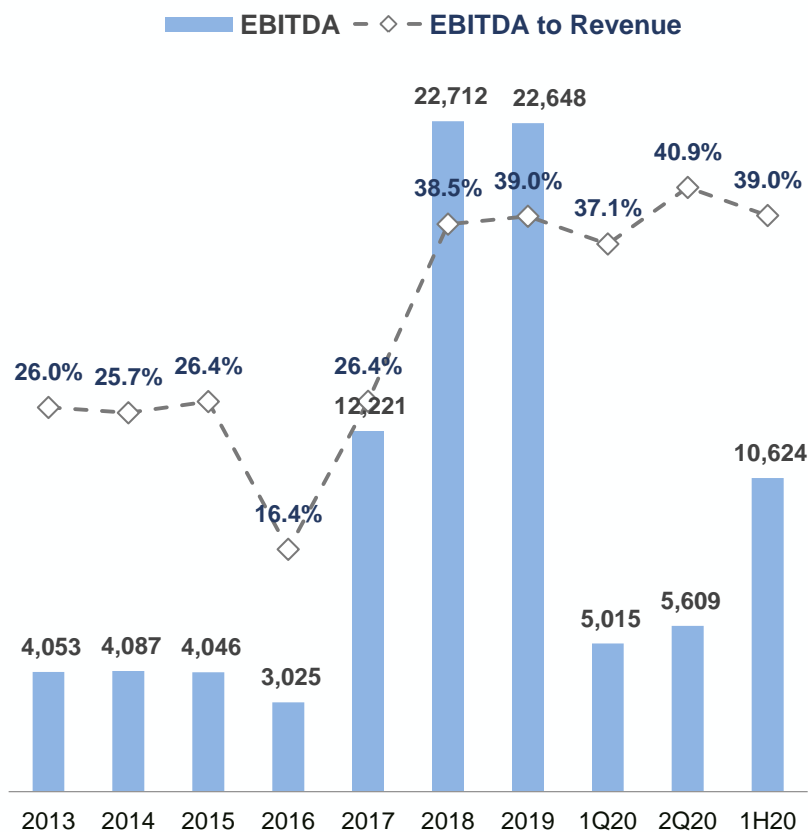




EBITDA & EPS

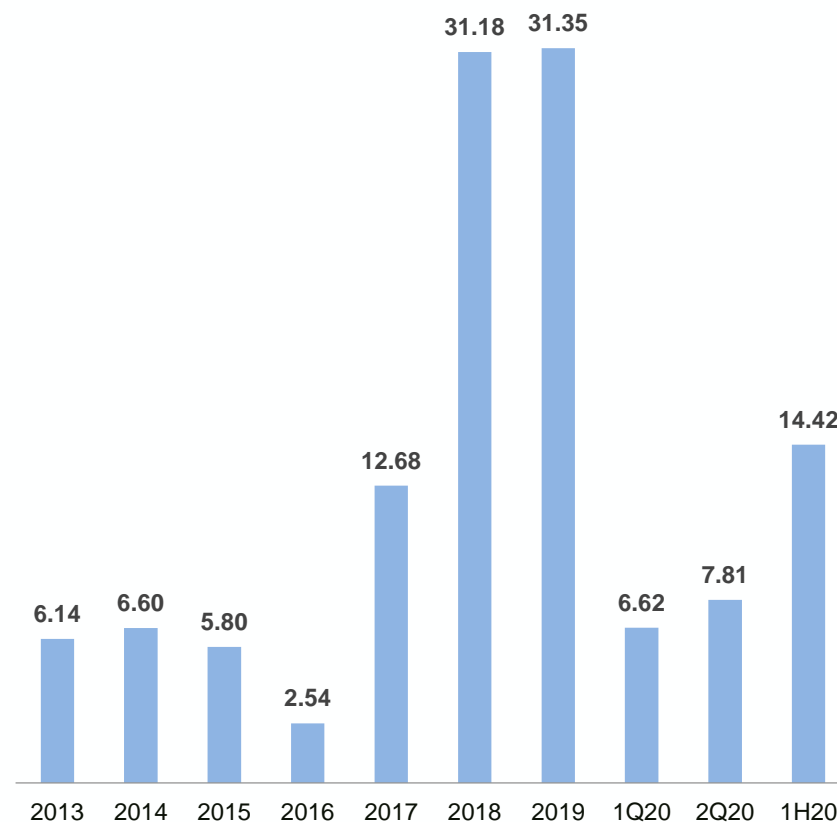
EBITDA

(NT\$mn)



EPS

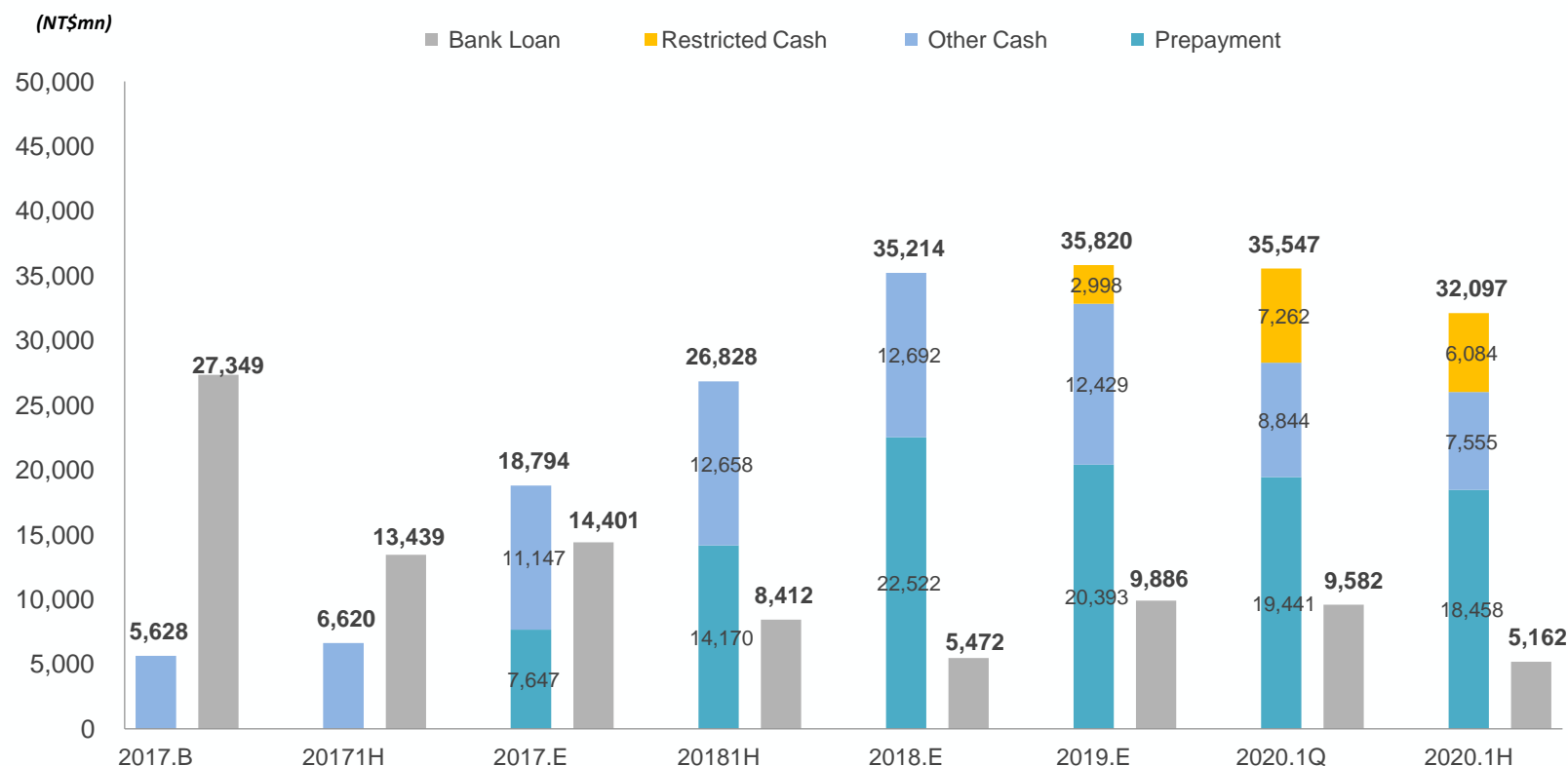
(NT\$)



Financial Leverage

- Sufficient cash makes GlobalWafers capable of sustainable development.
- The ability to repay bank loans rapidly reflect our successful navigation through COVID-19.

Cash Structure and Bank Loan



Note:

1. Cash = cash and the equivalent + restricted cash



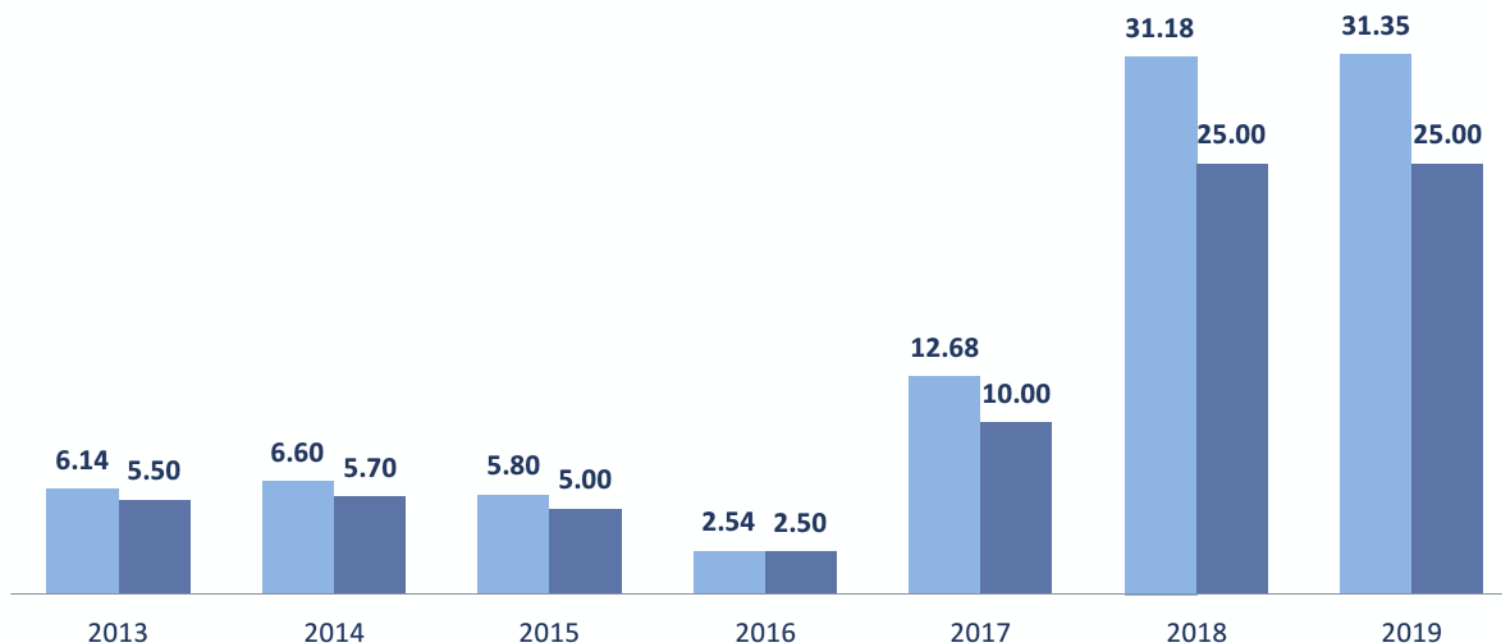
Dividend Payout

- Record high EPS in conjunction with a high dividend payout.

Dividend Payout va.EPS

(NT\$)

■ EPS ■ Dividend



Dividend
Payout
Ratio%

89.6%

86.4%

86.2%

98.4%

78.9%

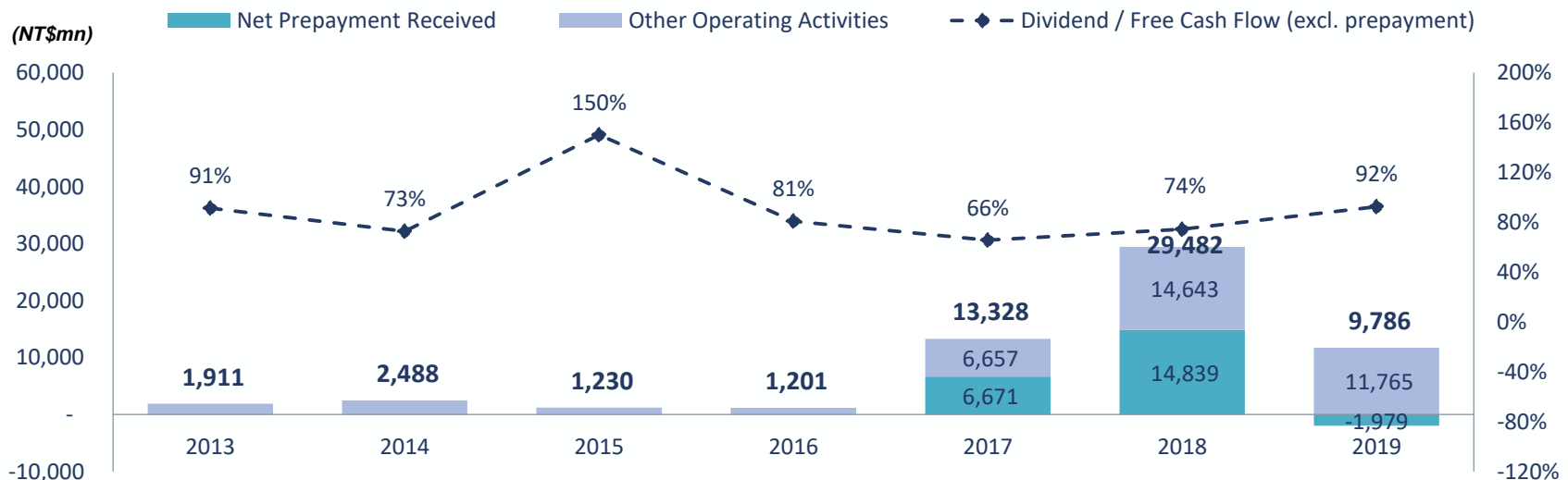
80.2%

79.7%

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 GlobalWafers 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. Free Cash Flow*



Note:

1. Free cash flow = Cash flow from operating activities – Capex

3. 2019 Prepayment is lower due to the partial LTA fulfillment



Income Statement

Income Statement

| (NT\$mn) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 1Q20 | 2Q20 | 1H20 |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 15,570 | 15,922 | 15,310 | 18,427 | 46,213 | 59,064 | 58,094 | 13,515 | 13,701 | 27,216 |
| Growth (%) | - | 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 | 5,284 | 10,221 |
| Gross Profit Margin (%) | 23.5% | 23.4% | 26.6% | 22.4% | 25.6% | 37.8% | 39.3% | 36.5% | 38.6% | 37.6% |
| EBITDA | 4,053 | 4,087 | 4,046 | 3,025 | 12,221 | 22,712 | 22,648 | 5,015 | 5,609 | 10,624 |
| EBITDA Margin (%) | 26.0% | 25.7% | 26.4% | 16.4% | 26.4% | 38.5% | 39.0% | 37.1% | 40.9% | 39.0% |
| Operating Profit | 2,194 | 2,336 | 2,685 | 1,378 | 7,414 | 17,578 | 17,897 | 3,805 | 4,229 | 8,034 |
| Operating Profit Margin (%) | 14.1% | 14.7% | 17.5% | 7.5% | 16.0% | 29.8% | 30.8% | 28.2% | 30.9% | 29.5% |
| Profit before Tax | 2,204 | 2,679 | 2,808 | 1,344 | 6,875 | 18,253 | 18,554 | 3,922 | 4,424 | 8,346 |
| Profit before Tax Margin (%) | 14.2% | 16.8% | 18.3% | 7.3% | 14.9% | 30.9% | 31.9% | 29.0% | 32.3% | 30.7% |
| Net Profit | 1,948 | 2,095 | 2,044 | 939 | 5,278 | 13,634 | 13,636 | 2,880 | 3,397 | 6,278 |
| Net Profit Margin (%) | 12.5% | 13.2% | 13.4% | 5.1% | 11.4% | 23.1% | 23.5% | 21.3% | 24.8% | 23.1% |
| EPS (NT\$) | 6.14 | 6.60 | 5.80 | 2.54 | 12.68 | 31.18 | 31.35 | 6.62 | 7.81 | 14.42 |

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.



Balance Sheet

Balance Sheet

| (NT\$mn) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 1Q20 | 1H20 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Assets | | | | | | | | | |
| Cash and cash equivalents | 1,536 | 2,685 | 3,662 | 5,628 | 18,794 | 35,214 | 32,822 | 28,285 | 26,013 |
| Account receivable | 3,165 | 3,694 | 4,538 | 7,642 | 7,869 | 9,226 | 8,140 | 8,574 | 8,337 |
| Inventories | 3,291 | 2,829 | 3,262 | 7,307 | 7,347 | 7,040 | 6,849 | 6,416 | 6,985 |
| Property, plant and equipment | 9,796 | 8,972 | 9,361 | 31,036 | 28,202 | 30,887 | 34,697 | 35,747 | 36,392 |
| Other assets | 3,286 | 3,204 | 2,994 | 8,948 | 8,020 | 7,455 | 14,078 | 17,691 | 16,308 |
| Total assets | 21,074 | 21,385 | 23,816 | 60,560 | 70,232 | 89,822 | 96,586 | 96,713 | 94,035 |
| Liabilities | | | | | | | | | |
| Short-term loan | 1,302 | 2,069 | 696 | 12,982 | 10,738 | 5,042 | 9,886 | 9,582 | 5,162 |
| Account payable | 1,816 | 1,789 | 1,383 | 5,126 | 4,269 | 4,870 | 3,837 | 3,746 | 4,053 |
| Long term loan | -- | -- | -- | 14,367 | 3,663 | 430 | -- | -- | -- |
| Other liabilities | 4,821 | 4,325 | 5,012 | 12,267 | 17,508 | 36,324 | 37,790 | 46,812 | 45,122 |
| Total liabilities | 7,939 | 8,184 | 7,091 | 44,742 | 36,178 | 46,666 | 51,513 | 60,140 | 54,337 |
| Shareholder equity | 13,135 | 13,201 | 16,725 | 15,819 | 34,054 | 43,156 | 45,073 | 36,573 | 39,698 |

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