



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



SAS (5483 TT) 2020 Results Presentation

March, 2021



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Executive Comments

1. 2020

■ Record-Breaking Year

- ✓ 3rd Best Revenue : NTD 61.4bn
- ✓ All-Time High:
Gross Profit, EBITDA, Operating Profit, Pre-tax Profit, Net Profit and EPS
- ✓ BEST EPS since foundation : NTD 10.82

■ Successfully reset a profitable and healthier financial structure.

■ Revenue distribution : semiconductor (90%) + solar (10%)

2. Outlook

- Renewable energy is expected to scale up underpinned by RE100 members and their supply chains' commitment in clean energy.
- With reduced cost and policy support, solar energy is likely to occupy major share in total renewable energy expansion.
- With business transformation plan and strategic reinvestment in semiconductor industry, SAS expects further growth.

Note:

1. FX Rate: NTD:USD = 28.48

Executive Comments

3. GWC

■ 2020

- ✓ Sequential growth regardless of headwind
- ✓ Revenue
In NTD, YoY is - 4.71%. If calculated in USD YoY is merely -0.26%.
- ✓ Our 3rd best year in history
 - Revenue, GM &GM%, EBITDA, OP, PBT, Net Profit, EPS
- ✓ EBITDA % & Net Profit % – Best Ever!

■ About Siltronic Transaction

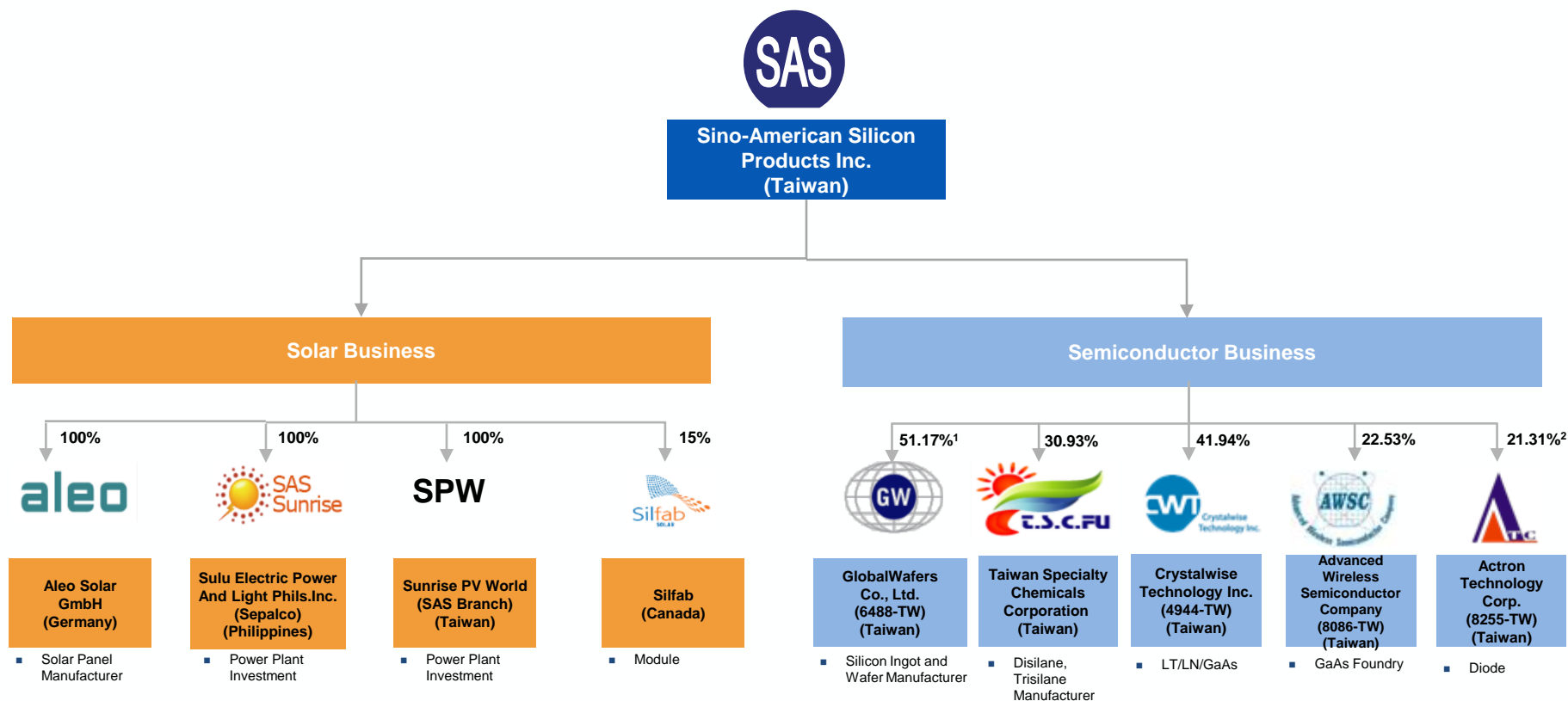
- ✓ Final acceptance rate of 70.27%
- ✓ Settlement in 2H21, following receipt of required regulatory clearance.
- ✓ Expected to have the added scale and the breadth in product portfolio to better service our customers across the world.

■ Outlook

- ✓ Government stimulus and vaccination deployment may bring surge in consumer device spending in developed countries from pent up demand of consumers that have been in lock down.
- ✓ Digital transformation - still in its early stages. Remote-working/learning and migration to online activities and cloud services will continue post COVID-19.
- ✓ 5G - Trade disputes between the US and China and the COVID-19 have had a negative impact on the world's progress to 5G, but deployment is expected to accelerate in 2021.
- ✓ Smartphone - Sentiment in the industry is positive, expected to rebound in 2021.
- ✓ Automotive – average semiconductor value per car expected to increase, bringing strong recovery in 2021.



SAS Group Structure



Note:

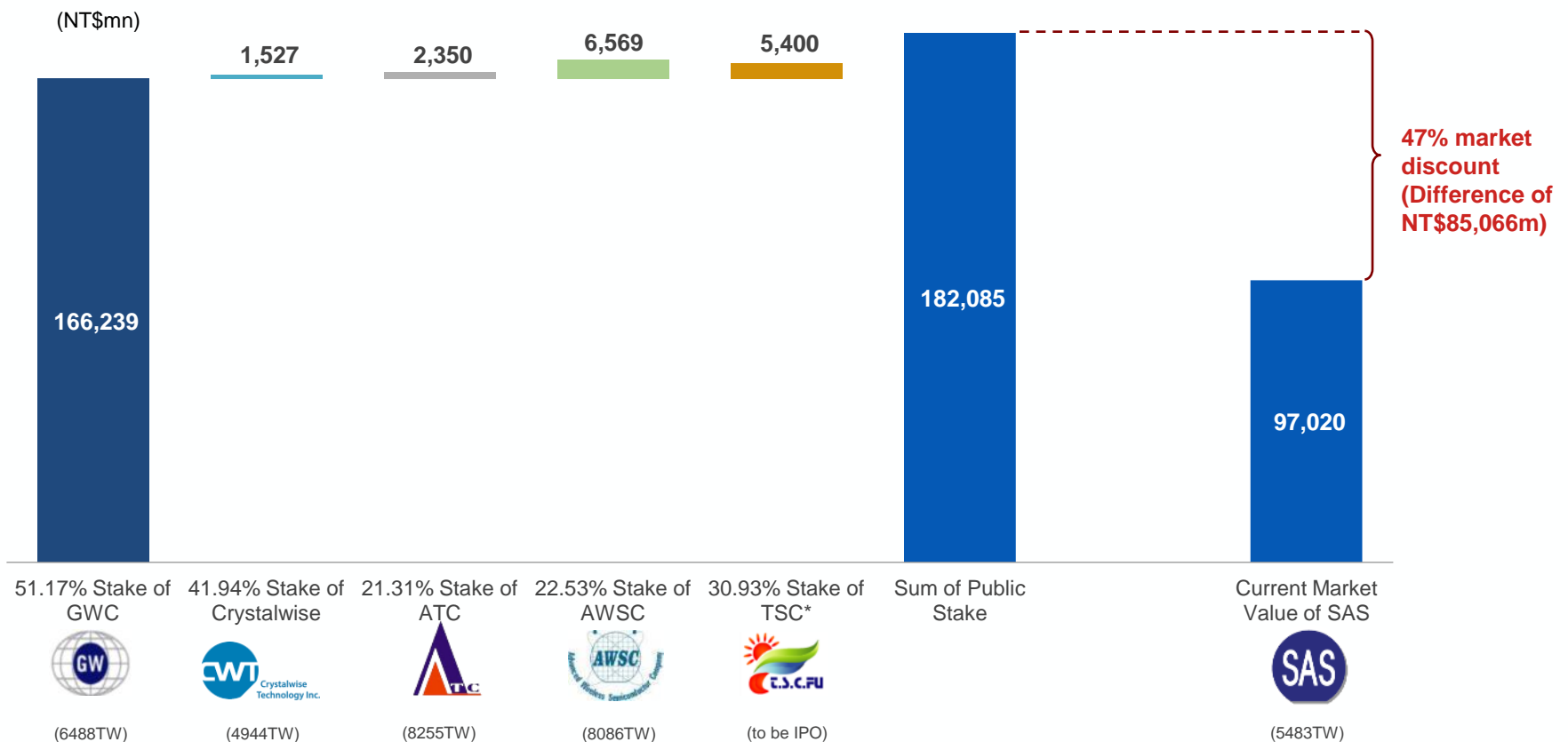
1. SAS' shareholding % of GWC : GWC shares held by SAS / GWC total outstanding shares deducting repurchased shares

2. The shareholding % of Actron Technology Corp. is as of end of February.



Undervalued Market Value of SAS

- Current market value of SAS trades at 47% discount compared to the sum of its stake of reinvestments in GWC, Crystalwise, Actron, AWSC and TSC, which makes SAS a worthy option to participate the future growth of promising businesses.



Source: Stock price of March 17th, 2021

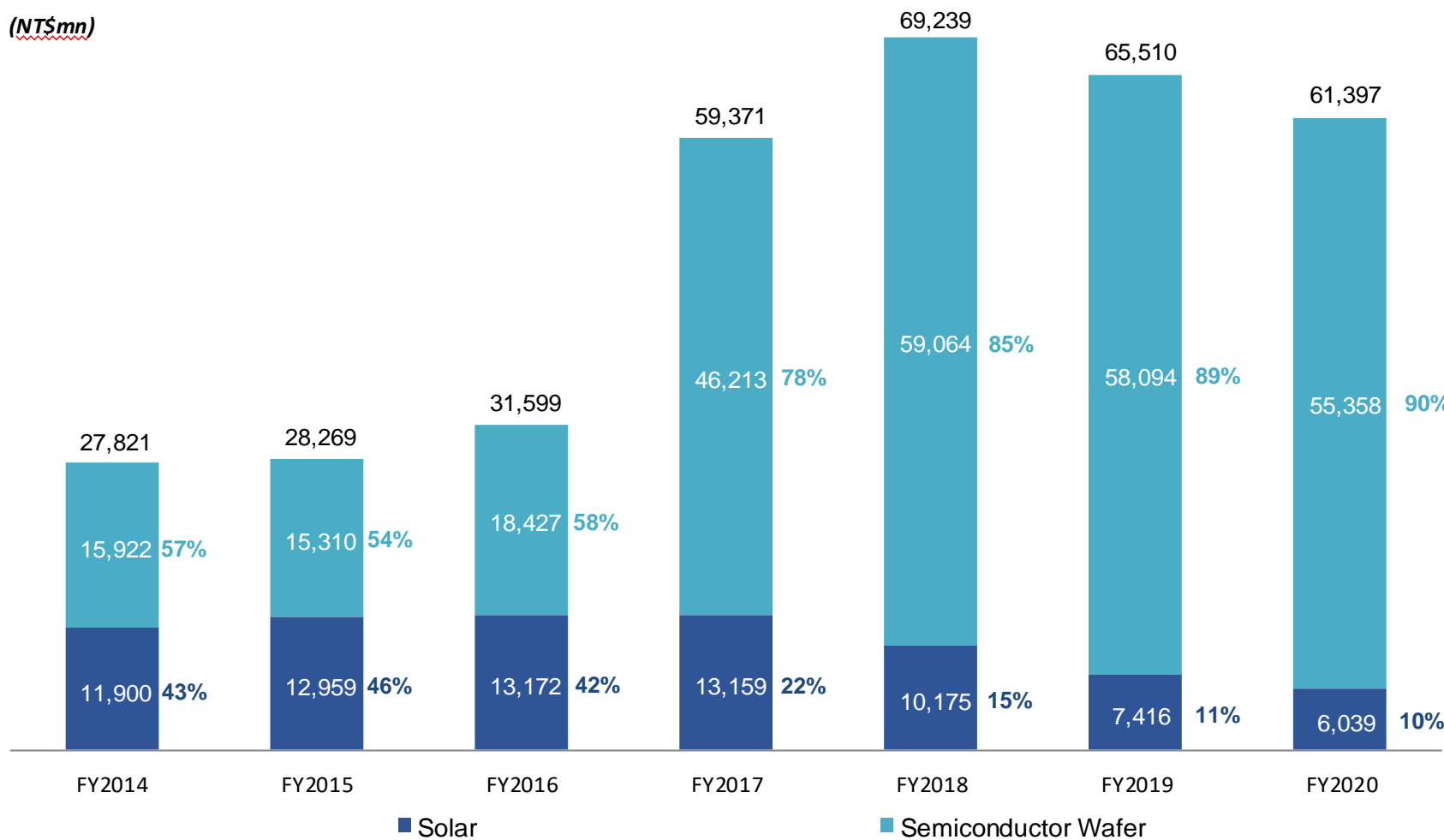
Note: With assumption that TSC stock price is NTD 60.

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Group Revenue by Business

(NT\$mn)





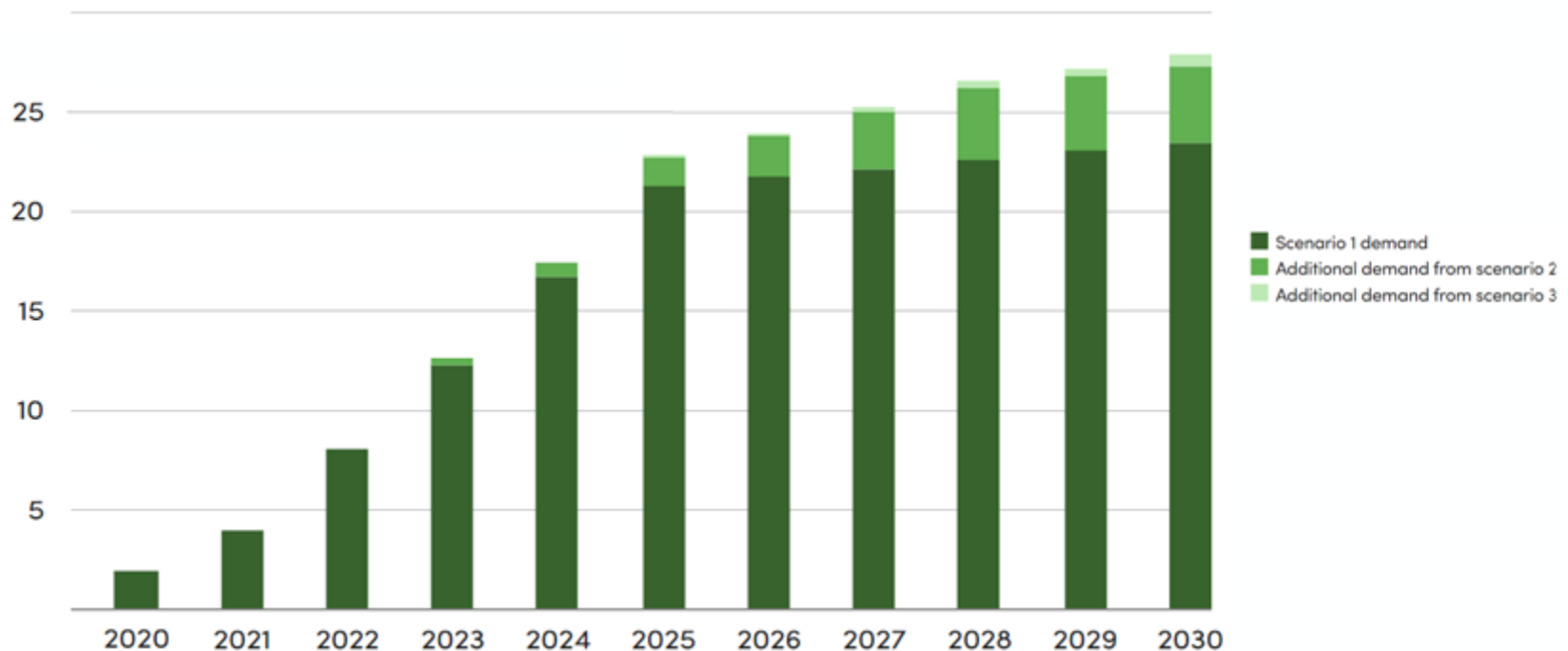
Industry Overview

RE100 Supply Chain Impact on Renewable Power Demand

- Not only members from RE100 demand 100% electricity from renewable resources, but also their suppliers are increasingly asked to switch to renewables. According to RE100, it is estimated with potential 22.86TWh renewable electricity demand for RE100 supply chains in Taiwan in 2025.

Renewable Electricity Demand Forecast of Supply Chain Scenarios

Unit: TWI



Note:

1.Scenario 1: Demand of suppliers to RE100 members that have already achieved 100% renewable power, which begins transitioning to renewable electricity in 2020.

2.Scenario 2: Demand of scenario 1, plus all technology companies that supply to RE100 members which begins in 2023.

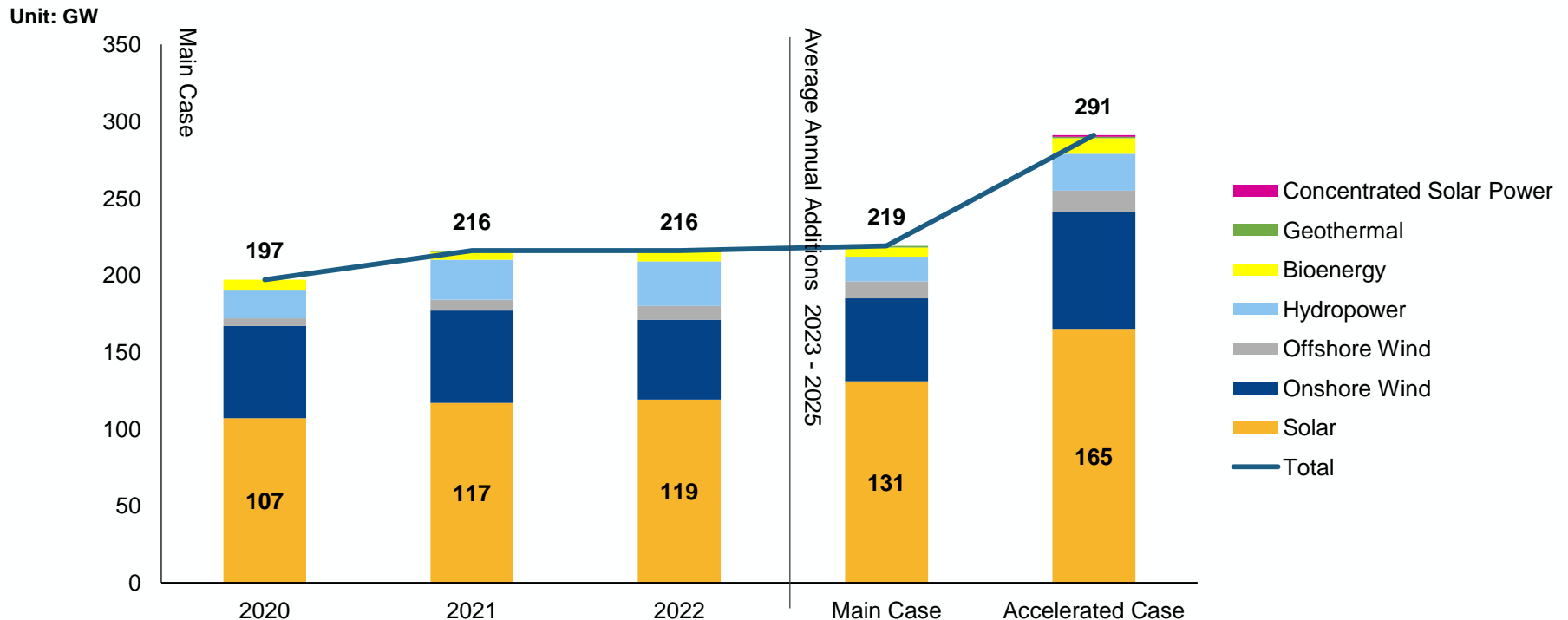
3.Scenario 3: All suppliers to RE100 members that begins in 2025.

Source: Meeting demand with supply: renewable energy market briefing Taiwan, RE100 Climate Group & CDP, Dec, 2020

Nations Committed to Carbon Neutrality

- With the cost of renewable energy usage reductions and sustained policy support, renewable energy is expected to drive strong growth beyond 2022. Average annual solar PV capacity additions during 2023 to 2025 are expected to range from 130GW to 165GW, accounting for almost 60% of total renewable energy expansion.

Renewable Capacity Additions by Technology 2020-2025



Note:

1. Main Case: The main case scenario forecasts the net renewable electricity capacity additions.

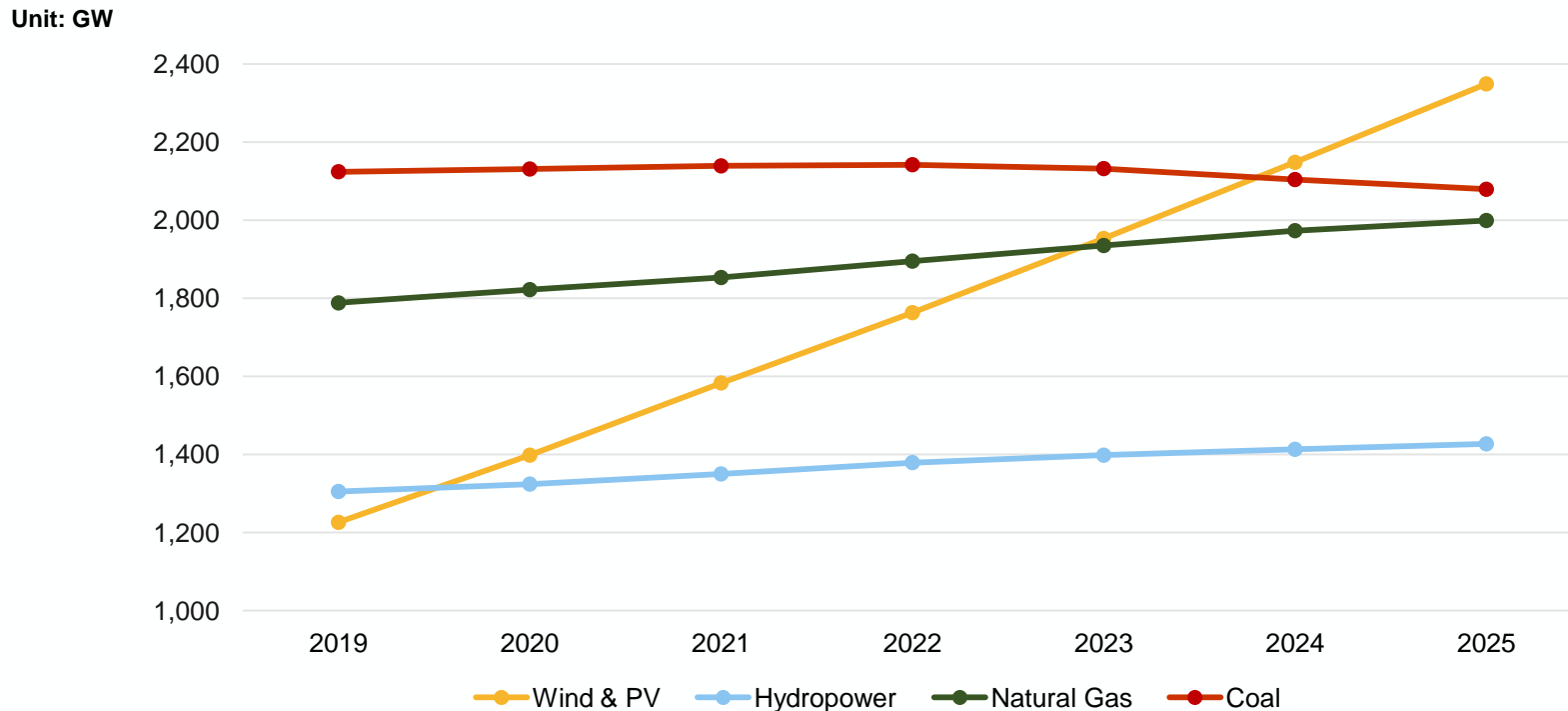
2. Accelerated Case: The accelerated case scenario forecasts countries address policy uncertainties to renewable energy which could impact renewable deployment.

Source: Renewables 2020-Analysis and Forecast to 2025, IEA, Nov, 2020

Renewables will Become the Largest Source of Electricity Generation in 2025

- Forecasted by International Energy Agency, electricity generation from renewables will expand almost 50% in the next five years to almost 9,745 TWh compared to previous years. By 2025, the share of renewables in total electricity generation is expected to be 33%, surpassing the coal-fired generation.

Total Installed Power Capacity by Fuel and Technology 2019-2025

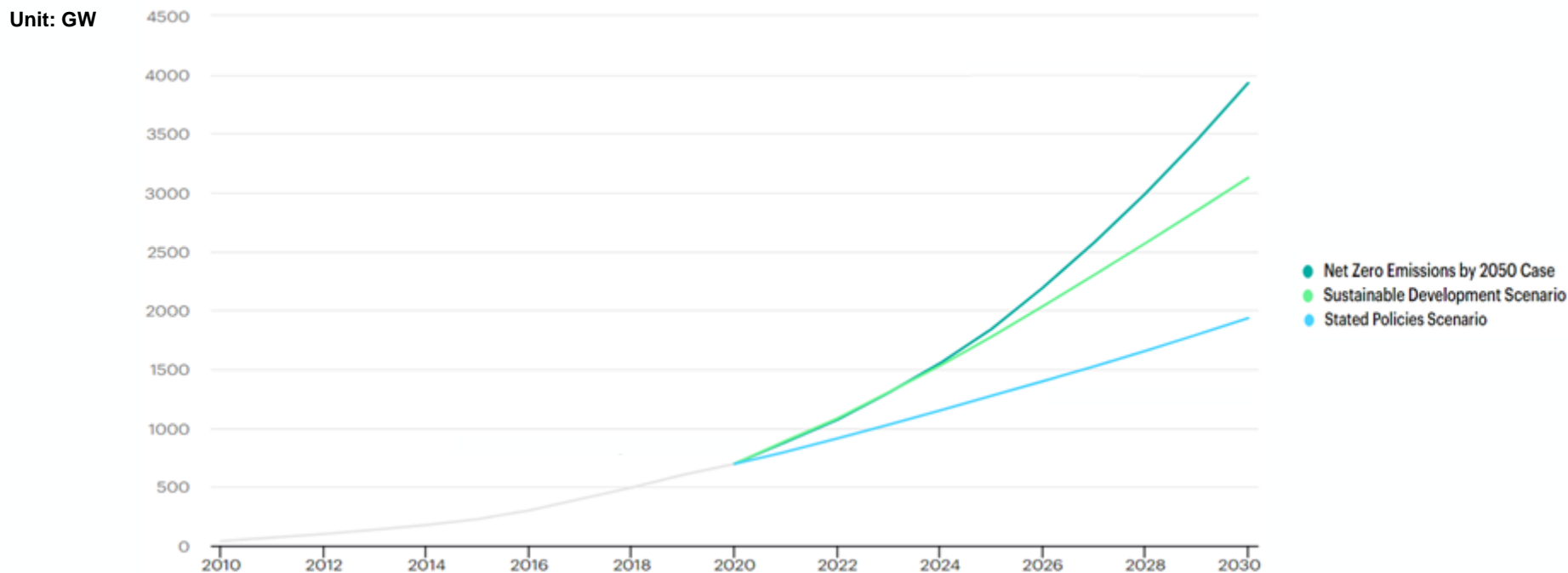


Source: Renewables 2020-Analysis and Forecast to 2025, IEA, Nov, 2020

Promising Growth for Solar Energy to Reach Net-Zero Emissions Policies Globally

- Research estimates that in order to reach the goal of net-zero emissions by 2050, the share of renewables in global electricity supply would rise from 27% in 2019 to 60% in 2030, while worldwide annual solar PV additions would have to expand from 110 GW in 2019 to nearly 500 GW in 2030.

Global Installed Solar PV Capacity by Scenario 2010-2030



Notes:

1. Sustainable Development Scenario is a surge in clean energy policies and investment puts the energy system on track to achieve sustainable energy objectives in full, including the Paris Agreement, energy access and air quality goals.

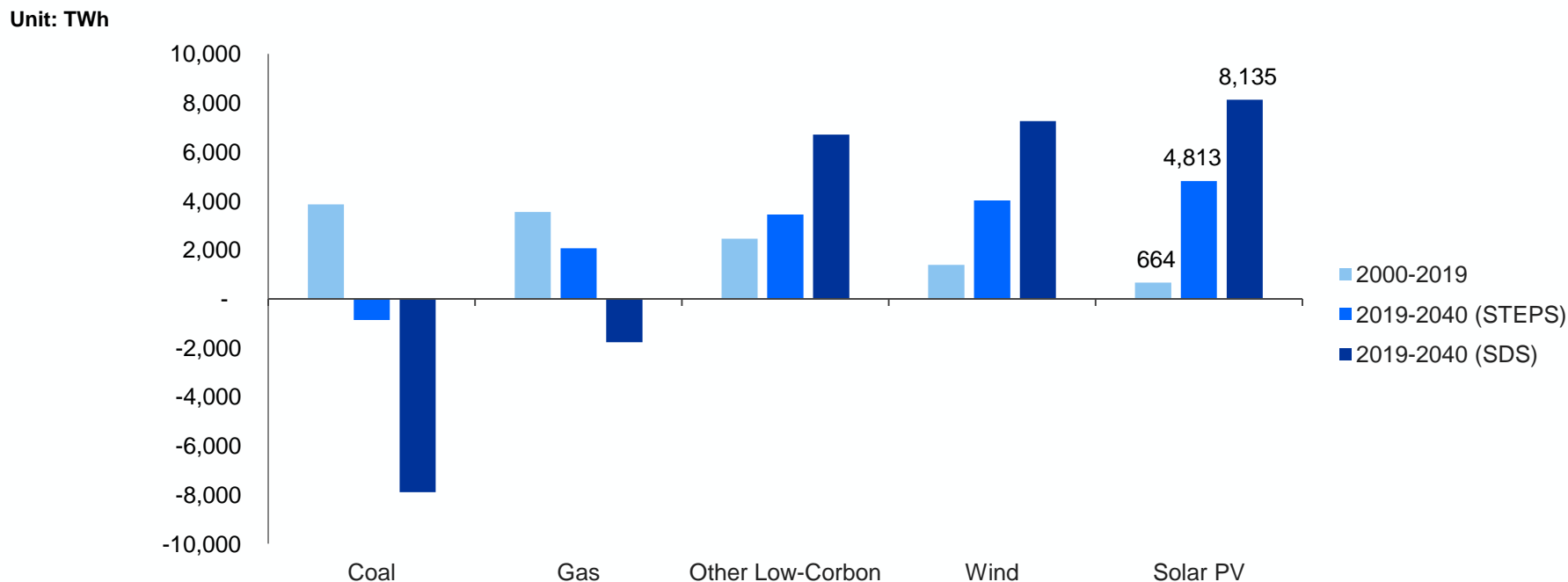
2. Stated Policies Scenario reflects all of today's announced policy intentions and targets, insofar as they are backed up by detailed measures for their realization.

Source: World Energy Outlook 2020, IEA, Oct, 2020

Solar Energy Plays Critical Role in Global Electricity Generation Evolvment

- With the supportive policies and maturing technologies, solar energy are enabling very cheap access to capital in leading markets. According to the research, to achieve announced policy intentions and targets, Solar PV would have 4,149TWh to 7,471TWh additional generation from 2019 to 2040.

Change in Global Electricity Generation by Source and Scenario



Notes:

1. Stated Policies Scenario (STEPS) reflects all of today's announced policy intentions and targets, insofar as they are backed up by detailed measures for their realization.

2. Sustainable Development Scenario (SDS) is a surge in clean energy policies and investment puts the energy system on track to achieve sustainable energy objectives in full, including the Paris Agreement, energy access and air quality goals.

Source: World Energy Outlook 2020, IEA, Oct, 2020



SAS Consolidated Performance Update

Financial Highlights

➤ Fruitful Business Result

■ Record-Breaking Year

- ✓ 3rd Best Revenue : NTD 61.4bn
- ✓ All-Time High in many aspects –
Gross Profit, EBITDA, Operating Profit, Pre-tax Profit, Net Profit and EPS
- ✓ 2020 EPS amounts to NT\$ 10.82. (BEST EVER)



Financial Highlight : 2020 vs. 2019

(NT\$m)	2020	2019	YoY
Revenue	61,397	65,510	-6.3%
EBITDA* ¹	22,232	18,668	19.1%
EBITDA %	36.2%	28.5%	7.7%
EBIT	16,084	12,049	33.5%
Operating Profit	14,932	13,515	10.5%
Operating Profit %	24.3%	20.6%	3.7%
Net Profit	12,711	8,895	42.9%
Net Profit %	20.7%	13.6%	7.1%
EPS	NT\$10.82	NT\$3.86	NT\$6.96
ROE* ² (annualized)	25.9%	18.4%	7.4%
ROA* ³ (annualized)	11.6%	8.5%	3.2%

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

2. ROE = Net Profit / Average Shareholders Equity

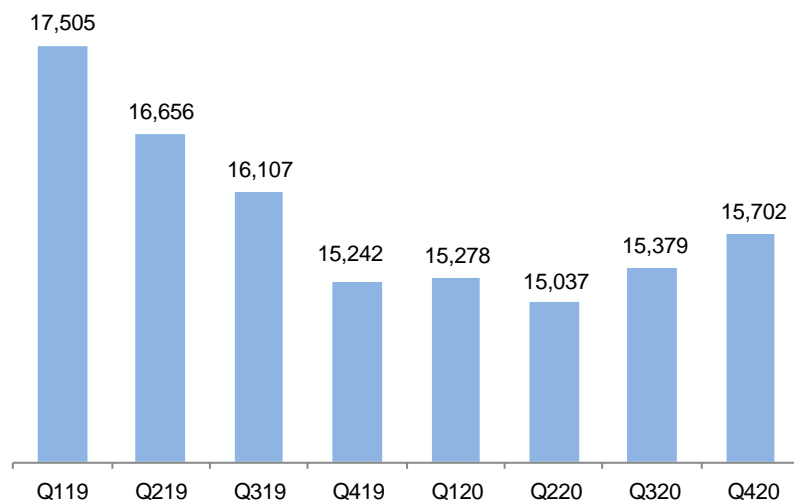
3. ROA = (Net Profit + Interest * (1 - Effective Tax Rate)) / Average Asset



Revenue

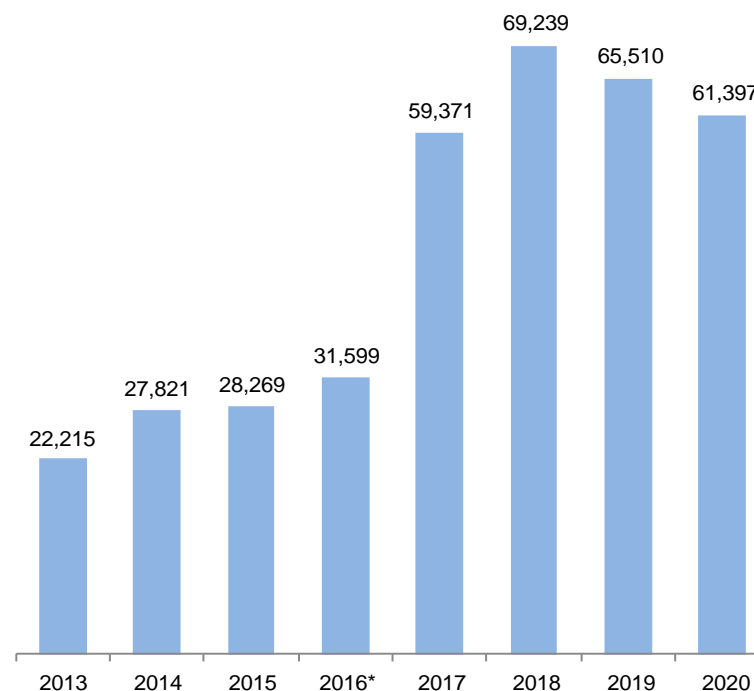
Quarterly

(NT\$mn)



Annual

(NT\$mn)



Note:

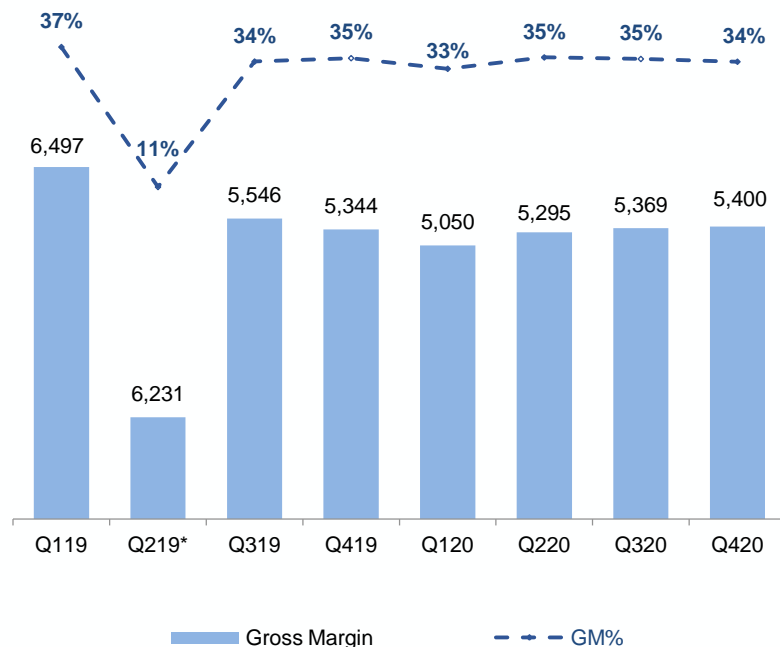
1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.
2. Impairment of assets and onerous contract provision were recognized in 4Q18 & 2Q19 respectively.



Gross Profit

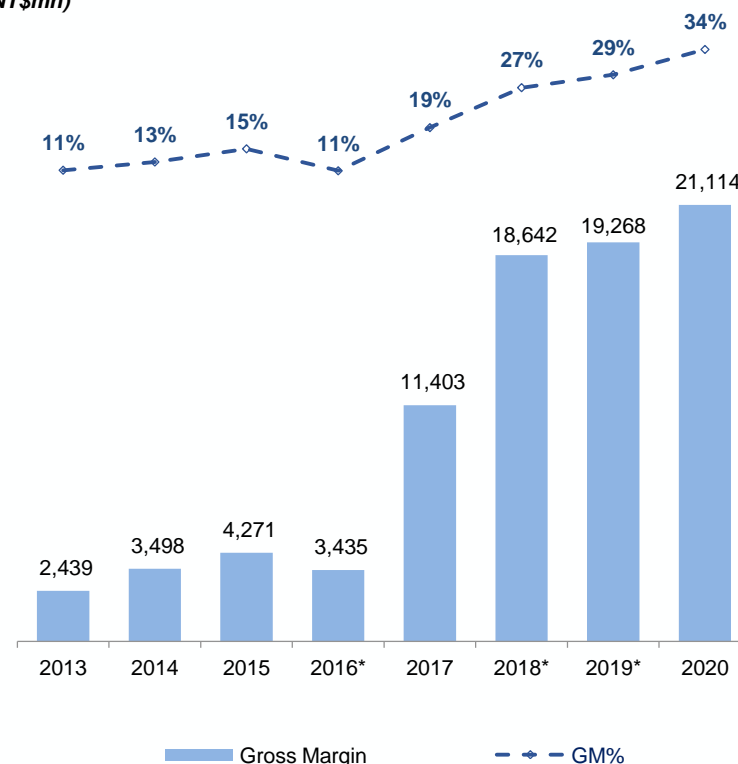
Quarterly

(NT\$mn)



Annual

(NT\$mn)



Note:

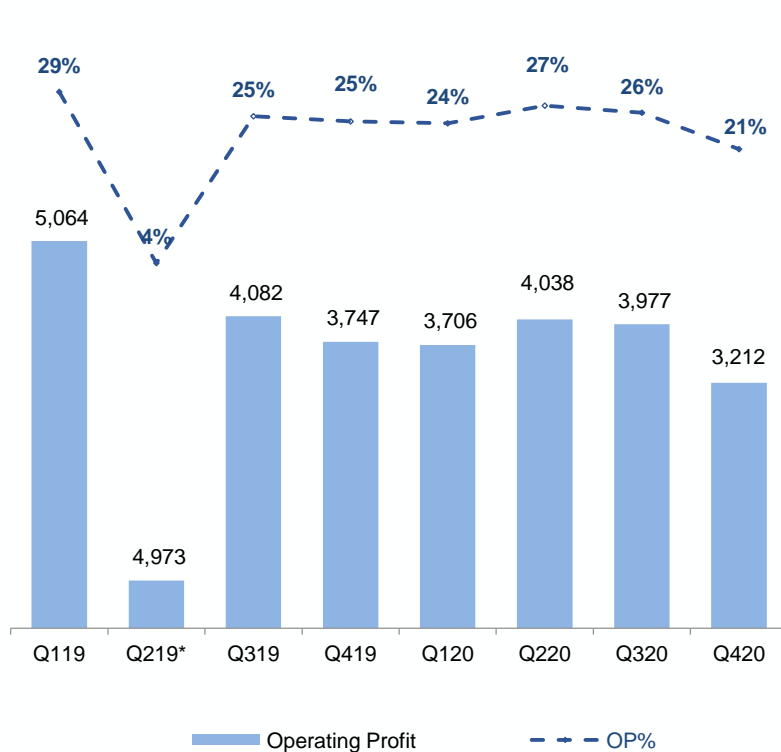
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Operation Profit

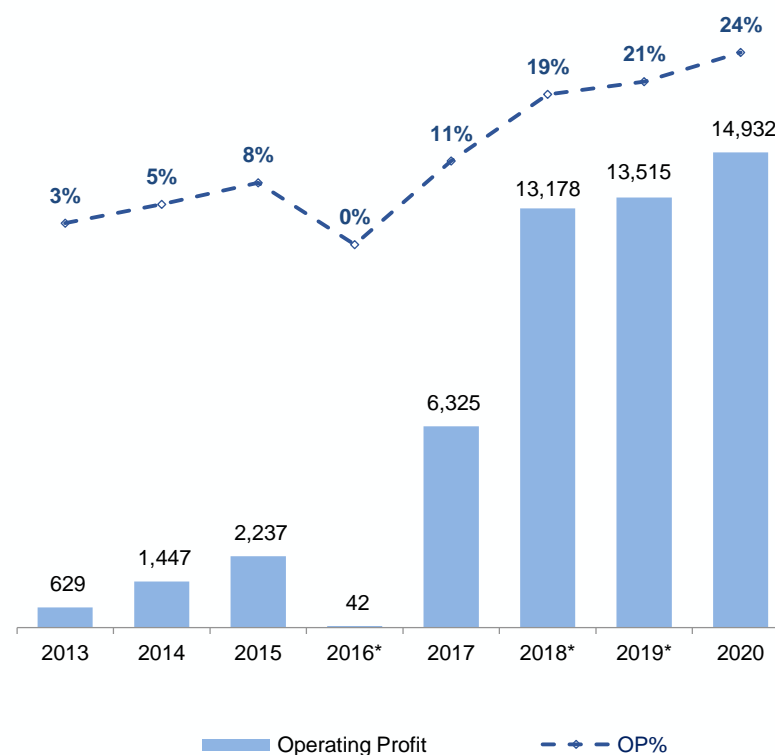
Quarterly

(NT\$mn)



Annual

(NT\$mn)



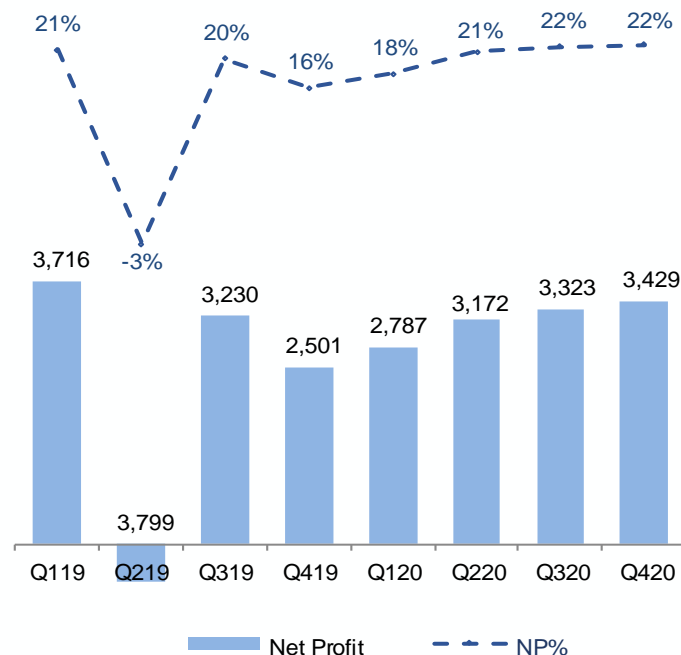
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Net Profit

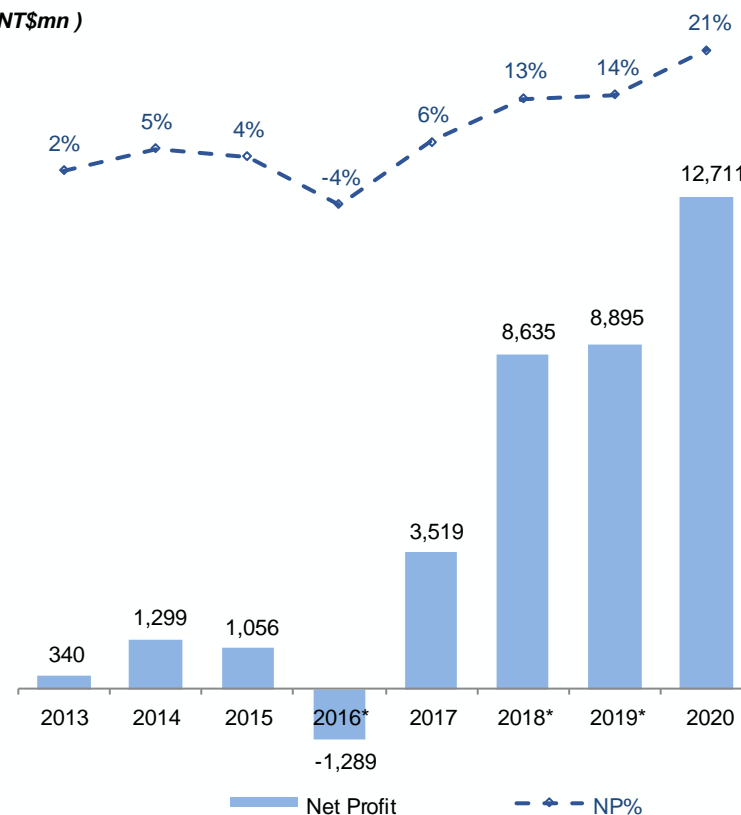
Quarterly

(NT\$mn)



Annual

(NT\$mn)



Note:

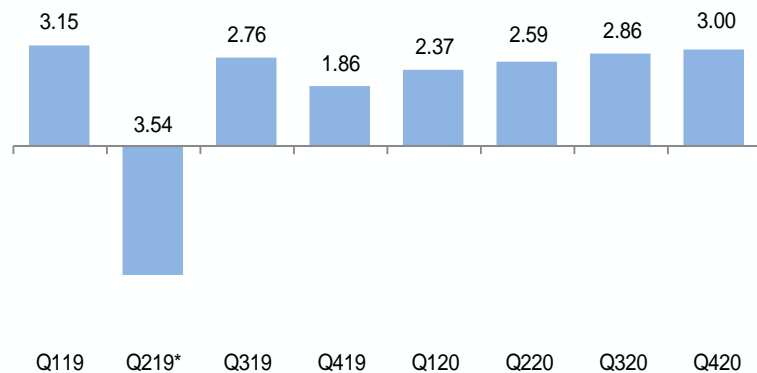
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EPS

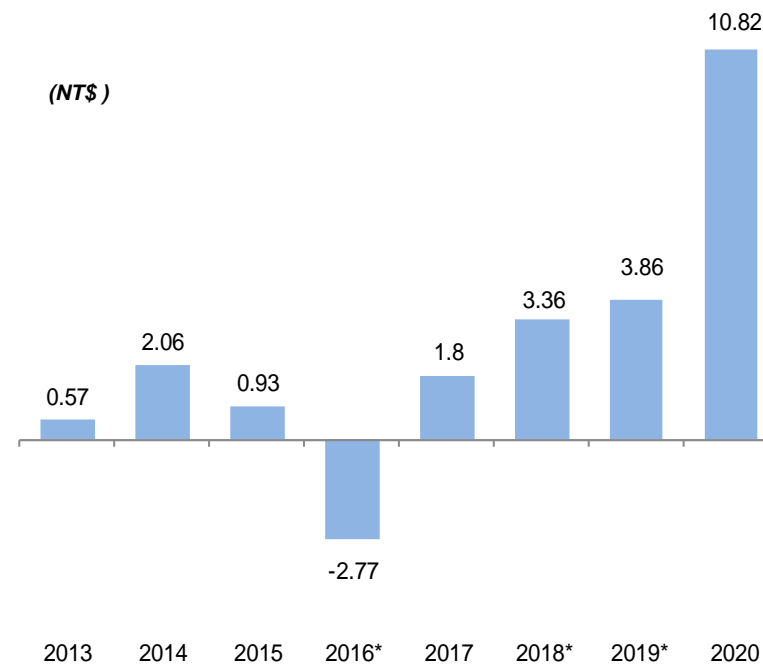
Quarterly

(NT\$)



Annual

(NT\$)



Note:

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



Income Statement

Income statement

(NT\$mn)	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	22,215	27,821	28,269	31,599	59,371	69,239	65,510	61,397
<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>(6.3%)</i>
Gross Profit	2,439	3,498	4,271	3,435	11,403	18,642	19,268	21,114
<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>34.4%</i>
EBITDA	4,058	4,214	4,184	2,052	11,741	19,030	18,668	22,232
<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>36.2%</i>
Operating Profit	629	1,447	2,236	42	6,325	13,178	13,515	14,932
<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>
Profit before Tax	128	1,925	1,960	(856)	5,126	13,318	13,924	16,238
<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>26.4%</i>
Net Profit	340	1,299	1,056	(1,289)	3,519	8,635	8,895	12,711
<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>20.7%</i>
EPS (NT\$)	0.57	2.06	0.93	(2.77)	1.80	3.36	3.86	10.82

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	2020
Assets								
Cash and cash equivalents	3,682	5,391	5,902	9,269	20,343	36,829	34,901	23,813
Account receivable	4,064	5,019	6,204	8,560	8,830	9,881	8,507	8,407
Inventories	4,416	1,607	5,749	9,708	10,048	7,881	7,398	7,929
Property, plant and equipment	16,098	15,244	18,905	41,398	37,529	37,439	40,277	42,455
Other assets	11,414	13,627	9,427	14,079	12,593	11,955	18,300	27,349
Total assets	39,674	40,887	46,186	83,014	89,343	103,985	109,383	109,953
Liabilities								
Short-term loan	2,576	3,486	2,676	17,704	14,367	9,335	11,465	10,804
Account payable	2,754	2,713	2,932	6,328	5,352	5,236	4,180	4,204
Long term loan	4,373	3,807	2,546	16,357	5,034	2,040	--	1,048
Other liabilities	9,385	9,299	9,464	15,399	20,814	39,460	45,122	44,227
Total liabilities	19,088	19,304	17,617	55,787	45,566	56,071	60,767	60,283
Shareholder Equity	20,586	21,583	28,570	27,227	43,777	47,914	48,616	49,669

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.



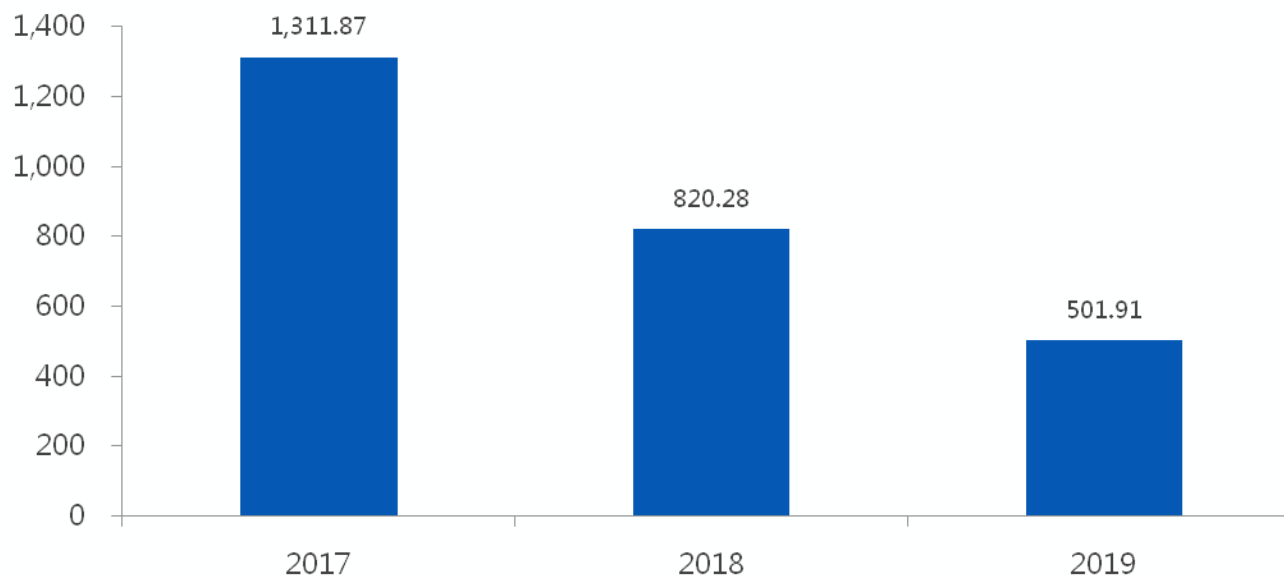
ESG Highlights

Water 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.

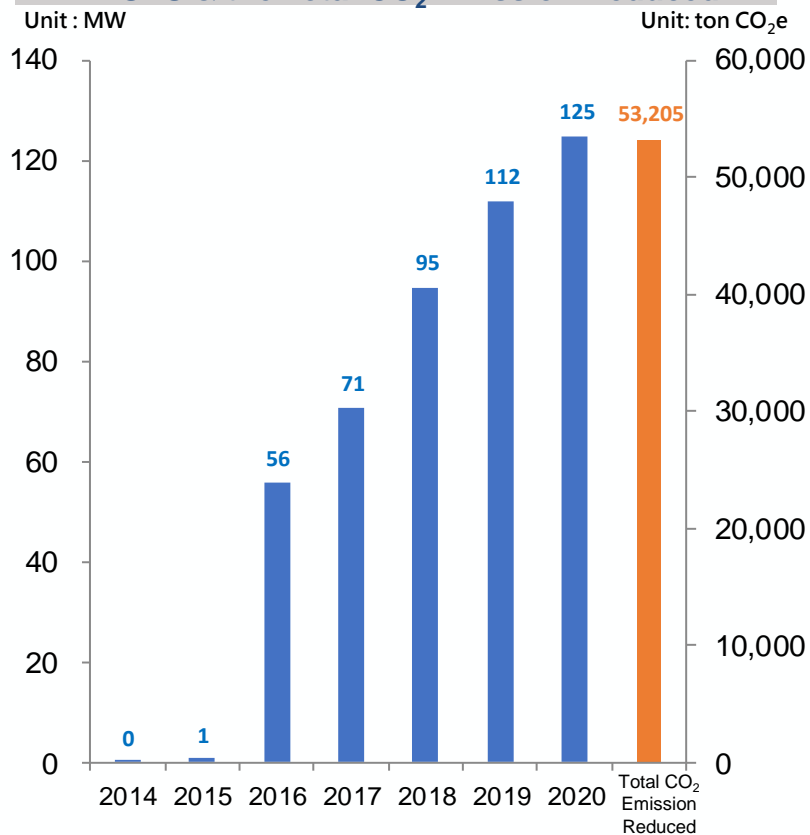
2. The calculation scope in 2017 covered Chunan Branch (Plant 1 and Plant 2) and Yilan Branch (Plant 1, Plant 2 and Plant 3)

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

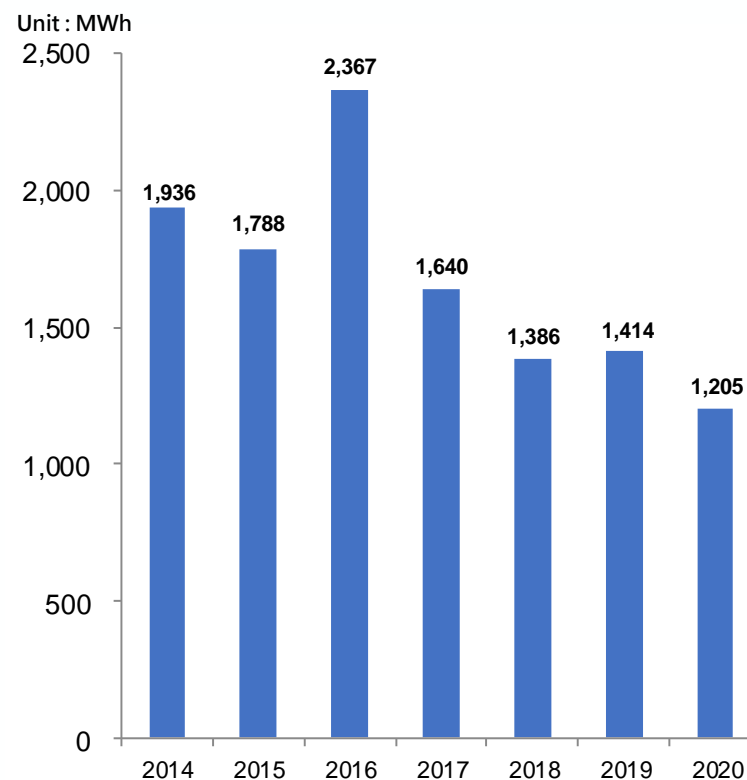
- The accumulated installation for grid-connected capacity exceeded 125 MW and reduced the CO₂ emission by 53,205 tons.

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



- The accumulated installation for grid-connected capacity
- Total CO₂ emission reduced

Electricity Needed for Generating NTD 100mn



Committed to Green Energy

- As one of the pioneers in green energy, SAS actively works with its subsidiaries and reinvestments to extend its solar footprint by providing high-efficiency panels for a greener earth.
- In 2020 the overall installed solar capacity of SAS' total solar projects reached 13 MW which could generate 15.08 million kWh electricity per year, equivalent to 7,676 tons of CO₂ emissions reduction and 697,818 trees.

Solar System Project



Yilan Plant Rooftop Solar Project

Actron Technology Rooftop Solar Project



Note: Including all solar projects owned/co-constructed in SAS-group and reinvestments.

Sustainable Environment – Waste

- SAS adopts circular economy solutions to reduce costs and environmental impact.
- Almost 92.4% of the waste could be reused and regenerated as ingredients by other industries.
- Our relentless efforts make us outshining in the industry and are awarded the Excellence Award from Year 2020 Outstanding Enterprise Award for Waste Reduction and Circular Economy.

***2020 Outstanding Enterprise Award
for Waste Reduction and Circular Economy***



Excellence Award



Charity and Environment Protection

- SAS devotes our love to the ones that in need via donations. We also extend our care to environment through corporate volunteers by a series of activities like beach cleaning.



2020 Nov.
Zhunan Long Fong Beach Cleaning



2020 Nov.
**Fund for Children and Families
Garden Party Charity**



GlobalWafers Performance Update

Financial Highlights

➤ 2020

- Sequential improvement despite of COVID-19

	Q420	Q320	Q220	Q120
Revenue(NT\$mn)	14,137	14,006	13,701	13,515
QoQ	0.9%	2.2%	1.4%	-
EPS	7.90	7.78	7.81	6.62

- Our 3rd best year in history
 - ✓ Revenue, GM & GM%, EBITDA, OP, PBT, Net Profit, EPS
- EBITDA % & Net Profit % – Best Ever!

➤ Financial Leverage

- Sufficient cash*¹ position – NT\$ 28,165 mn (US\$ 989 mn)*²
- Prepayment – NT\$ 16,763 mn (US\$ 589 mn)*²

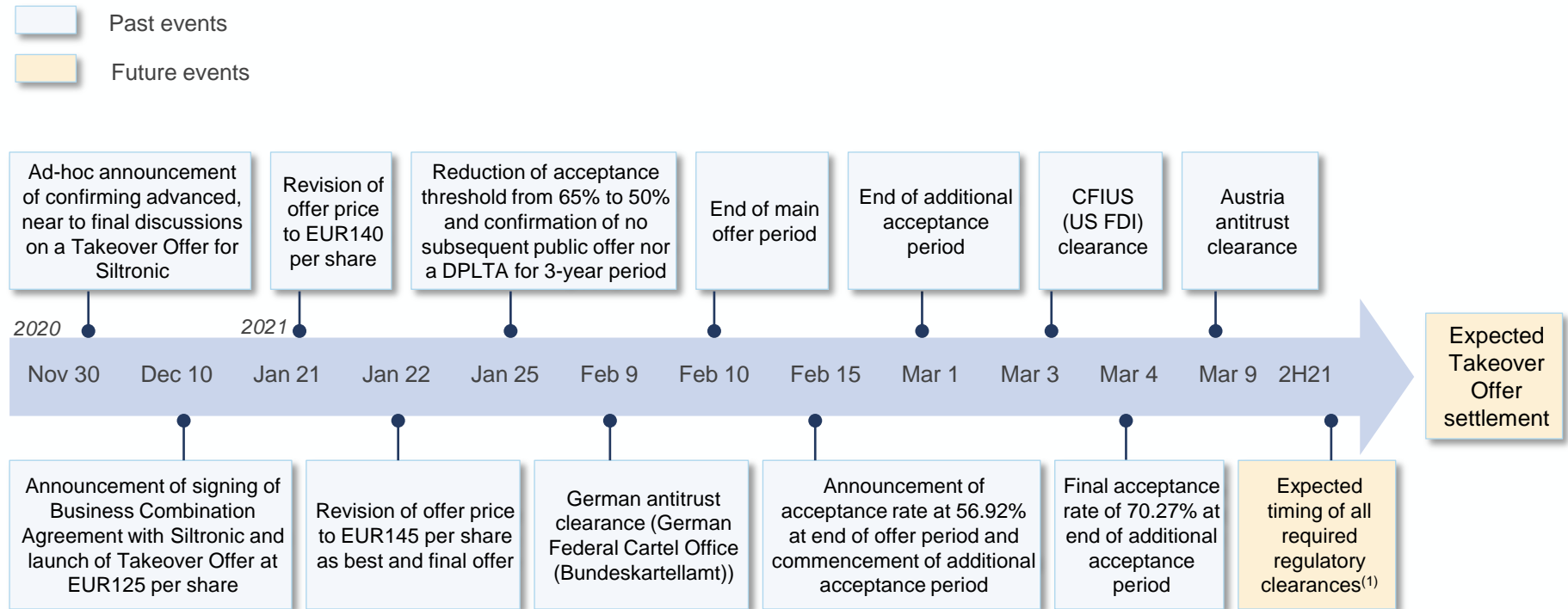
Note:

1. Cash = cash and the equivalent + restricted cash

2. FX Rate: NTD:USD = 28.48

Development of Takeover Offer for Siltronic

- GlobalWafers achieved a final acceptance rate of 70.27%
- Settlement of the Takeover Offer is expected in the second half of 2021, following receipt of required regulatory approvals



1. Further anti-trust approvals required in USA, China, Taiwan, Japan, Singapore and South Korea; foreign direct investment ("FDI") approvals in Germany and UK (if required).



Financial Highlight : 2020 vs. 2019

(NT\$m)	2020	2019	YoY
Revenue	55,359	58,094	-4.7%
EBITDA* ¹	21,967	22,648	-3.0%
EBITDA %	39.7%	39.0%	0.7%
EBIT	16,445	17,902	-8.1%
Operating Profit	15,287	17,897	-14.6%
Operating Profit %	27.6%	30.8%	-3.2%
Net Profit	13,104	13,636	-3.9%
Net Profit %	23.7%	23.5%	0.2%
EPS	NT\$30.11	NT\$31.35	-NT\$1.24
ROE* ² (annualized)	29.4%	30.9%	-1.5%
ROA* ³ (annualized)	13.8%	14.7%	-0.9%

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



Income Statement

Income Statement

(NT\$mn)	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	15,570	15,922	15,310	18,427	46,213	59,064	58,094	55,359
<i>Growth (%)</i>	-	2.3%	-3.8%	20.4%	150.8%	27.8%	-1.6%	-4.7%
Gross Profit	3,663	3,728	4,073	4,130	11,808	22,299	22,847	20,568
<i>Gross Profit Margin (%)</i>	23.5%	23.4%	26.6%	22.4%	25.6%	37.8%	39.3%	37.2%
EBITDA	4,053	4,087	4,046	3,025	12,221	22,712	22,648	21,967
<i>EBITDA Margin (%)</i>	26.0%	25.7%	26.4%	16.4%	26.4%	38.5%	39.0%	39.7%
Operating Profit	2,194	2,336	2,685	1,378	7,414	17,578	17,897	15,287
<i>Operating Profit Margin (%)</i>	14.1%	14.7%	17.5%	7.5%	16.0%	29.8%	30.8%	27.6%
Profit before Tax	2,204	2,679	2,808	1,344	6,875	18,253	18,554	16,615
<i>Profit before Tax Margin (%)</i>	14.2%	16.8%	18.3%	7.3%	14.9%	30.9%	31.9%	30.0%
Net Profit	1,948	2,095	2,044	939	5,278	13,634	13,636	13,104
<i>Net Profit Margin (%)</i>	12.5%	13.2%	13.4%	5.1%	11.4%	23.1%	23.5%	23.7%
EPS (NT\$)	6.14	6.60	5.80	2.54	12.68	31.18	31.35	30.11

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. 3Q20: Accumulated number



Balance Sheet

Balance Sheet

(NT\$mn)	2013	2014	2015	2016	2017	2018	2019	2020
Assets								
Cash and cash equivalents	1,536	2,685	3,662	5,628	18,794	35,214	32,822	22,439
Account receivable	3,165	3,694	4,538	7,642	7,869	9,226	8,140	8,037
Inventories	3,291	2,829	3,262	7,307	7,347	7,040	6,849	7,208
Property, plant and equipment	9,796	8,972	9,361	31,036	28,202	30,887	34,697	37,111
Other assets	3,286	3,204	2,994	8,948	8,020	7,455	14,078	20,056
Total assets	21,074	21,385	23,816	60,560	70,232	89,822	96,586	94,852
Liabilities								
Short-term loan	1,302	2,069	696	12,982	10,738	5,042	9,886	9,871
Account payable	1,816	1,789	1,383	5,126	4,269	4,870	3,837	3,895
Long term loan	--	--	--	14,367	3,663	430	--	--
Other liabilities	4,821	4,325	5,012	12,267	17,508	36,324	37,790	36,930
Total liabilities	7,939	8,184	7,091	44,742	36,178	46,666	51,513	50,697
Shareholder equity	13,135	13,201	16,725	15,819	34,054	43,156	45,073	44,155

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