



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



SAS (5483 TT) 2Q22 Earnings Call

August, 2022

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Executive Comments

1. Financial Highlight

■ Revenue

- ✓ June → NTD \$7.3 billion, 16.5% YoY, record high!
- ✓ Q222¹ → NTD \$20.3 billion, 18.0% YoY, record high!
- ✓ Since Q320², SAS' revenue has increased sequentially!

| Quarters | Q220 | Q320 | Q420 | Q121 | Q221 | Q321 | Q421 | Q122 | Q222 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue (NT\$mn) | 15,038 | 15,379 | 15,703 | 16,052 | 17,183 | 17,522 | 18,084 | 18,769 | 20,271 |

- ✓ 1H22³ → NTD \$39.0 billion, 17.5% YoY, record high!

■ Gross Margin

- ✓ Q222¹ → 40.8%, record high!
- ✓ 1H22² → 40.3%, record high!
- ✓ Since Q221⁴, SAS' gross margin has increased sequentially!

| Quarters | Q121 | Q221 | Q321 | Q421 | Q122 | Q222 |
|------------------|-------|-------|-------|-------|-------|-------|
| Gross Margin (%) | 33.7% | 34.0% | 36.5% | 38.0% | 39.8% | 40.8% |

Note:

1. Q222: Second quarter of 2022
2. Q320: Third quarter of 2020
3. 1H22: First half year of 2022
4. Q221: Second quarter of 2021

Executive Comments

1. Financial Highlight

■ Operating Profit Margin

- ✓ Q222¹ → 33.6%, the highest in the history!
- ✓ 1H22² → 33.3%, the highest in the history!

■ EPS

- ✓ Q222¹ → NT\$3.11
- ✓ 1H22² → NT\$5.26
- ✓ EPS would have increased to NT\$11.35 for the first half of 2022 if excluding realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors (NT\$6.09) to the subsidiary, GlobalWafers, record high!

Note:

1. Q222: Second quarter of 2022
2. 1H22: First half year of 2022



Executive Comments

2. Solar Industry Outlook

■ Worldwide

- ✓ Russian aggression and soaring energy price have accelerated EU countries' ambition to decarbonation and displace fossil fuels in order to build a resilient energy system which could withstand and adapt to the turbulence and instability of climate and macroeconomics.

■ Taiwan

- ✓ Government policy to increase power rate by 15% for large-scale industrial user is expected to stimulate enterprise and household solar installations, with Taiwan's 2050 net-zero transition, green energy led by solar energy are powered by both system and demand fronts with promising prospects.



Executive Comments

3. Planned Dividend Payout

- ✓ 2021 Dividend — NT\$ 8 (1H21: NT\$3.5 + 2H21: NT\$4.5)
- ✓ 2021 Payout Ratio — 69%
- ✓ Record Date — July 25, 2022
- ✓ Payment Date — August 12, 2022

4. Taiwan Wafer Manufacture Index

- ✓ Listed in TIP(Taiwan Index Corporation) Customized Taiwan Wafer Manufacture Index (Top 10) since 2022/7/4.



Executive Comments

5. GlobalWafers

■ Financial Highlights

✓ Revenue

- June → NT\$6.2 billion, 3.3% MoM, 15.4% YoY, record high!
- Q222¹ → NT\$17.5 billion, 7.6% QoQ, 15.3% YoY, record high!
- Since Q120², GWC's revenue has increased sequentially!

| (NT\$ mn) | Q419 | Q120 | Q220 | Q320 | Q420 | Q121 | Q221 | Q321 | Q421 | Q122 | Q222 |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue | 13,506 | 13,515 | 13,701 | 14,006 | 14,137 | 14,806 | 15,208 | 15,364 | 15,752 | 16,307 | 17,540 |

- 1H22³ → NT\$33.8 billion, 12.8% YoY

Surpassed the 33 billion milestone and achieved record-breaking high!

Note:

1. Q222: Second quarter of 2022
2. Q120: First quarter of 2020
3. 1H22: First half year of 2022



Executive Comments

5. GlobalWafers

■ Financial Highlights

✓ Gross Margin

- Q222¹ → 43.6%, record high!
- 1H22² → 43.1%, record high!
- Since Q221³, GWC's gross margin has increased sequentially!

| (%) | Q121 | Q221 | Q321 | Q421 | Q122 | Q222 |
|--------------|-------|-------|-------|-------|-------|-------|
| Gross Margin | 35.1% | 36.7% | 39.1% | 41.3% | 42.6% | 43.6% |

✓ Operating Profit Margin

- Q222¹ → 36.5%, the highest in the history!
- 1H22² → 36.3%, the highest in the history!

Note:

1. Q222: Second quarter of 2022
2. 1H22: First half year of 2022
3. Q221: Second quarter of 2021



Executive Comments

5. GlobalWafers

■ Financial Highlights

✓ EPS

- Q222¹ → NT\$6.24
- 1H22² → NT\$10.25
- EPS would have increased to NT\$26.28 for the first half of 2022 if excluding realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors (NT\$16.03), record high!

✓ Prepayment

- NT\$ 36,055.9 mn (US\$ 1,213.2 mn)³, record high!

Note:

1. Q222: Second quarter of 2022
2. 1H22: First half year of 2022
3. FX Rate: NTD:USD = 29.72



Executive Comments

5. GlobalWafers

■ Industry & Overview

✓ Global Economy

- IMF's July report lowers world GDP growth to 3.2% in 2022, down from the 3.6% predicted in April, and expects 2023 to stay near at similar level.

✓ Semiconductor Industry

- Despite stagflation and slowing consumer electronics, semiconductor industry remains resilient with network infrastructure and digital transformation.
- The increasing Si content growth in end applications like automotive, industrial, 5G and cloud serves as structural support for long-term growth drivers.



Executive Comments

5. GlobalWafers

✓ Potential Implication of the Ukraine Crisis

- Expected to affect metals and noble gas supply chains which will in turn directly impact the semiconductor industry.
- Triggering a sharp increase in energy costs, leading to significant adverse effects, especially in Europe.
- Despite all these risks, semiconductor companies continue to downplay impact, which may change depending on the length of war.

✓ 5G

- Though a weaker global economy and the uncertainties caused by Russia's invasion of Ukraine have impacted smartphone sales, 5G adoption continues because service providers switch on 5G and launch commercial 5G services globally, taking 5G into the mainstream.



Executive Comments

5. GlobalWafers

✓ Automotive

- With China limited production, supply chain issues and the war in Ukraine, key component shortages are likely to continue. However, the slowdown in mobile and consumer electronics will help to transition foundry capacity to automotive.
- In addition, automotive HPC, EV/HEV and advanced driver assistance systems will continuously consume more automotive semiconductors to meet cutting-edge functionalities.

■ Planned Dividend Payout

- ✓ 2021 Dividend — NT\$ 16 (1H21: NT\$8 + 2H21: NT\$8)
- ✓ 2021 Payout Ratio — 58.7%
- ✓ Record Date — July 18, 2022
- ✓ Payment Date — August 5, 2022

■ Taiwan Wafer Manufacture Index

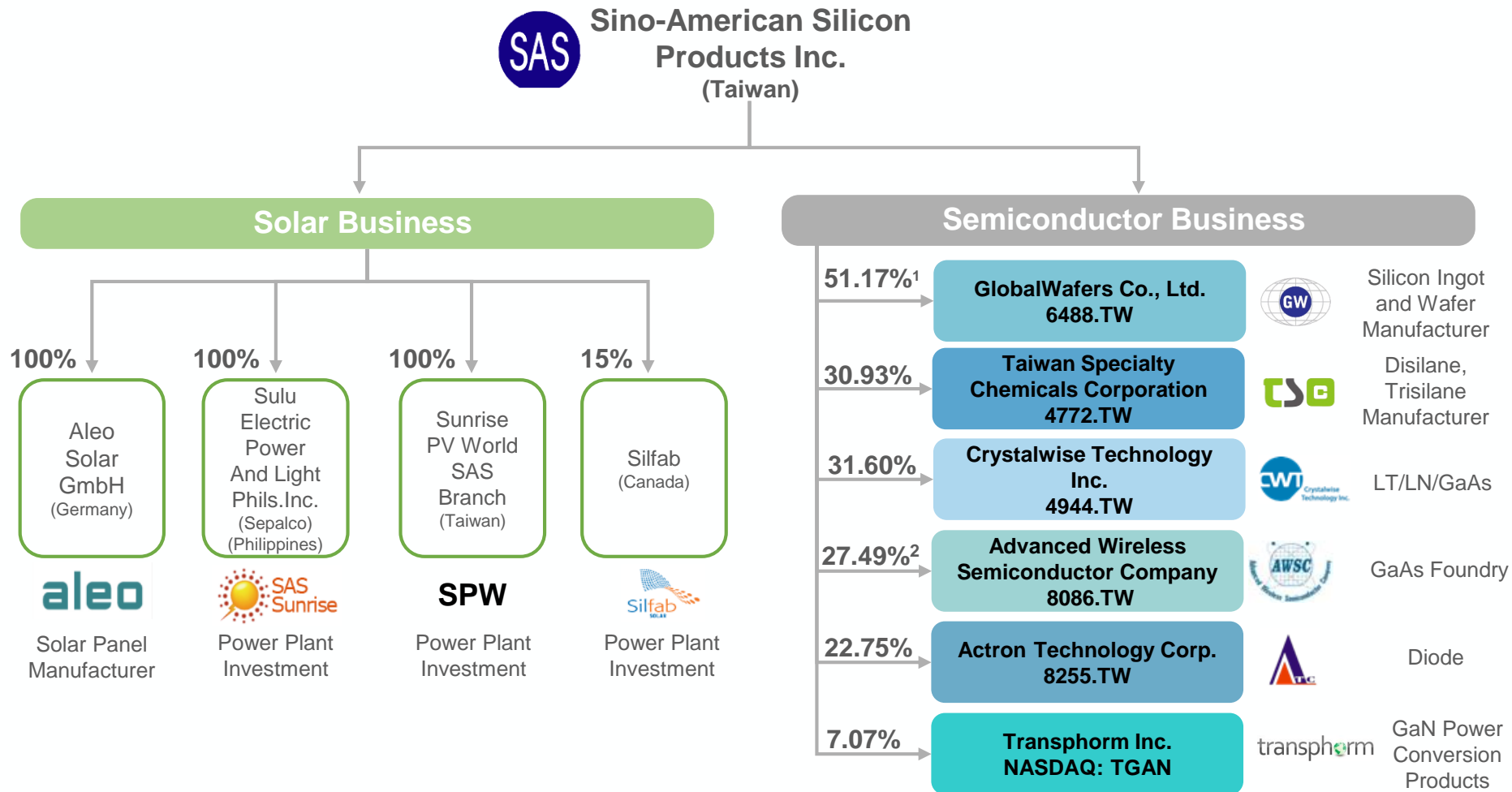
Listed in TIP(Taiwan Index Corporation) Customized Taiwan Wafer Manufacture Index (Top 10) since 2022/7/4.



Company Overview



SAS Group Structure



Note:

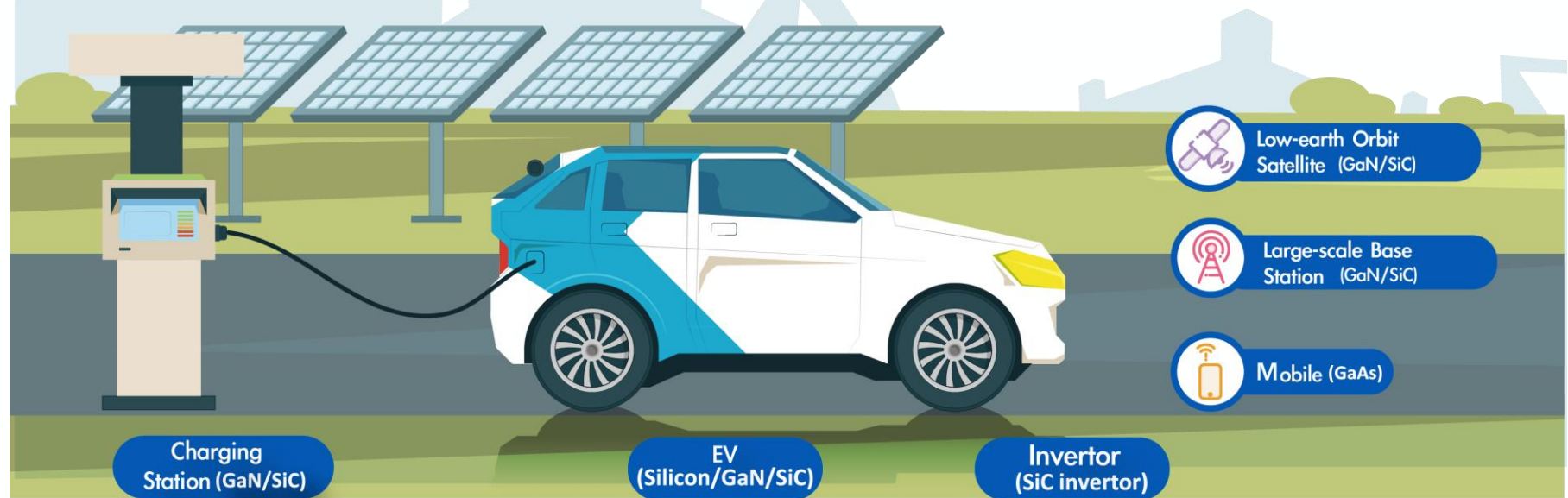
- SAS' shareholding % of GWC : $GWC \text{ shares held by SAS} / GWC \text{ total outstanding shares deducting repurchased shares}$
- The shareholdings % of reinvestments are updated to the end of July 2022.



Application and Focus of SAS Reinvestments



Foundation of World-Connecting Technologies



Materials

Design House

Foundry

Assembly

1st generation Si



2nd generation GaAs



3rd generation
SiC / GaN



transphorm



transphorm



transphorm



Specialty Gas



Rationale for the Strategic Partnership

- The strategic partnership of SAS and ATC/AWSC/TSC/CWT/Transphorm provides an unique opportunity to expand high value business, fostering innovations into future economic growth.

1 Diversify investments to strengthen business deployment

2 Expand territory into business with high potential to increase SAS' intrinsic value

3 Invest in semiconductor value chain for growth potential to SAS' market value

4 Augment company scale through reinvestment recognition for sustainable growth¹

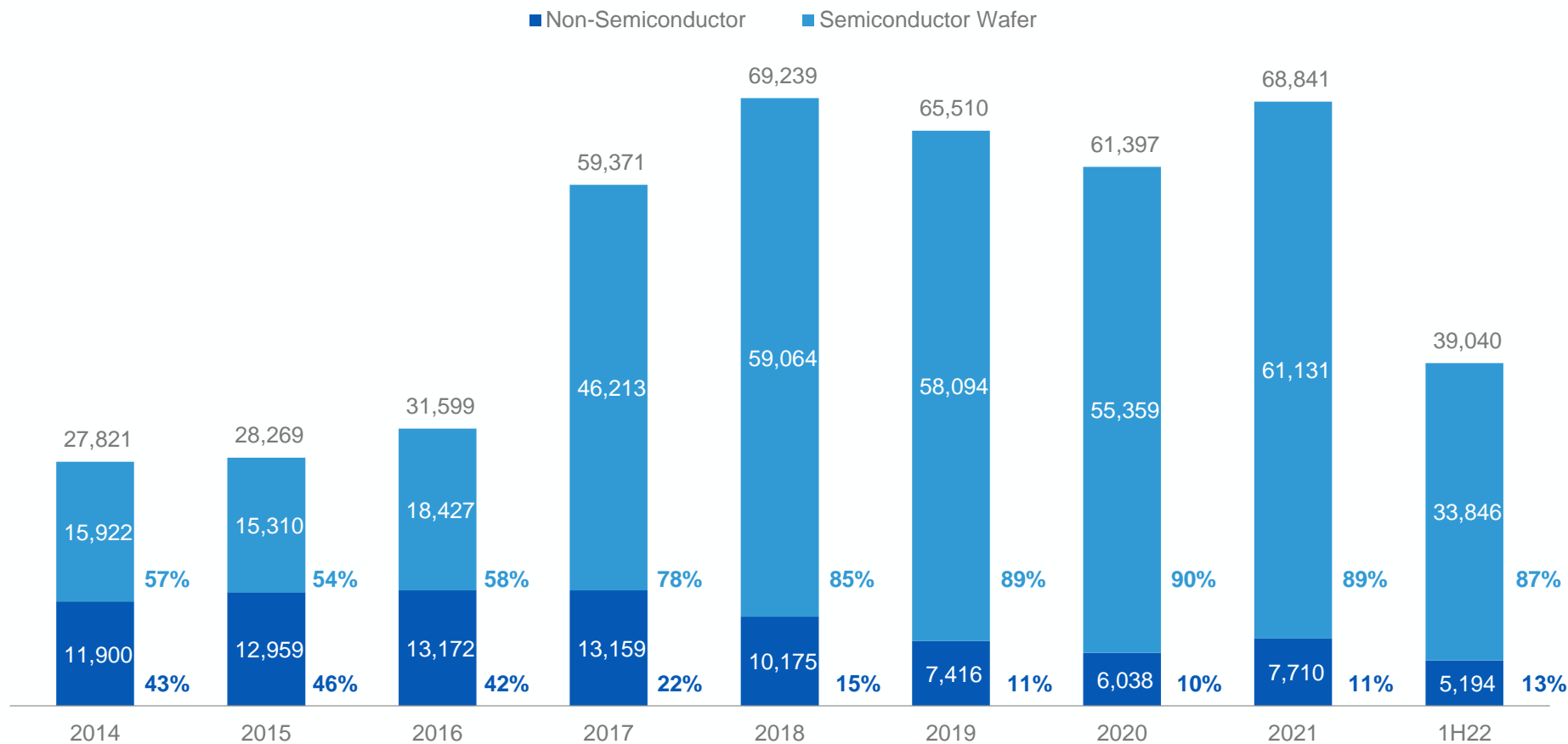
Note: TSC and AWSC have become SAS' subsidiaries since August, 2021 and June, 2022 respectively. (AWSC revenue to be recognized from July, 2022)



Group Revenue by Business

Group Revenue by Business

(NT\$m)



Note:

1. 1H22: First half of 2022

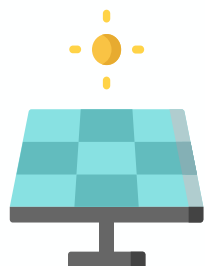


Industry Overview

Solar Energy Repowers Europe

- The EU Solar Energy Strategy will boost the roll-out of photovoltaic energy as part of the REPowerEU plan, which aims to bring over 320GW of solar PV newly installed by 2025, and almost 600 GW by 2030.

EU Solar Energy Strategy



320GW by 2025



**EU Solar PV
Industry Alliance**

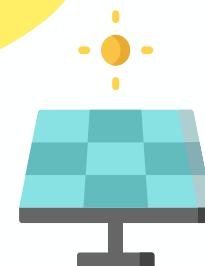
**European Solar
Rooftops initiative**



**EU large-scale
skills partnership**



600GW by 2030



Source: Factsheet: Clean energy by European Commission, May 18th, 2022.

EU Countries Accelerate Energy Transition

- The war in Ukraine has provided additional tailwind to the uptake of ambitious renewable energy policies across the European continent, with many countries making significant announcements.

Snapshot of EU Energy Transition

19

19 European governments accelerated their decarbonization in response to the COVID-19 pandemic, gas crisis and Russia's aggression

63%

Under latest national plans, EU countries will reach 63% of renewables share in electricity generation by 2030, up from 55% under previous commitments

31%

EU countries cut planned 2030 fossil fuel power generation by 31% (272 TWh) compared to national strategies from 2019 (NECPs)

Source: EU national plans slash fossil fuels, June, 2022.

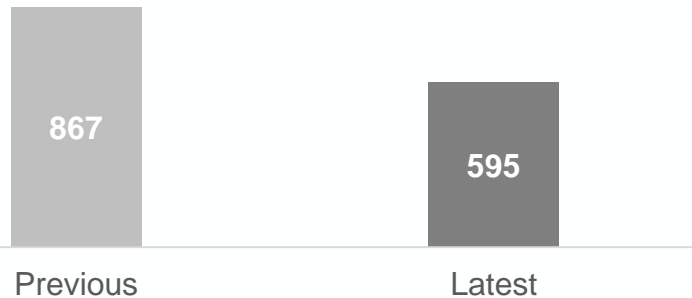
Governments Replace Fossil Fuels with Renewables in Response to Russia's Aggression



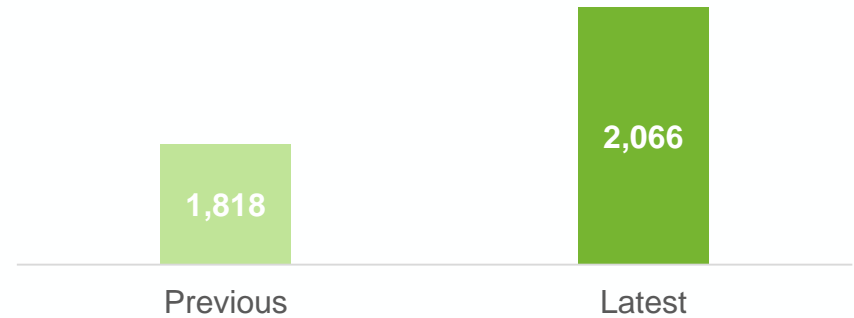
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- The European Commission and most EU Member States have increased the planned pace of renewables additions to shield themselves from fossil fuel import dependence

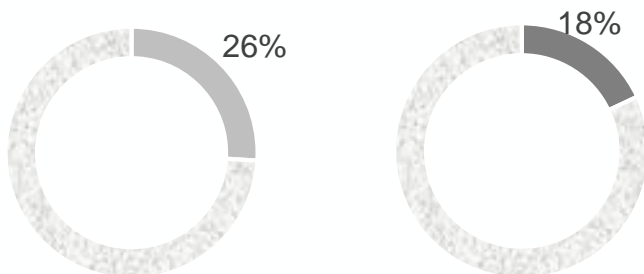
EU-27 Electricity Generation in 2030 - Fossil Fuels (TWh)



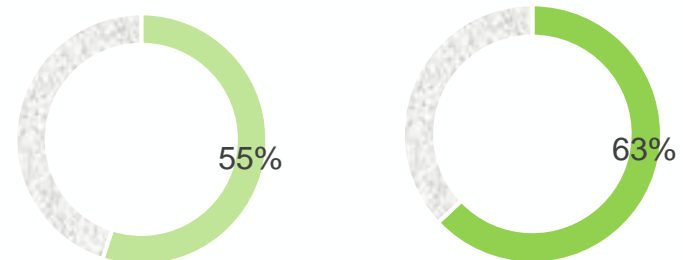
EU-27 Electricity Generation in 2030 - Renewables (TWh)



EU-27 Electricity Generation in 2030 - Fossil Fuels (%)



EU-27 Electricity Generation in 2030 - Renewables (%)



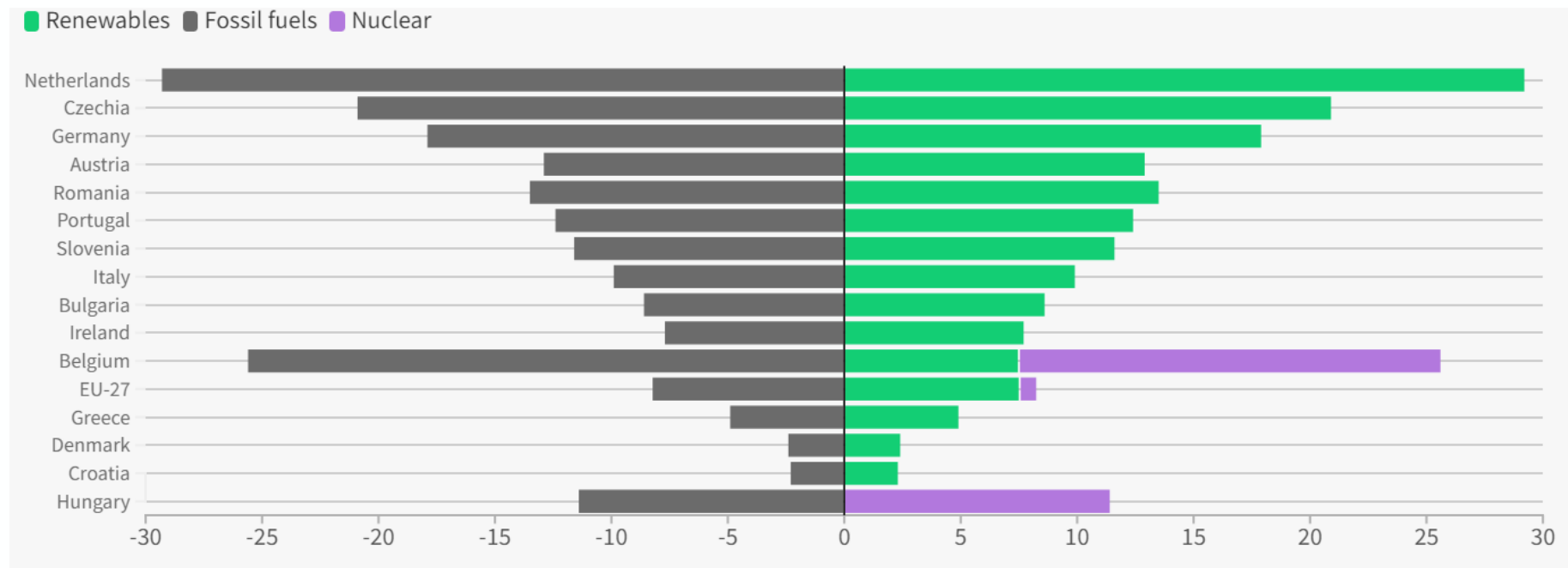
Source: Analysis by CREA and Ember, June 1st, 2022

Note: Previous = National Energy and Climate Plans (NECPs) from 2019; Latest = national policy announcements as of May 2022; Reference point is generation data for 2021 data from Ember's European Electricity Review 2022.

Renewables are the Go-to Solution for EU Countries

- In response to Russia's aggression and soaring fossil prices, most EU Member States have announced significant increases in renewables deployment, while scaling down plans for fossil fuels.

Percentage Point Change in Share of Electricity Generation in 2030 (Latest Vs. Previous Plans)



Source: Analysis by CREA and Ember, June 1st, 2022

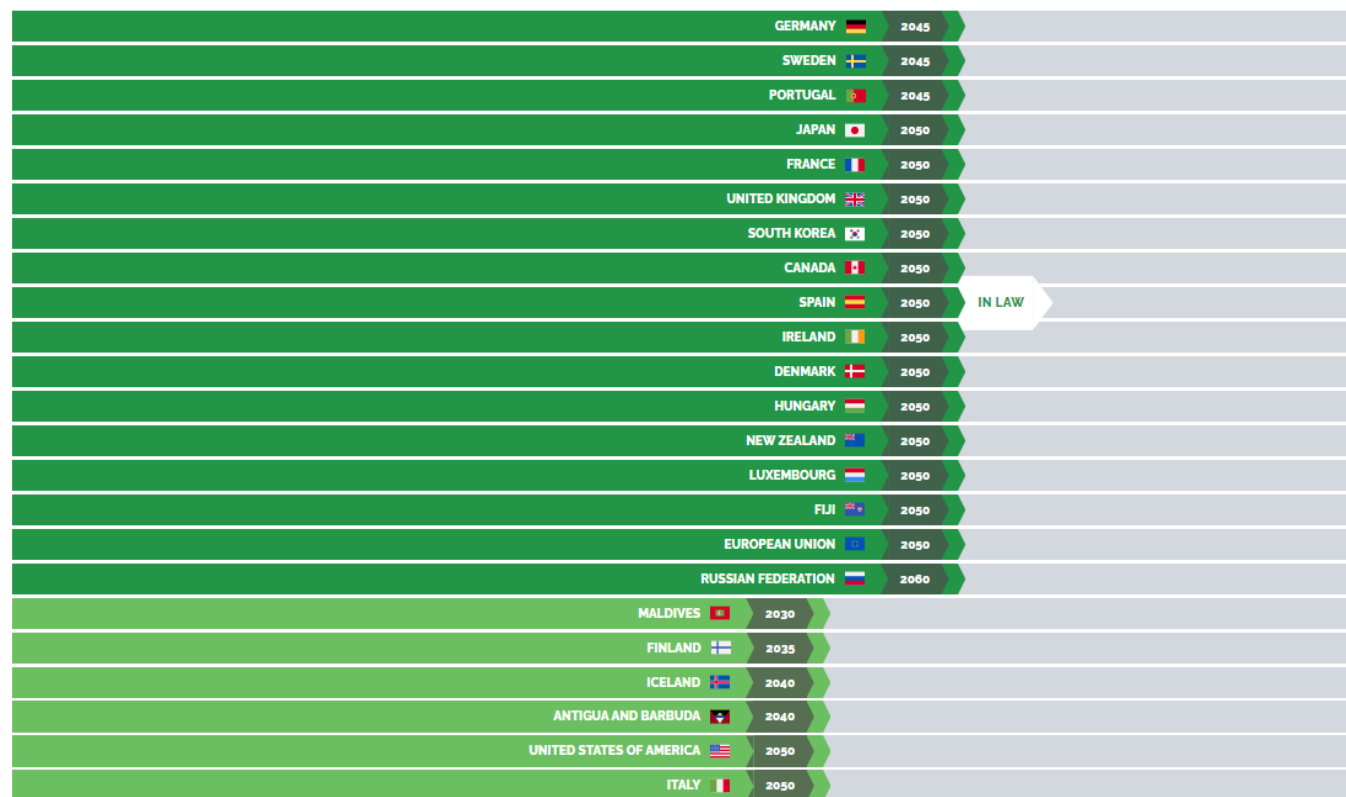
Note: Previous = National Energy and Climate Plans (NECPs) from 2019; Latest = national policy announcements as of May 2022.

Countries selected have changed their 2030 power sector targets since 2019 (Poland and France changed targets for 2040-2050, but impact on 2030 values is uncertain).

Countries Race to Net Zero Emissions

- A growing coalition of countries are pledging to get to net-zero emissions. More than 70 countries, including the biggest emitters, United states of America (2050 Policy) China (2060 Policy), EU (2050 Law)...etc have established Net-Zero target by means of law, policy, and pledge.

Top Countries of Committing Net Zero Emissions

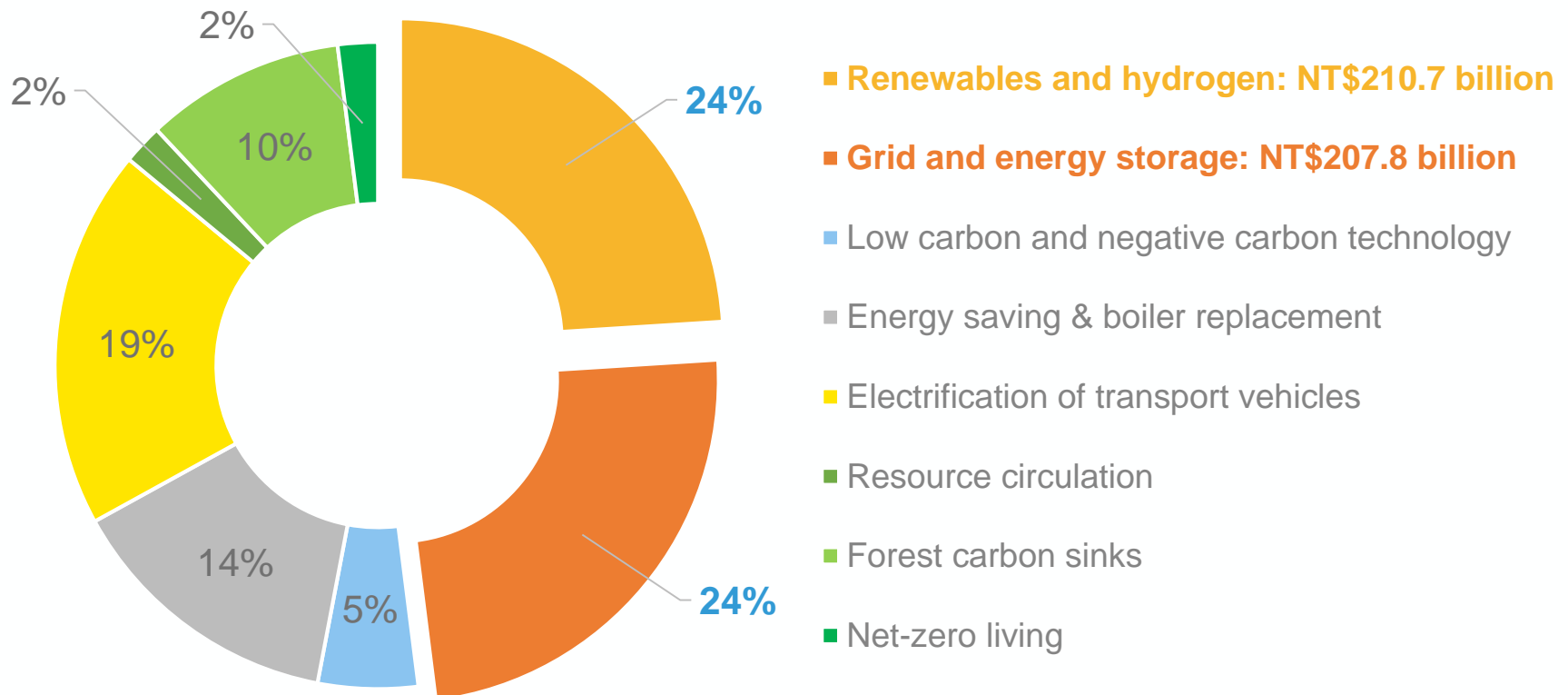


Source: Net Zero Scorecard by Energy & Climate Intelligence Unit.

Taiwan 2050 Net-Zero Transition : Budget

- Taiwan government plans a budget of nearly NTD 900 billions by 2030 for major plans of 2050 net-zero transition, among which, renewables as well as grid and energy storage occupy almost 50%

Budget for Taiwan 2050 Net-zero Transition



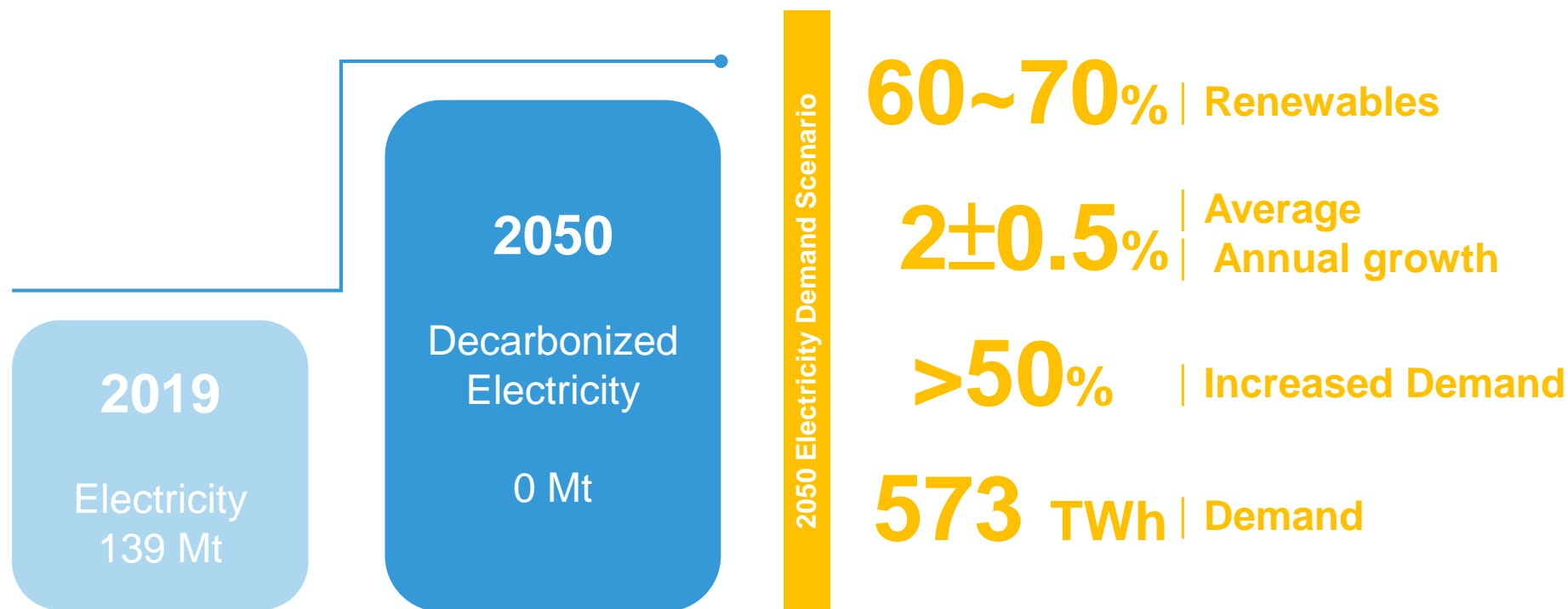
Source: Taiwan's Pathway to Net-Zero Emissions in 2050, March, 2022

Taiwan 2050 Net-Zero Transition : Electricity

- Being the single largest source of CO₂ emissions, electricity is the key to achieve net zero emission.
- Based on Taiwan government's plan, renewable will weight up to 70% in 2050 with average annual growth rate at 2%, and demand is expected to increase over 50%, reaching 573 TWh.

Electricity Emission and Demand in Net Zero Plan

Unit: Mton CO₂

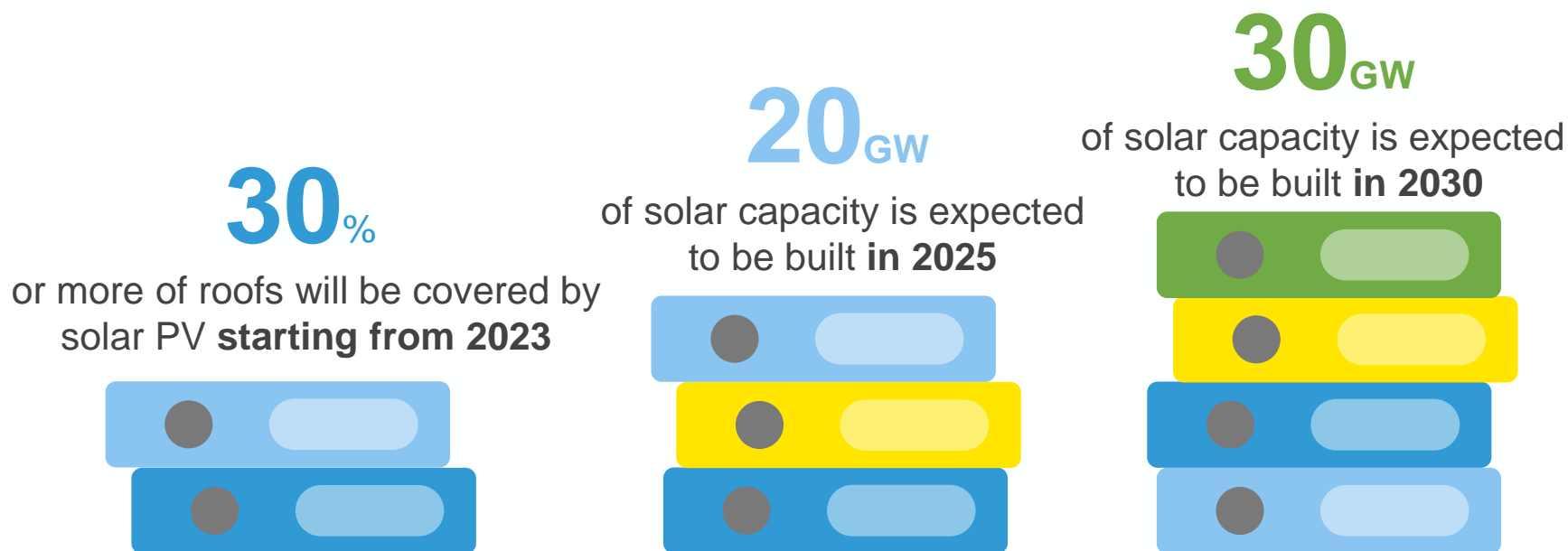


Source: Taiwan's Pathway to Net-Zero Emissions in 2050, March, 2022

Promoting Rooftop PV in Taiwan

- Promoting rooftop PV is indispensable and important in net-zero transformation and decarbonization of the building sector.
- Taiwan government plans mandatory installation of PV systems to cover at least 30% of the roof area of new and renovated buildings, which will come into force in 2023, to expand green power.

Roadmap of Promoting Rooftop PV in Taiwan

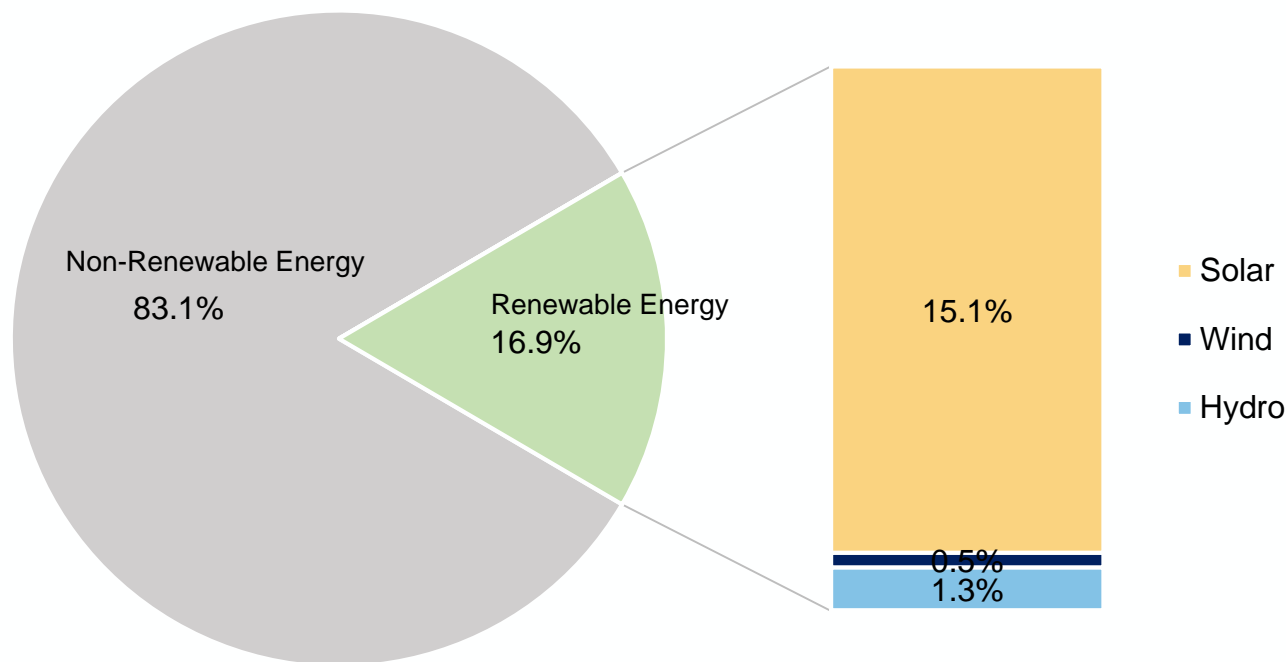


Source: Bureau of Energy Ministry of Economic Affairs

Solar Becomes the Key of Energy Transformation in Taiwan

- Taiwan, located in subtropical region, is characterized by hot summers and mild winters, making it ideal for solar energy development. Furthermore, solar electricity generation and electricity consumption are very compatible, as demand for electricity increases during periods of intense sunlight. Solar alone could provide double-digit of the total electricity at noontime.

Taiwan Electricity Source Percentage (by Fuel Type)¹



Note: Statistics is July 23, 2022.

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

Geographical Advantages Bring Taiwan to the Solar Era

- Taiwan is located in the global solar belt, giving it an average annual daylight of nearly 1,800 hours. Taiwan makes good use of the advantages of abundant daylight and deploys solar panels on idle agricultural and industrial land, making solar energy the largest renewable energy source in Taiwan.

Solar Power as a Percentage of Renewable Energy Accumulated Installed Capacity (as of 2022/5)



68.3 %
8.4 GW



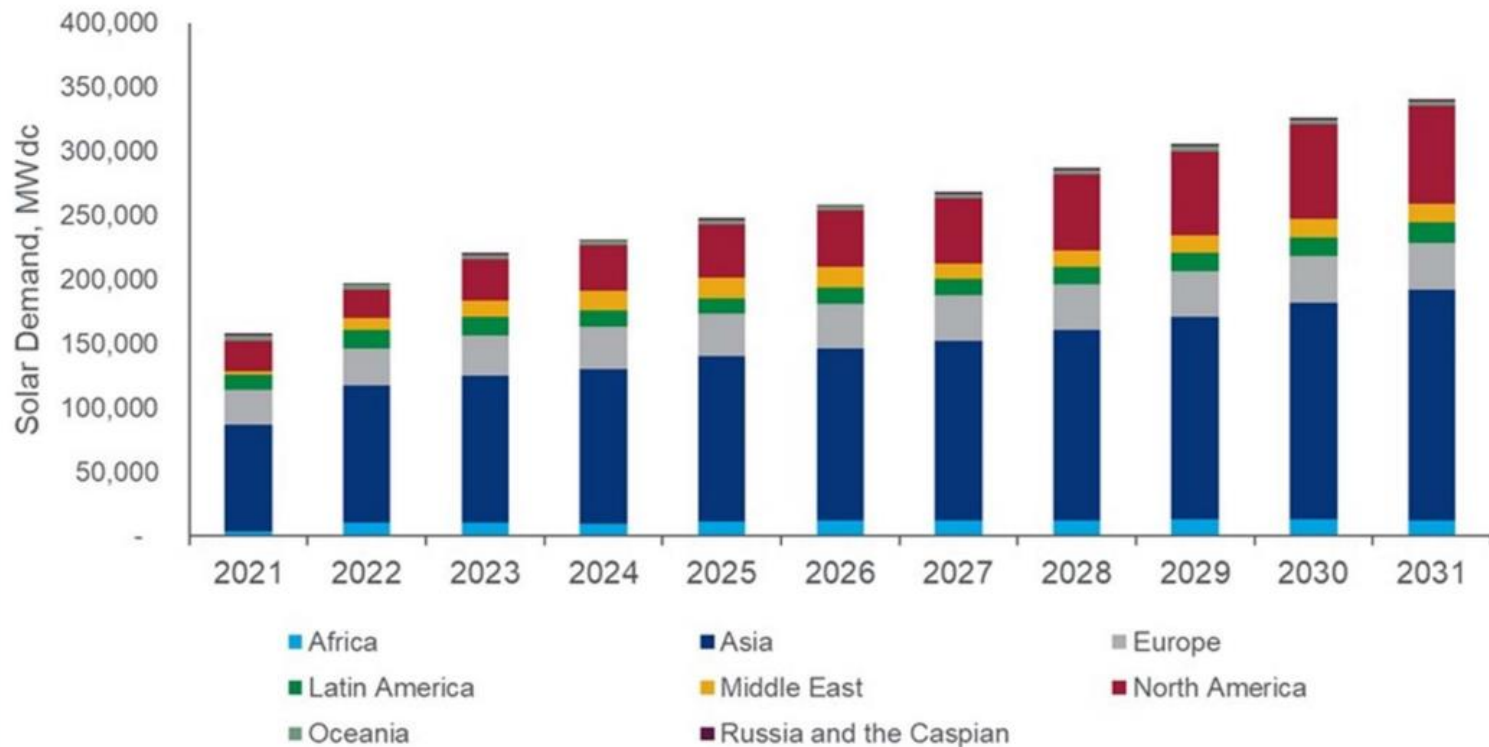
Note: Statistics was until the end of May 2022.

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

Global Solar Installation Forecast

- The global push to phase out coal & fossil fuels worldwide has boosted demand for clean energy, global solar installation is expected to grow at 8% CAGR and exceed 3,500 GW of total installed capacity in the next decade

Global Solar Installation Demand, 2021-2031



Source: Soaring solar raw materials prices could thwart REPower EU Plans by Wood Mackenzie, May, 2022.



Financial Statements



Financial Highlight : Q222 vs. Q122 vs. Q221

| (NT\$mn) | Q222 | Q122 | Q221 | QoQ | YoY |
|--------------------------------|----------|----------|----------|----------|----------|
| Revenue | 20,271 | 18,769 | 17,183 | 8.0% | 18.0% |
| Gross Profit Margin % | 40.8% | 39.8% | 34.0% | 1.0% | 6.8% |
| Operating Profit | 6,804 | 6,205 | 4,314 | 9.6% | 57.7% |
| Operating Profit % | 33.6% | 33.1% | 25.1% | 0.5% | 8.5% |
| Net Profit | 3,202 | 2,149 | 4,052 | 49.0% | -21.0% |
| Net Profit % | 15.8% | 11.4% | 23.6% | 4.4% | -7.8% |
| EPS | NT\$3.11 | NT\$2.16 | NT\$3.61 | NT\$0.95 | -NT\$0.5 |
| EBITDA* ¹ | 6,156 | 2,387 | 7,159 | 157.9% | -14.0% |
| EBITDA % | 30.4% | 12.7% | 41.7% | 17.7% | -11.3% |
| EBIT | 4,463 | 742 | 5,541 | 501.9% | -19.5% |
| ROE* ² (annualized) | 22.7% | 16.2% | 32.3% | 6.5% | -9.6% |
| ROA* ³ (annualized) | 7.6% | 5.4% | 12.7% | 2.2% | -5.1% |

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



Financial Highlight : 1H22 vs. 1H21

| (NT\$m) | 1H22 | 1H21 | HoH |
|--------------------------------|----------|----------|-----------|
| Revenue | 39,040 | 33,235 | 17.5% |
| Gross Profit Margin % | 40.3% | 33.9% | 6.4% |
| Operating Profit | 13,010 | 8,275 | 57.2% |
| Operating Profit % | 33.3% | 24.9% | 8.4% |
| Net Profit | 5,351 | 6,821 | -21.6% |
| Net Profit % | 13.7% | 20.5% | -6.8% |
| EPS | NT\$5.26 | NT\$6.11 | -NT\$0.85 |
| EBITDA* ¹ | 8,543 | 12,435 | -31.3% |
| EBITDA % | 21.9% | 37.4% | -15.5% |
| EBIT | 5,205 | 9,171 | -43.2% |
| ROE* ² (annualized) | 19.3% | 27.4% | -8.1% |
| ROA* ³ (annualized) | 6.3% | 10.7% | -4.4% |

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

2. ROE = Net Profit / Average Shareholders Equity.

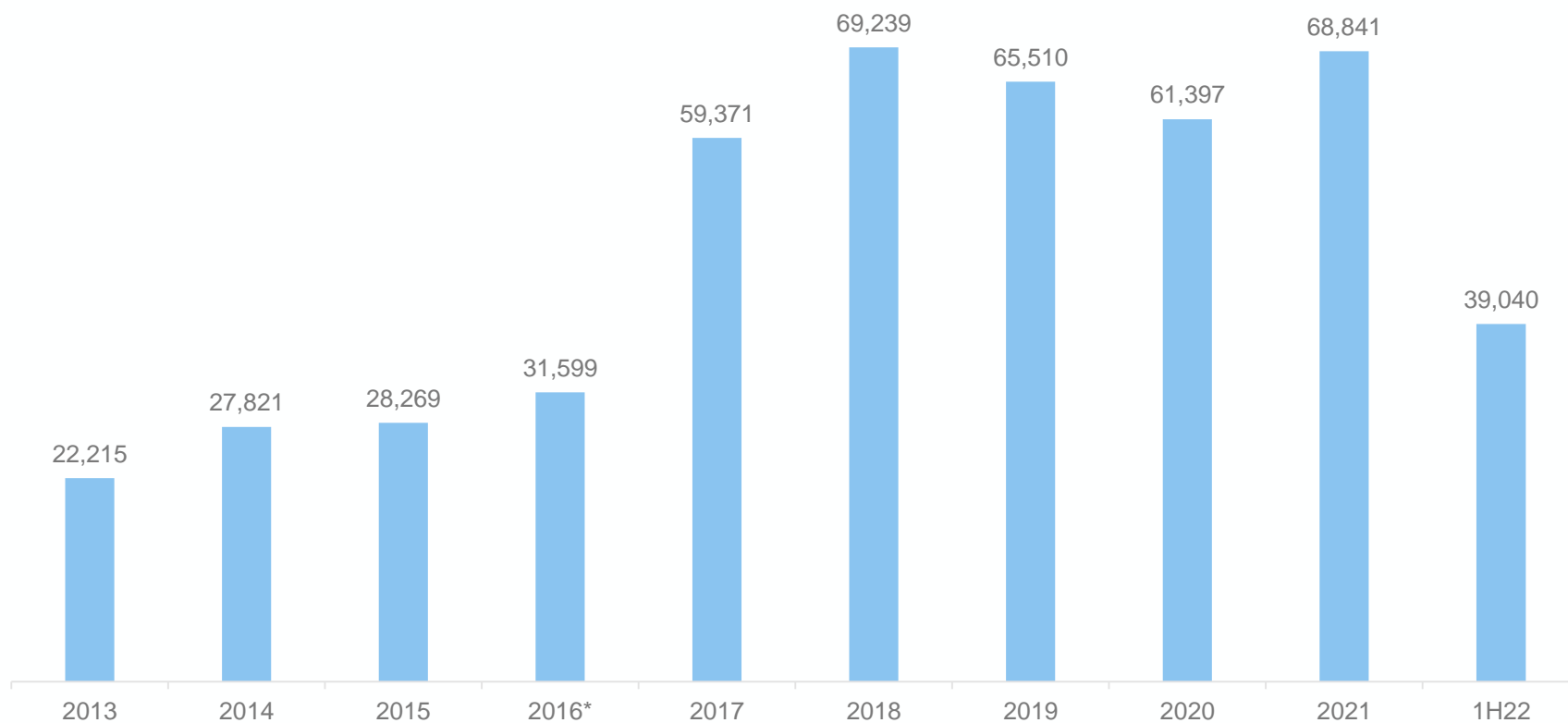
3. ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset



Revenue

Revenue

(NT\$mn)

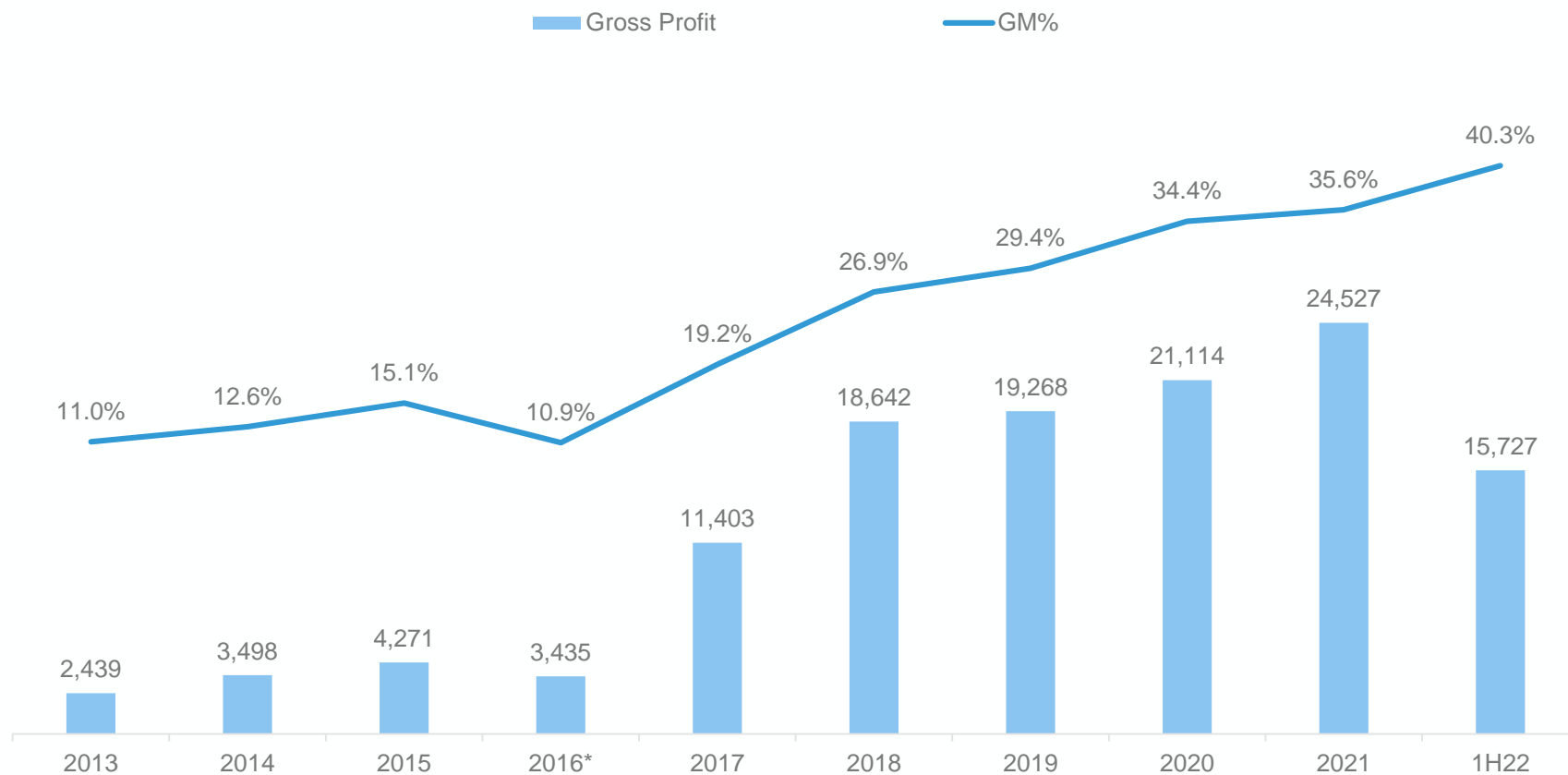


1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.

Gross Profit

Gross Profit

(NT\$mn)

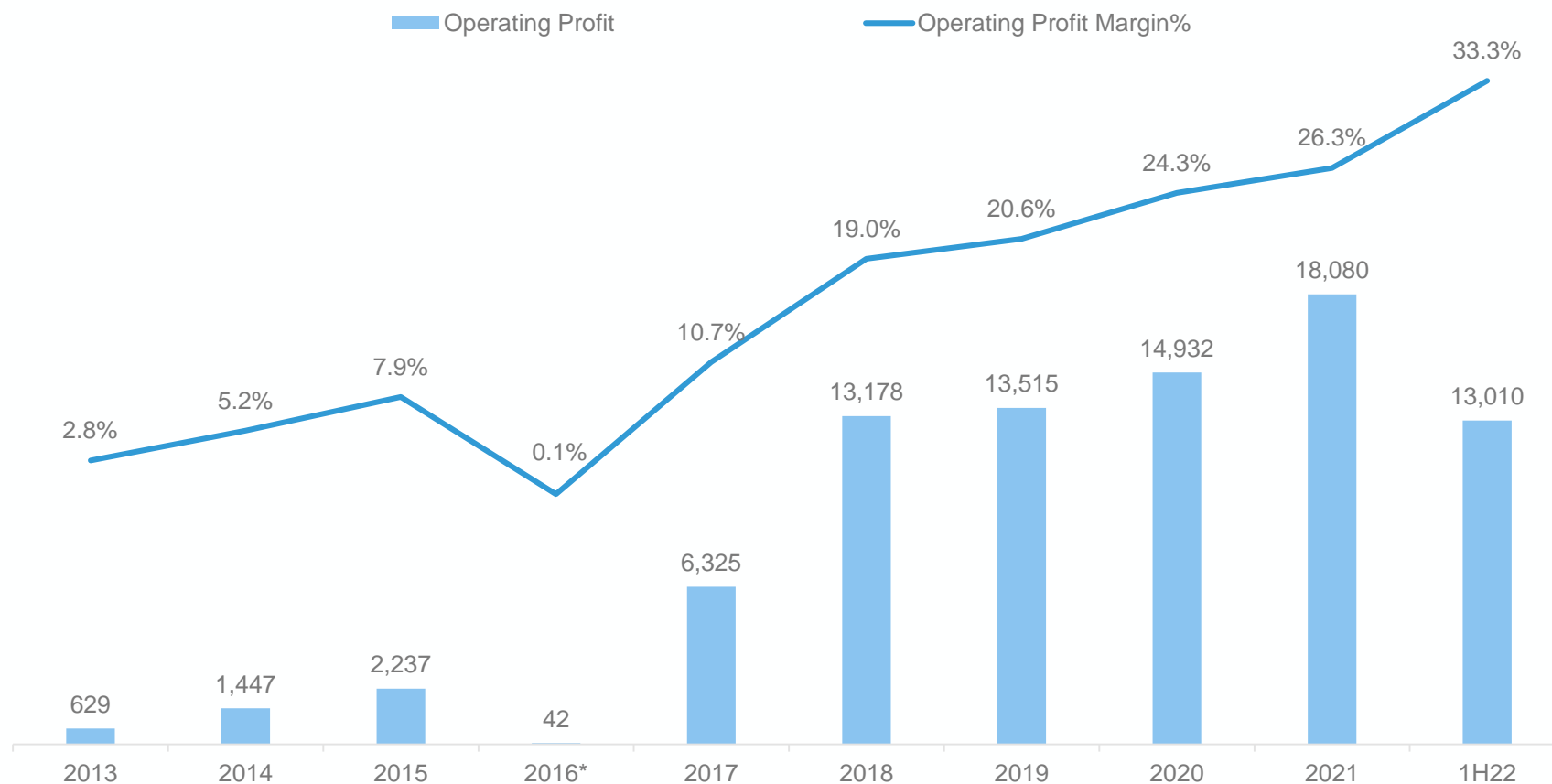


1. Upon completion of GWC's acquisition of SunEdison Semiconductor ("SEMI") in 2016, FY2016 financials has included earnings from SEMI from the period of 02 Dec 2016 – 31 Dec 2016.

Operating Profit

Operating Profit

(NT\$mn)



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.

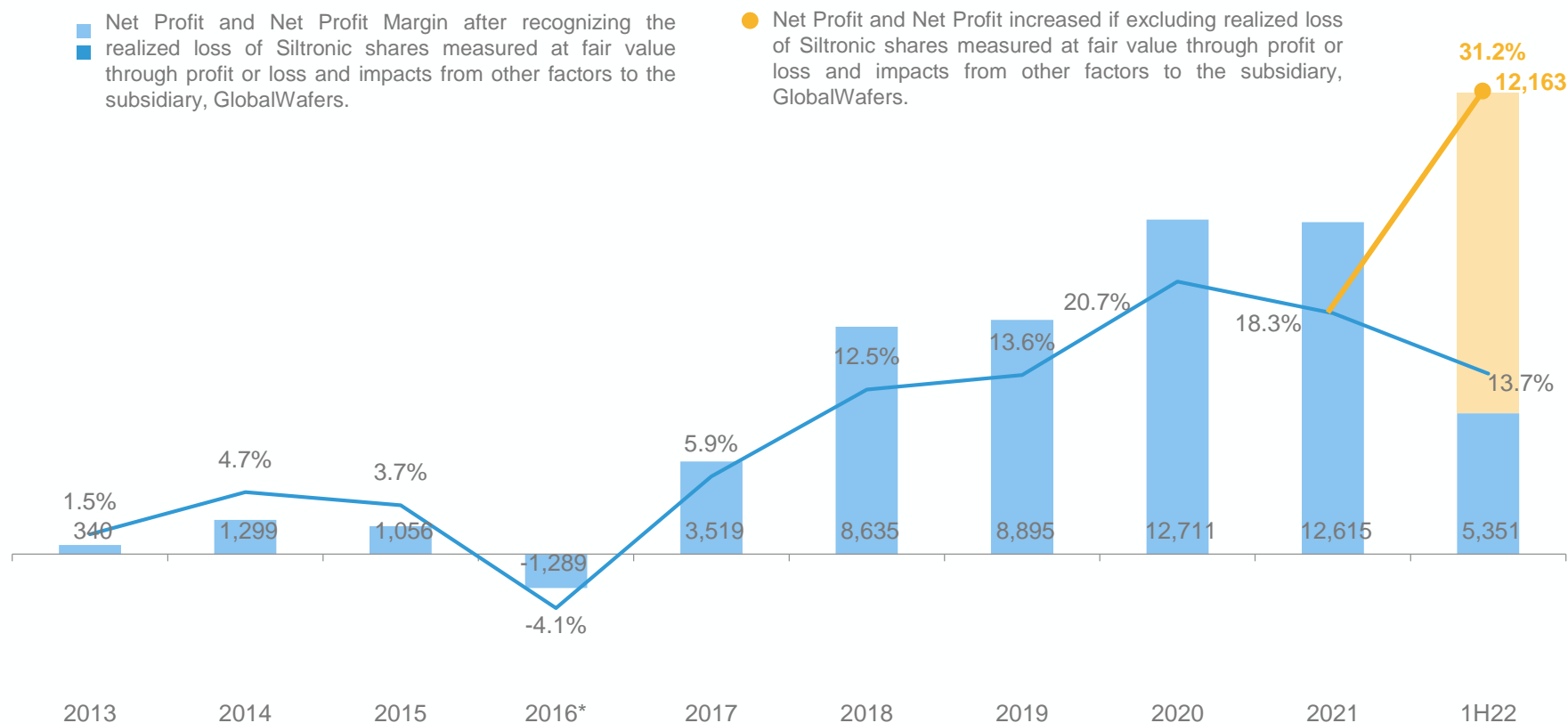
Net Profit

Net Profit

(NT\$m)

■ Net Profit and Net Profit Margin after recognizing the realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors to the subsidiary, GlobalWafers.

● Net Profit and Net Profit Margin increased if excluding realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors to the subsidiary, GlobalWafers.



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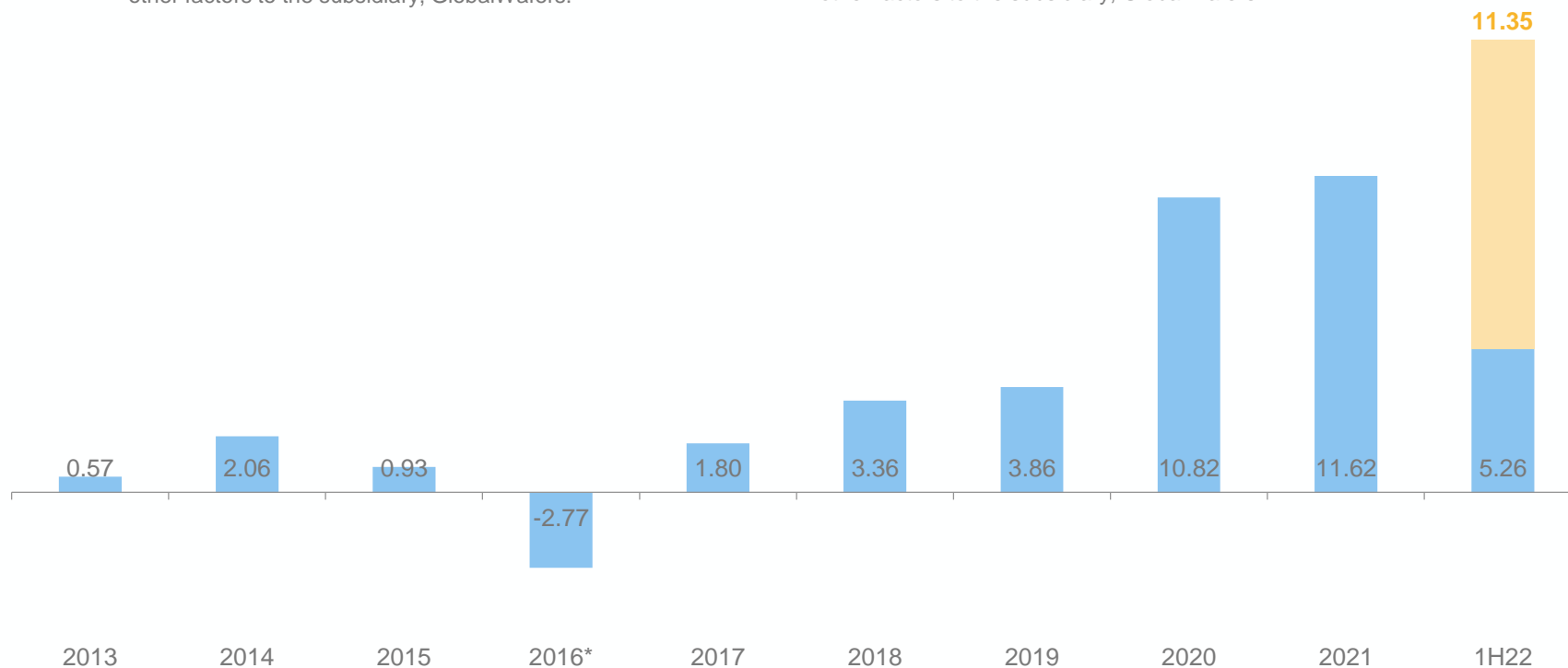
EPS

EPS

(NT\$)

■ EPS after recognizing the realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors to the subsidiary, GlobalWafers.

● EPS increased if excluding realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors to the subsidiary, GlobalWafers.



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.



Income Statement

| Income Statement | | | | | | |
|-------------------------------------|---------------|---------------|---------------------------|--------------------------|--------------------------|--------------------------|
| (NT\$m) | 2019 | 2020 | 2021 | Q122 | Q222 | 1H22 |
| Revenue | 65,510 | 61,397 | 68,841 | 18,769 | 20,271 | 39,040 |
| <i>Growth (%)</i> | -5.4% | -6.3% | 12.1% | 16.9% | 18.0% | 17.5% |
| Gross Profit | 19,268 | 21,114 | 24,527 | 7,462 | 8,265 | 15,727 |
| <i>Gross Profit Margin (%)</i> | 29.4% | 34.4% | 35.6% | 39.8% | 40.8% | 40.3% |
| EBITDA | 18,712 | 22,232 | 23,901 | 2,387² | 6,156² | 8,543² |
| <i>EBITDA Margin (%)</i> | 28.6% | 36.2% | 34.7% | 12.7% | 30.4% | 21.9% |
| Operating Profit | 13,515 | 14,932 | 18,080 | 6,205 | 6,804 | 13,010 |
| <i>Operating Profit Margin (%)</i> | 20.6% | 24.3% | 26.3% | 33.1% | 33.6% | 33.3% |
| Profit before Tax | 13,924 | 16,238 | 17,206¹ | 703² | 4,488² | 5,191² |
| <i>Profit before Tax Margin (%)</i> | 21.3% | 26.4% | 25.0% | 3.7% | 22.1% | 13.3% |
| Net Profit | 8,895 | 12,711 | 12,615 | 2,149² | 3,202² | 5,351² |
| <i>Net Profit Margin (%)</i> | 13.6% | 20.7% | 18.3% | 11.4% | 15.8% | 15.7% |
| EPS (NT\$) | 3.86 | 10.82 | 11.62 | 2.16² | 3.11² | 5.26² |

1. Due to NT\$1.6 billion (EUR 50 million) of termination fee from Siltronic M&A recognized by the subsidiary, GlobalWafers.

2. Due to realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors to the subsidiary, GlobalWafers.



Balance Sheet

Balance Sheet

| (NT\$m) | 2019 | 2020 | 2021 | Q122 | 1H22 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | |
| Cash and cash equivalents | 34,901 | 23,813 | 67,118 | 71,312 | 79,816 |
| Account receivable | 8,507 | 8,407 | 9,889 | 10,724 | 12,436 |
| Inventories | 7,398 | 7,929 | 8,646 | 9,144 | 9,747 |
| Property, plant and equipment | 40,277 | 42,455 | 40,428 | 41,596 | 46,106 |
| Other assets | 18,300 | 27,349 | 41,170 | 34,428 | 34,607 |
| Total assets | 109,383 | 109,953 | 167,251 | 167,204 | 182,711 |
| Liabilities | | | | | |
| Short-term loan | 11,465 | 10,804 | 7,791 | 8,493 | 8,923 |
| Account payable | 4,180 | 4,204 | 4,586 | 4,498 | 4,629 |
| Long term loan | 0 | 1,048 | 46,124 | 46,143 | 46,224 |
| Other liabilities | 45,123 | 44,227 | 56,588 | 54,150 | 63,919 |
| Total liabilities | 60,767 | 60,283 | 115,088 | 113,304 | 123,696 |
| Shareholder equity | 48,616 | 49,669 | 52,163 | 53,900 | 59,015 |

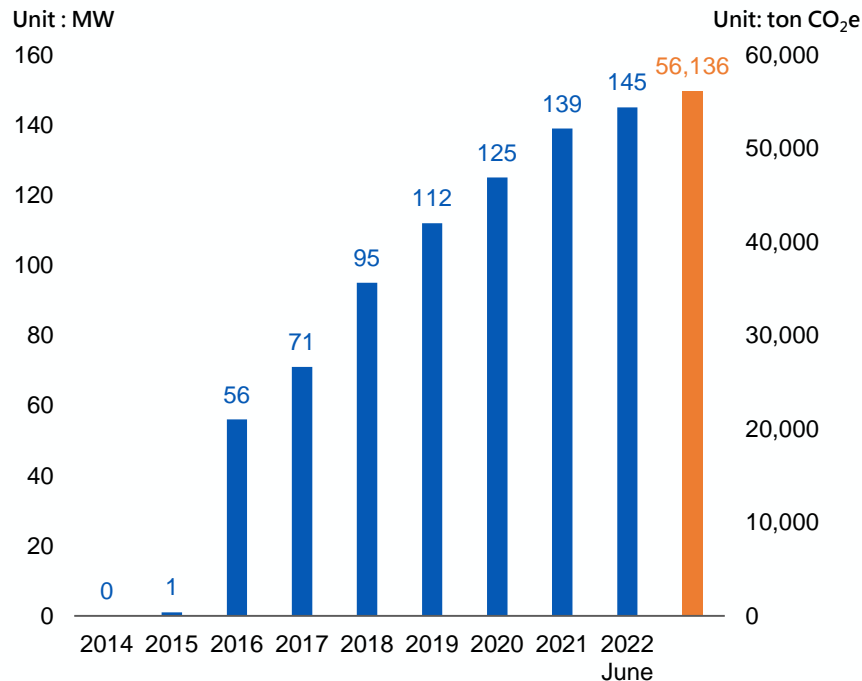


ESG Highlights

Sustainable Environment - Committed to Green Energy

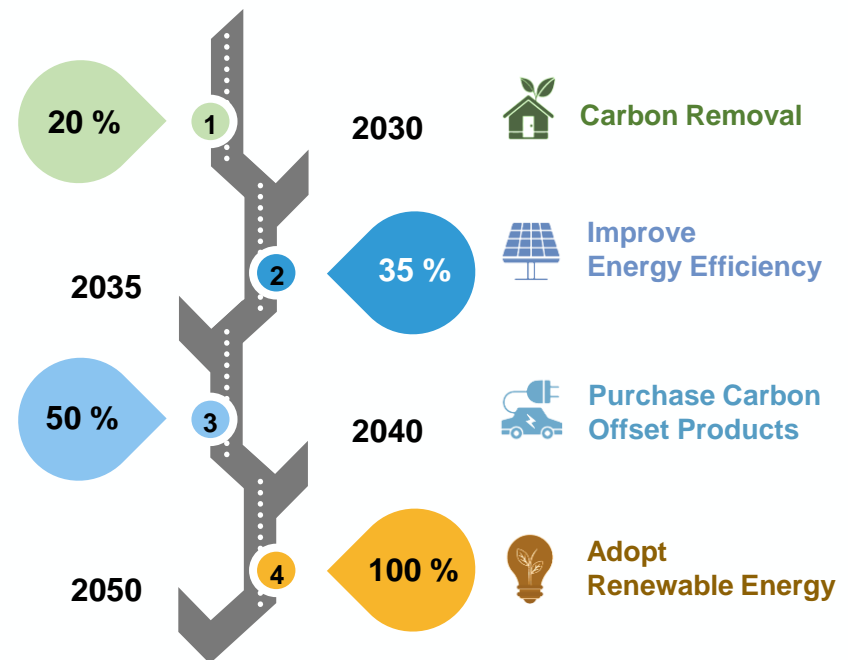
- To support Taiwan to reach net zero emissions by practical actions, SAS commits to achieving 100% renewable energy usage over all of group's global operation bases by 2050.
- As of June 2022, SAS' cumulative solar capacity reached **145 MW**, equivalent to reducing **56,136 tons of CO₂** emissions and planting **5.1 million trees**.

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



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

Progressive Goals and Climate Blueprint



Sustainable Environment - Green Factory

- Green manufacturing is at the center of sustainability revolution.
- SAS is granted with "Green Factory Label", the greenometer issued by Taiwan Ministry of Economic Affairs for its sustainable and eco-friendly manufacturing.

2021 Sustainability Achievements Highlight

ISO 50001

Energy Management
Systems certified¹



412 metric tons

of CO₂ emission reduced²



Note:
1. SAS' Chunan branch.
2. Chunan and Yilan branches.

Process Improvement Efforts

38.8%

of water reduced
in crystal growth



44.9%

of electricity reduced
in crystal growth

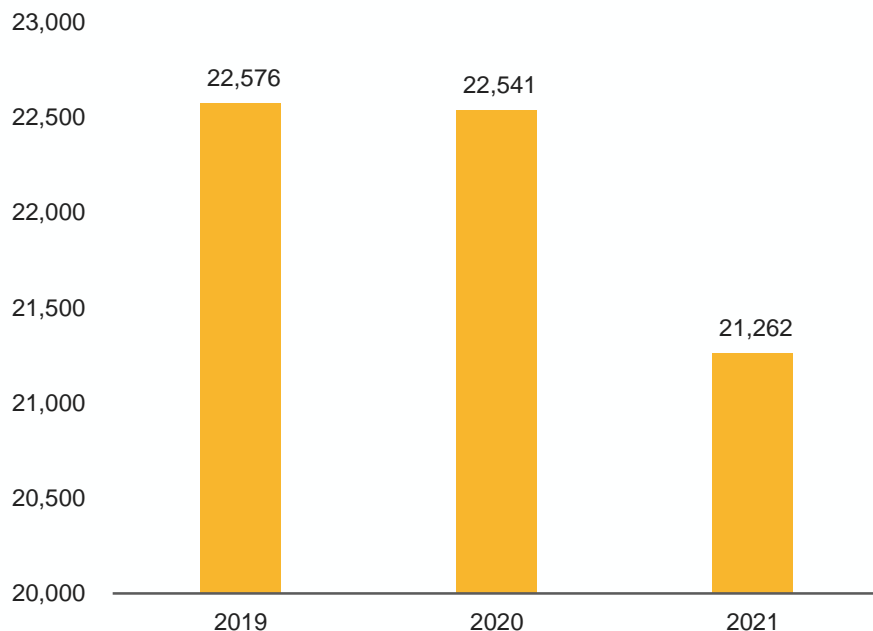


Sustainable Environment - Water

- In 2021, Taiwan experienced the worst drought in over half a century, water scarcity is one of the greatest challenges of our time.
- To become a good water steward, SAS endeavors to reduce water intake and implement recycling measure to build operation resilience and tackle climate change

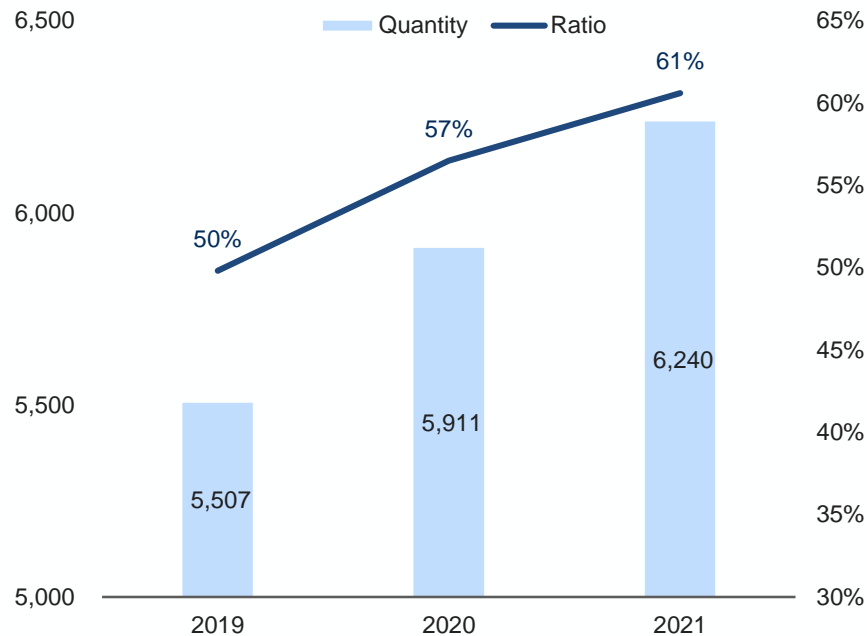
Water Withdrawal

Unit: Km³



Recycled Water

Unit: Km³



Employee Welfare

- SAS encourages employees to receive vaccination and regularly updates the epidemic footprint for public health and maintain stable operation within the Group.
- By collaborating with Employee Assistance Program Service Center (EPAC), SAS provides hotline for employees' psychological counseling to build a comforting supporting system.
- SAS regularly publishes legal articles to enhance employees' legal awareness and literacy.



Workplace

Create a flexible and positive working environment.



Life Resources

Offer legal consultation, group insurance and perks.



Health

Maintain the physical and mental health of the employees.



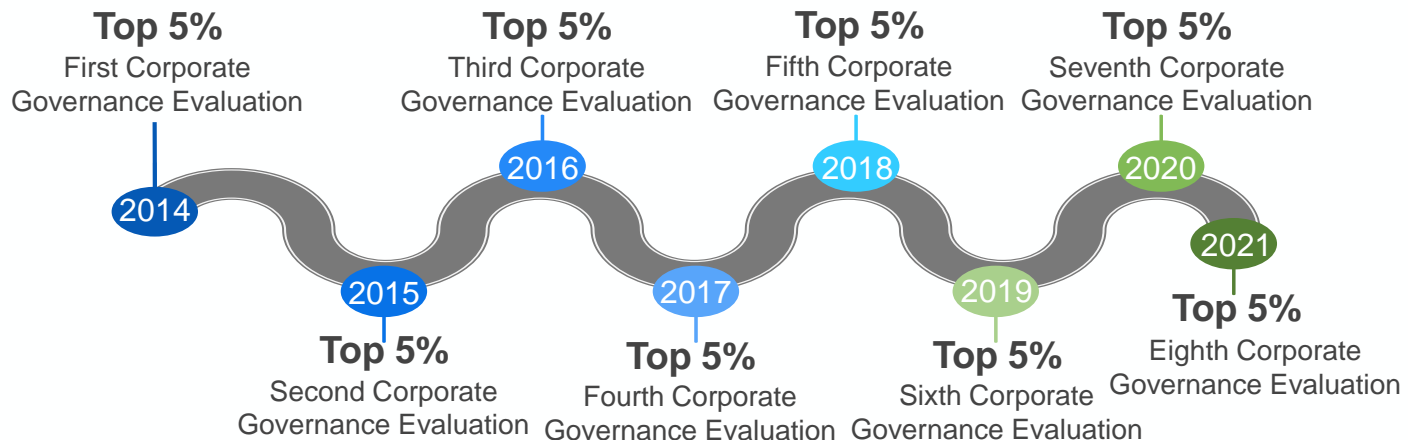
Welfare

Generous benefits to increase the economic security of employees for stronger motivation.

Corporate Governance

- SAS is dedicated to achieving corporate governance and fulfills its social responsibility. With this determination, SAS has been **awarded top 5% corporate governance among all Taiwan listed companies for 8 consecutive years!**
- The gender, tenure, and expertise diversity as well as the independence of the board directors are the guidance for SAS to nimbly navigate in the competitive industry.

Corporate Governance Efforts



3 Independent Directors

Among 10 directors, 3 seats are independent directors, bringing balance and new perspective to the board.

Board & CPA Evaluation

SAS annually evaluates independence and performance of the board and CPA and discloses publicly on the company website.

Functional Committees

Audit Committee, Remuneration Committee, Nominating Committee, and Sustainability Development Committee are established to enhance independence and CSR responsibility.



GlobalWafers Performance Update



Financial Highlight : Q222 vs. Q122 vs. Q221

| (NT\$ mn) | Q222 | Q122 | Q221 | QoQ | YoY |
|-----------------------------------|----------|----------|----------|----------|-----------|
| Revenue | 17,540 | 16,307 | 15,208 | 7.6% | 15.3% |
| Gross Profit Margin % | 43.6% | 42.6% | 36.7% | 1.0% | 6.9% |
| Operating Profit | 6,401 | 5,891 | 4,259 | 8.6% | 50.3% |
| Operating Profit % | 36.5% | 36.1% | 28.0% | 0.4% | 8.5% |
| Net Profit | 2,716 | 1,746 | 3,955 | 55.6% | -31.3% |
| Net Profit % | 15.5% | 10.7% | 26.0% | 4.8% | -10.5% |
| EPS | NT\$6.24 | NT\$4.01 | NT\$9.09 | NT\$2.23 | -NT\$2.85 |
| EBITDA* ¹ | 5,488 | 1,802 | 6,919 | 204.5% | -20.7% |
| EBITDA % | 31.3% | 11.1% | 45.5% | 20.2% | -14.2% |
| EBIT | 3,983 | 338 | 5,438 | 1077.6% | -26.8% |
| ROE* ² (annualized) | 23.6% | 15.0% | 35.1% | 8.6% | -11.5% |
| ROA* ³ (annualized) | 7.3% | 3.5% | 14.0% | 3.8% | -6.7% |

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



Financial Highlight : 1H22 vs. 1H21

| (NT\$ mn) | 1H22 | 1H21 | HoH |
|-----------------------------------|-----------|-----------|-----------|
| Revenue | 33,846 | 30,014 | 12.8% |
| Gross Profit Margin % | 43.1% | 35.9% | 7.2% |
| Operating Profit | 12,292 | 8,211 | 49.7% |
| Operating Profit % | 36.3% | 27.4% | 8.9% |
| Net Profit | 4,462 | 6,645 | -32.9% |
| Net Profit % | 13.2% | 22.1% | -8.9% |
| EPS | NT\$10.25 | NT\$15.27 | -NT\$5.02 |
| EBITDA* ¹ | 7,290 | 11,970 | -39.1% |
| EBITDA % | 21.5% | 39.9% | -18.4% |
| EBIT | 4,321 | 8,982 | -51.9% |
| ROE* ² (annualized) | 19.7% | 29.6% | -9.9% |
| ROA* ³ (annualized) | 6.1% | 11.8% | -5.7% |

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

2. ROE = Net Profit / Average Shareholders Equity.

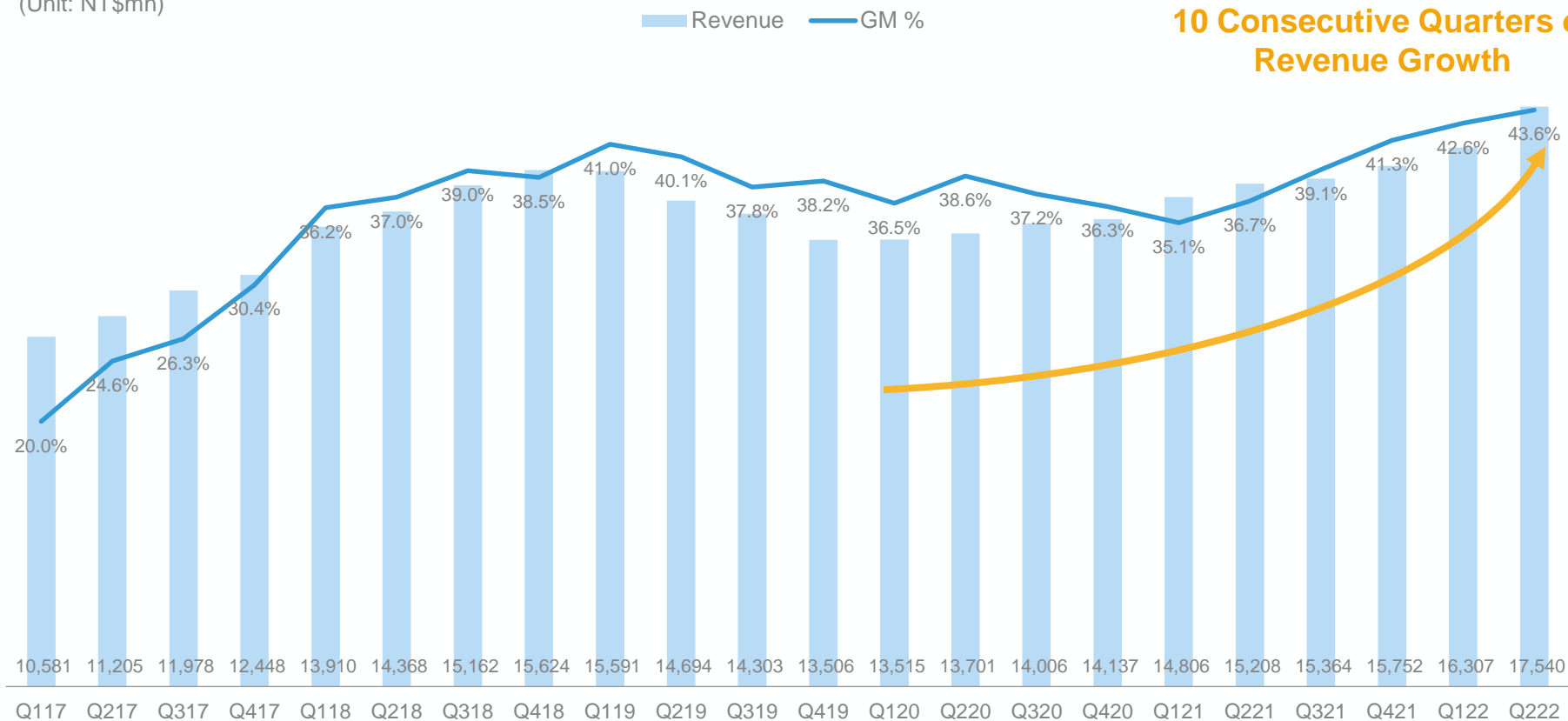
3. ROA = (Net Profit + Interest*(1- Effective Tax Rate))/Average Asset



Revenue & Gross Margin

Revenue & Gross Margin

(Unit: NT\$mn)

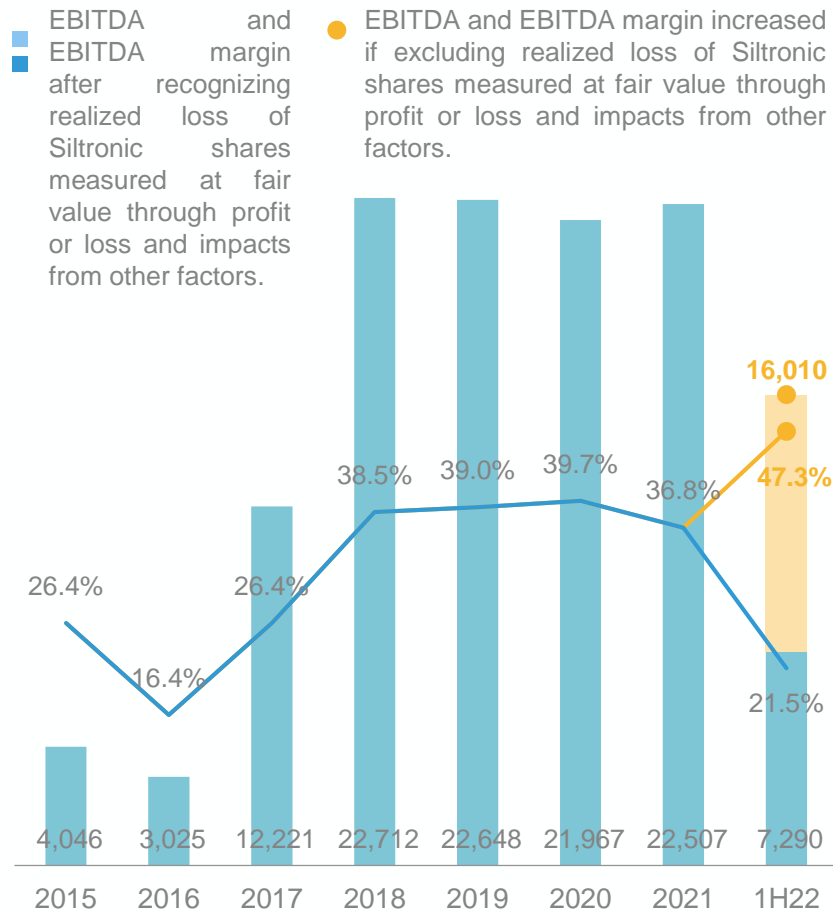




EBITDA & EPS

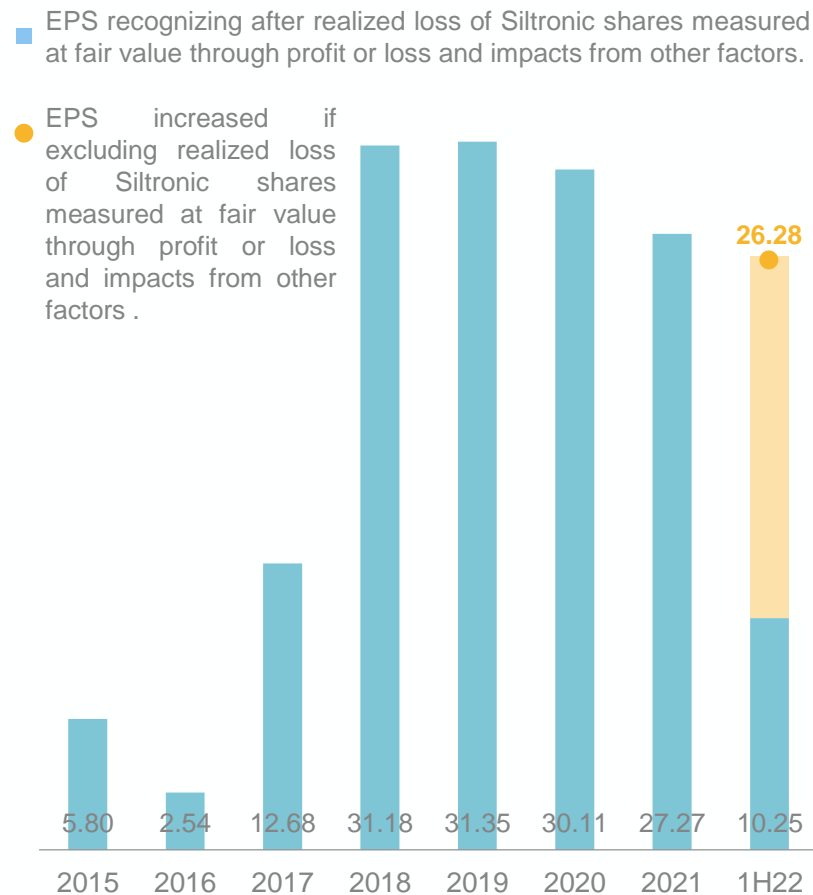
EBITDA

(Unit: NT\$mn)



EPS

(Unit: NT\$)



Income Statement

Income Statement

| (NT\$mn) | 2019 | 2020 | 2021 | Q122 | Q222 | 1H22 |
|-------------------------------------|---------------|---------------|---------------|--------------------------|--------------------------|--------------------------|
| Revenue | 58,094 | 55,359 | 61,131 | 16,307 | 17,540 | 33,846 |
| <i>Growth (%)</i> | -1.6% | -4.7% | 10.4% | 3.5% | 7.6% | 12.8% |
| Gross Profit | 22,847 | 20,568 | 23,286 | 6,948 | 7,645 | 14,593 |
| <i>Gross Profit Margin (%)</i> | 39.3% | 37.2% | 38.1% | 42.6% | 43.6% | 43.1% |
| EBITDA | 22,648 | 21,967 | 22,507 | 1,802¹ | 5,488¹ | 7,290¹ |
| <i>EBITDA Margin (%)</i> | 39.0% | 39.7% | 36.8% | 11.1% | 31.3% | 21.5% |
| Operating Profit | 17,897 | 15,287 | 17,693 | 5,891 | 6,401 | 12,292 |
| <i>Operating Profit Margin (%)</i> | 30.8% | 27.6% | 28.9% | 36.1% | 36.5% | 36.3% |
| Profit before Tax | 18,554 | 16,615 | 16,445 | 304¹ | 4,015¹ | 4,319¹ |
| <i>Profit before Tax Margin (%)</i> | 31.9% | 30.0% | 26.9% | 1.9% | 22.9% | 12.8% |
| Net Profit | 13,636 | 13,104 | 11,870 | 1,746¹ | 2,716¹ | 4,462¹ |
| <i>Net Profit Margin (%)</i> | 23.5% | 23.7% | 19.4% | 10.7% | 15.5% | 13.2% |
| EPS (NT\$) | 31.35 | 30.11 | 27.27 | 4.01¹ | 6.24¹ | 10.25¹ |

1. Due to realized loss of Siltronic shares measured at fair value through profit or loss and impacts from other factors.

Balance Sheet

Balance Sheet

| (NT\$m) | 2019 | 2020 | 2021 | Q122 | Q222 |
|-------------------------------|---------------|---------------|----------------|----------------|---------------------|
| Assets | | | | | |
| Cash and cash equivalents | 32,822 | 22,439 | 65,894 | 70,354 | 76,183 ⁶ |
| Account receivable | 8,140 | 8,037 | 9,118 | 9,436 | 10,889 |
| Inventories | 6,849 | 7,208 | 7,295 | 7,496 | 7,553 |
| Property, plant and equipment | 34,697 | 37,111 | 33,943 | 34,995 | 33,792 |
| Other assets | 14,078 | 20,056 | 34,395 | 27,525 | 26,912 |
| Total assets | 96,586 | 94,852 | 150,645 | 149,806 | 155,329 |
| Liabilities | | | | | |
| Short-term loan | 9,886 | 9,871 | 6,264 | 6,384 | 6,210 |
| Account payable | 3,837 | 3,895 | 4,340 | 3,953 | 4,103 |
| Long term loan | 0 | 0 | 45,125 | 45,204 | 45,284 |
| Other liabilities | 37,789 | 36,930 | 49,284 | 46,978 | 54,843 |
| Total liabilities | 51,513 | 50,697 | 105,013 | 102,520 | 110,440 |
| Shareholder equity | 45,073 | 44,155 | 45,632 | 47,286 | 44,889 |

1. to increase in LTA prepayment and EBITDA



Q&A



Thank you