GIGASTORAGE CORPORATION

(2406)

Nov. 23, 2016

Safe Harbor Notice

- The statements of GSC's current expectations included in this presentation are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in these forward-looking statements.
- GSC undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Company Background

Established	1997.03.04
Listed	2000.04.29
Chairman	Jimmy Chen
CEO	Mark Tsai
Capital	NT3389 million
Business	Pastes ’ Wafer’ EPC ’ Ribbon ’ Low-temperature curing materials
Factory	Hsinchu ‘ Thailand

GIGASTORAGE CORPORATION

Consolidated Balance Sheet				
	105.9.30	%	104.9.30	%
Current assets	16,309,331	63.40	11,690,522	62.29
noncurrent assets	9,417,108	36.60	7,076,411	37.71
Total assets	25,726,439	100.00	18,766,933	100.00
Current liab.	9,865,971	38.35	5,876,601	31.32
Noncurrent liabilities	5,520,498	21.46	4,904,531	26.13
Total Liabilities	15,386,469	59.81	10,781,132	57.45
Capital	3,388,970	13.18	3,108,278	16.56
Paid in capital	2,699,792	10.49	2,357,710	12.56
Retained earnings	285,621	1.11	(39,994)	-0.21
Others	223,857	0.87	(54,627)	-0.29
Noncontrolling interests	3,741,730	14.54	2,614,434	13.93
Total equity	10,339,970	40.19	7,985,801	42.55

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Consolidated Income Statement (unit:NT thousand)

	105Q1-Q3	%	104Q1-Q3	%
Sales	14,184,304	100.00	12,889,594	100.00
Gross profit	2,050,428	14.46	1,780,991	13.82
Operating profit	1,302,435	9.18	1,118,964	8.68
Nonoperating income(loss)	109,005	0.77	(112,545)	(0.87)
Net income before tax	1,411,440	9.95	1,006,419	7.81
Net income	881,816	6.22	605,106	4.69
EPS	0.50		(0.52)	

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Consolidated Income Statement (unit:NT thousand)				
	105Q3	%	104Q3	%
Sales	3,478,962	100.00	5,202,934	100.00
Gross profit	199,668	5.74	824,023	15.84
Operating profit	(23,785)	(0.68)	540,298	10.38
Nonoperating income(loss)	274,124	7.88	202,778	3.90
Net income before tax	250,339	7.20	743,076	14.28
Net income	95,945	2.76	555,804	10.67
EPS	(0.45)		0.44	

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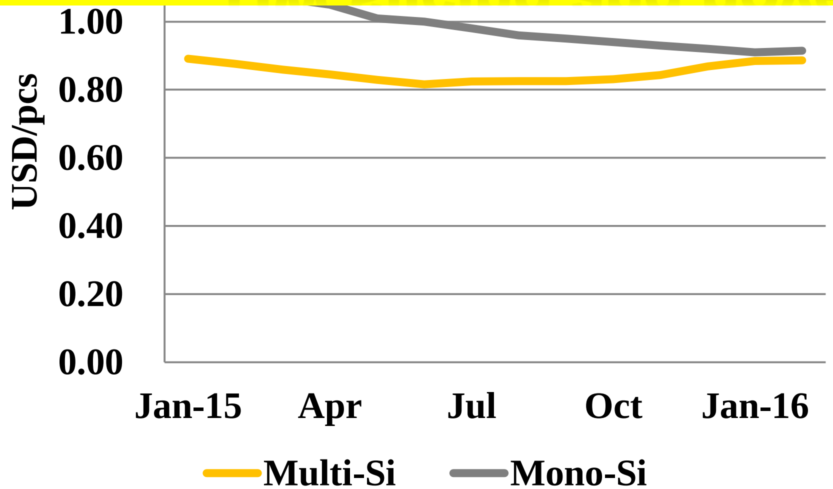
Consolidated Cashflow	(unit:NT thousand)	
	105Q1-Q3	104Q1-Q3
Cashflow from operating activities	1,808,078	467,630
Cashflow from investing activities	(1,354,178)	(974,615)
Cashflow from financing activities	3,716,538	671,396
Exchange rate effect	(161,011)	112,011
Net increase in cash	4,009,427	276,422
Cash, beginning of the period	3,717,085	2,027,249
Cash, end of the period	7,726,512	2,303,671

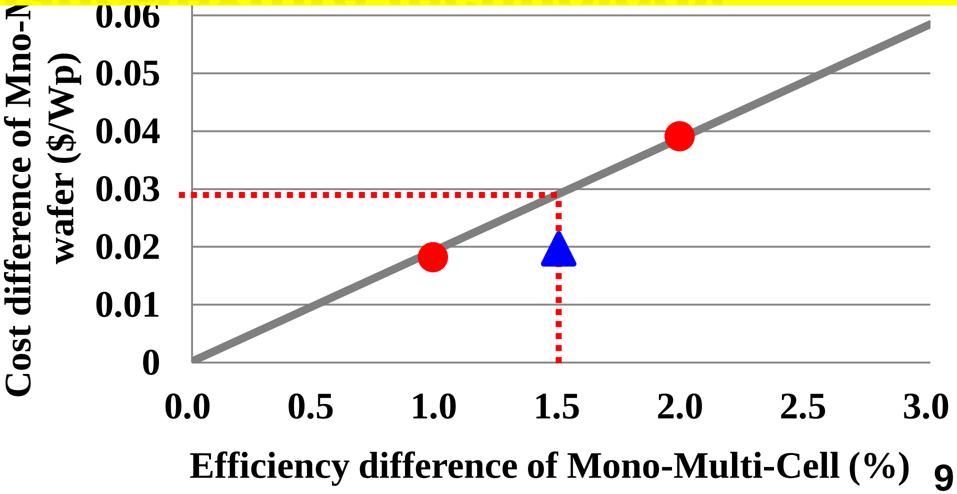
Technical Roadmap of Gigastorage Wafer Product

Competition of Mono- and Multi- Si Wafer

- **Manufacturing expenses is the majority cost which contributed the price gap between mono– and multi- Si wafer. After mono-Si wafer applied diamond wire (DW) slicing technology, the cost of mono-Si wafer was reduced obviously by less kerf loss and shorter cutting time.**
- **Considering the owner cost and energy conversion efficiency, as conversion eff. of mono-Si cell to be 19.9% and multi-Si to be 18.4%. While the price deviation of mono- and multi is less than USD0.15 per wafer (USD0.03 per Wp), mono-Si cell is the better candidate for higher energy output but fair price.**

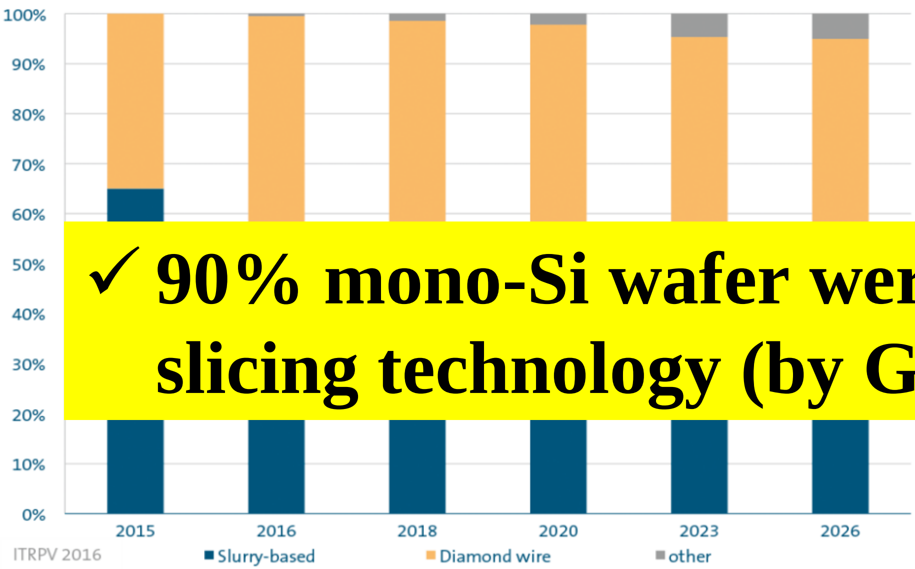
Multi-Si wafer need to reduce the process cost by applying DW slicing and novel nano-texture technology.



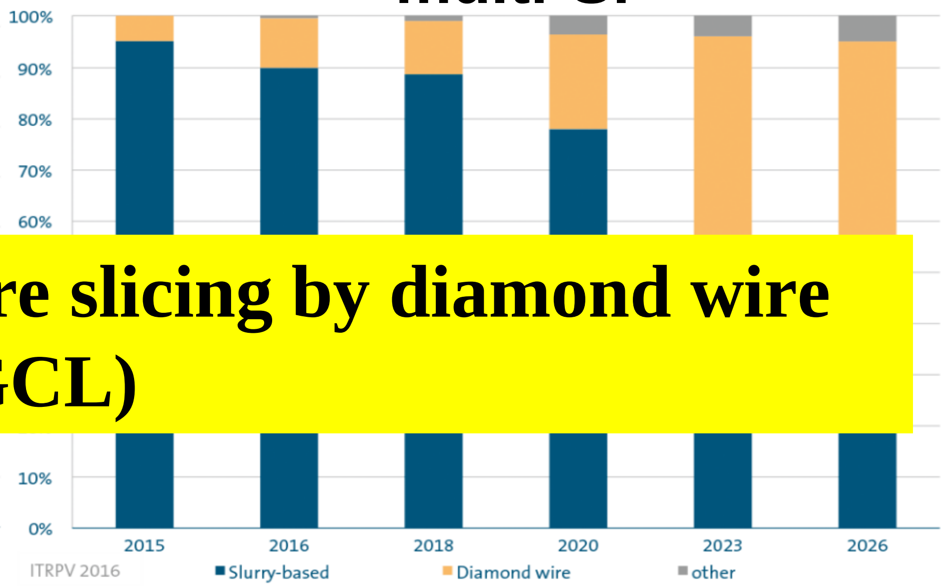


Market share of wafering tech.

mono-Si

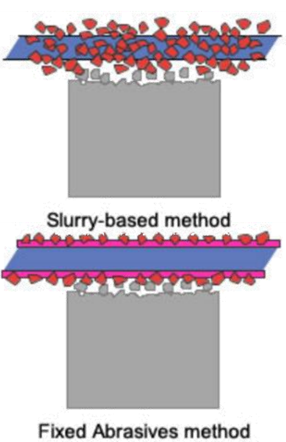


multi-Si



- ✓ 90% mono-Si wafer were slicing by diamond wire slicing technology (by GCL)

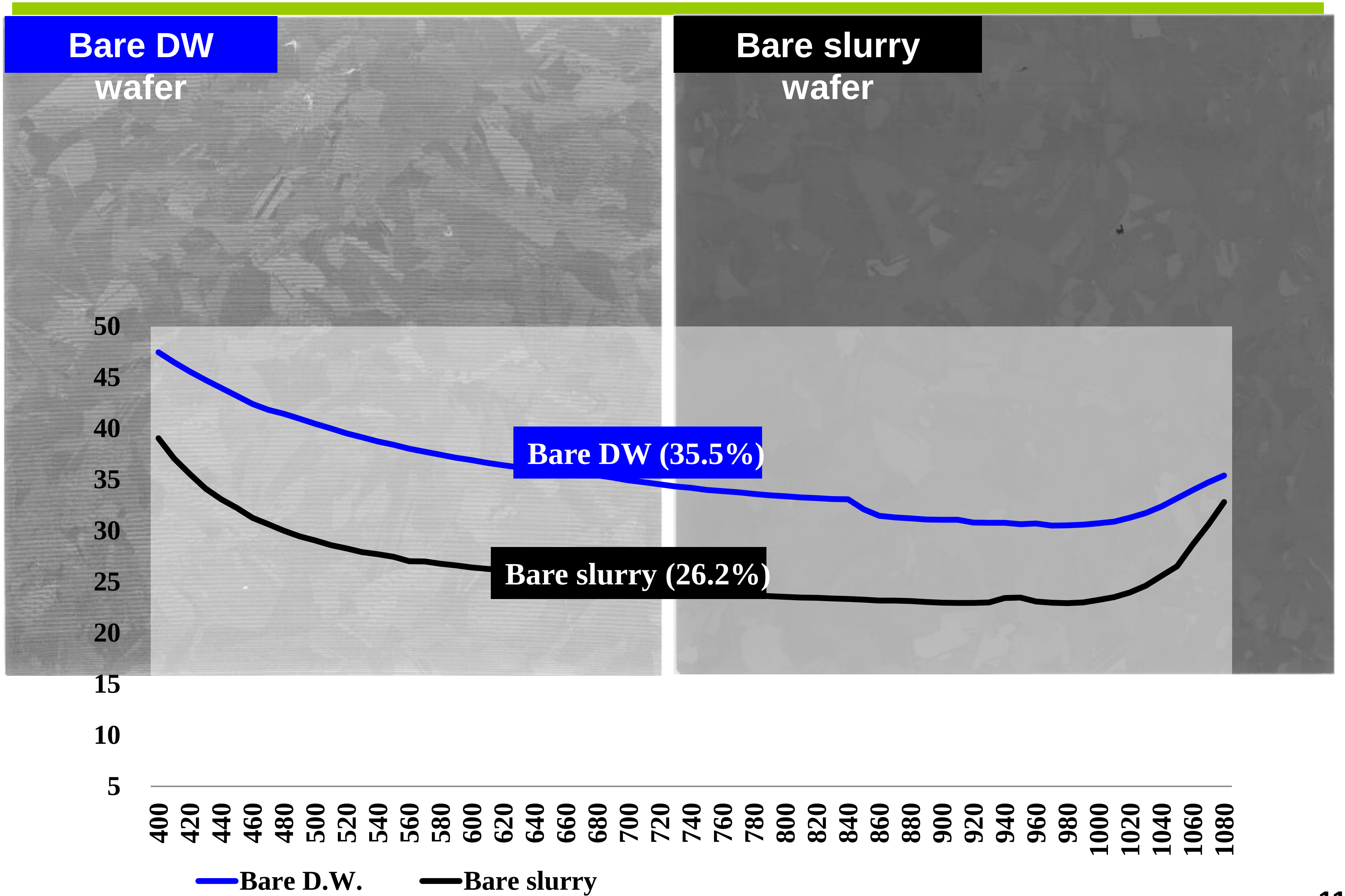
➢ Comparison of slurry and DW-based



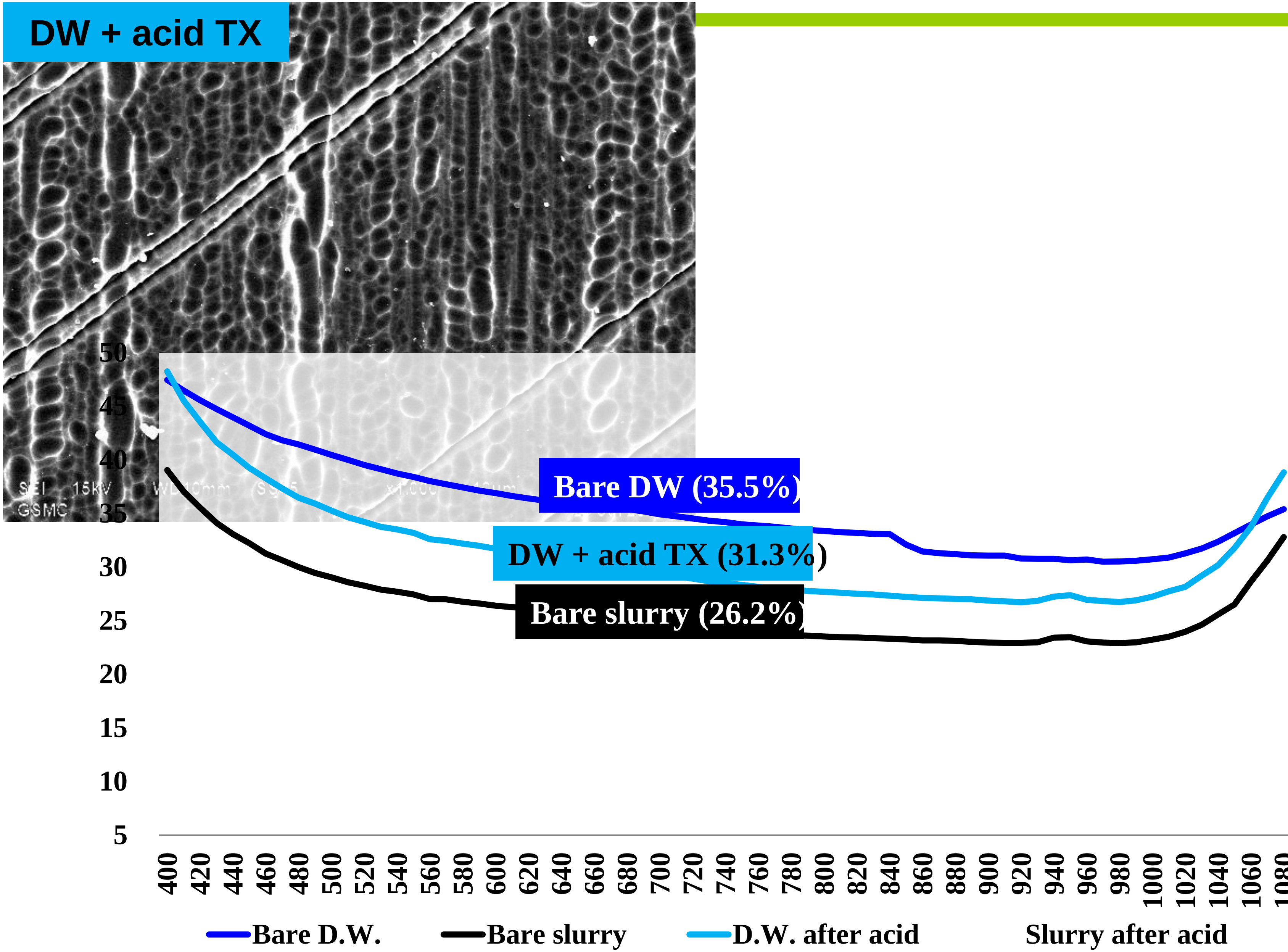
	Cutting Fluid	Grid	Wire	Waste management	Cycle time	Wafer prod.
Slurry-based	PEG, DEG..	SiC	Wire	Oil, High COD water, More waste	Slow	Low
DW-based	Water	NA	Diamond wire	Eco-friendly	Fast	High

Ref. image :http://www.tkx.co.jp/en/solar-energy-operations/tkx-silicon-waf

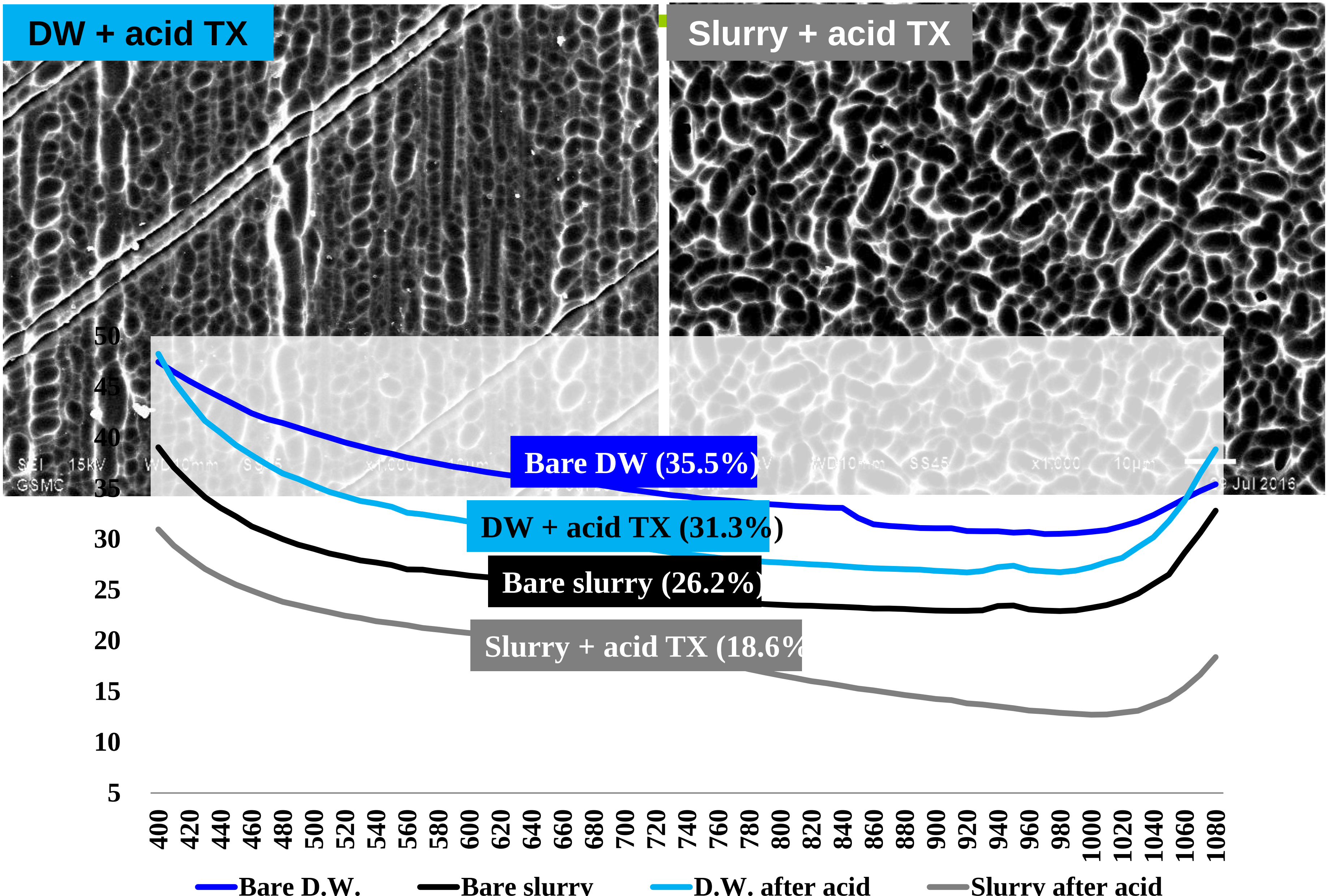
Comparison of DW & SW



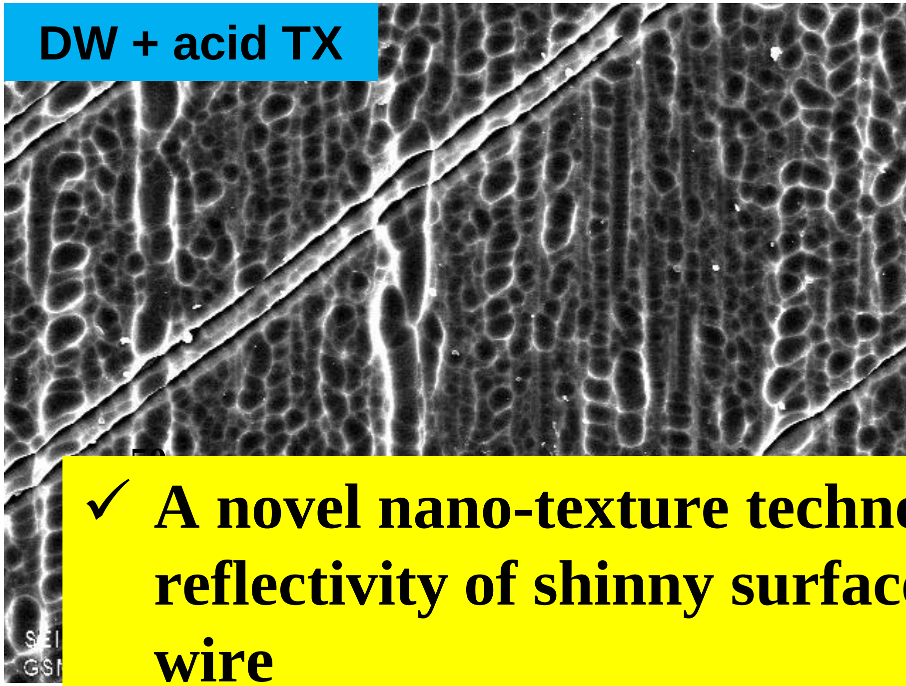
Comparison of DW & SW

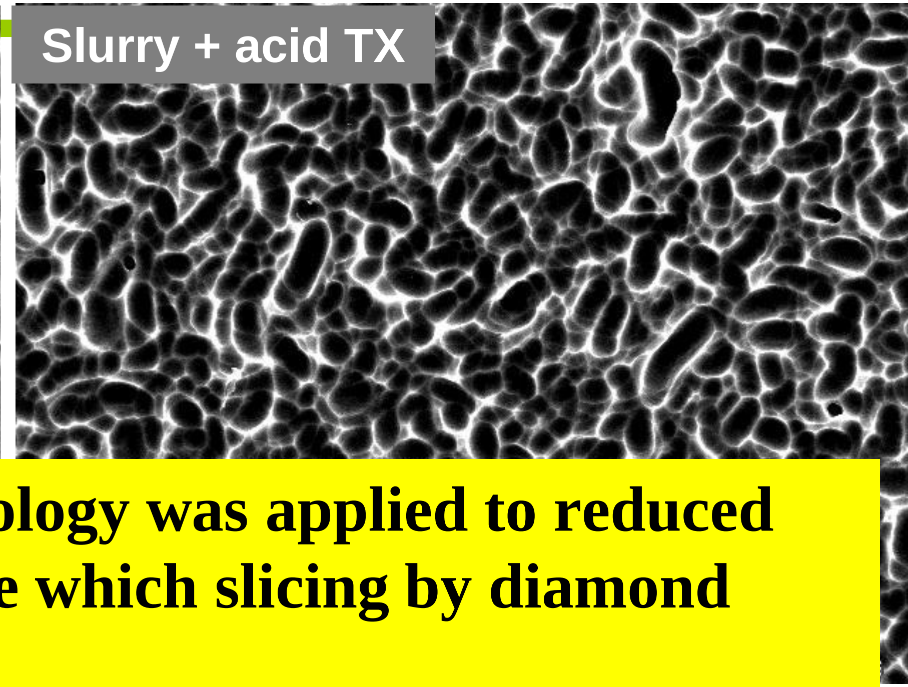


Comparison of DW & SW

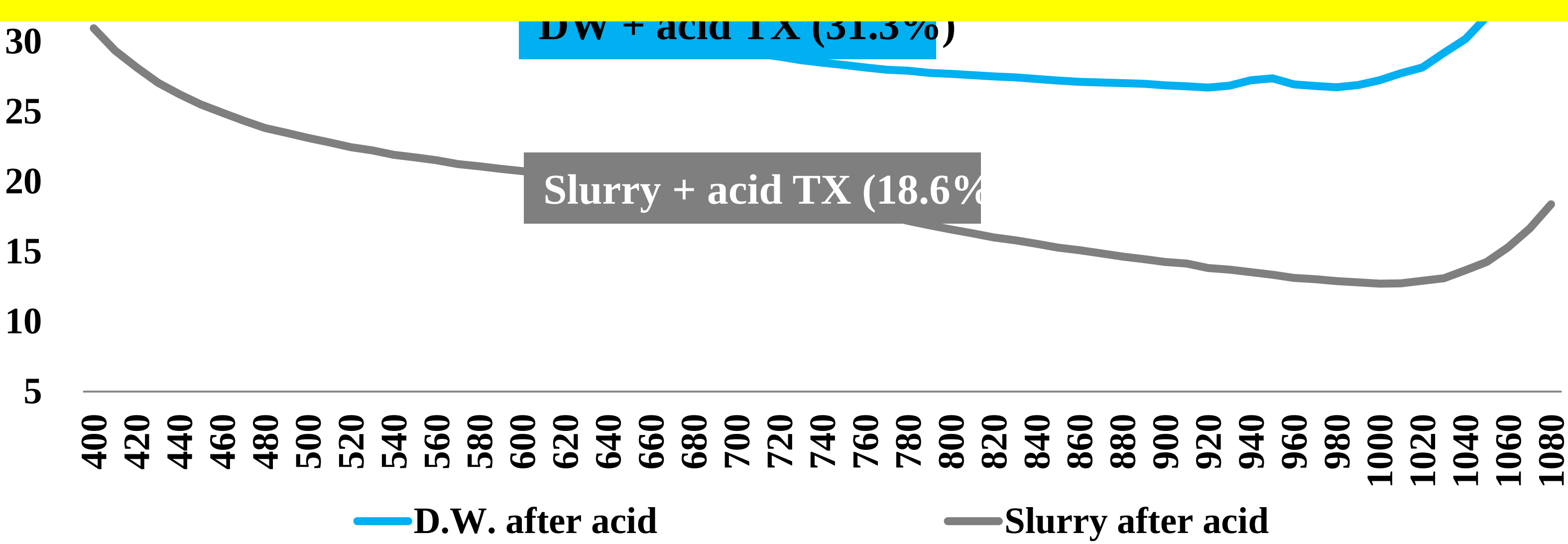


Comparison of DW & SW





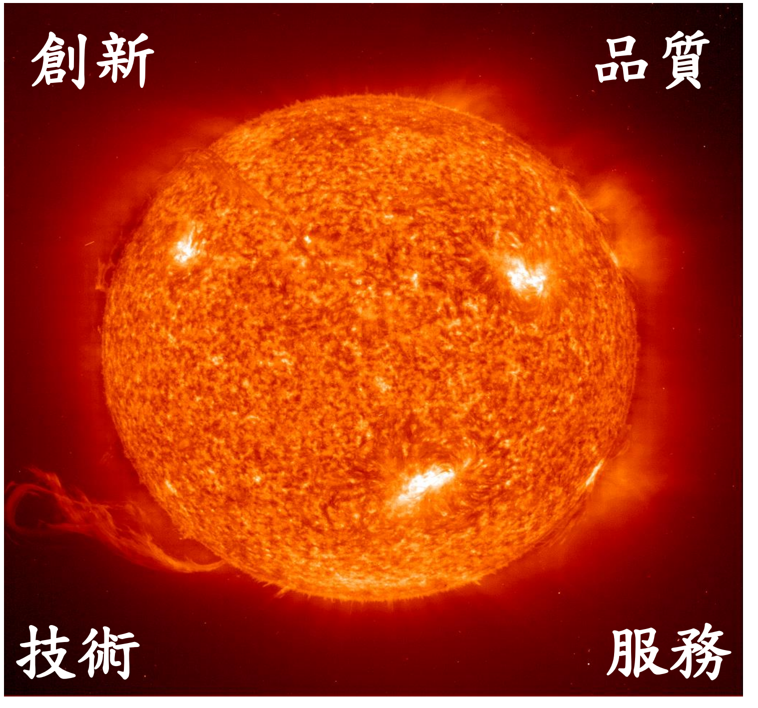
- ✓ **A novel nano-texture technology was applied to reduced reflectivity of shinny surface which slicing by diamond wire**



Future of Gigastorage in 2017

- Long term Poly-Si purchasing contract is coming to end at the end of 2016. The poly-Si price will be reduced and close to the spot price from the begin of 2017.
- Slicing process cost and wafer cost will be reduced more by applied diamond wire slicing technology.
- The first company in Taiwan could provide the Black Silicon wafer, novel nano-texture treatment for the diamond wire sliced wafer, and performance higher conversion efficiency than traditional slurry sliced wafer.
- Ribbon market will be broom up by the domestic market
- Low temperature paste, specialization paste, focus on niche market and keep growth on market share and penetration.

Thanks for your attention !



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