Results for Third Quarter of FY2019

台塑勝高科技股份有限公司

FORMOSA SUMCO TECHNOLOGY CORPORATION

(Code:3532)

November 22, 2019

Notes Regarding the Forecasts

This material is prepared for the purpose of disclosure to general shareholders and investors and will not constitute an offer or solicitation of securities of the Company in any states or jurisdictions.

The estimate, expectation, forecast and other future information is prepared based on the information which is available for the Company as of today and on certain assumptions and qualifications(which includes our subjective judgment) and the actual financial performance or result may be substantially different from such future information contained in the material due to risk factors including domestic and global economic conditions, trend of semiconductor market and foreign exchanges.

本資料僅提供給股東及投資者參考用使用，並不構成本公司在任何國家或地區之證券要約或招攬目的。

本資料是依照特定的假設及目前可獲得之資訊（包含我們的主觀判斷)去評估、預測及對未來之資訊之推估而成，而實際的財務表現及營運結果可能會因為未來國內外的經濟情況、半導體市場的趨勢變化及匯率變動等風險而有顯著不同。

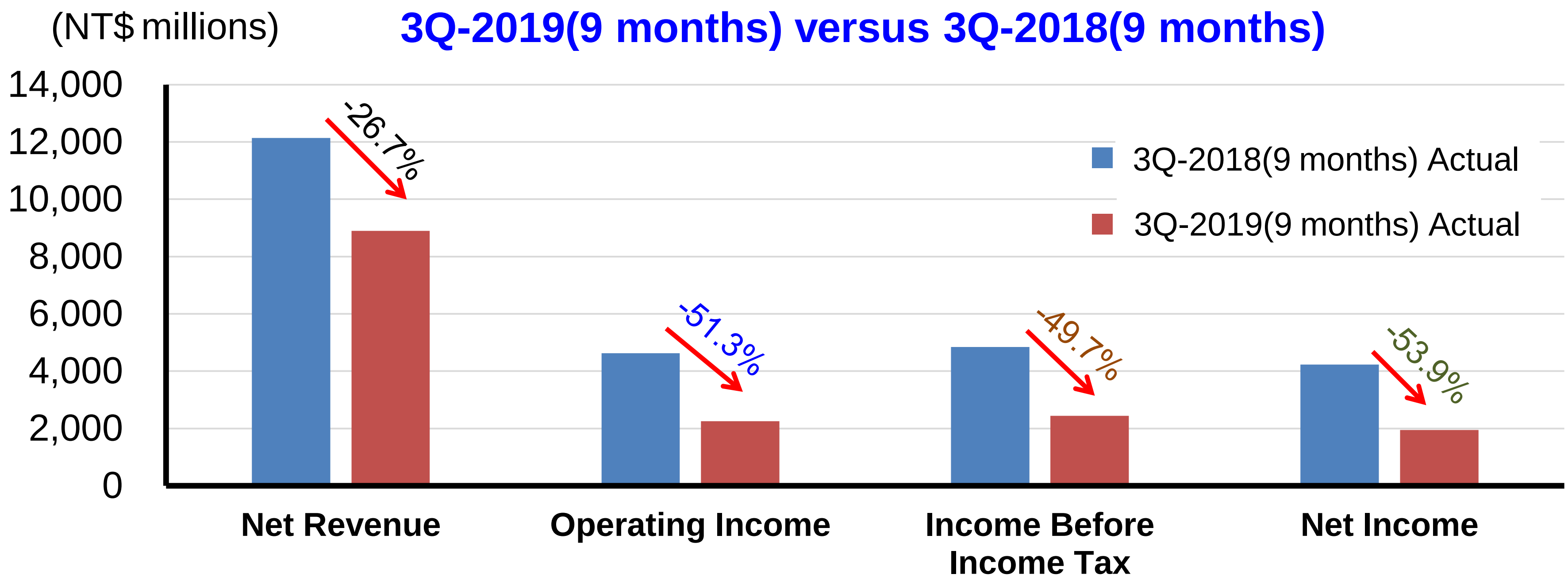
Contents

★ Financial Overview(財務概況)

★ Silicon Wafer Market Environment (矽晶圓市場環境)

Financial Overview
（財務概況）

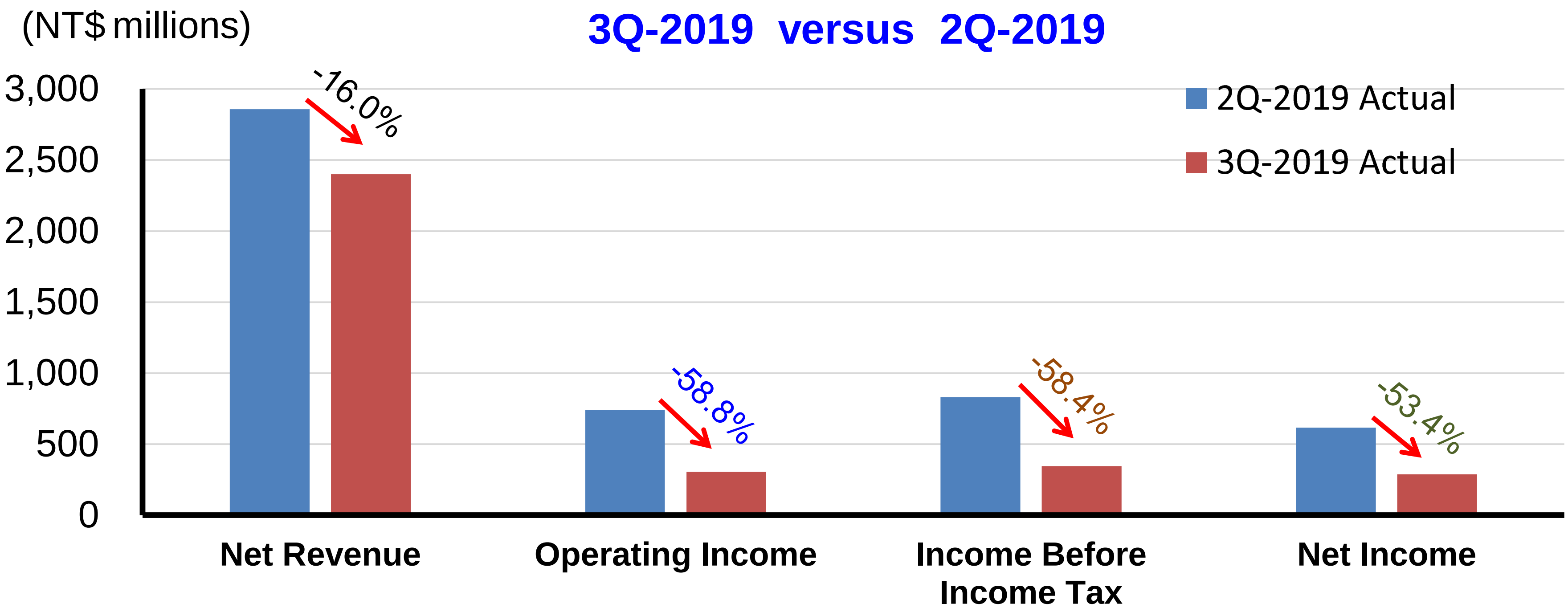
1-1 Analysis of Changes in Business Results



(In NT$ thousands)

3Q-2019 Consolidated Business Results (9 months)	3Q-2019 Actual (9 months)	3Q-2018 Actual (9 months)	Change
Net Revenue	8,899,807	12,139,916	-26.7%
Operating Income	2,249,607	4,623,575	-51.3%
Income Before Income Tax	2,437,671	4,843,332	-49.7%
Net Income	1,946,155	4,225,074	-53.9%

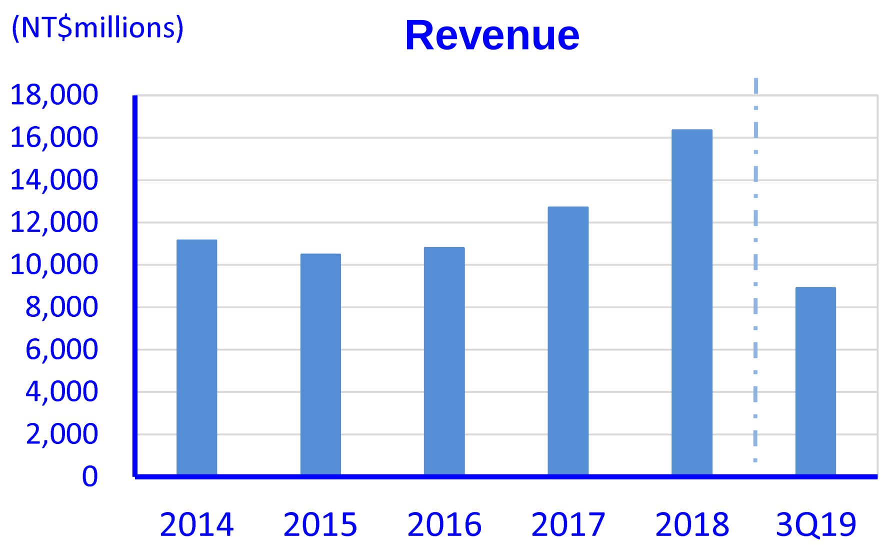
1-1 Analysis of Changes in Business Results

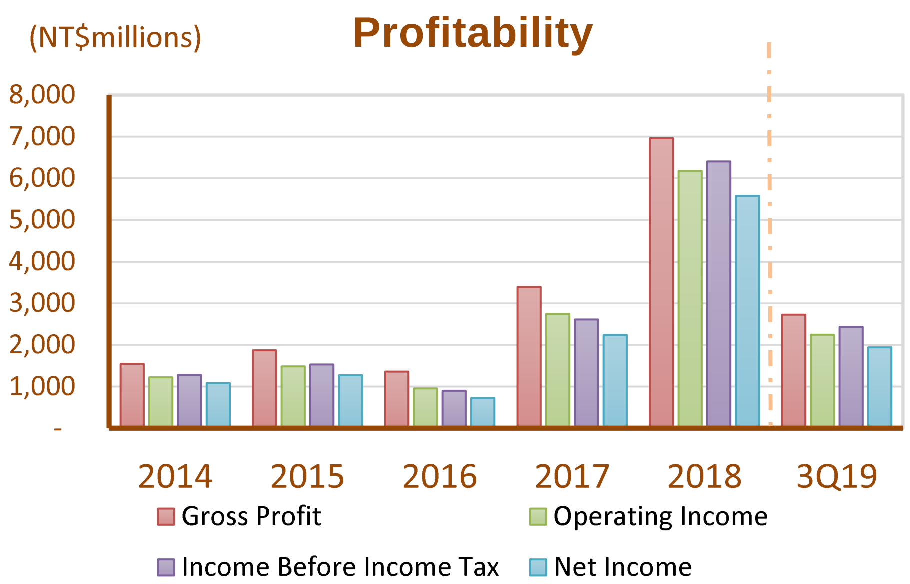


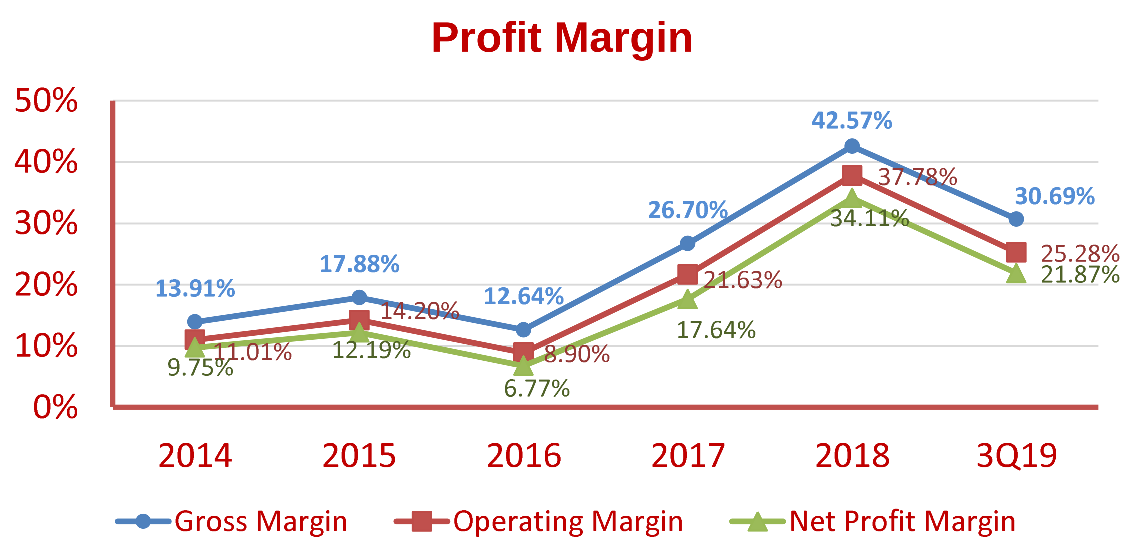
(In NT$ thousands)

3Q-2019 Consolidated Business Results	3Q-2019 Actual	2Q-2019 Actual	Change
Net Revenue	2,400,219	2,857,043	-16.0%
Operating Income	305,187	740,437	-58.8%
Income Before Income Tax	345,976	832,262	-58.4%
Net Income	286,763	615,686	-53.4%

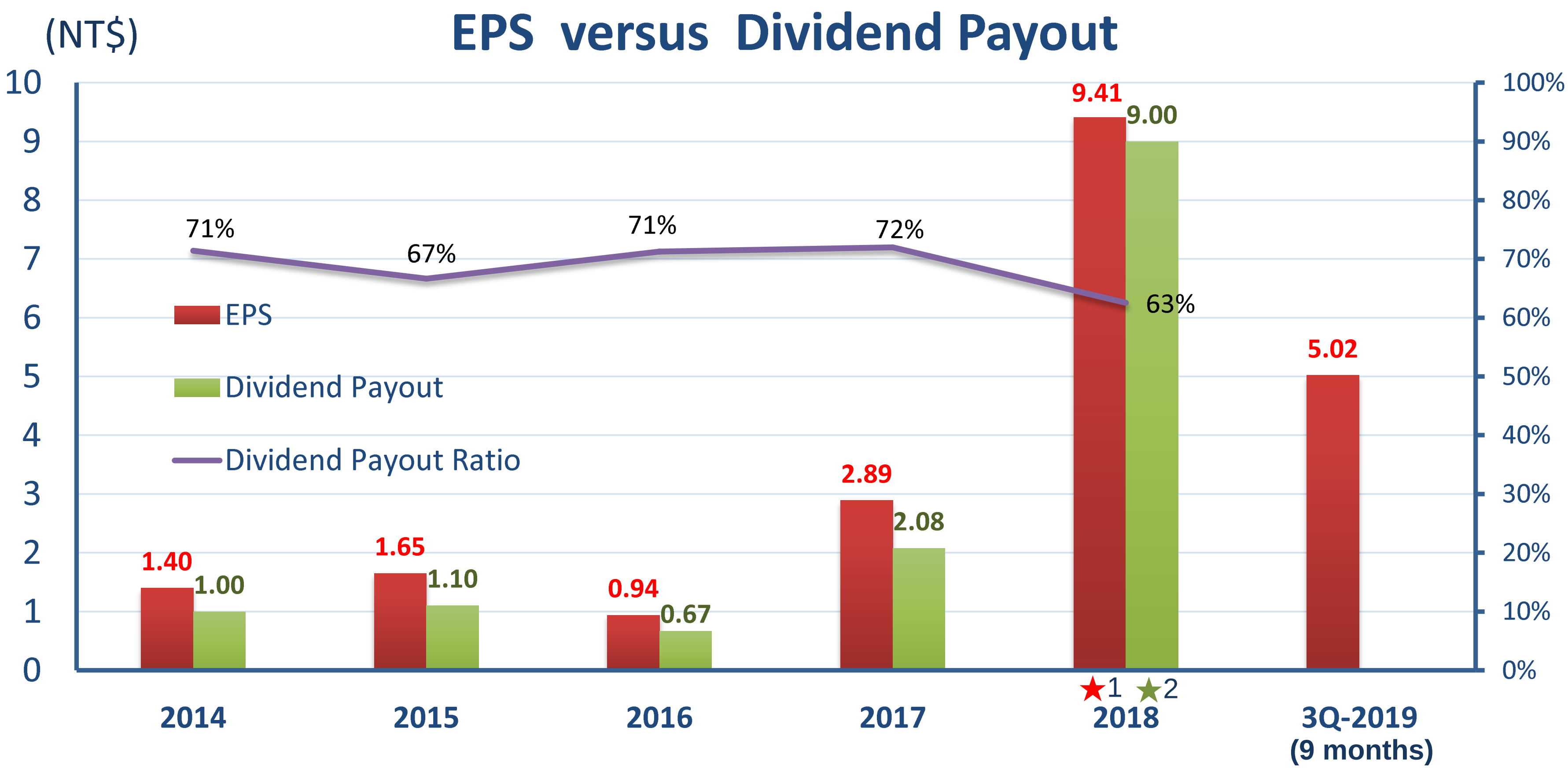
1-2 Summary of Consolidated Business Results







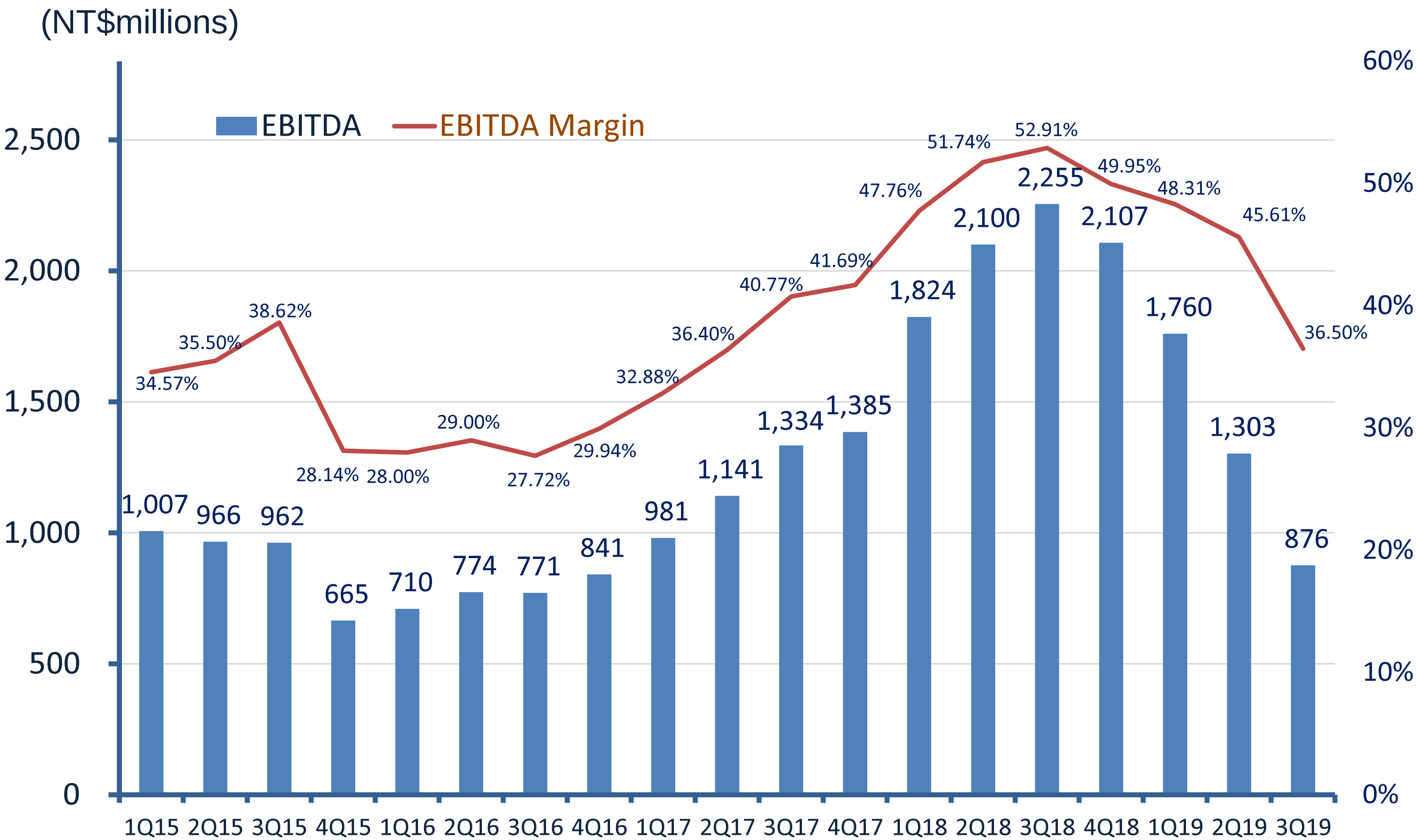
1-3 EPS & Dividend Payout



1.EPS calculated based on weighted average number of ordinary shares(**593,163**k).

2.Dividend Payout & Payout Ratio are calculated based on new ordinary shares data(**387,848**k).

1-4 Quarterly Trend-EBITDA



Note：EBITDA=Operating Income + Depreciation + Amortization

EBITDA Margin=EBITDA/Net Revenue

1-5 Summary of Consolidated Business Results

(In NT$ thousands)

	2015	2016	2017	2018	3Q19 (9 months)
Net Revenue	10,487,897	10,794,340	12,713,025	16,358,126	8,899,807
Gross Profit	1,875,002	1,364,550	3,394,509	6,963,797	2,731,060
Gross Margin	17.88%	12.64%	26.70%	42.57%	30.69%
Operating Income	1,489,440	961,122	2,749,810	6,179,888	2,249,607
Operating Margin	14.20%	8.90%	21.63%	37.78%	25.28%
Non-Operating Income and Expenses	45,652	(55,795)	(134,618)	227,894	188,064
Income Before Income Tax	1,535,092	905,327	2,615,192	6,407,782	2,437,671
Net Income	1,278,051	730,390	2,242,774	5,580,459	1,946,155
Net Profit Margin	12.19%	6.77%	17.64%	34.11%	21.87%
EPS(NT Dollar)	1.65	0.94	2.89	9.41	5.02
ROE(Annualized)	6.43%	3.64%	10.76%	25.69%	12.35%
Depreciation	2,039,012	2,092,538	2,079,783	2,101,655	1,688,483
EBITDA	3,599,965	3,095,790	4,840,619	8,284,626	3,939,287

Note: EBITDA=Operating Income + Depreciation + Amortization

1-6 Consolidated Balance Sheet

(In NT$ thousands)

	2015	2016	2017	2018	3Q19
Cash and cash equivalents	2,787,512	4,400,895	7,609,722	7,350,286	6,174,703
Trade receivable	1,422,400	1,602,346	2,128,776	2,858,159	2,056,661
Inventories	2,286,752	2,065,542	2,344,785	2,759,706	2,797,001
Property, plant and equipment	14,797,376	13,225,806	11,812,997	10,892,981	11,203,733
Other assets	863,992	431,105	338,687	911,456	502,343
Total assets	**22,158,032**	**21,725,694**	**24,234,967**	**24,772,588**	**22,734,441**
Short-term borrowings	-	-	-	-	-
Trade payables	633,804	623,138	542,620	691,542	339,750
Long-term borrowings	-	-	-	-	-
Other payables	865,142	608,040	1,320,721	1,236,218	1,154,168
Other liabilities	529,677	493,275	699,618	1,071,689	998,781
Total liabilities	**2,028,623**	**1,724,453**	**2,562,959**	**2,999,449**	**2,492,699**
Share capital	7,756,966	7,756,966	7,756,966	3,878,483	3,878,483
Capital surplus	5,739,080	5,739,080	5,739,082	5,739,151	5,739,217
Retained earnings	6,608,606	6,479,624	8,164,521	12,128,438	10,583,863
Other equity	24,757	25,571	11,439	27,067	40,179
Total equity	**20,129,409**	**20,001,241**	**21,672,008**	**21,773,139**	**20,241,742**

1-7 Consolidated Cash Flow

(In NT$ thousands)

	2015	2016	2017	2018	3Q19
Income before income tax	1,535,092	905,327	2,615,192	6,407,782	2,437,671
Total adjustments to reconcile profit (loss)	2,094,662	2,096,663	2,130,012	2,121,259	1,656,005
Changes in operating assets and liabilities	(282,800)	162,974	(630,826)	(893,656)	55,598
Other cash inflow and outflow	(147,593)	(181,423)	(107,374)	(434,727)	(550,867)
Net cash generated from operating activities	3,199,361	2,983,541	4,007,004	7,200,658	3,598,407
Net cash used in investing activities	(1,218,305)	(572,789)	(330,628)	(1,934,693)	(1,252,130)
Net cash used in financing activities	(1,460,768)	(845,284)	(511,709)	(5,483,044)	(3,492,307)
Effects of exchange rate	22,157	47,915	44,160	(42,357)	(29,553)
Net increase(decrease) in cash and cash equivalents	542,445	1,613,383	3,208,827	(259,436)	(1,175,583)

Silicon Wafer Market Environment
（矽晶圓市場環境）

2-1 FST Sales Trend

■Q3-2019

Volume →Volume correction continued through the quarter from customer inventory adjustment.

Price →Spot prices weak in line with expectations.

■Q4-2019 Outlook

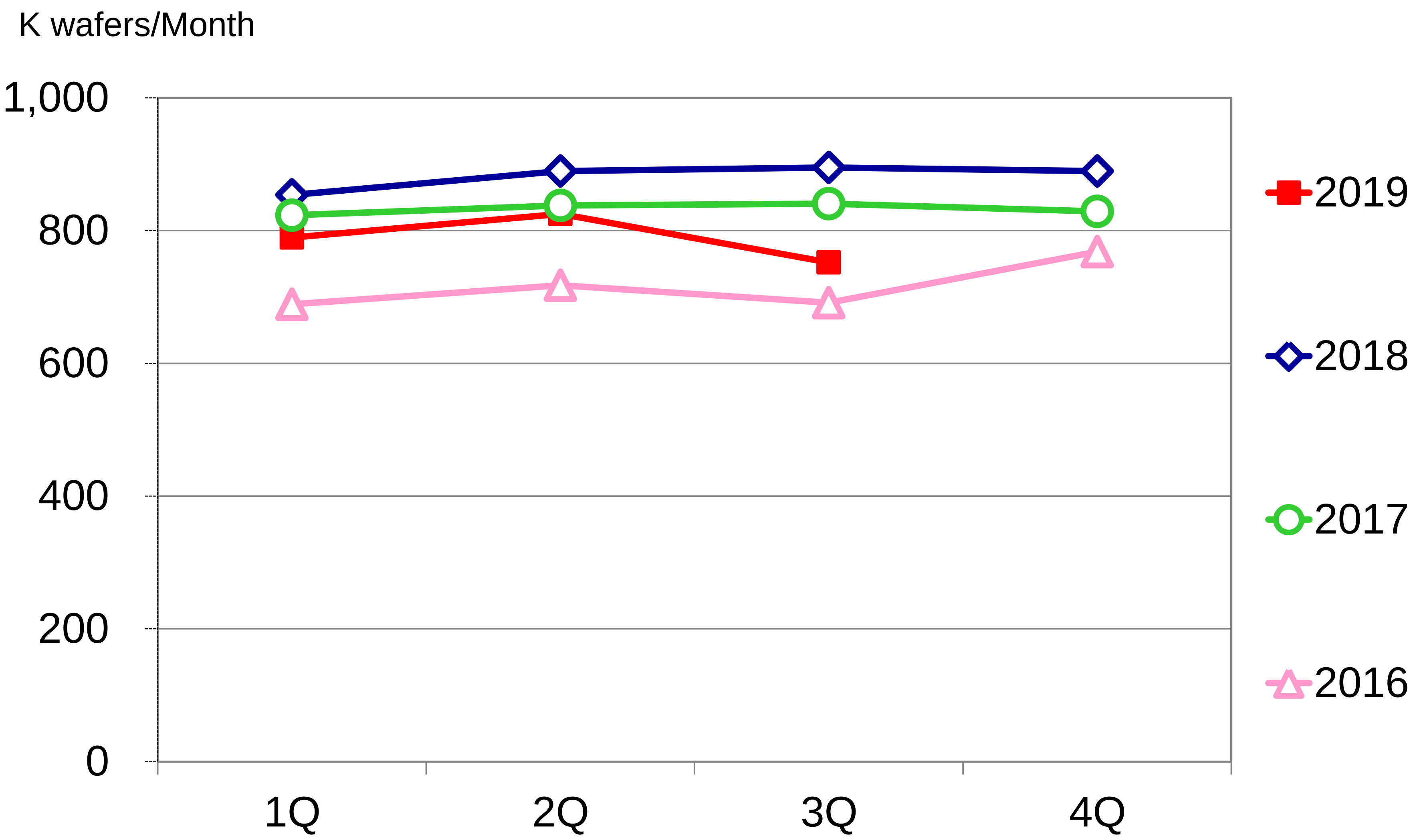
Volume →Some of the customers' inventory level already became healthy, and there are sign of recovery both in 300mm and 200mm.

Price →Spot prices are still weak, while contract sales prices are holding steady.

■Outlook

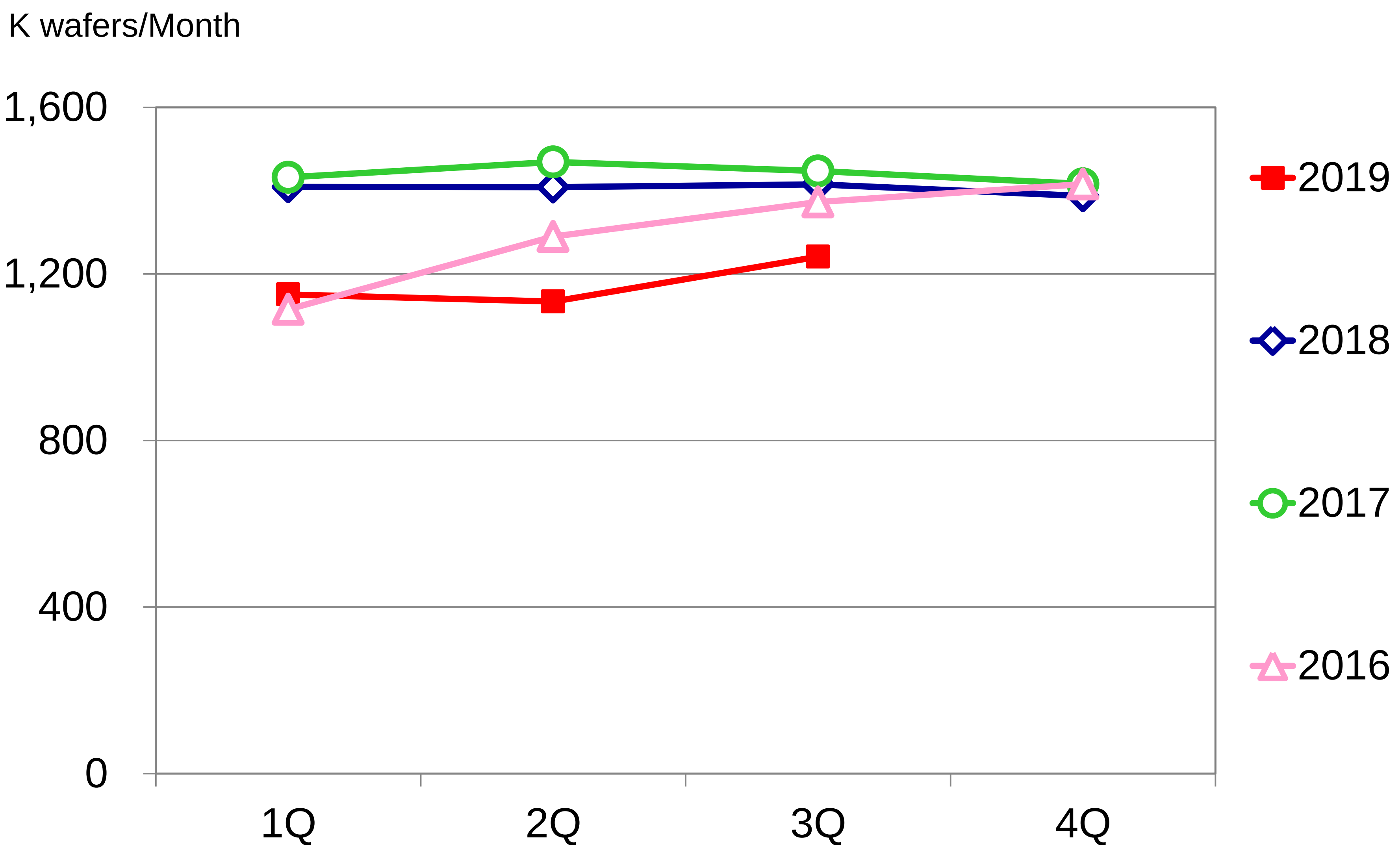
- 300mm logic and CIS expected to return to normal, and memory market should begin recovering in 2020.
- 200mm demand is also expected to return to normal, due to recovery of customer utilization.
- Several China new customers will start to mass production.

2-2 Taiwan 200mm Wafer Trend



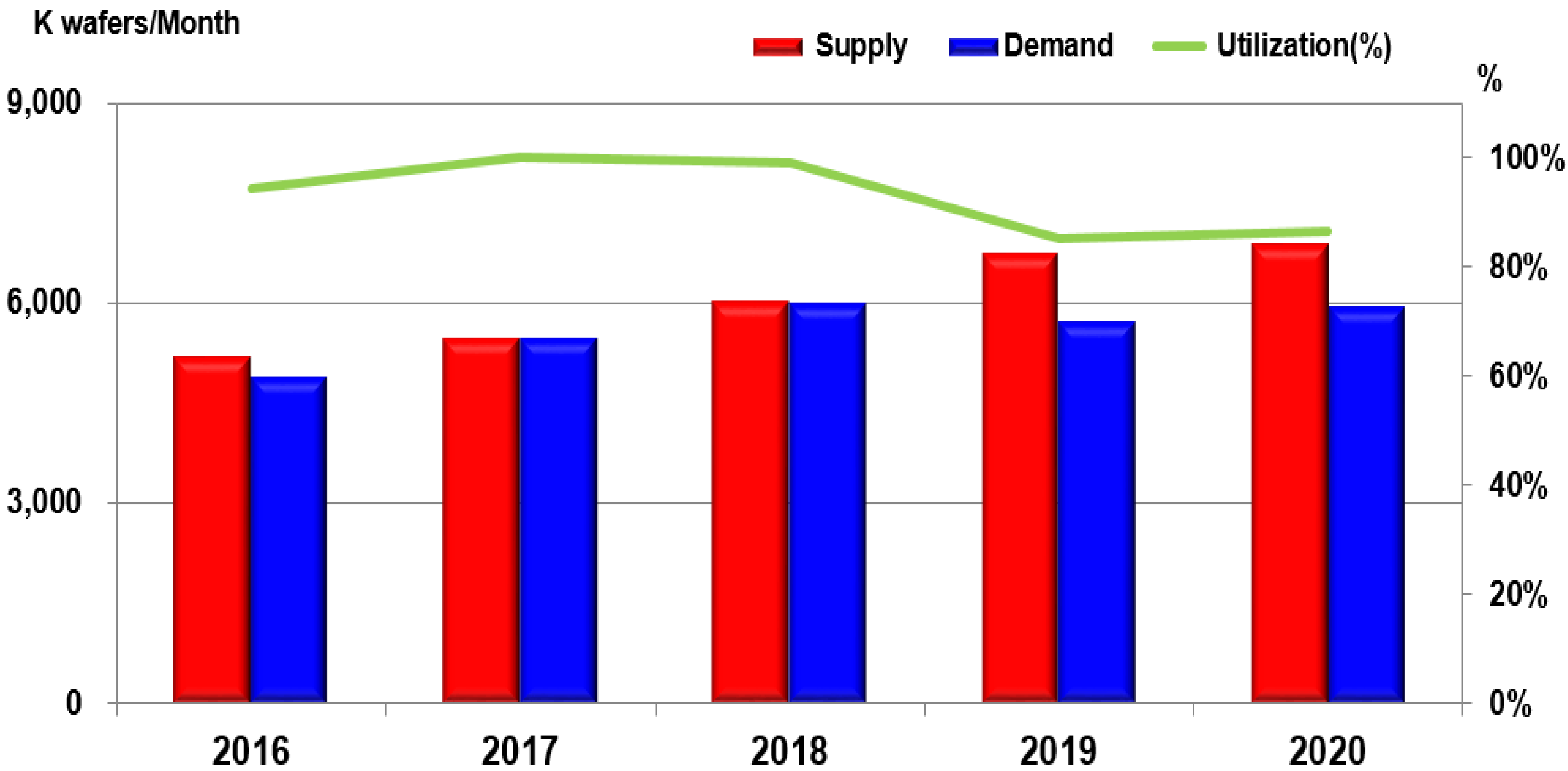
(Source: FST estimation)

2-3 Taiwan 300mm Wafer Trend



(Source: FST estimation)

2-4 300mm Wafer Global Supply and Demand



Source:FST estimation

Thank you

Have a nice day