



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS

As of Sep. 30, 2018 and 2017

(Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD))*

ASSETS	Sep. 30, 2018			Sep. 30, 2017		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	429	13,077	37.4	15,079	46.0	(2,002)	(13.3)
Investments in Marketable Financial Instruments	52	1,576	4.5	1,009	3.1	567	56.3
Accounts Receivable	184	5,621	16.1	4,057	12.4	1,564	38.5
Inventories	107	3,277	9.4	2,519	7.7	758	30.1
Other Current Assets	13	407	1.2	379	1.2	28	7.5
Total Current Assets	785	23,958	68.5	23,043	70.3	915	4.0
Investments	138	4,200	12.0	3,244	9.9	956	29.5
Property, Plant and Equipment	203	6,196	17.7	6,071	18.5	125	2.1
Other Assets	21	633	1.8	400	1.2	234	58.4
Total Assets	1,147	34,987	100.0	32,758	100.0	2,229	6.8
LIABILITIES							
Accounts Payable & Other Current Liabilities	215	6,570	18.8	5,027	15.3	1,542	30.7
Other Long Term Liabilities	31	944	2.7	858	2.6	86	10.0
Total Liabilities	246	7,514	21.5	5,886	18.0	1,628	27.7
EQUITY							
Capital Stock	537	16,390	46.8	16,390	50.0	0	0.0
Capital Surplus	28	857	2.4	857	2.6	(0)	(0.0)
Retained Earnings							
- Legal Reserve	148	4,511	12.9	4,061	12.4	451	11.1
- Special Reserve	12	377	1.1	38	0.1	339	893.3
- Unappropriated Earnings	182	5,560	15.9	5,757	17.6	(198)	(3.4)
Other Equity	(7)	(221)	(0.6)	(230)	(0.7)	9	(4.0)
Total Equity	901	27,473	78.5	26,873	82.0	601	2.2
Total Liabilities & Equity	1,147	34,987	100.0	32,758	100.0	2,229	6.8

*Note: The exchange rate for the figures of Sep. 30, 2018 was NTD30.505.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS
As of Sep. 30, 2018 and Jun. 30, 2018
(Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD)) *

ASSETS	Sep. 30, 2018			Jun. 30, 2018		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	429	13,077	37.4	17,768	46.5	(4,690)	(26.4)
Investments in Marketable Financial Instruments	52	1,576	4.5	678	1.8	897	132.3
Accounts Receivable	184	5,621	16.1	5,137	13.5	483	9.4
Inventories	107	3,277	9.4	3,060	8.0	217	7.1
Other Current Assets	13	407	1.2	361	0.9	47	13.0
Total Current Assets	785	23,958	68.5	27,004	70.7	(3,045)	(11.3)
Investments	138	4,200	12.0	4,079	10.7	121	3.0
Property, Plant and Equipment	203	6,196	17.7	6,479	17.0	(284)	(4.4)
Other Assets	21	633	1.8	618	1.6	15	2.4
Total Assets	1,147	34,987	100.0	38,180	100.0	(3,193)	(8.4)
LIABILITIES							
Accounts Payable & Other Current Liabilities	215	6,570	18.8	11,390	29.8	(4,821)	(42.3)
Other Long Term Liabilities	31	944	2.7	944	2.5	0	0.0
Total Liabilities	246	7,514	21.5	12,334	32.3	(4,820)	(39.1)
EQUITY							
Capital Stock	537	16,390	46.8	16,390	42.9	0	0.0
Capital Surplus	28	857	2.4	857	2.2	0	0.0
Retained Earnings							
- Legal Reserve	148	4,511	12.9	4,511	11.8	0	0.0
- Special Reserve	12	377	1.1	377	1.0	0	0.0
- Unappropriated Earnings	182	5,560	15.9	3,891	10.2	1,669	42.9
Other Equity	(7)	(221)	(0.6)	(179)	(0.5)	(42)	23.4
Total Equity	901	27,473	78.5	25,846	67.7	1,627	6.3
Total Liabilities & Equity	1,147	34,987	100.0	38,180	100.0	(3,193)	(8.4)

*Note: The exchange rate for the figures of Sep. 30, 2018 was NTD30.505.



Vanguard International Semiconductor Corporation Consolidated Statements of Comprehensive Income

For the Three Months Ended Sep. 30, 2018, Jun. 30, 2018 and Sep. 30, 2017
(Expressed in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD) ⁽¹⁾
Except for Per Share Amounts and Shares Outstanding)

	Year over Year Comparison					Sequential Comparison				
	3Q 2018		% of	3Q 2017	YoY	3Q 2018		% of	2Q 2018	QoQ
	USD	NTD	Sales	NTD	Inc(Dec) %	USD	NTD	Sales	NTD	Inc(Dec) %
Net Revenue	253	7,749	100.0	6,400	21.1	253	7,749	100.0	7,049	9.9
Cost of Revenue	(162)	(4,958)	(64.0)	(4,363)	13.6	(162)	(4,958)	(64.0)	(4,668)	6.2
Gross Profit	91	2,792	36.0	2,037	37.0	91	2,792	36.0	2,381	17.3
Operating Expenses										
General and Administrative Expenses	(10)	(316)	(4.1)	(230)	37.1	(10)	(316)	(4.1)	(277)	14.1
Selling and Marketing Expenses	(3)	(100)	(1.3)	(78)	28.6	(3)	(100)	(1.3)	(82)	21.8
Research and Development Expenses	(13)	(394)	(5.1)	(388)	1.6	(13)	(394)	(5.1)	(368)	7.1
Total Operating Expenses	(26)	(810)	(10.4)	(696)	16.4	(26)	(810)	(10.4)	(727)	11.4
Income from Operations	65	1,982	25.6	1,341	47.8	65	1,982	25.6	1,654	19.8
Investment (Loss) Gain	(0)	(11)	(0.1)	(12)	(4.2)	(0)	(11)	(0.1)	17	-
Net Other Non-operating Income	3	102	1.3	77	33.3	3	102	1.3	95	7.1
Income before Income Tax	68	2,073	26.8	1,406	47.4	68	2,073	26.8	1,766	17.4
Income Tax Expense	(13)	(404)	(5.2)	(248)	62.9	(13)	(404)	(5.2)	(345)	17.1
Net Income	55	1,669	21.5	1,158	44.1	55	1,669	21.5	1,421	17.4
Other Comprehensive (Loss) Income	(1)	(42)	(0.5)	6	-	(1)	(42)	(0.5)	429	-
Comprehensive Income	53	1,627	21.0	1,164	39.7	53	1,627	21.0	1,850	(12.1)
Diluted Earnings Per Share ⁽²⁾	0.033	1.01		0.70	43.9	0.033	1.01		0.86	17.0
Weighted Average Outstanding Shares('M) ⁽²⁾		1,650		1,648			1,650		1,645	

Note: (1) The exchange rate for the figures of three months ended Sep. 30, 2018 was NTD30.612.

(2) Total weighted average outstanding shares were 1,650,300K, 1,644,504K and 1,648,168K for 3Q18, 2Q18 and 3Q17, respectively.



Vanguard International Semiconductor Corporation Consolidated Statements of Comprehensive Income

For the Nine Months Ended Sep. 30, 2018 and 2017
(Expressed in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD) ⁽¹⁾
Except for Per Share Amounts and Shares Outstanding)

	Nine Months Ended Sep. 30				
	2018		% of Sales	2017	YoY Inc(Dec) %
	USD	NTD		NTD	
Net Revenue	711	21,223	100.0	18,535	14.5
Cost of Revenue	(469)	(13,983)	(65.9)	(12,725)	9.9
Gross Profit	243	7,240	34.1	5,810	24.6
Operating Expenses					
General and Administrative Expenses	(28)	(832)	(3.9)	(684)	21.6
Selling and Marketing Expenses	(8)	(245)	(1.2)	(207)	18.0
Research and Development Expenses	(36)	(1,082)	(5.1)	(1,183)	(8.5)
Total Operating Expenses	(72)	(2,159)	(10.2)	(2,074)	4.1
Income from Operations	170	5,081	23.9	3,736	36.0
Investment Loss	(0)	(8)	(0.0)	(7)	7.4
Net Other Non-operating Income	7	211	1.0	89	137.4
Income before Income Tax	177	5,284	24.9	3,817	38.4
Income Tax Expense	(35)	(1,046)	(4.9)	(529)	97.7
Net Income	142	4,238	20.0	3,288	28.9
Other Comprehensive Income (Loss)	8	247	1.2	(192)	-
Comprehensive Income	150	4,485	21.1	3,096	44.9
Diluted Earnings Per Share ⁽²⁾	0.086	2.57		1.99	28.8
Weighted Average Outstanding Shares('M) ⁽²⁾		1,652		1,651	

Note: (1) The exchange rate for the figures of nine months ended Sep. 30, 2018 was NTD29.837.

(2) Total weighted average outstanding shares were 1,651,633K and 1,650,667K for the nine months ended Sep. 30, 2018 and 2017, respectively.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended Sep. 30, 2018 and 2017
(Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD))*

	2018		2017
	USD	NTD	NTD
Cash Flows from Operating Activities			
Income before income tax	177	5,284	3,817
Depreciation & Amortization	45	1,351	1,507
Income taxes paid	(26)	(789)	(659)
Changes in working capital & others	(46)	(1,381)	(809)
Net Cash Provided by Operating Activities	150	4,465	3,855
Cash Flows from Investing Activities			
Increase in financial assets	(33)	(970)	(31)
Acquisitions of property, plant and equipment and intangible assets	(44)	(1,316)	(1,261)
Acquisitions of long-term stock investments	(4)	(105)	(151)
Proceeds from disposal of property, plant and equipment	0	1	0
Decrease in other financial assets	(0)	(0)	91
Dividends received	1	28	25
Others	(2)	(45)	(41)
Net Cash Used in Investing Activities	(81)	(2,407)	(1,368)
Cash Flows from Financing Activities			
Increase in other non-current liabilities	0	13	31
Cash dividends	(165)	(4,917)	(4,917)
Net Cash Used in Financing Activities	(164)	(4,904)	(4,886)
Net decrease in Cash and Cash Equivalents	(95)	(2,845)	(2,398)
Effect of Exchange Rate Changes	5	162	(87)
Cash and Cash Equivalents, Beginning of Period	528	15,761	17,565
Cash and Cash Equivalents, End of Period	438	13,077	15,079

*Note: The exchange rate for the figures of nine months ended Sep. 30, 2018 was NTD29.837.