



**VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
As of Mar. 31, 2019 and Dec. 31, 2018  
(Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD))\*

ASSETS	Mar. 31, 2019			Dec. 31, 2018		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	490	15,112	36.8	14,607	38.8	505	3.5
Investments in Marketable Financial Instruments	64	1,969	4.8	1,602	4.3	367	22.9
Accounts Receivable	161	4,949	12.1	5,728	15.2	(779)	(13.6)
Inventories	117	3,617	8.8	3,416	9.1	202	5.9
Other Current Assets	16	483	1.2	450	1.2	32	7.1
<b>Total Current Assets</b>	<b>848</b>	<b>26,129</b>	<b>63.7</b>	<b>25,803</b>	<b>68.5</b>	<b>326</b>	<b>1.3</b>
Investments	137	4,235	10.3	4,747	12.6	(512)	(10.8)
Property, Plant and Equipment	271	8,369	20.4	6,444	17.1	1,925	29.9
Other Assets	74	2,292	5.6	659	1.7	1,634	248.1
<b>Total Assets</b>	<b>1,331</b>	<b>41,026</b>	<b>100.0</b>	<b>37,653</b>	<b>100.0</b>	<b>3,373</b>	<b>9.0</b>
<b>LIABILITIES</b>							
Accounts Payable & Other Current Liabilities	256	7,893	19.2	7,189	19.1	704	9.8
Other Long Term Liabilities	74	2,288	5.6	1,025	2.7	1,264	123.3
<b>Total Liabilities</b>	<b>330</b>	<b>10,182</b>	<b>24.8</b>	<b>8,214</b>	<b>21.8</b>	<b>1,968</b>	<b>24.0</b>
<b>EQUITY</b>							
Capital Stock	532	16,390	39.9	16,390	43.5	0	0.0
Capital Surplus	28	855	2.1	857	2.3	(1)	(0.2)
Retained Earnings							
- Legal Reserve	146	4,511	11.0	4,511	12.0	0	0.0
- Special Reserve	12	377	0.9	377	1.0	0	0.0
- Unappropriated Earnings	287	8,847	21.6	7,467	19.8	1,380	18.5
Other Equity	(4)	(135)	(0.3)	(163)	(0.4)	27	(16.8)
<b>Total Equity</b>	<b>1,000</b>	<b>30,845</b>	<b>75.2</b>	<b>29,439</b>	<b>78.2</b>	<b>1,405</b>	<b>4.8</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,331</b>	<b>41,026</b>	<b>100.0</b>	<b>37,653</b>	<b>100.0</b>	<b>3,373</b>	<b>9.0</b>

\*Note: The exchange rate for the figures of Mar. 31, 2019 was NTD30.83.



**VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

As of Mar. 31, 2019 and 2018

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

ASSETS	Mar. 31, 2019			Mar. 31, 2018		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	490	15,112	36.8	16,334	45.8	(1,222)	(7.5)
Investments in Marketable Financial Instruments	64	1,969	4.8	1,365	3.8	604	44.2
Accounts Receivable	161	4,949	12.1	4,392	12.3	556	12.7
Inventories	117	3,617	8.8	2,888	8.1	729	25.3
Other Current Assets	16	483	1.2	399	1.1	84	21.0
<b>Total Current Assets</b>	<b>848</b>	<b>26,129</b>	<b>63.7</b>	<b>25,379</b>	<b>71.2</b>	<b>751</b>	<b>3.0</b>
Investments	137	4,235	10.3	3,220	9.0	1,016	31.6
Property, Plant and Equipment	271	8,369	20.4	6,498	18.2	1,871	28.8
Other Assets	74	2,292	5.6	556	1.6	1,736	312.3
<b>Total Assets</b>	<b>1,331</b>	<b>41,026</b>	<b>100.0</b>	<b>35,653</b>	<b>100.0</b>	<b>5,374</b>	<b>15.1</b>
<b>LIABILITIES</b>							
Accounts Payable & Other Current Liabilities	256	7,893	19.2	5,812	16.3	2,081	35.8
Other Long Term Liabilities	74	2,288	5.6	928	2.6	1,360	146.7
<b>Total Liabilities</b>	<b>330</b>	<b>10,182</b>	<b>24.8</b>	<b>6,740</b>	<b>18.9</b>	<b>3,442</b>	<b>51.1</b>
<b>EQUITY</b>							
Capital Stock	532	16,390	39.9	16,390	46.0	0	0.0
Capital Surplus	28	855	2.1	857	2.4	(1)	(0.2)
Retained Earnings							
- Legal Reserve	146	4,511	11.0	4,061	11.4	451	11.1
- Special Reserve	12	377	0.9	38	0.1	339	893.3
- Unappropriated Earnings	287	8,847	21.6	8,176	22.9	671	8.2
Other Equity	(4)	(135)	(0.3)	(608)	(1.7)	473	(77.7)
<b>Total Equity</b>	<b>1,000</b>	<b>30,845</b>	<b>75.2</b>	<b>28,913</b>	<b>81.1</b>	<b>1,932</b>	<b>6.7</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,331</b>	<b>41,026</b>	<b>100.0</b>	<b>35,653</b>	<b>100.0</b>	<b>5,374</b>	<b>15.1</b>

\*Note: The exchange rate for the figures of Mar. 31, 2019 was NTD30.83.



## Vanguard International Semiconductor Corporation Consolidated Statements of Comprehensive Income

For the Three Months Ended Mar. 31, 2019, Dec. 31, 2018 and Mar. 31, 2018  
(Expressed in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD) <sup>(1)</sup>  
Except for Per Share Amounts and Shares Outstanding)

	Year over Year Comparison					Sequential Comparison				
	1Q 2019		% of	1Q 2018		YoY	1Q 2019		% of	4Q 2018
	USD	NTD	Sales	NTD	Inc(Dec) %	USD	NTD	Sales	NTD	QoQ
Net Revenue	225	6,907	100.0	6,425	7.5	225	6,907	100.0	7,705	(10.4)
Cost of Revenue	(144)	(4,417)	(63.9)	(4,358)	1.4	(144)	(4,417)	(63.9)	(4,777)	(7.5)
Gross Profit	81	2,490	36.1	2,068	20.4	81	2,490	36.1	2,928	(15.0)
Operating Expenses										
General and Administrative Expenses	(11)	(327)	(4.7)	(240)	36.1	(11)	(327)	(4.7)	(346)	(5.6)
Selling and Marketing Expenses	(3)	(82)	(1.2)	(62)	30.7	(3)	(82)	(1.2)	(96)	(15.3)
Research and Development Expenses	(14)	(424)	(6.1)	(321)	32.2	(14)	(424)	(6.1)	(412)	2.9
Total Operating Expenses	(27)	(832)	(12.1)	(623)	33.6	(27)	(832)	(12.1)	(854)	(2.6)
Income from Operations	54	1,658	24.0	1,445	14.7	54	1,658	24.0	2,074	(20.1)
Investment Loss	(0)	(12)	(0.2)	(14)	(12.4)	(0)	(12)	(0.2)	(17)	(27.0)
Net Other Non-operating Income	3	104	1.5	14	669.9	3	104	1.5	131	(20.8)
Income before Income Tax	57	1,749	25.3	1,444	21.1	57	1,749	25.3	2,188	(20.1)
Income Tax Expense	(12)	(362)	(5.2)	(297)	22.0	(12)	(362)	(5.2)	(260)	39.0
Net Income	45	1,388	20.1	1,148	20.9	45	1,388	20.1	1,928	(28.0)
Other Comprehensive Income (Loss)	1	27	0.4	(140)	-	1	27	0.4	38	(27.2)
Comprehensive Income	46	1,415	20.5	1,008	40.4	46	1,415	20.5	1,966	(28.0)
Diluted Earnings Per Share (2)	0.027	0.84		0.70	20.6	0.027	0.84		1.16	(27.6)
Weighted Average Outstanding Shares('M) (2)		1,649		1,646			1,649		1,659	

Note: (1) The exchange rate for the figures of three months ended Mar. 31, 2019 was NTD30.747.

(2) Total weighted average outstanding shares were 1,648,963K, 1,658,646K and 1,645,611K for 1Q19, 4Q18 and 1Q18, respectively.



## Vanguard International Semiconductor Corporation Consolidated Statements of Comprehensive Income

For the Three Months Ended Mar. 31, 2019 and 2018  
(Expressed in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD) <sup>(1)</sup>  
Except for Per Share Amounts and Shares Outstanding)

	Three Months Ended Mar. 31				
	2019		% of Sales	2018	YoY Inc(Dec) %
	USD	NTD		NTD	
Net Revenue	225	6,907	100.0	6,425	7.5
Cost of Revenue	(144)	(4,417)	(63.9)	(4,358)	1.4
Gross Profit	81	2,490	36.1	2,068	20.4
Operating Expenses					
General and Administrative Expenses	(11)	(327)	(4.7)	(240)	36.1
Selling and Marketing Expenses	(3)	(82)	(1.2)	(62)	30.7
Research and Development Expenses	(14)	(424)	(6.1)	(321)	32.2
Total Operating Expenses	(27)	(832)	(12.1)	(623)	33.6
Income from Operations	54	1,658	24.0	1,445	14.7
Investment Loss	(0)	(12)	(0.2)	(14)	(12.4)
Net Other Non-operating Income	3	104	1.5	14	669.9
Income before Income Tax	57	1,749	25.3	1,444	21.1
Income Tax Expense	(12)	(362)	(5.2)	(297)	22.0
Net Income	45	1,388	20.1	1,148	20.9
Other Comprehensive Income (Loss)	1	27	0.4	(140)	-
Comprehensive Income	46	1,415	20.5	1,008	40.4
Diluted Earnings Per Share (2)	0.027	0.84		0.70	20.6
Weighted Average Outstanding Shares('M) (2)		1,649		1,646	

Note: (1) The exchange rate for the figures of three months ended Mar. 31, 2019 was NTD30.747.

(2) Total weighted average outstanding shares were 1,648,963K and 1,645,611K for the three months ended Mar. 31, 2019 and 2018, respectively.



**VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Three Months Ended Mar. 31, 2019 and 2018**  
**(Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD))\***

	2019		2018
	USD	NTD	NTD
<b>Cash Flows from Operating Activities</b>			
Income before income tax	57	1,749	1,444
Depreciation & Amortization	17	531	458
Income taxes paid	(1)	(20)	(0)
Changes in working capital & others	15	466	(517)
<b>Net Cash Provided by Operating Activities</b>	<b>89</b>	<b>2,726</b>	<b>1,386</b>
<b>Cash Flows from Investing Activities</b>			
Increase in financial assets	6	171	(178)
Acquisitions of PP&E, intangible assets, and right-of-use assets	(76)	(2,342)	(567)
Acquisitions of long-term stock investments	(1)	(31)	0
Others	(0)	(1)	4
<b>Net Cash Used in Investing Activities</b>	<b>(72)</b>	<b>(2,203)</b>	<b>(742)</b>
<b>Cash Flows from Financing Activities</b>			
Lease liabilities	(1)	(30)	0
<b>Net Cash Used in Financing Activities</b>	<b>(1)</b>	<b>(29)</b>	<b>(0)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>16</b>	<b>494</b>	<b>644</b>
<b>Effect of Exchange Rate Changes</b>	<b>0</b>	<b>11</b>	<b>(70)</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>475</b>	<b>14,607</b>	<b>15,761</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>491</b>	<b>15,112</b>	<b>16,334</b>

\*Note: The exchange rate for the figures of three months ended Mar. 31, 2019 was NTD30.747.