



Vanguard International Semiconductor Corporation Consolidated Statements of Comprehensive Income

For the Three Months Ended Dec. 31, 2019, Sep. 30, 2019 and Dec. 31, 2018

(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				
	4Q 2019		% of	4Q 2018		YoY Inc(Dec) %	4Q 2019		% of	3Q 2019
	USD	NTD	Sales	NTD			USD	NTD	Sales	NTD
Net Revenue	240	7,334	100.0	7,705	(4.8)	240	7,334	100.0	7,127	2.9
Cost of Revenue	(154)	(4,689)	(63.9)	(4,777)	(1.8)	(154)	(4,689)	(63.9)	(4,489)	4.5
Gross Profit	87	2,645	36.1	2,928	(9.7)	87	2,645	36.1	2,638	0.3
Operating Expenses										
General and Administrative Expenses	(11)	(349)	(4.8)	(346)	1.0	(11)	(349)	(4.8)	(355)	(1.6)
Selling and Marketing Expenses	(3)	(82)	(1.1)	(96)	(14.7)	(3)	(82)	(1.1)	(75)	9.8
Research and Development Expenses	(14)	(428)	(5.8)	(412)	3.8	(14)	(428)	(5.8)	(420)	1.9
Total Operating Expenses	(28)	(859)	(11.7)	(854)	0.6	(28)	(859)	(11.7)	(849)	1.2
Income from Operations	58	1,786	24.4	2,074	(13.9)	58	1,786	24.4	1,789	(0.2)
Investment Loss	(0)	(4)	(0.1)	(17)	(78.0)	(0)	(4)	(0.1)	(3)	46.1
Net Other Non-operating Income	2	46	0.6	131	(64.7)	2	46	0.6	101	(54.1)
Income before Income Tax	60	1,829	24.9	2,188	(16.4)	60	1,829	24.9	1,887	(3.1)
Income Tax Expense	(11)	(331)	(4.5)	(260)	27.4	(11)	(331)	(4.5)	(391)	(15.3)
Net Income	49	1,497	20.4	1,928	(22.3)	49	1,497	20.4	1,496	0.1
Other Comprehensive (Loss) Income	(14)	(423)	(5.8)	38	-	(14)	(423)	(5.8)	(165)	156.6
Comprehensive Income	35	1,074	14.6	1,966	(45.4)	35	1,074	14.6	1,331	(19.3)
Diluted Earnings Per Share ⁽²⁾	0.030	0.91		1.16	(21.6)	0.030	0.91		0.90	1.1
Weighted Average Outstanding Shares('M) ⁽²⁾		1,654		1,659			1,654		1,653	

Note: (1) The exchange rate for the figures of three months ended Dec. 31, 2019 was NTD30.54.

(2) Total weighted average outstanding shares were 1,654,188K, 1,653,464K and 1,658,646K for 4Q19, 3Q19 and 4Q18, respectively.



Vanguard International Semiconductor Corporation Consolidated Statements of Comprehensive Income

For the Years Ended Dec. 31, 2019 and 2018
(Expressed in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD) ⁽¹⁾
Except for Per Share Amounts and Shares Outstanding)

	Years Ended Dec. 31				
	2019		% of Sales	2018	YoY Inc(Dec) %
	USD	NTD		NTD	
Net Revenue	916	28,286	100.0	28,928	(2.2)
Cost of Revenue	(581)	(17,953)	(63.5)	(18,760)	(4.3)
Gross Profit	334	10,333	36.5	10,168	1.6
Operating Expenses					
General and Administrative Expenses	(44)	(1,351)	(4.8)	(1,178)	14.7
Selling and Marketing Expenses	(11)	(327)	(1.2)	(341)	(4.2)
Research and Development Expenses	(57)	(1,746)	(6.2)	(1,494)	16.8
Total Operating Expenses	(111)	(3,423)	(12.1)	(3,014)	13.6
Income from Operations	224	6,909	24.4	7,155	(3.4)
Investment Gain (Loss)	0	4	0.0	(25)	-
Net Other Non-operating Income	14	445	1.6	342	30.1
Income before Income Tax	238	7,358	26.0	7,472	(1.5)
Income Tax Expense	(48)	(1,498)	(5.3)	(1,306)	14.7
Net Income	190	5,860	20.7	6,166	(5.0)
Other Comprehensive (Loss) Income	(17)	(540)	(1.9)	285	-
Comprehensive Income	172	5,321	18.8	6,451	(17.5)
Diluted Earnings Per Share ⁽²⁾	0.115	3.54		3.72	(4.8)
Weighted Average Outstanding Shares('M) ⁽²⁾		1,656		1,660	

Note: (1) The exchange rate for the figures of year ended Dec. 31, 2019 was NTD30.892.

(2) Total weighted average outstanding shares were 1,655,580K and 1,659,643K for the years ended Dec. 31, 2019 and 2018, respectively.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS
 As of Dec. 31, 2019 and Sep. 30, 2019
 (Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD)) *

ASSETS	Dec. 31, 2019			Sep. 30, 2019		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	363	10,888	25.4	9,663	23.3	1,225	12.7
Investments in Marketable Financial Instruments	46	1,384	3.2	1,293	3.1	92	7.1
Accounts Receivable	166	4,968	11.6	5,518	13.3	(550)	(10.0)
Inventories	104	3,108	7.3	3,570	8.6	(462)	(12.9)
Other Current Assets	26	769	1.8	420	1.0	349	83.0
Total Current Assets	704	21,117	49.3	20,463	49.3	653	3.2
Investments	179	5,378	12.6	5,101	12.3	277	5.4
Property, Plant and Equipment	447	13,418	31.4	13,021	31.3	397	3.1
Right-of-use Assets and Other Assets	96	2,879	6.7	2,958	7.1	(78)	(2.7)
Total Assets	1,427	42,792	100.0	41,543	100.0	1,249	3.0
LIABILITIES							
Accounts Payable & Other Current Liabilities	369	11,079	25.9	10,841	26.1	238	2.2
Other Long Term Liabilities	73	2,181	5.1	2,271	5.5	(90)	(3.9)
Total Liabilities	442	13,260	31.0	13,112	31.6	148	1.1
EQUITY							
Capital Stock	547	16,390	38.3	16,390	39.5	0	0.0
Capital Surplus	29	882	2.1	855	2.1	26	3.1
Retained Earnings							
- Legal Reserve	171	5,128	12.0	5,128	12.3	0	0.0
- Special Reserve	5	163	0.4	163	0.4	0	0.0
- Unappropriated Earnings	256	7,676	17.9	6,186	14.9	1,490	24.1
Other Equity	(24)	(706)	(1.6)	(290)	(0.7)	(416)	143.3
Total Equity	985	29,532	69.0	28,432	68.4	1,101	3.9
Total Liabilities & Equity	1,427	42,792	100.0	41,543	100.0	1,249	3.0

*Note: The exchange rate for the figures of Dec. 31, 2019 was NTD29.988.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS

As of Dec. 31, 2019 and 2018

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

ASSETS	Dec. 31, 2019			Dec. 31, 2018		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	363	10,888	25.4	14,607	38.8	(3,719)	(25.5)
Investments in Marketable Financial Instruments	46	1,384	3.2	1,602	4.3	(218)	(13.6)
Accounts Receivable	166	4,968	11.6	5,728	15.2	(760)	(13.3)
Inventories	104	3,108	7.3	3,416	9.1	(308)	(9.0)
Other Current Assets	26	769	1.8	450	1.2	318	70.6
Total Current Assets	704	21,117	49.3	25,803	68.5	(4,687)	(18.2)
Investments	179	5,378	12.6	4,747	12.6	631	13.3
Property, Plant and Equipment	447	13,418	31.4	6,444	17.1	6,974	108.2
Right-of-use Assets and Other Assets	96	2,879	6.7	659	1.7	2,221	337.2
Total Assets	1,427	42,792	100.0	37,653	100.0	5,139	13.7
LIABILITIES							
Accounts Payable & Other Current Liabilities	369	11,079	25.9	7,189	19.1	3,890	54.1
Other Long Term Liabilities	73	2,181	5.1	1,025	2.7	1,156	112.9
Total Liabilities	442	13,260	31.0	8,214	21.8	5,046	61.4
EQUITY							
Capital Stock	547	16,390	38.3	16,390	43.5	0	0.0
Capital Surplus	29	882	2.1	857	2.3	25	2.9
Retained Earnings							
- Legal Reserve	171	5,128	12.0	4,511	12.0	617	13.7
- Special Reserve	5	163	0.4	377	1.0	(214)	(56.8)
- Unappropriated Earnings	256	7,676	17.9	7,467	19.8	208	2.8
Other Equity	(24)	(706)	(1.6)	(163)	(0.4)	(543)	333.6
Total Equity	985	29,532	69.0	29,439	78.2	93	0.3
Total Liabilities & Equity	1,427	42,792	100.0	37,653	100.0	5,139	13.7

*Note: The exchange rate for the figures of Dec. 31, 2019 was NTD29.988.



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

	2019		2018
	USD	NTD	NTD
Cash Flows from Operating Activities			
Income before income tax	238	7,358	7,472
Depreciation & Amortization	69	2,141	1,823
Income taxes paid	(55)	(1,700)	(794)
Changes in working capital & others	21	645	(1,041)
Net Cash Provided by Operating Activities	273	8,445	7,460
Cash Flows from Investing Activities			
Increase in financial assets	(18)	(552)	(1,871)
Acquisitions of PP&E and intangible assets	(278)	(8,599)	(1,940)
Acquisitions of right-of-use assets	(16)	(505)	0
Acquisitions of long-term stock investments	(1)	(31)	(105)
Proceeds from disposal of property, plant and equipment	0	0	1
Dividends received	1	30	28
Others	0	15	(15)
Net Cash Used in Investing Activities	(312)	(9,642)	(3,903)
Cash Flows from Financing Activities			
Increase in short-term loans	104	3,210	0
Increase in other non-current liabilities	(0)	(0)	14
Cash dividends	(170)	(5,245)	(4,917)
Decrease in lease liabilities	(6)	(172)	0
Net Cash Used in Financing Activities	(71)	(2,207)	(4,903)
Net Decrease in Cash and Cash Equivalents	(110)	(3,404)	(1,346)
Effect of Exchange Rate Changes	(10)	(315)	192
Cash and Cash Equivalents, Beginning of Period	473	14,607	15,761
Cash and Cash Equivalents, End of Period	352	10,888	14,607

*Note: The exchange rate for the figures of year ended Dec. 31, 2019 was NTD30.892.