



2021 Earnings Conference

Agenda



Welcome	Fama Chou	Senior Vice President Spokesman
Company Introduction		
3 rd Q 21 Financial Results		
Q4'21 Semiconductor Market Perspectives		
2021 Semiconductor Market- Initial Summary		
Q & A	Stan Chi Tom Chen Calvin Lee Kevin Hsieh	Group Chief Operating Officer Executive Vice President Chief Marketing Officer Senior Vice President & Deputy Spokesman

Safe Harbor Notice

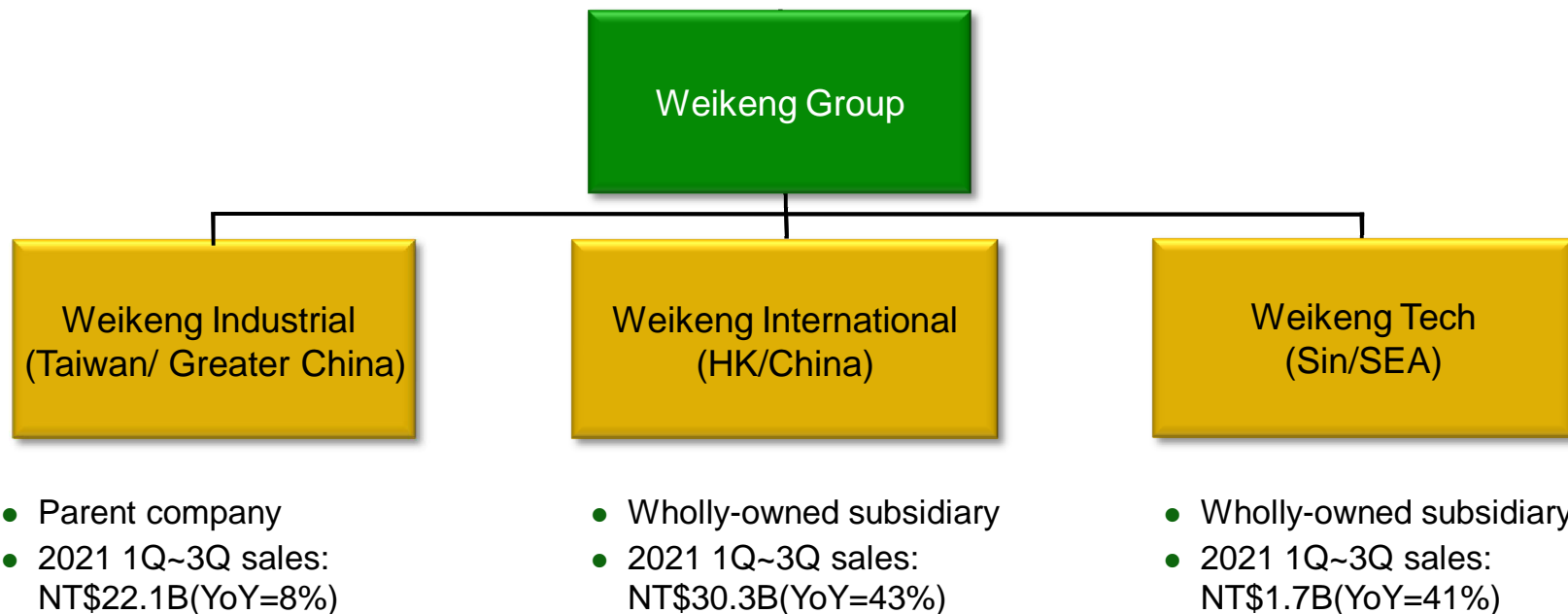


- WEIKENG's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Information as to those factors that could cause actual results varied can be found in WEIKENG's Quarterly or Yearly Financial Statements and Report filed with the Taiwan Stock Exchange Corporation (the "TWSE") and such other major information will be posted on the TWSE's Market Observation Post System (MOPS) from time to time.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.
- In addition, any financial information contained in this report is prepared in accordance with the International Financial Reporting Standards (IFRSs).

Company Introduction--Brief Facts



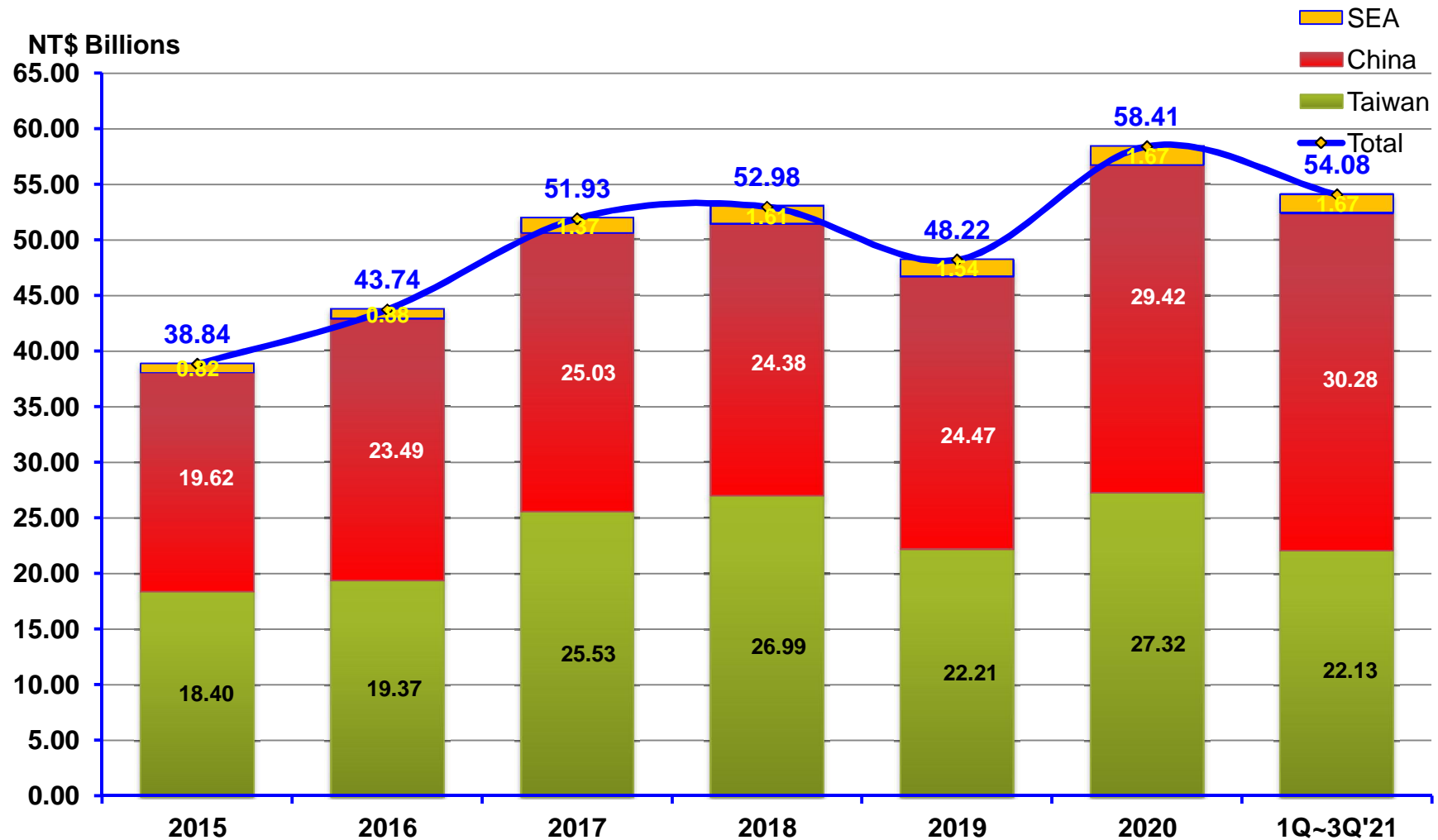
- 2021 1Q~3Q consolidated sales: NT\$ 54.1B(YoY=26%)

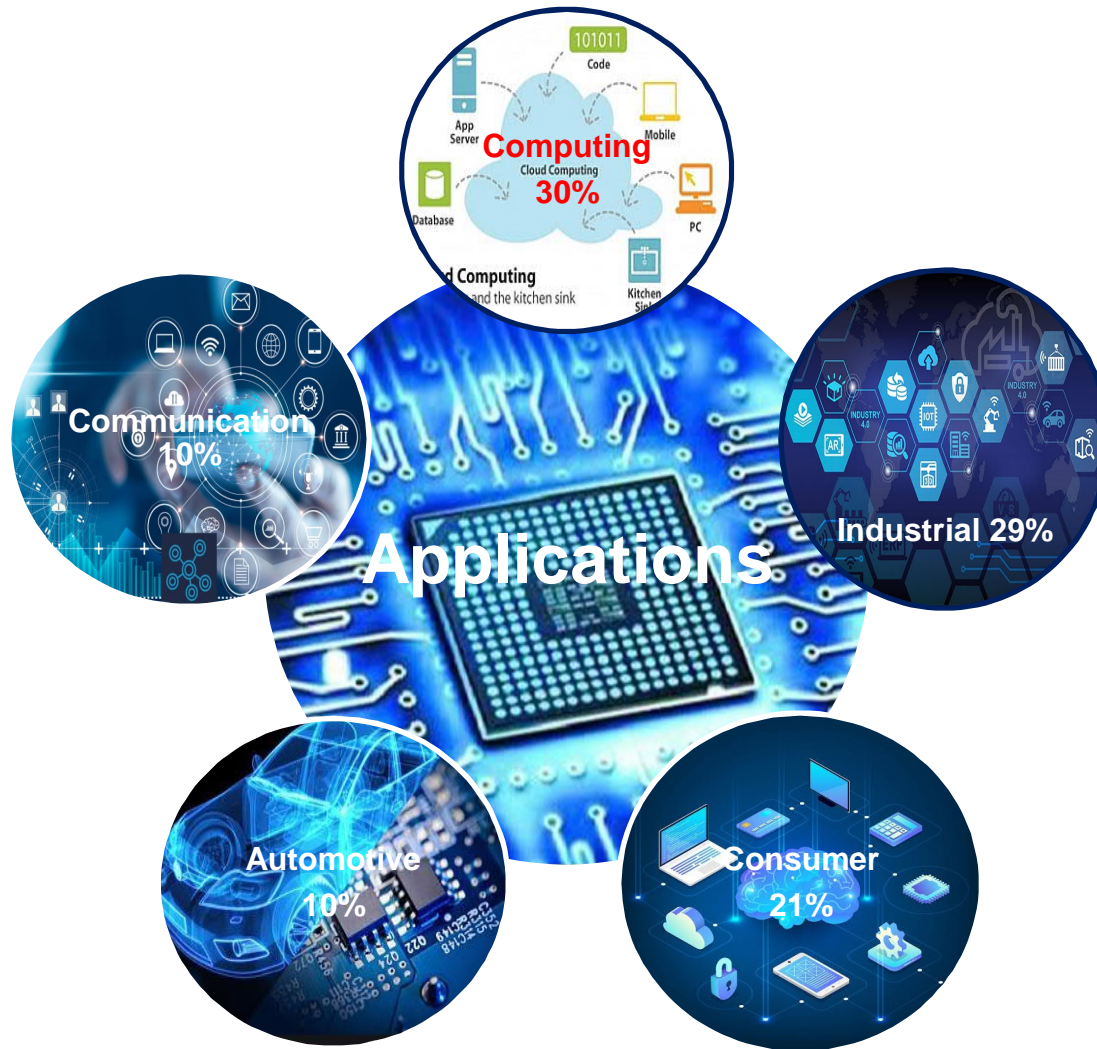


Company Introduction–Revenues, 2014-2021/ 1Q~3Q



- Diversified, broad-based accounts--top 20 clients group share 34% of sales(Q1~Q3'21)
- 75%+ of sales require technical support
- 36% of sales from mass market





Consolidated Statements of Comprehensive Income

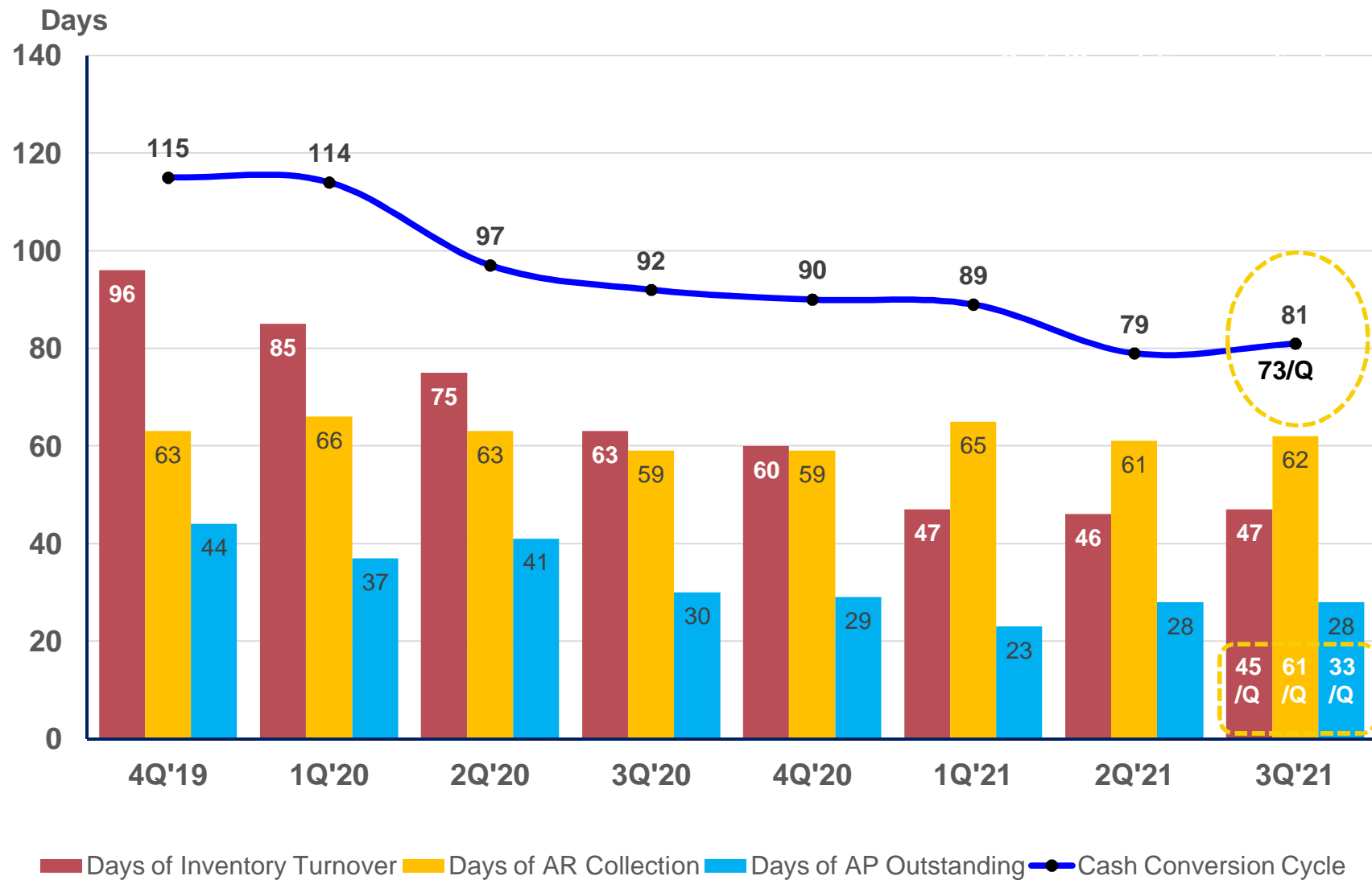
Selected Items from Consolidated Statements of Comprehensive Income (In NT\$ Millions)	3Q 2021	1Q~3Q 2021	2Q 2021	1Q~3Q 2020	3Q21 Over 2Q21	1Q~3Q21 Over 1Q~3Q20
Net Revenue	19,581	54,085	18,680	42,824	5%	26%
Gross Margin	1,525 7.79%	3,794 7.01%	1,315 7.04%	2,284 5.33%	16% +0.75ppts	66% +1.68ppts
Operating Expenses	725	1,893	614	1,529	18%	24%
Net Operating Income	801 4.09%	1,900 3.51%	702 3.76%	755 1.76%	14% +0.33ppts	152% +1.75ppts
Profit before Tax	777 3.97%	1,821 3.37%	663 3.55%	689 1.61%	17% +0.42ppts	164% +1.76ppts
Net Profit	532	1,261	455	529	17%	138%
Basic EPS(NT Dollar)	1.42	3.41	1.24	1.44	15%	137%
Exchange Rate(NT\$/US\$)	27.86	28.08	28.01	29.82	-1%	-6%

Balance Sheets and Key Indices

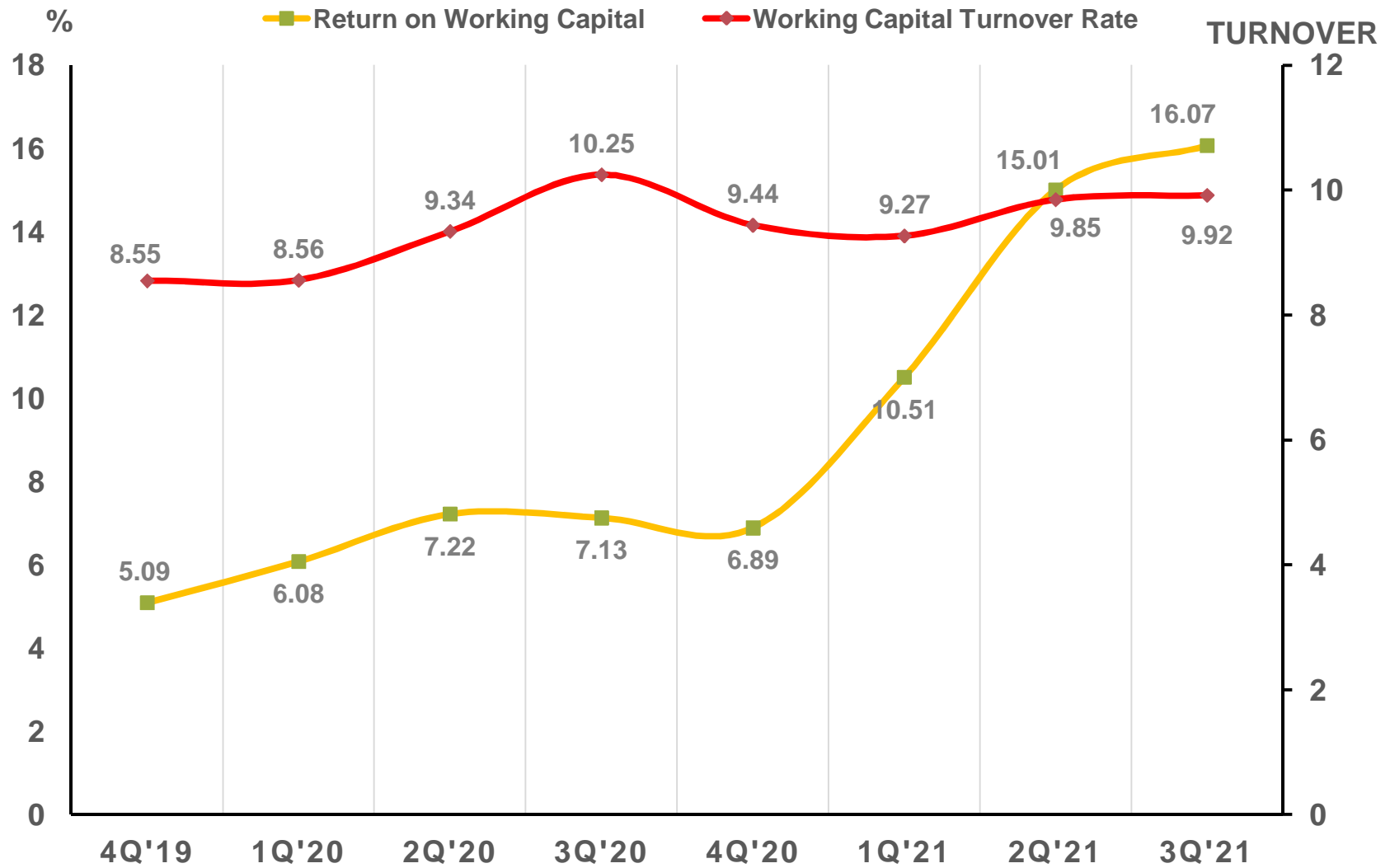


Selected Items from Balance Sheets (In NT\$ Millions)	Sep 30, 2021		Jun 30, 2021		Dec 31, 2020	
	\$	%	\$	%	\$	%
Cash and Cash Equivalents	2,377	9	2,941	12	2,486	11
Notes and Accounts Receivable, net	13,700	51	12,301	49	10,679	47
Inventories, net	9,558	35	8,303	33	7,856	34
Total Assets	26,981	100	24,987	100	22,854	100
Short-term Borrowings	10,022	37	8,819	35	9,745	43
Notes and Accounts Payable	6,687	25	6,255	25	3,576	16
Total Liabilities	19,687	73	18,689	75	16,780	73
Total Equity	7,294	27	6,299	25	6,074	27
Key Indices						
A/R Turnover (Days)	62		61		59	
Inventory Turnover (Days)	47		46		60	
A/P Outstanding (Days)	28		28		29	
Current Ratio (X)	1.41		1.41		1.45	
ROWC(%)	16.07		15.01		6.89	
ROE(%)	25.16		23.58		11.91	

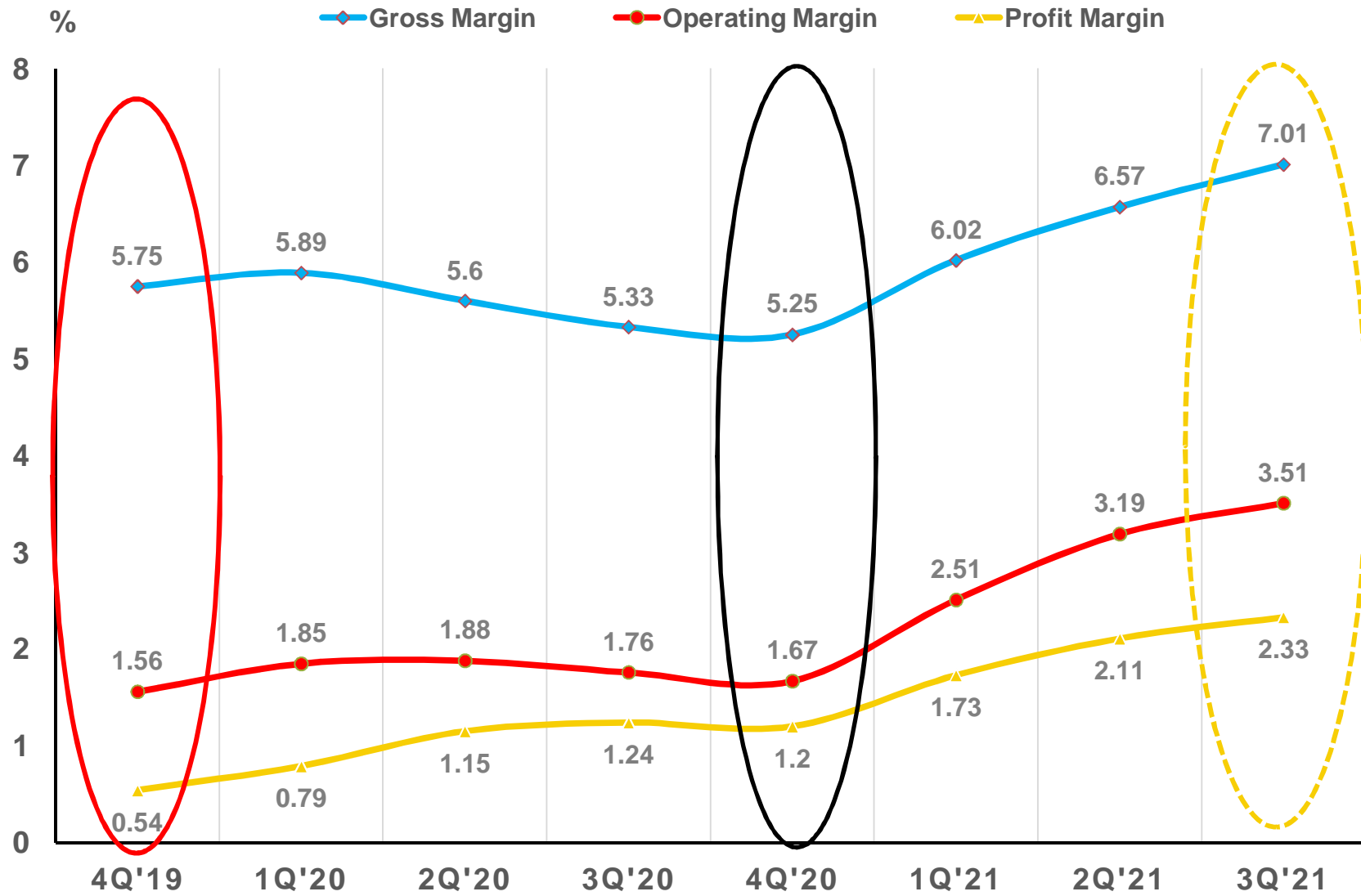
Cash Conversion Cycle_ annualized



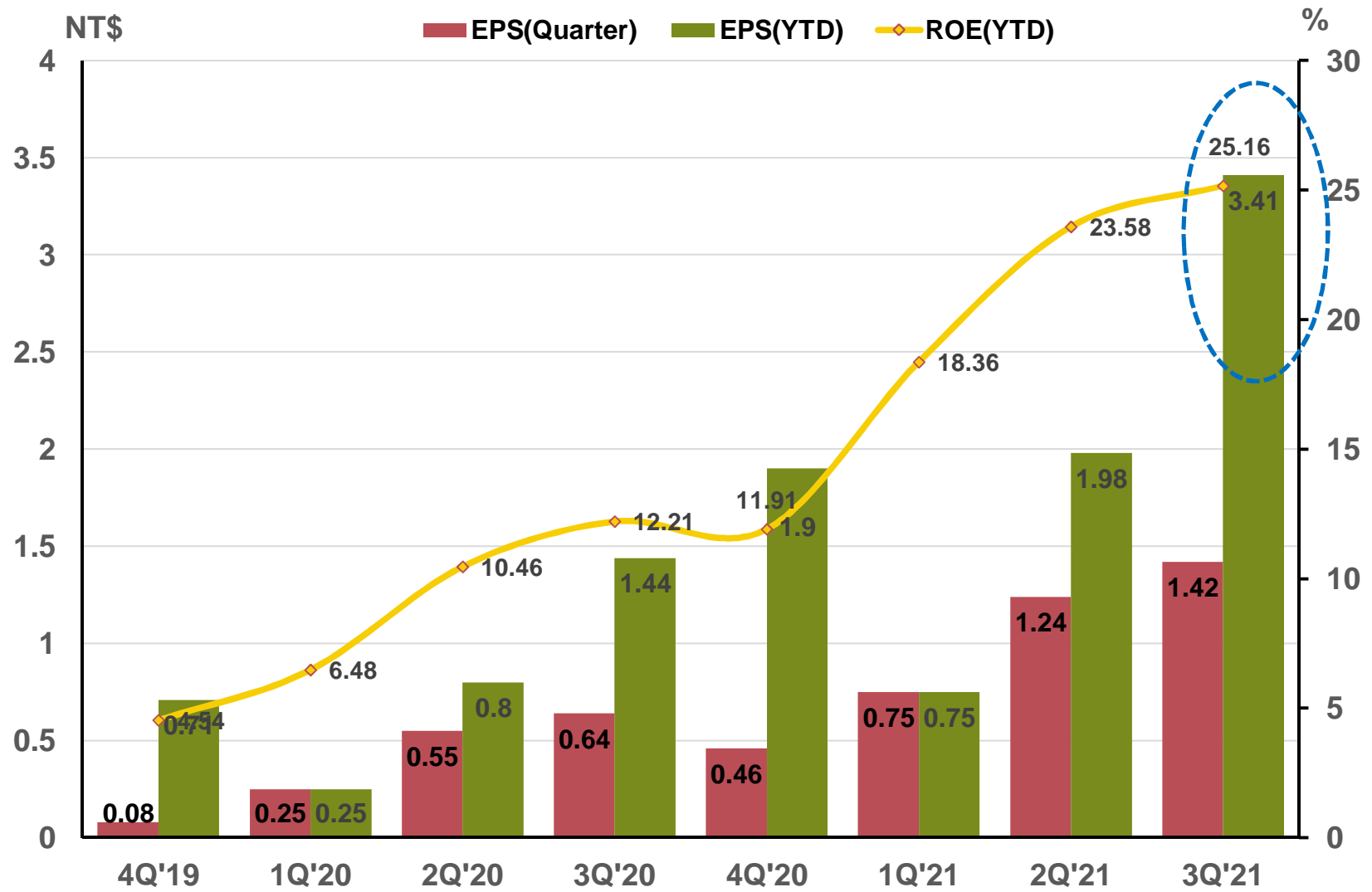
Working Capital _ Annualized



Triple Margin_YTD



EPS vs ROE



- The demand side and supply side of Q4'21 are similar to those of Q3'21.
 - Supply chain shortages and the imbalance of long and short stocks of downstream components still exist.
 - Some parts continue to increase in price Q4'21.
 - Market demand is still positive, but it may be lower than Q3'21.
- NB(including Chromebook) and Desktop have signs of slowing demand.
- Chip delivery time exceeds 20 weeks(long and short average) in no sign shortage easing in Q4'21; the short materials may even exceed 52 weeks.
 - Demand for 5G, Automotive/EV, and data centers will continue to increase
- Limited by the mature scaling capacity of 8-inch & 12-inch wafer fabs, the most in short supply products in the market are:
 - MCU, PMIC, MOSFET, DDI/TDDI, IoT/ WiFi/ BT, Audio Codec, LAN Chip, USB-Type C, etc.

2021 Semiconductor Market- Initial Summary

Facts	Elicited Results
COVID-19 shrouds all year round Uneven COVID-19 vaccines (especially in Asia)	Long-distance digital transformation and technological applications drive demand for semiconductors.
Broken Supply Chains (Ice storm in Texas, USA, Renesas fire in Japan, insufficient logistics- sea and air transportation capacity, etc.)	Supply shortages, OEMs/ODMs increase inventory levels (>12 weeks), price up, and and a “ bullwhip effect” in the industry chain.
Wafer capacity allocation (advanced scaling and mature scaling, capital expenditure investment)	Which can't keep up with demand in the short term, there are still supply shortages (~1H of 2022), supply and demand can be balanced in 2023, and there may even be oversupply in some areas.
IC Insights	2021 Worldwide Semiconductor Market (~US\$570 billion), YoY 24%
WSTS	2021 Worldwide Semiconductor Market (US\$ 551 billion), YoY 25.1% 2022 US\$606 Billion, YoY 10.1%
Weikeng Group	2021 Revenue(NT\$59.7 billion/US\$2.1 billion), YoY 24% (Jan~Oct)

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Thank You



<https://www.weikeng.com.tw/conference.php>