

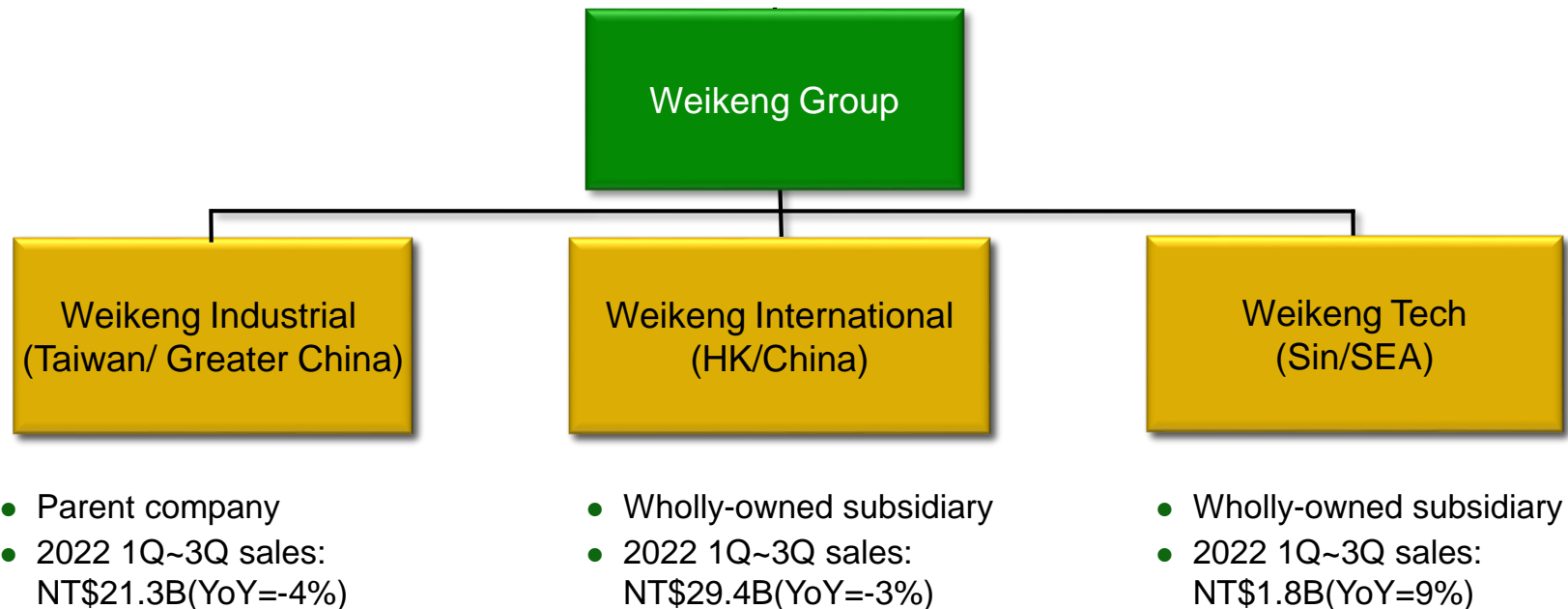


# 2022 Earnings Conference

Welcome	Fama Chou	CFO Spokesman
Company Introduction		
3 <sup>rd</sup> Q 22 Financial Results		
ICs Market in 4Q'22_Observation and Review		
2023 Semiconductor Market - Outlook		
Q & A	Stan Chi Tom Chen Calvin Lee Kevin Hsieh	President Executive Vice President Chief Marketing Officer Senior Vice President & Deputy Spokesman

- 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).

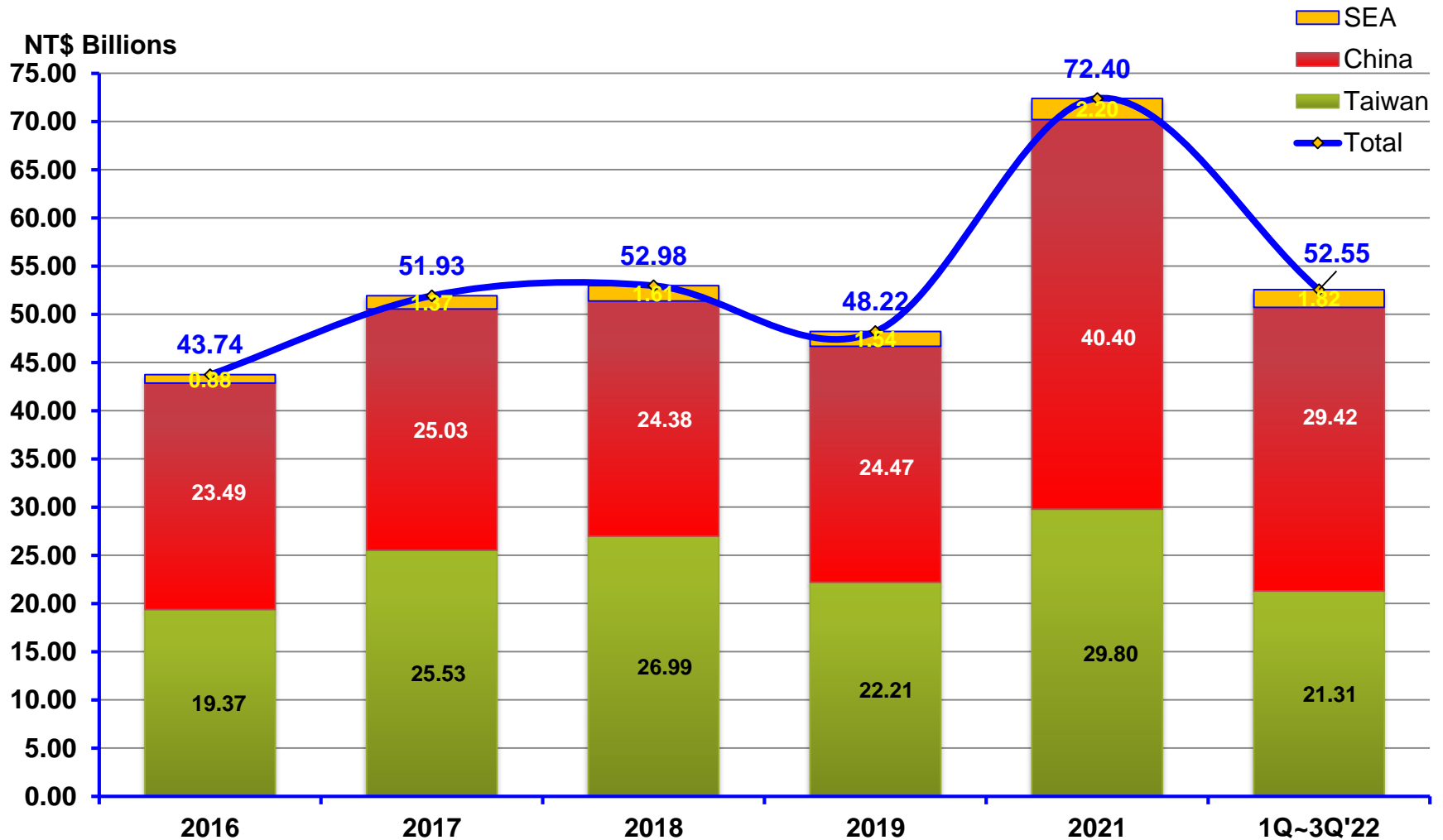
- 2022 1Q~3Q consolidated sales: NT\$ 52.5B(YoY=-3%)



# Company Introduction–Revenues, 2014-2022/ 1Q~3Q



- Diversified, broad-based accounts--top 20 clients group share 33% of sales(Q1~Q3'22)
- 85%+ of sales require technical support
- 31% of sales from mass market







# Consolidated Statements of Comprehensive Income

Selected Items from Consolidated Statements of Comprehensive Income (In NT\$ Millions)	3Q 2022	1Q~3Q 2022	2Q 2022	1Q~3Q 2020	3Q22 Over 2Q22	1Q~3Q22 Over 1Q~3Q21
<b>Net Revenue</b>	18,204	52,549	17,421	54,085	4%	-3%
<b>Gross Margin</b>	1,383 7.60%	4,201 7.99%	1,515 8.70%	3,794 7.01%	-9% -1.10ppts	11% +0.98ppts
<b>Operating Expenses</b>	712	2,018	675	1,893	5%	7%
<b>Net Operating Income</b>	671 3.69%	2,183 4.15%	840 4.82%	1,900 3.51%	-20% -1.13ppts	15% +0.64ppts
<b>Profit before Tax</b>	524 2.88%	1,969 3.75%	744 4.27%	1,821 3.37%	-30% -1.39ppts	8% +0.38ppts
<b>Net Profit</b>	372	1,421	543	1,261	-31%	13%
<b>Basic EPS(NT Dollar)</b>	0.88	3.38	1.29	3.41	-32%	-1%
<b>Exchange Rate(NT\$/US\$)</b>	30.35	29.26	29.42	28.08	3%	4%

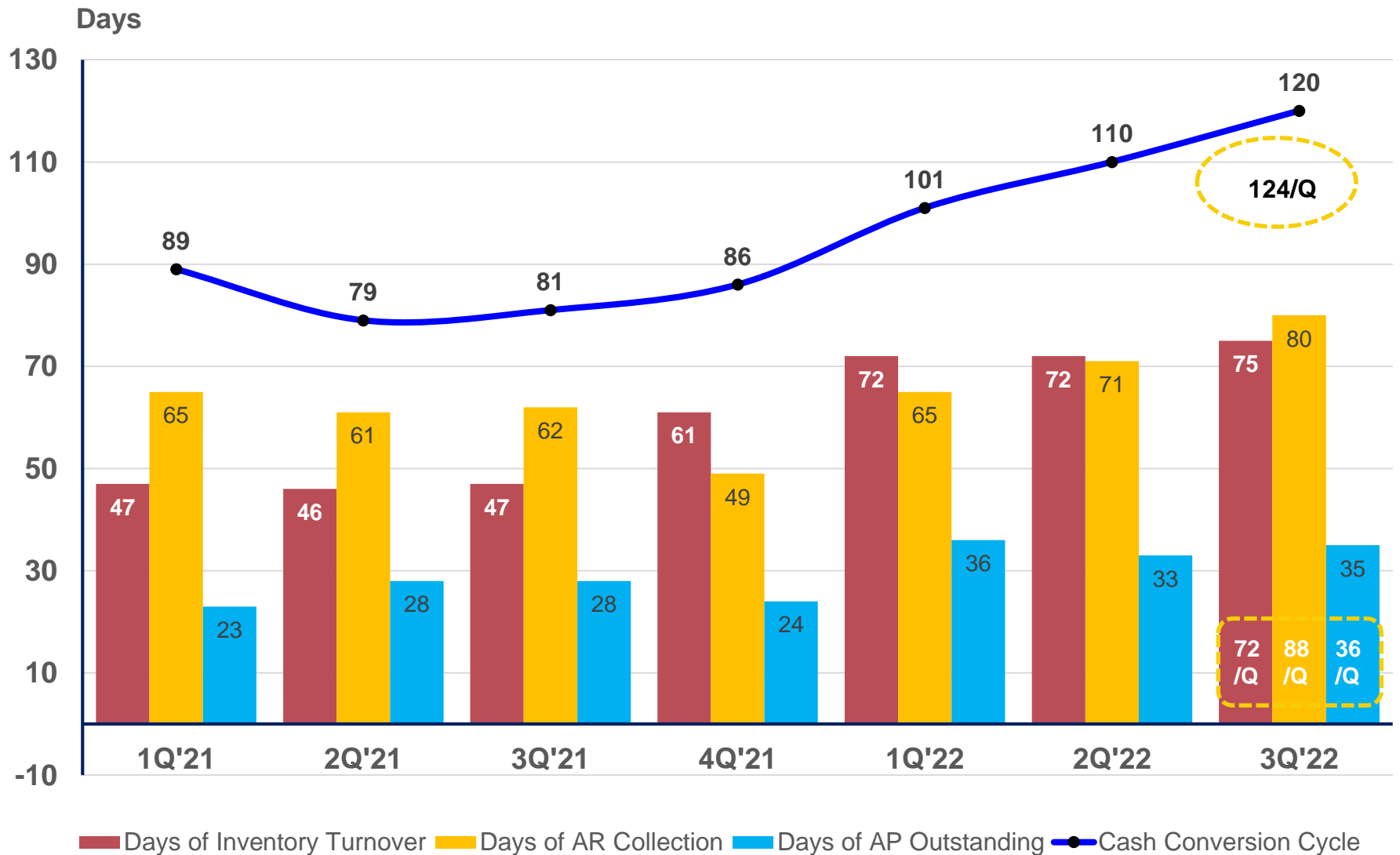
# Balance Sheets and Key Indices



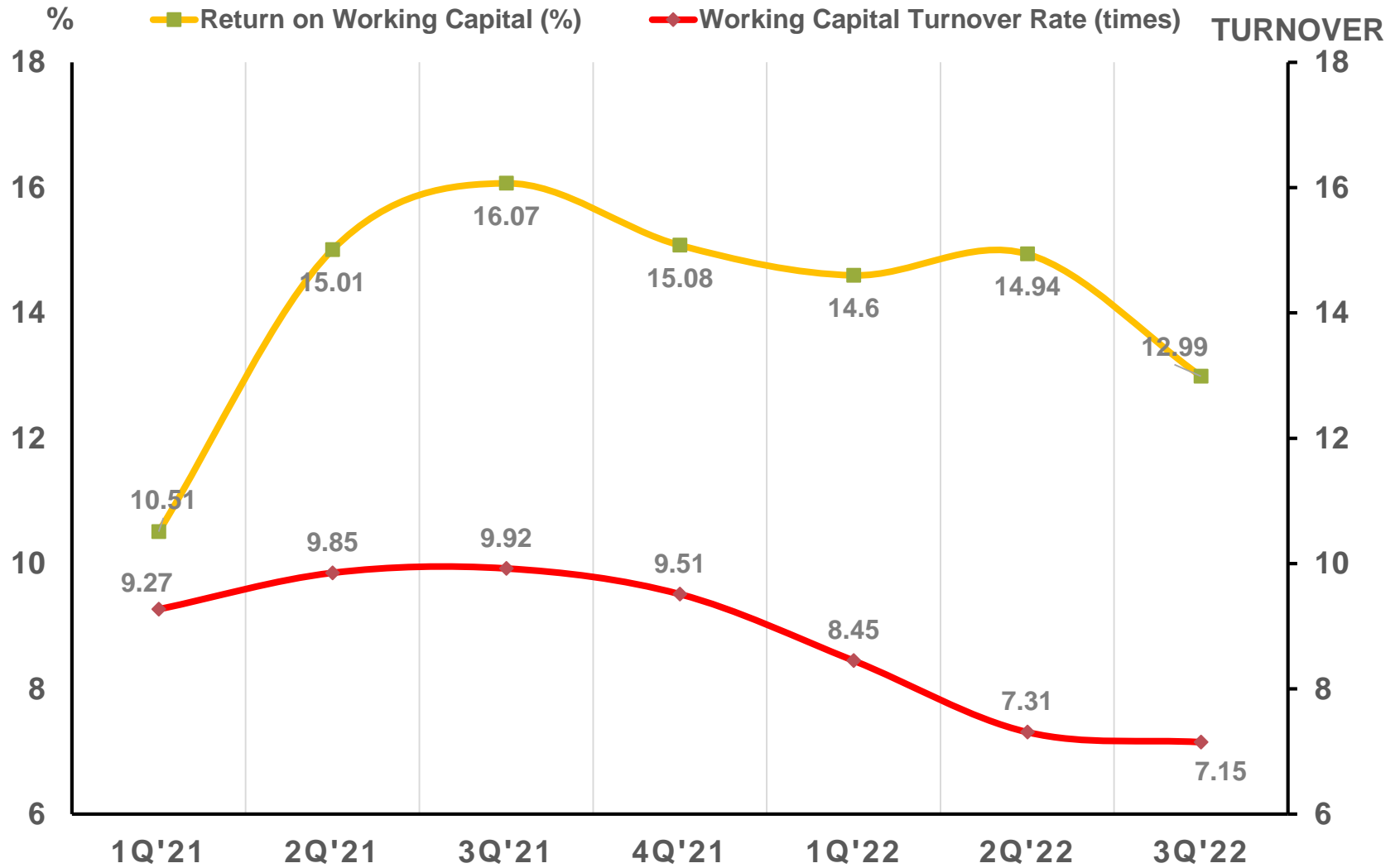
Selected Items from Balance Sheets (In NT\$ Millions)	Sep 30, 2022		Jun 30, 2022		Dec 31, 2021	
	\$	%	\$	%	\$	%
Cash and Cash Equivalents	2,326	6	1,862	6	2,267	8
Notes and Accounts Receivable, net	15,246	41	13,518	44	13,549	49
Inventories, net	18,129	49	14,399	46	10,287	37
<b>Total Assets</b>	<b>37,014</b>	<b>100</b>	<b>31,047</b>	<b>100</b>	<b>27,535</b>	<b>100</b>
Short-term Borrowings	15,459	42	10,360	33	10,996	40
Notes and Accounts Payable	7,113	19	5,984	19	5,308	19
<b>Total Liabilities</b>	<b>27,888</b>	<b>75</b>	<b>22,715</b>	<b>73</b>	<b>19,513</b>	<b>71</b>
<b>Total Equity</b>	<b>9,126</b>	<b>25</b>	<b>8,332</b>	<b>27</b>	<b>8,022</b>	<b>29</b>
<b>Key Indices</b>						
A/R Turnover (Days)		75		72		61
Inventory Turnover (Days)		80		71		49
A/P Outstanding (Days)		35		33		24
Current Ratio (X)		1.45		1.53		1.45
ROWC(%)		12.99		14.94		15.08
ROE(%)		22.10		25.65		24.42
Exchange rate at the BS date		31.85		29.67		27.68



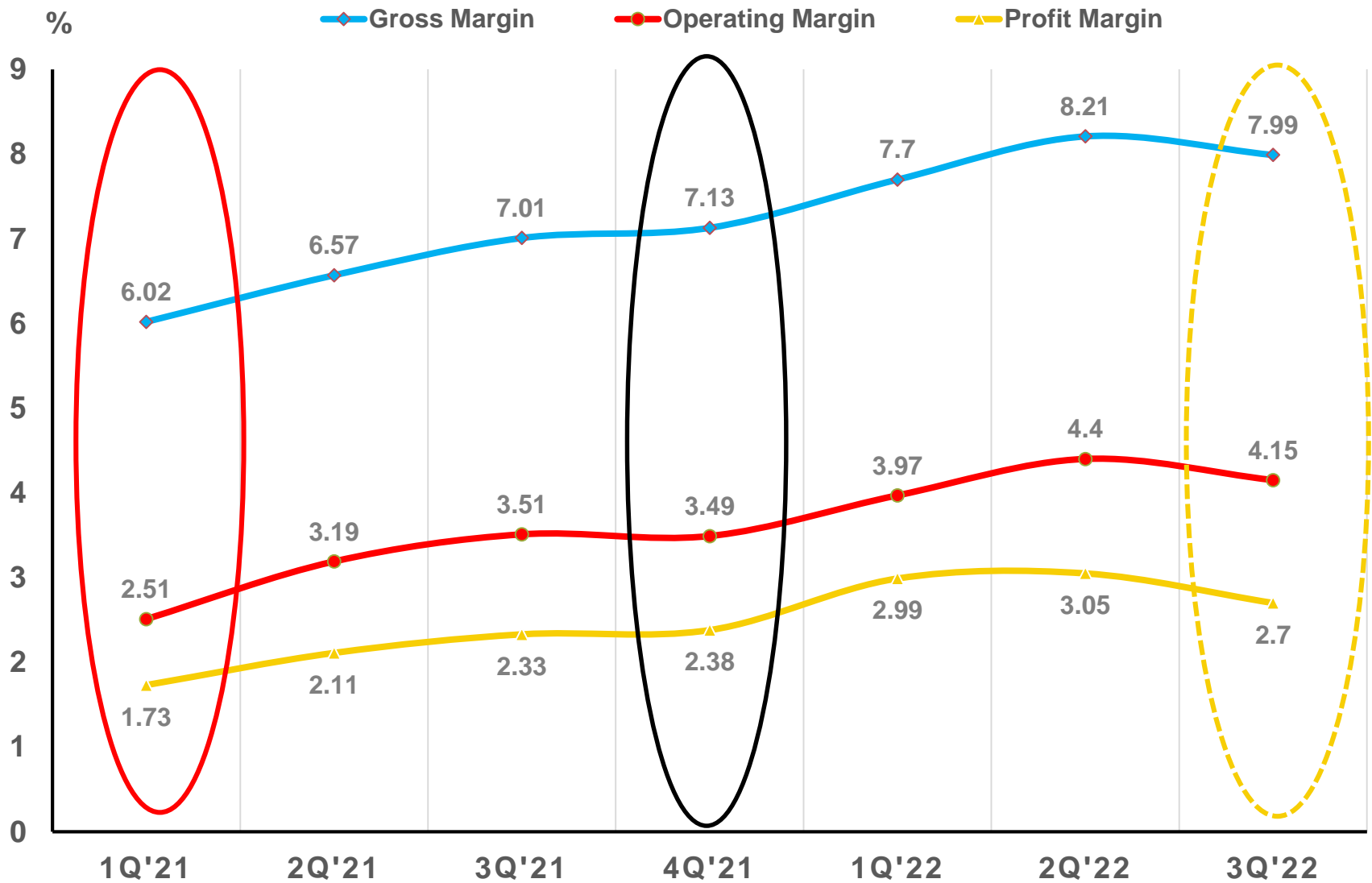
# Cash Conversion Cycle\_ annualized



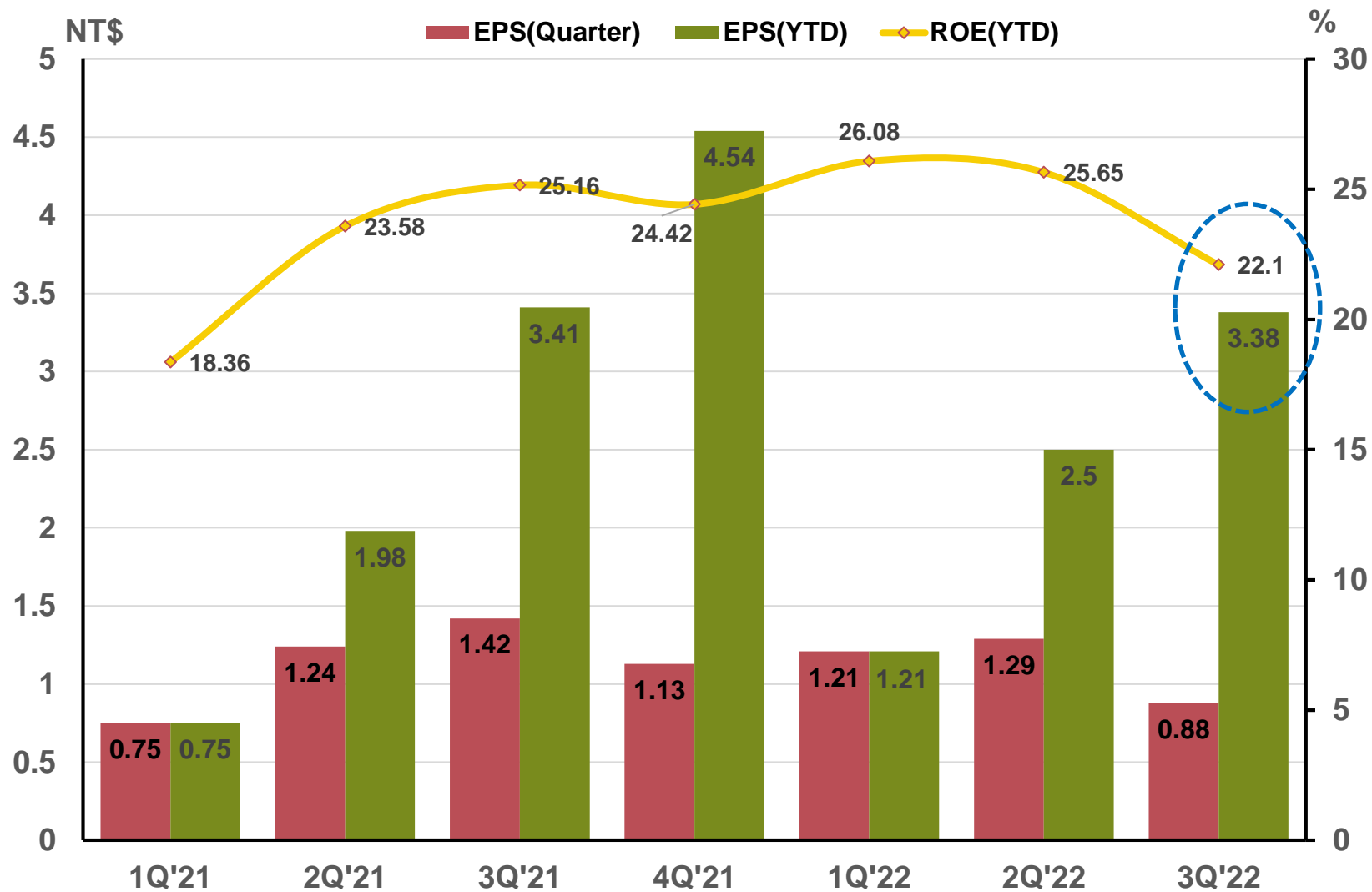
# Working Capital \_ Annualized



# Triple Margin\_YTD



# EPS vs ROE



- Current ICs supply and demand of industrial applications
  - Inventory level is generally high: such as PC, TV, Smart Phone, and even data center, industrial control, automotive.
  - However, the ICs demand for automotive and data center still exists, and industrial control has slowed down slightly.
- Problem of long (excess) and short (shortage) materials: Greatly improved, but some automotive electronics are still in short supply
- Problem of high inventory in the supply chain
  - Strive for inventory destocking
  - Highest inventory level for clients in the 3rd and 4th quarters
  - In another 2~3 quarters, there is a chance to gradually adjust the destocking (expected before 2023 1H)
- Key strategy layout : Continuous optimization of product portfolio
  - Actively deploy Emerging markets: EV, charging pile, energy storage device, Data center, AI, Server, Edge computing, 5G ORAN, Low-orbit satellite, IoT...
  - Continue to cultivate mature markets: such as PC, TV, Smart Phone...
- Trend of global high inflation and FED interest rate hike: Affecting the driving of end market demand and increasing in financial costs

# 2023 Semiconductor Market - Outlook



Facts	Elicited Results
Focus on U.S.-China competition and geopolitical changes	The escalation of the US semiconductor ban on China drives the restructuring of the supply chain and accelerates the layout of China's +1/+2/+3 production bases.
Pay attention to China's Zero-COVID policy	In 2022, China's consumer market has been greatly affected by the epidemic control. If the dynamic Zero-COVID policy can be adjusted appropriately, it will be of positive benefit to the overall semiconductor industry in 2023.
Key industry forecast: PC, TV, Smartphone, Server, EV, charging pile, 5G	<ul style="list-style-type: none"> <li>● PC, TV, Smart Phone: 2023 YoY 0 ~ -5%</li> <li>● Server: 2023 YoY +3% ~ +6%</li> <li>● EV: 2023 YoY +30% ~ +40%</li> </ul>
Gartner	YoY: 2021: +26.3%, 2022: +7.4%, 2023(F): -2.5% (US\$623 Billion)
WSTS	YoY: 2021: +26.2%, 2022: +13.9%, 2023(F): +4.6% (US\$662 Billion)



**Q & A**



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