



ASEC#6113
2022 Q3
Investor
Presentation

Safe Harbor Statement

The predictive information contained in this document, including financial overview, future expansion plans and operating strategies, etc., are all expectations based on current conditions and predictions of future events. Although the company's outlook on the future is based on reasonable assumptions, these predictive information are still subject to unknown risks, uncertainties and other factors. The company is not responsible for voluntarily disclosing updates and amendments to future predictive information. The outlook for the future in the document reflects the company's views on the future so far. Actual results may differ from those projected in this document.

Agenda

- 1 Company Profile
- 2 Business Overview
- 3 Financial Update
- 4 Business Outlook
- 5 Q & A



Company Profile



Overview











Since the establishment in April 1986, ASEC has gone through 36 years of continuous cultivation and continuous growth and transformation. With the purpose of pursuing differentiation and improving customer value, ASEC has become a professional semiconductor channel agent with a excellent reputation in Greater China.

- Founded : on April 1st, 1986
- Capital : NT\$500M (US\$16.67M)
- Location : HQ in Taipei Taiwan
Subsidiaries : Hong Kong and
Mainland China
Branch office : Taichung (R.O.C.)
- President : Steve Tsai
- Employee : 60+ Taiwan 、 40+ China
- IPO(in Taiwan) : August 10, 2001
- Stock Symbol : 6113

Line Card

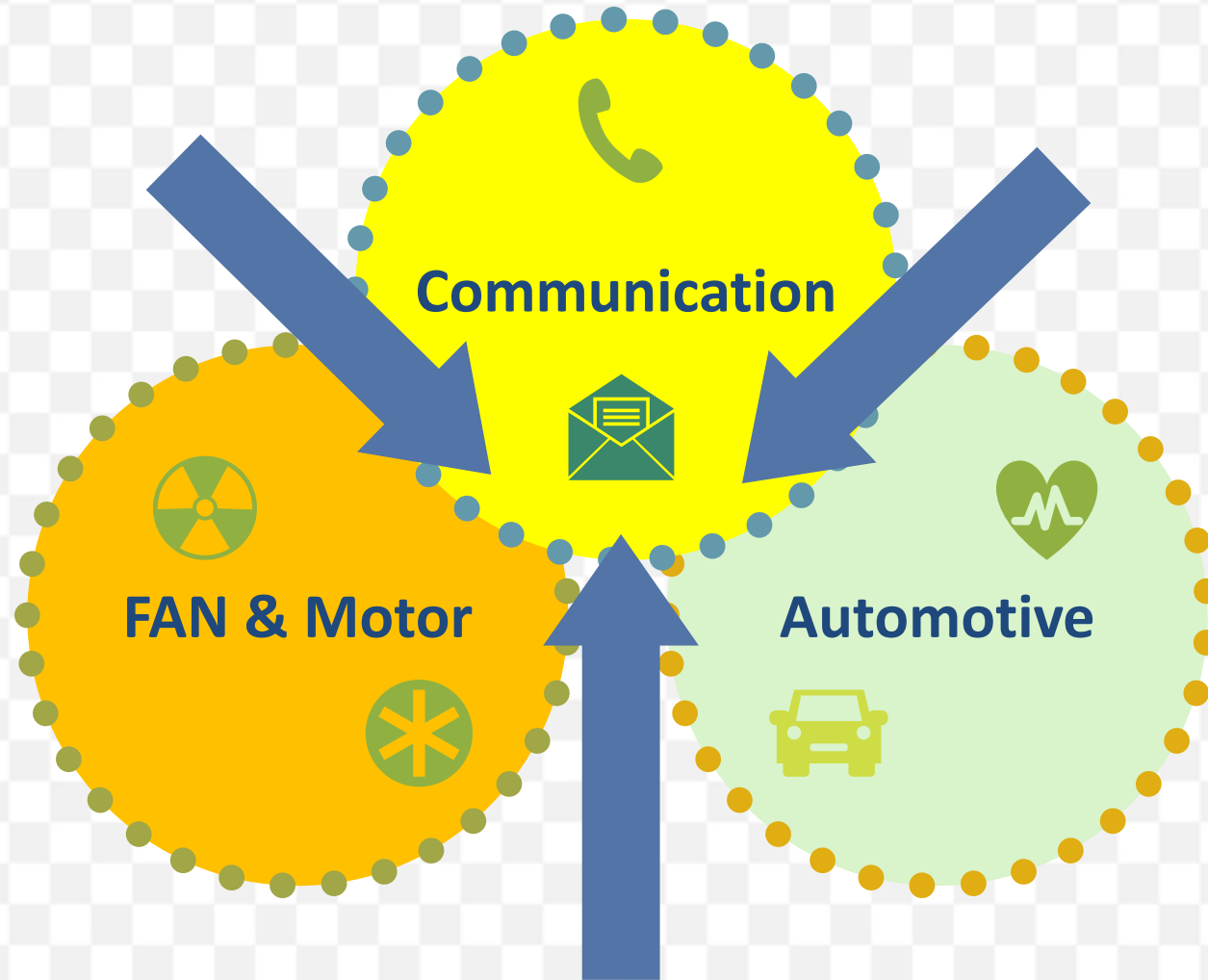
Order in alphabet

	<u><i>Bosch Sensortec</i></u>		<u><i>Golden Technology Corporation</i></u>
	<u><i>Cortina Systems</i></u>		<u><i>MediaTek Inc.</i></u>
	<u><i>Enova® Technology</i></u>		<u><i>Microchip Technology</i></u>
	<u><i>Fujitsu Components</i></u>		<u><i>Metanoia Communications</i></u>
	<u><i>Fibocom</i></u>		<u><i>Morse Micro PTY. LTD.</i></u>
	<u><i>Integrated Silicon Solution Inc.</i></u>		<u><i>Realtek Semiconductor</i></u>

Logistic & Service Branches



Target Market





Business Overview

ASEC Strategy



ASEC Strategy

Determine competitive strategy



GP 8-15%

Unique value we own -
Offering a product or service that
is unique from competitors.



GP 3-6%

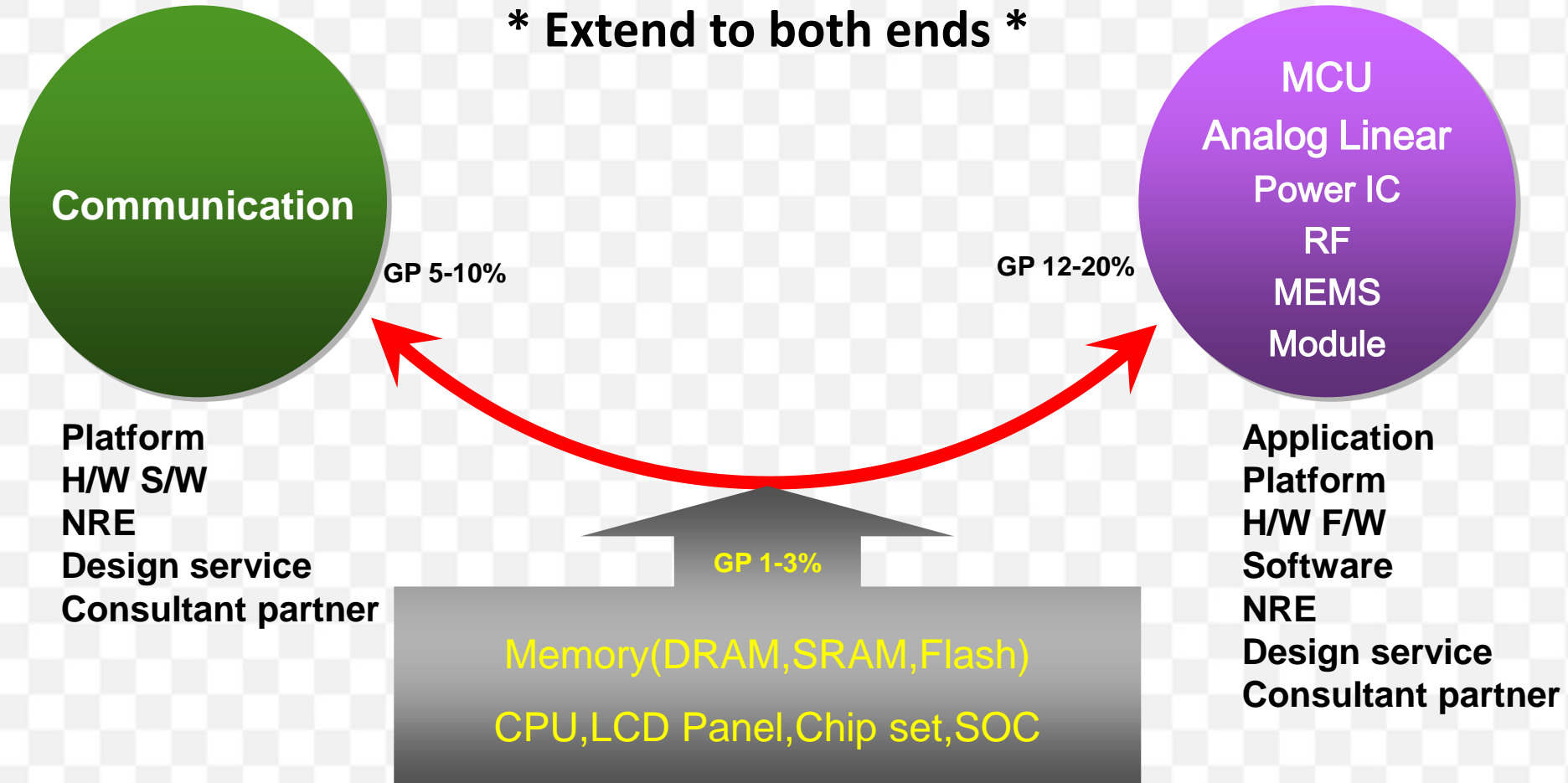
Better than others -
Relying on economies of scale
at low cost as a major competitive
advantage.



Competitive Strategy

ASEC Strategy

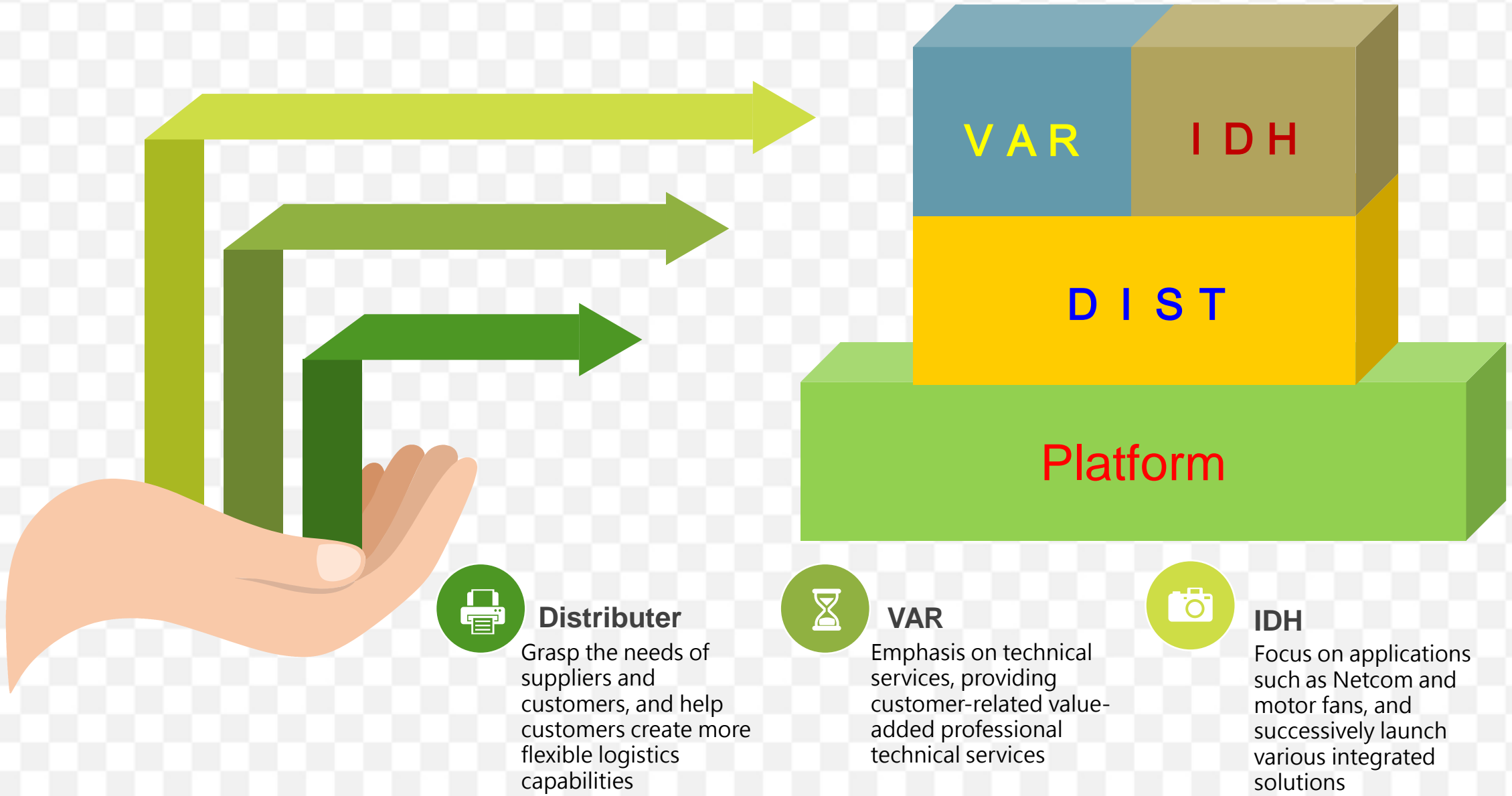
*** Extend to both ends ***



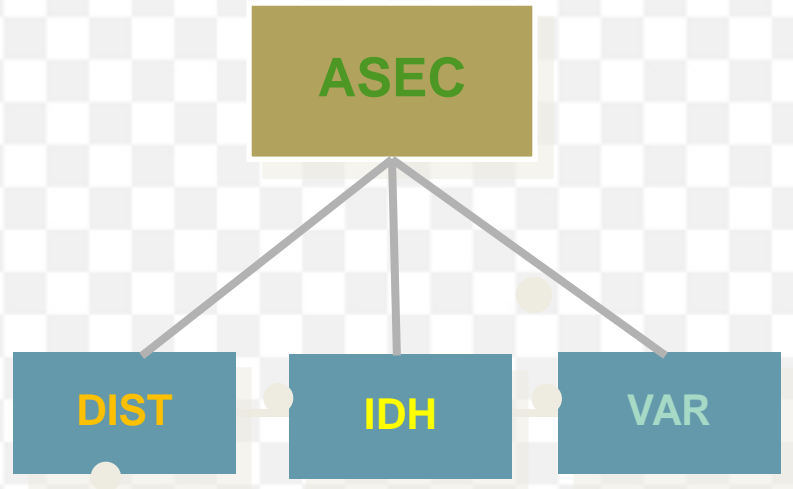
ASEC Strategy



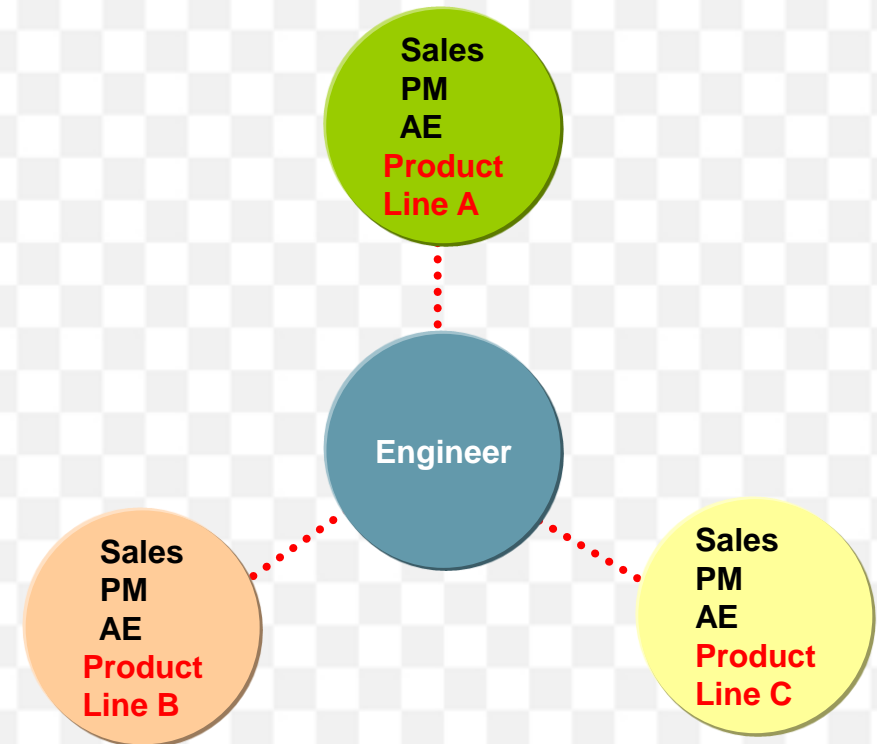
Business Model



Business Model

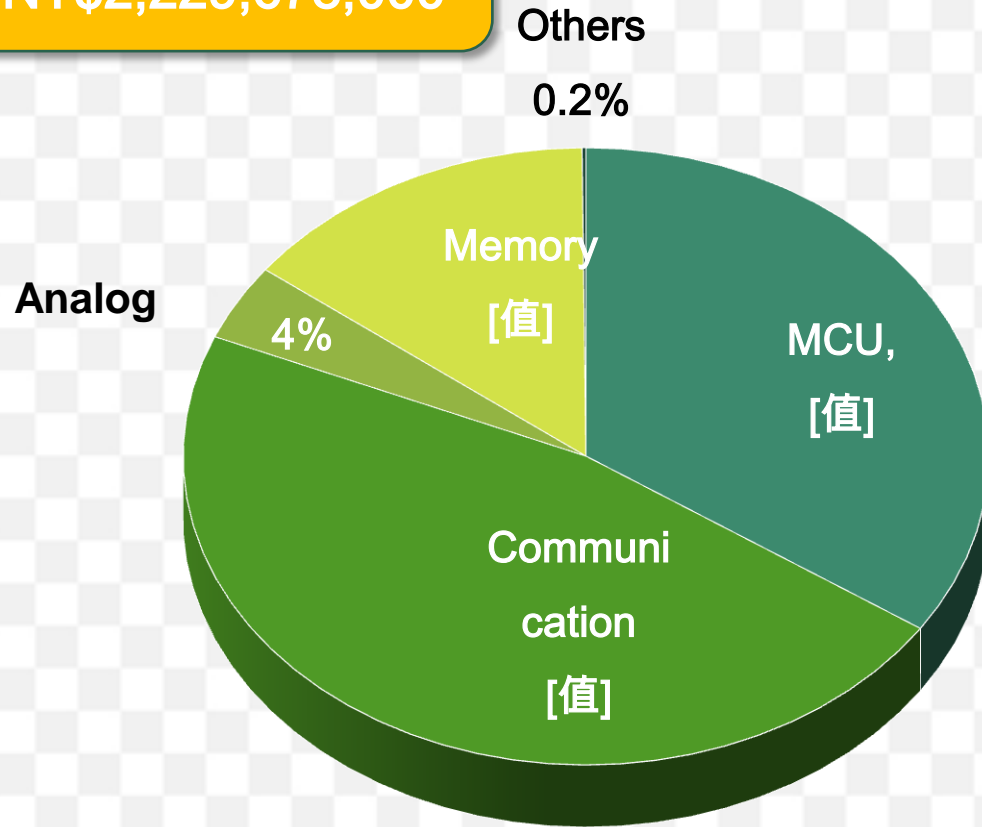


- Professional, refined, creating a unique service model differentiation strategy.
- Create an irreplaceable position for others.

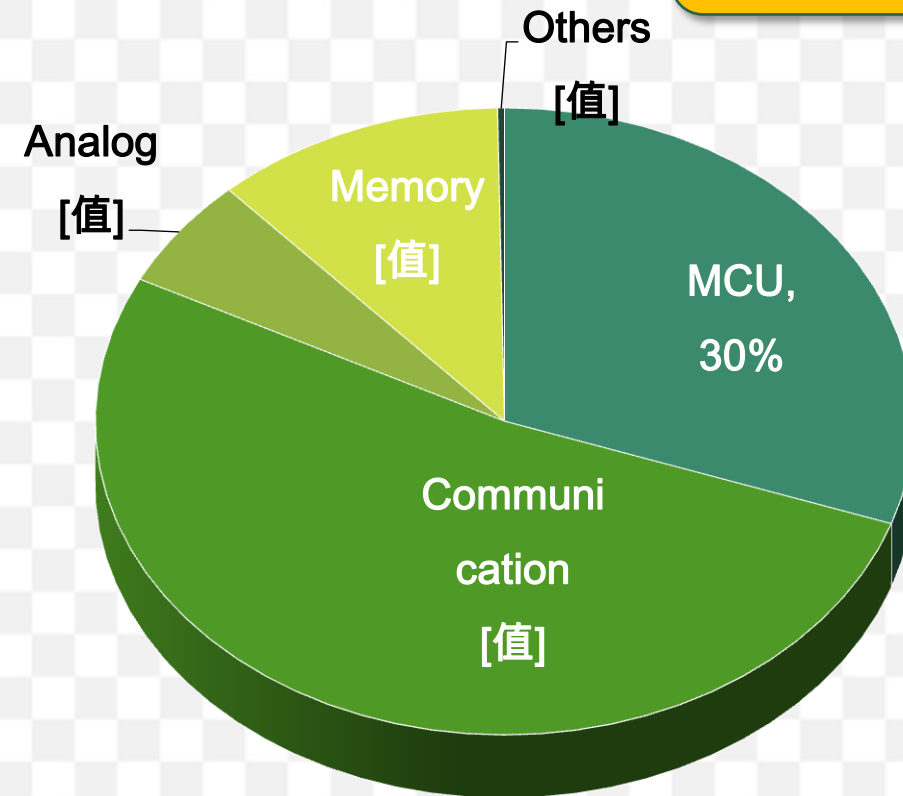


Proportion of Revenue

2021
NT\$2,229,678,000



2022 Q1-Q3
NT\$1,827,842,000



Financial Update



Operating Performance Q1~Q3 2022

<i>In NT\$ Thousand</i>	2022Q1		2022Q2		2022Q3		2022Q1-Q3	
	\$	%	\$	%	\$	%	\$	%
Net Revenue	633,259	100.0	729,153	100.0	465,430	63.8	1,827,842	100.0
Operating Cost	577,217	91.2	662,879	90.9	421,786	57.8	1,661,882	90.9
Gross Margin	56,042	8.9	66,274	9.1	43,644	6.0	165,960	9.1
Operating Expenses	30,728	4.9	31,998	4.4	30,228	4.1	92,955	5.1
Net Operating Income	25,314	4.0	34,276	4.7	13,416	1.8	73,005	4.0
Non-Operating Revenue and Expenses	10,042	1.6	4,377	0.6	21,918	3.0	36,337	2.0
Profit before Tax	35,356	5.6	38,653	5.3	35,333	4.8	109,342	6.0
Income Tax Expense (Benefit)	138	0.0	(61)	(0.0)	114	0.0	191	0.0
Net Profit	35,218	5.6	38,714	5.3	35,219	4.8	109,151	6.0
Basic EPS(NT Dollar)	0.70		0.78		0.70		2.18	

Operating Performance Q1~Q3 2021 vs.2022

In NT\$ Thousand	2022 Q1-Q3		2021 Q1-Q3		Q1~Q3 22 Over Q1~Q3 21
	\$	%	\$	%	%
Net Revenue	1,827,842	100.0	1,528,159	100.0	19.6
Operating Cost	1,661,882	90.9	1,426,260	93.3	16.5
Gross Margin	165,960	9.1	101,899	6.7	62.9
Operating Expenses	92,955	5.1	91,334	6.0	1.8
Net Operating Income	73,005	4.0	10,565	0.7	591.0
Non-Operating Revenue and Expenses	36,337	2.0	20,403	1.3	78.1
Profit before Tax	109,342	6.0	30,968	2.0	253.1
Income Tax Expense (Benefit)	191	0.0	206	0.0	(7.3)
Net Profit	109,151	6.0	30,762	2.0	254.8
Basic EPS(NT Dollar)	2.18		0.61		

Quarterly Revenue / Gross Margin Trend



Balance Sheet for Q3 2022

<i>In NT\$ Thousand</i>	2022 Q1	2022 Q2	2022 Q3
Total Assets	1,333,698	1,333,744	1,191,308
Cash and Cash Equivalents	102,705	103,641	113,785
Notes and Accounts Receivable, n	495,219	561,631	360,938
Inventories, net	356,823	330,700	364,338
Total Liabilities	793,933	757,630	573,703
Short-term Borrowings	502,529	528,693	314,112
Notes and Accounts Payable	177,444	128,468	164,726
Total Equity	539,765	576,114	617,605
Key Indices			
A/R Turnover (Days)	75	74	68
Inventory Turnover (Days)	46	41	48
A/P Outstanding (Days)	28	23	29
Current Ratio (X)	1.42	1.49	1.74
ROE(%)	27.07	27.46	25.96
DBR(%)	59.53	56.80	48.16

Balance Sheet Q3 2022 vs. 2021

<i>In NT\$ Thousand</i>	2022 Q3	2021 Q3
Total Assets	1,191,308	897,285
Cash and Cash Equivalents	113,785	171,346
Notes and Accounts Receivable, net	360,938	245,331
Inventories, net	364,338	162,600
Total Liabilities	573,703	411,609
Short-term Borrowings	314,112	178,644
Notes and Accounts Payable	164,726	103,166
Total Equity	617,605	485,676

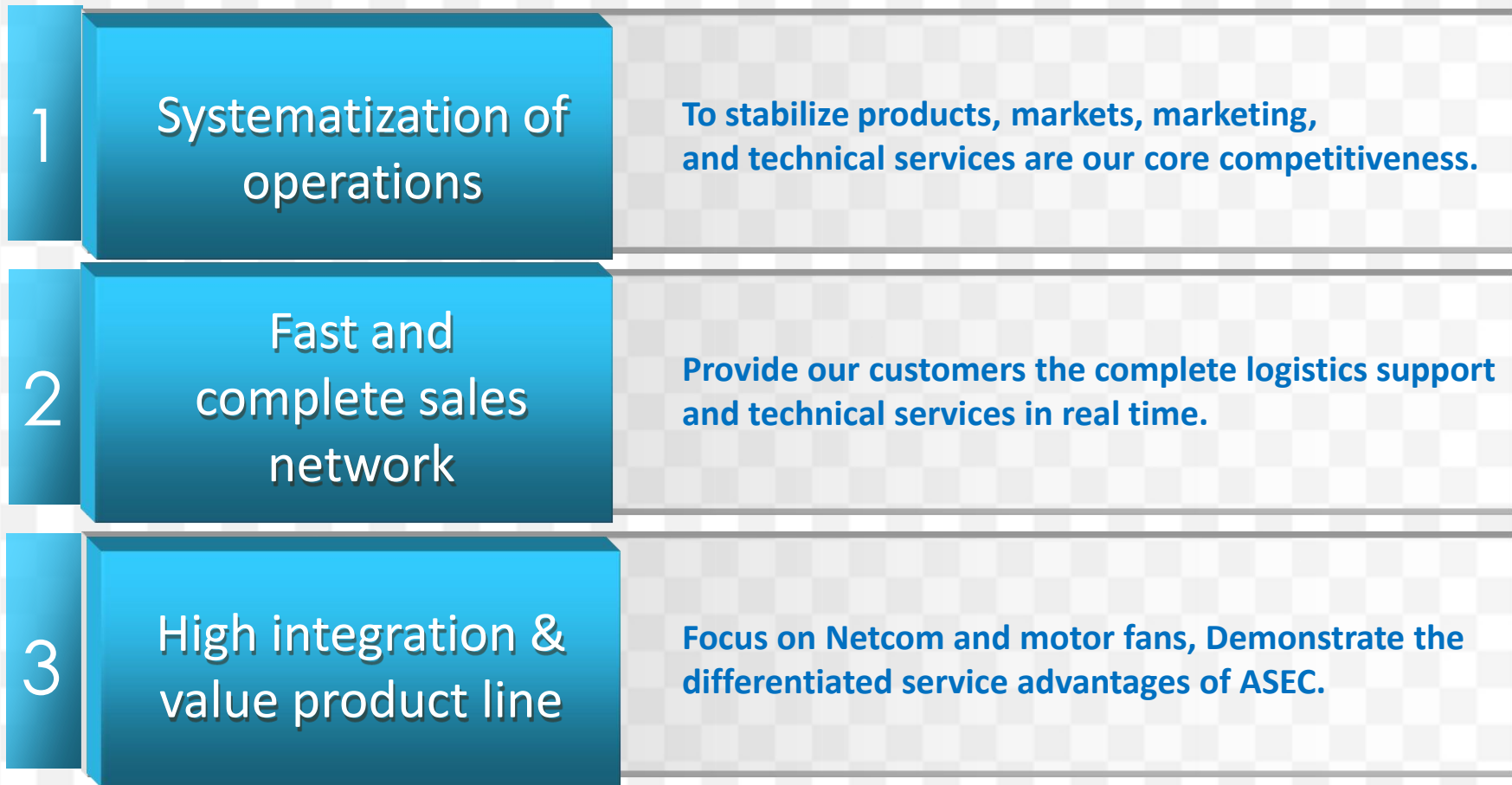
Key Indices

A/R Turnover (Days)	68	64
Inventory Turnover (Days)	48	43
A/P Outstanding (Days)	29	24
Current Ratio (X)	1.74	1.94
ROE(%)	25.96	8.76
DBR(%)	48.16	45.87

Business Outlook

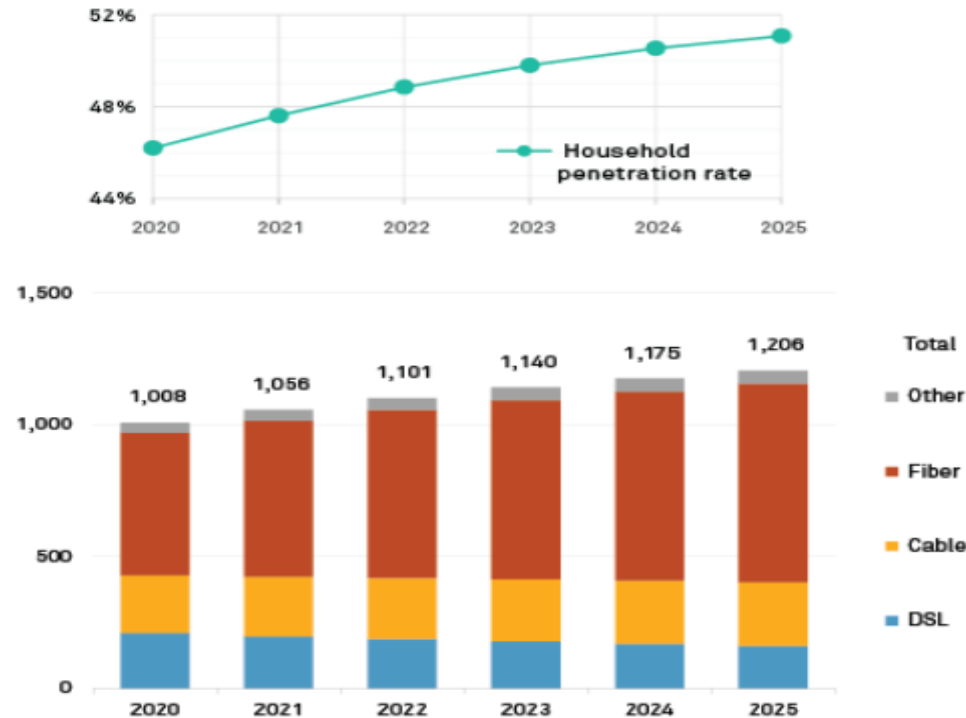


Operational advantage



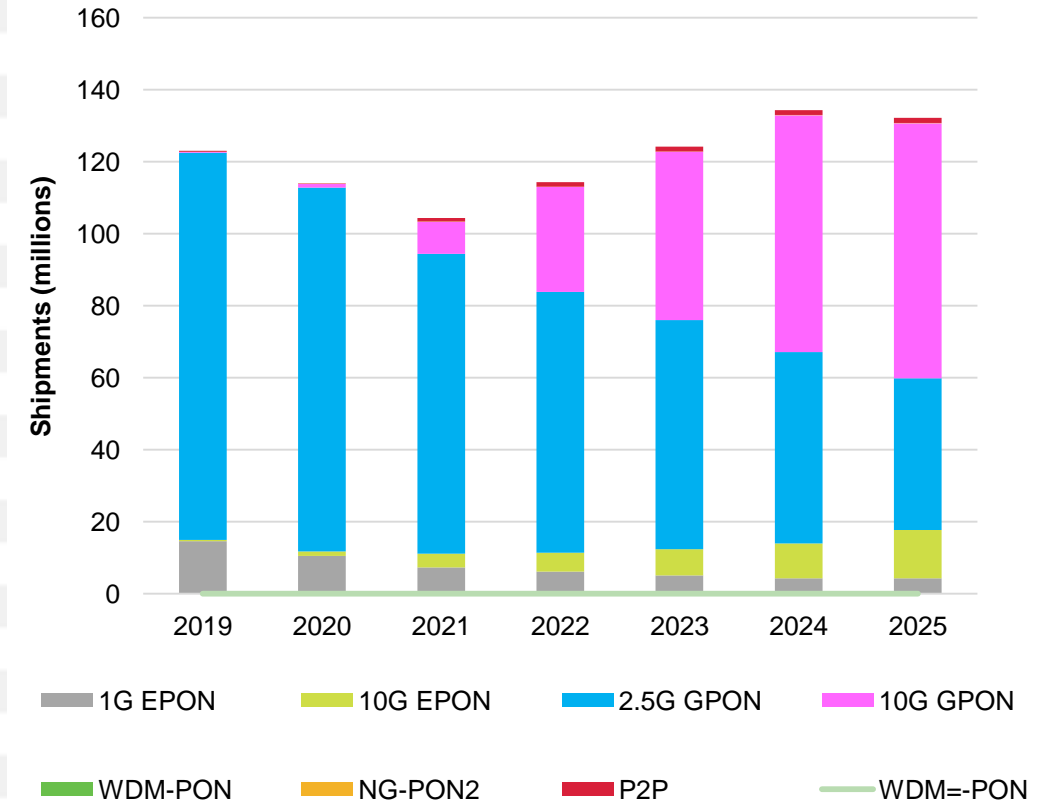
FTTH CPE Market Trend

Global broadband subscribers, 2020-2025 (million)



As of November 2021.
Sources: Industry data, Kagan estimates.
Kagan, a media research group within the TMT offering of S&P Global Market Intelligence.
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FTTH CPE long-term outlook, by access technology

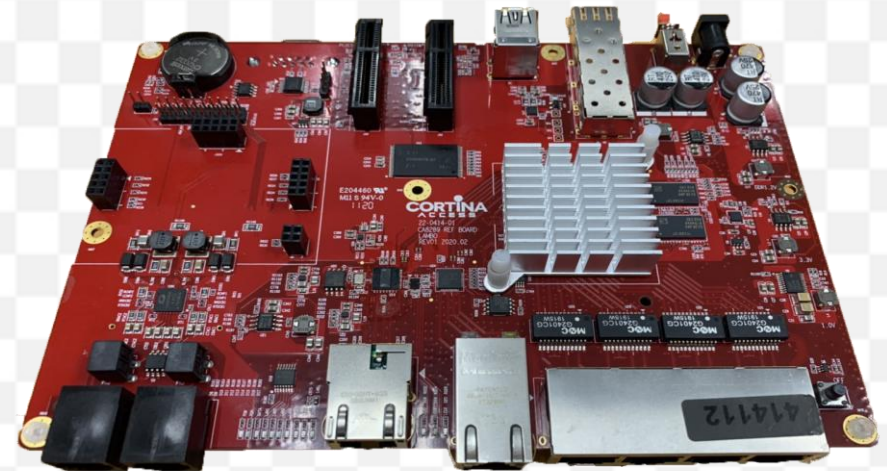
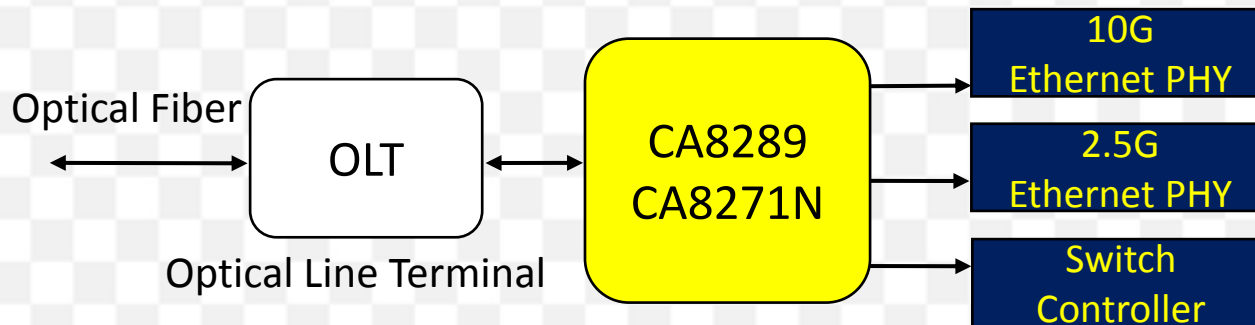


Source: Omdia

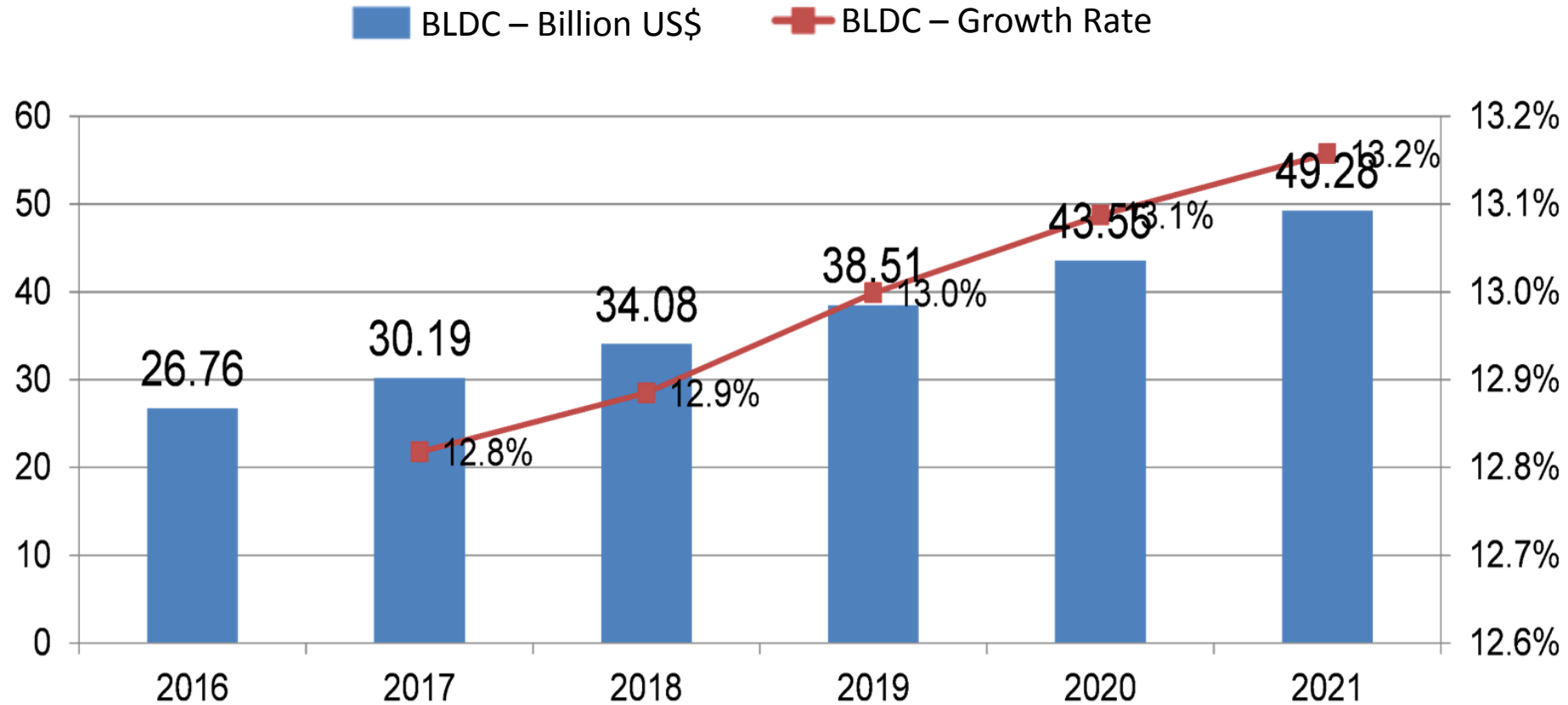
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ASEC 10G GPON Solution

Solution	Application	Technical Support
10G PON IC and Ethernet 2.5/10G PHY Bundle Solution	<p>Our customer use these ICs to make products and deliver them to internationally renowned telecommunications companies.</p> <p>Product Applications include:</p> <ul style="list-style-type: none"> (1) HGU (Home Gateway Unit) (2) ONU (Optical Network Unit) (3) SFP+ (4) Switch 	<p>To meet customer needs, we offer customer the following engineering support:</p> <ul style="list-style-type: none"> (1) Best selective of xPON IC 、Ethernet PHY IC and peripheral IC. (2)SW 、HW engineering support during design stage. (3)Lab certification support. (4)Production yield analysis. <p>And help them to promote products to overseas market.</p>



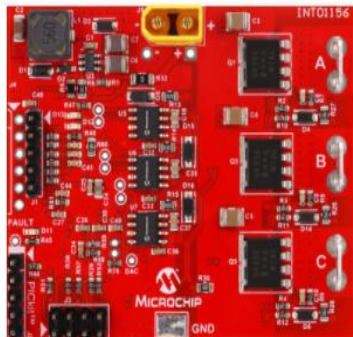
BLDC Market Trend



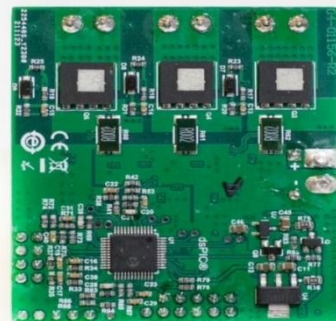
Source: Technavio(2017)

ASEC FAN & Motor Solution

Solution	Application	Technical Support
BLDC Motor Solution	<p>Product applications include:</p> <p>(1)E-Scooter/E-Bike/E-motorcycle</p> <p>(2)Exhaust fan: HVLS Fan 、 Car Radiator fan 、 PC/server cooling fan 、 Base Station cooling fan.</p> <p>(3)Power tool 、 Treadmill 、 Lawn Mower etc.</p> <p>(4)Others.</p>	<p>To meet customer needs, we offer customer the following engineering support:</p> <p>(1)Best selective of MCU, power IC, analog IC and interface IC.</p> <p>(2)SW sample code and HW debug during design stage.</p> <p>(3) Lab certification support.</p> <p>(4) Production yield analysis support.</p> <p>And help them to promote products to overseas market.</p>



E-Bike EVB



Motor Drive Board



FAN Driver Board





Q & A

The background of the image shows several pairs of hands of different skin tones gently cupping a globe made of green moss. The globe has darker green patches representing continents. The entire scene is set against a background of lush green grass.

THANK
YOU