CHICONY ELECTRONICS

4Q19 Results Conference Call

March 10, 2020

Safe Harbor Notice

Chicony’s statement of its current expectations are forward-looking statements which are subject to significant risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements.

Positioned as Number 1 Global Market Leader

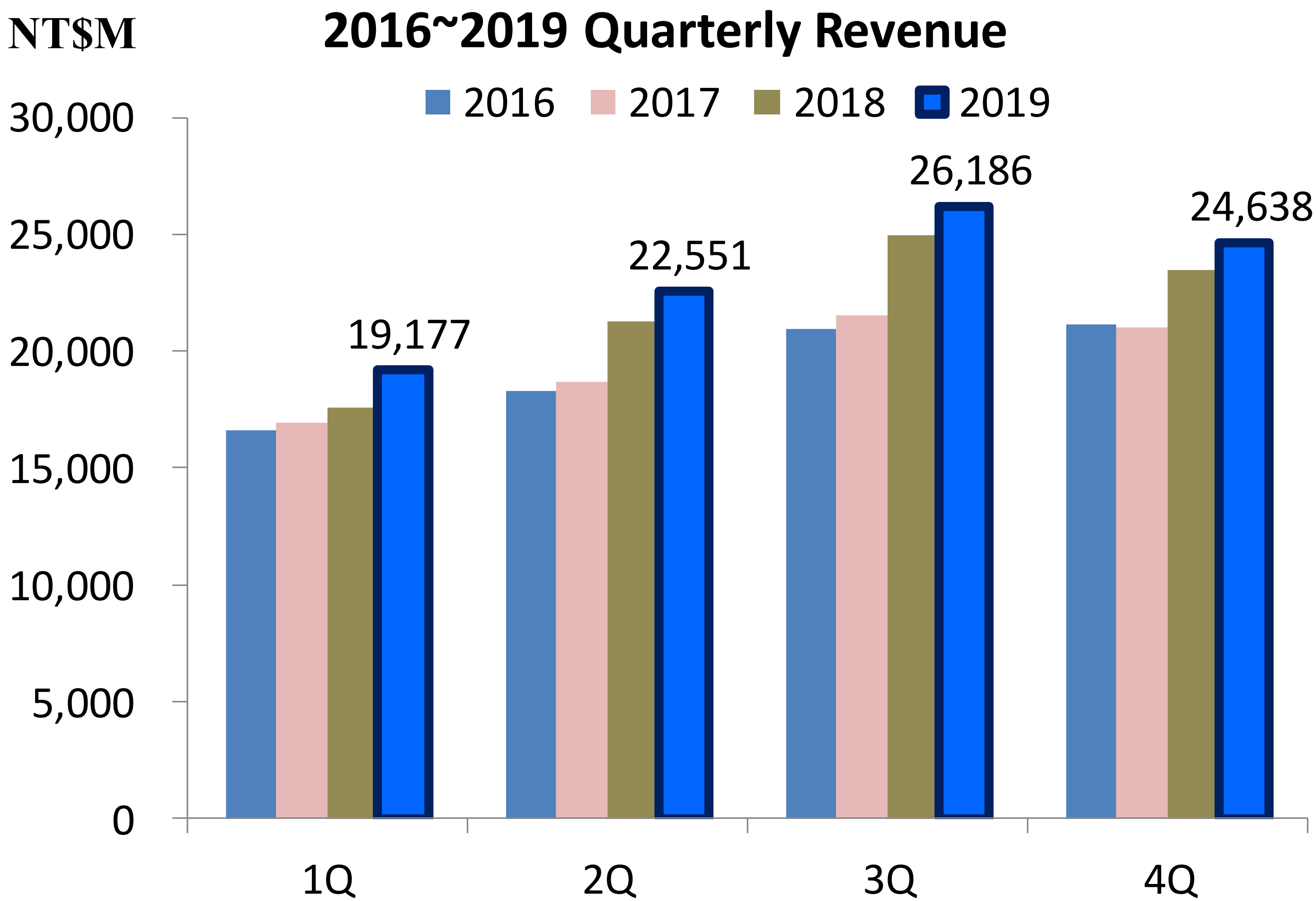
Chicony Continued to Achieve Leading Market Share

Number #1 Market Share in 2019

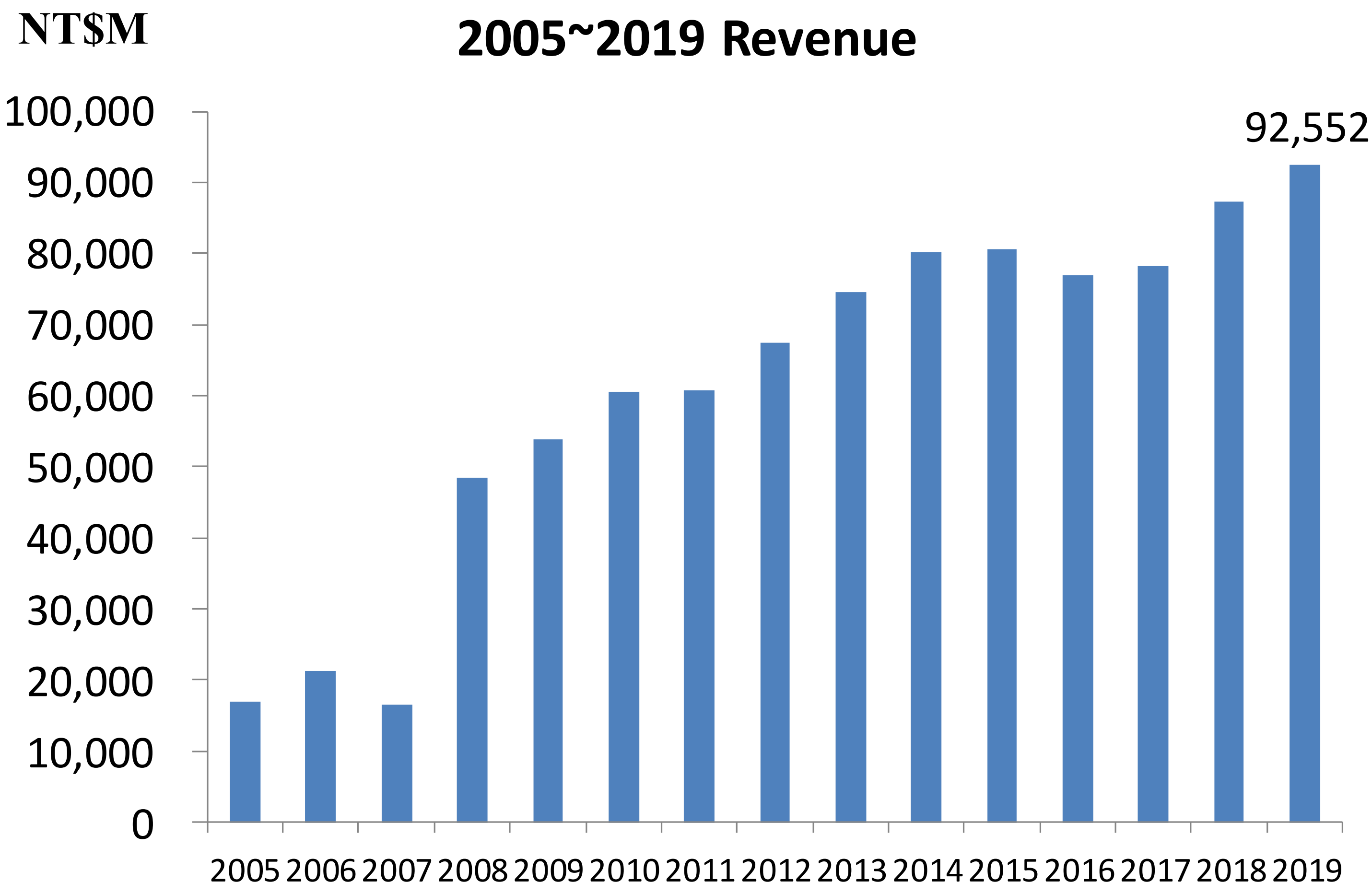
- 37% NB Keyboard
- 32% DT Keyboard
- 42% NB Camera Module
- 47% NB Adaptor
- 30% IP Cam

4Q19 Revenue of NT$24.6B in line with Expectation

- **5.1% YoY/-5.9% QoQ Revenue Growth in 4Q19**

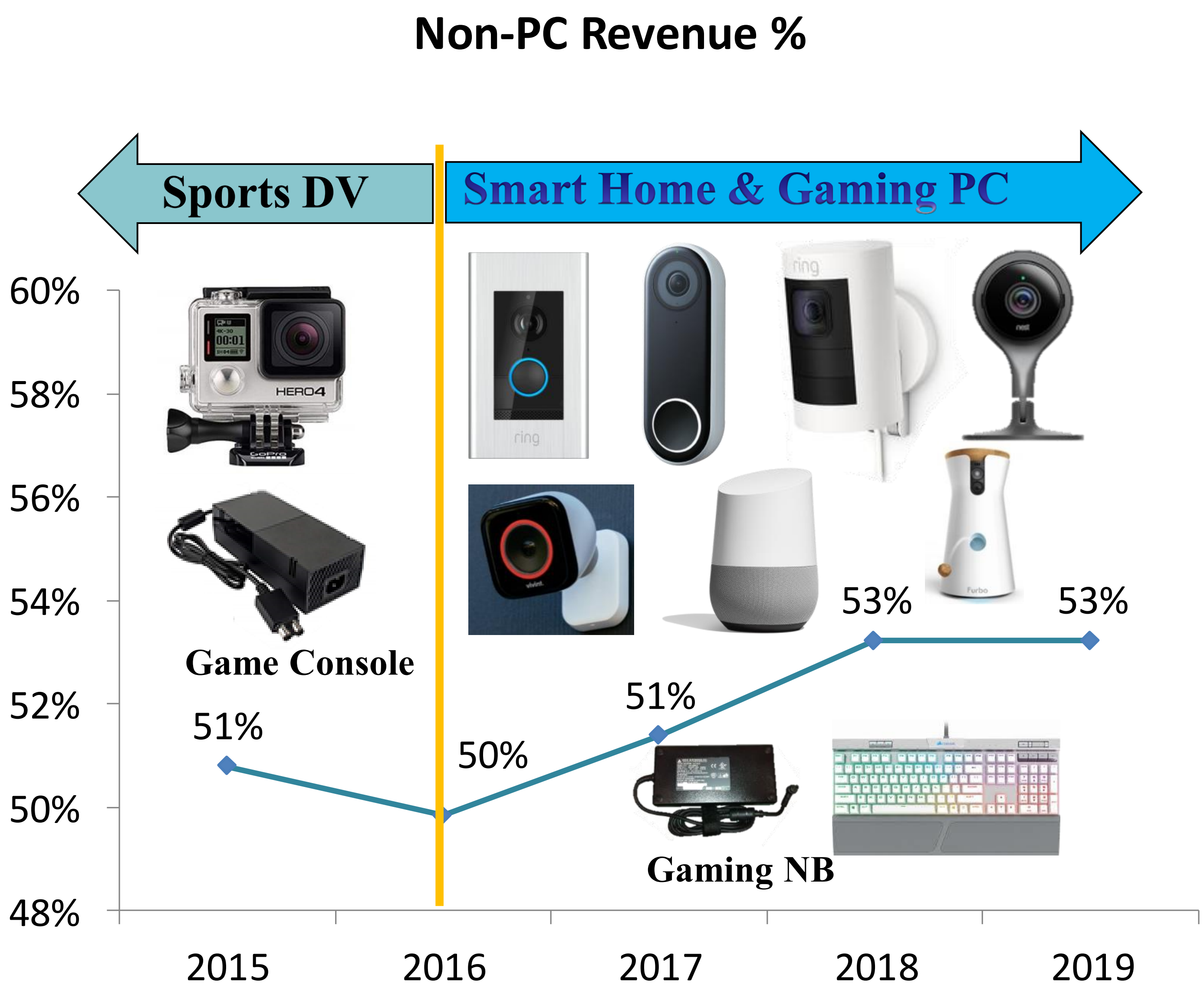


Record High NT$92.6B Revenue in 2019, with 6.1% YoY Growth



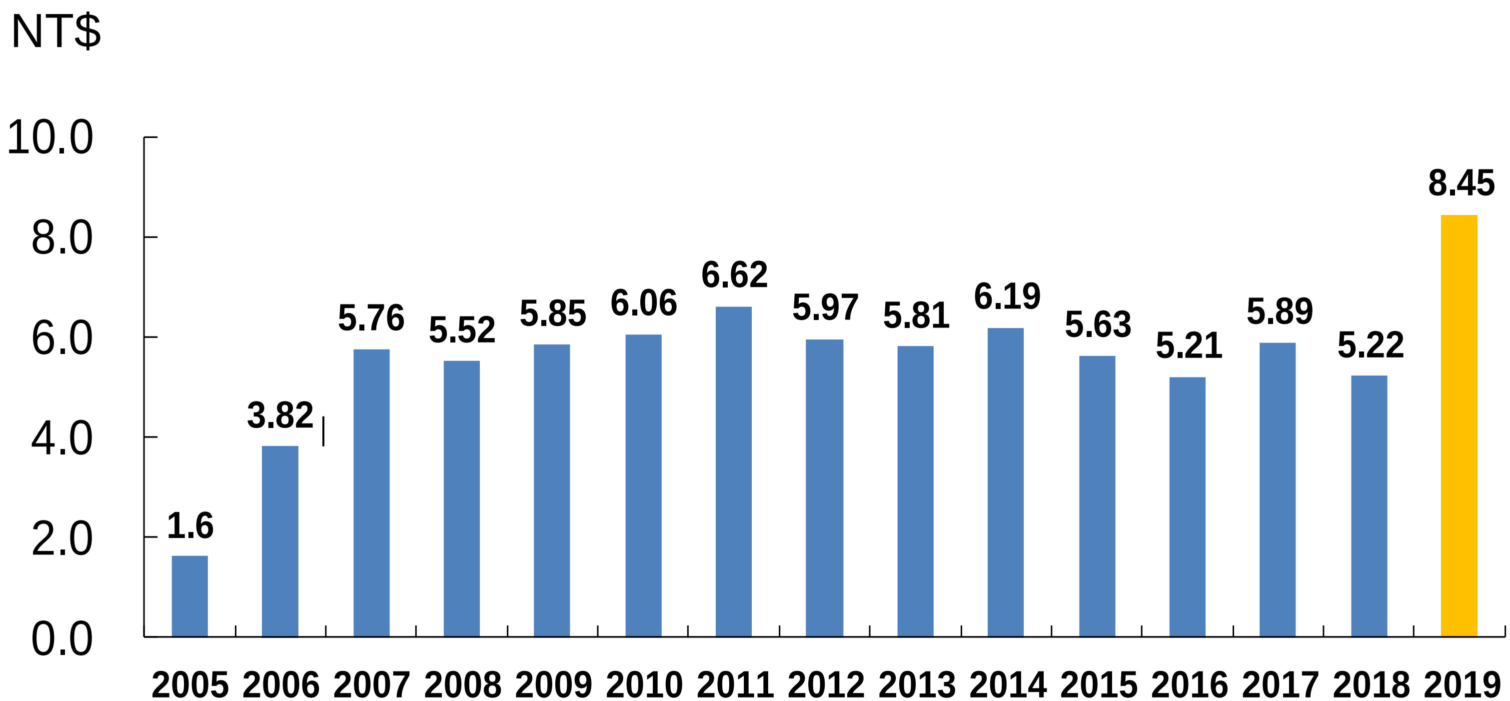
Evolving Revenue Structure Starting from 2016

Diversified Smart Home Devices Served as Strong Growth Drivers



Record High EPS of NT$8.45 in 2019

Chicony EPS 2005 – 2019



Consistent Dividend Pay-Out Policy to Reward Investors

Chicony	2014	2015	2016	2017	2018	2019
EPS	6.22	5.79	5.24	5.9	5.22	8.45
Cash Dividend	4.65	4.3	4.25	4.45	3.80	5.90
Stock Dividend	0.05	0.05	0.05	0.05	0	0
Dividend Payout %	76%	75%	82%	76%	73%	70%
Cash Yield Rate %	5.43	5.79	5.25	6.1%	4.8%	7.3*

Source: Cmoney
Note*: Based on stock price closed on March 9th, 2020

2019 Financial Results

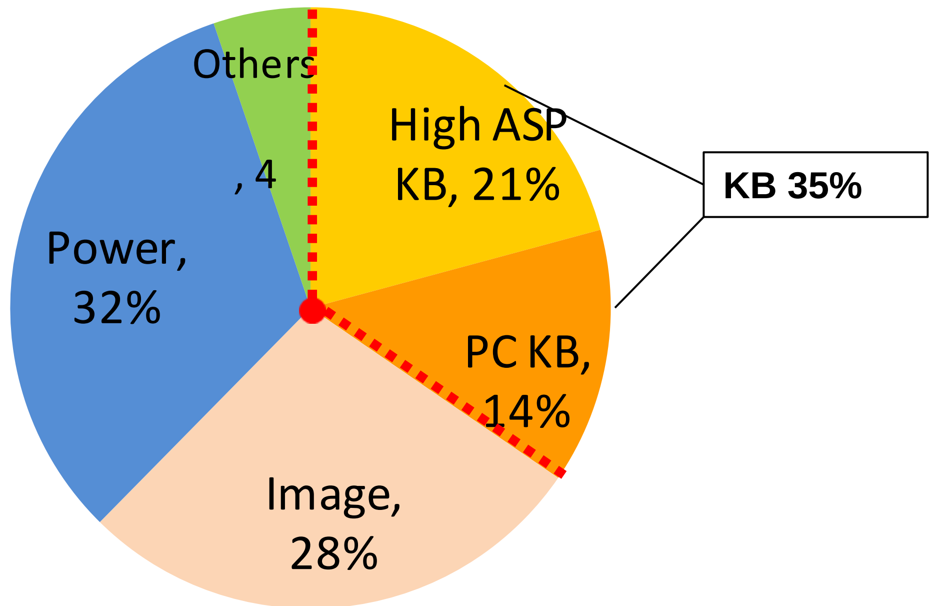
2019 Operating Margin Rose to 6.8%; Record High EPS of NT$8.45

Million NT$	2019		2018		YoY %
Net Sales	92,552	100.0	87,260	100.0	6.1
COGS	(76,271)	(82.4)	(74,644)	(85.5)	
Gross Profit	16,281	17.6	12,617	14.5	29.0
Operating Expense	(10,012)	(10.8)	(7,967)	(9.1)	
Operating Profit	6,269	6.8	4,650	5.3	34.8
Other Income/Expense	1,919	2.1	386	0.4	
Profit Before Tax	8,189	8.8	5,035	5.8	62.6
Tax	(1,386)	(1.5)	(1,057)	(1.2)	
Net Income	5,839	6.3	3,591	4.1	62.6
After Tax EPS	8.45		5.22		61.9

2019 Operating Results

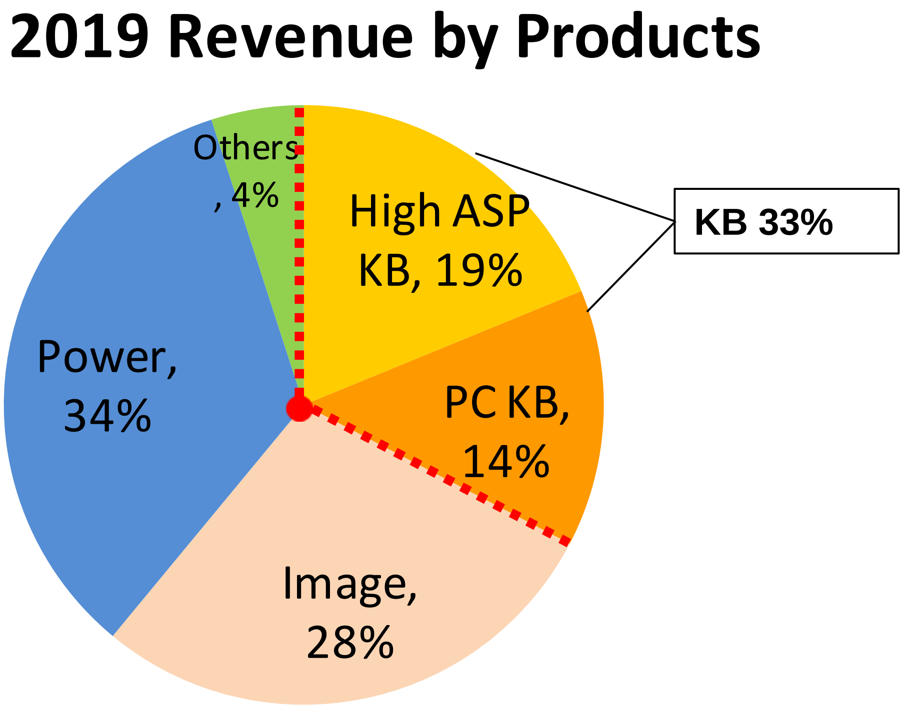
High ASP Keyboards Outperformed in 4Q19

4Q19 Revenue by Products



Revenue %	4Q19	YoY
High ASP KB	21%	19%
PC KB	14%	5%
Image	28%	-2%
Power	32%	6%

Power, Image and High ASP Keyboard Products Outperformed in 2019

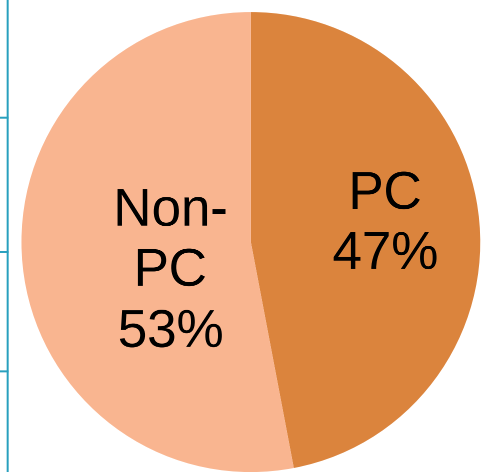


Revenue %	2019	YoY
High ASP KB	19%	9%
PC KB	14%	0%
Image	28%	7%
Power	34%	10%

In 2019, Smart Home Application Increased 21% YoY and Gaming PC Products Increased 19% YoY

		2019 Revenue %	YoY
PC		47%	7%
Non-PC	Gaming	12%	11%
	IOT	35%	10%
	Networking & Others	6%	-26%
Total		100%	6%

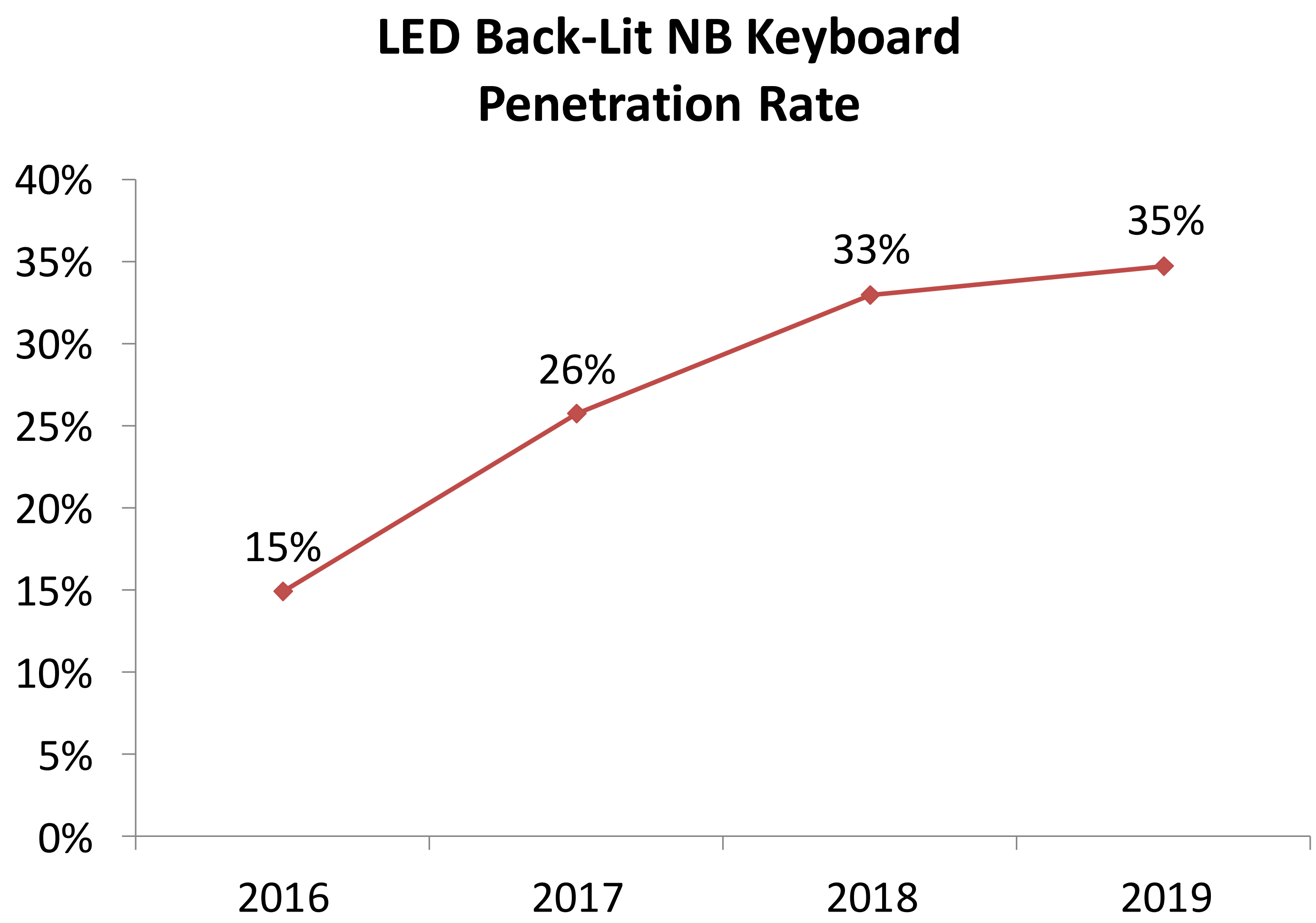
2019 Revenue



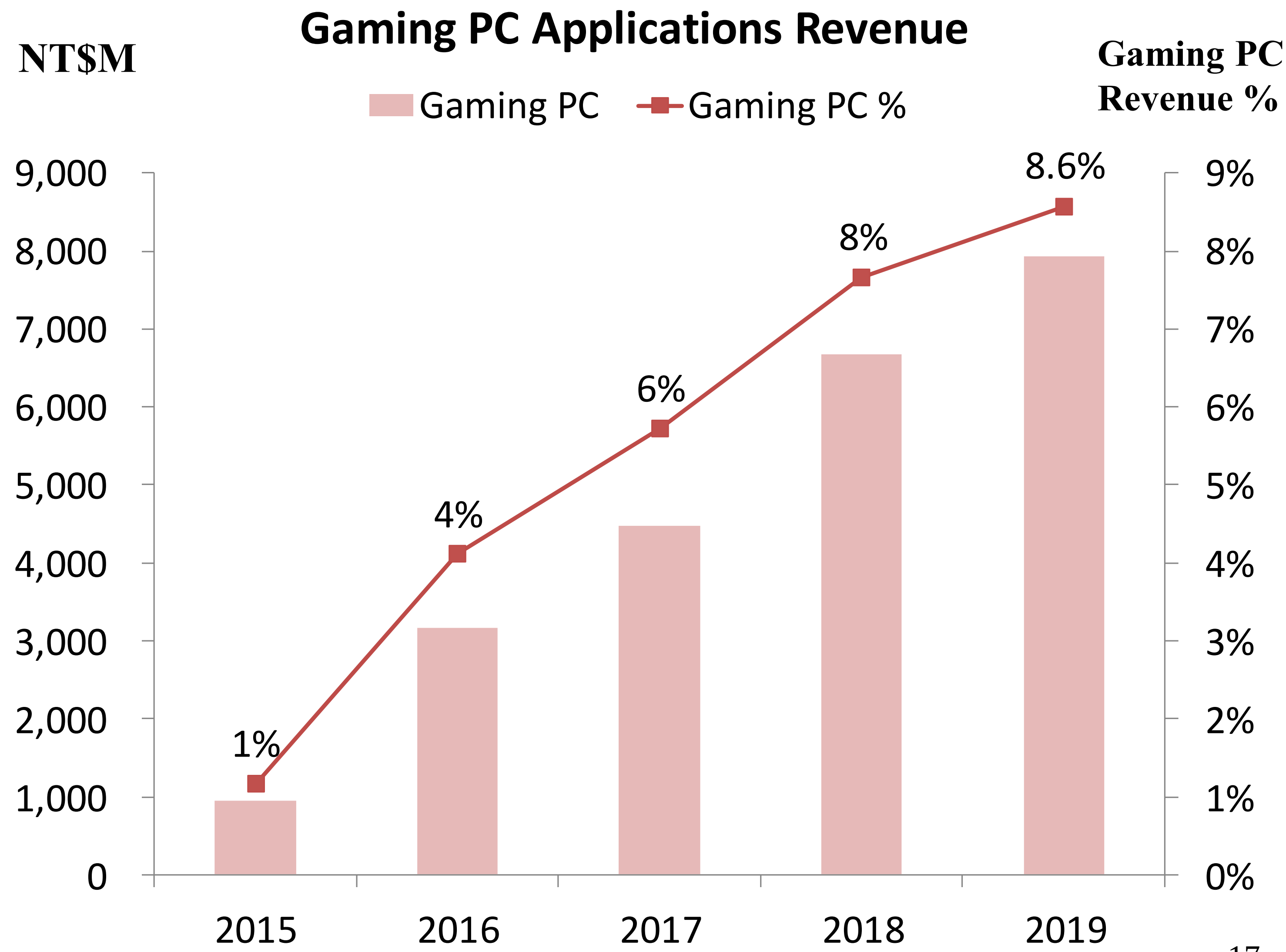
Product Category		Related Applications
PC		DT, NB Peripherals and tablet application
Non-PC	Gaming	Gaming Console and Gaming PC
	IOT	Smart Home, Smart Building, Automotive Electronics, Cloud Computing, Sports DV, Smartphone, and Drone
	Networking & Others	Networking, Chanel Management, and others

2019 Highlights

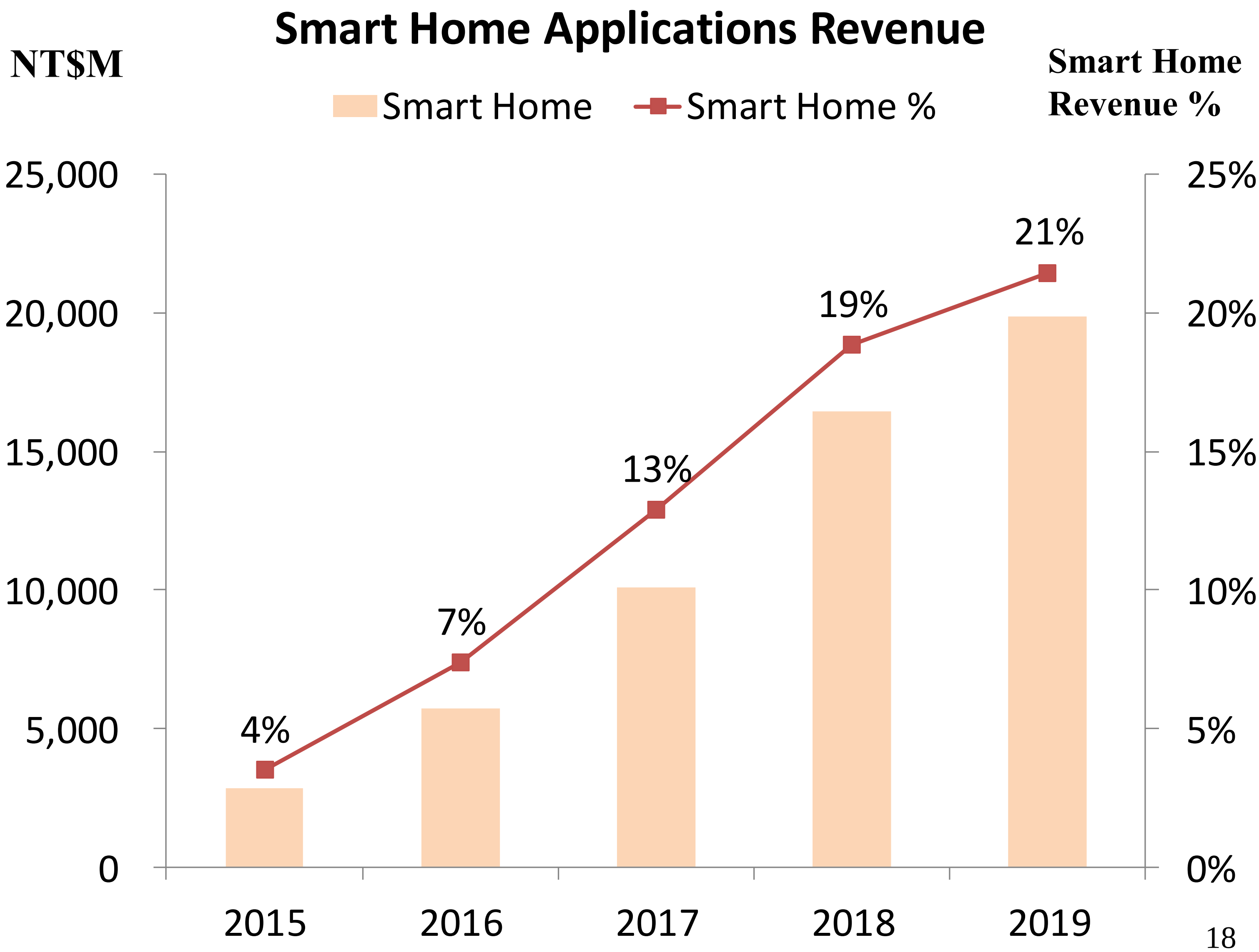
LED Back-Lit NB Keyboard Revenue Grew 15% YoY in 2019



Gaming NB Power and Gaming Keyboard Revenue Grew 19% YoY in 2019



Smart Home Applications Revenue Grew 21% in 2019



One Smart Home Client Rose to Top 1 in Chicony in 4Q19, Ranked 4th in Chicony in 2019

2016

	Category
1	PC
2	PC
3	PC + CE
4	PC
5	PC +CE

2017

	Category
1	PC
2	PC
3	PC + CE
4	PC
5	PC +CE

2018

	Category
1	PC
2	PC
3	PC
4	PC + CE
5	***Smart Home***

2019

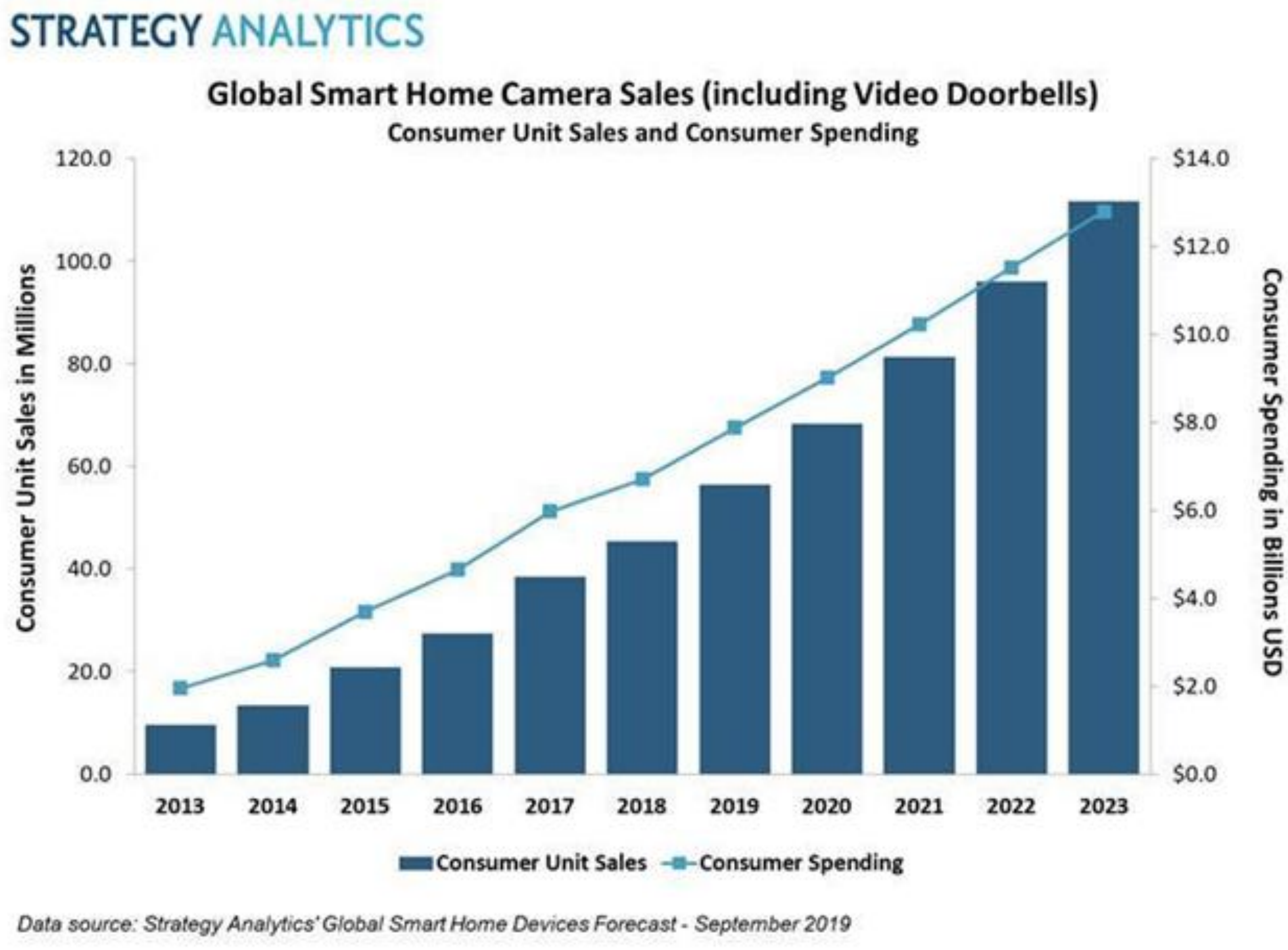
	Category	Clients	Revenue %
1	PC	A	12~15%
2	PC	B	12~15%
3	PC	C	12~15%
4	***Smart Home***	**D**	**10~12%**
5	PC + CE	E	10~12%

Note: PC= Personal Computing; CE=Consumer Electronics

Outlook

Global Smart Home Camera Market to Reach $7.9 Billion in 2019 Thanks to the Growing Popularity of Video Doorbells

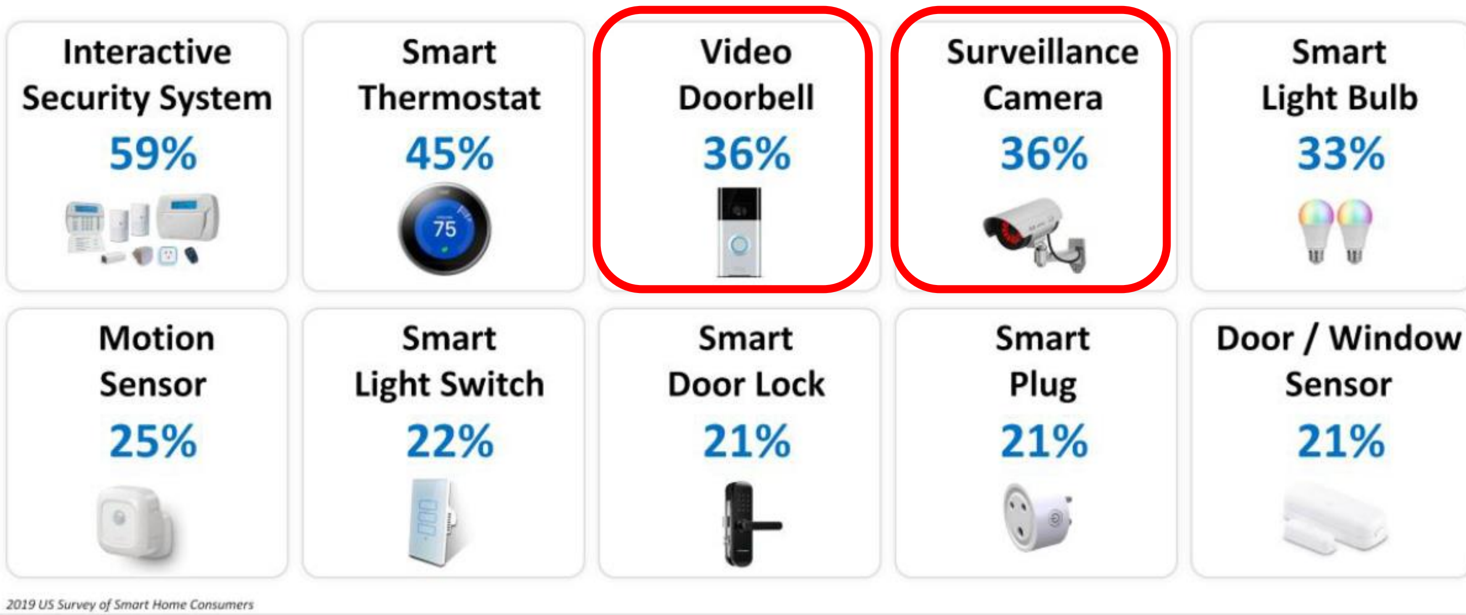
- Strategy Analytics predicts that by 2023 camera sales to consumers globally will surge to more than 111 million units, growing at a 19.8% CAGR



Interactive Security Drives Smart Home Adoption in the US

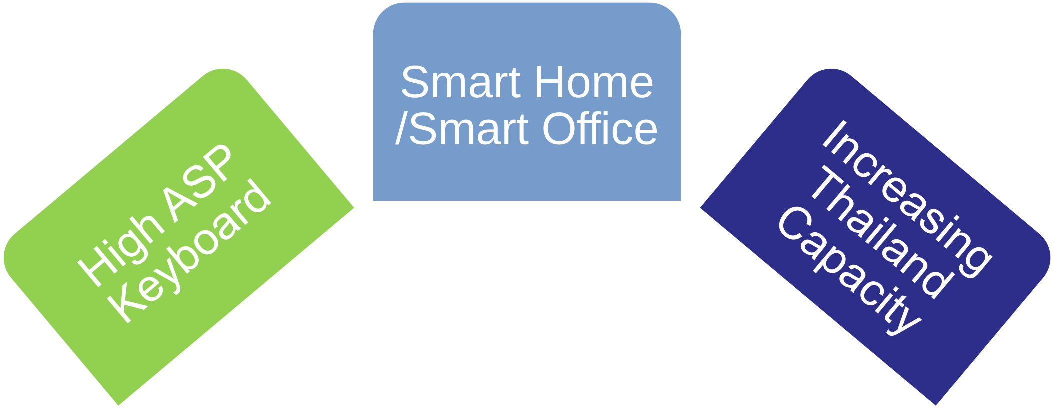
Within Smart Homes

– Top 10 Smart Home Devices Owned



Source: Strategy Analytics, November 2019

2020 Outlook



- High ASP Keyboards Lead Keyboard Revenue Growth
  - LED backlit NB keyboard penetration rate continues to rise
  - Gaming keyboard revenue boosted by growing gaming PC market
  - Tablet/2-in-1 device keyboard revenue driven by solid demand
- Smart Home/Smart Office Applications
  - A series of doorbell cam and IP cams to be launched in 2020
  - Developed a more geographically diversified client base for smart home image sector
  - New business opportunities derived from strong demand for Video Conference
- Increasing Thailand Capacity
  - Smooth ramp-up of smart home image device capacity from leased manufacturing facility in Thailand
  - New self-built manufacturing facility to be ready in 4Q20