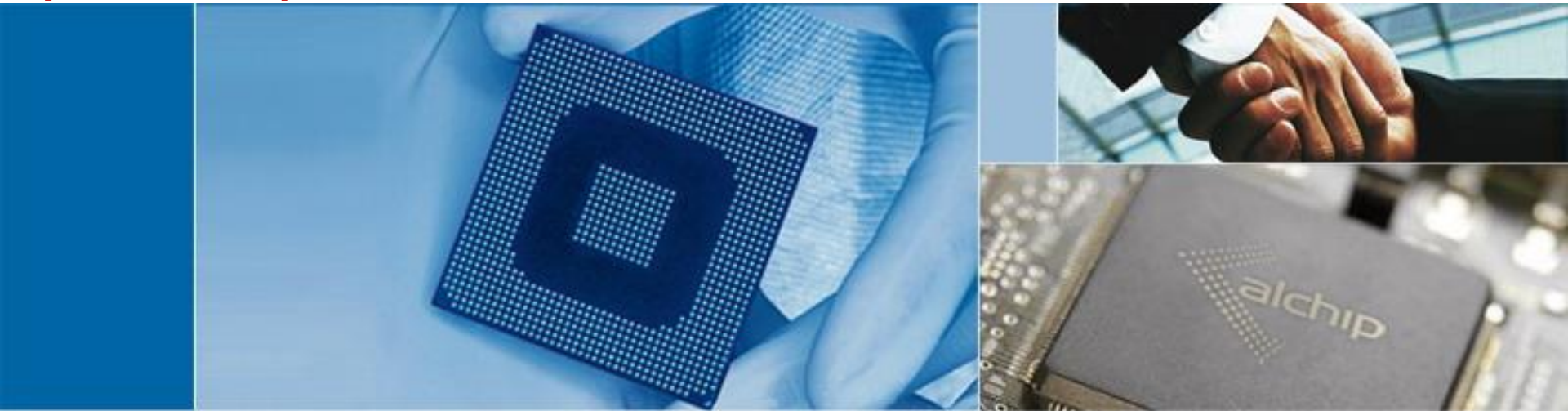




(3661 TT)



Alchip Technologies

Trusted Silicon Partner Realizing Innovations

Safe Harbor Disclaimer



This presentation contains forward-looking statements, including statements about business outlook and strategy, and statements about historical results that may suggest trends for our business. These statements are based on estimates and information available to us at the time of this presentation and are not guarantees of future performance. Actual results could differ materially from our current expectations as result of many factors, including: our financial performance, including our net revenue, cost of revenue, operating expenses and ability to sustain profitability; our planned capital expenditures; our ability to expand our customer base; our ability to expand our product and service offerings; the impact of seasonality on our business; our ability to remediate the material weaknesses and significant deficiencies in our internal control over financial reporting; our ability to stay abreast of modified or new laws applying to our business; and our spending of the net proceeds from this offering. Except as required by law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

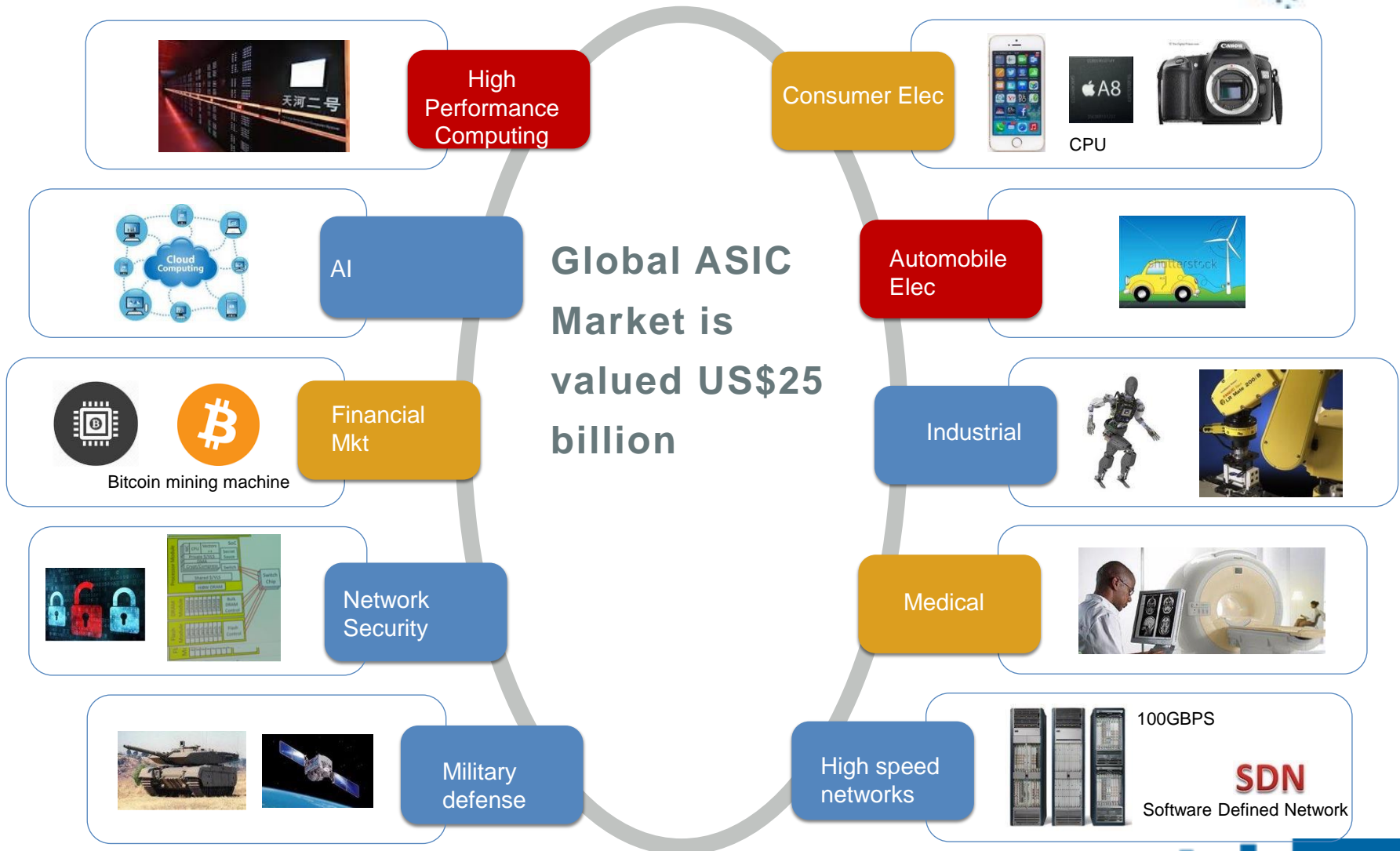


Corporate Profile

Establishment : 2003	Business : ASIC Design & Turnkey Service
Chairman : Kinying Kwan	CEO : Johnny Shen
Employee : Total@425	Paid-in Capital: NT\$602M

<p style="text-align: center;">China</p> <p>Shanghai 11F, East tower Greenland Center, 596 Mid-Longhua Road, Xuhui Dist.</p> <p>Wuxi 4F, Building A5, No.777, Jianzhuxi Road, Binhu District, Wuxi, Jiangsu,</p> <p>Hefei 6F, Building C4, No. 800, Wangjiang West Road, Gaoxin District, Hefei City, Anhui Province,</p> <p>Jinan Qilu Soft Park, Gaozin Dist. Jinan City</p> <p>Beijing & Guangzhou offices</p>	<p style="text-align: center;">Taiwan</p> <p>Taipei Taipei (Headquarters) 9F., No.12, Wenhua St., Neihu Dist.,</p> <p>Hsincsu 11F.-1, No.1, Taiyuan 1 St., Zhubei City, Hsinchu County</p>	<p style="text-align: center;">Japan</p> <p>Sin-Yokohama 10F Shin-Yokohama Square Bldg, 2-3-12 Shin-Yokohama, Kouhoku Yokohama Kanagawa Japan</p> <hr/> <p style="text-align: center;">Korea</p> <p>Seoul A-903, 559, Dowha-dong, Mapo-gu, Seoul, 121-784, KOREA</p> <hr/> <p style="text-align: center;">North America</p> <p>Silicon Valley P. O. Box 5176 Santa Clara, CA 95056-5176</p>
---	---	---

ASIC Application Market



2018 Quarterly Income statement



US\$'000	2Q18	3Q18	4Q18	1Q19	QoQ (%)	YoY (%)	1Q18
Revenue	32,735	28,365	25,657	36,236	41	31	27,697
COGs	17,591	16,530	22,499	24,007	7	60	14,999
Gross Profit	15,144	11,835	3,158	12,229	287	-4	12,697
Op. Exp	8,833	8,413	6,334	8,529	35	-1	8,577
Op. Income	6,311	3,422	-3,176	3,700	n.m	-10	4,120
Non. Op.	-1,308	357	794	200	-75	-66	584
Pre-Tax Profit	5,004	3,779	-2,382	3,900	n.m	-17	4,704
Income Tax	-983	-763	8	-673	n.m	-19	-831
Net income	4,021	3,016	-2,374	3,227	n.m	-17	3,873
EPS (NT\$)	1.95	1.51	-1.09	1.61			1.85

EPS calculation is based on concurrent FX

1Q19 Operation Recap



1Q19 total revenue reached US\$36.2M, up 41% QoQ and 31% YoY, respectively

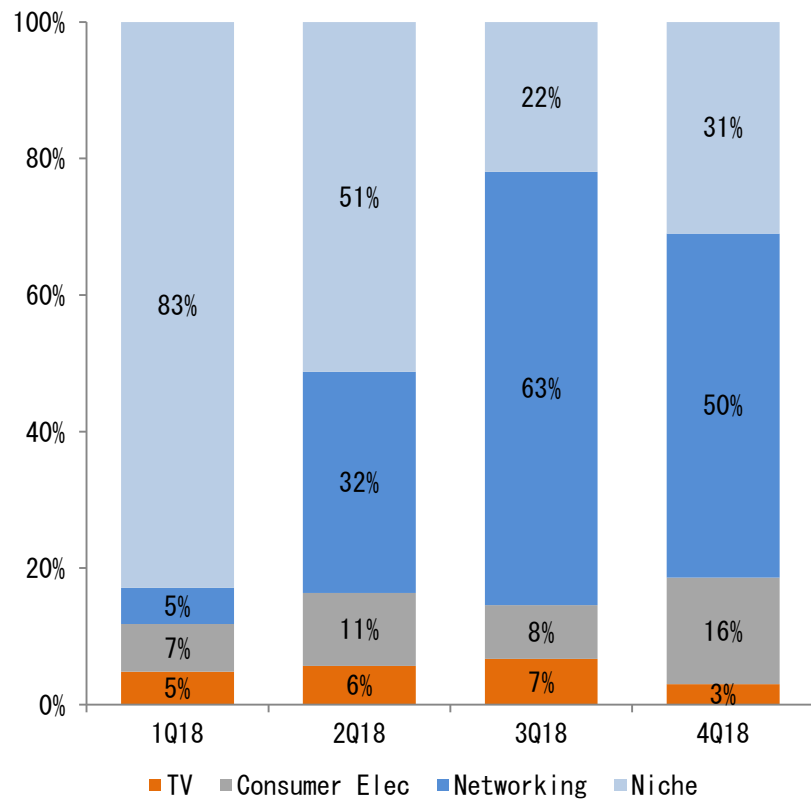
- Revenue growth attributed to increasing chip shipments for China CPU, and Japan amusement machine CPU customers
- Design project pipeline remains healthy, new project demands keep one coming in

1Q19 operating income came at US\$3.6M, turnaround from 4Q18 while down 10% YoY

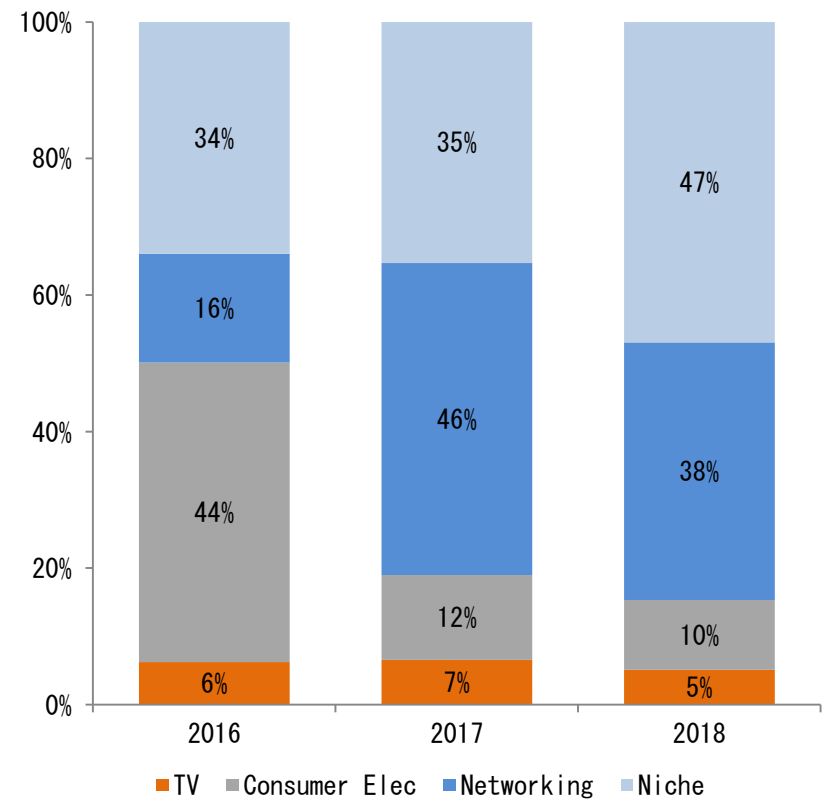
- Gross margin grew significantly from 4Q18 on fading impact of cryptocurrency mining chips' mask amortization costs
- Reason for YoY GM decline in 1Q19 was due mainly to higher production revenue percentage of total revenue

Revenue breakdown by application

Quarterly breakdown

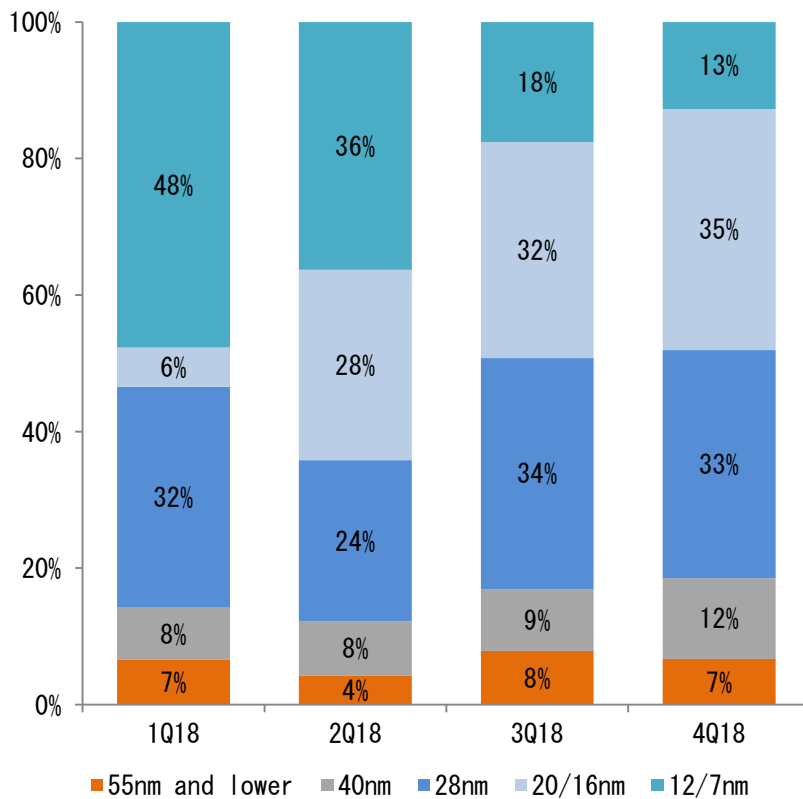


16-18 Yearly breakdown

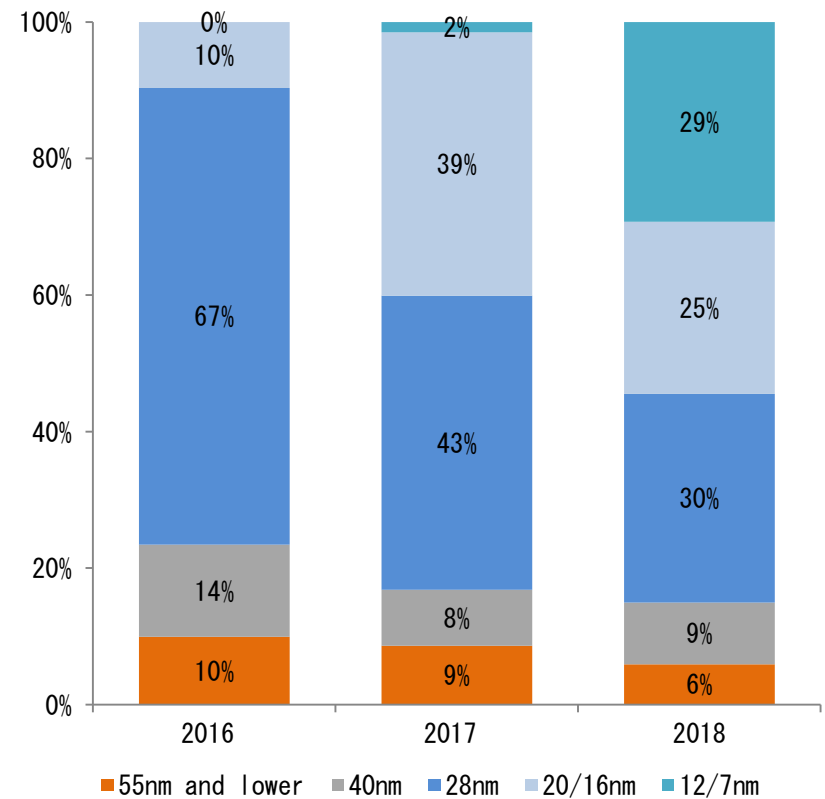


Revenue breakdown by process node

Quarterly breakdown



16-18 Yearly breakdown

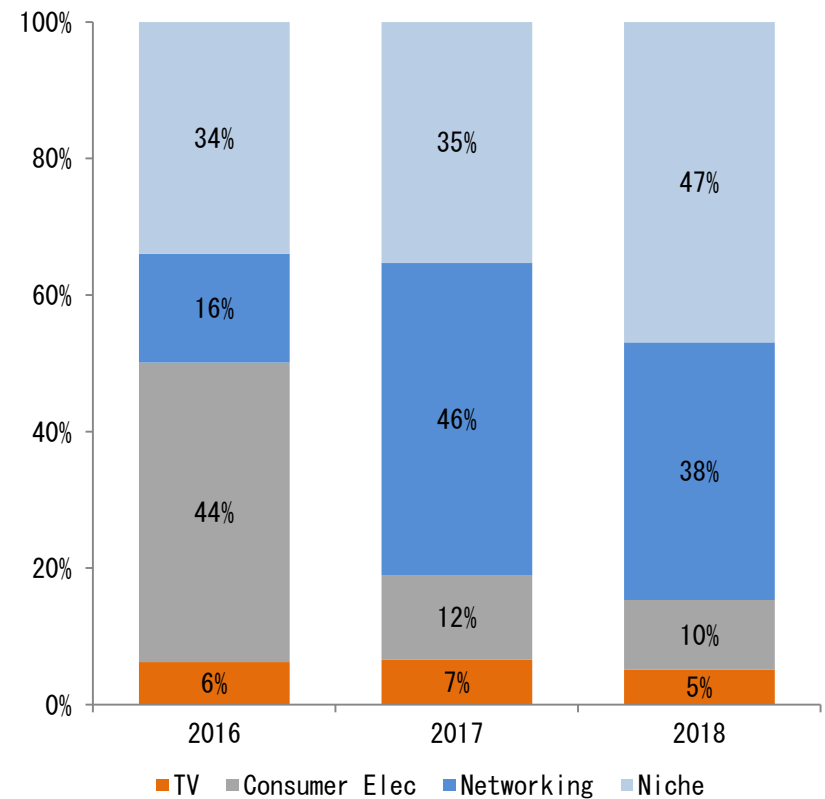
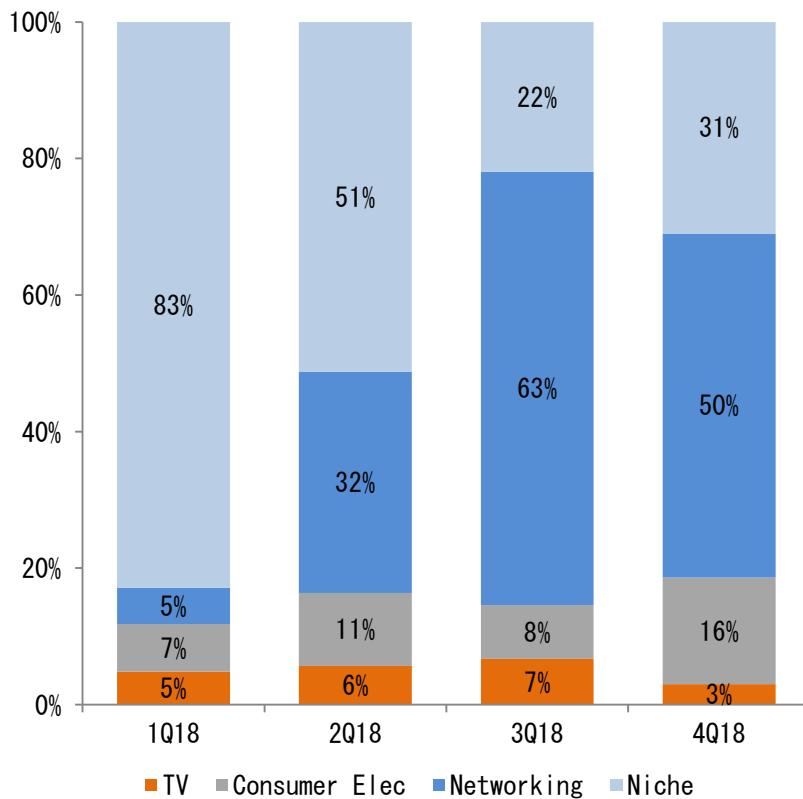


Advanced process node means 40nm or better

Revenue breakdown by region

Quarterly breakdown

16-18 yearly breakdown



Industry view



AI related ASIC design demand remains strong

- AI related applications keeps on booming. Investments toward this area in China and North American remain strong
- Production of some AI projects will start sequentially in 2H19. Currently there is already sampling out on going

There is no aggressiveness for crypto-currency miners re-entering

- Although the bitcoin price recovered to above US\$5,000, there is no clear sign for coin miners restarting their design investments
- No miner customer is aggressive to asking productions

HPC is still the main driver

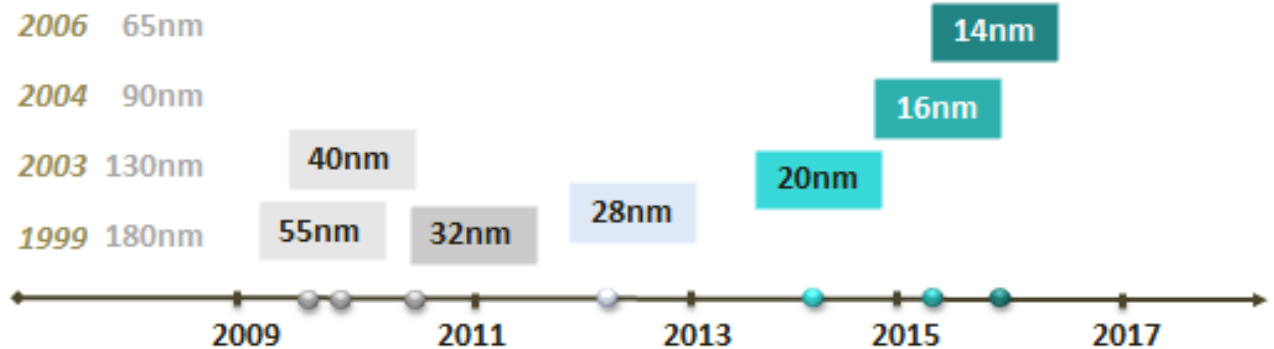
- In addition to mentioned AI ASICs, HPC CPU demand for both design and production from China customers are strong due to government's policy of increasing local adaption for PCs

Track Record



Over 300 successful tape-outs since establishment

350+
Tape-Outs





Thanks!

www.alchip.com



**Trusted Silicon Partner
Realizing Innovations**

Taipei/Hsinchu | Shin Yokohama | Santa Clara | Shanghai/Wuxi | Seoul

Corporate Headquarters

9F, No.12., Wenhua St., Neihu Dist., Taipei, Taiwan 114

Tel +886-2-2799-2318

Fax +886-2-2799-7389