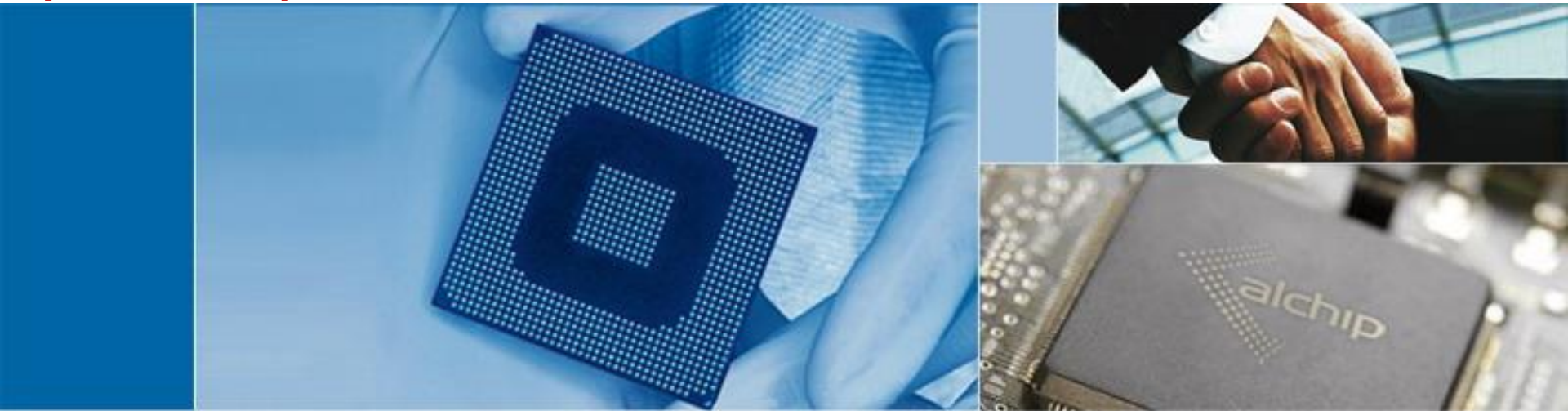




(3661 TT)



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@370 , Engineer@280	Paid-in Capital: NT\$607M

<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>Guangzhou Room 01,18/F, Guangsheng Building,No.228-1,Tianhe Road, Tianhe District, Guangzhou,</p>	<p style="text-align: center;">Taiwan</p> <p>Taipei Taipei (Headquarters) 9F., No.12, Wenhui St., Neihsu Dist.,</p> <p>Hsinchu 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 5176Santa Clara, CA 95056-5176</p>
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ASIC Application Market



2017 Quarterly Income statement



US\$'000	1Q17	2Q17	3Q17	4Q17	QoQ (%)	YoY (%)	4Q16
Revenue	24,622	38,434	52,882	24,231	-54	-24	32,014
COGs	17,543	28,136	42,637	12,384	-71	-52	26,012
Gross Profit	7,079	10,298	10,245	11,847	16	97	6,002
Op. Exp	6,144	7,263	6,735	8,810	31	68	5,231
Op. Income	935	3,035	3,510	3,037	-13	293	772
Non. Op.	328	513	258	181	-30	-48	349
Pre-Tax Profit	1,263	3,548	3,768	3,218	-15	187	1,121
Income Tax	-64	-513	-529	-545	3	-269	322
Net income	1,199	3,035	3,239	2,673	-17	85	1,443
EPS (NT\$)	0.61	1.53	1.62	1.32			0.77

EPS calculation is based on concurrent FX

Yearly Income Statement



US\$('000)	2015	YoY(%)	2016	YoY(%)	2017	YoY(%)
Revenue	119,277	-23	114,403	-4	140,169	23
COGs	93,363	-24	99,282	6	100,700	1
Gross Profit	25,914	-18	15,120	-42	39,469	161
Op. Exp	21,477	7	21,622	1	28,952	34
Op. Income	4,437	-61	-6,501	n.m.	10,517	n.m.
Non. Op.	864	n.m.	261	-70	1,279	390
Pre-Tax Profit	5,301	-46	-6,240	m.m.	11,796	n.m.
Income Tax	-1,238	-58	-313	-75	-1,651	427
Net income	4,062	-42	-6,552	n.m.	10,145	n.m.
EPS (NT\$)	2.07		-3.45		5.08	

EPS calculation is based on concurrent FX

2017 Operation Recap



Total revenue reached US\$140.2M in 2017, up 23% YoY

- The major growth contributors for 2017 revenue were Supercomputer chip shipments to Japan and China customers
- HPC related sales accounts for nearly 50% of total revenue in 2017

Operating income reached 10.5M in 2017, turning around from operating loss in 2016

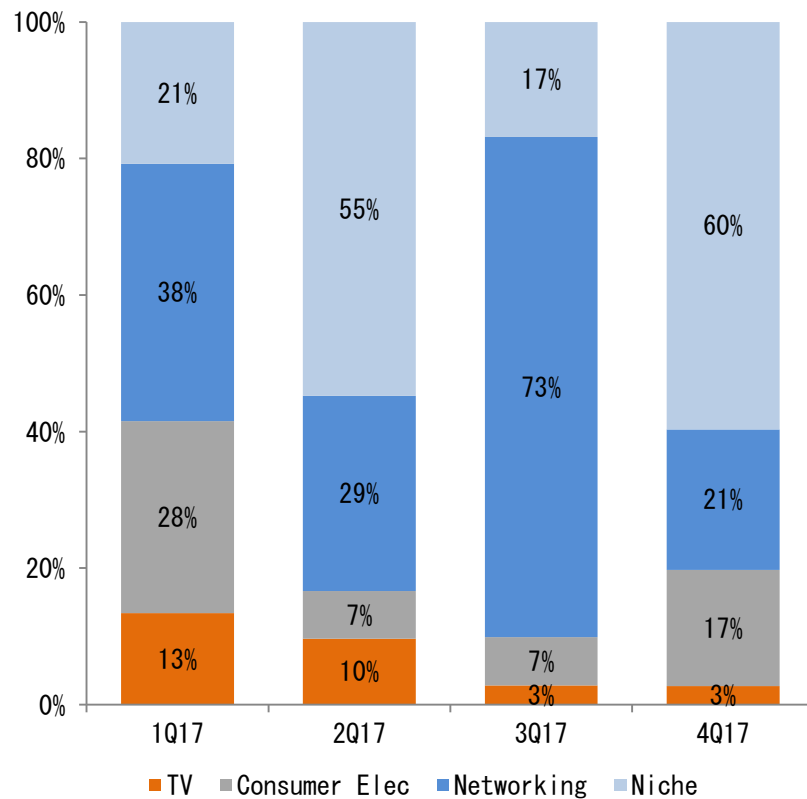
- Product mix and sales mix improvements: more higher margined projects and higher percentage of NRE (30-40%)
- HPC, AI and other niche application belongs to higher margin category

Net income came at 10.1M, turning around from net loss in 2016

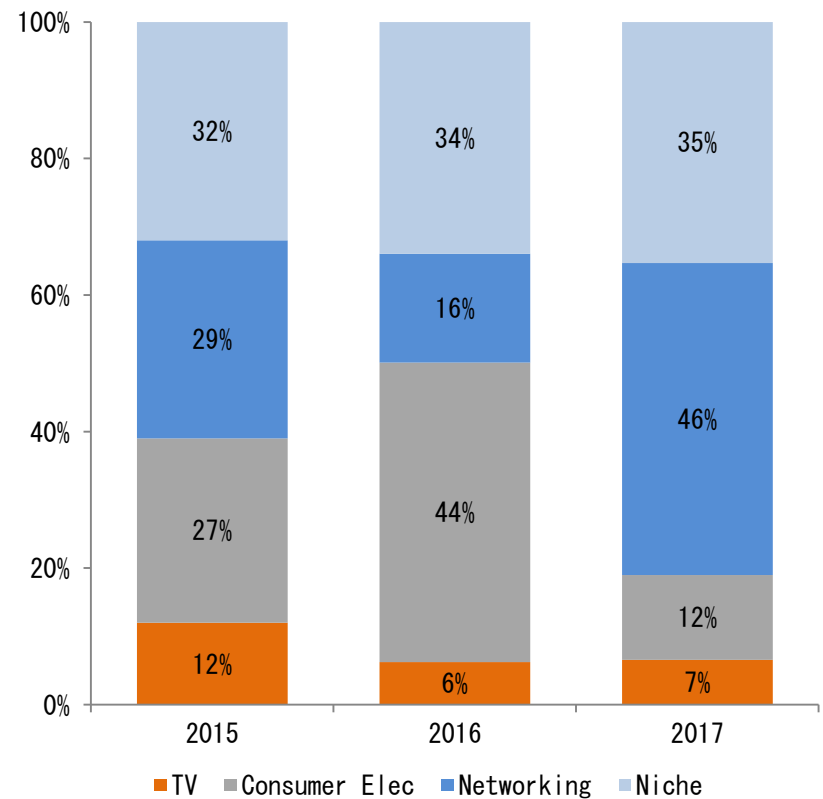
- Interest income and FX gain are major items of non-operating income
- Lower income tax rate (14%) in 17 due to tax credits from 16

Revenue breakdown by application

Quarterly breakdown

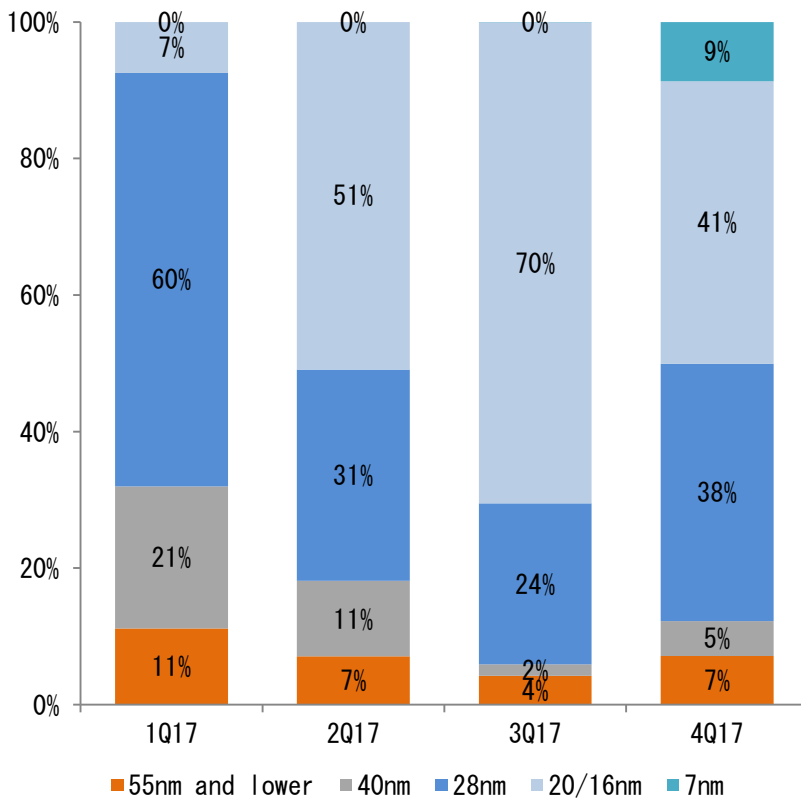


15-17 Yearly breakdown

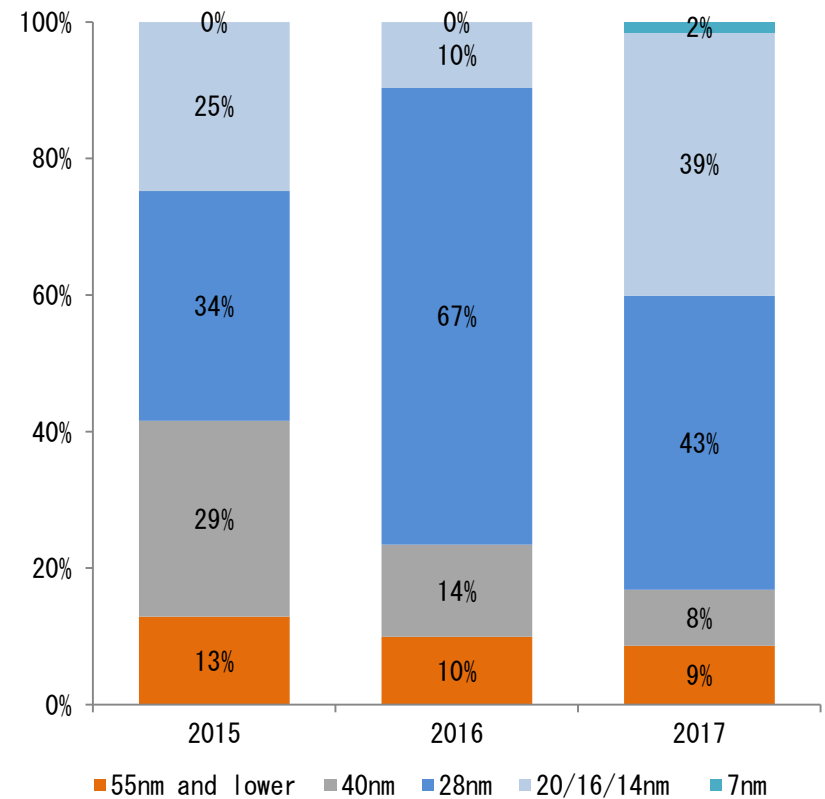


Revenue breakdown by process node

17 Quarterly breakdown



15-17 Yearly breakdown

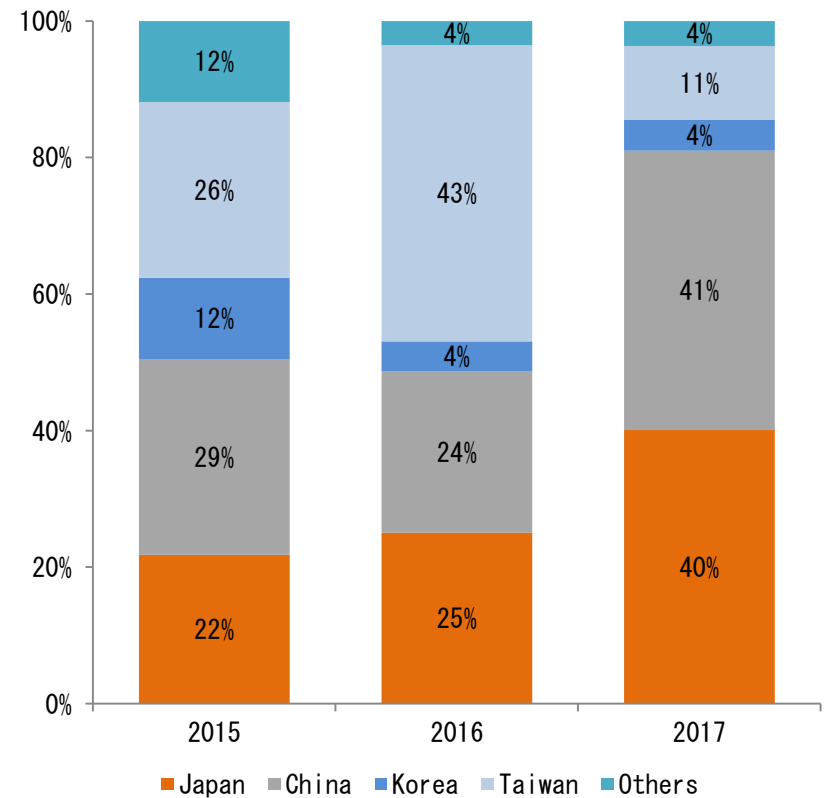
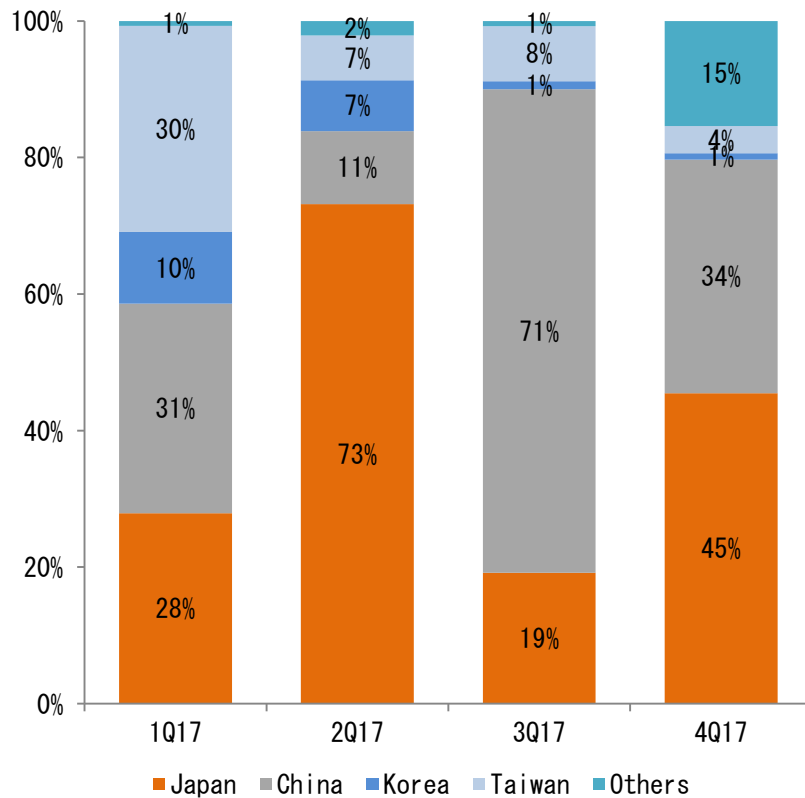


Advanced process node means 40nm or better

Revenue breakdown by region

Quarterly breakdown

14-16 yearly breakdown

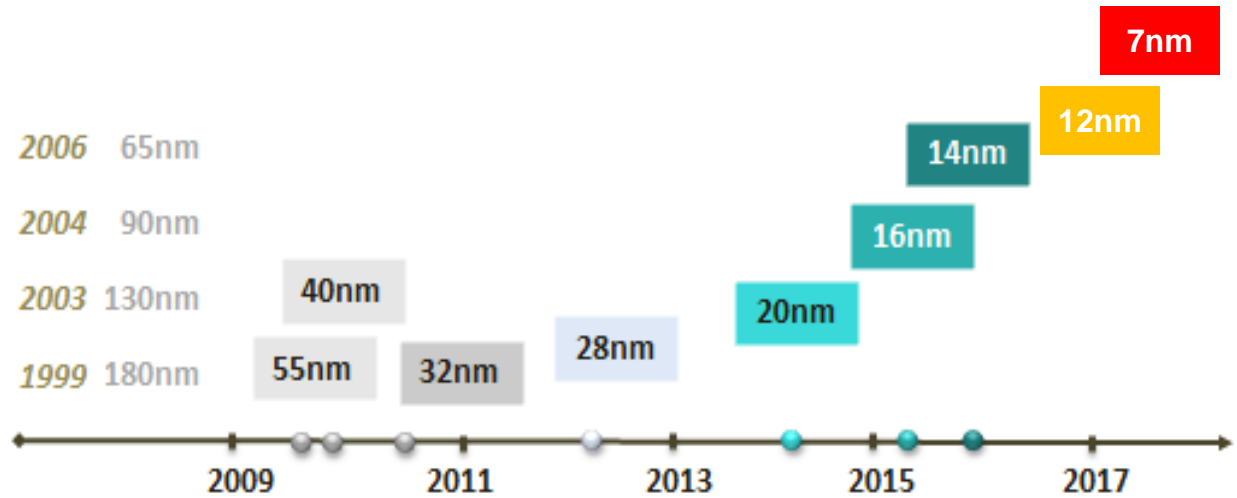


Track Record



Over 300 successful tape-outs since establishment

300+
Tape-Outs





Thanks!

www.alchip.com



**Trusted Silicon Partner
Realizing Innovations**

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