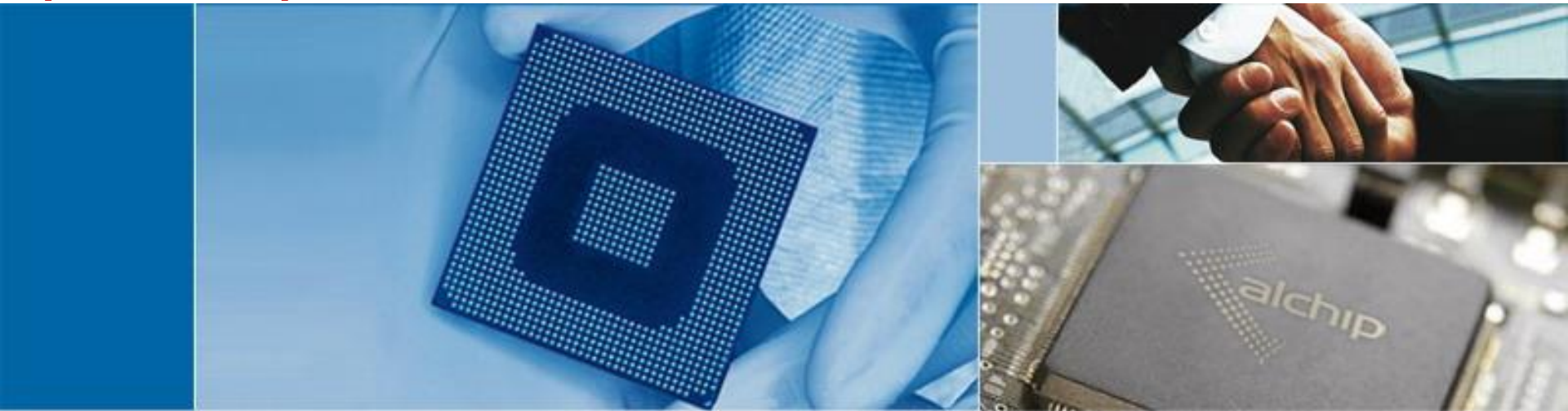




(3661 TT)



Alchip Technologies

Trusted Silicon Partner Realizing Innovations

Safe Harbor Disclaimer



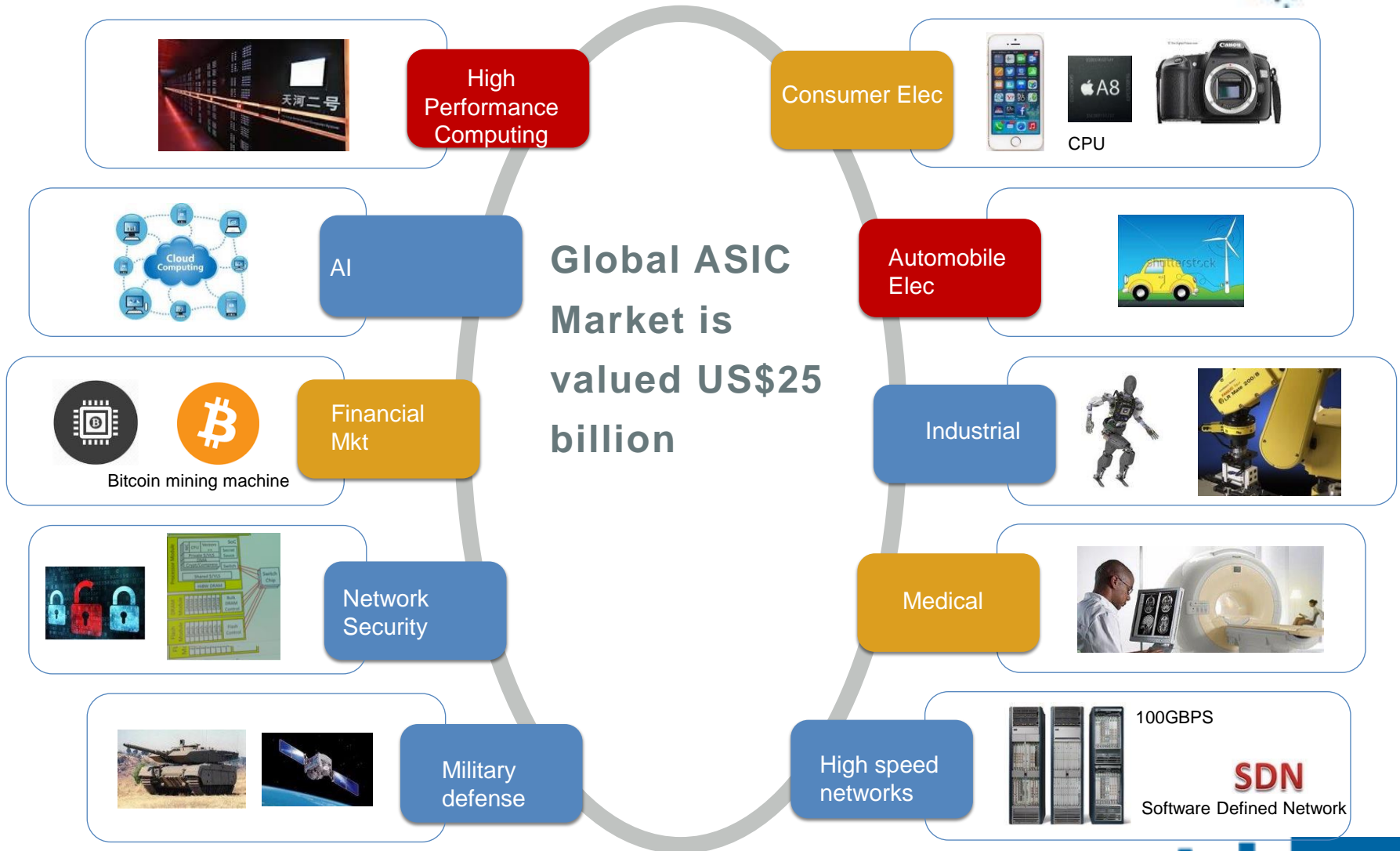
This presentation contains forward-looking statements, including statements about business outlook and strategy, and statements about historical results that may suggest trends for our business. These statements are based on estimates and information available to us at the time of this presentation and 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>
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ASIC Application Market



1H19 Quarterly Income statement



US\$('000)	1Q19	QoQ (%)	YoY (%)	2Q19	QoQ (%)	YoY (%)	1H19
Revenue	36,236	41	31	27,744	-23	-15	63,980
COGs	24,007	7	60	16,724	-30	-5	40,731
Gross Profit	12,229	287	-4	11,020	-10	-27	23,249
Op. Exp	8,529	35	-1	8,807	3	0	17,336
Op. Income	3,700	n.m	-10	2,213	-40	-65	5,913
Non. Op.	200	-75	-66	532	166	-141	732
Pre-Tax Profit	3,900	n.m	-17	2,745	-30	-45	6,645
Income Tax	-673	n.m	-19	-297	-56	-70	-970
Net income	3,227	n.m	-17	2,448	-24	-39	5,675
EPS (NT\$)	1.66			1.27			2.93

1H19 Operation Recap



1H19 total revenue came at US\$64M, down 6% YoY

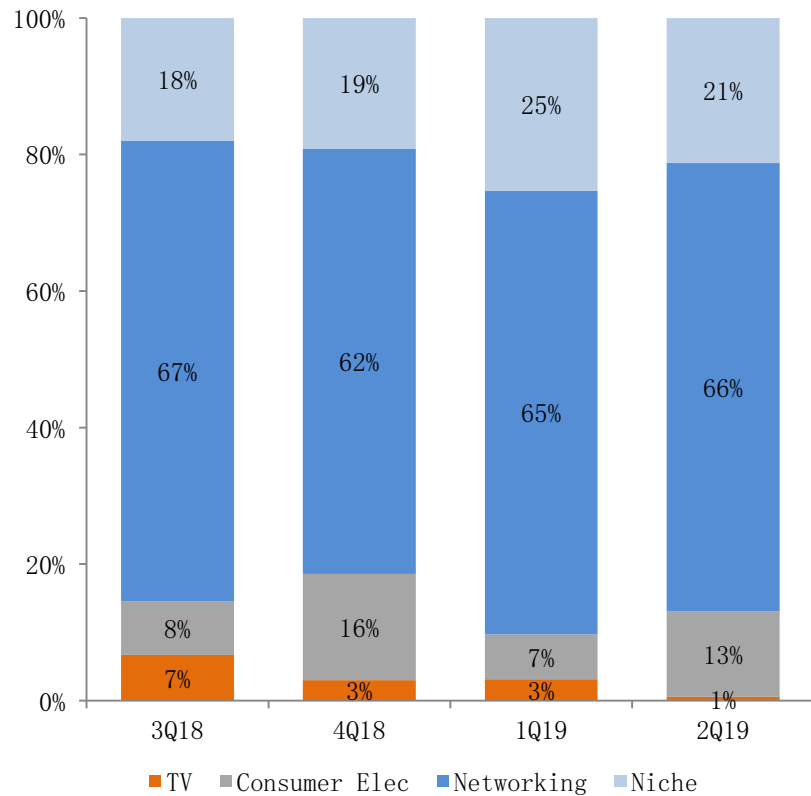
- Production revenue as the main attributor to the 1H19 total, contributed by China customer's CPU and Japan customer's entertainment machine main chip shipments
- 1H19 gross margin was 36.3%. Rising percentage of production revenue among total was the main reason for GM YoY slipperiness

2Q19 revenue was US\$27.7M, down 23% and 15% QoQ and YoY, respectively. Operating income reached 2.2M, down 40% QoQ

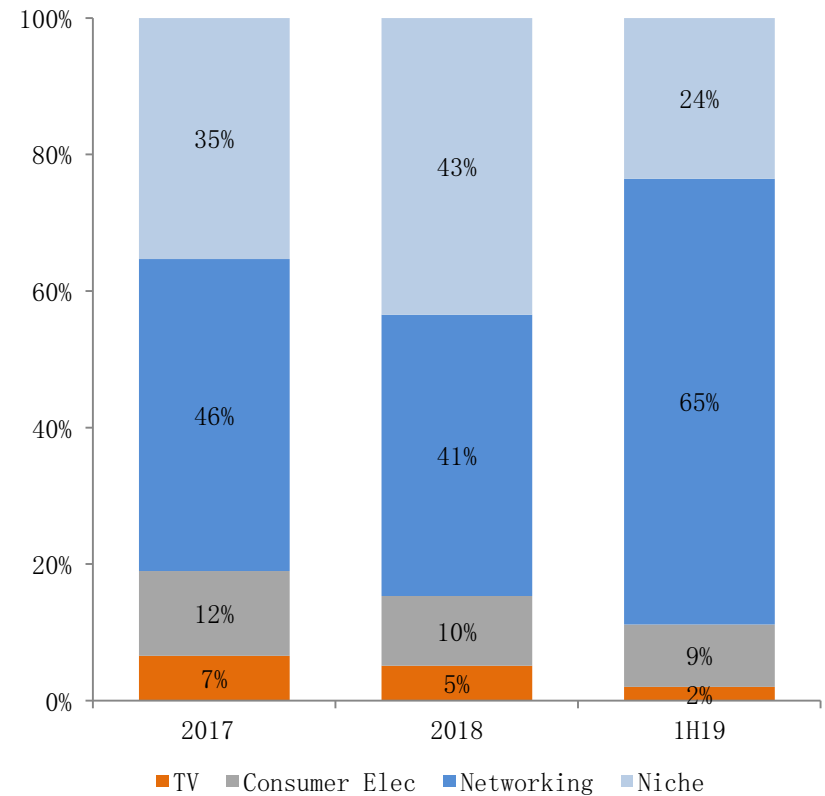
- Slowing down CPU shipments and temporarily ceased shipment of entertainment machine chip caused the QoQ revenue decline
- 2Q19 NRE revenue accounts for more than half of total
- Profit margin down YoY was due to higher % of production revenue
- There was no contribution from crypto currency mining chip in 1H19

Revenue breakdown by application

Quarterly breakdown

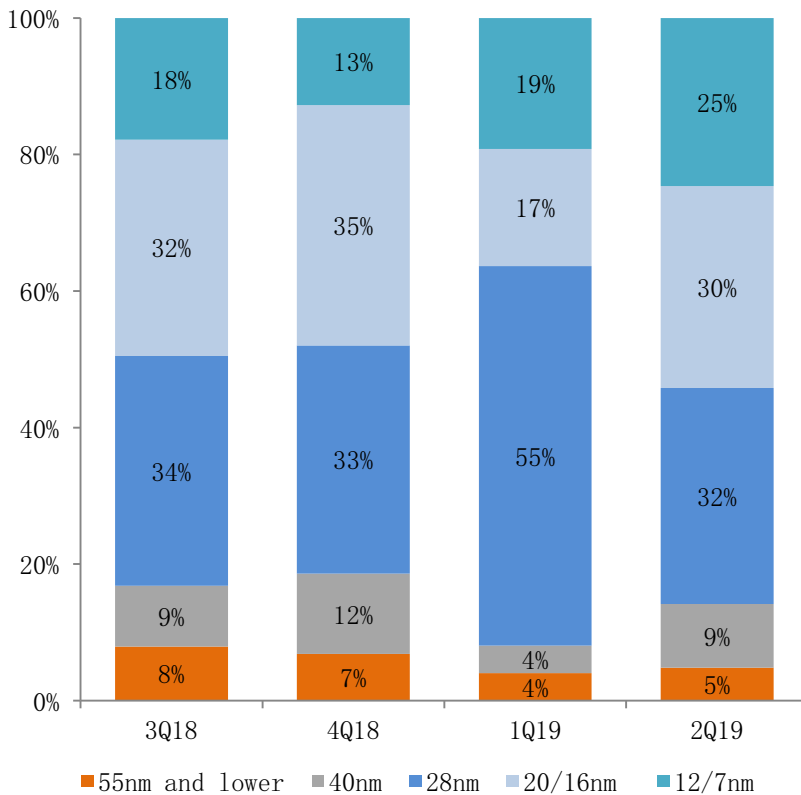


17-19 Yearly breakdown

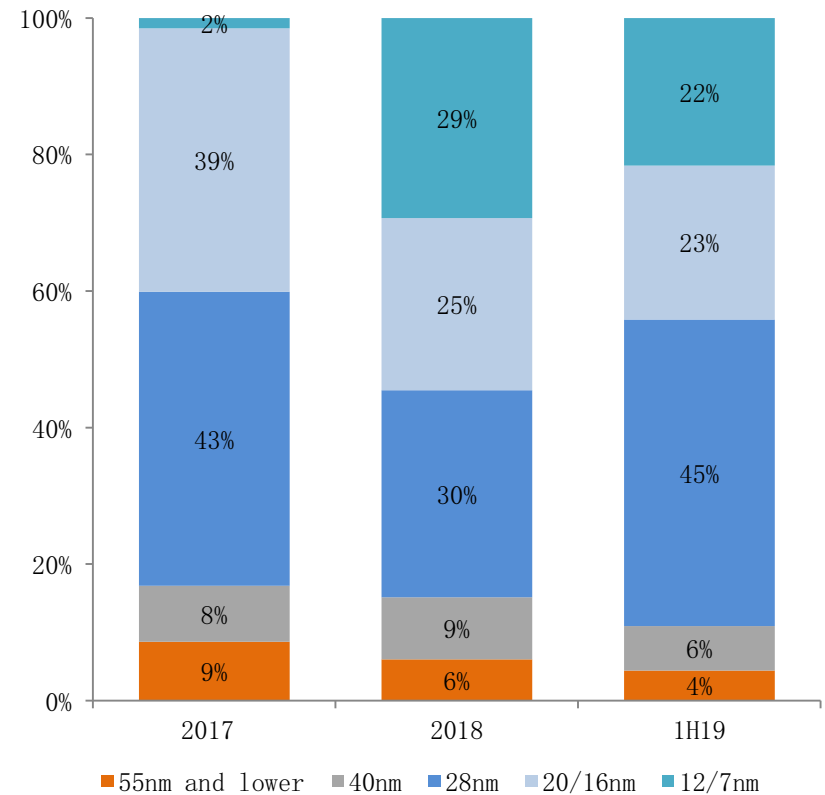


Revenue breakdown by process node

Quarterly breakdown



17-19 Yearly breakdown

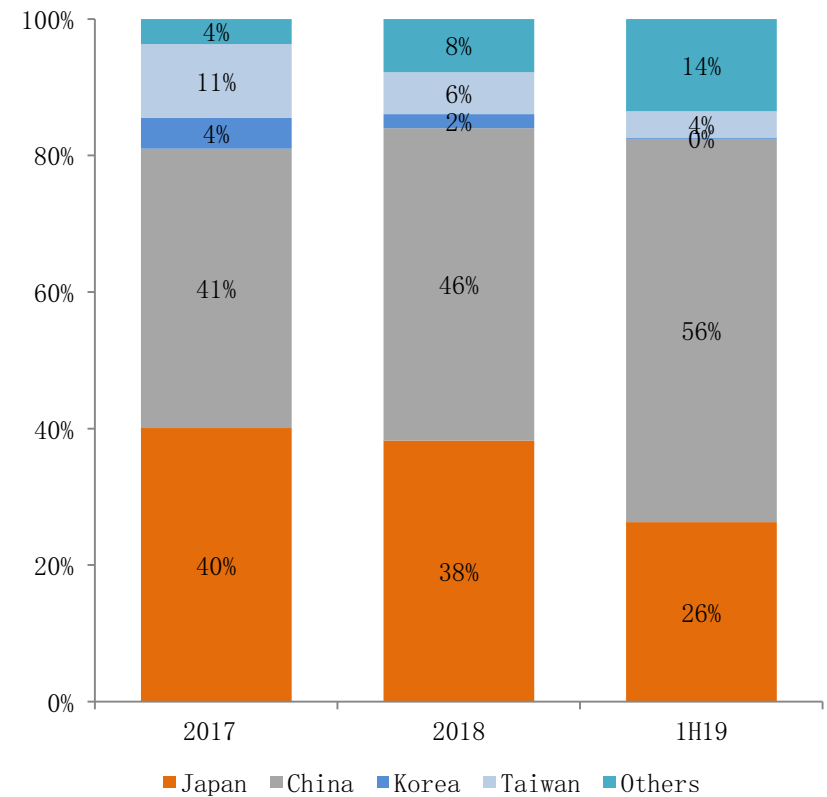
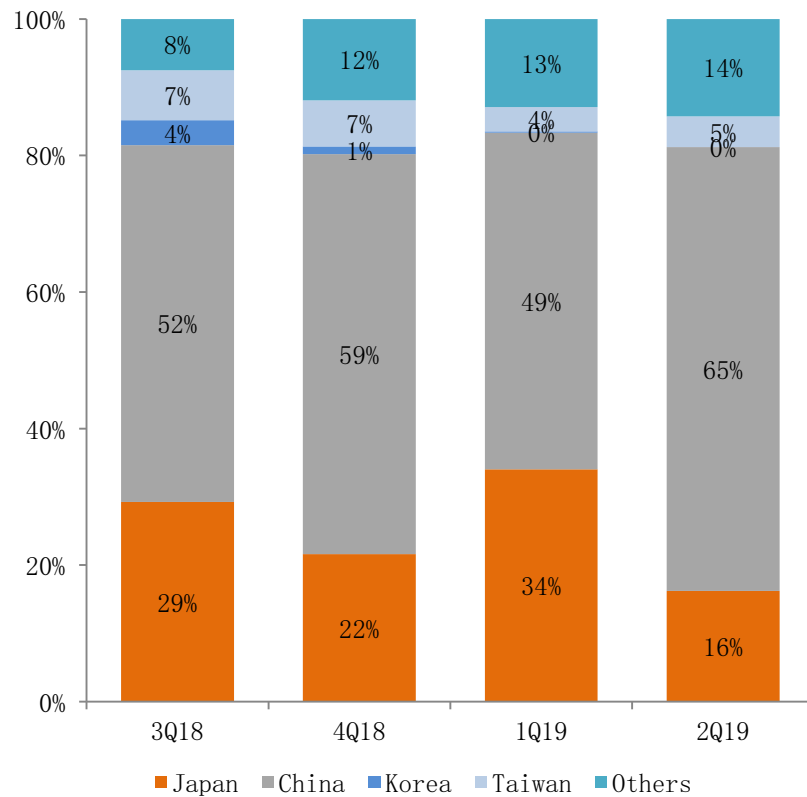


Advanced process node means 40nm or better

Revenue breakdown by region

Quarterly breakdown

17-19 yearly breakdown





Thanks!

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