



ANStek

Professional Answer to Your Business

ANStek (3528)

President: Mark Lee

Aug. 18, 2016



Disclaimer

- The following pages contain projections & estimates of financial information as well as market and product developments for future periods. These projections & estimates are based on information currently available which we believe to be reliable, but they involve risks and uncertainties.
- Our actual results of operations and financial conditions may differ significantly from those contained in the projections & estimates. These projections & estimates should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.



Contents

1

- Business Overview

2

- Core Competitiveness

3

- Operation Results

4

- Future Prospects



Business Overview

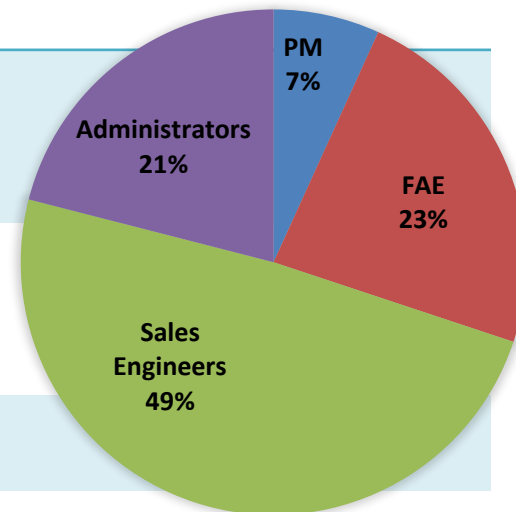




Company Profile

STAFF PORTIONS(%)

Company Name:	Answer Technology Co., Ltd.
Established Date:	Dec.26,2000
President:	Mark Lee
Paid in Capital:	NT\$628,229,250
Staffs: (7/31/2016)	140 people



Address: 21F., No.75, Sec.1 Xintai 5th Rd., Xizhi Dist. 221,
New Taipei City, Taiwan, R.O.C.

Website: <http://www.anstek.com.tw>

ANStek



Primary Product Lines

安馳科技股份有限公司 代理之產品線

	- Analog ICs, DSP & MCU, Power management, MEMS Products, Hittite.. http://www.analog.com/		- Power Management Ics, LAN solutions, Clock and Timing, MEMS Oscillators, ... http://www.microchip.com/
	- High Speed Digital Switch, Super Speed USB, PCIe Bridge, SATA, USB 3.1 Controller http://www.asmedia.com.tw/		- High-speed display interface: DisplayPort Products, SATA Repeaters, USB Repeater. .. http://www.paradetech.com
	- Industrial flash modules and controller : SD/MicroSD, CF/Cfast card, mSATA, USB and SATA DOM, 2.5"SSD and M.2 http://www.embestor.com/		- Sensors for Gas, Flame, Motion Detection, Gesture Recognition http://www.pyreos.com/
	- Magnetoresistive RAM (MRAM), Spin-Torque MRAM (ST-MRAM) http://www.everspin.com/		- Leading-edge FPGA platforms, IP Cores and Design Service to help customer Design http://www.inrevium.jp
	- EMI/EMC/ESD/Over V/C protection, Bluetooth/Wi-Fi/GPS antenna http://www.inpaqgp.com/		- Motion Control ICs & Modules, Mechatronic Drivers, Stepper and BLDC Motors http://www.trinamic.com
	- High Speed ADC, HDMI Tx/Rx/Sw, Power Management ICs... http://www.ite.com.tw/		- 5Play on a Single Cable thru HDBaseT™ technology http://www.valens.com
	- Pressure/force, Position, Vibration, Temperature, Humidity, and Fluid properties sensors or systems. http://www.meas-spec.com/		- High Performance CPLD, FPGA http://www.xilinx.com
	- DC-DC Power, Charger IC, Regulator. http://www.m3tekic.com		



Main Products



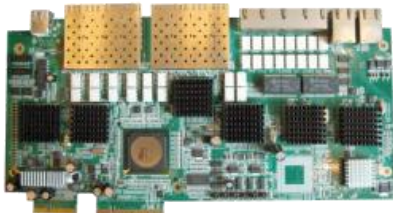
ADI high-performance analog components are very competitive with various applications

Global No.1



Microchip Low Power MCU rises with the trend of Industry 4.0

Global No.3



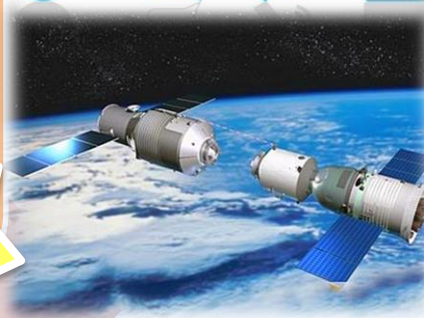
Xilinx programmable logic array (FPGA) has migrated to 16 nm process

Global No.1



Valens is the first initiator of the global HDBaseT Alliance in Israel

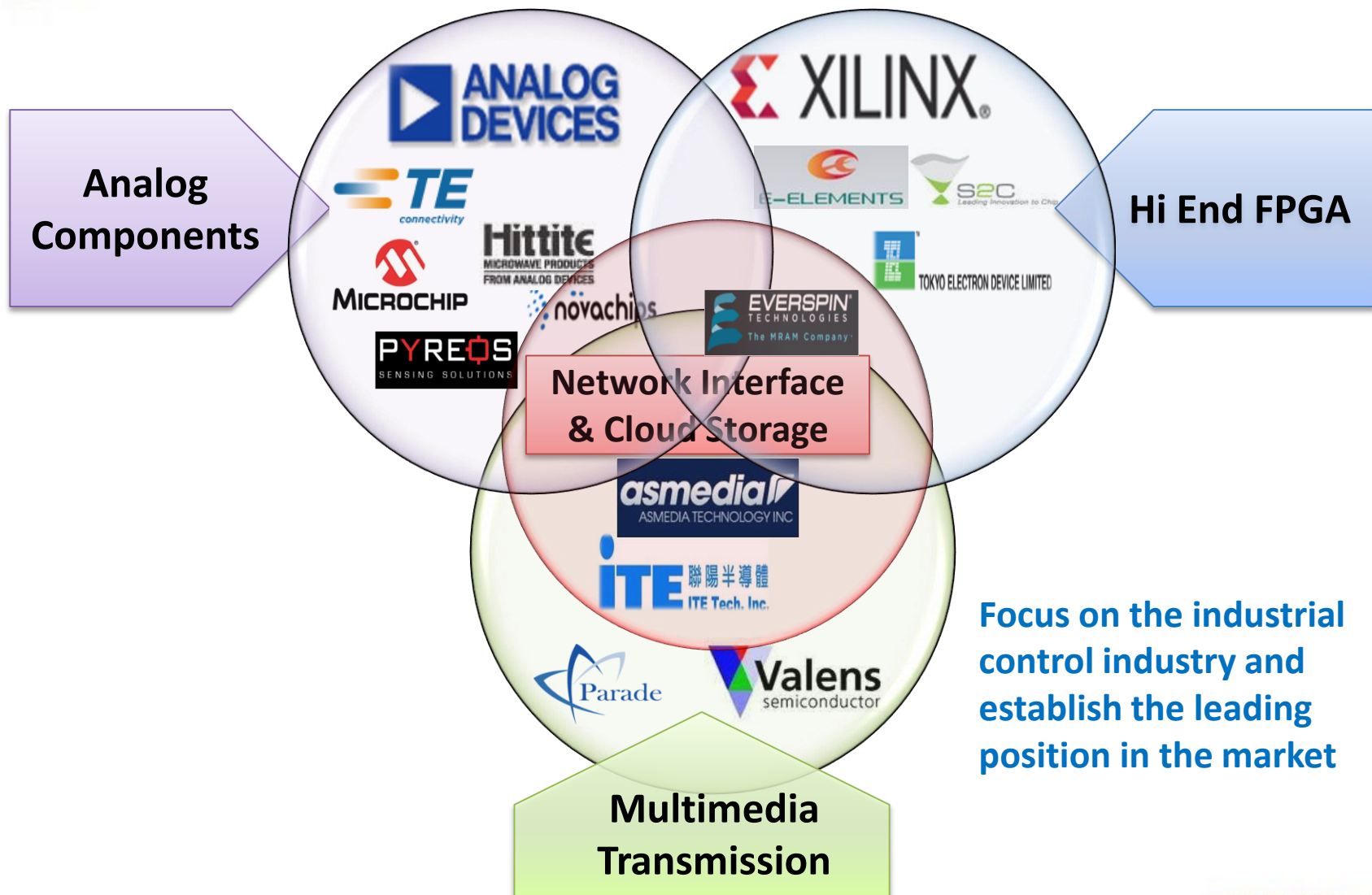
Global No.1



ANStek

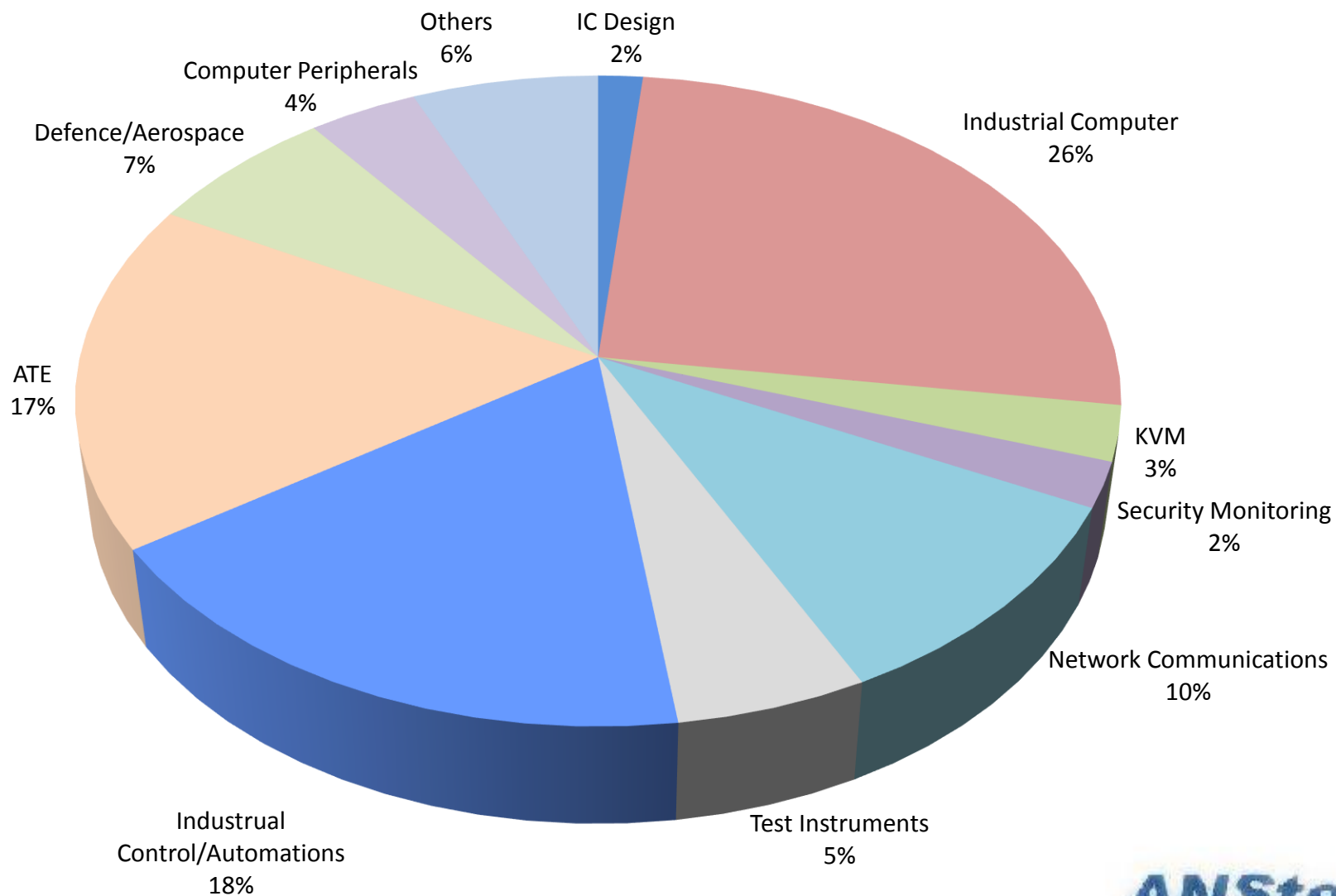


Major Products Categories





Major Products Applications



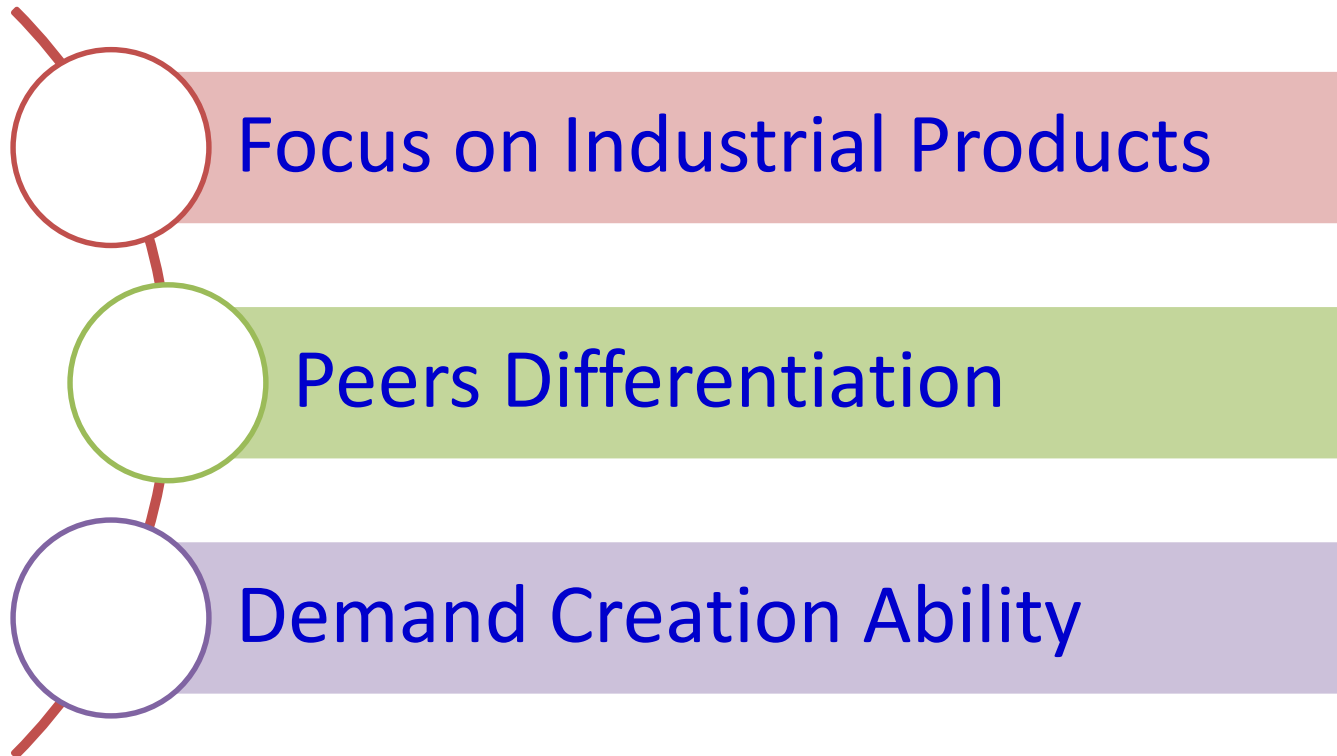


Major Clients



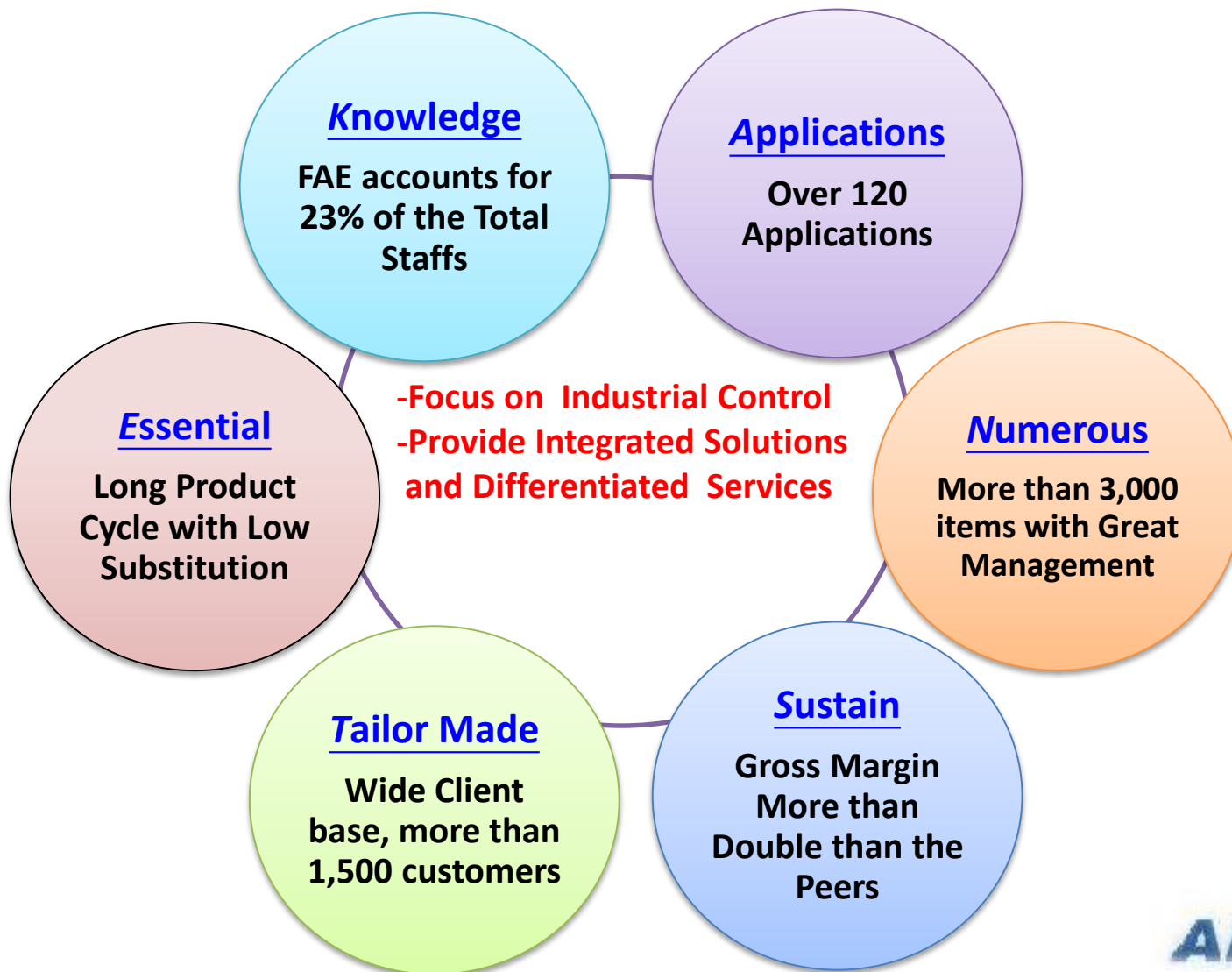


Core Competitiveness





Focus on Industrial Products

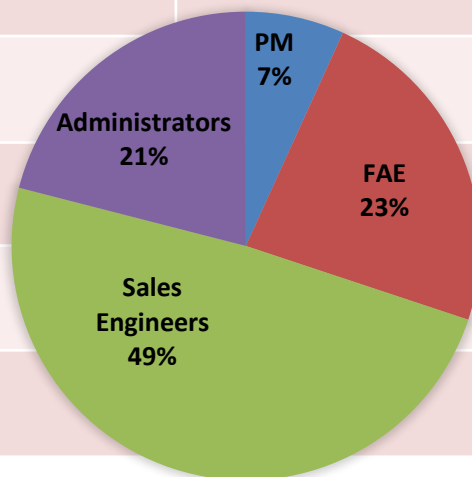




Peers Differentiation

	ANStek	General IC Distributors
1. Technical Service	Industrial Control	Original reference design with common usages
2. Market/Applications	Industrial, Automation, Instruments	PC 、NB 、Mobile 、LCD 、Consumer 、Memory
3. Product Cycle	Slow	Fast
4. Staff Training	1-3 Years	< 6 Months
5. FAE / Sales(%)	High	Low
6. Client Relationship	Long Term	Price Related
7. Analog + Digital (%)	High	Low

STAFF PORTIONS(%)





Demand Creation Ability

Prospecting New Clients

Seeking new product applications
from the broad customer base

Searching for new customers
from the product applications

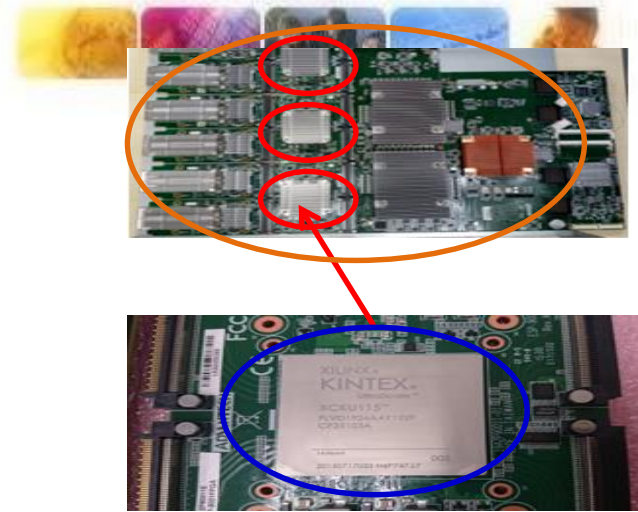
Looking for the potential customers
and recommend the appropriate
products, materials and parts from
various shows & exhibitions

Demand Creation Achievements

- Develop more than 150 Projects per month, each contains 200 ~ 300 components
- New Clients in 2013, 2014, 2015: 381, 342, 334 each year
- Has won “**ADI Taiwan Best Agents Awards**” several times
 - New clients portions: ADI Global- 3%, ANStek- 7%
 - 1,237 New Projects of ADI in 2015 with 3,647 components. Total 1,067 products lead in Mass Production, achievement rate of 29.3%



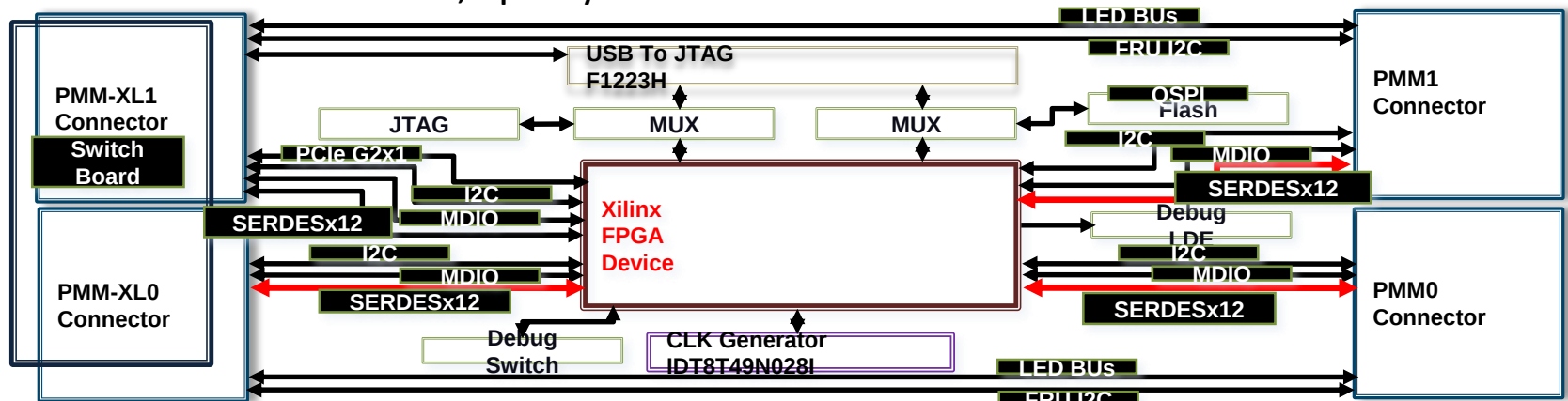
Demand Creation Example



Product : ATCA(Advanced Telecom Computing Architecture)

Application: Network packet inspection and analysis of data transmission security

In response to the future of end-user applications that require a wide range of adjustments, programmable logic element is necessary. FPGA high-end products design beyond the application limitations that Broadcom has dominated, especially in Network/ Telecom market



Xilinx:

The main function of FPGA is communications network packet analysis and multi-channel 100G data stream.

The product needs to integrate a number of Netcom agreements with Xilinx IP, its technical threshold is more difficult compared to ASSP.

Aggregated IP data tables and Xilinx IC design documents, focusing on important features and interface modules required for the initial verification.

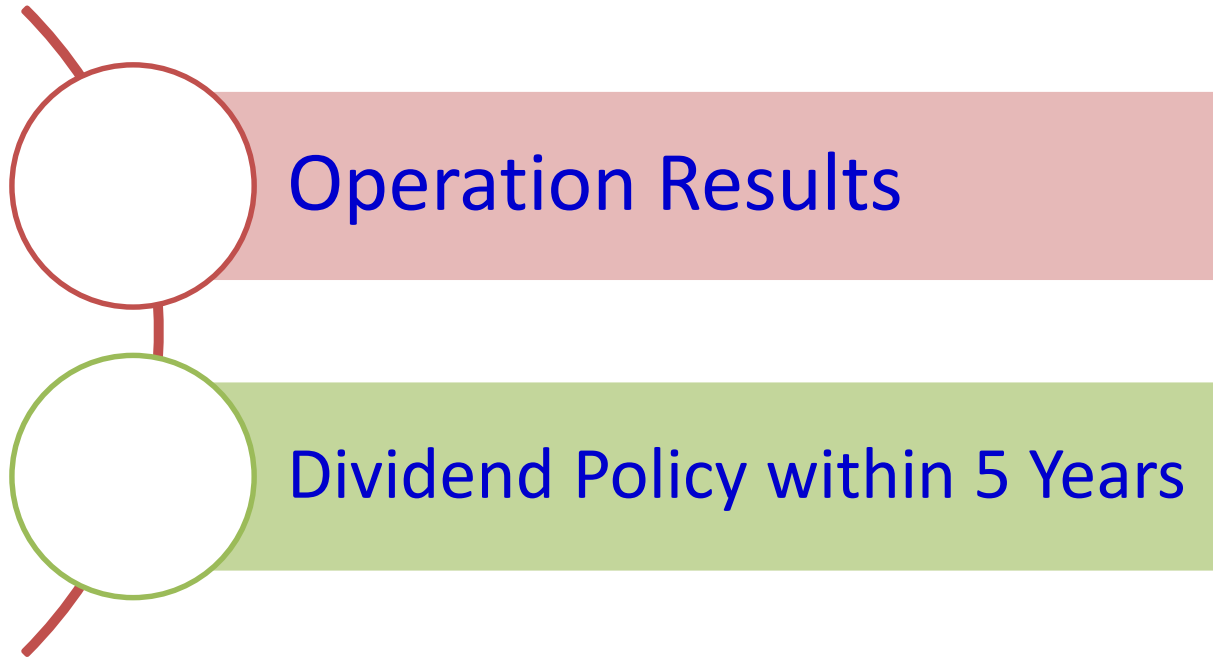
To avoid the high-cost system risks for the Xilinx IC customers, and to ensure that every aspect of the design may hinder and technical support resources to achieve, it is important to assess from the reference design, developments of the circuits and the corresponding boards, etc...

Because of high-speed and large amount transmission of the 10Gb channel switch, the initial hardware design and simulation need the rigorous design and planning.

Xilinx uses the latest manufacturing process IC, so the original message associated with customer design guide synchronize with the communication.



Operation Results



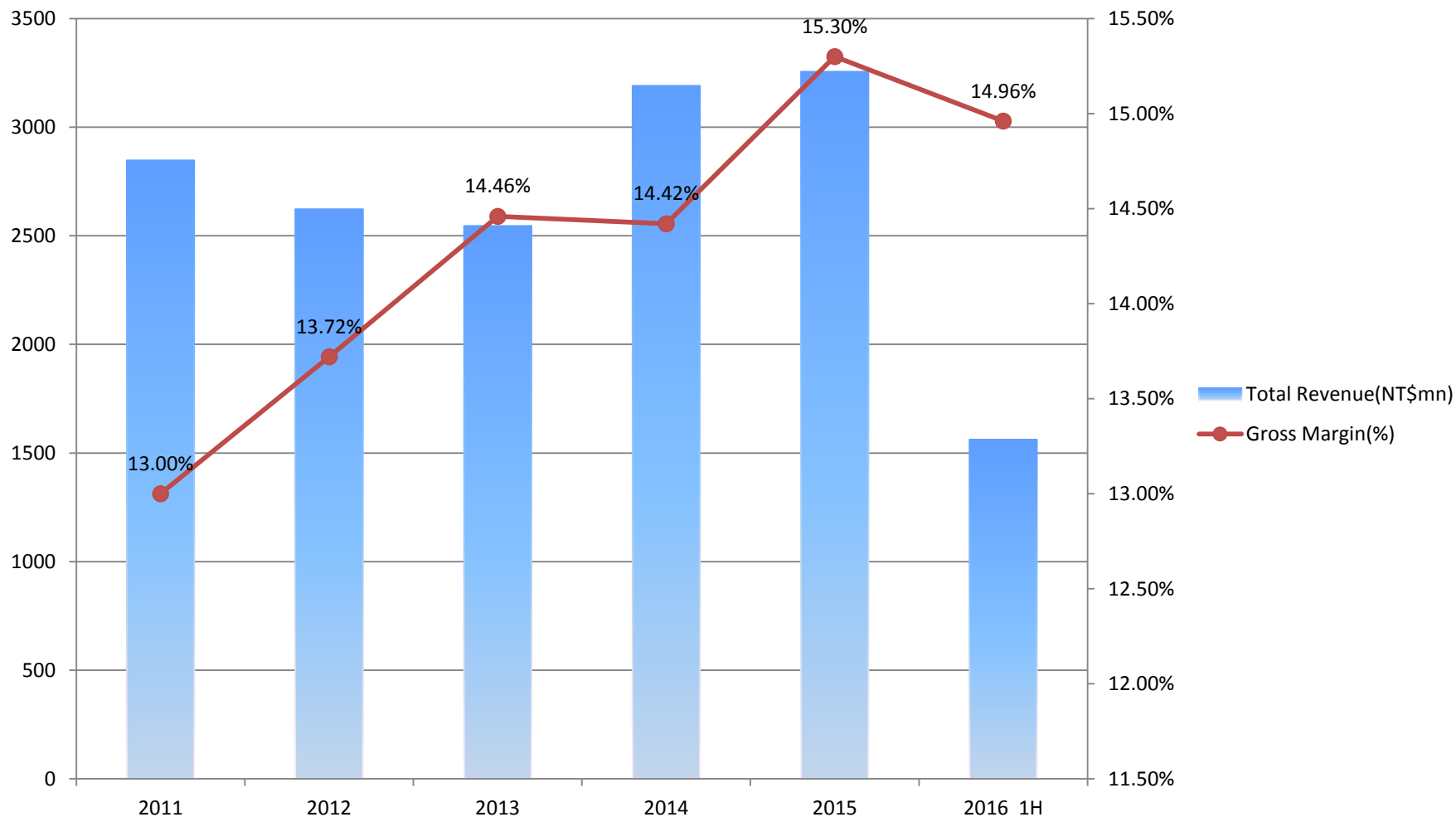


Financial Statement

(NT \$ mn)	2011	2012	2013	2014	2015	2016 1H
Total Revenue	2,847	2,623	2,545	3,190	3,255	1,562
Gross Profit	370	360	368	460	498	234
Operation Expenses	196	205	209	248	259	127
Operation Income	174	155	159	212	239	106
Non-Op Income	(1)	17	19	0	(4)	11
Pre-Tax Profit	173	172	178	212	235	117
Net Income	136	143	146	175	193	95
EPS (NT\$)	3.3	2.85	2.79	3.19	3.41	1.53

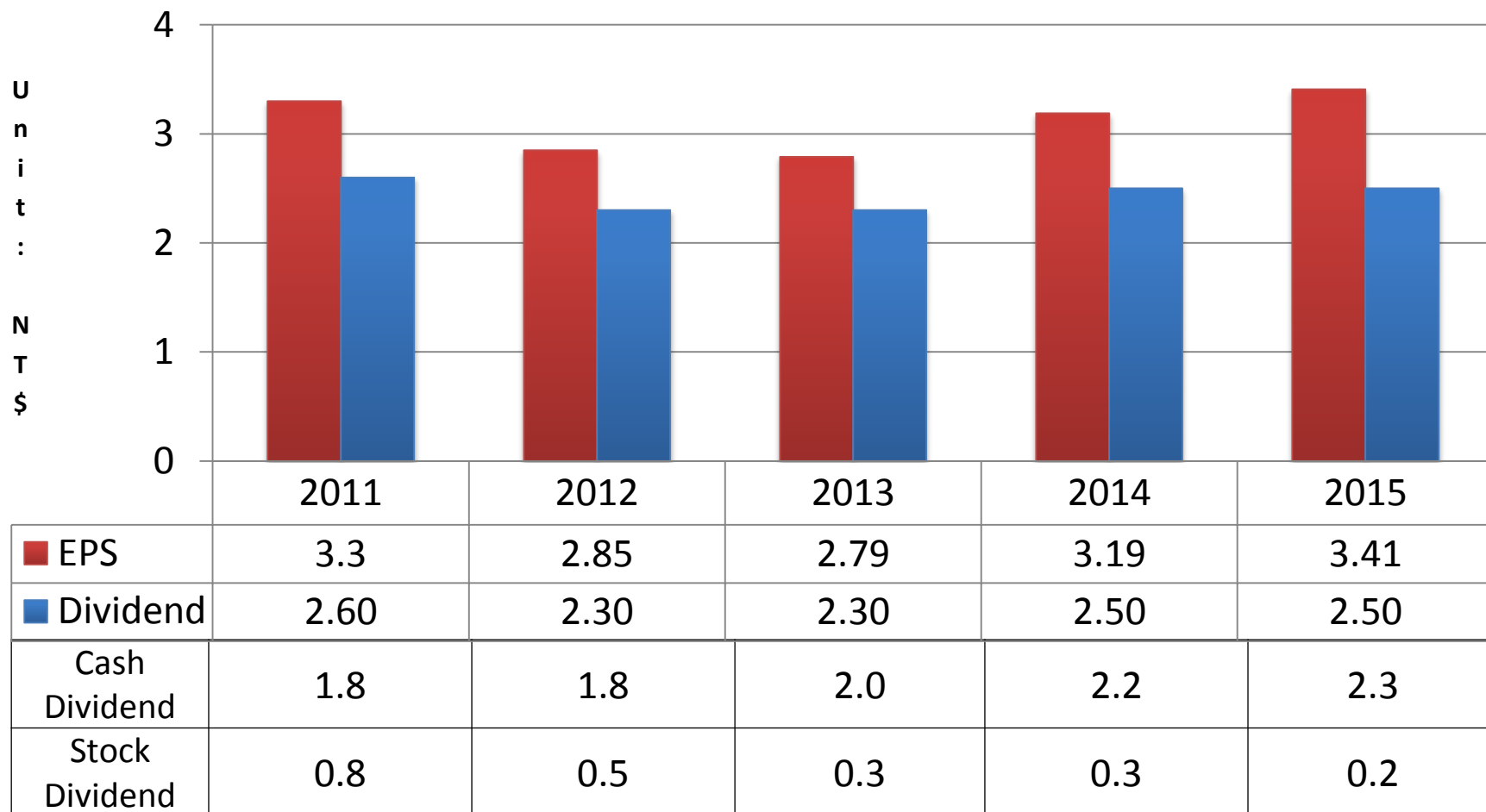


Focus on Industrial Products, Gross Margin Steady Growth





Dividend Allotments Maintain above 75% for the last 5 Years





Future Prospects





New Opportunities for Industrial Products

Industry 4.0 Development Process

工業革命：從人力製造到智慧工廠

第一次工業革命

蒸汽機
設備取代人力



1784 :
蒸氣式紡織機

● 18 世紀中

第二次工業革命

電力
實現大量生產



1870 :
第一條生產線
美國辛辛那提屠宰場

● 20世紀初

第三次工業革命

電子與 IT
製造流程自動化



1969 :
第一個可程式控制器
(PLC)

● 20世紀70年代

第四次工業革命

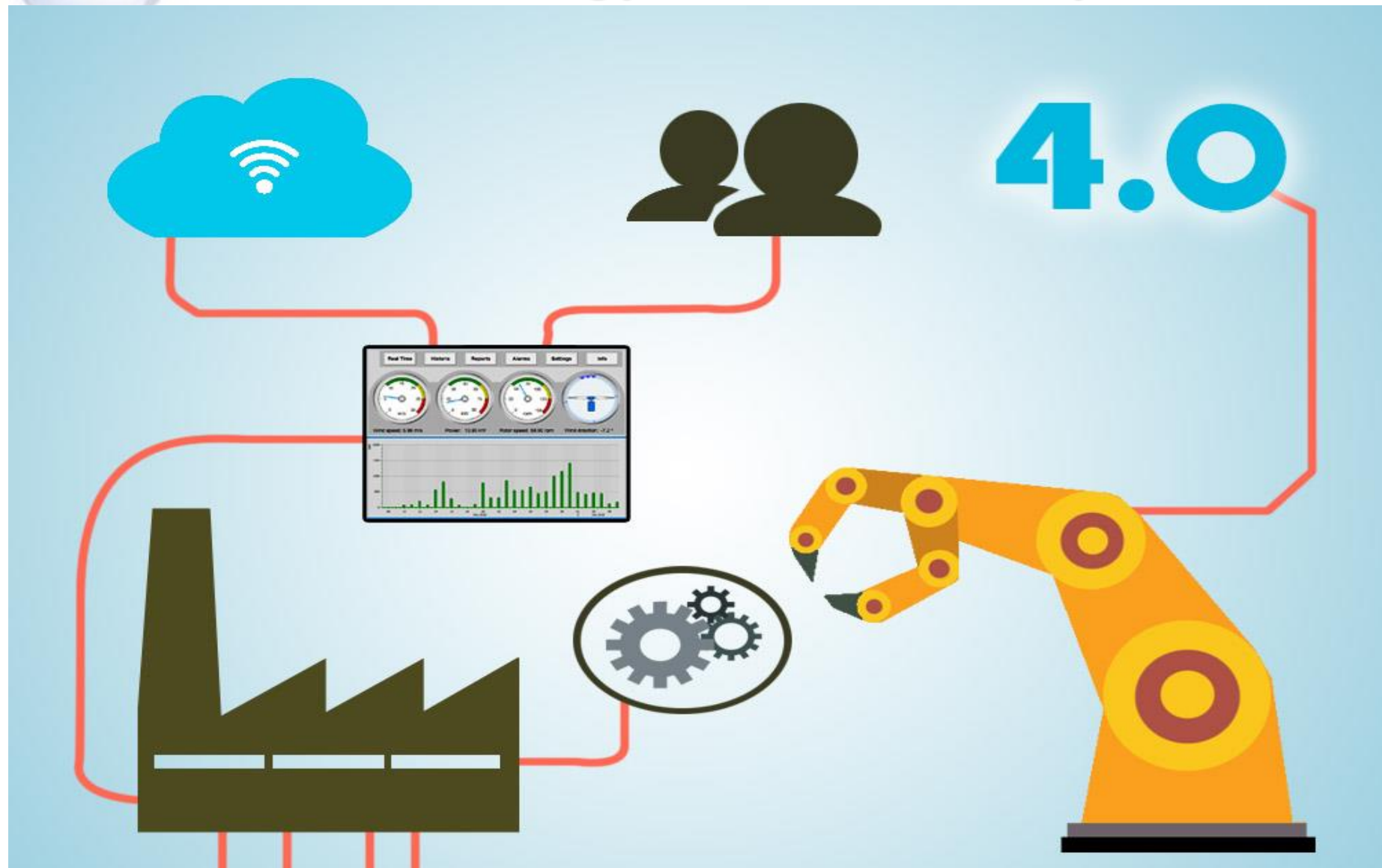
ICT (資訊與通信)
智慧工廠



● 現在進行中

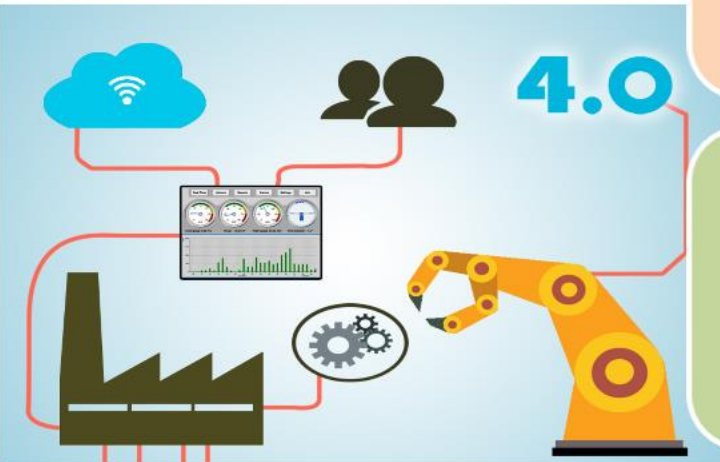


Core Technology of Smart Factory





Core Technology of Smart Factory



**Intelligence
Integration**



**Smart Meter
Factory Automation
Cloud Server**

**Reliable
Transmission**



**Industrial PC
Wireless Comm.
Micro Comm.**

**Data
Capture**



**Industrial PC
Medical Instruments
Security Monitoring**

ANStek



ANStek 2016 Progress in Industry 4.0



ADI's industrial networking system modules using ultra-low-power technology to integrate RF amplifiers, AC/DC converters and few sensors



High-end Xilinx FPGA chips is migrating to advanced 9 nm and 7 nm process, and will further possess the big-data analysis, face identification, traffic control and other intelligence integration application markets



ADI and Xilinx are also the 2 major product lines of ANStek in Defense & Aerospace applications. Due to its higher gross margin than the industrial application, it helps to improve the overall gross profit



The new proxy product line synergies (1)

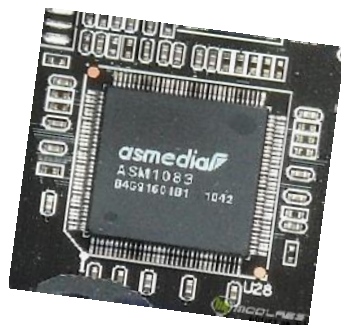


ASMedia will expand PCI-E product line into GEN 3 area

Extending from PCI-E to USB3.0 / 3.1 high transmission product lines

ANStek is the major agent of ASMedia in the Industrial area, the main clients including domestic industrial PCs and automation equipment manufacturers

ASMedia and ANStek will cooperate to develop the network monitoring and cloud storage products in the future



PCI-E



USB3.0/3.1



Switch

ANStek



The new proxy product line synergies (2)



Everspin's MRAM (magnetoresistive RAM) using a magnetic polarization techniques to save data permanently

- Non-volatile memory is required on the usages of industrial computers, automotive systems, instrumentation, automated testing and so on
- MRAM can replace most of the nvSRAM, FRAM, FLASH ..., and there are other products with vehicle regulations ACE-Q100, military and space regulation



Hittite high frequency RF components are mainly used in communications infrastructure, telecommunications equipment, aerospace, medical, and automotive electronics

- After ADI merged with Hittite, it completed ADI high frequency RF product lines. With the development of industrial automation, Netcom construction, and automotive, there will be greater expansion in the industrial control and automotive electronics



Novachips provides enterprise level and above high-capacity, high performance and wide selection of Flash Storage Products

- Exclusive HL NAND Flash technology provides high-performance, high-capacity and high-speed data transmission of SSD products
- It can meet the application requirements from the large enterprise-class data centers to rugged industrial product specifications



Product Develop Program

1. Industry & Instruments

- IC Testing Equipment
- Factory Automation
- Industrial PC
- Medical Instruments

2. Communication

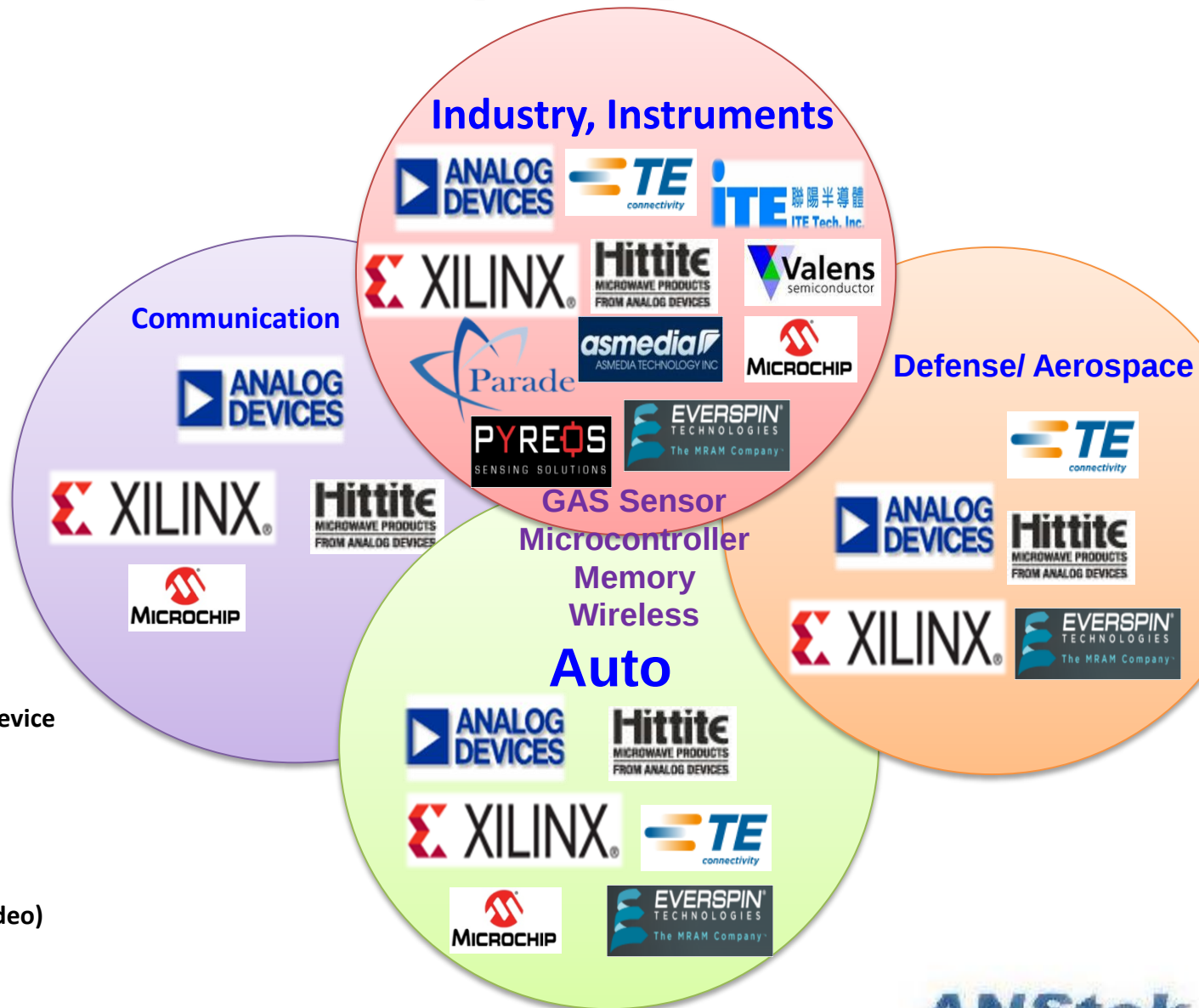
- Cloud Storage
- Fiber Communication
- 4G/5G Mobile Communication

3. Automotive

- Microwave distance measuring device
- ADAS system
- Telematics
- Vehicle entertainment

4. Defense/Aerospace

- Radar communication system
- Satellite communication (GPS, video)
- Unmanned aircraft carrier





The End
Thanks for Your Time