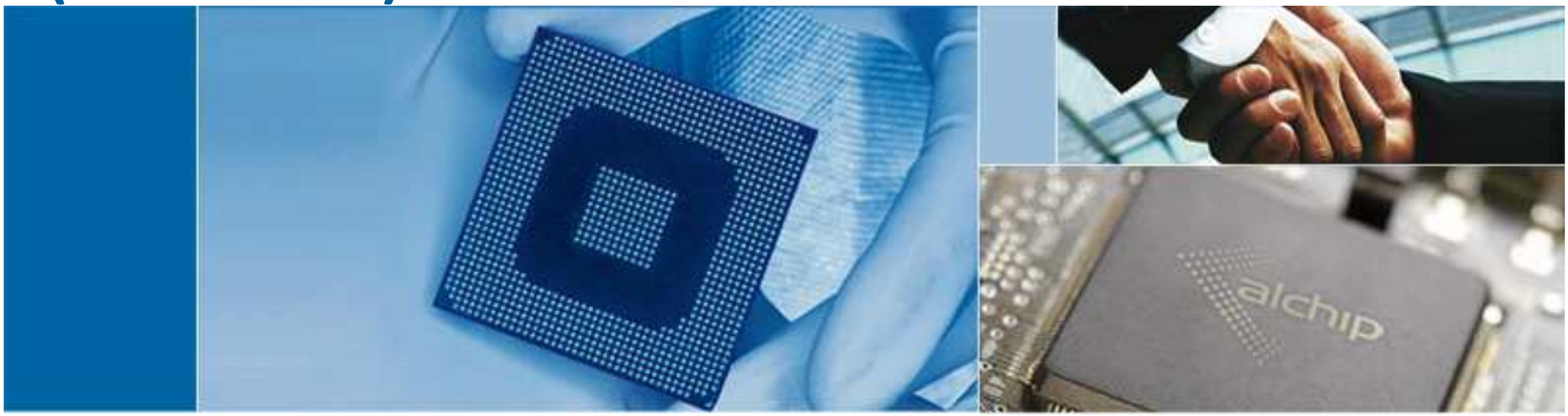
(TSCE: 3661)



Alchip Technologies

Company Overview

Trusted Silicon Partner **Realizing Innovations**

Table of Contents

Company Profile

Snapshot

- Founded: February 2003
- Chairman: Kingying Kwan, CEO: Johnny Shen
- Business: ASIC design service and manufacturing
- Employee: 235 total , 150 engineers (June of 2014)
- Capital: 541 million NT dollars
- 2013 revenue: 2.58 Billion NT dollars

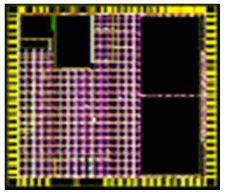
History

Aug., 2002	HK branch founded
Sep., 2002	Shanghai branch founded
Feb., 2003	Alchip Technologies registered at Cayman Islands as an exempted company
Apr., 2003	Alchip Cayman invested on HK and SH branches by stock-to-stock
May, 2003	US branch founded
Feb., 2004	Japan branch founded
Jul., 2004	Joined TSMC DCA (Design Center Alliance)
Jan., 2005	Taiwan branch founded
Mar., 2008	Joined Cadence PFI (Power Forward Initiative) alliance
Apr., 2008	Became partner with ARM by joining ARM Connected Community
May, 2008	Partner with SONY Semiconductor Group on assembly related technologies
Jun., 2008	Rated as 2008 EET top 10 outstanding IC design service company in China
Apr., 2009	Became one out of nine TSMC VCA (Value Chain Aggregator)
Dec., 2010	Listed in Taiwan Emerging Stock Market
Feb., 2012	Awarded as 2011 best supplier by major Japanese customer
Aug., 2012	Wuxi branch founded
Jun., 2013	Rated as No. 1 partner by major Japanese customer

Key Milestones

Japan 0.13um HDTV project

1st 90nm mass production worldwide in TSMC 90G with high speed SoC design



Won TSMC ARM11 65nm SoC project

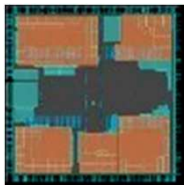
Japanese 65nm HDTV SoC project

First China 65nm turnkey design service solution

2004 | 2005 | 2006 | 2007 | 2008

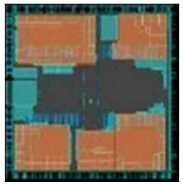
90nm 6M gate design (PSP) production in 2005

One million SoC-chip-shipment in a month



Japanese digital video camera Soc project

2.5 million SoC-chip-shipment in a month



Project won from ZTE for mobile SoC

Key Milestones (Cont'd)

Altek 55nm ISP SoC

Sony HDTV 32nm project

55nm tablet project

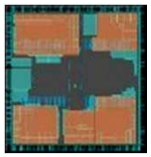
Yamaha 28nm Pachinko SoC project

Japan and Korea 4K TV FRC design project

2009 | 2010 | 2011 | 2012 | 2013

Sony PSP 40nm SoC project

Over 10 million 55nm chip-shipment



Altek 40nm ISP project

28nm Handheld game console SoC

Worldwide 1st 2nm Bitcoin Miner SoC project

Management Team

CEO	**Johnny Shen**	2002	Master Degree of EE, Santa Clara University GM, Alchip Technologies China Branch Manager, Simplex Solution
GM **Japan Branch**	**Kozo Fujita**	2003	Master degree of Industrial Engineering, Osaka Prefecture University VP, Department of Sales, Alchip Technologies Assistant VP, Candence Design Systems
Deputy GM **Japan Branch**	**Hosaka Junichiro**	2005	Bachelor degree of Economics, Yokohama National University CEO, FOI Corporation Manager, Cadence Design Systems
GM **Asia Pacific Operation**	**Thomas Tang**	2007	EMBA, Tamkang University VP, Image Devices Inc
VP **Department of SoC Design**	**Leo Cheng**	2003	Master degree of EE, University of Southern California Assistant VP of Department of SoC Design, Alchip Technologies Sr. Engineer, Cirrus Logic Inc.
VP **Corporate Marketing**	**David Chiang**	2004	Doctor degree of Computer Science, State University of New York at Binghamton Manager, TSMC Manager, Cadence Design Systems
CFO	**Daniel Wang**	2011	MBA, Bernard M. Baruch College, CUNY Representivie, Funbon Shanghai
Financial Controller	**Nancy Chan**	2004	Master degree of Risk Management, University of Reading Assistant Manager, Deloitte Taiwan

Mission vs. ACIS Market

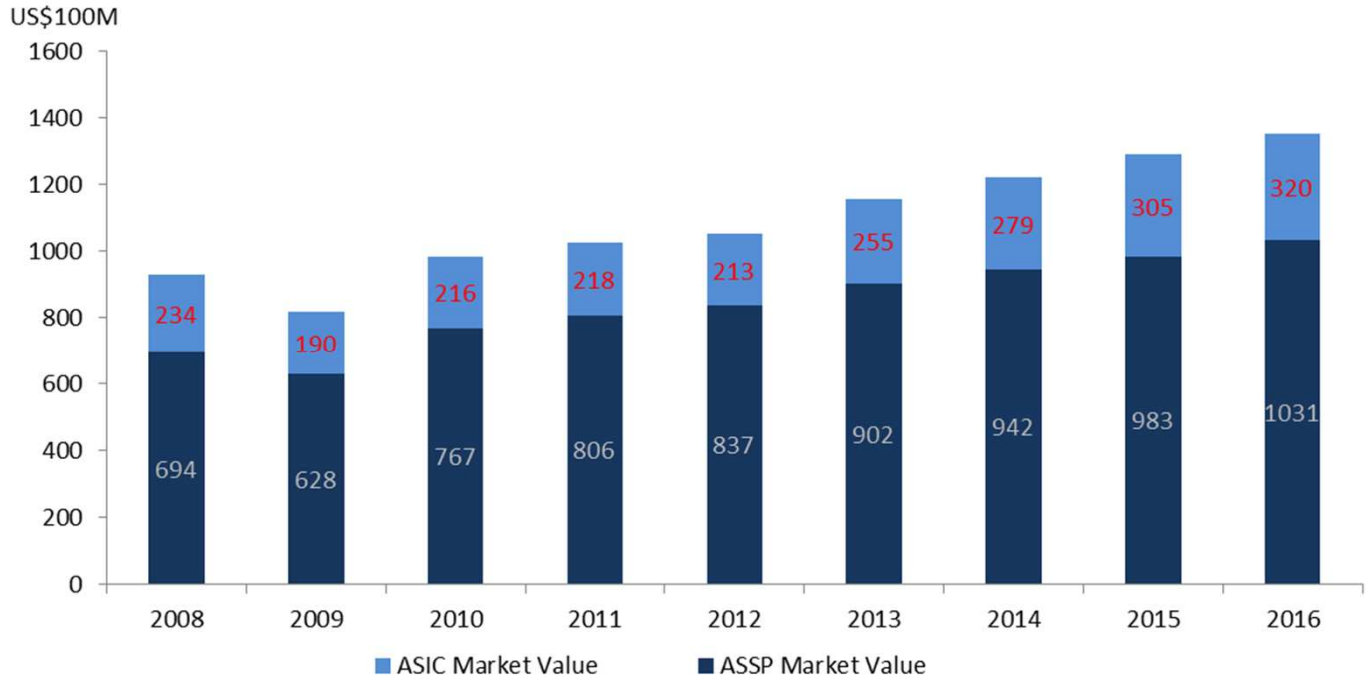
Corporate Mission

Leading Provider of ASIC Solution in the World!

Market of ASIC (Application-specific IC)

Vest Opportunities

- More than 30 billion USD market scale of Global ASIC industry
- Fast growing segment and migrating supply chain pratice



Source: Dataquest, April ,2013

Essentials of ASIC

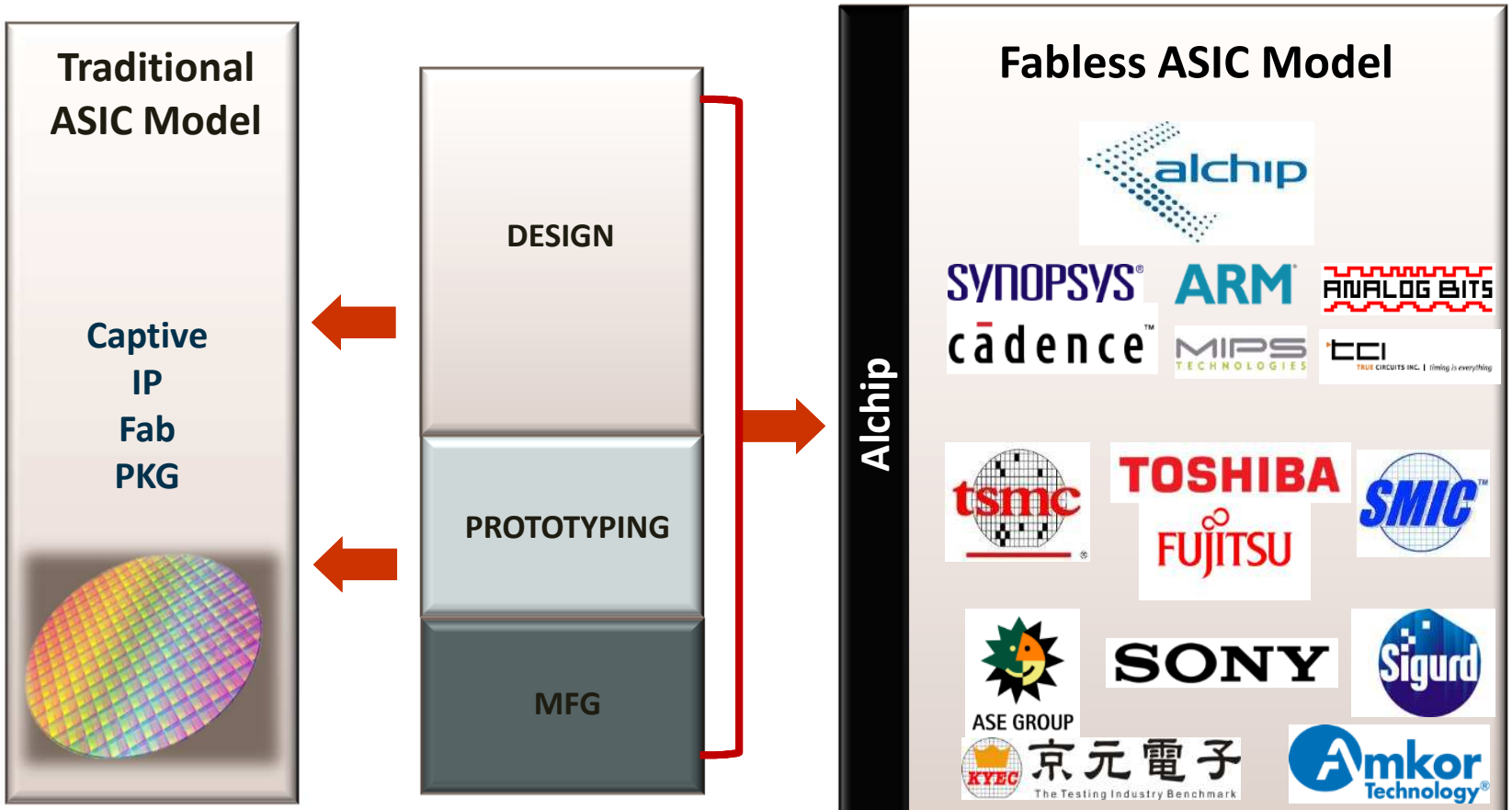
- ***Tier-one companies will always do ASICs***
  - ASIC provides differentiation to products
  - ASIC signatures the trend of applications
  - Weapon for vendors to take advantages for their products
  - Top players, Apple, SONY, Samsung, etc., keep on developing ASICs
- ***High performance & complexity driven***
  - Usually applying to high performance and complex designs due to high cost of both capital and human resources
- ***Highly Technology driven***
- ***One time silicon success acts as core competitive edge***

Opportunities of the Market

- **Traditional Suppliers retreat from the Market**
  - Most traditional players can not afford the next generation fab investment
  - Top System vendors are forced to look for outside solutions.
- **Alchip Technologies becomes the top choice**
  - Cooperated with Top System vendors
  - Leader of High-end ASICs
  - 100% of one-time silicon success
  - Fastest time to market
- **Expecting rapid growth in next 3-5 Years**
  - Many high-volume products start production in 2014-2015

Business Model and Strength

Partners and Solutions



IDM

Alchip provides **Best-in-Class** solutions

Strength and Value

Strength

Cutting Edge SoC Design

- First Asia Pacific ASIC supplier start 28nm production
- First ASIC supplier start 20nm production
- Unique design Flow
- Ability to customized circuit design

+

Leader of the Industry

2011: 40m product	2012: 28nm design	2014: 20nm product

Value

Short TAT & high successful rate

- Only one-month needed for simple design
- Three-month for complicated designs
- Typically six-month cycle time from Kick-off to Chip-out
- 100% one-time silicon success

+

Cost Advantage

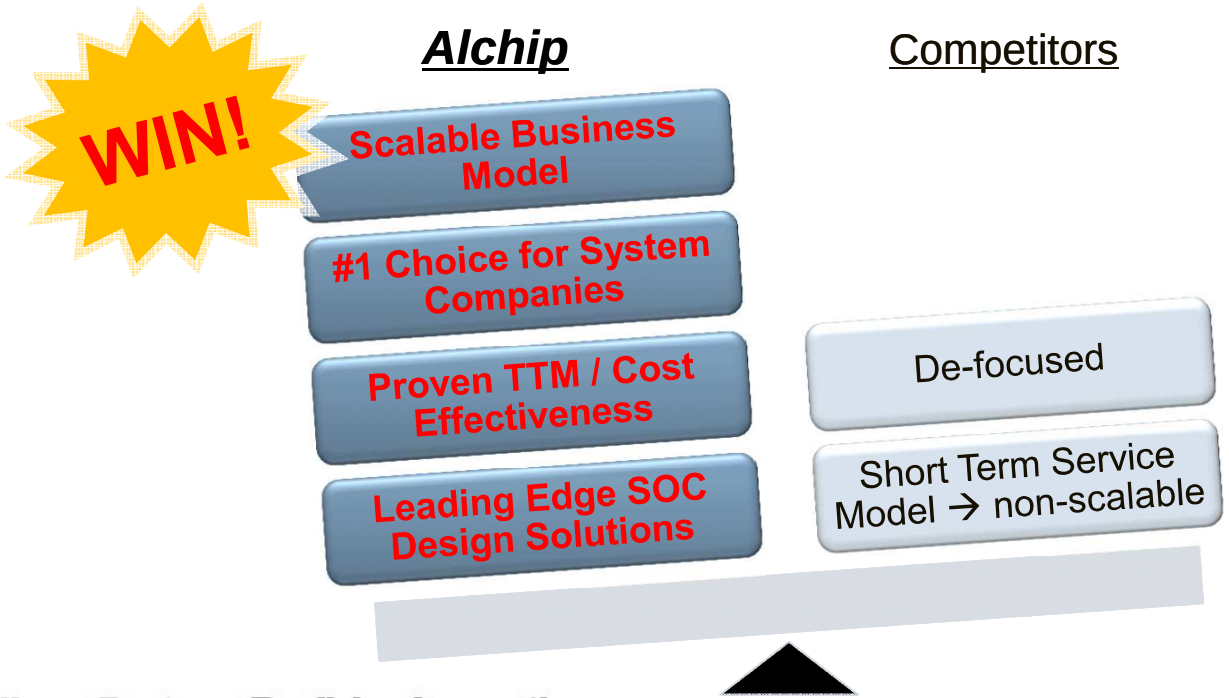
- Lower costs to traditional IDM suppliers.
- Strong bargain power to suppliers
- Short TAT leads to lower human costs

Competitors

- **IDMs**
  - European, American and Japanese IDMs
    - Most IDMs forced to retreat from the market on heavy fab investment
  - Samsung.
    - Top one in the world but have interest conflicts with customers
- **Fabless**
  - Most lack of experience for high-end technology nodes
  - Difficulties for fast time to market
  - Rapid technology node migration creates higher entry barrier
    - Peers:
      - US: eSilicon, Open Silicon
      - PA: GUC and Faraday
      - China: some low-end design service providers

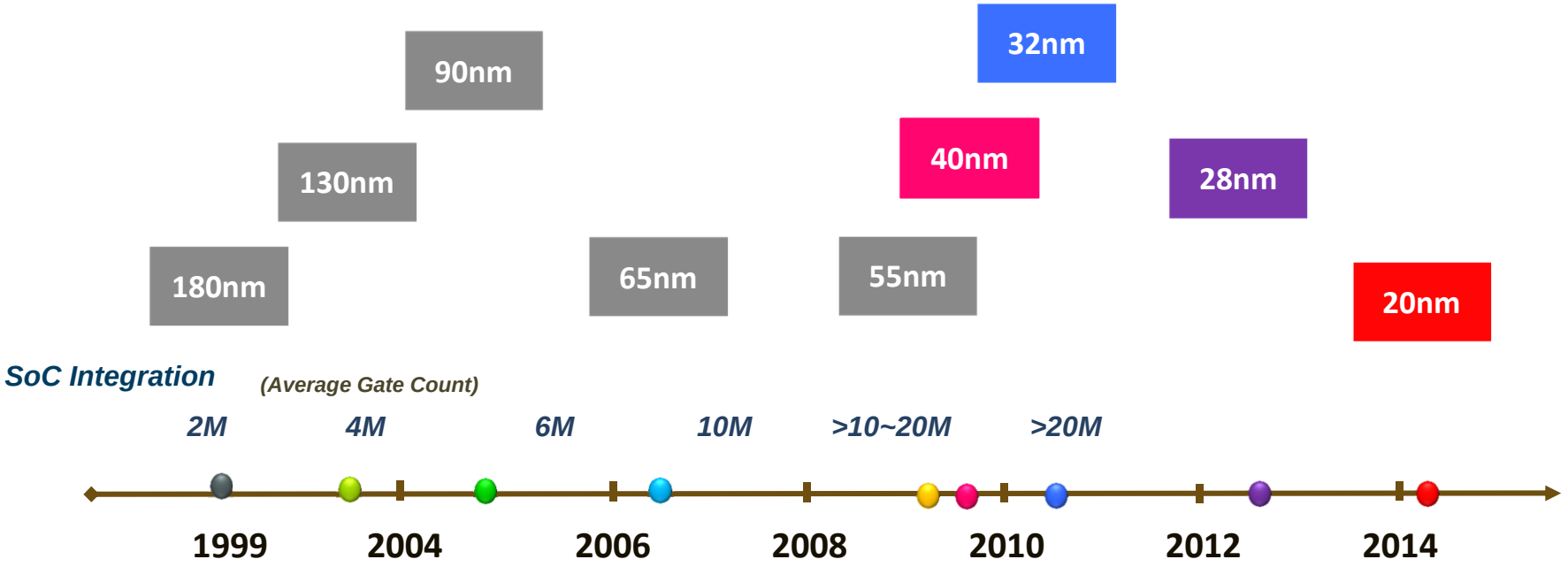
Comparison with Competitors

Item	Alchip	Competitors
Business Model	ASIC (Turkey Solution)	IC design service/ IPs
Major Customers	System companies	ASSP& IC design companies
Design Efficiency	Faster TAT, TTM	Longer design cycle
Process Technology	Depends on customer's needs (65nm& below)	Limited to specific foundry's technology



Track Records and Development Strategies

Advanced Technology Readiness

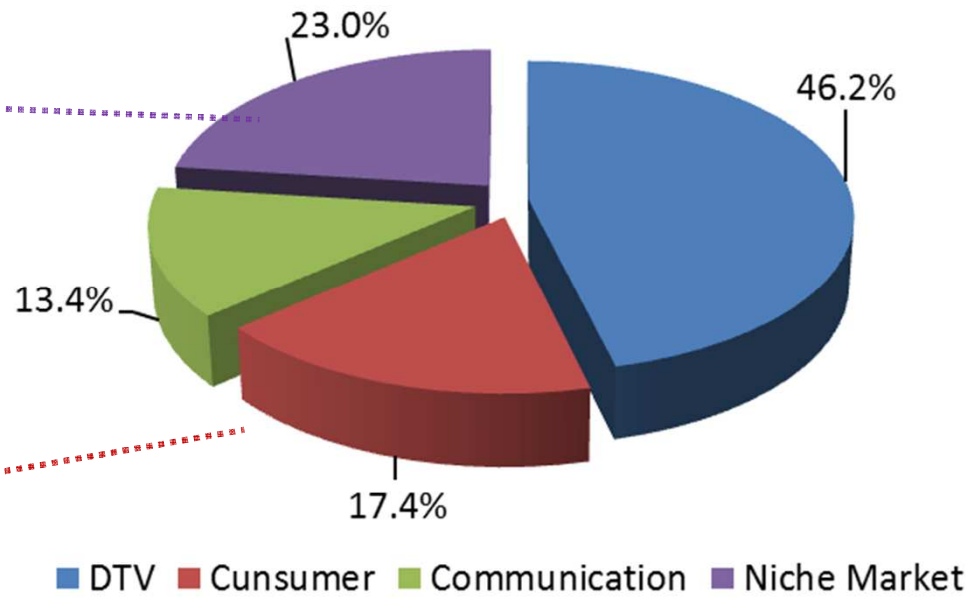


250+ tape-outs with 100 one-time silicon success

Multiple Product Applications

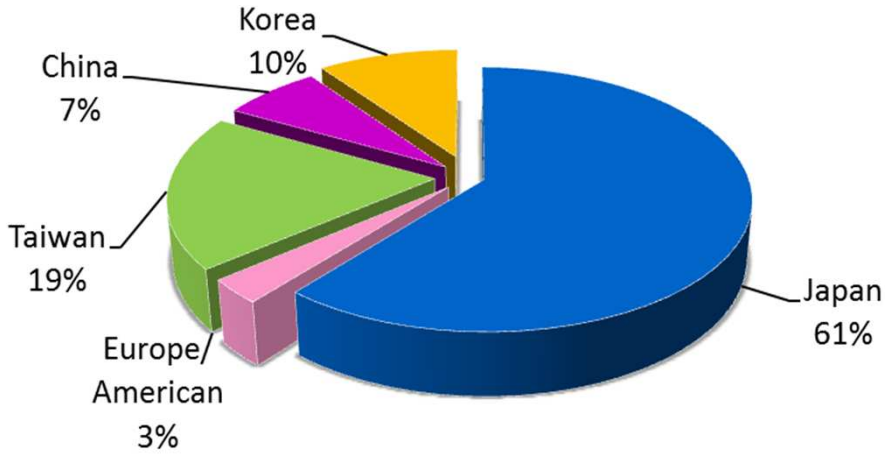
Niche Products
Surveillance system
Medical system
Amusement machines
Bitcoin miners

Consumer Elec.
Handset
Digital Cameras
Entertainment System
Multimedia

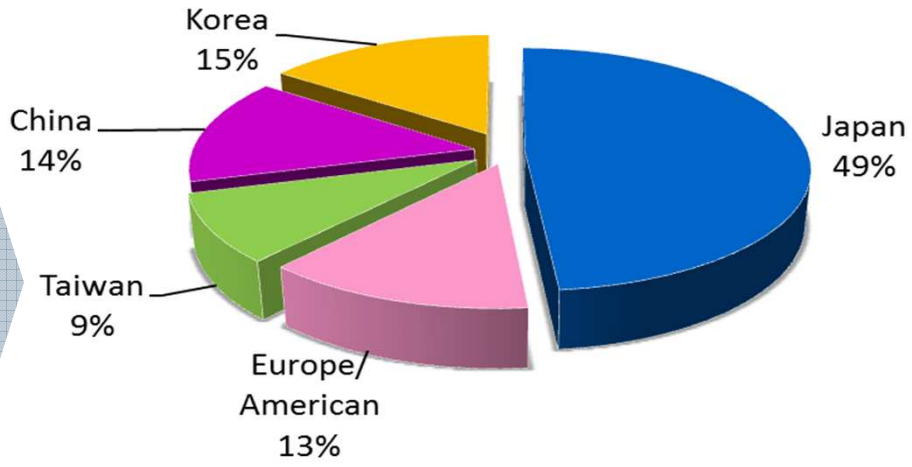


Customers by Regions

2012 (% of Revenue)



2013 (% of Revenue)



Growth Drivers

- ***Ultra-High Resolution TV (4K TV)***
  - Rapid Growth of 4K TV Market in 2014 to 2015
  - 4K TV chips enjoys much higher ASP than our other TV chips
- ***The Niche Market***
  - Usually have higher ASP, profit margin, and stable shipment with long life cycle
  - Bit-coin mining chips are expect to significantly contribute out top and bottom line
  - Won JP customer for medical system ASICs and already working on next generation ones
  - YAMAHA Pachinko chips are expected to add significant revenue upside from 2015

Business and R&D Strategies

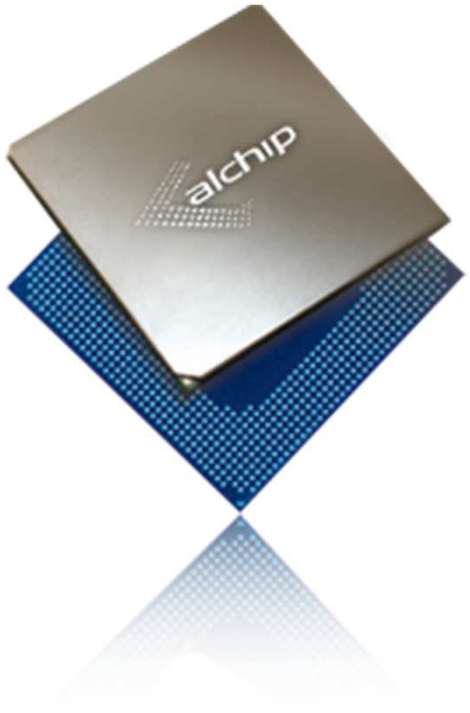
- Focusing on developing products and customized design with major system companies for manufacturing and rapid production
- Highly investing on R&D for advantage of technology and cost
- To strengthen customized IPs and front-of-end design
- Enforcing and partnership with IP vendors, foundries, assembly and testing houses to ensure the leadership in ASIC market
- Improvement on working environment, job conditions and salaries to attract more talents for Alchip
- Founding sales and design centers globally

Goals of IPO

- ***Rising investment owing the needs of business growth***
  - It is expected Alchip will require abundant cash flow for the shipment of new products and new applications, i.e., 4K TV, gaming machines, ISP chips, etc., which will bring rapid growth of revenue
- ***Improving the visibility and corporate image of Alchip to attract more experts***
  - To achieve the requirement of business strategy, Alchip needs quality and intelligent employees. Thus, after IPO we can
    - Improving the visibility and corporate image to attract more experts
    - Increasing the flexibility of motivational plan for all employees to enforce the coherence of the company

Goals of IPO (Cont'd)

- ***Improving the reputation and speedup the enlargement of business scope***
  - Alchip's target customers are all the world class system companies. With IPO, the indexes for customer to evaluate, such as the market value, openness and financial health, will become more solid and that will lower the business barrier more sufficiently



Thank you!

www.alchip.com

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

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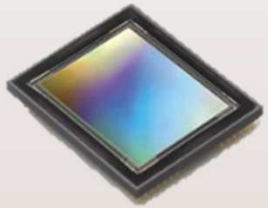
Fax +886-2-2799-7389

Appendix:
Our Products

New Products Development

CMOS Sensor (CIS)

- **CIS Application**
- Mobile Phone
- Notebook& tablets
- TV& Gaming devices
- DSC&SLR Camera
- Video Camcorders
- Automotive& Transport
- Medical Systems
- Machine Vision Science& Space sensors



Bitcoin Mining Machine

Top Bitcoin Miners ASIC Supplier

- KnCMiner:
  - Jupiter 28nm (TO on Sep 2013)
  - Neptune 20nm (TO on Feb 2014)
- 2 Bitcoin Miner companies in China (40nm)

Design Showcases

Proven Cryptographic Mining Processor Solution at 28nm

High speed encryption processors for mining cryptographic currencies

The world's fastest 28nm Bitcoin mining machine- ***Jupiter***

New 20nm design – ***Neptune***

Silicon Work!

Media Exposure:

遠見雜誌 (January, 2014)

台灣蘋果日報 (January, 2014)

from Design to production less than 4 months!

Design Showcases (cont'd)

Proven Mobile Gaming Solution at 28nm

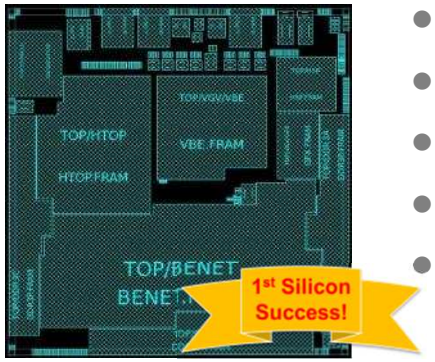
Tier one Japanese consumer customer

Tapeout in very short TAT!!

Design Showcases (cont'd)

Proven Industry's 4K TV Solution at 40nm

Tier one Japanese 4K TV customer

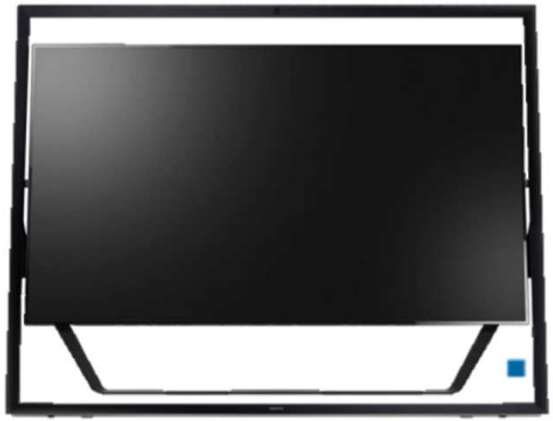


- TSMC 40nm LP, 1P9M
- 30.4 M gates
- 9.7mm* 10mm
- 528MHz
- FCBGA

Tier one Korean 4K TV customer

- TSMC 40nm LP, 1P8M+ RDL
- 46.4M gates
- 11.76mm* 10.48mm
- 466MHz

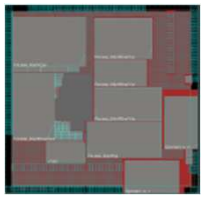
- TSMC 40nm LP, 1P8M+ RDL
- 43.4M gates
- 101.6784mm^2
- 400MHz

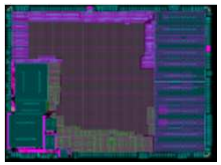


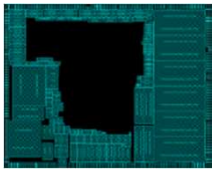
Design Showcases(cont'd)

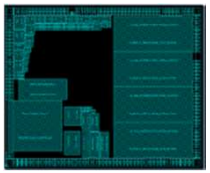
Proven Industrial HDTV Solution at 40nm

Tier one Japanese HDTV customer





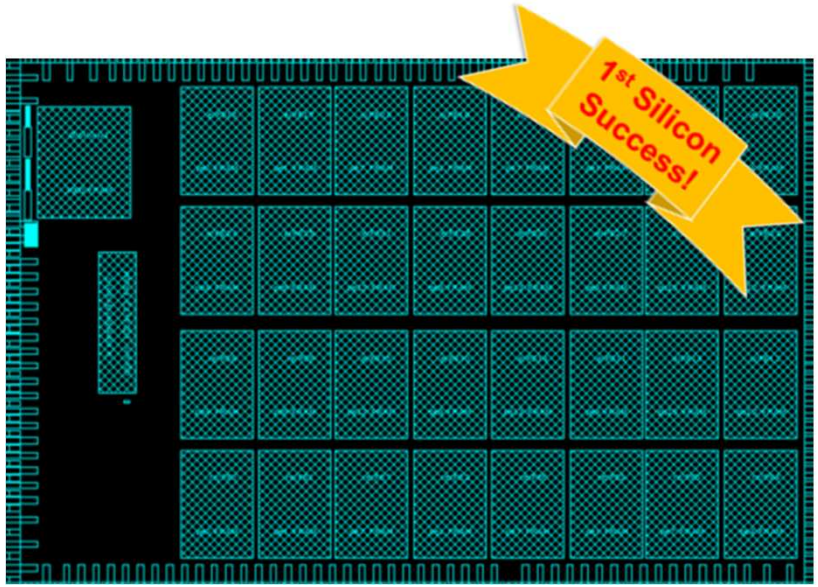




Design Showcases (cont'd)

High Speed Networking Solution at 28nm

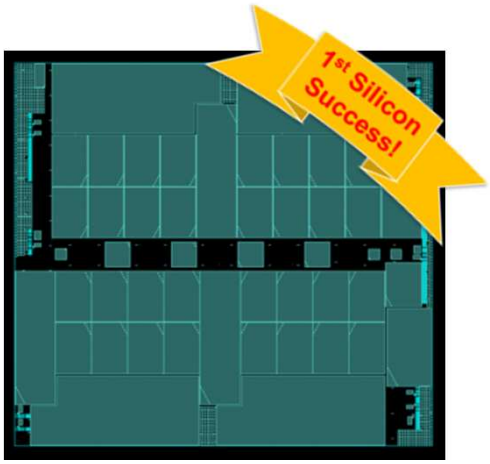
Grape X (2013)



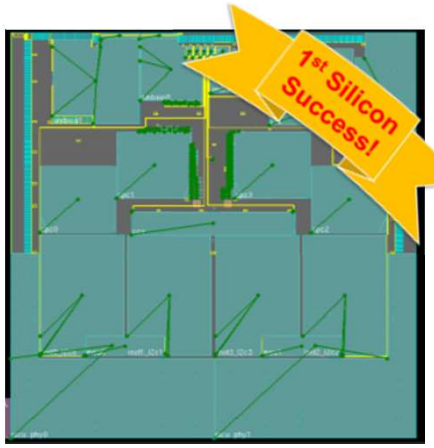
Design Showcases (cont'd)

High Speed Networking Solution at 40/65nm

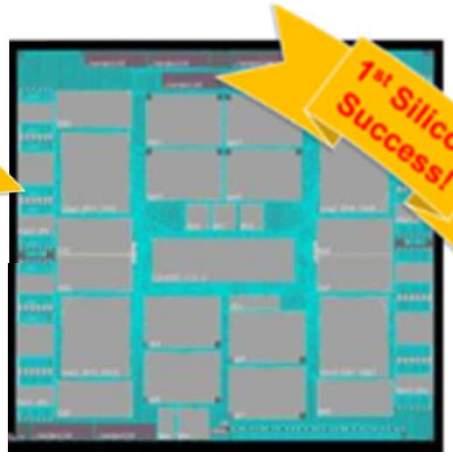
The world's fastest supercomputer (2010)



- TSMC 40nm GP



- TSMC 40 nm GP



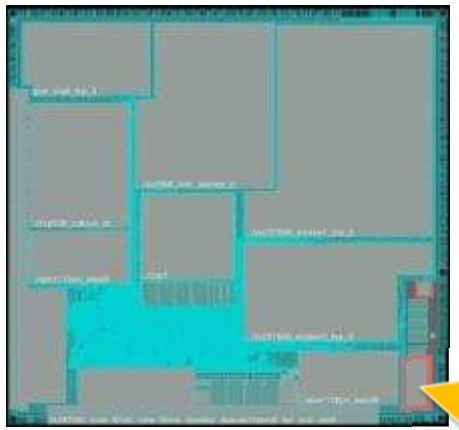
- TSMC 65 nm GP

Design Showcases (cont'd)

Proven TD-LTE Baseband Solution at 40/55nm

Tier one consumer customer in China

- TSMC 40 nm LP
- TSMC 55 nm LP

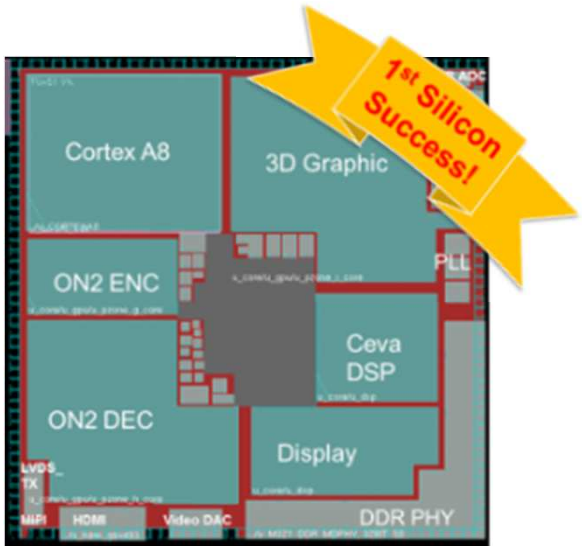


1st Silicon Success!

Design Showcases (cont'd)

Tablet PC (ARM Cortex) at 40/55nm

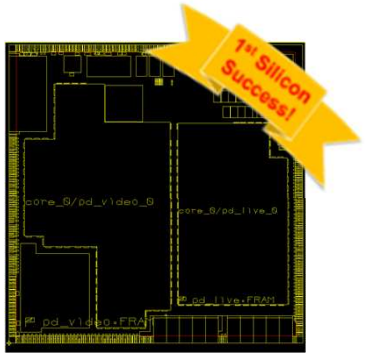
- TSMC 55 nm GP



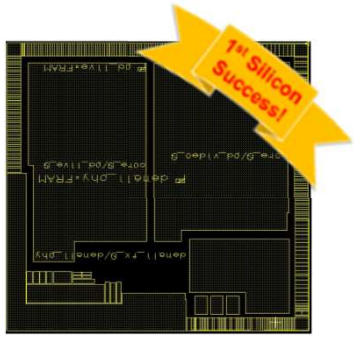
Design Showcases (cont'd)

High Performance DSC Solution at 40/55nm

World No.1 OEM of digital cameras market

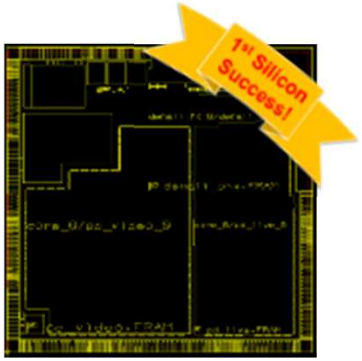


- TSMC 40 nm LP

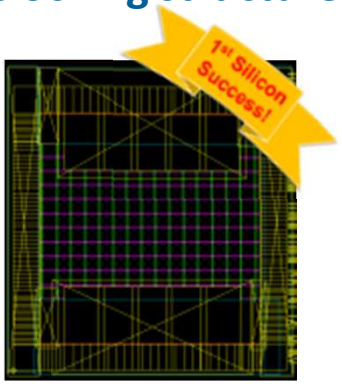


- TSMC 55 nm GP

Accomplished design with highly complicated clocking structure!



- TSMC 55 nm GP



- TSMC 180nm