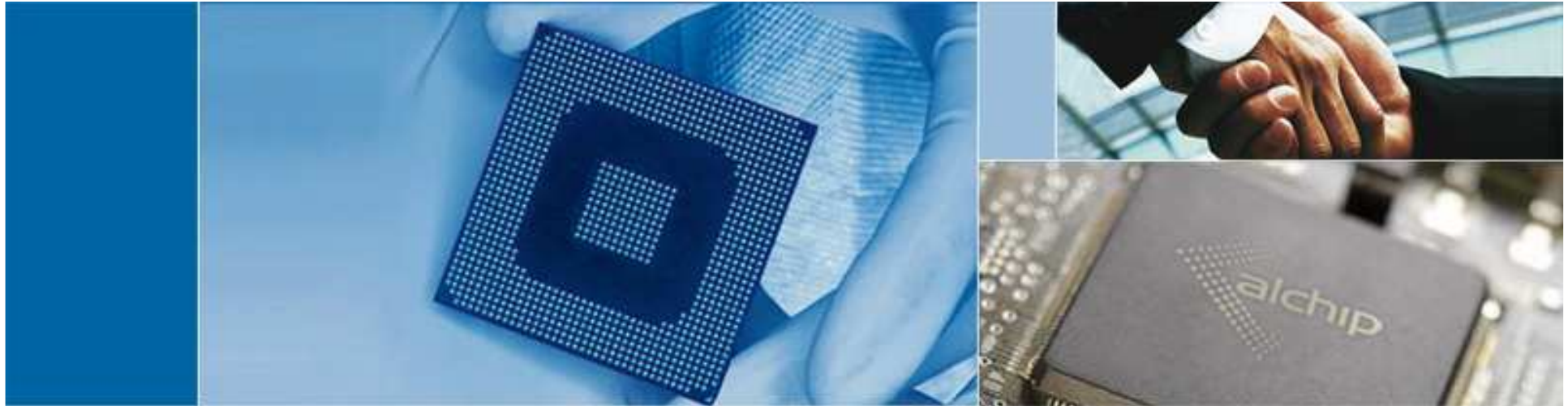




(3661 TT)



Alchip Technologies

3Q14 Institutional Investor Meeting

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.

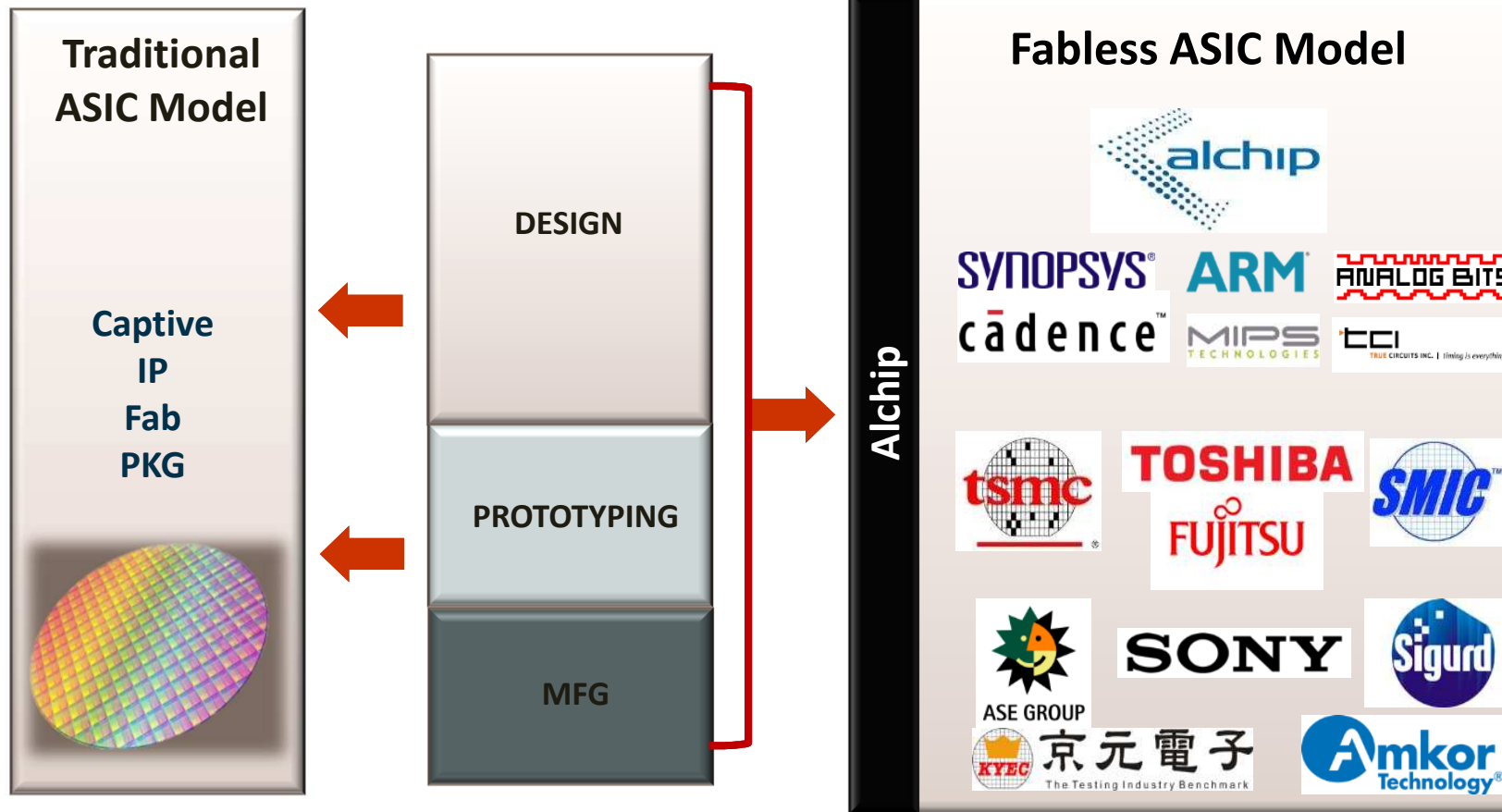
Corporate Snapshot



- Founded: February 2003
- **Chairman: Kingying Kwan, CEO: Johnny Shen**
- **Business: ASIC design service and manufacturing**
- Employee: 245
- Capital: 634 million NT dollars



Business Model



IDM

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

Value and Strengths



Strength

Cutting Edge SoC Design

- First Asia Pacific ASIC supplier start 28nm production
- First ASIC supplier with 20nm product on the market
- Unique; self-developed 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

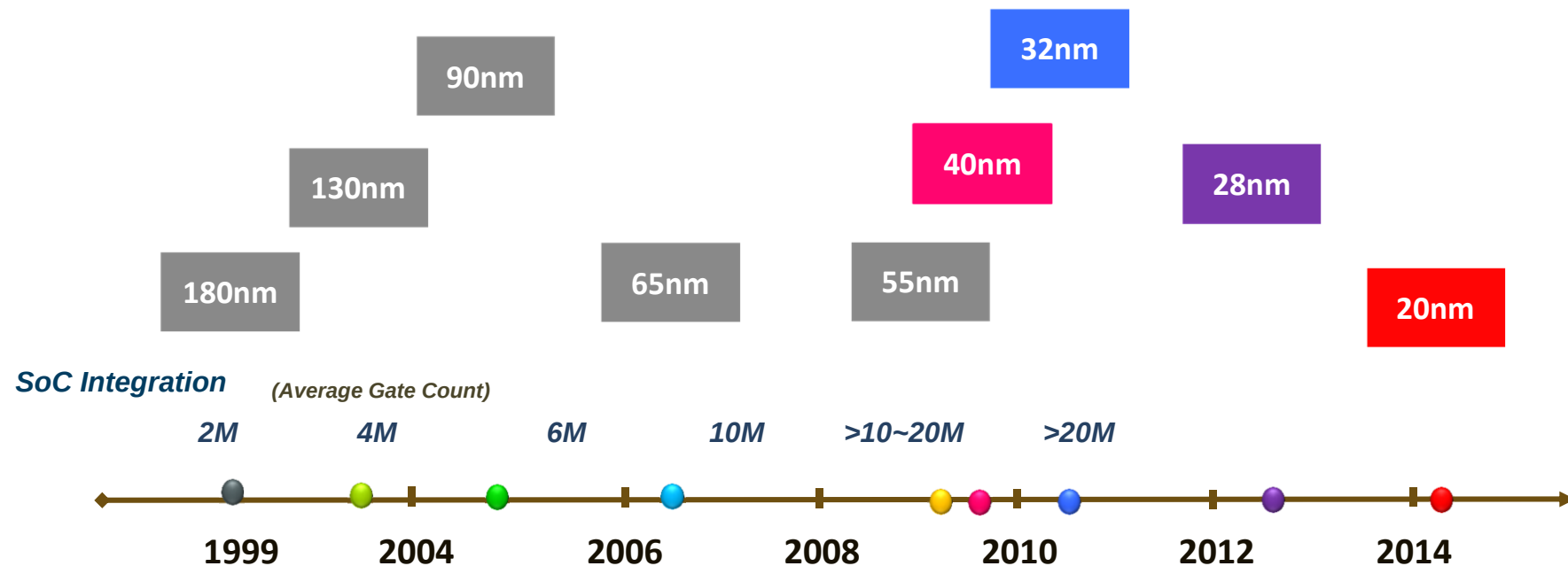
- Only one-month needed for simple design
- Three-month for complicated designs
- Typically six-month cycle time from Kick-off to Chip-out
- 100% one-time silicon success



Cost Advantage

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

Advanced Technology Readiness



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

3Q14 Operation Recap



- ***Continuously strong sales momentum***
 - UHD TV chip shipments to Japan & Korea customers kept climbing
 - Revenue from advance technology in 3Q accounts for 69% of total revenue
 - 1Q-3Q accumulated revenue from advance technology nodes accounts for 68% of total revenue, 10 ppt higher than in 2013
 - Bitcoin mining chip customers keeps moving to more advanced technology nodes
 - Diversifying geographical revenue breakdown
 - Kick-off of mobile device used ISP project

Advance nodes means 55nm or more advance nodes

Quarterly P&L Performance



US\$'000	1Q14	2Q14	3Q14	QoQ (%)
Sales	27,749	44,043	43,269	(1.8)
COGs	20,977	36,744	35,228	(4.1)
Gross Profit	6,772	7,299	8,041	10.2
Operating Expense	4,672	4,944	5,115	3.5
Operating Profit	2,100	2,356	2,926	24.2
Net Non-Operating	(45)	61	140	130.9
Pre-tax Profit	2,055	2,417	3,066	26.9
Tax	301	439	117	(73.2)
Net Profit	1,754	1,978	2,949	49.0
EPS (NT\$)	0.98	1.10	1.62	(1.8)
(EPS is based on con-current shares and exchange rates)				

Yearly P&L Performance

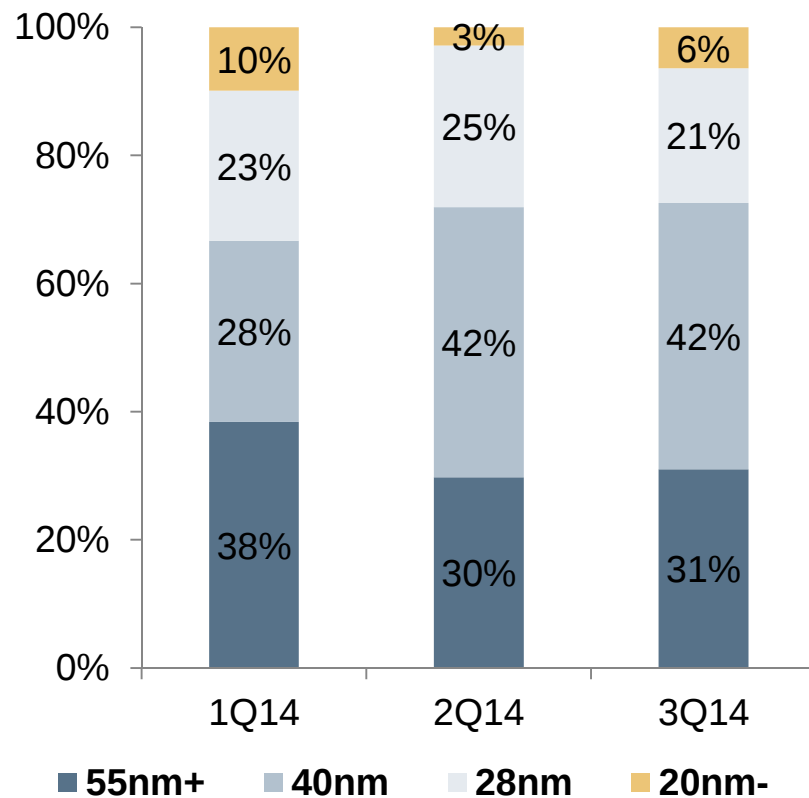


US\$'000	2012	YoY (%)	2013	YoY(%)	1Q-3Q14
Sales	90,336	2.6	87,021	3.7	115,062
COGs	70,043	4.9	61,494	(12.2)	92,949
Gross Profit	20,293	(4.6)	25,527	25.8	22,113
Operating Expense	18,668	5.1	19,260	3.2	14,731
Operating Profit	1,625	(53.6)	6,267	286.7	7,382
Net Non-Operating	(882)	14.4	(1,441)	29.4	155
Pre-tax Profit	743	(72.8)	5,126	589.7	7,538
Tax	426	(20.4)	1,433	236.1	857
Net Profit	317	(85.6)	3,692	1066	6,681
EPS (NT\$)	0.17		2.05		3.71
(EPS is based on con-current shares and exchange rates)					

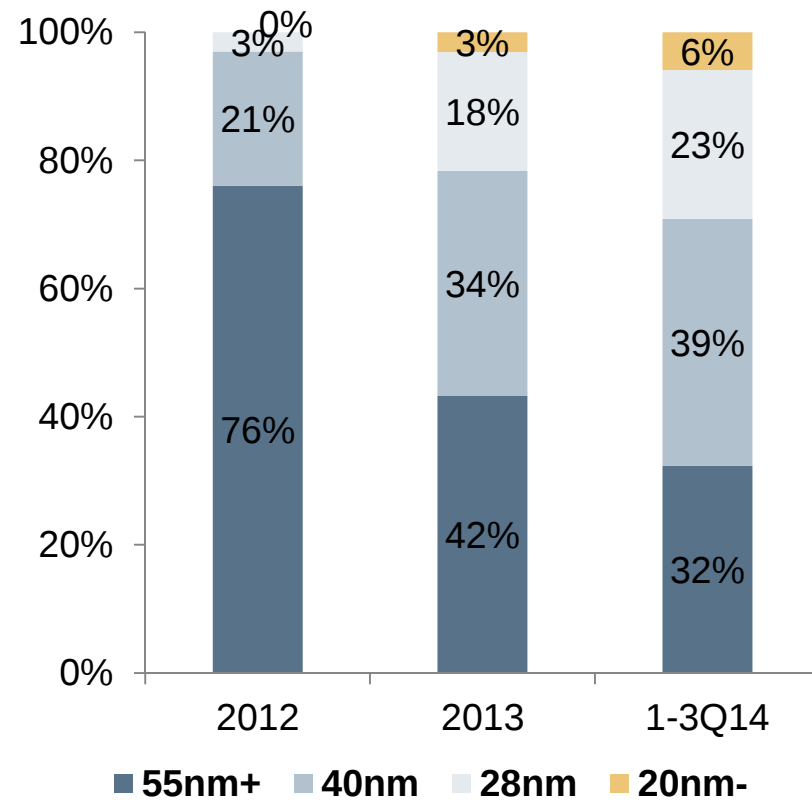


Revenue breakdown by technology nodes

Quarterly Breakdown



Yearly Breakdown

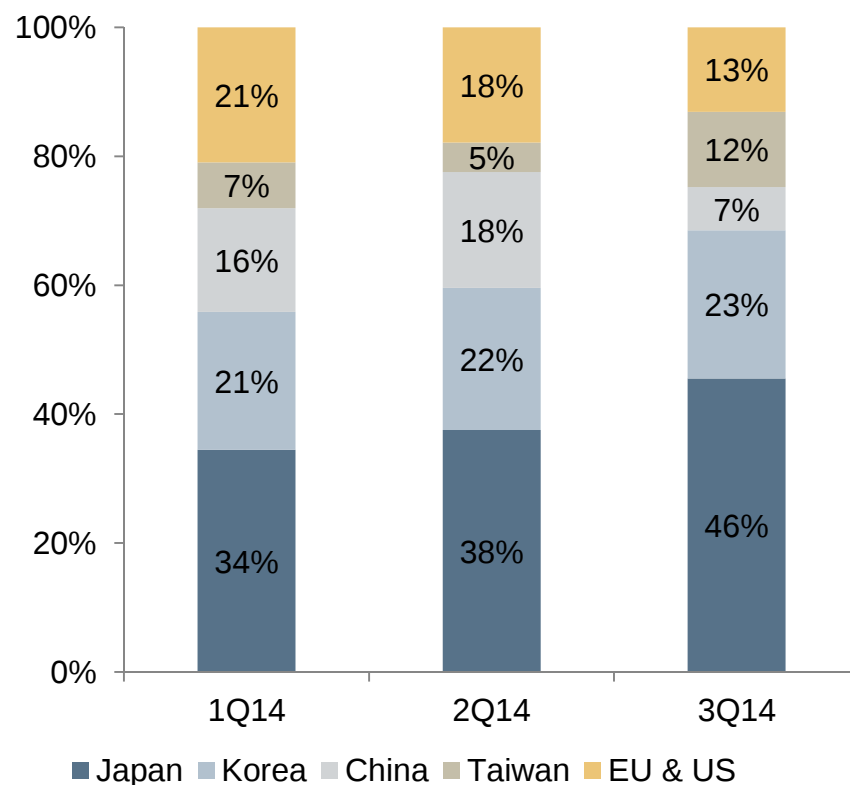


Advance nodes means 55nm or more advance nodes

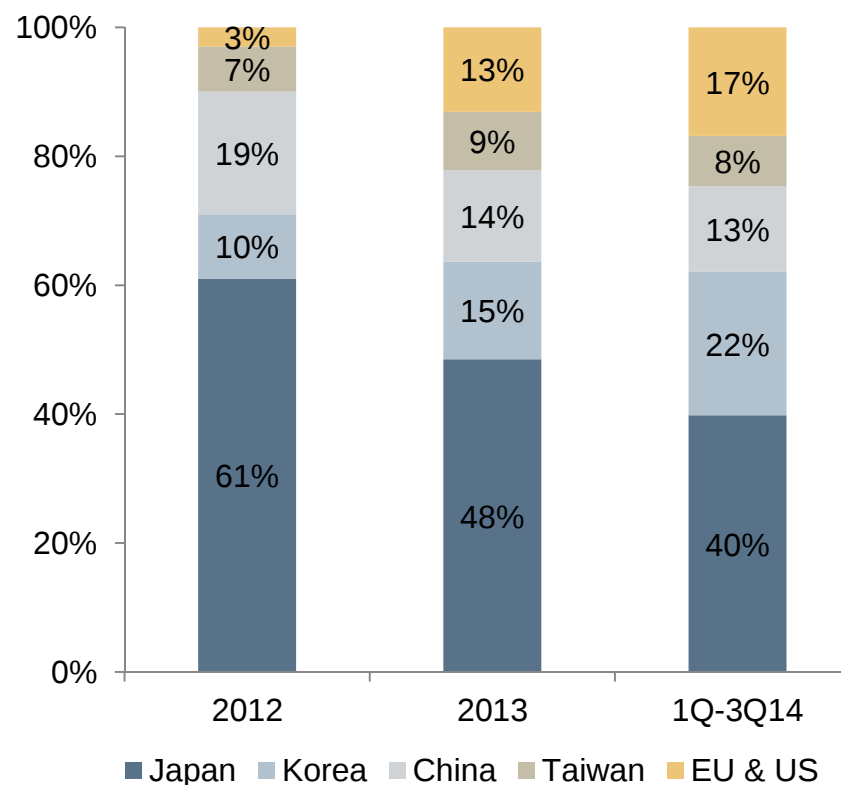


Geographical Breakdown

Quarterly breakdown



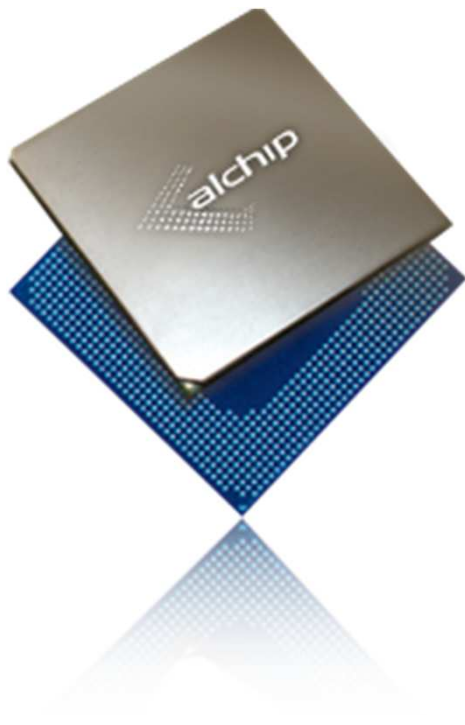
Yearly Breakdown



Growth Drivers



- ***UHD TV chips***
 - Continuous shipment to Japan and Korea customers
- ***Niche market***
 - Amusement machine main chip will go into mass production soon
 - Bitcoin mining machine customers keeps moving on to more advanced technology nodes
- ***New customers and now applications***
 - Won new sound system customers in Japan market
 - ISP chip for mobile devices goes into mass production soon



Thanks !

www.alchip.com





**Trusted Silicon Partner
Realizing Innovations**

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