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@343, Engineer@239

Paid-in Capital: NT$607M

China

Shanghai
11F, East tower Greenland Center, 596 Mid-Longhua Road, Xuhui Dist.

Wuxi
4F, Building A5, No.777, Jianzhuxi Road, Binhu District, Wuxi, Jiangsu,

Hefei
6F, Building C4, No. 800,Wangjiang West Road, Gaoxin District, Hefei City, Anhui Province,

Taiwan

Taipei
Taipei (Headquarters)
9F., No.12, Wenhu St., Neihu Dist.,

Hsinchu
11F.-1, No.1, Taiyuan 1 St., Zhubei City, Hsinchu County

Japan

Sin-Yokohama
10F Shin-Yokohama Square Bldg, 2-3-12 Shin-Yokohama, Kouhoku Yokohama Kanagawa Japan

Korea

Seoul
A-903, 559, Dowha-dong, Mapo-gu, Seoul, 121-784, KOREA

North America

Silicon Valley
P. O. Box 5176Santa Clara, CA 95056-5176
ASIC Application Market

Global ASIC Market is valued US$25 billion
## 1H17 Quarterly Income Statement

<table>
<thead>
<tr>
<th></th>
<th>1Q17</th>
<th>QoQ(%)</th>
<th>YoY(%)</th>
<th>2Q17</th>
<th>QoQ(%)</th>
<th>YoY(%)</th>
<th>1H17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>24,622</td>
<td>-23</td>
<td>-14</td>
<td>38,434</td>
<td>56</td>
<td>53</td>
<td>63,056</td>
</tr>
<tr>
<td><strong>COGs</strong></td>
<td>17,543</td>
<td>-33</td>
<td>-25</td>
<td>28,136</td>
<td>60</td>
<td>14</td>
<td>45,679</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>7,079</td>
<td>18</td>
<td>37</td>
<td>10,298</td>
<td>45</td>
<td>1691</td>
<td>17,377</td>
</tr>
<tr>
<td><strong>Op. Exp</strong></td>
<td>6,144</td>
<td>17</td>
<td>19</td>
<td>7,263</td>
<td>18</td>
<td>11</td>
<td>13,407</td>
</tr>
<tr>
<td><strong>Op. Income</strong></td>
<td>935</td>
<td>21</td>
<td>nm</td>
<td>3,035</td>
<td>225</td>
<td>nm</td>
<td>3,970</td>
</tr>
<tr>
<td><strong>Non. Op.</strong></td>
<td>328</td>
<td>-6</td>
<td>10</td>
<td>513</td>
<td>57</td>
<td>nm</td>
<td>841</td>
</tr>
<tr>
<td><strong>Pre-Tax Profit</strong></td>
<td>1,263</td>
<td>13</td>
<td>356</td>
<td>3,548</td>
<td>181</td>
<td>nm</td>
<td>4,811</td>
</tr>
<tr>
<td><strong>Income Tax</strong></td>
<td>-64</td>
<td>-120</td>
<td>434</td>
<td>-513</td>
<td>701</td>
<td>3</td>
<td>-577</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>1,199</td>
<td>-17</td>
<td>354</td>
<td>3,035</td>
<td>153</td>
<td>nm</td>
<td>4,234</td>
</tr>
<tr>
<td><strong>EPS (NT$)</strong></td>
<td>0.61</td>
<td>1.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.14</td>
</tr>
</tbody>
</table>
1H17 Operation Recap

1H17 revenue came at US$63.1M, up 17.2% YoY

- Shipments of HPC and Japan entertainment chips are the major contributors
- Benefited by increasing mix of service and HPC related revenue, the 1H gross margin reached 27.6% (vs. 1H16 @ 10.7%)

2Q17 revenue at US$38.4M, up 56% and 53%, QoQ and YoY, respectively

- Shipments began for Japan HPC customers in 2Q
- HPC related revenue approaching 50% of our total revenue in 2Q
Revenue breakdown by application

Quarterly breakdown

15-1H17 yearly breakdown

TV  Consumer Elec  Networking  Niche

Japan  China  Korea  Taiwan  Others
Revenue breakdown by process node

Quarterly breakdown

15-1H17 yearly breakdown

Advanced process node means 40nm or better
Revenue breakdown by region

Quarterly breakdown

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Japan</th>
<th>China</th>
<th>Korea</th>
<th>Taiwan</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q16</td>
<td>28%</td>
<td>50%</td>
<td>3%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>4Q16</td>
<td>31%</td>
<td>38%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1Q17</td>
<td>28%</td>
<td>29%</td>
<td>10%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>2Q17</td>
<td>73%</td>
<td>30%</td>
<td>11%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

15-1H17 yearly breakdown

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>China</th>
<th>Korea</th>
<th>Taiwan</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>22%</td>
<td>29%</td>
<td>12%</td>
<td>4%</td>
<td>16%</td>
</tr>
<tr>
<td>2016</td>
<td>25%</td>
<td>24%</td>
<td>12%</td>
<td>4%</td>
<td>18%</td>
</tr>
<tr>
<td>1H17</td>
<td>55%</td>
<td>18%</td>
<td>9%</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>
Track Record

Over 300 successful tape-outs since establishment
Thanks!

www.alchip.com
Taipei/Hsinchu | Shin Yokohama | Santa Clara | Shanghai/Wuxi | Seoul

**Corporate Headquarters**

9F, No.12., Wenhu St., Neihu Dist., Taipei, Taiwan 114

Tel +886-2-2799-2318

Fax +886-2-2799-7389