

AP MEMORY TECHNOLOGY CORP. ROADSHOW

2017.04.20
KGI Security Co.12F

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OUTLINES

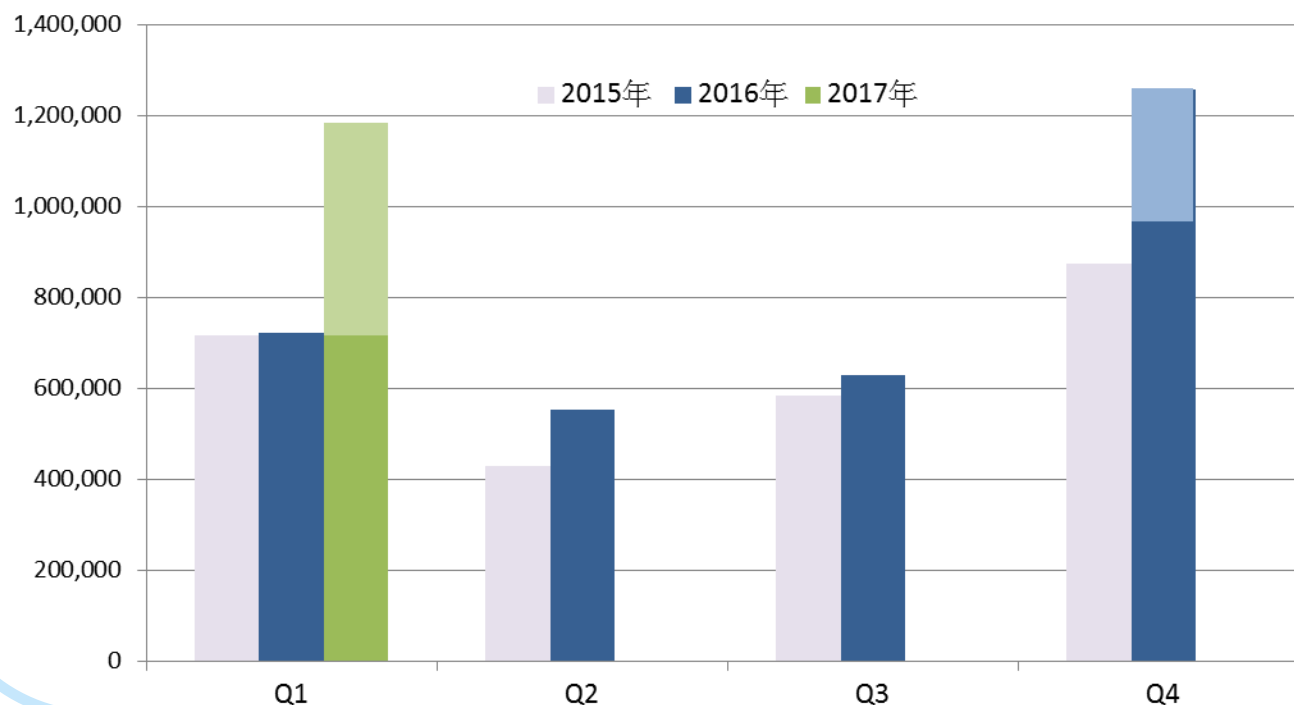
- Financial Data
- Business Highlights
- Future Outlook

Financial Data

Quarterly Revenue Informaion

| in NT\$K | Q1 | Q2 | Q3 | Q4 | Total |
|--------------|-----------|---------|---------|-----------|-----------|
| 2017* | 1,184,074 | | | | 1,184,074 |
| 2016* | 722,375 | 552,861 | 628,962 | 1,257,734 | 3,161,932 |
| 2015 | 715,721 | 429,627 | 583,666 | 873,496 | 2,602,510 |

* Including Zentel since 2016.11



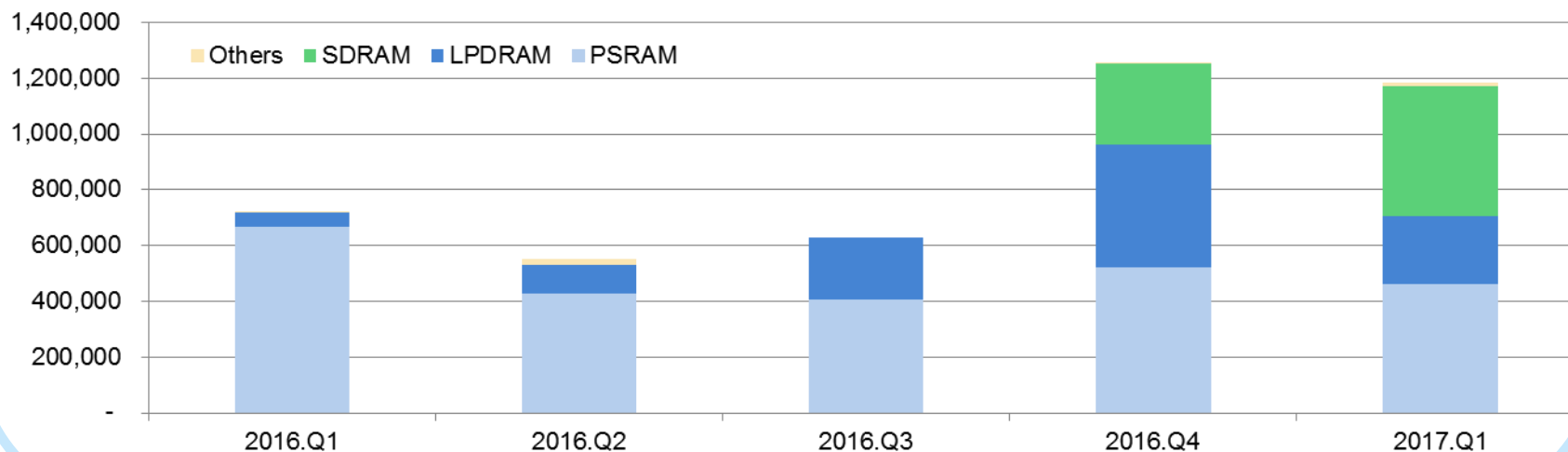
Revenue Info by Product Line

in NT\$K

| | 2016.Q1 | | 2016.Q2 | | 2016.Q3 | | 2016.Q4 | | 2017.Q1 | |
|----------|---------|------|---------|------|---------|------|-----------|------|-----------|------|
| PSRAM | 666,334 | 92% | 428,887 | 77% | 406,896 | 65% | 521,220 | 41% | 462,052 | 39% |
| LPDRAM | 51,722 | 7% | 103,338 | 19% | 222,066 | 35% | 440,587 | 35% | 244,585 | 21% |
| SDRAM* | - | 0% | - | 0% | - | 0% | 292,898 | 23% | 466,679 | 39% |
| Others** | 4,319 | 1% | 20,636 | 4% | - | 0% | 3,029 | 0% | 10,757 | 1% |
| | 722,375 | 100% | 552,861 | 100% | 628,962 | 100% | 1,257,734 | 100% | 1,184,074 | 100% |

* Including Zentel since 2016.11

** Licensing Fees mainly



2016 Consolidated I/S

| in NT\$K | 2016 | 2015 | ΔAMT | Δ% |
|--------------------|-----------|-----------|----------|-------|
| Revenue | 3,161,932 | 2,602,510 | 559,422 | 21% |
| Gross Margin | 940,246 | 951,991 | (11,745) | -1% |
| G/M % | 30% | 37% | | |
| Operating Exp. | 415,866 | 434,780 | (18,914) | -4% |
| Operating Income | 524,380 | 517,211 | 7,169 | 1% |
| Non-operating G(L) | 17% | 20% | | |
| Net Income | (18,868) | 52,532 | (71,400) | -136% |
| EPS (NT\$) | 386,897 | 465,596 | (78,699) | -17% |
| Revenue | 12% | 18% | | |
| Gross Margin | 6.07 | 7.58 | | |

| in NT\$K | YoY | | | QoQ | |
|--------------------|-----------|---------|------|----------|-------|
| | 2016.Q4 | 2015.Q4 | Δ% | 2016.Q3 | Δ% |
| Revenue | 1,257,734 | 873,496 | 44% | 628,962 | 100% |
| Gross Margin | 306,282 | 328,815 | -7% | 166,867 | 84% |
| G/M % | 24% | 38% | | 27% | |
| Operating Exp. | 92,658 | 128,829 | -28% | 118,932 | -22% |
| Operating Income | 213,624 | 199,986 | 7% | 47,935 | 346% |
| Non-operating G(L) | 17% | 23% | | 8% | |
| Net Income | 42,195 | 6,944 | 508% | (37,525) | -212% |
| EPS (NT\$) | 192,839 | 171,615 | 12% | 6,258 | 2981% |
| Revenue | 15% | 20% | | 1% | |
| Gross Margin | 3.12 | 2.77 | | 0.09 | |

2016.12.31 Consolidated B/S

| in NT\$K | 2016.12.31 | | 2015.12.31 | | ΔAMT | Δ% |
|---------------------------------|------------------|------------|------------------|------------|------------------|------------|
| | AMT | % | AMT | % | | |
| Cash & Cash Equiv. | 1,478,890 | 38 | 817,315 | 40 | 661,575 | 81 |
| A/R(Net) | 1,090,771 | 28 | 954,058 | 46 | 136,713 | 14 |
| Inventory (Net) | 652,932 | 17 | 154,429 | 8 | 498,503 | 323 |
| Prepaid Mask & Probe Cards | 140,080 | 4 | 35,783 | 2 | 104,297 | 291 |
| Prepaid Equipment | 56,468 | 1 | 46,929 | 2 | 9,539 | 20 |
| Investments under Equity Method | 75,465 | 2 | - | - | 75,465 | - |
| Plant, Property and Equip | 80,507 | 2 | 4,695 | - | 75,812 | 1,615 |
| Goodwills | 76,290 | 2 | - | - | 76,290 | - |
| Other Intangible assets | 113,638 | 3 | 234 | - | 113,404 | 48,463 |
| Others | 89,069 | 2 | 41,760 | 2 | 47,309 | 113 |
| Total Assets | 3,854,110 | 100 | 2,055,203 | 100 | 1,798,907 | 88 |
| Loans | 280,066 | 7 | - | - | 280,066 | - |
| A/P | 442,372 | 11 | 198,566 | 10 | 243,806 | 123 |
| Other Payables* | 144,562 | 4 | 51,362 | 2 | 93,200 | 181 |
| Income Tax Payables | 55,183 | 1 | 48,773 | 2 | 6,410 | 13 |
| Others | 26,483 | 1 | 4,338 | - | 22,145 | 511 |
| Total Liab. | 948,666 | 25 | 303,039 | 15 | 645,627 | 213 |
| Common Stocks | 704,503 | 18 | 624,053 | 30 | 80,450 | 13 |
| Additional Paid-in Capital | 792,513 | 21 | 154,262 | 8 | 638,251 | 414 |
| Retained Earnings | 1,071,407 | 28 | 980,800 | 48 | 90,607 | 9 |
| Others | (21,837) | (1) | (6,951) | - | (14,886) | 214 |
| Owners' Equity | 2,546,586 | 66 | 1,752,164 | 85 | 794,422 | 45 |
| Non-controlling Interests | 358,858 | 9 | - | - | 358,858 | - |
| Total Equity | 2,905,444 | 75 | 1,752,164 | 85 | 1,153,280 | 66 |
| BV per Share | 36.15 | | 28.08 | | | |

* Including salaries payables, masks and probe cards payables, bonus payables, etc.

A/R and Bad Debt Allowance

| in NT\$K | 2016.12.31* | | 2016.09.30 | | 2016.06.30 | | 2015.12.31 | |
|------------------|-------------|------|------------|------|------------|------|------------|------|
| | AMT | % | AMT | % | AMT | % | AMT | % |
| Not Overdue | 867,856 | 79% | 515,630 | 64% | 322,667 | 52% | 556,486 | 58% |
| 0~ 60 days | 174,848 | 16% | 126,554 | 16% | 269,257 | 43% | 397,572 | 42% |
| 61~ 90 days | 56,326 | 5% | 42,093 | 5% | 32,275 | 5% | 0 | 0% |
| 91~120 days | 3,030 | 0% | 121,156 | 15% | 0 | 0% | 0 | 0% |
| A/R | 1,102,060 | 100% | 805,433 | 100% | 624,199 | 100% | 954,058 | 100% |
| Bad Debt Allows. | (11,289) | -1% | (65,627) | -8% | (19,560) | -3% | 0 | 0% |
| A/R (Net) | 1,090,771 | 99% | 739,806 | 92% | 604,639 | 97% | 954,058 | 100% |

2016 Cash Flow Status

| in NT\$ K | Individual | | Consolidated | |
|--|------------|-----------|--------------|-----------|
| | 2016 | 2015 | 2016 | 2015 |
| Operating Cash Flows | | | | |
| Cash from operating | 411,744 | 274,651 | 492,381 | 258,401 |
| Interests received | 4,970 | 4,001 | 5,213 | 4,001 |
| Income tax paid | (98,652) | (139,244) | (98,769) | (139,244) |
| Net cash inflow from Operating | 318,062 | 139,408 | 398,825 | 123,158 |
| Investing Cash Flows | | | | |
| Net cash outflow from Investing | (632,344) | (73,078) | (77,967) | (48,181) |
| Financing Cash Flows | | | | |
| Net cash flow from financing | 337,742 | (162,536) | 297,302 | (162,536) |
| Foreign Exchange Influences | | | (6,544) | 631 |
| (Decrease)Increase of Cash and Cash Equiv. | 23,463 | (96,206) | 611,616 | (86,928) |
| Beginning Balance | 747,290 | 843,496 | 764,594 | 851,522 |
| End Balance | 770,750 | 747,290 | 1,376,210 | 764,594 |

Business Highlights

Main Products

- **Low Density Mobile-RAM (PSRAM)**
 - Steady shipment as expected
 - Continually explore and boil up the new application market
- **Mid-to-High Density Mobile-RAM (LPDRAM)**
 - Strong demand in the low-to-mid smart phone customers
 - Concerns about the supply of other related key components
- **Specialty DRAM (SDRAM)**
 - Strong demands on the application market of industry-control, automation system, automotive electronics
 - Optimize the supply capacity to gain from the demand

Future Outlooks

Future Development

- Position
 - A Specialty Solution Provider with DRAM Technology
 - Innovative R&D
 - Seeking for special niche application market
- Revenue Sources
 - ICs & KGDs
 - Design Services and Joint Developments
 - IP Authorization
- Synergy of the alliance with Zentel
 - Optimize the research resources
 - Expand the breadth of the market

The Alliance with Zentel Electronics Corp. (3553.TW)

- **1st Stage**

- Tender offer Zentel' s shares for 50~100% at NT\$14.5
- The whole transaction shares: 37,531,281(55.24%)
- Transaction completed on 2016.11.01.

- **2nd Stage**

- **Zentel will be 100% owned subsidiary by purchasing the residual shares at the same price, NT\$14.5, in cash**
- **After the 2017 shareholders meeting, the transference base date is expected to be 2017.10.01.**

Business Outlook

- Push Up the Profitability of the existing Product
 - Adjust part of the ASP reasonably
 - Control the cost effectively
 - Maximize the benefit from the limited resource
- Optimize Product Mix
 - Focus on relative high value product
 - Accumulate the key technology of DRAM
- Expand Future Application Market
 - React to the demands on multiple applications of IoT
 - Found the industry alliance
 - Lead the market by innovative products

Found the industry alliance

旺宏、愛普結盟 打進高通供應鏈

2017年01月13日 04:10 游

分享至Facebook

非揮發性記憶體大廠旺宏與愛普共同開發出整合DRAM與NAND的雙面手機晶片大廠高通旗下旗艦晶片採用，將共同爭

美光、華邦、愛普 合攻物聯網、車電

2016年12月24日 04:10 [蘇嘉維](#) / 台北報導



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記憶體大廠美光科技宣布攜手華邦電 (2344)、愛普 (6531) 以及北京兆易創新組成的Xccela聯盟，將推展Xccela匯流排成為相容於揮發性與非揮發性記憶體等新型態數位連結與資料傳遞匯流排的開放式標準。

法人指出，此舉是為瞄準未來物聯網及車用電子時代記憶體傳輸規格標準化，隨台廠成為聯盟一員，有利未來台灣在記憶體市場搶下更多市占率。

此外，為進一步凸顯應用此種匯流排與支援裝置能提升的效能，美光已將之前宣布的XTRM快閃記憶體，與XTRM匯流排更名為Xccela快閃記憶體及Xccela匯流排。

Press Release from Micron

Source: <http://investors.micron.com/releasedetail.cfm?ReleaseID=1004357>



Dec 15, 2016

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Micron Launches Xccela™ Consortium to Promote High-Speed, Low Signal Count Octal Interface Bus and Ecosystem

Enabling a new generation of instant-on applications in the connected world

BOISE, Idaho, Dec. 15, 2016 (GLOBE NEWSWIRE) – Micron Technology, Inc. (NASDAQ:MU) today announced the creation of the Xccela™ Consortium for semiconductor and electronics companies. The mission of the consortium is to promote the Xccela Bus interface as an open standard for a new type of digital interconnect and data communications bus suitable for volatile and nonvolatile memories as well as other types of integrated circuits. To better highlight the accelerated performance that applications can achieve by using the bus and supported devices, Micron has rebranded its previously announced XTRMFlash™ and XTRMBus™ to Xccela™ Flash and Xccela™ Bus.

Micron, Winbond Electronics, GigaDevice Semiconductor, and **AP Memory** Technology are the initial members of the consortium and will work with other member companies to accelerate the industry efforts to bring a broad set of Xccela Bus compliant memories, controllers, ASICs, SoCs, and other devices to the market.

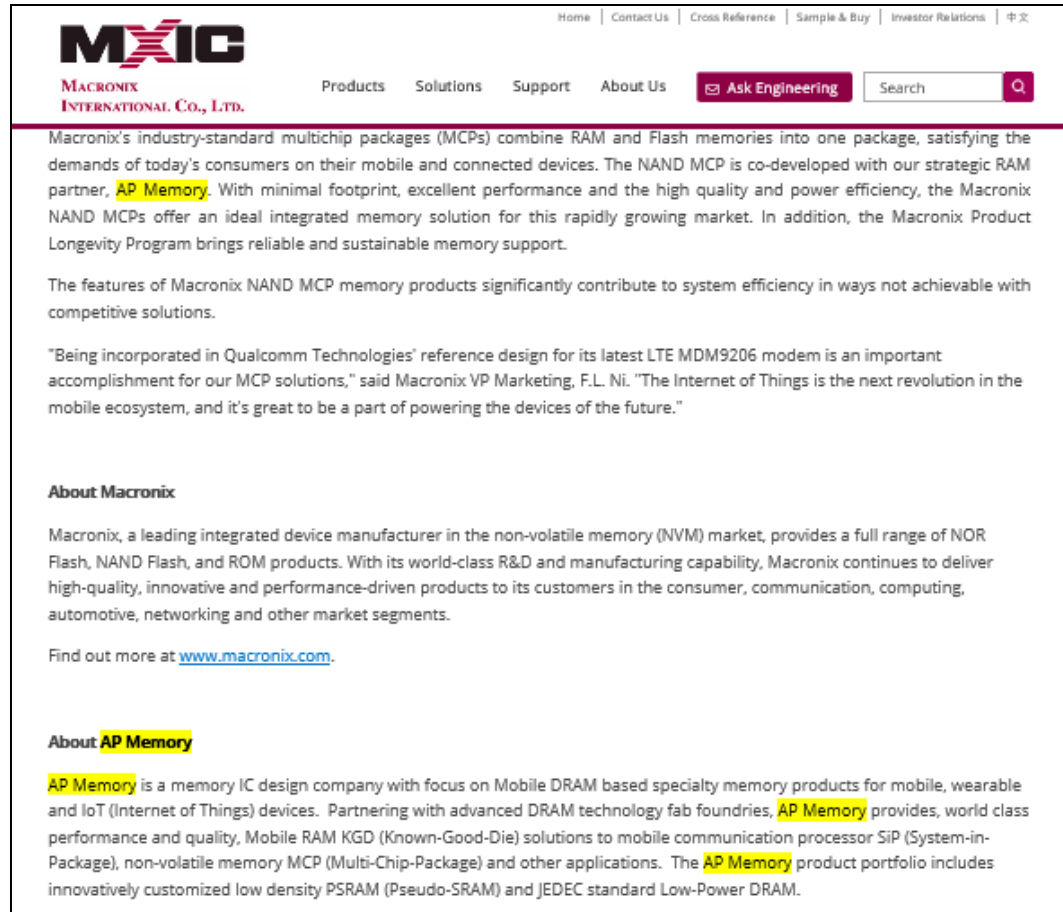
Since the advent of the smart phone, people have become accustomed to graphical user interfaces, instant-on responsiveness, portability, constant connectivity, and much more from their modern day electronic devices. This expectation is becoming the norm as we cram more and more smart electronics into our cars, our living space, and our lives. Meeting the needs of the demanding digital user calls for high performance system buses to accommodate firmware and software execution as well as data processing and storage. Current system bus interfaces often require the tradeoff between performance and footprint, either the high performance of a high pin-count parallel interface or

Press Release from Macronix

Source : <http://www.macronix.com/en-us/about/news/Pages/Macronix-Memory-Incorporated-in-New-Qualcomm-Technologies%E2%80%99-LTE-IoT-Chipset-Reference-Design.aspx>

Macronix Memory Incorporated in New Qualcomm Technologies' LTE IoT Chipset Reference Design

Date: 2017/01/12



The screenshot shows the Macronix International Co., Ltd. website. The header includes the MXIC logo, navigation links (Home, Contact Us, Cross Reference, Sample & Buy, Investor Relations, 中文), and a search bar with an 'Ask Engineering' button. The main content area features a press release titled 'Macronix Memory Incorporated in New Qualcomm Technologies' LTE IoT Chipset Reference Design'. The text describes how Macronix's multichip packages (MCPs) combine RAM and Flash memories into one package, meeting the demands of mobile and connected devices. It highlights the NAND MCP, co-developed with AP Memory, which offers an ideal integrated memory solution. The release also mentions the Macronix Product Longevity Program and the features of Macronix NAND MCP memory products. A quote from F.L. Ni, VP Marketing, is included. The page also has sections for 'About Macronix' and 'About AP Memory'.

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Macronix's industry-standard multichip packages (MCPs) combine RAM and Flash memories into one package, satisfying the demands of today's consumers on their mobile and connected devices. The NAND MCP is co-developed with our strategic RAM partner, **AP Memory**. With minimal footprint, excellent performance and the high quality and power efficiency, the Macronix NAND MCPs offer an ideal integrated memory solution for this rapidly growing market. In addition, the Macronix Product Longevity Program brings reliable and sustainable memory support.

The features of Macronix NAND MCP memory products significantly contribute to system efficiency in ways not achievable with competitive solutions.

"Being incorporated in Qualcomm Technologies' reference design for its latest LTE MDM9206 modem is an important accomplishment for our MCP solutions," said Macronix VP Marketing, F.L. Ni. "The Internet of Things is the next revolution in the mobile ecosystem, and it's great to be a part of powering the devices of the future."

About Macronix

Macronix, a leading integrated device manufacturer in the non-volatile memory (NVM) market, provides a full range of NOR Flash, NAND Flash, and ROM products. With its world-class R&D and manufacturing capability, Macronix continues to deliver high-quality, innovative and performance-driven products to its customers in the consumer, communication, computing, automotive, networking and other market segments.

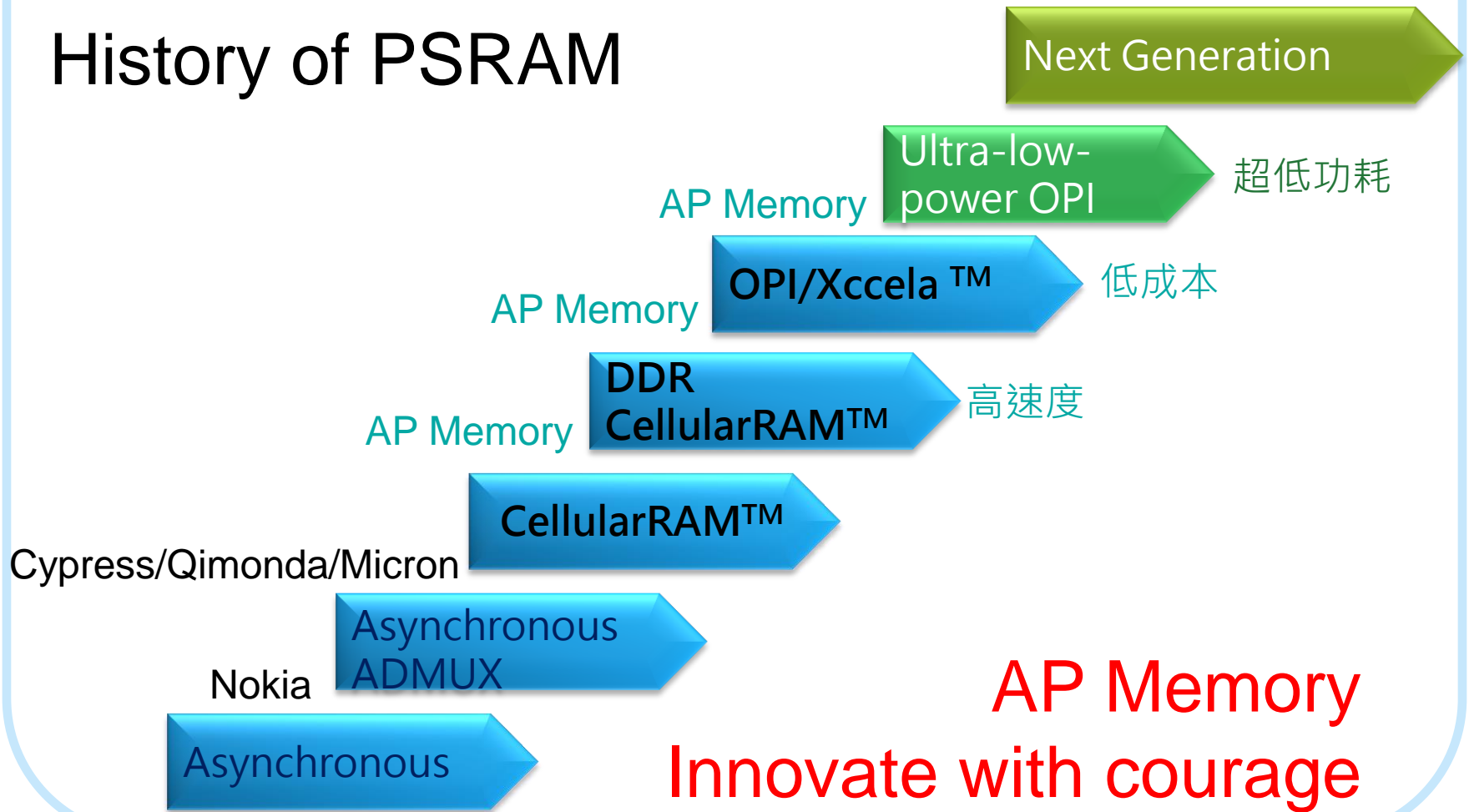
Find out more at www.macronix.com.

About AP Memory

AP Memory is a memory IC design company with focus on Mobile DRAM based specialty memory products for mobile, wearable and IoT (Internet of Things) devices. Partnering with advanced DRAM technology fab foundries, **AP Memory** provides, world class performance and quality, Mobile RAM KGD (Known-Good-Die) solutions to mobile communication processor SiP (System-in-Package), non-volatile memory MCP (Multi-Chip-Package) and other applications. The **AP Memory** product portfolio includes innovatively customized low density PSRAM (Pseudo-SRAM) and JEDEC standard Low-Power DRAM.

Develop new memory SPEC

History of PSRAM





Q & A

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