

Ardentec Corporation

**Morgan Stanley Taiwan Discovery
Seminar 2010**

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Vice President**

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Innovative Testing

Ardentec

Ardentec Overview (Headquarters)

- Founded : Oct. , 1999
- Went IPO in Taiwan in Jan. 2005 (Ticker: 3264)
Market Capitalization: NT\$ 10 billion (on Aug. 31, 2010)
- Location : Hsinchu Industrial Park

Site-I:

Total floor space: 152,000 ft²

Clean room space: 76,000 ft²

Site-II:

Total floor space : 210,000 ft²

Clean room space: 102,000 ft²

Site-III: (ready in Dec. 2010)

Total floor space : 138,500 ft²

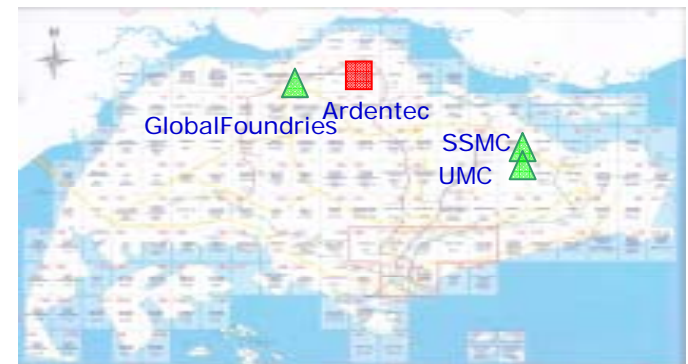
Clean room space: 55,800 ft²

- ISO9001, TS16949, ISO14001, ISO27001, OHSAS18001 and bonded factory status certified.



Singapore Subsidiary

- Found: June, 2006
 - 100% owned subsidiary by Ardentec Corp. in Taiwan
- Paid-in Capital : S\$52.5 million
- Location: 12 Woodlands Loop #02-00, Singapore 738283
 - Total floor space : 58,300 ft²
 - Clean room space : 25,600 ft²
- ISO9001, ISO14001 , ISO27001 & OHSAS18001 certified



KGD/SiP Test Solution Outpacing The Industry

Pursuing Moore's Law extension, SiP (System-in-Package) is right on the track.

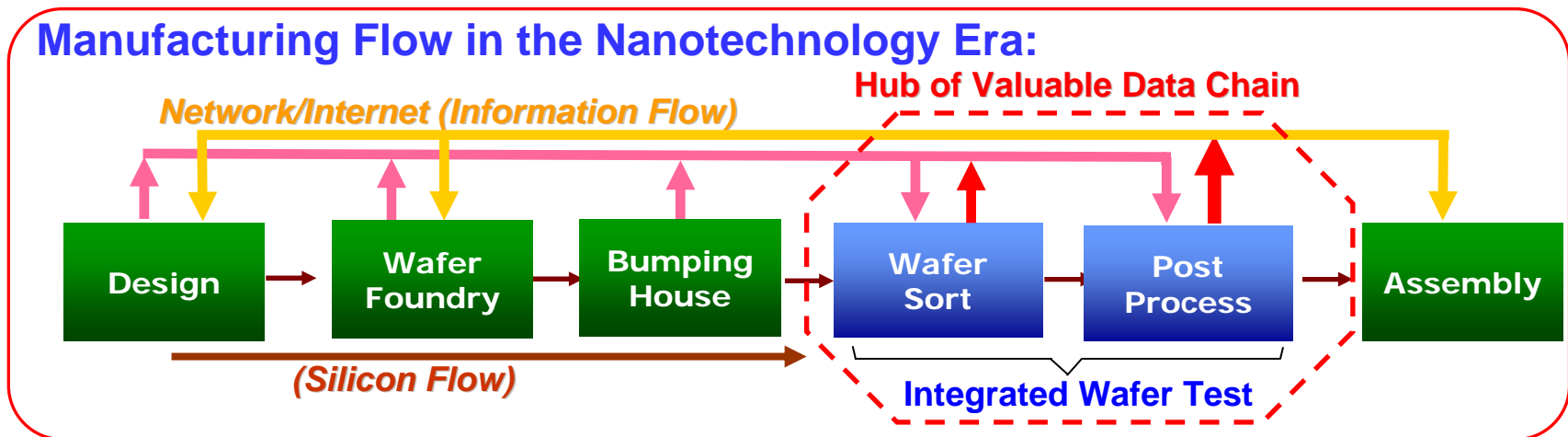
- SiP testing, integrated with heterogeneous functions, usually employs the KGD (Known-Good-Die) prerequisite.
- Relying on KGD is often the only available test solution because there might be no way to perform all the needed tests at SiP level.

KGD Test Technology Implemented by Ardentec

- **Reliability & Outlier Test Process**
 - WLBI (Wafer-Level-Burn-In)
 - Post outlier process with statistical technique and geometrical pattern screening
- **Yield Enhancement**
 - Laser repair
 - Analog trim
 - Registration coding
- **High Integrated Test Flow**
 - Automatic IT processing & monitoring system
- **Cost Down Solution**
 - High throughput/parallelism
- **On-Speed Test**
 - Structure test with DFT
- **Low Power & Mobility**
 - Leakage detection with cold probe
- **Geometry Scaling**
 - 300mm wafer probe
 - Fine pad-pitch probe
 - Fine link-pitch laser trim
 - Low-k/Cu-processed pad probe

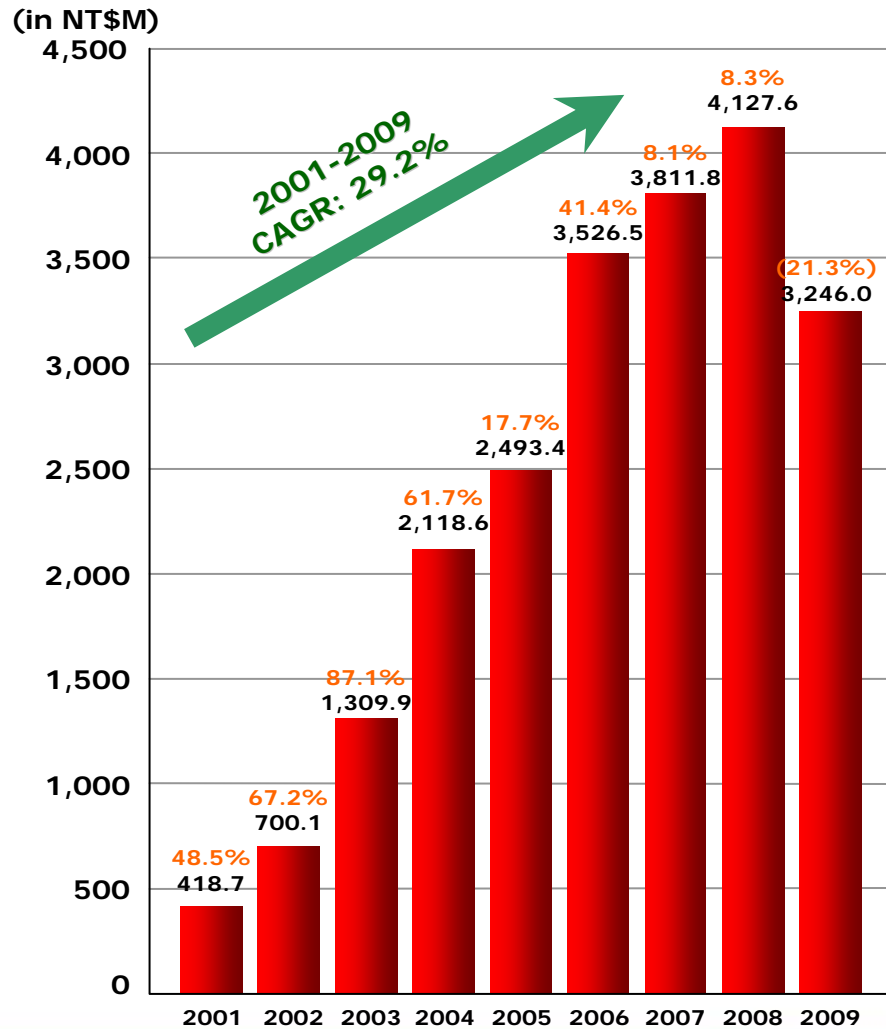
Serve as Hub of New Emerging Value Chain

- A “Post-Process” is implemented in backend flow since entering into nanotechnology era.
- First time all the data come together for analyzing and screening out the unreliable chips.
- Provide the most comprehensive test data through the information highway.
- Serve as hub of valuable data chain.

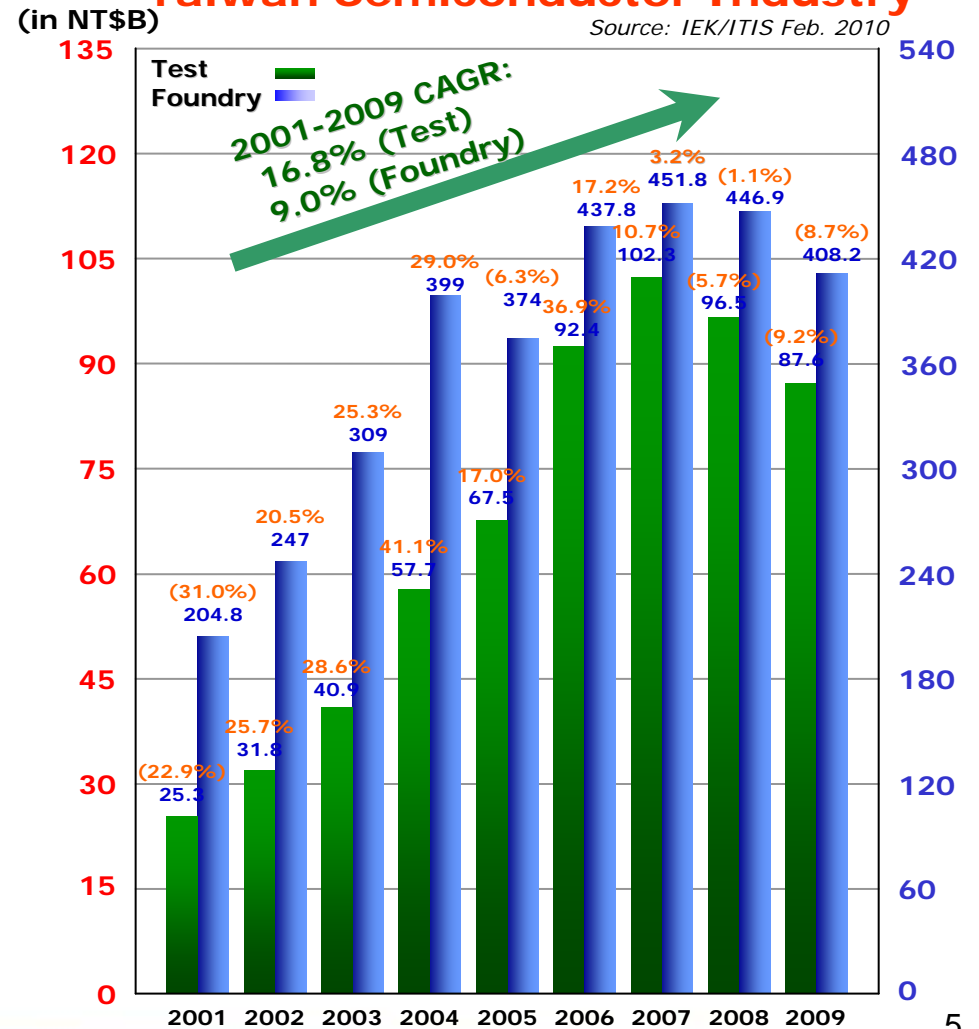


Revenue Growth

Ardentec

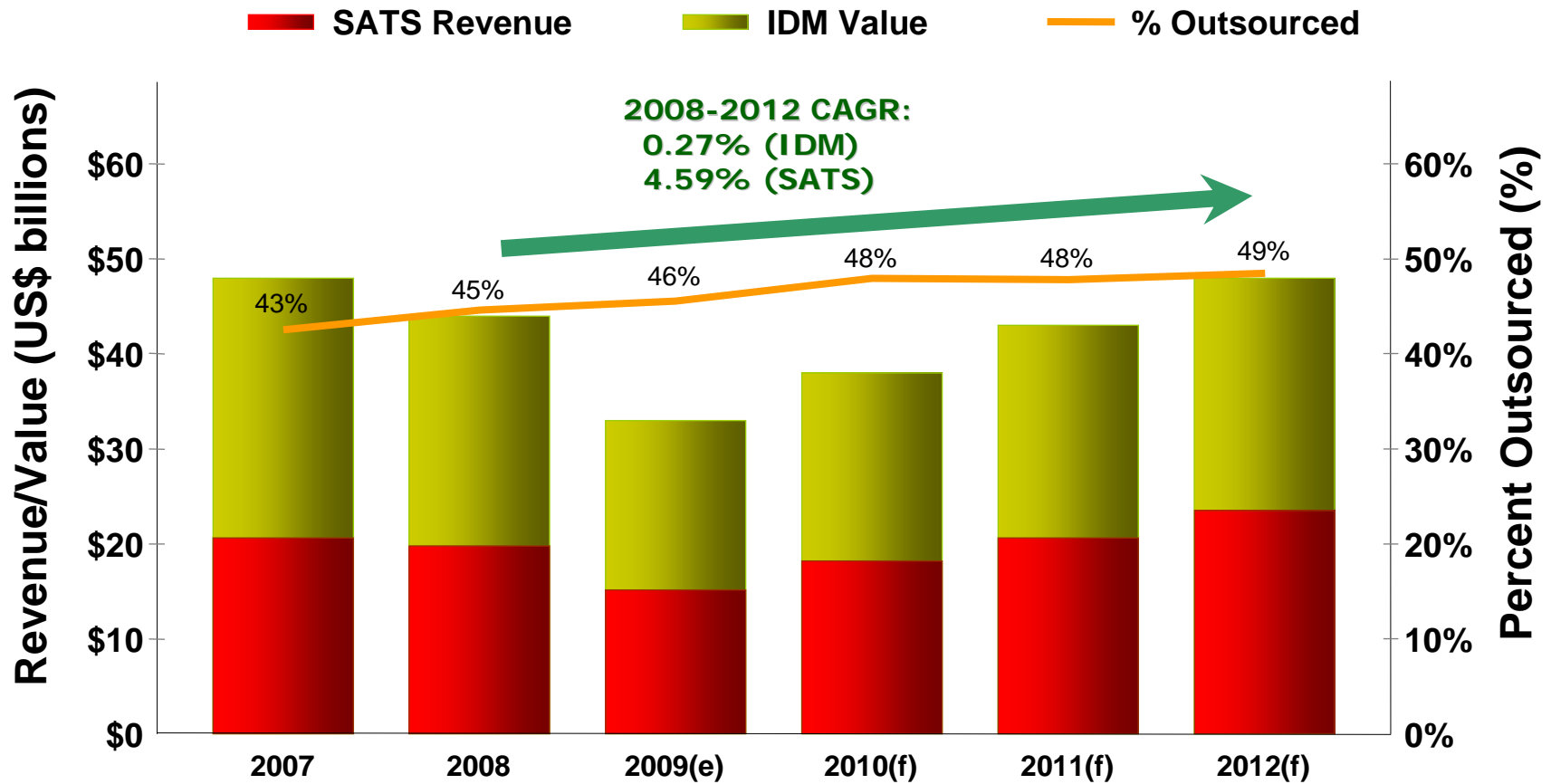


Taiwan Semiconductor Industry



Worldwide Market

The outsourcing trend is up!



Source: Gartner/Dataquest 2009

Revenue of H1/2010

Ardentec (Taiwan)

in NT\$K

	Revenue this period	Revenue previous period	QoQ HoH	Revenue this period/2009	YoY
1Q'10	1,046,667	1,004,129	4.2%	327,929	219.2%
2Q'10	1,154,602	1,046,667	10.3%	681,788	69.3%
H1'10	2,201,269	1,929,540	14.1%	1,009,717	118.0%

Ardentec (Consolidated)

In NT\$K

	Revenue this period	Revenue previous period	QoQ HoH	Revenue this period/2009	YoY
1Q'10	1,182,291	1,126,414	5.0%	358,165	230.1%
2Q'10	1,303,022	1,182,291	10.2%	743,125	75.3%
H1'10	2,485,313	2,145,603	15.8%	1,101,290	125.7%

H1/2010 Income Statement Comparison (Consolidated)

in NT\$K
(except EPS)

	H1/2010	%	H1/2009	%	YoY(%)	H2/2009	%	HoH(%)
Revenue	2,485,313	100	1,101,290	100	126	2,145,603	100	16
Cost of Goods Sold	1,488,519	60	1,124,265	102	32	1,354,263	63	10
Gross Margin	996,794	40	(22,975)	(2)	(4439)	791,340	37	26
Operating Expense	207,390	8	113,656	11	82	157,101	7	32
Operating Income	789,404	32	(136,631)	(13)	(678)	634,239	30	24
Non-Operating Income /Expense	(12,358)	0	(11,693)	(1)	6	(7,331)	0	69
Income before Tax	777,046	31	(148,324)	(14)	(624)	626,908	29	24
Income Tax	(58,661)	(2)	8,313	1	(806)	(87,788)	(4)	(33)
Net Income	<u>718,385</u>	<u>29</u>	<u>(140,011)</u>	<u>(13)</u>	<u>(613)</u>	539,120	25	33
EPS	1.68		(0.33)					

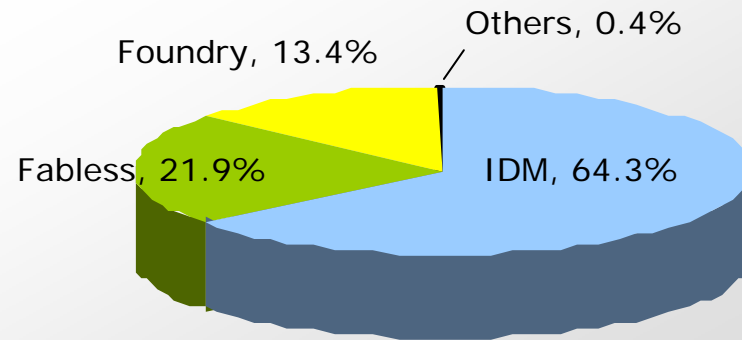
Strong Financial Ratios

	2002	2003	2004	2005	2006	2007	2008	2009
Liquidity Ratios								
Current Ratio	172%	173%	226%	177%	218%	201%	254%	291%
Quick Ratio	165%	168%	215%	167%	206%	195%	250%	285%
Asset Management Ratios								
Fixed Asset Turnover Ratio	0.26	0.43	0.60	0.57	0.68	0.65	0.71	0.57
Total Asset Turnover Ratio	0.21	0.33	0.43	0.40	0.46	0.42	0.43	0.33
Debt Management Ratios								
Debt Ratio	51.0%	46.5%	31.3%	35.9%	29.6%	31.6%	27.0%	23.4%
Times-Interest-Earned Ratio	0.34	3.90	10.08	14.30	19.19	15.96	17.81	13.63
Profitability Ratios								
Gross Margin	10.7%	33.1%	45.3%	40.9%	42.2%	39.0%	39.9%	23.0%
Return On Total Asset	2.7%	11.4%	17.3%	13.7%	15.0%	12.3%	11.8%	4.81%
Return On Shareholders' Equity	0.3%	17.6%	25.2%	19.3%	21.1%	16.6%	15.7%	5.96%
EPS (NT\$ per com. Shr.)	0.03	1.78	3.00	2.62	3.05	2.62	2.53	0.94

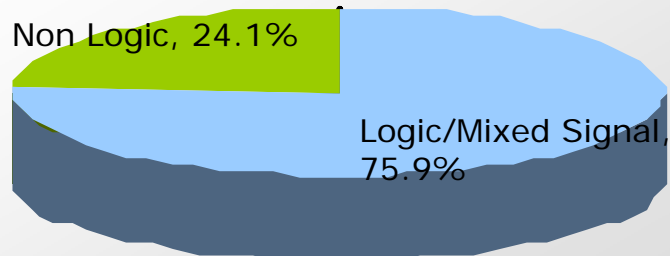
Revenue Breakdown of H1/2010 (Consolidated)

Total revenue of H1, 2010:
NT\$2,485.3M

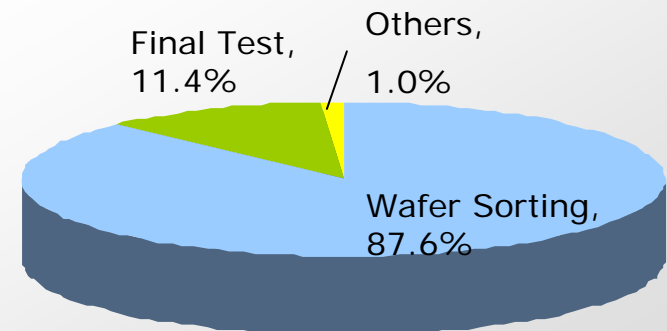
By Customer Type



By Product Type



By Testing Type



Recap of Recent Major Progress

- Received 2007 Outstanding Business Partner Award from SanDisk in Jan. 2008.
- ISO27001 (Information Security Management System) certified in Feb. 2008.
- Successfully penetrated foundry market in Singapore and Malaysia in Q1 and Q4 2008, respectively.
- Received Best Partner Award from Global Unichip in Aug. 2008.
- Awarded the Corporate Governance Certificate CG6004 & CG6005 from TCGA in 2008 and 2009.
- Penetrated into RFIC and WLCSP testing market in Q3 2009.
- Received Award for International Trade Outstanding Export/Import Business Certificate from MOEA in Aug. 2009.
- Signed NT\$2.28 billion syndicated loan agreement with seven banks in Apr. 2010.

Q&A