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ASICs: A Manufacturer's Perspective.

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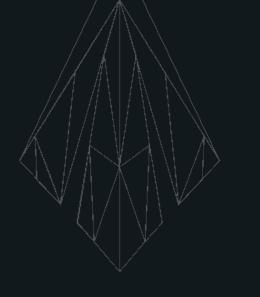
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ASICs: A Manufacturer's Perspective

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Founder & CEO Linzhi Shenzhen







SPEAKER

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Causes of centralization

ASICs don't "cause" centralization.





The economics of a Miner



80-90% of the cost of a Miner is in the ASICs/GPU.

If AMD or Nvidia decided to mine, they could quickly become a central mining power.





CAPex:

Building \$200 mach
Transformers them.

\$200~300 per machines to install

Racks

Land

Miners

Opex:

Electricity Repairs Security

So why don't NVIDIA & AMD farm?

A Typical Chip Company B/S	
Revenue	\$100.00
- Cost of Chip	\$40.00
Gross Margin	\$60.00
- R&D Expense	\$10.00
- SG&A Expense	\$15.00

\$35.00

Net Profit

A Typical Chip Campany D/C

If you are Nvidia, how do you spend this \$35?

- A) Push it back into more R&D on **better chips**?
- B) Start a **new business** of buying land, power contracts, transformers ect, to make money by mining over a long period.

So why don't NVIDIA & AMD farm?

For companies like NVIDIA and AMD, it makes more sense to continue the existing model (IT WORKS) rather than to expand into a business that has a high CAPex, paid back over long periods.

They make chips and sell them quickly.

FURTHER, the chips market is relatively stable: it doesn't (for the most part) have the same volume volatility of crypto mining.

Question: If you were NVIDIA, how many farms would you plan on building and how long would it take?

Different business, different cash flow, too much risk when you have a model that works.

What is Linzhi's business going to be?



It is not the style of hardware that leads to centralization.

It is the style of the business.

Hardware is not your enemy.

Linzhi will save power with revolutionary ETC/ETH ASICs.

The same security with 1/8th of energy costs

Project Lavasnow: An ASIC for ETC and ETH



Machine Spec:

1400 MH/s (vs Bitmain 180)

Power: 1000 W

Daily Revenue: ~\$20

(vs Bitmain ~ \$3.00)

Delivery: April 2019

ROI: <4 month

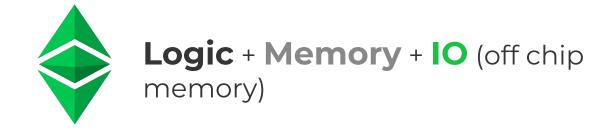
Team Expertise:

8 BTC ASICs, including the first ever No failed tape outs TSMC licence Full custom capability Small and focused

Future Path of useful hardware











Hardware is ready to contribute more



Linzhi Shenzhen Q & A

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