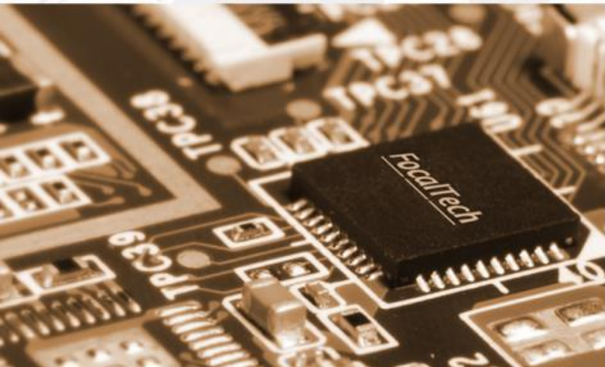
The world leader in human machine interface solutions



FocalTech Investors Conference 2015/10/30

2015 Q3 Financial / Business Summary

- The Q3 net profit of NT$186M, which is an increase of 2.3X over Q2. However, the major contribution is from non-operating income.

  在業外收益挹注下Q3稅前淨利NT$186M，季增2.3倍。

- The negative operating income of Q3 is a direct result of reduced revenue of NT$ 2,890 million, which is down 9% from Q2.

  Q3營收季減9%至NT$2,890M，進而導致營業淨損。

- The reduced revenue in Q3 is primarily due to:
  - Reduction of low-end product as part of our effort to improve the margin.
  - Short term Imbalance of supply and demand of high-end products in Q3.

  營收減少原因：

  為提升毛利，減少低階產品出貨。

  高階產品之供需短期不平衡狀況。

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2015 Q3 Financial / Business Summary

- The gross margin showed a slight improvement and is expect to show a better result in Q4.

  Q3毛利微幅提升，預期Q4仍會往上拉高。

- After capital reduction on Sep. 23 2015, the outstanding shares reduced to 293M shares and net worth per share became NT$39.38 at end of Q3 2015.

  減資基準日為2015.9.23，減資後在外流通股數293M，每股淨值為NT$39.38。

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Income Statement (Ticker 3545: FocalTech)

Unit in NT$ Million /單位: 新台幣佰萬元

	2015 Q2	2015 Q3	YTD
Revenue/ 營業收入	3,202	2,900	8,531
Gross Profit/ 營業毛利	552	504	1,431
Gross Margin/ 營業毛利率	***17.2%***	***17.4%***	***16.8%***
Operating Expense/ 營業費用	523	553	1,598
Operating Income/ 營業淨利	29	(49)	(166)
Non Operating Income/ 營業外收入	27	235	358
Profit before Tax/ 稅前盈餘	56	186	191
EPS(Basic)/ 每股盈餘(基本)	**0.15**	**0.49**	**0.51**

Balance Sheet (Ticker 3545: FocalTech)

Unit in NT$ Million /單位: 新台幣佰萬元

	2015 Q2	2015 Q3
Cash & Market Securities/ 現金及其他金融資產	7,623	8,226
Inventory/ 存貨	2,470	2,257
Other current Assests/ 其他流動資產	2,232	1,846
Non current Asset/ 非流動資產	3,802	3,820
Total Assets/ 資產總計	16,126	16,150
Total Liabilities/ 負債	3,928	4,615
Capital/ 股本	4,176	2,929
Other Owners' Equity/ 其他股東權益	8,023	8,606
Total Liablities and Owners' Equity/ 負債與權益總計	16,126	16,150
Net Worth per share/ 每股淨值	29.21	39.38

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2015 Outlook

- FocalTech year-to-date shipment of Touch Controllers and LCD drivers was about 500M units in the first 3 Q's of 2015. Among them, 85% was for smart phones. Our touch controller market share in China mainland is well maintained at ~50% .

  2015截至Q3為止觸控IC與LCD驅動IC總出貨量約為5億顆，其中智慧型手機應用占85%。敦泰在中國觸控市場占有率仍依舊維持50%。

- The smartphone demand in Q4 is expected to be equal or better than Q3. We expect the business results:
  - Q4 will be better than Q3, and
  - 2nd half is better than the first half of 2015.

  Q4智慧型手機需求預期將較Q3提高或持平。因此預期營運績效：

  Q4將較Q3成長，而且下半年較上半年佳。

Status of New Products

- FocalTech Integrated Driver & Controller (IDC) is in production
  - World first smartphone using Super In-Cell with IDC has been launched
  - Super In-cell adopting self-capacitive touch solutions
  - HD resolution using 5” α-silicon LCD panels

  敦泰整合單晶片IDC已正式量產：

  世界首支採用自電容IDC的Super In-Cell手機已上市，配備5吋非晶矽HD面板。

- Smartphones with Super In-cell using LTPS LCD panels in FHD resolution is expected to be in production soon.

  搭配低溫多晶矽液晶FHD面版的 Super In-Cell手機亦預期即將量產。

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Status of New Products

- FocalTech newly announced 3-D touch (conventional touch plus force touch) is in product design phase with multiple customers.
  - First production is expected 1H of 2016.

  敦泰新產品3-D觸控目前已與多家手機客戶開發設計中，預計2016上半年量產出貨。

- New generation of fingerprint sensor product will be introduced in Q4.
  - We are behind our competitors in the market but we trying to catch up.

  新一代指紋辨識產品將於Q4發表，迎頭趕上其他市場競爭者。

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Thank you !

www.focaltech-systems.com