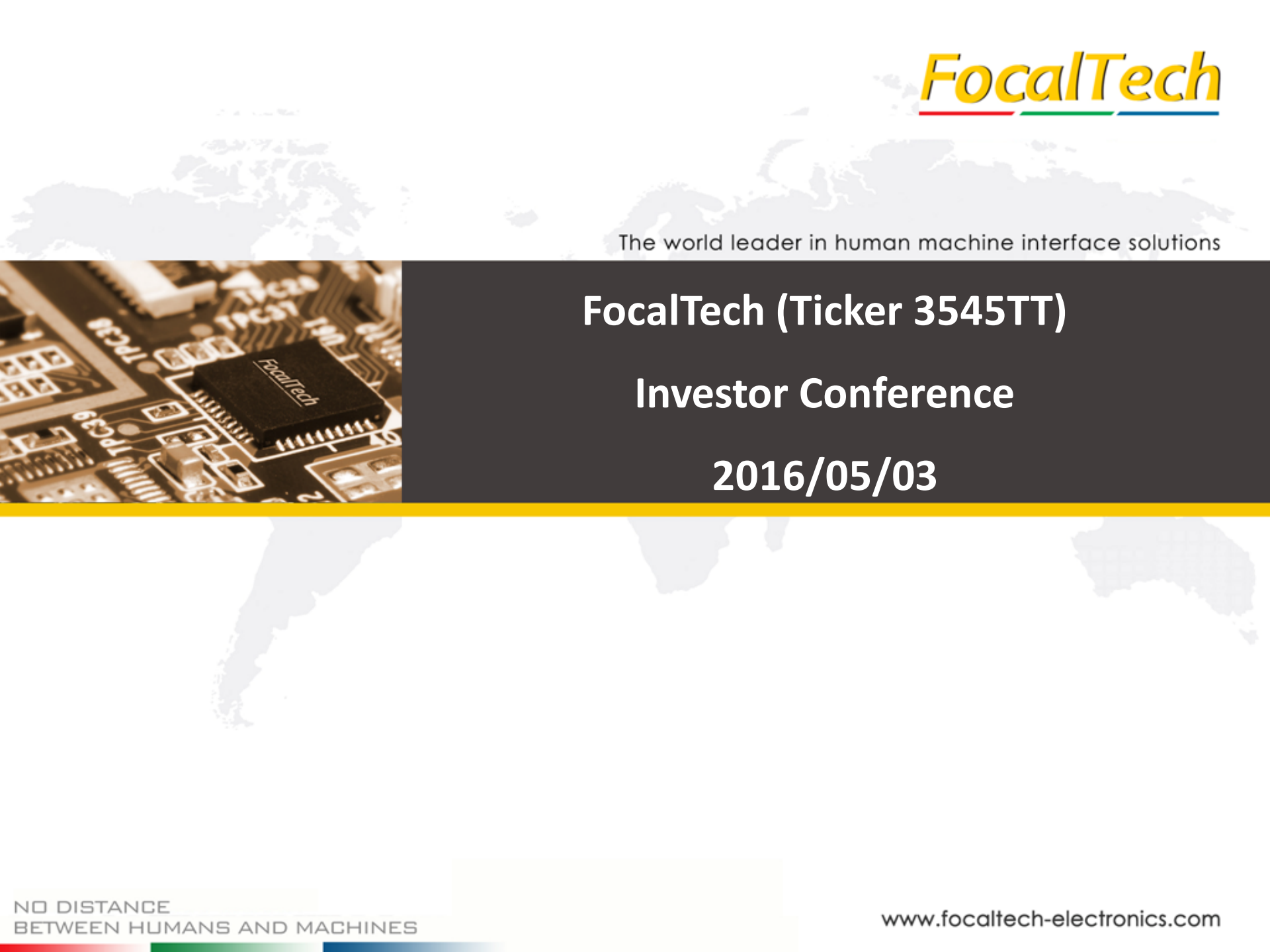


The logo for FocalTech, featuring the company name in a bold, yellow, sans-serif font. The text is underlined with a horizontal line that is colored red, green, and blue from left to right.

FocalTech

A light gray world map is visible in the background of the slide, centered behind the text.

The world leader in human machine interface solutions

A close-up photograph of a microchip on a printed circuit board (PCB). The chip is black and has the FocalTech logo printed on it. The PCB is gold-colored with various components and traces.

FocalTech (Ticker 3545TT)

Investor Conference

2016/05/03

NO DISTANCE
BETWEEN HUMANS AND MACHINES

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Income Statement 損益表

Unit in NT\$ Million / 單位: 新台幣佰萬元

	16' Q1	15' Q4	15' Q1	YoY
Revenue/ 營業收入	2,309	2,948	2,429	-5%
Gross Profit/ 營業毛利	432	536	376	15%
Gross Margin/ 營業毛利率	18.7%	18.2%	15.5%	↑ 320 bps
Operating Expense/ 營業費用	522	523	522	0%
Operating Income/ 營業淨利	(90)	13	(146)	-38%
Non Operating Income/ 營業外收入	(12)	37	95	—
Profit before Tax/ 稅前淨利	(102)	50	(51)	100%
Profit after Tax/ 稅後淨利	(97)	29	(56)	73%
EPS(Basic)/ 每股盈餘(基本)	(0.33)	0.11	(0.13)	

Balance Sheet 資產負債表

Unit in NT\$ Million / 單位: 新台幣佰萬元

	2016.3.31	2015.12.31	QoQ	2015.3.31	YoY
Cash & Market Securities/ 現金及其他金融資產	7,328	7,098	3%	7,307	0%
Accounts Recievable/ 應收帳款	1,118	1,588	-30%	1,797	-38%
Inventory/ 存貨	2,355	2,544	-7%	2,879	-18%
Other Current Assests/ 其他流動資產	116	152	-24%	172	-33%
Other Non Current Asset/ 其他非流動資產	3,787	3,807	-1%	3,774	0%
Total Assets/ 資產總計	14,704	15,189	-3%	15,929	-8%
Current Liabilities/ 流動負債	3,015	2,313	30%	2,197	37%
Non Current Liabilities/ 非流動負債	319	1,320	-76%	1,397	-77%
Owner's Equitiy/ 股東權益	11,370	11,556	-2%	12,335	-8%
Total Liabilities and Owners' Equity/ 負債與權益	14,704	15,189	-3%	15,929	-8%
Net Worth per share/ 每股淨值	38.65	39.40		29.56	
AR Days (Annual Basis)	53	50		—	
Inventory Days (Annual Basis)	119	98		—	

Q1 16' Results Summary 第一季總結

- Revenue in Q1 16' was NT\$ 2,309M, down 22% qoq and 5 % yoy. The quarterly decline came from seasonal slowness. The yoy decline is due to impact from February earthquake in southern Taiwan and the ramping up of new products being slower than expected.

第一季營收23億元，受淡季效應影響而季減22%；並因2月份台南地震及新產品量產進度低於預期而年減5%。

- Gross profit decreased 19% qoq to NT\$ 432M due to smaller revenue, but it grew 15% on an annual basis. Gross margin in Q1 16' was 18.7%, remarking 5 quarters of consecutive improvement. Compared to Q4 15' and Q1 15', it was up 50 bps and 320 bps respectively, representing a success of our continuing effort to raise the margin.

雖因營運規模縮小使毛利季減19%至4.32億元，惟較去年同期成長15%。第一季毛利率達18.7%，分別較上季與去年同期增加0.5百分點與3.2百分點。毛利率連續5個季度的改善，顯示我們不斷努力提高產品獲利性稍見成效。

Q1 16' Results Summary 第一季總結

- Lower revenue base led to the operating loss of NT\$ 90M in Q1 16'. However, with better gross margin, the loss improved by 38% yoy.

第一季因較低的營運規模而產生營業損失9仟萬元。然而因毛利率的改善，業內損失較去年同期減少38%。

- Net loss before tax of Q1 was NT\$ 102M, up 73% yoy, mainly attributed to loss from the non-operating side.

另外因業外產生損失，第一季稅前淨損為1億元，較去年同期增加73%。

Q2 16' Outlook 第2季展望

- Smartphone unit shipments in Q2 is expected to grow compared to Q1 as handset makers typically started to build inventory for new models from March.

智慧型手機廠商通常於第2季展開新機備貨，因此預期第2季的出貨量將會較第1季有顯著成長。

- Gross margin will continue on an upward trend :

毛利率將保持向上趨勢：

- ◆ Increase in IDC shipment.

IDC出貨增加。

- ◆ Product mix of driver IC improves by shifting to higher resolution.

驅動IC產品組合朝高解析度移動。

- ◆ The increase of market share in mid/ high-end products offset the continuing drop of ASP in touch market.

觸控產品於中高階市場的佔有率增加，可減緩產品報價下滑。

Q2 16' Outlook 第2季展望

- Adoption of in-cell LCD display panel with single chip IDC solution will become a game change in 2016. FocalTech enjoys the early mover advantage. Many cell phone projects using the in-cell solution have been in design phase for the past 6 months and will enter mass production starting Q2.

2016年內嵌式LCD面板搭配單晶片已逐漸形成產業趨勢，敦泰科技將享有先行者優勢。IDC方案於過去半年內已導入許多個手機計畫，並將陸續自第2季起進入量產。

- FocalTech has shipped near one million units of its IDC solutions year to date and expects to see 10 fold increase in shipment within the next 6 months.

至今驅動與觸控整合單晶片(IDC)累計出貨已近百萬顆，並預期在未來半年內出貨量有近10倍的成長。

Q2 16' Outlook 第2季展望

- Shipment of FHD driver will continue to grow in Q2, accounting for a major portion of mobile driver IC.

手機用FHD驅動IC出貨規模與佔比將自第2季起顯著增加。

- On-cell touch solution will also play a noticeable role in the contribution of 2016 Q2 revenue.

On-cell觸控方案對第2季的營收將有比較明顯貢獻。

- The BOD approved a share buyback program up to 5million shares, which can be used as part of the employee incentive program. The buying period is from April 29 to June 28 and the buying price is between NT\$ 19.67 ~ NT\$ 42.94.

董事會核准新一輪的庫藏股買回計畫，將於4月29日至6月28日間以19.67元~42.94元買回5佰萬股以內的股份，買回的股份可以做為員工期權獎勵。

FocalTech

Thank you !

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