

Sensortek Technology Corp.

Investor Presentation

President: Chu-Yuan Yang

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I. Company Introduction

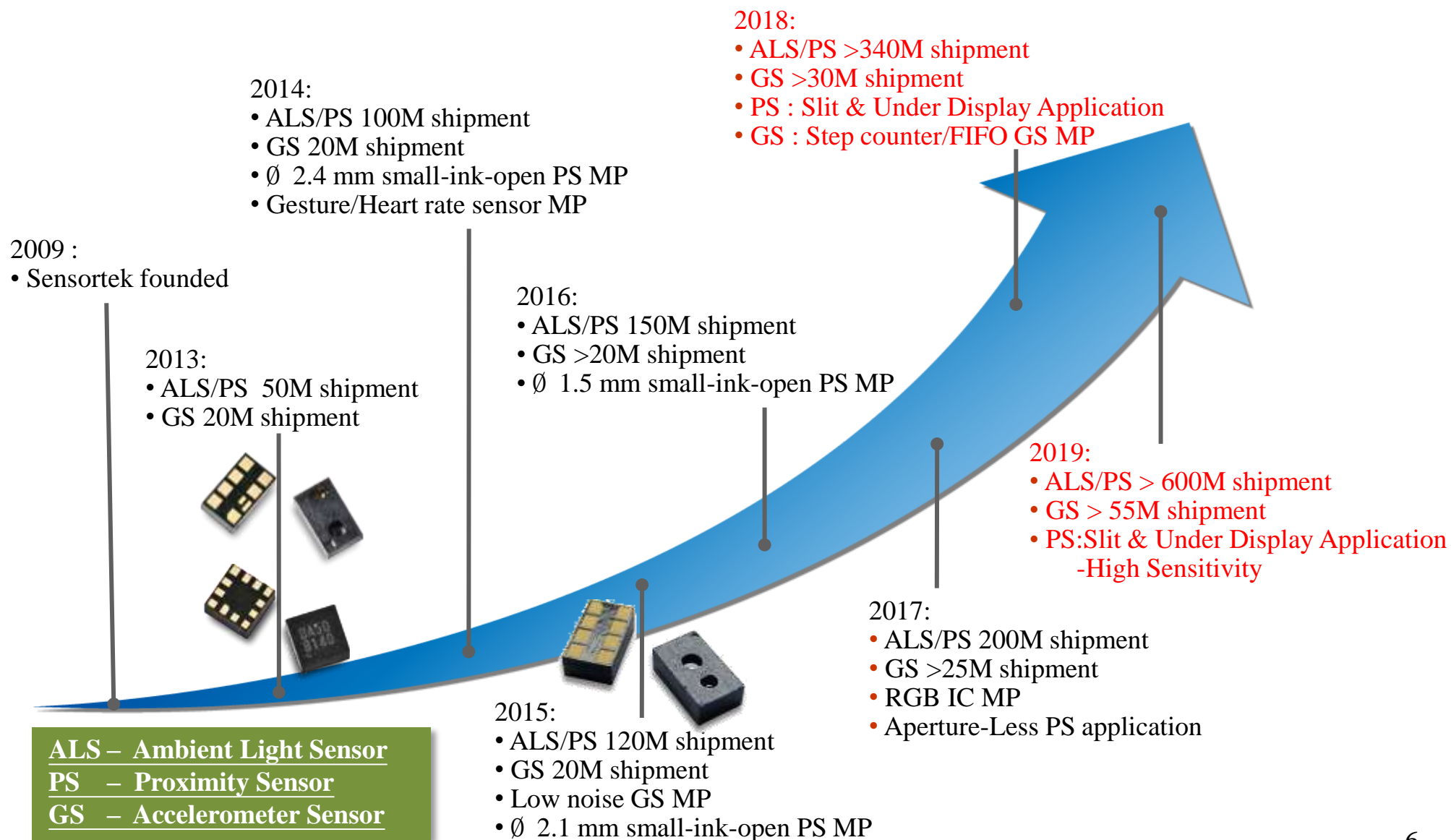
Company Introduction

Company Name	Sensortek Technology Corp.
Founded	December 1, 2009
Capitalization	NT377,813,480
Chairman and CEO	Sheng-Su Lee
Number of Employees	133
Location	Tai Yuen Hi-Tech Industrial Park, Jhubei City, Hsinchu County
Major Products	<ul style="list-style-type: none">• Optical Sensor<ul style="list-style-type: none">- Ambient Light Sensor, ALS- Proximity Sensor, PS• MEMS Sensor<ul style="list-style-type: none">- Accelerometer Sensor, GS

Board Members

Title	Name		Academic and Experiences
Director	Sitronix Technology Corporation	LEE, SHENG-SU	M.S., electronic engineering, National Taiwan University President, Sitronix Technology Corp
		MAO, YING-WEN	Institute of Microelectronics, Cheng Kung University General Manager, Sitronix Technology Corp
		YANG, CHU-YUAN	M.S., electronic engineering, National Taiwan University Project Manager, Sitronix Technology Corp General Manager, Sensortek Technology Corp
Director	TSENG, HUA-CHENG		Department of Electronic Engineering, National Taiwan Ocean University Chairman, Magnachip semiconductor Ltd, Taiwan branch
Independent Director	HSU, CHUN-YI		Institute of Business Administration, University of Texas at Austin Executive Director, United Management Consulting Corp
Independent Director	HUANG, SHU-CHUN		Institute of Technology of Management, National Chiao Tung University Strategic Marketing Department Manager, Vanguard International Semiconductor Corp
Independent Director	LU, JEN-CHI		Institute of Accounting, Chung Yuan Christian University Deputy manager, Deloitte Touche Tohmatsu Limited

Product Portfolio



II. Major Products

Optical Sensors

Ambient Light Sensor

→ screen brightness control



Optical Sensor shipment

2017: >200M

2018: >340M

2019: >600M

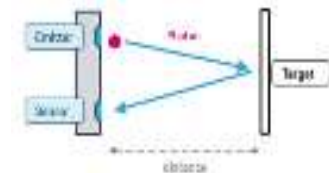
Proximity Sensor

→ turn off display (Anti-touch)

- PS (w/T) + ALS (visible sensor hole solution)
- PS (w/T) + ALS (invisible solution)
 - ✓ Under display type → AMOLED display
 - ✓ Slit type → TFT display
- PS (w/T) + RGB sensing

IR Transmitter

→ IR LED or IR Laser (VCSEL)



Smartphone display evolution :

16:9 screen



Bezel-less screen



ALS / PS Layout Trend

Water-drop Screen

Slit ALS/PS

Slit PS / Under Display ALS

Aside of Front Facing Camera ALS/PS



Bezel-less Screen

Under Display ALS/PS

Slit PS / Under Display ALS



MEMS Sensors

Accelerometer Sensor(GS)

→ Rotates detection

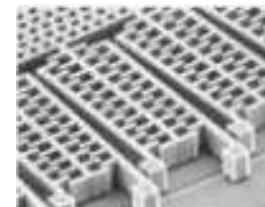


GS shipment

2017: >25M

2018: >30M

2019: >55M



✓ GS for Smartphone market

✓ Low power GS for wearable & IoT devices

Smartphone :



Screen Rotation



Automatic Mute



Game Control



Gesture Detection



Answering Aid



Optical Sensor + G Sensor

Wearable Device and other Field Application

TWS (True Wireless Stereo Earphone)

Accelerometer sensor → click detection

P-sensor → on/off switch



FreeBuds 3

Click detection

- Incoming call
Click to answer
Double click to reject
- None call
Start AI Assistant
- Music model
Click pause
Double click change

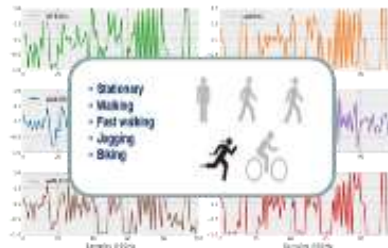
Smart Watch / Fitness Trackers

Accelerometer sensor → motion detection

Optical sensor → heartbeat detection



Motion detection



Heartbeat detection



Sleep quality monitoring

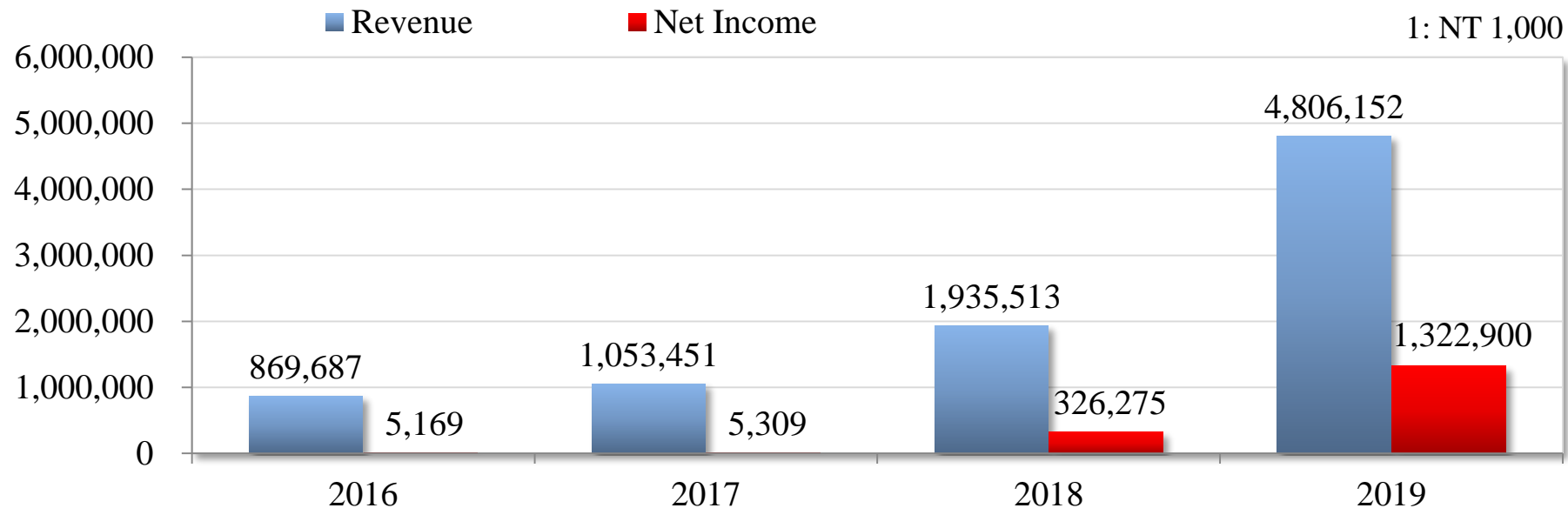


III. Mission Statement and Financial Performance

Mission Statement

- Provide high quality/in time product/service to satisfy customers' needs
- Inspect and improve products timely to meet "customers fully satisfaction"
- Constant "technology innovation" to create customers' best value
- Pursue sustainable and stable growth

Financial Performance



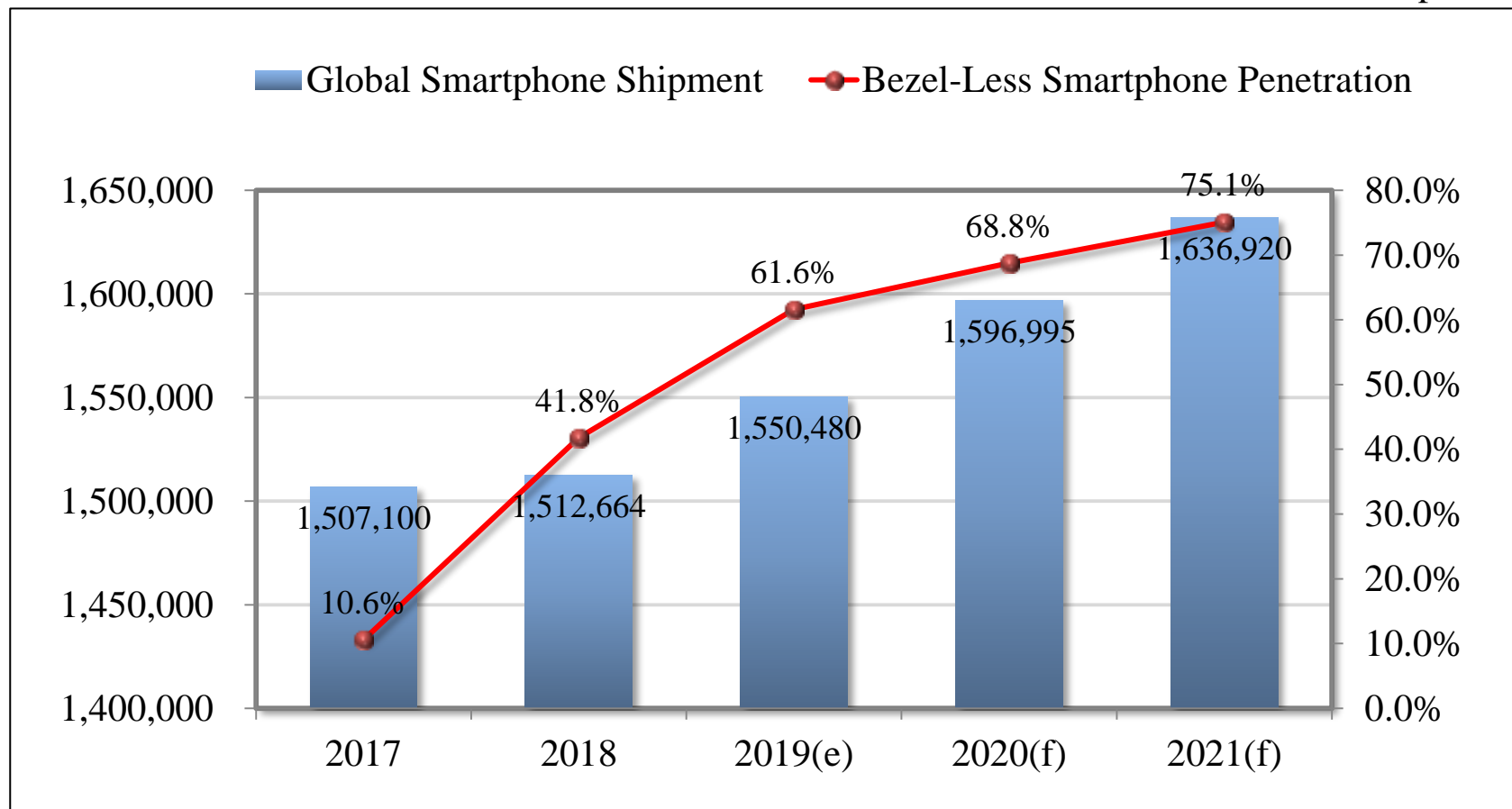
Item	2016	2017	2018	2019
Revenue	869,687	1,053,451	1,935,513	4,806,152
Gross Margin	137,375	158,184	649,442	2,018,872
Margin Rate	15.80%	15.02%	33.55%	42.00%
Operating Income	4,931	8,751	366,646	1,497,236
EBIT	5,874	5,601	372,357	1,508,063
Net Income	5,169	5,309	326,275	1,322,900
EPS One (NT Dollars)	0.14	0.14	8.64	35.01

Note: EPS is adjusted by current capital 37,781 thousand shares.

IV. Marketing Trend and Positioning

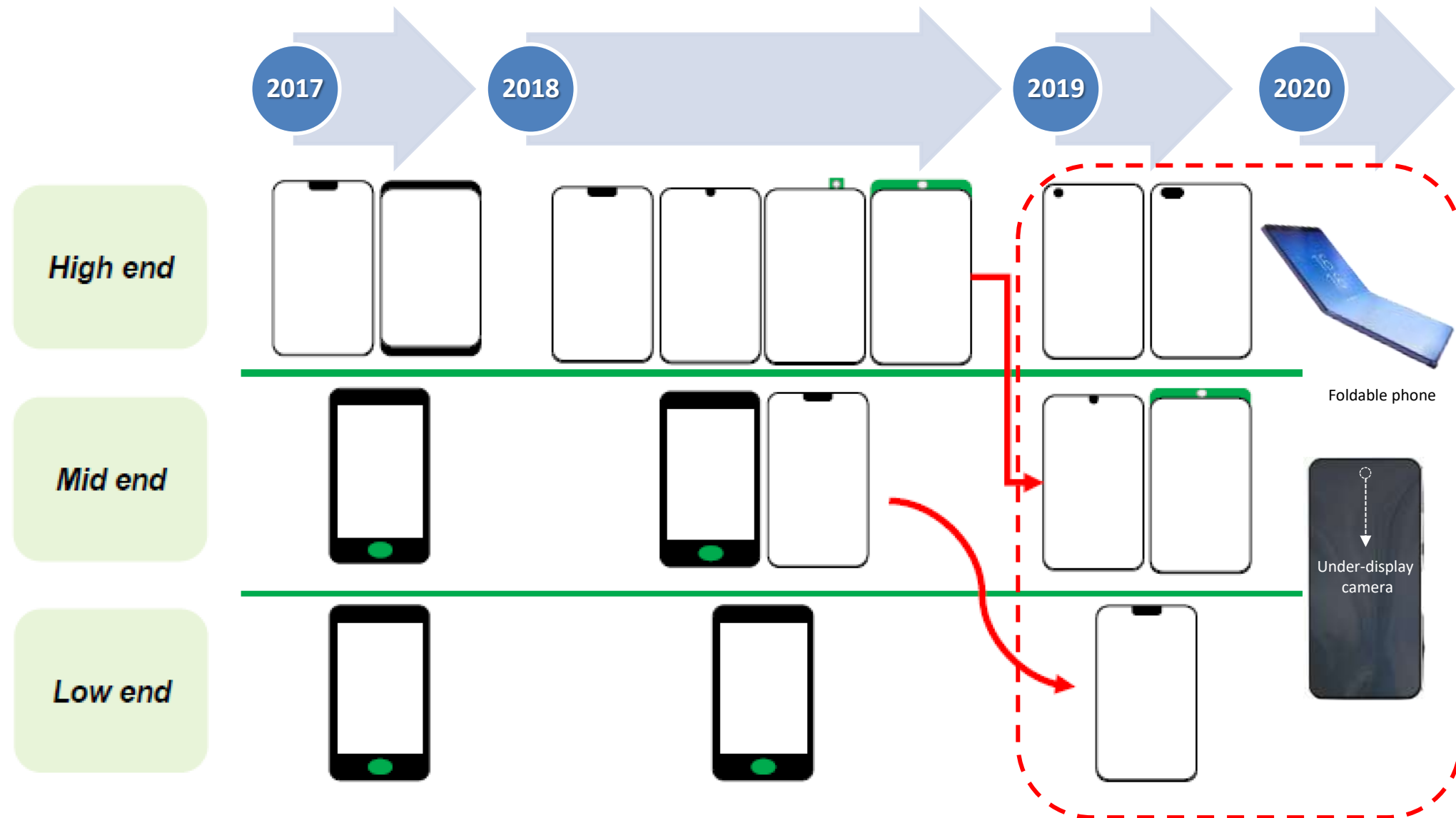
Smartphone Market Scale/Trend

1: 1,000 Shipments



Source: IEK

Bezel-less Smartphone-under Display Tech. is a Trend



Smartphone Specs Development → ALS/PS Specs Keep Upgrading

Water-drop



Bezel-less



Notch



Hole Punch



16:9 → 18:9 → 19:9 ...

1. Resolution keep increasing
(1K/2K/4K....)
2. Unit density (ppi) keep increasing

Sport Sensor in One → Converged Application Increasing

MEMS Sensor Application

- Rotate
- Click
- Game
- Motion

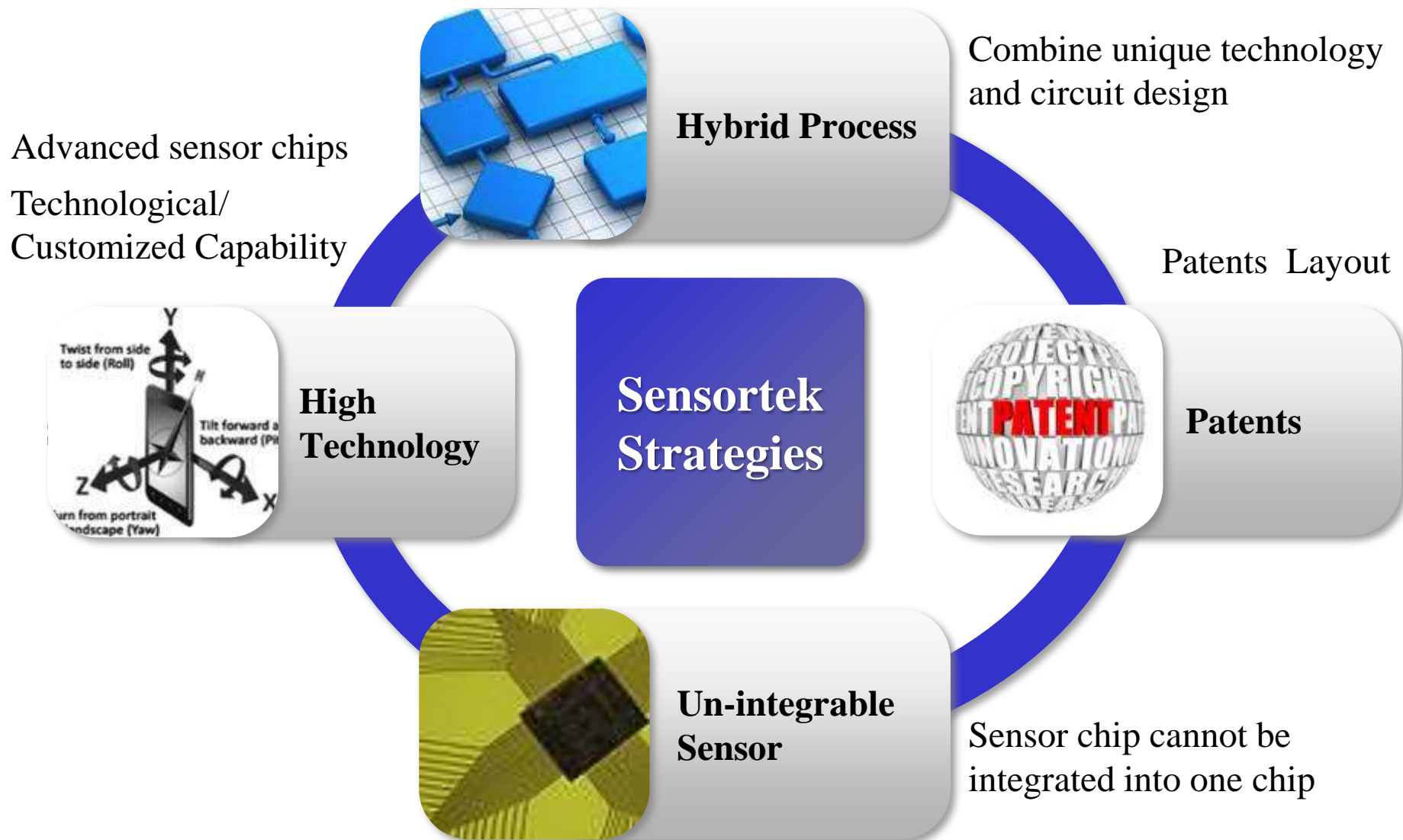


- Game Rotation
- Air Navigation
- Optical Image Stabilization
- Photo Sphere

- AR/VR
- Indoor Navigation
- 3D Game
- Gesture Detection

1. Integrate application keep increasing
2. Converged application of algorithm to offer a better experience

Product Strategies



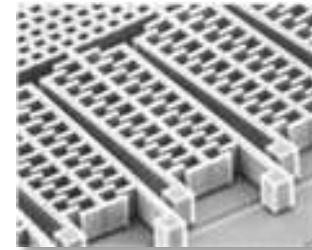
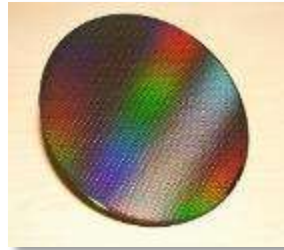
Competitive Advantages - Key Factors

Team

- Strong R&D team

Research

- Micro signal circuit design
- Opto package design
- MEMS structure design
- Key components from self-development and all protected by 51 patents



Shipment

- Precise capacity allocation to meet market supply/demand promptly and assist clients as market rapid change

Quality

- Meet leading smartphone clients' quality control requirement
- Excellent quality control record in mass production

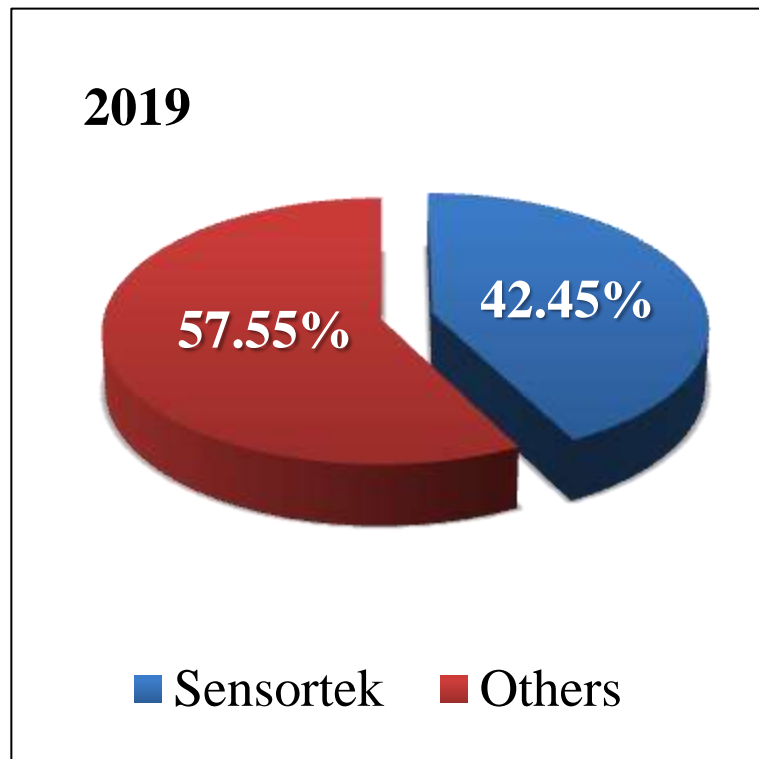
Response

- Technical product support promptly

Client Relationship

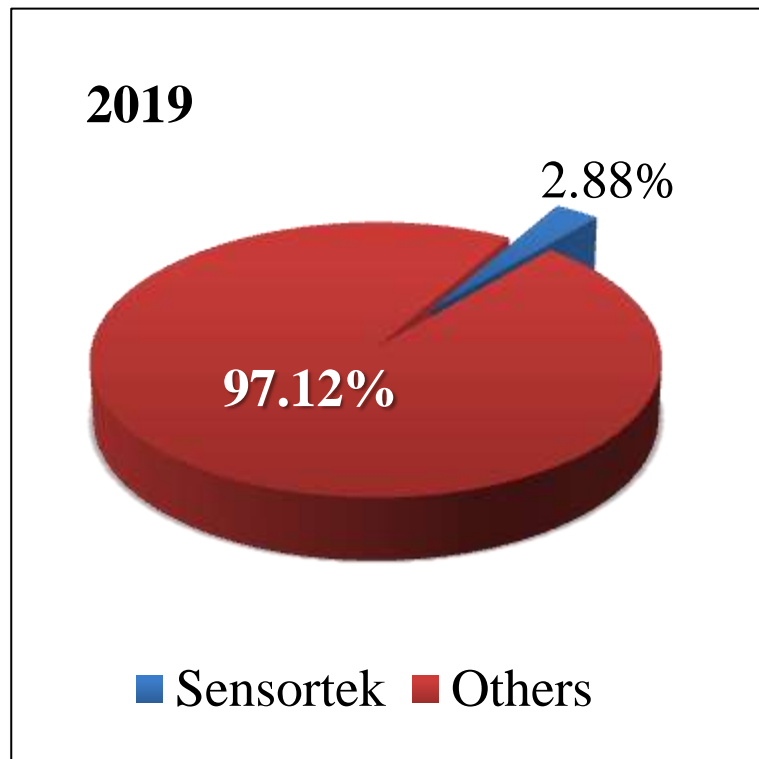
- Establish a co-work relationship with leading customers for synergy in product design and development

ALS / PS Sensor



- Sensortek can provide ALS/PS Sensor for slit design in smartphone
- Sensortek can provide ALS/PS Sensor for under display design in smartphone
- Design-in with client and provide customized product
- Provide differentiation and full specs product

G Sensor



- Sensortek is a G sensor supply leading company based in Taiwan with full capability to supply G sensor application to clients
- Offer MEMS product with a stable quality and reasonable price
- Enter TWS market quickly by existing leading clients channel
- With a significant upward growth in future even though penetration is low now

V. Future Development and Risks

Future R&D Planning

1. PS + ALS for front Display

- ❑ Under display + ALS → for AMOLED display
- ❑ Slit type PS + ALS → for TFT display
- ❑ PS+RGB sensor

2. Light sensor for rear Camera

- ❑ RGB sensor with more precise light sensor detect
- ❑ RGB + flicker sensor

3. Extend to other applications

- ❑ Smart watch / Fitness tracker / TWS etc.

4. Speed up MEMS product line

- ❑ Gyroscopes
- ❑ A + Gyro (2 in 1) for high end smartphone

Advantages for Future Development

➤ **High-end optical sensor demand increase significantly**

The penetration increasing for bezel-less screen in smartphone contributes slit or under screen of optical sensors demand increasing.

➤ **Class-leading R&D team with key technology**

Ability to design, package optical and motion sensor within fields of circuit, optical, and microelectromechanical and all with patent protection.

➤ **Customer oriented service strategy**

Reinforce connection with leading mobile manufacturer and synergy in product design and development.

Risks and Responses for Future Development

➤ **Risk in a rapid change of new generation product**

Responses :

- 1) Establish a close cooperating model with customers including reinforcement on the synergy in product design and development.
- 2) Pay close attention to the development of various mobile industry for planning product development and marketing strategy.

➤ **Highly reliance on foundries**

Responses :

- 1) Select global well-known foundry as wafer supplier of major raw material and also build a long-term relationship with the supplier.
- 2) Take the initiative in finding second supplier for the flexibility of expanding production.

Future Prospects

- Maintain a close cooperate relationship with clients including synergy in product development and design-in.
- Promote market awareness for accelerometer sensors.
- Develop more key sensor chips and expand the application in optical field.
- Develop various sensors continuously and expect to be the leading company in sensors market.

VI. Corporate Governance and Social Responsibility

Corporate Governance

- Corporate Governance Organization Chart: 4 directors and 3 independent directors
- The Company has established audit committee and compensation committee.
- Comply with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" to stipulate the following rules:
 - 1) Ethical Corporate Management Best Practice Principles
 - 2) Rules and Procedures of Shareholders Meeting
 - 3) Rules and Procedures of Board of Directors Meeting
 - 4) Election Procedure of Directors
 - 5) Audit Committee Charter
 - 6) Compensation Committee Charter

Corporate Social Responsibility

- Build a suitable environment management system and strive to rise the most efficient use of energy and resources.
- Pursue the profit growth and share with employees and shareholders, all comply to the law, and develop a sustainable business of social responsibility.
- Donate to nonprofit charity and fulfill the social responsibility of social development.

Thank You!