2015Q4 Update

February 18th 2016

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Disclaimer Statement

This presentation and release may contain 'forward-looking statements' which may include projections on future results of operations, financial condition and business prospects based on our own information and other sources.

The actual results of operations, financial condition and business prospects may differ from those explicitly or implicitly indicated in those forward-looking statements for a variety of reasons, including but not limited to market demand, price fluctuations, competition, supply chain issues, global economic conditions, exchange rate fluctuation and other risks and factors beyond TPK's controls.

The forward-looking statements in this presentation, if any, only reflect the current view of TPK Holding Co., Ltd. as of the date of its release. TPK undertakes no obligation to update those forward-looking statements for events or circumstances that occur subsequently.

Disclosure Notice

公告原則

- All financial numbers are prepared in accordance with IFRS which is approved by regulators in Taiwan
- All financial numbers are unaudited
- 本公司財務報表係依照臺灣主管機關認可之國際財務報導準則編製
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4Q15 Result Summary

2015年第四季營運簡報

NT$	Revenues	Net Profits/Loss	EPS
4Q15	34.4 bn	1.0 bn	2.12
FY2015	121.4 bn	-20.0 bn	-57.86

- 4Q Revenues slightly below original guidance of 5% QoQ, primarily attributed to weaker demand in smart phone and wearable device.
- Margin also below plan due to lower utilization and unfavorable product mix change.
- Write off all remaining investment and associated liabilities in Cando Technology.
- Conclude insurance claim.

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Looking ahead to 2016

2016年營運展望

- Continue to streamline operation and customer composition.
- Focus on efficiency improvement, yield enhancement and cost control.
- Emphasize on growing revenue with “quality”
- Go back to “Basics”:
  - Advance technology
  - Blue-chip customers
  - Total touch solution

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Financials

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4Q15 Profit & Loss

2015年第四季損益表

Profit & Loss	4Q15	Notes	3Q15	QoQ	4Q14	YoY
(NT$ million)						
Revenues	**34,438**		**34,235**	**0.6%**	**39,581**	**(13.0%)**
COGS	(32,123)		(45,508)		(36,674)	
Gross Profits	**2,314**		**(11,272)**	**n.m.**	**2,907**	**(20.4%)**
Operating Expenses	(1,964)		(6,408)		(2,837)	
SG&A	(1,745)	***Cando: $104 mn***	(5,855)		(1,528)	
R&D	(218)		(553)		(1,309)	
Operating Profits	**350**		**(17,680)**	**n.m.**	**70**	**401.8%**
Non-Op Inc/(Exp)	(615)		(1,068)		499	
Int Inc/(Exp)	*(119)*		*(104)*		*(45)*	
FX Gain/(Loss)	*(232)*		*(153)*		*288*	
Invest Inc/(Loss)	*67*	***Cando: $1,339 mn***	*(50)*		*(27)*	
Impairment Loss	*(1,406)*	***Others: $67 mn***	*(765)*		-	
Others	*1,075*	***Fire claims: $942 mn***	*3*		*284*	
Earnings Before Tax	**(265)**		**(18,748)**		**569**	
Income Tax	1,268		(709)		(387)	
Net Income (Parent)	**1,016**		**(19,390)**		**66**	
EPS (Parent)	**2.12**		**(55.15)**		**0.20**	
EBITDA	**2,172**		**n.m.**		**3,207**	
Margin:						
GM	6.7%		(32.9%)		7.3%	
OM	1.0%		(51.6%)		0.2%	
NM	2.9%		(56.6%)		0.2%	
Op Exp	(5.7%)		(18.7%)		(7.2%)	

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2015 Profit & Loss

2015年損益表

Profit & Loss	2015	2014	YoY
(NT$ million)			
Revenues	**121,364**	**129,517**	**(6.3%)**
COGS	(127,925)	(119,035)	
Gross Profits	**(6,561)**	**10,482**	
Operating Expenses	(11,793)	(10,337)	
SG&A	(10,467)	(5,354)	
R&D	(1,326)	(4,983)	
Operating Profits	**(18,354)**	**145**	
Non-Op Inc/(Exp)	(2,665)	431	
Int Inc/(Exp)	*(358)*	*(120)*	
FX Gain/(Loss)	*(322)*	*219*	
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Impairment	*(2,170)*	*(291)*	
Others	*274*	*1,011*	
Earnings Before Tax	**(21,019)**	**575**	
Income Tax	943	(8)	
Net Income (Parent)	**(20,007)**	**277**	
EPS (Parent)	**(57.86)**	**0.84**	
Margin:			
GM	(5.4%)	8.1%	
OM	(15.1%)	0.1%	
NM	(16.5%)	0.2%	
Op Exp	(9.7%)	(8.0%)	

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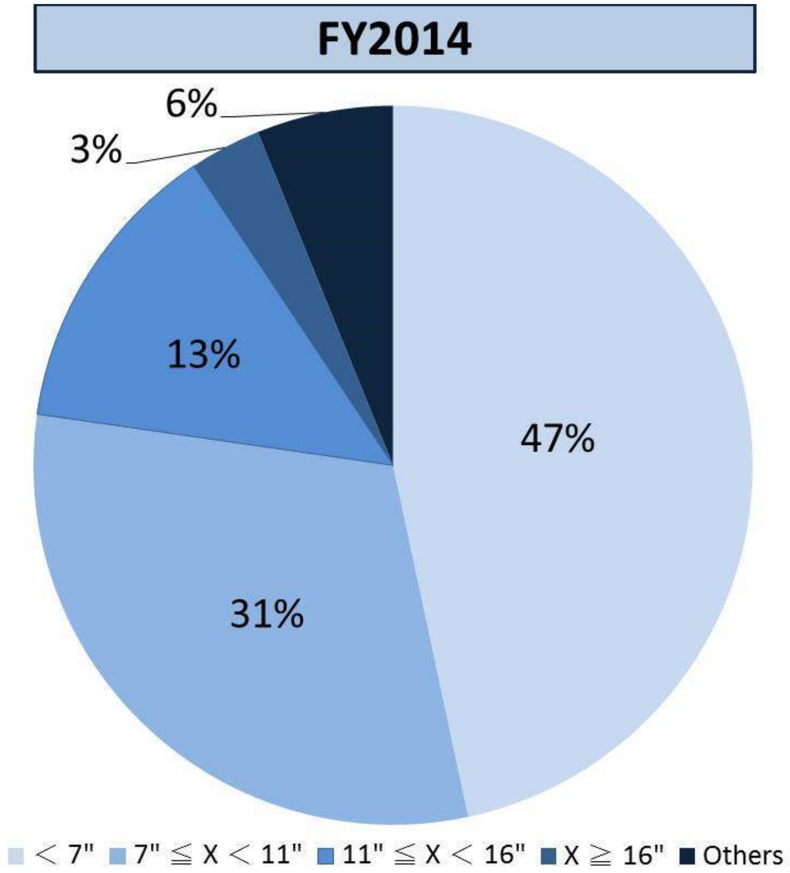
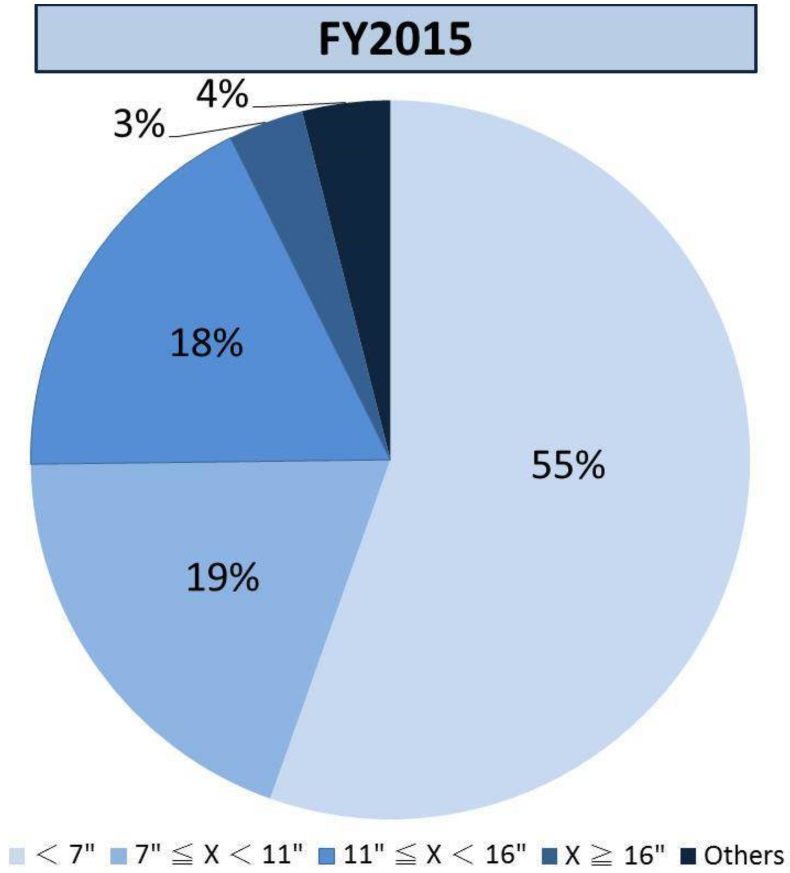
2015 & 2014 Sales Mix

2015及2014年營收結構





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2015 Pre & Post Key W/O P&L

2015年擬制數與自結數

2015 Profit & Loss	Pre	Post	Notes
(NT$ million)			
Revenues	**121,364**	**121,364**	
COGS	(114,315)	(127,925)	***Write-off: $13,610 mn***
Gross Profits	**7,048**	**(6,561)**	
Operating Expenses	(7,098)	(11,793)	***Write-off: $4,591 mn; Bad debts: $104 mn***
Operating Profits	**(50)**	**(18,354)**	
Non-Op Inc/(Exp)	(242)	(2,665)	
Int Inc/(Exp)	*(358)*	*(358)*	
FX Gain/(Loss)	*(322)*	*(322)*	
Invest Inc/(Loss)	*(89)*	*(89)*	
Impairment	-	*(2,170)*	***Cando: $2,103 mn; Others: 67 mn***
Others	*527*	*274*	***Fire loss: $1,195 mn; Claims: $942 mn***
Earnings Before Tax	**(292)**	**(21,019)**	
Margin:			
GM	5.8%	(5.4%)	
OM	(0.0%)	(15.1%)	
Op Exp	(5.8%)	(9.7%)	

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Quarterly Sales

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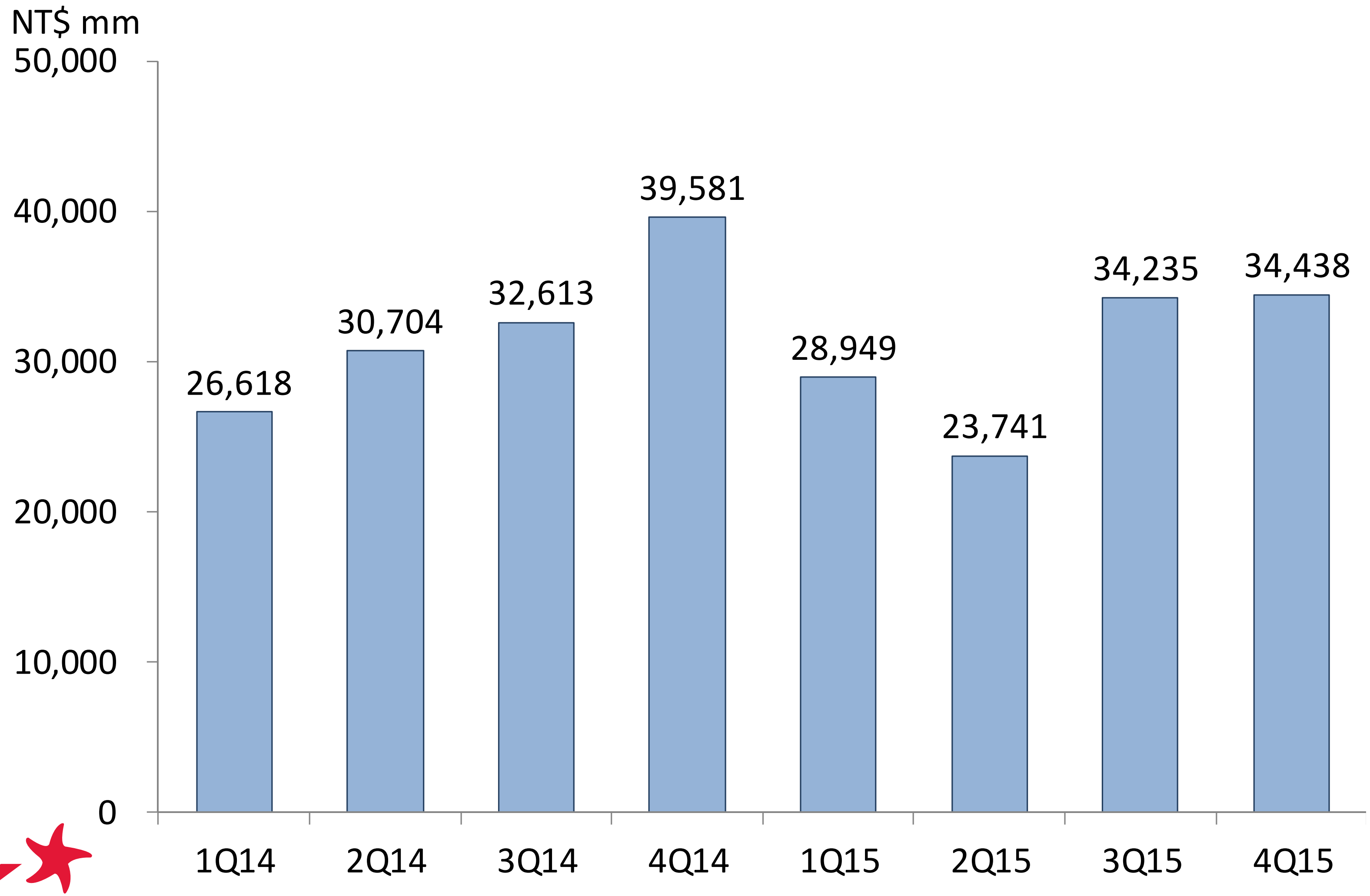

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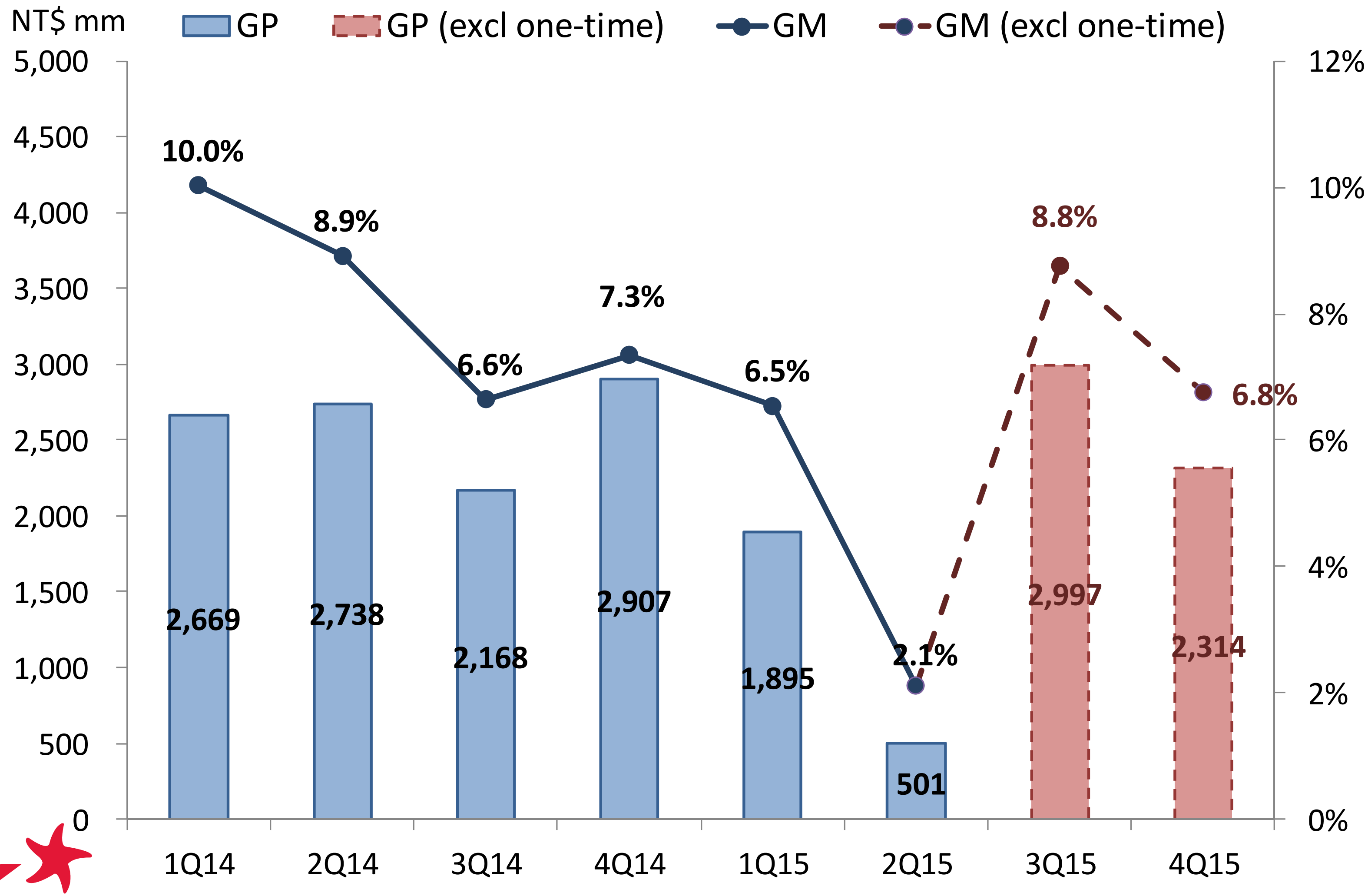
Gross Profits (pre key write-off)

營業毛利 (3Q15與4Q15為擬制數)



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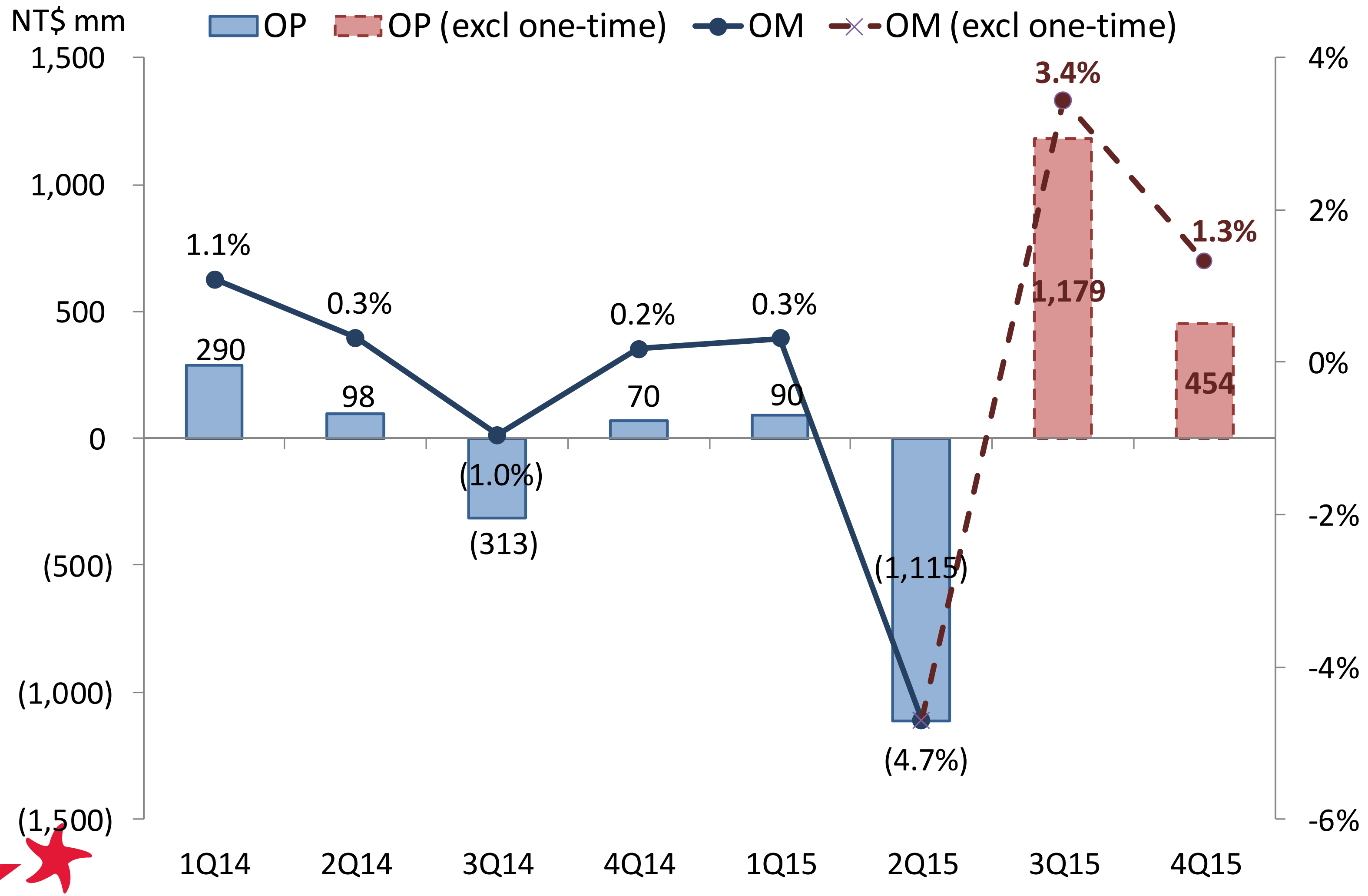
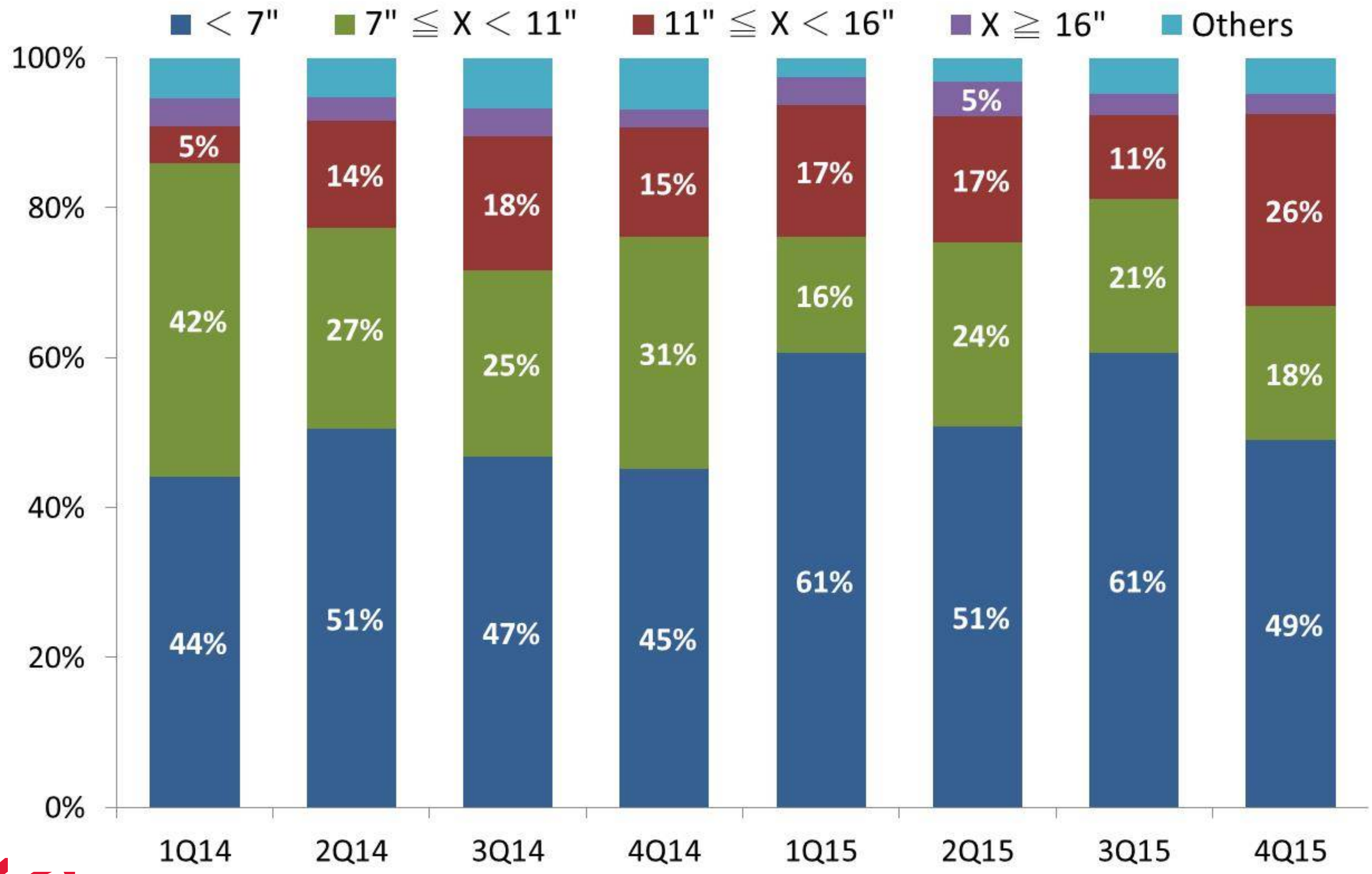
Operating Profits (pre key write-off)

營業利益 (3Q15與4Q15為擬制數)



Sales by Form Factors

營收結構



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4Q15 Balance Sheet

資產負債表

Balance Sheet	2015/12/31	2014/12/31
(NT$ million)		
Cash Equivalents	16,393	29,540
Debt Inv with no active market	16,787	16,737
Receivables	12,270	13,810
Inventories	8,737	7,180
Current Assets	**61,034**	**74,648**
Long-term Investments	**326**	**1,162**
Property, Plant and Equipment	**49,282**	**71,573**
Total Assets	**114,964**	**152,723**
ST Loans	46,740	65,252
Payables	14,956	20,540
Current Liabilities	**68,417**	**95,306**
Convertible Bonds	**7,850**	**-**
LT Loans	**4,829**	**7,928**
Total Liabilities	**83,437**	**106,571**
Common Shares	3,516	3,313
Retained Earnings	2,791	22,956
Non-Controlling Interest	423	818
Total Shareholder's Equities	**31,527**	**46,151**
Ratio Analysis:		
Quick Ratio	0.76	0.71
Current Ratio	0.89	0.78
ROE (YTD Annualized)	(52.3%)	0.6%
Net Debt to Equity	1.36	0.95
Book Value per share	89.66	139.31

Note: PP&E includes prepayments.

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4Q15 Cash Flow

現金流量表

Cashflow Statement	4Q15	3Q15
(NT$ million)		
Operating Cashflows:		
Earning Before Tax	(265)	(18,748)
Depreciation & Amortization	2,139	2,712
Net Inc/(Dec) Working Capital	(1,260)	465
Other Operating Cash Flow	721	19,755
Cash Flow from Operations	**1,336**	**4,183**
Investing Cashflows:		
Capital Expenditures	(1,043)	(1,082)
Acquisitions	(89)	(138)
Others	(1,236)	(3,569)
Cash Flow from Investments	**(2,367)**	**(4,789)**
Financing Cashflows:		
Inc/(Dec) in Debts	(9,260)	(3,006)
Capital Injection	-	-
Treasury Stock	(433)	-
Others	(201)	(414)
Cash Flow from Financing	**(9,894)**	**(3,420)**
FX Adjustments	94	2,847
Total Cash Flow	**(10,831)**	**(1,179)**

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FOR IMMEDIATE RELEASE

TPK REPORTS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE FOURTH QUARTER OF 2015

Taipei, Taiwan, February 18th, 2016 – TPK Holding Co., Ltd (TWSE: 3673) ("TPK" or the "Company") today announced 2015 fourth quarter operating results. Company reported net profit of NT$1.0 billion, or earnings per share of NT$2.12. For the full year of 2015, Company's total revenues were NT$121.4 billion, with net loss of NT$20.0 billion.

2015 Fourth Quarter Operating Results

Consolidated revenues in 4Q15 were NT$34,438 million, remained flat versus previous quarter, and down 13.0% versus same period last year. Despite the fourth quarter being the traditional strong season, actual revenues fell slightly short of original forecast, which is primarily attributable to weaker demand on smartphone. Volume for smart wearable device also decreased significantly versus previous quarter. Gross profit reached NT$2,314 million, and gross margin was 6.7%. Within the cost-of-goods-sold items, raw material costs were NT$25.5 billion, up slightly from NT$25.0 billion in the previous quarter, due to changes in product mix. Labor cost amounted to NT$2.8 billion, flat from 3Q15. Depreciation expenses totaled to NT$1.7 billion, down from NT$2.2 billion as a result of the asset impairment write-off in 3Q.

Operating expenses totaled NT$2.0 billion, including NT$104 million of bad debts with respect to the wind-down of Cando Technology. Despite the inclusion of one-time bad debt charge, 4Q15 operating expenses was 30.8% lower than NT$2.8 billion in 4Q14, reflecting our effective control on expenses. As of December 31 2015, total number of employees was 37,478, down from 42,429 in the previous quarter and 49,089 as of year-end 2014.

Net interest expenses for the quarter totaled NT$119 million. Company recorded NT$232 million in foreign exchange losses, mainly caused by RMB depreciation. As Cando had filed for bankruptcy on November 5th, 2015, we took a charge of all the remaining long-term investment, inter-company loan and guarantee obligations to Cando, totaled NT$1,339 million. We also concluded the insurance claim with respect to the fire accident occurred in January 2015 with total settlement amount of NT$942 million. Total tax benefit was NT$1,268 million, primarily due to a reversal on accrued tax after "TPK Advance Solutions", one of major manufacturing entities, being granted with "High-tech" status for preferred tax treatment. Net income for the fourth quarter of 2015 was NT$1,016 million, or earnings per share of NT$2.12. EBITDA for 4Q15 amounted to NT$2.2 billion.

2015 Full-year Operating Results

2015 full year unaudited consolidated revenues were NT$121,364 million, down 6.3% year-on-year. Total touch module shipment was 159 million units, up 55% versus 2014. Revenues from small-sized products (below 7-inch) accounted for 55% of total revenues and grew 6% YoY. Tablet-sized products (7 to 11 inch) contributed 19% of total revenues and declined 44% compared with 2014. Benefited from the large-sized tablet trend, revenue from 11-to-16 inch products increased 19% yoy, representing 18% of total revenues in 2015, up from 13% in 2014 although year-on-year unit shipment remained relatively flat.

Major one-time charges recorded in 2015 include fixed asset and intangible impairment loss of NT$18.2 billion, Cando related expenses of NT$2.2 billion and 1Q15 fire loss of NT$1.2 billion, in which NT$942 million was recovered from insurance claims in 4Q15. Excluding operating related one-time charges, Company's operating loss was NT$50 million, down from previous year of NT$145 million.

Balance Sheet and Cash flow

Capital expenditures during the fourth quarter amounts to NT$337 million. Total capital expenditures in 2015 amounts to NT$3.9 billion, which is lower than the original budget of NT$4.5 billion.

As of December 31, 2015, Company had cash or cash equivalent of NT$16.4 billion. Total bank borrowings totaled NT$51.6 billion, of which NT$46.7 billion was short-term bank loans, NT$4.8 billion was long-term bank loans and NT$7.9 billion was from convertible bond due 2020. Total unused bank facilities amount to NT$50.4 billion.

Note: All financial numbers are prepared in accordance with IFRS which is approved by regulators in Taiwan.

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ABOUT TPK

TPK was founded solely for touch solutions in 2003. We are the inventor of transparent glass-based projected capacitive (P-Cap) touch solutions and the first company for mass production. Since 2Q 2010, TPK has expanded its touch product offering into PET-film based solutions. Our production sites are located in Xiamen City of Fujian Province, China. TPK is completely and vertically integrated for one-stop shopping for touch solutions.

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4Q15 PROFIT & LOSS

Profit & Loss	4Q15	Notes	3Q15	QoQ	4Q14	YoY
(NT$ million)						
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2015 PROFIT & LOSS (pre major one-time charges)

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Non-Controlling Interest	423	818
Total Shareholder's Equities	**31,527**	**46,151**
Ratio Analysis:		
Quick Ratio	0.76	0.71
Current Ratio	0.89	0.78
ROE (YTD Annualized)	(52.3%)	0.6%
Net Debt to Equity	1.36	0.95
Book Value per share	89.66	139.31

Note: PP&E includes prepayments.