2017Q1 Update

April 28th 2017

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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.

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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
- 所有財務數字均為本公司自結數

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1Q17 Result Summary

2017年第一季營運簡報

1Q17	Revenues	Net Profits	EPS
NT$	21.4 bn	616 mn	1.78

- Sequential decline in revenues attributable to slow seasonality and fewer working days in 1Q
- Targeted profitability achieved despite lower capacity utilization and unfavorable product mix
- Divestment gains from non-core investment, TES, and land in Pingtan
- Expects 2017 to be back-end loaded driven by new products ramping up
- Strategic alliance with O-Film in progress

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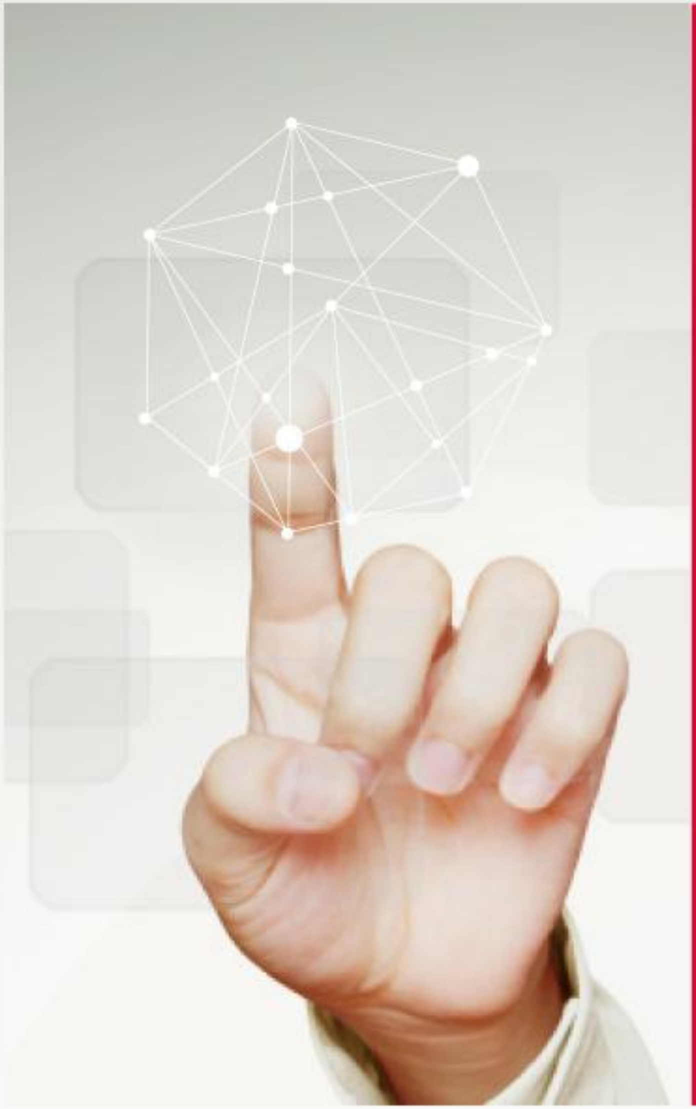

Financials

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1Q17 Profit & Loss

2017年第一季損益表

Profit & Loss	1Q17	4Q16	QoQ	1Q16	YoY
(NT$ million)					
Revenues	**21,415**	**24,724**	**(13.4%)**	**21,239**	**0.8%**
COGS	(20,215)	(23,375)		(20,248)	
Gross Profits	**1,200**	**1,349**		**991**	
Operating Expenses	(1,080)	(1,394)		(1,348)	
SG&A	(877)	(1,141)		(1,128)	
R&D	(203)	(253)		(219)	
Operating Profits	**120**	**(45)**		**(357)**	
Non-Op Inc/(Exp)	621	564		280	
Int Inc/(Exp)	*(235)*	*(245)*		*(182)*	
FX Gain/(Loss)	*(100)*	*232*		*(114)*	
Invest Inc/(Loss)	-	*49*		*52*	
Others	*955*	*528*		*524*	
Earnings Before Tax	**741**	**519**		**(76)**	
Income Tax	(122)	(215)		92	
Net Income (Parent)	**616**	**296**		**52**	
EPS (Parent)	**1.78**	**0.89**		**0.15**	
EBITDA	**3,290**	**3,035**		**2,443**	
Margin:					
GM	5.6%	5.5%		4.7%	
OM	0.6%	(0.2%)		(1.7%)	
NM	2.9%	1.2%		0.2%	
Op Exp	(5.0%)	(5.6%)		(6.3%)	

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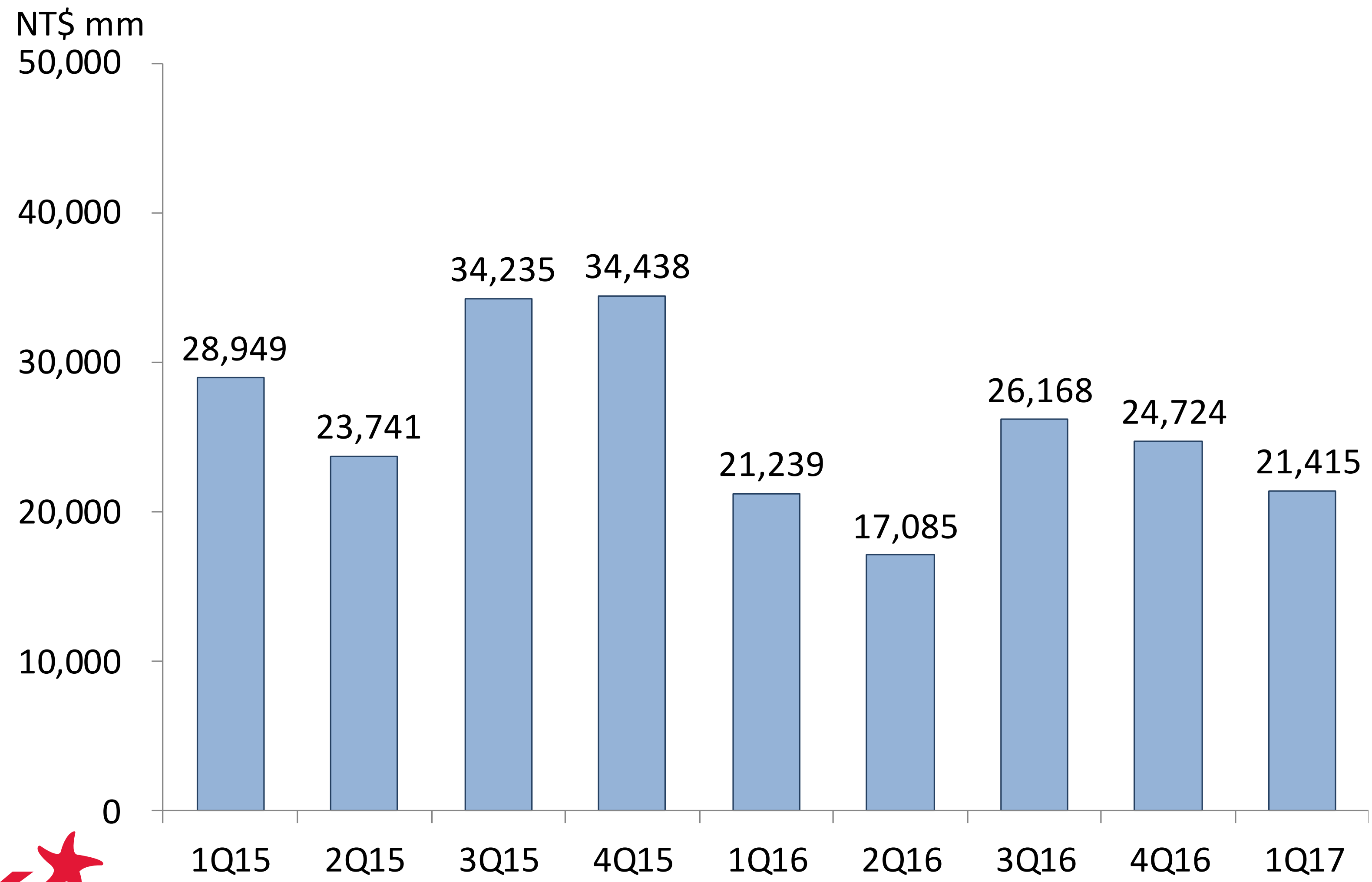
Quarterly Sales

季營收



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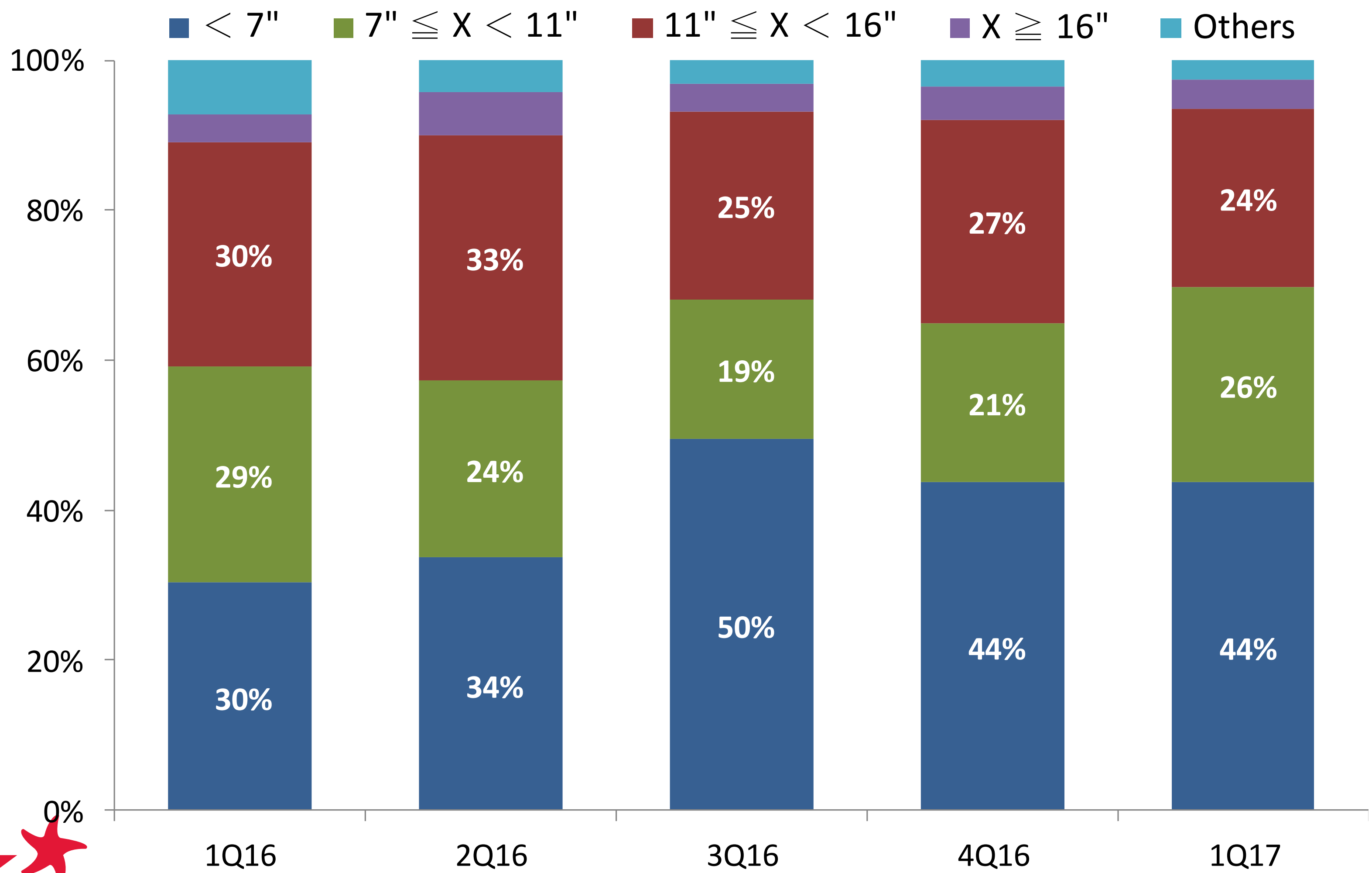
Quarterly Sales by Form Factors

季營收結構



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1Q17 Balance Sheet

2017年第一季資產負債表

Balance Sheet	2017/3/31	2016/12/31
(NT$ million)		
Cash Equivalents	19,498	20,490
Debt Inv with no active market	619	1,387
Receivables	5,255	7,646
Inventories	6,583	7,816
Current Assets	**37,491**	**40,881**
Long-term Investments	**258**	**346**
Property, Plant and Equipment	**39,249**	**42,052**
Total Assets	**80,668**	**87,683**
ST Loans	25,003	30,534
Payables	10,396	12,125
Current Liabilities	**42,579**	**48,472**
Convertible Bonds	**6,227**	**6,575**
LT Loans	**1,237**	**1,122**
Total Liabilities	**52,031**	**58,271**
Common Shares	3,466	3,466
Non-Controlling Interest	235	239
Total Shareholder's Equities	**28,637**	**29,412**
Ratio Analysis:		
Quick Ratio	0.73	0.68
Current Ratio	0.88	0.84
ROE (YTD Annualized)	8.6%	(4.9%)
Net Debt to Equity	0.45	0.60

Note: PP&E includes prepayments.

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新聞稿

TPK 公告 2017 年第一季自結營運成果

中華民國，台灣，台北，2017 年 4 月 28 日 – TPK Holding Co., Ltd. 宸鴻科技（TWSE: 3673）（“宸鴻” 或 “本公司”）今日公告 2017 年第一季自結營運成果。本季自結稅後淨利為新台幣 6 億 1 仟 6 佰萬元，稅後稀釋每股淨利為新台幣 1.78 元。

2017 年第一季營運成果分析

第一季自結合併營收為新台幣 214.2 億元，較去年同期成長 0.8%，較上季減少 13.4%，主要係季節性因素及工作天數較少所致。第一季營業毛利為新台幣 12.0 億元；雖本季營收較上季下滑，惟受惠於公司之生產效率及製程良率持續提升，第一季營業毛利率仍維持約 5.6%，與前季相當。

在銷售成本結構方面，原料成本由去年第四季新台幣 180.8 億元，減少為新台幣 157.7 億元；本季人工成本為新台幣 17.9 億元，較上季新台幣 20.9 億元減少，主要係因去年第四季提列員工獎勵計畫等相關費用所致。第一季折舊攤提費與前季相當，為新台幣 20.8 億元。

第一季營業費用減少為新台幣 10.8 億元，較上季新台幣 13.9 億元減少，主要係公司整體生產規模下降所致。本季淨利息費用約為新台幣 2.3 億元。本季認列外匯損失約為新台幣 1 億元，主要係因人民幣兌美金貶值；由於本公司記帳幣別為美元，故美元兌新台幣之匯率波動對公司的影響不大。本公司於第一季認列宸展光電第二階段股權處分之利益約新台幣 3.7 億元及部分平潭土地(金順新開發公司股權)處分利益新台幣 4.4 億元。截至 2017 年 3 月 31 日，本公司員工總人數為 28,489 人，與前一季底 28,158 人相當。

資本結構及資本支出

截至 2017 年 3 月 31 日，本公司帳上現金餘額為新台幣 195.0 億元，與 2016 年底新台幣 204.9 億元約略相同。公司持續致力於降低財務槓桿，合計銀行借款餘額及人民幣債券餘額已由 2016 年底新台幣 316.6 億元減少為 2017 年 3 月 31 日之新台幣 262.4 億元，淨負債權益比率亦由 2016 年底 0.60 降至 0.45。第一季 EBITDA 為新台幣 32.9 億元。

本季之資本支出約為新台幣 23.1 億元，主要係為了下半年推出的新產品所需而購置的機器設備。2017 年全年總資本支出預估約為新台幣 45 億元，以預計營運活動所產生之現金流即足以支應並協助公司持續降低對銀行之負債。

註：本公司之財務數字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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關於 TPK 宸鴻科技

TPK 為專業的觸控技術應用領導廠商，透過垂直整合的生產製程提供客戶全方位的觸控技術應用解決方案，包括產品設計、研發到量產。公司持續專注於觸控技術的研發與創新，以維持技術的領先地位，並透過新材質的開發、技術的提昇及製程的改善達到降低成本的效益，以期擴大觸控技術在各種電子產品的應用並滿足客戶需求。本公司之主要生產基地位於中國廈門。

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