2017Q1 Update

April 28th 2017

TPK

touching tomorrow, today

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.

touching tomorrow, today

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

TPK
touching tomorrow, today

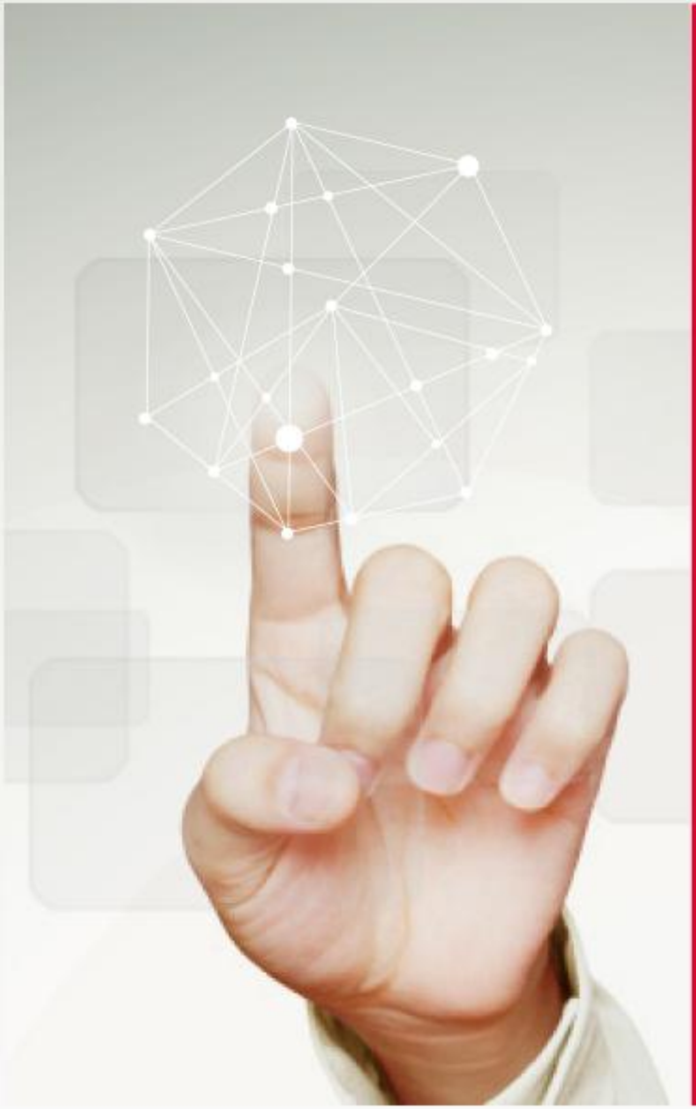
1Q17 Result Summary

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

touching tomorrow, today



Financials

touching tomorrow, today

1Q17 Profit & Loss

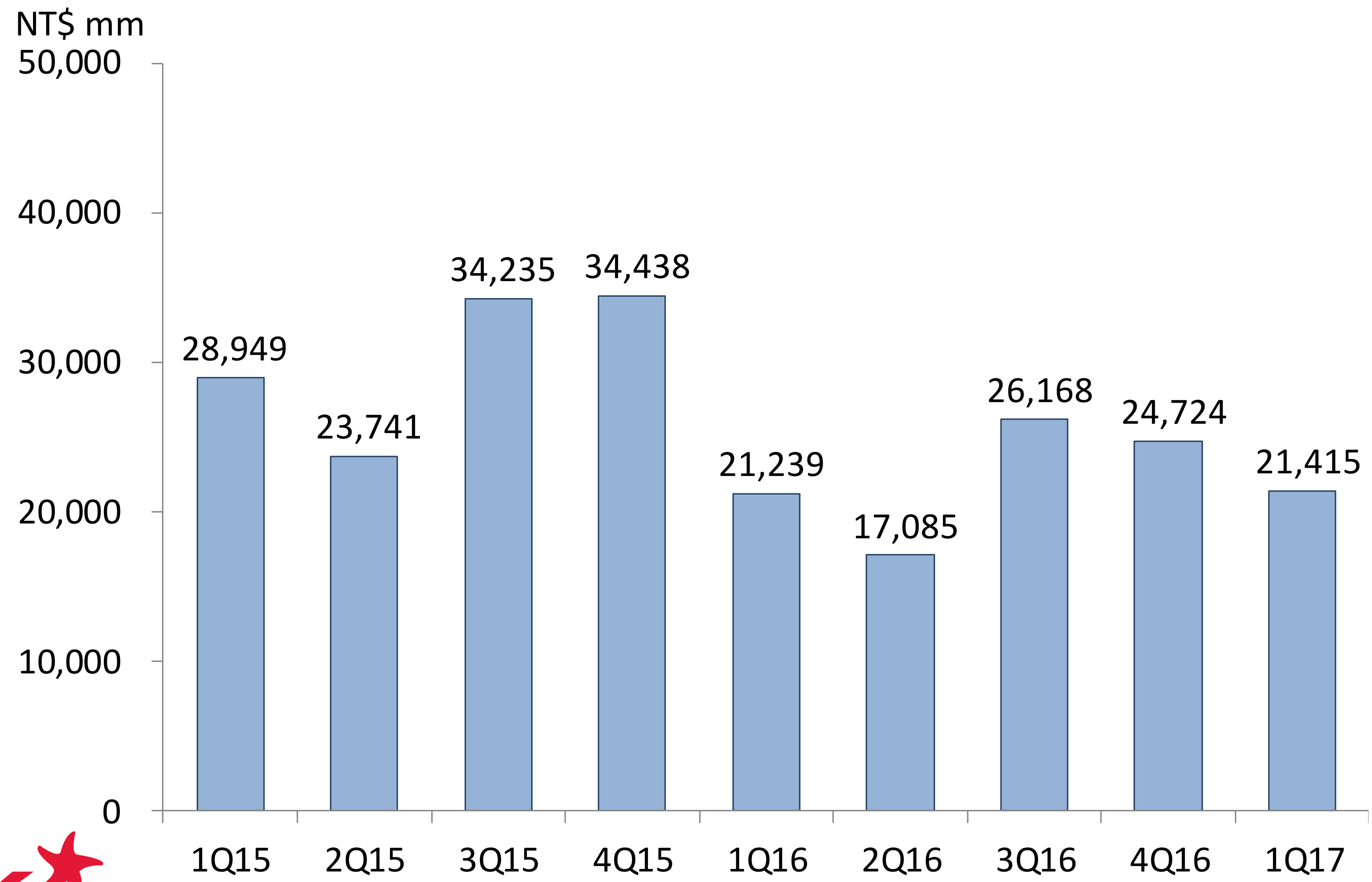
2017年第一季損益表

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%)	

touching tomorrow, today

Quarterly Sales

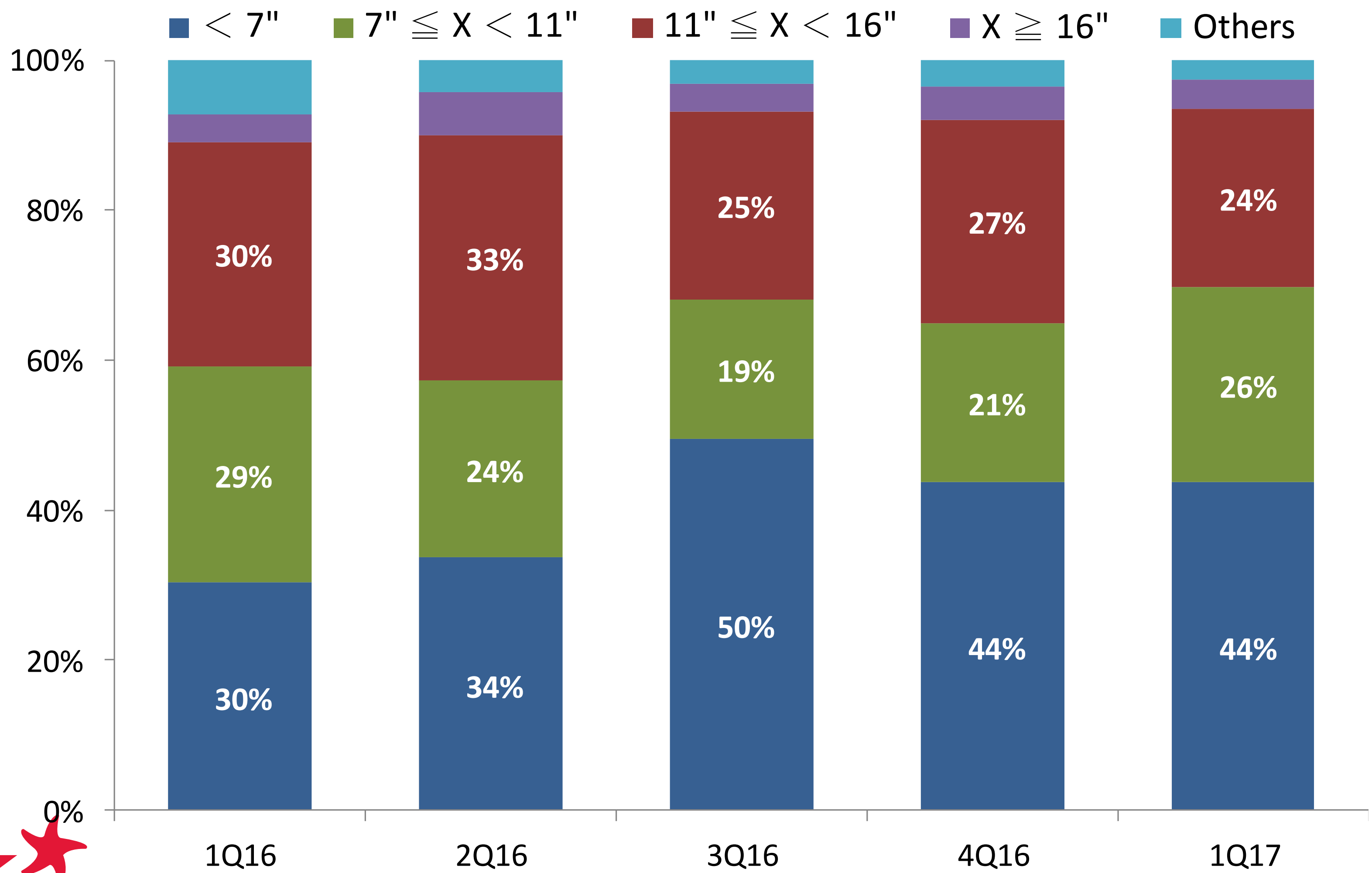
季營收



touching tomorrow, today

Quarterly Sales by Form Factors

季營收結構



touching tomorrow, today

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.

touching tomorrow, today

touching tomorrow, today

FOR IMMEDIATE RELEASE

TPK REPORTS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2017

Taipei, Taiwan, April 28th, 2017 – TPK Holding Co., Ltd (TWSE: 3673) ("TPK" or the "Company") today announced 2017 first quarter operating results. Company reported net profit of NT$616 million, or earnings per share of NT$1.78 for the quarter.

Operating Results

Consolidated revenues in 1Q17 were NT$21,415 million, up 0.8% year-on-year and down 13.4% versus the previous quarter. The sequential decline in revenues was primarily attributable to slower seasonality and fewer working days in the first quarter. Gross profit amounted to NT$1,200 million. Gross margin remained unchanged albeit lower revenue versus previous quarter, due to improvement in production efficiency and manufacturing yield rate.

Within the cost-of-goods-sold items, raw material cost was NT$15.8 billion, down from NT$18.1 billion in 4Q16. Labor cost was NT$1.8 billion, down from NT$2.1 billion in the previous quarter, as a special incentive program was accrued in 4Q16. Depreciation expenses stayed flat at NT$2.1 billion for the quarter.

First quarter operating expenses totaled NT$1.1 billion, down from NT$1.4 billion in 4Q16, reflecting lower production level in the first quarter. Net interest expenses for the quarter totaled NT$235 million. We also recorded foreign exchange loss of NT$100 million in Q1 due to weaker RMB against US dollar. We are less affected by USD/NTD fluctuation as our functional currency is USD. In 1Q17, the Company also realized disposal gains from the closing of the second trench of TES share sale for NT$370 million and a parcel of land in Pingtan (Jinshunxin Development) for NT$443 million. As of March 31 2017, total number of employees was 28,489, similar to 28,158 at the end of 2016.

Balance Sheet & Cash Flow

As of March 31, 2017, Company had cash and cash equivalent of NT$19.5 billion, comparing to NT$20.5 billion at 2016 year end. Total bank borrowings, including RMB bonds, totaled NT$26.2 billion, down from NT$31.7 billion at the end of 2016, reflecting Company's continuous efforts in reducing financial leverage. Net-debt-to-equity ratio improved to 0.45 from 0.60 on December 31, 2016. EBITDA in 1Q17 amounted NT$3.3 billion. Capital expenditures during the first quarter amounted to NT$2.3 billion on accrual basis. The increase on equipment orders was largely for new product launches in the second half of this year. Total capital expenditure is budgeted for NT$4.5 billion for 2017. Operating cashflow will be sufficient to cover the capital expenditure and further reduce bank debt.

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

IR Contact:
Freddie Liu, Chief Financial Officer
Kevin Wang, Director
Tel: +886.2.7727.1196
ir@tpk.com

****

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.

touching tomorrow, today

1Q17 PROFIT & LOSS

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%)	

1Q17 BALANCE SHEET

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.