2018Q1 Update

May 3rd 2018

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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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1Q18 Result Summary

2018年第一季營運簡報

NT$	Revenues	Net Profits	EPS
1Q18	20.9 bn	68 mn	0.17

- Revenues in line with expectation, reflecting cross the board seasonal declines in all product segments post seasonal demand and fewer working days in the first quarter
- Profitability remained flattish year-on-year, but was negatively affected sequentially due to lower capacity utilization rate
- Expect revenues in 2018 to be back-end loaded

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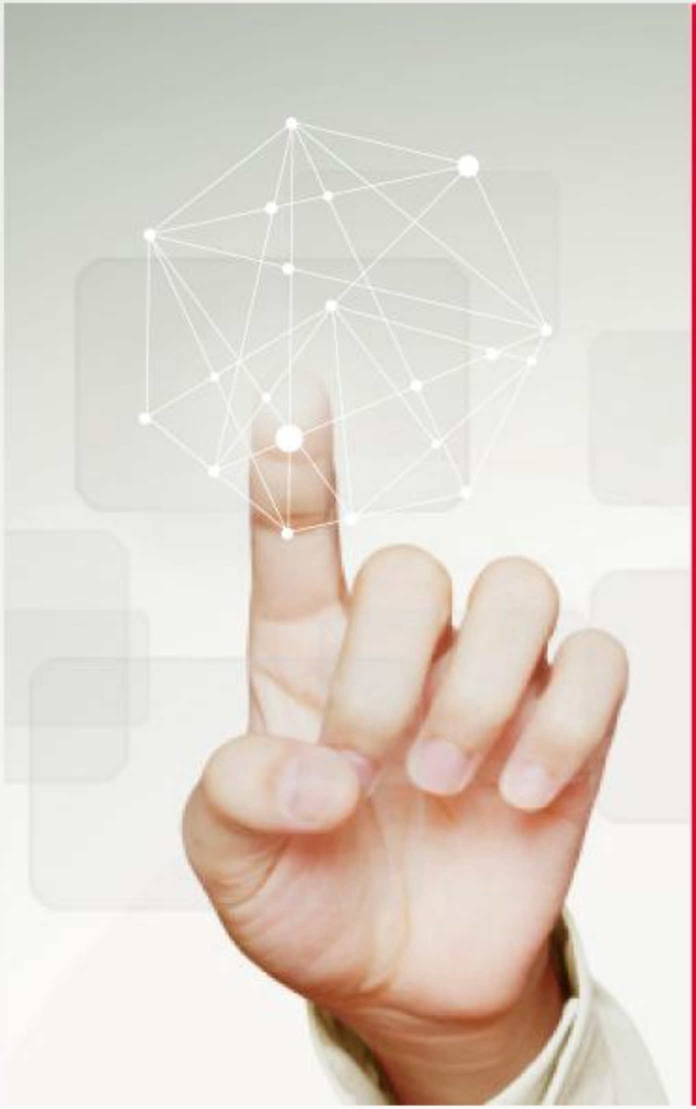

Financials

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1Q18 Profit & Loss

2018年第一季損益表

Profit & Loss	1Q18	4Q17	QoQ	1Q17	YoY
(NT$ million)					
Revenues	**20,854**	**32,873**	**(36.6%)**	**21,415**	**(2.6%)**
COGS	(19,622)	(30,664)		(20,215)	
Gross Profits	**1,231**	**2,209**	**(44.3%)**	**1,200**	**2.6%**
Operating Expenses	(1,008)	(1,491)		(1,080)	
SG&A	(761)	(1,195)		(877)	
R&D	(247)	(295)		(203)	
Operating Profits	**223**	**718**	**(68.9%)**	**120**	**85.5%**
Non-Op Inc/(Exp)	22	137		621	
Int Inc/(Exp)	*(41)*	*(53)*		*(235)*	
FX Gain/(Loss)	*(68)*	*(64)*		*(100)*	
Others	*131*	*254*		*955*	
Earnings Before Tax	**245**	**855**	**(71.4%)**	**741**	**(67.0%)**
Income Tax	(179)	(242)		(122)	
Net Income (Parent)	**68**	**591**		**616**	
EPS (Parent)	**0.17**	**1.53**	**(88.9%)**	**1.78**	**(90.4%)**
EBITDA	**2,248**	**2,969**		**3,290**	
Margin:					
GM	5.9%	6.7%		5.6%	
OM	1.1%	2.2%		0.6%	
NM	0.3%	1.8%		2.9%	
Op Exp	(4.8%)	(4.5%)		(5.0%)	

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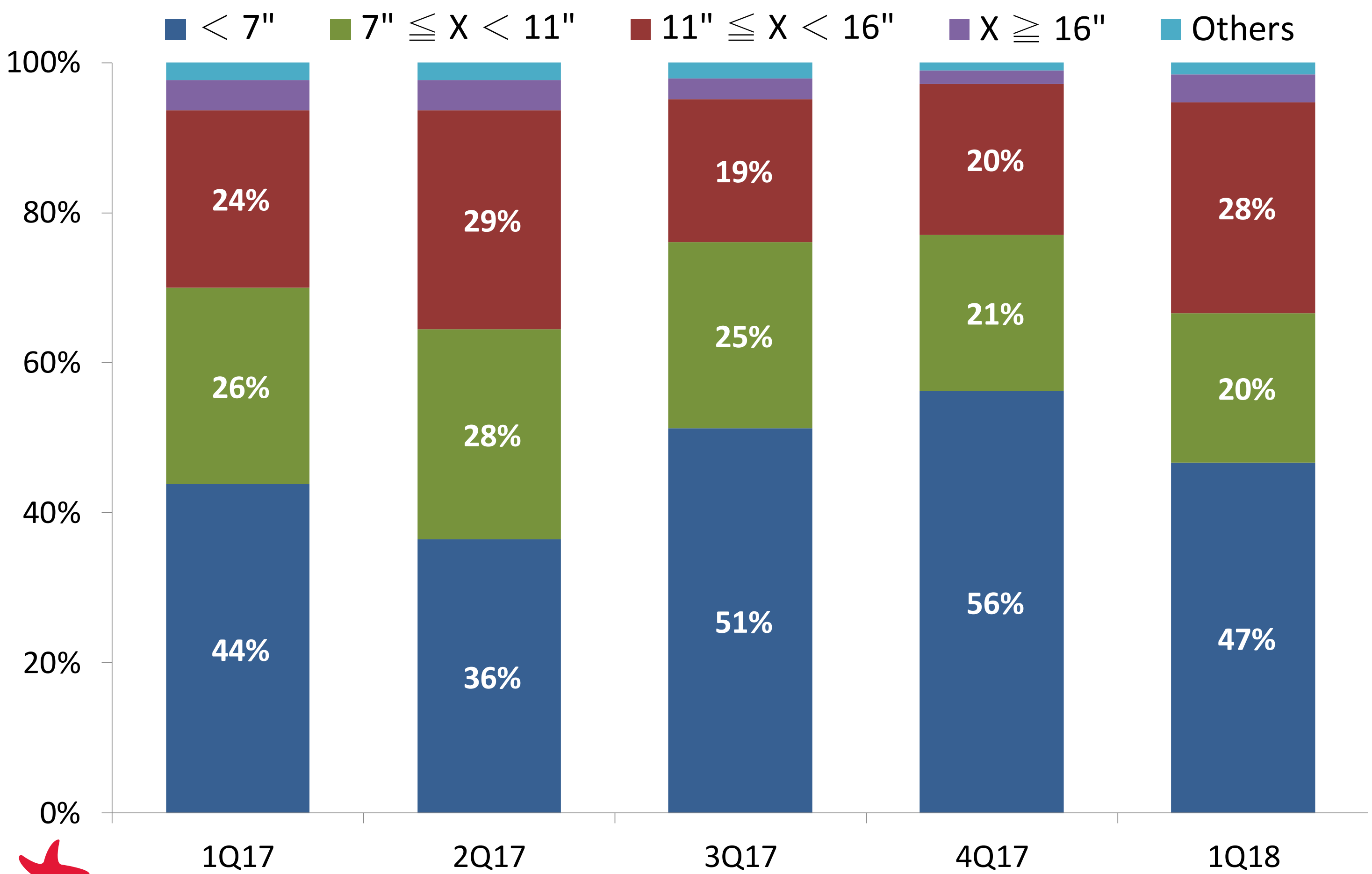
Quarterly Sales by Form Factors

季營收結構



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1Q18 Balance Sheet

2018年第一季資產負債表

Balance Sheet	3/31/2018	12/31/2017
(NT$ million)		
Cash Equivalents	21,609	19,402
Debt Inv with no active market	4,992	5,535
Receivables	5,386	5,331
Inventories	5,609	7,298
Current Assets	**38,829**	**44,680**
Long-term Investments	**253**	**256**
PP&E	**32,349**	**34,211**
Total Assets	**75,045**	**82,978**
ST Loans	17,653	14,046
Payables	8,860	18,513
Current Liabilities	**32,430**	**39,908**
LT Loans	**3,756**	**3,500**
Total Liabilities	**38,603**	**45,808**
Common Shares	4,067	4,067
Total Shareholder's Equities	**36,442**	**37,171**
Ratio Analysis:		
Quick Ratio	1.02	1.11
Current Ratio	1.20	1.33
ROE (YTD Annualized)	0.7%	7.3%
Net Debt to Equity	Net Cash	Net Cash

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Note: PP&E includes prepayments.

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FOR IMMEDIATE RELEASE

TPK REPORTS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2018

Taipei, Taiwan, May 3rd, 2018 – TPK Holding Co., Ltd (TWSE: 3673) ("TPK" or the "Company") today announced 2018 first quarter operating results. Company reported net profit of NT$68 million, or earnings per share of NT$0.17.

Operating Results

The Company's first quarter revenues were NT$20,854 million, down 2.6% year-on-year and down 36.6% quarter-on-quarter. The decline in revenue was primarily due to reduced production volume post seasonal demand and fewer working days in the first quarter. Gross profits amounted to NT$1,231 million, remained flattish versus year ago quarter and down 44.3% sequentially. Gross margin decreased from 6.7% to 5.9%, primarily due to lower capacity utilization rate.

Despite favorable product mix which reduced raw material cost from 78.2% of the quarterly sales in 4Q17 to 76.1% in this quarter, the lower capacity utilization rate lifted up depreciation cost as a percentage of revenues from 5.6% in 4Q17 to 8.3% in 1Q18. Labor cost was 6.5% of the first quarter sales and remained flattish quarter-on-quarter, reflecting our successful control of headcount during slow season.

1Q18 operating expenses moved alongside revenues and decreased 32.4% sequentially from NT$1.5 billion in 4Q17 to NT$1.0 billion in 1Q18. Apart from the reduction in sales related expenses in 1Q18, the difference mainly stemmed from accrued expenses for incentive bonus and employees purchasing treasury stocks in 4Q17. Net interest expenses for the quarter totaled NT$41 million. The Company recorded foreign exchange loss of NT$68 million in this quarter due to weakening USD versus RMB and NTD. As of March 31st 2018, total number of employees was 22,317, down from 26,177 on December 31st 2017.

Balance Sheet & Cash Flow

As of March 31st 2018, Company had cash and cash equivalent of NT$21.6 billion, up from NT$19.4 billion at the end of fourth quarter last year. Total bank borrowings and convertible bonds totaled

NT$21.4 billion. The outstanding Convertible bonds of NT$6.1 billion has been fully repaid on April 8th 2018. As of March 31st 2018, TPK was in net-cash position with current ratio of 1.20 and quick ratio of 1.02. 1Q18 EBITDA amounted to NT$2.2 billion. Capital expenditures during the first quarter were NT$618 million on an accrual basis.

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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1Q18 PROFIT & LOSS

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