2018Q1 Update

May 3rd 2018

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

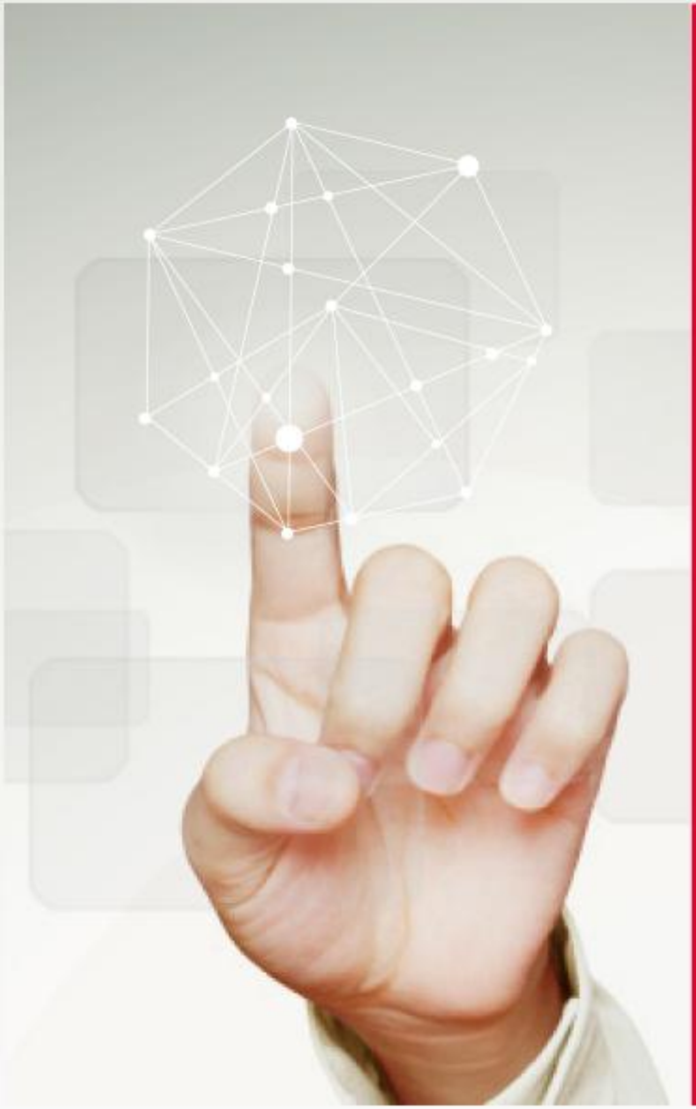
1Q18 Result Summary

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

touching tomorrow, today



Financials

touching tomorrow, today

1Q18 Profit & Loss

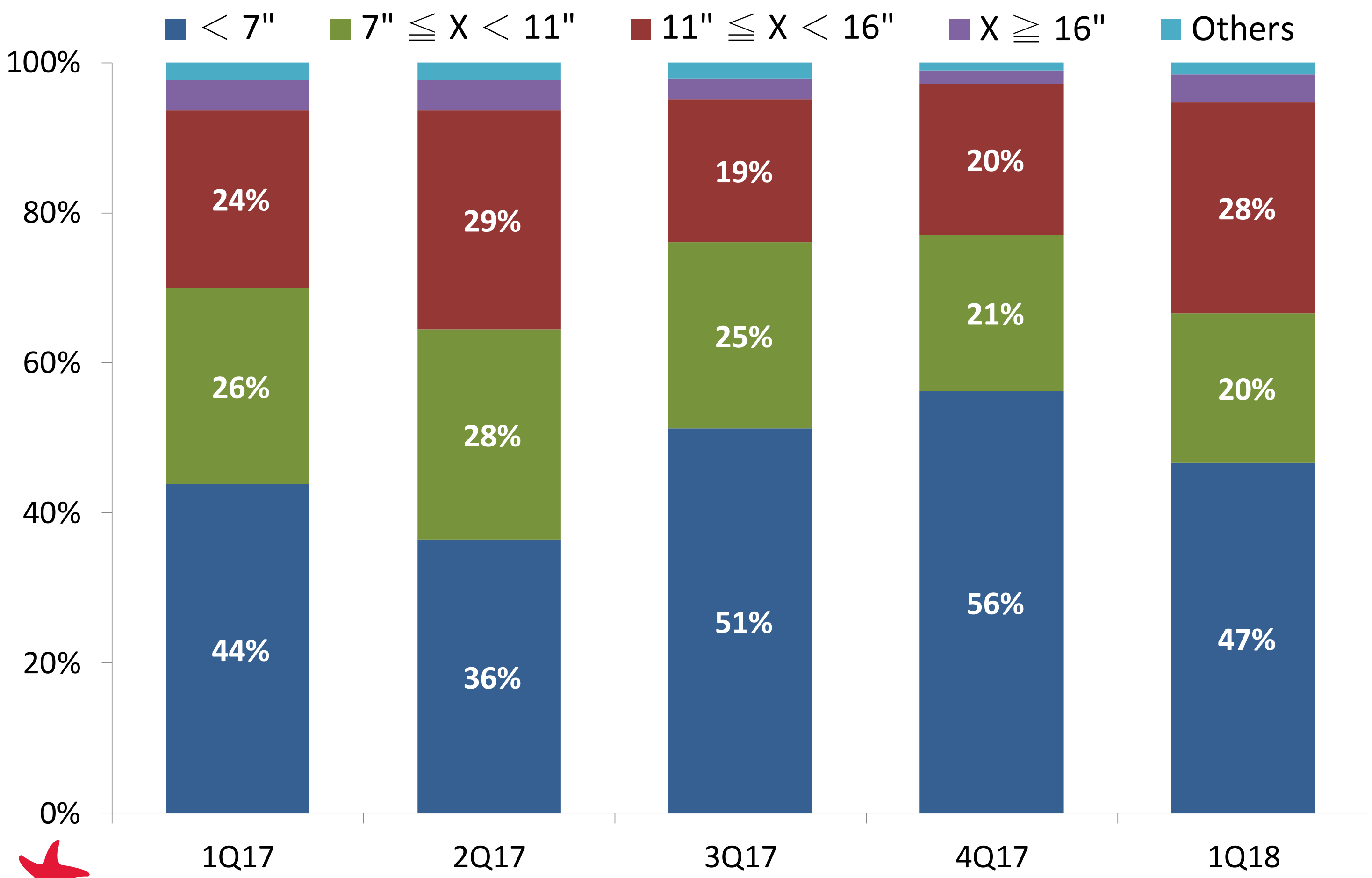
2018年第一季損益表

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%)	

touching tomorrow, today

Quarterly Sales by Form Factors

季營收結構



touching tomorrow, today

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

touching tomorrow, today

Note: PP&E includes prepayments.

TPK

touching tomorrow, today

新聞稿

TPK 公告 2018 年第一季自結營運成果

中華民國，台灣，台北，2018 年 5 月 3 日 – TPK Holding Co., Ltd. 宸鴻科技（TWSE: 3673）(“宸鴻” 或 “本公司”) 今日公告 2018 年第一季自結營運成果。本季自結稅後淨利為新台幣 6 仟 8 佰萬元，稅後稀釋每股淨利為新台幣 0.17 元。

營運成果分析

本公司第一季自結合併營收為新台幣 208.5 億元，較去年同期減少 2.6%，亦較上季減少 36.6%，主要係季節性因素及第一季工作天數較少所致。第一季營業毛利為新台幣 12.3 億元，與去年同期相當，惟較上季減少 44.3%。本季營業毛利率由上季 6.7%降至 5.9%，主要係因產能利用率下降所致。

在銷售成本結構方面，由於產品組合調整，使原料成本佔營收比重由上季 78.2%降為 76.1%; 此外，因產能利用率下降，亦使折舊攤提費用佔營收比重由 2017 年第四季 5.6%增加為 8.3%。本季人工成本佔營收比重維持約 6.5%，與前季相當，顯見公司於淡季時仍能有效地控管人工成本。

隨著營收減少，本公司第一季營業費用為新台幣 10.1 億元，較上季新台幣 14.9 億元減少 32.4%，除因銷售相關費用隨營收規模下降而減少外，還有前季因提列庫藏股轉讓員工認購及年度激勵獎金等費用使整體營業費用增加所致。本季淨利息費用約為新台幣 4,133 萬元，較前季新台幣 5,348 萬元減少。此外，第一季認列外匯損失約為新台幣 6,778 萬元，主要係因美金兌人民幣及台幣貶值所致。截至 2018 年 3 月 31 日止，本公司員工總人數為 22,317 人，較前一季底員工人數 26,177 人減少。

資本結構及資本支出

截至 2018 年 3 月 31 日止，本公司帳上現金餘額為新台幣 216.1 億元，較 2017 年第四季底新台幣 194.0 億元略增。本季底合計銀行借款餘額及可轉換公司債券餘額為新台幣 214.1 億元，其中約新台幣 60.6 億元之可轉換公司債已於 2018 年 4 月 8 日全數清償完畢。截至第一季季底公司擁有淨現金部位，流動比率及速動比率分別為 1.20 及 1.02。

本公司第一季 EBITDA 為新台幣 22.5 億元。本季資本支出約為新台幣 6.2 億元。

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。

投資人關係聯絡人：

劉詩亮，策略長

陳忠義，財務長

王凱論，財務處資深處長

Tel: +886.2.7727.1196

ir@tpk.com

****

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。

touching tomorrow, today

1Q18 PROFIT & LOSS

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%)	

1Q18 BALANCE SHEET

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

Note: PP&E includes prepayments.