2018Q3 Update

November 1st 2018

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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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3Q18 Result Summary

2018年第三季營運簡報

NT$	Revenues	Net Profits	EPS
3Q18	32.2 bn	191 mn	0.47

- Robust revenue growth in the backdrop of new smartphone and eBook product ramp-ups.
- Profitability improvement was unproportional to revenue growth mainly due to start-up cost related to new product mass production, unfavorable product mix and heightened competition.
- Operating expenses remained around the historical-low level.
- Expects revenue growth momentum continues into 4Q18.

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3Q18 Profit & Loss

2018年第三季損益表

Profit & Loss	**3Q18**	**2Q18**	**QoQ**	**3Q17**	**YoY**
(NT$ million)					
Revenues	**32,192**	**17,791**	**80.9%**	**30,513**	**5.5%**
COGS	(30,955)	(17,619)		(27,898)	
Gross Profits	**1,237**	**172**		**2,615**	
Operating Expenses	(1,037)	(1,067)		(1,273)	
SG&A	(778)	(846)		(992)	
R&D	(259)	(221)		(281)	
Operating Profits	**201**	**(895)**		**1,342**	
Non-Op Inc/(Exp)	178	413		(178)	
Int Inc/(Exp)	*(58)*	*(40)*		*(210)*	
FX Gain/(Loss)	*4*	*192*		*(132)*	
Others	*232*	*261*		*164*	
Earnings Before Tax	**379**	**(482)**		**1,164**	
Income Tax	(149)	288		(351)	
Net Income (Parent)	**191**	**(227)**		**870**	
EPS (Parent)	**0.47**	**(0.56)**		**2.37**	
EBITDA	**2,337**	**1,436**		**3,571**	
Margin:					
GM	3.8%	1.0%		8.6%	
OM	0.6%	(5.0%)		4.4%	
NM	0.6%	(1.3%)		2.9%	
Op Exp	(3.2%)	(6.0%)		(4.2%)	

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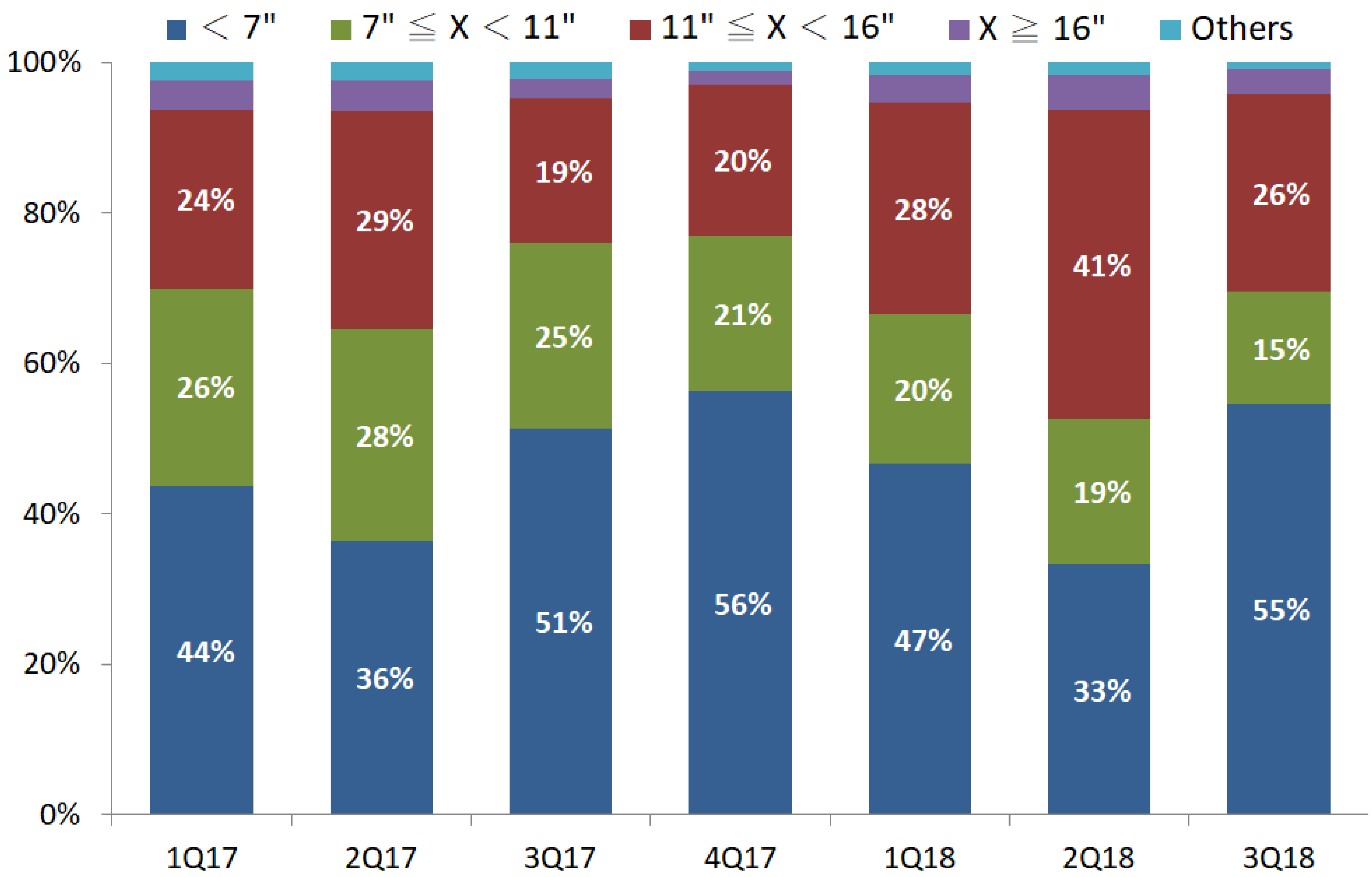
Quarterly Sales by Form Factors

季營收結構



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3Q18 Balance Sheet

2018年第三季資產負債表

Balance Sheet	9/30/2018	6/30/2018
(NT$ million)		
Cash Equivalents	12,785	16,759
Debt Inv with no active market	9,670	6,941
Receivables	9,408	6,756
Inventories	11,442	6,634
Current Assets	**48,779**	**38,880**
Long-term Investments	**258**	**258**
PP&E	**35,802**	**34,907**
Total Assets	**88,778**	**78,026**
ST Loans	12,420	11,677
Payables	21,239	11,675
Current Liabilities	**42,152**	**31,843**
LT Loans	**6,985**	**6,827**
Total Liabilities	**52,032**	**41,488**
Common Shares	4,067	4,067
Total Shareholder's Equities	**36,746**	**36,537**
Ratio Analysis:		
Quick Ratio	0.89	1.01
Current Ratio	1.16	1.22
ROE (YTD Annualized)	0.1%	(0.9%)
Net Debt to Equity	0.18	0.05

Note: PP&E includes prepayments.

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Technical Seminar: SNW Flexible Touch

柔性觸控SNW技術交流會

- Date: 2018/10/25
- Venue: Shenzhen
- Participants: 250+

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SNW Product Categories and Focuses

SNW Solutions for All Applications

Applications	Sizes	Key Features	Sensor Stack-ups
Phone	5”~6.x”	• 3D CG • Sensor Bendable	F2
Tablet-Phone	7”~9”	• Foldable	F2
NB	11”~17.3”	• Lower Resistance • Double Side • Slim Border	F2
AIO	21.5”~32”	• Lower Resistance	FF
Auto	~50”	• Curve	F2
IWB/EWB	43”~86”	• Lower Resistance	FF

SNW best satisfies the requirement of ALL applications!

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TPK Values

Comprehensive Vertical Integration

- Strongly vertical integration of SNW to be competitive continuously.

Leading Company in Touch Industry

- Well business experience for all applications.

Leading SNW Technologies

- SNW with lower resistance, foldable and Moire free to support the innovation for all application.

Strong IP Portfolio

- Innovation from early engagement with leading company, strongly IP to secure customer without any risk.

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新聞稿

TPK 公告 2018 年第三季自結營運成果

中華民國，台灣，台北，2018 年 11 月 1 日 – TPK Holding Co., Ltd. 宸鴻科技（TWSE: 3673）（“宸鴻” 或 “本公司”）今日公告 2018 年第三季自結營運成果。本季合併營收約為新台幣 321.9 億元，自結稅後淨利為新台幣 1 億 9 仟 1 佰萬元，稅後稀釋每股淨利為新台幣 0.47 元。

營運成果分析

本公司第三季自結合併營收為新台幣 321.9 億元，較上季成長 80.9%，亦較去年同期成長 5.5%，主要係受惠於下半年客戶新智慧型手機及電子書產品開始陸續出貨所致。本季營收的大幅成長並未帶動獲利達到同幅度之提升，其主要原因係新產品量產準備相關之費用、不利之產品組合及價格競爭影響所致。第三季營業毛利為新台幣 12.4 億元，營業毛利率為 3.8%。

在銷售成本結構方面，由於產品組合改變，整體原料成本佔營收比重由上季 77.6%提升至 81.4%，主要係新產品之原料成本佔其價格比重較高所致；此外，因營業規模提升，折舊攤提費用佔營收比重則由第二季 9.3%減少為 5.2%，人工成本亦由上季營收比重之 8.3%降為 6.6%。

在營收大幅成長情況下，本公司第三季營業費用仍較上季微幅減少至新台幣 10.4 億元，顯見營運效率提升及成本控管之成果。本季淨利息費用約為新台幣 5 仟 8 佰萬元; 此外，第三季認列外幣兌換利益約新台幣 4 佰萬元。因應下半年客戶新產品量產時程，故截至 2018 年 9 月 30 日止，本公司員工總人數為 29,177 人，較前一季底員工人數 23,928 人成長。

資本結構及資本支出

截至 2018 年 9 月 30 日止，本公司帳上現金餘額為新台幣 127.9 億元，較第二季底新台幣 167.6 億元減少，主要係資本支出及現金管理投資所致。本季資本支出約為新台幣 26.2 億元。截至第三季底本公司銀行借款餘額為新台幣 194.1 億元，較上季銀行借款餘

額 185.0 億元增加。本公司第三季 EBITDA 為新台幣 23.4 億元，累積前三季 EBITDA 為新台幣 60.2 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。

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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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