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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.

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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.

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	
<i>Int Inc/(Exp)</i>	<i>(235)</i>	<i>(245)</i>		<i>(182)</i>	
<i>FX Gain/(Loss)</i>	<i>(100)</i>	<i>232</i>		<i>(114)</i>	
<i>Invest Inc/(Loss)</i>	<i>-</i>	<i>49</i>		<i>52</i>	
<i>Others</i>	<i>955</i>	<i>528</i>		<i>524</i>	
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.