

FOR IMMEDIATE RELEASE

TPK REPORTS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE FOURTH QUARTER OF 2024

Taipei, Taiwan, Mar 6 2025 – TPK Holding Co., Ltd. (TWSE: 3673) (“TPK” or the “Company”) today announced 2024 fourth quarter unaudited consolidated operating results. Company reported revenues of NT\$15,844 million and net loss of NT\$197 million for the quarter. For the full year of 2024, revenues reached NT\$68,874 million and EPS amounted to NT\$1.16.

4Q24 Operating Results

Despite healthy tablet and notebook PC refresh demand, TPK reported 4Q24 revenues of NT\$15,844 million, down 14.6% quarter-on-quarter and down 13.2% year-on-year. The sequential decline was largely attributed to successful new e-Paper product ramp-up during the third quarter, which leads to seasonal inventory adjustment. Gross profits for the quarter amounted to NT\$601 million, down 27.7% sequentially and down 30.5% year-on-year. Gross margin lowered from 4.5% for 3Q24 to 3.8%, owing to lack of operating leverage. In terms of product mix, tablet revenues (7” to 11”) declined 22.4% from the previous quarter and accounted for 40% of 4Q24 sales. On the contrary, revenues from notebook PC (11 to 16”) recorded a sequential decrease of 1.5% and contributed to 51% of sales for the quarter. In addition, revenues for large-sized (> 16”) products made up 6% of sales while smartphone (< 7”) products were down to 0.7%.

With respect to COGS, raw materials were NT\$13,136 million, representing 82.9% of revenues, slightly higher from 82.5% for 3Q24 on the back of product mix change. Labor expense decreased slightly to NT\$1,155 million, equivalent to 7.3% of revenues, up from 6.6% for the quarter earlier. Depreciation expense continued to trend lower to NT\$546 million, equivalent to 3.4% of 4Q24 revenues, down from NT\$789 million for 3Q24. TPK has continuously undertaken efficiency enhancement measures and achieved 20.3% indirect labor reduction as of December 31, 2024, compared to same time one year earlier. Operating expenses increased slightly from NT\$735 million for 3Q24 to NT\$809 million, which was mainly attributable to organization optimization expense and provision for doubtful debts. Company recorded operating loss of NT\$208 million for the quarter.

For the fourth quarter, Company recorded net interest income of NT\$249 million and foreign exchange gain of NT\$108 million. Strategic investments totaled a loss of NT\$339 million mainly due to market volatility and write-off. Other non-operating loss was NT\$33 million. For 4Q24, net loss amounted to NT\$197 million.

2024 Full Year Operating Results

In the backdrop of lackluster consumer demand for 2024 and smartphone product reaching its end of product cycle, TPK reported unaudited consolidated revenues of NT\$68,874 million for the year, down 1.4% year-on-year. In terms of product mix, smartphone products (< 7") continued to trend down as legacy products moving toward end of product lifecycle. Revenues from notebook PC (11" to 16") and tablet (7" to 11") segments accounted for 49% and 32% of annual sales, respectively, up from 43% and 29% for the year earlier. Large-sized (> 16") products remained at 7% of total sales, slightly down from 8% for 2023. Total shipments were 52 million, down 14.1% year-on-year.

Gross profits recorded at NT\$2,902 million, down 10.2% from the previous year, as a result of product mix change. Gross margin decreased slightly from 4.6% for the previous year to 4.2%. Operating loss amounted to NT\$253 million. Company posted non-operating profits of NT\$1,288 million for the year, including interest income of NT\$848 million and foreign exchange gain of NT\$552 million. Total non-operating income was up by 119.0% year-on-year. Net profits totaled to NT\$473 million for the full year of 2024, up 127.0% sequentially, equivalent to EPS of NT\$1.16.

Balance Sheet & Cash Flow

As of December 31 2024, cash and cash equivalent¹ were NT\$47,190 million, flat from NT\$47,362 million at the end of third quarter. On the other hand, total bank borrowings reduced from NT\$31,166 million to NT\$26,192 million. Capital expenditure for the quarter was NT\$306 million on accrual basis and full year CAPEX amounted to NT\$922 million, similar to NT\$994 million for the previous year. EBITDA remained healthy at NT\$720 million for the quarter. For the full year of 2024, EBITDA reached NT\$5,779 million. TPK remained at net cash of NT\$20,998 million as of December 31 2024.

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

Note 1: Cash and cash equivalent includes "Cash Equivalents" and "Risk-Free Banking Financial Product."

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ABOUT TPK

TPK was founded 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. TPK excels at defining new technology mass production processes with in-house automation and flexible production capabilities. Our production sites are located in Xiamen City of Fujian Province, China.

4Q24 PROFIT & LOSS

Profit & Loss	4Q24	3Q24	QoQ	4Q23	YoY
(NT\$ million)					
Revenues	15,844	18,553	(14.6%)	18,255	(13.2%)
COGS	(15,243)	(17,722)		(17,391)	
Gross Profits	601	831	(27.7%)	864	(30.5%)
Operating Expenses	(809)	(735)		(871)	
SG&A	(670)	(618)		(725)	
R&D	(139)	(118)		(146)	
Operating Profits	(208)	96	-	(6)	-
Non-Op Inc/(Exp)	(15)	466		(25)	
Int Inc/(Exp)	249	233		124	
FX Gain/(Loss)	108	160		(12)	
Others	(372)	74		(138)	
Earnings Before Tax	(223)	563		(32)	
Income Tax	(5)	(374)		57	
Net Income (Parent)	(197)	199		3	
EPS (Parent)	(0.49)	0.49		-	
EBITDA	720	1,685		1,271	
Margin:					
GM	3.8%	4.5%		4.7%	
OM	(1.3%)	0.5%		(0.0%)	
NM	(1.2%)	1.1%		0.0%	
Op Exp	(5.1%)	(4.0%)		(4.8%)	

Note: 4Q'24 Fully Diluted Weighted Average: 407 million shares

2024 PROFIT & LOSS

Profit & Loss	2024	2023	YoY
(NT\$ million)			
Revenues	68,874	69,861	(1.4%)
COGS	(65,972)	(66,631)	
Gross Profits	2,902	3,230	(10.2%)
Operating Expenses	(3,155)	(3,226)	
SG&A	(2,653)	(2,640)	
R&D	(502)	(586)	
Operating Profits	(253)	5	-
Non-Op Inc/(Exp)	1,288	588	
Int Inc/(Exp)	848	453	
FX Gain/(Loss)	552	37	
Others	(112)	98	
Earnings Before Tax	1,035	593	74.5%
Income Tax	(551)	(367)	
Net Income (Parent)	473	208	127.0%
EPS (Parent)	1.16	0.51	
EBITDA	5,779	5,964	
Margin:			
GM	4.2%	4.6%	
OM	(0.4%)	0.0%	
NM	0.7%	0.3%	
Op Exp	(4.6%)	(4.6%)	

Note: 2024 Fully Diluted Weighted Average: 407 million shares

4Q24 BALANCE SHEET

Balance Sheet	2024/12/31	2024/9/30	2023/12/31
(NT\$ million)			
Cash Equivalents	44,597	42,416	33,941
Risk-Free Banking Financial Product	2,593	4,946	12,380
Receivables	9,507	11,123	9,123
Other Receivables	2,491	4,713	2,930
Inventories	7,262	6,638	6,594
Current Assets	68,959	72,071	66,988
PP&E	10,168	10,179	11,665
Total Assets	89,183	92,205	87,823
ST Loans	12,084	15,920	14,167
Payables	9,587	10,160	10,109
Current Liabilities	29,482	32,454	30,538
LT Loans	14,109	15,246	15,611
Total Liabilities	48,818	52,847	50,877
Common Shares	4,067	4,067	4,067
Retained Earnings	2,770	5,195	4,525
Total Shareholder's Equities	40,365	39,358	36,947
Ratio Analysis:			
Quick Ratio	2.09	2.02	1.98
Current Ratio	2.34	2.22	2.19
ROE (YTD Annualized)	1.2%	2.4%	0.6%
Net Debt to Equity	Net Cash	Net Cash	Net Cash

Note: PP&E includes prepayments.