

FOR IMMEDIATE RELEASE

TPK REPORTS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2021

Taipei, Taiwan, May 6, 2021 – TPK Holding Co., Ltd (TWSE: 3673) (“TPK” or the “Company”) today announced 2021 first quarter unaudited consolidated operating results. Company reported revenues of NT\$29,186 million and net profit of NT\$350 million, or earnings per share of NT\$0.86 for the quarter.

1Q21 Operating Results

First quarter revenues were NT\$29,186 million, up 14.5% quarter-on-quarter and up 3.5% year-on-year. The sequential growth was mostly attributable to robust smartphone and tablet demand. For 1Q21, small-sized products (<7”) accounted for 27.0% of total revenues and registered 110.3% quarter-on-quarter growth in revenues. Tablet segment also posted 29.8% sequential revenue growth, elevating its percentage of total sales to 29.8%. On the contrary, notebook PC sector reported 16.0% quarter-on-quarter decline owing to low seasonality. Despite the enlarged operating scale, gross margin declined from 4.6% in 4Q20 to 2.9% in the backdrop of unfavorable product mix change. 1Q21 gross profits were NT\$834 million.

In terms of COGS items, raw materials were NT\$24,785 million, equivalent to 84.9% of revenues, up from 81.2% for 4Q20, which was primarily driven by higher percentage of pass-through raw materials for smartphone. Depreciation cost continues to trend down and posted NT\$1,220 million for 1Q21, the lowest level since 3Q13. Significant cost reduction in operating expenses was achieved which lowered the expenses to NT\$766 million, representing merely 2.6% of sales for the quarter, the lowest level in the last 10 years. 1Q21 operating profits were NT\$68 million and operating margin was 0.2%.

Company recorded net interest expenses of NT\$0.8 million, thanks for exceptional cash management. Foreign exchange gain of NT\$155 million was also registered by means of FX hedging and arbitrage. Company also partially disposed its investment in Canoo Inc. during the quarter. Total disposal proceed amounts to NT\$785 million and contributed NT\$49 million in non-operating income. For 1Q21,



net income totaled NT\$350 million, increased by 7.8 times over same period of last year. Earnings per share were NT\$0.86.

Balance Sheet & Cash Flow

As of March 31st 2021, cash & cash equivalent totaled NT\$35.9 billion, up from NT\$25.4 billion at the end of 2020 while total bank borrowings also increased from NT\$18.3 billion at end of 4Q20 to 29.5 billion. The increment on bank borrowings was for risk-free cash management. Capital expenditure for the quarter was NT\$278 million on accrual basis. 1Q21 EBITDA was healthy and amounted to NT\$1.9 billion. TPK remained at net cash position as of end of 1Q21.

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

IR Contact

Freddie Liu, Chief Strategy Officer

Tracy Tsai, Chief Financial Officer

Kevin Wang, Senior Director

Tel: +886.2.7727.1196

ir@tpk.com

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.

1Q21 PROFIT & LOSS

Profit & Loss	1Q21	4Q20	QoQ	1Q20	YoY
(NT\$ million)					
Revenues	29,186	25,490	14.5%	28,192	3.5%
COGS	(28,352)	(24,326)		(27,180)	
Gross Profits	834	1,164	(28.3%)	1,011	(17.6%)
Operating Expenses	(766)	(987)		(902)	
SG&A	(601)	(798)		(705)	
R&D	(165)	(188)		(197)	
Operating Profits	68	177	(61.8%)	109	(38.0%)
Non-Op Inc/(Exp)	305	222		179	
<i>Int Inc/(Exp)</i>	<i>(1)</i>	<i>23</i>		<i>(34)</i>	
<i>FX Gain/(Loss)</i>	<i>155</i>	<i>37</i>		<i>37</i>	
<i>Others</i>	<i>151</i>	<i>161</i>		<i>176</i>	
Earnings Before Tax	373	399		288	
Income Tax	(34)	(153)		(248)	
Net Income (Parent)	350	241		40	
EPS (Parent)	0.86	0.59		0.10	
EBITDA	1,868	1,957		2,140	
Margin:					
GM	2.9%	4.6%		3.6%	
OM	0.2%	0.7%		0.4%	
NM	1.2%	0.9%		0.1%	
Op Exp	(2.6%)	(3.9%)		(3.2%)	

Note: 1Q21 Fully Diluted Weighted Average: 407 million shares

1Q21 BALANCE SHEET

Balance Sheet	2021/3/31	2020/12/31	2020/3/31
(NT\$ million)			
Cash Equivalents	32,128	22,603	21,462
Risk-Free Banking Financial Product	3,752	2,835	14,362
Receivables	10,847	12,764	9,582
Other Receivables	6,316	2,225	8,177
Inventories	9,101	8,425	7,393
Current Assets	65,395	54,113	61,662
PP&E	21,708	22,885	26,765
Total Assets	94,318	83,621	94,196
ST Loans	21,203	6,751	22,426
Payables	14,498	14,443	15,110
Current Liabilities	42,942	29,035	43,506
LT Loans	8,297	11,567	9,419
Total Liabilities	58,161	46,816	57,738
Common Shares	4,067	4,067	4,067
Retained Earnings	4,203	3,591	2,599
Total Shareholder's Equities	36,156	36,805	36,459
Ratio Analysis:			
Quick Ratio	1.31	1.57	1.25
Current Ratio	1.52	1.86	1.42
ROE (YTD Annualized)	3.84%	2.8%	0.4%
Net Debt to Equity	Net Cash	Net Cash	0.28

Note: PP&E includes prepayments.