

FOR IMMEDIATE RELEASE

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

Taipei, Taiwan, August 13, 2021 – TPK Holding Co., Ltd (TWSE: 3673) (“TPK” or the “Company”) today announced 2021 second quarter unaudited consolidated operating results. Company reported revenues of NT\$24,588 million and net profit of NT\$322 million, or earnings per share of NT\$0.79 for the quarter. For the first six months of 2021, net profit totaled NT\$672 million, or earnings per share of NT\$1.65.

2Q21 Operating Results

Second quarter revenues reached NT\$24,588 million, down 15.8% quarter-on-quarter. The sequential decline was mostly attributable to seasonal inventory adjustment and product transition. Among different product segments, smartphone volume declined the most due to upcoming model change. Despite slow seasonal, notebook demand remained strong and posted 13.9% sequential growth and accounted for close to 15% of 2Q21 revenues. Revenues from industrial, automotive and other non-3C sectors were on track and amounted to roughly 6% of the revenues. For the quarter, revenues from small-sized products (<7”) posted 44.8% sequential decline and accounted for 18% of total revenues, down significantly from 27% for first quarter. Tablet segment also recorded 21.3% quarter-on-quarter revenue decline and amounted to 28% of 2Q21 revenues. On the contrary, notebook PC and large-sized tablet sector reported 10.0% sequential revenue growth, elevating its percentage of quarterly revenues from 38% to 49%. Despite the seasonal weakness in revenues, gross profits increased to NT\$975 million, up 16.9% sequentially, as a result of higher percentage of revenue contribution from large size product, i.e. tablet and notebook. Gross margin also improved to 4.0% from 2.9% for the previous quarter.

In terms of COGS breakdown, raw materials were NT\$20,398 million. Raw material as a percentage of COGS reduced from 84.9% for 1Q21 to 83.0% for this quarter in the backdrop of smartphone production transition. Labor cost amounted to NT\$1,486 million, down 16.1% sequentially. The reduction in labor

cost was proportional to the revenue decline. Depreciation cost was flattish quarter-on-quarter at NT\$1,222 million for 2Q21. Operating expenses remained low at NT\$793 million, equivalent to 3.2% of sales for the quarter. As a result of favorable product mix change and effective cost controls, 2Q21 operating profits amounted to NT\$181 million and operating margin reached 0.7%.

Company posted net interest expenses of NT\$6 million and recorded FX gain of NT\$36 million, thanks to effective cash management and risk-free FX arbitrage. For 2Q21, earnings per share amounted to NT\$0.79.

Balance Sheet & Cash Flow

As of June 30th 2021, cash & cash equivalent and financial assets totaled NT\$33.9 billion, slightly down from NT\$35.9 billion at the end of 1Q21 while total bank borrowings also reduced from NT\$29.5 billion at end of the first quarter to 25.2 billion. Capital expenditure for the quarter was NT\$163 million on accrual basis. EBITDA remained healthy at NT\$1.8 billion for the quarter. TPK remained at net cash position as of end of 2Q21.

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.

2Q21 PROFIT & LOSS

Profit & Loss	2Q21	1Q21	QoQ	2Q20	YoY
(NT\$ million)					
Revenues	24,588	29,186	(15.8%)	28,049	(12.3%)
COGS	(23,613)	(28,352)		(26,652)	
Gross Profits	975	834	16.9%	1,397	(30.2%)
Operating Expenses	(793)	(766)		(969)	
SG&A	(624)	(601)		(770)	
R&D	(169)	(165)		(198)	
Operating Profits	181	68	168.1%	428	(57.7%)
Non-Op Inc/(Exp)	161	305		141	
<i>Int Inc/(Exp)</i>	(6)	(1)		(13)	
<i>FX Gain/(Loss)</i>	36	155		17	
<i>Others</i>	131	151		137	
Earnings Before Tax	342	373		570	
Income Tax	(11)	(34)		(262)	
Net Income (Parent)	322	350		308	
EPS (Parent)	0.79	0.86		0.76	
EBITDA	1,848	1,868		2,409	
Margin:					
GM	4.0%	2.9%		5.0%	
OM	0.7%	0.2%		1.5%	
NM	1.3%	1.2%		1.1%	
Op Exp	(3.2%)	(2.6%)		(3.5%)	

Note: 2Q21 Fully Diluted Weighted Average: 407 million shares

2Q21 BALANCE SHEET

Balance Sheet	2021/6/30	2021/3/31	2020/6/30
(NT\$ million)			
Cash Equivalents	28,635	32,128	19,343
Risk-Free Banking Financial Product	5,265	3,752	15,416
Receivables	10,452	10,847	10,628
Other Receivables	3,376	6,316	2,597
Inventories	8,671	9,101	8,201
Current Assets	59,155	65,395	56,535
PP&E	20,213	21,708	25,126
Total Assets	86,675	94,318	88,275
ST Loans	14,616	21,203	17,815
Payables	12,402	14,498	14,490
Current Liabilities	33,307	42,942	38,188
LT Loans	10,547	8,297	7,881
Total Liabilities	50,749	58,161	52,180
Common Shares	4,067	4,067	4,067
Retained Earnings	4,535	4,203	2,907
Total Shareholder's Equities	35,926	36,156	36,094
Ratio Analysis:			
Quick Ratio	1.52	1.31	1.27
Current Ratio	1.78	1.52	1.48
ROE (YTD Annualized)	3.7%	3.8%	1.9%
Net Debt to Equity	Net Cash	Net Cash	0.18

Note: PP&E includes prepayments.