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TPK REPORTS CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2023

Taipei, Taiwan, May 4th, 2023 – TPK Holding Co., Ltd (TWSE: 3673) (“TPK” or the “Company”) today announced 2023 first quarter consolidated operating results. Company reported revenues of NT\$17,324 million and net profit of NT\$102 million, or earnings per share of NT\$0.25 for the quarter.

1Q23 Operating Results

The weak holiday season towards the end of 2022 extended into first quarter as demand for notebook and tablet PC remained mute and channel focused on inventory clearance as a key priority. Consequently, 1Q23 revenues slid to NT\$17,324 million, down 20.5% sequentially and down 31.0% year-on-year. Tablet (7” to 11”) and notebook (11” to 16”) segments took the largest hit and recorded sequential declines of 30.4% and 28.3% respectively. On contrary, small-sized products (<7”) posted a sequential growth of 43.7%, thanks to demand for legacy smartphone and new e-reader product ramp-up. Large-sized products (>16”) registered 28.9% extension in revenues as the Company regained momentum on shipment to automotive sector. Despite lower revenue scale for 1Q23, gross margin enhanced to 4.0% with gross profit amounted to NT\$691 million.

For COGS items, raw materials were NT\$14,231 million, representing 82.1% of revenues, down from 83.0% for the previous quarter. Labor expense recorded NT\$1,206 million, flat to 4Q22 at 7.0% of revenues. Depreciation cost decreased to NT\$875 million, down 5.1% quarter-on-quarter. Alongside the lower business scale, 1Q23 Operating expense reduced to NT\$794 million, down 16.8% from the previous quarter. Due to lack of economics of scale, company posted an operating loss of NT\$102 million, in the backdrop of unfavorable macro factors.

The Company recorded net interest income of NT\$97 million and foreign exchange gain of NT\$66 million for the quarter with active risk-free interest rate and forex management. Other non-operating income amounted to NT\$243 million, including net gain on financial investments and government subsidies. For 1Q23, net profit totaled NT\$102 million, and earnings per share were NT\$0.25.

Balance Sheet & Cash Flow

As of March 31st 2023, cash and cash equivalent¹ amounted NT\$46,131 million, up from NT\$34,256 million at the end of 2022 while total bank borrowings also increased from NT\$24,318 million to



NT\$33,483 million. Capital expenditure for the first quarter was NT\$368 million on accrual basis. EBITDA remained healthy at NT\$1,609 million for the quarter. TPK remained at net cash of NT\$12,649 million as of March 31st 2023.

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.

1Q23 PROFIT & LOSS

Profit & Loss	1Q23	4Q22	QoQ	1Q22	YoY
(NT\$ million)					
Revenues	17,324	21,802	(20.5%)	25,092	(31.0%)
COGS	(16,633)	(21,055)		(24,116)	
Gross Profits	691	747	(7.5%)	975	(29.1%)
Operating Expenses	(794)	(954)		(900)	
SG&A	(663)	(781)		(737)	
R&D	(131)	(173)		(163)	
Operating Profits	(102)	(207)		75	
Non-Op Inc/(Exp)	406	236		262	
<i>Int Inc/(Exp)</i>	97	16		2	
<i>FX Gain/(Loss)</i>	66	(50)		83	
<i>Others</i>	243	270		177	
Earnings Before Tax	304	29		337	
Income Tax	(174)	(7)		(72)	
Net Income (Parent)	102	20		235	
EPS (Parent)	0.25	0.05		0.58	
EBITDA	1,609	1,337		1,473	
Margin:					
GM	4.0%	3.4%		3.9%	
OM	(0.6%)	(0.9%)		0.3%	
NM	0.6%	0.1%		0.9%	
Op Exp	(4.6%)	(4.4%)		(3.6%)	

Note: Q1'23 Fully Diluted Weighted Average: 407 million shares

1Q23 BALANCE SHEET

Balance Sheet	2023/3/31	2022/12/31	2022/3/31
(NT\$ million)			
Cash Equivalents	25,626	24,284	30,431
Risk-Free Banking Financial Product	20,506	9,972	7,792
Receivables	9,276	8,433	13,128
Other Receivables	4,381	6,130	5,554
Inventories	6,798	9,270	9,962
Current Assets	68,014	59,833	68,794
PP&E	16,981	17,574	16,901
Total Assets	91,357	83,600	93,908
ST Loans	18,707	12,349	16,729
Payables	8,048	9,394	12,491
Current Liabilities	33,932	28,623	36,403
LT Loans	14,776	11,969	14,869
Total Liabilities	54,219	46,228	57,546
Common Shares	4,067	4,067	4,067
Retained Earnings	4,621	4,519	4,818
Total Shareholder's Equities	37,138	37,372	36,362
Ratio Analysis:			
Quick Ratio	1.80	1.77	1.62
Current Ratio	2.00	2.09	1.89
ROE (YTD Annualized)	1.1%	1.5%	2.6%
Net Debt to Equity	Net Cash	Net Cash	Net Cash

Note: PP&E includes prepayments.