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TPK REPORTS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER OF 2023

Taipei, Taiwan, Aug 9 2023 – TPK Holding Co., Ltd. (TWSE: 3673) (“TPK” or the “Company”) today announced 2023 2nd quarter unaudited consolidated operating results. Company reported revenues of NT\$16,229 million and net profit of NT\$32 million, or earnings per share of NT\$0.08 for the quarter. For the first half of 2023, revenues reached NT\$33,553 million and EPS amounted to NT\$0.33.

2Q23 Operating Results

Despite low quarterly seasonality and gloomy economic outlook, 2Q23 revenues was slightly down 6.3% sequentially. Gross profit amounted to NT\$630 million and gross margin remained flattish to the previous quarter at 3.9%. In terms of product mix, demand for tablets continued to be weak as consumer confidence and purchasing power remained low in this quarter. Revenues from tablet products (7” to 11”) declined 17.9% quarter-on-quarter. On the other hand, notebook PC (11” to 16”) and large-size (>16”) segments showed signs of stabilization with sequential growth of 9.6% and 32.7%, respectively. Small-sized revenues registered a sequential decline of 26.5% post new e-reader product ramp-up in the first quarter and existing smart phone product reaching end of life.

For COGS items, raw materials were NT\$13,320 million, representing 82.1% of revenues, same as the previous quarter. Labor expense reduced to NT\$1,091 million, equivalent to 6.7% of revenues. Depreciation cost decreased to NT\$820 million, flat quarter-on-quarter. Total 2Q23 operating expense lowered to NT\$773 million, down 2.6% from the previous quarter. In spite of cost reduction, lower utilization and economics of scale weighed on profitability and resulted in operating loss of NT\$142 million.

For the second quarter, Company recorded net interest income of NT\$131 million and foreign exchange gain of NT\$54 million for the quarter with successful risk-free interest rate and forex management. Other non-operating income amounted to NT\$78 million, mainly including government subsidies. For 2Q23, net profit totaled NT\$32 million, and earnings per share were NT\$0.08.

Balance Sheet & Cash Flow

As of June 30 2023, cash and cash equivalent¹ amounted NT\$50,541 million, up from NT\$46,131 million at the end of first quarter. Total bank borrowings also increased from NT\$33,483 million to NT\$35,394



million. Capital expenditure for the second quarter was NT\$237 million on accrual basis. EBITDA remained healthy at NT\$1,495 million for the quarter. TPK remained at net cash of NT\$15,147 million as of June 30 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.

2Q23 PROFIT & LOSS

Profit & Loss	2Q23	1Q23	QoQ	2Q22	YoY
(NT\$ million)					
Revenues	16,229	17,324	(6.3%)	22,336	(27.3%)
COGS	(15,598)	(16,633)		(21,289)	
Gross Profits	630	691	(8.8%)	1,047	(39.8%)
Operating Expenses	(773)	(794)		(850)	
SG&A	(602)	(663)		(675)	
R&D	(170)	(131)		(175)	
Operating Profits	(142)	(102)	(39%)	197	(172%)
Non-Op Inc/(Exp)	263	406		111	
<i>Int Inc/(Exp)</i>	131	97		(39)	
<i>FX Gain/(Loss)</i>	54	66		32	
<i>Others</i>	78	243		118	
Earnings Before Tax	121	304		308	
Income Tax	(110)	(174)		(227)	
Net Income (Parent)	32	102		66	
EPS (Parent)	0.08	0.25		0.16	
EBITDA	1,495	1,609		1,539	
Margin:					
GM	3.9%	4.0%		4.7%	
OM	(0.9%)	(0.6%)		0.9%	
NM	0.2%	0.6%		0.3%	
Op Exp	(4.8%)	(4.6%)		(3.8%)	

Note: 2Q'23 Fully Diluted Weighted Average: 407 million shares

2Q23 BALANCE SHEET

Balance Sheet	2023/6/30	2023/3/31	2022/6/30
(NT\$ million)			
Cash Equivalents	29,894	25,626	25,736
Risk-Free Banking Financial Product	20,647	20,506	14,940
Receivables	9,397	9,276	12,368
Other Receivables	2,376	4,381	2,053
Inventories	6,170	6,798	12,171
Current Assets	70,827	68,014	68,432
PP&E	15,220	16,981	16,746
Total Assets	93,702	91,357	93,557
ST Loans	19,936	18,707	15,409
Payables	7,176	8,048	11,977
Current Liabilities	35,357	33,932	35,222
LT Loans	15,457	14,776	15,825
Total Liabilities	56,243	54,219	57,253
Common Shares	4,067	4,067	4,067
Retained Earnings	4,449	4,621	4,274
Total Shareholder's Equities	37,459	37,138	36,304
Ratio Analysis:			
Quick Ratio	1.83	1.80	1.60
Current Ratio	2.00	2.00	1.94
ROE (YTD Annualized)	0.7%	1.1%	1.7%
Net Debt to Equity	Net Cash	Net Cash	Net Cash

Note: PP&E includes prepayments.