

FOR IMMEDIATE RELEASE

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

Taipei, Taiwan, August 14 2024 – TPK Holding Co., Ltd (TWSE: 3673) (“TPK” or the “Company”) today announced 2024 second quarter unaudited consolidated operating results. Company reported revenues of NT\$19,146 million and net profit of NT\$354 million which was equivalent to EPS of NT\$0.87 for the quarter. For the first half of 2024, net profit amounts to NT\$470 million, an increase of 251.8% versus first half of 2023. EPS for the first half of 2024 were NT\$1.16.

2Q24 Operating Results

Despite 2Q seasonal weakness, TPK’s 2Q24 revenues rebounded to NT\$19,146 million, up 24.9% sequentially and up 18.0% year-on-year in the backdrop of strong demand for tablet and energy storage. Gross profit for the quarter amounted to NT\$820 million, up 26.1% from 1Q24 and up 30.0% from the previous year. Despite unfavorable product mix for the quarter, gross margin increased slightly to 4.3%, mainly attributable to greater business scale and operational leverage. In terms of revenue mix, demand for e-reader, tablet and notebook continued to soar in the second quarter and resulted in revenues growth of 18.6% for tablet (7~11”) and 16.3% for notebook (11~16”) segments, sequentially. Delivery of energy storage ramped up rapidly during 2Q24 and uplifted “Others/non-touch” category from 3% to 11% of quarterly sales, up 364% sequentially in dollar terms. However, on the other hand, revenues for smartphone (<7”) segment declined 24.9% from quarter-on-quarter as legacy products continued to phase out.

For COGS breakdown, raw materials were NT\$15,821 million, equivalent to 82.6% of quarterly revenues, up from 81.7% for the first quarter because of revenue contribution from energy storage business. Labor expenses increased slightly from NT\$1,141 million in 1Q24 to NT\$1,306 million, up 14.4%, on the back of 24.9% sequential revenues growth and translated into 6.8% of revenue, down from 7.4% earlier. Depreciation cost was also up slightly from \$726 million in Q1 to \$807 million, mainly due to moderate CAPEX for a new product and currency translation of weakening NTD versus USD for the quarter. As a percentage of sales, depreciation cost lowered from 4.7% for 1Q24 to 4.2% for this quarter. Company was able to achieve business leverage for operating expenses with a marginal 3.3% sequential increase in expenses versus 24.9% growth in business scale. As a result, operating result returned to almost

breakeven at a loss of NT\$0.7 million for this quarter.

For the second quarter, Company recorded net interest income of NT\$202 million and foreign exchange gain of NT\$251 million. Strategic investments also totaled a gain of NT\$99 million. Other non-operating income amounted to \$16 million. For 2Q24, net profit amounted to NT\$354 million, up 204.1% qoq and up 1,009.7% yoy.

For the first six months of 2024, revenues reached NT\$34.5 billion, up 2.8% compared with first half of 2023. Revenue increase was mainly attributed to the launch of new tablet product and the ramp up of energy storage business. Net profit reached NT\$470 million, up 251.8% versus 1H of 2023. EPS were NT\$1.16.

Balance Sheet & Cash Flow

As of June 30 2024, cash and cash equivalent¹ were NT\$53,777 million, up from NT\$51,036 million at the end of first quarter. Total bank borrowings remained largely unchanged at NT\$34,759 million from NT\$34,232 million earlier. Capital expenditure for the quarter was NT\$112 million on accrual basis. Company's quarterly EBITDA increased to NT\$1,883 million from NT\$1,362 million in 1Q24. TPK remained at net cash of NT\$19,018 million as of June 30 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.

2Q24 PROFIT & LOSS

Profit & Loss	2Q24	1Q24	QoQ	2Q23	YoY
(NT\$ million)					
Revenues	19,146	15,330	24.9%	16,229	18.0%
COGS	(18,327)	(14,680)		(15,598)	
Gross Profits	820	650	26.1%	630	30.0%
Operating Expenses	(820)	(794)		(773)	
SG&A	(698)	(670)		(602)	
R&D	(122)	(124)		(170)	
Operating Profits	(0.7)	(144)	-	(142)	-
Non-Op Inc/(Exp)	568	272		263	
<i>Int Inc/(Exp)</i>	202	165		131	
<i>FX Gain/(Loss)</i>	251	33		54	
<i>Others</i>	116	74		78	
Earnings Before Tax	567	128		121	
Income Tax	(160)	(11)		(110)	
Net Income (Parent)	354	116		32	
EPS (Parent)	0.87	0.29		0.08	
EBITDA	1,883	1,362		1,495	
Margin:					
GM	4.3%	4.2%		3.9%	
OM	(0.0%)	(0.9%)		(0.9%)	
NM	1.8%	0.8%		0.2%	
Op Exp	(4.3%)	(5.2%)		(4.8%)	

Note: 2Q'24 Fully Diluted Weighted Average: 407 million shares

2Q24 BALANCE SHEET

Balance Sheet	2024/6/30	2024/3/31	2023/6/30
(NT\$ million)			
Cash Equivalents	42,355	40,011	29,894
Risk-Free Banking Financial Product	11,422	11,025	20,647
Receivables	9,829	8,626	9,397
Other Receivables	4,109	4,400	2,376
Inventories	6,285	5,981	6,170
Current Assets	77,756	72,023	70,827
PP&E	11,102	11,686	15,220
Total Assets	98,797	93,085	93,702
ST Loans	21,253	22,889	19,936
Payables	12,271	7,824	7,176
Current Liabilities	40,467	37,866	35,357
LT Loans	13,507	11,342	15,457
Total Liabilities	58,791	53,987	56,243
Common Shares	4,067	4,067	4,067
Retained Earnings	4,995	4,641	4,449
Total Shareholder's Equities	40,006	39,098	37,459
Ratio Analysis:			
Quick Ratio	1.77	1.74	1.83
Current Ratio	1.92	1.90	2.00
ROE (YTD Annualized)	2.5%	1.2%	0.7%
Net Debt to Equity	Net Cash	Net Cash	Net Cash

Note: PP&E includes prepayments.