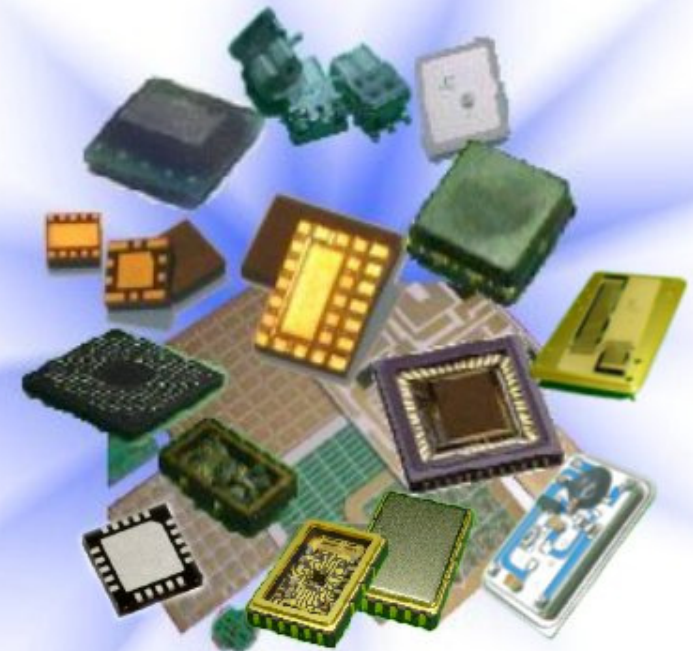




TONG HSING ELECTRONIC INDUSTRIES, LTD.

# Tong Hsing

**Third Quarter 2014  
Investor Conference  
Oct 31<sup>st</sup>, 2014**

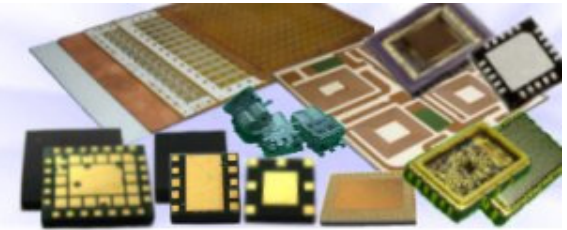


**Excellence in Custom Electronics Manufacturing**

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# Disclaimer

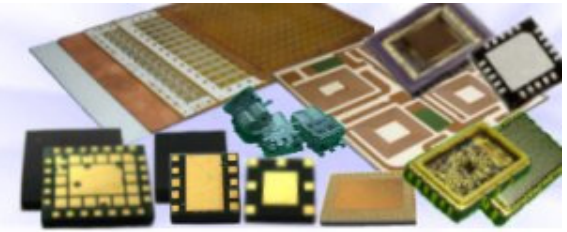


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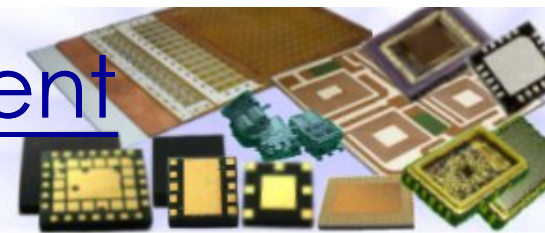


1. Financial Update
2. Business Update



# 3Q 14 Income Statement

## QoQ Comparison



**consolidated**

Unit: NT\$Thousand

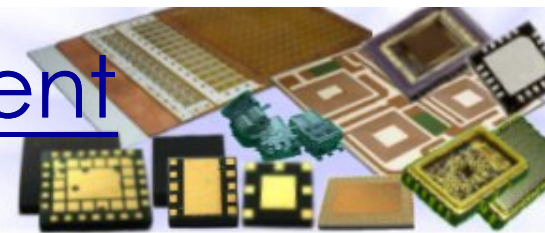
	3Q 2014 (Reviewed)	%	2Q 2014 (Reviewed)	%	Chg %
Net Revenue	2,339,341	100.0%	2,205,339	100.0%	6.1%
Cost of Sales	1,557,914	66.6%	1,540,636	69.9%	1.1%
Gross Profit	781,427	33.4%	664,703	30.1%	17.6%
Operating Expenses	218,694	9.3%	197,510	9.0%	10.7%
Operating Income	562,733	24.1%	467,193	21.2%	20.4%
Non-Operating Items	22,663	1.0%	(9,855)	-0.4%	-330.0%
Income before Income Tax	585,396	25.0%	457,338	20.7%	28.0%
EPS(NT\$) before Tax	3.59		2.81		
Income Tax Expense	90,181	3.9%	91,217	4.1%	-1.1%
Net Income	495,215	21.2%	366,121	16.6%	35.3%
EPS(NT\$) after Tax	3.04		2.25		

\*2014 Weighted Average Outstanding Shares : 162.91Million

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# 3Q 14 Income Statement YoY Comparison



**consolidated**

Unit: NT\$Thousand

	3Q 2014 (Reviewed)	%	3Q 2013 (Reviewed)	%	Chg %
Net Revenue	2,339,341	100.0%	2,238,500	100.0%	4.5%
Cost of Sales	1,557,914	66.6%	1,470,629	65.7%	5.9%
Gross Profit	781,427	33.4%	767,871	34.3%	1.8%
Operating Expenses	218,694	9.3%	181,358	8.1%	20.6%
Operating Income	562,733	24.1%	586,513	26.2%	-4.1%
Non-Operating Items	22,663	1.0%	5,761	0.3%	293.4%
Income before Income Tax	585,396	25.0%	592,274	26.5%	-1.2%
EPS(NT\$) before Tax	3.59		3.64		
Income Tax Expense	90,181	3.9%	77,942	3.5%	15.7%
Net Income	495,215	21.2%	514,332	23.0%	-3.7%
EPS(NT\$) after Tax	3.04		3.16		

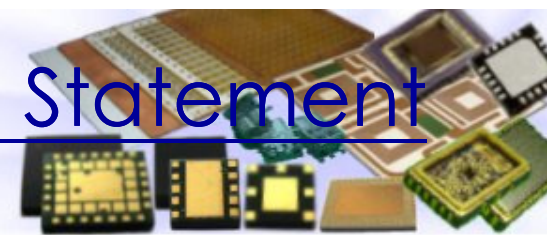
\*2014 Weighted Average Outstanding Shares : 162.91Million

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# First Nine Months 2014 Income Statement

## YoY Comparison



**consolidated**

Unit: NT\$thousand

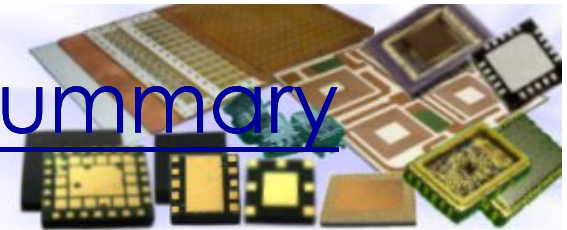
	For the nine months ended Sept 30, 2014		For the nine months ended Sept 30, 2013		YoY Chg %
	(Reviewed)	%	(Reviewed)	%	
Net Revenue	6,411,807	100.0%	5,917,885	100.0%	8.3%
Cost of Sales	4,440,973	69.3%	4,060,859	68.6%	9.4%
Gross Profit	1,970,834	30.7%	1,857,026	31.4%	6.1%
Operating Expenses	594,809	9.3%	527,706	8.9%	12.7%
Operating Income	1,376,025	21.5%	1,329,320	22.5%	3.5%
Non-Operating Items	37,337	0.6%	63,413	1.1%	-41.1%
Income before Income Tax	1,413,362	22.0%	1,392,733	23.5%	1.5%
EPS(NT\$) before Tax	8.68		8.55		
Income Tax Expense	238,529	3.7%	221,925	3.8%	7.5%
Net Income	1,174,833	18.3%	1,170,808	19.8%	0.3%
EPS(NT\$) after Tax	7.21		7.19		

\*2014 Weighted Average Outstanding Shares : 162.91 Million

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# 3Q 14 Operating Results Summary



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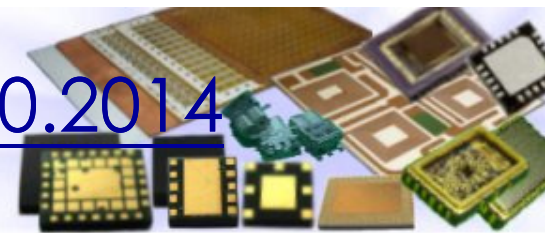
Unit: NT\$Thousand	3Q 2014 (Reviewed)	2Q 2014 (Reviewed)	3Q 2013 (Reviewed)
Net Revenues	2,339,341	2,205,339	2,238,500
Net Income	495,215	366,121	514,332
EPS(NT\$) before Tax	3.59	2.81	3.64
EPS(NT\$) after Tax	3.04	2.25	3.16
Depreciation	252,049	245,366	223,325
Capital Expenditure*	313,631	126,893	283,316
EBITDA**	854,287	715,310	823,130

\*Additions to property, plant and equipment

\*\*EBITDA = Net Income + Interest + Tax + Depreciation & Amortization expenses



## Balance Sheet Highlight –9.30.2014



- consolidated

Unit: NT\$Thousand	9.30.2014 (Reviewed)	%	9.30.2013 (Reviewed)	%
Cash and Cash Equivalents	7,535,941	48.8%	4,165,256	36.9%
Fixed Assets	4,667,057	30.3%	4,853,073	43.0%
Total Assets	15,427,820	100.0%	11,296,744	100.0%
LT Debt	1,494,725	9.7%	176,739	1.6%
Bonds Payable	1,945,685	12.6%	-	0.0%
Shareholders' Equity	9,647,597	62.5%	9,117,223	80.7%
Depreciation-YTD	737,346		639,336	
Capital Expenditure-YTD*	547,004		741,602	
EBITDA-YTD**	2,188,847		2,052,920	

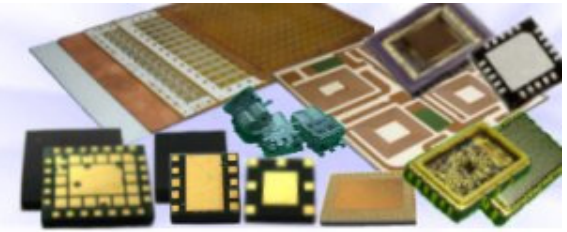
\*Additions to property, plant and equipment

\*\*EBITDA = Net Income + Interest + Tax + Depreciation & Amortization expenses





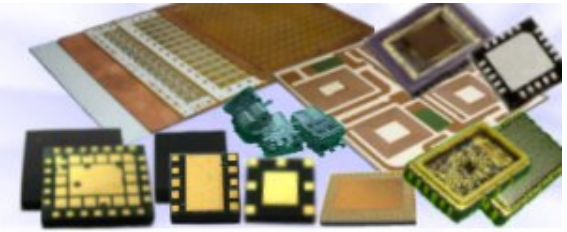
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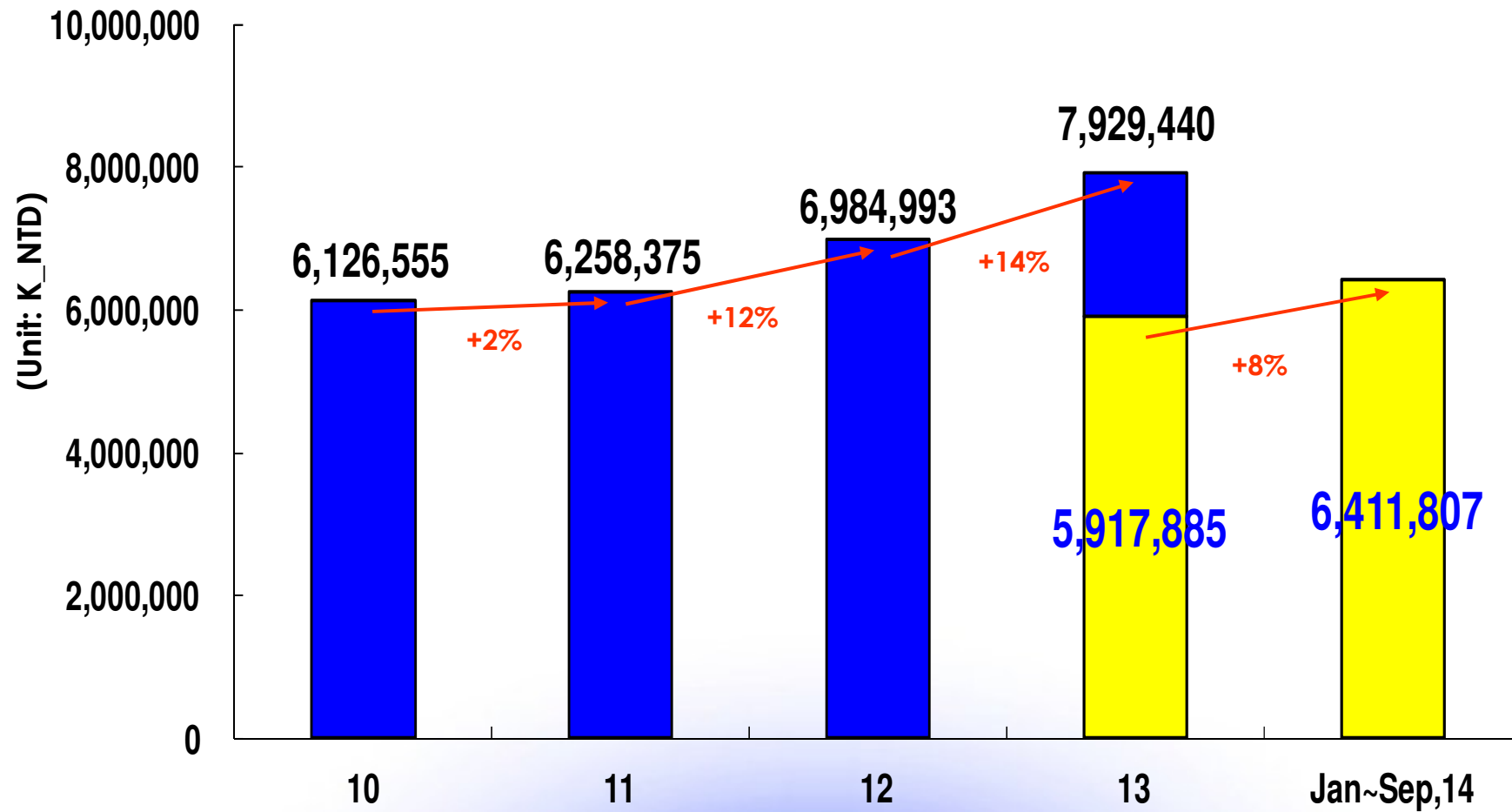
1. Financial Update
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# Tong Hsing Revenue History

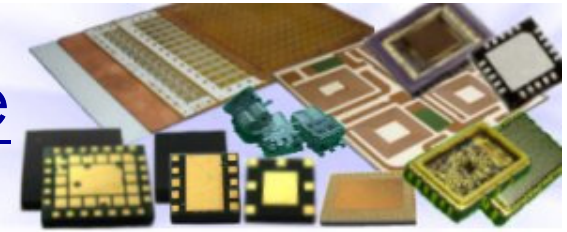


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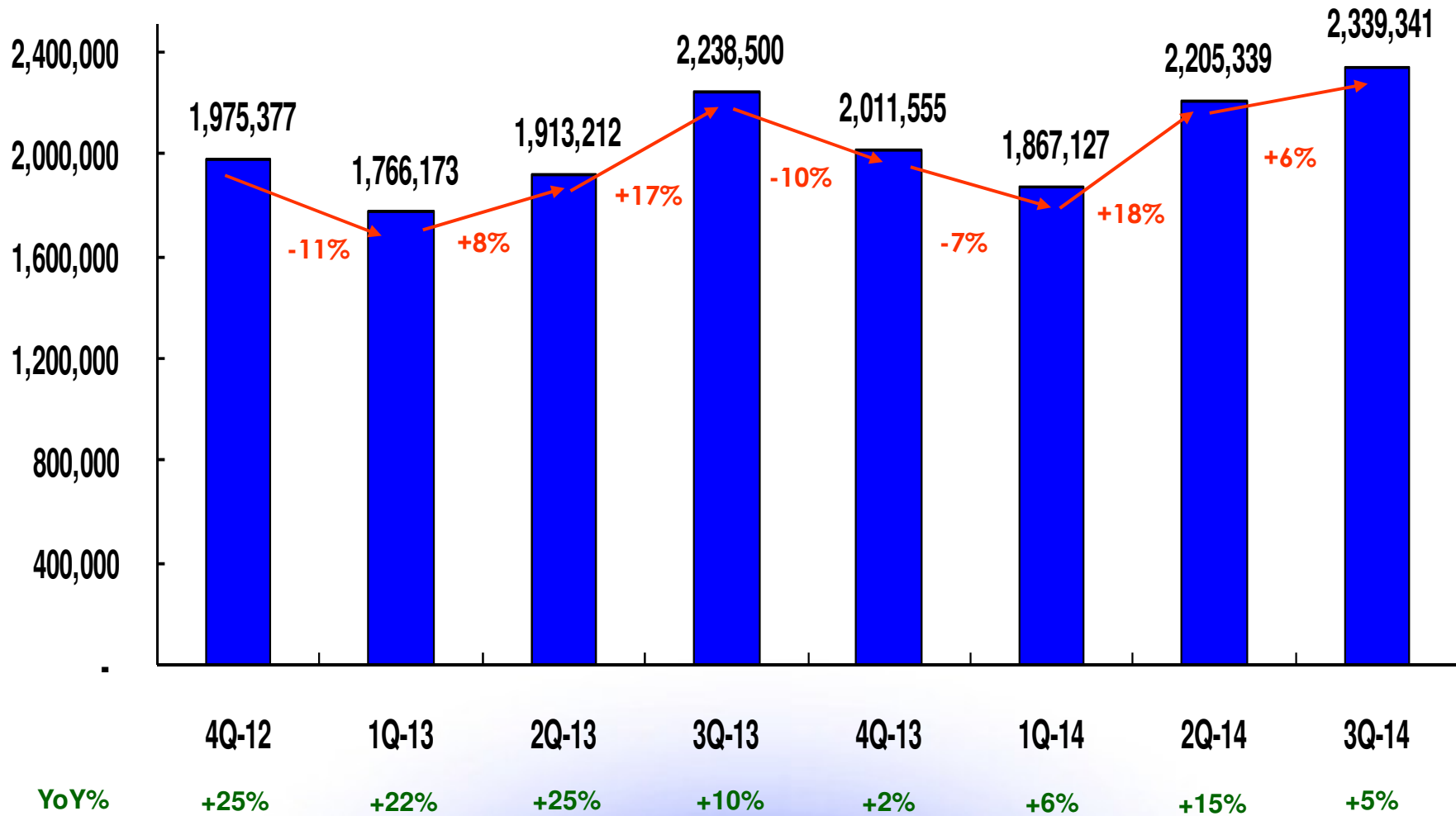


# Tong Hsing Quarterly Revenue



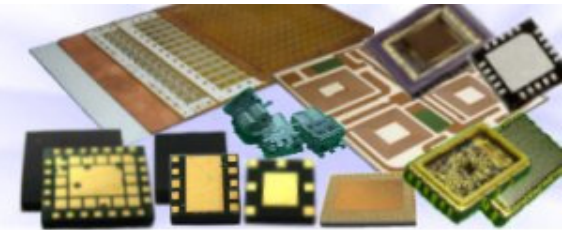
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Unit:K\_NTD

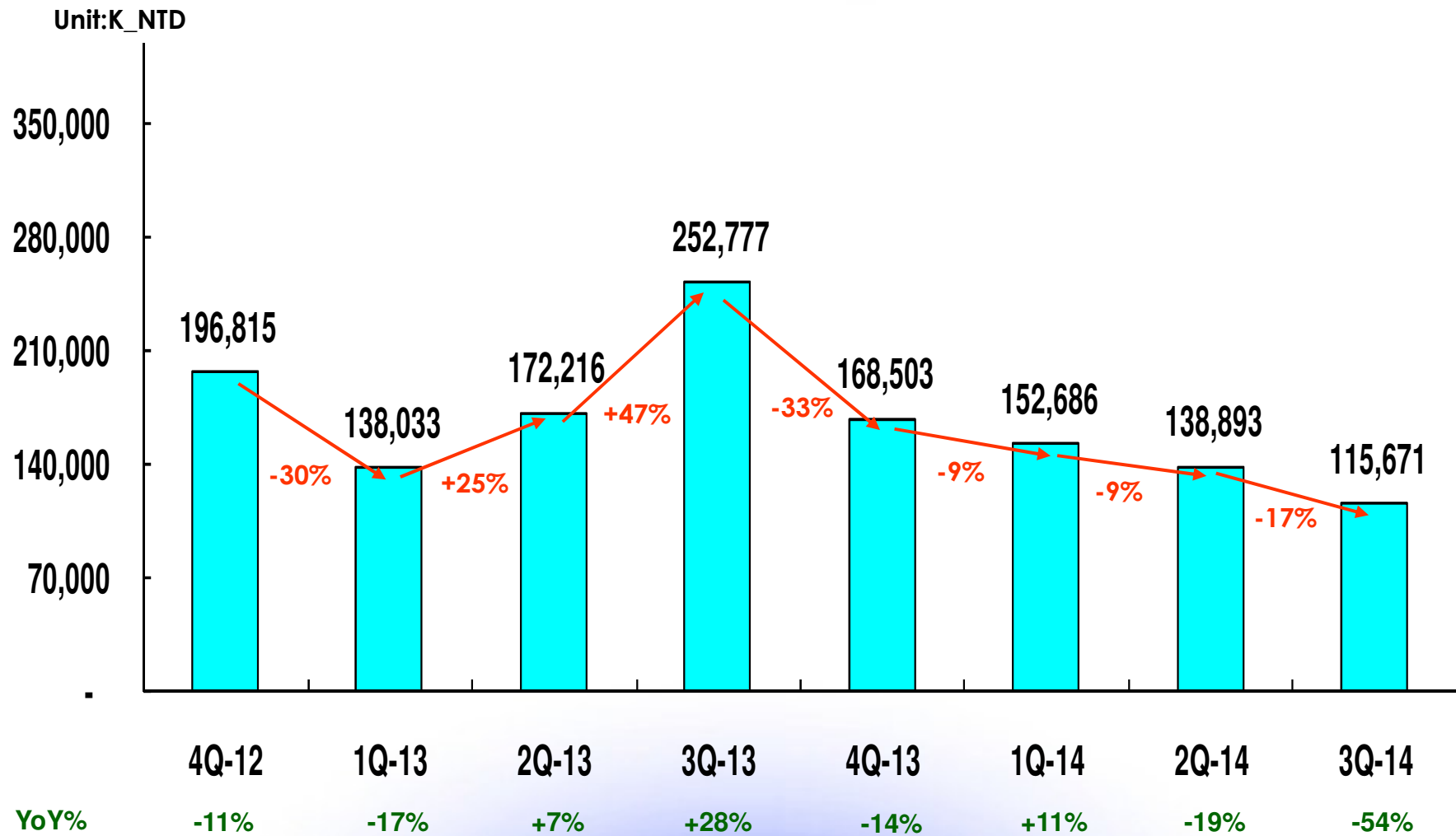




# RF Module Quarterly Revenue Trend

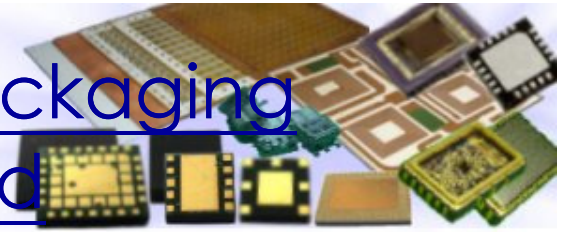


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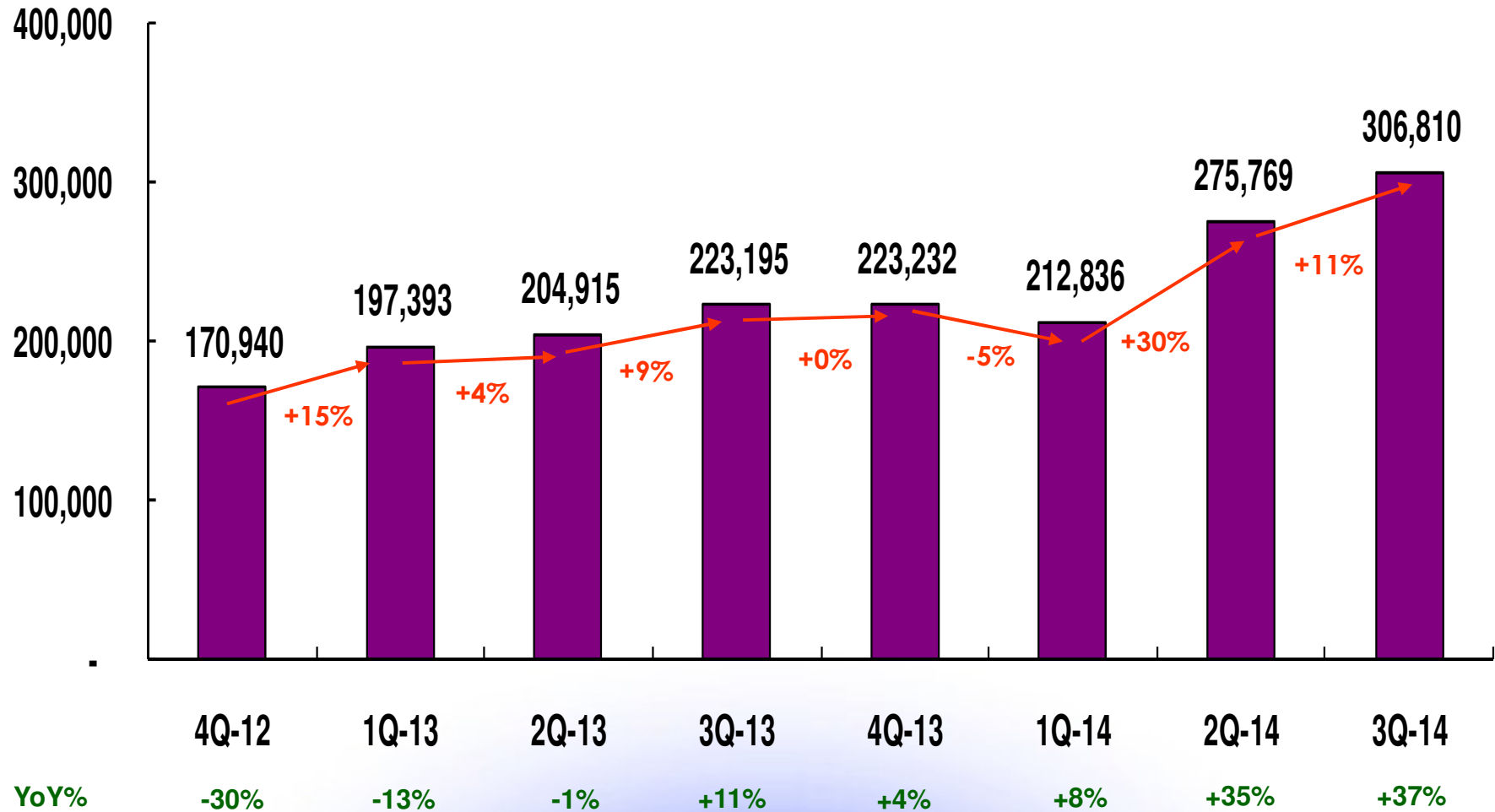


# Hybrid Modules & Specialty Packaging Quarterly Revenue Trend



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Unit:K\_NTD

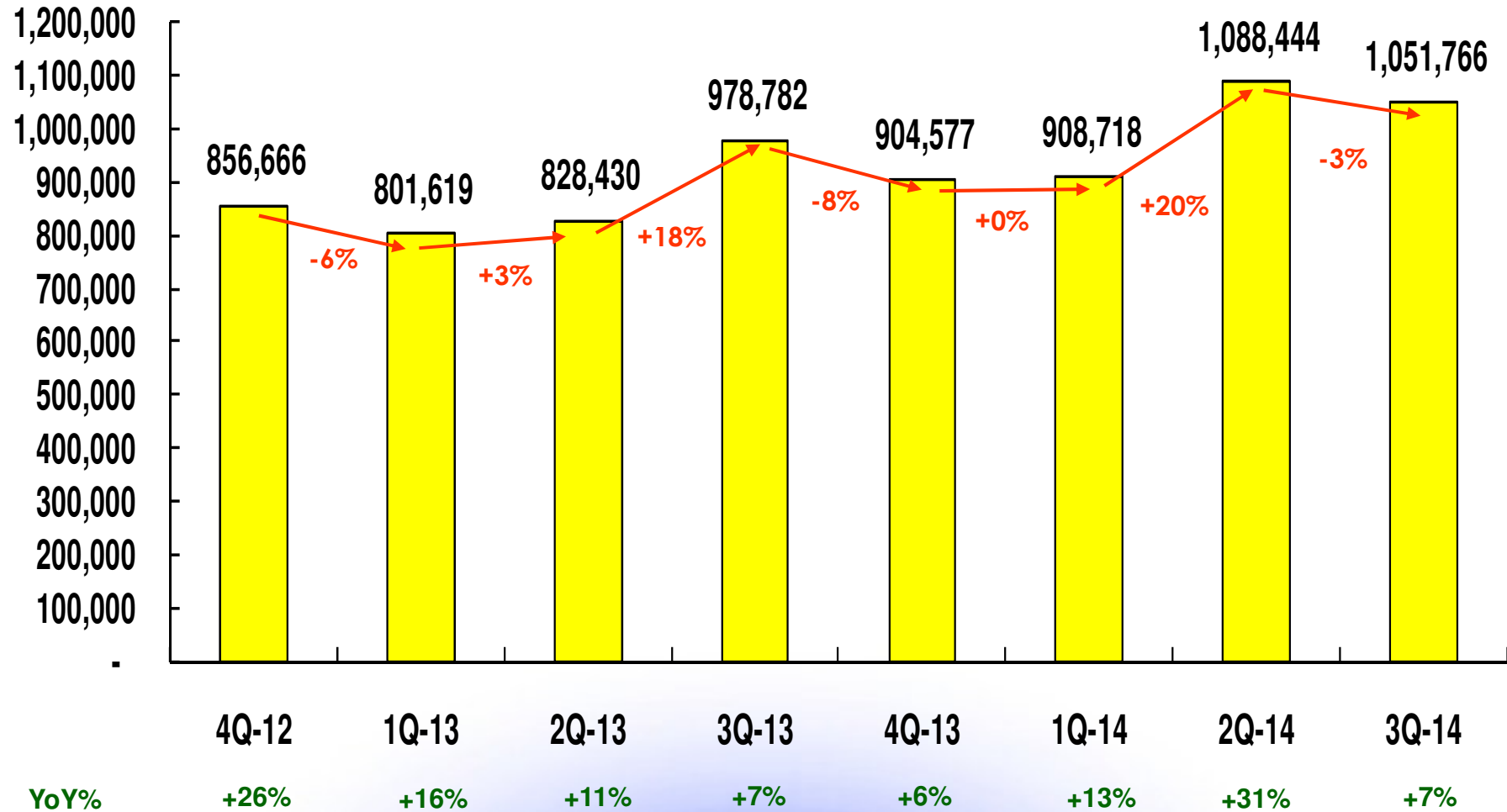




# Ceramic Metallized Substrate Quarterly Revenue Trend

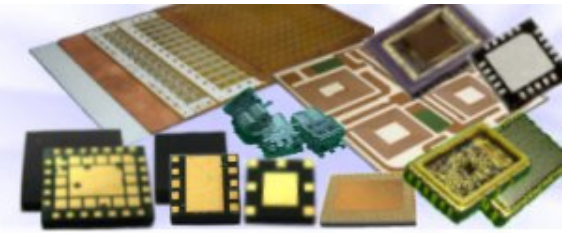


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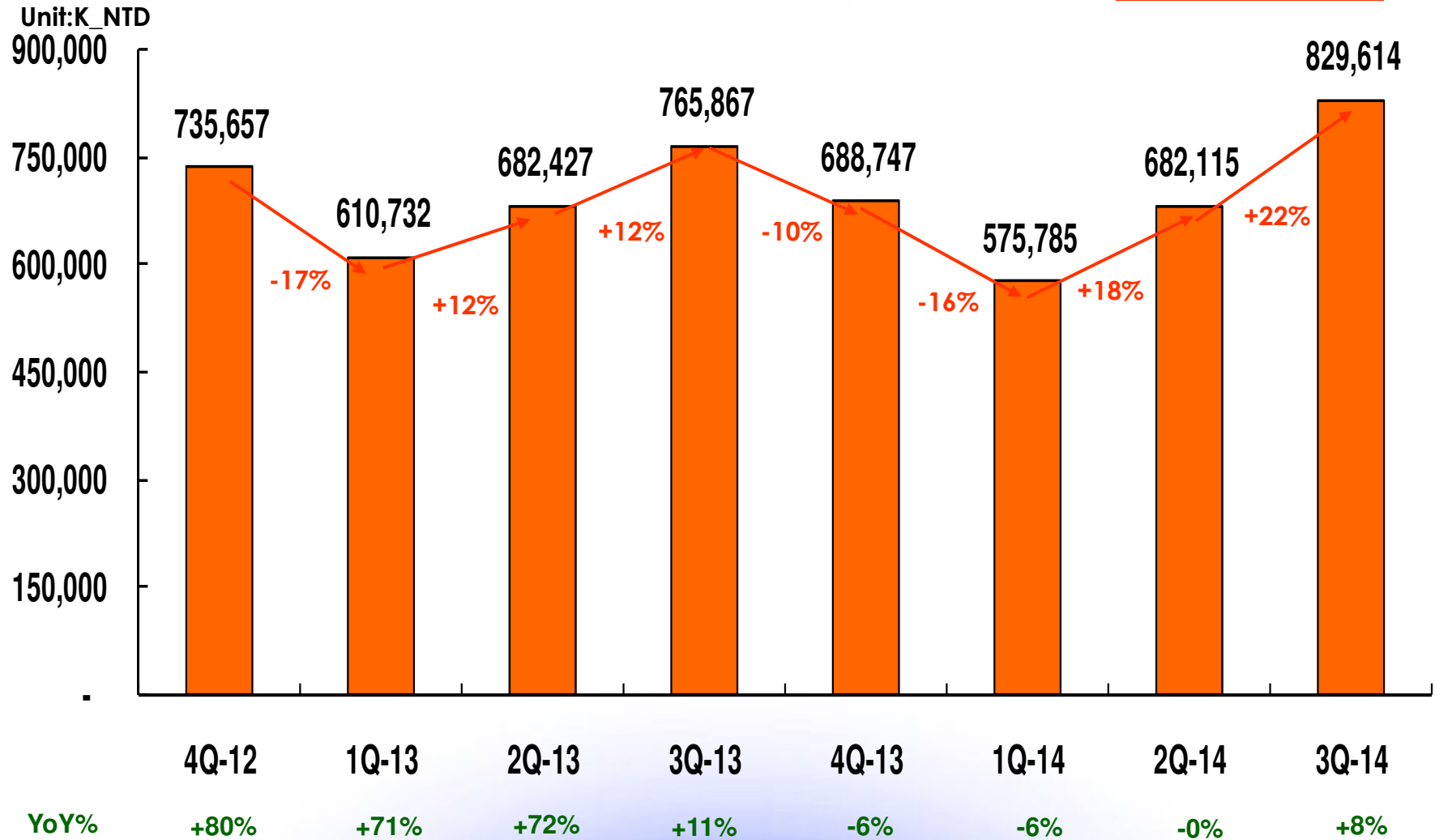




# Image Products Quarterly Revenue Trend

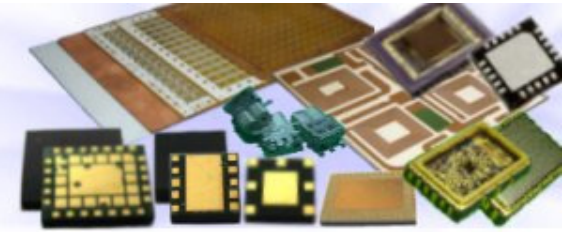


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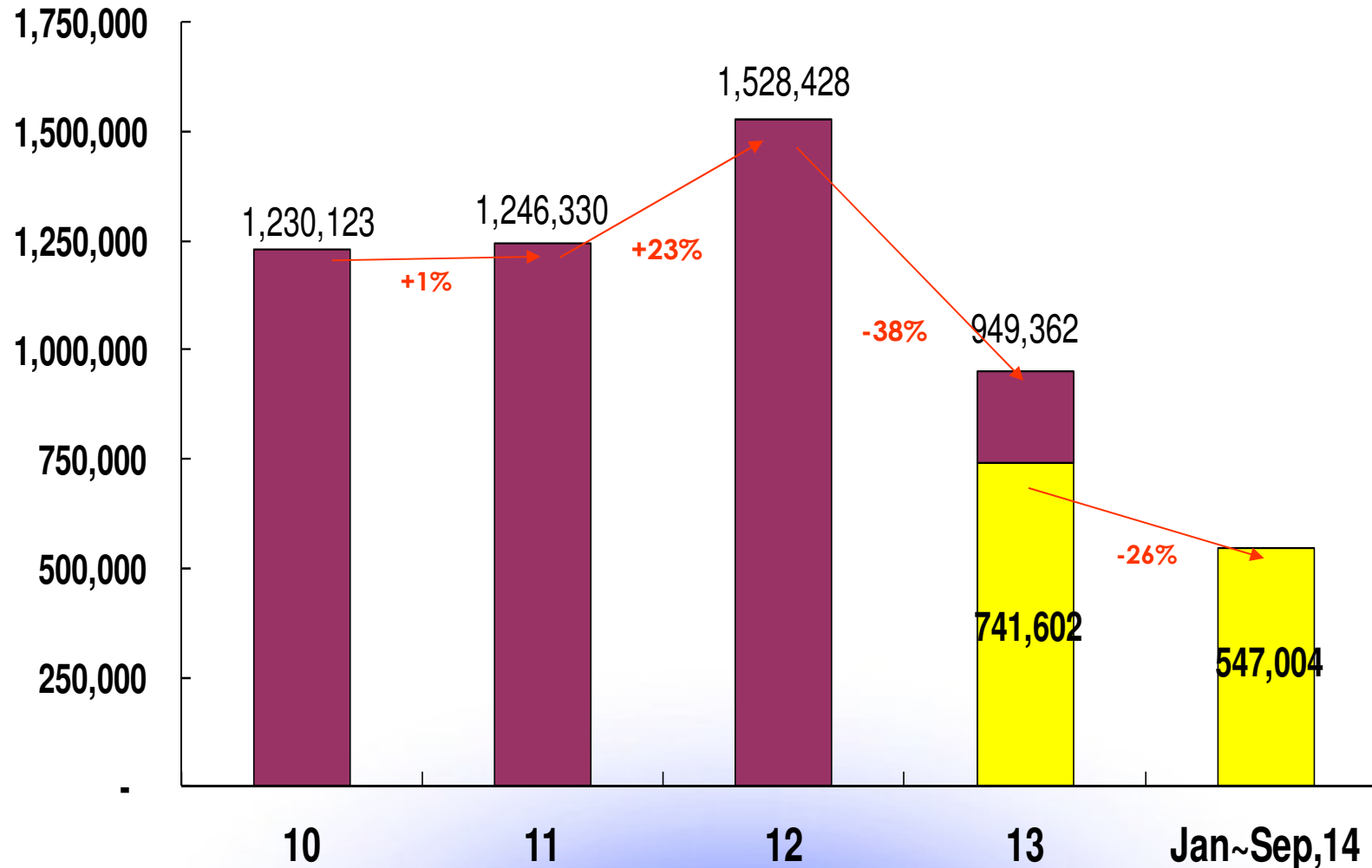


# Capital Expenditure



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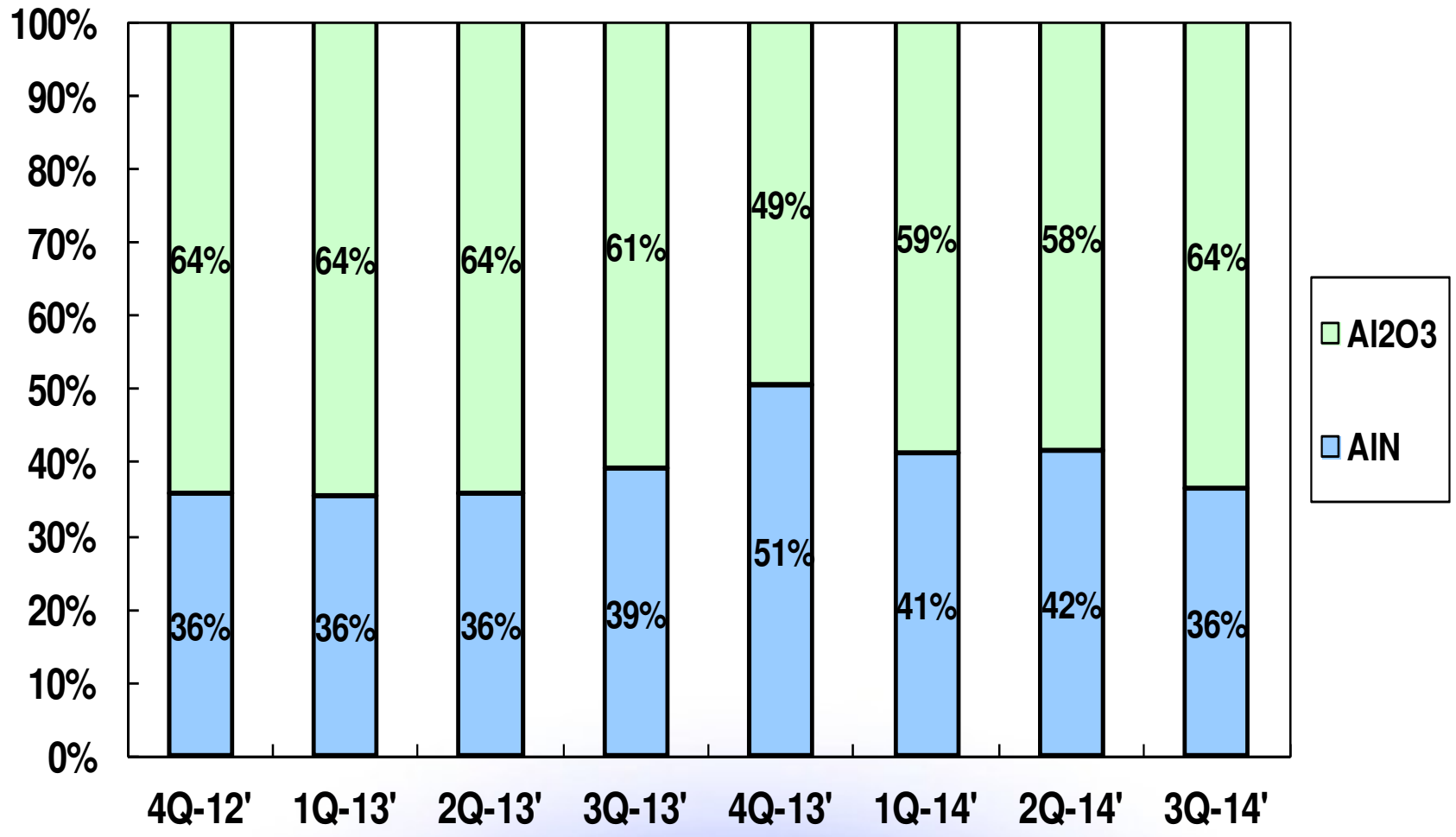
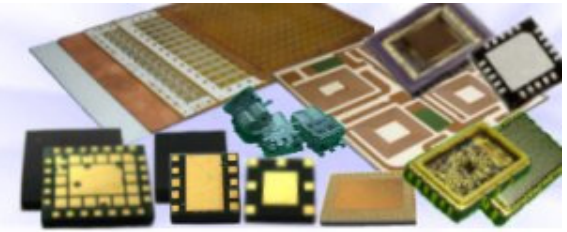
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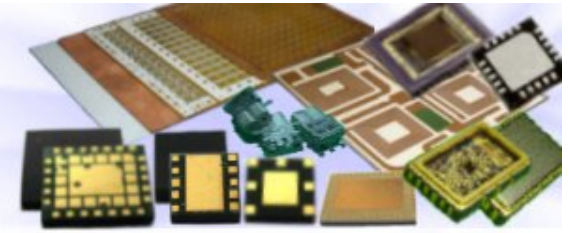






# Al<sub>2</sub>O<sub>3</sub> VS AlN





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