



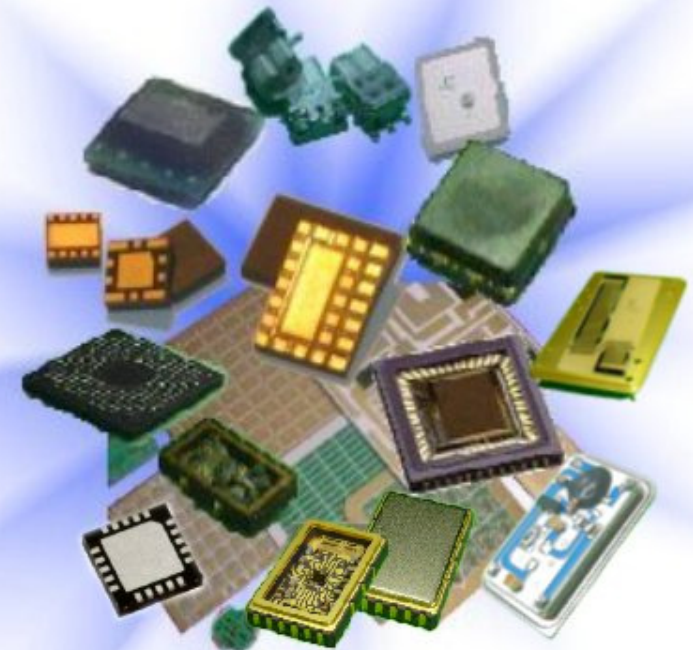
TONG HSING ELECTRONIC INDUSTRIES, LTD.

# Tong Hsing

**Second Quarter 2015**

**Investor Conference**

**Aug 13<sup>th</sup>, 2015**

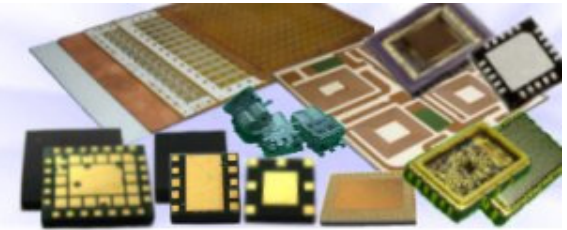


**Excellence in Custom Electronics Manufacturing**

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# Disclaimer

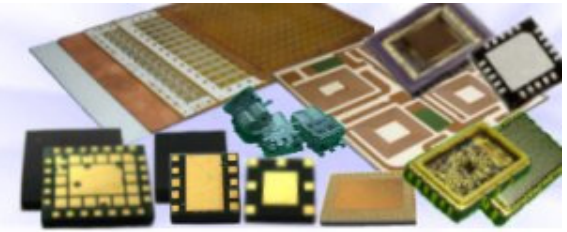


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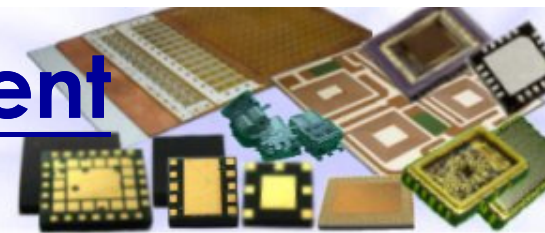


1. Financial Update
2. Business Update



# 2Q 15 Income Statement

## QoQ Comparison



- consolidated

Unit: NT\$Thousand

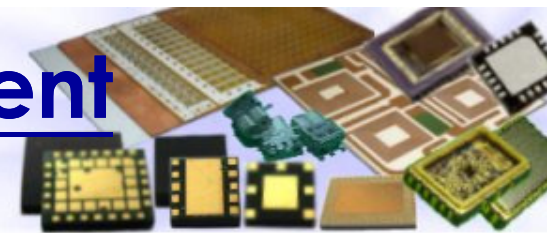
	2Q 2015 (Reviewed)	%	1Q 2015 (Reviewed)	%	Chg %
Net Revenue	1,938,779	100.0%	1,800,816	100.0%	7.7%
Cost of Sales	1,487,903	76.7%	1,386,030	77.0%	7.3%
Gross Profit	450,876	23.3%	414,786	23.0%	8.7%
Operating Expenses	180,643	9.3%	167,565	9.3%	7.8%
Operating Income	270,233	13.9%	247,221	13.7%	9.3%
Non-Operating Items	504	0.0%	(1,278)	-0.1%	-139.4%
Income before Income Tax	270,737	14.0%	245,943	13.7%	10.1%
EPS(NT\$) before Tax	1.66		1.51		
Income Tax Expense (excluding 10% surtax)	42,745	2.2%	36,801	2.0%	16.2%
Net Income (excluding 10% surtax)	227,992	11.8%	209,142	11.6%	9.0%
EPS(NT\$) after Tax (excluding 10% surtax)	1.40		1.28		
Additional 10% surtax on undistributed retained earnings	43,381	2.2%	-	0.0%	N/A
Net Income (including 10% surtax)	184,611	9.5%	209,142	11.6%	-11.7%
EPS(NT\$) after Tax (including 10% surtax)	1.13		1.28		

\*2015 Weighted Average Outstanding Shares : 162.91Million

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# 2Q 15 Income Statement YoY Comparison



**consolidated**

Unit: NT\$Thousand

	2Q 2015 (Reviewed)	%	2Q 2014 (Reviewed)	%	Chg %
Net Revenue	1,938,779	100.0%	2,205,339	100.0%	-12.1%
Cost of Sales	1,487,903	76.7%	1,540,636	69.9%	-3.4%
Gross Profit	450,876	23.3%	664,703	30.1%	-32.2%
Operating Expenses	180,643	9.3%	197,510	9.0%	-8.5%
Operating Income	270,233	13.9%	467,193	21.2%	-42.2%
Non-Operating Items	504	0.0%	(9,855)	-0.4%	-105.1%
Income before Income Tax	270,737	14.0%	457,338	20.7%	-40.8%
EPS(NT\$) before Tax	1.66		2.81		
Income Tax Expense (excluding 10% surtax)	42,745	2.2%	70,786	3.2%	-39.6%
Net Income (excluding 10% surtax)	227,992	11.8%	386,552	17.5%	-41.0%
EPS(NT\$) after Tax (excluding 10% surtax)	1.40		2.37		
Additional 10% surtax on undistributed retained earnings	43,381	2.2%	20,431	0.9%	112.3%
Net Income (including 10% surtax)	184,611	9.5%	366,121	16.6%	-49.6%
EPS(NT\$) after Tax (including 10% surtax)	1.13		2.25		

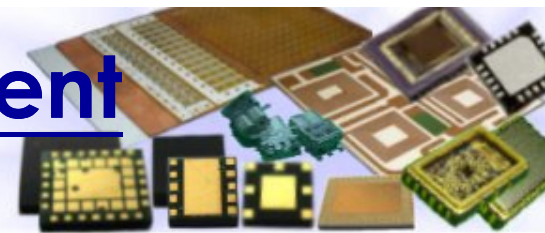
\*2015 Weighted Average Outstanding Shares : 162.91Million

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# 1-H 15 Income Statement YoY Comparison



**- consolidated**

Unit: NT\$Thousand

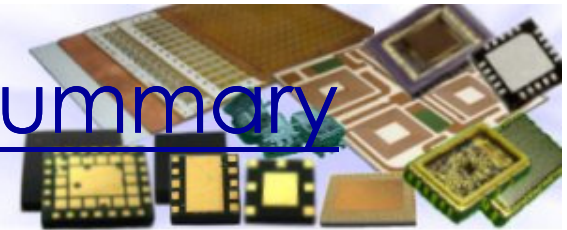
	1H 2015 (Reviewed)	%	1H 2014 (Reviewed)	%	Chg %
Net Revenue	3,739,595	100.0%	4,072,466	100.0%	-8.2%
Cost of Sales	2,873,933	76.9%	2,883,059	70.8%	-0.3%
Gross Profit	865,662	23.1%	1,189,407	29.2%	-27.2%
Operating Expenses	348,208	9.3%	376,115	9.2%	-7.4%
Operating Income	517,454	13.8%	813,292	20.0%	-36.4%
Non-Operating Items	(774)	0.0%	14,674	0.4%	-105.3%
Income before Income Tax	516,680	13.8%	827,966	20.3%	-37.6%
EPS(NT\$) before Tax	3.17		5.08		
Income Tax Expense (excluding 10% surtax)	79,546	2.1%	127,917	3.1%	-37.8%
Net Income (excluding 10% surtax)	437,134	11.7%	700,049	17.2%	-37.6%
EPS(NT\$) after Tax (excluding 10% surtax)	2.68		4.30		
Additional 10% surtax on undistributed retained earnings	43,381	1.2%	20,431	0.5%	112.3%
Net Income (including 10% surtax)	393,753	10.5%	679,618	16.7%	-42.1%
EPS(NT\$) after Tax (including 10% surtax)	2.42		4.17		

\*2015 Weighted Average Outstanding Shares : 162.91Million

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## 2Q 15 Operating Results Summary



**consolidated**

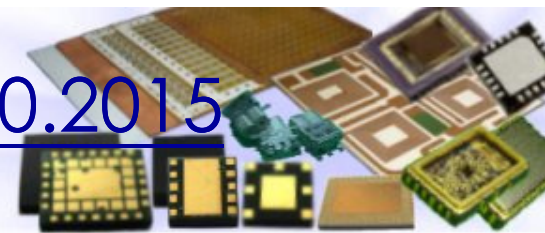
Unit: NT\$Thousand	2Q 2015 (Reviewed)	1Q 2015 (Reviewed)	2Q 2014 (Reviewed)
Net Revenues	1,938,779	1,800,816	2,205,339
Net Income	184,611	209,142	366,121
EPS(NT\$) before Tax	1.66	1.51	2.81
EPS(NT\$) after Tax	1.13	1.28	2.25
Depreciation	264,867	262,457	245,366
Capital Expenditure*	692,233	263,918	126,893
EBITDA**	553,734	527,466	715,310

\*Additions to property, plant and equipment

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



## Balance Sheet Highlight –6.30.2015



- consolidated

Unit: NT\$Thousand	<u>6.30.2015 (Reviewed)</u>	<u>%</u>	<u>6.30.2014 (Reviewed)</u>	<u>%</u>
Cash and Cash Equivalents	<u>7,982,696</u>	<u>50.6%</u>	<u>6,860,471</u>	<u>46.8%</u>
Fixed Assets	<u>5,252,280</u>	<u>33.3%</u>	<u>4,586,180</u>	<u>31.3%</u>
Total Assets	<u>15,771,684</u>	<u>100.0%</u>	<u>14,648,014</u>	<u>100.0%</u>
LT Debt	<u>1,347,698</u>	<u>8.5%</u>	<u>294,341</u>	<u>2.0%</u>
Bonds Payable	<u>1,961,431</u>	<u>12.4%</u>	<u>1,940,464</u>	<u>13.2%</u>
Shareholders' Equity	<u>9,413,314</u>	<u>59.7%</u>	<u>9,128,956</u>	<u>62.3%</u>
Depreciation-YTD	<u>527,324</u>		<u>485,297</u>	
Capital Expenditure-YTD*	<u>956,151</u>		<u>233,373</u>	
EBITDA-YTD**	<u>1,081,200</u>		<u>1,334,560</u>	

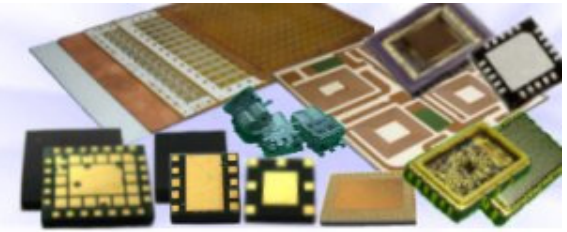
\*Additions to property, plant and equipment

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





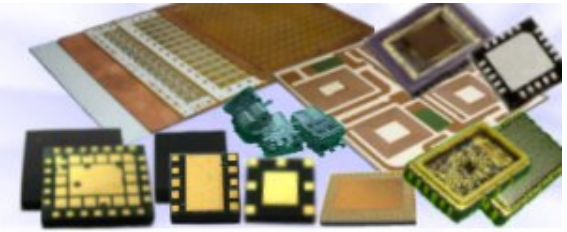
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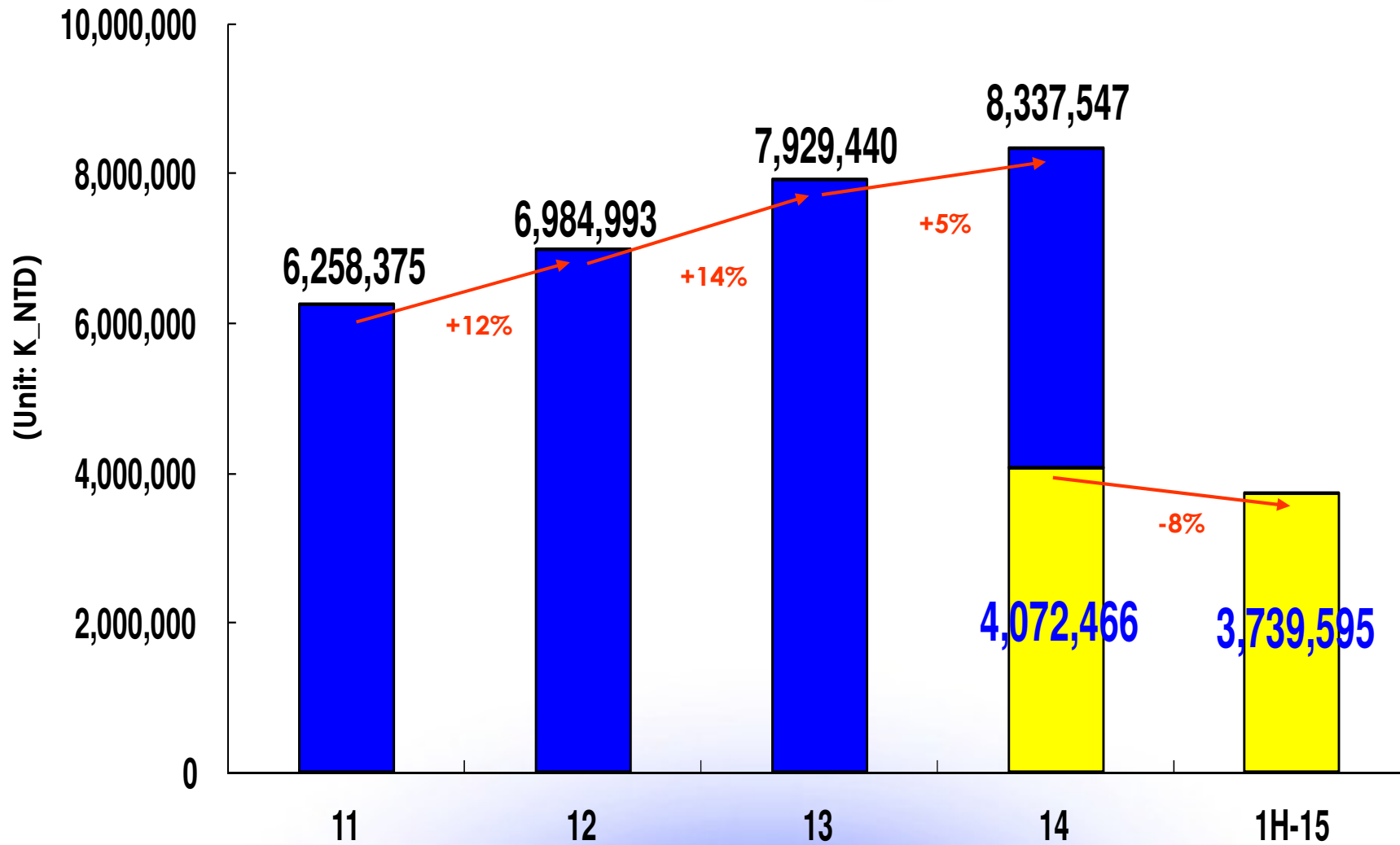
1. Financial Update
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# Tong Hsing Revenue History

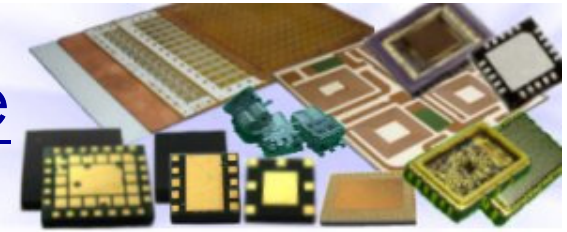


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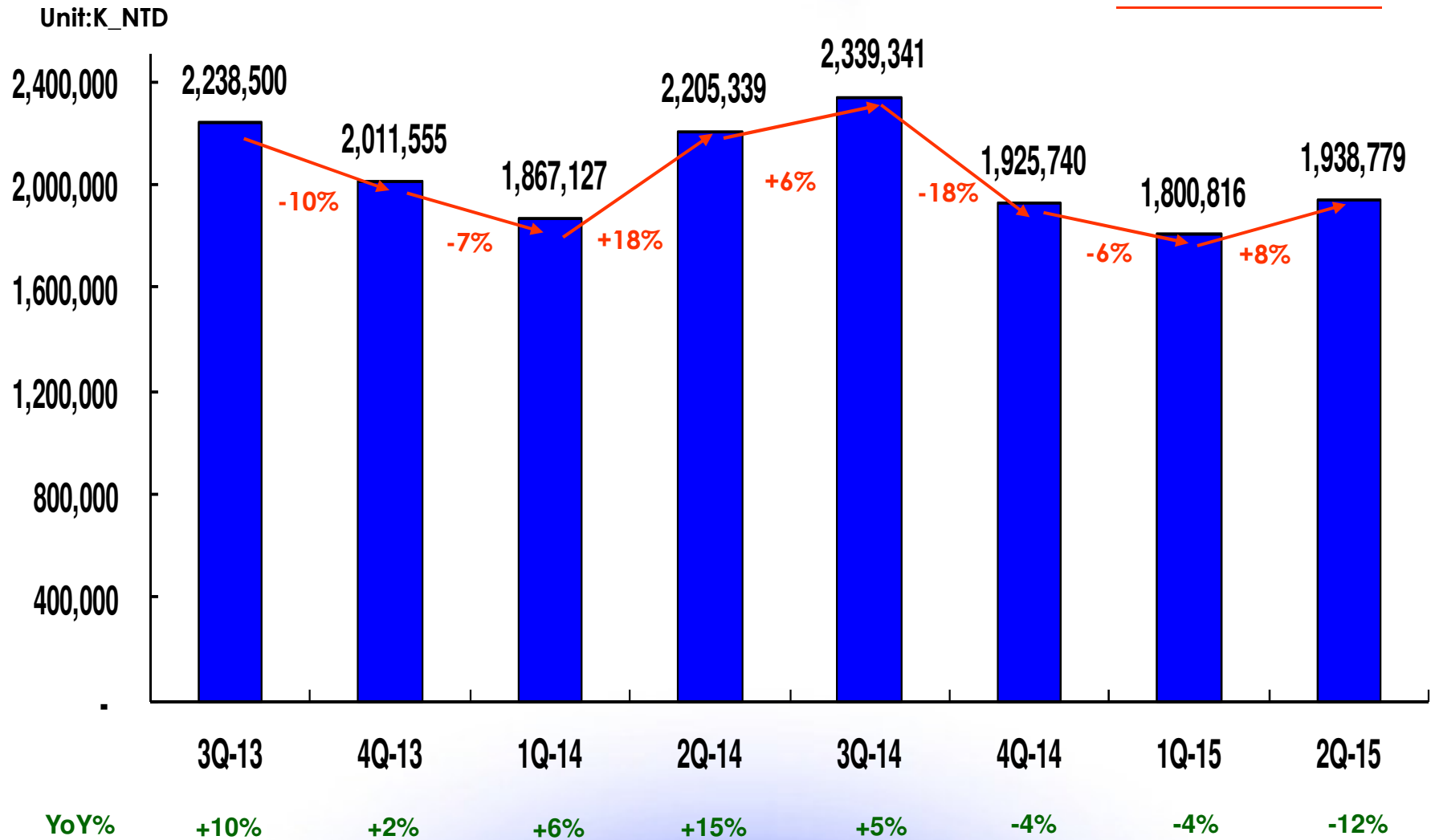




# Tong Hsing Quarterly Revenue

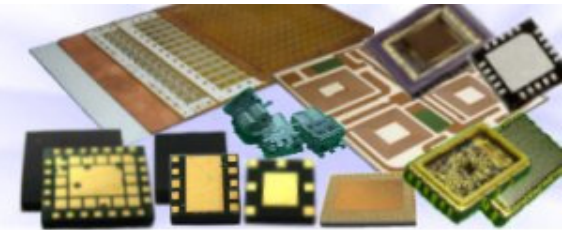


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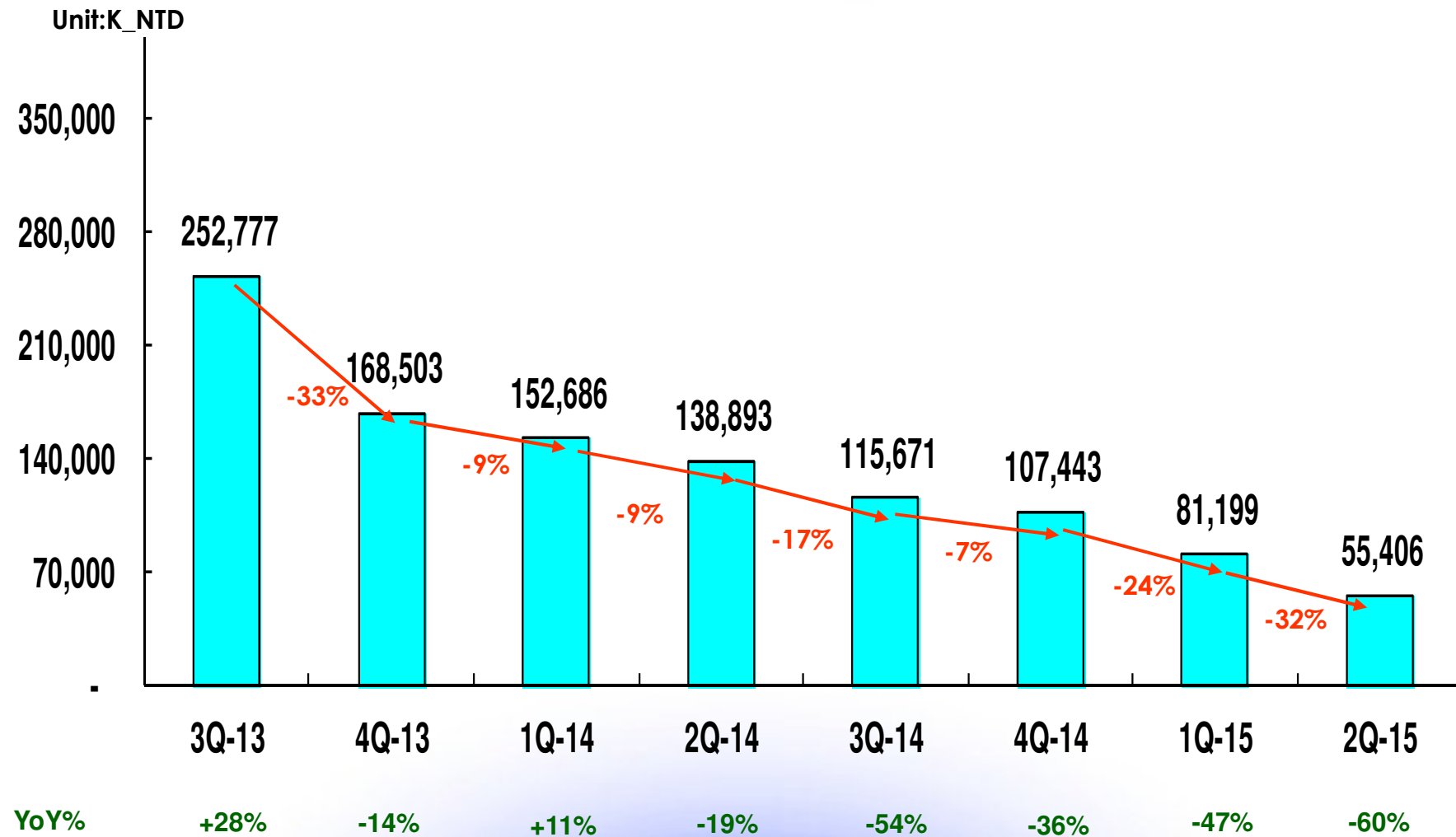




# RF Module Quarterly Revenue Trend

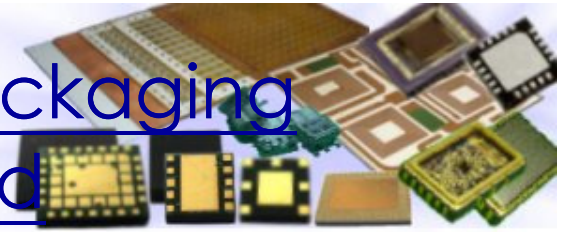


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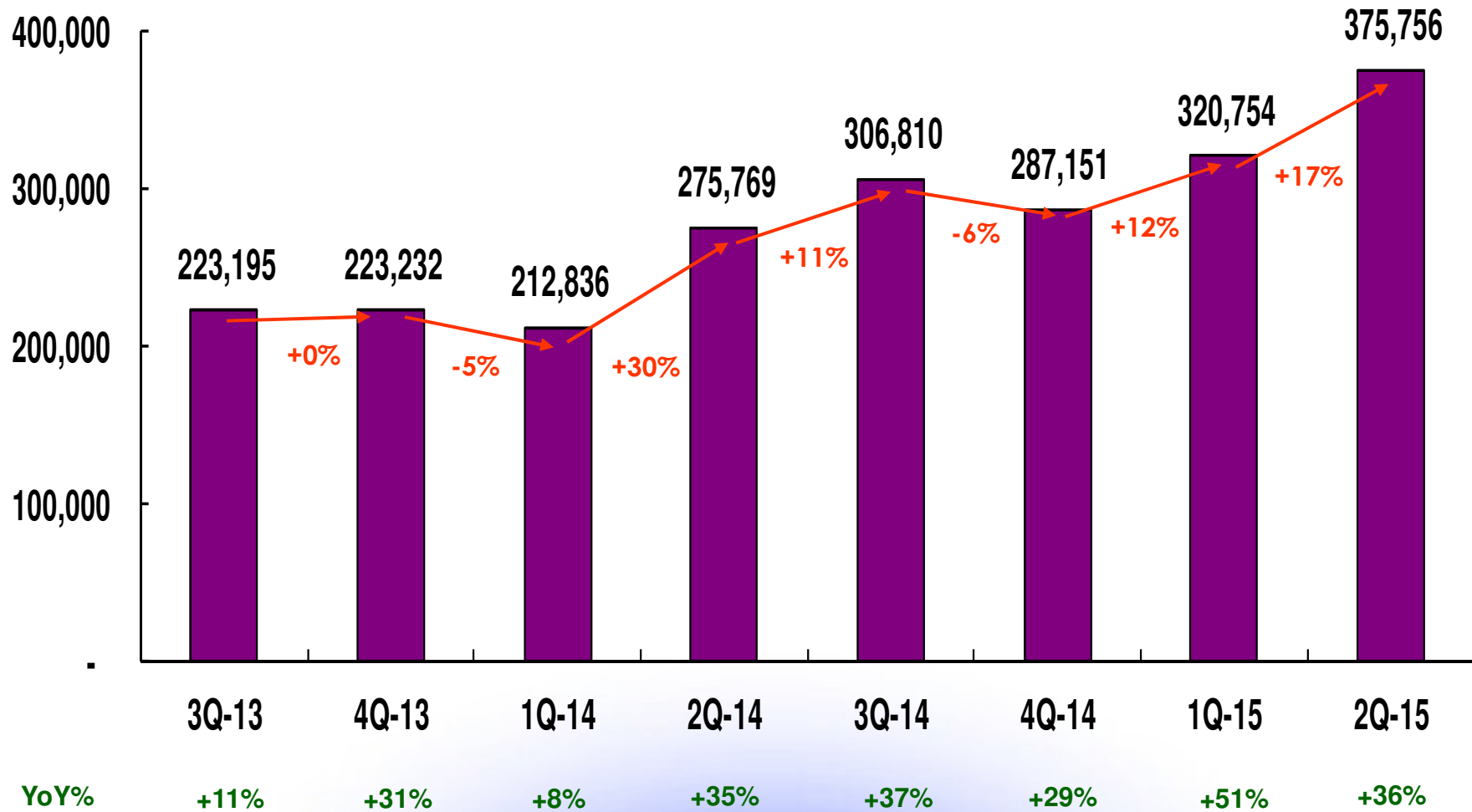


# Hybrid Modules & Specialty Packaging Quarterly Revenue Trend



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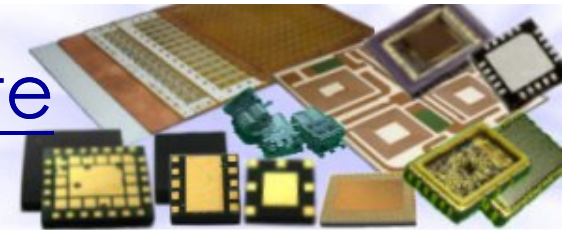
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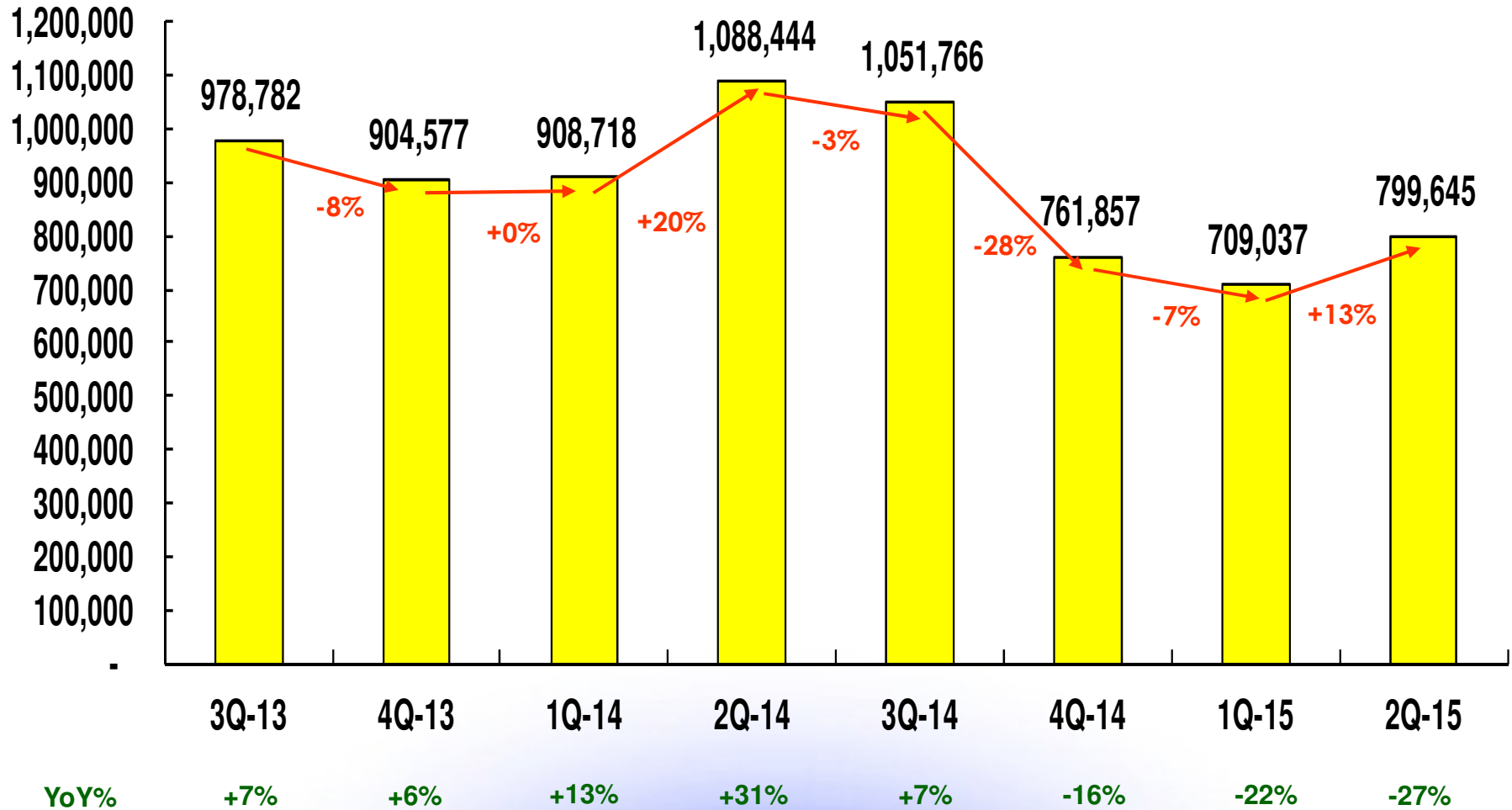


# Ceramic Metallized Substrate Quarterly Revenue Trend



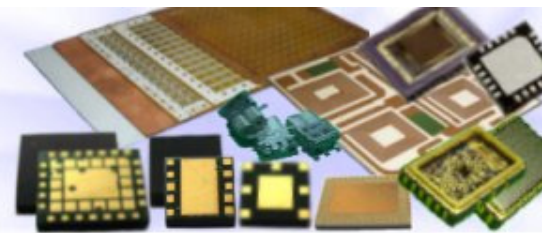
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Unit:K\_NTD

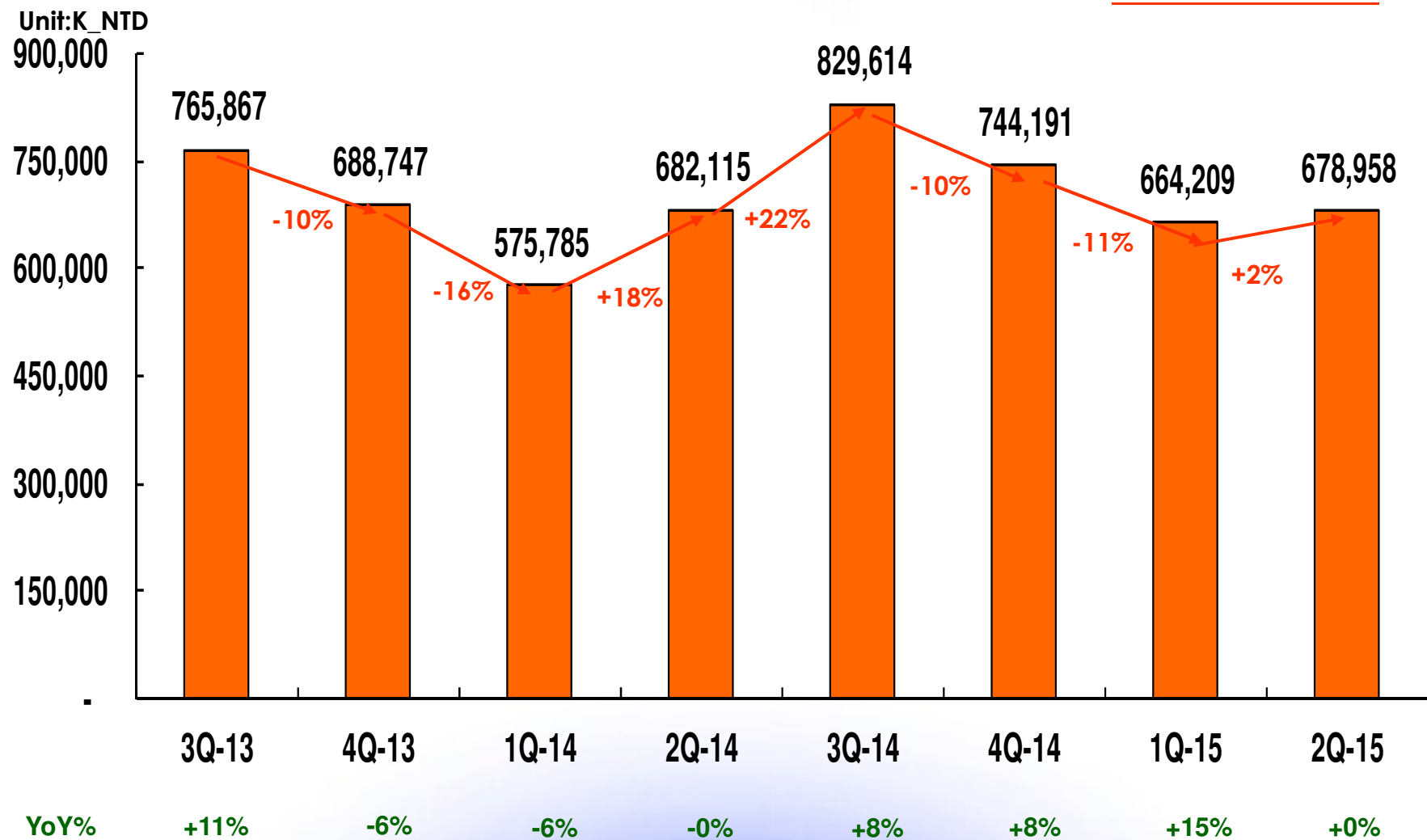




# Image Products Quarterly Revenue Trend

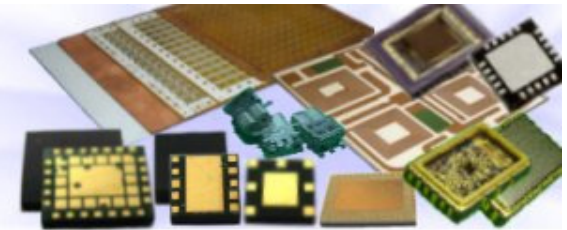


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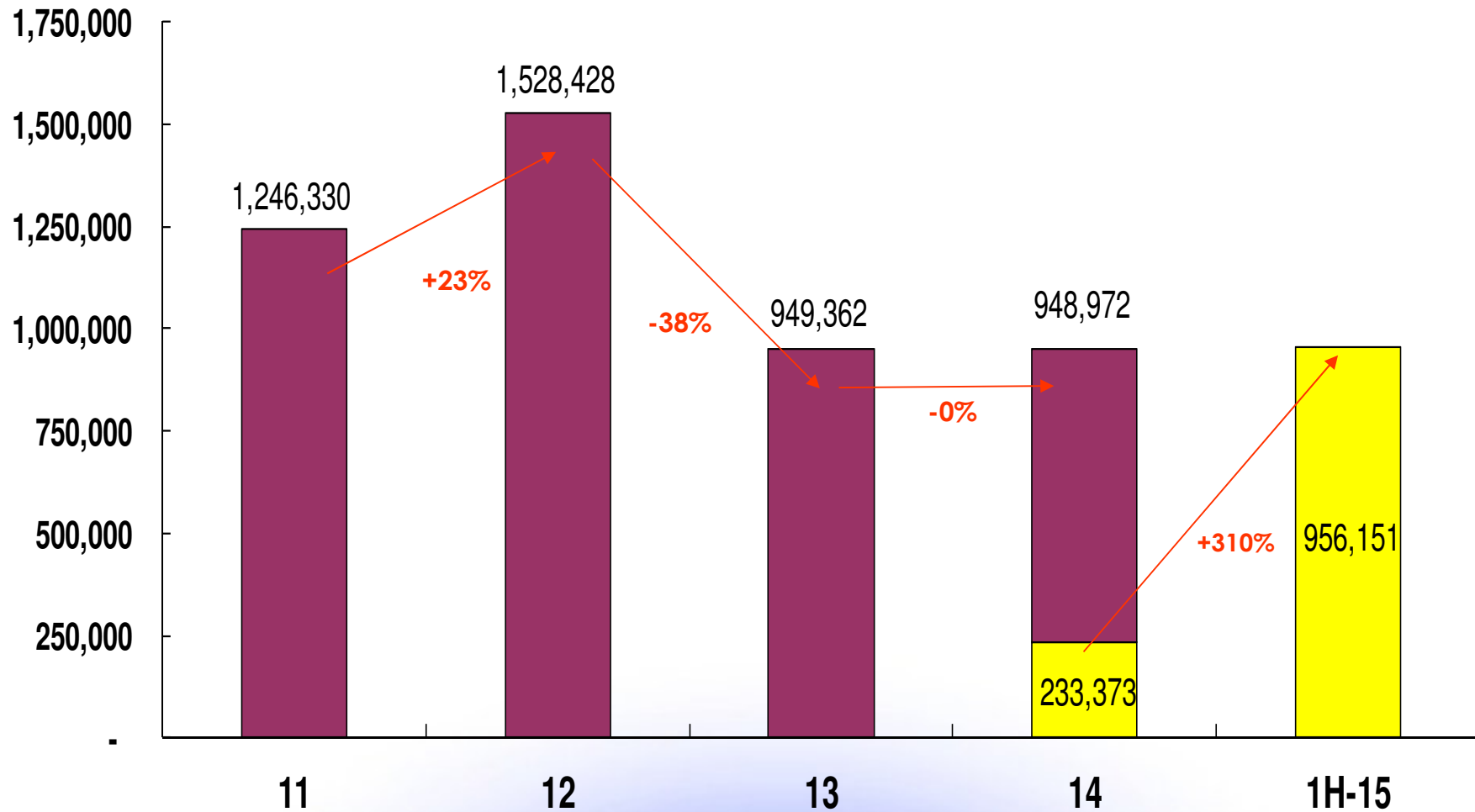


# Capital Expenditure



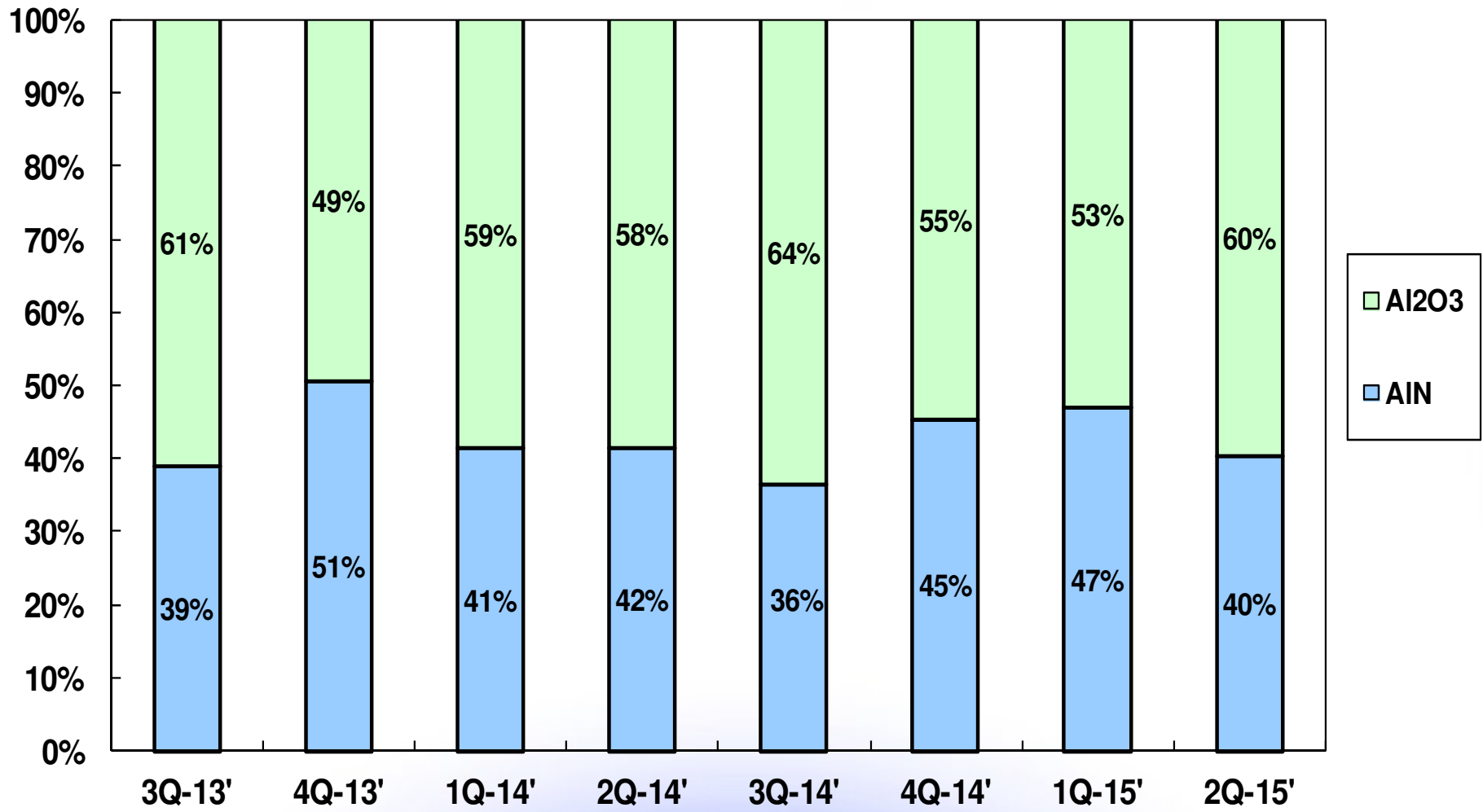
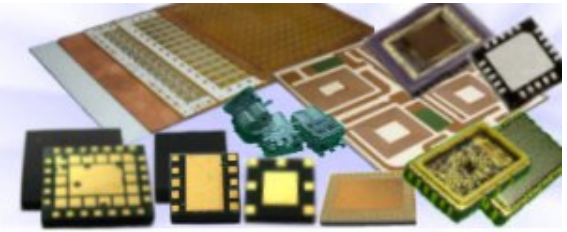
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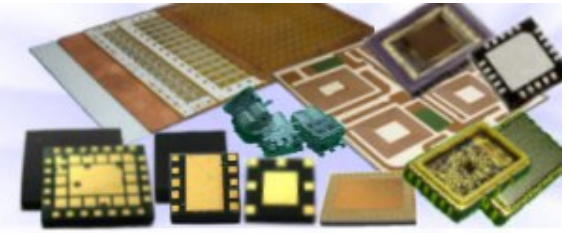
Unit:K\_NTD





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





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