



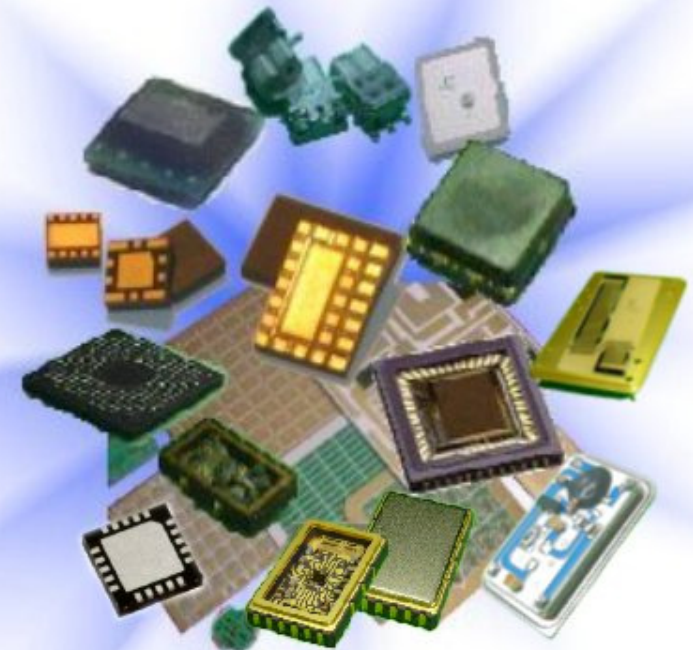
TONG HSING ELECTRONIC INDUSTRIES, LTD.

Tong Hsing

Second Quarter 2016

Earnings Conference

Aug 12th, 2016

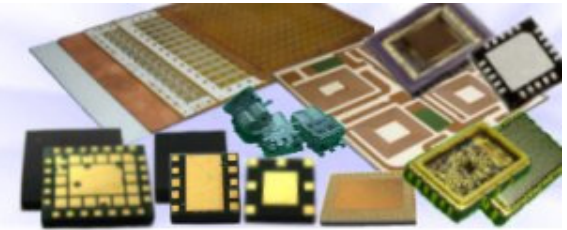


Excellence in Custom Electronics Manufacturing

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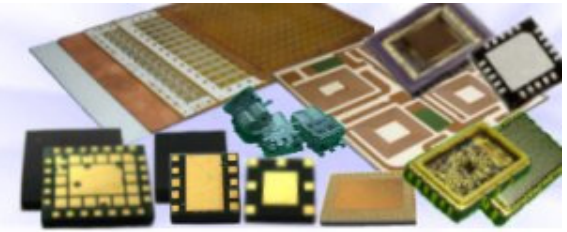


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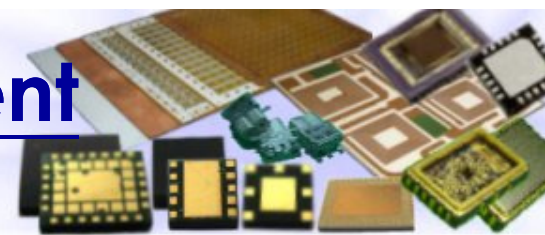
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1. Financial Update
2. Business Update



2Q 16 Income Statement QoQ Comparison



- consolidated

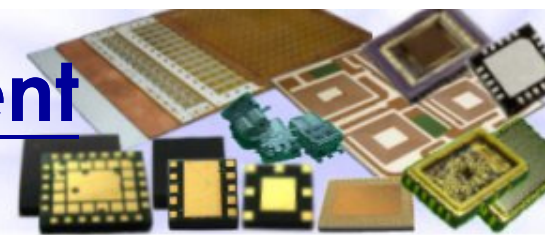
Unit: NT\$Thousand	2Q 2016 (Reviewed)	%	1Q 2016 (Reviewed)	%	Chg %
Net Revenue	2,055,341	100.0%	1,916,650	100.0%	7.2%
Cost of Sales	1,537,145	74.8%	1,447,080	75.5%	6.2%
Gross Profit	518,196	25.2%	469,570	24.5%	10.4%
Operating Expenses	193,004	9.4%	193,666	10.1%	-0.3%
Operating Income	325,192	15.8%	275,904	14.4%	17.9%
Non-Operating Items	(1,424)	-0.1%	(7,732)	-0.4%	-81.6%
Income before Income Tax	323,768	15.8%	268,172	14.0%	20.7%
EPS(NT\$) before Tax	1.99		1.65		
Income Tax Expense	60,171	2.9%	42,474	2.2%	41.7%
Net Income	263,597	12.8%	225,698	11.8%	16.8%
EPS(NT\$) after Tax	1.62		1.39		

*2016 Weighted Average Outstanding Shares : 162.91Million

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2Q 16 Income Statement YoY Comparison



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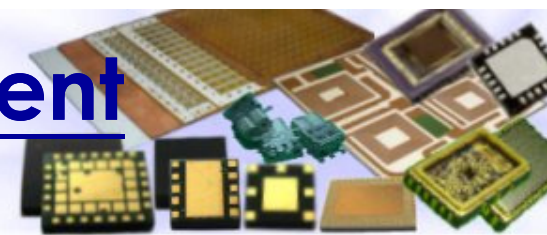
Unit: NT\$Thousand	2Q 2016 (Reviewed)	%	2Q 2015 (Reviewed)	%	Chg %
Net Revenue	2,055,341	100.0%	1,938,779	100.0%	6.0%
Cost of Sales	1,537,145	74.8%	1,487,903	76.7%	3.3%
Gross Profit	518,196	25.2%	450,876	23.3%	14.9%
Operating Expenses	193,004	9.4%	180,643	9.3%	6.8%
Operating Income	325,192	15.8%	270,233	13.9%	20.3%
Non-Operating Items	(1,424)	-0.1%	504	0.0%	-382.5%
Income before Income Tax	323,768	15.8%	270,737	14.0%	19.6%
EPS(NT\$) before Tax	1.99		1.66		
Income Tax Expense	60,171	2.9%	86,126	4.4%	-30.1%
Net Income	263,597	12.8%	184,611	9.5%	42.8%
EPS(NT\$) after Tax	1.62		1.13		

*2016 Weighted Average Outstanding Shares : 162.91Million

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1-H 16 Income Statement YoY Comparison



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Unit: NT\$Thousand

	Y2016 1-H		Y2015 1-H		Chg %
	(Reviewed)	%	(Reviewed)	%	
Net Revenue	3,971,991	100.0%	3,739,595	100.0%	6.2%
Cost of Sales	2,984,225	75.1%	2,873,933	76.9%	3.8%
Gross Profit	987,766	24.9%	865,662	23.1%	14.1%
Operating Expenses	386,670	9.7%	348,208	9.3%	11.0%
Operating Income	601,096	15.1%	517,454	13.8%	16.2%
Non-Operating Items	(9,156)	-0.2%	(774)	0.0%	1082.9%
Income before Income Tax	591,940	14.9%	516,680	13.8%	14.6%
EPS(NT\$) before Tax	3.63		3.17		
Income Tax Expense	102,645	2.6%	122,927	3.3%	-16.5%
Net Income	489,295	12.3%	393,753	10.5%	24.3%
EPS(NT\$) after Tax	3.00		2.42		

*2016 Weighted Average Outstanding Shares : 162.91Million

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2Q 16 Operating Results Summary



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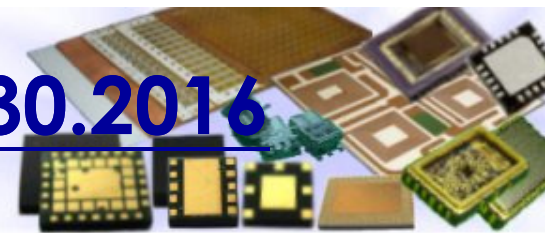
Unit: NT\$Thousand	2Q 2016 (Reviewed)	1Q 2016 (Reviewed)	2Q 2015 (Reviewed)
Net Revenues	2,055,341	1,916,650	1,938,779
Net Income	263,597	225,698	184,611
EPS(NT\$) before Tax	1.99	1.65	1.66
EPS(NT\$) after Tax	1.62	1.39	1.13
Depreciation	278,352	280,746	264,867
Capital Expenditure*	184,982	299,742	692,233
EBITDA**	617,853	565,376	553,734

*Additions to property, plant and equipment

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



Balance Sheet Highlight –6.30.2016



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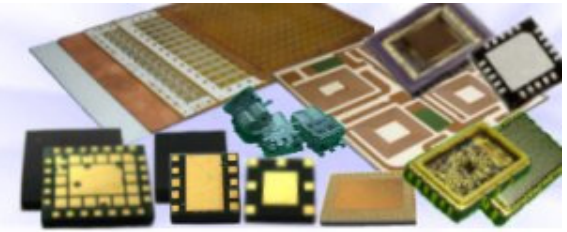
Unit: NT\$thousand	6.30.2016 (Reviewed)	%	6.30.2015 (Reviewed)	%
Cash and Cash Equivalents	6,566,561	41.9%	6,816,934	43.2%
Current financial assets at fair value through profit or loss	1,301,938	8.3%	1,165,762	7.4%
Fixed Assets	5,135,842	32.7%	5,252,280	33.3%
Total Assets	15,683,210	100.0%	15,771,684	100.0%
Long-term borrowings, current portion	288,312	1.8%	287,947	1.8%
Long-term borrowings	772,115	4.9%	1,059,751	6.7%
Bonds Payable	1,982,625	12.6%	1,961,431	12.4%
Shareholders' Equity	9,629,706	61.4%	9,413,314	59.7%
Depreciation-YTD	559,098		527,324	
Capital Expenditure-YTD*	484,724		956,151	
EBITDA-YTD**	1,183,229		1,081,200	

*Additions to property, plant and equipment

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



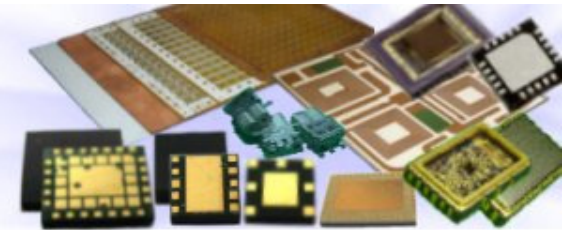
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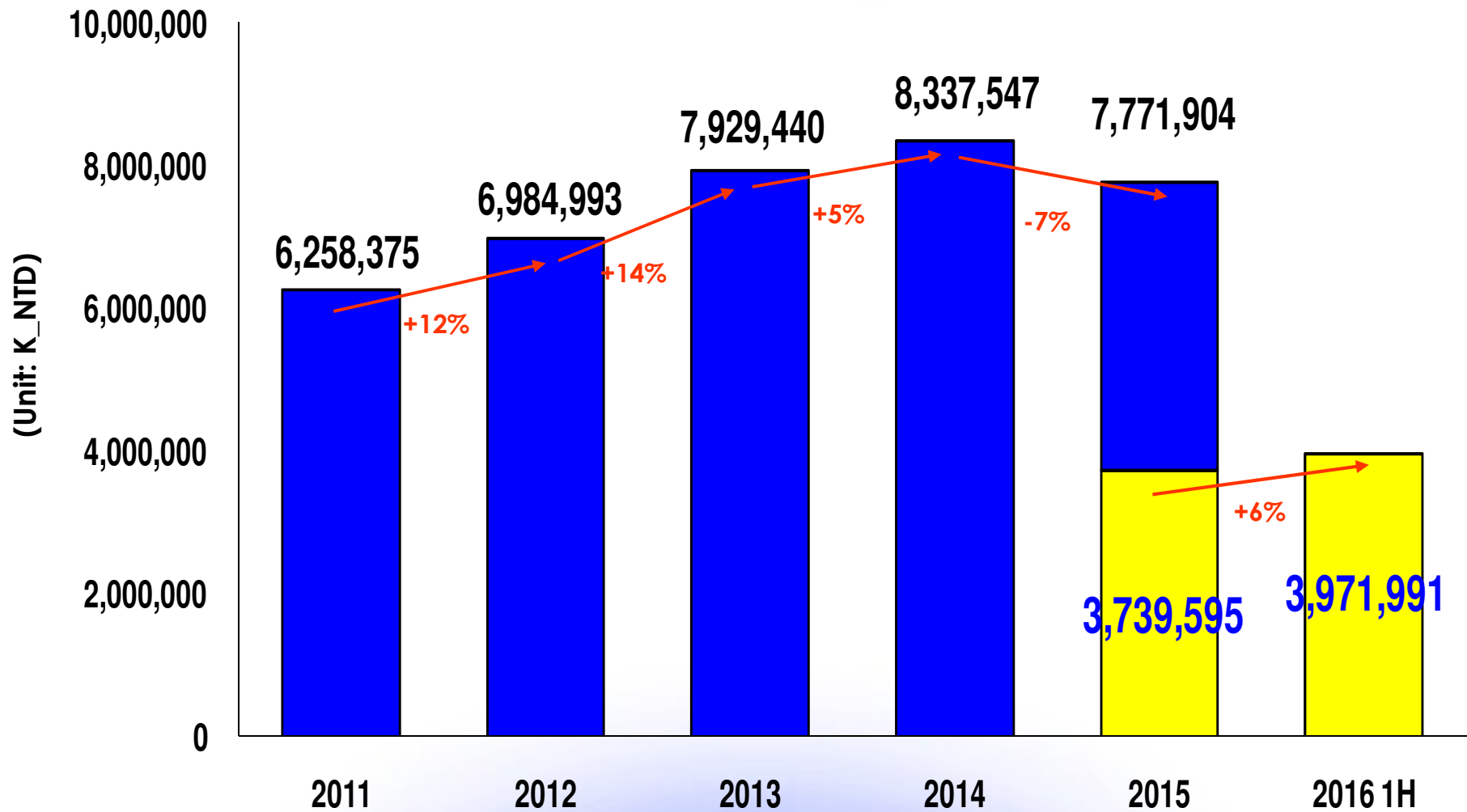
1. Financial Update
2. Business Update



Tong Hsing Revenue History

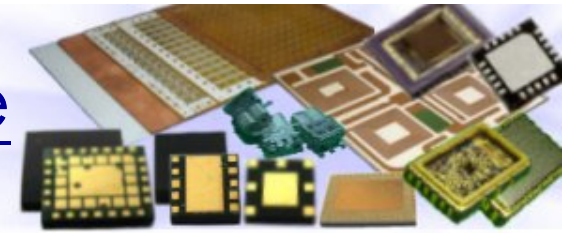


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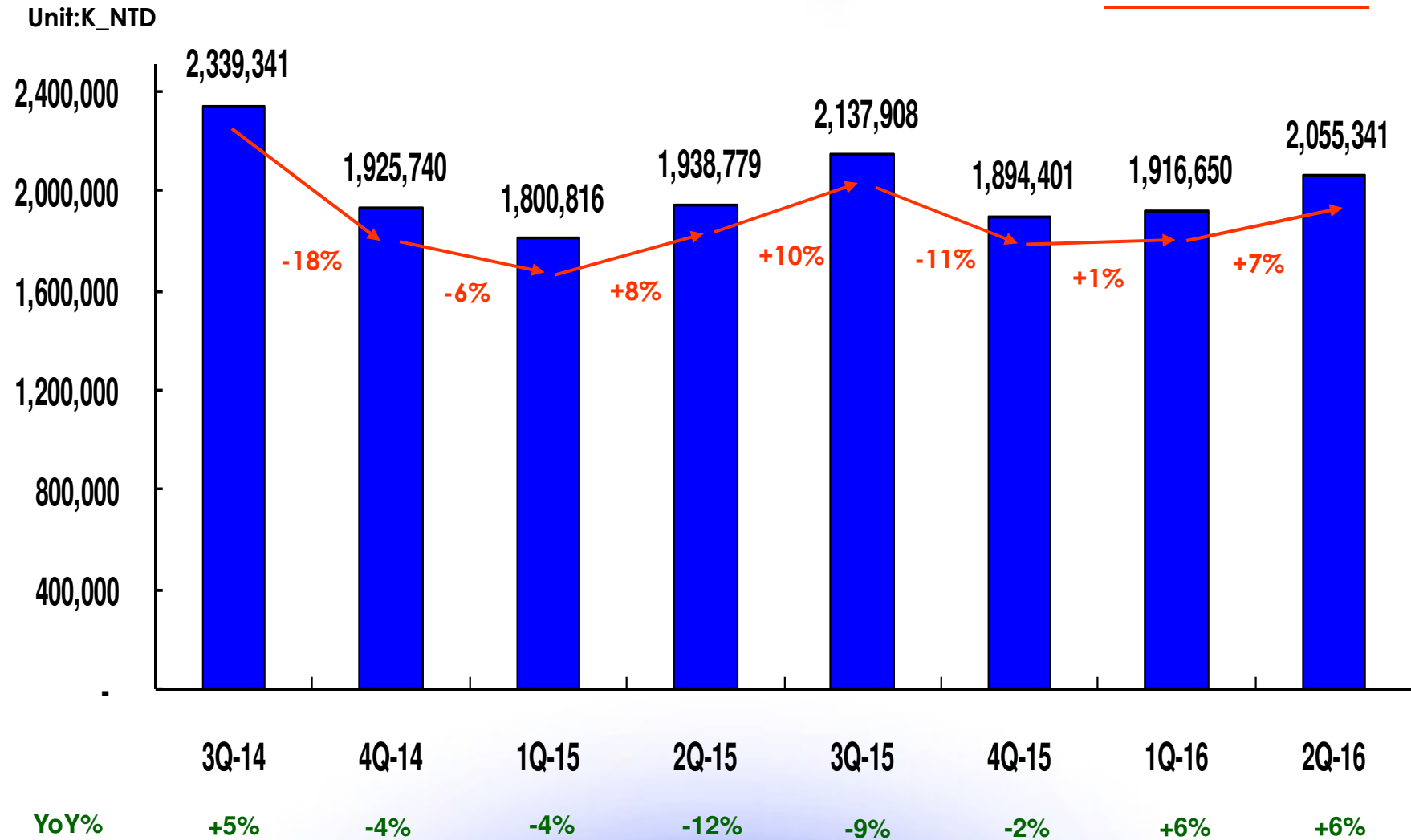




Tong Hsing Quarterly Revenue

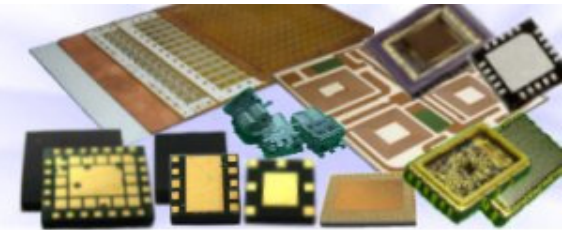


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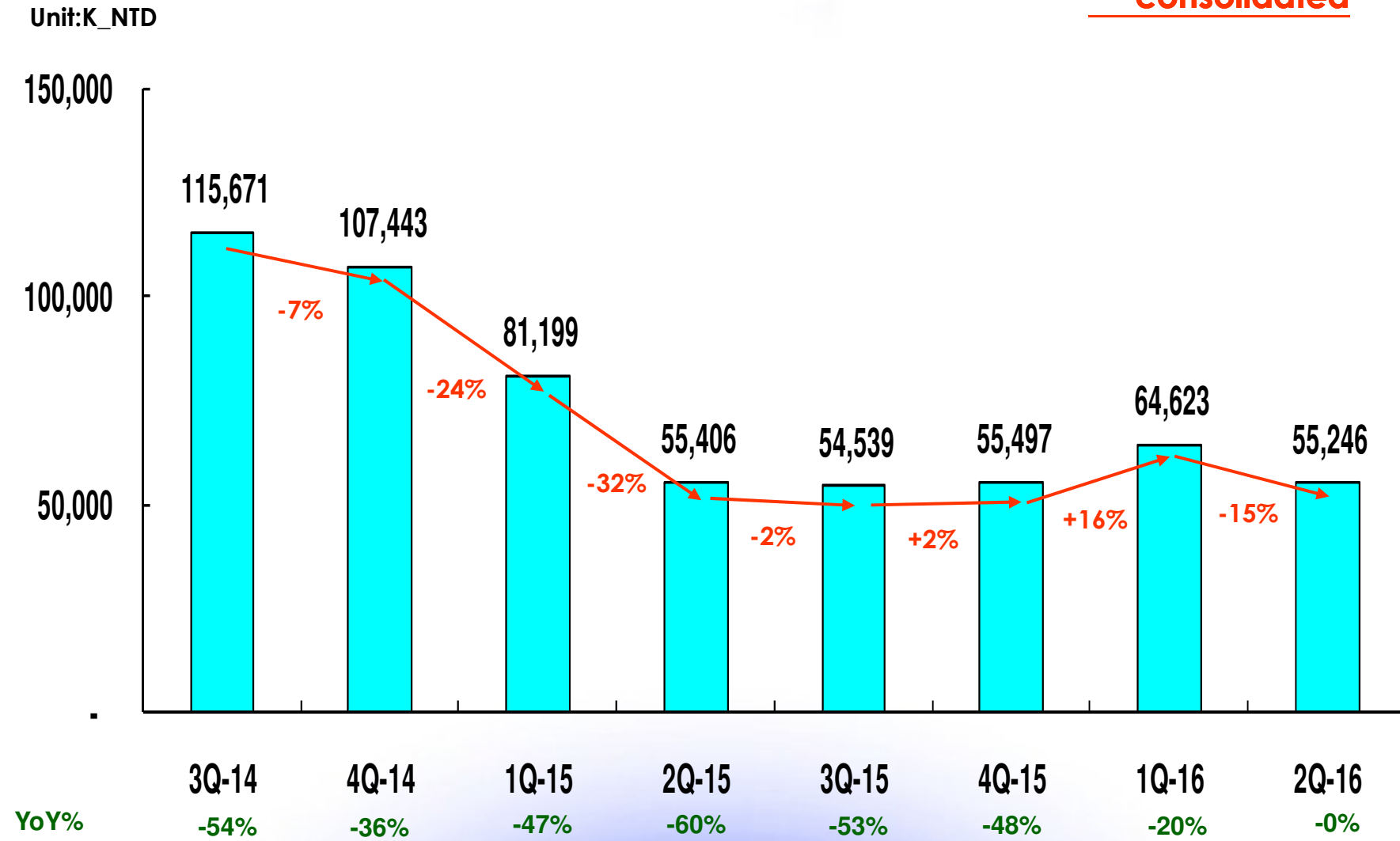




RF Module Quarterly Revenue Trend

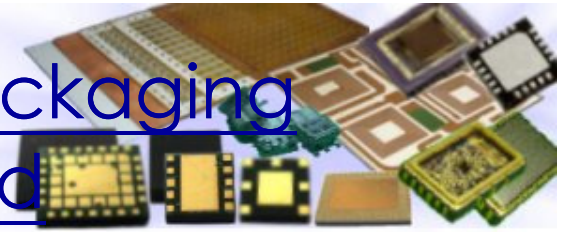


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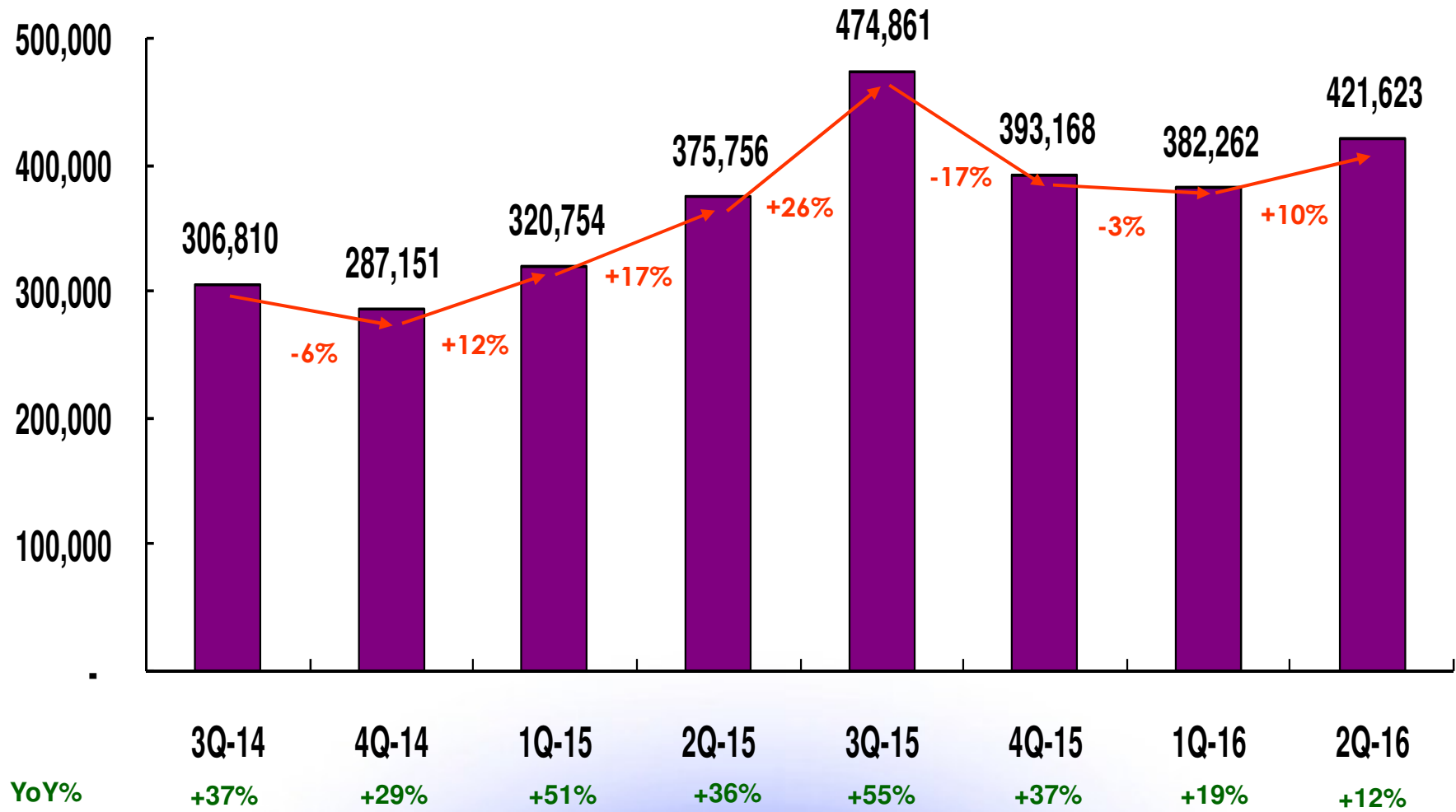


Hybrid Modules & Specialty Packaging Quarterly Revenue Trend



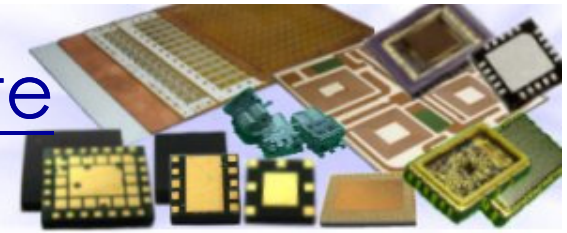
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Unit:K_NTD





Ceramic Metallized Substrate Quarterly Revenue Trend



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Unit:K_NTD

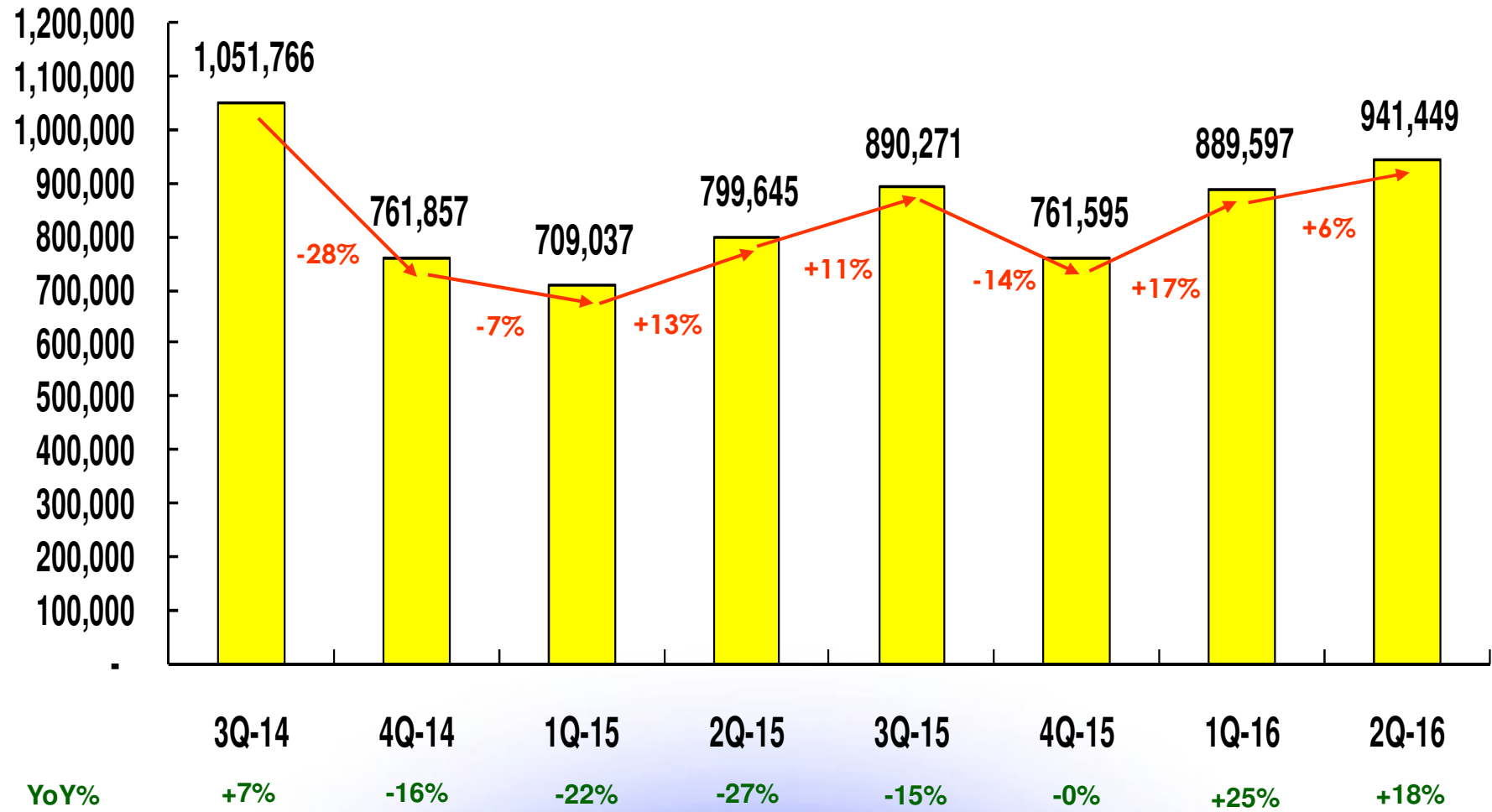
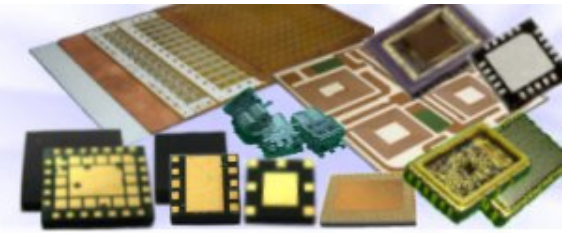
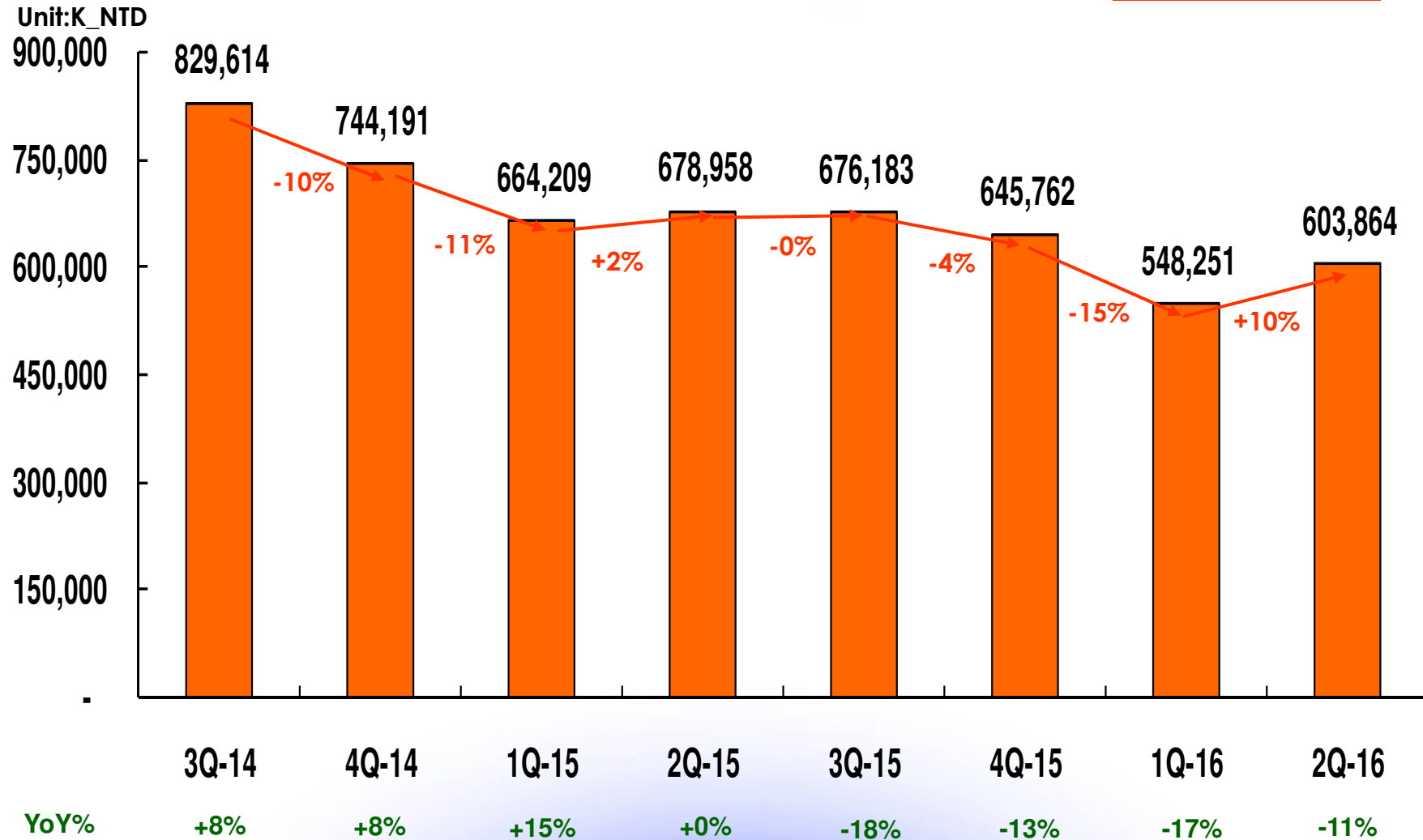




Image Products Quarterly Revenue Trend

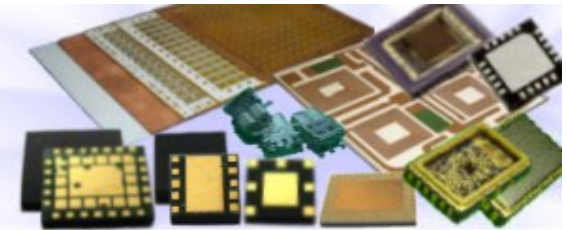


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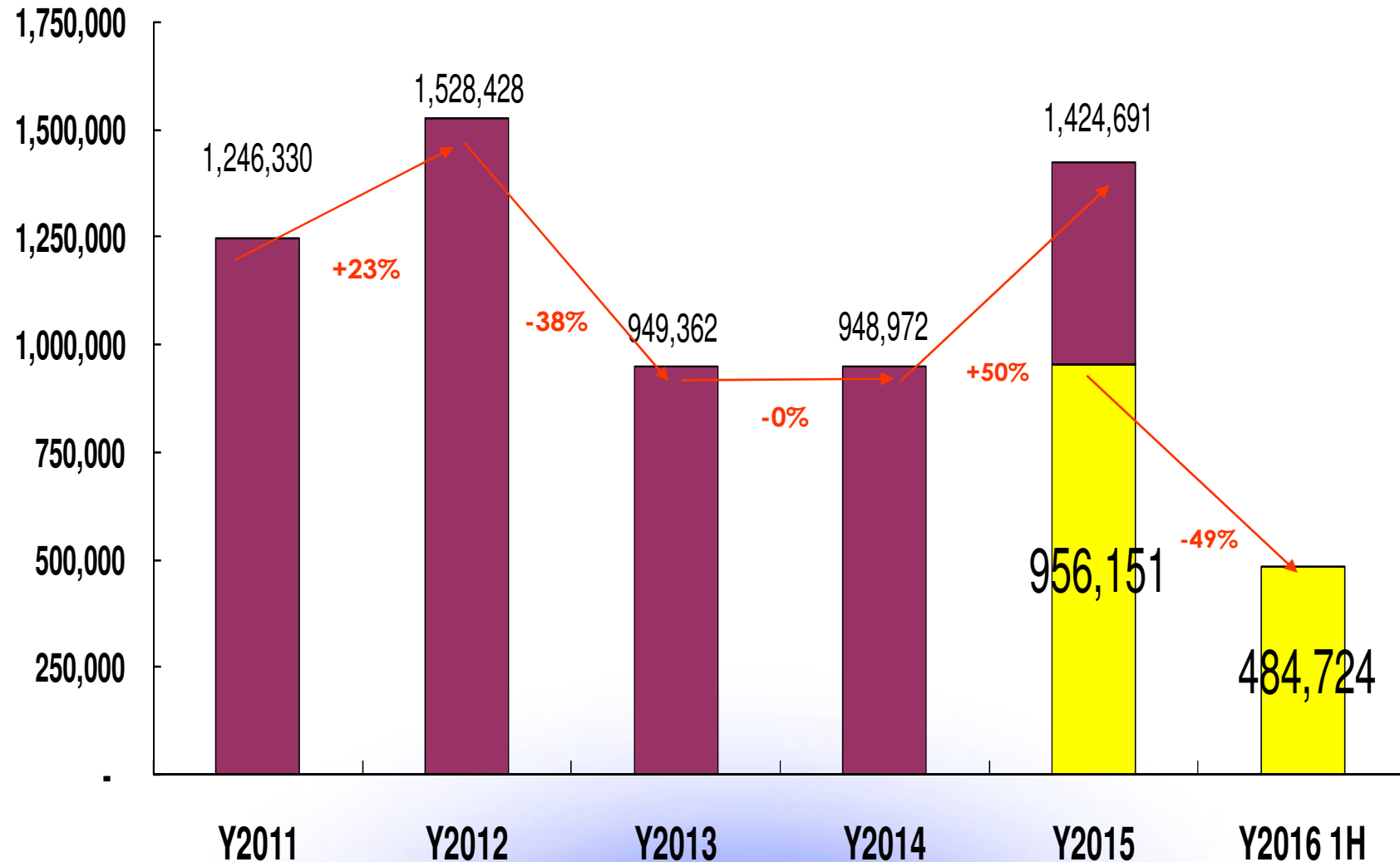


Capital Expenditure



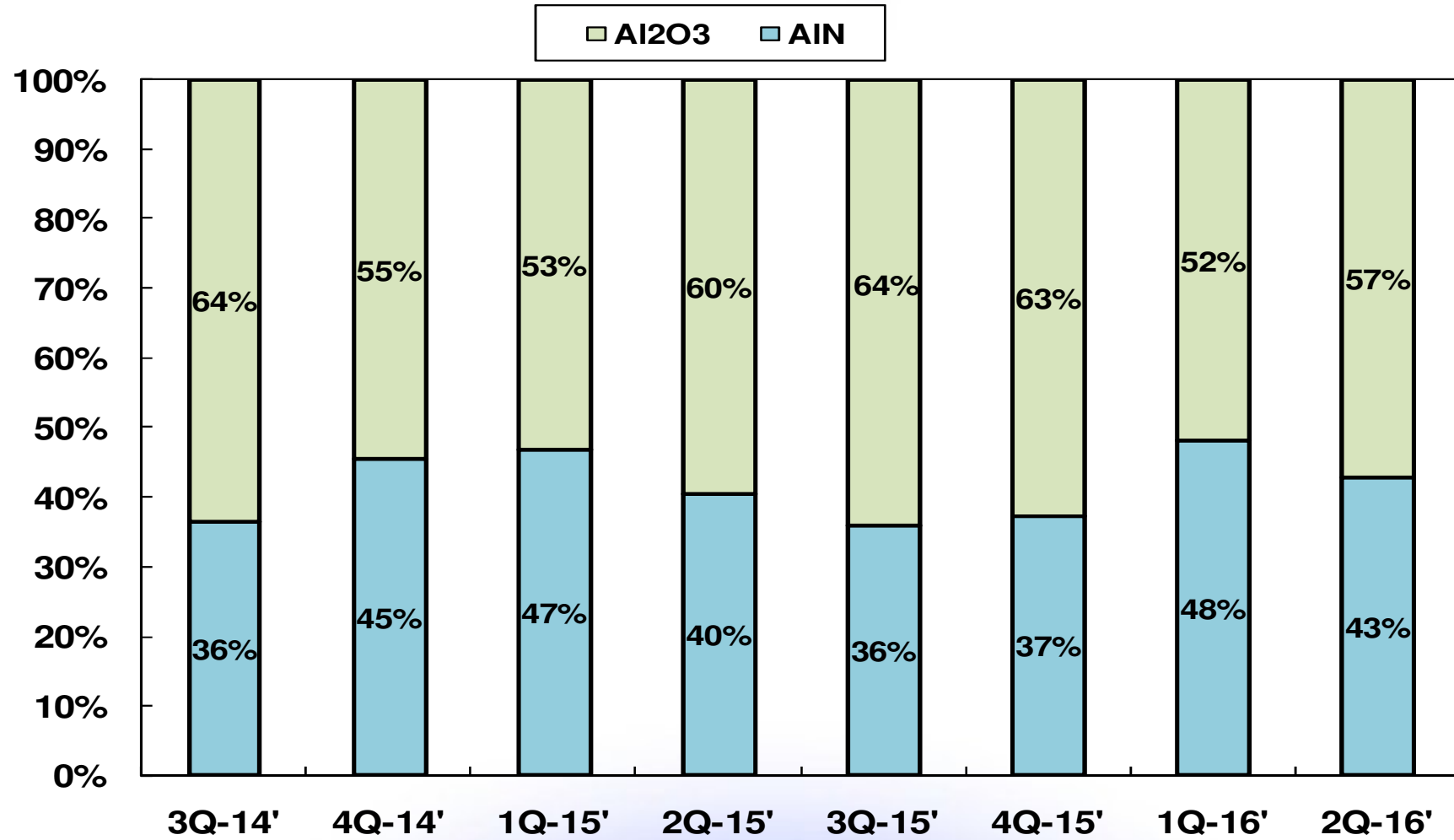
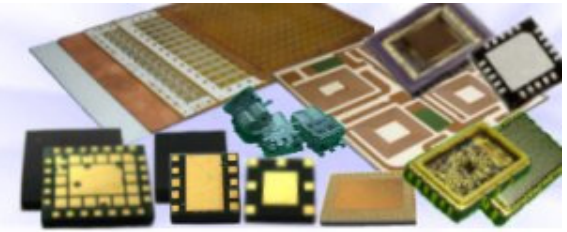
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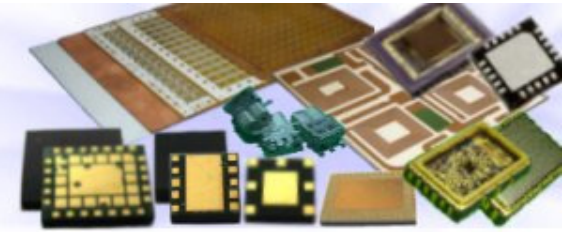
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