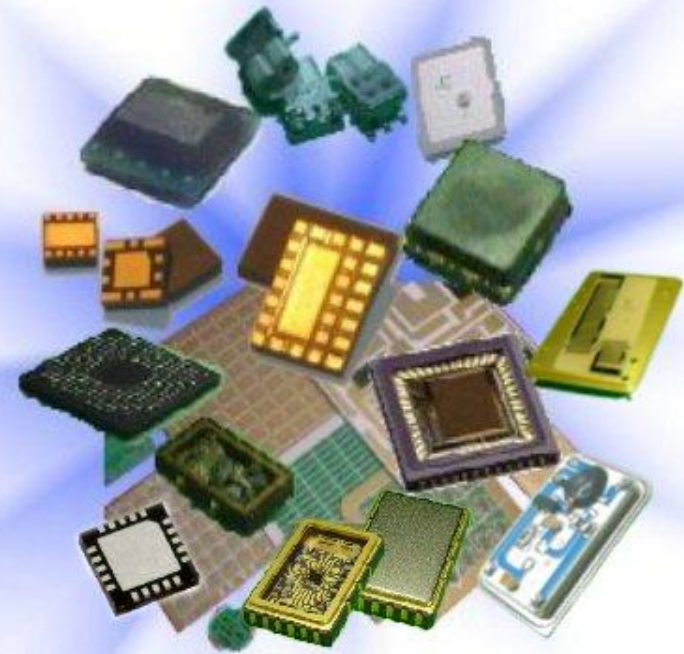


# Tong Hsing

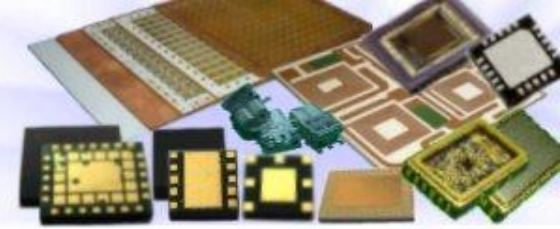
**Fourth Quarter 2016  
Earnings Conference  
Mar 10<sup>th</sup>, 2017**



**Excellence in Custom Electronics Manufacturing**



# Disclaimer

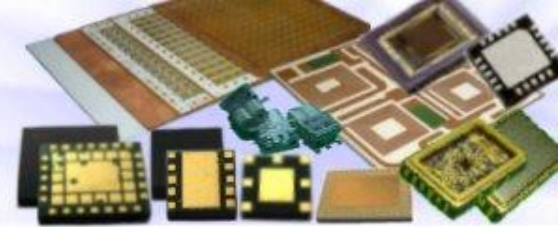


**This presentation contains forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. Actual results may differ materially from those expressed or implied by these forward-looking statements. Because of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation might not occur in the way we expect, or at all. You should not place undue reliance on any forward-looking information.**

**In preparing the information herein, Tong Hsing have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was provided to Tong Hsing or which was otherwise reviewed by Tong Hsing. Neither Tong Hsing nor its advisors have made any representation or warranty as to the accuracy or completeness of such information and nor do they assume any undertaking to supplement such information as further information becomes available or in light of changing circumstances. None of Tong Hsing, nor any of their respective affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. Neither this presentation nor any of its contents may be reproduced to a third party without the prior written consent of Tong Hsing.**



# Table of Contents

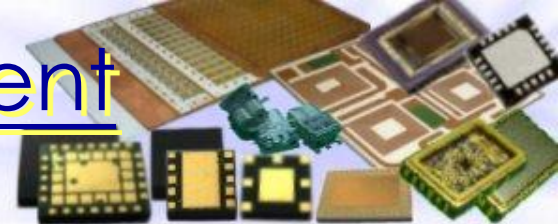


1. Financial Update
2. Business Update



# 4Q 16 Income Statement

## QoQ Comparison



**consolidated**

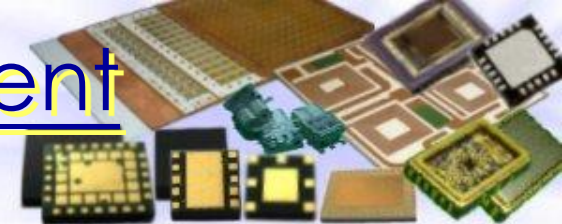
Unit: NT\$Thousand	4Q 2016 (Audited)	%	3Q 2016 (Reviewed)	%	Chg %
Net Revenue	2,021,491	100.0%	2,064,363	100.0%	-2.1%
Cost of Sales	1,498,621	74.1%	1,579,815	76.5%	-5.1%
Gross Profit	522,870	25.9%	484,548	23.5%	7.9%
Operating Expenses	190,596	9.4%	184,164	8.9%	3.5%
Operating Income	332,274	16.4%	300,384	14.6%	10.6%
Non-Operating Items	28,758	1.4%	(30,242)	-1.5%	-195.1%
Income before Income Tax	361,032	17.9%	270,142	13.1%	33.6%
EPS(NT\$) before Tax	2.22		1.66		
Income Tax Expense	52,083	2.6%	43,380	2.1%	20.1%
Net Income	308,949	15.3%	226,762	11.0%	36.2%
EPS(NT\$) after Tax	1.90		1.39		

\*2016 Weighted Average Outstanding Shares : 162.91 Million

Company Confidential



# 4Q 16 Income Statement YoY Comparison



**consolidated**

Unit: NT\$Thousand

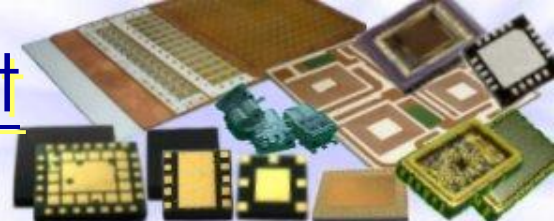
	4Q 2016 (Audited)	%	4Q 2015 (Audited)	%	Chg %
Net Revenue	2,021,491	100.0%	1,894,401	100.0%	6.7%
Cost of Sales	1,498,621	74.1%	1,444,283	76.2%	3.8%
Gross Profit	522,870	25.9%	450,118	23.8%	16.2%
Operating Expenses	190,596	9.4%	157,876	8.3%	20.7%
Operating Income	332,274	16.4%	292,242	15.4%	13.7%
Non-Operating Items	28,758	1.4%	4,708	0.2%	510.8%
Income before Income Tax	361,032	17.9%	296,950	15.7%	21.6%
EPS(NT\$) before Tax	2.22		1.82		
Income Tax Expense	52,083	2.6%	46,488	2.5%	12.0%
Net Income	308,949	15.3%	250,462	13.2%	23.4%
EPS(NT\$) after Tax	1.90		1.54		

\*2016 Weighted Average Outstanding Shares : 162.91Million

Company Confidential



# Y2016 Income Statement YoY Comparison



**consolidated**

Unit: NT\$Thousand

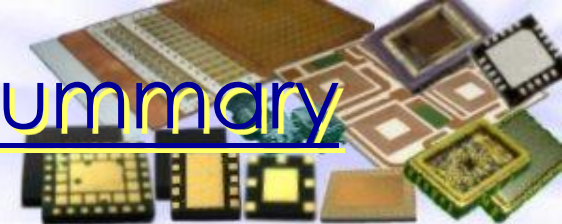
	Y2016		Y2015		Chg %
	(Audited)	%	(Audited)	%	
Net Revenue	8,057,845	100.0%	7,771,904	100.0%	3.7%
Cost of Sales	6,062,661	75.2%	5,857,711	75.4%	3.5%
Gross Profit	1,995,184	24.8%	1,914,193	24.6%	4.2%
Operating Expenses	761,430	9.4%	702,208	9.0%	8.4%
Operating Income	1,233,754	15.3%	1,211,985	15.6%	1.8%
Non-Operating Items	(10,640)	-0.1%	71,056	0.9%	-115.0%
Income before Income Tax	1,223,114	15.2%	1,283,041	16.5%	-4.7%
EPS(NT\$) before Tax	7.51		7.88		
Income Tax Expense	198,108	2.5%	241,630	3.1%	-18.0%
Net Income	1,025,006	12.7%	1,041,411	13.4%	-1.6%
EPS(NT\$) after Tax	6.29		6.39		

\*2016 Weighted Average Outstanding Shares : 162.91Million

Company Confidential



# 4Q 16 Operating Results Summary



**consolidated**

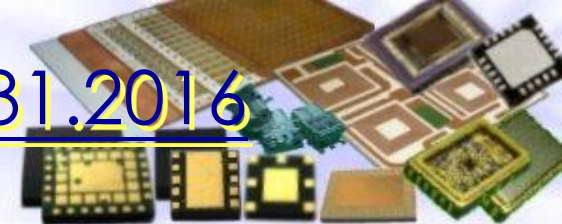
Unit: NT\$thousand	4Q 2016 (Audited)	3Q 2016 (Reviewed)	4Q 2015 (Audited)
Net Revenues	2,021,491	2,064,363	1,894,401
Net Income	308,949	226,762	250,462
EPS(NT\$) before Tax	2.22	1.66	1.82
EPS(NT\$) after Tax	1.90	1.39	1.54
Depreciation	278,476	275,364	278,980
Capital Expenditure*	136,636	215,991	243,831
EBITDA**	654,084	560,699	593,026

\*Additions to property, plant and equipment

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



# Balance Sheet Highlight – 12.31.2016



**consolidated**

Unit: NT\$Thousand	12.31.2016 (Audited)	%	12.31.2015 (Audited)	%
Cash and Cash Equivalents	6,651,319	43.5%	6,450,193	42.1%
Current financial assets at fair value through profit or loss	1,020,193	6.7%	1,168,291	7.6%
Fixed Assets	4,894,075	32.0%	5,238,538	34.2%
<b>Total Assets</b>	<b>15,299,211</b>	<b>100.0%</b>	<b>15,326,123</b>	<b>100.0%</b>
Long-term borrowings, current portion	288,134	1.9%	288,453	1.9%
Bonds Payable, current portion	1,993,308	13.0%	-	0.0%
Long-term borrowings	628,129	4.1%	916,463	6.0%
Bonds Payable	-	0.0%	1,972,000	12.9%
Shareholders' Equity	10,146,841	66.3%	10,136,784	66.1%
Depreciation-YTD	1,112,938		1,076,884	
Capital Expenditure-YTD*	837,351		1,424,691	
EBITDA-YTD**	2,398,012		2,432,180	

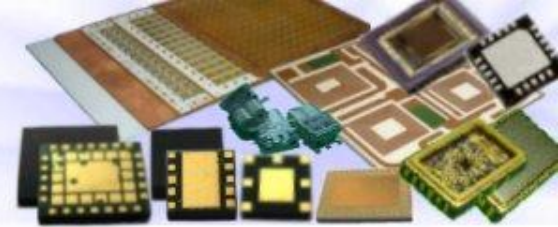
\*Additions to property, plant and equipment

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





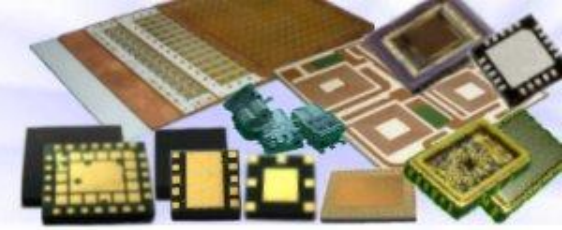
# Table of Contents



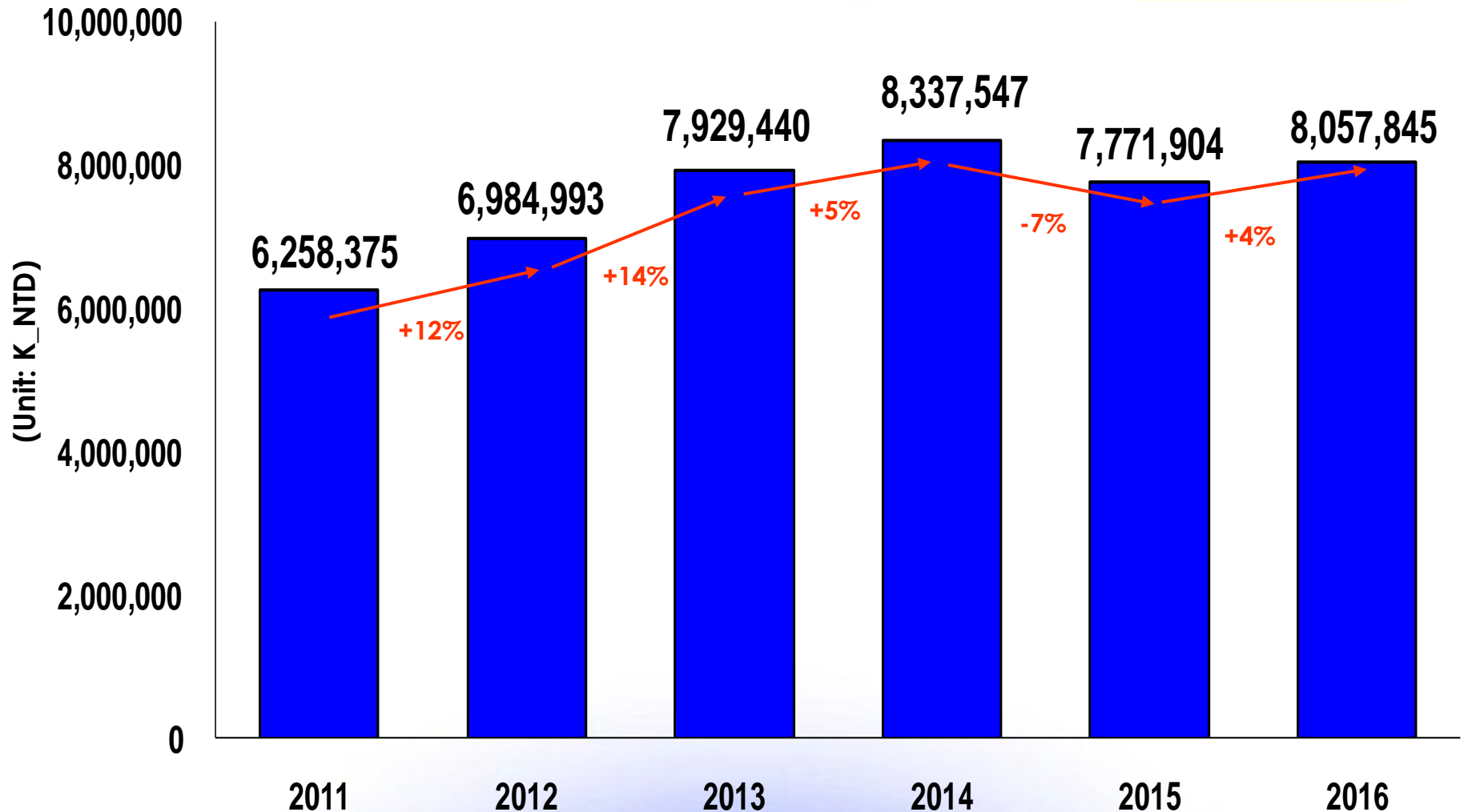
1. Financial Update
2. Business Update



# Tong Hsing Revenue History

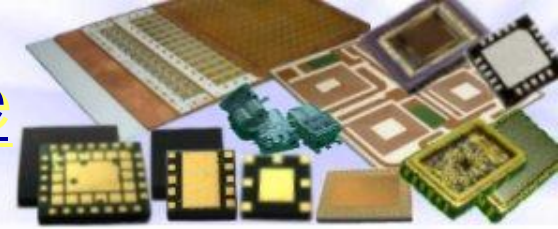


**consolidated**

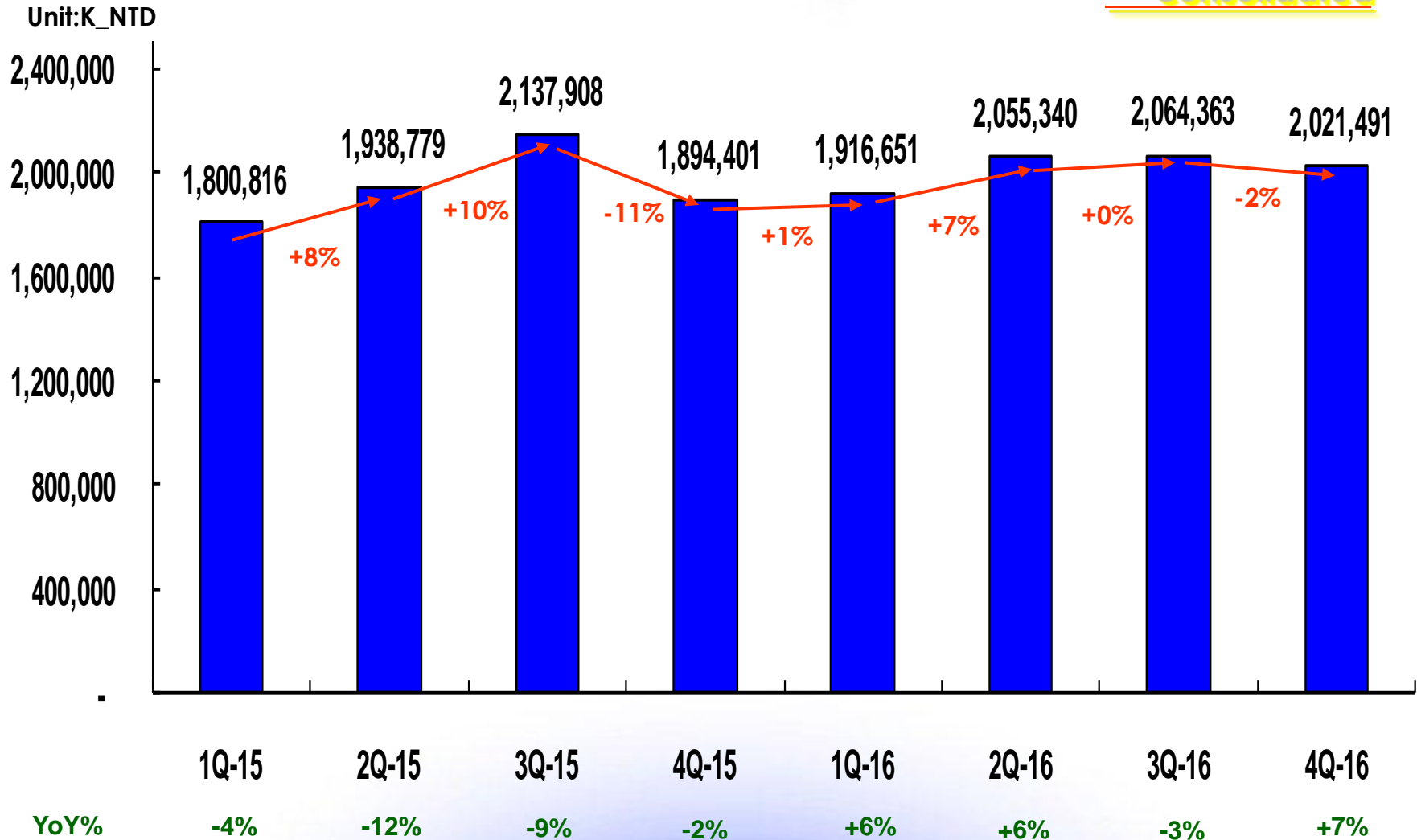




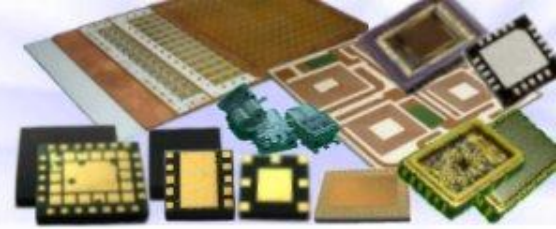
# Tong Hsing Quarterly Revenue



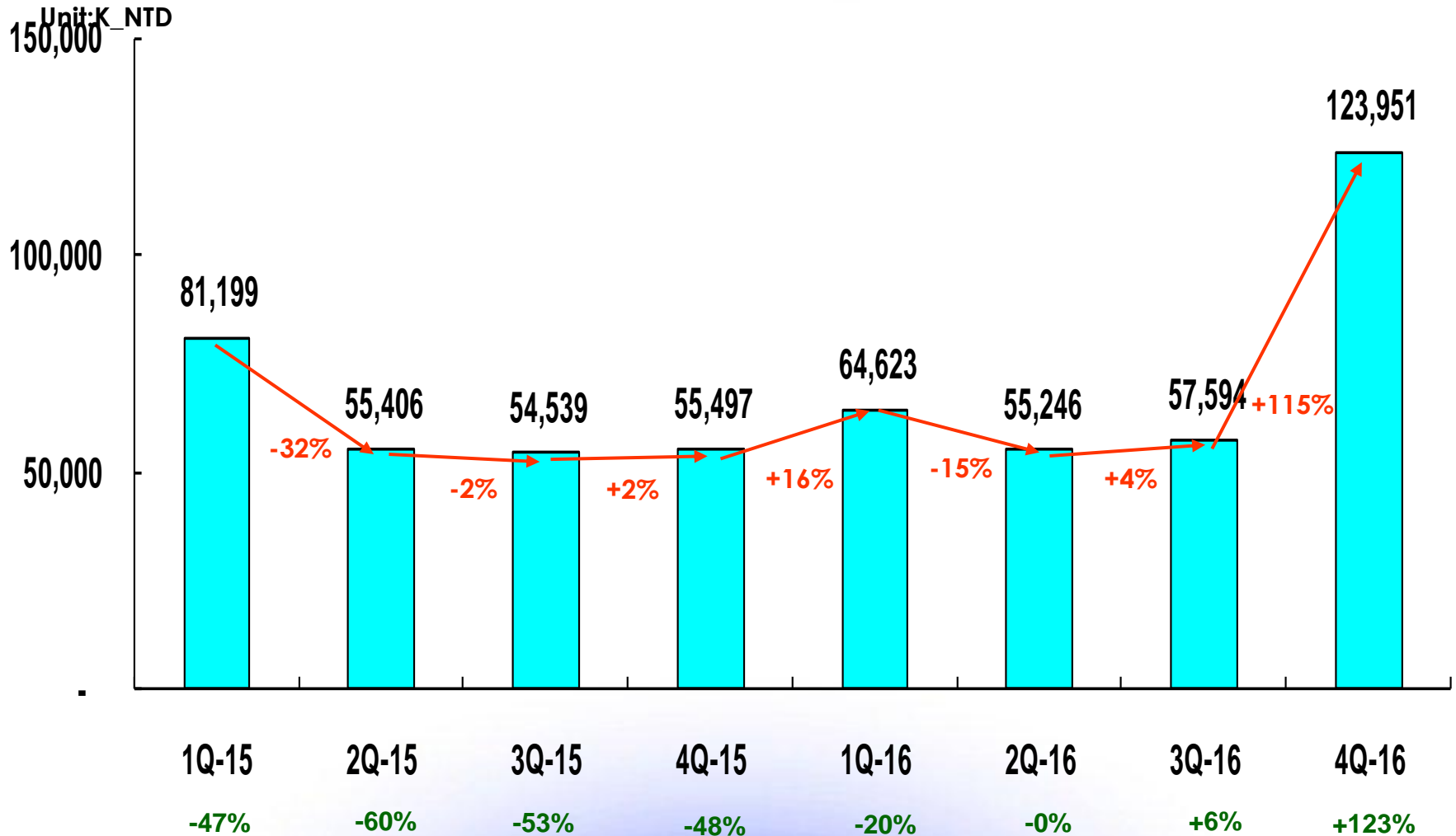
**consolidated**



# RF Module Quarterly Revenue Trend

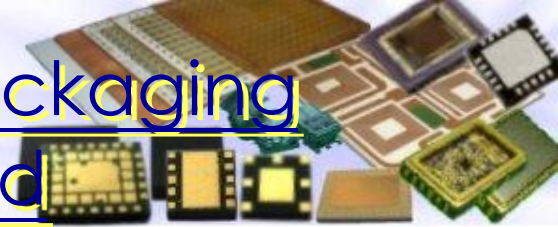


**consolidated**



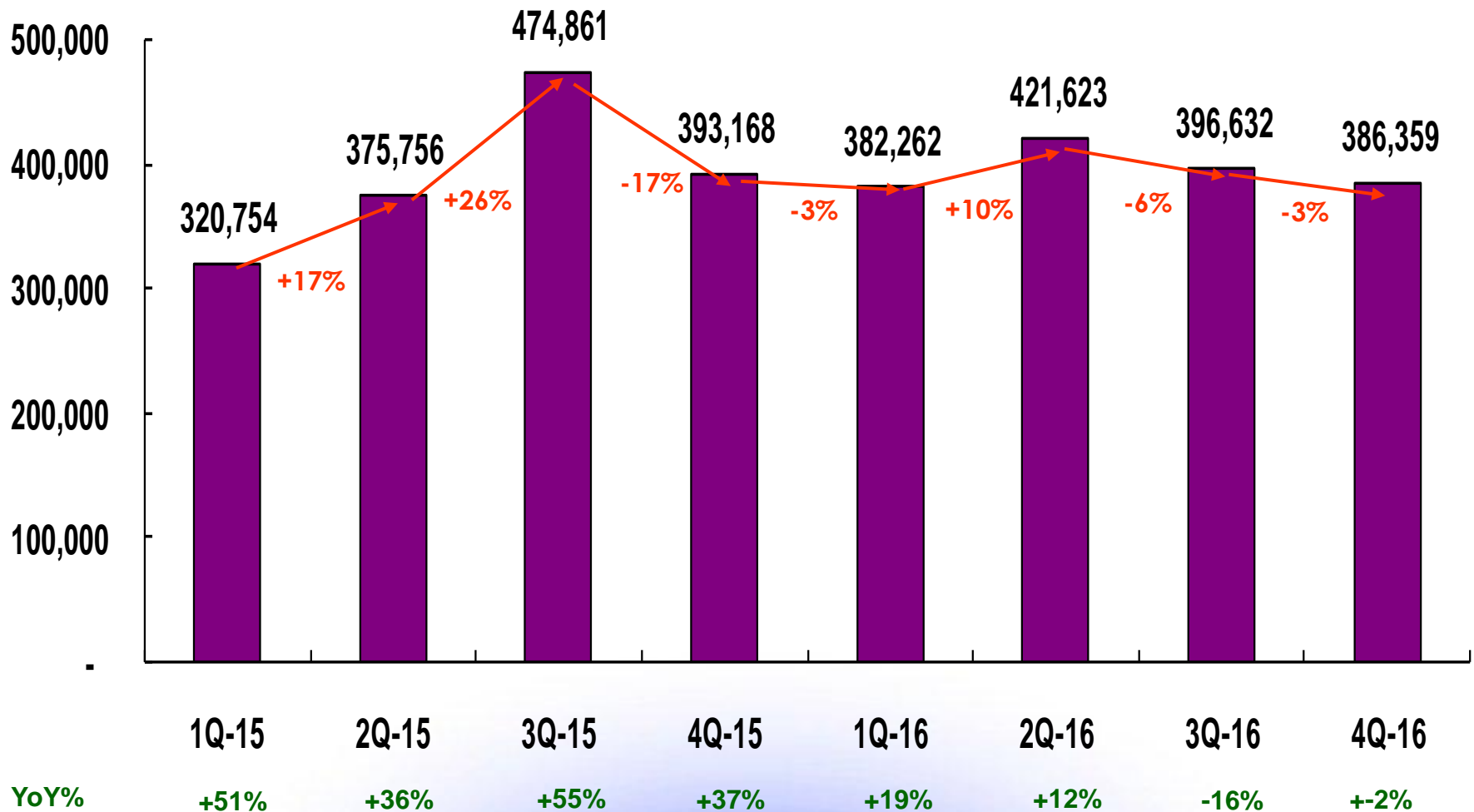


# Hybrid Modules & Specialty Packaging Quarterly Revenue Trend



**consolidated**

Unit:K\_NTD

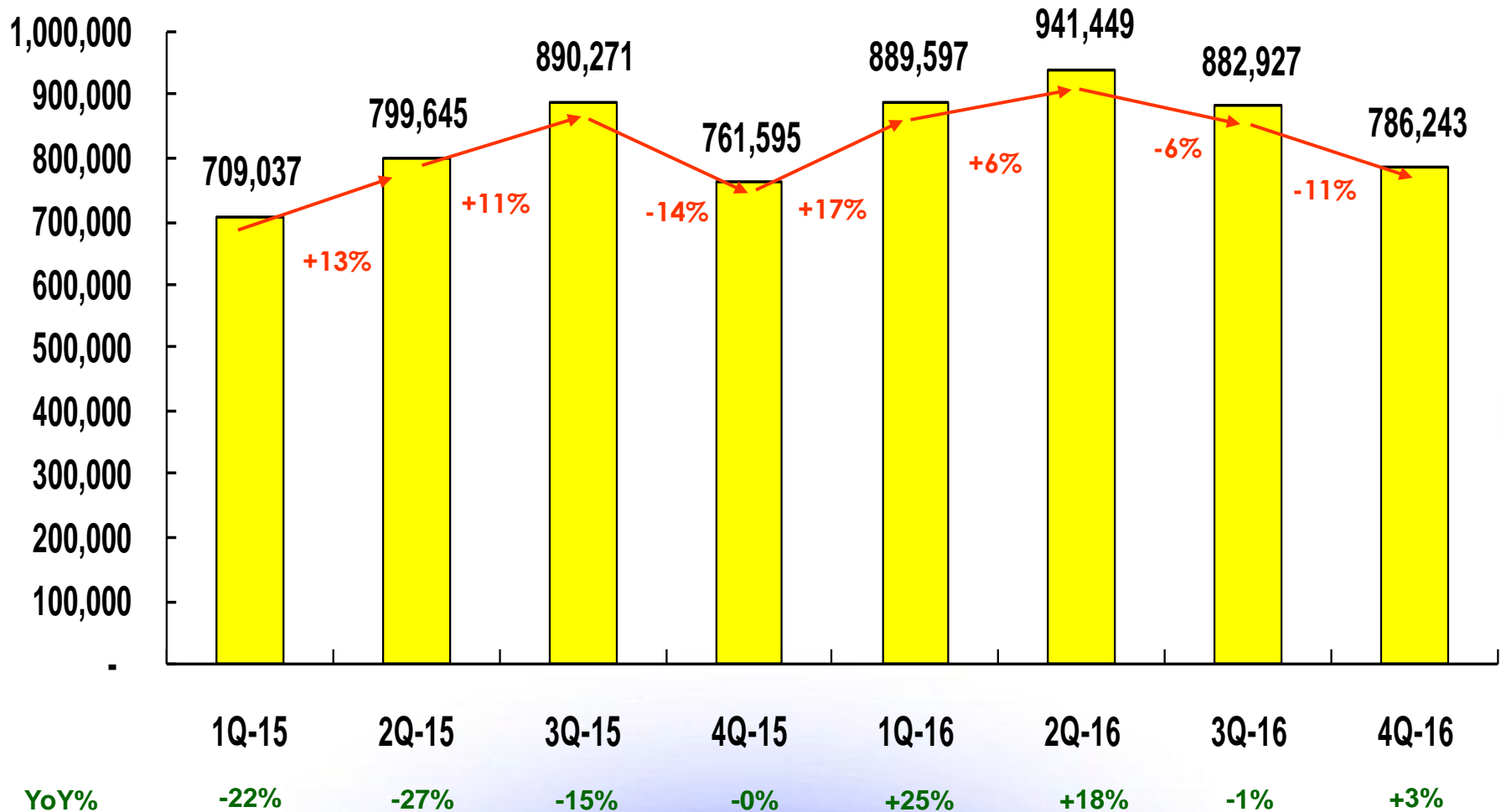




# Ceramic Metallized Substrate Quarterly Revenue Trend

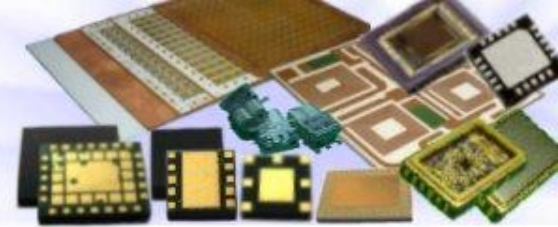


Unit:K\_NTD



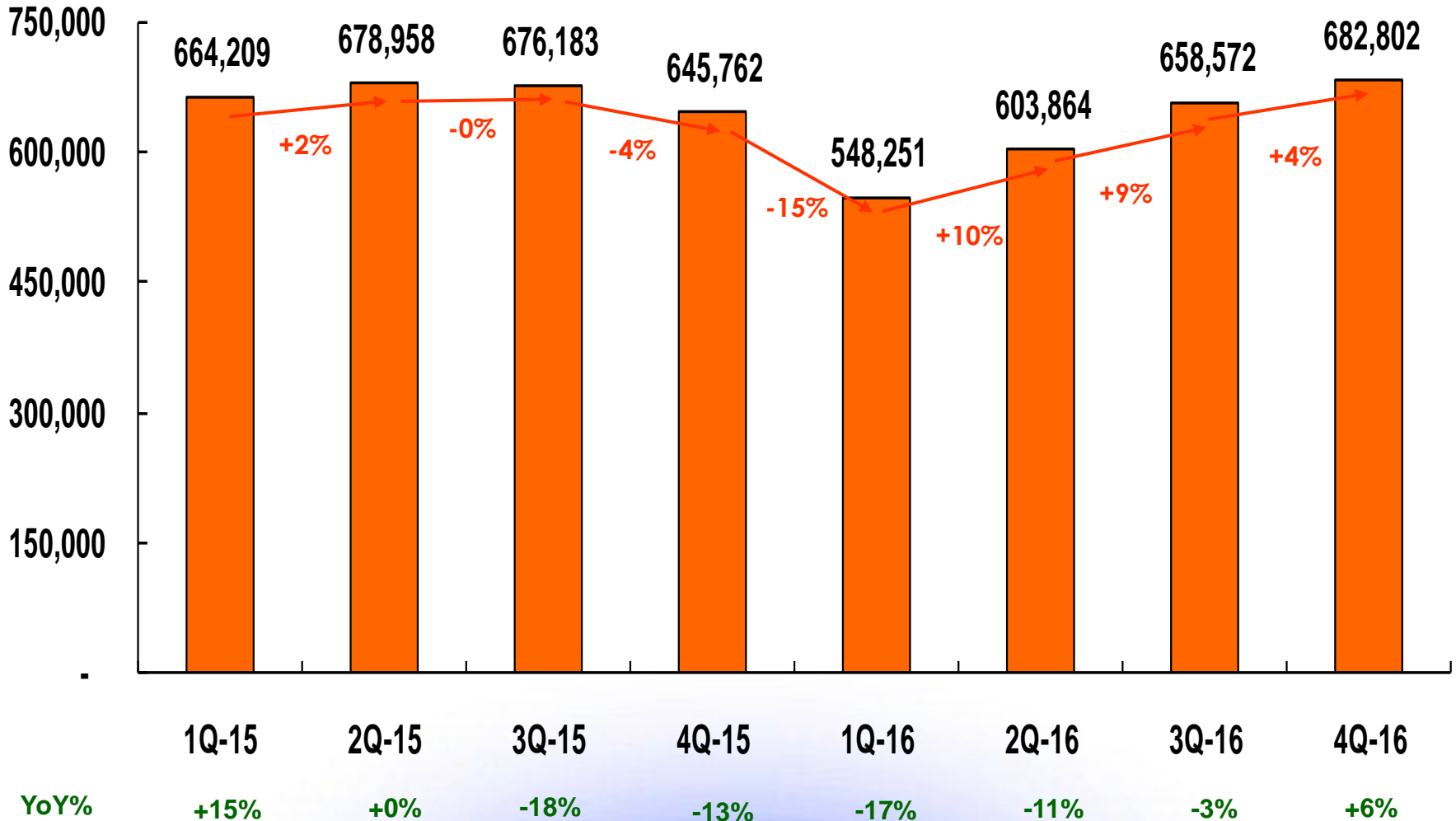


# Image Products Quarterly Revenue Trend

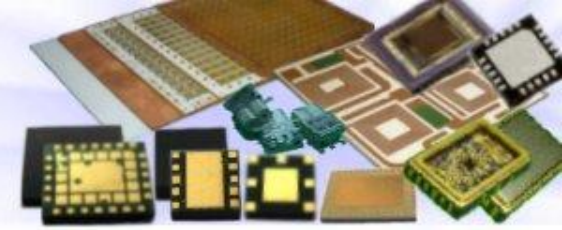


**consolidated**

Unit:K\_NTD

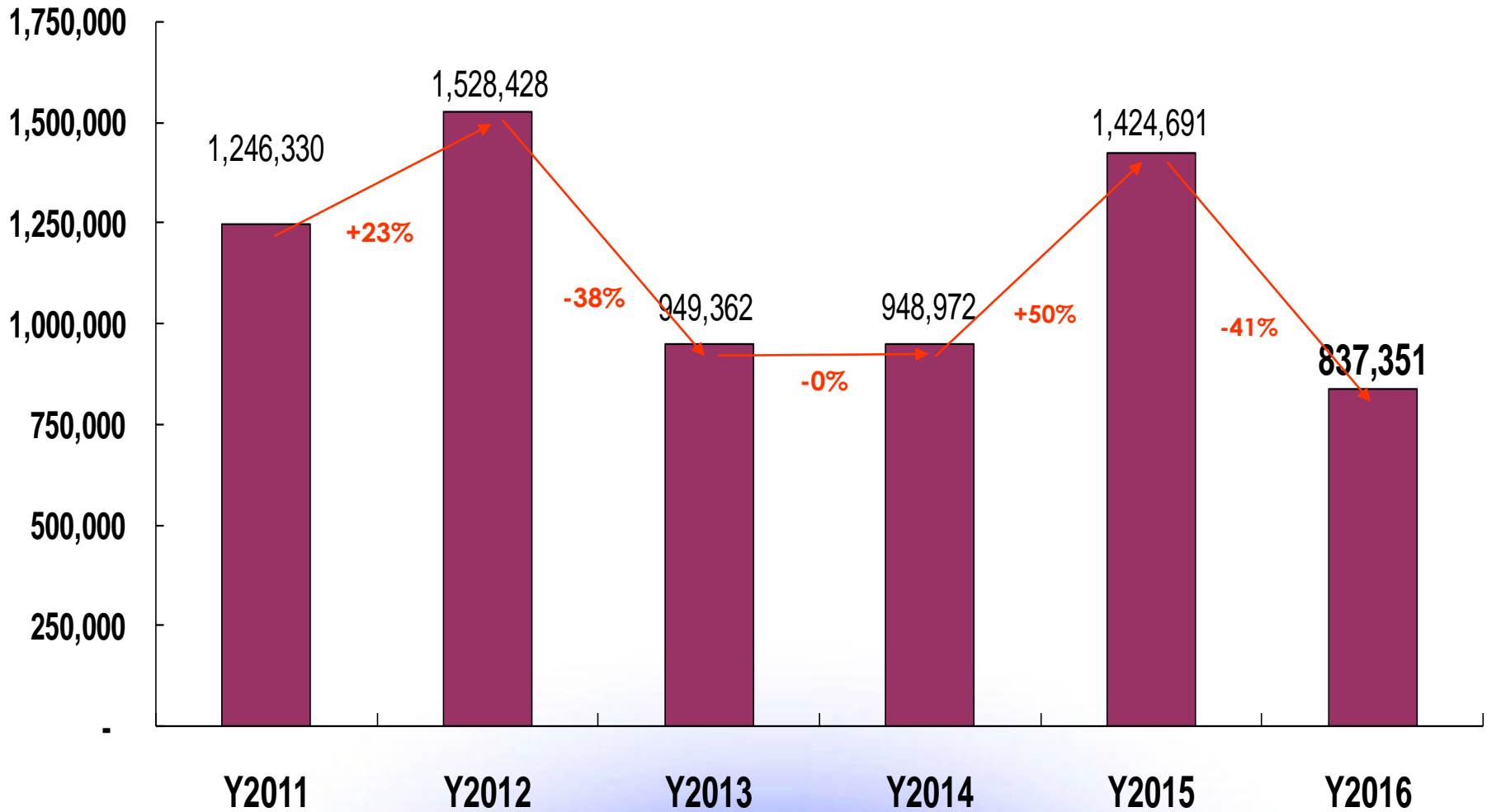


# Capital Expenditure



consolidated

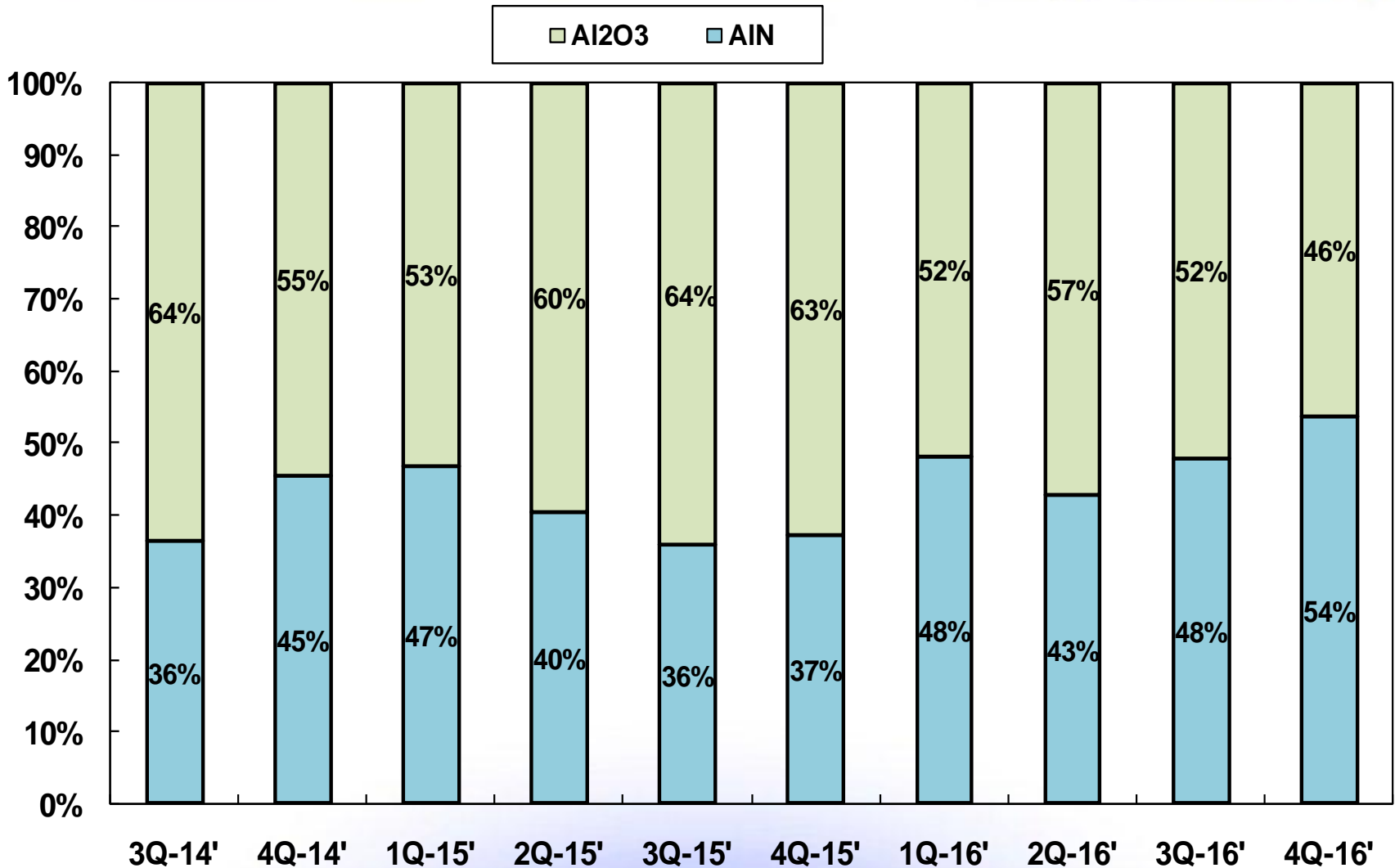
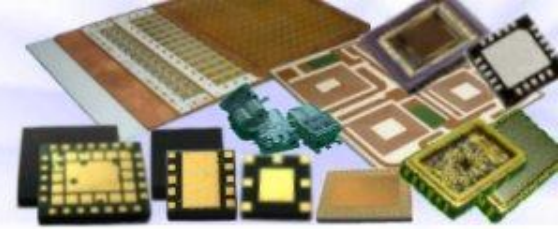
Unit:K\_NTD

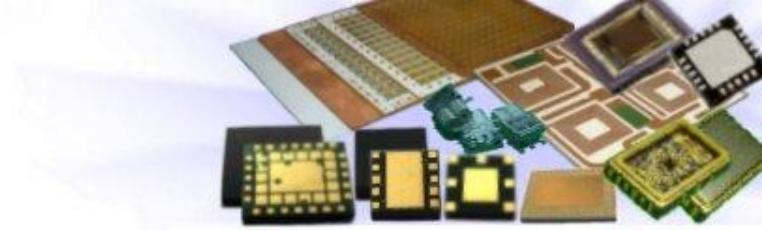






# Al<sub>2</sub>O<sub>3</sub> VS AlN





<http://www.theil.com>