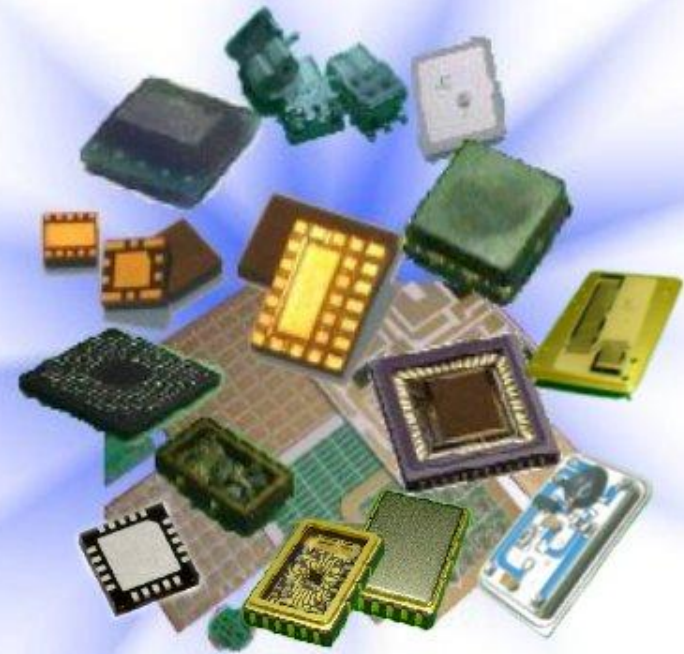


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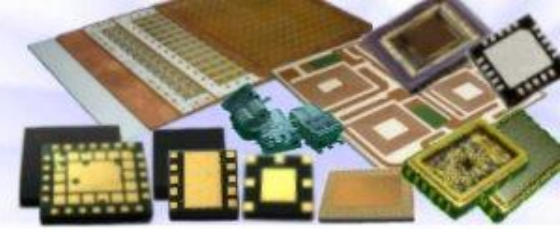
**Second Quarter 2017  
Earnings Conference  
Aug 11<sup>th</sup>, 2017**



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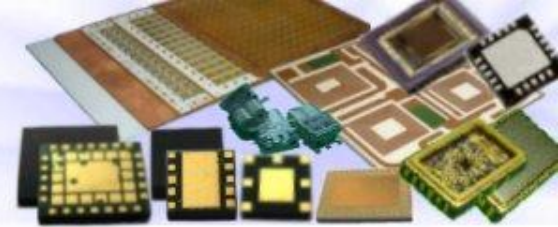


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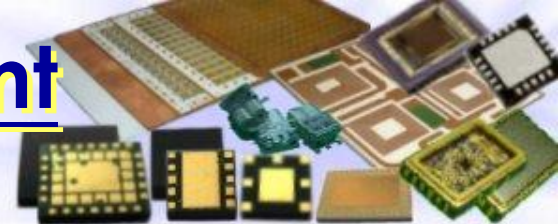
# Table of Contents



1. Financial Update
2. Business Update



# 2Q 17 Income Statement QoQ Comparison



 consolidated

Unit: NT\$thousand	2Q 2017 (Reviewed)	%	1Q 2017 (Reviewed)	%	Chg %
Net Revenue	1,820,850	100.0%	1,832,761	100.0%	-0.6%
Cost of Sales	1,428,793	78.5%	1,470,719	80.2%	-2.9%
Gross Profit	392,057	21.5%	362,042	19.8%	8.3%
Operating Expenses	187,526	10.3%	176,971	9.7%	6.0%
Operating Income	204,531	11.2%	185,071	10.1%	10.5%
Non-Operating Items	7,955	0.4%	(68,402)	-3.7%	-111.6%
Income before Income Tax	212,486	11.7%	116,669	6.4%	82.1%
EPS(NT\$) before Tax	1.29		0.72		
Income Tax Expense	11,450	0.6%	27,518	1.5%	-58.4%
Net Income	201,036	11.0%	89,151	4.9%	125.5%
EPS(NT\$) after Tax	1.22		0.55		

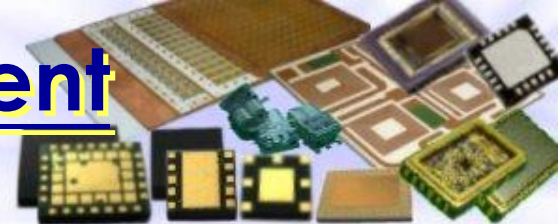
\*2017 Weighted Average Outstanding Shares : 164.13Million

Company Confidential



# 2Q 17 Income Statement

## YoY Comparison



**consolidated**

Unit: NT\$Thousand

	2Q 2017 (Reviewed)	%	2Q 2016 (Reviewed)	%	Chg %
Net Revenue	1,820,850	100.0%	2,055,341	100.0%	-11.4%
Cost of Sales	1,428,793	78.5%	1,537,145	74.8%	-7.0%
Gross Profit	392,057	21.5%	518,196	25.2%	-24.3%
Operating Expenses	187,526	10.3%	193,004	9.4%	-2.8%
Operating Income	204,531	11.2%	325,192	15.8%	-37.1%
Non-Operating Items	7,955	0.4%	(1,424)	-0.1%	-658.6%
Income before Income Tax	212,486	11.7%	323,768	15.8%	-34.4%
EPS(NT\$) before Tax	1.29		1.99		
Income Tax Expense	11,450	0.6%	60,171	2.9%	-81.0%
Net Income	201,036	11.0%	263,597	12.8%	-23.7%
EPS(NT\$) after Tax	1.22		1.62		

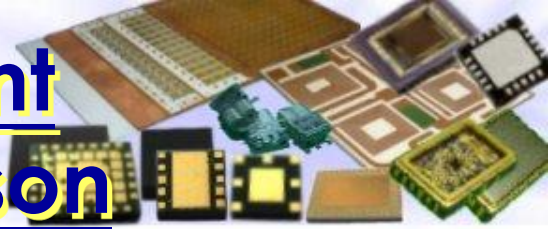
\*2017 Weighted Average Outstanding Shares : 164.13Million

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# Y17 Income Statement

## First Half YoY Comparison



**consolidated**

Unit: NT\$Thousand

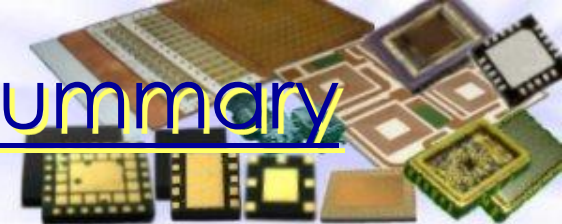
	Y2017 1H		Y2016 1H		Chg %
	(Reviewed)	%	(Reviewed)	%	
Net Revenue	3,653,611	100.0%	3,971,991	100.0%	-8.0%
Cost of Sales	2,899,512	79.4%	2,984,225	75.1%	-2.8%
Gross Profit	754,099	20.6%	987,766	24.9%	-23.7%
Operating Expenses	364,497	10.0%	386,670	9.7%	-5.7%
Operating Income	389,602	10.7%	601,096	15.1%	-35.2%
Non-Operating Items	(60,447)	-1.7%	(9,156)	-0.2%	560.2%
Income before Income Tax	329,155	9.0%	591,940	14.9%	-44.4%
EPS(NT\$) before Tax	2.01		3.63		
Income Tax Expense	38,968	1.1%	102,645	2.6%	-62.0%
Net Income	290,187	7.9%	489,295	12.3%	-40.7%
EPS(NT\$) after Tax	1.77		3.00		

\*2017 Weighted Average Outstanding Shares : 164.13Million

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# 2Q 17 Operating Results Summary



**consolidated**

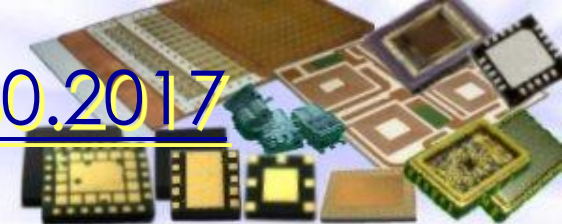
Unit: NT\$Thousand	2Q 2017 (Reviewed)	1Q 2017 (Reviewed)	2Q 2016 (Reviewed)
Net Revenues	1,820,850	1,832,761	2,055,341
Net Income	201,036	89,151	263,597
EPS(NT\$) before Tax	1.29	0.72	1.99
EPS(NT\$) after Tax	1.22	0.55	1.62
Depreciation	251,133	272,292	278,352
Capital Expenditure*	178,832	135,361	184,982
EBITDA**	470,758	401,493	617,853

\*Additions to property, plant and equipment

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



# Balance Sheet Highlight –6.30.2017



**consolidated**

Unit: NT\$Thousand	6.30.2017 (Reviewed)	%	6.30.2016 (Reviewed)	%
Cash and Cash Equivalents	6,184,372	46.1%	6,566,561	41.9%
Current financial assets at fair value through profit or loss	2,334	0.0%	1,301,938	8.3%
Fixed Assets	4,617,483	34.4%	5,135,842	32.7%
Total Assets	13,411,589	100.0%	15,683,210	100.0%
Long-term borrowings, current portion	706,707	5.3%	288,312	1.8%
Bonds Payable, current portion	-	0.0%	1,982,625	12.6%
Long-term borrowings	65,000	0.5%	772,115	4.9%
Shareholders' Equity	9,732,669	72.6%	9,629,706	61.4%
Depreciation-YTD	523,425		559,098	
Capital Expenditure-YTD*	314,193		484,724	
EBITDA-YTD**	872,251		1,183,229	

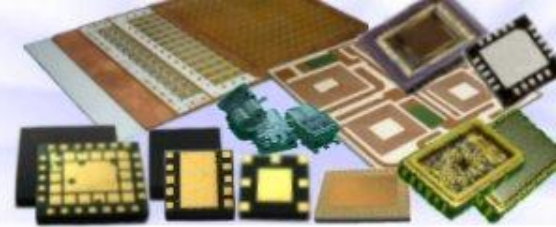
\*Additions to property, plant and equipment

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





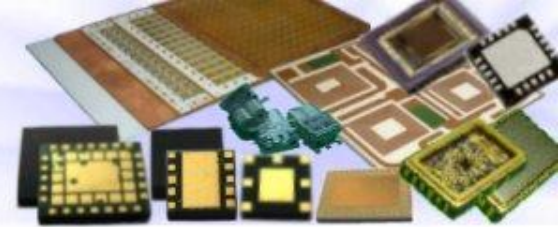
# Table of Contents



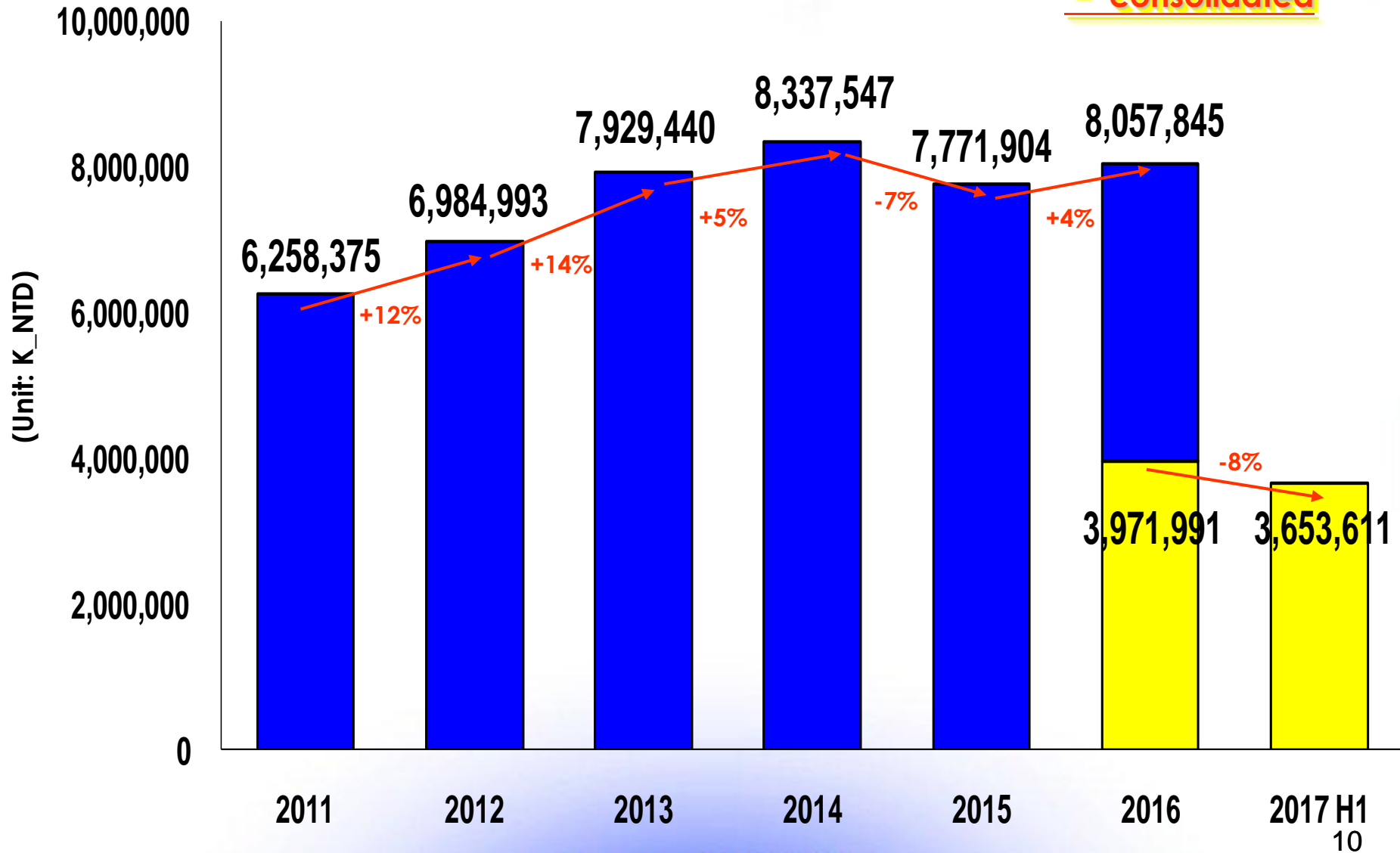
1. Financial Update
2. Business Update



# Tong Hsing Revenue History

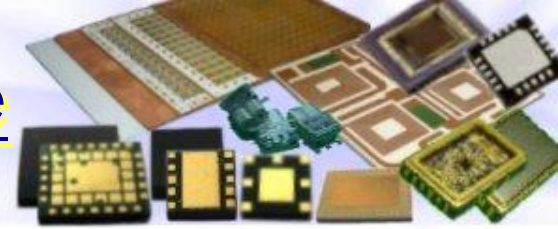


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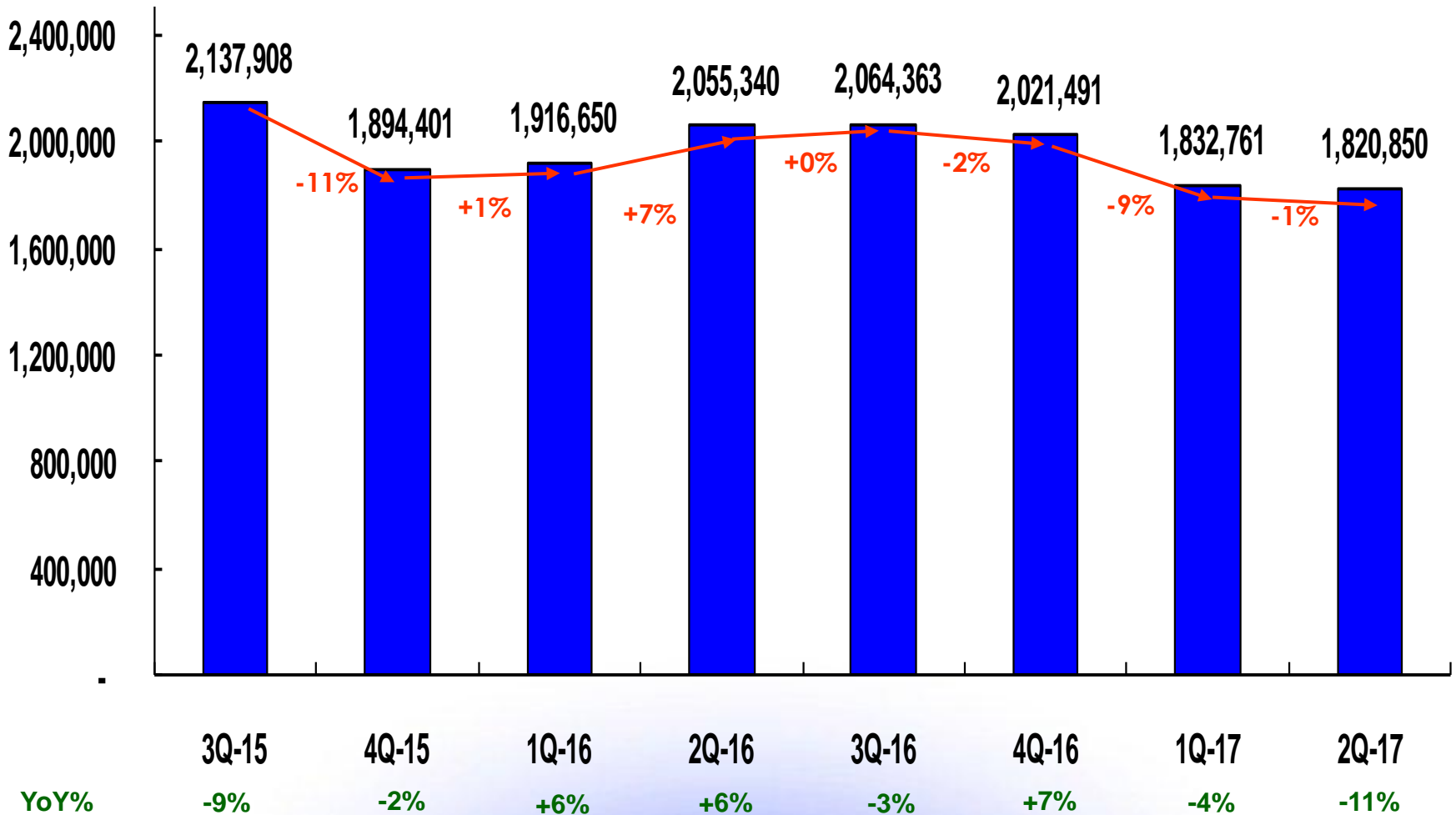


# Tong Hsing Quarterly Revenue



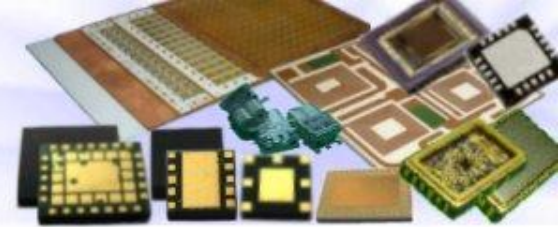
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Unit:K\_NTD



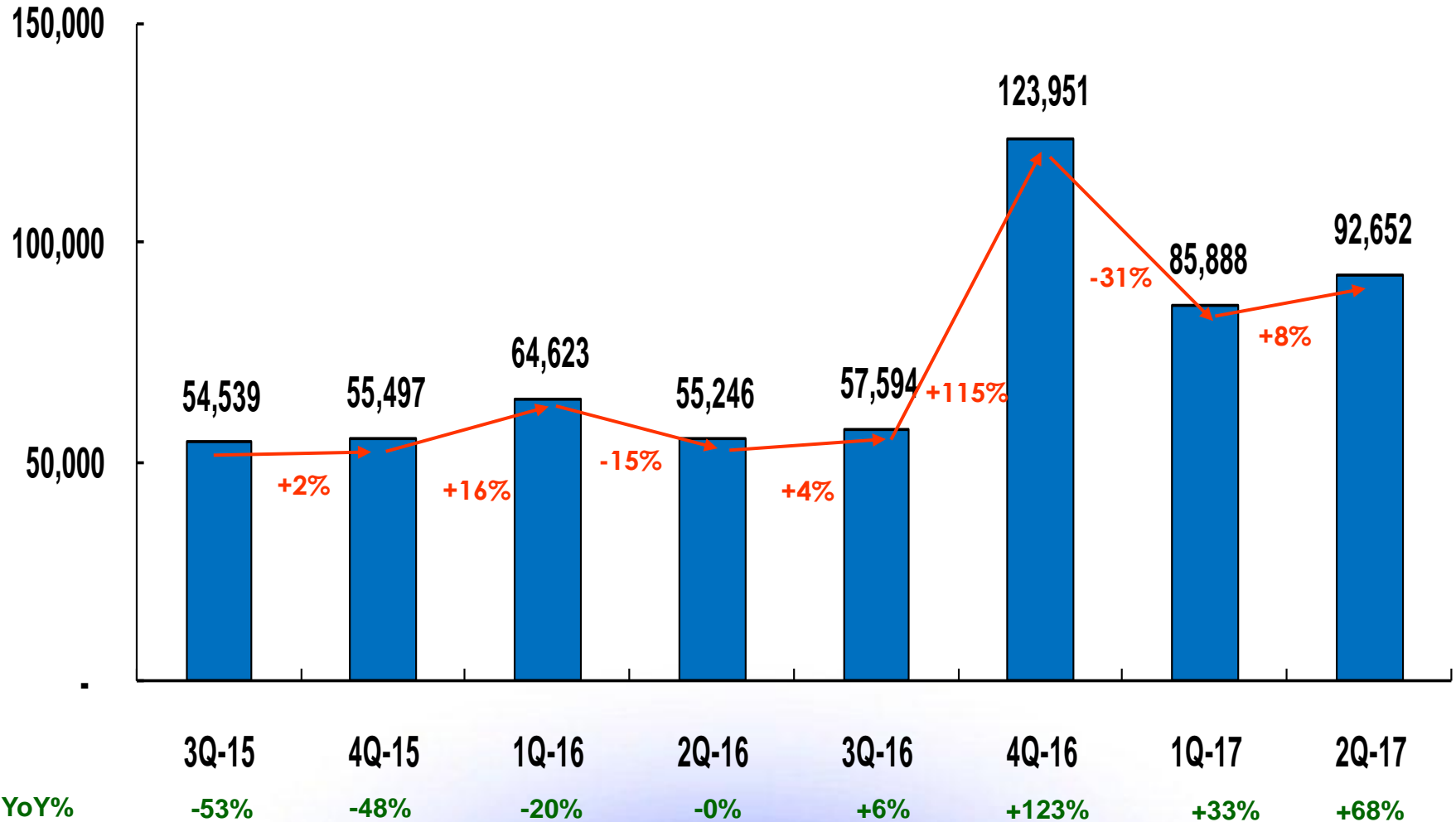


# RF Module Quarterly Revenue Trend



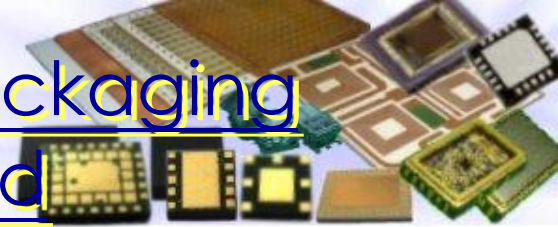
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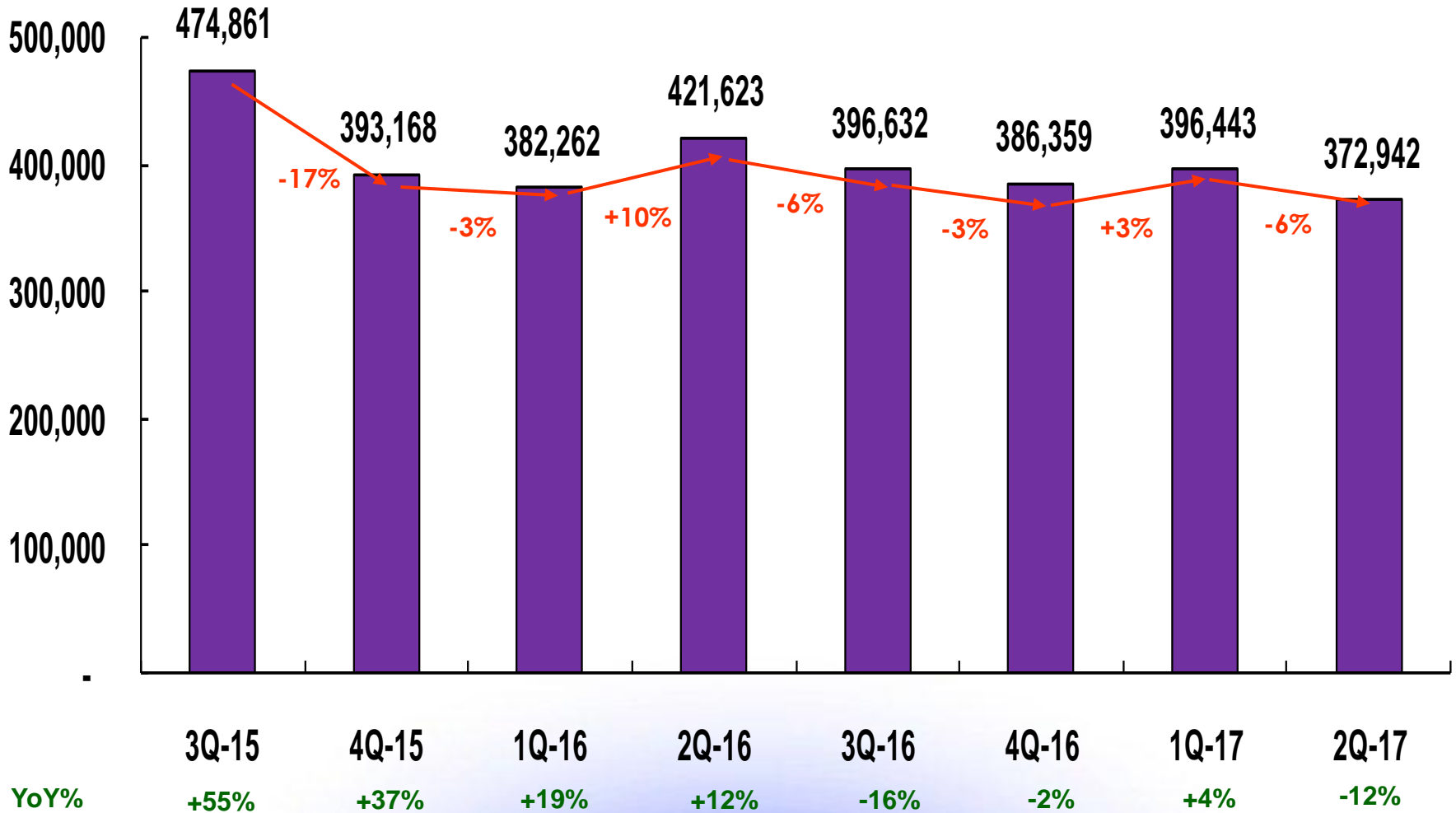


# Hybrid Modules & Specialty Packaging Quarterly Revenue Trend



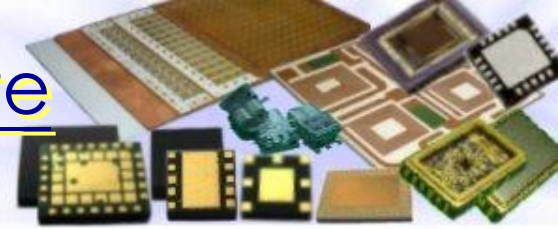
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Unit:K\_NTD



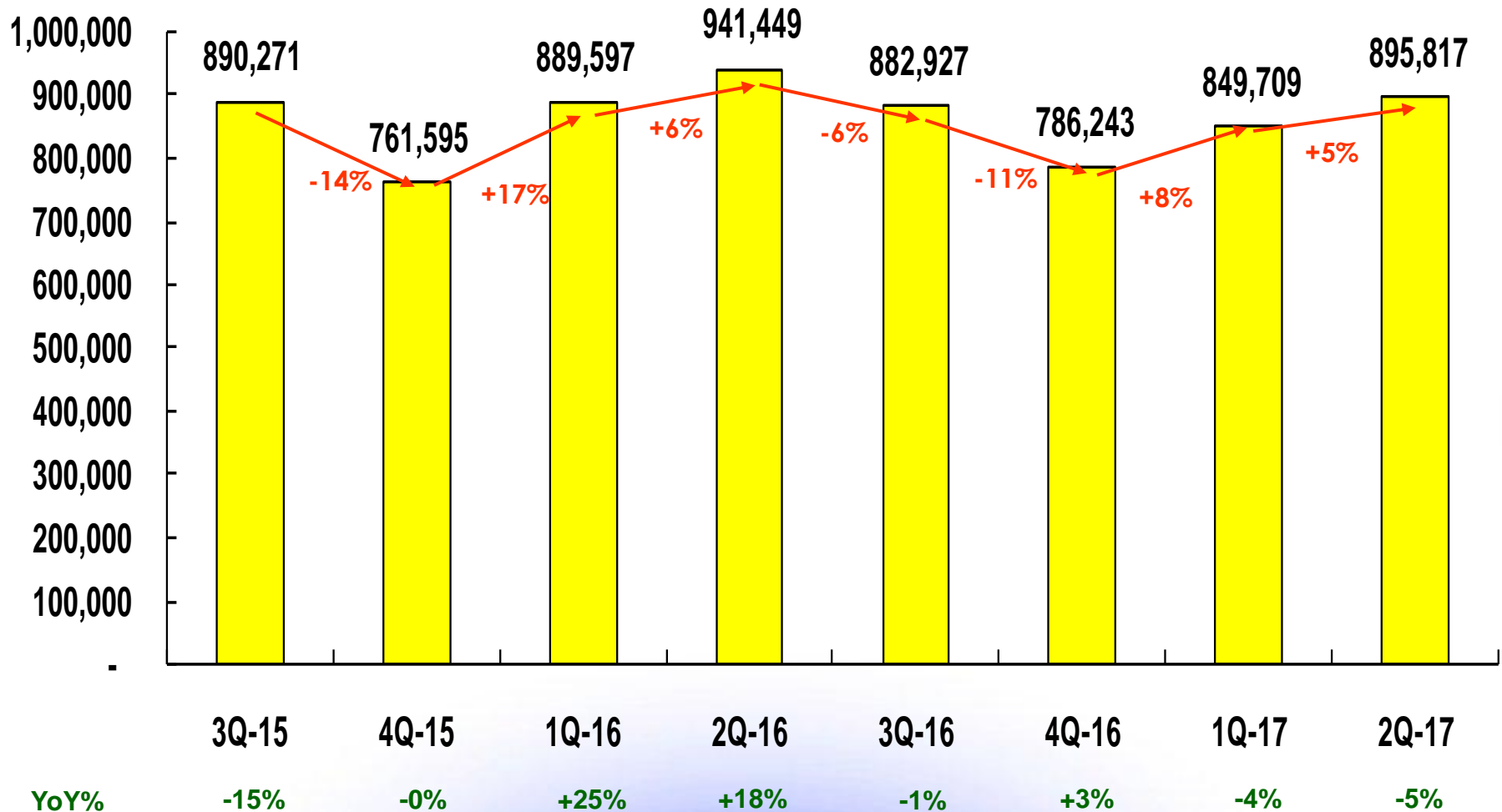


# Ceramic Metallized Substrate Quarterly Revenue Trend



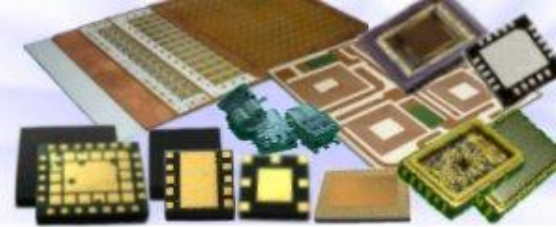
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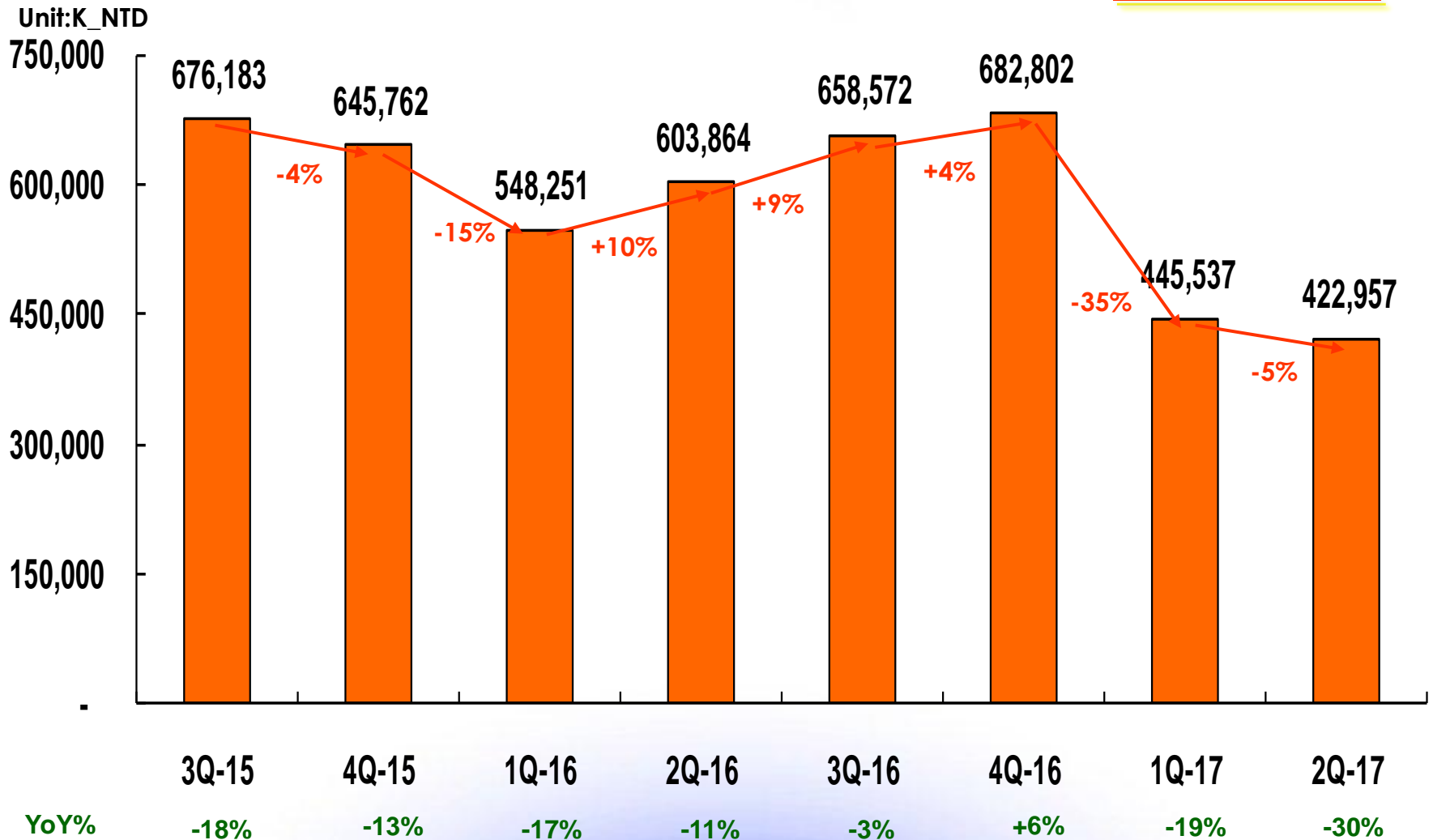




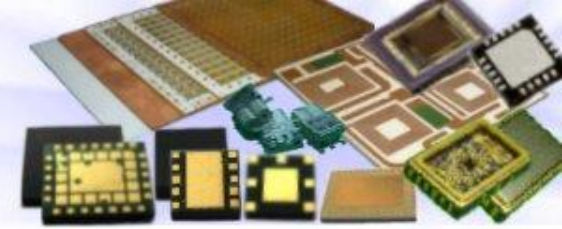
# Image Products Quarterly Revenue Trend



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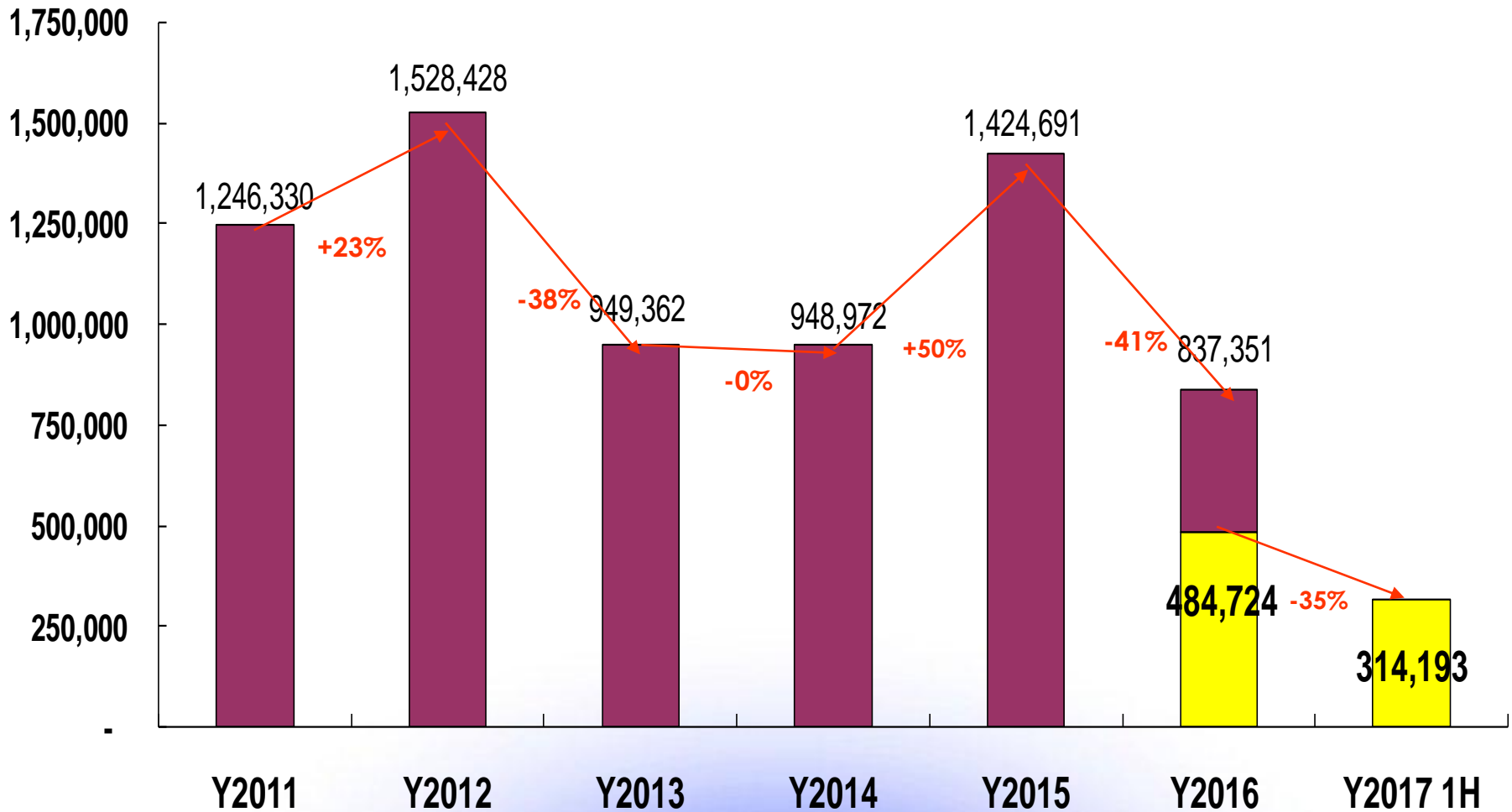


# Capital Expenditure



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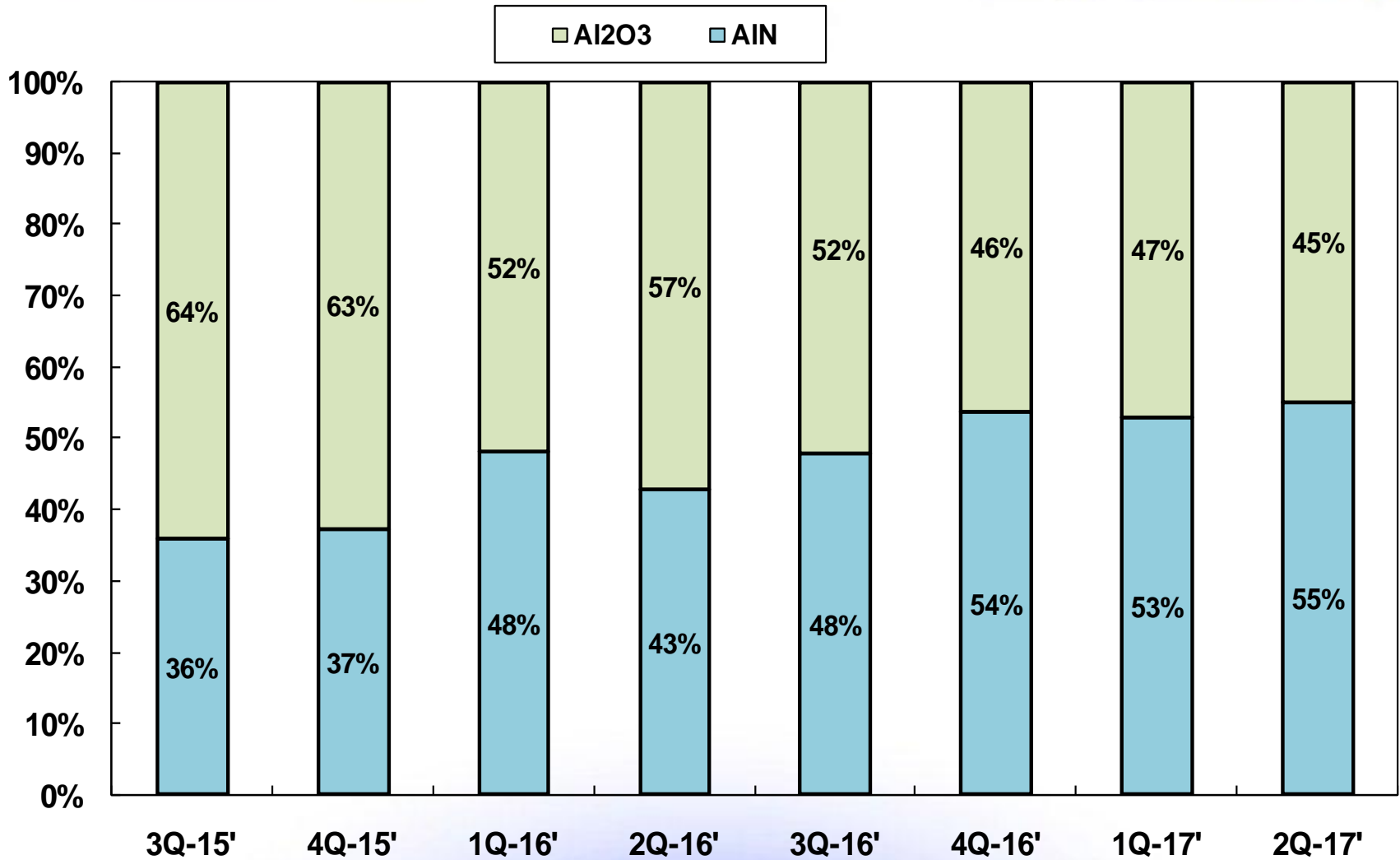
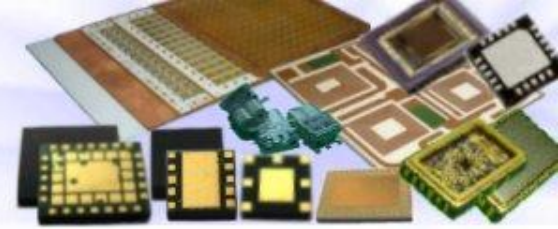
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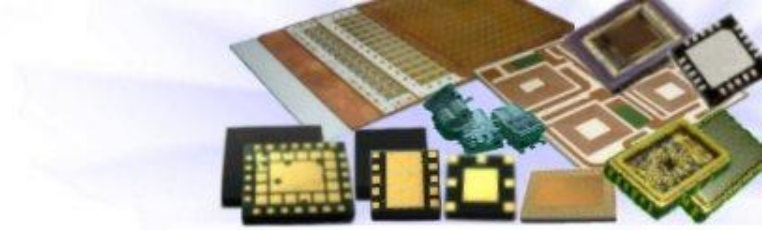






# Al<sub>2</sub>O<sub>3</sub> VS AlN





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