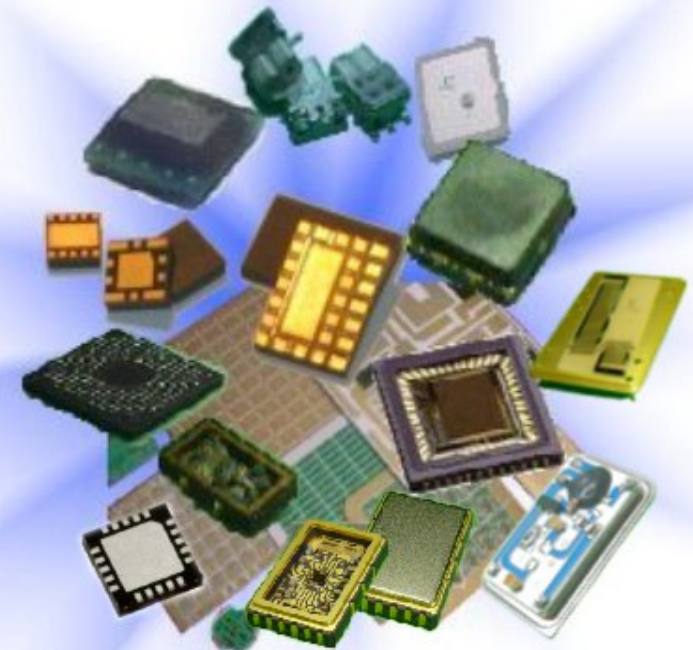




TONG HSING ELECTRONIC INDUSTRIES, LTD.

# Tong Hsing

**Third Quarter 2017  
Earnings Conference  
Nov 10<sup>th</sup>, 2017**

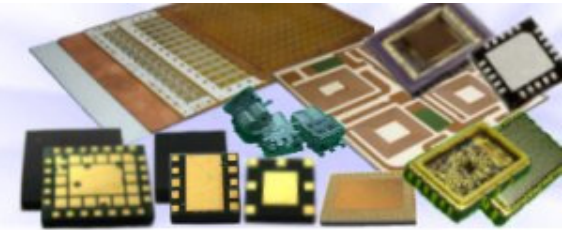


**Excellence in Custom Electronics Manufacturing**

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# Disclaimer

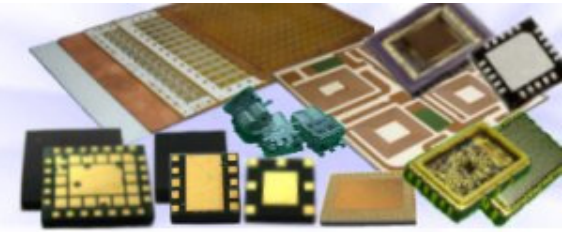


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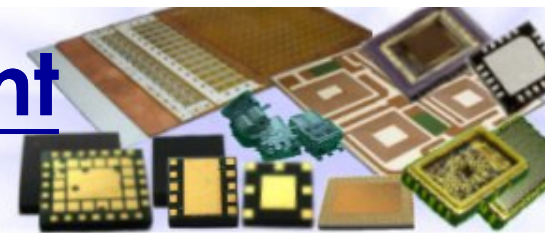


1. Financial Update
2. Business Update



# 3Q 17 Income Statement

## QoQ Comparison



**consolidated**

Unit: NT\$Thousand

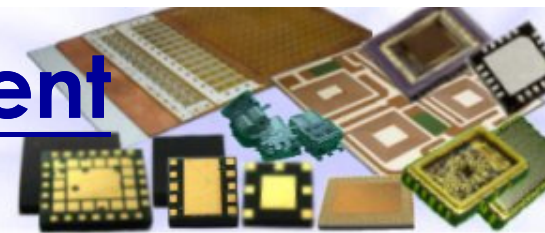
	3Q 2017 (Reviewed)	%	2Q 2017 (Reviewed)	%	Chg %
Net Revenue	2,097,312	100.0%	1,820,850	100.0%	15.2%
Cost of Sales	1,518,817	72.4%	1,428,793	78.5%	6.3%
Gross Profit	578,495	27.6%	392,057	21.5%	47.6%
Operating Expenses	185,814	8.9%	187,526	10.3%	-0.9%
Operating Income	392,681	18.7%	204,531	11.2%	92.0%
Non-Operating Items	13,290	0.6%	7,955	0.4%	67.1%
Income before Income Tax	405,971	19.4%	212,486	11.7%	91.1%
EPS(NT\$) before Tax	2.46		1.29		
Income Tax Expense	22,878	1.1%	11,450	0.6%	99.8%
Net Income	383,093	18.3%	201,036	11.0%	90.6%
EPS(NT\$) after Tax	2.32		1.22		

\*2017 Q3 Weighted Average Outstanding Shares : 165.36Million

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# 3Q 17 Income Statement YoY Comparison



**consolidated**

Unit: NT\$Thousand

	3Q 2017 (Reviewed)	%	3Q 2016 (Reviewed)	%	Chg %
Net Revenue	2,097,312	100.0%	2,064,363	100.0%	1.6%
Cost of Sales	1,518,817	72.4%	1,579,815	76.5%	-3.9%
Gross Profit	578,495	27.6%	484,548	23.5%	19.4%
Operating Expenses	185,814	8.9%	184,164	8.9%	0.9%
Operating Income	392,681	18.7%	300,384	14.6%	30.7%
Non-Operating Items	13,290	0.6%	(30,242)	-1.5%	-143.9%
Income before Income Tax	405,971	19.4%	270,142	13.1%	50.3%
EPS(NT\$) before Tax	2.46		1.66		
Income Tax Expense	22,878	1.1%	43,380	2.1%	-47.3%
Net Income	383,093	18.3%	226,762	11.0%	68.9%
EPS(NT\$) after Tax	2.32		1.39		

\*2017 Q3 Weighted Average Outstanding Shares : 165.36Million

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# Y17 Income Statement

## First Nine Months YoY Comparison



**consolidated**

Unit: NT\$Thousand

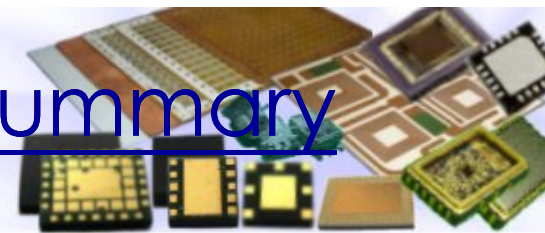
	Y2017 First Nine Months		Y2016 First Nine Months		Chg %
	(Reviewed)	%	(Reviewed)	%	
Net Revenue	5,750,923	100.0%	6,036,354	100.0%	-4.7%
Cost of Sales	4,418,329	76.8%	4,564,040	75.6%	-3.2%
Gross Profit	1,332,594	23.2%	1,472,314	24.4%	-9.5%
Operating Expenses	550,311	9.6%	570,834	9.5%	-3.6%
Operating Income	782,283	13.6%	901,480	14.9%	-13.2%
Non-Operating Items	(47,157)	-0.8%	(39,398)	-0.7%	19.7%
Income before Income Tax	735,126	12.8%	862,082	14.3%	-14.7%
EPS(NT\$) before Tax	4.47		5.29		
Income Tax Expense	61,846	1.1%	146,025	2.4%	-57.6%
Net Income	673,280	11.7%	716,057	11.9%	-6.0%
EPS(NT\$) after Tax	4.09		4.40		

\*2017 First Nine Months Weighted Average Outstanding Shares : 164.54Million

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# 3Q 17 Operating Results Summary



**consolidated**

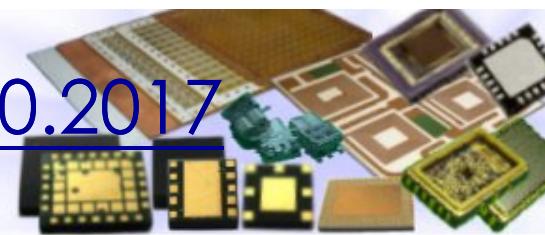
Unit: NT\$Thousand	3Q 2017 (Reviewed)	2Q 2017 (Reviewed)	3Q 2016 (Reviewed)
Net Revenues	2,097,312	1,820,850	2,064,363
Net Income	383,093	201,036	226,762
EPS(NT\$) before Tax	2.46	1.29	1.66
EPS(NT\$) after Tax	2.32	1.22	1.39
Depreciation	249,661	251,133	275,364
Capital Expenditure*	154,061	178,832	215,991
EBITDA**	661,295	470,758	560,699

\*Additions to property, plant and equipment

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



## Balance Sheet Highlight –9.30.2017



**consolidated**

Unit: NT\$thousand	9.30.2017 (Reviewed)	%	9.30.2016 (Reviewed)	%
Cash and Cash Equivalents	5,491,003	42.9%	5,906,659	39.6%
Current financial assets at fair value through profit or loss	828	0.0%	1,303,690	8.7%
Fixed Assets	4,518,397	35.3%	5,039,268	33.8%
<b>Total Assets</b>	<b>12,787,598</b>	<b>100.0%</b>	<b>14,930,769</b>	<b>100.0%</b>
Long-term borrowings, current portion	704,724	5.5%	288,076	1.9%
Bonds Payable, current portion	-	0.0%	1,987,959	13.3%
Long-term borrowings	65,000	0.5%	769,895	5.2%
Shareholders' Equity	10,110,847	79.1%	9,825,929	65.8%
Depreciation-YTD	773,086		834,462	
Capital Expenditure-YTD*	468,254		700,715	
EBITDA-YTD**	1,533,546		1,743,928	

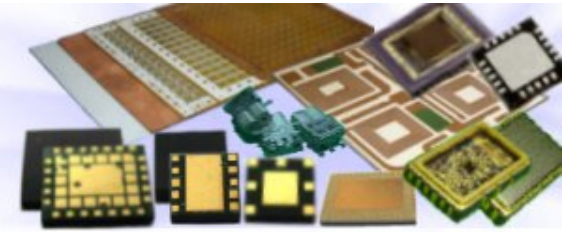
\*Additions to property, plant and equipment

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





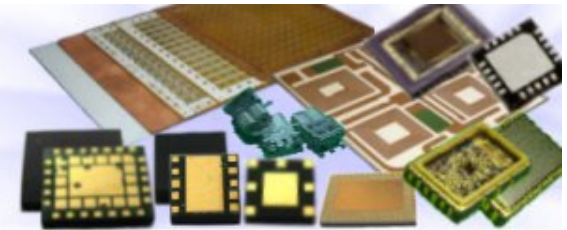
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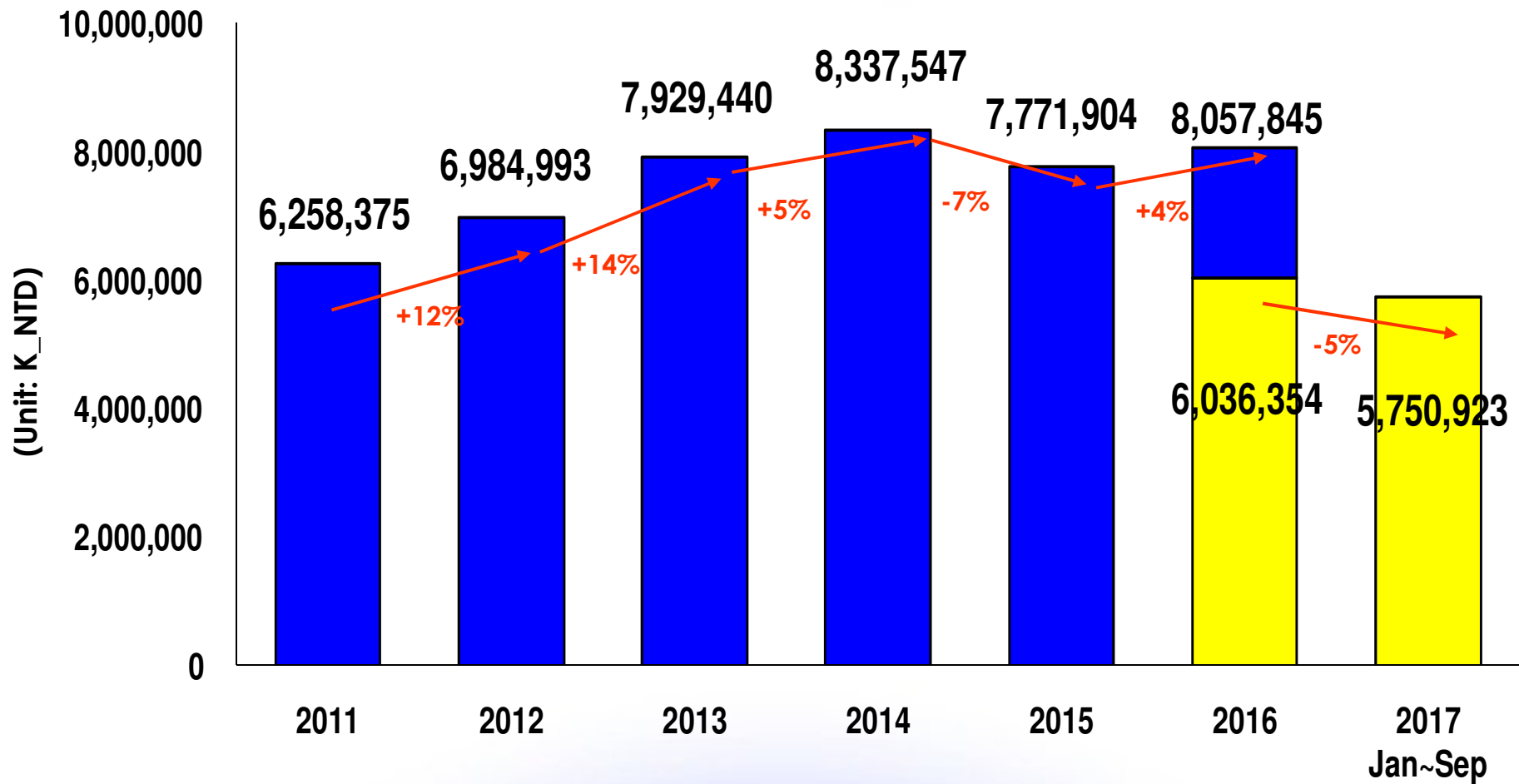
1. Financial Update
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# Tong Hsing Revenue History

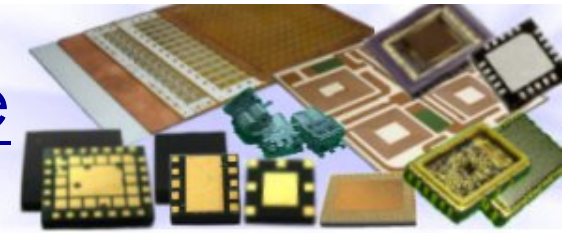


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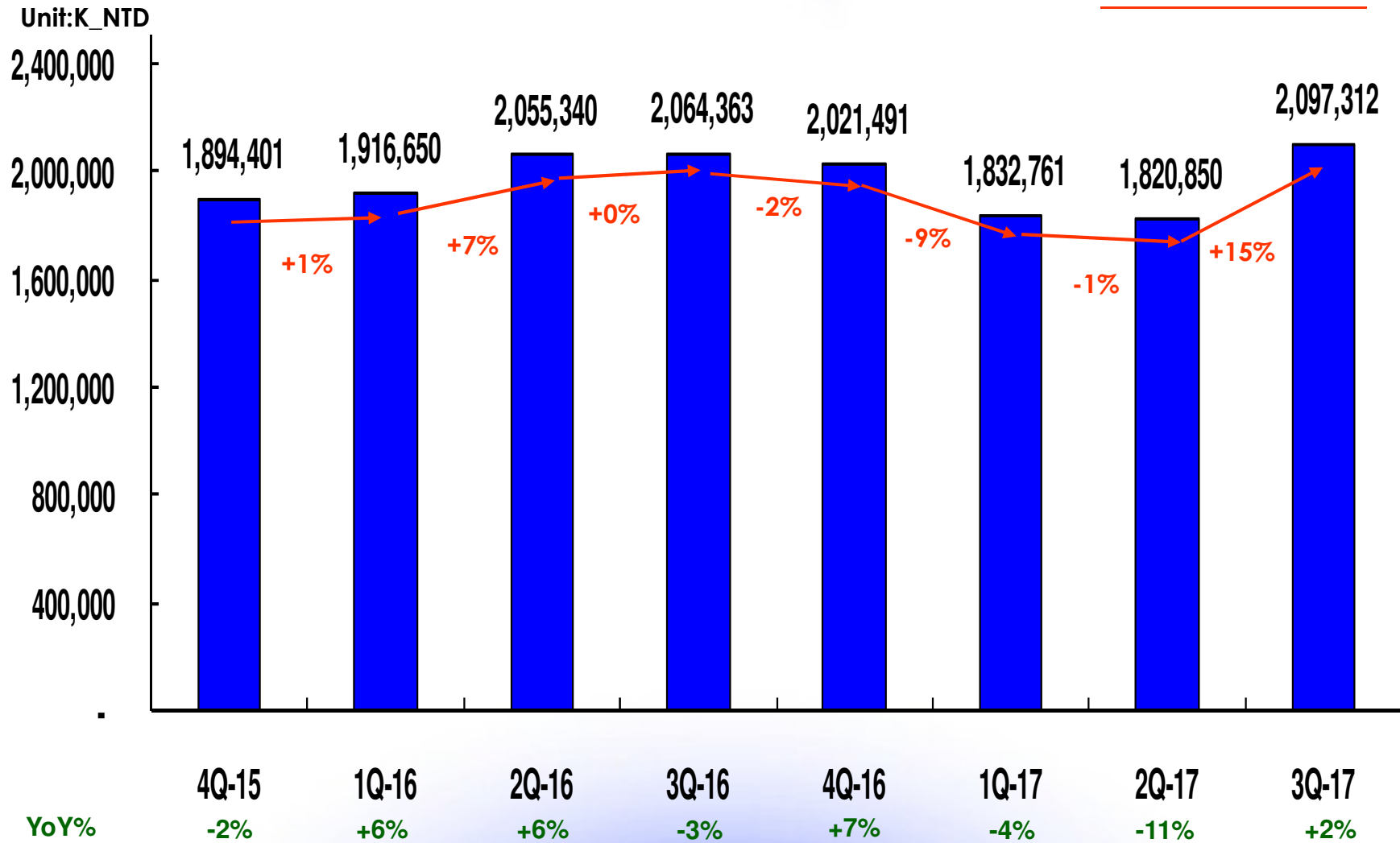




# Tong Hsing Quarterly Revenue

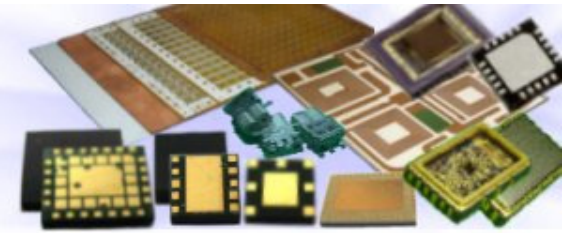


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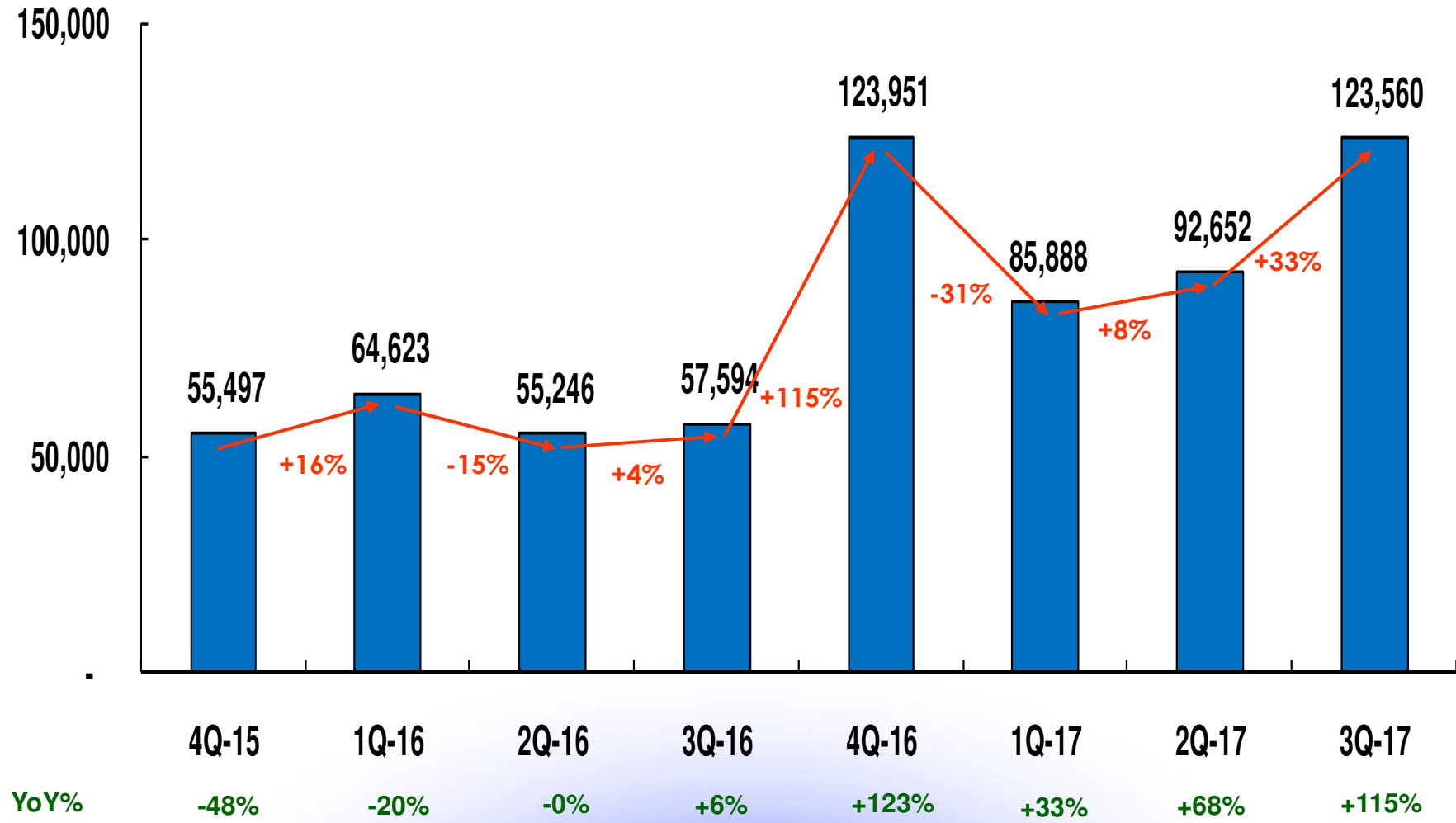


# RF Module Quarterly Revenue Trend



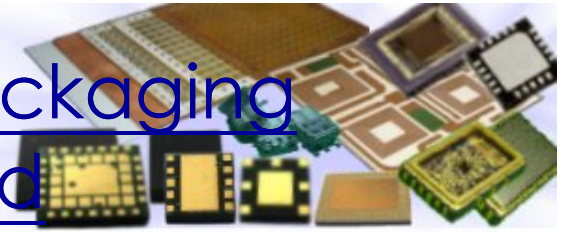
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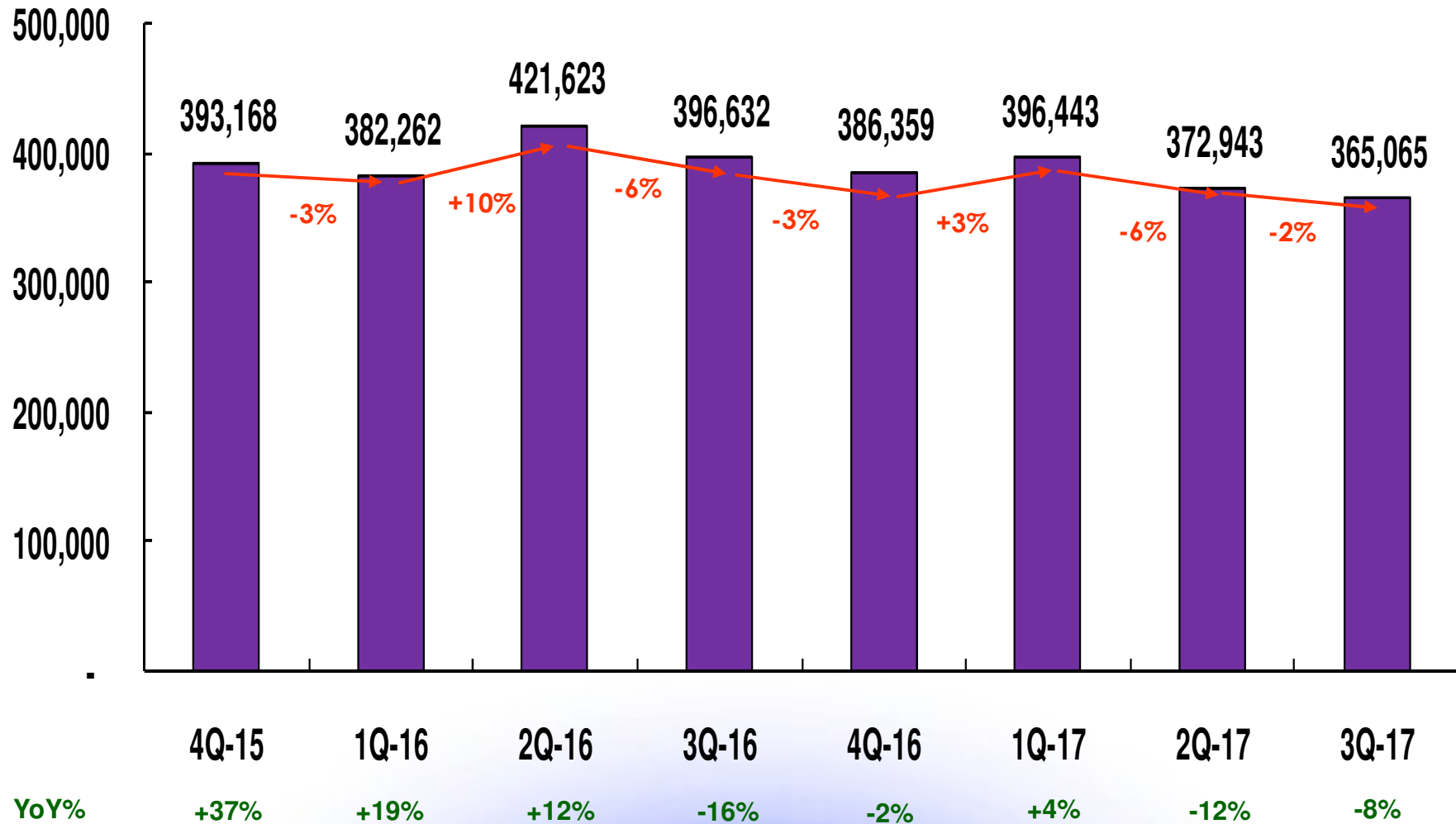


# Hybrid Modules & Specialty Packaging Quarterly Revenue Trend



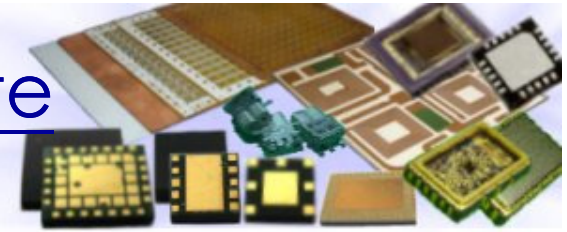
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Unit:K\_NTD



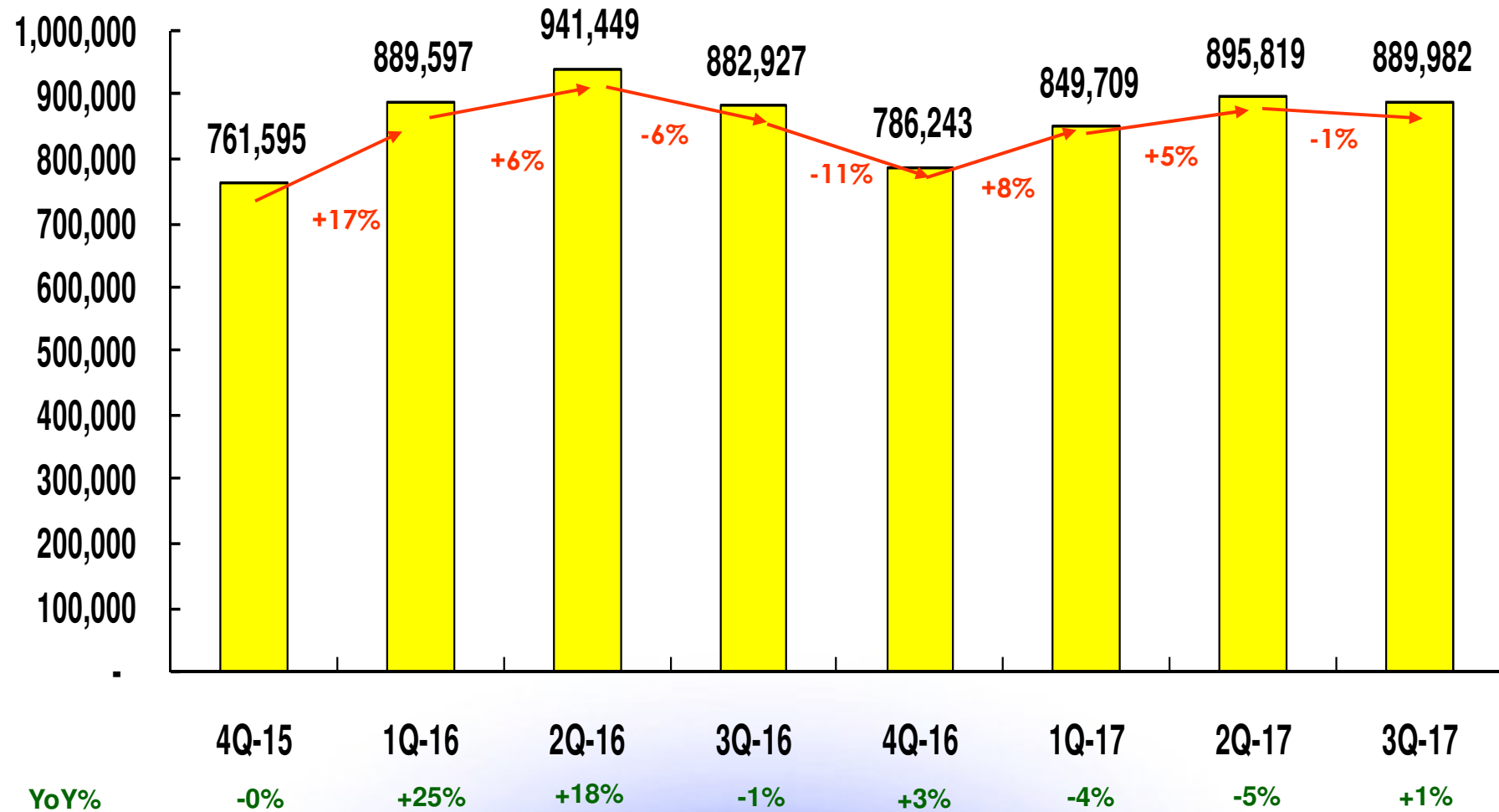


# Ceramic Metallized Substrate Quarterly Revenue Trend



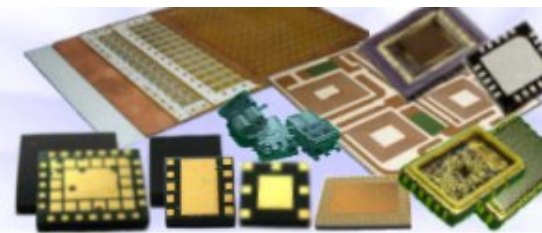
Unit:K\_NTD

**consolidated**



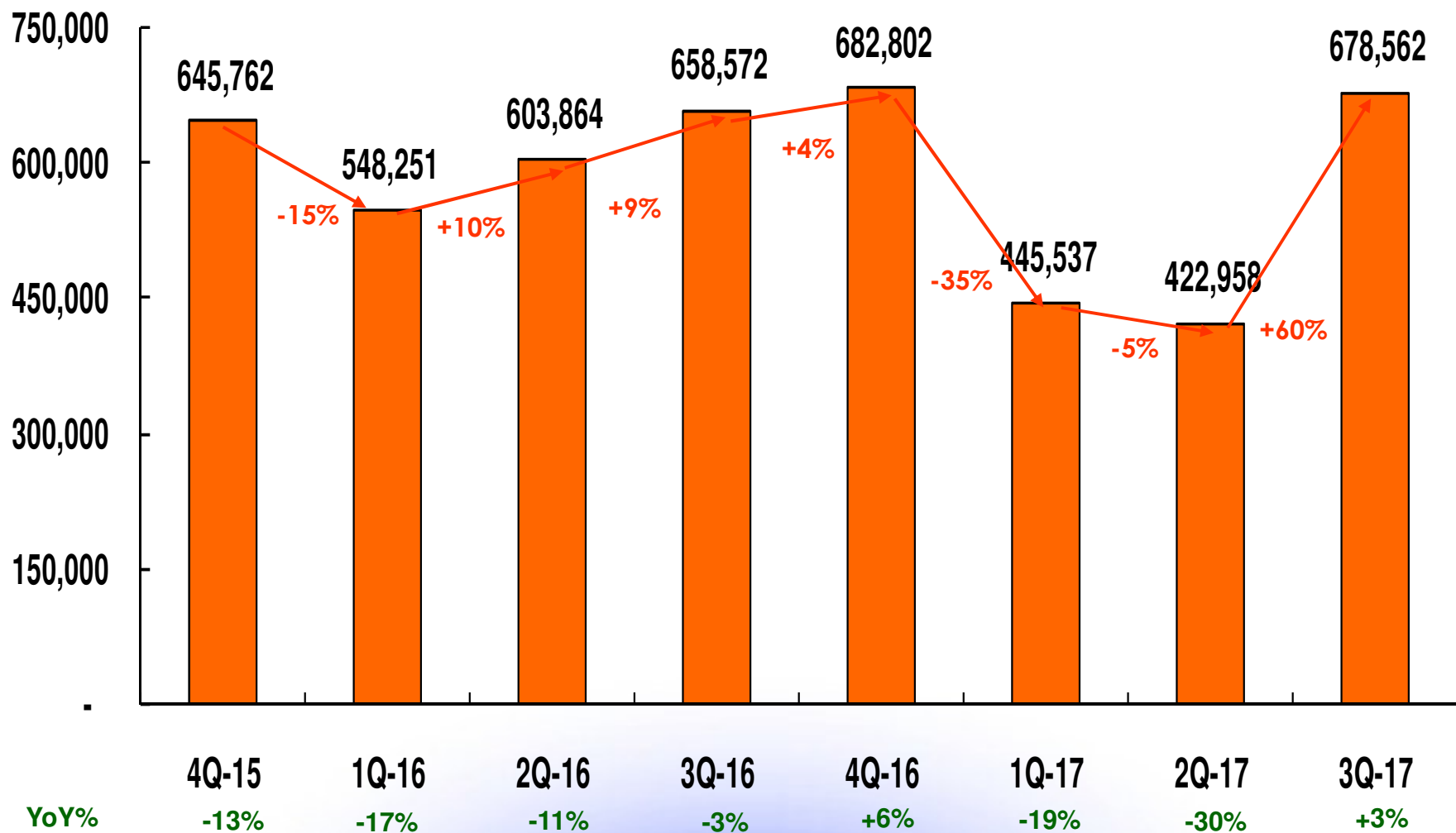


# Image Products Quarterly Revenue Trend



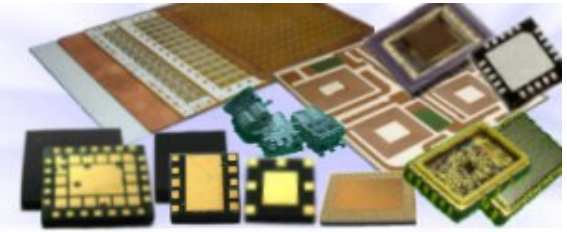
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Unit:K\_NTD



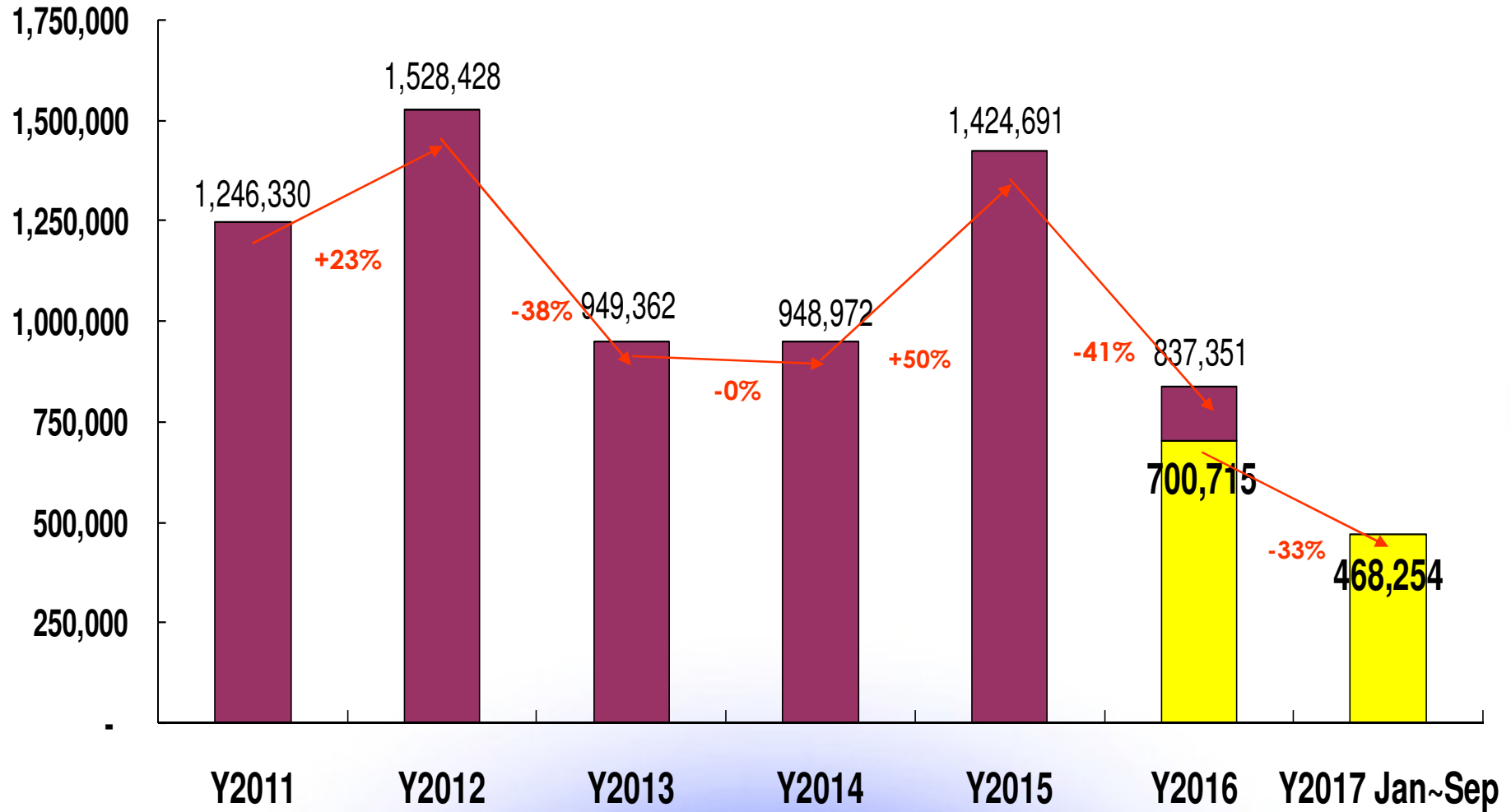


# Capital Expenditure



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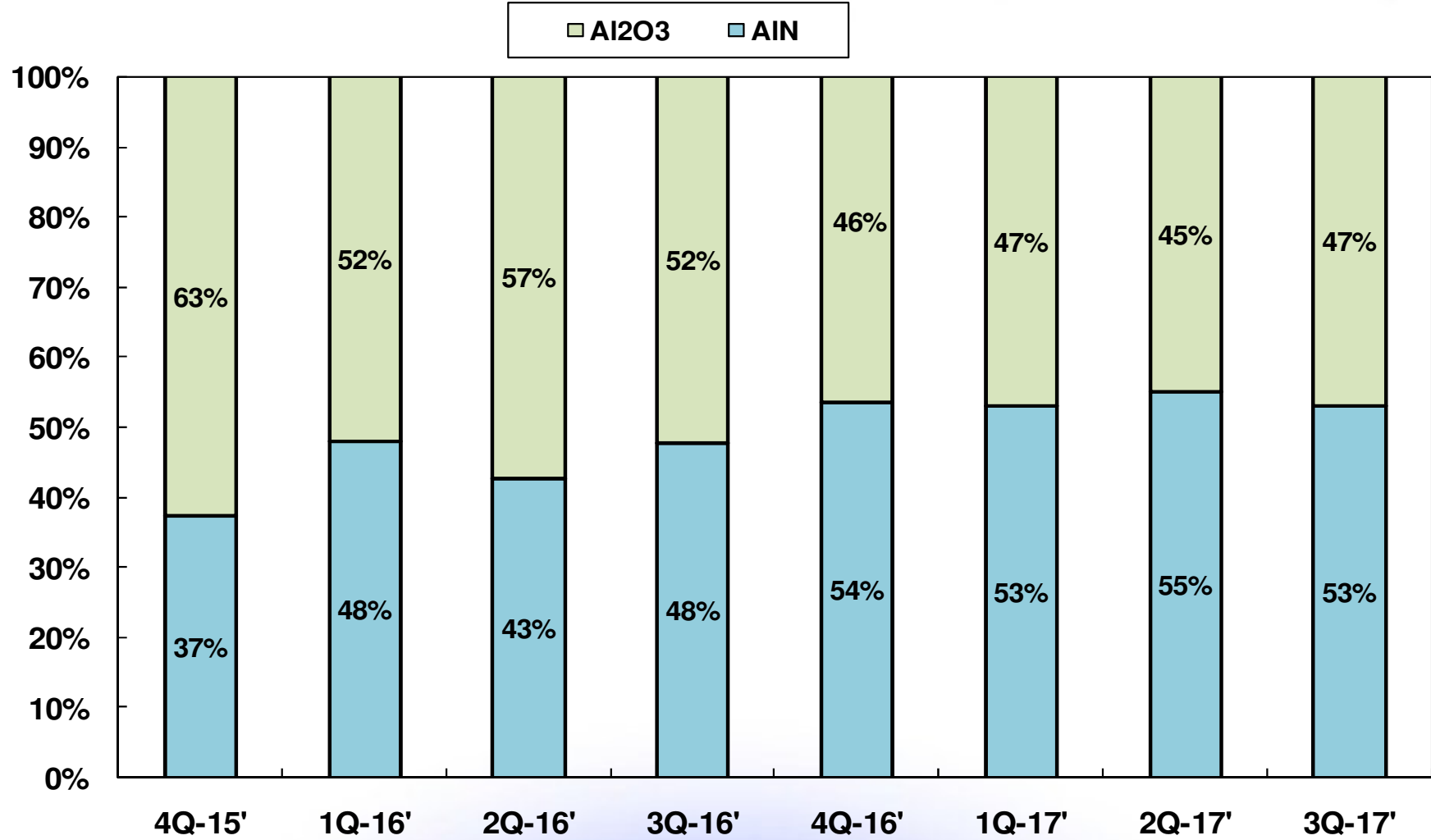
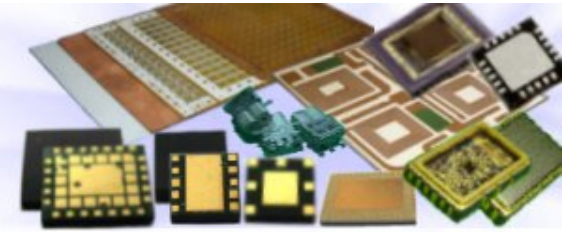
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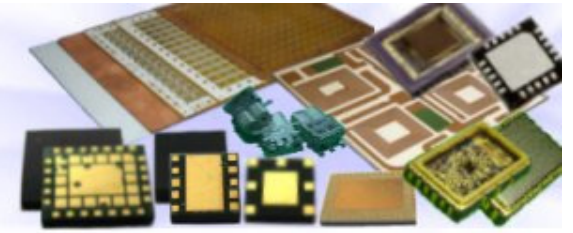






# Al<sub>2</sub>O<sub>3</sub> VS AlN





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