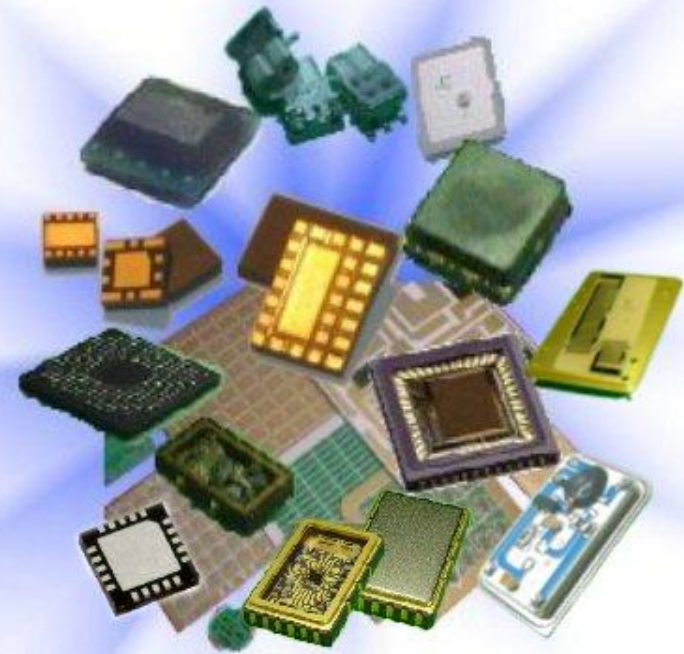


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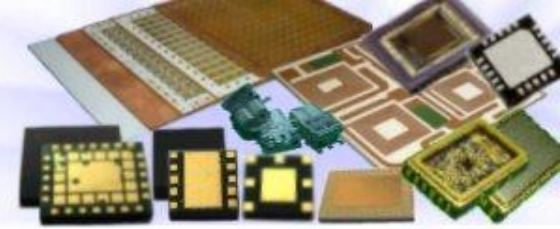
**Fourth Quarter 2017  
Earnings Conference  
Mar 16<sup>th</sup>, 2018**



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# Disclaimer

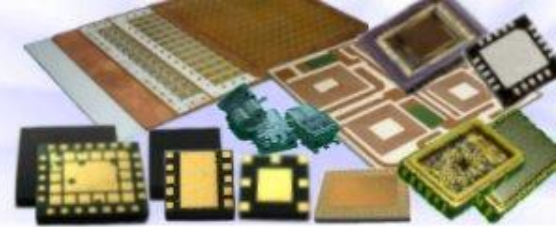


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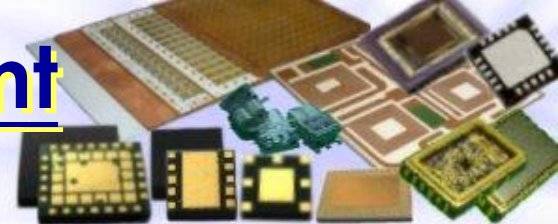
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1. Financial Update
2. Business Update



# 4Q 17 Income Statement QoQ Comparison



**consolidated**

Unit: NT\$Thousand

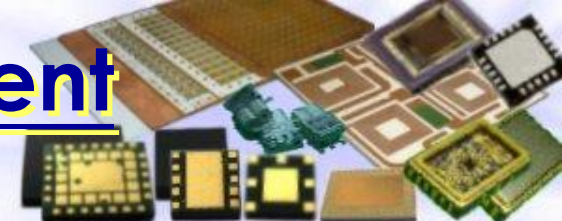
	4Q 2017 (Audited)	%	3Q 2017 (Reviewed)	%	Chg %
Net Revenue	1,994,679	100.0%	2,097,312	100.0%	-4.9%
Cost of Sales	1,429,561	71.7%	1,518,817	72.4%	-5.9%
Gross Profit	565,118	28.3%	578,495	27.6%	-2.3%
Operating Expenses	185,585	9.3%	185,814	8.9%	-0.1%
Operating Income	379,533	19.0%	392,681	18.7%	-3.3%
Non-Operating Items	(14,890)	-0.7%	13,290	0.6%	-212.0%
Income before Income Tax	364,643	18.3%	405,971	19.4%	-10.2%
EPS(NT\$) before Tax	2.21		2.46		
Income Tax Expense	64,034	3.2%	22,878	1.1%	179.9%
Net Income	300,609	15.1%	383,093	18.3%	-21.5%
EPS(NT\$) after Tax	1.82		2.32		

\*2017 Q4 Weighted Average Outstanding Shares : 165.36Million

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# 4Q 17 Income Statement YoY Comparison



**consolidated**

Unit: NT\$Thousand

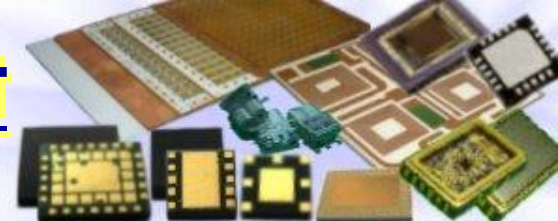
	4Q 2017 (Audited)	%	4Q 2016 (Audited)	%	Chg %
Net Revenue	1,994,679	100.0%	2,021,491	100.0%	-1.3%
Cost of Sales	1,429,561	71.7%	1,498,621	74.1%	-4.6%
Gross Profit	565,118	28.3%	522,870	25.9%	8.1%
Operating Expenses	185,585	9.3%	190,596	9.4%	-2.6%
Operating Income	379,533	19.0%	332,274	16.4%	14.2%
Non-Operating Items	(14,890)	-0.7%	28,758	1.4%	-151.8%
Income before Income Tax	364,643	18.3%	361,032	17.9%	1.0%
EPS(NT\$) before Tax	2.21		2.22		
Income Tax Expense	64,034	3.2%	52,083	2.6%	22.9%
Net Income	300,609	15.1%	308,949	15.3%	-2.7%
EPS(NT\$) after Tax	1.82		1.90		

\*2017 Q4 Weighted Average Outstanding Shares : 165.36Million

Company Confidential



# Y17 Income Statement YoY Comparison



**consolidated**

Unit: NT\$Thousand

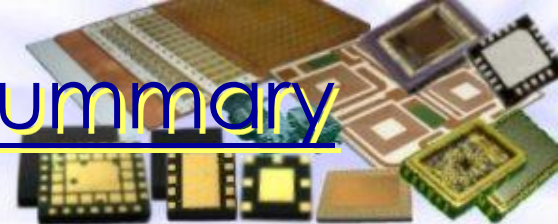
	Y2017		Y2016		Chg %
	(Audited)	%	(Audited)	%	
Net Revenue	7,745,602	100.0%	8,057,845	100.0%	-3.9%
Cost of Sales	5,847,890	75.5%	6,062,661	75.2%	-3.5%
Gross Profit	1,897,712	24.5%	1,995,184	24.8%	-4.9%
Operating Expenses	735,896	9.5%	761,430	9.4%	-3.4%
Operating Income	1,161,816	15.0%	1,233,754	15.3%	-5.8%
Non-Operating Items	(62,047)	-0.8%	(10,640)	-0.1%	483.1%
Income before Income Tax	1,099,769	14.2%	1,223,114	15.2%	-10.1%
EPS(NT\$) before Tax	6.68		7.51		
Income Tax Expense	125,880	1.6%	198,108	2.5%	-36.5%
Net Income	973,889	12.6%	1,025,006	12.7%	-5.0%
EPS(NT\$) after Tax	5.91		6.29		

\*2017 Weighted Average Outstanding Shares : 164.75Million

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# 4Q 17 Operating Results Summary



**consolidated**

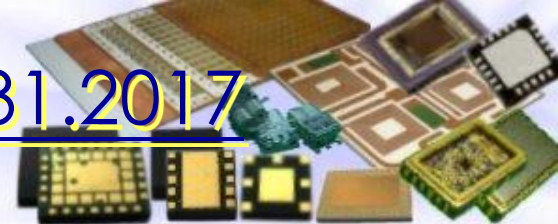
Unit: NT\$Thousand	4Q 2017 (Audited)	3Q 2017 (Reviewed)	4Q 2016 (Audited)
Net Revenues	1,994,679	2,097,312	2,021,491
Net Income	300,609	383,093	308,949
EPS(NT\$) before Tax	2.21	2.46	2.22
EPS(NT\$) after Tax	1.82	2.32	1.90
Depreciation	235,876	249,661	278,476
Capital Expenditure*	149,699	154,061	136,636
EBITDA**	605,708	661,295	654,084

\*Additions to property, plant and equipment

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



# Balance Sheet Highlight – 12.31.2017



**consolidated**

Unit: NT\$Thousand	12.31.2017 (Audited)	%	12.31.2016 (Audited)	%
Cash and Cash Equivalents	5,883,990	45.4%	6,651,319	43.5%
Current financial assets at fair value through profit or loss	0	0.0%	1,020,193	6.7%
Fixed Assets	4,400,965	33.9%	4,894,075	32.0%
<b>Total Assets</b>	<b>12,964,187</b>	<b>100.0%</b>	<b>15,299,211</b>	<b>100.0%</b>
Long-term borrowings, current portion	562,887	4.3%	288,134	1.9%
Bonds Payable, current portion	-	0.0%	1,993,308	13.0%
Long-term borrowings	65,000	0.5%	628,129	4.1%
Shareholders' Equity	10,413,938	80.3%	10,146,841	66.3%
Depreciation-YTD	1,008,962		1,112,938	
Capital Expenditure-YTD*	617,953		837,351	
EBITDA-YTD**	2,139,254		2,398,012	

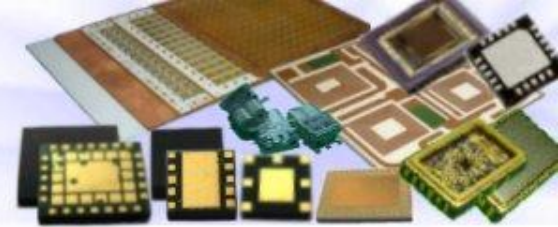
\*Additions to property, plant and equipment

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





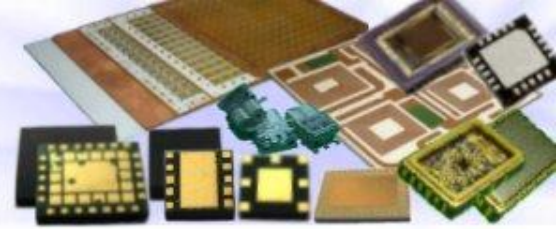
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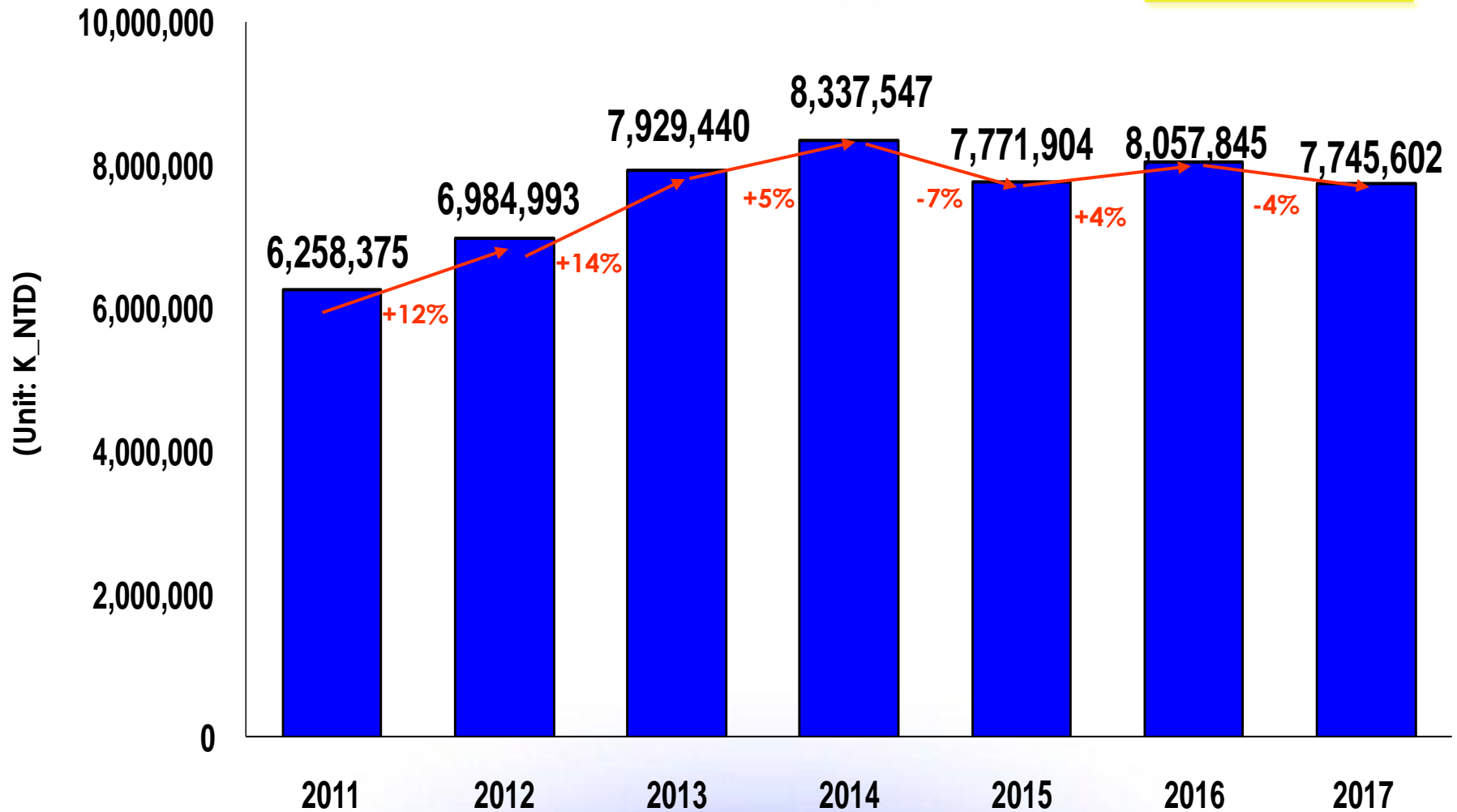
1. Financial Update
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# Tong Hsing Revenue History

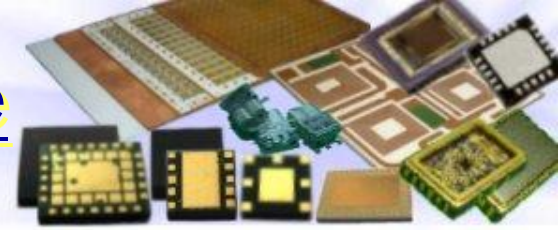


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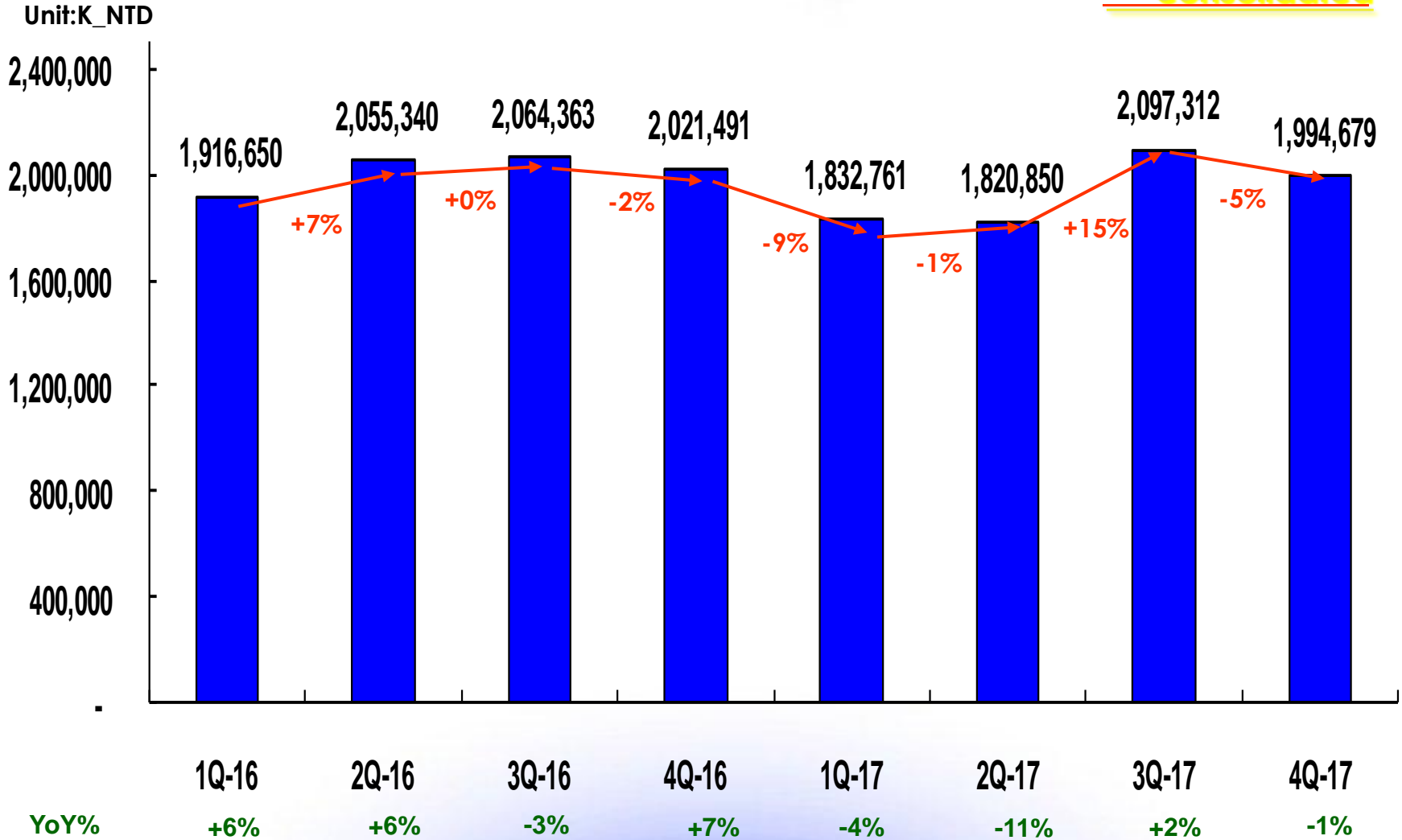




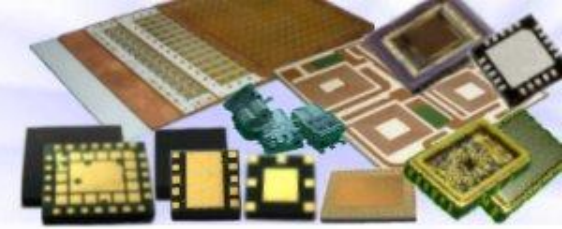
# Tong Hsing Quarterly Revenue



**consolidated**

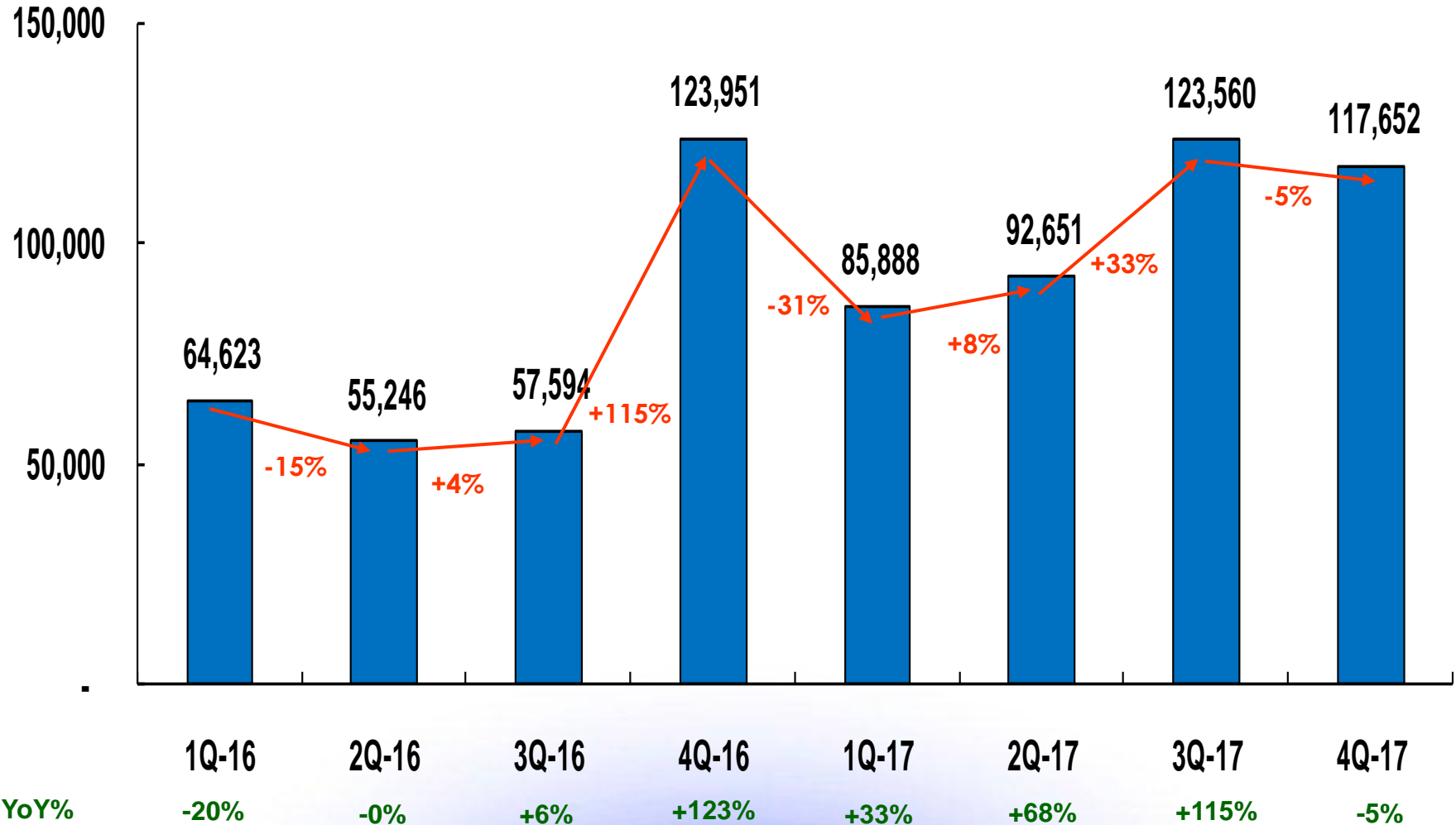


# RF Module Quarterly Revenue Trend



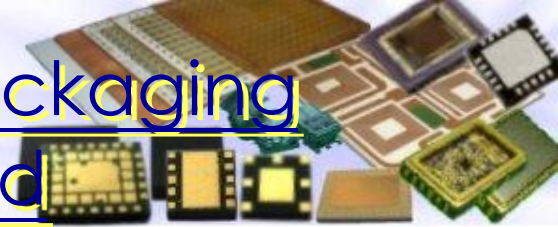
**consolidated**

Unit:K\_NTD



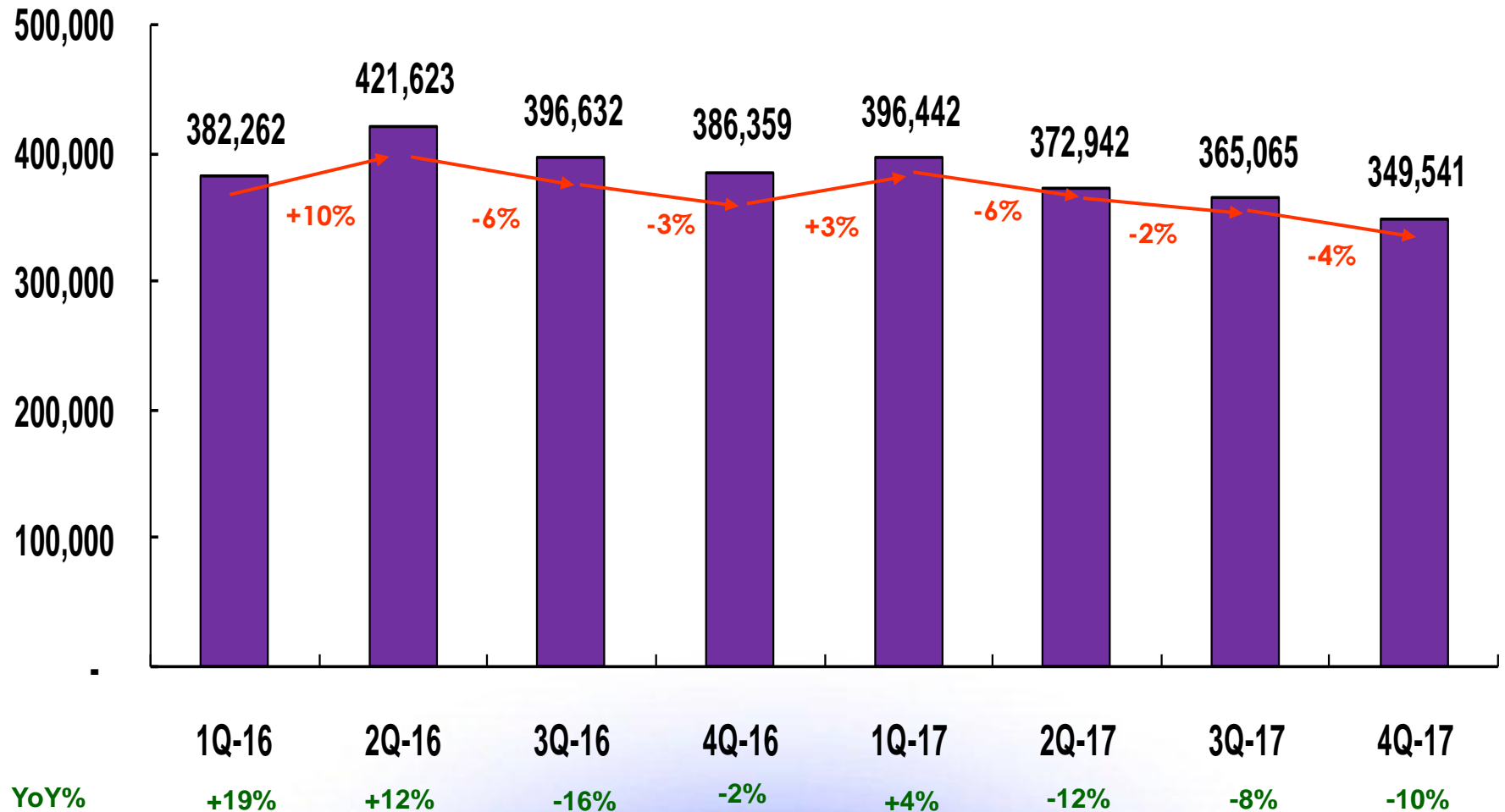


# Hybrid Modules & Specialty Packaging Quarterly Revenue Trend



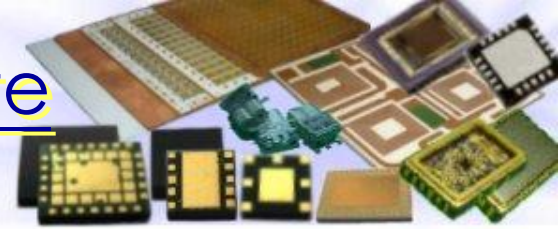
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Unit:K\_NTD



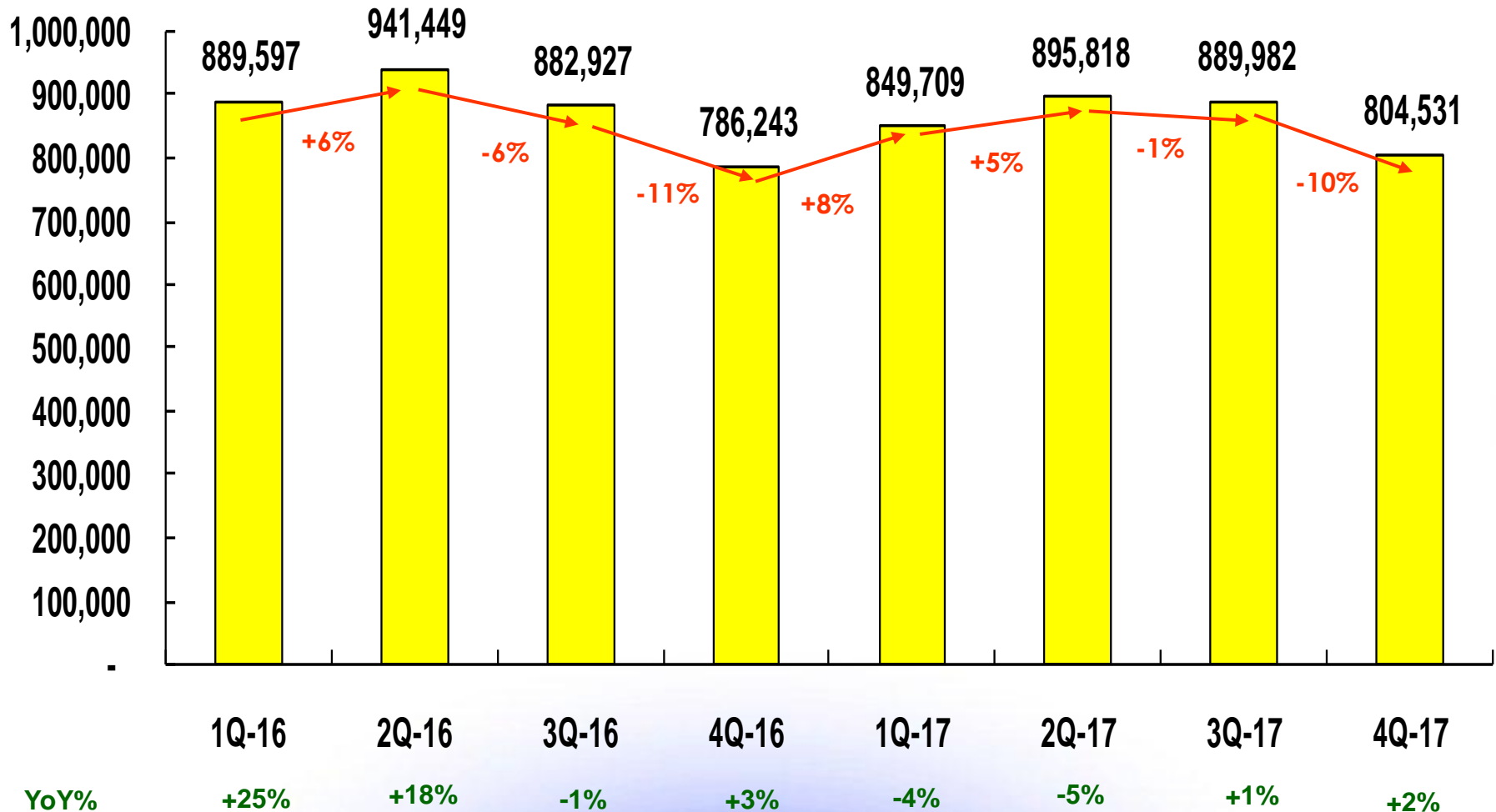


# Ceramic Metallized Substrate Quarterly Revenue Trend



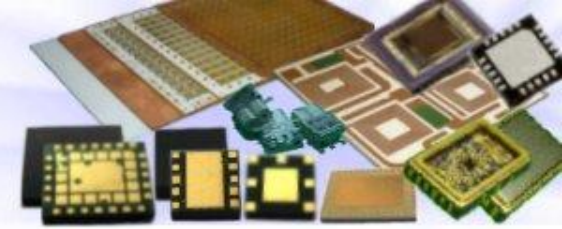
Unit:K\_NTD

 consolidated



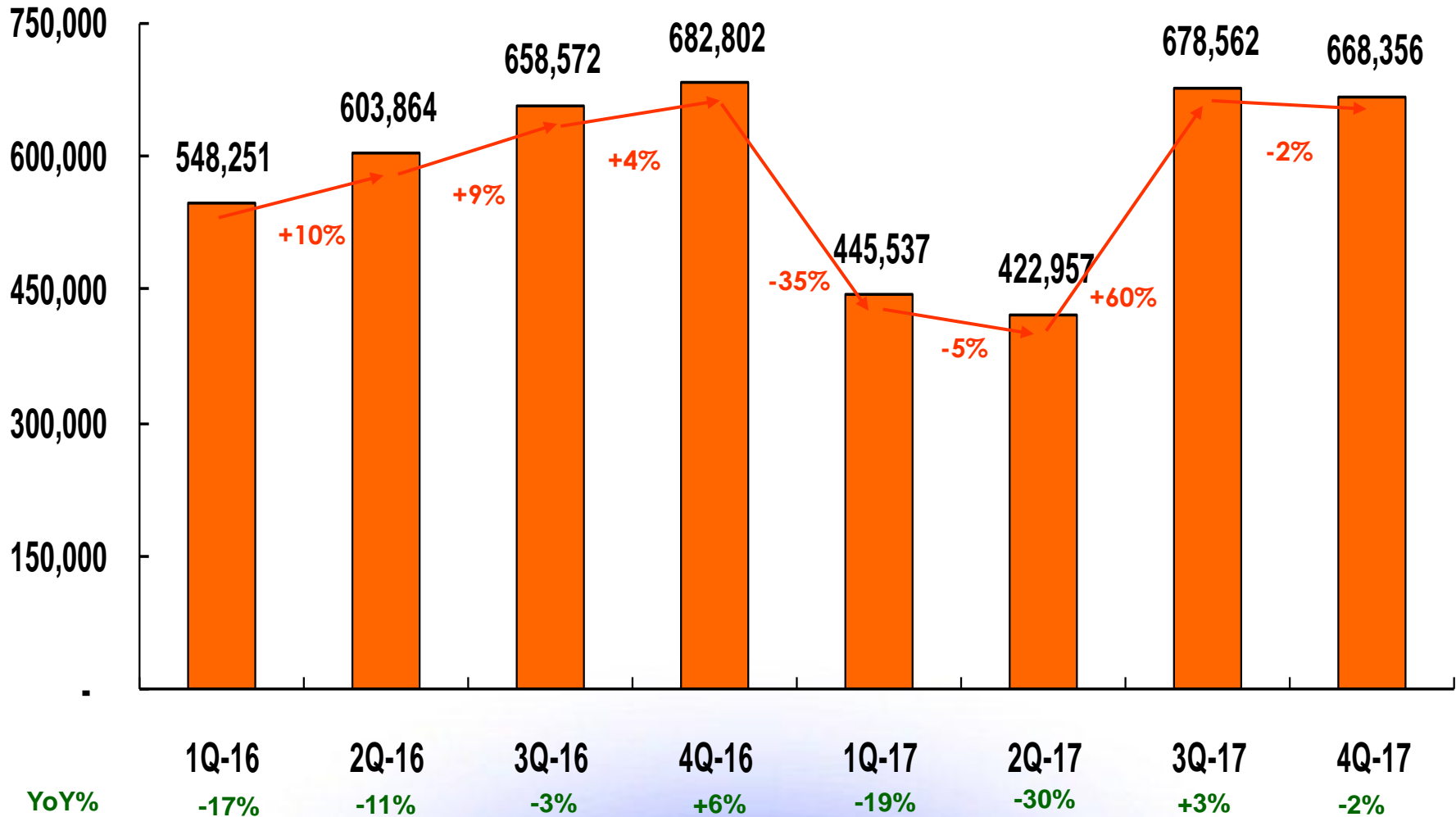


# Image Products Quarterly Revenue Trend

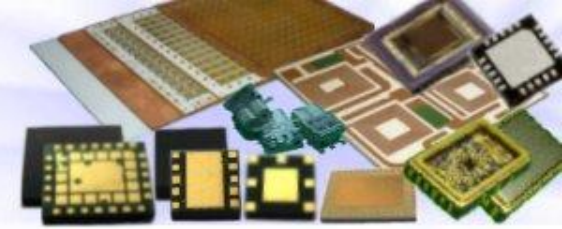


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Unit:K\_NTD

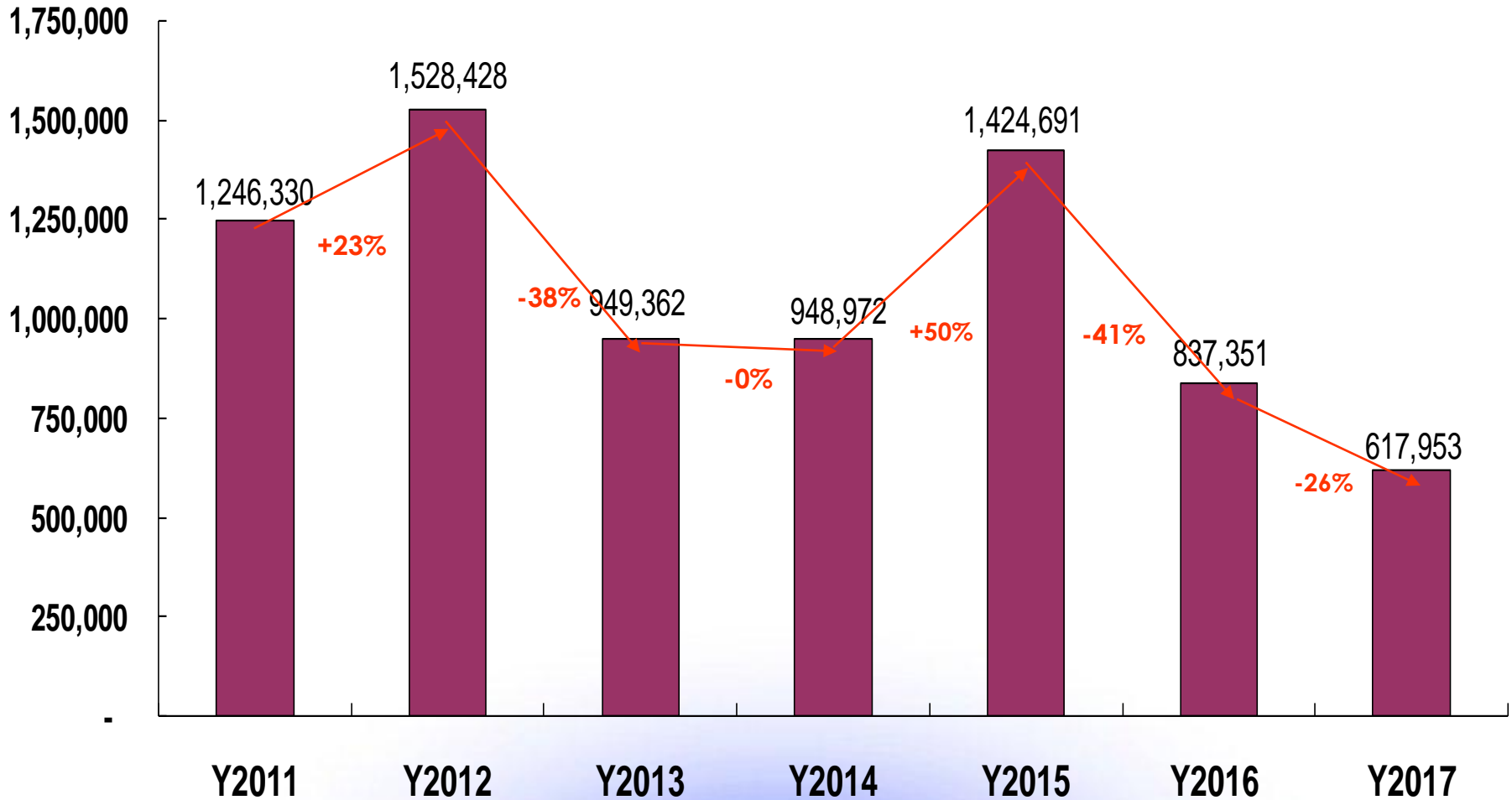


# Capital Expenditure



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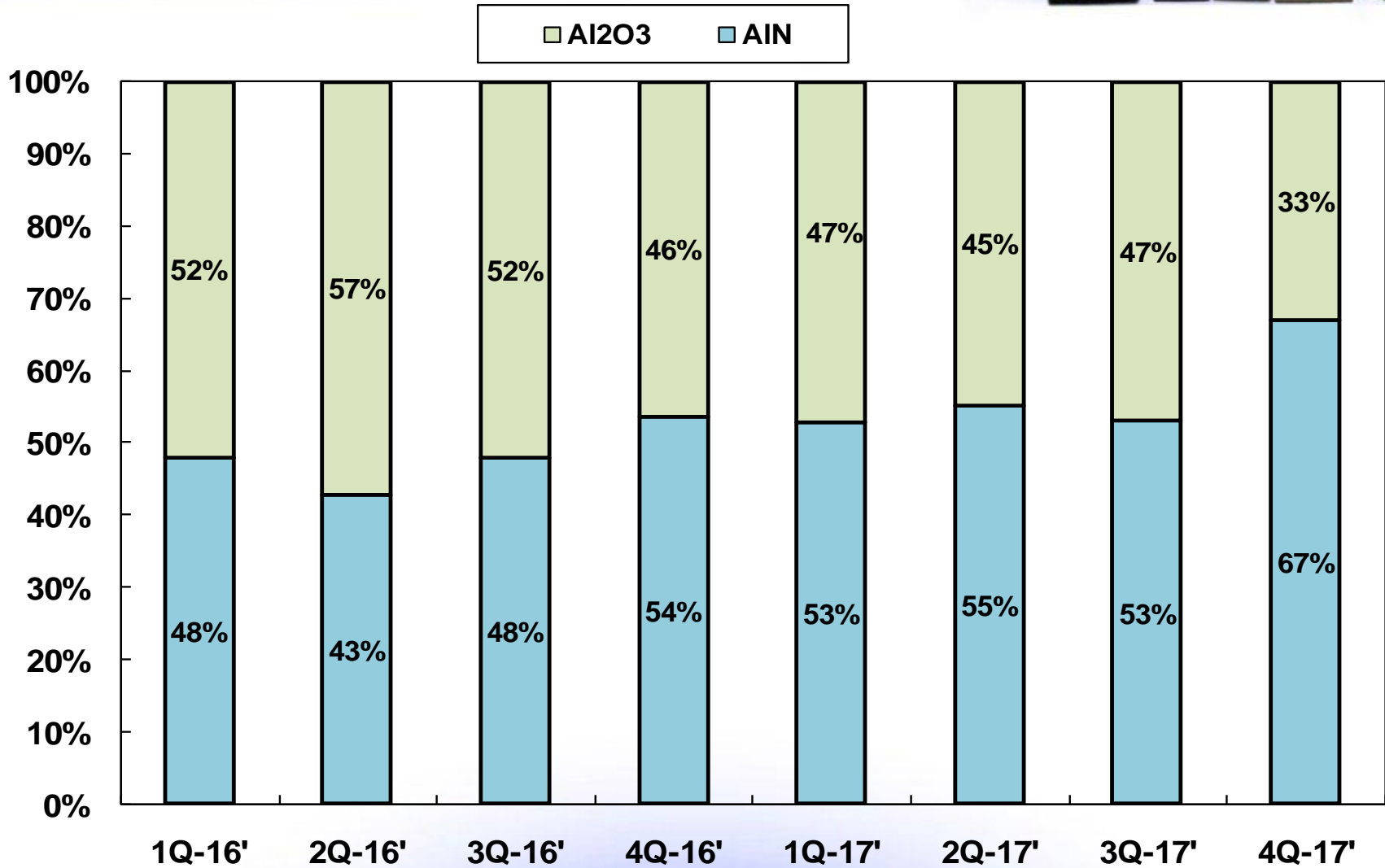
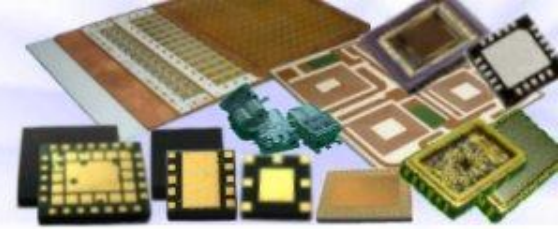
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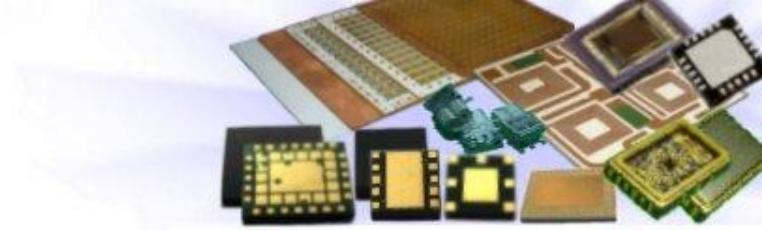






# Al<sub>2</sub>O<sub>3</sub> VS AlN





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