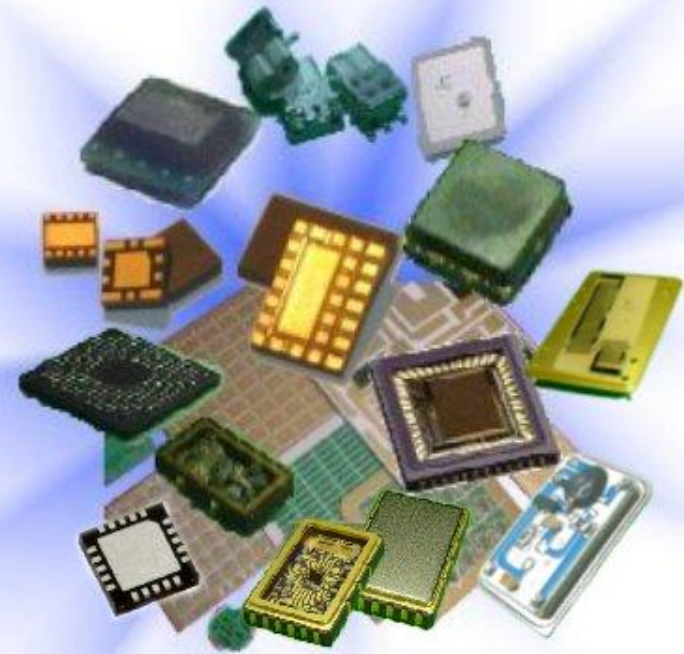


Tong Hsing

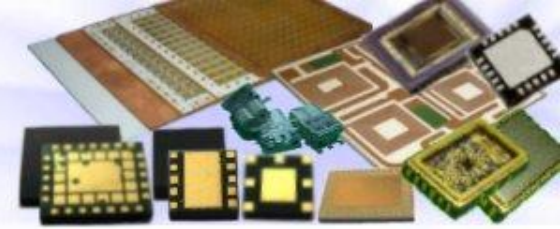
**Second Quarter 2019
Earnings Conference
Aug 22nd, 2019**



Excellence in Custom Electronics Manufacturing



Disclaimer

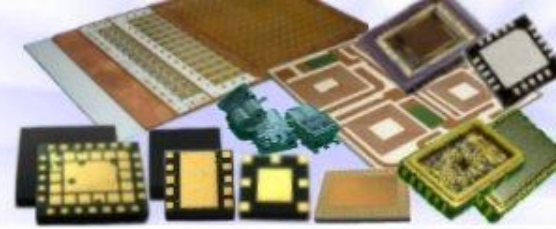


This presentation contains forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. Actual results may differ materially from those expressed or implied by these forward-looking statements. Because of these 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.



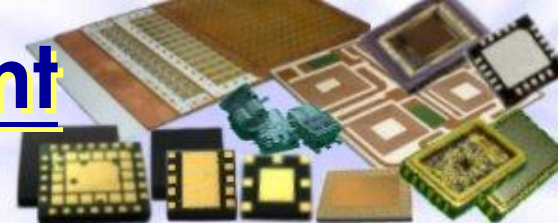
Table of Contents



1. Financial Update
2. Business Update



2Q 19 Income Statement QoQ Comparison



 **consolidated**

Unit: NT\$Thousand	2Q 2019 (Reviewed)	%	1Q 2019 (Reviewed)	%	Chg %
Net Revenue	1,822,362	100.0%	1,615,326	100.0%	12.8%
Cost of Sales	1,430,466	78.5%	1,325,081	82.0%	8.0%
Gross Profit	391,896	21.5%	290,245	18.0%	35.0%
Operating Expenses	173,580	9.5%	160,181	9.9%	8.4%
Operating Income	218,316	12.0%	130,064	8.1%	67.9%
Non-Operating Items	25,030	1.4%	15,734	1.0%	59.1%
Income before Income Tax	243,346	13.4%	145,798	9.0%	66.9%
EPS(NT\$) before Tax	1.47		0.88		
Income Tax Expense	51,112	2.8%	30,563	1.9%	67.2%
Net Income	192,234	10.5%	115,235	7.1%	66.8%
EPS(NT\$) after Tax	1.16		0.70		

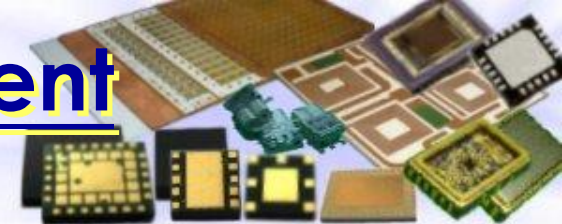
*2019 Q2 Weighted Average Outstanding Shares : 165.36Million

Company Confidential



2Q 19 Income Statement

YoY Comparison



consolidated

Unit: NT\$Thousand

	2Q 2019 (Reviewed)	%	2Q 2018 (Reviewed)	%	Chg %
Net Revenue	1,822,362	100.0%	1,760,073	100.0%	3.5%
Cost of Sales	1,430,466	78.5%	1,378,763	78.3%	3.7%
Gross Profit	391,896	21.5%	381,310	21.7%	2.8%
Operating Expenses	173,580	9.5%	206,144	11.7%	-15.8%
Operating Income	218,316	12.0%	175,166	10.0%	24.6%
Non-Operating Items	25,030	1.4%	79,249	4.5%	-68.4%
Income before Income Tax	243,346	13.4%	254,415	14.5%	-4.4%
EPS(NT\$) before Tax	1.47		1.54		
Income Tax Expense	51,112	2.8%	54,646	3.1%	-6.5%
Net Income	192,234	10.5%	199,769	11.4%	-3.8%
EPS(NT\$) after Tax	1.16		1.21		

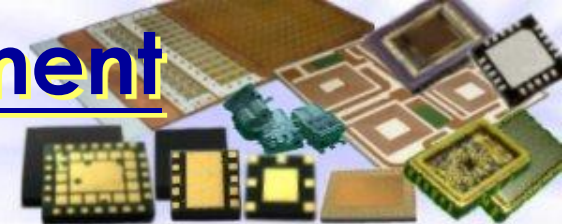
*2019 Q2 Weighted Average Outstanding Shares : 165.36Million

Company Confidential



First Half Income Statement

YoY Comparison



consolidated

Unit: NT\$Thousand

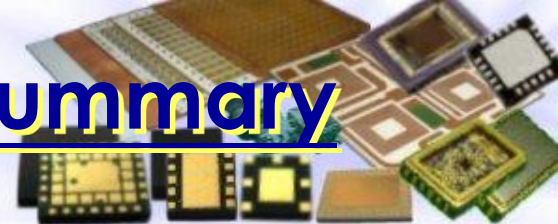
	Y2019 1-H		Y2018 1-H		Chg %
	(Reviewed)	%	(Reviewed)	%	
Net Revenue	3,437,688	100.0%	3,484,195	100.0%	-1.3%
Cost of Sales	2,755,547	80.2%	2,720,063	78.1%	1.3%
Gross Profit	682,141	19.8%	764,132	21.9%	-10.7%
Operating Expenses	333,761	9.7%	407,574	11.7%	-18.1%
Operating Income	348,380	10.1%	356,558	10.2%	-2.3%
Non-Operating Items	40,764	1.2%	71,636	2.1%	43.1%
Income before Income Tax	389,144	11.3%	428,194	12.3%	-9.1%
EPS(NT\$) before Tax	2.35		2.59		
Income Tax Expense	81,675	2.4%	69,055	2.0%	18.3%
Net Income	307,469	8.9%	359,139	10.3%	-14.4%
EPS(NT\$) after Tax	1.86		2.17		

*2019 Q2 Weighted Average Outstanding Shares : 165.36Million

Company Confidential



2Q 19 Operating Results Summary



consolidated

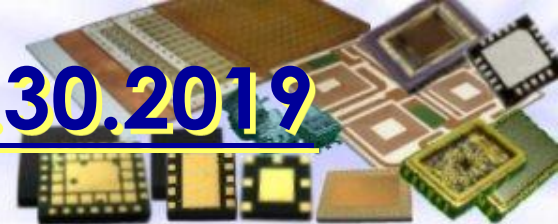
Unit: NT\$Thousand	2Q 2019 (Reviewed)	1Q 2019 (Reviewed)	2Q 2018 (Reviewed)
Net Revenues	1,822,362	1,615,326	1,760,073
Net Income	192,234	115,235	199,769
EPS(NT\$) before Tax	1.47	0.88	1.54
EPS(NT\$) after Tax	1.16	0.70	1.21
Depreciation	186,087	187,370	226,614
Capital Expenditure*	301,187	142,809	121,926
EBITDA**	433,738	337,229	483,272

*Additions to property, plant and equipment

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



Balance Sheet Highlight – 6.30.2019



consolidated

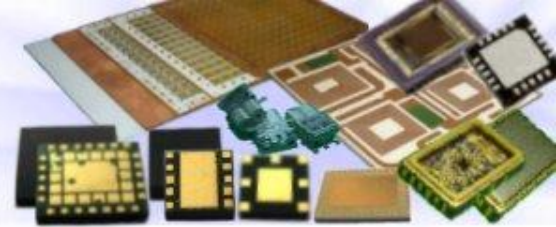
Unit: NT\$Thousand	6.30.2019 (Reviewed)	%	6.30.2018 (Reviewed)	%
Cash and Cash Equivalents	5,373,736	42.0%	5,641,272	44.6%
Current financial assets at fair value through profit or loss	100,648	0.8%	100,175	0.8%
Fixed Assets	4,129,180	32.3%	4,216,867	33.3%
Right-of-use assets	128,902	1.0%	-	0.0%
Total Assets	12,790,345	100.0%	12,650,442	100.0%
Long-term borrowings	-	0.0%	65,000	0.5%
Shareholders' Equity	9,774,977	76.4%	9,815,824	77.6%
Depreciation-YTD	373,457		455,360	
Capital Expenditure-YTD*	443,996		256,374	
EBITDA-YTD**	770,967		890,351	

*Additions to property, plant and equipment

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



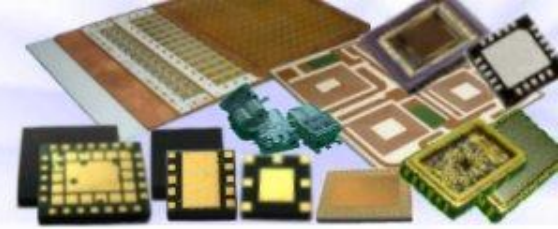
Table of Contents



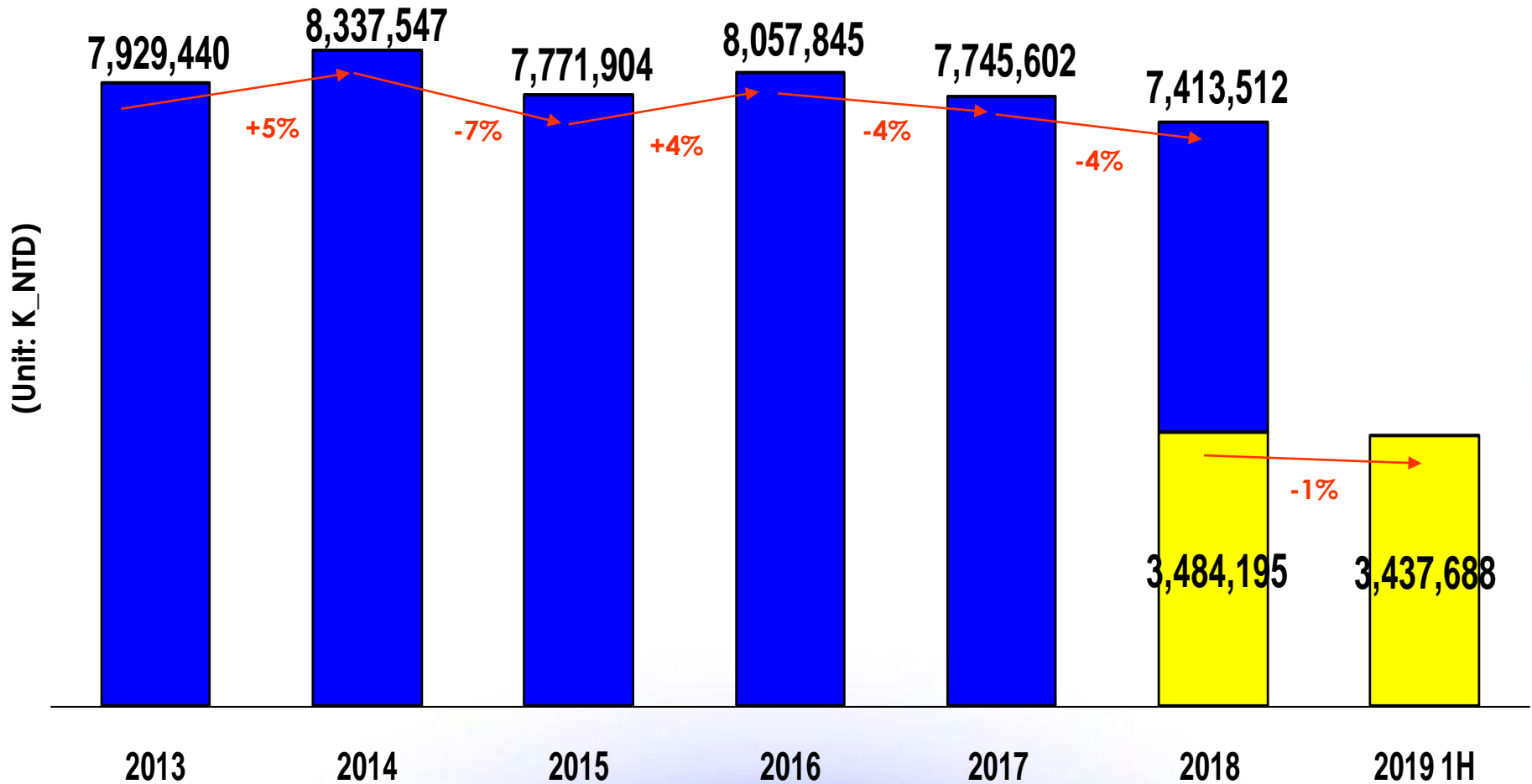
1. Financial Update
2. Business Update



Tong Hsing Revenue History

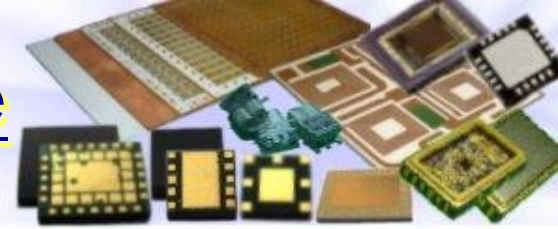


consolidated



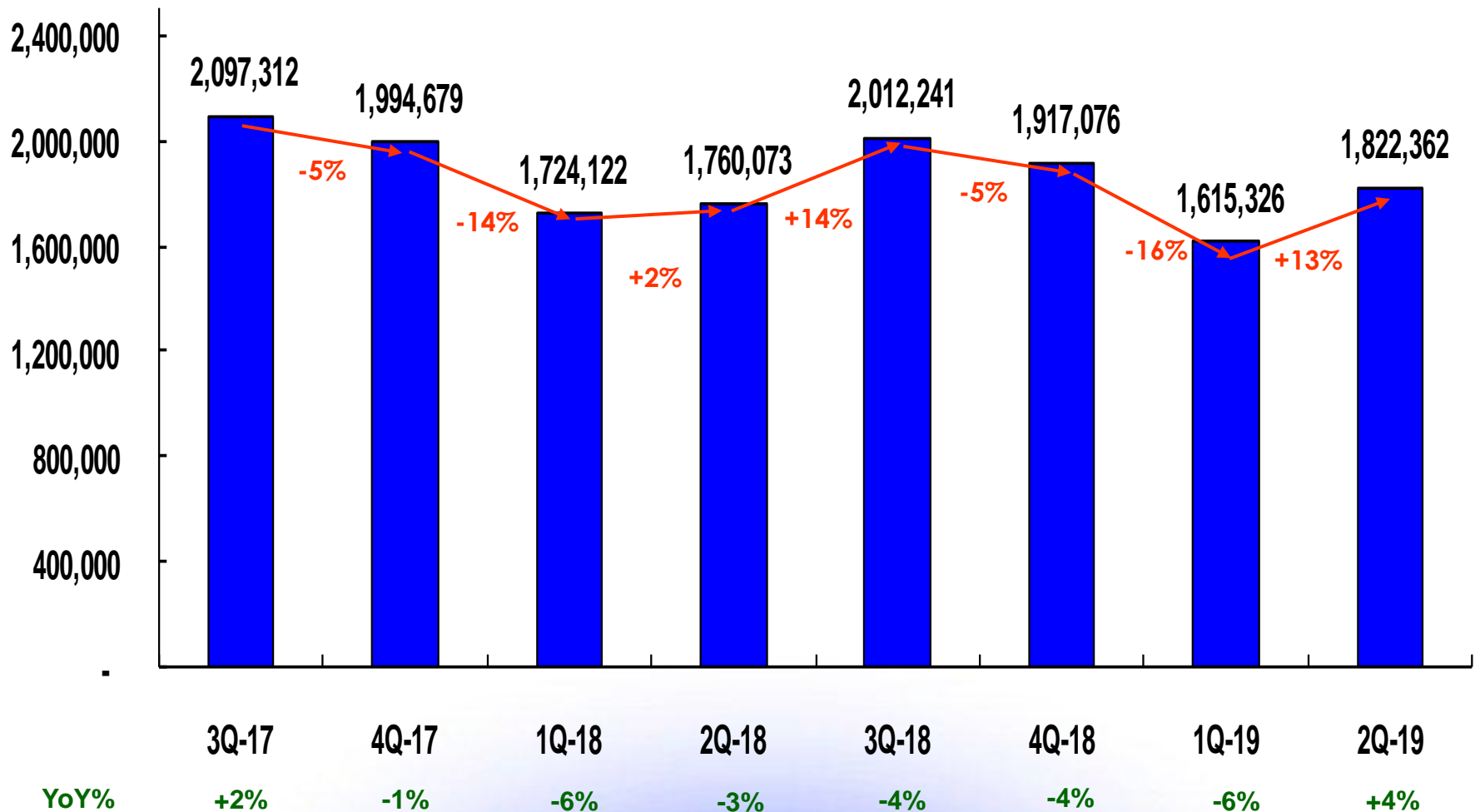


Tong Hsing Quarterly Revenue



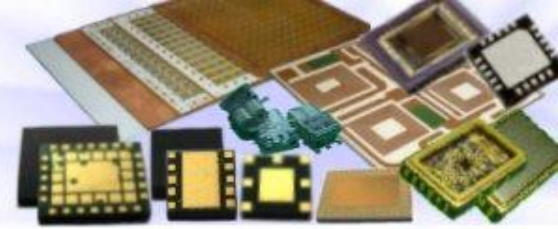
consolidated

Unit:K_NTD



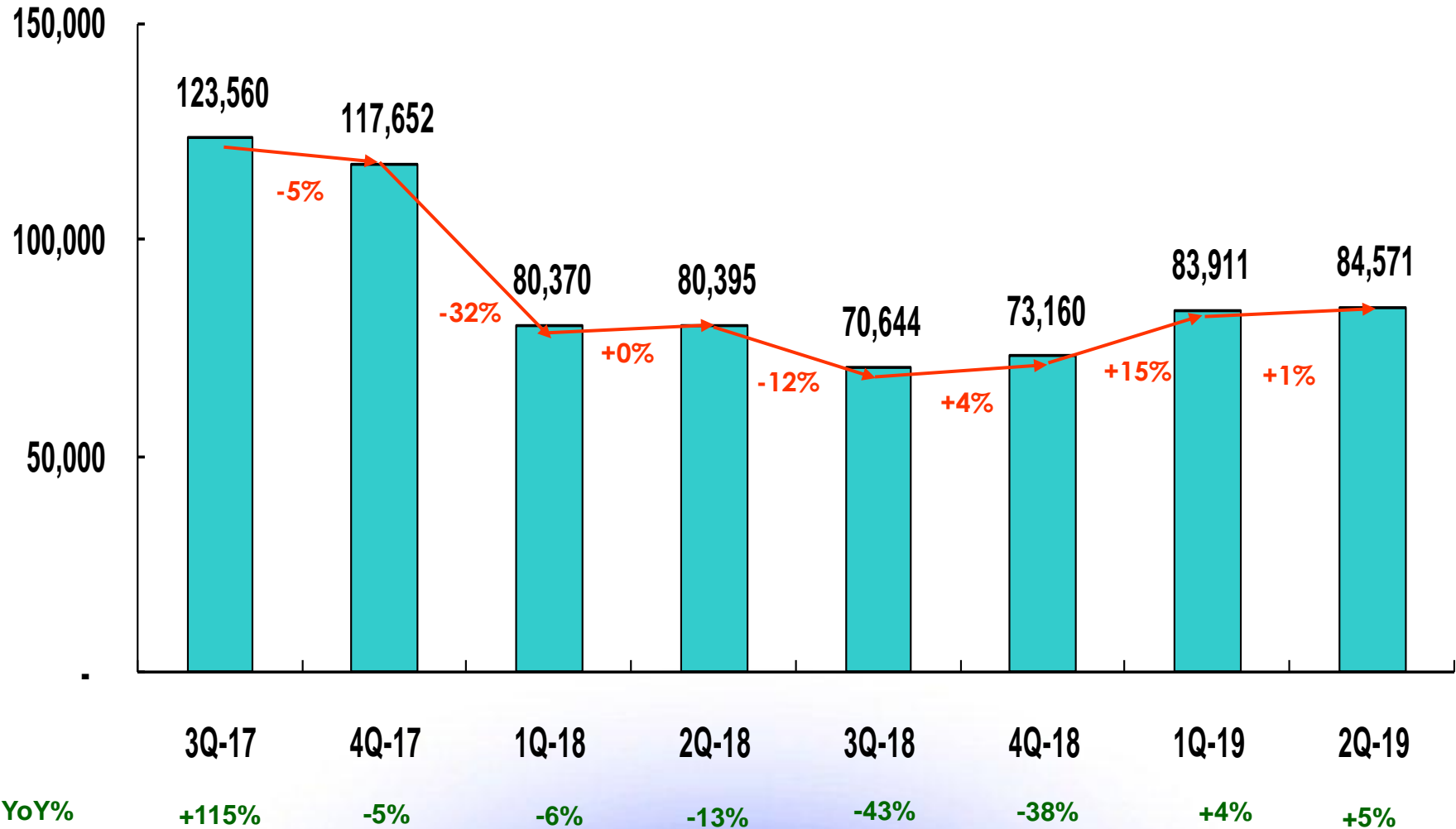


RF Module Quarterly Revenue Trend



consolidated

Unit:K_NTD



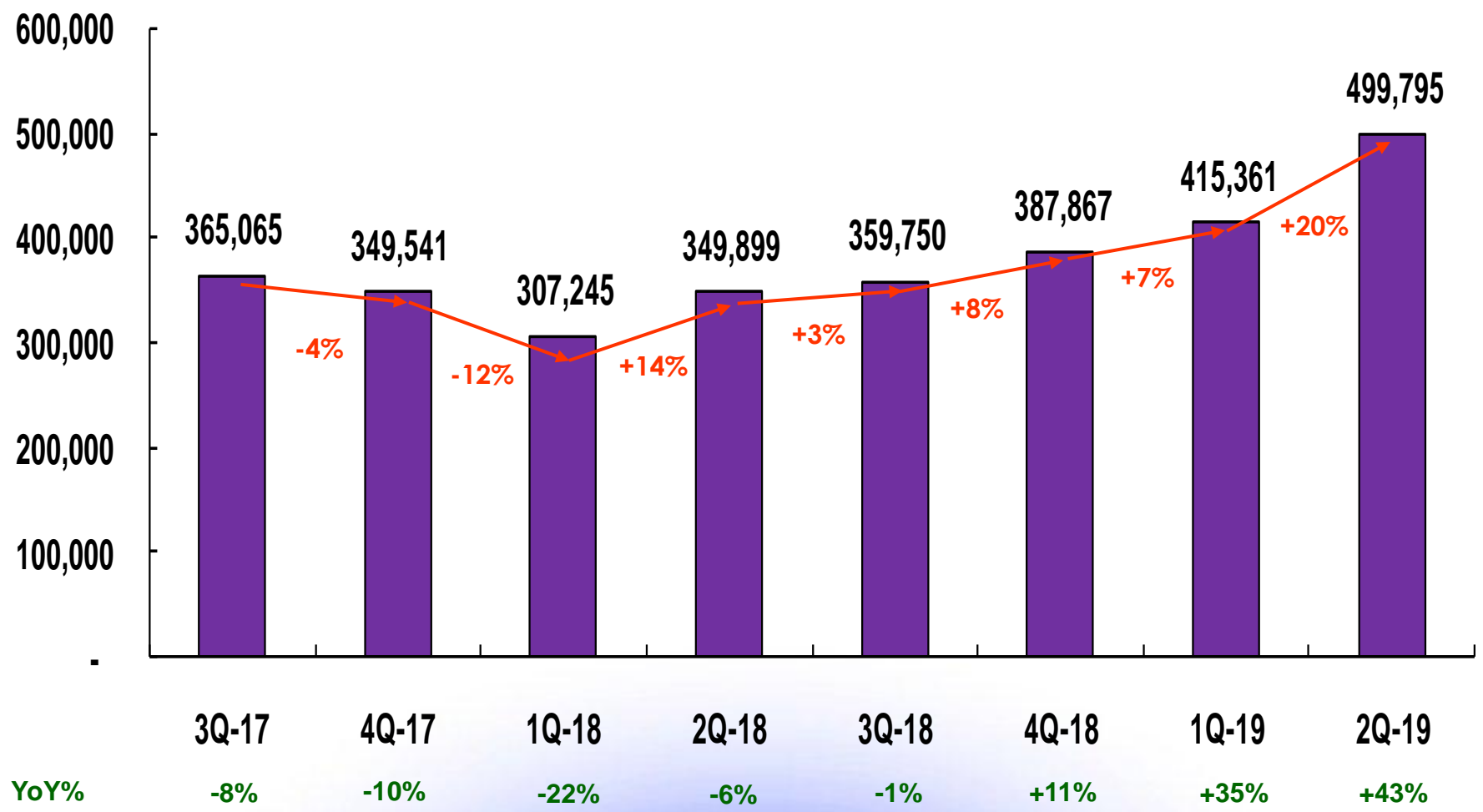


Hybrid Modules & Specialty Packaging Quarterly Revenue Trend



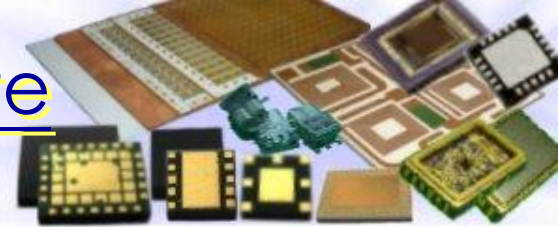
consolidated

Unit:K_NTD





Ceramic Metallized Substrate Quarterly Revenue Trend



Unit:K_NTD

consolidated

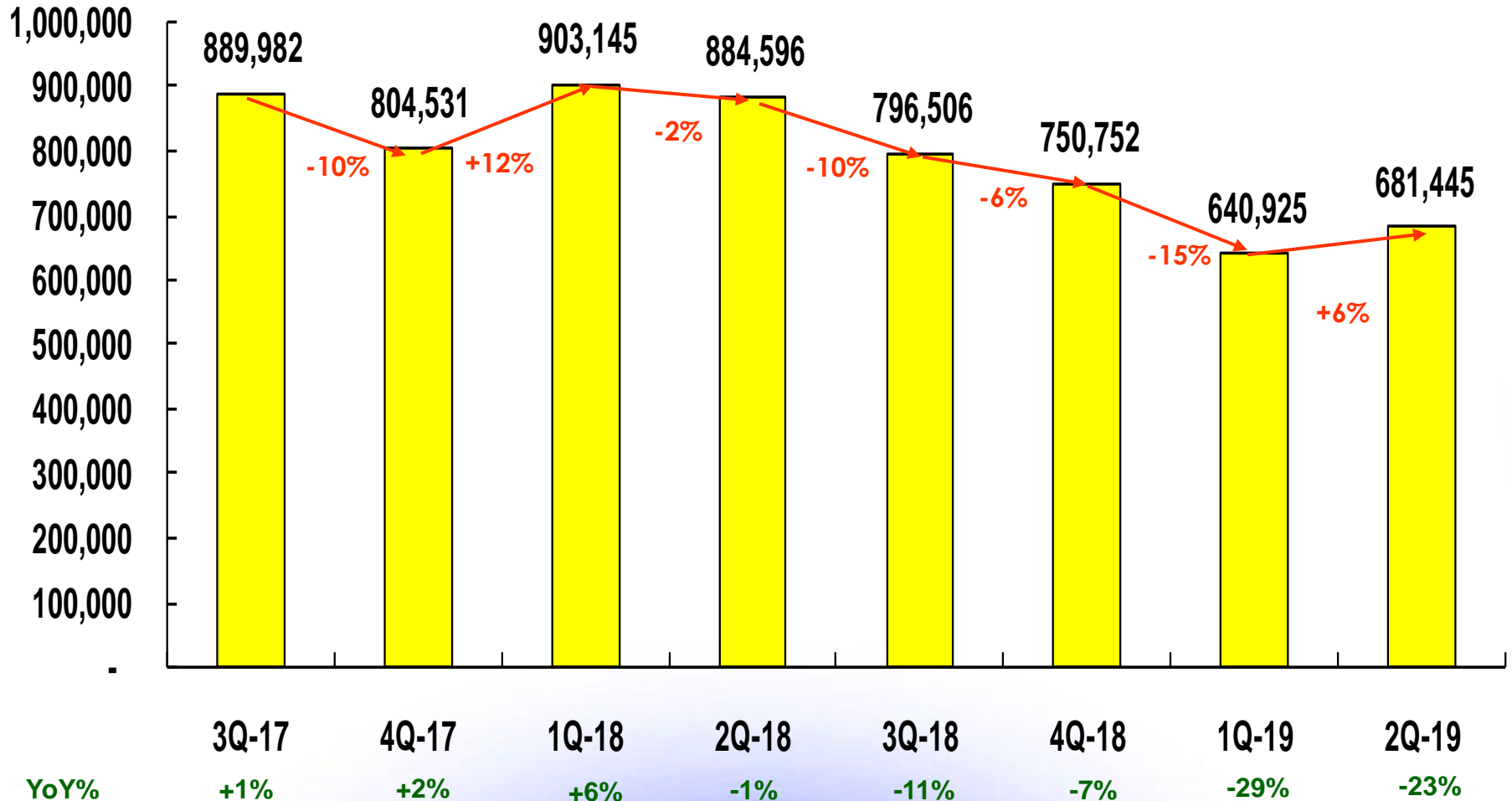
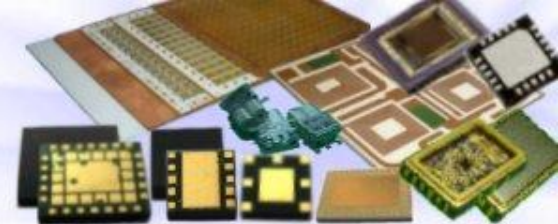


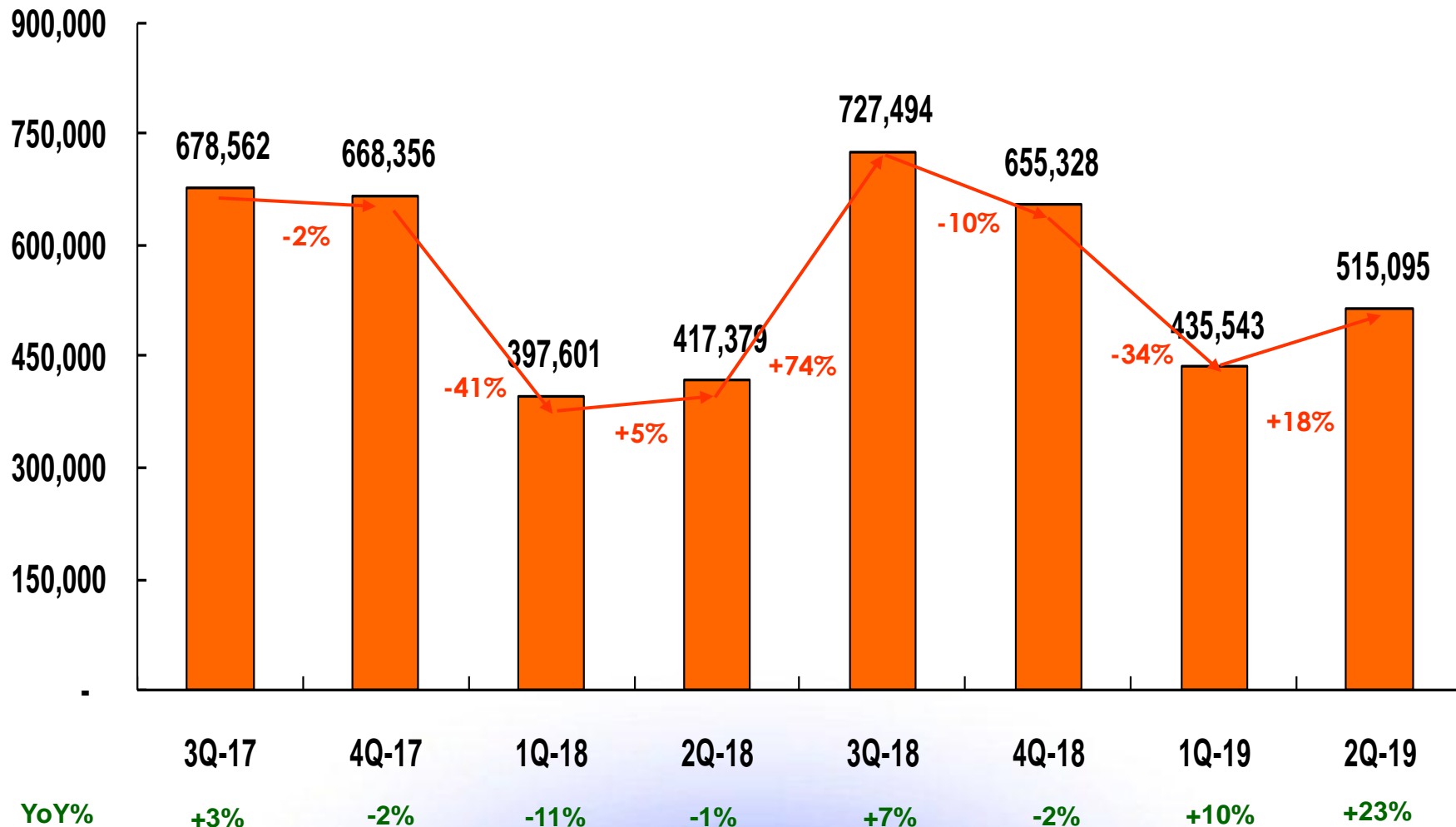


Image Products Quarterly Revenue Trend

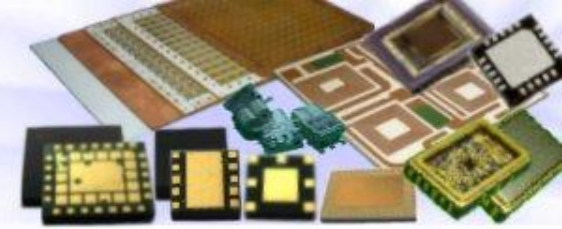


consolidated

Unit:K_NTD

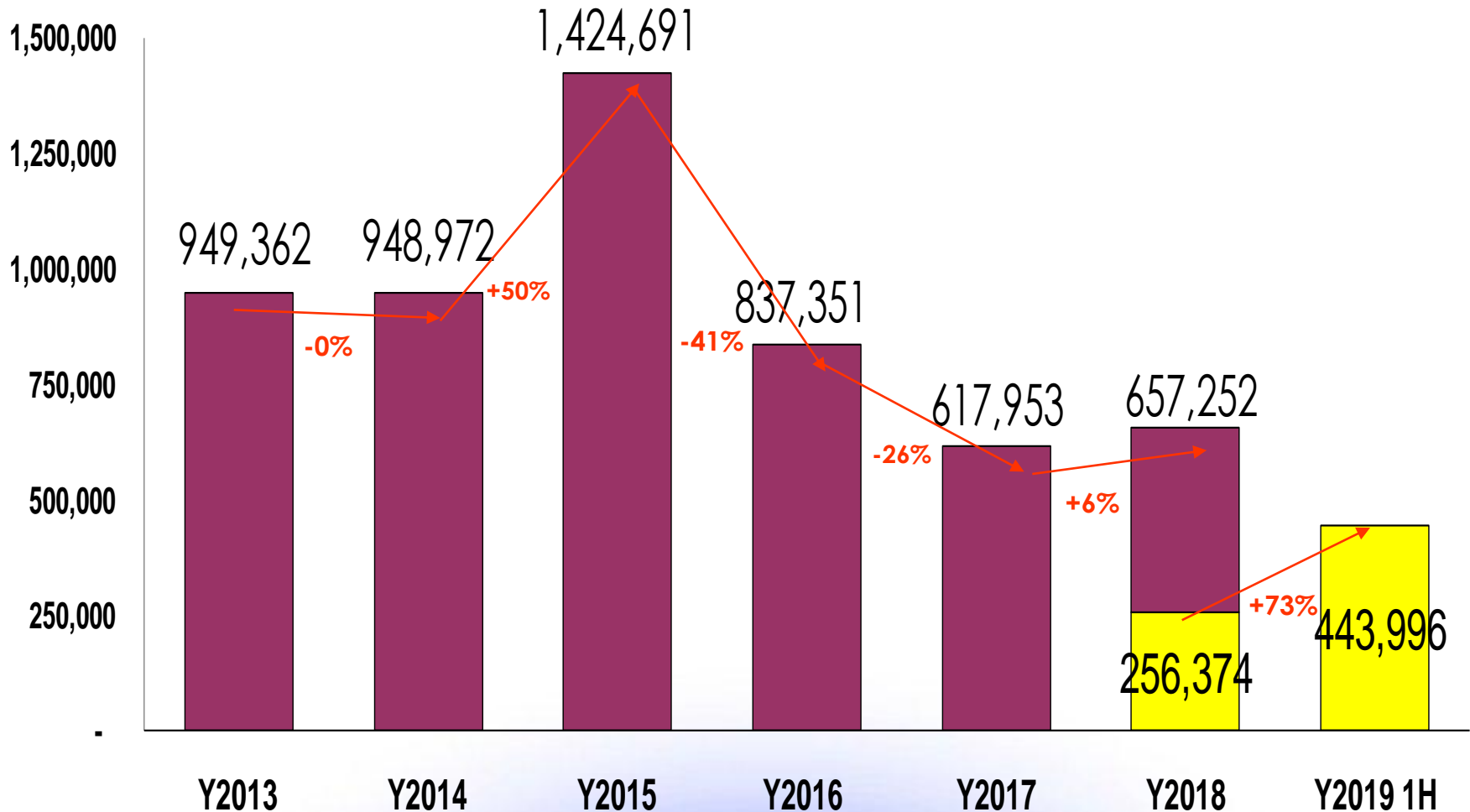


Capital Expenditure



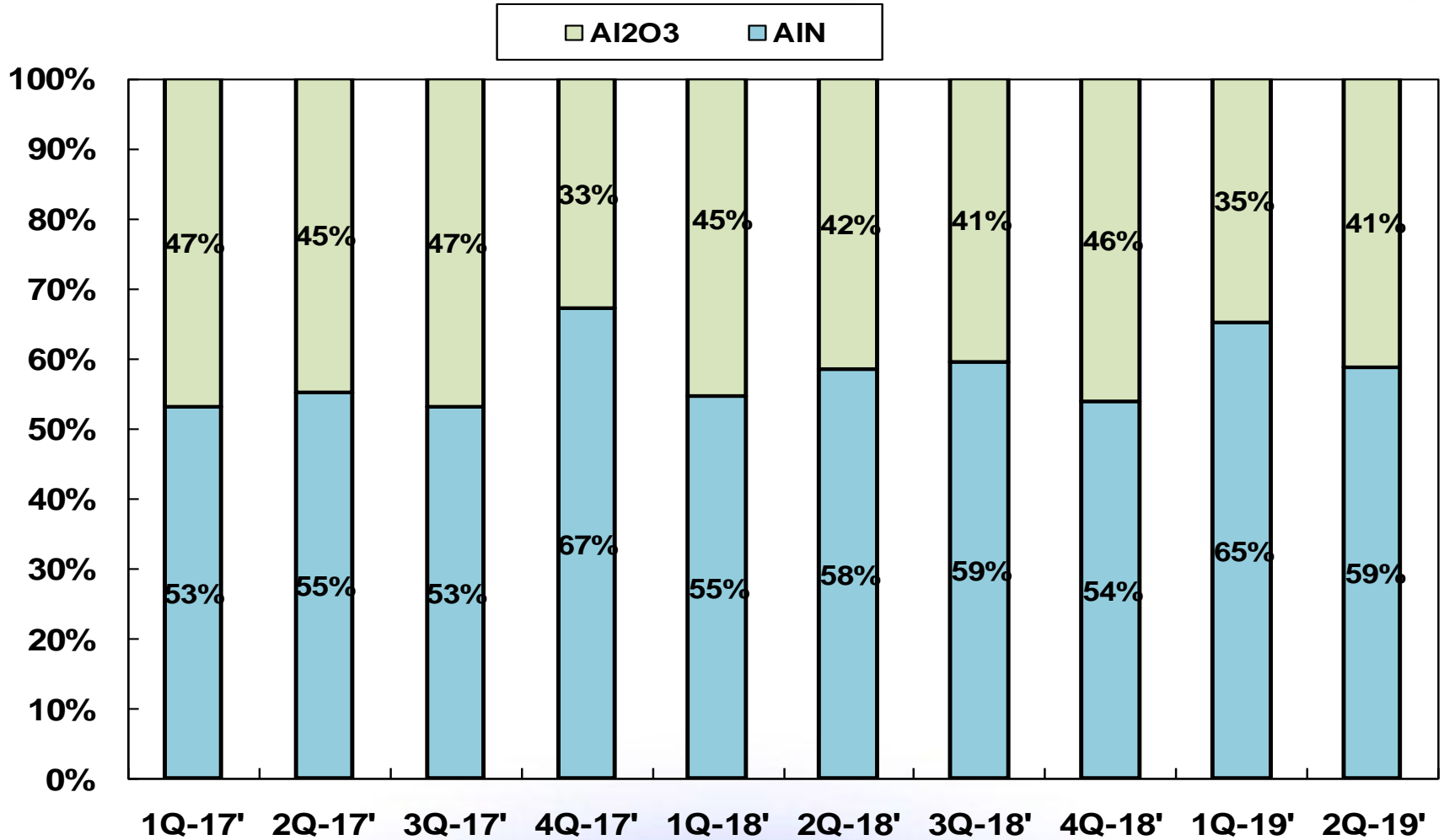
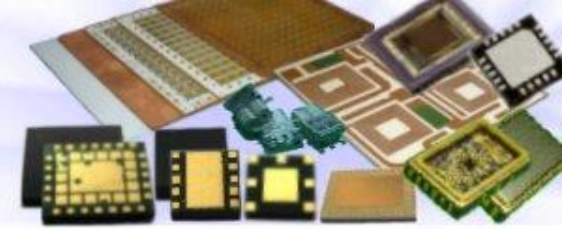
consolidated

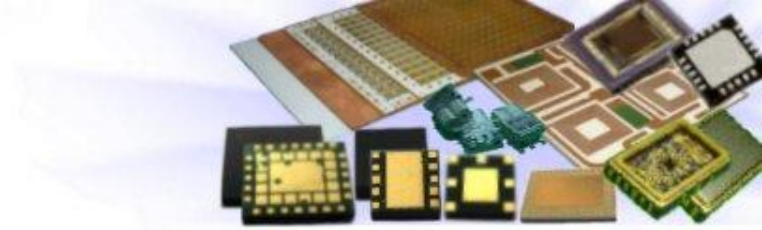
Unit:K_NTD





Al₂O₃ VS AlN





<http://www.theil.com>