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**Wah Lee Consolidated Entities include Wah Lee Taiwan and subsidiaries in China, Japan, and Singapore.**

*Company Profile*

As a Technology Solutions Integrator, Wah Lee provides a full range of integrated solutions including high quality materials, equipments, supply chain services and engineering consulting to high technology industries covering semiconductor, computer/communications (C/C), flat panel display, printed circuit board, and green energy opto-electronics industries. The company has sustained its long-term growth by continually expanding its products and services into new advanced technologies and through collaborative partnerships with world leading material suppliers. To maximize its shareholders' value, the company also expands its business scope by bringing new products in more applications to its customers. Traded on the Taiwan Stock Exchange (ticker: 3010.TT), its current capital is NT\$2.3 billion and the market capitalization is about US\$330 million.

*Safe Harbor Notice*

Wah Lee Industrial Corp. (the Company) has made forward-looking statements in this report. The forward-looking statements contain information regarding, among other things, the Company's financial condition, future expansion plans and business strategies. The Company has based these forward-looking statements on its current expectations and projections about future events. Although the Company believes that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about it.

The Company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur and the actual result could differ materially from those anticipated in these forward-looking statements.

**Unaudited 2010 H1 Consolidated Results Announcement**

**2010 H1 posted strong sales revenue growth from existing and new sectors**

Unaudited 1H10 consolidated sales reached NT\$12.96 billion, a 57.2% YoY growth from 1H09. The strong growth momentum was supported by the following two areas:

1. Existing mainstream industry recovery: Wah Lee's dominant position in providing raw materials to semiconductor, computer/communication, and PCB industries has benefited from the strong underlying industry recovery across the board.
2. New product advancement: Wah Lee has identified Green Energy and Optoelectronics as its major growth driver for the coming years. Specific products in this area include raw materials for Solar, LED, Touch Panel, and Lithium Iron Phosphate (LiFePO<sub>4</sub>) rechargeable battery. This sector posted a 372% YoY growth in 1H 2010.

**1H10 profit growth higher than sales growth; 1H10 EPS of NT\$3.10**

Consolidated gross profit for 1H10 reached NT\$1.59 billion and grew 62.6% from the same period last year. 1H10 gross margin was 12.3%, as compared to 11.9% in 1H09. On the other hand, operating expense did not grow proportionally with the sales growth. Operating expense grew at a slower rate of 36.5% YoY and was NT\$958 million. Therefore, operating profit grew 129.2% from a year ago and reached NT\$630 million, posting an operating margin of 4.9%. Non-operating profit contributed another NT\$281 million to the overall bottom line. Among the non-op items, L-T equity investment income was the largest contributor with a total profit of NT\$241 million, an obvious sign of Wah Lee's investment companies also posting better results in this year. The company's pretax profit for 1H10 totaled NT\$911 million. Net profit after tax and minority interests was NT\$718 million and EPS was NT\$3.10, based on 231 million outstanding shares.

**Cash dividend of NT\$2.3 per share approved by the AGM**

Due to strong operating cash flow the company generated last year (NT\$1.5 billion in 2009) and its business nature of light capital expenditures, on June 8<sup>th</sup> the Company's Annual General Shareholders Meeting approved a cash dividend of NT\$2.3 per share. Based on 2009 EPS of NT\$3.51, dividend payout ratio is about 65.5%. Cash dividend will be remitted to shareholders' designated accounts on July 28, 2010.

**Table 1 – Sales % by Industry for 1H 2010**

%	Taiwan	Consolidated
Semiconductor	29%	24%
C/C	35%	42%
PCB	13%	15%
Green Energy	11%	9%
LCD	6%	5%
Others	6%	5%
Total	100%	100%

Wah Lee is the leading supplier of key chemicals used in high end IC manufacturing in Taiwan. Computer/Communication industry is expected to continue to be one of the sales drivers for Wah Lee's future growth with steady growth. Wah Lee's PCB sector is also expected to show continuing growth from the increasing demand on high-end HDI (High Density Interface) productions. Green Energy is taking a more important role in the company's sales contribution with Solar, LED, Touch Panel, and LiFePO4 materials expected to see more sell-through in 2H 2010.

**Table 2 – Unaudited income statements (in NT\$ million)**

Consolidated	1H2010	1H2009	YoY
Sales	12,964	8,247	57.2%
Operating Profit	630	275	129.2%
Non-Op Profit	281	117	139.6%
L-T investment	241	96	150.5%
Others	40	21	
Pre-Tax Income	911	392	132.4%
After Tax Profit	718	324	121.3%
EPS *	3.10	1.40	

\* Both years' after tax EPS are based on outstanding capital of 231.40 million shares.

Consolidated sales for 1H 2010 grew by 57% YoY. As mentioned above, operating profit grew much higher at 129% due to improved gross margin and savings from scale economy in the operating expense. Non-operating profit was another contributor to the overall bottom line due to a better 1H10 results from the company's L-T investment companies. In conclusion, the company's consolidated 1H 2010 after tax profit grew by 121% from last year. 1H 2010 EPS is NT\$3.10.

**Table 3 – Consolidated Financial Ratios**

	1H 2010	1H 2009
Current Ratio	158%	174%
Quick Ratio	120%	133%
Net Debt/Equity	17.1%	15.2%
A/R days	90	128
Inventory days	44	76
A/P days	60	86
Cash conversion days	74	118

Current and quick ratios in 1H10 both maintained at satisfactory levels. As a conservative measure during the year of financial crisis in 2009, the company has reduced its leverage ratio, using the surplus cash generated from its operating activities. As a result, the company now has a low gearing ratio of 17%. AR, inventory, and AP days have returned more to their norms as of 1H 2010 as the overall business environment has been back on track of growth.