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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\$313 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.

**CPA reviewed 2011 Q3 Consolidated Results Announcement**

**Cumulative Q3 sales still posted a 21.6% yoy growth**

The cumulative Q3 2011 consolidated sales grew by 21.6% over the same period last year. Despite the double-digit sales growth so far this year, the monthly sales momentum in Q3 has slowed down as the global economy gets gloomier. The sales growth of the major five business segments that Wah Lee operates are provided below together with explanations:

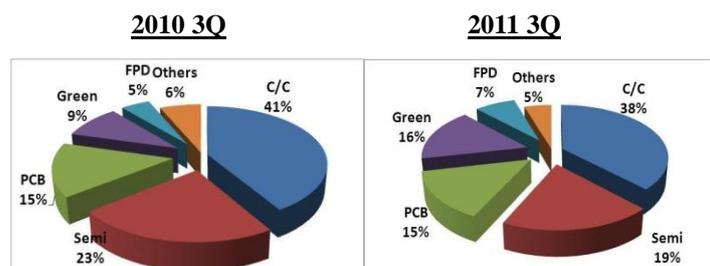
1. **Computer/Communication:** 11.0% growth. The growth rate was stable. In this segment, Wah Lee carries various kinds of high-end engineering plastic resins and caters to almost all component makers in the greater China area. One example is Hon Hai sources many different plastic resins altogether from Wah Lee and finally assembles them into their product lines.
2. **Semiconductor:** 2.0% growth. The growth rate was low due to slow down in Q3. Semiconductor industry in Taiwan has gone through a slow Q3 and the average utilization rates of their capacities were not high. Therefore, the consumption of our upstream raw materials has come down in general.
3. **PCB:** 18.2% growth. Wah Lee provides PCB raw materials to high-end HDI process for the making of substrates for smartphones or tablet PCs. Some of Wah Lee's PCB customers obtained orders for Apple's iPhone series.
4. **LCD:** 93.9% growth. The high sales growth was mostly contributed from a new product: color resist. The supplier decided to give Wah Lee the sales right in the aim of utilizing Wah Lee's well-established platform, distribution channels, and efficient logistics network.
5. **Green Energy & Optoelectronics:** 109.0% growth. The growth rate was high because of the low basis in 1H 2010. Solar and LED related sales went through a tough Q2 and have seen some recovery starting from Q3.

**2011 Q3 EPS of NT\$4.01, gross margin was lower due to product mix changes**

Cumulative consolidated 2011 Q3 gross profit was NT\$2.40 billion a decline of 2.4% from the same period last year. Cumulative 2011 Q3 gross margin was 9.9%, as compared to 12.3% a year ago. The underlying reason for the margin decline was due to the sales mix changes as lower margin products such as solar wafer and IC products grew in the overall product portfolio. On the other hand, operating expense up to 2011 Q3 grew slower at 0.2% YoY and reached NT\$1.49 billion. As a result, operating profit up to 2011 Q3 was NT\$904 million, which showed a 6.5% YoY decline. Non-operating profit contributed NT\$398 million to the overall bottom line and was a decline of 30.3% from a year ago. The main reason for the sharp decline in Non-op is due to the one-off capital gains in the first 3Q of 2010, in the total amount of about NT\$160 million. The company's pretax profit for cumulative 3Q 2011 totaled NT\$1.30 billion. Net profit after tax and minority interests was NT\$927 million and EPS was NT\$4.01, a decline from 2010 Q3 EPS of 5.19, both based on 231.4 million outstanding shares.

**Table 1 – Sales % by Industry for 2011 3Q**

%	Taiwan	Consolidated
Semiconductor	22%	19%
C/C	33%	38%
PCB	12%	15%
Green Energy	20%	16%
LCD	9%	7%
Others	4%	5%
Total	100%	100%

**Consolidated sales breakdown (2010 3Q vs. 2011 3Q)****Table 2 – CPA reviewed income statements (in NT\$ million)**

Consolidated	3Q 2011	3Q 2010	YoY
Sales	24,213	19,906	21.6%
Operating Profit	904	967	-6.5%
Non-Op Profit	398	571	-30.3%
L-T investment	284	416	-31.7%
Others	114	155	
Pre-Tax Income	1,302	1,538	-15.3%
After Tax Profit	927	1,200	-22.8%
EPS *	4.01	5.19	

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

**Table 3 – Consolidated Financial Ratios**

	3Q 2011	3Q 2010
Current Ratio	160%	168%
Quick Ratio	117%	125%
Net Debt/Equity	48.7%	19.3%
A/R days	88	89
Inventory days	46	44
A/P days	53	60
Cash conversion days	81	72

Wah Lee is the leading supplier of key chemicals used in high end IC manufacturing in Taiwan. With new inventions of 3C application products and increasing demands from China and other emerging markets, Computer/Communication industry is expected to continue to be one of the sales drivers for Wah Lee's future growth. Wah Lee's PCB sector is also showing 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 from Solar, LED, Touch Panel, and LiFePO4 rechargeable battery materials.

Consolidated sales for cumulative 2011 3Q grew by 21.6% YoY. Operating profit declined by 6.5% due to lower gross margin as a result of product mix changes as explained above. Non-operating profit up to 3Q 2011 declined substantially from a year ago due to some one-off capital gains recognized in the first 3Q of 2010, in the amount of about NT\$160 million. Others item in the Non-op in 3Q 2011 mostly includes an FX gain of NT\$97 million, for 3Q 2010 mostly include the capital gains mentioned above. In conclusion, the company's consolidated 2011 3Q after tax profit posted a decline from 2010 3Q. EPS for cumulative 2011 3Q was NT\$4.01.

Current and quick ratios at the end of 3Q 2011 both maintained at satisfactory levels. The company's net debt to equity ratio has become higher mainly because of the increase in trade financing needs arising from the increase in sales and the resulting receivables. As a result, the company now has a gearing ratio of 48.7%. AR, inventory, and AP days have been maintained at their reasonable levels in 2011 3Q, so is the cash conversion cycle days.