



Company Basic Information

Closing Price (8/16/2013)	NT\$42.15
1 Yr High	NT\$46.45
1 Yr Low	NT\$ 35.8
Book Value/share	NT\$37.23
Shares on Issue (M)	231.4
Market Cap (USD M)	325
QFII Holding (%)	14.16
6-Mon Avg Daily Turn	NT\$25.5M

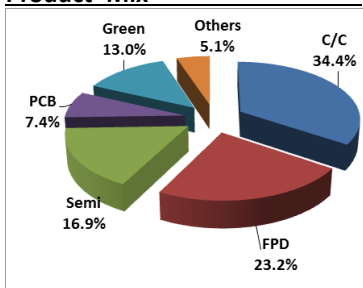
Key Financial Indicators

	2011	2012	2013 1H
ROE	12.0%	12.6%	13.1%
Net Debt/ Equity	31.0%	20.7%	21.1%
Cash Conversion Days	78.2	76.9	74.6

2010 WL Relative to TSE



Product Mix



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

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Audited 2013 1H Consolidated Results Announcement

Wah Lee's 2013 1H sales reached NT\$16.4 billion, a 2.2% YoY growth from 2012 1H, and a 5.6% growth from 2012 2H.

- **FPD 47% YoY growth:** Panel customers faced a surging demand for large-sized models in 2013 1H due to China's TV purchase subsidy program. Besides this effect, increasing market penetration and demands for high-resolution panel products such as 4K2K TVs caused FPD sales to grow 47% YoY compared to 2012 1H. FPD sales are expected to a main sales growth driver in 2013 2H from further market-share gain.
- **Semiconductor 7% YoY Growth:** DRAM makers and foundries reported strong 2013 1H sales, and thereby demands for semiconductor materials and chemicals picked up accordingly. As foundries keep expanding into advanced processes, corresponding semiconductor sales will be expected in an upward trend.
- **Green Energy up 74% compared to 2012 2H:** Average prices of solar wafers dropped 20% in 2013 1H compared to the same period last year. Price effects and the change of sales model from stock to commission resulted in a YoY sales declined 26%. However, due to strong demands from Japan and USA, and European anti-dumping measures on China, Taiwan solar cell firms experienced a high capacity utilization rate in 2013 1H, and therefore solar sales grew 74% compared to 2012 2H.
- **PCB 5% YoY growth:** PCB sales increased 5% in 2013 1H from new products for the high-end server application.
- **Engineering Plastic in Computer Communication declined 4% with traditional low season but expects to pick-up in Q3.**

2013 1H EPS reached NT\$2.36, a 16.8% increase, compared to NT\$2.02 in the same period last year.

Consolidated 2013 1H gross profit reached NT\$1,445 million, roughly the same as compared to NT\$1,439.1 million in 2012 1H. Due to effective expense control measures, operating income increased 2.1% YoY, to NT\$477.0 million.

Long term investment companies showed a decline about 6.9% YoY in 2013 1H with contribution reaching NT\$ 162.4 million. Due to continuing appreciation of RMB and USD against NTD and depreciation of Yen, foreign exchange showed a gain of 89.8 million in 2013 1H compared to a loss of 9 million in 2012 1H. Gain on sale of investment increased in 2012 1H from 4 million to 14.9 million in 2013 1H. As a result, overall non-operating profit in 2013 1H grew by 76% to reach NT\$294.8 million. The company's pretax profit for 2013 1H totaled NT\$771.8 million. Net profit after tax and minority interests was NT\$579.7 million and EPS was NT\$2.36, based on 231.4 million outstanding shares.

Cash dividend of NT\$2.5 per share was dispatched on Jul. 24:

This year's payout ratio is 59%. Since 2010, cash dividend payout ratio has been steadily maintained above 55%.



2013 2H Outlook

In line with high tech industry seasonality, Q3 sales are expected to be the peak season with Q4 having a slight decline compared to Q3. Even though China has removed the subsidy program, our strength on high-resolution solutions such as for 4K2K TVs keeps FPD sector continuously to be the growth momentum, which is also benefiting from production ramp up of 8.5G plants in China and our capability to provide more and more turn-key solution to customers, in addition to Timing Controller, providing Touch Panel IC, NOR Flash and Power Management Systems. In addition to developing hybrid engineering plastic material to be used in computer casing, Engineering Plastic material's usage is being expanded into other arena including consumer electronics, medical, food packaging and auto which will help drive future growth momentum and be less reliant on computer communications products. In Green Energy sector, solar plants development continues to thrive in Japan and USA, thereby creating strong demands for high-quality Taiwan solar cells. As a result, solar wafer sales are expected to remain robust. Semiconductor and PCB sectors, which experienced decline in 2012 compared to 2011, are both expected to grow this year. L-T investment is expected to steadily contribute to the overall bottom-line in 2013 as in previous years.

Operating Result (M)	2011	2012	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
Total Rev	31,225	31,545	8,588	8,210	7,415	7,011	7,734	8,279	7,709	7,822	7,625	8,738
Gross Profit	2,822	2,858	918	833	647	424	684	755	780	639	662	774
Operating Result	940	834	401	346	156	36	233	228	241	133	196	271
After Tax Profit	952	981	364	334	228	25	241	221	295	224	264	281
Shares Outstanding	231.4	231.4	231.4	231.4	231.4	231.4	231.4	231.4	231.4	231.4	231.4	231.4
EPS (NTD)	4.12	4.24	1.57	1.44	0.99	0.11	1.04	0.95	1.27	0.97	1.14	1.12
Operating Result (%)												
GP Margin	9.0%	9.1%	10.7%	10.1%	8.7%	6.0%	8.8%	9.1%	10.1%	8.2%	8.7%	8.9%
OP Margin	3.0%	2.6%	4.7%	4.2%	2.1%	0.5%	3.0%	2.8%	3.1%	1.7%	2.6%	3.1%
AT Profit Margin	3.0%	3.1%	4.2%	4.1%	3.1%	0.4%	3.1%	2.7%	3.8%	2.9%	3.5%	3.2%
Growth % YoY/QoQ												
Sales YoY/QoQ	15.5%	1.0%	111.1%	-7.7%	6.8%	-1.5%	-9.9%	0.8%	4.0%	11.6%	-1.4%	5.5%
GP YoY/QoQ	-19.7%	1.3%	109.7%	-27.9%	-25.2%	-42.9%	-25.5%	-9.4%	20.6%	50.8%	-3.3%	2.5%
OP YoY/QoQ	-35.9%	-11.2%	237.4%	-33.0%	-52.8%	-82.5%	-42.0%	-34.2%	53.7%	269.9%	-15.9%	18.9%
AT Profit YoY/QoQ	-31.3%	3.0%	-0.3%	-19.4%	-52.6%	-87.9%	-33.8%	-34.0%	29.2%	783.5%	9.5%	27.0%

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.