



**Company Basic Information**

Closing Price (2/25/2014)	NT\$51.5
1 Yr High	NT\$51.6
1 Yr Low	NT\$35.80
Book Value/share	NT\$38.31
Shares on Issue (M)	231.4
Market Cap (USD M)	386
QFII Holding (%)	17.20
6-Mon Avg Daily Turn	NT\$19.7M

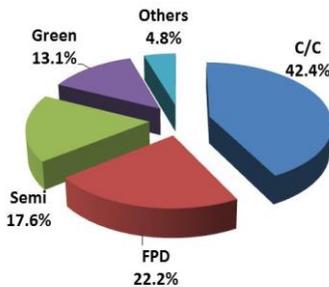
**Key Financial Indicators**

	2011	2012	2013
ROE	12.0%	12.6%	13.5%
Net Debt/ Equity	31.0%	20.7%	17.5%
Cash Conversion Days	78.2	76.9	69.5

**3010 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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**Unaudited FY 2013 Consolidated Results Announcement**

**Wah Lee's FY 2013 sales reached NT\$34.4 billion, a 9% YoY growth from FY 2012.**

- **FPD 28% YoY growth:** FPD sales continued its double-digit growth and totaled NT\$7.6B in 2013, benefiting from increasing demands for existing and new IC products as well as the market share gain in major panel customers. FPD sales are expected to remain strong in 2014 mainly driven by our comprehensive IC solutions for panel products applicable to both higher-resolution and mainstream markets.
- **Semiconductor 15% YoY growth:** Semiconductor sales gained momentum from foundries' and DRAM makers' thriving demands, reaching NT\$6.0B in 2013. Due to increasing material sales for advanced processes and effective market penetration in chemicals, semiconductor sales are expected to resume high growth this year.
- **Green Energy 9% YoY growth:** Solar customers enjoyed booming market demands from Japan, USA, and China in 2013, and thus Green Energy sales increased 9% YoY to NT\$4.5B. The growth rate on an apple-to-apple is much higher because in 1<sup>st</sup> half of the previous year all sales were fully recognized but most was switched to commission recognition only in 2<sup>nd</sup> half. Green Energy sales are expected to keep its upward trend this year due to robust development in main solar markets driven by existing government subsidy policies.
- **Computer & Communication 1% YoY growth:** C&C sales, including Engineering Plastics and PCB, reached NT\$14.6B in 2013. Due to rising sales for new applications in electronics and consumer products, C&C sales are expected to grow faster in 2014.

**2013 EPS reached NT\$5.01, an 18% increase, compared to NT\$4.24 in 2012.**

Consolidated 2013 gross profit reached NT\$3,086M, an 8% increase, compared to NT\$2,858M in 2012. Due to effective expense control measures, operating income increased 19% YoY, to NT\$992.5 million.

Long term investment companies showed a 29% YoY decline with contribution reaching NT\$ 298 million. Disposal gain totaled NT\$80M mainly from the stock-sale gain of ONANO listed at TSE last Nov. Due to appreciation of RMB and USD against NTD and depreciation of Yen, foreign exchange showed a gain of NT\$142M compared to a NT\$20M gain in 2012. As a result, overall non-operating profit grew by 31% to reach NT\$633M with pretax profit totaling NT\$1,625M. Net profit after tax and minority interests was NT\$1,159 million, a YoY increase of 18%, and EPS reached NT\$5.01, based on 231.4 M outstanding shares.



## 2014 Q1 Outlook

Although Q1 is traditionally considered a lower season because of fewer working days, due to strong customer needs in several sectors described below, 2014Q1 sales are expected to remain roughly the same as the previous quarter: FPD's 2014Q1 sales are expected to be higher than 2013Q4 due to sales from new IC products and China customers' demands. After inventory consumption in the previous quarter, FPD customers increased production in preparation for Chinese Labor Day Holiday. Semiconductor's sales are expected to stay in an upward trend this year benefiting from the customer's mass production of advanced processes and a market share gain from various chemicals. Green Energy's 2014Q1 sales are expected to be higher than the previous quarter, since solar customers face booming demands in major markets like China, Japan, and USA, and thus our main solar product price has been increasing since last Oct. C&C's 2014Q1 sales are expected to be close to the previous quarter's sales.

Operating Result (M)	2011	2012	2013	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
Total Rev	31,225	31,545	34,398	7,734	8,279	7,709	7,822	7,625	8,738	9,127	8,908
Gross Profit	2,822	2,848	3,086	684	755	780	629	671	774	851	790
Operating Result	940	816	965	233	228	241	115	206	271	289	199
After Tax Profit	952	981	1,152	241	221	295	224	287	260	313	293
Shares Outstanding	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	4.98	1.04	0.95	1.27	0.97	1.24	1.12	1.35	1.27
Operating Result (%)											
GP Margin	9.0%	9.0%	9.0%	8.8%	9.1%	10.1%	8.0%	8.8%	8.9%	9.3%	8.9%
OP Margin	3.0%	2.6%	2.8%	3.0%	2.8%	3.1%	1.5%	2.7%	3.1%	3.2%	2.2%
AT Profit Margin	3.0%	3.1%	3.4%	3.1%	2.7%	3.8%	2.9%	3.8%	3.0%	3.4%	3.3%
Growth % YoY/QoQ											
Sales YoY/QoQ	15.5%	1.0%	9.0%	-9.9%	0.8%	4.0%	11.6%	-1.4%	5.5%	18.4%	13.9%
GP YoY/QoQ	-19.7%	1.3%	8.4%	-25.5%	-9.4%	20.6%	50.8%	-1.9%	2.5%	9.1%	25.6%
OP YoY/QoQ	-35.9%	-11.2%	18.2%	-42.0%	-34.2%	53.7%	269.9%	-11.5%	19.0%	20.1%	72.4%
AT Profit YoY/QoQ	-31.3%	3.0%	17.5%	-33.8%	-34.0%	29.2%	783.5%	18.8%	17.8%	6.2%	30.5%

### 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.