



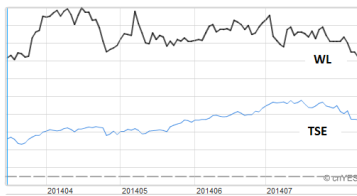
Company Basic Information

Closing Price (8/14/2014)	NT\$57.5
1 Yr High	NT\$62.0
1 Yr Low	NT\$47.3
Book Value/share	NT\$37.5
Shares on Issue (M)	231.4
Market Cap (USD M)	443
QFII Holding (%)	23.46
6-Mon Avg Daily Turn	NT\$43.5M

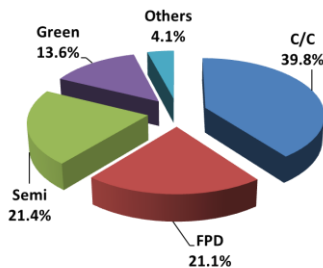
Key Financial Indicators

	2012	2013	2014Q2
ROE	12.6%	13.5%	12.9%
Net Debt/ Equity	20.7%	17.5%	28.8%
Cash Conversion Days	76.9	69.8	70.4

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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Audited 2014 1H Consolidated Results Announcement

Wah Lee's 2014 1H sales reached NT\$19.0 billion, a 16% YoY growth from 2013 1H.

- **Computer & Communication 10% YoY growth:** Due to strong PC and mobile device sales in 2014 1H, C&C sales, including Engineering Plastics and PCB, reached NT\$7.6B, a 10% YoY increase. C&C sales are expected to increase in 2014 2H from new model launches for the coming holiday season.
- **Semiconductor 47% YoY growth:** Semiconductor sales reached NT\$4.1B, about 47% YoY growth in 2014 1H, benefiting from major customers' ramp-up in advanced processes. Semiconductor sales are expected to resume growth in the following quarters from customers' continued advance-process expansion.
- **FPD 6% YoY growth:** FPD sales totaled NT\$4.0B in 2014 1H due to increasing IC product sales in major panel customers. FPD sales are expected to remain strong in 2014 2H driven by market demands for high-resolution IC products and market share gain in major customers.
- **Green Energy 22% YoY growth:** Due to robust demand from major solar markets, green energy sales increased 22% YoY to NT\$2.6B. Despite the short-term sales adjustment for US CVD and AD measures, solar demand is expected to expand in 2014 2H for China's aggressive distributed solar power projects and Japan's increasing installation to catch a higher purchase price.

2014 1H EPS reached NT\$2.51, a 6% increase, compared to NT\$2.36 in 2013 1H.

Consolidated 2014 1H gross profit reached NT\$1,670M, a 16% increase, compared to NT\$1,445M in 2013 1H. Due to effective opex management, operating income increased 25% YoY, to NT\$597M.

Long term investment showed a 5% YoY decline with contribution reaching NT\$155M. Due to depreciation of RMB against USD, foreign exchange showed a loss of NT\$60M compared to a NT\$90M gain in 2013 1H. As a result, overall non-operating profit decrease by 31% to reach NT\$205M with pretax profit totaling NT\$802M. RMB appreciated after mid-June and we started to reverse forex losses accordingly; thus, this forex effect is expected to be minor in 2014 2H. Net profit after tax and minority interests was NT\$581M, a YoY increase of 6%, and EPS reached NT\$2.51, based on 231.4 M outstanding shares.

Cash dividend of NT\$3.0 per share was dispatched on Aug. 7:

This year's payout ratio is 60%. Cash dividend payout ratio has been steadily maintained above 55% since 2010.



2014 2H Outlook

Due to solid demand from seasonal growth, 2H sales are expected to increase compared to 1H: C&C sales are expected to increase due to PC replacement stimulated by end of XP support and extra mobile device sales triggered by 4G network migration. Our C&C materials have been qualified for cloud-computing products, providing additional C&C sales growth momentum. Semiconductor sales are expected to grow because major foundry customers continue expansion in advanced processes. FPD sales are expected to remain strong benefiting from increasing penetration of high-resolution and large-size products in TV and mobile device markets. Our IC products enjoy a high market share in 4K2K products due to higher performance compared to other competitors' same-spec products. Green energy sales are expected to keep in an upward trend despite the current development of US CVD and AD measures, since solar customers will adjust sales route according and other major markets such as China and Japan keep aggressive expansion to meet their targeted yearly installation numbers.

Operating Result (M)	2011	2012	2013	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14
Total Rev	31,225	31,545	34,398	7,734	8,279	7,709	7,822	7,625	8,738	9,127	8,908	8,871	10,130
Gross Profit	2,822	2,848	3,086	684	755	780	629	671	774	851	790	793	878
Operating Result	940	844	1,019	242	225	241	135	206	271	289	253	286	311
After Tax Profit	952	988	1,159	248	219	295	226	287	260	313	293	289	291
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	231.4
EPS (NTD)	4.12	4.27	5.01	1.07	0.95	1.28	0.97	1.24	1.12	1.35	1.30	1.25	1.26
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%	8.9%	8.7%
OP Margin	3.0%	2.7%	3.0%	3.1%	2.7%	3.1%	1.7%	2.7%	3.1%	3.2%	2.8%	3.2%	3.1%
AT Profit Margin	3.0%	3.1%	3.4%	3.2%	2.6%	3.8%	2.9%	3.8%	3.0%	3.4%	3.3%	3.3%	2.9%
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%	16.3%	15.9%
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%	18.1%	13.4%
OP YoY/QoQ	-35.9%	-11.2%	20.8%	-42.0%	-34.2%	53.7%	269.9%	-14.9%	20.3%	19.9%	86.6%	39.0%	14.8%
AT Profit YoY/QoQ	-31.3%	3.0%	17.4%	-33.8%	-34.0%	29.2%	783.5%	15.5%	18.9%	6.2%	29.6%	1.0%	11.9%

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.