



**Company Basic Information**

|                            |           |
|----------------------------|-----------|
| Closing Price (11/17/2014) | NT\$52.1  |
| 1 Yr High                  | NT\$62.0  |
| 1 Yr Low                   | NT\$44.8  |
| Book Value/share           | NT\$39.5  |
| Shares on Issue (M)        | 231.4     |
| Market Cap (USD M)         | 396       |
| QFII Holding (%)           | 23.54     |
| 6-Mon Avg Daily Turn       | NT\$20.9M |

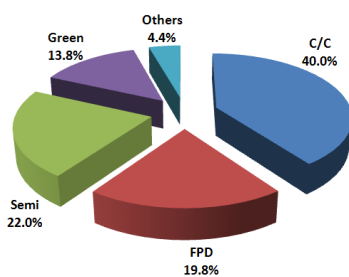
**Key Financial Indicators**

|                         | 2012  | 2013  | 2014Q3 |
|-------------------------|-------|-------|--------|
| ROE                     | 12.5% | 13.5% | 13.5%  |
| Net Debt/<br>Equity     | 20.7% | 17.4% | 38.5%  |
| Cash Conversion<br>Days | 76.9  | 69.8  | 70.8   |

**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 2014 Q3 Consolidated Results Announcement**

**Wah Lee's 2014 Q3 accumulated sales reached NT\$29.8 billion, a 17% YoY growth from 2013 Q3.**

- **Semiconductor 50% YoY growth:** Semiconductor accumulated sales reached NT\$6.5B, about 50% YoY growth in 2014 Q3, due to major customers' ramp-up in advanced processes. Semiconductor sales are expected to resume growth in the following quarters from customers' continued advance-process expansion.
- **Green Energy 25% YoY growth:** Due to powerful momentum from major solar markets, green energy accumulated sales increased 25% YoY to NT\$4.1B. Solar sales are expected to keep booming in 2014 Q4 driven by stable demand from China and U.S. markets.
- **Computer & Communication 11% YoY growth:** Benefiting from strong PC and mobile device sales in 2014 Q3, C&C accumulated sales, including Engineering Plastics and PCB, reached NT\$11.9B, a 11% YoY increase. C&C sales are expected to remain robust in 2014 Q4 since customers would increase production in preparation for Christmas and Chinese New Year holidays.
- **FPD 1% YoY growth:** FPD accumulated sales totaled NT\$5.9B in 2014 Q3, a minor increase from the same period last year. FPD sales are expected to grow in 2014 Q4 driven by increasing penetration in TV and mobile device markets.

**2014 Q3 EPS reached NT\$4.01, a 8% increase, compared to NT\$3.71 in the same period last year.**

Cumulative consolidated 2014 Q3 gross profit reached NT\$2,645M, a 15% increase, compared to NT\$2,296M in 2013 Q3. Due to effective opex management, YTD operating income increased 20% YoY, to NT\$916M.

Long term investment showed a 12% YoY decline with contribution reaching NT\$237M. Due to depreciation of RMB against USD, foreign exchange showed a loss of NT\$12M compared to a NT\$90M gain in 2013 Q3. As a result, YTD to Q3's overall non-operating profit decreased by 17% to reach NT\$373M with pretax profit totaling NT\$1,290M. Net profit after tax and minority interests was NT\$927M, a YoY increase of 8%, and EPS reached NT\$4.01, based on 231.4 M outstanding shares.

**Cash dividend of NT\$3.0 per share was dispatched on Jul. 3:**

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



## 2014 Q4 Outlook

Due to solid demand from seasonal growth, Q4 sales are expected to increase compared to the same period last year: C&C sales are expected to grow due to mobile device and consumer electronics for upcoming Christmas and Chinese New Year holidays. Semiconductor sales are expected to keep in an upward trend since major foundry customers continue expansion in advanced processes. Green energy sales are expected remain booming because of stably increasing demand from China and U.S. markets and high efficiency products. FPD sales are expected to develop higher penetration of high-resolution and large-size products in TV and mobile device markets.

| Operating Result (M) | 2011   | 2012   | 2013   | 1Q12   | 2Q12   | 3Q12   | 4Q12   | 1Q13   | 2Q13   | 3Q13   | 4Q13   | 1Q14   | 2Q14   | 3Q14   |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 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 | 10,777 |
| Gross Profit         | 2,822  | 2,848  | 3,086  | 684    | 755    | 780    | 629    | 671    | 774    | 851    | 790    | 793    | 878    | 975    |
| Operating Result     | 940    | 844    | 1,019  | 242    | 225    | 241    | 135    | 206    | 271    | 289    | 253    | 286    | 311    | 319    |
| After Tax Profit     | 952    | 988    | 1,159  | 248    | 219    | 295    | 226    | 287    | 260    | 313    | 293    | 289    | 291    | 347    |
| Shares Outstanding   | 231.4  | 231.40 | 231.40 | 231.40 | 231.40 | 231.40 | 231.40 | 231.40 | 231.40 | 231.40 | 231.40 | 231.40 | 231.40 | 231.40 |
| 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   | 1.50   |
| 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%   | 9.0%   |
| 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%   | 3.0%   |
| 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%   | 3.2%   |
| 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%  | 18.1%  |
| 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%  | 14.6%  |
| 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%  | 10.4%  |
| 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%  | 10.9%  |

### 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.