



**Company Basic Information**

|                           |           |
|---------------------------|-----------|
| Closing Price (3/31/2015) | NT\$54.8  |
| 1 Yr High                 | NT\$62.0  |
| 1 Yr Low                  | NT\$51.0  |
| Book Value/share          | NT\$41.9  |
| Shares on Issue (M)       | 231.4     |
| Market Cap (USD M)        | 405       |
| QFII Holding (%)          | 22.52     |
| 6-Mon Avg Daily Turn      | NT\$11.7M |

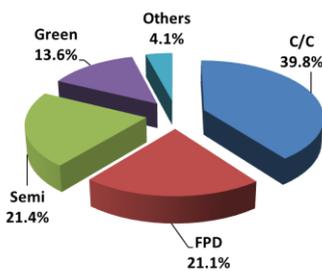
**Key Financial Indicators**

|                         | 2012  | 2013  | 2014  |
|-------------------------|-------|-------|-------|
| ROE                     | 12.5% | 13.5% | 13.5% |
| Net Debt/<br>Equity     | 20.7% | 17.4% | 35.3% |
| Cash Conversion<br>Days | 76.9  | 69.8  | 71.7  |

**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 Consolidated Results Announcement**

**Wah Lee's 2014 sales reached NT\$39.9 billion, a 16% YoY growth from 2013.**

- **Semiconductor 48% YoY growth:** Semiconductor sales reached NT\$8.9B, about 48% YoY growth in 2014, 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.
- **Green Energy 23% YoY growth:** Due to robust momentum from major solar markets, such as Japan, China, and U.S., green energy sales increased 23% YoY to NT\$5.5B. Green sales are expected to expand in 2015 resulted from strong demand for high efficiency products and stably increasing markets of China, U.S.
- **Computer & Communication 10% YoY growth:** Due to strong PC and mobile device sales in 2014, C&C sales, including Engineering Plastics and PCB, reached NT\$16.0 B, a 10% YoY increase. C&C sales are expected to increase in 2015 from mobile devices and new application in auto, medical industries.
- **FPD sales remained flat:** FPD sales totaled NT\$7.6 B in 2014. FPD sales are expected to grow in 2015 driven by capacity expansion and increase production in large size full HD 4K2K products in China customers, and higher existing product penetration.

**2014 EPS reached NT\$5.50, a 9.8 % increase, compared to NT\$5.01 in 2013.**

Consolidated 2014 gross profit reached NT\$3,574M, a 15% increase, compared to NT\$3,104 M in 2013. Due to effective opex management, operating income increased 24% YoY, to NT\$1,264M.

Long term investment showed a 9% YoY increase with contribution reaching NT\$332M. Due to depreciation of NTD and RMB against USD, foreign exchange showed a loss of NT\$10M compared to a NT\$137M gain in 2013. As a result, overall non-operating profit decreased by 20% to reach NT\$499M with pretax profit totaling NT\$1,763M. Net profit after tax and minority interests was NT\$1,274M, a YoY increase of 10%, and EPS reached NT\$5.50, based on 231.4 M outstanding shares.

**Wah Lee's Board has will propose a cash dividend of 3.3 per share to AGM on Jun. 22, 2015.**

Out of the FY2014 EPS of NT\$5.50, Wah Lee's board of Directors has decided to submit for approval in the AGM to be held on June 22 the proposal to distribute NT\$3.3 per share of cash dividend to shareholders. Cash dividend payout ratio has been steadily maintained above 55% from 2010. The cash yield of the dividend based on recent share price is nearly 6%.



## 2015 Q1 Outlook

Q1 is traditionally considered a lower season because of fewer working days. Due to strong customer needs in several sectors described below, 2015Q1 sales are expected to grow slightly compared to the same quarter of 2014: Semiconductor's sales are expected to stay in an upward trend benefiting from the customer's mass production of advanced processes and a market share gain from various chemicals. C&C's 2015Q1 sales are expected to increase from mobile devices and new application in auto, medical industries. Green Energy's 2015Q1 sales are expected to be higher than the previous quarter, since solar customers face robust demands in high efficiency products and major markets like China and U.S. FPD's 2015Q1 sales are expected to decrease than 2014Q4 due to low season for consumer electronics. After inventory consumption, FPD customers would increase production in preparation for Chinese Labor Day Holiday.

| Operating Result (M)        | 2012   | 2013   | 2014   | 1Q12   | 2Q12   | 3Q12   | 4Q12   | 1Q13   | 2Q13   | 3Q13   | 4Q13   | 1Q14   | 2Q14   | 3Q14   | 4Q14   |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Rev                   | 31,545 | 34,398 | 39,901 | 7,734  | 8,279  | 7,709  | 7,822  | 7,625  | 8,738  | 9,127  | 8,908  | 8,871  | 10,130 | 10,777 | 10,123 |
| Gross Profit                | 2,848  | 3,086  | 3,574  | 684    | 755    | 780    | 629    | 671    | 774    | 851    | 790    | 793    | 878    | 975    | 929    |
| Operating Result            | 844    | 1,019  | 1,264  | 242    | 225    | 241    | 135    | 206    | 271    | 289    | 253    | 286    | 311    | 319    | 348    |
| After Tax Profit            | 988    | 1,159  | 1,274  | 248    | 219    | 295    | 226    | 287    | 260    | 313    | 293    | 289    | 291    | 347    | 347    |
| Shares Outstanding          | 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 | 231.40 | 231.40 |
| EPS (NTD)                   | 4.27   | 5.01   | 5.50   | 1.07   | 0.95   | 1.28   | 0.97   | 1.24   | 1.12   | 1.35   | 1.30   | 1.25   | 1.26   | 1.50   | 1.49   |
| <b>Operating Result (%)</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| 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%   | 9.2%   |
| OP Margin                   | 2.7%   | 3.0%   | 3.2%   | 3.1%   | 2.7%   | 3.1%   | 1.7%   | 2.7%   | 3.1%   | 3.2%   | 2.8%   | 3.2%   | 3.1%   | 3.0%   | 3.4%   |
| AT Profit Margin            | 3.1%   | 3.4%   | 3.2%   | 3.2%   | 2.6%   | 3.8%   | 2.9%   | 3.8%   | 3.0%   | 3.4%   | 3.3%   | 3.3%   | 2.9%   | 3.2%   | 3.4%   |
| <b>Growth % YoY/QoQ</b>     |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Sales YoY/QoQ               | 1.0%   | 9.0%   | 16.0%  | -9.9%  | 0.8%   | 4.0%   | 11.6%  | -1.4%  | 5.5%   | 18.4%  | 13.9%  | 16.3%  | 15.9%  | 18.1%  | 13.6%  |
| GP YoY/QoQ                  | 1.3%   | 8.4%   | 15.8%  | -25.5% | -9.4%  | 20.6%  | 50.8%  | -1.9%  | 2.5%   | 9.1%   | 25.6%  | 18.1%  | 13.4%  | 14.6%  | 17.5%  |
| OP YoY/QoQ                  | -11.2% | 20.8%  | 24.1%  | -42.0% | -34.2% | 53.7%  | 269.9% | -14.9% | 20.3%  | 19.9%  | 86.6%  | 39.0%  | 14.8%  | 10.4%  | 37.6%  |
| AT Profit YoY/QoQ           | 3.0%   | 17.4%  | 9.9%   | -33.8% | -34.0% | 29.2%  | 783.5% | 15.5%  | 18.9%  | 6.2%   | 29.6%  | 1.0%   | 11.9%  | 10.9%  | 18.3%  |

### 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.