



### Company Basic Information

Closing Price (8/11/2016)	NT\$48.6
52 WK High	NT\$50.5
52 WK Low	NT\$38.0
Book Value/share	NT\$45.5
Shares on Issue (M)	231.4
Market Cap (USD M)	361
QFII Holding (%)	22.0
Monthly Avg Daily Turn	NT\$11.6M

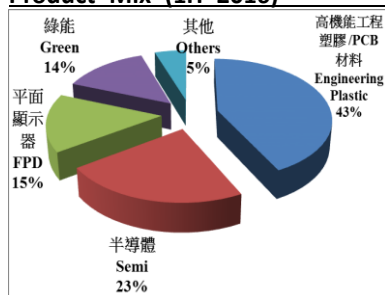
### Key Financial Indicators

	2014	2015	1H16
ROE	13.5%	11.6%	10.9%
Net Debt/ Equity	35.4%	35.9%	32.4%
Cash Conversion Days	71.6	79.9	83.3

### 3010 WL Price Chart (1 yr)



### Product Mix (1H 2016)



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

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### Reviewed 2Q 2016 Consolidated Results Announcement

Wah Lee's 2Q 2016 cumulative sales reached NT\$19.04 billion, a 3.26% YoY increase from the same period of 2015.

- Computer & Communication 9.5% YoY increase:** C/C cumulative sales, including Engineering Plastics and PCB, reached NT\$8.12B and was already half of whole-year sales last year for C/C. High-end engineering plastics have more diversified applications, including new USB Type C connectors and DDR4 memory sockets, as well as emerging demands from food packaging and medical consumables.
- Semiconductor 5% YoY increase:** Wah Lee's electronic-grade fine chemicals were catered to Semi customers' high-end manufacturing processes. Semi cumulative sales reached NT\$4.3B and grew along with customers' more production from the advanced processes. With the expected tail-heavy sales of the industry, advanced Semiconductor material sales is expected to contribute more in the 2<sup>nd</sup> half.
- FPD 0.5% YoY increase:** FPD cumulative sales reached NT\$2.9B for 1H16. The industry was recovering from the slowdown in the growth of supply, reheated demand, and gradually rising unit price. The FPD industry view was optimistic and hopefully can grow quarter by quarter.
- Green Energy 13% YoY decline:** Green Energy cumulative sales reached NT\$2.7B. Solar, LED, and rechargeable battery related raw materials remain as the main contributors to the Green Energy sales in 1H16. The decline in sales resulted from fierce price competition and ASP pressures in the Solar Industry. However, our silver/aluminum paste still generated substantial sales contribution to the Solar sector and continues to have a strong market position.

### 1H2016 EPS reached NT\$2.32 and posted a 2.2% YoY growth

Consolidated 1H2016 gross profit reached NT\$1,807M, a 6.3% increase, compared to NT\$1,699M in 1H2015. 1H16 gross margin was better at 9.5% than 9.2% in 1H15, due to better product mix. Due to effective OPEX management, operating income increased 14.2% YoY, to NT\$673M. Overall non-operating profit declined by 28% and reached NT\$136M mainly due to a major capital gain recognized from an equity-method investment company in 1H2015. As a result, pretax profit totaled NT\$808M, a 3.9% increase YoY. Net profit after tax was NT\$536M, a YoY increase of 2%, as a result of higher effective tax rate this year due to lower non-op income. EPS reached NT\$2.32 based on 231.4 M outstanding shares.



## 2016 Outlook

As we mentioned in the previous management report, we were optimistic to achieve a significant QoQ growth for 2Q 2016 and we did attain 14% QoQ sales growth in 2Q16. And based on our past experience and according to our estimation, our sales for 1st half and 2nd half of the whole year will be about 45% versus 55%. We are cautiously optimistic about the short term sales performance and are pretty confident about our long-term growth.

Operating Result (M)	2014	2015	1H2016	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Total Rev	39,901	40,044	19,038	8,871	10,130	10,777	10,123	9,102	9,410	10,671	10,861	8,903	10,136
Gross Profit	3,574	3,661	1,807	793	878	975	929	847	853	954	1,007	880	927
Operating Result	1,264	1,342	673	287	311	320	346	308	281	345	408	309	364
After Tax Profit	1,274	1,130	536	291	291	348	344	268	258	286	317	337	199
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
EPS (NTD)	5.50	4.88	2.32	1.25	1.26	1.50	1.49	1.16	1.11	1.24	1.37	1.46	0.86
Operating Result (%)													
GP Margin	9.0%	9.1%	9.5%	8.9%	8.7%	9.0%	9.2%	9.3%	9.1%	8.9%	9.3%	9.9%	9.1%
OP Margin	3.2%	3.4%	3.5%	3.2%	3.1%	3.0%	3.4%	3.4%	3.0%	3.2%	3.8%	3.5%	3.6%
AT Profit Margin	3.2%	2.8%	2.8%	3.3%	2.9%	3.2%	3.4%	2.9%	2.7%	2.7%	2.9%	3.8%	2.0%
Growth % YoY													
Sales YoY	16.0%	0.4%	2.8%	16.3%	15.9%	18.1%	13.6%	2.6%	-7.1%	-1.0%	7.3%	-2.2%	7.7%
GP YoY	15.8%	2.4%	6.3%	18.1%	13.4%	14.6%	17.5%	6.9%	-2.8%	-2.2%	8.4%	3.9%	8.7%
OP YoY	24.1%	6.2%	14.2%	39.4%	14.8%	10.7%	36.8%	7.3%	-9.7%	7.8%	18.0%	0.3%	29.5%
AT Profit YoY	9.9%	-11.3%	2.0%	1.4%	11.9%	11.2%	17.6%	-7.6%	-11.3%	-17.8%	-8.0%	25.6%	-22.9%

### 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.