



Company Basic Information

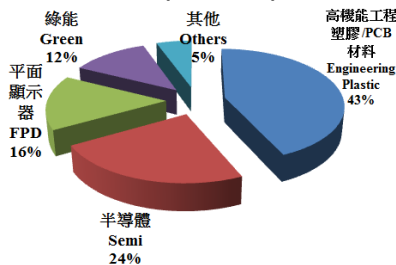
Closing Price (29/11/2016)	NT\$44.5
52 WK High	NT\$50.5
52 WK Low	NT\$41.5
Book Value/share	NT\$42.5
Shares on Issue (M)	231.4
Market Cap (USD M)	325
QFII Holding (%)	22.2
Key Financial Indicators	NT\$5.8M

	2014	2015	3Q16
ROE	13.5%	11.6%	10.9%
Net Debt/ Equity	35.4%	35.9%	35.1%
Cash Conversion Days	71.6	79.9	79.9

3Q10 WL Price Chart (1 yr)



Product Mix (3Q 2016)



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

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Reviewed 3Q 2016 Consolidated Results Announcement

Wah Lee's 3Q 2016 cumulative sales reached NT\$29.19 billion, a 0.29% YoY increase from the same period of 2015.

- Computer & Communication 7.5% YoY increase:** C/C cumulative sales, including Engineering Plastics and PCB, reached NT\$12.65B and posted steady growth from last year. High-end engineering plastics have more diversified applications, including USB Type C connectors, DDR4 memory sockets, and Nano Injection for metal casing of smartphones, as well as emerging demands from food packaging and medical consumables.
- Semiconductor 8.4% YoY increase:** Wah Lee's electronic-grade fine chemicals were catered to Semi customers' high-end manufacturing processes. Semi cumulative sales reached NT\$6.86B and grew along with customers' more production from the advanced processes.
- FPD 2.4% YoY decrease:** FPD cumulative sales reached NT\$4.53B for 1~3Q16. After the recovery in the 1st half of 2016, the FPD industry has slowed down its pull of inventory in the 3rd quarter, awaiting for another peak of demands to be expected for the holiday seasons near the year-end.
- Green Energy 29.2% 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. 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.

Cumulative 3Q2016 EPS reached NT\$3.46

Cumulative 3Q2016 gross profit reached NT\$2,792M, a 5.2% increase, compared to NT\$2,654M for cumulative 3Q15. 3Q16 gross margin was better at 9.56% than 9.12% in 3Q15, due to better product mix. As a result of effective OPEX management, operating income increased 11.8% YoY, to NT\$1,044M. Overall non-operating profit declined by 35% and reached NT\$171M mainly due to a major capital gain recognized from an equity-method investment company in 2015. As a result, pretax profit totaled NT\$1,215M, a 1.6% increase YoY. Net profit after tax was NT\$801M, a YoY decrease of 1.3%, as a result of higher effective tax rate this year due to lower non-op income. EPS reached NT\$3.46 based on 231.4 M outstanding shares.



2016 Outlook

Based on our renewed estimation, we shall have a slightly better 2nd half performance in terms of consolidated sales than the 1st half. We are cautiously optimistic about the short term sales performance in the coming quarter and are pretty confident about our long-term growth on the basis of our pretty diversified product portfolio and new business endeavors.

Operating Result (M)	2014	2015	3Q2016	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
Total Rev	39,901	40,044	29,191	8,871	10,130	10,777	10,123	9,102	9,410	10,671	10,861	8,903	10,136	10,153
Gross Profit	3,574	3,661	2,792	793	878	975	929	847	853	954	1,007	880	927	985
Operating Result	1,264	1,342	1,044	287	311	320	346	308	281	345	408	309	364	371
After Tax Profit	1,274	1,130	801	291	291	348	344	268	258	286	317	337	199	265
Shares Ourstanding	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)	5.50	4.88	3.46	1.25	1.26	1.50	1.49	1.16	1.11	1.24	1.37	1.46	0.86	1.15
Operating Result (%)														
GP Margin	9.0%	9.1%	9.6%	8.9%	8.7%	9.0%	9.2%	9.3%	9.1%	8.9%	9.3%	9.9%	9.1%	9.7%
OP Margin	3.2%	3.4%	3.6%	3.2%	3.1%	3.0%	3.4%	3.4%	3.0%	3.2%	3.8%	3.5%	3.6%	3.7%
AT Profit Margin	3.2%	2.8%	2.7%	3.3%	2.9%	3.2%	3.4%	2.9%	2.7%	2.7%	2.9%	3.8%	2.0%	2.6%
Growth % YoY														
Sales YoY	16.0%	0.4%	0.3%	16.3%	15.9%	18.1%	13.6%	2.6%	-7.1%	-1.0%	7.3%	-2.2%	7.7%	-4.9%
GP YoY	15.8%	2.4%	5.2%	18.1%	13.4%	14.6%	17.5%	6.9%	-2.8%	-2.2%	8.4%	3.9%	8.7%	3.2%
OP YoY	24.1%	6.2%	11.8%	39.4%	14.8%	10.7%	36.8%	7.3%	-9.7%	7.8%	18.0%	0.3%	29.5%	7.5%
AT Profit YoY	9.9%	-11.3%	-1.3%	1.4%	11.9%	11.2%	17.6%	-7.6%	-11.3%	-17.8%	-8.0%	25.6%	-22.9%	-7.3%

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.