



Company Basic Information

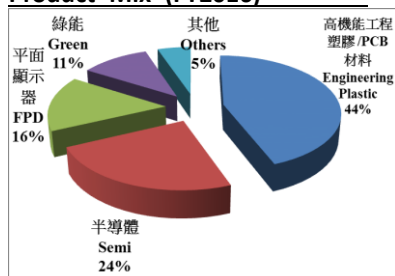
Closing Price (27/03/2017)	NT\$49.8
52 WK High	NT\$50.5
52 WK Low	NT\$42.4
Book Value/share	NT\$42.7
Shares on Issue (M)	231.4
Market Cap (USD M)	380
QFII Holding (%)	23.3
Key Financial Indicators	NT\$9.1M

	2014	2015	2016
ROE	13.5%	11.6%	10.6%
Net Debt/ Equity	35.4%	35.9%	22.3%
Cash Conversion Days	71.6	79.9	75.9

3010 WL Price Chart (1 yr)



Product Mix (FY2016)



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

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Audited FY2016 Consolidated Results Announcement

Wah Lee's FY2016 cumulative sales reached NT\$39.54 billion, a slight 1.25% YoY decline from the same period of 2015.

- **Computer & Communication 7.84% YoY increase:** C/C cumulative sales, including Engineering Plastics and PCB materials, reached NT\$17.49B 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 10.91% YoY increase:** Wah Lee's electronic-grade fine chemicals were mostly catered to Semi customers' high-end manufacturing processes (such as 2x-1x nm nodes). Semi cumulative sales reached NT\$9.47B and grew at a better rate than the industry average because of our product focus on the advanced processes.
- **FPD 9.35% YoY decrease:** FPD cumulative sales reached NT\$6.16B for the year. After the recovery in the 1st half of '16, the FPD industry has slowed down its pull of inventory in the 2nd half. Wah Lee expects its TV board product, together with new products such as finger print IC, to help regain growth momentum in 2017.
- **Green Energy 35.17% YoY decline:** Green Energy cumulative sales reached NT\$4.32B in 2016. Solar industry in general had a tough year in 2016 and caused the overall sector decline. On the other hand, rechargeable battery related raw materials posted double digit growth driven by their demands for electrical vehicles.

FY2016 EPS reached NT\$4.52 and cash dividend of NT\$2.6/share

Cumulative FY2016 gross profit reached NT\$3,754M, a 2.54% increase, compared to NT\$3,661M for FY2015. FY2016 gross margin was better at 9.49% than 9.14% in 2015, due to better product mix. As a result of effective OPEX management, operating income increased 7.27% YoY, to NT\$1,439M. Overall non-operating profit declined by 57.7% and reached NT\$132M mainly due to a major capital gain recognized from Chang Wah in 2015 and a one-time investment write-off loss in Wah Hong in 2016. As a result, pretax profit totaled NT\$1,572M, a 5.01% decrease YoY. Net profit after tax was NT\$1,045M, a YoY decrease of 7.50%, as a result of higher effective tax rate this year due to lower non-op income. EPS reached NT\$4.52 and the Board has decided on a cash dividend of NT\$2.6/share to be paid out later this year.



2017 Outlook

Our engineering plastics and semiconductor raw materials shall provide us with steady growth drivers throughout the year. Flat panel industry, as mentioned earlier, has some existing products as well as new ones to stimulate its growth expected in 2017. Green energy industry's strategy this year is to expand its product portfolio and its distributorship for more products. Therefore, the Green sector also expects to see a growth in the coming year. In a nutshell, Wah Lee has confidence in its strong market franchise and distribution platform and will strive for a return to a growth year again in 2017.

Operating Result (M)	2014	2015	2016	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Total Rev	39,901	40,044	39,542	8,871	10,130	10,777	10,123	9,102	9,410	10,671	10,861	8,903	10,136	10,153	10,351
Gross Profit	3,574	3,661	3,754	793	878	975	929	847	853	954	1,007	880	927	985	962
Operating Result	1,264	1,342	1,439	287	311	320	346	308	281	345	408	309	364	371	395
After Tax Profit	1,274	1,130	1,045	291	291	348	344	268	258	286	317	337	199	265	244
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)	5.50	4.88	4.52	1.25	1.26	1.50	1.49	1.16	1.11	1.24	1.37	1.46	0.86	1.15	1.06
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%	9.7%	9.3%
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%	3.8%
AT Profit Margin	3.2%	2.8%	2.6%	3.3%	2.9%	3.2%	3.4%	2.9%	2.7%	2.7%	2.9%	3.8%	2.0%	2.6%	2.4%
Growth % YoY															
Sales YoY	16.0%	0.4%	-1.3%	16.3%	15.9%	18.1%	13.6%	2.6%	-7.1%	-1.0%	7.3%	-2.2%	7.7%	-4.9%	-4.7%
GP YoY	15.8%	2.4%	2.5%	18.1%	13.4%	14.6%	17.5%	6.9%	-2.8%	-2.2%	8.4%	3.9%	8.7%	3.2%	-4.5%
OP YoY	24.1%	6.2%	7.2%	39.4%	14.8%	10.7%	36.8%	7.3%	-9.7%	7.8%	18.0%	0.3%	29.5%	7.5%	-3.2%
AT Profit YoY	9.9%	-11.3%	-7.5%	1.4%	11.9%	11.2%	17.6%	-7.6%	-11.3%	-17.8%	-8.0%	25.6%	-22.9%	-7.3%	-23.0%

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.