



Company Basic Information

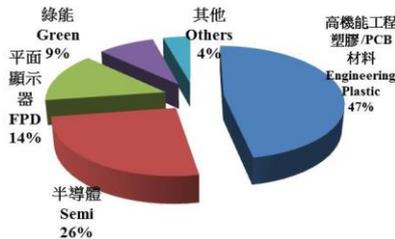
Closing Price (5/15/2017)	NT\$49.7
52 WK High	NT\$50.5
52 WK Low	NT\$42.4
Book Value/share	NT\$44.1
Shares on Issue (M)	231.4
Market Cap (USD M)	380
QFII Holding (%)	23.5
Key Financial Indicators	NT\$6.2M

	2015	2016	1Q17
ROE	11.6%	10.6%	11.1%
Net Debt/ Equity	35.9%	22.3%	20.5%
Cash Conversion Days	79.9	76.0	73.9

3010 WL Price Chart (1 yr)



Product Mix (1Q 2017)



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

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Reviewed 1Q 2017 Consolidated Results Announcement

Wah Lee's 1Q 2017 sales reached NT\$9,188 million, a 3.21% YoY increase from the same period of 2016.

- **Computer & Communication 13.01% YoY increase:** C/C 1Q17 sales, including Engineering Plastics and PCB materials, reached NT\$4,324 million and posted a strong growth from last year. High-end engineering plastics have more diversified applications, including new USB 3.1 Type C connectors and DDR4 memory sockets, as well as lenses for high resolution camera modules for smart phones.
- **Semiconductor 16.44% YoY increase:** Wah Lee's electronic-grade fine chemicals are catered to Semi customers' high-end manufacturing processes. Semi 1Q17 sales reached NT\$2,354M and grew along with customers' more production from the advanced processes. Wah Lee not only begins to supply raw materials for 10nm (N10) process, but also provides samples to the N7 and N5 R&D processes.
- **FPD 3.00% YoY increase:** FPD sales reached NT\$1,306M for 1Q17. The industry was recovering from the slowdown in the growth of supply, reheated demand (especially on large-size LCD TVs), and gradually rising unit price. We are cautiously optimistic about the industry and will strive for expanding our market share and product portfolio.
- **Green Energy 38.69% YoY decline:** Green Energy 1Q17 sales reached NT\$811M. Solar, LED, and rechargeable battery related raw materials remain as the main contributors to the Green Energy sales. The solar industry still being in oversupply situation and the solar module installation seeing its peak in 2016 in China will continue to keep the industry under pressure.

1Q2017 EPS reached NT\$1.26 and cash dividend for 2016 of NT\$2.6/shr

Consolidated 1Q2017 gross profit reached NT\$890M, a 1.1% increase, compared to NT\$880M in 1Q2016. 1Q17 gross margin was about the same level at 9.7% as compared to 9.9% in 1Q16. Due to effective OPEX management, operating income increased 5.5% YoY, to NT\$326M. Overall non-operating profit declined by 42.6% and reached NT\$78M. The decline of non-operating profit was mainly the result of a NT\$53M FX loss arisen from the sharp appreciation of NT\$ against US\$ in Q1 and the company has some long US\$ position. As a result, pretax profit totaled NT\$404M, a 9.2% decline YoY. Net profit after tax was NT\$293M, a YoY decrease of 13.1%, as a result of higher effective tax rate this year due to lower non-op income. 1Q17 EPS reached NT\$1.26 based on 231.4 M outstanding shares. The company's Board had previously decided to propose a cash dividend of NT\$2.6/share from 2016 earnings, to be approved at the AGM on May 26, 2017.



2017 Outlook

Wah Lee is well diversified among different industries and among various customers. Despite some uncertainties in the Green sector, we are still confident to achieve an overall growth in this year as compared to last year as we are seeing significant and stable growth momentum from the C/C and semiconductor industries and some opportunities in the FPD industry. Gross margin should be able to be maintained at above 9.0% level. Our core operating profitability remains healthy. In the meantime, we are also expecting some growing trend in the long-term investment income under the non-op item. In sum, we are optimistic to see another fruitful year in 2017 for the company and for the shareholders as well.

Operating Result (M)	2014	2015	2016	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
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	10,350	9,188
Gross Profit	3,574	3,661	3,754	793	878	975	929	847	853	954	1,007	880	927	985	962	890
Operating Result	1,264	1,342	1,439	287	311	320	346	308	281	345	408	309	364	371	395	326
After Tax Profit	1,274	1,130	1,045	291	291	348	344	268	258	286	318	337	199	265	244	293
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	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	1.45	0.86	1.15	1.06	1.26
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%	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%	3.8%	3.5%
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%	3.2%
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%	3.2%
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%	1.1%
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%	5.5%
AT Profit YoY	9.9%	-11.3%	-7.5%	1.4%	11.9%	11.2%	17.6%	-7.6%	-11.3%	-17.8%	-7.7%	25.6%	-22.9%	-7.3%	-23.3%	-13.1%

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.