



Company Basic Information

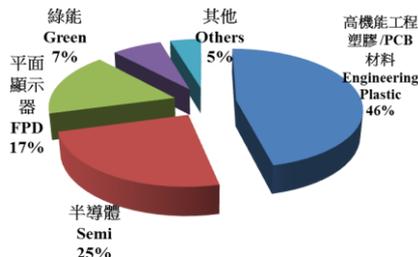
Closing Price (11/14/2017)	NT\$55.5
52 WK High	NT\$55.5
52 WK Low	NT\$43.2
Book Value/share	NT\$44.5
Shares on Issue (M)	231.4
Market Cap (USD M)	400
QFIL Holding (%)	25.4
Key Financial Indicators	NT\$31.9M

	2015	2016	3Q17
ROE	11.6%	10.6%	13.0%
Net Debt/ Equity	35.9%	22.3%	34.4%
Cash Conversion Days	79.9	76.0	73.3

2010 WL Price Chart (1 yr)



Product Mix (3Q 2017)



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

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Reviewed 3Q 2017 Consolidated Results Announcement

Wah Lee's 3Q 2017 cumulative sales reached NT\$31,015 million, a 6.25% YoY increase from the same period of 2016.

- Computer & Communication 13.69% YoY increase:** C/C 3Q17 cumulative sales, including Engineering Plastics and PCB materials, reached NT\$14,380 million. High-end engineering plastics have grown steadily. PCB materials, including Dry Film and CCL, posted double digit growth as a result of the surging demand from the new iPhone 8/X SLP(Substrate-Like PCB) manufacturing process.
- Semiconductor 10.39% YoY growth:** Wah Lee's electronic-grade fine chemicals are designed for Semi customers' advanced manufacturing processes. 3Q17 cumulative sales reached NT\$7,574M and grew in line with customers' more production from the high-end nodes. Wah Lee not only started to supply raw materials for 10nm (N10) process, but also provided samples to the N7 and N5 R&D processes for spec in.
- FPD 18.02% YoY increase:** FPD sales reached NT\$5,340M for cumulative 3Q17. The industry benefited from the overall balance of supply-demand situation, growing demands in niche products (e.g. large-size, 4K LCD TVs), and more raw material needs from Chinese manufacturers. We are expanding our product portfolio and geographic coverage in order to catch the growing momentum.
- Green Energy, solar industry slowdown:** Green Energy cumulative 3Q17 sales reached NT\$2,293M and posted a YoY decline. Silver paste in solar industry was the main factor for the slowdown in Green Energy, due to strong competition from local Chinese producers. However, our supplier has set up their Chinese plant to lower their cost base and meet the competition.

Cumulative 3Q2017 EPS reached NT\$4.23, 22.3% growth from last year

Cumulative 3Q2017 gross profit reached NT\$2,897M, a 3.8% increase, compared to NT\$2,792M for 1~3Q2016. YTD 3Q17 gross margin was 9.34% as compared to 9.56% for the same period in 2016. Due to the efficient scale economies in operating expense, operating income increased at a better rate of 5.6% YoY, to NT\$1,103M. Overall non-operating profit increased by 83.3% and reached NT\$313M. The rise in non-operating profit was the result of the increase in profitability of equity-method investment companies. As a result, pretax profit totaled NT\$1,416M, a 16.5% growth YoY. Net profit after tax was NT\$980M, a YoY increase of 22.3%. Cumulative 3Q17 EPS reached NT\$4.23 based on 231.4 M outstanding shares. The cash dividend of NT\$2.6/share has been remitted to shareholders on September 22nd.



2017 Outlook

Wah Lee is well diversified among different industries and various customers and is constantly catching up in line with the latest development in product applications and technology trends. For example, high-end engineering plastics are seeing growing demands from optical lenses used in the higher pixel digital camera modules on smartphones and more camera modules used on automobiles with autopilot and ADAS(Advanced Driver Assistance System) functions. OLED related equipment and raw material sales have almost tripled as more and more smartphone companies such as Samsung and Apple are adopting OLED display in their flagship models. With the continuous efforts to keep expanding our business scopes, we are optimistic to see another fruitful year in 2017 for the company.

Operating Result (M)	2015	2016	3Q2017	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Total Rev	40,044	39,542	31,015	9,102	9,410	10,671	10,861	8,903	10,136	10,153	10,350	9,188	10,115	11,711
Gross Profit	3,661	3,754	2,897	847	853	954	1,007	880	927	985	962	890	932	1,075
Operating Profit	1,342	1,439	1,103	308	281	345	408	309	364	371	395	326	344	433
After Tax Profit	1,130	1,045	980	268	258	286	318	337	199	265	244	293	271	417
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
EPS (NTD)	4.88	4.52	4.23	1.16	1.11	1.24	1.37	1.45	0.86	1.15	1.06	1.26	1.17	1.80
Operating Result (%)														
GP Margin	9.1%	9.5%	9.3%	9.3%	9.1%	8.9%	9.3%	9.9%	9.1%	9.7%	9.3%	9.7%	9.2%	9.2%
OP Margin	3.4%	3.6%	3.6%	3.4%	3.0%	3.2%	3.8%	3.5%	3.6%	3.7%	3.8%	3.5%	3.4%	3.7%
AT Profit Margin	2.8%	2.6%	3.2%	2.9%	2.7%	2.7%	2.9%	3.8%	2.0%	2.6%	2.4%	3.2%	2.7%	3.6%
Growth % YoY														
Sales YoY	0.4%	-1.3%	6.2%	2.6%	-7.1%	-1.0%	7.3%	-2.2%	7.7%	-4.9%	-4.7%	3.2%	-0.2%	15.4%
GP YoY	2.4%	2.5%	3.8%	6.9%	-2.8%	-2.2%	8.4%	3.9%	8.7%	3.2%	-4.5%	1.1%	0.5%	9.1%
OP YoY	6.2%	7.2%	5.6%	7.3%	-9.7%	7.8%	18.0%	0.3%	29.5%	7.5%	-3.2%	5.5%	-5.5%	16.5%
AT Profit YoY	-11.3%	-7.5%	22.3%	-7.6%	-11.3%	-17.8%	-7.7%	25.6%	-22.9%	-7.3%	-23.3%	-13.1%	36.2%	56.9%

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.