



### Company Basic Information

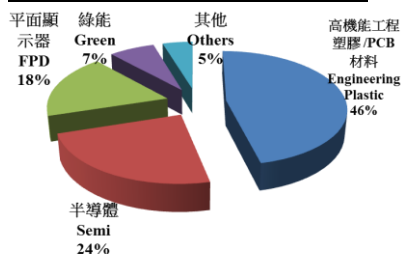
Closing Price (10/04/2018)	NT\$58.0
52 WK High	NT\$60.3
52 WK Low	NT\$47.5
Book Value/share	NT\$46.6
Shares on Issue (M)	231.4
Market Cap (USD M)	458
QFII Holding (%)	29.3
Key Financial Indicators	NT\$17.4M

	2015	2016	2017
ROE	11.6%	10.6%	13.6%
Net Debt/ Equity	35.9%	22.3%	30.9%
Cash Conversion Days	79.9	75.9	75.0

### 3010 WL Price Chart (1 yr)



### Product Mix (FY2017)



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

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### Audited FY2017 Consolidated Results Announcement

Wah Lee's FY2017 cumulative sales reached NT\$42.92 billion, an increase of 8.5% YoY from the same period of 2016.

- Computer & Communication 14.01% YoY increase:** C/C cumulative sales, including Engineering Plastics and PCB materials, reached NT\$19.93B and posted a robust growth from last year. High-end engineering plastics have more advanced and diversified applications, including USB Type C connectors, DDR4/5 memory sockets, and optical lenses for smartphones and camera modules in the ADAS (Advanced Driver Assistance Systems) for the auto industry.
- Semiconductor 7.14% YoY increase:** Wah Lee's electronic-grade fine chemicals were mostly used in semiconductor customers' high-end manufacturing processes (such as 2x-1x nm nodes). Semi cumulative sales reached NT\$10.15B and grew at a better rate than the industry average because of our product focus on the advanced processes.
- FPD 26.16% YoY increase:** FPD cumulative sales reached NT\$7.78B for the year and made a significant progress. 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 also expanding our product portfolio and geographic coverage into US and EU markets.
- Green Energy, solar industry slowdown:** Green Energy cumulative sales reached NT\$3.05B in 2017 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. Our supplier has set up their Chinese plant to lower their cost base and will meet the competition.

### FY2017 EPS reached NT\$6.09 and cash dividend of NT\$3.3/share

Cumulative FY2017 gross profit reached NT\$3,917M, a 4.3% increase, compared to NT\$3,754M for FY2016. 2017 gross margin was 9.13% due to product mix changes. As a result of effective OPEX management, operating income increased to NT\$1,460M for 2017. Overall non-operating profit surged by 286% and reached NT\$510M due to better equity-method investment company profits and a disposal gain from a Japanese solar plant subsidiary. As a result, pretax profit totaled NT\$1,970M, a 25.4% increase YoY. Net profit after tax was NT\$1,410M, a YoY increase of 34.8%. EPS reached NT\$6.09 and the Board has decided on a cash dividend of NT\$3.3/share to be paid out later this year.



## 2018 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/dual or trio digital camera modules on smartphones and more camera modules used on automobiles with autopilot and ADAS functions. Semi sector expects constant growth momentum as foundry and DRAM customers are ramping up their advanced manufacturing processes. FPD is aggressively expanding its product portfolio and geographic coverage to meet customer demands in mainland China and US and EU markets. Green sector will have a more balanced outlook for 2018 as LED and related materials will help drive up the sector and solar will recover from a low base. With the continuous efforts to keep expanding our business scopes, we are optimistic to see another successful year in 2018.

Operating Result (M)	2015	2016	2017	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Total Rev	40,044	39,542	42,916	9,102	9,410	10,671	10,861	8,903	10,136	10,153	10,350	9,188	10,115	11,711	11,901
Gross Profit	3,661	3,754	3,917	847	853	954	1,007	880	927	985	962	890	932	1,075	1,020
Operating Profit	1,342	1,439	1,460	308	281	345	408	309	364	371	395	326	344	433	357
After Tax Profit	1,130	1,045	1,410	268	258	286	318	337	199	265	244	293	271	417	430
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)	4.88	4.52	6.09	1.16	1.11	1.24	1.37	1.45	0.86	1.15	1.06	1.26	1.17	1.80	1.86
Operating Result (%)															
GP Margin	9.1%	9.5%	9.1%	9.3%	9.1%	8.9%	9.3%	9.9%	9.1%	9.7%	9.3%	9.7%	9.2%	9.2%	8.6%
OP Margin	3.4%	3.6%	3.4%	3.4%	3.0%	3.2%	3.8%	3.5%	3.6%	3.7%	3.8%	3.5%	3.4%	3.7%	3.0%
AT Profit Margin	2.8%	2.6%	3.3%	2.9%	2.7%	2.7%	2.9%	3.8%	2.0%	2.6%	2.4%	3.2%	2.7%	3.6%	3.6%
Growth % YoY															
Sales YoY	0.4%	-1.3%	8.5%	2.6%	-7.1%	-1.0%	7.3%	-2.2%	7.7%	-4.9%	-4.7%	3.2%	-0.2%	15.4%	15.0%
GP YoY	2.4%	2.5%	4.3%	6.9%	-2.8%	-2.2%	8.4%	3.9%	8.7%	3.2%	-4.5%	1.1%	0.5%	9.1%	6.0%
OP YoY	6.2%	7.2%	1.5%	7.3%	-9.7%	7.8%	18.0%	0.3%	29.5%	7.5%	-3.2%	5.5%	-5.5%	16.5%	-9.6%
AT Profit YoY	-11.3%	-7.5%	34.9%	-7.6%	-11.3%	-17.8%	-7.7%	25.6%	-22.9%	-7.3%	-23.3%	-13.1%	36.2%	56.9%	76.2%

### 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.