



Company Basic Information

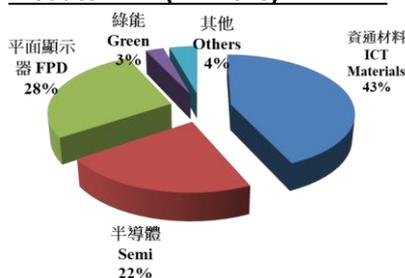
Closing Price (8/17/2020)	NT\$62.0
52 WK High	NT\$62.9
52 WK Low	NT\$41.6
Book Value/share	NT\$48.8
Shares on Issue (M)	231.4
Market Cap (USD M)	488
QFII Holding (%)	18.5
Key Financial Indicators	NT\$10M

	2018	2019	1H20
ROE	12.3%	12.1%	12.8%
Debt/Asset	61.0%	61.4%	63.0%
Cash Conversion Days	81.4	89.4	88.4

3010 WL Price Chart (1 yr)



Product Mix (1H 2020)



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

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Reviewed 1H 2020 Consolidated Results Announcement

Wah Lee's 1H 2020 sales reached NT\$27,189 million, a 4.14% YoY increase from the same period of 2019.

- Information Communication Technology 11.42% YoY increase:** ICT materials 1H20 sales, including Engineering Plastics and PCB materials, reached NT\$11,777 million and increased from last year. COVID-19 prompted the demands for engineering plastics for NB, servers, communication devices arisen from remote working and online education. PCB materials for 5G applications stimulated the PCB sales strongly.
- Semiconductor 19.27% YoY increase:** Semi sales for 1H20 was NT\$6,037 million. Wah Lee's largest semiconductor customer in Taiwan was a leadering among the worldwide competitors in terms of high end nodes production. Advanced electronic grade chemicals were in great demands and were reflected in the strong sales growth of about 20%. Chinese semi customers were also trying who were trying very hard to catch up to the advanced technology and drove the sales in that region resulting in a at double digit growth.
- FPD 6.89% YoY decline:** FPD sales reached NT\$7,470M for 1H20 and posted a slowdown in YoY sales. Next generation electronic products (including TV mainboards and very large screen LCD TV with touch panel module for educational/commercial purposes) had been affected by the US/EU adverse economic situations and the slowdown in China's manufacturing activities.
- Green Energy 38.95% YoY decline:** Green Energy 1H20 sales reached NT\$752M. The drop in sales was mainly attributable to the silver paste for solar modules that was losing market share due to fierce competitions in China. Wah Lee will put more emphasis on Taiwan government's goal to achieve 20 gigawatts from solar power before 2025 and attain related business opportunities.

1H2020 EPS was NT\$3.39, a growth of 19.0% from 1H2019

2Q20 consolidated sales of NT\$14,836M set a record high quarterly sales. Consolidated 1H2020 gross profit was NT\$2,200M, a 10.0% increase, compared to NT\$1,999M in 1H2019. 1H20 gross margin was 8.09%, as compared to 7.66% in 1H19, due to better product mix trend in higher ICT/Semi sales. Operating expense ratio was lowered to 4.52% (4.78% a year ago) and operating profit was NT\$971M, a growth of 29.0% from last year. Overall non-operating profit was NT\$145M, with steady profit contributions from long-term investment companies. Pretax profit totaled NT\$1,116M. After tax profit for 1H20 was NT\$784M, as compared to NT\$659 in 1H19 and posted a 19.0% growth. EPS for 1H20 was NT\$3.39 per share. Cash dividend of NT\$3.3/share from 2019 earnings was paid on July 29, 2020.



2020 Outlook

Despite the intense situation caused by the COVID-19 pandemic, Wah Lee is well diversified among different industries and various customers and is constantly staying ahead of the latest development in product applications and technology trends, and thus was so far less impacted by the severe ~~pull downs on economies~~ economic slow-down. Wah Lee's high-end engineering plastics ~~was~~ actually benefitted from the drastic increase in demands for NB PCs, high end servers, and communication devices due to the work-from-home and on-line education situations. PCB sector is leading in the provision of materials for 5G network, which is being enthusiastically promoted by the governments to increase the stimulus on economies by ~~the expansions on~~ infrastructure expansions. Semiconductor industry had a strong-very high growth in 1H20 from the ~~strong-robust~~ underlying demands for all sorts of logic and memory chips due to the trends in remote working, on-line education, and 5G smartphones and base stations. We expect the strong demands for semi will continue throughout ~~the year in~~ 2020. FPD sales remained about flat in 1H20 because of the pandemic hitting US and EU. Hopefully after the peaks of this ~~epidemic~~ pandemic, the fundamental demands will be restored. Green Energy sector will have a strong growth potential for it is integrating the supply chain from upstream materials to downstream solar modules and building solar power plants with Taiwanese government's supports. It is also penetrating into the ESS (Energy Storage System) market to provide energy-saving solutions for factories and enterprises. We ~~team~~ ed up with the largest telecom carrier in Taiwan to provide a total solution platform. With the above efforts and our deployment in 5G, biomedical, EVs and ESS, we are cautiously optimistic about the development in the rest of year 2020.

Operating Result (M)	2018	2019	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Total Rev	52,935	54,682	11,640	13,408	14,318	13,568	12,066	14,041	14,559	14,016	12,353	14,836
Gross Profit	4,210	4,185	1,043	1,127	1,037	1,003	918	1,081	1,154	1,032	1,005	1,195
Operating Profit	1,747	1,574	458	495	444	350	323	428	465	357	425	545
After Tax Profit	1,346	1,416	155	436	398	356	315	344	449	308	344	440
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
EPS (NTD)	5.82	6.12	0.67	1.89	1.72	1.54	1.36	1.49	1.94	1.33	1.49	1.90
Operating Result (%)												
GP Margin	8.0%	7.7%	9.0%	8.4%	7.2%	7.4%	7.6%	7.7%	7.9%	7.4%	8.1%	8.1%
OP Margin	3.3%	2.9%	3.9%	3.7%	3.1%	2.6%	2.7%	3.0%	3.2%	2.5%	3.4%	3.7%
AT Profit Margin	2.5%	2.6%	1.3%	3.3%	2.8%	2.6%	2.6%	2.4%	3.1%	2.2%	2.8%	3.0%
Growth % YoY												
Sales YoY	23.3%	3.3%	26.7%	32.6%	22.3%	14.0%	3.7%	4.7%	1.7%	3.3%	2.4%	5.7%
GP YoY	7.5%	-0.6%	17.2%	20.9%	-3.5%	-1.7%	-12.0%	-4.1%	11.3%	2.9%	9.5%	10.5%
OP YoY	19.7%	-9.9%	40.5%	43.9%	2.5%	-2.0%	-29.5%	-13.5%	4.7%	2.0%	31.6%	27.3%
AT Profit YoY	-4.5%	5.2%	-47.1%	60.9%	-4.6%	-17.2%	103.2%	-21.1%	12.8%	-13.5%	9.2%	27.9%

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.