



Company Basic Information

Closing Price (6/4/2021)	NT\$82.7
52 WK High	NT\$86.5
52 WK Low	NT\$47.0
Book Value/share	NT\$55.7
Shares on Issue (M)	231.4
Market Cap (USD M)	666
QFII Holding (%)	15.2

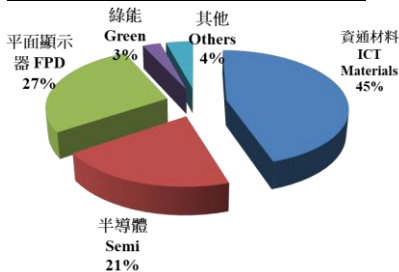
Key Financial Indicators

	2018	2019	2020
ROE	12.3%	12.1%	14.5%
Debt/Asset	61.0%	61.4%	62.0%
Cash Conversion Days	81.4	89.4	86.4

3010 WL Price Chart (1 yr)



Product Mix (FY2020)



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

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Audited Full Year 2020 Consolidated Results Announcement

Wah Lee's FY2020 cumulative sales reached NT\$59,081 million, an 8.04% YoY increase from the same period of 2019.

- **Information Communication Technology 9.88% YoY increase:** ICT materials FY2020 cumulative sales, including Engineering Plastics and PCB materials, reached NT\$26,594 million. In addition to the existing widespread applications in ICT, the high-end thermoset plastics (e.g. phenolic and PA9T) also penetrated into auto parts, EV components, and EV charging poles. PCB materials needed for 5G applications drove the PCB sales strongly.
- **Semiconductor 13.18% YoY increase:** FY2020 Semi sales was NT\$12,130 million. Wah Lee's largest semiconductor foundry customer in Taiwan booked record high 2020 sales and showed 25% growth rate. Wah Lee is the top supplier for a comprehensive portfolio of electronic grade chemicals and gases to them. Additionally, our memory maker customers also contributed to the sales growth momentum.
- **FPD 7.58% YoY growth:** FY2020 FPD sales reached NT\$16,249M and grew by 7.58% from a year ago. Video conference equipment for remote working and large-screen TVs for more time spent in home entertainment due to the pandemic restriction have stimulated the sales for display.
- **Green Energy 21.10% YoY decline:** Green Energy FY2020 sales reached NT\$1,640M. 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 and stable income stream.

FY2020 EPS was NT\$8.03, a growth of 31.3% from 2019

FY2020 consolidated sales of NT\$59,081M set a record high. Consolidated FY2020 gross profit was NT\$4,801M, a 14.7% increase compared to NT\$4,184M in 2019. FY2020 gross margin was 8.13%, as compared to 7.65% for the same period in 2019, due to better product mix trend in higher ICT/Semi sales. Operating expense ratio was lowered to 4.56% (4.77% a year ago) and operating profit was NT\$2,108M, a growth of 33.9% from last year. Overall non-operating profit was NT\$528M, mainly contributed from steady profits recognized from long-term investment companies and minor FX loss due to the company's natural hedge position. Pretax profit totaled NT\$2,636M. FY2020 after tax profit was NT\$1,859M, as compared to NT\$1,416 in 2019 and posted a 31.3% growth. FY2020 EPS was NT\$8.03 per share. Cash dividend of NT\$4/share and stock dividend of NT\$0.2/share was proposed by the Board, to be approved in AGM on May 28th.



2021 Outlook

The vaccination has just started and the global immunity from the pandemic still has to wait, the e-commerce, remote working, and on-line education will continue to stimulate the demands for NB, tablet PCs, and game consoles. Wah Lee has been providing thermoset plastics (e.g. phenolic and PA9T) which are of high rigidity, high reliability, and high insulation capability. These plastics have been the first choice for major power supply manufacturers and have also penetrated into the applications of auto parts, EV electrical components, and EV charging stations. Moreover, optical grade plastics generated strong sales as more lenses and camera modules are used in smartphones and automobile ADAS systems. PCB sector is leading in the provision of materials for 5G networks, which are being enthusiastically promoted by the governments to increase the stimulus on economies by infrastructure expansions. Under the great demands from 5G and EVs, despite the additional capacity expansions, semiconductor industry is still under supply. Wah Lee, as the top supplier for the world leading foundry company, has strong sales of photoresists, electronics grade chemicals, specialty gases, photoresist strippers, and CMP slurry driven by the strong industry demands. Wah Lee has become the largest supplier of semiconductor front end manufacturing process consumable raw materials. FPD sales is also expected to grow because the pandemic restriction promotes the demands for large-screen LCD TVs and video conferencing displays. 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. With the above efforts and our deployment in 5G, biomedical, EVs and ESS, we are optimistic about the continuous growth trend in year 2021.

Operating Result (M)	2018	2019	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
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	16,160	15,731
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	1,287	1,313
Operating Profit	1,747	1,574	458	495	444	350	323	428	465	357	425	545	636	501
After Tax Profit	1,346	1,416	155	436	398	356	315	344	449	308	344	440	636	439
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)	5.82	6.12	0.67	1.89	1.72	1.54	1.36	1.49	1.94	1.33	1.49	1.90	2.75	1.89
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%	8.0%	8.3%
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%	3.9%	3.2%
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%	3.9%	2.8%
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%	11.0%	12.2%
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%	11.5%	27.2%
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%	36.8%	40.3%
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%	41.6%	42.5%

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.