



Company Basic Information

Closing Price (16/8/2021)	NT\$86.0
52 WK High	NT\$93.6
52 WK Low	NT\$55.0
Book Value/share	NT\$62.3
Shares on Issue (M)	231.4
Market Cap (USD M)	715
QFII Holding (%)	16.5
Monthly Avg Daily Turn	NT\$100M

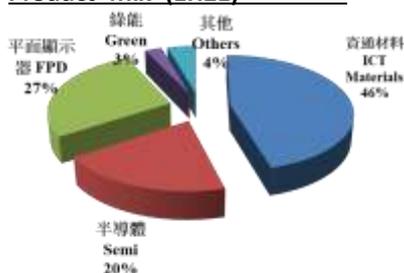
Key Financial Indicators

	2019	2020	1H21
ROE	12.1%	14.5%	17.7%
Debt/Asset	61.4%	62.0%	60.0%
Cash Conversion Days	89.4	86.4	80.6

3010 WL Price Chart (1 yr)



Product Mix (1H21)



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

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1H 2021 Consolidated Results Announcement

Wah Lee's 1H21 sales reached NT\$33,149 million, a 21.9% YoY increase from 1H20 and a record high 1H sales.

- **Information Communication Technology 28.89% YoY increase:** ICT materials 1H21 sales reached NT\$15,180 million. High-end engineering plastics had strong sales from the fundamental shifts of lifestyle into e-commerce, WFH (Work From Home), and on-line education that drove the sales for NB, PC, servers, and other 3C products. Engineering plastics also penetrated into auto parts, EV components, and EV charging poles. PCB raw materials were rapidly consumed by IC substrate makers for 5G and other semiconductor demands.
- **Semiconductor 8.86% YoY increase:** 1H21 Semi sales was NT\$6,572 million. Wah Lee's foundry and memory customers in Taiwan, China, and Singapore continued to expand their capacities in response to the increasing worldwide demands for ICs. Wah Lee is the top supplier for a comprehensive portfolio of electronic-grade chemicals and specialty gases to them.
- **FPD 21.48% YoY growth:** 1H21 FPD sales reached NT\$9,075M and grew by 21.5% from a year ago. The next generation electronic product (electronic whiteboard) was in great demand as the schools re-opened and got a great deal of subsidies from Biden government to upgrade classroom equipment and interactive learning device.
- **Green Energy 14.39% YoY increase:** Green Energy 1H21 sales reached NT\$860M. LED and LED raw materials sales took the lead in Wah Lee's green energy sector. Rechargeable battery material sales and solar power station electricity sales made up most of the rest of green energy sales. Wah Lee's solar power stations will contribute about 34,000 tons of carbon reduction by the end of year 2021.

1H21 EPS was NT\$5.35, a growth of 57.8% from 1H20

1H21 consolidated sales of NT\$33,149M set a record high. Consolidated 1H21 gross profit was NT\$2,934M, a 33.4% increase compared to NT\$2,200M in 1H20. 1H21 gross margin was 8.85%, as compared to 8.09% for the same period in 2020, due to better product mix trend in higher ICT/Semi sales. Operating expense ratio was lowered to 4.38% (4.52% a year ago) and operating profit was NT\$1,484M, a growth of 52.9% from last year. Overall non-operating profit was NT\$356M, mainly contributed from steady profits recognized from long-term investment companies, such as CWE(8070.TT). Pretax profit totaled NT\$1,839M. 1H21 after tax and minority profit was NT\$1,238M, as compared to NT\$784M in 1H20 and posted a 57.8% growth. 1H21 EPS was NT\$5.35 per share.



2021 Outlook

Taiwan is catching up in the race to full population vaccination and the world economy is still subject to the COVID-19 variants that are still increasingly threatening people's health, the e-commerce, WFH, 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 generate 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 and IC substrate makers, which require high frequency, low Dk, low Df CCL substrates and high resolution dry films for high precision circuitry. 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. The gradual re-openings of schools also require a lot more of Wah Lee's next generation electronic product. 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	2020	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Total Rev	52,935	54,682	59,081	11,640	13,408	14,318	13,568	12,066	14,041	14,559	14,016	12,353	14,836	16,160	15,731	16,284	16,866
Gross Profit	4,210	4,185	4,801	1,043	1,127	1,037	1,003	918	1,081	1,154	1,032	1,005	1,195	1,287	1,313	1,438	1,496
Operating Profit	1,747	1,574	2,108	458	495	444	350	323	428	465	357	425	545	636	501	726	758
After Tax Profit	1,346	1,416	1,859	155	436	398	356	315	344	449	308	344	440	636	439	597	641
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	231.40
EPS (NTD)	5.82	6.12	8.03	0.67	1.89	1.72	1.54	1.36	1.49	1.94	1.33	1.49	1.90	2.75	1.89	2.58	2.77
Operating Result (%)																	
GP Margin	8.0%	7.7%	8.1%	9.0%	8.4%	7.2%	7.4%	7.6%	7.7%	7.9%	7.4%	8.1%	8.1%	8.0%	8.3%	8.8%	8.9%
OP Margin	3.3%	2.9%	3.6%	3.9%	3.7%	3.1%	2.6%	2.7%	3.0%	3.2%	2.5%	3.4%	3.7%	3.9%	3.2%	4.5%	4.5%
AT Profit Margin	2.5%	2.6%	3.1%	1.3%	3.3%	2.8%	2.6%	2.6%	2.4%	3.1%	2.2%	2.8%	3.0%	3.9%	2.8%	3.7%	3.8%
Growth % YoY																	
Sales YoY	23.3%	3.3%	8.0%	26.7%	32.6%	22.3%	14.0%	3.7%	4.7%	1.7%	3.3%	2.4%	5.7%	11.0%	12.2%	31.8%	13.7%
GP YoY	7.5%	-0.6%	14.7%	17.2%	20.9%	-3.5%	-1.7%	-12.0%	-4.1%	11.3%	2.9%	9.5%	10.5%	11.5%	27.2%	43.1%	25.2%
OP YoY	19.7%	-9.9%	33.9%	40.5%	43.9%	2.5%	-2.0%	-29.5%	-13.5%	4.7%	2.0%	31.6%	27.3%	36.8%	40.3%	70.8%	39.1%
AT Profit YoY	-4.5%	5.2%	31.3%	-47.1%	60.9%	-4.6%	-17.2%	103.2%	-21.1%	12.8%	-13.5%	9.2%	27.9%	41.6%	42.5%	73.5%	45.7%

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.