

Walsin Lihwa Corporation 2017/Q4 Investor Conference



Disclaimer

- Walsin's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially from these forward-looking statements.
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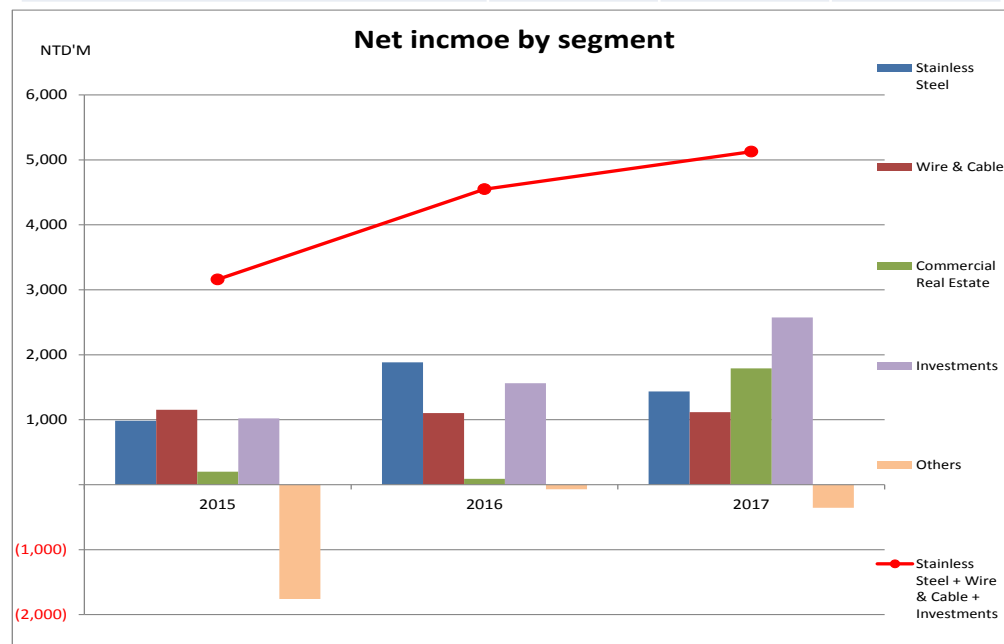
Agenda

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2017 profit (1)

- Stable profits for manufacturing segment as the market gradually recovers
- Commercial real estate segment recognized profit for the closing of the residential units in plot D
- The non-core business are all gradually disposed
- The company declares a dividend of NTD 1 per share for 2017 earnings distribution

NTD'M	2015	2016	2017
Net income	1,602	4,568	6,560
EPS (NTD)	0.45	1.33	1.97
EBITDA	5,120	8,332	11,699
EBITDA-Manufacturing segment + investments	6,398	7,950	8,331



Note: please refer to the Appendix for segment definition

Wire and cable segment

- **Wire and cable segment is operating close to its full capacity with stable sales and profit.**

- **Power cable**

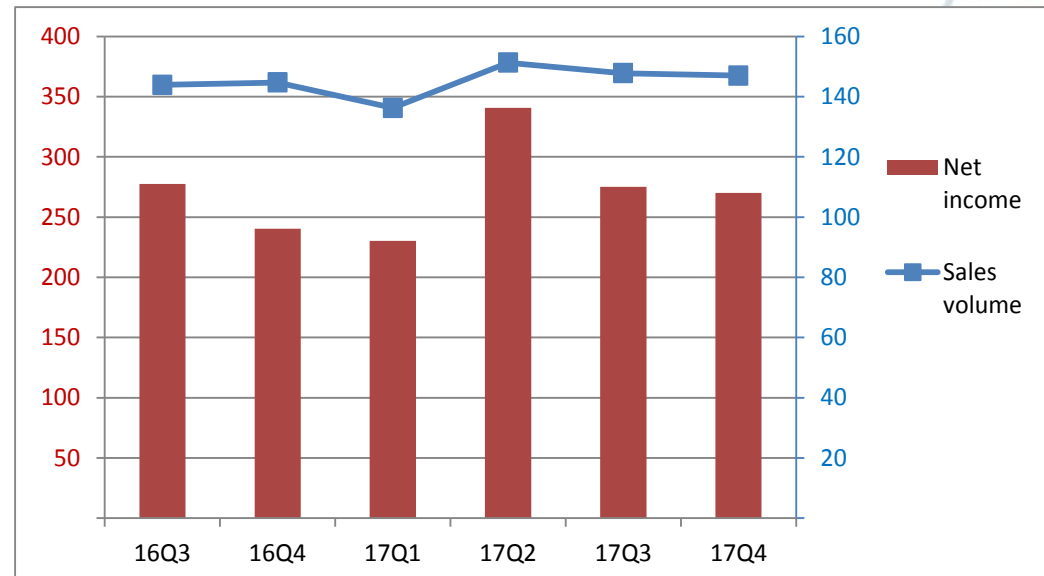
- Demand of domestic construction industry decreases, aiming to enhance customer service and increase sales of heat- and fire-resistant cable and low-smoke and halogen-free cable to increase market share.
- Development on industrial cable products focusing on following sectors:
 - Solar and wind power cable
 - Crane cable

- **Copper wire**

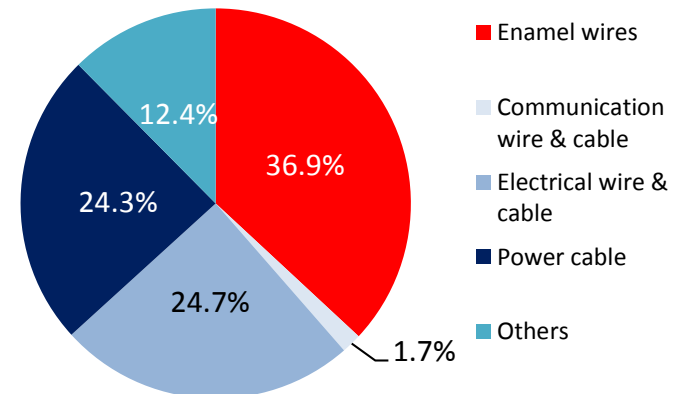
- Operating close to its full capacity
- Enhance product quality and service and improve product mix

Unit: NTD millions

Unit: KMT



Copper wire - 2017



Stainless steel segment – Taiwan

- Sales volume gradually increased thanks to Taichung factory, however, net income in Q2 decreased due to a sharp drop in Chromium price. Sales and profits became stable in second half of 2017.

- Eliminate manufacturing and production bottleneck via investing in machinery and equipment

- Adding High Reduction Machine

- Increase sales of high value added grade products, research and develop heat resistant products, 400 series cold heading grades, spring wire, welding wire and duplex steel

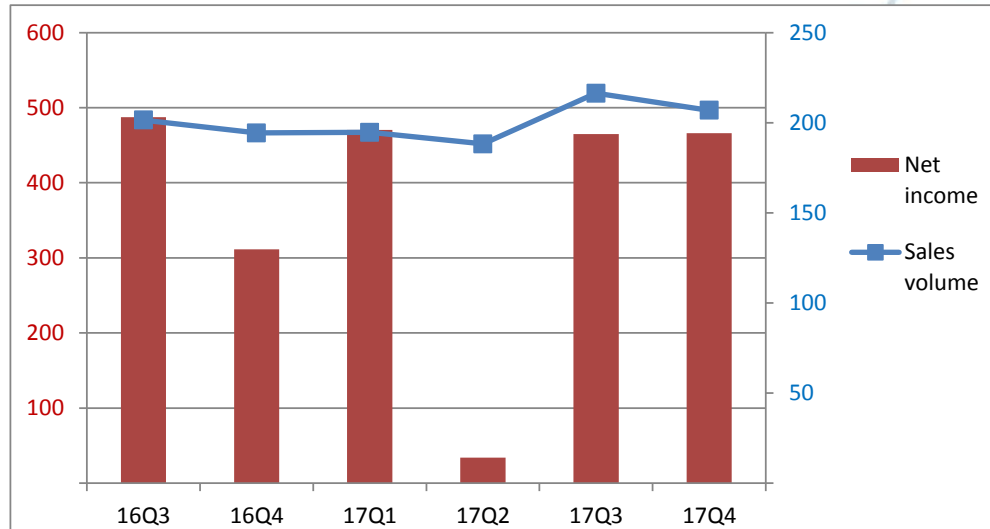
- Diversify the sepc of rod products to satisfy demands of more customers

- Adding one CPL

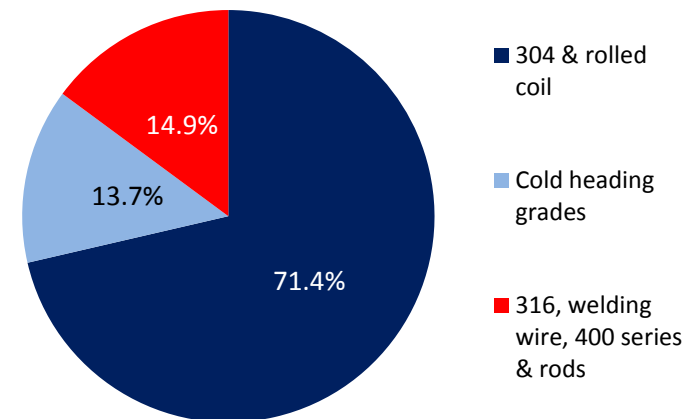
- Improve product mix

Unit: NTD millions

Unit: KMT

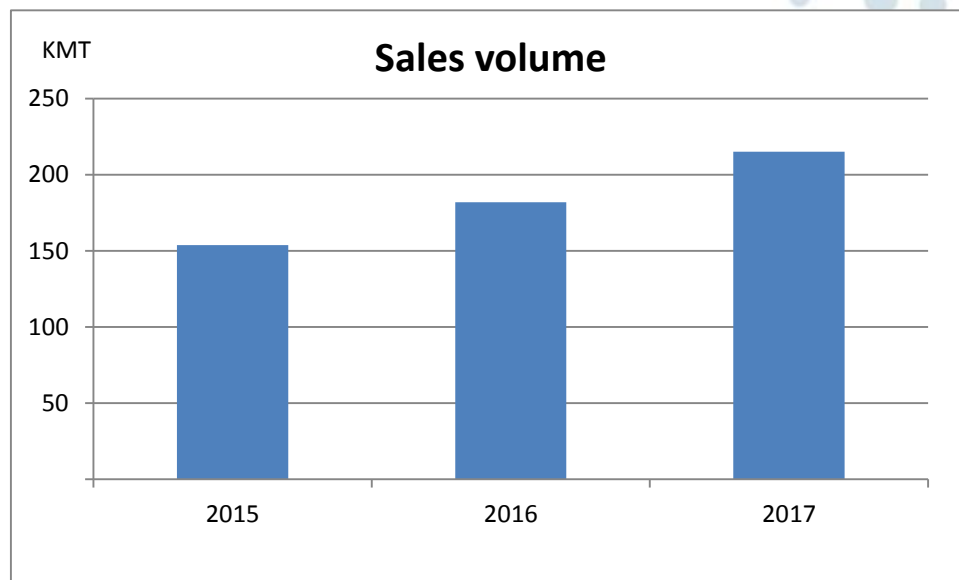


Stainless steel - 2017

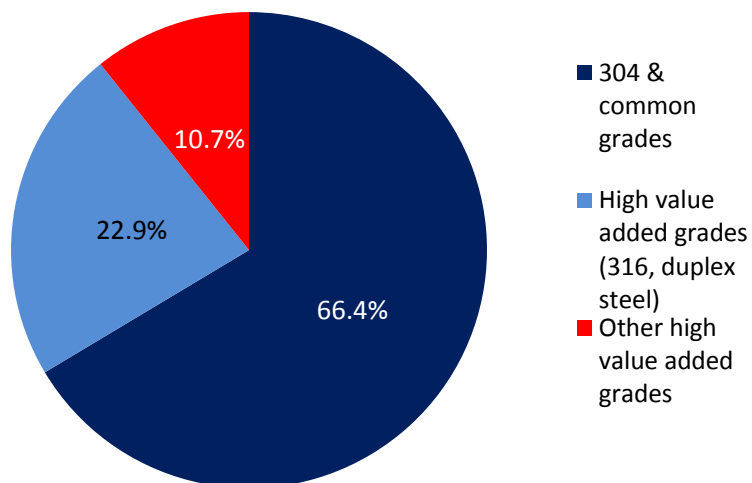


Stainless steel segment – Mainland China

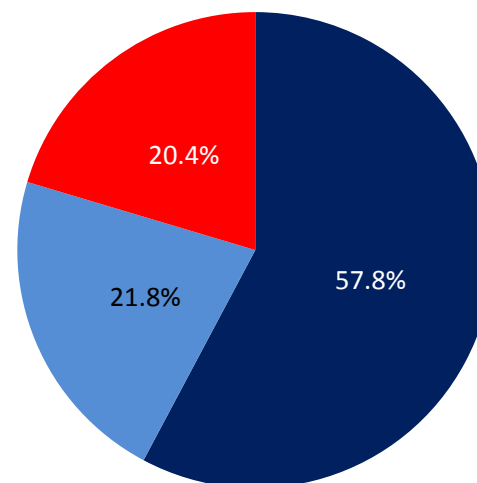
- Demand and supply of the market became gradually stable due to Mainland's policy on cutting excess industrial capacity and encouraging environmental friendly production. Yantai turned into profit in 2017
- Enhance operating and financial performance by improving product mix and quality



Rods - 2016



Rods - 2017



Commercial real estate Segment

- The rental rate of Taipei Xinyi Headquarter is close to 100%, bringing steady rental income annually.
- Construction of the residential buildings, Jing Yuan, in Plot D of Nanjing Walsin Centro is completed in 2017:

Status	Area (K m ²)	Selling price (RMB billion)	Remarks
Closing	28.7	1.2	Recognized NTD1.7B net income in 2017
Pre-sale	22.7	1.0	
For sale	31.2	NA	Excluding 700 parking spaces

- Office buildings in plot AB of Nanjing Walsin Centro are planned and built under various development phase:

Status	Area (K m ²)	Selling price (RMB billion)	Remarks
Pre-sale	106.8	2.1	Recognized RMB 0.56B net income in January 2018, selling price and net income including the sale of 286 parking spaces
Work in progress	120.6	NA	Office building attached to the mall, excluding 650 parking spaces
Planning stage	183.8	NA	Excluding 1100 parking spaces

- OneMall, located in plot AB of Nanjing Walsin Centro, is expected to open at the end of 2018:

Status	Area (K m ²)	Remarks
Work in progress	153	Excluding 1250 parking spaces



Appendix

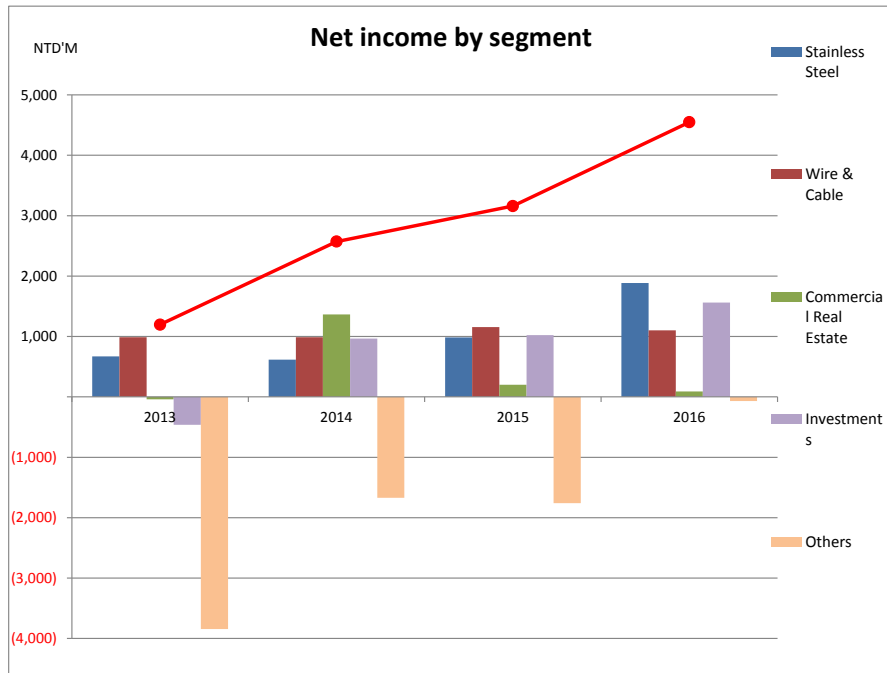
- Segment definition**
- update for 2017Q2 investor conference presentation**

Segment definition

- Stainless Steel segment: Yansheui Factory, Taichung Factory, Yantai Walsin, Jiangyin Walsin Specialty Alloy, Jiangyin Walsin Steel Cable, Shanghai Baihe Walsin and Changshu Walsin.
- Wire & Cable segment: Xingzhuang Factory, Yangmei Factory, Nanjing Walsin Metal, Dongguan Walsin and Shanghai Walsin Power Wire & Cable.
- Investments: Winbond, Walsin Technology Corporation, Walton Advanced Engineering, HannStar Display Corporation , HannStar Board Corporation, Borrego, WPT, Hangzhou Walsin Power Cable & Wire Co., Ltd., Jinxin Investment Co., Ltd.
- Others: impairment loss, tax for undistributed surplus earnings, etc.

Update for 2017Q2 investor conference presentation

■ P4. Update on annual net income by segment



■ P5. Update on quarterly net income by segment

