

Walsin Lihwa Corporation 2018/Q2 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.
- Except as required by law, Walsin undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Agenda

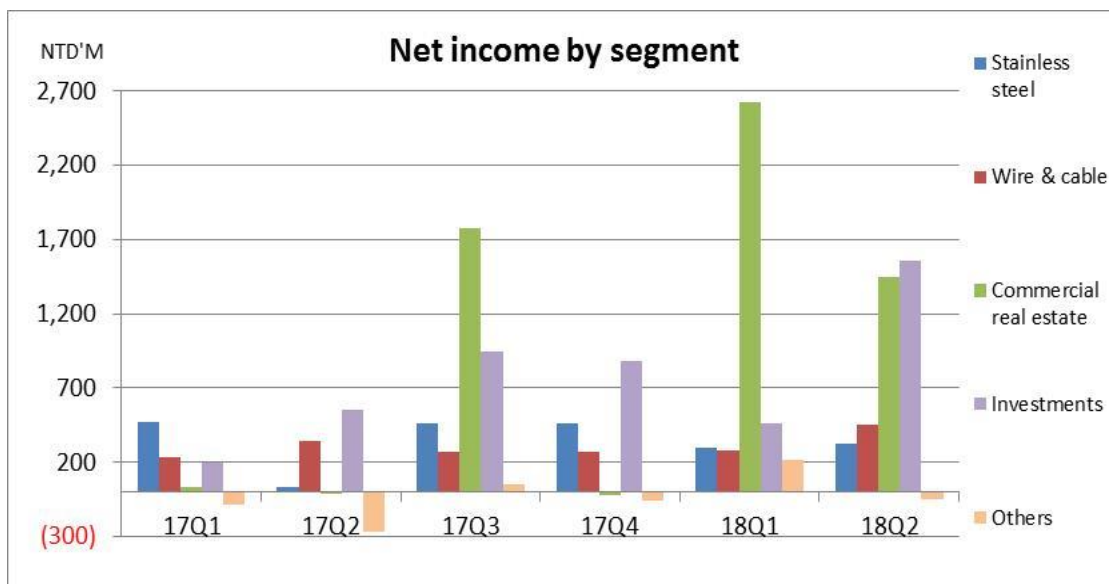
- 2018H1 profit P4
- Wire and cable segment P5
- Stainless steel segment P6 ~ P7
- Commercial real estate segment P8
- Appendix P9 ~ P10
 - Segment definition

2018H1 Profit



- Stable profits for manufacturing segment as the market gradually recovers
- Commercial real estate segment recognized profits in Q1 and Q2 respectively for the closing of the office buildings in plot AB phase I and residential units in plot D phase II
- The investment profits increased mainly due to the profits recognized from investment in Walsin Technology Corporation increased
- The EPS of 2018H1 is NTD 2.29

NTD'M	2015	2016	2017	2018H1
Net income	1,602	4,568	6,560	7,608
EPS (NTD)	0.45	1.33	1.97	2.29
EBITDA	5,120	8,332	11,699	13,160
EBITDA-Manufacturing segment + investments	6,398	7,950	8,331	5,197



Please find each segment's definition as Appendix

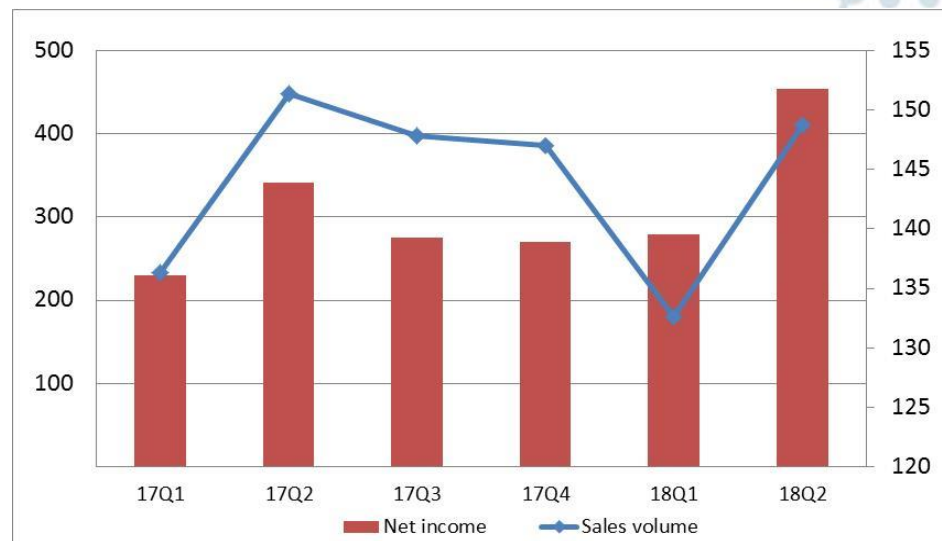
Wire and Cable Segment

- **Wire and cable segment had a higher sales volume and profits due to seasonality**
- **Power cable**
 - Sales volume increased in Q2 due to increasing construction orders of real estate and factories
 - Profits earned from the completion of Taipower's infrastructure project recognized in Q2
 - Develop industrial cable products
- **Copper wire**
 - Stable profits and sales volume
 - The increasing production from major competitors in mainland China affected our product mix
 - Enhance product quality and service to increase our sale of enameled wire products

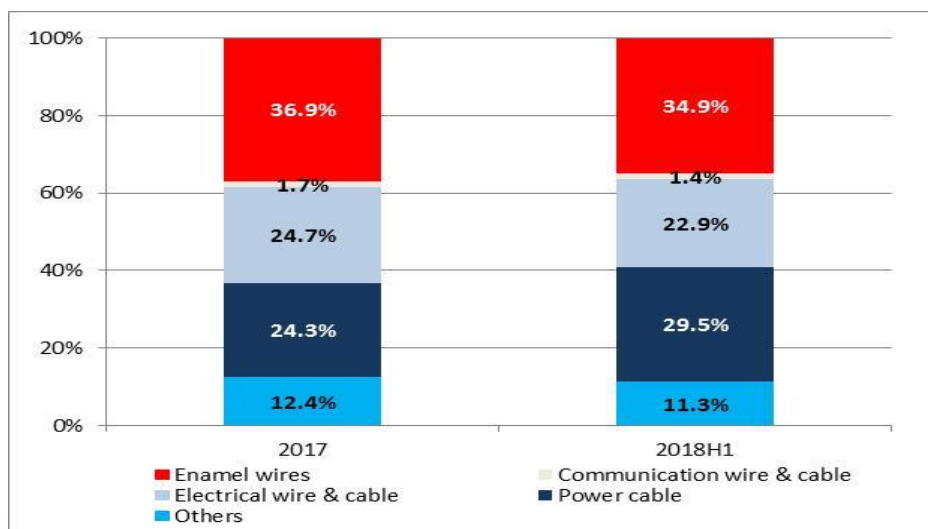
Net income
(NTD M)

Wire and cable segment –
net income & sales volume

Sales volume
(KMT)



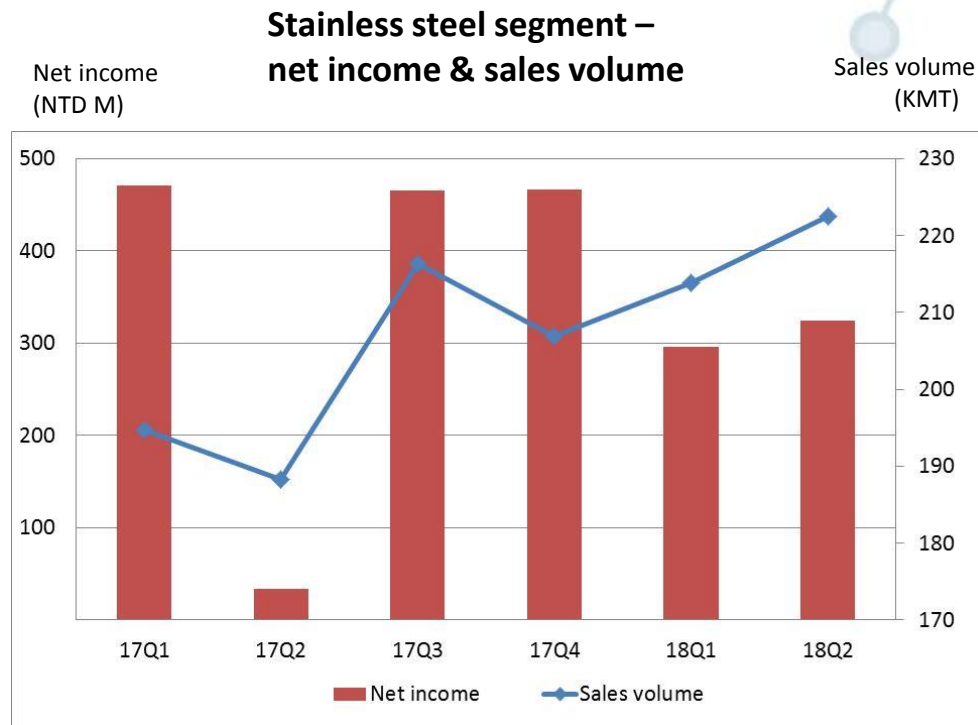
Copper wire – product mix



Stainless Steel Segment

■ Stable profits for stainless steel segment

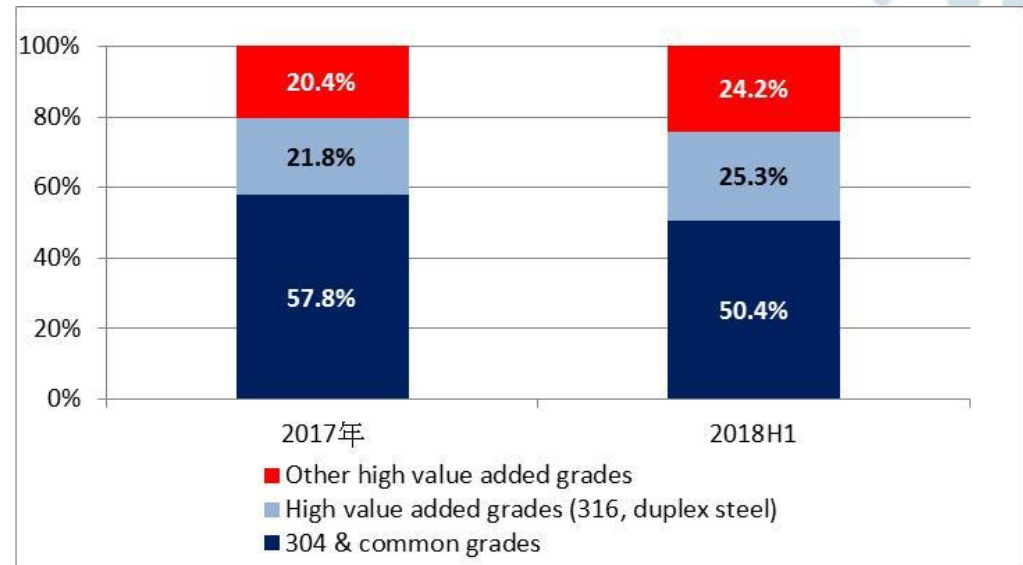
- Since mainland China enhanced in combating violations of environmental protection in 2018H1, the price and volume of our stainless steel products both increased in mainland China, bringing increased profits
- The raw material price in mainland China is lower than the international raw material price, affecting our profits earned in Taiwan



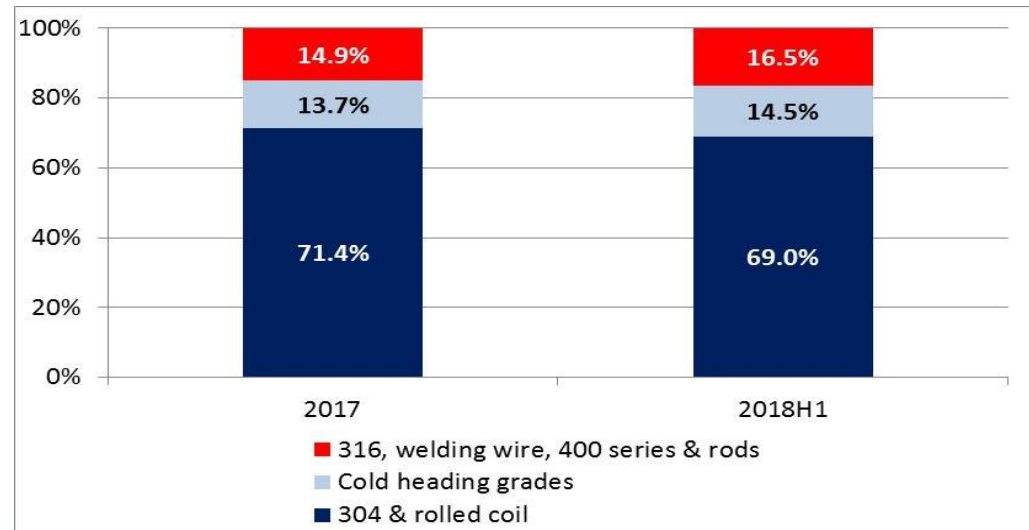
Stainless Steel Segment

- Enhance operating and financial performance by increasing sales volume and improving product mix in mainland China
- Keep improving high quality products and adjusting product mix in Taiwan
 - High Reduction Machine has been running smoothly
 - The CPL has been tested in May, 2018

Rods in mainland China- product mix



Stainless steel in Taiwan – product mix



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 was completed in 2017:

Status	Area (K m ²)	Selling price (RMB billion)	Remarks
Closing	51.4	2.2	Recognized RMB 0.309B net income in 2018H1 with selling area of 22.7K m ²
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
Closing	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, is expected to be completed in 2020Q1
Planning stage	183.8	NA	Excluding 1100 parking spaces

- OneMall, located in plot AB of Nanjing Walsin Centro, is expected to be open in 2019Q2:

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



Appendix

- Segment definition

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.