

Walsin Lihwa Corporation 2019/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

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2019H1 Profit

- Net Income: NTD 2,122 million
- 2019H1 EPS: NTD 0.64

| NTD'M | 2016 | 2017 | 2018 | 2019H1 |
|---|-------|--------|--------|--------|
| Net income | 4,568 | 6,560 | 11,757 | 2,122 |
| EPS (NTD) | 1.33 | 1.97 | 3.53 | 0.64 |
| EBITDA | 8,332 | 11,699 | 19,124 | 4,953 |
| EBITDA-Manufacturing segment + investments | 7,950 | 8,331 | 10,766 | 2,669 |

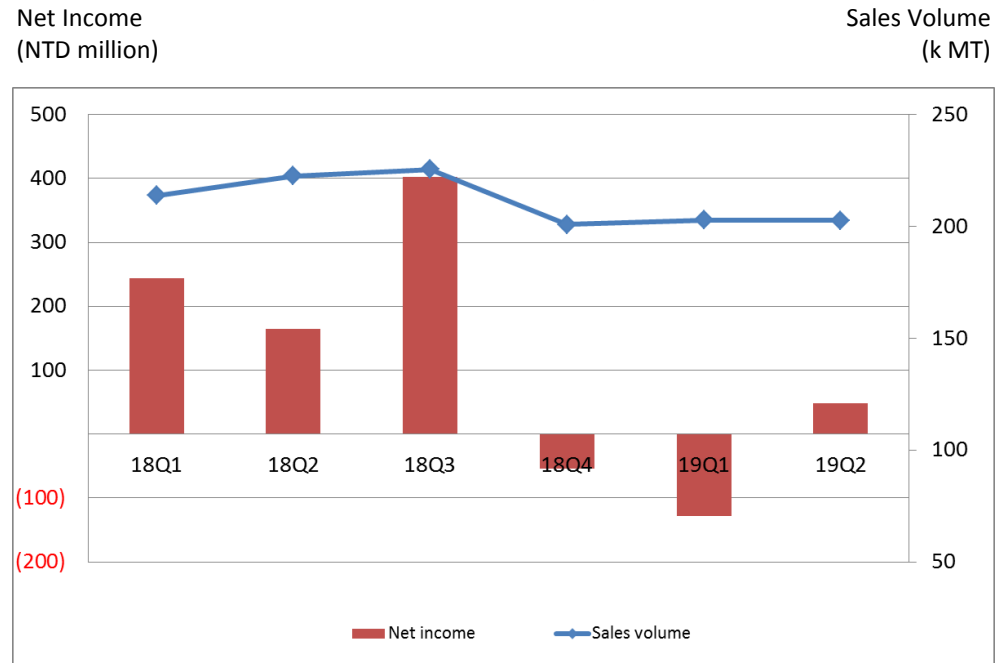
Please refer to the Appendix for each segment's definition

Stainless Steel Segment

■ Stainless steel market change is challenging.

- Competitors in Mainland China benefit from export rebate for wire rod products.
- Supply and demand of the stainless steel market is unbalanced.
- Competitors have advantage of lower material costs.

Sales Volume and Net Income
– Stainless Steel Segment

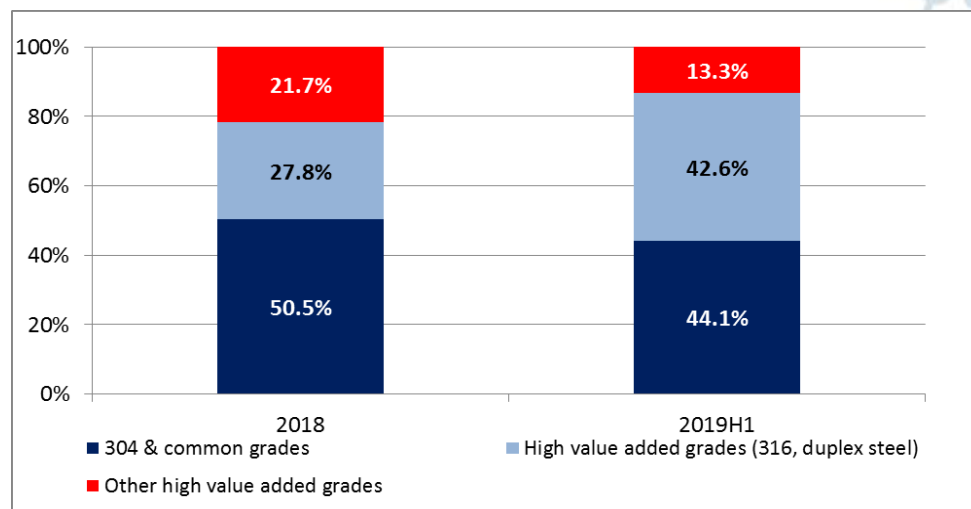


Stainless Steel Segment

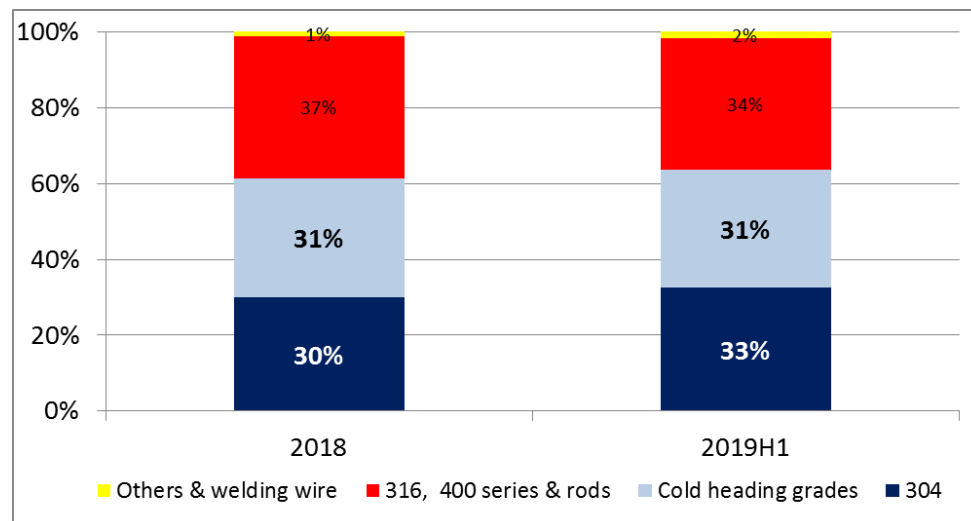
■ Our solutions

- Optimize our product mix
 - Increase the sales proportion of downstream products such as straight bars.
 - Develop new products in different steel grades to expand our product lines.
- Increase capital expenditures in *Yantai Walsin Stainless Steel Co.* to implement “consistent production process” and upgrade our product quality
- Reduce production cost through adjusting the mixture ratio of raw materials.

Rod Product Mix – Mainland China Market



Stainless Steel Product Mix – Taiwan Market



Wire and Cable Segment

- Wire and cable segment creates stable profit.

■ Power Cable Products :

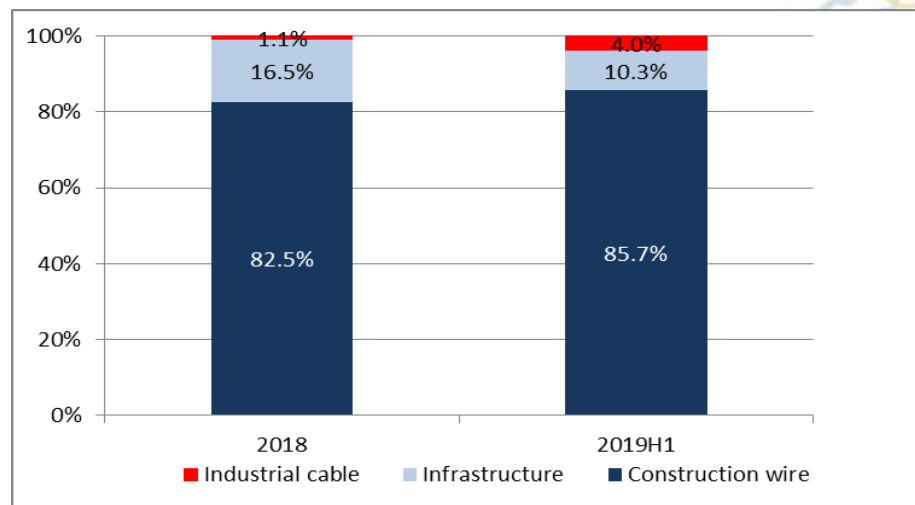
- Sales proportion of industrial cables raised from 1% in 2018 to 4% in 2019H1.

- Sales in green energy related products, such as Solar and wind energy cables, is growing fast.
- Our crane and hoist cables has successfully entered the final stage of large ports' product trials.

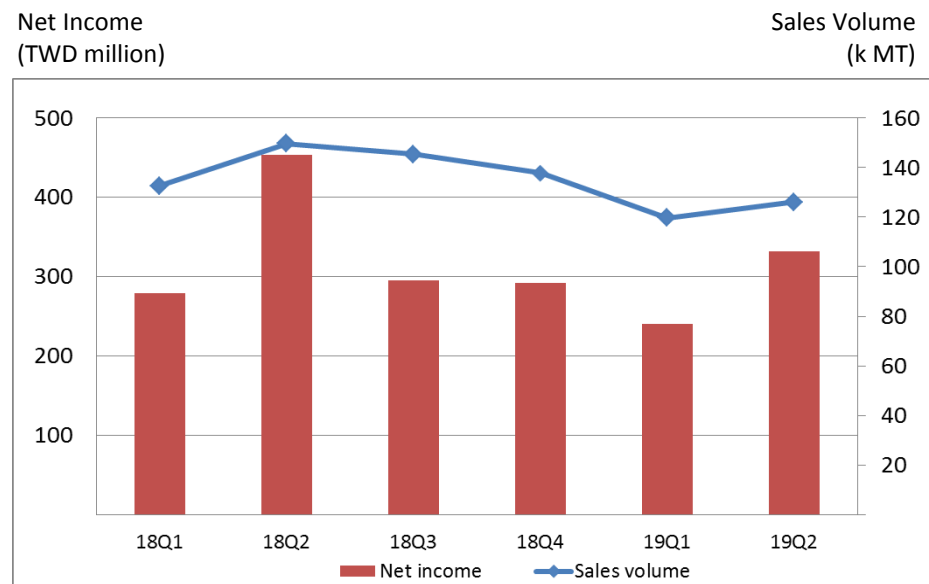
■ Copper Wire Products:

- Revenue in 2019H2 is expected to decrease due to selling our subsidiary "Ninjing Walsin Metal Co." in Q2. However, it only made limited impact on net income.

Product Mix – Power Cable Products



Sales Volume and Net Income – Wire and Cable Segment



Commercial Real Estate Segment

- ***“OneMall”***, our shopping mall located on *Nanjing Walsin Centro* Lot A and Lot B with 170,000 m² gross floor area, has opened in May 2019.
- The construction of ***“Jingyuan”***, a residential property development project located on *Nanjing Walsin Centro* Lot D, has been completed in 2017. Only 30,000 m² residential properties on the 3rd developing area are still available and estimated to be sold in 2019H2.
- Office buildings on *Nanjing Walsin Centro* Lot A and Lot : Ongoing constructions of 2 shopping mall attached buildings (12 stories and 58 stories).

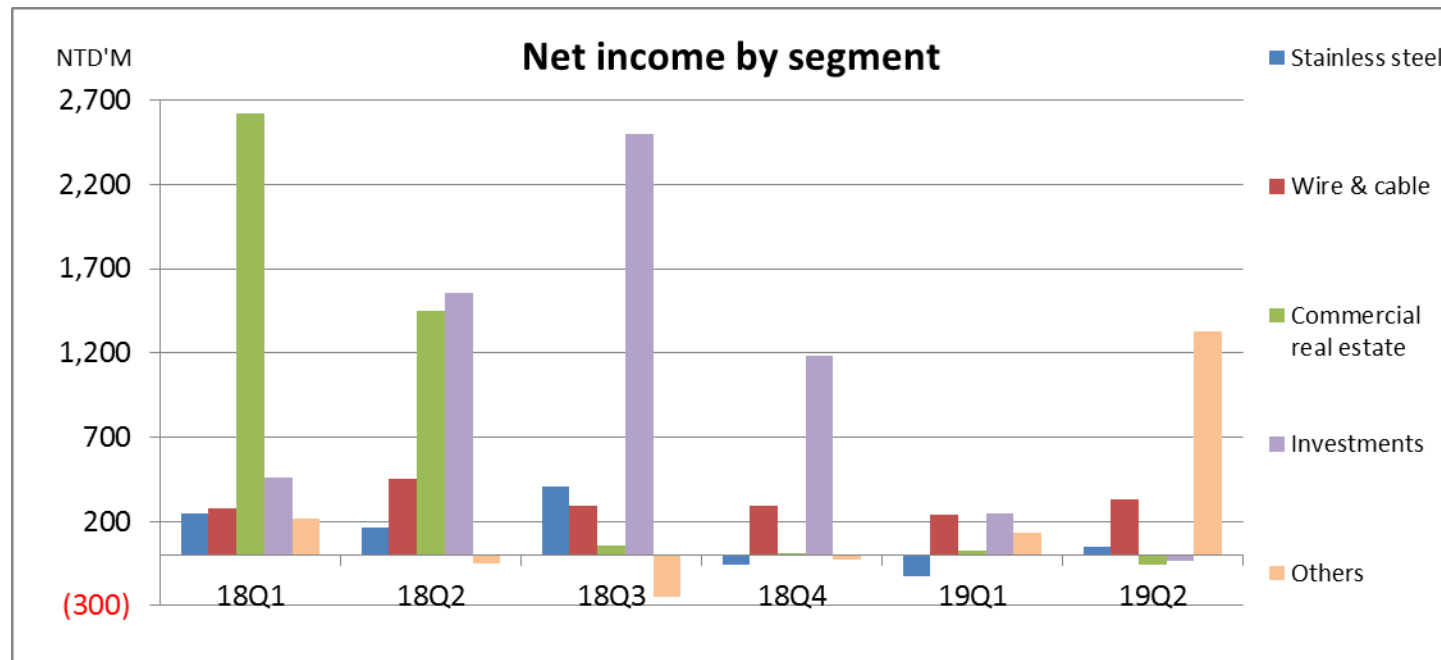
Investments and Others

■ Investments Loss

- Recognized NTD 800 million investment loss in “Powertec Energy Co.”.

■ Others Income

- Recognized NTD 1480 million net profit from selling our subsidiary “Ninjing Walsin Metal Co.”





Appendix

- Segment Definitions

Segment Definition

- Stainless Steel Segment: Yanshui Factory, Taichung Factory, Yantai Walsin, Jiangyin Walsin Specialty Alloy, Jiangyin Walsin Steel Cable, Shanghai Baihe Walsin and Changshu Walsin.
- Wire and Cable Segment: Xinzhuang 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, Lippo, WPT, Hangzhou Walsin Power Cable & Wire Co., Ltd., Jinxin Investment Co., Ltd and. Powertec Energy Corp.
- Others: impairment loss, tax for undistributed surplus earnings, etc.