

**WAN HAI LINES LTD. AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**  
**(With Independent Accountants' Report Thereon)**

## **Independent Accountants' Review Report**

To the Board of Directors of Wan Hai Lines Ltd.:

We have reviewed the accompanying consolidated balance sheets of Wan Hai Lines Ltd. and its subsidiaries as of June 30, 2015 and 2014, and the related consolidated statements of comprehensive income for the three months six months ended June 30, 2015 and 2014, and the related consolidated statements of changes in equity and cash flows for the six months ended June 30, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

We reviewed these consolidated financial statements in accordance with Statement of Auditing Standards No.36 "Engagements to Review Financial Statements". A review is limited primarily to inquiries of Company personnel and applying analytical procedures to financial data and thus provides less assurance than an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements described in the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission R.O.C.

August 11, 2014

### **Note to Readers**

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the International Financial Reporting Standards approved by the ROC Financial Supervisory Commission and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The accountants' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language accountants' report and financial statements, the Chinese version shall prevail.

**June 30, 2014 and 2013 reviewed only, not audited in accordance with generally accepted auditing standards**

**WAN HAI LINES LTD.**

**CONSOLIDATED BALANCE SHEETS**

**JUNE 30, 2015, DECEMBER 31, AND JUNE 30, 2014**

**(Expressed in Thousands of New Taiwan Dollars)**

ASSETS	2015.6.30		2014.12.31		2014.6.30		LIABILITIES AND STOCKHOLDERS' EQUITY	2015.6.30		2014.12.31		2014.6.30	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current Assets:</b>							<b>Current Liabilities:</b>						
Cash and cash equivalents (note (6)(a))	\$ 26,055,759	31	26,784,275	31	20,807,617	27	Short-term borrowings	\$ 10,000	-	-	-	-	-
Available-for-sale financial assets—current (note (6)(b))	3,483,007	4	3,414,700	4	3,132,551	4	Financial liabilities at fair value through profit or loss—current (note (6)(h))	-	-	7,252,690	9	6,878,830	9
Notes receivable, net (notes (6)(c))	35,213	-	34,504	-	51,487	-	Accounts payable (note (7))	7,062,920	9	6,558,225	8	5,913,597	7
Accounts receivable (notes (6)(c) and (7))	2,599,033	3	3,570,124	4	3,215,729	4	Other payable (note (7))	5,328,657	6	1,172,264	1	2,506,209	3
Other receivables (notes (6)(c) and (7))	986,050	1	1,116,571	1	1,235,851	2	Current tax liabilities	826,256	1	719,070	1	374,492	-
Inventories, net (note (6)(d))	1,098,043	1	1,076,146	1	1,428,006	2	Current portion of long-term liabilities (notes (6)(i) and (8))	8,019,664	10	4,344,123	5	3,304,331	4
Receivables from agents (note (7))	776,828	1	886,462	1	777,129	1	Payables to agents (note (7))	4,917	-	4,089	-	8,154	-
Other current assets (note (8))	454,784	1	445,272	1	544,692	-	Other current liabilities	1,387,261	2	1,669,966	2	1,635,281	2
	<u>35,488,717</u>	<u>42</u>	<u>37,328,054</u>	<u>43</u>	<u>31,193,062</u>	<u>40</u>		<u>22,639,675</u>	<u>28</u>	<u>21,720,427</u>	<u>26</u>	<u>20,620,894</u>	<u>25</u>
<b>Non-Current Assets:</b>							<b>Non-current Liabilities:</b>						
Available-for-sale financial assets—non-current (note (6)(b))	183,978	-	208,906	-	230,040	-	Bonds payable (note (6)(j))	9,200,000	11	12,200,000	14	10,400,000	13
Financial assets measured at cost—non-current (note (6)(b))	735,967	1	735,967	1	800,967	1	Long-term loans (notes (6)(i) and (8))	14,907,060	18	13,245,224	16	13,470,133	17
Bond portfolios with inactive market—non-current (note (6)(b))	1,242,800	2	1,268,720	2	1,196,600	2	Deferred income tax liabilities	963,735	1	964,126	1	711,432	1
Long-term equity investments under equity method (note (6)(e))	306,742	-	238,554	-	195,762	-	Accrued pension liabilities	918,902	1	996,931	1	1,108,385	2
Property, plant, and equipment (notes (6)(f) and (8) and (9))	44,198,215	54	44,775,808	53	43,069,144	55	Guarantee deposits received	249,419	-	252,872	-	169,123	-
Intangible assets (note (6)(g))	30,341	-	43,237	-	51,526	-		<u>26,239,116</u>	<u>31</u>	<u>27,659,153</u>	<u>32</u>	<u>25,859,073</u>	<u>33</u>
Other non-current assets (notes (6)(m) and (8) and (9))	824,962	1	628,314	1	1,024,115	2	<b>TOTAL LIABILITIES</b>	<u>48,878,791</u>	<u>59</u>	<u>49,379,580</u>	<u>58</u>	<u>46,479,967</u>	<u>58</u>
	<u>47,523,005</u>	<u>58</u>	<u>47,899,506</u>	<u>57</u>	<u>46,568,154</u>	<u>60</u>	<b>Equity attributable to owners of parent (notes (6)(m) and (n)):</b>						
							Common stock	22,182,975	27	22,182,975	26	22,182,975	29
							Capital Surplus	1,261,681	2	1,261,681	2	1,261,681	2
							<b>Retained Earnings:</b>						
							Legal reserve	5,995,044	7	5,469,637	6	5,469,637	7
							Special reserve	1,117,003	1	1,117,003	1	1,117,003	2
							Retained earnings	3,837,850	4	5,639,903	7	2,057,553	3
								<u>10,949,897</u>	<u>12</u>	<u>12,226,543</u>	<u>14</u>	<u>8,644,193</u>	<u>12</u>
							<b>Other Equity:</b>						
							Foreign currency translation differences arising from foreign operations, net of tax	(152,480)	-	237,138	-	(707,586)	(1)
							Unrealized loss on available-for-sale financial instruments	(347,208)	-	(300,859)	-	(296,884)	-
								<u>(499,688)</u>	<u>-</u>	<u>(63,721)</u>	<u>-</u>	<u>(1,004,470)</u>	<u>(1)</u>
							<b>Total equity attributable to owners of parent</b>	<u>33,894,865</u>	<u>41</u>	<u>35,607,478</u>	<u>42</u>	<u>31,084,379</u>	<u>42</u>
							Non-controlling interest	238,066	-	240,502	-	196,870	-
							<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u>34,132,931</u>	<u>41</u>	<u>35,847,980</u>	<u>42</u>	<u>31,281,249</u>	<u>42</u>
<b>TOTAL ASSETS</b>	<u>\$ 83,011,722</u>	<u>100</u>	<u>85,227,560</u>	<u>100</u>	<u>77,761,216</u>	<u>100</u>	<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 83,011,722</u>	<u>100</u>	<u>85,227,560</u>	<u>100</u>	<u>77,761,216</u>	<u>100</u>

See accompanying notes to financial statements.

**Reviewed only, not audited in accordance with generally accepted auditing standards**

**WAN HAI LINES LTD.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	For the three months ended June 30,				For the six months ended June 30,			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Operating revenue (note (6)(p) and (7))</b>	\$ 16,497,410	100	16,656,330	100	33,658,088	100	31,410,717	100
<b>Operating cost (notes (6)(d) and (7))</b>	<u>14,213,473</u>	<u>86</u>	<u>14,206,119</u>	<u>85</u>	<u>27,942,830</u>	<u>83</u>	<u>27,593,008</u>	<u>88</u>
<b>Gross profit</b>	2,283,937	14	2,450,211	15	5,715,258	17	3,817,709	12
<b>Operating expenses (notes (6)(n) and (7))</b>	<u>970,036</u>	<u>6</u>	<u>835,451</u>	<u>5</u>	<u>2,004,936</u>	<u>6</u>	<u>1,739,567</u>	<u>5</u>
<b>Income from operations</b>	<u>1,313,901</u>	<u>8</u>	<u>1,614,760</u>	<u>10</u>	<u>3,710,322</u>	<u>11</u>	<u>2,078,142</u>	<u>7</u>
<b>Non-operating income and expenses (notes (6)(e) and (r)) :</b>								
Other income	82,308	-	64,647	-	159,013	-	118,530	-
Other gains and losses	301,362	2	(100,162)	(1)	501,866	1	334,152	1
Finance costs	(215,012)	(1)	(207,838)	(1)	(421,238)	(1)	(412,321)	(1)
Share of profit associated and joint ventures accounted for using equity method	<u>17,742</u>	<u>-</u>	<u>15,125</u>	<u>-</u>	<u>29,294</u>	<u>-</u>	<u>31,775</u>	<u>-</u>
<b>Total non-operating income and expenses</b>	<u>186,400</u>	<u>1</u>	<u>(228,228)</u>	<u>(2)</u>	<u>268,935</u>	<u>-</u>	<u>72,136</u>	<u>-</u>
<b>Profit before tax from continuing operations</b>	1,500,301	9	1,386,532	8	3,979,257	11	2,150,278	7
<b>Less: Income tax expense (note (6)(m))</b>	<u>411,850</u>	<u>2</u>	<u>286,114</u>	<u>2</u>	<u>814,976</u>	<u>2</u>	<u>393,292</u>	<u>1</u>
<b>Net profit</b>	<u>1,088,451</u>	<u>7</u>	<u>1,100,418</u>	<u>6</u>	<u>3,164,281</u>	<u>9</u>	<u>1,756,986</u>	<u>6</u>
<b>Other comprehensive income:</b>								
<b>Items that may be reclassified subsequently to profit or loss</b>								
Foreign currency translation differences	(183,890)	(1)	(313,480)	(2)	(393,801)	(1)	(24,236)	-
Gain (loss) on valuation of available-for-sale financial assets	(156,856)	(1)	145,301	1	(46,349)	-	136,299	-
Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>(340,746)</u>	<u>(2)</u>	<u>(168,179)</u>	<u>(1)</u>	<u>(440,150)</u>	<u>(1)</u>	<u>112,063</u>	<u>-</u>
<b>Other comprehensive income (loss) (net of tax)</b>	<u>(340,746)</u>	<u>(2)</u>	<u>(168,179)</u>	<u>(1)</u>	<u>(440,150)</u>	<u>(1)</u>	<u>112,063</u>	<u>-</u>
<b>Total comprehensive income</b>	<u>\$ 747,705</u>	<u>5</u>	<u>932,239</u>	<u>5</u>	<u>2,724,131</u>	<u>8</u>	<u>1,869,049</u>	<u>6</u>
<b>Profit attributable to:</b>								
Owners of the parent company	\$ 1,086,314	7	1,076,428	6	3,159,949	9	1,731,733	6
Non-controlling interest	<u>2,137</u>	<u>-</u>	<u>23,990</u>	<u>-</u>	<u>4,332</u>	<u>-</u>	<u>25,253</u>	<u>-</u>
	<u>\$ 1,088,451</u>	<u>7</u>	<u>1,100,418</u>	<u>6</u>	<u>3,164,281</u>	<u>9</u>	<u>1,756,986</u>	<u>6</u>
<b>Comprehensive income attributable to:</b>								
Owners of the parent company	\$ 747,764	5	909,793	5	2,723,982	8	1,844,266	6
Non-controlling interest	<u>(59)</u>	<u>-</u>	<u>22,446</u>	<u>-</u>	<u>149</u>	<u>-</u>	<u>24,783</u>	<u>-</u>
	<u>\$ 747,705</u>	<u>5</u>	<u>932,239</u>	<u>5</u>	<u>2,724,131</u>	<u>8</u>	<u>1,869,049</u>	<u>6</u>
<b>Earnings per share (note (6)(o))</b>								
<b>Basic earnings per share (New Taiwan Dollars)</b>	<u>\$ 0.49</u>		<u>0.49</u>		<u>1.42</u>		<u>0.78</u>	
<b>Diluted earnings per share (New Taiwan Dollars)</b>	<u>\$ 0.49</u>		<u>0.48</u>		<u>1.42</u>		<u>0.78</u>	

See accompanying notes to financial statements.

**Reviewed only, not audited in accordance with generally accepted auditing standards**

**WAN HAI LINES LTD.**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

**(Expressed in Thousands of New Taiwan Dollars)**

	Owners' Equity Attributable to Equity Holders of the Parent Company									Total
	Stock	Retained Earnings				Other Equity		Total Owners' Equity Attributable to Equity Holders of the Parent Company	Non-controlling Interest	
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings - Unappropriated	Foreign Currency Translation Differences Arising from Foreign Operations, Net of Tax	Unrealized Gains (losses) on Available-for-sale Financial Assets			
<b>Balance as of January 1, 2014</b>	\$ 22,182,975	1,261,681	5,256,726	1,911,538	1,518,833	(683,820)	(433,183)	31,014,750	174,590	31,189,340
Net Profit	-	-	-	-	1,731,733	-	-	1,731,733	25,253	1,756,986
Other comprehensive income	-	-	-	-	-	(23,766)	136,299	112,533	(470)	112,063
Total comprehensive income	-	-	-	-	1,731,733	(23,766)	136,299	1,844,266	24,783	1,869,049
Appropriation of retained earnings:										
Legal reserve	-	-	212,911	-	(212,911)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,774,637)	-	-	(1,774,637)	-	(1,774,637)
Special reverse	-	-	-	(794,535)	794,535	-	-	-	-	-
Change in non-controlling interest	-	-	-	-	-	-	-	-	(2,503)	(2,503)
<b>Balance as of June 30, 2014</b>	<b>\$ 22,182,975</b>	<b>1,261,681</b>	<b>5,469,637</b>	<b>1,117,003</b>	<b>2,057,553</b>	<b>(707,586)</b>	<b>(296,884)</b>	<b>31,084,379</b>	<b>196,870</b>	<b>31,281,249</b>
<b>Balance as of January 1, 2015</b>	\$ 22,182,975	1,261,681	5,469,637	1,117,003	5,639,903	237,138	(300,859)	35,607,478	240,502	35,847,980
Net Profit	-	-	-	-	3,159,949	-	-	3,159,949	4,332	3,164,281
Other comprehensive income	-	-	-	-	-	(389,618)	(46,349)	(435,967)	(4,183)	(440,150)
Total comprehensive income	-	-	-	-	3,159,949	(389,618)	(46,349)	2,723,982	149	2,724,131
Appropriation of retained earnings:										
Legal reserve	-	-	525,407	-	(525,407)	-	-	-	-	-
Cash dividends	-	-	-	-	(4,436,595)	-	-	(4,436,595)	-	(4,436,595)
Change in non-controlling interest	-	-	-	-	-	-	-	-	(2,585)	(2,585)
<b>Balance as of June 30, 2015</b>	<b>\$ 22,182,975</b>	<b>1,261,681</b>	<b>5,995,044</b>	<b>1,117,003</b>	<b>3,837,850</b>	<b>(152,480)</b>	<b>(347,208)</b>	<b>33,894,865</b>	<b>238,066</b>	<b>34,132,931</b>

See accompanying notes to financial statements.

**Reviewed only, not audited in accordance with generally accepted auditing standards**

**WAN HAI LINES LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 3,979,257	2,150,278
<b>Adjustments:</b>		
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	2,208,003	2,088,369
Amortization	14,290	19,205
Interest expense	421,238	412,321
Interest revenue	(157,583)	(116,666)
Dividend income	(1,430)	(1,864)
Investment loss (income) under the equity method	(29,294)	(31,775)
Loss (Gain) on disposal of property, plant and equipment, net	(463,840)	(157,820)
Prepayment for equipment re-classified into expense	-	476
Loss (Gain) on disposal of available-for-sale assets-current	(2,299)	(32,286)
Unrealized foreign exchange loss (gain)	(118,284)	34,875
Total adjustments to reconcile net income to net cash provided by operating activities	<u>1,870,801</u>	<u>2,214,835</u>
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
(Increase) Decrease in notes receivable	(709)	(11,470)
(Increase) Decrease in accounts receivable	971,091	(297,923)
(Increase) Decrease in other receivables	168,922	375,730
(Increase) Decrease in inventories	(21,897)	(87,331)
(Increase) Decrease in receivables from agents	109,634	27,138
(Increase) Decrease in other current assets	(7,738)	79,407
Total changes in operating assets, net	<u>1,219,303</u>	<u>85,551</u>
Changes in operating liabilities, net:		
Increase (Decrease) in current financial liabilities at fair value through profit or loss	(7,252,690)	1,025
Increase (Decrease) in accounts payable (including related parties)	504,695	192,916
Increase (Decrease) in other payables	(216,671)	(257,074)
Increase (Decrease) in payables to agents	828	7,323
Increase (Decrease) in other current liabilities	(282,705)	42,379
Increase (Decrease) in accrued pension liabilities	(78,029)	7,228
Total changes in operating liabilities, net	<u>(7,324,572)</u>	<u>(6,203)</u>
Total changes in operating assets and liabilities, net	<u>(6,105,269)</u>	<u>79,348</u>
Total Adjustments	<u>(4,234,468)</u>	<u>2,294,183</u>
Cash inflow (outflow) generated from operations	(255,211)	4,444,461
Income tax (paid) returned	(708,320)	(220,970)
<b>Net cash flows from (used in) operating activities</b>	<u>(963,531)</u>	<u>4,223,491</u>

See accompanying notes to financial statements.

**Reviewed only, not audited in accordance with generally accepted auditing standards**

**WAN HAI LINES LTD.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2015 AND 2014**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30,</b>	
	<b>2015</b>	<b>2014</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of available-for-sale financial assets	(102,294)	(68,386)
Proceeds from sale of available-for-sale financial assets	14,860	186,589
Long-term equity investments under equity method	(75,890)	-
Acquisition of property, plant and equipment	(2,667,535)	(1,951,016)
Disposal of property, plant and equipment	473,048	152,195
Acquisition of intangible assets	(1,108)	(4,971)
Increase in other non-current assets	4,043	34,187
Interest received	156,162	109,349
Dividends received	21,583	32,315
<b>Net cash flows from (used in) investing activities</b>	<b>(2,177,131)</b>	<b>(1,509,738)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term debt	10,000	-
Increase in long-term loans	4,676,850	994,660
Repayment of long-term loans	(1,976,411)	(2,728,686)
Increase (Decrease) in guarantee deposits	(3,453)	21,986
interest paid	(444,541)	(448,066)
Change in non-controlling interest	(2,585)	(2,503)
<b>Net cash flows from (used in) financing activities</b>	<b>2,259,860</b>	<b>(2,162,609)</b>
<b>Foreign exchange rate effects</b>	<b>152,286</b>	<b>4,977</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(728,516)</b>	<b>556,121</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>26,784,275</b>	<b>20,251,496</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 26,055,759</b>	<b>20,807,617</b>

See accompanying notes to financial statements.

June 30, 2014 and 2013 reviewed only, not audited in accordance with generally accepted auditing standards

**WAN HAI LINES LTD. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

**(1) Organization and Business**

Wan Hai Lines Ltd. (the Company) was incorporated on February 24, 1965, under the approval of the Ministry of Economic Affairs, ROC. The address of the Company's registered office is 10F, No. 136 Songjiang Rd., Taipei City. The Company and its subsidiaries (the Group) are primarily involved in the business of international marine transportation, shipping agencies, container storage service, and the sale and rental of vessels and containers.

**(2) Approval Date and Procedures of the Consolidated Financial Statements**

The Board of Directors released the interim consolidated financial statements on August 11, 2015.

**(3) New Standards and Interpretations Not Yet Adopted**

- (a) Impact of new issuances or amendments to IFRSs as endorsed by the Financial Supervisory Commission ("FSC").

The Group has adopted the 2013 version of IFRS (excluding IFRS 9, 'Financial instruments') as endorsed by the FSC in preparing the consolidated financial statements. The related new standards, interpretations and amendments are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>IASB Effective Date</u>
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	July 1, 2011
Government loans (amendment to IFRS 1)	January 1, 2013
Disclosures - transfers of financial assets (amendment to IFRS 7)	July 1, 2011
Disclosures-Offsetting financial assets and financial liabilities (amendment to IFRS 7)	January 1, 2013
IFRS 10, "Consolidated financial statements"	January 1, 2013 (Investment entities are required to adopt on January 1, 2014)
IFRS 11, "Joint arrangements"	January 1, 2013
IFRS 12, "Disclosure of interests in other entities"	January 1, 2013
IFRS 13, "Fair value measurement"	January 1, 2013
Presentation of items of other comprehensive income (amendment to IAS 1)	July 1, 2012
Deferred tax: Recovery of underlying assets (amendment to IAS 12)	January 1, 2012



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<u>New Standards, Interpretations and Amendments</u>	<u>IASB Effective Date</u>
Employee benefits (as amendment to IAS 19)	January 1, 2013
Separate financial statements (as amendment to IAS 27)	January 1, 2013
Offsetting financial assets and financial liabilities (amendment to IAS 32)	January 1, 2014
IFRIC 20, "Stripping costs in the production phase of a surface mine"	January 1, 2013

Based on the Group's assessment, the adoption of the 2013 version of IFRS has no significant impact on the consolidated financial statements of the Group, except for the following:

1. IAS 1 Presentation of Financial Statements

This standard requires that an entity present separately the items of other comprehensive income that would be classified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently, an entity that presents items of other comprehensive income before related tax effects would also have to allocate the aggregate tax amount between these classifications. The Group has adopted the new presentation method regulated by the standard. Also, the comprehensive income statements for comparative periods are restated.

2. IFRS 12, "Disclosure of interests in other entities"

The Group has disclosed the information required by the standard (Please refer to Note 6).

3. IFRS 13 Fair Value Measurement

This standard revised the definition of fair value, provides a framework for measuring fair value, and requires disclosures on fair value measurement. The Group has disclosed the information required by the standard (Please refer to Note 6(r).) However, for the new disclosure requirement, comparison with prior periods is not needed. Also, the Company has postponed the application of the new fair value measurement, according to the transitional implementation guidance. As the adoption of this standard will be postponed until after 2015, the Group does not expect any significant influence on its financial condition and performance.

(b) New standards, interpretations and amendments not endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC :

<u>New Standards, Interpretations and Amendments</u>	<u>IASB Effective Date</u>
IFRS 9, "Financial instruments"	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Acquisition of an interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14 "Regulatory deferral accounts"	January 1, 2016

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<b><u>New Standards, Interpretations and Amendments</u></b>	<b><u>IASB Effective Date</u></b>
IFRS 15 “Revenue from contracts with customers”	January 1, 2017
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortization (amendments to IAS 16 and 38)	January 1, 2016
Bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Services related contributions from employees or third parties (amendments to IAS 19)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
The Annual Improvements : 2010-2012 & 2011-2013 Cycles	July 1, 2014
The Annual Improvements to IFRS : 2012-2014 Cycles	January 1, 2016
IFRIC 21, “Levies”	January 1, 2014

The Group is assessing the potential impact of these new standards, interpretations and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

**(4) Significant Accounting Policies**

**(a) Statement of compliance**

The interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to the Regulations) and the guidelines of IAS 34 “Interim Financial Reporting” endorsed by the FSC. These interim consolidated financial statements do not include all of the information required by the International Financial Reporting standards, the International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to as the IFRS endorsed by the FSC) for annual financial statements.

Except as described in the following paragraphs, the significant accounting polices applied in the preparation of the interim consolidated financial statements are applied consistently with those of the consolidated financial statements for the year ended December 31, 2014. For the other related information, please refer to Note (4) of the consolidated financial statements for the year ended December 31, 2014. In addition, the consolidated financial statements will fully adopt the 2013 IFRS version that was approved and endorsed by the Financial Supervisory Commission of the Republic of China commencing from 2015.

For the impact of adopting the IFRS 2013 version, which is endorsed by FSC and effective in 2015, please refer to Note (3)(a).

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(b) Business combination

Except as described in Note (3)(a), the principles for the preparation of the interim consolidated financial statements are consistent with those of the consolidated financial statements for the year ended December 31, 2014. Please refer to Note (4)(c) of the consolidated financial statements of the year ended December 31, 2014.

1. List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding %			Note
			2015.6.30	2014.12.31	2014.6.30	
The Company	Wan Hai Lines (Singapore) Pte Ltd. (WHL-Singapore)	International freight transportation, agency services for transport affairs, vessel leasing, and container chartering	100.00 %	100.00 %	100.00 %	
The Company	Wan Hai Lines (America) Ltd. (WHL-America)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	
The Company	T.K. Logistics International Co., Ltd. (TK)	Managing container terminals and storage facilities	55.00 %	55.00 %	55.00 %	
The Company	k.k. WH Corporation (WH Corporation)	Operating and managing container yard and vessel leasing	100.00 %	100.00 %	100.00 %	
The Company	Wan Hai Lines (Germany) GmbH (WHL-Germany)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	
The Company	Bao Sheng Shipping Agency Co., Ltd. (BS)	Agency services for transportation affair and contracting ocean shipping and related services	70.01 %	70.01 %	70.01 %	
WHL-Singapore	Wan Hai Line (M) Sdn. Bhd. (WHL-Malaysia)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	
WHL-Singapore	Wan Hai Lines (HK) Ltd. (WHL-Hongkong)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	
WHL-Singapore	Wan Hai Lines (Phils.), Inc. (WHL-Phils.)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	
WHL-Singapore	Wan Hai Lines (Korea) Ltd. (WHL-Korea)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	

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Name of investor	Name of subsidiary	Principal activity	Shareholding %			Note
			2015.6.30	2014.12.31	2014.6.30	
WHL-Singapore	Wan Hai International Pte Ltd. (WHL-INTL.)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	
WHL-Singapore	Yi Chun Shipping Agencies Sdn. Bhd. (Yi Chun)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	
WHL-Singapore	Wan Hai (Vietnam) Ltd. (WHL Vietnam)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	
WHL-Singapore	Wan Hai Lines (Thailand) Ltd. (WHL-Thailand)	International freight transportation and agency services for transport affairs	49.00 %	49.00 %	49.00 %	The Company did not directly or indirectly hold over one half of the voting rights of WHL-Thailand; however, the subsidiary WHL Singapore occupies three of the five seats on the board of WHL-Thailand. As a result, WHL Singapore has a direct control over WHL-Thailand.
WHL-INTL.	Wan Hai Lines (India) PVT Ltd. (WHL-India)	International freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	
WHL-INTL.	Bravely International Pte Ltd.	Investment	100.00 %	100.00 %	- %	
WHL-Hongkong	Guangzhou Wan Hai Information Tachnology Ltd. (GWHIT)	Information software service	100.00 %	100.00 %	100.00 %	
WHL-Hongkong	Dawin Logistics (International) Ltd. (DL)	Transportation, storage and investment services	100.00 %	100.00 %	100.00 %	
Dawin	Shenzhen Uniwin International Logistics (SUIL)	Freight transportation and agency services for transport affairs	100.00 %	100.00 %	100.00 %	
Dawin	Shenzhen Asia World Logistics Ltd. (SAWL)	Containers, storage and transportation services	100.00 %	100.00 %	100.00 %	
Dawin	Blue Ocean Logistics (Shanghai) Ltd. (BOL)	Containers, storage and international transportation services	100.00 %	100.00 %	100.00 %	

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Name of investor	Name of subsidiary	Principal activity	Shareholding %			Note
			2015.6.30	2014.12.31	2014.6.30	
Shenzhen Uniwin	Shanghai Clipper International Shipping Agency Ltd. (CISA)	International shipping agency services	49.00 %	49.00 %	49.00 %	The Company did not directly or indirectly hold over one half of the voting rights of CISA; however, the subsidiary, Shenzhen Uniwin, occupies four of the five seats on the board of CISA. As a result, the Company has a direct control over CISA.
Shenzhen Uniwin	Shenzhen Yong Chun International Shipping Management Co., Ltd.	International shipping management	90.00 %	90.00 %	90.00 %	

2. List of subsidiaries which are not included in the interim consolidated financial statements:  
None.

(c) Income taxes

Tax expense in the interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expense for the period is best estimated by multiplying the pretax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This is fully recognized as current tax expense.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation and recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

**(5) Major Sources of Accounting Assumptions, Judgments and Estimation Uncertainty**

The accompanying condensed interim consolidated financial statements were prepared in accordance with IAS 34 “Interim Financial Reporting” as endorsed by FSC, which requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The principles for the preparation of the interim consolidated financial statements and the related significant estimates and underlying assumptions are consistent with Note (5) of the consolidated financial statements for the year ended December 31, 2014.

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**(6) Summary of Major Accounts**

Except as described in the following paragraphs, there were no significant differences with those disclosed in the 2014 annual consolidated financial statements. Please refer to Note (6) of the 2014 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Cash on hand	\$ 63,195	57,109	53,920
Savings accounts	2,801,154	2,406,235	1,731,092
Time deposits	<u>23,191,410</u>	<u>24,320,931</u>	<u>19,022,605</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 26,055,759</u>	<u>26,784,275</u>	<u>20,807,617</u>

(b) Financial assets

1. Details of financial assets:

	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Available-for-sale financial assets	\$ 3,666,985	3,623,606	3,362,591
Financial assets measured at cost	735,967	735,967	800,967
Bond portfolios with inactive market	<u>1,242,800</u>	<u>1,268,720</u>	<u>1,196,600</u>
Total	<u>\$ 5,645,752</u>	<u>5,628,293</u>	<u>5,360,158</u>
Current	\$ 3,483,007	3,414,700	3,132,551
Non-current	<u>2,162,745</u>	<u>2,213,593</u>	<u>2,227,607</u>
Total	<u>\$ 5,645,752</u>	<u>5,628,293</u>	<u>5,360,158</u>

Part of the investments mentioned above in common stock which do not have any quoted market prices in an active market and whose fair value cannot be reliably measured were reflected as non-current financial assets carried at cost on initial recognition and subsequently at cost, less, accumulated impairment losses. There were objective evidences indicating that some financial assets were impaired, and the Group recognized impairment loss for the asset whose carrying value is higher than the recoverable amount. For the year ended December 31, 2014, the impairment loss was \$65,000 thousand.

As of June 30, 2015, December 31, 2014, and June 30, 2014, the Group's financial assets were not pledged as collateral.

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2. Sensitivity analysis-equity price risk:

If the equity price changes, the sensitivity analysis was based on the same variables except for the price index for both period, the impact to other comprehensive income will be as follows:

Equity price at reporting date	2015		2014	
	After-tax other comprehensive income	After-tax profit (loss)	After-tax other comprehensive income	After-tax profit (loss)
Increase1%	\$ <u>36,670</u>	-	<u>33,626</u>	-
Decrease1%	\$ <u>(36,670)</u>	-	<u>(33,626)</u>	-

(c) Notes receivable, accounts receivable, and other receivable

	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Notes receivable	\$ 35,213	34,504	51,487
Accounts receivable	2,599,397	3,570,497	3,216,102
Other receivables	986,050	1,116,571	1,235,851
Receivable from agents	776,828	886,462	777,129
Less: Allowance for impairment loss	(364)	(373)	(373)
	<u>\$ 4,397,124</u>	<u>5,607,661</u>	<u>5,280,196</u>

The Group's aging analysis of past due but not impaired notes receivables, accounts receivables and other receivables:

	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Past due 0-30 days	\$ 592,847	532,306	517,977
Past due 31-120 days	113,912	153,799	114,068
Past due 121-365 days	33,220	39,099	3,370
Past due more than 365 days	7,743	10,783	9,723
	<u>\$ 747,722</u>	<u>735,987</u>	<u>645,138</u>

Movements of allowance for uncollectible accounts for the six months ended June 30, 2015 and 2014 were as follows:

	<u>Individually assessed impairment</u>	<u>Collectively assessed impairment</u>	<u>Total</u>
Balance as of January 1, 2015	\$ 373	-	373
Amounts written off	(9)	-	(9)
Balance as of June 30, 2015	<u>\$ 364</u>	-	<u>364</u>
Balance as of January 1, 2014	<u>\$ 373</u>	-	<u>373</u>
Balance as of June 30, 2014	<u>\$ 373</u>	-	<u>373</u>

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(d) Inventories

	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Marine diesel oil	\$ 140,349	153,591	166,357
Marine residual fuel oil	808,828	741,026	1,098,467
Fresh lubricating oil	<u>198,498</u>	<u>192,635</u>	<u>180,649</u>
Sub total	1,147,675	1,087,252	1,445,473
Less: Allowance for inventory valuation and obsolescence losses	(49,632)	(11,106)	(17,467)
Total	<u>\$ 1,098,043</u>	<u>1,076,146</u>	<u>1,428,006</u>

For the second quarter of 2015 and 2014 and for the six months ended June 30, 2015 and 2014, the write-down of inventories to net realizable value amounted to \$34,316 thousand, \$1,540 thousand, \$38,526 thousand and \$17,467 thousand, respectively. The write-downs are included in cost of sales.

As of June 30, 2015, December 31, 2014, and June 30, 2014, the Group's inventories were not pledged as collateral.

(e) Investments accounted for using equity method

A summary of equity-accounted investees is as follows:

	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Associates	\$ 233,729	238,554	195,762
Joint Venture	<u>73,013</u>	<u>-</u>	<u>-</u>
	<u>\$ 306,742</u>	<u>238,554</u>	<u>195,762</u>

1. Associates

The financial information of individually non-significant equity method affiliates included in the consolidated financial statements were as follows:

	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
The carrying amount of individually non-significant associates equity	<u>\$ 233,729</u>	<u>238,554</u>	<u>195,762</u>
	<u>For the three months ended June 30, 2015</u>	<u>For the three months ended June 30, 2014</u>	<u>For the six months ended June 30, 2015</u>
Comprehensive income attributable to owners of parent:			<u>For the six months ended June 30, 2014</u>
Profit after tax from continuing operations	\$ 19,068	15,125	31,914
Total comprehensive income	<u>\$ 19,068</u>	<u>15,125</u>	<u>31,914</u>



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2. Joint venture

The financial information of individually non-significant equity method joint venture included in the consolidated financial statements were as follows:

	<b>2015.6.30</b>	<b>2014.12.31</b>	<b>2014.6.30</b>	
The carrying amount of individually non-significant joint ventures' equity	<b>\$ 73,013</b>	-	-	
	<b>For the three months ended June 30, 2015</b>	<b>For the three months ended June 30, 2014</b>	<b>For the six months ended June 30, 2015</b>	
Comprehensive income attributable to owners of parent:			<b>For the six months ended June 30, 2014</b>	
Profit or loss after tax from continuing operations	\$ (1,326)	-	(2,620)	-
Total comprehensive income	<b>\$ (1,326)</b>	-	<b>(2,620)</b>	-

3. Guarantees

The Group's equity-accounted investees were not pledged as collateral.

(f) Property, plant and equipment

The movements of the property, plant and equipment of the Group for the six months ended June 30, 2015 and 2014 were as follows:

	<b>Land</b>	<b>Buildings</b>	<b>Vessels</b>	<b>Containers</b>	<b>Other equipment</b>	<b>Privileged wharf equipment</b>	<b>Total</b>
Cost:							
Balance at January 1, 2015	\$ 661,590	1,146,526	68,820,976	19,081,314	1,921,632	1,475,160	93,107,198
Additions	-	122,078	924,926	1,334,327	37,512	90	2,418,933
Reclassification	-	-	-	-	5,700	-	5,700
Disposals	-	-	-	(1,088,523)	(35,504)	-	(1,124,027)
Effect of movements in exchange rates	(840)	(32,294)	(1,325,689)	(1)	(15,550)	-	(1,374,374)
Balance at June 30, 2015	<b>\$ 660,750</b>	<b>1,236,310</b>	<b>68,420,213</b>	<b>19,327,117</b>	<b>1,913,790</b>	<b>1,475,250</b>	<b>93,033,430</b>
Balance at January 1, 2014	\$ 659,298	1,091,861	64,445,786	18,574,907	1,976,711	968,858	87,717,421
Additions	-	3,205	155,028	414,182	26,140	875	599,430
Reclassification	-	-	-	-	7,500	-	7,500
Disposals	-	-	-	(308,902)	(17,987)	-	(326,889)
Effect of movements in exchange rates	(45)	3,668	(71,915)	-	(589)	-	(68,881)
Balance at June 30, 2014	<b>\$ 659,253</b>	<b>1,098,734</b>	<b>64,528,899</b>	<b>18,680,187</b>	<b>1,991,775</b>	<b>969,733</b>	<b>87,928,581</b>
Depreciation and impairment loss:							
Balance at January 1, 2015	\$ -	310,514	32,972,996	13,223,846	1,143,570	680,464	48,331,390
Depreciation for the year	-	17,190	1,524,414	552,448	80,838	33,113	2,208,003
Reclassification	-	-	-	-	-	-	-
Disposals	-	-	-	(1,044,814)	(34,448)	-	(1,079,262)
Effect of movements in exchange rates	-	(7,854)	(605,182)	(1)	(11,879)	-	(624,916)
Balance at June 30, 2015	<b>\$ -</b>	<b>319,850</b>	<b>33,892,228</b>	<b>12,731,479</b>	<b>1,178,081</b>	<b>713,577</b>	<b>48,835,215</b>

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	<u>Land</u>	<u>Buildings</u>	<u>Vessels</u>	<u>Containers</u>	<u>Other equipment</u>	<u>Privileged wharf equipment</u>	<u>Total</u>
Balance at January 1, 2014	\$ -	269,248	28,383,271	12,756,606	1,103,161	625,032	43,137,318
Depreciation for the year	-	15,069	1,462,145	495,854	86,513	28,788	2,088,369
Reclassification	-	-	-	-	-	-	-
Disposals	-	-	-	(307,767)	(17,554)	-	(325,321)
Effect of movements in exchange rates	-	701	(41,663)	-	33	-	(40,929)
Balance at June 30, 2014	<u>\$ -</u>	<u>285,018</u>	<u>29,803,753</u>	<u>12,944,693</u>	<u>1,172,153</u>	<u>653,820</u>	<u>44,859,437</u>
Carrying amounts:							
Balance at January 1, 2015	<u>\$ 661,590</u>	<u>836,012</u>	<u>35,847,980</u>	<u>5,857,468</u>	<u>778,062</u>	<u>794,696</u>	<u>44,775,808</u>
Balance at June 30, 2015	<u>\$ 660,750</u>	<u>916,460</u>	<u>34,527,985</u>	<u>6,595,638</u>	<u>735,709</u>	<u>761,673</u>	<u>44,198,215</u>
Balance at January 1, 2014	<u>\$ 659,298</u>	<u>822,613</u>	<u>36,062,515</u>	<u>5,818,301</u>	<u>873,550</u>	<u>343,826</u>	<u>44,580,103</u>
Balance at June 30, 2014	<u>\$ 659,253</u>	<u>813,716</u>	<u>34,725,146</u>	<u>5,735,494</u>	<u>819,622</u>	<u>315,913</u>	<u>43,069,144</u>

The Group reached a purchase agreement amounting \$408,074 thousand in 2014, and as of June 30, 2015, \$204,037 was prepaid and classified as other non-current asset.

Please refer to Note 8 for details of the property, plant and equipment pledged as collateral.

(g) Intangible assets

	<u>Computer Software</u>	<u>Trademark</u>	<u>Total</u>
Book Value:			
Balance at January 1, 2015	<u>\$ 41,873</u>	<u>1,364</u>	<u>43,237</u>
Balance at June 30, 2015	<u>\$ 29,072</u>	<u>1,269</u>	<u>30,341</u>
Balance at January 1, 2014	<u>\$ 63,585</u>	<u>1,556</u>	<u>65,141</u>
Balance at June 30, 2014	<u>\$ 50,066</u>	<u>1,460</u>	<u>51,526</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2015 and 2014. Information on amortization for the period is discussed in Note (12)(a). Please refer to Note (6)(g) of the 2014 annual consolidated financial statements for other related information.

(h) Financial liabilities at fair value through profit or loss- non-current

	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Financial liabilities at fair value through profit or loss- current	<u>\$ -</u>	<u>7,252,690</u>	<u>6,878,830</u>

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1. On June 29, 2005, WHL Singapore issued straight bonds of USD325 million on the Singapore Stock Exchange, which were used as long-term working capital and for purchasing vessels.

The offering conditions were as follows:

- 1) Issue amount

USD325 million

- 2) Offering method

Straight bonds were issued outside the territory of the Republic of China (“ROC”) pursuant to the relevant laws and regulations in the offering place, Singapore.

- 3) Form/denomination/issue price

Straight bonds are in registered form in denominations of USD1,000 or multiples thereof. The bonds were issued at par value.

- 4) Issue date

June 29, 2005

- 5) Maturity date

10 years from the issue date

- 6) Place of listing

Singapore Stock Exchange

- 7) Coupon rate

The indicative coupon for the bonds is 5.5% (annually).

2. WHL Singapore redeemed and cancelled all the bonds in June, 2015.

- (i) Term loans

Details of borrowings are as follows:

	<b>2015.6.30</b>			
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>	<b>Amount</b>
Secured bank loans	TWD	1.47%-2.80%	2016-2020	\$ 947,350
Secured bank loans	USD	0.92%-3.89%	2015-2023	18,855,730
Unsecured bank loans	TWD	1.93%-1.95%	2015-2020	<u>133,644</u>
Totals				<b><u>\$ 19,936,724</u></b>
Current				\$ 5,029,664
Non-current				<u>14,907,060</u>
Totals				<b><u>\$ 19,936,724</u></b>

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<b>2014.12.31</b>				
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>	<b>Amount</b>
Secured bank loans	TWD	1.47%-2.80%	2015-2020	\$ 1,306,950
Secured bank loans	USD	0.92%-3.89%	2015-2023	16,139,618
Unsecured bank loans	TWD	1.93%-1.95%	2016-2020	<u>142,779</u>
Totals				<b><u>\$ 17,589,347</u></b>
Current				\$ 4,344,123
Non-current				<u>13,245,224</u>
Totals				<b><u>\$ 17,589,347</u></b>

<b>2014.6.30</b>				
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>	<b>Amount</b>
Secured bank loans	TWD	1.47%-2.80%	2015-2020	\$ 1,666,550
Secured bank loans	USD	0.92%-3.89%	2015-2023	14,946,000
Unsecured bank loans	TWD	1.93%-1.95%	2016-2020	<u>161,914</u>
Totals				<b><u>\$ 16,774,464</u></b>
Current				\$ 3,304,331
Non-current				<u>13,470,133</u>
Totals				<b><u>\$ 16,774,464</u></b>

For details of fixed assets provide as collateral please refer to Note (8).

(j) Bonds payable

<b>2015.6.30</b>				
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>	<b>Amount</b>
Unsecured bank-2011 first domestic bond issue	TWD	1.65%~1.85%	2016-2018	\$ 7,500,000
Unsecured bank-2011 second domestic bond issue	TWD	1.75%	2017	2,900,000
Unsecured bank-2014 first domestic bond issue	TWD	1.65%~1.95%	2019-2021	1,800,000
Total				<b><u>\$ 12,200,000</u></b>
Current				\$ 3,000,000
Non-current				<u>9,200,000</u>
Total				<b><u>\$ 12,200,000</u></b>

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<b>2014.12.31</b>				
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>	<b>Amount</b>
Unsecured bank-2011 first domestic bond issue	TWD	1.65%~1.85%	2016-2018	\$ 7,500,000
Unsecured bank-2011 second domestic bond issue	TWD	1.75%	2017	2,900,000
Unsecured bank-2014 first domestic bond issue	TWD	1.65%~1.95%	2019-2021	1,800,000
Bond payable-non-current				<b>\$ 12,200,000</b>

  

<b>2014.6.30</b>				
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Expiration</b>	<b>Amount</b>
Unsecured bank-2011 first domestic bond issue	TWD	1.65%~1.85%	2016-2018	\$ 7,500,000
Unsecured bank-2011 second domestic bond issue	TWD	1.75%	2017	2,900,000
Bond payable-non-current				<b>\$ 10,400,000</b>

1. Unsecured bank-2011 first domestic bond issue

The Company issued an unsecured corporate bond in June 2011. It was the Company's first domestic bond issue in 2011 and was effective upon submission to the regulatory authority on June 9, 2011. The issuance terms were as follows:

1) Issue amount

TWD7,500,000 thousand. There are two series of bonds categorized by the terms, with series A amounting to TWD3,000,000 thousand and series B amounting to TWD4,500,000 thousand.

2) Nominal amount

Par value TWD1,000 thousand per unit.

3) Issuance period

The issuance dates are June 22~24, 2011; the maturity periods for series A and B are five and seven years, respectively.

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 1.65%

2) Series B: 1.85%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bondholders apply for repayment after that date.

**WAN HAI LINES LTD. AND ITS SUBSIDIARIES  
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7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with Taiwan Depository & Clearing Corp. (TDCC).

9) Trustee

The trustee is Hua Nan Commercial Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Hua Nan Commercial Bank Ltd., Cheng Tung Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: None

12) Announcement

The related information can be acquired from the Market Observation Post System.

2. Unsecured bank-2011 second domestic bond issue

The Company issued an unsecured corporate bond in July 2011. It was the Company's second domestic bond issue in 2011 and was effective upon submission to the regulatory authority on July 19, 2011. The issuance terms were as follows:

1) Issue amount

TWD2,900,000 thousand.

2) Nominal amount

Par value TWD1,000 thousand per unit.

3) Issuance period

The issuance date is July 28, 2011; the maturity period is six years.

4) Issued price: at par value

5) Nominal interest rate: 1.75%.

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bond holders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with Taiwan Depository & Clearing Corp. (TDCC).

**WAN HAI LINES LTD. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

9) Trustee

The trustee is Hua Nan Commercial Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Land Bank of Taiwan Co., Ltd., Changan Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: None

12) Announcement

The related information can be acquired from the Market Observation Post System.

3. Unsecured bank-2014 first domestic bond issue

The Company issued an unsecured corporate bond in August 2014. It was the Company's first domestic bond issue in 2014 and was effective upon submission to the regulatory authority on June 17, 2014. The issuance terms were as follows:

1) Issue amount

TWD1,800,000 thousand. There are two series of bonds categorized by the terms, with series A amounting to TWD1,000,000 thousand and series B amounting to TWD800,000 thousand.

2) Nominal amount

Par value TWD 1,000 thousand per unit.

3) Issuance period

The issuance dates are August 14, 2014; the maturity periods for series A and B are five and seven years, respectively.

4) Issued price: at par value

5) Nominal interest rate

1) Series A: 1.65%

2) Series B: 1.95%

6) Payment of interest: The interest is paid once a year by simple interest and is rounded to the closest digit. Interest payment is postponed to the following business day if the repayment date is on a non-business day, excluding additional interest. There is no additional interest for the period after the maturity date if the bondholders apply for repayment after that date.

7) Redemption on the maturity date

The ordinary bonds will be redeemed at par on the maturity date.

8) Bond form: No physical bonds were released; the bonds were registered with Taiwan Depository & Clearing Corp. (TDCC).

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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

9) Trustee

The trustee is Hua Nan Commercial Bank Ltd., which represents the bondholders' interest and executes the responsibility of monitoring the duties of the Company under the contractual agreement. Holders of the bonds agree with the rights and responsibilities represented by the trustee, regardless of the date of acquiring the Company's bonds. Bondholders can review the content of the representation agreement during the office hours of the trustee.

10) Agency for payment of principal and interest

Hua Nan Commercial Bank Ltd., Cheng Tung Branch is assigned for handling payments of the principal and interest according to the bondholder list provided by TDCC.

11) Underwriter: None.

12) Announcement

The related information can be acquired from the Market Observation Post System.

(k) Operating leases

Lease payables from non-cancellable operating lease agreement were as follows:

	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Less than one year	\$ 2,336,657	2,887,229	1,970,545
Between one and five years	<u>1,515,913</u>	<u>2,325,083</u>	<u>2,036,088</u>
	<u>\$ 3,852,570</u>	<u>5,212,312</u>	<u>4,006,633</u>

The Group entered into operating leases agreement for offices and vessels with a period from 1 to 3 years.

(l) Employee benefits

1. Defined benefit plans

In the prior fiscal year, there was no material volatility of the market, no material reimbursement and settlement, and no other material one-time events. As a result, pension cost in the interim financial statements was measured and disclosed according to the actuarial report as of December 31, 2014 and 2013.

The Group's pension expenses recognized in profit or loss for the three and the six months ended June 30, 2015 and 2014 were \$26,562 thousand, \$26,397 thousand, \$53,158 thousand and \$52,915 thousand, respectively. The pension expenses are included in operating expenses and operating costs.

2. Defined contribution plans

The contributions of the Group to the ROC Bureau of Labor Insurance and China Labor and Social Security Bureau for the employees' pension benefits for the three and the six months ended June 30, 2015 and 2014 were \$19,050 thousand, \$19,370 thousand, \$41,216 thousand and \$40,176 thousand, respectively.



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(m) Income taxes

1. Income tax recognized in profits or losses

The amount of income tax were as follows:

	<u>For the three months ended June 30, 2015</u>	<u>For the three months ended June 30, 2014</u>	<u>For the six months ended June 30, 2015</u>	<u>For the six months ended June 30, 2014</u>
Current income tax expense (benefit):				
Current period	\$ 409,639	288,091	812,912	397,881
Adjustment for prior periods	<u>2,211</u>	<u>(1,977)</u>	<u>2,064</u>	<u>(4,589)</u>
Total income tax expense from continuing operations	<u>\$ 411,850</u>	<u>286,114</u>	<u>814,976</u>	<u>393,292</u>

No income tax recognised in equity and other comprehensive income for the six months ended June 30, 2015 and 2014.

2. The Group's income tax returns through 2012 were examined and approved by the tax authority, except for the year of 2010.
3. The Group's information related to imputation credit account is summarized below:

Unappropriated earnings of 1998 and after	<u>2015.6.30</u> \$ <u>3,837,850</u>	<u>2014.12.31</u> <u>5,639,903</u>	<u>2014.6.30</u> <u>2,057,553</u>
Balance of imputation credit account (ICA)	<u>\$ 813,200</u>	<u>215,653</u>	<u>200,817</u>
Tax deduction ratio for earnings distribution to ROC residents	<u>2014 (estimated)</u> <u>14.33 %</u>	<u>2013 (actual)</u> <u>13.04 %</u>	

The above-mentioned information of the unappropriated earnings and tax deduction ratio have been prepared in accordance with the permit No.10204562810 issued by the Ministry of Finance on October 17, 2013.

(n) Capital and other equity

Except for the following, there is no significant difference in capital and other equity for the six months ended June 30, 2015 and 2014. Please refer to Note (6)(n) of the consolidated financial statements for the year ended December 31, 2014 for other related information.

1. Retained earnings

The industry of the Company is highly changeable and is capital intensive. The Company is in the stable growing stage. According to the Company's articles of incorporation, 10% of its annual net income after offsetting prior years' deficits is to be set aside as a legal reserve, and special reserves are to be provided according to the regulations. At least 30% of the remaining undistributed earnings shall be distributed in the following manner and order subject to the discretion of the board of directors and upon approval by the shareholders:

- 1) Not be less than 1% as bonus to the employees,
- 2) 1% as remuneration to the directors and supervisors, and

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3) The balance after deducting (1) and (2) is for dividends.

4) Independent directors do not participate in earnings distribution, and their remuneration is determined by the board of directors.

In consideration of future financing demands and the long-term finance plan, the Company's shareholders' meeting could adjust the retained earnings distribution percentages. The cash dividend is not less than 10% of the dividends to the shareholders.

In accordance with the R.O.C. Company Act which is amended on May of 2015, employee benefits and directors and supervisors' remuneration are no longer distributed from earnings. The Company will amend its Articles of Incorporation on this regard before the date prescribed by the Authority.

For the three and the six months ended June 30, 2015 and 2014, the Company accrued its employee benefits of \$11,740 thousand, and \$20,784 thousand, respectively, and directors' and supervisors' remuneration of \$11,280 thousand, and \$19,969 thousand respectively. These amounts are calculated by using the Company's net profit for each period and are determined according to the earnings allocation method, priority, and distribution ratios for employee benefits and remuneration of directors and supervisors as stated under the articles of incorporation. These benefits are expensed under operating expenses for each period.

Employee benefits amounted to \$64,195 thousand and \$21,862 thousand, and remuneration of directors and supervisors amounted to \$61,678 thousand and \$21,004 thousand for the year ended of 2014 and 2013, respectively. For the year 2014, the differences between accrued and estimated employee benefits and remuneration of directors and supervisors are \$18,924 thousand and \$16,407 thousand, respectively; while in 2013, the differences are \$3,391 thousand and \$3,258 thousand, respectively. The change is accounted for as a change in an accounting estimate and has been accounted for under profit or loss in 2014 and 2013.

The earnings distribution for 2014 and 2013 were determined by the shareholders' meeting held on June 12, 2015 and June 18, 2014, respectively, and were as follows:

	2014		2013	
	Dividend per share (\$)	Amount	Dividend per share (\$)	Amount
Cash dividends	\$ 2.00	4,436,595	0.80	1,774,637

2. Other equity (net of tax)

	Foreign currency translation differences for foreign operations	Available for-sale investments	Non-controlling interests	Total
Balance at January 1, 2015	\$ 237,138	(300,859)	240,502	176,781
Foreign currency translation differences	(375,339)	-	(4,183)	(379,522)
Exchange differences on associates accounted for using equity method	(14,279)	-	-	(14,279)
Unrealized gains and losses from available-for-sale investments	-	(46,349)	-	(46,349)
Other	-	-	1,747	1,747
Balance at June 30, 2015	\$ (152,480)	(347,208)	238,066	(261,622)

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	Foreign currency translation differences for foreign operations	Available for-sale investments	Non-controlling interests	Total
Balance at January 1, 2014	\$ (683,820)	(433,183)	174,590	(942,413)
Foreign currency translation differences	(23,766)	-	(470)	(24,236)
Unrealized gains and losses from available-for-sale investments	-	136,299	-	136,299
Other	-	-	22,750	22,750
Balance at June 30, 2014	<u>\$ (707,586)</u>	<u>(296,884)</u>	<u>196,870</u>	<u>(807,600)</u>

(o) Earnings per share

	For the three months ended June 30, 2015	For the three months ended June 30, 2014	For the six months ended June 30, 2015	For the six months ended June 30, 2014
<b>Basic earnings per share</b>				
Profit attributable to ordinary shareholders	<u>\$ 1,086,314</u>	<u>1,076,428</u>	<u>3,159,949</u>	<u>1,731,733</u>
Weighted-average number of ordinary shares	<u>2,218,297</u>	<u>2,218,297</u>	<u>2,218,297</u>	<u>2,218,297</u>
Basic earnings per share (In Dollars of New Taiwan Dollars)	<u>\$ 0.49</u>	<u>0.49</u>	<u>1.42</u>	<u>0.78</u>
<b>Diluted earnings per share</b>				
Profit attributable to ordinary shareholders (adjusted for the effects of all dilutive potential ordinary shares)	<u>\$ 1,086,314</u>	<u>1,076,428</u>	<u>3,159,949</u>	<u>1,731,733</u>
Weighted-average number of ordinary shares	2,218,297	2,218,297	2,218,297	2,218,297
Effects of all dilutive potential ordinary shares	2,472	2,451	2,645	2,535
Weighted-average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	<u>2,220,769</u>	<u>2,220,748</u>	<u>2,220,942</u>	<u>2,220,832</u>
Diluted earnings per share (In Dollars of New Taiwan Dollars)	<u>\$ 0.49</u>	<u>0.48</u>	<u>1.42</u>	<u>0.78</u>

(p) Revenue

The details of revenue are as follows:

	Continuing Operations			
	For the three months ended June 30, 2015	For the three months ended June 30, 2014	For the six months ended June 30, 2015	For the six months ended June 30, 2014
Freight	\$ 15,792,541	15,805,089	32,160,757	29,651,455
Rentals	409,037	530,419	918,299	1,156,969
WHL terminal	173,839	185,609	339,200	345,649
Others	121,993	135,213	239,832	256,644
	<u>\$ 16,497,410</u>	<u>16,656,330</u>	<u>33,658,088</u>	<u>31,410,717</u>

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(q) Employee bonuses and remuneration of directors and supervisors

For the three and the six months ended June 30, 2015, employee bonuses of \$10,524 thousand and \$29,600 thousand, and remuneration directors and supervisors of \$10,112 thousand and \$28,440 thousand, respectively, were estimated and recognized as current expense. These amounts were calculated using the Company's net profit for each period and are determined according to the earnings allocation method, priority and factor for employee benefits and key management personnel compensation as stated under the Articles of Association. These benefits were charged to profit or loss under operating costs or operating expenses for the three and the six months ended June 30, 2015. Management is expecting that the differences between the amounts which are yet to be approved in the shareholders' meeting and those recognized in the financial statements, if any, will be treated as changes in accounting estimates and charged to profit or loss.

(r) Non-operating income and expenses

1. Other revenue

The details of other revenue were as follows:

	<b>For the three months ended June 30, 2015</b>	<b>For the three months ended June 30, 2014</b>	<b>For the six months ended June 30, 2015</b>	<b>For the six months ended June 30, 2014</b>
Interest income:				
Bank deposit	\$ 80,878	62,783	157,583	116,666
Dividend revenue	1,430	1,864	1,430	1,864
	<b><u>\$ 82,308</u></b>	<b><u>64,647</u></b>	<b><u>159,013</u></b>	<b><u>118,530</u></b>

2. Other gains and losses

The details of other gains and losses were as follows:

	<b>For the three months ended June 30, 2015</b>	<b>For the three months ended June 30, 2014</b>	<b>For the six months ended June 30, 2015</b>	<b>For the six months ended June 30, 2014</b>
Net foreign currency exchange \$ gain or loss	(144,664)	(218,642)	(230,934)	95,909
Net gain or loss on disposal of available-for-sale financial assets	2,299	27,553	2,299	32,286
Gain (loss) on financial assets (liabilities) at fair value through profit or loss	41,950	(23,449)	80,151	(9,146)
Gain on disposal of property, plant and equipment	260,923	81,609	463,840	157,820
Other	140,854	32,767	186,510	57,283
	<b><u>\$ 301,362</u></b>	<b><u>(100,162)</u></b>	<b><u>501,866</u></b>	<b><u>334,152</u></b>

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3. Finance costs

The details of finance costs were as follows:

	<b>For the three months ended June 30, 2015</b>	<b>For the three months ended June 30, 2014</b>	<b>For the six months ended June 30, 2015</b>	<b>For the six months ended June 30, 2014</b>
Interest expense Bank loans	<b>\$ 215,012</b>	<b>207,838</b>	<b>421,238</b>	<b>412,321</b>

(s) Financial instruments

There were no significant differences in fair value exposures to credit risk, liquidity risk and market risk on financial instruments, except for the following. Please refer to Note 6(r) of the consolidated financial statements for the year ended December 31, 2014 for other related information.

1. Credit risks

Since the Group has considerable customers worldwide and does not concentrate its transactions significantly with any single customer or in similar areas, The Group has no concentration of credit risk. The Group mitigates the credit risks by continuously monitoring customers' credit risk and credit ratings.

2. Liquidity risks

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Less than 6 month</b>	<b>6 to 12 months</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>More than 5 years</b>
<b>June 30, 2015</b>							
<b>Non-derivative financial liabilities</b>							
Financial liabilities designated as at fair value through profit or loss	\$ 10,000	10,043	10,043	-	-	-	-
Secured bank loans	19,803,080	20,540,202	2,721,095	2,489,206	4,037,598	8,027,067	3,265,236
Unsecured bank loans	123,644	123,845	19,166	38,317	37,921	28,441	-
Account payables (Include related parties)	7,062,920	7,062,920	7,062,920	-	-	-	-
Other payables	5,328,657	5,328,657	5,328,657	-	-	-	-
Payables to agents	4,917	4,917	4,917	-	-	-	-
Other current liabilities	1,198,418	1,198,418	1,198,418	-	-	-	-
Bonds payable	12,200,000	12,843,200	82,850	3,132,750	166,100	7,598,200	1,863,300
Deposits relating to collateral of customers	249,419	249,419	249,419	-	-	-	-
	<b>\$ 45,981,055</b>	<b>47,361,621</b>	<b>16,677,485</b>	<b>5,660,273</b>	<b>4,241,619</b>	<b>15,653,708</b>	<b>5,128,536</b>
<b>December 31, 2014</b>							
<b>Non-derivative financial liabilities</b>							
Financial liabilities at fair value through profit or loss - current	\$ 7,252,690	7,368,361	7,368,361	-	-	-	-
Secured bank loans	17,446,568	18,019,762	2,116,327	2,391,075	4,161,528	6,812,555	2,538,276
Unsecured bank loans	142,779	143,025	19,166	19,166	38,331	56,882	9,480
Account payables (Include related parties)	6,558,225	6,558,225	6,558,225	-	-	-	-
Other payables	1,172,264	1,172,264	1,172,264	-	-	-	-
Payables to agents	4,089	4,089	4,089	-	-	-	-
Other current liabilities	1,056,713	1,056,713	1,056,713	-	-	-	-
Bonds payable	12,200,000	12,975,950	132,750	82,850	3,215,600	8,713,550	831,200
Deposits relating to collateral of customers	252,872	252,872	252,872	-	-	-	-
	<b>\$ 46,086,200</b>	<b>47,551,261</b>	<b>18,680,767</b>	<b>2,493,091</b>	<b>7,415,459</b>	<b>15,582,987</b>	<b>3,378,956</b>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 6 month</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
<b>June 30, 2014</b>							
<b>Non-derivative financial liabilities</b>							
Financial liabilities designated as at fair value through profit or loss - current	\$ 6,878,830	7,135,505	185,997	6,949,508	-	-	-
Secured bank loans	16,612,550	14,077,592	749,545	1,271,967	2,761,947	6,490,868	2,814,744
Unsecured bank loans	161,914	162,189	19,166	19,166	66,977	56,880	-
Account payables (Include related parties)	5,913,597	5,913,597	5,913,597	-	-	-	-
Other payables	2,506,209	2,506,209	2,506,209	-	-	-	-
Payables to agents	8,154	8,154	8,154	-	-	-	-
Other current liabilities	1,158,691	1,158,691	1,158,691	-	-	-	-
Bonds payable	10,400,000	11,035,000	50,750	132,750	3,183,500	7,668,000	-
Deposits relating to collateral of customers	169,123	169,123	169,123	-	-	-	-
	<u>\$ 43,809,068</u>	<u>42,166,060</u>	<u>10,761,232</u>	<u>8,373,391</u>	<u>6,012,424</u>	<u>14,215,748</u>	<u>2,814,744</u>

The Group are not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

3. Market risk

1) Currency risk

The Group's significant exposure to foreign currency risks was as follows:

	<u>2015.6.30</u>			<u>2014.12.31</u>			<u>2014.6.30</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
<b>Financial assets</b>									
<b>Monetary items</b>									
USD	\$ 538,044	31.070	16,717,027	771,666	31.718	23,355,697	561,149	29.915	16,786,779
JPY	2,488,925	0.2542	632,564	2,228,029	0.2650	590,381	2,351,782	0.2951	693,959
CNY	1,251,306	5.0073	6,265,604	946,026	5.1140	4,837,968	735,944	4.8219	3,548,638
HKD	149,010	4.0078	597,202	97,617	4.0897	399,229	87,098	3.8594	336,146
INR	522,121	0.4871	254,348	-	-	-	-	-	-
<b>Financial liabilities</b>									
<b>Monetary items</b>									
USD	226,172	31.070	7,027,162	239,158	31.718	7,585,615	215,025	29.915	6,432,463
JPY	2,682,333	0.2542	681,718	3,271,644	0.2650	866,917	3,001,681	0.2951	885,730
CNY	296,069	5.0073	1,482,495	163,372	5.1140	835,481	116,323	4.8219	560,894
HKD	78,255	4.0078	313,629	129,767	4.0897	530,714	94,582	3.8594	365,031
MYR	35,057	8.2283	288,455	-	-	-	-	-	-

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, available-for-sale financial assets, loans and borrowings; and trade and other payables that are denominated in foreign currency.

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A 1% appreciation or depreciation of the TWD against the USD, HKD and JPY as at June 30, 2015 and 2014, would have increased or decreased net income by \$145,586 thousand and \$128,519 thousand, respectively. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

Due to the wide variety of the Group's functional currency, the Group had disclosed the exchange gains and losses of monetary items by using the aggregated method. For the six months ended June 30, 2015 and 2014, the exchange gains and losses (including realized and unrealized) were \$(230,934) thousand and \$95,909 thousand, respectively.

2) Interest risk

The Group's sensitivity analysis in interest rates is based on the risk exposure to interest rates on the derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The Group's accounting and financial department reported that the increases or decreases in interest rates and the change in interest rate of 1% basis points has been determined as management's benchmark in assessing the reasonableness of the changes in the interest rates.

If the interest rate increases or decreases by 1%, the Group's profit will increase or decrease by \$192,880 thousand and \$155,341 thousand for the six months ended June 30, 2015 and 2014, respectively. This analysis assumes that all other variables remain constant.

4. Fair value

1) The Categories and Fair Values of Financial Instruments

The carrying amount and the fair value of the Group's financial assets and financial liabilities, including fair value hierarchy information; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required, except for the following:

		<b>June 30, 2015</b>			
		<b>Fair value</b>			
<b>Book value</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Available-for-sale financial assets</b>					
Domestic and foreign listed shares	\$ <b>3,666,985</b>	<b>3,666,985</b>	-	-	<b>3,666,985</b>
		<b>December 31, 2014</b>			
		<b>Fair value</b>			
<b>Book value</b>		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Available-for-sale financial assets</b>					
Domestic and foreign listed shares	\$ <b>3,623,606</b>	<b>3,623,606</b>	-	-	<b>3,623,606</b>
<b>Financial liabilities at fair value through profit or loss</b>					
Initial recognition	\$ <b>7,252,690</b>	<b>7,252,690</b>	-	-	<b>7,252,690</b>

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	June 30, 2014				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Available-for-sale financial assets</b>					
Domestic and foreign listed shares	\$ <u>3,362,591</u>	<u>3,362,591</u>	<u>-</u>	<u>-</u>	<u>3,362,591</u>
<b>Financial liabilities at fair value through profit or loss</b>					
Initial recognition	\$ <u>6,878,830</u>	<u>6,878,830</u>	<u>-</u>	<u>-</u>	<u>6,878,830</u>

2) Valuation Techniques for Financial Instruments Measured at Fair Value

A. Non-derivative Financial Instruments

If quoted prices in active markets are available, the prices are established as fair values. Market prices published by major stock exchange and OTC market, where high volume of central government bonds are traded, are the foundation of fair value of debt instruments with quoted market price in an active market and listed equity instruments.

If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high-ask spreads is an indication of non-active market.

If the Groups' financial instruments have an active market, fair values are determined as follows:

Financial assets and financial liabilities composed of listed redeemable bonds, listed stocks, financial bills and bonds are traded with quoted market price in an active market and have standard provisions and conditions.

For the six months ended June 30, 2015 and 2014, there is no transferring of fair value hierarchy.

(t) Financial risk management

There were no significant differences of the Group's management goal and policies on financial risk with those disclosed in Note (6)(s) of the consolidated financial statements for the year ended December 31, 2014.

(u) Capital management

The Group's management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2014. Also, management believes that there were no significant changes in the Group's capital management information as disclosed in Note (6)(t) for the year ended December 31, 2014.



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**(7) Related-Party Transactions**

(a) Parent Company and Ultimate Controlling Party

The Company is the ultimate controlling party of the Group.

(b) Significant transactions with related parties

1. Sales to related parties

	<u>For the three months ended June 30, 2015</u>	<u>For the three months ended June 30, 2014</u>	<u>For the six months ended June 30, 2015</u>	<u>For the six months ended June 30, 2014</u>
Other related party	\$ <u>213,151</u>	<u>178,493</u>	<u>412,406</u>	<u>376,868</u>

The transaction terms with related parties were not significantly different from those of sales to third parties. The average collection period for notes and accounts receivable pertaining to such sales transactions ranged from one to three months, while the average collection period for routine sales transactions was within one month.

2. Consideration for services related to the entity

	<u>For the three months ended June 30, 2015</u>	<u>For the three months ended June 30, 2014</u>	<u>For the six months ended June 30, 2015</u>	<u>For the six months ended June 30, 2014</u>
Associate	\$ 12,225	12,342	20,551	21,767
Other related party	<u>702,835</u>	<u>740,497</u>	<u>1,430,901</u>	<u>1,452,340</u>
	<u>\$ 715,060</u>	<u>752,839</u>	<u>1,451,452</u>	<u>1,474,107</u>

The transaction terms with related parties were not significantly different from those of the third parties. The average payment period for notes and accounts payable pertaining to such purchase transactions ranged from one to two months, which was similar to those of other normal vendors.

3. Receivables from related parties

Receivables of the Company from related parties were as follows:

<u>Item</u>	<u>Related party categories</u>	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Accounts receivable	Other related party	\$ 67,139	43,763	61,402
Receivable from agents	Associate	22,879	39,810	34,903
Receivable from agents	Other related party	<u>453,670</u>	<u>481,298</u>	<u>432,245</u>
		<u>\$ 543,688</u>	<u>564,871</u>	<u>528,550</u>

4. Payables from related parties

Payable of the Company from related parties was as follows:

<u>Item</u>	<u>Related party categories</u>	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Accounts payable	Other related party	\$ 426,683	325,939	261,423
Other payable	Other related party	<u>1,896</u>	<u>8,862</u>	<u>6,528</u>
		<u>\$ 428,579</u>	<u>334,801</u>	<u>267,951</u>

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(c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the three months ended June 30, 2015</u>	<u>For the three months ended June 30, 2014</u>	<u>For the six months ended June 30, 2015</u>	<u>For the six months ended June 30, 2014</u>
Shorts-term employee benefits	\$ 6,672	5,093	22,061	14,393
Post-employment benefits	<u>75</u>	<u>70</u>	<u>153</u>	<u>139</u>
	<u>\$ 6,747</u>	<u>5,163</u>	<u>22,214</u>	<u>14,532</u>

**(8) Pledged Assets**

The carrying values of pledged assets were as follows:

<u>Assets</u>	<u>Objective</u>	<u>2015.6.30</u>	<u>2014.12.31</u>	<u>2014.6.30</u>
Time deposits (recorded in other current assets)	Registration of container storage and truck lease contract	\$ 5,757	5,940	5,672
Time deposits (recorded in other non-current assets)	Refundable deposits of harbor bureau lease contract for wharf, and lawsuit	71,049	73,586	70,514
Refundable deposits (recorded in other non-current asset)	Lease contract for wharf, building lease contract and lawsuit	87,714	88,442	96,008
Terminal equipment	Long-term loans	599,587	628,316	147,266
Containers	Long-term loans	3,042,619	3,430,607	2,529,241
Vessels	Long-term loans	22,590,090	15,820,295	15,507,705
Buildings	Long-term loans	<u>16,562</u>	<u>16,839</u>	<u>17,116</u>
		<u>\$ 26,413,378</u>	<u>20,064,025</u>	<u>18,373,522</u>

**(9) Significant Contingencies and Commitments**

(a) Agency contracts

The shipping routes of the Group cover Northeast Asia, Southeast Asia, the Middle East, India, China, Africa, the Americas and Europe, where the Group has general agents. The general agents in different harbors are responsible for paying the fees of the Group, such as inbound and outbound expenses. The Group pays commissions to the general agents. The Group also operates inbound and outbound transportation in Taiwan for other shipping companies, and the Group receives commissions thereon.

(b) Contract for port rental

To increase the quality of service and to decrease the cost of operations, the Group entered into a contract to lease a wharf in Tokyo, Japan in March 2003 and renewed it in April 2008. The lease period is from March 2003 to March 2023. As of June 30, 2015, the lease deposit amounted to ¥255,775,000 (TWD 65,018 thousand) and was recorded in refundable deposits.

The Group rented the W29 to W32 stacking yards from Keelung Harbor Bureau in February 2006, and the rental period is for 30 years beginning from the date of completion of inspection.

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(c) AIG Taiwan and Insurance Co., Ltd., Mitsui Sumitomo Insurance Co., Ltd., MSIG Mingtai Insurance Co., Ltd., Fubon Insurance Co., Ltd. had requested the Company to pay damages of approximately \$10,828 thousand. The related trials remained ongoing as of June 30, 2015.

**(10) Significant Catastrophic Losses: None.**

**(11) Significant Subsequent Events: None.**

**(12) Others**

(a) Employee benefits, depreciation, and amortization expenses, categorized as operating cost or expense, were as follows:

By function By item	For the three months ended June 30, 2015			For the three months ended June 30, 2014		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	472,381	470,802	943,183	410,221	440,840	851,061
Labor and health insurance	5,630	46,138	51,768	5,448	42,994	48,442
Pension	15,580	30,032	45,612	15,627	30,140	45,767
Others	-	1	1	-	2	2
Depreciation	1,063,580	31,182	1,094,762	1,020,269	27,444	1,047,713
Amortization	2,513	4,687	7,200	4,074	4,770	8,844

By function By item	For the six months ended June 30, 2015			For the six months ended June 30, 2014		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits						
Salary	941,232	1,042,656	1,983,888	801,929	953,804	1,755,733
Labor and health insurance	11,248	96,334	107,582	10,814	88,158	98,972
Pension	31,186	63,188	94,374	31,340	61,751	93,091
Others	-	96	96	-	68	68
Depreciation	2,146,269	61,734	2,208,003	2,032,851	55,518	2,088,369
Amortization	5,027	9,263	14,290	8,183	11,022	19,205

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**(13) Additional Disclosures**

**(a) Information on significant transactions**

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2015:

**1. Fund financing to other parties:**

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other party during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limitation on fund financing
													Name	Value		
0	The Company	WHL Singapore	Other receivables—related parties	Yes	7,146,100	8,991,000	7,146,100	1.7462	1	-	Note 2	-	Promissory note	8,991,000	13,557,946	13,557,946
0	The Company	WHL Hongkong	Other receivables—related parties	Yes	-	449,550	-	1.7462	1	-	Note 2	-	Promissory note	449,550	13,557,946	13,557,946
1	WH International	WH India	Other receivables—related parties	Yes	149,886	147,583	147,583	5.000	1	-	Note 2	-	Promissory note	147,583	13,557,946	13,557,946
2	WHL Singapore	YiChun	Other receivables—related parties	Yes	-	60,140	-	2.1686	1	-	Note 2	-	No	-	13,557,946	13,557,946

Note 1: Short-term financing.

Note 2: Repayment of loans.

Note 3: Financing amount shall not exceed 40 percent of the Company's net worth and the following:

1. Maximum amount of financing for single borrower who has business with the Company cannot exceed the total transaction amount of the current year.
2. Maximum amount of financing for short-term borrower cannot exceed the lower of 20 percent of the Company's net worth or 40 percent of borrower's net worth.
3. The restriction in item (1) and (2) above shall not apply to inter-company loans of funds between foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, and between the Company and subsidiaries.

Note 4: Eliminated in the consolidated financial statement.

**2. Guarantees and endorsements for other parties:**

Number	Name of the company	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorses/ guarantees to third parties on behalf of subsidiary	Subsidiary endorses/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	WHL Singapore	1	67,789,730	15,532,767	8,991,000	7,110,764	-	20.98 %	67,789,730	Y		
0	The Company	TK	1	67,789,730	212,621	203,427	143,990	-	0.60 %	67,789,730	Y		
1	WHL Singapore	The Company	2	67,789,730	750,000	500,000	500,000	-	1.48 %	67,789,730		Y	

Note 1: Relationship:

1. A subsidiary in which the Company directly holds more than 50 percent of its voting shares.
2. Parent company.

Note 2: According to the Company's "Policy and Procedures for Guarantee and Endorsement", the maximum endorsement / guarantee amount cannot exceed 200% of the Company's common stock, while the maximum endorsement / guarantee amount for a single company cannot exceed 40% of the Company's common stock. This limit does not apply to subsidiaries. The total maximum endorsement / guarantee cannot exceed 250% of the Company's common stock, while the maximum endorsement / guarantee amount for a single company cannot exceed 50% of the Company's common stock.

Note 3: The Company provided a guarantee for TK's bank loan of \$462,000 and had received a promissory note for that amount.

Note 4: Eliminated in the consolidated financial statements.

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3. Information regarding securities held at balance sheet date:

Name of holder	Category and name of security	Category and name of security	Account title	Ending balance				Notes
				Number of shares	Book value	Percentage of shares	Market value	
The Company	Domestic listed stocks:							
	Da Chan Greathall Group	-	Available-for-sale financial assets – current	12,563,752	273,262	- %	273,262	
	" Formosa Plastics Corporation	-	"	786,288	57,085	- %	57,085	
	" Formosa Chemicals & Fiber Corporation	-	"	341,480	25,338	- %	25,338	
	" Tainan Spinning Co., Ltd	-	"	1,709,800	27,015	- %	27,015	
	" China Steel Corporation	-	"	2,291,162	56,477	- %	56,477	
	" Hon Hai Precision Ind.Co., Ltd.	-	"	560,000	54,320	- %	54,320	
	" Chunghwa Telecom Co., Ltd.	-	"	15,865,984	1,561,213	- %	1,561,213	
	" Transcend Information, Inc.	-	"	89,111	10,114	- %	10,114	
	" Amtran Technology Co., Ltd.	-	"	984,058	17,221	- %	17,221	
	" Yang Ming Marine Transport Corp.	-	"	2,049,110	22,130	- %	22,130	
	" China Airlines Ltd.	-	"	20,123,862	264,629	- %	264,629	
	" Chinese Maritime Transport Ltd.	-	"	565,000	16,639	- %	16,639	
	" Mega Financial Holding Co., Ltd.	-	"	7,446,089	207,001	- %	207,001	
	" Taishin Financial Holding Co., Ltd.	-	"	15,225,977	195,654	- %	195,654	
	" First Financial Holding Co., Ltd.	-	"	12,571,117	237,594	- %	237,594	
	" Kinsus Interconnect Technology Corp.	-	"	334,627	28,309	- %	28,309	
	" Shih Wei Navigation Co., Ltd.	-	"	980,334	15,538	- %	15,538	
	" Taiwan Cooperative Bank	-	"	24,455,784	394,961	- %	394,961	
	" Taiwan Secom Co., Ltd.	-	"	184,000	17,075	- %	17,075	
WHL Singapore	Nol Shares	-	"	75,000	1,432	- %	1,432	
"	Domestic listed stocks:							
"	Shin Lin Paper Co., Ltd.	The vice president of SLPC is the chairman of the Company	Available-for-sale financial assets – non-current	5,419,088	183,978	2.08 %	183,978	
The Company	Unlisted stocks:							
	Taipei Port Container Terminal Corp.	The Company is an institutional director of Taipei Port	Financial assets measured at cost – non-current	79,315,476	728,154	15.25 %	-	Note 1
	" United Stevedoring Corporation	-	"	781,250	7,813	15.63 %	-	Note 1
"	Bonds:							
"	Royal Bank of Scotland PLC	-	Bond portfolios with inactive market – non-current	-	1,242,800	- %	-	Note 2

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Note 1: Invested in unlisted companies, and no quoted prices in active markets were available.

Note 2: The medium-term and long-term bond investment, the interest rate is calculated from the contract. No quoted prices in active markets were available, and thus the investments were classified as bond portfolios with inactive market.

4. Accumulated buying/selling of the same marketable securities for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.
5. Acquisition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.
6. Disposition of real estate for which the dollar amount reaches \$300 million or 20% or more of paid-in capital: None.
7. Buying/selling products for which the dollar amount reaches \$100 million or 20% or more of paid-in capital:

Name of company	Name of Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable) (Note 1)	
The Company	APCT	A director of APCT is a second-degree relative of the chairman of the Company	Container fee	164,576	0.59 %	30 days	-	-	(29,329)	0.42 %	
"	Taipei Port	The Company is a director of Taipei Port	Container fee, terminal handling charges	390,916	1.40 %	"	-	-	(74,298)	1.05 %	
"	NSTC	A director of NSTC is one of the representative directors of the Company	Container fee, tow charge	141,757	0.51 %	"	-	-	(40,861)	0.58 %	
"	k.k. WH Corporation	Subsidiary	Terminal port charges, rent expense	3,790,484	13.57 %	"	-	-	-	-	% Note 2 & 3
"	WHL Singapore	Subsidiary	Rent income, commission revenue	(899,303)	2.67 %	"	-	-	-	-	% Note 2 & 3
"	WHL Singapore	Subsidiary	Bunker charge	105,313	0.38 %	"	-	-	(13,119)	0.19 %	Note 3
"	WHL Hongkong	Subsidiary of WHL Singapore	Commission fee	245,457	0.88 %	"	-	-	(507,482)	7.19 %	Note 3
"	WHL Japan	A director of WHL-Japan is the chairman of the Company	Commission fee	121,380	0.43 %	"	-	-	-	-	%
"	IAL (S)	A director of IAL(S) is one of the corporate directors of the Company	Container rental revenue, commission revenue, charter revenue	(239,287)	0.71 %	"	-	-	57,903	2.20 %	

**June 30, 2014 and 2013 reviewed only, not audited in accordance with generally accepted auditing standards**

**WAN HAI LINES LTD. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Name of company	Name of Counter-party	Relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Account/note receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts/notes receivable (payable) (Note 1)	
The Company	Hyaline Shipping (HK) Co., Ltd.	A director of Hyaline Shipping (HK) is the chairman of the Company	Commission fee	247,658	0.89 %	30 days	-	-	-	- %	

Note 1: Including account / notes receivable (payable), accounts receivable (payable)—related parties and receivable (payable) from / to agents.

Note 2: Including rental expense paid through WH Corporation to WHL-Singapore and WHL-Hongkong.

Note 3: Eliminated in the consolidated financial statements.

**8. Accounts receivable from related parties for which the dollar amount reaches \$100 million or 20% or more of paid-in capital:**

Name of related party	Counter-party	Relationship	Balance of receivables from related party (Note)	Turnover rate	Past-due receivables from related party		Subsequently received amount of receivables from related party	Allowances for bad debts
					Amount	Action taken		
The Company	WHL-Hong Kong (CISA)	Subsidiary of SUIL	516,648	- %	-		416,181	-
"	WHL Japan	A director of WHL-Japan is the chairman of the Company	453,670	- %	-		354,045	-
"	WHL India	Subsidiary of WHL-INTL	251,742	- %	-		248,449	-

Note: Eliminated in the consolidated financial statements.

**9. Derivative transactions: None.**

**10. Business relationships and significant inter-company transactions:**

Number	Name of the company	Name of the counter-party	Existing relationship with the counter-party	Transaction details during 2015			Percentage of the total consolidated revenue or total assets
				Account name	Amount	Terms of trading	
0	The Company	Wan Hai Lines (Singapore) Pte Ltd	1	Receivables from agents	985,698	No significant differences	1.19 %
0	"	"	1	Shipping agency fee	511,894	"	1.52 %
0	"	k.k. WH Corporation	1	Rent expense on vessels	3,765,170	Rent vessels from Singapore through kk	11.19 %
2	k.k. WH Corporation	Wan Hai Lines (Singapore) Pte Ltd.	3	Rent expense on vessels	3,140,033	"	9.33 %

Note 1: numbers denote the following:

1. 0 represents the Company.
2. Subsidiaries are listed by names and numbered starting with 1.

Note 2: relationship with the listed companies:

1. The Company to subsidiary
2. Subsidiary to the Company
3. Subsidiary to subsidiary

Note 3: The disclosed amounts are above 1% of total assets for balance sheet accounts or 1% of total operating revenue for income statement accounts of the Group.

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**WAN HAI LINES LTD. AND ITS SUBSIDIARIES**  
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(b) Information on investees

For the six months ended June 30, 2015, the following is the information on investees:

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
The Company	Wan Hai Lines (Singapore) Pte Ltd	10 Hoe Chiang Road #25-01 Keppel Towers Singapore 089315	Transportation and shipping agency service, vessel and container rental service, and international transportation and shipping agency services	11,950,235	11,950,235	538,075,000	100.00 %	17,344,717	766,804	766,804	Subsidiary (Note 2)
	Wan Hai Lines (America) Ltd.	2510 W, Dunlap Ave Suite 425 Phoenix, AZ 85021	Transportation and shipping agency services	132,000	132,000	90,000	100.00 %	90,624	(1,351)	(1,351)	Subsidiary (Note 2)
	k.k. WH Corporation	OI NEW No. 5 TERMINAL BLDG., 4F 4-9. YASHIO 2 CHOME, SHINAGAWA KU, TOKYO 140 0003, JAPAN	Terminal operation and management service, and vessel rental service	7,141	7,141	500	100.00 %	11,272	1,286	1,286	Subsidiary (Note 2)
	Wan Hai Lines (Germany) GmbH	Brandstwiete 1, 20457 Hamburg, Germany	Transportation and shipping agency services	1,018	1,018	-	100.00 %	8,649	824	824	Subsidiary (Note 1 & 2)
	Tang Cang-Cai Mep International Terminal Co., Ltd.	Tan Phuoc Commune, Tan Thanh Dist, Ba Ria Vung Tau Province	Managing wharf and containers	259,917	259,917	-	21.33 %	220,037	94,348	20,124	Joint venture (Note 1)
	T.K. Logistics International Co., Ltd.	No 28, Zhongshan 4th Rd., Zhongshan Dist., Keelung City 203, Taiwan (R.O.C.)	Managing container terminals and storage facilities	143,000	143,000	14,300,000	55.00 %	148,562	(548)	(301)	Subsidiary (Note 2)
	Bao Sheng Shipping Agency Co., Ltd.	7F, No. 255, Ren 2nd Rd., Ren'ai District, Keelung City 200, Taiwan (R.O.C.)	Acting as agent for transportation affair and contracting ocean shipping and related services.	30,000	30,000	3,000,000	70.01 %	37,432	5,384	3,770	Subsidiary (Note 2)
WHL Singapore	Wan Hai Lines (Phils.), Inc.	18/F Rufino Pacific Tower, #6784 Ayala Ave., corner V.A. Rufino St., 1223, Makati City	Transportation and shipping agency services	5,991	5,991	901,540	100.00 %	1,860	(2,364)	(2,364)	Indirect subsidiary (Note 2)
	Wan Hai Lines (H.K.) Limited	3F, Singga Commercial Centre, No. 148, Connaught Rd. W, Central, Hong Kong	Transportation and shipping agency services	695,246	695,246	160,000,000	100.00 %	3,238,824	54,941	54,941	Indirect subsidiary (Note 2)
	Wan Hai Lines (M) Sdn. Bhd.	Suite 7.02, Level 7, IMS 2, 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia	Transportation and shipping agency services	4,613	4,613	500,000	100.00 %	99,317	872	872	Indirect subsidiary (Note 2)



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**WAN HAI LINES LTD. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Ending balance			Net income (loss) of the investee	Investment income (losses)	Notes
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value			
WHL Singapore	Yi Chun Shipping Agencies Sdn. Bhd.	Suite 7.01, Level 7, IMS 2, 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan, Malaysia	Transportation and shipping agency services	1,845	1,845	200,000	100.00 %	1,590	(73)	(73)	Indirect subsidiary (Note 2)
	Wan Hai Lines (Korea) Ltd.	15th FL., Hanway bldg., 70, Da Dong, Chung Gu, Seoul, Korea	Transportation and shipping agency services	3,500	3,500	20,000	100.00 %	(1,936)	(7,744)	(7,744)	Indirect subsidiary (Note 2)
	Wan Hai International Pte Ltd.	10 Hoe Chiang Road #25-01 Keppel Towers Singapore 089315	Transportation and shipping agency services	1,062	1,062	50,000	100.00 %	489,624	41,500	41,500	Indirect subsidiary (Note 2)
	Wan Hai Lines (Thailand) Limited	21 floor, Lumpini Tower, 1168/56, 61 Rama 4 Road, Thungmahamek, Sathorn, Bangkok	Transportation and shipping agency services	2,805	2,805	29,400	49.00 %	40,596	6,133	3,005	Indirect subsidiary (Note 2)
	Wan Hai (Vietnam) Ltd.	27 Nguyen Trung Truc St, 1st Dist, HCM City, S.R Vietnam	Transportation and shipping agency services	8,691	8,691	-	100.00 %	9,495	725	725	Indirect subsidiary (Note 1 & 2)
	Wan Hai Lines Peru S.A.C.	335 Enrique Palacios Street, office 205, Miraflores District, Province and Department of Lima, Republic of Peru	Transportation and shipping agency services	576	-	58,140	51.00 %	578	-	-	-
WHL INTL.	Wan Hai Lines (UAE) LLC.	Office No. C/308, Nashwan Building, AI Mankhool Road, AI Raffa & Dubai	Transportation and shipping agency services	1,365	1,365	147	49.00 %	13,692	24,062	11,790	Invested in by indirect subsidiary
	Wan Hai Lines (India) PVT Ltd.	A 102 & 103, The Qube Marol Village, Audheri (East), Mumbai 400 059	Transportation and shipping agency services	69	69	10,000	100.00 %	15,590	1,796	1,796	Indirect subsidiary (Note 2)
	Bravely International Pte Ltd.	10 Hoe Chiang Road #25 01 Keppel Towers Singapore 089315	Investment	90,998	90,998	3,828,301	100.00 %	92,855	3,086	3,086	Indirect subsidiary (Note 2)
WHL Hongkong	Dawin Logistics (International) Ltd.	2F, Singga Commercial Centre, No. 148, Connaught Rd. W, Hong Kong	Transportation, storage and investment services	308,983	308,983	75,640,000	100.00 %	905,996	4,953	4,953	Indirect subsidiary (Note 2)

Note 1: Limited companies with no common shares issued.

Note 2: Eliminated in the consolidated financial statements.

**WAN HAI LINES LTD. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(c) Information on investment in Mainland China

1. Information on investment in Mainland China:

Name of the investee in Mainland China	Major operations	Issued capital	Method of investment	Beginning remittance balance - Cumulative investment (amount) from Taiwan	Current remittance/recoverable investment (amount)		Ending remittance balance - Cumulative investment (amount) from Taiwan	Net income (loss) of the investee	Direct /indirect shareholding (%) by the Company	Current investment gains and losses	Carrying Amount	Accumulated Inward Remittance of Earnings
					Remittance amount	Recoverable amount						
Guangzhou Wan Hai Information Technology Ltd.	Information software service	7,922	(1)	-	-	-	-	(3,325)	100.00 %	(3,325)	15,231	-
Shenzhen Uniwin International Logistics	Freight transportation and acting as agent for transport affairs	644,016	(1)	-	-	-	-	2,172	100.00 %	2,172	838,374	-
Shenzhen Asia World Logistics Ltd.	Containers, storage and transportation services	4,941	(1)	-	-	-	-	89	100.00 %	89	12,538	-
Clipper International Shipping Agency Ltd.	International shipping agency services	4,070	(1)	-	-	-	-	(210)	49.00 %	(103)	53,701	-
Blue Ocean Logistics (Shanghai) Ltd.	Containers, storage and international transportation services	32,596	(1)	-	-	-	-	1,399	100.00 %	1,399	57,472	-
Shenzhen Yong Chun International Shipping Management Co., Ltd.	International shipping management	29,068	(1)	-	-	-	-	(569)	90.00 %	(512)	21,066	-
Wan Hang Tours Co., Ltd.	Retailing and catering management	75,705	(1)	-	-	-	-	(5,241)	50.00 %	(2,620)	72,435	-

Note 1: Indirectly invested in Mainland China through investees.

Note 2: The investment income (loss) recognized in current period was audited and certified by the CPA of the Company.

2. Limitation on investment in Mainland China:

Aggregate investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by Investment Commission of Ministry of Economic Affairs	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs
-	1,072,325	20,336,919

Note: The Company's investments in Mainland China were mostly from the investees' self owned capital in indirect subsidiaries.

3. Significant transactions:

Please reference to "Information on significant transactions" and "Business relationships and significant intercompany transaction".

**(14) Segment Information**

The segment's operating results are reviewed regularly by the entity's chief operating decision maker to make decisions pertaining to the allocation of resources to the segment and to assess its performance for which the discrete financial information is available. Only one reportable segment of the Consolidated Company was identified, and it is mainly associated with shipping operations. Please refer to the consolidated balance sheets and consolidated statements of income for segment profit or loss, and segment asset details.