Contents

I. Letter to Shareholders

Dear Shareholders,

Subject to the excessive production capacity in Mainland China, trade barrier protection and impact of international currency depreciation, the overall business environment remains challenging in 2014. However, to maintain steady profits and growth, the Company remains devoted to integrating corporate resources to optimize operational efficiency and strengthening marketing systems to adapt to market changes.

Accomplishments in 2014

Looking back at 2014, the Company's overall business profits have increased, as manifested in the steady growth of copper and steel sales, revenues received after the completion and delivery of the Nanjing property and non-core business profits. Net consolidated revenue for 2014 was approximately NT$162.987 billion, with consolidated gross profit of NT$7.563 billion, net income of NT$2.265 billion, and an earnings per share of NT$0.64.

Wire and cable business: Although the prices of raw materials for copper wires have fluctuated substantially over the years, sales in copper wire have steadily increased, retaining its advantage because of appropriate hedging and the growing demand for copper wires and cables in Southeast Asia and Mainland China. The aggressive expansion of power lines and cables exports as well as the development of niche products contributed to a new record for the Company's production capacity being set. The Jiangyin steel cable plant continually enhanced its product added value, securing stable profits for the Company.

Stainless steel business: Improved production capacity of the Taichung Harbor stainless steel rolled plant caused a growth of Taiwan's steelmaking capacity from 380,000 metric tons in 2013 to 397,000 metric tons in 2014, reflecting an increase of 17,000 metric tons. In Mainland China, through integration and collaboration with downstream strategic partners, the Company expanded its product specifications and increased the value-add of existing products to increase sales.

Real estate business: The Taipei Xinyi headquarters exhibited an occupancy rate of near-full capacity, demonstrating excellent performance in both operations and profitability. Residential buildings in C2 land plot in Nanjing Walsin Centro were delivered in 2014 and profits were recognized.

Summary of 2015 Business Plan

Looking ahead into 2015, the Company will continue focusing on core business activities and strengthening organizational and production capability to maximize production capacity and attain the targeted profit growth.

- With steady sales of copper materials in the wire and cable business, the Company will continue to target stable profits, monitor variations in raw material prices and financing cost, and control production, purchasing, and financial costs. Moreover, the Company will expand its export market and develop industrial power cable products to boost the growth of its power cable business.
- In the stainless steel business, the Company will adjust the product combinations in China, increase orders for value-added products, and expand the certification market to increase sales. To reduce production cost, the Company will make continuous efforts to improve production efficiency and inventory management.
- In the real estate business, the design of the D and AB land lots in Nanjing Walsin Centro have been completed and construction of these lots commenced in 2014. Subject to market demand, these land lots will be developed on a rolling basis.

Future Corporate Development Strategy, External Competition, Legal Regulation and Overall Business Environment

Forward looking of year 2015, the factors having the most direct influence on the Company are the uncertainty of the recovering global economy, and in particular, China's continual restructuring, which hindered economic growth and led to price competition caused by supply–demand imbalance. In the face of various challenges in the global environment, the Company will improve its cable and wire business as well as the stainless steel business by making efforts to capitalize on its business decisions and management structure of division of labor, obtain precise market demand predictions, implement hedging of metal raw material prices, mitigate risks in transactions, increase production technological capability, strengthen product segmentation and engage in market expansion. To overcome the challenges presented in the real estate business, such as continued inflation in land prices and construction costs, the Company must accurately determine market demand and strengthen the marketing of the Company’s brand and products. Concurrently, the Company will also adequately review and perfect the corporate governance mechanism to ensure healthy business management and stable profitability, thereby solidifying the foundation of sustainable corporate management.

Chairman

II. Company Profile

1. Date of establishment: December 2, 1966

2. Company History

1966 Walsin Wire & Cable Co., Ltd. established.

1969 Walsin Lihwa Wire & Cable Co., Ltd. formed by the merger of the Walsin and Lihwa companies.

1970 Formed technological partnerships with Western Electric in the U.S. and Fujikura in Japan and began production of plastic insulation telephone cable.

1972 Began production of EP rubber high-voltage cables.

Company's shares listed on the Taiwan Stock Exchange.

1977 Completed the Yangmei plant for SCR copper rod production, with annual manufacturing capacity of 50,000 metric tons of oxygen-free copper rods.

1982 Expanded SCR production facilities to increase annual manufacturing capacity to 100,000 metric tons of oxygen-free copper rods.

1987 Construction of the Yangmei plant completed.

Entered the semiconductor IC industry by investing in Winbond Electronics Corp. and Sumi-Pac Corp.

1991 Invested in PT. Walsin Lippo Industries in Indonesia to expand aluminum wire business into the Southeast Asian market.

1992 Company renamed Walsin Lihwa Corporation.

Electronics division merged with the acquired Wanbang Electronics to form the new Walsin Technology Corp.

Established plants in Shanghai and Jiangyin to produce power cables and steel cables, thus beginning a new chapter in China investment.

1993 Expanded into the stainless steel industry by forming Walsin Cartech Stainless Steel, a joint venture with Carpenter Technology Corp. in the U.S.

Established the Wuhan wire and cable plant for optical communication cable production.

1995 Formed Walsin (China) Investment Co., Ltd. and set up four operating locations in China's major cities, including Hangzhou, Shanghai and Nanjing, for the production of power cables, bare copper wires and fiber optic cables.

1997 Established stainless steel plants in Changshu and in Baihe, Shanghai, for the production and sale of seamless steel tubes and straight steel bars.

Formed HannStar Board Corp. to expand into the PCB industry.

1998 Acquired and incorporated the assets of Walsin Cartech into the Company.

Conducted enterprise reengineering and full implementation of the SAP enterprise resource management system.

Expanded into the TFT-LCD industry by forming HannStar Display Corp.

2000 Established the Dongguan plant for bare copper wire production.

2002 Expansion of Yanshui stainless steel plant was carried out to include slab steelmaking facilities.

2003 With Yanshui stainless steel plant beginning slab production, the Company expanded into the stainless steel plate market.

2005 Set up new plants in Nanjing, Changshu and Jiangyin to produce copper products as well as seamless steel pipes and steel wire products.

Shanghai and Hangzhou power cable plants completed expansion and increased production capacity; began mass production of 220kV EHV cables.

Expansion of Yanshui stainless steel plant to include slab steelmaking facilities was completed.

2006 New copper production plant in Nanjing completed, with annual production capacity of 250,000 metric tons. Total copper production increased from 400,000 to 650,000 metric tons.

Development of 500kV EHV cables for Hangzhou power plant was invested and received certification.

Company's consolidated revenue exceeded NT$100 billion.

2007 Expanded steel production capacity by acquiring stake in Yantai Huanghai Iron and Steel Co., Ltd.

Changshu stainless steel plant passed review by the National Nuclear Safety Administration and received certification for nuclear power plant sales.

Hangzhou power cable plant began expansion efforts and construction of the second VCV process tower and added high voltage cable production lines.

2008 Expansion of Yantai plant for stainless steel manufacturing process; added new stainless steel billet products.

2009 Yantai stainless steel plant completed transformation of stainless steel manufacturing processes; stainless steel and high-grade alloy steel products were added.

Changshu plant's seamless steel tube production began Phase 2 expansion to increase production capacity.

Completion of the new A6 building in Xinyi Development Zone and the relocation of Walsin Lihwa headquarters.

2010 Nanjing Walsin Centro began construction in Nanjing's Hexi Newtown. A multi-purpose commercial center spanning one million square meters will be developed over several phases.

Partnered with Nanjing municipal government to create the Nanjing Taiwan Trade Mart, thus establishing a cross-Strait commercial trading platform.

2011 Construction of the factory for Xi'an Walsin United Technology Co., Ltd. was completed and production of high brightness, high power LED chipset and epitaxial wafer began.

The Company's power cable business began active product development and certification for cable products oriented toward ships, yachts and the solar energy industry.

2012 Construction of two office buildings in C1 land plot of Nanjing Walsin Centro completed and transferred to the Jiangsu Branch of the China Development Bank and the Nanjing Branch of China Guangfa Bank.

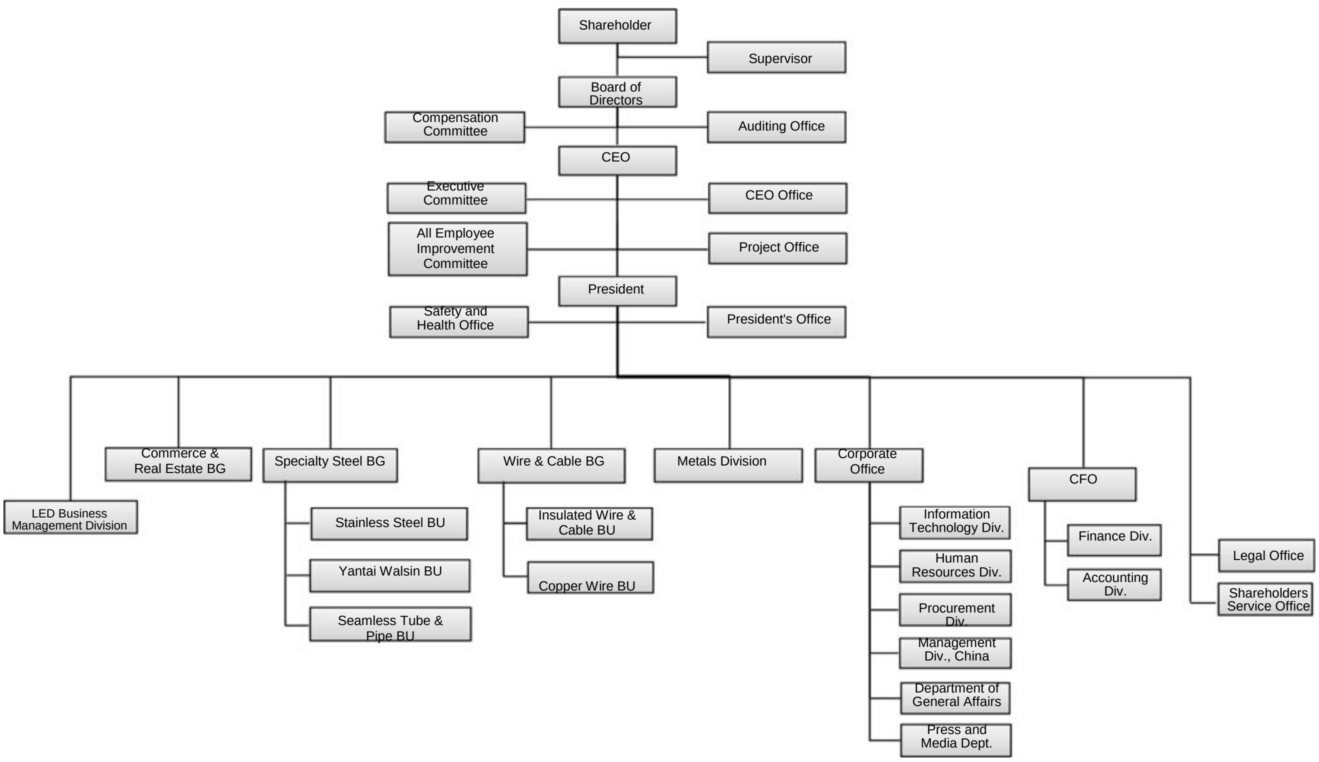
2013 Cold rolled steel coil production officially commenced at the Taichung Harbor stainless steel roll plant.

2014 First batch of residential buildings in C2 land plot in Nanjing Walsin Centro sold; phased development of D and AB land plots planned.

III. Corporate Governance Report

1. Organizational Structure

(1) Organization Structure Chart (March 30, 2015)



(2) Principal Duties of Various Departments

Department	Duties, Functions
Auditing Office	Planning and auditing internal auditing systems.
Compensation Committee	Drafting and periodically reviewing the performance evaluation of Board Directors, Supervisors, and managers, as well as the policy, system, standard, and structure of compensation. Periodically evaluating and determining the compensation for Board Directors, Supervisors, and managers.
All Employee Improvement Committee	Promoting Company-wide events, utilizing internal and external resources to help various operations to develop various improvement activities, periodically reviewing implementation results and progress and providing assistance and consultation in a timely fashion.
Project Office	Promoting and implementing various projects
Safety and Health Office	Managing affairs related to Company safety and health.
Stainless Steel BG	Improving and managing technologies and projects associated with the manufacture, sals and production of stainless steel products, including billets, slabs, hot-rolled steel sheets, hot-rolled steel coils, cold-rolled steel coils, wire rod, hot-rolled bars, cold-finish bars, pierced billet, seamless tubes, stainless steel sheets, stainless steel filaments, peeling sticks, electroslag remelting ingots and alloy steel billets; establishing core competitiveness through systemization and institutionalization; and endeavoring to enhance product quality and service level, reduce costs, and control management risks.

Department	Duties, Functions
Wire & Cable BG	Improving and managing technologies and projects associated with the manufacture, sale and production of copper wire materials, power cables, communication cables, steel cables and industrial electric cables; establishing core competitiveness through systemization and institutionalization; and endeavoring to enhance product quality and service level, reduce costs, and control management risks.
Commerce & Real Estate BG	Developing mixed-use commercial properties managing real estate and other related matters.
Metals Division	Responsible for the procuring raw materials, management and control of raw material price risks and other related matters.
LED Business Management Division	Manufacture of LED epitaxial wafers and chips and other related matters.
Finance Div.	Responsible for capital allocation and utilization, financial planning, investment management, risk management and other related matters.
Accounting Div.	Accounting, asset management, credit management, operating analysis and other related matters.
Information Technology Div.	Information security, development and promotion of core systems, providing the Company and its business units with information and information integrated services.
Human Resources Div.	Organization planning, drafting of human resources policies and employment and performance reviews, performance management, personnel administration, remuneration and benefits, learning and development, employee relations, establishment of a human resources system and other related matters.
Procurement Div.	Procurement management and planning, raising procurement capabilities, promotion of procurement operations and other related matters.
Management Div., China	Providing overseas operations with financial, accounting, information, and tax-related management and services in accordance with Headquarters' policies.
Legal Office	Responsible for avoiding and reducing legal risks faced by the Company in order to protect tangible and intangible assets.
Shareholders Service Office	Managing the Company's share-related affairs.
Department of General Affairs	Handling general affairs, managing vehicles, and other various administrative affairs.
Press and Media Dept.	Maintaining the Company's corporate image, communicating with the media, internal communication and other related matters.

2. Profiles of Board Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents and Department Heads

(1) Directors and Supervisors

Title	Nationality or Country of registration	Name	Date appointed	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and minor children		Shares held in the name of others	
						Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of Ratio
Chairman	R.O.C.	Chiao, Yu-Lon	103.06.11	3 years	70.04.10	45,961,773	1.29%	45,961,773	1.29%	19,638,314	0.55%	0	0.00%
Vice Chairman	R.O.C.	Chiao, Yu-Cheng	103.06.11	3 years	70.04.10	39,508,661	1.10%	39,508,661	1.10%	20,326,866	0.57%	0	0.00%
Director	R.O.C.	Chiao, Yu-Heng	103.06.11	3 years	79.04.18	58,957,197	1.65%	58,712,197	1.64%	16,569,266	0.46%	0	0.00%
Director	R.O.C.	Zheng, Hui-Ming	103.06.11	3 years	91.06.10	700,000	0.02%	700,000	0.02%	0	0.00%	0	0.00%
Director	R.O.C.	Yang, Jih-Chang	103.06.11	3 years	97.06.13	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Director	R.O.C.	Chang, Wen-Chung	103.06.11	3 years	91.06.10	514,786	0.01%	514,786	0.01%	200,233	0.01%	0	0.00%
Director	R.O.C.	Hong, Wu-Shung	103.06.11	3 years	61.06.24	877,316	0.02%	859,316	0.02%	775	0.00%	0	0.00%
Director	R.O.C.	Ma, Wei-Shin	103.06.11	3 years	103.06.11	244,033	0.01%	244,033	0.01%	62,297,222	1.74%	0	0.00%
Independent Director	R.O.C.	Hsueh, Ming-Ling	103.06.11	3 years	103.06.11	0	0.00%	0	0.00%	0	0.00%	0	0.00%

December 31, 2014

Education/work experience	Other current positions within the Company	Other officer, Director or Supervisor who is the spouse or a relative within second degree		
		Position	Name	Relationship
Graduated from University of Washington Business Administration.	The Company's CEO; Chairman of Concord Financial Co., Ltd., Walsin-IEI; Vice Chairman of Hangzhou Walsin Power Cable & Wire Co., Ltd. and Jiangsu Taiwan Development Co., Ltd.; Director of Walton Advanced Engineering, Inc., Jincheng Construction Co., Ltd., Walsin Lihwa Holding Co., Ltd., Walsin Specialty Steel Holding Co., Ltd., Walsin Specialty Steel Co., Ltd., Walsin (Nanjing) Real Estate Development Co., Ltd. and Nanjing Walsin Expo Exhibition Co., Ltd.; Vice President Commissioner of Walsin Libao Industrial Co., Ltd.	Vice Chairman Director Director Wire & Cable BG President	Chiao, Yu-Cheng Chiao, Yu-Heng Ma,Wei-Shin Chiao, Yu-Hwei	Older brother Younger brother Sister-in-law Younger sister
University of Washington Masters of Electrical Engineer and Business AdministrationThe Company's former chairman.	Chairman of Winbond Electronics Corporation, Jinxin Investment Co., Ltd and Nuvoton Technology Corp; Director of Walsin Technology Corporation, Jincheng Construction Co., Ltd., Walsin Lihwa Holding Co., Ltd, Walsin Specialty Steel Holding Co., Ltd, Walsin Specialty Steel Corporation, United Industrial Gases Co., Ltd., Baystar Holdings Ltd., Marketplace Management Limited, Newfound Asian Corporation, Peaceful River Corporation, Pigeon Creek Holding Co., Ltd., Winbond Electronics Corporation America, Winbond Int'l Corporation, Landmark Group Holdings Ltd., Nuvoton Investment Holding Ltd.; Supervisor, MiTAC International Corporation; CEO of Winbond Electronics Corporation; Manager, Goldbond LLC; Convener of Compensation Committee of Taiwan Cement Corp.; Member of Compensation Committee of Synnex Technology International Corp.	Chairman Director Director Wire & Cable BG President	Chiao, Yu-Lon Chiao, Yu-Heng Ma, Wei-Shin Chiao, Yu-Hwei	Younger brother Younger brother Sister-in-law Younger sister
Golden Gate University, Master of Business AdministrationThe Company's former vice president and vice chairman.	Chairman of Walsin Technology Corporation, Walton Advanced Engineering, Inc., HannStar Board Corp., Global Brands Manufacture, Prosperity Dielectrics Co., Ltd., Limited.HannStar Color Co. Ltd., Sun Success Industry Ltd., HannStar Board Corporation (Jiangyi) and Anxin Co., Ltd.; Director of Info-Tek Corporation, Yu Yue Corporation; CEO of Kamaya Electric Co., Ltd.	Chairman Vice Chairman Director Wire & Cable BG President	Chiao, Yu-Lon Chiao, Yu-Cheng Ma, Wei-Shin Chiao, Yu-Hwei	Older brother Older brother Sister-in-law Older sister
Master in Business Administration, Kelley School of Business at Indiana University. Master in Science in Chemical Engineering, University of California, Los AngelesFormer CFO at HTC Corporation	The Company's President; Director of Winbond Electronics Corporation, Da-Sheng Venture Capital Co., Ltd., Da-Sheng Yi-I Venture Capital Co., Ltd., Acme Electronics Corporation and Gogoro Taiwan Limited.	None	None	None
Ph.D. in Mechanical Engineering, Washington University, USA; Deputy Director, Industrial Technology Research Institute (ITRI); Director, Energy and Resources Laboratories; Executive President, Applied Science and Technology Research Institute (Hong Kong).	Special Expert, ITRI	None	None	None
Master, National Sun Yat-Sen University; former President of Yieh Mau Corporation, President of Lian Gang Heavy Industry Co., Ltd. and Yieh United Steel Corp.	The Company's President of Specialty Steel BG Chairman of Xi'an Walsin Metal Product Co., Ltd., Chang Shu Walsin Specialty Steel Co., Ltd., Shanghai Baihe Walsin Lihwa Specialty Steel Products Co., Ltd., Jiangyin Huaxin Special Alloy Material Co., Ltd.; Director of Wuxi Xingcheng Walsin Steel Products Co., Ltd.	None	None	None
Graduated from the Department of Architecture of Feng Chia University	Chairman of Jincheng Construction Co., Ltd.; Director of Walsin (Nanjing) Real Estate Development Co., Ltd.	None	None	None
Peking University, Master of Business Administration for Senior Managers, University of California (Berkeley), Department of East Asian Languages; Chairman of Chairman, Yuanta Securities Investment Trust Corporation, Special Assistant to Chairman of Yuanta Securities Corporation.	Chairman of HannStar Color Co. Supervisor of Unity Opto Corp.	Chairman Vice Chairman Director Wire & Cable BG President	Chiao, Yu-Lon Chiao, Yu-Cheng Chiao, Yu-Heng Chiao, Yu-Hwei	Brother-in-law Brother-in-law Brother-in-law Sister-in-law
Soochow University, Master in Accountancy; Bloomsburg University of Pennsylvania, Master of Business Administration; President of PricewaterhouseCoopers Taiwan; Adjunct Professor at National Taiwan University of Science and Technology; Executive Governor of Taiwan Corporate Governance Association.	Chairman of PricewaterhouseCoopers Education Fund.	None	None	None

Title	Nationality or Country of registration	Name	Date appointed	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and minor children		Shares held in the name of others	
						Number of shares	Percentage of Ratio	Number of shares	Percentage of Ratio	Number of shares	Percentage of shares	Number of shares	Percentage of Ratio
Independent Director	R.O.C.	Du, King-Ling	103.06.11	3 years	103.06.11	0	0.00%	0	0.00%	15,000	0.00%	0	0.00%
Independent Director	R.O.C.	Chen , Shiang-Chung	103.06.11	3 years	103.06.11	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Supervisors	R.O.C.	Chu, Wen-Yuan	103.06.11	3 years	94.05.31	3,694,218	0.10%	3,694,218	0.10%	0	0.00%	0	0.00%
Supervisors	R.O.C.	Walsin Technology Corporation Representative: Chu, Yeu-Yuh	103.06.11	3 years	Corporate entity: 98.06.19 Representative: 94.05.31	7,170,000 55,065	0.20% 0.00%	7,170,000 55,065	0.20% 0.00%	- 692	- 0.00%	- 0	- 0.00%
Supervisors	R.O.C.	Hsu, In-Shek	103.06.11	3 years	103.06.11	0	0.00%	0	0.00%	0	0.00%	0	0.00%

Note: Directors who completed their term on June 11, 2014: Yu-Hwei Chiao, Yi-Yi Tai, Chin-Xin Investment Co., Ltd, Tien Mu Investment Co. Ltd.

Subsequent note: 1. Independent Director, Ming-Ling Hsueh, was appointed Chairman of Financial Literacy & Education Association (FINLEA) on January 22, 2015.

2. Director Wei-Shin Ma resigned from his position as the Chairman of HannStar Display Corporation on March 17, 2015.

1. Major shareholders of institutional shareholder

December 31, 2014

Name of institutional shareholder	Major shareholders among institutional shareholders (Note)	Shareholding
Walsin Technology Corporation	Walsin Lihwa Corporation	18.30%
	HannStar Board Corporation	4.28%
	Walton Advanced Engineering, Inc.	2.75%
	Winbond Electronics Corporation	1.88%
	Chiao, Yu-Heng	1.52%
	Dimensional Emerging Market Evaluation Fund under the custodianship of Citibank (Taiwan)	1.48%
	Zhi Jia Investment Limited	1.37%
	HannStar Color Co. Ltd.	1.24%
	HSBC under the trust of the Hongkong and Shanghai Banking Corporation - Customer account	1.11%
	HSBC under the trust of Puurunen Capital Partnership Emerging Market Small-Cap Fund	0.83%

Note: Names of institutional shareholders who retain the top ten percentages of shares.

December 31, 2014

Education/work experience	Other current positions within the Company	Other officer, Director or Supervisor who is the spouse or a relative within second degree		
		Position	Name	Relationship
Mississippi State University, Masters in Mechanical Engineering; New York University, financial management research; Stanford University, Advance marketing research; U.S. representative of China Steel Corporation (Steel Division, U.S. Purchasing Group of Executive Yuan), Deputy General Manager of Business Department, Engineering Department, Corporate Planning Department, and Executive Deputy General Manager; General Manager, Kaohsiung Rapid Transit Corporation; Chairman, China Ecotek Corporation.	Senior consultant of Rechi Precision Co., Ltd. Director of Sheh Fung Screws Co., Ltd. and Brighton-Best International (Taiwan) Inc.; Independent Director of Ta Liang Technology Co., Ltd. and Sheh Kai Precision Co., Ltd.	None	None	None
The School of Industrial Engineering at Purdue University; General Manager of Mercuries Data Systems Ltd.	Chairman and General Manager of Mercuries Data Systems Ltd.; Director of Mercuries Data Systems Ltd., Mercuries Holdings Corporation, Wayia.com Inc., Hipact Tech Inc., Mercuries Consulting Ltd., Shang-Ling Investment Inc., Shang-Hong Investment Inc., and Nanjing Mercuries Information System Equipment Co. Ltd.	None	None	None
MBA in Finance;Finance Director, former Citi Insurance (Singapore), President, Composers and Authors Society of Singapore, President, Walsin Lihwa Corporation, Hong Kong, General Manager, Integral Chemical Co (Shanghai), General Manager, Xcellink Pte. Ltd. (Singapore), Independent Director, Global Brands Manufacture Limited	Vice President of Walsin Technology Corporation; Supervisor of HannStar Board Corporation.	None	None	None
Graduated from International Trade Dept., Feng Chia University; former Manager of Overseas Sales Department, Manager of Domestic Sales Department; Assistant Manager, Vice President, President of Walsin Technology Corporation.	Director of Walsin Technology Corporation and HannStar Board Corporation; andSupervisor of Winbond Electronics Corporation; Director and President of Global Brands Manufacture Limited.	None	None	None
Ph.D., University of Southern California President of Winbond Electronics Corporation and Nuvoton Technology Corp.	Vice Chairman of Nuvoton Technology Corp. Chairman of Nuvoton Technology Corp. Director of Winbond Int'l Corp., Landmark Group Holdings Ltd., Winbond Electronics Corporation Japan, Baystar Holdings Ltd., Nuvoton Electronics Technology (Shenzhen) Limited, Winbond Technology (Nanjing) Co., Nuvoton Technology Corp. America, Director of Nuvoton Technology Israel Ltd., Nuvoton Investment Holding Ltd., Marketplace Management Limited, and Pigeon Creek Holding Co., Ltd.	None	None	None

Major shareholders in Note 2 who are institutional investor and their major shareholders

March 29, 2015

Name of Institution	Major shareholders among juristic persons (Note)	Shareholding
Walsin Lihwa Corporation	LGT Bank (Singapore) Investment Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	4.50%
	Chin-Xin Investment Co., Ltd	2.86%
	Winbond Electronics Corporation	2.80%
	Vanguard Emerging Markets Stock Index Fund under the custodianship of Standard Chartered	1.78%
	Chiao, Yu-Heng	1.64%
	Chiao, Yu-Hwei	1.47%
	Chiao, Yu-Chi	1.45%
	Dimensional Emerging Market Evaluation Fund under the custodianship of Citibank (Taiwan)	1.43%
	Hong, Pai-Yung	1.41%
	Walsin Lihwa Employee Welfare Committee	1.34%

Note: Names of shareholders who retain the top ten percentages of shares.

April 21, 2014

Name of Institution	Major shareholders of institutional shareholder (Note)	Shareholding
HannStar Board Corporation	Walsin Technology Corporation	19.97%
	Walsin Lihwa Corporation	16.71%
	Chin-Xin Investment Co., Ltd	3.64%
	HSBC under the trust of BNP Paribas Wealth Management Bank Singapore Branch	1.59%
	Hong, Pai-Yung	1.59%
	HannStar Color Co. Ltd.	1.27%
	Dimension Emerging Market Evaluation Fund under the trust of Citibank (Taiwan)	1.00%
	Chiao, Yu-Heng	0.89%
	LGT Bank (Singapore) Investment Fund under the custody of Chase Bank	0.78%
	Weisi Deng Green Trust Securities Income Fund under the custody of Deutsche Bank	0.60%

Note: Names of shareholders who retain the top ten percentages of shares.

April 29, 2014

Name of Institution	Major shareholders of institutional shareholder (Note)	Shareholding
Walton Advanced Engineering, Inc.	Walsin Lihwa Corporation	21.90%
	Winbond Electronics Corporation	9.99%
	Toshiba	9.85%
	Walsin Technology Corporation	5.87%
	Kim Eng Securities (HK) Limited under the trust of HSBC	2.17%
	The New Labor Pension Fund	1.32%
	Chiao, Yu-Heng	1.42%
	MassMutual Mercuries Life Ins. Co., Ltd.	1.00%
	Chiao, Yu-Lon	0.97%
	Dimension Emerging Market Evaluation Fund under the trust of Citibank (Taiwan)	0.90%

Note: Names of shareholders who retain the top ten percentages of shares.

March 31, 2014

Name of Institution	Major shareholders of institutional shareholder (Note)	Shareholding
Winbond Electronics Corporation	Walsin Lihwa Corporation	23.23%
	Chiao, Yu-Cheng	1.58%
	Dimensional Emerging Market Evaluation Fund under the custodianship of Citibank (Taiwan)	1.16%
	Chin-Xin Investment Co., Ltd	1.04%
	Morgan Stanley International Investment Account under the trust of HSBC	0.97%
	Hong, Pai-Yung	0.87%
	ABP Pension Investment Fund under the custody of JPMorgan Chase Bank N.A. Taipei Branch	0.83%
	Benefit Trend International Account under the trust of Deutsche Bank	0.83%
	Chiao, Yu-Lon	0.80%
	Chiao, Yu-Heng	0.79%

Note: Names of shareholders who retain the top ten percentages of shares.

December 31, 2014

Name of Institution	Major shareholders of institutional shareholder (Note)	Shareholding
Zhi Jia Investment Limited	Gigabyte	100%
HannStar Color Co. Ltd.	Walsin Lihwa Corporation	33.97%
	Walsin Technology Corporation	26.62%
	Chin-Xin Investment Co., Ltd	8.23%
	Global Brands Manufacture Limited	6.83%
	Central Investment Limited	4.07%
	HannStar Board Corporation	2.91%
	Walton Advanced Engineering, Inc.	2.48%
	HannStar Display Corporation	2.12%
	Prosperity Dielectrics Co., Ltd.	2.02%
	Chiao, Yu-Heng	1.51%

Note: Names of institutional shareholders who retain the top ten percentages of shares.

3. Work experience, specialized knowledge, and independence of Directors and Supervisors

December 31, 2014

Qualification / Name	Whether possessing at least five-year work experience and the following specialized qualifications			Meet the independence criteria (Note)										Number of other public companies in which the Director also serves as an independent Director
	An instructor or higher position in the department of commerce, law, finance, accounting or other department related to the business needs of the Company in a public or private junior college or university	A judge, public prosecutor, attorney, accountant, or other professional or technical specialist related to the needs of the Company who has passed a national examination and received a certificate	Having work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	
Chiao, Yu-Lon	No	No	Yes					✓				✓	✓	0
Chiao, Yu-Cheng	No	No	Yes									✓	✓	0
Chiao, Yu-Heng	No	No	Yes									✓	✓	0
Zheng, Hui-Ming	No	No	Yes			✓	✓		✓		✓	✓	✓	0
Yang, Jih-Chang	No	No	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chang, Wen-Chung	No	No	Yes			✓	✓	✓		✓	✓	✓	✓	0
Hong, Wu-Shung	No	Yes	Yes			✓					✓	✓		0
Ma, Wei-Shin	No	No	Yes					✓	✓			✓	✓	0
Hsueh, Ming-Ling	Yes	Yes	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Du, King-Ling	No	No	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Chen, Shiang-Chung	No	No	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chu, Wen-Yuan	No	No	Yes			✓	✓	✓	✓		✓	✓	✓	0
Walsin Technology Corporation Representative: Chu, Yeu-Yuh	No	No	Yes			✓	✓	✓	✓		✓	✓		0
Hsu, In-Shek	No	No	Yes			✓	✓		✓		✓	✓	✓	0

Note:If the Director or Supervisor meets any of the following criteria in the two years before being elected or during the term of office, please check "✓" in the corresponding boxes:

(1) Not an employee of the Company or any of its affiliates;
(2) Not a director or supervisor of the Company's affiliates (the same does not apply if the person is an independent director of the Company or its parent company, or any subsidiary in which the Company holds, directly and indirectly, more than 50% of the voting shares).
(3) Not a natural-person shareholder whose shareholding, together with those of his/her spouse, minor children, and shares held under others' names, exceed 1% of the total number of outstanding shares of the Company, or ranks the person in the top ten shareholders of the Company.
(4) Not a spouse, relative within second degree of kinship, or lineal relative within third degree of kinship of any of the persons in the preceding three paragraphs.
(5) Not a director, supervisor or employee of a juristic-person shareholder that holds directly 5% or more of the total number of outstanding shares of the Company or ranks in the top five shareholders.
(6) Not a director, supervisor, manager or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.
(7) Not a professional or an owner, partner, director, supervisor, manager or a spouse of the abovementioned who provides commercial, legal, financial, accounting services or consultation to the Company or an affiliate of the Company.excluding members of compensation committee who exercise power in accordance with Article 7 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.
(8) Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.
(9) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.
(10) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C.

(2) Profile of President, Vice Presidents, Assistant Vice Presidents, and Department Directors

Title	Nationality	Name	Date appointed	Shares held		Shares held by spouse and children		Shares held in the name of others	
				Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares
CEO	R.O.C.	Chiao, Yu-Lon	94.05.31	45,961,773	1.29%	19,638,314	0.55%	0	0.00%
President	R.O.C.	Zheng, Hui-Ming	100.04.28	700,000	0.02%	0	0.00%	0	0.00%
Stainless Steel BG President	R.O.C.	Chang, Wen-Chung	91.06.10	514,786	0.01%	200,233	0.01%	0	0.00%
President of Wire & Cable BG	R.O.C.	Chiao, Yu-Hwei	92.05.15	52,529,006	1.47%	0	0.00%	0	0.00%
Stainless Steel BG Vice President	R.O.C.	Chen, Cheng-Chiang	99.05.01	244,722	0.01%	0	0.00%	0	0.00%
Stainless Steel BG Vice President	R.O.C.	Chen, Juei-Lung	99.07.01	100,800	0.00%	0	0.00%	0	0.00%
Stainless Steel BG Vice President	R.O.C.	Chen, Tien-Rong	101.08.28	101,300	0.00%	0	0.00%	0	0.00%
Vice President of Critical Materials Management	R.O.C.	Lin, Tung-Ben	99.05.01	0	0.00%	2,735	0.00%	0	0.00%
Vice GM of Wire & Cable BG	R.O.C.	Lu, Jin-ren	103.08.13	40,900	0.00%	11,000	0.00%	0	0.00%

December 31, 2014

Education/work experience	Other current positions at other companies	Manager who is the spouse or a relative within the second degree			Manager acquiring share warrants and status of limiting employee new shares
		Position	Name	Relationship	
Graduated from University of Washington Business Administration.	Chairman of Concord Financial Co., Ltd., Walsin-IEI; Vice Chairman of Hangzhou Walsin Power Cable & Wire Co., Ltd. and Jiangsu Taiwan Development Co., Ltd.; Director of Walton Advanced Engineering, Inc., Jincheng Construction Co., Ltd., Walsin Lihwa Holding Co., Ltd., Walsin Specialty Steel Holding Co., Ltd., Walsin Specialty Steel Co., Ltd., Walsin (Nanjing) Real Estate Development Co., Ltd. and Nanjing Walsin Expo Exhibition Co., Ltd.; Vice President Commissioner of Walsin Libao Industrial Co., Ltd.	Wire & Cable BG President	Chiao, Yu-Hwei	Younger sister	None
Master in Business Administration, Kelley School of Business at Indiana University. Master in Science in Chemical Engineering, University of California, Los AngelesFormer CFO at HTC Corporation	Director of Winbond Electronics Corporation, Da-Sheng Venture Capital Co., Ltd., Da-Sheng Yi-I Venture Capital Co., Ltd., Acme Electronics Corporation and Gogoro Taiwan Limited.	None	None	None	None
Master, National Sun Yat-Sen University; former President of Yieh Mau Corporation, President of Lian Gang Heavy Industry Co., Ltd. and Yieh United Steel Corp.	Chairman of Xi'an Walsin Metal Product Co., Ltd., Chang Shu Walsin Specialty Steel Co., Ltd., Shanghai Baihe Walsin Lihwa Specialty Steel Products Co., Ltd., Jiangyin Huaxin Special Alloy Material Co., Ltd.; Director of Wuxi Xingcheng Walsin Steel Products Co., Ltd.	None	None	None	None
MBA at College of Notre Dame; Former Company clerk, secretary, Vice Manager of Finance Dept., Special Assistant to GM, Assistant Vice President of Investment Dept., Assistant Vice President of Financial Dept., Head of Financial Investment Dept., Assistant Vice President of Metals Management Center and Financial Investment Management Center.	Chairman of Dong Guan Walsin Wire & Cable Ltd., Nan Jing Walsin Metal Co., Ltd., Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.; Director of Renowned International Co., Ltd., Vila Vila Corp., Jiang ying Walsin Steel Cable Co., Ltd.; Liquidator of Goldin Investment Co., Jin Cherng Business Management and Consulting Corp.	CEO	Chiao, Yu-Lon	Older brother	None
Accounting Graduate School, National Taiwan University; Audit Team Leader of Deloitte Touche Tohmatsu Limited, Financial Assistant Manager of Promisedland, Partner of GACPA, Partner of Tianyao United Accountants, Manager of Performance Analysis Dept. of Financial Service Center, Head of Financial Service Center, Deputy Chief of Financial Service Center, Head of Accounting Div., Head of Management Div., China.	Chairman of Xi'an Lv Jing Technology Co., Ltd., Xi'an Walsin Metal Product Co., Ltd.; Director of Walsin International Investment, Walsin China Investment Co., Ltd., Xi'an Walsin United Technology Co., Ltd., Yantai Walsin Stainless Steel Co., Ltd., Shanghai Baihe Walsin Lihwa Specialty Steel Products Co., Ltd.,; Director and President of Wuxi Xingcheng Walsin Steel Products Co., Ltd.; Supervisor of Shaanxi Tianhong Silicon Industrial Co., Ltd.	None	None	None	None
Graduated from Industrial Management Dept. of Tung Fang Design Institute; former Head and Chief Marketing Officer of Sales Div. of Stainless Steel Dept.; Vice GM of Stainless Steel BG.	Director of Kuang Tai Metal Industrial Co.	None	None	None	None
Master of Mechanical Engineering Graduate School of National Taiwan University of Science and Technology.	Vice Chairman of Changshu Walsin Specialty Steel Co., Ltd.; Director of Shanghai Baihe Walsin Lihwa Specialty Steel Products Co., Ltd., Wuxi Xingcheng Walsin Steel Products Co., Ltd.	None	None	None	None
Statistics Dept., National Taipei University; Statistics Dept., National Taipei University; former Credit Assistant Mgr. at ABN AMRO Bank; Fx Transactions Assistant, Vice GM of Credit Lyonnais SA; Fx Transactions Vice GM of Royal Bank of Canada; Manager of Metals Section, Head of Metals Dept., Head of Metals Division, Vice GM of Copper BG.	Director of Nan Jing Walsin Metal Co., Ltd., Dong Guan Walsin Wire & Cable Ltd., Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd., Jiang ying Walsin Steel Cable Co., Ltd., Dawnredwood Limited, Vila Vila Corp., Super Pilot Limited.	None	None	None	None
Masters, Department of Electrical Engineering, Yuan Ze University; The Company's Quality Assurance Department engineer; Section Chief of Inspection Section /Wire & Cable Manufacturing Section; Assistant Manager of Optical Communication Division/Communication Technology Division; Manager of Communication Technology/Quality Assurance Technology Division, Electrical Production/Communication Operation Division; Director of Xinzhuang BU; head of Insulated Wire & Cable BU.	Director of Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. and Chung Tai Technology Development Engineering Co., Ltd.	None	None	None	None

Title	Nationality	Name	Date appointed	Shares held		Shares held by spouse and children		Shares held in the name of others		
				Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	
Vice GM of Wire & Cable BG	R.O.C.	Liao, Chih-Cheng	103.08.13	70,963	0.00%	0	0.00%	0	0.00%	
Vice GM of Commerce & Real Estate BG	R.O.C.	Pan, Wen-Hu	96.07.16	107,300	0.00%	0	0.00%	0	0.00%	
Head of Financial Dept.	R.O.C.	Lin, Shu-Tin	103.09.01	53,404	0.00%	0	0.00%	0	0.00%	
Head of Accounting Dept.	R.O.C.	Wu, Chin-Sheng	99.05.01	110,400	0.00%	0	0.00%	0	0.00%	

Note: President of Micro Optical-Mechanical-Electronic BG, Hu, Ching-Jen, Vice President of Wire & Cable BG, Chung-Wu Cheng, and Vice President of Wire & Cable BG, Suy-Tao Liu were relieved as of August 13, 2014 (position adjustment); Financial Head Wen, Ter-Chen was relieved as of September 1, 2014 (position adjustment).

December 31, 2014

Education/work experience	Other current positions at other companies	Manager who is the spouse or a relative within the second degree			Manager acquiring share warrants and status of limiting employee new shares
		Position	Name	Relation ship	
Mechanical and Electro-Mechanical Engineering, Tamkang University; Sales Assistant Manager of Da Hong Corporation, Sales Engineer at Qun-Xin Co. Ltd., Sales Representative of the Company's Private Power Section in the Business Department, Section Chief of Business Dept. Public Power Section/Copper Wire Section, Vice Manager/Manager of Nanjing Walsin, Head of Nanjing Walsin Business Division, Marketing Head of Copper Wire Material Business Division, Head of Nanjing Walsin Sales Division, and Head of Copper Wire Material Business Division.	Chairman of Jiangyin Walsin Steel Cable Co., Ltd.; Director and President of Nan Jing Walsin Metal Co., Ltd.	None	None	None	None
MBA of US Tulane University; Former Deputy Chief of Accounting Div. of Namchow, Head of Accounting Div. of Royal Foods, Finance Chief of Marketing of Philips Taiwan Semiconductor, Finance Chief of Sales of Philips Asia Pacific Semiconductor, the Company's Accounting Head.	Chairman of Nanjing Walsin Property Management Co., Ltd.; Director of Walsin International Investment, Huatong International, Joint Success Enterprises Limited; Director and President of Jincheng Construction Co., Ltd., Walsin China Investment Co., Ltd., Walsin Lihwa (Changzhou) Co., Ltd.; President of Walsin (Nanjing) Real Estate Development Co., Ltd.	None	None	None	None
Bachelor of Accounting from National Taiwan University; Auditing Assistant Manager of Deloitte Touche Tohmatsu Limited Financial Manager of China Merchant Ltd., Dunpin Chemical Ltd., Manager of the Company's Investment Management Division, Controller of Wire & Cable BG, Insulated Wire & Cable BU, and Micro Optical-Mechanical-Electronic BG.	Director of Min Maw Precision Industry Corp., Shaanxi Tianhong Silicon Industrial Co., Ltd., Borrego Solar Systems, Inc.; Supervisor of Xi'an Walsin Opto-electronic Limited	None	None	None	None
Accounting Dept., Chung Yuan Univ.; Former Section Head of Deloitte Touche Tohmatsu Limited; Deputy Mgr. of Kunjin Co., Ltd.; Deputy Mgr. of Nan Tai CPAs & Co.; Financial Mgr. of Shanglin Enterprise; Deputy Mgr. of the Company's Yanshui Cost Section, Controller of Stainless Steel Dept., Controller of Stainless Steel Dept. and Controller of Changshou/Walsin Precision OU, Controller of Stainless Steel Dept. and Controller and Auditing Head of Changzhou/Yuantai/Walsin Precision OU.	Director of Walsin Info-Electric Corp., Ltd., Jincheng Construction Co., Ltd., Walsin Precision Co., Ltd., Xi'an Lujing Technology Co., Ltd., Xi'an Lujing Technology Co., Ltd., Xi'an Walsin Opto-electric Co., Ltd., Nan Jing Walsin Metal Co., Ltd.; Supervisor of Walsin China Investment Co., Ltd., Hang zhou Walsin Power Cable & Wire Co., Ltd., Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd., Jiang ying Walsin Steel Cable Co., Ltd., Shanghai Baihe Walsin Lihwa Specialty Steel Products Co., Ltd., Jiangyin Huaxin Special Alloy Material Co., Ltd., Xi'an Walsin Metal Product Co., Ltd., Yantai Walsin Stainless Steel Co., Ltd., Nanjing Walsin Property Management Co., Ltd., Wuxi Xingcheng Walsin Steel Products Co., Ltd., Walsin Lihwa (Changzhou) Co., Ltd., Changshu Walsin Specialty Steel Co., Ltd.	None	None	None	None

(3) Remunerations to Directors, Supervisors, president, and vice presidents in recent years

1. Remuneration for Directors (including independent Directors)

Title (Note 1)	Name (Note 1)	Director's remuneration								Ratio of total (A), (B), (C), and (D) to after-tax loss (Note 9) (%)	
		Remuneration (A) (Note 5)		Pension (B)(Note 6)		Profit sharing (C) (Note 7)		Business expense (D) (Note 8)			
		The Company	All companies in consolidated statements (Note 14)	The Company	All companies in consolidated statements (Note 14)	The Company	All companies in consolidated statements (Note 14)	The Company	All companies in consolidated statements (Note 14)	The Company	All companies in consolidated statements (Note 14)
Chairman	Chiao, Yu-Lon	0	0	0	0	0	0	381,000	381,000	0.02	0.02
Vice Chairman	Chiao, Yu-Cheng	1,800,000	1,800,000	0	0	0	0	381,000	405,000	0.10	0.10
Director	Zheng, Hui-Ming	0	0	0	0	0	0	329,323	329,323	0.01	0.01
Director	Chiao, Yu-Heng	0	0	0	0	0	0	249,000	249,000	0.01	0.01
Director	Chang, Wen-Chung	0	0	0	0	0	0	258,000	258,000	0.01	0.01
Director	Yang, Jih-Chang	0	0	0	0	0	0	258,000	258,000	0.01	0.01
Director	Hong, Wu-Shung (Note 2)	0	0	0	0	0	0	129,000	129,000	0.01	0.01
Director	Ma, Wei-Shin (Note 2)	0	0	0	0	0	0	146,000	146,000	0.01	0.01
Independent Director	Hsueh, Ming-Ling (Note 3)	481,667	481,667	0	0	0	0	149,000	149,000	0.03	0.03
Independent Director	Du, King-Ling (Note 3)	474,667	474,667	0	0	0	0	267,833	267,833	0.03	0.03
Independent Director	Chen, Shiang-Chung (Note 3)	366,667	366,667	0	0	0	0	267,833	267,833	0.03	0.03
Director	Chiao, Yu-Chi (Note 4)	0	0	0	0	0	0	132,000	132,000	0.01	0.01
Director	Tai, Yi-Yi (Note 4)	0	0	0	0	0	0	129,000	129,000	0.01	0.01
Corporate Director Representative:	Jinxin Investment Co., Ltd.	0	0	0	0	0	0	120,000	120,000	0.01	0.01
	Representative: Hong, Wu-Shung (Note 4)	0	0	0	0	0	0	12,000	12,000	0.00	0.00
Corporate Director Representative:	Tianmu Investment Co., Ltd.	0	0	0	0	0	0	120,000	120,000	0.01	0.01
	Representative: Lin, Wang-Tsai (Note 4)	0	0	0	0	0	0	12,000	24,000	0.00	0.00
Total		3,123,001	3,123,001	0	0	0	0	3,340,989	3,376,989	0.29	0.29

Note 1: This table lists the current Directors in 2014 and their respective remuneration.
Note 2: Wu-Shung Hong and Wei-Shin Ma were elected as Directors during the Shareholders Meeting held on June 11, 2014.
Note 3: Ming-Ling Hsueh, Jing-Ling Du, and Shiang-Chung Chen were elected as Independent Directors on June 11, 2014.
Note 4: Director Yu-Hwei Chiao, Director Yi-Yi Tai, Institutional Director of Jinxin Investment Co., Ltd. (Representative: Wu-Shung Hong), Institutional Director of Tianmu Investment Co., Ltd. (Representative: Wang-Tsai Lin) completed their term on June 11, 2014.
Note 5: Refers to the remunerations for Directors in 2014 (Director compensation).
Note 6: Refers to pension set aside pursuant to the law.
Note 7: The amount is the proposed remuneration to Directors according to the most recent earnings distribution in 2014 that has been approved by the Board of Directors but has not been submitted to the shareholders' meeting.
Note 8: Refers to the expenses incurred by Directors to perform relevant duties (including transportation, attendance fees, special disbursements, and various allowances).
Note 9: After-tax net income refers to the after-tax net income of individual financial statement in 2014.

2. Remuneration to Supervisors

Title (Note 1)	Name (Note 1)	Supervisor's Remuneration			
		Remuneration (A) (Note 3)		Profit sharing (B) (Note 4)	
		The Company	All companies in consolidated statements (Note 7)	The Company	All companies in consolidated statements (Note 7)
Supervisors	Chu, Wen-Yuan	0	0	0	0
Supervisors	Hsu, In-Shek (Note 2)	0	0	0	0
Institutional Supervisors and Representative	Walsin Technology Corporation	0	0	0	0
	Representative: Chu, Yeu-Yuh	0	0	0	0
Total		0	0	0	0

Note 1: This table lists the current Supervisors in 2014 and their respective remuneration.
Note 2: In-Shek Hsu was elected as the Supervisor during the Shareholders Meeting held on June 11, 2014.
Note 3: Refers to the remuneration to Supervisors in 2014 (Supervisor compensation).
Note 4: The amount is the proposed remuneration to Supervisors in 2014 according to the most recent earnings distribution that has been approved by the Board of Directors but has not been submitted to the shareholders' meeting.
Note 5: Refers to the expenses incurred by Supervisors in 2014 to perform relevant duties (including transportation, special disbursements, and various allowances).
Note 6: After-tax net income refers to the after-tax net income of individual financial statement in 2014.

Unit: NTD

Pay received as an employee												Ratio of total (A), (B), (C), (D), (E), (F) and (G) to after-tax income (Note 9) (%)		Remuneration received from Investees other than subsidiaries and businesses invested in by the Company (Note 15)
Salary, bonus and special allowance (E) (Note 10)		Pension (F) (Note 6)		Profit sharing & bonus (G) (Note 11)				Shares subscribable under employee stock options (H) (Note 12)		Shares obtained through restricted stock award (I) (Note 13)				
The Company	All companies in the financial statements (Note 14)	The Company	All the Companies on the Financial Statements (Note 14)	The Company		All companies in consolidated statements (Note 14)		The Company	All companies in consolidated statements (Note 14)	The Company	All companies in consolidated statements (Note 14)	The Company	All companies in consolidated statements (Note 14)	
				Cash bonus	Stock bonus	Cash bonus	Stock bonus							
16,272,600	16,272,600	315,488	315,488	0	0	0	0	0	0	0	0	0.75	0.75	0
0	0	0	0	0	0	0	0	0	0	0	0	0.10	0.10	9,099,668
19,841,466	19,841,466	357,988	357,988	0	0	0	0	0	0	0	0	0.91	0.91	360,000
0	0	0	0	0	0	0	0	0	0	0	0	0.01	0.01	39,680,408
13,780,295	13,780,295	403,200	403,200	0	0	0	0	0	0	0	0	0.64	0.64	0
0	0	0	0	0	0	0	0	0	0	0	0	0.01	0.01	0
0	1,225,760	0	0	0	0	0	0	0	0	0	0	0.01	0.06	0
0	0	0	0	0	0	0	0	0	0	0	0	0.01	0.01	6,352,778
0	0	0	0	0	0	0	0	0	0	0	0	0.03	0.03	0
0	0	0	0	0	0	0	0	0	0	0	0	0.03	0.03	3,000
0	0	0	0	0	0	0	0	0	0	0	0	0.03	0.03	3,000
6,609,519	6,609,519	210,588	210,588	0	0	0	0	0	0	0	0	0.31	0.31	1,073,333
0	0	0	0	0	0	0	0	0	0	0	0	0.01	0.01	2,890,584
0	0	0	0	0	0	0	0	0	0	0	0	0.01	0.01	0
0	978,740	0	0	0	0	0	0	0	0	0	0	0.00	0.04	0
0	0	0	0	0	0	0	0	0	0	0	0	0.01	0.01	0
1,142,632	1,142,632	64,400	64,400	0	0	0	0	0	0	0	0	0.05	0.05	183,100
57,646,512	59,851,012	1,351,664	1,351,664	0	0	0	0	0	0	0	0	2.89	2.99	59,645,871

Note 10: Refers to the salaries, additional pay, severance pay, various rewards, incentives, treasury stock price difference, car rent, special allowance, an various allowances received by Directors double as employees (including doubling as president, vice president, managers, and employees) in 2014.The amount excludes Director Wu-Shung Hong's company car, with a book value of NT$0. Remuneration for drivers totaled NT$2,445,320/year.

Note 11: For Directors also working as an employee (including the position of president, vice president, other managerial officer and staff) in 2014, the amount of the proposed profit sharing and bonus according to the most recent earnings distribution in 2014 that has been approved by the Board of Directors but has not been submitted to the shareholders' meeting.

Note 12: Shares subscribable under ESOP by the Director also working as an employee (including the position of president, vice president, other managerial officer and staff) as of the date of report (excluding shares already exercised).

Note 13: Shares obtained through restricted stock award by the Director also working as an employee (including the position of president, vice president, other managerial officer and staff) as of the date of report.

Note 14: The total pay to the Director from all companies in the consolidated statements (including the Company).

Note 15: a. This field shows the amount of remuneration a Director of the Company receives from investees other than subsidiaries of the Company.
b. The remuneration means pay, remuneration, employee bonus and business expense received by the Director serving as a Director, Supervisor or manager of an investee of the Company other than subsidiaries.

* The remuneration content disclosed in this table differs from the income concept of the Income Tax Act; therefore, this table acts as a form of information disclosure and does not serve for the purpose of taxation.

Unit: NTD

Business expense (C) (Note 5)		Ratio of total (A), (B), and (C) to after-tax income (%)(Note 6)		Remuneration received from Investees other than subsidiaries Remuneration amount (Note 8)
The Company	All companies in consolidated statements (Note 7)	The Company	All companies in consolidated statements (Note 7)	
258,000	258,000	0.01	0.01	3,754,788
146,000	146,000	0.01	0.01	16,000
240,000	240,000	0.01	0.01	0
15,000	15,000	0.00	0.00	812,000
659,000	659,000	0.03	0.03	4,582,788

Note 7: The total pay to Supervisors from all companies in the consolidated statements (including the Company).

Note 8: a.This field shows the amount of remuneration a Supervisor of the Company receives from investees other than subsidiaries of the Company.
b.The remuneration means pay, remuneration, employee bonus and business expense received by the Supervisor serving as a Director, Supervisor or manager of an investee of the Company other than subsidiaries.

* The renumeration content disclosed in this table differs from the income concept of the Income Tax Act; therefore, this table acts as a form of information disclosure and does not serve for the purpose of taxation.

3. Remunerations to president and vice president

Title (Note 1)	Name (Note 1)	Salary (A) (Note 5)		Pension (B) (Note 6)		Bonus and special allowance (C) (Note 7)	
		The Company	Financial Statements All Companies (Note 12)	The Company	Financial Statements All Companies (Note 12)	The Company	Financial Statements All Companies (Note 12)
CEO	Chiao, Yu-Lon	48,012,525	49,673,450	3,467,216	3,467,216	52,687,863	52,847,385
President	Zheng, Hui-Ming						
President of Wire & Cable BG	Chiao, Yu-Hwei						
President of Stainless Steel BG	Chang, Wen-Chung						
Vice GM of Commerce & Real Estate BG	Pan, Wen-Hu						
Vice President of Metals Division	Lin, Tung-Ben						
Vice GM of Wire & Cable BG	Lu, Jin-Ren (Note 2)						
Vice GM of Wire & Cable BG	Liao, Chih-Cheng (Note 2)						
Vice President of Stainless Steel BG	Chen, Tien-Rong						
Vice President of Stainless Steel BG	Chen, Juei-Lung						
Vice President of Stainless Steel BG	Chen, Cheng-Chiang						
President of Micro Optical-Mechanical-Electronic BG	Hu, Ching-Jen (Note 3)						
Vice GM of Wire & Cable BG	Cheng , Chung-Wu (Note 4)						
Vice GM of Wire & Cable BG	Liu, Suy-Tao (Note 4)						

Remuneration Schedule

Range of remuneration paid to Presidents and Vice Presidents	Names of presidents and vice presidents	
	The Company (Note 14)	All investees (Note 15) (Note 13b) E
<NT$2,000,000	Lu, Jin-Ren, Liao, Chih-Cheng	Lu, Jin-Ren, Liao, Chih-Cheng
NT$2,000,000 (incl)+/-NT$5,000,000 (excl)	Hu, Ching-Jen, Cheng, Chung-Wu, Liu, Suy-Tao, Chen, Tien-Rong Chen, Juei-Lung, Chen, Cheng-Chiang	Hu, Chih-Cheng, Cheng, Chung-Wu, Liu, Suy-Tao, Chen, Tien-Rong Chen, Juei-Lung, Chen, Cheng-Chiang
NT$5,000,000 (incl)+/-NT$10,000,000 (excl)	Pan, Wen-Hu, Lin, Tung-Ben	Pan, Wen-Hu, Lin, Tung-Ben
NT$10,000,000 (incl)+/-NT$15,000,000 (excl)	Chang, Wen-Chung	Chang, Wen-Chung
NT$15,000,000 (incl)NT$15,000,000 (incl)	Chiao, Yu-Lon, Zheng, Hui-Ming, Chiao, Yu-Hui	Chiao, Yu-Lon, Zheng, Hui-Ming, Chiao, Yu-Hui
NT$30,000,000 (inclusive)~NT$50,000,000 (non-inclusive)		
NT$50,000,000 (inclusive)~NT$100,000,000 (non-inclusive)		
> NT$100,000,000		
Total	14 persons	14 persons

Note 1: This table shows a summary of the payments managerial officers ranked vice president or above received in the year 2014.
Note 2: The Board of Directors appointed Lu, Jin-Ren and Liao, Chih-Cheng as vice presidents of the Wire and Cable Business Group on August 13, 2014.
Note 3: Mr. Hu, Ching-Jen was relieved of his duties as the president of the MOEMS (Micro-Opto-Electro-Mechanical System) Business Group and re-appointed as a manager in the LED Business Management Department on August 13, 2014.
Note 4: Mr. Cheng, Chung-Wu and Mr. Liu, Suy-Tao were relieved of their duties as vice presidents of the Wire and Cable Business Group and re-appointed as consultants for the Wire and Cable Business Group on August 13, 2014.
Note 5: This shows the salaries, additional bonuses, and severance pay for managerial officers ranking vice president or above for the year 2014.
Note 6: Refers to pension set aside pursuant to the law.
Note 7: Shows various bonuses, incentive payments, car rental fees, vehicle subsidies, special fees, etc. for managerial officers ranking vice president or above for the year 2014. The said amount excludes one Company car, with a book value of NT$1. Remuneration for drivers totaled NT$3,031,458/year.
Note 8: Employee bonuses (including stock bonuses and cash bonuses) passed by the Board of Directors to give to managerial officers ranking vice president or above prior to the earnings distribution shareholder's meeting for the year 2014.
Note 9: After-tax net income refers to the after-tax net income of individual financial statement in 2014.

Unit: NTD

	Employee bonus (D) (Note 8)				Ratio of total (A), (B), (C), and (D) to after-tax income (%) (Note 9)		Shares subscribable under employee stock options (Note 10)		Shares obtained through restricted stock award (Note 11)		Remuneration received from Investees other than subsidiaries (Note 10)
	The Company		All companies in consolidated statements (Note 12)		The Company	All companies in the financial statements (Note 12)	The Company	All companies in consolidated statements (Note 12)	The Company	All companies in consolidated statements (Note 12)	
	Cash bonus	Stock bonus	Cash bonus	Stock bonus							
	0	0	0	0	4.60	4.68	0	0	0	0	1,017,031

Note 10: Shares subscribable under ESOP by managerial officers ranking vice president or above as of the date of report (excluding shares already exercised).

Note 11: Shares obtained through restricted stock award by managerial officers ranking vice president or above as of the date of report.

Note 12: Discloses the total pay to managerial officers ranking vice president or above from all companies in the consolidated statements (including the Company).

Note 13: a.This field shows the amount of remuneration managerial officers ranking vice president or above receive from investees other than subsidiaries of the Company.

b. The remuneration means pay, remuneration, employee bonus and business expense received by managerial officers ranking vice president or above serving as a Director, Supervisor or manager of an investee of the Company other than subsidiaries.

Note 14: For the remuneration the Company has paid, names of every managerial officers ranking vice president or above shall be disclosed in their corresponding range within the remuneration schedule.

Note 15: For the remuneration paid to managerial officers ranking vice president or above by businesses invested in by the Company (including the Company itself), names of every managerial officer ranking vice president or above shall be disclosed in their corresponding range within the remuneration schedule.

* The remuneration content disclosed in this table differs from the income concept of the Income Tax Act; therefore, this table acts as a form of information disclosure and does not serve for the purpose of taxation.

4. Distribution of employee bonus to managers

December 31, 2014

<table>
<tr><th></th><th>Position</th><th>Name</th><th>Stock bonus</th><th>Cash bonus</th><th>Total</th><th>Percentage of the total to the after-tax net income (%)</th></tr>
<tr><td rowspan="17">Managers</td><td>CEO</td><td>Chiao, Yu-Lon</td><td rowspan="17">0</td><td rowspan="17">0</td><td rowspan="17">0</td><td rowspan="17">0</td></tr>
<tr><td>President</td><td>Zheng, Hui-Ming</td></tr>
<tr><td>President of Wire & Cable BG</td><td>Chiao, Yu-Hwei</td></tr>
<tr><td>President of Stainless Steel BG</td><td>Chang, Wen-Chung</td></tr>
<tr><td>Vice GM of Commerce & Real Estate BG</td><td>Pan, Wen-Hu</td></tr>
<tr><td>Vice President of Critical Materials Management</td><td>Lin, Tung-Ben</td></tr>
<tr><td>Vice GM of Wire & Cable BG</td><td>Lu, Jin-Ren (Note 1)</td></tr>
<tr><td>Vice GM of Wire & Cable BG</td><td>Liao, Chih-Cheng (Note 1)</td></tr>
<tr><td>Vice President of Stainless Steel BG</td><td>Chen, Tien-Rong</td></tr>
<tr><td>Vice President of Stainless Steel BG</td><td>Chen, Juei-Lung</td></tr>
<tr><td>Vice President of Stainless Steel BG</td><td>Chen, Cheng-Chiang</td></tr>
<tr><td>Head of Accounting Dept.</td><td>Wu, Chin-Sheng</td></tr>
<tr><td>Head of Financial Dept.</td><td>Lin, Shu-Tin (Note 2)</td></tr>
<tr><td>Head of Financial Dept.</td><td>Wen, Ter-Chen (Note 2)</td></tr>
<tr><td>President of Micro Optical-Mechanical-Electronic BG</td><td>Hu, Ching-Jen (Note 3)</td></tr>
<tr><td>Vice GM of Wire & Cable BG</td><td>Cheng, Chung-Wu (Note 4)</td></tr>
<tr><td>Vice GM of Wire & Cable BG</td><td>Liu, Suy-Tao (Note 4)</td></tr>
</table>

* This table shows all current managerial officers as of the year 2014 as well as a summary of employee bonuses (including stock bonus and cash bonus) given to managerial officers according to the most recent earnings distribution in 2014 that has been approved by the Board of Directors but has not been submitted to the shareholders' meeting.

※After-tax net income refers to the after-tax net income of individual financial statement in the year 2014.

Note 1: The Board of Directors appointed Jin-ren Lu and Chih-Cheng Liao as vice presidents of the Wire and Cable Business Group on August 13, 2014.

Note 2: Ms. Shu-Tin Lin replaced Mr. Ter-Chen Wen as manager of the Finance Department on September 1, 2014.

Note 3: Mr. Hu, Ching-Jen was relieved of his duties as the president of the MOEMS (Micro-Opto-Electro-Mechanical System) Business Group and re-appointed as a manager in the LED Business Management Department on August 13, 2014.

Note 4: Mr. Chung-Wu Cheng and Mr. Suy-Tao Liu were relieved of their duties as vice presidents of the Wire and Cable Business Group and re-appointed as consultants for the Wire and Cable Business Group on August 13, 2014.

(4) Analysis of remunerations to Directors, Supervisors, president and vice presidents as a percentage of earnings in the last two years and description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance:

1. Analysis of remunerations to Directors, Supervisors, president and vice presidents as a percentage of earnings in the last two years:

Position	Total remunerations as a percentage (%) of after-tax net income (losses)			
	2014		2013	
	The Company	Companies in consolidated statements	The Company	Companies in consolidated statements
Director	2.89	2.99	(2.14)	(2.37)
Supervisors	0.03	0.03	(0.02)	(0.02)
President and Vice President	4.60	4.68	(3.38)	(3.51)

2. Description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance:

The Company's policy for remunerating its Directors and Supervisors is formulated based on the Company Law and the Company's regulations. The Company's operating strategy, profitability, future development and industry condition have also been taken into account. The Compensation Committee usually submits a proposal, which is passed at a Board meeting before the policy takes effect.

The Company’s remuneration policy toward Presidents and Vice Presidents is formulated based on operating strategy, profitability, performance and contribution to the Company. Prevailing market salary level is also taken into account. The policy is submitted by the Compensation Committee and takes effect after it is passed at a Board meeting.

The said principles may be adjusted based on economic conditions, the Company's future development, profitability and operating risks.

3. Corporate Governance

(1) Overview of Operations of the Board of Directors

The Company re-elected its Board members and Supervisors during the shareholder's meeting on June 11, 2014. The terms of the newly elected officials begin immediately after they are elected. The Board of Directors held 7 meeting in 2014, 4 meetings before the re-elections and 3 meetings after the re-elections.

Before the re-election at the shareholder's meeting on June 11, 2014, the Board of Directors held 4 meetings in 2014, with the attendance records of the Board members as well as Supervisors as shown below:

Position	Name	Attended in person	Attended by representative	Attendance percentage (%)	Remark
Chairman	Chiao, Yu-Lon	4	0	100%	Re-elected
Vice Chairman	Chiao, Yu-Cheng	3	1	75%	Re-elected
Director	Chiao, Yu-Heng	2	0	50%	Re-elected
Director	Chiao, Yu-Hwei	3	1	75%	Dismissed
Director	Zheng, Hui-Ming	4	0	100%	Re-elected
Director	Yang, Jih-Chang	4	0	100%	Re-elected
Director	Tai, Yi-Yi	3	0	75%	Dismissed
Director	Chang, Wen-Chung	3	0	75%	Re-elected
Director	Chin-Xin Investment Co., Ltd Representative: Hong, Wu-Shung	4	0	100%	Dismissed Re-elected
Director	Tien Mu Investment Co. Ltd Representative: Lin, Wang- Tsai	4	0	100%	Dismissed
Supervisors	Chu, Wen-Yuan	3	-	75%	Re-elected
Supervisors	Walsin Technology Corporation Representative: Chu, Yeu-Yuh	2	-	50%	Re-elected

After the re-elections at the shareholder's meeting on June 11, 2014, the Board of Directors held 3 meetings in 2014, with attendance of the Board of Directors and Supervisors as shown below:

Position	Name	Attended in person	Attended by representative	Attendance percentage (%)	Remark
Chairman	Chiao, Yu-Lon	3	0	100%	Re-elected
Vice Chairman	Chiao, Yu-Cheng	3	0	100%	Re-elected
Director	Chiao, Yu-Heng	1	0	33%	Re-elected
Director	Zheng, Hui-Ming	3	0	100%	Re-elected
Director	Yang, Jih-Chang	2	0	67%	Re-elected
Director	Chang, Wen-Chung	3	0	100%	Re-elected
Director	Hong, Wu-Shung	3	0	100%	Re-elected
Director	Ma, Wei-Shin	2	0	67%	Newly appointed
Independent Director	Hsueh, Ming-Ling	3	0	100%	Newly appointed
Independent Director	Du, King-Ling	3	0	100%	Newly appointed
Independent Director	Chen, Shiang-Chung	3	0	100%	Newly appointed
Supervisors	Chu, Wen-Yuan	3	-	100%	Re-elected
Supervisors	Walsin Technology Corporation Representative: Chu, Yeu-Yuh	3	-	100%	Re-elected
Supervisors	Hsu, In-Shek	2	-	67%	Newly appointed

Additional information:

1. Matters listed in Article 14.3 and other matters passed at Board meetings that are opposed by independent Directors shall indicate the date of the meeting, the contents of the resolution, all independent Directors' opinions, and the Company's handling of their opinions: Not applicable.
2. Directors recused from themselves from discussion or voting on an agenda item in which they have an interest (a total of 17 instances):

December 31, 2014

Item	Date Session number	Names of Directors	Resolution	Reason for avoidance	Voted or not
1	January 15, 2014 27th meeting of the 16th Board	Lin, Wang- Tsai	The Company plans to fund a cash capital increase of Powertek Energy Co. with a maximum of NT$700 million performance review for 2013.	A member of the Powertek Energy Co. Board of Directors	Not
2	January 15, 2014 27th meeting of the 16th Board	Chiao, Yu-Lon Zheng, Hui-Ming Chang, Wen-Chung	Managers' performance rewiew for 2013	Being managers themselves	Not
3	January 15, 2014 27th meeting of the 16th Board	Chiao, Yu-Lon Zheng, Hui-Ming Chang, Wen-Chung	Reviewing managers' performance reward for 2013.	Being managers themselves	Not
4	January 15, 2014 27th meeting of the 16th Board	Chiao, Yu-Lon Zheng, Hui-Ming Chang, Wen-Chung	Setting the 2014 objectives for managers.	Being managers themselves	Not
5	March 5, 2014 28th meeting of the 16th Board	Chiao, Yu-Lon Chiao, Yu-Cheng Zheng, Hui-Ming Chang, Wen-Chung Hong, Wu-Shung	Lifting the non-competition ban on Board members of the 17th Board.	Personal interests	Not
6	March 5, 2014 28th meeting of the 16th Board	Chang, Wen-Chung	Lifting the non-competition ban on managers.	Personal interests	Not
7	August 13, 2014 2nd meeting of the 17th Board	Du, King-Ling Chen, Shiang-Chung	In response to the restructuring of the Board of Directors, motion to appoint Mr. Shiang-Chung Chen (independent Director), Mr. Jin-Ling Du (independent Director), and Mr. Yi-Min Chen as members of the Company's 2nd Compensation Committee, with their terms of office beginning on the date of approval and ending on the date the current Board steps down from office (June 10, 2017).	Personal interests	Not
8	August 13, 2014 2nd meeting of the 17th Board	Chiao, Yu-Lon Zheng, Hui-Ming	Motion to appoint or dismiss managers of the Company.	Personal interests	Not

Item	Date Session number	Names of Directors	Resolution	Reason for avoidance	Voted or not
9	October 29, 2014 3nd meeting of the 17th Board	Chiao, Yu-Lon	Lifting the non-competition ban on Directors imposed by Article 209 of the Company Act.	Personal interests	Not
10	October 29, 2014 3nd meeting of the 17th Board	Chiao, Yu-Lon	Lifting the non-competition ban on managers.	Personal interests	Not
11	October 29, 2014 3nd meeting of the 17th Board	Chiao, Yu-Cheng	Motion to dispose of 50 million shares of the Company's stock in Winbond Electronics Corporation.	Serving as the chairman of the board for Winbond Electronics Corporation	Not
12	October 29, 2014 3nd meeting of the 17th Board	Chiao, Yu-Lon Chiao, Yu-Cheng Zheng, Hui-Ming Chang, Wen-Chung Hsueh, Ming-Ling Du, King-Ling Chen, Shiang-Chung	Motion for periodic assessment of salaries and compensation for Directors, Supervisors, and managers.	Personal interests	Not
13	October 29, 2014 3nd meeting of the 17th Board	Hsueh, Ming-Ling	Motion to legally pay Mr. Min-Lin Shi (independent Director) for his services (authorized by the Board of Directors) in supervising and managing the auditing operations of auditors as well as other daily administrative tasks.	Personal interests	Not
14	October 29, 2014 3nd meeting of the 17th Board	Du, King-Ling	Motion to authorize Mr. Jin-Lin Du (independent Director) to carry out investment project evaluations and assessments as well as pay for costs related to the execution of these operations.	Personal interests	Personal interests
15	January 14, 2015 4th meeting of the 17th Board	Chiao, Yu-Lon Zheng, Hui-Ming	Lifting the non-competition ban on managers.	Personal interests	Not
16	January 14, 2015 4th meeting of the 17th Board	Chiao, Yu-Lon Zheng, Hui-Ming	Motion to review manager performance as well as bonuses and compensation for the year 2014.	Personal interests	Not
17	February 17, 2015 5th meeting of the 17th Board	Chiao, Yu-Lon Zheng, Hui-Ming	Lifting the non-competition ban on Directors imposed by Article 209 of the Company Act.	Personal interests	Not

3. Evaluation of achieving the objectives of the Board's functions in the current year and the most recent year (e.g. establishing an Audit Committee and raising information transparency):

(1) Setting rules and regulations related to corporate governance:In addition to explicitly stating the powers and duties of the Board of Directors in the Company's articles of incorporation, our Company also follows rules and regulations including the "Board of Directors Procedural Regulations," Guidelines for the Ethical Conduct of Directors and Supervisors," "Procedures for the Processing of Critical Internal Information," "Corporate Governance Principles and Practice," "Corporate Management Integrity Principles,"Behavioral Guidelines and Operation Procedures for Honest Practices," "Guidelines for the Ethical Behavior of Employees," "Stakeholder Suggestions toward Monitoring Divisions and Appeals Procedures," "Practical Guidelines for Corporate and Social Responsibilities," and "Corporate and Social Responsibilities Policies" in order to strengthen operations of the Board of Directors as well as governance of the Company.

(2) Add performance evaluations for the Board of Directors and the Functional Committee: In accordance with the "Board of Directors (Including the Functional Committee) Performance Evaluation and Compensation Management Regulations" drafted by the Compensation Committee, members of the Board are to evaluate their own performance in December of each year based on established indicators in an effort to improve shareholders' long-term value.

(3) Actively participate in the governance of the Company: During the past two years, our Company has been actively increasing the transparency of our information disclosure and corporate governance practices. We were given an Rating of A++ in the "12th Publicly Traded Company Information Disclosure Ratings," ranking within the top 5%. Our Company is also actively participating in corporate governance evaluations and has designated the improvement of corporate governance a formal project in order to enhance our corporate governance abilities.

(4) Board of Directors visit overseas locations: In order to make sure the Company's new Directors and Supervisors that took office in 2014 are familiar with its operations so that they are capable of performing their duties as well as make good decisions, our Company will hold its periodic Board meeting for the fourth quarter of 2014 in Nanjing. We will also arrange for our Directors and Supervisors to visit our relevant operational units and factories in Mainland China (including Nanjing Land Development, which engages in the development of land and real estate, Nanjing Copper Factory and Jiangyin Steel Factory, which belong to our Wire and Cable Business Group, as well as the Changsu Seamless Steel Factory, which belongs to our Stainless Steel Business Group). Through in-person visits as well as face-to-face communication, the Board of Directors will comprehensively understand the content of our operations, which will in turn enhance the performance and effectiveness of the Board of Directors. In addition, during this process, the Directors and Supervisors will also pass on valuable professional experience as well as provide effective guidance to the operations units.

(5) Authorize independent Directors to frequently participate in our Company's investment evaluations as well as corporate governance operations and apply their professional expertise. In addition, we plan to establish an Audit Committee beginning in 2017.

(6) Voluntarily disclose the regulations that our Company follows as well as major decisions made by the Board of Directors on our Company website and the Market Observation Post System (M.O.P.S.) so that shareholders can find out about the current status of the Company, thereby increasing the transparency of the Company’s information.

(2) Operation of the Audit Committee or the status of Supervisors participating in the operation of the Board

1. Operational status of the Audit Committee: None. The Company has yet to establish an Audit Committee.

2. Attendance of Supervisors in Board meetings:

In 2014, before the re-election of the Board of Directors during the shareholder's meeting on June 11, 2014, the Board of Directors held 4 meetings, with attendance records for the Supervisors as shown below:

Position	Name	Number of meetings attended	Percentage (%)	Remark
Supervisors	Chu, Wen-Yuan	3	75%	Re-elected
Supervisors	Walsin Technology Corporation Representative: Chu, Yeu-Yuh	2	50%	Re-elected

In 2014, after the re-election during the shareholder's meeting on June 11, 2014, the Board of Directors held 3 meetings, with the attendance situations of the Supervisors as shown below:

Position	Name	Number of meetings attended	Percentage (%)	Remark
Supervisors	Chu, Wen-Yuan	3	100%	Re-elected
Supervisors	Walsin Technology Corporation Representative: Chu, Yeu-Yuh	3	100%	Re-elected
Supervisors	Hsu, In-Shek	2	67%	Newly appointed

Additional information:

1. Composition and responsibility of Supervisors: Supervisors are elected by shareholders according to the law. They shall periodically review the Company's internal audit reports and attend Board meetings to oversee their operation. Each year they review the relevant financial statements and submit them to the annual general meeting (AGM).

(1) Communication between Supervisors and Company's employees and shareholders:

When required for carrying out auditing operations, Supervisors may obtain information regarding the overall operation of the Company as well as its finances or financial risk situations through internal auditing managers, Finance Department managers, or Accounting Department managers via meetings or telephone communications.

(2) Communication between Supervisors and the Company's internal audit chief and CPA:

A. Supervisors are to hold periodic meetings with the CPA at least once a year. The CPA is to report to the Supervisor on the Company's financial status, the financial statuses and overall operating statuses of the Company's subsidiaries (both domestic and overseas), as well as the status of internal control and auditing operations. Issues including whether or not there have been major entry adjustments as well as whether or not changes to any laws have affected the Company's books are to be thoroughly communicated. Meetings can be called at any time when major issues are encountered.

B. Supervisors shall engage CPAs to review the Company's financial statements, with review reports given to Supervisors.

C. Internal auditing managers and Supervisors should hold periodic meetings at least once a quarter to provide reports regarding the status of the Company's internal auditing operations as well as the status of the Company's internal control operations. Meetings can be called at any time when major issues are encountered.

2. If Supervisors attending a Board meeting have any opinions, they shall indicate the date and session of the meeting, the issues discussed, the resolutions passed, and the Company's reaction to their opinions: Not applicable.

(3) Corporate governance implementation status and departure from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and reasons:

Assessed areas:	Operation			Discrepancies between the way the Company is governed and the Corporate Governance Principles for Exchange and OTC Listed Companies and the reasons behind the discrepancies
	Yes	No	Summarized description	
1. Has the Company set and disclosed principles for practicing corporate governance according to the "Corporate Governance Principles and Practice for Publically Traded Companies?"	Yes		In 2014, the Company's Board of Directors approved the Corporate Governance Principles and Practice devised according to the "Corporate Governance Principles and Practice for Publically Traded Companies" and disclosed them on the Company's website.http://www.walsin.com/walsin/page.do?menuId=74	In line with the "Corporate Governance Principles for Exchange and OTC Listed Companies."
2. The Company's shareholding structure and shareholders' rights and interests (1) Has the Company set internal operations procedures for dealing with shareholder proposals, doubts, disputes, and litigation as well as implemented those procedures through the proper procedures? (2) Does the Company have a list of major shareholders of companies over which the Company has actual control and the list of ultimate owners of those major shareholders? (3) Has the Company established and implemented risk control/management and firewall mechanisms between it and affiliated corporations?	 Yes Yes Yes		(1) Shareholders Service Office is in charge of handling various shareholder recommendations, questions, and disputes. The Company has established sections on its website dedicated to collecting various questions and suggestions. (2) The Company periodically discloses the list of ultimate controllers of its principal shareholders pursuant to the law. (3) 1. The Company has drafted rules governing the supervision of its subsidiaries, which have been approved by the Board. 2. All of the Company's affiliates are subsidiaries the Company directly or indirectly retain at least 50% of their shares. Business dealings with affiliates are treated as transactions with third	In line with the "Corporate Governance Principles for Exchange and OTC Listed Companies."

Assessed areas:	Operation			Discrepancies between the way the Company is governed and the Corporate Governance Principles for Exchange and OTC Listed Companies and the reasons behind the discrepancies
	Yes	No	Summarized description	
(4) Has the Company set internal regulations that prohibits the Company's personnel from taking advantage of information that has not been disclosed to the public to purchase or sell securities?	Yes		parties to prevent irregular transactions. 3. The Company has drawn up rigorous rules governing the lending of funds and the providing of guarantees to its affiliates. (4) In order to establish an effective handling and disclosure mechanism for major internal information processing operations, so that unauthorized information leakage can be avoided, consistency and accuracy of information disclosed by the Company to the public can be maintained, and insider trading prevented, the Company has established "Procedures for major internal information processing operations," to be complied with by all. In addition, the Company has made available copies of this document to the Company's Directors and Supervisors and has uploaded an electronic copy to the Company's electronic bulletin board for the benefit of all managerial officers and staff members.	
3. The makeup and duties of the Board (1) Has the Board of Directors devised a plan for a more diverse composition of the Board? If so, has the plan been implemented?	Yes		(1) The Company's Corporate Governance Guidelines and Practices already includes clear guidelines for diversifying the Board of Directors. When the Company re-elected its Board members in 2015, it followed this principle of diversity and elected not shareholders, but also industry elites and financial as well as accounting experts. In order to promote and realize gender equality, increase the number of women who participate in the decision-making process, as well as to strengthen the composition of the Board of Directors, we also have female Directors on our Board of Directors.	In line with the "Corporate Governance Principles for Exchange and OTC Listed Companies."
(2) In addition to establishing a Compensation Committee and an Audit Committee, which are required by law, is the Company willing to also voluntarily establish other types of functional committees?		No	(2) On September 27, 2011, the Company established a Compensation Committee and drew up the Regulations Governing the Organization of the Compensation Committee. The Compensation Committee is comprised of three members, currently independent individuals. The Committee is aimed at helping the Board to establish and periodically review the performance review of Directors, Supervisors, and managerial officers, and the remuneration policy, system, standards, and structure, as well as to periodically review and determine the remuneration for Directors, Supervisors, and managers. The Company plans to establish an Audit Committee in 2017, and will first establish a Temporary Audit Committee composed of independent Directors and Supervisors in 2015 to begin the process of establishing such a committee and lay out	

Assessed areas:	Operation			Discrepancies between the way the Company is governed and the Corporate Governance Principles for Exchange and OTC Listed Companies and the reasons behind the discrepancies
	Yes	No	Summarized description	
			how it will eventually operate so that when the formal Audit Committee is established in 2017, it will be able to fully serve its purpose as well as reach its full effectiveness. In addition to the Compensation Committee (which has already been established) and the Audit Committee (which is planned to be established in 2017), the Company will begin planning the establishment of a Nomination Committee in 2016.	
(3) Has the Company established methods for assessing the performance of the Board of Directors as well as actual procedures for executing the assessments? If so, has the Company executed assessments of the performance of the Board of Directors annually?	Yes		(3) In accordance with the "Rules Governing the Evaluation of the Performance of Directors and Supervisors" drafted by the Compensation Committee, members of the Board in December of each year evaluate their own performance based on established indicators in an effort to improve shareholders' long-term value.	
(4) Does the Company periodically evaluate the level of independence of the CPA?	Yes		(4) Before the Board of Directors appoints CPAs each year, they will first conduct a review on whether or not the CPAs are truly independent. The CPAs will be asked to sign an "Impartiality and Independence Statement." Our Company will only hire CPAs that have been confirmed to have no common financial interests or business relationships with us other than the fees that we pay them for their services. Family members of the CPAs must also meet independence requirements.	
4. Has the Company established channels for communicating with stakeholders, set up a dedicated stakeholder area on the Company website, as well as appropriately responded to important corporate and social responsibility issues that stakeholders are concerned about?	Yes		The Company has been maintaining open communication channels with interested parties that include the banks it has business dealings with, creditors, employees, consumers, suppliers, communities, or are otherwise connected with the Company. Communication channels can be found on the Company's internal and external websites as well as in its annual reports.After becoming informed about the social responsibility issues that stakeholders are concerned about, the Company should provide appropriate responses.	In line with the "Corporate Governance Principles for Exchange and OTC Listed Companies."
5. Has the Company hired a professional agency to handle tasks and issues related to holding the shareholder's meeting?	Yes		The Company has handled these affairs itself since March of 1993.	In line with the "Corporate Governance Principles for Exchange and OTC Listed Companies."

Assessed areas:	Operation			Discrepancies between the way the Company is governed and the Corporate Governance Principles for Exchange and OTC Listed Companies and the reasons behind the discrepancies
	Yes	No	Summarized description	
6. Information disclosure (1) Has the Company established a corporate website to disclose information regarding the Company's financial, business and corporate governance statuses?	Yes		Walsin Lihwa Corporation's Chinese/English website: www.walsin.com	These issues are set to be discussed during investor conferences in 2016.
(2) Has the Company established other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, appointing spokespersons, webcasting investor conference o Company website)?	Yes		Our Company has a dedicated department for collecting Company information and periodically updating our Company website. Our Company has implemented a spokesperson policy, with one or more appointed spokespersons. We have also established the "Behavioral Guidelines and Operation Procedures for Honest Practices" requiring management as well as employees to properly keep financial as well as business secrets. We also require that personnel follow the "Corporate Governance Principles and Practices." When a ompany spokesperson or deputy spokesperson leaves their position or is newly appointed, relevant information should immediately be made public. Investor conference information http://www.walsin.com/walsin/page.do?menuId=65	
7. Does the Company have other information that is helpful for understanding the status of corporate governance (including but not limited to employee rights and interests, investor relations, supplier relations, rights of interested parties, further education sought by Directors and Supervisors, implementation of risk management policies and risk evaluation standards, implementation of customer policies, the taking out of liability insurance for Directors and Supervisors)?	Yes		1. Please read "Summary of the Company's Operations -- 5" of this year's Annual Report for information concerning the Company's systems, measures, implementation of employee rights and interests, investor relations, supplier relations, and rights of interested parties. 2. Please read "Corporate Governance Report. 3 Status of Corporate Governance (8)," "Financial Condition and Review and Analysis of Financial Performance and Risks 6" of this year's Annual Report for Directors and Supervisors seeking further education, risk management policies, and risk evaluation standards, implementation of customer policies, and liability insurance taken out for Directors and Supervisors.	In line with the "Corporate Governance Principles for Exchange and OTC Listed Companies."

Assessed areas:	Operation			Discrepancies between the way the Company is governed and the Corporate Governance Principles for Exchange and OTC Listed Companies and the reasons behind the discrepancies
	Yes	No	Summarized description	
8. Does the Company has a corporate governance self-assessment report or has it hired other professional institutions to produce corporate governance assessment reports for it? (If so, please include Director comments, self-evaluations, external evaluation results, major issues, recommendations, and follow-up improvement reports)	Yes		The Company takes seriously the "Corporate Governance Ratings" rated by the "Corporate Governance Center" of the Taiwan Stock Exchange (TWSE). In May 2014, the Board of Directors decided to implement a three-year improvement program based on the items rated in the 1st Annual Corporate Governance Ratings. Management was also asked to promote and implement the relevant measures. Our Company has completed its first annual corporate governance self-assessment in January 2015.	In line with the "Corporate Governance Principles for Exchange and OTC Listed Companies."

(4) Makeup, duties, and operation of the Compensation Committee:

On September 27, 2011, the Company established a Compensation Committee and drew up the Regulations Governing the Organization of the Compensation Committee.The Compensation Committee is comprised of three members, which currently includes two independent Directors and one independent individual. The Committee is aimed at helping the Board to establish and periodically review the performance review of Directors, Supervisors and managers, and the remuneration policy, system, standards, and structure, as well as to periodically review and determine the remuneration for Directors, Supervisors and managers.

1. Information of the members of the Compensation Committee

Identity	Criteria / Name	Whether possessing at least five-year work experience and the following specialized qualifications			Meet the independence criteria (Note)								Number of other publicly-owned companies of whose compensation committees they are on	Remark
		An instructor or higher position in the department of commerce, law, finance, accounting or other department related to the business needs of the Company in a public or private junior college or university	A judge, public prosecutor, attorney, accountant, or other professional or technical specialist related to the needs of the Company who has passed a national examination and received a certificate	Having work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company	1	2	3	4	5	6	7	8		
Independent Director	King-Ling Du	No	No	Yes	✓	✓	✓	✓	✓	✓	✓	✓	2	
Independent Director	Shiang-Chung Chen	No	No	Yes	✓	✓	✓	✓	✓	✓	✓	✓	1	
Other	Chen, Yimin	No	No	Yes	✓	✓	✓	✓	✓	✓	✓	✓	1	

Note: If the member meets any of the following criteria in the two years before being elected or during the term of office, please check "✓" the corresponding boxes:

(1) Not an employee of the Company or any of its affiliates;

(2) Not a Director or Supervisor of the Company or any of its affiliates (the same does not apply if the person is an independent Director of the Company or its parent company, or any subsidiary in which the Company holds, directly and indirectly, more than 50% of the voting shares).

(3) Not a natural-person shareholder whose shareholding, together with those of his/her spouse, minor children, and shares held under others' names, exceed 1% of the total number of outstanding shares of the Company, or ranks the person in the top ten shareholders of the Company.

(4) Not a spouse, relative within second degree of kinship, or lineal relative within third degree of kinship of any of the persons in the preceding three paragraphs.

(5) Not a director, supervisor or employee of a juristic-person shareholder that holds directly 5% or more of the total number of outstanding shares of the Company or ranks in the top five shareholders.

(6) Not a director, supervisor, manager or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.

(7) Not a professional or an owner, partner, director, supervisor, manager or a spouse of the abovementioned who provides commercial, legal, financial, accounting services or consultation to the Company or an affiliate of the Company.

(8) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.

2. Operation of Compensation Committee

(1) The Company's Compensation Committee is comprised of three persons.

(2) Term for the Current Committee Members: August 13, 2014 to the end of the term of the 17th Board of Directors (June 10, 2017). The Compensation Committee held 4 meeting in 2014.

(3) The members of the Company's 1st Compensation Committee stepped down after the motion for re-election of the Board of Directors was passed during the shareholders meeting on June 11, 2014. On August 13, 2014, the Board of Directors appointed Jin-Ling Du (independent Director), Shiang-Chung Chen (independent Director) and Yi-Min Chen as members of the Company's 2nd Compensation Committee.

(4) In 2014, the 1st Compensation Committee held 3 meetings, with the qualifications of the committee members as well as their attendance records shown below:

Position	Name	Number of meetings attended	Attended by representative	Attendance rate (%) (Note 2)	Remark
Convener	Lu-Pao Hsu	3	0	100%	Committee member during previous term
Member	Chen, Yimin	3	0	100%	Re-elected
Member	Shiang-Chung Chen	1	0	100%	Re-elected (Note 1)
Member	Zheng, Hui-Ming	2	0	100%	Committee member during previous term(Note 1)

Additional information:
1. Recommendations by the Compensation Committee that the Board of Directors did not pass or chose to adjust: None.
2. Decisions made by the Compensation Committee for which certain committee members were against or had reservations that were recorded or expressed via written statements: None.

Note 1: Since committee member Hui-Ming Zheng was a Director, his term in the 1st Compensation Committee was from September 27, 2011 through March 19, 2014. Mr. Shiang-Chung Chen was appointed as a member of the Compensation Committee during the Board meeting on March 5, 2014, with his term lasting through June 11, 2014.

Note 2: The attendance percentage (%) shall be calculated by dividing the number of meetings he/she attended by the number of meetings held.

(5) In 2014, the 2nd Compensation Committee held 1 meeting, with the qualifications of the committee members as well as their attendance records shown below:

Position	Name	Number of meetings attended	Attended by representative	Attendance rate (%)	Remark
Convener	King-Ling Du	1	0	100%	Newly appointed
Member	Shiang-Chung Chen	1	0	100%	Re-elected
Member	Chen, Yimin	1	0	100%	Re-elected

Additional information:
1. Recommendations by the Compensation Committee that the Board of Directors did not pass or chose to adjust: None.
2. Decisions made by the Compensation Committee for which certain committee members were against or had reservations that were recorded or expressed via written statements: None.

(5) Fulfillment of social responsibility:

Assessed areas:	Operation			Discrepancies between the way in which the Company fulfills its social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons behind the discrepancies
	Yes	No	Summarized description	
1. Implementation of corporate governance (1) Has the Company established a corporate social responsibility policy or system and examination of implementation results?	Yes		(1) In order to fulfill our corporate social responsibilities as well as promote balance and sustainable development in the economy, society, and the ecological environment, we established the Walsin Lihwa Corporate Social Responsibilities Policy in October 2014: Insisting on honesty and integrity to increase operational performance Enhance corporate governance to achieve sustainable corporate development Create a friendly environment and build an organization that always continues to learn and improve Provide a high-quality environment and ensure safety through sound management Implement environmental protection and energy conservation, leading the way towards greener production Fulfill our role as a corporate citizen and engage in efforts that benefit society In addition, we also released our "Practical Guidelines for Corporate and Social Responsibilities," having the Board of Directors supervise the fulfillment of our social responsibilities, as well as continually reviewing our progress and results.	In line with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.
(2) Does the Company periodically hold training on social responsibilities?	Yes		(2) In 2015, we began holding trainings on corporate social responsibilities.	
(3) Has the Company established a dedicated department (or have another department be responsible for related efforts) for fulfilling corporate social responsibilities, with the Board of irectors authorizing high-level managers to handle such efforts, and having relevant progress be reported to the Board of Directors?	Yes		(3) The Company's high-level managers are already responsible for handling and driving efforts related to our corporate social responsibilities. They are also responsible for planning which areas and tasks various business groups are to participate in, as well as for the implementation and execution of those plans. We will also establish a Corporate Social Responsibility Committee, which will periodically report to the Board of Directors on the direction in which the Company is headed in terms of corporate social responsibilities as will as on the progress we have made.	
(4) Has the Company established reasonable salary and compensation policies, integrated employee performance evaluation policies with corporate social responsibility policies, and established clear and effective reward as well	Yes		(4) 1. Our Company has established policies and regulations for determining the salaries and compensations for our managers and personnel. We pay and compensate our employees based on market pay levels as well as individual performance. 2. In 2015, our managers' have annual goals that include goals for environmental protection, work safety, supplier management, as well as internal control. These same goals have also been applied	

Assessed areas:	Operation			Discrepancies between the way in which the Company fulfills its social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons behind the discrepancies
	Yes	No	Summarized description	
as disciplinary policies?			to sales-related departments. At the end of the year, performance evaluations will be performed based on the progress and results of these efforts. 3. The Company has established reward and punishment policies for employee conduct.	
2. Developing a sustainable environment (1) Has the Company made efforts to improve the efficiency of resource utilization and use recycled materials which have a low impact on the environment?	Yes		(1) Our various facilities set their annual goals and directions in terms of energy conservation at the beginning of each year. We also increase our energy utilization rates through saving water and reducing waste. In addition, we also actively promote energy conservation and carbon reduction in the office, as well as the recycling and reuse of resources. Furthermore, we also make efforts to strengthen employee education in these areas.	In line with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.
(2) Has the Company established a proper environmental management system based on the characteristics of the industry?	Yes		(2) Head offices and various plants have complied with government environment management regulations. The Company's Xinzhuang, Yangmei, Taichung, and Yanshui plants have been ISO14000-certified for many years.	
(3) Has the Company taken note of any impacts climate change has had on its operations and engaged in measuring greenhouse gas emissions, establishing a corporate energy conservation and carbon reduction strategy, as well as establishing a greenhouse gas reduction strategy?	Yes		(3) We continually monitor any direct or indirect effects climate change may have on our operations.With regards to our products, our 600V PVC electric wire products obtained SGS carbon footprint certification, making us Taiwan's first company whose 600V PVC wire products have obtained carbon footprint certification. Beginning in 2012, our various plants have implemented plans to conserve energy, reduce carbon footprints, as well as reduce carbon dioxide emissions through two major measures: engineering control and administrative management. At the beginning of each year, each of our facilities device goals and directions for energy conservation, thereby increasing energy usage rates via water conservation and waste reduction, and reducing greenhouse gas emissions by means of the recycling and reuse of resources.	
3. Safeguarding public welfare (1) Has the Company established its management policies and procedures in accordance with relevant laws, regulations, as well as international conventions regarding human rights?	Yes		(1) Our Company complies with international human right conventions and abides by all relevant laws and regulations, including those related to gender equality, the right to work, and prohibiting discrimination, thereby protecting the rights of our employees. We have also established relevant management guidelines.	In line with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.
(2) Has the Company established employee	Yes		(2) Employees can submit complaints to a corporate mailbox, which provides a safe	

Assessed areas:	Operation			Discrepancies between the way in which the Company fulfills its social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons behind the discrepancies
	Yes	No	Summarized description	
complaint channels as well as appropriately dealt with any such issues?			and discreet way to submit complaints. For the complaints that we receive, we open formal cases to appropriately handle and respond to those complaints.	
(3) Has the Company provided a safe and healthy work environment for employees, and organized training on safety and health for employees on a regular basis?	Yes		(3) The Company has a safety management organization and management personnel, has established safety work guidelines, standards for the safe operation of machinery and equipment and periodically inspects various machines and relevant training in an effort to provide employees with safety training and health examinations. In addition, workshops are held periodically to share safety knowledge with employees.	
(4) Has the Company established mechanisms for regular communications with employees and keeping employees informed in a reasonable manner changes in Company operations that might have significant impact on employees?	Yes		(4) 1. Our Company has a labor union and holds meetings to communicate with employees on labor issues periodically. 2. We have a portal website (intranet communication platform) for our employees, which is used for announcing major announcements and information regarding Company events. The portal website is updated twice each month. 3. The Company has a corporate mailbox that provides a channel of communication between employees and the Company.	
(5) Has the Company established an effective career development and capability training program for employees?	Yes		(5) Each year, the Company provides appropriate training courses and budgets according to the current job requirements and career development needs of employees.	
(6) Has the Company established consumer protection policies as well as complaint procedures with regards to R&D, procurement, production, operations, and service flows?	Yes		(6) The products that our Company produces are not end-user products, therefore, we do not directly come into contact with the average consumer. However, if our suppliers or customers have issues regarding the protection of consumer interests, they can submit their complaints or recommendations through the stakeholder communication channel.	
(7) In terms of the marketing and labeling of products and services, has the Company followed relevant laws, regulations, and international norms?	Yes		(7) The marketing and labeling of our Company's products and services comply with domestic laws and regulations, the laws and regulations of the location where are products or services are sold, as well as international norms.	
(8) Before doing business with suppliers, does the Company assess whether or not the suppliers have had previous records of negatively affecting the environment or society?	Yes		(8) Our Company has established evaluation mechanisms for the selection of our suppliers. We have also established plans for implementing corporate social responsibility measures. Past records of the impact our potential suppliers have had on society and the environment are taken into consideration during these evaluations, which allows for an even more comprehensive supplier evaluation mechanism. (9) Our Company has included a clause into our contract templates that states that if a	

Assessed areas:	Operation			Discrepancies between the way in which the Company fulfills its social responsibility and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons behind the discrepancies
	Yes	No	Summarized description	
(9) Does the Company's contracts with major suppliers include a clause that states that if the supplier violates our corporate social responsibility policies, resulting in significant impacts to the environment and society, we have the right to terminate the contracts at any time?	Yes		supplier violates our corporate social responsibility policies, resulting in significant impacts on the environment or society, we have the right to terminate our contracts with them at any time. In addition, we have already begun adding this clause to our new contracts as well as when we renew our existing contracts.	
4. Improved Information Disclosure (1) Has the Company disclosed relevant and reliable corporate social responsibility information on its website as well as on the Market Observation Post System (M.O.P.S.)?	Yes		(1) In 2015, we will publish our first corporate social responsibility report, which we will disclose on our website as well as on the Market Observation Post System (M.O.P.S.).	In line with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.
5. If the Company has established corporate social responsibility principles based on "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies", please describe any difference between the principles and their implementation: no differences.				
6. Other key information useful for explaining status of corporate social responsibility practices: 1. With regard to developing a sustainable environment, please refer to "Operating Status, Environmental Protection Expenditure Status" of the Annual Report. 2. With regard to the Company observing relevant labor regulations and safeguarding the lawful rights and interests of its employees, please refer to "Operating Status, Labor-Management Relations" of the Annual Report.				
7. The Company shall indicate whether its products or corporate social responsibility report has been certified by relevant institutions: Not yet.				

(6) The status of the Company fulfilling its honest operation promise and the measures it has taken:

Assessed areas:	Operation			Discrepancies between the way the Company is governed and the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and the reasons behind the discrepancies
	Yes	No	Summarized description	
1. Establishing ethical corporate management best practice principles and plans (1) Has the Company, in its regulations and external documents, indicate its ethical management policies, the measures it is taking to implement those policies, and the commitment by the Company's the Board and management to fully realize those policies.	Yes		(1) Our Company has always insisted on honest business practices. We abide by the laws set forth by the government, implement our corporate government principles, and make our utmost effort to fulfill our corporate responsibilities. In August 2014, our Board passed our "Principles for Honest Business Practices" and in January 2015, it further passed our "Behavioral Guidelines and Operation Procedures for Honest Practices." Our managers are also committed to implementing honest business practices as well as to ensuring that honest business principles are followed.	Complies with the "Corporate Management Integrity Principles for Publically Traded Companies."
(2) Has the Company established plans for prevention dishonest behavior? Has it clearly stated relevant operational procedures and behavioral guidelines within each plan? Has it implemented and executed these plans?	Yes		(2) We have also established clear descriptions of dishonest behavior as well as guidelines and procedures for handling such incidents in accordance with our "Principles for Honest Business Practices" and "Behavioral Guidelines and Operation Procedures for Honest Practices." Our Company has established punishment policies for employees who violate relevant regulations as well as a complaint and violation reporting mechanism, which are integrated with employee performance evaluation mechanisms. In addition, during our training for newly recruited personnel, we specifically announce our insistence on honest business practices. We also communicate our mutual values through the Company's internal communications platform, thereby encouraging and strengthening the self-regulating attitudes and behaviors of our employees. We have also established "Rules for the Ethical Behavior of Employees," which requires that employees follow our principles of honesty and integrity when carrying out their duties and ensures that when our employees interact with customers, suppliers, and investors, they always base their actions on honesty and integrity, thereby preventing any dishonest, deceptive, or illegal behavior. The Company has drafted the "Regulations Governing the Handling of Business by Employees," which includes clear rules that stipulate that when performing their duties, employees shall not accept bribes or other inadequate benefits from companies, customers, competitors and suppliers, or bribe others.	
(3) Has the Company established measures to prevent the behaviors listed in Article 7 Section 2 of the	Yes		(3) Our Company has explicitly included the items specified in Article 7 Section 2 of the "Corporate Management Integrity Principles for Publically Traded Companies" in Article 6 of our Corporate Management Integrity	

Assessed areas:	Operation			Discrepancies between the way the Company is governed and the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and the reasons behind the discrepancies
	Yes	No	Summarized description	
"Corporate Management Integrity Principles for Publically Traded Companies" or other business activities with higher risk of dishonest behavior?			Principles, and we prevent dishonest behavior in relatively high-risk business activities by establishing clear operations procedures, establishing relevant policies and regulations, reminding employees of such policies daily, including relevant requirements in contracts, as well as including the implementation such policies into our performance evaluations.	
2. Ensuring honest business practice (1) Does the Company evaluate the honest business practices records of the companies it does business with as well as explicitly include honestly business practices clauses in contracts?	Yes		(1) 1. Avoiding doing business with companies having a dishonest business record: (1)When selecting a business partner, its past trading history and credit record shall be reviewed. When inviting bids, suppliers shall be informed of the principle of a fair, open and transparent supplier selection policy. (2)Entity we are selling to: Except for procurement projects from the government, the Company shall track the long-term credit information of distributors, with the reputation of new distributors obtained through credit reference agencies and other companies in the industry. 2. Including honest practice provisions in contracts: (1)Procurement contracts: We have either had honest business practices clauses added to the contracts or have the supplier sign an honest business practices statement. (2)Sales contracts: Honest business practices clauses have been added to all such contracts.	Complies with the "Corporate Management Integrity Principles for Publically Traded Companies."
(2) Has the Company established a dedicated department (or have another department be responsible for related efforts) under the Board of Directors to ensure honest business practices (and does this department periodically report their status and progress to the Board of Directors)?	Yes		(2) Through its auditing function, the Board examines the implementation of honest business practices policies. The Board shall provide a report in Board meetings if there are irregularities. Beginning in 2015, the Board will establish a dedicated department (or have another department be responsible for such matters) for ensuring honest business practices, which will report their progress to the Board periodically.	
(3) Has the Company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communications?	Yes		(3) Our Company has established "Principles for Honest Business Practices" and "Behavioral Guidelines and Operation Procedures for Honest Practices" to regulate Directors, Supervisors, managers and employees in terms of obligations to the Company, external business activities, cash transactions, avoiding conflicts of interests, and the management of classified information. The Company has a contact channel on its website that provides a means for filing complaints about violation of	

Assessed areas:	Operation			Discrepancies between the way the Company is governed and the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and the reasons behind the discrepancies
	Yes	No	Summarized description	
(4) Has the Company established effective accounting policies and internal control policies in order to ensure honest business practices, and does it have its internal auditing department periodically perform audits or have its CPA conduct audits? (5) Does the Company periodically hold internal and external training on honest business practices?	Yes Yes		honest business practice, a mailbox also exists on the employee portal site, thus providing internal and external personnel with a means to make suggestions to the Company. Information received shall be handled by the Audit Office. (4) The Company actively works to ensure honest business practices. The Audit Office (or hired CPA, when necessary) shall audit relevant compliance statuses according to accounting policies, internal control policies, as well as other relevant regulations. The Audit Office will periodically report its auditing results during Board meetings. (5) During new-employee training, the Company periodically states its principles towards honest business practices. It also periodically holds courses on corporate governance as well as honest business practices and asks employees to participate. Our Vompany's Procurement Department also informs suppliers of our honest business practices principles in order to prevent dishonest business practices.	
3. Status of the Company's reporting mechanism (1) Has the Company established clear reporting and rewards systems, set up convenient reporting channels, and appoint the appropriate staff based on the person who has been reported? (2) Has the Company established standard operating procedures as well as relative classified information policies for handling reports? (3) Does the Company protect the person who reported the situation to prevent them from being inappropriately treated?	Yes Yes Yes		(1) The Company's website provides a "Reporting Violations of Honest Business Practices" area, which allows people to file complaints about violations of honest business practices. There is also a mailbox on the employee portal site, providing internal and external personnel with a means to file complaints. The Audit Office is responsible for handling relative recommendations and violations. If the violations are verified, disciplinary action shall be taken. (2) The Company has established the "Procedures for Stakeholder Complaints and Recommendations for the Supervising Department," thereby protecting the identity as well as data of those who provide suggestions or feedback. (3) All reported cases are filed under the classified category, with a case opened to handle the issue. In addition, dedicated personnel are appointed to handling related tasks and issues in order to ensure the privacy of reporter.	Complies with the "Corporate Management Integrity Principles for Publically Traded Companies."
4. Improved Information Disclosure (1) Has the Company disclosed the contents or its Principles for Honest Business Practices as well as relative implementation results on its website and on the	Yes		Beginning in 2015, the contents of the Principles for Honest Business Practices as well as relative implementation results will be disclosed on our Company website as well as on the Market Observation Post System (M.O.P.S.).	Complies with the "Corporate Management Integrity Principles for Publically Traded Companies."

Assessed areas:	Operation			Discrepancies between the way the Company is governed and the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and the reasons behind the discrepancies
	Yes	No	Summarized description	
Market Observation Post System (M.O.P.S.)?				
5. If the Company has established Ethical Corporate Management Principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", describe difference with the principles and implementation status: Complies with the "Corporate Management Integrity Principles for Publically Traded Companies."				
6. Other key information useful for explaining the status of the implementation of honest business practices: (Such as the status of the Company's efforts to review and correct its Principles for Honest Business Practices): In February 2015, our Company passed amendments to our Principles for Honest Business Practices in order to comply with the spirit of the latest Corporate Management Integrity Principles for Publically Traded Companies.				

(7) If the Company has established corporate governance principles as well as other relative regulations, it should disclose how they can be looked up: Our Company's corporate governance principles as well as relative regulations can be looked up on our Company website.

(8) Important information helpful for improving understanding of the governance of the Company:

1. Further education on corporate governance Directors and Supervisors have received in the most recent year:

December 31, 2014

Position	Name	Period		Organized by	Course name	Number of hours	
		Begins on	Ends on			On this date	Annual total
Chairman	Chiao, Yu-Lon	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Vice Chairman	Chiao, Yu-Cheng	103/11/21	103/11/21	Taiwan Corporate Governance Association	The Outlook for the Economy in 2015	3 hr	12 hr
		103/10/23	103/10/23	Accounting Research and Development Foundation	Legal responsibilities related to "influence peddling."	6 hr	
		103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	
Director	Zheng, Hui-Ming	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Director	Chang, Wen-Chung	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Director	Wu-Shung Hong	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Director	Wei-Shin Ma	103/12/12	103/12/12	Taiwan Corporate Governance Association	What Directors and Supervisors need to Know about investing in derivatives	3 hr	3 hr

December 31, 2014

Position	Name	Period		Organized by	Course name	Number of hours	
		Begins on	Ends on			On this date	Annual total
Independent Director	Ming-Ling Hsueh	103/11/12	103/11/12	Taiwan Corporate Governance Association	The duties of a Director during a corporate merger transaction	3 hr	14 hr
		103/11/12	103/11/12	Taiwan Corporate Governance Association	Proportionality Principles for Director Liabilities in Third-Party Corporate Damage Cases as well as the Discussion of the Legal Liabilities of Shadow Directors	3 hr	
		103/11/03	103/11/03	Securities & Futures Institute	Division of Corporate Structures as well as the Powers and Duties of Directors and Supervisors in Parent/Subsidiary Companies	3 hr	
		103/08/26	103/08/26	Taiwan Corporate Governance Association	Corporate Mergers and Restructuring	1 hr	
		103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	
		103/04/22	103/04/22	Taiwan Corporate Governance Association	The Future of Corporate Governance in Taiwan - a Blueprint for Corporate Governance	1 hr	
Independent Director	King-Ling Du	103/07/04	103/07/04	GreTai Securities Market	Seminar on insider equity holdings of GTSM and Emerging Stock Market listed companies	3 hr	3 hr
Independent Director	Shiang-Chung Chen	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Supervisors	Chu, Wen-Yuan	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Institutional Supervisor Representative	Chu, Yeu-Yuh	103/11/21	103/11/21	Taiwan Corporate Governance Association	The Outlook for the Economy in 2015	3 hr	15 hr
		103/09/30	103/09/30	Securities & Futures Institute	How to Take Full Advantage of the Capabilities of Functional Committees under the Board of Directors	3 hr	
		103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	
		103/05/30	103/05/30	Taiwan Corporate Governance Association	Obligations of a Company's Directors and Supervisors under the Securities Exchange Act and Relative Case Studies	3 hr	
		103/05/13	103/05/13	Taiwan Corporate Governance Association	Strengthening Corporate Governance and Enhancing Corporate Social Responsibilities	3 hr	
Supervisors	In-Shek Hsu	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr

2. For the attendance of Board meetings by Directors and Supervisors, please refer to "Corporate Governance Report. 3. Status of Corporate Governance (1), (2)."

3. Further education in corporate governance participated by the Company's managers (including President, Vice Presidents, accounting head, financial head, etc.) in 2014:

December 31, 2014

Position	Name	Period		Organized by	Course name	Number of hours	
		Begins on	Ends on			On this date	Annual total
CEO	Chiao, Yu-Lon	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
President	Zheng, Hui-Ming	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
President of Wire & Cable BG	Chiao, Yu-Hwei	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
President of Stainless Steel BG	Chang, Wen-Chung	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Vice GM of Commerce & Real Estate BG	Pan, Wen-Hu	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Vice President of Critical Materials Management	Lin, Tung-Ben	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Vice GM of Wire & Cable BG	Jin-ren Lu	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Vice GM of Wire & Cable BG	Liao, Chih-Cheng	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Vice President of Stainless Steel BG	Chen, Tien-Rong	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Vice President of Stainless Steel BG	Chen, Juei-Lung	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Vice President of Stainless Steel BG	Chen, Cheng-Chiang	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr
Head of Accounting Dept.	Wu, Chin-Sheng	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	15 hr
		103/09/18	103/09/19	Accounting Research and Development Foundation	Further Education for Accounting Heads of Issuers, Securities Firms, and Securities Exchanges	12hr	
Head of Financial Dept.	Shu-Tin Lin	103/08/13	103/08/13	Taiwan Corporate Governance Association	Functions of the Board of Directors as well as the Evaluation of their Performance	3 hr	3 hr

(9) Status of implementation of the internal control system

1. Statement on Internal Control

Walsin Lihwa Corporation
Statement on Internal Control

Date: February 17, 2015

The Company hereby makes the following statement about its internal control system for the year 2014 based on its self-examination:

1. The Company is aware that it is the Board and managers' responsibility to establish, implement, and maintain an internal control system and the Company has set up such a system. The purpose of the system is to ensure the effectiveness and efficiency (including profitability, performance, and protection of assets) of the Company's operations, the reliability of its financial statements and compliance with relevant laws and regulations.
2. Internal control systems have their inherent limitations. No matter how well they are designed an effective internal control system can only reasonably ensure achievement of the above three objectives. In addition, an internal control system's effectiveness may change as circumstances change. Nevertheless, self-supervision mechanisms have been built into the Company's internal control system. Once a deficiency is identified, the Company will immediately take corrective action.
3. The Company determines whether the design and implementation of its internal control system is effective by referring to the criteria stated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter, the "Regulations"). The Regulations provides measures for judging the effectiveness of the internal control system. There are five components of an internal control system as specified in the Regulations which are broken down based on the management control process, namely: (1) Control Environment, (2) Risk Evaluation, (3) Control Operation, (4) Information and Communication, and (5) Monitoring. Each component consists of several items. Please refer to the Regulations for the above items.
4. The Company uses the above criteria to determine whether the design and implementation of its internal control system is effective.
5. After a test of the Company's internal control system based on the above criteria, the Company is of the opinion that, as of December 31, 2014, its internal control system (including supervision and management of subsidiaries) is effective and therefore can reasonably ensure achievement of the above objectives, which include awareness of the degree to which operating results and goals are achieved, reliability of financial reporting and compliance with the law.
6. This statement shall become a principal part of the Company's annual report and prospectus and be made available to the public. If the content of the above is untruthful or certain important information is withheld, the Company shall be held liable pursuant to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement has been approved on February 17, 2015 by the Board, with none of the 10 Directors present opposing it.

Walsin Lihwa Corporation 

Chairman: Chiao, Yu-Lon  Signature

President: Zheng, Hui-Ming  Signature

2. If CPAs are engaged to review the internal control system, their report shall be disclosed: None.

(10) In the most recent year, as of the day the annual report was prepared, the Company and its personnel had been penalized according to the law, penalties had been handed out to the Company's personnel for having violated the internal control system, major deficiencies and corrective action: None.

(11) In the most recent year, resolutions passed at the AGM and Board meetings as of the day the annual report was prepared.

Resolutions passed at the 2014 AGM and implementation

Our Company's 2014 Shareholder's Meeting was held on June 11, 2014 at the Grand Victoria Hotel in Taipei (in the Grand Ballroom on the first floor), with the agenda as follows:

Motion No. 1	
Description:	Approve the Business Report for 2013, Balance Sheet, Consolidated Income Statement, Changes in Equity, as well as the Cash Flow Statement.
Resolution:	After a vote was held, the number of votes exceeded the legal threshold, and the motion was passed.
Implementation Status:	This was announced as an important resolution on the day of the shareholder's meeting.

Motion No. 2	
Description:	Approve the 2013 Earnings Distribution Statement.
Resolution:	After a vote was held, the number of votes exceeded the legal threshold, and the motion was passed.
Implementation Status:	This was announced as an important resolution on the day of the shareholder's meeting.

Motion No. 3	
Description:	Discussion on proposed revision of the Company's regulations for acquisition or disposal of assets
Resolution:	After a vote was held, the number of votes exceeded the legal threshold, and the motion was passed.
Implementation Status:	Relative operations were to be handles in accordance with the revised regulations, with the revised content being disclosed on the Market Observation Post System (M.O.P.S.) as well as the Company website.

Motion No. 4	
Description:	Election of Directors and Supervisors
Election results:	Directors: Yu-Lon Chiao, Yu-Jun Chiao, Yu-Hung Chiao, Re-Tsong Yang, Hui-Ming Zheng, Wen-Chung Chang, Wu-Shung Hong and Wei-Shing Ma (a total of 8 people). Independent Directors: Min-Lin Shi, Jin-Ling Du and Shiang-Chung Chen (a total of 3 people). Supervisors (a total of 3 people): Wen-Yuan Chu, Yu-Yi Chu (representing Walsin Technology Corporation) and In-Shek Hsu (representing Walsin Technology Corporation).
Implementation Status:	These important election results were announced on the day of the shareholder's meeting. The names of the new Directors and Supervisors were approved by the Ministry of Economic Affairs on July 2, 2014 under reference number 10301126370.

Motion No. 5	
Description:	Removal of non-compete clause for newly appointed Directors.
Resolution:	After a vote was held, the number of votes exceeded the legal threshold, and the motion was passed.
Implementation Status:	This was announced as an important announcement on the day of the shareholder's meeting.

Important resolutions passed at 2014 Board meetings as of the day the annual reports were prepared

014.04.28 (29th meeting of the 16th Board)

Important resolutions:	During the 2013 shareholder's meeting, the Board of Directors was authorized to privately engage in cash capital increases and issue common stock/or participate in the issuing of private GDRs. It is proposed that this authorization be cancelled.
Results::	Passed
Important resolutions:	It has been proposed to add a 5-foot rolling machine, a cold-rolling steel leveling machine, a roll mill, as well as relative production line expansion facilities at the Taichung Steel Roll Production Facility, requiring a total investment of 2.043 billion NTD.
Results:	Passed

014.05.14 (30th meeting of the 16th Board)

Important resolutions:	Our Company is a guarantor for Walsin Lihwa Holdings' syndicated loan of 460 million USD. It plans to extend the term of the syndicated loan by two years and adjust the interest rates.
Results:	Passed

014.08.13 (2nd meeting of the 17th Board)

Important resolutions:	In response to the restructuring of the Board of Directors, motion to appoint = Shiang-Chung Chen (Independent Director), = Jin-Ling Du (Independent Director) and = Yi-Min Chen as members of the Company's 2nd Compensation Committee, with their terms of office beginning on the date of approval and ending on the date the current Board steps down from office (June 10, 2017).
Results:	Passed
Withdrawal:	Independent Directors Jin-Ling Du and Shiang-Chung Chen.
Important resolutions:	Appointment or dismissal of managers of the Company.
Results:	Passed
Withdrawal:	= Chiao, Yu-Lon, Chairman; = Zheng, Hui-Ming, Director
Important Resolutions:	The Company plans to raise capital for Walsin Specialty Steel Holdings Limited and Walsin Specialty Steel Limited, and the amount will be loaned to Yantai Walsin Stainless Steel Company Limited and Shanghai Baihe Walsin Lihua Specialty Steel Products Company Limited, a total of USD 100 million for one year.
Result:	Passed

103.10.29 (17th Session, 3rd Meeting)

Important Resolutions:	Lifting the non-competition ban on managers.
Result:	Passed
Withdrawal:	Chiao, Yu-Lon, Chairman
Important Resolutions:	The Company plans to participate in raising capital for Hangzhou Walsin Power Cable & Wire Company Limited. Said capital shall not exceed RMB 340 million
Result:	Proposal passed
Important Resolutions:	The Company plans to dispose of its 50 million shares of Huabang Electronics Company Limited.
Result:	Proposal passed with the correction that the disposal period is extended by 6 months.
Withdrawal:	Chiao, Yu-Chun, Vice Chairman
Important Resolutions:	The Company plans to sell a Solar Power Plant via its subsidiary Green Lake Capital.
Result:	Passed

104.01.14 (17th Session, 4th Meeting)	
Important Resolutions:	Lifting the non-competition ban on managers.
Result:	Proposal passed.
Withdrawal:	Chiao, Yu-Lon, Chairman; Zheng, Hui-Ming, Director
Important Resolutions:	The Company would like to acquire all 10,500 shares of Walsin Lippo Industries that are owned by Walsin Lihwa Holdings Limited.
Result:	Proposal passed

104.01.14 (17th Session, 4th Meeting)	
Important Resolutions:	The Company plans to loan USD 275.48 million to its subsidiary in China for one year.
Result:	Passed
Important Resolutions:	In 2015, Walsin Lihwa Holdings Limited plans to borrow a total of USD 103.5 million from its subsidiaries
Result:	Passed

104.02.17 (17th Session, 5th Meeting)	
Important Resolutions:	Proposal to draft the disposition of net earnings for 2014.
Result:	Passed
Important Resolutions:	Proposal to hold annual Shareholder meeting in 2015.
Result:	Passed

(12)In the most recent year, as of the day the annual report was prepared, Directors or Supervisors holding different opinions about important resolutions passed at Board meetings that have been written down: None.

(13)In the most recent year, as of the day the annual report was prepared, any Chairman, President, accounting head, finance head, internal audit head, and R&D head who has resigned or been discharged:

March 30, 2015

Position	Name	Date assuming office	Date discharged	Reason for resignation or discharge
President of Micro Optical-Mechanical-Electronic BG	Hu, Ching-Jen	98/06/19	103/08/13	Reassignment
Finance Director	Wen, Ter-Chen	94/01/01	103/08/13	Reassignment

4. Information on CPA fees

(1) CPA fee schedule

Name of CPA firm	CPA		Period of the Audit	Remark
Deloitte Touche Tohmatsu Limited	Yu, Hong-Bin	Hong, Guo-Tian	Jan. 1, 2014 to Dec. 31, 2014	

Unit:NT$1,000

Fee schedule \ Item		Audit fees	Non-audit fees	Total
1	Less than NT$2,000,000		230	230
2	NT$2,000 to NT$4,000			
3	NT$4,000 to NT$6,000			
4	NT$6,000 to NT$8,000			
5	NT$8,000 to NT$10,000	9,390		9,390
6	NT$10,000 and over			

(2) Paying at least one-fourth of non-audit fees to the certifying CPA, the certifying CPA firm, and its affiliates:

Unit:NT$1,000

Name of CPA firm	Accountants Name	Audit fees	Non-audit fees					CPA audit period	Remark
			System design	Business registration	Human Resources	Other	Subtotal		
Deloitte Touche Tohmatsu Limited	Yu, Hong-Bin Hong, Guo-Tian	9,390	-	-	-	230	230	103.01.01~103.12.31	The rest are for various review reports and shareholders' attendance fees.

(3) Change of CPA firm and the audit fees paid in the year of the change are less than those paid in the previous year:Not applicable.

(4) Audit fees paid in the current year are at least 15% less than those paid in the previous year: Not applicable.

5. Information on the Replacement of CPAs: None.

6. Chairman, President, or Managers Responsible for Financial or Accounting Affairs who Assumed Work at the Certifying CPA Firm or its Affiliate in the Past Year: None.

7. Transfer and Pledge of Shares of the Chairman, Supervisors, Managers and Shareholders Holding more than 10% of the Company's Shares

(1) Changes to the shares of the Chairman, Supervisors, managers and shareholders holding more than 10% of the Company's shares:

Position	Name	2014		Current year up to March 29, 2015	
		No. of shares held Increase (decrease)	Shares pledged Increase (decrease)	No. of shares held Increase (decrease)	Shares pledged Increase (decrease)
Chairman (CEO)	Chiao, Yu-Lon	0	0	0	0
Vice Chairman	Chiao, Yu-Cheng	0	0	0	0
Director	Chiao, Yu-Heng	(245,000)	0	0	0
Director (GM)	Zheng, Hui-Ming	100,000	0	0	0
Director	Yang, Jih-Chang	0	0	0	0
Directors (GM of Stainless Steel BG)	Chang, Wen-Chung	0	0	0	0
Director	Hong, Wu-Shung (Note 1)	(18,000)	0	0	0
Director	Ma, Wei-Shin (Note 2)	0	0	0	0
Independent Director	Hsueh, Ming-Ling (Note 2)	0	0	0	0
Independent Director	Tu, Chin-Ling (Note 2)	0	0	0	0
Independent Director	Chen, Hsiang-Chung (Note 2)	0	0	0	0
Supervisors	Chu, Wen-Yuan	0	0	0	0
Supervisors	Walsin Technology Corporation Representative: Chu, Yeu-Yuh	0 0	0 0	0 0	0 0
Supervisors	Hsu, In-Shek (Note 2)	0	0	0	0
President of Wire & Cable BG	Chiao, Yu-Hui (Note 3)	0	0	0	0
Vice President of Stainless Steel BG	Chen, Cheng-Chiang	0	0	0	0
Vice President of Stainless Steel BG	Chen, Juei-Lung	0	0	0	0
Vice President of Stainless Steel BG	Chen, Tien-Rong	0	0	(2,000)	0
Vice President of Critical Materials Management	Lin, Tung-Ben	0	0	0	0
Vice GM of Wire & Cable BG	Lu, Jin-Ren (Note 4)	0	0	0	0
Vice GM of Wire & Cable BG	Liao, Chih-Cheng (Note 4)	0	0	0	0
Vice GM of Commerce & Real Estate BG	Pan, Wen-Hu	0	0	0	0
Head of Financial Dept.	Lin, Shu-Tin (Note 5)	0	0	0	0
Head of Accounting Dept.	Wu, Chin-Sheng	0	0	0	0
Director	Tai, Yi-Yi (Note 6)	0	0	0	0
Director	Chin-Xin Investment Co., Ltd (Note 6)	0	0	0	0
Director	Tien Mu Investment Co. Ltd (Note 6) Representative: Lin, Wan-Tsai (Note 6)	0 0	0 0	0 0	0 0

President of Micro Optical-Mechanical-Electronic BG	Hu, Ching-Jen (Note 7)	0	0	0	0
Vice GM of Wire & Cable BG	Cheng, Chung-Wu (Note 7)	0	0	0	0
Vice GM of Wire & Cable BG	Liu, Suy-Tao (Note 7)	0	0	0	0
Head of Financial Dept.	Wen, Te-Cheng (Note 8)	0	0	0	0
Shareholders who retain at least 10% of outstanding shares	None	-	-	-	-

Note 1: Became Director (formerly Director Representative) on June 11th, 2014

Note 2: Newly appointed on June 11th, 2014. Change in shares will be computed starting from the appointment date.

Note 3: Concurrently a Director and general manager of Wire & Cable BG. Director appointment ended on June 11th, 2014.

Note 4: Newly appointed on August 13th, 2014. Change in shares will be computed starting from the appointment date.

Note 5: Since September 1, 2014. Change in shares will be computed starting from the appointment date.

Note 6: Appointment ended on June 11th, 2014. Change in shares will stop being computed on that day.

Note 7: Appointment ended on August 13th, 2014. Change in shares will stop being computed on that day.

Note 8: Appointment ended in September 1, 2014. Change in shares will stop being computed on that day.

(2) Information on change in the number of shares retained

March 29, 2015

Name	Transfer of Shares Reason	Transaction date	Counterparty	Relationship between counterparty and the Company, Directors, Supervisors, and shareholders who hold more than 10% of all shares	Number of shares	Transaction price
Chiao, Yu-Heng	Disposal:Gift	103.10.17	Chiao, Zi-Yu	Son	85,000	8.98
Chiao, Yu-Heng	Disposal:Gift	103.10.17	Chiao, Zi-Yue	Son	160,000	8.98

(3) Information on Pledge of Stock Rights:None

8. Information on the Top Ten Shareholders Being a Related Party, as stated in Financial Accounting Standard No. 6.

March 29, 2015

Name	Shares held by themselves		Shares held by spouse and underage children Shares held by children		Shares held in the name of others Combined shares held		Names or family name and relationship of top ten shareholders where their relationship is that of kinship related party, as stated in Financial Accounting Standard No. 6.		Remark
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Title	Relationship	
LGT Bank (Singapore) Investment Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	161,069,000	4.50%	-	-	-	-	-	-	Note 2
Chin-Xin Investment Co., Ltd	102,189,289	2.86%	-	-	-	-	Chiao, Yu-Heng	Second degree of kinship with the chairman of the said institutional shareholder	
							Chiao, Yu-Hwei	Second degree of kinship with the chairman of the said institutional shareholder	
							Chiao, Yu-Chi	Second degree of kinship with the chairman of the said institutional shareholder	
							Hong, Pai-Yung	First degree of kinship with the chairman of the said institutional shareholder	
							Winbond Electronics Corporation	Same person as the chairman of the said institutional shareholder	
Chin-Xin Investment Co., Ltd Representative: Chiao, Yu-Cheng	39,508,661	1.10%	20,326,866	0.57%	0	0.00%	Chiao, Yu-Heng	Second degree of kinship with the chairman of the said institutional shareholder	
							Chiao, Yu-Hwei	Second degree of kinship with the chairman of the said institutional shareholder	
							Chiao, Yu-Chi	Second degree of kinship with the chairman of the said institutional shareholder	
							Hong, Pai-Yung	First degree of kinship with the chairman of the said institutional shareholder	
							Winbond Electronics Corporation	Same person as the chairman of the said institutional shareholder	
Winbond Electronics Corporation	100,000,000	2.80%	-	-	-	-	Chiao, Yu-Heng	Second degree of kinship with the chairman of the said institutional shareholder	
							Chiao, Yu-Hwei	Second degree of kinship with the chairman of the said institutional shareholder	
							Chiao, Yu-Chi	Second degree of kinship with the chairman of the said institutional shareholder	
							Hong, Pai-Yung	First degree of kinship with the chairman of the said institutional shareholder	
							Chin-Xin Investment Co., Ltd.	Same person as the chairman of the said institutional shareholder	

Name	Shares held by themselves		Shares held by spouse and underage children Shares held by children		Shares held in the name of others Combined shares held		Names or family name and relationship of top ten shareholders where their relationship is that of kinship related party, as stated in Financial Accounting Standard No. 6.		Remark
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Title	Relationship	
Winbond Electronics Corporation Representative: Chiao, Yu-Cheng	39,508,661	1.10%	20,326,866	0.57%	0	0.00%	Chiao, Yu-Heng	Second degree of kinship with the chairman of the said institutional shareholder	
							Chiao, Yu-Hwei	Second degree of kinship with the chairman of the said institutional shareholder	
							Chiao, Yu-Chi	Second degree of kinship with the chairman of the said institutional shareholder	
							Hong, Pai-Yung	First degree of kinship with the chairman of the said institutional shareholder	
							Chin-Xin Investment Co., Ltd.	Same person as the chairman of the said institutional shareholder	
Vanguard Emerging Markets Stock Index Fund under the custodianship of Standard Chartered	63,631,770	1.78%	-	-	-	-	-	-	Note 2
Chiao, Yu-Heng	58,712,197	1.64%	16,569,266	0.46%	0	0.00%	Chin-Xin Investment Co., Ltd	Chairman of the institutional shareholder and the said shareholder are within second degree of kinship	
							Winbond Electronics Corporation	Chairman of the institutional shareholder and the said shareholder are within second degree of kinship	
							Chiao, Yu-Hwei	Second degree of kinship	
							Chiao, Yu-Chi	Second degree of kinship	
							Hong, Pai-Yung	First degree of kinship	
Chiao, Yu-Hwei	52,529,006	1.47%	0	0.00%	0	0.00%	Chin-Xin Investment Co., Ltd	Chairman of the institutional shareholder and the said shareholder are within second degree of kinship	
							Winbond Electronics Corporation	Chairman of the institutional shareholder and the said shareholder are within second degree of kinship	
							Chiao, Yu-Heng	Second degree of kinship	
							Chiao, Yu-Chi	Second degree of kinship	
							Hong, Pai-Yung	First degree of kinship	
Chiao, Yu-Chi	51,825,470	1.45%	10,715,785	0.30%	0	0.00%	Chin-Xin Investment Co., Ltd	Chairman of the institutional shareholder and the said shareholder are within second degree of kinship	
							Winbond Electronics Corporation	Chairman of the institutional shareholder and the said shareholder are within second degree of kinship	
							Chiao, Yu-Heng	Second degree of kinship	
							Chiao, Yu-Hwei	Second degree of kinship	
							Hong, Pai-Yung	First degree of kinship	
Dimensional Emerging Market Evaluation Fund under the custodianship of Citibank (Taiwan)	51,215,412	1.43%	-	-	-	-	-	-	Note 2

Name	Shares held by themselves		Shares held by spouse and underage children Shares held by children		Shares held in the name of others Combined shares held		Names or family name and relationship of top ten shareholders where their relationship is that of kinship related party, as stated in Financial Accounting Standard No. 6.		Remark
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Title	Relationship	
Hong, Pai-Yung	50,496,717	1.41%	5,572,890	0.16%	0	0.00%	Chin-Xin Investment Co., Ltd	Chairman of the institutional shareholder and the said shareholder are within first degree of kinship	
							Winbond Electronics Corporation	Chairman of the institutional shareholder and the said shareholder are within first degree of kinship	
							Chiao, Yu-Heng	First degree of kinship	
							Chiao, Yu-Hwei	First degree of kinship	
							Chiao, Yu-Chi	First degree of kinship	
Walsin Lihwa Employee Welfare Committee	47,981,637	1.34%	-	-	-	-	-	-	
Walsin Lihwa Employee Welfare Committee Chairman:Chang, Chiao-Chiao	0	0.00%	0	0.00%	0	0.00%	-	-	

Note 1: When calculating percentage of shares held, the 30 million shares the Company has bought back but not yet transferred or written off as of the date on which transfer of shares is suspended due to the holding of the AGM up to and including 2015.

Note 2: The shareholder was a foreign fund account and inquiries have been made of its representative with relevant information requested: None.

9. The Shareholdings and Joint Shareholding Held by the Company, its Directors, its Supervisors, its Managers and Affiliates Controlled Directly or Indirectlyby the Company in the Same Invested Businesses

December 31, 2014

Unit: shares; %

Investees (Note)	Shareholdings by the Company		Sharingholdins by Directors, Supervisors, Managers, and Affiliates Directly or Indirectly Controlled the Company		Joint Shareholding	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding
Walsin Lihwa Holdings Limited	101,147,848	100.00	-	-	101,147,848	100.00
Walsin Specialty Steel Holdings Co., Ltd.	434,549,602	100.00	-	-	434,549,602	100.00
Energy Pilot Limited	60,670,001	100.00	-	-	60,670,001	100.00
ACE RESULT GLOBAL LIMITED	1	100.00	-	-	1	100.00
Market Pilot Limited	100,000,000	100.00	-	-	100,000,000	100.00
Touch Micro-System Technology Co., Ltd.	2,100,000	100.00	-	-	2,100,000	100.00
Jin Cherng Business Management and Consulting Corp.	491,625	100.00	-	-	491,625	100.00
Min Maw Precision Industry Corp.	24,150,000	100.00	-	-	24,150,000	100.00
Walsin-IEI Co., Ltd.	23,728,623	98.87	-	-	23,728,623	98.87
Jincheng Construction Co., Ltd.	220,474,767	99.18	167,990	0.08	220,642,757	99.26
Joint Success Enterprises Limited	38,020,000	49.05	39,500,000	50.95	77,520,000	100,00
Chin-Xin Investment Co., Ltd	179,468,270	37.00	58,345,373	12.02	237,813,643	49.02
Concord Venture Capital Group	21,248,000	43.24	-	-	21,248,000	43.24
HannStar Color Co. Ltd.	47,114,093	33.97	41,953,881	30.25	89,067,974	64.22
Concord Venture Capital Co., Ltd.	26,670,699	26.67	175,859	0.18	26,846,558	26.85
Winbond Electronics Corporation	848,091,531	22.95	123,855,994	3.35	971,947,525	26.30
Walton Advanced Engineering, Inc.	109,628,376	21.90	43,892,121	8.76	153,520,497	30.66
Walsin Technology Corporation	125,001,738	18.30	22,684,693	3.32	147,686,431	21.62

Note: Equity method is employed

IV Capital Overview

1. Capital and Shares

(1) Sources of capital

1. Sources of capital over the years

Year/month	Issued by Price	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Other
91/11	10	6,500,000,000	65,000,000,000	3,512,976,276	35,129,762,760	Treasury stock capital decreased by 100,000,000 shares	None	Note 1
92/06	10	6,500,000,000	65,000,000,000	3,412,976,276	34,129,762,760	Treasury stock capital decreased by 100,000,000 shares	None	Note 2
92/11	10	6,500,000,000	65,000,000,000	3,366,067,276	33,660,672,760	Treasury stock capital decreased by 46,909,000 shares	None	Note 3
93/01	10	6,500,000,000	65,000,000,000	3,266,067,276	32,660,672,760	Treasury stock capital decreased by 100,000,000 shares	None	Note 4
93/04	10	6,500,000,000	65,000,000,000	3,174,491,276	31,744,912,760	Treasury stock capital decreased by 91,576,000 shares	None	Note 5
93/07	10	6,500,000,000	65,000,000,000	3,078,236,276	30,782,362,760	Treasury stock capital decreased by 96,255,000 shares	None	Note 6
93/08	10	6,500,000,000	65,000,000,000	3,079,012 601	30,790,126,010	Bond conversion entitlement certificates converted to common shares	None	None
94/05	10	6,500,000,000	65,000,000,000	3,006,294,601	30,062,946,010	Treasury stock capital decreased by 72,718,000 shares	None	Note 7
94/08	10	6,500,000,000	65,000,000,000	3,310,913,261	33,109,132,610	Capital increased by earnings recapitalization	None	Note 8
95/04	10	6,500,000,000	65,000,000,000	3,244,314,261	32,443,142,610	Treasury stock capital decreased by 66,599,000 shares	None	Note 9
97/11	10	6,500,000,000	65,000,000,000	3,194,314,261	31,943,142,610	Treasury stock capital decreased by 50,000,000 shares	None	Note 10
98/02	10	6,500,000,000	65,000,000,000	3,179,200,422	31,792,004,220	Treasury stock capital decreased by 27,124,000 shares and overseas convertible bonds converted to 12,010,161 common shares	None	Note 11
98/09	10	6,500,000,000	65,000,000,000	3,119,200,422	31,192,004,220	Treasury stock capital decreased by 60,000,000 shares	None	Note 12
98/11	10	6,500,000,000	65,000,000,000	3,069,200,422	30,692,004,220	Treasury stock capital decreased by 50,000,000 shares	None	Note 13
99/12	10	6,500,000,000	65,000,000,000	3,609,200,422	36,092,004,220	Cash capital increased by 540,000,000 shares	None	Note 14
100/01	10	6,500,000,000	65,000,000,000	3,614,890,804	36,148,908,040	Overseas convertible bonds converted to 5,690,382 shares	None	None
100/04	10	6,500,000,000	65,000,000,000	3,616,000,258	36,160,002,580	Overseas convertible bonds converted to 1,109,454 shares	None	None
102/06	10	6,500,000,000	65,000,000,000	3,576,000,258	35,760,002,580	Treasury stock capital decreased by 40,000,000 shares	None	Note 15

Note 1: Approval letter Tai-Cai-Zheng (3) No. 0910155823, dated 2002.10.16
Note 2: Approval letter Tai-Cai-Zheng (3) No. 0920110106, dated 2003.03.25
Note 3:Approval letter (2001) Tai-Cai-Zheng (3) No. 101196, dated 2001.02.08
Note 4:Approval letter Tai-Cai-Zheng (3) No. 0920159026, dated 2003.12.15
Note 5:Approval letter Tai-Cai-Zheng (3) No. 0930110000, dated 2004.03.24
Note 6:Approval letter Tai-Cai-Zheng (3) No. 0930125152, dated 2004.06.03
Note 7:Approval letter Jin-Guan-Zheng (3) No. 0940110778, dated 2005.03.30
Note 8:Approval letter Jin-Guan-Zheng (1) No. 0940124111, dated 2005.06.16
Note 9:Approval letter Jin-Guan-Zheng (3) No. 0950105881, dated 2006.02.20
Note 10:Letter Jin-Guan-Zheng (3) No. 09700511511, dated 2008.09.24
Note 11:Letter Jin-Guan-Zheng (3) No. 0970065169, dated 2008.11.28
Note 12:Letter Jin-Guan-Zheng (Jiao) No. 0980027679, dated 2009.06.06
Note 13:Letter Jin-Guan-Zheng (Jiao) No. 0980050862, dated 2009.09.21
Note 14:Letter Jin-Guan-Zheng (Fa) No. 0990051578, dated 2010.09.28
Note 15:Letter Jin-Guan-Zheng (Jiao) No. 0990025440, dated 2010.05.12

2. Type of stock

March 29, 2015

Shares Type	Authorized capital			Remark
	Shares issued and outstanding (Note 1)	Unissued shares	Total	
Ordinary shares	3,576,000,258	2,923,999,742	6,500,000,000	(Note 2)

Note 1: Contains public shares: contains 30 million shares re-purchased by the holding company, but these shares have not been transferred or cancelled

Note 2: The Company can issue, insofar as they do not exceed NTD Eight Billion, share warrants, corporate bond with warrant or preferred shares with warrants for up to eight hundred million shares at a par value of NTD 10 per share. They may be issued in separate tranches.

3. Information on shelf registration: None

(2) Shareholders

March 29, 2015

Shareholders / Quantity	Government institutions	Financial institutions	Other institutions	Individuals	Foreign institutions and foreigners	Total
Head Count	4	59	188	154,783	391	155,425
Shares held	16,726,054	55,124,980	449,751,063	2,029,813,502	1,024,584,659	3,576,000,258
Shareholding	0.47%	1.54%	12.58%	56.76%	28.65%	100%

Note 1: Including 30,000,000 shares repurchased and held by the Company but not yet transferred or cancelled, as of the book closure date for the 2015 Annual Shareholders' Meeting.

Note 2: Ratio of shares held by investors in China: 0%.

(3) Dispersion of equity ownership

1. Dispersion of equity ownership (common shares):

March 29, 2015

Shareholding classification	Number of shareholders	Shares held (Note)	Shareholding
1 - 999	57,755	16,751,212	0.47%
1,000 ~ 5,000	55,492	133,621,538	3.73%
5,001 ~ 10,000	18,026	138,676,905	3.88%
10,001 ~ 15,000	6,755	84,666,646	2.37%
15,001 ~ 20,000	4,545	83,776,918	2.34%
20,001 ~ 30,000	4,152	105,455,280	2.95%
30,001 ~ 50,000	3,491	140,974,727	3.94%
50,001 ~ 100,000	2,692	196,229,896	5.49%
100,001 ~ 200,000	1,270	180,833,666	5.06%
200,001 ~ 400,000	658	184,045,000	5.15%
400,001 ~ 600,000	160	78,677,702	2.20%
600,001 ~ 800,000	106	73,637,894	2.06%
800,001 ~ 1,000,000	57	51,344,127	1.43%
≥ NT$1,000,001	266	2,107,308,747	58.93%
Total	155,425	3,576,000,258	100.00%

Note: Including 30,000,000 shares repurchased and held by the Company but not yet transferred or cancelled, as of the book closure date for the 2015 Annual Shareholders' Meeting.

2. Dispersion of equity ownership (preferred shares): None.

(4) List of major shareholders

March 29, 2015

Major shareholders \ Shares	No. of shares held	Shareholding (Note)
LGT Bank (Singapore) Investment Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	161,069,000	4.50%
Chin-Xin Investment Co., Ltd	102,189,289	2.86%
Winbond Electronics Corporation	100,000,000	2.80%
Vanguard Emerging Markets Stock Index Fund under the custodianship of Standard Chartered	63,631,770	1.78%
Chiao, Yu-Heng	58,712,197	1.64%
Chiao, Yu-Hwei	52,529,006	1.47%
Chiao, Yu-Chi	51,825,470	1.45%
Dimensional Emerging Market Evaluation Fund under the custodianship of Citibank (Taiwan)	51,215,412	1.43%
Hong, Pai-Yung	50,496,717	1.41%
Walsin Lihwa Employee Welfare Committee	47,981,637	1.34%

Note: When calculating percentage of shares held, the 30 million shares the Company has bought back but not yet transferred or written off as of the date on which transfer of shares is suspended due to the holding of the AGM.

(5) Stock price, net worth, earnings, dividends and related information

Item \ Year			2013	2014
Dividends per share Market price (Note 1)	High		10.55	11.80
	Low		8.16	8.80
	Average		9.23	10.15
Net worth per share (Note 2)	Basic		16.77	17.76
	Diluted		16.77	17.76
Earnings per share	Weighted average shares		3,482,328,576	3,553,297,381
	Earnings per share		(0.77)	0.64
Dividends per share Dividend payments	Cash dividend (Note 3)		-	-
	Stock dividend	Earnings	-	-
		Capital surplus	-	-
	Accumulated unpaid dividend (Note 4)		-	-
Return analysis	Price-earnings ratio (Note 5)		-	15.86
	Price-dividend ratio (Note 6)		-	-
	Cash dividend yield (Note 7)		-	-

* If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: The year's high and low market prices of common stock are provided, and the average price for the year is computed based on the year's transaction amount and volume.

Note 2: Using the number of the outstanding issued shares at year end as the basis and fill in the details based on the resolution passed by the shareholders' meeting regarding distribution in the following year.

Note 3: If it is necessary to make adjustments retroactively due to situations such as issuance of bonus shares, the earnings per share before and after the adjustments should be listed.

Note 4: If the conditions of the equity issuance require that dividends not yet distributed for the year be accumulated and paid out in a later year with positive earnings, the dividends that have been accumulated up to the current year and not yet distributed shall be disclosed separately.

Note 5: Price-earnings ratio＝Year’s average per share closing price / earnings per share.
Note 6: Price-dividend ratio＝Year’s average per share closing price / cash dividend per share.
Note 7: Cash dividend yield＝ Cash dividend per share / year’s average per share closing price.

(6) Dividend policy and implementation status

1. Dividend policy specified in the Company's Articles of Association

The Company's share dividend policies are pursuant to the Company Act and the Company's Articles of Association, with consideration being taken with respect to the Company's capital, financial structure, profitability, share dividends obtained from investment returns, future development of the Company and industry and environmental factors. In principle share dividends should be declared on a stable basis, with profit available for distribution being retained or distributed in the form of cash share dividend or combination of shares and cash dividends, etc. in order to foster the Company's sustainable operations.

The Company offers a diverse range of products, which are at different growth stages. In order to ensure the sustainable development of the Company, its share dividend policy is one of stability. Apart from the retained profit, the distribution of available profit should be pursuant to planning for future capital expenditure and operating funds, preferably in the form of cash dividends. The Company may also declare dividends in the form of shares, provided always that the percentage of such dividends shall not exceed 70% of total dividends.

The amount of profit to be retained and the conditions, timing, amount and type of share dividends to be declared shall be pursuant to changes to economic and industry outlook. Consideration should also be given to the Company's future development needs and profitability such that they may be adjusted at the appropriate time.

2. Dividend distribution to be proposed to the shareholders’ meeting: No dividends.
3. Explanation regarding expected major changes to dividend policy: None.

(7) Effect of the proposed stock dividends (to be adopted by the Shareholders' Meeting) on the operating performance and earnings per share: Not applicable.

(8) Employee bonus and remuneration to Directors and Supervisors:

1. Percentages and ranges of employee bonus and remuneration to Directors and Supervisors, as specified in the Company's Articles of Association

Article 28 of the Company's Articles of Association:

In addition to making up for previous years' losses in accordance with the law and payment of income tax, the Company shall first set aside 10% of its profit from annual account as a Statutory Revenue Reserve; the aforesaid shall not apply where the amount in the Statutory Revenue Reserve is equivalent to the Company's total share capital.

Where there are losses after adding the balance referred to in the preceding paragraph to undistributed profit in the preceding period or annual accounts, but there is profit available for distribution after adding the undistributed profit in the preceding periods, the Company shall make provisions for the Special Revenue Reserve in conformity with laws and regulations or orders of the competent authority. Any remaining balance may be retained in whole or in part pursuant to resolution of the Shareholders' Meeting and distributed according to the following percentages:

1. 91.5% for shareholders' dividend.
2. 3% for employees' bonus;
3. 1.5% for remuneration for Directors and Supervisors.
4. All or part of the remaining balance shall be set aside as the Special Revenue Reserve.

Where the employees' bonus referred to in the preceding paragraph is in the form of share dividends, and such dividends are paid to employees of the Company who fulfill certain conditions, such conditions or rules of distribution of dividends shall be separately determined by the Board of Directors as authorized by the Shareholders' Meeting.

2. Basis for estimating the amount of employee bonuses and remuneration to Directors/Supervisors, basis for calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: The Company does not plan to distribute dividends for fiscal year 2014. For the relevant accounting principles adopted refer to "22. Equity" under Section 4 of the Financial Overview

3. Information on planned employee bonus as approved by the Board of Directors

The Company does not plan to distribute dividends for fiscal year 2014.

(1)Amount of planned employee cash bonus, stock bonus and Directors' and Supervisors' remuneration: Not applicable.

(2)Amount of planned employee stock bonus and the percentage of after-tax net profit during current period, and the proportion of total employee bonus: Not applicable.

(3)The effect upon imputed earnings per share that will result from distribution of the employee bonus and Director/Supervisor compensation: Not applicable.

4. The actual distribution of employee bonus and Director/Supervisor compensation for the previous fiscal year (with an indication of the number, value, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee bonuses and Director/Supervisor compensation, additionally the discrepancy, cause, and how it is treated:

(1)Amount of employee cash bonus, stock bonus and Directors' and Supervisors' remuneration: Based on this Company's operations in 2013, there are no dividends to distribute.

(2)Discrepancies in recognizing employee bonus and Directors' and Supervisors' remuneration, their causes and measures taken to address the problems: Not applicable.

(3)For the relevant accounting principles adopted refer to "22. Equity (3)" under Section 4 of the Financial Overview

(9) Stock buyback

March 30, 2015

Treasury stock in batches	20th batch
Purpose of repurchase	For transfer to employees
Period of Repurchase	March 10, 2014 to May 5, 2014 (Repurchase was completed in its entirety on April 11, 2014 ahead of schedule)
Repurchase price range	NT$ 9 -11 per share
Type and quantity of shares repurchased	Common stocks: 30,000,000 shares
Amount of shares repurchased	NT$292,892,664
Shares cancelled/transferred	0 shares
Accumulated number of Company shares held	30,000,000 shares
Accumulated number of Company shares held as a percentage of total shares issued	0.84%

(10) Impact of mass transfer of equity by or change of Directors, Supervisors, or shareholders holding a more than 10% interest in the Company, associated risks and response measures: Not applicable.

2. Issuance of Corporate Bonds: None.

3. Issuance of Preferred Stocks: None.

4. Issuance of Global Depositary Receipts (GDR)

Item \ Date of issuance		October 3, 1995		November 9, 2010
Place of issue and trading		Issued globally and traded on the Luxembourg Stock Exchange, Portal and London Stock Exchange		
Total amount		US$121,800,000		US$290,313,085
Offer price per unit		US$12.18		US$5.38
Total units issued		10,000,000 units		53,961,540 units
Source of underlying security		Issuance of new common shares for cash capital increase		Issuance of new common shares for cash capital increase
Underlying security		Common stocks: 100,000,000 shares		Common stocks: 539,615,400 shares
Rights and obligations of depositary receipt holder		Conducted in accordance with the laws of the Republic of China and with the provisions of the Depository Agreement. Refer to the Covenants of Depository Agreement for the key terms and conditions.		
Trustee		None		None
Depository institution:		Deutsche Bank		Citibank
Custodial bank		Mega International Commercial Bank		Citibank (Taiwan)
Balance outstanding		37,270 units of global depositary receipts, and 372,698 shares of securities represented.		
Distribution of fees incurred from issuance and the outstanding period of the GDRs		1. Issuance fees: The issuing company will be responsible for the entirety of this fee. 2. Fees during outstanding period: The issuing company will be responsible for this fee.		
Covenants of Depository Agreement and Custodial agreement		Omitted		
Market price per unit (Unit: USD)	2014	High	3.86	
		Low	2.95	
		Average	3.31	
	Current year up to March 30, 2015	High	3.20	
		Low	3.00	
		Average	3.08	

5. Exercise of Eemployee Stock Option Plan (ESOP): None.

6. Mergers, Acquisitions or Issuance of New Shares for Acquisition of Shares of other Companies: None.

7. Implementation of Capital Allocation Plan: None.

V. Business Overview

1. Business activities

(1) Scope of Business

1. Primary business content, primary products and revenue ratio.

Business Activities	Products	Revenue Ratio	
		The Company and its merged subsidiaries	
		Amount: (NT$1,000,000)	%
Manufacture and sale of copper conductors, various electrical wires, cables, and related connection materials and accessories.	Bare copper strips, copper wires, copper cables, power lines, and high-voltage power line accessories.	106,478	65.3%
Forging, processing and selling of stainless steel, high nickel steel alloy and steel alloy	Billets, slabs, hot-rolled steel sheets, hot-rolled steel coils, cold-rolled steel coils, wire rod, hot-rolled bars, cold-finish bars, pierced billet, seamless tubes, stainless steel sheets, peeling sticks, ESR ingots, and alloy steel billets.	43,838	26.9%
Production site	Housing sale, rental building sale, rent, and operating revenue	5,985	3.7%

2. New products under development

Public institutions	New products under development
Wire and Cable Business	1. Green Energy: Offshore wind turbines, cables for solar and electric cars 2. Large Machinery: Cranes on ships and at ports, cables for large lifting equipment in steel, power and petrochemical plants 3. Flexible cable modules for factory automation and industrial robots
Stainless Steel Business	1. Stainless steel 2205 tubes, rods, wire rod development projects 2. Stainless steel 17-4 rods, wire rod development projects 3. Stainless steel 314 wire rod development projects 4. Stainless steel 310 wire rod development projects 5. Stainless steel XM-19 rods, wire rod development projects 6. Stainless steel 409L 2B rolled coil development projects 7. 2205/2507/347HFG/400 series 8. Development of new steel types N8825 and Super 28Cr 9. Development of wire rod types SA5100, S20430, S316Cu 10. T91 passed boiler audit 11. SUS304 1/2H 0.06 & 0.08mm ink scraper 12. Nickel Chromium Iron Alloy N08028 Cooling Tube 13. Nickel-based chrome-molybdenum alloy tube N06625 14. Iron-nickel-molybdenum alloy tube S31254 15. Nickel chromium iron alloy tube N08925/N08926 16. Nickel Copper alloy tube Monel400 17. Producing hot-rolled bands (black) for making tubes and related products.
Real Estate Business	1. Upgraded residential buildings with elegant decor 2. 5A office buildings

(2) Industry overview

1. Industry current trends and future outlook

(1)Wire and Cable Business

- Copper wire materials

Our copper wires are mainly sold to markets in Taiwan, Southeast Asia and China. The Taiwanese market has matured and the supply and demand is stable. Southeast Asia export is stable, with some increases. We have reorganized for the Chinese market, but due to rapid growth in GDP's of 7.3%, the demand for basic investment construction did not decrease, and demand for copper wire has increased due to automobile demand increase, so China is still our largest market for copper wire business.

- Electric Cable

Taiwan Market: The public sector has suffered from increased fuel prices and losses in general, so spending has been cut. In addition, power transmission projects are not easy to promote, so the demand for high voltage cable has decreased and the amount of sales has gone down. Demand is decreasing in all industries except construction, where the need for cables remains stable.

Export: The Southeast Asian production line has an excess of production capability but is hindered by high tariffs in the zone.

Chinese Market: Based on the 12th Five-Year Plan, China will invest heavily in thermal and hydroelectric power. China will also increase investment in basic needs such as high speed rail, nuclear power, and green energy. However, demand from private industries have slowed due to adjustments in the industrial production increase rate.

(2)Stainless Steel Business

Material: Price of LME Nickel surged in Q2 due to Indonesia banning the transport of laterite nickel ore, but it then decreased due to LME's large inventory. According to research by the International Nickel Study Group, there was an excess of 51,600 tonnes of nickel supply in 2014. There is far more supply than demand, and something must be done to bring balance. The market is being brought down by the strong U.S. dollar and the lack of demand for stainless steel. Prices of nickel, chromium, molybdenum and steel scrap are still very low.

Supply: In 2014 steel factories in Europe and the Americas scaled back, while factories in Asia expanded. China showed the greatest expansion by producing 21.6 million tonnes (51%) of crude steel, a 2.71 million-ton increase equivalent to 16.4% growth. Due to the lack of demand within China, steel factories have increased supply for the export market. In the major steel-producing nations of Taiwan, Japan, South Korea and India, currencies are weak and price competition is fierce.

Demand: On a global scale many nations are in recession while the U.S. is slowly increasing. Stainless steel demand has slowed due to delayed investments in basic construction and weak spending power; there is more supply than demand on the market.

As for 2015, the IMF predicts that: the demand will likely remain low due to imbalance in global economic growth and political unrest, in addition to possible new risks brought by plunging oil prices; the nickel ore inventories of nickel and iron suppliers in China are being depleted, so the nickel market may see its first shortage in five years; there is still greater supply than demand in the steel market, and each nation is employing anti-dumping, anti-subsidies, and higher tariffs to protect themselves, so maintaining the current market and opening up new markets will be difficult.

(3)Real Estate Business

●Walsin Real Estate Procurements

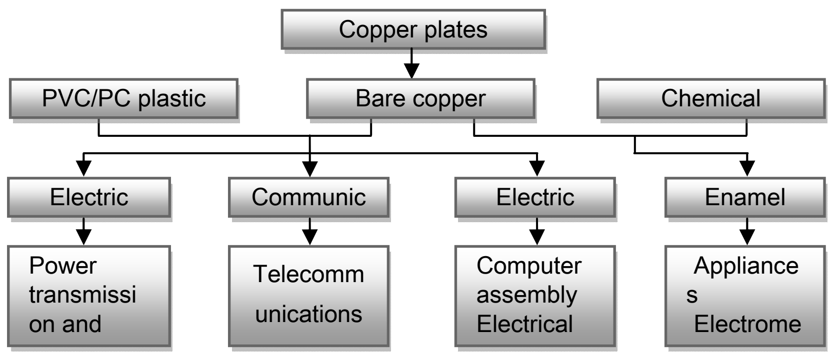
The volume of land transactions in Nanjing reached 6.11 million square meters in 2014, a 48.3% increase from 2013 and a new overall record that shows branded real estate corporations are interested in further developments in Nanjing.

Supply and demand of residential units are balanced, but there is more supply than demand for office and commercial buildings, putting more pressure on sales.

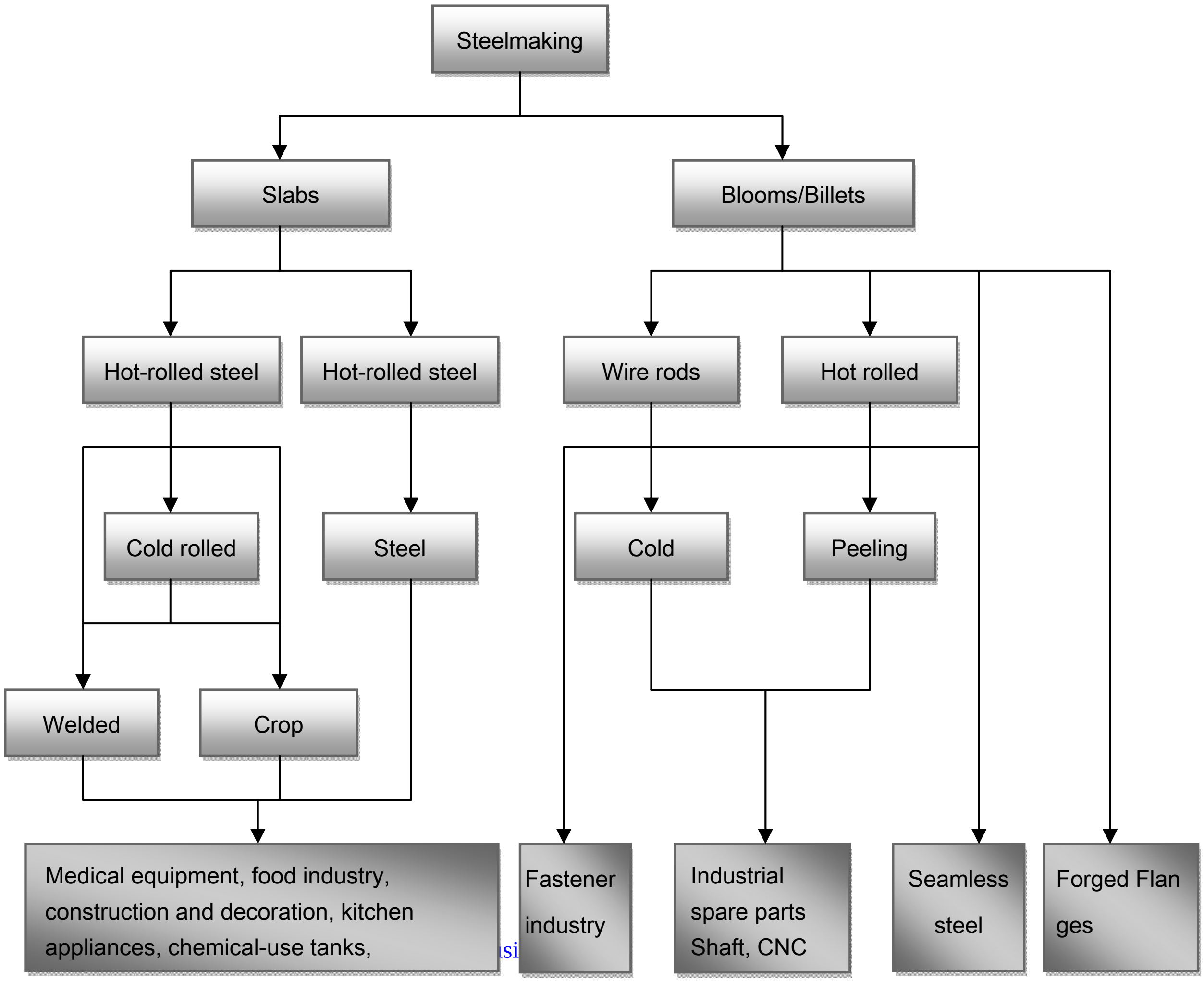
For the near future, the real estate market in Nanjing will be further divided. City-center developments with convenient surroundings will become rarer, the market and asset values will be further concentrated, but overall demand will keep long term growth stable. The market will become more transparent and regulated as the real estate industry matures. The advantage of running a real estate company that focuses on customer demands and product planning will become more obvious, large development projects will also grab more attention in the market.

2. Relationships with suppliers in the industry's supply chain:

(1) Wire and Cable Business



(2)Stainless Steel Business



3. The state of the economy, industrial trends, and commodity competitions

(1)Wire and Cable Business

●Copper Material

Following a strong recovery of the U.S. economy in 2014 and a relatively stable global economy, demand for electromechanical and light industrial products from overseas and Taiwan markets remains steady. Demand for copper strips from Southern China remains unchanged. The Company's market share remains on top in both domestic (Taiwan) and export (Southern China) markets. Despite the decrease in China's economic growth in 2014, overall copper demand increased by 6% due to factors such as industrial structural adjustment and controls in the real estate industry. Due to structural adjustment, it is anticipated that the demand growth rate in 2015 will fall behind GDP growth by about 6% to 7%. The Company's production line in China continues to operate in full capacity and remains competitive.

●Electric Cable

In recent years, we have seen a sharp decline in orders from Taiwan Power Company, weakening demand from public construction and the civil market, and supply continues to exceed demand. Competitors are expanding their export market shares and focusing on the development of niche products to sustain capacity utilization rate. Mergers and consolidations are on the rise in order to strengthen competitiveness. Rising awareness of global carbon dioxide emissions reduction and environmental protection drives up demand for electric cables in Green Industries such as wind and solar energy. There is also an increase in demand for fire-resistant building materials in reaction to the Building Amendment Act. The top 3 priorities in China's infrastructure planning are transportation (tramway/high-speed rail/railway), electrical grid, and real estate and construction industry.

● Prestressing steel

Despite the fact that market demand was pushed up by extra investment in fundamental infrastructure from countries with large prestressing steel consumption in late 2014, supply still exceeds demand at present. Steel strands are facing fierce competition from upstream suppliers at public procurement. The open tendering procedure fuels price competition, making low price offer crucial to the winning of bids. Galvanized wires use raw materials (mainly from China) with enhanced strength, torsional elasticity and excellent corrosion resistance that can be used in longer bridge spans. However, under the pressure of market competition and financial strain, price is likely to slip in the near future.

(2)Stainless Steel Business

● Billet/wire rod/plate material

Global growth for stainless steel wire rods and straight rods showed a gradual plateauing trend. However, due to the growing complexity of factors that have interfered with the market in recent years, consumption fluctuations are significant and there is a high degree of difficulty in making accurate predictions. Wire rod demand growth mostly originated in China, India, and Southeast Asia. Overall growth prospects in Europe and North America are limited and capacity expansion is concentrated in Asia. Oversupply and price competition continue to be the trends of the market.

Capacity of plate materials in China continues to expand. The use of nickel pig iron for steel production to drive cost down has become a global trend. Companies with poor business performance will gradually be pushed out of the market. Cost of raw materials fluctuated severely in 2014, resulting in an unbalanced supply and demand situation that has caused product price to fall. Fortunately the Company's Yanshui plant has responded to the situation quickly, and with its core ability of continuous improvement, the Company is able to uphold stability during global slowdown.

The Company is anticipated to maintain the product sales price elasticity in 2015 to quickly respond to raw material fluctuations and adjust the stockpile preparations as well as production schedules in order to reduce risks. In addition, the Company's Yantai plant will gradually adjust its product portfolio in the hope of increasing market share through product differentiation. The Company will continue to cultivate China's domestic market through the supply of quality consistent billets and a replication of its successful experience in Taiwan.

The capacity of long whole strip category stainless steel in China is oversupplied, product quality for Category 1 and Category 2 steels continues to improve and export volume is also growing. Currency fluctuations will affect the stability of market price and volume, creating fiercer competition. Rivals in the steel industry are also adopting new strategies to reinforce competitiveness. For example, steelmakers in India are moving downstream, while Korean steelmakers are focusing more on domestic consumption. The Company will strengthen relationships with clients in order to consolidate its market share.

Stainless steel sheets: The market's unbalanced supply and demand situation is worsening and currency fluctuations have worked less in favor of quotation in U.S. dollars. The Company is expecting an increase of niche product orders and will endeavor to expand its market share in Thailand and cultivate the Indonesian market. Development in the U.S. will focus on the super-hard film market, primarily coil springs and fasteners.

● Stainless steel seamless pipe

As China's economy decrease steepens, new construction projects from Sinopec Group and CNPC will decline dramatically. The increasing popularity of shale gas in North America pushes up demand in 2015. The Middle East and India are identified as potential markets. Affected by the European Union's anti-dumping regulations, demand from the European market remains low. Short delivery time and price cuts are the main competition faced by steelmakers as they are under pressure to fill up capacity gaps.

(3)Real Estate Business

● Walsin Real Estate Procurements

Current market trends in real estate development lean toward construction of multi-use developlments that comprise residential and office buildings, providing commercial, cultural, entertainment and leisure functions. Creating a one-stop shop for urban living through multiplying building values and integrated city functions is currently the mainstream of high value-added projects in the real estate industry. These residential buildings will embrace high-quality homes and people-oriented designs. There will also be clear differentiation of the mid- and high-end office buildings. Future development trends in commercial shopping centers would be scalization, centralization and deretailization.

In terms of competition, since city centers are focused with high-end real estate projects, land supply has always been sparse. Therefore, the number of projects launched is relatively small and the price elasticity is low. Walsin Centro is located at the heart of a new city where two metro lanes intersect, and its location and position are unique. Development projects in nearby areas are either entering into substantial development phases or are about to be launched. Located at the heart of the new city, Walsin Centro will become the center and landmark of the city.

(3) Overview of Technology and R&D

1. R&D Expenses and Results

R&D Expenses		From January 1, 2014 to the publication date of this annual report, the R&D expense was approximately NT$120 million.
R&D Profile	Wire and Cable Business	Heavy Equipment and Green Industry: Obtain international certification, receive standing orders and trials from both domestic and overseas clients, and continue to further develop techniques and innovation in cable structures. Develop rubber materials for cables and green environmental friendly materials for enhancement of competitiveness. So far more than ten types of special materials have been developed. Conduct in-depth research on flexible cables structures, invest in dynamic life-cycle test equipment, establish a reliable test database, solidify the technical foundation, and control the core techniques of high dynamic life cycle electric cables. Develop cable-related accessories, modules, and subsystems, and increase the depth of the supply/value chain.
R&D Profile	Stainless Steel Business	Stainless steel 17-4 rods, wire rod development projects Stainless steel 314 wire rod development projects Stainless steel XM19 rods, wire rod development projects 2,205 steel category development projects N08825 pilot production and tube testing Production of 20430, SA5100, 316LCu T91 durability testing S22052 Low-P steel (p≤0.02%) production 2507 production 347HFG durability testing Increase in 400 series steel grades SUS304 1/2H 0.08mm ink cleaning blades (for printers) N06625 short radius nickel-chromium alloy tubes S31254 nickel-chromium alloy tubes N06600 nickel-chromium alloy tubes

2. Present and future R&D projects, as well as the estimated R&D investment expenditure

Public institutions	Plan for the most recent year	Current progress	More R&D expenditure to be invested	Mass production completion time Date and Time	Primary factors for future R&D to be successful
Electric wires and cables	Development of wire sets used by industrial robots	Customer test feature verification	NT$1 million to NT$2 million	2015	Flexible cable materials, structural designs, connector designs, assembly techniques Dynamic life cycle testing
	Flexible cables for heavy equipment	Trial production / validation testing	NT$2 million to NT$3 million	2015	Cable design materials and production equipment technology
	Cable coiling system and equipment development	Design/Trial stage	NT$1 million to NT$2 million	2015	System design, materials, and processing technology
Stainless Steel Business	Stainless steel XM19 rods, wire rod development projects	Trial completed	NT$5 million	Can accept orders and trial production	Continuous casting and hot rolling process and steel bar straightener parameter settings
	Stainless steel 310S wire rod development projects	Assessment and planning stage	NT$10.5 million	Trial production scheduled in Q3 2015	Continuous casting and hot rolling process parameter settings
	Stainless steel 309 wire rod development projects	Assessment and planning stage	NT$7 million	Trial production scheduled in Q1 2015	Continuous casting and hot rolling process parameter settings
	Stainless steel 904L tubes development project	Assessment and planning stage	NT$12.50 million	Trial production scheduled in Q2 2015	Continuous casting process parameter settings
	Stainless steel 17-7 wire rod development projects	Assessment and planning stage	NT$5.5 million	Trial production scheduled in Q2 2015	Continuous casting and hot rolling process parameter settings
	Stainless steel 312 wire rod development projects	Assessment and planning stage	NT$6.5 million	Trial production scheduled in Q3 2015	Continuous casting and hot rolling process parameter settings
	2507 development	Trial stage	NT$2.5 million	Mass production scheduled in Q3 2015	Hot rod quality, duplex proportions, and welding quality (inclusions, subsurface cracks... etc.)
	N8825 development	Assessment and planning stage	NT$5 million	Mass production scheduled in Q2 2015	ESR melting rate confirmation

Public institutions	Plan for the most recent year	Current progress	More R&D expenditure to be invested	Mass production completion time Date and Time	Primary factors for future R&D to be successful
	Increased product variety and volume for 400 series	Trial stage	NT$2.5 million	Mass production scheduled in Q1 2015	Finishing quality
	347HFG/T91 to pass boiler certification	Trial stage	NT$5 million	Completion scheduled in Q4 2015	Durability testing
	Consistent quality performance of grade 2205,321H	Continuous improvement stage	NT$12.50 million	Continuous improvement stage	Subsurface flaw and inclusions
	R260 continuous casting development	Trial stage	NT$2.5 million	Mass production scheduled in Q1 2015	Quality of billets and hot rods parameter settings
	N06625 long radius nickel-chromium alloy tube development	Sample testing stage	NT$5 million	Mass production scheduled in Q3 2015	Hot extrusion process, mass production quality
	N10276 nickel-chromium alloy tube development	Sample testing stage	NT$5 million	Mass production scheduled in Q2 2015	Hot extrusion process, hot process technology, and mass production quality
	N06617 nickel-chromium alloy tubes development	Assessment and planning stage	NT$5 million	Mass production scheduled in Q2 2015	Hot extrusion process, cold machine technology, hot process technology, and mass production stability
	Development of the nickel-chromium-iron alloy N08028 cold tube	Sample testing stage	NT$2.5 million	Mass production scheduled in Q2 2015	Hot extrusion process, mass production quality
	Commissioning test run of hot rolled coil	1.TISCO hot-rolled coils testing 2.Walsin hot-rolled coils with ferro-silicon and CaSi	NT$5 million	1.TISCO hot-rolled coils testing 2.Walsin hot-rolled coils with ferro-silicon and CaSin	1.Control of skin pass rolling of hot-rolled coils 2.Control of purifying process of hot-rolled coils

(4) Business plan - long-term and short-term

(1)Wire and Cable Business

- Copper Material

The objectives of short-term business development are to grasp the customer growth trends and market demand changes, further stabilize the quality of copper wires, strive to effectively enhance profitability and strengthen the work order and production scheduling integration for the cross-strait operation bases. The long-term plan is to maintain competitiveness and the strength to face the market and conduct sales restructure adjustments for high value-added high-temperature wires and fine wires.

- Electric Cable

Taiwan's Market: Get a clear picture of customer demand, adapt a more flexible supply approach to prepare for market competition and to provide excellent product quality, delivery schedule and services in order to enhance customer satisfaction and become a leading brand in the industry.

Export: Cultivating the Japanese market, business planning in underdeveloped countries in the Association of Southeast Asian Nations and aggressive development of electrical wires for industrial applications

Chinese Market: Developing deeper connections with markets within a 400 kilometer radius, shifting strategy from plant building to equal commercial and industrial stress, holding on to major clients in the area and participating in large development projects. Cultivate clients from state-owned enterprises to become strategic partners, as this will not only benefit brand marketing but also contribute to business expansion.

(2)Stainless Steel Business

- Billet/wire rod/plate material

Maneuver to adjust inventory and sales strategies according to the market, and adjust products as well as steel type combinations with the primary goal of maintaining full plant production. Strengthen development for flat panel category products, develop a greater number of main clients in order to rapidly increase market shares domestically and abroad, establish stable supply relationships and adjust the pace of work order acceptance and shipments. Steel billets will emphasize on stable supply of materials and cost reductions. In the long term, the Company will be focusing on the development of new steel grades, applications and optimization of product portfolios. The Company will continue its aim at taking over the imported steel plates market and expanding the width of export markets through supplying a wide range of product specifications that can help increase the capacity utilization rate and drive the production cost down. The key to development of steel billets and hot rods will be product certification.

- Stainless steel seamless pipe

Continue with the high-end certification market and the nuclear power market, actively enter into the high-temperature corrosion-resistant alloys market, solidify existing market shares and continue development in the emerging markets and shorten delivery periods with the goal of becoming a reliable supplier in the high-end market.

(3)Real Estate Business

- Walsin Real Estate Procurements

Business plan - short-term:

The Company's real estate business realizes the development project upgrades and optimization in terms of scope and design, thereby enhancing the value of its products and marketing capacities. Meanwhile, we have maintained quality control for our sales and operations teams, provided superior after sales services and delivery and enhanced the market image as well as brand reputation. We have also integrated the existing businesses as well as the office and residence customer resources in order to effectively promote the needs.

Business plan - long-term:

Planning, design and detail reinforcement will be based on demand. During the marketing and promotion process, the plan is to use the Nanjing Walsin Centro complex as a vehicle to integrate residential, commercial, and office products, as well as establish brand image. Meanwhile, we have maintained good relationships with suppliers and up-, middle-, and down-stream industries to establish a competitive advantage, strengthened operational and management efficiency of large urban complexes, and created a brand based on high efficiency, high quality, and reliable management.

2. Market Analysis and Sales Overview

(1) Market Analysis

1. Sales region(s) and market share of main products

Public institutions	Main production categories	Product types	Place of production	Sales region		Market share
Wire and Cable Business	Copper Material	Copper tubes, copper wires	Taiwan	Domestic sales	Taiwan region	33.0%
				Exports	China, Hong Kong Malaysia, Thailand	For estimation purposes, market share is incorporated into the Chinese region.
			China	Domestic sales	China	6.0%
				Exports	South and East China	32.0%
	Electric Cable	Electric Cable	Taiwan	Domestic sales	Taiwan region	16.5%
		High voltage cables 66kV-220kV	China	Domestic sales	China	N.A
		Low voltage cables 35 kV or lower	China	Domestic sales	China	0.3%
Stainless Steel Business	Billet/wire rod/plate material	Stainless steel wire rod	Taiwan	Domestic sales	Taiwan	63.8%
				Exports	China, Asia, Europe, and America	5.6%
		Hot-rolled stainless steel white coil	Taiwan	Domestic sales	Taiwan	34.6%
		Cold-rolled stainless steel coil	Taiwan	Exports	Korea, Southeast Asia	9.9%
	Stainless steel pipe	Seamless steel pipes	Changshu	Domestic sales	China	7.0%
				Exports	North America, Europe, Southeast Asia	5.0%
	Stainless steel sheets	Stainless steel sheets	Malaysia	Domestic sales	China/Hong Kong/Taiwan	2.0%
				Exports	Malaysia/Singapore /Thailand/Indonesia	30.0%
				Exports	Europe/United States	Under development
	Stainless steel bar material	Stainless steel cold finishing rods	Taiwan	Domestic sales	Taiwan	47.8%
				Exports	Asia/Europe/Australia	7.8%
		Stainless steel hot rods	White crane	Domestic sales	China	5.8%
		Stainless steel billet	White crane	Domestic sales	China	10.4%

2. Overview of supply and demand and projected growth

(1)Wire and Cable Business

- Copper Material

Taiwan's market will be affected by the economic recovery timeline. In 2014, domestic demand for copper wire was approximately 400,000 tons, a figure which is projected to remain flat or grow marginally in 2015. In 2014, the Chinese market used approximately 5 million tons of copper for electric wires and cables, and copper consumption growth dropped. It is estimated that China will continue with adjustment of its industry structure and the GDP growth rate will stay at approximately 7% in 2015, and it is anticipated that copper consumption growth will slow down to an annual total of approximately 5.3 million tons.

- Electric Cable

Taiwan Market: Demand in the construction market has eroded. Overall, the market demand will start on a downward slope.

Chinese Market: In spite of an intensely competitive market in terms of production and sales, the Company has maintained double-digit sales growth in China since 2010. Looking forward to opportunities in urbanization and grid optimization, the Company expects to have the potential for upward growth.

International market: The wire and market remains in an oversupply state. In addition, it is unlikely to see an exploding growth in infrastructure in developed countries or investment in new facilities. The emerging ASEAN market is the only region that consistently reports definite growth but is subject to varying degrees of country risk.

(2)Stainless Steel Business

- Billet/wire rod/plate material

Billet

Products at the Company's plant in Yantai, China are gradually shifting toward greater diversification and customized development. The Company has also been working to expand niche steel products to enhance the Company's overall performance and market share. Quality has also improved rapidly as a direct result of Taiwan's salt-water technique. Although the primary market, China, remains in an oversupply state, production has gradually increased with the growth of related business sales.

Wire Rod

China continues with capacity elimination and monetary control, but India's subsidy policy and other countries stepping up the effort to enter FTAs still create more competitive market conditions. The global economic recovery is sluggish and the demand remains weak. The mismatch between production and sales continues to be severe in 2015.

Plate materials

In 2015, the Company will prepare the slabs according to market demand and develop the potentially profitable forging industry. No.1 will complete the range in terms of steel type and specifications. 2D and 2B will regard the domestic and foreign pipe manufacture industry as the main target. Domestically, the goal is to replace material imports.

- Stainless steel cold finishing rods

The North American economy has recovered and the outlook for demand in 2015 is optimistic. Europe still mostly depends on materials supplied locally, meaning there is relatively less room for imported materials. Demand in the Korean market remains stable. Price wars in the Southeast Asian market are escalating due to increasing volatility in the exchange rates for the Japanese Yen and the Korean Won. Walsin is currently one of the three major suppliers in the Australia and New Zealand markets. The Company's products are of good quality, have good prices and a strong market presence and possess high potential for future growth.

- Stainless steel seamless pipe

Demand in 2015 is forecasted to remain unchanged from 2014. In the wake of the lifting of the ban on China's nuclear power industry, nuclear grade pipe procurement volume is estimated to be 1600 tons in 2015. The petrochemical industry is expected to see less new project commencement in 2015. India's demand for electricity and boiler tubes is strong and has potential for development. Demand for automotive pipes s expected to maintain the growth trend for the next five years.

(3)Real Estate Business

- Walsin Real Estate Procurements

In 2014, the housing market of Nanjing has continued to develop in a stable, healthy and consistently growing manner. With respect to office property, there are few premium products and projects that are located in developed areas and can adapt to and meet market demand. Demand that cannot be effectively satisfied will create favorable conditions for the sale of Hexi office building in 2015.

As the resident population in the Hexi area grows at a steady pace, consumer demand for a commercial shopping center will continue to accumulate and develop into a stable economy.

Future outlook: Although China's real estate control policies have shifted from administrative restriction to market regulation, the short-term real estate transaction prices and volume will continue to remain stable. Overall, China's moderate inflation, the next wave of urbanization for the rural population, and the fast growth of the third sector, including the financial services industry, have long-term preservation and appreciation effects for China's real estate market as well as maintain long-term stable real estate developments.

3. Competitive Niche, Development Prospects, Future Operating Risks, and Risk Control Measures.

(1)Wire and Cable Business

- Copper tubes, copper wires

➢ Competitive niches

1. Create scalable advantages by providing high quality products and excellent after sales services to customers.
2. Have stable raw material supply relationships and perfect hedging mechanism.
3. Have the integration and operation capacity for production, sales, purchase, and financial resources.

➢ Favorable factors:

1. Externally: China continues to move toward its urbanization, high-speed rail, and electric power facility improvement objectives, and its demand for copper wires will continue to grow steadily.
2. Internally: We have established long-term, solid foundations with our customers and integrated the advantages of the Company's tri-factory production base to generate optimized sales portfolios.

➢ Unfavorable factors:

1. Taiwan and China's copper strip production capacity has exceeded demand, and competition is intense.
2. Price fluctuations of raw materials have increased operating risks.

➢ Response measures

1. Respond to the nation's governmental policies and changes in the market in order to take full advantage of business opportunities.
2. Develop new customers, adjust and optimize customer structure, and increase the emerging cable business and regional sales.

3. Comprehensively enhance the operational efficiency, practically implement cost reduction management, and continue to strengthen financial operations.

● Electric Cable

Taiwan's Market

➢ Competitive niches

1. The Company has the advantage of providing critical copper raw material supply internally and stably in order to fully exert the benefits of upstream and downstream integration.

2. In the long-term, provide products and services related to project engineering as well as accumulate greater knowledge and experience on the supply side of the industry and utilize brand advantages.

➢ Favorable factors:

1. Construction cases are stable.

2. The government has continued to promote the expansion of public construction projects and thermal power plant upgrades.

➢ Unfavorable factors:

1. The public sector is not showing signs of recovery.

2. The private sector is in a oversupply state and price competition is intense.

➢ Response measures

1. Grasp the market demand forecast and implement price hedging for critical metal raw materials in order to reduce transaction risks.

2. Develop new products according to the international market industry trends as well as develop new markets and customers.

3. Establish long-term cooperative relationships with the main customers as well as expend the scale of products and services.

Chinese Market

➢ Competitive niches

1. The brand manufacturers have moderate to low pressure delivery performances.

➢ Favorable factors:

1. The market share of low- and medium-voltage products is 0.3%, with plenty of room for growth.

2. The country has increased its grid quality awareness regarding low- and medium-voltage products and the bidding qualification as well as the inspection efforts have become increasingly more strict, which forms a separating the wheat from the chaff effect.

➢ Unfavorable factors:

1. Taiwanese and foreign businesses are making less investment in the economic slowdown.

2. Well known Chinese brands are breaking into Taiwanese or foreign funded projects to create more competition.

➢ Response measures

1. Expand new markets such as exports, power supply bureaus, and state-owned enterprises.

2. Intensive farming two rivers one city, 400 km radius market.

(2)Stainless Steel Business

● Billet/wire rod/plate material

➢ Competitive niches

1. Steel mills with one-stop steel making, hot-rolling, and finishing capabilities shorten the supply chain and allow fast reaction to raw material price fluctuations.

2. Flexibly adjust long rod and flat panel production combinations based on market conditions and strengthen product diversification advantages.
3. Mass production in the Taichung plant effectively enhances steelmaking capacity.
4. The adoption of diverse metal materials in steelmaking facilitates cost improvements.

➢ Favorable factors:
1. The Company's long rod type products have reached economies of scale with fast and stable delivery periods. For other products such as wire rods, sales to customers are direct-user based and can rapidly react to market changes.
2. Taiwan imposes anti-dumping taxes on cold-rolled stainless steel plates from China and Korea in order to facilitate healthy development of the domestic industry.
3. The Company's technology capabilities have reached the global "A" grade steel mill level, with the ability to jointly develop high quality products with its customers.

➢ Unfavorable factors:
1. Taiwan is unable to enter free trade economic associations such as ASEAN (of which Japan, South Korea and China are member states), which is unfavorable for export expansion.
2. India and China have increased productivity and focused on exports. In particular, India has developed its down-stream fastener industry, which directly competes for our down-stream customers. As quality gradually matures, steel type replacement trends are increasingly clear.
3. China's up-stream state-owned steel mills have alloy raw material price and supply advantages, which further weakens the competitiveness of Taiwan's products in China. "B" grade steel mills have reduced prices in order to compete, and this has had a negative impact on the industry.

➢ Response measures
1. Enhance product differentiation and diversification, and increase sales volume for low-nickel, non-nickel, and 316 steel types.
2. Stably enhance technological capabilities, strengthen the industry supply chain and technical cooperation, and strengthen market segmentation.
3. Stably improve team management capacities as well as respond to market changes through sales strategy, product combinations, and appropriate inventory adjustments.

● Hot-rolled

➢ Competitive niches
1. The Company's products have a more comprehensive size range and better quality stability, its brand name is also well known.
2. The Company possesses sophisticated equipment and is able to control cost and quality at the sources, such as materials and techniques.

➢ Favorable factors:
1. Supported by in-house casting production and consistent delivery.
2. Can satisfy mechanical properties and specifications to meet customer needs.
3. Provide direct technical support to in-house mills, quality can continue to improve, and can develop new steel types to expand the market.

➢ Unfavorable factors:
1. Intense price competition, and sales of steel have low profits.
2. Incomplete product lines and lack of economies of scale.
3. Lack of a complete set of industry certifications.

➢ Response measures
1. Continue to apply for boiler/petrochemical industry certification and improve supply quality and increase sales volume for niche steel products.

2. Combine production bases and sales capability in China to reduce costs and increase sales.

- Stainless steel seamless pipe

  - Competitive niches

    1. Quality certification has surpassed that of peers.
    2. Comprehensive steel types and sizes, and brand name is well known.

  - Favorable factors:

    1. Demand recovery in the nuclear power industry.
    2. Automobile tubes have a high certification threshold with long cycles. The Company has entered the field earlier and gained a niche.
    3. Mass production of hot extrusion and nickel alloy tubes.

  - Unfavorable factors:

    1. Facing price competition from China's manufacturers.
    2. Delivery periods tend to be longer.

  - Response measures

    1. Development of high value-added products; obtain certification; strengthen customer relationships with engineering companies, boiler stations, and the nuclear power industry; and enter the certification market.
    2. Consolidate existing market share and actively develop new markets.
    3. Shorten production time to enhance the ability to accept orders.

(3)Real Estate Business

- Walsin Real Estate Procurements

  - Competitive niches

    1. Location advantage: Walsin Centro is located at the core area of the Nanjing Hexi Newtown central business district and at the intersection of the number 2 and 10 metro lines. The location advantage of downtown Newtown will become more defined and secure as the new downtown area develops.
    2. Business climate advantages: Walsin Centro was designated as an international multi-use complex during development and will comprise numerous product categories such as office buildings, commercial centers, and high quality housing, which will give it a comprehensive competitive edge in the real estate market.
    3. Scale advantage: The development scale for this urban development project is 1 million square meters. The various industry functions can complement each other and be superimposed on top of each other to enable this development project to become a landmark business center in Nanjing.
    4. Quality advantage: The development project was designed to meet new trends in market demand. We have adopted new energy saving materials and technologies extensively, focused on user-friendly design as well as product durability and maintainability in every detail, enabling the product to gain a competitive advantage, and allowed the Company to rapidly gain market share and establish its brand name.
    5. Reputation advantage: As firms fill the office buildings in Lot C1 of Walsin Centro,shops open for business in The Village and residential space in Lot C2 is sell out and are occupied, Walsin Centro is building up a reputation for premium quality is generating a loyal customer base. Attention and interest from potential customers continue to show healthy increases.

  - Favorable factors:

    1. Due to the scarcity of land and China's moderate inflation, real estate has the ability to hold and increase its value. The urban complex products have comprehensive functional and location advantages.

2. The economy, promoted by the Chinese government, has continued to develop over the years. The implementation of the 12th Five Year Plan should also stimulate the real estate market in the long term.
3. After the Youth Olympic Games, the Hexi area around the center of the Youth Olympic Games, which is where Walsin Centro is located, has been experiencing rapid growth. The environment and related supplementary measures are becoming more mature, and the cluster effect more pronounced.
4. The establishment of the Jianbei National New Development District may drive Nanjing into a new round of sustainable development and bring steady growth and prosperity to the real estate market (especially the high-end real estate market). The project is located where Jianbei New Development District and the Nanjing old city center meet, and will be able to enjoy the benefits of growth from both areas.

➢ Unfavorable factors:

1. Land prices and construction costs have continued to rise.
2. The supply and demand relationship is constantly changing. While the demand for premium products stays stable, the sales conditions in the market as a whole may have a negative impact on sales in the Hexi regional market.

➢ Response measures

1. Optimize layout of urban complexes, and increase the per-unit area turnover value and profits for the commercial center of the region.
2. Optimize design drawings and reduce building construction costs through structural optimization under the premise of maintaining product compliance with national standards.
3. Optimize the development process; enhance quality of drawings, contract work, and procurement by improving internal processes; and save on project development costs.
4. Maintain good product planning and design, and develop products that satisfy market demand by accurately understanding market needs and enhancing marketing ability.
5. Strengthen brand advertising and product marketing to promote Walsin Centro's advantages in location, product quality, and services in the market to establish a reputation and a brand image.

(2) Major applications of primary products and production processes

(1)Wire and Cable Business

- Copper Material

Product application: Wire and cable conductors

Production process: Refined copper (raw material) → melting → rolling → copper strip (semi-finished product) → pull and stretch → copper wire (finished product)

- Electric Cable

Product application: Primarily used for power plants, power transmission and distribution, plant facilities, transportation construction, construction of power transmission lines, etc.

Production process: Refined copper (raw material) → drawing → stranding → extrusion → coating → power line (finished product)

- Pre-stressed/Stainless Steel Wires

Pre-stressed Concrete Steel Strands

Product application: For large-span concrete structures such as large bridges and buildings

Production process: Acid wash → drawing→ stranding → heat treatment → shunt winding→ packaging (inspect the first item of each process)

Hot galvanized steel wires and steel strands for bridge cables

Product application: Large-span suspension bridges, inhaul cable for cable-stayed bridges, and inhaul cable for large span structures

Production process: Acid wash → drawing → galvanization → single flange → packaging

(2)Stainless Steel Business

- Billet/wire rod/plate material

Steel Billets

Product application: Hot rolled wire rods, hot rolled straight rods, flanges, seamless steel tubes, etc.

Production process: Melt the scraps and alloy iron to refine and cast it into round or square billets

Flat Billet

Product application: Hot-rolled steel coils, hot rolled steel plates, heavy forgings, etc.

Production process: Melt the scraps and alloy iron to refine and cast it into slab billets

Wire Rod

Product application: Various fasteners, shafts, stainless steel thin wires, cold-finish straight rods, etc.

Production process: Billet (raw material) → roughing → finishing → solutionizing/heat treatment → acid washing → wire rod (finished product)

Crude steel rolls (panel category)

Product application: Provide re-processed cold-rolled upstream semi-finished products such as steel coils, chopped panels, and welding pipes

Production process: Take the flat billets produced by Yanshui plant and commission outside plants to roll them into black crude rolls, and provide them to downstream plants.

Cold rolled coil (flat panel category)

Product application: Building decoration, kitchen utensils, appliances, medical equipment, electronic communications, chemical tanks, and steel pipes

Production process: Take flat billets produced by Yanshui plant and commission outside plants to hot roll/cold roll them into black crude rolls, and provide them to customers.

- Stainless steel bar material

Hot rolled straight rods

Product application: Thermal wear tube billets, forging materials, turning parts, etc.

Production process: Billet (raw material) → roughing → finishing → (solutionizing/acid washing) → straightening/set the length → inspection and packaging (finished product)

Peeled Straight Bar

Product application: Forging materials, turning parts, electric machine accessories, etc.

Production process: Hot-rolled bars or straight white wire rod (raw material) → straightening/set the length → cutting → inspection and packaging (finished product)

Cold Finish Straight Rods

Product application: Shafts, medical equipment, furniture decoration items, turning parts, electric machine accessories, etc.

Production process: Hot-rolled acid washed rod/peeled rod or white wire rod (raw material) → straightening/set the length → cold drawing/grinding → cutting → straightening → calendar/polishing → inspection and packaging (finished product)

- Stainless steel seamless pipe

Seamless steel pipes

Product application: Pipes for petrochemical plants, pressure containers, petrochemical heat exchangers, nuclear power stations, and liquid transport.

Production process: Round billet → Hot extrusion (or hot piercing) → cold machine (cold drawing, cold-rolled) → heat treatment (solutionizing/annealing) → Acid wash → Inspection → Packaging

● Stainless steel sheets

Ultra-thin stainless steel sheets

Product application: 3C parts and components, automotive parts and components, leaf springs, solar base plates, and chemical drainage parts and components.

Production process: Steel coil (2B/2D) → slitting → finishing → acid washing and annealing→ finishing → low temperature tempering → finishing → slitting → property inspection → packaging (finished product)

(3)Real Estate Business

● Walsin Real Estate Procurements

Product application: Residence/office/mall/hotel

Production process: Access to land → market positioning → scale design → building construction → product marketing → building completion and delivery → operation management and post-sales services

(3) Supply status of primary raw materials

Public institutions	Primary raw material	Description of supply status
Wire and Cable Business	Copper plates	Primarily based on long-term annual contracts signed with suppliers and supplemented by spot purchases. Procurement must be coordinated with the finished product sales volume.
	Aluminum ingots	Adopts monthly price point and monthly average methods
	Polyethylene	Adopts monthly/quarterly quantity bargaining method, and includes imported and local supplies
	Other chemical materials	Adopts monthly/quarterly quantity bargaining method, and raw materials should mainly be locally sourced.
	Optical fiber	Optic fiber raw material should primarily be optic fiber imported by foreign manufacturers.
Stainless Steel Business	Pure nickel, high carbon nickel iron, high carbon ferrochrome, stainless steel scraps, carbon steel scraps, and molybdenum iron	The primary metal raw materials used by the Company to produce stainless steel are pure nickel, high carbon nickel iron, high carbon ferrochrome, stainless steel scraps, carbon steel scraps, and molybdenum iron. In addition to those from Taiwan, raw materials are also imported from South Africa, Japan, the United States, Australia, Europe, China, etc.
Real Estate Business	Land	Implement land reserves based on real estate companies' development strategies and participate in government land auction tenders.
	Construction Projects and Materials	The Company has selected good quality construction companies and material as well as equipment suppliers through tenders.

(4) The names, procurement (sales) amounts, and ratio for suppliers whose total procurement (sales) for any year in the last two years has reached 10%.

1. Major supplier information for the last two years

Unit: NT$1,000

	2013				2014			
Item	Title	Amount	Percentage of total purchase %	Relationship with issuer	Title	Amount	Percentage of total purchase %	Relationship with issuer
	Net purchases	136,285,627	100	-	Net purchases	151,281,433	100	-

Note: Suppliers accounting for less than 10% of the total purchase amount.

2. Major sales customer information for the last two years

Unit: NT$1,000

	2013				2014			
Item	Title	Amount	Percentage of net sales %	Relationship with issuer	Title	Amount	Percentage of net sales %	Relationship with issuer
	Net sales	148,634,957	100	-	Net sales	162,987,384	100	-

Note: Customers accounting for less than 10% of the total sales amount.

(5) Output volume and value for the last two years

Currency unit: NT$1,000
Volume unit: Tons

Year	2014			2013		
Production value/main product	Production capacity	Production volume	Value	Production capacity	Production volume	Value
Bare copper wire	552,000	503,274	87,738,167	552,000	496,621	81,982,403
Electric wires and cables	62,920	45,199	11,917,236	72,920	43,138	12,250,966
Steel strands	130,000	100,364	1,967,221	108,000	100,425	2,147,348
Stainless steel bars	420,000	380,812	24,079,179	420,000	378,042	20,859,877
Stainless steel coils	200,000	157,642	11,084,461	150,000	137,991	8,589,913
Seamless steel pipes	27,600	22,330	4,218,732	27,600	26,517	4,659,073
Total			141,004,996			130,489,580

Note 1: Product capacity means the quantity that can be produced under normal operation with the existing production equipment while taking into account factors such as work stoppage and holidays.

Note 2: Output volume and value for 2013 are recategorized according to the product categorization standards for 2014.

(6) Sales volume and value for the last two years

Currency
unit: NT$1,000
Volume unit: Tons

Year	2014				2013			
Value of Main Products/ Sales volume and value	Domestic sales		Exports		Domestic sales		Exports	
Product	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value
Bare copper wire	355,336	56,818,358	148,785	32,179,862	358,191	51,778,670	142,835	32,156,933
Electric wires and cables	43,801	12,322,986	4,091	1,105,722	46,603	14,395,895	230	65,387
Steel strands	93,851	2,165,339	7,341	171,015	95,664	2,392,502	5,023	121,794
Stainless steel bars	310,201	18,976,223	60,429	6,028,447	294547	16,067,504	65911	5,664,737
Stainless steel coils	122,275	9,369,962	47,281	3,555,041	92,563	6,582,451	44,090	2,948,909
Seamless steel pipes	7,838	1,557,170	14,439	3,007,952	12,946	2,237,182	12,840	2,531,238
Other (note)	-	14,400,957	-	1,328,350	-	9,863,132	-	1,828,623
Total	¡@	115,610,995	¡@	47,376,389	¡@	103,317,336	¡@	45,317,621

Note 1: "Other" shall include sales of non-core business products as well as real estate business, rental, and product income revenues.

Note 2: Sales volume and value for 2013 are recategorized according to the product categorization standards for 2014.

3. Employee Data

(1) Employees of Walsin Lihwa Holdings Limited:

March 30, 2015

Year		2013	2014	Current year up to March 30, 2015
Number of employees		6,396	5,255	5,197
Average age		36.8	38.1	38.3
Average years of service		7.4	8.6	8.8
Education background	Ph.D.	0.2%	0.2%	0.2%
	Master's	5.0%	5.7%	5.6%
	University/College	36.4%	36.4%	36.6%
	High school	37.3%	36.7%	36.8%
	Below high school	21.1%	21.0%	20.8%

Note: Walsin Lihwa Holdings Limited includes its subsidiaries.

(2) Employees of Walsin Lihwa Corp.:

March 30, 2015

Year		2013	2014	Current year up to March 30, 2015
Number of employees		2,094	2,158	2,143
Average age		38.3	38.6	38.7
Average years of service		9.4	9.7	9.9
Education background	Ph.D.	0.5%	0.5%	0.5%
	Master's	13.4%	12.9%	12.7%
	University/College	44.6%	44.4%	45%
	High school	28.2%	28.7%	28.5%
	Below high school	13.3%	13.5%	13.3%

4. Environmental Protection Expenditure Information

(1) Penalties imposed by the competent authority on the Company for environmental pollution, product safety, or other material breach of corporate social responsibility from the most recent year and up to publication date of the annual report:

1. Total penalty amount for 2014: NT$6,000

(1)Yanshui stainless steel plant:

Period: July 28, 2014, Tainan City Government Environmental Protection Agency's factory inspection.

Content of inspection: The location of reducing slag failed to comply with the regulations.

In violation of: Article 31, Paragraph 1, Subparagraph 1 of the Waste Disposal Act.

Penalty: Fined NT$6,000.

2. Total penalty amount for January - March 2015: NT$110,000

(1)Yanshui stainless steel plant:

Period: November 11, 2014, Tainan City Government Environmental Protection Agency's factory inspection.

Content of inspection: The application for delegates of the wastewater processing staff was not fulfilled by the deadline.

In violation of: Article 21 of the Water Pollution Control Act.

Penalty: Fined NT$10,000.

(2)Yanshui stainless steel plant:

Period: February 27, 2014, Tainan City Government Environmental Protection Agency's factory inspection.

Content of inspection: The air pollution control fee for the new construction project that started on February 27, 2014 was not filed until January 23, 2015, making it overdue for more than 30 days.

In violation of: Article 16, Paragraph 2 of the Air Pollution Control Act.

Penalty: Fined NT$100,000.

3. Compliance with environmental protection laws

2014	Pollution	Whistleblowing unit	Number of improvement notice	Fine
Factories in Taiwan	Waste Air pollution Water pollution	Environmental Protection Bureau of Taipei City	12	2014 NT$6,000 January - March 2015 NT$110,000
Factories overseas	None	None	0	None

(2) Future countermeasures (including improvement measures) and possible expenses:

Despite the large amount of manpower, materials, and funding invested in environmental protection to comply with international benchmarks over the years, Walsin Holdings was still fined for pollution. To keep pollution under adequate control, the Company requires factories in Taiwan and overseas to step up self-regulation to avoid human errors and to implement economically feasible environmental management projects. Internal audit should be used as a means to assist in reinforcing self-regulation and horizontal development. Environmental investment plans and management measures are as follows:

1. Obtained ISO-14001 environmental management certification:

In conformance with international environmental conventions, plants in Taiwan (the Xinzhuang plants 1 and 2, Yangmei copper wire plant, Taichung plant, and Yanshui plant) and in China (Shanghai power plant, Nanjing plant, Jiangyin plant, Yantai plant and Changshu plant) have obtained ISO 14001:2004 environmental management certification. The Company have continued with improvements and enhanced environmental management performance in stages.

2. Air pollution management:

Comply with the air pollution control laws in Taiwan and in China and apply for permits for fixed (atmospheric) pollution source ranges that are successively announced. The various plants in Taiwan and in China have obtained operating permits for processes and facilities, reducing atmospheric emissions.

3. Greenhouse gas emission and campaign for reduction:

Greenhouse gas emission from the plants in Taiwan were 339,052.03 (tons of Co2 e/year) for 2013 and 336,346.84 (tons of Co2 e/year) for 2014. Emission increased because the Taichung plant began operations and production of the various plants has increased. Factories in China have started implementing energy saving and carbon dioxide reduction measures since China implemented the 12th Five-Year Plan and required a reduced level of energy consumption. The factories in China expect to reduce energy consumption by 5% in five years.

To properly manage greenhouse gas emission and campaign for reduction, the head office regularly collects emission data from the business units, and the divisions/departments combine and promote various energy conservation and carbon reduction programs, technical research projects, and carbon credit management studies. In terms of international exposure, the Company plays an active role in the World Steel Association and compares its own greenhouse gas emission and carbon reduction performance with benchmark firms in order to find room for improvement and continue to reduce carbon emission. The goal is to achieve steady reduction. Furthermore, the Yanshui plant in Taiwan completed greenhouse gas emission inventory and internal and external auditing for 2013 (according to ISO14064)

4. Wastewater treatment:

The Company has obtained effluent permits for Xinzhuang plants 1 and 2, Yangmei copper wire plant, Optoelectronics Yangmei plant and the Yanshui plant and will implement recycling efforts. To comply with the environmental authority's regulations, the wastewater discharge systems for Xinzhuang plants 1 and 2 and the Yanshui plant have been modified so that most discharged water is recycled and reused after degreasing and grit removal procedures as well as effluent monitoring, control and measurement. The Taichung stainless steel plant has already obtained nanotube approval certification and connection documentation for the export processing zone, which is handled by the sewage treatment plant of the Export Processing Zone Administration, Ministry of Economic Affairs, Chung Gang branch.

To ensure effective utilization of limited water resource, factories modify their production processes to reduce water consumption and improve wastewater recycling systems as part of the effort to increase the production wastewater recycling rate. Average pollutant concentration in wastewater discharged by the factories in 2014 met the effluent criteria.

5. Strict control of industrial waste:

In response to the Company's "no waste" policy, the factories have formulated waste reduction in production processes while industrial waste is carefully stored based on category. Waste that can be reused is recycled and suitable technology will be explored for the existing equipment in the factories. Industrial waste will be transformed to materials based on the principle of the right tool for the right job and excellent management skills. The materials can then be used in the factories and create more value. Other waste is eliminated through waste disposal agencies approved by the environmental authority. The Company will also evaluate outsourcing reusing or processing. For the purpose of effectively tracking waste, the Company chooses waste management and reuse service providers with care to ensure all waste is handled or reused according to the law.

6. Improve energy use efficiency:

With respect to corporate social responsibility, our environmental protection objective is "to implement effective energy conservation and carbon reduction and to start a green cycle of production". Natural gas is the primary form of energy consumed directly in the production process. We will update the old fuel equipment and switch to high-efficiency and clean energy systems that use electric heating, pure oxygen (Yanshui steel plant), natural gas (Yangmei copper wire plant), or liquefied petroleum gas.

7. Energy conservation and carbon reduction:

The Company has implemented energy saving and carbon dioxide reduction measures since 2012. The factories set energy saving targets and directions at the beginning of each year, and improve energy efficiency by saving water and reducing waste. Recycling and reuse measures are implemented to reduce greenhouse gas emission. 18 carbon reduction proposals were made in 2014 and reduced a total of 7,017.525 (tons of Co2 e/year) in carbon dioxide emission. Energy saving programs at the factories in Taiwan are described as follows:

(1) Improvement of tap water consumption controls in factories

(2) Improvement of 350kV lighting in shielding rooms

(3) Improvement of energy saving mechanisms on compressor cooling pumps

(4) Improvement of boiler efficiency

(5) Improvement of 350kV lighting in shielding rooms

(6) Improvement of energy saving mechanisms on compressor cooling pumps

(7) Utilization and management of air compressors (200HP quota + wiring inspection and testing)

(8) Lighting utilization and management and switch to energy saving lighting fixtures

(9) Utilization and management of air conditioning systems (temperature control + equipment enhancement)

(10) Utilization and management of production equipment (improvement of gas consumption for copper melting)

(11) Connection of main chilled water pipes

(12) Connection of main pure water pipes

(13) Turning off fans in chilling areas during shutdown for process change.

(14) The temperature is explicitly reduced to 300 degrees Celsius and the fans in furnace areas

(15) Raising LD life to 33 times

(16) Addition of waste heat recycling systems to heat boiler feedwater

(17) Redesign of batch furnace F.G

(18) Improvement of 460V circuit power factor in straight steel bar factory

8. Promoting green manufacturing:

(1)Patented slag recycling technology

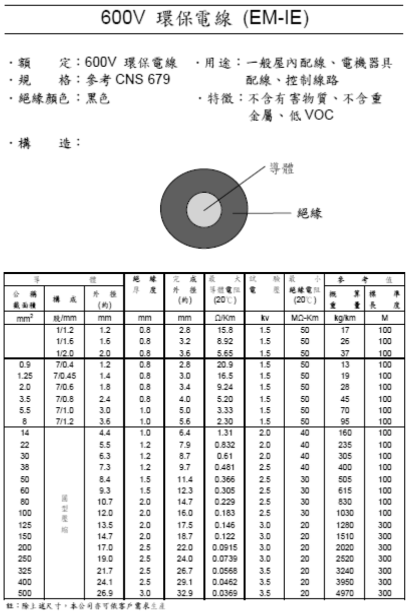
Slag is a side product of billet production at the Yanshui plant in Taiwan and classified as No. 14 electric arc furnace slag under the Regulations Governing Administration of Reuse of Enterprise Waste. The authority has announced that such material can be used as part of the raw materials for cement and cement products. The percentage of reused slag as raw material for cement is significantly lower. The slag from Yanshui plant still contains some useful metals. Mixing such slag into concrete or cement or any other form of construction material without filtering will be a waste of resources, and filtering flag is time consuming and not cost efficient. As a result, generation of slag is one of the key factors in raw material consumption for steel plants apart from billet production. The Company invests in research and innovation of effective metal recycling and reuse processes with the goal of developing a resource classification procedure for electric arc furnace slag that is more practical and environmentally friendly, recycles resources and can reduce production cost. Onsite engineers have completed a classification and processing technology for electric arc furnace slag, which can effectively reduce industrial waste and increase effective resource utilization. Related specialty technologies have also been patented.

(2)Green product certification

600V PVC electric wire products obtained SGS carbon footprint certification in September 2013 and Taiwan Electrical and Electronic Manufacturers' Association's (TEEMA) carbon footprint label in December 2013, making the Company Taiwan's first company whose 600V PVC wire products had obtained carbon footprint certification and carbon footprint label.

Purpose of certification: It is a Company's corporate social responsibility to invest in the development of green products to reduce carbon emission. Products are made to pass carbon footprint inventory, carbon footprint label certification and to receive eco-label certification in order to prove that Walsin Lihwa's products comply with the requirements of energy conservation and carbon reduction and environmental conservation and are approved by international standards and the Environmental Protection Administration.

The main reason for choosing 600V PVC electric wire products for carbon footprint auditing is that 600V electric wires are commonly used in residential and office environments. They can be seen everywhere in the everyday life and can help raise awareness of environmental conservation in the population. Carbon emission in the product life cycle is closely monitored. Carbon inventory and management is enforced for greenhouse gas emission generated in activities including raw material acquisition, manufacturing, shipping and sales, use, and waste recycling. The products obtained SGS carbon footprint certification in September 2013 when the result showed an equivalent of 2.39 kgCO2e per kilogram of 600V PVC. The products obtained Taiwan Electrical and Electronic Manufacturers' Association's (TEEMA) carbon footprint label in December 2013, making the Company Taiwan's first company whose 600V PVC wire products had obtained carbon footprint certification and carbon footprint label. The products can effectively help consumers reduce the impact on the environment when they use the products, and therefore achieve the goal of energy conservation and carbon reduction and related benefits.

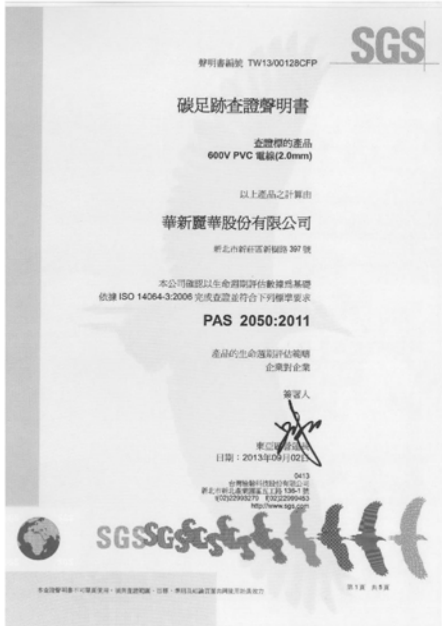


600V 環保電線 (EM-IE)

・額　　定：600V 環保電線
・規　　格：參考 CNS 679
・絕緣顏色：黑色
・用途：一般屋內配線、電機器具配線、控制線路
・特徵：不含有害物質、不含重金屬、低 VOC
・構　　造：

導體			絕緣厚度	完成外徑(約)	最大導體電阻(20℃)	試驗電壓	最小絕緣電阻(20℃)	參考值	
公稱截面積	構成	外徑(約)						概算重量	標準長度
mm²	股/mm	mm	mm	mm	Ω/Km	kv	MΩ-Km	kg/km	M
	1/1.2	1.2	0.8	2.8	15.8	1.5	50	17	100
	1/1.6	1.6	0.8	3.2	8.92	1.5	50	26	100
	1/2.0	2.0	0.8	3.6	5.65	1.5	50	37	100
0.9	7/0.4	1.2	0.8	2.8	20.9	1.5	50	13	100
1.25	7/0.45	1.4	0.8	3.0	16.5	1.5	50	19	100
2.0	7/0.6	1.8	0.8	3.4	9.24	1.5	50	28	100
3.5	7/0.8	2.4	0.8	4.0	5.20	1.5	50	45	100
5.5	7/1.0	3.0	1.0	5.0	3.33	1.5	50	70	100
8	7/1.2	3.6	1.0	5.6	2.30	1.5	50	95	100
14	圓型壓縮	4.4	1.0	6.4	1.31	2.0	40	160	100
22		5.5	1.2	7.9	0.832	2.0	40	235	100
30		6.3	1.2	8.7	0.61	2.0	40	305	100
38		7.3	1.2	9.7	0.481	2.5	40	400	100
50		8.4	1.5	11.4	0.366	2.5	30	505	100
60		9.3	1.5	12.3	0.305	2.5	30	615	100
80		10.7	2.0	14.7	0.229	2.5	30	830	100
100		12.0	2.0	16.0	0.183	2.5	30	1030	100
125		13.5	2.0	17.5	0.146	3.0	20	1280	300
150		14.7	2.0	18.7	0.122	3.0	20	1510	300
200		17.0	2.5	22.0	0.0915	3.0	20	2020	300
250		19.0	2.5	24.0	0.0739	3.0	20	2520	300
325		21.7	2.5	26.7	0.0568	3.5	20	3240	300
400		24.1	2.5	29.1	0.0462	3.5	20	3950	300
500		26.9	3.0	32.9	0.0369	3.5	20	4970	300

註：除上述尺寸，本公司亦可依客戶需求生產



(3)Receiving eco-label certification

The Company applied for eco-label certification for environmentally friendly electric wire products, 600V EM-IE, in 2014. 600V EM-IE offers a new green option for customers looking for electric wire products.

The main reason for developing the environmentally friendly electric wire products, 600V EM-IE, and choosing 600V PVC electric wire products for carbon footprint auditing is that 600V electric wires are commonly used in residential and office environments. They can be seen everywhere in the everyday life and can help raise awareness of environmental conservation in the population. It is Walsin Lihwa's corporate social responsibility to invest in the development of green products to reduce carbon emission. 600V PVC electric wire products are made to pass carbon footprint inventory, carbon footprint label certification and to receive eco-label certification in order to prove that Walsin Lihwa's products comply with the requirements of energy conservation and carbon reduction and environmental conservation and are approved by international standards and the Environmental Protection Administration.


證書編號：環標字第 11127 號
Certificate No.11127

環保標章使用證書
Certificate for the Use of Green Mark

This is to certify that the following products from Walsin Lihwa comply with Green Mark's environmental specifications and are licensed to use the Green Mark logo:

一、	Product	600V 環保電線 600V EM-IE Ecological-Material Electric Wires
二、	Model Number	600V EM-IE
三、	Product Category	電線電纜 Wires and Cables
四、	Holder Address	25F., No.1, Songzhi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)
五、	Name & Address of Manufacturer	Walsin Lihwa Corp. Hsin-Chuang Plant I 新北市新莊區新樹路 397 號 No.397, Hsin Shu Road, Hsin Chuang District, New Taipei City 242, Taiwan (R.O.C.)
六、	Valid Date	Effective Date: 2015 / 01 / 29 / Valid Until: 2018 / 01 / 28 /
七、	Examine Organization	Environment and Development Foundation

Minister WEI, Kuo-Yen
魏國彥

華新麗華600V PVC電線產品標籤


Certificate of Achievement

Carbon Footprint Logo

Taiwan Electrical & Electronic Manufacturers' Association (TEEMA) do hereby certify that an independent verification has been conducted on behalf of :

WALSIN LIHWA CORPORATION

For the following product(s):

The product carbon footprint with the functional unit of each 600V PVC Wire Type No. 2.0mm

The Carbon Footprint of this product(s) meets all of the necessary requirements under ISO 14025 standard and BSI PAS 2050, with regard to the corresponding Product Category Rules and Life Cycle Analysis results.

Taiwan Electrical & Electronic Manufacturers' Association (TEEMA)

December 10, 2013
Date

Valid Until : December 9, 2015

台灣區電機電子工業同業公會碳標籤證書

The Company is the first supplier of fire and heat resistant electric wires certified by the National Fire Agency. The Company also invests in developing low smoke, toxic free green electric wires and cables and establishes new benchmarks for green companies.

9. Primary pollution control equipment purchased in recent years as well as possible applications and benefits: (Listing only those valued at NT$100,000/RMB20,000 or higher)

In 2014, the factories in Taiwan invested a total of NT$125,386,000 in primary pollution control equipment; and those overseas invested RMB3,939,000.

Currency: NT$1,000

Equipment name (Taiwan)	Quantity	Investment cost	Anticipated benefits
Yanshui plant - second wastewater neutralization system	1	30,225	Ensure that water quality complies with effluent standards
Yanshui plant - dust collector angle rings	3	102	Comply with emission standards under air pollution regulations
Yanshui plant - dust collector curved pipes	2	520	Comply with emission standards under air pollution regulations
Yanshui plant - feeder dust collector	1	330	Comply with emission standards under air pollution regulations
Yanshui plant - old VOD dust collector	1	259	Comply with emission standards under air pollution regulations
Yanshui plant - AB Bay dust collector	1	607	Comply with emission standards under air pollution regulations
Yanshui plant - LHF dust collector	1	218	Comply with emission standards under air pollution regulations
Yanshui plant - EAF dust collector	1	613	Comply with emission standards under air pollution regulations
Yanshui plant - MRP dust collector	1	4,672	Comply with emission standards under air pollution regulations
Yanshui plant - SLAB steam exhaust fan (north side, CCM 1F)	1	550	Comply with emission standards under air pollution regulations
Yanshui plant - Billet straightener	1	370	Comply with emission standards under air pollution regulations

(Continued on next page)

(Continued from previous page)

Currency: NT$1,000

Equipment name (Taiwan)	Quantity	Investment cost	Anticipated benefits
Yanshui plant - flame cutting dust collector	1	1,250	Comply with emission standards under air pollution regulations
Yanshui plant - improvement of R503 scale temporary storage tank	1	400	Improvement of heat treatment/water plant/location of wastewater and scale storage to prevent pollution
Yanshui plant - addition and improvement of water deferrization equipment	1	720	Remove iron from water and improve water quality.
Yanshui plant - improvement of water quality in seven return systems	1	125	Water quality improvement
Yanshui plant - damages in spray nozzles of quenching tanks of rotary furnaces and in scale storage drums	1	108	causing a breach in the barrier against scale leakage and pollution.
Yanshui plant - improvement of rust removal for R103 sedimentation basin	1	450	Water pollution improvement
Yanshui plant - renovation of B29PIT on acid-A line	1	970	renovation of areas housing the acid wash process
Yanshui plant - addition of limestone tank for wastewater	1	480	Improvement of sludge treatment capacity
Yanshui plant - replacement of fume hoods on B12 and B13 acid wash lines	2	959	reducing acid gas flooding
Yanshui plant - repair of FRP temporary mixed acid storage tanks on acid wash B31	1	400	renovation of areas housing the acid wash process
Yanshui plant - repair of drainage under acid wash tanks B4-B13	1	360	renovation of areas housing the acid wash process
Yanshui plant - finishing grabs on drums and tanks	1	335	Improvement of oxide scale cleaning
Yanshui plant - addition of electric crane to wastewater filter press	2	150	Improvement of malfunctioning filter press
Yanshui plant - wastewater stabilization agents and sprinkler equipment for sludge cake tank of filter press C	1	220	Improvement of sludge
Yanshui plant - wastewater P53AB to Filter wiring replacement 1021028	1	120	Improvement of wastewater and sludge treatment
Yanshui plant - replacement of storage drum/tank B4/B12	2	1,790	Drum/Tank replacement
Yanshui plant - wastewater P53.1 A/B PUMP improvement	1	105	Improvement of sludge treatment capacity
Yanshui plant - replacement of B133 air piping	1	295	Improvement of NOX treatment
Yanshui plant - improvement of dust collecting feature on CB0/CBS sandblaster in straight steel bar factory	1	335	Reduction of dust emission from sandblasting dust collector
Yanshui plant - improvement of the dust scattering problem in dust collecting system on CB1 sandblaster in straight steel bar factory	1	198	Reduction of dust emission from sandblasting dust collector
Taichung plant - construction of chemical treatment facility for nitrite nitrogen	1	15,690	Wastewater containing high concentration nitrite nitrogen discharged by APU is chemically treated to minimize concentration.
Taichung plant - construction of biological treatment facility for nitrite nitrogen	1	59,960	Concentration of nitrite nitrogen in discharged wastewater is reduced to under the regulation standard.
Taichung plant - lining paper rewinder	1	1,500	Discarded industrial lining paper for steel rolls is recycled and reused to reduce impact on the environment.
Total		125,386	

Currency: RMB 1,000

Equipment name (China)	Quantity	Investment cost	Anticipated benefits
Shanghai power plant - CCV wastewater collection pool and oil water separator	1	19	Ensuring water quality complies with emission standards
Nanjing plant 1 water treatment capacity expansion project	1	61	Significantly reducing industrial wastewater discharge
Nanjing plant 1 purchase and installation of emulsion purification facility	1	210	Increasing emulsion concentration and reducing hazardous waste transfer and cost
Nanjing plant 1 addition of soot exhaust system	1	180	Complying with industrial gas emission standards and improving working conditions for workers
Nanjing plant 1 addition of hazardous waste storage facility and redesign of dumping ground	1	20	Complying with environmental requirements and improving factory conditions
Nanjing plant 1 installation of flow meter at main outlet	1	22	Facilitating control and inspection of sources and procedure controls to reduce cost of waste discharge
Dongguan plant - replacement of sodium lamps with LED lights in automotive lighting	100	58	Reducing annual electricity cost for automotive lighting
Dongguan plant - addition of harmonic filter in 380V electric circuit and replacement of power compensation capacity	1	600	Ensuring power safety and reducing consumption
Dongguan plant - substitution of gas-fired water heater by air source water heater	2	60	Reducing annual fuel cost
Dongguan plant - soot water filtration system	1	100	Reducing annual cost of utility bills
Jiangyin plant - acid mist purification facility	1	75	Complying with environmentally friendly fume emission standards
Jiangyin plant - galvanized fume collection and treatment devices	1	31	Complying with environmentally friendly fume emission standards
Jiangyin plant - epoxy powder collection and purification devices	1	83	Complying with environmentally friendly fume emission regulations and implementing recycling and reuse
Changshu plant - degreaser treatment system	1	390	Expected to reduce COD concentration in treatment water and provide utilization rate for recycled water
Xi'an Walsin United Technology - addition of splitting equipment for ammonia exhaust (ammonia exhaust used to be absorbed by solutions and discharged into the wastewater treatment facility prior to the addition, and the amount of ammonia in the wastewater far exceeded the limit)	4	2,030	Ensuring the amount of ammonia in wastewater complies with the emission standards under the law.
Shanghai power plant - CCV wastewater collection pool and oil water separator	1	19	Ensuring water quality complies with emission standards
Total		3,939	

5. Worker-Management Relations

(1) Worker-Management Relations and Welfare

The pursuit of excellence, innovation and learning, and friendly environment form the basis of sustainable development at Walsin Lihwa. Its respect and attention to "people" is reflected in its human resources management systems and various worker-management relations mechanisms, which are described as follows:

1. Smooth worker-management communication channels
   - In 1976 the cCmpany established an industry union to advocate suitable policies, and the voice and proposals of workers are communicated using an employer and employee dual-channel communication method.
   - Union meetings are held each quarter. Union representative conferences are held every year to establish a good bridge of communication between employers and employees.
   - The Company publishes the "Walsin People Digital Newsletter" to share information on critical business operations. The Company has also established an international communication platform to hold online events and opinion surveys.
2. The Company's remuneration is established on the principle of being able to attract and retain talent as follows:
   - Salary: Regularly participate in external salary survey activities to understand external salary levels to serve as a reference for the Company's salary setting as well as adjustments and to ensure competitive salaries.
   - Bonuses and dividends: Bonuses and dividends are issued annually as part of employee compensation based on the operating performance of each department and the performance results of individuals and groups, while taking into account the objectives of talent retention and motivation.
3. Provide a diverse welfare system that includes the following:
   - Group insurance plan (including term life insurance, accident insurance, inpatient health insurance, cancer insurance, and dependent pension)
   - Self-contributed insurance plan for employees and their dependents
   - Regular health check-ups for all employees
   - Cash bonuses for the three traditional festivals
   - Birthday bonus
   - Wedding and funeral subsidies
   - Scholarships for children
   - Travel subsidies
   - Community activity subsidies
   - Emergency interest-free loans
   - Hospital condolence fund
   - Staff restaurant
4. Under the "Walsin Lihwa Employee Learning and Development System," each employee is incorporated into the Company's operating strategies, policies and target objectives based on his/her capabilities, job performance and career development. This enables employees, job performance, and the organization to be fully integrated and to achieve synergies in employee learning and development. The content of the system includes the following:
   - Professional talent training in all sectors
   - Management talent training
   - New hire orientation
   - Employee general education courses

- Self-motivation course
- Quality and safety awareness course

To cultivate more coordinated strategies and improve core management skills, the Company started providing strategy development workshop for executive managers in 2014. Executive managers from overseas are called to participate in the training to get more involved in the corporate policymaking process and familiar with the corporate culture. The workshop is an interdisciplinary communication platform that helps secure the Company's core competencies.

In 2014, the Company spent a total of NT$6 million on employee education and training. Details are as follows:

Total training participation	Total training hours	Average training hours per employee
101,989	128,525	24.6

- Training statistics above include data from Taiwan and the subsidiaries in China.

5. Retirement system

To provide job security to employees, the Company has established a retirement system pursuant to regulatory requirements with specific measures as follow:

- Established a "Pension Oversight Committee" in 1986, whereby a workers' pension funds are deposited monthly into a pension account at the Bank of Taiwan.
- The Company has commissioned external consultants to prepare a pension fund actuarial report annually since 1994, and set aside a pension reserve fund each month based on the actuarial report in order to satisfy pension applications made by employees eligible for retirement.
- In line with the implementation of the new pension system in 2005, the Company has continued the issuance of the pension fund to retired employees who have elected to receive the pension under the old system. For those who have selected the new system, pension funds equal to 6% of an employee's monthly salary are deposited into the employee's personal account in the Bureau of Labor Insurance. Two employee self-withdrawal rate modification application opportunities are also afforded each year to allow employees to prepare for retirement.
- In addition to compliance with the aforementioned retirement regulations and in recognition of the contributions made by retired employees, the Company also issues commemorative medals and awards to retired employees. Meanwhile, the Employee Welfare Committee, as well as the industry union, have also issued retirement souvenirs to fully reflect the Company's gratitude towards retired employees.
- For employees in China, the subsidiaries enroll their employees in pension plans as required by law, and make monthly contributions to the pension plans according to the local regulations in order to provide adequate retirement protection for the employees.

6. Employee Code of Conduct:

To ensure that employees comply with obligations to the Company, customers, competitors and suppliers during business operations, the Company has established an Employee Code of Conduct in order to regulate employee behavior. The highlights of this Code are as follows:

- Obligation to the Company: All Company employees must be dedicated, studious, conform with all rules of the Company and ensure confidentiality.
- Obligation to customers: When conducting business dealings in representation of this Company, the employee's attitude must be humble and without any arrogance or pride lest damaging the Company's image.
- Obligation to competitors: The Company's employees should gather competitor information to serve as a reference for Company strategy in a legal and open manner.
- Obligation to suppliers: Negotiations and transactions with suppliers by employees must uphold the principles of fairness, reasonableness and reciprocity in order to achieve a win-win result.

As a guide for employees to follow ethical standards and corporate governance, the Company has established additionally an Employee Code of Ethical Conduct. The highlights of this Code are as follows:

- Prevention of conflicts of interests
- Prevention of opportunities to obtain personal gains
- Duty of confidentiality
- Fair trade
- Protection and appropriate use of Company assets
- Legal compliance
- Prohibition of gifts, bribes or any improper benefits
- Prohibition of external communication of information against the Company
- Equal employment opportunity and prohibition of discrimination
- Health and safety in workplace
- Correctly prepared documents and duty to maintain records
- Respect for intellectual property

(2) Protective measures taken to ensure a safe working environment and maintain employees' personal safety

Walsin Holdings operates in one of the traditional industries. Potential risks in the workplace include noise, dust, and ionizing radiation. Protection is provided in the form of engineering controls and personal protective equipment. Active operators undergo (regular) physical examinations and health management. Employees involved in particularly hazardous operations (e.g. noise, dust, ionizing radiation, and organic solvents) will also undergo special physical examinations. Employees who are placed under Class 2 management due to abnormal results from their special physical examinations will undergo assessments and health education sessions. The health and safety system and administrative measures are as follows:

1. Obtained OHSAS 18001 certification and safety management system (based on Taiwan Occupational Safety and Health Management System (TOSHMS) in Taiwan and work safety standardization in China):

   Plants in Taiwan (the Xinzhuang plants 1 and 2, Taichung plant, and Yanshui plant) and in China (Yantai plant and Changshu plant) have obtained OHSAS 18001 occupational health and safety management system certification. The complete health and safety management system is based on the cycle of health and safety planning, execution, inspection and improvement, and serves to create healthy, safe work conditions.

   In response to the health and safety regulations and the work safety systems in Taiwan and China, all plants in Taiwan follow the Taiwan Occupational Safety and Health Management System (TOSHMS). All plants in China implement work safety standardization to enforce work safety management.

2. Designated health and safety and environmental management units or staff:

   The headquarters and plants in Taiwan and overseas have established health and safety committees that operate within the Company and respective plants. Members of the committees consist of Level 1 managers. The committees meet regularly to review and establish health and safety management policies. At least one third of the members should be elected workers' representatives as required by law in order to serve as a formal communication channel between managers and employees regarding health and safety issues. The plants have established health and safety management units with health and safety supervisors, health/safety management professionals and health and safety administrators. These personnel are subject to approval by local regulators. In terms of environmental protection, the Company's head office has established environmental protection dedicated units and dedicated personnel to implement environmental protection management related operations.

3. Implement a plant greening campaign:

   Co-ordinate with existing plant improvement projects to promote park style factories. Cultivate trees, flowers, and lawns; approximately 40,000 square meters of green space; and continue to co-ordinate events that promote the green factory movement.

4. Management of suppliers and contractors:

The Company is devoted to its corporate social responsibilities as a good corporate citizen. The Company is committed to providing a safe workplace for its employees, and works together with its suppliers to fulfill corporate social responsibilities. Therefore, the Company's policy regarding supplier management is "to require suppliers to comply with regulations regarding environmental conservation, safety and health issues and to establish knowledge and communication in the areas with the goal of encouraging improved performance in environmental conservation, safety and health". In practice, the suppliers are treated as employees of the Company and involved in enforcing safety rules in the workplace and complying with environmental requirements as part of the effort to fulfill corporate social responsibilities.

In addition to the aforementioned areas, the Company pays special attention to risks in supplier regulation in the following areas based on the nature of the Company's business in order to ensure workplace safety.

(1) Defining high risks and implementing key point controls

(2) Requiring contractors to submit professional certification for specialized personnel as required by law

5. Key tasks in health and safety management:

(1)The health and safety codes of practice will be revised regularly in response to legislative changes. The Company has formulated 5S management handbooks for the plants and safety operation standards for mechanical equipment for employees to follow.

(2)Machinery and equipment: Inspected on a daily, weekly, monthly, quarterly, semi-annual, and annual basis. The competent authorities for dangerous machinery are invited to perform inspections annually to ensure the safe operation of machinery and equipment.

(3)Operating environment: 5S management is applied to enhance the factory environment maintenance system. Labor operating environment measurement records for special work facilities are kept quarterly, semi-annually and annually pursuant to law.

(4)Education and training Education and training is provided to new staff, replacement staff, mechanical equipment operators, automation inspectors, special operations staff and supervisors pursuant to law. Assistance is given to these staff to obtain the relevant qualification certificates.

(5)Health checks: General health check-ups are performed for new employees before they start their employment (starting a shift), and once every two years for general workers at the Taipei, Xinzhuang, Yangmei and optoelectronic plants. Health check-ups are performed annually for employees at the Taichung plant, the Yanshui plant and the overseas plants in order to understand their health condition, and the results serve as a basis for employee work adjustment distribution and operating environment management improvements.

(6)Fire safety: A comprehensive fire safety system is established in accordance with the regulations in Taiwan and in China, inspected and reported regularly pursuant to law. Employees participate in fire drills once every six months and undergo emergency preparedness and contingency exercises once a year.

6. Environmental safety operation management and performance assessment measures:

(1) Regular inspection of dangerous machines and workplace: All dangerous machines inside the plants must pass regular inspections as required by law. All special operators must be professionally licensed and undergo regular on-the-job training.

(2) Health and safety audits: The headquarters carry out special projects every year by conducting on-site plant audits for each plant's safety, health, environmental protection, and fire safety practices on a regular basis (quarterly). The objective is to ensure sound protection measures, a safe working environment, and that personnel safety protection measures for each plant are properly provided; and to provide appropriate improvement recommendations to ensure a safe working environment for everyone.

(3) Labor dispute losses and countermeasures from the most recent year to the publication date of this annual report: None.

6. Important Contracts

(1) Walsin Lihwa Corporation

Nature of Contract	Contracting Parties	Term of Contract Date	Content	Restrictive Clauses
Syndication Loan Contract	Nine banks, including the Bank of Taiwan, the Taiwan Cooperative Bank Co., Ltd. and the First Bank.	2012/08~2017/08	Syndicated loan limit of NT$10.2 billion, five-year period, non-recyclable	1. Current ratio >=100% 2. Debt ratio <=120% (net debt/tangible assets) 3. Interest protection multiples >=150% 4. Tangible assets >= NT$50 billion
Syndication Loan Contract	11 banks including Mega International Commercial Bank, Bank of Taiwan, Taiwan Cooperative Bank, and First Bank	2014/08~2016/08	Syndicated loan limit of USD$420 million, two-year period, recyclable	1. Current ratio >=100% 2. Debt ratio <=120% (net debt/tangible assets) 3. Interest protection multiples >=150% 4. Net tangible assets >= NT$50 billion
Purchase agreement	TCM by Unicarriers, ANDRITZ AG	2014/07~2014/08	Machine and equipment NT$1.389 billion	None
Purchase agreement	Danieli and C. Officine Meccaniche	2014~ 2015	Wiring improvement equipment NT$216 million	None

(2) Walsin (Nanjing) Construction Limited

Nature of contract	Contracting parties	Term of contract Date	Content	Restriction clauses
Construction contract	23 vendors including Shanghai Construction No. 1 (Group)	2012/10~ 2014/04	Walsin Centro Lot AB civil engineering project	None
Construction contract	19 vendors including Jiangsu Nantong No. 2 Construction Engineering (Group)	2014/04~ 2016/12	Walsin Centro Lot D civil engineering project	None

Ⅵ Financial Information

1、Brief Balance Sheets and Comprehensive Income Statements of Recent Five Years

(1) Condensed Balance Sheet - Consolidated

1.IFRSs

Unit：NT Thousands

Items / Year		Financial Statements of the Last Five Years (Note)		
		2012	2013	2014
Current Assets		45,945,031	52,873,326	52,140,435
Property,Plant and Equipment		25,844,974	21,635,479	18,439,033
Intangible Assets		191,401	199,178	201,172
Other Assets		36,640,923	38,700,358	37,976,806
Total Assets		108,622,329	113,408,341	108,757,446
Current Liabilities	Before Distibution	23,931,901	35,863,269	19,971,882
	After Distibution	23,931,901	35,863,269	19,971,882
Non-current Liabilities		22,823,530	15,347,795	23,370,603
Total Liabilities	Before Distibution	46,755,431	51,211,064	43,342,485
	After Distibution	46,755,431	51,211,064	43,342,485
Equity Attributableto owners of the Company		57,648,208	59,971,272	63,499,315
Capital Stock		36,160,002	35,760,002	35,760,002
Capital Surplus		15,742,724	15,629,054	15,647,004
Retained Earnings	Before Distibution	10,417,431	7,758,681	9,932,518
	After Distibution	10,417,431	7,758,681	9,932,518
Other Equity		(3,615,988)	823,535	2,452,684
Treasury Stock		(1,055,961)	-	(292,893)
Non-controlling Interests		4,218,690	2,226,005	1,915,646
Total Equity	Before Distibution	61,866,898	62,197,277	65,414,961
	After Distibution	61,866,898	62,197,277	65,414,961

Note:Not applicable in 2010-2011.

2. ROC GAAP

Unit：NT Thousands

Items		Financial Statements of the Last Five Years (Note) 2010	2011	2012
Current Assets		68,050,232	64,885,582	47,666,894
Fund and Investments		25,207,032	22,457,770	20,276,493
Fixed Assets		30,919,658	34,119,420	34,973,051
Intangible Assets		1,576,957	1,755,266	1,661,095
Other Assets		1,236,751	2,895,460	4,225,616
Total Assets		126,990,630	126,113,498	108,803,149
Current Liabilities	Before Distibution	41,461,048	57,577,052	24,036,989
	After Distibution	42,891,448	57,577,052	24,036,989
Long-term Liabilities		15,911,822	1,145,846	19,663,616
Reserve for Land Revaluation Increment Tax		131,132	131,132	131,132
Other Liabilities		2,480,374	2,878,303	2,878,467
Total Liabilities	Before Distibution	59,984,376	61,732,333	46,710,204
	After Distibution	61,414,776	61,732,333	46,710,204
Capital Stock		36,154,455	36,160,002	36,160,002
Capital Surplus		20,245,378	20,233,812	20,175,066
Retained Earning s	Before Distibution	12,262,291	6,560,855	3,232,397
	After Distibution	10,831,891	6,560,855	3,232,397
Unrealized gains(losses) on financial assets		(2,480,944)	(2,695,200)	(2,243,041)
Cumulative Transaction Adjustment		(299,869)	2,473,544	1,022,341
Unrealized Revaluation Increments		426,405	426,405	426,405
Treasury Stock		(964,154)	(650,178)	(936,297)
Net loss Not Recognized as Pension Cost		-	-	-
Minority Interest		1,662,692	1,871,925	4,256,072
Total Equity	Before Distibution	67,006,254	64,381,165	62,092,945
	After Distibution	65,575,854	64,381,165	62,092,945

Note:Not applicable in 2013-2014

(2) Condensed Balance Sheet - Unconsolidated

1. IFRSs

Unit：NT Thousands

Year / Items		Financial Statements of the Last Five Years (Note)		
		2012	2013	2014
Current Assets		10,750,743	8,723,676	9,989,580
Property,Plant and Equipment		11,529,460	11,719,767	11,427,661
Intangible Assets		-	-	-
Other Assets		58,364,429	60,741,853	61,654,567
Total Assets		80,644,632	81,185,296	83,071,808
Current Assets Property,Plant and Equipment	Current Assets	11,190,873	9,506,730	8,342,078
	Property,Plant and Equipment	11,190,873	9,506,730	8,342,078
Non-current Liabilities		11,805,551	11,707,294	11,230,415
Total Liabilities	Before Distibution	22,996,424	21,214,024	19,572,493
	After Distibution	22,996,424	21,214,024	19,572,493
Capital Stock		36,160,002	35,760,002	35,760,002
Capital Surplus		15,742,724	15,629,054	15,647,004
Retained Earnings	Before Distibution	10,417,431	7,758,681	9,932,518
	After Distibution	10,417,431	7,758,681	9,932,518
Other Equity		(3,615,988)	823,535	2,452,684
Treasury Stock		(1,055,961)	-	(292,893)
Total Equity	Before Distibution	57,648,208	59,971,272	63,499,315
	After Distibution	57,648,208	59,971,272	63,499,315

Note:Not applicable in 2009-2011.

2. ROC GAAP

Unit：NT Thousands

Items / Year		Financial Statements of the Last Five Years (Note)		
		2010	2011	2012
Current Assets		21,373,957	15,736,835	10,787,743
Fund and Investments		52,198,066	54,511,715	48,349,884
Fixed Assets		18,469,852	17,901,532	20,676,697
Intangible Assets		-	-	-
Other Assets		377,471	744,114	973,745
Total Assets		92,419,346	88,894,196	80,788,069
Current Liabilities	Before Distibution	15,925,606	24,701,681	11,172,138
	After Distibution	17,356,006	24,701,681	11,172,138
Long-term Liabilities		9,605,745	-	10,200,000
Reserve for Land Revaluation Increment Tax		131,132	131,132	131,132
Other Liabilities		1,413,301	1,552,143	1,447,926
Total Liabilities	Before Distibution	27,075,784	26,384,956	22,951,196
	After Distibution	28,506,184	26,384,956	22,951,196
Capital Stock		36,154,455	36,160,002	36,160,002
Capital Surplus		20,245,378	20,233,812	20,175,066
Retained Earnings	Before Distibution	12,262,291	6,560,855	3,232,397
	After Distibution	10,831,891	6,560,855	3,232,397
Unrealized gains(losses) on financial assets		(2,480,944)	(2,695,200)	(2,243,041)
Cumulative Transaction Adjustment		(299,869)	2,473,544	1,022,341
Unrealized Revaluation Increments		426,405	426,405	426,405
Treasury Stock		(964,154)	(650,178)	(936,297)
Net loss Not Recognized as Pension Cost		-	-	-
Total Equity	Before Distibution	65,343,562	62,509,240	57,836,873
	After Distibution	63,913,162	62,509,240	57,836,873

Note:Not applicable in 2013-2014

(3) Condensed Income Statements - Consolidated

1. IFRSs

Unit：NT Thousands(Excpet EPS)

Year / Items	Financial Statements of the Last Five Years (Note 2)		
	2012	2013	2014
Net Sales	157,463,051	148,634,957	162,987,384
Gross Profit	7,539,080	4,631,158	7,570,228
Operating Income	2,282,831	45,197	3,503,590
Non-operating Revenue and Expense	(4,046,353)	(2,361,334)	157,734
Profit before Taxes	(1,763,522)	(2,316,137)	3,661,324
Gain (Loss) from Continued Operations	(3,124,839)	(2,431,422)	2,535,532
Gain (Loss) from Discontinued Operations	-	-	-
Profit for the year	(3,124,839)	(2,431,422)	2,535,532
Other comprehensive income,net of income tax	(1,168,576)	4,489,965	1,502,331
Total comprehensive income for the year	(4,293,415)	2,058,543	4,037,863
Profit for the year attributable to owners of the company	(3,186,541)	(2,688,696)	2,264,691
Profit for the year attributable to non-controlling interests	61,702	257,274	270,841
Total comprehensive income for the year attributable to owners of the company	(4,302,013)	1,836,583	3,802,986
Total comprehensive income for the year attributable to non-controlling interests	8,598	221,960	234,877
Earnings Per Share(Note 1)	(0.90)	(0.77)	0.64

Note 1: Earnings per share are based on retroactively adjusted weighted outstanding common stocks.

Note2: Not applicable in 2010-2011.

2. ROC GAAP

Unit：NT Thousands(Excpet EPS)

Year / Items	Financial Statements of the Last Five Years (Note 2)		
	2010	2011	2012
Net Sales	190,151,786	189,893,217	157,440,479
Gross Profit	8,657,240	5,331,256	7,534,977
Operating Income	3,545,303	(526,230)	2,280,690
Non-operating Revenue	3,752,371	2,672,407	1,035,383
Non-operating Expense	1,365,981	5,975,691	5,221,527
Gain(Loss) before Tax from Continued Operations	5,931,693	(3,829,514)	(1,905,454)
Gain(Loss) from Continued Operations	4,967,732	(4,192,626)	(3,266,756)
Gain(Loss) from Discontinued Operations	-	-	-
Extraordinary Gain or Loss	-	-	-
Cumulative Effect of Changes in Accounting Principles	-	-	-
Net Income(Loss)	4,967,732	(4,192,626)	(3,266,756)
Earnings Per Share(Note 1)	1.55	(1.20)	(0.94)

Note 1: Earnings per share are based on retroactively adjusted weighted outstanding common stocks.

Note2: Not applicable in 2013-2014

(4) Condensed Income Statements - Unconsolidated

1. IFRSs

Unit：NT Thousands(Excpet EPS)

Items \ Year	Financial Statements of the Last Five Years (Note 2)		
	2012	2013	2014
Net Sales	69,282,856	67,659,107	70,179,109
Gross Profit	4,072,010	2,693,683	3,093,674
Operating Income	2,443,001	1,648,545	2,058,839
Non-operating Revenue and Expense	(5,623,542)	(4,663,241)	226,852
Profit before Taxes	(3,180,541)	(3,014,696)	2,285,691
Gain (Loss) from Continued Operations	(3,186,541)	(2,688,696)	2,264,691
Gain (Loss) from Discontinued Operations	-	-	-
Profit for the year	(3,186,541)	(2,688,696)	2,264,691
Other comprehensive income,net of income tax	(1,115,472)	4,525,279	1,538,295
Total comprehensive income for the year	(4,302,013)	1,836,583	3,802,986
Earnings Per Share(Note 1)	(0.90)	(0.77)	0.64

Note 1: Earnings per share are based on retroactively adjusted weighted outstanding common stocks.

Note2: Not applicable in 2010-2011.

2. ROC GAAP

Unit：NT Thousands(Excpet EPS)

Items \ Year	Financial Statements of the Last Five Years (Note 2)		
	2010	2011	2012
Net Sales	78,745,529	74,246,866	69,282,856
Gross Profit	5,317,823	4,154,508	4,072,010
Operating Income	3,236,884	2,061,680	2,444,798
Non-operating Revenue	2,723,036	1,055,433	371,743
Non-operating Expense	579,208	7,504,149	6,138,999
Gain(Loss) before Tax from Continued Operations	5,380,712	(4,387,036)	(3,322,458)
Gain(Loss) from Continued Operations	4,776,712	(4,271,036)	(3,328,458)
Gain(Loss) from Discontinued Operations	-	-	-
Extraordinary Gain or Loss	-	-	-
Cumulative Effect of Changes in Accounting Principles	-	-	-
Net Income(Loss)	4,776,712	(4,271,036)	(3,328,458)
Earnings Per Share(Note 1)	1.55	(1.20)	(0.94)

Note 1: Earnings per share are based on retroactively adjusted weighted outstanding common stocks.

Note2: Not applicable in 2013-2014.

(5) CPA's Opinion of the Last Five Years:

Year	CPA	Auditors' Opinion
2010	Deloitte & Touche Chiu, Ming-Yu, Lu, Chi-Chant	An Unqualified Opinion
2011	Deloitte & Touche Chiu, Ming-Yu, Kenny Hong	An Unqualified Opinion with an Explanatory Paragraph
2012	Deloitte & Touche Chiu, Ming-Yu, Kenny Hong	An Unqualified Opinion with an Explanatory Paragraph
2013	Deloitte & Touche Yu, Hung-Bin, Kenny Hong	An Unqualified Opinion with an Explanatory Paragraph
2014	Deloitte & Touche Yu, Hung-Bin, Kenny Hong	An Unqualified Opinion with an Explanatory Paragraph

2、Financial Analysis of Recent Five Years

(1) Financial Analysis - Consolidated Financial Statement under IFRSs

Analysis Items	Year	Financial Analysis of the Last Five Years (Note 1		
		2012	2013	2014
Capital Structure Analysis	Debt Ratio	43.04	45.15	39.85
	Long-term Funds to Property, plant and equipment	327.68	358.41	481.50
Solvency Analysis	Current Ratio	191.98	147.41	261.06
	Quick Ratio	95.51	83.21	136.12
	Interest Guarantee	(185.51)	(276.85)	581.00
Operating Performance Analysis	Account Receivables Turnover (Times)	9.64	8.87	9.74
	Average AR Turnover Days	37.86	41.14	37.47
	Inventory Turnover (Times)	5.98	6.88	7.06
	Account Payable Turnover (Times)	18.27	22.57	21.64
	Average Inventory Turnovers Days	61.03	53.05	51.69
	Property,plant and equipment Turnover (Times)	6.20	6.26	8.13
	Total Assets Turnover (Times)	1.34	1.33	1.46
Profit ability Analysis	Return on Total Assets (%)	(2.54)	(1.66)	2.75
	Return on Equity (%)	(4.95)	(3.91)	3.97
	Return on Capital-Income BeforeTax -（%）	(4.87)	(6.47)	10.23
	Net Profit Ratio (%)	(1.98)	(1.63)	1.55
	Earnings Per Share (NT$) (Note 2)	(0.90)	(0.77)	0.64
Cash Flow(Note 3)	Cash Flow Ratio (%)	26.83	17.24	2.84
	Cash Flow Adequacy Ratio (%)	46.95	38.20	55.76
	Cash Reinvestment Ratio (%)	7.07	7.51	0.59
Leverage	Operating Leverage	4.59	173.93	2.98
	Financial Leverage	1.37	-	1.27

Analysis for changes in financial ratios over 20% in last two years:

A. The increase of Long-term Funds to Property, plant and equipment ratio in 2014 compared to 2013 were due to the renewal of current portion of long-term borrowings

B. The increase of current ratio,quick ratio and the decrease of cash flow ratio,cash reinvestment ratio in 2014 compared to 2013 were due to the renewal of current portion of long-term borrowings and the delivery of unearned real estate receipts .

C. The increase of interest guarantee,return on capital-income before tax,net profit ratio,earnings per share,operating leverage,return on total assets and return on equity in 2014 compared to 2013 were due to the the benefit on the disposal of non-core business and the completion of real estate leading to the increase of the income before tax and the income after tax.

D. The increase of property,plant and equipment turnover in 2014 compared to 2013 was due to the increase of sale of rolled coil , the ratio of productions in self-made and the completion of real estate leading to the increase of net sales.

E. The increase of cash flow adequacy ratio in 2014 compared to 2013 was due to the double price of materials in the last five years leading to the increase consumption of working capital.

Note 1:Not applicable in 2010-2011.

Note 2: Earnings per share are based on retroactively adjusted weighted outstanding common stocks.

Note 3: If net cash provided by operating activities is negative , shall not be caculated.

Note 4：Financial Analysis formulas show as the following：

1.Capital Structure：

(1)Debt Ratio＝Total liabilities／Total Assets

(2)Long-Term Funds to Fixed Assets＝(Stockholders' Equity＋Long-Term liabilities)／Property, plant and equipment, net

2.Solvency：

(1)Current Ratio＝Current Assets／Current Liabilities

(2)Quick Ratio＝（Current Assets－Inventories－Prepaid Expenses）／Current Liabilities

(3)Interest Guarantee(Times)＝Income before tax and interest expenses／interest expenses

3.Operating Performance：

(1)Account Receivables Turnover (Times)＝ Net Sales／average of the period of AR

(2)Average AR Turnover Days＝365／Account Receivables Turnover (Times)

(3)Inventory Turnover(Times)＝Cost of Sales／average of inventories

(4)Account Payable Turnover (Times)＝Cost of Sales／average of the period of AP

(5)Average Inventory Turnovers Days＝365／Inventory Turnover (Times)

(6)Fixed Assets Turnover (Times)＝Net Sales／Property, plant and equipment, net

(7)Total Assets Turnover (Times)＝Net Sales／Total Assets

4.Profitability：

(1)Return on Total Assets (%)＝〔Net income after tax＋interest expense×（1－ratio of tax）〕／average of Total Assets。

(2)Return on Equity (%)＝Net income after tax／average of Stockholders' Equity

(3)Net Profit Ratio (%)＝Net income after tax／Net Sales

(4)Earnings Per Share (NT$)＝（Net income after tax－Stock Div.-Preferred）／weight average outstanding common stocks

5.Cash Flow：

(1)Cash Flow Ratio (%)＝Net cash provided by operating activities／Current Liabilities

(2)Cash Flow Adequacy Ratio (%)＝Net cash provided by operating activities in recently five year／Recently five year of (capital expenses＋Increase of inventories+ Cash dividend)

(3)Cash Reinvestment Ratio (%)＝(Net cash provided by operating activities-Cash dividend)／(Property, plant and equipment, gross +Long-Term Investment + other assets + Working Capital)

6.Leverage：

(1)Operating Leverage＝(Net Sales－changes of operating cost and expense)／operating income

(2)Financial Leverage＝operating income／(operating income－interest expense)

(2) Financial Analysis – Consolidated Financial Statement under ROC GAAP

Analysis Items			Year: Financial Analysis of the Last Five Years (Note 1) 2010	2011	2012
Capital Structure Analysis	Debt Ratio		47.23	48.94	42.93
	Long-term Funds to Property, plant and equipment		276.61	200.87	242.37
Solvency Analysis	Current Ratio		164.13	112.69	198.30
	Quick Ratio		72.31	54.57	94.97
	Interest Guarantee		628.37	(196.73)	(208.55)
Operating Performance Analysis	Account Receivables Turnover (Times)		15.92	12.39	9.61
	Average AR Turnover Days		22.92	29.45	37.98
	Inventory Turnover (Times)		5.66	5.63	5.71
	Account Payable Turnover (Times)		19.14	17.54	18.26
	Average Inventory Turnovers Days		64.48	64.83	63.92
	Property,plant and equipment Turnover (Times)		6.34	5.83	4.55
	Total Assets Turnover (Times)		1.62	1.50	1.34
Profitability Analysis	Return on Total Assets (%)		5.05	(2.38)	(2.63)
	Return on Equity (%)		7.99	(6.38)	(5.16)
	Return on Capital（%）	Operating Income	9.80	(1.45)	6.30
		Income Before Tax	16.40	(10.59)	(5.26)
	Net Profit Ratio (%)		2.61	(2.20)	(2.07)
	Earnings Per Share (NT$) (Note2)		1.55	(1.20)	(0.94)
Cash Flow(Note 3)	Cash Flow Ratio (%)		-	11.33	26.58
	Cash Flow Adequacy Ratio (%)		23.91	30.64	46.85
	Cash Reinvestment Ratio (%)		-	7.63	6.26
Leverage	Operating Leverage		3.07	(15.06)	4.59
	Financial Leverage		1.46	0.28	1.37

Note 1:Not applicable in 2013-2014

Note 2: Earnings per share are based on retroactively adjusted weighted outstanding common stocks

Note 3: If net cash provided by operating activities is negative , shall not be caculated

Note 4: Financial Analysis formulas show as the following

1.Capital Structure:

(1)Debt Ratio＝Total liabilities／Total Assets

(2)Long-Term Funds to Fixed Assets＝(Stockholders’ Equity＋Long-Term liabilities)／Property, plant and equipment, net

2.Solvency:

(1)Current Ratio＝Current Assets／Current Liabilities

(2)Quick Ratio＝(Current Assets－Inventories－Prepaid Expenses)／Current Liabilities

(3)Interest Guarantee(Times)＝Income before tax and interest expenses／interest expenses

3.Operating Performance:

(1)Account Receivables Turnover (Times)＝ Net Sales／average of the period of AR

(2)Average AR Turnover Days＝365／Account Receivables Turnover (Times)

(3)Inventory Turnover(Times)＝Cost of Sales／average of inventories

(4)Account Payable Turnover (Times)＝Cost of Sales／average of the period of AP

(5)Average Inventory Turnovers Days＝365／Inventory Turnover (Times)

(6)Fixed Assets Turnover (Times)＝Net Sales／Property, plant and equipment, net

(7)Total Assets Turnover (Times)＝Net Sales／Total Assets

4.Profitability:

(1)Return on Total Assets (%)＝〔Net income after tax＋interest expense×（1－ratio of tax）〕／average of Total Assets。

(2)Return on Equity (%)＝Net income after tax／average of Stockholders' Equity

(3)Net Profit Ratio (%)＝Net income after tax／Net Sales

(4)Earnings Per Share (NT$)＝（Net income after tax－Stock Div.-Preferred）／weight average outstanding common stocks

5.Cash Flow:

(1)Cash Flow Ratio (%)＝Net cash provided by operating activities／Current Liabilities

(2)Cash Flow Adequacy Ratio (%)＝Net cash provided by operating activities in recently five year／Recently five year of (capital expenses＋Increase of inventories+ Cash dividend)

(3)Cash Reinvestment Ratio (%)＝(Net cash provided by operating activities-Cash dividend)／(Property, plant and equipment, gross +Long-Term Investment + other assets + Working Capital)

6.Leverage:

(1)Operating Leverage＝(Net Sales－changes of operating cost and expense)／operating income

(2)Financial Leverage＝operating income／(operating income－interest expense)

(3) Financial Analysis - Financial Statement under IFRSs

Analysis Items	Year	Financial Analysis of the Last Five Years (Note 1)		
		2012	2013	2014
Capital Structure Analysis	Debt Ratio	28.51	26.13	23.56
	Long-term Funds to Property, plant and equipment	602.40	611.60	653.93
Solvency Analysis	Current Ratio	96.06	91.76	119.74
	Quick Ratio	34.23	33.42	36.63
	Interest Guarantee	(940.04)	(1,021.68)	955.88
Operating Performance Analysis	Account Receivables Turnover (Times)	24.25	24.75	30.08
	Average AR Turnover Days	15.05	14.74	12.13
	Inventory Turnover (Times)	8.39	11.54	11.60
	Account Payable Turnover (Times)	17.42	23.80	23.98
	Average Inventory Turnovers Days	43.50	31.62	31.46
	Property,plant and equipment Turnover (Times)	6.88	5.82	6.06
	Total Assets Turnover (Times)	0.81	0.83	0.85
Profitability Analysis	Return on Total Assets (%)	(3.40)	(3.02)	3.07
	Return on Equity (%)	(5.30)	(4.57)	3.66
	Return on Capital-Income BeforeTax -（%）	(8.79)	(8.43)	6.39
	Net Profit Ratio (%)	(4.59)	(3.97)	3.22
	Earnings Per Share (NT$) (Note 2)	(0.90)	(0.77)	0.64
Cash Flow(Note 3)	Cash Flow Ratio (%)	33.87	64.12	17.52
	Cash Flow Adequacy Ratio (%)	42.16	52.19	48.96
	Cash Reinvestment Ratio (%)	5.20	8.43	1.92
Leverage	Operating Leverage	2.34	2.78	2.55
	Financial Leverage	1.14	1.19	1.14

Analysis for changes in financial ratios over 20% in last two years：

A. The increase of current ratio in 2014 compared to 2013 was due to the increase of inventories and the decrease of short-term debt.

B. The increase of interest guarantee,return on capital-income before tax, return on total assets and return on equity , net profit ratio and earnings per share in 2014 compared to 2013 were due to the benefit on the disposal of non-core business and the completion of real estate leading to the increase of the income before tax and the income after tax.

C. The increase of account receivables turnovert ratio in 2014 compared to 2013 was due to the strengthen management of account receivable.

D. The decrease of cash flow ratio and cash reinvestment ratio in 2014 compared to 2013 were due to the increase of sales and working capital.

Note 1:Not applicable in 2010-2011.

Note 2: Earnings per share are based on retroactively adjusted weighted outstanding common stocks.

Note 3: If net cash provided by operating activities is negative , shall not be caculated.

Note 4: Financial Analysis formulas see Table (1).

(4) Financial Analysis - Financial Statement under ROC GAAP

Analysis Items		Year	Financial Analysis of the Last Five Years (Note 1)		
			2010	2011	2012
Capital Structure Analysis	Debt Ratio		29.30	29.68	28.40
	Long-term Funds to Property, plant and equipment		405.79	350.34	329.05
Solvency Analysis	Current Ratio		134.21	63.71	96.55
	Quick Ratio		34.99	21.99	34.29
	Interest Guarantee		1,590.88	(1,077.54)	(986.44)
Operating Performance Analysis	Account Receivables Turnover (Times)		29.71	27.82	24.25
	Average AR Turnover Days		12.28	13.12	15.05
	Inventory Turnover (Times)		6.66	6.40	8.39
	Account Payable Turnover (Times)		20.51	16.49	17.42
	Average Inventory Turnovers Days		54.80	57.03	43.50
	Property,plant and equipment Turnover (Times)		4.30	4.09	3.59
	Total Assets Turnover (Times)		0.92	0.82	0.81
Profitability Analysis	Return on Total Assets (%)		5.98	(4.31)	(3.56)
	Return on Equity (%)		7.90	(6.68)	(5.53)
	Return on Capital （%）	Operating Income	8.95	5.70	6.76
		Income Before Tax	14.88	(12.13)	(9.18)
	Net Profit Ratio (%)		6.07	(5.75)	(4.80)
	Earnings Per Share (NT$) (Note 2)		1.55	(1.20)	(0.94)
Cash Flow (Note 3)	Cash Flow Ratio (%)		5.75	30.29	30.10
	Cash Flow Adequacy Ratio (%)		25.94	30.60	40.85
	Cash Reinvestment Ratio (%)		1.03	7.85	4.03
Leverage	Operating Leverage		2.03	2.80	2.04
	Financial Leverage		1.13	1.22	1.14

Note 1: Not applicable in 2013-2014

Note 2: Earnings per share are based on retroactively adjusted weighted outstanding common stocks.

Note 3: If net cash provided by operating activities is negative, shall not be caculated.

Note 4: Financial Analysis formulas see Table (2).

3、Supervisors' Audit Report of Finalcial Statement of Recent Years

Supervisors' Report

The Board of Directors have prepared and submitted to us the Company's 2014 financial statements, and consolidated financial statements which had been audited by Deloitte & Touche accountants,Hung-Bin,Yu and Kenny, Hong. Those financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company.

In accordance with Article 219 of the company law, the above financial statements, consolidated business reports, consolidated financial statements of affiliated enterprises and resolution for allocation of surplus profit have been further examined as being correct and accurate by the supervisors of the Company.

Walsin Lihwa Corporation

Supervisors：Hsu, In-Shek 徐英士

Supervisors：Chu, Wen-Yuan 朱文元

Supervisors：Walsin Technology Corp

Representative：Chu, Yeu-Yuh 朱有義

February 17,2015

4.Financial Statements of Recent Years

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Walsin Lihwa Corporation

We have audited the accompanying consolidated balance sheets of Walsin Lihwa Corporation and its subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. The financial statements of certain subsidiaries included in the consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014 and 2013 were audited by other independent auditors. Our opinion, insofar as it relates to such subsidiaries, is based solely on the reports of other auditors. The total assets of such subsidiaries amounted to NT$5,779,895 thousand and NT$8,238,145 thousand which constituted 5.31% and 7.26% of the consolidated total assets as of December 31, 2014 and 2013, and the total net operating revenues amounted to NT$6,775,724 thousand and NT$5,462,231 thousand which constituted 4.16% and 3.67% of the consolidated total net operating revenue for the years ended December 31, 2014 and 2013. The financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014 and 2013 of certain equity-method investees were audited by other independent auditors. Our opinion, insofar as it relates to such investments, is based solely on the reports of other auditors. The investments in such investees amounted to NT$0 thousand and NT$339,780 thousand which constituted 0% and 0.30% of the consolidated total assets as of December 31, 2014 and 2013, and the investment gain amounted to NT$208 thousand and the investment loss amounted to NT$254 thousand for the years ended December 31, 2014 and 2013.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2014 and 2013, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2014 and 2013, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Walsin Lihwa Corporation as of and for the years ended December 31, 2014 and 2013 on which we have issued an unqualified-modified report.

Our audits also comprehended the translation of the 2014 and 2013 New Taiwan dollar amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 4. Such U.S. dollar amounts are presented solely for the convenience of readers.

February 17, 2015

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Par Value)

	2014		2013	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 6,417,086	6	$ 7,556,082	7
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	2,258,875	2	55,430	-
Debt investment with no active market - current (Notes 4 and 9)	884,588	1	-	-
Notes receivable (Notes 4 and 10)	6,020,010	6	7,943,404	7
Trade receivables (Notes 4 and 10)	10,065,779	9	9,434,396	8
Finance lease receivables (Note 11)	45,902	-	69,379	-
Other receivables	1,461,218	1	796,544	1
Inventories (Notes 4 and 12)	22,908,521	21	21,068,259	19
Prepayments for lease (Note 18)	32,763	-	32,150	-
Non-current assets held for sale (Notes 4 and 13)	-	-	3,955,006	3
Other financial assets (Note 6)	983,413	1	797,957	1
Other current assets	1,062,280	1	1,164,719	1
Total current assets	52,140,435	48	52,873,326	47
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current (Notes 4 and 8)	3,038,429	3	3,212,430	3
Financial assets measured at cost - non-current (Notes 4 and 14)	2,016,614	2	1,396,821	1
Investment accounted for using equity method (Notes 4 and 15)	17,601,900	16	16,894,103	15
Property, plant and equipment (Notes 4 and 16)	18,439,033	17	21,635,479	19
Investments properties (Notes 4 and 17)	11,027,645	10	10,945,109	10
Other intangible assets	201,172	-	199,178	-
Deferred tax assets - non-current (Notes 4 and 25)	1,505,137	2	1,471,593	1
Refundable deposits	211,252	-	325,085	-
Long-term finance lease receivables (Note 11)	1,030,791	1	2,653,354	2
Long-term prepayments for lease (Note 18)	1,205,621	1	1,194,362	1
Other non-current assets	339,417	-	607,501	1
Total non-current assets	56,617,011	52	60,535,015	53
TOTAL	$ 108,757,446	100	$ 113,408,341	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 19)	$ 6,235,740	6	$ 9,614,797	9
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	19,462	-	-	-
Derivative financial liabilities for hedging - current (Notes 4 and 20)	742	-	-	-
Notes payable	617,402	1	709,311	1
Trade payables	6,928,780	6	6,103,919	5
Current tax liabilities (Notes 4 and 25)	1,470,129	1	747,863	1
Other payables	2,313,717	2	2,798,682	2
Liabilities directly associated with non-current assets held for sale (Notes 4 and 13)	-	-	952,803	1
Advance receipts on real estate (Note 12)	-	-	4,694,783	4
Current portion of long-term borrowings (Note 19)	1,083,421	1	9,068,283	8
Other current liabilities	1,302,489	1	1,172,828	1
Total current liabilities	19,971,882	18	35,863,269	32
NON-CURRENT LIABILITIES				
Derivative financial liabilities for hedging - non-current (Notes 4 and 20)	683	-	-	-
Long-term borrowings (Note 19)	21,424,357	20	12,103,582	11
Deferred tax liabilities - non-current (Notes 4 and 25)	355,803	1	356,242	-
Long-term accounts payable	-	-	70,474	-
Accrued pension liabilities (Notes 4 and 21)	1,308,828	1	1,222,346	1
Other non-current liabilities (Note 28)	280,932	-	1,595,151	1
Total non-current liabilities	23,370,603	22	15,347,795	13
Total liabilities	43,342,485	40	51,211,064	45
EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 22)				
Share capital	35,760,002	33	35,760,002	31
Capital surplus	15,647,004	14	15,629,054	14
Retained earnings				
Legal reserve	2,438,101	2	2,438,101	2
Special reserve	2,712,250	3	3,507,455	3
Unappropriated earnings	4,782,167	4	1,813,125	2
Total retained earnings	9,932,518	9	7,758,681	7
Other equity				
Exchange difference on translating foreign operations	2,035,498	2	317,266	-
Unrealized gain (loss) on available-for-sale financial assets	419,051	-	506,269	1
Cash flow hedges	(1,865)	-	-	-
Total other equity	2,452,684	2	823,535	1
Treasury shares (Notes 4 and 22)	(292,893)	-	-	-
Total equity attributable to owners of WLC	63,499,315	58	59,971,272	53
NON-CONTROLLING INTERESTS	1,915,646	2	2,226,005	2
Total equity	65,414,961	60	62,197,277	55
TOTAL	$ 108,757,446	100	$ 113,408,341	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated February 17, 2015)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars, Except Par Value)

	2014		2013	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 202,752	6	$ 238,739	7
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	71,370	2	1,751	-
Debt investment with no active market - current (Notes 4 and 9)	27,949	1	-	-
Notes receivable (Notes 4 and 10)	190,206	6	250,976	7
Trade receivables (Notes 4 and 10)	318,034	9	298,085	8
Finance lease receivables (Note 11)	1,450	-	2,192	-
Other receivables	46,168	1	25,167	1
Inventories (Notes 4 and 12)	723,808	21	665,664	19
Prepayments for lease (Note 18)	1,035	-	1,016	-
Non-current assets held for sale (Notes 4 and 13)	-	-	124,961	3
Other financial assets (Note 6)	31,072	1	25,212	1
Other current assets	33,563	1	36,800	1
Total current assets	1,647,407	48	1,670,563	47
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current (Notes 4 and 8)	96,001	3	101,499	3
Financial assets measured at cost - non-current (Notes 4 and 14)	63,716	2	44,133	1
Investment accounted for using equity method (Notes 4 and 15)	556,142	16	533,779	15
Property, plant and equipment (Notes 4 and 16)	582,592	17	683,586	19
Investments properties (Notes 4 and 17)	348,425	10	345,817	10
Other intangible assets	6,356	-	6,293	-
Deferred tax assets - non-current (Notes 4 and 25)	47,556	2	46,496	1
Refundable deposits	6,675	-	10,271	-
Long-term finance lease receivables (Note 11)	32,568	1	83,834	2
Long-term prepayments for lease (Note 18)	38,092	1	37,737	1
Other non-current assets	10,724	-	19,194	1
Total non-current assets	1,788,847	52	1,912,639	53
TOTAL	$ 3,436,254	100	$ 3,583,202	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 19)	$ 197,022	6	$ 303,785	9
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	615	-	-	-
Derivative financial liabilities for hedging - current (Notes 4 and 20)	23	-	-	-
Notes payable	19,507	1	22,411	1
Trade payables	218,919	6	192,857	5
Current tax liabilities (Notes 4 and 25)	46,450	1	23,629	1
Other payables	73,103	2	88,426	2
Liabilities directly associated with non-current assets held for sale (Notes 4 and 13)	-	-	30,104	1
Advance receipts on real estate (Note 12)	-	-	148,334	4
Current portion of long-term borrowings (Note 19)	34,231	1	286,518	8
Other current liabilities	41,153	1	37,056	1
Total current liabilities	631,023	18	1,133,120	32
NON-CURRENT LIABILITIES				
Derivative financial liabilities for hedging - non - current (Notes 4 and 20)	22	-	-	-
Long-term borrowings (Note 19)	676,915	20	382,420	11
Deferred tax liabilities - non-current (Notes 4 and 25)	11,242	1	11,256	-
Long-term accounts payable	-	-	2,226	-
Accrued pension liabilities (Notes 4 and 21)	41,353	1	38,621	1
Other non-current liabilities (Note 28)	8,876	-	50,400	1
Total non-current liabilities	738,408	22	484,923	13
Total liabilities	1,369,431	40	1,618,043	45
EQUITY ATTRIBUTABLE TO OWNERS OF WLC (Note 22)				
Share capital	1,129,858	33	1,129,858	31
Capital surplus	494,376	14	493,809	14
Retained earnings				
Legal reserve	77,033	2	77,033	2
Special reserve	85,695	3	110,820	3
Unappropriated earnings	151,095	4	57,287	2
Total retained earnings	313,823	9	245,140	7
Other equity				
Exchange difference on translating foreign operations	64,313	2	10,024	-
Unrealized gain (loss) on available-for-sale financial assets	13,240	-	15,996	1
Cash flow hedges	(59)	-	-	-
Total other equity	77,494	2	26,020	1
Treasury shares (Notes 4 and 22)	(9,254)	-	-	-
Total equity attributable to owners of WLC	2,006,297	58	1,894,827	53
NON-CONTROLLING INTERESTS	60,526	2	70,332	2
Total equity	2,066,823	60	1,965,159	55
TOTAL	$ 3,436,254	100	$ 3,583,202	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated February 17, 2015)

112

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2014		2013	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 23)	$ 162,987,384	100	$ 148,634,957	100
OPERATING COSTS (Notes 4 and 12)	(155,417,156)	(95)	(144,003,799)	(97)
GROSS PROFIT	7,570,228	5	4,631,158	3
UNREALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	(6,969)	-	-	-
REALIZED GROSS PROFIT	7,563,259	5	4,631,158	3
OPERATING EXPENSES				
Selling and marketing expenses	1,765,174	1	1,807,680	1
General and administrative expenses	2,202,759	2	2,571,429	2
Research and development expenses	91,736	-	206,852	-
Total operating expenses	4,059,669	3	4,585,961	3
PROFIT FROM OPERATIONS	3,503,590	2	45,197	-
NON-OPERATING INCOME AND EXPENSES				
Interest income	469,845	-	408,334	-
Dividend income	37,935	-	32,835	-
Other income (Note 24)	286,669	-	743,276	-
(Loss) gain on disposal of property, plant and equipment	(16,681)	-	507,196	-
Foreign exchange gain, net	73,679	-	598,678	-
Gain on valuation of financial assets and liabilities	23,040	-	17,029	-
Impairment loss (Note 24)	(909,563)	-	(2,538,030)	(2)
Other expense	(224,809)	-	(669,230)	-
Interest expense	(761,181)	-	(614,601)	-
Gain (loss) on disposal of investments (Note 24)	564,791	-	(595,820)	-
Share of gain (loss) of associates under equity method	614,009	-	(251,001)	-
Total non-operating income and expenses	157,734	-	(2,361,334)	(2)
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,661,324	2	(2,316,137)	(2)
INCOME TAX EXPENSE (Notes 4 and 25)	(1,125,792)	(1)	(115,285)	-
NET INCOME (LOSS) FOR THE YEAR	2,535,532	1	(2,431,422)	(2)

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2014		2013	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Exchange gain on translation of foreign operations	$ 1,545,667	1	$ 1,445,768	1
Unrealized gain (loss) on available-for-sale financial assets	(253,751)	-	1,670,622	1
Cash flow hedges gain (loss)	(1,865)	-	287	-
Actuarial gain (loss) arising from defined benefit plans	(79,680)	-	82,406	-
Share of other comprehensive income of associates under equity method	291,960	-	1,290,882	1
Other comprehensive income for the period	1,502,331	1	4,489,965	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 4,037,863	2	$ 2,058,543	1
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of WLC	$ 2,264,691	2	$ (2,688,696)	(2)
Non-controlling interest	270,841	-	257,274	-
	$ 2,535,532	2	$ (2,431,422)	(2)
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of WLC	$ 3,802,986	2	$ 1,836,583	1
Non-controlling interest	234,877	-	221,960	-
	$ 4,037,863	2	$ 2,058,543	1
EARNINGS (LOSS) PER SHARE (Notes 4 and 24)				
Basic	$ 0.64		$ (0.77)	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated February 17, 2015) (Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars, Except Earnings (Loss) Per Share)

	2014		2013	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 23)	$ 5,149,680	100	$ 4,696,207	100
OPERATING COSTS (Notes 4 and 12)	(4,910,494)	(95)	(4,549,883)	(97)
GROSS PROFIT	239,186	5	146,324	3
UNREALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	(220)	-	-	-
REALIZED GROSS PROFIT	238,966	5	146,324	3
OPERATING EXPENSES				
Selling and marketing expenses	55,772	1	57,115	1
General and administrative expenses	69,597	2	81,246	2
Research and development expenses	2,899	-	6,535	-
Total operating expenses	128,268	3	144,896	3
PROFIT FROM OPERATIONS	110,698	2	1,428	-
NON-OPERATING INCOME AND EXPENSES				
Interest income	14,845	-	12,902	-
Dividend income	1,199	-	1,037	-
Other income (Note 24)	9,057	-	23,484	-
(Loss) gain on disposal of property, plant and equipment	(527)	-	16,025	-
Foreign exchange gain, net	2,328	-	18,916	-
Gain on valuation of financial assets and liabilities	728	-	538	-
Impairment loss (Note 24)	(28,738)	-	(80,191)	(2)
Other expense	(7,103)	-	(21,144)	-
Interest expense	(24,050)	-	(19,419)	-
Gain (loss) on disposal of investments (Note 24)	17,845	-	(18,825)	-
Share of gain (loss) of associates under equity method	19,400	-	(7,931)	-
Total non-operating income and expenses	4,984	-	(74,608)	(2)
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	115,682	2	(73,180)	(2)
INCOME TAX EXPENSE (Notes 4 and 25)	(35,570)	(1)	(3,642)	-
NET INCOME (LOSS) FOR THE YEAR	80,112	1	(76,822)	(2)

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars, Except Earnings (Loss) Per Share)

	2014		2013	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Exchange gain on translation of foreign operations	$ 48,836	1	$ 45,680	1
Unrealized gain (loss) on available-for-sale financial assets	(8,017)	-	52,784	1
Cash flow hedges gain (loss)	(59)	-	9	-
Actuarial gain (loss) arising from defined benefit plans	(2,518)	-	2,604	-
Share of other comprehensive income of associates under equity method	9,225	-	40,786	1
Other comprehensive income for the period	47,467	1	141,863	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 127,579	2	$ 65,041	1
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of WLC	$ 71,554	2	$ (84,951)	(2)
Non-controlling interest	8,558	-	8,129	-
	$ 80,112	2	$ (76,822)	(2)
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of WLC	$ 120,157	2	$ 58,028	1
Non-controlling interest	7,422	-	7,013	-
	$ 127,579	2	$ 65,041	1
EARNINGS (LOSS) PER SHARE (Notes 4 and 24)				
Basic	$ 0.02		$ (0.22)	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated February 17, 2015) (Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of WLC											
			Retained Earnings			Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2013	$ 36,160,002	$ 15,742,724	$ 5,424,527	$ 1,136,328	$ 3,856,576	$ (1,478,713)	$ (2,136,988)	$ (287)	$(1,055,961)	$ 57,648,208	$ 4,218,690	$ 61,866,898
Special reserve under Rule No. 1010012865 issued by the FSC	-	-	-	2,933,130	(2,933,130)	-	-	-	-	-	-	-
Appropriation of 2012 earnings												
Reversal of special reserve	-	-	-	794,296	(794,296)	-	-	-	-	-	-	-
Legal reserve used to offset a deficit	-	-	(2,986,426)	-	2,986,426	-	-	-	-	-	-	-
Special reserve used to offset a deficit	-	-	-	(1,136,328)	1,136,328	-	-	-	-	-	-	-
Disposal of investment in associates under equity method	-	-	-	(219,971)	219,971	-	-	-	-	-	-	-
Excess of the consideration received over the carrying amount of the subsidiaries' net assets disposed of	-	-	-	-	(30,826)	-	-	-	-	(30,826)	-	(30,826)
Change in capital surplus from investments in associates under equity method	-	-	-	-	(24,984)	-	-	-	-	(24,984)	-	(24,984)
Net profit (loss) for the year ended December 31, 2013	-	-	-	-	(2,688,696)	-	-	-	-	(2,688,696)	257,274	(2,431,422)
Other comprehensive income (loss) for the year ended December 31, 2013, net of income tax	-	-	-	-	85,756	1,795,979	2,643,257	287	-	4,525,279	(35,314)	4,489,965
Total comprehensive income (loss) for the year ended December 31, 2013	-	-	-	-	(2,602,940)	1,795,979	2,643,257	287	-	1,836,583	221,960	2,058,543
Retirement of treasury shares	(400,000)	(113,663)	-	-	-	-	-	-	513,663	-	-	-
Common shares held by subsidiaries (Note 22)	-	-	-	-	-	-	-	-	542,298	542,298	-	542,298
Others	-	(7)	-	-	-	-	-	-	-	(7)	-	(7)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,214,645)	(2,214,645)
BALANCE, DECEMBER 31, 2013	35,760,002	15,629,054	2,438,101	3,507,455	1,813,125	317,266	506,269	-	-	59,971,272	2,226,005	62,197,277
Appropriation of 2013 earnings												
Reversal of special reserve	-	-	-	(794,296)	794,296	-	-	-	-	-	-	-
Disposal of investment in associates under equity method	-	-	-	(909)	909	-	-	-	-	-	-	-
Excess of the consideration received over the carrying amount of the subsidiaries' net assets disposed of	-	311	-	-	-	-	-	-	-	311	-	311
Change in capital surplus from investments in associates under equity method	-	17,644	-	-	-	-	-	-	-	17,644	-	17,644
Net profit for the year ended December 31, 2014	-	-	-	-	2,264,691	-	-	-	-	2,264,691	270,841	2,535,532
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	(90,854)	1,718,232	(87,218)	(1,865)	-	1,538,295	(35,964)	1,502,331
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	2,173,837	1,718,232	(87,218)	(1,865)	-	3,802,986	234,877	4,037,863
Acquisition of treasury shares	-	-	-	-	-	-	-	-	(292,893)	(292,893)	-	(292,893)
Others	-	(5)	-	-	-	-	-	-	-	(5)	-	(5)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(545,236)	(545,236)
BALANCE, DECEMBER 31, 2014	$ 35,760,002	$ 15,647,004	$ 2,438,101	$ 2,712,250	$ 4,782,167	$ 2,035,498	$ 419,051	$ (1,865)	$ (292,893)	$ 63,499,315	$ 1,915,646	$ 65,414,961

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated February 17, 2015)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars)

	Equity Attributable to Owners of WLC											
			Retained Earnings			Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2013	$ 1,142,496	$ 497,400	$ 171,391	$ 35,903	$ 121,850	$ (46,721)	$ (67,519)	$ (9)	$ (33,363)	$ 1,821,428	$ 133,292	$ 1,954,720
Special reserve under Rule No. 1010012865 issued by the FSC	-	-	-	92,674	(92,674)	-	-	-	-	-	-	-
Appropriation of 2012 earnings												
Reversal of special reserve	-	-	-	25,096	(25,096)	-	-	-	-	-	-	-
Legal reserve used to offset a deficit	-	-	(94,358)	-	94,358	-	-	-	-	-	-	-
Special reserve used to offset a deficit	-	-	-	(35,903)	35,903	-	-	-	-	-	-	-
Disposal of investment in associates under equity method	-	-	-	(6,950)	6,950	-	-	-	-	-	-	-
Excess of the consideration received over the carrying amount of the subsidiaries' net assets disposed of	-	-	-	-	(974)	-	-	-	-	(974)	-	(974)
Change in capital surplus from investments in associates under equity method	-	-	-	-	(789)	-	-	-	-	(789)	-	(789)
Net profit (loss) for the year ended December 31, 2013	-	-	-	-	(84,951)	-	-	-	-	(84,951)	8,129	(76,822)
Other comprehensive income (loss) for the year ended December 31, 2013, net of income tax	-	-	-	-	2,710	56,745	83,515	9	-	142,979	(1,116)	141,863
Total comprehensive income (loss) for the year ended December 31, 2013	-	-	-	-	(82,241)	56,745	83,515	9	-	58,028	7,013	65,041
Retirement of treasury shares	(12,638)	(3,591)	-	-	-	-	-	-	16,229	-	-	-
Common shares held by subsidiaries (Note 22)	-	-	-	-	-	-	-	-	17,134	17,134	-	17,134
Others	-	-	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(69,973)	(69,973)
BALANCE, DECEMBER 31, 2013	1,129,858	493,809	77,033	110,820	57,287	10,024	15,996	-	-	1,894,827	70,332	1,965,159
Appropriation of 2013 earnings												
Reversal of special reserve	-	-	-	(25,096)	25,096	-	-	-	-	-	-	-
Disposal of investment in associates under equity method	-	-	-	(29)	29	-	-	-	-	-	-	-
Excess of the consideration received over the carrying amount of the subsidiaries' net assets disposed of	-	10	-	-	-	-	-	-	-	10	-	10
Change in capital surplus from investments in associates under equity method	-	557	-	-	-	-	-	-	-	557	-	557
Net profit for the year ended December 31, 2014	-	-	-	-	71,554	-	-	-	-	71,554	8,558	80,112
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	(2,871)	54,289	(2,756)	(59)	-	48,603	(1,136)	47,467
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	68,683	54,289	(2,756)	(59)	-	120,157	7,422	127,579
Acquisition of treasury shares	-	-	-	-	-	-	-	-	(9,254)	(9,254)	-	(9,254)
Others	-	-	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(17,228)	(17,228)
BALANCE, DECEMBER 31, 2014	$ 1,129,858	$ 494,376	$ 77,033	$ 85,695	$ 151,095	$ 64,313	$ 13,240	$ (59)	$ (9,254)	$ 2,006,297	$ 60,526	$ 2,066,823

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche audit report dated February 17, 2015)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	$ 3,661,324	$ (2,316,137)
Adjustments for:		
Depreciation expenses	2,313,423	2,609,854
Amortization expenses	44,495	110,013
Impairment loss recognized on trade receivables	77,558	23,066
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(23,040)	(17,029)
Interest expense	761,181	614,601
Interest income	(469,845)	(408,334)
Dividend income	(37,935)	(32,835)
Compensation cost of employees share options	3,975	6,375
Share of (gain) loss of associates under equity method	(614,009)	251,001
Loss (gain) on disposal of property, plant and equipment	16,681	(507,196)
Loss (gain) loss on disposal of investments	468,572	(1,050,864)
Gain (loss) on disposal of associates under equity method	(1,033,363)	1,646,684
Impairment loss recognized on financial assets	-	538,000
Impairment loss recognized on property, plant and equipment	909,563	2,000,030
Unrealized gain on the transaction with associates	6,969	-
Net loss (gain) on foreign currency exchange	182,922	(318,312)
Other non-cash items	(440)	2,213
Changes in operating assets and liabilities		
(Increase) decrease in financial assets held for trading	(356,424)	1,040,561
Decrease (increase) in notes receivable	1,923,394	(2,536,257)
(Increase) decrease in trade receivables	(9,084)	1,243,338
Decrease (increase) in other receivables	211,991	(354,684)
Increase in inventories	(1,539,909)	(316,585)
(Increase) decrease in other current assets	(141,808)	371,329
Decrease (increase) in other operating assets	66,957	(165,458)
Decrease in notes payable	(91,909)	(198,459)
Increase in trade payables	728,947	1,066,478
Decrease in other payable	(669,111)	(374,463)
Increase (decrease) in accrued pension liabilities	86,482	(133,034)
(Decrease) increase in advance real estate receipts	(4,694,783)	4,694,783
Decrease in other current liabilities	(470,540)	(60,534)
(Decrease) increase in other operating liabilities	(140,346)	269,824
Cash generated from operations	1,171,888	7,697,969
Interest paid	(747,801)	(696,885)
Interest received	482,581	459,218
Dividend received from associates	76,300	84,860
Income tax paid	(414,829)	(1,362,325)
Net cash generated from operating activities	568,139	6,182,837

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in financial assets held for trading	$ (2,047,887)	$ -
Decrease in held-to-maturity financial assets	3,703,833	-
Purchase of financial assets measured at cost	(712,807)	(95,178)
Proceeds on sale of financial assets measured at cost	7,545	41,677
Proceeds on sale of available-for-sale financial assets	65,534	4,878
Purchase of debt investment with no active market - current	(843,343)	-
Net cash generated from (used in) disposal of subsidiaries	927,328	(1,599,157)
Purchase of associates under equity method	(144,761)	(1,809,574)
Proceeds from disposal of associates under equity method	43,030	8,800
Purchase of property, plant and equipment	(1,402,151)	(2,201,644)
Proceeds from disposal of property, plant and equipment	180,097	1,150,866
Proceeds from capital return and liquidation return of investees in financial assets carried at cost	8,136	25,182
Purchase of intangible assets	(9,618)	(1,386)
Decrease (increase) decrease in refundable deposits	29,608	(345,411)
Decrease in prepayment for lease	-	223,447
Other investing activities	(3,000)	(42,403)
Net cash used in investing activities	(198,456)	(4,639,903)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(3,564,118)	(2,042,129)
Decrease in short-term bills payable	-	(95,956)
Proceeds from long-term borrowings	1,934,556	1,226,808
Cash paid for acquisition of treasury shares	(292,893)	-
Partial disposal of interest in subsidiaries without losing control	-	278,662
Changes in non-controlling interests	(40,331)	(39,949)
Other financing activities	(5)	(115,430)
Net cash used in financing activities	(1,962,791)	(787,994)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	312,432	882,707
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,280,676)	1,637,647
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,697,762	6,060,115
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 6,417,086	$ 7,697,762

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets at December 31, 2014 and 2013:

	2014	2013
Cash and cash equivalents in consolidated balance sheets	$ 6,417,086	$ 7,556,082
Cash and cash equivalents included in a disposal group held for sale	-	141,680
Cash and cash equivalents in consolidated statements of cash flow	$ 6,417,086	$ 7,697,762

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated February 17, 2015) (Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars)

	2014	2013
NET CASH GENERATED FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	$ 115,682	$ (73,180)
Adjustments for:		
Depreciation expenses	73,094	82,460
Amortization expenses	1,406	3,476
Impairment loss recognized on trade receivables	2,450	729
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(728)	(538)
Interest expense	24,050	19,419
Interest income	(14,845)	(12,902)
Dividend income	(1,199)	(1,037)
Compensation cost of employees share options	126	201
Share of (gain) loss of associates under equity method	(19,400)	7,931
Loss (gain) on disposal of property, plant and equipment	527	(16,025)
Loss (gain) on disposal of investments	14,805	(33,203)
Gain (loss) on disposal of associates under equity method	(32,650)	52,028
Impairment loss recognized on financial assets	-	16,998
Impairment loss recognized on property, plant and equipment	28,738	63,192
Unrealized gain on the transaction with associates	220	-
Net loss (gain) on foreign currency exchange	5,780	(10,057)
Other non-cash items	(14)	70
Changes in operating assets and liabilities		
(Increase) decrease in financial assets held for trading	(11,261)	32,877
Decrease (increase) in notes receivable	60,771	(80,135)
Increase (decrease) in trade receivables	(287)	39,284
Decrease (increase) in other receivables	6,698	(11,206)
Increase in inventories	(48,654)	(10,003)
(Increase) decrease in other current assets	(4,481)	11,732
Decrease (increase) in other operating assets	2,116	(5,228)
Decrease in notes payable	(2,904)	(6,270)
Increase in trade payables	23,032	33,696
Decrease in other payables	(21,141)	(11,831)
Increase (decrease) in accrued pension liabilities	2,732	(4,203)
Decrease (increase) in advance real estate receipts	(148,334)	148,334
Decrease in other current liabilities	(14,867)	(1,913)
(Decrease) increase in other operating liabilities	(4,434)	8,525
Cash generated from operations	37,028	243,221
Interest paid	(23,627)	(22,018)
Interest received	15,247	14,509
Dividend received from associates	2,411	2,681
Income tax paid	(13,107)	(43,043)
Net cash generated from operating activities	17,952	195,350

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars)

	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in financial assets held for trading	$ (64,704)	$ -
Decrease in held-to-maturity financial assets	117,025	-
Purchase of financial assets measured at cost	(22,522)	(3,007)
Proceeds on sale of financial assets measured at cost	238	1,317
Proceeds on sale of available-for-sale financial assets	2,071	154
Purchase of debt investment with no active market - current	(26,646)	-
Net cash generated from (used in) disposal of subsidiaries	29,299	(50,526)
Purchase of associates under equity method	(4,574)	(57,175)
Proceeds from disposal of associates under equity method	1,360	278
Purchase of property, plant and equipment	(44,302)	(69,562)
Proceeds from disposal of property, plant and equipment	5,690	36,362
Proceeds from capital return and liquidation return of investees on financial assets carried at cost	257	796
Purchase of for intangible assets	(304)	(44)
Decrease (increase) in refundable deposits	935	(10,913)
Decrease in prepayment for lease	-	7,060
Other investing activities	(95)	(1,340)
Net cash used in investing activities	(6,272)	(146,600)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in of short-term borrowings	(112,610)	(64,522)
Decrease in short-term bills payable	-	(3,032)
Proceeds from long-term borrowings	61,123	38,762
Cash paid for acquisition of treasury shares	(9,254)	-
Partial disposal of interest in subsidiaries without losing control	-	8,804
Changes in non-controlling interests	(1,274)	(1,262)
Other financing activities	-	(3,647)
Net cash used in financing activities	(62,015)	(24,897)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	9,872	27,890
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(40,463)	51,743
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	243,215	191,472
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 202,752	$ 243,215

(Continued)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of U.S. Dollars)

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets at December 31, 2014 and 2013:

	2014	2013
Cash and cash equivalents in consolidated balance sheets	$ 202,752	$ 238,739
Cash and cash equivalents included in a disposal group held for sale	-	4,476
Cash and cash equivalents in consolidated statements of cash flow	$ 202,752	$ 243,215

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated February 17, 2015) (Concluded)

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

1. GENERAL INFORMATION

Walsin Lihwa Corporation ("WLC") was incorporated in December 1966 and commenced business in December 1966. WLC made various investments in construction, electronics, material science, real estate, LED, solar power related business, etc., to diversify its operations. WLC's main products are wires, cables and specialty steel.

WLC's shares have been listed on the Taiwan Stock Exchange ("TSE") since November 1972. In October 1995 and November 2010, WLC increased its share capital and issued Global Depositary Shares ("GDR"), which are listed on the Luxembourg Stock Exchange under stock number 168527.

The consolidated financial statements are presented in the WLC's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on February 17, 2015.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

a. The amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in issue but not yet effective

   Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC, stipulated that the Company should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "New IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 "Embedded Derivatives"	Effective for annual periods ended on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate

(Continued)

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters"	July 1, 2010
Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters"	July 1, 2011
Amendment to IFRS 1 "Government Loans"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Transfer of Financial Assets"	July 1, 2011
IFRS 10 "Consolidated Financial Statements"	January 1, 2013
IFRS 11 "Joint Arrangements"	January 1, 2013
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	January 1, 2012
IAS 19 (Revised 2011) "Employee Benefits"	January 1, 2013
IAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013

(Concluded)

Note: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after the respective effective dates.

Except for the following, the initial application of the above 2013 IFRSs version and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers has not had any material impact on the Company's accounting policies:

1) Revision to IAS 28 "Investments in Associates and Joint Ventures"

   Revised IAS 28 requires when a portion of an investment in associates meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Previously, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

2) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required only for financial instruments are extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

3) Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to IAS 1 require items of other comprehensive income to be grouped into those that (1) will not be reclassified subsequently to profit or loss; and (2) will be reclassified subsequently to profit or loss when specific conditions are met. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Company will retrospectively apply the above amendments starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates accounted for using the equity method. However, the application of the above amendments will not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

4) Revision to IAS 19 “Employee Benefits”

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminates the “corridor approach” permitted under current IAS 19 and accelerates the recognition of past service costs. The revision requires all remeasurements of the defined benefit plans to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus.

Furthermore, the interest cost and expected return on plan assets used in current IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

5) Amendments to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements.

6) Amendments to IAS 32 “Offsetting Financial Assets and Financial Liabilities”

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realization and settlement”.

7) Annual Improvements to IFRSs: 2009-2011 Cycle

Several standards including IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IAS 1 “Presentation of Financial Statements”, IAS 16 “Property, Plant and Equipment”, IAS 32 “Financial Instruments: Presentation” and IAS 34 “Interim Financial Reporting” were amended in this annual improvement.

The amendments to IAS 1 clarify that an entity is required to present a balance sheet as at the beginning of the preceding period when a) it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassifies items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the balance sheet at the beginning of the preceding period. The amendments also clarify that related notes are not required to accompany the balance sheet at the beginning of the preceding period.

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be recognized in accordance with IAS 16 when they meet the definition of property, plant and equipment and otherwise as inventory.

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 “Income Taxes”.

The amendments to IAS 34 clarify that a measure of total liabilities for a reportable segment would be disclosed in interim financial reporting when such amounts are regularly provided to the chief operating decision maker of the Company and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

8) Recognition and measurement of financial liabilities designated as at fair value through profit or loss

In accordance with the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, for financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch, all gains or losses on that liability are presented in profit or loss.

b. New IFRSs in issue but not yet endorsed by the FSC

The Company has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced their effective dates.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The impending initial application of the above New IFRSs, whenever applied, would not have any material impact on the Company's accounting policies, except for the following:

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Company’s debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the “Expected Credit Losses Model”. The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 “Revenue from Contracts with Customers”, certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting to better reflect the entity's risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risk eligible for hedge accounting of non-financial items; (2) changing the way hedging derivative instruments are accounted for to reduce profit or loss volatility; and (3) replacing retrospective effectiveness assessment with the principle of economic relationship between the hedging instrument and the hedged item.

2) Amendments to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made some consequential amendments to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that the disclosure of such recoverable amount is required during the period when an impairment loss has been recognized or reversed. Furthermore, the Company is required to disclose the discount rate used in current and previous measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) IFRIC 21 "Levies"

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. It addresses the accounting for a liability whose timing and amount is certain and the accounting for a provision whose timing or amount is not certain. The Company accrues related liability when the transaction or activity that triggers the payment of the levy occurs. Therefore, if the obligating event occurs over a period of time (such as generation of revenue over a period of time), the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold (such as a minimum amount of revenue or sales generated), the liability is recognized when that minimum threshold is reached.

4) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 "Share-based Payment", IFRS 3 "Business Combinations" and IFRS 8 "Operating Segments" were amended in this annual improvement.

The amended IFRS 2 changes the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'. The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Company or another entity in the same group or the market price of the equity instruments of the Company or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Company as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Company, but also of other entities outside the Company.

IFRS 3 was amended to clarify that contingent consideration should be measured at fair value, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognized in profit or loss.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have ‘similar economic characteristics’. The amendment also clarifies that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segments’ assets are regularly provided to the chief operating decision-maker.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Company is a related party of the Company. Consequently, the Company is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

5) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards including IFRS 3, IFRS 13 and IAS 40 “Investment Property” were amended in this annual improvement.

IFRS 3 was amended to clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

6) Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 “Property, Plant and Equipment” requires that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 “Intangible Assets” requires that there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity’s use of the intangible asset will expire upon achievement of a revenue threshold); or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

An entity should apply the aforementioned amendments prospectively for annual periods beginning on or after the effective date.

7) IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2017.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

a) Identify the contract with the customer;

b) Identify the performance obligations in the contract;

c) Determine the transaction price;

d) Allocate the transaction price to the performance obligations in the contracts; and

e) Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

8) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulated that when an entity sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated.

9) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 "Non-current assets held for sale and discontinued operations", IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal Company) "held for sale" and non-current assets "held for distribution to owners" does not constitute a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for "held for distribution to owners" and do not meet the criteria for "held for sale" should be treated in the same way as assets that cease to be classified as held for sale.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset.

10) Amendment to IAS 1 "Disclosure Initiative"

The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Company should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Company should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

As of the date the consolidated financial statements were authorized for issue, the Company is continuing to assess the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

c. Classification of current and non-current assets and liabilities

Current assets include cash and cash equivalents and those assets held primarily for trading purposes or to be realized within twelve months after the reporting period, unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than twelve months after the reporting period. Property, plant and equipment, intangible assets, other than assets classified as current are classified as non-current. Current liabilities are obligations incurred for trading purposes or to be settled within twelve months after the reporting period and liabilities that do not have an unconditional right to defer settlement for at least twelve months after the reporting period. Liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

d. Basis of consolidation

1) Principle of preparation consolidated financial statement

The consolidated financial statements incorporate the financial statements of WLC and the entities controlled by WLC ("the Company"). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

2) Attribution of total comprehensive income to non-controlling interests

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3) Changes in the Company's ownership interests in existing subsidiaries

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Company loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Company accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

4) Subsidiary included in consolidated financial statements

The consolidated entities as of December 31, 2014 and 2013 were as follows:

Investor	Investee	Main Business	% of Ownership December 31 2014	% of Ownership December 31 2013
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited ("WLHL")	Investment holding	100.00	100.00
	Concord Industries Limited ("CIL")	Investment holding	100.00	100.00
	Touch Micro-System Technology Corp. ("TMTC")	OEM on MEMS foundry service	100.00 (Liquidating)	100.00
	Energy Pilot Limited ("Energy Pilot")	Investment holding	100.00	100.00
	Ally Energy Limited ("Ally Energy")	Investment holding	(Liquidated)	100.00
	Market Pilot Limited ("Market Pilot")	Investment holding	100.00	100.00
	Walsin Solar Technology Co., Ltd. ("Walsin Solar")	Solar power manufacturing and selling operations	(Liquidated)	100.00
	Chin-Cherng Management Service Co., Ltd.	Business administration consultation, analysis and building management	100.00	100.00
	Min Maw Precision Industry Corp. ("Min Maw")	Solar power systems management, design, and installation	100.00	100.00
	Walsin Info-Electric Corp. ("Walsin Info-Electric")	Mechanical and electrical, communications, and power systems	98.87	98.87
	Chin-Cherng Construction Co. ("Chin-Cherng")	Construction business	99.18	99.09
	Joint Success Enterprises Limited	Investments	49.05	49.05
WLHL	Walsin (China) Investment Co., Ltd.	Investment holding	100.00	100.00
	Jiangyin Walsin Steel Cable Co., Limited (JHS)	Manufacture and sale of steel cables and wires	75.00	75.00
	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	95.71	95.71
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Manufacture and sale of cables and wires	44.89 (Note 1)	89.78
	Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	100.00	100.00
	Nanjing Walsin Metal Co., Ltd.	Manufacture and sale of copper alloy	78.26	78.26
	P.T. Walsin Lippo Industries ("P.T. Walsin")	Manufacture and sale of cables and wires	70.00	70.00
	Dongguan Hannstar Electronics Co., Ltd.	Manufacture and sale of wires	(Note 2)	100.00
	Renowned International Limited	Investments	83.97	83.97
	Walsin International Investments Limited	Investments	100.00	100.00
	XiAn Walsin Opto-electronic Limited	Light emitter diode and solar power assembly	(Note 3)	100.00
	Borrego Solar System, Inc.	Solar power system	77.49	77.71
	Nanjing Walsin Expo Exhibition Co., Ltd.	Exhibition service	60.00	60.00
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and assets management, consulting and advertising services	100.00	100.00
	Lead Hero Limited	Investments	-	100.00
	XiAn Ly Jing Technology Co., Ltd.	Solar module assembly	(Note 3)	100.00
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat-rolled products	18.37	18.37
CIL	Walsin Specialty Steel Corp.	Sale of specialty steel products and investment	100.00	100.00
	Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes, rods and wires	100.00	100.00
	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Manufacture and sale of stainless steel	100.00	100.00
	Walsin Singapore PTE. Ltd.	Commerce and investments	(Liquidated)	100.00
	Changzhou Wujin NSL. Co., Ltd.	Manufacture and sale of stainless steel billet	-	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership December 31 2014	2013
	Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of new-type alloy materials	100.00	100.00
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Manufacture and sale of cold-rolled stainless steel and flat-rolled products	81.63	81.63
	Walsin Precision Technology Sdn. Bhd.	Manufacture and sale of stainless steel	100.00	100.00
	XiAn Walsin Metal Product Co., Ltd.	Production and sale of medium and heavy specialty steel plates	100.00	100.00
	XiAn Walsin Opto-electronic Limited	Light emitter diode and solar power assembly	100.00 (Note 3)	-
	XiAn Ly Jing Technology Co., Ltd.	Solar module assembly	100.00 (Note 3)	-
	Yantai Dazhong Recycling Resource Co., Ltd.	Recycling steel	(Note 4)	100.00
	Yantai Huanghai Iron and Steel Co., Ltd.	Manufacture and sale of steel billets and wire rods	(Note 4)	100.00
	Walsin Lihwa (Changzhou) Investment Co., Ltd.	Commerce and investments	100.00	100.00
Chin-Cherng	Tahsio Construction Co., Ltd.	Construction of building	(Note 5)	100.00
	Joint Success Enterprises Limited	Investments	50.95	50.95
	Walsin (Nanjing) Construction Limited	Construction, rental and sale of buildings and industrial factories	100.00	100.00
	Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing.	100.00	100.00
Walsin Info-Electric	Huatong International Corp.	Investments	100.00	100.00
	Shanghai Walsin Info-electric Inc.	Design of electrical and mechanical systems, management advisory services, and wholesale of electrical and mechanical devices and their components	100.00	100.00
Energy Pilot Limited	Green Lake Capital, LLC.	Solar power business	100.00	100.00
	GLC Development, LLC.	Solar power project development	(Note 6)	99.00
	SDCCD Management, LLC.	Solar power management business	(Note 6)	100.00
	GLC-(CA) SDCCD, LLC.	Solar power systems design, operation and installation services	(Note 6)	98.00
	GLC-(MA) Management, LLC.	Solar power management business	(Note 6)	100.00
	GLC-(MA) BCH, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(MA) SHS, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(MA) BBN, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC Solar Management II, LLC.	Solar power business	(Note 6)	100.00
	GLC Solar Fund II, LLC.	Solar power business	(Note 6)	98.00
	GLC-(CA) Vista, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(CA) Helix, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(CA) Madera, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(CA) Z7 Water, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(CA) Sierra, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(CA) Aqua SD, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(NJ) Management, LLC.	Solar power management business	(Note 6)	100.00
	GLC-(NJ) NACR 1, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC Solar Management V, LLC.	Solar power management business	(Note 6)	100.00
	GLC Solar Fund V, LLC.	Solar power business	(Note 6)	98.00
	GLC-(MA) Mashpee, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(CA) SCC, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(CA) Edwards, LLC	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(NJ) NACR 2, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(MA) Easthampton, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC Solar Management VI, LLC.	Solar power management business	(Note 6)	100.00
	GLC Solar Fund VI, LLC.	Solar power business	(Note 6)	98.00
	GLC-(CA) CSD 1, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00

(Continued)

Investor	Investee	Main Business	% of Ownership December 31 2014	2013
	GLC-(CA) CSD 2, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(MA) Acushnet, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC-(CA) Morgan Hill, LLC.	Solar power systems design, operation and installation services	(Note 6)	100.00
	GLC Solar Management VII, LLC.	Solar power business	(Note 6)	100.00
	Green Lake Exchange, LLC.	Solar power business	100.00	100.00
Market Pilot Limited	XiAn Walsin United Technology Co., Ltd.	Electronic devices and module	100.00	100.00

(Concluded)

Note 1: The Company sold 44.89% of shares and then lost control in July 2014.

Note 2: The Company sold it to non-related party in January 2014.

Note 3: To reorganize the investment structure of the Company, WLHL sold it to CIL in July 2014.

Note 4: The Company merged it into Yantai Walsin Stainless Steel Co., Ltd. in March 2014.

Note 5: The Company sold it to non-related party in September 2014.

Note 6: The Company sold it to non-related party in December 2014.

5) The following entities were excluded from consolidation as of December 31, 2014 and 2013:

Investor	Investee	Main Business	% of Ownership December 31 2014	2013	Remark
WLHL	Walcom Chemical Industrial Limited	Commerce	65.00	65.00	Note

Note: The investee has a capital of HK$500 thousand and total assets of HK$1 thousand. As of December 31, 2014 and 2013, the investee had no sales and its total assets were less than 1% of consolidated assets.

The financial statements of certain subsidiaries included in the consolidated financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014 and 2013 were audited by other independent auditors. The total assets amounted to NT$5,779,895 thousand and NT$8,238,145 thousand as of December 31, 2014 and 2013, respectively; total net operating revenues amounted to NT$6,775,724 thousand and NT$5,462,231 thousand for the years ended December 31, 2014 and 2013, respectively.

e. Business combinations

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date (i.e., the day when the Company obtains control) fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date. Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

f. Foreign currencies

In preparing the financial statements of each individual company entity, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for:

1) Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

2) Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

3) Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates in other countries with currencies used different from the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests of the subsidiary and are not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

Inventories include real estate and constructions-in-progress, which are stated at acquisition costs plus construction costs incurred. Interest expenses on constructions-in-progress are capitalized.

h. Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of equity of associates.

When the Company subscribes for additional new shares of the associate, at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate, the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which it ceases to have significant influence over the associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company' consolidated financial statements only to the extent of interests in the associate that are not related to the Company.

i. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

k. Intangible assets

Intangible assets are measured initially at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

l. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

m. Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

n. Financial instruments

Financial assets and financial liabilities are recognized when a company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

<u>Financial assets</u>

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement category

The categories of financial assets held by the Company are financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables.

a) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the other gains and losses line item.

b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in profit or loss or other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

c) Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalent, and debt investments with no active market) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits and placements with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

2) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables and other receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables, and other situation.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

a) Significant financial difficulty of the issuer or counterparty; or
b) Breach of contract, such as a default or delinquency in interest or principal payments; or
c) It becoming probable that the borrower will enter bankruptcy or financial re-organization; or
d) The disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, impairment loss are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables that are written off against the allowance account.

3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Financial liabilities

1) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

a) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

o. Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the other gains and losses line item.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the same period or periods during which the hedged forecast cash flows affect profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed and are included in the initial cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the Company revokes the designated hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When the forecast transaction is ultimately recognized in profit or loss, the associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss or are included in the initial cost of the non-financial asset or non-financial liability. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

p. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

q. Revenue recognition

Revenue from sales of goods is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, primarily upon shipment, because the earnings process has been completed and the economic benefits associated with the transaction have been realized or are realizable. The Company does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowance for sales returns and liability for returns are recognized at the time of sale based on the seller’s reliable estimate of future returns and based on past experience and other relevant factors.

1) Rendering of services

Service income is recognized when services are provided. Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

2) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

r. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as an expense in the period in which they are incurred.

s. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized past service cost and actuarial losses, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

t. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all (deductible temporary differences and unused loss carry forward) to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

u. Reclassifications

Certain accounts in the consolidation financial statements as of and for the year ended December 31, 2013 have been reclassified to conform to the presentation of the consolidation financial statements as of and for the year ended December 31, 2014.

v. Translation into U.S. dollar

The financial statements are stated in New Taiwan dollars. The translation of the 2014 and 2013 New Taiwan dollar amounts into U.S. dollar amounts is included solely for the convenience of readers, using the average exchange rate of NT$31.65 to US$1.00 quoted by the Bank of Taiwan on December 31, 2014. The convenience translation should not be construed as representations that the New Taiwan dollar amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other exchange rate.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The accounts include allowance for doubtful trade receivable accounts, inventory valuation losses, depreciation, impairment, pension, deferred tax assets, etc. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are audited on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the main assumptions and sources of estimation uncertainty at the end of financial reporting period:

a. Deferred tax assets

As of December 31, 2014 and 2013, the carrying amount of the deferred tax assets in relation to unused tax losses was NT$1,505,137 thousand and NT$1,471,593 thousand, respectively. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

b. Write-down of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and the historical experience from selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

c. Recognition and measurement of defined benefit plans

Accrued pension liabilities and the resulting pension expense under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and long-term average future salary increase. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

As of December 31, 2014 and 2013, the carrying amount of the accrued pension liabilities was NT$1,308,828 thousand and NT$1,222,346 thousand, respectively.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2014	**2013**
Cash on hand	$ 3,634	$ 7,060
Checking accounts and cash in bank	4,171,009	7,176,966
Cash equivalent		
Time deposits	2,009,921	211,906
Short-term bills	232,522	160,150
	$ 6,417,086	$ 7,556,082

The ranges of market rates of cash in bank and short-term bills at the end of the reporting period were as follows (except the market rate of checking account was zero):

	December 31	
	2014	**2013**
Bank balance	0.01%-3.40%	0.01%-1.49%
Short-term bills	0.40%	0.40%

Cash in bank in the total of EUR2,206 thousand at December 31, 2014, were intended for payment of equipment for use in the Taichung Port. The deposits are designated as cash flow hedge to manage exposures to exchange rate fluctuations.

Certain time deposits as of December 31, 2014 and 2013 were classified and pledged as follows:

		December 31	
	Purpose	**2014**	**2013**
Other financial assets - current			
Pledged time deposits	To secure short-term bank borrowings and letter of credit	$ 829,131	$ 694,867
	To secure letter of credit for equipment import	154,282	93,090
	To meet contract requirements for completing constructions	-	10,000
		983,413	797,957
Non-current assets			
Refundable deposits	To meet contract requirements for completing constructions	60,000	60,733
	To meet required security deposit	600	600
Other non-current assets - refundable deposits	To secure long-term bank borrowings	-	59,525
	To meet purchase contract	36,223	34,111
		96,823	154,969
		$ 1,080,236	$ 952,926

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2014	**2013**
<u>Financial assets held for trading</u>		
Derivative financial assets (not under hedge accounting)		
Commodity futures contracts	$ -	$ 8,723
Forward exchange contracts	96,049	46,707

(Continued)

	December 31 2014	December 31 2013
Non-derivative financial assets		
Beneficiary certificate	$ 2,162,826	$ -
Financial assets at FVTPL	$ 2,258,875	$ 55,430
Current	$ 2,258,875	$ 55,430
Non-current	-	-
	$ 2,258,875	$ 55,430
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Exchange rate swap contract	$ 1,462	$ -
Commodity futures contracts	18,000	-
Financial liabilities at FVTPL	$ 19,462	$ -
Current	$ 19,462	$ -
Non-current	-	-
	$ 19,462	$ -

(Concluded)

At the end of the reporting period, outstanding commodity futures not under hedge accounting were as follows:

	Type of Transaction	Quantity (Tons)	Trade Date	Expiration Date	Exercise Price (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
December 31, 2014							
Commodity futures							
Copper	Buy	6,300	2014.09.11-2014.12.31	2015.02.18-2015.11.18	US$ 40,378	US$ 39,522	US$ (856)
Copper	Sell	4,550	2014.11.28	2015.02.27	US$ 29,574	US$ 28,711	US$ 863
Copper	Buy	10,990	2014.09.15-2014.12.31	2015.01.20-2015.09.20	RMB 507,800	RMB 504,092	RMB (3,708)
HRB	Buy	4,000	2014.12.22-2014.12.31	2015.05.01	RMB 10,185	RMB 10,372	RMB 187
December 31, 2013							
Commodity futures							
Copper	Buy	3,800	2013.04.02-2013.12.31	2014.01.15-2014.10.15	US$ 27,424	US$ 27,976	US$ 552
Copper	Sell	2,850	2013.12.18-2013.12.31	2014.02.19-2014.03.30	US$ 20,775	US$ 21,051	US$ (276)
Nickel	Sell	372	2013.10.16-2013.12.03	2014.01.16-2014.02.19	US$ 5,093	US$ 5,187	US$ (94)
Copper	Buy	4,185	2013.08.09-2013.12.26	2014.03.15-2014.12.15	RMB 218,458	RMB 219,148	RMB 690
Copper	Sell	55	2013.12.25	2014.04.01	RMB 2,861	RMB 2,877	RMB (16)

At the end of the reporting period, outstanding forward exchange contracts not under hedge accounting were as follows:

	Currencies	Contract Expiration Date	Contract Amount (In Thousands)
December 31, 2014			
Buy forward exchange contracts	USD to NTD	2015.03.10-2015.08.03	USD290,000/NTD9,057,195
Sell forward exchange contracts	USD to RMB	2015.12.31	USD10,000/RMB61,790
	EUR to MYR	2015.01.05-2015.04.20	EUR4,212/MYR984
December 31, 2013			
Buy forward exchange contracts	USD to NTD	2014.01.13-2014.03.06	USD100,000/NTD2,935,420
	EUR to MYR	2014.01.30-2014.04.30	EUR582/MYR2,739
	USD to RMB	2014.12.03	USD19,000/RMB116,803

At the end of the reporting period, outstanding exchange rate swap contracts not under hedge accounting were as follows:

	Currencies	Contract Expiration Date	Contract Amount (In Thousands)
December 31, 2014	USD to NTD	2015.03.16	USD25,000/NTD792,425

For the years ended December 31, 2014 and 2013, the Company's strategy for commodity futures contracts, forward exchange contracts and exchange rate swap contracts was to hedge exposures to fluctuations of essential materials' prices and foreign exchange rates. However, those derivative financial instruments did not meet the criteria of hedge effectiveness; and therefore, they were not accounted for by hedge accounting.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31 2014	December 31 2013
Domestic investments		
Listed shares and emerging market stocks		
HannStar Display Corp.	$ 1,876,981	$ 2,351,640
Hannstar Board Corp.	965,448	860,790
Taiwan High Speed Rail Corp.	196,000	-
	$ 3,038,429	$ 3,212,430
Current	$ -	$ -
Non-current	3,038,429	3,212,430
	$ 3,038,429	$ 3,212,430

In November 2013, the Company reorganized the investment structure of its group and ceased to have significant influence on the investee, Hannstar Board Corp., by reducing the comprehensive holding share of investee; thus, the financial asset has been remeasured at its fair value and transferred to "available-for-sale financial assets - non-current". The difference between fair value and book value is NT$977,952 thousand which was recorded as loss on disposal of investment.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	December 31	
	2014	2013
Interest rate linked structured investment deposit	$ 884,588	$ -
Current	$ 884,588	$ -
Non-current	-	-
	$ 884,588	$ -

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2014	2013
Notes receivable		
Notes receivable	$ 6,020,010	$ 7,943,404
Trade receivables		
Trade receivables	$ 10,182,783	$ 9,550,633
Less: Allowance for impairment loss	(117,004)	(116,237)
	$ 10,065,779	$ 9,434,396

The average credit period on sales of goods was 60 days. In determining the collectibility of a trade receivable, the Company considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Allowance for impairment loss based on estimated uncollectible amounts determined by reference to age of receivables, past default experience of the counterparties and an analysis of their current financial position.

The concentration of credit risk was limited due to the fact that the customer base was large and unrelated.

The aging of receivables that were past due but no impaired.

	December 31	
	2014	**2013**
Less than 90 days	$ 137,116	$ 73,519
91-180 days	1,322	4,258
181-365 days	-	240,810
	$ 138,438	$ 318,587

The above aging schedule was based on the past due date.

Movements in the allowance for impairment loss recognized on trade receivables were as follows:

	Individually Assessed Impairment Loss	**Group Assessed Impairment Loss**	**Total**
Balance at January 1, 2013	$ 7,079	$ 141,996	$ 149,075
Add: Impairment losses recognized on receivables	8	23,058	23,066
Add: Amounts recovered from prior year write-off	-	959	959
Less: Amounts written off during the period as uncollectible	-	(4,058)	(4,058)
Less: Transfer to non-current assets held for sale	-	(60,262)	(60,262)
Foreign exchange translation gains and losses	-	7,457	7,457
Balance at December 31, 2013	$ 7,087	$ 109,150	$ 116,237
Balance at January 1, 2014	$ 7,087	$ 109,150	$ 116,237
Add: Impairment losses recognized on receivables	2,000	75,558	77,558
Less: Amounts written off during the period as uncollectible	-	(48,955)	(48,955)
Less: Disposal of subsidiaries	-	(33,812)	(33,812)
Foreign exchange translation gains and losses	-	5,976	5,976
Balance at December 31, 2014	$ 9,087	$ 107,917	$ 117,004

11. FINANCE LEASE RECEIVABLES

	December 31	
	2014	**2013**
Finance lease receivables		
Current portion	$ 45,902	$ 69,379
Long-term	1,030,791	2,653,354
	1,076,693	2,722,733
Less: Allowance for impairment loss	-	-
	$ 1,076,693	$ 2,722,733

The power supply contracts of solar power equipment are processed by financial lease accounting policy. The average term of finance leases entered into was 20 years.

The interest rate inherent in the leases was fixed at the contract date for the entire lease term. The average effective interest rate contracted was approximately 3.30% as of December 31, 2014 and 2013.

The finance lease receivables as of December 31, 2014 and 2013 were neither past due nor impaired.

Refer to Note 31 for the carrying amount of finance lease receivables pledged as security for bank borrowings of the Company.

12. INVENTORIES

	December 31	
	2014	2013
Manufacturing and trading industries		
Raw materials	$ 5,860,533	$ 4,498,614
Raw materials in transit	1,224,800	1,772,055
Supplies	643,614	468,168
Work-in-process	1,918,304	1,774,501
Finished goods and merchandise	5,945,113	5,662,452
Contracts in progress	596,209	6,812
	16,188,573	14,182,602
Real estate development industry		
Undeveloped land	3,434	2,484
Buildings and land held for sale	431,852	335,387
Contracts in progress	6,284,662	6,547,786
	6,719,948	6,885,657
	$ 22,908,521	$ 21,068,259

The cost of inventories recognized as cost of goods sold in the years ended December 31, 2014 and 2013 was NT$154,957,808 thousand and NT$143,653,255 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2014 included inventory write-down of NT$340,093 thousand. The cost of inventories recognized as cost of goods sold for the year ended December 31, 2013 included reversal of write-downs of NT$97,400 thousand. Previous write-downs had been reversed as a result of increased selling prices of inventories.

Contracts in progress of the manufacturing industry included construction costs of cable and wire installation projects not completed as of the balance sheet dates.

The inventory of real estate development industry is primarily the land for future construction and contracts in progress of Walsin (Nanjing) Construction Limited.

Walsin (Nanjing) Construction Limited entered into an agreement with third parties for selling real estate as of December 31, 2013; the selling price was RMB1,064,419 thousand (equivalent to NT$5,505,774 thousand). As of December 31, 2014 and 2013, Walsin (Nanjing) Construction

Limited has received RMB1,064,419 thousand (equivalent to NT$5,505,774 thousand) and RMB960,349 thousand (equivalent to NT$4,694,783 thousand), respectively. As of December 31, 2014, the transaction has been completed and operating revenue has been recognized.

13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	December 31	
	2014	2013
Non-current assets held for sale	$ -	$ 3,955,006
Liabilities directly associated with non-current assets classified as held for sale	$ -	$ 952,803

The board of directors resolved to dispose of Dongguan Walsin Wire & Cable Co., Ltd. on July 3, 2013, Hangzhou Walsin Power Cable & Wire Co., Ltd. on November 28, 2013. The Company expects to complete the transaction within 12 months. The assets and liabilities attributable to the production line were reclassified to disposal groups held for sale, and presented separately in the consolidated balance sheets. Refer to paragraph below for details. The disposal was completed in 2014 on which date the control of Dongguan Walsin Wire & Cable Co., Ltd. and Hangzhou Walsin Power Cable & Wire Co., Ltd. operations passed to the acquirer. The calculation of profit or loss on disposal was disclosed in Note 27.

The major classes of assets and liabilities of the production line classified as held for sale were as follows:

	December 31, 2013
Cash and cash equivalents	$ 141,680
Trade receivables	1,244,474
Inventories	511,785
Other current assets	188,043
Property, plant and equipment	1,597,472
Other non-current assets	271,552
Non-current assets classified as held for sale	$ 3,955,006
Trade payables	$ 185,935
Other payables	184,615
Other current liabilities	580,278
Other non-current liabilities	1,975
Liabilities directly associated with non-current assets classified as held for sale	$ 952,803

As of December 31, 2013, the amount of non-current assets held for sale had been reduced by the elimination of trade receivables NT$2,410 thousand and the amount of liabilities directly associated with non-current assets held for sale had been reduced by the elimination of other payable NT$2,888,186 thousand on December 31, 2013.

14. FINANCIAL ASSETS MEASURED AT COST

	December 31	
	2014	2013
Domestic unlisted common shares		
Kuong Tai Welding Ind. Co., Ltd.	$ 114,355	$ 101,548
Powertec Energy Corp.	905,706	205,706
United Industrial Gases Co., Ltd.	-	-
Taiwan High Speed Rail Corp.	-	134,000
Others	101,699	109,835
Overseas unlisted common shares		
Shannxi Tianhong Silicon Industrial Corp.	693,124	655,075
Others	201,730	190,657
	$ 2,016,614	$ 1,396,821
Classified according to financial asset measurement categories		
Available-for-sale financial assets	$ 2,016,614	$ 1,396,821

Powertec Energy Corp. shares held by the Company had been recorded as “investments accounted for using equity method”. On November 27, 2013, the Company sold parts of its interest in Chin-Xin and lost control but still had significant influence. While Chin-Xin was excluded from consolidation, the Company lost significant influence on Powertec Energy Corp; thus, in November 2013, the financial asset has been transferred back to “financial assets carried at cost - noncurrent”.

The Company participated in Powertec Energy Corp’s capital increase by cash on June 17, 2014. The investment was NT$700,000 thousand. The shares held by the Company were 302,483 thousand shares and the ownership percentage was 17.8% after the issuance.

Management believed that fair value of the above unlisted equity investments held by the Company cannot be reliably measured due to the very wide range of reasonable fair value estimates; therefore, the investments were measured at cost less impairment at the end of reporting period.

The Company recognized impairment loss on financial assets carried at cost of NT$538,000 thousand for the year ended December 31, 2013, after appropriate evaluation.

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in associates:

	December 31			
	2014		2013	
Name of Associate	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
Listed companies				
Winbond Electronics Corp.	$ 8,836,627	22.95	$ 8,192,573	23.26
Walton Advanced Engineering, Inc.	1,713,689	21.90	1,499,566	21.90
Walsin Technology Corp.	2,655,979	18.30	2,373,592	18.11
Unlisted companies:				
WuXi Xingcheng Walsin Steel Products Co., Ltd.	964,463	50.00	1,154,663	50.00
Chin-Xin	2,319,731	37.67	2,260,375	37.67
Others	1,111,411		1,413,334	
	$ 17,601,900		$ 16,894,103	

Publicly traded investments accounted for using the equity method were priced based on the closing price of those investments at the balance sheet date and were summarized as follows:

	December 31	
	2014	2013
Winbond Electronics Corp.	$ 9,201,793	$ 6,864,732
Walton Advanced Engineering, Inc.	$ 1,617,019	$ 1,173,024
Walsin Technology Corp.	$ 1,518,771	$ 1,000,014

The summarized financial information in respect of the Company's associates was set out below:

	December 31	
	2014	2013
Total assets	$ 129,529,325	$ 112,688,355
Total liabilities	$ 53,267,311	$ 42,218,968

	For the Year Ended December 31	
	2014	2013
Revenue	$ 70,821,013	$ 56,426,153
Gain (loss) for the period	$ 3,814,320	$ (808,375)
Other comprehensive income	$ 1,386,439	$ 2,601,469

The Company's share of profit and other comprehensive income of associates for the years ended December 31, 2014 and 2013 was based on the associates' financial statements audited by independent accountants for the same period. The financial statements for the years ended December 31, 2014 and 2013 of certain equity-method investees were audited by other independent accountants. The investments in such investee amounted to NT$0 thousand and

NT$339,780 thousand as of December 31, 2014 and 2013, respectively; investment gain amounted to NT$208 thousand and investment loss amounted NT$254 thousand for the years ended December 31, 2014 and 2013.

Winbond Electronics Corp. ("WEC") designs, develops, manufactures and sells very large scale integration (VLSI) integrated circuits (ICs) used in a variety of microelectronic applications. The Company sold its 10,000 thousand shares of WEC to third parties at market value on the Taiwan Stock Exchange in December 2014 and resulted in disposal gain of NT$7,054 thousand.

To reorganize the investment structure of its group, the Company sold parts of its interest in Chin-Xin at fair value in 2013; please refer to Note 30(k). After the disposal of Chin-Xin, the Company lost control and thus remeasured the remaining shares of Chin-Xin at fair value and transferred it to "investment accounted for using equity method". Refer to Note 27 for the loss on disposal and the remeasured remaining investments at fair value.

16. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
Cost						
Balance at January 1, 2013	$ 2,423,625	$ 9,930,695	$ 25,637,896	$ 6,730,575	$ 5,255,619	$ 49,978,410
Additions	60	177,206	738,261	344,403	842,906	2,102,836
Disposals	(15,254)	(106,330)	(1,854,430)	(417,382)	(5,108)	(2,398,504)
Reclassified	-	815,339	3,489,031	902,246	(5,206,616)	-
Transfer to investment properties	(261,309)	(390,089)	-	-	-	(651,398)
Transfer to other assets	-	-	(137,910)	150,023	-	12,113
Transfer to lease receivables (current and noncurrent)	-	-	-	-	(584,377)	(584,377)
Transfer to non-current assets held for sale	-	(1,178,231)	(2,059,385)	(432,657)	(23,193)	(3,693,466)
Transfer from inventories	-	300,946	-	-	-	300,946
Effect of foreign currency exchange differences	-	279,489	652,399	233,510	35,725	1,201,123
Balance at December 31, 2013	$ 2,147,122	$ 9,829,025	$ 26,465,862	$ 7,510,718	$ 314,956	$ 46,267,683
Accumulated depreciation and impairment						
Balance at January 1, 2013	$ 16,000	$ 4,582,647	$ 15,072,098	$ 4,462,691	$ -	$ 24,133,436
Disposals	(4,000)	(23,154)	(1,549,008)	(348,952)	-	(1,925,114)
Impairment losses recognized in profit or loss	-	1,325	1,293,593	282,648	-	1,577,566
Reversals of impairment losses recognized in profit or loss	-	-	(14,377)	(3,643)	-	(18,020)

(Continued)

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress	Total
Depreciation expense	$ -	$ 450,918	$ 1,483,624	$ 491,530	$ -	$ 2,426,072
Reclassified	-	(9,556)	(6,217)	15,773	-	-
Transfer to investment properties	-	(22,741)	-	-	-	(22,741)
Transfer to non-current assets held for sale	-	(391,237)	(1,401,623)	(303,134)	-	(2,095,994)
Effect of foreign currency exchange differences	-	81,979	179,136	295,884	-	556,999
Balance at December 31, 2013	$ 12,000	$ 4,670,181	$ 15,057,226	$ 4,892,797	$ -	$ 24,632,204
Carrying amounts at December 31, 2013	$ 2,135,122	$ 5,158,844	$ 11,408,636	$ 2,617,921	$ 314,956	$ 21,635,479
Cost						
Balance at January 1, 2014	$ 2,147,122	$ 9,829,025	$ 26,465,862	$ 7,510,718	$ 314,956	$ 46,267,683
Additions	19	47,009	279,178	124,803	814,056	1,265,065
Disposals	(22,656)	(65,638)	(169,760)	(209,128)	(10,491)	(477,673)
Reclassified	-	(91,580)	284,980	239,630	(433,030)	-
Disposal of subsidiaries	-	-	(2,206,892)	(549,228)	-	(2,756,120)
Transfer to other assets	-	-	-	-	(5,605)	(5,605)
Effect of foreign currency exchange differences	-	222,307	664,568	229,677	12,018	1,128,570
Balance at December 31, 2014	$ 2,124,485	$ 9,941,123	$ 25,317,936	$ 7,346,472	$ 691,904	$ 45,421,920
Accumulated depreciation and impairment						
Balance at January 1, 2014	$ 12,000	$ 4,670,181	$ 15,057,226	$ 4,892,797	$ -	$ 24,632,204
Disposals	(3,933)	(14,801)	(161,326)	(193,813)	-	(373,873)
Reclassified	-	(112,853)	(1,233,256)	1,346,109	-	-
Disposal of subsidiaries	-	(25,718)	(483,873)	(109,819)	-	(619,410)
Depreciation expense	-	422,286	1,285,380	391,631	-	2,099,297
Impairment losses recognized in profit or loss	-	153,680	1,484,402	(1,018,719)	-	619,363
Effect of foreign currency exchange differences	-	85,550	394,028	145,728	-	625,306
Balance at December 31, 2014	$ 8,067	$ 5,178,325	$ 16,342,581	$ 5,453,914	$ -	$ 26,982,887
Carrying amounts at December 31, 2014	$ 2,116,418	$ 4,762,798	$ 8,975,355	$ 1,892,558	$ 691,904	$ 18,439,033

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings and improvements	3-50 years
Machinery and equipment	3-20 years
Other equipment	3-15 years

The Company's main building and electrical and mechanical power equipment are depreciated over their estimated useful lives of 50 years and 20 years, respectively.

WLC owns parcels of land which were registered in the name of certain individuals because of certain regulatory restrictions. To secure its ownership of such parcels of land, WLC keeps in its possession the land titles with the annotation of being pledged to WLC. As of December 31, 2014 and 2013, the recorded total carrying value of such parcels of land amounted to NT$438,960 thousand.

Refer to Note 31 for the carrying amount of property, plant and equipment pledged as security for bank borrowings of the Company.

17. INVESTMENT PROPERTIES

	December 31	
	2014	2013
Completed investment property	$ 11,027,645	$ 10,945,109

	Completed Investment Property	Investment Property in Construction	Total
Cost			
Balance at January 1, 2013	$ 9,846,172	$1,525,263	$ 11,371,435
Additions	97,016	-	97,016
Disposals	(92,333)	-	(92,333)
Transferred from investment property in construction	1,167,940	(1,167,940)	-
Transferred to inventories	-	(415,719)	(415,719)
Transferred from property, plant and equipment	651,398	-	651,398
Effect of foreign currency exchange differences	26,947	58,396	85,343
Balance at December 31, 2013	$ 11,697,140	$ -	$ 11,697,140
Balance at January 1, 2014	$ 11,697,140	$ -	$ 11,697,140
Additions	234,288	-	234,288
Disposals	(4,754)	-	(4,754)
Effect of foreign currency exchange differences	74,079	-	74,079
Balance at December 31, 2014	$ 12,000,753	$ -	$ 12,000,753
Accumulated depreciation and impairment			
Balance at January 1, 2013	$ 543,001	$ -	$ 543,001
Disposals	(1,923)	-	(1,923)
Depreciation expense	183,782	-	183,782
Transferred from property, plant and equipment	22,741	-	22,741
Effect of foreign currency exchange differences	4,430	-	4,430
Balance at December 31, 2013	$ 752,031	$ -	$ 752,031
Balance at January 1, 2014	$ 752,031	$ -	$ 752,031
Disposals	(2,267)	-	(2,267)
Depreciation expense	214,126	-	214,126
Effect of foreign currency exchange differences	9,218	-	9,218
Balance at December 31, 2014	$ 973,108	$ -	$ 973,108

The completed investment properties are depreciated under straight-line method over 20 to 55 years.

The main investment properties of the Company are the Walsin Xin Yi Building and completed investment properties of Walsin (Nanjing) Construction Limited. The building valuation was commissioned by independent rating agencies (a third party). As of December 31, 2014 and 2013, the completed investment properties' real estate value was NT$30,987,456 thousand and NT$29,954,492 thousand, respectively.

18. PREPAYMENTS FOR LEASE

	December 31	
	2014	**2013**
Current asset	$ 32,763	$ 32,150
Non-current asset	1,205,621	1,194,362
	$ 1,238,384	$ 1,226,512

Prepaid lease payments include land use right which are located in Mainland China.

19. BORROWINGS

	December 31	
	2014	**2013**
Short-term borrowings	$ 6,235,740	$ 9,614,797
Current portion of long-term debts	$ 1,083,421	$ 9,068,283
Long-term borrowings	$ 21,424,357	$ 12,103,582

a. Short-term bank borrowings as of December 31, 2014 and 2013 were as follows:

	December 31			
	2014		**2013**	
	Interest Rate %	**Amount**	**Interest Rate %**	**Amount**
Materials procurement loans	0.80-3.20	$ 1,854,681	0.94-3.60	$ 1,354,799
Bank lines of credit	1.25-3.20	4,381,059	1.12-3.00	8,259,998
		$ 6,235,740		$ 9,614,797

Refer to Notes 6, 16 and 31 for collaterals pledged for short-term bank borrowings as of December 31, 2014 and 2013.

b. Long-term bank borrowings as of December 31, 2014 and 2013 were as follows:

	December 31			
	2014			2013
	Significant Covenant	**Rate**	**Amount**	**Amount**
Bank of Taiwan and others	Credit loan; every year to repay the principal at 10%, 10%,15%, 15%, 50% from the end of the third year from drawing date (August 2012)	1.59%	$ 10,200,000	$ 10,200,000
Mega International Commercial Bank and others	Secured loan; the original maturity was 2 years and was extended 2 years from June 17, 2014. Interest and principal repayment in full at maturity on August 10, 2016	1.42%	11,394,322	8,911,823
Cathay United Bank	Credit loan; monthly interest and principal repayments until maturity from June 15, 2012	2.50%	235,688	255,329
Cathay United Bank	Credit loan; monthly interest and principal repayments until maturity from March 27, 2013	2.70%	231,733	249,908
Cathay United Bank	Credit loan; monthly interest and principal repayments until maturity from August 21, 2012	2.50%	199,701	216,115
Industrial Bank of Taiwan	Credit loan; monthly interest payment and principal repayment in full at maturity on January 13, 2017	1.38%	100,000	-
Taipei Fubon Bank	Credit loan; monthly interest and principal repayments until maturity from June 25, 2014	2.81%	53,167	55,000
	Secured loan; monthly interest and principal repayments until maturity from August 14, 2014	2.77%	46,667	-
	Secured loan; monthly interest and principal repayments until maturity from April 15, 2015	2.89%	46,500	-
East West Bank	Monthly interest and principal repayments	-	-	1,283,690
			22,507,778	21,171,865
Less current portion of long-term debts			(1,083,421)	(9,068,283)
			$ 21,424,357	$ 12,103,582

(Concluded)

Under the loan agreements with Bank of Taiwan and Mega International Commercial Bank, WLC should maintain certain financial ratios calculated on annual and semi-annual consolidated financial statements audited by independent auditors, during the loan term. The financial ratios are as follows:

1) Ratio of current assets to current liabilities not less than 100%;

2) Ratio of total liabilities less cash and cash equivalents to tangible net worth not more than 120%;

3) Ratio of net income before interest expenses, taxation, depreciation and amortization to interest expenses not less than 150%;

4) Tangible net worth (net worth less intangible assets) not less than NT$50,000,000 thousand.

As of December 31, 2014 and 2013, the Company’s current portion of long-term liabilities was NT$1,083,421 thousand and NT$9,068,283 thousand under the loan agreement, respectively. The Company’s consolidated financial reports for the years ended December 31, 2014 and 2013 showed that the Company was in compliance with these ratio requirements.

Refer to Note 31 for collaterals pledged on bank borrowings as of December 31, 2014 and 2013.

20. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	December 31	
	2014	2013
Derivative financial liabilities under hedge accounting		
Cash flow hedges - foreign exchange forward contracts	$ 1,425	$ -
Current	$ 742	$ -
Non-current	683	-
	$ 1,425	$ -

The Company's hedge strategy is to enter foreign exchange forward contracts to avoid firm commitment of its exchange rate exposure. When forecast sales and purchases actually take place, the carrying amounts of the non-financial hedged items will be adjusted accordingly.

The terms of the foreign exchange forward contracts had been negotiated to match the terms of the respective designated hedged items. The outstanding foreign exchange forward contracts of the Company at the end of the reporting period were as follows:

	Currencies	Contract Expiration Date	Contract Amount (In Thousands)
December 31, 2014			
Buy forward exchange contracts	EUR to NTD	2015.04.15-2016.06.01	EUR37,832/NTD1,459,196

The Company signed foreign exchange forward contracts to avoid its exchange rate exposure due to the equipment purchase contracts signed with foreign suppliers. Those foreign exchange forward contracts were designated as cash flow hedges. During the years ended December 31, 2014, fair value loss of NT$1,425 thousand, had been recognized in other comprehensive income due to the valuation adjustments of the foreign exchange forward contracts for the exchange rate exposure of expected future equipment purchase.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

WLC and its subsidiaries in ROC adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Based on the LPA, WLC and its subsidiaries in ROC make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total expense recognized in profit or loss for the years ended December 31, 2014 and 2013 was NT$61,169 thousand and NT$61,047 thousand, respectively, which represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

b. Defined benefit plans

WLC and Walsin Info-Electric adopted the defined benefit plan under the LSL; pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. WLC and Walsin Info-Electric contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investments are conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

The actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2014	**2013**
Discount rate	2.00%	1.75%-2.00%
Expected return on plan assets	1.25%-1.75%	1.75%-2.00%
Expected rate(s) of salary increase	2.00%	2.00%

The assessment of the overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, by reference to the aforementioned use of the plan assets and the impact of the related minimum return.

Amounts recognized in profit or loss in respect of these defined benefit plans are as follows:

	2014	**2013**
Current service cost	$ 15,638	$ 18,062
Interest cost	25,387	23,081
Expected return on plan assets	(253)	(308)
Past service cost	(480)	(480)
Gains arising from curtailment or settlement	(1,566)	(1,880)
	$ 38,726	$ 38,475
An analysis by function		
Operating cost	$ 24,986	$ 23,801
Marketing expenses	3,553	2,950
Administration expenses	10,124	11,678
Research and development expenses	63	46
	$ 38,726	$ 38,475

Actuarial gains and losses recognized in other comprehensive income for the years ended December 31, 2014 and 2013 were losses NT$79,680 thousand and gains NT$82,406 thousand, respectively. The cumulative amount of actuarial gains and losses recognized in other comprehensive income as of December 31, 2014 and 2013 was losses NT$23,799 thousand and gains NT$55,881 thousand, respectively.

The amount included in the consolidated balance sheets for the Company's obligation in respect of its defined benefit plans was as follows:

	December 31	
	2014	2013
Present value of funded defined benefit obligation	$ 1,279,736	$ 1,206,243
Fair value of plan assets	(13,120)	(16,122)
Deficit	1,266,616	1,190,121
Past service cost not yet recognized	4,975	5,455
Net liability arising from defined benefit obligation	$ 1,271,591	$ 1,195,576

Movements in the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2014	2013
Opening defined benefit obligation	$ 1,206,243	$ 1,342,743
Current service cost	15,638	18,062
Interest cost	25,387	23,081
Actuarial losses (gains)	78,213	(82,393)
Gains on curtailments	-	(1,880)
Benefits paid	(45,644)	(66,565)
Account paid	(101)	(26,805)
Closing defined benefit obligation	$ 1,279,736	$ 1,206,243

(Concluded)

Movements in the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2014	2013
Opening fair value of plan assets	$ 16,122	$ 25,300
Expected return on plan assets	253	308
Actuarial gains (losses)	99	(115)
Contributions from the employer	42,290	57,194
Plan assets paid	(45,644)	(66,565)
Closing fair value of plan assets	$ 13,120	$ 16,122

For the years ended December 31, 2014 and 2013, the actual returns on plan assets were NT$352 thousand and NT$193 thousand, respectively.

The major categories of plan assets at the end of the reporting period were disclosed based on the information announced by the Labor Pension Fund Supervisory Committee.

22. EQUITY

	December 31 2014	December 31 2013
Share capital		
Common shares	$ 35,760,002	$ 35,760,002
Capital surplus	15,647,004	15,629,054
Retained earnings	9,932,518	7,758,681
Others	2,452,684	823,535
Treasury shares	(292,893)	-
Non-controlling interests	1,915,646	2,226,005
	$ 65,414,961	$ 62,197,277

a. Share capital

Common shares

	December 31 2014	December 31 2013
Number of shares authorized (in thousands)	6,500,000	6,500,000
Amount of authorized shares	$ 65,000,000	$ 65,000,000
Number of shares issued and fully paid (in thousands)	3,576,001	3,576,001
Amount of issued shares	$ 35,760,002	$ 35,760,002

WLC cancelled 40,000 thousand shares treasury stock in 2013. As of December 31, 2014 and 2013, the balance of WLC's capital account was NT$35,760,002 thousand, divided into 3,576,001 thousand shares at NT$10.00 par value.

b. Capital surplus

	December 31 2014	December 31 2013
Premium from issuance of common shares	$ 10,938,230	$ 10,938,230
Arising from the excess of the consideration receivable over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	311	-
Arising from share of changes in capital surplus from investments in associates under equity method	17,644	-
Arising from treasury share transactions	1,589,157	1,589,157
Arising from gain on disposal of property plant and equipment	2,074,231	2,074,231
Others	1,027,431	1,027,436
	$ 15,647,004	$ 15,629,054

The premium from shares issued in excess of par (share premium from issuance of common shares, conversion of bonds and treasury share transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus from long-term investments, employee share options and share warrants may not be used for any purpose.

c. Retained earnings and dividend policy

Based on the Company Law of the ROC and WLC's Articles of Incorporation, 10% of WLC's annual earnings, net of tax and any deficit, should be appropriated as legal reserve until this reserve equals WLC's paid-in capital. Also, the Company appropriated earnings to special reserve based on the applicable laws and regulations.

Any remaining balance of distributable earrings, unless it will be retained partially by WLC or resolved otherwise by the stockholders, should be appropriated in the following order:

1) 91.5% as dividends;
2) 3% as bonus to employees;
3) 1.5% as remuneration to directors and supervisors; and
4) All or part of the remainder as special reserve.

If the bonuses to employees are stock bonuses, the employees of WLC's subsidiaries should reach certain condition to be qualified to receive the bonus. The conditions are set by the board of directors.

Material differences between such estimated amounts and the amounts proposed by the board of directors in the following year are adjusted in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day preceding the stockholders' meeting. Due to deficit at December 31, 2013, WLC did not accrue for bonus to employees and remuneration to directors and supervisors for the year ended December 31, 2013. Due to the fact that earnings for 2014 had not been distributed, the Company did not accrue for bonus to employees and remuneration to directors and supervisors.

The Company appropriates or reverses a special reserve in accordance with Rule No. 1010012865 and Rule No. 1010047490 and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items. The Company also appropriates and reverses a special reserve in accordance with Rule No. 1030006415 issued by the FSC.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The stockholders of WLC approved the reversal of special reserve in the amount of NT$794,296 thousand under Rule No. 100116 issued by the FSC and also approved to use special reserve of NT$1,136,328 thousand and legal reserve of NT$2,986,426 thousand to offset deficit on June 11, 2013. There were no available earnings for distribution after offset of deficit at the end of year.

The appropriation of 2012 earnings was based on WLC's financial statements which were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Commission of the Republic of China and ROC GAAP and were also based on WLC's Balance Sheets prepared in accordance with the amended Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Commission of the Republic of China and IFRSs.

The stockholders of Company approved the reversal of special reserve in the amount of NT$794,296 thousand under Rule No. 1010012865 issued by the FSC. There were no available earnings for distribution after offset of deficit at the end of year. The appropriation of 2013 earnings was approved not to make distribution except to make up for deficit for the year.

On February 17, 2015, the board of directors proposed not to make distribution from 2014 earnings except to appropriate the legal reserve. The appropriation of earnings for 2014 will be resolved in the shareholders meeting scheduled on May 27, 2015.

Information on the bonus to employees directors and supervisors proposed by the stockholders of WLC is available on the Market Observation Post System (MOPS) on the web site of the Taiwan Stock Exchange.

d. Special reserves

Information regarding the above special reserve was as follows:

	2014	2013
Balance at January 1	$ 3,507,455	$ 1,136,328
Appropriation in respect of		
First-time adoption of IFRSs	-	2,933,130
Earnings distribution to law	-	794,296
Reversal		
Reversal according to law	(794,296)	-
Disposal of subsidiaries and associates	(909)	(219,971)
Special reserve used to offset deficits	-	(1,136,328)
Balance at December 31	$ 2,712,250	$ 3,507,455

e. Other equity items

1) Foreign currency translation reserve

	2014	2013
Balance at January 1	$ 317,266	$ (1,478,713)
Share of exchange difference of associates for using the equity method	1,677,857	1,761,012
Disposal of associates for using equity method	(88)	(18,051)
Disposal of subsidiaries	40,463	53,018
Balance at December 31	$ 2,035,498	$ 317,266

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

2) Investments revaluation reserve

	2014	2013
Balance at January 1	$ 506,269	$ (2,136,988)
Unrealized gain arising on revaluation of available-for-sale financial assets	(253,751)	1,701,228
Disposal of associates under equity method	(849)	53,457
Disposal of subsidiaries	-	(250,254)
Share of unrealized gain on revaluation of available-for-sale financial assets of associates under equity method	167,382	1,138,826
Balance at December 31	$ 419,051	$ 506,269

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

3) Cash flow hedging reserve

	2014	2013
Balance at January 1	$ -	$ (287)
Gain/(loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges		
Forward foreign exchange contracts	(1,425)	287
Others	(440)	-
Balance at December 31	$ (1,865)	$ -

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that was recognized and accumulated under the heading cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

f. Treasury shares

Treasury shares transactions for the year ended December 31, 2014 were summarized as follows:

Purpose for Reacquisition of Common Shares	Number of Treasury Shares as of January 1, 2014	Treasury Share Increase During the Period	Treasury Share Decrease During the Period	Number of Treasury Shares as of December 31, 2014
Common shares held by WLC as reserve for employee incentives	-	30,000,000	-	30,000,000

Treasury shares transactions for the year ended December 31, 2013 were summarized as follows:

Purpose of Reacquisition of Common Shares	Number of Treasury Shares as of January 1, 2013	Treasury Share Increase During the Period	Treasury Share Decrease During the Period	Number of Treasury Shares as of December 31, 2013
Common shares held by WLC as reserve for employees' incentives	40,000,000	-	40,000,000	-
Common shares held by subsidiaries	102,187,289	-	102,187,289	-
	142,187,289	-	142,187,289	-

In November 2013, the Company sold parts of its interest in Chin-Xin and lost control. Chin-Xin was transferred to investments in associates so the WLC shares held by Chin-Xin were not accounted for as treasury stocks.

Article 28.2 of the Securities and Exchange Law stipulates that the number of treasury shares held by WLC should not exceed 10% of the number of shares issued and that the cost of acquisition of treasury shares should not exceed the total of retained earnings, additional-paid-in capital and other realized capital surplus. In addition, WLC shall neither pledge treasury stock nor exercise shareholders' rights on these shares, such as rights to dividends and to vote, or exercise other stockholder's rights on the treasury stock.

23. REVENUE

	For the Year Ended December 31	
	2014	2013
Sales revenue	$ 161,541,372	$ 146,014,928
Revenue from the rendering of services	462,987	407,908
Construction contract revenue	63,199	1,433,672
Rental income	704,930	617,542
Other revenue	214,896	160,907
	$ 162,987,384	$ 148,634,957

24. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

Non-operating Income and Expense - Other Income

	For the Year Ended December 31	
	2014	2013
Relocation compensation revenue	$ -	$ 532,601
Others	286,669	210,675
	$ 286,669	$ 743,276

Relocation compensation revenue consisted of the compensation revenue of Jiangyin Walsin Steel Cable Co., Limited of RMB121,554 thousand (equivalent to NT$571,035 thousand), which is due to the resumption of land-use right from the finance bureau of Jiangyin high-tech industrial development zone and the deduction of the book value of plants and land-use rights amounted to RMB8,181 thousand (equivalent to NT$38,434 thousand).

Non-operating Income and Expense - Gain (Loss) on Disposal of Investment

	For the Year Ended December 31	
	2014	2013
Gain (loss) on disposal of investment - commodity futures settled	$ (643,102)	$ 1,042,667
Gain on disposal of investments - forward exchange contracts settled	155,237	23,332
Loss on disposal of investment - exchange rate swap contracts settled	(15,667)	(4,825)
Gain (loss) on disposal of investments - associates under equity method	1,033,363	(1,646,684)
Gain (loss) on disposal of investments - stocks and fund	16,400	(12,187)
Gain on disposal of investments - financial asset measured cost - noncurrent	7,276	4,308
Gain (loss) on disposal of investments - available-for-sale financial assets - current	11,284	(2,431)
	$ 564,791	$ (595,820)

Non-operating Income and Expense - Impairment Loss

	For the Year Ended December 31	
	2014	2013
Property, plant and equipment	$ 619,363	$ 1,559,546
Financial assets measured at cost - non-current	-	538,000
Others	290,200	440,484
	$ 909,563	$ 2,538,030

Employee Benefits Expense, Depreciation and Amortization

	For the Year Ended December 31, 2014			
	Operating Costs	Operating Expenses	Nonoperating Expenses and Losses	Total
Short-term employment benefits	$ 2,393,243	$ 1,325,632	$ -	$ 3,718,875
Post-employment benefits	$ 188,799	$ 76,202	$ -	$ 265,001
Other employee benefits	$ 319,363	$ 158,328	$ -	$ 477,691
Depreciation				
Property, plant and equipment	$ 1,878,785	$ 220,048	$ 464	$ 2,099,297
Investment property	149,613	64,513	-	214,126
	$ 2,028,398	$ 284,561	$ 464	$ 2,313,423
Amortization	$ 13,299	$ 27,116	$ 4,080	$ 44,495

	For the Year Ended December 31, 2013			
	Operating Costs	Operating Expenses	Nonoperating Expenses and Losses	Total
Short-term employment benefits	$ 2,338,718	$ 1,376,833	$ -	$ 3,715,551
Post-employment benefits	$ 154,045	$ 87,250	$ -	$ 241,295
Other employee benefits	$ 311,169	$ 151,480	$ -	$ 462,649
Depreciation				
Property, plant and equipment	$ 2,086,751	$ 338,306	$ 1,015	$ 2,426,072
Investment property	146,229	37,553	-	183,782
	$ 2,232,980	$ 375,859	$ 1,015	$ 2,609,854
Amortization	$ 11,795	$ 92,621	$ 5,597	$ 110,013

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2014	2013
Current tax		
In respect of the current year	$ 698,577	$ (588,848)
Reserve for land value increment tax	513,514	-
In respect of prior periods	(59,700)	(75,980)
Others	7,384	(846)
	1,159,775	(665,674)
Deferred tax		
In respect of the current year	(33,983)	780,959
Income tax expense recognized in profit or loss	$ 1,125,792	$ 115,285

A reconciliation of accounting profit and income tax expenses, average effective tax rate and the applicable tax rate is as follows:

	For the Year Ended December 31	
	2014	2013
Income (loss) before tax from continuing operations	$ 3,661,324	$ (2,316,137)
Income tax expense (benefit) calculated at the statutory rate	$ 1,146,904	(901,363)
Equity in investees' net (gain) loss	(271,013)	477,303
Dividend income	(6,543)	(1,544)
Net gain on disposal of investments	(22,079)	(226,000)
Realized loss on liquidation of investment	(196,000)	-
Others	58,688	62,756
Unrecognized loss carryforwards/deductible temporary differences/investment credits	(45,363)	780,959
Adjustments for prior years' tax	(59,700)	(75,980)
Reserve for land revaluation increment tax	513,514	-
Others	7,384	(846)
Income tax expense recognized in profit or loss	$ 1,125,792	$ 115,285

The applicable tax rate used above is the corporate tax rate of 17% payable by the Company in ROC, while the applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Current tax assets and liabilities

	December 31	
	2014	2013
Current tax assets		
Tax refund receivable (recorded under other non-current assets)	$ 205,286	$ 198,102
Current tax liabilities		
Income tax payable	$ 1,470,129	$ 747,863

c. Deferred tax assets and liabilities:

	December 31	
	2014	2013
Deferred tax assets		
Net operating loss carryforwards	$ 617,680	$ 852,767
Pension expense not currently deductible	232,000	232,000
Provision for devaluation loss on obsolete and slow-moving inventories	92,177	45,575
Provision for impairment loss on idle assets	16,000	16,000
Unrealized gross profit from intercompany transactions	506	403
Provision for permanent devaluation loss on long-term investments	282,920	72,460
Difference between financial and tax accounting of the depreciation of property, plant and equipment	30,708	(45,604)
Others	233,146	297,992

(Continued)

	December 31 2014	December 31 2013
Deferred income tax liabilities		
Difference between financial and tax accounting of the depreciation of property, plant and equipment	$ (65,660)	$ (62,759)
Others	(290,143)	(293,483)
	$ 1,149,334	$ 1,115,351
Deferred income tax assets - noncurrent	$ 1,505,137	$ 1,471,593
Deferred income tax liabilities - noncurrent	(355,803)	(356,242)
	$ 1,149,334	$ 1,115,351

(Concluded)

d. The Company's loss carryforwards as of December 31, 2014 for income tax purposes were as follows:

Expiry Year	Net Operating Loss Tax Credit
2019	$ 96,587
2020	767
2022	1,365
2023	119,000
2024	332,908
2033	67,053
	$ 617,680

e. The information on imputation credit accounts was as follows:

	December 31 2014	December 31 2013
Balance of Imputation Credit Account	$ 1,107,606	$ 1,240,934
Unappropriated earnings generated before January 1, 1998	$ -	$ -
Unappropriated earnings generated on and after January 1, 1998	$ 4,782,167	$ 1,813,125

f. WLC's income tax returns through 2011 had been examined and cleared by the tax authorities.

26. EARNING (LOSS) PER SHARE

	For the Year Ended December 31					
	2014			2013		
	Amounts (Numerator) After Income Tax (Attributable to Parent's Stockholders)	Shares (Denominator) (In Thousands)	Earning Per Share (In Dollars) After Income Tax (Attributable to Parent's Stockholders)	Amounts (Numerator) After Income Tax (Attributable to Parent's Stockholders)	Shares (Denominator) (In Thousands)	Deficit Per Share (In Dollars) After Income Tax (Attributable to Parent's Stockholders)
Basic earnings (loss) per share						
Net income (loss)	$2,264,691	3,553,297	$ 0.64	$ (2,688,696)	3,482,328	$ (0.77)

27. DISPOSAL OF SUBSIDIARIES

The Company had disposed Dongguan Walsin Wire & Cable Co., Ltd., Tahsio Construction Co., Ltd., subsidiaries of Green Lake Capital, LLC., and partially disposed of Hangzhou Walsin Power Cable & Wire Co., Ltd. and lost control on Hangzhou Walsin Power Cable & Wire Co., Ltd. in 2014. In 2013, the Company had disposed Chin-Xin and then lost control.

a. Consideration received from the disposal

	For the Year Ended December 31	
	2014	2013
Consideration received in cash and cash equivalents	$ 1,742,999	$ 150,782
Sales proceeds receivable (recorded under other receivables)	612,365	-
Total consideration received	$ 2,355,364	$ 150,782

b. Analysis of asset and liabilities on the date control was lost is as follows:

	For the Year Ended December 31	
	2014	2013
Current assets		
Cash and cash equivalents	$ 422,785	$ 1,749,939
Financial assets at fair value through profit or loss - current	-	58,265
Trade receivable	1,826,396	-
Inventories	729,073	-
Other receivables	297,903	-
Other current assets	293,208	15
Non-current assets		
Available-for-sale financial assets - non-current	-	2,762,100
Investments accounted for using equity method	427,455	2,261,657
Financial assets measured at cost - non-current	-	427,047
Property, plant and equipment	3,619,810	-
Intangible assets	8,293	-
Refundable deposits	567	-
Other non-current assets	2,045,101	3,410
Total assets	$ 9,670,591	$ 7,262,433
Current liabilities		
Short-term borrowings	$ 3,738,019	$ 323,980
Note payables and trade payables	341,085	-
Other payables	283,274	8,524
Other current liabilities	541,604	15
Non-current liabilities		
Long-term borrowings	1,143,321	-
Other non-current liabilities	1,422,318	-
Total liabilities	$ 7,469,621	$ 332,519

c. The Company's gain (loss) resulted from the disposal of equity in subsidiary and from the remeasurement of the remaining shares at fair value.

	For the Year Ended December 31	
	2014	2013
Consideration received	$ 2,355,364	$ 150,782
The remaining investments at fair value	-	2,279,872
Effect of foreign currency exchange differences	93,496	-
Non-controlling interests	705,709	3,869,559
The carrying amount of the investment on the disposal date	(2,200,970)	(6,929,914)
Gain (loss) on disposal	$ 953,599	$ (629,701)

The gain (loss) on disposal of equity in subsidiary was recorded as gain (loss) on disposal of investment in 2014 and 2013.

d. The effect on cash flows of the disposal of subsidiary

	For the Year Ended December 31	
	2014	2013
Consideration received in cash and cash equivalents	$ 2,355,364	$ 150,782
Effect of foreign currency exchange differences on equity upon losing control	1,318	-
Less: The beginning balance of advance receipts	(394,204)	-
Less: The ending balance of investment receivables (recorded under other receivables)	(612,365)	-
Cash and cash equivalent balance of disposed subsidiary	(422,785)	(1,749,939)
Net increase (decrease) in cash and cash equivalents	$ 927,328	$ (1,599,157)

28. OPERATING LEASE ARRANGEMENTS

a. The Company as lessee

As of December 31, 2014, the Company's future minimum lease payments on non-cancellable operating lease commitments were as follows:

Years of 2015	$ 25,802
2016-2020	74,780
After 2021	76,557
	$ 177,139

b. The Company as lessor

Lease arrangements

Operating leases relate to the investment property owned by the Company with lease terms between 5 and 10 years, with an option to extend for additional 10 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have a bargain purchase option to acquire the property at the expiry of the lease period.

As of December 31, 2014 and 2013, deposits received under operating leases amounted to NT$155,983 thousand and NT$152,530 thousand, respectively (recorded under other non-current liabilities).

As of December 31, 2014, the Company's future minimum lease receivables on non-cancellable operating lease commitments were as follows:

Years of 2015	$ 667,755
2016-2020	1,601,280
	$ 2,269,035

29. CAPITAL MANAGEMENT

The Company's capital management objective is to ensure it has the necessary financial resources and operational plan so that it can cope with the next twelve months working capital requirements, capital expenditures, debt repayments and dividends spending.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Company review the capital structure on a quarterly basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the parent company and its subsidiaries had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties were disclosed below.

a. Sales

	For the Year Ended December 31	
	2014	**2013**
Associates	$ 4,332,129	$ 435,122

b. Rental income

	For the Year Ended December 31	
	2014	**2013**
Associates	$ 32,115	$ 17,166
Other related parties	14,512	1,719
	$ 46,627	$ 18,885

c. Purchases

	For the Year Ended December 31	
	2014	2013
Associates	$ 617,316	$ 63,392

d. Administrative expenses

	For the Year Ended December 31	
	2014	2013
Associates	$ 9,616	$ 11,231
Other related parties	8,650	14,383
	$ 18,266	$ 25,614

The stock registration matters of WLC and related parties were handled together. The related fees allocated to the related parties were charged against general and administrative expenses.

e. Notes receivable

	December 31	
	2014	2013
Associates	$ 29,965	$ 2,981
Other related parties	83	-
	$ 30,048	$ 2,981

f. Trade receivable

	December 31	
	2014	2013
Associates	$ 1,709,669	$ 430,489

g. Notes payable

	December 31	
	2014	2013
Associates	$ 11,564	$ -

h. Trade payables

	December 31	
	2014	2013
Associates	$ 277,888	$ 116,768

i. Other receivables

	December 31	
	2014	2013
Associates	$ 19,342	$ 2,152
Other related parties	1,761	2,858
	$ 21,103	$ 5,010

Trading transactions with related parties do not have significant difference with the general customers.

j. Financial assets acquired

For the year ended December 31, 2013

Related Parties Types	Account Items	Number of Shares	Underlying Assets	Price
Other related parties	Investment accounted for using equity method	1,080,129	Chin-Cherng	$ 19,501

k. Financial assets disposed

For the year ended December 31, 2013

Related Parties Types	Account Items	Number of Shares	Underlying Assets	Price	Gain (Loss) on Disposal
Other related parties	Investment accounted for using equity method	21,500,000	Chin-Xin	$ 278,662	Note
Associates	Investment accounted for using equity method	12,128,000	Chin-Xin	150,782	$ (39,273)

Note: The difference between the disposal price and the book value was NT$56,407 thousand. This transaction didn't result in loss of control so the loss was accounted for as equity transactions and debited retained earnings in 2013.

l. Property, plant and equipment disposed

	For the Year Ended December 31			
	2014		2013	
Related Parties Types	Price	Gain on Disposal	Price	Gain (Loss) on Disposal
Associates	$ 8,026	$ 2,071	$ 375,124	$ 69,259

m. Compensation of key management personnel

The remuneration of directors and other members of key management personnel were as follows:

	For the Year Ended December 31	
	2014	2013
Short-term benefits	$ 169,531	$ 153,525
Post-employment benefits	4,819	5,275
	$ 174,350	$ 158,880

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for bank borrowings and guarantees for tariff of imported raw materials:

	December 31	
	2014	2013
Time deposits (recorded under other financial assets - current)	$ 983,413	$ 797,957
Finance lease receivables - current	45,902	69,379
Finance lease receivables - non-current	1,030,791	2,653,354
Property, plant and equipment	-	2,136,438
Other non-current assets - refundable deposits	96,823	154,969
	$ 2,156,929	$ 5,812,097

32. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2014 and 2013 were as follows:

a. Outstanding letters of credit not reflected in the accompanying financial statements as of December 31, 2014 and 2013 were as follows (in thousands):

	December 31	
	2014	2013
U.S. dollars	US$ 27,993	US$ 55,569
Japanese yen	JPY 161,168	JPY 105,750
Euro	EUR 43,725	EUR 660
New Taiwan dollars	NT$ 126,270	NT$ 34,135

b. As of December 31, 2014 and 2013, outstanding standby letters of credit not reflected in the accompanying financial statements amounted to approximately NT$392,831 thousand and RMB36,250 thousand and NT$545,775 thousand and RMB34,160 thousand; tariff letters of credit amounted to approximately NT$325,000 thousand and RMB6,000 thousand and NT$663,000 thousand and RMB6,000.

c. Noncancelable copper and nickel procurement contracts with total contract value of US$49,571 thousand and US$35,012 thousand and RMB11,993 thousand were in effect as of December 31, 2014 and 2013.

d. As of December 31, 2014 and 2013, the banks provided guarantees for NT$1,849 thousand and NT$10,482 thousand for Walsin Info-Electric's construction contracts.

33. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

Except for financial assets carried at cost, the management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements as approximate of fair values.

2) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 2 based on the degree to which the fair value is observable:

a) Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities. They were as follows:

	December 31	
	2014	2013
Financial assets at FVTPL	$ -	$ 8,723
Available-for-sale financial assets	3,038,429	3,212,430
	$ 3,038,429	$ 3,221,153
Financial liabilities at FVTPL	$ 18,000	$ -

b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. They were as follows:

	December 31	
	2014	2013
Financial assets at FVTPL	$ 2,258,875	$ 46,707
Financial liabilities at FVTPL	$ 1,462	$ -
Derivative financial liabilities for hedging	$ 1,425	$ -

3) Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices. If such prices were not available, valuation techniques were applied.

b) The fair values of derivative instruments were calculated using quoted prices. The estimates and assumptions used by the Company were consistent with those that market participants would use in setting a price for the financial instrument.

b. Categories of financial instruments

	December 31	
	2014	2013
Financial assets		
Loans and receivables		
Cash and cash equivalents	$ 6,417,086	$ 7,556,082
Notes receivable and trade receivables (included related parties)	16,085,789	17,377,800
Finance lease receivables current and non-current	1,076,693	2,722,733
Other receivables	1,461,218	796,544
Other financial assets	983,413	797,957
Refundable deposits	211,252	325,085
Restricted assets - noncurrent (recorded under other non-current assets)	36,223	93,636
Debt investment with no active market - current	884,588	-
Financial assets at FVTPL (current and non-current)	2,258,875	55,430
Available-for-sale financial assets (current and non-current)	3,038,429	3,212,430
Financial assets measured at cost - non-current	2,016,614	1,396,821
Financial liabilities		
Financial liabilities at FVTPL (current and non-current)	19,462	-
Derivative financial liabilities for hedging (current and non-current)	1,425	-
Amortized cost		
Short-term borrowings	6,235,740	9,614,797
Notes payable and trade payables	7,546,182	6,813,230
Other payables	2,313,717	2,798,682
Long-term debts (included current portion)	22,507,778	21,171,865
Long-term accounts payables	-	70,474
Deposits received (recorded as other non-current liabilities)	265,318	389,462

c. Financial risk management objectives and policies

The Company's major financial instruments included equity investments, trade receivable, trade payables. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provides written principles on foreign exchange risk, interest rate risk, credit risk, use of financial derivatives and non-derivative financial instruments, and investment of excess liquidity. Compliance with policies and exposure limits if reviewed by the internal auditors on a continuous basis. The

Company did not enter into or trade financial instruments for speculative purposes.

1) Market risk

The Company is exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company uses forward foreign exchange contracts and interest rate swaps contracts to hedge foreign currency risk and interest rate risk.

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

It is the Company's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximize hedge effectiveness.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were as follows.

	December 31	
	2014	**2013**
Assets		
U.S. dollar	$ 5,879,702	$ 4,732,540
Japanese yen	38,862	26,938
Euro	155,467	163,804
Ringgit Malaysia	25,226	110,842
Hong Kong dollar	14,514	16,615
Liabilities		
U.S. dollar	14,544,398	14,341,524
Euro	35,840	-
Ringgit Malaysia	10,851	5,433
Japanese yen	-	222,875

The carrying amounts of the Company's derivatives exposed to foreign currency risk at the end of the reporting period were as follows.

	December 31	
	2014	**2013**
Assets		
U.S. dollar	$ 9,969,750	$ 3,546,795
Euro	1,455,412	23,914
Liabilities		
U.S. dollar	316,500	-
Euro	37,847	-

Sensitivity analysis

The Company was mainly exposed to the U.S. dollar.

The following table details the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2014	2013
Profit or loss	$ 9,886	$ (60,622)

b) Interest rate risk

The Company's interest rate risk arises primarily from fixed and floating rate deposits and borrowings.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2014	2013
Cash flow interest rate risk		
Financial assets	$ 884,588	$ -
Financial liabilities	28,743,518	30,786,662

Sensitivity analysis

The sensitivity analyses below shows the possible effect on profit and loss assuming a change in the interest rates at the end of the reporting period.

If interest rates at the end of the reporting period were higher by 1% and all other variables were held constant, the Company's pre-tax income in 2014 could have been decreased by NT$278,589 thousand and the pre-tax loss for the year ended December 31, 2013 would have been higher by NT$307,867 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge their obligation and financial guarantees would equal to the following:

a) The carrying amount of the respective recognized financial assets as stated in the condensed balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantee issued by the Company.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst the approved counterparties. Credit exposure is controlled by setting credit limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Company reviews the recoverable amount of each individual trade receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk was significantly reduced.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

a) The Company's non-derivative financial liabilities with their agreed repayment period were as follows:

	December 31, 2014				
	1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Variable interest rate liabilities	$ 7,319,161	$ 20,737,743	$ 686,614	$ -	$ 28,743,518
Non-interest bearing	9,859,899	-	-	-	9,859,899
	$ 17,179,060	$ 20,737,743	$ 686,614	$ -	$ 38,603,417

	December 31, 2013				
	1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Variable interest rate liabilities	$ 18,683,080	$ 221,471	$ 11,141,230	$ 740,881	$ 30,786,662
Non-interest bearing	10,186,545	-	-	70,474	10,257,019
	$ 28,869,625	$ 221,471	$ 11,141,230	$ 811,355	$ 41,043,681

b) The Company's derivative financial instruments with agreed settlement date were as follows:

	December 31, 2014				
	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Net settled					
Commodity futures contracts	$ 763	$ 18,870	$ (37,633)	$ -	$ (18,000)
Forward exchange contracts	96	30,541	64,670	(683)	94,624
Exchange rate swaps contracts	-	(1,462)	-	-	(1,462)
	$ 859	$ 47,949	$ 27,037	$ (683)	$ 75,162

	December 31, 2013				
	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Net settled					
Commodity futures contracts	$ (8)	$ 2,057	$ 6,674	$ -	$ 8,723
Forward exchange contracts	(268)	45,051	1,924	-	46,707
	$ (276)	$ 47,108	$ 8,598	$ -	$ 55,430

34. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

December 31, 2014

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
U.S. dollars	$ 185,773	31.650	$ 5,879,702
Japanese Yen	146,871	0.2646	38,862
Euros	4,041	38.470	155,467
Singapore dollars	305	23.940	7,290
Australian dollars	86	25.905	2,216
Hong Kong dollars	3,557	4.080	14,514
Ringgit Malaysia	2,902	8.692	25,226
Non-monetary items			
U.S. dollars	3,336	31.650	105,575
Financial liabilities			
Monetary items			
U.S. dollars	459,539	31.650	14,544,398
Euros	932	38.470	35,840
Ringgit Malaysia	1,248	8.692	10,851
Swiss francs	17	31.965	543
Swedish Krona	32	4.090	130
Non-monetary items			
U.S. dollars	46	31.650	1,462
Euros	37	38.470	1,425

December 31, 2013

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
U.S. dollars	$ 158,783	29.805	$ 4,732,540
Japanese Yen	94,887	0.2839	26,938
Euros	3,986	41.090	163,804
Hong Kong dollars	4,323	3.843	16,615
Ringgit Malaysia	12,276	9.02928	110,842
Non-monetary items			
U.S. dollars	1,726	29.805	51,436
Financial liabilities			
Monetary items			
U.S. dollars	481,178	29.805	14,341,524
Japanese Yen	785,049	0.2839	222,875
Ringgit Malaysia	602	9.02928	5,433
Swiss francs	17	32.615	554

35. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

a. Lending funds to others: Please see Table 1 attached;

b. Providing endorsements or guarantees for others: Please see Table 2 attached;

c. Holding of securities at the end of the period: Please see Table 3 attached;

d. Aggregate purchases or sales of the same securities reaching NT$300 million or 20 percent of paid-in capital or more: Please see Table 4 attached;

e. Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more: None;

f. Disposal of real estate reaching NT$300 million or 20 percent of paid-in capital or more: None;

g. Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more: Please see Table 5 attached;

h. Trade receivables from related parties reaching NT$100 million or 20 percent of paid-in capital or more: Please see Table 6 attached;

i. Trading in derivative instruments: Please see Notes 7 and 20;

j. Information on investees: Please see Table 7 attached;

k. Others: Information on intercompany relationships and significant intercompany transactions: Please see Table 9 attached;

Information on investments in mainland China:

a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Please see Table 8 attached;

b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: None.

1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

3) The amount of property transactions and the amount of the resultant gains or losses.

4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

36. OPERATION SEGMENT FINANCIAL INFORMATION

a. Basic information

1) Classification

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

a) Wires and cables

The segment’s main products include copper rods, wires, connector and components which are sold to industries involving cables and wires, communications cable, heavy electronics, home electrical appliances and construction.

b) Specialty steel

The segment’s main products included smelting, rolled stainless steel, carbon steel and precision alloy wire which are sold to industries involving construction components, crankshaft, machine tools, plumbing, heat exchanger, drain, petrochemical and construction.

c) MEMS

MEMS (micro electro mechanical system) is responsible for the development of LED epitaxial wafer and core plate, LED module and solid-state lighting, etc. The products are applicable to LED backlight, display board lighting, general lighting, auto lighting, LED lamp and bulb, LED spotlights and factories and mines lamps.

d) Real estate

Real estate is responsible for the development of commercial and real estate complex and real estate management. Furthermore, the modes of operation are construction of residences, offices, markets and hotels, and offer renting, operating management and after-sales services.

e) Administration and investing

The segment of administration and investing refers to other investment in Mainland China.

2) Estimates of operating segment income and expenses, assets and liabilities

Accounting policies of operating segments are the same with those summarized in Note 4 to the consolidated financial statements. Operating segment income and expenses are measured based on estimated future potential profit and pre-tax operating profit adjusted by hedge accounting. Sales and transfers between segments are treated as transactions with third parties and evaluated at fair value.

The Company does not allocate income tax expense (benefit), investment income (loss) recognized under equity method, foreign exchange gain (loss), net investment income (loss), gain (loss) on disposal of investments, gain (loss) on valuation of financial assets and liabilities and extraordinary items to reportable segments. The amounts reported are consistent with the report used by operating decision-makers.

3) Identification of operating segment

The reported operating segments are classified according to the different products and services that are managed separately because they use different technology and selling strategies.

b. Financial information

1) Segment revenues and results:

(NT$ in Thousand)

	For the Year Ended December 31, 2014					
	Wires and Cables	**Specialty Steel**	**MEMS**	**Real Estate**	**Administration and Investing**	**Total**
External net sales and operating revenues	$ 106,477,551	$ 43,837,714	$ 170,723	$ 5,984,825	$ 6,516,571	$ 162,987,384
Operating profit (loss)	842,888	966,716	(478,720)	2,376,468	387,215	4,094,567
Net nonoperating income and expenses						
Net interest income and expenses						(291,336)
Share of profit (loss) of associates for using equity method						614,009
Dividend income						37,935
Loss on disposal of property, plant and equipment						(16,681)
Loss on disposal of investments						(26,186)

(Continued)

	For the Year Ended December 31, 2014					
	Wires and Cables	Specialty Steel	MEMS	Real Estate	Administration and Investing	Total
Foreign exchange gain, net						$ 73,679
Gain on financial assets and liabilities at fair value through profit or loss						23,040
Impairment loss						(909,563)
Net other income and expenses						61,860
Consolidated loss before income tax						$ 3,661,324

(Concluded)

	For the Year Ended December 31, 2013					
	Wires and Cables	Specialty Steel	MEMS	Real Estate	Administration and Investing	Total
External net sales and operating revenues	$ 102,859,650	$ 39,808,249	$ 332,700	$ 972,999	$ 4,661,359	$ 148,634,957
Operating profit (loss)	550,707	860,808	(844,036)	(24,206)	71,862	615,135
Net nonoperating income and expenses						
Net interest income and expenses						(206,267)
Share of profit (loss) of associates for using equity method						(251,001)
Dividend income						32,835
Gain on disposal of property, plant and equipment						507,196
Loss on disposal of investments						(1,300,280)
Foreign exchange gain, net						598,678
Gain on financial assets and liabilities at fair value through profit or loss						65,411
Impairment loss						(2,538,030)
Net other income and expenses						160,186
Consolidated loss before income tax						$ (2,316,137)

2) Segment assets and liabilities

	Wires and Cables	Specialty Steel	MEMS	Real Estate	Administration and Investing	Total
Segment assets						
December 31, 2014	$ 20,059,155	$ 25,802,344	$ 1,161,403	$ 21,099,847	$ 40,634,697	$ 108,757,446
December 31, 2013	24,688,323	26,243,143	3,038,586	21,468,159	37,970,130	$ 113,408,341
Segment liabilities						
December 31, 2014	8,641,229	12,187,502	1,078,017	11,445,159	9,990,578	$ 43,342,485
December 31, 2013	11,569,557	12,288,015	1,713,212	14,111,160	11,529,120	$ 51,211,064

3) Geographical information

The Company's revenue from external customers and noncurrent assets, excluding those classified as held for sale, financial instruments, deferred tax assets, and post-employment benefit, categorized by geographical location are as follows:

	Revenue from External Customers		Non-current Assets December 31	
	2014	2013	2014	2013
Asia	$ 146,997,504	$ 142,987,240	$ 29,752,397	$ 30,912,414
United States of America	6,251,251	3,823,222	147	2,212,635
Europe	8,778,113	942,032	-	-
Others	960,516	882,463	-	-
	$ 162,987,384	$ 148,634,957	$ 29,752,544	$ 33,125,049

Note: Revenue from external customers classified by geographical location.

4) Major customer

No individual customer accounted for at least 10% of consolidated revenue in 2014 and 2013.

TABLE 1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars and U.S. Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company (Note 1)	Financing Company's Financing Amount Limits (Note 1)
													Item	Value		
1	Walsin Lihwa Holdings Limited	Jiangyin Walsin Steel Cable Co., Ltd.	Other receivable	Yes	$ 316,500 (US$ 10,000)	$ 316,500 (US$ 10,000)	$ 316,500 (US$ 10,000)	2.14%	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 998,463 (US$ 31,547)	$ 31,749,658 (US$ 1,003,149)
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	〃	〃	284,850 (US$ 9,000)	284,850 (US$ 9,000)	284,850 (US$ 9,000)	2.14%	〃	-	〃	-	〃	-	1,054,831 (US$ 33,328)	
		XiAn Walsin United Technology Co., Ltd.	〃	〃	854,550 (US$ 27,000)	854,550 (US$ 27,000)	854,550 (US$ 27,000)	1.64%-2.08%	〃	-	〃	-	〃	-	31,749,658 (US$ 1,003,149)	
		GLC-(MA) BCH, LLC.	〃	〃	11,183 (US$ 353)	- (US$ -)	- (US$ -)	2.16%	〃	-	〃	-	〃	-	31,749,658 (US$ 1,003,149)	
		GLC-(MA) SHS, LLC.	〃	〃	4,268 (US$ 135)	- (US$ -)	- (US$ -)	2.08%	〃	-	〃	-	〃	-	31,749,658 (US$ 1,003,149)	
		GLC-(MA) BBN, LLC.	〃	〃	11,657 (US$ 368)	- (US$ -)	- (US$ -)	2.08%	〃	-	〃	-	〃	-	31,749,658 (US$ 1,003,149)	

Notes:

1. For Walsin Lihwa Holdings Limited according to the Article of Financing Provided of Walsin Lihwa Corporation, the total limited amount of the financing provided cannot exceed 50% of the net value of the consolidated financial statements of Walsin Lihwa Corporation. The limited amount of financing provided to the single enterprise that holds directly or indirectly 100% voting right of overseas invested company cannot exceed 50% of the net value of the consolidated financial statements of Walsin Lihwa Corporation. The limited amount of financing provided to the single enterprise that holds more than 2/3 ratio but less than 100% of subsidiaries cannot exceed the net value multiplied by the investment ratio of the financing company. The limited amount of financing provided to the single enterprise that holds less than 2/3 ratio of subsidiaries cannot exceed the 50% of the net value multiplied by the investment ratio of the financing company. In addition, the lending that the chairman of the board of directors can make in a year to a single borrower cannot exceed 10% of the net value of the latest consolidated financial statement of Walsin Lihwa Corporation.

    a. The limited amount of financing provided to the single enterprise was as follows:

       Jiangyin Walsin Steel Cable Co., Ltd. = US$42,062 × 100% × 75% = US$31,547
       Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. = US$34,822 × 100% × 95.71% = US$33,328
       XiAn Walsin United Technology Co., Ltd. = NT$63,499,315/31.65 × 50% = US$1,003,149
       GLC-(MA) BCH, LLC. = NT$63,499,315/31.65 × 50% = US$1,003,149
       GLC-(MA) SHS, LLC. = NT$63,499,315/31.65 × 50% = US$1,003,149
       GLC-(MA) BBN, LLC. NT$63,499,315/31.65 × 50% = US$1,003,149

    b. The limit of amount of financing provided was as follows:

       The limit of amount of financing provided = NT$63,499,315 × 50% = NT$31,749,658 (US$1,003,149).

2. Amounts are stated in thousands of N.T. dollars, except those stated in thousands of U.S. dollars.

3. The currency exchange rate as of December 31, 2014 was as follows: US$ to NT$= 1:31.65.

TABLE 1-1

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars and U.S. Dollars and Ringgit Malaysia)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company (Note 1)	Financing Company's Financing Amount Limits (Note 1)
													Item	Value		
2	Concord Industries Limited	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Other receivable	Yes	$ 1,740,750 (US$ 55,000)	$ 1,740,750 (US$ 55,000)	$ 1,740,750 (US$ 55,000)	1.62%-2.53%	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 31,749,658 (US$ 1,003,149)	$ 31,749,658 (US$ 1,003,149)
		Yantai Walsin Stainless Steel Co., Ltd.	〃	〃	2,373,750 (US$ 75,000)	2,373,750 (US$ 75,000)	- (US$ -)	-	〃	-	〃	-	〃	-	31,749,658 (US$ 1,003,149)	
		Walsin Lihwa Holdings Limited	〃	〃	2,532,000 (US$ 80,000)	2,532,000 (US$ 80,000)	344,985 (US$ 10,900)	0.15%-0.17%	〃	-	〃	-	〃	-	6,349,932 (US$ 200,630)	
3	Walsin Specialty Steel Corp.	Changshu Walsin Specialty Steel Co., Ltd.	〃	〃	2,120,550 (US$ 67,000)	1,519,200 (US$ 48,000)	1,519,200 (US$ 48,000)	1.94%-2.06%	〃	-	〃	-	〃	-	31,749,658 (US$ 1,003,149)	
		Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	〃	〃	791,250 (US$ 25,000)	791,250 (US$ 25,000)	791,250 (US$ 25,000)	-	〃	-	〃	-	〃	-	31,749,658 (US$ 1,003,149)	
		Walsin Lihwa Holdings Limited	〃	〃	1,930,650 (US$ 61,000)	1,930,650 (US$ 61,000)	743,775 (US$ 23,500)	0.15%-0.19%	〃	-	〃	-	〃	-	6,349,932 (US$ 200,630)	

Notes:

1. According to the Article of Financing Provided of Concord Industries Limited and Walsin Specialty Steel Corp., the total limited amount of the financing provided cannot exceed 50% of the net value of the consolidated financial statements of Walsin Lihwa Corporation. The limited amount of financing provided to the single enterprise that hold directly or indirectly 100% voting right of overseas invested company cannot exceed 50% of the net value of the consolidated financial statements of Walsin Lihwa Corporation. The limited amount of financing provided to the single enterprise that holds more than 2/3 ratio but less than 100% of subsidiaries cannot exceed the net value multiplied by the investment ratio of the financing company. The limited amount of financing provided to the single enterprise that holds less than 2/3 ratio of subsidiaries cannot exceed the 50% of the net value multiplied by the investment ratio of the financing company. In addition, the lending that the chairman of the board of directors can make in a year to a single borrower cannot exceed 10% of the net value of the latest consolidated financial statement of Walsin Lihwa Corporation.

   a. The limited amount of financing provided to the single enterprise was as follows:

      Jiangyin Walsin Specialty Alloy Materials Co., Ltd. = NT$63,499,315/31.65 × 50% = US$1,003,149
      Yantai Walsin Stainless Steel Co., Ltd. = NT$63,499,315/31.65 × 50% = US$1,003,149
      Changshu Walsin Specialty Steel Co., Ltd. = NT$63,499,315/31.65 × 50% = US$1,003,149
      Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd. = NT$63,499,315/31.65 × 50% = US$1,003,149
      Walsin Lihwa Holdings Limited NT$63,499,315/31.65 × 10% = US$200,630

   b. The limited amount of financing provided was as follows:

      The limit of amount of financing provided = NT$63,499,315 × 50% = NT$31,749,658 (US$1,003,149).

2. Amounts are stated in thousands of N.T. dollars, except those stated in thousands of U.S. dollars.

3. The currency exchange rate as of December 31, 2014 was as follows: US$ to NT$= 1:31.65.

TABLE 1-2

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars and U.S. Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company (Note 1)	Financing Company's Financing Amount Limits (Note 1)
													Item	Value		
4	Joint Success Enterprises Limited	Walsin (Nanjing) Construction Limited	Other receivable	Yes	$ 838,092 (US$ 26,480)	$ 838,092 (US$ 26,480)	$ 838,092 (US$ 26,480)	2.14%	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 11,301,930 (US$ 357,091)	$ 13,520,247 (US$ 427,180)
		Walsin Lihwa Holdings Limited	〃	〃	63,300 (US$ 2,000)	63,300 (US$ 2,000)	63,300 (US$ 2,000)	0.15%-0.17%	〃	-	〃	-	〃	-	6,349,932 (US$ 200,630)	

Notes:

1. According to the Article of Endorsement/Guarantee and Financing Provided of Joint Success Enterprises Limited, the total limited amount of the endorsement/guarantee and financing provided cannot exceed 250% of the net value of the most recent consolidated financial statement of Joint Success Enterprises Limited. The limited amount of financing provided to the single enterprise that holds less than 100% of subsidiaries cannot exceed 250% of the net value of the consolidated financial statements multiplied by the investment ratio of Walsin Lihwa Corporation. In addition, the lending that the chairman of the board of directors can make in a year to a single borrower cannot exceed 10% of the net value of the latest consolidated financial statement of Walsin Lihwa Corporation.

   a. The limited amount of financing provided to the single enterprise was as follows:

      Walsin (Nanjing) Construction Limited = US$143,439 × 250% × 99.58% = US$357,091
      Walsin Lihwa Holdings Limited = NT$63,499,315/31.65 × 10% = US$200,630

   b. The limited amount of financing provided was as follows:

      The limited amount of financing provided = US$170,872 × 250% × 100% = US$427,180

2. Amounts are stated in thousands of N.T. dollars, except those stated in thousands of U.S. dollars.

3. The currency exchange rate as of December 31, 2014 was as follows: US$ to NT$= 1:31.65.

MARKET PILOT LIMITED

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars and U.S. Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company (Note 1)	Financing Company's Financing Amount Limits (Note 1)
													Item	Value		
5	Market Pilot Limited	Walsin Lihwa Holdings Limited	Other receivable	Yes	$ 31,650 (US$ 1,000)	$ 31,650 (US$ 1,000)	$ 31,650 (US$ 1,000)	0.15%-0.17%	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 6,349,932 (US$ 200,630)	$ 31,749,658 (US$ 1,003,149)

Notes:

1. According to the Financing Provided of Market Pilot Limited, the total limited amount of financing provided cannot exceed 50% of the net value of Walsin Lihwa Corporation's consolidated financial statements. The limited amount of financing provided to the single enterprise that holds directly or indirectly 100% voting right of overseas invested company cannot exceed 50% of the net value of the consolidated financial statements of Walsin Lihwa Corporation. The limited amount of financing provided to the single enterprise that holds more than 2/3 ratio but less than 100% of subsidiaries cannot exceed the net value multiplied by the investment ratio of the financing company. The limited amount of financing provided to the single enterprise that holds less than 2/3 ratio of subsidiaries cannot exceed 50% of net value multiplied by the investment ratio of the financing company. In addition, the lending that the chairman of the board of directors can make in a year to a single borrower cannot exceed 10% of the net value of the latest consolidated financial statement of Walsin Lihwa Corporation.

   a. The limited amount of financing provided to the single enterprise was as follows:

      Walsin Lihwa Holdings Limited = NT$63,499,315/31.65 × 10% = US$200,630

   b. The limited amount of financing provided was as follows:

      The limited amount of financing provided = NT$63,499,315 × 50% = NT$31,749,658 (US$1,003,149)

2. Amounts are stated in thousands of N.T. dollars, except those stated in thousands of U.S. dollars.

3. The currency exchange rate as of December 31, 2014 was as follows: US$ to NT$= 1:31.65.

TABLE 2

WALSIN LIHWA CORPORATION

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars and U.S. Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Each Guaranteed Party's Endorsement/ Guarantee Amounts (Note 3)	Highest Balance for the Period	Ending Balance (Note 4)	Actual Borrowing Amount	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statement (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 3)	Guaranteed Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
0	Walsin Lihwa Corporation	Walsin Lihwa Holdings	b	NT$ 63,499,315	NT$ 14,622,300 (US$ 462,000)	NT$ 13,356,300 (US$ 422,000)	NT$ 11,394,000 (US$ 360,000)	$ -	21	NT$ 63,499,315	Yes	No	No
		Borrego Solar Systems, Inc.	c	NT$ 1,610,669 (US$ 50,890)	NT$ 759,600 (US$ 24,000)	NT$ 759,600 (US$ 24,000)	NT$ - (US$ -)	-	1		Yes	No	No
		GLC-(CA) SDCCD, LLC.	c	NT$ 459,526 (US$ 14,519)	NT$ 189,900 (US$ 6,000)	NT$ 189,900 (US$ 6,000)	NT$ - (US$ -)	-	-		Yes	No	No
		GLC Solar Fund II, LLC.	c	NT$ 490,986 (US$ 15,513)	NT$ 325,995 (US$ 10,300)	NT$ 325,995 (US$ 10,300)	NT$ - (US$ -)	-	1		Yes	No	No
		GLC Solar Fund V, LLC.	c	NT$ 834,832 (US$ 26,377)	NT$ 462,976 (US$ 14,628)	NT$ 462,976 (US$ 14,628)	NT$ - (US$ -)	-	1		Yes	No	No
		GLC Solar Fund VI, LLC.	c	NT$ 1,267,583 (US$ 40,050)	NT$ 620,340 (US$ 19,600)	NT$ 620,340 (US$ 19,600)	NT$ - (US$ -)	-	1		Yes	No	No
		Green Lake Exchange, LLC.	c	NT$ 431,136 (US$ 13,622)	NT$ 123,435 (US$ 3,900)	NT$ 123,435 (US$ 3,900)	NT$ - (US$ -)	-	-		Yes	No	No
					NT$ 17,104,546	NT$ 15,838,546	NT$ 11,394,000		25				

Notes:

1. The information on Walsin Lihwa Corporation and the subsidiaries is listed and labeled on the "No." column.

   a. "0" represents Walsin Lihwa Corporation.
   b. Subsidiaries are numbered starting at 1.

2. The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into six types.

   a. The entity is with business transactions.
   b. The subsidiary in which over 50% of common stock was held by the parent company directly.
   c. The invested company in which over 50% of common stock was held directly/indirectly by Walsin Lihwa Corporation and the subsidiaries.
   d. The parent company which held directly or indirectly through subsidiaries over 50% of common stock of Walsin Lihwa Corporation.
   e. The mutually endorsed companies due to the requirement of the project work.
   f. The Company which was endorsed due to the co-investment agreement. The endorsement percentage of each investor is based on the investment percentage.

3. According to the Article of endorsement/guarantee and financing provided of Walsin Lihwa Corporation, the total limited amount of endorsement/guarantee cannot exceed 100% of the net value of Walsin Lihwa Corporation's current financial statement (including the consolidated financial statement). The limited amount of the endorsement/guarantee and financing provided to the single enterprise cannot exceed the net value of the guaranteed company. The limited amount of the guarantee to the invested company in which over 66.67% of the common stock was held cannot exceed the amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider; however, the limits mentioned above are not applicable to Walsin Lihwa Corporation's wholly owned holding companies incorporated in duty-free area overseas.

   a. The limited amount of endorsement/guarantee provided was as follows:

      63,499,315 × 100% = NT$63,499,315

   b. The limited amount of endorsement/guarantee provided to the single entity was as follows:

      Borrego Solar Systems, Inc.: US$26,269 × 250% × 77.49% = US$50,890
      GLC-(CA) SDCCD, LLC.: US$5,926 × 250% × 98% = US$14,519
      GLC Solar Fund II, LLC.: US$6,332 × 250% × 98% = US$15,513
      GLC Solar Fund V, LLC.: US$10,766 × 250% × 98% = US$26,377
      GLC Solar Fund VI, LLC.: US$16,347 × 250% × 98% = US$40,050
      Green Lake Exchange, LLC.: US$5,560 × 250% × 98% = US$13,622

4. The currency exchange rate as of December 31, 2014 was as follows: US$ to NT$= 1:31.65.

TABLE 3

WALSIN LIHWA CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the holding Company	Financial Statement Account	December 31, 2014				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
Walsin Lihwa Corporation	Stock							
	HannStar Display	Chairman of the board of directors is an immediate relative of the chairman of the board of directors of Walsin Lihwa Corporation	Available-for-sale financial assets - noncurrent	273,292,180	$ 1,876,981	7.19	$ 1,876,981	
	HannStar Board	-	〃	71,514,639	965,448	15.62	965,448	
	Taiwan High Speed Rail	The holding company is a director of the issuer company	〃	50,000,000	196,000	0.47	196,000	
	Powertec Energy Corp.	The holding company is a director of the issuer company	Financial assets measured at cost - non-current	302,483,333	905,706	17.80	-	
	Kuong Tai Metal Industrial Co., Ltd.	〃	〃	9,631,802	114,355	9.39	-	
	One-Seven Trading Co., Ltd.	-	〃	30,000	300	6.67	-	
	Global Investment Holdings	The holding company is a director of the issuer company	〃	5,562,000	50,000	2.93	-	
	WK Technology Fund	-	〃	2,972,480	33,158	1.91	-	
	Universal Venture Capital Investment	〃	〃	1,400,000	14,000	1.16	-	
	Parawin Venture Capital Corp.	〃	〃	627,284	1,916	0.87	-	

TABLE 3-1

CONCORD INDUSTRIES CONSTRUCTION CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2014
(In Thousands of Renminbi)

Holding Company Name	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the holding Company	Financial Statement Account	December 31, 2014				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
XiAn Walsin United Technology Co., Ltd.	Certification of capital verification							
	Shaanxi Optoelectronics Technology Co., Ltd.	Investee accounted for by the cost method	Financial assets measured at cost - non-current	N/A	$ 134,000	19.00	$ -	
	Glory Sky Limited	〃	〃	N/A	20,000	10.00	-	

TABLE 3-2

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the holding Company	Financial Statement Account	December 31, 2014				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
Chin-Cherng Construction Co.	Stock							
	Chinshan Hotspring Development Co., Ltd.	Investee accounted for by the cost method	Financial assets measured at cost - non-current	8	$ -	8.00	$ -	
	Gsharp Corporation	〃	〃	270,000	-	2.73	-	
	Parawin Venture Capital Corp.	〃	〃	7,694	45	0.01	-	

TABLE 3-3

WALSIN INFO-ELECTRIC CORP. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the holding Company	Financial Statement Account	December 31, 2014				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
Walsin Info-Electric Corp.	Stock							
	W T International Inc.	Investee accounted for by the cost method	Financial assets measured at cost - non-current	228,000	$ 2,280	9.50	$ -	

TABLE 3-4

MARKET PILOT LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2014
(In Thousands of Renminbi)

Holding Company Name	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the holding Company	Financial Statement Account	December 31, 2014				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
XiAn Walsin United Technology Co., Ltd.	Certification of capital verification Shaanxi Optoelectronics Technology Co., Ltd.	Investee accounted for by the cost method	Financial assets measured at cost - non-current	N/A	$ 19,000	19.00	$ -	

TABLE 4

WALSIN LIHWA CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount
Walsin Lihwa Corporation	Stock													
	Walsin Lihwa Holdings Limited	Investments accounted for using equity method	Capital reduction	Subsidiary	148,664,834	$ 10,195,575	-	$ 2,143,129 (Note)	47,516,986	$ 1,421,905	$ 1,421,905	$ -	101,147,848	$ 10,916,799
	Concord Industries Limited	〃	Capital investment	〃	509,123,630	13,553,839	70,350,000	989,048 (Note)	144,924,028	3,167,544	3,167,544	-	434,549,602	11,375,343
	Powertec Energy Corp.	Financial assets carried at cost - nun-current	〃	-	69,150,000	205,706	233,333,333	700,000	-	-	-	-	302,483,333	905,706

Note: The amount included investment income or loss and adjustments on cumulative translation adjustments.

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of Renminbi)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount
Lead Hero Limited	Certification of capital verification													
	Xi Anly Jing Technology Co., Ltd.	Investments accounted for using equity method	Concord Industries Limited	Both subsidiaries of Walsin Lihwa Corporation	N/A	$ 159,132	-	$ (203) (Note 1)	N/A	$ 278,179	$ 158,929	$ 119,250 (Note 2)	N/A	$ -

Note 1: The amount included investment income or loss.

Note 2: The sale is for adjusting investment structure so the disposal gain of $119,250 thousand was accounted for as equity transactions and recorded as capital surplus.

TABLE 4-2

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of Renminbi)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount
Changzhou Wujin NSL. Co., Ltd.	Certification of capital verification Yantai Walsin Stainless Steel Co., Ltd.	Investments accounted for using equity method	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both subsidiaries of Concord Industries Limited	N/A	$ (100,859)	N/A	$ 52,456 (Note 1)	N/A	$ 168,086	$ (48,403)	$ 216,489 (Note 2)	N/A	$ -
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	〃	Changzhou Wujin NSL. Co., Ltd.	〃	N/A	-	N/A	75,070 (Note 1)	-	-	-	-	N/A	75,070
Concord Industries Limited	Changzhou Wujin NSL. Co., Ltd.	〃	Capital reduction	Subsidiary	N/A	437,702	N/A	-	N/A	437,702	437,702	-	N/A	-
	Xi Anly Jing Technology Co., Ltd.	〃	Lead Hero Limited	Both subsidiaries of Walsin Lihwa Corporation	N/A	-	N/A	158,471 (Note 1)	-	-	-	-	N/A	158,471
	Walsin Specialty Steel Corp.	〃	Capital investment	Subsidiary	N/A	909,903	N/A	86,033 (Note 1)	-	-	-	-	N/A	995,936

Note 1: The amount included investment income or loss and adjustments on investment premium or discount.

Note 2: The sale is for adjusting investment structure so the disposal gain of $216,489 thousand was accounted for as equity transactions and recorded as capital surplus.

TABLE 4-3

ENERGY PILOT LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of U.S. Dollars)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount
Green Lake Capital, LLC.	GLC Development, LLC.	Investments accounted for using equity method	Ahana Operations, LLC.	-	N/A	$ 18,759	N/A	$ -	N/A	(Note)	(Note)	(Note)	N/A	$ -
	SDCCD Management, LLC.	〃	〃	-	N/A	2,586	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(MA) Management, LLC.	〃	〃	-	N/A	1,198	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC Solar Management II, LLC.	〃	〃	-	N/A	5,722	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(NJ) Management, LLC.	〃	〃	-	N/A	278	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC Solar Management V, LLC.	〃	〃	-	N/A	8,807	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC Solar Management VI, LLC.	〃	〃	-	N/A	11,234	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC Solar Management VII, LLC.	〃	〃	-	N/A	19,160	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
SDCCD Management, LLC.	GLC-(CA) SDCCD, LLC.	〃	〃	-	N/A	2,453	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
GLC-(MA) Management, LLC.	GLC-(MA) BCH, LLC.	〃	〃	-	N/A	273	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(MA) SHS, LLC.	〃	〃	-	N/A	175	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(MA) BBN, LLC.	〃	〃	-	N/A	613	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
GLC Solar Management Ⅱ, LLC.	GLC Solar Fund Ⅱ, LLC.	〃	〃	-	N/A	5,555	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
GLC-(NJ) Management, LLC.	GLC-(NJ) NACR 1, LLC.	〃	〃	-	N/A	292	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
GLC Solar Management V, LLC.	GLC Solar Fund V, LLC.	〃	〃	-	N/A	8,657	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
GLC Solar Management VI, LLC.	GLC Solar Fund VI, LLC.	〃	〃	-	N/A	10,857	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
GLC Solar Fund Ⅱ, LLC.	GLC-(CA) Vista, LLC.	〃	〃	-	N/A	834	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(CA) Helix, LLC.	〃	〃	-	N/A	972	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount
	GLC-(CA) Madera, LLC.	〃	〃	-	N/A	$ 1,720	N/A	$ -	N/A	(Note)	(Note)	(Note)	N/A	$ -
	GLC-(CA) Z7 Water, LLC.	〃	〃	-	N/A	1,193	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(CA) Sierra, LLC.	〃	〃	-	N/A	1,991	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(CA) Aqua SD, LLC.	〃	〃	-	N/A	5,804	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
GLC Solar Fund V, LLC.	GLC-(MA) Edwards, LLC.	Investments accounted for using equity method	Ahana Operations, LLC.	-	N/A	10,227	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(NJ) NACR 2, LLC.	〃	〃	-	N/A	1,214	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(MA) Easthampton, LLC.	〃	〃	-	N/A	2,853	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(MA) Mashpee, LLC.	〃	〃	-	N/A	1,099	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(CA) SCC, LLC.	〃	〃	-	N/A	1,171	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
GLC Solar Fund VI, LLC	GLC-(CA) CSD 1, LLC.	〃	〃	-	N/A	4,821	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(CA) CSD 2 LLC.	〃	〃	-	N/A	8,089	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(MA) Acushnet, LLC.	〃	〃	-	N/A	12,723	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
	GLC-(CA) Morgan Hill, LLC.	〃	〃	-	N/A	1,482	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-
GLC Solar Management VII, LLC.	GLC Solar Fund VII, LLC.	〃	〃	-	N/A	11,400	N/A	-	N/A	(Note)	(Note)	(Note)	N/A	-

Note: The amount of $52,096 thousand that Green Lake Capital, LLC. received for disposed parts of subsidiaries was deducted with the carrying amount $45,628 thousand and resulted in gain on disposal of $6,468 thousand.

(Concluded)

<u>**TABLE 5**</u>

WALSIN LIHWA CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Walsin Lihwa Corporation	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	$ (137,125)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	Similar	$ 10,652	1	
	Walsin Precision Technology Sdn. Bhd.	〃	〃	(529,722)	(1)	〃	〃	〃	2,216	-	
	Changshu Walsin Specialty Steel Co., Ltd.	〃	〃	(412,482)	(1)	〃	〃	〃	151,881	7	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	〃	〃	(118,277)	-	〃	〃	〃	-	-	
	Walsin Lihwa Holdings Limited	Subsidiary	〃	(3,766,142)	(6)	〃	〃	〃	234,301	11	
	Wuxi Xingcheng Walsin Steel Products Co., Ltd.	Associates	〃	(493,973)	(1)	〃	〃	〃	24,171	1	
	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Purchase	266,148	-	〃	〃	〃	909	-	

TABLE 5-1

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars and Renminbi)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Walsin Lihwa Holdings Limited	Dongguan Walsin Wire & Cable Co., Ltd.	100% indirectly owned subsidiary	Sales	RMB(2,265,949)	(75)	Normal	Normal	Normal	RMB 2,047,036	72	
	Nanjing Walsin Metal Co., Ltd.	78.26% indirectly owned subsidiary	〃	RMB (572,457)	(19)	〃	〃	〃	RMB 578,395	21	
	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	〃	RMB (185,742)	(6)	〃	〃	〃	RMB 185,742	7	
Nanjing Walsin Metal Co., Ltd.	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	〃	〃	RMB (660,321)	(6)	〃	〃	〃	RMB 1,141	-	
	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Associates	〃	RMB (349,935)	(3)	〃	〃	〃	RMB 7,522	1	
Walsin Lihwa Holdings Limited	Walsin Lihwa Corporation	Parent company	Purchase	3,766,142	26	〃	〃	〃	(234,301)	(26)	

Note: Amounts are stated in thousands of N.T. dollars, except those stated in thousands of Renminbi.

<u>**TABLE 5-2**</u>

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars and Renminbi)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Yantai Huanghai Iron and Steel Co., Ltd.	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Sales	RMB(1,146,529)	(68)	Normal	Normal	Normal	RMB 117,645	29	
〃	Wuxi Xingcheng Walsin Steel Products Co., Ltd.	Associates	〃	RMB (520,428)	(31)	〃	〃	〃	RMB 292,501	71	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	〃	〃	〃	RMB (23,696)	(20)	〃	〃	〃	RMB 21,805	89	
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	〃	RMB (279,080)	(22)	〃	〃	〃	RMB 33,695	24	
〃	Concord Industries Limited	〃	〃	RMB (26,984)	(2)	〃	〃	〃	RMB -	-	
〃	WuXi Xingcheng Walsin Steel Products Co., Ltd.	Associates	〃	RMB (43,055)	(3)	〃	〃	〃	RMB 2,223	2	
Concord Industries Limited	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Both subsidiaries of Concord Industries Limited	〃	RMB (26,996)	(100)	〃	〃	〃	RMB -	-	
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Walsin Lihwa Corporation	Parent company	Purchase	137,125	2	〃	〃	〃	(10,652)	(2)	
Walsin Precision Technology Sdn. Bhd.	〃	〃	〃	529,722	100	〃	〃	〃	(2,216)	(20)	
Changshu Walsin Specialty Steel Co., Ltd.	〃	〃	〃	412,482	12	〃	〃	〃	(151,881)	(25)	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	〃	〃	〃	118,277	17	〃	〃	〃	-	-	

Note: Amounts are stated in thousands of N.T. dollars, except those stated in thousands of Renminbi.

TABLE 6

WALSIN LIHWA CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
						Amount	Action Taken		
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited	Subsidiary	Trade receivables	$ 234,301	13.60	$ -	-	$ 234,301	$ -
	Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Trade receivables	151,881	3.92	-	-	43,872	-

WALSIN LIHWA HOLDINGS LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2014
(In Thousands of Renminbi and U.S. Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
						Amount	Action Taken		
Walsin Lihwa Holdings Limited	Dongguan Walsin Wire & Cable Co., Ltd.	100% indirectly owned subsidiary	Trade receivables	$ 2,047,036	1.18	$ -	-	$ -	$ -
	Nanjing Walsin Metal Co., Ltd.	78.26% indirectly owned subsidiary	Trade receivables	578,395	1.05	-	-	41,058	-
	Yantai Walsin Stainless Steel Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Trade receivables	185,743	1.06	-	-	20,257	-
	Walsin (China) Investment Co., Ltd.	100% owned subsidiary	Other receivables	408,586	-	-	-	-	-
	Jiangyin Walsin Steel Cable Co., Ltd.	75% indirectly owned subsidiary	Other receivables	US$ 10,217	-	-	-	-	-
	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	95.71% indirectly owned subsidiary	Other receivables	US$ 9,195	-	-	-	-	-
	XiAn Walsin United Technology Co., Ltd.	Both subsidiaries of Walsin Lihwa Corporation	Other receivables	US$ 27,218	-	-	-	-	-
Walsin (China) Investment Co., Ltd.	Walsin Lihwa Holdings Limited	Parent company	Other receivables	US$ 4,900	-	-	-	-	-

Note: Amounts are stated in thousands of Renminbi, except those stated in thousands of U.S. dollars.

TABLE 6-2

CONCORD INDUSTRIES LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2014
(In Thousands of Renminbi and U.S. Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
						Amount	Action Taken		
Yantai Walsin Stainless Steel Co., Ltd.	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Trade receivables	$ 117,645	9.99	$ -	-	$ 117,645	$ -
	Wuxi Xingcheng Walsin Steel Products Co., Ltd.	Associates	Trade receivables	292,501	2.89	-	-	20,079	-
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	〃	〃	Trade receivables	21,805	2.17	-	-	-	-
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Both subsidiaries of Concord Industries Limited	Trade receivables	33,695	9.23	-	-	27,470	-
Concord Industries Limited	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	81.63% owned subsidiary	Other receivables	US$ 5,818	-	-	-	-	-
Walsin Specialty Steel Corp.	Changshu Walsin Specialty Steel Co., Ltd.	100% owned subsidiary	Other receivables	US$ 48,151	-	-	-	-	-
	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	〃	Other receivables	US$ 25,043	-	-	-	-	-

Note: Amounts are stated in thousands of Renminbi, except those stated in thousands of U.S. dollars.

TABLE 6-3

CHIN-CHERNG CONSTRUCTION CO. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2014
(In Thousands of Renminbi)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Joint Success Enterprises	Walsin (Nanjing) Construction Limited	Subsidiary	Other receivables $ 165,614	-	$ -	-	$ -	$ -

TABLE 7

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
DECEMBER 31, 2014

1. Information of investees that Walsin Lihwa Corporation has control ability or significant influence was as follows (in thousands of New Taiwan dollars):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited	Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands	Investments	$ 3,113,746	$ 4,535,651	101,147,848	100.00	$ 10,916,799	$ 734,428	$ 874,951	
	Concord Industries Limited	Trident Chambers Wickhams Cay P.O. Box 146, Road Town, Tortola, British Virgin Islands	Investments	16,069,316	17,102,369	434,549,602	100.00	11,375,343	(1,030,054)	(1,030,054)	
	Touch Micro-System Technology Corp.	566 Gaoshin Road, Yangmei Township, Taoyuan 326 Taiwan, R.O.C.	OEM on MEMS foundry service	750,000	750,000	2,100,000	100.00	9,318	4,993	4,993	
	Energy Pilot Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investments	1,826,879	1,826,879	60,670,001	100.00	1,790,984	35,500	35,500	
	Ally Energy Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Solar system model	-	1,917,566	-	-	-	(3,749)	(3,749)	
	Market Pilot Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investments	2,926,037	2,926,037	100,000,000	100.00	(366,136)	(1,045,341)	(1,045,341)	
	Walsin Solar Technology Co., Ltd.	25F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Solar power manufacturing and selling operations	-	100,000	-	-	-	(1,963)	(1,963)	
	Chin-Cherng Management Service Co., Ltd.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Business administration consultation, analysis and building management	7,206	7,206	491,625	100.00	7,360	1	1	
	Min Maw Precision Industry Corp.	25F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Solar power systems management, design, and installation	180,368	180,368	24,150,000	100.00	273,984	23,826	23,826	
	Chin-Cherng Construction Co.	5th Floor, 192 Jingye 1st Road, Jhongshan District, Taipei 104, Taiwan, R.O.C.	Construction business	609,875	606,213	220,474,767	99.18	3,809,443	659,727	654,590	
	Walsin Info - Electric Corp.	2nd Floor, 192 Jingye 1st Road, Jhongshan District, Taipei 104, Taiwan, R.O.C.	Mechanical and electrical, communications, and power systems	208,778	208,778	23,728,623	98.87	288,343	(15,071)	(14,901)	
	Joint Success Enterprises Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.	Investments	1,224,479	1,224,479	38,020,000	49.05	2,713,296	1,112,959	563,247	
	Chin-Xin Investment Co., Ltd.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Investments	2,237,969	2,237,969	179,468,270	37.00	2,276,777	32,311	11,955	
	Concord VII Venture Capital Co., Ltd.	11th Floor, 132 Min-Sheng East Road Sec. 3, Taipei 104, Taiwan, R.O.C.	Venture capital	212,480	212,480	21,248,000	43.24	64,315	(16,624)	(7,188)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
	Walsin Color Co., Ltd.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Management of investments and conglomerate	$ 416,849	$ 416,849	47,114,093	33.97	$ 317,575	$ (68,043)	$ (23,320)	
	Concord II Venture Capital Co., Ltd.	11th Floor, 132 Min-Sheng East Road Sec. 3, Taipei 104, Taiwan, R.O.C.	Venture capital and consulting affairs	257,860	257,860	26,670,699	26.67	244,042	(20,383)	(5,436)	
	Winbond Electronics Corp.	No. 8, Keya 1st Rd., Daya Township, Taichung County 428, Taiwan R.O.C.	Research, development, production and sale of semiconductors and related components	6,098,839	6,170,752	848,091,531	22.95	8,836,627	3,075,969	688,447	
	Walton Advanced Engineering, Inc.	No. 18, Yugang N. 1st Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan, R.O.C.	Production, sale, and test of semiconductors	1,185,854	1,185,854	109,628,376	21.90	1,713,689	875,940	191,831	
	Walsin Technology Corp.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Production and sale of ceramics capacitors	2,010,034	2,010,034	125,001,738	18.30	2,655,979	550,916	99,295	

(Continued)

2. Information of investees that Walsin Lihwa Holdings Limited and subsidiaries have control ability or significant influence was as follows (in thousands of U.S./Renminbi/Hong Kong dollars):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Walsin Lihwa Holdings Limited	Walsin (China) Investment Co., Ltd.	Rm. 2804, 28th Floor, Shanghai Mart Tower, No. 2299, Yanan Road (West), Shanghai, China	Investments	US$ 78,600	US$ 78,600	N/A	100.00	$ 755,396	$ 134,296	$ 134,296	
	Walsin International Investments Limited	Unit 9-15, 22/F, Millennium City, 378 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong	Investments	HKD 0.002	HKD 0.002	2	100.00	(15,095)	(1,398)	(1,398)	
	P.T Walsin Lippo Industries	JI. MH. Thamrin Block A1-1, Delta Silicon Industrial Park, Lippo Cikarang, Dekasi 17550, Indonesia	Steel wires	US$ 1,080	US$ 1,080	10,500	70.00	95,505	13,558	9,490	
	Renowned International Limited	Akara Building, 24 De Castro Street Wickhams Cay I, Road Town, Tortola, BVI.	Investments	US$ 16,937	US$ 16,937	16,937,020	83.97	761,679	11,015	9,052	
	Dongguan HannStar Electronics Co., Ltd.	Xiniupo Industrial Zone, Dalang Town, Dongguan, Guangdong	Manufacture and sale of wires and cables	-	US$ 9,546	N/A	-	-	-	-	
	Walcom Chemicals Industrial Limited	Suite 1111, Tower II, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong	Commerce	US$ 0.030	US$ 0.030	325,000	65.00	-	HKD (23)	-	
	Borrego Solar Systems, Inc.	6210 Lake Shore Drive, San Diego, CA92119, USA	Specializes in commercial, residential, and public sector turnkey, grid-connected solar electric systems	US$ 15,000	US$ 15,000	1,460,458	77.49	159,746	20,618	15,961	
	Nanjing Walsin Expo Exhibition Ltd.	No. 199 Yanshan Road, Nanjing	Exhibition and conference organizing service	US$ 265	US$ 265	N/A	60.00	328	(279)	(168)	
	Nanjing Taiwan Trade Mart Management Co., Ltd.	Room 205, 2/F, No. 156, Mengdu Avenue, Jianye Zone, Nanjing	Business and asset Management, Consulting and Advertising Services	US$ 1,000	US$ 1,000	N/A	100.00	(163,724)	(7,444)	(7,444)	
	Lead Hero Limited	12/F Ruttonjee House, 11 Duddell Street, Hong Kong	Investments	-	US$ 47,600	-	-	-	158	158	
	Xian Walsin Opto-electronic Limited	No. 15, Shanglinyuan First Road, Hi-and-New Tech Park of Xi'an, Shaanxi	LED, micro projector, and solar cell assembly	-	US$ 150	N/A	-	-	271	(163)	
	Jiang Taiwan Trade Mart Development Co., Ltd.	No. 901, Yingtian Avenue, Jianye Zone, Nanjing	Nanjing Taiwan Trade Mart Management Co., Ltd. Development and construction, and management	2,000	2,000	N/A	20.00	2,005	(39)	11	
Lead Hero Limited	XiAn LyJing Technology Co., Ltd.	No. 15, Shanglinyuan First Road, Hi-and-New Tech Park of Xian, Shaanxi	Solar module assembly	-	US$ 45,200	N/A	-	-	(661)	(204)	
Renowned International Limited	Nanjing Walsin Metal Co., Ltd.	No. 59 HengJing Road Nanjing Economical & Technical Development Zone, Jiangsu Province, China	Copper alloy	US$ 72,001	US$ 72,001	N/A	92.29	906,677	18,156	16,756	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Walsin (China) Investment Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	No. 9, 12 Road, Xiasha Economic & Technology Development Zone, Hangzhou, Zhejiang	Production and sale of cables and wires	US$ 25,405	US$ 41,210	N/A	48.53	$ 5,401	$ (84,623)	$ (52,029)	
	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	No. 1128 Liuxiang Road, Nanxiang Town, Jiading, Shanghai	Production and sale of cables and wires	US$ 14,956	US$ 14,956	N/A	95.71	204,287	17,234	16,494	
	Jiangyin Walsin Steel Cable Co., Ltd.	No. 679 Binjiang Road (West), Binjiang Economic & Technology Development Zone, Jiangyin, Jiangsu	Manufacture and sale of steel cables and wires	US$ 15,000	US$ 15,000	N/A	75.00	193,033	8,928	6,696	
	Dongguan Walsin Wire & Cable Co., Ltd.	Xiniupo Industrial Zone District, Dalang Town, Dongguan, Guangdong	Production and sale of bare copper cables and wires	US$ 26,000	US$ 26,000	N/A	100.00	401,094	14,756	14,756	
	Nanjing Walsin Metal Co., Ltd.	No. 59 HengJing Road Nanjing Economical & Technical Development Zone, Jiangsu Province, China	Copper alloy	US$ 300	US$ 300	N/A	0.76	7,466	18,156	138	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	No. 677, Binjiang West Road, Jiangyin City, Jiangsu	Cold-rolled stainless steel and flat rolled products	US$ 9,000	US$ 9,000	N/A	18.37	39,071	(50,671)	(9,308)	

Note: Amounts are stated in thousands of Renminbi, except those stated in thousands of U.S. dollars and H.K. dollars

(Continued)

3. Information of investees that Concord Industries Limited and subsidiaries have control ability or significant influence was as follows (in thousands of U.S. dollars/Renminbi):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount: December 31, 2014	Original Investment Amount: December 31, 2013	Balance as of December 31, 2014: Shares	Balance as of December 31, 2014: Percentage of Ownership	Balance as of December 31, 2014: Carrying Value	Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
Concord Industries Limited	Walsin Specialty Steel Corp	Offshore Incorporations Centre, Road Town, Tortola, BVI	Commerce and Investments	US$ 198,600 (Note 2)	US$ 173,600 (Note 2)	198,600,000	100.00	$ 995,936	$ (67,553)	$ (67,553)	
	Walsin Precision Technology Sdn. Bhd.	2115-1, Kawasan Perindustrian air Keroh, Fasaiv, Air Keroh, 75450 Melaka, Malaysia	Production and sale of stainless steel plates	US$ 8,470	US$ 8,470	32,178,385	100.00	92,493	2,885	2,885	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	No. 677, Binjiang West Road, Jiangyin City, Jiangsu	Cold-rolled stainless steel and flat-rolled products	US$ 40,000	US$ 40,000	N/A	81.63	168,704	(50,671)	(41,520)	Investment loss included deferred unrealized gain of RMB157 thousand
	Walsin Singapore PTE. Ltd.	79 Robinson Road #24-08 CPF Building Singapore	Commerce and investments	-	US$ 121,321	-	-	-	-	-	
	XiAn Walsin Metal Product Co., Ltd.	2/F, Building B, No. 15, Shanglinyuan First Road, New Industrial Park, Hi-and-New Tech Park of Xian, Shaanxi	Production and sale of medium and heavy specialized stainless steel plates	US$ 10,000	US$ 10,000	N/A	100.00	(199,691)	(43,852)	(43,852)	
	Yantai Dazhong Recycling Resource Co., Ltd.	Resource Regenerating and Processing Demonstration Area. ETDZ Yantai City, Shantung Province, P.R.C.	Recycling and manufacture of steel	-	US$ 30,000	N/A	-	-	(290)	- (Note 3)	
	Yantai Huanghai Iron and Steel Co., Ltd.	No. 2 Wuzhishan Road. ETDZ Yantai City, Shantung Province, P.R.C.	Manufacture and sale of steel billets and wire rods	-	US$ 2,927	N/A	-	-	(46)	- (Note 3)	
	Yantai Walsin Stainless Steel Co., Ltd.	No. 2 Wuzhishan Road. ETDZ Yantai City, Shantung Province, P.R.C.	Production and sale of electronic components and new alloy materials	US$ 32,927	-	N/A	25.00	25,023	(59,874)	(15,897) (Note 3)	
	Changzhou Wujin NSL. Co., Ltd.	No. 280, Changhong Road (West), Wujin Economic & Technology Development Zone, Changzhou City, Jiangsu Province	Manufacture and sale of steel billets	-	US$ 110,000	N/A	-	-	1,690	1,690	
	Changzhou China Steel Precision Materials Co., Ltd.	No. 281, Changhong Road (West), Wujin Economic & Technology Development Zone, Changzhou City, Jiangsu Province	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	US$ 13,080	US$ 13,080	N/A	30.00	77,764	9,718	2,915	
	Walsin Lihwa (Changzhou) Investment Co., Ltd.	6/F, No. 2, Tenglong Road, Wujin Economic Development Area, Jiangsu	Commerce and investments	US$ 49,000	US$ 49,000	N/A	100.00	303,829	5,081	5,081	
	Wuxi Xingcheng Walsin Steel Products Co., Ltd.	No. 2, Renmin West Road, Yangshi Community, Luoshe Town, Huishan, Wuxi	Manufacture and sale of stainless steel	250,821	250,821	N/A	50.00	200,016	(95,440)	(49,544)	Investment loss included amortization of the difference between acquisition cost and equity in net assets on the acquisition date which amounted to RMB979 thousand
	Xian Walsin Opto-electronic Limited	No. 15, Shanglinyuan First Road, Hi-and-New Tech Park of Xi'an, Shaanxi	LED, micro projector, and solar cell assembly	US$ 150	-	N/A	100.00	(27,814)	271	434	
	XiAn LyJing Technology Co., Ltd.	No. 15, Shanglinyuan First Road, Hi-and-New Tech Park of Xian, Shaanxi	Solar module assembly	US$ 45,200	-	N/A	100.00	158,471	(661)	(457)	
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	No. 2 Wuzhishan Road. ETDZ Yantai City, Shantung Province, P.R.C.	Production and sale of electronic components and new alloy materials	168,086	-	N/A	75.00	75,070	(59,874)	(43,869) (Note 3)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Walsin Specialty Steel Corp	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	No. 2402, Waiqingsong Road, Baihe Town, Qing Pu Zone, Shanghai	Manufacture and sale of stainless steel	US$ 39,000	US$ 39,000	N/A	100.00	$ (152,689)	$ (70,092)	$ (70,092)	
	Changshu Walsin Specialty Steel Co., Ltd.	No. 56 Renmin Road, Haiyu Town, Changshu City, Jiangsu Province	Manufacture and sale of specialized steel tubes	US$ 97,000	US$ 97,000	N/A	100.00	540,200	(3,822)	(3,822)	
Changzhou Wujin NSL. Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	No. 2 Wuzhishan Road. ETDZ Yantai City, Shantung Province, P.R.C.	Production and sale of electronic components and new alloy materials	-	278,826	N/A	-	-	(59,874)	(492)	
	Yantai Huanghai Iron and Steel Co., Ltd.	No. 2 Wuzhishan Road. ETDZ Yantai City, Shantung Province, P.R.C.	Manufacture and sale of steel billets and wire rods	-	55,546	N/A	-	-	(46)	(33)	

Note 1: Amounts are stated in thousands of Renminbi and thousands of U.S. dollars as indicated.

Note 2: The amount included stock dividends of US$4,500 thousand.

Note 3: Yantai Huanghai Iron and Steel Co., Ltd. and Yantai Dazhong Recycling Resource Co., Ltd. were merged into Yantai Walsin Stainless Steel Co., Ltd.

(Continued)

4. Information of investees that Chin-Cherng Construction Co. and subsidiaries have control ability or significant influence was as follows (in thousands of New Taiwan dollars/Renminbi):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Chin-Cherng Construction Co.	Tahsio Construction Co., Ltd.	4F., No. 192, Jingye 1st Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	1. Construction of building 2. Construction contracting for wood works and painting project 3. Construction contracting for ironware, water, electricity (utility) projects, and sanitary equipment	$ -	$ 95,264	-	-	$ -	$ (166)	$ (166)	
	Joint Success Enterprises Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investments	1,265,603	1,265,603	39,500,000	50.95	2,755,432	1,112,959	567,053	
	Dinghsin Development Co., Ltd.	5th Floor, 192 Jingye 1st Road, Jhongshan District, Taipei 104, Taiwan, R.O.C.	Investment of real estate and related business	8,540	8,540	2,119,200	35.32	44,658	1,112	393	
	Concord II Venture Capital Co., Ltd.	11th Floor, 132 Min-Sheng East Road Sec. 3, Taipei 104, Taiwan, R.O.C.	Venture capital and consulting affairs	1,603	1,603	172,342	0.17	1,591	(20,383)	(93)	
	Chin-Xin Investment Co., Ltd.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Investments	54,154	54,154	3,264,092	0.67	42,954	32,311	216	
Joint Success Enterprises Limited	Walsin (Nanjing) Construction Limited	No. 236 Jiangdong Road, Jianye District, Nanjing, Jiangsu Province	Construction, rental and sale of buildings and industrial factories	RMB 375,542	RMB 375,542	N/A	100.00	RMB 877,680	RMB 225,757	RMB 225,757	
Walsin (Nanjing) Construction Limited	Nanjing Walsin Property Management Co., Ltd.	No. 230, Hexi Avenue, Jianye Zone, Nanjing, Jiangsu	Property management, business management and housing leasing	RMB 1,000	RMB 1,000	N/A	100.00	RMB (6,923)	RMB (2,670)	RMB (2,670)	

Note: Amounts are stated in thousands of N.T. dollars and thousands of Renminbi as indicated.

(Continued)

5. Information of investees that Walsin Info-Electric Corp. and subsidiaries have control ability or significant influence was as follows (in thousands of New Taiwan dollars/Renminbi):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Walsin Info-Electric Corp.	Huatong International Corp.	Offshore Chambers, P.O. Box 217, Apia Samoa	Investments	$ 38,361	$ 38,361	1,299,217	100.00	$ 67,100	$ (3,598)	$ (3,598)	
Huatong International Corp.	Shanghai Walsin Info-electric Inc.	Room 2809, No. 2299, Yan'an West Road, Changning District, Shanghai	Design of electrical and mechanical systems, management advisory services, and wholesale of electrical and mechanical devices and their components.	RMB 8,219	RMB 8,219	N/A	100.00	RMB 8,256	RMB (208)	RMB (208)	

Note: Amounts are stated in thousands of N.T. dollars and thousands of Renminbi as indicated.

(Continued)

6. Information of investees that Energy Pilot Limited and subsidiaries have control ability or significant influence was as follows (in thousands of U.S. dollars):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Energy Pilot Limited	Green Lake Capital, LLC.	1209 Orange Street, Wilmington, Delaware 19801	Solar power business	$ 60,670	$ 60,670	N/A	100.00	$ 57,090	$ 1,674	$ 1,674	
Green Lake Capital, LLC.	GLC Development, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power project development	-	1,143	N/A	-	-	(1,193)	(1,182)	
	SDCCD Management, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	2,440	N/A	-	-	49	49	
	GLC-(MA) Management, LLC.	205 Industrial Avenue East, Lowell, Massachusetts 01852, USA	Solar power systems design, operation and installation services	-	730	N/A	-	-	942	942	
	GLC Solar Management II, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	5,532	N/A	-	-	68	68	
	GLC-(NJ) Management, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	271	N/A	-	-	-	-	
	GLC Solar Management V, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	8,639	N/A	-	-	81	81	
	GLC Solar Management VI, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	10,868	N/A	-	-	403	403	
	GLC Solar Management VII, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Management business	-	18,995	N/A	-	-	282	282	
	Green Lake Exchange, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power related business	5,155	3,625	N/A	100.00	5,560	(53)	(53)	
SDCCD Management, LLC.	GLC-(CA) SDCCD, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	2,440	N/A	-	-	942	9	
GLC-(MA) Management, LLC.	GLC-(MA) BCH, LLC.	205 Industrial Avenue East, Lowell, Massachusetts 01852, USA	Solar power systems management, design, installation, and financing	-	80	N/A	-	-	20	20	
	GLC-(MA) SHS, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	102	N/A	-	-	11	11	
	GLC-(MA) BBN, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	408	N/A	-	-	40	40	
GLC Solar Management II, LLC.	GLC Solar Fund II, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	5,532	N/A	-	-	1,291	13	
GLC-(NJ) Management, LLC.	GLC-(NJ) NACR 1, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	271	N/A	-	-	9	9	
GLC Solar Management V, LLC.	GLC Solar Fund V, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	8,639	N/A	-	-	2,068	21	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
GLC Solar Management VI, LLC.	GLC Solar Fund VI, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	$ -	$ 10,868	N/A	-	$ -	$ 2,722	$ 27	
GLC Solar Fund II, LLC.	GLC-(CA) Vista, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	831	N/A	-	-	75	1	
	GLC-(CA) Helix, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	969	N/A	-	-	107	1	
	GLC-(CA) Madera, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	1,712	N/A	-	-	428	4	
	GLC-(CA) Z7 Water, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	1,189	N/A	-	-	163	2	
	GLC-(CA) Sierra, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	1,987	N/A	-	-	175	2	
	GLC-(CA) Aqua SD, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	5,794	N/A	-	-	439	4	
GLC Solar Fund V, LLC.	GLC-(MA) Edwards, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	10,209	N/A	-	-	968	10	
	GLC-(NJ) NACR 2, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	1,211	N/A	-	-	204	2	
	GLC-(MA) Easthampton, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	2,855	N/A	-	-	567	6	
	GLC-(MA) Mashpee, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	1,099	N/A	-	-	112	1	
	GLC-(CA) SCC, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power systems management, design, installation, and financing	-	1,166	N/A	-	-	211	2	
GLC Solar Fund VI, LLC.	GLC-(CA) CSD 1, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	4,817	N/A	-	-	427	4	
	GLC-(CA) CSD 2, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	8,091	N/A	-	-	838	8	
	GLC-(MA) Acushnet, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	12,724	N/A	-	-	1,732	17	
	GLC-(CA) Morgan Hill, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	1,480	N/A	-	-	150	2	
GLC Solar Management VII, LLC.	GLC Solar Fund VII, LLC.	160 Greentree Drive, Suite 101, Dover, Delaware 19904, USA	Solar power management business	-	11,409	N/A	-	-	2	1	

(Continued)

7. Information of investees that Market Pilot Limited has control ability or significant influence was as follows (in thousands of Renminbi):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Market Pilot Limited	XiAn Walsin United Technology Co., Ltd.	No. 15, Shanglinyuan First Road, Hi-and-New Tech Park of Xian, Shaanxi	Electronic devices and module	$ 642,719	$ 642,719	N/A	100.00	$ (76,966)	$ (211,987)	$ (211,987)	

(Concluded)

TABLE 8

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars/U.S. Dollars or Renminbi)

A. Walsin Lihwa Corporation

1. The names of investee companies in Mainland China, main businesses and products, total amount of paid-in capital, investment type, investment flows, percentage of ownership in investment, investment gain or loss, carrying value, accumulated inward remittance of earnings and upper limit on investment in Mainland China were as follows:

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 19)	Carrying Value as of December 31, 2014	Accumulated Inward Remittance of Earnings as of December 31, 2014
					Outflow	Inflow						
Jiangyin Walsin Steel Cable Co., Ltd.	Manufacture and sale of steel cables and wires	$ 633,000 (US$ 20,000)	b	$ 474,750 (US$ 15,000) (Note 2)	$ - -	$ - -	$ 474,750 (US$ 15,000) (Note 2)	$ 44,030 (RMB 8,928)	75.00	$ 33,023 (RMB 6,696)	$ 998,475 (RMB 193,033)	-
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	494,595 (US$ 15,627)	b	473,357 (US$ 14,956) (Note 3)	- -	- -	473,357 (US$ 14,956) (Note 3)	84,993 (RMB 17,234)	95.71	81,343 (RMB 16,494)	1,056,687 (RMB 204,287)	-
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Manufacture and sale of cables and wires	1,471,092 (US$ 46,480)	b	1,304,297 (US$ 41,210) (Note 4)	151,920 (US$ 4,800)	- -	1,456,217 (US$ 46,010) (Note 4)	(417,335) (RMB-84,623)	48.53	(256,591) (RMB-52,029)	27,937 (RMB 5,401)	-
Walsin (China) Investment Co., Ltd.	Investments	2,487,690 (US$ 78,600)	b	2,487,690 (US$ 78,600) (Note 5)	- -	- -	2,487,690 (US$ 78,600) (Note 5)	662,308 (RMB134,296)	100.00	662,308 (RMB134,296)	3,907,331 (RMB 755,396)	-
Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes	3,070,050 (US$ 97,000)	b	3,070,050 (US$ 97,000) (Note 6)	- -	- -	3,070,050 (US$ 97,000) (Note 6)	(18,849) (RMB -3,822)	100.00	(18,849) (RMB -3,822)	2,794,217 (RMB 540,200)	-
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Manufacture and sale of stainless steel	1,234,350 (US$ 39,000)	b	1,234,350 (US$ 39,000) (Note 7)	- -	- -	1,234,350 (US$ 39,000) (Note 7)	(345,673) (RMB-70,092)	100.00	(345,673) (RMB-70,092)	(789,793) (RMB -152,689)	-
Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	822,900 (US$ 26,000)	b	822,900 (US$ 26,000) (Note 8)	- -	- -	822,900 (US$ 26,000) (Note 8)	72,772 (RMB 14,756)	100.00	72,772 (RMB 14,756)	2,074,683 (RMB 401,094)	-
Nanjing Walsin Metal Co., Ltd.	New copper metal material	2,569,980 (US$ 81,200) (Note 9)	b	1,922,991 (US$ 60,758) (Note 10)	- -	- -	1,922,991 (US$ 60,758) (Note 10)	89,540 (RMB 18,156)	78.26	70,070 (RMB 14,208)	3,976,680 (RMB 768,803)	-
Jiangyin Walsin Precision Metal Technology Co., Ltd.	Precision alloy wire	1,550,850 (US$ 49,000)	b	1,550,850 (US$ 49,000) (Note 11)	- -	- -	1,550,850 (US$ 49,000) (Note 11)	(249,894) (RMB-50,671)	100.00	(249,894) (RMB-50,671)	1,074,729 (RMB 207,775)	-
Changzhou Wujin NSL. Co., Ltd.	Manufacture and sale of steel billets	3,481,500 (US$110,000)	b	3,416,079 (US$ 107,933)	- -	- -	3,416,079 (US$ 107,933)	8,335 (RMB 1,690)	-	8,335 (RMB 1,690)	- (RMB -)	-
Dongguan HannStar Electronics Co., Ltd.	Manufacture and sale of wires and cables	303,840 (US$ 9,600)	b	68,586 (US$ 2,167) (Note 12)	- -	68,586 (US$ 2,167)	- (US$ -)	- (RMB -)	-	- (RMB -)	- (RMB -)	$ 68,586 (US$ 2,167)

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 19)	Carrying Value as of December 31, 2014	Accumulated Inward Remittance of Earnings as of December 31, 2014
					Outflow	Inflow						
XiAn Walsin Metal Product Co., Ltd.	Manufacture and sale of specialized stainless steel plates	$ 316,500 (US$ 10,000)	b	$ 316,500 (US$ 10,000)	$ - -	$ - -	$ 316,500 (US$ 10,000)	(216,265) (RMB -43,852)	100.00	$ (216,265) (RMB -43,852)	$ (1,032,914) (RMB -199,691)	-
Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of electronic components and new alloy materials	4,939,457 (US$ 156,065) (Note 13)	b	- (US$ -)	1,042,140 (US$ 32,927) (Note 16)	- -	1,042,140 (US$ 32,927)	(295,281) (RMB -59,874)	100.00	(295,281) (RMB -59,874)	517,737 RMB 100,093	-
Yantai Dazhong Recycling Resource Co., Ltd.	Recycling and manufacture of steel	- (US$ -)	b	949,500 (US$ 30,000)	- -	949,500 (US$ 30,000) (Note 16)	- (US$ -)	(1,430) (RMB -290)	-	(1,430) (RMB -290)	- (RMB -)	-
Walsin Lihwa (Changzhou) Investment Co., Ltd.	Commerce and investments	1,550,850 (US$ 49,000)	b	1,550,850 (US$ 49,000)	- -	- -	1,550,850 (US$ 49,000)	25,058 (RMB 5,081)	100.00	25,058 (RMB 5,081)	1,571,574 (RMB 303,829)	-
Wuxi Xingcheng Walsin Steel Products Co., Ltd.	Manufacture and sale of stainless steel	1,411,590 (US$ 44,600)	b	1,294,390 (US$ 40,897)	- -	- -	1,294,390 (US$ 40,897)	(470,681) (RMB -95,440)	50.00	(244,336) (RMB -49,544)	1,034,595 (RMB 200,016)	-
Changzhou China Steel Precision Materials Co., Ltd.	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	1,379,940 (US$ 43,600)	b	413,982 (US$ 13,080)	- -	- -	413,982 (US$ 13,080)	47,926 (RMB 9,718)	30.00	14,376 (RMB 2,915)	402,239 (RMB 77,764)	$ 965,958 (US$ 30,520)
XiAn Walsin United Technology Co., Ltd.	Electronic devices and module	3,161,835 (US$ 99,900)	b	3,163,671 (US$ 99,958)	- -	- -	3,163,671 (US$ 99,958)	(1,045,456) (RMB-211,987)	100.00	(1,045,456) (RMB-211,987)	(398,111) (RMB -76,966)	-
Nanjing Walsin Expo Exhibition Ltd.	Exhibition and conference organizing service	13,894 (US$ 439)	b	8,387 (US$ 265)	- -	- -	8,387 (US$ 265)	(1,376) (RMB -279)	60.00	(829) (RMB -168)	1,697 (RMB 328)	-
Yantai Huanghai Iron and Steel Co., Ltd.	Manufacture and sale of steel billets and wire rods	- (RMB -)	b	92,640 (US$ 2,927)	- -	92,640 (US$ 2,927) (Note 16)	- (US$ -)	(227) (RMB -46)	-	(227) (RMB -46)	- (RMB -)	-
Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and asset management, consulting and advertising services	31,650 (US$ 1,000)	b	31,650 (US$ 1,000)	- -	- -	31,650 (US$ 1,000)	(36,712) (RMB -7,444)	100.00	(36,712) (RMB -7,444)	(846,872) (RMB -163,724)	-
XiAn Lv Jing Technology Co., Ltd.	Solar Module Assembly	1,430,580 (US$ 45,200)	c	633,000 (US$ 20,000)	- -	- -	633,000 (US$ 20,000)	(3,260) (RMB -661)	100.00	(3,260) (RMB -661)	819,701 (RMB 158,471)	-
Shaanxi Tianhong Silicon Industrial Corporation	Polysilicon Production	6,207,072 (RMB1,200,000)	b	- (US$ -)	- -	- -	- (US$ -)	(68,255) (RMB -13,840)	19.00	- (RMB -)	693,123 (RMB 134,000) (Note 14)	-
Xian Walsin Opto-electronic Limited	LED, micro projector, and solar cell assembly	4,748 (US$ 150)	b	4,748 (US$ 150)	- -	- -	4,748 (US$ 150)	1,336 (RMB 271)	100.00	1,336 (RMB 271)	(143,870) (RMB -27,814)	-
Jiangsu Taiwan Trade Mart Development Co., Ltd.	Development and management of Nanjing Taiwan Trade Mart Management Co., Ltd.	51,726 (RMB 10,000)	b	9,622 (US$ 304)	- -	- -	9,622 (US$ 304)	(192) (RMB -39)	20.00	54 (RMB 11)	10,371 (RMB 2,005)	-
Shaanxi Optoelectronics Technology Co., Ltd.	Communication equipment and electronic components	517,256 (RMB 100,000)	b	- (RMB -)	- -	- -	- (RMB -)	(14,346) (RMB -2,909)	19.00	- (RMB -)	98,279 (RMB 19,000)	-
Glory Sky Limited	LED R&D, manufacture and marketing and sales	103,451 (RMB 20,000)	b	- (RMB -)	- -	- -	- (RMB -)	50,703 (RMB 10,281)	10.00	- (RMB -)	103,451 (RMB 20,000)	-

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 19)	Carrying Value as of December 31, 2014	Accumulated Inward Remittance of Earnings as of December 31, 2014
					Outflow	Inflow						
Walsin (Nanjing) Construction Limited	Construction, rental and sale of buildings and industrial factories	$ 1,942,514 (RMB 375,542)	b	$ 1,942,514 (RMB 375,542) (Note 15)	$ - -	$ - -	$ 1,942,514 (RMB 375,542) (Note 15)	$ 1,113,366 (RMB 225,757)	99.58	$ 1,108,691 (RMB 224,809)	$ 4,520,786 (RMB 873,994)	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	5,173 (RMB 1,000)	b	- (RMB -)	- -	- -	- (RMB -)	(13,168) (RMB -2,670)	99.58	(13,113) (RMB -2,659)	(35,660) (RMB -6,894)	-

2. The upper limit on investment of the Company in Mainland China was as follows:

Accumulated Investment in Mainland China as of December 31, 2014 (NT$ and US$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (NT$ and US$ in Thousands)	Upper Limit on Investment (NT$ in Thousands)
$ 22,020,962 (US$ 695,765)	$ 23,721,738 (US$ 749,502)	N/A (Note 20)

Note:

1. Investments can be classified into three types as follows:
   a. Direct investment in Mainland China.
   b. Reinvestment in Mainland China through third country companies
   c. Others.
2. Including US$4,500 thousand investment through Walsin (China) Investment Co., Ltd.
3. Including US$4,929 thousand investment through Walsin (China) Investment Co., Ltd.
4. Including US$2,800 thousand investment through Walsin (China) Investment Co., Ltd., and US$22,730 thousand dividends appropriated from Dongguan Walsin Wire & Cable Co., Ltd., Jiangying Walsin Steel Cable Co., Ltd., Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. and Hangzhou Walsin Power Cable & Wire Co., Ltd.
5. Capital investment of US$28,600 thousand was contributed from the accounts payable of Walsin (China) Investment Co., Ltd. to Walsin Lihwa Holdings Limited.
6. Including US$8,000 thousand investment through Walsin Specialty Steel Corp. and US$42,000 thousand dividends appropriated from Changshu Walsin Specialty Steel Co., Ltd. and Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.
7. Including US$4,800 thousand investment through Walsin (China) Investment.
8. Investment through Walsin (China) Investment.
9 Including US$3,500 thousand revaluation increment of assets.
10: By the dividends of US$43,521 thousand appropriated from Nanjing Walsin Photoelectric Co., Ltd. to Renowned International Limited and the dividends of US$300 thousand appropriated from Jiangyin Walsin Steel Cable Co., Ltd. to Walsin (China) Investment Co., Ltd.
11. By own capital of Walsin (China) Investment Co., Ltd. US$9,000 thousand.
12. Disbursed to purchase 100% of shares equity from original stockholder.
13. Including by own capital of RMB578,796 of Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd., Changzhou Wujin NSL Co., Ltd. and Changshu Walsin Specialty Steel Co., Ltd. and RMB3,750 thousand investments made through Changzhou Wujin NSL. Co., Ltd. Including US$32,927 thousand investment through Yantai Huanghai Iron and Steel Co., Ltd. and Yantai Dazhong Recycling Resource Co., Ltd. were merged.
14. The amount included Walsin Lihwa Holdings purchase of Lead Hero Limited equity at purchase cost of US$1 and indirectly through Shaanxi Tianhong Silicon Industrial Corporation with carrying value RMB168,000 thousand, and by own capital of RMB60,000 thousand of XiAn Lv Jing Technology Co., Ltd. And the amount was adjusted by own capital of XiAn Lv Jing Technology Co., Ltd. of RMB228,000 thousand and by the fair value.

(Continued)

15. The amount included investment through Joint Success Enterprise Limited approved in the previous years.
16. Yantai Huanghai Iron and Steel Co., Ltd. and Yantai Dazhong Recycling Resource Co., Ltd. were merged into Yantai Walsin Stainless Steel Co., Ltd., Yantai Walsin Stainless Steel Co., Ltd. is the surviving corporation.
17. Amounts are stated in thousands of N.T. dollars and Renminbi and U.S. dollars as indicated.
18. The currency exchange rates as of December 31, 2014 were as follows: US$ to NT$= 1:31.65, RMB to NT$= 1:5.17256. The average exchange rates of December 31, 2014 were as follows: US$ to NT$= 1:30.306, RMB to NT$= 1:4.9317.
19. Amount was recognized based on the audited financial statements.
20. Upper limit on investment:

    The Company had been approved as operation headquarters by Industrial Development Bureau, Ministry of Economic Affairs, thus exempted from the related regulations of “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China”.

3. Significant direct or indirect transactions between the Company and investees in Mainland China

(In Thousands of New Taiwan Dollars)

Related Party	Nature of Relationship	Transaction Type	Amount	% to Total	Transaction terms			Notes/Accounts Payable or Receivable		Unrealized Loss
					Unit Price	Payment Terms	Compare to General Transactions	Ending Balance	% to Total	
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	$ (137,125)	-	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	$ 10,652	1	$ (9)
Walsin Precision Technology Sdn. Bhd.	〃	〃	(529,722)	(1)	〃	〃	〃	2,216	-	-
Changshu Walsin Specialty Steel Co., Ltd.	〃	〃	(412,482)	(1)	〃	〃	〃	151,881	7	(7,382)
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	〃	〃	(118,277)	-	〃	〃	〃	-	-	(3,550)
Walsin Lihwa Holdings Limited	Subsidiary	〃	(3,766,142)	(6)	〃	〃	〃	234,301	11	-
Wuxi Xingcheng Walsin Steel Products Co., Ltd.	Associates	〃	(493,973)	(1)	〃	〃	〃	24,171	1	-

B. Chin-Cherng Construction Co.

1. The names of investee companies in Mainland China, main businesses and products, total amount of paid-in capital, investment type, investment flows, percentage of ownership in investment, investment gain or loss, carrying value, accumulated inward remittance of earnings and upper limit on investment in Mainland China were as follows:

(In Thousands of Renminbi)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 3)	Carrying Value as of December 31, 2014	Accumulated Inward Remittance of Earnings as of December 31, 2014
					Outflow	Inflow						
Walsin (Nanjing) Construction Limited	Construction, rental and sale of buildings and industrial factories	$ 375,542	Note 1	$ 375,542	$ -	$ -	$ 375,542	$ 225,757	50.95	$ 115,023	$ 447,178	$ -
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	1,000	Note 2	-	-	-	-	(2,670)	50.95	(1,360)	(3,527)	-

(Continued)

2. The upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of December 31, 2014 (RMB in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (RMB in Thousands)	Upper Limit on Investment (NT$ in Thousands)
RMB375,542	RMB375,542	NT$2,304,563 (Note 3)

Note 1: Investing in companies in China through the companies already established and existing in the areas other than Taiwan and China.

Note 2: Amount was recognized based on the audited financial statements.

Note 3: The upper limit on investment in Mainland China was as follows:

NT$3,840,938 thousand × 60% = NT$2,304,563 thousand

C. Walsin Info-Electric Corp.

1. The name of investee company in Mainland China, main businesses and products, total amount of paid-in capital, investment type, investment flows, percentage of ownership in investment, investment gain or loss, carrying value, accumulated inward remittance of earnings and upper limit on investment in Mainland China were as follows:

(In Thousands of Renminbi)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of December 31, 2014	Accumulated Inward Remittance of Earnings as of December 31, 2014
					Outflow	Inflow						
Shanghai Walsin Info-electric Inc.	Design of electrical and mechanical engineering, management advisory services and wholesale of electrical and mechanical facilities and its components	$ 8,200	Note 1	$ 8,200	$ -	$ -	$ 8,200	$ (208)	100.00	$ (208)	$ 8,256	$ -

2. The upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of December 31, 2014 (RMB in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (RMB in Thousands)	Upper Limit on Investment (NT$in Thousands)
RMB8,219	RMB8,219	NT$174,983 (Note 3)

The investment schemes were as follows:

Note 1: Investing in companies in China through the companies already embellished and existing in the areas other than Taiwan and China.

Note 2: Amount was recognized based on the audited financial statements.

Note 3: The upper limit on investment in Mainland China was as follows:

NT$291,639 thousand × 60% = NT$174,983 thousand

(Concluded)

TABLE 9

WALSIN LIHWA CORPORATION AND INVESTEES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars or U.S. Dollars or Renminbi)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details: Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
	2014						
0	Walsin Lihwa Corporation	Walsin Precision Technology Sdn. Bhd.	Transactions between parent company and subsidiaries	Trade receivables	$ 2,216	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	151,881	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	10,652	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Walsin Lihwa Holding Limited	Transactions between parent company and subsidiaries	Trade receivables	234,301	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	137,125	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Walsin Precision Technology Sdn. Bhd.	Transactions between parent company and subsidiaries	Sales	529,722	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	412,482	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Sales	118,277	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Walsin Lihwa Holdings Limited	Transactions between parent company and subsidiaries	Sales	3,766,142	The terms are set by quotations on the local market, and are similar to those of general customers.	2
1	Walsin Lihwa Holdings Limited	Nanjing Walsin Metal Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	RMB 578,395	The terms are set by quotations on the local market, and are similar to those of general customers.	3
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	RMB 2,047,036	The terms are set by quotations on the local market, and are similar to those of general customers.	10
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 185,742	The terms are set by quotations on the local market, and are similar to those of general customers.	1
		Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 408,586	Based on capital demand	2
		Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US$ 10,217	Based on capital demand	-
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US$ 9,195	Based on capital demand	-
		XiAn Walsin United Technology Co., Ltd.	Transactions between subsidiaries	Other receivables	US$ 27,218	Based on capital demand	1
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Sales	RMB 2,265,949	The terms are set by quotations on the local market, and are similar to those of general customers.	7

(Continued)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
		Nanjing Walsin Metal Co., Ltd.	Transactions between parent company and subsidiaries	Sales	RMB 572,457	The terms are set by quotations on the local market, and are similar to those of general customers.	2
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 185,742	The terms are set by quotations on the local market, and are similar to those of general customers.	1
2	Nanjing Walsin Metal Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Transactions between subsidiaries	Sales	RMB 165,308	The terms are set by quotations on the local market, and are similar to those of general customers.	1
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between subsidiaries	Sales	RMB 660,321	The terms are set by quotations on the local market, and are similar to those of general customers.	2
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 1,141	The terms are set by quotations on the local market, and are similar to those of general customers.	-
3	Concord Industries Limited	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US$ 5,818	Based on capital demand	-
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Sales	RMB 26,996	The terms are set by quotations on the local market, and are similar to those of general customers.	-
4	Walsin Specialty Steel Corp.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US$ 48,151	Based on capital demand	1
		Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US$ 25,043	Based on capital demand	1
5	Joint Success Enterprise Limited	Walsin (Nanjing) Construction Limited	Transactions between parent company and subsidiaries	Other receivables	RMB 165,614	Based on capital demand	1
6	Walsin (China) Investment Co., Ltd.	Walsin Lihwa Holdings Limited	Transactions between subsidiaries and parent company	Other receivables	US$ 4,900	Based on capital demand	-
7	Yantai Walsin Stainless Steel Co., Ltd.	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 1,146,529	The terms are set by quotations on the local market, and are similar to those of general customers.	3
		Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 117,645	The terms are set by quotations on the local market, and are similar to those of general customers.	1
8	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 279,080	The terms are set by quotations on the local market, and are similar to those of general customers.	1
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 33,695	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Concord Industries Limited	Transactions between subsidiaries and parent company	Sales	RMB 26,984	The terms are set by quotations on the local market, and are similar to those of general customers.	-

(Continued)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
	2013						
0	Walsin Lihwa Corporation	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	$ 58,406	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	276,385	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Walsin Lihwa Holding Limited	Transactions between parent company and subsidiaries	Trade receivables	319,725	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Walsin Precision Technology Sdn. Bhd.	Transactions between parent company and subsidiaries	Trade receivables	21,143	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	40,641	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	734,594	The terms are set by quotations on the local market, and are similar to those of general customers.	1
		Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Sales	956,688	The terms are set by quotations on the local market, and are similar to those of general customers.	1
		Walsin Lihwa Holding Limited	Transactions between parent company and subsidiaries	Sales	2,586,741	The terms are set by quotations on the local market, and are similar to those of general customers.	2
		Walsin Precision Technology Sdn. Bhd.	Transactions between parent company and subsidiaries	Sales	455,985	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Sales	205,490	The terms are set by quotations on the local market, and are similar to those of general customers.	-
1	Walsin Lihwa Holdings Limited	Nanjing Walsin Metal Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	RMB 507,607	The terms are set by quotations on the local market, and are similar to those of general customers.	2
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	RMB 1,792,411	The terms are set by quotations on the local market, and are similar to those of general customers.	8
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 164,148	The terms are set by quotations on the local market, and are similar to those of general customers.	1
		Walsin (China) Investment Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	RMB 407,938	Based on capital demand	2
		Jiangyin Walsin Steel Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US$ 10,185	Based on capital demand	-
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US$ 9,166	Based on capital demand	-
		XiAn Walsin United Technology Co., Ltd.	Transactions between subsidiaries	Other receivables	US$ 27,172	Based on capital demand	1
		Dongguan Walsin Wire & Cable Co., Ltd.	Transactions between parent company and subsidiaries	Sales	RMB 1,945,450	The terms are set by quotations on the local market, and are similar to those of general customers.	6
		Nanjing Walsin Metal Co., Ltd.	Transactions between parent company and subsidiaries	Sales	RMB 502,755	The terms are set by quotations on the local market, and are similar to those of general customers.	2
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 177,833	The terms are set by quotations on the local market, and are similar to those of general customers.	1

(Continued)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
2	Nanjing Walsin Metal Co., Ltd.	Hangzhou Walsin Power Cable & Wire Co., Ltd.	Transactions between subsidiaries	Sales	RMB 243,561	The terms are set by quotations on the local market, and are similar to those of general customers.	1
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between subsidiaries	Sales	RMB 598,785	The terms are set by quotations on the local market, and are similar to those of general customers.	2
		Hangzhou Walsin Power Cable & Wire Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 8,612	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 11,598	The terms are set by quotations on the local market, and are similar to those of general customers.	-
3	Concord Industries Limited	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Trade receivables	RMB 404	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Sales	RMB 28,384	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US$ 35,665	Based on capital demand	1
4	Walsin Specialty Steel Corp.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between parent company and subsidiaries	Other receivables	US$ 48,131	Based on capital demand	1
5	Joint Success Enterprise Limited	Walsin (Nanjing) Construction Limited	Transactions between parent company and subsidiaries	Other receivables	RMB 164,492	Based on capital demand	1
		Walsin Lihwa Holdings Limited	Transactions between parent company and subsidiaries	Other receivables	RMB 8,536	Based on capital demand	-
6	Walsin (China) Investment Co., Ltd.	Walsin Lihwa Holdings Limited	Transactions between subsidiaries and parent company	Other receivables	US$ 4,900	Based on capital demand	-
7	Yantai Walsin Stainless Steel Co., Ltd.	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 1,167,514	The terms are set by quotations on the local market, and are similar to those of general customers.	4
		Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 111,961	The terms are set by quotations on the local market, and are similar to those of general customers.	1
8	Yantai Dazhong Recycling Resource Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 200,381	The terms are set by quotations on the local market, and are similar to those of general customers.	1
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 234,446	The terms are set by quotations on the local market, and are similar to those of general customers.	1
9	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 210,903	The terms are set by quotations on the local market, and are similar to those of general customers.	1
		Changshu Walsin Specialty Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 26,780	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Transactions between subsidiaries	Sales	RMB 108,707	The terms are set by quotations on the local market, and are similar to those of general customers.	-

(Continued)

No.	Company Name	Related Party	Nature of Relationship	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
		Concord Industries Limited	Transactions between parent company and subsidiaries	Sales	RMB 28,702	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Concord Industries Limited	Transactions between parent company and subsidiaries	Trade receivables	RMB 404	The terms are set by quotations on the local market, and are similar to those of general customers.	-
10	Yantai Huanghai Iron and Steel Co., Ltd.	Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Sales	RMB 53,822	The terms are set by quotations on the local market, and are similar to those of general customers.	-
		Yantai Walsin Stainless Steel Co., Ltd.	Transactions between subsidiaries	Trade receivables	RMB 62,971	The terms are set by quotations on the local market, and are similar to those of general customers.	-
11	Walsin Singapore PTE. Ltd.	Concord Industries Limited	Transactions between parent company and subsidiaries	Other receivables	RMB 504,486	Based on capital demand	2

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Walsin Lihwa Corporation

We have audited the accompanying balance sheets of Walsin Lihwa Corporation (the "Company") as of December 31, 2014 and 2013, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements as of December 31, 2014 and 2013 and for the years ended December 31, 2014 and 2013 of certain equity-method investees were audited by other independent auditors. Our opinion, insofar as it relates to such investments, is based solely on the reports of other auditors. The investments in such investees amounted to NT$3,589,703 thousand and NT$3,245,628 thousand which constituted 4.32% and 4.00% of the total assets as of December 31, 2014 and 2013, and the investment gain amounted to NT$175,234 thousand and investment loss amounted to NT$92,389 thousand for the years ended December 31, 2014 and 2013.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2014 and 2013, and their financial performance and their cash flows for the years ended December 31, 2014 and 2013, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

February 17, 2015

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

WALSIN LIHWA CORPORATION

BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014		2013	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 387,234	-	$ 497,926	1
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	105,575	-	51,436	-
Notes receivable (Notes 4 and 9)	23,262	-	34,130	-
Trade receivables (Notes 4 and 9)	1,734,705	2	1,705,109	2
Trade receivables from related parties (Notes 4, 9 and 25)	425,601	1	742,514	1
Other receivables	379,392	-	146,873	-
Inventories (Notes 4 and 10)	6,515,894	8	5,045,345	6
Other current assets	417,917	1	500,343	1
Total current assets	9,989,580	12	8,723,676	11
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current (Notes 4 and 8)	3,038,429	4	3,212,430	4
Financial assets measured at cost - non-current (Notes 4 and 11)	1,119,436	1	548,757	1
Investment accounted for using equity method (Notes 4 and 12)	47,293,875	57	46,606,569	57
Property, plant and equipment (Notes 4 and 13)	11,427,661	14	11,719,767	15
Investments properties (Notes 4 and 14)	9,001,143	11	9,147,563	11
Deferred tax assets - non-current (Notes 4 and 21)	995,920	1	1,017,000	1
Refundable deposits	26,524	-	28,008	-
Other non-current assets	179,240	-	181,526	-
Total non-current assets	73,082,228	88	72,461,620	89
TOTAL	$ 83,071,808	100	$ 81,185,296	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	$ 3,095,477	4	$ 4,980,073	6
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	1,462	-	-	-
Derivative financial liabilities hedging - current (Notes 4 and 16)	742	-	-	-
Trade payables	2,647,773	3	2,947,366	4
Other payables	1,340,966	2	1,340,226	2
Current portion of long-term borrowings (Note 15)	1,020,000	1	-	-
Other current liabilities	235,658	-	239,065	-
Total current liabilities	8,342,078	10	9,506,730	12
NON-CURRENT LIABILITIES				
Derivative financial liabilities hedging - non - current (Notes 4 and 16)	683	-	-	-
Long-term borrowings (Note 15)	9,280,000	11	10,200,000	13
Deferred tax liabilities - non-current (Notes 4 and 21)	131,132	-	131,132	-
Accrued pension liabilities (Notes 4 and 17)	1,274,680	2	1,197,044	1
Other non-current liabilities (Note 12)	543,920	1	179,118	-
Total non-current liabilities	11,230,415	14	11,707,294	14
Total liabilities	19,572,493	24	21,214,024	26
EQUITY (Note 18)				
Share capital	35,760,002	43	35,760,002	44
Capital surplus	15,647,004	19	15,629,054	19
Retained earnings				
Legal reserve	2,438,101	3	2,438,101	3
Special reserve	2,712,250	3	3,507,455	5
Unappropriated earnings	4,782,167	6	1,813,125	2
Total retained earnings	9,932,518	12	7,758,681	10
Other equity				
Exchange difference on translating foreign operations	2,035,498	2	317,266	-
Unrealized gain (loss) on available-for-sale financial assets	419,051	1	506,269	1
Cash flow hedges	(1,865)	-	-	-
Total other equity	2,452,684	3	823,535	1
Treasury shares (Notes 4 and 18)	(292,893)	(1)	-	-
Total equity	63,499,315	76	59,971,272	74
TOTAL	$ 83,071,808	100	$ 81,185,296	100

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche audit report dated February 17, 2015)

WALSIN LIHWA CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2014 Amount	2014 %	2013 Amount	2013 %
OPERATING REVENUE (Note 19)	$ 70,179,109	100	$ 67,659,107	100
OPERATING COSTS (Note 10)	(67,095,111)	(96)	(64,964,383)	(96)
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	9,676	-	(1,041)	-
GROSS PROFIT	3,093,674	4	2,693,683	4
OPERATING EXPENSES				
Selling and marketing expenses	549,201	1	488,118	-
General and administrative expenses	451,948	-	530,938	1
Research and development expenses	33,686	-	26,082	-
Total operating expenses	1,034,835	1	1,045,138	1
PROFIT FROM OPERATIONS	2,058,839	3	1,648,545	3
NON-OPERATING INCOME AND EXPENSES				
Interest income	2,987	-	5,547	-
Dividend income	37,843	-	5,534	-
Other income	108,883	-	50,211	-
(Loss) gain on disposal of property, plant and equipment	(5,784)	-	60,664	-
Foreign exchange gain, net	165,361	-	155,559	-
Impairment loss (Notes 13 and 20)	(925)	-	(600,198)	(1)
Other expense	(47,528)	-	(133,347)	-
Gain on valuation of financial assets and liabilities	52,676	-	12,438	-
Interest expense	(267,056)	-	(268,764)	-
Loss on disposal of investments (Note 20)	(350,806)	(1)	(588,208)	(1)
Share of gain (loss) of subsidiaries and associates under equity method	531,201	1	(3,362,677)	(5)
Total non-operating income and expenses	226,852	-	(4,663,241)	(7)
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,285,691	3	(3,014,696)	(4)
INCOME TAX (EXPENSE) BENEFIT (Note 21)	(21,000)	-	326,000	-
NET INCOME (LOSS) FOR THE YEAR	2,264,691	3	(2,688,696)	(4)

(Continued)

WALSIN LIHWA CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2014		2013	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Exchange gain on translation of foreign operations	$ 1,579,201	2	$ 1,481,200	2
Unrealized gain (loss) on available-for-sale financial assets	(253,751)	-	1,670,622	3
Cash flow hedges gain (loss)	(1,865)	-	287	-
Actuarial gain (loss) arising from defined benefit plans	(79,680)	-	82,406	-
Share of other comprehensive income of subsidiaries and associates under equity method	294,390	-	1,290,764	2
Other comprehensive income for the period	1,538,295	2	4,525,279	7
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 3,802,986	5	$ 1,836,583	3
EARNINGS (LOSS) PER SHARE (Note 22)				
Basic	$ 0.64		$ (0.77)	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated February 17, 2015) (Concluded)

WALSIN LIHWA CORPORATION

STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2013	$ 36,160,002	$ 15,742,724	$ 5,424,527	$ 1,136,328	$ 3,856,576	$ (1,478,713)	$ (2,136,988)	$ (287)	$ (1,055,961)	$ 57,648,208
Special reserve under Rule No. 1010012865 issued by the FSC	-	-	-	2,933,130	(2,933,130)	-	-	-	-	-
Appropriation of 2012 earnings										
Reversal of special reserve	-	-	-	794,296	(794,296)	-	-	-	-	-
Legal reserve used to offset a deficit	-	-	(2,986,426)	-	2,986,426	-	-	-	-	-
Special reserve used to offset a deficit	-	-	-	(1,136,328)	1,136,328	-	-	-	-	-
Disposal of investment in associates under equity method	-	-	-	(219,971)	219,971	-	-	-	-	-
Excess of the consideration received over the carrying amount of the subsidiaries' net assets disposed of	-	-	-	-	(30,826)	-	-	-	-	(30,826)
Change in capital surplus from investments in subsidiaries and associates under equity method	-	-	-	-	(24,984)	-	-	-	-	(24,984)
Net loss for the year ended December 31, 2013	-	-	-	-	(2,688,696)	-	-	-	-	(2,688,696)
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	85,756	1,795,979	2,643,257	287	-	4,525,279
Total comprehensive income (loss) for the year ended December 31, 2013	-	-	-	-	(2,602,940)	1,795,979	2,643,257	287	-	1,836,583
Retirement of treasury shares	(400,000)	(113,663)	-	-	-	-	-	-	513,663	-
Common shares held by subsidiaries (Note 18)	-	-	-	-	-	-	-	-	542,298	542,298
Others	-	(7)	-	-	-	-	-	-	-	(7)
BALANCE, DECEMBER 31, 2013	35,760,002	15,629,054	2,438,101	3,507,455	1,813,125	317,266	506,269	-	-	59,971,272
Appropriation of 2013 earnings										
Reversal of special reserve	-	-	-	(794,296)	794,296	-	-	-	-	-
Disposal of investment in associates under equity method	-	-	-	(909)	909	-	-	-	-	-
Excess of the consideration received over the carrying amount of the subsidiaries' net assets disposed of	-	311	-	-	-	-	-	-	-	311
Change in capital surplus from investments in subsidiaries and associates under equity method	-	17,644	-	-	-	-	-	-	-	17,644
Net profit for the year ended December 31, 2014	-	-	-	-	2,264,691	-	-	-	-	2,264,691
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	(90,854)	1,718,232	(87,218)	(1,865)	-	1,538,295
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	2,173,837	1,718,232	(87,218)	(1,865)	-	3,802,986
Acquisition of treasury shares	-	-	-	-	-	-	-	-	(292,893)	(292,893)
Others	-	(5)	-	-	-	-	-	-	-	(5)
BALANCE, DECEMBER 31, 2014	$ 35,760,002	$ 15,647,004	$ 2,438,101	$ 2,712,250	$ 4,782,167	$ 2,035,498	$ 419,051	$ (1,865)	$ (292,893)	$ 63,499,315

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche audit report dated February 17, 2015)

WALSIN LIHWA CORPORATION

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	$ 2,285,691	$ (3,014,696)
Adjustments for:		
Depreciation expenses	1,122,704	1,050,875
Amortization expenses	7,805	11,322
Impairment loss recognized (reversal of impairment loss) on trade receivables	1,500	(23)
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(52,676)	(12,438)
Interest expense	267,056	268,764
Interest income	(2,987)	(5,547)
Dividend income	(37,843)	(5,534)
Loss (gain) on disposal of property, plant and equipment	5,784	(60,664)
Share of (gain) loss of subsidiaries and associates under equity method	(531,201)	3,362,677
Loss on disposal of investments	350,806	588,208
Impairment loss recognized on financial assets	-	538,000
Impairment loss recognized on property, plant and equipment	925	62,198
Net loss on foreign currency exchange	1,730	9,541
Other non-cash items	(440)	-
Changes in operating assets and liabilities		
(Increase) decrease in financial assets held for trading	(225,039)	1,026,594
Decrease in notes receivable	10,868	20,433
Decrease in trade receivables	285,817	482,188
Increase in other receivables	(160,104)	(15,740)
(Increase) decrease in inventories	(1,470,549)	1,162,786
Decrease (increase) in other current assets	82,426	(95,074)
(Increase) decrease in other operating assets	(2,218)	732
(Decrease) increase in trade payables	(299,593)	436,874
Increase in other payable	27,375	208,659
Decrease in accrued pension liabilities	(2,044)	(43,689)
(Decrease) increase in other current liabilities	(3,407)	91,744
(Decrease) increase in other operating liabilities	(1,335)	27,838
Cash generated from operations	1,661,051	6,096,028
Interest paid	(265,486)	(271,177)
Interest received	2,987	10,746
Dividend received	63,493	63,172
Income tax paid	(222)	(79,895)
Net cash generated from operating activities	1,461,823	5,818,874
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets measured at cost	(712,807)	-
Net cash generated from disposal of subsidiaries	-	429,444

(Continued)

WALSIN LIHWA CORPORATION

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014	2013
Proceeds from capital return and liquidation return of investees in investment under equity method	$ 4,589,450	$ 451,999
Proceeds on sale of financial assets measured at cost	-	39,033
Proceeds from capital return and liquidation return of investees in financial assets measured at cost	8,128	22,771
Purchase of associates under equity method	(2,138,154)	(3,230,166)
Proceeds from disposal of associates under equity method	43,029	-
Purchase of property, plant and equipment	(883,498)	(1,095,272)
Proceeds from disposal of property, plant and equipment	22,026	156,147
Decrease in refundable deposits	1,484	305,627
Proceeds from sale of available-for-sale financial assets	65,534	-
Other investing activities	(488,483)	(617,482)
Net cash generated from (used in) investing activities	506,709	(3,537,899)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(1,886,326)	(2,390,280)
Increase in long-term borrowings	100,000	-
Cash paid for acquisition of treasury shares	(292,893)	-
Other financing activities	(5)	(7)
Net cash used in financing activities	(2,079,224)	(2,390,287)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(110,692)	(109,312)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	497,926	607,238
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 387,234	$ 497,926

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated February 17, 2015) (Concluded)

WALSIN LIHWA CORPORATION

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

1. GENERAL INFORMATION

Walsin Lihwa Corporation ("the Company") was incorporated in December 1966 and commenced business in December 1966. The Company made various investments in construction, electronics, material science, real estate, LED, solar power related business, etc., to diversify its operations. The Company's main products are wires, cables and specialty steel.

The Company's shares have been listed on the Taiwan Stock Exchange ("TSE") since November 1972. In October 1995 and November 2010, the Company increased its share capital and issued Global Depositary Shares ("GDR"), which are listed on the Luxembourg Stock Exchange under stock number 168527.

The financial statements are presented in the Company's functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on February 17, 2015.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

a. The amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in issue but not yet effective

   Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Company should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "New IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 "Embedded Derivatives"	Effective for annual periods ended on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate

(Continued)

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters"	July 1, 2010
Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters"	July 1, 2011
Amendment to IFRS 1 "Government Loans"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"	January 1, 2013
Amendment to IFRS 7 "Disclosure - Transfer of Financial Assets"	July 1, 2011
IFRS 11 "Joint Arrangements"	January 1, 2013
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	January 1, 2012
IAS 19 (Revised 2011) "Employee Benefits"	January 1, 2013
IAS 27 (Revised 2011) "Separate Financial Statements"	January 1, 2013
IAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013

(Concluded)

Note: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after the respective effective dates.

Except for the following, the initial application of the above 2013 IFRSs version and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers has not had any material impact on the Company's accounting policies:

1) Revision to IAS 28 "Investments in Associates and Joint Ventures"

   Revised IAS 28 requires when a portion of an investment in associates meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Previously, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

2) IFRS 13 "Fair Value Measurement"

   IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required only for financial instruments are extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015.

3) Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to IAS 1 require items of other comprehensive income to be grouped into those that (1) will not be reclassified subsequently to profit or loss; and (2) will be reclassified subsequently to profit or loss when specific conditions are met. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Company will retrospectively apply the above amendments starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates accounted for using the equity method. However, the application of the above amendments will not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

4) Revision to IAS 19 “Employee Benefits”

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminates the “corridor approach” permitted under current IAS 19 and accelerate the recognition of past service costs. The revision requires all remeasurements of the defined benefit plans to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus.

Furthermore, the interest cost and expected return on plan assets used in current IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

5) Amendments to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements.

6) Amendments to IAS 32 “Offsetting Financial Assets and Financial Liabilities”

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realization and settlement".

7) Annual Improvements to IFRSs: 2009-2011 Cycle

Several standards including IFRS 1 "First-time Adoption of International Financial Reporting Standards", IAS 1 "Presentation of Financial Statements", IAS 16 "Property, Plant and Equipment", IAS 32 "Financial Instruments: Presentation" and IAS 34 "Interim Financial Reporting" were amended in this annual improvement.

The amendments to IAS 1 clarify that an entity is required to present a balance sheet as at the beginning of the preceding period when a) it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassifies items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the balance sheet at the beginning of the preceding period. The amendments also clarify that related notes are not required to accompany the balance sheet at the beginning of the preceding period.

The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be recognized in accordance with IAS 16 when they meet the definition of property, plant and equipment and otherwise as inventory.

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 "Income Taxes".

8) Recognition and measurement of financial liabilities designated as at fair value through profit or loss

In accordance with the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, for financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch, all gains or losses on that liability are presented in profit or loss.

b. New IFRSs in issue but not yet endorsed by the FSC

The Company has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the financial statements were authorized for issue, the FSC has not announced their effective dates.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The impending initial application of the above New IFRSs, whenever applied, would not have any material impact on the Company's accounting policies, except for the following:

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group’s debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Company may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the “Expected Credit Losses Model”. The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 “Revenue from Contracts with Customers”, certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Company takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting to better reflect the entity's risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risk eligible for hedge accounting of non-financial items; (2) changing the way hedging derivative instruments are accounted for to reduce profit or loss volatility; and (3) replacing retrospective effectiveness assessment with the principle of economic relationship between the hedging instrument and the hedged item.

2) Amendments to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made some consequential amendments to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that the disclosure of such recoverable amount is required during the period when an impairment loss has been recognized or reversed. Furthermore, the Company is required to disclose the discount rate used in current and previous measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) IFRIC 21 "Levies"

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. It addresses the accounting for a liability whose timing and amount is certain and the accounting for a provision whose timing or amount is not certain. The Company accrues related liability when the transaction or activity that triggers the payment of the levy occurs. Therefore, if the obligating event occurs over a period of time (such as generation of revenue over a period of time), the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold (such as a minimum amount of revenue or sales generated), the liability is recognized when that minimum threshold is reached.

4) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 "Share-based Payment", IFRS 3 "Business Combinations" and IFRS 8 "Operating Segments" were amended in this annual improvement.

The amended IFRS 2 changes the definitions of "vesting condition" and "market condition" and adds definitions for "performance condition" and "service condition". The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Company or another entity in the same group or the market price of the equity instruments of the Company or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Company as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Company, but also of other entities outside the Company.

IFRS 3 was amended to clarify that contingent consideration should be measured at fair value, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognized in profit or loss.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics". The amendment also clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segments' assets are regularly provided to the chief operating decision-maker.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Company is a related party of the Company. Consequently, the Company is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

5) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards including IFRS 3, IFRS 13 and IAS 40 "Investment Property" were amended in this annual improvement.

IFRS 3 was amended to clarify that IFRS 3 does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

6) Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 "Property, Plant and Equipment" requires that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 "Intangible Assets" requires that there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity's use of the intangible asset will expire upon achievement of a revenue threshold); or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

An entity should apply the aforementioned amendments prospectively for annual periods beginning on or after the effective date.

7) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations from January 1, 2017.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

a) Identify the contract with the customer;
b) Identify the performance obligations in the contract;
c) Determine the transaction price;
d) Allocate the transaction price to the performance obligations in the contracts; and
e) Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

8) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulated that when an entity sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated.

9) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 "Non-current assets held for sale and discontinued operations", IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal Company) "held for sale" and non-current assets "held for distribution to owners" does not constitute a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for "held for distribution to owners" and do not meet the criteria for "held for sale" should be treated in the same way as assets that cease to be classified as held for sale.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset.

10) Amendment to IAS 1 "Disclosure Initiative"

The amendment clarifies that the financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its financial statements, the Company should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Company should consider the understandability and comparability of its financial statements to determine a systematic order in presenting its footnotes.

As of the date the financial statements were authorized for issue, the Company is continuing to assess the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations").

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

When preparing its parent company only financial statements, the Company used equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates and related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include cash and cash equivalents and those assets held primarily for trading purposes or to be realized within twelve months after the reporting period, unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than twelve months after the reporting period. Property, plant and equipment, intangible assets, other than assets classified as current are classified as non-current. Current liabilities are obligations incurred for trading purposes or to be settled within twelve months after the reporting period and liabilities that do not have an unconditional right to defer settlement for at least twelve months after the reporting period. Liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

d. Foreign currencies

In preparing the financial statements of each individual company entity, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for:

1) Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

2) Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

3) Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting financial statements, the assets and liabilities of the Company’s foreign operations (including of the subsidiaries, associates, joint ventures or branches operations in other countries with currencies used different from the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests of the subsidiary and are not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investments accounted for using equity method

Investments in subsidiaries, associates and jointly controlled entities are accounted for by the equity method.

1) Investment in subsidiaries

Subsidiaries (including special purpose entities) are the entities controlled by the Company.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company’s share of the change in other equity of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

When testing for impairment, the cash-generating unit is determined based on the financial statements as a whole by comparing its recoverable amount with its carrying amount. If the recoverable amount of the asset subsequently increases, the reversal of the impairment loss is recognized as a gain, but the increased carrying amount of an asset after a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized on the asset in prior years. An impairment loss recognized on goodwill shall not be reversed in a subsequent period.

When the Company ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. Furthermore, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream with a subsidiary and sidestream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

2) Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of equity of associates.

When the Company subscribes for additional new shares of the associate, at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate, the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which it ceases to have significant influence over the associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

i. Intangible assets

Intangible assets are measured initially at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

j. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when a company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement category

The categories of financial assets held by the Company are financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables.

a) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in profit or loss or other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

c) Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalent, and debt investments with no active market) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits and placements with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

2) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables and other receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables, and other situation.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

a) Significant financial difficulty of the issuer or counterparty; or

b) Breach of contract, such as a default or delinquency in interest or principal payments; or

c) It becoming probable that the borrower will enter bankruptcy or financial re-organization; or

d) The disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, impairment loss are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables that are written off against the allowance account.

3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Financial liabilities

1) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

l. Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the Company revokes the designated hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

m. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

n. Revenue recognition

Revenue from sales of goods is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, primarily upon shipment, because the earnings process has been completed and the economic benefits associated with the transaction have been realized or are realizable. The Company does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of materials ownership.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowance for sales returns and liability for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors. Sales of goods are recognized when goods are delivered and title has passed.

1) Rendering of services

Service income is recognized when services are provided. Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

2) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

o. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Contingent rents arising under operating leases are recognized as an expense in the period in which they are incurred.

p. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized past service cost and actuarial losses, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

q. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all (deductible temporary differences and unused loss carry forward) to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The accounts include allowance for doubtful trade receivable accounts, inventory valuation losses, depreciation, impairment, pension, deferred tax assets, etc. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are audited on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the main assumptions and sources of estimation uncertainty at the end of financial reporting period:

a. Deferred tax assets

As of December 31, 2014 and 2013, the carrying amount of the deferred tax assets in relation to unused tax losses was NT$995,920 thousand and NT$1,017,000 thousand, respectively. The realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

b. Write-down of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and the historical experience from selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

c. Recognition and measurement of defined benefit plans

Accrued pension liabilities and the resulting pension expense under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and long-term average future salary increase. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

As of December 31, 2014 and 2013, the carrying amount of the accrued pension liabilities was NT$1,274,680 thousand and NT$1,197,044 thousand, respectively.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2014	**2013**
Cash on hand	$ 1,230	$ 3,770
Checking accounts and cash in bank	386,004	494,156
	$ 387,234	$ 497,926

The ranges of market rates of cash in bank at the end of the reporting period were as follows (except the market rate of checking account was zero):

	December 31	
	2014	**2013**
Bank balance	0.01%-0.40%	0.01%-0.40%

Cash in bank in the total of EUR2,205 thousand at December 31, 2014, were intended for payment of equipment for use in the Taichung Port. The deposits are designated as cash flow hedge to manage exposures to exchange rate fluctuations.

Certain time deposits as of December 31, 2014 and 2013 were classified and pledged as follows:

		December 31	
	Purpose	**2014**	**2013**
Non-current assets			
Refundable deposits	To meet required security deposit	$ 600	$ 600

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2014	December 31 2013
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Forward exchange contracts	$ 105,364	$ 46,009
Commodity futures contracts	211	5,427
Financial assets at FVTPL	$ 105,575	$ 51,436
Current	$ 105,575	$ 51,436
Non-current	-	-
	$ 105,575	$ 51,436
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Exchange rate swap contracts	$ 1,462	$ -
Financial liabilities at FVTPL	$ 1,462	$ -
Current	$ 1,462	$ -
Non-current	-	-
	$ 1,462	$ -

At the end of the reporting period, outstanding commodity futures not under hedge accounting were as follows:

	Type of Transaction	Quantity (Tons)	Trade Date	Expiration Date	Exercise Price (In Thousands)	Market Price (In Thousands)	Valuation (Loss) Gain (In Thousands)
December 31, 2014							
Commodity futures							
Copper	Buy	6,300	2014.09.11-2014.12.31	2015.02.18-2015.11.18	US$ 40,378	US$ 39,522	US$ (856)
Copper	Sell	4,550	2014.11.28	2015.02.27	US$ 29,574	US$ 28,711	US$ 863
December 31, 2013							
Commodity futures							
Copper	Buy	3,800	2013.04.02-2013.12.31	2014.01.15-2014.10.15	US$ 27,424	US$ 27,976	US$ 552
Copper	Sell	2,850	2013.12.18-2013.12.31	2014.02.19-2014.03.30	US$ 20,775	US$ 21,051	US$ (276)
Nickel	Sell	372	2013.10.16-2013.12.03	2014.01.16-2014.02.19	US$ 5,093	US$ 5,187	US$ (94)

At the end of the reporting period, outstanding forward exchange contracts not under hedge accounting were as follows:

	Currencies	Contract Expiration Date	Contract Amount (In Thousands)
December 31, 2014			
Buy forward exchange contracts	USD to NTD	2015.03.10-2015.08.03	USD290,000/NTD9,057,195
December 31, 2013			
Buy forward exchange contracts	USD to NTD	2014.01.13-2014.03.06	USD100,000/NTD2,935,420

At the end of the reporting period, outstanding exchange rate swap contracts not under hedge accounting were as follows:

	Currencies	Contract Expiration Date	Contract Amount (In Thousands)
December 31, 2014	USD to NTD	2015.03.16	USD25,000/NTD792,425

For the years ended December 31, 2014 and 2013, the Company's strategy for commodity futures contracts, forward exchange contracts and exchange rate swap contracts was to hedge exposures to fluctuations of essential materials' prices and foreign exchange rates. However, those derivative financial instruments did not meet the criteria of hedge effectiveness; and therefore, they were not accounted for by hedge accounting.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2014	2013
Domestic investments		
Listed shares and emerging market stocks		
HannStar Display Corp.	$ 1,876,981	$ 2,351,640
Hannstar Board Corp.	965,448	860,790
Taiwan High Speed Rail Corp.	196,000	-
	$ 3,038,429	$ 3,212,430
Current	$ -	$ -
Non-current	3,038,429	3,212,430
	$ 3,038,429	$ 3,212,430

In November 2013, the Company reorganized the investment structure of its group and ceased to have significant influence on the investee, Hannstar Board Corp., by reducing the comprehensive holding share of investee; thus, the financial asset has been remeasured at its fair value and transferred to “available-for-sale financial assets - non-current”. The difference between fair value and book value is NT$977,952 thousand which was recorded as loss on disposal of investment.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31 2014	December 31 2013
Notes receivable		
Notes receivable	$ 22,416	$ 31,149
Notes receivable from related parties	846	2,981
	$ 23,262	$ 34,130
Trade receivables		
Trade receivables	$ 1,736,205	$ 1,705,109
Less: Allowance for impairment loss	(1,500)	-
	1,734,705	1,705,109
Trade receivables from related parties	425,601	742,514
	$ 2,160,306	$ 2,447,623

The average credit period on sales of goods was 60 days. In determining the collectability of a trade receivable, the Company considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Allowance for impairment loss based on estimated uncollectible amounts determined by reference to age of receivables, past default experience of the counterparties and an analysis of their current financial position.

The concentration of credit risk was limited due to the fact that the customer base was large and unrelated.

The aging of receivable that were past due not impaired was as follows:

	December 31 2014	December 31 2013
Less than 90 days	$ 137,116	$ 34,087
91-180 days	1,322	-
181-365 days	-	208,582
	$ 138,438	$ 242,669

The above analysis schedule was based on the past due date.

Movements in the allowance for impairment loss recognized on trade receivables were as follows:

	Individually Assessed Impairment Loss	Group Assessed Impairment Loss	Total
Balance at January 1, 2013	$ 23	$ -	$ 23
Less: Impairment losses reversed recognized on receivables	(23)	-	(23)
Balance at December 31, 2013	$ -	$ -	$ -
Balance at January 1, 2014	$ -	$ -	$ -
Add: Impairment losses recognized on receivables	1,500	-	1,500
Balance at December 31, 2014	$ 1,500	$ -	$ 1,500

10. INVENTORIES

	December 31	
	2014	2013
Raw materials	$ 1,288,698	$ 1,198,480
Raw materials in transit	929,519	664,716
Supplies	574,702	402,043
Work-in-process	858,234	765,269
Finished goods and merchandise	2,844,428	2,008,081
Contracts in progress	20,313	6,756
	$ 6,515,894	$ 5,045,345

The cost of inventories recognized as cost of goods sold in the years ended December 31, 2014 and 2013 was NT$66,718,517 thousand and NT$63,518,092 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2014 and 2013 included inventory write-downs of NT$176,925 thousand and NT$31,742 thousand, respectively.

Contracts in progress of the manufacturing industry included construction costs of cable and wire installation projects not completed as of the balance sheet dates.

11. FINANCIAL ASSETS MEASURED AT COST

	December 31	
	2014	2013
Domestic unlisted common shares		
Kuong Tai Welding Ind. Co., Ltd.	$ 114,355	$ 101,548
Powertec Energy Corp.	905,706	205,706
Taiwan High Speed Rail Corp.	-	134,000
Others	99,375	107,503
	$ 1,119,436	$ 548,757

(Continued)

	December 31	
	2014	2013
Classified according to financial asset measurement categories		
Available-for-sale financial assets	$ 1,119,436	$ 548,757

(Concluded)

Powertec Energy Corp. shares held by the Company had been recorded as "investments accounted for using equity method". On November 27, 2013, the Company sold parts of its interest in Chin-Xin and lost control but still had significant influence. While Chin-Xin was excluded from consolidation, the Company lost significant influence on Powertec Energy Corp; thus, in November 2013, the financial asset has been transferred back to "financial assets measured at cost - non-current".

The Company participated in Powertec Energy Corp's capital increase by cash on June 17, 2014. The investment was NT$700,000 thousand. The shares held by the Company were 302,483 thousand shares and the ownership percentage was 17.8% after the issuance.

Management believed that fair value of the above unlisted equity investments held by the Company cannot be reliably measured due to the very wide range of reasonable fair value estimates; therefore, the investments were measured at cost less impairment at the end of reporting period.

The Company recognized impairment loss on financial assets measured at cost of NT$538,000 thousand for the year ended December 31, 2013, after appropriate evaluation.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2014	2013
Investments in subsidiaries	$ 31,184,871	$ 31,682,852
Investments in associates	16,109,004	14,923,717
	$ 47,293,875	$ 46,606,569

a. Investments in subsidiaries

	December 31			
	2014		2013	
Name of Associate	Carrying Value	Ownership Percentage	Carrying Value	Ownership Percentage
Unlisted companies:				
Walsin Lihwa Holdings Limited	$ 10,916,799	100.00	$ 10,195,575	100.00
Concord Industries Limited	11,375,343	100.00	13,553,839	100.00
Energy Pilot Limited	1,790,984	100.00	1,651,715	100.00
Market Pilot Limited	1	100.00	690,172	100.00
Chin-Cherng Construction Co., Ltd.	3,809,443	99.18	3,006,206	99.09
Joint Success Enterprises Limited	2,713,296	49.05	2,006,027	49.05
Others	579,005		579,318	
	$ 31,184,871		$ 31,682,852	

b. Investments in associates

Name of Associate	December 31 2014 Carrying Value	2014 Ownership Percentage	2013 Carrying Value	2013 Ownership Percentage
Listed companies:				
Winbond Electronics Corp.	$ 8,836,627	22.95	$ 8,192,573	23.26
Walton Advanced Engineering, Inc.	1,713,689	21.90	1,499,566	21.90
Walsin Technology Corp.	2,655,979	18.11	2,373,592	18.11
Unlisted companies:				
Chin-Xin Investment Co., Ltd.	2,276,777	37.00	2,218,733	37.00
Others	625,932		639,253	
	$ 16,109,004		$ 14,923,717	

Publicly traded investments accounted for using the equity method were priced based on the closing price of those investments at the balance sheet date and were summarized as follows:

	December 31 2014	2013
Winbond Electronics Corp.	$ 9,201,793	$ 6,864,732
Walton Advanced Engineering, Inc.	$ 1,617,019	$ 1,173,024
Walsin Technology Corp.	$ 1,518,771	$ 1,000,014

The summarized financial information in respect of the Company's associates was set out below:

	December 31 2014	2013
Total assets	$ 108,127,189	$ 96,977,483
Total liabilities	$ 39,263,470	$ 33,758,494

	For the Year Ended December 31 2014	2013
Revenue	$ 47,374,604	$ 40,681,272
(Income) loss for the period	$ 4,430,086	$ (7,157,616)
Other comprehensive income	$ 1,348,971	$ 2,570,380
Share of profit or loss of subsidiaries and associates	$ 955,584	$ (214,485)

Market Pilot Limited was incorporated in July 2010 as an investment holding company. Due to operating losses, as of December 31, 2014, the equity has become negative. Because the recognized losses exceeded the equity interest, except for NT$1 thousand retained in investments accounted for using equity method, the remaining amount of NT$366,137 thousand was recorded as other non-current liabilities - investment with credit balance.

Winbond Electronics Corp. ("WEC") designs, develops, manufactures and sells very large scale integration (VLSI) integrated circuits (ICs) used in a variety of microelectronic applications. The Company sold 10,000 thousand shares of WEC to third parties at market value on the Taiwan Stock Exchange in December 2014 and resulted in disposal gain of NT$7,054 thousand.

To reorganize the investment structure of its group, the Company sold parts of its interest in Chin-Xin investment Co., Ltd. at fair value in 2013; please refer to Note 25. After the disposal of Chin-Xin investment Co., Ltd., the Company lost control and thus remeasured the remaining shares of Chin-Xin investment Co., Ltd. at fair value and transferred it to "investment accounted for using equity method". The difference between the book value and the fair value of the remaining shares of Chin-Xin investment Co., Ltd. on the disposal date was NT$574,443 thousand which was recorded as loss on disposal of investment.

The Company's share of profit and other comprehensive income of associates for the years ended December 31, 2014 and 2013 was based on the associates' financial statements audited by independent accountants for the same period. The financial statements for the years ended December 31, 2014 and 2013 of certain equity-method investees were audited by other independent accountants. The investments in such investee amounted to NT$3,589,703 thousand and NT$3,245,628 thousand as of December 31, 2014 and 2013, respectively; investment gain amounted to NT$175,234 thousand and investment loss amounted to NT$92,389 thousand for the years ended December 31, 2014 and 2013.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Prepayments for Purchase of Equipment and Construction in Progress	Total
Cost						
Balance at January 1, 2013	$ 2,162,316	$ 4,884,307	$ 11,425,259	$ 3,241,431	$ 4,456,627	$ 26,169,940
Additions	60	170,016	684,810	292,904	107,995	1,255,785
Disposals	(15,254)	(5,887)	(950,034)	(178,500)	(1,569)	(1,151,244)
Reclassified	-	733,725	3,253,619	311,570	(4,298,914)	-
Balance at December 31, 2013	$ 2,147,122	$ 5,782,161	$ 14,413,654	$ 3,667,405	$ 264,139	$ 26,274,481
Accumulated depreciation and impairment						
Balance at January 1, 2013	$ 16,000	$ 3,180,164	$ 8,739,746	$ 2,704,570	$ -	$ 14,640,480
Disposals	(4,000)	(4,879)	(885,326)	(158,214)	-	(1,052,419)
Impairment losses recognized in profit or loss	-	1,325	52,953	23,540	-	77,818
Reversals of impairment losses recognized in profit or loss		-	(14,377)	(1,243)	-	(15,620)
Depreciation expense	-	212,387	550,312	141,756	-	904,455
Reclassified	-	-	976	(976)	-	-
Balance at December 31, 2013	$ 12,000	$ 3,388,997	$ 8,444,284	$ 2,709,433	$ -	$ 14,554,714
Carrying amounts at December 31, 2013	$ 2,135,122	$ 2,393,164	$ 5,969,370	$ 957,972	$ 264,139	$ 11,719,767
Cost						
Balance at January 1, 2014	$ 2,147,122	$ 5,782,161	$ 14,413,654	$ 3,667,405	$ 264,139	$ 26,274,481
Additions	19	29,761	204,033	74,154	404,946	712,913
Disposals	(22,656)	(21,065)	(83,750)	(93,958)	-	(221,429)
Reclassified	-	74,099	107,750	22,361	(204,210)	-
Balance at December 31, 2014	$ 2,124,485	$ 5,864,956	$ 14,641,687	$ 3,669,962	$ 464,875	$ 26,765,965

(Continued)

	Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Prepayments for Purchase of Equipment and Construction in Progress	Total
Accumulated depreciation and impairment						
Balance at January 1, 2014	$ 12,000	$ 3,388,997	$ 8,444,284	$ 2,709,433	$ -	$ 14,554,714
Disposals	(3,933)	(13,223)	(83,479)	(92,984)	-	(193,619)
Depreciation expense	-	216,535	600,066	159,683	-	976,284
Impairment losses recognized in profit or loss	$ -	$ -	$ 1,372	$ (447)	$ -	$ 925
Reclassified	-	-	(2,357)	2,357	-	-
Balance at December 31, 2014	$ 8,067	$ 3,592,309	$ 8,959,886	$ 2,778,042	$ -	$ 15,338,304
Carrying amounts at December 31, 2014	$ 2,116,418	$ 2,272,647	$ 5,681,801	$ 891,920	$ 464,875	$ 11,427,661

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings and improvements	3-50 years
Machinery and equipment	3-20 years
Other equipment	3-15 years

The Company's main building and electrical and mechanical power equipment are depreciated over their estimated useful lives of 50 years and 20 years, respectively.

The Company owns parcels of land which were registered in the name of certain individuals because of certain regulatory restrictions. To secure its ownership of such parcels of land, the Company keeps in its possession the land titles with the annotation of being pledged to the Company. As of December 31, 2014 and 2013, the recorded total carrying value of such parcels of land amounted to NT$438,960 thousand.

The Company recognized impairment loss on property, plant and equipment of NT$925 thousand and NT$62,198 thousand, respectively, which was recorded as impairment loss for the years ended December 31, 2014 and 2013, after appropriate evaluation.

14. INVESTMENT PROPERTIES

	December 31	
	2014	2013
Completed investment property	$ 9,001,143	$ 9,147,563

	Completed Investment Property
Cost	
Balance at January 1, 2013	$ 9,772,725

(Continued)

	Completed Investment Property
Balance at December 31, 2013	$ 9,772,725
Balance at January 1, 2014	$ 9,772,725
Balance at December 31, 2014	$ 9,772,725
Accumulated depreciation and impairment	
Balance at January 1, 2013	$ 478,742
Depreciation expense	146,420
Balance at December 31, 2013	$ 625,162
Balance at January 1, 2014	$ 625,162
Depreciation expense	146,420
Balance at December 31, 2014	$ 771,582

(Concluded)

The completed investment properties are depreciated under straight-line method over 20 to 50 years.

The main investment properties of the Company are the Walsin Xin Yi Building. The building valuation was commissioned by independent rating agencies (a third party). As of December 31, 2014 and 2013, the completed investment properties' real estate value was NT$26,962,179 thousand and NT$26,168,540 thousand, respectively. The valuation was made by reference to market evidence of real estate transaction prices.

15. BORROWINGS

	December 31	
	2014	2013
Short-term borrowings	$ 3,095,477	$ 4,980,073
Current portion of long-term debts	$ 1,020,000	$ -
Long-term borrowings	$ 9,280,000	$ 10,200,000

a. Short-term borrowings as of December 31, 2014 and 2013 were as follows:

	December 31			
	2014		2013	
	Interest Rate %	Amount	Interest Rate %	Amount
Materials procurement loans	0.80%-1.04%	$ 630,477	0.94%-1.25%	$ 390,073
Bank lines of credit	1.25%-1.34%	2,465,000	1.19%-1.34%	4,590,000
		$ 3,095,477		$ 4,980,073

b. Long-term borrowings as of December 31, 2014 and 2013 were as follows:

	December 31			
	2014			2013
	Significant Covenant	Rate	Amount	Amount
Bank of Taiwan and others	Credit loan; every year to repay the principal at 10%, 10%,15%, 15%, 50% from the end of the third year from drawing date (August 2012)	1.59%	$ 10,200,000	$ 10,200,000
Industrial Bank of Taiwan	Credit loan; monthly interest payment and principal repayment in full at maturity on January 13, 2017	1.38%	100,000	-
			10,300,000	10,200,000
Less current portion of long-term debts			(1,020,000)	-
			$ 9,280,000	$ 10,200,000

Under the loan agreements, the Company should maintain certain financial ratios calculated on annual and semi-annual financial statements audited by independent auditors, during the loan term. The financial ratios are as follows:

1) Ratio of current assets to current liabilities not less than 100%;

2) Ratio of total liabilities less cash and cash equivalents to tangible net worth not more than 120%;

3) Ratio of net income before interest expenses, taxation, depreciation and amortization to interest expenses not less than 150%;

4) Tangible net worth (net worth less intangible assets) not less than NT$50,000,000 thousand.

As of December 31, 2014, the Company will repay NT$1,020,000 thousand under the loan agreement in August 2015, which was recorded as “current portion of long-term liabilities”. The Company’s financial reports for the years ended December 31, 2014 and 2013 showed that the Company was in compliance with these ratio requirements.

16. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING

	December 31	
	2014	2013
Derivative financial liabilities under hedge accounting		
Cash flow hedges - foreign exchange forward contracts	$ 1,425	$ -
Current	$ 742	$ -
Non-current	683	-
	$ 1,425	$ -

The Company’s hedge strategy is to enter foreign exchange forward contracts to avoid firm commitment of its exchange rate exposure. When forecast sales and purchases actually take place, the carrying amounts of the non-financial hedged items will be adjusted accordingly.

The terms of the foreign exchange forward contracts had been negotiated to match the terms of the respective designated hedged items. The outstanding foreign exchange forward contracts of the Company at the end of the reporting period were as follows:

	Currencies	Contract Expiration Date	Contract Amount (In Thousands)
December 31, 2014			
Buy forward exchange contracts	EUR to NTD	2015.04.15-2016.06.01	EUR37,832/NTD1,459,196

The Company signed foreign exchange forward contracts to avoid its exchange rate exposure due to the equipment purchase contracts signed with foreign suppliers. Those foreign exchange forward contracts were designated as cash flow hedges. During the year ended December 31, 2014, fair value loss of NT$1,425 thousand had been recognized in other comprehensive income due to the valuation adjustments of the foreign exchange forward contracts for the exchange rate exposure of expected future equipment purchase.

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Based on the LPA, the Company in ROC make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total expense recognized in profit or loss for the years ended December 31, 2014 and 2013 was NT$60,382 thousand and NT$58,934 thousand, respectively, which represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

b. Defined benefit plans

The Company adopted the defined benefit plan under the LSL; pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investments are conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

The actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2014	2013
Discount rate	2.00%	2.15%
Expected return on plan assets	1.25%	2.00%
Expected rates of salary increase	2.00%	2.00%

The assessment of the overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, by reference to the aforementioned use of the plan assets and the impact of the related minimum return.

Amounts recognized in profit or loss in respect of these defined benefit plans are as follows:

	For the Year Ended December 31	
	2014	2013
Current service cost	$ 15,638	$ 18,062
Interest cost	25,257	22,944
Expected return on plan assets	(88)	(128)
Past service cost	(480)	(480)
	$ 40,327	$ 40,398
An analysis by function		
Operating cost	$ 24,986	$ 23,801
Marketing expenses	3,553	2,950
Administration expenses	11,725	13,601
Research and development expenses	63	46
	$ 40,327	$ 40,398

Actuarial gains and losses recognized in other comprehensive income for the years ended December 31, 2014 and 2013 were losses NT$79,680 thousand and gains NT$82,406 thousand, respectively. The cumulative amount of actuarial gains and losses recognized in other comprehensive income as of December 31, 2014 and 2013 was losses NT$23,799 thousand and gains NT$55,881 thousand, respectively.

The amount included in the balance sheets for the Company's obligation in respect of its defined benefit plans was as follows:

	December 31	
	2014	2013
Present value of funded defined benefit obligation	$ 1,274,600	$ 1,199,723
Fair value of plan assets	(3,855)	(7,074)
Deficit	1,270,745	1,192,649
Past service cost not yet recognized	4,975	5,455
Net liability arising from defined benefit obligation	$ 1,275,720	$ 1,198,104

As of December 31, 2014 and 2013, accrued pension cost of NT$1,040 thousand and NT$1,060 thousand, respectively, was recorded as “other payables - accrued expense.”

Movements in the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2014	2013
Opening defined benefit obligation	$ 1,199,723	$ 1,333,584
Current service cost	15,638	18,062
Interest cost	25,257	22,944
Actuarial losses (gains)	79,727	(82,459)
Benefits paid	(45,644)	(65,603)
Account paid	(101)	(26,805)
Closing defined benefit obligation	$ 1,274,600	$ 1,199,723

Movements in the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2014	2013
Opening fair value of plan assets	$ 7,074	$ 15,408
Expected return on plan assets	88	128
Actuarial gains (losses)	47	(53)
Contributions from the employer	42,290	57,194
Plan assets paid	(45,644)	(65,603)
Closing fair value of plan assets	$ 3,855	$ 7,074

For the years ended December 31, 2014 and 2013, the actual return on plan assets were NT$135 thousand and NT$75 thousand, respectively.

The major categories of plan assets at the end of the reporting period were disclosed based on the information announced by the Labor Pension Fund Supervisory Committee.

18. EQUITY

	December 31	
	2014	2013
Share capital		
Common shares	$ 35,760,002	$ 35,760,002
Capital surplus	15,647,004	15,629,054
Retained earnings	9,932,518	7,758,681
Others	2,452,684	823,535
Treasury shares	(292,893)	-
	$ 63,499,315	$ 59,971,272

a. Share capital

Common shares

	December 31	
	2014	2013
Number of shares authorized (in thousands)	$ 6,500,000	$ 6,500,000
Amount of authorized shares	$ 65,000,000	$ 65,000,000
Number of shares issued and fully paid (in thousands)	$ 3,576,001	$ 3,576,001
Amount of issued shares	$ 35,760,002	$ 35,760,002

The Company cancelled 40,000 thousand shares treasury shares in 2013. As of December 31, 2014 and 2013, the balance of the Company's capital account was NT$35,760,002 thousand, divided into 3,576,001 thousand shares at NT$10.00 par value.

b. Capital surplus

	December 31	
	2014	2013
Premium from issuance of common shares	$ 10,938,230	$ 10,938,230
Arising from the excess of the consideration receivable over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	311	-
Arising from share of changes in capital surplus from investments in associates under equity method	17,644	-
Arising from treasury share transactions	1,589,157	1,589,157
Arising from gain on disposal of property plant and equipment	2,074,231	2,074,231
Others	1,027,431	1,027,436
	$ 15,647,004	$ 15,629,054

The premium from shares issued in excess of par (share premium from issuance of common shares, conversion of bonds and treasury share transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's capital surplus and once a year).

The capital surplus from long-term investments, employee share options and share warrants may not be used for any purpose.

c. Retained earnings and dividend policy

Based on the Company Law of the ROC and the Company's Articles of Incorporation, 10% of the Company's annual earnings, net of tax and any deficit, should be appropriated as legal reserve until this reserve equals the Company's paid-in capital. Also, the Company appropriated earnings to special reserve based on the applicable laws and regulations.

Any remaining balance of distributable earrings, unless it will be retained partially by the Company or resolved otherwise by the stockholders, should be appropriated in the following order:

1) 91.5% as dividends;
2) 3% as bonus to employees;
3) 1.5% as remuneration to directors and supervisors; and
4) All or part of the remainder as special reserve.

If the bonuses to employees are stock bonuses, the employees of Company's subsidiaries should reach certain condition to be qualified to receive the bonus. The conditions are set by the board of directors.

Material differences between such estimated amounts and the amounts proposed by the board of directors in the following year are adjusted in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. If bonus shares are resolved to be distributed to employees, the number of shares is determined by dividing the amount of bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day preceding the stockholders' meeting. Due to deficit at December 31, 2013, the Company did not accrue for bonus to employees and remuneration to directors and supervisors for the year ended December 31, 2013. Due to the fact that earnings for 2014 had not been distributed, the Company did not accrue for bonus to employees and remuneration to directors and supervisors.

The Company appropriates or reverses a special reserve in accordance with Rule No. 1010012865 and Rule No. 1010047490 and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items. The Company also appropriates and reverses a special reserve in accordance with Rule No. 1030006415 issued by the FSC.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The stockholders of the Company approved the reversal of special reserve in the amount of NT$794,296 thousand under Rule No. 100116 issued by the FSC and also approved to use special reserve of NT$1,136,328 thousand and legal reserve of NT$2,986,426 thousand to offset deficit on June 11, 2013. There were no available earnings for distribution after offset of deficit at the end of year.

The appropriation of 2012 earnings was based on the Company's financial statements which were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Commission of the Republic of China and ROC GAAP and were also based on the Company's Balance Sheets prepared in accordance with the amended Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Commission of the Republic of China and IFRSs.

The stockholders of Company approved the reversal of special reserve in the amount of NT$794,296 thousand under Rule No. 1010012865 issued by the FSC. There were no available earnings for distribution after offset of deficit at the end of year. The appropriation of 2013 earnings was approved not to make distribution except to make up for deficit for the year.

On February 17, 2015, the board of directors proposed not to make distribution from 2014 earnings except to appropriate the legal reserve. The 2014 offset of deficit will be resolved in the shareholders meeting scheduled on May 27, 2015.

Information on the bonus to employees directors and supervisors proposed by the stockholders of the Company is available on the Market Observation Post System (MOPS) on the web site of the Taiwan Stock Exchange.

d. Special reserves

Information regarding the above special reserve was as follows:

	For the Year Ended December 31	
	2014	**2013**
Balance at January 1	$ 3,507,455	$ 1,136,328
Appropriation in respect of		
First-time adoption of IFRSs	-	2,933,130
Earnings distribution to law	-	794,296
Reversal		
Reversal according to law	(794,296)	-
Disposal of subsidiaries and associates	(909)	(219,971)
Special reserve used to offset deficits	-	(1,136,328)
Balance at December 31	$ 2,712,250	$ 3,507,455

e. Other equity items

1) Foreign currency translation reserve

	2014	**2013**
Balance at January 1	$ 317,266	$ (1,478,713)
Share of exchange difference of associates for using the equity method	1,677,857	1,761,012
Disposal of associates for using equity method	(88)	(18,051)
Disposal of subsidiaries	40,463	53,018
Balance at December 31	$ 2,035,498	$ 317,266

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

2) Investments revaluation reserve

	2014	2013
Balance at January 1	$ 506,269	$ (2,136,988)
Unrealized gain arising on revaluation of available-for-sale financial assets	(253,751)	1,701,228
Share of unrealized gain on revaluation of available-for-sale financial assets of associates under equity method	167,382	1,138,826
Disposal of associates under equity method	(849)	53,457
Disposal of subsidiaries	-	(250,254)
Balance at December 31	$ 419,051	$ 506,269

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

3) Cash flow hedging reserve

	2014	2013
Balance at January 1	$ -	$ (287)
Gain/(loss) arising on changes in fair value of hedging instruments entered into for cash flow hedges		
Forward foreign exchange contracts	(1,425)	287
Others	(440)	-
Balance at December 31	$ (1,865)	$ -

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that was recognized and accumulated under the heading cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

f. Treasury shares

Treasury shares transactions for the year ended December 31, 2014 were summarized as follows:

Purpose for Reacquisition of Common Shares	Number of Treasury Shares as of January 1, 2014	Treasury Share Increase During the Period	Treasury Share Decrease During the Period	Number of Treasury Shares as of December 31, 2014
Common shares held by the Company as reserve for employee incentives	-	30,000,000	-	30,000,000

Treasury shares transactions for the year ended December 31, 2013 were summarized as follows:

Purpose of Reacquisition of Common Shares	Number of Treasury Shares as of January 1, 2013	Treasury Share Increase During the Period	Treasury Share Decrease During the Period	Number of Treasury Shares as of December 31, 2013
Common shares held by the Company as reserve for employees' incentives	40,000,000	-	40,000,000	-
Common shares held by subsidiaries	102,187,289	-	102,187,289	-
	142,187,289	-	142,187,289	-

In November 2013, the Company sold parts of its interest in Chin-Xin and lost control. Chin-Xin was transferred to investments in associates so the Company shares held by Chin-Xin were not accounted for as treasury stocks.

Article 28.2 of the Securities and Exchange Law stipulates that the number of treasury shares held by the Company should not exceed 10% of the number of shares issued and that the cost of acquisition of treasury shares should not exceed the total of retained earnings, additional-paid-in capital and other realized capital surplus. In addition, the Company shall neither pledge treasury stock nor exercise shareholders' rights on these shares, such as rights to dividends and to vote, or exercise other stockholder's rights on the treasury stock.

19. REVENUE

	For the Year Ended December 31	
	2014	2013
Sales revenue	$ 69,338,446	$ 65,774,983
Revenue from the rendering of services	70,424	50,407
Construction contract revenue	47,479	1,160,444
Rental income	655,963	607,829
Other revenue	66,797	65,444
	$ 70,179,109	$ 67,659,107

20. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

Non-operating income and expense-loss on disposal of investment

	For the Year Ended December 31	
	2014	2013
Gain on disposal of investments - forward exchange contracts settled	$ 151,019	$ 22,280
Gain on disposal of available-for-sale financial assets - non-current	11,284	-

(Continued)

	For the Year Ended December 31	
	2014	2013
(Loss) gain on disposal of investment - commodity futures settled	(494,286)	980,568
Loss on disposal of investment - exchange rate swap contracts settled	(16,000)	(4,825)
Gain on disposal of investments - financial asset measured at cost - non-current	-	5,214
Gain on disposal of investments - stock	-	222
Loss on disposal of investments associated under equity method (Notes 8 and 12)	-	(1,591,667)
	$ (350,806)	$ (588,208)

(Concluded)

Non-operating income and expense-impairment loss

	For the Year Ended December 31	
	2014	2013
Financial assets measured at cost - non-current (Note 11)	$ -	$ 538,000
Property, plant and equipment	925	62,198
	$ 925	$ 600,198

Employee benefits expense, depreciation and amortization

	For the Year Ended December 31, 2014			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	$ 1,206,731	$ 621,452	$ -	$ 1,828,183
Post-employment benefits	$ 67,402	$ 33,307	$ -	$ 100,709
Other employee benefits	$ 108,620	$ 39,866	$ -	$ 148,486
Depreciation				
Property, plant and equipment	$ 868,417	$ 107,867	$ -	$ 976,284
Investment property	145,453	967	-	146,420
	$ 1,013,870	$ 108,834	$ -	$ 1,122,704
Amortization	$ 3,137	$ 588	$ 4,080	$ 7,805

	For the Year Ended December 31, 2013			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Short-term employment benefits	$ 1,035,872	$ 632,212	$ -	$ 1,668,084
Post-employment benefits	$ 60,984	$ 38,338	$ -	$ 99,322
Other employee benefits	$ 94,693	$ 43,623	$ -	$ 138,316

(Continued)

	For the Year Ended December 31, 2013			
	Operating Costs	Operating Expenses	Non-operating Expenses and Losses	Total
Depreciation				
Property, plant and equipment	$ 774,420	$ 130,035	$ -	$ 904,455
Investment property	145,453	967	-	146,420
	$ 919,873	$ 131,002	$ -	$ 1,050,875
Amortization	$ 5,137	$ 588	$ 5,597	$ 11,322

(Concluded)

21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense (benefit) were as follows:

	For the Year Ended December 31	
	2014	2013
Current tax		
In respect of the current year	$ (4,080)	$ (273,000)
In respect of prior periods	4,000	(79,000)
	(80)	(352,000)
Deferred tax		
In respect of the current year	21,080	26,000
Income tax (benefit) expense recognized in profit or loss	$ 21,000	$ (326,000)

A reconciliation of accounting profit and income tax expenses, average effective tax rate and the applicable tax rate is as follows:

	For the Year Ended December 31	
	2014	2013
Income (loss) before tax from continuing operations	$ 2,285,691	$ (3,014,696)
Income tax expense (benefit) calculated at the statutory rate	$ 389,000	$ (512,000)
Net gain on disposal of investments	(8,000)	(226,000)
Loss (gain) on disposal of land-exemption of taxation	1,000	(2,000)
Equity in investees' net loss (gain)	(173,000)	468,000
Dividend income	(6,000)	(1,000)
Realized loss on liquidation of investment	(196,000)	-
Deductible temporary differences that unrecognized in previous period but utilized in current	-	(65,000)
Unrecognized deductible temporary differences	-	91,000
Adjustments for prior years' tax	4,000	(79,000)
Others	10,000	-
Income tax (benefit) expense recognized in profit or loss	$ 21,000	$ (326,000)

The applicable tax rate used above is the corporate tax rate of 17% payable by the Company.

b. Current tax assets and liabilities

	December 31 2014	December 31 2013
Current tax assets		
Tax refund receivable (recorded under other non-current assets)	$ 159,756	$ 159,325

c. Deferred tax assets and liabilities:

	December 31 2014	December 31 2013
Deferred tax assets (liabilities)		
Net operating loss carryforwards	$ 450,000	$ 687,000
Pension expense not currently deductible	232,000	232,000
Provision for permanent devaluation loss on long-term investments	282,920	72,000
Provision for devaluation loss on obsolete and slow-moving inventories	74,000	44,000
Provision for impairment loss on idle assets	16,000	16,000
Others	(59,000)	(34,000)
Deferred income tax liabilities		
Reserve for land revaluation increment tax	(131,132)	(131,132)
	$ 864,788	$ 885,868
Deferred income tax assets - non-current	$ 995,920	$ 1,017,000
Deferred income tax liabilities - non-current	(131,132)	(131,132)
	$ 864,788	$ 885,868

d. The Company's loss carryforwards as of December 31, 2014 for income tax purposes were as follows:

Expiry Year	Net Operating Loss Tax Credit
2022	$ 119,000
2024	331,000
	$ 450,000

e. The information on imputation credit accounts was as follows:

	December 31 2014	December 31 2013
Balance of Imputation Credit Account	$ 1,107,606	$ 1,240,934
Unappropriated earnings generated before January 1, 1998	$ -	$ -
Unappropriated earnings generated on and after January 1, 1998	$ 4,782,167	$ 1,813,125

f. The Company's income tax returns through 2011 had been examined and cleared by the tax authorities.

22. EARNING (LOSS) PER SHARE

	For the Year Ended December 31, 2014			For the Year Ended December 31, 2013		
	Amounts (Numerator)		Earnings Per Share (In Dollars)	Amounts (Numerator)		Deficit Per Share (In Dollars)
	After Income Tax (Attributable to Parent's Stockholders)	Shares (Denominator) (In Thousands)	After Income Tax (Attributable to Parent's Stockholders)	After Income Tax (Attributable to Parent's Stockholders)	Shares (Denominator) (In Thousands)	After Income Tax (Attributable to Parent's Stockholders)
Basic earnings (loss) per share						
Net income (loss)	$ 2,264,691	3,553,297	$ 0.64	$ (2,688,696)	3,482,329	$ (0.77)

23. OPERATING LEASE ARRANGEMENTS

a. The Company as lessee

As of December 31, 2014, the Company's future minimum lease payments on non-cancellable operating lease commitments were as follows:

Years of 2015	$ 16,082
2016-2020	60,514
After 2021	62,354
	$ 138,950

b. The Company as lessor

Lease arrangements

Operating leases relate to the investment property owned by the Company with lease terms between 5 and 10 years, with an option to extend for additional 10 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have a bargain purchase option to acquire the property at the expiry of the lease period.

As of December 31, 2014 and 2013, deposits received under operating leases amounted to NT$156,769 thousand and NT$152,530 thousand, respectively (recorded under other liabilities - non-current).

As of December 31, 2014, the Company's future minimum lease receivables on non-cancellable operating lease commitments were as follows:

Years of 2015	$ 635,492
2016-2020	1,397,084
	$ 2,032,576

24. CAPITAL MANAGEMENT

The Company's capital management objective is to ensure it has the necessary financial resources and operational plan so that it can cope with the next twelve months working capital requirements, capital expenditures, debt repayments and dividends spending.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Company review the capital structure on a quarterly basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

25. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the parent company and consolidated subsidiaries had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties were disclosed below.

a. Sales

	For the Year Ended December 31	
	2014	2013
Subsidiaries	$ 4,974,027	$ 4,979,820
Other related parties	493,973	-
	$ 5,468,000	$ 4,979,820

b. Rental income

	For the Year Ended December 31	
	2014	2013
Subsidiaries	$ 357	$ 5,093
Associates	17,286	17,286
Other related parties	14,512	1,719
	$ 32,155	$ 24,098

c. Purchases

	For the Year Ended December 31	
	2014	2013
Subsidiaries	$ 298,157	$ 248,923

d. Administrative expenses

	For the Year Ended December 31	
	2014	2013
Subsidiaries	$ 301	$ 303
Associates	9,616	11,232
Other related parties	8,651	14,383
	$ 18,568	$ 25,918

The stock registration matters of the Company and related parties were handled together. The related fees allocated to the related parties were charged against general and administrative expenses.

e. Research and development expense

	For the Year Ended December 31	
	2014	2013
Subsidiaries	$ -	$ 5,394

f. Notes receivable

	December 31	
	2014	2013
Associates	$ 763	$ 2,981
Other related parties	83	-
	$ 846	$ 2,981

g. Trade receivable

	December 31	
	2014	2013
Associates	$ 401,430	$ 742,514
Other related parties	24,171	-
	$ 425,601	$ 742,514

h. Trade payables

	December 31	
	2014	2013
Subsidiaries	$ 43,008	$ 213,894

i. Other receivables

	December 31	
	2014	2013
Subsidiaries	$ 26	$ 13,166
Associates	1,439	2,128
Other related parties	1,761	2,858
	$ 3,226	$ 18,152

j. Property, plant and equipment acquired

	Price For the Year Ended December 31	
	2014	2013
Subsidiaries	$ 192	$ 1,899

k. Property, plant and equipment disposed

	For the Year Ended December 31			
	2014		2013	
Related Parties Types	Price	Gain on Disposal	Price	Gain on Disposal
Subsidiaries	$ 271	$ -	$ 23,133	$ 23,004
Associates	13	13	38	22
	$ 284	$ 13	$ 23,171	$ 23,026

l. Financial assets acquired

For the year ended December 31, 2013

Related Parties Types	Account Items	Number of Shares	Underlying Assets	Price
Other related parties	Investment accounted for using equity method	1,080,129	Chin-Cherng	$ 19,501

m. Financial assets disposed

For the year ended December 31, 2013

Related Parties Types	Account Items	Number of Shares	Underlying Assets	Price	Gain (Loss) on Disposal
Other related parties	Investment accounted for using equity method	21,500,000	Chin-Xin	$ 278,662	Note
Associates	Investment accounted for using equity method	12,128,000	Chin-Xin	150,782	$ (39,273)

Note: The difference between the disposal price and the book value was NT$56,407 thousand. This transaction did not result in loss of control so the loss was accounted for as equity transactions and debited retained earnings in 2013.

n. Loan guarantees

Related Parties Types	December 31 2014	December 31 2013
Subsidiaries	US$ 500,428	US$ 536,528

o. Compensation of key management personnel

The remuneration of directors and other members of key management personnel were as follows:

	For the Year Ended December 31 2014	For the Year Ended December 31 2013
Short-term benefits	$ 165,470	$ 143,569
Post-employment benefits	4,819	5,275
	$ 170,289	$ 148,844

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for bank borrowings and guarantees for tariff of imported raw materials:

	December 31 2014	December 31 2013
Other non-current assets - refundable deposits	$ 600	$ 600

27. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2014 and 2013 were as follows:

a. Outstanding letters of credit not reflected in the accompanying financial statements as of December 31, 2014 and 2013 were as follows (in thousands):

	December 31	
	2014	2013
U.S. dollars	US$ 25,963	US$ 52,673
Japanese yen	JPY 161,168	JPY 105,750
Euro	EUR 43,725	EUR 660
New Taiwan dollars	NT$126,270	NT$ 34,135

b. As of December 31, 2014 and 2013, outstanding standby letters of credit not reflected in the accompanying financial statements amounted to approximately NT$392,831 thousand and NT$545,775 thousand; tariff letters of credit amounted to approximately NT$325,000 thousand and NT$663,000 thousand; guarantees for the borrowings of its affiliates amounted to US$500,428 thousand and US$536,528 thousand.

c. Noncancelable copper and nickel procurement contracts with total contract value of US$49,571 thousand US$35,012 thousand were in effect as of December 31, 2014 and 2013.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value of financial instruments not carried at fair value

Except for financial assets measured at cost, the management considers the carrying amounts of financial assets and financial liabilities recognized in the financial statements as approximate of fair values.

2) Fair value measurements recognized in the balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 2 based on the degree to which the fair value is observable:

a) Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities. They were as follows:

	December 31	
	2014	2013
Financial assets at FVTPL	$ 211	$ 5,427
Available-for-sale financial assets	3,038,429	3,212,430
	$ 3,038,640	$ 3,217,857

b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. They were as follows:

	December 31	
	2014	2013
Financial assets at FVTPL	$ 105,364	$ 46,009
Financial liabilities at FVTPL	$ 1,462	$ -
Derivative financial liabilities for hedging	$ 1,425	$ -

3) Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices. If such prices were not available, valuation techniques were applied.

b) The fair values of derivative instruments were calculated using quoted prices. The estimates and assumptions used by the Company were consistent with those that market participants would use in setting a price for the financial instrument. The fair values of interest rate swap contracts and exchange rate swap contracts were provided by the trading partners; the fair values were calculated for each contract individually.

b. Categories of financial instruments

	December 31	
	2014	2013
Financial assets		
Loans and receivables		
Cash and cash equivalents	$ 387,234	$ 497,926
Notes receivable and trade receivables (included related parties)	2,183,568	2,481,753
Other receivables	379,392	146,873
Refundable deposits	26,524	28,008
Financial assets at FVTPL (current and non-current)	$ 105,575	$ 51,436
Available-for-sale financial assets (current and non-current)	3,038,429	3,212,430
Financial assets measured at cost - non-current	1,119,436	548,757
Financial liabilities		
Financial liabilities at FVTPL (current and non-current)	1,462	-
Derivative financial liabilities for hedging (current and non-current)	1,425	-
Amortized cost		
Short-term borrowings	3,095,477	4,980,073
Notes payable and trade payables	2,647,773	2,947,366

(Continued)

	December 31	
	2014	2013
Other payables	1,340,966	1,340,226
Long-term debts (included current portion)	10,200,000	10,200,000
Deposits received (recorded as other non-current liabilities)	176,445	177,781

(Concluded)

c. Financial risk management objectives and policies

The Company's major financial instruments included equity investments, trade receivable, trade payables. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provides written principles on foreign exchange risk, interest rate risk, credit risk, use of financial derivatives and non-derivative financial instruments, and investment of excess liquidity. Compliance with policies and exposure limits if reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments for speculative purposes.

1) Market risk

The Company is exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company uses forward foreign exchange contracts and interest rate swaps contracts to hedge foreign currency risk and interest rate risk.

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts.

It is the Company's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximize hedge effectiveness.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period were as follows:

	December 31	
	2014	2013
Assets		
U.S. dollar	$ 1,121,204	$ 1,348,233
Japanese yen	38,862	26,938
Euro	110,753	163,800
Hong Kong dollar	14,514	16,615
Australian dollar	2,216	-
Liabilities		
U.S. dollar	691,996	737,193
Euro	35,840	-
Japanese yen	-	513

The carrying amounts of the Company's derivatives exposed to foreign currency risk at the end of the reporting period were as follows:

	December 31	
	2014	2013
Assets		
U.S. dollar	$ 9,969,750	$ 2,980,500
Euro	1,455,412	-

Sensitivity analysis

The Company was mainly exposed to the U.S. dollar.

The following table details the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items at the end of the reporting period.

	U.S. Dollar Impact For the Year Ended December 31	
	2014	2013
Profit or loss	$ 103,990	$ 35,915

b) Interest rate risk

The Company's interest rate risk arises primarily from fixed and floating rate deposits and borrowings.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2014	**2013**
Cash flow interest rate risk		
Financial liabilities	$ 13,395,477	$ 15,180,073

Sensitivity analysis

The sensitivity analyses below shows the possible effect on profit and loss assuming a change in the interest rates at the end of the reporting period.

If interest rates at end of the reporting period were higher by 1% and all other variables were held constant, the Company's pre-tax income for the year ended December 31, 2014 would have been decreased by NT$133,955 thousand and the pre-tax loss for the year ended December 31, 2013 would have been increased by NT$151,801 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge their obligation and financial guarantees would equal to the following:

a) The carrying amount of the respective recognized financial assets as stated in the condensed balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantee issued by the Company.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst the approved counterparties. Credit exposure is controlled by setting credit limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Company reviews the recoverable amount of each individual trade receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Company's credit risk was significantly reduced.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

a) The Company's non-derivative financial liabilities with their agreed repayment period were as follows:

	December 31, 2014				
	1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Variable interest rate liabilities	$ 4,115,477	$ 9,280,000	$ -	$ -	$ 13,395,477
Non-interest bearing	3,988,739	-	-	-	3,988,739
	$ 8,104,216	$ 9,280,000	$ -	$ -	$ 17,384,216

	December 31, 2013				
	1 Year	1-2 Years	2-5 Years	5+ Years	Total
Non-derivative financial liabilities					
Variable interest rate liabilities	$ 4,980,073	$ -	$ 10,200,000	$ -	$ 15,180,073
Non-interest bearing	4,287,592	-	-	-	4,287,592
	$ 9,267,665	$ -	$ 10,200,000	$ -	$ 19,467,665

b) The Company's derivative financial instruments with agreed settlement date were as follows:

	December 31, 2014				
	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Net settled					
Commodity futures contracts	$ -	$ 20,186	$ (19,975)	$ -	$ 211
Forward exchange contracts	-	39,952	64,670	(683)	103,939
Exchange rate swaps contracts	-	(1,462)	-	-	(1,462)
	$ -	$ 58,676	$ 44,695	$ (683)	$ 102,688

	December 31, 2013				
	On Demand or Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Total
Net settled					
Commodity futures contracts	$ (8)	$ 2,057	$ 3,378	$ -	$ 5,427
Forward exchange contracts	-	46,009	-	-	46,009
	$ (8)	$ 48,066	$ 3,378	$ -	$ 51,436

29. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

December 31, 2014

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
U.S. dollars	$ 35,425	31.650	$ 1,121,204
Japanese Yen	146,871	0.265	38,862
Euros	2,879	38.470	110,753
Singapore dollars	304	23.940	7,278
Hong Kong dollars	3,557	4.080	14,514
Australian dollars	86	25.905	2,216
Non-monetary items			
U.S. dollars	3,336	31.650	105,575
Investments accounted for using equity method			
U.S. dollars	56,587	31.650	1,790,984
Renminbi	4,834,248	5.17256	25,005,438
Financial liabilities			
Monetary items			
U.S. dollars	21,864	31.650	691,996
Euros	932	38.470	35,840
Swiss francs	17	31.975	543
Swedish Krona	32	4.090	130
Nonmonetary items			
U.S. dollars	46	31.650	1,462
Euros	37	38.470	1,425

December 31, 2013

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
U.S. dollars	$ 45,235	29.805	$ 1,348,233
Japanese Yen	94,887	0.2839	26,938
Euros	3,986	41.090	163,800
Hong Kong dollars	4,323	3.8430	16,615
Non-monetary items			
U.S. dollars	1,726	29.805	51,436

(Continued)

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Investments accounted for using equity method			
U.S. dollars	55,417	29.805	1,651,715
Renminbi	5,409,627	4.88862	26,445,613
Financial liabilities			
Monetary items			
U.S. dollars	24,734	29.805	737,193
Japanese Yen	1,808	0.2839	513
Swiss francs	17	33.485	569

(Concluded)

30. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

a. Lending funds to others: None;

b. Providing endorsements or guarantees for others: Please see Table 1 attached;

c. Holding of securities at the end of the period: Please see Table 2 attached;

d. Aggregate purchases or sales of the same securities reaching NT$300 million or 20 percent of paid-in capital or more: Please see Table 3 attached;

e. Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more: None;

f. Disposal of real estate reaching NT$300 million or 20 percent of paid-in capital or more: None;

g. Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more: Please see Table 4 attached;

h. Trade receivables from related parties reaching NT$100 million or 20 percent of paid-in capital or more: Please see Table 5 attached;

i. Trading in derivative instruments: Please see Notes 7 and 16;

j. Information on investees: Please see Table 6 attached;

Information on investments in mainland China:

a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Please see Table 7 attached;

b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses: None.

1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

3) The amount of property transactions and the amount of the resultant gains or losses.

4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

31. OPERATION SEGMENT FINANCIAL INFORMATION

The Company has provided the operating segments financial information in the consolidated financial statements. These parent company only financial statements do not provide such information.

TABLE 1

WALSIN LIHWA CORPORATION

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars/U.S. Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Each Guaranteed Party's Endorsement/ Guarantee Amounts (Note 3)	Highest Balance for the Period	Ending Balance (Note 4)	Actual Borrowing Amount	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statement (%)	Maximum Collateral/ Guarantee Amounts Allowable (Note 3)	Guaranteed Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
0	Walsin Lihwa Corporation	Walsin Lihwa Holdings	b	NT$ 63,499,315	NT$ 14,622,300 (US$ 462,000)	NT$ 13,356,300 (US$ 422,000)	NT$ 11,394,000 (US$ 360,000)	$ -	21	NT$ 63,499,315	Yes	No	No
		Borrego Solar Systems, Inc.	c	NT$ 1,610,669 (US$ 50,890)	NT$ 759,600 (US$ 24,000)	NT$ 759,600 (US$ 24,000)	NT$ - (US$ -)	-	1		Yes	No	No
		GLC-(CA) SDCCD, LLC.	c	NT$ 459,526 (US$ 14,519)	NT$ 189,900 (US$ 6,000)	NT$ 189,900 (US$ 6,000)	NT$ - (US$ -)	-	-		Yes	No	No
		GLC Solar Fund II, LLC.	c	NT$ 490,986 (US$ 15,513)	NT$ 325,995 (US$ 10,300)	NT$ 325,995 (US$ 10,300)	NT$ - (US$ -)	-	1		Yes	No	No
		GLC Solar Fund V, LLC.	c	NT$ 834,832 (US$ 26,377)	NT$ 462,976 (US$ 14,628)	NT$ 462,976 (US$ 14,628)	NT$ - (US$ -)	-	1		Yes	No	No
		GLC Solar Fund VI, LLC.	c	NT$ 1,267,583 (US$ 40,050)	NT$ 620,340 (US$ 19,600)	NT$ 620,340 (US$ 19,600)	NT$ - (US$ -)	-	1		Yes	No	No
		Green Lake Exchange, LLC.	c	NT$ 431,136 (US$ 13,622)	NT$ 123,435 (US$ 3,900)	NT$ 123,435 (US$ 3,900)	NT$ - (US$ -)	-	-		Yes	No	No
					NT$ 17,104,546	NT$ 15,838,546	NT$ 11,394,000		25				

Notes:

1. The information on Walsin Lihwa Corporation and the subsidiaries is listed and labeled on the "No." column.

   a. "0" represents Walsin Lihwa Corporation.
   b. Subsidiaries are numbered starting at 1.

2. The relationship between Walsin Lihwa Corporation and the endorsed/guaranteed entities can be classified into six types.

   a. The entity is with business transactions.
   b. The subsidiary in which over 50% of common stock was held by the parent company directly.
   c. The invested company in which over 50% of common stock was held directly/indirectly by Walsin Lihwa Corporation and the subsidiaries.
   d. The parent company which held directly or indirectly through subsidiaries over 50% of common stock of Walsin Lihwa Corporation.
   e. The mutually endorsed companies due to the requirement of the project work.
   f. The Company which was endorsed due to the co-investment agreement. The endorsement percentage of each investor is based on the investment percentage.

3. According to the Article of endorsement/guarantee and financing provided of Walsin Lihwa Corporation, the total limited amount of endorsement/guarantee cannot exceed 100% of the net value of Walsin Lihwa Corporation's current financial statement (including the consolidated financial statement). The limited amount of the endorsement/guarantee and financing provided to the single enterprise cannot exceed the net value of the guaranteed company. The limited amount of the guarantee to the invested company in which over 66.67% of the common stock was held cannot exceed the amount which is 250% of the net value multiplied by the equity percentage of the guarantee provider; however, the limits mentioned above are not applicable to Walsin Lihwa Corporation's wholly owned holding companies incorporated in duty-free area overseas.

   a. The limited amount of endorsement/guarantee provided was as follows:

      63,499,315 × 100% = NT$63,499,315

   b. The limited amount of endorsement/guarantee provided to the single entity was as follows:

      Borrego Solar Systems, Inc.: US$26,269 × 250% × 77.49% = US$50,890
      GLC-(CA) SDCCD, LLC.: US$5,926 × 250% × 98% = US$14,519
      GLC Solar Fund II, LLC.: US$6,332 × 250% × 98% = US$15,513
      GLC Solar Fund V, LLC.: US$10,766 × 250% × 98% = US$26,377
      GLC Solar Fund VI, LLC.: US$16,347 × 250% × 98% = US$40,050
      Green Lake Exchange, LLC.: US$5,560 × 250% × 98% = US$13,622

4. The currency exchange rate as of December 31, 2014 was as follows: US$ to NT$= 1:31.65.

TABLE 2

WALSIN LIHWA CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Name of Issuer	Relationship of Issuer to the Holding Company	Financial Statement Account	December 31, 2014				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
Walsin Lihwa Corporation	Stock							
	HannStar Display	Chairman of the board of directors is an immediate relative of the chairman of the board of directors of Walsin Lihwa Corporation	Available-for-sale financial assets - non-current	273,292,180	$ 1,876,981	7.19	$ 1,876,981	
	HannStar Board	-	〃	71,514,639	965,448	15.62	965,448	
	Taiwan High Speed Rail	The holding company is a director of the issuer company	〃	50,000,000	196,000	0.47	196,000	
	Powertec Energy Corp.	The holding company is a director of the issuer company	Financial assets measured at cost - non-current	302,483,333	905,706	17.80	-	
	Kuong Tai Metal Industrial Co., Ltd.	〃	〃	9,631,802	114,355	9.39	-	
	One-Seven Trading Co., Ltd.	-	〃	30,000	300	6.67	-	
	Global Investment Holdings	The holding company is a director of the issuer company	〃	5,562,000	50,000	2.93	-	
	WK Technology Fund	-	〃	2,972,480	33,158	1.91	-	
	Universal Venture Capital Investment	〃	〃	1,400,000	14,000	1.16	-	
	Parawin Venture Capital Corp.	〃	〃	627,284	1,916	0.87	-	

TABLE 3

WALSIN LIHWA CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount
Walsin Lihwa Corporation	Stock													
	Walsin Lihwa Holdings Limited	Investments accounted for using equity method	Capital reduction	Subsidiary	148,664,834	$ 10,195,575	-	$ 2,143,129 (Note)	47,516,986	$ 1,421,905	$ 1,421,905	$ -	101,147,848	$ 10,916,799
	Concord Industries Limited	〃	Capital investment	〃	509,123,630	13,553,839	70,350,000	989,048 (Note)	144,924,028	3,167,544	3,167,544	-	434,549,602	11,375,343
	Powertec Energy Corp.	Financial assets carried at cost - non-current	〃	-	69,150,000	205,706	233,333,333	700,000	-	-	-	-	302,483,333	905,706

Note: The amount included investment income or loss and adjustments on cumulative translation adjustments.

TABLE 4

WALSIN LIHWA CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Walsin Lihwa Corporation	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	$ (137,125)	-	The payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	Similar	$ 10,652	1	
	Walsin Precision Technology Sdn. Bhd.	〃	〃	(529,722)	(1)	〃	〃	〃	2,216	-	
	Changshu Walsin Specialty Steel Co., Ltd.	〃	〃	(412,482)	(1)	〃	〃	〃	151,881	7	
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	〃	〃	(118,277)	-	〃	〃	〃	-	-	
	Walsin Lihwa Holdings Limited	Subsidiary	〃	(3,766,142)	(6)	〃	〃	〃	234,301	11	
	Wuxi Xingcheng Walsin Steel Products Co., Ltd.	Associates	〃	(493,973)	(1)	〃	〃	〃	24,171	1	
	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Purchase	266,148	-	〃	〃	〃	909	-	

TABLE 5

WALSIN LIHWA CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited	Subsidiary	Trade receivables $ 234,301	13.60	$ -	-	$ 234,301	$ -
	Changshu Walsin Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Trade receivables 151,881	3.92	-	-	43,872	-

TABLE 6

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

1. Information of investees that Walsin Lihwa Corporation has control ability or significant influence was as follows (in thousands of New Taiwan dollars):

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
Walsin Lihwa Corporation	Walsin Lihwa Holdings Limited	Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands	Investments	$ 3,113,746	$ 4,535,651	101,147,848	100.00	$ 10,916,799	$ 734,428	$ 874,951	
	Concord Industries Limited	Trident Chambers Wickhams Cay P.O. Box 146, Road Town, Tortola, British Virgin Islands	Investments	16,069,316	17,102,369	434,549,602	100.00	11,375,343	(1,030,054)	(1,030,054)	
	Touch Micro-System Technology Corp.	566 Gaoshin Road, Yangmei Township, Taoyuan 326 Taiwan, R.O.C.	OEM on MEMS foundry service	750,000	750,000	2,100,000	100.00	9,318	4,993	4,993	
	Energy Pilot Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investments	1,826,879	1,826,879	60,670,001	100.00	1,790,984	35,500	35,500	
	Ally Energy Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Solar system model	-	1,917,566	-	-	-	(3,749)	(3,749)	
	Market Pilot Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Investments	2,926,037	2,926,037	100,000,000	100.00	(366,136)	(1,045,341)	(1,045,341)	
	Walsin Solar Technology Co., Ltd.	25F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Solar power manufacturing and selling operations	-	100,000	-	-	-	(1,963)	(1,963)	
	Chin-Cherng Management Service Co., Ltd.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Business administration consultation, analysis and building management	7,206	7,206	491,625	100.00	7,360	1	1	
	Min Maw Precision Industry Corp.	25F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Solar power systems management, design, and installation	180,368	180,368	24,150,000	100.00	273,984	23,826	23,826	
	Chin-Cherng Construction Co.	5th Floor, 192 Jingye 1st Road, Jhongshan District, Taipei 104, Taiwan, R.O.C.	Construction business	609,875	606,213	220,474,767	99.18	3,809,443	659,727	654,590	
	Walsin Info - Electric Corp.	2nd Floor, 192 Jingye 1st Road, Jhongshan District, Taipei 104, Taiwan, R.O.C.	Mechanical and electrical, communications, and power systems	208,778	208,778	23,728,623	98.87	288,343	(15,071)	(14,901)	
	Joint Success Enterprises Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.	Investments	1,224,479	1,224,479	38,020,000	49.05	2,713,296	1,112,959	563,247	
	Chin-Xin Investment Co., Ltd.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Investments	2,237,969	2,237,969	179,468,270	37.00	2,276,777	32,311	11,955	
	Concord VII Venture Capital Co., Ltd.	11th Floor, 132 Min-Sheng East Road Sec. 3, Taipei 104, Taiwan, R.O.C.	Venture capital	212,480	212,480	21,248,000	43.24	64,315	(16,624)	(7,188)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2014			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2014	December 31, 2013	Shares	Percentage of Ownership	Carrying Value			
	Walsin Color Co., Ltd.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Management of investments and conglomerate	$ 416,849	$ 416,849	47,114,093	33.97	$ 317,575	$ (68,043)	$ (23,320)	
	Concord II Venture Capital Co., Ltd.	11th Floor, 132 Min-Sheng East Road Sec. 3, Taipei 104, Taiwan, R.O.C.	Venture capital and consulting affairs	257,860	257,860	26,670,699	26.67	244,042	(20,383)	(5,436)	
	Winbond Electronics Corp.	No. 8, Keya 1st Rd., Daya Township, Taichung County 428, Taiwan R.O.C.	Research, development, production and sale of semiconductors and related components	6,098,839	6,170,752	848,091,531	22.95	8,836,627	3,075,969	688,447	
	Walton Advanced Engineering, Inc.	No. 18, Yugang N. 1st Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan, R.O.C.	Production, sale, and test of semiconductors	1,185,854	1,185,854	109,628,376	21.90	1,713,689	875,940	191,831	
	Walsin Technology Corp.	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	Production and sale of ceramics capacitors	2,010,034	2,010,034	125,001,738	18.30	2,655,979	550,916	99,295	

(Concluded)

TABLE 7

WALSIN LIHWA CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars/U.S. Dollars or Renminbi)

Walsin Lihwa Corporation

A. The names of investee companies in Mainland China, main businesses and products, total amount of paid-in capital, investment type, investment flows, percentage of ownership in investment, investment gain or loss, carrying value, accumulated inward remittance of earnings and upper limit on investment in Mainland China were as follows:

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 19)	Carrying Value as of December 31, 2014	Accumulated Inward Remittance of Earnings as of December 31, 2014
					Outflow	Inflow						
Jiangyin Walsin Steel Cable Co., Ltd.	Manufacture and sale of steel cables and wires	$ 633,000 (US$ 20,000)	b	$ 474,750 (US$ 15,000) (Note 2)	$ - -	$ - -	$ 474,750 (US$ 15,000) (Note 2)	$ 44,030 (RMB 8,928)	75.00	$ 33,023 (RMB 6,696)	$ 998,475 (RMB 193,033)	-
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Manufacture and sale of cables and wires	494,595 (US$ 15,627)	b	473,357 (US$ 14,956) (Note 3)	- -	- -	473,357 (US$ 14,956) (Note 3)	84,993 (RMB 17,234)	95.71	81,343 (RMB 16,494)	1,056,687 (RMB 204,287)	-
Hangzhou Walsin Power Cable & Wire Co., Ltd.	Manufacture and sale of cables and wires	1,471,092 (US$ 46,480)	b	1,304,297 (US$ 41,210) (Note 4)	151,920 (US$ 4,800)	- -	1,456,217 (US$ 46,010) (Note 4)	(417,335) (RMB -84,623)	48.53	(256,591) (RMB -52,029)	27,937 (RMB 5,401)	-
Walsin (China) Investment Co., Ltd.	Investments	2,487,690 (US$ 78,600)	b	2,487,690 (US$ 78,600) (Note 5)	- -	- -	2,487,690 (US$ 78,600) (Note 5)	662,308 (RMB 134,296)	100.00	662,308 (RMB 134,296)	3,907,331 (RMB 755,396)	-
Changshu Walsin Specialty Steel Co., Ltd.	Manufacture and sale of specialized steel tubes	3,070,050 (US$ 97,000)	b	3,070,050 (US$ 97,000) (Note 6)	- -	- -	3,070,050 (US$ 97,000) (Note 6)	(18,849) (RMB -3,822)	100.00	(18,849) (RMB -3,822)	2,794,217 (RMB 540,200)	-
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Manufacture and sale of stainless steel	1,234,350 (US$ 39,000)	b	1,234,350 (US$ 39,000) (Note 7)	- -	- -	1,234,350 (US$ 39,000) (Note 7)	(345,673) (RMB -70,092)	100.00	(345,673) (RMB -70,092)	(789,793) (RMB-152,689)	-
Dongguan Walsin Wire & Cable Co., Ltd.	Manufacture and sale of bare copper cables and wires	822,900 (US$ 26,000)	b	822,900 (US$ 26,000) (Note 8)	- -	- -	822,900 (US$ 26,000) (Note 8)	72,772 (RMB 14,756)	100.00	72,772 (RMB 14,756)	2,074,683 (RMB 401,094)	-
Nanjing Walsin Metal Co., Ltd.	New copper metal material	2,569,980 (US$ 81,200) (Note 9)	b	1,922,991 (US$ 60,758) (Note 10)	- -	- -	1,922,991 (US$ 60,758) (Note 10)	89,540 (RMB 18,156)	78.26	70,070 (RMB 14,208)	3,976,680 (RMB 768,803)	-
Jiangyin Walsin Precision Metal Technology Co., Ltd.	Precision alloy wire	1,550,850 (US$ 49,000)	b	1,550,850 (US$ 49,000) (Note 11)	- -	- -	1,550,850 (US$ 49,000) (Note 11)	(249,894) (RMB -50,671)	100.00	(249,894) (RMB -50,671)	1,074,729 (RMB 207,775)	-
Changzhou Wujin NSL. Co., Ltd.	Manufacture and sale of steel billets	3,481,500 (US$ 110,000)	b	3,416,079 (US$ 107,933)	- -	- -	3,416,079 (US$ 107,933)	8,335 (RMB 1,690)	-	8,335 (RMB 1,690)	- (RMB -)	-
Dongguan HannStar Electronics Co., Ltd.	Manufacture and sale of wires and cables	303,840 (US$ 9,600)	b	68,586 (US$ 2,167) (Note 12)	- -	68,586 (US$ 2,167)	- (US$ -)	- (RMB -)	-	- (RMB -)	- (RMB -)	$ 68,586 (US$ 2,167)

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Investment Flows: Outflow	Investment Flows: Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 19)	Carrying Value as of December 31, 2014	Accumulated Inward Remittance of Earnings as of December 31, 2014
XiAn Walsin Metal Product Co., Ltd.	Manufacture and sale of specialized stainless steel plates	$ 316,500 (US$ 10,000)	b	$ 316,500 (US$ 10,000)	$ - -	$ - -	$ 316,500 (US$ 10,000)	(216,265) (RMB -43,852)	100.00	$ (216,265) (RMB -43,852)	$ (1,032,914) (RMB-199,691)	-
Yantai Walsin Stainless Steel Co., Ltd.	Production and sale of electronic components and new alloy materials	4,939,457 (US$ 156,065) (Note 13)	b	- (US$ -)	1,042,140 (US$ 32,927) (Note 16)	- -	1,042,140 (US$ 32,927)	(295,281) (RMB -59,874)	100.00	(295,281) (RMB -59,874)	517,737 RMB100,093	-
Yantai Dazhong Recycling Resource Co., Ltd.	Recycling and manufacture of steel	- (US$ -)	b	949,500 (US$ 30,000)	- -	949,500 (US$ 30,000) (Note 16)	- (US$ -)	(1,430) (RMB -290)	-	(1,430) (RMB -290)	- (RMB -)	-
Walsin Lihwa (Changzhou) Investment Co., Ltd.	Commerce and investments	1,550,850 (US$ 49,000)	b	1,550,850 (US$ 49,000)	- -	- -	1,550,850 (US$ 49,000)	25,058 (RMB 5,081)	100.00	25,058 (RMB 5,081)	1,571,574 (RMB303,829)	-
Wuxi Xingcheng Walsin Steel Products Co., Ltd.	Manufacture and sale of stainless steel	1,411,590 (US$ 44,600)	b	1,294,390 (US$ 40,897)	- -	- -	1,294,390 (US$ 40,897)	(470,681) (RMB -95,440)	50.00	(244,336) (RMB -49,544)	1,034,595 (RMB200,016)	-
Changzhou China Steel Precision Materials Co., Ltd.	Melting and forging of nonferrous metallic materials and composites as well as new types of alloys	1,379,940 (US$ 43,600)	b	413,982 (US$ 13,080)	- -	- -	413,982 (US$ 13,080)	47,926 (RMB 9,718)	30.00	14,376 (RMB 2,915)	402,239 (RMB 77,764)	$ 965,958 (US$ 30,520)
XiAn Walsin United Technology Co., Ltd.	Electronic devices and module	3,161,835 (US$ 99,900)	b	3,163,671 (US$ 99,958)	- -	- -	3,163,671 (US$ 99,958)	(1,045,456) (RMB -211,987)	100.00	(1,045,456) (RMB-211,987)	(398,111) (RMB -76,966)	-
Nanjing Walsin Expo Exhibition Ltd.	Exhibition and conference organizing service	13,894 (US$ 439)	b	8,387 (US$ 265)	- -	- -	8,387 (US$ 265)	(1,376) (RMB -279)	60.00	(829) (RMB -168)	1,697 (RMB 328)	-
Yantai Huanghai Iron and Steel Co., Ltd.	Manufacture and sale of steel billets and wire rods	- (RMB -)	b	92,640 (US$ 2,927)	- -	92,640 (US$ 2,927) (Note 16)	- (US$ -)	(227) (RMB -46)	-	(227) (RMB -46)	- (RMB -)	-
Nanjing Taiwan Trade Mart Management Co., Ltd.	Business and asset management, consulting and advertising services	31,650 (US$ 1,000)	b	31,650 (US$ 1,000)	- -	- -	31,650 (US$ 1,000)	(36,712) (RMB -7,444)	100.00	(36,712) (RMB -7,444)	(846,872) (RMB-163,724)	-
XiAn Lv Jing Technology Co., Ltd.	Solar Module Assembly	1,430,580 (US$ 45,200)	c	633,000 (US$ 20,000)	- -	- -	633,000 (US$ 20,000)	(3,260) (RMB -661)	100.00	(3,260) (RMB -661)	819,701 (RMB158,471)	-
Shaanxi Tianhong Silicon Industrial Corporation	Polysilicon Production	6,207,072 (RMB1,200,000)	b	- (US$ -)	- -	- -	- (US$ -)	(68,255) (RMB -13,840)	19.00	- (RMB -)	693,123 (RMB134,000) (Note 14)	-
Xian Walsin Opto-electronic Limited	LED, micro projector, and solar cell assembly	4,748 (US$ 150)	b	4,748 (US$ 150)	- -	- -	4,748 (US$ 150)	1,336 (RMB 271)	100.00	1,336 (RMB 271)	(143,870) (RMB -27,814)	-
Jiangsu Taiwan Trade Mart Development Co., Ltd.	Development and management of Nanjing Taiwan Trade Mart Management Co., Ltd.	51,726 (RMB 10,000)	b	9,622 (US$ 304)	- -	- -	9,622 (US$ 304)	(192) (RMB -39)	20.00	54 (RMB 11)	10,371 (RMB 2,005)	-
Shaanxi Optoelectronics Technology Co., Ltd.	Communication equipment and electronic components	517,256 (RMB 100,000)	b	- (RMB -)	- -	- -	- (RMB -)	(14,346) (RMB -2,909)	19.00	- (RMB -)	98,279 (RMB 19,000)	-
Glory Sky Limited	LED R&D, manufacture and marketing & Sales	103,451 (RMB 20,000)	b	- (RMB -)	- -	- -	- (RMB -)	50,703 (RMB 10,281)	10.00	- (RMB -)	103,451 (RMB 20,000)	-

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Investment Flows: Outflow	Investment Flows: Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Note 19)	Carrying Value as of December 31, 2014	Accumulated Inward Remittance of Earnings as of December 31, 2014
Walsin (Nanjing) Construction Limited	Construction, rental and sale of buildings and industrial factories	$ 1,942,514 (RMB 375,542)	b	$ 1,942,514 (RMB 375,542) (Note 15)	$ - -	$ - -	$ 1,942,514 (RMB 375,542) (Note 15)	$ 1,113,366 (RMB 225,757)	99.58	$ 1,108,691 (RMB 224,809)	$ 4,520,786 (RMB 873,994)	-
Nanjing Walsin Property Management Co., Ltd.	Property management, business management and housing leasing	5,173 (RMB 1,000)	b	- (RMB -)	- -	- -	- (RMB -)	(13,168) (RMB -2,670)	99.58	(13,113) (RMB -2,659)	(35,660) (RMB -6,894)	-

B. The upper limit on investment of the Company in Mainland China was as follows:

Accumulated Investment in Mainland China as of December 31, 2014 (NT$ and US$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (NT$ and US$ in Thousands)	Upper Limit on Investment (NT$ in Thousands)
$ 22,020,962 (US$ 695,765)	$ 23,721,738 (US$ 749,502)	N/A (Note 20)

Note:

1. Investments can be classified into three types as follows:

   a. Direct investment in Mainland China.

   b. Reinvestment in Mainland China through third country companies

   c. Others.

2. Including US$4,500 thousand investment through Walsin (China) Investment Co., Ltd.

3. Including US$4,929 thousand investment through Walsin (China) Investment Co., Ltd.

4. Including US$2,800 thousand investment through Walsin (China) Investment Co., Ltd., and US$22,730 thousand dividends appropriated from Dongguan Walsin Wire & Cable Co., Ltd., Jiangying Walsin Steel Cable Co., Ltd., Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd. and Hangzhou Walsin Power Cable & Wire Co., Ltd.

5. Capital investment of US$28,600 thousand was contributed from the accounts payable of Walsin (China) Investment Co., Ltd. to Walsin Lihwa Holdings Limited.

6. Including US$8,000 thousand investment through Walsin Specialty Steel Corp. and US$42,000 thousand dividends appropriated from Changshu Walsin Specialty Steel Co., Ltd. and Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.

7. Including US$4,800 thousand investment through Walsin (China) Investment.

8. Investment through Walsin (China) Investment.

9 Including US$3,500 thousand revaluation increment of assets.

10: By the dividends of US$43,521 thousand appropriated from Nanjing Walsin Photoelectric Co., Ltd. to Renowned International Limited and the dividends of US$300 thousand appropriated from Jiangyin Walsin Steel Cable Co., Ltd. to Walsin (China) Investment Co., Ltd.

11. By own capital of Walsin (China) Investment Co., Ltd. US$9,000 thousand.

12. Disbursed to purchase 100% of shares equity from original stockholder.

13. Including by own capital of RMB578,796 of Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd., Changzhou Wujin NSL Co., Ltd. and Changshu Walsin Specialty Steel Co., Ltd. and RMB3,750 thousand investments made through Changzhou Wujin NSL. Co., Ltd. Including US$32,927 thousand investment through Yantai Huanghai Iron and Steel Co., Ltd. and Yantai Dazhong Recycling Resource Co., Ltd. were merged.

(Continued)

14. The amount included Walsin Lihwa Holdings purchase of Lead Hero Limited equity at purchase cost of US$1 and indirectly through Shaanxi Tianhong Silicon Industrial Corporation with carrying value RMB168,000 thousand, and by own capital of RMB60,000 thousand of XiAn Lv Jing Technology Co., Ltd. And the amount was adjusted by own capital of XiAn Lv Jing Technology Co., Ltd. of RMB228,000 thousand and by the fair value.

15. The amount included investment through Joint Success Enterprise Limited approved in the previous years.

16. Yantai Huanghai Iron and Steel Co., Ltd. and Yantai Dazhong Recycling Resource Co., Ltd. were merged into Yantai Walsin Stainless Steel Co., Ltd., Yantai Walsin Stainless Steel Co., Ltd. is the surviving corporation.

17. Amounts are stated in thousands of N.T. dollars and Renminbi and U.S. dollars as indicated.

18. The currency exchange rates as of December 31, 2014 were as follows: US$ to NT$= 1:31.65, RMB to NT$= 1:5.17256. The average exchange rates of December 31, 2014 were as follows: US$ to NT$= 1:30.306, RMB to NT$= 1:4.9317.

19. Amount was recognized based on the audited financial statements.

20. Upper limit on investment:

The Company had been approved as operation headquarters by Industrial Development Bureau, Ministry of Economic Affairs, thus exempted from the related regulations of "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China".

C. Significant direct or indirect transactions between the Company and investees in Mainland China

(In Thousands of New Taiwan Dollars)

Related Party	Nature of Relationship	Transaction Type	Amount	% to Total	Transaction terms			Notes/Accounts Payable or Receivable		Unrealized Loss
					Unit Price	Payment Terms	Compare to General Transactions	Ending Balance	% to Total	
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	100% indirectly owned subsidiary	Sales	$ (137,125)	-	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	The price and payment terms are set by quotations on the local market, and the transaction terms are similar to those of general customers.	Similar	$ 10,652	1	$ (9)
Walsin Precision Technology Sdn. Bhd.	〃	〃	(529,722)	(1)	〃	〃	〃	2,216	-	-
Changshu Walsin Specialty Steel Co., Ltd.	〃	〃	(412,482)	(1)	〃	〃	〃	151,881	7	(7,382)
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	〃	〃	(118,277)	-	〃	〃	〃	-	-	(3,550)
Walsin Lihwa Holdings Limited	Subsidiary	〃	(3,766,142)	(6)	〃	〃	〃	234,301	11	-
Wuxi Xingcheng Walsin Steel Products Co., Ltd.	Associates	〃	(493,973)	(1)	〃	〃	〃	24,171	1	-

(Concluded)

ⅦReview and Analysis of Financial Status, Financial Performance, and Risk Management

1. Financial Status

Unit：NT Thousands

Items \ Year	2013	2014	Variance	
			Increase (decrease) Amount	Variable proportion%
Current Assets	52,873,326	52,140,435	(732,891)	(1.39)
Property,Plant and Equipment	21,635,479	18,439,033	(3,196,446)	(14.77)
Intangible Assets	199,178	201,172	1,994	1.00
Other Assets	38,700,358	37,976,806	(723,552)	(1.87)
Total Assets	113,408,341	108,757,446	(4,650,895)	(4.10)
Current Liabilities	35,863,269	19,971,882	(15,891,387)	(44.31)
Nin-current Liabilities	15,347,795	23,370,603	8,022,808	52.27
Total Liabilities	51,211,064	43,342,485	(7,868,579)	(15.36)
Capital Stock	35,760,002	35,760,002	-	-
Capital Surplus	15,629,054	15,647,004	17,950	0.11
Retained Earnings	7,758,681	9,932,518	2,173,837	28.02

Note: The reasons,effects and future plans about that changes in assets,liabilities and equity which over 20% or NT$10 millions in last two years:

1.Reasons：

A.The decrease of current liabilities in 2014 compared with 2013 was due to the renewal of current portion of long-term borrowings and the unearned real estate transferred to income.

B.The increase of non-current liabilities in 2014 compared with 2013 was due to the the renewal of current portion of long-term borrowings.

C.The increase of retained earnings in 2014 compared with 2013 was due to the net profit in 2014

2.Effects: None。

3.Future Plans：Strengthen the management of working capital and balance sheet structure.

2. Financial Performance

Unit：NT Thousands

Items \ Year	2013	2014	Variance	
			Increase (decrease) Amount	Variable proportion%
Operating Revenue	148,634,957	162,987,384	14,352,427	9.66
Operating Costs	144,003,799	155,424,125	11,420,326	7.93
Gross Profit	4,631,158	7,563,259	2,932,101	63.31
Operating Expense	4,585,961	4,059,669	(526,292)	(11.48)
Profit (Loss) from Operations	45,197	3,503,590	3,458,393	7,651.82
Non-operating Revenue and Expense	(2,361,334)	157,734	2,519,068	(106.68)
Profit (Loss)before Taxes	(2,316,137)	3,661,324	5,977,461	(258.08)
Tax Expense	115,285	1,125,792	1,010,507	876.53
Net Income (Loss)	(2,431,422)	2,535,532	4,966,954	(204.28)

(1)The variance analysis in last two years:(Variable proportion over 20%)

1.The gross profit margin of 2014 was 4.6% including the completed and delivered real estate.The sales revenue was $5.2 billions and gorss profit was $2.2 billions. After deduct this effect, the gross profit margin was 3.4% nearly the gross profit margin 3.11% in 2013.

2.Non-operating expenses decreased $2.5 billions in 2014 compared to 2013 because Walsin recently focused on the core bussiness and disposed of non-core business .The impairment loss and loss on disposal of investment decreased $2.8 billions in 2014 compared to 2013.

3.Tax expense increase $1 billion in 2014 compared to 2013 was due to the increase of land value increment tax and tax expense from sales of real estate.

(2)The reason for the changes in business content changes: None.

(3)The expected sales volume in the next yearand its main reason:

1.Expected sales volume in the next year:

2015(Unit：ton)

Bare copper wire	504 thousands tons
Power line	48 thousands tons
Strand	125 thousands tons
Stainless steel	404 thousands tons
Hot rods	197 thousands tons
Seamless steel pipe	24 thousands tons

2.The basis of the expected sales volume and Possible future impact on the Company's financial operations and response plans:see the contents (5)-Business Overview

3. Analysis of the Cash Flow Statement

(1)Analysis of change in cash flow for the year：

Unit：NT Thousands

Cash and Cash Equivalents at the beginning of the year	Net Cash Used in Operating Activities	Net Cash Used in Investing Activities	Net Cash Used in Financing Activities	Effects of Exchange Rate Changes	Cash and Cash Equivalents at the ending of the year	Note
7,697,762	568,139	(198,456)	(1,962,791)	312,432	(1,280,676)	

Analysis of change in cash flow for the year:

1.The inflows of net cash used in operating activities 568,139 thousands due to the increase of profit before taxes

2.The outflows of net cash used in investing activities was 198,456 thousands due to increase of available-for-sale financial assets.

3.The outflows of net cash used in financing activities was 1,962,791 thousands due to the decrease short-term borrowings.

4.The outflows of net cash in the year was 1,280,676 thousands，and the ending balance of cash was 6,417,086 thousands.

(2)The remedial measures of cash inadequacy and the liquidity analysis: Not applicable。

(3)Analysis of cash flow for the next year:

Unit：NT Thousands

Cash and Cash Equivalents at the beginning of the year	Net Cash Used in Operating Activities	Net Cash Used in Investing Activities	Net Cash Used in Financing Activities	Effects of Exchange Rate Changes	Cash and Cash Equivalents at the ending of the year	Note
6,417,086	(3,501,904)	(3,407,000)	6,908,903	-	(390,085)	

Analysis of change in cash flow for the next year:

1.The outflows of net cash used in operating activities due to the expense fome inventories of construction.

2.The outflows of net cash used in investing activities due to the increase of capital expenditures and renewal of equipments

3.The inflows of net cash used in financing activities due to thr increase of long-term borrowings

4. Effect of Major Capital Expenditure on Financial Business Operation:

(1) Utilization of funds on major capital expenditures and sources of funds:

Unit: NT$ mn

Project	Source of funds	Actual or estimated completion date	Investment	Actual or expected status of spending			
				2014	2015	2016	2017
New capital expenditure on hot-rolled stainless steel coil plant	Working capital	January 2016	2,043	146	284	1,532	81

(2) Anticipated benefits:

Expanding the steel coil product portfolio and productivity in preparation for future demand for plates.

5. Investment Policy of the Past Year, Profit/Loss Analysis, Improvement Plan and Investment Plan for the Coming Year:

(1) Investment policy and profit/loss in the past year:

1. On a consolidated basis, the Company expanded its reinvestment policy to include DRAM, TFT LCD passive components apart from cable, stainless steel and other core businesses.
2. On a consolidated basis, in 2014, the Company recognized a gain of NT$565 million from disposal of investment. The gain consisted mainly of the gain from disposal of part of the Company's stake in Hangzhou Walsin. The gains for affiliated enterprises recognized by equity method was NT$614 million, most of which came from recognizing the gain for Winbond Electronics Corporation.

(2) Reasons for profit:

The Company continued to focus on its core businesses in 2014. In addition to stable profits in cable and stainless steel, the injection from the residential real estate project in Nanjing. The benefits of asset consolidation are also starting to appear.

(3) Investment plan for the coming year:

To continue to focus on core businesses and seek stability and progress.

6. Risk Managementand Assessment

(1) Risk management organization framework

Risks	Accountable Department	Business Risk Items
Strategic, business and market risks	Wire & Cable BG	Manufacture and sales of products, production technology improvement and engineering management; commitment to improving product quality, lowering costs and improving production systems
	Stainless Steel BG	
	Commerce & Real Estate BG	
	Metals Division	Responsible for the procurement transactions of raw materials, management and control of raw material price risks and other related matters
Financial and liquidity risks	Finance Div.	Responsible for capital allocation and utilization, financial planning, investment management, risk management and other related matters
Credit risk	Accounting Div.	Responsible for accounting, asset management, credit management, business analysis and other related matters
Legal risk	Legal Office	Responsible for avoiding and reducing legal risks faced by the Company in order to protect tangible and intangible assets
Management risk	Auditing Office	Planning internal audit system, audit operations, and review of Company regulations
Information risk	Information Technology Div.	Information security, development and promotion of core systems, providing the Company and its business units with information and information integrated services
Corporate image risk	Press and Media Dept.	Maintaining the Company's corporate image, communicating with the media, internal communication, etc.

(2) Impact of interest rate and exchange rate changes and inflation on Company’s profit and response measures

Affected item	Impact	Response measures:
Interest rate change	Net interest expense (interest expense less interest income) in 2014 was approximately NT$290 million.	Based on the particular timing of capital requirements of the annual budget, the Company will acquire cheaper sources of capital from the market at specific points in time, and will also utilize capital market instruments (e.g. interest rate swaps) to lock in interest rate costs for long-term capital needs.
Exchange rate change	Foreign exchange gains for 2014 were approximately NT$80 million.	Based on foreign currency positions, the Company will utilize market instruments (e.g. forward foreign exchange contracts) for hedging purposes.
Inflation	The Company's principal products are not for general public consumption therefore inflation has no direct impact on the Company.	None.

(3) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee and derivatives transactions, profit/loss analysis and future response measures

Item	Policy	Major causes of profit or loss	Future response measures
High-risk, high-leverage investments	The Company does not engage in any high-risk, high-leverage investment activities.	None	None
Lending to others	Conducted in accordance with the provisions of the Company's "Management Guidelines on Lending Company Funds to Others"	None	None
Endorsement/Guarantee	Conducted in accordance with the provisions of the Company's "Management Guidelines on Endorsement/Guarantee"	None	None
Derivative instrument transactions	With respect to derivative instruments, the Company has mainly engaged in hedging transactions related to business operations and investment activities (foreign exchange and non-ferrous metals). For non-ferrous metals, the Company may carry out non-hedging transactions based on authorized positions and under risk management control for the purpose of curbing price volatilities in raw materials. The authorization is conducted in accordance with the Company's "Procedure for Derivatives Products Trades."	None	None

(4) Future R&D plans and projected R&D investments: The research and development plans of each business group have been included in the business activities section of the Business Overview, and these plans have relatively low risks. Please refer to "(3) Overview of Technology and R&D" of "A. Business activities" under the Annual Report's Business Overview.

(5) Major changes in government policies and laws at home and broad and the impact on Company finance and business: None

(6) Impact of recent technological and market changes on the Company's finance and business, and response measures: None

(7) Impact of corporate image change on risk management and response measures: None

(8) Expected benefits and potential risks of merger and acquisition: None

(9) Expected benefits and potential risks of capacity expansion: All capacity expansion for plants under Walsin and its group members has to undergo careful assessments. All major capital expenditure has to be submitted to the Board of Directors for review. Hence, investment benefits and potential risks will have been taken into account.

(10) Risks associated with over-concentration in purchase or sale and response measures: None

(11) Impact of mass transfer of equity by or change of Directors, Supervisors, or shareholders holding more than 10% interest on the Company, associated risks and response measures: None

(12) Impact of change of management rights on the Company, associated risk and response measures: None

(13) Final and non-appealable, as well as pending major litigious, non-litigious or administrative lawsuit events involving the Company, the Company's Directors, Supervisors and the President during the most recent year and up to the annual report publication date:

1. With respect to pending litigious events as of the date of report, Chiao, Yu-Cheng, the Company's Vice Chairman, has made a reply to the Company as follows:

(1) I am involved in only one pending lawsuit as of the date of your Company's annual report.

(2) Description of the lawsuit:

A. Facts, amount of claim, lawsuit start date, main parties concerned:

The Securities and Futures Investor Protection Center (“SFIPC”) filed a lawsuit with Taiwan Taipei District Court on April 27, 2005 over misrepresentation of the financial statements of Pacific Electric Wire & Cable Co., Ltd. (“Pacific Electric”). The lawsuit names myself and others (including other directors, supervisors and accounting firm) as co-defendants on grounds that I acted as a director of Pacific Electric between 1999 and 2001 and SFIPC requests compensation for damages from the co-defendants (Case No.:Taiwan Taipei District Court (referred to as “Taipei District Court” hereunder) 94-Jing-Zi-#22).

When SFIPC first initiated the action on April 27, 2005, it sought compensation in the amount of NT$7,910,422,313 from 277 defendants including Pacific Electric. SFIPC later added Fubon Life Insurance and Hsing Yo Investment to the list of defendants on June 21, 2005 bringing the number of defendants to 279. SFIPC subsequently made several expansions and reductions in the number of claims due to increases in the number of people appointing SFIPC as their representative in the class action suit and settlements reached with several defendants. The last filed claim was NT$7,836,447,750. So far, SFIPC has reached settlement with 248 defendants involving a total settlement amount of NT$196,100,000. The court intends to conduct one last preliminary proceeding on April 30, 2015 before deciding a date for oral argument proceedings.

B. Current status:

This case is currently in the first instance of proceedings in the Taipei District Court.

C. My and my attorney's views and handling plan for the case:

The case is still in the first instance of proceedings. Oral argument has begun, but is yet to be concluded. Thus my appointed attorney and I are not in a position to assess the results of the trial at the present time.

D. Possible maximum loss and possible amount of indemnification from the case:

Based on the settlement information provided by SFIPC, the amount of settlement reached between SFIPC and individual directors or supervisors of Pacific Electric ranges between NT$12,330,000 and NT$26,000,000. Thus even if I am later found to be liable for damages as a director of Pacific Electric at one time, my liability should not be too far off the amounts of settlement described above.

E. I am not financially strapped or in danger of losing my good credit standing as of the date of this reply.

An evaluation of the aforementioned lawsuit by the Company concludes that because the lawsuit is a personal affair of the Vice Chairman and does not involve the Company's finances or business, it is not expected to have any material impact on the interests of the Company's shareholders or stock price.

(14)Other significant risks and response measures:

1.The Company's KPIs:

(1)Financial indicators: Optimizing financial structure and control of bank financing agreements

Ratio	Formula	Target KPI	2014	2013
Debt ratio	Net liabilities (Total liabilities - Cash and cash equivalents) / Tangible assets	<=120%	58.34%	73.04%
Current ratio	Current assets / Current liabilities	>=100%	261.06%	147.41%
Times interest earned	Net income before income tax and interest expense / Current interest expense	>=150%	581.01%	(276.85%)
Tangible assets	Shareholders' equity - Intangible assets	>=NT$50 billion	NT$63.3 billion	NT$59.8 billion

(2)Performance indicators: Return on shareholder's equity and return before accrued interest,tax,

Ratio	Formula	Target KPI	2014	2013
Return on shareholder's equity	After-tax income / Total shareholders' equity	4.53%	3.97%	-3.91%
Return before accrued interest,tax, depreciation and amortization	Income before interest and tax＋depreciation and amortization	5,464	6,311	610

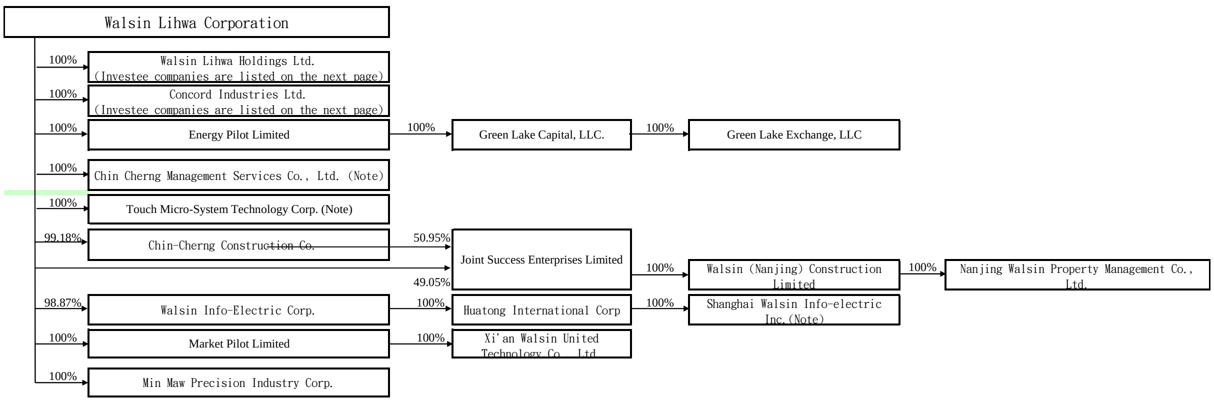
7. Other major issues and events: None

VII Special Disclosures

1. Affiliates Company Information

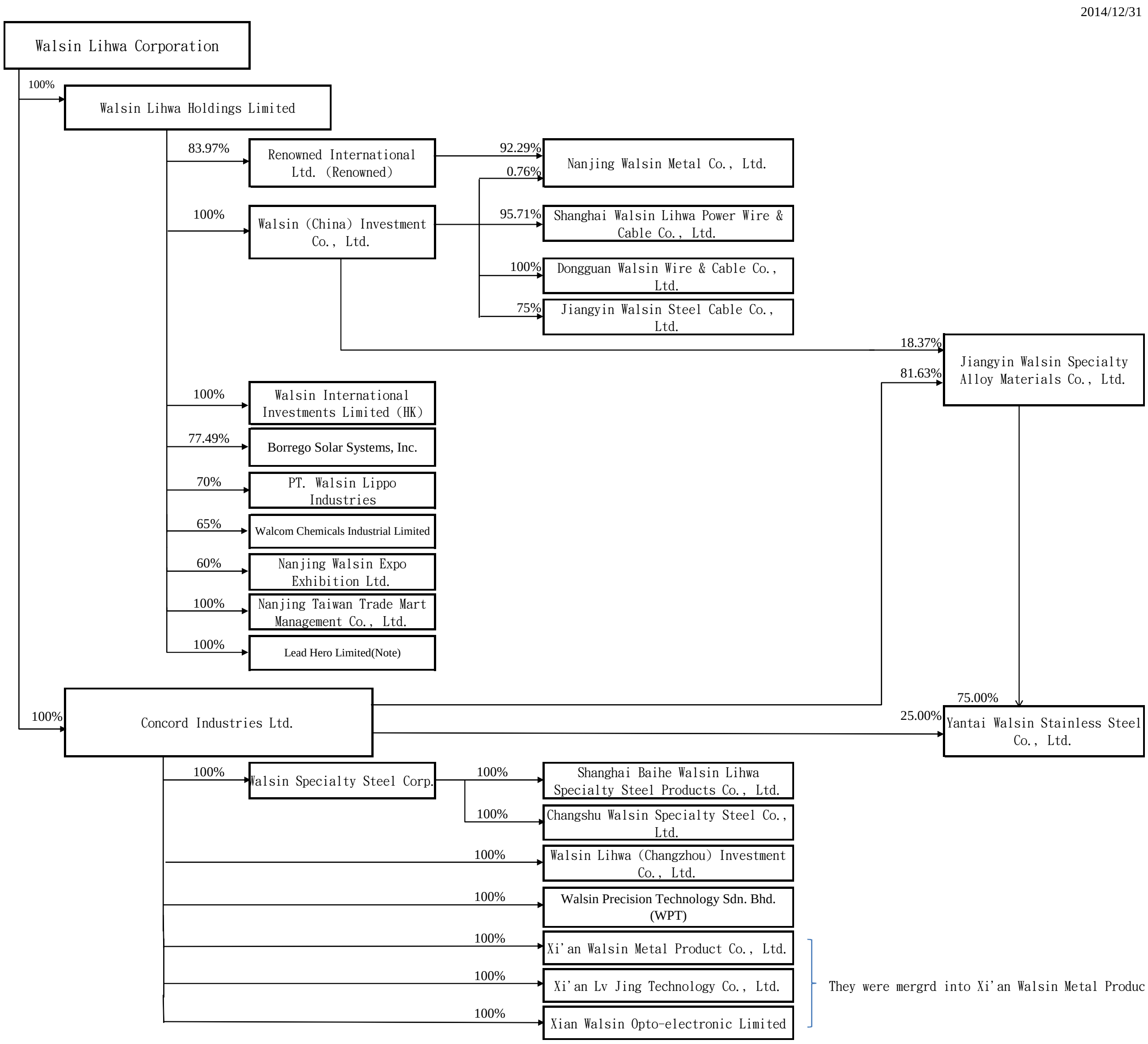
(1)Affiliates

1.Affiliated Organization Chart (2014.12.31)



(Note)Liquidating

2. Affiliated Organization Chart (2014.12.31)



(二) Background Information of the Affiliated Companies

Unit: NT thousands/Original thousands

Entity	Date of Incorporation	Address	Capital		Main Operation or Business Items
Walsin Lihwa Holdings Limited	1992/7/15	Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands	USD	101,148	Investment holding
Renowned International Limited	1993/3/4	Akara Building, 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands	USD	20,172	Investments
Nanjing Walsin Metal Co., Ltd.	2004/12/27	No. 1, Hengye Road, Nanjing Economic & Technology Development Zone Jiangsu, China	RMB	620,827	copper alloy,copper wires cable
Walsin (China) Investment Co., Ltd.	1995/11/2	Rm. 2804, 28th Floor, Shanghai Mart Tower, No. 2299, Yanan Road (West), Shanghai, China	USD	78,600	Investments
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	1995/3/21	No. 1128 Liuxiang Road, Nanxiang Town, Jiading, Shanghai	USD	15,627	cables and wires
Dongguan Walsin Wire & Cable Co., Ltd.	2000/1/26	Xiniupo Industrial Zone District, Dalang Town, Dongguan, Guangdong	USD	26,000	bare copper cables and wires
Jiangyin Walsin Steel Cable Co., Ltd.	1992/12/16	No. 679 Binjiang Road (West), Binjiang Economic & Technology Development Zone, Jiangyin, Jiangsu	USD	20,000	Strand, steel wire, galvanized wire
Walsin International Investments Limited	1993/12/2	Unit 9-15, 22/F, Millennium City, 378Kwun Tong Road, Kwun Tong, Kooloon, Hong Kong	HKD	0.002	Investments
Borrego Solar Systems, Inc.	2002/3/1	6210 Lake Shore Drive San Diego, CA 92119, USA	USD	14,657	solar electric systems
P.T Walsin Lippo Industries	1991/4/29	JI. MH. Thamrin Blok A1-1, Delta Silicon Industrial Park, Lippo Cikarang, Bekasi 17550, Indonesia	USD	15,000	Steel wires
Walcom Chemicals Industrial Limited	1988/12/29	Unit 714, 7/F, Miramar Tower, 1-23 Kimberley Road, Tsimshatsui, Kowloon, Hong Kong	HKD	500	Commerce
Nanjing Walsin Expo Exhibition Ltd.	2009/5/6	No. 199 Yanshan Road, Nanjing	RMB	3,000	Exhibition and conference organizing service
Nanjing Taiwan Trade Mart Management Co., Ltd.	2010/4/14	Room 205, 2/F, No. 156, Mengdu Avenue, Jianye Zone, Nanjing	USD	1,000	Business management, property management, marketing,planning, advertising and consulting;marketing facilities leasing and marketing management; electronics,machinery, agricultural products, textiles,handicrafts and export,commission agency (except auction)
Lead Hero Limited	2007/5/22	12/F Ruttonjee House, 11 Duddell Street, Hong Kong	HKD	370,028	Investments

Next

Last

Unit: NT thousands/Original thousands

Entity	Date of Incorporation	Address	Capital		Main Operation or Business Items
Concord Industries Limited	1992/8/25	Trident Chambers Wickhams Cay P.O.Box 146, Road Town, Tortola,British Virgin Islands	USD	434,550	Investments
Walsin Specialty Steel Corp	1997/8/7	Offshore Incorporations Centre, Road Town Tortola, British Virgin Islands	USD	198,600	Commerce and Investments
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	1997/8/8	No. 2402, Waiqingsong Road, Baihe Town, Qing Pu Zone, Shanghai	USD	39,000	Manufacture and sale of stainless steel
Changshu Walsin Specialty Steel Co., Ltd.	1997/12/24	Changshu Walsin Specialty Steel Co., Ltd.	USD	97,000	Manufacture and sale of specialized steel tubes
Yantai Huanghai Iron and Steel Co., Ltd.	2007/3/19	No. 2 Wuzhishan Road. ETDZ Yantai City, Shantung Province, P.R.C.	USD	155,065	Manufacture and sale of steel billets and wire rods
WalsinLihwa (Changzhou) Investment Co., Ltd.	2013/12/16	6/F, No.2, Tenglong Road, Wujin Economic Development Area, Jiangsu	USD	49,000	Investments
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	2005/3/10	No. 677, Binjiang West Road, Jiangyin City, Jiangsu	USD	49,000	Cold-rolled stainless steel and flat-rolled products
Walsin Precision Technology Sdn. Bhd.	2000/3/15	2115-1,Kawasan Perindustrian air Keroh, Fasaiv, Air Keroh, 75450 Melaka, Malaysia	USD	8,470	stainless steel plates
XiAn Walsin Metal Product Co., Ltd.	2008/6/20	2/F, Building B, No. 15, Shanglinyuan First Road, New Industrial Park, Hi-and-New Tech Park of Xian, Shaanxi	USD	10,000	Production and sale of medium and heavy specialized stainless steel plates.
XiAn LyJing Technology Co., Ltd.	2007/8/8	No. 15, Shanglinyuan First Road, Hi-and-New Tech Park of Xian, Shaanxi	USD	45,200	Solar module assembly
Xian Walsin Opto-electronic Limited	2010/12/17	No. 15, Shanglinyuan First Road, Hi-and-New Tech Park of Xi'an, Shaanxi	USD	150	LED, micro projector, and solar cell assembly
Energy Pilot Limited	2009/7/28	P.O.Box 957, Offshore Incorporations Centre, Road Town Tortola, BVI	USD	60,670	Investments
Green Lake Capital, LLC.	2009/8/24	1209 Orange Street, Wilmington, Delaware 19801	USD	60,670	Solar power business
Green Lake Exchange, LLC	2011/8/23	160 Greentree Drive, Suite 101, Dover, Delaware 19904	USD	5,155	Solar power project development
Chin-Cherng Management Service Co., Ltd.	1989/6/16	26F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	NTD	4,916	Business administration consultation, analysis and building management
Touch Micro-System Technology Corp.	2004/4/2	566 Gaoshin Road, Yangmei Township, Taoyuan 326 Taiwan, R.O.C.	NTD	21,000	OEM on MEMS foundry service
Chin-Cherng Construction Co.	1973/6/28	5th Floor, 192 Jingye 1st Road, Jhongshan District, Taipei 104, Taiwan, R.O.C.	NTD	2,222,956	Construction business

(Next)

(Last)

Unit: NT thousands/Original thousands

Entity	Date of Incorporation	Address	Capital		Main Operation or Business Items
Joint Success Enterprises Limited	2004/1/8	P. O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	USD	77,520	Investments
Walsin (Nanjing) Construction Limited	2005/8/9	2nd Floor, 156 Dream, Jianye Distinct, Nanjing City, Jiangsu Province	USD	50,000	Construction, rental and sale of buildings and industrial factories
Nanjing Walsin Property Management Co., Ltd.	2013/1/30	No. 230, Hexi Avenue, Jianye Zone, Nanjing, Jiangsu	RMB	1,000	Property management, business management and housing leasing
Walsin Info-Electric Corp.	1995/6/21	No. 4, Yanxin 3rd Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.)	NTD	240,000	Research, development, production and sale of semiconductors and related components
Huatong International Corp.	2007/6/22	Offshore Chambers, P.O. Box 217, Apia Samoa	USD	1,299	Investments
Shanghai Walsin Info-electric Inc.	2007/10/18	Room 2809, No. 2299, Yan'an West Road, Changning District, Shanghai	RMB	8,200	Design of electrical and mechanical systems, management advisory services, and wholesale of electrical and mechanical devices and their components
Market Pilot Limited	2010/7/1	P.O.Box 957, Offshore Incorporations Centre, Road Town Tortola, BVI	USD	100,000	Investments
XiAn Walsin United Technology Co., Ltd.	2006/4/24	No. 15, Shanglinyuan First Road, Hi-and-New Tech Park of Xian, Shaanxi	USD	99,900	Electronic devices and module
Min Maw Precision Industry Corp.	1970/10/17	25F., No. 1, Songzhi Rd., Xinyi Dist., Taipei City, Taiwan	NTD	241,500	Solar power systems management, design, and installation

(3) Presumed to have control and affiliation Common Shareholders Information: Not applicable

(4) Affiliated Companies Industries the main Industries of affiliated companies:

1. Wire and cable industry
2. Special steel industry
3. Business real estate
4. General investment industry

Above table incloude he main operation or business items of Each affiliated company.

The division of work of affiliated companies:

Each line of business affiliates operate independently, partially some affiliates have the purchases, sales, engineering contracting trading and marketing agency services and other projects with each other.

(5) Directors, Supervisors, and Presidents of the Affiliated Companies (2014.12.31)

Share：USD thousands or RMB thousands；per：%

Entity	Title	Name of the Representation	Shareholding	
			Shares	Shares
Walsin Lihwa Corporation	Chairman	Chiao, Yu-Lon	45,961,773	1.29%
	Vice Chairman	Chiao, Yu-Cheng	39,508,661	1.10%
	Director	hiao, Yu-Heng	58,712,197	1.64%
	Director	Yang, Jih-Chang	0	0.00%
	Director	Cheng, Hui-Ming	700,000	0.02%
	Director	Chang, Wen-Chung	514,786	0.01%
	Director	Hong, Wu-Shung	859,316	0.02%
	Director	Ma, Wei-Shin	244,033	0.01%
	Directorof legal representative	Hsueh, Ming-Ling	0	0.00%
	Directorof legal representative	Du, King-Ling	0	0.00%
	Directorof legal representative	Chen, Shiang-Chung	0	0.00%
	Supervisor	Chu, Wen-Yuan	3,694,218	0.10%
	Supervisor	Walsin Technology Corp.	7,170,000	0.20%
	Supervisor of legal representative	Representative of Walsin Technology Corp.：Chu, Yeu-Yuh	55,065	0.00%
	Supervisor	Hsu, In-Shek	0	0.00%
	CEO	Chiao, Yu-Lon	45,961,773	1.29%
	general manager	Cheng, Hui-Ming	700,000	0.02%
	general manager	Chang, Wen-Chung	514,786	0.01%
	general manager	Chiao, Yu-Hwei	52,529,006	1.47%
	Vice general manager	Chen, Cheng-Chiang	244,722	0.01%
	Vice general manager	Chen, Juei-Lung	101,300	0.00%
	Vice general manager	Lu, Chin-Jen	40,900	0.00%
	Vice general manager	Lin, Tung-Ben	0	0.00%
	Vice general manager	Liao, Chih-Cheng	70,963	0.00%
	Vice general manager	Pan, Wen-Hu	107,300	0.00%
	Vice general manager	Chen, Tien-Rong	100,800	0.00%
Walsin lihwa holdings limited	Director	Representative of Walsin Lihwa Corporation ：Chiao, Yu-Cheng、Chiao, Yu-Lon、Wen, Ter-Chen	101,147,848	100.00%

(Next)

(Last) Share：USD thousands or RMB thousands；per：%

Entity	Title	Name of the Representation	Shareholding		
			Shares		Shares
Renowned International Limited	Director	Representative of Concord Industries Limited ：Chiao, Yu-Hwei、Cheng, Chung-Wu、Lin, Yu-Tsung		16,937,020	83.97%
	Director	Representative of Itochu Corporation ：Hiroshi Ichinose		1,396,964	6.93%
	Director	Representative of Walsin Lihwa Corporation：Kunihiko Akiyama		1,396,964	6.93%
Nanjing Walsin Metal Co., Ltd.	Chairman	Chiao, Yu-Hwei	RMB	0	0.00%
	Vice Chairman	Xiao Bao Min	RMB	0	0.00%
	Vice Chairman	Cheng, Chung-Wu	RMB	0	0.00%
	general manager	Liao, Chih-Cheng	RMB	0	0.00%
	Director	Representative of Renowned International Limited ：Chiao, Yu-Hwei、Cheng, Chung-Wu、Lin, Tung-Ben、Wu, Chin-Sheng、Liao, Chih-Cheng、Kunihiko Akiyama、Hiroshi Ichinose	RMB	572,961	92.29%
	Director	Representative of Nanjing Xingang：Xiao Bao Min	RMB	32,407	5.22%
	Director	Representative of Nanjing Suyi Industrial Limited Company：Wu Jun	RMB	7,760	1.25%
	Director	Representative ofChina Netcom Jiangsu Branch：He Jian Quan	RMB	2,980	0.48%
	Director	Representative of Walsin (China) Investment Co., Ltd.：Cao, Jian-Hua	RMB	4,718	0.76%
	Supervisor	Representative of Renowned International Limited Lin, Yu-Tsung	RMB	572,961	92.29%
	Supervisor	Representative of Nanjing Xingang High-Tech Co., Ltd. ：Lu Tang Jun	RMB	32,407	5.22%
	Employee representative	Xu Jun	RMB	0	0.00%
Walsin (China) Investment Co., Ltd.	Chairman	Cao, Jian-Hua	USD	0	0.00%
	general manager	Pan, Wen-Hu	USD	0	0.00%
	Director	Representative of Walsin Lihwa Holdings Limited：Cao, Jian-Hua、Chen, Cheng-Chiang、Pan, Wen-Hu	USD	78,600	100.00%
	Supervisor	Representative of Walsin Lihwa Holdings Limited： ：Wu, Chin-Sheng	USD	78,600	100.00%
Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	Chairman	Chiao, Yu-Hwei	USD	0	0.00%
	general manager	Lin, San-Lang	USD	0	0.00%
	Director	Representative of Shanghai Nanxiang Economic Development Zone Industrial Co. Ltd. ：Zhang, Jian-Ming、Zhu, Chen-Dong	USD	671	4.29%

(Next)

(Last)

Share：USD thousands or RMB thousands；per：%

Entity	Title	Name of the Representation	Shareholding	
			Shares	Shares
	Director	Representative of Walsin (China) Investment Co., Ltd. ：Chiao, Yu-Hwei、Lin, San-Lang、Cheng, Chung-Wu、Lin, Tung-Ben、Lu, Chin-Jen	USD 14,956	95.71%
	Supervisor	Representative of Walsin (China) Investment Co., Ltd.：Wu, Chin-Sheng	USD 14,956	95.71%
Dongguan Walsin Wire & Cable Co., Ltd.	Chairman	Chiao, Yu-Hwei	USD 0	0.00%
	general manager	Chuang, Chih-Ming	USD 0	0.00%
	Director	Representative of Walsin (China) Investment Co., Ltd.:Chiao, Yu-Hwei、Lin, Yu-Tsung、Cheng, Chung-Wu、Lin, San-Lang、Lin, Tung-Ben	USD 26,000	100.00%
Jiangyin Walsin Steel Cable Co., Limited (JHS)	Chairman	Liao, Chih-Cheng	USD 0	0.00%
	Vice Chairman	Cheng, Chung-Wu	USD 0	0.00%
	Vice Chairman	Xiang Liu	USD 0	0.00%
	general manager	Zhou Qi	USD 0	0.00%
	Director	Representative of Fasten Group ：Xiang Liu、Yue Zhang	USD 5,000	25.00%
	Director	Representative of Walsin (China) Investment Co., Ltd.：Cheng, Chung-Wu、Liao, Chih-Cheng、Chiao, Yu-Hwei、Lin, Tung-Ben、Qu, Jing-Wei	USD 15,000	75.00%
	Supervisor	Representative of Walsin (China) Investment Co., Ltd.：Wu, Chin-Sheng	USD 15,000	75.00%
Walsin Lihwa (Changzhou) Investment Co., Ltd.	Director	Chen, Cheng-Chiang、Pan, Wen-Hu	2	100.00%
Borrego Solar Systems, Inc.	Chairman	Stan Chang	0	0.00%
	general manager	Michael Adam Hall	58,587	3.11%
	Director	Representative of Walsin Lihwa Holdings Limited：Stan Chang、Lin, Shu-Ting、Jason Tai	1,460,458	77.49%
	Director	Aaron Stephen Hall	147,174	7.81%
	Director	Michael Adam Hall	58,587	3.11%
P.T. Walsin Lippo Industries (“P.T. Walsin”)	President Commissioner	Representative of P.T. Multi Prima Sejahtera, Tbk,：Rudy Nanggulangi	4,500	30.00%
	Vice President Commissioner	Representative of Walsin Lihwa Holdings Limited：Chiao, Yu-Lon	10,500	70.00%
	President Director	Representative of Walsin Lihwa Holdings Limited：Ou Yang Kai-Dai	10,500	70.00%
	Vice President Director	Representative of P.T. Multi Prima Sejahtera, Tbk, ：Hery Soegiarto	4,500	30.00%
	Director	Representative ofWalsin Lihwa Holdings Limited：Pan, Sy-Ru、David Karman、Ardinand Roynald P、Andre Kelsen, Foe	10,500	70.00%

(Next)

(Last)

Share：USD thousands or RMB thousands；per：%

Entity	Title	Name of the Representation	Shareholding		
			Shares		Shares
Walcom Chemicals Industrial Limited	Director	Chi Hao		174,999	35.00%
	Director	Liang Qi Ying		1	0.00%
	Director	Chen Yong Taig		0	0.00%
Nanjing Walsin Expo Exhibition Co., Ltd.	Chairman	Zhang Qing-Xuan	RMB	0	0.00%
	general manager	Wu Xue-Wu	RMB	0	0.00%
	Director	Representative of Walsin Lihwa Holdings Limited：Chiao, Yu-Lon、Wu Xue-Wu、Chen, Jing-Ru	RMB	1,800	60.00%
	Director	Representative of Nanjing Hexi Convention and Exhibition Co.,Ltd.：Zhang Qing-Xuan、Zhao, Chun-Le	RMB	1,200	40.00%
	Supervisor	Representative of Walsin Lihwa Holdings Limited ：Chen, Yi-Chung	RMB	1,800	60.00%
Nanjing Taiwan Trade Mart Management Co., Ltd.	Chairman	Chiao, Tzu-Yi	USD	0	0.00%
	general manager	Zhou Min	USD	0	0.00%
	Director	Representative of Walsin Lihwa Holdings Limited：Chiao, Tzu-Yi、Wu Xue-Wu、Zhou Min	USD	1,000	100.00%
	Supervisor	Representative of Walsin Lihwa Holdings Limited：Pan, Sy-Ru	USD	1,000	100.00%
Lead Hero Limited	Director	Representative of Walsin Lihwa Holdings Limited：Wen, Ter-Chen		370,028,101	100.00%
Concord Industries Limited	Director	Representative of Walsin Lihwa Corporation：Chiao, Yu-Cheng、Chiao, Yu-Lon、Wen, Ter-Chen		434,549,602	100.00%
Walsin Specialty Steel Corp	Director	Representative of Walsin Lihwa Corporation：Chiao, Yu-Cheng、Chiao, Yu-Lon、Wen, Ter-Chen		198,600,000	100.00%
Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	Chairman	Chang, Wen-Chung	USD	0	0.00%
	general manager	Sheu, Horng-Sheng	USD	0	0.00%
	Director	Representative of Walsin Specialty Steel Corp ：Chang, Wen-Chung、Chen, Cheng-Chiang、Chen, Juei-Lung、Hung, Wen-Nan	USD	39,000	100.00%
	Supervisor	Representative of Walsin Specialty Steel Corp ：Wu, Chin-Sheng	USD	39,000	100.00%
Changshu Walsin Specialty Steel Co., Ltd.	Chairman	Chang, Wen-Chung	USD	0	0.00%
	Vice Chairman	Chen, Juei-Lung	USD	0	0.00%
	general manager	Lin, Shih-Chieh	USD	0	0.00%
	Director	Representative of Walsin Specialty Steel Corp：Chang, Wen-Chung、Chen, Juei-Lung、Cao, Jian-Hua、Lin, Shih-Chieh、Wu, Chin-Sheng	USD	97,000	100.00%
	Supervisor	Representative of Walsin Specialty Steel Corp：Wu, Chin-Sheng	USD	97,000	100.00%

(Next)

(Last) Share：USD thousands or RMB thousands；per：%

Entity	Title	Name of the Representation	Shareholding	
			Shares	Shares
Yantai Walsin Stainless Steel Co., Ltd.	Chairman	Chang, Wen-Chung	USD 0	0.00%
	general manager	Sheu, Horng-Sheng	USD 0	0.00%
	Director	Representative of Jiangyin Walsin Specialty Alloy Materials Co., Ltd.：Chang, Wen-Chung、Chen, Cheng-Chiang	USD 116,313	75.00%
	Director	Representative of Concord Industries Limited ：Chen, Juei-Lung	USD 38,753	25.00%
	Supervisor	Representative of Jiangyin Walsin Specialty Alloy Materials Co., Ltd.：Wu, Chin-Sheng	USD 116,313	75.00%
Walsin Lihwa (Changzhou) Investment Co., Ltd.	Chairman	Cao, Jian-Hua	USD 0	0.00%
	general manager	Pan, Wen-Hu	USD 0	0.00%
	Director	Representative of Concord Industries Limited ：Cao, Jian-Hua、Pan, Wen-Hu、Wen, Ter-Chen	USD 49,000	100.00%
	Supervisor	Representative of Concord Industries Limited ：Wu, Chin-Sheng	USD 49,000	100.00%
Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	Chairman	Chang, Wen-Chung	USD 0	0.00%
	general manager	Sheu, Horng-Sheng	USD 0	0.00%
	Director	Representative of director ：Chang, Wen-Chung 、Sheu, Horng-Sheng 、Lin, Shu-Ting	USD 49,000	100.00%
	Supervisor	Representative of supervisor ：Wu, Chin-Sheng	USD 49,000	100.00%
Walsin Precision Technology Sdn. Bhd	Chairman	Chang, Wen-Chung	0	0.00%
	general manager	Chang, Chien-Hsin	0	0.00%
	Director	Representative of Concord Industries Limited ：Chang, Wen-Chung 、Chang, Chien-Hsin 、Chen, Jen-Yang 、Wu, Chin-Sheng	32,178,385	100.00%
XiAn Walsin Metal Product Co., Ltd.	Chairman	Chang, Wen-Chung	USD 0	0.00%
	general manager	Kuo, Ching-Tang	USD 0	0.00%
	Director	Representative of Concord Industries Limited ：Chang, Wen-Chung 、Kuo, Ching-Tang、Chen, Cheng-Chiang	USD 10,000	100.00%
	Supervisor	Representative of Concord Industries Limited：Wu, Chin-Sheng	USD 10,000	100.00%
XiAn LyJing Technology Co., Ltd.	Chairman	Chen, Cheng-Chiang	USD 0	0.00%
	general manager	Hsieh, Kun-Han	USD 0	0.00%
	Director	Representative of Lead Hero Limited ：Chen, Cheng-Chiang 、Hsieh, Kun-Han、Wu, Chin-Sheng	USD 45,200	100.00%
	Supervisor	Representative of Lead Hero Limited ：Chen, Yi-Chung	USD 45,200	100.00%

(Next)

(Last)

Share：USD thousands or RMB thousands；per；%

Entity	Title	Name of the Representation	Shareholding	
			Shares	Shares
Xian Walsin Opto-electronic Limited	Chairman	Hu, Ching-Jen	USD 0	0.00%
	general manager	Kuo, Yung-Chun	USD 0	0.00%
	Director	Representative of Walsin Lihwa Holdings Limited：Hu, Ching-Jen、Kuo, Yung-Chun、Wu, Chin-Sheng	USD 150	100.00%
	Supervisor	Representative of Walsin Lihwa Holdings Limited：Lin, Shu-Ting	USD 150	100.00%
Energy Pilot Limited	Director	Representative of Walsin Lihwa Corporation：Ji-Ming、Pan, 、Wen, Ter-Chen	60,670,001	100.00%
Green Lake Capital, LLC.	general manager	Jason Tai	USD 60,670	100.00%
Green Lake Exchange, LLC		Corporate shareholders representative of Green Lake Capital, LLC：Jason Tai	USD 5,155	100.00%
Chin-Cherng Management Service Co., Ltd.	Supervisor	Chiao, Yu-Hwei	0	0.00%
Touch Micro-System Technology Corp.	Supervisor	Pan, Sy-Ru	0	0.00%
Chin-Cherng Construction Co.	Chairman	Hong, Wu-Shung	167,990	0.08%
	general manager	Pan, Wen-Hu	0	0.00%
	Director	Representative of Walsin Lihwa Corporation：Chiao, Yu-Cheng、Chiao, Yu-Lon、Pan, Wen-Hu、Wu, Chin-Sheng	220,474,767	99.18%
	Supervisor	Representative of Dinghsin Development Co., Ltd.代：Wen, Ter-Chen	10,000	0.00%
Joint Success Enterprises Limited	Director	Representative of Chin-Cherng Construction Co.：Ji-Ming、Pan, 、Pan, Wen-Hu	39,500,000	50.95%
Walsin (Nanjing) Construction Limited	Chairman	Cao, Jian-Hua	USD 0	0.00%
	general manager	Pan, Wen-Hu	USD 0	0.00%
	Director	Representative of Joint Success Enterprises Limited：Chiao, Yu-Lon、Hong, Wu-Shung、Cao, Jian-Hua	USD 50,000	100.00%
	Supervisor	Representative of Joint Success Enterprises Limited：Pan, Sy-Ru	USD 50,000	100.00%
Nanjing Walsin Property Management Co., Ltd.	Chairman	Pan, Wen-Hu	RMB 0	0.00%
	general manager	Chen Lin	RMB 0	0.00%
	Director	Representative of Walsin (Nanjing) Construction Limited：Pan, Wen-Hu、Chiao, Tzu-Yi、Lee, Jeng-Chang	RMB 1,000	100.00%
	Supervisor	Representative of Walsin (Nanjing) Construction Limited：Wu, Chin-Sheng	RMB 1,000	100.00%

(Next)

(Last) Share：USD thousands or RMB thousands；per；%

Entity	Title	Name of the Representation	Shareholding	
			Shares	Shares
Walsin Info-Electric Corp.	Chairman	Chiao, Yu-Lon	0	0.00%
	Vice Chairman	Lin Wang-Tsai	0	0.00%
	general manager	Wen, Ter-Chen	0	0.00%
	Director	Representative of Walsin Lihwa Corporation ： Chiao, Yu-Lon 、 Lin Wang-Tsai、Wen, Ter-Chen、Ji-Ming、Pan, 、Wu, Chin-Sheng	23,728,623	98.87%
	Supervisor	Pan, Sy-Ru	0	0.00%
Huatong International Corp.	Director	Representative of Walsin Info-Electric Corp. ：Ji-Ming、Pan, 、Pan, Wen-Hu	1,299	100.00%
Shanghai Walsin Info-electric Inc.	Chelf Of liquidator	Chen, Lei	0	0.00%
	liquidator	Pan, Sy-Ru、Xia, Man-Lan	0	0.00%
Market Pilot Limited	Director	Representative of Walsin Lihwa Corporation：Ji-Ming、Pan, 、Wen, Ter-Chen	100,000,000	100.00%
XiAn Walsin United Technology Co., Ltd.	Chairman	Hu, Ching-Jen	USD 0	0.00%
	general manager	Hu, Ching-Jen	USD 0	0.00%
	Director	Representative of Market Pilot Limited ：Hu, Ching-Jen 、 Chen, Cheng-Chiang、Pan, Wen-Hu	USD 99,900	100.00%
	Supervisor	Representative of Market Pilot Limited ：Chen, Yi-Chung	USD 99,900	100.00%
Min Maw Precision Industry Corp.	Chairman	Wen, Ter-Chen	0	0.00%
	general manager	Wen, Ter-Chen	0	0.00%
	Director	Representative of Walsin Lihwa Corporation ：Wen, Ter-Chen 、Lin, Shu-Ting、Yang, Hsiang-Hsin	24,150,000	100.00%
	Supervisor	Representative of Walsin Lihwa Corporation：Pan, Sy-Ru	24,150,000	100.00%

(6) Operating Condition of the Affiliated Companies

Unit：NT$ thousands

Entity		Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income	EPS (NT$)
Walsin Lihwa Corporation		35,760,002	83,071,808	19,572,493	63,499,315	70,179,109	2,058,839	2,264,691	0.64
Walsin Lihwa Holdings Limited (Note 1)		3,201,329	33,833,381	21,029,498	12,803,883	79,356,617	284,624	734,428	N/A
The Subsidiaries of Concord Industries Limited	Walsin (China) Investment Co., Ltd.	2,487,690	18,844,816	14,937,485	3,907,331	14,036	(50,414)	662,308	N/A
	Shanghai Walsin Lihwa Power Wire & Cable Co., Ltd.	494,595	2,123,734	1,019,685	1,104,049	4,497,812	118,198	84,993	N/A
	Dongguan Walsin Wire & Cable Co., Ltd.	822,900	13,241,242	11,166,559	2,074,683	17,550,701	(220,061)	72,772	N/A
	Jiangyin Walsin Steel Cable Co., Limited (JHS)	633,000	2,319,077	987,779	1,331,298	2,342,106	83,651	44,030	N/A
	Renowned International Limited	638,436	4,693,127	0	4,693,127	0	(49)	54,322	2.75
	Nanjing Walsin Metal Co., Ltd.	2,569,980	8,712,411	3,630,775	5,081,636	51,298,239	116,318	89,540	N/A
	Walsin International Investments Limited	0	14,200	92,278	(78,078)	0	(6,604)	(6,896)	N/A
	P.T. Walsin Lippo Industries ("P.T. Walsin")	474,750	1,058,342	352,617	705,725	1,278,477	94,929	66,863	4,457.51
	Nanjing Walsin Expo Exhibition Co., Ltd.	13,894	2,894	66	2,828	1,129	(1,383)	(1,376)	N/A
	Borrego Solar Systems, Inc.	463,908	2,166,973	1,335,532	831,441	4,279,784	76,958	101,680	53.95
	Nanjing Taiwan Trade Mart Management Co., Ltd.	31,650	14,789	861,661	(846,872)	36,362	(4,761)	(36,712)	N/A
	Walcom Chemicals Industrial Limited	2,040	1	71,467	(71,466)	0	(93)	(93)	N/A
Concord Industries Limited (Note 2)		13,753,495	21,956,033	10,383,938	11,572,095	13,562,936	(551,872)	(1,030,054)	N/A
The Subsidiaries of Concord Industries Limited	XiAn Walsin Metal Product Co., Ltd.	316,500	313,382	1,346,296	(1,032,914)	260,688	(10,256)	(216,265)	N/A
	Jiangyin Walsin Specialty Alloy Materials Co., Ltd.	1,550,850	2,924,092	1,849,363	1,074,729	589,855	(50,123)	(249,894)	N/A
	Walsin Precision Technology Sdn. Bhd.	268,076	588,449	110,025	478,424	759,764	9,071	14,229	N/A
	Walsin Specialty Steel Corp	6,285,690	5,192,146	1,623	5,190,523	0	(1,868)	(333,152)	N/A
	Changshu Walsin Specialty Steel Co., Ltd.	3,070,050	6,193,452	3,399,235	2,794,217	4,596,685	47,523	(18,849)	N/A
	Shanghai Baihe Walsin Lihwa Specialty Steel Co., Ltd.	1,234,350	2,519,103	3,308,896	(789,793)	6,260,638	(280,363)	(345,673)	N/A
	Yantai Walsin Stainless Steel Co., Ltd.	4,939,467	5,606,092	5,088,355	517,737	8,264,391	(225,138)	(295,281)	N/A
	XiAn Ly Jing Technology Co., Ltd	1,430,580	938,058	118,357	819,701	0	(929)	(3,260)	N/A
	Xian Walsin Opto-electronic Limited	4,748	7,171	151,041	(143,870)	0	259	1,336	N/A
	Walsin Lihwa (Changzhou) Investment Co., Ltd.	1,550,850	1,571,639	65	1,571,574	0	(1,755)	25,058	N/A
Energy Pilot Limited		1,920,206	1,790,979	0	1,790,979	0	0	35,488	N/A

Entity		Capital	Total Assets	Total Liabilities	Net Worth	Sales	Operating Income	Net Income	EPS (NT$)
Subsidiaries of Energy Pilot	Green Lake Capital, LLC(Note 3)	1,920,206	1,966,225	175,246	1,790,979	587,179	234,568	35,488	N/A
	Green Lake Exchange, LLC	163,159	533,949	194,810	339,139	220,524	(1,621)	(1,621)	N/A
Touch Micro-System Technology Corp.		21,000	9,640	321	9,319	0	(216)	4,993	2.38
Chin-Cherng Management Service Co., Ltd.		4,916	7,361	0	7,361	0	(45)	1	0.00
Walsin Info-Electric Corp.		240,000	359,797	68,158	291,639	61,370	(10,877)	(15,071)	(0.63)
The Subsidiaries of Walsin Info-Electric Corp.	Huatong International Corp.	37,975	67,100	0	67,100	0	0	(3,598)	N/A
	Shanghai Walsin Info-electric Inc.	37,886	42,808	103	42,705	558	(81)	(1,027)	N/A
Market Pilot Limited(Note 4)		3,165,000	1,068,016	1,434,152	(366,136)	149,983	(290,185)	(1,045,341)	N/A
The Subsidiaries of Market Pilot	XiAn Walsin United Technology Co., Ltd.	3,161,835	1,036,041	1,434,152	(398,111)	149,983	(290,143)	(1,045,456)	N/A
Chin-Cherng Construction Co		2,222,956	3,854,184	13,246	3,840,938	39,143	8,488	659,727	2.97
The Subsidiaries of Chin-Cherng Construction Co.	Joint Success Enterprises Limited	2,453,508	5,471,572	63,463	5,408,109	0	(1,896)	1,112,959	N/A
	Walsin (Nanjing) Construction Limited	1,924,514	9,887,046	5,347,193	4,539,853	5,272,449	2,083,571	1,113,366	N/A
	Nanjing Walsin Property Management Co., Ltd.	5,173	13,529	49,337	(35,808)	53,575	(13,842)	(13,168)	N/A
Min Maw Precision Industry Corp.		241,500	1,225,569	951,586	273,983	74,308	50,897	23,826	1.07

Note 1：The assets, liabilities and net income of Walsin Lihwa Holdings Limited include the subsidiaries'.
Note 2：The assets, liabilities and net income of Concord Industries Limited include the subsidiaries
Note 3：The assets, liabilities and net income of Green Lake Capital, LLC.include the subsidiaries'.
Note 7：The assets, liabilities and net income of Walsin Info-Electric Corp include the subsidiaries
Note 4：The assets, liabilities and net income of Market Pilot Limitedinclude the subsidiaries'.
Note 5：The currency exchange rate as of December 31, 2014 was as follows: US$/NT$=1：31.65 (average rate ：US$/NT$ 1：30.306) RMB/NT$=1：5.17256 (average rate ：RMB/NT$==1：4.9317)

2. Progress of private placement of securities during the latest year and up to the date of annual report publication: None

3. The subsidiaries' shareholding or disposal of the company's shares during the latest year and up to the date of annual report publication: None

4. Other supplemental information: None

5. Corporate events with material impact on shareholders' equity or stock prices set forth in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act during the most recent year and up to the annual report publication date: None.