

Sinyi Realty Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2013 and 2012 and
Independent Accountants' Review Report**

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and Stockholders
Sinyi Realty Inc.

We have reviewed the accompanying consolidated balance sheets of Sinyi Realty Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012 and the related consolidated statements of comprehensive income for the three months ended June 30, 2013 and 2012, six months ended June 30, 2013 and 2012, and changes in equity and cash flows for the six months ended June 30, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

We conducted our reviews in accordance with Statement of Auditing Standards No. 36 "Engagements to Review Financial Statements" issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

As stated in Note 4 to the consolidated financial statements, some non-major subsidiaries' financial statements for the three months ended June 30, 2013 and six months ended June 30, 2013 and related information mentioned in Note 37 were unreviewed. As of June 30, 2013, such subsidiaries' total assets was 21% (\$3,262,826 thousand) of the consolidated assets, and the total liabilities was 9% (\$652,988 thousand) of the consolidated liabilities. The total comprehensive income were 14% (\$123,005 thousand) and 10% (\$150,752 thousand) of consolidated comprehensive income for the three months ended June 30, 2013 and for the six months ended June 30, 2013, respectively.

Based on our reviews, except for the effects on the consolidated financial statements as of and for the three months and the six months ended June 30, 2013 of such adjustments and disclosures, if any, as might have been required had the financial statements of consolidated subsidiaries in the third paragraph above been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Commission of the Republic of China, and International Financial Reporting Standard 1 “First-time Adoption of International Financial Reporting Standards” and International Accounting Standard 34 “Interim Financial Reporting” endorsed by the Financial Supervisory Commission of the Republic of China.

August 13, 2013

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent accountants’ review 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 independent accountants’ review report and consolidated financial statements shall prevail.

SINYI REALTY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

ASSETS	June 30, 2013		December 31, 2012		June 30, 2012		January 1, 2012		LIABILITIES AND EQUITY	June 30, 2013		December 31, 2012		June 30, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	Amount	%
CURRENT ASSETS									CURRENT LIABILITIES								
Cash and cash equivalents (Note 6)	\$ 2,088,686	13	\$ 2,194,434	19	\$ 856,700	8	\$ 1,270,145	12	Short-term borrowings (Notes 19 and 33)	\$ 72,831	-	\$ 69,302	1	\$ 70,863	1	\$ 72,073	1
Financial assets at fair value through profit or loss - current (Note 7)	419,201	3	75,534	1	1,206,435	11	510,756	5	Notes payable	3,587	-	3,405	-	3,450	-	4,576	-
Available-for-sale financial assets - current (Note 8)	720,064	5	609,407	5	537,367	5	476,263	5	Other payables (Note 20)	2,228,052	14	1,958,129	17	1,524,594	14	1,649,975	16
Notes receivable (Note 10)	197,363	1	55,517	-	76,362	1	43,904	-	Other payables to related parties (Notes 19, 20 and 32)	83,926	1	79,711	1	77,383	1	70,311	1
Trade receivables (Note 10)	1,065,540	7	830,751	7	735,099	7	615,549	6	Current tax liabilities	303,224	2	162,583	1	142,267	1	67,540	1
Other receivables (Notes 10 and 32)	86,253	1	350,739	3	61,579	-	55,799	1	Provisions - current (Note 21)	74,249	1	58,352	1	45,450	-	41,075	-
Inventories (Note 11)	3,787,772	24	467,980	4	-	-	-	-	Other current financial liabilities (Note 20)	939,385	6	174,797	1	1,038,496	10	146,842	1
Other financial assets - current (Notes 12 and 33)	198,122	1	356,661	3	350,926	3	336,718	3	Current portion of long-term borrowings (Notes 19 and 33)	195,663	1	-	-	-	-	-	-
Other current assets (Note 18)	73,721	-	57,480	1	81,713	1	68,800	1	Other current liabilities (Note 20)	142,734	1	120,310	1	124,415	1	99,117	1
Total current assets	8,636,722	55	4,998,503	43	3,906,181	36	3,377,934	33	Total current liabilities	4,043,651	26	2,626,589	23	3,026,918	28	2,151,509	21
NON-CURRENT ASSETS								NON-CURRENT LIABILITIES									
Financial assets measured at cost - non-current (Note 9)	293,591	2	128,640	1	153,317	1	154,084	2	Long-term borrowings (Notes 19 and 33)	2,635,400	17	700,000	6	-	-	-	-
Investment accounted for using equity method (Note 13)	10,463	-	3,528	-	3,267	-	2,913	-	Provisions - non-current (Note 21)	2,662	-	3,537	-	3,460	-	2,313	-
Property, plant and equipment (Notes 14 and 33)	3,530,604	22	3,282,920	28	3,319,649	31	3,364,620	33	Guarantee deposits received (Note 29)	47,013	-	50,892	-	54,646	1	41,940	1
Investment properties (Notes 15 and 33)	2,837,830	18	2,860,617	24	2,885,457	27	2,930,161	29	Other non-current liabilities (Note 20)	766,720	5	890,252	8	974,194	9	1,041,914	10
Intangible assets (Notes 16 and 35)	90,629	1	89,436	1	96,450	1	90,423	1	Deferred tax liabilities	31,393	-	28,302	-	23,776	-	22,389	-
Deferred tax assets	16,800	-	15,108	-	12,030	-	33,896	-	Total non-current liabilities	3,483,188	22	1,672,983	14	1,056,076	10	1,108,556	11
Refundable deposits (Note 29)	122,598	1	122,452	1	145,278	1	152,839	2	Total liabilities	7,526,839	48	4,299,572	37	4,082,994	38	3,260,065	32
Long-term accounts receivable (Note 17)	224,155	1	214,237	2	204,155	2	-	-	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)								
Prepaid pension cost - non-current (Note 22)	41,734	-	33,628	-	53,110	1	44,820	-	Share capital	4,655,713	30	4,655,713	40	4,392,182	41	4,392,182	43
Other non-current assets (Note 18)	4,553	-	5,427	-	5,350	-	4,203	-	Ordinary shares	372,457	2	-	-	263,531	2	-	-
Total non-current assets	7,172,957	45	6,755,993	57	6,878,063	64	6,777,959	67	Stock dividends to be distributed	5,028,170	32	4,655,713	40	4,655,713	43	4,392,182	43
								Total share capital	68,597	1	63,896	-	63,896	1	63,896	1	
								Capital surplus									
								Retained earnings									
								Legal reserve	1,290,290	8	1,155,179	10	1,155,179	11	1,024,230	10	
								Special reserve	120,693	1	120,693	1	120,693	1	120,693	1	
								Unappropriated earnings	1,463,357	9	1,345,279	11	654,763	6	1,287,949	13	
								Total retained earnings	2,874,340	18	2,621,151	22	1,930,635	18	2,432,872	24	
								Other equity									
								Exchange differences on translating foreign operations	18,680	-	(68,465)	(1)	(20,759)	-	-	-	
								Unrealized gain or loss from available-for-sale financial assets	183,148	1	63,048	1	(28,421)	(1)	(97,712)	(1)	
								Total other equity	201,828	1	(5,417)	-	(49,180)	(1)	(97,712)	(1)	
								Total equity attributable to owners of the Company	8,172,935	52	7,335,343	62	6,601,064	61	6,791,238	67	
								NON-CONTROLLING INTERESTS	109,905	-	119,581	1	100,186	1	104,590	1	
								Total equity	8,282,840	52	7,454,924	63	6,701,250	62	6,895,828	68	
TOTAL	<u>\$ 15,809,679</u>	<u>100</u>	<u>\$ 11,754,496</u>	<u>100</u>	<u>\$ 10,784,244</u>	<u>100</u>	<u>\$ 10,155,893</u>	<u>100</u>	TOTAL	<u>\$ 15,809,679</u>	<u>100</u>	<u>\$ 11,754,496</u>	<u>100</u>	<u>\$ 10,784,244</u>	<u>100</u>	<u>\$ 10,155,893</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 13, 2013)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Service revenue	\$ 3,408,953	100	\$ 2,462,774	100	\$ 5,962,308	100	\$ 4,279,281	100
OPERATING COSTS (Notes 24 and 32)	<u>2,192,184</u>	<u>64</u>	<u>1,665,618</u>	<u>68</u>	<u>3,912,337</u>	<u>65</u>	<u>3,057,836</u>	<u>71</u>
GROSS PROFIT	1,216,769	36	797,156	32	2,049,971	35	1,221,445	29
OPERATING EXPENSES (Notes 24 and 32)	<u>322,765</u>	<u>10</u>	<u>265,024</u>	<u>11</u>	<u>600,228</u>	<u>10</u>	<u>504,368</u>	<u>12</u>
OPERATING INCOME	<u>894,004</u>	<u>26</u>	<u>532,132</u>	<u>21</u>	<u>1,449,743</u>	<u>25</u>	<u>717,077</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES								
Rental income (Note 32)	31,738	1	31,504	1	58,160	1	62,958	1
Dividend income	12,727	-	10,362	1	12,727	-	17,076	-
Interest income (Notes 17 and 24)	18,195	-	6,112	-	26,094	-	7,859	-
Other gains and losses (Notes 24 and 32)	100,966	3	24,243	1	119,645	2	25,519	1
Finance costs (Notes 24 and 32)	<u>(11,630)</u>	<u>-</u>	<u>(2,284)</u>	<u>-</u>	<u>(19,725)</u>	<u>-</u>	<u>(4,593)</u>	<u>-</u>
Total non-operating income and expenses	<u>151,996</u>	<u>4</u>	<u>69,937</u>	<u>3</u>	<u>196,901</u>	<u>3</u>	<u>108,819</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,046,000	30	602,069	24	1,646,644	28	825,896	19
INCOME TAX EXPENSE (Note 25)	<u>(180,422)</u>	<u>(5)</u>	<u>(124,934)</u>	<u>(5)</u>	<u>(302,456)</u>	<u>(5)</u>	<u>(174,962)</u>	<u>(4)</u>
NET PROFIT FOR THE PERIOD	<u>865,578</u>	<u>25</u>	<u>477,135</u>	<u>19</u>	<u>1,344,188</u>	<u>23</u>	<u>650,934</u>	<u>15</u>
OTHER COMPREHENSIVE INCOME								
Exchange differences on translating foreign operations	4,765	-	14,476	1	87,336	1	(20,896)	(1)
Unrealized gain (loss) on available-for-sale financial assets	<u>48,451</u>	<u>2</u>	<u>(38,612)</u>	<u>(2)</u>	<u>120,100</u>	<u>2</u>	<u>69,291</u>	<u>2</u>
Other comprehensive income for the period, net of income tax	<u>53,216</u>	<u>2</u>	<u>(24,136)</u>	<u>(1)</u>	<u>207,436</u>	<u>3</u>	<u>48,395</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 918,794</u>	<u>27</u>	<u>\$ 452,999</u>	<u>18</u>	<u>\$ 1,551,624</u>	<u>26</u>	<u>\$ 699,329</u>	<u>16</u>
NET PROFIT ATTRIBUTABLE TO:								
Owner of the Company	\$ 854,993	25	\$ 469,825	19	\$ 1,324,003	22	\$ 639,730	15
Non-controlling interests	<u>10,585</u>	<u>-</u>	<u>7,310</u>	<u>-</u>	<u>20,185</u>	<u>1</u>	<u>11,204</u>	<u>-</u>
	<u>\$ 865,578</u>	<u>25</u>	<u>\$ 477,135</u>	<u>19</u>	<u>\$ 1,344,188</u>	<u>23</u>	<u>\$ 650,934</u>	<u>15</u>

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owner of the Company	\$ 908,018	27	\$ 445,826	18	\$ 1,531,248	26	\$ 688,262	16
Non-controlling interests	<u>10,776</u>	<u>-</u>	<u>7,173</u>	<u>-</u>	<u>20,376</u>	<u>-</u>	<u>11,067</u>	<u>-</u>
	<u>\$ 918,794</u>	<u>27</u>	<u>\$ 452,999</u>	<u>18</u>	<u>\$ 1,551,624</u>	<u>26</u>	<u>\$ 699,329</u>	<u>16</u>
EARNINGS PER SHARE (Note 26)								
From continuing operations								
Basic	<u>\$ 1.70</u>		<u>\$ 0.93</u>		<u>\$ 2.63</u>		<u>\$ 1.27</u>	
Diluted	<u>\$ 1.70</u>		<u>\$ 0.93</u>		<u>\$ 2.63</u>		<u>\$ 1.27</u>	

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

(With Deloitte & Touche review report dated August 13, 2013)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets			
	Ordinary Shares	Stock Dividends to Be Distribute		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2012	\$ 4,392,182	\$ -	\$ 63,896	\$ 1,024,230	\$ 120,693	\$ 1,287,949	\$ -	\$ (97,712)	\$ 6,791,238	\$ 104,590	\$ 6,895,828
Appropriation of 2011 earnings											
Legal reserve	-	-	-	130,949	-	(130,949)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(878,436)	-	-	(878,436)	-	(878,436)
Stock dividends	-	263,531	-	-	-	(263,531)	-	-	-	-	-
Net profit for the six months ended June 30, 2012	-	-	-	-	-	639,730	-	-	639,730	11,204	650,934
Other comprehensive income (loss) for the six months ended June 30, 2012, net of income tax	-	-	-	-	-	-	(20,759)	69,291	48,532	(137)	48,395
Total comprehensive income (loss) for the six months ended June 30, 2012	-	-	-	-	-	639,730	(20,759)	69,291	688,262	11,067	699,329
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(15,471)	(15,471)
BALANCE AT JUNE 30, 2012	<u>\$ 4,392,182</u>	<u>\$ 263,531</u>	<u>\$ 63,896</u>	<u>\$ 1,155,179</u>	<u>\$ 120,693</u>	<u>\$ 654,763</u>	<u>\$ (20,759)</u>	<u>\$ (28,421)</u>	<u>\$ 6,601,064</u>	<u>\$ 100,186</u>	<u>\$ 6,701,250</u>
BALANCE AT JANUARY 1, 2013	\$ 4,655,713	\$ -	\$ 63,896	\$ 1,155,179	\$ 120,693	\$ 1,345,279	\$ (68,465)	\$ 63,048	\$ 7,335,343	\$ 119,581	\$ 7,454,924
Appropriation of 2012 earnings											
Legal reserve	-	-	-	135,111	-	(135,111)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(698,357)	-	-	(698,357)	-	(698,357)
Stock dividends	-	372,457	-	-	-	(372,457)	-	-	-	-	-
Changes in capital surplus											
Adjustments arising from changes in the interest in subsidiaries	-	-	4,701	-	-	-	-	-	4,701	-	4,701
Net profit for the six months ended June 30, 2013	-	-	-	-	-	1,324,003	-	-	1,324,003	20,185	1,344,188
Other comprehensive income for the six months ended June 30, 2013, net of income tax	-	-	-	-	-	-	87,145	120,100	207,245	191	207,436
Total comprehensive income for the six months ended June 30, 2013	-	-	-	-	-	1,324,003	87,145	120,100	1,531,248	20,376	1,551,624
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(30,052)	(30,052)
BALANCE AT JUNE 30, 2013	<u>\$ 4,655,713</u>	<u>\$ 372,457</u>	<u>\$ 68,597</u>	<u>\$ 1,290,290</u>	<u>\$ 120,693</u>	<u>\$ 1,463,357</u>	<u>\$ 18,680</u>	<u>\$ 183,148</u>	<u>\$ 8,172,935</u>	<u>\$ 109,905</u>	<u>\$ 8,282,840</u>

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

(With Deloitte & Touche review report dated August 13, 2013)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,646,644	\$ 825,896
Adjustments for:		
Depreciation expenses	69,980	92,281
Amortization expenses	8,895	8,487
Net gain on fair value change of financial assets held for trading	(2,661)	(1,786)
Finance costs	19,725	4,593
Interest income	(26,094)	(7,859)
Dividend income	(12,727)	(17,076)
Share of loss of associates and joint ventures	1	3
Loss on disposal of property, plant and equipment	96	665
Loss on disposal of investment properties	123	-
Gain on disposal of investments	(83,897)	(1,104)
Reversal of impairment loss on non-financial assets	(10,152)	-
Changes in operating assets and liabilities		
Increase in financial assets held for trading	(340,888)	(692,789)
Increase in notes receivable	(141,846)	(32,458)
Increase in trade receivables	(234,789)	(119,550)
Decrease (increase) in other receivables	264,486	(5,780)
Increase in inventories	(3,319,792)	-
Increase in other current assets	(16,241)	(12,542)
Increase in other operating assets	(8,106)	(8,290)
Increase (decrease) in notes payable	182	(1,126)
Increase (decrease) in other payables	270,887	(125,381)
Decrease in other payables to related parties	(904)	(813)
Increase in provisions	15,022	5,522
Increase in other financial liabilities	66,231	13,218
Increase in other current liabilities	22,424	25,298
Decrease in other operating liabilities	(123,532)	(67,720)
Cash used in operations	(1,936,933)	(118,311)
Interest received	15,441	3,641
Interest paid	(19,064)	(2,826)
Income taxes paid	(160,416)	(76,982)
Net cash used in operating activities	(2,100,972)	(194,478)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of sale of available-for-sale financial assets	17,380	2,966
Purchase of financial assets measured at cost	(170,178)	-
Proceeds of sale of financial assets measured at cost	73,067	-
Refund on capital of financial assets measured at cost	7,433	-

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SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2013	2012
Net cash outflow on acquisition of subsidiaries	\$ -	\$ (10,002)
Net cash inflow on partial disposal of interests in subsidiaries without losing control	5,763	-
Payments for property, plant and equipment	(306,264)	(16,320)
Proceeds of disposal of property, plant and equipment	-	274
Increase in refundable deposits	(146)	-
Decrease in refundable deposits	-	7,571
Payment for intangible assets	(8,138)	(5,740)
Proceeds of disposal of investment properties	48,909	-
Increase in long-term accounts receivable	-	(200,000)
Decrease (increase) in other financial assets	159,274	(14,145)
Increase in other non-current assets	-	(1,147)
Decrease in other non-current assets	874	-
Dividends received	<u>12,727</u>	<u>17,076</u>
Net cash used in investing activities	<u>(159,299)</u>	<u>(219,467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of long-term borrowings	3,825,000	-
Repayment of long-term borrowings	(1,693,937)	-
Proceeds of guarantee deposits received	-	12,706
Refund of guarantee deposits received	(3,879)	-
Increase in other payables to related parties	-	6,118
Change in non-controlling interest	<u>(30,052)</u>	<u>(15,471)</u>
Net cash generated from financing activities	<u>2,097,132</u>	<u>3,353</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>57,391</u>	<u>(2,853)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(105,748)	(413,445)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>2,194,434</u>	<u>1,270,145</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 2,088,686</u>	<u>\$ 856,700</u>

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

(With Deloitte & Touche review report dated August 13, 2013)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2013 AND 2012

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

(Reviewed, Not Audited)

1. GENERAL INFORMATION

Sinyi Realty Inc. (the “Company”) was incorporated in January 1987 and engaged in the operation of a full-service real-estate brokerage business. The head office is situated in Taipei City, Taiwan, Republic of China (ROC). The Company continues to expand by establishing branches in whole Taiwan and highly focuses on promoting its brand value.

In August 1999, the Securities and Futures Bureau (“SFB”) approved the trading of the Company’s common shares on the over-the-counter (“OTC”) securities exchange in the ROC. In September 2001, the SFB approved the listing of the Company’s shares on Taiwan Stock Exchange (“TSE”). The Company’s ultimate parent is Youheng Investment Inc.

On July 8, 2012, the Company’s board of directors had approved a plan for a short-form merger with Han-Chiang Development & Construction Co., Ltd. (Han-Chiang Construction) for developing construction business and integrating the Company’s resources. The Company operated as the survivor entity and the record date of this merger was July 13, 2012.

The functional currency of the Company is New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on August 13, 2013.

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

a. New and revised standards, amendments and interpretations in issue but not yet effective

In addition to the disclosure in Note 3 to the consolidated financial statements as of March 31, 2013, the Company and its entire controlled subsidiaries (the “Group”) have not applied the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations (IFRIC), and Standing Interpretations (SIC) that have been issued by the IASB. As of the date that the consolidated financial statements were approved and authorized for issue, the Financial Supervisory Commission (“FSC”) has not announced the effective dates for the following new and revised standards, amendments and interpretations:

New, Revised Standards, Amendments and Interpretations		Effective Date Announced by IASB (Note)
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

Note: Unless otherwise noted, the above new and revised standards, amendments and interpretations are effective for annual periods beginning on or after the respective effective dates.

- b. Significant changes in accounting policy resulted from new and revised standards, amendments and interpretations in issue but not yet effective

In addition to the disclosure in Note 3 to the consolidated financial statements as of March 31, 2013, and except for the following, there is no significant changes in accounting policies resulted from new and revised standards, amendments and interpretations.

IFRS 9 “Financial Instruments”

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” to be subsequently measured at amortized cost or fair value. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the balance sheet date. 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.

- c. Material impact on consolidated financial statements resulted from new and revised standards, amendments and interpretations in issue but not yet effective

The Group is in the process of evaluating the impact of the initial application of the above-mentioned Standards, amendments and interpretations on its financial position and results of operations, and disclose the impact upon the completion of evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

On May 14, 2009, the FSC announced the “Framework for the Adoption of IFRSs by Companies in the ROC.” In this framework, starting 2013, companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and Interpretations approved by the FSC. The date of transition to IFRSs was January 1, 2012. Refer to Note 39 for the impact of IFRS conversion on the consolidated financial statements.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, IFRS 1 “First-time Adoption of International Financial Reporting Standards” and IAS 34 “Interim Financial Reporting” as endorsed by the FSC. Disclosure information included in interim financial reports is less than disclosures required in a full set of annual financial reports.

Basis of Consolidation

a. Principles for preparing consolidated financial statements

Except for the changes in the Group's ownership interests in existing subsidiaries, the consolidated financial statements have been prepared on the same basis as the consolidated financial statements as of March 31, 2013. Refer to the Note 4 to the consolidated financial statements as of March 31, 2013 for details.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group'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.

b. Subsidiaries included in consolidated financial statements

The Company's subsidiaries have been included in the consolidated financial statements. Those subsidiaries included in the consolidated entities as of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012 were as follows:

Investor	Investee	Main Businesses	% of Ownership				Remark
			June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012	
Sinyi Realty Inc.	Sinyi Limited	Investment holding	100	100	100	100	
	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Construction	100	100	100	100	
	Sinyi International Limited (Sinyi International)	Investment holding	100	100	100	100	
	Han-Chiang Development & Construction Co., Ltd. (Han-Chiang Construction)	Real estate development and construction	-	-	100	-	Note 1
	Global Asset Management Co., Ltd. (Global)	Real estate brokerage	100	100	100	100	
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	100	100	
	Shin Cheng Property Insurance Agency Co., Ltd. (Shin Cheng)	Property insurance agency	100	100	100	100	
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	99	99	
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	51	51	
	Sinyi Limited	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	95	95	95	95
Inane International Limited (Inane)		Investment holding	100	100	100	100	
Inane	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100	100	100	
	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage and management consulting	100	100	100	100	
	Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Shanghai Sinyi of Land Administration and Real Estate Counseling)	Real estate brokerage	100	100	100	100	
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	80	80	80	80	
Shanghai Sinyi Real Estate	Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Qingdao Sinyi)	Real estate brokerage and management consulting	65	80	80	80	Note 2
	Max Success International Limited (Max Success)	Investment holding	100	100	100	100	
	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	38	38	38	38	
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	2	2	19	19	Note 3
Max Success	Zhejiang Sinyi	Real estate brokerage and management consulting	62	62	62	62	
	Suzhou Sinyi	Real estate brokerage and management consulting	98	98	81	81	Note 3
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	100	100	
Ke Wei Shanghai	Shanghai Shin Cheng Real Estate Brokerage Inc. (Shanghai Shin Cheng)	Real estate brokerage	99	99	99	99	

(Continued)

Investor	Investee	Main Businesses	% of Ownership				Remark
			June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012	
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	100	100	
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage, management and identification	100	100	100	100	
	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100	-	-	Note 4
Forever Success	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	100	100	
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	100	100	
Japan Sinyi	Richesse Management Co., Ltd. (Richesse Management)	Real estate brokerage	100	100	100	100	
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	-	-	Note 4
Hong Kong Real Estate	Sinyi Real Estate (Shanghai) Limited (Shanghai Real Estate)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	100	-	-	-	Note 5

(Concluded)

Note 1: The Company acquired 100% equity interest in Han-Chiang Construction with the price \$34,267 thousand in June 2012, and merged with Han-Chiang Construction by short-form merger in July 2012.

Note 2: In May 2013, the Group disposed 15% of its interest in Qingdao Sinyi by RMB1,200 thousand. Therefore, the ownership decreased from 80% to 65%.

Note 3: In August 2012, the Group increased investment in Suzhou Sinyi by RMB60,000 thousand through Max Success. Therefore, stock ownership of Suzhou Sinyi by Shanghai Sinyi Real Estate decreased from 19% to 2%, and stock ownership of Suzhou Sinyi by Max Success increased from 81% to 98%.

Note 4: Sinyi Development and Hong Kong Real Estate were incorporated in November 2012, with capital collected in advance US\$26,496 thousand. For the six months ended June 30, 2013, the capital were increased by US\$104,504 thousand and as of June 30, 2013, total capital collected in advance were increased to US\$131,000 thousand.

Note 5: Shanghai Real Estate was incorporated in May 2013, with capital collected RMB802,513 thousand.

Note 6: The financial statements of the consolidated entities had not been reviewed by the independent accountants, except for those of Sinyi International, Sinyi Development, Hong Kong Real Estate and Shanghai Real Estate as of and for the six months ended June 30, 2013; the financial statements of the consolidated entities had been reviewed by independent accountants for the six months ended June 30, 2012.

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.

The Group engages in the construction business, whose operating circle is longer than one year. The normal operating circle is used for classification of current and non-current for related assets and liabilities under construction business.

d. Other significant accounting policies

The same accounting policies have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the three months ended March 31, 2013. Refer to Note 4 to the consolidated financial statements as of March 31, 2013 for the details of summary of significant accounting policies.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the three months ended March 31, 2013. Refer to Note 5 to the consolidated financial statements as of March 31, 2013 for the details of critical accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Cash on hand	\$ 40,067	\$ 38,248	\$ 27,858	\$ 32,986
Checking accounts and demand deposits	1,870,609	1,780,468	535,391	510,628
Cash equivalents	<u>178,010</u>	<u>375,718</u>	<u>293,451</u>	<u>726,531</u>
	<u>\$ 2,088,686</u>	<u>\$ 2,194,434</u>	<u>\$ 856,700</u>	<u>\$ 1,270,145</u>

Cash equivalents include time deposits that have a maturity of three months or less from the date of acquisition, are readily convertible to a known amount of cash, and are subject to an insignificant risk of change in value; these were held for the purpose of meeting short-term cash commitments.

Refer to Note 6 to the consolidated financial statements as of March 31, 2013 for other related information on cash and cash equivalents.

7 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Financial assets held for trading</u>				
Non-derivative financial assets				
Domestic quoted shares	\$ 25,126	\$ 23,298	\$ 24,075	\$ 23,235
Mutual funds	<u>394,075</u>	<u>52,236</u>	<u>1,182,360</u>	<u>487,521</u>
	<u>\$ 419,201</u>	<u>\$ 75,534</u>	<u>\$ 1,206,435</u>	<u>\$ 510,756</u>

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Domestic investments</u>				
Quoted shares	<u>\$ 233,103</u>	<u>\$ 223,241</u>	<u>\$ 209,361</u>	<u>\$ 178,572</u>
<u>Foreign investments</u>				
Quoted shares	485,663	384,910	326,714	293,354
Mutual funds	<u>1,298</u>	<u>1,256</u>	<u>1,292</u>	<u>4,337</u>
	<u>486,961</u>	<u>386,166</u>	<u>328,006</u>	<u>297,691</u>
Available-for-sale financial assets	<u>\$ 720,064</u>	<u>\$ 609,407</u>	<u>\$ 537,367</u>	<u>\$ 476,263</u>

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Domestic unlisted common shares	\$ 134,336	\$ 79,801	\$ 103,487	\$ 103,487
Overseas unlisted common shares	<u>159,255</u>	<u>48,839</u>	<u>49,830</u>	<u>50,597</u>
	<u>\$ 293,591</u>	<u>\$ 128,640</u>	<u>\$ 153,317</u>	<u>\$ 154,084</u>

Management believed that the fair value of the above unlisted equity investments held by the Group cannot be reliably measured due to very wide the range of reasonable fair value estimates; therefore, they were measured at cost less impairment at the end of reporting period.

During the six months ended June 30, 2013, the Group disposed of certain financial assets measured at cost with carrying amounts of \$0 thousand and recognized a gain on disposal of \$73,076 thousand.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Notes receivable and trade receivables</u>				
Notes receivable - operating	\$ 197,363	\$ 55,517	\$ 76,362	\$ 43,904
Trade receivables	1,097,348	862,350	764,734	654,199
Less: Allowance for doubtful accounts	<u>(31,808)</u>	<u>(31,599)</u>	<u>(29,635)</u>	<u>(38,650)</u>
	<u>\$ 1,262,903</u>	<u>\$ 886,268</u>	<u>\$ 811,461</u>	<u>\$ 659,453</u>

(Continued)

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Other receivables</u>				
Receivable - tender deposit	\$ -	\$ 301,475	\$ -	\$ -
Others	92,815	55,826	66,400	60,620
Less: Allowance for doubtful accounts	<u>(6,562)</u>	<u>(6,562)</u>	<u>(4,821)</u>	<u>(4,821)</u>
	<u>\$ 86,253</u>	<u>\$ 350,739</u>	<u>\$ 61,579</u>	<u>\$ 55,799</u> (Concluded)

a. Trade receivables

The average credit period on rendering of services was 30 to 60 days. No interest was charged on trade receivables. Allowance for impairment loss was recognized against trade receivables based on aging analysis, historical experience and an analysis of clients' current financial position.

The concentration of credit risk was limited due to the fact that the customer base was large and unrelated.

For some of the trade receivables (see below for aged analysis) that are past due at the end of the reporting period, the Group had not recognized an allowance because there had not been a significant change in credit quality and the amounts were still considered recoverable.

Aging analysis of receivables that were past due but not impaired was as follow:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
61-90 days	\$ 20,036	\$ 4,130	\$ 22,195	\$ 5,389
91-180 days	22,169	13,164	8,185	25,149
181-360 days	8,009	2,692	16,209	12,851
Over 360 days	<u>3,173</u>	<u>11,733</u>	<u>28,637</u>	<u>-</u>
	<u>\$ 53,387</u>	<u>\$ 31,719</u>	<u>\$ 75,226</u>	<u>\$ 43,389</u>

Above analysis was based on the billing date.

Movements of the allowance for impairment loss recognized on notes receivable and trade receivables were as follows:

	2013		2012	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Balance at January 1	\$ 31,599	\$ 6,562	\$ 38,650	\$ 4,821
Deduct: Impairment losses reversed on receivables	(225)	-	(8,904)	-
Foreign exchange translation gains and losses	<u>434</u>	<u>-</u>	<u>(111)</u>	<u>-</u>
Balance at June 30	<u>\$ 31,808</u>	<u>\$ 6,562</u>	<u>\$ 29,635</u>	<u>\$ 4,821</u>

b. Other receivables

Other receivables were mainly land tender deposit, which resulted from failure to bid on land purchase at Jiading District, Shanghai.

The others were the payment on behalf of others and rental receivable.

11. INVENTORIES

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Prepayment for land purchase Malu Town, Jiading District, Shanghai	<u>\$ 3,787,772</u>	<u>\$ 467,980</u>	<u>\$ -</u>	<u>\$ -</u>

Inventories were the land located in Malu town, Jiading district, Shanghai, China which the Group won through public auction by RMB780,080 thousand (tax excluded) in 2012. As of June 30, 2013, the total amount had been paid.

12. OTHER FINANCIAL ASSETS - CURRENT

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Time deposits with original maturity more than three months (a)	\$ 117,539	\$ 248,700	\$ 243,081	\$ 229,000
Restricted assets - current (b)	<u>80,583</u>	<u>107,961</u>	<u>107,845</u>	<u>107,718</u>
	<u>\$ 198,122</u>	<u>\$ 356,661</u>	<u>\$ 350,926</u>	<u>\$ 336,718</u>

a. Refer to Note 11 to the consolidated financial statements as of March 31, 2013 for the information related to time deposits with original maturities more than three months.

b. Restricted assets - current were time deposits provided as guarantee for the loan of Shanghai Sinyi Real Estate and as operating guarantee for real-estate brokerage institutions. Please refer to Note 33.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Investments in associates	<u>\$ 10,463</u>	<u>\$ 3,528</u>	<u>\$ 3,267</u>	<u>\$ 2,913</u>
a. Investments in associates				
	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Unlisted company Sinyi Interior Design Co., Ltd.	<u>\$ 10,463</u>	<u>\$ 3,528</u>	<u>\$ 3,267</u>	<u>\$ 2,913</u>

As of the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Sinyi Interior Design Co., Ltd.	19%	19%	19%	19%

The investments accounted for using the equity method and the share of net income from investments are accounted for based on unreviewed financial statements. The Company's management considers the use of unreviewed financial statements of Sinyi Interior Design Co., Ltd. did not have material impact on its consolidated financial statements.

The additional information for investment in associates refer to Note 13 to the consolidated financial statements as of March 31, 2013.

14. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Carrying amounts</u>				
Freehold land	\$ 2,670,039	\$ 2,670,039	\$ 2,670,039	\$ 2,648,984
Buildings	348,382	353,718	359,055	359,956
Transportation equipment	4,965	4,055	4,764	2,652
Office equipment	89,892	101,473	110,666	126,886
Leased assets	-	-	-	-
Leasehold improvements	111,694	117,683	130,968	164,657
Other equipment	21,782	25,215	40,347	56,765
Prepayments for equipment	<u>283,850</u>	<u>10,737</u>	<u>3,810</u>	<u>4,720</u>
	<u>\$ 3,530,604</u>	<u>\$ 3,282,920</u>	<u>\$ 3,319,649</u>	<u>\$ 3,364,620</u>

	Six Months Ended June 30, 2013								
	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Prepayments for Equipment	Total
<u>Cost</u>									
Balance, beginning of period	\$ 2,670,039	\$ 418,777	\$ 8,016	\$ 267,163	\$ 4,671	\$ 372,907	\$ 166,762	\$ 10,737	\$ 3,919,072
Additions	-	-	1,426	7,612	-	21,902	2,446	272,878	306,264
Disposals	-	-	-	(1,008)	-	(80)	(118,470)	-	(119,558)
Effect of foreign currency exchange differences	-	-	219	1,641	-	3,752	-	235	5,847
Balance, end of period	<u>2,670,039</u>	<u>418,777</u>	<u>9,661</u>	<u>275,408</u>	<u>4,671</u>	<u>398,481</u>	<u>50,738</u>	<u>283,850</u>	<u>4,111,625</u>
<u>Accumulated depreciation</u>									
Balance, beginning of period	-	65,059	3,961	165,690	4,671	255,224	141,547	-	636,152
Depreciation expense	-	5,336	648	19,702	-	28,478	5,820	-	59,984
Disposals	-	-	-	(971)	-	(80)	(118,411)	-	(119,462)
Effect of foreign currency exchange differences	-	-	87	1,095	-	3,165	-	-	4,347
Balance, end of period	-	<u>70,395</u>	<u>4,696</u>	<u>185,516</u>	<u>4,671</u>	<u>286,787</u>	<u>28,956</u>	-	<u>581,021</u>
Net book value, end of period	<u>\$ 2,670,039</u>	<u>\$ 348,382</u>	<u>\$ 4,965</u>	<u>\$ 89,892</u>	<u>\$ -</u>	<u>\$ 111,694</u>	<u>\$ 21,782</u>	<u>\$ 283,850</u>	<u>\$ 3,530,604</u>

Six Months Ended June 30, 2012									
	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Prepayments for Equipment	Total
<u>Cost</u>									
Balance, beginning of period	\$ 2,648,984	\$ 414,158	\$ 6,907	\$ 259,735	\$ 4,671	\$ 354,863	\$ 165,543	\$ 4,720	\$ 3,859,581
Additions	-	-	2,650	4,252	-	6,167	1,218	2,033	16,320
Reclassifications	21,055	4,619	-	399	-	(100)	-	(2,943)	23,030
Disposals	-	-	(1,391)	(1,563)	-	(5,124)	-	-	(8,078)
Effect of foreign currency exchange differences	-	-	(53)	(649)	-	(1,364)	-	-	(2,066)
Balance, end of period	<u>2,670,039</u>	<u>418,777</u>	<u>8,113</u>	<u>262,174</u>	<u>4,671</u>	<u>354,442</u>	<u>166,761</u>	<u>3,810</u>	<u>3,888,787</u>
<u>Accumulated depreciation</u>									
Balance, beginning of period	-	54,202	4,255	132,849	4,671	190,206	108,778	-	494,961
Depreciation expense	-	5,300	456	20,444	-	38,408	17,636	-	82,244
Reclassifications	-	220	-	8	-	(8)	-	-	220
Disposals	-	-	(1,323)	(1,453)	-	(4,363)	-	-	(7,139)
Effect of foreign currency exchange differences	-	-	(39)	(340)	-	(769)	-	-	(1,148)
Balance, end of period	-	<u>59,722</u>	<u>3,349</u>	<u>151,508</u>	<u>4,671</u>	<u>223,474</u>	<u>126,414</u>	-	<u>569,138</u>
Net book value, end of period	<u>\$ 2,670,039</u>	<u>\$ 359,055</u>	<u>\$ 4,764</u>	<u>\$ 110,666</u>	<u>\$ -</u>	<u>\$ 130,968</u>	<u>\$ 40,347</u>	<u>\$ 3,810</u>	<u>\$ 3,319,649</u>

The above items of property, plant and equipment were depreciated on a straight-line basis over the following estimated useful lives:

Buildings - main buildings	21-55 years
Transportation equipment	5 years
Office equipment	3-5 years
Leased assets	3 years
Leasehold improvements	3-5 years
Other equipment	3-5 years

- As of June 30, 2013, prepayments for equipment were mainly the pre-sold property located in Suzhou City purchased by the Group. The transaction price has been paid according to the real estate sales contract.
- There was no interest capitalized during the six months ended June 30, 2013 and 2012.
- Refer to Note 33 for the details of properties, plant and equipment pledged as collaterals.

15. INVESTMENT PROPERTIES

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Land	\$ 2,026,210	\$ 2,062,510	\$ 2,064,196	\$ 2,085,251
Buildings	<u>811,620</u>	<u>798,107</u>	<u>821,261</u>	<u>844,910</u>
	<u>\$ 2,837,830</u>	<u>\$ 2,860,617</u>	<u>\$ 2,885,457</u>	<u>\$ 2,930,161</u>

	Six Months Ended June 30					
	2013			2012		
	Land	Buildings	Total	Land	Buildings	Total
<u>Cost</u>						
Balance, beginning of period	\$ 2,081,392	\$ 890,089	\$ 2,971,481	\$ 2,104,156	\$ 918,759	\$ 3,022,915
Disposals	(45,775)	(3,565)	(49,340)	-	-	-
Reclassifications	-	-	-	(21,055)	(4,619)	(25,674)
Effect of foreign currency exchange differences	-	27,877	27,877	-	(9,561)	(9,561)
Balance, end of period	<u>2,035,617</u>	<u>914,401</u>	<u>2,950,018</u>	<u>2,083,101</u>	<u>904,579</u>	<u>2,987,680</u>
<u>Accumulated depreciation</u>						
Balance, beginning of period	-	90,983	90,983	-	72,428	72,428
Depreciation expense	-	9,996	9,996	-	10,037	10,037
Disposals	-	(308)	(308)	-	-	-
Reclassifications	-	-	-	-	(220)	(220)
Effect of foreign currency exchange differences	-	1,788	1,788	-	(348)	(348)
Balance, end of period	<u>-</u>	<u>102,459</u>	<u>102,459</u>	<u>-</u>	<u>81,897</u>	<u>81,897</u>
<u>Accumulated impairment</u>						
Balance, beginning of period	18,882	999	19,881	18,905	1,421	20,326
Reversal of impairment losses	(9,475)	(677)	(10,152)	-	-	-
Balance, end of period	<u>9,407</u>	<u>322</u>	<u>9,729</u>	<u>18,905</u>	<u>1,421</u>	<u>20,326</u>
Net book value, end of period, net	<u>\$ 2,026,210</u>	<u>\$ 811,620</u>	<u>\$ 2,837,830</u>	<u>\$ 2,064,196</u>	<u>\$ 821,261</u>	<u>\$ 2,885,457</u>

The above investment properties were depreciated on a straight-line basis over the following estimated useful lives:

Buildings - main buildings 8-55 years

The fair value of the Group's investment properties as of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012 was \$9,566,283 thousand, \$8,760,693 thousand, \$8,660,767 thousand and \$8,539,110 thousand, respectively. The fair value valuation had not been performed by independent qualified professional valuers; however, the management of the Group used the valuation model that market participants generally use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's investment property was held under freehold interests. The carrying amounts of the investment properties that had been pledged by the Group to secure borrowings were reflected in Note 33.

16. OTHER INTANGIBLE ASSETS

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Franchise (Note 35)	\$ 60,216	\$ 59,399	\$ 62,258	\$ 64,238
Goodwill	9,621	9,621	9,621	-
System software costs	<u>20,792</u>	<u>20,416</u>	<u>24,571</u>	<u>26,185</u>
	<u>\$ 90,629</u>	<u>\$ 89,436</u>	<u>\$ 96,450</u>	<u>\$ 90,423</u>

Six Months Ended June 30, 2013

	Franchise	Goodwill	System Software Costs	Total
<u>Cost</u>				
Balance, beginning of period	\$ 88,733	\$ 9,621	\$ 70,302	\$ 168,656
Additions				
Acquisitions	-	-	8,138	8,138
Reductions				
Disposals	-	-	(34,178)	(34,178)
Effect of foreign currency exchange differences	<u>2,933</u>	<u>-</u>	<u>-</u>	<u>2,933</u>
Balance, end of period	<u>91,666</u>	<u>9,621</u>	<u>44,262</u>	<u>145,549</u>
<u>Accumulated amortization</u>				
Balance, beginning of period	29,334	-	49,886	79,220
Amortization expense	1,133	-	7,762	8,895
Disposals	-	-	(34,178)	(34,178)
Effect of foreign currency exchange differences	<u>983</u>	<u>-</u>	<u>-</u>	<u>983</u>
Balance, end of period	<u>31,450</u>	<u>-</u>	<u>23,470</u>	<u>54,920</u>
Net book value, end of period, net	<u>\$ 60,216</u>	<u>\$ 9,621</u>	<u>\$ 20,792</u>	<u>\$ 90,629</u>

Six Months Ended June 30, 2012

	Franchise	Goodwill	System Software Costs	Total
<u>Cost</u>				
Balance, beginning of period	\$ 92,507	\$ -	\$ 62,271	\$ 154,778
Additions				
Acquisitions	-	9,621	5,740	15,361
Effect of foreign currency exchange differences	<u>(1,207)</u>	<u>-</u>	<u>-</u>	<u>(1,207)</u>
Balance, end of period	<u>91,300</u>	<u>9,621</u>	<u>68,011</u>	<u>168,932</u>
<u>Accumulated amortization</u>				
Balance, beginning of period	28,269	-	36,086	64,355
Amortization expense	1,133	-	7,354	8,487
Effect of foreign currency exchange differences	<u>(360)</u>	<u>-</u>	<u>-</u>	<u>(360)</u>
Balance, end of period	<u>29,042</u>	<u>-</u>	<u>43,440</u>	<u>72,482</u>
Net book value, end of period, net	<u>\$ 62,258</u>	<u>\$ 9,621</u>	<u>\$ 24,571</u>	<u>\$ 96,450</u>

The recoverable amount of the Group's goodwill had been tested for impairment using the forecast carrying amount at the end of the annual reporting period. For the six months ended June 30, 2013, the Group did not recognize any impairment loss on goodwill.

17. LONG-TERM ACCOUNTS RECEIVABLE

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Shin Hau Real Estate Co., Ltd.	<u>\$ 224,155</u>	<u>\$ 214,237</u>	<u>\$ 204,155</u>	<u>\$ -</u>

Long-term accounts receivable from Shin Hau Real Estate Co., Ltd. are financing for business activities. Under the loan agreement, Shin Hau Real Estate Co., Ltd. provided the land located in Da-an District, Taipei City as collateral; the loan and interests should be fully paid before April 30, 2015. Information on the financing for the six months ended June 30, 2013 and 2012 was as follows:

	<u>Six Months Ended June 30, 2013</u>				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	<u>\$ 200,000</u>	<u>\$ 200,000</u>	10%	<u>\$ 9,918</u>	<u>\$ 24,155</u>
	<u>Six Months Ended June 30, 2012</u>				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	<u>\$ 200,000</u>	<u>\$ 200,000</u>	10%	<u>\$ 4,155</u>	<u>\$ 4,155</u>

18. OTHER ASSETS

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Prepaid expenses	\$ 67,559	\$ 53,728	\$ 77,999	\$ 64,901
Temporary payments	6,152	2,094	2,029	2,237
Overdue receivables	2,662	3,537	3,460	2,313
Others	<u>1,901</u>	<u>3,548</u>	<u>3,575</u>	<u>3,552</u>
	<u>\$ 78,274</u>	<u>\$ 62,907</u>	<u>\$ 87,063</u>	<u>\$ 73,003</u>
Current	\$ 73,721	\$ 57,480	\$ 81,713	\$ 68,800
Non-current	<u>4,553</u>	<u>5,427</u>	<u>5,350</u>	<u>4,203</u>
	<u>\$ 78,274</u>	<u>\$ 62,907</u>	<u>\$ 87,063</u>	<u>\$ 73,003</u>

19. BORROWINGS

a. Short-term borrowings

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Secured borrowings</u>				
Bank loans (1)	\$ 72,831	\$ 69,302	\$ 70,863	\$ 72,073
<u>Unsecured borrowings</u>				
Loans from related parties (2) (Note 32)	<u>65,062</u>	<u>62,372</u>	<u>63,776</u>	<u>57,658</u>
	<u>\$ 137,893</u>	<u>\$ 131,674</u>	<u>\$ 134,639</u>	<u>\$ 129,731</u>

- 1) The interest rates on the bank loans for the six months ended June 30, 2013 and 2012 were 5.7%-6.9% and 7.257% per annum, respectively.
- 2) Interest rates of the loans from related parties were 3.75%-6.10% and 4.68%-6.10% for the six months ended June 30, 2013 and 2012, respectively.
- 3) Refer to Note 33 for the details of assets pledged as collaterals for short-term borrowings.

b. Long-term borrowings

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Secured borrowings</u>				
Bank loans	\$ 2,631,063	\$ 700,000	\$ -	\$ -
<u>Unsecured borrowings</u>				
Bank loans	200,000	-	-	-
Less: Current portion	<u>(195,663)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long-term borrowings	<u>\$ 2,635,400</u>	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ -</u>

The long-term borrowings of the Group were as follows:

	Content of Borrowings	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
E.Sun Bank	Long-term borrowings: \$1,420,000 thousand; period: February 6, 2013 to June 28, 2020; fixed interest rate of 2.0%; Interest and equal principal payments are paid monthly.	\$ 1,381,063	\$ -	\$ -	\$ -
E.Sun Bank	Long-term borrowings: \$1,000,000 thousand; period: February 6, 2013 to June 28, 2015; fixed interest rate of 1.6%; interest is paid monthly and principal is repaid at maturity.	1,000,000	700,000	-	-

(Continued)

	Content of Borrowings	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
East Asia Bank	Long-term borrowings: \$250,000 thousand; period: February 4, 2013 to February 4, 2016; fixed interest rate of 2.5%. Total 7 quarterly installments beginning 18 months after February 4, 2013; 5% of principal for each of the first six installments, while the rest will be paid at maturity.	\$ 250,000	\$ -	\$ -	\$ -
Shanghai Commercial & Savings Bank	Long-term borrowings: \$200,000 thousand; period: March 29, 2013 to March 29, 2016; floating interest rate of 1.8%; interest is paid monthly and principal is repaid at maturity.	200,000	-	-	-
Total long-term borrowings		<u>\$ 2,831,063</u>	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ -</u>

Refer to Note 33 for the details of assets pledged as collaterals for long-term borrowings.

20. OTHER LIABILITIES

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Accrued expenses	\$ 2,228,052	\$ 1,958,129	\$ 1,524,594	\$ 1,649,975
Loans from related parties (Note 32)				
Loans	65,062	62,372	63,776	57,658
Interest payable	8,195	6,252	4,466	2,818
Other payables to related parties	10,669	11,087	9,141	9,835
Other financial liabilities	939,385	174,797	1,038,496	146,842
Performance bonus	766,720	890,252	974,194	1,041,914
Others	<u>142,734</u>	<u>120,310</u>	<u>124,415</u>	<u>99,117</u>
	<u>\$ 4,160,817</u>	<u>\$ 3,223,199</u>	<u>\$ 3,739,082</u>	<u>\$ 3,008,159</u>
	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Current				
Other payables	<u>\$ 2,228,052</u>	<u>\$ 1,958,129</u>	<u>\$ 1,524,594</u>	<u>\$ 1,649,975</u>
Other payables to related parties	<u>\$ 83,926</u>	<u>\$ 79,711</u>	<u>\$ 77,383</u>	<u>\$ 70,311</u>
Other financial liabilities	<u>\$ 939,385</u>	<u>\$ 174,797</u>	<u>\$ 1,038,496</u>	<u>\$ 146,842</u>
Other liabilities	<u>\$ 142,734</u>	<u>\$ 120,310</u>	<u>\$ 124,415</u>	<u>\$ 99,117</u>
Non-current				
Other liabilities	<u>\$ 766,720</u>	<u>\$ 890,252</u>	<u>\$ 974,194</u>	<u>\$ 1,041,914</u>

a. Accrued expenses were as follows:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Performance bonus and salaries	\$ 1,877,966	\$ 1,609,238	\$ 1,235,056	\$ 1,336,405
Advertisement	83,324	105,017	58,578	81,654
Labor and health insurance	55,554	63,060	41,457	44,627
Payable for annual leave	63,125	52,246	63,845	57,363
Professional fees	15,891	15,816	15,629	21,696
Employees bonuses and compensation to directors	39,862	23,652	29,174	21,517
Others	<u>92,330</u>	<u>89,100</u>	<u>80,855</u>	<u>86,713</u>
	<u>\$ 2,228,052</u>	<u>\$ 1,958,129</u>	<u>\$ 1,524,594</u>	<u>\$ 1,649,975</u>

Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other liabilities - others. The performance bonuses payable under other liabilities - others amounted to \$766,720 thousand, \$890,252 thousand, \$974,194 thousand and \$1,041,914 thousand as of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012.

b. Other financial liabilities

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Dividends payable	\$ 698,357	\$ -	\$ 878,436	\$ -
Receipts under custody from real estate transactions	167,162	90,519	85,992	61,025
Other receipts under custody	48,466	58,291	31,926	39,648
Compensation payable	-	-	20,000	20,000
Payable on equipment	1,314	3,326	401	7,926
Receipts under custody - escrow service	236	1,720	1,384	1,188
Others	<u>23,850</u>	<u>20,941</u>	<u>20,357</u>	<u>17,055</u>
	<u>\$ 939,385</u>	<u>\$ 174,797</u>	<u>\$ 1,038,496</u>	<u>\$ 146,842</u>

- 1) On June 14, 2013 and June 15, 2012, the stockholders approved the appropriation of cash dividends of \$698,357 thousand and \$878,436 thousand, respectively. The amounts to be distributed were temporarily accounted for as dividends payable as of June 30, 2013 and 2012. Refer to Note 23 for the details on appropriation of earnings and dividends.
- 2) Receipts under custody from real estate transactions were the money received by real estate brokers - Shanghai Sinyi Real Estate, Zhejiang Sinyi, Suzhou Sinyi, Beijing Sinyi, Chengdo Sinyi and Qingdao Sinyi from buyers that had concluded transactions, but not yet transferred to the sellers.
- 3) The Group was involved in claims and legal proceedings that arise in the ordinary course of business. Based on an unfavorable judgment of the Taipei District Court, the Group recognized compensation loss of \$20,000 thousand in 2009. The Group had placed a total of \$20,000 thousand as guarantee deposits, classified as refundable deposit on June 30, 2012 and January 1, 2012. The Group appealed to the Taiwan High Court and won the lawsuit in July 2012; the plaintiff gave up appeal.

- 4) Receipts under custody from escrow service were the money received by An-Sin from buyers but not yet transferred to the sellers. Composition was as follows:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Receipts under custody - escrow service	\$ 18,858,288	\$ 11,069,385	\$ 10,855,282	\$ 7,491,033
Interest payable	18,517	17,238	16,918	7,442
Deposit accounts	(18,875,520)	(11,084,172)	(10,869,904)	(7,496,498)
Interest receivable	<u>(1,049)</u>	<u>(731)</u>	<u>(912)</u>	<u>(789)</u>
	<u>\$ 236</u>	<u>\$ 1,720</u>	<u>\$ 1,384</u>	<u>\$ 1,188</u>

- a) Receipts under custody - performance guarantee were receipts under custody from sellers with interest rate of 0.17%-0.26% for the six months ended June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012.
- b) Deposit accounts were receipts which had been paid by buyers but not transferred to the sellers yet. The Group deposited these receipts in bank accounts in order to earn interest for sellers.

21. PROVISIONS

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Service revenue allowances	<u>\$ 76,911</u>	<u>\$ 61,889</u>	<u>\$ 48,910</u>	<u>\$ 43,388</u>
Current	\$ 74,249	\$ 58,352	\$ 45,450	\$ 41,075
Non-current	<u>2,662</u>	<u>3,537</u>	<u>3,460</u>	<u>2,313</u>
	<u>\$ 76,911</u>	<u>\$ 61,889</u>	<u>\$ 48,910</u>	<u>\$ 43,388</u>

Service Allowances

Balance, January 1, 2013	\$ 61,889
Additional provisions recognized	15,966
Reversal of unused balances	(875)
Effect of foreign currency exchange differences	<u>(69)</u>
Balance, June 30, 2013	<u>\$ 76,911</u>
Balance, January 1, 2012	\$ 43,388
Additional provisions recognized	5,565
Reclassifications	(11)
Effect of foreign currency exchange differences	<u>(32)</u>
Balance, June 30, 2012	<u>\$ 48,910</u>

The provision for service revenue allowances was estimated based on historical experience. The provision was recognized as a reduction of operating revenue in the period the related services were provided.

22. RETIREMENT BENEFIT PLANS

The Group's retirement benefit plans include defined contribution plan and defined benefit plan. For defined benefit plans, employee benefit expenses were calculated using the actuarially determined pension cost discount rate as of December 31, 2012 and January 1, 2012, and recognized in their respective periods. Refer to Note 22 to the consolidated financial statements as of March 31, 2013 for information on the Group's retirement benefit plans.

Employee benefit expenses were included in the following line items:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Operating cost	\$ 318	\$ 235	\$ 1,018	\$ 572
Operating expenses	\$ 54	\$ 4	\$ 121	\$ 114

23. EQUITY

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Share capital				
Ordinary shares	\$ 4,655,713	\$ 4,655,713	\$ 4,392,182	\$ 4,392,182
Stock dividends to be distributed	372,457	-	263,531	-
Capital surplus	68,597	63,896	63,896	63,896
Retained earnings	2,874,340	2,621,151	1,930,635	2,432,872
Other equity	201,828	(5,417)	(49,180)	(97,712)
Non-controlling interest	<u>109,905</u>	<u>119,581</u>	<u>100,186</u>	<u>104,590</u>
	<u>\$ 8,282,840</u>	<u>\$ 7,454,924</u>	<u>\$ 6,701,250</u>	<u>\$ 6,895,828</u>

Share Capital

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>465,571</u>	<u>465,571</u>	<u>439,218</u>	<u>439,218</u>
Shares issued	\$ 4,655,713	\$ 4,655,713	\$ 4,392,182	\$ 4,392,182
Stock dividends to be distributed	<u>372,457</u>	<u>-</u>	<u>263,531</u>	<u>-</u>
	<u>\$ 5,028,170</u>	<u>\$ 4,655,713</u>	<u>\$ 4,655,713</u>	<u>\$ 4,392,182</u>

The issued ordinary shares, which have par value of \$10, carry one vote and one right to dividends per share.

Capital Surplus

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Employee stock options	\$ 63,896	\$ 63,896	\$ 63,896	\$ 63,896
Differences between selling price and carrying amount arising from disposal of subsidiaries	<u>4,701</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 68,597</u>	<u>\$ 63,896</u>	<u>\$ 63,896</u>	<u>\$ 63,896</u>

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds and treasury stock 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 paid-in capital and once a year).

The capital surplus from long-term investments, employee stock options and conversion options may not be used for any purpose.

Retained Earnings and Dividend Policy

- a. Under the Company's Articles of Incorporation, 10% of the Company's annual earnings, after paying tax and offsetting deficit, if any, should first be appropriated to legal reserve and to special reserve in accordance with Securities and Exchange Act. Then, the appropriation of remaining amount is proposed by the Board of Directors and approved by the shareholders in their annual meeting.
- b. To ensure that the Company has cash for present and future expansion plans, the Company follows a residual dividend policy which requires no less than 50% of retained earnings shall be distributed. The distribution of retained earnings includes the following:
 - 1) Bonus to employees not less than 1%;
 - 2) Bonus to directors not more than 1%;
 - 3) In consideration of future fund needs, the remaining earnings can be paid out as dividends to the shareholders, preferably stock dividends. But, in principle, cash dividends shall not be less than 10% of total dividends distributed.
- c. For the six months ended June 30, 2013 and 2012, the bonus to employees was \$13,081 thousand and \$6,995 thousand, respectively, and the remuneration to directors was \$6,540 thousand and \$3,497 thousand, respectively. The above bonus to employees and remuneration to directors represented 1.0% and 0.5%, respectively, of distributable retained earnings (net of the bonus and remuneration). Material differences between such estimated amounts and the amounts proposed by the Board of Directors in the following year are adjusted for in the current year. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the shareholders' meeting.
- d. Under Rule No. 100116 and Rule No. 0950000507 issued by the FSC, certain amounts shall be transferred from unappropriated earnings to a special reserve before any appropriation of earnings generated before January 1, 2012. Any special reserve appropriated may be reversed to retained earnings to the extent of the decrease in the net debit balance in shareholders' equity.

- e. The Company appropriate and reverse a special reserve based on Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled “Questions and Answers for appropriation and reversal of Special Reserves Following Adoption of IFRSs”.
- f. 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.
- g. Except for non-ROC resident shareholders, all shareholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.
- h. The appropriations of earnings for 2012 and 2011 had been approved in the shareholders’ meeting held on June 14, 2013 and June 15, 2012, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2012	For Year 2011	For Year 2012	For Year 2011
Legal reserve	\$ 135,111	\$ 130,949	\$ -	\$ -
Cash dividends	698,357	878,436	1.5	2.0
Stock dividends	372,457	263,531	0.8	0.6

- i. The bonus to employees and the remuneration to directors for 2012 and 2011 approved in the shareholders’ meeting on June 14, 2013 and June 15, 2012, respectively, were as follows:

	For the Year Ended 2012		For the Year Ended 2011	
	Bonus to Employees	Remuneration to Directors	Bonus to Employees	Remuneration of Directors
Amounts approved in shareholders’ meeting	\$ 12,544	\$ 6,272	\$ 11,803	\$ 5,902
Deduct: Amounts recognized in respective financial statements	<u>(14,347)</u>	<u>(7,174)</u>	<u>(12,620)</u>	<u>(7,572)</u>
Difference	<u>\$ (1,803)</u>	<u>\$ (902)</u>	<u>\$ (817)</u>	<u>\$ (1,670)</u>

The differences between the amounts approved by shareholders’ meeting of the bonus to employees and the remuneration to directors and supervisors and the accrual amounts recognized in the financial statements for the years ended December 31, 2012 and 2011 were resulted from changes in estimates, and adjusted to profit and loss for the six months ended June 30, 2013 and 2012.

- j. The appropriations of earnings for 2012 were proposed according to the Company’s financial statements for the year ended December 31, 2012, which were prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, and by reference to the balance sheet for the year ended December 31, 2012, which was prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards.
- k. Information about the bonus to employees and remuneration to directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

Special Reserves Appropriated Following First-time Adoption of IFRSs

The Company's special reserves appropriated following first-time adoption of IFRSs were as follows:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Special reserve	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>

The Company had a decrease in retained earnings due to the first adoption of IFRSs; therefore, no special reserve was appropriated.

Others Equity Items

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Exchange differences on translating foreign operations	\$ 18,680	\$ (68,465)	\$ (20,759)	\$ -
Unrealized gains or losses from available-for-sale financial assets	<u>183,148</u>	<u>63,048</u>	<u>(28,421)</u>	<u>(97,712)</u>
	<u>\$ 201,828</u>	<u>\$ (5,417)</u>	<u>\$ (49,180)</u>	<u>\$ (97,712)</u>

a. Exchange differences on translating foreign operations

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the exchange differences on translation of foreign operations. Gains and losses on hedging instruments that were designated as hedging instruments for hedges of net investments in foreign operations were included 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.

b. Unrealized gains or losses from available-for-sale financial assets

Unrealized gains or losses from available-for-sale financial assets 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.

Non-controlling Interests

	<u>Six Months Ended June 30</u>	
	2013	2012
Balance, beginning of period	\$ 119,581	\$ 104,590
Attributed to non-controlling interests:		
Net income	20,185	11,204
Exchange differences on translating foreign operations	191	(137)
Additional non-controlling interests arising from partial disposal of subsidiaries	1,053	-
Acquisition of non-controlling interests in subsidiaries	-	(65)
Payment of cash dividends to non-controlling interests	<u>(31,105)</u>	<u>(15,406)</u>
Balance, end of period	<u>\$ 109,905</u>	<u>\$ 100,186</u>

24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations had been arrived at after charging or crediting:

Interest Income

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Interest income				
Cash in bank	\$ 12,620	\$ 1,919	\$ 15,435	\$ 3,641
Long-term accounts receivable	4,986	4,155	9,918	4,155
Others	<u>589</u>	<u>38</u>	<u>741</u>	<u>63</u>
	<u>\$ 18,195</u>	<u>\$ 6,112</u>	<u>\$ 26,094</u>	<u>\$ 7,859</u>

Other Gains and Losses

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Reversal of impairment loss of investment properties	\$ 5,940	\$ -	\$ 10,152	\$ -
Gain on disposal of investments	80,627	356	83,897	1,104
Net gain on fair value change of financial assets held for trading	952	2,574	2,661	1,786
Losses on disposal of property, plant and equipment	(85)	(527)	(96)	(665)
Losses on disposal of investment properties	(7)	-	(123)	-
Net foreign exchange gains	2,243	2,062	1,462	2,394
Share of loss of associates and joint ventures	-	(2)	(1)	(3)
Gain on reversal of bad debts	-	8,904	-	8,904
Others	<u>11,296</u>	<u>10,876</u>	<u>21,693</u>	<u>11,999</u>
	<u>\$ 100,966</u>	<u>\$ 24,243</u>	<u>\$ 119,645</u>	<u>\$ 25,519</u>

Financial Costs

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Interest on bank loans	\$ 10,827	\$ 1,442	\$ 18,135	\$ 2,906
Interest on loans from related parties	<u>803</u>	<u>842</u>	<u>1,590</u>	<u>1,687</u>
	<u>\$ 11,630</u>	<u>\$ 2,284</u>	<u>\$ 19,725</u>	<u>\$ 4,593</u>

Depreciation and Amortization

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Property, plant and equipment	\$ 29,285	\$ 38,232	\$ 59,984	\$ 82,244
Investment property	5,023	5,090	9,996	10,037
Intangible assets	<u>4,637</u>	<u>4,030</u>	<u>8,895</u>	<u>8,487</u>
	<u>\$ 38,945</u>	<u>\$ 47,352</u>	<u>\$ 78,875</u>	<u>\$ 100,768</u>
An analysis of depreciation by function	\$ 19,750	\$ 28,249	\$ 50,467	\$ 70,026
Operating costs	<u>14,558</u>	<u>15,073</u>	<u>19,513</u>	<u>22,255</u>
Operating expenses	<u>\$ 34,308</u>	<u>\$ 43,322</u>	<u>\$ 69,980</u>	<u>\$ 92,281</u>
An analysis of amortization by function				
Operating costs	\$ 3,668	\$ 2,637	\$ 7,335	\$ 6,440
Operating expenses	<u>969</u>	<u>1,393</u>	<u>1,560</u>	<u>2,047</u>
	<u>\$ 4,637</u>	<u>\$ 4,030</u>	<u>\$ 8,895</u>	<u>\$ 8,487</u>

Operating Expenses Directly Related to Investment Properties

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Direct operating expenses from investment property that generated rental income	\$ 9,778	\$ 14,581	\$ 19,714	\$ 22,882
Direct operating expenses from investment property that did not generate rental income	<u>30</u>	<u>54</u>	<u>68</u>	<u>110</u>
	<u>\$ 9,808</u>	<u>\$ 14,635</u>	<u>\$ 19,782</u>	<u>\$ 22,992</u>

Employee Benefits Expense

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	\$ 1,758,500	\$ 1,306,876	\$ 3,098,877	\$ 2,323,372
Post-employment benefits (Note 22)				
Defined contribution plans	45,587	41,280	79,174	72,557
Defined benefit plans	<u>372</u>	<u>239</u>	<u>1,139</u>	<u>686</u>
	45,959	41,519	80,313	73,243
Other employee benefits	<u>46,676</u>	<u>41,645</u>	<u>94,905</u>	<u>83,291</u>
Total employee benefits expense	<u>\$ 1,851,135</u>	<u>\$ 1,390,040</u>	<u>\$ 3,274,095</u>	<u>\$ 2,479,906</u>

(Continued)

	Three Months Ended June 30		Six Months Ended June 30	
	2013	2012	2013	2012
An analysis of employee benefits expense by function				
Operating costs	\$ 1,663,910	\$ 1,248,965	\$ 2,933,953	\$ 2,223,136
Operating expenses	<u>187,225</u>	<u>141,075</u>	<u>340,142</u>	<u>256,770</u>
	<u>\$ 1,851,135</u>	<u>\$ 1,390,040</u>	<u>\$ 3,274,095</u>	<u>\$ 2,479,906</u>
				(Concluded)

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

Income Tax Recognized in Profit or Loss

The major components of tax expense were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2013	2012	2013	2012
Current tax				
In respect of the current period	\$ 181,849	\$ 110,415	\$ 289,364	\$ 140,349
Income tax expense of unappropriated earnings	15,761	-	15,761	-
In respect of the prior periods	(4,068)	11,360	(4,068)	11,360
Deferred tax				
In respect of the current period	<u>(13,120)</u>	<u>3,159</u>	<u>1,399</u>	<u>23,253</u>
Income tax expense recognized in profit or loss	<u>\$ 180,422</u>	<u>\$ 124,934</u>	<u>\$ 302,456</u>	<u>\$ 174,962</u>

Income tax expense was recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Since there are significant difference on non-deductible expense between the annually expected and the interim period, the income tax expense differs from that calculated using current taxable income, the applicable tax rate and the movement of deferred income taxes. Hence, a numerical reconciliation between accounting profit and taxable income was impractical for the six months ended June 30, 2013.

The accounting profit for the six months ended June 30, 2012 was reconciled to the income tax as follows:

	For the Six Months Ended June 30, 2012
Profit before income tax	<u>\$ 825,896</u>
Income tax calculated at 17%	140,402
Effect of temporary differences	23,253
Effect of different tax rates of subsidiaries operating in other jurisdictions	(53)
Adjustments for prior years' tax	<u>11,360</u>
Income tax recognized in profit or loss	<u>\$ 174,962</u>

Integrated Income Tax

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Unappropriated earnings generated on and after January 1, 1998	<u>\$ 1,468,006</u>	<u>\$ 1,345,279</u>	<u>\$ 654,763</u>	<u>\$ 1,287,949</u>
Imputation credits account	<u>\$ 120,670</u>	<u>\$ 226,411</u>	<u>\$ 90,130</u>	<u>\$ 266,830</u>

The actual creditable ratio for distribution of earnings of 2011 was 20.52%.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Company was calculated based on the creditable ratio as of the date of dividend distribution.

The expected creditable ratio for distribution of earnings of 2012 was 20.51%, which was calculated based on current amendments to Income Tax Law. The actual imputation credits allocated to shareholders of the Company was based on the balance of the ICA as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2012 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

Income Tax Assessments

Except for year 2009, the Company's tax returns through 2010 have been assessed by the tax authorities. An-Sin, Da-Chia Construction, Jui-Inn, Shin Cheng and Sinyi Culture's tax returns through 2011 had been assessed by the tax authorities. Global's tax returns through 2010 had been assessed by the tax authorities.

26. EARNINGS PER SHARE

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2013	2012	2013	2012
Basic EPS	<u>\$ 1.70</u>	<u>\$ 0.93</u>	<u>\$ 2.63</u>	<u>\$ 1.27</u>
Diluted EPS	<u>\$ 1.70</u>	<u>\$ 0.93</u>	<u>\$ 2.63</u>	<u>\$ 1.27</u>

The earnings per share computation for the three months ended June 30, 2012 and for the six months ended June 30, 2012 was retrospectively adjusted for the effects of adjustments resulting from bonus stock issued on July 20, 2013. The basic and diluted after-tax earnings per share were adjusted retrospectively as followings:

	Unit: NT\$ Per Share			
	<u>Before Adjusted Retrospectively</u>		<u>After Adjusted Retrospectively</u>	
	<u>For the Three Months Ended June 30, 2012</u>	<u>For the Six Months Ended June 30, 2012</u>	<u>For the Three Months Ended June 30, 2012</u>	<u>For the Six Months Ended June 30, 2012</u>
Basic earnings per share	<u>\$ 1.01</u>	<u>\$ 1.37</u>	<u>\$ 0.93</u>	<u>\$ 1.27</u>
Diluted earnings per share	<u>\$ 1.01</u>	<u>\$ 1.37</u>	<u>\$ 0.93</u>	<u>\$ 1.27</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Profit for the period attributable to owners of the Company	<u>\$ 854,993</u>	<u>\$ 469,825</u>	<u>\$ 1,324,003</u>	<u>\$ 639,730</u>

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Weighted average number of ordinary shares in computation of basic earnings per share	502,817	502,817	502,817	502,817
Effect of dilutive potential ordinary shares:				
Bonus issue to employee	<u>432</u>	<u>94</u>	<u>480</u>	<u>165</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>503,249</u>	<u>502,911</u>	<u>503,297</u>	<u>502,982</u>

These bonuses were previously recorded as appropriations from earnings. If the Group may settle the bonus to employees by cash or shares, the Group should presume that the entire amount of the bonus will be settled in shares and the resulting potential shares should be included in the weighted average number of outstanding shares used in the calculation of diluted earnings per share, if the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential shares should be included in the calculation of diluted earnings per share until the stockholders resolve the number of shares to be distributed to employees at their meeting in the following year.

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Han-Chiang Construction	Real estate development and construction	July 13, 2012	100	<u>\$ 34,269</u>

Han-Chiang Construction was acquired in order to develop construction business of the Group and integrate the Group's resources; considerations transferred were paid in cash.

b. Assets acquired and liabilities assumed at the date of acquisition

	Han-Chiang Construction
Current assets	
Cash	\$ 24,267
Other current assets	371
Non-current assets	
Refundable deposits	<u>10</u>
Net assets	<u>\$ 24,648</u>

c. Goodwill arising on acquisition

	Han-Chiang Construction
Consideration transferred	\$ 34,269
Less: Fair value of identifiable net assets acquired	<u>(24,648)</u>
Goodwill arising on acquisition	<u>\$ 9,621</u>

The total goodwill amount from acquisition was not deductible for tax purposes.

d. Net cash outflow on acquisition of subsidiaries

	For the Six Months Ended June 30	
	2013	2012
Consideration paid in cash	\$ -	\$ 34,269
Less: Cash and cash equivalent balances acquired	<u>-</u>	<u>(24,267)</u>
	<u>\$ -</u>	<u>\$ 10,002</u>

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In February 2012, the Group acquired five thousand and one thousand shares of Da-Chia Construction from the Company's president, Mr. Chou Chun-Chi and vice president, Ms. Chou Wang Mei-Wen with the price of \$54 thousand and \$11 thousand, respectively.

In May 2013, the Group disposed 15% of its interest in Qingdao Sinyi, reducing its continuing interest from 80% to 65%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

	Qingdao Sinyi	Da-Chia Construction
Cash consideration received (paid)	\$ 5,763	\$ (65)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(1,053)	65
Reattribution of other equity to (from) non-controlling interests		
Exchange differences arising on the translation of the financial statements of foreign operations	<u>(9)</u>	<u>-</u>
Differences arising from equity transaction	<u>\$ 4,701</u>	<u>\$ -</u>

	Qingdao Sinyi	Da-Chia Construction
<u>Line items adjusted for equity transaction</u>		
Capital surplus - difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	<u>\$ 4,701</u>	<u>\$ -</u>

29. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

Operating leases relate to leases of office with lease terms between 5 and 10 years. All operating lease contracts over 5 years contain clauses for 5-yearly market rental reviews. The Group does not have a bargain purchase option to acquire the leased office at the expiry of the lease periods.

As of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012, refundable deposits paid under operating lease amounted to \$92,928 thousand, \$89,428 thousand, \$88,608 thousand and \$87,769 thousand, respectively.

Method of Calculation and Payment of Rentals	Year	Amount
Settlement on monthly basis	2nd half of 2013	\$ 240,762
	2014	405,996
	2015	265,442
	2016	139,612
	2017	75,856
	1st half of 2018	<u>33,531</u>
		<u>\$ 1,161,199</u>

The Group as Lessor

Operating leases relate to the investment property owned by the Group with lease terms between 1 to 5 years.

As of June 30, 2013, December 31, 2012, June 30, 2012 and January 1, 2012, deposits received under operating leases amounted to \$32,245 thousand, \$33,934 thousand, \$38,351 thousand and \$28,629 thousand, respectively.

As of June 30, 2013, future rentals receivable were summarized as follows:

Method of Calculation and Collection of Rentals	Year	Amount
Settlement on monthly basis	2nd half of 2013	\$ 57,642
	2014	121,114
	2015	124,430
	2016	126,763
	2017	104,142
	1st half of 2018	<u>220</u>
		<u>\$ 534,311</u>

30. CAPITAL RISK MANAGEMENT

The objectives, policies and process for managing capital, and capital structures is as same as that stated in the consolidated financial statements for the three months ended March 31, 2013. Refer to Note 28 to the consolidated financial statements as of March 31, 2013 for details.

31. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Fair value of financial instruments not carried at fair value

The management consider that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or their fair values cannot be reliably measured.

b. Fair value measurements recognized in the consolidated balance sheet

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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 (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

June 30, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 25,126	\$ -	\$ -	\$ 25,126
Mutual funds	<u>394,075</u>	<u>-</u>	<u>-</u>	<u>394,075</u>
	<u>\$ 419,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419,201</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments				
	\$ 233,103	\$ -	\$ -	\$ 233,103
Foreign listed stocks - equity investments				
	485,663	-	-	485,663
Mutual funds	<u>1,298</u>	<u>-</u>	<u>-</u>	<u>1,298</u>
	<u>\$ 720,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 720,064</u>

December 31, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 23,298	\$ -	\$ -	\$ 23,298
Mutual funds	<u>52,236</u>	<u>-</u>	<u>-</u>	<u>52,236</u>
	<u>\$ 75,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,534</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments				
	\$ 223,241	\$ -	\$ -	\$ 223,241
Foreign listed stocks - equity investments				
	384,910	-	-	384,910
Mutual funds	<u>1,256</u>	<u>-</u>	<u>-</u>	<u>1,256</u>
	<u>\$ 609,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609,407</u>

June 30, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 24,075	\$ -	\$ -	\$ 24,075
Mutual funds	<u>1,182,360</u>	<u>-</u>	<u>-</u>	<u>1,182,360</u>
	<u>\$ 1,206,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,206,435</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 209,361	\$ -	\$ -	\$ 209,361
Foreign listed stocks - equity investments	326,714	-	-	326,714
Mutual funds	<u>1,292</u>	<u>-</u>	<u>-</u>	<u>1,292</u>
	<u>\$ 537,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,367</u>
				(Concluded)

January 1, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 23,235	\$ -	\$ -	\$ 23,235
Mutual funds	<u>487,521</u>	<u>-</u>	<u>-</u>	<u>487,521</u>
	<u>\$ 510,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510,756</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 178,572	\$ -	\$ -	\$ 178,572
Foreign listed stocks - equity investments	293,354	-	-	293,354
Mutual funds	<u>4,337</u>	<u>-</u>	<u>-</u>	<u>4,337</u>
	<u>\$ 476,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,263</u>

There were no transfers between Level 1 and Level 2 in the current and prior periods.

c. 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:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market prices.
- Except those described above, the fair values of financial instruments were determined in accordance with generally accepted pricing models using discounted cash flow analysis.

Categories of Financial Instruments

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Financial assets</u>				
FVTPL				
Held for trading	\$ 419,201	\$ 75,534	\$ 1,206,435	\$ 510,756
Loans and receivables (Note 1)	3,982,717	4,124,791	2,430,099	2,474,954
Available-for-sale financial assets (Note 2)	1,013,655	738,047	690,684	630,347
				(Continued)

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Financial liabilities</u>				
Amortized cost (Note 3)	\$ 6,972,577	\$ 3,926,488	\$ 3,743,626	\$ 3,027,631 (Concluded)

Note 1: The balance included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, other receivables, other current financial assets, refundable deposits and long-term accounts receivable.

Note 2: The balance included the carrying amount of available-for-sale financial assets and financial assets measured at cost.

Note 3: The balance included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payables, other payable, other payables to related parties, other financial liabilities, long-term borrowings, guarantee deposits received and other non-current liabilities.

Financial Risk Management Objectives and Policies

The Group's major financial instruments included equity, mutual funds, trade receivables other payables and borrowings. The Group's Corporate Treasury function provides services to the business and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group seeks to ensure sufficient funding readily available when needed with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Audit Committees and/or Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, Corporate Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

a. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

1) Foreign currency risk

Most of the Group's operating activities are in Taiwan, denominated in New Taiwan dollars. Therefore, the operating activities in Taiwan are not exposed to foreign currency risk. The Group took foreign operations as strategic investments, and did not hedge the risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period were as follows:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Assets</u>				
RMB	\$ 630,300	\$ 741,651	\$ 523,334	\$ 496,562
JPY	144,788	94,807	97,086	76,483
USD	123,158	84,201	86,746	82,093
				(Continued)

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
<u>Liabilities</u>				
RMB	\$ 604,545	\$ 415,538	\$ 510,343	\$ 472,717
JPY	29,878	10,964	11,166	8,462
USD	1,009	992	1,139	1,154
				(Concluded)

Foreign currency sensitivity analysis

The Group's sensitivity analysis of foreign currency risk mainly focuses on the foreign currency monetary items at the end of the reporting period.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollars ("NTD", the functional currency) against the relevant foreign currencies. A negative number below indicates an increase in profit before income tax or equity where the NTD strengthens 1% against the relevant currency. For a 1% weakening of the NTD against the relevant currency, the balances below would be positive as the other factors remain unchanged.

	Six Months Ended June 30					
	2013			2012		
	RMB	JPY	USD	RMB	JPY	USD
Equity	\$ 258	\$ 1,149	\$ 1,221	\$ 130	\$ 859	\$ 856
Profit or loss	-	-	-	-	-	-

2) Interest rate risk

The Group is exposed to interest rate risk on investments and borrowings; interest rates could be fixed or floating. The investments and part of borrowings are fixed rate and measured at amortized cost, changes in interest will not affect future cash flows. Another part of borrowings are floating rate, changes in interest will affect future cash flows, but will not affect fair value.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Fair value interest rate risk				
Financial assets	\$ 576,132	\$ 932,379	\$ 844,377	\$ 1,063,249
Financial liabilities	2,631,063	700,000	-	-
Cash flow interest rate risk				
Financial liabilities	337,893	131,674	134,639	129,731

Interest rate sensitivity analysis

The Group's sensitivity to interest rate is analyzed by measuring the effect of a 0.5% increase or decrease in interest rate on the asset or liability. If interest rates were higher by 0.5%, with other conditions held constant and capitalized interest not considered, the Group's profit for the six months ended June 30, 2013 and 2012 would have been lower by \$845 thousand and \$337 thousand, respectively.

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily trade receivables, and from investing activities, primarily the fixed-income investments and other financial instruments.

Business related credit risk

The Group is mainly engaged in the operation of real-estate brokerage business and the customers of the Group are the people who buy house and people who sell house. The revenue of agency service is also received through the housing performance guarantee, so the concentration credit risk of trade receivable is not material.

Financial credit risk

The credit risk of bank deposits, fixed-income investments and other financial instruments are regularly controlled and monitored by the Group's Corporate Treasury function. The counterparties to the foregoing financial instruments are reputable financial institutions and business organizations. Management does not expect the Group's exposure to default by those parties to be material.

c. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group'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. The Group has sufficient working capital to pay all debts; thus, there is no liquidity risk.

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties were disclosed below:

Loans from Related Parties

Other payables to related parties

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Other related parties - related parties in substance	\$ 37,534	\$ 36,349	\$ 34,700	\$ 27,521
Other related parties - the person in charge of other related parties is the president of the Company	10,643	9,443	8,739	9,185
Other - vice president of the Company	<u>35,749</u>	<u>33,919</u>	<u>33,944</u>	<u>33,605</u>
	<u>\$ 83,926</u>	<u>\$ 79,711</u>	<u>\$ 77,383</u>	<u>\$ 70,311</u>

Other payables to related parties were financing. Information on the financing for the six months ended June 30, 2013 and 2012 were as follows:

Six Months Ended June 30, 2013					
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Other related parties - related parties in substance	\$ 33,988	\$ 33,988	6.10%	\$ 1,014	\$ 3,520
Other - vice president of the Company	<u>31,074</u>	<u>31,074</u>	3.75%	<u>576</u>	<u>4,675</u>
	<u>\$ 65,062</u>	<u>\$ 65,062</u>		<u>\$ 1,590</u>	<u>\$ 8,195</u>
Six Months Ended June 30, 2012					
	Highest Balance During the Period	Amount	Rate %	Interest Expense	Interest Payable
Other related parties - related parties in substance	\$ 33,069	\$ 33,069	6.10%	\$ 788	\$ 1,229
Other - vice president of the Company	<u>30,707</u>	<u>30,707</u>	4.68%-5.88%	<u>899</u>	<u>3,237</u>
	<u>\$ 63,776</u>	<u>\$ 63,776</u>		<u>\$ 1,687</u>	<u>\$ 4,466</u>

The financing from related parties was unsecured and has no fixed terms of repayment.

Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel for the six months ended June 30, 2013 and 2012 included the following:

	Three Months Ended June 30		Six Months Ended June 30	
	2013	2012	2013	2012
Short-term benefits	\$ 29,954	\$ 27,455	\$ 65,503	\$ 54,170
Other long-term benefits	<u>-</u>	<u>3,978</u>	<u>5,683</u>	<u>4,624</u>
	<u>\$ 29,954</u>	<u>\$ 31,433</u>	<u>\$ 71,186</u>	<u>\$ 58,794</u>

Other long-term benefits included a long-term incentive plan approved by the Company's board of directors to encourage senior management to contribute further to the sustainable growth of the Company. Senior managers will be entitled to such incentive as continue to serve for three years starting the following year while obtaining the qualification and the bonus is calculated by the Company's share price increase. The Company's board of directors revised the incentive plan, since January 1, 2013, the bonus is calculated on the basis of Company's operating performance instead of the Company's share price increase.

Other Transactions with Related Parties

a. Rental income

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Other related parties				
The person in charge of other related parties is the president of the Company	\$ 1,342	\$ 1,453	\$ 2,683	\$ 2,905
Related parties in substance	<u>2,727</u>	<u>2,923</u>	<u>4,098</u>	<u>5,841</u>
Associates	<u>9</u>	<u>10</u>	<u>17</u>	<u>16</u>
	<u>\$ 4,078</u>	<u>\$ 4,386</u>	<u>\$ 6,798</u>	<u>\$ 8,762</u>

The rental rates are based on the prevailing rates in the surrounding area. The Group collects rentals from related parties on a monthly basis.

b. Other benefit

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Other related parties				
The person in charge of other related parties is the president of the Company	\$ 864	\$ 733	\$ 1,692	\$ 1,466
Related parties in substance	<u>2,749</u>	<u>2,356</u>	<u>5,462</u>	<u>4,477</u>
	<u>\$ 3,613</u>	<u>\$ 3,089</u>	<u>\$ 7,154</u>	<u>\$ 5,943</u>

Other benefit is mainly derived from management consulting services provided to the related parties.

c. Professional fee

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Other related parties				
The person in charge of other related parties is the president of the Company	\$ 29,341	\$ 24,921	\$ 53,410	\$ 46,355
Related parties in substance	<u>1,230</u>	<u>943</u>	<u>2,108</u>	<u>1,673</u>
	<u>\$ 30,571</u>	<u>\$ 25,864</u>	<u>\$ 55,518</u>	<u>\$ 48,028</u>

Professional fee is mainly payment for services related to instructions of real estate, real estate registration and cadaster access service, etc.

d. Other receivables

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Other related parties				
The person in charge of other related parties is the president of the Company	\$ 1,469	\$ 1,383	\$ 1,281	\$ 2,350
Related parties in substance	<u>9,636</u>	<u>5,115</u>	<u>9,521</u>	<u>6,296</u>
	<u>\$ 11,105</u>	<u>\$ 6,498</u>	<u>\$ 10,802</u>	<u>\$ 8,646</u>

e. Property transaction

The Group acquired five thousand and one thousand shares of Da-Chia Construction Co., Ltd. from the Company's president, Mr. Chou Chun-Chi, and vice president, Ms. Chou Wang Mei-Wen, at the price of \$54 thousand and \$11 thousand, respectively, during the six months ended June 30, 2012. The price of the above transaction was based on the book value of Da-Chia Construction Co., Ltd.

33. MORTGAGED OR PLEDGED ASSETS

The Group's assets mortgaged or pledged as collateral for bank loans, other financial institutions or other contracts were as follows:

	June 30, 2013	December 31, 2012	June 30, 2012	January 1, 2012
Property, plant and equipment (including investment properties)				
Land	\$ 3,256,722	\$ 3,290,251	\$ 2,004,088	\$ 2,004,088
Building	427,287	436,194	276,881	280,983
Other financial assets - current				
Pledged time deposits	<u>80,583</u>	<u>107,961</u>	<u>107,845</u>	<u>107,718</u>
	<u>\$ 3,764,592</u>	<u>\$ 3,834,406</u>	<u>\$ 2,388,814</u>	<u>\$ 2,392,789</u>

34. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

- a. The Group is involved in claims that arise in the ordinary course of business; the Group is a defendant in legal proceedings. Management of the Group believe, based on legal advice, that the Group has strong and likely successful defense and the ultimate outcome of these unresolved matters will not have a material adverse impact on the Group's financial results.
- b. Guarantee notes submitted as guarantees for real-estate brokerage business amounted to \$5,000 thousand.
- c. The Group has endorsed Shanghai Sinyi Real Estate and Suzhou Sinyi Real Estate in obtaining financing limit for \$339,500 thousand (RMB70,000 thousand) and \$528,650 thousand (RMB109,000 thousand), respectively. Refer to Note 37 Table 2 for the details.

35. SIGNIFICANT FRANCHISE CONTRACTS

Sinyi Limited entered into a subfranchise agreement with Cendent Global Services B.V. (“GLOBAL”) and Coldwell Banker Real Estate Corporation (“Coldwell”). Sinyi Limited obtained from the counterparty a license granting the right to use the plans, manuals, system and forms developed by Coldwell and the exclusive right to itself sublicense and/or to sublicense other franchisees and territorial subfranchisors in China, Hong Kong and Macau. The term of this contract is for forty years from October 12, 1999 and is automatically renewed for another period of forty years to October 11, 2079 unless the two sides agree to terminate the contract in three months prior to the expiration of the contract. Thereafter, because Sinyi Limited transferred this agreement right to Ke Wei Shanghai on August 1, 1990 and GLOBAL was renamed to Realogy Corporation (“Realogy”) due to its organizational adjustment, Ke Wei Shanghai and Realogy entered into a supplemental subfranchise agreement in 2008.

36. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities, denominated in foreign currencies were as follows:

June 30, 2013 and 2012

	June 30, 2013			June 30, 2012		
	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>						
Monetary items						
RMB	\$ 129,815	4.85	\$ 630,300	\$ 110,778	4.92	\$ 523,334
JPY	476,905	0.30	144,788	258,611	0.38	97,086
USD	2,398	30.00	71,926	1,306	29.88	39,024
Non-monetary items						
RMB	31,796	4.85	154,382	9,516	4.72	44,955
JPY	1,599,681	0.30	485,663	870,281	0.38	326,714
USD	43	30.00	1,298	43	29.88	1,292

Financial liabilities

Monetary items						
RMB	113,959	4.85	553,313	72,124	4.72	340,728
JPY	98,412	0.30	29,878	29,743	0.38	11,166
USD	34	30.00	1,009	38	29.88	1,139

December 31, 2012 and January 1, 2012

	December 31, 2012			January 1, 2012		
	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>						
Monetary items						
RMB	\$ 160,525	4.62	\$ 741,651	\$ 103,346	4.80	\$ 496,562
JPY	281,829	0.34	94,807	195,806	0.39	76,483
USD	1,255	29.04	36,457	1,173	30.28	35,508

(Continued)

	December 31, 2012			January 1, 2012		
	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Non-monetary items						
RMB	\$ 9,516	4.62	\$ 43,965	\$ 9,516	4.80	\$ 45,723
JPY	1,144,206	0.34	384,910	751,019	0.39	293,354
USD	43	29.04	1,256	143	30.28	4,337
<u>Financial liabilities</u>						
Monetary items						
RMB	79,107	4.62	365,487	62,987	4.80	302,646
JPY	32,593	0.34	10,964	21,663	0.39	8,462
USD	34	29.04	992	38	30.28	1,154
						(Concluded)

37. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

- a. Financing provided: Table 1 (attached)
- b. Endorsements/guarantees provided to others: Table 2 (attached)
- c. Marketable securities held: Table 3 (attached)
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$100 million or 20% of the paid-in capital: Table 4 (attached)
- e. Acquisition of individual real estate at costs of at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached)
- f. Disposal of individual real estate at prices of at least NT\$100 million or 20% of the paid-in capital: None
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 6 (attached)
- i. Information about derivative: None
- j. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: Table 7 (attached)
- k. Information on investees: Table 8 (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: Table 9 (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:
 - 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
 - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
 - 3) The amount of property transactions and the amount of the resultant gains or losses: None
 - 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (attached)
 - 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None
 - 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: None

38. SEGMENT INFORMATION

- a. The Group is in the operation of local and international real-estate brokerage business. The Group provides information to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance. The information gives emphasis on related laws on real-estate transactions in different countries that needed different marketing strategies. According to SFAS No. 41, "Operating Segments," management has determined two reportable segments as follows:
 - 1) Companies in Taiwan
 - 2) Companies in mainland China and other foreign companies.

The following table summarizes the revenue, result of operations and assets of segments for the six months ended June 30, 2013 and 2012:

	Taiwan	Mainland China and Others	Adjustment and Eliminations	Consolidated
<u>2013</u>				
Revenue from unaffiliated customers	\$ 5,572,083	\$ 390,225	\$ -	\$ 5,962,308
Revenue among consolidated entities	<u>20,280</u>	<u>-</u>	<u>(20,280)</u>	<u>-</u>
Total revenue	<u>\$ 5,592,363</u>	<u>\$ 390,225</u>	<u>\$ (20,280)</u>	<u>\$ 5,962,308</u>

(Continued)

	Taiwan	Mainland China and Others	Adjustment and Eliminations	Consolidated
Gross profit	\$ 1,905,583	\$ 164,668	\$ (20,280)	\$ 2,049,971
Operating expenses	<u>(478,113)</u>	<u>(164,735)</u>	<u>42,620</u>	<u>(600,228)</u>
Operating income (loss)	<u>\$ 1,427,470</u>	<u>\$ (67)</u>	<u>\$ 22,340</u>	<u>1,449,743</u>
Nonoperating income and expenses				<u>196,901</u>
Income before income tax				<u>\$ 1,646,644</u>
Identified assets	<u>\$ 9,714,864</u>	<u>\$ 6,118,528</u>	<u>\$ (34,176)</u>	\$ 15,799,216
Investments accounted for by the equity method				<u>10,463</u>
Total assets				<u>\$ 15,809,679</u>
<u>2012</u>				
Revenue from unaffiliated customers	\$ 4,068,882	\$ 210,399	\$ -	\$ 4,279,281
Revenue among consolidated entities	<u>16,943</u>	<u>-</u>	<u>(16,943)</u>	<u>-</u>
Total revenue	<u>\$ 4,085,825</u>	<u>\$ 210,399</u>	<u>\$ (16,943)</u>	<u>\$ 4,279,281</u>
Gross profit	\$ 1,200,746	\$ 37,642	\$ (16,943)	\$ 1,221,445
Operating expenses	<u>(403,296)</u>	<u>(136,441)</u>	<u>35,369</u>	<u>(504,368)</u>
Operating income (loss)	<u>\$ 797,450</u>	<u>\$ (98,799)</u>	<u>\$ 18,426</u>	<u>717,077</u>
Nonoperating income and expenses				<u>108,819</u>
Income before income tax				<u>\$ 825,896</u>
Identified assets	<u>\$ 9,284,894</u>	<u>\$ 1,629,436</u>	<u>\$ (133,353)</u>	\$ 10,780,977
Investments accounted for by the equity method				<u>3,267</u>
Total assets				<u>\$ 10,784,244</u>
				(Concluded)

Segment profit refers to the profit earned by each segment without allocation of nonoperating income and expenses, income tax expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Industry and service information

The Group operates main in real-estate brokerage business. In addition, the Group added the new business about developing residences and buildings. As of June 30, 2013, there is no revenue generated.

c. Geographic information

Reportable segments of the Group are based on geography. The Group has no additional information to be disclosed.

d. Major customers

No single customer accounts for at least 10% of the Group's service revenue; therefore, no customer information is required to be disclosed.

39. FIRST-TIME ADOPTION OF IFRSs

a. Basis of the preparation of financial information under IFRSs

The Group's consolidated financial statements for the six months ended June 30, 2013 not only follows the significant accounting policies stated in Note 4 but also applies the requirements under IFRS 1 "First-time Adoption of IFRS" as the basis for the preparation.

b. Effects of transition to IFRSs

Except for the following additional information on the impact on the transition to IFRSs, refer to Note 37 to the consolidated financial statements as of March 31, 2013 for the impact on the Group's consolidated balance sheets and consolidated statements of comprehensive income after transition to IFRSs.

1) Reconciliation of consolidated balance sheet as of June 30, 2012:

ROC GAAP		Effect of the Transition from ROC GAAP to IFRSs		IFRSs		Note
Item	Amount	Measurement or Recognition Difference	Presentation Difference	Amount	Item	
<u>Assets</u>						
Current assets						
Cash and cash equivalents	\$ 1,099,781	\$ -	\$ (243,081)	\$ 856,700	Cash and cash equivalents	f)
Financial assets at fair value through profit or loss - current	1,206,435	-	-	1,206,435	Financial assets at fair value through profit or loss - current	
Available-for-sale financial assets - current	537,367	-	-	537,367	Available-for-sale financial assets - current	
Notes receivable, net	76,362	-	-	76,362	Notes receivable	
Accounts receivable, net	689,649	-	45,450	735,099	Trade receivable	g)
Other current financial assets	61,579	-	-	61,579	Other receivables	
Other current financial assets	107,845	-	243,081	350,926	Other financial assets - current	f)
"	11,775	-	(11,775)	-		a)
Other current assets	81,713	-	-	81,713	Other current assets	
Total current assets	<u>3,872,506</u>	<u>-</u>	<u>33,675</u>	<u>3,906,181</u>		
Long-term investments						
Financial assets carried at cost - non-current	153,317	-	-	153,317	Financial assets measured at cost - non-current	
Investments accounted for by the equity method	3,267	-	-	3,267	Investments accounted for using equity method	
Total long-term investments	<u>156,584</u>	<u>-</u>	<u>-</u>	<u>156,584</u>		
Properties	<u>3,278,647</u>	<u>-</u>	<u>41,002</u>	<u>3,319,649</u>	Property, plant and equipment	e)
Intangible assets						
Franchise	62,258	-	-	62,258	Franchise	
Goodwill	9,621	-	-	9,621	Goodwill	
Total intangible assets	<u>71,879</u>	<u>-</u>	<u>24,571</u>	<u>24,571</u>	Intangible assets	e)
Other assets						
Assets leased to others	2,831,433	-	-	2,831,433	Investment properties	
Idle assets	54,024	-	-	54,024	Investment properties	
Refundable deposits	145,278	-	-	145,278	Refundable deposits	
Long-term accounts receivable	204,155	-	-	204,155	Long-term accounts receivable	
Deferred charges	65,573	-	(65,573)	-		e)
Deferred income tax assets - non-current	255	-	11,775	12,030	Deferred tax assets	a)
Others	57,959	(2,959)	3,460	58,460	Other non-current assets	b), g)
Total other assets	<u>3,358,677</u>	<u>(2,959)</u>	<u>(50,338)</u>	<u>3,305,380</u>		
Total	<u>\$ 10,738,293</u>	<u>\$ (2,959)</u>	<u>\$ 48,910</u>	<u>\$ 10,784,244</u>		

(Continued)

ROC GAAP		Effect of the Transition from ROC GAAP to IFRSs		IFRSs		Note
		Measurement or Recognition Difference	Presentation Difference			
Item	Amount			Amount		
<u>Liabilities and shareholders' equity</u>						
Current liabilities						
Short-term loans	\$ 70,863	\$ -	\$ -	\$ 70,863	Short-term borrowings	
Notes payable	3,450	-	-	3,450	Notes payable	
Income tax payable	142,267	-	-	142,267	Current tax liabilities	
	-	-	45,450	45,450	Provisions - current	g)
Accrued expenses	1,460,749	63,845	-	1,524,594	Other payables	c)
Other payables to related parties	77,383	-	-	77,383	Other payables to related parties	
Other current financial liabilities	1,038,496	-	-	1,038,496	Other current financial liabilities	
Other current liabilities	<u>124,415</u>	<u>-</u>	<u>-</u>	<u>124,415</u>	Other current liabilities	
Total current liabilities	<u>2,917,623</u>	<u>63,845</u>	<u>45,450</u>	<u>3,026,918</u>		
Other liabilities						
	-	-	3,460	3,460	Provisions - non-current	g)
Guarantee deposits received	54,646	-	-	54,646	Guarantee deposits received	
Deferred income tax liabilities - noncurrent	23,776	-	-	23,776	Deferred income tax liabilities	
Others	974,194	-	-	974,194	Other non-current liabilities	
Total other liabilities	<u>1,052,616</u>	<u>-</u>	<u>3,460</u>	<u>1,056,076</u>		
Total liabilities	<u>3,970,239</u>	<u>63,845</u>	<u>48,910</u>	<u>4,082,994</u>		
Shareholders' equity						
Common stock	4,392,182	-	-	4,392,182	Ordinary shares	
Stock dividends to be distribute	263,531	-	-	263,531	Stock dividends to be distribute	
Capital surplus					Capital surplus	
Employee stock options	63,896	-	-	63,896	Employee stock options	
Retained earnings						
Legal reserve	1,155,179	-	-	1,155,179	Legal reserve	
Special reserve	120,693	-	-	120,693	Special reserve	
Unappropriated earnings	684,609	(29,846)	-	654,763	Unappropriated earnings	b), c), d)
Other equity						
Cumulative translation adjustments	15,708	(36,467)	-	(20,759)	Exchange differences on foreign operations	d)
Unrealized valuation gain on financial instruments	(28,421)	-	-	(28,421)	Unrealized gains from available-for-sale financial assets	
Total equity attributable to shareholders of the parent	<u>6,667,377</u>	<u>(66,313)</u>	<u>-</u>	<u>6,601,064</u>		
Minority interest in subsidiaries	100,677	(491)	-	100,186	Non-controlling interests	b), c)
Total shareholders' equity	<u>6,768,054</u>	<u>(66,804)</u>	<u>-</u>	<u>6,701,250</u>		
Total	<u>\$ 10,738,293</u>	<u>\$ (2,959)</u>	<u>\$ 48,910</u>	<u>\$ 10,784,244</u>		

(Concluded)

2) Reconciliation of consolidated statement of comprehensive income for the six months ended June 30, 2012:

ROC GAAP		Effect of the Transition from ROC GAAP to IFRSs		IFRSs		Note
		Measurement or Recognition Difference	Presentation Difference			
Item	Amount			Amount		
Operating revenue						
Service revenue	\$ 4,454,396	\$ -	\$ -	\$ 4,454,396	Service revenue	
Service returns and allowances	(175,115)	-	-	(175,115)	Service returns and allowances	
Total operating revenue	<u>4,279,281</u>	<u>-</u>	<u>-</u>	<u>4,279,281</u>	Total operating revenue	
Operating costs	<u>(3,052,394)</u>	<u>(5,442)</u>	<u>-</u>	<u>(3,057,836)</u>	Operating costs	b), c)
Gross profit	1,226,887	(5,442)	-	1,221,445	Gross profit	
Operating expenses	<u>(503,432)</u>	<u>(936)</u>	<u>-</u>	<u>(504,368)</u>	Operating expenses	b), c)
Operating income	<u>723,455</u>	<u>(6,378)</u>	<u>-</u>	<u>717,077</u>	Operating income	

(Continued)

ROC GAAP		Effect of the Transition from ROC GAAP to IFRSs		IFRSs		Note	
		Item	Amount	Measurement or Recognition Difference	Presentation Difference		Amount
Nonoperating income and gains						Nonoperating income and gains	
Interest income	\$ 7,859	\$ -	\$ -	\$ 7,859		Interest income	
Dividend income	17,076	-	-	17,076		Dividend income	
Gain on sale of investments	1,104	-	-	1,104		Gain on sale of investments	
Exchange gain, net	2,394	-	-	2,394		Exchange gain, net	
Rental income	62,958	-	-	62,958		Rental income	
Gain on reversal of bad debts	8,904	-	-	8,904		Gain on reversal of bad debts	
Valuation gain on financial assets	1,786	-	-	1,786		Valuation gain on financial assets	
Miscellaneous income	28,714	-	-	28,714		Miscellaneous income	
Total nonoperating income and gains	130,795	-	-	130,795		Total nonoperating income and gains	
Nonoperating expenses and losses						Nonoperating expenses and losses	
Interest expense	4,593	-	-	4,593		Interest expense	
Investment loss recognized under equity method	3	-	-	3		Investment loss recognized under equity method	
Losses on disposal of properties	665	-	-	665		Losses on disposal of properties	
Miscellaneous loss	16,715	-	-	16,715		Miscellaneous loss	
Total nonoperating expenses and losses	21,976	-	-	21,976		Total nonoperating expenses and losses	
Income before income tax	832,274	(6,378)	-	825,896		Income before income tax	
Income tax	(174,962)	-	-	(174,962)		Income tax	
Net income	\$ 657,312	\$ (6,378)	\$ -	650,934		Net income	
				(20,896)		Exchange differences on translating foreign operations	
				69,291		Unrealized gain on available-for-sale financial assets	
				48,395		Other comprehensive income for the period, net of income tax	
				\$ 699,329		Total comprehensive income	

(Concluded)

3) Reconciliation of consolidated statement of comprehensive income for the three months ended June 30, 2012:

ROC GAAP		Effect of the Transition from ROC GAAP to IFRSs		IFRSs		Note	
		Item	Amount	Measurement or Recognition Difference	Presentation Difference		Amount
Operating revenue						Operating revenue	
Service revenue	\$ 2,565,764	\$ -	\$ -	\$ 2,565,764		Service revenue	
Service returns and allowances	(102,990)	-	-	(102,990)		Service returns and allowances	
Total operating revenue	2,462,774	-	-	2,462,774		Total operating revenue	
Operating costs	(1,663,797)	(1,821)	-	(1,665,618)		Operating costs	b), c)
Gross profit	798,977	(1,821)	-	797,156		Gross profit	
Operating expenses	(264,711)	(313)	-	(265,024)		Operating expenses	b), c)
Operating income	534,266	(2,134)	-	532,132		Operating income	
Nonoperating income and gains						Nonoperating income and gains	
Interest income	6,112	-	-	6,112		Interest income	
Dividend income	10,362	-	-	10,362		Dividend income	
Gain on sale of investments	356	-	-	356		Gain on sale of investments	
Exchange gain, net	2,243	-	-	2,243		Exchange gain, net	
Rental income	31,504	-	-	31,504		Rental income	
Gain on reversal of bad debts	8,904	-	-	8,904		Gain on reversal of bad debts	
Valuation gain on financial assets	2,574	-	-	2,574		Valuation gain on financial assets	
Miscellaneous income	19,331	-	-	19,331		Miscellaneous income	
Total nonoperating income and gains	81,386	-	-	81,386		Total nonoperating income and gains	

(Continued)

ROC GAAP		Effect of the Transition from ROC GAAP to IFRSs			IFRSs		Note
		Item	Amount	Measurement or Recognition Difference	Presentation Difference	Amount	
Nonoperating expenses and losses						Nonoperating expenses and losses	
Interest expense	\$ 2,284	\$ -	\$ -	\$ 2,284		Interest expense	
Investment loss recognized under equity method	2	-	-	2		Investment loss recognized under equity method	
Losses on disposal of properties	527	-	-	527		Losses on disposal of properties	
Miscellaneous loss	8,636	-	-	8,636		Miscellaneous loss	
Total nonoperating expenses and losses	11,449	-	-	11,449		Total nonoperating expenses and losses	
Income before income tax	604,203	(2,134)	-	602,069		Income before income tax	
Income tax	(124,934)	-	-	(124,934)		Income tax	
Net income	\$ 479,269	\$ (2,134)	\$ -	477,135		Net income	
				14,476		Exchange differences on translating foreign operations	
				(38,612)		Unrealized gain on available-for-sale financial assets	
				(24,136)		Other comprehensive income for the period, net of income tax	
				\$ 452,999		Total comprehensive income	

(Concluded)

4) Exemptions from IFRS 1

The exemptions adopted by the Group on January 1, 2012 were the same as those indicated in the consolidated financial statements as of March 31, 2013. Refer to the Note 37 to the consolidated financial statements as of March 31, 2013 for detail information.

5) Explanations of significant reconciling items in the transition to IFRSs

Material differences between the accounting policies under ROC GAAP and the accounting policies adopted under IFRSs were as follows:

- a) Under ROC GAAP, a deferred income tax asset or liability should be classified as current or noncurrent in accordance with the classification of the related asset or liability for financial reporting. However, a deferred income tax asset or liability that is not related to an asset or liability for financial reporting should be classified as current or noncurrent on the basis of the expected length of time before it is realized or settled. By contrast, under IFRSs, a deferred income tax asset or liability is always classified as noncurrent. Thus, as of June 30, 2012, the reclassification adjustment resulted in decreases of \$11,775 thousand, in “deferred income tax asset - current” and increases of the same amounts in “deferred income tax assets - non-current.”
- b) Under IFRS 1, the Group elected to recognize all cumulative actuarial gains and losses relating to employee benefits at the date of transition to IFRSs.

As of June 30, 2012, the IFRS adjustment resulted in decreases in accumulated earnings of \$2,731 thousand, non-controlling interests of \$228 thousand and defined benefit plan assets of \$2,959 thousand. As of the six months ended June 30, 2012, the IFRS adjustment resulted in decreases in operating costs of \$89 thousand and operating expenses of \$15 thousand. As of the three months ended June 30, 2012, the IFRS adjustment resulted in decreases in operating costs of \$35 thousand and operating expenses of \$6 thousand.

- c) Accrual for accumulated compensated absences is not addressed in existing ROC GAAP; thus, the Group has not recognized the expected cost of employee benefits in the form of accumulated compensated absences at the end of reporting periods. However, under IFRSs, when the employees render services that increase their entitlement to future compensated absences, an entity should recognize the expected cost of employee benefits at the end of reporting periods. Therefore, the IFRS adjustment as of January 1, 2012, resulted in decreases in accumulated earnings of \$56,963 thousand, non-controlling interests of \$400 thousand, and increase in accrued expenses of \$57,363 thousand.

In addition, the evaluation adjustment made on June 30, 2012 resulted in increases in accrued expenses of \$6,482 thousand. Accumulated earnings decreased by \$6,619 thousand and non-controlling interests increased by \$137 thousand. As of the six months ended June 30, 2012, the IFRS adjustment resulted in increases in operating costs of \$5,531 thousand and operating expenses of \$951 thousand. As of the three months ended June 30, 2012, the IFRS adjustment resulted in increases in operating costs of \$1,856 thousand and operating expenses of \$319 thousand.

- d) The Group elected to reset the cumulative translation differences to zero at the date of transition to IFRSs, and the recognition has been used to increase accumulated earnings as of December 31, 2011. The gain or loss on any subsequent disposals of any foreign operations shall exclude cumulative translation differences that arose before the date of transition to IFRSs. The IFRS adjustment resulted in a decrease in cumulative translation differences of \$36,467 thousand and a corresponding increase in accumulated earnings.

- e) Reclassification of deferred charges

Under ROC GAAP, deferred charges were classified under other assets. Under IFRS, deferred charges should be reclassified to other current assets, property, plant and equipment, intangible assets and other assets - other based on the nature.

As of June 30, 2012, the Group reclassified \$41,002 thousand, of “deferred charges” to “property, plant and equipment” and reclassified \$24,571 thousand, of “deferred charges” to “intangible assets”.

- f) Under ROC GAAP, the term “cash” used in the financial statements includes cash on hand, demand deposits, check deposits, time deposits that are cancellable but without any loss of principal. However, under IFRSs, cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a short maturity of six months or less from the date of acquisition. Some certificates of deposit the Group held had maturity of more than 3 months from the date of investment. Thus, as of June 30, 2012, the reclassification adjustment resulted in decreases of 243,081 thousand, in “cash and cash equivalents” and increases of the same amounts in “other financial assets - current.”
- g) Under ROC GAAP, the allowance for service discounts is recorded as a deduction in accounts receivable. Under IFRS, the allowance for service discounts is a present obligation with uncertain timing and an amount that arises from past events and is therefore reclassified as provisions. As of June 30, 2012, the allowance for service discounts (under trade receivables) of \$45,450 thousand, was reclassified to provisions - current. As of June 30, 2012, the allowance for services discounts - overdue receivable (under other assets) of \$3,460 thousand, was reclassified to provisions - non-current.

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
SIX MONTHS ENDED JUNE 30, 2013
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
												Item	Value		
1	Da-Chia Construction Co., Ltd.	Shin Hau Real Estate Co., Ltd.	Other receivables	\$ 200,000	\$ 200,000	\$ 200,000	10%	Business activity	\$ 201,000	-	\$ -	Land	\$ 312,000	\$ 201,000 (Note 1)	\$ 272,458 (Note 2)
		Sinyi Realty Inc.	"	200,000	200,000	-	According to the contract	Short-term financing	-	Need for group funds	-	-	-	217,966 (Note 3)	544,915 (Note 3)
2	Suzhou Sinyi Real Estate Inc.	Sinyi Real Estate (Shanghai) Limited	"	485,000 (RMB 100,000 thousand)	485,000 (RMB 100,000 thousand)	-	"	"	-	Need for operation	-	-	-	561,893 (Note 4)	1,123,785 (Note 4)
		Shanghai Sinyi Real Estate Inc.	"	97,400 (RMB 20,000 thousand)	97,000 (RMB 20,000 thousand)	87,300 (RMB 18,000 thousand)	4%	"	-	Participation in the capital increase of strategic investment plan	-	-	-	561,893 (Note 4)	1,123,785 (Note 4)

Note 1: The total amount for lending to Da-Chia Construction Co., Ltd. for business activity should not exceed the amount of transaction during the latest year.

Note 2: The maximum total financing provided should not exceed 50% of Da-Chia Construction Co., Ltd.'s net worth.

Note 3: The maximum total financing provided of the Da-Chia Construction Co., Ltd. by the borrowing company is held 100% should not exceed 40% of Da-Chia Construction Co., Ltd.'s net worth. Total financing provided should not exceed 100% of the Da-Chia Construction Co., Ltd.'s net worth.

Note 4: Total financing provided of the Suzhou Sinyi Real Estate Inc. by the borrowing company is held 100% directly or indirectly, should not exceed 150% of the Suzhou Sinyi Real Estate Inc.'s net worth. Total financing provided should not exceed 300% of the Suzhou Sinyi Real Estate Inc.'s net worth.

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER
SIX MONTHS ENDED JUNE 30, 2013

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor (Note 2)
		Name	Nature of Relationship							
0	Sinyi Realty Inc.	Shanghai Sinyi Real Estate Inc.	Indirect subsidiary	\$ 6,538,348	\$ 340,900 (RMB 70,000 thousand)	\$ 339,500 (RMB 70,000 thousand)	\$ 72,750 (RMB 15,000 thousand)	\$ 72,750 (Deposits)	4	\$ 8,172,935
		Suzhou Sinyi Real Estate Inc.	"	6,538,348	528,650 (RMB 109,000 thousand)	528,650 (RMB 109,000 thousand)	-	-	6	8,172,935

Note 1: For those subsidiaries the Company has over 80% ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of the Company's net worth.

Note 2: The maximum total endorsement/guarantee should not exceed 100% of the Company's net worth.

TABLE 3

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2013

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2013			Market Value or Net Asset Value	Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)		
Sinyi Realty Inc.	Listed stock E. SUN Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	12,737,895	\$ 233,103	-	\$ 233,103	
	PChome Online Inc.	"	Financial assets at fair value through profit or loss - current	100,271	15,793	-	15,793	
	Stock Sinyi Limited	Subsidiary	Investments accounted for using equity method	62,075,721	1,578,185 (Note 2)	100	1,578,185 (Note 2)	
	Da-Chia Construction Co., Ltd.	"	"	53,500,000	547,631 (Note 2)	100	547,631 (Note 2)	
	Sinyi International Limited	"	"	133,845,895	4,017,714 (Note 2)	100	4,017,714 (Note 2)	Includes prepayments of \$3,868,747 thousand
	Global Asset Management Co., Ltd.	"	"	2,000,000	66,591 (Note 2)	100	66,591 (Note 2)	
	Jui-Inn Consultants Co., Ltd.	"	"	500,000	4,302 (Note 2)	100	4,302 (Note 2)	
	Shin Cheng Property Insurance Agency Co., Ltd.	"	"	300,000	3,396 (Note 2)	100	3,396 (Note 2)	
	Sinyi Culture Publishing Inc.	"	"	496,000	1,776 (Note 2)	99	1,776 (Note 2)	
	An-Sin Real Estate Management Ltd.	"	"	6,630,000	110,613 (Note 2)	51	110,613 (Note 2)	
	Sinyi Interior Design Co., Ltd.	Investee company accounted for by the equity method	"	95,000	10,463	19	10,463	
	Giga House Co., Ltd.	-	Financial assets measured at cost - non-current	518,256	-	17	-	
	Rakuya International Info. Co., Ltd.	"	"	1,900,000	9,960	12	9,960	
	Han Yu Venture Capital Co., Ltd.	"	"	5,000,000	49,063	11	49,063	
	Chien Hsiang Securities Service Co., Ltd.	-	"	3,100,000	62,000	10	62,000	
	PChome Investment Inc.	"	"	196,350	-	8	-	
	Kun Gee Venture Capital Co., Ltd.	"	"	2,666,666	10,118	3	10,118	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2013				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Limited	Han Shin Venture Capital Co., Ltd.	-	Financial assets measured at cost - non-current	411,600	\$ 2,305	1	\$ 2,305	
	Cite' Publishing Holding Ltd.	"	"	7,637	4,874	1	4,874	
	Cite' Information Services Co., Ltd.	"	"	106,392	890	1	890	
	The Journalist Co., Ltd.	"	"	2,903	-	1	-	
	<u>Stock</u>							
	Inane International Limited	Subsidiary	Investments accounted for using equity method	44,890,999	990,104 (Note 2)	100	990,104 (Note 2)	
	Ke Wei HK Realty Limited	"	"	475,000	(37,793) (Note 2)	95	(37,793) (Note 2)	
	Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	485,663	-	485,663	
	<u>Monetary market fund</u>							
	SBGH U.S. Dollar Reserve Fund CL A Dist Units	"	"	43,261	1,298	-	1,298	
Ke Wei HK Realty Limited	<u>Stock</u>							
Ke Wei Shanghai Real Estate Management Consulting Inc.	Subsidiary	Investments accounted for using equity method	-	(37,085) (Note 2)	100	(37,085) (Note 2)		
Ke Wei Shanghai Real Estate Management Consulting Inc.	<u>Stock</u>							
Shanghai Shin Chen Real Estate Brokerage Inc.	"	"	-	102 (Note 2)	99	102 (Note 2)		
Sinyi International	<u>Stock</u>							
Forever Success International Limited	"	"	930,000	9,278 (Note 2)	100	9,278 (Note 2)		
Sinyi Realty Inc. Japan	"	"	16,000	88,954 (Note 2)	100	88,954 (Note 2)		
Sinyi Development Ltd.	"	"	131,000,200	3,891,547 (Note 2)	100	3,891,547 (Note 2)	Note 1	
Forever Success International Limited	<u>Stock</u>							
Shanghai Shang Tuo Investment Management Consulting Inc.	"	"	-	8,658 (Note 2)	100	8,658 (Note 2)		
Inane International Limited	<u>Stock</u>							
Shanghai Sinyi Real Estate Inc.	"	"	-	588,737 (Note 2)	100	588,737 (Note 2)		
Beijing Sinyi Real Estate Ltd.	"	"	-	(28,909) (Note 2)	100	(28,909) (Note 2)		
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling	"	"	-	13,920 (Note 2)	100	13,920 (Note 2)		

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2013				Note	
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value		
Max Success International Limited	Chengdu Sinyi Real Estate Co., Ltd.	Subsidiary	Investments accounted for using equity method	-	\$ 6,245 (Note 2)	80	\$ 6,245 (Note 2)		
	Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	"	"	-	3,812 (Note 2)	65	3,812 (Note 2)		
	Max Success International Limited	"	"	12,454,780	391,252 (Note 2)	100	391,252 (Note 2)		
	<u>Stock</u> Zhejiang Sinyi Real Estate Co., Ltd.	"	"	-	513 (Note 2)	62	513 (Note 2)		
	Suzhou Sinyi Real Estate Inc.	"	"	-	390,715 (Note 2)	98	390,715 (Note 2)		
Shanghai Sinyi Real Estate Inc.	<u>Stock</u> Zhejiang Sinyi Real Estate Co., Ltd.	Investee company accounted for by the equity method	"	-	312 (Note 2)	38	312 (Note 2)		
	Suzhou Sinyi Real Estate Inc.	"	"	-	8,953 (Note 2)	2	8,953 (Note 2)		
	Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	-	154,381	2	154,381		
An-Sin Real Estate Management Ltd.	<u>Stock</u> An-Shin Real Estate Management Ltd.	Subsidiary	Investments accounted for using equity method	1,000,000	10,289 (Note 2)	100	10,289 (Note 2)		
	<u>Fund</u> Taishin 1699 Monetary Market Fund	-	Financial assets at fair value through profit or loss - current	3,496,381	46,054	-	46,054		
Sinyi Realty Inc. Japan	<u>Stock</u> Richesse Management Co., Ltd.	Subsidiary	Investments accounted for using equity method	600	10,827 (Note 2)	100	10,827 (Note 2)		
Sinyi Development Ltd.	<u>Stock</u> Sinyi Real Estate (Hong Kong) Limited	"	"	131,000,200	3,891,544 (Note 2)	100	3,891,544 (Note 2)		Note 1
Sinyi Real Estate (Hong Kong) Limited	<u>Stock</u> Sinyi Real Estate (Shanghai) Limited	"	"	-	3,891,021 (Note 2)	100	3,891,021 (Note 2)		
Shin Cheng Property Insurance Agency Co., Ltd.	<u>Fund</u> TIIM Monetary Market Fund	-	Financial assets at fair value through profit or loss - current	146,290	2,155	-	2,155		
Da-Chia Construction Co., Ltd.	<u>Stock</u> CTCI Corporation	"	"	170,940	9,333	-	9,333		

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2013				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Global Assets Management	<u>Fund</u> Jih Sun Monetary Market Fund	-	Financial assets at fair value through profit or loss - current	16,905,347	\$ 243,631	-	\$ 243,631	
	Taishin 1699 Monetary Market Fund	"	"	3,796,507	50,008	-	50,008	
	<u>Stock</u> Taishin 1699 Monetary Market Fund	"	"	3,964,987	52,227	-	52,227	

Note 1: The conversion has not been registered as of June 30, 2013; therefore, it is recorded under prepayment for long-term investment.

Note 2: It has been eliminated.

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SIX MONTHS ENDED JUNE 30, 2013
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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	Costs	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	<u>Fund</u> Tai shin 1699 Monetary Market Fund	Financial assets at fair value through profit or loss - current	Fund company	-	-	\$ -	14,666,225	\$ 193,000	14,666,225	\$ 193,024	\$ 193,000	\$ 24	-	\$ -
	Fuh Hwa Monetary Market Fund	"	"	"	-	-	11,586,886	163,000	11,586,886	163,030	163,030	30	-	-
	Fuh Hwa Yu Li Monetary Market Fund	"	"	"	-	-	12,558,386	165,000	12,558,386	165,024	165,000	24	-	-
	<u>Stock</u> Sinyi International Limited	Investments accounted for using equity method (includes prepayment for long-term investment)	-	Subsidiary	29,342,189	860,470	104,503,706	3,095,414	-	-	-	-	133,845,895	3,955,864 (Includes prepayment of \$3,868,747 thousand) (Notes 1 and 4)
Da-Chia Construction Co., Ltd.	<u>Fund</u> Jih Sun Monetary Market Fund	Financial assets at fair value through profit or loss - current	Fund company	-	-	-	16,905,347	243,000	-	-	-	-	16,905,347	243,631 (Note 3)
Sinyi International Limited	<u>Stock</u> Sinyi Development Ltd.	Prepayment for long-term investment	-	Subsidiary	26,496,294	773,333	104,503,906	3,095,414	-	-	-	-	131,000,200	3,868,747 (Notes 1, 2 and 4)
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	"	"	"	26,496,294	773,333	104,503,906	3,095,414	-	-	-	-	131,000,200	3,868,747 (Notes 1, 2 and 4)
Sinyi Real Estate (Hong Kong) Limited	Sinyi Real Estate (Shanghai) Limited	Investments accounted for using equity method	"	"	-	-	-	3,868,747	-	-	-	-	-	3,868,747 (Notes 1 and 4)
Shanghai Sinyi Real Estate Inc.	Cura Investment Management (Shanghai) Co., Ltd.	Financial assets measured at cost - non-current	"	-	-	43,965 (RMB 9,516 thousand)	-	106,944 (RMB 22,280 thousand)	-	-	-	-	-	150,909 (RMB 31,796 thousand) (Note 1)

Note 1: The ending balance presents historical cost.

Note 2: As of June 30, 2013, it has not been registered as capital stock; therefore, it is recorded under "prepayment for long-term investment".

Note 3: The ending balance includes cost of \$243,000 thousand and valuation gain on financial assets of \$631 thousand.

Note 4: It has been eliminated.

SINYI REALTY INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COST OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SIX MONTHS ENDED JUNE 30, 2013

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Type of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Nature of Relationship	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition and Status	Other Terms
							Owner	Relationship	Transfer Date	Amount			
Suzhou Sinyi Real Estate Inc.	Building	2013.03.20	RMB56,000 thousand	Already paid RMB56,000 thousand	Suzhou Qianning Real Estate Inc.	-	-	-	-	\$ -	Referred to the market price and negotiation with the counterparty	Expand the scale of operation	None

SINYI REALTY INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF PAID-IN CAPITAL

JUNE 30, 2013

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Counterparty	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amounts	Action Taken		
Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	Subsidiary	\$ 180,850	- (Note)	\$ -	-	\$ 180,850	\$ -

Note: Trade receivables represent the service fee collected by An-Sin Real Estate Management Ltd. on behalf of the Company. Receipts under custody will be transferred to the Company after service process is finished.

SINYI REALTY INC. AND SUBSIDIARIES

THE BUSINESS RELATIONSHIP BETWEEN THE PARENT AND THE SUBSIDIARIES AND BETWEEN EACH SUBSIDIARY, AND SIGNIFICANT TRANSACTIONS BETWEEN THEM
SIX MONTHS ENDED JUNE 30, 2013 AND 2012

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%)
	<u>Six months ended June 30, 2013</u>						
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	1	Professional fee	\$ 14,084	Fixed charges by guarantee piece work	-
		Global Asset Management Co., Ltd.	1	Other payables	17,425	-	-
1	Global Asset Management Co., Ltd.	Sinyi Realty Inc.	2	Other receivables	17,425	-	-
2	An-Sin Real Estate Management Ltd.	Sinyi Realty Inc.	2	Operating revenue	14,084	Fixed charges by guarantee piece work	-
3	Sinyi Limited	Ke Wei Shanghai Real Estate Management Consulting Inc.	3	Other receivables	29,163	-	-
		Shanghai Sinyi Real Estate Inc.	3	Other receivables	12,591	-	-
4	Shanghai Sinyi Real Estate Inc.	Sinyi Limited	3	Other payables	12,591	-	-
		Inane International Limited	3	Other payables	9,479	-	-
5	Inane International Limited	Shanghai Sinyi Real Estate Inc.	3	Other receivables	9,479	-	-
6	Ke Wei Shanghai Real Estate Management Consulting Inc.	Sinyi Limited	3	Other payables	29,163	-	-
	<u>Six months ended June 30, 2012</u>						
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	1	Professional fee	11,453	Fixed charges by guarantee piece work	-
		Jui-Inn Consultants Co., Ltd.	1	Professional fee	5,463	Piecework	-
		An-Sin Real Estate Management Ltd.	1	Other income	5,483	30 days after regular settlement	-
		Sinyi Realty Inc. Japan	1	Other income	5,341	Quarterly	-
		Global Asset Management Co., Ltd.	1	Dividends receivable	10,600	-	-
		Shanghai Sinyi Real Estate Inc.	1	Other receivables	121,893	Short-term financing for operation, interest rate 3.726%-3.896%	1

(Continued)

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%)
1	An-Sin Real Estate Management Ltd.	Sinyi Realty Inc.	2	Operating revenue	\$ 11,453	Fixed charges by guarantee piece work 30 days after regular settlement	-
		Sinyi Realty Inc.	2	Promotion expenses	5,483		-
2	Jui-Inn Consultants Co., Ltd.	Sinyi Realty Inc.	2	Operating revenue	5,463	Piecework	-
3	Global Asset Management Co., Ltd.	Sinyi Realty Inc.	2	Dividends payables	10,600	-	-
4	Sinyi Limited	Ke Wei Shanghai Real Estate Management Consulting Inc.	3	Other receivables	26,844	-	-
		Shanghai Sinyi Real Estate Inc.	3	Other receivables	11,437	-	-
5	Sinyi Realty Inc. Japan	Sinyi Realty Inc.	2	Consultancy fee	5,341	Quarterly	-
6	Shanghai Sinyi Real Estate Inc.	Sinyi Limited	3	Other payables	11,437	-	-
		Inane International Limited	3	Other payables	9,441	-	-
		Sinyi Realty Inc.	2	Other payables	121,893	Short-term financing for operation, interest rate 3.726%-3.896%	1
7	Inane International Limited	Shanghai Sinyi Real Estate Inc.	3	Other receivables	9,441	-	-
8	Ke Wei Shanghai Real Estate Management Consulting Inc.	Sinyi Limited	3	Other payables	26,884	-	-

Note 1: Parties to the intercompany transactions are identified and numbered (in first column) as follows:

- a. "0" for Sinyi Realty Inc.
- b. Subsidiaries are numbered from "1".

Note 2: Flow of transactions are categorized as follows:

- a. From a parent company to its subsidiary
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: Percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of June 30, 2013 and 2012.
Percentage to consolidated total revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenues for the six months ended June 30, 2013 and 2012.

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES

SIX MONTHS ENDED JUNE 30, 2013

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2013			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Sinyi Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	\$ 2,026,224	\$ 2,026,224	62,075,721	100	\$ 1,578,185 (Note 2)	\$ 50,365	\$ 50,365 (Note 2)	
	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Construction	535,005	535,005	53,500,000	100	547,631 (Note 2)	2,831	2,831 (Note 2)	
	Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	3,955,884	860,470	133,845,895	100	4,017,714 (Note 2)	39,822	39,822 (Note 2)	
	Global Asset Management Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	10,000	10,000	2,000,000	100	66,591 (Note 2)	15,827	15,827 (Note 2)	
	Jui-Inn Consultants Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Management consulting	5,000	5,000	500,000	100	4,302 (Note 2)	41	41 (Note 2)	
	Shin Cheng Property Insurance Agency Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Property insurance agency	3,000	3,000	300,000	100	3,396 (Note 2)	80	80 (Note 2)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	496,000	99	1,776 (Note 2)	267	265 (Note 2)	
	An-Sin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	25,500	25,500	6,630,000	51	110,613 (Note 2)	42,921	21,890 (Note 2)	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	10,463 (Note 2)	(7)	(1)	
Sinyi Limited	Inane International Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,434,497	1,434,497	44,890,999	100	990,104 (Note 2)	(13,586)	(13,586) (Note 2)	
	Ke Wei HK Realty Limited	Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	29,140	29,140	475,000	95	(37,793) (Note 2)	(10,085)	(10,085) (Note 2)	
Ke Wei HK Realty Limited	Ke Wei Shanghai Real Estate Management Consulting Inc.	Rooms 302, No. 627, Weifang Ninth Village, Pudong New District, Shanghai, China	Real estate brokerage and management consulting	30,674	30,674	-	100	(37,085) (Note 2)	(10,085)	(10,085) (Note 2)	
Ke Wei Shanghai Real Estate Management Consulting Inc.	Shanghai Shin Chen Real Estate Brokerage Inc.	9th Floor, No. 650, Dingxi Road, Changning District, Shanghai, China	Real estate brokerage	1,240	1,240	-	99	102 (Note 2)	-	-	
Sinyi International Limited	Forever Success International Limited	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius	Investment holding	28,276	28,276	930,000	100	9,278 (Note 2)	(7,862)	(7,862) (Note 2)	
	Sinyi Realty Inc. Japan	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	58,064	58,064	16,000	100	88,954 (Note 2)	25,090	25,090 (Note 2)	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Asia Samoa	Investment holding	3,868,747	773,333	131,000,200	100	3,891,547 (Note 2)	(4,844)	(4,844) (Note 2)	Note 1
Forever Success International Limited	Shanghai Shang Tuo Investment Management Consulting Inc.	Rooms 3-103, No. 574, Qingxi Road, Pudong New District, Shanghai, China	Real estate brokerage and management consulting	27,432	27,432	-	100	8,658 (Note 2)	(7,804)	(7,804) (Note 2)	
Inane International Limited	Shanghai Sinyi Real Estate Inc.	Ground Floor, No. 520, Dongchang Road, Pudong New District, Shanghai, China	Real estate brokerage	888,456	888,456	-	100	588,737 (Note 2)	2,667	2,667 (Note 2)	
	Beijing Sinyi Real Estate Ltd.	Wantong Centre C Layer 7, A-6 Chaowai Street, Chaoyang District, Beijing, China	Real estate brokerage and management consulting	102,012	102,012	-	100	(28,909) (Note 2)	(11,117)	(11,117) (Note 2)	
	Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling	Room 101, Building 39, No. 227, Rushan Road, Pudong New District, Shanghai, China	Real estate brokerage	15,773	15,773	-	100	13,920 (Note 2)	(5,401)	(5,401) (Note 2)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2013			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Max Success International Limited	Chengdu Sinyi Real Estate Co., Ltd.	No. 233, Northbound section Second Ring Road, Jinniu District, Chengdu, Sichuan, China	Real estate brokerage and management consulting	\$ 29,342	\$ 29,342	-	80	\$ 6,245 (Note 2)	\$ (3,023)	\$ (2,418) (Note 2)	
	Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	Room 329, No. 135-3, Fuzhou North Road, Shibei District, Qingdao, China	Real estate brokerage and management consulting	29,225	29,225	-	65	3,812 (Note 2)	(2,913)	(2,136) (Note 2)	
	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	399,792	399,792	12,454,780	100	391,252 (Note 2)	4,738	4,738 (Note 2)	
Max Success International Limited	Zhejiang Sinyi Real Estate Co., Ltd.	No. 118 Wenhui Road Xiacheng District Hangzhou, Hangzhou, China	Real estate brokerage and management consulting	53,694	53,694	-	62	513 (Note 2)	(2,985)	(1,856) (Note 2)	
	Suzhou Sinyi Real Estate Inc.	International Building 1606-1608, No. 2, Suzhou Avenue West, Industrial Park, Suzhou, China	Real estate brokerage and management consulting	313,197	313,197	-	98	390,715 (Note 2)	6,746	6,595	
Shanghai Sinyi Real Estate Inc.	Zhejiang Sinyi Real Estate Co., Ltd.	No. 118 Wenhui Road Xiacheng District Hangzhou, Hangzhou, China	Real estate brokerage and management consulting	34,483	34,483	-	38	312 (Note 2)	(2,985)	(1,129) (Note 2)	
	Suzhou Sinyi Real Estate Inc.	International Building 1606-1608, No. 2, Suzhou Avenue West, Industrial Park, Suzhou, China	Real estate brokerage and management consulting	5,824	5,824	-	2	8,953 (Note 2)	6,746	151 (Note 2)	
An-Sin Real Estate Management Ltd.	An-Shin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	10,000	10,000	1,000,000	100	10,289 (Note 2)	46	46 (Note 2)	
Sinyi Realty Inc. Japan	Richesse Management Co., Ltd.	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage	10,746	10,746	600	100	10,827 (Note 2)	715	715 (Note 2)	
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Suite 2302-6, 23/F Great Eagle CTR 23, Harbour Rd., Wan Chai HK	Investment holding	3,868,747	773,333	131,000,200	100	3,891,544 (Note 2)	(4,848)	(4,848) (Note 2)	Note 1
Sinyi Real Estate (Hong Kong) Limited	Sinyi Real Estate (Shanghai) Limited	Room 1708, No. 1218, Yong Sheng Road, Jiading Industrial Zone, Jiading District, Shanghai, China	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	3,868,747	-	-	100	3,891,021 (Note 2)	(5,369)	(5,369) (Note 2)	

Note 1: As of June 30, 2013, it has not been registered as a capital stock; therefore, it is recorded under "prepayment for long-term investment".

Note 2: It has been eliminated.

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
SIX MONTHS ENDED JUNE 30, 2013
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2013	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2013	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of June 30, 2013 (Note 2)	Accumulated Inward Remittance of Earnings as of June 30, 2013
					Outflow	Inflow					
Shanghai Kunlun Taiwan Shang Cheng Real Estate Inc.	General merchandise retail sales, dining service and entertainment	RMB 335,625	Investment in company located in Mainland China indirectly through the investing company in the third region	\$ 238,231	\$ -	\$ (73,076)	\$ - (Note 9)	-	\$ -	\$ -	\$ -
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 6,160	"	15,870	-	-	15,870	95	(10,085) (Note 11)	(37,085) (Note 11)	-
Shanghai Sinyi Real Estate Inc. (Note 7)	Real estate brokerage	RMB 209,186	"	888,456	-	-	888,456	100	2,667 (Note 11)	588,737 (Note 11)	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 21,883	"	86,157	-	-	86,157	100	(11,117) (Note 11)	(28,909) (Note 11)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 4)	Real estate brokerage	RMB 4,138	"	-	-	-	-	100	(5,401) (Note 11)	13,920 (Note 11)	-
Suzhou Sinyi Real Estate Inc. (Note 5)	Real estate brokerage and management consulting	RMB 68,000	"	355,249	-	-	355,249	100	6,746 (Note 11)	399,668 (Note 11)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,025,700	"	-	-	-	-	2	-	154,381	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 6)	Real estate brokerage and management consulting	RMB 20,200	"	44,543	-	-	44,543	100	(2,985) (Note 11)	825 (Note 11)	-
Shanghai Shin Chen Real Estate Brokerage Inc. (Note 4)	Real estate brokerage	RMB 1,000	"	-	-	-	-	94	- (Note 11)	102 (Note 11)	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	"	27,432	-	-	27,432	100	(7,804) (Note 11)	8,658 (Note 11)	-
Chengdu Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 8,000	"	29,342	-	-	29,342	80	(2,418) (Note 11)	6,245 (Note 11)	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Note 8)	Real estate brokerage and management consulting	RMB 8,000	"	29,225	-	-	29,225	65	(2,136) (Note 11)	3,812 (Note 11)	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	"	-	3,868,747	-	3,868,747	100	(5,369) (Note 11)	3,891,021 (Note 11)	-

Accumulated Outflow for Investment in Mainland China as of June 30, 2013	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 10)
\$5,345,021	\$5,626,291	\$ -

(Continued)

Note 1: Amount was based on the unreviewed financial statements.

Note 2: Carrying value was converted into New Taiwan dollars based on the exchange rate of US\$1=NT\$30.00, and US\$1=RMB6.1787 at June 30, 2013.

Note 3: Investment of RMB4,138 thousand was made indirectly through earnings of the Company's subsidiary in China, and NT\$50,805 thousand and NT\$35,352 thousand were remitted from Taiwan in 2009 and 2012, respectively.

Note 4: Investments were made indirectly through the earnings of the Company's subsidiary in China.

Note 5: 19% ownership was made indirectly through the earnings of the Company's subsidiary in China. In 2010, the Company acquired the remaining ownership of Suzhou Sinyi Real Estate Inc. by acquiring Sinyi Real Estate Consulting Co., Ltd.'s 100% shareholdings in Max Success International Limited. In 2012, the Company invested in Suzhou Sinyi Real Estate Inc. the amount of NT\$285,190 thousand.

Note 6: 75% ownership was made indirectly through the earnings of the Company's subsidiary in China. In 2010, the Company acquired the remaining ownership of Suzhou Sinyi Real Estate Inc. by acquiring Sinyi Real Estate Consulting Co., Ltd.'s 100% shareholdings in Max Success International Limited. In 2011, the Company invested in Qingdao Chengjian & Sinyi Real Estate Co., Ltd. the amount of NT\$44,543 thousand.

Note 7: In 2012, the outflow of NT\$116,200 thousand was made indirectly through debt for equity swaps by Shanghai Sinyi Real Estate Inc. As of June 30, 2013, the investment was registered as capital stock.

Note 8: In May 2013, the Company's 100% - owned subsidiary, Inane, transferred its 15% ownership in Qingdao Sinyi by RMB1,200 thousand and thus the ownership was reduced from 80% to 65%.

Note 9: In 2013, Sinyi Limited sold all of its ownership of Shanghai Kunlun Taiwan Shang Cheng Real Estate to Mercuries Inc. with \$73,076 thousand. The amount had been fully paid by Mercuries Inc. The case had been approved by Investment Commission, MOEA with audited word letter No. 1020009900.

Note 10: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

Note 11: It has been eliminated.

(Concluded)