

Sinyi Realty Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2014 and 2013 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

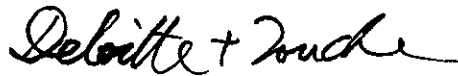
The Board of Directors and Stockholders
Sinyi Realty Inc.

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, 2014 and 2013 and the related consolidated statements of comprehensive income for the three months ended June 30, 2014 and 2013, six months ended June 30, 2014 and 2013, and changes in equity and cash flows for the six months ended June 30, 2014 and 2013. 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 "Review of 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-significant subsidiaries' financial statements and related information mentioned in Note 37 were unreviewed. As of June 30, 2014 and 2013, combined total assets of these non-significant subsidiaries were \$2,935,088 thousand and \$3,262,825 thousand, respectively, representing 17% and 21%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$648,071 thousand and \$652,988 thousand, respectively, representing 8% and 9%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2014 and 2013, combined comprehensive income of these subsidiaries were \$(54,653) thousand and \$123,005 thousand, respectively, representing (19%) and 14%, respectively, of the consolidated total comprehensive income and for the six months ended June 30, 2014 and 2013, combined comprehensive income of these subsidiaries were \$(34,983) thousand and \$150,752 thousand, respectively, representing (7%) and 10%, respectively of the consolidated total comprehensive income.

Based on our reviews, except for the effects of adjustments, if any, as might have been required had the financial statements of these non-significant subsidiaries and related information mentioned in Note 37 as described in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.



July 29, 2014

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 auditors' 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 auditors' review report and consolidated financial statements shall prevail.

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2014 (Reviewed)		December 31, 2013 (Audited)		June 30, 2013 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,368,908	14	\$ 1,605,974	10	\$ 2,088,686	13
Financial assets at fair value through profit or loss - current (Note 7)	52,027	-	218,940	1	419,201	3
Available-for-sale financial assets - current (Note 8)	853,624	5	897,779	6	720,064	5
Notes receivable (Note 10)	32,628	-	63,941	-	197,363	1
Trade receivables (Note 10)	873,051	5	1,146,484	7	1,065,540	7
Other receivables (Notes 10 and 32)	337,175	2	106,721	1	86,253	1
Inventories (Notes 11 and 33)	4,694,788	27	4,174,264	25	3,787,772	24
Other financial assets - current (Notes 12 and 33)	1,030,401	6	1,137,400	7	198,122	1
Other current assets (Note 18)	84,352	1	68,058	-	73,721	-
Total current assets	<u>10,326,954</u>	<u>60</u>	<u>9,419,561</u>	<u>57</u>	<u>8,636,722</u>	<u>55</u>
NON-CURRENT ASSETS						
Financial assets measured at cost - non-current (Note 9)	282,054	2	285,489	2	293,591	2
Investment accounted for using equity method (Note 13)	11,598	-	11,623	-	10,463	-
Property, plant and equipment (Notes 14 and 33)	3,531,484	20	3,564,458	21	3,530,604	22
Investment properties (Notes 15 and 33)	2,821,172	16	2,827,714	17	2,837,830	18
Intangible assets (Notes 16 and 35)	121,454	1	89,878	1	90,629	1
Deferred tax assets	18,326	-	17,123	-	16,800	-
Refundable deposits (Note 29)	127,752	1	129,145	1	122,598	1
Long-term accounts receivable (Note 17)	-	-	234,237	1	224,155	1
Prepaid pension cost - non-current	11,648	-	6,067	-	41,734	-
Other non-current assets (Note 18)	7,896	-	4,623	-	4,553	-
Total non-current assets	<u>6,933,384</u>	<u>40</u>	<u>7,170,357</u>	<u>43</u>	<u>7,172,957</u>	<u>45</u>
TOTAL	<u>\$ 17,260,338</u>	<u>100</u>	<u>\$ 16,589,918</u>	<u>100</u>	<u>\$ 15,809,679</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 33)	\$ 485,390	3	\$ 586,627	3	\$ 72,831	-
Notes payable	13,461	-	9,631	-	3,587	-
Other payables (Note 21)	1,607,360	9	2,769,498	17	2,228,052	14
Other payables to related parties (Notes 21 and 32)	94,903	-	97,001	1	83,926	1
Current tax liabilities	159,125	1	424,145	3	303,224	2
Provisions - current (Note 22)	54,294	-	66,268	-	74,249	1
Other current financial liabilities (Note 21)	1,486,907	9	194,756	1	939,385	6
Current portion of long-term borrowings (Notes 19 and 33)	-	-	-	-	195,663	1
Other current liabilities (Note 21)	107,998	1	149,966	1	142,734	1
Total current liabilities	<u>4,009,438</u>	<u>23</u>	<u>4,297,892</u>	<u>26</u>	<u>4,043,651</u>	<u>26</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	3,000,000	17	-	-	-	-
Long-term borrowings (Notes 19 and 33)	437,758	3	1,572,206	10	2,635,400	17
Provisions - non-current (Note 22)	6,006	-	2,733	-	2,662	-
Guarantee deposits received (Note 29)	79,204	-	78,786	-	47,013	-
Other non-current liabilities (Note 21)	944,715	6	989,606	6	766,720	5
Deferred tax liabilities	27,637	-	26,947	-	31,393	-
Total non-current liabilities	<u>4,495,320</u>	<u>26</u>	<u>2,670,278</u>	<u>16</u>	<u>3,483,188</u>	<u>22</u>
Total liabilities	<u>8,504,758</u>	<u>49</u>	<u>6,968,170</u>	<u>42</u>	<u>7,526,839</u>	<u>48</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Share capital						
Ordinary shares	5,028,170	29	5,028,170	30	4,655,713	30
Stock dividends to be distributed	1,106,197	7	-	-	372,457	2
Total share capital	<u>6,134,367</u>	<u>36</u>	<u>5,028,170</u>	<u>30</u>	<u>5,028,170</u>	<u>32</u>
Capital surplus	63,896	-	68,597	-	68,597	1
Retained earnings						
Legal reserve	1,537,793	9	1,290,290	8	1,290,290	8
Special reserve	-	-	120,693	1	120,693	1
Unappropriated earnings	582,784	3	2,579,654	15	1,463,357	9
Total retained earnings	<u>2,120,577</u>	<u>12</u>	<u>3,990,637</u>	<u>24</u>	<u>2,874,340</u>	<u>18</u>
Other equity						
Exchange differences on translating foreign operations	4,628	-	39,243	1	18,680	-
Unrealized gain or loss on available-for-sale financial assets	317,009	2	364,397	2	183,148	1
Total other equity	<u>321,637</u>	<u>2</u>	<u>403,640</u>	<u>3</u>	<u>201,828</u>	<u>1</u>
Total equity attributable to owners of the Company	<u>8,640,477</u>	<u>50</u>	<u>9,491,044</u>	<u>57</u>	<u>8,172,935</u>	<u>52</u>
NON-CONTROLLING INTERESTS	<u>115,103</u>	<u>1</u>	<u>130,704</u>	<u>1</u>	<u>109,905</u>	<u>-</u>
Total equity	<u>8,755,580</u>	<u>51</u>	<u>9,621,748</u>	<u>58</u>	<u>8,282,840</u>	<u>52</u>
TOTAL	<u>\$ 17,260,338</u>	<u>100</u>	<u>\$ 16,589,918</u>	<u>100</u>	<u>\$ 15,809,679</u>	<u>100</u>

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

(With Deloitte & Touche review report dated July 29, 2014)

SINYI REALTY INC. AND SUBSIDIARIES

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

	Three Months Ended June 30				Six Months Ended June 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Service revenue	\$ 2,452,832	100	\$ 3,408,953	100	\$ 4,658,008	100	\$ 5,962,308	100
OPERATING COSTS (Notes 25 and 32)	<u>1,800,025</u>	<u>74</u>	<u>2,192,184</u>	<u>64</u>	<u>3,420,856</u>	<u>73</u>	<u>3,912,337</u>	<u>65</u>
GROSS PROFIT	652,807	26	1,216,769	36	1,237,152	27	2,049,971	35
OPERATING EXPENSES (Notes 25 and 32)	<u>325,900</u>	<u>13</u>	<u>322,765</u>	<u>10</u>	<u>630,409</u>	<u>14</u>	<u>600,228</u>	<u>10</u>
OPERATING INCOME	<u>326,907</u>	<u>13</u>	<u>894,004</u>	<u>26</u>	<u>606,743</u>	<u>13</u>	<u>1,449,743</u>	<u>25</u>
NON-OPERATING INCOME AND EXPENSES								
Rental income (Note 32)	31,473	1	31,738	1	63,219	1	58,160	1
Dividend income	16,579	1	12,727	-	16,579	-	12,727	-
Interest income (Note 25)	14,597	1	18,195	-	32,924	1	26,094	-
Other gains and losses (Notes 25 and 32)	23,005	1	100,966	3	33,596	1	119,645	2
Finance costs (Notes 25 and 32)	<u>(20,538)</u>	<u>(1)</u>	<u>(11,630)</u>	<u>-</u>	<u>(35,312)</u>	<u>(1)</u>	<u>(19,725)</u>	<u>-</u>
Total non-operating income and expenses	<u>65,116</u>	<u>3</u>	<u>151,996</u>	<u>4</u>	<u>111,006</u>	<u>2</u>	<u>196,901</u>	<u>3</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	392,023	16	1,046,000	30	717,749	15	1,646,644	28
INCOME TAX EXPENSE (Notes 4 and 26)	<u>(78,362)</u>	<u>(3)</u>	<u>(180,422)</u>	<u>(5)</u>	<u>(158,578)</u>	<u>(3)</u>	<u>(302,456)</u>	<u>(5)</u>
NET PROFIT FOR THE PERIOD	<u>313,661</u>	<u>13</u>	<u>865,578</u>	<u>25</u>	<u>559,171</u>	<u>12</u>	<u>1,344,188</u>	<u>23</u>
OTHER COMPREHENSIVE INCOME								
Exchange differences on translating foreign operations	(114,729)	(5)	4,765	-	(33,848)	(1)	87,336	1
Unrealized gain (loss) on available-for-sale financial assets	92,043	4	48,393	2	(47,366)	(1)	119,759	2
Share of other comprehensive income (loss) of associates and joint ventures	<u>(164)</u>	<u>-</u>	<u>58</u>	<u>-</u>	<u>(22)</u>	<u>-</u>	<u>341</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>(22,850)</u>	<u>(1)</u>	<u>53,216</u>	<u>2</u>	<u>(81,236)</u>	<u>(2)</u>	<u>207,436</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 290,811</u>	<u>12</u>	<u>\$ 918,794</u>	<u>27</u>	<u>\$ 477,935</u>	<u>10</u>	<u>\$ 1,551,624</u>	<u>26</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)

	Three Months Ended June 30				Six Months Ended June 30			
	2014		2013		2014		2013	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT								
ATTRIBUTABLE TO:								
Owner of the Company	\$ 305,554	13	\$ 854,993	25	\$ 545,006	12	\$ 1,324,003	22
Non-controlling interests	<u>8,107</u>	-	<u>10,585</u>	-	<u>14,165</u>	-	<u>20,185</u>	1
	<u>\$ 313,661</u>	<u>13</u>	<u>\$ 865,578</u>	<u>25</u>	<u>\$ 559,171</u>	<u>12</u>	<u>\$ 1,344,188</u>	<u>23</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owner of the Company	\$ 282,748	12	\$ 908,018	27	\$ 463,003	10	\$ 1,531,248	26
Non-controlling interests	<u>8,063</u>	-	<u>10,776</u>	-	<u>14,932</u>	-	<u>20,376</u>	-
	<u>\$ 290,811</u>	<u>12</u>	<u>\$ 918,794</u>	<u>27</u>	<u>\$ 477,935</u>	<u>10</u>	<u>\$ 1,551,624</u>	<u>26</u>
EARNINGS PER SHARE (Note 26)								
From continuing operations								
Basic	<u>\$0.50</u>		<u>\$1.39</u>		<u>\$0.89</u>		<u>\$2.16</u>	
Diluted	<u>\$0.50</u>		<u>\$1.39</u>		<u>\$0.89</u>		<u>\$2.16</u>	

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

(With Deloitte & Touche review report dated July 29, 2014)

(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	Stock Dividends to Be Distributed	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets			
				Legal Reserve	Special Reserve	Unappropriated Earnings					
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 distributed by the Company	-	-	-	-	-	(698,357)	-	-	(698,357)	-	(698,357)
Stock dividends distributed by the Company	-	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>
BALANCE AT JANUARY 1, 2014	\$ 5,028,170	\$ -	\$ 68,597	\$ 1,290,290	\$ 120,693	\$ 2,579,654	\$ 39,243	\$ 364,397	\$ 9,491,044	\$ 130,704	\$ 9,621,748
Appropriation of 2013 earnings											
Reversal of special reserve	-	-	-	-	(120,693)	120,693	-	-	-	-	-
Legal reserve	-	-	-	247,503	-	(247,503)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,307,324)	-	-	(1,307,324)	-	(1,307,324)
Stock dividends distributed by the Company	-	1,106,197	-	-	-	(1,106,197)	-	-	-	-	-
Adjustments arising from changes in the interest in subsidiaries	-	-	(4,701)	-	-	(1,545)	-	-	(6,246)	(1,422)	(7,668)
Net profit for the six months ended June 30, 2014	-	-	-	-	-	545,006	-	-	545,006	14,165	559,171
Other comprehensive income (loss) for the six months ended June 30, 2014, net of income tax	-	-	-	-	-	-	(34,615)	(47,388)	(82,003)	767	(81,236)
Total comprehensive income (loss) for the six months ended June 30, 2014	-	-	-	-	-	545,006	(34,615)	(47,388)	463,003	14,932	477,935
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(29,111)	(29,111)
BALANCE AT JUNE 30, 2014	<u>\$ 5,028,170</u>	<u>\$ 1,106,197</u>	<u>\$ 63,896</u>	<u>\$ 1,537,793</u>	<u>\$ -</u>	<u>\$ 582,784</u>	<u>\$ 4,628</u>	<u>\$ 317,009</u>	<u>\$ 8,640,477</u>	<u>\$ 115,103</u>	<u>\$ 8,755,580</u>

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

(With Deloitte & Touche review report dated July 29, 2014)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Six Months Ended June 30	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 717,749	\$ 1,646,644
Adjustments for:		
Depreciation expenses	60,981	69,980
Amortization expenses	9,936	8,895
Net gain on fair value change of financial assets held for trading	(9,806)	(2,661)
Finance costs	35,312	19,725
Interest income	(32,924)	(26,094)
Dividend income	(16,579)	(12,727)
Share of loss of associates and joint venture	3	1
Loss on disposal of property, plant and equipment	308	96
(Gain) loss on disposal of investment properties	(1,259)	123
Gain on disposal of investments	(7,339)	(83,897)
Recognized (reversal of) impairment loss on non-financial assets	1,830	(10,152)
Changes in operating assets and liabilities		
Financial assets held for trading	177,104	(340,888)
Notes receivable	31,313	(141,846)
Trade receivables	273,433	(234,789)
Other receivables	(16,455)	264,486
Inventories	(520,524)	(3,319,792)
Other current assets	(16,294)	(16,241)
Other operating assets	(5,581)	(8,106)
Notes payable	3,830	182
Other payables	(1,162,138)	270,887
Other payables to related parties	(6,944)	(904)
Provisions	(8,701)	15,022
Other financial liabilities	(15,173)	66,231
Other current liabilities	(41,968)	22,424
Other operating liabilities	(44,891)	(123,532)
Cash used in operations	(594,777)	(1,936,933)
Interest received	32,162	15,441
Interest paid	(33,857)	(19,064)
Income taxes paid	(424,111)	(160,416)
Net cash used in operating activities	<u>(1,020,583)</u>	<u>(2,100,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(19,145)	-
Proceeds from disposal of available-for-sale financial assets	23,618	17,380
Purchase of financial assets measured at cost	-	(170,178)
Proceeds from disposal of financial assets measured at cost	-	73,067
Refund on capital of financial assets measured at cost	2,333	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)

	Six Months Ended June 30	
	2014	2013
Net cash outflow on acquisition of subsidiaries	\$ (7,668)	\$ -
Net cash inflow on partial disposal of interests in subsidiaries without losing control	-	5,763
Payments for property, plant and equipment	(43,336)	(306,264)
Proceeds from disposal of property, plant and equipment	6	-
Decrease in prepayments for equipment	12,416	-
Increase in refundable deposits	-	(146)
Decrease in refundable deposits	1,393	-
Payment for intangible assets	(30,695)	(8,138)
Payment for investment properties	(16,474)	-
Proceeds from disposal of investment properties	8,505	48,909
Decrease in other financial assets	106,999	159,274
Increase in other non-current financial assets	(3,273)	-
Decrease in other non-current assets	-	874
Decrease in other receivables	21,000	-
Dividends received	<u>16,579</u>	<u>12,727</u>
Net cash generated from (used in) investing activities	<u>72,258</u>	<u>(159,299)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of bonds	3,000,000	-
Repayments of short-term borrowings	(101,237)	-
Proceeds from long-term borrowings	3,210,000	3,825,000
Repayments of long-term borrowings	(4,345,000)	(1,693,937)
Proceeds from guarantee deposits received	418	-
Refund of guarantee deposits received	-	(3,879)
Increase in other payables to related parties	3,391	-
Change in non-controlling interests	<u>(29,111)</u>	<u>(30,052)</u>
Net cash generated from financing activities	<u>1,738,461</u>	<u>2,097,132</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(27,202)</u>	<u>57,391</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	762,934	(105,748)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>1,605,974</u>	<u>2,194,434</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 2,368,908</u>	<u>\$ 2,088,686</u>

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

(With Deloitte & Touche review report dated July 29, 2014)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (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 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 consolidated financial statements were presented New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements had been approved by the board of directors and authorized for issue on July 29, 2014.

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

- a. The 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) in issue but not yet effective

Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) endorsed by the FSC starting January 1, 2015.

New, Amended and Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 “Embedded Derivatives”	Effective for annual periods ended on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 “Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters”	July 1, 2010

(Continued)

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

(Concluded)

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

Except for the following, the initial application of the above 2013 IFRSs version has not had any material impact on the Group’s accounting policies:

1) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure Standard applicable to entities that have interests in subsidiaries and associates. In general, the disclosure requirements in IFRS 12 are more extensive than those required in the current standards.

2) IFRS 13 “Fair Value Measurement”

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

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

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

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

The Group will apply the above amendments in presenting the consolidated statement of comprehensive income, starting from the year 2015. Item not expected to be reclassified to profit or loss is the actuarial gain (loss) arising from defined benefit plans. Item expected to be reclassified to profit or loss is unrealized gains (loss) on available-for-sale financial assets.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
IFRS 9 “Financial Instruments”	Note 3
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	Note 3
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2017
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

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

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

Note 3: IASB tentatively decided that an entity should apply IFRS 9 for annual periods beginning on or after January 1, 2018.

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

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. 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 end of reporting period. 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.

Recognition and measurement of financial liabilities

As for financial liabilities, the main changes in the classification and measurement relate to the subsequent measurement of financial liabilities designated as at fair value through profit or loss. The amount of change in the fair value of such financial liability attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch in profit or loss, the Group presents all gains or losses on that liability in profit or loss.

2) IFRS 15 "Revenue from Contracts with Customers"

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

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

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the entity satisfies a performance obligation.

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continually assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed by the FSC. Disclosure information included in the consolidated financial statements is less than those required in a complete set of annual financial statements.

b. Basis of consolidation

1) Subsidiaries included in consolidated financial statements

Those subsidiaries included in the consolidated entities as of June 30, 2014, December 31, 2013 and June 30, 2013 were as follows:

Investor	Investee	Main Businesses	% of Ownership			Remark	
			June 30, 2014	December 31, 2013	June 30, 2013		
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	100		
	Sinyi Development Inc. (Taiwan Sinyi Development) (original name: Da-Chia Construction)	Construction	100	100	100		
	Sinyi Limited	Investment holding	100	100	100		
	Global Asset Management Co., Ltd. (Global)	Real estate brokerage	100	100	100		
	Heng-Yi Real Estate Consulting Inc. (Heng-Yi)	Development, construction, rental and sale of residential building and factories	100	100	-	Note 1	
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	100		
	Shin Cheng Property Insurance Agency Co., Ltd. (Shin Cheng)	Property insurance agency	100	100	100	Note 2	
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	99		
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	51		
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	-	-	Note 3	
Sinyi Limited	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	95	95	95		
Inane	Inane International Limited (Inane)	Investment holding	100	100	100		
	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100	100		
	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	100	100	100		
	Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Shanghai Sinyi of Land Administration and Real Estate Counseling)	Management consulting	100	100	100		
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	100	80	80	Note 4	
	Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Qingdao Sinyi)	Real estate brokerage and management consulting	65	65	65		
	Max Success International Limited (Max Success)	Investment holding	100	100	100		
	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	38	38	38		
	Shanghai Sinyi Real Estate	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	2	2	2	
	Max Success	Zhejiang Sinyi	Real estate brokerage and management consulting	62	62	62	
	Suzhou Sinyi	Real estate brokerage and management consulting	98	98	98		
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	100		
Ke Wei Shanghai	Shanghai Shin Cheng Real Estate Brokerage Inc. (Shanghai Shin Cheng)	Real estate brokerage	99	99	99		
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	100		
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage, management and identification	100	100	100		
Forever Success	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100	100		
	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	100		
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	100		
Japan Sinyi	Richesse Management Co., Ltd. (Richesse Management)	Real estate brokerage	100	100	100		
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	100		
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	100	100		
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sale of residential building and factories	100	-	-	Note 5	
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sale of residential building and factories	100	-	-	Note 5	

Remark:

Note 1: Heng-Yi was incorporated in September 2013, with a capital of \$20,000 thousand.

Note 2: On April 15, 2013, the board meeting of the Company resolved liquidate to Shin Cheng.

Note 3: Yowoo Technology was incorporated in April 2014, with a capital of \$30,000 thousand.

Note 4: In April 2014, INANE acquired 20% of its interest in Chengdu Sinyi by RMB1,600 thousand. Therefore, the stock ownership increased from 80% to 100%.

Note 5: Da-Chia Construction and Sinyi Real Estate were both incorporated in February 2014, with a capital of \$500 thousand.

Note 6: Subsidiaries included in consolidated financial statement: The financial statements of the consolidated entities had not been reviewed by the independent accountants, except for those of Sinyi International, Sinyi Limited, Sinyi Development, Hong Kong Real Estate and Shanghai Real Estate as of and for the six months ended June 30, 2014; except for those of Sinyi International, Sinyi Development and Hong Kong Real Estate as of and the six months ended June 30, 2013.

2) Subsidiaries excluded from consolidated financial statement: None.

c. Other significant accounting policies

The accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2013, except for those described below.

1) Retirement benefit costs

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

2) Income taxes

Income tax expense is the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income and the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2013.

6. CASH AND CASH EQUIVALENTS

	June 30, 2014	December 31, 2013	June 30, 2013
Cash on hand	\$ 40,743	\$ 25,116	\$ 40,067
Checking accounts and demand deposits	1,861,612	1,081,385	1,870,609
Cash equivalents			
Time deposits with original maturities less than three months	<u>466,553</u>	<u>499,473</u>	<u>178,010</u>
	<u>\$ 2,368,908</u>	<u>\$ 1,605,974</u>	<u>\$ 2,088,686</u>

The interest rates of cash in bank at the end of the reporting period were as follows:

	June 30, 2014	December 31, 2013	June 30, 2013
Interest rates range	0.17%-3.00%	0.17%-4.60%	0.17%-0.935%

As of June 30, 2014, December 31, 2013 and June 30, 2013, the carrying amounts of time deposits with original maturities more than three months were \$498,575 thousand, \$123,365 thousand and \$117,539 thousand, respectively, which were classified as other financial assets - current (Note 12).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	June 30, 2014	December 31, 2013	June 30, 2013
<u>Financial assets held for trading</u>			
Non-derivative financial assets			
Domestic quoted shares	\$ 42,027	\$ 32,221	\$ 25,126
Mutual funds	<u>10,000</u>	<u>186,719</u>	<u>394,075</u>
	<u>\$ 52,027</u>	<u>\$ 218,940</u>	<u>\$ 419,201</u>

The Group entered into foreign exchange forward contracts during in March 2013 to manage exposures due to exchange rate fluctuations of foreign currency denominated assets. As of June 30, 2014, December 31, 2013 and June 30, 2013, the Group did not have outstanding foreign exchange forward contracts.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	June 30, 2014	December 31, 2013	June 30, 2013
<u>Domestic investments</u>			
Quoted shares	<u>\$ 268,350</u>	<u>\$ 277,431</u>	<u>\$ 233,103</u>
			(Continued)

	June 30, 2014	December 31, 2013	June 30, 2013
<u>Foreign investments</u>			
Quoted shares	\$ 583,983	\$ 619,058	\$ 485,663
Mutual funds	<u>1,291</u>	<u>1,290</u>	<u>1,298</u>
	<u>585,274</u>	<u>620,348</u>	<u>486,961</u>
Available-for-sale financial assets	<u>\$ 853,624</u>	<u>\$ 897,779</u>	<u>\$ 720,064</u> (Concluded)

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	June 30, 2014	December 31, 2013	June 30, 2013
Domestic unlisted common shares	\$ 127,719	\$ 125,179	\$ 134,336
Overseas unlisted common shares	<u>154,335</u>	<u>160,310</u>	<u>159,255</u>
	<u>\$ 282,054</u>	<u>\$ 285,489</u>	<u>\$ 293,591</u>

Management believed that the fair value of the above unlisted equity investments held by the Group cannot be reliably measured due to the wide 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 gain on disposal of \$73,067 thousand.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2014	December 31, 2013	June 30, 2013
<u>Notes receivable and trade receivables</u>			
Notes receivable - operating	\$ 32,628	\$ 63,941	\$ 197,363
Trade receivables	901,605	1,174,700	1,097,348
Less: Allowance for doubtful accounts	<u>(28,554)</u>	<u>(28,216)</u>	<u>(31,808)</u>
	<u>\$ 905,679</u>	<u>\$ 1,210,425</u>	<u>\$ 1,262,903</u>
<u>Other receivables</u>			
Loan receivables - fixed interest rate	\$ 179,000	\$ -	\$ -
Interest receivables	39,499	-	-
Others	122,900	110,945	92,815
Less: Allowance for doubtful accounts	<u>(4,224)</u>	<u>(4,224)</u>	<u>(6,562)</u>
	<u>\$ 337,175</u>	<u>\$ 106,721</u>	<u>\$ 86,253</u>

a. Trade receivables

The average credit period for 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. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Other than some specific contracts, the Group divided counterparties into three groups to evaluate the recovery rate by aging analysis and based on historical recovery rate of trade receivables; the groups were determined by reference to past default experience and an analysis of their current financial position. The Group recognized an allowance for impairment loss of 100% against all receivables aged over 2 years because historical experience had been that receivables that are past due beyond 2 years were not recoverable. Allowance for impairment loss was recognized in the range between 0% and 40% against all receivables between 90 days and 2 years based on estimated irrecoverable amounts determined by reference to past default experience on the counterparties and an analysis of their current financial position. The Group did not recognize an allowance for impairment loss against all receivables below 90 days because historical experience had shown they were recoverable.

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 follows:

	June 30, 2014	December 31, 2013	June 30, 2013
61-90 days	\$ 19,435	\$ 20,526	\$ 20,036
91-180 days	14,710	42,429	22,169
181-360 days	2,719	4,140	8,009
Over 360 days	<u>590</u>	<u>6,347</u>	<u>3,173</u>
	<u>\$ 37,454</u>	<u>\$ 73,442</u>	<u>\$ 53,387</u>

The above analysis was based on the billing date.

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

	2014		2013	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Balance at January 1	\$ 28,216	\$ 4,224	\$ 31,599	\$ 6,562
Add (less): Impairment losses recognized (reversed) on receivables	3,028	-	(225)	-
Less: Amounts written off	(2,646)	-	-	-
Foreign exchange translation gains and losses	<u>(44)</u>	<u>-</u>	<u>434</u>	<u>-</u>
Balance at June 30	<u>\$ 28,554</u>	<u>\$ 4,224</u>	<u>\$ 31,808</u>	<u>\$ 6,562</u>

- b. Loan receivables and interest receivables were financing for business purpose from Shin Hau Real Estate Co., Ltd, which will collect within one year and reclassified as other receivables. Please refer to Note 17 for more information.

Other receivables were the payment on behalf of others and rental receivable.

11. INVENTORIES

	June 30, 2014	December 31, 2013	June 30, 2013
Properties under development			
Malu Town, Jiading District, Shanghai	\$ 4,385,741	\$ 3,870,444	\$ 3,787,772
Tianmu, Shilin District, Taipei City	306,934	301,707	-
Other			
Sanyu segment Shihlin District, Taipei City	<u>2,113</u>	<u>2,113</u>	<u>-</u>
	<u>\$ 4,694,788</u>	<u>\$ 4,174,264</u>	<u>\$ 3,787,772</u>

As of June 30, 2014, December 31, 2013 and June 30, 2013, capitalized interest amounted to \$25,136 thousand, \$9,119 thousand and zero thousand respectively, which were classified as properties under development. The interest rates capitalized were 2.5%-7.4%, 2.5%-7.4% and 0%, respectively.

Refer to Note 33 for the carrying amount of inventories pledged as security for bank borrowings by the Group.

12. OTHER FINANCIAL ASSETS - CURRENT

	June 30, 2014	December 31, 2013	June 30, 2013
Time deposits with original maturity more than three months (a)	\$ 498,575	\$ 123,365	\$ 117,539
Restricted assets - current (b)	531,826	637,616	80,583
Financial assets at amortized cost (c)	<u>-</u>	<u>376,419</u>	<u>-</u>
	<u>\$ 1,030,401</u>	<u>\$ 1,137,400</u>	<u>\$ 198,122</u>

- a. The ranges of interest rates of time deposits with original maturities more than three months were as follows:

	June 30, 2014	December 31, 2013	June 30, 2013
Time deposits with original maturity more than three months	1.08%-3.25%	1.08%-3.50%	1.09%-1.355%

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

- c. The Group purchased financial products of banks, and the expected yield rates were 5.20%-5.50%.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2014	December 31, 2013	June 30, 2013
Investments in associates	<u>\$ 11,598</u>	<u>\$ 11,623</u>	<u>\$ 10,463</u>

a. Investments in associates

	June 30, 2014	December 31, 2013	June 30, 2013
Unlisted company			
Sinyi Interior Design Co., Ltd.	<u>\$ 11,598</u>	<u>\$ 11,623</u>	<u>\$ 10,463</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, 2014	December 31, 2013	June 30, 2013
Sinyi Interior Design Co., Ltd.	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 Group's management considered the use of unreviewed financial statements of Sinyi Interior Design Co., Ltd. did not have material impact on its consolidated financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2014	December 31, 2013	June 30, 2013
<u>Carrying amounts</u>			
Freehold land	\$ 2,670,039	\$ 2,670,039	\$ 2,670,039
Buildings	337,708	343,044	348,382
Transportation equipment	4,690	5,374	4,965
Office equipment	82,816	86,518	89,892
Leased assets	-	-	-
Leasehold improvements	133,411	131,607	111,694
Other equipment	25,508	28,450	21,782
Prepayments for equipment	<u>277,312</u>	<u>299,426</u>	<u>283,850</u>
	<u>\$ 3,531,484</u>	<u>\$ 3,564,458</u>	<u>\$ 3,530,604</u>

Six Months Ended June 30, 2014

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost									
Balance at January 1, 2014	\$ 2,670,039	\$ 418,777	\$ 8,151	\$ 285,841	\$ 4,671	\$ 418,163	\$ 62,026	\$ 299,426	\$ 4,167,094
Additions	-	-	-	14,591	-	24,335	1,480	2,930	43,336
Disposals (Note)	-	-	-	(12,591)	-	(2,187)	-	(12,416)	(27,194)
Reclassifications	-	-	-	-	-	-	-	(10,688)	(10,688)
Effect of foreign currency exchange differences	-	-	(39)	(231)	-	(501)	-	(1,940)	(2,711)
Balance at June 30, 2014	<u>\$ 2,670,039</u>	<u>\$ 418,777</u>	<u>\$ 8,112</u>	<u>\$ 287,610</u>	<u>\$ 4,671</u>	<u>\$ 439,810</u>	<u>\$ 63,506</u>	<u>\$ 277,312</u>	<u>\$ 4,169,837</u>
Accumulated depreciation									
Balance at January 1, 2014	\$ -	\$ 75,733	\$ 2,777	\$ 199,323	\$ 4,671	\$ 286,556	\$ 33,576	\$ -	\$ 602,636
Depreciation expense	-	5,336	664	17,830	-	22,489	4,422	-	50,741
Disposals	-	-	-	(12,277)	-	(2,187)	-	-	(14,464)
Effect of foreign currency exchange differences	-	-	(19)	(82)	-	(459)	-	-	(560)
Balance at June 30, 2014	<u>\$ -</u>	<u>\$ 81,069</u>	<u>\$ 3,422</u>	<u>\$ 204,794</u>	<u>\$ 4,671</u>	<u>\$ 306,399</u>	<u>\$ 37,998</u>	<u>\$ -</u>	<u>\$ 638,353</u>
Carrying amounts at January 1, 2014	<u>\$ 2,670,039</u>	<u>\$ 343,044</u>	<u>\$ 5,374</u>	<u>\$ 86,518</u>	<u>\$ -</u>	<u>\$ 131,607</u>	<u>\$ 28,450</u>	<u>\$ 299,426</u>	<u>\$ 3,564,458</u>
Carrying amounts at June 30, 2014	<u>\$ 2,670,039</u>	<u>\$ 337,708</u>	<u>\$ 4,690</u>	<u>\$ 82,816</u>	<u>\$ -</u>	<u>\$ 133,411</u>	<u>\$ 25,508</u>	<u>\$ 277,312</u>	<u>\$ 3,531,484</u>

Note: A refund as a discount from the counterparty based on the contract, as the construction of the property Suzhou Sinyi purchased failed to meet the contract.

Six Months Ended June 30, 2013

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost									
Balance at January 1, 2013	\$ 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 at June 30, 2013	<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>
Accumulated depreciation									
Balance at January 1, 2013	\$ -	\$ 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 at June 30, 2013	<u>\$ -</u>	<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>\$ -</u>	<u>\$ 581,021</u>
Carrying amounts at January 1, 2013	<u>\$ 2,670,039</u>	<u>\$ 353,718</u>	<u>\$ 4,055</u>	<u>\$ 101,473</u>	<u>\$ -</u>	<u>\$ 117,683</u>	<u>\$ 25,215</u>	<u>\$ 10,737</u>	<u>\$ 3,282,920</u>
Carrying amounts at June 30, 2013	<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>

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

- a. Construction in progress and prepayments for equipment were mainly the Group's purchase of the pre-sold property which was still in construction located in Suzhou City. The transaction price had been paid fully according to the real estate transaction contract.
- b. There was no interest capitalized during the six months ended June 30, 2014 and 2013.
- c. Refer to Note 33 for the details of properties, plant and equipment pledged as collaterals.

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2014	\$ 2,024,834	\$ 922,522	\$ 2,947,356
Additions	12,562	3,912	16,474
Disposals	(6,596)	(725)	(7,321)
Effect of foreign currency exchange differences	<u>-</u>	<u>(4,107)</u>	<u>(4,107)</u>
Balance at June 30, 2014	<u>\$ 2,030,800</u>	<u>\$ 921,602</u>	<u>\$ 2,952,402</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2014	\$ 5,745	\$ 113,897	\$ 119,642
Recognized impairment losses	1,193	637	1,830
Depreciation expense	-	10,240	10,240
Disposals	-	(75)	(75)
Effect of foreign currency exchange differences	<u>-</u>	<u>(407)</u>	<u>(407)</u>
Balance at June 30, 2014	<u>\$ 6,938</u>	<u>\$ 124,292</u>	<u>\$ 131,230</u>
Carrying amounts at January 1, 2014	<u>\$ 2,019,089</u>	<u>\$ 808,625</u>	<u>\$ 2,827,714</u>
Carrying amounts at June 30, 2014	<u>\$ 2,023,862</u>	<u>\$ 797,310</u>	<u>\$ 2,821,172</u>
<u>Cost</u>			
Balance at January 1, 2013	\$ 2,081,392	\$ 890,089	\$ 2,971,481
Disposals	(45,775)	(3,565)	(49,340)
Effect of foreign currency exchange differences	<u>-</u>	<u>27,877</u>	<u>27,877</u>
Balance at June 30, 2013	<u>\$ 2,035,617</u>	<u>\$ 914,401</u>	<u>\$ 2,950,018</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2013	\$ 18,882	\$ 91,982	\$ 110,864
Reversal of impairment losses	(9,475)	(677)	(10,152)
Depreciation expense	-	9,996	9,996
Disposals	-	(308)	(308)
Effect of foreign currency exchange differences	<u>-</u>	<u>1,788</u>	<u>1,788</u>
Balance at June 30, 2013	<u>\$ 9,407</u>	<u>\$ 102,781</u>	<u>\$ 112,188</u>
Carrying amounts at January 1, 2013	<u>\$ 2,062,510</u>	<u>\$ 798,107</u>	<u>\$ 2,860,617</u>
Carrying amounts at June 30, 2013	<u>\$ 2,026,210</u>	<u>\$ 811,620</u>	<u>\$ 2,837,830</u>

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

Buildings - main buildings 22-55 years

The total fair value of the Group's investment properties and property, plant and equipment as of June 30, 2014, December 31, 2013 and June 30, 2013 was \$10,220,553 thousand, \$10,041,847 thousand and \$9,566,283 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 amount of the investment properties that had been pledged by the Group to secure borrowings was disclosed in Note 33.

16. INTANGIBLE ASSETS

	June 30, 2014	December 31, 2013	June 30, 2013	
Franchise (Note 35)	\$ 57,855	\$ 58,687	\$ 60,216	
Goodwill	9,621	9,621	9,621	
System software costs	<u>53,978</u>	<u>21,570</u>	<u>20,792</u>	
	<u>\$ 121,454</u>	<u>\$ 89,878</u>	<u>\$ 90,629</u>	
Six Months Ended June 30, 2014				
	Franchise	Goodwill	System Software Costs	Total
<u>Cost</u>				
Balance at January 1, 2014	\$ 91,071	\$ 9,621	\$ 51,966	\$ 152,658
Additions	-	-	30,695	30,695
Disposals	-	-	(620)	(620)
Reclassifications	-	-	10,688	10,688
Effect of foreign currency exchange differences	<u>183</u>	<u>-</u>	<u>(2)</u>	<u>181</u>
Balance at June 30, 2014	<u>\$ 91,254</u>	<u>\$ 9,621</u>	<u>\$ 92,727</u>	<u>\$ 193,602</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2014	\$ 32,384	\$ -	\$ 30,396	\$ 62,780
Amortization expense	961	-	8,975	9,936
Disposals	-	-	(620)	(620)
Effect of foreign currency exchange differences	<u>54</u>	<u>-</u>	<u>(2)</u>	<u>52</u>
Balance at June 30, 2014	<u>\$ 33,399</u>	<u>\$ -</u>	<u>\$ 38,749</u>	<u>\$ 72,148</u>
Carrying amounts at January 1, 2014	<u>\$ 58,687</u>	<u>\$ 9,621</u>	<u>\$ 21,570</u>	<u>\$ 89,878</u>
Carrying amounts at June 30, 2014	<u>\$ 57,855</u>	<u>\$ 9,621</u>	<u>\$ 53,978</u>	<u>\$ 121,454</u>

Six Months Ended June 30, 2013

	Franchise	Goodwill	System Software Costs	Total
<u>Cost</u>				
Balance at January 1, 2013	\$ 88,733	\$ 9,621	\$ 70,302	\$ 168,656
Additions	-	-	8,138	8,138
Disposal	-	-	(34,178)	(34,178)
Effect of foreign currency exchange differences	<u>2,933</u>	<u>-</u>	<u>-</u>	<u>2,933</u>
Balance at June 30, 2013	<u>\$ 91,666</u>	<u>\$ 9,621</u>	<u>\$ 44,262</u>	<u>\$ 145,549</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2013	\$ 29,334	\$ -	\$ 49,886	\$ 79,220
Amortization expense	1,133	-	7,762	8,895
Disposal	-	-	(34,178)	(34,178)
Effect of foreign currency exchange differences	<u>983</u>	<u>-</u>	<u>-</u>	<u>983</u>
Balance at June 30, 2013	<u>\$ 31,450</u>	<u>\$ -</u>	<u>\$ 23,470</u>	<u>\$ 54,920</u>
Carrying amounts at January 1, 2013	<u>\$ 59,399</u>	<u>\$ 9,621</u>	<u>\$ 20,416</u>	<u>\$ 89,436</u>
Carrying amounts at June 30, 2013	<u>\$ 60,216</u>	<u>\$ 9,621</u>	<u>\$ 20,792</u>	<u>\$ 90,629</u>

The above intangible assets with finite useful lives were amortized on a straight-line basis over the following estimated useful lives:

Franchise	40 years
System software costs	3-5 years

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, 2014, the Group did not recognize any impairment loss on goodwill.

17. LONG-TERM ACCOUNTS RECEIVABLE

	June 30, 2014	December 31, 2013	June 30, 2013
Shin Hau Real Estate Co., Ltd.	<u>\$ -</u>	<u>\$ 234,237</u>	<u>\$ 224,155</u>

Long-term accounts receivable from Shin Hau Real Estate Co., Ltd. are financing for business purpose. Under the loan agreement, Shin Hau Real Estate Co., Ltd. provided the land located in Da-an District, Taipei City as collateral, originally. In April 2014, Shin Hau Real Estate Co., had repaid partial loan and interest with the land located in Da-an District and Beitou District as collateral; the rest of loan and interests shall be fully paid before April 30, 2015. As of June 30, 2014, the Group reclassified the long-term accounts receivable to other receivables. Information on the financing for the six months ended June 30, 2014 and 2013 were as follows:

	Six Months Ended June 30, 2014				
	Highest Balance During the Period	Amount (Other receivables)	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	<u>\$ 200,000</u>	<u>\$ 179,000</u>	10	<u>\$ 9,346</u>	<u>\$ 39,499</u>

	Six Months Ended June 30, 2013				
	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>

18. OTHER ASSETS

	June 30, 2014	December 31, 2013	June 30, 2013
<u>Current</u>			
Prepaid expenses	\$ 74,349	\$ 62,748	\$ 67,559
Temporary payments	9,397	5,300	6,152
Income tax refund receivable	600	10	10
Others	<u>6</u>	<u>-</u>	<u>-</u>
	<u>\$ 84,352</u>	<u>\$ 68,058</u>	<u>\$ 73,721</u>
<u>Non-current</u>			
Overdue receivables	\$ 6,006	\$ 2,733	\$ 2,663
Other	<u>1,890</u>	<u>1,890</u>	<u>1,890</u>
	<u>\$ 7,896</u>	<u>\$ 4,623</u>	<u>\$ 4,553</u>

19. BORROWINGS

a. Short-term borrowings

	June 30, 2014	December 31, 2013	June 30, 2013
<u>Secured borrowings</u>			
Bank loans	<u>\$ 485,390</u>	<u>\$ 586,627</u>	<u>\$ 72,831</u>

1) The interest rates on the bank loans as of June 30, 2014, December 31, 2013 and June 30, 2013 were 7.4%, 5.7% and 5.7%-6.9% per annum, respectively.

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

b. Long-term borrowings

	June 30, 2014	December 31, 2013	June 30, 2013
<u>Secured borrowings</u>			
Bank loans	\$ 163,000	\$ 1,098,000	\$ 2,631,063
<u>Unsecured borrowings</u>			
Loans unsecured	274,758	474,206	200,000
Less: Current portion	<u> -</u>	<u> -</u>	<u>(195,663)</u>
Long-term borrowings	<u>\$ 437,758</u>	<u>\$ 1,572,206</u>	<u>\$ 2,635,400</u>

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

Content of Borrowings		June 30, 2014	December 31, 2013 (Note)	June 30, 2013 (Note)
E.Sun Bank	Long-term borrowings: \$190,000 thousand; period: September 10, 2013 to September 10, 2016; floating interest rate of 2.5%; interest is paid monthly and principal is repaid at maturity.	\$ 163,000	\$ 163,000	\$ -
E.Sun Bank	Long-term borrowings: \$2,420,000 thousand; period: August 23, 2013 to March 30, 2016; fixed interest rate of 1.6%, negotiating rate per 90 days; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in June 2014.	-	885,000	-
East Asia Bank	Long-term borrowings: \$1,300,000 thousand; period: December 31, 2013 to March 30, 2016; floating interest rate of 1.89%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in June 2014.	-	50,000	-
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. The Group repaid all the debts in June 2014.	-	200,000	200,000
Ultra Success Offshore Ltd.	Long-term borrowings: US\$9,200 thousand; period: September 12, 2013 to September 11, 2015; fixed interest rate of 5.0%; interest and principle will be paid at maturity.	274,758	274,206	-
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. The Group repaid all the debts in September 2013.	-	-	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. The Group repaid all the debts in August 2013.	-	-	1,000,000
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. The Group repaid all the debts in October 2013.	-	-	250,000
Total long-term borrowings		<u>\$ 437,758</u>	<u>\$ 1,572,206</u>	<u>\$ 2,831,063</u>

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

Note: For the details about content of borrowings, please refer to Note 19 to the consolidated financial statements for the year ended December 31, 2013 and for the six months ended June 30, 2013.

20. BONDS PAYABLE

	June 30, 2014	December 31, 2013	June 30, 2013
Domestic unsecured bonds	\$ 3,000,000	\$ -	\$ -
Less: Current portion	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

The major term of domestic unsecured bonds was as follow:

Issuance Period	Total Amount (In Thousands)	Coupon Rate	Repayment and Interest Payment
June 2014 to June 2019	\$ 3,000,000	1.48%	At the end of the 4 th and 5 th year from the issuance date, the Group will repay the half of the principle, respectively. Interest is paid annually.

21. OTHER LIABILITIES

	June 30, 2014	December 31, 2013	June 30, 2013
<u>Current</u>			
Other payables	\$ 1,607,360	\$ 2,769,498	\$ 2,228,052
Other payables to related parties	94,903	97,001	83,926
Other financial liabilities	1,486,907	194,756	939,385
Other liabilities	<u>107,998</u>	<u>149,966</u>	<u>142,734</u>
	<u>\$ 3,297,168</u>	<u>\$ 3,211,221</u>	<u>\$ 3,394,097</u>

Non-current

Other liabilities	<u>\$ 944,715</u>	<u>\$ 989,606</u>	<u>\$ 766,720</u>
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a. Other payables were as follows:

	June 30, 2014	December 31, 2013	June 30, 2013
Performance bonus and salaries	\$ 1,184,177	\$ 2,304,495	\$ 1,877,966
Advertisement	133,605	145,671	83,324
Labor and health insurance	55,398	91,143	55,554
Payable for annual leave	67,815	52,598	63,125
Professional fees	15,014	32,003	15,891
Employees bonuses and compensation to directors	41,206	37,658	39,862
Others	<u>110,145</u>	<u>105,930</u>	<u>92,330</u>
	<u>\$ 1,607,360</u>	<u>\$ 2,769,498</u>	<u>\$ 2,228,052</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 \$944,715 thousand, \$989,606 thousand and \$766,720 thousand as of June 30, 2014, December 31, 2013 and June 30, 2013, respectively.

b. Other payable to related parties were as follows:

	June 30, 2014	December 31, 2013	June 30, 2013
Financing to related parties			
Loan from related parties	\$ 72,808	\$ 69,417	\$ 65,062
Interest payable	11,384	9,929	8,195
Others	<u>10,711</u>	<u>17,655</u>	<u>10,669</u>
	<u>\$ 94,903</u>	<u>\$ 97,001</u>	<u>\$ 83,926</u>

Loans from related parties were accounted for other payables to related parties with interest rates of 3.75-6.10% for the six months ended June 30, 2014 and 2013, respectively.

c. Other financial liabilities were as follows:

	June 30, 2014	December 31, 2013	June 30, 2013
Dividend payable	\$ 1,307,324	\$ -	\$ 698,357
Receipts under custody from real estate transactions	112,226	109,779	167,162
Other receipts under custody	40,432	67,827	48,466
Payable on equipment	2,112	7,181	1,314
Receipts under custody - escrow service	697	164	236
Others	<u>24,116</u>	<u>9,805</u>	<u>23,850</u>
	<u>\$ 1,486,907</u>	<u>\$ 194,756</u>	<u>\$ 939,385</u>

1) On May 30, 2014 and June 14, 2013, the stockholders approved the appropriation of cash dividends \$1,307,324 thousand and \$698,357 thousand, respectively. The amounts to be distributed were temporarily accounted for dividends payable as of June 30, 2014 and 2013. Refer to Note 24 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) Receipts under custody from escrow service were the money received by An-Sin from buyers of real estate transactions but not yet transferred to the sellers. Composition was as follows:

	June 30, 2014	December 31, 2013	June 30, 2013
Receipts under custody - escrow service	\$ 16,151,082	\$ 14,556,744	\$ 18,858,288
Interest payable	18,049	18,041	18,517
Deposit accounts	(16,168,199)	(14,574,048)	(18,875,520)
Interest receivable	<u>(235)</u>	<u>(573)</u>	<u>(1,049)</u>
	<u>\$ 697</u>	<u>\$ 164</u>	<u>\$ 236</u>

- a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.17%-0.26% as of June 30, 2014, December 31, 2013 and June 30, 2013.
- b) Deposit accounts were receipts which had been paid by buyers of real estate transactions but not delivered to the sellers yet. The Group deposited these receipts in bank accounts according to the escrow contracts.

22. PROVISIONS

	June 30, 2014	December 31, 2013	June 30, 2013
Service revenue allowances	<u>\$ 60,300</u>	<u>\$ 69,001</u>	<u>\$ 76,911</u>
Current	\$ 54,294	\$ 66,268	\$ 74,249
Non-current	<u>6,006</u>	<u>2,733</u>	<u>2,662</u>
	<u>\$ 60,300</u>	<u>\$ 69,001</u>	<u>\$ 76,911</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.

23. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2013 and 2012, and recognized in the following line items in their respective periods:

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Operating cost	\$ 652	\$ 318	\$ 1,182	\$ 1,018
Operating expenses	<u>190</u>	<u>54</u>	<u>277</u>	<u>121</u>
	<u>\$ 842</u>	<u>\$ 372</u>	<u>\$ 1,459</u>	<u>\$ 1,139</u>

24. EQUITY

Share Capital

	June 30, 2014	December 31, 2013	June 30, 2013
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>502,817</u>	<u>502,817</u>	<u>465,571</u>
Share capital issued	\$ 5,028,170	\$ 5,028,170	\$ 4,655,713
Stock dividends to be distributed	<u>1,106,197</u>	<u>-</u>	<u>372,457</u>
	<u>\$ 6,134,367</u>	<u>\$ 5,028,170</u>	<u>\$ 5,028,170</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, 2014	December 31, 2013	June 30, 2013
Employee stock options	\$ 63,896	\$ 63,896	\$ 63,896
Differences between selling price and carrying amount arising from disposal of subsidiaries	<u>-</u>	<u>4,701</u>	<u>4,701</u>
	<u>\$ 63,896</u>	<u>\$ 68,597</u>	<u>\$ 68,597</u>

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds, treasury stock transactions and arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) 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 enough funds for present and future expansion plans, the Company follows a residual dividend policy which however 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, 2014 and 2013, the accrued bonus to employees was \$5,050 thousand and \$13,081 thousand, respectively, and the accrued remuneration to directors was \$3,500 thousand and \$6,540 thousand, respectively. The above accrued bonus to employees and remuneration to directors for the six months ended June 30, 2013 represented 1.0% and 0.5%, respectively, of distributable retained earnings (net of the bonus and remuneration). For the six months ended June 30, 2014, the accrued bonus to employees represented 1% of distributable retained earnings (net of the bonus and remuneration). The accrued remuneration to directors was estimated based on the amounts in past period approved by the shareholders' meeting. Material differences between these estimated amounts and the amounts proposed by the board of directors on or before the date of annual consolidated financial statements had been authorized for issue are adjusted in the year the bonus and remuneration are recognized. If there is a change in the proposed amounts after the date of annual consolidated financial statements had been authorized for issue, the differences are accounted

for as a change in accounting estimate in the following year. 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 fair value of the shares. Fair value of the shares refers to the closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.

- d. The Company appropriates or reverses a special reserve in accordance with Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC on April 6, 2012 and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items. The Company also appropriates and reverses a special reserve in accordance with Rule No. 1030006415 issued by the FSC.
- e. 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.
- f. 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.
- g. The appropriations of earnings including bonus to employees, and the remuneration to directors for 2013 and 2012 had been approved in the shareholders' meeting held on May 30, 2014 and June 14, 2013, respectively. The appropriations and dividends per share were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For Year 2013</u>	<u>For Year 2012</u>	<u>For Year 2013</u>	<u>For Year 2012</u>
Legal reserve	\$ 247,503	\$ 135,111	\$ -	\$ -
Reversal of special reserve	(120,693)	-	-	-
Cash dividends	1,307,324	698,357	2.6	1.5
Stock dividends	1,106,197	372,457	2.2	0.8
			<u>Cash Dividends</u>	
			<u>Six Months Ended June 30</u>	
			<u>2014</u>	<u>2013</u>
Bonus to employees			\$ 24,528	\$ 12,544
Remuneration to directors			6,623	6,272

- h. The bonus to employees and the remuneration to directors for 2013 and 2012 approved in the shareholders' meeting on May 30, 2014 and June 14, 2013, respectively, the amounts were as follows:

	<u>Year Ended 2013</u>		<u>Year Ended 2012</u>	
	<u>Bonus to Employees</u>	<u>Remuneration to Directors</u>	<u>Bonus to Employees</u>	<u>Remuneration of Directors</u>
Amounts approved in shareholders' meeting	\$ 24,528	\$ 6,623	\$ 12,544	\$ 6,272
Deduct: Amounts recognized in respective financial statements	<u>(23,266)</u>	<u>(11,633)</u>	<u>(14,347)</u>	<u>(7,174)</u>
Difference	<u>\$ 1,262</u>	<u>\$ (5,010)</u>	<u>\$ (1,803)</u>	<u>\$ (902)</u>

The differences above were recognized in profit and loss for the six months ended June 30, 2014 and 2013.

Information about the bonus to employees and remuneration to directors approved by the Company's shareholders' meeting is available on the Market Observation Post System website of the Taiwan Stock Exchange.

Others Equity Items

	June 30, 2014	December 31, 2013	June 30, 2013
Exchange differences on translating foreign operations	\$ 4,628	\$ 39,243	\$ 18,680
Unrealized gains or losses from available-for-sale financial assets	<u>317,009</u>	<u>364,397</u>	<u>183,148</u>
	<u>\$ 321,637</u>	<u>\$ 403,640</u>	<u>\$ 201,828</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>	
	2014	2013
Balance, beginning of period	\$ 130,704	\$ 119,581
Attributed to non-controlling interests:		
Net income	14,165	20,185
Exchange differences on translating foreign operations	767	191
Acquisition of non-controlling interests in subsidiaries	(1,422)	-
Additional non-controlling interests arising from disposal of subsidiaries	-	1,053
Payment of cash dividends to non-controlling interests	<u>(29,111)</u>	<u>(31,105)</u>
Balance, end of period	<u>\$ 115,103</u>	<u>\$ 109,905</u>

25. 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Interest income				
Cash in bank	\$ 10,181	\$ 12,620	\$ 23,570	\$ 15,435
Other receivables	4,414	-	9,346	-
Long-term accounts receivable	-	4,986	-	9,918
Other	<u>2</u>	<u>589</u>	<u>8</u>	<u>741</u>
	<u>\$ 14,597</u>	<u>\$ 18,195</u>	<u>\$ 32,924</u>	<u>\$ 26,094</u>

Other Gains and Losses

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
(Recognized) reversal of impairment loss of investment properties	\$ (227)	\$ 5,940	\$ (1,830)	\$ 10,152
Gain on disposal of investments	7,265	80,627	7,339	83,897
Net gain on fair value change of financial assets held for trading	11,362	952	9,806	2,661
Losses on disposal of property, plant and equipment	(277)	(85)	(308)	(96)
Gains (losses) on disposal of investment properties	1,259	(7)	1,259	(123)
Net foreign exchange gains (losses)	(8,642)	2,243	(13,498)	1,462
Share of loss of associates and joint ventures	(3)	-	(3)	(1)
Others	<u>12,268</u>	<u>11,296</u>	<u>30,831</u>	<u>21,693</u>
	<u>\$ 23,005</u>	<u>\$ 100,966</u>	<u>\$ 33,596</u>	<u>\$ 119,645</u>

Finance Costs

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Interest on bank loans	\$ 19,184	\$ 10,827	\$ 39,062	\$ 18,135
Interest on unsecured bonds payable	487	-	487	-
Interest on loans from related parties	823	803	1,657	1,590
Interest on loans from others	<u>10,364</u>	<u>-</u>	<u>10,364</u>	<u>-</u>
	30,858	11,630	51,570	19,725
Deduct: Amounts included in the cost of qualifying assets	<u>(10,320)</u>	<u>-</u>	<u>(16,258)</u>	<u>-</u>
	<u>\$ 20,538</u>	<u>\$ 11,630</u>	<u>\$ 35,312</u>	<u>\$ 19,725</u>

Information about capitalized interest was as follows:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2014	2013	2014	2013
Interest capitalization rate	2.5%-7.4%	-	2.5%-7.4%	-

Depreciation and Amortization

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2014	2013	2014	2013
Property, plant and equipment	\$ 22,418	\$ 29,285	\$ 50,741	\$ 59,984
Investment property	5,110	5,023	10,240	9,996
Intangible assets	<u>6,162</u>	<u>4,637</u>	<u>9,936</u>	<u>8,895</u>
	<u>\$ 33,690</u>	<u>\$ 38,945</u>	<u>\$ 70,917</u>	<u>\$ 78,875</u>

An analysis of depreciation by function

Operating costs	\$ 16,771	\$ 19,750	\$ 33,238	\$ 40,136
Operating expenses	5,647	9,535	17,503	19,848
Other losses	<u>5,110</u>	<u>5,023</u>	<u>10,240</u>	<u>9,996</u>
	<u>\$ 27,528</u>	<u>\$ 34,308</u>	<u>\$ 60,981</u>	<u>\$ 69,980</u>

An analysis of amortization by function

Operating costs	\$ 457	\$ 3,668	\$ 893	\$ 7,335
Operating expenses	<u>5,705</u>	<u>969</u>	<u>9,043</u>	<u>1,560</u>
	<u>\$ 6,162</u>	<u>\$ 4,637</u>	<u>\$ 9,936</u>	<u>\$ 8,895</u>

Operating Expenses Directly Related to Investment Properties

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2014	2013	2014	2013
Direct operating expenses from investment property				
That generated rental income	\$ 9,666	\$ 9,778	\$ 19,618	\$ 19,714
That did not generate rental income	<u>69</u>	<u>30</u>	<u>123</u>	<u>68</u>
	<u>\$ 9,735</u>	<u>\$ 9,808</u>	<u>\$ 19,741</u>	<u>\$ 19,782</u>

Employee Benefits Expense

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Short-term employee benefits	\$ 1,303,988	\$ 1,758,500	\$ 2,517,456	\$ 3,098,877
Post-employment benefits				
Defined contribution plans	45,224	45,587	90,227	79,174
Defined benefit plans (Note 23)	842	372	1,459	1,139
	46,066	45,959	91,686	80,313
Other employee benefits	30,916	46,676	100,454	94,905
Total employee benefits expense	\$ 1,380,970	\$ 1,851,135	\$ 2,709,596	\$ 3,274,095
An analysis of employee benefits expense by function				
Operating costs	\$ 1,211,335	\$ 1,663,910	\$ 2,396,602	\$ 2,933,953
Operating expenses	169,635	187,225	312,994	340,142
	\$ 1,380,970	\$ 1,851,135	\$ 2,709,596	\$ 3,274,095

26. 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	
	2014	2013	2014	2013
Current tax				
In respect of the current period	\$ 78,567	\$ 181,849	\$ 158,235	\$ 289,364
Income tax expense of unappropriated earnings	-	15,761	-	15,761
In respect of the prior periods	857	(4,068)	857	(4,068)
Deferred tax				
In respect of the current periods	(1,062)	(13,120)	(514)	1,399
Income tax expense recognized in profit or loss	\$ 78,362	\$ 180,422	\$ 158,578	\$ 302,456

On April 9, 2014, the Ministry of Finance promulgated the amendments to the Assessment Rules Governing Income Tax Returns of Profit-Seeking Enterprises, the Tax Ruling No. 10304540780, and the amendments apply to the filing of income tax returns for 2013 onwards. The applications of such amendments were not expected to have significant effect on the Group's consolidated financial statements of current and deferred tax assets and liabilities.

Integrated Income Tax

	June 30, 2014	December 31, 2013	June 30, 2013
Unappropriated earnings generated on and after January 1, 1998	\$ 582,784	\$ 2,579,654	\$ 1,463,357
Imputation credits accounts	\$ 88,156	\$ 276,214	\$ 120,670

The creditable ratio for distribution of earnings of 2013 and 2012 was 22.11% (expected ratio) and 20.88%, respectively.

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 actual imputation credits allocated to shareholders of the Company was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2013 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

Under the Income Tax Law amended and promulgated by Presidential Decree Hua-tzung Yi No. 10300085101, for distribution of earning generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Company will be reduced by 50% in comparison with that described in the previous paragraph, effective January 1, 2015.

According to legal interpretation No. 10204562810 announced by the Taxation Administration of the Ministry of Finance, when calculating imputation credits in the year of first-time adoption of IFRSs, the cumulative retained earnings include the net increase or net decrease in retained earnings arising from first-time adoption of IFRSs.

Income Tax Assessments

The Company's tax returns through 2011, except 2009 have been assessed by the tax authorities. The Company disagreed with the tax authorities' assessment of its 2011 tax return and applied for a re-examination. Global, Shin Cheng, Sinyi Culture, Jui-Inn's, An-Sin and Taiwan Sinyi Development's tax returns through 2012 had been assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Basic EPS	<u>\$ 0.50</u>	<u>\$ 1.39</u>	<u>\$ 0.89</u>	<u>\$ 2.16</u>
Diluted EPS	<u>\$ 0.50</u>	<u>\$ 1.39</u>	<u>\$ 0.89</u>	<u>\$ 2.16</u>

The earnings per share computation for the three months ended June 30, 2013 and for the six months ended June 30, 2013 was retrospectively adjusted for the effects of adjustments resulting from bonus stock issued on July 7, 2014. The basic and diluted after-tax earnings per share were adjusted retrospectively as followings:

Unit: NT\$ Per Share

	Before Adjusted Retrospectively		After Adjusted Retrospectively	
	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
Basic earnings per share	<u>\$ 1.70</u>	<u>\$ 2.63</u>	<u>\$ 1.39</u>	<u>\$ 2.16</u>
Diluted earnings per share	<u>\$ 1.70</u>	<u>\$ 2.63</u>	<u>\$ 1.39</u>	<u>\$ 2.16</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

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Profit for the period attributable to owners of the Company	<u>\$ 305,554</u>	<u>\$ 854,993</u>	<u>\$ 545,006</u>	<u>\$ 1,324,003</u>

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

	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Weighted average number of ordinary shares in computation of basic earnings per share	613,437	613,437	613,437	613,437
Effect of dilutive potential ordinary shares:				
Bonus issue to employee	<u>214</u>	<u>432</u>	<u>488</u>	<u>480</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>613,651</u>	<u>613,869</u>	<u>613,925</u>	<u>613,917</u>

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.

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In April 2014, the Group acquired 20% of its interest in Chengdu Sinyi, increasing its continuing interest from 80% to 100%.

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.

	Six Months Ended June 30	
	2014	2013
	Chengdu Sinyi	Qingdao Sinyi
Cash consideration (paid) received	\$ (7,668)	\$ 5,763
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	1,422	(1,053)
Reattribution of other equity to (from) non-controlling interests		
Exchange differences arising on the translation of the financial statements of foreign operations	_____ -	_____ (9)
Differences arising from equity transaction	<u>\$ (6,246)</u>	<u>\$ 4,701</u>
<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	\$ (4,701)	\$ 4,701
Unappropriated earnings	<u>(1,545)</u>	_____ -
	<u>\$ (6,246)</u>	<u>\$ 4,701</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, 2014, December 31, 2013 and June 30, 2013, refundable deposits paid under operating lease amounted to \$106,445 thousand, \$100,114 thousand and \$92,928 thousand, respectively.

As of June 30, 2014, the future minimum lease payments of operating lease commitments were as follows:

Method of Calculation and Payment of Rentals	Year	Amount
Settlement on monthly basis	2nd half of 2014	\$ 256,048
	2015	399,153
	2016	255,975
	2017	164,101
	2018	102,562
	1st half of 2019	<u>60,309</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, 2014, December 31, 2013 and June 30, 2013, deposits received under operating leases amounted to \$32,519 thousand, \$32,972 thousand and \$32,245 thousand, respectively.

As of June 30, 2014, future rentals receivable were summarized as follows:

Method of Calculation and Collection of Rentals	Year	Amount
Settlement on monthly basis	2nd half of 2014	\$ 61,352
	2015	126,099
	2016	128,516
	2017	105,982
	1st half of 2018	<u>441</u>
		<u>\$ 422,390</u>

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

Key management personnel of the Group review the capital structure on a quarterly basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

31. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

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

The management considers 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, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 42,027	\$ -	\$ -	\$ 42,027
Mutual funds	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	<u>\$ 52,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,027</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 268,350	\$ -	\$ -	\$ 268,350
Foreign listed stocks - equity investments	583,983	-	-	583,983
Mutual funds	<u>1,291</u>	<u>-</u>	<u>-</u>	<u>1,291</u>
	<u>\$ 853,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 853,624</u>

December 31, 2013

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 32,221	\$ -	\$ -	\$ 32,221
Mutual funds	<u>186,719</u>	<u>-</u>	<u>-</u>	<u>186,719</u>
	<u>\$ 218,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,940</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 277,431	\$ -	\$ -	\$ 277,431
Foreign listed stocks - equity investments	619,058	-	-	619,058
Mutual funds	<u>1,290</u>	<u>-</u>	<u>-</u>	<u>1,290</u>
	<u>\$ 897,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 897,779</u>

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>

(Continued)

	Level 1	Level 2	Level 3	Total
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> (Concluded)

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, 2014	December 31, 2013	June 30, 2013
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 52,027	\$ 218,940	\$ 419,201
Loans and receivables (Note 1)	4,769,915	4,423,902	3,982,717
Available-for-sale financial assets (Note 2)	1,135,678	1,183,268	1,013,665
<u>Financial liabilities</u>			
Amortized cost (Note 3)	8,149,698	6,298,111	6,972,577

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 payables, other payables to related parties, other financial liabilities, bonds payable, long-term borrowings, guarantee deposits received and other non-current liabilities.

Accounting practices of the Company's financial instruments are not engaged in the use of hedge accounting.

Financial Risk Management Objectives and Policies

The Group's major financial instruments included equity, mutual funds, trade receivables, other payables, bonds payable 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 please refer to Note 36.

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					
	2014			2013		
	RMB	JPY	USD	RMB	JPY	USD
Equity	\$ 2,062	\$ 1,597	\$ 1,311	\$ 258	\$ 1,149	\$ 1,221
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, long-term bonds payable and part of borrowings are fixed-interest rates and measured at amortized cost, and changes in interest will not affect future cash flows. Another part of borrowings are floating-interest rates, and 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, 2014	December 31, 2013	June 30, 2013
Fair value interest rate risk			
Financial assets	\$ 1,675,954	\$ 1,836,873	\$ 576,132
Financial liabilities	3,274,758	1,322,206	2,631,063
Cash flow interest rate risk			
Financial liabilities	721,198	906,044	337,893

Interest rate sensitivity analysis

The Group was exposed to cash flow interest rate risk in relation to floating rate liabilities, and the short-term and long-term borrowings will be affected by the changes in market interest rate accordingly. If the market interest rate increased by 1%, the Group's cash outflow will increase by \$7,212 thousand for the six months ended June 30, 2014.

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, 2014	December 31, 2013	June 30, 2013
Other related parties - related parties in substance	\$ 49,510	\$ 49,096	\$ 37,534
Other related parties - the person in charge of other related parties is the president of the Company			
Other - vice president of the Company	10,711	12,299	10,643
	<u>34,682</u>	<u>35,606</u>	<u>35,749</u>
	<u>\$ 94,903</u>	<u>\$ 97,001</u>	<u>\$ 83,926</u>

Other payables to related parties were financing. Information on the financing for the six months ended June 30, 2014 and 2013 were as follows:

<u>Six Months Ended June 30, 2014</u>					
	Highest Balance During the Period		Interest Rate %	Interest Expense	Interest Payable
	Amount	Amount		Amount	Amount
Other related parties - related parties in substance	\$ 43,685	\$ 43,685	3.00	\$ 1,246	\$ 5,825
Other - vice president of the Company	<u>30,707</u>	<u>29,123</u>	3.00	<u>411</u>	<u>5,559</u>
	<u>\$ 74,392</u>	<u>\$ 72,808</u>		<u>\$ 1,657</u>	<u>\$ 11,384</u>
<u>Six Months Ended June 30, 2013</u>					
	Highest Balance During the Period		Interest Rate %	Interest Expense	Interest Payable
	Amount	Amount		Amount	Amount
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>

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, 2014 and 2013 included the following:

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term benefits	\$ 23,037	\$ 29,954	\$ 52,961	\$ 65,503
Other long-term benefits	<u>1,648</u>	<u>-</u>	<u>3,296</u>	<u>5,683</u>
	<u>\$ 24,685</u>	<u>\$ 29,954</u>	<u>\$ 56,257</u>	<u>\$ 71,186</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 that 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Other related parties				
The person in charge of other related parties is the president of the Company	\$ 1,239	\$ 1,342	\$ 2,476	\$ 2,683
Related parties in substance	<u>2,372</u>	<u>2,727</u>	<u>4,748</u>	<u>4,098</u>
Associates	<u>9</u>	<u>9</u>	<u>17</u>	<u>17</u>
	<u>\$ 3,620</u>	<u>\$ 4,078</u>	<u>\$ 7,241</u>	<u>\$ 6,798</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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Other related parties				
The person in charge of other related parties is the president of the Company	\$ 557	\$ 864	\$ 1,207	\$ 1,692
Related parties in substance	<u>1,749</u>	<u>2,749</u>	<u>3,529</u>	<u>5,462</u>
	<u>\$ 2,306</u>	<u>\$ 3,613</u>	<u>\$ 4,736</u>	<u>\$ 7,154</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>	
	2014	2013	2014	2013
Other related parties				
The person in charge of other related parties is the president of the Company	\$ 25,734	\$ 29,341	\$ 56,655	\$ 53,410
Related parties in substance	<u>1,802</u>	<u>1,230</u>	<u>6,493</u>	<u>2,108</u>
	<u>\$ 27,536</u>	<u>\$ 30,571</u>	<u>\$ 63,148</u>	<u>\$ 55,518</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, 2014	December 31, 2013	June 30, 2013
Other related parties			
The person in charge of other related parties is the president of the Company	\$ 1,099	\$ 1,390	\$ 1,469
Related parties in substance	<u>3,648</u>	<u>345</u>	<u>9,636</u>
	<u>\$ 4,747</u>	<u>\$ 1,735</u>	<u>\$ 11,105</u>

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, 2014	December 31, 2013	June 30, 2013
Property, plant and equipment (including investment properties)			
Land	\$ 3,290,251	\$ 3,290,251	\$ 3,256,722
Building	416,534	418,939	427,287
Other financial assets - current			
Pledged time deposits	531,826	637,616	80,583
Inventories	<u>299,770</u>	<u>297,743</u>	<u>-</u>
	<u>\$ 4,538,381</u>	<u>\$ 4,644,549</u>	<u>\$ 3,764,592</u>

34. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

- a. The Group is involved in claims that arise in the ordinary course of business; the other party may claim against the Group through 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 \$336,770 thousand (RMB70,000 thousand) and \$1,029,554 thousand (RMB214,000 thousand), respectively. Sinyi Development has endorsed Suzhou Sinyi Real Estate in obtaining financing limit for \$597,300 thousand (US\$20,000 thousand). Refer to Note 37 Table 2 for the details.
- d. As of June 30, 2014, the Group had signed construction contracts but not yet paid for \$2,150,193 thousands.

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 subsublicense 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 six 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, 2014

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 228,089	4.85	\$ 1,107,123
JPY	731,823	0.29	215,587
USD	13,956	29.87	416,795
Non-monetary items			
RMB			
JPY	31,796	4.85	154,334
USD	1,982,365	0.29	583,982
	43	29.87	1,292
<u>Financial liabilities</u>			
Monetary items			
RMB	185,599	4.85	900,880
JPY	189,572	0.29	55,846
USD	9,567	29.87	285,726

December 31, 2013

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 223,304	4.904	\$ 1,095,084
JPY	908,506	0.28	257,918
USD	10,972	29.81	327,918
Non-monetary items			
RMB	31,796	4.904	155,436
JPY	2,180,606	0.28	619,058
USD	43	29.81	1,290
<u>Financial liabilities</u>			
Monetary items			
RMB	188,429	4.904	924,056
JPY	205,930	0.28	58,462
USD	11,938	29.81	355,808

June 30, 2013

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 129,815	4.85	\$ 630,300
JPY	476,905	0.30	144,788
USD	2,398	30.00	71,926
Non-monetary items			
RMB	31,796	4.85	154,382
JPY	1,599,681	0.30	485,663
USD	43	30.00	1,298
<u>Financial liabilities</u>			
Monetary items			
RMB	113,959	4.85	553,313
JPY	98,412	0.30	29,878
USD	34	30.00	1,009

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 (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (attached)
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 4 (attached)
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
- f. Disposal of individual real estate at prices of at least NT\$300 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: None
- i. Information about derivative: None
- j. Intercompany relationships and significant intercompany transactions: Table 5 (attached)
- k. Information on investees: Table 6 (attached)

Information on investments in mainland China:

- a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 7 (attached)
- b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:
 - 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: Table 1 (attached)
 - 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. Operating segments information

The Group is in the operation of local and international real-estate brokerage business and real-estate developing 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 may affect the adoption of different marketing strategies.

Management has determined reportable segments as follows:

Real estate brokerage segment

- 1) Companies in Taiwan
- 2) Companies in mainland China and other foreign companies.

Real estate development segment

- 1) Companies in Taiwan
- 2) Companies in China

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the six months ended June 30, 2014 and 2013:

	Real Estate Brokerage			Real Estate Development			Elimination	Consolidated
	Taiwan	Mainland China and Others	Total	Taiwan	China	Total		
For the six months ended June 30, 2014								
Revenues from external customers	\$ 4,347,905	\$ 310,103	\$ 4,658,008	\$ 39,612	\$ 23,607	\$ 63,219	\$ -	\$ 4,721,227
Inter-segment revenues	13,761	-	13,761	6,439	-	6,439	(20,200)	-
Segment revenues	<u>\$ 4,361,666</u>	<u>\$ 310,103</u>	<u>\$ 4,671,769</u>	<u>\$ 46,051</u>	<u>\$ 23,607</u>	<u>\$ 69,658</u>	<u>\$ (20,200)</u>	4,721,227
Rental income from investment property								(63,219)
Consolidated revenues								<u>\$ 4,658,008</u>
Operating profit	<u>\$ 777,499</u>	<u>\$ (121,252)</u>	<u>\$ 606,247</u>	<u>\$ 18,621</u>	<u>\$ 12,100</u>	<u>\$ 30,721</u>	<u>\$ 13,253</u>	\$ 650,221
Operating income from investment property								(43,478)
Operating income								<u>\$ 606,743</u>
Segment assets	<u>\$ 7,106,963</u>	<u>\$ 2,450,041</u>	<u>\$ 9,557,004</u>	<u>\$ 3,014,859</u>	<u>\$ 5,211,907</u>	<u>\$ 8,226,766</u>	<u>\$ (544,651)</u>	\$ 17,239,119
Investments accounted for by the equity method and goodwill								21,219
Total assets								<u>\$ 17,260,338</u>
For the six months ended June 30, 2013								
Revenues from external customers	\$ 5,572,083	\$ 390,225	\$ 5,962,308	\$ 39,107	\$ 19,053	\$ 58,160	\$ -	\$ 6,020,468
Inter-segment revenues	20,280	-	20,280	5,377	-	5,377	(25,657)	-
Segment revenues	<u>\$ 5,592,363</u>	<u>\$ 390,225</u>	<u>\$ 5,982,588</u>	<u>\$ 44,484</u>	<u>\$ 19,053</u>	<u>\$ 63,537</u>	<u>\$ (25,657)</u>	6,020,468
Rental income from investment property								(58,160)
Consolidated revenues								<u>\$ 5,962,308</u>
Operating profit (loss)	<u>\$ 1,435,095</u>	<u>\$ (67)</u>	<u>\$ 1,435,028</u>	<u>\$ 20,811</u>	<u>\$ 15,318</u>	<u>\$ 36,129</u>	<u>\$ 16,964</u>	\$ 1,488,121
Operating income from investment property								(38,378)
Operating income								<u>\$ 1,449,743</u>
Segment assets	<u>\$ 6,776,914</u>	<u>\$ 1,691,797</u>	<u>\$ 8,468,711</u>	<u>\$ 2,851,419</u>	<u>\$ 4,426,730</u>	<u>\$ 7,278,149</u>	<u>\$ 42,735</u>	\$ 15,789,595
Investments accounted for by the equity method and goodwill								20,084
Total assets								<u>\$ 15,809,679</u>

The Group uses the operating profit (loss) as the measurement for segment profit. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
SIX MONTHS ENDED JUNE 30, 2014
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Related Parties	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	Sinyi Development Inc. (original name: Da-Chia Construction)	Shin Hau Real Estate Co., Ltd. Sinyi Realty Inc.	No	Other receivables	\$ 200,000	\$ 179,000	\$ 179,000	10.000%	Business activity	\$ 201,000	-	\$ -	Land	\$ 290,235	\$ 201,000 (Note 1)	\$ 274,074 (Note 2)
			Yes	"	200,000	-	-	1.800%	Short-term financing	-	Need for group funds	-	-	-	-	219,259 (Note 1)
2	Suzhou Sinyi Real Estate Inc.	Sinyi Real Estate (Shanghai) Limited	Yes	"	502,400 (RMB 100,000 thousand)	481,100 (RMB 100,000 thousand)	481,100 (RMB 100,000 thousand)	7.400%	Short-term financing	-	Need for operation	-	-	-	610,994 (Note 3)	1,221,988 (Note 3)
		"	Yes	"	48,190 (RMB 10,000 thousand)	48,110 (RMB 10,000 thousand)	28,866 (RMB 6,000 thousand)	5.000%	"	-	"	-	-	-	610,994 (Note 3)	1,221,988 (Note 3)
		Shanghai Sinyi Real Estate Inc.	Yes	"	100,480 (RMB 20,000 thousand)	69,760 (RMB 14,500 thousand)	60,138 (RMB 12,500 thousand)	4.000%	"	-	Participation in the capital increase of strategic investment plan	-	-	-	610,994 (Note 3)	1,221,988 (Note 3)
3	Sinyi Realty Inc.	Sinyi Development Ltd.	Yes	"	358,380	358,380	-	3.896%	Short-term financing	-	Provide endorsement to subsidiaries	-	-	-	432,023 (Note 4)	864,047 (Note 4)

Note 1: The individual lending amount of Sinyi Development Inc. should not exceed the transaction amount between two parties during the latest year.

Note 2: The maximum total financing provided should not exceed 50% of Sinyi Development Inc.'s net worth.

Note 3: Total financing provided by the Suzhou Sinyi Real Estate Inc. for a company which was owned 100% directly or indirectly by the same parent company should not exceed 150% of 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.

Note 4: Total financing provided by Sinyi Realty Inc. for short-term financing requirements for each borrowing company should not exceed 5% of the Sinyi Realty Inc.'s net worth. The maximum total financing provided should not exceed 10% of the Sinyi Realty Inc.'s net worth.

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER
SIX MONTHS ENDED JUNE 30, 2014
(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 3)	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of Parent	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Shanghai Sinyi Real Estate Inc.	Indirect subsidiary	\$ 6,912,382 (Note 1)	\$ 351,680 (RMB 70,000 thousand)	\$ 336,770 (RMB 70,000 thousand)	\$ -	\$ -	3.90	\$ 8,640,477	Y	N	Y	
		Suzhou Sinyi Real Estate Inc.	"	6,912,382	1,029,554 (RMB 214,000 thousand)	1,029,554 (RMB 214,000 thousand)	524,399 (RMB 109,000 thousand) (Note 4)	524,399 (Deposits) (Note 4)	11.92	8,640,477	Y	N	Y	
1	Sinyi Development Ltd	Suzhou Sinyi Real Estate Inc.	Indirect subsidiary of parent company	3,096,530 (Note 2)	597,300 (US\$ 20,000 thousand)	597,300 (US\$ 20,000 thousand)	- (Note 5)	- (Note 5)	15.43	3,870,662	N	N	Y	

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: For those subsidiaries the Sinyi Development Ltd. has over 80% ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of the Sinyi Development Ltd.'s net worth. The limit of endorsement/guarantee amount is same for subsidiaries which were owned 100% directly or indirectly by the Sinyi Development Ltd.'s parent company, Sinyi Realty Inc.

Note 3: The maximum total endorsement/guarantee should not exceed 100% of the Company's net worth.

Note 4: As of June 30, 2014, the Company's endorsement/guarantee provided to its subsidiaries with no collaterals provided and no actual appropriation amounted to \$505,155 thousand (RMB105,000 thousand)

Note 5: As of June 30, 2014, the endorsement/guarantee and the actual appropriation which Sinyi Development provided to Suzhou Sinyi were zero.

TABLE 3

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2014

(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, 2014				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	<u>Listed stock</u>							
	E.SUN Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	14,013,041	\$ 268,350	-	\$ 268,350	
	PChome Online Inc.	-	Financial assets at fair value through profit or loss - current	100,271	33,190	-	33,190	
	<u>Stock</u>							
	Rakuya International Info. Co., Ltd.	-	Financial assets measured at cost - non-current	1,900,000	6,441	12	6,441	
	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	
	Kun Gee Venture Capital Co., Ltd.	-	"	2,100,000	4,451	3	4,451	
Sinyi Limited	Cite' Publishing Holding Ltd.	-	"	7,637	4,874	1	4,874	
	Cite' Information Services Co., Ltd.	-	"	106,392	890	1	890	
	<u>Stock</u>							
	Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	583,983	-	583,983	
	<u>Monetary market fund</u>							
	SBGH U.S. Dollar Reserve Fund CL A Dist Units	-	"	43,271	1,291	-	1,291	
Shanghai Sinyi Real Estate Inc.	<u>Stock</u>							
	Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	-	154,335	2	154,335	
Sinyi Development Inc.	<u>Stock</u>							
	CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	8,837	-	8,837	
Global Asset Management Co., Ltd.	<u>Monetary market fund</u>							
	Taishin 1699 Money Market	-	"	754,928	10,000	-	10,000	

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
SIX MONTHS ENDED JUNE 30, 2014
(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.	Stock Sinyi Limited	Investments accounted for using equity method (includes prepayment for long-term investment)	-	Subsidiary	62,075,721	\$ 2,026,224	13,667,574	\$ 414,012	-	\$ -	\$ -	\$ -	75,743,295	\$ 2,440,236 (Notes 1 and 2)
Sinyi Limited	Stock Inane International Limited	Investments accounted for using equity method (includes prepayment for long-term investment)	"	"	44,890,999	1,434,497	11,480,429	348,023	-	-	-	-	56,371,428	1,782,520 (Notes 1 and 2)

Note 1: The ending balance presents historical cost.

Note 2: Those subsidiaries included in the consolidated entities have been eliminated.

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTION
 SIX MONTHS ENDED JUNE 30, 2014 AND 2013
 (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, 2014</u>						
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd. An-Sin Real Estate Management Ltd. Sinyi Realty Inc. Japan Sinyi Realty Inc. Japan	1 1 1 1	Professional fee Other income Other income Other receivable to related parties	\$ 11,087 8,332 13,214 7,648	Fixed charges by guarantee piece work 30 days after regular settlement Quarterly -	- - - -
2	Shanghai Sinyi Real Estate Inc.	Inane International Limited Suzhou Sinyi Real Estate Inc.	3 3	Other payables Other payables	9,436 60,674	- Interest rate 4%	- -
3	Suzhou Sinyi Real Estate Inc.	Shanghai Sinyi Real Estate Inc.	3	Other receivables	514,513	Financing for operation, interest rate 7.4%	3
	<u>Six months ended June 30, 2013</u>						
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd. Global Asset Management Co., Ltd.	1 1	Professional fee Other payables	14,084 17,425	Fixed charges by guarantee piece work -	- -
1	Sinyi Limited	Ke Wei Shanghai Real Estate Management Consulting Inc. Shanghai Sinyi Real Estate Inc.	3 3	Other receivables Other receivables	29,163 12,591	- -	- -
2	Shanghai Sinyi Real Estate Inc.	Inane International Limited	3	Other payables	9,479	-	-

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: Flows 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, 2014 and 2013. 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, 2014 and 2013.

Note 4: The table is disclosed by the Company based on the principle of materiality.

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
SIX MONTHS ENDED JUNE 30, 2014
(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, 2014			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 International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	\$ 3,955,884	\$ 3,955,884	133,845,895	100	\$ 4,046,392 (Note 3)	\$ 547	\$ 547 (Note 3)	Note 1	
	Sinyi Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	2,440,236	2,026,224	75,743,295	100	1,911,539 (Note 3)	(112,523)	(112,523) (Note 3)		
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Construction	535,005	535,005	53,500,000	100	548,276 (Note 3)	130	130 (Note 3)		
	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	72,114 (Note 3)	9,147	9,147 (Note 3)		
	Heng-Yi Real Estate Consulting	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories; Real estate brokerage	20,000	20,000	2,000,000	100	16,639 (Note 3)	3	3 (Note 3)		
	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	4,542 (Note 3)	111	111 (Note 3)		
	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	251 (Note 3)	-	- (Note 3)		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	1,715 (Note 3)	140	140 (Note 3)		
	An-Sin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	25,500	25,500	7,650,000	51	124,290 (Note 3)	41,758	21,297 (Note 3)		
	Sinyi Interior Design Co., Ltd. Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design Information software, data processing and electronic information providing service	950 30,000	950 -	95,000 3,000,000	19 100	11,598 29,459 (Note 3)	(15) (541)	(3) (541) (Note 3)		
Sinyi Limited	Inane International Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,782,520	1,434,497	56,371,428	100	1,185,209 (Note 3)	(86,981)	(86,981) (Note 3)	Note 1	
	Ke Wei HK Realty Limited	Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	95,129	29,140	2,675,000	95	43,408 (Note 3)	17,715	16,830 (Note 3)	Note 1	
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	5,592 (Note 3)	(1,198)	(1,198) (Note 3)		
	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	142,134 (Note 3)	17,864	17,864 (Note 3)		
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Asia Samoa	Investment holding	3,868,747	3,868,747	131,000,200	100	3,870,662 (Note 3)	(16,291)	(16,291) (Note 3)		
	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	385,985 (Note 3)	(7,814)	(7,814) (Note 3)		
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	10,224 (Note 3)	81	81 (Note 3)		
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	3,868,747	3,868,747	131,000,200	100	3,875,985 (Note 3)	(8,583)	(8,583) (Note 3)		
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	12,915 (Note 3)	2,244	2,244 (Note 3)		
Sinyi Development Inc.	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	-	50,000	100	435 (Note 3)	(65)	(65) (Note 3)		
	Sinyi Real Estate Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	-	50,000	100	433 (Note 3)	(67)	(67) (Note 3)		

Note 1: As of June 30, 2014, it has not been registered as a capital stock; therefore, it is recorded under "prepayment for long-term investment".

Note 2: Under the liquidation process.

Note 3: Those subsidiaries included in the consolidated entities have been eliminated.

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

SIX MONTHS ENDED JUNE 30, 2014

(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, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of June 30, 2014 (Note 2)	Accumulated Inward Remittance of Earnings as of June 30, 2014
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 6,160	Investment in company located in Mainland China indirectly through Ke Wei HK Realty Limited	\$ 15,870	\$ -	\$ -	\$ 15,870	\$ 17,716	95	\$ 16,830 (Note 7)	\$ (19,305) (Note 7)	\$ -
Shanghai Sinyi Real Estate Inc. (Note 3)	Real estate brokerage	RMB 260,082	Investment in company located in Mainland China indirectly through Inane International Limited	888,456	251,562	-	1,140,018	(59,596)	100	(59,596) (Note 7)	738,978 (Note 7)	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 34,747	"	86,157	63,798	-	149,955	(5,746)	100	(5,746) (Note 7)	14,938 (Note 7)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 4)	Real estate brokerage	RMB 4,138	"	17,095	-	-	17,095	(8,161)	100	(8,161) (Note 7)	3,387 (Note 7)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	"	355,249	-	-	355,249	(8,320)	100	(8,320) (Note 7)	396,230 (Note 7)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,025,700	"	-	-	-	-	-	2	-	154,335	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 20,200	"	44,543	-	-	44,543	(5,353)	100	(5,353) (Note 7)	(8,047) (Note 7)	-
Shanghai Shin Chen Real Estate Brokerage Inc. (Note 4)	Real estate brokerage	RMB 1,000	Investment in company located in Mainland China indirectly through Ke Wei HK Realty Limited	-	-	-	-	-	94	- (Note 7)	102 (Note 7)	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	Investment in company located in Mainland China indirectly through Forever Success International Ltd.	27,432	-	-	27,432	(1,197)	100	(1,197) (Note 7)	4,974 (Note 7)	-
Chengdu Sinyi Real Estate Co., Ltd. (Note 5)	Real estate brokerage and management consulting	RMB 13,000	Investment in company located in Mainland China indirectly through Inane International Limited	29,342	32,663	-	62,005	(3,811)	100	(3,358) (Note 7)	26,186 (Note 7)	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 8,000	"	29,225	-	-	29,225	(3,341)	65	(2,171) (Note 7)	587 (Note 7)	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	Investment in company located in Mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,868,747	-	-	3,868,747	(8,252)	100	(8,252) (Note 7)	3,875,465 (Note 7)	-

Accumulated Outflow for Investment in Mainland China as of June 30, 2014	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 6)
\$5,710,139	\$6,194,003	\$ -

(Continued)

Note 1: Amount was based on the unreviewed financial statements, except for the amount of Sinyi Real Estate (Shanghai) Limited.

Note 2: Carrying value was converted into New Taiwan dollars based on the exchange rate of US\$1=NT\$29.865 and US\$1=RMB6.1528 at June 30, 2014.

Note 3: Some of investments were made indirectly through earnings of the Company's subsidiary in China.

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

Note 5: In April 2014, the Company's 100%-owned subsidiary Inane, acquired the remaining ownership of Chengdu Sinyi Real Estate Co., Ltd. amounted RMB1,600 thousand. The ownership was increased from 80% to 100%.

Note 6: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

Note 7: Those subsidiaries included in the consolidated entities have been eliminated.

(Concluded)