

SINYI REALTY

2015 ANNUAL REPORT



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Spokesperson

Name : Chou Chuang Yun
Title: Chief Strategy Officer
Tel: 886-2-2755-7666
E-mail:S109358@sinyi.com.tw

Deputy Spokesperson

Name : Chen Chien-Chih
Title: Chief Financial Officer
Tel: 886-2-2755-7666
E-mail:S331852@sinyi.com.tw

Head Office

Address: No.100, Sec.5 Xinyi Rd., Taipei City 110, Taiwan (R.O.C.)
Tel: 886-2-2755-7666

Stock Transfer Agent

Capital Securities Corporation
Address: B2,No.97, Sec.2, Dunhua S. Rd., Taipei City 106, Taiwan (R.O.C.)
Tel: 886-2-2702-3999
Website:www.capital.com.tw

Auditors

Deloitte & Touche
Auditors: Yang, Min-Hsien, Wang, Tzu-Chun
Address: 12th Floor, Hung Tai Financial Plaza 156 Min Sheng East Road, Sec. 3, Taipei 10596, Taiwan (R.O.C.)
Tel.: 886-2-2545-9988
Website: <http://www.deloitte.com.tw>

Overseas Securities Exchange: not applicable**Corporate Website**

<http://www.sinyi.com.tw>

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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One. Letter to Shareholders

Ladies and Gentlemen, Dear Shareholders:

The trading volume in the Taiwanese real estate market shrank significantly in 2015 as a result of tax policies, high housing prices and economic recessions. To the disappointment of our shareholders, profits of Sinyi Realty Inc. (“the Company”) dropped from 2014 levels despite an increase in market share.

Uncertainties remain in 2016. Knowing that the only constant in the world is changes, we will continue to adhere to the Sinyi philosophy, do better in the adverse environment and improve our operating performances by strengthening our physical constitution and servicing each and every customer.

【The industrial environments and business performance】

Amidst the government’s enforcement of a variety of real estate taxation policies and mounting concern from the general public and their talks about excessively-pricing housing, the both sides of the real estate trades have shown significant divergent awareness of the house prices, such phenomenon apparently dampens the self-users from their desire to buy and leads to a sharp cutoff of transaction in the overall markets. In year 2015, the aggregate total of house changeovers in the entire Taiwan (the number after deduction of the first time ownership registration) comes to approximately 170,000 cases, dropping by 18% from the preceding year, as well as the 13-year all-time-low (with the house-purchase rate 3.5% to overall households as the new all-time-low in the entire history). As a natural result, the Company was critically challenged in terms of the number of successful deals and profitability.

Notwithstanding the swarms of external variables in the market, nevertheless, here at the Company, never did we cease the utmost efforts toward absolute assurance for our clients. Meanwhile, we launched innovative services notably including digital housing furnishing, 3D interactive house observation in addition to our thoughtful post-deal services in relocation, decoration and cleaning. Our clients have perceived our diversified and customized services. Meanwhile, in response to the external ambiances, we adjusted our service shop expansion programs and the business domains of some branches. Encouragingly enough, the overall market share held by the Company even somewhat increased over the preceding year.

In terms of real estate markets in China where the government adjusted the policies more in favor of us, both volumes and prices of our successful deals in 2015 in the first-tier cities significantly grew over the preceding year. Thanks to the bullish external environments, our subsidiary Suzhou Sinyi Real Estate Inc., one of our key subsidiaries in China, successfully grew at a stable pace in the wake of prolonged subsoil cultivation. It virtually became the most influential brand name in the local resale housing markets. Another of our stronghold Shanghai Sinyi Real Estate Inc. insisted on superior services and high-caliber professionals and specialists in prudent management amidst the cutthroat competition, price wars and massive merger/acquisition (M&A), known as the Red Ocean Strategy. In terms of the overall business performance, our real estate agency subsidiaries in entire China grew by 63% over the preceding year.

The domestic real estate markets in Taiwan appeared unstable in a sharp contrast. Over the past few years, the high assets traders have converted their focus onto Japan and other overseas markets. Our subsidiaries in Japan have been veterans in serving Taiwanese investors in their investment in real estate markets in Japan. Thanks to the superior agency services accompanied with thoughtful leasehold management services further fueled by the significant depreciation of Japanese yen and mounting sellable newly

built ready-to-use houses, our subsidiaries in Japan increased the sales revenues by 46% in the year.

Other than the brokerage agent services, our subsidiary in development business launched the initial development project in Jiading District, Shanghai City known as “Sinyi Jiading”. That mega-project is developed in two phases. Pre-construction sales started in May 2015 for the first phase. As of December 31, 2015, the house units in that mega-project were sold up to 77%. Pre-construction sales for the second phase are scheduled to start in September 2016.

The operating performance in Year 2015 is as below:

【Analyses on the financial revenues and expenditures and profitability】

Expressed in Million New Taiwan Dollars

Items		Year	Year 2015	Year 2014
Financial income /expenditure	Operating revenue		7,523	8,899
	Operating income		507	1,169
	Non-operating income (expense)		277	213
	Consolidated income before tax		784	1,383
	Income tax		198	273
	Net income (attributable to owner of the Company)		564	1,072
Profitability	Return on total assets (%)		3%	7%
	Return on equity (%)		6%	12%
	Net income margin (%)		8%	12%
	Earnings per share (\$)		0.89	1.70

Notes: The above table is prepared according to data in the consolidated financial statements.

Earnings per share for the year of 2014 have been retrospectively adjusted for stock dividend distribution for capital increase by earnings re-capitalization.

【Verification of remarkable performance of Sinyi with award honors】

“Maximum possible dedication to the social responsibility”, which represents one of our operating visions. In the face of numerous touch challenges externally, nevertheless, we constantly adhere to our managerial philosophy of “Unconditional commitment to integrity, righteousness before profit” with continued efforts to return to the society toward our ultimate goal of becoming a “world-class service giant”. Through unceasing participation in a variety of evaluation and appraisal programs externally, we try to rectify our internal defects, toward wholesome constitution of business management to lay down solid cornerstones for sustainable development. Amidst the exceptional efforts for years, we have honorarily won widespread acclaims from people in all walks of life, as the very initiatives toward unceasing excellence, serving as a spur to induce enterprises in other domains to join the Company in the dedication to our society for a better tomorrow.

In Year 2015, we won a significant amount of honors and awards, notably including:
In the aspects of quality and innovation of services:

- ※ For as astonishingly as 22 years in a row, the Company won the supreme honors of No. 1 among all realty service houses in the “Survey of Ideal Brand from View of Consumers” conducted by the 《Management Magazine》 .
- ※ The Company won “Five-star Service Award” granted by Global Views Monthly, as First Place in the realty agency, and Second Place in cross-business lines.
- ※ The Company was honorably awarded in eleven years in a row by Next Magazine “The Prime No. 1 Service Award”, as No. 1 among entire real estate agent services.
- ※ In the “The First Place of Revenues in House Broker Classification of Service Industry – Survey on Top Two Thousand Enterprises” conducted by 《CommonWealth Magazine》 , the Company won the supreme honors as No. 1 among the real estate agent services in 21 years in a row.
- ※ The Company was acknowledged by 《Digital Era Business Next》 with the prominent honors of the “Award of Innovative Future Commerce” and “Award of the Best Customer Experience”.
- ※ The Company was awarded by “《Commonwealth Magazine》 “Grand Prize for Gold Medal Service” that suggests the supreme honors of First Prize in the entire realty damage indemnity.
- ※ The Company won the extraordinary honors of double championships from the 《30 Magazine》 in the “Young Generation Brand Survey” in the category of realty agent, i.e., the “Brand Favored Most” and “Brand Desired Most”.
- ※ The Company won the Extraordinary Performance Award of 2015 Influence Brands” conducted by 《Manager Today》 .
- ※ The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., won the “Golden Bridge Award” of Session XIV as well as the “Top 20 Plus Real Estate Agencies” from the Shanghai Real Estate Trade Association (SRETA).

Performance by the Company in the aspects of social responsibility and corporate governance:

- ※ The Company was awarded by the Taiwan Institute for Sustainable Energy《Award of Sustainable Taiwan Enterprise 2015》 in the Categories of “Co-Harmony Society Award”, “Climate Leader Award” and “TOP50 Sustainable Enterprise Report Award in Realty & Construction Categories”.
- ※ The Company was awarded for the ninth time by 《CommonWealth Magazine》 “The Grand Award as the CommonWealth Model Citizen”.
- ※ The Company was ranked among the Top 5%” in the First Corporate Governance Appraisal by the Taiwan Stock Exchange Corporation (TWSE).
- ※ The Company was awarded Double Prime Awards by 《Global Views Monthly》 in Sesson Eleven the “Corporate Social Responsibility Award” in the “Grand Annual CSR Survey in the group of service and finance industries”, “Outstanding Proposal in group of public interest promotion task force” .
- ※ The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., was awarded among the “Top 30 Best Employers of China, 2015”.
- ※ The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., was awarded among the

“Best Employer of China for three times in a row.

【Operating targets and future prospects】

Looking ahead into Year 2016, in the realty agency industry, we are not yet able to forecast the influence and impact from the newly elected government teams upon the real estate markets. In comparison with the eventual year 2015 filled up with variables, we can forecast a more comparatively stable turnover in 2016. Since the Company first came into being in the markets, thanks to our exceptional efforts and policies, we have virtually converted ourselves from a fresh tenderfoot into the universally acknowledged leader of the entire realty agency industry in Taiwan. All the way toward our present success, we constantly stick to our firm business philosophy “Established based on trustfulness and righteousness, our pursuit of them is endless.” At the moment, we have ignited internally the “Corporate Reformation Program” focusing on cultivation of high-caliber professionals and specialists and quality of Sinyi services to lay down solid cornerstone ready to climb to a new high. On the other hand, we have tried extremely hard to cultivate high-caliber brokers and realty agents with efforts to team up with subsidiaries abroad to render realty consultation services known as “excellent satisfaction with one-stop shop for all”, with strengthened differentiated services and, in turn, tremendously enhance market shares and competitive edge. For the overseas domains, in coordination with diversified, comprehensive and multifaceted demands by the customers and our worldwide Sinyi Realty visions, we have put forth maximum possible efforts to cultivate profoundly markets in Japan and China and have further stretched into the Southeast Asian markets to expand Sinyi Realty services in both depth and breadth.

In the aspect of further development in our business horizons, as our “Sinyi Jiading” launched in the Jiading District, Shanghai City has received widespread acclaims from customers and is to be appraised as the landmark signature construction of the Company before a too distant future. Where “Sinyi Jiading” is continually on the sales promotion for Phase I, Phase II of that Project is scheduled to come out by September 2016 and is believed to become highly popular to customers at an accelerated pace. Our current launch in Taiwan by the title of “Sinyi Chien Shih” won’t be put into open sales until it is completed in full in Year 2016 in line with the market trend. Other than the aforementioned development programs, we shall continually look for right land sources and launch development programs in the future. Through such consistent policies and efforts, we will bring into maximum possible play of our concepts and expertise in community empowerment to create added Sinyi Realty brand names and awareness and strengthen momentum in business development.

In the aspect of corporate social responsibility, here at Sinyi Realty Inc., we, as always, insist on our guiding philosophy “taken from the society, give back to the society”. Other than our efforts in continued dedication to community development, we anticipate to accomplish sustainable business performance, social harmony in the win-win targets of growth in common by means of social participation, environmental protection and the like.

Chairperson of the Board

Two. Company Profile

I. Date of incorporation: January 21, 1987

II. Milestone:

Year 2015	<ul style="list-style-type: none"> • Launch of the Sinyi O2O (Online to Offline) Platform with three integrated services, i.e. Home Anything and Everything, Home Services and Home Shopping Mall under a coordinated process to solve the customers' home affairs in their home lives. • Offering of 3D Interactive Shopping for Homes that allows a realistic experience for viewings without the limitation of time and space. • Kick-off of another ten-year program "Nationwide Community Building" by investing a total of NT\$ 200 million.
Year 2014	<ul style="list-style-type: none"> • As the leader in the horizontal trades, we launched innovative house viewing services "digital home staging" to enable customers to enjoy the virtual (fictitious) feel of the home view. • Our Subsidiary Sinyi Development Co., Ltd. launched the initial program in pre-construction sales "Sinyi Modest Stone", vastly differing from the house-buy culture currently prevalent in Taiwan. That program features unified selling prices, to originate "online order for a house", where customers could look into floor plans, prices, sales status and such updates through website to safeguard consumers in their interests in an open and transparent manner.
Year 2013	<ul style="list-style-type: none"> • We incorporated Sinyi Real Estate (Shanghai) Limited, wherewith we were successfully awarded the tender for development and construction on the land in Shanghai City to create the community home concept. Besides, our another Subsidiary Sinyi Development Co., Ltd. (formerly known as Da-Chia Construction Co., Ltd.) was also awarded the land in the golden area of Tianmu Section, Taipei City where we would build a high class intellectual housing products. • We integrated and extended the real estate brokerage agency services procedures and get officially verified for ISO9001 international certification as the first officially verified home brokerage services house.
Year 2012	<ul style="list-style-type: none"> • We took the lead among the horizontal trades in Taiwan in establishing "Ethics Director" and "Corporate Ethics Office", setting up the landmark of "Faithful Ethics". • We invested to incorporate Sinyi Real Estate (Hong Kong) Limited, through which we were awarded open tender for land in Shanghai area in China to boost the real estate construction domains.
Year 2011	<ul style="list-style-type: none"> • We took the lead among the horizontal trades "Worry-free services against potential suicide or murder involved houses, to provide customers with omnifarious and comprehensive house purchase protection networks.
Year 2010	<ul style="list-style-type: none"> • We set up the Remuneration Committee to further intensify the functions of the board of directors. • We established Qingdao Sinyi and Chengdu Sinyi to further expand business horizons in China. • We originated in entire Taiwan the "iPhone House-Review App", leading the real estate agent services into a mobile high technology era.. • We took the lead in the real estate agent services in initiating "Home Staging House Furnishing in American Style" services.
Year 2009	<ul style="list-style-type: none"> • We founded the first enterprise university in real estate agent service fields, as an innovative platform combining theories and practices, with a total investment of NT\$150 million to positively cultivate human resources in the field.

	<ul style="list-style-type: none"> ● Sinyi Realty Inc. took the lead to guide real estate agent services into a new milestone to make the “Monthly Indices of Metropolitan Taipei Area” public, calculating the house price indices on a monthly basis. ● In the “Marketing Power Rating Survey of the Nine Major Business Lines” released by Harvard Management Services, Inc., Sinyi Realty Inc. ranks first.. ● Sinyi marched into Japan by incorporating Sinyi Realty Inc. Japan ● Sinyi Realty Inc. launched “Action Plan of One Community One Family” with NT\$100 million additional sponsorship fund.
Year 2008	<ul style="list-style-type: none"> ● Sinyi expanded domains in China in a full steam, by means of “Sinyi Realty Inc.” direct selling system and “Ke Wei International” franchise system to further deepen the markets through the double brand policy.
Year 2007	<ul style="list-style-type: none"> ● Sinyi Realty Inc. took the lead among entire horizontal trades by initiating “Four Major Assurances” services against a building built with cheap, unreliable concrete which contains a high quantity of sea sand, radiation-contaminated building, leakage and transaction security, bringing added transaction security to customers. ● Sinyi set up Audit Committee to strive for unceasing better and better in corporate governance and business development. ● Sinyi officially entered the Sinyi Headquarters at Sinyi Building and, meanwhile, signed memorandum with ORIX Group Japan, laying the firm cornerstone ready to march into the entire world markets.
Year 2006	<ul style="list-style-type: none"> ● Sinyi initiated the “e-digital reception services” to associate with digital and human function designs, from the very detail to the very majority. We assigned designated personnel to offer guide and instructions in all details.
Year 2005	<ul style="list-style-type: none"> ● Sinyi Realty Inc. officially promulgated establishment of the smart brand name “Sinyi Shop” to sell Sinyi products and services, as the spearhead real estate agent service brand name in Taiwan. ● Sinyi took the lead in launching “Online Interaction House Review” services with extraordinarily powerful interaction functions, enabling customers to review houses throughout at anytime.
Year 2004	<ul style="list-style-type: none"> ● Sinyi Realty Inc. promulgated “One Family Sponsorship Program for Entire Communities” to invest NT\$100 million fund in every five-year term to sponsor community programs, as the first spearhead community sponsorship program of the largest scale aiming to boost interpersonal interchanges to encourage stay in Taiwan.. ● Sinyi Realty Inc. promulgated a service brand name “Sinyi Elite Housing”, as the sole brand name targeted to high-price deluxe residential products in Taiwan. ● Sinyi Realty Inc. set up a new subsidiary by the name of Beijing Sinyi and signed franchise contract with Chongqing Reality Co., Ltd. for franchise system in Chongqing area.
Year 2003	<ul style="list-style-type: none"> ● Sinyi took the lead to issue “Sinyi Real Estate Commentary” as a bright lighthouse amidst the confused real estate information. Under our motto of feedback to the society to ensure sound industrial order and assure transparent information, we offer the results and findings yielded through the research efforts to the investment & trust enterprises, investment consultation, banking, real estate and such research institutions. ● We updated the Sinyi Realty Inc. website into a brand new one. By then, Sinyi owned as many as twelve service functions, known as Sinyi Realty Inc. Ehome to render even more intimate services to customers.
Year 2002	<ul style="list-style-type: none"> ● We promulgated brand new “humans-oriented” Corporate Identity System (CIS), as the new logo composed of “humans”, “housing” and “summit” to further intensify profound values and visions. ● We got ahead of horizontal trades with concrete acts to reform services, refurbishing all Sinyi service outlets of entire Taiwan and introducing to community image exhibition spaces to further enhance the relationship between Sinyi Realty Inc. and communities.

	<ul style="list-style-type: none"> • We initiated the “Optimal Home Hunting Systems” as the new Sinyi service system, deepening the awareness of the consumer need in house buys, minimizing consumers’ hard work in house purchase and, in turn, boosting satisfaction approval level of house buyers. • We initiated the “online on-the-spot audiovisual house review software”. All Sinyi branches were additionally equipped with outdoor “housing information multimedia guiding system”, enabling consumers to hunt and view houses online 24 hours. • Sinyi teamed up with telecommunications to launch “entrepreneurial communications integration services” to offer omnifarious and comprehensive platforms including system networks, technological platforms, service content setup, mobile communications terminals to create 3-M technological platform environments and, in turn, boost the competitive edge for enterprises and brand names.
Year 2001	<ul style="list-style-type: none"> • Sinyi successfully upgraded from GreTai Securities Market ("GTSM") to Taiwan Stock Exchange Corporation (TSEC) listing, and officially got listed on the Taiwan Stock Exchange Corporation (TSEC). Sinyi Realty Inc. became the sole real estate agent service house listed on Taiwan Stock Exchange Corporation (TSEC). • Typhoon Toraji and Nari drastically hit Taiwan, in particular - Xinyi Township in Nantou County. Sinyi Realty Inc. established in that township “Sinyi Children Secured Schooling Program” to sponsor the children of the typhoon devastated families until they graduate from the senior high schools. There were a total of 77 beneficiary children in Xinyi Township under the Sinyi Children Secured Schooling Program.
Year 2000	<ul style="list-style-type: none"> • Sinyi Realty Inc. teamed up with National Chengchi University to set up “National Chengchi University CNCCU – SINYI Research Center for Real Estate” as one of the expertise academic research institutions in Taiwan on real estate expertise. • Where the children in the Xinyi Township of Nantou County were critically affected in schooling in the wake of Catastrophic Earthquake September 21, 1999, Sinyi Realty Inc. established in that township “Supreme Sinyi Fellowship”.
Year 1999	<ul style="list-style-type: none"> • Sinyi Realty Inc. created another new era for real estate logistics. On November 9 of the year, Sinyi Realty Inc. successfully passed the application in GreTai Securities Market ("GTSM") listing and became the first OTC listed real estate agent company in Taiwan. • Also in the year, Sinyi Realty Inc. obtained the sole and exclusive agency from the largest real estate brand name in the United States Coldwell Banker for the Greater Region of China wherewith Sinyi Realty Inc. would launch extensive real estate transactions among both sides of Taiwan Strait, Hong Kong and Macao.
Year 1998	<ul style="list-style-type: none"> • Sinyi Realty Inc. launched “Sinyi Real Estate Price Index”, the first of its like in Taiwan, serving consumers with more objective analyses on real estate market trends.
Year 1997	<ul style="list-style-type: none"> • Sinyi Realty Inc. launched NT\$170 million capital increase through cash injection and NT\$330 million capital increase through earnings, bringing the aggregate total of the capital up to NT\$700 million. Sinyi Realty Inc. got approved from the Securities & Futures Commission, Ministry of Finance for issuance in public.
Year 1996	<ul style="list-style-type: none"> • Sinyi Realty Inc. launched overall “Readily Available House Escrow” services, as the first one in Taiwan launching new transaction security system. • The aggregate total of Sinyi Realty Inc. branches throughout Taiwan hit one hundred marks.
Year 1995	<ul style="list-style-type: none"> • Sinyi Realty Inc. launched “Sinyi VISA” identification card, the first one presented in real estate agent services, lifetime free of membership fee. Sinyi VISA cardholders are privileged for multiple benefits for VISA cards, preferential discount and automatic public charity donation.
Year 1993	<ul style="list-style-type: none"> • Sinyi Realty Inc. was in overall enforcement of “Overall Assurance System for House Purchases”, including pre-sale assurance on “ownership survey system”, amid-sale assurance “payment assurance system” and “Scrivener (Title Agent) verification system” and after-sales assurance “leakproof assurance system”..

Year 1992	<ul style="list-style-type: none"> ● Sinyi Realty Inc. signed contract with China Productivity Center to set up logistic management implementation organization to unfold the initial year for quality in services.
Year 1991	<ul style="list-style-type: none"> ● Sinyi Realty Inc. purchased the office mansion, with Sinyi Headquarters relocated into Tunrex Skyscraper Building on Dunhua S. Road, Taipei.
Year 1990	<ul style="list-style-type: none"> ● Sinyi Realty Inc. produced “Real Estate Guide Book” as the spearhead among the entire real estate agent services to protect the safety of transactions for the customers.
Year 1987	<ul style="list-style-type: none"> ● Sinyi Realty Inc. was officially approved for incorporation registry, with Ms. Chou Wang Mei-Wen serving as the Chairwoman of the First Session, taking the lead to launch “Ownership survey before transaction” to assure carefree transaction to consumers. Sinyi Realty Inc. introduced to Corporate Identity System (CIS) to intensify corporate image.

III. Highlights of Honors:

Year 2015	<ul style="list-style-type: none"> ● For as astonishingly as 22 years in a row, the Company won the supreme honors of No. 1 among all realty service houses in the “Survey of Ideal Brand from View of Consumers” conducted by the 《Management Magazine》 . ● The Company was honorably awarded by 《Infotimes》 Golden Awards of “Golden Finger Network Award XVI”. ● For eight years in a row, the Company was awarded by 《Business Today》 First Place Honor in “Grand Survey of Ideal Brand Names in the Eyes of Merchants”. ● The Company was awarded by the Taiwan Institute for Sustainable Energy《Award of Sustainable Taiwan Enterprise 2015》 in the Categories of “Co-Harmony Society Award”, “Climate Leader Award” and “TOP50 Sustainable Enterprise Report Award in Realty & Construction Categories”. ● The Company won “Five-star Service Award” granted by Global Views Monthly, as First Place in the realty agency, and Second Place in cross-business lines. ● The Company was honorably awarded in eleven years in a row by Next Magazine “The Prime No. 1 Service Award”, as No. 1 among entire real estate agent services. ● The Company was awarded for the ninth time by 《CommonWealth Magazine》 “The Grand Award as the CommonWealth Model Citizen”. ● The Company was ranked among the Top 5%” in the First Corporate Governance Appraisal by the Taiwan Stock Exchange Corporation (TWSE). ● The Company won for the third time the honors of A++ Grade Award in the information disclosure awarded by the “Securities & Futures Institute”. ● The Company won the supreme “Reputable Brand” awarded by 《Reader’s Digest》 for eight times in a row. ● In the “The First Place of Revenues in House Broker Classification of Service Industry – Survey on Top Two Thousand Enterprises” conducted by《CommonWealth Magazine》 , the Company won the supreme honors as No. 1 among the real estate agent services in 21 years in a row. ● The Company was acknowledged by 《Digital Era Business Next》 with the prominent honors of the “Award of Innovative Future Commerce” and “Award of the Best Customer Experience”. ● The Company was awarded Double Prime Awards by 《Global Views Monthly》 in Session Eleven the “Corporate Social Responsibility Award” in the “Grand Annual CSR Survey in the group of service and finance industries”, “Outstanding Proposal in group of public interest promotion task force” . ● The Company was awarded by “《Commonwealth Magazine》 “Grand Prize for Gold Medal Service” that suggests the supreme honors of First Prize in the entire realty damage indemnity.
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	<ul style="list-style-type: none"> ● The Company won the extraordinary honors of double championships from the 《30 Magazine》 in the “Young Generation Brand Survey” in the category of realty agent, i.e., the “Brand Favored Most” and “Brand Desired Most”. ● The Company won the Extraordinary Performance Award of 2015 Influence Brands” conducted by 《Manager Today》 . ● The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., won the “Golden Bridge Award” of Session XIV as well as the “Top 20 Plus Real Estate Agencies” from the Shanghai Real Estate Trade Association (SRETA). ● The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., was awarded among the “Top 30 Best Employers of China, 2015”. ● The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., was awarded among the “Best Employer of China for three times in a row.
Year 2014	<ul style="list-style-type: none"> ● For as astonishingly as 21 years in a row, Sinyi Realty Inc. won the supreme honors of No. 1 among all realty service houses in the “Survey of Ideal Brand from View of Consumers” conducted by the 《Management Magazine》 . ● The Company was honorably awarded “Top Ten Sustainable Performance Models in Taiwan 2014”; “TOP50 Sustainable Performance Award—The Best Report Award of the Year”, “Common Harmonious Society Award” and “Supply Chain Management Award”. ● For seven years in a row, the Company was awarded by《Business Today》First Plaiice Honor in “Grand Survey of Ideal Brand Names in the Eyes of Merchants”. ● The Company won the supreme No. 1 honors of the “Service Top Award” in the real estate agent services conducted by《Next Magazine》as the 10th time honors in a row. ● For eight years in a row, the Company won the honors of “Best Corporate Citizen Award” from 《CommonWealth Magazine》 ; Fourth Place of “Great Enterprise Category Award”, the first time honors even for the real estate agent services. ● The Company won for the second time the honors of A++ Grade Award in the information disclosure o awarded by the “Securities & Futures Institute”. ● The Company won the Premier Award in the Category of Real Estate conducted by 《Business Next》 in “Digital Service Benchmark Enterprises”. ● The Company won the supreme “Reputable Brand” awarded by 《Reader’s Digest》 . ● The Company won the “Best Customer Service Center Award” in the “2014 Taiwan Service Industry Assessment”” conducted by 《Commercial Times》 . ● The Company won the “Work and Life Balance Award” in Session One from the Ministry of Labor. ● In the “The First Place of Revenues in House Broker Classification of Service Industry – Survey on Top Two Thousand Enterprises” conducted by 《CommonWealth Magazine》 , the Company won the supreme honors as No. 1 among the real estate agent services in 20 years in a row. (In and before Year 2012, the event was conducted as the Survey on top 1,000 manufacturers and top 500 service houses.) ● The Company won for the 8th time Award for “Corporation Hierarchy of responsibility toward the Society” in the 《Global Views Monthly》 Corporate Social Responsibility Award, the first time of such honors granted to real estate agent services in the category of the “Overall Performance” Model. ● The Company for the 5th time accredited by 《Taiwan Corporate Governance Association》 in terms of corporate governance evaluation verification. ● The Company won the Extraordinary Performance Award of 2014 Influence Brands” conducted by 《Manager Today》 . ● The Company won the Premier Honors of No. 1 Prize in 11 years in a row in the category of real estate in the “Healthy Brand Survey” conducted by 《CommonHealth Magazine》 .

	<ul style="list-style-type: none"> ● The Company won the Premier Award as No. 1 in the category of real estate` in “Brand Desired Most” of “Young Generation Brand Survey” conducted by 《30 Magazine》 . ● The Company won the “Award of Superior Service Channels in the "Green Brand Survey” conducted by 《Business Next》 for three years in a row. ● The Group’s Subsidiary Suzhou Sinyi was awarded the “Best Service Faithful Brokers in Suzhou Real Estate Broker Industry 2014” from Soufun Holdings Limited. ● The Group’s Subsidiary Shanghai Sinyi won the honorable title as “Five Star Faithfull Venture Enterprise” from the Shanghai Real Estate Trade Association (SRETA). ● The Group’s Subsidiary Shanghai Sinyi won the “Golden Bridge Award” of Session XIII as well as the “Top 20 Plus Real Estate Agencies” from the Shanghai Real Estate Trade Association (SRETA). ● The Group’s Subsidiary Suzhou Sinyi was awarded the honors among the “Top Best Employers in Suzhou, China, 2014” conferred by Zhi Lian Recruitment. ● The Group’s Subsidiary Shanghai Sinyi was awarded the honors among the “Top Best 30 Plus Employers in Shanghai China, 2014” conferred by Zhi Lian Recruitment in concert with Peking University (PKU) Corporate Social Responsibility & Employee Brand Name Communications Research Center.”.
Year 2013	<ul style="list-style-type: none"> ● The Company was honorably awarded 《Taiwan Institute for Sustainable Energy》 “Taiwan Top 50 Enterprise Sustainable Report on Services” and “Transparent Faithful Performance Model”. ● The Company was awarded by the Taipei City Government for six years in a row for Outstanding Performance as “Green Procurement Enterprise and Group”. ● The Company was awarded by Taipei City Government Department of Labor for two years in a row for the “Certification Label for Hiring Mentally and Physically Handicapped People. ● The Company was awarded by the Environmental Protection Administration, the Executive Yuan for the fourth time “Green Procurement Organization”. ● The Company was awarded for the seventh time by 《CommonWealth Magazine》 “The Grand Award as the CommonWealth Model Citizen” . ● The Company was honorably rated by Securities & Futures Institute of the Republic of China “A++Enterprise”, among the top 20 Plus among all firms listed on the Taiwan Stock Exchange or Over-the-Counter Securities Exchange. ● The Company was honorably awarded by 《Manager Today》 with Premier Award among real estate agent services in the “Survey on Most Influential Brand Names 2013”. ● The Company was honorably awarded by 《30 Magazine》 with extraordinarily double champions as the “Most Popular Brand Name in Use” and “Brand Name Best Desired to Own” in the “Survey on Young Era Brand Names” ● The Subsidiary Shanghai Sinyi was awarded for the 11th time the 20-Plus Golden Bridge Award in Shanghai City. ● Subsidiary of the Company Zhejiang Sinyi was honored as the “Most Satisfactory Real Estate Agent Services Brand in Zhejiang Markets. ● The Subsidiary Suzhou Sinyi was awarded “Golden Tripod Award among Suzhou Real Estate Industry 2012, with Extraordinary Contribution by House 365. ● The Subsidiary Suzhou Sinyi was awarded “Best Employer in Suzhou” and “Golden Neighborhood Award for Best Continuation in Gusu Area”.
Year 2012	<ul style="list-style-type: none"> ● For the second time, the Company was honorably awarded 《CommonWealth Magazine》 ”Grand Award for Golden Brand Services” as No. 1 among all real estate agent services. ● For the 7th time, the Company was honorably awarded by 《Global Views Monthly》 “Award for Corporate Responsibility toward Society”.

	<ul style="list-style-type: none"> ● The Company was honorably awarded by Industrial Development Bureau, Ministry of Economic Affairs “The Twenty-Plus of Innovative Enterprises in the Grand Survey on Innovative Enterprises in Taiwan 2012” ● The Company was honorably awarded for the third time by 《Global Views Monthly》 as Outstanding Service Award” as No. 1 in the real estate agent services. ● The Company was honorably awarded by 《Commercial Times》 the Prime Golden Brand in the “Grand Evaluation of Service Industry Throughout Taiwan”. ● The Company was honorably awarded in two years in a row by 《Business Next》 in the Premier Award as “Landmark Enterprise in Digital Services”. ● The Company was honorably awarded 《Taiwan Institute for Sustainable Energy》 “The Golden Award of Sustainable Performance Report among Enterprises in Taiwan 2012”, “Best CSR Website Information Disclosure”. ● The Company was honorably awarded by Department of Labor, Taipei City Government “Remarkable Mechanical Engineering of Blind Massagers in Taipei City in 2012”. ● The Company was honorably awarded by Department of Labor, Taipei City Government with Certificate Badge of “Full Employment of Mentally and Physically Handicapped People”. ● The Subsidiary Shanghai Sinyi was awarded “Four-Star Faithful Innovative Organization”, as the first enterprise among real estate agent services in entire Shanghai City.
Year 2011	<ul style="list-style-type: none"> ● The Company was honorably selected among the Top 100 Brand Names in Taiwan” in celebration of the centennial for the founding of the Republic of China, as the sole one among the real estate agent services. ● The Company was honorably awarded by 《CommonWealth Magazine》 the “Best Corporate Citizen”, as No. 5 among the huge enterprise category. ● The Company was honorably awarded by the Industrial Development Bureau, Ministry of Economic Affairs “Among the Top 100 Innovative Enterprises”. ● The Company was honorably awarded by the Ministry of Economic Affairs Outstanding Performance Award in “Innovative Enterprises Innovative Service Category”. ● The Company was honorably awarded by the Industrial Development Bureau`, Ministry of Economic Affairs “The Touching Story in Faithful Undertaking among Enterprises in Taiwan”. ● The Company was honorably awarded by 《Department of Labor, Taipei City Government》 “Three-Star Award of Blessed Enterprise” as the sole one awarded among real estate agent services... ● The Company was honorably awarded for the fourth time by 《Reader’s Digest》 “Trustworthy Brand Name”, “Platina Award in Real Estate Brokerage Agency”. ● Four shop heads of the Company were awarded by 《Taiwan Chain Stores and Franchise Association》 “Outstanding Shop Heads among All Shops of the Entire Country, XIV”, as the sole awardee among entire real estate agent services. ● The Company was honorably awarded by 《Taiwan Institute for Sustainable Energy》 “Best Sustainable Performance Report 2011: for the large scale service cases. ● The Company was awarded by the Taiwan Stock Exchange Corporation (TSEC) “Award for Outstanding Performance in Disclosure of Social Responsibility Reports among Giants Listed on the Taiwan Stock Exchange and Over-the-Counter Securities Exchange”. ● The Company was honorably awarded by Taiwan Corporate Governance Association for “CG6006 Advanced Level Certification”, with such honors in four years in a row (CG6003~CG6006). ● The Company was honorably awarded by the Ministry of Economic Affairs for two years in a row “Best Innovative Contribution Award”, as the sole winner among entire real estate agent services.

	<ul style="list-style-type: none"> ● The Company was honorably awarded by《CommonHealth Magazine》for eight years in a row, No. 1 among the entire real estate agent services. ● The Company was honorably awarded by 《Business Next》 “The Landmark Enterprises in Digital Services in Session One”, as No. 1 among entire real estate agent services. ● The Company was honorably awarded by 《Infotimes》 with three Golden Awards in “Golden Finger Network Award XII”, including “iPad House Review APP” to win “Network Application Programs (Web App) Commerce Award” and “Best Web App Program Award of the Year (Web App) ”, as well as “I Present Best Housing” Web amidst “Web Advertisement Golden Award” among other awards, including “iPad House Review APP” which the Cross-Industry Grand Award of the Year. ● Chairman Chou Chun-Chi of the Company was awarded by 《Department of Labor, Taipei City Government》 the honors of “Blessed Pushing Hand Award”. ● The Company was selected by 《Cheers Magazine》among the Top 100 Best Admired Enterprises”, as the sole winner among the entire real estate agent services. ● The Company was selected by 《Management Magazine》 “Among the Fifteen Best Desired Employers in the Eyes of University Students.
Year 2010	<ul style="list-style-type: none"> ● Chairman Chou Chun-Chi of the Company was awarded by 《Chinese Management Association》 “K. T. Lee Management Award”. ● The Company was honorably awarded by 《Infotimes, PChome Online》 three Golden Awards of “Golden Finger Network Award XI”, including “Integrated Marketing Category—Architectural Decoration”, “Web Service Category –the Contents”, “Cell Phone Application Program Category –Best Content Award”. ● The Company was honorably awarded by Workforce Development Agency, Ministry of Labor for three years in a row “TTQS Training Quality Evaluation System”, Golden Brand Level Enterprise Award. ● The Company was honorably awarded by 《Department of Commerce, MOEA》 “Outstanding Brand Award in Commercial Services in Taiwan III”. ● Chairman Chou Chun-Chi of the Company was awarded by 《Global Views Monthly• Commonwealth Group》 “Extraordinary Leader Award among Chinese Enterprises 2010”. ● The Company was honorably awarded by《Environmental Protection Administration, Executive Yuan》 “Best Shop Award 2010”. ● The Company was honorably awarded by Ministry of Economic Affairs “Outstanding Award of Industrial Technology Development”. ● The Company was honorably awarded by 《Ministry of Culture》 “Warm Literature Award X”, with Golden Award and Best Talent Cultivation Award. ● The Company was honorably awarded in four years in a row by 《CommonWealth Magazine》 “CommonWealth Citizen Award” as No. 1 among backbone enterprises. ● The Company was honorably awarded by《Cheers》 Magazine and 《Global Views Monthly》 【The Best Responsible Entrepreneur】 Top5, 【The Top 100 General Managers】 at Top 12. ● The Company was honorably awarded in two years in a row by 《Global Views Monthly》 “Five-Star Award in the Grand Survey on Corporate Social Responsibility”. ● The Company was honorably awarded in seven years in a row by Next Magazine “The Prime No. 1 Service Award”, as No. 1 among entire real estate agent services. ● The Subsidiary Zhejiang was awarded the name of the “Best Satisfactory Brand Name in Quality in Zhejiang” and the “Model Enterprise of Real Estate Agency Services in Hangzhou”. ● Subsidiary Beijing Sinyi won the title of “Grade I Real Estate Agent Services in Beijing City 2009”.

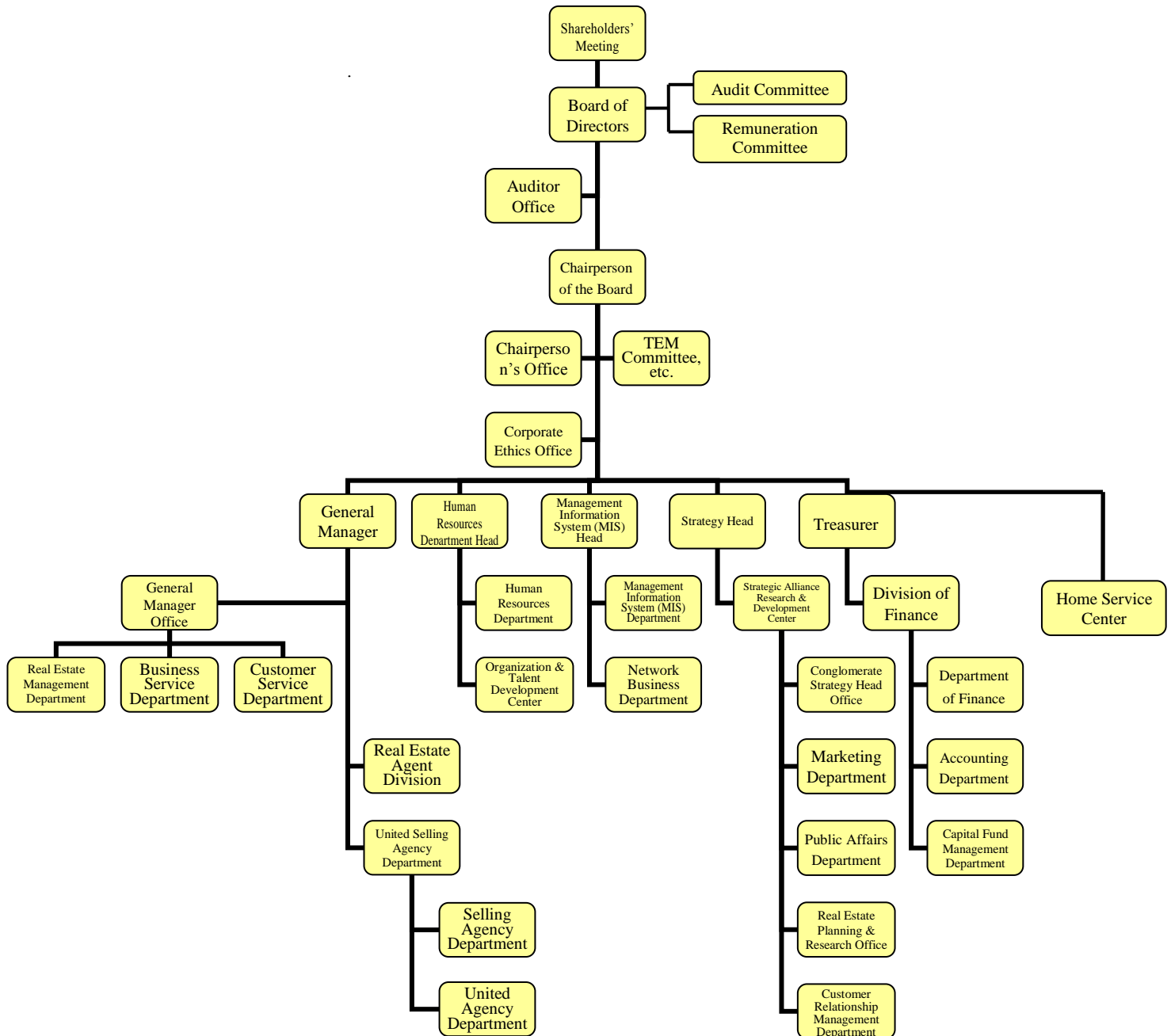
	<ul style="list-style-type: none"> ● Subsidiary Shanghai Sinyi won the title of “One-Star Level Trustworthy Enterprise”
Year 2009	<ul style="list-style-type: none"> ● The Company was honorably awarded by Workforce Development Agency, Ministry of Labor in two years in a row “National Training Quality Scoring Card TTQS” Golden Brand Level Certification, and was conferred upon TTQS Landmark Enterprise Award. ● The Company was honorably awarded by Council of Labor Affairs (currently known as Ministry of Labor) “Human Resources Innovation Award V”, as the sole enterprise having been awarded the honors twice.. ● Chairman Chou Chun-Chi of the Company was awarded by 《Money》 Magazine through balloting the Best CEP earning most money for shareholders TOP 30 CEO. ● The Company was honorably awarded by CommonHealth Magazine for six years in a row “Best Health Brand Name Survey” as No. 1 among real estate agent services.
Year 2008	<ul style="list-style-type: none"> ● Sinyi Website was honorably awarded for Golden Finger Network Award IX with “Web Advertising Key Word Advertising Category—Gold”, “Other Categories—Copper Award”, “Enterprises & Products Category—Real Estate—Silver Award”, “Activity & Web Category Real Estate/Decoration Category—Silver Award, Copper Award, Best Award”; Media and Service Categories—Others—Best Award” among numerous other honors.
Year 2007	<ul style="list-style-type: none"> ● Chairman Chou Chun-Chi of the Company was awarded by the Executive Yuan (the Cabinet), the Individual Award in “National Quality Award, XVII”. ● The Company was honorably awarded by Commonwealth Magazine in thirteen years in a row “Top 100 Service Giants”; No. 1 among real estate agent services real estate brokerage (1995~2007) ● The Company e-Digital Reception Service was honorably awarded by the Republic of China Information Month “Outstanding Information Application Product Award”. ● The Company Web was honorably awarded “Golden Finger Network Award VIII”, “Best Web of the Year Award”, “Website Real Estate/Decoration Category/Golden Finger Award, Silver Finger Award, Best Award”, “Web Advertising Category—Others” among lots of other honors.
Year 2006	<ul style="list-style-type: none"> ● Online House Review, peripheral information search and such characteristics information services. The Company Website was awarded by Department of Commerce, Ministry of Economic Affairs and Institute for Information Industry as the sole one of the entire country awarded e21 Golden Web Award. ● The Company was honorably awarded by CHEERS Happy Worker Magazine the Best Employer. Among 42 keen candidates competing for the Best Employer Award, the Company along with five others significantly stood out, as the representative landmark to best encourage talented human resources and to cultivate happy employee momentum. ● The Company was honorably awarded by ASiAMONEY Magazine “The Best Management Enterprise in Taiwan 2005”. ● The Company became highly approved in the performance in Chinese markets, and was conferred by The State Council, The People’s Republic of China “the First Runner-up among 100 Brokers in China. ● The Company was honorably awarded jointly by Shanghai Trademark Association, Shanghai Real Estate Trade Association (SRETA) and Shanghai Consumer Council “Best Concerned Brand Name in Shanghai”.
Year 2005	<ul style="list-style-type: none"> ● The Company was evaluated as the extraordinary performance by Department of Commerce, MOEA in concert with Taiwan Chain Franchise Association Headquarters. ● Chairman Chou Chun-Chi of the Company was awarded as jointly sponsored by Diwan & Company and Business Weekly in Session One “Grand Innovative Expert Award”.

	<ul style="list-style-type: none"> • The Company was honorably awarded Outstanding Service Award by Commonwealth Magazine “2005 while Commonwealth Magazine evaluated all enterprises about innovative services. The Company won such honors with” Readily Available House Escrow in Full Mark Services”. • The Company was honorably awarded by Executive Yuan (the Cabinet) in the National Quality Award in Session XVI, in the customer satisfaction level survey, where the Company was rated as high above par enterprises, with “full-rate system” to strive for full-mark services, as the sole winner for such honors after the financing industry. • The Company was honorably awarded by Council of Labor Affairs in Human Resources Innovation Award in Session One, as the sole one of the national level for the human resources development, as the supreme honors in the human resources world. • The Company was rate No. 1 in the real estate agent services with “Strategic Service Award” pursuant to the grand survey conducted by the Global Views Monthly over 87 service giants. • The Company provides 360-degree interacting house interview services and won the “Best Enterprise Award” and “Best Web Technology Application Award” of Golden Finger Network Award VII jointly conferred upon by the China Times and PC Home. • The Company received renewed approval for performance in Chinese markets, and was awarded “2004~2005 Best Franchise Brand name in China”.
Year 2003	<ul style="list-style-type: none"> • In the 【e-21 Golden Net Award】jointly sponsored by the Department of Commerce, Ministry of Economic Affairs and Institute for Information Industry, the Company won the Outstanding Award, as the sole winner among the entire real estate agent services.
Year 2001	<ul style="list-style-type: none"> • In “e-Value Grand Survey over 100” conducted by eCommonWealth Magazine , the Company was the sole one rated into the rating among real estate agent services.
Year 1998	<ul style="list-style-type: none"> • The Company was honorably awarded in two years in a row by Commonwealth Magazine as the landmark enterprise for the enterprise goodwill survey. • Chairman Chou Chun-Chi of the Company was awarded by the Environmental Protection Bureau “Extraordinary Environmental protection Award” in Session Five.
Year 1996	<ul style="list-style-type: none"> • “Real Estate Guide Book” produced by the Company was awarded as the Outstanding Quality Program VII for the remarkable production procedures.
Year 1995	<ul style="list-style-type: none"> • The Company was honorably awarded by Commonwealth Magazine the Supreme Honor of No. 1 in the brokerage service category in the “Survey over Top 1000 manufacturers and Top 500 Service Houses“.
Year 1993	<ul style="list-style-type: none"> • Chairman Chou Chun-Chi of the Company was awarded as the winner of the “Contemporary Outstanding Entrepreneurs—Supreme Honor Award” in Quarter 2.
Year 1989	<ul style="list-style-type: none"> • The Company was rated No. 1 in the “Scoring Survey in Marketing Power of the Top Nine Lines” conducted by Harvard Management Services, Inc..

Three. Corporate Governance Report

I. Organization

(I) Organization chart (As of March 31, 2016)



(II) Business operation of a variety of departments:

Departments		Contents of duties
Chairman's Office		Implement the major decisions resolved in the board of directors, and guide the managers to enact major policymaking process.
Auditor Office		Help the board of directors and the management check and audit the defects found in the internal control system and business performance, and offer timely proposal for improvement so as to assure that the internal control system could be implemented in an effective way as the grounds for review and amendment of the internal control system.
Corporate Ethics Office		Assume the responsibility for put into implementation thoroughly of "faithfulness, ethics" philosophy, set up moral ethics norms and create corporate moral culture and intensify the constitution of the entire conglomerate.
Conglomerate Strategy Head Office		Assume the responsibility to carry out reform programs, research & development for new business lines, innovate business mode, map out and review annual plans of the Conglomerate, manage procedural innovation and technology & know-how, communicate and coordinate with cross-department issues.
The General Manager's Office		Set up a variety of business plans, coordinate with and integrate various departments as the actual market situations and competition status may justify
Business Service Department		Assume the responsibility for communications, offer incentives for sales promotion, publicize business philosophy, manage and dispatch secretaries to branches internally.
Customer Service Department		Assume the responsibility for customer consultation, customer services, enhance customer approval and solve legal issues or disputes with customers, if any.
Real Estate Management Department		Assume the responsibility for management and leasehold of the premises of Sinyi Headquarters
Real Estate Agent Division		Assume the responsibility for brokerage promotion, implement reforms, solicit, cultivate brokerage human resources and take charge of their duties.
United Selling Agency Division		Provide customers with domestic and foreign firsthand sluggish sales, and integrate marketing channels the selling agency and real estate agent departments to expand brokerage services to satisfy customer needs.
Division of Finance	Department of Finance	Assume the responsibility for investment management, budget programs, cost statistics & analyses and such operating management, evaluation of performance, as the very grounds for policymaking process.
	Accounting Department	Assume the responsibility for accounting and taxation related issues.
	Capital Fund Management Department	Assume the responsibility for capital fund management, financing planning, cashier affairs, financial product operation and hedge related business operation.
Marketing Department		Map out a variety of operating & marketing plans for the long-term and short-term goals, set up a variety of policies and measures to satisfy customers and boost business performance.

Departments	Contents of duties
Customer Relationship Management Department	Assume the responsibility for development and maintenance of customer relationship.
Real Estate Planning & Research Office	Carry out analyses on real estate markets and businesses, provide business management policymaking process and operating revenues and launch interchanges with business, academic celebrities in interactions.
Public Affairs Department	Assume the responsibility for implementation of public benefits related programs.
Home Service Center	Assume the responsibility for recommendation for interior design, refurbishment, relocation, cleaning and such services as well as for the operation of internet shopping mall which sells home daily necessities.
Human Resources Department	Assume the responsibility for development on human resources and personnel management, boost rationalization of business operation procedures to demonstrate the overall efficiency, take good care of fringe benefits for employees and provide a variety of educational & training programs to assure harmonious human resources relationship and to put right human resources to the right positions.
Organization & Talent Development Center	Assume the responsibility for organizational development and mapping out and implementing the human resources cultivation programs for the Conglomerate.
Management Information System (MIS) Department	Assume the exclusive responsibility for integration of relevant application systems for the entire conglomerate, planning/setup and management for information and network frameworks, information security planning, setup and management, new information technology & know-how/tool research & development/innovation and introduction.
Network Business Department	Assume the responsibility for development and maintenance for websites, web marketing and application for such tools, photograph for interaction house review and inspection over the potential defects of the real estate.

II. Directors and Management Team:

(I) Information on Directors

March 31, 2016

Title	Nationality or the venue of registry	Name	Date of on Board (mm/dd/yy)	Term (mm/dd/yy)	Date of on Board for the First Time (mm/dd/yy)	Shareholding When on Board		Shareholding for the Time Being		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party	Main Experience/Educational Background (Note 1)	Concurrent Positions in the Company and Other Companies at present	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
						Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio				Title	Name	Relation
Chairperson	Taiwan, R.O.C.	Chou Chun-Chi	06/14/2013	06/13/2016	/01/21/1987	5,925,819	1.27%	8,042,093	1.27%	3,098,324	0.49%	-	General Manager of the Company Bachelor of Dept. of Law, Chinese Culture University	Director or Chairperson of the Company's affiliated enterprises (Note 2) Supervisor of Kun Gee Venture Capital Co., Ltd. Managing Director of Commerce Development Research Institute Director of Sinyi Real Estate Consulting Inc. Chairperson of Sinyi Culture Foudation	Vice Chairperson	Chou Wang Mei-Wen	Spouse
Vice Chairperson	Taiwan, R.O.C.	Chou Wang Mei-Wen	06/14/2013	06/13/2016	01/21/1987	2,283,001	0.49%	3,098,324	0.49%	8,042,093	1.27%	-	Chairperson of the Company EMBA, National Taiwan University of Science and Technology	Director or Chairperson of the Company's affiliated enterprise(Note 2) Chairperson of Sinyi Interior Design Co., Ltd. Director of Sinyi Culture Foudation	Chairperson	Chou Chun-Chi	Spouse
Independent Director	Taiwan, R.O.C.	Lin Hsin-Yi	06/14/2013	06/13/2016	06/15/2007	-	-	-	-	-	-	-	Chairman of Industrial Technology Research Institute Vice Premier, Executvie Yuan and concurrent Minister, Council for Economic Planning and Development Minister of Economic Affairs Vice Chairman, China Motor Corporation General Manager, China Motor Corporation Bachelor of Dept. of Mechanical Engineering, National Cheng Kung University	Director, Acer Inc. Independent Director, E. Sun Financial Holding Co., Ltd. and E.Sun Bank Co., Ltd. Representative of Juristic Person Director, China Motor Corporation Representative of Juristic Person Director, Yulon Motors Co., Ltd. Chairperson, Guan Yuan Investment Co., Ltd.	-	-	-

Title	Nationality or the venue of registry	Name	Date of on Board (mm/dd/yy)	Term (mm/dd/yy)	Date of on Board for the First Time (mm/dd/yy)	Shareholding When on Board		Shareholding for the Time Being		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party	Main Experience/Educational Background (Note 1)	Concurrent Positions in the Company and Other Companies at present	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
						Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio				Title	Name	Relation
Independent Director	Taiwan, R.O.C.	Lin Hsin-Ho	06/14/2013	06/13/2016	06/15/2007	-	-	-	-	361,064	0.06%	-	Chair of Dept. of Law, Director of Institution of Law, Chinese Culture University Chairperson, Hua Kang Legal Foundation Director, Vice Secretary-general, Consumers' Foundation, Chinese Taipei Secretary-general, Chairperson, New Environment Foundation Doktor der Rechte (Dr.iur.), University of Munich	Professor, Dept. of Law, Chinese Culture University President, Lin & Associates Supervisor of Mao-Heng International Co., Ltd. Supervisor of Lee & Lee Communications Co. Managing supervisor of National Culture and Arts Foundation	-	-	-
Independent Director	Taiwan, R.O.C.	Liu Shun-Zen	06/14/2013	06/13/2016	06/11/2010	-	-	-	-	-	-	-	Associate Professor, Dept. of Accounting, College of Management, National Taiwan University Assistant Professor, Institute of Business Administration, University of Maryland, USA Lecturer of University of Pittsburgh, USA Doctor of Philosophy on Accounting, University of Pittsburgh, USA Bachelor of Dept. Economics	Professor, Dept. of Accounting, College of Management, National Taiwan University	-	-	-

Title	Nationality or the venue of registry	Name	Date of on Board (mm/dd/yy)	Term (mm/dd/yy)	Date of on Board for the First Time (mm/dd/yy)	Shareholding When on Board		Shareholding for the Time Being		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party	Main Experience/Educational Background (Note 1)	Concurrent Positions in the Company and Other Companies at present	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor		
						Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio				Title	Name	Relation
Independent Director	Taiwan, R.O.C.	Lee Cheng	06/14/2013	06/13/2016	06/14/2013	-	-	-	-	-	-	-	Deputy President, National Central University Vice President, National Central University Dean of College of Management, National Central University Vice President, Chung-Hua Institution for Economic Research Professor, Dept. of Economics, Minnesota State University, USA Commission member of Remuneration Committee, TECO Electric & Machinery Co., Ltd. Doctor of Philosophy on Economics, University of Massachusetts, USA Master of Dept. of labor relationship, University of Massachusetts, USA	Professor, Graduate Institute of Human Resource Management, National Central University Professor, Kwoh-Ting Lecture, National Central University Director, FengTsuan-Hua & Lin Ching-Liang Environmental Protection Foundation Director, China Institute of Industrial Relations	-	-	-
Director	Taiwan, R.O.C.	Sinyi Development Inc.	06/14/2013	06/13/2016	04/03/1998	132,837,583	28.53%	180,277,601	28.53%	-	-	-	-	-	-	-	-
	Taiwan, R.O.C.	Sinyi Co., Ltd. Representative: Chueh Chien-Ping	06/14/2013	06/13/2016	05/27/2004	-	-	3,223	-	9,136	-	-	Vice General Manager of the Company EMBA, Commerce Group, College of Management, National Taiwan University Dept. of Business Administration, National Cheng Kung University	General Manager of the Company Sinyi Global Asset Management Co., Ltd.	-	-	-

Note 1 : The Company's directors and the relevant experiences linked up with current positions. During the aforementioned period, the directors have never served with the Certified Public Accountant Office in charge of the Company's audit or affiliated enterprises thereof.

Note 2 : Please refer to the relevant information and data of the affiliated enterprises (p.325~335).

Note 3 : Its previous name was Sinyi Development Inc.

Note 4: Directors as representatives of juristic person shareholders: For more details regarding major shareholders of the juristic person shareholders and major shareholders of the juristic person shareholders as juristic (corporate) persons, please refer to the ensuing page (II), descriptions under the list of major shareholders.

(II) Name list of major shareholders

1. Where the directors were juristic person shareholders, the shareholding ratio held by such juristic person shareholders to the top ten shareholders, the names and percentages

March 31, 2016

Names of the Juristic Person Shareholders	Major Shareholders of Juristic Person Shareholders	Shareholding Ratio
Sinyi Co., Ltd.	Yu Heng Co., Ltd.	100.00%

2. Where the major shareholders of juristic person shareholders among those on the aforementioned list, the shareholding ratio held by such juristic person shareholders to the top ten shareholders, the names and percentages

March 31, 2016

Names of the Juristic Persons	Major Shareholders of the Juristic Persons	Shareholding Ratio
Yu Heng Co., Ltd.	Chou Chun-Chi	70.06%
	Chou Keng-Yu	9.99%
	Chou Chun-Hao	9.99%
	Chou Chun-Heng	9.96%
	Chou Wang Mei-Wen	0.00%

(III) Were the directors consistent with the independence?

March 31, 2016

Name	Terms	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Information (Note 2)										Number of the Other Public Companies in Which the Concerned Director Acts Concurrently as an Independent Director
		An instructor in or a higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or a private junior college, college, or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialists who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company	Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company	1	2	3	4	5	6	7	8	9	10	
Chou Chun-Chi			✓	✓							✓		✓	✓	2
Chou Wang Mei-Wen			✓	✓							✓		✓	✓	-
Legal representative of Sinyi Development Inc.: Chueh Chien-Ping			✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	-
Lin Hsin-Yi			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1 (Note 1)
Lin Hsin-Ho	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Liu Shun-Zen	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Lee Cheng	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

Note 1: As interpreted by the Financial Supervisory Commission, Executive Yuan with its Letter 0960010070, where an independent director of a financial holding corporation serves an independent director of a subsidiary 100% owned by such financial holding corporation, they should be deemed as the same corporation.

Note 2: Where the directors and supervisors have served in such condition meeting any event that falls within a situation among those

enumerated below within two (2) years before being appointed, please mark "✓" on the codes so represented below.

- (1) Not an employee of the company or any of its affiliated enterprises.
- (2) Not a director or supervisor of the company or any of its affiliated enterprises. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.
- (3) Not a natural person shareholder who holds shares, together with those held by the person's spouse, minority or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding share of the company or rank as top-10 shareholders.
- (4) Not a spouse, relative within the second-degree relatives, or lineal relative within the third degree, of any of the persons specified in the preceding three notes.
- (5) Not a director, supervisor, or employee of a juristic person shareholder that directly holds 5 percent or more of the total number of issued shares of the Company or that holds shares ranked as top 5 in shareholding.
- (6) Not a director, supervisor, manager, or shareholder holding 5 percent or more of the shares, of a specific company or institution that has a financial or business relationship with the Company.
- (7) Not as a professional individual nor an owner, partner, director, supervisor, manager or their spouses of a sole proprietorship, partnership, company, or institution providing commercial, legal, financial, accounting or consultation services to the company or its affiliated enterprises; except a member of the Remuneration Committee who exercises powers, duties and responsibilities in accordance with Article VII of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Securities Dealers' Business Premises.
- (8) Not in a relationship as spouse or a relative within the second degree of kinship with any other directors.
- (9) Not been a person or any conditions defined in Article 30 of the Company Act.
- (10) Not under Article 27 of the Company Act with government, juristic person or the representative thereof successfully elected.

(IV) Information on General Manager, Vice General Managers, Senior Managers and the Managers of Each Department and Branch

March 31, 2016

Title	Nationality	Name	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
General Manager	Taiwan, R.O.C.	Chueh Chien-Ping	04/01/2003	3,223	-	9,136	-	-	-	Vice General Manager of the Company EMBA, Commerce Group, College of Management, National Taiwan University Bachelor of Dept. of Business Administration, National Cheng Kung University	(Note 2)	-	-	-
Ethics Director	Taiwan, R.O.C.	Yang Pai-Chuan	08/01/2014	-	-	-	-	-	-	Associate Professor, Dept. of Business Administration, Fu Jen Catholic University PhD, College of Management, Fu Jen Catholic University	Nil	-	-	-
Chief Strategy Officer	Taiwan, R.O.C.	Chou Chuang Yun(Note 3)	01/01/2010	313,471	0.05%	18,946	-	-	-	Senior manager, Marketing Department of the Company Master of College of Management, National Taiwan University	(Note 2)	-	-	-
Chief Information Officer	Taiwan, R.O.C.	Tsai Chi-Yen	01/01/2010	-	-	-	-	-	-	Senior Executive Vice President, HSBC Bank (China) Executive Vice General Manager, K Bridge Electronics Co., Ltd. Senior manager, Citibank Taiwan PhD, Graduate Institute of Management Science, Central South University, China Master of Institute of Computer Science and Information Engineering, National Cheng Kung University	(Note 2)	-	-	-
Chief Financial Officer	Taiwan, R.O.C.	Chen Chien-Chih	08/01/2014	-	-	-	-	-	-	Senior Vice President, Dept. of Enterprise and Financial	(Note 2)	-	-	-

Title	Nationality	Name	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
		(Note 5)								Institutions Group, HSBC in Taiwan Treasurer, Sampo Corporation Master of Institute of Business Administration, National Chengchi University				
Human Resources Department Head	Taiwan, R.O.C.	Lee Wei-Che (Note 4)	08/19/2013	-	-	-	-	-	-	Human Resources Department Head, Testrite Group Manager, Employment Department, Taiwan Semiconductor Manufacturing Company Limited (TSMC) Master of Human Resources and Labor Relation, Michigan State University, USA	Nil	-	-	-
Auditor-General	Taiwan, R.O.C.	Chou Su-Hsiang	08/01/2014	692,838	0.11%	454,081	0.07%	-	-	Treasurer of the Company EMBA, Business Administration-Advanced Finance Class, National Chengchi University Bachelor of Dept. of Land Economics, National Chengchi University	(Note 7)	-	-	-
Vice General Manager of Home Service Center	Taiwan, R.O.C.	Liu Yuan-Chih	07/01/2012	-	-	9,573	-	-	-	Vice General Manager of the Company's affiliated enterprise Bachelor of Dept. of International Trade, Feng Chia University	(Note 2)	-	-	-
Vice General Manager of Public Affairs Department	Taiwan, R.O.C.	Kao Chih-Hua	12/01/2014	-	-	-	-	-	-	Vice General Manager, Public Relationship Office, TransAsia Airways Corp. Master of Institution of Business Administration, Long Island University	-	-	-	-

Title	Nationality	Name	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
Vice General Manager of United Selling Agency Division	Taiwan, R.O.C.	Lee Shao-Kang	01/01/2011	10,610	-	160,348	0.03%	-	-	Vice General Manager of Real Estate Agent Division in the Company Vice General Manager of Real Estate Agent Division in the Company EMBA, Graduate School of Business Administration, National Taiwan University of Science and Technology	Nil	-	-	-
Vice General Manager of the General Manager's Office	Taiwan, R.O.C.	Su Shou-Jen	01/01/2010	168,328	0.03%	500,000	0.08%	-	-	Vice General Manager of Selling Agency Division in the Company Vice General Manager of Real Estate Agent Division in the Company Bachelor of Dept. of Mathematics, Tamkang University	Nil	-	-	-
Vice General Manager of Real Estate Agent Division	Taiwan, R.O.C.	Feng Chi-Yi	01/01/2010	1,792	-	-	-	-	-	Senior Manager of Real Estate Agent Division in the Company EMBA, Institute of Automation Technology and Management, National Taipei University of Technology	Nil	-	-	-
Vice General Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Li-Hsing	04/01/2011	438,561	0.07%	-	-	-	-	Senior Manager of Real Estate Agent Division in the Company Senior Manager of Management Information System (MIS) Department in the Company EMBA, Institute of Business Administration, National Chung Hsing University	(Note 2)	-	-	-
Senior Manager of Entrepreneurial Ethics Office	Taiwan, R.O.C.	Chen Wen-Hsiang	03/01/2009	4,592	-	-	-	-	-	Senior Manager of Real Estate Agent Division in the Company Bachelor of Dept. of Mass	Nil	-	-	-

Title	Nationality	Name	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
										Communication, Tamkang University				
Senior Manager of Customer Service Department	Taiwan, R.O.C.	Liu Wei-Te	03/01/2012	-	-	769	-	-	-	Attorney, Huang & Partners Law Firm Bachelor of Dept. of Law, National Taiwan University	Nil	-	-	-
Senior Manager of Management Information System (MIS) Department	Taiwan, R.O.C.	Chiang Yuan-Chi	10/01/2006	210,024	0.03%	-	-	-	-	Master of Institute of Computer Management, National Chiao Tung University	Nil	-	-	-
Senior Manager of Finance Department	Taiwan, R.O.C.	Chen Chih-Huan	02/24/2011	23,338	-	-	-	-	-	Manager, Deloitte Touche Tohmatsu Limited Master of Dept. of Accounting, Soochow University	(Note 2)	-	-	-
Senior Manager of Capital Fund Management Department	Taiwan, R.O.C.	Chuang Tsung-Hsun	11/01/2012	13,571	-	2,712	-	-	-	Manager, Financial Department, Compeq Manufacturing Co., Ltd. EMBA, Graduate Institute of Finance, National Central University Bachelor of Dept. of Public Finance, National Taipei University	(Note 2)	-	-	-
Senior Manager of Accounting Department	Taiwan, R.O.C.	Lin Chiu-Chin	08/01/2014	28,867	-	637,004	0.10%	-	-	Master of Finance Group, Institute of International Business Administration, Chinese Culture University	(Note 2)	-	-	-
Senior Manager of Business Service Department	Taiwan, R.O.C.	Chang Ching-Chih	01/01/2014	76,929	0.01%	-	-	-	-	Bachelor of Dept. of Business Administration, China College of Technology	Nil	-	-	-
Senior Manager of Network Business	Taiwan, R.O.C.	Hsiao Cheng-Hua	01/01/2014	22,120	-	-	-	-	-	Master of Institute of Business Administration, National Chung Hsing University	Nil	-	-	-

Title	Nationality	Name	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
Department														
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Hsu-Chieh	07/01/2002	41,944	0.01%	31,843	0.01%	-	-	Bachelor of Dept. of Chemical and Materials Engineering, National Chin-Yi University of Technology	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Lin San-Chih	10/01/2003	145,803	0.02%	70,609	0.01%	-	-	Bachelor of Dept. of Business Administration, National Chin-Yi University of Technology	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chang Wen-Tsung	01/01/2008	110,558	0.02%	2,212	-	-	-	Bachelor of Dept. of Business Administration, National Chin-Yi University of Technology	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wang Hui-Ping	01/01/2008	93,389	0.01%	-	-	-	-	Bachelor of Dept. of Business Administration, China College of Industry	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Tuan Li-Fan	04/01/2008	363,000	0.06%	81,765	0.01%	-	-	5-year junior college of Marine Navigation, China Junior College of Marine (present name: Taipei College of Maritime Technology)	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chang Teng-Lai	04/01/2008	92,344	0.01%	-	-	-	-	5-year junior college of Industrial Engineering and Management, Minghsin Junior College of Institute Technology (present name: Minghsin University of Science and Technology)	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wang Chih-Nan	01/01/2009	83,744	0.01%	-	-	-	-	5-year junior college of Computer Science and Information Engineering, Minghsin Junior College of Institute Technology (present name: Minghsin University of Science and Technology)	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Ou Chih-Hsiung	10/01/1998	134,604	0.02%	174,703	0.03%	-	-	Bachelor of Dept. of International Business, Soochow University	Nil	-	-	-

Title	Nationality	Name	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Hsieh Tsung-Hsien	02/16/2005	78,882	0.01%	71,732	0.01%	-	-	EMBA, Institute of Business Administration, Chung Yuan Christian University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Liu Yu-Jung	10/01/2006	111,355	0.02%	23,421	-	-	-	Bachelor of Dept. of Business Administration, Feng Chia University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chou Chun-Jung	10/01/2006	88,391	0.01%	386	-	-	-	Bachelor of Dept. of Industrial Engineering, Tunghai University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Lin Wu-Hsiung	10/01/2005	92,344	0.01%	-	-	-	-	Bachelor of Dept. of Microbiology, Soochow University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Su Shang-Yao	09/01/2010	872	-	-	-	-	-	Bachelor of Dept. of Business Administration, Fu Jen Catholic University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wang Chiu-Sze	01/01/2010	99,840	0.02%	68,624	0.01%	-	-	Bachelor of Dept. of Distribution Management, Chin-Yi Institute of Technology	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Huang Mao-Shu	04/01/2011	55,290	0.01%	-	-	-	-	Bachelor of Dept. of Business Creative Development, Shih Chien University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Ming-Yi	04/01/2011	-	-	-	-	-	-	Bachelor of Dept. of Distribution Management, Chin-Yi Institute of Technology	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chu Ta-Yung	07/01/2011	2,691	-	-	-	-	-	MBA (Asia-Pacific), Faculty of Business Administration, Chinese University of Hong Kong	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Hung Cheng-Lung	07/01/2011	-	-	-	-	-	-	Bachelor of Dept. of Architecture, National Cheng Kung University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Liao Ching-Chou	07/01/2011	2,157	-	1,619	-	-	-	Bachelor of Dept. of Bank Insurance, Ling Tung College of Technology	Nil	-	-	-

Title	Nationality	Name	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Chin-Tang	07/01/2011	18,518	-	-	-	-	-	Bachelor of Dept. of Cooperative Economics, Feng Chia University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chang Chia-Jung	01/01/2012	10,114	-	-	-	-	-	Bachelor of Dept. of Civil Engineering, National Chiayi University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chang Wei-Hsiang	01/01/2012	53,156	0.01%	-	-	-	-	5-year junior college of Finance and Tax, Takming College of Commerce	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wang Mao-Sang	01/01/2012	2,875	-	-	-	-	-	Bachelor of Dept. of Law, Shih Hsin University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Shih-Yao	04/01/2012	-	-	6,980	-	-	-	Bachelor of Dept. of Statistics, Ming Chuan University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Lee Kuo-Hsiung	04/01/2012	-	-	5,565	-	-	-	Bachelor of Dept. of Business Administration, National Sun Yat-sen University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Hung Chien-Huan	10/01/2012	-	-	7,192	-	-	-	5-year junior college of Newspaper Administration, Shih Hsin College of Journalism	(Note 2)	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Lin Te-Cheng	03/01/2013	-	-	-	-	-	-	5-year junior college of Electrical Engineering, HsinPu College of Industry	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Yu Ho-An	04/01/2014	80,368	0.01%	56,583	0.01%	-	-	5-year junior college of Textile, Nan Ya College of Industry	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Liu Tung-Yuan	08/01/2014	985	-	10,243	-	-	-	Bachelor of Dept. of Environmental Engineering and Science, Feng Chia University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Tsai Ching-Long	04/01/2015	27,866	-	-	-	-	-	Bachelor of Dept. of Food Science, National Chiayi University	Nil	-	-	-

Title	Nationality	Name	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/Educational Background (Note 1)	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person		
				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chang Cheng-Te	04/01/2015	-	-	-	-	-	-	Bachelor of Dept. of Business Administration, Cheng Shiu University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Lee Je-Fong	02/01/2016	-	-	-	-	-	-	Bachelor of Dept. of Law, National Chengchi University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Wang Chih-Wei	02/01/2016	-	-	-	-	-	-	Bachelor of Dept. of Electrical Engineering, Ming Chi University of Technology	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Ye Zong-Fu	02/01/2016	758	-	-	-	-	-	Bachelor of Dept. of Leisure and Tourism Management, Shu-Te University	Nil	-	-	-
Senior Manager of Real Estate Agent Division	Taiwan, R.O.C.	Chen Shih-Ciang	02/01/2016	17,380	-	-	-	-	-	Bachelor of Dept. of Architecture, National Cheng Kung University	Nil	-	-	-

Note 1 : The aforementioned personnel and the relevant experiences linked up with current positions, during the aforementioned period, they have never served with the Certified Public Accountant Office in charge of the Company's audit or affiliated enterprises thereof.

Note 2 : Please refer to the relevant information and data of the affiliated enterprises (p.325~335) regarding serving as the Company's directors or supervisors

Note 3 : Concurrently serving as the Head of the Marketing Department.

Note 4 : Concurrently serving as the Real Estate Management Department Head.

Note 5 : Mr. Lee Shao-Kang, the Vice General Manager of Real Estate Agent Division, was transferred to United Selling Agency Division (previous name: Selling Agency Division). Mr. Su Shou-Jen, the Vice General Manager of Selling Agency Division was transferred to the General Manager's Office.

Note 6: Mr. Huang Yu-Jen at Human Resource Department, Ms. Tsao Ling-Ling at Strategy Allian Research & Development Center, Mr. Yang Liang-Chien and Chen Ming-Yen at Real Estate Agent Division were all discharged from the positions of managers for their resignation. Mr. Chen Li-Tin and Mr. Huan Chiung-Kun, the former senior managers of Real Estate Agent Division were discharged for transferring to another position and retirement, respectively.

Note 3: The aforementioned expenses include NT\$869 thousand of rental, fuel expense and maintenance expense of the car used by the Company's General Manager.

Note 4 : The aforementioned expenses include the relevant remuneration NT\$1,646 thousand paid to the chauffeurs to the Company's chairman, vice chairperson and General Manager.

Note 53 : Employee Remuneration allocated to the director who is a concurrent employee is one part of the amount NT\$7,383 of employee remuneration resolved by the Board of Directors Meeting on February 25, 2016. The resolution shall be reported in the general shareholders' meeting on May 20, 2016.

Note 6 : The term "net profit after tax" as set forth herein denotes the net profit after tax as shown through the individual financial statements 2015.

Remuneration Listed by Range of Directors

Range of the Remuneration Paid to the Company's Directors	2014			
	Aggregate Amount of A, B, C and D		Aggregate Amount of A, B, C, D, E, F and G	
	The Company	All Companies Specified in the Financial Statements (I)	The Company	All Companies Specified in the Financial Statements (J)
Below \$2,000,000	Chou Chun-Chi, Chou Wang Mei-Wen, legal representative of Sinyi Co., Ltd.: Chueh Chien-Ping		Chou Chun-Chi, Chou Wang Mei-Wen, Sinyi Co., Ltd.	Chou Chun-Chi, Chou Wang Mei-Wen, Sinyi Co., Ltd.
\$2,000,000 (inclusive)~\$5,000,000 (exclusive)	Lin Hsin-Yi, Lin Hsin-Ho, Liu Shun-Jen, Lee Cheng		Lin Hsin-Yi, Lin Hsin-Ho, Liu Shun-Jen, Lee Cheng	Lin Hsin-Yi、Lin Hsin-Ho、Liu Shun-Jen、Lee Cheng
\$5,000,000 (inclusive)~\$10,000,000 (exclusive)	-		Legal representative of Sinyi Co., Ltd. : Chueh Chien-Ping	
\$10,000,000 (inclusive)~ \$15,000,000 (exclusive)	-		-	
\$15,000,000 (inclusive)~ \$30,000,000 (exclusive)	-		-	
\$30,000,000 (inclusive)~ \$50,000,000 (exclusive)	-		-	
\$50,000,000 (inclusive)~ \$100,000,000 (exclusive)	-		-	
Above \$100,000,000	-		-	
Total (Note)	8		8	

Note: The Company has 7 directors, in aggregate total of 8, with respective disclosure of the Company's juristic person director Sinyi Co., Ltd. and its legal representative Hsueh Chien-Ping for the range of remuneration.

Remuneration for General Manager and Vice General Managers

Expressed in Thousands of New Taiwan Dollars

Title	Name	Wages (A) (Note 2)		Pension (B)		Bonus and Special Disbursement, etc. (C)		Employee Remuneration (D) (Note 1)				Ratio(%) of the Aggregate Amount of A, B, C and D to the Net Income After Tax (Note 2)		Amount of the Share Subscription Warrants for Employees Received		Number of the Restricted Shares for Employees		Whether Receiving Remuneration from any Companies Invested by the Company Other Than the Subsidiaries of the Company or Not	
		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company		All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements				
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus								
General Manager	Chueh Chien-Ping (Note 3)																		
Ethics Director	Yang Pai-Chuan																		
Strategy Head	Chou Chuang Yun																		
Management Information System (MIS) Head	Tsai Chi-Yen																		
Auditor-General	Chou Su-Hsiang																		
Research & Development Head	Tsao Ling-Ling(Note 4)																		
Vice General Manager of Home Service Center	Liu Yuan-Chih	39,625	39,625	-	-	24,277	24,277	98	-	98	-	11.35%	11.35%	-	-	-	-	-	Nil
Human Resources Department Head	Lee Wei-Che																		
Treasurer	Chen Chien-Chih																		
Vice General Manager of Public Affairs Department	Kao Chih-Hua																		
Vice General Manager of the General Manager's Office	Su Shou-Jen																		

Title	Name	Wages (A) (Note 2)		Pension (B)		Bonus and Special Disbursement, etc. (C)		Employee Remuneration (D) (Note 1)				Ratio(%) of the Aggregate Amount of A, B, C and D to the Net Income After Tax (Note 2)		Amount of the Share Subscription Warrants for Employees Received		Number of the Restricted Shares for Employees		Whether Receiving Remuneration from any Companies Invested by the Company Other Than the Subsidiaries of the Company or Not	
		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company		All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements		
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus								
Vice General Manager of United Selling Agency Division	Lee Shao-Kang																		
Vice General Manager of Real Estate Agent Division	Feng Chi-Yi																		
Vice General Manager of Real Estate Agent Division	Chen Li-Hsing																		

Note 1 : Employee Remuneration allocated to the Company's General Manager and vice General Managers is one part of the amount NT\$7,383 of employee remuneration resolved by the Board of Directors Meeting on February 25, 2016. The resolution shall be reported in the general shareholders' meeting on May 20, 2016.

Note 2 : The term "net profit after tax" as set forth herein denotes the net profit after tax as shown through the individual financial statements 2015.

Note 3 : The remuneration to the General Manager's chauffeurs of the Company was already disclosed in the note of remuneration to directors.

Note 4 : Resignment in March, 2016.

Remuneration Listed by Range of General Manager and Vice General Managers

Range of the Remuneration Paid to the Company's General Manager and Vice General Managers	Year 2015	
	The Company	All Companies Specified in the Financial Statements
Below \$2,000,000		
\$2,000,000 (inclusive)~\$5,000,000 (exclusive)	Chou Chuang Yun, Tsai Chi-Yen, Tsao Ling-Ling, Chou Su-Hsiang, Liu Yuan-Chih, Su Shou-Jen, Lee Shao-Kang, Chen Li-Hsing, Kao Chih-Hua	
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	Chueh Chien-Ping, Lee Wei-Che, Yang Pai-Chuan, Chen Chien-Chih, Feng Chi-Yi	
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)	-	
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)	-	
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)	-	
\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)	-	
Above \$100,000,000	-	
Total	14	

3. Names of the managers allocated with Remunerations to employees and the facts in allocation

March 31, 2016

Title	Name	Total Share Remuneration (Thousand \$)	Total Cash Remuneration (Thousand \$)	Total (Thousand \$) (Note 1)	Ratio of the Aggregate Amount to the Net Income After Tax (%) (Note 2)
General Manager	Chueh Chien-Ping				
Ethics Director	Yang Pai-Chuan				
Strategy Head	Chou Chuang Yun				
Management Information System (MIS) Head	Tsai Chi-Yen				
Chief Financial Officer	Chen Chien-Chih				
Auditor-General	Chou Su-Hsiang				
Vice General Manager of Home Service Center	Liu Yuan-Chih				
Vice General Manager of Public Affairs Department	Kao Chih-Hua				
Human Resources Department Head	Lee Wei-Che				
Vice General Manager of General Manager Office	Su Shou-Jen				
Vice General Manager of United Selling Agency Division	Lee Shao-Kang				
Vice General Manager of Real Estate Agent Division	Feng Chi-Yi				
Vice General Manager of Real Estate Agent Division	Chen Li-Hsing				
Senior Manager of Entrepreneurial Ethics Office	Chen Wen-Hsiang				
Senior Manager of Customer Service Department	Liu Wei-Te				
Senior Manager of Management Information System (MIS) Department	Chiang Yuan-Chi				
Senior Manager of Finance Department	Chen Chih-Huan		374	374	0.07%
Senior Manager of Capital Fund Management Department	Chuang Tsung-Hsun				
Senior Manager of Accounting Department	Lin Chiu-Chin				
Senior Manager of Business Service Department	Chang Ching-Chih				
Senior Manager of Network Business Department	Hsiao Cheng-Hua				
Senior Manager of Real Estate Agent Division	Chen Hsu-Chieh				
Senior Manager of Real Estate Agent Division	Lin San-Chih				
Senior Manager of Real Estate Agent Division	Chang Wen-Tsung				
Senior Manager of Real Estate Agent Division	Wang Hui-Ping				
Senior Manager of Real Estate Agent Division	Tuan Li-Fan				
Senior Manager of Real Estate Agent Division	Chang Teng-Lai				
Senior Manager of Real Estate Agent Division	Wang Chih-Nan				
Senior Manager of Real Estate Agent Division	Ou Chih-Hsiung				
Senior Manager of Real Estate Agent Division	Hsieh Tsung-Hsien				
Senior Manager of Real Estate Agent Division	Liu Yu-Jung				

Title	Name	Total Share Remuneration (Thousand \$)	Total Cash Remuneration (Thousand \$)	Total (Thousand \$) (Note 1)	Ratio of the Aggregate Amount to the Net Income After Tax (%) (Note 2)
Senior Manager of Real Estate Agent Division	Chou Chun-Jung				
Senior Manager of Real Estate Agent Division	Lin Wu-Hsiung				
Senior Manager of Real Estate Agent Division	Su Shang-Yao				
Senior Manager of Real Estate Agent Division	Wang Chiu-Sze				
Senior Manager of Real Estate Agent Division	Huang Mao-Shu				
Senior Manager of Real Estate Agent Division	Chen Min-Yi				
Senior Manager of Real Estate Agent Division	Chu Ta-Yung				
Senior Manager of Real Estate Agent Division	Hung Cheng-Lung				
Senior Manager of Real Estate Agent Division	Liao Ching-Chou				
Senior Manager of Real Estate Agent Division	Chen Chin-Tang				
Senior Manager of Real Estate Agent Division	Chang Chia-Jung				
Senior Manager of Real Estate Agent Division	Chang Wei-Hsiang				
Senior Manager of Real Estate Agent Division	Wang Mao-Sang				
Senior Manager of Real Estate Agent Division	Chen Shih-Yao				
Senior Manager of Real Estate Agent Division	Lee Kuo-Hsiung				
Senior Manager of Real Estate Agent Division	Hung Chien-Huan				
Senior Manager of Real Estate Agent Division	Lin Te-Cheng				
Senior Manager of Real Estate Agent Division	Yu Ho-An				
Senior Manager of Real Estate Agent Division	Liu Tung-Huan				
Senior Manager of Real Estate Agent Division	Tsai Ching-Long				
Senior Manager of Real Estate Agent Division	Chang Cheng-Te				
Senior Manager of Real Estate Agent Division	Lee Je-Fong				
Senior Manager of Real Estate Agent Division	Wang Chih-Wei				
Senior Manager of Real Estate Agent Division	Ye Zong-Fu				
Senior Manager of Real Estate Agent Division	Chen Shih-Ciang				

Note 1: Employee remuneration allocated to the Company's General Manager and vice General Managers is one part of the amount NT\$7,383 of employee remuneration resolved by the Board of Directors Meeting on February 25, 2016. The resolution shall be reported in the general shareholders' meeting on May 20, 2016.

Note 2: The term "net profit after tax" as set forth herein denotes the net profit after tax as shown through the individual financial statements 2015.

Note 3: The managers shown on the aforementioned Table are estimated under the basis of their present serving on March 31, 2016 and eligible for the employee remuneration. The actual list to receive employee remuneration shall depend on if they are eligible on the payment date.

- (VI) Respectively compare and depict the analyses of the aggregate total remuneration paid to the Company's directors, general manager and vice general managers to the net profit after tax shown through the individual financial statements over the past two years in the Company and all companies covered in the consolidated financial reports, and please explain the policies, criteria, portfolio of remuneration payment, procedures to fix remuneration, business performance and interrelationship to the future risks.

Expressed in Thousands of New Taiwan Dollars

	The Company		All Companies Specified in the Financial Statements	
	2015	2014	2015	2014
The aggregate total of remuneration paid to the directors, general manager and vice general managers	76,373	64,846	76,748	65,364
The aggregate total to the net profit after tax shown through the individual financial statements	13.54%	6.05%	13.61%	6.10%

The majority of the fixed monthly salaries paid to directors, General Manager and Vice General Managers in 2015 maintained at the same level as in 2014. The year-end bonuses paid to directors, General Managers and Vice Presidents went down in 2015 from the previous year because of lower profits. The main reason for the increase in total bonuses in 2015 was the performance bonus paid to General Manager and Sales Vice President associated with key performance indicators such as market share was from a lower base in 2014. Meanwhile, several Vice General Managers joined the Company in the second half of 2014 and the 2015 salaries paid to these managers were higher than the 2014 level.

The increase in the compensations paid to directors, General Manager and Vice General Managers as a percentage of net incomes in 2015 was due to (1) an increase in total compensations as previously mentioned; (2) a reduction of net incomes in 2015 from 2014.

Below is a summary of our compensation policies, criteria, arrangements and decision-making process over compensations in relation to operating performances and risk factors:

1. Compensations to directors:

- (1) The compensations to directors are comprised of salaries, director remunerations and allowances.

I. Salaries: According to our Articles of Incorporation, the monthly salaries paid to independent directors are based on the individual director's involvement in company operations, contribution to our performance and the industry standards among listed companies. The amount is determined by the Board of Directors.

The newly elected board in 2013 decided that salaries paid to independent directors were in line with the industry standards and shall not be linked to the Company's profits.

Non-independent directors do not receive director salaries.

II. Director remunerations: According to our Articles of Incorporation, a percentage of our profits are allocated as director remunerations at the end of the year. The remunerations paid to directors for 2015 were based on the level

in previous years, proposed by Remuneration Committee on February 25, 2016 and approved by the board. Director remunerations for 2015 were determined to be 0.65% of the company's profits, or NT\$4,799 thousand. This will be presented at the Annual Meeting of Shareholders in 2016. Director remunerations are linked with company profits and operating performances.

III. Allowances include the transportation allowance for independent directors to attend board meetings, rents or depreciation, petroleum costs and maintenance expenses for the cars allocated to Chairperson and Vice Chairperson. The transportation allowance for independent directors is reimbursed according to board meeting attendances and in line with industry practice. Non-independent directors do not receive transportation allowance. Both Chairperson and Vice Chairperson have company cars. The rental costs (or depreciation), and the expenses associated with petroleum and maintenance totaled NT\$2,014 thousand. Neither Chairperson nor Vice Chairperson receives monthly salaries.

(2) Compensations to directors on a consolidated basis:

Compensations to directors consist of salaries, director remunerations and allowances from the Company and its two subsidiaries, AN-SIN Real Estate Management Ltd. and ANSHIN Real Estate Management Ltd. The compensations to the directors of these two subsidiaries are comprised of director remunerations and allowances. Director remunerations are allocated as a percentage of the annual profits. Allowances are reimbursed according to board meeting attendances.

2. Compensations to General Manager and Vice General Managers:

(1) The compensations to General Manager and Vice General Managers consist of salaries, pensions and bonuses (including special reimbursements).

- i. Salaries: Monthly salaries are paid to General Manager and Vice General Managers depending on their positions and performances. There is no direct linkage between monthly salaries and annual earnings.
- ii. Pensions: None of our General Manager or Vice General Managers retired in 2015.
- iii. Bonuses: Bonuses for senior managers are calculated pursuant to our internal policies on compensations, proposed by the Remuneration Committee and approved by the board. Performance bonuses are linked with the Company's earnings and key performance metrics.

Performance bonuses and year-end bonuses linked with earnings were reduced in 2015 from the previous year, due to a drop in net incomes. However, the total of the 2015 bonuses went up from 2014 because of an increase in our market share.

- iv. A number of Vice General Managers joined our company during the second half of 2014. Hence, the total salaries paid to these senior managers in 2015 were higher than the 2014 level.
- v. Our company has established criteria for the bonuses to General Manager and Vice General Managers on the basis of their long-term contributions. The board approves the amount based on the proposal by Remuneration Committee according to their implementation effectiveness of our long-term strategies and contribution to our long-term performances.

(2) Compensations to General Manager and Vice General Managers on a consolidated basis:

Other companies in our consolidated financials do not incur compensations to General Manager and Vice General Managers.

III. Implementation of Corporate Governance:

(I) Performance of board of directors

In Year 2015, the board of directors of the Company convened a total of eight (8) meetings where the directors showed attendance in the following status:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Ratio (%)	Remarks
Chairperson	Chou Chun-Chi	8	-	100%	Nil
Vice Chairperson	Chou Wang Mei-Wen	8	-	100%	Nil
Independent Director	Lin Hsin-Yi	8	-	100%	Nil
Independent Director	Lin Hsin-Ho	8	-	100%	Nil
Independent Director	Liu Shun-Jen	7	1	87.5%	Nil
Independent Director	Lee Cheng	5	3	62.5%	Nil
Director	Legal representative of Sinyi Co., Ltd.: Chueh Chien-Ping	8	-	100%	Nil

Other remarks required:

- I. Matters as set forth under Article 14~3 of Securities and Exchange Act and other rejection or reserved opinions of the independent directors with records or declaration in writing as resolved in the board of directors: Nil.
- II. Implementation of the avoidance from conflict of interests by the directors:
 - (I) In the 14th Board of Directors Meeting of Session XI of the Company discussed the incentive money for ranking managers for their short-term performance and prolonged contribution values in Year 2014. In the event, Director Hsueh Chien-Ping withdrew from the discussion and voting process as he concurrently served as the Company's general manager.
 - (II) In the 16th Board of Directors Meeting of Session XI of the Company discussed the issue of disposal of the shares held in a listed company "E-Sun Financial Holding Co., Ltd." Independent director Lin Hsin-Yi withdrew from the discussion and voting process as he concurrently served as the independent director of E-Sun Financial Holding Co., Ltd.
 - (III) In the 17th Board of Directors Meeting of Session XI of the Company discussed the bonus to employees for Year 2014. In the event, Director Hsueh Chien-Ping withdrew from the discussion and voting process as he concurrently served as the Company's general manager.
 - (IV) In the 18th Board of Directors Meeting of Session XI of the Company discussed the application to E-Sun Commercial Bank for renewal of credit line of guarantee. Independent director Lin Hsin-Yi withdrew from the discussion and voting process as he concurrently served as the independent director of E-Sun Commercial Bank.
 - (V) In the 20th Board of Directors Meeting of Session XI of the Company discussed the name list of the ranking department heads under "Regulations Governing Remuneration & Incentives to Ranking Managers" in Year 2016. In the event, Director Hsueh Chien-Ping withdrew from the discussion and voting process as he concurrently served as the Company's general manager.
- III. Evaluation of the targets and implementation in the efforts to strengthen the performance of the board of directors in the current year and the most recent year: In an attempt to assure wholesome corporate governance and intensify the relevant functions of the board of directors, other than the existent Audit Committee, the Company further set up the Remuneration Committee in 2010 to help the board of directors implement the functions in performance evaluation and the

self-evaluation system in 2012. In addition, the Company established in 2015 “the procedure of performance evaluation of directors” which states the action plan for improvements shall be developed after the evaluation in order to further intensify the efficiency of the board of directors. For the facts of implementation, please refer to “Divergence between the Company’s Performance in Corporate Governance and the Rules for Corporate Governance by Companies listed on the Taiwan Stock Exchange or Over-the-Counter Securities Exchange”.

(II) Performance of audit committee

In Year 2015, the audit committee convened a total of eight (8) meetings where the independent directors showed attendance in the following status:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Ratio (%)	Remarks
Commission member and concurrent Convener	Lin Hsin-Yi	8	-	100%	Nil
Commission member	Lin Hsin-Ho	8	-	100%	Nil
Commission member	Liu Shun-Jen	8	-	100%	Nil
Commission member	Lee Cheng	4	4	50%	Nil

Other remarks as required:

- II. Matters falling under Article 14~5 of the Securities and Exchange Act and other matters not resolved in the Audit Committee but resolved by directors through a two-thirds majority vote: Nil.
- III. Implementation on withdrawal by independent directors on avoidance from conflict of interests: Nil.
- III. Communications by and between independent directors and the internal audit head and Certified Public Accountants: The Company’s internal audit head reports to the Audit Committee (independent directors) about the audit plans for the ensuing year and, on a regular basis, report to them about the implementation of the audit on the internal control system. In case of an extraordinary event, the internal audit head would report to the Audit Committee forthwith. The Audit Committee may directly inquire with the internal audit head or Certified Public Accountant. A Certified Public Accountant may, as well, directly report without being accompanied by the management, to the Audit Committee about the audit or recheck findings and suggestions. They have been in very intimate communications and interactions.

(III) The performance of corporate governance and the status on discrepancy and reasons in relation to the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
I. Does the company specify and disclose the corporate governance best practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies”?	V		The Board of Directors of the Company approved the “Corporate Governance Practices Rules of Sinyi Realty Inc.” in the board meeting of August 2000, to refine the corporate government system, solidify supervision functions and strengthen the management performance; furthermore, a newest revision proposal of the said Rules was approved in April 2015. The company also periodically reviews the actualization status of the corporate governance and makes improvement accordingly; there has been no major discrepancy status in its execution up to present. The said Rules are also disclosed in the exclusive zone of “Corporate Governance” in the investor relationship website of the Company. (http://www.sinyi.com.tw/info/company.php)	Nil
II. Corporate Equity Structure and Shareholders’ Equity (I) Does the company specify internal operation procedures to dispose recommendations, doubts, disputes and lawsuit matters of shareholders, and implement in accordance with such procedures? (II) Does the company master the major shareholders in actual control of the company and the name list of the final controllers of such major shareholders? (III) Does the company establish and execute the risk control and firewall mechanism with the affiliated enterprises? (IV) Does the company establish internal specifications to prohibit the internal parties of the company from trading securities by taking advantage of the non-opened information in market?	V V V V		(I) The Company specified investor relationship disposition procedures, and dispose shareholder’s recommendations, doubts, disputes and lawsuit matters in accordance with such procedures, and periodically reviews the actualization status in accordance with such procedures and improves accordingly; there has been no major discrepancy status in its execution up to present. (II) The Company keeps close contacts with the major shareholders, and most of the major shareholders directly participate in the operation of the Company; the Company also discloses the shareholding status of the major shareholders in actual control of the company and the final controllers of such major shareholders in accordance with regulations. (III) The operation and finance of the Company and the affiliated enterprises are all operated independently. Besides, such related operation rules as “Rules Governing Transactions with Group Enterprises, Specific Parties and Related Parties” and “Rules Governing Subsidiary Company Supervision Management”, etc. are specified, to specify the financial business transactions with the affiliated enterprises and matters required to be supervised. (IV) The Company establishes the Internal Major Information Disposition Procedures, to specify the prohibition of internal parties from trading securities by taking advantage of the non-opened information in market, and periodically engages in education publicity to the internal parties.	Nil

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
<p>III. Organization and Functions of Board of Directors</p> <p>(I) Does the Board of Directors prepare diversified guidelines in response to the organization of members and actualize the execution?</p> <p>(II) Does the company, besides establishing Remuneration Committee and Audit Committee in accordance with laws, also voluntarily establish other committees with similar functions?</p> <p>(III) Does the company establish performance rules and evaluation methods of the Board of Directors, and periodically engages in performance evaluation every year?</p> <p>(IV) Does the company periodically evaluate the independence of the certified public accountant?</p>	V	V	<p>(I) In the Corporate Governance Rules of the Company, it specifies the composition of the members of the board of directors should consider gender equality and diversified guidelines. At present, there are 7 directors of the Company in total (including 1 female director), among which, 4 directors are performed by Mr. Lin Hsin-Yi, Mr. Lin Hsin-Ho, Mr. Liu Shun-Jen and Mr. Lee Cheng who are professionals with important influences on the Company in practical operation, laws, financial accounting, performance evaluation, and talent cultivation development, etc. as independent directors, to provide professional recommendations and supervise the operation status of the management team; the number of independent directors account for more than 1/2 of the whole director number.</p> <p>(II) The Company has not established other committees with similar functions other than Remuneration Committee and Audit Committee; however, it already tackles on engaging in planning and establishing the committees with other functions.</p> <p>(III) The Company performs performance evaluation of the Board of Directors periodically every year, by requesting each director to complete evaluation in such aspects as the operation, culture, internal/external relationship operation, self-evaluation in terms of the Board of Directors, for the conference unit/department of the Board of Directors to collect and compile them, and report such in the board meeting and propose the direction of further improvement. The Company established “procedures of performance evaluation of directors” which stated the Board of Directors shall conduct self-evaluation at least once a year and shall engage the external independent institutes to conduct triennial performance evaluation of the Board of Directors.</p> <p>(IV) When the Company re-engages the certified public accountant (CPA) each year, the Finance Department engages in the independence and competency evaluation of the certified public accountant, before appointing the certified public accountant (CPA) each year. After obtaining the independence statement of the CPA intended to be appointed, the Finance Department evaluates if such accountant conforms to the related regulations of independence and competency in accordance with the “Accountant Competency, Independence Evaluation Checklist”, and submit the evaluation result to the Audit Committee and the Board of Directors for discussion, to serve as the reference of appointing the accountant.</p>	Nil

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
IV. Does the company establish communication channel of the stakeholders, and establish an exclusive zone of the stakeholders in the company's website, and properly respond the important issues of corporate social responsibility concerned by the stakeholders?	V		The Company builds a "stakeholders zone" on its official website and discloses on it the way of appeals for stakeholders. The Company establishes "Rules Governing the Recommendations and Appeal of the Stakeholders to the Audit Committee", and provides an Audit Committee appeal and recommendation mailbox in the Company's website, to facilitate a commendable communication channel for the stakeholders and independent directors of the Company.(http://www.sinyi.com.tw/about/stakeholder.php)	Nil
V. Does the company appoint a professional stock affair handling agency to process the affairs of shareholders' meeting?	V		The Company appoints Capital Securities Corporation to process the related affairs of shareholders' meeting.	Nil
VI. Information Opening (I) Does the company set up a website to disclose the financial business and the corporate governance information? (II) Does the company adopt other information disclosure methods (such as setting up an English website, designating exclusive personnel to be in charge of the corporate information collection and disclosure, actualizing the speaker system, institutional investor conference process placement in the company's website, etc.)?	V V V		(I) The Company discloses the related finance, business and stock affair information of the Company in the investor relationship website of the Company's website, and an exclusive zone of corporate governance is provided to describe the related statutes system and execution status (http://www.sinyi.com.tw/info/company.php). (II) The Company sets up an English website of investor relationship, and provides comprehensive financial information the same as Chinese website of investor relationship, to facilitate foreign investors to acquire the same information as domestic investors, and further upgrade the international visibility and information transparency. (http://www.sinyi.com.tw/info/company-en.php) (III) The Company's website (www.sinyi.com.tw) is operated by such departments as finance, public affair, and business research office, etc., in charge of collecting related information for exclusive personnel to be in charge of processing such related matters as disclosing, etc. The Company also provides a speaker system which the spokesperson and deputy spokesperson are responsible for the make external statements and clarifications. A website replay service is provided concerning the process of institutional investor confirmation in the Company's website. (http://www.sinyi.com.tw/info/company.php)	Nil
VII. Does the company have other available important information helpful to understand the corporate governance and performance status (including but not limited to employee interests, employee concern, investor relationship, supplier	V		(I) Employee Interests and Employee Concern: The Company towards its internal colleagues, besides providing related interests, also provides professional consultant service to its colleagues and family members. In response to individual demands, such consultancy services concerning work career, family paternity, emotion between two genders, physical/mental stress, law, finance	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
relationship, rights of stakeholders, advanced study status of directors and supervisors, execution status of risk management policy and risk measurement standard, execution status of client policy, the status of purchasing liability insurance of the company for its directors and supervisors, etc.)?			<p>and medical issues, etc. are provided, to assist each colleague to possess balanced work and life. As to the external parties, through such organization or group as Sinyi Cultural Foundation, Sinyi Volunteer, etc., the company encourages colleagues to actively participate in public social welfare activity services, to feed back the community. The Company also provides employees a good communication channel, to assist them to engage in bilateral communication with the management and directors. In addition, the Company also holds an organization recognition investigation and supervisor leadership style questionnaire investigation each year, so as to explore the aspects for further improvement, and increase the interaction opportunities between the managerial level and colleagues.</p> <p>(II) Investor Relationship: The initial principle of solidifying the corporate governance mechanism is to protect the shareholders equity, and treat all shareholders in a fair manner. The Company has adopted some measures as below:</p> <ol style="list-style-type: none"> 1. Bringing forward of announcement of audited/ reviewed financial statements: The Company has announced its reviewed quarterly financial statements within one month after the end of the quarter. (the statutory time limit: within 45 days) From 2014, the Company has announced its audited annual financial statements no later than the end of February next year. (the statutory time limit: no later than the end of March next year). 2. Adjusting the date and time of annual shareholders' meeting. The Company avoids convening its annual shareholders' meeting at hot date. From 2014, the annual shareholder's meeting is held before end of May. In addition, the starting time of the meeting will be adjusted to 9:30 AM for the sake of convenience of the shareholders attending the meeting from far away. 3. Providing English business and financial information gradually: The Company issued English financial statements from 2010, announced Chinese and English material information at the same time from 2011, built the English website of investors in 2015 and provided shareholders with English annual report and shareholders' meeting handbook from 2015. 4. From 2012, at the time of a vote, for each proposal, the chairperson first announces the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. Election of directors has been conducted in accordance with the candidate nomination system. 5. Since 2009, the Company provides shareholders to exercise voting rights in electronic manner for the annual meeting of shareholders, as one of the few leading domestic TWSE/GTSM-listed companies in using shareholders' meeting 	Nil

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
			<p>communication voting platform.</p> <p>6. The Company periodically convenes online institutional investor conference since 2009.</p> <p>7. Upon convening a shareholders' meeting, it also makes efforts to avoid presenting an extraordinary motion proposal, to maintain the interests of the shareholders using the e-communication voting system. The minutes of shareholders' meeting are also displayed in the company's website.</p> <p>(III) Supplier Relationship: The purchase personnel of the Company would jointly with the purchase requisition unit/department from time to time engage in evaluation on service quality, delivery schedule, and price of a supplier, and in accordance with the evaluation result establish a qualified supplier database; concerning the suppliers with outstanding result, a price negotiation and tendering would be provided in priority, to ensure quality and reduce the purchase cost of the Company. Besides, in order to actualize the protection of human rights, it would also extend to the suppliers in close transactions with the Company, by taking initiative to invite them to sign a human right contract, to respect the basic labor human right protection of their employees. The Company also established the "Ethical Guideline Governing the Purchase Work of Sinyi Group and Its Affiliated enterprises" in 2014, requesting the personnel involving in purchase of each unit/department to faithfully observe the said Guideline. In addition, "Normal Operation Behavior Specification of Sinyi Conglomerate" is also newly established, by issuing notes to the qualified suppliers to sign and faithfully observe the said specification, in order to seek for the supplier partners recognizing faithful operation.</p> <p>(IV) Rights of Stakeholders: The Company through judgment deems the major stakeholders to be clients, colleagues, shareholders, state and community, natural environment; as concurrent consideration and balance of the interests of the stakeholders has always been the objective of the Company, during internal proposals and discussions of major issues, it is required to engage in evaluation vs. the impacts on the major stakeholders, to ensure the interests balance of the stakeholders. Besides, the Company also provides Audit Committee appeal and recommendations mailbox in the Company's website, to facilitate the stakeholders of the Company a channel to reflect their comments to the independent directors, to maintain their interests. The related descriptions in detail</p>	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies																																								
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			<p>are shown in Section IV, the description of the general status of fulfilling the corporate social responsibility.</p> <p>(V) Advanced Study Status of Directors: Except for Mr. Lee Cheng, an independent director, who failed to participate in the originally scheduled advanced study program for directors of 2014 out of due reasons and was unable to supplement the required sessions and hours afterwards, the rest directors already fulfilled 3 hours each of the 2014 advanced study program for directors. The Company from 2015 would assist the directors to fulfill advanced study program for directors in advance.</p> <table border="1"> <thead> <tr> <th rowspan="2">Title/ Name</th> <th colspan="2">Date of Advanced Study</th> <th rowspan="2">Organizer</th> <th rowspan="2">Name of Program</th> <th rowspan="2">No. of hour</th> <th rowspan="2">Whether the advanced study conforms to regulations (Note 1)</th> </tr> <tr> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Chou Chun-Chi, Chairperson</td> <td>May 27, 2015</td> <td>May 27, 2015</td> <td>Securities & Futures Institute</td> <td>Corporate ethics leaders of listed companies forum</td> <td>3</td> <td rowspan="6">No</td> </tr> <tr> <td>Aug. 25, 2015</td> <td>Aug. 25, 2015</td> <td rowspan="2">Taiwan Corporate Governance Association</td> <td>Strategy Innovation</td> <td>3</td> </tr> <tr> <td>Sept. 17, 2015</td> <td>Sept. 17, 2015</td> <td>Platform Strategy</td> <td>3</td> </tr> <tr> <td rowspan="3">Chou Wang Mei-Wen, Vice- Chairperson</td> <td>May 27, 2015</td> <td>May 27, 2015</td> <td>Securities & Futures Institute</td> <td>Corporate ethics leaders of listed companies forum</td> <td>3</td> </tr> <tr> <td>Aug. 25, 2015</td> <td>Aug. 25, 2015</td> <td rowspan="2">Taiwan Corporate Governance Association</td> <td>Strategy Innovation</td> <td>3</td> </tr> <tr> <td>Sept. 17, 2015</td> <td>Sept. 17, 2015</td> <td>Platform Strategy</td> <td>3</td> </tr> </tbody> </table>	Title/ Name	Date of Advanced Study		Organizer	Name of Program	No. of hour	Whether the advanced study conforms to regulations (Note 1)	From	To	Chou Chun-Chi, Chairperson	May 27, 2015	May 27, 2015	Securities & Futures Institute	Corporate ethics leaders of listed companies forum	3	No	Aug. 25, 2015	Aug. 25, 2015	Taiwan Corporate Governance Association	Strategy Innovation	3	Sept. 17, 2015	Sept. 17, 2015	Platform Strategy	3	Chou Wang Mei-Wen, Vice- Chairperson	May 27, 2015	May 27, 2015	Securities & Futures Institute	Corporate ethics leaders of listed companies forum	3	Aug. 25, 2015	Aug. 25, 2015	Taiwan Corporate Governance Association	Strategy Innovation	3	Sept. 17, 2015	Sept. 17, 2015	Platform Strategy	3	
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Evaluation Items	Facts of performance (Note 1)						Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies	
	Yes	No	Description of Summary					
			2015	2015				
			Lin Hsin-Yi, Independent Director	July 15, 2015	July 15, 2015	Taiwan Corporate Governance Association	CG and the sustainable development of the company: decision and function of BOD	6
			Lin Hsin-Ho, Independent Director	Aug. 25, 2015	Aug. 25, 2015	Taiwan Corporate Governance Association	Strategy Innovation	3
				Sept. 17, 2015	Sept. 17, 2015		Platform Strategy	3
			Liu Shun-Jen, Independent Director	Aug. 25, 2015	Aug. 25, 2015	Taiwan Corporate Governance Association	Strategy Innovation	3
				Dec. 24, 2015	Dec. 24, 2015	Taiwan Institute of Internal Auditors	CG and CSR-practice of legal risk	3
			Lee Cheng, Independent Director	Sept. 17, 2015	Sept. 17, 2015	Taiwan Corporate Governance Association	Platform Strategy	3
				Nov. 10, 2015	Nov. 10, 2015	Securities & Futures Institute	The trend and development of company merge: practice case study	3
			Legal representative of Sinyi Co.,	Aug. 25, 2015	Aug. 25, 2015	Taiwan Corporate Governance	Strategy Innovation	3

Evaluation Items	Facts of performance (Note 1)						Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies																
	Yes	No	Description of Summary																				
			Ltd.: Chueh Chien-Ping	Sept. 17, 2015	Sept. 17, 2015	Association	Platform Strategy																
			<p>Note 1: Indicates if it conforms to the required number of hours of advanced study, scope of advanced study, system of advanced study, arrangement of advanced study and information disclosure specified in the “Key Points of Promoting Advanced Study for Directors and Supervisors of TWSE/GTSM-listed Companies”.</p>																				
			<p>(VI) Status of Advanced Study of Managers:</p> <table border="1"> <thead> <tr> <th rowspan="2">Title/ Name</th> <th colspan="2">Date of Advanced Study</th> <th rowspan="2">Organizer</th> <th rowspan="2">Name of Program</th> <th rowspan="2">No. of hour</th> </tr> <tr> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td>Chief Accountant Lin Chiu-Chin</td> <td>Oct. 27, 2015</td> <td>Oct. 28, 2015</td> <td>Accounting Research and Development Foundation</td> <td>Continuing education program of principal accounting officers of issuers, securities firms, and securities exchanges</td> <td>12</td> </tr> </tbody> </table> <p>Note: In the Company, all Vice General Managers participated in the above program of “strategy innovation” except Vice General Manager Lee Shao-Kang and Kao Chih-Hua. All Vice General Managers participated in the above program “platform strategy” except Vice General Manager Su Shou-Jen and Kao Chih-Hua.</p> <p>(VII) Execution status of risk management policy and risk measurement standard: The Company already establishes risk management policy and procedures, and periodically reviews the execution status of risk management; please refer to p. 311.</p> <p>(VIII) Establishment of the disposition procedures governing internal major messages: In order to establish a commendable internal major information disposition and disclosure mechanism of the Company, avoid improper information disclosures, and ensure conformity and correctness of the information released by the Company to external parties, the Company already in accordance with the guideline examples proclaimed by the competent authorities establishes the “Internal Major Information Disposition Procedures” of the Company, and performs publicity to its employees, managers and directors in due time, to avoid them from violating laws or insider trading matters.</p> <p>(IX) Execution status of client policy:</p>							Title/ Name	Date of Advanced Study		Organizer	Name of Program	No. of hour	From	To	Chief Accountant Lin Chiu-Chin	Oct. 27, 2015	Oct. 28, 2015	Accounting Research and Development Foundation	Continuing education program of principal accounting officers of issuers, securities firms, and securities exchanges	12
Title/ Name	Date of Advanced Study		Organizer	Name of Program	No. of hour																		
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Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
			<p>Besides setting up a telephone and network online client service center to respond to the requirements and questions of clients at all times, in order to strengthen the high concern level of client service, the “Client Service Department” takes initiative in performing non-scheduled checks and confirmations of the execution status of client policies, accepting the complaints and dispositions of clients, and assisting the first-line business colleagues in handling client complaint cases, by self-assuring it as an internal “Consumers’ Foundation” of the company, to duly perform the work of maintaining client’s interests. Besides, Client Service Department also, through the satisfaction level investigation mechanism and various audit systems, continues to improve and better the service quality of the Company. Client Service Department provides a 24-hour online client service system which was granted the award of “The Best Client Service Center” in the “Grand Assessment of 2014 Taiwan Service” conducted by “Commercial Times”.</p> <p>(X) Status of purchasing liability insurance of the company for its directors: The Company already purchases liability insurance for its all directors, as the total insurance amount is US\$3,000 thousand (equivalent of NT\$90,000,000) and the insurance coverage period starts from July 15, 2015 to July 15, 2016.</p> <p>(XI) Taiwan Stock Exchange held the first Corporate Governance Evaluation and announced the result of the evaluation in April, 2015 that the Company won the top 5% of the listed appraises. However, the Company did not score in the following aspects:</p> <ol style="list-style-type: none"> 1. Announcement of financial statements to public no later than end of February next year. 2. Preparation of English annual report and meeting handbook of annual general stockholders’ meeting to protect the interest of foreign investors. 3. Promotion of participating in external environmental management authentication. <p>The Company has made improvements as below:</p> <ol style="list-style-type: none"> 1. The financial statements for 2014 and 2015 which had been audited by certificated public accountants had been announced no later than end of February next year, so that the investors may know earlier about the operation result of the Company. 2. In 2015, the Company had acquired the environmental authentication of PAS 2050 (carbon footprint) and ISO14064-1 (greenhouse gases). 3. The Company had completed the English annual report and meeting handbook for 2015 annual general shareholders’ meeting. 	

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
VIII. Does the company provide self-evaluation reports for corporate governance or consign other professional agencies to provide evaluation reports for corporate governance? (If so, please describe the comments of the Board of Directors, results of self-evaluation or outsourced evaluation, major defects or recommendations and improvement status)	V		<p>(I) The Company participates for the 5th time in the corporate governance system evaluation held by Taiwan Corporate Governance Association, and was approved in the corporate governance evaluation recognition of the advanced version of CG6008 in January 2014 (from CG6006 on, the validity of a certificate of corporate governance evaluation recognition shall be two years comprehensively), while the recommendations in the said evaluation shall be as follows:</p> <ol style="list-style-type: none"> 1. In consideration of the characteristics of the attributed industry and the future corporate development requirements, the professional qualification conditions to be provided with an independent director are expressly specified so as to establish a comprehensive director selection system. 2. It is recommended to specify an evaluation system for the competency of accountant, and conduct an official evaluation every year, to be submitted to the Board of Directors as the reference of making an appointment decision. 3. The formal procedure of evaluating internal audit performance is specified, and upon conducting the evaluation of internal audit performance, the comments of independent directors shall serve as reference. 4. Continuously promote the related corporate ethic education among employees, and the related subjects on corporate governance shall be added accordingly. 5. Compile the shareholder inquiries and response status, and present a report to the Board of Directors on a periodical basis. 6. Further strengthen the performance evaluation system of Board of Directors, by linking the remuneration of directors with personal performance. <p>Improvement Status:</p> <ol style="list-style-type: none"> 1. The Company already established “Rules Governing the Independent Director Nominee Evaluation and Review” in June 2014, expressly specifying various conditions of the professional qualification of an independent director, to facilitate the director candidates to better fulfill the industry characteristics and the future corporate development requirements. 2. The Company has already started to engage in accountant competency evaluation since 2013, and submit the evaluation result to the Audit Committee and the Board of Directors to serve as decision reference basis of appointing the accountant. 3. The Company submits the performance evaluation status of internal audit supervisors to the Remuneration Committee completely organized by the independent directors. After the recommendations are provided by the 	Nil

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description of Summary	
			<p>Remuneration Committee, they are submitted to the Board of Directors to engage in evaluation review.</p> <p>4. The Company already established the Corporate Ethics Office at the beginning of 2013, to continuously promote ethic education rooting plan; in 2014, Professor Yang Pai-Chuan of Fu Jen Catholic University, specializing in entrepreneurial ethics, was also appointed to take over the position of Ethics Director, tackling on planning for a series of entrepreneurial ethics educational program, and assisting or guiding each unit/department to pursue advanced knowledge in the behavior of entrepreneurial ethics.</p> <p>5. The Company has started to report the shareholder inquiries and response status to the Board of Directors on a periodical basis since 2014, to facilitate the directors to better understand the subjects or recommendations concerned by the shareholders.</p> <p>6. The Company has implemented the performance evaluation of the Board of Directors and director self-evaluation system since 2012. Besides, the Remuneration Committee was organized by all independent directors who possess rich experience in such aspects as performance management, laws, entrepreneurial operation and human resource management. When proposing the recommendations of director remuneration payment, after incorporating the input time and performance of the members of the Board of Directors into consideration, recommendations would be submitted to the Board of Directors, to reasonably reflect the connection between director remuneration and corporate operation performance as well as risk.</p>	

(IV) Relevant information of the Remuneration Committee:

To assure wholesome corporate governance and intensify the managerial function in remuneration by the board of directors to help implement and evaluate the overall payroll and fringe benefits policies and the remuneration for directors and ranking managers, the Company set up as duly resolved in the board of directors the Remuneration Committee as early as August 2010, far earlier before the competent authority required so. The Remuneration Committee was organized by all independent directors to carry out such responsibilities and powers: 1. Enactment and review on a regular basis the performance evaluation and remuneration policies, systems, criteria and structure of directors and managers. 2. Evaluation on a regular basis and fixing remuneration for directors and managers. 3. Review over incentive remuneration plans or share-based payments for employees. 4. Suggestion on an amendment of the organization of Remuneration Committee. 5. Handling of issues assigned by the board of directors. At the moment, the Remuneration Committee is organized by four independent directors, with Independent director Liu Shun-Jen serving as the chairperson and convener. Since it first came into being, the Remuneration Committee has been in sound and satisfactory performance, conducting self-performance evaluation on a regular basis to upgrade the performance of the Committee.

1. Information and data of Remuneration Committee members:

Position	Terms	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Information (Note)								Number of Other Public Companies Concurrently Serving as a Member of Remuneration Committee	Remark	
		An instructor in or a higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or a private junior college, college, or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialists who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company	Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company	1	2	3	4	5	6	7	8			
Independent Director	Lin Hsin-Yi			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	-
Independent Director	Lin Hsin-Ho	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-
Independent Director	Liu Shun-Jen	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-
Independent Director	Lee Cheng	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	-

Note : Please tick with ✓ mark in the boxes below where the Remuneration Committee members prove to have met with the conditions enumerated below in two years before being appointed and during their tenure of office

- (1) Not an employee of the company or any of its affiliated enterprises.
- (2) Not a director or supervisor of the company or any of its affiliated enterprises. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.
- (3) Not a natural person shareholder who holds shares, together with those held by the person's spouse, minority or held by the person under others' names, in an aggregate amount of 1%

- or more of the total number of outstanding share of the company or rank as top-10 shareholders.
- (4) Not a spouse, relative within the second-degree relatives, or lineal relative within the third degree, of any of the persons specified in the preceding three notes.
 - (5) Not a director, supervisor, or employee of a juristic person shareholder that directly holds 5 percent or more of the total number of issued shares of the Company or that holds shares ranked as top 5 in shareholding.
 - (6) Not a director, supervisor, manager, or shareholder holding 5 percent or more of the shares, of a specific company or institution that has a financial or business relationship with the Company.
 - (7) Not as a professional individual nor an owner, partner, director, supervisor, manager or their spouses of a sole proprietorship, partnership, company, or institution providing commercial, legal, financial, accounting or consultation services to the company or its affiliated enterprises.
 - (8) Not been a person or any conditions defined in Article 30 of the Company Act.

2. Information of performance by the Remuneration Committee:

i. The Company's Remuneration Committee is composed of four (4) members.

ii. Tenure of office of Remuneration Committee members of the current session: June 14, 2013~June 13, 2016. Within the latest fiscal year, the Remuneration Committee convened five (5) meetings. The qualifications and attendance facts of the Remuneration Committee are enumerated below:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Actual Attendance Ratio (%)	Remarks
Convener	Liu Shun-Jen	4	1	80%	Nil
Commission member	Lin Hsin-Yi	5	-	100%	Nil
Commission member	Lin Hsin-Ho	5	-	100%	Nil
Commission member	Lee Cheng	3	2	60%	Nil

Other matters to be noted in the meeting minutes: :

1. If the board of directors refuses to accept or modify suggestions of the Remuneration Committee, the meeting date, session, agenda content, results resolved by the board of directors, and the Company's treatment of opinion of the Remuneration Committee should be clearly stated: Nil.
2. If the members have opposite opinion or reservations against the resolution of the Remuneration Committee and the opinion or reservations have been recorded or documented, the meeting date, session, agenda content, the opinion of all members of the Remuneration Committee, and the treatment of the members' opinion should be clearly stated : Nil.

(V) Performance of social responsibility :

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
<p>I. Actualization of Corporate Governance</p> <p>(I) Does the company specify and disclose the corporate governance practice rules in accordance with the “Corporate Governance Practices Rules of TWSE/GTSM-listed companies”?</p> <p>(II) Does the company hold education & training in social responsibility on a periodical basis?</p> <p>(III) Does the company implement a full-time (part-time) sector to promote corporate social responsibility, and for the Board of Directors to authorize the high-level management level to take action and report the disposition status to the Board of Directors?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) The Company in accordance with “Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies” establishes “Corporate Social Responsibility Best Practice Principles for Sinyi Realty Inc.” and pays attention to the development of social responsibility system of domestic/overseas enterprises at all times and the transition of enterprise environment, so as to review and improve the corporate social responsibility system implemented by the Company, to upgrade the performance of fulfilling its corporate social responsibility.</p> <p>(II) The Company also formally established the “Chief of Ethics” in January 2012 and organized Corporate Ethics Office, to further promote actualization of corporate good faith and ethics. In addition, supervisors are required to participate in corporate ethics program on a periodical basis, to internalize the corporate ethics from upside down as a part of routine operation. In 2014, Professor Yang Pai-Chuan of Fu Jen Catholic University, specializing in entrepreneurial ethics, was also recruited to take over the position of Chief of Ethics, tackling on planning for a series of entrepreneurial ethics educational program, and holding interaction exchanges with the high-level supervisors periodically each month concerning the subject of entrepreneurial ethics of the Company. In addition, through holding a monthly company gathering at the beginning of each month for joint participation of colleagues, the Company demonstrates the importance of balancing the interests of stakeholders.</p> <p>(III) The Company establishes “Corporate Ethics Promotion Committee”, with corporate ethics to serve as the core of corporate social responsibility, to comprehensively solidify the goal of sustainable development direction of corporate social responsibility of the whole company, and periodically review the performance and objective achievement progress periodically. At the beginning of 2012, by means of the reinstitution of “TEM</p>	<p>Nil</p>

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
(IV) Does the company establish reasonable wage compensation policies, and link the employee performance appraisal system with corporate social responsibility policies, and provide a clear and effective incentive and punishment system?	V		<p>Committee “Thorough Ethics Management Committee”, guided each department to solve the related issues to corporate ethics under due planning, actualize the flow reengineering, ensure corporate ethics to be actualized in each sector of operation, to maintain the welfare of stakeholders. In addition, to strengthen the rules of corporate social responsibility, the Corporate Ethics Promotion Committee had proposed to the Board of Directors the revision of “Corporate Social Responsibility Best Practice Principles for Sinyi Realty Inc.” which had been approved by the Board of Directors and reported at 2015 annual shareholders’ meeting.</p> <p>(IV) In the Company, the “Code of Ethics of Directors of the Board and Managers” and the “Behavioral Rules of Sinyi Conglomerate” are established, and periodical publicity has been conducted. Besides, a clear incentive and punishment system and rules governing the appraisal are provided, to periodically perform employee performance evaluation and assessment, in order to attain the objective of encouragement or warning.</p>	
<p>II. Sustainable Environment for Development</p> <p>(I) Does the company endeavor to upgrade the utilization efficiency of various resources, and use the regenerated material with a low impact on environmental load?</p>	V		<p>(I) Though the Company is not in manufacturing industry, yet it still endeavors to promote environmental protection activities: the Company participates in the campaign of “Green Purchase Intent of Private Enterprises and Groups” of the Environmental Protection Administration and Department of Environmental Protection of Taipei City Government, to jointly promote green purchase. The material of environmental protection and LED with high energy saving efficiency and conversion air conditioners are applied to the decoration of various branch stores and the headquarter building. It also continuously promote such measures as water resource conservancy plan, printing volume control & management of printers, and the increase of the green vegetation of the top floor of the headquarter building, etc. In addition, it also actively promotes overall E orientation and green innovation service R&D, to effectively save paper printing and considerably upgrade service efficiency. The green purchase</p>	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
(II) Does the company establish a proper environmental management system in response to its industry characteristics?	V		<p>amount of 2015 reached \$24,920 thousand.</p> <p>(II) The Company is classified as real estate agent industry which has much lower impact to environment than the manufacturing industries. However, in the “Behavioral Rules of Sinyi Conglomerate”, the Company expressly specifies the code of related environmental protection behaviors, and periodically performs publicity of related green energy knowledge to its colleagues, to strengthen the concern and actualization of green environmental protection of colleagues in work and life as well as resource recycling. The Company requests the branch stores to turn off the light of signboard before 22:00 and to develop the habit of turning off light when leaving. The Headquarter of the Company turn off the light automatically at noon for 1 hour and at 19:00. The assumed temperature of airconditioners is 26°C. The Company also introduced in life cycle evaluation technology in 2013, to further enhance green service value, and introduces in ISO14064-1 Greenhouse Gas Examination Guidance.</p>	
(III) Does the company pay attention to the impact of climate change on operation activities, execute greenhouse gas examination, and establish corporate energy saving and carbon reduction as well as greenhouse gas volume reduction policies?	V		<p>(III) The Company considers environmental protection as an importation foundation of sustainable corporate operation. Besides the performance of greenhouse gas examination every year, it introduced the first “Ubiteq energy management system” from Japan in 2011, to comprehensively initiate the automatic electricity saving measures of the headquarters building, during lunch break at 12:30 and at 19:00 exactly, the system shall automatically turn the lights off. Besides, publicity is also conducted to request administrative personnel to take mass transportation means as much as possible upon coming and leaving offices, and business colleagues to take such measures as walking or taking bicycles to visit Customers or engage in commercial circle development, etc., to reduce carbon emission with due effort. The colleagues of branch stores on the very day of World Earth Day of April 22 each year would engage in street and park beautification in the communities and parks where the</p>	

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			<p>branch stores are located, to enhance community environmental protection promotion through colleagues of branch stores. What is more, Sinyi volunteers also hold community tree planting activity, to promote the importance of earth protection and energy saving & carbon emission reduction. Since 2013, the Company has promoted summer uniform, to replace suits and ties with short-sleeved POLO shirt, so as to reduce the reliance on air conditioners. Green vegetation area has also been increased in the top floor of the headquarters building. Window film has been provided to the glass windows of the whole building, to reduce direct sunshine and further decrease the power consumption of air conditioners. The Company also participates in an exclusive project of the Ministry of Economic Affairs, by introducing in life cycle evaluation technology, to upgrade the comprehensiveness and correctness of greenhouse gas examination, so as to formulate a perfect carbon emission reduction plan. Furthermore, the Company does not belong to an industry with high water utilization. Most of the consumed water is under employee daily use. However, it still continuously promotes water resource saving plans, including purchase of such products with water saving logo as water faucet, close-stool, etc., and executes water output volume reduction measure from faucet, to reduce the waste of water resource.</p> <p>The Company introduced in ISO14064-1 Greenhouse Gas Examination Guidance in 2013. The 2014 greenhouse gas emission volume at the beginning of 2015 was inspected by British Standards Institution (BSI) to conform to ISO14064-1 Greenhouse Gas Examination standard, which will serve as the reference of carbon emission reduction betterment. The energy saving, carbon emission reduction and greenhouse gas emission volume reduction status of the Company in 2015 can be referred to Section IV, General Status of Corporate Social Responsibility Fulfillment.</p>	
<p>III. Maintenance of Community Public Welfare (I) Does the company establish related management policies and</p>	V		(I) The Company strictly obeys the regulation of related government	None

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
<p>procedures in accordance with related laws and international covenants on human right?</p> <p>(II) Does the company implement an employee appeal mechanism and channel, and take due actions?</p> <p>(III) Does the company provide employees with a safe and healthy working environment, and implement safety and health education to employees on a periodical basis?</p>	V		<p>laws, to actualize labor laws, protect welfare of colleagues. Besides establishing Labor-Management Committee and convening labor-management meetings, colleagues may also through the communication platform in a sector or cross-sector communication platform propose ideas and recommendations, to realize the goal of sufficient communication and effectively solving problems.</p> <p>(II) In the internal website of the Company, a Board Chairperson’s mailbox and internal interactive network are provided, to serve as the appeal channel of employees; besides, due response and disposition shall be provided by each responsible sector. In addition, an “Organization Recognition and Job Satisfaction Investigation” and “Supervisor Leadership Investigation” are also conducted towards all colleagues every year, to acquire the comments reflected by colleagues, to serve as the reference basis for improvements of each department heads and various policy implementations of the company, to upgrade the job satisfaction of colleagues.</p> <p>(III)The Company, besides the legally required labor health insurance, also purchases group insurance for employees. In addition, it provides a free health examination once every two years; for the formal colleagues above (including) 40 years old, a health examination once every year would be provided. The Company also encourages colleagues to found various association activities and provides budget subsidy; meanwhile, “EAP Employee Assistance Project” is also promoted continuously. What is more, the Company also periodically holds personal and accident calamity safety lectures, to build a safe worksite environment. At each floor of the headquarters building of the Company, automated External Defibrillators (AED) are provided, and colleagues are instructed how to use them for any emergency status. On the other hand, in order to strengthen the fire protection and calamity prevention consciousness, avoid any accident from occurrence out of anxiety should a fire or other calamities occur, therefore, self-defensive fire protection organizations are formulated, to</p>	

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
(IV) Does the company establish a mechanism for periodical employee communication, and notify the employees of any operation change with potentially major impact on them in a reasonable manner?	V		conduct periodical fire protection drills in normal time. (IV) In the internal website of the Company, a Board Chairperson mailbox and company exchange network are provided, to serve as the channel of employees to communicate with the management level and other departments. Besides, the internal website of the Company, major corporate policies, industry-related laws and messages are also announced from time to time, to facilitate colleagues to understand the corporate operation direction and entire market environment. The Company at the beginning of each month would hold a monthly company gathering at the beginning of each month for joint participation of colleagues. Besides the personnel with prominent performance are granted with various awards as incentives in a monthly company gathering, the current important company policies, operation status and future objectives of the company are also reported, to create an atmosphere of joint effort of colleagues. an “Organization Recognition and Job Satisfaction Investigation” and “Supervisor Leadership Investigation” conducted towards all colleagues every year are also important ways of communications between the colleagues and the Company.	
(V) Does the company establish effective career competency development and training plans for employees?	V		(V) The Company provides a 360° cultivation system to plan comprehensive competency training to supervisors of various levels and employees, and introduces in the related training programs concerning belief development of corporate ethics, to cultivate key competence of employees. Besides physical programs, “e-Learning” platform is also provided to facilitate employees to be able to engage in online learning at all times and places, to upgrade their related professional competency. In addition to this, in order to comply with organization development, upgrade the related competency required in employee functions, for an external advanced study program of an employee if conforming to fixed conditions, subsidy of half amount of the tuition can also be applied.	
(VI) Does the company formulate related consumer welfare protection policies and appeal procedures concerning R&D,	V		(VI) The Company has established such related rules as “Rules Governing Retail Department Reception and Escort Visit Service	

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
purchase, production, operation and service flows, etc.?				
(VII) Does the company follow related laws and international standards concerning the marketing and identification of products and services?	V		Specifications and Audit”, “Rules Governing Timely Response Management of Customer Demands”, “Rules Governing Group Purchase”, etc., and performed periodical audit of the related actualization status, to protect consumers’ welfare. Besides, the Company also provides a sector with exclusive responsibility (Customer Service Department and Customer Relationship Operation Department) to be in charge of dispositions of Customer-related issues. A Customer may express comments by means of the exclusive complaint line or exclusive service line, 24-hour online customer service, and in the manner of E-mail, to be conducted by exclusive personnel. (VII) The Company strictly observes the regulations of related government laws. Internally, related rules governing marketing advertisement publication are established; an “Advertisement Review Guideline Manual” is also prepared to serve to the related personnel for observation. Partial marketing documents shall also be required to be reviewed by the Customer Service Department of the Company prior to external circulation. In case of any offense of the related regulations, rule violation punishment shall be conducted and a circular notice shall be posted in the internal website for public information, serving as a warning for other colleagues.	
(VIII) Does the company evaluate if a supplier had any record with impacts on the environment and a community in the past before transactions with the company?	V		(VIII) The “Rules Governing Group Purchase” is established in the Company, by providing a sector with exclusive responsibilities to be in charge of purchase price inquiries, price parity, price negotiation, authorization, bidding, acceptance inspection, payment request, and supplier management. Besides, assessments are conducted from time to time jointly with the purchase request sector in terms of supplier service quality, delivery schedule, and price, and a database of qualified suppliers shall be built in accordance with the assessment results, to review and correct the name list of conforming suppliers on a periodical basis, able to provide price negotiation in priority and project undertaking in priority. Furthermore, in order to actualize human right protection, suppliers are invited in an initiative manner to	

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
(IX) Do the contracts between the company and its major suppliers include the policies concerning if a supplier is involved with any offense of its corporate social responsibility and in case a supplier incurs obvious impacts on the environment and community, such clauses of allowing terminating or cancelling a contract at any time?	V		<p>sign a contract with clauses dealing with human rights, to respect the basic labor human right protection of their employees. The Company also in 2014 established “Code of Normal Operation Behaviors of Sinyi Conglomerate”, requesting the qualified suppliers to sign and faithfully observe the said specification, so as seek for supplier partners recognizing operation with good faith.</p> <p>(IX) The Company prepares a volume vs. the major suppliers for management. A purchase sector shall establish commendable sense of ethics with the suppliers concerning purchase matters. A qualified supplier is required to sign and faithfully observe “Code of Normal Operation Behaviors of Sinyi Conglomerate”. In case of any offense with a supplier, the purchase sector has the right to terminate or cancel the cooperation or contract with such a supplier.</p>	
<p>IV. Strengthen Information Disclosure</p> <p>(I) Does the company disclose the related information to corporate social responsibility of key nature and reliability in its website and Market Observation Post Site, etc.?</p>	V		<p>(I) The Company has started to periodically publish a corporate social responsibility report annually since 2005 (during 2004-2008, annual reports of public welfare had been published; since 2009, Report on Sustainable Development have been published), and such are disclosed completely in the CSR (corporate social responsibility) website of the Company for public perusal. Since 2011, the Report on Sustainable Development has been recognized by British Standards Institution (BSI). (http://csr.sinyi.com.tw/download.php)</p>	Nil
<p>V. In case a company establishes its own Corporate Social Responsibility Best Practice Principles in accordance with “Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies”, please describe its operation and the deviation from the established Best Practice Principles: The Company, in order to fulfill its corporate social responsibility and promote the balance and sustainable development of economic, social and environmental ecology, had its “Corporate Social Responsibility Best Practice Principles for Sinyi Realty Inc.” approved in the Board of Directors in December of 2010 and reported at 2015 annual general shareholders’ meeting for revision, to strengthen the actualization of corporate social responsibility, and incorporate it into the corporate management and operation. The Company also reviews the execution status of the said Principles on a periodical basis and makes improvement accordingly, and there has been no deviation status since its execution till present.</p>				
<p>VI. Other important information facilitating to understand the operation status of corporate social responsibility: The Company and its affiliate companies have followed the operation concepts of “good faith” and “ethics” all the way, to internalize “active actualization of corporate social responsibility” to be our root values, maintained harmonious collaboration with various stakeholders, and been highly confirmed by various fields during these years with honor.</p>				

Evaluation Items	Facts of performance			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Abstract	
			<p>The Company won the honor of “Best Corporate Citizen Award” from 《CommonWealth Magazine》 for nine years in a row in 2015, and was awarded by the Taiwan Institute for Sustainable Energy 《Award of Sustainable Taiwan Enterprise 2015》 in the Categories of “Co-Harmony Society Award”, “Climate Leader Award” and “TOP50 Sustainable Enterprise Report Award in Realty & Construction Categories”. In addition, The Company was ranked among the Top 5% of the listed companies in the First Corporate Governance Appraisal by the Taiwan Stock Exchange Corporation (TWSE). The Company’s Subsidiary, Shanghai Sinyi Real Estate Inc., won the “Golden Bridge Award” of Session XIV as well as the “Top 20 Plus Real Estate Agencies” from the Shanghai Real Estate Trade Association (SRETA). The awards listed above all shows thatthe Company and its affiliate companies have for a long term with basis on the core concept of “applying whatever acquired from a community to the community” promoted its corporate social responsibility as its own responsibility, and are recognized by the community. In the future, the Company and its affiliate companies would continuously provide touching service, transfer the core value of corporate social responsibility, march toward the goal of sustainable operation, and endeavor to become a globalized local enterprise with comprehensive development.</p> <p>Other more related information can be referred to in Unit II, Honorable Record of Corporate Governance and the corporate social responsibility website of the Company (http://csr.sinyi.com.tw/).</p>	
			<p>VII. In case the corporate social responsibility report of the Company is approved through verification standards of related certification authorizes, it is required to be described: The “2014 Sinyi Realty Inc. Report on Sustainable Development” published by the Company in 2015 was consigned to BSI Taiwan branch to engage in verification, and a statement of independent guaranty comments was obtained. The certification result conforms to GRI(G4) Core option and the standard of AA1000 AS : 2008.</p>	

(VI) Facts about the Company’s performance in ethical corporate management and the measures so adopted :

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
<p>I. Establish Operation Policy and Scheme of Good Faith</p> <p>(I) Does the company expressly specify policy, practice of operation in good faith in its corporate statutes and bylaws and external documents, and do the Board of Directors and management level actively actualize the promise of operation policy?</p> <p>(II) Does the company specify a scheme of preventing behaviors not in good faith, and expressly describe in each scheme the operation procedures, behavior guidelines, punishment of offense, and complaint system, and actualize the execution of them?</p> <p>(III) Does the company apply preventive measures of the operation activities with rather high risk of behaviors not in good faith set forth in various items of Section 2, Article 7 of “Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies” or within other scopes of operation?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) The Company in order to further solidify the corporate culture of operation in good faith and its development establishes “Ethical Corporate Management Best Practice Principles of Sinyi Realty Inc.”, to serve as the basis of actualizing operation in good faith. Besides, related internal operation specifications and internal control systems are formulated, to engage in periodical review/audit for various operations and submit a report to the Board of Directors, for the Board of Directors to provide recommendations for such defects and perform improvement follow-ups.</p> <p>(II) The Company establishes “Behavioral Rules of Sinyi Conglomerate” which, besides being placed in the internal network for check of colleagues at all times, is also provided with automatic computer reminder function, to remind colleagues of knowing and signing such Code periodically, to facilitate colleagues to have a more clear direction while facing such aspects as Customers, colleagues, suppliers, the state, community, and global environment, etc., and avoid any interest conflict and acquisition of improper interest. It is also incorporated into the periodical assessment of employee performance audit system, to ensure the actualization of the corporate operation in good faith. If any colleague finds the dishonest behavior from the Company, the Company’s subsidiaries or other colleagues, he or she may appeal through appeal channels such as chairperson mail box and the specially-assigned person will conduct the investigation.</p> <p>(III) The Company establishes such internal operation rules and incentive/punishment systems, etc. as business specifications of various stores, to prevent the occurrence of behaviors not in good faith of colleagues, and formulates effective accounting system and internal control system, to perform periodical audit of the actualization status, and report the results to the Board of Directors.</p>	<p>Nil</p>

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
<p>II. Actualize Operation in Good Faith</p> <p>(I) Does the company evaluate the record of good faith of the transaction parties, and expressly specify clauses dealing with behaviors of good faith in the signed contracts of the transaction parties?</p> <p>(II) Does the company establish a sector of exclusive (concurrent) functions under the Board of Directors to promote corporate operation in good faith, and report to the Board of Directors its execution status on a periodical basis?</p> <p>(III) Does the company stipulate a policy of preventing interest conflict, provide due statement channels, and actualize the execution?</p>	V		<p>(I) The Company establishes “Rules Governing Group Purchase”, provides a sector with exclusive responsibility to be in charge of purchase price inquiries, price parity, price negotiation, authorization, bidding, acceptance inspection, payment request, and supplier management. Besides, assessments are conducted from time to time jointly with the purchase request sector in terms of supplier service quality, delivery schedule and price, and a database of qualified suppliers shall be built in accordance with the assessment results, to avoid transactions with the suppliers with record of behaviors not in good faith.</p> <p>(II) The Company establishes “Corporate Ethics Promotion Committee”, organized by the high-level supervisors of various departments, to ensure the actualization of operation principles of good faith in accordance with the work functions and scope of supervising related matters of each sector. In addition, to strengthen the rules of ethics, the Corporate Ethics Promotion Committee had proposed to the Board of Directors the revision of “Ethical Corporate Management Best Practice Principles of Sinyi Realty Inc.” which had been approved by the Board of Directors and reported at 2015 annual shareholders’ meeting.</p> <p>(III) The Company expressly specifies rules governing hospitality with good faith and avoiding any interest conflict in “Behavioral Rules of Sinyi Conglomerate” and “Business Specification of Each Store”, and also specifies related guidelines concerning the acceptance of gifts. In case of any offense of a colleague, after the supervisor engages in guidance and communication, punishments shall be submitted in accordance with rules. In case a colleague has any doubt about interest conflict, he/she may besides reporting to his/her direct supervisor also directly reflect it to the Corporate Ethics Office, Board Chairperson or Audit Committee as well. Those who have questions about the identification of appropriate behavior may state and consult with Corporate</p>	Nil

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
(IV) Does the company for actualizing operation in good faith already establishes effective accounting system, internal control system and for the internal audit sector to perform periodical audit, or consign the account to execute audits?	V		<p>Ethics Office.</p> <p>(IV) The Company in order to actualize operation in good faith already establishes effective accounting system and internal control system, including the collection of service cost to go through an exclusive account of contract performance guaranty; upon the payment request filed by a supplier, it is required to be approved through the responsible supervisors in accordance with the payment request authorization list; as the entertainment expense of each sector is also expressly specified to be approved by the President (while the entertainment expense of the President shall be approved by the Board Chairperson). Audit personnel shall also perform periodical audit in accordance with the regulations of various systems, and relate the audit results to the responsible supervisors of the related sectors, and gather the comprehensive result to the Audit Committee and the Board of Director on a periodical basis. Concerning any colleague with offense of the rules, he/she and his/her supervisor shall report the follow-up improvement status as well.</p>	
(V) Does the company hold internal, external educational training for operation in good faith on a periodical basis?	V		<p>(V) The Company also formally established the “Chief of Ethics” in January 2012 and organized Corporate Ethics Office, to further promote actualization of corporate good faith and ethics. In addition, supervisors are required to participate in corporate ethics program on a periodical basis, to internalize the corporate ethics from upside down as a part of routine operation. Since 2013, Professor Yang Pai-Chuan of Fu Jen Catholic University, specializing in entrepreneurial ethics and succeeding the Company’s chief of Ethics in 2014, has also been recruited to perform the corporate ethics instructor; and publicize the required behaviors of corporate ethics in the major assemblies of the whole company. Besides, the Board Chairman of the Company also describes such operation concepts of the Company as good faith and justice ahead of profit, etc. to all colleagues by means of the monthly assembly every month. The film of the monthly assembly is also displayed in the internal website of the company, to serve for</p>	

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
			colleagues in watching and mutual sharing.	
<p>III. Operation Status of Corporate Reporting System of an Offense</p> <p>(I) Does the company establish substantial offense reporting and incentive systems, and establish convenient offense reporting channels, and assign proper exclusively responsible personnel to accept the reported subject of an offense?</p>	V		(I) The Company establishes a sector with exclusive responsibility (Customer Service Department and Customer Relationship Operation Department) to be in charge of the disposition of customer-related issues. A Customer may express comments by means of the exclusive complaint line or exclusive service line, 24-hour online customer service, and in the manner of E-mail, to be conducted by exclusive personnel. The Company also provides an Audit Committee appeal and recommendations mailbox and stakeholders' mailbox in the Company's website (auditcommittee@sinyi.com.tw). Colleagues may also express comments or file an offense report about inadequate behaviors of other colleagues through the internal Board Chairperson's mailbox. In addition, rules governing colleague behaviors and incentive/punishment are also expressly formulated. The punishment cases are also announced in the internal website of the Company to serve as warnings for colleagues.	None
<p>(II) Does the company specify the investigation standard operation procedures of accepting offense reporting matters and a related confidentiality mechanism?</p>	V		(II) The Company for each complaint or offense report shall assign exclusive personnel to be in charge, through difference procedures in response to the nature of a case. It would be assigned to the related departments for action or an evaluation committee meeting would be convened, and a response is requested to be replied to the complaint filing party or offense reporting party within a specified period. In case of a major event, it shall be submitted to Corporate Ethics Office or the Board Chairperson. During the disposition process, the information of both a complaint filing party and offense reporting party shall be kept confidential; it is limited to be accessed only by the exclusive handling personnel.	
<p>(III) Does the company take measures to protect an offense reporting party from suffering improper disposition due to an offense report?</p>	V		(III) Since the information of a complaint filing party and offense reporting party for a complaint or offense report shall be strictly kept confidential, in case complaint filing party and offense reporting party is a company colleague, upon filing a complaint or report, he/she may choose to be kept confidential	

Evaluation Items	Facts of performance			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
			or open out of free will. After it is accepted by exclusive personnel on a project basis and through related procedures and disposition, due management and follow-up shall be filed, to ensure such a party to be free from suffering any improper disposition.	
IV. Strengthen Information Disclosure (I) Does the company disclose the content of operation principles of good faith and promotion performance in its website and Market Observation Post Site?	V		(I) “Ethical Corporate Management Best Practice Principles of Sinyi Realty Inc.” has been disclosed in the Company website and Market Observation Post Site. Concerning the related clauses of the operation principles of good faith of the Company, please refer to the “Corporate Governance” section of the investor relationship website of the Company. (http://www.sinyi.com.tw/info/i_1_1_corporate.php)	None
V. In case the Company in accordance with “Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies” establishes its own Ethical Corporate Management Best Practice Principles, please describe its operation and the deviation from the established Best Practice Principles: In order to solidify the corporate culture of operation in good faith of the Company and its organization development, and construct commendable commercial operation architecture, the Company had its “Ethical Corporate Management Best Practice Principles of Sinyi Realty Inc.”, which had been approved in the Board of Directors in December of 2010, reported at 2015 annual general shareholders’ meeting for revision, and incorporated it into the corporate management and operation. The Company also reviews the execution status of the said Principles on a periodical basis and makes improvement accordingly, and there has been no deviation status since its execution till present.				
VI. Other important information facilitating to understand the operation status of corporate operation in good faith: (such as the company in reviewing and correcting its established operation principles in good faith, etc.) (I) The Company established Sinyi School in April 2011, and opened to general public to participate in learning. The content of programs includes such series of lectures of corporate ethics, to convey the importance of corporate social responsibility and operation in good faith. (II) The Company was honored to be granted an award of an enterprise with operation in good faith in the “Collection of Economic Stories of Taiwan Enterprises with Operation in Good Faith” held by the Industrial Development Bureau, Ministry of Economic Affairs for the first time in 2011, and was the only enterprise being invited to engage in a subject speech to share its operation experience in good faith among the enterprises with awards. (III) Sinyi Development Co., Ltd., the Company’s subsidiary, promoted “Sinyi Chen Shih”, the first pre-sales project through self construction in 2014, differing from the current building purchase culture in Taiwan. The said project promoted a single selling price, as the initial selling method of “online order for a house” in Taiwan. In the website, such information as the plane, price, sales status of each household, etc. can be inquired, to protect the consumers’ welfare through open and transparent information. (IV) Other more related information can be referred to in Section IV, General Status of Corporate Social Responsibility Fulfillment and the “Corporate Social Responsibility” of the home page of the website of the Company.				

(VII) In case the corporate social responsibility report of this company is approved through verification standards of related certification authorizes, it is

required to be described:

The information of the related rules of the Company is already announced under the “Corporate Governance” section of the Company website (<http://www.sinyi.com.tw/info/company.php>), to serve for inquiry of the public, investors and shareholders.

(VIII) Other important information sufficient to improve the understanding of the corporate governance operation status:

1. The Company for a long term has continuously bettered the corporate governance practice. Following the corporate governance evaluation and recognition in “CG6003” through Taiwan Corporate Governance Association in 2008, in the years of 2009, 2010, 2011 and 2014, it also has successively been approved in the corporate governance evaluation and recognition of such advanced versions as “CG6004”, “CG6005”, “CG6006” and “CG6008” respectively, as the only TSEC/GTSM listed company recognized by Taiwan Corporate Governance Association for five times. In 2011 and 2012 (the 8th session and 9th session), it was also assessed by Securities and Futures Institute in the information disclosure evaluation as A+ class and a rather transparent TSEC/GTSM listed company of voluntary disclosed information. From 2013 to 2015, it was further assessed as A++ class in information disclosure evaluation of the TSEC/GTSM listed companies. In 2015, the Company was ranked by TWSE as the top 5% of the listed appraisees in the first Corporate Governance evaluation held by TWSE. The Company will continuously actualize the related corporate governance specifications with more strict standards, to protect the welfare of investors and stakeholders.
2. Please refer to Section IV, General Status of Corporate Social Responsibility Fulfillment for more related information.

(IX) Performance in Internal Control System

1. Declaration of Internal Control System

Sinyi Realty Inc.
Declaration of Internal Control System

Date: February 25, 2016

Over the Company's internal control system of Year 2015, based on the results of our self-audit, we'd hereby like to declare enumerated below:

1. Here at the Company, we confirm full awareness that implementation and maintenance of the internal control system are the inherent responsibility of the Company's board of directors and managers. The Company has duly set up such internal control system in an attempt to provide rational assurance of the effect and efficiency of the business operation (including profitability, performance and assurance of the safety of assets), reliability of financial report, accomplishment of the compliance targets.
2. Internal control system is subject to inherent restriction, disregarding how sound it has been designed. Effective internal control system could only provide rational assurance for accomplishment of the three aforementioned targets. Besides, in line with the changes in circumstances and environments, effectiveness of internal control system might change as well. For the Company's internal control system, nevertheless, we have set up sound self-supervision functionality. As soon as a defect is identified, the Company would take corrective action forthwith.
3. Exactly in accordance with the items of judgement for the effectiveness of the internal control system under "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Managerial Regulations"), we duly judge whether the internal control system is effective in design and implementation. The items adopted for aforementioned "Managerial Regulations" for judgement of internal control system are the process for management control. The internal control system is composed of five composition elements: 1. Circumstances of control, 2. Risk evaluation, 3. Control operation, 4. Information and construction, and 5. Supervision. Each and every composing element includes a certain items. For more details regarding the aforementioned items, please refer to contents of the "Criteria".
4. Here at the Company, we have adopted the aforementioned items of judgement over internal control system to verify the effectiveness of the design and implementation of the internal control system.
5. On the grounds of the results of verification in the preceding paragraph, we are confident that the Company's internal control system in design and implementation as of December 31, 2015 (including the supervision and management over subsidiaries), including the awareness of the results and efficiency of business operation in accomplishment of the targets, reliability of financial reports and compliance of the relevant laws and regulations are effective and would reasonably assure accomplishment of the aforementioned targets.
6. The Declaration will function as the key element of the Company's Annual Report and Prospectus and will be made public externally. In the event that the aforementioned made public involve misrepresentation, concealment or such unlawful practice, the Company shall get involved in the legal responsibilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Declaration has been approved by the Company's board of directors on February 25, 2016. Seven (7) directors were in attendance, none kept objecting opinions, and all directors in attendance hereby state their agreement to the contents of this declaration.

Sinyi Realty Inc.

Chairman : Chou Chun-Chi (Signed with seal)

General Manager : Chueh Chien-Ping (Signed with seal)

2. Where a Certified Public Accountant has been delegated to review internal control system in a special project, the Audit Report of the Certified Public Accountant shall be disclosed: Nil.

(X) In 2015 and as of the printing date of this Annual Report, facts of penalty imposed upon the Company and its internal personnel for their violation of the regulations of the internal control system, the major defects and the corrective actions taken: there is no such situation.

(XI) In 2015 and as of the printing date of this Annual Report, the Key Resolutions resolved in the shareholders' meeting and board of directors are as below:

Significant decisions resolved in the general shareholders' meeting 2015 and the implementation thereof:

Date	Attributes	Significant decisions resolved	Facts of implementation
05/15/2015	General shareholders' meeting	I. Adoption of 2014 business report and financial statements. II. Adoption of earning distribution proposal of 2014. III. Adoption of amendments to "Regulations of Governing Group Enterprises, Specific Companies, and Related Parties Transactions". IV. Successful resolution on the Company's capital to be increased with earnings to issue new shares.	All proposed issues have been satisfactorily completed in implementation exactly as resolved in the shareholders' meeting. Cash dividends and stock dividends had been distributed on July 15 and 29, 2015, respectively.

Major decisions resolved in the board of directors in Year 2015 and as of the printing date of this Annual Report:

Date	Session	Significant decisions resolved
01/27/2015	Session 11 The 13th meeting	<ul style="list-style-type: none"> I. Approval of the CPAs appointment and the audit fee for year 2015. II. Re-appoint the director of subsidiary's Board of directors. III. To apply to financial institutions for the incremental loans and line of credit.
02/25/2015	Session 11 The 14th meeting	<ul style="list-style-type: none"> I. Adoption of unaudited Consolidated and Parent Company only financial statements for the year ended December 31, 2014. II. Adoption of the 2014 Business Report. III. Adoption of the proposal for distribution of 2014 earnings. IV. Proposal of a new share issue through capitalization of 2014 earnings. V. Proposal of the proportion of employee bonus and directors compensation for the year ended December 31, 2014. VI. Proposal of the internal control statement for the year ended December 31, 2014. VII. Resolve to convene 2015 Annual General Shareholders' Meeting. VIII. Proposal of the authorized chief officers' Compensation for the year ended December 31, 2014. IX. To guarantee the subsidiary, Shanghai Sinyi Real Estate Inc., which will apply the incremental loans and line of credit. X. Re-appoint the directors and supervisor of subsidiary's Board of directors. XI. To apply to financial institutions for the incremental loans and line of credit.
03/31/2015	Session 11 The 15th meeting	<ul style="list-style-type: none"> I. Amendments to "Corporate Social Responsibility Best Practice Principles". II. Amendments to "Ethical Corporate Management Best Practice Principles". III. Amendments to "Regulations Governing Group Enterprises, Specific Companies and Related Parties Transactions". IV. Amendments to the agenda of 2015 Annual General Shareholders' Meeting. V. Amendments to the rules for authorized chief officers' Compensation.

04/28/2015	Session 11 The 16th meeting	<ul style="list-style-type: none"> I. Adoption of unaudited consolidated financial statements for the first quarter ended March 31, 2015. II. Amendments to "Audit Committee Charter". III. Amendments to "Rules and Procedures of Board of Directors Meetings". IV. Amendments to "Corporate Governance Best Practice Principles". V. Amendments to "Regulations Governing the Administration of Shareholder Services". VI. Amendments to "Regulations Governing Self-evaluation of the Internal Control System". VII. To prepare to revoke the branches. VIII. To appoint the directors of subsidiary's Board of Directors. IX. Approval of the Company's subsidiary adjusting the loan term to other party. X. To dispose of the securities.
06/02/2015	Session 11 The 17th meeting	<ul style="list-style-type: none"> I. Adoption of Ex-rights and dividend record and distribution date for earning distribution of year 2014. II. Adoption of authorized chief officers' bonus of year 2014.
07/30/2015	Session 11 The 18th meeting	<ul style="list-style-type: none"> I. Adoption of unaudited consolidated financial statements for the second quarter ended June 30, 2015. II. Providing with guarantee the subsidiary, Shanghai Sinyi Real Estate Inc., which will apply for and adjust line of credit. III. To apply to financial institutions for the incremental loans and line of credit. IV. Prepare to revoke the branch.
10/29/2015	Session 11 The 19th meeting	<ul style="list-style-type: none"> I. Adoption of unaudited consolidated financial statements for the third quarter ended September 30, 2015. II. Amendments to "Accounting System". III. To prepare to revoke the branches and set up sales offices. IV. To apply to financial institutions for the incremental loans and line of credit. V. Approval of formulating "Procedures for application to Suspend and Resume Stock Trading". VI. Re-appoint the director of subsidiary's board of directors. VII. Amendments to "Supervision and Management of Subsidiaries". VIII. Amendments to "Management of the use of seals". IX. The Company's subsidiary loaning to another subsidiary.

12/29/2015	Session 11 The 20th meeting	<ul style="list-style-type: none"> I. Set of "Proposal to enhance the ability of self-preparing financial report". II. Amendments to the "Internal Control Procedures". III. Amendments to the "Internal Audit Implementation Rules". IV. To approve the 2016 Internal Audit Plan. V. Amendments to the "Articles of Incorporation" of the Company. VI. Adjusted the terms of equity of the Company investment. VII. To decide the Executives who are applicable for Executive Compensation Policy for fiscal year 2016. VIII. Set of "Regulations on Performance Evaluation of the Board of Directors". IX. To propose the fiscal year 2016 budget. X. To prepare for revoke branch and set up sales office. XI. To apply the incremental loans and line of credit.
01/28/2015	Session 11 The 21th meeting	<ul style="list-style-type: none"> I. Approval of the CPAs appointment and the audit fee for the year 2016. II. Amendments to the "Internal Control Procedures". III. Adoption of authorized chief officers' Year-end bonuses of the year 2015. IV. To prepare to revoke the branches and set up sales offices.
02/25/2016	Session 11 The 22th meeting	<ul style="list-style-type: none"> I. Adoption of unaudited Consolidated and Parent Company only financial statements for the year ended December 31, 2015. II. Adoption of the 2015 Business Report. III. Adoption of the proposal for distribution of 2015 earnings. IV. Election the number of Directors nominees of the 12th Board. V. Proposal of release the Prohibition on Directors (including representatives) of the 12th Board from Participation in Competitive Business. VI. Proposal of the internal control statement for the year ended December 31, 2015. VII. Proposal of the proportion of employee compensation and director compensation for the year ended December 31, 2015. VIII. Proposal of the authorized chief officers' compensation for the year ended December 31, 2015. IX. Resolution details of convening 2016 Annual General Shareholders' Meeting. X. Approval of the Company's subsidiary loaning to another subsidiary. XI. To prepare to revoke the branches and set up sales offices.

03/31/2016	Session 11 The 23th meeting	<ul style="list-style-type: none"> I. To examine candidates of the Company's Directors of the 12th Board. II. Amendments to the "Internal Control Procedures". III. Amendments to the "Articles of Incorporation" of the Company. IV. To apply to financial institutions for the incremental loans and line of credit. V. To prepare to revoke the branches and set up sales offices. VI. Approval of the Company's loaning to its subsidiary. VII. Amendments to the "Procedures for Loaning Funds to Other Parties". VIII. Amendments to the "Procedures for Endorsements and Guarantees". IX. Proposal of release the Prohibition on Directors (including representatives) of the 12th Board from Participation in Competitive Business. X. Amendments to the agenda of 2016 Annual General Shareholders' Meeting. XI. To re-appoint the director of of the board of directors of the Company's subsidiary.
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- (XII) In latest fiscal year and as of the printing date of this Annual Report, different opinions posed by the directors or supervisors to the Key Resolutions in the board of directors, as backed with written records or declaration in writing: None.
- (XIII) In recent fiscal year and as of the printing date of this Annual Report, facts regarding the compilation for resignation, discharge of the chairman, general manager, chief accountant, financial head, principal internal auditor and research & development head: None.
- (XIV) The licenses/certificates obtained by the Company from the competent authorities proving transparent personnel on the Company's financial standing :

The Company and the finance relevant personnel include one (1) CPAs officially licensed by the Republic of China and United States, and one (1) CPAs officially licensed by the Republic of China and passed the Proficiency Test for Stock Affair Specialist.

IV. Information on Certified Public Accountant fees:

Name of CPA house	Name of CPA		Duration covered in the audit	Remarks
Deloitte Touche Tohmatsu Limited	Hsu Wen-Ya	Lai Kuan-Chung	01/01/2015~12/31/2015	

In Thousands of New Taiwan Dollars

Fee Item		Audit fees	Non-audit fees	Total
Amount range				
1	Below \$2,000 thousand		✓	
2	\$2,000 thousand (inclusive)~\$4,000 thousand			
3	\$4,000 thousand (inclusive)~\$6,000 thousand			
4	\$6,000 thousand (inclusive)~\$8,000 thousand			
5	\$8,000 thousand (inclusive)~\$10,000 thousand	✓		✓
6	Above \$10,000 thousand (inclusive)			

- (I) Where the fees paid to the certifying Certified Public Accountant, the office of the certifying Certified Public Accountant as non-audit fee that accounts for over one quarter of the aggregate total of audit fee, please disclose the contents of the audit and non-audit services respectively

The non-audit fee paid by the Company in 2015 accounted for 22% of the aggregate total of audit fees, with the contents of services enumerated below:

Name of CPA house	Name of CPA	Audit fees	Non-audit fees					Duration covered in the audit by CPAs	Remarks
			System design	Commercial registry	Human resources	Others	Subtotal		
Deloitte Touche Tohmatsu Limited	Hsu Wen-Ya	8,890	-	891	-	1,045	1,936	1/1/2015~12/31/2015	Non-audit fee—other service fee incurred for building of computer audit information platform and out-of-pocket expenses of financial and tax examination conducted by CPAs.
	Lai Kuan-Chung								

Note : In 2015, the aggregate total audit fee amounted to NT\$8,890 thousand (including the audit fee incurred for issuance of the Consolidated Financial Reports). The contents of the non-audit services are enumerated below:

1. The commercial registry fee amounted to NT\$891 thousand, incurred primarily for alteration registry, capital increase and services to coordinate with offshore subsidiaries.
2. The aggregate total for non-audit fee – Other expenditures came to NT\$1,045 thousand, not up to 25% of the aggregate total of non-audit fee. The relevant contents are shown through the remark box.

- (II) Replacement of the Certified Public Accountant office where the audit fee so paid reduced from the audit fee paid in the preceding year: Please elaborate on the amount so reduced, percentage and causes of reduction: Not applicable.
- (III) Where the audit fee so paid reduced by over 15% from the audit fee paid in the preceding year: Please elaborate on the amount so reduced, percentage and causes of reduction: Not applicable.

V. Information of a change in the Certified Public Accountants (CPAs):

Information of a change in the CPAs by the Company on January 27, 2015:

(I) Information of the former CPAs

Date of change	January 27, 2015		
Cause and explanation of change	Among the CPAs retained by the Company, in line with the need for internal adjustment, the certifying CPAs was changed from CPAs Yang Wen-Hsien and Wang Tzu-Chun into CPA Hsu Wen-Ya and CPA Lai Kuan-Chung starting from Quarter 1 of 2015.		
Explanation about whether change resulted from termination by rejection by the Principal or the CPAs	Parties concerned	By CPAs	By Principal
	Facts		
	Termination at discretion? Rejection from acceptance (continued retaining)	N/A	
Audit report with opinions other than unqualified (unreserved) opinion and the causes in the past two years	N/A		
Opinions different from the Issuer's	Yes	-	Accounting principles and practices
		-	Disclosure of financial reports
		-	Scope or steps of audit
		-	Others
	No	✓	
Explanation			

Other facts of disclosure (Facts to be disclosed under Article 10, Paragraph 5, Subparagraph 1, Item 4 of the Regulations)	Nil
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(II) About the succeeding CPAs:

Name of CPA House	Deloitte Touche Tohmatsu Limited
Names of CPAs	Hsu Wen-Ya, Lai Kuan-Chung
Date of retaining	As officially resolved in the board of directors on January 27, 2015.
Contents of consultation and the results on the accounting practices or accounting principles made prior to retaining, and the potential issuance of the financial reports	Nil
Opinions of the succeeding CPAs in writing about the opinions of the former CPAs	Nil

(III) Reply by the former CPAs regarding the issues of Article 10, Paragraph 5, Subparagraphs 1 and 2, Point 3 of the Regulations: N/A

VI. The Company's chairman, general manager, managers in charge of finance and accounting who have served with the office of a certifying Certified Public Accountant over the past one year, please disclose the name, position title and the information regarding the Certified Public Accountant Office or the affiliated enterprise thereof: Not applicable.

VII. In Year 2015 and as of the printing date of this Annual Report, transfer of shares, pledge or change in equity by the directors, managers and key shareholders holding over 10% of the aggregate total are shown as below, and there is no transferor of any one among directors and supervisors, managers, key shareholders who transfers or mortgages share equity a related party.

Expressed in Share

Title	Name	2015		As of March 31, 2016	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairperson	Chou Chun-Chi	234,235	-	-	-
Vice Chairperson	Chou Wang Mei-Wen	90,242	-	-	-
Independent Director	Lin Hsin-Yi	-	-	-	-
Independent Director	Lin Hsin-Ho	-	-	-	-
Independent Director	Liu Shun-Jen	-	-	-	-
Independent Director	Lee Cheng	-	-	-	-
Director (Concurrent General Manager)	Legal Representative of Sinyi Co., Ltd.: Chueh Chien-Ping	5,250,803	-	-	-
		93	-	-	-
Key shareholders holding over 10% of the total shares	Yu Hao Co., Ltd.	5,218,306	-	-	-
General Manager	Chueh Chien-Ping	93	-	-	-
Ethics Director	Yang Pai-Chuan	-	-	-	-
Chief Strategy Officer	Chou Chuang Yun	9,130	-	-	-
Chief Information Officer	Tsai Chi-Yen	-	-	-	-
Chief Financial Officer	Chen Chien-Chih	-	-	-	-
Chief Human Resource Officer	Lee Wei-Che	-	-	-	-
Auditor-General	Chou Su-Hsiang	20,179	-	-	-
Vice General Manager of Home Service Center	Liu Yuan-Chih	-	-	-	-
Vice General Manager of Public Affairs Department	Kao Chih-Hua	-	-	-	-
Vice General Manager of General Manager Office	Su Shou-Jen	19,465	-	(500,000)	-
Vice General Manager of United Selling Agency Division	Lee Shao-Kang	309	-	-	-
Vice General Manager of Real Estate Agent Division	Feng Chi-Yi	(8,825)	-	-	-
Vice General Manager of Real Estate Agent Division	Chen Li-Hsing	12,773	-	-	-
Senior Manager of Entrepreneurial Ethics Office	Chen Wen-Hsiang	133	-	-	-
Senior Manager of Customer and Legal Service Department	Liu Wei-Te	-	-	-	-
Senior Manager of Human Resources Department	Huang Yu-Jen	6,117	-	-	-
Senior Manager of Management Information System (MIS) Department	Chiang Yuan-Chi	679	-	-	-
Senior Manager of Finance Department	Chen Chih-Huan	395	-	-	-
Senior Manager of Capital Fund Management Department	Chuang Tsung-Hsun	840	-	-	-
Senior Manager of Accounting Department	Lin Chiu-Chin	2,240	-	-	-
Senior Manager of Business Service Department	Chang Ching-Chih	644	-	-	-
Senior Manager of Network Business Department	Hsiao Cheng-Hua	9,959	-	-	-
Senior Manager of Real Estate Agent Division	Chen Hsu-Chieh	4,246	-	-	-
Senior Manager of Real Estate Agent Division	Lin San-Chih	(5,518)	-	-	-
Senior Manager of Real Estate Agent Division	Chang Wen-Tsung	10,749	-	(2,000)	-
Senior Manager of Real Estate Agent Division	Wang Hui-Ping	10,572	-	-	-

Senior Manager of Real Estate Agent Division	Tuan Li-Fan	2,689	-	-	-
Senior Manager of Real Estate Agent Division	Chang Teng-Lai	2,439	-	-	-
Senior Manager of Real Estate Agent Division	Wang Chih-Nan	3,920	-	-	-
Senior Manager of Real Estate Agent Division	Ou Chih-Hsiung	11,755	-	-	-
Senior Manager of Real Estate Agent Division	Hsieh Tsung-Hsien	2,297	-	-	-
Senior Manager of Real Estate Agent Division	Liu Yu-Jung	3,243	-	-	-
Senior Manager of Real Estate Agent Division	Chou Chun-Jung	(41,989)	-	-	-
Senior Manager of Real Estate Agent Division	Lin Wu-Hsiung	2,907	-	-	-
Senior Manager of Real Estate Agent Division	Su Shang-Yao	25	-	-	-
Senior Manager of Real Estate Agent Division	Huang Mao-Shu	1,610	-	-	-
Senior Manager of Real Estate Agent Division	Chen Ming-Yi	-	-	-	-
Senior Manager of Real Estate Agent Division	Chu Ta-Yung	78	-	-	-
Senior Manager of Real Estate Agent Division	Hung Cheng-Lung	-	-	-	-
Senior Manager of Real Estate Agent Division	Liao Ching-Chou	62	-	-	-
Senior Manager of Real Estate Agent Division	Chen Chin-Tang	539	-	-	-
Senior Manager of Real Estate Agent Division	Chang Chia-Jung	294	-	-	-
Senior Manager of Real Estate Agent Division	Chang Wei-Hsiang	1,548	-	-	-
Senior Manager of Real Estate Agent Division	Wang Mao-Sang	83	-	-	-
Senior Manager of Real Estate Agent Division	Chen Shih-Yao	-	-	-	-
Senior Manager of Real Estate Agent Division	Lee Kuo-Hsiung	-	-	-	-
Senior Manager of Real Estate Agent Division	Hung Chien-Huan	-	-	-	-
Senior Manager of Real Estate Agent Division	Lin Te-Cheng	-	-	-	-
Senior Manager of Real Estate Agent Division	Yu Ho-An	2,340	-	-	-
Senior Manager of Real Estate Agent Division	Liu Tung-Yuan	28	-	-	-
Senior Manager of Real Estate Agent Division	Tsai Ching-Long(Note1)	811	-	-	-
Senior Manager of Real Estate Agent Division	Chang Cheng-Te(Note1)	-	-	-	-
Senior Manager of Real Estate Agent Division	Lee Je-Fong(Note2)	-	-	-	-
Senior Manager of Real Estate Agent Division	Wang Chih-Wei(Note2)	-	-	-	-
Senior Manager of Real Estate Agent Division	Ye Zong-Fu(Note2)	-	-	-	-
Senior Manager of Real Estate Agent Division	Chen Shih-Ciang(Note2)	-	-	-	-

Note 1 : Since the manager took office at April 1, 2015, only the increase/decrease of shares after the appointed date shall be disclosed.

Note 2 : Since the manager took office at February 1, 2016, only the increase/decrease of shares after the appointed date shall be disclosed.

Note 3 : Mr. Yang Liang-Chien and Chen Ming-Yen, the former senior managers of Real Estate Agent Division resigned in April and June, 2015, respectively; Mr. Huang Yu-Jen, the senior manager of Human Resource Department, resigned in October, 2015. Mr. Chen Li-Tin and Mr. Huan Chiung-Kun, the former senior managers of Real Estate Agent Division were discharged for his transferring to another position and retirement in February, 2016. Ms. Tsao Ling-Ling at Strategy Allian Research & Development Center resigned in March, 2016.

VIII. Top shareholders in terms of shareholding, and the information of their interrelationship

Expressed in Share, %

Name	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Names and Relations of Top 10 Shareholders who are Spousal Relationship or are within the Second Degree of Kinship		Remarks
	Number of Shares	Shareholding rate	Number of Shares	Shareholding rate	Number of Shares	Shareholding rate	Title (Or Name)	Relation	
Sinyi Co., Ltd.	180,277,601	28.53%	-	-	-	-	Yu Hao Co., Ltd. Sinyi Real Estate Consulting Inc.	Same Chairperson Juristic person director	Nil
Sinyi Co., Ltd. Representative: Chou Chun-Chi	8,042,093	1.27%	20,454,259	3.24%	-	-	Sinyi Co., Ltd. Yu Hao Co., Ltd. Chou Chun-Hao Chou Keng-Yu Chou Chun-Heng	Representative of Juristic person director Representative of Juristic person director Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	
Yu Hao Co., Ltd.	179,161,853	28.36%	-	-	-	-	Sinyi Co., Ltd. Sinyi Real Estate Consulting Inc.	Same Chairperson Supervisor	
Yu Hao Co., Ltd. Representative: Chou Chun-Chi	8,042,093	1.27%	20,454,259	3.24%	-	-	Sinyi Co., Ltd. Yu Hao Co., Ltd. Chou Chun-Hao Chou Keng-Yu Chou Chun-Heng	Representative of Juristic Person Director Representative of Juristic Person Director Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	
The specially designated (earmarked) comprehensive trust account on employee shareholding of Chinatrust Commercial Bank for Sinyi employees	21,143,965	3.35%	-	-	-	-	Nil	Nil	
Chou Chun-Hao	18,579,959	2.94%	-	-	-	-	Chou Chun-Chi Chou Keng-Yu Chou Chun-Heng	Relative within the second degree of kinship	
Chou Keng-Yu	17,413,390	2.76%	-	-	-	-	Chou Chun-Chi Chou Chun-Hao Chou Chun-Heng	Relative within the second degree of kinship	
Chou Chun-Heng	17,355,935	2.75%	-	-	-	-	Chou Chun-Chi Chou Chun-Hao Chou Keng-Yu	Relative within the second degree of kinship	

Name	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Names and Relations of Top 10 Shareholders who are Spousal Relationship or are within the Second Degree of Kinship		Remarks
	Number of Shares	Shareholding rate	Number of Shares	Shareholding rate	Number of Shares	Shareholding rate	Title (Or Name)	Relation	
Hongkong and Shanghai Banking Corporation trusted to take custody of Morgan Stanley Asia-Pacific Region Co., Ltd.	9,380,210	1.49%	-	-	-	-	Nil	Nil	
Chou Chun-Chi	8,042,093	1.27%	20,454,259	3.24%	-	-	Sinyi Co., Ltd. Yu Hao Co., Ltd. Chou Chun-Hao Chou Keng-Yu Chou Chun-Heng	Representative of Juristic Person Director Representative of Juristic Person Director Relative within the second degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	
Sinyi Real Estate Consulting Ltd.	7,862,920	1.24%	-	-	-	-	Sinyi Co., Ltd. Yu Hao Co., Ltd.	Equity method investees Equity method investees	
Sinyi Real Estate Consulting Ltd. Representative: Chiu Chien-Hui	151,397	0.02%	-	-	-	-	Nil	Nil	
Labor pension fund under new system	3,586,406	0.57%	-	-	-	-	Nil	Nil	

Note : All aforementioned information was as of March 31, 2016 while the transfer among the Register (Roster) of Shareholders was suspended.

IX. The number of shares held by the Company, the Company's directors and supervisors, managers and the businesses under control by the Company either directly or indirectly to the same re-investment business and consolidated shareholder percentages are combined and calculated:

Expressed in Share, %

Reinvested companies (Note)	Investment by the Company		Investment by directors, supervisor, manager and directly or indirectly controlled company		Syndicated investment	
	Number of Shares	Shareholding rate	Number of Shares	Shareholding rate	Number of Shares	Shareholding rate
SINYI LIMITED	76,001,135	100.00%	-	-	76,001,135	100.00%
SINYI INTERNATIONAL LIMITED	148,395,838	100.00%	-	-	148,395,838	100.00%
Jui-Inn Consultants Co., Ltd.	500,000	100.00%	-	-	500,000	100.00%
Sinyi Development Inc.	53,500,000	100.00%	-	-	53,500,000	100.00%
Sinyi Culture Publishing Inc.	-	99.20%	-	0.80%	-	100.00%
Sinyi Global Asset Management Co., Ltd.	2,000,000	100.00%	-	-	2,000,000	100.00%
Sinyi Interior Design Co., Ltd.	95,000	19.00%	405,000	81.00%	500,000	100.00%
Heng-Yi Real Estate Consulting Inc.	2,000,000	100.00%	-	-	2,000,000	100.00%
Yowoo Technology Inc.	3,000,000	100.00%	-	-	3,000,000	100.00%
An-Sin Real Estate Management Ltd.	7,650,000	51.00%	600,000	4.00%	8,250,000	55.00%
An-Shin Real Estate Management	-	-	5,500,000	55.00%	5,500,000	55.00%
Da-Chia Construction Co., Ltd.	-	-	50,000	100.00%	50,000	100.00%
Sinyi Real Estate Co., Ltd.	-	-	50,000	100.00%	50,000	100.00%
INANE INTERNATIONAL LIMITED	-	-	56,629,268	100.00%	56,629,268	100.00%
Shanghai Sinyi Real Estate Inc.	-	-	-	100.00%	-	100.00%
Beijing Sinyi Real Estate Ltd.	-	-	-	100.00%	-	100.00%
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling	-	-	-	100.00%	-	100.00%
Chengdu Sinyi Real Estate Co., Ltd.	-	-	-	100.00%	-	100.00%
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	-	-	-	100.00%	-	100.00%
Ke Wei HK Realty Limited	-	-	2,675,000	99.07%	2,675,000	99.07%
Ke Wei Shanghai Real Estate Management Consulting Inc.	-	-	-	99.07%	-	99.07%
FOREVER SUCCESS INTERNATIONAL LIMITED	-	-	2,216,239	100.00%	2,216,239	100.00%
Shanghai Shang Tuo Investment Management Consulting Inc.	-	-	-	100.00%	-	100.00%
Sinyi Realty Inc. Japan	-	-	16,000	100.00%	16,000	100.00%
Sinyi Management Co., Ltd. (Richesse Management Co., Ltd.)	-	-	600	100.00%	600	100.00%
SINYI DEVELOPMENT LTD.	-	-	500,000	100.00%	500,000	100.00%
Sinyi Real Estate (Hong Kong) Limited	-	-	131,966,210	100.00%	131,966,210	100.00%
Sinyi Real Estate (Shanghai) Limited	-	-	131,000,200	100.00%	131,000,200	100.00%
MAX SUCCESS INTERNATIONAL LIMITED	-	-	-	100.00%	-	100.00%
Zhejiang Sinyi Real Estate Co., Ltd.	-	-	-	100.00%	-	100.00%
Suzhou Sinyi Real Estate Inc.	-	-	-	100.00%	-	100.00%
Hua Yun Renovation (Shanghai) Co., Ltd.	-	-	-	100.00%	-	100.00%
Kunshan Dingxian Trading Co., Ltd.	-	-	-	100.00%	-	100.00%
Sinyi Estate Ltd.	-	-	12,297,800	100.00%	12,297,800	100.00%
Sinyi Estate (HK) Ltd.	-	-	800	100.00%	800	100.00%

X. Among the top key shareholders or shareholders who hold over 5% in shareholding, in case of juristic person shareholders, please provide details of the key shareholders

March 31, 2016

Names of the Juristic person shareholders	Major Shareholders of the Juristic person shareholders and Shareholding Ratio
Sinyi Co., Ltd.	Yu Heng Co., Ltd. (100.00%)
Yu Hao Co., Ltd.	Yu Heng Co., Ltd. (100.00%)
Sinyi Real Estate Consulting Ltd.	Sinyi Co., Ltd. (68.10%) Yu Hao Co., Ltd. (31.90%)

Four. Performance in Fulfillment of Corporate Responsibilities toward the Society

We received awards “Top 50 Corporate Sustainability Report in Real Estate and Construction”, “Contributions to Social Inclusion” and “Leadership in Climate Change” from Taiwan Institute for Sustainable Energy in November 2015, a testimony to our efforts in corporate governance, environmental protection and social harmony. The Company and subsidiaries will continue to adhere to our people-centric philosophy and honor our corporate responsibilities in order to become a world-class company in real estate services.

The Company officially came into being in Year 1987. Since then, we have faithfully stuck to the Sinyi motto focusing notably on “human-oriented”, “just do it as we should” by launching a variety of real estate agent service guidelines. Now, we have, bit by bit, upgraded the level of services toward customers. As Sinyi Realty Inc. has been growing into an increasingly huge scale, never have we ignored our dedication toward the society as a model corporate citizen and broadened our positive influence. Our dedicated hands-on practices in the responsibility toward the society have won widespread acclaims as well. In Year 2012, we further spearheaded the native counterparts by setting up the Corporate Ethics Office as well as the position title of Ethics Director. Meanwhile, we continually sponsored corporate ethics related lectures and programs, assimilating into “faithfulness” and “ethics” onto the first-line teammates. Through our efforts to cultivate entire staff through corporate ethics, we assure each and every employee to become dedicated Sinyi specialist; each and every enterprise to become Sinyi Realty. Eventually, thanks to such dedicated efforts, the precious island Formosa propitious for the paradise and talented human resources will become cultural giant admirable to all. In the days and years ahead, we shall continually go forward with wholehearted efforts toward the goal as the “new paragon in services industry”. Armed with the spirit for sustainable prosperity, we shall combine the benefits of our customers, staff members, shareholders, society, entire country and natural environments into a whole toward our ultimate goal of “achieving world-class service giant”.

I. Participation in the communities:

(I) Sponsorship toward the Entire Community in One Family:

On a long-run basis, we have spared no effort devote ourselves to community operation. We notice that communities function as the very fundamental unit to push Taiwan ahead. In Year 2004 just after the presidential election campaign, we perceived the emerging political turmoil and the confrontation amidst ethnic groups. In the ensuing year in Year 2005, we set up “One Community One Family Promotion Association” to boost the function of a community so as to promote the goal of “One Community One Family”. Furthermore, we launched “One Community One Family Sponsorship Program” with five-year in a term, with contribution of NT\$100 million sponsorship fund to substantially help communities fulfill the dream held by all communities toward families. Through such efforts, by means of community reform,

we will convert the minor love within our hearts to the major love for the entire communities in neighborhood. Then our community people could restore the medium powers of being “harmonious with fellow community people and neighbors”, to remove all potential estrangement in interrelationship, guiding people to pick up their inherent love and warm concern toward families, communities, society and even entire country, to indeed fulfill the dream of “one community one family”, making Taiwan, the paradise land where we dwell, become the prettiest hometown throughout the world. Thanks to our more than five years efforts in promotion 2004 ~ 2008, we satisfactorily accomplished the Phase I targets. During that period, we received a total of 2,901 proposals and successfully helped a total of 397 communities accomplish their long-fostered dreams.

In Year 2009, we further resolved to invest another NT\$100 million sum to carry out Phase II “Action Plan of One Community One Family”, focusing on “Learning through the Communities” as the core philosophy. We interpreted the value of blessed lifestyle anew. Through the community development platforms, we brought into the business operation into Phase I senior community experiences, instructions through expertise instructors along with investment with Sinyi volunteers and such human resources and other resources. Thanks to such efforts from the Sinyi management, the communities could receive financial support not solely from enterprises, and could cultivate and upgrade their own capability amidst the process of interaction and learning, enable themselves to boost growth of communities, make the communities where they dwell more blessed and demonstrate the innovative values through entrepreneurial sponsorship. Thanks to the wholehearted Sinyi efforts in implementing the One Community One Family Program, in Phase II alone as of the end of Year 2014, we successfully helped a total of 874 communities to fulfill the community reform programs notably including “ecology environmental protection”, “community space reform”, “cultural industry”, “cultural inherit”, “human resources cultivation” and “warm concern toward communities” among other efforts.

In Year 2015, there were a total of 656 proposals posed under the “One Community One Family Action Plan” among which, there were a total of 255 award winners. In twelve years in accumulation, there were 7,327 proposals posed in total, with 1,525 communities awarded the support. Overall, the Company has sponsored over NT\$220 million. The plan has solidly constructed the most beautiful scenery in Taiwan and has gathered together the most heart loving Taiwan. In the twelve years while “One Community, One Family” were under implementation, we focused on the local characteristics in the first five years as the very perch in continuing and promoting the local industry and culture. In the past six years, we launched huge amounts of proposals to serve youths who return to and dedicate themselves to their own home communities, bringing added momentum of the community industries. Besides, amidst the multiple ethnic races notably the aboriginal people, Hakka and local natives

who constituted the majority, quite a few new immigrants have joined the application for our One Community, One Family services in recent years to contribute themselves to the community services amidst the ethnic harmony.

Upon the tenth anniversary of our initiative “One Community, One Big Family”, we embarked on “Nationwide Community Building” in March 2015, our second 10-year program, with commitment to invest in NT\$200 million. This is an extension of “One Community, One Big Family”, as well as the largest corporate-sponsored scheme in community building in Taiwan. It is hoped that our efforts can assist in social reconstruction by starting at homes and connecting communities. We organize innovative activities in order to invite public participation. Since the launch of “One Community, One Big Family” in 2004, there has been an increasing involvement from youngsters. In the beginning, the majority of participants were aged between 45 and 50. After 2009, the largest group of participants are 20~30 years old. To encourage the youth participation, we offer the sponsorship up to NT\$150,000 to college students and graduates as part of our nationwide community regeneration campaign in 2015. We also provide sponsorships up to NT\$200,000 for an individual and NT\$500,000 for a community.

Our Nationwide Community Building initiative launched in 2015 goes beyond communities, extends into campuses and operates on an O2O platform. We invite everybody to get involved and make community development easier and more pleasant and we welcome those without experience in community reconstruction. We have constructed a technology platform “Gogonow (i.e. pinky promises)” to solicit and match the commitment and resources from different communities and social groups. The goal is to lower the threshold of participation in community development by integrating funding, materials, manpower and knowledge base.

We have extensive experience as a real estate agent for property sellers and developers. We know what the customers need and we understand how valuable good neighbours are to home buyers. Sinyi Real Estate (Shanghai) Limited, one of our subsidiaries, is a real estate developer dedicated to the creation of communities for home owners. Striving to make each community a one big family, Sinyi Real Estate (Shanghai) Limited goes beyond the nitty-gritty of the constructions and pursues the spiritual elements of what a home is about. We believe homes are the shelter for the peace of body and mind. Communities should be more than just independent blocks with shared infrastructure. We strive to create a sense of belonging for all the residents and seek to nurture an affluent environment where culture and mutual support enhance the solidarity of each community with frequent events and publications.

For more details about “One Community, One Family”, please surf the website below: <http://www.taiwan4718.tw/index.php>

(II) Sinyi Volunteers:

During the process when we implement “One Community One Family Sponsorship Program”, very often we did notice that numerous community residents foster optimal concepts but could not get their concept embodied due primarily to lack of right human resources. In Year 2007, therefore, the teammates inside Sinyi Realty Inc. took the initiative to launch Sinyi Volunteers, with concrete actions known as “Sinyi Volunteers Service Actions”. We launched extensive invitation to all Sinyi teammates to join the significant program “Sinyi Volunteers” which has since then won warm and continued responses.

“When your palm faces downward, you are a happy donor”. This was the very initiative of the Sinyi Volunteers. In the real estate agent services, services always represent the very core of our services. The selfless concept of Sinyi Volunteers to serve others is just the very fundamental element in the real estate agent services. The Sinyi Volunteers Services, therefore, just function as the very core lesson in our human resources cultivation. The hands-on experiences we have accumulated previously indicate that the brokers in the more astonishing performance would show higher ratio in participating in Sinyi Volunteers. During the Sinyi Volunteers process, they learned more and more details, and learned the warm heart to appreciate and, in turn, convert all such precious harvest onto customer services.

The Sinyi Volunteers cover all-embracing contents. Other than conventional services with labor, the Sinyi Volunteers rendered extensive services without any bit of hesitation in accompanying senior citizens, accompanying children in the study process, ecological environmental protection, blood donation, charity sales sponsorship, support to farmers in crop harvesting, soliciting books through donation. Almost each and every need in a community ranging from blog setup, after-school study aids, story telling and traffic guards. In all such events and scenes, one could easily find Sinyi Volunteers in presence who demonstrated the doubling effects, manifesting the Sinyi Volunteers spirit to the entire society. Thanks to the Sinyi Volunteers efforts, Sinyi Realty Inc. assumes another responsibility to the public interests in the society.

In an attempt to encourage Sinyi teammates to join the Sinyi Volunteers, each and every staff member is granted one-day official leave so that they may join Sinyi Volunteers. We offer incentives to dedicated Sinyi Volunteers. Moreover, the ranking executives lead the program by personal example by joining Sinyi Volunteers themselves. As of December 31, 2015, we had accompanied up to 105,236 hours and 14,289 volunteers in such meaningful program. As we have grown amidst the support in the society, we offer warm feedback to the entire society. For more details about Sinyi Volunteers, please surf: http://csr.sinyi.com.tw/content.php?info_id=22

(III) Supreme Sinyi Fellowship:

Catastrophic Earthquake September 21, 1999 virtually devastated a majority of

Taiwan Island, in particular the remote Xinyi Township in Nantou County. In an attempt to help the frightened children continue their schooling, here at Sinyi Conglomerate, we set up “Supreme Sinyi Fellowship” in 2000 to help and guide those children in the hard-up financial standing, in single families studying in more than twenty senior high schools, elementary schools and in the devastated families with tuition aids, scholarships to enable them to study with an interruption. As of December 31, 2015, with “Supreme Sinyi Fellowship”, Sinyi Conglomerate virtually helped up to 4,377 children at Xinyi Township with the aggregate total contribution amounting to over NT\$11.52 million.

(IV) Root-laying programs in corporate ethic education:

In an attempt to cultivate future leaders in wholesome ethnics, we have, via the Sinyi Culture Foundation, launched in 2004 “Root-laying programs in corporate ethic education”. We extensively invited scholars and experts to join the Program. In each and every year, we budgeted millions of New Taiwan Dollars into the Program to encourage higher education field in Taiwan into focusing the education of future entrepreneurs into respectable character. In the Program, we teamed up with Chinese Management Association with selections of corporate ethics instructors and teachers through strict selection and screening process. We sponsor remarkable teachers to produce teaching videos and work out teaching guides on corporate ethics. Amidst the masterpieces worked out and presented by the sponsored teachers, we further screened and selected prominent ones and remarkable representatives so that the bumper crops so yielded in the Program could be co-shared by all academic and entrepreneurial fields through close interchanges. Thanks to such remarkable efforts, the momentum of the schools and the teachers have been significantly augmented and accumulated into corporate ethics powers. In the principle of “One Teacher for Every School”, we supported twenty selected teachers in twenty schools to proceed with “Corporate Ethics” case writing and teaching method research & development. Just as a result of such Sinyi efforts, the “Ethics Teaching Platform” has virtually come into being in all university campuses.

Through implementation, cultivation and accumulation of the “Root-laying programs in corporate ethic education”, Sinyi Conglomerate founded the “Chinese Corporate Ethics Education Promotion Society” to launch hands-on promotion of corporate ethics education in 2009. With dedicated participation from enthusiasts in education, academic and entrepreneurial fields, such powers have been multiplied into formidable momentum. On an annual basis, we further sponsor “Corporate Ethics Education Seminar” to promote the hands-on experiences accumulated by the dedicated teachers and their efforts. So far, we have set up an integrated ethic platforms. Thanks to such sound efforts, people in the academic field will get easy channels to obtain the information, contents of teaching program and the ethnic concept they need

and have the bumper crop so yielded so-shared by all. In turn, the sound concept of ethnics may be profoundly implanted into the mind of school students.

Besides in Year 2012, the Chairperson of the Board of the Company donated in his personal name NT\$600 million. The Company, meanwhile, donated a total of 120 million in ten years, making the aggregate total at NT\$720 million. With the huge amount of the donation, Sinyi Conglomerate set up in concert of National Chengchi University the “corporate ethics” oriented “Sinyi Institute”. Through the efforts to cultivate managers, we would imbue corporate ethics to remind enterprises to further focus on the corporate ethics. In turn, they would heighten the competitive edge of enterprises and industries and intensify the brand name image of the country. Accordingly, the Sinyi Institute is characterized by educational spirit of “managerial moral, social responsibility, sustainable development” to forge international level managerial education center. Inside the Sinyi Institute, other than the events to sponsor College of Commerce, National Chengchi University, we invited numerous guest professors at home and abroad to lecture the selected trainees in Taiwan. We offered Sinyi Scholarship and integrated the existing Sinyi Enterprise Real Estate Research & Development Center and further set up corporate ethics lectures. For the significant event, we invited former Vice President of the Republic of China Vincent Siew as the first time lecture sponsor. Meanwhile, we further set up “Corporate Ethics Research & Development Center” aiming at research of corporate ethics, managerial moral, sustainable enterprise development and sustainable environmental development as the final goals. Through establishment of systematic corporate ethics in sustainable operation, we pass the relevant knowledge and technology & know-how to students in the College of Commerce. For more details regarding Sinyi Institute, please surf: <http://www.syschool.nccu.edu.tw/rcrc>

(V) Establishment of “Sinyi School”:

Sinyi Conglomerate further established Sinyi School in an attempt to provide the general public with another venue to study. Through lectures in diversified, comprehensive and multifaceted issues, symposiums and hands-on participation by Sinyi Volunteers, we guided the general public into added concern about corporate ethics, cultural lifestyle and concept in environmental protection, warm concern about communities, residential spaces and blessed families. Since the Sinyi School was first founded in April 2011, we have worked on the grounds of corporate ethics spirit” as advocated by Sinyi Realty Inc., we put forth human-based perch, and took 【Sinyi School】 as the very brand logo to march into the markets for public learning with diversified, comprehensive and multifaceted domains to launch uninterrupted interchanges with the target groups on a weekly basis through story telling, concept co-share, transmission of once ignored ethic values. All such sound topics have been transmitted to each and every corner of Taiwan with inter-learning and

inter-communications with target audiences. As of December 31, 2015, just through Sinyi School, we had sponsored over 421 lectures which had been attended by more than 65 thousand attendees to co-share interchanges through Sinyi School Interchange Platform to co-share the fruits so yielded. In the days and years ahead, Sinyi School will continually stick to the upgraded concept of ethnics to pass on the blessed values on the grounds of knowledge and technology & know-how. Other than the transmission like proliferation of ripples, we would further spread formidable power of pulsation which, through continued Sinyi efforts, will be continually fermented on this land to accomplish the true, the good and the beautiful society. For more details about Sinyi School, please surf: <http://www.sinyischool.org.tw/index.php>

(VI) Adoption of “Xinyi Plaza”:

Echoing the joint participation in maintaining the urban vista initiated by the Taipei City Government, we have, since Year 2007, taken the initiative to adopt Xinyi Plaza. With the entrepreneurial enthusiasm, we have invested human resources and other resources to renovate the Xinyi Plaza into a brand new face. Sinyi Conglomerate has teamed up with the government authority to jointly create the tranquil “urban oasis” amidst the bustling downtown area.

(VII) Echoing the “Senior Citizen Friendly Station” of Taipei City Government:

Since Year 2011, we have echoed Department of Social Welfare, Taipei City Government to innovate “Senior Citizen Friendly Station”—the very original one of its like in the entire country. Through the spirit of “love is just there in every corner”, we encourage senior citizens to walk out of their home into the society, into the wholesome lifestyle. In Taipei City Government, we set up over 150 service points to enthusiastically render such services to senior citizens. Other than restrooms and rest lounges offered under the efforts, whenever a senior citizen feels a discomfort, our Sinyi teammates from the local Sinyi Branch(es) to rush to contact his or her family members or dial 119. Whenever a senior citizen is found is a dementia, the Sinyi teammates will dial 110 to call police to identify his or her status and contact his or her family members. Whenever a senior citizen is in a question about senior citizen welfare, Sinyi teammates would dial 1999 to help consult with the Taipei City Government officials. Through such friendly and intimate service networks, we help senior citizens in omnifarious and comprehensive aspects, lodging, transportation, education and recreation amidst the blessed and friendly city of Taipei.

(VIII) Creation of more jobs:

Since Sinyi Realty Inc. first came into being, we have faithfully stuck to the “human-based” philosophy to offer optimal environments of employment where all Sinyi teammates have enjoyed sound and carefree employment and growth. We have tried to offer diversified, comprehensive and multifaceted opportunities of jobs and

echoed the government in a variety of employment programs. Other than numerous opportunities of employment, we have offered opportunities for the mentally and physically handicapped people. Since 2010, we have hired blind people into our regular organization chart to render massage services to help other Sinyi employees soothe from pressure. We have further donated all massage funds paid by employees to public charity. Further through Industry-Education Cooperation Programs in the summer vacation periods, we helped university/college students orient themselves to the workplace environments and boost their competitive edge in the workplace. In Year 2011, we took the lead to raise the assured salary from NT\$40,000 to NT\$50,000 per month so that all newcomers of Sinyi Conglomerate could put their wholehearted efforts to strengthen quality of services and lay solid foundation in their subsequent prolonged dedication to Sinyi Conglomerate. In early 2013, we solicited reserve managers and offered generous guaranteed salary at NT\$60,000 per month so as to attract the talented elite human resources into Sinyi Family and into prolonged dedication in Taiwan. In the days and years ahead, we shall try to increase more and more opportunities of employment, forge blessed workplace and play the respectable role of model corporate citizen. For more details about our policy in solicit talented human resources, please surf: <http://hr.sinyi.com.tw/index.aspx>

(IX) Publish “Real Estate Almanac in Taiwan Area”:

Since 1996, we have published and issued “Real Estate Almanac in Taiwan Area” every year. As of August 2000, we teamed up with the “CNCCU – SINYI Research Center for Real Estate”, College of Commerce, National Chengchi University. In combination of the respective resources in the academic expertise and market, we have presented the Almanac in additionally profound and extensive manner to enable all people beyond the real estate area to get objective and rational reference to prevent potential misjudgment and wrong policymaking process resulting from inadequate information. In the future, we shall, as always, provide public with added information in an objective and strict manner. In the Real Estate Almanac in Taiwan Area of Year 2015 Version, we introduced to the most *up-to-date* economic environments and their impact upon the real estate market. In recent years, other than the real estate product characteristics with variation in prices and volume in the real estate markets in all areas, we have through the Almanac collected the planning and development of social housing, the track of trend of purchasing foreign real estate and the suggestion of implement of Law for Promotion of Private Participation in Infrastructure projects in housing market.

(X) Forge “Moon Guarded Well-being Cities” with Moon Bus Furnishing Arts

In an attempt to echo the call by Taipei City Government “World Design Capital Taipei 2016” coordinate with the “Urban Life Vision Reform”, Sinyi Realty Inc. took the initiative to launch with the Jimmy Cartoon 《The Moon Forgets》 in a large-scale furnishing art program installed at the intersection of Xinyi Road, Sec. 5 and Songzhi

Road, Taipei City. That Furnishing Project would bring unique original experience and further depict the “Human Based” Concept to build another new landmark spot where foreign visitors would stay and gaze around. On the other hand, we have tried to further demonstrate the “Human Concern Based Services” to further step into the general public through their common consensus. Just through the present furnishing art programs, we try to encourage the general public to reawaken the old memories profoundly buried in their minds to view anew the things and objects which they might have gazed without seeing or which they took for granted to retrieve their competence to identify truth from false. In a mood to cure their old wound, they would brighten their life into attractive brightness.

II. Environmental protection

In the face of the climate change and worsening of the environments on earth, we here at Sinyi Conglomerate have reminded us into the solid role as a dedicated corporate citizen. In the regard to environmental protection to cherish recourses on earth, we have virtually spared no effort at all. “Instead of sitting and speaking, we stand up and act”. The green environmental protection should start from our own efforts. Other than the efforts to strictly comply with the environmental protection related rules and regulations enacted by the government, we have established cross-department “Green Management Task Force” to launch promotional propaganda on energy saving policy, evaluation of the environmental protection energy saving performance. Here at the entire Sinyi Conglomerate, we definitely control environmental protection procurement for water, electricity facilities, building materials, office facilities, through hands-on participation with substantial acts into a formidable power to safeguard environmental protection for earth. On the other hand, though we focus on real estate agent services without substantial products in production, we have spared no effort to boost “Green Services” to minimize carbon discharge.

(I) Green management strategies

1. Enactment of rules for environmental protection acts

In the “Behavioral Rules of Sinyi Conglomerate” enacted and promulgated by Sinyi Conglomerate in 2009, we expressly enacted relevant behavioral rules toward general public in the society and on environmental protection: “We shall focus on environmental protection, conservation of energy and resources and shall minimize the negative impact upon environment in all sorts of business operations”. Through such sound guidelines, both Sinyi Conglomerate and our entire staff members could put into implementation thoroughly green environmental protection lifestyle with hands-on practices to successfully duplicate the hands-on experiences onto everybody. Sinyi Conglomerate is widely believed the very role model in the energy saving and environmental protection.

2. Compliance with environmental rules

Here at Sinyi Conglomerate, we have especially put energy saving & carbon reduction and environmental protection issues into the business operation plans. In the future, we shall strictly stick to the environmental protection standards prevalent in the international community, set up sound energy management audit and management systems. On the major energy saving contents, we shall conduct analysis on the performance benefit, set future environmental protection goals and measures. Internally, we shall strengthen our environmental protection capability by means of autonomous environmental protection and development of green services.

3. Put into implementation thoroughly environmental protection and minimize waste of energy internally

Energy saving is the very fundamental responsibility of all corporate citizens. Here at Sinyi Conglomerate, we have spared no efforts in environmental protection. In our real estate agent services where we do not manufacture substantial products, we have put into implementation thoroughly our responsibility toward the society with efforts in environmental protection on a prolonged basis. Through minimization of waste of resources internally, e.g., in the Headquarters Mansions, we introduced to Ubiteg Energy Management system from Japan, set up multiple point video conference system to help Sinyi teammates reduce the traffic rush on the way, adopt water-saving faucets, T5 light tubes and LED lamps for all branches, carry out shut-off campaign in time, set air conditioners at the optimal temperature, print on both sides of paper. All Sinyi teammates must use identity sensors to identify their status before the documents could be out output. Meanwhile, minimize the usages of paper cups and disposable tableware; appropriately classify garbage and recycle kitchen residues, encourage Sinyi teammates to put into implementation thoroughly energy saving & carbon reduction, arrange colleagues to work on rotation to clean up all peripheral areas of Sinyi Office Buildings (including sidewalks, green areas) and carry out office environment with green planting on the rooftops to create optimal environment for living.

【Performance of energy saving & carbon reduction by the Company with various indices in comparison】 :

Contents	Year 2015	Year 2014	Increase/ decrease rate
Number of shops in the business points	435 shops	427 shops	+1.9%
Aggregate total of annual power consumption (Headquarters Building and business outlet points)	13,997,433 Kilo watt hours	15,917,535 Kilo watt hours	-12.1%
Aggregate total of annual water consumption (Headquarters Building)	9,170 kilo cubic meters	11,445 kilo cubic meters	-31.8%

Aggregate total of annual cycling (Headquarters Building)	12,371 kg	14,972 kg	-17.4%
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Year	Year 2015	Year 2014	Increase/ decrease rate
Total number serving with Headquarters	559 staff members	611 staff members	-8.5%
Aggregate total of annual water consumption at the Headquarters	9,170 kilo cubic meters	11,445 kilo cubic meters	-19.9%
Per capita water consumption per annum	16.40 kilo cubic meters	18.73 kilo cubic meters	-12.4%

【Greenhouse Gas, (GHG) facts of Sinyi Conglomerate Headquarters】 :

We have checked the greenhouse gas (GHG) of the Sinyi Conglomerate Headquarters. During Year 2015 ~ 2014, the aggregate total discharges of Greenhouse Gas, (GHG) from Sinyi Headquarters came to 705.234 tons and 742.692 tons. Among the aggregate total, the discharge in 2014 was checked and verified by British Standards Institution (BSI) to have satisfied the standard released by ISO 14064-1 Greenhouse Gas, (GHG). In 2015 the aggregate total discharge of Greenhouse Gas, (GHG) and the respective general Greenhouse Gas, (GHG) categories were enumerated below which is under the application for examined:

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Scope 1: emission equivalent of seven kind of greenhouse gas
Emission equivalent (ton, CO ₂ e/year)	21.7981	20.5086	0.7440	1.7250	0.0000	0.0000	0.0000	44.7757
(%)	48.68%	45.80%	1.66%	3.85%	0.00%	0.00%	0.00%	100.00%

	Scope 1				Scope 2	Scope 3	Total emission equivalent
	Fixed emission	Process emissions	Moving emission	Fugitive emissions	Energy indirect emission	Other indirect emission	
Emission equivalent (ton, CO ₂ e/year)	44.7757				660.4587	0.0000	705.234
	0.7824	0.0000	21.9193	22.0740			
(%)	6.35%				93.65%	-	100.00%
	0.11%	0.00%	48.95%	49.30%			

Range	Categories	Descriptions of equipment & facilities	Descriptions of fuel
Scope 1 (Direct Greenhouse Gas, (GHG) discharge)	Fixed burning sources (Burning with fuel with fixed equipment & facilities)	Restaurant gas stoves	Liquefied petroleum gas (LPG)
		Umbrella shaped warmers	
		Emergency generators	Diesel Biodiesel
	Discharge source from process(Owned or controlled by the sources themselves)	N/A	N/A
	Moving burning sources (burning with fuel in the transportation with own control powers, e.g., automobiles, trucks, trains, planes and vessels)	Vehicles for public duties	Special gasoline
Dispersing Greenhouse Gas, (GHG) discharge sources (either intentional or unintentional)	Septic tanks	Liquid manure	
	Air conditioning equipment	HFC-134a/R-134a, HFC-134a/R-1 Refrigerant – R410a, R32/125 (50/50)	
Scope 2 (Indirect discharge of Greenhouse Gas, (GHG) energy)	Greenhouse Gas, (GHG) discharge deriving from the input electricity, heat, steam or other petrochemical fuel	Other unclassified facilities	Electricity power of other categories
Scope 3 (Other indirect discharge of Greenhouse Gas, (GHG) energy)	Other indirect emission of greenhouse gases	Commuting employees	Fuels
		Contractors 【maintenance】	Fuels/ Ethyne
		External landfill sites/incineration	Fuels/Biogas
		Outsourced transportation 【including fuels and wastes】	Fuels
		Business travelling	Fuels

4. Implementation of green supply chains

Among the “Behavioral Rules of Sinyi Conglomerate”, we have expressly provided in the aspect of procurement: We shall treat all suppliers and contractors on an equal and impartial basis. All decisions on procurement shall be duly resolved exactly in accordance with the costs, quality, technology & know-how, delivery, efficiency, the suppliers’ financial standing and environmental protection factors. Externally, we have launched extensive promotional propaganda toward suppliers for implementation of green supply chain management. Meanwhile, we have put equivalent efforts to set up green service networks on the customer service terminal. Whenever the Company’s Agency Sales Department proposes to a construction firm, they should propose on the environmental protection basis, adopt green working approach or implement green architecture. As always, we should aim at the environmental protection oriented impairment as the preferential choice. Not only do we help customers buy, sell houses and help them obtain optimal houses, we do take into account customer needs in decoration, furnishing, cleaning, relocation and the like. Our Home Service Center, therefore, selects and recommends only environmental protection oriented green suppliers to our customers.

5. Implementation of green procurement:

We have wholeheartedly implemented green procurement. We have joined Environmental Protection Administration, Executive Yuan and Department of Environmental Protection, Taipei City Government in their “Desire of Non-government Environments and Groups in Green Procurement” and officially signed the “Desire of Non-government Environments and Groups in Green Procurement”. Further with hands-on acts, we have put forth maximum possible efforts to promote green consumption of all branches and the Headquarters Building and to purchase green badge products. In the promotional propaganda of green badge products, we have intensified the procurement with environmental protection emblems and publicize the adoption of green environmental protection and energy saving products. During 2012 ~ 2015, we procured energy saving and environmental protection products amounting to approximately NT\$118 million. For eight years in a row, we have been awarded by the Taipei City Government “Best Green Procurement Performance Company”, and for five times, we have been awarded by the Environmental Protection Administration, Executive Yuan “Outstanding Green Procurement Company”.

6. Implementation of overall E-procedures and green service research & development:

As early as 2000, we started implementation paperless office policy. Since 2009, all Sinyi staff members have used electronic means instead of previous paperwork whenever they apply for leave of absence, procurement and bill for payments. Externally, all fax messages have been served by means of e-mail after scanning in an attempt to minimize the waste with use of paper. Meanwhile, we

have spared no effort to engage in green service research & development and continually launch a variety of online innovative services, notably “viewing a house online through a cell phone” which has enabled us to effectively conserve paper consumption, satisfy the need in customized information and tremendously boosted efficiency in services. So far our green service extensively covers the range of information search, evaluation of information as well as post-deal after-sales services, featuring efficacy, convenience and environmental protection.

(II) Targets of environmental protection:

1. Green procurement, environment friendly policy:

Here at Sinyi Conglomerate, we have put forth maximum possible efforts to promote green procurement. For instance, in all procurement needs, we choose pollution-free appliances labeled with environmental protection emblems or office facilities labeled with power conservation emblem as far as possible. Since 2012, we have further set up energy managerial system to make energy related information transparent to effectively intensify control over the use of energy, minimize electricity bills and carbon discharge.

2. Implementation of waste minimization and recycled green:

We have put forth equivalent efforts to minimize garbage output and recycle resources. For instance, we have set a policy whereunder Sinyi employees should get ready their own cups and tableware, classify garbage outputs to accomplish the goal of garbage minimization, cherish resources on earth. In 2014, Sinyi Realty Inc. had the honor of being awarded by the Taipei City Government “Sustainable Recycling Prize” in the resource recycling innovation competitions.

3. Energy saving & carbon reduction and energy conservation

In Sinyi Conglomerate amidst the real estate agent services without substantial act of manufacture, the costs of water, electricity bills and photocopying fees account for nearly 50% of the monthly outlay. Aiming at the aforementioned costs and fees, we have launched promotional propaganda and implementation for energy saving & carbon reduction to minimize the operating costs and boost efficiency of our services.

4. Green marketing and innovative services

In our promotion of green services, we attempt to minimize the consumption of paper used for DM purposes and to create and provide innovative environmental protection services to customers. Our efforts include notably pricing information provided through cell phone, real estate information provided by means of text messages or e-mail, execution of a contract by means of meeting via video system or such e-means amidst our multiple efforts as a dedicated citizen to earth. Just in recent years, we have further developed the technology & know-how available to brokers to guide customers to view their desired real estate through intellectual cell

phones or tablets accompanied with their on-the-spot interpretation and services with integrated process. With such tremendous devices, our first-line teammates are well capable of rendering more powerful information system along with matchmaking services, with tremendous reduction of waste of paper and conservation of time which our customers used to waste amidst the traffic hassle and other costs. Meanwhile, we launched electronic version “Real Estate Guide Book” in combination with the aforementioned mobile devices which have helped tremendous reduction of photocopying costs.

We launched a digital publication tool in 2015 so that our colleagues can design their own direct mails to prospective customers and target clients. It can be applied to the development of objects and sales and the management of customer relations. Digital emails allow customers to access information on properties and pricing from computers or mobile phones. It has significantly reduced the consumption of paper and opened up possibilities of relationship developments.

III. Commitment to customers:

(I) We think before our customers do:

The success to an enterprise is, to put it in more understandable terms, the very result of customer satisfaction. An optimal brand image could boost the very values of an enterprise and help that enterprise create added profits. That is to mean a successful enterprise should think for its customers in all aspects in the orientation of customer satisfaction, with continued acts in innovation and improvement toward the eventual goal of developing brilliant new vision. Here at Sinyi Conglomerate, our innovative marketing policies include notably “making no gain through price gaps”, “Real Estate Guide Book” and the like, all aimed at safeguarding customers’ interests in the top concern, which have been believed as the very role model to the entire real estate agent services. Where each and every innovative service item launched by Sinyi originates in our full awareness of what our customers feel exactly in need as we take profound command of variations of external environments to minimize all potential risks to customers in their real estate purchase process, the Company has won widespread acclaim from people in all walks of life in the brand name image, quality of services or innovative services.

(II) Innovative services to upgrade the real estate agent services:

High level of services is conducive to upgrade the values for Sinyi Conglomerate in its existence. Since the very beginning when Sinyi Conglomerate came into being, we have continually and unceasingly tried to build and uphold human-oriented Sinyi motto in upgrading quality of services. In the initial founding phase, we took the lead to adopt the “Ownership survey before transaction”, and subsequently, launched a series of “ownership verification system”, “payment assurance system”, “Scrivener (Title Agent) Review

System” and “Leakproof warranty system”, “Production of Real Estate Guide Book” and such overall assurance system. Further subsequently thereafter, aiming at potential problems in a building built with cheap, unreliable concrete which contains a high quantity of sea sand, radiation-contaminated building, leakage house and transaction security, we presented “Four Major Assurance Services” to help customers further minimize potential risks in house purchase. In 2011, we further took the lead to launch “assurance against potential suicide or murder involved house” to further minimize the house purchase risks. To further facilitate customers and upgrade level of services, we got associated with *up-to-date* high technology with continued efforts to find new ways instead of old practices. All such tremendous momentum came not only from the remarkable Sinyi spirit demonstrated from entire Sinyi staff members, but further from our philosophy to serve huge number of customers. Moreover, we have set up Real Estate Planning & Research Office through which we have published and issued a variety of journals internally on a regular basis. On an annual basis, we have further published Expertise Journal which has been unilaterally acclaimed as the most authoritative reference in real estate appraisal. In concert with College of Commerce, National Chengchi University CNCCU – SINYI Research Center for Real Estate, we have jointly presented the “Monthly Indices of Metropolitan Taipei Area” as another spearhead in the real estate agent services, believed as the most important ground to indicate real estate prices and economic status. We have, case-by-case one after another, launched the Sinyi Real Estate Price Indices for Kaohsiung, Taichung, Taoyuan, Hsinchu and entire Taiwan.

As we have tried by all available means to help customers buy, sell houses and build their new homes, we have noticed the very key issues amidst the complicated expertise in home furnishing and decoration. Very often the mixed up level of furnishing service providers might lead to impairment to customers. We, therefore, set up the Home Service Center in 2012. In our consistent strict selection attitude, we strictly screened and selected trustworthy service providers to serve customers with their needs in refurbishment, relocation and warehousing, American home furnishing services, resource recycling and anti-pest services, to assure customers to enjoy carefree home living in blessed warm housing. The Sinyi Home Service Center was officially accredited for ISO9001 verification in 2013.

In Year 2014 we presented 3D substantial vista and virtual (fictitious) home furnishing known as “I’d Like to Show Best Houses + Digital housing presentation Best Home Verification” Through our pantoscopic view expansion and position identification sensor know-how, our customers may just feel on-the-spot the virtual (fictitious) home spaces to immediately feel how the homes they purchase would look like after completion of furnishing to activate an outdated house into renewed life. Thanks to such astonishing know-how, the buyers and sellers would successfully accomplish their desired deals at an accelerated pace.

We introduced 3D Interactive Viewing Services in 2015 by adding three features (i.e.

3D bird's-eye view, roaming views and high-definition resolutions) to our previous offering “Clicks and Views”. The system provides precision 3D images and viewings can be done from multiple points. Prospective home buyers can enjoy the realistic experience as if they were onsite. Meanwhile, we created an innovative business model, the Sinyi O2O (Online to Offline) Platform with three integrated services, i.e. Anything and Everything, Home Services and Home Shopping Mall, covering all the services for home selling and buying.

【Innovative services and systems launched by Sinyi Conglomerate in recent years】

<p>Year 2015</p>	<ul style="list-style-type: none"> ● Introduction of an innovative business model “the Sinyi O2O Platform”, a foray into E-Commerce ● Offering of 3D Interactive Viewing Services to allow a virtual realistic viewing experience
<p>Year 2014</p>	<ul style="list-style-type: none"> ● We combined the “pantoscopic view expansion know-how” to initiate the “I Present my Smart Home + Digital housing presentation best home review” services.
<p>Year 2013</p>	<ul style="list-style-type: none"> ● Our Sinyi Home Service Center gets officially certified for ISO9001 Verification to strictly safeguard consumers for their interests, with “Strict Selection of Service Providers”. ● We presented “Sinyi Channel for Closed Deal Prices, focusing on MRT targets”.
<p>Year 2012</p>	<ul style="list-style-type: none"> ● Sinyi originated the position title of “Ethics Director” and Corporate Ethics Office, setting up the landmark of “faithful ethics”. ● Sinyi expanded to increase the house price indices for Taoyuan and Hsinchu areas. ● Sinyi launched the innovative service functions with “house price thermometer” to demonstrate the prices of deals successfully accomplished in the local area through easily understanding thermometer, helping customers locate urban oasis in an easy and enjoyable way. ● Sinyi presented the message of “promotional propaganda messages” with skilled utilization of M-tool to effectively conserve the costs which have been wasted on conventional text messages. ● Sinyi established the Home Service Center to provide thoughtful services in repairs, household needs in a satisfaction-guaranteed manner.
<p>Year 2011</p>	<ul style="list-style-type: none"> ● Sinyi initiated the “Assurance Services against Potential suicide or Murder Involved Houses”. ● Sinyi presented M-oriented Innovating Services known as “Top Agent”, using M-oriented tools to help Sinyi teammates render services to customers in real-time.

Year 2010	<ul style="list-style-type: none"> ● Sinyi took the lead in rendering “Home Staging American Style Furnishing” services. ● As the pioneer of the entire country, Sinyi originated the “iPhone House Review App”, guiding the entire real estate agent services into the mobile technology era. ● Sinyi took the lead in rendering 24-hour customer services.
Year 2009	<ul style="list-style-type: none"> ● Sinyi pioneered “Web Online 3 D Sample Housing”. ● Sinyi guided house price information into a brand new landmark with “Monthly Indices of Metropolitan Taipei Area” to calculate house price indices on a monthly basis.
Year 2007	<ul style="list-style-type: none"> ● Sinyi launched “Four Major Assurances” to perfectly safeguard consumers against a building built with cheap, unreliable concrete which contains a high quantity of sea sand, radiation-contaminated building, leakage and transaction security.
Year 2005	<ul style="list-style-type: none"> ● Sinyi pioneered “House View through Cell Phone” to facilitate customers to look into their desired houses wherever they are, whenever they desire. ● Sinyi pioneered in the entire real estate agent services to render “Internet online house view services” with extraordinarily power interactive function to enable customers to view through their desired houses anytime and anywhere.

In the future, we shall, as always, continually devise and render innovative services to further upgrade the quality in our real estate agent services. Through such Sinyi efforts, use of real estate agent services by consumers will take a mounting ratio in their transaction of real estate.

(III) Attentively listen to customers from their hearts

We, in particular, cherish customers’ voices. Here at Sinyi Conglomerate, we have established special sectors (Customer & Legal Service Department, Network Business Department and Customer Relationship Management Department) to assume the responsibility to solve and serve issues linked up with customers. Other than our efforts to conduct customer approval rate survey toward all customers who have retained our services and who have successfully accomplished deals through our real estate agent services, we try to use diversified, comprehensive and multifaceted channels to attentively listen to customers’ voice. To Sinyi, each and every successful deal represents the very start of Sinyi services instead of a closure.

【Channels through which Sinyi collects customer voices】

Customer approval-level survey through questionnaire	We conduct extensive surveys over customers who have used our real estate agent services and have achieved deals through our services for our satisfaction approval level.
Customer approval-level	We conduct sample check over customers as buyers through Internet or potential customers who contact Sinyi in person (by phone) about their approval-level.
Interview by phone and group symposiums on focus issues	We invite customers into face-to-face interviews on profound issues toward different services and development of new products.

Through aforementioned channels, we take the initiative to listen to customer voices from their heart. Besides, our customers are granted the 24-hour toll-free customer grievance service telephone 0800-211-922 or customer service telephone 0800-280-280 (Note: These phone numbers are provided through the business cards of Sinyi service teammates, contracts and prints); E-mail (sinyi@sinyi.com.tw) or Internet online 24-hour customer services to speak up their opinions and problems which are attentively managed through our designated personnel in real-time. Toward grievance and complaints voiced by customers, we have expressly enacted the settlement procedures, including the process of entertainment, classification of cases, assignment through electronic process, timeframe for settlement and follow-up management. All highlights and outcome of the settlement shall be recorded in detail.

IV. Cultivation of human resources

(I) Human resources represent the cherished partners to Sinyi

A service business is a business serving people amidst people. This suggests how important “humans” would mean to a service business, especially to Sinyi. To Sinyi, human resources are the very grounds and are extremely cherished. More accurately speaking, Sinyi teammates would mean a partner instead of asset. We have tried by all means to have Sinyi teammates feel secured in their jobs, absolutely respected, concerned and cared. Here at Sinyi Conglomerate family, all employees feel to stand on a stable and equal position with the Company. As an encouraging result, all Sinyi employees have demonstrated their maximum possible potential and momentum to accomplish themselves amidst performance of duties to grow with Sinyi hand-in-hand, arm-in-arm. Among three backbones that have propped Sinyi to the success today, i.e., human resources, quality and performance, human resources constantly rank first. Only because Sinyi has owned proud human resources could Sinyi possibly offer quality and create proud performance. In the entire Sinyi Conglomerate, therefore, never have we ignored the importance of human resources cultivation. On the grounds of the respective responsibilities and powers, we have elaborately design the educational & training programs aiming at “managers” and “professional expertise”. In an attempt to solicit

high performance human resources as the assets to continually strengthen the constitute, Sinyi raised the guaranteed minimum salary for reserved managers up to NT\$60,000 per month in the first six months and worked out integral two-year cultivation training programs to help them grow at an accelerated pace. To further combine theories and hands-on practices into a whole, we have set up full-time instructor system and assigned prominent sales department heads or project managers to serve as the full-time instructors ready to assure sound transmission of intellectual assets. Meanwhile, we have organized project teams where the Management Information System (MIS) department, the regional heads teamed up with outsourced consultants to tailor-make special curricular aimed at strengthening management functions. From inside toward outside, we have, bit by bit, provided all Sinyi with optimal environment for lifetime learning.

The number of employees in the job markets has gradually come down amidst the new trend of job hunters in the new era. To meet the substantial need in human resources of Sinyi Conglomerate to unfold more and more real estate agent service shops in the long-run, we focused on the highlighted groups based on the human resources status in Sinyi branches in 2014 (e.g., where the newcomers were transformed into the regular organization chart, with efforts to cultivate reserve shop heads and guide personnel in substandard performance) to put into implementation thoroughly the plans to cultivate such human resources. In the cultivation process, we taught and guided them according to their respective aptitude and led them into self-accomplishment. With efforts to urge shop heads in their routine management performance and to activate hands-on performance of the branches, we have well retained more high-caliber talents and, in turn, boost the quality and quantity in real estate agent services.

We call for added number of talented human resources to accelerate Sinyi growth. Under the hanging shock of low fertility, the Company launches in 2015 “new employees orientation programs in the workplaces”. Through the brand new policy in soliciting employees, Sinyi Conglomerate will get a tremendous volume of human resources available for screening & selection which is believed to virtually change the conventional relationship between the employees and management. Under such new policy, a newcomer who quits after having received probation for one month is offered with alternatives between NT\$50,000 base salary and NT\$50,000 job changeover fund where under that quit-minded employee will mull profoundly whether or not he or she will reconsider his or her capability and desire to become a Sinyi teammate. We firmly believe that under such policy believed as a subversion of classical tradition, those who choose to continually stay with the Company must be capable ones deserving further Sinyi cultivation into real talents in the mentality co-sharing Sinyi motto with pleasure to devote themselves to the Company. In the future, they should be the rosy talents to fulfill blessed Sinyi branches. Besides, such a policy would further help us fulfill the human-oriented Sinyi spirit. We believe more horizontal trades would follow suit to virtually change the entire society in the thought to hire human resources. Eventually,

such a policy will create a more optimal and friendly employment climate toward the goals to fulfill Sinyi society.

(II) Integrated network for learning:

Here at Sinyi Conglomerate, there is not a shortcut to cultivate real estate talents. In this Sinyi family, we have devised and worked out integrated professional educational & training programs for heads in all levels and employees. The training curricula would include Sinyi business philosophy, quality of services and personnel rules and regulations wherewith, we instruct the guide them into sound values and attitude to serve consumers. Moreover, to build common consensus for the entire Sinyi Conglomerate teammates, put into implementation thoroughly entrepreneurial ethics, convert the managerial style into concentrated leadership, we have specifically established the high performance leadership curricula for high ranking executives since 2012. Through such learning programs, the entire Sinyi Conglomerate will operate in a smoother and pleasant way and the entire Sinyi organization will become sturdier.

To back up Sinyi teammates to further grow and to enable Sinyi personnel in all levels to enjoy sound and comprehensive resources in educational & training programs, we have launched a variety of centralized training programs. Aiming at the chain system development, we have specifically focused on the on-the-job training programs where each and every Sinyi teammate is both a learner as well as a teacher. In the hands-on practices, the entire staff members as well as the management have jointly built a sound climate for learning in the master & apprentice learning system. Here at Sinyi Conglomerate, our educational & training programs have been mapped out in the following manner:

- On a regular basis, we sponsor “on-the-job training programs for employees” and “lifetime learning activities” every year.
- Every year, we sponsor hands-on learning curricula on newcomers to business and advanced training programs, advanced seminars for department heads and brokers in the medium and large scale divisions, and team with the industries with unique sandwich newcomer training programs in concert with the master & apprentice system to enhance Sinyi teammates in their expertise in an accelerated pace.
- With wholehearted efforts, we encourage Sinyi teammates to take nation-sponsored examinations for professional licenses and on-the-job training programs. For such purposes, we have provided diversified, comprehensive and multifaceted incentives to enhance Sinyi teammates in their professional competence.
- We have completed the “digitalization” of educational & training programs and intellectual know-how, set up digital learning platforms, strengthen “e-Learning” digital learning module, sponsor online curricula. Through such efforts, all employees are granted more flexible hours to learn through online system. Such policy helps us minimize the costs required for conventional educational & training

programs and boost the performance in educational & training programs.

- We offer subsidiary for educational & training programs beyond Sinyi premises. With multiple incentives, we encourage employees to use their off-duty hours to advance their expertise and know-how, including such programs for master degrees, linguistic learning or other expertise. Toward all employees joining such educational & training programs outside Sinyi, we support with half of the tuition fees.

(III) Sinyi University

Since 2009, we have in installments in succession invested NT\$150 million to set up “Sinyi University” for which we retained renowned Professor Hsu Shih-Chun to serve as the convener for the Advisory Committee of the University to integrate the abundant academic resources to provide the University with precious proposals and support. Thanks to such efforts, the University has successfully combined the theories and hands-on practices into a whole to build up optimal innovative platform for learning, bring up the competitive edge for enterprises and enhance the profoundness and extensiveness for human resources cultivation, believed as the cradle birthplace for real estate agents. The Sinyi University covers five major colleges, i.e., “Up-and-coming Talent College”, “Real Estate College”, “Quality College”, “Management College” and “Sociology College” which have been backed up with virtual (fictitious) learning environment known as “Sinyi e-School”, and hands-on learning environment known as “Sinyi School”. Among the guiding strategies, we aim at three major approaches “Cultivate global human resources”, “Boost innovative capability”, “Perform the role as a model corporate citizen”. Based on the respective different attributes, we have devised the curricula combining professional expertise and hands-on experiences into a whole. We have offered the hands-on experiences accumulated previously by Sinyi Conglomerate to be co-shared by general public in the society who have been interested in real estate, the freshmen in the society dedicated to real estate science. Meanwhile, we have implemented such curricula in entrepreneurial ethics and concern about humans and culture, “One Community, One Family” Programs and Sinyi Volunteer Practices. As a result of such sound educational programs, Sinyi people have been fostered into not only professional expertise and into the mentality to render thoughtful concern to others. In the future, the University will, bit by bit, enable the outside world to co-share the Sinyi learning programs. It is our earnest hope that through such sound policy and practice, the conducive Sinyi philosophy and practice in human resources cultivation will be passed onto each and every people, organization and group in the society to create the common rosy future.

For more details about Sinyi’s implementation of entrepreneurial responsibility to the society, please surf the website below and refer to Corporation Sustainability Report for more information. <http://csr.sinyi.com.tw>

Five. Capital Overview

I. Capital and shares

(I) Source of Capital (in most recent year and as of March 31, 2016)

Expressed in thousands of shares/thousands of New Taiwan Dollars

Month/Year	Issue price (NT\$1 per value)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Paid by property other than cash	Other
07/2014	10	1,000,000	10,000,000	631,840	6,318,398	Capital increase by earnings re-capitalization 184,031 thousand NTD	Nil	Officially approved with Letter Tai-Zheng-Shang-I-Z i 10400149281 dated July 24, 2015

Expressed in Share

Kind of share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Nominal common share certificates	631,839,814	368,160,186	1,000,000,000	Listed stocks

(II) Structure of shareholders

March 31, 2016

Type of Shareholder	Government agencies	Financial institutions	Other juristic persons	Individuals	Foreign institutions and foreigners	Total
Quantity						
Number of shareholders	1	27	60	89	17,487	17,664
Shares held	3,586,406	24,829,240	374,065,039	24,753,171	204,605,958	631,839,814
Shareholding rate	0.57%	3.93%	59.20%	3.92%	32.38%	100.00%

(III) Facts of disperse of shareholding

March 31, 2016

Shareholding grading	Number of shareholders	Number of shares held	Shareholding percentage %
1 to 999	4,726	1,130,564	0.18%
1,000 to 5,000	8,079	17,291,525	2.74%
5,001 to 10,000	2,103	14,465,504	2.29%
10,001 to 15,000	936	11,153,942	1.77%
15,001 to 20,000	414	7,128,376	1.13%
20,001 to 30,000	503	12,148,762	1.92%
30,001 to 40,000	253	8,679,279	1.37%
40,001 to 50,000	105	4,625,547	0.73%
50,001 to 100,000	284	19,835,738	3.14%
100,001 to 200,000	139	19,089,905	3.02%
200,001 to 400,000	70	18,916,459	2.99%
400,001 to 600,000	26	12,497,731	1.98%
600,001 to 800,000	4	2,734,026	0.43%
800,001 to 1,000,000	5	4,721,453	0.75%
Above 1,000,001	17	477,421,003	75.56%
Total	17,664	631,839,814	100.00%

Note : As of March 31, 2016, the Company had not issued preferred shares.

(IV) List of key shareholders (The top shareholders in terms of shareholding ratios)

March 31, 2016

Major shareholders	Shares	Number of shares held	Shareholding rate(%)
Sinyi Co., Ltd.		180,277,601	28.53%
Yu Hao Co., Ltd.		179,161,853	28.36%
The specially designated (earmarked) comprehensive trust account on employee shareholding of Chinatrust Commercial Bank for Sinyi employees		21,143,965	3.35%
Chou Chun-Hao		18,579,959	2.94%
Chou Keng-Yu		17,413,390	2.76%
Chou Chun-Heng		17,355,935	2.75%
Hongkong and Shanghai Banking Corporation trusted to take custody of Morgan Stanley Asia-Pacific Region Co., Ltd.		9,380,210	1.48%
Chou Chun-Chi		8,042,093	1.27%
Sinyi Real Estate Consulting Ltd.		7,862,920	1.24%
Labor pension fund under new system		3,586,406	0.57%

(V) Market price per share, net value, earnings, and dividends and other related information for the most recent 2 years.

Items/Year			2014	2015	As of March 31, 2016 (Note 3)
Market price per share (\$)	Highest		57.90	37.15	29.00
	Lowest		33.30	25.70	25.70
	Average		44.51	30.75	27.13
Net Value per share (\$)	Before distribution		15.29	14.56	-
	After distribution		13.99	Note 1	-
Earnings per share	Weighted average shares (thousand shares)	Before retrospective adjustment	613,437	631,840	-
		After retrospective adjustment	631,840	Note 1	-
	Earnings per share (\$)	Before retrospective adjustment	1.75	0.89	-
		After retrospective adjustment	1.70	Note 1	-
Dividends per share	Cash dividends (\$)		1.00	0.7	-
	Stock dividends (\$)	From retained earnings	0.30	-	-
		From capital surplus	-	-	-
	Retained dividends		-	-	-
ROI (Note 2)	Price-earnings ratio		26.18	34.55	-
	Price-dividend ratio		44.51	43.93	-
	Cash dividends yield		2.25%	2.28%	-

Note 1 : Net value per share and EPS will be finalized after resolved in the general shareholders' meeting 2016.

Note 2 : The calculation formula under this Table is as follows:

(1) Price-earnings (P/E) ratio = Closing price per share averaged in the year / EPS.

(2) Price-dividend (P/D) ratio = Closing price per share averaged in the year / Cash dividend per share.

(3) Cash dividend yield = Cash dividend per share / Closing price per share averaged in the year.

Note 3 : As of the printing date of this Annual Report, there was still the latest quarter data of earnings per share (EPS) and net worth per share duly audited by the Certified Public Accountants as well as the market price per share which represents the price of the data of the current year as of the printing date of this Annual Report

(VI) The Company's dividend policy and fact of implementation of such policy

1. 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%. The Company has an employee profit sharing plan in stock, and the employees of an affiliated company could be included in the plan; the conditions and distribution percentage will be determined by board of directors.
- 2) Remuneration 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.

As bonus dividends to employees are charged to incomes and there have been amendments to the Company Act and changes in practice, the Company's intends to propose an amendment to its Articles of Incorporation in the 2016 Annual Meeting of Shareholders by modifying the details concerning earnings distribution and dividend policy. Please refer to the 2016 general shareholders' meeting handbook.

2. Allocation of dividend as proposed in the current general shareholders' meeting:

For allocation of earnings of 2015, as officially resolved by the Board of Directors Meeting on February 25, 2016, the cash dividend shall be NT\$442,287,870, with each share allocated with NT\$0.7, which will be proposed for acknowledgement at annual general shareholders' meeting held on May 20, 2016.

(VII) The impact of the issuance of bonus shares proposed in the current shareholders' meeting upon the Company's business performance and earnings per share (EPS):

Not applicable, as the Company does not make financial forecast public for 2016.

(VIII) Bonus to employees, remuneration to directors:

1. As expressly provided for in Article 20 of the Company's Articles of Incorporation which will be proposed to be modified at 2016 annual shareholders' meeting to be held on May 20, 2016, the percentages and scope of the bonus to employees and the remuneration to directors shall be in such a scope:

- (1) At least one percent of the profit before remunerations to employees and directors shall be appropriated as remunerations to employees

- (2) Not more than one percent of the amount of the above said profit before remunerations to employees and directors as remunerations to directors.
2. The grounds to estimate the bonus to employees and remuneration to directors and supervisors in the present term, grounds to allocate stock bonus; and the accounting handling for a discrepancy between the amount of actual allocation and the number of estimates:

The Company estimates the bonus to employees and remuneration to directors in accordance with the Company Act as amended and the Company's Articles of Incorporation proposed by the Company's board of directors on December 29, 2015, the accrued employees' compensation and the remuneration to directors were based on the net profit before employees' compensation and remuneration to directors. The percentage of employees' compensation was adopted in accordance with the Company's Articles of Incorporation, while the accrued remuneration to directors was estimated based on the fixed amounts. Material differences between these estimated amounts and the amounts proposed by the board of directors on or before the date the Company's 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 the Company's 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 closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.

3. Information of the bonus to employees adopted by the board of directors :
 - (1) Amount of bonus to employees and remuneration to directors to be allocated: As officially resolved by the Board of Directors Meeting on February 25, 2015 for allocation of the remunerations to employees came to NT\$7,383 thousand and remuneration to directors came to NT\$4,799 thousand, decreased by NT\$10 thousand and NT\$2,201 thousand respectively when compared with the amounts entered as costs and expenses in 2015 NT\$7,393 thousand and NT\$7,000 thousand. The gaps result from the fact that the book amounts were entered based on the profit and/or loss anticipated for 2015. After the amounts of actual allocation are reported in the shareholders' meeting, the gaps from the book amounts would be entered as the profit and/or loss of 2016.
 - (2) Percentages of the amount proposed for remunerations to employees in stocks

proposed to the net earnings after tax shown through the individual or respective financial reports and the aggregate of bonus to employees: In 2015, the Company did not propose to allocate stock bonus to employees.

(3) Earnings per share (EPS) estimated after allocation of bonus to employees, remuneration to directors and supervisors as proposed : Not applicable as starting from January 1, 2008, the Company already entered the remuneration to directors as expenses.

4. Bonus to employees, bonus to directors actually allocated in the preceding year:

As officially resolved by the Board of Directors Meeting in 2015, the earning allocable as bonus to employees in cash for 2014 came to NT\$9,872 thousand and the remuneration to directors came to NT\$6,417 thousand without any gaps from the amounts actually allocated in the wake of being resolved in the shareholders' meeting and were increased by NT\$171 thousand and decreased by NT\$2,201 thousand respectively when compared with the book amounts entered as costs and expenses NT\$9,701 thousand and NT\$7,000 thousand.

(IX) Facts of the Company's stocks repurchased by the Company : Not applicable

II. Issuance of corporate bonds :

Categories of corporate bonds	Unsecured corporate bond in Term 103-1
Date of issuance (handling)	06/27/2014
Face amount	NT\$1,000,000
Venues of issuance and transaction (Note 3)	Taiwan
Price of issue	To be issued at 100% of fact amount
Aggregate total	NT\$3,000,000,000
Interest rate	1.48% per annum
Duration	5 years, to be mature on 06/27/2019
Guarantor	Nil
Trustee	Trust Department, Bank of Taiwan
Underwriter	Yuanta Securities Co., Ltd.
Certifying Attorney-at-Law	Attorney-at-Law Kuo Hui-Chi of I Cheng Associated Attorneys-at-Law Office
Certifying Certified Public Accountant	Deloitte Touche Tohmatsu Limited Certified Public Accountants Yang Min-Hsien, Wang Tzu-Chun
Terms of reimbursement	1. Terms of interest payment: Payable based on the face interest rate, on an annual basis, based on simple interest rate. 2. Terms of reimbursement: With 1/2 reimbursement respectively upon expiry of the 4 th and 5 th years
Outstanding principal	NT\$3,000,000,000
Clauses for redemption or	Nil

Categories of corporate bonds		Unsecured corporate bond in Term 103-1
reimbursement before maturity		
Restrictive terms		Nil
Title of credit grading institution, date of grading... result of differential treatment evaluation		Taiwan Ratings Corporation which graded the Company's corporate bond at twA on March 14, 2016
Other auxiliary rights	As of the printing date of this Annual Report, the amounts of common shares, overseas deposit receipt certificates (DRC) having been converted (exchanged or subscribed)	Nil
	Regulations for issuance and conversion (exchange or subscription)	Nil
Regulations on issuance, conversion, exchange or subscription, terms of issuance and potential dilution and the impact upon the current shareholders' equity		Nil
Name of the custodian delegated for the exchange target		Nil

III. Issuance of preferred shares: Not applicable

IV. Issuance of overseas deposit receipt certificates (DRC) : Not applicable

V. Issuance of employee stock option certificates:

The Company's employee stock option certificates were already mature on March 10, 2011.

VI. Restriction upon employees in rights over new shares: Not applicable

VII. Merger/acquisition (M&A) or inward transfer of other firms' new shares:

In 2014 and as of the printing date of this Annual Report, the Company was not in any merger/acquisition (M&A) or inward transfer of another firm's shares to issue new shares.

VIII. Implementation of capital utilization plans:

- (I). Contents of the Plan: The previous outstanding issuance or private placement or cases having been completed within the past three years with the planned benefit not yet found
- (II). Fact of implementation : N/A

Six. Operational Highlights

I. Highlights of business operation:

(I) Scope of business operation:

1. Key contents and major products covered within the business operation:

Sinyi Realty Inc. and some of its subsidiaries primarily engage in real estate broking agency and selling agency, as the as the brokerage agency for leasehold and sales of real estate. The contents of Sinyi services include leasehold and sales breakage for presale houses in whole package, surplus unused houses, individual brand new finished buildings, second-hand residences, offices, workshops, land, parking facilities. To unfold such business operations, we have set up multiple branches or business premises, services strongholds throughout Taiwan and have further expanded our business horizons to Shanghai, Suzhou, Hangzhou of China and Tokyo of Japan among elsewhere of the world in an attempt to serve target groups in Chinese communities. In 2015, as shown through consolidated financial statements, our aggregate total operating revenue hit NT\$7.523 billion, primarily as revenues from brokerage agency and selling agency services.

Two of our subsidiaries, Sinyi Development Inc. and Sinyi Real Estate (Shanghai) Limited are real estate developers. “Sinyi Chien Shih” in Tianmu, Taipei City is expected to obtain the building occupancy permit at the end of 2016. Sinyi Jiating in Jiading District, Shanghai City, will be on the off-plan market in May 2015. Both projects are scheduled for completion and delivery in 2017, to contribute to our top line and bottom line.

2. Development of new services anticipated to be launched:

Since inception, we have been constantly innovating on our service menu and reengineering our procedures by focusing on customer needs. To ensure the delivery of considerate and satisfactory services, we apply the state-of-the-art technologies in our service workflows. Our innovative services include Home Staging, Property Viewings on iPhone, 720 Degrees Virtual Viewings Online, Housing Market Thermostat, Trajectory Economics, Housing Price Monitor and Virtual Home Staging. To enhance the value added of our Interactive Viewings, footage on public facilities in the building and/or in the neighbourhood are incorporated. In 2015, we introduced 3D Interactive Viewing Services by adding three features (i.e. 3D bird's-eye view, roaming views and high-definition resolutions) to our previous offering “Clicks and Views” . The system provides precision 3D images and viewings can be done from multiple points. Prospective home buyers are promised a virtual realistic viewing experience as if they were onsite. During the same year, we also launched V2 Housing Price Monitor by analysing the registrations of actual prices and the information contained in our own database on 20,000 community buildings. We provide basic information on over 5,000 communities, such as local features, amenities and housing price trends. All the information is available to the

public at one click away.

We also offer an assurance service to home buyers by screening out unlucky houses and establishing a system to compensate buyers if unfortunate deaths occur in the property before the exchange of the contract.

The Tainan Earthquake in the beginning of 2016 triggers a warning on the safety of more than 800,000 buildings over 30 years old in Taiwan. To make it easier for the public to gauge the safety of their buildings, we launched a free-of-charge service in March 2016 to conduct inspections on old buildings of six stories or taller completed before September 21, 1999 in Taipei City, New Taipei City, Taoyuan, Hsinchu, Taichung and Changhua. During our campaign period, we offer onsite inspections by architects or civil technicians with relevant qualifications to the requests signed for at least 90 days.

In 2016, we will enhance the friendliness of our webpages for mobile devices by offering a simpler and more intuitive user interface and improving the contents of the website. The Company will continue to introduce innovative applications for our core business in real estate brokerage for property sellers and developers. Meanwhile, we also select a list of quality vendors for services and products in relation to home purchases so that our customers can enjoy the best services.

(II) Profile of the industry:

1. Progress courses of development:

The Ministry of Economic Affairs officially lifted the ban on incorporation of real estate broking agency firms in 1981. Since then, the lawful real estate brokers running in the shape of normal shops have come into being. In the 2000s, the broking agency market systems and transaction orders have been established into a sound manner bit by bit, including “Fair Trade Act”, “Consumer Protection Law”, “Condominium Regulation Act” and such real estate trading related laws and ordinances have been put into enforcement. In 1999 “Real Estate Broking Management Act” was put into enforcement and the real estate broking agency business officially entered into legalized systems. With the subsequent development in some two decades, the real estate broking agency business has been transformed from the previous somewhat negative impression to consumers into the new role as professional broking expertise in real estate.

2. Development trend of the industry:

Since 2009 amidst the economic upturn and the significant economic and trading development between both sides of Taiwan Strait, real estate markets have become brisk and the real estate damage indemnity has been expanded into cutthroat competition as more and more products have been released. In an attempt to stabilize the real estate markets, the government authorities in 2010 tried to curb real estate markets by means of house loan squeezing and taxation measures. The deluxe

tax imposed in 2011 further effectively inhibited speculation in the real estate markets and led real estate prices to significant plummet. In late 2011, the Legislative Yuan (The Congress) passed “Three Laws on Land Administration”. Besides, the policy of registry of the actual prices in the deals was put into enforcement in August 2012. That policy would be conducive to cause the real estate transaction more transparent and the actual prices have become the key reference to public in house purchase.

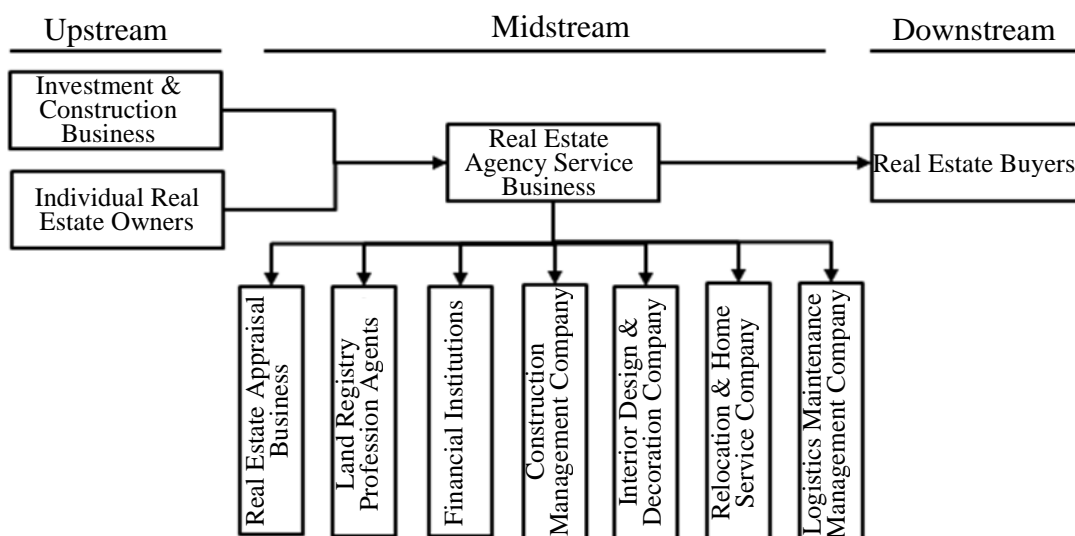
Moreover since the real estate agent services entered the Internet phase in late 2000s, the Internet was not in popular use in the initial phase during the decade long so far though Internet websites have been extensively established by real estate agent services, due primarily to the customs of consumer in the network use. Today, nevertheless, as networks have virtually played an indispensable role in each and every household, more and more house buyers would surf Internet for their desired information. The real estate agent service networks have lured tremendous number of surfers. Subsequently as cell phone surfing functions have become increasingly popular, tremendous business opportunities in real estate have emerged.

We successfully developed iPhone house review App in 2010. Subsequently some other real estate agent services have followed suit. Such App has been further expanded toward iPad products. In an attempt to serve more consumers, we have developed Android App immediately thereafter.

Other than the increasingly powerful in house search functions, we have tried to augment real estate related information, inquiry into registry of the actual prices in the deals and utilization of the relevant contents instead of the previous function to provide buy and sales cases alone. As a natural result, websites and Internet have played the role to educate consumers, especially disclosure of the prices of closed deals as the positive benefits to both buyers and sellers with the increasingly transparent information and balanced information to both sides. At the moment, the websites of all real estate agent services have been developed toward maturity. Through house search through Internet and promotion of house purchases, the number of cross-zone deals is believed to increase in the future. Previous the search for house purchase used to be confined to the local region. In the days and years ahead, with the search tools become increasingly convenient, the distances among the substantial cases in the local region might be reduced. Consumers enjoy diversified, comprehensive and multifaceted choices in their search of desired houses.

3. Interrelationship among the upstream, midstream and downstream:

Here at Sinyi Conglomerate, we have primarily engaged in real estate agent services. The industrial interrelationship in the line is enumerated below:



4. Trend of industrial development and facts of competition:

The trading volume in the housing market in 2015 fell to the lowest point since 2002 due to the adverse impact of the consolidation of housing and land taxes. The harsh business environment saw more closures than openings of real estate brokerage offices in 2015, for the first time since the 2008 global financial crisis. The industry suffered a reduction of 317 offices from leading brands, particularly in Taipei City, New Taipei City and Taoyuan City. Approximately two thirds of the closures were in these three cities.

List of changes in the number of shops set up by real estate agent service providers in Taiwan:

Real estate agent service firms	Type of business operation	2015 Number of shops	2013 Number of shops	2012 Number of shops	2011 Number of shops	2010 Number of shops
Sinyi Realty Inc.	Direct selling	435	427	417	390	380
Other brand names	Direct selling + Franchise	2,764	3,089	2,981	2,703	2,573
Total		3,199	3,516	3,398	3,093	2,953

Note: On the grounds of statistics of websites of all real estate agent services as of December 31 of the respective years (Other brand names include i Can, Chinatrust Real Estate, Pacific Realtor, Century 21, Yung-Ching Realty, U-Trust House, Taiwan Real Estate and Eastern Realty).

We established a subsidiary Sinyi Realty Inc. Japan in 2010 and this triggered a wave of property purchases in Tokyo, Japan and other countries by the Taiwanese people. At that time, there was an abundance of liquidity but a lack of investment instruments in Taiwan. It was hardly surprising that some investors ventured out to the overseas property markets. The Taiwanese people understand the Japanese market best but are also interested in Southeast Asia, Australia, the U.S. and Europe. Some real estate agents work with local developers by introducing prospective buyers from Taiwan.

The number of real estate brokers for overseas property sellers and developers increased by approximately 80%, from 188 in early 2014 to 350 in the middle of 2015 and 422 at the end of 2015. However, the growth momentum is slowing down.

In China, the government authorities still try to deepen reform and to insist on Macro Economic Control but still amidst the policies to focus on continuity and stability toward the goals of setting up a wholesome mechanism with prolonged effect. The destocking policy in China is creating a rally in the housing market in early 2016. Looking into the population structure and the progress in accelerating the urbanization, the overall rigid need in the market and autonomous demand are still forceful. In entire China, the real estate markets are believed to continually grow amidst stability and the urban market segmentation appears increasingly significant. The real estate markets are rising at a stable pace in the first-tier cities, in mixed status with rise and fall in the second-tier cities, and third- and fourth-tier cities may still be under pressure due to excess inventories. In both residences and commercial real estate in China, they have stepped into the real estate inventorying era. In the light of urban development and unavailability in land, second-hand real estate markets become increasingly huge in scale.

(III) Profiles in technology & know-how and research & development:

Here at Sinyi Realty Inc., we have set up a unique position title as strategic head to take overall charge of implementation of reform programs, new business line research & development and innovation of business mode. The strategic head would eventually submit all such proposals to the department head conference for final decision before enforcement.

1. In the aspect of customer values, we in Sinyi Realty Inc. spearheaded the sound policies of “making no gain through price gaps”, “pricing in segmentation”, “production adjustment before trading”, “Readily Available House Escrow”, “brokerage service reforms”, “concerted sales system with horizontal trades” and “four major assurances” and such brand new service systems.
2. We took the lead for many times in launching Virtual Home Staging, Housing Price Monitor, Trajectory Economics, Housing Market Thermostat, Home Staging, Property Viewings on iPhone and Android system, 720 Degrees Virtual Viewings Online, guiding the real estate buys and sales into a brand new mobile technology era.
3. In the reform and improvement of service procedures, we have assimilated all online business lines and the hands-on experiences accumulated previously by salespeople and staff heads which have yielded significant effects in the continued development of “department management”, “standard operational procedures SOP”, “E Project”, “S Programs” as well as “6S” measures. In an attempt to render services to customers in real-time, we also took the lead to offer 24-hour online

customer service systems, with designated personnel assigned to serve customers on an all-weather 24-hour basis.

4. Moreover, we have set up Real Estate Planning Research & Development Office which publishes and issues a variety of real estate journals on a regular basis and further presented Real Estate Almanac which has been believed the most authoritative journal available in the entire real estate agent services. In concert with CNCCU – SINYI Research Center for Real Estate, College of Commerce, National Chengchi University, we originated the “Sinyi Real Estate Price Index” as the authoritative grounds in reference for real estate prices and market status. In an attempt to keep the indices well updated from better to best, we have devised the real estate indices covering the areas of Taoyuan, Hsinchu, Taichung and Kaohsiung other than Taipei, virtually covering all major urban areas of entire Taiwan. Besides, we further launched the overall real estate indices for entire Taiwan to accurately reflect the real estate price fluctuation in real time.
5. In 2014, we offered expanded 3D substantial view in line with 3D virtual (fictitious) furnishing interactive technology & know-how by means of pantoscopic view expansion know-how along with the positioning and identification sensor know-how. Through such Sinyi offers, customers could feel of the future virtual (fictitious) home spaces just on-the-spot at the site.

(IV) Long- and short-term business development programs:

1. Short-term business development programs:

- (1) In the aspect of real state agent area, we will keep pace with time and create the service value from business change with Sinyi faith, and review and improve the processes and systems of customer service, strengthen the use of the Company’s resources and advantages to promote the quantity and quality of service. We will also intergrate marketing channels of sluggish and second hand housing of the Company and its subsidiaries, providing the customers differentiated services by the one-stop shopping experience, “the whole real estate sales channel”. In addition, we conduct organization management and reform of culture by depending on the demand of customers and simplify the internal procedures and processes to increase the efficiency of work, making the sales staff to focus on the customers’ service and relationship maintenance.
- (2) In the aspect of selling agency area, we will choose cautiously the location and the total price of the products. We develop the product cases mainly on the existing houses. As to presales houses cases, the collaborative business model with the construction developers will mainly be sole-planning or half-underwriting to lower the risk of operation.
- (3) In the area of China, we will keep deepening our faith of Sinyi to lead our behavior, promoting the concept of customized services and enhancing the experiment of our customers by improving the processes of service. Besides, through various methods,

we will continue to communicate the relation between organization and human development, focusing on the improvements of freshman's ability and lowering the dismissal rate.

- (4) In Japan area, we will gradually increase the percentage of procedures of developing new cases. Enhancing the market status through brand expansion, we will strengthen the localized operation by expanding new branches in Osaka in addition to new direct stores in Tokyo.
- (5) In the aspect of development of real estate, to make the present construction project will be on schedule, we will be devoted to the quality of the present construction project and sales ability, in addition to continuing to pay attention to the development of talent and structure of management system. As to the procedure of management of land development, because of the failure of obtaining new land for development in 2015, we will examine the market trend and future development and try to acquire new land in 2016 with reasonable price for the future.

2. Long-term business development program:

- (1) Strengthen customer service in the current business horizons to enhance the productivity of sales staff and boost market share through exquisite and differentiated services.
- (2) Put into implementation thoroughly promotion and hands-on practice of the corporate ethics, intensify the corporate ethics and business philosophy to solidify the Sinyi motto of the entire staff members so that the Sinyi competitive edge will be definitely known to the entire staff members. Put into implementation thoroughly the standardized operating procedures and continually innovate the contents of real estate agent services, enhance the quality of real estate agent services, boost cohesion of consumers toward the Sinyi brand name so that the fine Sinyi services will be known to more and more consumers.
- (3) Observe and study the development trend and pulsation of the foreign real estate market, develop real estate business, real estate trading system, contents of services and exchanges in trading information in concert with large-scaled and reputable real estate businesses abroad to lay solid foundation to unfold overseas real estate markets.
- (4) Choose cautiously the land for development based on on current construction project due to the developing business being a capital-intensive industry. The team of the Company and its subsidiaries will pay attention to the development and reinforcement of ability of design, quality supervising, capital planning, marketing and brand management in order to enhance the operation capacity of the team, to decrease the risk of operation and make the development business being another growth engine.

II. Markets and Sales Overview:

(I) Analyses on markets:

1. The target markets of major commodities:

As the leading real estate agent service provider, we provide real estate brokerage services to the general public in the society instead of specific target groups. That means we might have a hard time classifying our products based on the target groups and have a hard time as well conducting statistics of the names and titles of our target groups. In terms of key target regions of our real estate agent services, we primarily focus on Metropolitan Taipei Area, and then the regions of Taoyuan, Hsinchu, Taichung, Tainan and Kaohsiung as the secondary target markets. We expand our presale business to Southeast Asia in 2015. Our subsidiaries in China are more actively primarily in key cities in Shanghai, Suzhou, Zhejiang. Our subsidiaries in Japan primarily render real estate agent services to Chinese investors who purchase real estate in Japan.

We launched the Sinyi O2O (Online to Offline) Platform with three integrated services, i.e. Home Anything and Everything, Home Services and Home Shopping Mall under a coordinated process to solve the customers' home affairs in their home lives.

2. Sinyi market shares of the primary target markets:

It is true that Sinyi primarily engages in real estate trading and brokerage services, trading of second-hand real estate still plays the pivotal role among our real estate agent services. The data of our horizontal trades are not easily available to us for a comparison. We, therefore, calculate market shares by taking the figures of the number of buildings covered within the ownership transfer as a result of Sinyi services deducted with the number of buildings in the initial ownership registry as the denominator. Accordingly, we presume our market share in the second-hand real estate trading in the real estate agent service markets in the recent five years was around 6.1% to 7.3%, including the rise of market share to 7.3% in 2015. Where the aforementioned denominator already includes cases directly completed by the construction houses and sold to buyers without a hand of real estate agent services. When such part of concluded deals is excluded, our market shares in the second-hand real estate trading should be higher than the aforementioned figures. In overseas markets, Suzhou Sinyi has shown more significant market shares in the major administrative regions. Other overseas Sinyi branches have not achieved significant trading volume.

3. Status of future supply, demand and growth in the real estate markets:

The year 2015 saw a correction in the Taiwanese housing market, starting from the north. Investors gave way to home buyers in the housing market. Old properties and the greyed hair have become a unique phenomenon in terms of the demand and supply. In addition, the rising concern over structural safety after the earthquake in early 2016 has created a demand for home replacements and new buildings.

(1) Housing price corrections, buy-and-let giving way to home buyers

The housing market enjoyed a steady upward trend for the ten years after SARS. The Taiwanese government intervened in the market so as to slow down the price increase in 2014. The northern Taiwan (where the housing prices were

always the highest) saw the earliest pricing correction in 2015. Statistics suggest that the housing price declined by approximately 6.9% in Taipei City, 4.3% in New Taipei City and 5.5% in Taoyuan City in 2015. The prices in other regions are relatively low and the market held steady, supported by the demand from home buyers. That said, the housing correction seems to spillover from north to south.

(2) Demand for new homes due to rising concerns for structural safety and aging population seeking to size down

Over 40% of the residential buildings in Taiwan are more than 30 years old. The ratio is even higher at 61.3% in Taipei City, the capital. Meanwhile, the elderly population (aged above 65) is expected to exceed 14% in 2018 in Taiwan and become an aging society as defined by the United Nations. The aging of demographics and the existing constructions, combined with a rising concern over structural safety after the earthquake in early 2016, will trigger the demand for new homes. According to the statistics of the housing inventory and transactions in the third quarter of 2015, the properties less than 10 years old accounted for 32.2% of the transactions. This was significantly higher than 12.9% of the properties in the inventory are below 10 years old, indicative of the strong demand for new properties.

In Japan, Abenomics is giving a second lease of life to the property market. Bank of Japan is seeing the effects of its quantitative easing at an annual pace of 80 trillion Japanese yens by purchasing government bonds and stocks. The Japanese interest rate became negative at the lowest point in history and the Japanese yen weakened. As a result, share prices and asset prices went up. In sum, the quantitative easing has expanded the market capitalization of the capital market. However, investors do not think very positively of the growth strategy among Abe's three arrows. Abenomics has not been effectively in boosting the real economy in Japan.

The increasing number of inbound tourists is becoming an economic driver in Japan, where the population is shrinking. We believe that the real estate market in Japan, in terms of liquidity and market size, presents a good investment opportunity regardless of the success (or failure) of Abenomics.

In China, the nine measures to curb the real estate in Shanghai released on March 25, 2016 has suppressed the trading volume at 1,000 units or so during the last few days of March, approximately half of the level before the policy announcement. It can be inferred that the monthly trading volume should be around 30,000 units, at a similar level as last year. The restrictive policy has limited impact on the catchment area served by our subsidiary in Shanghai in Nei Huan. Meanwhile, the mortgage restrictions after the tightening have reversed the situation back to March 2014. Based on the trading volume before 2014, the fall in the trading volume in Nei Huan was not significant and in fact, less pronounced than the drop in the secondary property market in Shanghai. In Suzhou, the market has started to correct from the boom in the second half of 2015, as a result of the ten restrictive measures and the depletion of purchasing power. The weekly trading volume has declined to 2,000 units or so from over 3,500

units in March. It is expected that the Suzhou property market will maintain steady in the immediate future.

4. Advantage and disadvantages in the competition niche and the countermeasures:

(1) Competition niches:

A. Optimal brand image, high acclaim from consumers:

Since the very beginning when Sinyi came into being, we have constantly insisted on everything that we feel supposed to. Besides, whatsoever we say, we mean it. Thanks to such remarkable efforts, we have successfully set up optimal brand image. Throughout the real estate agent services in Taiwan, Sinyi Realty Inc. is the sole listed company. Our remarkable dedication has been virtually verified with numerous awards conferred upon us every year. As universally acknowledged, Sinyi Realty Inc. is constantly the No. 1 choice in terms of corporate image and brand identification. The services and systems launched by Sinyi have taken the lead and numerous competitors have tried to follow suit and have been even acclaimed as the standard norms. In all aspects, Sinyi is the No. 1 choice in the minds of potential customers.

B. Advantage in costs yielded by scale economy:

Throughout Taiwan, the Company is the real estate agent services brand name proud of the most directly operated shops. All branches are under direct management from the Headquarters and thus capable of effectively dominating the quality of services and consistent caliber of human resources. In China, Sinyi branches are in a volume up to quite a scale, a scale large enough to launch unified procurement. A variety of advantages in costs yielded by scale economy would be reflected through the room for price bargaining in procurement of services and equipment & facilities. In such aspects of marketing advertisements, hardware equipment & facilities for branches and expenditures for activities sponsored by branches, we are in a position to benefit from competitive pricing.

C. Effective integration of entrepreneurial resources:

In the aspects of information, marketing, educational & training programs for human resources as well as management, we have set up professional teams. We have adequate resources available to our utilization. In marketing activities and sales promotion, we may take advantage of standardization to demonstrate integrated benefits.

D. Concerted performance (synergy) through inter-support with affiliated enterprises:

Both Sinyi Conglomerate and its subsidiaries have been under solid growth in the principal real estate agent services and have further developed into more comprehensive business systems toward customers, industries, information and technology & know-how. With inter-support among all elements within Sinyi Conglomerate, we may demonstrate tremendous concerted performance (synergy).

E. Competence in service innovation:

Since Sinyi first came into being, we have constantly encouraged ourselves toward provision of secured services available to customers. We always think the needs of customers as our own and launch a variety of brand new real estate agent services which have received widespread acclaim in the markets and have been extensively followed suit by horizontal trades. In our policies of making no gain with price gaps, segmental charges, production before trading, logistic concert with horizontal trades, Readily Available House Escrow, leakproof warranty, assurance against potential defect in high chlorine irons and assurance

against potential radiation, we have won praise as the four major assurance services to customers. In recent years, taking advantage of online Internet technology & know-how, we have further rendered assurance against potential suicide or murder involved houses. Simply through such incessant competence, Sinyi would suggest more and more thoughtful services to consumers.

F. Efforts to cultivate human resources:

Where real estate agent services are known as the humans-based business, this word “humans” would play an absolutely indispensable role to Sinyi Conglomerate. The timber of Sinyi staff would suggest a supreme key factor toward the quality of Sinyi services. From the very beginning of Sinyi undertakings, we have taken cultivation of talented human resources as the top job. While soliciting human resources, we aim at such candidates having been graduated from a university or in higher educational level without hands-on experiences accumulated in real estate agent services in principle. Through such policy, we assure that the business philosophy and corporate cultures insisted by Sinyi would be put into implementation thoroughly. All our entire staff members feel proud of being Sinyi teammates.

In an attempt to solicit and win high-caliber talents, we took the lead to raise the guaranteed minimum salary from NT\$40,000 to NT\$50,000 per month in 2011. In early 2013, we launched a huge campaign to solicit reserve managers for real estate business and offered guaranteed minimum salary at NT\$60,000 per month to those who prove satisfactory to our requirements. We further elaborately designed integrated two-year educational & training programs to accelerate the pace of Sinyi growth. We are even more desirous to combine theories and hands-on practices into a whole. We have, therefore, set up the full-time instructor system there under prominent shop heads or project managers are selected to serve as instructors so that the sound intellectual capital will be passed on for the entire staff members for lifetime learning.

In 2015, the Company launched “new employee orientation programs in the workplaces”. Through the brand new policy in soliciting employees, Sinyi Conglomerate will get a tremendous volume of human resources available for screening & selection which is believed to virtually change the conventional relationship between the employees and management.

(2) Advantages toward the vision of development:

A. Neutral policies and gradual relaxation on real estate market crackdowns

The government interventions to ensure the right of abode has put the Taiwanese property market into a corrective cycle, for both prices and volumes. At this juncture, strong government interventions are no longer required. The new government will be focusing on the supply-side adjustment for the housing market, including a plan to construct 200,000 social housing units over the next eight years, enhancement of property owners’ willingness to let out, property management and urban regeneration. The removal of policy uncertainty will help the property market to restore its normal pace.

B. Interest rates lingering low, working capitals remaining high.

Whilst the FED has embarked on interest rate hikes, the market expects this to be an on-and-off process. Quantitative easing remains the economic theme throughout the world. Japan even resorted to the drastic measures of pushing the interest rate to the negative territory. In Taiwan, the interest rates have

been reduced twice since the second half of 2015, due to the continued recession. The interest rates remain at a low level in Taiwan. As of the end of 2015, M2 (broad money supply) has reached close to NT\$40 trillion at an annual increase of 5.68%. In summary, the money supply continues to grow and there is ample liquidity in the market. However, investors will still not be motivated to participate in the property market as the market is correcting. The property market will continue to be supported by home buyers.

(3) Disadvantageous factors against development forward and the countermeasures:

A. Trading volumes shrink as the property market heads into the cycle

The Central Bank has in the past years adopted optional credit control, imposed deluxe tax, deluxe housing tax, house hoarding tax, a policy to raise the standard unit house prices in a row aiming at the goal to curb real estate prices. The consolidation of the housing and land taxes has pushed the property market into a downward cycle from the second half of 2014. The demand from investors has significantly dropped. The real estate market will go back to the normal shape where the owner-use houses will be dominating the entire real estate markets. Where the scale of trading appears in a significant scale-down trend, we as the leader in the real estate agent services must try to differentiate services before we can win added opportunities for services. In response to the aforementioned disadvantageous policies, we try to take the countermeasures as enumerated below:

a. We shall strictly screen/select newcomers and put into implementation thoroughly sound quality control for Sinyi branches: At the moment in the markets, Sinyi adopts direct management for the large-scale real estate agent services in all cases and take the lead in adopting a policy to screen/select newcomers from the potential candidates without a need in other brokerage service backgrounds but must hold the degrees as a bachelor as the minimum requirements. In recent years we have tried hard to screen/select newcomers among master-degree holders graduating from renowned national universities and graduate schools at home and abroad just in an attempt to upgrade the quality level of our human resources to render even more upgraded services to customers. Toward all Sinyi teammates, we strictly demand quality of services they render before their performance in sales revenues. In comparison with other counterparts in the real estate agent services who hire employees without a restriction on academic degrees and purely on the grounds of their performance in sales revenues, Sinyi suggests a brand name capable of rendering unified and trustworthy high quality services to customers.

b. We intensify cooperation among the regional branches. Take advantage of our direct management policy with vertical and horizontal integration, our customers are entitled to co-use the ample resources of Sinyi Conglomerate and all branches and, in turn, enjoy our secured, prompt and rational services in the trading process.

B. The policies in real estate markets and banking policies will directly affect the trading volume:

The government policies play the role of the top uncertainty toward real

estate markets. Where the government authorities adopt more strict control measures, the trading volume will definitely decrease. In recent years the governments in both sides of Taiwan Strait have primarily aimed against investment-oriented house purchases. The needs in the initial house purchases and house changeover remain unaffected. In the long-run, the costs required for trading and for real estate possession will, bit by bit, increase and dampen the public in their confidence in house purchase.

C. High employee turnover rate:

Amidst the characteristics of real estate agent services, real estate brokers are universally subject to long working hours, hard duties and heavy pressure in sales performances. As a natural result, they would show high employee turnover rate. Here at Sinyi Conglomerate, therefore, we must invest huge amounts of human resources and resources in soliciting newcomers. In response to such disadvantageous factor, we have set up sound mechanism to monitor, pre-alarm, reassess and improve an abnormal quitting rate. Since 2012, we have put into implementation thoroughly the mandatory vacation system for Sinyi teammates as a key policy. With such a sound policy, we try to assure adequate leisure hours and balanced lifestyle between performance of duties and sound life. Meanwhile, we provided them with wholesome incentive and promotion systems. On a regular basis, we conduct approval-level questionnaires and improve their working environments. Moreover, we have introduced to the outsourced consultant policy known as “Employee Aid Program” (EAP). Toward the problems the Sinyi teammates might frequently face in routine life, duties and families, the outsourced experts will render handy guidance, consultation services and advice. From time to time on a nonscheduled basis, we monitor and reevaluate the performance of the systems. Thanks to such innovative efforts, the Sinyi teammates could take sound care of both performance of duties and balanced lifestyle toward the goal of “work amidst pleasure”.

In 2016, the Company will emphasize the quality of management of sales departments, improving the relationship between staff and managers, focusing on the individualized tutoring. We hope under the implement of new staff growth and retention project, the retention rate of new staff will be improved and reserve more talent for the Company.

As to the housing market in China, under the circumstance of the local government’s lifting regulations and the local competitors’ expansion on a large scale, the Company’s subsidiaries was facing the issues of talent poached. To solve the talent loss issue and attract the new staff, the subsidiaries in Mainland China adjusted the salary system in 2015 and improved the environment of talent development and tutoring. Through the enhance of staff’s productivity, the staff will get better salary payment and working environment which will turn into a higher retention rate of new staff and a lower demission rate.

D. Solicitation of multi-linguistic talents and the difficulty in such efforts

The Group has entered the market in Japan since 2009. The Group has grown at a stable pace but still has intensive demand of talent with Japanese and Chinese language for business expansion. In addition, in 2015 we have entered the market in Southeast Asia and cooperated with the local reknown real estate developer for the first time to sell its construction poject in Kuala Lumpur. Therefore, the recruitment of talent with multi-language and keen service behavior will be the key factor of expansion in thes areas. We will provide great salary and welfare and recruit the talent in several ways.

- (II) Major purposes and manufacturing process of key products: Not applicable.
- (III) Availability of major raw materials & materiel: Not applicable.
- (IV) Names of the key customers who account for over 10% of the aggregate total input (output) values in either among the past two years and ratio of their input (output) values: Where our target customer groups are ordinary public in the society, we don't have the name list of key input (output) sales customers.
- (V) The production volume and value over the past two years: Where we primarily provide real estate agent services, we don't have output values or volumes.
- (VI) Sales values and volumes over the past two years: The remuneration we receive with real estate agent services might vary based on the attributes of cases and trading amounts, we cannot signify sales performance with sales values or volumes.
- (VII) Key performance indices in real estate brokerage agency services: We provide secured, prompt and rational trading services to consumers, as the ultimate Sinyi goals. Our key performance indices, therefore, lie upon the raise in market shares. Over the past five years, we have hold market shares ranging from 6.1% to 7.3%. On the other hand, high quality is another firm insistence to both Sinyi Conglomerate and all Sinyi branches. The Sinyi Conglomerate and Sinyi branches have, therefore, fixed annual approval-level indices based on different geographic regions. In 2015, toward all target territories, we set the target approval-level rates at 85%-95%.

III. Major data of Sinyi teammates in both Sinyi Conglomerate and Sinyi subsidiaries over the past two years and as of the printing date of this Annual Report:

Year		December 31, 2015	December 31, 2014	March 31, 2016
Number of employees	Managers	185	177	187
	Salespeople	3,995	3,818	4,036
	Staff members	1,180	1,128	1,193
	Total	5,361	5,123	5,416
Averaged ages		31.2	31.7	31.1
Averaged service seniority		4.3	4.9	4.5
Facts of academic degrees	Master (inclusive) or higher	7%	7%	7%
	University/college	92%	92%	92%
	Senior high school (inclusive) or below	1%	1%	1%

IV. Information of environmental protection expenditures:

The aggregate total of impairment and penalty fines undertaken by Sinyi due to pollution to environment in the most recent year and as of the printing date of this Annual Report: Nil.

V. Labor & Management Relationship

(I) Major existent worker-employer agreement and the facts of performance of worker-employer agreement:

1. Fringe benefits for employees:

(1) Fringe benefits in insurance:

Other than the mandatory labor insurance/national health insurance, Sinyi has further acquired group insurance (in the insurance policies for life insurance, accident risk insurance and inpatient medical treatment insurance).

(2) Fringe benefits in health and security:

A. In Sinyi Conglomerate, all full-time regular employees are granted one Sinyi-sponsored health examination in every two years in full, and those full-time regular employees in the ages above 40 are granted one Sinyi-sponsored health examination in every year. At Sinyi management, we are extremely concerned about the results and findings in the health examination. Subject to contents from the employees, we take the initiative to help and urge an employee whose examination results indicate a sign of abnormality or extraordinary finding to receive follow-up treatment or observation to assure that all Sinyi employees are in sound health conditions. Within the website inside Sinyi, we have designed a “Health Management` System” zone to provide health management interfaces exclusively to employees to follow up their subsequent health fact findings, measuring records as perfect safeguarding of Sinyi employee health. Since 2011, we have provided psychological health checkup and retained outsourced consultant firms to

provide individual reports through which all Sinyi employees may make sure of their mental health conditions. For employees who are found under mental pressures beyond the specified limits, our retained professional consults will take the initiative to invite them to accept individual consultation and help them soothe mental pressure.

- B. We have provided full-time health managerial advisors to assume the exclusive responsibility to help Sinyi employees improve their health related knowledge and know-how. Toward employees whose examination results indicate a sign of abnormality or extraordinary finding, our health managerial advisors will offer thoughtful services in arrangement and reminding of consultation for improvement and for follow-up rechecks. Toward all employees as well as their family members, we offer relevant consultations and arrangement for hospitals and medical treatment service institutions.
- C. We hire licensed blind massagists to render massage services to employees to help soothe pressure and to improve their physical and mental fitness. Through such a policy, we offer opportunities to the blind people.
- D. We implement health enhancement programs, notably the classes to help employees give up smoking, outpatient abstinence of cigarettes, nutrition management, weight control, physical fitness, pressure management, chronic disease seminars and a variety of health related seminars and such fitness improvement programs.
- E. In Taiwan, heart attacks rank among the top ten fatal diseases. Death incurred by a heart attack is very often caused by a sudden cardiac arrest. An electric shock is an effective means to help restore heartbeat. As indicated by literature, in a case of cardiac arrest, a first aid by means of an electric shock within one minute could successfully cure the patient up to 90%. The rate of success would come down by 7-10% in a delay for every minute. That means time is the top factor to a patient to beat the Death. Under such awareness, we have, therefore, installed Automated External Defibrillator (AED) at the public areas with people where the public could make use at the very moment of need. This could help bring down the death rates for patients before they reach a hospital. At the Sinyi Headquarters, we have just installed such Automated External Defibrillator (AED) and guided employees how to use in case of need.
- F. In both Sinyi home companies and subsidiaries, our staff members engaging in real estate agent services normally depend upon motorcycles

as their key transportation. Toward newcomers, we arrange traffic safety video films to help them gain added know-how about traffic safety. For them, we have acquired inpatient and accident risks policies. Meanwhile, to help them ease up a potential responsibility when an employee causes a third party into injury when use of transportation, we further purchase third party liability insurance for Sinyi employees who ride motorcycles as added assurance for their carefree dedication to Sinyi.

G. To help employees enhance their awareness against a disaster of fire or other accident and to prevent them from a potential accident resulting from nervousness, we have organized the self-guard fire teams and carried out anti-fire exercises on a regular basis.

(3) Fringe benefits in tourism:

In Sinyi, the Welfare Committee (Fringe Benefit Committee) budgets NT\$4,000 for each and every employee every year as the subsidy to the respective departments to sponsor tourist programs. For salespeople and staff members with extraordinary performances, we offer incentives for overseas vacations every year.

(4) Fringe benefits in recreational activities:

On an annual basis, we sponsor softball competitions. All departments would organize their own softball teams to soothe pressure into fitness through the softball games. Such activities would further help cultivate centripetal consensus and team spirit of the entire teams. The Welfare Committee (Fringe Benefit Committee) further budgets NT\$5,000 founding subsidy and NT\$5,000 for every quarter. Through such programs, we encourage employees to engage in wholesome leisure activities and soothe pressure in their jobs and families.

(5) Fringe benefits in vacation leaves:

Following the requirements set forth under the Labor Standards Law, we grant employees regular leaves of every month and annual vacation leaves. On a regular basis, we provide statistical statements to the department heads to help them make sure of how employees use their vacation leaves. Through such a policy, we help employees well balance their jobs and life.

(6) Fringe benefits to support employees:

We have screened/selected qualified professional consultation houses outside to render individual consultation services for employees aiming at their career, family affairs, relationship with children, affection life, mental and physical pressure, legal and wealth management issues, to assure that all

Sinyi employees will be perfect mental fitness.

(7) Approval-level survey on employees:

On an annual basis, we conduct “questionnaire survey on employees in recognition and satisfaction level” to make sure of recognition and satisfaction level from employees. Based on the results of survey statistical analyses as well as suggestions from employees, we work out the improvement measures to assure that all Sinyi would “work amidst maximum possible pleasure” Meanwhile, we conducted questionnaire surveys on “Leadership styles from department heads” and “questionnaire surveys on the regional managers about implementation of Sinyi policies”. Through the findings of the questionnaire surveys, we may become fully aware of how the department heads lead their teams and how they implement Sinyi policies. The findings so obtained would function as key reference to enhance leadership and adjust Sinyi policies.

(8) Fringe benefits on individual and family occasions:

All departments of Sinyi Conglomerate sponsor birthday parties from time to time on a nonscheduled basis every month. Toward employees whose birthdays fall within that month, we offer gift coupons. Toward employees who are in the events of wedding, funeral or hospitalization, a significant calamity, we offer mutual aid benefits in various amounts as the actual situations may justify.

(9) Fringe benefits on childbirth:

Amidst the shock of low fertility in Taiwan, we offer mutual aid fund in an amount of NT\$3,000 to an employee in the first childbirth. Starting from 2013, where an employee gives birth to beyond a second child (inclusive) after he or she has served with Sinyi for one year in full, we offer NT\$120,000 incentive money. The statistics indicate that as of December 31, 2015, a total of 140 Sinyi employees had received such incentive money. For such incentives, Sinyi has paid NT\$17.32 million in aggregate total.

2. Higher educational & training programs for employees:

(1) Educational & training programs for employees:

Toward department heads and employees of various levels, we have mapped out and provided complete and comprehensive entrepreneurial. Other than solid learning programs, we further, through “e-Learning” digital learning platforms, enable employees to learn and enhance themselves through the online systems anytime, anywhere to enhance their capability at jobs. To ensure the effectiveness of digital learning, we have upgraded our system at the end of 2015. Meanwhile, to enhance our team spirits and

corporate ethics, we are in the process of transforming into a collective leadership model by regularly hosting workshops and seminars focusing on creativity, inter-disciplinary integration and management philosophy for senior executives. Thanks to such brilliant learning platform, Sinyi will operate with added performance and the entire Sinyi Conglomerate will become more prosperous. In 2015, the educational & training programs for Sinyi Conglomerate and subsidiaries (excluding outsourced educational & training programs and license oriented training programs) were enumerated below:

Descriptions	Number of classes	Aggregate total of trainees	Aggregate total of trainees/hours	Aggregate total of tuition fees (In thousand NT\$)
Newcomer & Salespeople Educational & Training Programs(solid)	1293	51,425	113,427	12,189
Newcomer & Salespeople Educational & Training Programs(Online)	61	25,513	12,502	
Department heads & staff oriented training programs	189	7,068	14,751	6,143
Total	1,543	84,006	140,680	18,332

(2) Advanced studies for employees:

Other than the professional training programs sponsored by Sinyi internally, we highly encourage employees to strive for higher education with their off-duty hours, including higher education for master's degree, linguistic programs and other professional aspects. As incentives to employees in their autonomous studies, we offer financial aids for half of their tuition fees.

(3) Studies toward the social programs:

On a regular basis, we offer financial aids to employees in their studies on social programs in an attempt to encourage employees to learn and to co-share hands-on experiences accumulated in their fields.

3. Sound retirement system for employees:

Exactly in accordance with the requirements by laws and ordinances concerned, appropriate 6% of their monthly pays into the individual account opened with the Bureau of Labor Insurance for newly employees newly hired starting from July 1, 2005 and employees who have chosen new system Labor Pension Act. For the existent employees who continually choose the old pension system regulations and for the service seniority retained under the old system of employees who choose new pension regulations, we appropriate the pension reserve funds at the right amounts into the specially designated (earmarked) account in Bank of Taiwan based on the original criteria to calculate pension. Our pension system as of the end of 2015 is in compliance with the regulatory requirements and sufficient to cover the

colleagues applicable to the previous system by the end of 2016. For Sinyi teammates assigned by the organizations to affiliated enterprises, we continue calculation of their service seniority to assure the purposes of sound interflow of human resources. For overseas subsidiaries, we ascertain the appropriation system. In accordance with the requirements by the local governments, we pay endowment, medical treatment service funds and such funds for social assurance.

4. Other significant agreements/contracts: We carry out other agreements/contracts exactly in accordance with the requirements by the Sinyi Conglomerate.

(II) The impairment incurred on labor disputes in most recent year and as of the printing date of this Annual Report:

Since the very initial days when the Sinyi Realty Inc. and subsidiaries came into being, we have strictly complied with the government policies and laws and ordinances concerned, put into implementation thoroughly labor related acts, assured sound interests to all Sinyi employees with wholehearted efforts to create labor harmony. As an encouraging result, never have we run into a significant labor dispute. Besides, thanks to our sound and comprehensive fringe benefit system and channels for grievance, we anticipate an extremely low chance to see a labor dispute within a couple of years in the future. We are not supposed to run into such loss.

(III) Employee behavioral and ethic regulations:

For all business operation, all rights & obligations concerned for employees, Sinyi Conglomerate and its subsidiaries have expressly enacted sound regulations as the guiding rules (all such rules and regulations are classified into 27 categories, over three hundred articles in aggregate total) which have been made readily available toward the entire staff members. Any additions, amendments for any rules and regulations shall be submitted to and approved by the respective levels internally and promulgated into the internal websites so that all Sinyi Conglomerate teammates could take firm command of the contents and the reasons behind. The employee behavioral and ethic regulations are summarized below:

1. Hierarchical responsibility rules:

In coordination with the requirements for organizational development, we have duly set up rational position ranks, position titles provided to employees to devise the very blueprints for their career development. For all business operations, we have exceptionally specified the powers to approve through electronic submittal and approval process. Through such practices, we can accelerate the submittal and approval procedures and strengthen the management through hierarchical responsibility rules to effectively regulate the powers, duties and responsibilities in business operation. In turn, we assure that all business operations inside entire Sinyi Conglomerate would be implemented in a normal manner.

2. Responsibilities and powers expressly specified for respective units:

Pursuant to the major functions, we expressly regulate the responsibilities and powers as well as functions to put into implementation thoroughly professional division of labor and, in turn, intensify the core Sinyi competitive edge. Besides, we have put all responsibilities and powers and the ways to contact them into the internal websites to serve internally and customers to meet their needs in case of an emergency.

3. Rules and regulations on rewarding and punishment”

In an attempt to encourage employees with extraordinary contributions and to prevent a potential impairment to Sinyi due to personal behaviors of employees, we have expressly provided the rewarding and punishment rules into the “Work Rules for Employees”. Besides, we have enacted “Regulations Governing Rewarding and Punishment for Employees” which function as the very grounds to regulate employees’ behaviors. Facts of rewarding and punishment for employees are promulgated internally to accomplish the goals of encouraging and reminding Sinyi teammates.

4. Performance management:

As always, we evaluate performance by employees in a “fair, just and open” attitude. For evaluation of employees in all aspects, there are sound criteria to comply with, notably including “Regulations Governing Promotion, Reassignment and Evaluation for Shop Heads”, “Regulations Governing Salespeople in Promotion”, “Regulations Governing Employees in Performance Evaluation” and the like. Aiming at different targets, we evaluate performance on a monthly, quarterly and annual basis. Toward the performance by employees, we offer appropriate feedback as the very grounds to help map out future development programs for staff members.

5. Management over attendance of duties and leave:

To set up sound disciplines to upgrade the quality of performance and provide the sound grounds regulating employees in their attendance of duties and leaves, we have enacted “Regulations Governing Attendance of Duties and Leaves”, “Enforcement Rules for Management over Overtime Work” and have further set up electronic system for employees to apply for a leave of absence. All employees who intend to take a leave may apply online. Such a system could accelerate the handling formalities and put into implementation thoroughly the job substitute system. With establishment of the system for attendance of duties and leaves, the department heads may check and take firm command of the facts of subordinates in attendance of duties and may help all employees well balance their duties and life.

6. Maintenance of business secrets:

To accurately safeguard business interests and boost competitive edge of Sinyi Conglomerate, all employees are subject to strict commitment to non-divulgence obligation for confidentiality. To prevent divergence of business secrets that, if any, might lead to impairment to Sinyi Conglomerate, we adopt a personnel guarantee system. Whenever a newcomer reports for duty, he or she must provide two guarantors to sign letters of guarantee which expressly enumerate the relevant responsibilities and penalty clauses on business secrets. Moreover, all Sinyi employees must sign “Committee for Sinyi Conglomerate Data Protection, Personal Information Protection and Information Network Use” to assure no potential divulgence of confidential information at all.

7. Prevention against sexual harassment:

All employees are absolutely banned from any sorts of sexual harassment in the workplaces. Other than sexual harassment related rules which are expressly provided in the “Work Rules for Employees”, we have enacted the “Guidelines to Deal with Prevention, Grievance and Investigation of Sexual Harassment in Sinyi Realty Inc.” to regulate employees in their behaviors. We have, as well, designed “sexual harassment prevention website” as promotional propaganda of the relevant information, provided special mailbox through which employees may voice any sexual harassment related events, as a very wound sexual harassment prevention network.

8. Internal and personal information protection:

Through “Operating Guidelines Inside Sinyi Conglomerate for Data Protection and Personal Information Protection” enacted, we expressly provide the relevant norms to safeguard all sorts of information and data inside Sinyi Conglomerate and to satisfy the requirements set forth under the “Personal Information Protection Act” and other laws and ordinances concerned. Besides, we have set up data protection task forces to promote and put into implementation thoroughly the protection of information and data in business operation/

(IV) Protecting measures for the workplaces in personal safety:

Employment Insurance System	Labor insurance	Exactly pursuant to the Labor Insurance Act, including insurance benefits in childbirth, injury, disease, disablement, endowment and death.
	National Health Insurance	Exactly pursuant to the National Health Insurance, granting medical treatment service when an insured person and his or her dependent is in a disease, injury, childbirth and such events.

	Group Employee Insurance	<p>With contents of assurance including time life insurance, accident injury insurance, accident medical treatment service insurance, inpatient service insurance, cancer medical treatment service insurance and occupation-oriented calamity insurance.</p> <p>Besides, when an employee receives inpatient service, the per diem benefit is raised to NT\$2,000 so that all employees may enjoy substantial group assurance.</p>
	Additional Insurance at Employees' Expense	<p>The contents covered in the additional insurance include time life insurance, accident injury insurance for employees and their spouses, children; medical treatment service for an accident for employees' spouses, children, inpatient medical treatment service for spouses, parents and cancer medical treatment service for spouses and children.</p>
Establishment of secured workplace environment	Personal safety, security for equipment & facilities	<p>All female brokers and branch secretaries are provided with carry-on alarm.</p> <p>Anti-fire seminars sponsored on a regular basis.</p> <p>Promotional propaganda on traffic rules and regulations on a regular basis</p> <p>Thorough implementation of power utilization safety and control over smoking.</p> <p>The Sinyi Conglomerate Headquarters is equipped with Automated External Defibrillator (AED).</p>
	Efforts to set up green workplaces	<p>Project to strengthen energy saving & carbon reduction.</p> <p>Continually enhance wholesome workplace environments, e.g., poison-free decoration, disinfection on a regular basis.</p>
Implementation of "EAP Employee Aid Program"	"Employee Aid Program(EAP)"	<p>We help employees preclude potential interference factors beyond profession. Taking the lead to follow suit advanced European and American countries in implementation of "Employee Aid Program" (EAP). By means of psychological, legal, medical treatment and such diversified, comprehensive and multifaceted professional consultations, we assure employees to own balanced physical & mental lifestyle and to, in turn, accomplish the goal of "working amidst the utmost pleasure".</p>

VI. Major agreements/contracts

Attributes of agreements/contracts	Key parties	Duration of the agreements/contracts (mm/dd/yy)	Highlights of contents/restrictive terms
Escrow contract	An-Sin Real Estate Management Ltd.	01.01.2015 ∫ 12.31.2015. (Note 1)	Rendering execution of escrow services toward our customers on the successful transactions of real estate.
Escrow contract	E.SUN BANK	09.22, 2015 ∫ 09.22, 2015	E.SUN Bank entered escrow contract with AN-SIN Real Estate Management LTD., one of the Company's subsidiaries to provided escrow to the clients who deals the real estate transactions through the Company.
Long-term loan agreement	E.Sun Bank	11.13.2015 ∫ 11.13.2016 (Note 2)	The Company provides some levels of the Headquarters Building as guarantee to sign a two-year(since borrowing date) loan agreement for revolving credit line up to NT\$800 million and a seven-year loan agreement for non-revolving credit line up to NT\$1.75 billion with E-Sun Bank.
Long-term loan agreement	East Asia Bank	12.31.2015 ∫ 12.31.2018 (Note 2)	The Company provides some levels of the Headquarters Building located in Xinyi District, Taipei City as guarantee to sign a three-year loan agreement for credit line up to NT\$1.6 billion with East Asia Bank
Long-term loan agreement	Bank of Taiwan	09.22.2015 ∫ 09.22.2018 (Note 2)	The Company provides some levels of the Headquarters Building located in Xinyi District, Taipei City as guarantee to sign a three-year loan agreement for credit line up to NT\$1 billion with Bank of Taiwan.
Long-term loan agreement	Far Eastern International Bank	01.02.2016 ∫ 01.02.2018 (Note 2)	The Company signed a two-year unsecured loan agreement with Far Eastern International Bank in the credit line of NT\$800 million.
Long-term loans	China Construction Bank	05. 20, 2014 ∫ 06 19, 2017	China Construction Bank extends a loan up to RMB 800 million to one of our subsidiaries, Sinyi Development (Shanghai) for real estate development.
Long-term loan agreement	E.Sun Bank	09.10.2015 ∫ 09.10.2016	The Company's Subsidiary Sinyi Development Co., Ltd., in implementation of its real estate development, provides land located at Subsection 3, Tianmu Section, Shilin District, Taipei City as the guarantee, to sign a three-year secured loan agreement with E-Sun Bank for a loan amounting to NT\$190 million.
Entrusted loan agreement	Bank of China	12.30.2015 ∫ 12.30.2017	The Company's Subsidiary Sinyi Real Estate (Shanghai) Limited delegated the local bank to grant Renminbi (RMB) 20 million loan to Shanghai Sinyi Real Estate Inc. to meet its need for working capital.

Delegated construction agreement with open land	Shanghai No.7 Construction Co., Ltd.	04.28.2014 ∫ 06.11.2017	The Company's Subsidiary Sinyi Real Estate (Shanghai) Limited delegated Shanghai No.7 Construction Co., Ltd. to carry out the delegated construction with the own land located at No. 18-01 Malu Township, Jiading District, Shanghai which was awarded in an open tender.
Delegated construction agreement with open land	Shanghai No.7 Construction Co., Ltd.	05.10.2014 ∫ 06.23.2017	The Company's Subsidiary Sinyi Real Estate (Shanghai) Limited delegated Shanghai No.7 Construction Co., Ltd. to carry out the delegated construction with the own land located at No. 17-01 Malu Township, Jiading District, Shanghai which was awarded in an open tender.
Delegated construction agreement with open land	PanaHome Taiwan Co., Ltd. (PHTW)	09.01.2014 ∫ 06.18.2016	The Company's Subsidiary Sinyi Development Co., Ltd. teamed up with PanaHome Taiwan Co., Ltd. (PHTW) to carry out delegated construction on own land for the land located in Tianmu Section, Taipei City.

Note 1: With restrictive terms that the agreement would be automatically renewed upon expiry of one-year term.

Note 2: With timeframe to use the credit line which could no longer be used if not used within the specified time limit.

Seven. Financial Information

I. The condensed balance sheet and Statement of Comprehensive Income for the past five years

(I) Information for Condensed Balance Sheet and Comprehensive Income Statement

1. Condensed Consolidated Balance Sheet

Expressed in Thousands of New Taiwan Dollars

Item	Year				Financial information As of March 31, 2016 (Note 2)	
	2015 (Note 1)	2014 (Note 1)	2013 (Note 1)	2012 (Note 1)		
Current Assets	13,809,601	10,745,120	9,419,561	4,998,503	-	
Financial assets measured at cost - non-current	252,322	293,616	285,489	128,640	-	
Property, plant and equipment	3,561,920	3,604,588	3,560,568	3,282,920	-	
Investment properties	2,816,292	2,840,915	2,831,604	2,860,617	-	
Intangible assets	144,763	142,718	89,878	89,436	-	
Other assets	187,106	178,947	402,818	394,380	-	
Total assets	20,772,004	17,805,904	16,589,918	11,754,496	-	
Current liabilities	Before distribution	5,518,169	2,877,902	4,297,892	2,626,589	-
	After distribution (Note 3)	-	3,491,339	5,605,216	3,324,946	-
Non-current liabilities	5,931,457	5,411,894	2,670,278	1,672,983	-	
Total liabilities	Before distribution	11,449,626	8,289,796	6,968,170	4,299,572	-
	After distribution (Note 3)	-	8,903,233	8,275,494	4,997,929	-
The Equity contributed to the Parent Company	9,196,734	9,376,613	9,491,044	7,335,343	-	
Capital stock	6,318,398	6,134,367	5,028,170	4,655,713	-	
Capital surplus	63,896	63,896	68,597	63,896	-	
Retained earnings	Before distribution	2,379,746	2,632,205	3,990,637	2,621,151	-
	After distribution (Note 3)	-	1,834,737	1,577,116	1,550,337	-
Other equity	434,694	546,145	403,640	(5,417)	-	
Treasury stock	-	-	-	-	-	
Non-controlled Equity	125,644	139,495	130,704	119,581	-	
Total equity	Before distribution	9,322,378	9,516,108	9,621,748	7,454,924	-
	After distribution (Note 3)	-	8,902,671	8,314,424	6,756,567	-

Note 1: The Company has adopted the International Financial Reporting Standards (IFRSs) to work out its financial statements since 2013. In the past five years, for the financial data with adoption of Financial Accounting Standards in the Republic of China, please refer to Note (II) below, the condensed balance sheet and income statement—information with adoption of Financial Accounting Standards of the Republic of China.

Note 2: As of the printing date of this Annual Report, the financial statements for the three months ended March 31, 2016 had not been audited by the Certified Public Accountant.

Note 3: Duly entered based on the decisions to be resolved in the shareholders' meeting of the ensuing year. The general shareholders' meeting for 2016 has not been convened.

2. Condensed Consolidated Comprehensive Income Statement

Expressed in Thousands of New Taiwan Dollars

Year Item	2015 (Note 1)	2014 (Note 1)	2013 (Note 1)	2012 (Note 1)	Financial information As of March 31, 2016 (Note 2)
Operating revenues	7,523,143	8,899,215	12,091,555	8,750,246	-
Gross operating profit	1,799,515	2,451,429	4,035,711	2,590,238	-
Operating gain/loss	506,532	1,169,483	2,791,806	1,546,689	-
Non-Operating revenues and expenditures	277,494	213,193	321,154	186,321	-
Net profit before tax	784,026	1,382,676	3,112,960	1,733,010	-
Net profit for the year of continuing operations	586,361	1,109,410	2,516,298	1,386,734	-
Loss from discontinued operations	-	-	-	-	-
Net profit for the year (loss)	586,361	1,109,410	2,516,298	1,386,734	-
Other consolidated gain/loss for the year (net after tax)	(130,360)	136,918	374,234	66,269	-
Total amount of consolidated gain/loss for the year	456,001	1,246,328	2,890,532	1,453,003	-
Net profit contributed to the Parent Company	563,865	1,072,157	2,475,027	1,356,200	-
Net profit contributed to the Non-controlled equity	22,496	37,253	41,271	30,534	-
Total amount of consolidated gain/loss contributed to the Parent Company	433,558	1,208,802	2,849,357	1,422,541	-
Total amount of consolidated gain/loss contributed to the non-controlled equity	22,443	37,526	41,175	30,462	-
Earnings per share (Note 3)	0.89	1.70	3.92	2.15	-

Note 1: The Company has adopted the International Financial Reporting Standards (IFRSs) to work out its financial statements since 2013. In the past five years, for the financial data with adoption of Financial Accounting Standards in the Republic of China, please refer to Note (II) below, the condensed balance sheet and income statement—information with adoption of Financial Accounting Standards of the Republic of China.

Note 2: As of the printing date of this Annual Report, the financial statements for the three months ended March 31, 2016 had not been audited by the Certified Public Accountant.

Note 3: The earnings per share (EPS) for 2012-2014 were already adjusted retrospectively for capital increase by earnings re-capitalization for allocation of shares.

3. Condensed Individual Balance Sheet

Expressed in Thousands of New Taiwan Dollars

Item	Year				Financial information As of March 31, 2016 (Note 2)	
	2015 (Note 1)	2014 (Note 1)	2013 (Note 1)	2012 (Note 1)		
Current Assets	2,059,239	2,493,604	2,591,246	2,199,716	-	
Investments accounted for using equity method	7,060,348	6,894,333	6,511,482	3,031,771		
Property, plant and equipment	2,759,843	3,163,619	3,132,247	3,130,626	-	
Investment properties	2,759,442	2,406,464	2,403,466	2,452,687		
Intangible assets	78,801	77,646	26,477	27,022	-	
Other assets	192,790	250,466	262,449	237,868	-	
Total assets	14,910,463	15,286,132	14,927,367	11,079,690	-	
Current liabilities	Before distribution	1,589,937	1,737,800	3,284,936	2,139,618	-
	After distribution(Note 3)	-	2,351,237	4,592,260	2,837,975	-
Non-current liabilities	4,123,792	4,171,719	2,151,387	1,604,729	-	
Total liabilities	Before distribution	5,713,729	5,909,519	5,436,323	3,744,347	-
	After distribution(Note 3)	-	6,522,956	6,743,647	4,442,704	-
Capital stock	6,318,398	6,134,367	5,028,170	4,655,713	-	
Capital surplus	63,896	63,896	68,597	63,896	-	
Retained earnings	Before distribution	2,379,746	2,632,205	3,990,637	2,621,151	-
	After distribution(Note 3)	-	1,834,737	1,577,116	1,550,337	-
Treasury stock	-	-	-	-	-	
Total equity	Before distribution	9,196,734	9,376,613	9,491,044	7,335,343	-
	After distribution(Note 3)	-	8,763,176	8,183,720	6,636,986	-

Note 1: The Company has adopted the International Financial Reporting Standards (IFRSs) to work out its financial statements since 2013. In the past five years, for the financial data with adoption of Financial Accounting Standards in the Republic of China, please refer to Note (II) below, the condensed balance sheet and income statement—information with adoption of Financial Accounting Standards of the Republic of China.

Note 2: As of the printing date of this Annual Report, the financial statements for the three months ended March 31, 2016 had not been audited by the Certified Public Accountant.

Note 3: Duly entered based on the decisions to be resolved in the shareholders' meeting of the ensuing year. The general shareholders' meeting for 2016 has not been convened.

4. Condensed Individual Comprehensive Income Statement

Expressed in Thousands of New Taiwan Dollars

Year Item	2015 (Note 1)	2014 (Note 1)	2013 (Note 1)	2012 (Note 1)	Financial information As of March 31, 2016 (Note 2)
Operating revenue	6,140,394	7,841,535	10,813,053	7,911,062	-
Gross profit	1,456,242	2,112,816	3,515,011	2,356,793	-
Operating gain/loss	624,499	1,243,729	2,636,240	1,587,969	-
Non-operating revenues and expenditures	99,847	71,040	326,728	80,776	-
Net profit before tax	724,346	1,314,769	2,962,968	1,668,745	-
Net profit for the year of continuing operations	563,865	1,072,157	2,475,027	1,356,200	-
Loss from discontinued operations	-	-	-	-	-
Net profit for the year	563,865	1,072,157	2,475,027	1,356,200	-
Other consolidated gain/loss for the year (net after tax)	(130,307)	136,645	374,330	66,341	-
Total amount of consolidated gain/loss for the year	433,558	1,208,802	2,849,357	1,422,541	-
Earnings per share (Note 3)	0.89	1.70	3.92	2.15	-

Note 1: The Company has adopted the International Financial Reporting Standards (IFRSs) to work out its financial statements since 2013. In the past five years, for the financial data with adoption of Financial Accounting Standards in the Republic of China, please refer to Note (II) below, the condensed balance sheet and income statement—information with adoption of Financial Accounting Standards of the Republic of China.

Note 2: As of the printing date of this Annual Report, the financial statements for the three months ended March 31, 2016 had not been audited by the Certified Public Accountant.

Note 3: The earnings per share (EPS) for 2012-2014 were already adjusted retrospectively for capital increase by earnings re-capitalization for allocation of shares.

(II) Information for Condensed Balance Sheet and Income Statement – Financial Accounting Standards of the Republic of China

1. Condensed Consolidated Balance Sheet – Financial Accounting Standards of the Republic of China (before adopting International Financial Reporting Standards (IFRSs))

Expressed in Thousands of New Taiwan Dollars

Items	Year	Financial information for the past five Years(Note 1)				
		2015	2014	2013	2012	2011
Current Assets					4,954,982	3,370,326
Fund and investment					132,168	156,997
Fixed assets					3,257,354	3,306,892
Intangible assets					69,020	64,238
Other assets					3,307,725	3,217,115
Total assets					11,721,249	10,115,568
Current liabilities	Before distribution				2,053,071	3,012,835
	After distribution				2,931,507	4,110,880
Long-term liabilities					700,000	-
Other liabilities					969,446	1,106,243
Total liabilities	Before distribution				3,159,314	4,140,957
	After distribution				4,037,750	5,239,002
Capital stock		N/A	N/A	N/A	4,655,713	4,392,182
Capital collected in advance					-	-
Capital surplus					63,896	63,896
Retained earnings	Before distribution				2,456,188	2,976,777
	After distribution				1,314,221	1,146,702
Unrealized Gain/Loss on Financial Instruments					63,048	(97,712)
Cumulative translation adjustment					(31,998)	36,467
Net Loss not Recognized as Pension cost					-	-
Total shareholders' equity	Before distribution				6,956,254	6,796,796
	After distribution				6,077,818	5,698,751

Note 1 : The financial data of 2011~2012 were duly audited and certified by Certified Public Accountants

Note 2 : The Company has adopted the International Financial Reporting Standards (IFRSs) recognized by Financial Supervisory Commission to work out its financial statements since 2013. The financial data in Years 201~2012 with adoption of Financial Accounting Standards in the Republic of China before adoption of the International Financial Reporting Standards (IFRSs) are provided for reference.

2. Condensed Individual Balance Sheet – Financial Accounting Standards of the Republic of China (before adopting International Financial Reporting Standards (IFRSs))

In Thousands of New Taiwan Dollars

Items	Year	Financial information for the past five Years(Note 1)				
		2015	2014	2013	2012	2011
Current Assets					2,158,886	2,231,744
Fund and investment					3,120,930	1,482,023
Fixed assets					3,105,410	3,146,297
Intangible assets					9,621	-
Other assets					2,659,289	2,754,371
Total assets					11,054,136	9,614,435
Current liabilities	Before distribution				1,700,793	2,617,503
	After distribution				2,579,229	3,715,548
Long-term liabilities					700,000	-
Other liabilities					901,192	1,062,621
Total liabilities	Before distribution				2,763,414	3,715,914
	After distribution	N/A	N/A	N/A	3,641,850	4,813,959
Capital stock					4,655,713	4,392,182
Capital collected in advance					-	-
Capital surplus					63,896	63,896
Retained earnings	Before distribution				2,456,188	2,976,777
	After distribution				1,314,221	1,146,702
Unrealized Gain/Loss on					63,048	(97,712)
Cumulative translation adjustment					(31,998)	36,467
Net loss not recognized as pension cost					-	-
Total shareholders' equity	Before distribution				6,851,021	6,686,854
	After distribution				5,972,585	5,588,809

Note 1 : The financial data of 2011~2012 were duly audited and certified by Certified Public Accountants

Note 2 : The Company has adopted the International Financial Reporting Standards (IFRSs) recognized by Financial Supervisory Commission to work out its financial statements since 2013. The financial data in Years 2011~2012 with adoption of Financial Accounting Standards in the Republic of China before adoption of the International Financial Reporting Standards (IFRSs) are provided for reference.

3. Condensed Consolidated Income Statement – Financial Accounting Standards of the Republic of China (before adopting International Financial Reporting Standards (IFRSs))

In Thousands of New Taiwan Dollars

Items \ Year	Financial information for the past five Years(Note 1)				
	2015	2014	2013	2012	2011
Net operating revenue				8,750,246	8,669,276
Gross profit				2,585,693	2,578,646
Operating profit				1,541,364	1,443,221
Non-operating income and profit				258,022	246,797
Non-operating expenses and losses				71,701	40,026
Net profit before tax from continuing operations	N/A	N/A	N/A	1,727,685	1,649,992
Profit from continuing operations				1,381,409	1,325,826
Cumulative effect of the changes in accounting principles				-	-
Net profit for the year				1,381,409	1,325,826
Earnings per share(Note 2)				2.14	2.07

Note 1: All financial data have been duly audited and certified by the Certified Public Accountants

Note 2: All outstanding shares of various years have been duly adjusted retrospectively for capital increase by earnings re-capitalization and share allocation.

Note 3: The Company has adopted the International Financial Reporting Standards (IFRSs) recognized by Financial Supervisory Commission to work out its financial statements since 2013. The financial data for 2011 and 2012 with adoption of Financial Accounting Standards in the Republic of China before adoption of the International Financial Reporting Standards (IFRSs) are provided for reference.

4. Condensed Individual Income Statement – Financial Accounting Standards of the Republic of China (before adopting International Financial Reporting Standards (IFRS))

In Thousands of New Taiwan Dollars

Items \ Year	Financial information for the past five Years(Note 1)				
	2015	2014	2013	2012	2011
Net operating revenue				7,911,062	8,010,717
Gross profit				2,352,688	2,500,117
Operating profit				1,583,159	1,617,971
Non-operating income and profit				214,915	221,343
Non-operating expenses and losses				134,414	223,008
Net profit before tax from continuing operations	N/A	N/A	N/A	1,663,660	1,616,306
Profit from continuing operations				1,351,115	1,309,486
Cumulative effect of the changes in accounting principles				-	-
Net profit for the year				1,351,115	1,309,486
Earnings per share(Note 2)				2.14	2.07

Note 1: All financial data have been duly audited and certified by the Certified Public Accountants

Note 2: All outstanding shares of various years have been duly adjusted retrospectively for capital increase by earnings re-capitalization and share allocation.

Note 3: The Company has adopted the International Financial Reporting Standards (IFRSs) recognized by Financial Supervisory Commission to work out its financial statements since 2013. The financial data for 2011 and 2012 with adoption of Financial Accounting Standards in the Republic of China before adoption of the International Financial Reporting Standards (IFRS) are provided for reference.

(III) Names of CPAs and their audit opinions for the past five years

	2015	2014	2013	2012	2011
CPA	Hsu Wen-Ya, Lai Kuan- Chung	Yang Min-Hsien, Wang Tzu-Chun	Yang Min-Hsien, Wang Tzu-Chun	Yang Min-Hsien, Hsu Wen-Ya	Yang Min-Hsien, Hsu Wen-Ya
Audit Opinions	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Modified Unqualified opinion

II. Financial Analyses for the Past Five Years

(I) Financial analyses – adopting International Financial Reporting Standards (IFRSs)

1. Consolidated Financial Statement

Analyzed Item	Year	2015 (Note 1)	2014 (Note 1)	2013 (Note 1)	2013 (Note 1)	As of March 31, 2016 (Note 2)
	Capital Structure (%)	Liabilities to assets ratio (%)	55.12	46.56	42.00	36.58
	Long-term funds to property, plant and equipment ratio (%)	405.17	384.87	314.39	248.40	-
Liquidity (%)	Current ratio (%)	250.26	371.97	219.17	190.30	-
	Quick Ratio (%)	129.74	182.09	120.46	170.30	-
	Interest coverage ratio (times)	12.76	20.24	75.28	181.50	-
Operating ability	Accounts receivable turnover rate (times)	9.45	8.65	11.21	10.83	-
	Average days of accounts receivable (days)	39	43	33	34	-
	Inventory turnover rate (times) (Note 3)	-	-	-	-	-
	Accounts payable turnover rate (times) (Note 3)	-	-	-	-	-
	Average days of sales (days) (Note 3)	-	-	-	-	-
	Property, plant and equipment turnover rate (times)	2.10	2.48	3.53	2.63	-
	Total assets turnover rate (times)	0.39	0.52	0.85	0.86	-
Profitability	Return on assets (%)	3.33	6.80	18.00	12.73	-
	Return on equity (%)	6.23	11.59	29.47	19.33	-
	Net gains before tax to paid-in capital ratio (%)	12.41	22.54	61.91	37.22	-
	Net gains ratio (%)	7.79	12.47	20.81	15.85	-
	Earnings per share \$(Note 4)	0.89	1.70	3.92	2.15	-
Cash flow	Cash flow ratio(%)	29.86	0	0	51.54	-
	Cash flow adequacy ratio (%)	34.73	39.94	65.20	135.78	-
	Cash reinvestment ratio (%)	6.52	0	0	4.91	-
Leverage	Operating leverage	9.61	5.01	2.47	3.45	-
	Financial leverage	1.15	1.07	1.02	1.01	-
Descriptions on change in financial ratios up to 20% in the past two years						
Description 1. Both the current ratio and the quick ratio dropped from the previous year, mainly due to an increase of current assets by NT\$3,064 million and an increase of current liabilities by NT\$2,640 million, respectively. This was because of the prepayments of NT\$2,638 million received by Shanghai Real Estate in 2015 for its off-plan projects.						
Description 2. The interest coverage ratio dropped, due primarily to the facts that in 2015, the sales revenues dropped and, in turn, the gain/loss after tax and income tax expenses decreased from the preceding term.						
Description 3. Total asset turnover declined mainly because of the sluggish demand in the real estate market in Taiwan and the resulting lower revenue for 2015.						
Description 4. The operating ability, profitability and such relevant financial ratios appeared apparently lower than the preceding year, due primarily to the fact that in the year, amidst the slow real estate markets in both sides of Taiwan Strait, both operating revenues and profits dropped from the preceding year.						
Description 5. Cash flow ration went up, mainly because of the NT\$2,638 million prepayments received by Shanghai Real Estate in 2015 for its off-plan projects. This resulted in a net inflow of NT\$1,648 million for the 2015 consolidated operating cashflows.						
Description 6. The operating leverage was up from the preceding term, due primarily to the fact that in the present term, the drop rate of profits was higher than the drop of revenues compared with the preceding term.						

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- Note 1: The Company has adopted the International Financial Reporting Standards (IFRSs) to work out its financial statements since 2013. In the past five years, for the financial analyzed data, please refer to Note (II) below, the financial analyses —information with adoption of Financial Accounting Standards of the Republic of China.
- Note 2: As of the printing date of this Annual Report, the financial statements for the three months ended March 31, 2016 had not been audited by the Certified Public Accountant.
- Note 3: Where the company in the present merger has not started sales of construction products, the Inventory turnover rate is not applicable temporarily so far.
- Note 4: Earnings per share have been retrospectively adjusted for stock dividend distribution for capital increase by earnings re-capitalization.

2. Individual Financial Statement

Year		2015	2014	2013	2012	As of March
		(Note 1)	(Note 1)	(Note 1)	(Note 1)	31, 2016 (Note 2)
Analyzed Item						
Capital Structure (%)	Liabilities to assets ratio (%)	38.32	38.66	36.42	33.79	-
	Long-term funds to property, plant and equipment ratio (%)	456.43	397.54	339.25	256.67	-
Liquidity (%)	Current ratio (%)	129.52	143.49	78.88	102.81	-
	Quick ratio (%)	127.84	142.11	78.18	101.87	-
	Interest Coverage ratio (times)	14.62	33.60	93.34	2,480.56	-
Operating ability	Accounts receivable turnover rate (times)	11.04	9.45	12.22	11.59	-
	Average days of accounts receivable (days)	34	39	30	31	-
	Inventory turnover rate (times) (Note 3)	-	-	-	-	-
	Accounts payable turnover rate (times) (Note 3)	-	-	-	-	-
	Average days of sales (days) (Note 3)	-	-	-	-	-
	Property, plant and equipment turnover rate (times)	2.07	2.49	3.45	2.50	-
	Total assets turnover rate (times)	0.41	0.52	0.83	0.76	-
Profitability	Return on assets (%)	4.03	7.32	19.24	13.09	-
	Return on equity (%)	6.07	11.37	29.42	19.20	-
	Net gains before tax to paid-in capital ratio (%)	11.46	21.43	58.93	35.84	-
	Net gains ratio (%)	9.18	13.67	22.89	17.14	-
	Earnings per share (\$)	0.89	1.70	3.92	2.15	-
Cash flow	Cash flow ratio (%)	27.18	13.46	96.92	99.18	-
	Cash flow adequacy ratio (%)	139.86	161.16	221.19	197.55	-
	Cash reinvestment ratio (%)	0	0	20.37	13.14	-
Leverage	Operating leverage	6.33	4.13	2.29	2.97	-
	Financial leverage	1.09	1.03	1.01	1.00	-
<p>Descriptions on change in financial ratios up to 20% in the past two years</p> <p>Description 1. The interest coverage ratio dropped, due primarily to the facts that in 2015, the sales revenues dropped and, in turn, the gain/loss before income tax decreased from the preceding term.</p> <p>Description 2. The operating ability, profitability and such relevant financial ratios appeared apparently lower than the preceding year, due primarily to the fact that in the year, amidst the slow real estate markets in both sides of Taiwan Strait, both operating revenues and profits dropped from the preceding year.</p> <p>Description 3. The rising cash flow ration was mainly due to a reduction in bonuses payable on the basis of a smaller revenue base in 2015. This resulted in a lower amount for current liabilities.</p> <p>Description 4. The operating leverage was up from the preceding term, due primarily to the fact that in the present term, the drop rate of profits was higher than the drop of revenues compared with the preceding term.</p>						

Note 1: The Company has adopted the International Financial Reporting Standards (IFRSs) to work out its financial statements since 2013. In the past five years, for the financial analyzed data, please refer to Note (II) below, the financial analyses—information with adoption of Financial Accounting Standards of the Republic of China.

Note 2: As of the printing date of this Annual Report, the financial statements for the three months ended March 31, 2016 had not been audited by the Certified Public Accountant.

Note 3: Not applicable as the Company engages in real estate agent services.

Note 4: Earnings per share have been retrospectively adjusted for stock dividend distribution for capital increase by earnings re-capitalization.

1. Capital Structure

- (1) Liabilities to assets ratio = total liabilities / total assets
- (2) Long-term funds to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment

2. Liquidity

- (1) Current ratio = current assets / current liabilities
- (2) Quick ratio = (current assets – inventory- prepaid expenses) / current liabilities
- (3) Interest coverage ratio (times) = net gains before income tax and interest / interest expenses of the current term

3. Operating ability

- (1) Account receivables (including Notes receivables from operating activities and accounts receivable) turnover = net sales/average receivables of each term (including notes receivables from operating activities and accounts receivable) balance
- (2) Average days of accounts receivable = 365 / receivables turnover rate
- (3) Inventory turnover rate = COGS/average inventory amount
- (4) Account payables (including Notes payable from operating activities and accounts payable) turnover= COGS/average payables of each term (including Notes payable from operating activities and accounts payable) balance
- (5) Average days of sales = 365 / inventory turnover rate
- (6) Property, plant and equipment turnover rate = net sales / average net property, factory and equipment
- (7) Total assets turnover rate = net sales / average total assets

4. Profitability

- (1) Return on assets = [gain/loss after tax + interest expense x (1-tax rate)] / average total asset
- (2) Return on equity = gain/loss after tax / average total equity
- (3) Net gains ratio = gain/loss after tax / net sales
- (4) Earnings per share = (the gain/loss contributed to the parent company – preferred stock dividend) / weighted average shares outstanding

5. Cash flow

- (1) Cash flow ratio= net cash flow of operating activities/current liabilities
- (2) Cash flow adequacy ratio= net cash flow of operating activities in the past five years / five years sum of (capital expenditures + inventory addition +cash dividends)
- (3) Cash reinvestment ratio=(net cash flow of operating activities- cash dividends) / (Property, plant and equipment gross + long term investment + other non-current assets + working capital)

6. Leverage :

- (1) Operating leverage = (operating revenue - variable operating cost and expenses)/operating income
- (2) Financial leverage = operating profit / (operating profit - interest expense)

(II) Financial analyses — adopting Financial Accounting Standards of the Republic of China (before adopting International Financial Reporting Standards (IFRSs))

1. Consolidated Financial Statement

Analyzed Item		Year		Financial analysis for the past five years (Note 1)				
		2015	2014	2013	2012	2011		
Capital Structure (%)	Liabilities to assets ratio (%)				35.71	31.23		
	Long-term funds to fixed assets (%)				252.84	210.36		
Liquidity (%)	Current ratio (%)				196.94	164.16		
	Quick ratio (%)				194.65	160.82		
	Interest coverage ratio (times)				180.95	212.97		
Operating ability	Accounts receivable turnover rate (times)				10.83	9.07		
	Days of accounts receivable (days)				34	40		
	Inventory turnover rate (times) (Note 2)				-	-		
	Accounts payable turnover rate (Note 2)				-	-		
	Average days of sales (Note 2)				-	-		
	Fixed assets turnover rate (times)	N/A	N/A	N/A	2.69	2.62		
	Total assets turnover rate (times)	N/A	N/A	N/A	0.75	0.86		
Profitability	Return on assets (%)				12.73	12.66		
	Shareholders' return on equity (%)				19.06	19.28		
	Ratio of paid-in capital (%)	Operating profit				32.86	65.02	
		Net gains before tax				37.57	68.37	
	Net gains ratio (%)				15.79	15.29		
	Earnings per share				2.20	2.13		
Cash flow	Cash flow ratio (%)				60.82	56.98		
	Cash Flow Adequacy Ratio (%)				151.44	88.59		
	Cash reinvestment ratio (%)				6.77	0.86		
Leverage	Operating leverage				3.46	3.67		
	Financial leverage				1.01	1.01		
Descriptions on change in financial ratios up to 20% in the past two years								
N/A								

Note 1: The financial ratios appearing above were obtained from the financial data duly audited by the Certified Public Accountants in the year.

Note 2: Not applicable as the Company engages in real estate agent services.

Note 3: Earnings per share have been retrospectively adjusted for stock dividend distribution for capital increase by earnings re-capitalization.

Note 4: The Company has adopted the International Financial Reporting Standards (IFRSs) recognized by Financial Supervisory Commission to work out its financial statements since 2013. The financial data for 2011 and 2012 with adoption of Financial Accounting Standards in the Republic of China before adoption of the International Financial Reporting Standards (IFRSs) are provided for reference.

2. Individual Financial Statement

Analyzed Item		Year	Financial analysis for the past five years (Note 1)				
			2015	2014	2013	2012	2011
Capital Structure (%)	Liabilities to Assets Ratio (%)		N/A	N/A	N/A	32.91	28.74
	Long-term funds to fixed assets (%)					261.35	217.75
Liquidity (%)	Current Ratio (%)					105.99	131.22
	Quick Ratio (%)					105.00	129.54
	Interest Coverage Ratio (Times)					2,473.01	8,332.47
Operating ability	Accounts Receivable Turnover Rate (Times)					11.59	9.52
	Days of accounts receivable (days)					31	38
	Inventory turnover rate (times)(Note 2)					-	-
	Accounts payable turnover rate (Note 2)					-	-
	Average days of sales(Note 2)					-	-
	Fixed assets turnover rate (times)					2.55	2.55
	Total Assets Turnover Rate (Times)					0.72	0.83
Profitability	Return on assets (%)					13.07	13.09
	Shareholders' return on equity (%)					18.94	19.35
	Ratio of paid-in capital (%)	Operating profit				36.84	65.11
		Net gains before tax	36.80	66.09			
	Net gains ratio (%)		17.08	16.35			
	Earnings per share(Note 3)		2.20	2.13			
Cash flow	Cash flow ratio (%)		114.40	82.38			
	Cash flow adequacy ratio (%)		200.33	99.38			
	Cash reinvestment ratio (%)		15.43	3.68			
Leverage	Operating leverage		2.98	3.03			
	Financial leverage		1.00	1.00			
Descriptions on change in financial ratios up to 20% in the past two years N/A。							

Note 1: The financial ratios appearing above were obtained from the financial data duly audited by the Certified Public Accountants in the year.

Note 2: Not applicable as the Company engages in real estate agent services.

Note 3: Earnings per share have been retrospectively adjusted for stock dividend distribution for capital increase by earnings re-capitalization.

Note 4: The Company has adopted the International Financial Reporting Standards (IFRSs) recognized by Financial Supervisory Commission to work out its financial statements since 2013. The financial data for 2011 and 2012 with adoption of Financial Accounting Standards in the Republic of China before adoption of the International Financial Reporting Standards (IFRSs) are provided for reference.

1. Capital Structure

- (1) Liabilities to assets ratio = total liabilities / total assets
- (2) Long-term funds to fixed assets ratio = (net shareholders' equity + long term liabilities) / net fixed assets

2. Liquidity

- (1) Current ratio = current assets / current liabilities
- (2) Quick ratio = (current assets – inventory- prepaid expenses) / current liabilities
- (3) Interest coverage ratio (times) = net gains before income tax and interest / interest expenses of the current term

3. Operating ability

- (1) Account receivables (including Notes receivables from operating activities and accounts receivable) turnover = net sales/average receivables of each term (including notes receivables from operating activities and accounts receivable) balance
- (2) Average days of accounts receivable = 365 / receivables turnover rate
- (3) Inventory turnover rate = COGS/average inventory amount
- (4) Account payables (including Notes payable from operating activities and accounts payable) turnover= COGS/average payables of each term (including Notes payable from operating activities and accounts payable) balance
- (5) Average days of sales = 365 / inventory turnover rate
- (6) Fixed assets turnover rate = net sales / net fixed assets
- (7) Total assets turnover rate = net sales / total assets

4. Profitability

- (1) Return on assets = [gain/loss after tax + interest expense x (1-tax rate)] / average total asset
- (2) Return on shareholders' equity = gain/loss after tax / average net shareholders' equity
- (3) Net gains ratio = gain/loss after tax / net sales
- (4) Earnings per share = (net profit after tax – preferred stock dividend) / weighted average shares outstanding

5. Cash flow

- (1) Cash flow ratio= net cash flow of operating activities/current liabilities
- (2) Cash flow adequacy ratio= net cash flow of operating activities in the past five years / five years sum of (capital expenditures + inventory addition +cash dividends)
- (3) Cash reinvestment ratio= (net cash flow of operating activities- cash dividends) / (fixed assets gross + long term investment + other assets + working capital)

6. Leverage :

- (1) Operating leverage = (operating revenue - variable operating cost and expenses)/operating income
- (2) Financial leverage = operating profit / (operating profit - interest expense)

III. Audit Report of Audit Committee

Sinyi Realty Inc. Audit Report of Audit Committee

The board of directors has prepared the company's 2015 business report, financial statements and earning distribution proposal, and financial statements have been audited by Deloitte Touche Tohmatsu Limited and the independent auditor's report is issued. The above said business report, financial statements and earning distribution proposal have been audited by the audit committee. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of Securities & Exchange Act and Article 219 of the Company Act, a report is submitted as above. Please review.

To
2016 Annual Shareholders' Meeting

Sinyi Realty Inc.
Convener of Audit Committee: Lin Hsin-Yi

February 25, 2016

IV. The Financial Statements of the latest fiscal year.

DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2015 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SINYI REALTY INC.

By

February 25, 2016

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinyi Realty Inc.

We have audited the accompanying consolidated balance sheets of Sinyi Realty Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2015 and 2014, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Sinyi Realty Inc. as of and for the years ended December 31, 2015 and 2014 on which we have issued an unqualified report.



February 25, 2016

Notice to Readers

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

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

ASSETS	2015		2014	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 3,437,772	17	\$ 2,865,766	16
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	317,657	1	19,180	-
Available-for-sale financial assets - current (Notes 4 and 8)	749,911	4	840,562	5
Notes receivable (Notes 4 and 10)	76,783	-	26,762	-
Trade receivables (Notes 4, 5 and 10)	684,557	3	763,270	4
Other receivables (Notes 4, 5, 10 and 34)	90,302	-	359,541	2
Current tax assets (Notes 4 and 28)	20,920	-	17,399	-
Inventories (Notes 4, 5, 11 and 35)	6,317,412	30	5,387,474	30
Other financial assets - current (Notes 12 and 35)	1,781,519	9	388,352	2
Other current assets (Note 18)	<u>332,768</u>	<u>2</u>	<u>76,814</u>	<u>1</u>
Total current assets	<u>13,809,601</u>	<u>66</u>	<u>10,745,120</u>	<u>60</u>
NON-CURRENT ASSETS				
Financial assets measured at cost - non-current (Notes 4 and 9)	252,322	1	293,616	2
Investment accounted for using equity method (Notes 4 and 14)	9,649	-	10,951	-
Property, plant and equipment (Notes 4, 15 and 35)	3,561,920	17	3,604,588	20
Investment properties (Notes 4, 16 and 35)	2,816,292	14	2,840,915	16
Intangible assets (Notes 4, 17 and 37)	144,763	1	142,718	1
Deferred tax assets (Notes 4, 5 and 28)	43,384	-	25,477	-
Refundable deposits (Note 31)	127,539	1	128,436	1
Prepaid pension cost - non-current (Notes 4, 5 and 25)	-	-	9,004	-
Other non-current assets (Note 18)	<u>6,534</u>	<u>-</u>	<u>5,079</u>	<u>-</u>
Total non-current assets	<u>6,962,403</u>	<u>34</u>	<u>7,060,784</u>	<u>40</u>
TOTAL	<u>\$ 20,772,004</u>	<u>100</u>	<u>\$ 17,805,904</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 35)	\$ 237,463	1	\$ 45,828	-
Notes payable	4,746	-	7,186	-
Trade payables (Note 21)	86,330	-	165,767	1
Other payables (Note 23)	1,493,621	7	1,683,773	9
Other payables to related parties (Notes 23 and 34)	115,727	1	131,726	1
Current tax liabilities (Notes 4 and 28)	70,697	-	111,956	1
Provisions - current (Notes 4, 5 and 24)	34,456	-	44,299	-
Other current financial liabilities (Note 23)	321,467	2	274,117	1
Unearned revenue (Note 22)	2,666,503	13	19,100	-
Current portion of long-term borrowings (Notes 19 and 35)	190,000	1	291,180	2
Other current liabilities (Note 23)	<u>297,159</u>	<u>2</u>	<u>102,970</u>	<u>1</u>
Total current liabilities	<u>5,518,169</u>	<u>27</u>	<u>2,877,902</u>	<u>16</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	3,000,000	14	3,000,000	17
Long-term borrowings (Notes 19 and 35)	2,109,289	10	1,356,958	8
Provisions - non-current (Notes 4, 5 and 24)	4,644	-	3,189	-
Net defined benefit liabilities - non-current (Notes 4, 5 and 25)	4,225	-	-	-
Guarantee deposits received (Note 31)	60,208	-	82,680	1
Other non-current liabilities (Note 23)	722,466	4	941,726	5
Deferred tax liabilities (Notes 4 and 28)	<u>30,625</u>	<u>-</u>	<u>27,341</u>	<u>-</u>
Total non-current liabilities	<u>5,931,457</u>	<u>28</u>	<u>5,411,894</u>	<u>31</u>
Total liabilities	<u>11,449,626</u>	<u>55</u>	<u>8,289,796</u>	<u>47</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Share capital				
Ordinary shares	<u>6,318,398</u>	<u>30</u>	<u>6,134,367</u>	<u>34</u>
Capital surplus	<u>63,896</u>	<u>-</u>	<u>63,896</u>	<u>-</u>
Retained earnings				
Legal reserve	1,645,009	8	1,537,793	9
Unappropriated earnings	<u>734,737</u>	<u>4</u>	<u>1,094,412</u>	<u>6</u>
Total retained earnings	<u>2,379,746</u>	<u>12</u>	<u>2,632,205</u>	<u>15</u>
Other equity (Note 4)				
Exchange differences on translating foreign operations	189,816	1	264,741	1
Unrealized gain from available-for-sale financial assets	<u>244,878</u>	<u>1</u>	<u>281,404</u>	<u>2</u>
Total other equity	<u>434,694</u>	<u>2</u>	<u>546,145</u>	<u>3</u>
Total equity attributable to owners of the Company	9,196,734	44	9,376,613	52
NON-CONTROLLING INTERESTS	<u>125,644</u>	<u>1</u>	<u>139,495</u>	<u>1</u>
Total equity	<u>9,322,378</u>	<u>45</u>	<u>9,516,108</u>	<u>53</u>
TOTAL	<u>\$ 20,772,004</u>	<u>100</u>	<u>\$ 17,805,904</u>	<u>100</u>

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
OPERATING REVENUE				
Service revenue (Note 4)	\$ 7,523,143	100	\$ 8,899,215	100
OPERATING COSTS (Notes 27 and 34)	<u>5,723,628</u>	<u>76</u>	<u>6,447,786</u>	<u>73</u>
GROSS PROFIT	1,799,515	24	2,451,429	27
OPERATING EXPENSES (Notes 27 and 34)	<u>1,292,983</u>	<u>17</u>	<u>1,281,946</u>	<u>14</u>
OPERATING INCOME	<u>506,532</u>	<u>7</u>	<u>1,169,483</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 34)	130,377	2	126,594	1
Dividend income	36,483	-	21,603	-
Interest income (Notes 17 and 27)	45,262	1	60,338	1
Other gains and losses (Notes 27 and 34)	132,058	2	76,505	1
Finance costs (Notes 27 and 34)	<u>(66,686)</u>	<u>(1)</u>	<u>(71,847)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>277,494</u>	<u>4</u>	<u>213,193</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	784,026	11	1,382,676	15
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(197,665)</u>	<u>(3)</u>	<u>(273,266)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>586,361</u>	<u>8</u>	<u>1,109,410</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 25)	(22,775)	-	(7,527)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 28)	3,872	-	1,280	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(74,931)	(1)	226,158	3
Unrealized (loss) gain on available-for-sale financial assets	(35,342)	(1)	(82,135)	(1)

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
Share of the other comprehensive income of associates accounted for using the equity method	<u>(1,184)</u>	<u>-</u>	<u>(858)</u>	<u>-</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(130,360)</u>	<u>(2)</u>	<u>136,918</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 456,001</u>	<u>6</u>	<u>\$ 1,246,328</u>	<u>14</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 563,865	8	\$ 1,072,157	12
Non-controlling interests	<u>22,496</u>	<u>-</u>	<u>37,253</u>	<u>-</u>
	<u>\$ 586,361</u>	<u>8</u>	<u>\$ 1,109,410</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 433,558	6	\$ 1,208,802	14
Non-controlling interests	<u>22,443</u>	<u>-</u>	<u>37,526</u>	<u>-</u>
	<u>\$ 456,001</u>	<u>6</u>	<u>\$ 1,246,328</u>	<u>14</u>
EARNINGS PER SHARE (Note 29)				
Basic	<u>\$0.89</u>		<u>\$1.70</u>	
Diluted	<u>\$0.89</u>		<u>\$1.70</u>	

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company					Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets			
			Legal Reserve	Special Reserve						
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)	-	-	-	-	-
Changes in capital surplus										
Adjustments arising from changes in the interest in subsidiaries	-	(4,701)	-	-	(11,208)	-	-	(15,909)	376	(15,533)
Net profit for the year ended December 31, 2014	-	-	-	-	1,072,157	-	-	1,072,157	37,253	1,109,410
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	(5,860)	225,498	(82,993)	136,645	273	136,918
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	1,066,297	225,498	(82,993)	1,208,802	37,526	1,246,328
Change in non-controlling interest	-	-	-	-	-	-	-	-	(29,111)	(29,111)
BALANCE AT DECEMBER 31, 2014	6,134,367	63,896	1,537,793	-	1,094,412	264,741	281,404	9,376,613	139,495	9,516,108
Appropriation of 2014 earnings										
Legal reserve	-	-	107,216	-	(107,216)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(613,437)	-	-	(613,437)	-	(613,437)
Stock dividends distributed by the Company	184,031	-	-	-	(184,031)	-	-	-	-	-
Net profit for the year ended December 31, 2015	-	-	-	-	563,865	-	-	563,865	22,496	586,361
Other comprehensive loss for the year ended December 31, 2015, net of income tax	-	-	-	-	(18,856)	(74,925)	(36,526)	(130,307)	(53)	(130,360)
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	545,009	(74,925)	(36,526)	433,558	22,443	456,001
Change in non-controlling interest	-	-	-	-	-	-	-	-	(36,294)	(36,294)
BALANCE AT DECEMBER 31, 2015	\$ 6,318,398	\$ 63,896	\$ 1,645,009	\$ -	\$ 734,737	\$ 189,816	\$ 244,878	\$ 9,196,734	\$ 125,644	\$ 9,322,378

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 784,026	\$ 1,382,676
Adjustments for:		
Depreciation expenses	153,281	129,586
Amortization expenses	43,068	26,396
Impairment loss recognized on financial assets	3,662	1,104
Net loss on fair value change of financial assets held for trading	11,813	11,302
Finance costs	181,207	135,051
Interest income	(45,262)	(60,338)
Dividend income	(36,483)	(21,603)
Share of profit of associates and joint ventures	(243)	(405)
Loss on disposal of property, plant and equipment	2,463	4,154
Gain on disposal of investment properties	-	(2,053)
Gain on disposal of investments	(67,906)	(33,676)
Impairment recognized loss on non-financial assets	-	2,954
Changes in operating assets and liabilities		
Financial assets held for trading	(299,001)	215,180
Notes receivable	(50,021)	37,179
Trade receivables	78,713	383,214
Other receivables	41,716	(21,407)
Inventories	(929,938)	(1,213,210)
Other current assets	(255,954)	(8,766)
Operating assets	(9,546)	(10,464)
Notes payable	(2,440)	(2,445)
Unearned revenue	2,647,403	14,954
Trade payables	(79,437)	165,361
Other payables	(172,135)	(1,085,319)
Other payables to related parties	(8,361)	23,766
Provisions	(8,388)	(21,513)
Other financial liabilities	47,350	79,361
Other current liabilities	194,189	(42,850)
Other operating liabilities	(219,260)	(47,880)
Cash generated from operations	2,004,516	40,309
Interest received	93,785	46,052
Interest paid	(197,141)	(132,328)
Income taxes paid	(253,196)	(609,524)
Net cash generated from (used in) operating activities	<u>1,647,964</u>	<u>(655,491)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	-	(19,145)
Proceeds from disposal of available-for-sale financial assets	122,267	23,617
Purchase of financial assets measured at cost	-	(5,095)
Capital refund of financial assets measured at cost	38,400	2,333
Net cash outflow on acquisition of subsidiaries	-	(15,533)

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014
Payments for property, plant and equipment	(114,668)	(180,013)
Proceeds on disposal on property, plant and equipment	35	396
Decrease in prepayment for equipment	9,688	13,025
Decrease in refundable deposits	897	709
Payment for intangible assets	(42,522)	(53,925)
Payment for investment properties	-	(37,761)
Proceeds on disposal of investment properties	-	24,926
Increase in other financial assets	(1,393,167)	-
Decrease in other financial assets	-	749,048
Increase in other non-current assets	(1,455)	(456)
Decrease in other receivables	179,000	21,000
Dividends received	<u>36,844</u>	<u>21,822</u>
Net cash (used in) generated from investing activities	<u>(1,164,681)</u>	<u>544,948</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of bonds	-	3,000,000
Proceeds from short-term borrowings	191,635	-
Repayment of short-term borrowings	-	(540,799)
Proceeds from long-term borrowings	2,361,265	4,608,958
Repayment of long-term borrowings	(1,691,180)	(4,550,000)
Proceeds from guarantee deposits received	-	3,894
Refund of guarantee deposits received	(22,472)	-
Increase in other payables to related parties	-	8,236
Decrease in other payables to related parties	(9,721)	-
Dividends paid to owners of the Company	(613,437)	(1,307,324)
Change in non-controlling interest	<u>(36,294)</u>	<u>(29,111)</u>
Net cash generated from financing activities	<u>179,796</u>	<u>1,193,854</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(91,073)</u>	<u>176,481</u>
INCREASE IN CASH AND CASH EQUIVALENTS	572,006	1,259,792
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,865,766</u>	<u>1,605,974</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,437,772</u>	<u>\$ 2,865,766</u>

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

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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

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 in New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements had been approved by the Company’s board of directors and authorized for issue on February 25, 2016.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

Rule No. 1030029342 and 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 and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version did not have 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 and is applicable to entities that have interests in subsidiaries and associates. In general, the disclosure requirements in IFRS 12 are more extensive than in the previous 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 in previous standards; for example, quantitative and qualitative disclosures based on the three-level fair value hierarchy previously required only for financial instruments will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 are applied prospectively from January 1, 2015. Refer to Note 33 for related disclosures.

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

The amendments 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 previous IAS 1, there were no such requirements.

The Group retrospectively applied the above amendments starting in 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans and shares of the other comprehensive income of associates accounted for using the equity method. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations and unrealized gain (loss) on available-for-sale financial assets. The application of the above amendments did not have any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

4) Revision to IAS 19 “Employee Benefits”

The interest cost and expected return on plan assets used in previous IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures. Refer to Note 25 for related disclosures.

b. New IFRSs in issue but not yet endorsed by the 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
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
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, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	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 27 “Equity Method in Separate Financial Statements”	January 1, 2016
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

(Concluded)

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

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

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The 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. Under IFRS 9, the requirement for the classification of financial assets is stated below.

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

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

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

The impairment of financial assets

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

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

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.

3) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Group as lessor.

When IFRS 16 becomes effective, the Group may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of 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 continuously 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 completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are 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
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

The Group engages in the construction business, which has an operating cycle of over one year; the normal operating cycle of over one year is observed when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

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

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 13, Tables 6 and 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

f. Foreign currencies

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

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

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

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

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and the Group entities (including subsidiaries and associates) are translated into the presentation currency - New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

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

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

g. Inventories

Inventories consist of properties under development, undeveloped properties and merchandise. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The properties to be developed refer to the land use rights which will be reclassified as construction in process at the start of the construction of the properties.

Before acquiring land use right and before completing the construction, the interest incurred on land payment and the actual construction cost are capitalized as cost of land use right and as development costs, respectively.

h. Investments in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

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

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

recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

i. Property, plant and equipment

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

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

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

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

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

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Investments in equity instruments under financial assets at fair value through profit or loss that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are subsequently measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in profit or loss.

ii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

iii. Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalent, other receivables and other financial asset - current are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables and other receivables are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract, such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables and other receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

o. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for service revenue discount are measured and recognized at the end of the reporting period based on the actual experience and possibility of discount occurrence.

p. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

1) Rendering of services

Service revenue from real-estate brokerage business is recognized when services are provided.

Revenue from the rendering of services is recognized when all the following conditions are satisfied:

- a) The amount of revenue can be measured reliably;
- b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- c) The degree of completion of transaction can be measured reliably at the end of the reporting period; and
- d) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2) Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) The amount of revenue can be measured reliably;
- d) It is probable that the economic benefits associated with the transaction will flow to the Group; and
- e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of properties is recognized when construction is complete, rewards of ownership of the properties are transferred to buyers, and collectability of the related receivables is reasonably assured. Deposits in and installment payments from sales of properties are recorded in the consolidated balance sheets under current liabilities.

3) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

q. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

All of the Company's lease contracts are operating leases. Rental income and expense from operating leases are recognized as rental revenue and operating expense, respectively, on a straight-line basis over the lease term.

r. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement (comprising actuarial gains and losses, effect of changes to the asset ceiling and return on plan assets excluding interest) is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

t. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Impairment of tangible and intangible assets other than goodwill

The Group measures the useful life of individual assets and the probable future economic benefits in a specific asset group, which depends on subjective judgment, asset characteristics and industry, during the impairment testing process. Any change in accounting estimates due to economic circumstances and business strategies might cause material impairment in the future.

c. Provisions

Provisions for service revenue discount are measured and recognized at the end of reporting period based on actual experience and possibility of discount occurrence.

d. Income taxes

Due to the unpredictability of future profit streams, the realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such reversal takes place.

e. Recognition and measurement of defined benefit plan

Net defined benefit liabilities (assets) and the resulting defined benefit costs under defined benefit pension plan are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and future salary increase, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

f. Write-down of inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value of inventory is the estimated selling price made by the Group taking into consideration market value less the estimated costs of completion and the estimated costs necessary to make the sale. In the valuation process, the Group also makes reference to an independent valuation based on a market value assessment. If market condition changes, the Group will change the estimate of net realizable value of inventory accordingly, that may result in an increase or decrease in value of inventories.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2015	2014
Cash on hand	\$ 16,670	\$ 18,526
Checking accounts and demand deposits	1,989,990	1,256,266
Cash equivalents		
Time deposits with original maturities less than three months	<u>1,431,112</u>	<u>1,590,974</u>
	<u>\$ 3,437,772</u>	<u>\$ 2,865,766</u>

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

	<u>December 31</u>	
	2015	2014
Interest rates range	0.01%-4.10%	0.02%-4.10%

As of December 31, 2015 and 2014, the carrying amounts of time deposits with original maturities more than three months were \$401,695 thousand and \$319,723 thousand, respectively, which were classified as other financial assets - current (Note 12).

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

	<u>December 31</u>	
	2015	2014
<u>Financial assets held for trading</u>		
Non-derivative financial assets		
Domestic quoted shares	\$ 6,128	\$ 19,180
Mutual funds	<u>311,529</u>	<u>-</u>
	<u>\$ 317,657</u>	<u>\$ 19,180</u>

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>Domestic investments</u>		
Quoted shares	\$ <u>195,775</u>	\$ <u>299,910</u>
<u>Foreign investments</u>		
Quoted shares	552,714	539,282
Mutual funds	<u>1,422</u>	<u>1,370</u>
	<u>554,136</u>	<u>540,652</u>
Available-for-sale financial assets	<u>\$ 749,911</u>	<u>\$ 840,562</u>

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Domestic unlisted common shares	\$ 83,629	\$ 121,742
Overseas unlisted common shares	<u>168,693</u>	<u>171,874</u>
	<u>\$ 252,322</u>	<u>\$ 293,616</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 years ended December 31, 2015 and 2014, valuation losses that resulted from the permanent decline in the carrying value of investments were \$3,662 thousand and \$1,104 thousand, respectively.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>Notes receivable and trade receivables</u>		
Notes receivable - operating	\$ 46,783	\$ 26,762
Notes receivable - non-operating	<u>30,000</u>	<u>-</u>
	<u>76,783</u>	<u>26,762</u>
Trade receivables	697,401	791,532
Less: Allowance for doubtful accounts	<u>(12,844)</u>	<u>(28,262)</u>
	<u>684,557</u>	<u>763,270</u>
	<u>\$ 761,340</u>	<u>\$ 790,032</u>

(Continued)

	December 31	
	2015	2014
<u>Other receivables</u>		
Loan receivable - fixed interest rate	\$ -	\$ 179,000
Interest receivables	-	48,523
Others	93,150	135,289
Less: Allowance for doubtful accounts	<u>(2,848)</u>	<u>(3,271)</u>
	<u>\$ 90,302</u>	<u>\$ 359,541</u> (Concluded)

a. Trade receivables

The average credit period for rendering of services was 30 to 60 days. No interest was charged on trade receivables. The provision of allowance for trade receivables from real estate brokerage service revenue was estimated based on historical experience. 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 several 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, an analysis of their current financial position and considered credit risk of trade receivables. Decisions on the recognition of allowance for impairment loss were as follows:

- 1) The Group did not recognize an allowance for impairment loss against all receivables aged less than 90 days because historical experience had shown they were recoverable.
- 2) Receivables aged over 91 days:

According to the historical recovery experience, the Group classified customers into risk groups and calculated the recovery rate for every customer with assessed credit risk based on the number of days from the original sales date to the end of the reporting period and the recoverable amount was calculated by applying the recovery rate to the outstanding receivable amount. Finally, the amount of impairment loss is measured as the difference between the sum of the recoverable amounts and the sum of the carrying amounts of the groupings of trade receivables.

- a) For customers with assessed low credit risk:

Number of Days from the Original Sales Date to the End of the Reporting Period	Recovery Rate
91-180 days	40%-100%
181-360 days	10%-40%
Over 360 days	0% -10%

b) For customers with assessed high credit risk:

<u>Number of Days from the Original Sales Date to the End of the Reporting Period</u>	<u>Recovery Rate</u>
91-180 days	20%-100%
181-360 days	0%-20%
Over 360 days	0%

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

Aging analysis of receivables was as follows:

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
0-60 days	\$ 592,384	\$ 598,586
61-90 days	32,641	54,441
91-180 days	21,589	45,580
181-360 days	25,142	22,291
Over 360 days	<u>25,645</u>	<u>70,634</u>
	<u>\$ 697,401</u>	<u>\$ 791,532</u>

The above analysis was based on the billing date.

For some trade receivables (see below for aging analysis) that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss because there was no significant change in credit quality and the amounts were considered recoverable.

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

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
61-90 days	\$ 13,455	\$ 29,839
91-180 days	3,491	22,471
181-360 days	7,830	14,325
Over 360 days	<u>15,025</u>	<u>2,896</u>
	<u>\$ 39,801</u>	<u>\$ 69,531</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:

	2015		2014	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Balance at January 1	\$ 28,262	\$ 3,271	\$ 28,216	\$ 4,224
Add (less): Impairment losses recognized (reversed) on receivables	(15,289)	(99)	2,781	(932)
Less: Amounts written off	(7)	(324)	(2,950)	(21)
Foreign exchange translation (losses) gains	(122)	-	215	-
Balance at December 31	<u>\$ 12,844</u>	<u>\$ 2,848</u>	<u>\$ 28,262</u>	<u>\$ 3,271</u>

b. Other receivables

1) Loan receivable and interest receivable are financing to Shin Hau Real Estate Co., Ltd. (Shin Hau Real Estate) for business purpose. Under the loan agreement, Shin Hau Real Estate provided land located in Da-an District, Taipei City as collateral; the loan principal and interests should be fully paid before April 30, 2015. In April 2014, Shin Hau Real Estate partially repaid the loan principal and interest; land located in Da-an District and Beitou District were pledged as collateral. On April 28, 2015, the Company's board of directors passed a resolution to extend the repayment date of the loans receivable from Shin Hau Real Estate from April 30, 2015 to July 31, 2015. Under the supplementary agreement, before April 30, 2015, Shin Hau Real Estate should issue a cheque dated due on May 10, 2015 to repay parts of loans, interests and extension period interests and another cheque dated due on July 31, 2015 to repay the remaining loan, interests and extension period interests. As of July 31, 2015, the loan and interests and extension period interests had been collected. Information on the financing for the years ended December 31, 2015 and 2014 was as follows:

	Year Ended December 31, 2015				
	Highest Balance During the Year	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	<u>\$ 179,000</u>	<u>\$ -</u>	10	<u>\$ 10,506</u>	<u>\$ -</u>
	Year Ended December 31, 2014				
	Highest Balance During the Year	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	<u>\$ 200,000</u>	<u>\$ 179,000</u>	10	<u>\$ 18,590</u>	<u>\$ 48,523</u>

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

11. INVENTORIES

	December 31	
	2015	2014
Properties under development		
Malu Town, Jiading District, Shanghai	\$ 5,972,207	\$ 5,071,957
Tianmu, Shihlin District, Taipei City	343,092	313,404
Others		
Sanyu, Shihlin District, Taipei City	<u>2,113</u>	<u>2,113</u>
	<u>\$ 6,317,412</u>	<u>\$ 5,387,474</u>

To ensure the smooth completion of the real estate project, Taiwan Sinyi Development entered into a trust contract with E.Sun Bank on the real estate project of Tianmu, Shihlin District, Taipei City. The information of the real estate trust was as follows:

Project Name	Trustee	Trust Period
Sinyi Chien-Shih	E.Sun Bank	From April 16, 2014 to the completion of the project

In accordance with the trust contract, E.Sun Bank has been authorized to take fund control function, including making progress payments, the payment of taxes, and so on.

Refer to Note 35 for the carrying amount of inventories pledged as security for bank borrowings by the Group.

12. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2015	2014
Time deposits with original maturity more than three months	\$ 401,695	\$ 319,723
Restricted assets - current	47,857	25,602
Financial assets at amortized cost	<u>1,331,967</u>	<u>43,027</u>
	<u>\$ 1,781,519</u>	<u>\$ 388,352</u>

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

	December 31	
	2015	2014
Time deposits with original maturity more than three months	0.025%-3.00%	1.08%-2.60%

- 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 35.

- c. Financial assets at amortized cost were bank financial products, the expected yield rates for the years ended December 31, 2015 and 2014 were 1.80%-3.75% and 4.35%-4.66%.

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The subsidiaries included in the consolidated entities as of December 31, 2015 and 2014 were as follows:

Investor	Investee	Main Businesses	% of Ownership		Remark	
			2015	2014		
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100		
	Sinyi Development Inc. (Taiwan Sinyi Development)	Construction	100	100		
	Sinyi Limited	Investment holding	100	100		
	Sinyi Global Asset Management Co., Ltd. (Global)	Real estate brokerage	100	100		
	Heng-Yi Real Estate Consulting Inc. (Heng-Yi)	Development, construction, rental and sale of residential building and factories	100	100		
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100		
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99		
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51		
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	100		
	Sinyi Limited	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	99	99	
Inane	Inane International Limited (Inane)	Investment holding	100	100		
	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100		
Shanghai Sinyi Real Estate	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	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		
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	100	100		
	Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Qingdao Sinyi)	Real estate brokerage and management consulting	100	100		
	Max Success International Limited (Max Success)	Investment holding	100	100		
	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	38	38		
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	2	2		
	Max Success	Zhejiang Sinyi	Real estate brokerage and management consulting	62	62	
		Suzhou Sinyi	Real estate brokerage and management consulting	98	98	
	Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100		
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage, management and identification	100	100		
	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100		
Forever Success	Sinyi Estate Ltd. (Sinyi Estate)	Investment holding	100	-	Note 1	
	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100		
	Hua Yun Renovation (Shanghai) Co., Ltd. (Hua Yun)	Professional construction, building decoration construction, interior decoration, hardware, general merchandise, building materials wholesale	100	100		

(Continued)

Investor	Investee	Main Businesses	% of Ownership		Remark
			2015	2014	
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	
Japan Sinyi	Sinyi Management Co., Ltd. (Sinyi Management) (original name: Richesse Management Co., Ltd.)	Real estate brokerage	100	100	
Sinyi Development	Tokyo Sinyi Real Estate Co., Ltd.	Real estate brokerage	100	-	Note 3
	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	
Sinyi Estate	Kunshan Dingxian Trading Co., Ltd. (Kunshan Dingxian Trading)	Construction materials furniture, sanitary ware and ceramic products	100	-	Note 4
	Sinyi Estate (Hong Kong) Limited (Hong Kong Sinyi Estate)	Investment holding	100	-	Note 2
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	
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sales of residential building and factories	100	100	
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sales of residential building and factories	100	100	

(Concluded)

Remark:

Note 1: Sinyi Estate was incorporated in April 2015, with a capital collected in advance of US\$12,298 thousand as of December 31, 2015.

Note 2: Hong Kong Sinyi Estate was incorporated in April 2015, with a capital collected in advance of US\$1 thousand as of December 31, 2015.

Note 3: Tokyo Sinyi Real Estate Co., Ltd. was incorporated in May 2015, with a capital of \$5,000 thousand.

Note 4: Kunshang Dingxian Trading was incorporated in January 2015, with a capital of RMB6,000 thousand.

Note 5: The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those subsidiaries for the years ended December 31, 2015 and 2014 were based on audited financial statements.

b. Subsidiaries excluded from consolidated financial statements: None.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2015	2014
Investments in associates	\$ 9,649	\$ 10,951

Investments in Associates

	December 31	
	2015	2014
Unlisted company Sinyi Interior Design Co., Ltd.	\$ 9,649	\$ 10,951

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	December 31	
	2015	2014
Sinyi Interior Design Co., Ltd.	19%	19%

The summarized financial information in respect of the Group's associates is set out below:

	Years Ended December 31	
	2015	2014
Group's share		
Net profit for continuing operations	\$ 243	\$ 405
Other comprehensive loss	<u>(1,184)</u>	<u>(858)</u>
Total comprehensive loss for the year	<u>\$ (941)</u>	<u>\$ (453)</u>

The investments accounted for by the equity method and the share of profit or loss and other comprehensive loss of the investment for the year ended December 31, 2015 were based on unaudited financial statements. The Company's management believes the unaudited financial statements of Sinyi Interior Design Co., Ltd. do not have material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive loss. The investments accounted for by the equity method and the share of profit or loss and other comprehensive loss of the investment for the year ended December 31, 2014 were based on audited financial statements.

15. PROPERTY, PLANT AND EQUIPMENT

	Year Ended December 31, 2015								Total
	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	
<u>Cost</u>									
Balance, at January 1, 2015	\$ 2,670,039	\$ 418,777	\$ 6,984	\$ 354,744	\$ 4,671	\$ 454,972	\$ 79,501	\$ 272,743	\$ 4,262,431
Additions	-	-	-	39,882	-	74,226	478	82	114,668
Disposals (Notes 1 and 2)	-	(1,448)	-	(22,146)	-	(26,935)	-	(8,240)	(58,769)
Reclassifications	(4,831)	(1,969)	-	176	-	-	-	(621)	(7,245)
Effect of foreign currency exchange differences	-	-	(110)	(774)	-	(1,139)	-	(5,179)	(7,202)
Balance at December 31, 2015	<u>\$ 2,665,208</u>	<u>\$ 415,360</u>	<u>\$ 6,874</u>	<u>\$ 371,882</u>	<u>\$ 4,671</u>	<u>\$ 501,124</u>	<u>\$ 79,979</u>	<u>\$ 258,785</u>	<u>\$ 4,303,883</u>
<u>Accumulated depreciation</u>									
Balance, at January 1, 2015	\$ -	\$ 86,407	\$ 3,084	\$ 211,880	\$ 4,671	\$ 309,207	\$ 42,594	\$ -	\$ 657,843
Depreciation expense	-	10,157	1,308	49,490	-	59,253	11,897	-	132,105
Disposals	-	-	-	(20,708)	-	(25,875)	-	-	(46,583)
Effect of foreign currency exchange differences	-	-	(62)	(520)	-	(820)	-	-	(1,402)
Balance at December 31, 2015	<u>\$ -</u>	<u>\$ 96,564</u>	<u>\$ 4,330</u>	<u>\$ 240,142</u>	<u>\$ 4,671</u>	<u>\$ 341,765</u>	<u>\$ 54,491</u>	<u>\$ -</u>	<u>\$ 741,963</u>
Net book value, January 1, 2015	<u>\$ 2,670,039</u>	<u>\$ 332,370</u>	<u>\$ 3,900</u>	<u>\$ 142,864</u>	<u>\$ -</u>	<u>\$ 145,765</u>	<u>\$ 36,907</u>	<u>\$ 272,743</u>	<u>\$ 3,604,588</u>
Net book value, December 31, 2015	<u>\$ 2,665,208</u>	<u>\$ 318,796</u>	<u>\$ 2,544</u>	<u>\$ 131,740</u>	<u>\$ -</u>	<u>\$ 159,359</u>	<u>\$ 25,488</u>	<u>\$ 258,785</u>	<u>\$ 3,561,920</u>

Year Ended December 31, 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	\$ 295,536	\$ 4,163,204
Additions	-	-	-	99,487	-	62,435	17,475	616	180,013
Disposals (Note 2)	-	-	(1,398)	(32,243)	-	(28,830)	-	(13,025)	(75,496)
Reclassifications	-	-	-	-	-	-	-	(21,777)	(21,777)
Effect of foreign currency exchange differences	-	-	231	1,659	-	3,204	-	11,393	16,487
Balance at December 31, 2014	<u>\$ 2,670,039</u>	<u>\$ 418,777</u>	<u>\$ 6,984</u>	<u>\$ 354,744</u>	<u>\$ 4,671</u>	<u>\$ 454,972</u>	<u>\$ 79,501</u>	<u>\$ 272,743</u>	<u>\$ 4,262,431</u>
Accumulated depreciation									
Balance, at January 1, 2014	\$ -	\$ 75,733	\$ 2,777	\$ 199,323	\$ 4,671	\$ 286,556	\$ 33,576	\$ -	\$ 602,636
Depreciation expense	-	10,674	1,308	40,400	-	47,691	9,018	-	109,091
Disposals	-	-	(1,106)	(29,026)	-	(27,789)	-	-	(57,921)
Effect of foreign currency exchange differences	-	-	105	1,183	-	2,749	-	-	4,037
Balance at December 31, 2014	<u>\$ -</u>	<u>\$ 86,407</u>	<u>\$ 3,084</u>	<u>\$ 211,880</u>	<u>\$ 4,671</u>	<u>\$ 309,207</u>	<u>\$ 42,594</u>	<u>\$ -</u>	<u>\$ 657,843</u>
Net book value, 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>\$ 295,536</u>	<u>\$ 3,560,568</u>
Net book value, December 31, 2014	<u>\$ 2,670,039</u>	<u>\$ 332,370</u>	<u>\$ 3,900</u>	<u>\$ 142,864</u>	<u>\$ -</u>	<u>\$ 145,765</u>	<u>\$ 36,907</u>	<u>\$ 272,743</u>	<u>\$ 3,604,588</u>

Note 1: The proceeds of disposal of building were collected based on the portfolio of the value of right and investment amount after the urban renewal plan was completed; the Group participated in the plan.

Note 2: Refund of prepayments to construction company when it failed to meet the terms of the contract for Suzhou Sinyi.

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	4-5 years
Office equipment	3-5 years
Leased assets	3 years
Leasehold improvements	3-5 years
Other equipment	3-15 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 years ended December 31, 2015 and 2014.
- c. Refer to Note 35 for the details of properties, plant and equipment pledged as collaterals.

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2015	\$ 2,033,087	\$ 953,151	\$ 2,986,238
Reclassifications	4,831	1,969	6,800
Effect of foreign currency exchange differences	<u>-</u>	<u>(11,495)</u>	<u>(11,495)</u>
Balance at December 31, 2015	<u>\$ 2,037,918</u>	<u>\$ 943,625</u>	<u>\$ 2,981,543</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2015	\$ 7,396	\$ 137,927	\$ 145,323
Depreciation expense	-	21,176	21,176
Effect of foreign currency exchange differences	<u>-</u>	<u>(1,248)</u>	<u>(1,248)</u>
Balance at December 31, 2015	<u>\$ 7,396</u>	<u>\$ 157,855</u>	<u>\$ 165,251</u>
Net book value, January 1, 2015	<u>\$ 2,025,691</u>	<u>\$ 815,224</u>	<u>\$ 2,840,915</u>
Net book value, December 31, 2015	<u>\$ 2,030,522</u>	<u>\$ 785,770</u>	<u>\$ 2,816,292</u>
<u>Cost</u>			
Balance at January 1, 2014	\$ 2,024,834	\$ 922,522	\$ 2,947,356
Additions	30,056	7,705	37,761
Disposals	(21,803)	(1,186)	(22,989)
Effect of foreign currency exchange differences	<u>-</u>	<u>24,110</u>	<u>24,110</u>
Balance at December 31, 2014	<u>\$ 2,033,087</u>	<u>\$ 953,151</u>	<u>\$ 2,986,238</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2014	\$ 5,745	\$ 113,897	\$ 119,642
Recognized impairment losses	1,651	1,303	2,954
Depreciation expense	-	20,495	20,495
Disposals	-	(116)	(116)
Effect of foreign currency exchange differences	<u>-</u>	<u>2,348</u>	<u>2,348</u>
Balance at December 31, 2014	<u>\$ 7,396</u>	<u>\$ 137,927</u>	<u>\$ 145,323</u>
Net book value, January 1, 2014	<u>\$ 2,019,089</u>	<u>\$ 808,625</u>	<u>\$ 2,827,714</u>
Net book value, December 31, 2014	<u>\$ 2,025,691</u>	<u>\$ 815,224</u>	<u>\$ 2,840,915</u>

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

Buildings - main buildings 22-60 years

The total fair value of the Group's investment properties and property, plant and equipment as of December 31, 2015 and 2014 was \$10,259,399 thousand and \$9,918,150 thousand, respectively. The fair value determination was not performed by independent qualified professional valuers, but by the management of the Company who used the valuation model that market participants generally use in determining fair value, and the fair value was measured by using Level 3 inputs. The fair value was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's investment properties were 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 35.

17. INTANGIBLE ASSETS

	December 31			
			2015	2014
Franchises (Note 37)			\$ 59,619	\$ 59,903
Goodwill			9,621	9,621
System software costs			<u>75,523</u>	<u>73,194</u>
			<u>\$ 144,763</u>	<u>\$ 142,718</u>
			System	
	Franchises	Goodwill	Software Costs	Total
<u>Cost</u>				
Balance at January 1, 2015	\$ 96,709	\$ 9,621	\$ 127,062	\$ 233,392
Additions	-	-	42,522	42,522
Disposals	-	-	(2,167)	(2,167)
Reclassification	-	-	445	445
Effect of foreign currency exchange differences	<u>3,590</u>	<u>-</u>	<u>(13)</u>	<u>3,577</u>
Balance at December 31, 2015	<u>\$ 100,299</u>	<u>\$ 9,621</u>	<u>\$ 167,849</u>	<u>\$ 277,769</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2015	\$ 36,806	\$ -	\$ 53,868	\$ 90,674
Amortization expense	2,424	-	40,644	43,068
Disposals	-	-	(2,167)	(2,167)
Effect of foreign currency exchange differences	<u>1,450</u>	<u>-</u>	<u>(19)</u>	<u>1,431</u>
Balance at December 31, 2015	<u>\$ 40,680</u>	<u>\$ -</u>	<u>\$ 92,326</u>	<u>\$ 133,006</u>
Net book value, January 1, 2015	<u>\$ 59,903</u>	<u>\$ 9,621</u>	<u>\$ 73,194</u>	<u>\$ 142,718</u>
Net book value, December 31, 2015	<u>\$ 59,619</u>	<u>\$ 9,621</u>	<u>\$ 75,523</u>	<u>\$ 144,763</u>
<u>Cost</u>				
Balance at January 1, 2014	\$ 91,071	\$ 9,621	\$ 51,966	\$ 152,658
Additions	-	-	53,925	53,925
Disposals	-	-	(620)	(620)
Reclassification	-	-	21,777	21,777
Effect of foreign currency exchange differences	<u>5,638</u>	<u>-</u>	<u>14</u>	<u>5,652</u>
Balance at December 31, 2014	<u>\$ 96,709</u>	<u>\$ 9,621</u>	<u>\$ 127,062</u>	<u>\$ 233,392</u>

(Continued)

	Franchises	Goodwill	System Software Costs	Total
<u>Accumulated amortization</u>				
Balance at January 1, 2014	\$ 32,384	\$ -	\$ 30,396	\$ 62,780
Amortization expense	2,315	-	24,081	26,396
Disposals	-	-	(620)	(620)
Effect of foreign currency exchange differences	<u>2,107</u>	<u>-</u>	<u>11</u>	<u>2,118</u>
Balance at December 31, 2014	<u>\$ 36,806</u>	<u>\$ -</u>	<u>\$ 53,868</u>	<u>\$ 90,674</u>
Net book value, January 1, 2014	<u>\$ 58,687</u>	<u>\$ 9,621</u>	<u>\$ 21,570</u>	<u>\$ 89,878</u>
Net book value, December 31, 2014	<u>\$ 59,903</u>	<u>\$ 9,621</u>	<u>\$ 73,194</u>	<u>\$ 142,718</u> (Concluded)

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

Franchises	40 years
System software costs	2-5 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 year ended December 31, 2015, the Group did not recognize any impairment loss on goodwill.

18. OTHER ASSETS

	<u>December 31</u>	
	2015	2014
Prepaid expenses	\$ 87,772	\$ 71,428
Tax prepayment	238,729	-
Temporary payments	1,877	3,404
Overpaid VAT	4,390	1,982
Overdue receivables	4,644	3,189
Others	<u>1,890</u>	<u>1,890</u>
	<u>\$ 339,302</u>	<u>\$ 81,893</u>
Current	\$ 332,768	\$ 76,814
Non-current	<u>6,534</u>	<u>5,079</u>
	<u>\$ 339,302</u>	<u>\$ 81,893</u>

Tax prepayment is land value increment tax and sales tax imposed by China local tax bureau for presold real estate of subsidiary Shanghai Real Estate in mainland China.

19. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>Unsecured borrowings</u>		
Unsecured loans	\$ 200,000	\$ -
<u>Secured borrowings</u>		
Bank loans	<u>37,463</u>	<u>45,828</u>
	<u>\$ 237,463</u>	<u>\$ 45,828</u>

1) The interest rates of the bank loans for the years ended December 31, 2015 and 2014 were 1.4%-5.1% and 6.0%, respectively.

2) Refer to Note 35 for the details of assets pledged as collaterals for short-term borrowings.

b. Long-term borrowings

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>Secured borrowings</u>		
Bank loans	\$ 2,299,289	\$ 1,256,958
<u>Unsecured borrowings</u>		
Unsecured loans	-	291,180
Bank loans	<u>-</u>	<u>100,000</u>
	2,299,289	1,648,138
Less: Current portion	<u>(190,000)</u>	<u>(291,180)</u>
Long-term borrowings	<u>\$ 2,109,289</u>	<u>\$ 1,356,958</u>

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

		<u>December 31</u>	
		<u>2015</u>	<u>2014</u>
Content of Borrowings			
E.SUN Bank	Loan limit: \$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.	\$ 190,000	\$ 163,000
E.SUN Bank	Loan limit: \$800,000 thousand; period: December 30, 2015 to December 30, 2017; fixed interest rate of 1.55% with negotiating rate per 90 days; interest is paid monthly and principal is repaid at maturity.	100,000	-

(Continued)

		December 31	
		2015	2014
Content of Borrowings			
East Asia Bank	Loan limit: \$1,600,000 thousand; period: December 31, 2015 to December 31, 2018; floating interest rate of 1.718%; total 7 quarterly installment to begin from 18 months after December 31, 2015, 5% of principal for each of the first six installments, while the rest will be paid at maturity.	\$ 200,000	\$ -
East Asia Bank	Loan limit: \$1,300,000 thousand; period: December 31, 2013 to December 18, 2016; floating interest rate of 1.89%; Interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in July 2015.	-	100,000
China Construction Bank	Loan limit: RMB800,000 thousand; period: May 20, 2014 to June 19, 2017; floating interest rate as of December 31, 2015 and 2014 is 5.25% and 6.15%; interest is paid quarterly and principal is repaid at maturity.	1,709,289	993,958
Far Eastern International Bank	Loan limit: \$800,000 thousand; period: December 31, 2014 to December 31, 2016; floating interest rate of 1.865%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in June 2015.	-	100,000
Ultra Success Offshore Ltd.	Loan limit: US\$9,200 thousand; period: September 12, 2013 to September 11, 2015; fixed interest rate of 5.0%; interest and principal will be paid at maturity.	-	291,180
Bank of Taiwan	Loan limit: \$1,000,000 thousand; period: September 22, 2015 to September 22, 2018; fixed interest rate negotiated every 180 days, 1.8% for first 180 days; interest is paid monthly and principal is repaid at maturity.	100,000	-
Total long-term borrowings		<u>\$ 2,299,289</u>	<u>\$ 1,648,138</u>
			(Concluded)

Refer to Note 35 for the details of assets pledged as collaterals for long-term borrowings.

20. BONDS PAYABLE

	December 31	
	2015	2014
Domestic unsecured bonds	\$ 3,000,000	\$ 3,000,000
Less: Current portion	<u>-</u>	<u>-</u>
	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

The major term of domestic unsecured bonds was as follows:

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 half of the principle, respectively. Interest is paid annually.

21. TRADE PAYABLES

	December 31	
	2015	2014
Construction payables	<u>\$ 86,330</u>	<u>\$ 165,767</u>

22. UNEARNED REVENUE

	December 31	
	2015	2014
Advance receipts from real estate transactions	\$ 2,665,026	\$ 18,953
Others	<u>1,477</u>	<u>147</u>
	<u>\$ 2,666,503</u>	<u>\$ 19,100</u>

Advance receipts from real estate transactions are the amounts collected by Sinyi Development and Shanghai Real Estate from customers for pre-sold real estate.

23. OTHER LIABILITIES

	December 31	
	2015	2014
<u>Current</u>		
Other payables	\$ 1,493,621	\$ 1,683,773
Other payables to related parties	115,727	131,726
Other financial liabilities	321,467	274,117
Other liabilities	<u>297,159</u>	<u>102,970</u>
	<u>\$ 2,227,974</u>	<u>\$ 2,192,586</u>
<u>Non-current</u>		
Other liabilities	<u>\$ 722,466</u>	<u>\$ 941,726</u>

a. Other payables were as follows:

	December 31	
	2015	2014
Performance bonus and salaries	\$ 1,118,097	\$ 1,257,908
Advertisement	101,204	96,838
Labor and health insurance	62,216	69,028
Payable for annual leave	60,081	58,292
Professional fees	16,773	17,556
Interest payables	25,968	43,985
Employee bonuses/compensation and compensation to directors	17,414	19,100
Others	<u>91,868</u>	<u>121,066</u>
	<u>\$ 1,493,621</u>	<u>\$ 1,683,773</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. The performance bonuses payable under other liabilities amounted to \$722,466 thousand and \$941,726 thousand as of December 31, 2015 and 2014, respectively.

b. Other payables to related parties were as follows:

	December 31	
	2015	2014
Financing from related parties		
Loan from related parties	\$ 67,932	\$ 77,653
Interest payable	14,735	12,652
Others	<u>33,060</u>	<u>41,421</u>
	<u>\$ 115,727</u>	<u>\$ 131,726</u>

Loans from related parties were accounted for as other payables to related parties with interest rates of 0%-3.00% and 3.00% for the years ended December 31, 2015 and 2014, respectively.

c. Other financial liabilities were as follows:

	December 31	
	2015	2014
Receipts under custody from real estate transactions	\$ 221,384	\$ 174,242
Other receipts under custody	68,283	68,058
Payables on equipment	5,709	9,554
Payable for investment	-	8,214
Receipts under custody - escrow service	150	107
Others	<u>25,941</u>	<u>13,942</u>
	<u>\$ 321,467</u>	<u>\$ 274,117</u>

1) 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.

- 2) Receipts under custody from escrow service were the money received by An-Sin and An-Shin from buyers of real estate transactions but not yet transferred to the sellers. Composition was as follows:

	December 31	
	2015	2014
Receipts under custody - escrow service	\$ 10,612,418	\$ 11,515,917
Interest payables	4,479	16,005
Deposit accounts	(10,616,258)	(11,531,200)
Interest receivables	<u>(489)</u>	<u>(615)</u>
	<u>\$ 150</u>	<u>\$ 107</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% for the years ended December 31, 2015 and 2014.
- 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.
- 3) In October 2014, the Group entered a transaction with Qingdao City Construction Group Co., Ltd. to buy back 35% interest in Qingdao Sinyi for \$8,214 thousand (RMB1,600 thousand). As of December 31, 2015, the amount has been fully paid.
- d. Other current liabilities were as follows:

	December 31	
	2015	2014
VAT payable and other tax payable	\$ 280,730	\$ 90,392
Others	<u>16,429</u>	<u>12,578</u>
	<u>\$ 297,159</u>	<u>\$ 102,970</u>

The VAT payable and other tax payable were the VAT of the Group and other tax payable of Shanghai Real Estate on the pre-sold real estate in mainland China.

24. PROVISIONS

	December 31	
	2015	2014
Service revenue allowances	<u>\$ 39,100</u>	<u>\$ 47,488</u>
Current	\$ 34,456	\$ 44,299
Non-current	<u>4,644</u>	<u>3,189</u>
	<u>\$ 39,100</u>	<u>\$ 47,488</u>

	Service Allowances
Balance, January 1, 2015	\$ 47,488
Deductions	(8,391)
Effect of foreign currency exchange differences	<u>3</u>
Balance, December 31, 2015	<u>\$ 39,100</u>
Balance, January 1, 2014	\$ 69,001
Deductions	(21,472)
Effect of foreign currency exchange differences	<u>(41)</u>
Balance, December 31, 2014	<u>\$ 47,488</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.

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension plan under the Labor Pension Act (the “LPA”) is a defined contribution plan. Based on the LPA, the Company, An-Sin, An-Shin, Global, Sinyi Development, Jui-Inn, Heng-Yi and Yowoo Technology make monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group’s subsidiaries in other countries are members of a state-managed retirement benefit plan operated by local government. The subsidiary is required to contribute amounts calculated at a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions to the fund.

Sinyi Limited, Sinyi International, Forever Success, Inane, Ke Wei HK, Max Success, Sinyi Development, Sinyi Estate, Hong Kong Real Estate, Hong Kong Sinyi Estate, Sinyi Culture, Da-Chia Construction and Sinyi Real Estate have no full-time employees. Thus, there are no related pension obligations or pension costs.

b. Defined benefit plans

The defined benefit plans adopted by the Company and An-Sin in accordance with the Labor Standards Law are operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company and An-Sin contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2015	2014
Present value of defined benefit obligation	\$ 529,845	\$ 497,221
Fair value of plan assets	<u>(525,620)</u>	<u>(506,225)</u>
Deficit (surplus)	<u>4,225</u>	<u>(9,004)</u>
Net defined benefit liability (asset)	<u>\$ 4,225</u>	<u>\$ (9,004)</u>

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	\$ 475,758	\$ (481,825)	\$ (6,067)
Service cost			
Current service cost	3,308	-	3,308
Past service cost	401	-	401
Net interest expense (income)	<u>8,920</u>	<u>(9,762)</u>	<u>(842)</u>
Recognized in profit or loss	<u>12,629</u>	<u>(9,762)</u>	<u>2,867</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,708)	(1,708)
Actuarial loss - changes in demographic assumptions	24,196	-	24,196
Actuarial gain - changes in financial assumptions	(178)	-	(178)
Actuarial gain - experience adjustments	<u>(14,783)</u>	<u>-</u>	<u>(14,783)</u>
Recognized in other comprehensive income	<u>9,235</u>	<u>(1,708)</u>	<u>7,527</u>
Contributions from the employer	<u>-</u>	<u>(13,331)</u>	<u>(13,331)</u>
Benefits paid	<u>(401)</u>	<u>401</u>	<u>-</u>
Balance at December 31, 2014	<u>497,221</u>	<u>(506,225)</u>	<u>(9,004)</u>
Service cost			
Current service cost	3,575	-	3,575
Net interest expense (income)	<u>9,336</u>	<u>(9,602)</u>	<u>(266)</u>
Recognized in profit or loss	<u>12,911</u>	<u>(9,602)</u>	<u>3,309</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,869)	(3,869)
Actuarial loss - changes in demographic assumptions	24,396	-	24,396
Actuarial loss - changes in financial assumptions	16,664	-	16,664
Actuarial gain - experience adjustments	<u>(14,416)</u>	<u>-</u>	<u>(14,416)</u>
Recognized in other comprehensive income	<u>26,644</u>	<u>(3,869)</u>	<u>22,775</u>
Contributions from the employer	<u>-</u>	<u>(12,855)</u>	<u>(12,855)</u>
Benefits paid	<u>(6,931)</u>	<u>6,931</u>	<u>-</u>
Balance at December 31, 2015	<u>\$ 529,845</u>	<u>\$ (525,620)</u>	<u>\$ 4,225</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	Years Ended December 31	
	2015	2014
Operating costs	\$ 2,905	\$ 2,256
Operating expenses	<u>404</u>	<u>611</u>
	<u>\$ 3,309</u>	<u>\$ 2,867</u>

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2015	2014
Discount rate(s)	1.625%	1.875%-2.000%
Expected rate(s) of salary increase	2.00%-3.00%	2.25%-3.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2015	2014
Discount rate(s)		
0.25% increase	<u>\$ (17,679)</u>	<u>\$ (16,954)</u>
0.25% decrease	<u>\$ 18,483</u>	<u>\$ 17,741</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 17,893</u>	<u>\$ 17,204</u>
0.25% decrease	<u>\$ (17,209)</u>	<u>\$ (16,529)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2015	2014
The expected contributions to the plan for the next year	<u>\$ 9,102</u>	<u>\$ 10,898</u>
The average duration of the defined benefit obligation	13.7 years - 14.1 years	14.0 years - 14.8 years

26. EQUITY

Share Capital

	December 31	
	2015	2014
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>
Share capital authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>631,840</u>	<u>613,437</u>
Share capital issued	<u>\$ 6,318,398</u>	<u>\$ 6,134,367</u>

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

Capital Surplus

	December 31	
	2015	2014
Employee stock options	<u>\$ 63,896</u>	<u>\$ 63,896</u>

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds, 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.

In accordance with the amendments to the Company Act in May 2015 and Rule No. 10402413890 on legal interpretations issued by the MOEA, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Company's Articles of Incorporation had been proposed by the Company's board of directors on December 29, 2015 and are subject to the resolution of the shareholders in their meeting to be held on May 20, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to employee benefits expense in Note 27.

- b. Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs”, the Company should appropriate earnings to special reserve and reverse special reserve to earnings. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.
- c. 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.
- d. 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.
- e. The appropriations of earnings for 2014 and 2013 had been approved in the shareholders’ meeting held on May 15, 2015 and May 30, 2014, respectively were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>Years Ended December 31</u>		<u>Years Ended December 31</u>	
	2014	2013	2014	2013
Reversal of special reserve	\$ -	\$ (120,693)	\$ -	\$ -
Legal reserve	107,216	247,503	-	-
Cash dividends	613,437	1,307,324	1.0	2.6
Stock dividends	184,031	1,106,197	0.3	2.2

- f. The appropriations of earnings for 2015 had been proposed by the Company’s board of directors on February 25, 2016. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 56,387	\$ -
Cash dividends	442,288	0.7

The appropriations of earnings for 2015 are subject to the resolution of the shareholders’ meeting to be held on May 20, 2016.

Special Reserves Appropriated Following First-time Adoption of IFRSs under FSC Issued Rule No. 1010012865

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

Others Equity Items

	<u>December 31</u>	
	2015	2014
Exchange differences on translating foreign operations	\$ 189,816	\$ 264,741
Unrealized gains from available-for-sale financial assets	<u>244,878</u>	<u>281,404</u>
	<u>\$ 434,694</u>	<u>\$ 546,145</u>

a. Exchange differences on translating the financial statements of 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

	Years Ended December 31	
	2015	2014
Balance, beginning of year	\$ 139,495	\$ 130,704
Attributed to non-controlling interests:		
Net income	22,496	37,253
Exchange differences on translating foreign operations	(6)	660
Remeasurement on defined benefit plans	(56)	(466)
Related income tax	9	79
Acquisition of non-controlling interests in subsidiaries	-	376
Payment of cash dividends to non-controlling interests	<u>(36,294)</u>	<u>(29,111)</u>
Balance, end of year	<u>\$ 125,644</u>	<u>\$ 139,495</u>

27. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the followings:

Interest Income

	Years Ended December 31	
	2015	2014
Interest income		
Cash in bank	\$ 34,696	\$ 41,729
Other accounts receivable	10,506	18,590
Others	<u>60</u>	<u>19</u>
	<u>\$ 45,262</u>	<u>\$ 60,338</u>

Other Gains and Losses

	Years Ended December 31	
	2015	2014
Recognized impairment loss of investment properties	\$ -	\$ (2,954)
Impairment loss of financial assets measured at cost	(3,662)	(1,104)
Gains on disposal of investments	67,906	33,676
Loss on fair value change of financial assets held for trading	(11,813)	(11,302)
Losses on disposal of property, plant and equipment	(2,463)	(4,154)
Gains on disposal of investment properties	-	2,053
Net foreign exchange gain	20,054	14,366
Share of gains on associates and joint ventures	243	405
Gain on reversal of bad debts	15,388	-
Others	<u>46,405</u>	<u>45,519</u>
	<u>\$ 132,058</u>	<u>\$ 76,505</u>

Finance Costs

	Years Ended December 31	
	2015	2014
Interest on bank loans	\$ 125,231	\$ 91,917
Interest on unsecured bonds payable	44,278	22,991
Interest on loans from related parties	832	2,726
Interest on loans from others	10,243	17,375
Others	<u>623</u>	<u>42</u>
	181,207	135,051
Deduct: Amounts included in the cost of qualifying assets	<u>(114,521)</u>	<u>(63,204)</u>
	<u>\$ 66,686</u>	<u>\$ 71,847</u>
Interest capitalization rate	2.5%-6.15%	2.5%-7.4%

Depreciation and Amortization

	Years Ended December 31	
	2015	2014
Property, plant and equipment	\$ 132,105	\$ 109,091
Investment property	21,176	20,495
Intangible assets	<u>43,068</u>	<u>26,396</u>
	<u>\$ 196,349</u>	<u>\$ 155,982</u>
An analysis of depreciation by function		
Inventory	\$ 913	\$ 1,409
Operating costs	91,272	73,307
Operating expenses	39,920	34,375
Other losses	<u>21,176</u>	<u>20,495</u>
	<u>\$ 153,281</u>	<u>\$ 129,586</u>

(Continued)

	Years Ended December 31	
	2015	2014
An analysis of amortization by function		
Inventory	\$ 1,243	\$ 278
Operating costs	17,826	1,815
Operating expenses	<u>23,999</u>	<u>24,303</u>
	<u>\$ 43,068</u>	<u>\$ 26,396</u>
		(Concluded)

Operating Expenses Directly Related to Investment Properties

	Years Ended December 31	
	2015	2014
Direct operating expenses from investment property		
That generated rental income	\$ 40,640	\$ 40,282
That did not generate rental income	<u>83</u>	<u>220</u>
	<u>\$ 40,723</u>	<u>\$ 40,502</u>

Employee Benefits Expense

	Years Ended December 31	
	2015	2014
Salary expense	\$ 4,019,314	\$ 4,400,548
Labor and health insurance expense	<u>287,349</u>	<u>296,275</u>
	<u>4,306,663</u>	<u>4,696,823</u>
Post-employment benefits		
Defined contribution plans	149,429	177,391
Defined benefit plans (see Note 25)	<u>3,309</u>	<u>2,867</u>
	<u>152,738</u>	<u>180,258</u>
Other employee benefits	<u>180,432</u>	<u>223,035</u>
Total employee benefits expense	<u>\$ 4,639,833</u>	<u>\$ 5,100,116</u>
An analysis of employee benefits expense by function		
Inventory	\$ 36,114	\$ 25,498
Operating costs	3,993,030	4,511,623
Operating expenses	<u>610,689</u>	<u>562,995</u>
	<u>\$ 4,639,833</u>	<u>\$ 5,100,116</u>

To be in compliance with the Company Act as amended in May 2015, the proposed amended Articles of Incorporation of the Company stipulate to distribute employees' compensation at specified rates of net profit. In accordance with the Company Act, amendments to the Company's Articles of Incorporation had been proposed by the Company's board of directors on December 29, 2015. For the year ended December 31, 2015, the accrued employees' compensation and remuneration to directors amounted to \$7,393 thousand and \$7,000 thousand, respectively, based on the net profit before employees' compensation and remuneration to directors. The employees' compensation was estimated based on rates stipulated in the

Company's Articles of Incorporation, while the accrued remuneration to directors was based on fixed amounts. The employees' compensation and remuneration to directors for the year ended December 31, 2015 have been approved by the Company's board of directors on February 25, 2016 and are subject to the resolution and adoption of the amendments to the Company's Articles of Incorporation by the shareholders in their meeting to be held on May 20, 2016, and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

For the year ended December 31, 2014, the bonus to employees and the remuneration to directors were \$9,701 thousand and \$7,000 thousand, respectively. The above bonus to employees represented 1% of distributable retained earnings (net of the bonus and remuneration). The remuneration to directors was estimated based on the actual amounts in the past.

Material differences between the estimated amounts and the amounts proposed by the board of directors on or before the date the Group's annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and the remuneration were recognized. If there is a change in the proposed amounts after the date the Group's annual consolidated financial statements were 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 closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.

The bonus to employees and remuneration to directors for 2014 and 2013 which have been approved in the shareholders' meetings on May 15, 2015 and May 30, 2014, respectively, were as follows:

	Years Ended December 31	
	2014	2013
	Cash	Cash
Bonus to employees	\$ 9,872	\$ 24,528
Remuneration to directors	6,417	6,623

The bonus to employees and the remuneration to directors for the years ended December 31, 2014 and 2013 approved in the shareholders' meetings on May 15, 2015 and May 30, 2014 and the amounts recognized in the financial statements for the years ended December 31, 2014 and 2013, respectively, were as follows:

	Years Ended December 31			
	2014		2013	
	Bonus to Employees	Remuneration to Directors	Bonus to Employees	Remuneration to Directors
Amounts approved in shareholders' meetings	\$ 9,872	\$ 6,417	\$ 24,528	\$ 6,623
Amounts recognized in respective financial statements	<u>(9,701)</u>	<u>(7,000)</u>	<u>(23,266)</u>	<u>(11,633)</u>
	<u>\$ 171</u>	<u>\$ (583)</u>	<u>\$ 1,262</u>	<u>\$ (5,010)</u>

The differences in 2014 and 2013 were adjusted to profit and loss for the years ended December 31, 2015 and 2014, respectively.

Information on the employees' compensation and remuneration to directors approved by the Company's board of directors in 2016 and by the Company's shareholders in their meetings in 2015 and 2014 is available on the Market Observation Post System website of the Taiwan Stock Exchange.

28. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	Years Ended December 31	
	2015	2014
Current tax		
In respect of the current period	\$ 184,415	\$ 278,681
Income tax expense of unappropriated earnings	16,161	-
In respect of the prior periods	8,186	865
Deferred tax		
In respect of the current period	<u>(11,097)</u>	<u>(6,280)</u>
Income tax expense recognized in profit or loss	<u>\$ 197,665</u>	<u>\$ 273,266</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	Years Ended December 31	
	2015	2014
Profit before tax from continuing operations	<u>\$ 784,026</u>	<u>\$ 1,382,676</u>
Income tax expense calculated at the statutory rate (17%)	\$ 133,284	\$ 235,055
Nondeductible expenses in determining taxable income	8,257	548
Tax-exempt income	(19,720)	(12,194)
Additional income tax on unappropriated earnings	16,161	-
Unrecognized deductible temporary differences	25,537	24,345
Unrecognized loss carryforward in current period	13,706	26,071
Effect of different tax rate of group entities operating in other jurisdictions	12,254	(1,424)
Adjustments for prior years' tax	<u>8,186</u>	<u>865</u>
Income tax expense recognized in profit or loss	<u>\$ 197,665</u>	<u>\$ 273,266</u>

The income tax rate used above is 17% for the companies located in the ROC, while the income tax rate used by subsidiaries in China is 25%. Tax rates used by the group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 2015 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	Years Ended December 31	
	2015	2014
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plan	<u>\$ 3,872</u>	<u>\$ 1,280</u>

c. Current tax assets and liabilities

	December 31	
	2015	2014
Current tax assets		
Tax refund receivables	<u>\$ 20,920</u>	<u>\$ 17,399</u>
Current tax liabilities		
Income tax payables	<u>\$ 70,697</u>	<u>\$ 111,956</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

Year ended December 31, 2015

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Translatio n Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for doubtful accounts	\$ 11,272	\$ (4,941)	\$ -	\$ -	\$ 6,331
Loss carryforwards	13,012	19,910	-	(346)	32,576
Defined benefit obligation	355	5	20	-	380
Others	<u>838</u>	<u>3,259</u>	<u>-</u>	<u>-</u>	<u>4,097</u>
	<u>\$ 25,477</u>	<u>\$ 18,233</u>	<u>\$ 20</u>	<u>\$ (346)</u>	<u>\$ 43,384</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Defined benefit obligation	\$ 27,341	\$ 1,617	\$ (3,852)	\$ -	\$ 25,106
Others	<u>-</u>	<u>5,519</u>	<u>-</u>	<u>-</u>	<u>5,519</u>
	<u>\$ 27,341</u>	<u>\$ 7,136</u>	<u>\$ (3,852)</u>	<u>\$ -</u>	<u>\$ 30,625</u>

Year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Translatio n Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for doubtful accounts	\$ 14,501	\$ (3,229)	\$ -	\$ -	\$ 11,272
Incentive compensation	43	(43)	-	-	-
Defined benefit obligation	518	(325)	162	-	355
Loss carryforwards	-	12,612	-	400	13,012
Others	<u>2,061</u>	<u>(1,223)</u>	<u>-</u>	<u>-</u>	<u>838</u>
	<u>\$ 17,123</u>	<u>\$ 7,792</u>	<u>\$ 162</u>	<u>\$ 400</u>	<u>\$ 25,477</u>

Deferred tax liabilities

Temporary differences					
Defined benefit obligation	\$ 26,696	\$ 1,763	\$ (1,118)	\$ -	\$ 27,341
Others	<u>251</u>	<u>(251)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,947</u>	<u>\$ 1,512</u>	<u>\$ (1,118)</u>	<u>\$ -</u>	<u>\$ 27,341</u>

- e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2015	2014
Loss carryforwards		
Expire in 2014	\$ -	\$ 12,446
Expire in 2015	35,998	37,902
Expire in 2016	67,310	65,801
Expire in 2017	49,941	48,822
Expire in 2018	24,042	23,503
Expire in 2019	31,498	30,598
Expire in 2020	19,375	-
Expire in 2024	945	945
Expire in 2025	<u>1,191</u>	<u>-</u>
	<u>\$ 230,300</u>	<u>\$ 220,017</u>

f. Information about unused loss carryforward

Loss carryforwards as of December 31, 2015 comprised of:

Unused Amount	Expiry Year
\$ 269,241	2016
199,765	2017
106,168	2018
152,413	2019
151,002	2020
12,143	2024
<u>31,568</u>	2025
<u>\$ 922,300</u>	

g. Integrated income tax

	December 31	
	2015	2014
<u>Unappropriated earnings</u>		
Unappropriated earnings generated on and after January 1, 1998	<u>\$ 734,737</u>	<u>\$ 1,094,412</u>
Imputation credits accounts	<u>\$ 280,066</u>	<u>\$ 222,352</u>

The creditable ratio for distribution of earnings of 2015 and 2014 was 23.97% (expected ratio) and 20.85%, 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 2015 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

h. Income tax assessments

The Company's tax returns through 2012 have been assessed by the tax authorities. The Company disagreed with the tax authorities' assessment of its 2012 and 2011 tax return and applied for a re-examination. Global, Sinyi Culture, Jui-Inn, An-Sin, An-Shin and Taiwan Sinyi Development's tax returns through 2013 had been assessed by the tax authorities.

29. EARNINGS PER SHARE

Unit: NT\$ Per Share

	Years Ended December 31	
	2015	2014
Basic EPS	<u>\$ 0.89</u>	<u>\$ 1.70</u>
Diluted EPS	<u>\$ 0.89</u>	<u>\$ 1.70</u>

The earnings per share computation for the year ended December 31, 2014 was retrospectively adjusted for the effects of adjustments resulting from bonus stock issued on June 27, 2015. The basic and diluted after-tax earnings per share were adjusted retrospectively as follows:

	Unit: NT\$ Per Share	
	Year Ended December 31, 2014	
	Before Adjusted Retrospectivel y	After Adjusted Retrospectivel y
Basic earnings per share	<u>\$ 1.75</u>	<u>\$ 1.70</u>
Diluted earnings per share	<u>\$ 1.75</u>	<u>\$ 1.70</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

	Years Ended December 31	
	2015	2014
Profit for the period attributable to owners of the Company	<u>\$ 563,865</u>	<u>\$ 1,072,157</u>

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

	Years Ended December 31	
	2015	2014
Weighted average number of ordinary shares in computation of basic earnings per share	631,840	631,840
Effect of dilutive potential ordinary shares		
Bonus issue to employee	<u>270</u>	<u>265</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>632,110</u>	<u>632,105</u>

Since the Group is allowed to settle the bonus to employees by cash or shares, the Group presumed that the entire amount of the bonus will be settled in shares and the resulting potential shares are included in the weighted average number of outstanding shares used in the calculation of diluted earnings per share, as 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 is 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.

30. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In April 2014, the Group acquired the remaining 20% of the equity of Chengdu Sinyi, increasing the Group's continuing interest from 80% to 100%.

In August 2014, the Group acquired 100% of Ke Wei HK's newly increased capital, increasing the Group's

continuing interest from 95% to 99%.

In October 2014, the Group acquired the remaining 35% of the equity of Qingdao Sinyi, increasing the Group's continuing interest from 65% to 100%.

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

	Year Ended December 31, 2014			
	Chengdu Sinyi	Ke Wei HK	Qingdao Sinyi	Total
Cash consideration paid	\$ (7,668)	\$ -	\$ (7,865)	\$ (15,533)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	<u>1,422</u>	<u>(1,438)</u>	<u>(360)</u>	<u>(376)</u>
Differences arising from equity transaction	<u>\$ (6,246)</u>	<u>\$ (1,438)</u>	<u>\$ (8,225)</u>	<u>\$ (15,909)</u>
				Year Ended December 31, 2014
<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)
Unappropriated earnings				<u>(11,208)</u>
				<u>\$ (15,909)</u>

31. 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 December 31, 2015 and 2014, refundable deposits paid under operating lease amounted to \$112,858 thousand and \$105,404 thousand, respectively.

The future minimum lease payments payable on non-cancellable operating lease commitments were as follows:

	December 31	
	2015	2014
Within 1 year	\$ 510,215	\$ 456,592
1 to 5 years	952,915	746,634
After 5 years	<u>80,876</u>	<u>106,258</u>
	<u>\$ 1,544,006</u>	<u>\$ 1,309,484</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 December 31, 2015 and 2014, deposits received under operating leases amounted to \$33,297 thousand and \$32,761 thousand, respectively.

The future minimum lease payments receivable on non-cancellable operating leases were as follows:

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Within 1 year	\$ 135,449	\$ 128,240
1 to 5 years	<u>113,716</u>	<u>238,606</u>
	<u>\$ 249,165</u>	<u>\$ 366,846</u>

32. 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.

33. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

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

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

December 31, 2015

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 3,021,693</u>	<u>\$ -</u>	<u>\$ 3,021,693</u>

December 31, 2014

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable					
	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 2,998,521</u>	<u>\$ -</u>	<u>\$ 2,998,521</u>

The fair values of the financial liabilities included in the Level 2 category above have been determined in accordance with market price based on discounted cash flow analysis, with the most significant observable inputs being the bond duration, interest rates and credit ratings, etc.

b. Fair value measurements recognized in the consolidated balance sheet

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 6,128	\$ -	\$ -	\$ 6,128
Mutual funds	<u>311,529</u>	<u>-</u>	<u>-</u>	<u>311,529</u>
	<u>\$ 317,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,657</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 195,775	\$ -	\$ -	\$ 195,775
Foreign listed stocks - equity investments	552,714	-	-	552,714
Mutual funds	<u>1,422</u>	<u>-</u>	<u>-</u>	<u>1,422</u>
	<u>\$ 749,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 749,911</u>

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	<u>\$ 19,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,180</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 299,910	\$ -	\$ -	\$ 299,910
Foreign listed stocks - equity investments	539,282	-	-	539,282
Mutual funds	<u>1,370</u>	<u>-</u>	<u>-</u>	<u>1,370</u>
	<u>\$ 840,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840,562</u>

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

Categories of Financial Instruments

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>Financial assets</u>		
FVTPL		
Held for trading	\$ 317,657	\$ 19,180
Loans and receivables (Note 1)	6,198,472	4,532,127
Available-for-sale financial assets (Note 2)	1,002,233	1,134,178
<u>Financial liabilities</u>		
Amortized cost (Note 3)	8,341,317	7,980,941

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 and refundable deposits.

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 payable, trade payables, other payables, other payables to related parties, other financial liabilities, bonds payable, long-term borrowings (including current portion of long-term borrowings), guarantee deposits received and other non-current liabilities.

Financial Risk Management Objectives and Policies

The Group's major financial instruments included equity, mutual funds, trade receivables, other payables, 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 38.

Foreign currency sensitivity analysis

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.

	Years Ended December 31					
	2015			2014		
	RMB	JPY	USD	RMB	JPY	USD
Equity	\$ 6,266	\$ 2,463	\$ 3,847	\$ (9,128)	\$ 1,582	\$ 806
Profit or loss	2,109	121	8,176	2,974	-	2,687

2) Interest rate risk

The Group is exposed to interest rate risk on investments and borrowings; interest rates could be fixed or floating. The investments and part of borrowings are fixed-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:

	December 31	
	2015	2014
Fair value interest rate risk		
Financial assets	\$ 2,464,504	\$ 1,563,667
Financial liabilities	3,437,463	3,454,180
Cash flow interest rate risk		
Financial assets	748,127	594,659
Financial liabilities	2,167,221	1,317,439

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 \$21,672 thousand.

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.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2015 and 2014, the Group had available unutilized bank loan facilities as follows:

	December 31	
	2015	2014
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	\$ 200,000	\$ 100,000
Amount unused	<u>3,750,000</u>	<u>1,300,000</u>
	<u>\$ 3,950,000</u>	<u>\$ 1,400,000</u>
Secured bank overdraft facility:		
Amount used	\$ 2,336,752	\$ 1,302,786
Amount unused	<u>7,861,461</u>	<u>11,329,414</u>
	<u>\$10,198,213</u>	<u>\$12,632,200</u>

34. 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:

Other Payables to Related Parties

	<u>December 31</u>	
	2015	2014
Other related parties - related parties in substance	\$ 75,510	\$ 84,760
Other related parties - the person in charge of other related parties is the president of the Company	8,088	11,092
Other - vice president of the Company	<u>32,129</u>	<u>35,874</u>
	<u>\$ 115,727</u>	<u>\$ 131,726</u>

Parts of other payables to related parties were financing. Information on the financing for the years ended December 31, 2015 and 2014 were as follows:

	<u>Year Ended December 31, 2015</u>				
	Highest Balance During the Period	Amount	Interest Rate	Interest Expense	Interest Payable
Other related parties - related parties in substance	\$ 46,592	\$ 42,957	-	\$ -	\$ 7,690
Other - vice president of the Company	<u>31,061</u>	<u>24,975</u>	3.00%	<u>832</u>	<u>7,045</u>
	<u>\$ 77,653</u>	<u>\$ 67,932</u>		<u>\$ 832</u>	<u>\$ 14,735</u>
	<u>Year Ended December 31, 2014</u>				
	Highest Balance During the Period	Amount	Interest Rate	Interest Expense	Interest Payable
Other related parties - related parties in substance	\$ 46,592	\$ 46,592	3.00%	\$ 1,931	\$ 7,839
Other - vice president of the Company	<u>31,061</u>	<u>31,061</u>	3.00%	<u>795</u>	<u>4,813</u>
	<u>\$ 77,653</u>	<u>\$ 77,653</u>		<u>\$ 2,726</u>	<u>\$ 12,652</u>

The financing above were unsecured.

Compensation of Key Management Personnel

The remuneration to directors and other members of key management personnel for the years ended December 31, 2015 and 2014 included the following:

	<u>Years Ended December 31</u>	
	2015	2014
Short-term benefits	\$ 121,784	\$ 108,950
Other long-term benefits	<u>1,146</u>	<u>3,640</u>
	<u>\$ 122,930</u>	<u>\$ 112,590</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 when they continue to serve for three years starting from the following year after obtaining the qualification and the bonus is calculated on the basis of the Company's operating performance or individual performance.

Other Transactions with Related Parties

a. Rental income

	Years Ended December 31	
	2015	2014
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 4,867	\$ 4,938
Related parties in substance	8,401	9,645
Associates	<u>34</u>	<u>34</u>
	<u>\$ 13,302</u>	<u>\$ 14,617</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

	Years Ended December 31	
	2015	2014
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 3,273	\$ 2,878
Related parties in substance	<u>6,515</u>	<u>7,478</u>
	<u>\$ 9,788</u>	<u>\$ 10,356</u>

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

c. Professional fee

	Years Ended December 31	
	2015	2014
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 105,803	\$ 123,156
Related parties in substance	<u>34,160</u>	<u>36,816</u>
	<u>\$ 139,963</u>	<u>\$ 159,972</u>

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

d. Rental expense

	Years Ended December 31	
	2015	2014
Related parties in substance	\$ <u>9,206</u>	\$ <u>8,610</u>

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

e. Other receivables

	December 31	
	2015	2014
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 1,422	\$ 1,149
Related parties in substance	<u>6,741</u>	<u>7,660</u>
	<u>\$ 8,163</u>	<u>\$ 8,809</u>

35. 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:

	December 31	
	2015	2014
Property, plant and equipment (including investment properties)		
Land	\$ 4,022,638	\$ 3,290,251
Building	459,448	409,981
Other financial assets - current		
Pledged time deposits and demand deposits	47,857	25,602
Inventories	<u>4,192,990</u>	<u>4,268,657</u>
	<u>\$ 8,722,933</u>	<u>\$ 7,994,491</u>

36 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 in obtaining financing limit of \$349,650 thousand (RMB70,000 thousand). Refer to Note 39, Table 2 for the details.
- d. As of December 31, 2015, the Group had signed construction contracts but not yet paid for \$2,515,544 thousand.

- e. Shanghai Real Estate, property developer in mainland China, sold real estate and guaranteed the mortgage bank loans of some of its customers (including natural persons and juridical persons); the guarantee amounted to \$849,719 thousand as of December 31, 2015. The amount of mortgage loan was remitted to Shanghai Real Estate for payment of the property sold. If a customer breached a mortgage contract, Shanghai Real Estate will return to the banks only the amount of mortgage received. Therefore, Shanghai Real Estate is not exposed to risk of material loss from the guarantee. The guarantee is just a selling feature in the real estate development industry in China and it does not bear the economic substance and risk of ordinary endorsement. In addition, according to the Q&A No. 35 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (the Regulations) announced on December 26, 2012 by the SFB, the above guarantee provided by Shanghai Real Estate to its customers is similar to an escrow, instead of endorsement as defined in the Regulations.

37. SIGNIFICANT FRANCHISE CONTRACTS

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

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

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

<u>December 31, 2015</u>	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 637,544	4.995	\$ 3,184,530
JPY	1,443,034	0.2727	393,515
USD	36,628	32.825	1,202,314
Non-monetary items			
RMB	32,797	4.995	163,818
JPY	2,026,821	0.2727	552,714
USD	43	32.825	1,422
<u>Financial liabilities</u>			
Monetary items			
RMB	469,892	4.995	2,347,012
JPY	495,380	0.2727	135,090
USD	-	32.825	-

December 31, 2014

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 194,537	5.092	\$ 990,581
JPY	907,930	0.26	240,238
USD	21,093	31.65	667,600
Non-monetary items			
RMB	32,797	5.092	167,000
JPY	2,038,151	0.26	539,282
USD	43	31.65	1,370
<u>Financial liabilities</u>			
Monetary items			
RMB	315,394	5.092	1,605,988
JPY	310,114	0.26	82,056
USD	10,057	31.65	318,297

The Group is mainly exposed to foreign currency risk from USD, RMB and JPY. The following information was aggregated by the functional currencies of the Group entities and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	Years Ended December 31			
	2015		2014	
Functional Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Loss
NTD	1 (NTD:NTD)	\$ 23,870	1 (NTD:NTD)	\$ 20,320
	31.739	(10,118)	30.306	(6,537)
USD	(USD:NTD)		(USD:NTD)	
	5.033	6,152	4.920	585
RMB	(RMB:NTD)		(RMB:NTD)	
	0.2624	<u>150</u>	0.2870	<u>(2)</u>
JPY	(JPY:NTD)		(JPY:NTD)	
		<u>\$ 20,054</u>		<u>\$ 14,366</u>

39. 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. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: 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

40. 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 mainland China and other foreign companies.

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the years ended December 31, 2015 and 2014:

	Real Estate Brokerage			Real Estate Lease Construction and Development			Elimination	Consolidated
	Taiwan	Mainland China and Others	Total	Taiwan	Mainland China and Others	Total		
Year ended December 31, 2015								
Revenues from external customers	\$ 6,400,890	\$ 1,122,253	\$ 7,523,143	\$ 79,644	\$ 50,733	\$ 130,377	\$ -	\$ 7,653,520
Inter-segment revenues	77,359	-	77,359	14,292	-	14,292	(91,651)	-
Segment revenues	<u>\$ 6,478,249</u>	<u>\$ 1,122,253</u>	<u>\$ 7,600,502</u>	<u>\$ 93,936</u>	<u>\$ 50,733</u>	<u>\$ 144,669</u>	<u>\$ (91,651)</u>	7,653,520
Rental income from investment property								(130,377)
Consolidated revenues								<u>\$ 7,523,143</u>
Operating profit (loss)	<u>\$ 683,928</u>	<u>\$ (57,860)</u>	<u>\$ 626,068</u>	<u>\$ 30,139</u>	<u>\$ (116,804)</u>	<u>\$ (86,665)</u>	<u>\$ 56,783</u>	\$ 596,186
Operating income from investment property								(89,654)
Operating income								<u>\$ 506,532</u>
Segment assets	<u>\$ 5,972,375</u>	<u>\$ 2,455,725</u>	<u>\$ 8,428,100</u>	<u>\$ 3,062,161</u>	<u>\$ 9,393,554</u>	<u>\$ 12,455,715</u>	<u>\$ (131,081)</u>	\$ 20,752,734
Investments accounted for by the equity method and goodwill								19,270
Total assets								<u>\$ 20,772,004</u>
Year ended December 31, 2014								
Revenues from external customers	\$ 8,203,060	\$ 696,155	\$ 8,899,215	\$ 79,361	\$ 47,233	\$ 126,594	\$ -	\$ 9,025,809
Inter-segment revenues	67,733	-	67,733	13,522	-	13,522	(81,255)	-
Segment revenues	<u>\$ 8,270,793</u>	<u>\$ 696,155</u>	<u>\$ 8,966,948</u>	<u>\$ 92,883</u>	<u>\$ 47,233</u>	<u>\$ 140,116</u>	<u>\$ (81,255)</u>	9,025,809
Rental income from investment property								(126,594)
Consolidated revenues								<u>\$ 8,899,215</u>
Operating profit (loss)	<u>\$ 1,354,690</u>	<u>\$ (165,530)</u>	<u>\$ 1,189,160</u>	<u>\$ 34,092</u>	<u>\$ (13,727)</u>	<u>\$ 20,315</u>	<u>\$ 46,100</u>	\$ 1,255,575
Operating income from investment property								(86,092)
Operating income								<u>\$ 1,169,483</u>
Segment assets	<u>\$ 6,624,122</u>	<u>\$ 2,162,202</u>	<u>\$ 8,786,324</u>	<u>\$ 3,025,781</u>	<u>\$ 6,094,171</u>	<u>\$ 9,119,952</u>	<u>\$ (120,944)</u>	\$ 17,785,332
Investments accounted for by the equity method and goodwill								20,572
Total assets								<u>\$ 17,805,904</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.

b. Industry and service information

The Group operates mainly in real-estate brokerage business. As of December 31, 2015, there is no

revenue generated from residences and buildings development business.

c. Geographic information

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

d. Major customers

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

TABLE 1

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	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		
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	\$ 5,176 (RMB 1,000 thousand)	\$ 4,995 (RMB 1,000 thousand)	\$ -	3.826%	Short-term financing	\$ -	Needs for operation	\$ -	-	\$ -	\$ 459,837 (Note 1)	\$ 919,673 (Note 1)
1	Sinyi Development Inc.	Shin Hau Real Estate Co., Ltd.	"	No	179,000	-	-	10%	Business activity	201,000	-	-	Land	290,235	201,000 (Note 2)	247,837 (Note 3)
2	Suzhou Sinyi Real Estate Inc.	Shanghai Sinyi Real Estate Inc.	"	Yes	37,830 (RMB 7,500 thousand)	-	-	4%	Short-term financing	-	Participation in the capital increase of strategic investment plan	-	-	-	640,929 (Note 4)	1,281,858 (Note 4)
		Sinyi Real Estate (Shanghai) Limited	"	Yes	50,440 (RMB 10,000 thousand)	-	-	5%	"	-	Needs for operation	-	-	-	640,929 (Note 4)	1,281,858 (Note 4)
3	Sinyi Real Estate (Shanghai) Limited	Shanghai Sinyi Real Estate Inc.	"	Yes	99,900 (RMB 20,000 thousand)	99,900 (RMB 20,000 thousand)	49,950 (RMB 10,000 thousand)	4.75%	"	-	Needs for operation	-	-	-	767,857 (Note 5)	1,535,713 (Note 5)

Note 1: 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.

Note 2: The individual lending amount of Sinyi Development Inc. should not exceed the transaction amount between two parties during the latest year.

Note 3: The maximum total financing provided should not exceed 50% of Sinyi Development Inc.'s net worth.

Note 4: 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 5: The maximum total financing provided should not exceed 40% of Sinyi Real Estate (Shanghai) Limited's net worth. The individual lending amount should not exceed 20% of Sinyi Real Estate (Shanghai) Limited's net worth.

SINYI REALTY INC. AND SUBSIDIARIES

**ENDORSEMENT/GUARANTEE PROVIDED TO OTHER
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor (Note 2)	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.	Suzhou Sinyi Real Estate Inc.	Indirect subsidiary	\$ 7,357,387 (Note 1)	\$ 45,396 (RMB 9,000 thousand)	\$ -	\$ -	\$ -		\$ 9,196,734	Y	N	Y	
		Shanghai Sinyi Real Estate Inc.	"	7,357,387 (Note 1)	362,320 (RMB 70,000 thousand)	349,650 (RMB 70,000 thousand)	37,463 (RMB 7,500 thousand)	40,360	3.80	9,196,734	Y	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: The maximum total endorsement/guarantee should not exceed 100% of the Company's net worth.

TABLE 3**SINYI REALTY INC. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****DECEMBER 31, 2015****(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	December 31, 2015				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	10,223,257	\$ 195,775	-	\$ 195,775	
	<u>Stock</u> Rakuya International Info. Co., Ltd.	-	Financial assets measured at cost - non-current	1,900,000	1,676	12	1,676	
	Han Yu Venture Capital Co., Ltd.	-	"	5,000,000	49,063	11	49,063	
	PChome Investment Co., Ltd.	-	"	196,350	-	8	-	
	Kun Gee Venture Capital Co., Ltd.	-	"	1,260,000	-	3	-	
	Cite' Publishing Holding Ltd.	-	"	7,637	4,874	1	4,874	
	Cite' Information Services Co., Ltd.	-	"	106,392	890	1	890	
	Chien Hsiang Securities Service Co., Ltd.	-	"	3,100,000	32,000	10	32,000	
Sinyi Limited	<u>Stock</u> Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	552,714	-	552,714	
	<u>Monetary market fund</u> SBGH U.S. Dollar Reserve Fund CL A Dist Units	-	"	43,294	1,422	-	1,422	
Shanghai Sinyi Real Estate Inc.	<u>Stock</u> Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	30,000,000	158,821	2	158,821	
	Cura Commercial Management Co., Ltd.	-	"	-	4,998	9	4,998	
Sinyi Development Inc.	<u>Stock</u> CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	6,128	-	6,128	
	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	15,004,692	200,412	-	200,412	
Sinyi Global Asset Management Co., Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	600,553	8,021	-	8,021	
An-Sin Real Estate Management Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	1,198,541	16,008	-	16,008	

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
An-Shin Real Estate Management Ltd.	Monetary market fund Taishin 1699 Money Market Fund	-	"	6,520,186	87,088	-	87,088	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Ke Wei Shanghai Real Estate Management Consulting Inc.	Financial product Bubu Shengking No. 8688	-	Other financial assets - current	4,800,000	\$ 23,976	-	\$ 23,976	
	Shanghai Shang Tuo Investment Management Consulting Inc.	-	"	60,000	300	-	300	
Suzhou Sinyi Real Estate Inc.	Bubu Shengking No. 8688	-	"	12,000,000	59,940	-	59,940	
	Yunton Tsaiifu-Daily Incremental Interest-S Type	-	"	5,000,000	24,975	-	24,975	
Shanghai Sinyi Real Estate Inc. Sinyi Real Estate (Shanghai) Limited	Bubu Shengking No. 8688	-	"	7,800,000	38,961	-	38,961	
	Li Duo Duo Cash Management No. 1	-	"	45,000,000	224,775	-	224,775	
	Li Duo Duo Structured Deposits of Enterprises (No. 15JG900)	-	"	40,000,000	199,800	-	199,800	
	Structured Financial Product (Product ID: 201511069390)	-	"	20,000,000	99,900	-	99,900	
	Structured Financial Product (Product ID: 201512249684)	-	"	25,000,000	124,875	-	124,875	
	Yehdeyin (RMB) No. 15120149	-	"	17,000,000	84,915	-	84,915	
Yehdeyin (RMB) No. 15120481	-	"	40,000,000	199,800	-	199,800		
	Fortune Bus S21	-	"	50,000,000	249,750	-	249,750	

(Concluded)

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
 YEAR ENDED DECEMBER 31, 2015
 (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.	Mutual funds Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$ -	40,294,502	\$ 537,000	40,294,502	\$ 537,106	\$ 537,106	\$ 106	-	\$ -
Sinyi Realty Inc.	Stock Sinyi International Limited	Investments accounted for using equity method	-	Subsidiary	135,132,134	3,996,349	13,263,704	433,527	-	-	-	-	148,395,838	4,429,876 (Notes 1 and 2)
Sinyi International Limited	Sinyi Estate Ltd.	Investments accounted for using equity method	-	Subsidiary	-	-	12,297,800	402,507	-	-	-	-	12,297,800	402,507 (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
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			Percentage to Consolidated Total Assets/Revenue (%)
				Financial Statement Account	Amount	Payment Terms	
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	a	Professional fees	\$ 17,667	Fixed charges by guarantee piece work	-
		Jui-Inn Consultants Co., Ltd.	a	Professional fees	7,466	By the piece work	-
		An-Sin Real Estate Management Ltd.	a	Other income	7,842	30 days after regular settlement	-
		Sinyi Realty Inc. Japan	a	Other income	37,448	Quarterly	-
		Sinyi Realty Inc. Japan	a	Other receivables	13,432	Quarterly	-
1	Shanghai Sinyi Real Estate Inc.	Inane International Limited	c	Other payables	10,371	-	-
		Sinyi Real Estate (Shanghai) Limited	c	Service income	14,606	By percentage of turnover	-
		Sinyi Real Estate (Shanghai) Limited	c	Trade receivables	8,229	Monthly	-
2	Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	c	Professional fees	27,618	By the piece work	-
3	Sinyi Real Estate (Shanghai) Limited	Shanghai Sinyi Real Estate Inc.	c	Other receivables	49,950	Financing for operation, interest rate 4.75%	-

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 December 31, 2015. 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 year ended December 31, 2015.

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

TABLE 6

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			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	\$ 4,429,876	\$ 3,996,349	148,395,838	100	\$ 4,531,251 (Note 1)	\$ (96,271)	\$ (96,271) (Note 1)	Note 2
	Sinyi Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	2,448,306	2,440,236	76,001,135	100	1,814,050 (Note 1)	(45,599)	(45,599) (Note 1)	Note 2
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	535,005	535,005	53,500,000	100	495,676 (Note 1)	(26,924)	(26,924) (Note 1)	
	Sinyi 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	43,411 (Note 1)	12,050	12,050 (Note 1)	
	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	20,000	20,000	2,000,000	100	16,862 (Note 1)	127	127 (Note 1)	
	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	4,904 (Note 1)	290	290 (Note 1)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	1,785 (Note 1)	123	122 (Note 1)	
	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	130,487 (Note 1)	46,083	23,502 (Note 1)	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	9,649 (Note 1)	1,277	243 (Note 1)	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	30,000	30,000	3,000,000	100	12,273 (Note 1)	(7,058)	(12,023) (Note 1)	
Sinyi Limited	Inane International Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,790,590	1,782,520	56,629,268	100	1,116,609 (Note 1)	(47,863)	(47,863) (Note 1)	Note 2
	Ke Wei HK Realty Limited	Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	95,129	95,129	2,700,000	99	32,725 (Note 1)	(9,254)	(9,168) (Note 1)	
Sinyi International Limited	Forever Success International Limited	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius	Investment holding	68,741	68,741	2,216,239	100	42,261 (Note 1)	(2,323)	(2,323) (Note 1)	
	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	213,272 (Note 1)	47,089	47,089 (Note 1)	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,899,767	3,868,747	131,966,210	100	3,871,617 (Note 1)	(139,894)	(139,894) (Note 1)	Note 2
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	402,507	-	12,297,800	100	403,671 (Note 1)	(4)	(4) (Note 1)	Note 2
Inane International Limited	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	410,070 (Note 1)	20,825	20,825 (Note 1)	
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	100,000	100,000	10,000,000	100	137,044 (Note 1)	36,841	36,841 (Note 1)	
Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd. (original name: 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	17,881 (Note 1)	3,150	3,150 (Note 1)	
	Tokyo Sinyi Real Estate Co., Ltd.	3rd Floor, No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	5,000	-	500,000	100	17,806 (Note 1)	(144)	(144) (Note 1)	
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	3,839,863 (Note 1)	(126,775)	(126,775) (Note 1)	
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	26	-	800	100	23 (Note 1)	(3)	(3) (Note 1)	Note 2
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	500	50,000	100	377 (Note 1)	(58)	(58) (Note 1)	
	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	500	50,000	100	375 (Note 1)	(58)	(58) (Note 1)	

Note 1: Those subsidiaries included in the consolidated entities have been eliminated.

Note 2: As of December 31, 2015, the process of the share capital increase was not complete; therefore, it was recorded under "prepayment for long-term investment".

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
 YEAR ENDED DECEMBER 31, 2015
 (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, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2015 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2015
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 19,638	Investment in company located in mainland China indirectly through Ke Wei HK Realty Limited	\$ 33,867	\$ 47,992	\$ -	\$ 81,859	\$ (9,906)	100	\$ (9,906) (Note 6)	\$ 33,059 (Note 6)	\$ -
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	1,140,018	-	-	1,140,018	(52,382)	100	(52,382) (Note 6)	680,280 (Note 6)	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage	RMB 34,747	"	149,955	-	-	149,955	(13,213)	100	(13,213) (Note 6)	(9,156) (Note 6)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 4)	Management consulting	RMB 4,138	"	17,095	-	-	17,095	(12)	100	(12) (Note 6)	(3,190) (Note 6)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	"	355,249	-	-	355,249	23,140	100	23,140 (Note 6)	427,287 (Note 6)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	"	-	-	-	-	-	2	-	158,821	-
Cura Commercial Management Co., Ltd. (Note 4)	Business service, exhibition service, urban planning and design, marketing strategy planning, business consulting and real estate advisory	RMB 10,998	"	-	-	-	-	-	9	-	4,998	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 20,200	"	44,543	-	-	44,543	(2,890)	100	(2,890) (Note 6)	(12,339) (Note 6)	-
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	(2,899)	100	(2,899) (Note 6)	1,255 (Note 6)	-
Chengdu Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 13,000	Investment in company located in mainland China indirectly through Inane International Limited	62,005	-	-	62,005	(607)	100	(607) (Note 6)	23,445 (Note 6)	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 8,000	"	29,225	8,070	-	37,295	(1,306)	100	(1,306) (Note 6)	(277) (Note 6)	-
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	(126,775)	100	(126,775) (Note 6)	3,839,293 (Note 6)	-
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, hard ware, building materials wholesale	RMB 8,000	Investment in company located in mainland China indirectly through Forever Success International Ltd.	40,465	-	-	40,465	576	100	576 (Note 6)	40,332 (Note 6)	-

(Continued)

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, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2015 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2015
					Outflow	Inflow						
Kunshan Dingxian Trading Co., Ltd.	Construction materials, furniture, sanitary ware and ceramic products wholesale	RMB 6,000	Investment in company located in mainland China indirectly through Sinyi Development Ltd.	\$ -	\$ 31,020	\$ -	\$ 31,020	\$ 181	100	\$ 181 (Note 6)	\$ 30,150 (Note 6)	\$ -

Accumulated Outflow for Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 5)
\$5,855,683	\$10,306,125	\$ -

Note 1: Amounts were based on audited financial statements.

Note 2: Carrying value was converted into New Taiwan dollars at the exchange rates of US\$1=NT\$32.825 and US\$1=RMB6.5716 on December 31, 2015

Note 3: Some of the 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: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

Note 6: Those subsidiaries included in the consolidated entities have been eliminated.

(Concluded)

V. The individual financial statements of the companies duly audited by the Certified Public Accountants in the latest fiscal year.



臺灣查帳聯合會計師事務所
10596 台北市民生東路三段156號12樓

Deloitte & Touche
12th Floor, Hung Tai Financial Plaza
156 Min Sheng East Road, Sec. 3
Taipei 10596, Taiwan, R.O.C.

Tel : +886 (2) 2545-9988
Fax : +886 (2) 4051-4888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinyi Realty Inc.

We have audited the accompanying balance sheets of Sinyi Realty Inc. (the "Company") as of December 31, 2015 and 2014, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sinyi Realty Inc. as of December 31, 2015 and 2014, and its financial performance and its cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

February 25, 2016

Notice to Readers

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

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

SINYI REALTY INC.

BALANCE SHEETS DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

ASSETS	2015		2014	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,035,714	7	\$ 1,407,102	9
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	-	-	10,564	-
Available-for-sale financial assets - current (Notes 4 and 8)	195,775	1	299,910	2
Notes receivable (Notes 4 and 10)	69,216	1	10,248	-
Trade receivables (Notes 4, 5 and 10)	287,876	2	497,521	3
Trade receivables from related parties (Notes 4, 5 and 29)	96,671	1	123,430	1
Other receivables (Notes 4, 5 and 10)	50,698	-	75,479	1
Other receivable from related parties (Notes 4, 5 and 29)	21,550	-	22,351	-
Other financial assets - current (Notes 11 and 30)	275,135	2	23,056	-
Other current assets (Note 16)	26,604	-	23,943	-
Total current assets	<u>2,059,239</u>	<u>14</u>	<u>2,493,604</u>	<u>16</u>
NON-CURRENT ASSETS				
Financial assets measured at cost - non-current (Notes 4 and 9)	88,503	1	126,616	1
Investments accounted for using equity method (Notes 4 and 12)	7,060,348	47	6,894,333	45
Property, plant and equipment (Notes 4, 13 and 30)	2,759,843	18	3,163,619	21
Investment properties (Notes 4, 14 and 30)	2,759,442	18	2,406,464	16
Intangible assets (Notes 4 and 15)	78,801	1	77,646	-
Deferred tax assets (Notes 4, 5 and 24)	9,761	-	11,123	-
Refundable deposits (Note 26)	87,992	1	94,916	1
Prepaid pension cost - non-current (Notes 4, 5 and 21)	-	-	12,732	-
Other non-current assets (Note 16)	6,534	-	5,079	-
Total non-current assets	<u>12,851,224</u>	<u>86</u>	<u>12,792,528</u>	<u>84</u>
TOTAL	<u>\$ 14,910,463</u>	<u>100</u>	<u>\$ 15,286,132</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 17)	\$ 200,000	2	\$ -	-
Notes payable	1,524	-	7,186	-
Other payables (Note 19)	1,175,677	8	1,391,585	9
Other payables to related parties (Notes 19 and 29)	37,823	-	48,982	-
Current tax liabilities (Notes 4 and 24)	24,047	-	104,886	1
Provisions - current (Notes 4, 5 and 20)	29,505	-	41,217	-
Other current financial liabilities (Note 19)	48,590	-	55,513	1
Other current liabilities (Note 19)	72,771	1	88,431	1
Total current liabilities	<u>1,589,937</u>	<u>11</u>	<u>1,737,800</u>	<u>12</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	3,000,000	20	3,000,000	20
Long-term borrowings (Notes 17 and 30)	400,000	3	200,000	1
Provisions - non-current (Notes 4, 5 and 20)	4,644	-	3,189	-
Net defined benefit liabilities - non-current (Notes 4, 5 and 21)	413	-	-	-
Guarantee deposit received (Note 26)	43,829	-	66,789	-
Other non-current liabilities (Note 19)	644,281	4	874,400	6
Deferred tax liabilities (Notes 4 and 24)	30,625	-	27,341	-
Total non-current liabilities	<u>4,123,792</u>	<u>27</u>	<u>4,171,719</u>	<u>27</u>
Total liabilities	<u>5,713,729</u>	<u>38</u>	<u>5,909,519</u>	<u>39</u>
EQUITY (Note 22)				
Share capital				
Ordinary shares	6,318,398	42	6,134,367	40
Capital surplus	63,896	1	63,896	-
Retained earnings				
Legal reserve	1,645,009	11	1,537,793	10
Unappropriated earnings	734,737	5	1,094,412	7
Total retained earnings	2,379,746	16	2,632,205	17
Other equity (Note 4)				
Exchange differences on translating foreign operations	189,816	1	264,741	2
Unrealized gain or loss from available-for-sale financial assets	244,878	2	281,404	2
Total other equity	434,694	3	546,145	4
Total equity	<u>9,196,734</u>	<u>62</u>	<u>9,376,613</u>	<u>61</u>
TOTAL	<u>\$ 14,910,463</u>	<u>100</u>	<u>\$ 15,286,132</u>	<u>100</u>

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

SINYI REALTY INC.

STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
OPERATING REVENUE				
Service revenue (Note 4)	\$ 6,140,394	100	\$ 7,841,535	100
OPERATING COSTS (Notes 23 and 29)	<u>4,684,152</u>	<u>76</u>	<u>5,728,719</u>	<u>73</u>
GROSS PROFIT	1,456,242	24	2,112,816	27
OPERATING EXPENSES (Notes 23 and 29)	<u>831,743</u>	<u>14</u>	<u>869,087</u>	<u>12</u>
PROFIT FROM OPERATIONS	<u>624,499</u>	<u>10</u>	<u>1,243,729</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 29)	93,936	2	92,883	1
Dividend income	10,256	-	7,812	-
Interest income (Note 23)	15,471	-	17,259	-
Other gains and losses (Notes 23 and 29)	177,838	3	126,031	2
Finance cost (Notes 23 and 29)	(53,171)	(1)	(40,327)	-
Share of profit or loss of subsidiaries, associates and joint ventures (Note 4)	<u>(144,483)</u>	<u>(2)</u>	<u>(132,618)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>99,847</u>	<u>2</u>	<u>71,040</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	724,346	12	1,314,769	16
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(160,481)</u>	<u>(3)</u>	<u>(242,612)</u>	<u>(3)</u>
NET PROFIT FOR THE YEAR	<u>563,865</u>	<u>9</u>	<u>1,072,157</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	(22,661)	-	(6,574)	-
Share of other comprehensive income of subsidiaries, associates and joint ventures	(47)	-	(404)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	3,852	-	1,118	-
Items that may be reclassified subsequently to profit or loss:				

(Continued)

SINYI REALTY INC.

STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
Exchange differences on translating the financial statement of foreign operations	(74,925)	(1)	225,498	3
Unrealized (loss) gain on available-for-sale financial assets	(34,536)	(1)	19,997	-
Shares of other comprehensive income of subsidiaries, associates and joint ventures	<u>(1,990)</u>	<u>-</u>	<u>(102,990)</u>	<u>(1)</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(130,307)</u>	<u>(2)</u>	<u>136,645</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>\$ 433,558</u></u>	<u><u>7</u></u>	<u><u>\$ 1,208,802</u></u>	<u><u>15</u></u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$0.89</u>		<u>\$1.70</u>	
Diluted	<u>\$0.89</u>		<u>\$1.70</u>	

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

(Concluded)

SINYI REALTY INC.

**STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)**

	Share Capital	Capital Surplus	Retained Earnings			Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	
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
Appropriation of 2013 earnings								
Reversal of special reserve	-	-	-	(120,693)	120,693	-	-	-
Legal reserve	-	-	247,503	-	(247,503)	-	-	-
Cash dividends	-	-	-	-	(1,307,324)	-	-	(1,307,324)
Stock dividends	1,106,197	-	-	-	(1,106,197)	-	-	-
Adjustments arising from changes in the interest in subsidiaries	-	(4,701)	-	-	(11,208)	-	-	(15,909)
Net profit for the year ended December 31, 2014	-	-	-	-	1,072,157	-	-	1,072,157
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	(5,860)	225,498	(82,993)	136,645
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	1,066,297	225,498	(82,993)	1,208,802
BALANCE AT DECEMBER 31, 2014	6,134,367	63,896	1,537,793	-	1,094,412	264,741	281,404	9,376,613
Appropriation of 2014 earnings								
Legal reserve	-	-	107,216	-	(107,216)	-	-	-
Cash dividends	-	-	-	-	(613,437)	-	-	(613,437)
Stock dividends	184,031	-	-	-	(184,031)	-	-	-
Net profit for the year ended December 31, 2015	-	-	-	-	563,865	-	-	563,865
Other comprehensive income (loss) for the year ended December 31, 2015, net of income tax	-	-	-	-	(18,856)	(74,925)	(36,526)	(130,307)
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	545,009	(74,925)	(36,526)	433,558
BALANCE AT DECEMBER 31, 2015	\$ 6,318,398	\$ 63,896	\$ 1,645,009	\$ -	\$ 734,737	\$ 189,816	\$ 244,878	\$ 9,196,734

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

SINYI REALTY INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 724,346	\$ 1,314,769
Adjustments for:		
Depreciation expenses	116,944	98,685
Amortization expenses	35,230	21,103
Impairment loss recognized on financial assets	3,662	1,104
Net loss on fair value change of financial assets held for trading	9,849	11,661
Finance costs	53,171	40,327
Interest income	(15,471)	(17,259)
Dividend income	(10,256)	(7,812)
Share of loss of subsidiaries, associates and joint ventures	144,483	132,618
Loss on disposal of property, plant and equipment	1,485	342
Gain on disposal of investment properties	-	(2,053)
Gain on disposal of investments	(67,862)	(33,602)
Impairment loss recognized on non-financial assets	-	2,954
Changes in operating assets and liabilities		
Financial assets held for trading	11,960	28,388
Notes receivable	(58,968)	36,386
Trade receivables	209,645	253,716
Trade receivables from related parties	26,759	62,002
Other receivables	24,781	9,835
Other receivables from related parties	801	(14,167)
Other current assets	(2,661)	(758)
Other operating assets	(9,516)	(10,364)
Notes payable	(5,662)	(2,445)
Other payables	(215,908)	(1,105,214)
Other payables to related parties	(11,159)	33,651
Provisions	(10,257)	(23,334)
Other financial liabilities	(6,923)	(10,151)
Other current liabilities	(15,660)	(35,927)
Other operating liabilities	(230,119)	(48,238)
Cash generated from operations	702,694	736,217
Interest received	15,471	17,259
Interest paid	(53,171)	(40,548)
Income taxes paid	(232,822)	(478,955)
Net cash generated from operating activities	<u>432,172</u>	<u>233,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment accounted for by equity method	(441,597)	(484,477)
Refund on capital of equity method investees	-	251
Proceeds from disposal of available-for-sale financial assets	122,267	23,617
Purchase of available-for-sale financial assets	-	(19,145)
Refund on capital of financial assets measured at cost	38,400	2,333
Payments for property, plant and equipment	(69,524)	(143,613)

(Continued)

SINYI REALTY INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014
Proceeds from disposal of property, plant and equipment	-	373
Refund on property, plant and equipment	1,448	-
Decrease in refundable deposits	6,924	3,718
Payment for intangible assets	(35,940)	(50,495)
Payment for investment properties	-	(37,761)
Proceeds from disposal of investment properties	-	24,926
Increase in other financial assets	(252,079)	-
Decrease in other financial assets	-	614,560
Increase in other non-current assets	(1,455)	(456)
Dividends received	<u>64,393</u>	<u>82,764</u>
Net cash (used in) generated from investing activities	<u>(567,163)</u>	<u>16,595</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of bonds	-	3,000,000
Decrease in other payables to related parties	-	(160,000)
Proceeds from short-term borrowings	200,000	-
Proceeds from long-term borrowings	1,600,000	3,615,000
Repayments of long-term borrowings	(1,400,000)	(4,550,000)
Increase in guarantee deposits received	-	2,720
Refund of guarantee deposits received	(22,960)	-
Dividends paid to owners of the Company	<u>(613,437)</u>	<u>(1,307,324)</u>
Net cash (used in) generated from financing activities	<u>(236,397)</u>	<u>600,396</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(371,388)	850,964
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,407,102</u>	<u>556,138</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,035,714</u>	<u>\$ 1,407,102</u>

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

(Concluded)

SINYI REALTY INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

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

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 financial statements were presented in New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements had been approved by the board of directors and authorized for issue on February 25, 2016.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Company should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

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

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

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries and associates. In general, the disclosure requirements in IFRS 12 are more extensive than in the previous 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 in previous standards; for example, quantitative and qualitative disclosures based on the three-level fair value hierarchy previously required only for financial instruments will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 are applied prospectively from January 1, 2015. Refer to Note 28 for related disclosures.

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

The amendments 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 previous IAS 1, there were no such requirements.

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

4) IAS 19 “Employee Benefits”

The interest cost and expected return on plan assets used in previous IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain change in the presentation of the defined benefit cost, and also includes more extensive disclosures. Refer to Note 21 for related disclosures.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	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 27 “Equity Method in Separate Financial Statements”	January 1, 2016
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

(Concluded)

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

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

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

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

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

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

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

The impairment of financial assets

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

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

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.

3) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Company is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the balance sheets except for low-value and short-term leases. The Company may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the statements of comprehensive income, the Company should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Company as lessor.

When IFRS 16 becomes effective, the Company may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are 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
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing its parent company only financial statements, the Company used equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis are made to investments accounted for by equity method, share of profit or loss of subsidiaries, associates and joint ventures, share of other comprehensive income of subsidiaries, associates and joint ventures and related equity items, as appropriate, in the parent company only financial statements.

For readers' convenience, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of parent company only financial statements shall prevail.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combination

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquire over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

e. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

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

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

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

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

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Investments accounted for using equity method

Investments in subsidiaries and associates are accounted for by the equity method.

1) Investment in subsidiaries

Subsidiaries are the entities controlled by the Company.

The Company uses the equity method to account for its investments in subsidiaries.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the financial statements of the invested company as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. Furthermore, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream transactions with a subsidiary and sidestream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

2) Investment in associates

An associate is an entity over which the Company has significant influence and that is not a subsidiary.

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

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

g. Property, plant and equipment

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

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

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

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

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

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the allocated goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Company disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

1. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Investments in equity instruments under financial assets at fair value through profit or loss that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are subsequently measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in profit or loss.

ii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in profit or loss or other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

iii. Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalent, other receivables and other financial assets - current) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables and other receivables assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables, and other situation.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract, such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables and other receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for service revenue discount are measured and recognized at the end of the reporting period based on the actual experience and possibility of discount occurrence.

n. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

1) Rendering of services

Service revenue from real-estate brokerage business is recognized when services are provided.

Revenue from the rendering of services is recognized when all the following conditions are satisfied:

- a) The amount of revenue can be measured reliably;
- b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- c) The degree of completion of transaction can be measured reliably at the end of the reporting period; and
- d) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

o. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

All of the Company's lease contracts are operating leases. Rental income and expense from operating leases are recognized as rental revenue and operating expense, respectively, on a straight-line basis over the lease term.

p. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement (comprising actuarial gains and losses, effect of changes to the asset ceiling and return on plan assets excluding interest) is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Company takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Impairment of tangible and intangible assets other than goodwill

The Company measures the useful life of individual assets and the probable future economic benefits in a specific asset group, which depends on subjective judgment, asset characteristics and industry, during the impairment testing process. Any change in accounting estimates due to economic circumstances and business strategies might cause material impairment in the future.

c. Provisions

Provisions for service revenue discount are measured and recognized at the end of reporting period based on actual experience and possibility of discount occurrence.

d. Income taxes

Due to the unpredictability of future profit streams, the realizability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such reversal takes place.

e. Recognition and measurement of defined benefit plan

Net defined benefit liabilities (assets) and the resulting defined benefit costs under defined benefit pension plan are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and future salary increase, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2015	2014
Cash on hand	\$ 12,690	\$ 16,253
Checking accounts and demand deposits	327,720	328,985
Cash equivalents		
Time deposits with original maturities less than three months	<u>695,304</u>	<u>1,061,864</u>
	<u>\$ 1,035,714</u>	<u>\$ 1,407,102</u>

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

	<u>December 31</u>	
	2015	2014
Interest rates range	0.12%-4.1%	0.17%-4.1%

As of December 31, 2015 and 2014, the carrying amounts of time deposits with original maturities more than three months were \$229,775 thousand and zero, respectively, which were classified as other financial assets - current (Note 11).

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

	<u>December 31</u>	
	2015	2014
<u>Financial assets held for trading</u>		
Non-derivative financial assets		
Domestic quoted shares	<u>\$ -</u>	<u>\$ 10,564</u>

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	<u>December 31</u>	
	2015	2014
<u>Domestic investments</u>		
Quoted shares	<u>\$ 195,775</u>	<u>\$ 299,910</u>

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	<u>December 31</u>	
	2015	2014
Domestic unlisted common shares	\$ 83,629	\$ 121,742
Foreign unlisted common shares	<u>4,874</u>	<u>4,874</u>
	<u>\$ 88,503</u>	<u>\$ 126,616</u>

Management believed that the fair value of the above unlisted equity investments held by the Company 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 years ended December 31, 2015 and 2014, impairment losses that resulted from the decline in the carrying value of investments were \$3,662 thousand and \$1,104 thousand, respectively.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>Notes receivable and trade receivables</u>		
Notes receivable - operating	\$ 39,216	\$ 10,248
Notes receivable - non-operating	30,000	-
	<u>69,216</u>	<u>10,248</u>
Trade receivables	292,711	520,198
Less: Allowance for doubtful accounts	<u>(4,835)</u>	<u>(22,677)</u>
	<u>287,876</u>	<u>497,521</u>
	<u>\$ 357,092</u>	<u>\$ 507,769</u>
<u>Other receivables</u>		
Others	\$ 53,546	\$ 78,750
Less: Allowance for doubtful accounts	<u>(2,848)</u>	<u>(3,271)</u>
	<u>\$ 50,698</u>	<u>\$ 75,479</u>

a. Trade receivables

The average credit period for rendering of services was 30 to 60 days. No interest was charged on trade receivables. The provision of allowance for trade receivables from real estate brokerage service revenue was estimated based on historical experience. 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 Company considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period.

Other than some specific contracts, the Company divided counterparties into several 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, an analysis of their current financial position and considered credit risk of trade receivables. Decisions on the recognition of allowance for impairment loss were as follows:

- 1) The Company did not recognize an allowance for impairment loss against all receivables aged less than 90 days because historical experience had shown they were recoverable.

2) Receivables aged over 91 days:

According to the historical recovery experience, the Company classified customers into risk groups and calculated the recovery rate for every customer with assessed credit risk based on the number of days from the original sales date to the end of the reporting period and the recoverable amount was calculated by applying the recovery rate to the outstanding receivable amount. Finally, the amount of impairment loss is measured as the difference between the sum of the recoverable amounts and the sum of the carrying amount of the groupings of trade receivables.

a) For customers with assessed low credit risk:

<u>Number of Days from the Original Sales Date to the End of the Reporting Period</u>	<u>Recovery Rate</u>
91-180 days	40%-100%
181-360 days	10%-40%
Over 360 days	0% -10%

b) For customers with assessed high credit risk:

<u>Number of Days from the Original Sales Date to the End of the Reporting Period</u>	<u>Recovery Rate</u>
91-180 days	20%-100%
181-360 days	0%-20%
Over 360 days	0%

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

Aging analysis of receivables was as follows:

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
0-60 days	\$ 223,935	\$ 353,025
61-90 days	22,940	47,861
91-180 days	12,425	35,072
181-360 days	11,463	19,182
Over 360 days	<u>21,948</u>	<u>65,058</u>
	<u>\$ 292,711</u>	<u>\$ 520,198</u>

The above aging schedule was based on the billing date.

For some of the trade receivables (see below for aging analysis) that were past due at the end of the reporting period, the Company did not recognize an allowance for impairment loss because there was no significant change in credit quality and the amounts were considered recoverable.

The aging of receivables that were past due but not impaired was as follows:

	December 31	
	2015	2014
61-90 days	\$ 13,415	\$ 27,176
91-180 days	2,517	20,689
181-360 days	7,830	13,091
Over 360 days	<u>14,620</u>	<u>2,929</u>
	<u>\$ 38,382</u>	<u>\$ 63,885</u>

The above aging schedule was based on the billing date.

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

	2015		2014	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Balance at January 1	\$ 22,677	\$ 3,271	\$ 22,677	\$ 4,224
Less: Reversal of impairment loss	(17,842)	(99)	-	(932)
Less: Amounts written off	<u>-</u>	<u>(324)</u>	<u>-</u>	<u>(21)</u>
Balance at December 31	<u>\$ 4,835</u>	<u>\$ 2,848</u>	<u>\$ 22,677</u>	<u>\$ 3,271</u>

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

11. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2015	2014
Time deposits with original maturity more than three months	\$ 229,775	\$ -
Restricted assets - current	<u>45,360</u>	<u>23,056</u>
	<u>\$ 275,135</u>	<u>\$ 23,056</u>

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

	December 31	
	2015	2014
Time deposits with original maturity more than three months	1.02%-1.14%	-

- 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 30.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2015	2014
Investments in subsidiaries	\$ 7,050,699	\$ 6,883,382
Investments in associates	<u>9,649</u>	<u>10,951</u>
	<u>\$ 7,060,348</u>	<u>\$ 6,894,333</u>

a. Investments in subsidiaries

	December 31	
	2015	2014
Sinyi Limited	\$ 1,814,050	\$ 1,856,952
Sinyi International Limited	4,531,251	4,264,353
Sinyi Development Inc.	495,676	522,600
Sinyi Global Asset Management Co., Ltd.	43,411	47,361
Heng-Yi Real Estate Consulting Inc.	16,862	16,735
Jui-Inn Consultants Co., Ltd.	4,904	4,614
Sinyi Culture Publishing Inc.	1,785	1,663
An-Sin Real Estate Management Ltd.	130,487	144,808
Yowoo Technology Inc.	<u>12,273</u>	<u>24,296</u>
	<u>\$ 7,050,699</u>	<u>\$ 6,883,382</u>

At the end of the reporting period, the proportion of ownership and voting rights in subsidiaries held by the Company were as follows:

Company Name	December 31	
	2015	2014
Sinyi Limited	100%	100%
Sinyi International Limited	100%	100%
Sinyi Development Inc.	100%	100%
Sinyi Global Asset Management Co., Ltd.	100%	100%
Heng-Yi Real Estate Consulting Inc.	100%	100%
Jui-Inn Consultants Co., Ltd.	100%	100%
Sinyi Culture Publishing Inc.	99%	99%
An-Sin Real Estate Management Ltd.	51%	51%
Yowoo Technology Inc.	100%	100%

Refer to Note 33 for the details of subsidiaries indirectly held by the Company.

The investments in subsidiaries accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2015 and 2014 were based on the subsidiaries' financial statements audited by auditors for the same years.

b. Investments in associates

	December 31	
	2015	2014
Associates that are not individually material		
Sinyi Interior Design Co., Ltd.	<u>\$ 9,649</u>	<u>\$ 10,951</u>

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

Name of Associate	December 31	
	2015	2014
Sinyi Interior Design Co., Ltd.	19%	19%

The summarized financial information in respect of the Company's associates that are not individually material is set out below.

	Years Ended December 31	
	2015	2014
The Company's share of		
Profit from continuing operations	\$ 243	\$ 405
Other comprehensive loss	<u>(1,184)</u>	<u>(858)</u>
Total comprehensive loss for the year	<u>\$ (941)</u>	<u>\$ (453)</u>

The investments accounted for by the equity method and the share of profit or loss and other comprehensive loss of the investment for the year ended December 31, 2015 were based on unaudited financial statements. The Company's management believes the unaudited financial statements of Sinyi Interior Design Co., Ltd. do not have material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive loss. The investments accounted for by the equity method and the share of profit or loss and other comprehensive loss of the investment for the year ended December 31, 2014 were based on audited financial statements.

13. PROPERTY, PLANT AND EQUIPMENT

	Year Ended December 31, 2015								Total
	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	
<u>Cost</u>									
Balance at January 1, 2015	\$ 2,573,292	\$ 404,395	\$ 1,208	\$ 300,836	\$ 4,671	\$ 371,128	\$ 79,501	\$ 445	\$ 3,735,476
Additions	-	-	-	23,209	-	45,837	478	-	69,524
Disposals (Note)	-	(1,448)	-	(19,254)	-	(8,245)	-	-	(28,947)
Reclassifications	<u>(323,503)</u>	<u>(49,341)</u>	-	-	-	-	-	<u>(445)</u>	<u>(373,289)</u>
Balance at December 31, 2015	<u>\$ 2,249,789</u>	<u>\$ 353,606</u>	<u>\$ 1,208</u>	<u>\$ 304,791</u>	<u>\$ 4,671</u>	<u>\$ 408,720</u>	<u>\$ 79,979</u>	<u>\$ -</u>	<u>\$ 3,402,764</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2015	\$ -	\$ 83,579	\$ 285	\$ 180,314	\$ 4,671	\$ 260,413	\$ 42,595	\$ -	\$ 571,857
Depreciation expense	-	10,058	201	41,378	-	44,334	11,897	-	107,868
Disposals	-	-	-	(18,478)	-	(7,536)	-	-	(26,014)
Reclassifications	-	<u>(10,790)</u>	-	-	-	-	-	-	<u>(10,790)</u>
Balance at December 31, 2015	<u>\$ -</u>	<u>\$ 82,847</u>	<u>\$ 486</u>	<u>\$ 203,214</u>	<u>\$ 4,671</u>	<u>\$ 297,211</u>	<u>\$ 54,492</u>	<u>\$ -</u>	<u>\$ 642,921</u>
Net book value, January 1, 2015	<u>\$ 2,573,292</u>	<u>\$ 320,816</u>	<u>\$ 923</u>	<u>\$ 120,522</u>	<u>\$ -</u>	<u>\$ 110,715</u>	<u>\$ 36,906</u>	<u>\$ 445</u>	<u>\$ 3,163,619</u>
Net book value, December 31, 2015	<u>\$ 2,249,789</u>	<u>\$ 270,759</u>	<u>\$ 722</u>	<u>\$ 101,577</u>	<u>\$ -</u>	<u>\$ 111,509</u>	<u>\$ 25,487</u>	<u>\$ -</u>	<u>\$ 2,759,843</u>

Year Ended December 31, 2014

	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>									
Balance at January 1, 2014	\$ 2,573,292	\$ 404,395	\$ 2,606	\$ 239,138	\$ 4,671	\$ 331,934	\$ 62,025	\$ 21,777	\$ 3,639,838
Additions	-	-	-	86,498	-	39,194	17,476	445	143,613
Disposals	-	-	(1,398)	(24,800)	-	-	-	-	(26,198)
Reclassifications	-	-	-	-	-	-	-	(21,777)	(21,777)
Balance at December 31, 2014	<u>\$ 2,573,292</u>	<u>\$ 404,395</u>	<u>\$ 1,208</u>	<u>\$ 300,836</u>	<u>\$ 4,671</u>	<u>\$ 371,128</u>	<u>\$ 79,501</u>	<u>\$ 445</u>	<u>\$ 3,735,476</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2014	\$ -	\$ 73,274	\$ 977	\$ 170,351	\$ 4,671	\$ 224,742	\$ 33,576	\$ -	\$ 507,591
Depreciation expense	-	10,305	415	34,339	-	35,671	9,019	-	89,749
Disposals	-	-	(1,107)	(24,376)	-	-	-	-	(25,483)
Balance at December 31, 2014	<u>\$ -</u>	<u>\$ 83,579</u>	<u>\$ 285</u>	<u>\$ 180,314</u>	<u>\$ 4,671</u>	<u>\$ 260,413</u>	<u>\$ 42,595</u>	<u>\$ -</u>	<u>\$ 571,857</u>
Net book value, January 1, 2014	<u>\$ 2,573,292</u>	<u>\$ 331,121</u>	<u>\$ 1,629</u>	<u>\$ 68,787</u>	<u>\$ -</u>	<u>\$ 107,192</u>	<u>\$ 28,449</u>	<u>\$ 21,777</u>	<u>\$ 3,132,247</u>
Net book value, December 31, 2014	<u>\$ 2,573,292</u>	<u>\$ 320,816</u>	<u>\$ 923</u>	<u>\$ 120,522</u>	<u>\$ -</u>	<u>\$ 110,715</u>	<u>\$ 36,906</u>	<u>\$ 445</u>	<u>\$ 3,163,619</u>

Note: The proceeds of disposal of building were collected based on the portfolio of the value of right and investment amount after the urban renewal plan was completed; the Company participated in the plan.

The above items of property, plant and equipment are 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	3-15 years

- a. There was no interest capitalized during the years ended December 31, 2015 and 2014.
- b. Refer to Note 30 for the details of properties, plant and equipment pledged as collaterals.

14. INVESTMENT PROPERTIES

Year Ended December 31, 2015

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2015	\$ 2,129,834	\$ 364,094	\$ 2,493,928
Reclassifications	<u>323,503</u>	<u>49,341</u>	<u>372,844</u>
Balance at December 31, 2015	<u>\$ 2,453,337</u>	<u>\$ 413,435</u>	<u>\$ 2,866,772</u>

(Continued)

	Year Ended December 31, 2015		
	Land	Buildings	Total
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2015	\$ 7,396	\$ 80,068	\$ 87,464
Depreciation expense	-	9,076	9,076
Reclassifications	-	10,790	10,790
Balance at December 31, 2015	<u>\$ 7,396</u>	<u>\$ 99,934</u>	<u>\$ 107,330</u>
Net book value, January 1, 2015	<u>\$ 2,122,438</u>	<u>\$ 284,026</u>	<u>\$ 2,406,464</u>
Net book value, December 31, 2015	<u>\$ 2,445,941</u>	<u>\$ 313,501</u>	<u>\$ 2,759,442</u>

(Concluded)

	Year Ended December 31, 2014		
	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2014	\$ 2,121,581	\$ 357,575	\$ 2,479,156
Additions	30,056	7,705	37,761
Disposals	(21,803)	(1,186)	(22,989)
Balance at December 31, 2014	<u>\$ 2,129,834</u>	<u>\$ 364,094</u>	<u>\$ 2,493,928</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2014	\$ 5,745	\$ 69,945	\$ 75,690
Recognized impairment losses	1,651	1,303	2,954
Depreciation expense	-	8,936	8,936
Disposals	-	(116)	(116)
Balance at December 31, 2014	<u>\$ 7,396</u>	<u>\$ 80,068</u>	<u>\$ 87,464</u>
Net book value, January 1, 2014	<u>\$ 2,115,836</u>	<u>\$ 287,630</u>	<u>\$ 2,403,466</u>
Net book value, December 31, 2014	<u>\$ 2,122,438</u>	<u>\$ 284,026</u>	<u>\$ 2,406,464</u>

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

Buildings - main buildings 22-60 years

The total fair value of the Company's investment properties and property, plant and equipment as of December 31, 2015 and 2014 was \$9,403,909 thousand and \$9,035,847 thousand, respectively. The fair value determination was not performed by independent qualified professional valuers, but by the management of the Company who used the valuation model that market participants generally use in determining fair value, and the fair value was measured by using Level 3 inputs. The fair value was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Company's investment property was held under freehold interests. The carrying amount of the investment properties that had been pledged by the Company to secure borrowings was disclosed in Note 30.

15. INTANGIBLE ASSETS

	<u>December 31</u>		
	2015	2014	
Goodwill	\$ 9,621	\$ 9,621	
System software costs	<u>69,180</u>	<u>68,025</u>	
	<u>\$ 78,801</u>	<u>\$ 77,646</u>	
Year Ended December 31, 2015			
	Goodwill	System Software Costs	Total
<u>Cost</u>			
Balance at January 1, 2015	\$ 9,621	\$ 115,672	\$ 125,293
Additions	-	35,940	35,940
Reclassifications	<u>-</u>	<u>445</u>	<u>445</u>
Balance at December 31, 2015	<u>\$ 9,621</u>	<u>\$ 152,057</u>	<u>\$ 161,678</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2015	\$ -	\$ 47,647	\$ 47,647
Amortization expense	<u>-</u>	<u>35,230</u>	<u>35,230</u>
Balance at December 31, 2015	<u>\$ -</u>	<u>\$ 82,877</u>	<u>\$ 82,877</u>
Net book value, January 1, 2015	<u>\$ 9,621</u>	<u>\$ 68,025</u>	<u>\$ 77,646</u>
Net book value, December 31, 2015	<u>\$ 9,621</u>	<u>\$ 69,180</u>	<u>\$ 78,801</u>
Year Ended December 31, 2014			
	Goodwill	System Software Costs	Total
<u>Cost</u>			
Balance at January 1, 2014	\$ 9,621	\$ 43,400	\$ 53,021
Additions	-	50,495	50,495
Reclassifications	<u>-</u>	<u>21,777</u>	<u>21,777</u>
Balance at December 31, 2014	<u>\$ 9,621</u>	<u>\$ 115,672</u>	<u>\$ 125,293</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2014	\$ -	\$ 26,544	\$ 26,544
Amortization expense	<u>-</u>	<u>21,103</u>	<u>21,103</u>
Balance at December 31, 2014	<u>\$ -</u>	<u>\$ 47,647</u>	<u>\$ 47,647</u>
Net book value, January 1, 2014	<u>\$ 9,621</u>	<u>\$ 16,856</u>	<u>\$ 26,477</u>
Net book value, December 31, 2014	<u>\$ 9,621</u>	<u>\$ 68,025</u>	<u>\$ 77,646</u>

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

System software costs 2-5 years

The recoverable amount of the Company's goodwill had been tested for impairment using the forecast carrying amount at the end of the annual reporting period. For the year ended December 31, 2015, the Company did not recognize any impairment loss on goodwill.

16. OTHER ASSETS

	<u>December 31</u>	
	2015	2014
Prepaid expenses	\$ 26,324	\$ 23,656
Temporary payments	280	287
Overdue receivables	4,644	3,189
Others	<u>1,890</u>	<u>1,890</u>
	<u>\$ 33,138</u>	<u>\$ 29,022</u>
Current	\$ 26,604	\$ 23,943
Non-current	<u>6,534</u>	<u>5,079</u>
	<u>\$ 33,138</u>	<u>\$ 29,022</u>

17. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	2015	2014
<u>Unsecured borrowings</u>		
Unsecured loan	<u>\$ 200,000</u>	<u>\$ -</u>

The interest rates of the bank loans ranged 1.40%-1.63% per annum as of December 31, 2015.

b. Long-term borrowings

	<u>December 31</u>	
	2015	2014
<u>Secured borrowings</u>		
Bank loans	\$ 400,000	\$ 100,000
<u>Unsecured borrowings</u>		
Bank loans	<u>-</u>	<u>100,000</u>
Long-term borrowings	<u>\$ 400,000</u>	<u>\$ 200,000</u>

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

	Content of Borrowings	December 31	
		2015	2014
E.Sun Bank	Loan limit: \$800,000 thousand; period: December 30, 2015 to December 30, 2017; fixed interest rate of 1.55% with negotiating rate per 90 days; interest is paid monthly and principal is repaid at maturity.	\$ 100,000	\$ -
East Asia Bank	Loan limit: \$1,600,000 thousand; period: December 31, 2015 to December 31, 2018; floating interest rate of 1.718%; total 7 quarterly installments to begin 18 months after December 31, 2015, 5% of principal for each of the first six installments, while the rest will be paid at maturity.	200,000	-
East Asia Bank	Loan limit: \$1,300,000 thousand; period: December 31, 2013 to December 18, 2016; floating interest rate of 1.89%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in July 2015.	-	100,000
Bank of Taiwan	Loan limit: \$1,000,000 thousand; period: September 22, 2015 to September 22, 2018; fixed interest rate of 1.8% with negotiating rate per 180 days; interest is paid monthly and principal is repaid at maturity.	100,000	-
Far Eastern International Bank	Loan limit: \$800,000 thousand; period: December 31, 2014 to December 30, 2016; floating interest rate of 1.865%; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in June 2015.	-	100,000
Total long-term borrowings		<u>\$ 400,000</u>	<u>\$ 200,000</u>

Refer to Note 30 for the details of assets pledged as collaterals for long-term borrowings.

18. BONDS PAYABLE

	December 31	
	2015	2014
Domestic unsecured bonds	\$ 3,000,000	\$ 3,000,000
Less: Current portion	-	-
	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

The major terms of domestic unsecured bonds were as follows:

Issuance Period	Total Amount (In Thousand)	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 Company will repay half of the principle respectively; interest paid annually.

19. OTHER LIABILITIES

	December 31	
	2015	2014
<u>Current</u>		
Other payables	\$ 1,175,677	\$ 1,391,585
Other payables to related parties (Note 29)	37,823	48,982
		(Continued)

	December 31	
	2015	2014
Other financial liabilities	\$ 48,590	\$ 55,513
Other liabilities	<u>72,771</u>	<u>88,431</u>
	<u>\$ 1,334,861</u>	<u>\$ 1,584,511</u>
 <u>Non-current</u>		
Other liabilities	<u>\$ 644,281</u>	<u>\$ 874,400</u> (Concluded)

a. Other payables were as follows:

	December 31	
	2015	2014
Salaries and bonus	\$ 844,445	\$ 1,059,700
Advertisement	101,112	94,970
Labor and health insurance	56,798	64,607
Annual leave	49,973	50,397
Professional fees	12,566	13,374
Interest payables	22,990	23,011
Employees' bonuses/compensation and compensation of directors	14,393	16,701
Others	<u>73,400</u>	<u>68,825</u>
	<u>\$ 1,175,677</u>	<u>\$ 1,391,585</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. The performance bonuses payable under other liabilities amounted to \$644,281 thousand and \$874,400 thousand as of December 31, 2015 and 2014, respectively.

b. Other financial liabilities were as follows:

	December 31	
	2015	2014
Other receipts under custody	\$ 42,881	\$ 45,959
Payables on equipment	<u>5,709</u>	<u>9,554</u>
	<u>\$ 48,590</u>	<u>\$ 55,513</u>

c. Other current liabilities were as follows:

	December 31	
	2015	2014
VAT payable	\$ 58,398	\$ 76,911
Other	<u>14,373</u>	<u>11,520</u>
	<u>\$ 72,771</u>	<u>\$ 88,431</u>

20. PROVISIONS

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Service revenue allowances	<u>\$ 34,149</u>	<u>\$ 44,406</u>
Current	\$ 29,505	\$ 41,217
Non-current	<u>4,644</u>	<u>3,189</u>
	<u>\$ 34,149</u>	<u>\$ 44,406</u>
		Service Allowances
Balance, January 1, 2015		\$ 44,406
Reversal		<u>(10,257)</u>
Balance, December 31, 2015		<u>\$ 34,149</u>
Balance, January 1, 2014		\$ 67,740
Reversal		<u>(23,334)</u>
Balance, December 31, 2014		<u>\$ 44,406</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.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plan were as follows:

	December 31	
	2015	2014
Present value of defined benefit obligation	\$ 519,355	\$ 487,089
Fair value of plan assets	<u>(518,942)</u>	<u>(499,821)</u>
Deficit (surplus)	<u>413</u>	<u>(12,732)</u>
Net defined benefit liability (asset)	<u>\$ 413</u>	<u>\$ (12,732)</u>

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Asset) Liability
Balance at January 1, 2014	\$ 466,768	\$ (475,710)	\$ (8,942)
Service cost			
Current service cost	3,308	-	3,308
Past service cost	401	-	401
Net interest expense (income)	<u>8,752</u>	<u>(9,639)</u>	<u>(887)</u>
Recognized in profit or loss	<u>12,461</u>	<u>(9,639)</u>	<u>2,822</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,687)	(1,687)
Actuarial loss - changes in demographic assumptions	23,541	-	23,541
Actuarial gain - experience adjustments	<u>(15,280)</u>	<u>-</u>	<u>(15,280)</u>
Recognized in other comprehensive income	<u>8,261</u>	<u>(1,687)</u>	<u>6,574</u>
Contributions from the employer	<u>-</u>	<u>(13,186)</u>	<u>(13,186)</u>
Benefits paid	<u>(401)</u>	<u>401</u>	<u>-</u>
Balance at December 31, 2014	<u>487,089</u>	<u>(499,821)</u>	<u>(12,732)</u>
Service cost			
Current service cost	3,575	-	3,575
Net interest expense (income)	<u>9,133</u>	<u>(9,473)</u>	<u>(340)</u>
Recognized in profit or loss	<u>12,708</u>	<u>(9,473)</u>	<u>3,235</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,828)	(3,828)
Actuarial loss - changes in demographic assumptions	23,232	-	23,232
Actuarial loss - changes in financial assumptions	16,479	-	16,479
Actuarial gain - experience adjustments	<u>(13,222)</u>	<u>-</u>	<u>(13,222)</u>
Recognized in other comprehensive income	<u>26,489</u>	<u>(3,828)</u>	<u>22,661</u>
Contributions from the employer	<u>-</u>	<u>(12,751)</u>	<u>(12,751)</u>
Benefits paid	<u>(6,931)</u>	<u>6,931</u>	<u>-</u>
Balance at December 31, 2015	<u>\$ 519,355</u>	<u>\$ (518,942)</u>	<u>\$ 413</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

	Years Ended December 31	
	2015	2014
Operating costs	\$ 2,833	\$ 2,219
Operating expenses	<u>402</u>	<u>603</u>
	<u>\$ 3,235</u>	<u>\$ 2,822</u>

Through the defined benefit plan under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2015	2014
Discount rate(s)	1.625%	1.875%
Expected rate(s) of salary increase	3.000%	3.000%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2015	2014
Discount rate(s)		
0.25% increase	<u>\$ (17,318)</u>	<u>\$ (16,588)</u>
0.25% decrease	<u>\$ 18,106</u>	<u>\$ 17,359</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 17,524</u>	<u>\$ 16,829</u>
0.25% decrease	<u>\$ (16,853)</u>	<u>\$ (16,168)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
The expected contributions to the plan for the next year	<u>\$ 8,999</u>	<u>\$ 10,752</u>
The average duration of the defined benefit obligation	13.7 years	14.0 years

22. EQUITY

Share Capital

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>
Share capital authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>631,840</u>	<u>613,437</u>
Share capital issued	<u>\$ 6,318,398</u>	<u>\$ 6,134,367</u>

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

Capital Surplus

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Employee stock options	<u>\$ 63,896</u>	<u>\$ 63,896</u>

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds, 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).

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.

In accordance with the amendments to the Company Act in May 2015 and Rule No. 10402413890 on legal interpretations issued by the MOEA, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Company's Articles of Incorporation had been proposed by the Company's board of directors on December 29, 2015 and are subject to the resolution of the shareholders in their meeting to be held on May 20, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to employee benefits expense in Note 23.

- b. Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled

“Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs”, the Company should appropriate earnings to special reserve and reverse special reserve to earnings. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

- c. 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.
- d. 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.
- e. The appropriations of earnings for 2014 and 2013 had been approved in the shareholders’ meeting held on May 15, 2015 and May 30, 2014, respectively were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	Years Ended December 31		Years Ended December 31	
	2014	2013	2014	2013
Reversal of special reverse	\$ -	\$ (120,693)	\$ -	\$ -
Legal reserve	107,216	247,503	-	-
Cash dividends	613,437	1,307,324	1.0	2.6
Stock dividends	184,031	1,106,197	0.3	2.2

- f. The appropriations of earnings for 2015 had been proposed by the Company’s board of directors on February 25, 2016. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 56,387	\$ -
Cash dividends	442,288	0.7

The appropriations of earnings for 2015 are subject to the resolution of the shareholders’ meeting to be held on May 20, 2016.

Special Reserves Appropriated Following First-time Adoption of IFRSs under FSC Issued Rule No. 1010012865

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

Others Equity Items

	December 31	
	2015	2014
Exchange differences on translating foreign operations	\$ 189,816	\$ 264,741
Unrealized gains on available-for-sale financial assets	<u>244,878</u>	<u>281,404</u>
	<u>\$ 434,694</u>	<u>\$ 546,145</u>

a. Exchange differences on translating the financial statement of foreign operations

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the 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 on 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.

23. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the following:

Interest Income

	Years Ended December 31	
	2015	2014
Interest income		
Cash in bank	\$ 15,404	\$ 17,245
Others	<u>67</u>	<u>14</u>
	<u>\$ 15,471</u>	<u>\$ 17,259</u>

Other Gains and Losses

	Years Ended December 31	
	2015	2014
Impairment loss recognized on investment properties	\$ -	\$ (2,954)
Impairment loss on financial assets measured at cost	(3,662)	(1,104)
Gain on disposal of investments	67,862	33,602
Net loss on financial assets classified as held for trading	(9,849)	(11,661)
Loss on disposal of property, plant and equipment	(1,485)	(342)
Gain on disposal of investment properties	-	2,053
Net foreign exchange gain	23,854	20,319
Gain on reversal of bad debts	17,941	932
Administration service revenue	59,400	51,261
Others	<u>23,777</u>	<u>33,925</u>
	<u>\$ 177,838</u>	<u>\$ 126,031</u>

Finance Costs

	Years Ended December 31	
	2015	2014
Interest on bank loans	\$ 8,459	\$ 16,238
Interest on loans from related parties	-	1,056
Interest on unsecured bonds payable	44,278	22,991
Others	<u>434</u>	<u>42</u>
	<u>\$ 53,171</u>	<u>\$ 40,327</u>

Depreciation and Amortization

	Years Ended December 31	
	2015	2014
Property, plant and equipment	\$ 107,868	\$ 89,749
Investment property	9,076	8,936
Intangible assets	<u>35,230</u>	<u>21,103</u>
	<u>\$ 152,174</u>	<u>\$ 119,788</u>
An analysis of depreciation by function		
Operating costs	\$ 79,163	\$ 62,817
Operating expenses	28,705	26,932
Other losses	<u>9,076</u>	<u>8,936</u>
	<u>\$ 116,944</u>	<u>\$ 98,685</u>
An analysis of amortization by function		
Operating costs	\$ 16,351	\$ 380
Operating expenses	<u>18,879</u>	<u>20,723</u>
	<u>\$ 35,230</u>	<u>\$ 21,103</u>

Operating Expenses Directly Related to Investment Properties

	Years Ended December 31	
	2015	2014
Direct operating expenses from investment property that generated rental income	\$ 22,547	\$ 21,634
Direct operating expenses from investment property that did not generate rental income	<u>83</u>	<u>220</u>
	<u>\$ 22,630</u>	<u>\$ 21,854</u>

Employee Benefits Expense

Year ended December 31, 2015

	Operating Costs	Operating Expenses	Total
Salary expense	\$ 2,838,679	\$ 284,374	\$ 3,123,053
Labor and health insurance expense	<u>227,460</u>	<u>24,227</u>	<u>251,687</u>
	<u>3,066,139</u>	<u>308,601</u>	<u>3,374,740</u>
Pension expense			
Defined contribution plan	123,362	12,974	136,336
Defined benefit plan (Note 21)	<u>2,833</u>	<u>402</u>	<u>3,235</u>
	<u>126,195</u>	<u>13,376</u>	<u>139,571</u>
Other employee benefits	<u>87,380</u>	<u>75,744</u>	<u>163,124</u>
Total employee benefits expense	<u>\$ 3,279,714</u>	<u>\$ 397,721</u>	<u>\$ 3,677,435</u>

Year ended December 31, 2014

	Operating Costs	Operating Expenses	Total
Salary expense	\$ 3,477,433	\$ 290,589	\$ 3,768,022
Labor and health insurance expense	<u>251,616</u>	<u>22,729</u>	<u>274,345</u>
	<u>3,729,049</u>	<u>313,318</u>	<u>4,042,367</u>
Pension expense			
Defined contribution plan	135,359	12,348	147,707
Defined benefit plan (Note 21)	<u>2,219</u>	<u>603</u>	<u>2,822</u>
	<u>137,578</u>	<u>12,951</u>	<u>150,529</u>
Other employee benefits	<u>89,095</u>	<u>72,186</u>	<u>161,281</u>
Total employee benefits expense	<u>\$ 3,955,722</u>	<u>\$ 398,455</u>	<u>\$ 4,354,177</u>

As of December 31, 2015 and 2014, the Company had 3,909 and 4,085 employees, respectively.

To be in compliance with the Company Act as amended in May 2015, the proposed amended Articles of Incorporation of the Company stipulate to distribute employees' compensation at specified rates of net profit. In accordance with the Company Act, amendments to the Company's Articles of Incorporation had been proposed by the Company's board of directors on December 29, 2015. For the year ended December 31, 2015, the accrued employees' compensation and remuneration to directors amounted to \$7,393 thousand and \$7,000 thousand, respectively, based on the net profit before employees' compensation and remuneration to directors. The employees' compensation was estimated based on rates stipulated in the Company's Articles of Incorporation, while the accrued remuneration to directors was based on fixed amounts. The employees' compensation and remuneration to directors for the year ended December 31, 2015 have been approved by the Company's board of directors on February 25, 2016 and are subject to the resolution and adoption of the amendments to the Company's Articles of Incorporation by the shareholders in their meeting to be held on May 20, 2016, and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

For the year ended December 31, 2014, the bonus to employees and the remuneration to directors were \$9,701 thousand and \$7,000 thousand, respectively. The above bonus to employees represented 1% of distributable retained earnings (net of the bonus and remuneration). The remuneration to directors was estimated based on the actual amounts in the past.

Material differences between the estimated amounts and the amounts proposed by the board of directors on

or before the date the parent company only annual financial statements are authorized for issue are adjusted in the year the bonus and the remuneration were recognized. If there is a change in the proposed amounts after the date the parent company only financial statements were 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 closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.

The bonus to employees and remuneration to directors for 2014 and 2013 which have been approved in the shareholders' meetings on May 15, 2015 and May 30, 2014, respectively, were as follows:

	Years Ended December 31	
	2014	2013
	Cash	Cash
Bonus to employees	\$ 9,872	\$ 24,528
Remuneration to directors	6,417	6,623

The bonus to employees and the remuneration to directors for the years ended December 31, 2014 and 2013 approved in the shareholders' meetings on May 15, 2015 and May 30, 2014 and the amounts recognized in the financial statements for the years ended December 31, 2014 and 2013, respectively, were as follows:

	Years Ended December 31			
	2014		2013	
	Bonus to Employees	Remuneration to Directors	Bonus to Employees	Remuneration to Directors
Amounts approved in shareholders' meetings	\$ 9,872	\$ 6,417	\$ 24,528	\$ 6,623
Amounts recognized in respective financial statements	<u>(9,701)</u>	<u>(7,000)</u>	<u>(23,266)</u>	<u>(11,633)</u>
	<u>\$ 171</u>	<u>\$ (583)</u>	<u>\$ 1,262</u>	<u>\$ (5,010)</u>

The differences in 2014 and 2013 were adjusted to profit and loss for the years ended December 31, 2015 and 2014, respectively.

Information on the employees' compensation and remuneration to directors approved by the Company's board of directors in 2016 and by the Company's shareholders in their meetings in 2015 and 2014 is available on the Market Observation Post System website of the Taiwan Stock Exchange.

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

Income Tax Recognized in Profit or Loss

The major components of tax expense were as follows:

	Years Ended December 31	
	2015	2014
Current tax		
In respect of the current period	\$ 127,636	\$ 235,060
Income tax expense of unappropriated earnings	16,161	-
In respect of the prior periods	8,186	856
Deferred tax		

	Years Ended December 31	
	2015	2014
In respect of the current period	<u>8,498</u>	<u>6,696</u>
Income tax expense recognized in profit or loss	<u>\$ 160,481</u>	<u>\$ 242,612</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	Years Ended December 31	
	2015	2014
Profit before tax from continuing operations	<u>\$ 724,346</u>	<u>\$1,314,769</u>
Income tax expense calculated at the statutory rate (17%)	\$ 123,139	\$ 223,511
Nondeductible expenses in determining taxable income	57	475
Tax-exempt income	(10,513)	(12,137)
Additional income tax on unappropriated earnings	16,161	-
Adjustments for prior years' tax	8,186	856
Unrecognized deductible temporary differences	<u>23,451</u>	<u>29,907</u>
Income tax expense recognized in profit or loss	<u>\$ 160,481</u>	<u>\$ 242,612</u>

The applicable tax rate used above is the corporate tax rate of 17% for the Company in ROC.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 2015 unappropriated earnings are not reliably determinable.

Income Tax Recognized in Other Comprehensive Income

	Years Ended December 31	
	2015	2014
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plan	<u>\$ 3,852</u>	<u>\$ 1,118</u>

Current Tax Liabilities

	December 31	
	2015	2014
Current tax liabilities		
Income tax payable	<u>\$ 24,047</u>	<u>\$ 104,886</u>

Deferred Tax Assets and Liabilities

The Company has offset certain deferred tax assets and deferred tax liabilities which met the offset criteria.

The movements of deferred tax assets and deferred tax liabilities were as follows:

Year ended December 31, 2015

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensiv e Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for doubtful accounts	\$ 10,843	\$ (4,547)	\$ -	\$ 6,296
Others	<u>280</u>	<u>3,185</u>	<u>-</u>	<u>3,465</u>
	<u>\$ 11,123</u>	<u>\$ (1,362)</u>	<u>\$ -</u>	<u>\$ 9,761</u>

Deferred tax liabilities

Temporary differences				
Defined benefit obligation	\$ 27,341	\$ 1,617	\$ (3,852)	\$ 25,106
Others	<u>-</u>	<u>5,519</u>	<u>-</u>	<u>5,519</u>
	<u>\$ 27,341</u>	<u>\$ 7,136</u>	<u>\$ (3,852)</u>	<u>\$ 30,625</u>

Year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Allowance for doubtful accounts	\$ 14,374	\$ (3,531)	\$ -	\$ 10,843
Incentive compensation	43	(43)	-	-
Others	<u>1,890</u>	<u>(1,610)</u>	<u>-</u>	<u>280</u>
	<u>\$ 16,307</u>	<u>\$ (5,184)</u>	<u>\$ -</u>	<u>\$ 11,123</u>

Deferred tax liabilities

Temporary differences				
Defined benefit obligation	\$ 26,696	\$ 1,763	\$ (1,118)	\$ 27,341
Others	<u>251</u>	<u>(251)</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,947</u>	<u>\$ 1,512</u>	<u>\$ (1,118)</u>	<u>\$ 27,341</u>

Integrated Income Tax

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
<u>Unappropriated earnings</u>		
Unappropriated earnings generated on and after January 1, 1998	<u>\$ 734,736</u>	<u>\$ 1,094,412</u>
Imputation credits accounts	<u>\$ 280,066</u>	<u>\$ 222,352</u>

The creditable ratio for distribution of earnings of 2015 and 2014 was 23.97% (estimated) and 20.85%, 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 2015 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

Income Tax Assessments

The tax returns through 2012 have been assessed by the tax authorities. The Company disagreed with the tax authorities' assessment of its 2012 and 2011 tax return and applied for a re-examination.

25. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	<u>Years Ended December 31</u>	
	<u>2015</u>	<u>2014</u>
Basic EPS	<u>\$ 0.89</u>	<u>\$ 1.70</u>
Diluted EPS	<u>\$ 0.89</u>	<u>\$ 1.70</u>

The earnings per share computation for the year ended December 31, 2014 was retrospectively adjusted for the effects of adjustments resulting from bonus stock issued on June 27, 2015. The basic and diluted after-tax earnings per share were adjusted retrospectively as followings:

	Unit: NT\$ Per Share	
	<u>Year Ended December 31, 2014</u>	
	<u>Before Adjusted Retrospectively</u>	<u>After Adjusted Retrospectively</u>
Basic earnings per share	<u>\$ 1.75</u>	<u>\$ 1.70</u>
Diluted earnings per share	<u>\$ 1.75</u>	<u>\$ 1.70</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 Year

	<u>Years Ended December 31</u>	
	2015	2014
Profit for the period	<u>\$ 563,865</u>	<u>\$ 1,072,157</u>

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

	<u>Years Ended December 31</u>	
	2015	2014
Weighted average number of ordinary shares in computation of basic earnings per share	631,840	631,840
Effect of dilutive potential ordinary shares:		
Bonus issue to employee	<u>270</u>	<u>265</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>632,110</u>	<u>632,105</u>

Since the Company is allowed to settle the bonus to employees by cash or shares, the Company presumed that the entire amount of the bonus will be settled in shares and the resulting potential shares are included in the weighted average number of outstanding shares used in the calculation of diluted earnings per share, as 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 is 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.

26. OPERATING LEASE ARRANGEMENTS

The Company 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 Company does not have a bargain purchase option to acquire the leased office at the expiry of the lease periods.

As of December 31, 2015 and 2014, refundable deposits paid under operating lease amounted to \$76,807 thousand and \$80,168 thousand, respectively.

The future minimum lease payments payable on non-cancellable operating lease commitments were as follows:

	<u>December 31</u>	
	2015	2014
Within 1 year	\$ 369,612	\$ 359,962
1 to 5 years	640,754	533,779
After 5 years	<u>20,884</u>	<u>33,990</u>
	<u>\$ 1,031,250</u>	<u>\$ 927,731</u>

The Company as Lessor

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

As of December 31, 2015 and 2014, deposits received under operating leases amounted to \$21,309 thousand and \$20,919 thousand, respectively.

The future minimum lease payments receivable on non-cancellable operating leases were as follows:

	December 31	
	2015	2014
Within 1 year	\$ 96,429	\$ 92,779
1 to 5 years	<u>77,491</u>	<u>165,903</u>
	<u>\$ 173,920</u>	<u>\$ 258,682</u>

27. CAPITAL RISK MANAGEMENT

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

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

December 31, 2015

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 3,021,693</u>	<u>\$ -</u>	<u>\$ 3,021,693</u>

December 31, 2014

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	\$ 3,000,000	\$ -	\$ 2,998,521	\$ -	\$ 2,998,521

The fair values of the financial liabilities included in the Level 2 category above have been determined in accordance with market price based on a discounted cash flow analysis, with the most significant observable inputs being the bond duration, interest rates and credit ratings, etc.

b. Fair value of financial instruments that are measured at fair value

December 31, 2015

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 195,775	\$ -	\$ -	\$ 195,775

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 10,564	\$ -	\$ -	\$ 10,564
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 299,910	\$ -	\$ -	\$ 299,910

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

Categories of Financial Instruments

	December 31	
	2015	2014
<u>Financial assets</u>		
FVTPL		
Held for trading	\$ -	\$ 10,564
Loans and receivables (Note 1)	1,924,852	2,254,103
Available-for-sale financial assets (Note 2)	284,278	426,526
<u>Financial liabilities</u>		
Amortized cost (Note 3)	5,551,724	5,644,455

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

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

Financial Risk Management Objectives and Policies

The Company's major financial instruments included equity, mutual funds, trade receivables, other payables, bonds payables and borrowings. The Company's Corporate Treasury function provides services to the business and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company 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 Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

1) Foreign currency exchange

Most of the Company'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 Company took foreign operations as strategic investments, and did not hedge the risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period please refer to Note 32.

Foreign currency sensitivity analysis

The following table details the Company'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.

	Years Ended December 31			
	2015		2014	
	RMB	USD	RMB	USD
Equity	\$ -	\$ 63,453	\$ -	\$ 61,213
Profit or loss	2,109	7,589	2,974	2,686

2) Interest rate risk

The Company is exposed to interest rate risk on investments and borrowings; interest rates could be fixed or floating. The investments and part of borrowings are fixed-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 Company's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	December 31	
	2015	2014
Fair value interest rate risk		
Financial assets	\$ 925,079	\$ 864,664
Financial liabilities	3,400,000	3,000,000
Cash flow interest rate risk		
Financial assets	45,360	220,256
Financial liabilities	200,000	200,000

Interest rate sensitivity analysis

The Company 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 Company's cash outflow will increase by \$2,000 thousand.

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company 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 Company is mainly engaged in the operation of real-estate brokerage business and the customers of the Company are the people who buy and sell the houses. The revenue from agency service is also received through the housing performance guarantee, so the concentration credit risk of trade receivable is immaterial.

Financial credit risk

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

c. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining certain level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. The Company has sufficient working capital to pay all debts; thus, there is no liquidity risk.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2015 and 2014, the Company had available unutilized bank loan facilities as follows:

	December 31	
	2015	2014
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	\$ 200,000	\$ 100,000
Amount unused	<u>3,750,000</u>	<u>1,200,000</u>
	<u>\$ 3,950,000</u>	<u>\$ 1,300,000</u>
Secured bank overdraft facility:		
Amount used	\$ 400,000	\$ 100,000
Amount unused	<u>5,250,000</u>	<u>4,350,000</u>
	<u>\$ 5,650,000</u>	<u>\$ 4,450,000</u>

29. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and related parties were disclosed below:

a. Trade receivables from related parties, net

	December 31	
	2015	2014
Subsidiaries	<u>\$ 96,671</u>	<u>\$ 123,430</u>

Trade receivables from related parties represent amounts collected on behalf of the Company. The related parties will transfer the amount to the Company after closing the deals.

b. Other payables to related parties

	December 31	
	2015	2014
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 8,028	\$ 10,863
Related parties in substance	24,080	30,041
Subsidiaries	5,606	8,078
Other - vice president of the Company	<u>109</u>	<u>-</u>
	<u>\$ 37,823</u>	<u>\$ 48,982</u>

Parts of other payables to related parties were financing. Information on the financing for the years ended December 31, 2015 and 2014 were as follows:

Year ended December 31, 2015: None.

	Year Ended December 31, 2014				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Subsidiaries	<u>\$ 160,000</u>	<u>\$ -</u>	1.8	<u>\$ 1,056</u>	<u>\$ -</u>

The financing from related parties was unsecured.

c. Other transactions with related parties

1) Rental income

	Years Ended December 31	
	2015	2014
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 4,867	\$ 4,938
Related parties in substance	8,401	9,645
Subsidiaries	14,292	13,523
Associates	<u>34</u>	<u>34</u>
	<u>\$ 27,594</u>	<u>\$ 28,140</u>

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

2) Other benefit

	Years Ended December 31	
	2015	2014
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 3,273	\$ 2,878
Related parties in substance	6,515	7,478
Subsidiaries	<u>53,342</u>	<u>47,206</u>
	<u>\$ 63,130</u>	<u>\$ 57,562</u>

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

3) Professional fee

	Years Ended December 31	
	2015	2014
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 105,258	\$ 122,600
Related parties in substance	26,740	33,499
Subsidiaries	<u>25,152</u>	<u>26,549</u>
	<u>\$ 157,150</u>	<u>\$ 182,648</u>

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

4) Rental expense

	Years Ended December 31	
	2015	2014
Related parties in substance	<u>\$ 9,206</u>	<u>\$ 8,610</u>

The rental rates are based on the prevailing rates in the surrounding area. The Company pays rentals to related parties on a monthly basis.

5) Other receivables from related parties

	December 31	
	2015	2014
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 1,422	\$ 1,149
Related parties in substance	6,741	7,660
Subsidiaries	<u>13,387</u>	<u>13,542</u>
	<u>\$ 21,550</u>	<u>\$ 22,351</u>

Other receivables from related parties are mainly management consulting services receivable and rental receivable.

6) Endorsement and guarantee

As of December 31, 2015 and 2014, the Company endorsed and guaranteed Shanghai Sinyi Real Estate Inc.'s and Suzhou Sinyi Real Estate Inc.'s bank loan for \$349,650 thousand and \$402,268 thousand, respectively.

As of December 31, 2015 and 2014, the Company provided \$40,360 thousand of guarantee deposits, which was recorded as other current financial assets and \$45,828 thousand of unused letters of credits as the aforementioned endorsement and guarantee.

d. Compensation of key management personnel

	2015	2014
Short-term employee benefits	\$ 63,806	\$ 57,435
Other long-term employee benefits	<u>1,146</u>	<u>3,640</u>
	<u>\$ 64,952</u>	<u>\$ 61,075</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 when they continue to serve for three years starting from the following year after obtaining the qualification and the bonus is calculated on the basis of the Company's operating performance or individual performance.

30. MORTGAGED OR PLEDGED ASSETS

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

	December 31	
	2015	2014
Property, plant and equipment (including investment properties)		
Land	\$ 4,022,638	\$ 3,290,251
Building	459,448	409,981
Other financial assets - current		
Pledged time deposits and demand deposits	<u>45,360</u>	<u>23,056</u>
	<u>\$ 4,527,446</u>	<u>\$ 3,723,288</u>

31. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

- a. The Company is involved in claims that arise in the ordinary course of business; the other party may claim against the Company through legal proceedings. Management of the Company believe, based on legal advice, that the Company has strong and likely successful defense and the ultimate outcome of these unresolved matters will not have a material adverse impact on the Company's financial results.
- b. Guarantee notes submitted as guarantees for real-estate brokerage business amounted to \$5,000 thousand.
- c. The Company has endorsed Shanghai Sinyi Real Estate in obtaining financing limit of \$349,650 thousand (RMB70,000 thousand). Refer to Note 33 Table 2 for the details.

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

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

	December 31, 2015		
	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 23,121	32.825	\$ 758,935
RMB	42,223	4.995	210,903
Non-monetary items			
USD	193,307	32.825	6,345,301

	December 31, 2014		
	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 8,488	31.65	\$ 268,645
RMB	58,397	5.092	297,358
Non-monetary items			
USD	193,406	31.65	6,121,305

The Company is mainly exposed to foreign currency risk from USD, RMB and JPY. The following information was aggregated by the functional currencies of the Company entities, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	Years Ended December 31			
	2015		2014	
Functional Currencies	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
NTD	1 (NTD:NTD)	<u>\$ 23,854</u>	1 (NTD:NTD)	<u>\$ 20,319</u>

33. 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\$100 million or 20% of the paid-in capital: None
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
- i. Trading in derivative instruments: None
- j. Information on investees: Table 5 (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 6 (attached)
- b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, 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

34. SEGMENT INFORMATION

The Company had disclosures of segment information in accordance with Regulations in the consolidated financial statements as of and for the years ended December 31, 2015 and 2014. The disclosure of segment information is not required for the parent company only financial statements.

TABLE 1

SINYI REALTY INC.

**FINANCING PROVIDED
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)**

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	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		
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	\$ 5,176 (RMB 1,000 thousand)	\$ 4,995 (RMB 1,000 thousand)	\$ -	3.826%	Short-term financing	\$ -	Needs for operation	\$ -	-	\$ -	\$ 459,837 (Note 1)	\$ 919,673 (Note 1)
1	Sinyi Development Inc.	Shin Hau Real Estate Co., Ltd.	"	No	179,000	-	-	10%	Business activity	201,000	-	-	Land	290,235	201,000 (Note 2)	247,837 (Note 3)
2	Suzhou Sinyi Real Estate Inc.	Shanghai Sinyi Real Estate Inc.	"	Yes	37,830 (RMB 7,500 thousand)	-	-	4%	Short-term financing	-	Participation in the capital increase of strategic investment plan	-	-	-	640,929 (Note 4)	1,281,858 (Note 4)
		Sinyi Real Estate (Shanghai) Limited	"	Yes	50,440 (RMB 10,000 thousand)	-	-	5%	"	-	Needs for operation	-	-	-	640,929 (Note 4)	1,281,858 (Note 4)
3	Sinyi Real Estate (Shanghai) Limited	Shanghai Sinyi Real Estate Inc.	"	Yes	99,900 (RMB 20,000 thousand)	99,900 (RMB 20,000 thousand)	49,950 (RMB 10,000 thousand)	4.75%	"	-	Needs for operation	-	-	-	767,857 (Note 5)	1,535,713 (Note 5)

Note 1: 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.

Note 2: The individual lending amount of Sinyi Development Inc. should not exceed the transaction amount between two parties during the latest year.

Note 3: The maximum total financing provided should not exceed 50% of Sinyi Development Inc.'s net worth.

Note 4: 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 5: The maximum total financing provided should not exceed 40% of Sinyi Real Estate (Shanghai) Limited's net worth. The individual lending amount should not exceed 20% of Sinyi Real Estate (Shanghai) Limited's net worth.

SINYI REALTY INC.

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER
 YEAR ENDED DECEMBER 31, 2015
 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor (Note 2)	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.	Suzhou Sinyi Real Estate Inc.	Indirect subsidiary	\$ 7,357,387 (Note 1)	\$ 45,396 (RMB 9,000 thousand)	\$ -	\$ -	\$ -		\$ 9,196,734	Y	N	Y	
		Shanghai Sinyi Real Estate Inc.	"	7,357,387 (Note 1)	362,320 (RMB 70,000 thousand)	349,650 (RMB 70,000 thousand)	37,463 (RMB 7,500 thousand)	40,360	3.8	9,196,734	Y	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: The maximum total endorsement/guarantee should not exceed 100% of the Company's net worth.

TABLE 3**SINYI REALTY INC.****MARKETABLE SECURITIES HELD****DECEMBER 31, 2015****(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	December 31, 2015				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	10,223,257	\$ 195,775	-	\$ 195,775	
	<u>Stock</u> Rakuya International Info. Co., Ltd.	-	Financial assets measured at cost - non-current	1,900,000	1,676	12	1,676	
	Han Yu Venture Capital Co., Ltd.	-	"	5,000,000	49,063	11	49,063	
	PChome Investment Co., Ltd.	-	"	196,350	-	8	-	
	Kun Gee Venture Capital Co., Ltd.	-	"	1,260,000	-	3	-	
	Cite' Publishing Holding Ltd.	-	"	7,637	4,874	1	4,874	
	Cite' Information Services Co., Ltd.	-	"	106,392	890	1	890	
	Chien Hsiang Securities Service Co., Ltd.	-	"	3,100,000	32,000	10	32,000	
Sinyi Limited	<u>Stock</u> Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	552,714	-	552,714	
	<u>Monetary market fund</u> SBGH U.S. Dollar Reserve Fund CL A Dist Units	-	"	43,294	1,422	-	1,422	
Shanghai Sinyi Real Estate Inc.	<u>Stock</u> Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	30,000,000	158,821	2	158,821	
	Cura Commercial Management Co., Ltd.	-	"	-	4,998	9	4,998	
Sinyi Development Inc.	<u>Stock</u> CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	6,128	-	6,128	
	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	15,004,692	200,412	-	200,412	
Sinyi Global Asset Management Co., Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	600,553	8,021	-	8,021	
An-Sin Real Estate Management Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	1,198,541	16,008	-	16,008	
An-Shin Real Estate Management Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	6,520,186	87,088	-	87,088	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Ke Wei Shanghai Real Estate Management Consulting Inc.	<u>Financial product</u> Bubu Shengking No. 8688	-	Other financial assets - current	4,800,000	\$ 23,976	-	\$ 23,976	
	Bubu Shengking No. 8688	-	"	60,000	300	-	300	
Shanghai Shang Tuo Investment Management Consulting Inc.	Bubu Shengking No. 8688	-	"	12,000,000	59,940	-	59,940	
Suzhou Sinyi Real Estate Inc.	Yunton Tsai-fu-Daily Incremental Interest-S Type	-	"	5,000,000	24,975	-	24,975	
Shanghai Sinyi Real Estate Inc.	Bubu Shengking No. 8688	-	"	7,800,000	38,961	-	38,961	
Sinyi Real Estate (Shanghai) Limited	Li Duo Duo Cash Management No. 1	-	"	45,000,000	224,775	-	224,775	
	Li Duo Duo Structured Deposits of Enterprises (No. 15JG900)	-	"	40,000,000	199,800	-	199,800	
	Structured Financial Product (Product ID: 201511069390)	-	"	20,000,000	99,900	-	99,900	
	Structured Financial Product (Product ID: 201512249684)	-	"	25,000,000	124,875	-	124,875	
	Yehdeyin (RMB) No. 15120149	-	"	17,000,000	84,915	-	84,915	
	Yehdeyin (RMB) No. 15120481	-	"	40,000,000	199,800	-	199,800	
	Fortune Bus S21	-	"	50,000,000	249,750	-	249,750	

(Concluded)

SINYI REALTY INC.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 YEAR ENDED DECEMBER 31, 2015
 (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.	Mutual funds Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss – current	-	-	-	\$ -	40,294,502	\$ 537,000	40,294,502	\$ 537,106	\$ 537,106	\$ 106	-	\$ -
Sinyi Realty Inc.	Stock Sinyi International Limited	Investments accounted for using equity method	-	Subsidiary	135,132,134	3,996,349	13,263,704	433,527	-	-	-	-	148,395,838	4,429,876 (Note 1)
Sinyi International Limited	Sinyi Estate Ltd.	Investments accounted for using equity method	-	Subsidiary	-	-	12,297,800	402,507	-	-	-	-	12,297,800	402,507 (Note 1)

Note 1: The ending balance presents historical cost.

SINYI REALTY INC.

INFORMATION ON INVESTEEES
YEAR ENDED DECEMBER 31, 2015

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

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			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 Sinyi Limited Sinyi Development Inc.	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa Citco Building P.O. Box 662, Road Town, Torola, B.V.I. No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Investment holding	\$ 4,429,876	\$ 3,996,349	148,395,838	100	\$ 4,531,251	\$ (96,271)	\$ (96,271)	Note 1
			Investment holding	2,448,306	2,440,236	76,001,135	100	1,814,050	(45,599)	(45,599)	Note 1
			Development, construction, rental and sale of residential building and factories	535,005	535,005	53,500,000	100	495,676	(26,924)	(26,924)	
	Sinyi Global Asset Management Co., Ltd. Heng-Yi Real Estate Consulting Jui-Inn Consultants Co., Ltd. Sinyi Culture Publishing Inc. An-Sin Real Estate Management Ltd. 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 No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	10,000	10,000	2,000,000	100	43,411	12,050	12,050	
			Development, construction, rental and sale of residential building and factories	20,000	20,000	2,000,000	100	16,862	127	127	
			Management consulting	5,000	5,000	500,000	100	4,904	290	290	
			Publication	4,960	4,960	-	99	1,785	123	122	
			Real estate management	25,500	25,500	7,650,000	51	130,487	46,083	23,502	
			Interior design	950	950	95,000	19	9,649	1,277	243	
			Information software, data processing and electronic information providing service	30,000	30,000	3,000,000	100	12,273	(7,058)	(12,023)	
Sinyi Limited	Inane International Limited Ke Wei HK Realty Limited	Citco Building P.O. Box 662, Road Town, Tortola, B.V.I. Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	1,790,590	1,782,520	56,629,268	100	1,116,609	(47,863)	(47,863)	Note 1
			Investment holding	95,129	95,129	2,700,000	99	32,725	(9,254)	(9,168)	
Sinyi International Limited	Forever Success International Limited Sinyi Realty Inc. Japan	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius 2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Investment holding	68,741	68,741	2,216,239	100	42,261	(2,323)	(2,323)	
			Real estate brokerage, management and identification	58,064	58,064	16,000	100	213,272	47,089	47,089	
	Sinyi Development Ltd. Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding Investment holding	3,899,767 402,507	3,868,747 -	131,966,210 12,297,800	100 100	3,871,617 403,671	(139,894) (4)	(139,894) (4)	Note 1 Note 1
Inane International Limited	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	410,070	20,825	20,825	
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	100,000	100,000	10,000,000	100	137,044	36,841	36,841	
Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd. (Original name: Richesse Management Co., Ltd.) Tokyo Sinyi Real Estate Co., Ltd.	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan 3rd Floor, No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	10,746	10,746	600	100	17,881	3,150	3,150	
			Real estate brokerage	5,000	-	500,000	100	17,806	(144)	(144)	
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	3,839,863	(126,775)	(126,775)	
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	26	-	800	100	23	(3)	(3)	Note 1
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	500	50,000	100	377	(58)	(58)	
	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	500	50,000	100	375	(58)	(58)	

Note 1: As of December 31, 2015, the process of the share capital increase was not complete; therefore, it was recorded under "prepayment for long-term investment".

SINYI REALTY INC.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
 YEAR ENDED DECEMBER 31, 2015
 (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, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2015 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2015
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 19,638	Investment in company located in mainland China indirectly through Ke Wei HK Realty Limited	\$ 33,867	\$ 47,992	\$ -	\$ 81,859	\$ (9,906)	100	\$ (9,906)	\$ 33,059	\$ -
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	1,140,018	-	-	1,140,018	(52,382)	100	(52,382)	680,280	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage	RMB 34,747	"	149,955	-	-	149,955	(13,213)	100	(13,213)	(9,156)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 4)	Management consulting	RMB 4,138	"	17,095	-	-	17,095	(12)	100	(12)	(3,190)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	"	355,249	-	-	355,249	23,140	100	23,140	427,287	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	"	-	-	-	-	-	2	-	158,821	-
Cura Commercial Management Co., Ltd. (Note 4)	Business service, exhibition service, urban planning and design, marketing strategy planning, business consulting and real estate advisory	RMB 10,998	"	-	-	-	-	-	9	-	4,998	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 20,200	"	44,543	-	-	44,543	(2,890)	100	(2,890)	(12,339)	-
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	(2,899)	100	(2,899)	1,255	-
Chengdu Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 13,000	Investment in company located in mainland China indirectly through Inane International Limited	62,005	-	-	62,005	(607)	100	(607)	23,445	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 8,000	"	29,225	8,070	-	37,295	(1,306)	100	(1,306)	(277)	-
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	(126,775)	100	(126,775)	3,839,293	-
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, hard ware, building materials wholesale	RMB 8,000	Investment in company located in mainland China indirectly through Forever Success International Ltd.	40,465	-	-	40,465	576	100	576	40,332	-

(Continued)

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, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2015 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2015
					Outflow	Inflow						
Kunshan Dingxian Trading Co., Ltd.	Construction materials, furniture, sanitary ware and ceramic products wholesale	RMB 6,000	Investment in company located in mainland China indirectly through Sinyi Development Ltd.	\$ -	\$ 31,020	\$ -	\$ 31,020	\$ 181	100	\$ 181	\$ 30,150	\$ -

Accumulated Outflow for Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 5)
\$5,855,683	\$10,306,125	\$ -

Note 1: Amount was based on financial statements audited by the parent company's auditor.

Note 2: Carrying value was converted into New Taiwan dollars at the exchange rates of US\$1=NT\$32.825 and US\$1=RMB6.5716 on December 31, 2015

Note 3: Some of the 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: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

(Concluded)

VI. The financial problems of the Company and its affiliated enterprises found as of the printing date of this Annual Report issuance and the impact of such problems upon the Company's financial standing: Nil.

Eight. Review of Financial Conditions, Operating Results, and Risk Management

I. Analyses on Consolidated Financial Reports

Expressed in Thousands of New Taiwan Dollars

Item \ Year	Dec. 31, 2015	Dec. 31, 2014	Discrepancy		Description
			Amount	%	
Current assets	13,809,601	10,745,120	3,064,481	28.5	Description 1
Investment of equity method adopted	252,322	293,616	(41,294)	(14.1)	
Property, plant and equipment	3,561,920	3,604,588	(42,668)	(1.2)	
Intangible assets	2,816,292	2,840,915	(24,623)	(0.9)	
Other assets	144,763	142,718	2,045	1.4	
Total assets	187,106	178,947	8,159	4.6	
Current liabilities	20,772,004	17,805,904	2,966,100	16.7	Description 2
Non-current liabilities	5,518,169	2,877,902	2,640,267	91.7	
Total liabilities	5,931,457	5,411,894	519,563	9.6	Descriptions 2 & 3
Capital stock	11,449,626	8,289,796	3,159,830	38.1	
Capital surplus	6,318,398	6,134,367	184,031	3.0	
Retained earnings	63,896	63,896	-	-	
Other equity	2,379,746	2,632,205	(252,459)	(9.6)	Description 4
The equity contributed to the parent company	434,694	546,145	(111,451)	(20.4)	
Non-controlled equity	9,196,734	9,376,613	(179,879)	(1.9)	
Total equity	125,644	139,495	(13,851)	(9.9)	

Analyses on change with increase/decrease up to 20% with amount up to NT\$10 million in the past two years:

1. Current assets increased by NT\$ 3,064 million, mainly due to an increase in cash and cash equivalents by NT\$572 million, an increase in inventory by NT\$930 million and an increase in other financial assets (current) by NT\$1,393 million. This was a result of approximately NT\$2,647 million unearned revenue recognized by Sinyi Development (Shanghai) in 2015, which bumped up cash balance and other financial assets (current) as cash was used to purchase money-market instruments with higher yields. Meanwhile, the inventory increased by NT\$930 million or so as the construction project continued.
2. Current liabilities increased by NT\$2,640 million, mainly because of an increase in prepayments collected by Sinyi Development (Shanghai) by NT\$2,647 million.
3. Liabilities increased by NT\$3,160 million, mainly due to an increase of current liabilities by NT\$ 2,640 million (Note 2) and the additional borrowing of NT\$715 million by Sinyi Development (Shanghai) for construction projects.
4. Other equity declined by NT\$111 million, mainly because of a reduction of currency translation differences by NT\$75 million due to overseas operations and a reduction of NT\$36 million in unrealized gains due to a drop in the market value of financial assets held for sale.

II. Analyses on financial performance

(I) Comparative analyses on the operating revenue and net gains before tax over the past two years

Expressed in Thousands of New Taiwan Dollars

Item \ Year	2014	2013	Amount in increase/decrease	Ratio of change %	Description
Net operating revenue	7,523,143	8,899,215	(1,376,072)	(15.5)	
Operating cost	5,723,628	6,447,786	(724,158)	(11.2)	
Gross profit	1,799,515	2,451,429	(651,914)	(26.6)	Description 1
Operating expenses	1,292,983	1,281,946	11,037	0.9	
Operating profit	506,532	1,169,483	(662,951)	(56.7)	Description 1 & 2
Non-Operating revenues and expenditures	277,494	213,193	64,301	30.2	Description 3
Net profit before tax from continuing operations	784,026	1,382,676	(598,650)	(43.3)	Description 1 & 3
Fees of income tax	197,665	273,266	(75,601)	(27.7)	Description 4
Net profit for the year	586,361	1,109,410	(523,049)	(47.2)	Descriptions 1-4

Analyses on change with increase/decrease up to 20% with amount up to NT\$10 million in the past two years:

1. The revenues in Japan, Shanghai and Suzhou in 2015 all increased from 2014. However, the consolidated revenue declined by NT\$1,376 million as the trading volume in the Taiwanese real estate market plummeted by approximately 18% (excluding the properties whose ownerships were transferred for the first time). As the fixed costs were not lowered much, the costs of goods sold were only reduced by NT\$724 million from the previous year. Our gross profits went down by NT\$652 million in 2015, down 27% year-over-year.
2. Operating profits dropped by NT\$ 663 million, partly due to the reduction of gross profits by NT\$652 (Note 1) and partly because of an increase of operating expenses by NT\$11 million. The main reasons for higher operating expenses were (1) no significant reduction in fixed costs at the parent company; (2) higher operating expenses, in line with higher revenues from the previous year at subsidiaries such as Suzhou Sinyi, Shanghai Sinyi Real Estate Brokerage Consulting Co., Ltd and Sinyi Realty Inc. Japan; (3) rising sales and administration expenses from the previous year required by Sinyi Development (Shanghai) as the off-plan projects entered the market.
3. Net non-operating incomes increased by NT\$64 million in 2015, mainly because of an increase of about NT\$49 million from the disposal of investments, the recognition of dividend incomes and NT\$15 million reversal of the allowance for bad debts.
4. The income tax expenses decreased, due primarily to the facts that in 2015, the profit fall below that in 2014.

(II) Anticipated sales volumes and the grounds thereof:

Where the Company primarily provides real estate agent services, we have no anticipated volume of sales applicable.

(III) Potential impact upon the future financial standing and the countermeasures

The trading volume in the real estate market in Taiwan has been shrinking during recent years, as a result of government intervention and other external factors. Understandably, our peers have been scaling back operations or exiting from the market. At this juncture, Sinyi Realty Inc. is closely watching the market developments and adjusting our expansion strategies accordingly. We are working to boost the productive value per office and enhance the service quality of our colleagues. Meanwhile, we strive to control and reduce costs and seek to strengthen our competitive advantage so as to expand our market share. We are also integrating the channels of the parent company and the subsidiaries so that our customers can enjoy one-stop shopping by accessing the assignments for new builds and second-hand properties in Taiwan and overseas.

In addition to our continued efforts to develop innovative services and tools, all the Sinyi

companies will focus on the recruitment, training and retention of professional talents in 2016. We endeavour to develop talents in-house by selecting the appropriate candidates and give them training and education. We provide a good work environment and a reasonable compensation system. Our vision is to make our colleagues appreciate the Sinyi value and philosophy so as to render better services to our customers.

III. Analyses on cash flow

(I) Analysis on currency in cash flow in most recent years

In Thousands of New Taiwan Dollars

Item \ Year	2015	2014	Increase/decrease ratio%
Cash flow ratio%	29.9%	0%	N.A.
Cash Flow Adequacy Ratio%	34.7%	39.9%	(13.0)
Cash reinvestment ratio%	6.5%	0%	N.A.
Remarks on the increase/decrease ratio :			
The cash flow ratio and the cash flow reinvestment ratio went up from the previous year, mainly because of an increase in prepayments received by Sinyi Development (Shanghai) in 2015 for its off-plan projects in Jiading District, Shanghai. As a result, our operating cash flows became a net inflow of NT\$ 1,648 million in 2015, from a net outflow of NT\$ 655 million in 2014.			

(II) Plan to improve inadequate current flow: N/A ◦

(III) Analyses on the cash flow performance in one year ahead:

Expressed in Thousands of New Taiwan Dollars

Consolidated cash balance at beginning of the term (1)	Anticipated net cash flow from the operating activities (2)	Anticipated net cash flow from the investment activities (3)	Anticipated net cash flow from the financing activities (4)	Anticipated surplus (shortfall) amount in consolidation (1) + (2) + (3) + (4)	Anticipated countermeasures against shortage in cash	
					Investment plans	Financing plans
3,437,772	10,225,016	(18,117)	(2,120,567)	11,524,104	—	—

IV. Major capital expenditures in recent years and the impact upon financial and business concerns

(I) Facts and sources of major capital expenditures and capital sources: Over the recent year, the Company has had no significant capital expenditure

(II) Potential benefit anticipated to yield: Nil.

V. The policies in outward investment, causes leading to profits or loss, countermeasures and investment plans anticipated in one year ahead

Our additional investments in 2015 were all for the expansion in real estate brokerage and developments, as we remain committed to our core businesses. Below is a detailed breakdown of our equity investments. We will make investments over the next twelve months depending on company operations, and evaluate the feasibility of land acquisitions on the basis of potential returns.

Items	Descriptions	Amount of capital increase (Expressed in Thousand New Taiwan Dollars)	Policies	Major causes leading to profits or loss	Countermeasures	The investment plans anticipated in one year ahead
SINYI INTERNATIONAL LIMITED, Samoa		433,527	A 100% shareholding subsidiary	Cf. Descriptions below for details	Cf. Descriptions below for details	Dependant on business performance
SINYI LIMITED, British Virgin Islands		8,070	A 100% shareholding subsidiary	Cf. Descriptions below for details	Cf. Descriptions below for details	Dependant on business performance

Descriptions 1: In 2015, we increased our investment in SINYI INTERNATIONAL LIMITED in order to fund the capital required for land acquisitions for real estate development in China. We also established Kunshan Dingxian Trading Co., Ltd. to assist in the import of materials required for real estate development. In 2015, we recognized a loss of NT\$ 96 million for our investment in SINYI INTERNATIONAL LIMITED for the following reasons:

- (1) The revenue incurred by SINYI INTERNATIONAL LIMITED for its indirect investment in Sinyi Development (Shanghai) can only be recognized upon the completion and delivery of the off-plan properties. However, the sales and administration expenses for project development have been incurred. As a result, Sinyi Development (Shanghai) reported a net loss of NT\$ 127 million in 2015, but expects to turn losses into profits with revenue recognition starting in 2017 when properties are completed and delivered.
- (2) SINYI INTERNATIONAL LIMITED posted a net income of NT\$47 million in 2015 for its indirect investment in our subsidiary Sinyi Realty Inc. Japan, due to the popularity of overseas properties among Taiwanese investors and the benefits of the Japanese yen depreciation.

Descriptions 2: In 2015, we made an additional investment to SINYI LIMITED (a BVI), which in turn invested in our subsidiary Sinyi Realty Inc. Qinghao. During the same year, we also recognized a loss of NT\$46 million for our investment in SINYI LIMITED, for our investments in real estate brokerage business in China. Due to the fierce market competition and rising operating costs, all of our brokerage businesses in China were still in the red except NT\$23 million in net income by Suzhou Sinyi. However, the demand for pre-owned properties brokerage service will gradually increase due to (1) growing relaxations of government interventions; (2) pre-owned properties slowly becoming the main source of supply in Tier 1 cities. Our subsidiaries in China will continue to recruit, train and retain talents and create a good work environment. We seek to win customers with high-caliber staff and quality services.

VI. The analyses and evaluation on the risk control policies, organizational frameworks and potential risks in the latest year and as of the printing date of this Annual Report

(I) Risk control policies, organizational frameworks:

To put the potential risks into effective control, the Company has set up relevant risk managerial policies to boost the Company's external values and increase forward-looking quality of policymaking process. Here at Sinyi Conglomerate, the entire staff members have participated in the implementation and valuation of the risk management policies. Here at Sinyi Conglomerate, the units enumerated below are in charge of operation of the risk management organization:

1. Board of Directors: The Board of Directors of Sinyi should approve of the risk management policies, procedures and risk tolerance, review the risk management policies implementation reports and audit reports to assure that the risk management policies system would be put into effective implementation.
2. Internal audit unit: Pursuant to the Company’s risk management policies and various risk management systems, the internal audit unit works out annual audit plans and implements various audit systems and report the results to the board of directors on a regular basis.
3. Departments responsible for risk management: The Chairman’s Office of the Company takes overall charge of the operation of the risk management systems, including checking and verification consistent risk management evaluation criteria and risk analysis targets so as to set up a sound risk management climate. All other departments concerned assume the respective responsibilities based on the responsibilities and powers as set forth under “Organizational Framework Regulations”, including identification, evaluation, handling, planning and implementation, and work out countermeasures or restoration plans to come to the policies to evade, minimize, transfer, shoulder risks. Besides, they report to the board of directors about the implementation of the risk management on a regular basis.

List of a variety of risk management units:

Attributes of risks	Contents of risks	Departments responsible
Strategic risks	New region market development, innovative services, organizational reform and risks likely to occur	Strategic Director’s Office
Operating risks	Sales standstill or recession, potential legal disputes during the process of transaction, changes in laws, policies, marketing advertisements	Real Estate Agent & Selling Agency Department, Customer Service Department, Marketing Department
Financial risks	Potential risks in major investment, capital dispatch, cost control, exchange rates, interest rate, inflation and such potential risks.	Department of Finance
Personnel risks	Potential risks in hiring of human resources, unsound management of labor-management relationship and the like.	Human Resources Department
Information risks	Potential risks in interruption or damage in information, divulgence in information, misuse of pirate software	Management Information System (MIS) Department
Hazard risks	Potential risks in a variety of calamities or events that would mar goodwill	Human Resources Department, Marketing Department

4. The business and staff units: The management level of the Company’s business and staff units shall put forth maximum possible efforts to make the importance of risk management known to each and every staff member and shall, during the process of business promotion, prudentially evaluate and discover potential risks, faithfully

comply with a variety of risk management systems, coordinate with other units in implementation of a variety of risk control measures to make sure that all risks on implementation falling within the authorized scope.

(II) Analyses on the evaluation of risk issues:

1. The impact incurred by change in interest rate, exchange rate, inflation upon the Company's profit and/or loss and the future countermeasures:

Descriptions	2015 (Expressed in Thousands of New Taiwan Dollars, %)
Interest income/expenditure, net	21,424
Gain in foreign exchange, net	20,054
Ratio of net interest income/expenditure to operating	0.28%
Ratio of net interest expenditure to net profit before tax	2.73%
Ratio of gain in foreign exchange to operating revenue	0.27%
Ratio of gain in foreign exchange to net profit before tax	2.56%

(1) Interest rate risks:

The term "interest rate risks" as set forth herein denotes the potential risks to be incurred by a change in the fair value of the financial instruments and in cash flow in the interest rate in the market. Here at Sinyi and its subsidiaries, the major interest related risks come primarily in the investment and loans with fixed and floating interest rates.

A. The impact upon Sinyi and its subsidiaries in the profit and/or loss:

As of December 31, 2015, the financial assets and financial liabilities subject to exposure to interest rate risks for the fair values came to NT\$2,464,504 thousand and NT\$3,437,463 thousand respectively. The financial assets and financial liabilities subject to interest rate risks upon cash flow came to NT\$748,127 thousand and NT\$2,167,221 thousand. The Company's investment in gain and part of the loans were in fixed interest rates and were measured at post-amortization costs. The fixed interest rates would not affect the future cash flow. Besides, part of the loans were on floating interest rates where the fluctuation of interest rates would affect the future cash flow. That means the change in interest rates in the market will cause the effective interest rates in the short- and long-term loans to change as well and, in turn, the future cash flow will change. The raise of interest rates in the market for each 1% would cause NT\$21,672 thousand additional cash outflow in 2015. The money market in Taiwan is still awash with ample liquidity. As the central banks around the world are continuing to lower interest rates, the likelihood of an interest rate hike is very low in Taiwan. Hence, there should not be much impact on the domestic property market. Overall, the fluctuation of interest rate won't cause a significant impact upon the Company's profit and/or loss.

B. Future countermeasures:

At the moment, the loan interest rates of domestic financial institutions remain at the low level. Taking both liquidity and security into account, the Company deposits part of the idle funds in time deposits. Except this, we will primarily aim at money-oriented funds with a bit higher overall investment return rate. We shall closely watch the interest rate trends and flexibly adjust the deposit and loan durations in real time. Besides, where Sinyi remains at secured and stable business and financial standing and maintains very sound interest rate with banks, we shall evaluate the rationality of interest rates in the markets in an attempt to win the optimal possible level of interest rates in the markets.

- (2) Exchange rates: Both Sinyi and part of the subsidiaries have engaged in real estate agent services which are attributed as domestic need oriented service business without a need for export or import of raw materials & materiel. Some of our subsidiaries engage in development and construction businesses and might call for import of building materials but only with an insignificant volume in import as anticipated. That import need might occur only in or after 2015 thus the fluctuation in exchange rates would not cast a significant impact upon the profit and/or loss of Sinyi and its subsidiaries. As of December 31, 2014, the net gain in exchange for foreign currencies came to NT\$14.366 million, 1.04% of the net profit before tax. Where the exchange rate for foreign currencies fluctuates by 1%, the amounts of impact upon the equity or net profit in 2014 are enumerated below:

Expressed in thousand dollars	2015		
	Renminbi (RMB)	Japanese yen	U. S. Dollars
Impact of equity	\$6,266	\$2,463	\$3,847
Impact of profit	2,109	121	8,176

- (3) Inflation: The Company primarily engages in brokerage sales of real estate. Some of our subsidiaries engage in construction & development business. In case of a raise in commodity prices or inflation, the prices of real estate would relatively secured in preserving the values and appreciation. To put it in more understandable terms, a raise in commodity prices or inflation would stimulate a demand for real estate purchase and would function as a positive stimulus to Sinyi business.
2. Major causes leading to profit and/or loss in high risk, high leverage investment, loaning capitals to others, endorsements/guarantees and the policies in derivative financial instruments and the countermeasures thereof:
- (1) High risk, high leverage investment: Sinyi does not engage in derivative financial instruments or high risk, high leverage investment.
- (2) Loans granted to others:
- A. In response to the opening of the free trade zones in Shanghai and the cross-border two-way RMB capital pool, we intend to extend a loan facility

of up to RMB 1 million to our subsidiary Hua Yun Renovation (Shanghai) Co., Ltd. as the vehicle for fund working capital required by our operations in China. As of the end of 2015, a total of RMB 0 million had been utilized. This was a small amount and the loan is from the parent company to subsidiaries. In sum, there was a very limited influence on our financials.

- B. As part of our day-to-day operations, our subsidiary Sinyi Development extended a loan of up to NT\$200 million to Shin Hau Real Estate Co., Ltd, with Shin Hau Real Estate Co., Ltd.'s land as collaterals. By the end of 2015, all the interests and the principal have been recovered in full.
- C. In conjunction with the strategic investment by our subsidiary Sinyi Shanghai, our subsidiary Suzhou Sinyi extended a credit facility up to RMB20 million in 2013. By the end of 2014, the unutilized balance and the utilized balance were RMB 7.5 million and RMB 5.5 million, respectively. All the borrowings were within the credit limit and have been repaid in 2015. As the lending/borrowing was between our subsidiaries, there was very limited influence on our and our subsidiaries' financials in general. By the end of 2015, all the interests and the principal have been repaid in full.
- D. Our subsidiary Suzhou Sinyi extended a credit facility of up to RMB 10 million in April 2014 to our subsidiary Sinyi Development (Shanghai) to fund the latter's working capital. By the end of 2014, the unutilized balance and the utilized balance were RMB 10 million and RMB 9 million, respectively. All the borrowings were within the credit limit and all the lending/borrowing were between our subsidiaries. Hence, there was very limited influence on our and our subsidiaries' financials in general. By the end of 2015, all the interests and the principal have been repaid in full.
- E. Sinyi Development (Shanghai) extended a credit facility of up to RMB 20 million to fund the working capital requirement of our operations in Shanghai. By the end of 2015, the utilized amount was RMB 10 million. As the lending/borrowing were within subsidiaries, there was a very limited impact on the parent and subsidiaries. Meanwhile, this lending reduces the interest burden of Shanghai Sinyi for bank loans, so it is beneficial to shareholders' equity.

(3) Endorsements/guarantees rendered to others:

- A. The Company's subsidiary Suzhou Sinyi Real Estate intended to support Sinyi Real Estate (Shanghai) in the need of working capital, the Company Sinyi granted RMB 9 million endorsements/guarantees before Suzhou Sinyi Real Estate granted that loan to Sinyi Real Estate (Shanghai). As of December 31, 2015, there was no balance.
 - B. To fund the working capital required by Shanghai Sinyi, the parent company issued guarantees to financial institutions in China for a credit facility up to RMB 70 million by using our RMB deposits of the same amount as collaterals. By the end of 2015, the utilized balance of the guaranteed amount was RMB 7.5 million. All the guaranteed amounts were within limits in 2015. Meanwhile, the guarantee was extended from the parent company to a subsidiary and the impact on our financials was limited.
3. The research & development programs and the research & development costs to be budgeted: In all years in the past, Sinyi has invested huge amounts of human resource and costs for research & development. Thanks to such research & development efforts, we have launched updated and upgraded services and systems to satisfy the public consumer needs. With the particular attributes in business

undertaking, the real estate brokerage services and development rendered by Sinyi have been intangible services, not in the attribute like investment in general research & development in general manufacturing and production industries.

4. The impact from a potential change in major policies and laws at home and abroad upon the financial standing and the countermeasures: The entire Sinyi teammates are closely watchful of the changes or updates in policies and laws that are relevant to the Company's business and financial standing. In recent years, the government authorities imposed such new policies including taxation at substantial prices for land and buildings, added house tax on high class buildings (better known as deluxe house tax), adjustment of non-owner-use house tax (known as house hoarding tax) and the like one after another in a row. The real estate market in Taiwan saw a significant reduction in trading volumes. This has adverse effects on our performances. It is expected that the demand in 2016 will remain to its normal level and the trading volume will gradually recover. We will closely monitor the market changes by continuing to provide quality services to consumers and control our cost base in order to improve operating performances. Our subsidies offering real estate brokerage and development business are subject to the impact of the government policies in China. Therefore, it is imperative that our subsidies stay on top of the new government measures and respond swiftly and accordingly.
5. The impact from a change in technology and businesses upon the financial standing and the countermeasures: The real estate brokerage industry has been applying technologies to improve its services. We continue to stay in tune with the latest technology trends and use technologies to offer better and more convenient services to consumers. We shall take firm command in the change the application of the *up-to-date* technology and transform them into optimal service media to better serve consumers. We shall, meanwhile, closely watch the change in the industry to assure prompt and effective response to the market update.
6. The impact from the change in corporate image upon the management over business risks and the countermeasures: As always, we heavily devote ourselves to the corporate social responsibility and public charity for which we have been awarded with numerous awards and honors. Sinyi is unilaterally believed as the symbol of charity and conscience. In 2015, the Company was awarded by the Taiwan Institute for Sustainable Energy 《Award of Sustainable Taiwan Enterprise 2015》 in the Categories of “Co-Harmony Society Award”, “Climate Leader Award” and “TOP50 Sustainable Enterprise Report Award in Realty & Construction Categories”. We won nine awards in a row “Best Corporate Citizen Award” from “CommonWealth Magazine”, No. 1 honors of the “Reputable Brand” in the real estate agent services conducted by 《Reader's Digest》 as the 8th time honors in a row, the supreme No. 1 honors of the “Survey of Ideal Brand of Business Persons” in the real estate agent services conducted by 《Business Today》 as the 8th time honors in a row, “The First Place of Revenues in House Broker Classification of Service Industry – Survey on Top Two Thousand Enterprises” conducted by 《CommonWealth Magazine》 with the supreme honors as No. 1 among the real estate agent services in 21 years in a row. (In and before Year 2012, the event was conducted as the Survey on top 1,000 manufacturers and top 500 service houses.), suggesting that in Sinyi, we have made every endeavor to dedicate ourselves to the social responsibility. In the aspect of management over crisis, we have set up the Anti-Crisis Task Force with flexible organization to promptly deal with a crisis, if any, from continuity and worsening.
7. The benefits anticipated from merger/acquisition (M&A), potential risks and

countermeasures: We currently have not launched any plan in merger/acquisition (M&A).

8. The impact from plant expansion, potential risks and countermeasures: In the service business, we don't operate with a plant and plant expansion is not applicable to us. In the development of branch shops, we have upheld a prudential and secured policy, by leasing shops to expand our branches.
9. The impact from centralized input or output business performance, potential risks and countermeasures: We are completely free of such risks as our customers are just general public in the society.
10. The impact from huge transfer or conversion by directors and key shareholders holding over 10% of the total shares, potential risks and countermeasures: Here at Sinyi, directors and key shareholders holding over 10% of the total shares have held Sinyi stocks on a long-term and secured manner. In 2015 and 2016 as of the printing date of this Annual Report, they have not at all transferred or converted stocks.
11. The impact from the change in managerial power, potential risks and countermeasures: In the long-run, our managerial power has been secured and stable in structure, and the risk from a change is minor.
12. For all litigious and non-litigious events, please expressly enumerate the involved facts, target amounts, starting dates of the litigation, major parties involved and the progress as of the printing date of this Annual Report for the cases where the Company, the Company's directors and supervisors, general manager, substantial responsible persons, key shareholders holding over 10% of the total outstanding shares and the auxiliary firms in the major litigious, non-litigious or administrative events the outcome of which might have a significant impact upon the shareholders' equity or stock prices: All major litigious, non-litigious or administrative events of the Company have been disclosed in the remarks or notes of financial statements, 2015.
13. Other major risks and countermeasures: Nil.

VII. Other significant events: Nil.

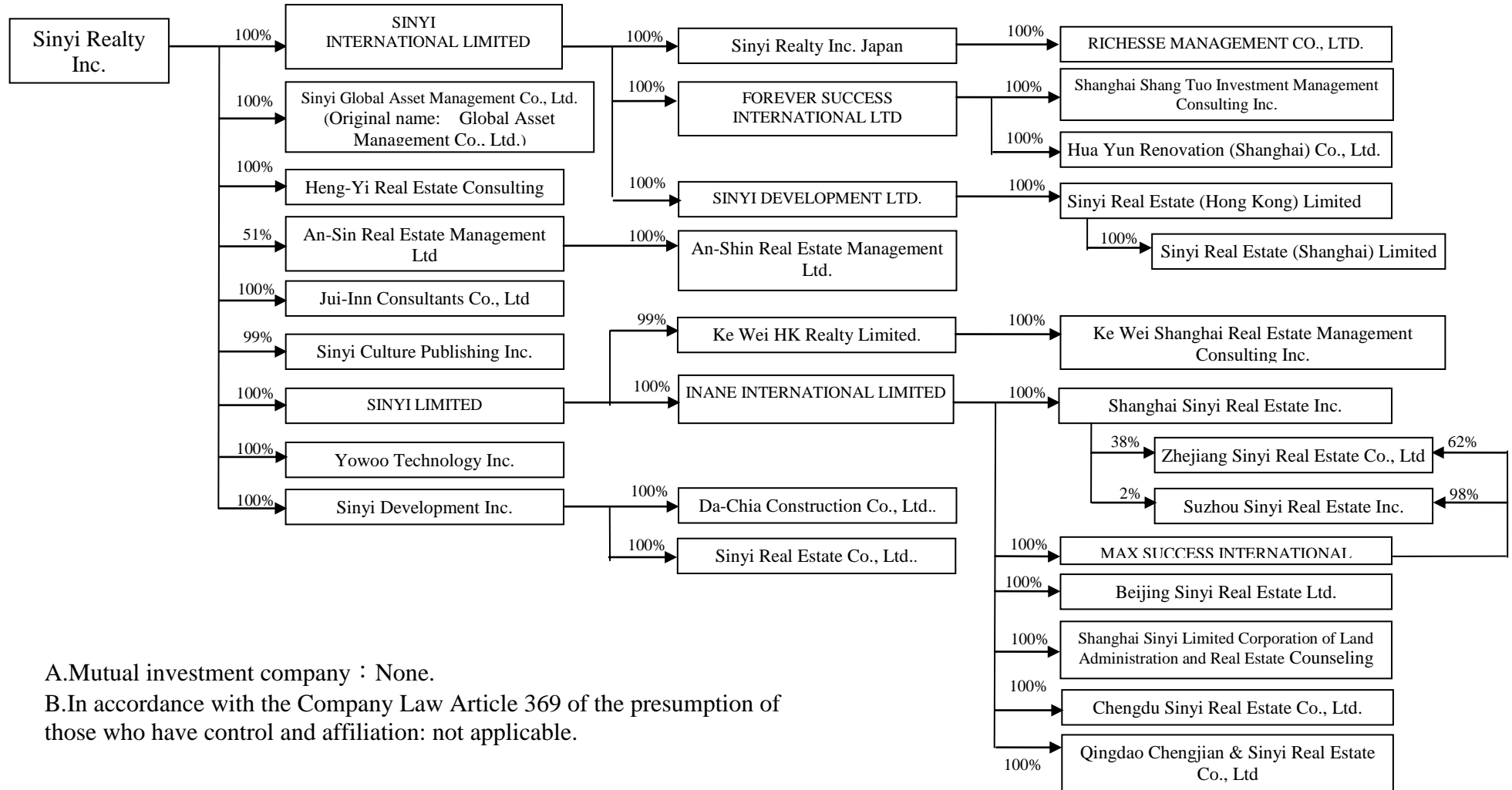
Nine. Special Disclosure

I. Affiliates' Profile

1. Consolidated Business Report

(1) Investment Holding Structure:

A. Controlling Company and its affiliates



A. Mutual investment company : None.

B. In accordance with the Company Law Article 369 of the presumption of those who have control and affiliation: not applicable.

(2)Affiliates' Profile

Unit: thousand

Name	Date of incorporation	Address	Paid-in capital	Main business
<u>Control Company</u> Sinyi Realty Inc.	1987.01.12	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 6,318,398	Real estate brokerage
<u>Affiliated Company</u> SINYI INTERNATIONAL LIMITED	2005.11.18	Equity Trust Chambers, P.O. BOX 3269, Apia, Samoa.	NT\$ 4,871,099 (US\$ 148,396)	Investment holding
FOREVER SUCCESS INTERNATIONAL LTD.	2005.11.18	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius.	NT\$ 72,740 (US\$ 2,216)	Investment holding
Shanghai Shang Tuo Investment Management Consulting Inc.	2007.04.11	Rooms 3-103, No. 574, Qingxi Road, Pudong New District, Shanghai, China	NT\$ 29,775 (RMB 5,961)	Real estate brokerage and management consulting
SINYI LIMITED	1996.11.19	Citco Building P.O. BOX 662 Road Town, Torola, B.V.I.	NT\$ 2,494,733 (US\$ 76,001)	Investment holding
Ke Wei HK Realty Limited	2008.04.11	Rooms 3703-437/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK.	NT\$ 88,628 (US\$ 2,700)	Investment holding

(Continued)

Name	Date of incorporation	Address	Paid-in capital	Main business
Ke Wei Shanghai Real Estate Management Consulting Inc.	2000.03.13	Rooms 302, No. 627, Weifang ninth Village, Pudong New District, Shanghai, China	NT\$ 98,092 (RMB 19,638)	Real estate brokerage and management consulting
INANE INTERNATIONAL LIMITED	1992.10.05	Citco Building P.O. BOX 662 Road Town, Torola, B.V.I.	NT\$ 1,858,847 (US\$ 56,629)	Investment holding
Shanghai Sinyi Real Estate Inc	1993.04.22	Ground Floor, No. 520, Dongchang Road, Pudong New District, Shanghai, China	NT\$ 1,299,110 (RMB 260,082)	Real estate brokerage
Beijing Sinyi Real Estate Ltd.	2004.01.06	S-239, II seat, Blue Castle International, No.3, Xidawang Road, Chaoyang District,	NT\$ 173,561 (RMB 34,747)	Real estate brokerage
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling	2005.02.07	Room 101, Building 39, No. 227, Rushan Road, Pudong new district, Shanghai, China.	NT\$ 20,699 (RMB 4,138)	Management consulting
Chengdu Sinyi Real Estate Co., Ltd.	2010.10.09	No. 233, Northbound section Second Ring Road, Jinniu District, Chengdu, Sichuan, China	NT\$ 64,935 (RMB 13,000)	Real estate brokerage and management consulting
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	2010.09.29	Room 329, No. 135-3, Fuzhou North Road, Shibe District, Qingdao, China.	NT\$ 39,960 (RMB 8,000)	Real estate brokerage and management consulting

(Continued)

Name	Date of incorporation	Address	Paid-in capital	Main business
MAX SUCCESS INTERNATIONAL LIMITED	2004.01.02	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	NT\$ 408,835 (US\$ 12,455)	Investment holding
SINYI DEVELOPMENT LTD.	2012.07.04	TMF Chambers, P.O. Box 3269, Apia, Samoa.	NT\$ 4,311,784 (US\$ 131,966)	Investment holding
Sinyi Real Estate (Hong Kong) Limited	2012.08.14	Suites 2302-6, 23/F Great Eagle CTR23, Harbour RD. Wanchai HK.	NT\$ 4,300,075 (US\$ 131,000)	Investment holding
Sinyi Real Estate (Shanghai) Limited	2013.02.07	Room1708, No.1218, Yung-Sheng street, Jiading District, Shanghai	NT\$ 4,008,552 (RMB 802,513)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management
Hua Yun Renovation (Shanghai) Co., Ltd.	2014.07.07	Room H06, 1F, No.225, Fute NorthRoad,Liberty Trade Testing Zone(Shanghai), China	NT\$ 39,960 (RMB 8,000)	Professional construction, building decoration construction, interior decoration, hard ware, general merchandise, building materials wholesale
Kunshan Dingxian Trading Co., Ltd.	2014.10.31	No. 5, Hai-Xing Rd., Huaqiao Economic Development Zone, Kunshan City, Jiangsu Province, China	NT\$ 29,970 (RMB 6,000)	Trading, wholesale of construction material, furnitures and toiletries
Sinyi Development Inc.	1998.03.05	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 535,000	Construction

(Continued)

Name	Date of incorporation	Address	Paid-in capital	Main business
Da-Chia Construction Co., Ltd.	2014.02.10	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 500	Development, construction, rental and sale of residential building and factories
Sinyi Real Estate Co., Ltd.	2014.02.10	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 500	Development, construction, rental and sale of residential building and factories
Sinyi Culture Publishing Inc.	1995.08.22	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 5,000	Publication
Jui-Inn Consultants Co., Ltd.	2005.07.08	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 5,000	Management consulting
An-Sin Real Estate Management Ltd.	1995.05.09	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 150,000	Real estate management
An-Shin Real Estate Management Ltd.	2009.09.14	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 100,000	Real estate management
Sinyi Global Asset Management Co., Ltd.	2010.01.19	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 20,000	Real estate brokerage
Heng-Yi Real Estate Consulting	2013.09.05	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 20,000	Development, construction, rental and sale of residential building and factories
Yowoo Technology Inc.	2014.04.03	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 30,000	Information software, data processing and electronic information providing service

(Continued)

Name	Date of incorporation	Address	Paid-in capital	Main business
Zhejiang Sinyi Real Estate Co., Ltd.	2005.05.25	No. 118, Wenhui Road, Hanzhou	NT\$ 100,899 (RMB 20,200)	Real estate brokerage and management consulting
Suzhou Sinyi Real Estate Inc.	2005.03.18	International Building 1606-1608, Suhua Road 2#, Industrial park Suzhou	NT\$ 339,660 (RMB 68,000)	Real estate brokerage and management consulting
Tokyo Sinyi Real Estate Co., Ltd.	2015.07.31	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	NT\$ 5,000	Real estate brokerage
Sinyi Realty Inc. Japan	2009.12.01	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	NT\$ 32,724 (JPY 120,000)	Real estate brokerage, management and identification
RICHESS MANAGEMENT CO., LTD.	2010.12.24	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	NT\$ 8,181 (JPY 30,000)	Real estate brokerage
SINYI ESTATE LTD.	2015.04.01	TMF Chambers, P.O. Box 3269, Apia, Samoa.	NT\$ 403,682 (USD 12,298)	
SINYI ESTATE(HK) LTD.	2015.04.01	Suites 2302-6, 23/F Great Eagle CTR23, Harbour RD. Wanchai HK.	NT\$ 26 (USD 0.8)	Real estate brokerage

Exchange rate : NTD/USD = 1/32.825 ; NTD/RMB = 1/4.995 ; NTD/JPY = 1/0.2727

(3) The same shareholder information of companies presumed to have control and affiliation relationship: none.

(4) The businesses operated by the affiliates:

A. The businesses operated by the Company and the Company's affiliates:

Real estate brokerage and rental, real estate market research, management consulting, development, construction, rental and sale of residential building and factories, building decoration construction, interior decoration, hard ware, general merchandise, building materials wholesale, Information software, data processing and electronic information providing service and publications.

B. When the affiliates associate with each other, their dealings described below:

An-Sin Real Estate Management Ltd. takes the escrow service and collects the agency fee charged to customers on behalf of the Company. The agency fee will be given to the Company while the transactions completed.

(5) Directors, supervisors, and general managers of affiliates

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
<u>Control Company</u>				
Sinyi Realty Inc.	Chairperson	Chou Chun-Chi	8,042,093 shares	1.27%
	Vice	Chou Wang Mei-Wen	3,098,324 shares	0.49%
	Chairperson			
	Director	Sinyi Investment Development Inc. Representative : Chueh Chien-Ping	180,277,601 shares 3,223 shares	28.53% 0.00%
	Director	Lin Hsin-Ho	-	-
	Director	Lin Hsin-I	-	-
	Director	Liu Shuen-Zen	-	-
	Director	Lee Cheng	-	-
General Manager	Chueh Chien-Ping	3,223 shares	0.00%	
<u>Affiliated Company</u>				
SINYI INTERNATIONAL LIMITED	Director	Sinyi Realty Inc. Representative: Chou Chun-Chi	148,395,838 shares -	100.00% -
FOREVER SUCCESS INTERNATIONAL LTD.	Director	SINYI INTERNATIONAL LIMITED Representative: Chen Chien-Chih	2,216,239 shares -	100.00% -
Shanghai Shang Tuo Investment Management Consulting Inc.	Chairperson	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Chung Chung-Hua	29,775thousand (RMB 5,961thousand) -	100.00% -
	Director	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Su I-Chieh	29,775thousand (RMB 5,961thousand) -	100.00% -
	Director	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Liu Yuan-Chih	29,775thousand (RMB 5,961thousand) -	100.00% -

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
SINYI LIMITED	Director	Sinyi Realty Inc. Representative: Chou Wang Mei-Wen	76,001,135 shares	100.00%
	Director	Sinyi Realty Inc. Representative: Chou Chun-Chi	-	-
Ke Wei HK Realty Limited	Director	SINYI LIMITED	76,001,135 shares	100.00%
		Representative: Chou Chun-Chi	-	-
Ke Wei Shanghai Real Estate Management Consulting Inc.	Chairperson	Ke Wei HK Realty Limited	2,675,000 shares	99.07%
	Director	Representative: Chou Chun-Chi	-	-
		Ke Wei HK Realty Limited	98,092 thousand (RMB 19,638 thousand)	100.00%
	Director	Representative: Chou Wang Mei-Wen	-	-
		Ke Wei HK Realty Limited	98,092 thousand (RMB 19,638 thousand)	100.00%
General Manager	Representative: Liu Yuan-Chih Chiu Hsiang-Kuo	98,092 thousand (RMB 19,638 thousand)	100.00%	
INANE INTERNATIONAL LIMITED	Director	SINYI LIMITED	98,092 thousand (RMB 19,638 thousand)	100.00%
	Director	Representative: Chou Wang Mei-Wen SINYI LIMITED	-	-
Shanghai Sinyi Real Estate Inc.	Chairperson	SINYI LIMITED	56,629,268 shares	100.00%
		Representative: Chou Chun-Chi	-	-
Shanghai Sinyi Real Estate Inc.	Director	INANE INTERNATIONAL LIMITED	56,629,268 shares	100.00%
		Representative: Chou Wang Mei-Wen INANE INTERNATIONAL LIMITED	-	-
			1,299,110thousand (RMB 260,082thousand)	100.00%
			-	-
			1,299,110thousand (RMB 260,082thousand)	100.00%

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
	Director	Representative: Hung Chien-Huan INANE INTERNATIONAL LIMITED	- 1,299,110thousand (RMB 260,082thousand)	- 100.00%
		Representative: Hung Chien-Huan	-	-
Beijing Sinyi Real Estate Ltd.	Chairperson	INANE INTERNATIONAL LIMITED	173,561 thousand (RMB 34,747 thousand)	100.00%
	Director	Representative: Hung Chien-Huan INANE INTERNATIONAL LIMITED	- 173,561 thousand (RMB 34,747 thousand)	- 100.00%
	Director	Representative: Hung Chien-Huan INANE INTERNATIONAL LIMITED	- 173,561 thousand (RMB 34,747 thousand)	- 100.00%
		Representative: Chou Wang Mei-Wen	-	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling	Chairperson	INANE INTERNATIONAL LIMITED	20,669 thousand (RMB 4,138 thousand)	100.00%
	Director	Representative: Liu Yuan-Chih INANE INTERNATIONAL LIMITED	- 20,669 thousand (RMB 4,138 thousand)	- 100.00%
	Director	Representative: Chou Chun-Chi INANE INTERNATIONAL LIMITED	- 20,669 thousand (RMB 4,138 thousand)	- 100.00%
		Representative: Chou Wang Mei-Wen	-	-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
Chengdu Sinyi Real Estate Co., Ltd.	Chairperson	INANE INTERNATIONAL LIMITED	64,935 thousand (RMB 13,000 thousand)	100.00%
	Director	Representative: Chou Chuang-Yun	-	-
		INANE INTERNATIONAL LIMITED	64,935 thousand (RMB 13,000 thousand)	100.00%
	Supervisor	Representative: Chiu Hsiang-Kuo	-	-
INANE INTERNATIONAL LIMITED		64,935 thousand (RMB 13,000 thousand)	100.00%	
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	Chairperson	INANE INTERNATIONAL LIMITED	39,960 thousand (RMB 8,000 thousand)	100.00%
		Representative: Chou Chuang-Yun	-	-
	Director	INANE INTERNATIONAL LIMITED	39,960 thousand (RMB 8,000 thousand)	100.00%
		Representative: Kuo Fang-Wei	-	-
MAX SUCCESS INTERNATIONAL LIMITED	Director	INANE INTERNATIONAL LIMITED Representative: Chou Chun-Chi	12,454,780 shares -	100.00% -
Sinyi Development Inc.	Chairperson	Sinyi Realty Inc. Representative: Chou Chun-Chi	53,500,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chen Chih-Huan	53,500,000 shares -	100.00% -
		Sinyi Realty Inc. Representative: Chen Chien-Chih	53,500,000 shares -	100.00% -
	Supervisor	Sinyi Realty Inc. Representative: Lin Chiu-Chin	53,500,000 shares -	100.00% -
		General Manager	Chen Chin-Hung	-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
Da-Chia Construction Co., Ltd.	Chairperson	Sinyi Realty Inc. Representative: Chou Chun-Chi	50,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chen Chien-Chih	50,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Wu Hsin-Huang	50,000 shares -	100.00% -
	Supervisor	Sinyi Realty Inc. Representative: Chen Chih-Huan	50,000 shares -	100.00% -
Sinyi Real Estate Co., Ltd.	Chairperson	Sinyi Realty Inc. Representative: Chou Chun-Chi	50,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chen Chien-Chih	50,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Wu Hsin-Huang	50,000 shares -	100.00% -
	Supervisor	Sinyi Realty Inc. Representative: Chen Chih-Huan	50,000 shares -	100.00% -
Heng-Yi Real Estate Consulting	Chairperson	Sinyi Realty Inc. Representative: Liu Yuan-Chih	2,000,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chou Chun-Chi	2,000,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chen Chien-Chih	2,000,000 shares -	100.00% -
	Supervisor	Sinyi Realty Inc. Representative: Chen Chih-Huan	2,000,000 shares -	100.00% -

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
Sinyi Culture Publishing Inc.	Chairperson	Sinyi Realty Inc.	4,960 thousand	99.20%
		Representative: Chou Chun-Chi	30 thousand	0.60%
Jui-Inn Consultants Co., Ltd.	Chairperson	Sinyi Realty Inc.	500,000 shares	100.00%
		Representative: Chen Li-Hsing	-	-
	Director	Sinyi Realty Inc.	500,000 shares	100.00%
		Representative: Chen Chien-Chih	-	-
	Director	Sinyi Realty Inc.	500,000 shares	100.00%
		Representative: Chen Chih-Huan	-	-
	Supervisor	Sinyi Realty Inc.	500,000 shares	100.00%
		Representative: Lin Chiu-Chin	-	-
An-Sin Real Estate Management Ltd.	Chairperson	Sinyi Realty Inc.	7,650,000 shares	51.00%
		Representative: Chou Chun-Chi	450,000 shares	3.00%
	Director	Sinyi Realty Inc.	7,650,000 shares	51.00%
		Representative: Chou Wang Mei-Wen	150,000 shares	1.00%
	Director	Fan Teng Investment Ltd.	1,500,000 shares	10.00%
		Representative: Kao Chih-Shang	-	-
	Director	Sinyi Realty Inc.	7,650,000 shares	51.00%
		Representative: Chang Feng-Jung	-	-
Director	Taishin International Bank	4,500,000 shares	30.00%	
	Representative: Wu Tung-Liang	-	-	
Supervisor	Pei Chen-Pang	-	-	
General Manager	Chang Fon-Rong	-	-	

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
An-Shin Real Estate Management Ltd.	Chairperson	An-Sin Real Estate Management Ltd. Representative: Kao Chih-Shang	10,000,000 shares -	100.00% -
	Director	An-Sin Real Estate Management Ltd. Representative: Chou Wang Mei-Wen	10,000,000 shares -	100.00% -
	Director	An-Sin Real Estate Management Ltd. Representative: Chou Chun-Chi	10,000,000 shares -	100.00% -
	Director	An-Sin Real Estate Management Ltd. Representative: Li Cheng-Cheng	10,000,000 shares -	100.00% -
	Director	An-Sin Real Estate Management Ltd. Representative: Wu Tung-Hsiung	10,000,000 shares -	100.00% -
	Supervisor	An-Sin Real Estate Management Ltd. Representative: Pei Chen-Pang	10,000,000 shares -	100.00% -
	General Manager	Lee Chen-Cheng	-	-
Sinyi Global Asset Management Co., Ltd.	Chairperson	Sinyi Realty Inc. Representative: Chueh Chien-Ping	2,000,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Ke Hung-An	2,000,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chen Chien-Chih	2,000,000 shares -	100.00% -
	Supervisor	Sinyi Realty Inc. Representative: Lin Chiu-Chin	2,000,000 shares -	100.00% -

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
Yowoo Technology Inc.	Chairperson	Sinyi Realty Inc. Representative: Tsai Chi-Yen	3,000,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chou Keng-Yu	3,000,000 shares -	100.00% -
	Director	Sinyi Realty Inc. Representative: Chen Chien-Chih	3,000,000 shares -	100.00% -
	Supervisor	Sinyi Realty Inc. Representative: Chen Chih-Huan	3,000,000 shares -	100.00% -
	General Manager	Tsai Chi-Yen	-	-
	Zhejiang Sinyi Real Estate Co., Ltd.	Chairperson	Shanghai Sinyi Real Estate Inc. Representative: Su I-Chieh	38,162 thousand (RMB 7,640 thousand) -
Director		Shanghai Sinyi Real Estate Inc. Representative: Chou Chuang-Yun	38,162 thousand (RMB 7,640 thousand) -	37.82% -
Director		Shanghai Sinyi Real Estate Inc. Representative: Chung Chung-Hua	38,162 thousand (RMB 7,640 thousand) -	37.82% -
Supervisor		Shanghai Sinyi Real Estate Inc. Representative: Chen Chien-Chih	38,162 thousand (RMB 7,640 thousand) -	37.82% -
General Manager		Chang Chien-Ping	-	-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
Suzhou Sinyi Real Estate Inc.	Chairperson	MAX SUCCESS INTERNATIONAL LIMITED Representative: Su I-Chieh	332,187 thousand (RMB 66,504 thousand)	97.8%
	Director	MAX SUCCESS INTERNATIONAL LIMITED Representative: Liu Yuan-Chih	332,187 thousand (RMB 66,504 thousand)	- 97.8%
	Director	Shanghai Sinyi Real Estate Inc. Representative: Chang Chien-Ping	332,187 thousand (RMB 66,504 thousand)	- 2.2%
	Supervisor	MAX SUCCESS INTERNATIONAL LIMITED Representative: Chung Chung-Hua	332,187 thousand (RMB 66,504 thousand)	97.8%
	General Manager	Chang Chien-Ping	-	-
Tokyo Sinyi Real Estate Co., Ltd.	Chairman	Sinyi Realty Inc. Japan Representative: He Wei-Hung	500,000 shares	100.00%
	Director	Sinyi Realty Inc. Japan Representative: Chen Chien-Chih	500,000 shares	100.00%
	Director	Sinyi Realty Inc. Japan Representative: Chen Chih-Huan	500,000 shares	100.00%
	Supervisor	Sinyi Realty Inc. Japan Representative: Lin Chiu-Chin	500,000 shares	100.00%
	General Manager	He Wei-Hung	-	-

(Continued)

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
Sinyi Realty Inc. Japan	Chairman	SINYI INTERNATIONAL LTD. Representative: He Wei-Hung	16,000 shares	100.00%
	Director	SINYI INTERNATIONAL LTD. Representative: Chou Chun-Chi	-	-
		SINYI INTERNATIONAL LTD. Representative: Chen Chien-Chih	16,000 shares	100.00%
	Supervisor	SINYI INTERNATIONAL LTD. Representative: Su I-Chieh	-	-
				16,000 shares
Sinyi Management Co., Ltd. (Original name: Richesse Management Co., Ltd.)	Director	Sinyi Realty Inc. Japan Representative: He Wei-Hung	600 shares	100.00%
	Director	Sinyi Realty Inc. Japan Representative: Chou Chun-Chi	-	-
	Director	Sinyi Realty Inc. Japan Representative: Chen Chien-Chih	600 shares	100.00%
	Supervisor	Sinyi Realty Inc. Japan Representative: Su I-Chieh	-	-
SINYI DEVELOPMENT LTD.	Director	SINYI INTERNATIONAL LTD Representative: Chou Chun-Chi	131,966,209 shares	100.00%
Sinyi Real Estate (Hong Kong) Limited	Director	SINYI DEVELOPMENT LTD Representative: Chou Chun-Chi	131,000,200 shares	100.00%
	Director	SINYI DEVELOPMENT LTD Representative: Chung Chung-Hua	-	-
Sinyi Real Estate (Shanghai) Limited	Director	SINYI DEVELOPMENT LTD. Representative: Chen Chin-Hong	4,008,552 thousand (RMB 802,513 thousand)	100.00%
	Director	SINYI DEVELOPMENT LTD. Representative: Chou Chun-Chi	-	-
		SINYI DEVELOPMENT LTD. Representative: Chung Chung-Hua	4,008,552 thousand (RMB 802,513 thousand)	100.00%
	Supervisor	SINYI DEVELOPMENT LTD.	4,008,552 thousand (RMB 802,513 thousand)	100.00%

Company name	Title	Name/Representatives	Holding shares	
			Shares or investment amount	Ownership%
			(RMB 802,513 thousand)	
	General Manager	Representative: Su I-Chieh Chen Chin-Hong	- -	- -
Hua Yun Renovation (Shanghai) Co., Ltd.	Director	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Su I-Chieh	39,960 thousand (RMB 8,000 thousand)	100.00%
	Director	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Chen Chien-Chih	39,960 thousand (RMB 8,000 thousand)	100.00%
	Director	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Chen Chih-Huan	39,960 thousand (RMB 8,000 thousand)	100.00%
	Supervisor	FOREVER SUCCESS INTERNATIONAL LTD. Representative: Chuang Tsung-Hsun	39,960 thousand (RMB 8,000 thousand)	100.00%
Kunshan Dingxian Trading Co., Ltd.	Director	SINYI DEVELOPMENT LTD. Representative: Su I-Chieh	29,970 thousand (RMB 6,000 thousand)	100.00%
	Director	SINYI DEVELOPMENT LTD. Representative: Chen Chien-Chih	29,970 thousand (RMB 6,000 thousand)	100.00%
	Director	SINYI DEVELOPMENT LTD. Representative: Chen Chih-Huan	29,970 thousand (RMB 6,000 thousand)	100.00%
	Supervisor	SINYI DEVELOPMENT LTD. Representative: Chuang Tsung-Hsun	29,970 thousand (RMB 6,000 thousand)	100.00%
SINYI ESTATE LTD.	Director	SINYI INTERNATIONAL LTD Representative: Chou Chun-Chi	12,297,800 shares -	100.00% -
SINYI ESTATE (HK) LTD.	Director	SINYI ESTATE LTD. Representative: Chou Chun-Chi	800 shares -	100.00% -

(6) Affiliates' Operating Highlights

Unit: NT\$thousand

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Net income (after tax)	EPS (NT\$, after tax)
<u>Control Company</u>								
Sinyi Realty Inc.	\$ 6,318,398	\$14,910,463	\$5,713,729	\$9,196,734	\$6,140,394	\$ 624,499	\$ 563,865	\$ 0.89
<u>Affiliated Company</u>								
SINYI INTERNATIONAL LIMITED	4,871,099	4,531,251	-	4,531,251	-	(59)	(96,271)	(0.65)
FOREVER SUCCESS INTERNATIONAL LIMITED	72,740	42,261	-	42,261	-	-	(2,323)	(1.05)
SINYI ESTATE LTD.	403,682	403,671	-	403,671	-	-	(4)	-
Shanghai Shang Tuo Investment Management Consulting Inc.	29,775	1,379	124	1,255	41	(3,057)	(2,899)	-
SINYI LIMITED	2,494,733	1,814,050	-	1,814,050	-	(2,425)	(45,599)	(0.60)
Ke Wei HK Realty Limited	88,628	33,806	774	33,032	-	(2)	(9,254)	(3.43)
Ke Wei Shanghai Real Estate Management Consulting Inc.	98,092	66,353	33,294	33,059	19,756	(12,747)	(9,906)	-

(Continued)

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Net income (after tax)	EPS (NT\$, after tax)
INANE INTERNATIONAL LIMITED	\$1,858,847	\$ 1,116,939	\$ 330	\$ 1,116,609	\$ -	(\$ 1)	(\$ 47,863)	(\$ 0.85)
Shanghai Sinyi Real Estate Inc.	1,299,111	1,000,530	320,250	680,280	322,854	(109,416)	(52,382)	-
Beijing Sinyi Real Estate Ltd.	173,561	52,694	61,850	(9,156)	-	(13,217)	(13,213)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling	20,669	8,372	11,562	(3,190)	335	(118)	(12)	-
Chengdu Sinyi Real Estate Co., Ltd.	64,935	24,139	694	23,445	-	(3,237)	(607)	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	39,960	75	352	(277)	-	(1,317)	(1,306)	-
MAX SUCCESS INTERNATIONAL LIMITED	408,835	410,070	-	410,070	-	-	20,825	1.67
SINYI DEVELOPMENT LTD.	4,331,784	3,871,617	-	3,871,617	-	(107)	(139,894)	(1.06)

(Continued)

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Net income (after tax)	EPS (NT\$, after tax)
Sinyi Real Estate (Hong Kong) Limited	\$4,300,075	\$ 3,839,863	\$ -	\$ 3,839,863	\$ -	(\$ 1)	(\$ 126,775)	(\$ 0.97)
SINYI ESTATE (HK) LTD.	26	23	-	23	-	(3)	(3)	(3.75)
Sinyi Real Estate (Shanghai) Limited	4,008,552	8,503,355	4,664,062	3,839,293	-	(149,332)	(126,775)	-
Hua Yun Renovation (Shanghai) Co., Ltd.	39,960	40,332	-	40,332	-	(347)	576	-
Kunshan Dingxian Trading Co., Ltd.	29,970	30,447	297	30,150	-	(170)	181	-
Sinyi Development Inc.	535,000	728,426	232,750	495,676	-	(41,051)	(26,924)	(0.50)
Da-Chia Construction Co., Ltd.	500	377	-	377	-	(58)	(58)	(1.16)
Sinyi Real Estate Co., Ltd.	500	375	-	375	-	(58)	(58)	(1.16)
Heng-Yi Real Estate Consulting	20,000	16,862	-	16,862	-	(59)	127	0.06
Sinyi Culture Publishing Inc.	5,000	2,511	711	1,800	450	111	123	-
Jui-Inn Consultants Co., Ltd.	5,000	5,664	760	4,904	7,466	260	290	0.58
An-Sin Real Estate Management Ltd.	150,000	274,202	18,346	255,856	73,762	9,542	46,083	3.07
An-Shin Real Estate Management Ltd.	100,000	179,690	42,646	137,044	157,551	43,547	36,841	3.68

(Continued)

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Net income (after tax)	EPS (NT\$, after tax)
Sinyi Global Asset Management Co., Ltd.	\$ 20,000	\$ 103,959	\$ 60,548	\$ 43,411	\$ 93,174	\$ 13,328	\$ 12,050	\$ 6.03
Yowoo Technology Inc.	30,000	19,768	2,531	17,237	5,451	(7,302)	(7,058)	(2.35)
Zhejiang Sinyi Real Estate Co., Ltd.	100,899	48,470	60,809	(12,339)	21,834	(8,055)	(2,890)	-
Suzhou Sinyi Real Estate Inc.	339,660	571,994	144,707	427,287	421,047	21,190	23,140	-
Tokyo Sinyi Real Estate Co., Ltd.	5,000	4,857	1	4,856	-	(151)	(144)	(0.29)
Sinyi Realty Inc. Japan	32,724	389,660	176,388	213,272	296,154	74,948	47,089	2,943.06
Sinyi Management Co., Ltd. (Original name: Richesse Management Co., Ltd.)	8,181	44,848	26,967	17,881	40,232	320	3,150	5,250.00

Note: Exchange rate as of December 31: NTD/USD = 1/32.825; NTD/RMB = 1/4.995; NTD/JPY = 1/0.2727.

Average exchange rate: NTD/USD = 1/31.739; NTD/RMB = 1/5.033; NTD/JPY = 1/0.22624.

2. Consolidated Financial Statements of affiliates

DECLARATION

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2015 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Accounting Standard 10 “Consolidated and Separate Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SINYI REALTY INC.

By

February 25, 2016

3. Affiliation report

(1) DECLARATION OF THE COMPANY

DECLARATION

It is hereby declared that the affiliation report of Sinyi Realty Inc. (the “Company”) for the year ended December 31, 2015 is prepared by the Company in accordance with “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”. There are no significant inconsistencies between the information disclosed in the affiliation report and in the notes of financial statements for the above period.

Very truly yours,

SINYI REALTY INC.

By

February 25, 2016

(2)THE INDEPENDENT AUDITORS' OPINION ON AFFILIATION REPORT

AFFILIATION REPORT OF INDEPENDENT AUDITORS' REVEIEW REPORT

The Board of Directors
Sinyi Realty Inc.

We have audited the 2015 financial statements of Sinyi Realty Inc. (the "Company") in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China and issued an audit report with an unqualified opinion on February 25, 2015. The objectivity of the audit is to express opinion on the overall fairness of the financial statements. The affiliation report for 2015 attached is prepared by the Company in accordance with "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises". We have conducted the necessary review procedures including acquiring the representation letter and checking the related financial information of the affiliation report.

In our opinion, the Company's affiliation report for 2015 is prepared in accordance with "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and the financial information of the affiliation report is consistent with those in financial statements and no significant amendments are needed.

February 25, 2016

(3) Relationship between affiliated and controlling companies:

Unit: share; %

Control Company Name	Reason for Control	Holding and pledged shares of Control Company			Directors, supervisors or managers assigned by the Control Company	
		Holding shares	Ownership%	Pledged shares	Title	Name
Yu-Heng Co., Ltd.	Indirect ownership of the Company through the following companies: Sinyi Co., Ltd. (Original name: Sinyi Investment Development Inc.) (100% owned by Yu-Heng Co., Ltd.)	180,277,601	28.53%	2,640,000	Director	Chueh Chien-Ping
	Yu-Hao Co., Ltd. (Original name: Yu-Hao Investment Ltd.) (100% owned by Yu-Heng Co., Ltd.)	179,161,853	28.36%	3,010,000	-	-

- (4) Transactions between affiliated and controlling companies: None.
- (5) Endorsments between affiliated and controlling companies: None.
- (6) Other mattersbetween affiliated and controlling companies which have material impact on the financial and business affairs: None.

II .In latest fiscal year and as of the printing date of this Annual Report, the status of Conducting Private Placements of Securities: None.

III.In latest fiscal year and as of the printing date of this Annual Report, the details of the Company’s subsidiaries’ holding or disposing the Company’s shares: None.

IV. Other necessary supplementary description matters: In accordance with the regulations in Article 13 of “Code of Ethics of Directors and Managers” of the Company, the Code is disclosed as follows:

Sinyi Realty Inc.

Code of Ethics of Directors and Managers

Article 1: In order to facilitate the ethics of the directors and managers, when engaging in operation activities for the company with basis on functions, to observe due regulations and ensure the welfare of the company and shareholders, this Code is therefore established in particular.

Article2: This Code shall be applicable to the directors and managers of the Company (including Vice General Manager, Vice General Managers, Assistant Vice General Managers, Finance & Accounting supervisors, and other personnel managing the corporate matters and possessing signature rights).

Article 3: The directors and managers shall dispose the corporate matters with basis on honest, faithful and trustworthy, law-abided, fair, justified and self-disciplined attitude conforming to ethics, and follow laws, articles of incorporation of the Company, and resolutions of the shareholders’ meeting.

Article 4: The directors and managers shall avoid the interest conflicts dealing with involvement of personal interest or potential involvement in the entire corporate interest, including the occasions of being unable to dispose corporate matters in an objective and efficient manner, or facilitating oneself, his/her spouse, parents, children or relatives within third degree, etc. to gain improper interest due to his/her functions in the company, etc.

The directors and managers shall take initiative to describe the events with potential occurrence of interest conflicts to the Board of Directors of the Company, in particular as the Company and the affiliated enterprises where the above-mentioned personnel are working with engage in capital loan or the Company provides guaranty for them, engages in major asset transactions or purchase of merchandise transaction, etc., actions shall all be taken in accordance with related laws and corporate regulations, and under consideration of the maximum interest of the Company.

Article 5: The directors and managers shall maintain or increase justified and legal interest accessible by the Company. The directors and managers shall not solicit personal gains by means of the company property, information or convenience of work functions, and except for a permit obtained from the shareholders’ assembly or Board of Directors in accordance with laws or corporate statutes and laws, shall not engage in business strife behaviors with the company.

- Article 6: The directors and managers shall keep the secrets of the Company and clients confidential and, except for being opened through authorization or legal requirements, shall bear confidentiality obligations. The confidential information required to maintain secrecy shall include all unopened information with a potential use by competitors or causing a loss to the Company or its clients if disclosed.
- Article 7: The directors and managers may not through manipulation, hiding, misuse such information accessible out of functions perform false statements for important matters or in other unfair trading manners treat the clients, employees and competitors of the Company, so as to gain improper interest.
- Article 8: The directors and managers shall all bear the responsibilities to protect the corporate assets, and ensure them to be effectively and legally applied to official business, avoid such behaviors as theft, negligence or waste, etc. so as to further influence the profitability of the Company.
- Article 9: The directors and managers shall obey the regulations of Company Act, Securities and Exchange Act and other related laws, and follow various rules specified by the Company; the company shall also provide the messages concerning the updated revised laws and corporate statutes and laws to each director of the Board and manager for reference at all times.
- Article 10: In case any employee of the Company is suspected or found to violate laws or incur any behavior in violation of this Code, sufficient information is required to submit to an Independent Director or internal audit supervisor for report. After the report of an offense is detected with confirmation, the Company shall provide due incentives in accordance with human resource management rules. The Company shall duly dispose the information of the aforementioned report of an offense in a confidential manner, and try its utmost to protect the security of the reporter under good faith, to avoid him/her from suffering any form of threat. Concerning a malicious and unfaithful reporter, persuasion shall be provided and if necessary, punishment may be provided to justify the discipline.
- Article 11: In case the directors and managers incur a situation in offense of the Code of Ethics, the company shall engage in notification or impose punishment in accordance with laws or human resource management rules, and disclose such information as the title, name, date of offense, reason of offense, violating rules and disposition situation of the personnel in violation of the Code, etc. in the Market Observation Post Site at real time.
- Article 12: As a director of the Board and manager should waive from obeying this Code, it is required to be approved through a board meeting, and disclose such information as the title, name, date of a board meeting approving such waive, applicable period of such waive, applicable reason of such waive, and applicable code of such waive of the person, etc. in the Market Observation Post Site at real time, to facilitate the shareholders to evaluate if the resolutions of the Board are proper, in order to maintain the corporate welfare.
- Article 13: The content of this Code shall be disclosed in the annual report, prospectus, and the Market Observation Post Site.
- Article 14: This Code shall be enforced through the approval of the Board of Directors, and submitted to the shareholders' meeting; the same shall govern in the case of a revision.

Ten. Matters with Major Impact

- I. The matters with a major impact on the shareholders' equity or securities price set forth in Item 2, Section 2 of Article 36 of Securities and Exchange Act of the latest year and as of the printing date of the annual report: None.



No.100, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)

TEL : (02)2755-7666 FAX : (02)2722-0515