Sinyi Realty Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2013 and 2012 and Independent Auditors' Report

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, 2013 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 27 "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

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March 25, 2014

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, 2013, December 31, 2012 and January 1, 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. 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, 2013, December 31, 2012 and January 1, 2012, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2013 and 2012, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) 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, 2013 and 2012 on which we have issued an unqualified report.

Deloitte + Touche

March 25, 2014

<u>Notice to Readers</u>

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
(In Thousands of New Taiwan Dollars

ASSETS	December 31, 2013 Amount	%	December 31, 2012 Amount	%	January 1, 2012 Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 1,605,974	10	$ 2,194,434	19	$ 1,270,145	12
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	218,940	1	75,534	1	510,756	5
Available-for-sale financial assets - current (Notes 4 and 8)	897,779	6	609,407	5	476,263	5
Notes receivable (Notes 4 and 10)	63,941	-	55,517	-	43,904	-
Trade receivables (Notes 4, 5 and 10)	1,146,484	7	830,751	7	615,549	6
Other receivables (Notes 4, 5, 10 and 32)	106,721	1	350,739	3	55,799	1
Inventories (Notes 4, 11 and 33)	4,174,264	25	467,980	4	-	-
Other financial assets - current (Notes 12 and 33)	1,137,400	7	356,661	3	336,718	3
Other current assets (Note 18)	68,058	-	57,480	1	68,800	1
Total current assets	9,419,561	57	4,998,503	43	3,377,934	33
NON-CURRENT ASSETS						
Financial assets measured at cost - non-current (Notes 4 and 9)	285,489	2	128,640	1	154,084	2
Investment accounted for using equity method (Notes 4 and 13)	11,623	-	3,528	-	2,913	-
Property, plant and equipment (Notes 4, 14 and 33)	3,564,458	21	3,282,920	28	3,364,620	33
Investment properties (Notes 4, 15 and 33)	2,827,714	17	2,860,617	24	2,930,161	29
Intangible assets (Notes 4, 16 and 35)	89,878	1	89,436	1	90,423	1
Deferred tax assets (Notes 4 and 25)	17,123	-	15,108	-	33,896	-
Refundable deposits (Note 29)	129,145	1	122,452	1	152,839	2
Long-term accounts receivable (Note 17)	234,237	1	214,237	2	-	-
Prepaid pension cost - non-current (Notes 4 and 22)	6,067	-	33,628	-	44,820	-
Other non-current assets (Note 18)	4,623	-	5,427	-	4,203	-
Total non-current assets	7,170,357	43	6,755,993	57	6,777,959	67
TOTAL	$ 16,589,918	100	$ 11,754,496	100	$ 10,155,893	100

LIABILITIES AND EQUITY	December 31, 2013 Amount	%	December 31, 2012 Amount	%	January 1, 2012 Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 33)	$ 586,627	3	$ 69,302	1	$ 72,073	1
Notes payable	9,631	-	3,405	-	4,576	-
Other payables (Note 20)	2,769,498	17	1,958,129	17	1,649,975	16
Other payables to related parties (Notes 20 and 32)	97,001	1	79,711	1	70,311	1
Current tax liabilities (Notes 4 and 25)	424,145	3	162,583	1	67,540	1
Provisions - current (Notes 4 and 21)	66,268	-	58,352	1	41,075	-
Other current financial liabilities (Note 20)	194,756	1	174,797	1	146,842	1
Other current liabilities (Note 20)	149,966	1	120,310	1	99,117	1
Total current liabilities	4,297,892	26	2,626,589	23	2,151,509	21
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 33)	1,572,206	10	700,000	6	-	-
Provisions - non-current (Notes 4 and 21)	2,733	-	3,537	-	2,313	-
Guarantee deposits received (Note 29)	78,786	-	50,892	-	41,940	1
Other non-current liabilities (Note 20)	989,606	6	890,252	8	1,041,914	10
Deferred tax liabilities (Notes 4 and 25)	26,947	-	28,302	-	22,389	-
Total non-current liabilities	2,670,278	16	1,672,983	14	1,108,556	11
Total liabilities	6,968,170	42	4,299,572	37	3,260,065	32
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)						
Share capital						
Ordinary shares	5,028,170	30	4,655,713	40	4,392,182	43
Capital surplus	68,597	-	63,896	-	63,896	1
Retained earnings						
Legal reserve	1,290,290	8	1,155,179	10	1,024,230	10
Special reserve	120,693	1	120,693	1	120,693	1
Unappropriated earnings	2,579,654	15	1,345,279	11	1,287,949	13
Total retained earnings	3,990,637	24	2,621,151	22	2,432,872	24
Other equity (Note 4)						
Exchange differences on translating foreign operations	39,243	1	(68,465)	(1)	-	-
Unrealized gain or loss from available-for-sale financial assets	364,397	2	63,048	1	(97,712)	(1)
Total other equity	403,640	3	(5,417)	-	(97,712)	(1)
Total equity attributable to owners of the Company	9,491,044	57	7,335,343	62	6,791,238	67
NON-CONTROLLING INTERESTS	130,704	1	119,581	1	104,590	1
Total equity	9,621,748	58	7,454,924	63	6,895,828	68
TOTAL	$ 16,589,918	100	$ 11,754,496	100	$ 10,155,893	100

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Years Ended December 31			
	2013		2012	
	Amount	%	Amount	%
OPERATING REVENUE (Note 4)				
Service revenue	$ 12,091,555	100	$ 8,750,246	100
OPERATING COSTS (Notes 24 and 32)	8,055,844	67	6,160,008	70
GROSS PROFIT	4,035,711	33	2,590,238	30
OPERATING EXPENSES (Notes 24 and 32)	1,243,905	10	1,043,549	12
OPERATING INCOME	2,791,806	23	1,546,689	18
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 32)	121,374	1	124,133	2
Dividend income	17,923	-	21,125	-
Interest income (Notes 17 and 24)	53,231	1	22,288	-
Other gains and losses (Notes 24 and 32)	170,533	1	28,376	-
Finance costs (Notes 24 and 32)	(41,907)	-	(9,601)	-
Total non-operating income and expenses	321,154	3	186,321	2
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,112,960	26	1,733,010	20
INCOME TAX EXPENSE (Notes 4 and 25)	(596,662)	(5)	(346,276)	(4)
NET PROFIT FOR THE YEAR	2,516,298	21	1,386,734	16
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating foreign operations	107,926	1	(68,704)	(1)
Unrealized gain on available-for-sale financial assets	293,249	2	160,124	2
Actuarial gain and loss arising from defined benefit plans	(42,218)	-	(25,787)	-
Share of other comprehensive income of associates and joint ventures	8,100	-	636	-
Income tax relating to components of other comprehensive income (Note 25)	7,177	-	-	-
Other comprehensive income for the year, net of income tax	374,234	3	66,269	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,890,532	24	$ 1,453,003	17

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Years Ended December 31			
	2013		2012	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	$ 2,475,027	21	$ 1,356,200	16
Non-controlling interests	41,271	-	30,534	-
	$ 2,516,298	21	$ 1,386,734	16
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ 2,849,357	24	$ 1,422,541	16
Non-controlling interests	41,175	-	30,462	1
	$ 2,890,532	24	$ 1,453,003	17
EARNINGS PER SHARE (Note 26)				
Basic	$ 4.92		$ 2.70	
Diluted	$ 4.92		$ 2.70	

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2012	$ 4,392,182	$ 63,896	$ 1,024,230	$ 120,693	$ 1,287,949	$ -	$ (97,712)	$ 6,791,238	$ 104,590	$ 6,895,828
Appropriation of 2011 earnings										
Legal reserve	-	-	130,949	-	(130,949)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(878,436)	-	-	(878,436)	-	(878,436)
Stock dividends distributed by the Company	263,531	-	-	-	(263,531)	-	-	-	-	-
Net profit for the year ended December 31, 2012	-	-	-	-	1,356,200	-	-	1,356,200	30,534	1,386,734
Other comprehensive income (loss) for the year ended December 31, net of income tax	-	-	-	-	(25,954)	(68,465)	160,760	66,341	(72)	66,269
Total comprehensive income (loss) for the year ended December 31, 2012	-	-	-	-	1,330,246	(68,465)	160,760	1,422,541	30,462	1,453,003
Change in non-controlling interest	-	-	-	-	-	-	-	-	(15,471)	(15,471)
BALANCE AT DECEMBER 31, 2012	4,655,713	63,896	1,155,179	120,693	1,345,279	(68,465)	63,048	7,335,343	119,581	7,454,924
Appropriation of 2012 earnings										
Legal reserve	-	-	135,111	-	(135,111)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(698,357)	-	-	(698,357)	-	(698,357)
Stock dividends distributed by the Company	372,457	-	-	-	(372,457)	-	-	-	-	-
Changes in capital surplus										
Adjustments arising from changes in the interest in subsidiaries	-	4,701	-	-	-	-	-	4,701	-	4,701
Net profit for the year ended December 31, 2013	-	-	-	-	2,475,027	-	-	2,475,027	41,271	2,516,298
Other comprehensive income for the year ended December 31, net of income tax	-	-	-	-	(34,727)	107,708	301,349	374,330	(96)	374,234
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	2,440,300	107,708	301,349	2,849,357	41,175	2,890,532
Change in non-controlling interest	-	-	-	-	-	-	-	-	(30,052)	(30,052)
BALANCE AT DECEMBER 31, 2013	$ 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

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	Years Ended December 31	
	2013	**2012**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 3,112,960	$ 1,733,010
Adjustments for:		
Depreciation expenses	129,124	173,821
Amortization expenses	16,957	17,078
Impairment loss recognized on financial assets	3,518	22,153
Net gain (loss) on fair value change of financial assets held for trading	(9,342)	258
Finance costs	41,907	9,601
Interest income	(53,231)	(22,288)
Dividend income	(17,923)	(21,125)
Share of profit of associates and joint ventures	(232)	(264)
Loss on disposal of property, plant and equipment	753	964
(Gain) loss on disposal of investment properties	(95)	657
Gain on disposal of investments	(82,174)	(5,372)
Reversal of impairment loss on non-financial assets	(10,565)	(445)
Changes in operating assets and liabilities		
Financial assets held for trading	(128,179)	439,060
Notes receivable	(8,424)	(11,613)
Trade receivables	(315,733)	(215,202)
Other receivables	244,018	(294,940)
Inventories	(3,704,171)	(467,980)
Other current assets	(10,578)	11,691
Operating assets	(14,657)	(14,595)
Notes payable	6,226	(1,171)
Other payables	811,369	308,154
Other payables to related parties	6,568	1,252
Provisions	7,112	18,501
Other financial liabilities	19,959	27,955
Other current liabilities	29,656	21,193
Other operating liabilities	99,354	(151,662)
Cash generated from operations	174,177	1,578,691
Interest received	33,231	7,808
Interest paid	(38,230)	(6,167)
Income taxes paid	(331,293)	(226,532)
Net cash (used in) generated from operating activities	(162,115)	1,353,800
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in other received from related parties	-	(200,000)
Proceeds from disposal of available-for-sale financial assets	17,380	13,012
Purchase of financial assets measured at cost	(168,763)	-
Proceeds from disposal of financial assets measured at cost	73,122	-

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SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	Years Ended December 31	
	2013	2012
Refund on capital of financial assets measured at cost	$ 13,071	$ 1,689
Net cash outflow on acquisition of subsidiaries	-	(10,002)
Net cash inflow on partial disposal of interests in subsidiaries without losing control	5,763	-
Payments for property, plant and equipment	(396,972)	(56,170)
Proceeds of disposal of property, plant and equipment	4,300	297
Increase in refundable deposits	(6,693)	-
Decrease in refundable deposits	-	30,397
Payment for intangible assets	(15,843)	(5,335)
Payment for investment properties	(11,542)	(15,669)
Proceeds of disposal of investment properties	62,624	18,698
Increase in other financial assets	(780,739)	(19,700)
Increase in other non-current assets	-	(1,224)
Decrease in other non-current assets	804	-
Dividends received	18,161	21,410
Net cash used in investing activities	(1,185,327)	(222,597)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	517,325	-
Proceeds from long-term borrowings	7,567,206	700,000
Repayment of long-term borrowings	(6,695,000)	-
Proceeds from guarantee deposits received	27,894	8,952
Increase in other payables to related parties	7,045	4,714
Dividends paid to owners of the Company	(698,357)	(878,436)
Change in non-controlling interest	(30,052)	(15,471)
Net cash generated from (used in) financing activities	696,061	(180,241)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	62,921	(26,673)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(588,460)	924,289
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,194,434	1,270,145
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,605,974	$ 2,194,434

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

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").

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

The consolidated financial statements were presented New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements had been approved by the board of directors and authorized for issue on March 25, 2014.

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

a. New, amended and revised standards and interpretations (the "New IFRSs") in issue but not yet effective

   The Company and entities controlled by the Company (the "Group") have not applied the following International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) issued by the IASB. On January 28, 2014, the Financial Supervisory Commission (FSC) announced the framework for the adoption of updated IFRSs version in the ROC. Under this framework, starting January 1, 2015, the previous version of IFRSs endorsed by the FSC (the 2010 IFRSs version) currently applied by companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market will be replaced by the updated IFRSs without IFRS 9 (the 2013 IFRSs version). However, as of the date that the consolidated financial statements were authorized for issue, the FSC has not endorsed the following new, amended and revised standards and interpretations issued by the IASB (the "New IFRSs") included in the 2013 IFRSs version. Furthermore, the FSC has not announced the effective date for the following New IFRSs that are not included in the 2013 IFRSs version.

The New IFRSs Included in the 2013 IFRSs Version Not Yet Endorsed by the FSC	Effective Date Announced by IASB (Note 1)
Improvements to IFRSs (2009) - amendment to IAS 39	January 1, 2009 and January 1, 2010, as appropriate
Amendment to IAS 39 “Embedded Derivatives”	Effective for annual periods ending on or after June 30, 2009
Improvements to IFRSs (2010)	July 1, 2010 and January 1, 2011, as appropriate
Annual Improvements to IFRSs 2009-2011 Cycle	January 1, 2013
Amendment to IFRS 1 “Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters”	July 1, 2010
Amendment to IFRS 1 “Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters”	July 1, 2011
Amendment to IFRS 1 “Government Loans”	January 1, 2013
Amendment to IFRS 7 “Disclosure - Offsetting Financial Assets and Financial Liabilities”	January 1, 2013
Amendment to IFRS 7 “Disclosure - Transfer of Financial Assets”	July 1, 2011
IFRS 10 “Consolidated Financial Statements”	January 1, 2013
IFRS 11 “Joint Arrangements”	January 1, 2013
IFRS 12 “Disclosure of Interests in Other Entities”	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 “Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance”	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 “Investment Entities”	January 1, 2014
IFRS 13 “Fair Value Measurement”	January 1, 2013
Amendment to IAS 1 “Presentation of Other Comprehensive Income”	July 1, 2012
Amendment to IAS 12 “Deferred Tax: Recovery of Underlying Assets”	January 1, 2012
IAS 19 (Revised 2011) “Employee Benefits”	January 1, 2013
IAS 27 (Revised 2011) “Separate Financial Statements”	January 1, 2013
IAS 28 (Revised 2011) “Investments in Associates and Joint Ventures”	January 1, 2013
Amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”	January 1, 2014
IFRIC 20 “Stripping Costs in Production Phase of a Surface Mine”	January 1, 2013

The New IFRSs Not Included in the 2013 IFRSs Version	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
IFRS 9 “Financial Instruments”	Note 3
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	Note 3
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

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

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

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

b. Significant impending changes in accounting policy that would result from adoption of New IFRSs in issue but not yet effective

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

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of reporting period. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

2) Revision to IAS 19 "Employee Benefits"

The interest cost and expected return on plan assets used in current IAS 19 are replaced with a "net interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

c. The impact of the application of New IFRSs and the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations") in issue but not yet effective on the Group's consolidated financial statements is as follows:

As of the date the consolidated financial statements were authorized for issue, the Group is continuingly assessing the possible impact that the application of the above New IFRSs will have on the Group's financial position and operating result, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On May 14, 2009, the FSC announced the "Framework for the Adoption of IFRSs by the Companies in the ROC." In this framework, starting 2013, companies with shares listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market should prepare their consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC and SIC (the "IFRSs") endorsed by the FSC.

For readers' convenience, the accompanying consolidated 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 consolidated financial statements shall prevail.

The Group's consolidated financial statements for the year ended December 31, 2013 are its first IFRS consolidated financial statements. The date of transition to IFRSs was January 1, 2012. Refer to Note 39 for the impact of IFRS conversion on the Group's consolidated financial statements.

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 that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The opening consolidated balance sheets as of the date of transition to IFRSs were prepared in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards". The applicable IFRSs have been applied retrospectively by the Group except for some aspects where IFRS 1 prohibits retrospective application or grants optional exemptions to this general principle. For the exemptions that the Group elected, refer to Note 39.

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 applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

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

<u>Attribution of total comprehensive income to non-controlling interests</u>

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.

<u>Changes in the Group's ownership interests in existing subsidiaries</u>

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.

2) Subsidiaries included in consolidated financial statements

Those subsidiaries included in the consolidated entities as of December 31, 2013, December 31, 2012 and January 1, 2012 were as follows:

Investor	Investee	Main Businesses	% of Ownership December 31, 2013	% of Ownership December 31, 2012	% of Ownership January 1, 2012	Remark
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	100	
	Sinyi Development Inc. (Sinyi Development) (Original name: Da-Chia Construction Co., Ltd.)	Construction	100	100	100	
	Sinyi Limited	Investment holding	100	100	100	
	Han-Chiang Development & Construction Co., Ltd. (Han-Chiang Construction)	Real estate development and construction	-	-	-	Note 1
	Global Asset Management Co., Ltd. (Global)	Real estate brokerage	100	100	100	
	Heng-Yi Real Estate Consulting Inc. (Heng-Yi)	Development, construction, rental and sale of residential building and factories	100	-	-	Note 2

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31, 2013	December 31, 2012	January 1, 2012	Remark
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	100	
	Shin Cheng Property Insurance Agency Co., Ltd. (Shin Cheng)	Property insurance agency	100	100	100	
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	99	
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	51	
Sinyi Limited	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	95	95	95	
	Inane International Limited (Inane)	Investment holding	100	100	100	
Inane	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100	100	
	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage and management consulting	100	100	100	
	Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Shanghai Sinyi of Land Administration and Real Estate Counseling)	Real estate brokerage	100	100	100	
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	80	80	80	
	Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Qingdao Sinyi)	Real estate brokerage and management consulting	65	80	80	Note 3
	Max Success International Limited (Max Success)	Investment holding	100	100	100	
Shanghai Sinyi Real Estate	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	38	38	38	
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	2	2	19	Note 4
Max Success	Zhejiang Sinyi	Real estate brokerage and management consulting	62	62	62	
	Suzhou Sinyi	Real estate brokerage and management consulting	98	98	81	Note 4
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	100	
Ke Wei Shanghai	Shanghai Shin Cheng Real Estate Brokerage Inc. (Shanghai Shin Cheng)	Real estate brokerage	99	99	99	
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	100	
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage, management and identification	100	100	100	
	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100	-	Note 5
Forever Success	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	100	
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	100	
Japan Sinyi	Richesse Management Co., Ltd. (Richesse Management)	Real estate brokerage	100	100	100	
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	-	Note 5
Hong Kong Real Estate	Sinyi Real Estate (Shanghai) Limited (Shanghai Real Estate)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	100	-	-	Note 6

(Concluded)

Remark:

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

Note 2: Heng-Yi was incorporated in September 2013, with a capital of $20,000 thousand.

Note 3: In May 2013, the Group disposed 15% of its interest in Qingdao Sinyi by RMB1,200 thousand. Therefore, the ownership decreased from 80% to 65%.

Note 4: In August 2012, the Group increased investment in Suzhou Sinyi by RMB60,000 thousand through Max Success. Therefore, stock ownership of Suzhou Sinyi by Shanghai Sinyi Real Estate decreased from 19% to 2%, and stock ownership of Suzhou Sinyi by Max Success increased from 81% to 98%.

Note 5: Sinyi Development and Hong Kong Real Estate were incorporated in November 2012, with capital collected in advance US$26,496 thousand. For the year ended December 31, 2013, the capital were increased by US$104,504 thousand and as of December 31, 2013, total capital collected were increased to US$131,000 thousand.

Note 6: Shanghai Real Estate was incorporated in May 2013, with a capital of RMB802,513 thousand.

3) Subsidiaries excluded from consolidated financial statements: None.

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, the amount of any non-controlling interests in the acquiree, 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.

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

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

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the subsidiaries, associates, joint ventures or branches operations in other countries or currencies used 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, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and 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. Investment in associates

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

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

When the Group 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 Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group'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.

i. Property, plant and equipment

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

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

Freehold land is not depreciated.

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

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

j. Investment properties

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

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

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

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 Company's cash-generating units that are 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. However, if the goodwill allocated to a cash-generating unit was acquired 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.

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. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

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, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment loss, on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

Gains or losses arising from derecognition of an intangible asset, which are measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

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/Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent allocation basis.

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.

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 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 Group'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 please specify 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.

3) Derivative financial instruments

The Group enters into a foreign exchange forward contract to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

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. Retirement benefit costs

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method. All actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

t. 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 goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

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 plans

Accrued pension liabilities and the resulting pension expense under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and long-term average future salary increase. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

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

	December 31, 2013	December 31, 2012	January 1, 2012
Cash on hand	$ 25,116	$ 38,248	$ 32,986
Checking accounts and demand deposits	1,081,385	1,780,468	510,628
Cash equivalents			
Time deposits with original maturities less than three months	499,473	375,718	726,531
	$ 1,605,974	$ 2,194,434	$ 1,270,145

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

	December 31, 2013	December 31, 2012	January 1, 2012
Interest rates range	0.17%-4.60%	0.17%-3.50%	0.17%-3.10%

As of December 31, 2013, December 31, 2012 and January 1, 2012, the carrying amounts of time deposits with original maturities more than three months were $123,365 thousand, $248,700 thousand and $229,000 thousand, respectively, which were classified as other financial assets - current (Note 12).

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

	December 31, 2013	December 31, 2012	January 1, 2012
Financial assets held for trading			
Non-derivative financial assets			
Domestic quoted shares	$ 32,221	$ 23,298	$ 23,235
Mutual funds	186,719	52,236	487,521
	$ 218,940	$ 75,534	$ 510,756

The Group entered into foreign exchange forward contracts in March 2013, to manage exposures due to exchange rate fluctuations of foreign currency denominated assets. As of December 31, 2013, December 31, 2012 and January 1, 2012, the Group did not have outstanding foreign exchange forward contracts.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	December 31, 2013	December 31, 2012	January 1, 2012
Domestic investments			
Quoted shares	$ 277,431	$ 223,241	$ 178,572

(Continued)

	December 31, 2013	December 31, 2012	January 1, 2012
Foreign investments			
Quoted shares	$ 619,058	$ 384,910	$ 293,354
Mutual funds	1,290	1,256	4,337
	620,348	386,166	297,691
Available-for-sale financial assets	$ 897,779	$ 609,407	$ 476,263

(Concluded)

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31, 2013	December 31, 2012	January 1, 2012
Domestic unlisted common shares	$ 125,179	$ 79,801	$ 103,487
Overseas unlisted common shares	160,310	48,839	50,597
	$ 285,489	$ 128,640	$ 154,084

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 year ended December 31, 2013, the Group disposed of certain financial assets measured at cost with carrying amounts of $0 thousand and recognized a gain on disposal of $73,112 thousand.

During the years ended December 31, 2013 and 2012, valuation losses that resulted from the permanent decline in the carrying value of investments were $3,518 thousand and $22,153 thousand, respectively.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2013	December 31, 2012	January 1, 2012
Notes receivable and trade receivables			
Notes receivable - operating	$ 63,941	$ 55,517	$ 43,904
Trade receivables	1,174,700	862,350	654,199
Less: Allowance for doubtful accounts	(28,216)	(31,599)	(38,650)
	$ 1,210,425	$ 886,268	$ 659,453
Other receivables			
Receivable - tender deposit	$ -	$ 301,475	$ -
Others	110,945	55,826	60,620
Less: Allowance for doubtful accounts	(4,224)	(6,562)	(4,821)
	$ 106,721	$ 350,739	$ 55,799

a. Trade receivables

The average credit period for rendering of services was 30 to 60 days. No interest was charged on trade receivables. Allowance for impairment loss was recognized against trade receivables based on aging analysis, historical experience and an analysis of clients' current financial position. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Other than some specific contracts, the Group divided counterparties into three groups to evaluate the recovery rate by aging analysis and based on historical recovery rate of trade receivables; the groups were determined by reference to past default experience and an analysis of their current financial position. The Group recognized an allowance for impairment loss of 100% against all receivables aged over 2 years because historical experience had been that receivables that are past due beyond 2 years were not recoverable. Allowance for impairment loss was recognized in the range between 0% and 40% against all receivables between 90 days and 2 years based on estimated irrecoverable amounts determined by reference to past default experience on the counterparties and an analysis of their current financial position. The Group did not recognize an allowance for impairment loss against all receivables below 90 days because historical experience had shown they were recoverable.

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

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

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

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
61-90 days	$ 20,526	$ 4,130	$ 5,389
91-180 days	42,429	13,164	25,149
181-360 days	4,140	2,692	12,851
Over 360 days	6,347	11,733	-
	$ 73,442	$ 31,719	$ 43,389

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:

	2013		**2012**	
	Trade Receivables	**Other Receivables**	**Trade Receivables**	**Other Receivables**
Balance at January 1	$ 31,599	$ 6,562	$ 38,650	$ 4,821
(Less) add: Impairment losses (reversed) recognized on receivables	(3,803)	3,202	(5,511)	3,373
Less: Amounts written off	-	(5,540)	(1,273)	(1,632)
Foreign exchange translation gains and losses	420	-	(267)	-
Balance at December 31	$ 28,216	$ 4,224	$ 31,599	$ 6,562

b. Other receivables

As of December 31, 2012, other receivables were mainly land tender deposit, which resulted from failure to bid on another land purchase at Jiading District, Shanghai.

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

11. INVENTORIES

	December 31, 2013	December 31, 2012	January 1, 2012
Properties under development			
Malu Town, Jiading District, Shanghai	$ 3,870,444	$ -	$ -
Tianmu, Shihlin District, Taipei city	301,707	-	-
Merchandise			
Sanyu, Shihlin District, Taipei City	2,113	-	-
Undeveloped properties			
Malu Town, Jiading District, Shanghai	-	467,980	-
	$ 4,174,264	$ 467,980	$ -

For the years ended December 31, 2013 and 2012, capitalized interests amounted to $9,119 thousand and zero thousand which were classified as properties under development. Capitalized interest rates were 2.5%-7.4% and 0%.

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

12. OTHER FINANCIAL ASSETS - CURRENT

	December 31, 2013	December 31, 2012	January 1, 2012
Time deposits with original maturity more than three months (a)	$ 123,365	$ 248,700	$ 229,000
Restricted assets - current (b)	637,616	107,961	107,718
Financial assets at amortized cost (c)	376,419	-	-
	$ 1,137,400	$ 356,661	$ 336,718

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

	December 31, 2013	December 31, 2012	January 1, 2012
Time deposits with original maturity more than three months	1.08%-3.50%	0.935%-3.50%	0.88%-3.05%

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

c. The Group purchased financing products of banks in December 2013, and the expected yield rates were 5.20%-5.50%.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31, 2013	December 31, 2012	January 1, 2012
Investments in associates	$ 11,623	$ 3,528	$ 2,913

Investments in associates

	December 31, 2013	December 31, 2012	January 1, 2012
Unlisted company			
Sinyi Interior Design Co., Ltd.	$ 11,623	$ 3,528	$ 2,913

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, 2013	December 31, 2012	January 1, 2012
Sinyi Interior Design Co., Ltd.	19%	19%	19%

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

	December 31, 2013	December 31, 2012	January 1, 2012
Total assets	$ 61,223	$ 45,861	$ 37,615
Total liabilities	$ 50	$ 50	$ 50

	Years Ended December 31	
	2013	2012
Operating revenue	$ -	$ -
Profit for the year	$ 1,223	$ 1,389
Group's share of profits and other comprehensive income of associates for the year	$ 232	$ 264

The investments 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, 2013 and 2012 was based on the audited financial statements for the same years.

14. PROPERTY, PLANT AND EQUIPMENT

	Year Ended December 31, 2013								
	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost									
Balance, at January 1, 2013	$ 2,670,039	$ 418,777	$ 8,016	$ 267,163	$ 4,671	$ 372,907	$ 166,762	$ 10,737	$ 3,919,072
Additions	-	-	4,945	23,647	-	66,225	5,297	296,858	396,972
Disposals	-	-	(5,060)	(6,841)	-	(25,160)	(118,470)	-	(155,531)
Reclassifications	-	-	-	91	-	(91)	8,437	(8,437)	-
Effect of foreign currency exchange differences	-	-	250	1,781	-	4,282	-	268	6,581
Balance at December 31, 2013	$ 2,670,039	$ 418,777	$ 8,151	$ 285,841	$ 4,671	$ 418,163	$ 62,026	$ 299,426	$ 4,167,094
Accumulated depreciation									
Balance, at January 1, 2013	$ -	$ 65,059	$ 3,961	$ 165,690	$ 4,671	$ 255,224	$ 141,547	$ -	$ 636,152
Depreciation expense	-	10,674	1,212	38,746	-	50,911	10,440	-	111,983
Disposals	-	-	(2,499)	(6,319)	-	(23,249)	(118,411)	-	(150,478)
Effect of foreign currency exchange differences	-	-	103	1,206	-	3,670	-	-	4,979
Balance at December 31, 2013	$ -	$ 75,733	$ 2,777	$ 199,323	$ 4,671	$ 286,556	$ 33,576	$ -	$ 602,636
Net book value, January 1, 2013	$ 2,670,039	$ 353,718	$ 4,055	$ 101,473	$ -	$ 117,683	$ 25,215	$ 10,737	$ 3,282,920
Net book value, December 31, 2013	$ 2,670,039	$ 343,044	$ 5,374	$ 86,518	$ -	$ 131,607	$ 28,450	$ 299,426	$ 3,564,458

	Year Ended December 31, 2012								
	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, 2012	$ 2,648,984	$ 414,158	$ 6,907	$ 259,735	$ 4,671	$ 354,863	$ 165,543	$ 4,720	$ 3,859,581
Additions	-	-	2,591	15,894	-	26,434	1,219	10,032	56,170
Reclassifications	21,055	4,619	-	242	-	(9)	-	(4,015)	21,892
Disposals	-	-	(1,360)	(7,174)	-	(5,212)	-	-	(13,746)
Effect of foreign currency exchange differences	-	-	(122)	(1,534)	-	(3,169)	-	-	(4,825)
Balance, at December 31, 2013	$ 2,670,039	$ 418,777	$ 8,016	$ 267,163	$ 4,671	$ 372,907	$ 166,762	$ 10,737	$ 3,919,072
Accumulated depreciation									
Balance at January 1, 2013	$ -	$ 54,202	$ 4,255	$ 132,849	$ 4,671	$ 190,206	$ 108,778	$ -	$ 494,961
Depreciation expense	-	10,637	1,099	40,661	-	71,487	32,769	-	156,653
Reclassifications	-	220	-	(59)	-	(8)	-	-	153
Disposals	-	-	(1,294)	(6,828)	-	(4,363)	-	-	(12,485)
Effect of foreign currency exchange differences	-	-	(99)	(933)	-	(2,098)	-	-	(3,130)
Balance at December 31, 2013	$ -	$ 65,059	$ 3,961	$ 165,690	$ 4,671	$ 255,224	$ 141,547	$ -	$ 636,152
Net book value, January 1, 2012	$ 2,648,984	$ 359,956	$ 2,652	$ 126,886	$ -	$ 164,657	$ 56,765	$ 4,720	$ 3,364,620
Net book value, December 31, 2012	$ 2,670,039	$ 353,718	$ 4,055	$ 101,473	$ -	$ 117,683	$ 25,215	$ 10,737	$ 3,282,920

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

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

a. As of December 31, 2013, 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, 2013 and 2012.

c. Refer to Note 33 for the details of properties, plant and equipment pledged as collaterals.

15. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2013	$ 2,081,392	$ 890,089	$ 2,971,481
Additions	6,925	4,617	11,542
Disposals	(58,960)	(3,990)	(62,950)
Reclassifications	(4,523)	-	(4,523)
Effect of foreign currency exchange differences	-	31,806	31,806
Balance at December 31, 2013	$ 2,024,834	$ 922,522	$ 2,947,356
Accumulated depreciation and impairment			
Balance at January 1, 2013	$ 18,882	$ 91,982	$ 110,864
(Reversal of) recognized impairment losses	(10,727)	162	(10,565)
Depreciation expense	-	17,141	17,141
Disposals	-	(421)	(421)
Reclassifications	(2,410)	-	(2,410)
Effect of foreign currency exchange differences	-	5,033	5,033
Balance at December 31, 2013	$ 5,745	$ 113,897	$ 119,642
Net book value, January 1, 2013	$ 2,062,510	$ 798,107	$ 2,860,617
Net book value, December 31, 2013	$ 2,019,089	$ 808,625	$ 2,827,714
Cost			
Balance at January 1, 2012	$ 2,104,156	$ 918,759	$ 3,022,915
Additions	15,208	461	15,669
Disposals	(16,917)	(2,623)	(19,540)
Reclassifications	(21,055)	(4,619)	(25,674)
Effect of foreign currency exchange differences	-	(21,889)	(21,889)
Balance at December 31, 2012	$ 2,081,392	$ 890,089	$ 2,971,481
Accumulated depreciation and impairment			
Balance at January 1, 2012	$ 18,905	$ 73,849	$ 92,754
(Reversal of) recognized impairment losses	(23)	(422)	(445)
Depreciation expense	-	17,168	17,168
Disposals	-	(185)	(185)

(Continued)

	Land	Buildings	Total
Reclassifications	$ -	$ (220)	$ (220)
Effect of foreign currency exchange differences	-	1,792	1,792
Balance at December 31, 2012	$ 18,882	$ 91,982	$ 110,864
Net book value, January 1, 2012	$ 2,085,251	$ 844,910	$ 2,930,161
Net book value, December 31, 2012	$ 2,062,510	$ 798,107	$ 2,860,617

(Concluded)

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

Buildings - main buildings	23-55 years

The total fair value of the Group's investment properties and property, plant and equipment as of December 31, 2013, December 31, 2012 and January 1, 2012 was $10,041,847 thousand, $8,760,693 thousand and $8,539,110 thousand, respectively. The fair value valuation had not been performed by independent qualified professional valuers; however, the management of the Group used the valuation model that market participants generally use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

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

16. INTANGIBLE ASSETS

	December 31, 2013	December 31, 2012	January 1, 2012
Franchise (Note 35)	$ 58,687	$ 59,399	$ 64,238
Goodwill	9,621	9,621	-
System software costs	21,570	20,416	26,185
	$ 89,878	$ 89,436	$ 90,423

	Year Ended December 31, 2013			
	Franchise	Goodwill	System Software Costs	Total
Cost				
Balance at January 1, 2013	$ 88,733	$ 9,621	$ 70,302	$ 168,656
Additions		-	15,843	15,843
Disposals	-	-	(34,179)	(34,179)
Effect of foreign currency exchange differences	2,338	-	-	2,338
Balance at December 31, 2013	$ 91,071	$ 9,621	$ 51,966	$ 152,658

(Continued)

	Year Ended December 31, 2013			
	Franchise	**Goodwill**	**System Software Costs**	**Total**
Accumulated amortization				
Balance at January 1, 2013	$ 29,334	$ -	$ 49,886	$ 79,220
Amortization expense	2,268	-	14,689	16,957
Disposals	-	-	(34,179)	(34,179)
Effect of foreign currency exchange differences	782	-	-	782
Balance at December 31, 2013	$ 32,384	$ -	$ 30,396	$ 62,780
Net book value, January 1, 2013	$ 59,399	$ 9,621	$ 20,416	$ 89,436
Net book value, December 31, 2013	$ 58,687	$ 9,621	$ 21,570	$ 89,878

(Concluded)

	Year Ended December 31, 2012			
	Franchise	**Goodwill**	**System Software Costs**	**Total**
Cost				
Balance at January 1, 2012	$ 92,507	$ -	$ 62,271	$ 154,778
Additions	-	9,621	5,335	14,956
Disposals	-	-	(1,019)	(1,019)
Reclassification	-	-	3,715	3,715
Effect of foreign currency exchange differences	(3,774)	-	-	(3,774)
Balance at December 31, 2012	$ 88,733	$ 9,621	$ 70,302	$ 168,656
Accumulated amortization				
Balance at January 1, 2012	$ 28,269	$ -	$ 36,086	$ 64,355
Amortization expense	2,259	-	14,819	17,078
Disposals	-	-	(1,019)	(1,019)
Effect of foreign currency exchange differences	(1,194)	-	-	(1,194)
Balance at December 31, 2012	$ 29,334	$ -	$ 49,886	$ 79,220
Net book value, January 1, 2012	$ 64,238	$ -	$ 26,185	$ 90,423
Net book value, December 31, 2012	$ 59,399	$ 9,621	$ 20,416	$ 89,436

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, 2013, the Group did not recognize any impairment loss on goodwill.

17. LONG-TERM ACCOUNTS RECEIVABLE

	December 31, 2013	December 31, 2012	January 1, 2012
Shin Hau Real Estate Co., Ltd.	$ 234,237	$ 214,237	$ -

Long-term accounts receivable from Shin Hau Real Estate Co., Ltd. are financing for business activities. Under the loan agreement, Shin Hau Real Estate Co., Ltd. provided the land located in Da-an District, Taipei City as collateral; the loan and interests should be fully paid before April 30, 2015. Information on the financing for the years ended December 31, 2013 and 2012 was as follows:

	Year Ended December 31, 2013				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	$ 200,000	$ 200,000	10%	$ 20,000	$ 34,237

	Year Ended December 31, 2012				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	$ 200,000	$ 200,000	10%	$ 14,237	$ 14,237

18. OTHER ASSETS

	December 31, 2013	December 31, 2012	January 1, 2012
Prepaid expenses	$ 62,748	$ 53,728	$ 64,901
Temporary payments	5,300	2,094	2,237
Overdue receivables	2,733	3,537	2,313
Income tax refund receivable	10	-	-
Others	1,890	3,548	3,552
	$ 72,681	$ 62,907	$ 73,003
Current	$ 68,058	$ 57,480	$ 68,800
Non-current	4,623	5,427	4,203
	$ 72,681	$ 62,907	$ 73,003

19. BORROWINGS

a. Short-term borrowings

	December 31, 2013	December 31, 2012	January 1, 2012
Secured borrowings			
Bank loans (1)	$ 586,627	$ 69,302	$ 72,073

1) The interest rates on the bank loans for the years ended December 31, 2013 and 2012 were 5.7%-7.4% and 6.9% per annum, respectively.

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

b. Long-term borrowings

	December 31, 2013	December 31, 2012	January 1, 2012
Secured borrowings			
Bank loans	$ 1,298,000	$ 700,000	$ -
Unsecured borrowings			
Loans unsecured	274,206	-	-
Long-term borrowings	$ 1,572,206	$ 700,000	$ -

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

	Content of Borrowings	December 31, 2013	December 31, 2012	January 1, 2012
E.Sun Bank	Long-term borrowings: $190,000 thousand; period: September 10, 2013 to September 10, 2016; fixed interest rate of 2.5%; interest is paid monthly and principal is repaid at maturity.	$ 163,000	$ -	$ -
E.Sun Bank	Long-term borrowings: $2,420,000 thousand; period: September 30, 2013 to December 31, 2015; fixed interest rate of 1.6%; interest is paid monthly and principal is repaid at maturity.	885,000	700,000	-
East Asia Bank	Long-term borrowings: $1,300,000 thousand; period: December 31, 2013 to December 30, 2015; floating interest rate of 1.89%; Interest is paid monthly and principal is repaid at maturity.	50,000	-	-
Shanghai Commercial & Savings Bank	Long-term borrowings: $200,000 thousand; period: March 29, 2013 to March 29, 2016; floating interest rate of 1.8%; interest is paid monthly and principal is repaid at maturity.	200,000	-	-
Ultra Success Offshore Ltd.	Long-term borrowings: US$9,200 thousand; period: September 12, 2013 to September 11, 2015; fixed interest rate of 5.0%; interest and principle will be paid at maturity	274,206	-	-
Total long-term borrowings		$ 1,572,206	$ 700,000	$ -

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

20. OTHER LIABILITIES

	December 31, 2013	December 31, 2012	January 1, 2012
Accrued expenses	$ 2,769,498	$ 1,958,129	$ 1,649,975
Loans from related parties (Note 32)			
Loans	69,417	62,372	57,658
Interest payable	9,929	6,252	2,818
Other payables to related parties	17,655	11,087	9,835
Other financial liabilities	194,756	174,797	146,842
Performance bonus	989,606	890,252	1,041,914
Others	149,966	120,310	99,117
	$ 4,200,827	$ 3,223,199	$ 3,008,159
Current			
Other payables	$ 2,769,498	$ 1,958,129	$ 1,649,975
Other payables to related parties	$ 97,001	$ 79,711	$ 70,311
Other financial liabilities	$ 194,756	$ 174,797	$ 146,842
Other liabilities	$ 149,966	$ 120,310	$ 99,117
Non-current			
Other liabilities	$ 989,606	$ 890,252	$ 1,041,914

a. Accrued expenses were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Performance bonus and salaries	$ 2,304,495	$ 1,609,238	$ 1,336,405
Advertisement	145,671	105,017	81,654
Labor and health insurance	91,143	63,060	44,627
Payable for annual leave	52,598	52,246	57,363
Professional fees	32,003	15,816	21,696
Employees bonuses and compensation to directors	37,658	23,652	21,517
Others	105,930	89,100	86,713
	$ 2,769,498	$ 1,958,129	$ 1,649,975

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 $989,606 thousand, $890,252 thousand and $1,041,914 thousand as of December 31, 2013, December 31, 2012 and January 1, 2012, respectively.

b. Loans from related parties were accounted for other payables to related parties with interest rates of 3.00%-6.604% and 3.36%-6.10% for the years ended December 31, 2013 and 2012, respectively.

c. Other financial liabilities

	December 31, 2013	December 31, 2012	January 1, 2012
Receipts under custody from real estate transactions	$ 109,779	$ 90,519	$ 61,025
Other receipts under custody	67,827	58,291	39,648
Compensation payable	-	-	20,000
Payable on equipment	7,181	3,326	7,926
Receipts under custody - escrow service	164	1,720	1,188
Others	9,805	20,941	17,055
	$ 194,756	$ 174,797	$ 146,842

1) Receipts under custody from real estate transactions were the money received by real estate brokers - Shanghai Sinyi Real Estate, Zhejing Sinyi, Suzhou Sinyi, Beijing Sinyi, Chengdo Sinyi and Qingdao Sinyi from buyers that had concluded transactions, but not yet transferred to the sellers.

2) The Group was involved in claims and legal proceedings that arise in the ordinary course of business. Based on an unfavorable judgment of the Taipei District Court, the Group recognized compensation loss of $20,000 thousand in 2009. The Group had placed a total of $20,000 thousand as guarantee deposits, classified as refundable deposit on January 1, 2012. The Group appealed to the Taiwan High Court and won the lawsuit in July 2012; the plaintiff gave up appeal.

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

	December 31, 2013	December 31, 2012	January 1, 2012
Receipts under custody - escrow service	$ 14,556,744	$ 11,069,385	$ 7,491,033
Interest payable	18,041	17,238	7,442
Deposit accounts	(14,574,048)	(11,084,172)	(7,496,498)
Interest receivable	(573)	(731)	(789)
	$ 164	$ 1,720	$ 1,188

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, 2013, December 31, 2012 and January 1, 2012.

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.

21. PROVISIONS

	December 31, 2013	December 31, 2012	January 1, 2012
Service revenue allowances	$ 69,001	$ 61,889	$ 43,388
Current	$ 66,268	$ 58,352	$ 41,075
Non-current	2,733	3,537	2,313
	$ 69,001	$ 61,889	$ 43,388

	Service Allowances
Balance, January 1, 2013	$ 61,889
Additional provisions recognized	9,957
Reversal of unused balances	(2,734)
Effect of foreign currency exchange differences	(111)
Balance, December 31, 2013	$ 69,001
Balance, January 1, 2012	$ 43,388
Additional provisions recognized	18,626
Reclassifications	(11)
Effect of foreign currency exchange differences	(114)
Balance, December 31, 2012	$ 61,889

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

22. RETIREMENT BENEFIT PLANS

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, Global, Sinyi Development, Jui-Inn and Heng-Yi 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, Hong Kong Real Estate, Shin Cheng, An-Shin and Sinyi Culture have no full-time employees. Thus, there are no related pension obligations or pension costs.

b. Defined benefit plans

Based on the defined benefit plan under the Labor Standards Law (the "LSL"), pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company and An-Sin contributed 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 Bank of Taiwan in the committee's name.

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

	December 31, 2013	December 31, 2012	January 1, 2012
Discount rate (s)	1.875%	1.625%	1.75%
Expected return on plan assets	2.00%	1.875%	2.00%
Expected rate (s) of salary increase	2.25-3.00%	2.25-3.00%	2.25-3.00%

The assessment of the overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, by reference to the use of the plan assets and the impact of the related minimum return.

Amounts recognized in profit or loss in respect of these defined benefit plans are as follows:

	Years Ended December 31	
	2013	2012
Current service cost	$ 4,102	$ 3,188
Interest cost	7,065	7,059
Expected return on plan assets	(8,888)	(9,084)
	$ 2,279	$ 1,163
An analysis by function		
Operating cost	$ 1,888	$ 1,072
Operating expenses	391	91
	$ 2,279	$ 1,163

Actuarial losses recognized in other comprehensive income for the years ended December 31, 2013 and 2012 was $35,041 thousand and $25,787 thousand, respectively. The cumulative amount of actuarial losses recognized in other comprehensive income as of December 31, 2013 and 2012 was $60,828 thousand and $25,787 thousand, respectively.

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

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of the defined benefit obligation	$ (475,758)	$ (434,745)	$ (403,375)
Fair value of plan assets	481,825	468,373	448,195
Surplus	6,067	33,628	44,820
Net asset of defined benefit plans	$ 6,067	$ 33,628	$ 44,820

Movements in the present value of the defined benefit obligations were as follows:

	Years Ended December 31	
	2013	2012
Opening defined benefit obligation	$ 434,745	$ 403,375
Current service cost	4,102	3,188
Interest cost	7,065	7,059
Actuarial losses	39,379	21,123
Benefits paid	(9,533)	-
Closing defined benefit obligation	$ 475,758	$ 434,745

Movements in the fair value of the plan assets were as follows:

	Years Ended December 31	
	2013	2012
Opening fair value of plan assets	$ 468,373	$ 448,195
Expected return on plan assets	8,888	9,084
Actuarial losses	(2,839)	(4,664)
Contributions from the employer	16,936	15,758
Benefits paid	(9,533)	-
Closing fair value of plan assets	$ 481,825	$ 468,373

The percentages of major categories of plan assets at the end of the reporting period were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Equity instruments	45	38	41
Cash	23	23	23
Bonds	9	11	12
Fixed income trading	18	16	16
Short-term transactions instruments	4	11	8
Others	1	1	-
	100	100	100

The overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, with reference to the use of the Labor Pension Fund by Labor Pension Fund Supervision Committee, taking into consideration the effect of possible differences between the guaranteed minimum income and the return on local banks' two-year time deposits.

The Group chose to disclose the history of experience adjustments as the amounts determined for each accounting period prospectively from the date of transition to IFRSs; relevant information was as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of defined benefit obligation	$ (475,758)	$ (434,745)	$ (403,375)
Fair value of plan assets	$ 481,825	$ 468,373	$ 448,195
Surplus	$ 6,067	$ 33,628	$ 44,820
Experience adjustments on plan liabilities	$ 49,621	$ (21,123)	$ -
Experience adjustments on plan assets	$ 2,743	$ (4,664)	$ -

The Group expects to make a contribution of $12,587 thousand and $16,936 thousand to the defined benefit plans during the years 2013 and 2012, respectively.

23. EQUITY

Share Capital

	December 31, 2013	December 31, 2012	January 1, 2012
Numbers of shares authorized (in thousands)	1,000,000	500,000	500,000
Share capital authorized	$ 10,000,000	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid (in thousands)	502,817	465,571	439,218
Share capital issued	$ 5,028,170	$ 4,655,713	$ 4,392,182

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

Capital Surplus

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

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds, treasury stock transactions and arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

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

Retained Earnings and Dividend Policy

a. Under the Company's Articles of Incorporation, 10% of the Company's annual earnings, after paying tax and offsetting deficit, if any, should first be appropriated to legal reserve and to special reserve in accordance with Securities and Exchange Act. Then, the appropriation of remaining amount is proposed by the Board of Directors and approved by the shareholders in their annual meeting.

b. To ensure that the Company has enough funds for present and future expansion plans, the Company follows a residual dividend policy which however requires no less than 50% of retained earnings shall be distributed. The distribution of retained earnings includes the following:

   1) Bonus to employees not less than 1%;

   2) Bonus to directors not more than 1%;

3) In consideration of future fund needs, the remaining earnings can be paid out as dividends to the shareholders, preferably stock dividends. But, in principle, cash dividends shall not be less than 10% of total dividends distributed.

c. For the years ended December 31, 2013 and 2012, the accrued bonus to employees was $23,266 thousand and $14,347 thousand, respectively, and the accrued remuneration to directors was $11,633 thousand and $7,174 thousand, respectively. The above accrued bonus to employees and remuneration to directors represented 1.0% and 0.5%, respectively, of distributable retained earnings (net of the bonus and remuneration). Material differences between such estimated amounts and the amounts proposed by the Board of Directors on or before the Company's financial statements are authorized for issue are adjusted in the year, the bonus and remuneration were recognized. If there is a change in the proposed amounts after the Company's financial statements are authorized for issue, the differences are recorded as a change in accounting estimate. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the closing price (after considering the effect of cash and stock dividends) of the shares of the day immediately preceding the shareholders' meeting.

d. Under Rule No. 100116 and Rule No. 0950000507 issued by the FSC, an amount equal to the net debit balance of shareholders' other equity items (including exchange differences on translating foreign operations, unrealized gain (loss) on available-for-sale financial assets) shall be transferred from unappropriated earnings to a special reserve before any appropriation of earnings generated before January 1, 2012 shall be made. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

e. Under Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", on the first-time adoption of IFRSs, a company should appropriate to a special reserve of an amount that was the same as these of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the company's use of exemptions under IFRS 1. However, at the date of transitions to IFRSs, if the increase in retained earnings that resulted from all IFRSs adjustments is not sufficient for this appropriation, only the increase in retained earnings that resulted from all IFRSs adjustments will be appropriated to special reserve. The special reserve appropriated as above may be reversed in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed. The special reserve appropriated on the first-time adoption of IFRSs may be used to offset deficits in subsequent years. No appropriation of earnings shall be made until any shortage of the aforementioned special reserve is appropriated in subsequent years if the company has earnings and the original need to appropriate a special reserve is not eliminated (please refer to section special reserves appropriated following first-time adoption of IFRSs).

f. Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

g. Except for non-ROC resident shareholders, all shareholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

h. The appropriations of earnings for 2012 and 2011 had been approved in the shareholders' meeting held on June 14, 2013 and June 15, 2012, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	Years Ended December 31		Years Ended December 31	
	2012	2011	2012	2011
Legal reserve	$ 135,111	$ 130,949	$ -	$ -
Cash dividends	698,357	878,436	1.5	2.0
Stock dividends	372,457	263,531	0.8	0.6

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

	Years Ended December 31			
	2012		2011	
	Bonus to Employees	Remuneration to Directors	Bonus to Employees	Remuneration of Directors
Amounts approved in shareholders' meeting	$ 12,544	$ 6,272	$ 11,803	$ 5,902
Deduct: Amounts recognized in respective financial statements	(14,347)	(7,174)	(12,620)	(7,572)
Difference	$ (1,803)	$ (902)	$ (817)	$ (1,670)

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

j. The appropriations of earnings for 2012 were proposed according to the Company's financial statements for the years ended December 31, 2012, which were prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the Generally Accepted Accounting Standard in the Republic of China ("ROC GAAP"), and by reference to the balance sheet for the year ended December 31, 2012, which was prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers (revised) and International Financial Reporting Standards.

k. The appropriations of earnings for 2013 had been proposed by the Company's board of directors on March 25, 2014. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 247,503	$ -
Special reserve	(120,693)	-
Cash dividends	1,307,324	2.6
Share dividends	1,106,197	2.2

The appropriations of earnings, the bonus to employees, and the remuneration to directors for 2013 are subject to the resolution of the shareholders' meeting to be held on May 30, 2014.

l. Information about the bonus to employees and remuneration to directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

Special Reserves Appropriated Following First-time Adoption of IFRSs

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

Others Equity Items

	December 31, 2013	December 31, 2012	January 1, 2012
Exchange differences on translating foreign operations	$ 39,243	$ (68,465)	$ -
Unrealized gains or losses from available-for-sale financial assets	364,397	63,048	(97,712)
	$ 403,640	$ (5,417)	$ (97,712)

a. Exchange differences on translating foreign operations

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

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

Unrealized gains or losses from available-for-sale financial assets represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets, that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Non-controlling Interests

	Years Ended December 31	
	2013	2012
Balance, beginning of year	$ 119,581	$ 104,590
Attributed to non-controlling interests:		
Net income	41,271	30,534
Exchange differences on translating foreign operations	218	(239)
Actuarial gains (losses) on defined benefit plans	(376)	167
Income tax related to actuarial gains (losses)	62	-
Additional non-controlling interests arising from partial disposal of subsidiaries	1,053	-
Acquisition of non-controlling interests in subsidiaries	-	(65)
Payment of cash dividends to non-controlling interests	(31,105)	(15,406)
Balance, end of year	$ 130,704	$ 119,581

24. NET PROFIT FROM CONTINUING OPERATIONS

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

Interest Income

	Years Ended December 31	
	2013	**2012**
Interest income		
Cash in bank	$ 33,170	$ 7,782
Long-term accounts receivable	20,000	14,237
Others	61	269
	$ 53,231	$ 22,288

Other Gains and Losses

	Years Ended December 31	
	2013	**2012**
Reversal of impairment loss of investment properties	$ 10,565	$ 445
Impairment loss of financial assets measured at cost	(3,518)	(22,153)
Gain on disposal of investments	82,174	5,372
Net gain (loss) on fair value change of financial assets held for trading	9,342	(258)
Losses on disposal of property, plant and equipment	(753)	(964)
Gain (loss) on disposal of investment properties	95	(657)
Net foreign exchange gain (loss)	12,756	(5,245)
Share of loss of associates and joint ventures	232	264
Gain on reversal of bad debts	601	2,138
Others	59,039	49,434
	$ 170,533	$ 28,376

Finance Costs

	Years Ended December 31	
	2013	**2012**
Interest on bank loans	$ 37,294	$ 6,009
Interest on loans from related parties	3,315	3,592
Others	1,298	-
	$ 41,907	$ 9,601

Depreciation and Amortization

	Years Ended December 31	
	2013	**2012**
Property, plant and equipment	$ 111,983	$ 156,653
Investment property	17,141	17,168
Intangible assets	16,957	17,078
	$ 146,081	$ 190,899

(Continued)

	Years Ended December 31	
	2013	2012
An analysis of depreciation by function		
Operating costs	$ 72,786	$ 92,677
Operating expenses	39,197	63,976
Other losses	17,141	17,168
	$ 129,124	$ 173,821
An analysis of amortization by function		
Operating costs	$ 1,574	$ 1,356
Operating expenses	15,383	15,722
	$ 16,957	$ 17,078

(Concluded)

Operating Expenses Directly Related to Investment Properties

	Years Ended December 31	
	2013	2012
Direct operating expenses from investment property		
That generated rental income	$ 36,115	$ 44,098
That did not generate rental income	106	196
	$ 36,221	$ 44,294

Employee Benefits Expense

	Years Ended December 31	
	2013	2012
Short-term employee benefits	$ 6,201,337	$ 4,607,837
Post-employment benefits (Note 22)		
Defined contribution plans	170,590	143,323
Defined benefit plans	2,279	1,163
	172,869	144,486
Other employee benefits	229,926	170,804
Total employee benefits expense	$ 6,604,132	$ 4,923,127
An analysis of employee benefits expense by function		
Operating costs	$ 5,982,284	$ 4,411,687
Operating expenses	621,848	511,440
	$ 6,604,132	$ 4,923,127

25. 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	
	2013	2012
Current tax		
In respect of the current period	$ 577,642	$ 306,379
Income tax expense of unappropriated earnings	16,406	3,836
In respect of the prior periods	(1,193)	11,360
Deferred tax		
In respect of the current period	3,807	24,701
Income tax expense recognized in profit or loss	$ 596,662	$ 346,276

A reconciliation of accounting profit and income tax expenses is as follows:

	Years Ended December 31	
	2013	2012
Profit before tax from continuing operations	$ 3,112,960	$ 1,733,010
Income tax expense calculated at the statutory rate (17%)	$ 529,203	$ 294,612
Nondeductible expenses in determining taxable income	743	505
Tax-exempt income	(19,408)	(13,577)
Additional income tax on unappropriated earnings	16,406	3,836
Unrecognized deductible temporary differences	35,012	(3,495)
Unrecognized loss carryforward in current period	19,555	45,113
Effect of different tax rate of group entities operating in other jurisdictions	16,344	7,922
Adjustments for prior years' tax	(1,193)	11,360
Income tax expense recognized in profit or loss	$ 596,662	$ 346,276

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 2014 appropriations of earnings is uncertain, the potential income tax consequences of 2013 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	Years Ended December 31	
	2013	2012
Current tax		
Actuarial gains and losses on defined benefit plan	$ 7,177	$ -

c. Current tax assets and liabilities

	December 31, 2013	December 31, 2012	January 1, 2012
Current tax assets			
Tax refund receivable	$ 10	$ -	$ -
Current tax liabilities			
Income tax payable	$ 424,145	$ 162,583	$ 67,540

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

Year ended December 31, 2013

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for doubtful accounts	$ 14,334	$ 167	$ -	$ 14,501
Incentive compensation	315	(272)	-	43
Defined benefit obligation	277	111	130	518
Others	182	1,879	-	2,061
	$ 15,108	$ 1,885	$ 130	$ 17,123
Deferred tax liability				
Temporary differences				
Defined benefit obligation	$ 31,272	$ 2,471	$ (7,047)	$ 26,696
Others	(2,970)	3,221	-	251
	$ 28,302	$ 5,692	$ (7,047)	$ 26,947

Year ended December 31, 2012

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for doubtful accounts	$ 12,468	$ 1,866	$ -	$ 14,334
Incentive compensation	23,328	(23,013)	-	315
Defined benefit obligation	233	44	-	277
Others	(2,133)	2,315	-	182
	$ 33,896	$ (18,788)	$ -	$ 15,108
Deferred tax liability				
Temporary differences				
Defined benefit obligation	$ 28,834	$ 2,438	$ -	$ 31,272
Others	(6,445)	3,475	-	(2,970)
	$ 22,389	$ 5,913	$ -	$ 28,302

e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31, 2013	December 31, 2012	January 1, 2012
Loss carryforwards			
Expire in 2013	$ -	$ 34,820	$ 33,851
Expire in 2014	18,104	18,932	19,209
Expire in 2015	37,173	36,345	35,289
Expire in 2016	64,243	62,810	60,982
Expire in 2017	45,041	44,036	-
Expire in 2018	23,365	-	-
	$ 187,926	$ 196,943	$ 149,331

f. Information about unused loss carryforward

Loss carryforwards as of December 31, 2013 comprised of:

Unused Amount	Expiry Year
$ 72,418	2014
148,691	2015
256,973	2016
180,163	2017
93,458	2018
$ 751,703	

g. Integrated income tax

	December 31, 2013	December 31, 2012	January 1, 2012
Unappropriated earnings			
Unappropriated earnings generated on and after January 1, 1998	$ 2,579,654	$ 1,345,279	$ 1,287,949
Imputation credits accounts	$ 276,214	$ 226,411	$ 266,830

The creditable ratio for distribution of earnings of 2013 and 2012 was 21.75% (expected ratio) and 20.51%, respectively.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Company was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to shareholders of the Company was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2013 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

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

h. Income tax assessments

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

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	Years Ended December 31	
	2013	2012
Basic EPS	$ 4.92	$ 2.70
Diluted EPS	$ 4.92	$ 2.70

The earnings per share computation for the year ended December 31, 2012 was retrospectively adjusted for the effects of adjustments resulting from bonus stock issued on July 20, 2013. The basic and diluted after-tax earnings per share were adjusted retrospectively as followings:

Unit: NT$ Per Share

	Year Ended December 31, 2012	
	Before Adjusted Retrospectively	**After Adjusted Retrospectively**
Basic earnings per share	$ 2.91	$ 2.70
Diluted earnings per share	$ 2.91	$ 2.70

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	
	2013	**2012**
Profit for the period attributable to owners of the Company	$ 2,475,027	$ 1,356,200

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

	Years Ended December 31	
	2013	**2012**
Weighted average number of ordinary shares in computation of basic earnings per share	502,817	502,817
Effect of dilutive potential ordinary shares		
Bonus issue to employee	680	338
Weighted average number of ordinary shares used in the computation of diluted earnings per share	503,497	503,155

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

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

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

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

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

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

c. Goodwill arising on acquisition

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

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

d. Net cash outflow on acquisition of subsidiaries

	Years Ended December 31	
	2013	2012
Consideration paid in cash	$ -	$ 34,269
Less: Cash and cash equivalent balances acquired	-	(24,267)
	$ -	$ 10,002

e. Impact on the results of the Group from acquisitions

The results of acquires since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	Year Ended December 31, 2012
Revenue	
Han-Chiang Construction	$ -
Profit	
Han-Chiang Construction	$ 180

Had these business combinations been in effect at the beginning of the annual reporting period, the Group's results from continuing operations would have been $8,760,246 thousand, and the profit from continuing operations would have been $1,389,672 thousand for the year ended December 31, 2012. This pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2012, nor is it intended to be a projection of future results.

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

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

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

	Qingdao Sinyi	Sinyi Development
Cash consideration received (paid)	$ 5,763	$ (65)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(1,053)	65
Reattribution of other equity to (from) non-controlling interests		
Exchange differences arising on the translation of the financial statements of foreign operations	(9)	-
Differences arising from equity transaction	$ 4,701	$ -
Line items adjusted for equity transaction		
Capital surplus - difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	$ 4,701	$ -

29. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

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

As of December 31, 2013, December 31, 2012 and January 1, 2012, refundable deposits paid under operating lease amounted to $100,114 thousand, $89,428 thousand and $87,769 thousand, respectively.

Method of Calculation and Payment of Rentals	Year	Amount
Settlement on monthly basis	2014	$ 488,037
	2015	351,430
	2016	221,919
	2017	146,308
	2018	88,918
		$ 1,296,612

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, 2013, December 31, 2012 and January 1, 2012, deposits received under operating leases amounted to $32,972 thousand, $33,934 thousand and $28,629 thousand, respectively.

As of December 31, 2013, future rentals receivable were summarized as follows:

Method of Calculation and Collection of Rentals	Year	Amount
Settlement on monthly basis	2014	$ 122,419
	2015	125,800
	2016	128,203
	2017	105,653
	2018	441
		$ 482,516

30. CAPITAL RISK MANAGEMENT

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

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

31. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

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

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

b. Fair value measurements recognized in the consolidated balance sheet

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2013

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

December 31, 2012

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	$ 23,298	$ -	$ -	$ 23,298
Mutual funds	52,236	-	-	52,236
	$ 75,534	$ -	$ -	$ 75,534

(Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed stocks - equity investments	$ 223,241	$ -	$ -	$ 223,241
Foreign listed stocks - equity investments	384,910	-	-	384,910
Mutual funds	1,256	-	-	1,256
	$ 609,407	$ -	$ -	$ 609,407

(Concluded)

January 1, 2012

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

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

c. Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities were determined as follows:

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

Categories of Financial Instruments

	December 31, 2013	December 31, 2012	January 1, 2012
Financial assets			
FVTPL			
Held for trading	$ 218,940	$ 75,534	$ 510,756
Loans and receivables (Note 1)	4,423,902	4,124,791	2,474,954
Available-for-sale financial assets (Note 2)	1,183,268	738,047	630,347
Financial liabilities			
Amortized cost (Note 3)	6,298,111	3,926,488	3,027,631

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

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

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

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

Financial Risk Management Objectives and Policies

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

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

a. Market risk

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

1) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period please refer to Note 36.

Foreign currency sensitivity analysis

The 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					
	2013			**2012**		
	RMB	**JPY**	**USD**	**RMB**	**JPY**	**USD**
Equity	$ 1,710	$ 1,995	$ (279)	$ 3,762	$ 838	$ 355
Profit or loss	-	-	-	-	-	-

2) Interest rate risk

The Group is exposed to interest rate risk on investments and borrowings; interest rates could be fixed or floating. The investments and part of borrowings are fixed-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, 2013	**December 31, 2012**	**January 1, 2012**
Fair value interest rate risk			
Financial assets	$ 1,836,873	$ 932,379	$ 1,063,249
Financial liabilities	1,322,206	700,000	-
Cash flow interest rate risk			
Financial liabilities	906,044	131,674	129,731

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 $9,060 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.

32. TRANSACTIONS WITH RELATED PARTIES

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

Loans from Related Parties

Other payables to related parties

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Other related parties - related parties in substance	$ 49,096	$ 36,349	$ 27,521
Other related parties - the person in charge of other related parties is the president of the Company	12,299	9,443	9,185
Other - vice president of the Company	35,606	33,919	33,605
	$ 97,001	$ 79,711	$ 70,311

Other payables to related parties were financing. Information on the financing for the years ended December 31, 2013 and 2012 were as follows:

	Year Ended December 31, 2013				
	Highest Balance During the Period	**Amount**	**Interest Rate %**	**Interest Expense**	**Interest Payable**
Other related parties - related parties in substance	$ 39,108	$ 39,108	6.604	$ 2,131	$ 4,632
Other - vice president of the Company	31,074	30,309	3.00-3.50	1,184	5,297
	$ 70,182	$ 69,417		$ 3,315	$ 9,929

	Year Ended December 31, 2012				
	Highest Balance During the Period	**Amount**	**Interest Rate %**	**Interest Expense**	**Interest Payable**
Other related parties - related parties in substance	$ 33,069	$ 32,341	6.10	$ 1,964	$ 2,364
Other - vice president of the Company	30,707	30,031	3.36-5.88	1,628	3,888
	$ 63,776	$ 62,372		$ 3,592	$ 6,252

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

Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2013 and 2012 included the following:

	Years Ended December 31	
	2013	**2012**
Short-term benefits	$ 135,987	$ 114,524
Other long-term benefits	4,125	11,295
	$ 140,112	$ 125,819

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 the following year after obtaining the qualification and the bonus is calculated by the Company's share price increase. The Company's board of directors revised the incentive plan since January 1, 2013; the bonus is calculated on the basis of Company's operating performance instead of the Company's share price increase.

Other Transactions with Related Parties

a. Rental income

	Years Ended December 31	
	2013	**2012**
Other related parties		
The person in charge of other related parties is the president of the Company	$ 5,315	$ 5,742
Related parties in substance	9,302	11,540
Associates	34	34
	$ 14,651	$ 17,316

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	
	2013	**2012**
Other related parties		
The person in charge of other related parties is the president of the Company	$ 3,308	$ 3,139
Related parties in substance	10,716	7,760
	$ 14,024	$ 10,899

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

c. Professional fee

	Years Ended December 31	
	2013	**2012**
Other related parties		
The person in charge of other related parties is the president of the Company	$ 118,317	$ 99,150
Related parties in substance	18,364	20,980
	$ 136,681	$ 120,130

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

d. Donation

	Years Ended December 31	
	2013	**2012**
Other related parties		
Related parties in substance	$ -	$ 597

e. Other receivables

	December 31, 2013	**December 31, 2012**	**January 1, 2012**
Other related parties			
The person in charge of other related parties is the president of the Company	$ 1,390	$ 1,383	$ 2,350
Related parties in substance	345	5,115	6,296
	$ 1,735	$ 6,498	$ 8,646

f. Property transaction

The Group acquired five thousand and one thousand shares of Sinyi Development Inc. from the Company's president, Mr. Chou Chun-Chi, and vice president, Ms. Chou Wang Mei-Wen, at the price of $54 thousand and $11 thousand, respectively, during the year ended December 31, 2012. The price of the above transaction was based on the book value of Sinyi Development Inc.

33. MORTGAGED OR PLEDGED ASSETS

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

	December 31, 2013	December 31, 2012	January 1, 2012
Property, plant and equipment (including investment properties)			
Land	$ 3,290,251	$ 3,290,251	$ 2,004,088
Building	418,939	436,194	280,983
Other financial assets - current			
Pledged time deposits	637,616	107,961	107,718
Inventories	297,743	-	-
	$ 4,644,549	$ 3,834,406	$ 2,392,789

34. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

a. The Group is involved in claims that arise in the ordinary course of business; the other party may claim against the Group through legal proceedings. Management of the Group believe, based on legal advice, that the Group has strong and likely successful defense and the ultimate outcome of these unresolved matters will not have a material adverse impact on the Group's financial results.

b. Guarantee notes submitted as guarantees for real-estate brokerage business amounted to $5,000 thousand.

c. The Group has endorsed Shanghai Sinyi Real Estate and Suzhou Sinyi Real Estate in obtaining financing limit for $343,280 thousand (RMB70,000 thousand) and $534,536 thousand (RMB109,000 thousand), respectively. Refer to Note 37, Table 2 for the details.

35. SIGNIFICANT FRANCHISE CONTRACTS

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

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

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

December 31, 2013

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

December 31, 2012

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial assets			
Monetary items			
RMB	$ 160,525	4.62	$ 741,651
JPY	281,829	0.34	94,807
USD	1,255	29.04	36,457
Non-monetary items			
RMB	9,516	4.62	43,965
JPY	1,144,206	0.34	384,910
USD	43	29.04	1,256
Financial liabilities			
Monetary items			
RMB	79,107	4.62	365,487
JPY	32,593	0.34	10,964
USD	34	29.04	992

January 1, 2012

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial assets			
Monetary items			
RMB	$ 103,346	4.80	$ 496,562
JPY	195,806	0.39	76,483
USD	1,173	30.28	35,508
Non-monetary items			
RMB	9,516	4.80	45,723
JPY	751,019	0.39	293,354
USD	143	30.28	4,337
Financial liabilities			
Monetary items			
RMB	62,987	4.80	302,646
JPY	21,663	0.39	8,462
USD	38	30.28	1,154

37. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

a. Financing provided: Table 1 (attached)

b. Endorsements/guarantees provided to others: Table 2 (attached)

c. Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (attached)

d. Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Table 4 (attached)

e. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

f. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

g. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

i. Information about derivative: Note 7

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

38. SEGMENT INFORMATION

a. Operating segments information

The Group is in the operation of local and international real-estate brokerage business and real-estate developing business. The Group provides information to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance. The information gives emphasis on related laws on real-estate transactions in different countries that may affect the adoption of different marketing strategies.

Management has determined reportable segments as follows:

Real estate brokerage segment

1) Companies in Taiwan

2) Companies in mainland China and other foreign companies.

Real estate development segment

1) Companies in Taiwan

2) Companies in China

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the years ended December 31, 2013 and 2012:

	Real Estate Brokerage			Real Estate Development				
	Taiwan	Mainland China and Others	Total	Taiwan	China	Total	Elimination	Consolidated
Year ended December 31, 2013								
Revenues from external customers	$ 11,262,360	$ 829,195	$ 12,091,555	$ 79,162	$ 42,212	$ 121,374	$ -	$ 12,212,929
Inter-segment revenues	56,055	-	56,055	10,793	-	10,793	(66,848)	-
Segment revenues	$ 11,318,415	$ 829,195	$ 12,147,610	$ 89,955	$ 42,212	$ 132,167	(66,848)	12, 212,929
Rental income from investment property								(121,374)
Consolidated revenues								$ 12,091,555
Operating profit	$ 2,779,481	$ 5,090	$ 2,784,571	$ 43,054	$ 27,462	$ 70,516	$ 21,872	$ 2,876,959
Operating income from investment property								(85,153)
Operating income								$ 2,791,806
Segment assets	$ 6,648,696	$ 2,806,570	$ 9,455,266	$ 3,012,547	$ 4,766,547	$ 7,779,094	$ (665,686)	$ 16,568,674
Investments accounted for by the equity method and goodwill								21,244
Total assets								$ 16,589,918
Year ended December 31, 2012								
Revenues from external customers	$ 8,279,249	$ 470,997	$ 8,750,246	$ 83,860	$ 40,273	$ 124,133	$ -	$ 8,874,379
Inter-segment revenues	33,742	-	33,742	10,320	-	10,320	(44,062)	-
Segment revenues	$ 8,312,991	$ 470,997	$ 8,783,988	$ 94,180	$ 40,273	$ 134,453	(44,062)	8,874,379
Rental income from investment property								(124,133)
Consolidated revenues								$ 8,750,246
Operating profit	$ 1,695,563	$ (178,214)	$ 1,517,349	$ 52,805	$ 25,201	$ 78,006	$ 31,173	$ 1,626,528
Operating income from investment property								(79,839)
Operating income								$ 1,546,689
Segment assets	$ 6,201,553	$ 1,412,015	$ 7,613,568	$ 2,893,292	$ 1,284,313	$ 4,177,605	$ (49,826)	$ 11,741,347
Investments accounted for by the equity method and goodwill								13,149
Total assets								$ 11,754,496

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, 2013, 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.

39. FIRST-TIME ADOPTION OF IFRSs

a. Basis of the preparation of financial information under IFRSs

The Group's consolidated financial statements for the year ended December 31, 2013 were the first IFRS financial statements. The Group not only follows the significant accounting policies stated in Note 4 but also applies the requirements under IFRS 1 "First-time Adoption of IFRS" as the basis for the preparation.

b. Impact on the transition to IFRSs

After transition to IFRSs, the impact on the Group's consolidated balance sheets and consolidated statements of comprehensive income is stated as follows:

1) Reconciliation of consolidated balance sheet as of January 1, 2012

ROC GAAP		Effect of the Transition from ROC GAAP to IFRSs		IFRSs		
Item	Amount	Measurement or Recognition Difference	Presentation Difference	Amount	Item	Note
Assets						
Current assets						
Cash and cash equivalents	$ 1,499,145	$ -	$ (229,000)	$ 1,270,145	Cash and cash equivalents	f)
Financial assets at fair value through profit or loss - current	510,756	-	-	510,756	Financial assets at fair value through profit or loss - current	
Available-for-sale financial assets - current	476,263	-	-	476,263	Available-for-sale financial assets - current	
Notes receivable, net	43,904	-	-	43,904	Notes receivable	
Accounts receivable, net	574,474	-	41,075	615,549	Trade receivables	g)
Other current financial assets	55,799	-	-	55,799	Other receivables	
"	107,718	-	229,000	336,718	Other financial assets - current	f)
Deferred tax assets - non-current	33,663	-	(33,663)	-		a)
Other current assets	68,604	-	196	68,800	Other current assets	e)
Total current assets	3,370,326	-	7,608	3,377,934		
Long-term investments						
Financial assets carried at cost - non-current	154,084	-	-	154,084	Financial assets measured at cost - non-current	
Investments accounted for by the equity method	2,913	-	-	2,913	Investments accounted for using equity method	
Total long-term investments	156,997	-	-	156,997		
Properties	3,306,892	-	57,728	3,364,620	Property, plant and equipment	e)
Intangible assets						
Franchise	64,238	-	-	64,238	Franchise	
	-	-	26,185	26,185	Intangible assets	e)
Total intangible assets	64,238	-	26,185	90,423		
Other assets						
Assets leased to others	2,875,804	-	-	2,875,804	Investment properties	
Idle assets	54,357	-	-	54,357	Investment properties	
Refundable deposits	152,839	-	-	152,839	Refundable deposits	
Deferred charges	84,109	-	(84,109)	-		e)
Deferred income tax assets - non-current	233	-	33,663	33,896	Deferred tax assets	a)
Others	49,773	(3,063)	2,313	49,023	Other non-current assets	b), g)
Total other assets	3,217,115	(3,063)	(48,133)	3,165,919		
Total	$ 10,115,568	$ (3,063)	$ 43,388	$ 10,155,893		
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans	$ 72,073	$ -	$ -	$ 72,073	Short-term borrowings	
Notes payable	4,576	-	-	4,576	Notes payable	
Income tax payable	67,540	-	-	67,540	Current tax liabilities	
	-	-	41,075	41,075	Provisions - current	g)
Accrued expenses	1,602,442	57,363	-	1,659,805	Other payables	c)
Other payables to related parties	60,481	-	-	60,481	Other payables to related parties	
Other current financial liabilities	146,842	-	-	146,842	Other current financial liabilities	
Other current liabilities	99,117	-	-	99,117	Other current liabilities	
Total current liabilities	2,053,071	57,363	41,075	2,151,509		
Other liabilities						
	-	-	2,313	2,313	Provisions - non-current	g)
Guarantee deposits received	41,940	-	-	41,940	Guarantee deposits received	

(Continued)

ROC GAAP Item	ROC GAAP Amount	Effect of the Transition from ROC GAAP to IFRSs: Measurement or Recognition Difference	Effect of the Transition from ROC GAAP to IFRSs: Presentation Difference	IFRSs Amount	IFRSs Item	Note
Deferred income tax liabilities - noncurrent	$ 22,389	$ -	$ -	$ 22,389	Deferred income tax liabilities	
Others	1,041,914	-	-	1,041,914	Other non-current liabilities	
Total other liabilities	1,106,243	-	2,313	1,108,556		
Total liabilities	3,159,314	57,363	43,388	3,260,065		
Shareholders' equity						
Common stock	4,392,182	-	-	4,392,182	Ordinary shares	
Capital surplus					Capital surplus	
Employee stock options	63,896	-	-	63,896	Employee stock options	
Retained earnings						
Legal reserve	1,024,230	-	-	1,024,230	Legal reserve	
Special reserve	120,693	-	-	120,693	Special reserve	
Unappropriated earnings	1,311,265	(23,316)	-	1,287,949	Unappropriated earnings	b), c), d)
Other equity						
Cumulative translation adjustments	36,467	(36,467)	-	-	Exchange differences on translating foreign operations	d)
Unrealized valuation loss on financial instruments	(97,712)	-	-	(97,712)	Unrealized loss from available-for-sale financial assets	
Total equity attributable to shareholders of the parent	6,851,021	(59,783)	-	6,791,238		
Minority interest in subsidiaries	105,233	(643)	-	104,590	Non-controlling interests	b), c)
Total shareholders' equity	6,956,254	(60,426)	-	6,895,828		
Total	$ 10,115,568	$ (3,063)	$ 43,388	$ 10,155,893		

(Concluded)

2) Reconciliation of consolidated balance sheet as of December 31, 2012

ROC GAAP Item	ROC GAAP Amount	Effect of the Transition from ROC GAAP to IFRSs: Measurement or Recognition Difference	Effect of the Transition from ROC GAAP to IFRSs: Presentation Difference	IFRSs Amount	IFRSs Item	Note
Assets						
Current assets						
Cash and cash equivalents	$ 2,443,134	$ -	$ (248,700)	$ 2,194,434	Cash and cash equivalents	f)
Financial assets at fair value through profit or loss - current	75,534	-	-	75,534	Financial assets at fair value through profit or loss - current	
Available-for-sale financial assets - current	609,407	-	-	609,407	Available-for-sale financial assets - current	
Notes receivable, net	55,517	-	-	55,517	Notes receivable	
Accounts receivable, net	772,399	-	58,352	830,751	Trade receivable	g)
Other current financial assets	350,739	-	-	350,739	Other receivables	
Other current financial assets	107,961	-	248,700	356,661	Other financial assets - current	f)
Inventories	467,980	-	-	467,980	Inventories	
Deferred income tax assets - current	14,831	-	(14,831)	-		a)
Other current assets	57,480	-	-	57,480	Other current assets	
Total current assets	4,954,982	-	43,521	4,998,503		
Long-term investments						
Financial assets carried at cost - noncurrent	128,640	-	-	128,640	Financial assets carried at cost - non-current	
Investments accounted for by the equity method	3,528	-	-	3,528	Investments accounted for using equity method	
Total long-term investments	132,168	-	-	132,168		
Properties	3,257,354	-	25,566	3,282,920	Property, plant and equipment	e)

(Continued)

ROC GAAP		Effect of the Transition from ROC GAAP to IFRSs		IFRSs		
Item	Amount	Measurement or Recognition Difference	Presentation Difference	Amount	Item	Note
Intangible assets						
Franchise	$ 59,399	$ -	$ -	$ 59,399	Franchise	
Goodwill	9,621	-	-	9,621	Goodwill	
	-	-	20,416	20,416	Intangible assets	e)
Total intangible assets	69,020	-	20,416	89,436		
Other assets						
Assets leased to others	2,809,920	-	-	2,809,920	Investment properties	
Idle assets	50,697	-	-	50,697	Investment properties	
Refundable deposits	122,452	-	-	122,452	Refundable deposits	
Deferred charges	45,982	-	(45,982)	-		e)
Long-term accounts receivable	214,237	-	-	214,237	Long-term accounts receivable	
Deferred income tax assets - non-current	277	-	14,831	15,108	Deferred tax assets	a)
Others	64,160	(28,642)	3,537	39,055	Other non-current assets	b), g)
Total other assets	3,307,725	(28,642)	(27,614)	3,251,469		
Total	$ 11,721,249	$ (28,642)	$ 61,889	$ 11,754,496		
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans	$ 69,302	$ -	$ -	$ 69,302	Short-term borrowings	
Notes payable	3,405	-	-	3,405	Notes payable	
Income tax payable	162,583	-	-	162,583	Current tax liabilities	
	-	-	58,352	58,352	Provisions - current	g)
Accrued expenses	1,916,970	52,246	-	1,969,216	Other payables	c)
Other payables to related parties	68,624	-	-	68,624	Other payables to related parties	
Other current financial liabilities	174,797	-	-	174,797	Other current financial liabilities	
Other current liabilities	120,310	-	-	120,310	Other current liabilities	
Total current liabilities	2,515,991	52,246	58,352	2,626,589		
Long-term liabilities						
Long-term debt	700,000	-	-	700,000	Long-term debt	
Other liabilities						
	-	-	3,537	3,537	Provisions - non-current	g)
Guarantee deposits received	50,892	-	-	50,892	Guarantee deposits received	
Deferred income tax liabilities - non-current	28,302	-	-	28,302	Deferred tax liabilities	
Others	890,252	-	-	890,252	Other non-current liabilities	
Total other liabilities	969,446	-	3,537	972,983		
Total liabilities	4,185,437	52,246	61,889	4,299,572		
Shareholders' equity						
Common stock	4,655,713	-	-	4,655,713	Ordinary shares	
Capital surplus					Capital surplus	
Employee stock options	63,896	-	-	63,896	Employee stock options	
Retained earnings						
Legal reserve	1,155,179	-	-	1,155,179	Legal reserve	
Special reserve	120,693		-	120,693	Special reserve	
Unappropriated earnings	1,389,464	(44,185)	-	1,345,279	Unappropriated earnings	b), c), d)
Other equity						
Cumulative translation adjustments	(31,998)	(36,467)	-	(68,465)	Exchange differences on translating foreign operations	d)
Unrealized valuation gain on financial instruments	63,048	-	-	63,048	Unrealized gains from available-for-sale financial assets	
Total equity attributable to shareholders of the parent	7,415,995	(80,652)	-	7,335,343		
Minority interest in subsidiaries	119,817	(236)	-	119,581	Non-controlling interests	b), c)
Total shareholders' equity	7,535,812	(80,888)	-	7,454,924		
Total	$ 11,721,249	$ (28,642)	$ 61,889	$ 11,754,496		

(Concluded)

3) Reconciliation of consolidated statement of comprehensive income for the year ended December 31, 2012

ROC GAAP		Effect of the Transition from ROC GAAP to IFRSs		IFRSs		
		Measurement or Recognition Difference	Presentation Difference			
Item	Amount			Amount	Item	Note
Operating revenue					Operating revenue	
Service revenue	$ 9,128,151	$ -	$ -	$ 9,128,151	Service revenue	
Service returns and allowances	(377,905)	-	-	(377,905)	Service returns and allowances	
Total operating revenue	8,750,246	-	-	8,750,246	Total operating revenue	
Operating costs	(6,164,553)	4,545	-	(6,160,008)	Operating costs	b), c)
Gross profit	2,585,693	4,545	-	2,590,238	Gross profit	
Operating expenses	(1,044,329)	780	-	(1,043,549)	Operating expenses	b), c)
Operating income	1,541,364	5,325	-	1,546,689	Operating income	
Nonoperating income and gains					Nonoperating income and gains	
Interest income	22,288	-	-	22,288	Interest income	
Investment income recognized under equity method	264	-	-	264	Investment income recognized under equity method	
Dividend income	21,125	-	-	21,125	Dividend income	
Gain on sale of investments	5,372	-	-	5,372	Gain on sale of investments	
Rental income	124,133	-	-	124,133	Rental income	
Gain on reversal of bad debts	2,138	-	-	2,138	Gain on reversal of bad debts	
Miscellaneous income	82,702	-	-	82,702	Miscellaneous income	
Total nonoperating income and gains	258,022	-	-	258,022	Total nonoperating income and gains	
Nonoperating expenses and losses					Nonoperating expenses and losses	
Interest expense	9,601	-	-	9,601	Interest expense	
Losses on disposal of properties	1,621	-	-	1,621	Losses on disposal of properties	
Exchange loss, net	5,245	-	-	5,245	Exchange loss, net	
Loss on assets revaluation	21,708	-	-	21,708	Loss on assets revaluation	
Valuation loss on financial assets, net	258	-	-	258	Valuation loss on financial assets, net	
Miscellaneous loss	33,268	-	-	33,268	Miscellaneous loss	
Total nonoperating expenses and losses	71,701	-	-	71,701	Total nonoperating expenses and losses	
Income before income tax	1,727,685	5,325	-	1,733,010	Income before income tax	
Income tax	(346,276)	-	-	(346,276)	Income tax	
Net income	$ 1,381,409	$ 5,325	$ -	1,386,734	Net income	
				(68,465)	Exchange differences on translating foreign operations	
				160,760	Unrealized gain on available-for-sale financial assets	
				(25,787)	Actuarial loss from defined benefit pension	b)
				66,508	Other comprehensive income for the period, net of income tax	
				$ 1,453,242	Total comprehensive income	

4) Exemptions from IFRS 1

IFRS 1 establishes the procedures for the Group's first consolidated financial statements prepared in accordance with IFRSs. According to IFRS 1, the Group is required to determine the accounting policies under IFRSs and retrospectively apply those accounting policies in its opening balance sheet at the date of transition to IFRSs, January 1, 2012; except for optional exemptions and mandatory exceptions to such retrospective application provided under IFRS 1. The major optional exemptions the Group adopted are summarized as follows:

Business combinations

The Group elected not to apply IFRS 3, "Business Combinations," retrospectively to business combinations that occurred before the date of transition. Therefore, in the opening balance sheet, the amount of goodwill generated from past business combinations remains the same as the amount under ROC GAAP as of December 31, 2011.

Employee benefits

The Group elected to recognize all cumulative actuarial gains and losses in retained earnings as of the date of transition. In addition, the Group elected to apply the exemption from disclosure requirement provided by IFRS 1; thus, the experience adjustments are determined for each accounting period prospectively from the transition date.

Cumulative translation differences

The Group elected to reset the cumulative translation differences to zero at the date of transition to IFRSs and adjusted retained earnings accordingly. Gains or losses of a subsequent disposal of any foreign operations will exclude the translation differences that arose before the date of transition to IFRSs.

The effect of the abovementioned optional exemptions elected by the Group was stated in the following Note 5 - Explanations of significant reconciling items in the transition to IFRSs.

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

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

a) Under ROC GAAP, a deferred income tax asset or liability should be classified as current or noncurrent in accordance with the classification of the related asset or liability for financial reporting. However, a deferred income tax asset or liability that is not related to an asset or liability for financial reporting should be classified as current or noncurrent on the basis of the expected length of time before it is realized or settled. By contrast, under IFRSs, a deferred income tax asset or liability is always classified as noncurrent. Thus, as of January 1, 2012 and December 31, 2012, the reclassification adjustment resulted in decreases of $33,663 thousand and $14,831 thousand, in “deferred income tax asset - current” and increases of the same amounts in “deferred income tax assets - non-current.”

b) Under IFRS 1, the Group elected to recognize all cumulative actuarial gains and losses relating to employee benefits at the date of transition to IFRSs. Thus, as of January 1, 2012, the IFRS adjustment resulted in decreases in defined benefit plan assets of $3,063 thousand, accumulated earnings of $2,820 thousand and non-controlling interests of $243 thousand.

   For the year ended December 31, 2012, the IFRS adjustment resulted in decreases in defined benefit plan assets of $28,642 thousand, operating costs of $178 thousand, operating expenses of $30 thousand, in accumulated earnings of $28,430 thousand and non-controlling interests of $212 thousand, and actuarial loss from defined benefit plans increased by $25,787 thousand.

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

   In addition, the evaluation adjustment made on December 31, 2012 resulted in increase in accrued expenses of $52,246 thousand, decreases in operating costs of $4,367 thousand and operating expenses of $750 thousand. Accumulated earnings decreased by $52,222 thousand and non-controlling interests decreased by $24 thousand.

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

e) Reclassification of deferred charges

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

   As of January 1, 2012 and December 31, 2012, the Group reclassified $196 thousand and $0 thousand, respectively, of "deferred charges" to "other current assets"; and reclassified $57,728 thousand and $25,566 thousand, respectively, of "deferred charges" to "property, plant and equipment" and reclassified $26,185 thousand and $20,416 thousand, respectively, of "deferred charges" to "intangible assets".

f) Under ROC GAAP, the term "cash" used in the financial statements includes cash on hand, demand deposits, check deposits, time deposits that are cancellable but without any loss of principal. However, under IFRSs, cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition. Some certificates of deposit the Group held had maturity of more than 3 months from the date of investment. Thus, as of January 1, 2012 and December 31, 2012, the reclassification adjustment resulted in decreases of $229,000 thousand and $248,700 thousand, respectively, in "cash and cash equivalents" and increases of the same amounts in "other financial assets - current."

g) Under ROC GAAP, the allowance for service discounts is recorded as a deduction in accounts receivable. Under IFRS, the allowance for service discounts is a present obligation with uncertain timing and an amount that arises from past events and is therefore reclassified as provisions. As of January 1, 2012 and December 31, 2012, the allowance for service discounts (under trade receivables) of $41,075 thousand and $58,352 thousand, respectively, was reclassified to provisions - current. As of January 1, 2012 and December 31, 2012, the allowance for services discounts - overdue receivable (under other assets) of $2,313 thousand and $3,537 thousand, respectively, was reclassified to provisions - non-current.

TABLE 1

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Stated Other Wise)

No.	Financing Company	Borrower	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
												Item	Value		
1	Sinyi Development Inc. (Original name: Da-Chia Construction Co., Ltd.)	Shin Hau Real Estate Co., Ltd.	Other receivables	$ 200,000	$ 200,000	$ 200,000	10.0%	Business activity	$ 201,000	-	$ -	Land	$ 312,000	$ 201,000 (Note 1)	$ 274,074 (Note 2)
		Sinyi Realty Inc.	〃	200,000	160,000	160,000	1.8%	Short-term financing	-	Need for group funds	-	-	-	219,259 (Note 3)	548,147 (Note 3)
2	Suzhou Sinyi Real Estate Inc.	Sinyi Real Estate (Shanghai) Limited	〃	490,400 (RMB 100,000 thousand)	490,400 (RMB 100,000 thousand)	490,400 (RMB 100,000 thousand)	7.4%	〃	-	Need for operation	-	-	-	610,994 (Note 4)	1,832,982 (Note 4)
		Shanghai Sinyi Real Estate Inc.	〃	98,080 (RMB 20,000 thousand)	98,080 (RMB 20,000 thousand)	88,272 (RMB 18,000 thousand)	4.0%	〃	-	Participation in the capital increase of strategic investment plan	-	-	-	610,994 (Note 4)	1,832,982 (Note 4)

Note 1: The total amount of Sinyi Development Inc's. lending to others for business activity should not exceed the amount of transaction during the latest year.

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

Note 3: The maximum total financing provided by Sinyi Development Inc. for the borrowing company which holds 100% ownership of Sinyi Development Inc. should not exceed 40% of Sinyi Development Inc.'s net worth. Total financing provided should not exceed 100% of Sinyi Development Inc.'s net worth.

Note 4: Total financing provided by the Suzhou Sinyi Real Estate Inc. for each borrowing company which was held 100% ownership directly or indirectly by the same parent company of Suzhou Sinyi Real Estate Inc. should not exceed 150% of the Suzhou Sinyi Real Estate Inc.'s net worth. Total financing provided should not exceed 300% of Suzhou Sinyi Real Estate Inc.'s net worth.

TABLE 2

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER
YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor (Note 2)	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of Parent	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Shanghai Sinyi Real Estate Inc.	Indirect subsidiary	$ 7,592,835	$ 343,280 (RMB 70,000 thousand)	$ 343,280 (RMB 70,000 thousand)	$ 98,080 (RMB 20,000 thousand)	$ 98,080 (Deposits)	4	$ 9,491,044	Y		Y	
		Suzhou Sinyi Real Estate Inc.	〃	7,592,835	534,536 (RMB 109,000 thousand)	534,536 (RMB 109,000 thousand)	534,536 (RMB 109,000 thousand)	534,536 (Deposits)	6	9,491,044	Y		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, 2013
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2013				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	Listed stock							
	E. SUN Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	14,011,684	$ 277,431	-	$ 277,431	
	PChome Online Inc.	〃	Financial assets at fair value through profit or loss - current	100,271	23,965	-	23,965	
	Stock							
	Rakuya International Info. Co., Ltd.	-	Financial assets measured at cost - non-current	1,900,000	6,442	12	6,442	
	Han Yu Venture Capital Co., Ltd.	〃	〃	5,000,000	49,063	11	49,063	
	Chien Hsiang Securities Service Co., Ltd.	〃	〃	3,100,000	62,000	10	62,000	
	PChome Investment Inc.	-	〃	196,350	-	8	-	
	Kun Gee Venture Capital Co., Ltd.	〃	〃	2,333,333	6,784	3	6,784	
	Cite' Publishing Holding Ltd.	〃	〃	7,637	4,874	1	4,874	
	Cite' Information Services Co., Ltd.	〃	〃	106,392	890	1	890	
	The Journalist Co., Ltd.	〃	〃	-	-	1	-	
Sinyi Limited	Stock							
	Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	619,058	-	619,058	
	Monetary market fund							
	SBGH U.S. Dollar Reserve Fund CL A Dist Units	〃	〃	43,265	1,290	-	1,290	
Shanghai Sinyi Real Estate Inc.	Stock							
	Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	-	155,436	2	155,436	
An-Sin Real Estate Management Ltd.	Fund							
	Taishin 1699 Monetary Market Fund	-	Financial assets at fair value through profit or loss - current	8,578,087	113,333	-	113,333	
Sinyi Development Inc. (original name: Da-Chia Construction Co., Ltd.)	Stock							
	CTCI Corporation	〃	〃	170,940	8,256	-	8,256	
Global Assets Management	Stock							
	Taishin 1699 Monetary Market Fund	-	Financial assets at fair value through profit or loss - current	5,554,554	73,386	-	73,386	
Sinyi Real Estate (Shanghai) Limited	Financial product							
	Ding-Ding-Cheng- Jin No.65034	〃	Other financial assets - current	15,000,000	73,328	-	73,328	
	Ding-Ding-Cheng- Jin No.68068	〃		8,000,000	39,109	-	39,109	
	Ding-Ding-Cheng- Jin No.68069	〃		54,000,000	263,982	-	263,982	

TABLE 4

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, 2013
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Costs	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	Stock Sinyi International Limited	Investments accounted for using equity method	-	Subsidiary	29,342,189	$ 860,470	104,503,706	$ 3,095,414	-	$ -	$ -	$ -	133,845,895	$ 3,955,884 (Notes 1 and 2)
Sinyi International Limited	Stock Sinyi Development Ltd.	〃	〃	〃	26,496,294	773,333	104,503,906	3,095,414	-	-	-	-	131,000,200	3,868,747 (Notes 1 and 2)
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	〃	〃	〃	26,496,294	773,333	104,503,906	3,095,414	-	-	-	-	131,000,200	3,868,747 (Notes 1 and 2)
Sinyi Real Estate (Hong Kong) Limited	Sinyi Real Estate (Shanghai) Limited	〃	〃	〃	-	-	-	3,868,747	-	-	-	-	-	3,868,747 (Notes 1 and 2)

Note 1: The ending balance presents historical cost.

Note 2: It has been eliminated

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTION
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
	Year ended December 31, 2013						
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	1	Professional fee	$ 27,347	Fixed charges by guarantee piece work	-
		Jui-Inn Consultants Co., Ltd.	1	Professional fee	10,503	Piecework	-
		An-Sin Real Estate Management Ltd.	1	Other income	18,629	30 days after regular settlement	-
		Sinyi Realty Inc. Japan	1	Other income	16,278	Quarterly	-
		Sinyi Development Inc.(Original name: Da-Chia Construction Co., Ltd.)	1	Other payables to related parties	160,221	Need for group funds, interest rate 1.8%	1
1	Sinyi Limited	Ke Wei Shanghai Real Estate Management Consulting Inc.	3	Other receivables	49,898	-	-
		Shanghai Sinyi Real Estate Inc.	3	Other receivables	14,682	-	-
2	Shanghai Sinyi Real Estate Inc.	Inane International Limited	3	Other payables	9,417	-	-
		Suzhou Sinyi Real Estate Inc.	3	Other payables	88,272	Interest rate 4%	1
3	Suzhou Sinyi Real Estate Inc.	Sinyi Real Estate (Shanghai) Limited	3	Other receivables	490,400	Financing for operation, interest rate 7.4%	3
	Year ended December 31, 2012						
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	1	Professional fee	23,580	Fixed charges by guarantee piece work	-
		Jui-Inn Consultants Co., Ltd.	1	Professional fee	9,528	Piecework	-
		An-Sin Real Estate Management Ltd.	1	Other income	13,456	30 days after regular settlement	-
		Sinyi Realty Inc. Japan	1	Other income	11,287	Quarterly	-
1	Sinyi Limited	Ke Wei Shanghai Real Estate Management Consulting Inc.	3	Other receivables	27,069	-	-
		Shanghai Sinyi Real Estate Inc.	3	Other receivables	11,500	-	-
2	Shanghai Sinyi Real Estate Inc.	Inane International Limited	3	Other payables	9,175	-	-

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, 2013 and 2012.
Percentage to consolidated total revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenues for the year ended December 31, 2013 and 2012.

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

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
YEAR ENDED DECEMBER 31, 2013
(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, 2013			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	$ 3,955,884	$ 860,470	133,845,895	100	$ 4,068,842	$ 72,502	$ 72,502	Note
	Sinyi Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	2,026,224	2,026,224	62,075,721	100	1,663,717	(1,974)	(1,974)	〃
	Sinyi Development Inc.(Original name: Da-Chia Construction Co., Ltd.)	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Construction	535,005	535,005	53,500,000	100	548,147	3,346	3,346	〃
	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	62,966	35,202	35,202	〃
	Heng-Yi Real Estate Consulting	16F-1, NO. 262, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	Development, construction, rental and sale of residential building and factories; Real estate brokerage	20,000	-	2,000,000	100	16,636	(3,364)	(3,364)	〃
	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	4,431	170	170	〃
	Shin Cheng Property Insurance Agency Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Property insurance agency	3,000	3,000	300,000	100	251	76	76	〃
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	496,000	99	1,576	64	64	〃
	An-Sin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	25,500	25,500	6,630,000	51	133,293	87,391	44,359	〃
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	11,623	1,223	232	〃
Sinyi Limited	Inane International Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,434,497	1,434,497	44,890,999	100	942,846	(66,448)	(66,448)	〃
	Ke Wei HK Realty Limited	Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	29,140	29,140	475,000	95	(37,756)	(9,887)	(9,887)	〃
Sinyi International Limited	Forever Success International Limited	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius	Investment holding	28,276	28,276	930,000	100	6,817	(10,394)	(10,394)	〃
	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	119,762	63,837	63,837	〃
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Asia Samoa	Investment holding	3,868,747	773,333	131,000,200	100	3,913,789	(8,426)	(8,426)	〃
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	396,498	7,300	7,300	〃
An-Sin Real Estate Management Ltd.	An-Shin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	10,000	10,000	1,000,000	100	10,143	100	100	〃
Sinyi Realty Inc. Japan	Richesse Management Co., Ltd.	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage	10,746	10,746	600	100	10,284	872	872	〃
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Suite 2302-6, 23/F Great Eagle CTR 23, Harbour Rd., Wan Chai HK	Investment holding	3,868,747	773,333	131,000,200	100	3,912,187	(10,714)	(10,714)	〃

Note: It has been eliminated.

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2013
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2013	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2013	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2013 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2013
					Outflow	Inflow						
Shanghai Kunlun Taiwan Shang Cheng Real Estate Inc.	General merchandise retail sales, dining service and entertainment	RMB 335,625	Investment in company located in Mainland China indirectly through Sinyi Limited	$ 238,231	$ -	$ 73,076	$ - (Note 6)	$ -	-	$ -	$ -	$ -
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 6,160	Investment in company located in Mainland China indirectly through Ke Wei HK Realty Limited	15,870	-	-	15,870	(9,887)	95	(9,887) (Note 8)	(37,052) (Note 8)	-
Shanghai Sinyi Real Estate Inc. (Note 3)	Real estate brokerage	RMB 209,186	Investment in company located in Mainland China indirectly through Inane International Limited	888,456	-	-	888,456	(34,636)	100	(34,636) (Note 8)	554,682 (Note 8)	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 21,883	〃	86,157	-	-	86,157	(23,974)	100	(23,974) (Note 8)	(42,130) (Note 8)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 4)	Real estate brokerage	RMB 4,138	〃	17,095	-	-	17,095	(7,889)	100	(7,889) (Note 8)	11,523 (Note 8)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	〃	355,249	-	-	355,249	11,635	100	11,635 (Note 8)	407,329 (Note 8)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,025,700	〃	-	-	-	-	-	2	-	155,436	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 20,200	〃	44,543	-	-	44,543	(6,553)	100	(6,553) (Note 8)	(2,783) (Note 8)	-
Shanghai Shin Chen Real Estate Brokerage Inc. (Note 4)	Real estate brokerage	RMB 1,000	Investment in company located in Mainland China indirectly through Ke Wei HK Realty Limited	-	-	-	-	-	94	- (Note 8)	103 (Note 8)	-
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	(10,336)	100	(10,336) (Note 8)	6,200 (Note 8)	-
Chengdu Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 8,000	Investment in company located in Mainland China indirectly through Inane International Limited	29,342	-	-	29,342	(5,147)	80	(4,118) (Note 8)	4,574 (Note 8)	-

(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, 2013	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2013	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2013 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2013
					Outflow	Inflow						
Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Note 5)	Real estate brokerage and management consulting	RMB 8,000	〃	$ 29,225	$ -	$ -	$ 29,225	$ (4,579)	65	$ (3,211) (Note 8)	$ 2,750 (Note 8)	$ -
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	(11,236)	100	(11,236) (Note 8)	3,911,668 (Note 8)	-

Accumulated Outflow for Investment in Mainland China as of December 31, 2013	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 7)
$5,362,116	$5,798,954	$ -

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 based on the exchange rate of US$1=NT$29.805 and US$1=RMB6.969 at December 31, 2013.

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

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

Note 5: In May 2013, the Company's 100%-owned subsidiary, Inane, transferred its 15% ownership in Qingdao Sinyi by RMB1,200 thousand and thus the ownership was reduced from 80% to 65%.

Note 6: In 2013, Sinyi Limited sold all of its ownership of Shanghai Kunlun Taiwan Shang Cheng Real Estate Inc. with $73,076 thousand which had been collected.

Note 7: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

Note 8: It has been eliminated.

(Concluded)