

## **Sinyi Realty Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2014 and 2013 and  
Independent Accountants' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders  
Sinyi Realty Inc.

We have reviewed the accompanying consolidated balance sheets of Sinyi Realty Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2014 and 2013 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

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

As stated in Note 4 to the consolidated financial statements, some non-major subsidiaries' financial statements and related information mentioned in Note 35 were unreviewed. As of March 31, 2014 and 2013, such subsidiaries' total assets were 22% (\$3,634,387 thousand) and 23% (\$3,217,239 thousand), respectively, of the consolidated assets, and their total liabilities were 12% (\$759,997 thousand) and 11% (\$643,989 thousand), respectively, of the consolidated liabilities. The total comprehensive income of these subsidiaries were 11% (\$19,670 thousand), and 6% (\$27,747 thousand) of consolidated comprehensive income for the three months ended March 31, 2014 and 2013, respectively.

Based on our reviews, except for the effects on the consolidated financial statements as of and for the three months ended March 31, 2014 and 2013 of such adjustments and disclosures, if any, as might have been required had the financial statements of consolidated subsidiaries in the third paragraph above been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.



April 29, 2014

### Notice to Readers

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

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

# SINYI REALTY INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

	March 31, 2014 (Reviewed)		December 31, 2013 (Audited)		March 31, 2013 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 1,639,443	10	\$ 1,605,974	10	\$ 3,748,515	27
Financial assets at fair value through profit or loss - current (Note 7)	30,665	-	218,940	1	312,269	2
Available-for-sale financial assets - current (Note 8)	766,456	5	897,779	6	676,139	5
Notes receivable (Note 10)	43,460	-	63,941	-	57,243	1
Trade receivables (Note 10)	1,020,694	6	1,146,484	7	1,019,327	8
Other receivables (Notes 10 and 30)	109,265	1	106,721	1	52,858	-
Inventories (Notes 11 and 31)	4,411,177	27	4,174,264	25	480,631	4
Other financial assets - current (Notes 12 and 31)	941,532	6	1,137,400	7	248,313	2
Other current assets (Note 18)	93,677	1	68,058	-	54,934	-
Total current assets	<u>9,056,369</u>	<u>56</u>	<u>9,419,561</u>	<u>57</u>	<u>6,650,229</u>	<u>49</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets measured at cost - non-current (Note 9)	287,531	2	285,489	2	185,282	1
Investment accounted for using equity method (Note 13)	11,765	-	11,623	-	3,810	-
Property, plant and equipment (Notes 14 and 31)	3,549,643	22	3,564,458	21	3,522,816	26
Investment properties (Notes 15 and 31)	2,847,455	17	2,827,714	17	2,855,656	21
Intangible assets (Notes 16 and 33)	122,165	1	89,878	1	89,977	1
Deferred tax assets	16,769	-	17,123	-	15,857	-
Refundable deposits (Note 27)	129,513	1	129,145	1	122,532	1
Long-term accounts receivable (Note 17)	239,169	1	234,237	1	219,169	1
Prepaid pension cost - non-current	8,712	-	6,067	-	38,962	-
Other non-current assets (Note 18)	4,550	-	4,623	-	5,275	-
Total non-current assets	<u>7,217,272</u>	<u>44</u>	<u>7,170,357</u>	<u>43</u>	<u>7,059,336</u>	<u>51</u>
<b>TOTAL</b>	<u>\$ 16,273,641</u>	<u>100</u>	<u>\$ 16,589,918</u>	<u>100</u>	<u>\$ 13,709,565</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 19 and 31)	\$ 618,012	4	\$ 586,627	3	\$ 71,364	1
Notes payable	19,321	-	9,631	-	2,487	-
Other payables (Note 20)	1,352,347	8	2,769,498	17	1,670,170	12
Other payable to related parties (Notes 20 and 30)	102,737	1	97,001	1	81,826	1
Current tax liabilities	433,773	3	424,145	3	271,396	2
Provisions - current (Note 21)	58,262	-	66,268	-	63,763	-
Other current financial liabilities (Note 20)	210,037	1	194,756	1	300,477	2
Current portion of long-term borrowings (Notes 19 and 31)	-	-	-	-	141,316	1
Other current liabilities (Note 20)	101,233	1	149,966	1	112,161	1
Total current liabilities	<u>2,895,722</u>	<u>18</u>	<u>4,297,892</u>	<u>26</u>	<u>2,714,960</u>	<u>20</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 19 and 31)	2,608,324	16	1,572,206	10	2,200,913	16
Provisions - non-current (Note 21)	2,660	-	2,733	-	3,385	-
Guarantee deposits received (Note 27)	79,567	1	78,786	-	47,192	-
Other non-current liabilities (Note 20)	851,354	5	989,606	6	626,064	5
Deferred tax liabilities	27,142	-	26,947	-	29,908	-
Total non-current liabilities	<u>3,569,047</u>	<u>22</u>	<u>2,670,278</u>	<u>16</u>	<u>2,907,462</u>	<u>21</u>
Total liabilities	<u>6,464,769</u>	<u>40</u>	<u>6,968,170</u>	<u>42</u>	<u>5,622,422</u>	<u>41</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)</b>						
Share capital						
Ordinary shares	5,028,170	31	5,028,170	30	4,655,713	34
Capital surplus	68,597	-	68,597	-	63,896	-
Retained earnings						
Legal reserve	1,290,290	8	1,290,290	8	1,155,179	9
Special reserve	120,693	1	120,693	1	120,693	1
Unappropriated earnings	2,819,106	17	2,579,654	15	1,814,289	13
Total retained earnings	4,230,089	26	3,990,637	24	3,090,161	23
Other equity						
Exchange differences on translating foreign operations	119,313	1	39,243	1	14,106	-
Unrealized gain or loss from available-for-sale financial assets	225,130	1	364,397	2	134,697	1
Total other equity	344,443	2	403,640	3	148,803	1
Total equity attributable to owners of the Company	9,671,299	59	9,491,044	57	7,958,573	58
<b>NON-CONTROLLING INTERESTS</b>	<u>137,573</u>	<u>1</u>	<u>130,704</u>	<u>1</u>	<u>128,570</u>	<u>1</u>
Total equity	<u>9,808,872</u>	<u>60</u>	<u>9,621,748</u>	<u>58</u>	<u>8,087,143</u>	<u>59</u>
<b>TOTAL</b>	<u>\$ 16,273,641</u>	<u>100</u>	<u>\$ 16,589,918</u>	<u>100</u>	<u>\$ 13,709,565</u>	<u>100</u>

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

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

## SINYI REALTY INC. AND SUBSIDIARIES

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

	Three Months Ended March 31			
	2014		2013	
	Amount	%	Amount	%
OPERATING REVENUE				
Service revenue	\$ 2,205,176	100	\$ 2,553,355	100
OPERATING COSTS (Notes 24 and 30)	<u>1,620,831</u>	<u>73</u>	<u>1,720,153</u>	<u>67</u>
GROSS PROFIT	584,345	27	833,202	33
OPERATING EXPENSES (Notes 24 and 30)	<u>304,509</u>	<u>14</u>	<u>277,463</u>	<u>11</u>
OPERATING INCOME	<u>279,836</u>	<u>13</u>	<u>555,739</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 30)	31,746	1	26,422	1
Interest income (Note 17)	18,327	1	7,899	-
Other gains and losses (Notes 24 and 30)	10,591	1	18,679	1
Finance costs (Notes 24 and 30)	<u>(14,774)</u>	<u>(1)</u>	<u>(8,095)</u>	<u>-</u>
Total non-operating income and expenses	<u>45,890</u>	<u>2</u>	<u>44,905</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	325,726	15	600,644	24
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(80,216)</u>	<u>(4)</u>	<u>(122,034)</u>	<u>(5)</u>
NET PROFIT FOR THE PERIOD	<u>245,510</u>	<u>11</u>	<u>478,610</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating foreign operations	80,881	3	82,571	3
Unrealized gain on available-for-sale financial assets	(139,409)	(6)	71,366	3
Share of other comprehensive income of associates and joint ventures	<u>142</u>	<u>-</u>	<u>283</u>	<u>-</u>
Other comprehensive income for the period, net of income tax	<u>(58,386)</u>	<u>(3)</u>	<u>154,220</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 187,124</u>	<u>8</u>	<u>\$ 632,830</u>	<u>25</u>
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	\$ 239,452	11	\$ 469,010	18
Non-controlling interests	<u>6,058</u>	<u>-</u>	<u>9,600</u>	<u>1</u>
	<u>\$ 245,510</u>	<u>11</u>	<u>\$ 478,610</u>	<u>19</u>

(Continued)

## SINYI REALTY INC. AND SUBSIDIARIES

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

	<b>Three Months Ended March 31</b>			
	<b>2014</b>		<b>2013</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owner of the Company	\$ 180,255	8	\$ 623,230	25
Non-controlling interests	<u>6,869</u>	<u>-</u>	<u>9,600</u>	<u>-</u>
	<u>\$ 187,124</u>	<u>8</u>	<u>\$ 632,830</u>	<u>25</u>
EARNINGS PER SHARE (Note 26)				
From continuing operations				
Basic	<u>\$ 0.48</u>		<u>\$ 0.93</u>	
Diluted	<u>\$ 0.48</u>		<u>\$ 0.93</u>	

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

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

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## SINYI REALTY INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company									
	Share Capital	Capital Surplus	Retained Earnings			Other Equity		Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets			
BALANCE AT JANUARY 1, 2013	\$ 4,655,713	\$ 63,896	\$ 1,155,179	\$ 120,693	\$ 1,345,279	\$ (68,465)	\$ 63,048	\$ 7,335,343	\$ 119,581	\$ 7,454,924
Net profit for the three months ended March 31, 2013	-	-	-	-	469,010	-	-	469,010	9,600	478,610
Other comprehensive income for the three months ended March 31, 2013, net of income tax	-	-	-	-	-	82,571	71,649	154,220	-	154,220
Total comprehensive income for the three months ended March 31, 2013	-	-	-	-	469,010	82,571	71,649	623,230	9,600	632,830
Change in non-controlling interest	-	-	-	-	-	-	-	-	(611)	(611)
BALANCE AT MARCH 31, 2013	<u>\$ 4,655,713</u>	<u>\$ 63,896</u>	<u>\$ 1,155,179</u>	<u>\$ 120,693</u>	<u>\$ 1,814,289</u>	<u>\$ 14,106</u>	<u>\$ 134,697</u>	<u>\$ 7,958,573</u>	<u>\$ 128,570</u>	<u>\$ 8,087,143</u>
BALANCE AT JANUARY 1, 2014	\$ 5,028,170	\$ 68,597	\$ 1,290,290	\$ 120,693	\$ 2,579,654	\$ 39,243	\$ 364,397	\$ 9,491,044	\$ 130,704	\$ 9,621,748
Net profit for the three months ended March 31, 2014	-	-	-	-	239,452	-	-	239,452	6,058	245,510
Other comprehensive income (loss) for the three months ended March 31, 2014, net of income tax	-	-	-	-	-	80,070	(139,267)	(59,197)	811	(58,386)
Total comprehensive income (loss) for the three months ended March 31, 2014	-	-	-	-	239,452	80,070	(139,267)	180,255	6,869	187,124
BALANCE AT MARCH 31, 2014	<u>\$ 5,028,170</u>	<u>\$ 68,597</u>	<u>\$ 1,290,290</u>	<u>\$ 120,693</u>	<u>\$ 2,819,106</u>	<u>\$ 119,313</u>	<u>\$ 225,130</u>	<u>\$ 9,671,299</u>	<u>\$ 137,573</u>	<u>\$ 9,808,872</u>

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

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

# SINYI REALTY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 325,726	\$ 600,644
Adjustments for:		
Depreciation expenses	33,453	35,672
Amortization expenses	3,774	4,258
Net loss (gain) on fair value change of financial assets held for trading	1,556	(1,709)
Finance costs	14,774	8,095
Interest income	(18,327)	(7,899)
Share of loss of associates and joint ventures	-	1
Loss on disposal of property, plant and equipment	31	11
Loss on disposal of investment properties	-	116
Gain on disposal of investments	(74)	(3,270)
Recognized (reversal of) impairment loss on non-financial assets	1,603	(4,212)
Changes in operating assets and liabilities		
Financial assets held for trading	186,793	(234,923)
Notes receivable	20,481	(1,726)
Trade receivables	125,790	(188,576)
Other receivables	(2,544)	297,881
Inventories	(236,913)	-
Other current assets	(25,619)	2,546
Other operating assets	(2,645)	(5,334)
Notes payable	9,690	(918)
Other payables	(1,417,151)	(287,959)
Other payable to related parties	392	(3,172)
Provisions	(8,079)	5,259
Other financial liabilities	15,281	125,680
Other current liabilities	(48,733)	(8,149)
Other operating liabilities	(138,252)	(264,188)
Cash (used in) generated from operations	(1,158,993)	68,128
Interest received	13,395	2,815
Interest paid	(14,305)	(4,850)
Income taxes paid	(70,039)	(12,364)
Net cash (used in) generated from operating activities	<u>(1,229,942)</u>	<u>53,729</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of available-for-sale financial assets	-	17,368
Purchase of financial assets measured at cost	-	(62,000)
Proceeds from disposal of financial assets measured at cost	-	6,667
Payments for property, plant and equipment	(20,065)	(269,719)
Increase in refundable deposits	(368)	(80)
Payment for intangible assets	(24,063)	(3,200)

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# SINYI REALTY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Payment for investment properties	\$ (16,474)	\$ -
Proceeds from disposal of investment properties	-	19,366
Decrease in other financial assets	195,868	108,500
Decrease in other non-current assets	<u>73</u>	<u>152</u>
Net cash generated from (used in) investing activities	<u>134,971</u>	<u>(182,946)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of short-term borrowings	31,385	-
Proceeds of long-term borrowings	1,030,000	2,435,000
Repayment of long-term borrowings	-	(792,771)
Proceeds from guarantee deposits received	781	-
Refund of guarantee deposits received	-	(3,700)
Increase in other payables to related parties	<u>4,875</u>	<u>-</u>
Net cash generated from financing activities	<u>1,067,041</u>	<u>1,638,529</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>61,399</u>	<u>44,769</u>
INCREASE IN CASH AND CASH EQUIVALENTS	33,469	1,554,081
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>1,605,974</u>	<u>2,194,434</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 1,639,443</u>	<u>\$ 3,748,515</u>

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

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

(Concluded)



# SINYI REALTY INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS THREE MONTHS ENDED MARCH 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

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

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

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

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

(Continued)

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

(Concluded)

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

The initial application of the above 2013 IFRSs version has not had any material impact on the Group’s accounting policies.

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

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

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

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

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

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

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

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

2) Amendment to IAS 19: Amendment in 2013

The amended IAS 19 states that if contributions from employees or third parties are not linked to service, these contributions affect the remeasurement of the net defined benefit liability (asset). If the contributions are linked solely to service, the employees’ service rendered in that period in which they are paid, these contributions may be recognized as a reduction of service cost in the same period. If the contributions depend on the number of years of service, an entity is required to attribute these contributions to service periods as a reduction of service cost.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

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

##### a. Statement of compliance

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

##### b. Basis of consolidation

###### 1) Subsidiaries included in consolidated financial statements

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

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

(Continued)

Investor	Investee	Main Businesses	% of Ownership			Remark
			March 31, 2014	December 31, 2013	March 31, 2013	
Japan Sinyi	Richesse Management Co., Ltd. (Richesse Management)	Real estate brokerage	100	100	100	
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	100	
Hong Kong Real Estate	Sinyi Real Estate (Shanghai) Limited (Shanghai Real Estate)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	100	100	-	Note 4
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sale of residential building and factories	100	-	-	Note 5
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sale of residential building and factories	100	-	-	Note 5

(Concluded)

**Remark:**

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

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

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

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

Note 6: Subsidiaries included in consolidated financial statement : The financial statements of the consolidated entities had not been reviewed by the independent accountants, except for those of Sinyi International, Sinyi Limited, Sinyi Development, Hong Kong Real Estate and Shanghai Real Estate as of and for the three months ended March 31, 2014; except for those of Sinyi International, Sinyi Development and Hong Kong Real Estate as of and for the three months ended March 31, 2013.

2) Subsidiaries excluded from consolidated financial statement: None.

**c. Retirement benefit costs**

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

**d. Income taxes**

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

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2014	December 31, 2013	March 31, 2013
Cash on hand	\$ 27,729	\$ 25,116	\$ 39,433
Checking accounts and demand deposits	1,184,436	1,081,385	1,195,411
Cash equivalents			
Time deposits with original maturities less than three months	<u>427,278</u>	<u>499,473</u>	<u>2,513,671</u>
	<u>\$ 1,639,443</u>	<u>\$ 1,605,974</u>	<u>\$ 3,748,515</u>

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

	March 31, 2014	December 31, 2013	March 31, 2013
Interest rates range	0.17%-4.0%	0.17%-4.6%	0.17%-0.935%

As of March 31, 2014, December 31, 2013 and March 31, 2013, the carrying amounts of time deposits with original maturities more than three months were \$304,020 thousand, \$123,365 thousand and \$140,200 thousand, respectively, which were classified as other financial assets - current (Note 12).

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

	March 31, 2014	December 31, 2013	March 31, 2013
<u>Financial assets held for trading</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ -	\$ -	\$ 1,799
Non-derivative financial assets			
Domestic quoted shares	30,665	32,221	22,918
Mutual funds	<u>-</u>	<u>186,719</u>	<u>287,552</u>
	<u>30,665</u>	<u>218,940</u>	<u>310,470</u>
	<u>\$ 30,665</u>	<u>\$ 218,940</u>	<u>\$ 312,269</u>

The Group entered into foreign exchange forward contracts during the three months ended March 31, 2013 to manage exposures due to exchange rate fluctuations of foreign currency denominated assets.

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

March 31, 2014: None

December 31, 2013: None

<b>March 31, 2013</b>			
	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
Forward Contract	Buy USD/Sell RMB	2013.06.06-2013.06.07	USD16,000/RMB99,964

#### **8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT**

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
<u>Domestic investments</u>			
Quoted shares	<u>\$ 257,114</u>	<u>\$ 277,431</u>	<u>\$ 228,645</u>
<u>Foreign investments</u>			
Quoted shares	508,024	619,058	446,204
Mutual funds	<u>1,318</u>	<u>1,290</u>	<u>1,290</u>
	<u>509,342</u>	<u>620,348</u>	<u>447,494</u>
Available-for-sale financial assets	<u>\$ 766,456</u>	<u>\$ 897,779</u>	<u>\$ 676,139</u>

#### **9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT**

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Domestic unlisted common shares	\$ 125,179	\$ 125,179	\$ 135,135
Overseas unlisted common shares	<u>162,352</u>	<u>160,310</u>	<u>50,147</u>
	<u>\$ 287,531</u>	<u>\$ 285,489</u>	<u>\$ 185,282</u>

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

## 10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2014	December 31, 2013	March 31, 2013
<u>Notes receivable and trade receivables</u>			
Notes receivable - operating	\$ 43,460	\$ 63,941	\$ 57,243
Trade receivables	1,049,063	1,174,700	1,051,081
Less: Allowance for doubtful accounts	<u>(28,369)</u>	<u>(28,216)</u>	<u>(31,754)</u>
	<u>\$ 1,064,154</u>	<u>\$ 1,210,425</u>	<u>\$ 1,076,570</u>
<u>Other receivables</u>			
Others	\$ 113,489	\$ 110,945	\$ 59,420
Less: Allowance for doubtful accounts	<u>(4,224)</u>	<u>(4,224)</u>	<u>(6,562)</u>
	<u>\$ 109,265</u>	<u>\$ 106,721</u>	<u>\$ 52,858</u>

### a. Trade receivables

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

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

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

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

	March 31, 2014	December 31, 2013	March 31, 2013
61-90 days	\$ 19,254	\$ 20,526	\$ 18,996
91-180 days	38,721	42,429	11,098
181-360 days	11,074	4,140	5,783
Over 360 days	<u>148</u>	<u>6,347</u>	<u>3,271</u>
	<u>\$ 69,197</u>	<u>\$ 73,442</u>	<u>\$ 39,148</u>



The above analysis was based on the billing date.

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

	2014		2013	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Balance at January 1	\$ 28,216	\$ 4,224	\$ 31,599	\$ 6,562
Add (less): Impairment losses recognized (reversed) on receivables	2,952	-	(98)	-
Less: Amounts written off	(2,867)	-	-	-
Foreign exchange translation gains and losses	<u>68</u>	<u>-</u>	<u>253</u>	<u>-</u>
Balance at March 31	<u>\$ 28,369</u>	<u>\$ 4,224</u>	<u>\$ 31,754</u>	<u>\$ 6,562</u>

b. Other receivables

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

## 11. INVENTORIES

	March 31, 2014	December 31, 2013	March 31, 2013
Properties under development			
Malu Town, Jiading District, Shanghai	\$ 4,104,387	\$ 3,870,444	\$ 480,631
Tianmu, Shilin District, Taipei City	304,677	301,707	-
Other			
Sanyu segment Shihlin District, Taipei City	<u>2,113</u>	<u>2,113</u>	<u>-</u>
	<u>\$ 4,411,177</u>	<u>\$ 4,174,264</u>	<u>\$ 480,631</u>

Refer to Note 31 for the carrying amount of inventories pledged as security for bank borrowings by the Group.

## 12. OTHER FINANCIAL ASSETS - CURRENT

	March 31, 2014	December 31, 2013	March 31, 2013
Time deposits with original maturity more than three months (a)	\$ 304,020	\$ 123,365	\$ 140,200
Restricted assets - current (b)	637,512	637,616	108,113
Financial assets at amortized cost (c)	<u>-</u>	<u>376,419</u>	<u>-</u>
	<u>\$ 941,532</u>	<u>\$ 1,137,400</u>	<u>\$ 248,313</u>

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

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Time deposits with original maturity more than three months	0.88%-3.08%	1.08%-3.50%	1.09%-1.355%

- b. Restricted assets - current were time deposits provided as guarantee for the loan of Shanghai Sinyi Real Estate and Suzhou Sinyi Real Estate and as operating guarantee for real-estate brokerage. Please refer to Note 31.
- c. The Group purchased financial products of banks in December 2013, and the expected yield rates were 5.20%-5.50%.

### 13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Investments in associates	<u>\$ 11,765</u>	<u>\$ 11,623</u>	<u>\$ 3,810</u>

- a. Investments in associates

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Unlisted company			
Sinyi Interior Design Co., Ltd.	<u>\$ 11,765</u>	<u>\$ 11,623</u>	<u>\$ 3,810</u>

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

<b>Name of Associate</b>	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Sinyi Interior Design Co., Ltd.	19%	19%	19%

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

### 14. PROPERTY, PLANT AND EQUIPMENT

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
<u>Carrying amounts</u>			
Freehold land	\$ 2,670,039	\$ 2,670,039	\$ 2,670,039
Buildings	340,376	343,044	351,050

(Continued)

	March 31, 2014	December 31, 2013	March 31, 2013
Transportation equipment	\$ 5,090	\$ 5,374	\$ 3,812
Office equipment	79,238	86,518	94,016
Leased assets	-	-	-
Leasehold improvements	134,972	131,607	108,444
Other equipment	27,594	28,450	22,741
Prepayments for equipment	<u>292,334</u>	<u>299,426</u>	<u>272,714</u>
	<u>\$ 3,549,643</u>	<u>\$ 3,564,458</u>	<u>\$ 3,522,816</u> (Concluded)

Three Months Ended March 31, 2014

	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>									
Balance at January 1, 2014	\$ 2,670,039	\$ 418,777	\$ 8,151	\$ 285,841	\$ 4,671	\$ 418,163	\$ 62,026	\$ 299,426	\$ 4,167,094
Additions	-	-	-	4,517	-	14,151	1,397	-	20,065
Disposals	-	-	-	(1,494)	-	(1,614)	-	-	(3,108)
Reclassifications	-	-	-	-	-	-	-	(10,688)	(10,688)
Effect of foreign currency exchange differences	-	-	73	639	-	1,119	-	3,596	5,427
Balance at March 31, 2014	<u>\$ 2,670,039</u>	<u>\$ 418,777</u>	<u>\$ 8,224</u>	<u>\$ 289,503</u>	<u>\$ 4,671</u>	<u>\$ 431,819</u>	<u>\$ 63,423</u>	<u>\$ 292,334</u>	<u>\$ 4,178,790</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2014	\$ -	\$ 75,733	\$ 2,777	\$199,323	\$ 4,671	\$ 286,556	\$ 33,576	\$ -	\$ 602,636
Depreciation expense	-	2,668	333	11,956	-	11,113	2,253	-	28,323
Disposals	-	-	-	(1,463)	-	(1,614)	-	-	(3,077)
Effect of foreign currency exchange differences	-	-	24	449	-	792	-	-	1,265
Balance at March 31, 2014	<u>\$ -</u>	<u>\$ 78,401</u>	<u>\$ 3,134</u>	<u>\$ 210,265</u>	<u>\$ 4,671</u>	<u>\$ 296,847</u>	<u>\$ 35,829</u>	<u>\$ -</u>	<u>\$ 629,147</u>
Carrying amounts at January 1, 2014	<u>\$ 2,670,039</u>	<u>\$ 343,044</u>	<u>\$ 5,374</u>	<u>\$ 86,518</u>	<u>\$ -</u>	<u>\$ 131,607</u>	<u>\$ 28,450</u>	<u>\$ 299,426</u>	<u>\$ 3,564,458</u>
Carrying amounts at March 31, 2014	<u>\$ 2,670,039</u>	<u>\$ 340,376</u>	<u>\$ 5,090</u>	<u>\$ 79,238</u>	<u>\$ -</u>	<u>\$ 134,972</u>	<u>\$ 27,594</u>	<u>\$ 292,334</u>	<u>\$ 3,549,643</u>

Three Months Ended March 31, 2013

	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>									
Balance at January 1, 2013	\$ 2,670,039	\$ 418,777	\$ 8,016	\$ 267,163	\$ 4,671	\$ 372,907	\$ 166,762	\$ 10,737	\$ 3,919,072
Additions	-	-	-	2,151	-	5,283	446	261,839	269,719
Disposals	-	-	-	(526)	-	(80)	-	-	(606)
Effect of foreign currency exchange differences	-	-	128	959	-	2,160	-	138	3,385
Balance at March 31, 2013	<u>\$ 2,670,039</u>	<u>\$ 418,777</u>	<u>\$ 8,144</u>	<u>\$ 269,747</u>	<u>\$ 4,671</u>	<u>\$ 380,270</u>	<u>\$ 167,208</u>	<u>\$ 272,714</u>	<u>\$ 4,191,570</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2013	\$ -	\$ 65,059	\$ 3,961	\$ 165,690	\$ 4,671	\$ 255,224	\$ 141,547	\$ -	\$ 636,152
Depreciation expense	-	2,668	322	9,926	-	14,863	2,920	-	30,699
Disposals	-	-	-	(515)	-	(80)	-	-	(595)
Effect of foreign currency exchange differences	-	-	49	630	-	1,819	-	-	2,498
Balance at March 31, 2013	<u>\$ -</u>	<u>\$ 67,727</u>	<u>\$ 4,332</u>	<u>\$ 175,731</u>	<u>\$ 4,671</u>	<u>\$ 271,826</u>	<u>\$ 144,467</u>	<u>\$ -</u>	<u>\$ 668,754</u>
Carrying amounts at January 1, 2013	<u>\$ 2,670,039</u>	<u>\$ 353,718</u>	<u>\$ 4,055</u>	<u>\$ 101,473</u>	<u>\$ -</u>	<u>\$ 117,683</u>	<u>\$ 25,215</u>	<u>\$ 10,737</u>	<u>\$ 3,282,920</u>
Carrying amounts at March 31, 2013	<u>\$ 2,670,039</u>	<u>\$ 351,050</u>	<u>\$ 3,812</u>	<u>\$ 94,016</u>	<u>\$ -</u>	<u>\$ 108,444</u>	<u>\$ 22,741</u>	<u>\$ 272,714</u>	<u>\$ 3,522,816</u>

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

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

- 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.
- There was no interest capitalized during the three months ended March 31, 2014 and 2013.
- Refer to Note 31 for the details of properties, plant and equipment pledged as collaterals.

## 15. INVESTMENT PROPERTIES

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2014	\$ 2,024,834	\$ 922,522	\$ 2,947,356
Additions	12,562	3,912	16,474
Effect of foreign currency exchange differences	<u>-</u>	<u>7,611</u>	<u>7,611</u>
Balance at March 31, 2014	<u>\$ 2,037,396</u>	<u>\$ 934,045</u>	<u>\$ 2,971,441</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2014	\$ 5,745	\$ 113,897	\$ 119,642
Recognized impairment losses	1,496	107	1,603
Depreciation expense	-	5,130	5,130
Effect of foreign currency exchange differences	<u>-</u>	<u>(2,389)</u>	<u>(2,389)</u>
Balance at March 31, 2014	<u>\$ 7,241</u>	<u>\$ 116,745</u>	<u>\$ 123,986</u>
Carrying amounts at January 1, 2014	<u>\$ 2,019,089</u>	<u>\$ 808,625</u>	<u>\$ 2,827,714</u>
Carrying amounts at March 31, 2014	<u>\$ 2,030,155</u>	<u>\$ 817,300</u>	<u>\$ 2,847,455</u>
<u>Cost</u>			
Balance at January 1, 2013	\$ 2,081,392	\$ 890,089	\$ 2,971,481
Disposals	(17,739)	(1,903)	(19,642)
Effect of foreign currency exchange differences	<u>-</u>	<u>16,291</u>	<u>16,291</u>
Balance at March 31, 2013	<u>\$ 2,063,653</u>	<u>\$ 904,477</u>	<u>\$ 2,968,130</u>

(Continued)

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2013	\$ 18,882	\$ 91,982	\$ 110,864
Reversal of impairment losses	(3,867)	(345)	(4,212)
Depreciation expense	-	4,973	4,973
Disposals	-	(160)	(160)
Effect of foreign currency exchange differences	-	1,009	1,009
Balance at March 31, 2013	<u>\$ 15,015</u>	<u>\$ 97,459</u>	<u>\$ 112,474</u>
Carrying amounts at January 1, 2013	<u>\$ 2,062,510</u>	<u>\$ 798,107</u>	<u>\$ 2,860,617</u>
Carrying amounts at March 31, 2013	<u>\$ 2,048,638</u>	<u>\$ 807,018</u>	<u>\$ 2,855,656</u>

(Concluded)

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

Buildings - main buildings 22-55 years

The total fair value of the Group's investment properties and property, plant and equipment as of March 31, 2014, December 31, 2013 and March 31, 2013 was \$9,935,780 thousand, \$10,041,847 thousand and \$9,279,949 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 31.

## 16. INTANGIBLE ASSETS

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Franchise (Note 33)	\$ 59,415	\$ 58,687	\$ 60,435
Goodwill	9,621	9,621	9,621
System software costs	<u>53,129</u>	<u>21,570</u>	<u>19,921</u>
	<u>\$ 122,165</u>	<u>\$ 89,878</u>	<u>\$ 89,977</u>

### Three Months Ended March 31, 2014

	<b>Franchise</b>	<b>Goodwill</b>	<b>System Software Costs</b>	<b>Total</b>
<u>Cost</u>				
Balance at January 1, 2014	\$ 91,071	\$ 9,621	\$ 51,966	\$ 152,658
Additions	-	-	24,063	24,063
Reductions	-	-	(620)	(620)

(Continued)

**Three Months Ended March 31, 2014**

	<b>Franchise</b>	<b>Goodwill</b>	<b>System Software Costs</b>	<b>Total</b>
Reclassifications	\$ -	\$ -	\$ 10,688	\$ 10,688
Effect of foreign currency exchange differences	<u>2,032</u>	<u>-</u>	<u>4</u>	<u>2,036</u>
Balance at March 31, 2014	<u>\$ 93,103</u>	<u>\$ 9,621</u>	<u>\$ 86,101</u>	<u>\$ 188,825</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2014	\$ 32,384	\$ -	\$ 30,396	\$ 62,780
Amortization expense	578	-	3,196	3,774
Disposals	-	-	(620)	(620)
Effect of foreign currency exchange differences	<u>726</u>	<u>-</u>	<u>-</u>	<u>726</u>
Balance at March 31, 2014	<u>\$ 33,688</u>	<u>\$ -</u>	<u>\$ 32,972</u>	<u>\$ 66,660</u>
Carrying amounts at January 1, 2014	<u>\$ 58,687</u>	<u>\$ 9,621</u>	<u>\$ 21,570</u>	<u>\$ 89,878</u>
Carrying amounts at March 31, 2014	<u>\$ 59,415</u>	<u>\$ 9,621</u>	<u>\$ 53,129</u>	<u>\$ 122,165</u> (Concluded)

**Three Months Ended March 31, 2013**

	<b>Franchise</b>	<b>Goodwill</b>	<b>System Software Costs</b>	<b>Total</b>
<u>Cost</u>				
Balance at January 1, 2013	\$ 88,733	\$ 9,621	\$ 70,302	\$ 168,656
Additions	-	-	3,200	3,200
Effect of foreign currency exchange differences	<u>2,399</u>	<u>-</u>	<u>-</u>	<u>2,399</u>
Balance at March 31, 2013	<u>\$ 91,132</u>	<u>\$ 9,621</u>	<u>\$ 73,502</u>	<u>\$ 174,255</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2013	\$ 29,334	\$ -	\$ 49,886	\$ 79,220
Amortization expense	563	-	3,695	4,258
Effect of foreign currency exchange differences	<u>800</u>	<u>-</u>	<u>-</u>	<u>800</u>
Balance at March 31, 2013	<u>\$ 30,697</u>	<u>\$ -</u>	<u>\$ 53,581</u>	<u>\$ 84,278</u>
Carrying amounts at January 1, 2013	<u>\$ 59,399</u>	<u>\$ 9,621</u>	<u>\$ 20,416</u>	<u>\$ 89,436</u>
Carrying amounts at March 31, 2013	<u>\$ 60,435</u>	<u>\$ 9,621</u>	<u>\$ 19,921</u>	<u>\$ 89,977</u>

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

Franchise	40 years
System software costs	3-5 years

The recoverable amount of the Group's goodwill had been tested for impairment using the forecast carrying amount at the end of the annual reporting period. For the three months ended March 31, 2014, the Group did not recognize any impairment loss on goodwill.

## 17. LONG-TERM ACCOUNTS RECEIVABLE

	March 31, 2014	December 31, 2013	March 31, 2013
Shin Hau Real Estate Co., Ltd.	<u>\$ 239,169</u>	<u>\$ 234,237</u>	<u>\$ 219,169</u>

Long-term accounts receivable from Shin Hau Real Estate Co., Ltd. are financing for business activities. Under the loan agreement, Shin Hau Real Estate Co., Ltd. provided the land located in Da-an District, Taipei City as collateral; the loan and interests should be fully paid before April 30, 2015. Information on the financing for the three months ended March 31, 2014 and 2013 was as follows:

	Three Months Ended March 31, 2014				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	<u>\$ 200,000</u>	<u>\$ 200,000</u>	10%	<u>\$ 4,932</u>	<u>\$ 39,169</u>

  

	Three Months Ended March 31, 2013				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	<u>\$ 200,000</u>	<u>\$ 200,000</u>	10%	<u>\$ 4,932</u>	<u>\$ 19,169</u>

## 18. OTHER ASSETS

	March 31, 2014	December 31, 2013	March 31, 2013
<u>Current</u>			
Prepaid expenses	\$ 87,876	\$ 62,748	\$ 49,562
Temporary payments	5,799	5,300	3,725
Income tax refund receivable	2	10	1,642
Others	-	-	5
	<u>\$ 93,677</u>	<u>\$ 68,058</u>	<u>\$ 54,934</u>

(Continued)

	March 31, 2014	December 31, 2013	March 31, 2013
<u>Non-current</u>			
Overdue receivables	\$ 2,660	\$ 2,733	\$ 3,385
Other	<u>1,890</u>	<u>1,890</u>	<u>1,890</u>
	<u>\$ 4,550</u>	<u>\$ 4,623</u>	<u>\$ 5,275</u> (Concluded)

## 19. BORROWINGS

### a. Short-term borrowings

	March 31, 2014	December 31, 2013	March 31, 2013
<u>Secured borrowings</u>			
Bank loans	<u>\$ 618,012</u>	<u>\$ 586,627</u>	<u>\$ 71,364</u>

1) The interest rates on the bank loans as of March 31, 2014, December 31, 2013 and March 31, 2013 were 1.47%-5.4%, 5.7% and 6.9% per annum, respectively.

2) Refer to Note 31 for the details of assets pledged as collaterals for short-term borrowings.

### b. Long-term borrowings

	March 31, 2014	December 31, 2013	March 31, 2013
<u>Secured borrowings</u>			
Bank loans	\$ 2,128,000	\$ 1,098,000	\$ 2,142,229
<u>Unsecured borrowings</u>			
Loans unsecured	480,324	474,206	200,000
Less: Current portion	<u>-</u>	<u>-</u>	<u>(141,316)</u>
Long-term borrowings	<u>\$ 2,608,324</u>	<u>\$ 1,572,206</u>	<u>\$ 2,200,913</u>

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

	Content of Borrowings	March 31, 2014	December 31, 2013(Note)	March 31, 2013(Note)
E.Sun Bank	Long-term borrowings: \$190,000 thousand; period: September 10, 2013 to September 10, 2016; floating interest rate of 2.5%; interest is paid monthly and principal is repaid at maturity.	\$ 163,000	\$ 163,000	\$ -
E.Sun Bank	Long-term borrowings: \$2,420,000 thousand; period: August 23, 2013 to March 30, 2016; fixed interest rate of 1.6%, negotiating rate per 90 days; interest is paid monthly and principal is repaid at maturity.	1,765,000	885,000	-

(Continued)



Content of Borrowings		March 31, 2014	December 31, 2013(Note)	March 31, 2013(Note)
East Asia Bank	Long-term borrowings: \$1,300,000 thousand; period: December 31, 2013 to March 30, 2016; floating interest rate of 1.89%; interest is paid monthly and principal is repaid at maturity.	\$ 200,000	\$ 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	200,000	200,000
Ultra Success Offshore Ltd.	Long-term borrowings: US\$9,200 thousand; period: September 12, 2013 to September 11, 2015; fixed interest rate of 5.0%; interest and principle will be paid at maturity.	280,324	274,206	-
E.Sun Bank	Long-term borrowings: \$1,050,000 thousand; period: February 6, 2013 to February 5, 2020; fixed interest rate of 2.0%; Interest and equal principal payments are paid monthly.	-	-	1,042,229
E.Sun Bank	Long-term borrowings: \$1,000,000 thousand; period: December 27, 2012 to December 26, 2014; fixed interest rate of 1.6%; interest is paid monthly and principal is repaid at maturity.	-	-	1,000,000
East Asia Bank	Long-term borrowings: \$100,000 thousand; period: February 4, 2013 to February 3, 2016; fixed interest rate of 2.5%; total 7 quarterly installments beginning 18 months after February 4, 2013; 5% of principal for each of the first six installments, while the rest will be paid at maturity.	-	-	100,000
Total long-term borrowings		<u>\$ 2,608,324</u>	<u>\$ 1,572,206</u>	<u>\$ 2,342,229</u>

The Group repaid the loans of \$2,142,229 thousand in August 2013, before the original maturity date, which were borrowed from E.Sun Bank and East Asia Bank.

Refer to Note 31 for the details of assets pledged as collaterals for long-term borrowings.

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

## 20. OTHER LIABILITIES

	March 31, 2014	December 31, 2013	March 31, 2013
<u>Current</u>			
Other payables	\$ 1,352,347	\$ 2,769,498	\$ 1,670,170
Other payable to related parties	102,737	97,001	81,826
Other financial liabilities	210,037	194,756	300,477
Other liabilities	<u>101,233</u>	<u>149,966</u>	<u>112,161</u>
	<u>\$ 1,766,354</u>	<u>\$ 3,211,221</u>	<u>\$ 2,164,634</u>
<u>Non-current</u>			
Other liabilities	<u>\$ 851,354</u>	<u>\$ 989,606</u>	<u>\$ 626,064</u>

a. Other payables were as follows:

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Performance bonus and salaries	\$ 998,058	\$ 2,304,495	\$ 1,327,754
Advertisement	74,244	145,671	86,426
Labor and health insurance	61,065	91,143	62,101
Payable for annual leave	63,033	52,598	58,296
Professional fees	38,805	32,003	24,023
Employees bonuses and compensation to directors	41,751	37,658	32,462
Others	<u>75,391</u>	<u>105,930</u>	<u>79,108</u>
	<u>\$ 1,352,347</u>	<u>\$ 2,769,498</u>	<u>\$ 1,670,170</u>

Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other liabilities - others. The performance bonuses payable under other liabilities - others amounted to \$851,354 thousand, \$989,606 thousand and \$626,064 thousand as of March 31, 2014, December 31, 2013 and March 31, 2013, respectively.

b. Other payable to related parties were as follows:

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Financing to related parties			
Loan from related parties	\$ 74,292	\$ 69,417	\$ 64,228
Interest payable	10,398	9,929	7,235
Others	<u>18,047</u>	<u>17,655</u>	<u>10,363</u>
	<u>\$ 102,737</u>	<u>\$ 97,001</u>	<u>\$ 81,826</u>

Loans from related parties were accounted for other payables to related parties with interest rates of 3.75-6.10% for the three months ended March 31, 2014 and 2013, respectively.

c. Other financial liabilities were as follows:

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Receipts under custody from real estate transactions	\$ 140,684	\$ 109,779	\$ 227,803
Other receipts under custody	41,312	67,827	40,878
Payable on equipment	1,959	7,181	5,797
Receipts under custody - escrow service	188	164	1,655
Others	<u>25,894</u>	<u>9,805</u>	<u>24,344</u>
	<u>\$ 210,037</u>	<u>\$ 194,756</u>	<u>\$ 300,477</u>

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

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

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Receipts under custody - escrow service	\$ 14,363,035	\$ 14,556,744	\$ 14,683,656
Interest payable	17,923	18,041	17,572
Deposit accounts	(14,380,261)	(14,574,048)	(14,698,680)
Interest receivable	<u>(509)</u>	<u>(573)</u>	<u>(893)</u>
	<u>\$ 188</u>	<u>\$ 164</u>	<u>\$ 1,655</u>

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

## 21. PROVISIONS

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Service revenue allowances	<u>\$ 60,922</u>	<u>\$ 69,001</u>	<u>\$ 67,148</u>
Current	\$ 58,262	\$ 66,268	\$ 63,763
Non-current	<u>2,660</u>	<u>2,733</u>	<u>3,385</u>
	<u>\$ 60,922</u>	<u>\$ 69,001</u>	<u>\$ 67,148</u>

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

## 22. RETIREMENT BENEFIT PLANS

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

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Operating cost	\$ 530	\$ 700
Operating expenses	<u>87</u>	<u>67</u>
	<u>\$ 617</u>	<u>\$ 767</u>

## 23. EQUITY

### Share Capital

	March 31, 2014	December 31, 2013	March 31, 2013
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>500,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>502,817</u>	<u>502,817</u>	<u>465,571</u>
Share capital issued	<u>\$ 5,028,170</u>	<u>\$ 5,028,170</u>	<u>\$ 4,655,713</u>

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

### Capital Surplus

	March 31, 2014	December 31, 2013	March 31, 2013
Employee stock options	\$ 63,896	\$ 63,896	\$ 63,896
Differences between selling price and carrying amount arising from disposal of subsidiaries	<u>4,701</u>	<u>4,701</u>	<u>-</u>
	<u>\$ 68,597</u>	<u>\$ 68,597</u>	<u>\$ 63,896</u>

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

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

### Retained Earnings and Dividend Policy

- a. Under the Company's Articles of Incorporation, 10% of the Company's annual earnings, after paying tax and offsetting deficit, if any, should first be appropriated to legal reserve and to special reserve in accordance with Securities and Exchange Act. Then, the appropriation of remaining amount is proposed by the Board of Directors and approved by the shareholders in their annual meeting.
- 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 three months ended March 31, 2014 and 2013, the accrued bonus to employees was \$2,632 thousand and \$5,525 thousand, respectively, and the accrued remuneration to directors was \$1,315 thousand and \$2,218 thousand, respectively. The accrued bonus to employees and remuneration to directors for the year ended December 31, 2013 represented 1.0% and 0.5%, respectively, of distributable retained earnings (net of the bonus and remuneration). For year 2014, the accrued bonus to employees represented 1% of distributable retained earnings (net of the bonus and remuneration), while the accrued remuneration to directors was estimated considering the amounts had in past year. Material differences between these estimated amounts and the amounts proposed by the Board of Directors on or before the date of annual consolidated financial statements had been authorized for issue are adjusted in the year the bonus and remuneration are recognized. If there is a change in the proposed amounts after the date of annual consolidated financial statements had been authorized for issue, the differences are accounted for as a change in accounting estimate in the following year. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the fair value of the shares. Fair value of the shares refers to the closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.
- d. The Company appropriates or reverses a special reserve in accordance with Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC on April 6, 2012 and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs". Distributions can be made out of any subsequent reversal of the debit to other equity items. The Company also appropriates and reverses a special reserve in accordance with Rule No. 1030006415 issued by the FSC.
- e. Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.
- f. Except for non-ROC resident shareholders, all shareholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.
- g. The appropriations of earnings, including bonus to employees and the remuneration to directors for 2013 had been proposed by the board of directors on March 25, 2014 and the appropriations of earnings, including bonus to employees and the remuneration to directors for 2012 had been approved in the shareholders' meeting held on June 14, 2013. The appropriations and dividends per share were as follows:

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

- h. The bonus to employees and the remuneration to directors for 2013 had been proposed by board of directors on March 25, 2014 and the bonus to employees and the remuneration to directors for 2012 had been approved in the shareholders' meeting on June 14, 2013. The amounts were as follows:

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

The differences above were recognized in profit and loss for the three months ended March 31, 2014 and 2013, respectively.

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

#### Others Equity Items

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Exchange differences on translating foreign operations	\$ 119,313	\$ 39,243	\$ 14,106
Unrealized gains or losses from available-for-sale financial assets	<u>225,130</u>	<u>364,397</u>	<u>134,697</u>
	<u>\$ 344,443</u>	<u>\$ 403,640</u>	<u>\$ 148,803</u>

- a. Exchange differences on translating foreign operations

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

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

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

## Non-controlling Interests

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Balance, beginning of period	\$ 130,704	\$ 119,581
Attributed to non-controlling interests:		
Net income	6,058	9,600
Exchange differences on translating foreign operations	<u>811</u>	<u>(611)</u>
Balance, end of period	<u>\$ 137,573</u>	<u>\$ 128,570</u>

## 24. NET PROFIT FROM CONTINUING OPERATIONS

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

### Other Gains and Losses

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
(Reversal of) recognized impairment loss of investment properties	\$ (1,603)	\$ 4,212
Gain on disposal of investments	74	3,270
Net (loss) gain on fair value change of financial assets held for trading	(1,556)	1,709
Losses on disposal of property, plant and equipment	(31)	(11)
Losses on disposal of investment properties	-	(116)
Net foreign exchange loss	(4,856)	(781)
Share of loss of associates and joint ventures	-	(1)
Gain on reversal of bad debts	-	98
Others	<u>18,563</u>	<u>10,299</u>
	<u>\$ 10,591</u>	<u>\$ 18,679</u>

### Finance Costs

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Interest on bank loans	\$ 19,878	\$ 7,308
Interest on loans from related parties	<u>834</u>	<u>787</u>
	20,712	8,095
Deduct: Amounts included in the cost of qualifying assets	<u>(5,938)</u>	<u>-</u>
	<u>\$ 14,774</u>	<u>\$ 8,095</u>
Interest capitalization rate	2.5%-7.4%	-

## Depreciation and Amortization

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Property, plant and equipment	\$ 28,323	\$ 30,699
Investment property	5,130	4,973
Intangible assets	<u>3,774</u>	<u>4,258</u>
	<u>\$ 37,227</u>	<u>\$ 39,930</u>
	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
An analysis of depreciation by function		
Operating costs	\$ 16,467	\$ 20,386
Operating expenses	11,856	10,313
Other losses	<u>5,130</u>	<u>4,973</u>
	<u>\$ 33,453</u>	<u>\$ 35,672</u>
An analysis of amortization by function		
Operating costs	\$ 436	\$ 3,667
Operating expenses	<u>3,338</u>	<u>591</u>
	<u>\$ 3,774</u>	<u>\$ 4,258</u>

## Operating Expenses Directly Related to Investment Properties

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Direct operating expenses from investment property		
That generated rental income	\$ 9,952	\$ 9,936
That did not generate rental income	<u>54</u>	<u>38</u>
	<u>\$ 10,006</u>	<u>\$ 9,974</u>

## Employee Benefits Expense

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Short-term employee benefits	\$ 1,213,468	\$ 1,340,377
Post-employment benefits		
Defined contribution plans	45,003	33,587
Defined benefit plans (Note 22)	<u>617</u>	<u>767</u>
	45,620	34,354
Other employee benefits	<u>69,538</u>	<u>48,229</u>
Total employee benefits expense	<u>\$ 1,328,626</u>	<u>\$ 1,422,960</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 1,185,267	\$ 1,270,044
Operating expenses	<u>143,359</u>	<u>152,916</u>
	<u>\$ 1,328,626</u>	<u>\$ 1,422,960</u>



## 25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Current tax		
In respect of the current period	\$ 79,668	\$ 107,515
Deferred tax		
In respect of the current period	<u>548</u>	<u>14,519</u>
Income tax expense recognized in profit or loss	<u>\$ 80,216</u>	<u>\$ 122,034</u>

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

### b. Integrated income tax

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Unappropriated earnings generated on and after January 1, 1998	<u>\$ 2,819,106</u>	<u>\$ 2,579,654</u>	<u>\$ 1,814,289</u>
Imputation credits accounts	<u>\$ 276,238</u>	<u>\$ 276,214</u>	<u>\$ 226,428</u>

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.

### c. Income tax assessments

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

## 26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Basic EPS	<u>\$ 0.48</u>	<u>\$ 0.93</u>
Diluted EPS	<u>\$ 0.48</u>	<u>\$ 0.93</u>

The earnings per share computation for the three months ended March 31, 2013 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

	<b>Three Months Ended March 31, 2013</b>	
	<b>Before Adjusted Retrospectively</b>	<b>After Adjusted Retrospectively</b>
Basic earnings per share	<u>\$ 1.01</u>	<u>\$ 0.93</u>
Diluted earnings per share	<u>\$ 1.01</u>	<u>\$ 0.93</u>

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

### Net Profit for the Period

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Profit for the period attributable to owners of the Company	<u>\$ 239,452</u>	<u>\$ 469,010</u>

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

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
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	<u>458</u>	<u>388</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>503,275</u>	<u>503,205</u>

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

## 27. 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 March 31, 2014, December 31, 2013 and March 31, 2013, refundable deposits paid under operating lease amounted to \$108,070 thousand, \$100,114 thousand and \$96,413 thousand, respectively.

As of March 31, 2014, the summary of operating leases were as follows:

Method of Calculation and Payment of Rentals	Year	Amount
Settlement on monthly basis	2nd to 4th quarter of 2014	\$ 376,052
	2015	376,670
	2016	239,020
	2017	153,850
	2018	95,492
	1st quarter of 2019	<u>14,752</u>
		<u>\$ 1,255,836</u>

### The Group as Lessor

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

As of March 31, 2014, December 31, 2013 and March 31, 2013, deposits received under operating leases amounted to \$32,756 thousand, \$32,972 thousand and \$31,860 thousand, respectively.

As of March 31, 2014, future rentals receivable were summarized as follows:

Method of Calculation and Collection of Rentals	Year	Amount
Settlement on monthly basis	2nd to 4th quarter of 2014	\$ 92,242
	2015	126,399
	2016	128,832
	2017	106,314
	2018	<u>441</u>

## 28. 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 shareholders 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 structures 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.

## 29. 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).

March 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 30,665	\$ -	\$ -	\$ 30,665
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 257,114	\$ -	\$ -	\$ 257,114
Foreign listed stocks - equity investments	508,024	-	-	508,024
Mutual funds	1,318	-	-	1,318
	<u>\$ 766,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 766,456</u>

December 31, 2013

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

March 31, 2013

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Derivative financial assets				
	\$ -	\$ 1,799	\$ -	\$ 1,799
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments				
	22,918	-	-	22,918
Mutual funds	<u>287,552</u>	<u>-</u>	<u>-</u>	<u>287,552</u>
	<u>\$ 310,470</u>	<u>\$ 1,799</u>	<u>\$ -</u>	<u>\$ 312,269</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments				
	\$ 228,645	\$ -	\$ -	\$ 228,645
Foreign listed stocks - equity investments				
	446,204	-	-	446,204
Mutual funds	<u>1,290</u>	<u>-</u>	<u>-</u>	<u>1,290</u>
	<u>\$ 676,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 676,139</u>

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

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

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

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

## Categories of Financial Instruments

	March 31, 2014	December 31, 2013	March 31, 2013
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 30,665	\$ 218,940	\$ 312,269
Loans and receivables (Note 1)	4,123,076	4,423,902	5,467,957
Available-for-sale financial assets (Note 2)	1,053,987	1,183,268	861,421
<u>Financial liabilities</u>			
Amortized cost (Note 3)	5,841,699	6,298,111	5,141,809

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 financing 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 34.

The carrying amounts of the Group's derivatives exposed to foreign currency risk at the end of reporting period were as follows:

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
<u>Assets</u>			
USD	\$ -	\$ -	\$ 1,799

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.

	<b>Three Months Ended March 31</b>					
	<b>2014</b>			<b>2013</b>		
	<b>RMB</b>	<b>JPY</b>	<b>USD</b>	<b>RMB</b>	<b>JPY</b>	<b>USD</b>
Equity	\$ 1,711	\$ 1,652	\$ 921	\$ (790)	\$ 758	\$ (18,850)
Profit or loss	-	-	-	-	-	(5)

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:

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Fair value interest rate risk			
Financial assets	\$ 1,568,810	\$ 1,836,873	\$ 2,961,984
Financial liabilities	2,045,324	1,322,206	2,142,229
Cash flow interest rate risk			
Financial liabilities	1,255,304	906,044	335,592

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 \$10,923 thousand for the three months ended March 31, 2014.

b. Credit risk

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

Business related credit risk

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

Financial credit risk

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

c. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. The Group has sufficient working capital to pay all debts; thus, there is no liquidity risk.

### 30. 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

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Other related parties - related parties in substance	\$ 54,715	\$ 49,096	\$ 36,316
Other related parties - the person in charge of other related parties is the president of the Company	12,233	12,299	10,292
Other - vice president of the Company	<u>35,789</u>	<u>35,606</u>	<u>35,218</u>
	<u>\$ 102,737</u>	<u>\$ 97,001</u>	<u>\$ 81,826</u>



Other payables to related parties were financing. Information on the financing for the three months ended March 31, 2014 and 2013 were as follows:

	<b>Three Months Ended March 31, 2014</b>				
	<b>Highest Balance During the Period</b>	<b>Amount</b>	<b>Interest Rate %</b>	<b>Interest Expense</b>	<b>Interest Payable</b>
Other related parties - related parties in substance	\$ 43,585	\$ 43,585	6.10%	\$ 623	\$ 5,316
Other - vice president of the Company	<u>30,707</u>	<u>30,707</u>	3.75%	<u>211</u>	<u>5,082</u>
	<u>\$ 74,292</u>	<u>\$ 74,292</u>		<u>\$ 834</u>	<u>\$ 10,398</u>

  

	<b>Three Months Ended March 31, 2013</b>				
	<b>Highest Balance During the Period</b>	<b>Amount</b>	<b>Interest Rate %</b>	<b>Interest Expense</b>	<b>Interest Payable</b>
Other related parties - related parties in substance	\$ 33,303	\$ 33,303	6.10%	\$ 501	\$ 2,942
Other - vice president of the Company	<u>30,925</u>	<u>30,925</u>	3.75%	<u>286</u>	<u>4,293</u>
	<u>\$ 64,228</u>	<u>\$ 64,228</u>		<u>\$ 787</u>	<u>\$ 7,235</u>

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

### **Compensation of Key Management Personnel**

The remuneration of directors and other members of key management personnel for the three months ended March 31, 2014 and 2013 included the following:

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Short-term benefits	\$ 29,924	\$ 35,549
Other long-term benefits	<u>1,648</u>	<u>5,683</u>
	<u>\$ 31,572</u>	<u>\$ 41,232</u>

Other long-term benefits included a long-term incentive plan approved by the Company's board of directors to encourage senior management to contribute further to the sustainable growth of the Company. Senior managers will be entitled to such incentive when they continue to serve for three years starting 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

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 1,237	\$ 1,341
Related parties in substance	2,376	1,371
Associates	<u>8</u>	<u>8</u>
	<u>\$ 3,621</u>	<u>\$ 2,720</u>

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

### b. Other benefit

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 650	\$ 828
Related parties in substance	<u>1,780</u>	<u>2,713</u>
	<u>\$ 2,430</u>	<u>\$ 3,541</u>

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

### c. Professional fee

	<b>Three Months Ended March 31</b>	
	<b>2014</b>	<b>2013</b>
Other related parties		
The person in charge of other related parties is the president of the Company	\$ 30,921	\$ 24,069
Related parties in substance	<u>4,691</u>	<u>878</u>
	<u>\$ 35,612</u>	<u>\$ 24,947</u>

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

### d. Other receivables

	<b>March 31, 2014</b>	<b>December 31, 2013</b>	<b>March 31, 2013</b>
Other related parties			
The person in charge of other related parties is the president of the Company	\$ 1,153	\$ 1,390	\$ 1,358
Related parties in substance	<u>1,956</u>	<u>345</u>	<u>7,458</u>
	<u>\$ 3,109</u>	<u>\$ 1,735</u>	<u>\$ 8,816</u>

### 31. 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:

	March 31, 2014	December 31, 2013	January 1, 2013
Property, plant and equipment (including investment properties)			
Land	\$ 3,290,251	\$ 3,290,251	\$ 3,290,251
Building	419,810	418,939	403,782
Other financial assets - current			
Pledged time deposits	637,512	637,616	108,113
Inventories	<u>298,527</u>	<u>297,743</u>	<u>-</u>
	<u>\$ 4,646,100</u>	<u>\$ 4,644,549</u>	<u>\$ 3,802,146</u>

### 32. 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 \$341,880 thousand (RMB70,000 thousand) and \$532,356 thousand (RMB109,000 thousand), respectively. Refer to Note 35 Table 2 for the details.

### 33. SIGNIFICANT FRANCHISE CONTRACTS

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

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

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

March 31, 2014

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
RMB	\$ 329,314	4.884	\$ 1,631,020
JPY	806,654	0.296	238,758
USD	11,614	30.47	353,874
Non-monetary items			
RMB	31,796	4.884	157,478
JPY	1,716,378	0.296	508,023
USD	43	30.47	1,318

Financial liabilities

Monetary items			
RMB	294,766	4.884	1,459,909
JPY	248,494	0.296	73,551
USD	8,590	30.47	261,731

December 31, 2013

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
RMB	\$ 223,304	4.904	\$ 1,095,084
JPY	908,506	0.28	257,918
USD	10,972	29.81	327,918
Non-monetary items			
RMB	31,796	4.904	155,436
JPY	2,180,606	0.28	619,058
USD	43	29.81	1,290

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

March 31, 2013

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars (In Thousands)</b>
<u>Financial assets</u>			
Monetary items			
RMB	\$ 134,922	4.76	\$ 641,907
JPY	277,340	0.32	87,969
USD	61,566	29.83	1,836,207
Non-monetary items			
RMB	9,516	4.76	45,274
JPY	1,406,745	0.32	446,204
USD	104	29.83	3,809
<u>Financial liabilities</u>			
Monetary items			
RMB	107,847	4.76	513,093
JPY	38,469	0.32	12,202
USD	34	29.83	1,003

### **35. SEPARATELY DISCLOSED ITEMS**

Information on significant transactions and information on investees:

- a. Financing provided: Table 1 (attached)
- b. Endorsements/guarantees provided to others: Table 2 (attached)
- c. Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (attached)
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 4 (attached)
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
- i. Information about derivative: None
- j. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: Table 5 (attached)

k. Information on investees: Table 6 (attached)

Information on investments in mainland China:

- a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 7 (attached)
- b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:
  - 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
  - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
  - 3) The amount of property transactions and the amount of the resultant gains or losses: None
  - 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (attached)
  - 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (attached)
  - 6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None

## 36. SEGMENT INFORMATION

### 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

- a. Companies in Taiwan
- b. Companies in mainland China and other foreign companies.

Real estate development segment

- a. Companies in Taiwan
- b. Companies in China

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the three months ended March 31, 2014 and 2013:

	Real Estate Brokerage			Real Estate Development			Elimination	Consolidated
	Taiwan	Mainland China and Others	Total	Taiwan	China	Total		
<b>For the three months ended March 31, 2014</b>								
Revenues from external customers	\$ 2,038,425	\$ 166,751	\$ 2,205,176	\$ 19,871	\$ 11,875	\$ 31,746	\$ -	\$ 2,236,922
Inter-segment revenues	6,189	-	6,189	3,207	-	3,207	(9,396)	-
Segment revenues	<u>\$ 2,044,614</u>	<u>\$ 166,751</u>	<u>\$ 2,211,365</u>	<u>\$ 23,078</u>	<u>\$ 11,875</u>	<u>\$ 34,953</u>	<u>\$ (9,396)</u>	2,236,922
Rental income from investment property								(31,746)
Consolidated revenues								<u>\$ 2,205,176</u>
Operating profit (loss)	<u>\$ 312,839</u>	<u>\$ (34,237)</u>	<u>\$ 278,602</u>	<u>\$ 9,773</u>	<u>\$ 6,367</u>	<u>\$ 16,140</u>	<u>\$ 6,834</u>	\$ 301,576
Operating income from investment property								(21,740)
Operating income								<u>\$ 279,836</u>
Segment assets	<u>\$ 6,071,198</u>	<u>\$ 2,527,125</u>	<u>\$ 8,598,323</u>	<u>\$ 3,023,112</u>	<u>\$ 5,297,387</u>	<u>\$ 8,320,499</u>	<u>\$ (666,567)</u>	\$ 16,252,255
Investments accounted for by the equity method and goodwill								21,386
Total assets								<u>\$ 16,273,641</u>
<b>For the three months ended March 31, 2013</b>								
Revenues from external customers	\$ 2,366,615	\$ 186,740	\$ 2,553,355	\$ 18,910	\$ 7,512	\$ 26,422	\$ -	\$ 2,579,777
Inter-segment revenues	9,264	-	9,264	2,697	-	2,697	(11,961)	-
Segment revenues	<u>\$ 2,375,879</u>	<u>\$ 186,740</u>	<u>\$ 2,562,619</u>	<u>\$ 21,607</u>	<u>\$ 7,512</u>	<u>\$ 29,119</u>	<u>\$ (11,961)</u>	2,579,777
Rental income from investment property								(26,422)
Consolidated revenues								<u>\$ 2,553,355</u>
Operating profit	<u>\$ 551,533</u>	<u>\$ 6,091</u>	<u>\$ 557,624</u>	<u>\$ 1,530</u>	<u>\$ 5,467</u>	<u>\$ 6,997</u>	<u>\$ 7,566</u>	\$ 572,187
Operating income from investment property								(16,448)
Operating income								<u>\$ 555,739</u>
Segment assets	<u>\$ 5,883,300</u>	<u>\$ 3,435,333</u>	<u>\$ 9,318,633</u>	<u>\$ 2,875,419</u>	<u>\$ 1,455,300</u>	<u>\$ 4,330,719</u>	<u>\$ 46,782</u>	\$ 13,696,134
Investments accounted for by the equity method and goodwill								13,431
Total assets								<u>\$ 13,709,565</u>

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

## SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED  
THREE MONTHS ENDED MARCH 31, 2014  
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
												Item	Value		
1	Sinyi Development Inc. (original Da-Chia Construction)	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	150,000	150,000	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	"	502,400 (RMB 100,000 thousand)	488,400 (RMB 100,000 thousand)	488,400 (RMB 100,000 thousand)	7.4%	"	-	Need for operation	-	-	-	610,994 (Note 4)	1,221,988 (Note 4)
		Shanghai Sinyi Real Estate Inc.	"	100,480 (RMB 20,000 thousand)	97,680 (RMB 20,000 thousand)	87,912 (RMB 18,000 thousand)	4.0%	"	-	Participation in the capital increase of strategic investment plan	-	-	-	610,994 (Note 4)	1,221,988 (Note 4)

Note 1: The total amount for lending to Sinyi Development Inc. 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 of Sinyi Development Inc. by the borrowing company is held 100% should not exceed 40% of Sinyi Development Inc.'s net worth. Total financing provided should not exceed 100% of the Sinyi Development Inc.'s net worth.

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



## SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER  
THREE MONTHS ENDED MARCH 31, 2014  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor (Note 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	\$ 7,737,039	\$ 351,680 (RMB 70,000 thousand)	\$ 341,880 (RMB 70,000 thousand)	\$ 97,680 (RMB 20,000 thousand)	\$ 97,680 (Deposits)	4	\$ 9,671,299	Y	N	Y	
		Suzhou Sinyi Real Estate Inc.	"	7,737,039	547,616 (RMB 109,000 thousand)	532,356 (RMB 109,000 thousand)	532,356 (RMB 109,000 thousand)	532,356 (Deposits)	6	9,671,299	Y	N	Y	

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

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

## SINYI REALTY INC. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

MARCH 31, 2014

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

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	March 31, 2014				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	<u>Listed stock</u>							
	E.SUN Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	14,011,684	\$ 257,114	-	\$ 257,114	
	PChome Online Inc.	"	Financial assets at fair value through profit or loss - current	100,271	22,862	-	22,862	
	<u>Stock</u>							
	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	<u>Stock</u>							
	Orix Corp.	"	Available-for-sale financial assets - current	1,180,800	508,024	-	508,024	
	<u>Monetary market fund</u>							
	SBGH U.S. Dollar Reserve Fund CL A Dist Units	"	"	43,265	1,318	-	1,318	
Shanghai Sinyi Real Estate Inc.	<u>Stock</u>							
	Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	-	157,478	2	157,478	
Sinyi Development Inc. (original name: Da-Chia Construction Co., Ltd.)	<u>Stock</u>							
	CTCI Corporation	"	Financial assets at fair value through profit or loss - current	170,940	7,803	-	7,803	

## 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  
 THREE MONTHS ENDED MARCH 31, 2014  
 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Costs	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	<u>Stock</u> Sinyi Limited	Investments accounted for using equity method	-	Subsidiary	62,075,721	\$ 2,026,224	10,532,957	\$ 319,358	-	\$ -	\$ -	\$ -	72,608,678	\$ 2,345,582 (Notes 1 and 2)
Sinyi Limited	<u>Stock</u> Inane International Limited	"	"	"	44,890,999	1,434,497	10,532,957	319,358	-	-	-	-	55,423,956	1,753,855 (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  
THREE MONTHS ENDED MARCH 31, 2014 AND 2013  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%)
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	1	Professional fee	\$ 5,254	Fixed charges by guarantee piece work	-
				Other income	3,795	30 days after regular settlement	-
				Other income	2,215	Quarterly	-
				Other receivable from related parties	7,481	-	-
				Other payable to related parties	150,213	Need for group funds, interest rate 1.8%	1
1	Sinyi Limited	Ke Wei Shanghai Real Estate Management Consulting Inc.	3	Other receivables	32,146	-	-
				Shanghai Sinyi Real Estate Inc.	3	Other receivables	16,908
2	Shanghai Sinyi Real Estate Inc.	Inane International Limited	3	Other payables	9,616	-	-
				Suzhou Sinyi Real Estate Inc.	3	Other payables	89,150
3	Suzhou Sinyi Real Estate Inc.	Shanghai Sinyi Real Estate Inc.	3	Other receivables	495,278	Financing for operation, interest rate 7.4%	3
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	1	Professional fee	6,261	Fixed charges by guarantee piece work	-
				Other receivables	28,295	-	-
				Other receivables	12,090	-	-
				Other payables	9,423	-	-
1	Sinyi Limited	Ke Wei Shanghai Real Estate Management Consulting Inc.	3	Other receivables	28,295	-	-
				Shanghai Sinyi Real Estate Inc.	3	Other receivables	12,090
2	Shanghai Sinyi Real Estate Inc.	Inane International Limited	3	Other payables	9,423	-	-

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".

(Continued)

Note 2: Flow of transactions are categorized as follows:

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

Note 3: Percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of March 31, 2014 and 2013.

Percentage to consolidated total revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenues for the three months ended March 31, 2014 and 2013.

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

(Concluded)

## SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
THREE MONTHS ENDED MARCH 31, 2014  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2014			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	\$ 3,955,884	\$ 3,955,884	\$133,845,895	100	\$ 4,135,698 (Note 3)	\$ 9,517	\$ 9,517 (Note 3)	Note 1
	Sinyi Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	2,345,582	2,026,224	72,608,678	100	1,838,570 (Note 3)	(48,144)	(48,144) (Note 3)	
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Construction	535,005	535,005	53,500,000	100	547,890 (Note 3)	(257)	(257) (Note 3)	
	Global Asset Management Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	10,000	10,000	2,000,000	100	66,076 (Note 3)	3,109	3,109 (Note 3)	
	Heng-Yi Real Estate Consulting	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories; Real estate brokerage	20,000	20,000	2,000,000	100	16,592 (Note 3)	(44)	(44) (Note 3)	
	Jui-Inn Consultants Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Management consulting	5,000	5,000	500,000	100	4,475 (Note 3)	44	44 (Note 3)	
	Shin Cheng Property Insurance Agency Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Property insurance agency	3,000	3,000	300,000	100	251 (Note 3)	-	- (Note 3)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	496,000	99	1,573 (Note 3)	(3)	(3) (Note 3)	
	An-Sin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	25,500	25,500	6,630,000	51	143,086 (Note 3)	19,203	9,793 (Note 3)	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	11,765 (Note 3)	(3)	- (Note 3)	
Sinyi Limited	Inane International Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,753,855	1,434,497	55,423,956	100	1,233,210 (Note 3)	(41,080)	(41,080) (Note 3)	Note 1
	Ke Wei HK Realty Limited	Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	29,140	29,140	475,000	95	(43,206) (Note 3)	(7,216)	(4,938) (Note 3)	
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	6,241 (Note 3)	(670)	(670) (Note 3)	
	Sinyi Realty Inc. Japan	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	58,064	58,064	16,000	100	138,201 (Note 3)	13,268	13,268 (Note 3)	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Asia Samoa	Investment holding	3,868,747	3,868,747	131,000,200	100	3,962,665 (Note 3)	(3,272)	(3,272) (Note 3)	
	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	399,792	399,792	12,454,780	100	409,775 (Note 3)	8,060	8,060 (Note 3)	
An-Sin Real Estate Management Ltd.	An-Shin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	10,000	10,000	1,000,000	100	10,188 (Note 3)	45	45 (Note 3)	
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	3,868,747	3,868,747	131,000,200	100	3,959,266 (Note 3)	(4,316)	(4,316) (Note 3)	
Sinyi Realty Inc. Japan	Richesse Management Co., Ltd.	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage	10,746	10,746	600	100	10,942 (Note 3)	219	219 (Note 3)	
Sinyi Development Inc.	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	-	50,000	100	435 (Note 3)	(65)	(65) (Note 3)	
	Sinyi Real Estate Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	-	50,000	100	433 (Note 3)	(67)	(67) (Note 3)	

(Continued)

Note 1: As of March 31, 2014, it has not been registered as a capital stock; therefore, it is recorded under “prepayment for long-term investment”.

Note 2: Under the liquidation process.

Note 3: It has been eliminated.

(Concluded)

## SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
THREE MONTHS ENDED MARCH 31, 2014  
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of March 31, 2014 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2014
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 6,160	Investment in company located in Mainland China indirectly through Ke Wei HK Realty Limited	\$ 15,870	\$ -	\$ -	\$ 15,870	\$ (7,216)	95	\$ (6,855) (Note 6)	\$ (44,762) (Note 6)	\$ -
Shanghai Sinyi Real Estate Inc. (Note 3)	Real estate brokerage	RMB 260,082	Investment in company located in Mainland China indirectly through Inane International Limited	888,456	251,562	-	1,140,018	(38,376)	100	(38,376) (Note 6)	775,634 (Note 6)	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 34,747	"	86,157	63,798	-	149,955	(3,030)	100	(3,030) (Note 6)	17,996 (Note 6)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 4)	Real estate brokerage	RMB 4,138	"	17,095	-	-	17,095	(4,747)	100	(4,747) (Note 6)	6,923 (Note 6)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	"	355,249	-	-	355,249	10,565	100	10,565 (Note 6)	423,255 (Note 6)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,025,700	"	-	-	-	-	-	2	-	157,478	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 20,200	"	44,543	-	-	44,543	(3,648)	100	(3,648) (Note 6)	(6,471) (Note 6)	-
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 6)	104 (Note 6)	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	Investment in company located in Mainland China indirectly through Forever Success International Ltd.	27,432	-	-	27,432	(670)	100	(670) (Note 6)	5,610 (Note 6)	-
Chengdu Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 8,800	Investment in company located in Mainland China indirectly through Inane International Limited	29,342	3,998	-	33,340	(2,309)	80	(1,847) (Note 6)	5,955 (Note 6)	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Note 5)	Real estate brokerage and management consulting	RMB 8,000	"	29,225	-	-	29,225	(1,747)	65	(1,136) (Note 6)	1,649 (Note 6)	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	Investment in company located in Mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,868,747	-	-	3,868,747	(4,315)	100	(4,315) (Note 6)	3,958,735 (Note 6)	-

(Continued)



Accumulated Outflow for Investment in Mainland China as of March 31, 2014	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 5)
\$5,681,474	\$6,124,764	\$ -

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

Note 2: Carrying value was converted into New Taiwan dollars based on the exchange rate of US\$1=NT\$30.47, and US\$1=RMB6.1521 at March 31, 2014.

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

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

Note 5: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

Note 6: It has been eliminated.

(Concluded)