Sinyi Realty Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2014 and 2013 and Independent Auditors' Report

DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2014 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Accounting Standard 27 "Consolidated and Separate Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SINYI REALTY INC.

By

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February 25, 2015

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinyi Realty Inc.

We have audited the accompanying consolidated balance sheets of Sinyi Realty Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2014 and 2013, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2014 and 2013, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Sinyi Realty Inc. as of and for the years ended December 31, 2014 and 2013 on which we have issued an unqualified report.

Deloitte + Touche

February 25, 2015

<u>*Notice to Readers*</u>

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

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014		2013	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 2,865,766	16	$ 1,605,974	10
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	19,180	-	218,940	1
Available-for-sale financial assets - current (Notes 4 and 8)	840,562	5	897,779	6
Notes receivable (Notes 4 and 10)	26,762	-	63,941	-
Trade receivables (Notes 4, 5 and 10)	763,270	4	1,146,484	7
Other receivables (Notes 4, 5, 10 and 33)	319,213	2	106,721	1
Current tax assets (Notes 4 and 27)	17,399	-	10	-
Inventories (Notes 4, 5, 11 and 34)	5,387,474	30	4,174,264	25
Other financial assets - current (Notes 12 and 34)	388,352	2	1,137,400	7
Other current assets (Note 18)	76,814	1	68,048	-
Total current assets	10,704,792	60	9,419,561	57
NON-CURRENT ASSETS				
Financial assets measured at cost - non-current (Notes 4 and 9)	293,616	2	285,489	2
Investment accounted for using equity method (Notes 4 and 13)	10,951	-	11,623	-
Property, plant and equipment (Notes 4, 14 and 34)	3,604,588	20	3,560,568	21
Investment properties (Notes 4, 15 and 34)	2,881,243	16	2,831,604	17
Intangible assets (Notes 4, 16 and 36)	142,718	1	89,878	1
Deferred tax assets (Notes 4, 5 and 27)	25,477	-	17,123	-
Refundable deposits (Note 30)	128,436	1	129,145	1
Long-term accounts receivable (Note 17)	-	-	234,237	1
Prepaid pension cost - non-current (Notes 4, 5 and 24)	9,004	-	6,067	-
Other non-current assets (Note 18)	5,079	-	4,623	-
Total non-current assets	7,101,112	40	7,170,357	43
TOTAL	$ 17,805,904	100	$ 16,589,918	100
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 34)	$ 45,828	-	$ 586,627	3
Notes payable	7,186	-	9,631	-
Trade payables (Note 21)	165,767	1	406	-
Other payables (Note 22)	1,683,773	9	2,769,092	17
Other payables to related parties (Notes 22 and 33)	131,726	1	97,001	1
Current tax liabilities (Notes 4 and 27)	111,956	1	424,145	3
Provisions - current (Notes 4, 5 and 23)	44,299	-	66,268	-
Other current financial liabilities (Note 22)	274,117	1	194,756	1
Current portion of long-term borrowings (Notes 19 and 34)	291,180	2	-	-
Other current liabilities (Note 22)	122,070	1	149,966	1
Total current liabilities	2,877,902	16	4,297,892	26
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	3,000,000	17	-	-
Long-term borrowings (Notes 19 and 34)	1,356,958	8	1,572,206	10
Provisions - non-current (Notes 4, 5 and 23)	3,189	-	2,733	-
Guarantee deposits received (Note 30)	82,680	1	78,786	-
Other non-current liabilities (Note 22)	941,726	5	989,606	6
Deferred tax liabilities (Notes 4 and 27)	27,341	-	26,947	-
Total non-current liabilities	5,411,894	31	2,670,278	16
Total liabilities	8,289,796	47	6,968,170	42
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)				
Share capital				
Ordinary shares	6,134,367	34	5,028,170	30
Capital surplus	63,896	-	68,597	-
Retained earnings				
Legal reserve	1,537,793	9	1,290,290	8
Special reserve	-	-	120,693	1
Unappropriated earnings	1,094,412	6	2,579,654	15
Total retained earnings	2,632,205	15	3,990,637	24
Other equity (Note 4)				
Exchange differences on translating foreign operations	264,741	1	39,243	1
Unrealized gain or loss from available-for-sale financial assets	281,404	2	364,397	2
Total other equity	546,145	3	403,640	3
Total equity attributable to owners of the Company	9,376,613	52	9,491,044	57
NON-CONTROLLING INTERESTS	139,495	1	130,704	1
Total equity	9,516,108	53	9,621,748	58
TOTAL	$ 17,805,904	100	$ 16,589,918	100

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2014		2013	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Service revenue (Note 4)	$ 8,899,215	100	$ 12,091,555	100
OPERATING COSTS (Notes 26 and 33)	6,447,786	73	8,055,844	67
GROSS PROFIT	2,451,429	27	4,035,711	33
OPERATING EXPENSES (Notes 26 and 33)	1,281,946	14	1,243,905	10
OPERATING INCOME	1,169,483	13	2,791,806	23
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 33)	126,594	1	121,374	1
Dividend income	21,603	-	17,923	-
Interest income (Notes 17 and 26)	60,338	1	53,231	1
Other gains and losses (Notes 26 and 33)	76,505	1	170,533	1
Finance costs (Notes 26 and 33)	(71,847)	(1)	(41,907)	-
Total non-operating income and expenses	213,193	2	321,154	3
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,382,676	15	3,112,960	26
INCOME TAX EXPENSE (Notes 4 and 27)	(273,266)	(3)	(596,662)	(5)
NET PROFIT FOR THE YEAR	1,109,410	12	2,516,298	21
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating foreign operations	226,158	3	107,926	1
Unrealized (loss) gain on available-for-sale financial assets	(82,135)	(1)	293,249	2
Actuarial loss arising from defined benefit plans	(7,527)	-	(42,218)	-
Share of other comprehensive income of associates and joint ventures	(858)	-	8,100	-
Income tax relating to components of other comprehensive income (Note 27)	1,280	-	7,177	-
Other comprehensive income for the year, net of income tax	136,918	2	374,234	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,246,328	14	$ 2,890,532	24

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2014		2013	
	Amount	**%**	**Amount**	**%**
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	$ 1,072,157	12	$ 2,475,027	21
Non-controlling interests	37,253	-	41,271	-
	$ 1,109,410	12	$ 2,516,298	21
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ 1,208,802	14	$ 2,849,357	24
Non-controlling interests	37,526	-	41,175	-
	$ 1,246,328	14	$ 2,890,532	24
EARNINGS PER SHARE (Note 28)				
Basic	$ 1.75		$ 4.03	
Diluted	$ 1.75		$ 4.03	

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2013	$ 4,655,713	$ 63,896	$ 1,155,179	$ 120,693	$ 1,345,279	$ (68,465)	$ 63,048	$ 7,335,343	$ 119,581	$ 7,454,924
Appropriation of 2012 earnings										
Legal reserve	-	-	135,111	-	(135,111)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(698,357)	-	-	(698,357)	-	(698,357)
Stock dividends distributed by the Company	372,457	-	-	-	(372,457)	-	-	-	-	-
Changes in capital surplus										
Adjustments arising from changes in the interest in subsidiaries	-	4,701	-	-	-	-	-	4,701	-	4,701
Net profit for the year ended December 31, 2013	-	-	-	-	2,475,027	-	-	2,475,027	41,271	2,516,298
Other comprehensive income (loss) for the year ended December 31, 2013, net of income tax	-	-	-	-	(34,727)	107,708	301,349	374,330	(96)	374,234
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	2,440,300	107,708	301,349	2,849,357	41,175	2,890,532
Change in non-controlling interest	-	-	-	-	-	-	-	-	(30,052)	(30,052)
BALANCE AT DECEMBER 31, 2013	5,028,170	68,597	1,290,290	120,693	2,579,654	39,243	364,397	9,491,044	130,704	9,621,748
Appropriation of 2013 earnings										
Reversal of special reserve	-	-	-	(120,693)	120,693	-	-	-	-	-
Legal reserve	-	-	247,503	-	(247,503)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,307,324)	-	-	(1,307,324)	-	(1,307,324)
Stock dividends distributed by the Company	1,106,197	-	-	-	(1,106,197)	-	-	-	-	-
Changes in capital surplus										
Adjustments arising from changes in the interest in subsidiaries	-	(4,701)	-	-	(11,208)	-	-	(15,909)	376	(15,533)
Net profit for the year ended December 31, 2014	-	-	-	-	1,072,157	-	-	1,072,157	37,253	1,109,410
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	(5,860)	225,498	(82,993)	136,645	273	136,918
Total comprehensive income (loss) for the year ended December 31, 2014	-	-	-	-	1,066,297	225,498	(82,993)	1,208,802	37,526	1,246,328
Change in non-controlling interest	-	-	-	-	-	-	-	-	(29,111)	(29,111)
BALANCE AT DECEMBER 31, 2014	$ 6,134,367	$ 63,896	$ 1,537,793	$ -	$ 1,094,412	$ 264,741	$ 281,404	$ 9,376,613	$ 139,495	$ 9,516,108

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,382,676	$ 3,112,960
Adjustments for:		
Depreciation expenses	129,586	129,124
Amortization expenses	26,396	16,957
Impairment loss recognized on financial assets	1,104	3,518
Net loss (gain) on fair value change of financial assets held for trading	11,302	(9,342)
Finance costs	71,847	41,907
Interest income	(60,338)	(53,231)
Dividend income	(21,603)	(17,923)
Share of profit of associates and joint ventures	(405)	(232)
Loss on disposal of property, plant and equipment	4,154	753
Gain on disposal of investment properties	(2,053)	(95)
Gain on disposal of investments	(33,676)	(82,174)
Recognized (reversal of) impairment loss on non-financial assets	2,954	(10,565)
Changes in operating assets and liabilities		
Financial assets held for trading	215,180	(128,179)
Notes receivable	37,179	(8,424)
Trade receivables	383,214	(315,733)
Other receivables	15,031	244,018
Inventories	(1,213,210)	(3,704,171)
Other current assets	(8,766)	(10,578)
Operating assets	(10,464)	(14,657)
Notes payable	(2,445)	6,226
Trade payables	165,361	-
Other payables	(1,085,319)	811,369
Other payables to related parties	23,766	6,568
Provisions	(21,513)	7,112
Other financial liabilities	79,361	19,959
Other current liabilities	(27,896)	29,656
Other operating liabilities	(47,880)	99,354
Cash generated from operations	13,543	174,177
Interest received	46,052	33,231
Interest paid	(69,124)	(38,230)
Income taxes paid	(609,524)	(331,293)
Net cash used in operating activities	(619,053)	(162,115)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(19,145)	-
Proceeds from disposal of available-for-sale financial assets	23,617	17,380
Purchase of financial assets measured at cost	(5,095)	(168,763)
Proceeds from disposal of financial assets measured at cost	-	73,122

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(In Thousands of New Taiwan Dollars)

	2014	2013
Capital refund of financial assets measured at cost	$ 2,333	$ 13,071
Net cash outflow on acquisition of subsidiaries	(15,533)	-
Net cash inflow on partial disposal of interests in subsidiaries without losing control	-	5,763
Payments for property, plant and equipment	(180,013)	(396,972)
Proceeds on disposal on property, plant and equipment	396	4,300
Decrease in prepayment for equipment	13,025	-
Increase in refundable deposits	-	(6,693)
Decrease in refundable deposits	709	-
Payment for intangible assets	(53,925)	(15,843)
Payment for investment properties	(74,199)	(11,542)
Proceeds on disposal of investment properties	24,926	62,624
Increase in other financial assets	-	(780,739)
Decrease in other financial assets	749,048	-
Increase in other non-current assets	(456)	-
Decrease in other non-current assets	-	804
Decrease in other receivables	21,000	-
Dividends received	21,822	18,161
Net cash generated from (used in) investing activities	508,510	(1,185,327)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of bonds	3,000,000	-
Proceeds from short-term borrowings	-	517,325
Repayment of short-term borrowings	(540,799)	-
Proceeds from long-term borrowings	4,608,958	7,567,206
Repayment of long-term borrowings	(4,550,000)	(6,695,000)
Refund of guarantee deposits received	3,894	27,894
Increase in other payables to related parties	8,236	7,045
Dividends paid to owners of the Company	(1,307,324)	(698,357)
Change in non-controlling interest	(29,111)	(30,052)
Net cash generated from financing activities	1,193,854	696,061
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	176,481	62,921
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,259,792	(588,460)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,605,974	2,194,434
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,865,766	$ 1,605,974

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

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements had been approved by the board of directors and authorized for issue on February 25, 2015.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS 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) endorsed by the FSC not yet effective

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

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

(Continued)

New, Amended and Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note)
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, 2016
IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013
Amendments to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"	January 1, 2013
Amendments to IFRS 10 and IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred Tax: Recovery of Underlying Assets"	January 1, 2012
IAS 19 (Revised 2011) "Employee Benefits"	January 1, 2013
IAS 27 (Revised 2011) "Separate Financial Statements"	January 1, 2013
IAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013

(Concluded)

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

Except for the following, whenever applied, the initial application of the above 2013 IFRSs version and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers would not have any material impact on the Group's accounting policies:

1) IFRS 12 "Disclosure of Interests in Other Entities"

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

2) IFRS 13 "Fair Value Measurement"

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

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

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

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

The Group will retrospectively apply the above amendments starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans and shares of other comprehensive income of associates and joint ventures. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations and unrealized gains (loss) on available-for-sale financial assets. However, the application of the above amendments will not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

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: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective retrospectively for annual periods beginning on or after January 1, 2016.

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

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

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

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

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

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

The impairment of financial assets

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

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

2) IFRS 15 "Revenue from Contracts with Customers"

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

d. Basis of consolidation

1) Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries, including special purpose entities).
Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

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

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

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

2) Subsidiaries included in consolidated financial statements

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

			% of Ownership December 31		
Investor	**Investee**	**Main Businesses**	**2014**	**2013**	**Remark**
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	
	Sinyi Development Inc. (Taiwan Sinyi Development)	Construction	100	100	
	Sinyi Limited	Investment holding	100	100	
	Sinyi Global Asset Management Co., Ltd. (Global) (original name: Global Asset Management Co., Ltd.)	Real estate brokerage	100	100	
	Heng-Yi Real Estate Consulting Inc. (Heng-Yi)	Development, construction, rental and sale of residential building and factories	100	100	Note 1
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	
	Shin Cheng Property Insurance Agency Co., Ltd. (Shin Cheng)	Property insurance agency	-	100	Note 2
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	-	Note 3
Sinyi Limited	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	99	95	Note 4
	Inane International Limited (Inane)	Investment holding	100	100	
Inane	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100	
	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	100	100	
	Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Shanghai Sinyi of Land Administration and Real Estate Counseling)	Management consulting	100	100	
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	100	80	Note 5
	Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Qingdao Sinyi)	Real estate brokerage and management consulting	100	65	Note 6
	Max Success International Limited (Max Success)	Investment holding	100	100	
Shanghai Sinyi Real Estate	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	38	38	
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	2	2	
Max Success	Zhejiang Sinyi	Real estate brokerage and management consulting	62	62	
	Suzhou Sinyi	Real estate brokerage and management consulting	98	98	
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	
Ke Wei Shanghai	Shanghai Shin Cheng Real Estate Brokerage Inc. (Shanghai Shin Cheng)	Real estate brokerage	-	99	Note 7

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2014	2013	Remark
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage, management and identification	100	100	
	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100	
Forever Success	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	
	Hua Yun Renovation (Shanghai) Co., Ltd. (Hua Yun)	Professional construction, building decoration construction, interior decoration, hard ware, general merchandise, building materials wholesale	100	-	Note 8
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	
Japan Sinyi	Richesse Management Co., Ltd. (Richesse Management)	Real estate brokerage	100	100	
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	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	
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sales of residential building and factories	100	-	Note 9
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sales of residential building and factories	100	-	Note 9

(Concluded)

Remark:

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

Note 2: The liquidation was completed and approved by court in July 2014. Therefore, the stock ownership in Shin Cheng decreased to zero.

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

Note 4: Ke Wei HK increased its capital by US$2,200 thousand in August 2014 and Sinyi Limited acquired 100% of Ke Wei HK increased capital, therefore, the stock ownership increased from 95% to 99%.

Note 5: In April 2014, INANE acquired 20% of its interest in Chengdu Sinyi by RMB1,600 thousand. Therefore, the stock ownership increased from 80% to 100%.

Note 6: In October 2014, INANE acquired 35% of its interest in Qingdao Sinyi by RMB1,600 thousand. Therefore, the stock ownership increased from 65% to 100%.

Note 7: Shanghai Shin Cheng was dissolved in July 2014.

Note 8: Hua Yun was incorporated in September 2014, with a capital of RMB8,000 thousand.

Note 9: Da-Chia Construction and Sinyi Real Estate were both incorporated in February 2014 with a capital of $500 thousand.

3) Subsidiaries excluded from consolidated financial statements: None.

e. Business combinations

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

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

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

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

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

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the subsidiaries, associates, joint ventures or branches operations in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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

g. Inventories

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

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

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

h. Investment in associates

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

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

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

i. Property, plant and equipment

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

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

Freehold land is not depreciated.

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

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

j. Investment properties

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

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

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

k. Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination.

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

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

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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

m. Impairment of tangible and intangible assets other than goodwill

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

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

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

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

n. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at fair value through profit or loss

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

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

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

ii. Available-for-sale financial assets

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

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

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

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

iii. Loans and receivables

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

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

b) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

o. Provisions

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

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

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

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

p. Revenue recognition

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

1) Rendering of services

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

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

a) The amount of revenue can be measured reliably;

b) It is probable that the economic benefits associated with the transaction will flow to the Company;

c) The degree of completion of transaction can be measured reliably at the end of the reporting period; and

d) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2) Sale of goods

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

a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Group; and

e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

3) Dividend and interest income

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

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

q. Leasing

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

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

r. Borrowing costs

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

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

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

s. Retirement benefit costs

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

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

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

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

t. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

3) Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Estimated impairment of trade receivables

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

b. Impairment of tangible and intangible assets other than goodwill

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

c. Provisions

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

d. Income taxes

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

e. Recognition and measurement of defined benefit plans

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

f. Write-down of inventory

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2014	**2013**
Cash on hand	$ 18,526	$ 25,116
Checking accounts and demand deposits	1,256,266	1,081,385
Cash equivalents		
Time deposits with original maturities less than three months	1,590,974	499,473
	$ 2,865,766	$ 1,605,974

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

	December 31	
	2014	**2013**
Interest rates range	0.02%-4.10%	0.17%-4.60%

As of December 31, 2014 and 2013, the carrying amounts of time deposits with original maturities more than three months were $319,723 thousand and $123,365 thousand, respectively, which were classified as other financial assets - current (Note 12).

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

	December 31	
	2014	**2013**
Financial assets held for trading		
Non-derivative financial assets		
Domestic quoted shares	$ 19,180	$ 32,221
Mutual funds	-	186,719
	$ 19,180	$ 218,940

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	December 31	
	2014	**2013**
Domestic investments		
Quoted shares	$ 299,910	$ 277,431
Foreign investments		
Quoted shares	539,282	619,058
Mutual funds	1,370	1,290
	540,652	620,348
Available-for-sale financial assets	$ 840,562	$ 897,779

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31	
	2014	**2013**
Domestic unlisted common shares	$ 121,742	$ 125,179
Overseas unlisted common shares	171,874	160,310
	$ 293,616	$ 285,489

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

During the year ended December 31, 2013, the Group disposed of certain financial assets measured at cost with carrying amounts of $0 thousand and recognized a gain on disposal as of $73,122 thousand.

During the years ended December 31, 2014 and 2013, valuation losses that resulted from the permanent decline in the carrying value of investments were $1,104 thousand and $3,518 thousand, respectively.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2014	2013
Notes receivable and trade receivables		
Notes receivable - operating	$ 26,762	$ 63,941
Trade receivables	791,532	1,174,700
Less: Allowance for doubtful accounts	(28,262)	(28,216)
	$ 790,032	$ 1,210,425
Other receivables		
Receivables - fixed rate	$ 179,000	$ -
Interest receivables	48,523	-
Others	94,961	110,945
Less: Allowance for doubtful accounts	(3,271)	(4,224)
	$ 319,213	$ 106,721

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 several groups to evaluate the recovery rate by aging analysis and based on historical recovery rate of trade receivables; the groups were determined by reference to past default experience, an analysis of their current financial position and considered credit risk of trade receivables. The Group recognized an allowance for impairment loss of 100% against all receivables aged over 2 years because historical experience had shown that receivables that are past due beyond 2 years were not recoverable. For customers with assessed low credit risk, if the number of days from the original sales date to the end of the reporting period was between 91 and 180 days, the recoverable amount was calculated in the range between 40% and 100% of the outstanding receivable amount, and from 10% to 40% of outstanding receivable amount if aged between 181 and 360 days. The amount of impairment loss is measured as the difference between the sum of the recoverable amount and the carrying amount of the groupings of trade receivables. For customers with assessed high credit risk, if the number of days from the original sales date to the end of the reporting period was between 91 and 180 days, the recoverable amount was calculated in the range between 20% and 100% of the outstanding receivable amount, and from 0% to 20% of outstanding receivable amount if aged between 181 and 360 days. The amount of impairment loss is measured as the difference between the sum of the group's recoverable amount and the carrying amount of the groupings of trade receivables. The Group did not recognize an allowance for impairment loss against all receivables aged less than 90 days because historical experience had shown they were recoverable.

The concentration risk of credit was limited due to the fact that the customer base was great 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 did not recognize an allowance for impairment loss because there was not a significant change in credit quality and the amounts were still considered recoverable.

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

	December 31	
	2014	**2013**
61-90 days	$ 29,839	$ 20,526
91-180 days	22,471	42,429
181-360 days	14,325	4,140
Over 360 days	2,896	6,347
	$ 69,531	$ 73,442

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	2,781	(932)	(3,803)	3,202
Less: Amounts written off	(2,950)	(21)	-	(5,540)
Foreign exchange translation gains	215	-	420	-
Balance at December 31	$ 28,262	$ 3,271	$ 28,216	$ 4,224

b. Other receivables

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

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

11. INVENTORIES

	December 31	
	2014	**2013**
Properties under development		
Malu Town, Jiading District, Shanghai	$ 5,071,957	$ 3,870,444
Tianmu, Shihlin District, Taipei City	313,404	301,707
Others		
Sanyu, Shihlin District, Taipei City	2,113	2,113
	$ 5,387,474	$ 4,174,264

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

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

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

Refer to Note 34 for the carrying amount of inventories pledged as security for bank borrowings by the Group.

12. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2014	2013
Time deposits with original maturity more than three months	$ 319,723	$ 123,365
Restricted assets - current	25,602	637,616
Financial assets at amortized cost	43,027	376,419
	$ 388,352	$ 1,137,400

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

	December 31	
	2014	2013
Time deposits with original maturity more than three months	1.08%-2.60%	1.08%-3.50%

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 34.

c. The expected yield rates of bank financial products for the years ended December 31, 2014 and 2013 were 4.35%-4.66% and 5.20%-5.50%.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2014	2013
Investments in associates	$ 10,951	$ 11,623

Investments in Associates

	December 31	
	2014	2013
Unlisted company		
Sinyi Interior Design Co., Ltd.	$ 10,951	$ 11,623

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

Name of Associate	December 31 2014	December 31 2013
Sinyi Interior Design Co., Ltd.	19%	19%

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

	December 31 2014	December 31 2013
Total assets	$ 57,687	$ 61,223
Total liabilities	$ 50	$ 50

	Years Ended December 31 2014	Years Ended December 31 2013
Operating revenue	$ -	$ -
Profit for the year	$ 2,131	$ 1,223
Group's share of profits and other comprehensive income of associates for the year	$ 405	$ 232

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2014 and 2013 was based on the audited financial statements for the same years.

14. PROPERTY, PLANT AND EQUIPMENT

	Year Ended December 31, 2014								
	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost									
Balance, at January 1, 2014	$ 2,670,039	$ 418,777	$ 8,151	$ 285,841	$ 4,671	$ 418,163	$ 62,026	$ 295,536	$ 4,163,204
Additions	-	-	-	99,487	-	62,435	17,475	616	180,013
Disposals (Note)	-	-	(1,398)	(32,243)	-	(28,830)	-	(13,025)	(75,496)
Reclassifications	-	-	-	-	-	-	-	(21,777)	(21,777)
Effect of foreign currency exchange differences	-	-	231	1,659	-	3,204	-	11,393	16,487
Balance at December 31, 2014	$ 2,670,039	$ 418,777	$ 6,984	$ 354,744	$ 4,671	$ 454,972	$ 79,501	$ 272,743	$ 4,262,431
Accumulated depreciation									
Balance, at January 1, 2014	$ -	$ 75,733	$ 2,777	$ 199,323	$ 4,671	$ 286,556	$ 33,576	$ -	$ 602,636
Depreciation expense	-	10,674	1,308	40,400	-	47,691	9,018	-	109,091
Disposals	-	-	(1,106)	(29,026)	-	(27,789)	-	-	(57,921)
Effect of foreign currency exchange differences	-	-	105	1,183	-	2,749	-	-	4,037
Balance at December 31, 2014	$ -	$ 86,407	$ 3,084	$ 211,880	$ 4,671	$ 309,207	$ 42,594	$ -	$ 657,843
Net book value, January 1, 2014	$ 2,670,039	$ 343,044	$ 5,374	$ 86,518	$ -	$ 131,607	$ 28,450	$ 295,536	$ 3,560,568
Net book value, December 31, 2014	$ 2,670,039	$ 332,370	$ 3,900	$ 142,864	$ -	$ 145,765	$ 36,907	$ 272,743	$ 3,604,588

Note: A refund of $13,025 thousand from the counterparty was a deduction to prepayments for equipment, as the construction of the real estate Suzhou Sinyi purchased failed to meet the contract.

	Year Ended December 31, 2013								
	Freehold land	**Buildings**	**Transportation Equipment**	**Office Equipment**	**Leased Assets**	**Leasehold Improvements**	**Other Equipment**	**Construction in Progress and Prepayments for Equipment**	**Total**
Cost									
Balance, at January 1, 2013	$ 2,670,039	$ 418,777	$ 8,016	$ 267,163	$ 4,671	$ 372,907	$ 166,762	$ 6,847	$ 3,915,182
Additions	-	-	4,945	23,647	-	66,225	5,297	296,858	396,972
Disposals	-	-	(5,060)	(6,841)	-	(25,160)	(118,470)	-	(155,531)
Reclassifications	-	-	-	91	-	(91)	8,437	(8,437)	-
Effect of foreign currency exchange differences	-	-	250	1,781	-	4,282	-	268	6,581
Balance at December 31, 2013	$ 2,670,039	$ 418,777	$ 8,151	$ 285,841	$ 4,671	$ 418,163	$ 62,026	$ 295,536	$ 4,163,204
Accumulated depreciation									
Balance, at January 1, 2013	$ -	$ 65,059	$ 3,961	$ 165,690	$ 4,671	$ 255,224	$ 141,547	$ -	$ 636,152
Depreciation expense	-	10,674	1,212	38,746	-	50,911	10,440	-	111,983
Disposals	-	-	(2,499)	(6,319)	-	(23,249)	(118,411)	-	(150,478)
Effect of foreign currency exchange differences	-	-	103	1,206	-	3,670	-	-	4,979
Balance at December 31, 2013	$ -	$ 75,733	$ 2,777	$ 199,323	$ 4,671	$ 286,556	$ 33,576	$ -	$ 602,636
Net book value, January 1, 2013	$ 2,670,039	$ 353,718	$ 4,055	$ 101,473	$ -	$ 117,683	$ 25,215	$ 6,847	$ 3,279,030
Net book value, December 31, 2013	$ 2,670,039	$ 343,044	$ 5,374	$ 86,518	$ -	$ 131,607	$ 28,450	$ 295,536	$ 3,560,568

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	3-15 years

a. Construction in progress and prepayments for equipment were mainly the Group's purchase of the pre-sold property which was still in construction located in Suzhou City. The transaction price had been paid fully according to the real estate transaction contract.

b. There was no interest capitalized during the years ended December 31, 2014 and 2013.

c. Refer to Note 34 for the details of properties, plant and equipment pledged as collaterals.

15. INVESTMENT PROPERTIES

	Land	Buildings	Construction in Progress and Prepayments for Equipment	Total
Cost				
Balance at January 1, 2014	$ 2,024,834	$ 922,522	$ 3,890	$ 2,951,246
Additions	30,056	7,705	36,438	74,199
Disposals	(21,803)	(1,186)	-	(22,989)
Effect of foreign currency exchange differences	-	24,110	-	24,110
Balance at December 31, 2014	$ 2,033,087	$ 953,151	$ 40,328	$ 3,026,566
Accumulated depreciation and impairment				
Balance at January 1, 2014	$ 5,745	$ 113,897	$ -	$ 119,642
Recognized impairment losses	1,651	1,303	-	2,954
Depreciation expense	-	20,495	-	20,495
Disposals	-	(116)	-	(116)
Effect of foreign currency exchange differences	-	2,348	-	2,348
Balance at December 31, 2014	$ 7,396	$ 137,927	$ -	$ 145,323
Net book value, January 1, 2014	$ 2,019,089	$ 808,625	$ 3,890	$ 2,831,604
Net book value, December 31, 2014	$ 2,025,691	$ 815,224	$ 40,328	$ 2,881,243
Cost				
Balance at January 1, 2013	$ 2,081,392	$ 890,089	$ 3,890	$ 2,975,371
Additions	6,925	4,617	-	11,542
Disposals	(58,960)	(3,990)	-	(62,950)
Reclassifications	(4,523)	-	-	(4,523)
Effect of foreign currency exchange differences	-	31,806	-	31,806
Balance at December 31, 2013	$ 2,024,834	$ 922,522	$ 3,890	$ 2,951,246
Accumulated depreciation and impairment				
Balance at January 1, 2013	$ 18,882	$ 91,982	$ -	$ 110,864
(Reversal of) recognized impairment losses	(10,727)	162	-	(10,565)
Depreciation expense	-	17,141	-	17,141
Disposals	-	(421)	-	(421)

(Continued)

	Land	Buildings	Construction in Progress and Prepayments for Equipment	Total
Reclassifications	$ (2,410)	$ -	$ -	$ (2,410)
Effect of foreign currency exchange differences	-	5,033	-	5,033
Balance at December 31, 2013	$ 5,745	$ 113,897	$ -	$ 119,642
Net book value, January 1, 2013	$ 2,062,510	$ 798,107	$ 3,890	$ 2,864,507
Net book value, December 31, 2013	$ 2,019,089	$ 808,625	$ 3,890	$ 2,831,604

(Concluded)

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

Buildings - main buildings	22-60 years

The total fair value of the Group's investment properties and property, plant and equipment as of December 31, 2014 and 2013 was $9,918,150 thousand and $10,041,847 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 34.

16. INTANGIBLE ASSETS

	December 31	
	2014	2013
Franchises (Note 36)	$ 59,903	$ 58,687
Goodwill	9,621	9,621
System software costs	73,194	21,570
	$ 142,718	$ 89,878

	Franchises	Goodwill	System Software Costs	Total
Cost				
Balance at January 1, 2014	$ 91,071	$ 9,621	$ 51,966	$ 152,658
Additions	-	-	53,925	53,925
Disposals	-	-	(620)	(620)
Reclassification	-	-	21,777	21,777
Effect of foreign currency exchange differences	5,638	-	14	5,652
Balance at December 31, 2014	$ 96,709	$ 9,621	$ 127,062	$ 233,392

(Continued)

	Franchises	Goodwill	System Software Costs	Total
Accumulated amortization				
Balance at January 1, 2014	$ 32,384	$ -	$ 30,396	$ 62,780
Amortization expense	2,315	-	24,081	26,396
Disposals	-	-	(620)	(620)
Effect of foreign currency exchange differences	2,107	-	11	2,118
Balance at December 31, 2014	$ 36,806	$ -	$ 53,868	$ 90,674
Net book value, January 1, 2014	$ 58,687	$ 9,621	$ 21,570	$ 89,878
Net book value, December 31, 2014	$ 59,903	$ 9,621	$ 73,194	$ 142,718
Cost				
Balance at January 1, 2013	$ 88,733	$ 9,621	$ 70,302	$ 168,656
Additions	-	-	15,843	15,843
Disposals	-	-	(34,179)	(34,179)
Effect of foreign currency exchange differences	2,338	-	-	2,338
Balance at December 31, 2013	$ 91,071	$ 9,621	$ 51,966	$ 152,658
Accumulated amortization				
Balance at January 1, 2013	$ 29,334	$ -	$ 49,886	$ 79,220
Amortization expense	2,268	-	14,689	16,957
Disposals	-	-	(34,179)	(34,179)
Effect of foreign currency exchange differences	782	-	-	782
Balance at December 31, 2013	$ 32,384	$ -	$ 30,396	$ 62,780
Net book value, January 1, 2013	$ 59,399	$ 9,621	$ 20,416	$ 89,436
Net book value, December 31, 2013	$ 58,687	$ 9,621	$ 21,570	$ 89,878

(Concluded)

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

Franchises	40 years
System software costs	2-5 years

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

17. LONG-TERM ACCOUNTS RECEIVABLE

	December 31	
	2014	2013
Shin Hau Real Estate Co., Ltd.	$ -	$ 234,237

Long-term accounts receivable from Shin Hau Real Estate Co., Ltd. are financing for business purpose. Under the loan agreement, Shin Hau Real Estate Co., Ltd. provided the land located in Da-an District, Taipei City as collateral, originally. In April 2014, Shin Hau Real Estate Co., had repaid partial loan and interest with the land located in Da-an District and Beitou District as collateral; the rest of loan and interests shall be fully paid before April 30, 2015. As of December 31, 2014, the Group reclassified the long-term accounts receivable to other receivables. Information on the financing for the years ended December 31, 2014 and 2013 were as follows:

	Year Ended December 31, 2014				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	$ 200,000	$ 179,000	10%	$ 18,590	$ 48,523

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

18. OTHER ASSETS

	December 31	
	2014	2013
Prepaid expenses	$ 71,428	$ 62,748
Temporary payments	3,404	5,300
Overpaid VAT	1,982	-
Overdue receivables	3,189	2,733
Others	1,890	1,890
	$ 81,893	$ 72,671
Current	$ 76,814	$ 68,048
Non-current	5,079	4,623
	$ 81,893	$ 72,671

19. BORROWINGS

a. Short-term borrowings

	December 31 2014	December 31 2013
Secured borrowings		
Bank loans	$ 45,828	$ 586,627

1) The interest rates on the bank loans for the years ended December 31, 2014 and 2013 were 6.0% and 5.7%-7.4%, respectively.

2) Refer to Note 34 for the details of assets pledged as collaterals for short-term borrowings.

b. Long-term borrowings

	December 31 2014	December 31 2013
Secured borrowings		
Bank loans	$ 1,256,958	$ 1,298,000
Unsecured borrowings		
Loans unsecured	291,180	274,206
Bank loans	100,000	-
	1,648,138	1,572,206
Less: Current portion	(291,180)	-
Long-term borrowings	$ 1,356,958	$ 1,572,206

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

	Content of Borrowings	December 31 2014	December 31 2013
E.SUN Bank	Long-term borrowings: $190,000 thousand; period: September 10, 2013 to September 10, 2016; fixed interest rate of 2.5%; interest is paid monthly and principal is repaid at maturity.	$ 163,000	$ 163,000
E.SUN Bank	Long-term borrowings: $2,420,000 thousand; period: September 30, 2013 to December 31, 2015; fixed interest rate of 1.6%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in June 2014.	-	885,000
East Asia Bank	Long-term borrowings: $1,300,000 thousand; period: December 31, 2013 to December 18, 2016; floating interest rate of 1.89%; Interest is paid monthly and principal is repaid at maturity.	100,000	50,000

(Continued)

	Content of Borrowings	December 31 2014	2013
Shanghai Commercial & Savings Bank	Long-term borrowings: $200,000 thousand; period: March 29, 2013 to March 29, 2016; floating interest rate of 1.8%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in June 2014.	$ -	$ 200,000
China Construction Bank	Long-term borrowings: RMB800,000 thousand; period: May 20, 2014 to June 19, 2017; floating interest rate of 6.15%; interest is paid quarterly and principal is repaid at maturity.	993,958	-
Far Eastern International Bank	Long-term borrowings: $800,000 thousand; period: December 30, 2014 to December 30, 2016; floating interest rate of 1.865%; interest is paid monthly and principal is repaid at maturity.	100,000	-
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	291,180	274,206
Total long-term borrowings		$ 1,648,138	$ 1,572,206

(Concluded)

Refer to Note 34 for the details of assets pledged as collaterals for long-term borrowings.

20. BONDS PAYABLE

	December 31 2014	2013
Domestic unsecured bonds	$ 3,000,000	$ -
Less: Current portion	-	-
	$ 3,000,000	$ -

The major term of domestic unsecured bonds was as follows:

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

21. TRADE PAYABLES

	December 31 2014	2013
Construction payables	$ 165,767	$ 406

22. OTHER LIABILITIES

	December 31	
	2014	2013
Current		
Other payables	$ 1,683,773	$ 2,769,092
Other payables to related parties	131,726	97,001
Other financial liabilities	274,117	194,756
Other liabilities	122,070	149,966
	$ 2,211,686	$ 3,210,815
Non-current		
Other liabilities	$ 941,726	$ 989,606

a. Other payables were as follows:

	December 31	
	2014	2013
Performance bonus and salaries	$ 1,257,908	$ 2,304,495
Advertisement	96,838	145,671
Labor and health insurance	69,028	91,143
Payable for annual leave	58,292	52,598
Professional fees	17,556	32,003
Interest payables	43,985	2,428
Employee bonuses and compensation to directors	19,100	37,658
Others	121,066	103,096
	$ 1,683,773	$ 2,769,092

Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other liabilities. The performance bonuses payable under other liabilities amounted to $941,726 thousand and $989,606 thousand as of December 31, 2014 and 2013, respectively.

b. Other payables to related parties were as follows:

	December 31	
	2014	2013
Financing to related parties		
Loan from related parties	$ 77,653	$ 69,417
Interest payable	12,652	9,929
Others	41,421	17,655
	$ 131,726	$ 97,001

Loans from related parties were accounted for other payables to related parties with interest rates of 3% and 3.00%-6.604% for the years ended December 31, 2014 and 2013, respectively.

c. Other financial liabilities were as follows:

	December 31	
	2014	2013
Receipts under custody from real estate transactions	$ 174,242	$ 109,779
Other receipts under custody	68,058	67,827
Payables on equipment	9,554	7,181
Payable for investment	8,214	-
Receipts under custody - escrow service	107	164
Others	13,942	9,805
	$ 274,117	$ 194,756

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

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

	December 31	
	2014	2013
Receipts under custody - escrow service	$ 11,515,917	$ 14,556,744
Interest payables	16,005	18,041
Deposit accounts	(11,531,200)	(14,574,048)
Interest receivables	(615)	(573)
	$ 107	$ 164

a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.17%-0.26% for the years ended December 31, 2014 and 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.

3) In October 2014, the Group entered a transaction with Qingdao City Construction Group Co., Ltd. to buy back 35% interest in Qingdao Sinyi for $8,214 thousand (RMB1,600 thousand). As of December 31, 2014, equity registration has not been completed; therefore, the amount was recorded under “payable for investment.”

d. Other current liabilities were as follows:

	December 31	
	2014	2013
Receipts from real estate transaction in advance	$ 18,953	$ -
VAT payable	90,392	133,199
Others	12,725	16,767
	$ 122,070	$ 149,966

23. PROVISIONS

	December 31	
	2014	2013
Service revenue allowances	$ 47,488	$ 69,001
Current	$ 44,299	$ 66,268
Non-current	3,189	2,733
	$ 47,488	$ 69,001

	Service Allowances
Balance, January 1, 2014	$ 69,001
Deductions	(21,472)
Effect of foreign currency exchange differences	(41)
Balance, December 31, 2014	$ 47,488
Balance, January 1, 2013	$ 61,889
Additional provisions recognized	7,223
Effect of foreign currency exchange differences	(111)
Balance, December 31, 2013	$ 69,001

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.

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

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

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

b. Defined benefit plans

Based on the defined benefit plan under the Labor Standards Law (the “LSL”), pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company and An-Sin contributed amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in Bank of Taiwan in the committee’s name.

The plan assets are invested in domestic (foreign) equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

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

	December 31	
	2014	**2013**
Discount rates	1.875%-2.00%	1.875%
Expected return on plan assets	2.00%	2.00%
Expected rates of salary increase	2.25%-3.00%	2.25%-3.00%

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

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

	Years Ended December 31	
	2014	**2013**
Current service cost	$ 3,308	$ 4,102
Interest cost	8,920	7,065
Expected return on plan assets	(9,762)	(8,888)
Amortization on prior service costs	401	-
	$ 2,867	$ 2,279
An analysis by function		
Operating cost	$ 2,256	$ 1,888
Operating expenses	611	391
	$ 2,867	$ 2,279

Actuarial losses recognized in other comprehensive income for the years ended December 31, 2014 and 2013 was $6,247 thousand and $35,041 thousand, respectively. The cumulative amount of actuarial losses recognized in other comprehensive income as of December 31, 2014 and 2013 was $67,075 thousand and $60,828 thousand, respectively.

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

	December 31	
	2014	**2013**
Present value of the defined benefit obligation	$ (497,221)	$ (475,758)
Fair value of plan assets	506,225	481,825
Surplus	9,004	6,067
Net asset of defined benefit plans	$ 9,004	$ 6,067

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

	Years Ended December 31	
	2014	**2013**
Balance, beginning of the year	$ 475,758	$ 434,745
Current service costs	3,308	4,102
Interest costs	8,920	7,065
Amortization on prior service costs	401	-
Actuarial losses	9,235	39,379
Benefits paid	(401)	(9,533)
Balance, ending of the year	$ 497,221	$ 475,758

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

	Years Ended December 31	
	2014	**2013**
Balance, beginning of the year	$ 481,825	$ 468,373
Expected return on plan assets	9,762	8,888
Actuarial gains (losses)	1,708	(2,839)
Contributions from the employer	13,331	16,936
Benefits paid	(401)	(9,533)
Balance, ending of the year	$ 506,225	$ 481,825

The major categories of plan assets at the end of the reporting period for each category were disclosed based on the information announced by Bureau of Labor Funds, Ministry of Labor:

	December 31	
	2014	**2013**
Equity instruments	48	45
Cash	19	23
Bonds	12	9
Fixed income trading	15	18
Short-term transactions instruments	3	4
Others	3	1
	100	100

The Group chose to disclose the history of experience adjustments as the amounts determined for each accounting period prospectively from the date of transition to IFRSs (January 1, 2012); relevant information was as follows:

	December 31, 2014	**December 31, 2013**	**December 31, 2012**	**January 1, 2012**
Present value of defined benefit obligation	$ (497,221)	$ (475,758)	$ (434,745)	$ (403,375)
Fair value of plan assets	$ 506,225	$ 481,825	$ 468,373	$ 448,195
Surplus	$ 9,004	$ 6,067	$ 33,628	$ 44,820
Experience adjustments on plan liabilities	$ 14,783	$ (49,621)	$ (21,123)	$ -
Experience adjustments on plan assets	$ 1,708	$ (2,743)	$ (4,664)	$ -

The Group expects to make a contribution of $10,898 thousand and $13,331 thousand, respectively, to the defined benefit plans within one year after year 2014 and 2013.

25. EQUITY

Share Capital

	December 31	
	2014	**2013**
Numbers of shares authorized (in thousands)	1,000,000	1,000,000
Share capital authorized	$ 10,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands)	613,437	502,817
Share capital issued	$ 6,134,367	$ 5,028,170

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

Capital Surplus

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

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%. The Company has an employee profit sharing plan in stock, and the employees of an affiliated company could be included in the plan; the conditions and distribution percentage will be determined by the Board of Directors.

   2) Remuneration to directors not more than 1%;

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

c. For the years ended December 31, 2014 and 2013, the accrued bonus to employees was $9,701 thousand and $23,266 thousand, respectively, and the accrued remuneration to directors was $7,000 thousand and $11,633 thousand, respectively. The above 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 the year ended December 31, 2014, the accrued bonus to employees represented 1% of distributable retained earnings (net of the bonus and remuneration). The accrued remuneration to directors was estimated based on the actual amounts in the past. Material differences between these estimated amounts and the amounts proposed by the board of directors on or before the date the Company's annual financial statements had been authorized for issue are adjusted in the year the bonus and remuneration are recognized. If there is a change in the proposed amounts after the date the Company's annual 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. Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate earnings to special reserve and reverse special reserve to earnings. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

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, bonus to employees and remuneration to directors for 2013 and 2012 had been approved in the shareholders' meeting held on May 30, 2014 and June 14, 2013, respectively were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	Years Ended December 31		Years Ended December 31	
	2013	2012	2013	2012
Reversal of special reserve	$ (120,693)	$ -	$ -	$ -
Legal reserve	247,503	135,111	-	-
Cash dividends	1,307,324	698,357	2.6	1.5
Stock dividends	1,106,197	372,457	2.2	0.8

	Cash Dividends	
	Years Ended December 31	
	2013	2012
Bonus to employees	$ 24,528	$ 12,544
Remuneration to directors	6,623	6,272

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

	Years Ended December 31			
	2013		2012	
	Bonus to Employees	Remuneration to Directors	Bonus to Employees	Remuneration to Directors
Amounts approved in shareholders' meeting	$ 24,528	$ 6,623	$ 12,544	$ 6,272
Deduct: Amounts recognized in respective financial statements	(23,266)	(11,633)	(14,347)	(7,174)
Difference	$ 1,262	$ (5,010)	$ (1,803)	$ (902)

The differences were adjusted to profit and loss for the years ended December 31, 2014 and 2013.

i. The appropriations of earnings for 2014 had been proposed by the Company's board of directors on February 25, 2015. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 107,216	$ -
Cash dividends	613,437	1.0
Share dividends	184,031	0.3

The appropriations of earnings, the bonus to employees, and the remuneration to directors for 2014 are subject to the resolution of the shareholders' meeting to be held on May 15, 2015.

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

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

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

Others Equity Items

	December 31	
	2014	**2013**
Exchange differences on translating foreign operations	$ 264,741	$ 39,243
Unrealized gains from available-for-sale financial assets	281,404	364,397
	$ 546,145	$ 403,640

a. Exchange differences on translating foreign operations

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

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

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

Non-controlling Interests

	Years Ended December 31	
	2014	**2013**
Balance, beginning of year	$ 130,704	$ 119,581
Attributed to non-controlling interests:		
Net income	37,253	41,271
Exchange differences on translating foreign operations	660	218
Actuarial losses on defined benefit plans	(466)	(376)
Income tax related to actuarial losses	79	62
Additional non-controlling interests arising from partial disposal of subsidiaries	-	1,053
Acquisition of non-controlling interests in subsidiaries	376	-
Payment of cash dividends to non-controlling interests	(29,111)	(31,105)
Balance, end of year	$ 139,495	$ 130,704

26. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consist of the followings:

Interest Income

	Years Ended December 31	
	2014	2013
Interest income		
Cash in bank	$ 41,729	$ 33,170
Other accounts receivable	18,590	-
Long-term accounts receivable	-	20,000
Others	19	61
	$ 60,338	$ 53,231

Other Gains and Losses

	Years Ended December 31	
	2014	2013
(Recognized) reversal of impairment loss of investment properties	$ (2,954)	$ 10,565
Impairment loss of financial assets measured at cost	(1,104)	(3,518)
Gains on disposal of investments	33,676	82,174
(Loss) gain on fair value change of financial assets held for trading	(11,302)	9,342
Losses on disposal of property, plant and equipment	(4,154)	(753)
Gains on disposal of investment properties	2,053	95
Net foreign exchange gain	14,366	12,756
Share of gains on associates and joint ventures	405	232
Gain on reversal of bad debts	-	601
Others	45,519	59,039
	$ 76,505	$ 170,533

Finance Costs

	Years Ended December 31	
	2014	2013
Interest on bank loans	$ 91,917	$ 46,413
Interest on unsecured bonds payable	22,991	-
Interest on loans from related parties	2,726	3,315
Interest on loans from others	17,375	1,265
Others	42	33
	135,051	51,026
Deduct: Amounts included in the cost of qualifying assets	(63,204)	(9,119)
	$ 71,847	$ 41,907
Interest capitalization rate	2.5%-7.4%	2.5%-7.4%

Depreciation and Amortization

	Years Ended December 31	
	2014	2013
Property, plant and equipment	$ 109,091	$ 111,983
Investment property	20,495	17,141
Intangible assets	26,396	16,957
	$ 155,982	$ 146,081
An analysis of depreciation by function		
Operating costs	$ 74,716	$ 72,786
Operating expenses	34,375	39,197
Other losses	20,495	17,141
	$ 129,586	$ 129,124
An analysis of amortization by function		
Operating costs	$ 1,815	$ 1,574
Operating expenses	24,581	15,383
	$ 26,396	$ 16,957

Operating Expenses Directly Related to Investment Properties

	Years Ended December 31	
	2014	2013
Direct operating expenses from investment property		
That generated rental income	$ 40,282	$ 36,115
That did not generate rental income	220	106
	$ 40,502	$ 36,221

Employee Benefits Expense

	Years Ended December 31	
	2014	2013
Short-term employee benefits	$ 4,674,902	$ 6,201,337
Post-employment benefits (Note 24)		
Defined contribution plans	177,391	170,590
Defined benefit plans	2,867	2,279
	180,258	172,869
Other employee benefits	219,458	229,926
Total employee benefits expense	$ 5,074,618	$ 6,604,132
An analysis of employee benefits expense by function		
Operating costs	$ 4,511,623	$ 5,982,284
Operating expenses	562,995	621,848
	$ 5,074,618	$ 6,604,132

27. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	Years Ended December 31	
	2014	2013
Current tax		
In respect of the current period	$ 278,681	$ 577,642
Income tax expense of unappropriated earnings	-	16,406
In respect of the prior periods	865	(1,193)
Deferred tax		
In respect of the current period	(6,280)	3,807
Income tax expense recognized in profit or loss	$ 273,266	$ 596,662

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

	Years Ended December 31	
	2014	2013
Profit before tax from continuing operations	$ 1,382,676	$ 3,112,960
Income tax expense calculated at the statutory rate (17%)	$ 235,055	$ 529,203
Nondeductible expenses in determining taxable income	548	743
Tax-exempt income	(12,194)	(19,408)
Additional income tax on unappropriated earnings	-	16,406
Unrecognized deductible temporary differences	24,345	35,012
Unrecognized loss carryforward in current period	26,071	19,555
Effect of different tax rate of group entities operating in other jurisdictions	(1,424)	16,344
Adjustments for prior years' tax	865	(1,193)
Income tax expense recognized in profit or loss	$ 273,266	$ 596,662

The income tax rate used above is 17% for the companies located in the ROC, while the income tax rate used by subsidiaries in China is 25%. Tax rates used by the group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

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

b. Income tax recognized in other comprehensive income

	Years Ended December 31	
	2014	2013
Deferred tax		
In respect of the current year		
Actuarial losses on defined benefit plan	$ 1,280	$ 7,177

c. Current tax assets and liabilities

	December 31 2014	December 31 2013
Current tax assets		
Tax refund receivables	$ 17,399	$ 10
Current tax liabilities		
Income tax payables	$ 111,956	$ 424,145

d. Deferred tax assets and liabilities

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

Year ended December 31, 2014

Deferred tax assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Translation Differences	Closing Balance
Temporary differences					
Allowance for doubtful accounts	$ 14,501	$ (3,229)	$ -	$ -	$ 11,272
Incentive compensation	43	(43)	-	-	-
Defined benefit obligation	518	(325)	162	-	355
Loss carryforwards	-	12,612	-	400	13,012
Others	2,061	(1,223)	-	-	838
	$ 17,123	$ 7,792	$ 162	$ 400	$ 25,477
Deferred tax liabilities					
Temporary differences					
Defined benefit obligation	$ 26,696	$ 1,763	$ (1,118)	$ -	$ 27,341
Others	251	(251)	-	-	-
	$ 26,947	$ 1,512	$ (1,118)	$ -	$ 27,341

Year ended December 31, 2013

Deferred tax assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Temporary differences				
Allowance for doubtful accounts	$ 14,334	$ 167	$ -	$ 14,501
Incentive compensation	315	(272)	-	43

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Defined benefit obligation	$ 277	$ 111	$ 130	$ 518
Others	182	1,879	-	2,061
	$ 15,108	$ 1,885	$ 130	$ 17,123
Deferred tax liabilities				
Temporary differences				
Defined benefit obligation	$ 31,272	$ 2,471	$ (7,047)	$ 26,696
Others	(2,970)	3,221	-	251
	$ 28,302	$ 5,692	$ (7,047)	$ 26,947

(Concluded)

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

	December 31	
	2014	2013
Loss carryforwards		
Expire in 2014	$ 12,446	$ 18,104
Expire in 2015	37,902	37,173
Expire in 2016	65,801	64,243
Expire in 2017	48,822	45,041
Expire in 2018	23,503	23,365
Expire in 2019	30,598	-
Expire in 2024	945	-
	$ 220,017	$ 187,926

f. Information about unused loss carryforward

Loss carryforwards as of December 31, 2014 comprised of:

Unused Amount	Expiry Year
$ 151,687	2015
263,204	2016
195,286	2017
94,011	2018
122,394	2019
5,558	2024
$ 832,140	

g. Integrated income tax

	December 31	
	2014	2013
Unappropriated earnings		
Unappropriated earnings generated on and after January 1, 1998	$ 1,094,412	$ 2,579,654
Imputation credits accounts	$ 222,352	$ 276,214

The creditable ratio for distribution of earnings of 2014 and 2013 was 22.11% (expected ratio) and 20.88%, respectively.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Company was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to shareholders of the Company was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2014 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

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

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

h. Income tax assessments

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

28. EARNINGS PER SHARE

Unit: NT$ Per Share

	Years Ended December 31	
	2014	2013
Basic EPS	$ 1.75	$ 4.03
Diluted EPS	$ 1.75	$ 4.03

The earnings per share computation for the year ended December 31, 2013 was retrospectively adjusted for the effects of adjustments resulting from bonus stock issued on July 7, 2014. The basic and diluted after-tax earnings per share were adjusted retrospectively as followings:

Unit: NT$ Per Share

	Year Ended December 31, 2013	
	Before Adjusted Retrospectively	**After Adjusted Retrospectively**
Basic earnings per share	$ 4.92	$ 4.03
Diluted earnings per share	$ 4.92	$ 4.03

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

Net Profit for the Period

	Years Ended December 31	
	2014	**2013**
Profit for the period attributable to owners of the Company	$ 1,072,157	$ 2,475,027

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

	Years Ended December 31	
	2014	**2013**
Weighted average number of ordinary shares in computation of basic earnings per share	613,437	613,437
Effect of dilutive potential ordinary shares		
Bonus issue to employee	265	680
Weighted average number of ordinary shares used in the computation of diluted earnings per share	613,702	614,117

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.

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In April 2014, the Group acquired the remaining 20% of the equity of Chengdu Sinyi, increasing the Group’s continuing interest from 80% to 100%.

In August 2014, the Group acquired 100% of Ke Wei HK’s newly increased capital, increasing the Group’s continuing interest from 95% to 99%.

In October 2014, the Group acquired the remaining 35% of the equity of Qingdao Sinyi, increasing the Group’s continuing interest from 65% to 100%.

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

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

	Years Ended December 31				
	2014				2013
	Chengdu Sinyi	Ke Wei HK	Qingdao Sinyi	Total	Qingdao Sinyi
Cash consideration (paid) received	$ (7,668)	$ -	$ (7,865)	$ (15,533)	$ 5,763
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	1,422	(1,438)	(360)	(376)	(1,053)
Reattribution of other equity to (from) non-controlling interests					
Exchange differences arising on the translation of the financial statements of foreign operations	-	-	-	-	(9)
Differences arising from equity transaction	$ (6,246)	$ (1,438)	$ (8,225)	$ (15,909)	$ 4,701

	Years Ended December 31	
	2014	2013
Line items adjusted for equity transaction		
Capital surplus - difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	$ (4,701)	$ 4,701
Unappropriated earnings	(11,208)	-
	$ (15,909)	$ 4,701

30. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

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

As of December 31, 2014 and 2013, refundable deposits paid under operating lease amounted to $105,404 thousand and $100,114 thousand, respectively.

The future minimum lease payments payable on non-cancellable operating lease commitments were as follows:

	December 31	
	2014	2013
Within 1 year	$ 456,592	$ 488,037
1 to 5 years	746,634	808,575
After 5 years	106,258	-
	$ 1,309,484	$ 1,296,612

The Group as Lessor

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

As of December 31, 2014 and 2013, deposits received under operating leases amounted to $32,761 thousand and $32,972 thousand, respectively.

The future minimum lease payments receivable on non-cancellable operating leases were as follows:

	December 31	
	2014	2013
Within 1 year	$ 128,240	$ 122,419
1 to 5 years	238,606	360,097
	$ 366,846	$ 482,516

31. CAPITAL RISK MANAGEMENT

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

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

32. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

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

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

b. Fair value measurements recognized in the consolidated balance sheet

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

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

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

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

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	$ 19,180	$ -	$ -	$ 19,180
Available-for-sale financial assets				
Domestic listed stocks - equity investments	$ 299,910	$ -	$ -	$ 299,910
Foreign listed stocks - equity investments	539,282	-	-	539,282
Mutual funds	1,370	-	-	1,370
	$ 840,562	$ -	$ -	$ 840,562

December 31, 2013

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

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

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

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

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market prices.

- Except those described above, the fair values of financial instruments were determined in accordance with generally accepted pricing models using discounted cash flow analysis.

Categories of Financial Instruments

	December 31	
	2014	**2013**
Financial assets		
FVTPL		
Held for trading	$ 19,180	$ 218,940
Loans and receivables (Note 1)	4,491,799	4,423,902
Available-for-sale financial assets (Note 2)	1,134,178	1,183,268
Financial liabilities		
Amortized cost (Note 3)	7,980,941	6,298,111

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, bonds payable, long-term borrowings (including current portion of long-term borrowings), guarantee deposits received and other non-current liabilities.

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

Financial Risk Management Objectives and Policies

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

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

a. Market risk

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

1) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period please refer to Note 37.

<u>Foreign currency sensitivity analysis</u>

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

	Years Ended December 31					
	2014			**2013**		
	RMB	**JPY**	**USD**	**RMB**	**JPY**	**USD**
Equity	$ (6,154)	$ 1,582	$ 3,493	$ 1,710	$ 1,995	$ (279)

2) Interest rate risk

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

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

	December 31	
	2014	**2013**
Fair value interest rate risk		
Financial assets	$ 1,563,667	$ 1,836,873
Financial liabilities	3,454,180	1,322,206
Cash flow interest rate risk		
Financial assets	594,659	-
Financial liabilities	1,239,786	906,044

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 $12,398 thousand.

b. Credit risk

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

Business related credit risk

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

Financial credit risk

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

c. Liquidity risk

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

33. TRANSACTIONS WITH RELATED PARTIES

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

Other Payables to Related Parties

	December 31	
	2014	**2013**
Other related parties - related parties in substance	$ 84,760	$ 49,096
Other related parties - the person in charge of other related parties is the president of the Company	11,092	12,299
Other - vice president of the Company	35,874	35,606
	$ 131,726	$ 97,001

Parts of other payables to related parties were financing. Information on the financing for the years ended December 31, 2014 and 2013 were as follows:

	Year Ended December 31, 2014				
	Highest Balance During the Period	Amount	Interest Rate	Interest Expense	Interest Payable
Other related parties - related parties in substance	$ 46,592	$ 46,592	3.00%	$ 1,931	$ 7,839
Other - vice president of the Company	31,061	31,061	3.00%	795	4,813
	$ 77,653	$ 77,653		$ 2,726	$ 12,652

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

The financing above were unsecured.

Compensation for Key Management Personnel

The remuneration to directors and other members of key management personnel for the years ended December 31, 2014 and 2013 included the following:

	Years Ended December 31	
	2014	2013
Short-term benefits	$ 108,950	$ 135,987
Other long-term benefits	3,640	4,125
	$ 112,590	$ 140,112

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

Other Transactions with Related Parties

a. Rental income

	Years Ended December 31	
	2014	2013
Other related parties		
The person in charge of other related parties is the president of the Company	$ 4,938	$ 5,315
Related parties in substance	9,645	9,302
Associates	34	34
	$ 14,617	$ 14,651

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

b. Other benefit

	Years Ended December 31	
	2014	2013
Other related parties		
The person in charge of other related parties is the president of the Company	$ 2,878	$ 3,308
Related parties in substance	7,478	10,716
	$ 10,356	$ 14,024

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

c. Professional fee

	Years Ended December 31	
	2014	2013
Other related parties		
The person in charge of other related parties is the president of the Company	$ 123,156	$ 118,317
Related parties in substance	36,816	18,364
	$ 159,972	$ 136,681

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

d. Other receivables

	December 31	
	2014	2013
Other related parties		
The person in charge of other related parties is the president of the Company	$ 1,149	$ 1,390
Related parties in substance	7,660	345
	$ 8,809	$ 1,735

34. MORTGAGED OR PLEDGED ASSETS

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

	December 31	
	2014	2013
Property, plant and equipment (including investment properties)		
Land	$ 3,290,251	$ 3,290,251
Building	409,981	418,939
Other financial assets - current		
Pledged time deposits and demand deposits	25,602	637,616
Inventories	4,268,657	297,743
	$ 7,994,491	$ 4,644,549

35 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 $356,440 thousand (RMB70,000 thousand) and $45,828 thousand (RMB9,000 thousand), respectively. Refer to Note 38, Table 2 for the details.

d. As of December 31, 2014, the Group had signed construction contracts but not yet paid for $2,347,880 thousand.

36. SIGNIFICANT FRANCHISE CONTRACTS

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

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

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

December 31, 2014

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial assets			
Monetary items			
RMB	$ 194,537	5.092	$ 990,581
JPY	907,930	0.26	240,238
USD	21,093	31.65	667,600
Non-monetary items			
RMB	32,797	5.092	167,000
JPY	2,038,151	0.26	539,282
USD	43	31.65	1,370
Financial liabilities			
Monetary items			
RMB	315,394	5.092	1,605,988
JPY	310,114	0.26	82,056
USD	10,057	31.65	318,297

December 31, 2013

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

38. 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

39. SEGMENT INFORMATION

a. Operating segments information

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

Management has determined reportable segments as follows:

Real estate brokerage segment

1) Companies in Taiwan

2) Companies in mainland China and other foreign companies.

Real estate development segment

1) Companies in Taiwan

2) Companies in China

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

	Real Estate Brokerage			Real Estate Development				
	Taiwan	Mainland China and Others	Total	Taiwan	China	Total	Elimination	Consolidated
Year ended December 31, 2014								
Revenues from external customers	$ 8,203,060	$ 696,155	$ 8,899,215	$ 79,361	$ 47,233	$ 126,594	$ -	$ 9,025,809
Inter-segment revenues	67,733	-	67,733	13,522	-	13,522	(81,255)	-
Segment revenues	$ 8,270,793	$ 696,155	$ 8,966,948	$ 92,883	$ 47,233	$ 140,116	$ (81,255)	9,025,809
Rental income from investment property								(126,594)
Consolidated revenues								$ 8,899,215
Operating profit (loss)	$ 1,354,690	$ (165,530)	$ 1,189,160	$ 34,092	$ (13,777)	$ 20,315	$ 46,100	$ 1,255,575
Operating income from investment property								(86,092)
Operating income								$ 1,169,483
Segment assets	$ 6,624,122	$ 2,162,202	$ 8,786,324	$ 3,025,781	$ 6,094,171	$ 9,119,952	$ (120,944)	$ 17,785,332
Investments accounted for by the equity method and goodwill								20,572
Total assets								$ 17,805,904
Year ended December 31, 2013								
Revenues from external customers	$ 11,262,360	$ 829,195	$ 12,091,555	$ 79,162	$ 42,212	$ 121,374	$ -	$ 12,212,929
Inter-segment revenues	56,055	-	56,055	10,793	-	10,793	(66,848)	-
Segment revenues	$ 11,318,415	$ 829,195	$ 12,147,610	$ 89,955	$ 42,212	$ 132,167	$ (66,848)	12,212,929
Rental income from investment property								(121,374)
Consolidated revenues								$ 12,091,555
Operating profit	$ 2,779,481	$ 5,090	$ 2,784,571	$ 43,054	$ 27,462	$ 70,516	$ 21,872	$ 2,876,959
Operating income from investment property								(85,153)
Operating income								$ 2,791,806
Segment assets	$ 6,648,696	$ 2,806,570	$ 9,455,266	$ 3,012,547	$ 4,766,547	$ 7,779,094	$ (665,686)	$ 16,568,674
Investments accounted for by the equity method and goodwill								21,244
Total assets								$ 16,589,918

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

b. Industry and service information

The Group operates mainly in real-estate brokerage business. As of December 31, 2014, there is no revenue generated from residences and buildings development business.

c. Geographic information

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

d. Major customers

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

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
													Item	Value		
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	$ 5,092 (RMB 1,000 thousand)	$ 5,092 (RMB 1,000 thousand)	$ -	3.896%	Short-term financing	$ -	Needs for operation	$ -	-	$ -	$ 468,831 (Note 1)	$ 937,661 (Note 1)
		Sinyi Development Ltd.	〃	Yes	358,380	-	-	3.896%	〃	-	Provide endorsement to subsidiaries	-	-	-	468,831 (Note 1)	937,661 (Note 1)
1	Sinyi Development Inc.	Shin Hau Real Estate Co., Ltd.	〃	No	200,000	179,000	179,000	10.000%	Business activity	201,000	-	-	Land	290,235	201,000 (Note 2)	261,300 (Note 3)
		Sinyi Realty Inc.	〃	Yes	200,000	-	-	1.800%	Short-term financing	-	Needs for group fund	-	-	-	209,040 (Note 4)	522,600 (Note 4)
2	Suzhou Sinyi Real Estate Inc.	Shanghai Sinyi Real Estate Inc.	〃	Yes	100,480 (RMB 19,733 thousand)	38,190 (RMB 7,500 thousand)	28,006 (RMB 5,500 thousand)	4.000%	Short-term financing	-	Participation in the capital increase of strategic investment plan	-	-	-	618,258 (Note 5)	1,236,516 (Note 5)
		Sinyi Real Estate (Shanghai) Limited	〃	Yes	50,920 (RMB 10,000 thousand)	50,920 (RMB 10,000 thousand)	45,828 (RMB 9,000 thousand)	5.000%	〃	-	Needs for operation	-	-	-	618,258 (Note 5)	1,236,516 (Note 5)
3	Hua Yun Renovation (Shanghai) Co., Ltd.	Shanghai Sinyi Real Estate Inc.	〃	Yes	4,974 (RMB 1,000 thousand)	-	-	3.896%	Short-term financing	-	Needs for operation	-	-	-	121,596 (Note 6)	202,660 (Note 6)

Note 1: Total financing provided by Sinyi Realty Inc. for short-term financing requirements for each borrowing company should not exceed 5% of the Sinyi Realty Inc.'s net worth. The maximum total financing provided should not exceed 10% of the Sinyi Realty Inc.'s net worth.

Note 2: The individual lending amount of Sinyi Development Inc. should not exceed the transaction amount between two parties during the latest year.

Note 3: The maximum total financing provided should not exceed 50% of Sinyi Development Inc.'s net worth.

Note 4: The maximum total financing provided of the 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 worth.

Note 5: Total financing provided by the Suzhou Sinyi Real Estate Inc. for a company which was owned 100% directly or indirectly by the same parent company should not exceed 150% of Suzhou Sinyi Real Estate Inc.'s net worth. Total financing provided should not exceed 300% of the Suzhou Sinyi Real Estate Inc.'s net worth.

Note 6: Total financing provided by the Hua Yun Renovation (Shanghai) Co., Ltd. for a company which was owned 100% directly or indirectly by the same parent company should not exceed 300% of Hua Yun Renovation (Shanghai) Co., Ltd.'s net worth. Total financing provided should not exceed 500% of the Hua Yun Renovation (Shanghai) Co., Ltd.'s net worth.

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER
YEAR ENDED DECEMBER 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	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	$ 7,501,290 (Note 1)	$ 356,440 (RMB 70,000 thousand)	$ 356,440 (RMB 70,000 thousand)	$ -	$ -	3.80	$ 9,376,613	Y	N	Y	
		Suzhou Sinyi Real Estate Inc.	〃	7,501,290 (Note 1)	1,029,554 (RMB 202,190 thousand)	45,828 (RMB 9,000 thousand)	45,828 (RMB 9,000 thousand)	45,828	0.49	9,376,613	Y	N	Y	
1	Sinyi Development Ltd.	Suzhou Sinyi Real Estate Inc.	Indirect subsidiary of parent company	3,223,186 (Note 3)	597,300 (US$ 20,000 thousand)	-	-	-	-	4,028,983	N	N	Y	

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

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

Note 3: For those subsidiaries the Sinyi Development Ltd. had over 80% ownership directly or indirectly, the limit of endorsement guarantee amount for each guaranteed party should not exceed 80% of the Sinyi Development Ltd.'s net worth. The limit of endorsement/guarantee amount is same for subsidiaries which were owned 100% directly or indirect by the Sinyi Development Ltd.'s parent company, Sinyi Realty Inc.

TABLE 3

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 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	December 31, 2014				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	Listed stock							
	E.SUN Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	15,262,580	$ 299,910	-	$ 299,910	
	PChome Online Inc.	-	Financial assets at fair value through profit or loss - current	30,845	10,564	-	10,564	
	Stock							
	Rakuya International Info. Co., Ltd.	-	Financial assets measured at cost - non-current	1,900,000	5,338	12	5,338	
	Han Yu Venture Capital Co., Ltd.	-	〃	5,000,000	49,063	11	49,063	
	PChome Investment Co., Ltd.	-	〃	196,350	-	8	-	
	Kun Gee Venture Capital Co., Ltd.	-	〃	2,100,000	4,451	3	4,451	
	Cite’ Publishing Holding Ltd.	-	〃	7,637	4,874	1	4,874	
	Cite’ Information Services Co., Ltd.	-	〃	106,392	890	1	890	
	Chien Hsiang Securities Service Co., Ltd.	-	〃	3,100,000	62,000	10	62,000	
Sinyi Limited	Stock							
	Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	539,282	-	539,282	
	Monetary market fund							
	SBGH U.S. Dollar Reserve Fund CL A Dist Units	-	〃	43,281	1,370	-	1,370	
Shanghai Sinyi Real Estate Inc.	Stock							
	Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	-	161,905	2	161,905	
	Cura Commercial Management Co., Ltd.	-	〃	-	5,095	11	5,095	
Sinyi Development Inc.	Stock							
	CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	8,616	-	8,616	
	Financial product							
Ke Wei Shanghai Real Estate Management Consulting Inc.	Golden Times No. 52241	-	Other financial assets - current	100,000	509	-	509	
	Golden Times No. 52242	-	〃	50,000	255	-	255	
	Golden Times No. 52249	-	〃	200,000	1,018	-	1,018	
Shanghai Sinyi Real Estate Inc.	Golden Times No. 52241	-	〃	100,000	509	-	509	
Suzhou Sinyi Real Estate Inc.	Golden Times No. 52241	-	〃	8,000,000	40,736	-	40,736	

TABLE 4

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2014
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Costs	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	Stock Sinyi Limited	Investments accounted for using equity method	-	Subsidiary	62,075,721	$ 2,026,224	13,667,574	$ 414,012	-	$ -	$ -	$ -	75,743,295	$ 2,440,236 (Notes 1 and 2)
Sinyi Limited	Stock Inane International Limited	Investments accounted for using equity method	-	Subsidiary	44,890,999	1,434,497	11,480,429	348,023	-	-	-	-	56,371,428	1,782,520 (Notes 1 and 2)

Note 1: The ending balance presents historical cost.

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

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTION
YEARS ENDED DECEMBER 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 (%)
	Year ended December 31, 2014						
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	1	Professional fees	$ 21,376	Fixed charges by guarantee piece work	-
		Jui-Inn Consultants Co., Ltd.	1	Professional fees	5,173	By the piece work	-
		An-Sin Real Estate Management Ltd.	1	Other income	14,472	30 days after regular settlement	-
		Sinyi Realty Inc. Japan	1	Other income	28,638	Quarterly	-
		Sinyi Development Inc.	1	Service revenue	8,883	Fixed charges by piece work	-
1	Shanghai Sinyi Real Estate Inc.	Inane International Limited	3	Other payables	10,000	-	-
		Suzhou Sinyi Real Estate Inc.	3	Other payables	28,006	Interest rate 4%	-
2	Suzhou Sinyi Real Estate Inc.	Sinyi Real Estate (Shanghai) Limited	3	Other receivables	45,828	Financing for operation, interest rate 5%	-
	Year ended December 31, 2013						
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	1	Professional fees	27,347	Fixed charges by guarantee piece work	-
		Jui-Inn Consultants Co., Ltd.	1	Professional fees	10,503	By the piece work	-
		An-Sin Real Estate Management Ltd.	1	Other income	18,629	30 days after regular settlement	-
		Sinyi Realty Inc. Japan	1	Other income	16,278	Quarterly	-
		Sinyi Development Inc.	1	Other payables to related parties	160,221	Needs for group funds interest rate 1.8%	1
1	Sinyi Limited	Ke Wei Shanghai Real Estate Management Consulting Inc.	3	Other receivables	49,898	-	-
		Shanghai Sinyi Real Estate Inc.	3	Other receivables	14,682	-	-
2	Shanghai Sinyi Real Estate Inc.	Inane International Limited	3	Other payables	9,417	-	-
		Suzhou Sinyi Real Estate Inc.	3	Other payables	88,272	Interest rate 4%	1
3	Suzhou Sinyi Real Estate Inc.	Sinyi Real Estate (Shanghai) Limited	3	Other receivables	490,400	Financing for operation, interest rate 7.4%	3

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

a. “0” for Sinyi Realty Inc.
b. Subsidiaries are numbered from “1”.

Note 2: Flows of transactions are categorized as follows:

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

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

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

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
YEAR ENDED DECEMBER 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 December 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	$ 3,996,349	$ 3,955,884	135,132,134	100	$ 4,264,353 (Note 1)	$ 3,850	$ 3,850 (Note 1)	
	Sinyi Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	2,440,236	2,026,224	75,743,295	100	1,856,952 (Note 1)	(177,038)	(177,038) (Note 1)	
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Construction	535,005	535,005	53,500,000	100	522,600 (Note 1)	(14,313)	(14,313) (Note 1)	
	Sinyi Global Asset Management Co., Ltd. (original name: 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	47,361 (Note 1)	17,595	17,595 (Note 1)	
	Heng-Yi Real Estate Consulting	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	20,000	20,000	2,000,000	100	16,735 (Note 1)	99	99 (Note 1)	
	Jui-Inn Consultants Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Management consulting	5,000	5,000	500,000	100	4,614 (Note 1)	183	183 (Note 1)	
	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	-	-	-	-	-	Note 2
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	496,000	99	1,663 (Note 1)	87	87 (Note 1)	
	An-Sin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	25,500	25,500	7,650,000	51	144,808 (Note 1)	82,780	42,218 (Note 1)	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	10,951	2,131	405	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	30,000	-	3,000,000	100	24,296 (Note 1)	(5,704)	(5,704) (Note 1)	
Sinyi Limited	Inane International Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,782,520	1,434,497	56,371,428	100	1,177,635 (Note 1)	(142,370)	(142,370) (Note 1)	
	Ke Wei HK Realty Limited	Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	95,129	29,140	2,700,000	99	43,441 (Note 1)	14,365	14,365 (Note 1)	
Sinyi International Limited	Forever Success International Limited	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius	Investment holding	68,741	28,276	2,216,239	100	45,394 (Note 1)	(2,372)	(2,372) (Note 1)	
	Sinyi Realty Inc. Japan	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	58,064	58,064	16,000	100	159,940 (Note 1)	52,404	52,404 (Note 1)	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,868,747	3,868,747	131,000,200	100	4,028,983 (Note 1)	(46,670)	(46,670) (Note 1)	
Inane International Limited	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	399,792	399,792	12,454,780	100	396,962 (Note 1)	(15,497)	(15,497) (Note 1)	
An-Sin Real Estate Management Ltd.	An-Shin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	100,000	10,000	10,000,000	100	100,203 (Note 1)	60	60 (Note 1)	
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	14,171 (Note 1)	4,974	4,974 (Note 1)	
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	3,868,747	3,868,747	131,000,200	100	4,042,658 (Note 1)	(31,267)	(31,267) (Note 1)	
Sinyi Development Inc.	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	-	50,000	100	434 (Note 1)	(66)	(66) (Note 1)	
	Sinyi Real Estate Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	-	50,000	100	433 (Note 1)	(67)	(67) (Note 1)	

Note 1: Those subsidiaries included in the consolidated entities have been eliminated.

Note 2: The liquidation was completed and approved by court.

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 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 December 31, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2014 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2014
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc. (Note 3)	Real estate brokerage and management consulting	RMB 9,851	Investment in company located in Mainland China indirectly through Ke Wei HK Realty Limited	$ 15,870	$ 65,989	$ -	$ 81,859	$ 13,226	99	$ 13,226 (Note 10)	$ (6,115) (Note 10)	$ -
Shanghai Sinyi Real Estate Inc. (Note 4)	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	(87,393)	100	(87,393) (Note 10)	746,487 (Note 10)	-
Beijing Sinyi Real Estate Ltd. (Note 4)	Real estate brokerage	RMB 34,747	〃	86,157	63,798	-	149,955	(16,993)	100	(16,993) (Note 10)	4,034 (Note 10)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 5)	Management consulting	RMB 4,138	〃	17,095	-	-	17,095	(14,728)	100	(14,728) (Note 10)	(3,240) (Note 10)	-
Suzhou Sinyi Real Estate Inc. (Note 4)	Real estate brokerage and management consulting	RMB 68,000	〃	355,249	-	-	355,249	(11,670)	100	(11,670) (Note 10)	412,172 (Note 10)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 5)	Real estate fund investment management	RMB 1,636,300	〃	-	-	-	-	-	2	-	161,905	-
Cura Commercial Management Co., Ltd. (Note 5)	Business service, exhibition service, urban planning and design, marketing strategy planning, business consulting and real estate advisory	RMB 8,998	〃	-	-	-	-	-	11	-	5,095	
Zhejiang Sinyi Real Estate Co., Ltd. (Note 4)	Real estate brokerage and management consulting	RMB 20,200	〃	44,543	-	-	44,543	(6,527)	100	(6,527) (Note 10)	(9,656) (Note 10)	-
Shanghai Shin Chen Real Estate Brokerage Inc. (Note 6)	Real estate brokerage	RMB 1,000	Investment in company located in Mainland China indirectly through Ke Wei HK Realty Limited	-	-	-	-	-	-	-	-	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	Investment in company located in Mainland China indirectly through Forever Success International Ltd.	27,432	-	-	27,432	(2,170)	100	(2,170) (Note 10)	4,212 (Note 10)	-
Chengdu Sinyi Real Estate Co., Ltd. (Note 7)	Real estate brokerage and management consulting	RMB 13,000	Investment in company located in Mainland China indirectly through Inane International Limited	29,342	32,663	-	62,005	(6,668)	100	(6,222) (Note 10)	24,514 (Note 10)	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Note 8)	Real estate brokerage and management consulting	RMB 8,000	〃	29,225	-	-	29,225	(3,254)	100	(1,403) (Note 10)	1,039 (Note 10)	-
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	(31,265)	100	(31,265) (Note 10)	4,042,108 (Note 10)	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2014	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2014	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2014 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2014
					Outflow	Inflow						
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, interior decoration, hard ware, general merchandise, building materials wholesale	RMB 8,000	Investment in company located in Mainland China indirectly through Forever Success International Ltd.	$ -	$ 40,465	$ -	$ 40,465	$ (197)	100	$ (197) (Note 10)	$ 40,532 (Note 10)	$ -

Accumulated Outflow for Investment in Mainland China as of December 31, 2014	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 9)
$5,816,593	$10,306,125	$ -

Note 1: Amounts were based on audited financial statements.

Note 2: Carrying value was converted into New Taiwan dollars at the exchange rates of US$1=NT$31.65 and US$1=RMB6.2156 on December 31, 2014.

Note 3: The Company's 95% -owned subsidiary Ke Wei HK Realty Limited increased its investment by US$2,200 thousand in August 2014. The Company acquired 100% of increased capital; therefore, the ownership was increased from 95% to 99%.

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

Note 5: Investments were made indirectly through the earnings of the Company's subsidiary in China.

Note 6: Dissolved in July 2014.

Note 7: In April 2014, the Company 100%-owned subsidiary Inane acquired the remaining ownership of Chengdu Sinyi Real Estate Co. in the amount of RMB1,600 thousand. The ownership increased from 80% to 100%.

Note 8: In October 2014, the Company 100%-owned subsidiary Inane, acquired the remaining ownership of Qingdao Sinyi, amounted RMB1,600 thousand. The ownership increased from 65% to 100%.

Note 9: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

Note 10: Those subsidiaries included in the consolidated entities have been eliminated.

(Concluded)