

Sinyi Realty Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2015 and 2014**

Notice to Readers

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

For the convenience of readers, the 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 consolidated financial statements shall prevail.

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2015 (Reviewed)		December 31, 2014 (Audited)		June 30, 2014 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,851,770	16	\$ 2,865,766	16	\$ 2,368,908	14
Financial assets at fair value through profit or loss - current (Note 7)	8,530	-	19,180	-	52,027	-
Available-for-sale financial assets - current (Note 8)	829,028	5	840,562	5	853,624	5
Notes receivable (Note 10)	29,995	-	26,762	-	32,628	-
Trade receivables (Note 10)	792,324	4	763,270	4	873,051	5
Other receivables (Notes 10 and 33)	240,872	1	319,213	2	337,175	2
Current tax assets	4,769	-	17,399	-	-	-
Inventories (Notes 11 and 34)	5,953,197	32	5,387,474	30	4,694,788	27
Other financial assets - current (Notes 12 and 34)	471,927	3	388,352	2	1,030,401	6
Other current assets (Note 18)	111,897	1	76,814	1	84,352	1
Total current assets	11,294,309	62	10,704,792	60	10,326,954	60
NON-CURRENT ASSETS						
Financial assets measured at cost - non-current (Note 9)	289,713	1	293,616	2	282,054	2
Investment accounted for using equity method (Note 14)	9,180	-	10,951	-	11,598	-
Property, plant and equipment (Notes 15 and 34)	3,570,897	19	3,604,588	20	3,531,484	20
Investment properties (Notes 16 and 34)	2,862,081	16	2,881,243	16	2,821,172	16
Intangible assets (Notes 17 and 36)	151,009	1	142,718	1	121,454	1
Deferred tax assets	31,167	-	25,477	-	18,326	-
Refundable deposits (Note 30)	124,814	1	128,436	1	127,752	1
Prepaid pension cost - non-current	12,348	-	9,004	-	11,648	-
Other non-current assets (Note 18)	5,324	-	5,079	-	7,896	-
Total non-current assets	7,056,534	38	7,101,112	40	6,933,384	40
TOTAL	\$ 18,350,842	100	\$ 17,805,904	100	\$ 17,260,338	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 34)	\$ 24,865	-	\$ 45,828	-	\$ 485,390	3
Notes payable	5,620	-	7,186	-	13,461	-
Trade payables (Note 21)	71,540	-	165,767	1	-	-
Other payables (Note 22)	1,129,775	6	1,683,773	9	1,607,360	9
Other payables to related parties (Notes 22 and 33)	110,705	1	131,726	1	94,903	-
Current tax liabilities	134,135	1	111,956	1	159,125	1
Provisions - current (Note 23)	41,161	-	44,299	-	54,294	-
Other current financial liabilities (Note 22)	873,652	5	274,117	1	1,486,907	9
Current portion of long-term borrowings (Notes 19 and 34)	283,912	2	291,180	2	-	-
Other current liabilities (Note 22)	387,088	2	122,070	1	107,998	1
Total current liabilities	3,062,453	17	2,877,902	16	4,009,438	23
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	3,000,000	16	3,000,000	17	3,000,000	17
Long-term borrowings (Notes 19 and 34)	2,064,761	11	1,356,958	8	437,758	3
Provisions - non-current (Note 23)	3,434	-	3,189	-	6,006	-
Guarantee deposits received (Note 30)	84,344	1	82,680	1	79,204	-
Other non-current liabilities (Note 22)	1,031,267	6	941,726	5	944,715	6
Deferred tax liabilities	28,349	-	27,341	-	27,637	-
Total non-current liabilities	6,212,155	34	5,411,894	31	4,495,320	26
Total liabilities	9,274,608	51	8,289,796	47	8,504,758	49
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)						
Share capital						
Ordinary shares	6,318,398	35	6,134,367	34	5,028,170	29
Stock dividends to be distributed	-	-	-	-	1,106,197	7
Total share capital	6,318,398	35	6,134,367	34	6,134,367	36
Capital surplus	63,896	-	68,597	-	63,896	-
Retained earnings						
Legal reserve	1,645,009	9	1,537,793	9	1,537,793	9
Unappropriated earnings	513,062	3	1,094,412	6	582,784	3
Total retained earnings	2,158,071	12	2,632,205	15	2,120,577	12
Other equity						
Exchange differences on translating foreign operations	118,271	1	264,741	1	4,628	-
Unrealized gain or loss on available-for-sale financial assets	300,186	1	281,404	2	317,009	2
Total other equity	418,457	2	546,145	3	321,637	2
Total equity attributable to owners of the Company	8,958,822	49	9,376,613	52	8,640,477	50
NON-CONTROLLING INTERESTS	117,412	-	139,495	1	115,103	1
Total equity	9,076,234	49	9,516,108	53	8,755,580	51
TOTAL	\$ 18,350,842	100	\$ 17,805,904	100	\$ 17,260,338	100

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

SINYI REALTY INC. AND SUBSIDIARIES

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

	Three Months Ended June 30				Six Months Ended June 30			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Service revenue	\$2,151,887	100	\$2,452,832	100	\$3,961,518	100	\$4,658,008	100
OPERATING COSTS (Notes 26 and 33)	<u>1,564,584</u>	<u>73</u>	<u>1,800,025</u>	<u>74</u>	<u>2,989,200</u>	<u>76</u>	<u>3,420,856</u>	<u>73</u>
GROSS PROFIT	587,303	27	652,807	26	972,318	24	1,237,152	27
OPERATING EXPENSES (Notes 26 and 33)	<u>299,839</u>	<u>14</u>	<u>325,900</u>	<u>13</u>	<u>598,017</u>	<u>15</u>	<u>630,409</u>	<u>14</u>
OPERATING INCOME	<u>287,464</u>	<u>13</u>	<u>326,907</u>	<u>13</u>	<u>374,301</u>	<u>9</u>	<u>606,743</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES								
Rental income (Note 33)	32,179	2	31,473	1	65,302	2	63,219	1
Dividend income	14,625	1	16,579	1	14,778	-	16,579	-
Interest income (Note 26)	14,558	1	14,597	1	26,769	1	32,924	1
Other gains and losses (Notes 26 and 33)	8,396	-	23,005	1	26,286	1	33,596	1
Finance costs (Notes 26 and 33)	(<u>17,320</u>)	(<u>1</u>)	(<u>20,538</u>)	(<u>1</u>)	(<u>35,611</u>)	(<u>1</u>)	(<u>35,312</u>)	(<u>1</u>)
Total non-operating income and expenses	<u>52,438</u>	<u>3</u>	<u>65,116</u>	<u>3</u>	<u>97,524</u>	<u>3</u>	<u>111,006</u>	<u>2</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	339,902	16	392,023	16	471,825	12	717,749	15
INCOME TAX EXPENSE (Notes 4 and 27)	(<u>87,670</u>)	(<u>4</u>)	(<u>78,362</u>)	(<u>3</u>)	(<u>134,325</u>)	(<u>4</u>)	(<u>158,578</u>)	(<u>3</u>)
NET PROFIT FOR THE PERIOD	<u>252,232</u>	<u>12</u>	<u>313,661</u>	<u>13</u>	<u>337,500</u>	<u>8</u>	<u>559,171</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME								
Exchange differences on translating foreign operations	(<u>87,137</u>)	(<u>4</u>)	(<u>114,729</u>)	(<u>5</u>)	(<u>146,425</u>)	(<u>4</u>)	(<u>33,848</u>)	(<u>1</u>)
Unrealized gain (loss) on available-for-sale financial assets	57,856	2	92,043	4	20,188	1	(<u>47,366</u>)	(<u>1</u>)
Share of other comprehensive income (loss) of associates and joint ventures	(<u>920</u>)	-	(<u>164</u>)	-	(<u>1,406</u>)	-	(<u>22</u>)	-
Other comprehensive income for the period, net of income tax	(<u>30,201</u>)	(<u>2</u>)	(<u>22,850</u>)	(<u>1</u>)	(<u>127,643</u>)	(<u>3</u>)	(<u>81,236</u>)	(<u>2</u>)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 222,031</u>	<u>10</u>	<u>\$ 290,811</u>	<u>12</u>	<u>\$ 209,857</u>	<u>5</u>	<u>\$ 477,935</u>	<u>10</u>

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SINYI REALTY INC. AND SUBSIDIARIES

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

	Three Months Ended June 30				Six Months Ended June 30			
	2015		2014		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT								
ATTRIBUTABLE TO:								
Owner of the Company	\$ 242,311	11	\$ 305,554	13	\$ 323,334	8	\$ 545,006	12
Non-controlling interests	<u>9,921</u>	<u>1</u>	<u>8,107</u>	-	<u>14,166</u>	<u>1</u>	<u>14,165</u>	-
	<u>\$ 252,232</u>	<u>12</u>	<u>\$ 313,661</u>	<u>13</u>	<u>\$ 337,500</u>	<u>9</u>	<u>\$ 559,171</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owner of the Company	\$ 212,117	10	\$ 282,748	12	\$ 195,646	5	\$ 463,003	10
Non-controlling interests	<u>9,914</u>	-	<u>8,063</u>	-	<u>14,211</u>	-	<u>14,932</u>	-
	<u>\$ 222,031</u>	<u>10</u>	<u>\$ 290,811</u>	<u>12</u>	<u>\$ 209,857</u>	<u>5</u>	<u>\$ 477,935</u>	<u>10</u>
EARNINGS PER SHARE (Note 28)								
From continuing operations								
Basic	<u>\$ 0.38</u>		<u>\$ 0.48</u>		<u>\$ 0.51</u>		<u>\$ 0.86</u>	
Diluted	<u>\$ 0.38</u>		<u>\$ 0.48</u>		<u>\$ 0.51</u>		<u>\$ 0.86</u>	

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

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital	Stock Dividends to Be Distributed	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets			
				Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2014	\$ 5,028,170	\$ -	\$ 68,597	\$ 1,290,290	\$ 120,693	\$ 2,579,654	\$ 39,243	\$ 364,397	\$ 9,491,044	\$ 130,704	\$ 9,621,748
Appropriation of 2013 earnings											
Reversal of special reserve	-	-	-	-	(120,693)	120,693	-	-	-	-	-
Legal reserve	-	-	-	247,503	-	(247,503)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,307,324)	-	-	(1,307,324)	-	(1,307,324)
Stock dividends distributed by the Company	-	1,106,197	-	-	-	(1,106,197)	-	-	-	-	-
Adjustments arising from changes in the interest in subsidiaries	-	-	(4,701)	-	-	(1,545)	-	-	(6,246)	(1,422)	(7,668)
Net profit for the six months ended June 30, 2014	-	-	-	-	-	545,006	-	-	545,006	14,165	559,171
Other comprehensive income (loss) for the six months ended June 30, 2014, net of income tax	-	-	-	-	-	-	(34,615)	(47,388)	(82,003)	767	(81,236)
Total comprehensive income (loss) for the six months ended June 30, 2014	-	-	-	-	-	545,006	(34,615)	(47,388)	463,003	14,932	477,935
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(29,111)	(29,111)
BALANCE AT JUNE 30, 2014	<u>\$ 5,028,170</u>	<u>\$ 1,106,197</u>	<u>\$ 63,896</u>	<u>\$ 1,537,793</u>	<u>\$ -</u>	<u>\$ 582,784</u>	<u>\$ 4,628</u>	<u>\$ 317,009</u>	<u>\$ 8,640,477</u>	<u>\$ 115,103</u>	<u>\$ 8,755,580</u>
BALANCE AT JANUARY 1, 2015	\$ 6,134,367	\$ -	\$ 63,896	\$ 1,537,793	\$ -	\$ 1,094,412	\$ 264,741	\$ 281,404	\$ 9,376,613	\$ 139,495	\$ 9,516,108
Appropriation of 2014 earnings											
Legal reserve	-	-	-	107,216	-	(107,216)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(613,437)	-	-	(613,437)	-	(613,437)
Stock dividends distributed by the Company	184,031	-	-	-	-	(184,031)	-	-	-	-	-
Net profit for the six months ended June 30, 2015	-	-	-	-	-	323,334	-	-	323,334	14,166	337,500
Other comprehensive income (loss) for the six months ended June 30, 2015, net of income tax	-	-	-	-	-	-	(146,470)	18,782	(127,688)	45	(127,643)
Total comprehensive income (loss) for the six months ended June 30, 2015	-	-	-	-	-	323,334	(146,470)	18,782	195,646	14,211	209,857
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	(36,294)	(36,294)
BALANCE AT JUNE 30, 2015	<u>\$ 6,318,398</u>	<u>\$ -</u>	<u>\$ 63,896</u>	<u>\$ 1,645,009</u>	<u>\$ -</u>	<u>\$ 513,062</u>	<u>\$ 118,271</u>	<u>\$ 300,186</u>	<u>\$ 8,958,822</u>	<u>\$ 117,412</u>	<u>\$ 9,076,234</u>

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

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Six Months Ended June 30	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 471,825	\$ 717,749
Adjustments for:		
Depreciation expenses	74,521	60,981
Amortization expenses	19,926	9,936
Net gain on fair value change of financial assets held for trading	9,934	(9,806)
Finance costs	35,611	35,312
Interest income	(26,769)	(32,924)
Dividend income	(14,778)	(16,579)
Share of loss of associates and joint venture	4	3
Loss on disposal of property, plant and equipment	265	308
(Gain) loss on disposal of investment properties	-	(1,259)
Gain on disposal of investments	(26,288)	(7,339)
Recognized (reversal of) impairment loss on non-financial assets	-	1,830
Changes in operating assets and liabilities		
Financial assets held for trading	11,904	177,104
Notes receivable	(3,233)	31,313
Trade receivables	(29,054)	273,433
Other receivables	41,695	(16,455)
Inventories	(565,723)	(520,524)
Other current assets	(35,083)	(16,294)
Other operating assets	(3,344)	(5,581)
Notes payable	(1,566)	3,830
Trade payables	(94,227)	(343)
Other payables	(539,341)	(1,161,795)
Other payables to related parties	(15,534)	(6,944)
Provisions	(2,893)	(8,701)
Other financial liabilities	(13,902)	(15,173)
Other current liabilities	265,018	(41,968)
Other operating liabilities	<u>89,541</u>	<u>(44,891)</u>
Cash used in operations	(351,491)	(594,777)
Interest received	63,415	32,162
Interest paid	(48,719)	(33,857)
Income taxes paid	<u>(104,198)</u>	<u>(424,111)</u>
Net cash used in operating activities	<u>(440,993)</u>	<u>(1,020,583)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	-	(19,145)
Proceeds from disposal of available-for-sale financial assets	37,215	23,618
Refund on capital of financial assets measured at cost	-	2,333

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SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Six Months Ended June 30	
	2015	2014
Net cash outflow on acquisition of subsidiaries	\$ -	(\$ 7,668)
Payments for property, plant and equipment	(40,388)	(43,336)
Proceeds from disposal of property, plant and equipment	12	6
Decrease in prepayments for equipment	1,448	12,416
Decrease in refundable deposits	3,622	1,393
Payment for intangible assets	(29,257)	(30,695)
Payment for investment properties	(3,854)	(16,474)
Proceeds from disposal of investment properties	-	8,505
Increase in other financial assets	(83,575)	-
Decrease in other financial assets	-	106,999
Increase in other non-current financial assets	(245)	(3,273)
Decrease in other receivables	-	21,000
Dividends received	<u>15,139</u>	<u>16,579</u>
Net cash generated from (used in) investing activities	(<u>99,883</u>)	<u>72,258</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of bonds	-	3,000,000
Repayments of short-term borrowings	(20,963)	(101,237)
Proceeds from long-term borrowings	1,431,031	3,210,000
Repayments of long-term borrowings	(700,000)	(4,345,000)
Proceeds from guarantee deposits received	1,664	418
Decrease in other payables to related parties	(7,036)	-
Increase in other payables to related parties	-	3,391
Change in non-controlling interests	(<u>36,294</u>)	(<u>29,111</u>)
Net cash generated from financing activities	<u>668,402</u>	<u>1,738,461</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	(<u>141,522</u>)	(<u>27,202</u>)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,996)	762,934
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>2,865,766</u>	<u>1,605,974</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 2,851,770</u>	<u>\$ 2,368,908</u>

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

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2015 AND 2014

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

(Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements had been approved by the board of directors and authorized for issue on July 30, 2015.

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

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

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

Except for the following, 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. Refer to Note 32 for related disclosures.

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

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under 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 gain (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 period, other comprehensive income for the period (net of income tax), and total comprehensive income for the period.

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

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

(Concluded)

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

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

Note 3: 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 supersede IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2017.

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

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

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is 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 POLICY

a. Statement of compliance

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

b. Basis of consolidation

See Note 13 and Table 5 for the detailed information of subsidiaries (including the percentage of ownership and main business).

c. Other significant accounting policies

The accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2014, except for those described below.

1) Retirement benefit costs

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

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

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

2) Income taxes

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2014.

6. CASH AND CASH EQUIVALENTS

	June 30, 2015	December 31, 2014	June 30, 2014
Cash on hand	\$ 18,726	\$ 18,526	\$ 40,743
Checking accounts and demand deposits	1,367,887	1,256,266	1,861,612
Cash equivalents			
Time deposits with original maturities less than three months	<u>1,465,157</u>	<u>1,590,974</u>	<u>466,553</u>
	<u>\$ 2,851,770</u>	<u>\$ 2,865,766</u>	<u>\$ 2,368,908</u>

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

	June 30, 2015	December 31, 2014	June 30, 2014
Interest rates range	0.02%-3.70%	0.02%-4.10%	0.17%-3.00%

As of June 30, 2015, December 31, 2014 and June 30, 2014, the carrying amounts of time deposits with original maturities more than three months were \$391,692 thousand, \$319,723 thousand and \$498,575 thousand, respectively, which were classified as other financial assets - current (Note 12).

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

	June 30, 2015	December 31, 2014	June 30, 2014
<u>Financial assets held for trading</u>			
Non-derivative financial assets			
Domestic quoted shares	\$ 8,530	\$ 19,180	\$ 42,027
Mutual funds	<u> </u>	<u>-</u>	<u>10,000</u>
	<u>\$ 8,530</u>	<u>\$ 19,180</u>	<u>\$ 52,027</u>

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	June 30, 2015	December 31, 2014	June 30, 2014
<u>Domestic investments</u>			
Quoted shares	<u>\$ 275,269</u>	<u>\$ 299,910</u>	<u>\$ 268,350</u>
			(Continued)

	June 30, 2015	December 31, 2014	June 30, 2014
<u>Foreign investments</u>			
Quoted shares	\$ 552,423	539,282	\$ 583,983
Mutual funds	<u>1,336</u>	<u>1,370</u>	<u>1,291</u>
	<u>553,759</u>	<u>540,652</u>	<u>585,274</u>
Available-for-sale financial assets	<u>\$ 829,028</u>	<u>\$ 840,562</u>	<u>\$ 853,624</u> (Concluded)

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	June 30, 2015	December 31, 2014	June 30, 2014
Domestic unlisted common shares	\$ 121,742	\$ 121,742	\$ 127,719
Overseas unlisted common shares	<u>167,971</u>	<u>171,874</u>	<u>154,335</u>
	<u>\$ 289,713</u>	<u>\$ 293,616</u>	<u>\$ 282,054</u>

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

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2015	December 31, 2014	June 30, 2014
<u>Notes receivable and trade receivables</u>			
Notes receivable - operating	\$ 29,995	\$ 26,762	\$ 32,628
Trade receivables	821,004	791,532	901,605
Less: Allowance for doubtful accounts	(<u>28,680</u>)	(<u>28,262</u>)	(<u>28,554</u>)
	<u>\$ 822,319</u>	<u>\$ 790,032</u>	<u>\$ 905,679</u>
<u>Other receivables</u>			
Loan receivables - fixed interest rate	\$ 179,000	\$ 179,000	\$ 179,000
Interest receivables	11,877	48,523	39,499
Others	53,266	94,961	122,900
Less: Allowance for doubtful accounts	(<u>3,271</u>)	(<u>3,271</u>)	(<u>4,224</u>)
	<u>\$ 240,872</u>	<u>\$ 319,213</u>	<u>\$ 337,175</u>

a. Trade receivables

The average credit period for rendering of services was 30 to 60 days. No interest was charged on trade receivables. Allowance for impairment loss was recognized against trade receivables based on aging analysis, historical experience and an analysis of clients' current financial position. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Other than some specific contracts, the Group divided counterparties into 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, from 10% to 40% of outstanding receivable amount if aged between 181 and 360 days, and from 0% to 10% of outstanding receivable amount if aged more than 360 days but less than 2 years. 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, from 0% to 20% of outstanding receivable amount if aged between 181 and 360 days and 0% of outstanding receivable amount if aged more than 360 days but less than 2 years. 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 of credit risk was limited due to the fact that the customer base was large and unrelated.

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

Aging analysis of receivables was as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
0-60 days	\$ 642,109	\$ 598,586	\$ 693,915
61-90 days	57,738	54,441	77,093
91-180 days	47,491	45,580	44,355
181-360 days	28,592	22,291	30,000
Over 360 days	<u>45,074</u>	<u>70,634</u>	<u>56,242</u>
	<u>\$ 821,004</u>	<u>\$ 791,532</u>	<u>\$ 901,605</u>

The above analysis was based on the billing date.

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

	June 30, 2015	December 31, 2014	June 30, 2014
61-90 days	\$ 13,105	\$ 29,839	\$ 19,435
91-180 days	17,862	22,471	14,710
181-360 days	13,856	14,325	2,719
Over 360 days	<u>498</u>	<u>2,896</u>	<u>590</u>
	<u>\$ 45,321</u>	<u>\$ 69,531</u>	<u>\$ 37,454</u>

The above analysis was based on the billing date.

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

	2015		2014	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Balance at January 1	\$ 28,262	\$ 3,271	\$ 28,216	\$ 4,224
Add (less): Impairment losses recognized (reversed) on receivables	556	-	3,028	-
Less: Amounts written off	(7)	-	(2,646)	-
Foreign exchange translation gains and losses	(<u>131</u>)	<u>-</u>	(<u>44</u>)	<u>-</u>
Balance at June 30	<u>\$ 28,680</u>	<u>\$ 3,271</u>	<u>\$ 28,554</u>	<u>\$ 4,224</u>

b. Other receivables

- Loan receivable and interest receivable are mainly due to the Group's loan to Shin Hau Real Estate Co., Ltd. (Shin Hau Real Estate) for business purpose. Under the loan agreement, Shin Hau Real Estate, originally provided the land located in Da-an District, Taipei City as collateral; the loan and interests should be fully paid before April 30, 2015. In April 2014, Shin Hau Real Estate had repaid partial loan and interests with the land located in Da-an District and Beitou District as the collateral. On April 28, 2015, the Company's board of directors passed a resolution to extend the repayment date of loans receivable from Shin Hau Real Estate Co., Ltd. from April 30, 2015 to July 31, 2015. Under the supplementary agreement, Shin Hau Real Estate Co., Ltd. should issue a cheque on drawing date on May 10, 2015 to repay parts of loans, interests and extension period interests before April 30, 2015; meanwhile, issue a cheque on drawing date on July 31, 2015, to repay the remaining loans, interests and extension period interests. Information on the financing for the six months ended June 30, 2015 and 2014 was as follows:

	Six Months Ended June 30, 2015				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	\$ <u>179,000</u>	\$ <u>179,000</u>	10	\$ <u>8,886</u>	\$ <u>11,877</u>

(Continued)

Six Months Ended June 30, 2014

	Highest Balance During the Period	Amount	Interest Rate %	Interest Income	Interest Receivable
Shin Hau Real Estate Co., Ltd.	<u>\$ 200,000</u>	<u>\$ 179,000</u>	10	<u>\$ 9,346</u>	<u>\$ 39,499</u> (Concluded)

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

11. INVENTORIES

	June 30, 2015	December 31, 2014	June 30, 2014
Properties under development			
Malu Town, Jiading District, Shanghai	\$ 5,614,457	\$ 5,071,957	\$ 4,385,741
Tianmu, Shilin District, Taipei City	336,627	313,404	306,934
Other			
Sanyu segment Shihlin District, Taipei City	<u>2,113</u>	<u>2,113</u>	<u>2,113</u>
	<u>\$ 5,953,197</u>	<u>\$ 5,387,474</u>	<u>\$ 4,694,788</u>

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

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

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

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

12. OTHER FINANCIAL ASSETS - CURRENT

	June 30, 2015	December 31, 2014	June 30, 2014
Time deposits with original maturity more than three months	\$ 391,692	\$ 319,723	\$ 498,575
Restricted assets - current	57,608	25,602	531,826
Financial assets at amortized cost	<u>22,627</u>	<u>43,027</u>	<u>-</u>
	<u>\$ 471,927</u>	<u>\$ 388,352</u>	<u>\$ 1,030,401</u>

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

	June 30, 2015	December 31, 2014	June 30, 2014
Time deposits with original maturity more than three months	1.00%-3.60%	1.08%-2.60%	1.08%-3.25%
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. Financial assets at amortized cost were bank financial products, the expected yield rates as of June 30, 2015, December 31, 2014 and June 30, 2014 were 3.90%, 4.35%-4.66% and 5.20%-5.50%, respectively.			

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Those subsidiaries included in the consolidated entities as of June 30, 2015, December 31, 2014 and June 30, 2014 were as follows:

Investor	Investee	Main Businesses	% of Ownership			Remark
			June 30, 2015	December 31, 2014	June 30, 2014	
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	100	
	Sinyi Development Inc. (Taiwan Sinyi Development) (original name: Da-Chia Construction)	Construction	100	100	100	
	Sinyi Limited	Investment holding	100	100	100	
	Sinyi Global Asset Management Co., Ltd. (Global)	Real estate brokerage	100	100	100	
	Heng-Yi Real Estate Consulting Inc. (Heng-Yi)	Development, construction, rental and sale of residential building and factories	100	100	100	
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	100	
	Shin Cheng Property Insurance Agency Co., Ltd. (Shin Cheng)	Property insurance agency	-	-	100	Note 1
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	99	
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	51	
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	100	100	Note 2
Sinyi Limited	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	99	99	95	
Inane	Inane International Limited (Inane)	Investment holding	100	100	100	
	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100	100	
	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	100	100	100	
	Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Shanghai Sinyi of Land Administration and Real Estate Counseling)	Management consulting	100	100	100	
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	100	100	100	
	Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Qingdao Sinyi)	Real estate brokerage and management consulting	100	100	65	Note 3
	Max Success International Limited (Max Success)	Investment holding	100	100	100	

(Continued)

Investor	Investee	Main Businesses	% of Ownership			Remark
			June 30, 2015	December 31, 2014	June 30, 2014	
Shanghai Sinyi Real Estate	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	38	38	38	
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	2	2	2	
Max Success	Zhejiang Sinyi	Real estate brokerage and management consulting	62	62	62	
	Suzhou Sinyi	Real estate brokerage and management consulting	98	98	98	
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	100	
Ke Wei Shanghai	Shanghai Shin Cheng Real Estate Brokerage Inc. (Shanghai Shin Cheng)	Real estate brokerage	-	-	99	Note 4
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	100	
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage, management and identification	100	100	100	
	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100	100	
Forever Success	Sinyi Estate Ltd.(Sinyi Estate)	Investment holding	100	-	-	Note 5
	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	100	Note 6
	Hua Yun Renovation (Shanghai) Co., Ltd. (Hua Yun)	Professional construction, buildings, decoration construction, hardware, general merchandise, building materials wholesale	100	100	-	
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	100	
Japan Sinyi	Richesse Management Co., Ltd. (Richesse Management)	Real estate brokerage and rental management	100	100	100	
	Tokyo Sinyi Real Estate Co., Ltd. (under registration)	Real estate brokerage	100	-	-	Note 7
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	100	
	Kunshan Dingxian Trading Co., Ltd. (Kunshan Digxian Trading)	Construction materials furniture, sanitary ware and ceramic products wholesale	100	-	-	Note 8
Sinyi Estate Hong Kong Real Estate	Sinyi Estate (Hong Kong) Limited	Investment holding	100	-	-	Note 5
	Sinyi Real Estate (Shanghai) Limited (Shanghai Real Estate)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	100	100	100	
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sale of residential building and factories	100	-	100	
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sale of residential building and factories	100	-	100	

(Concluded)

Remark:

Note 1: The liquidation was completed and approved by court in July 2014. Therefore, the stock ownership as of June 30, 2015 and December 31, 2014 in Shin Cheng decreased to zero.

Note 2: 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 3: 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 4: Shanghai Shin Cheng was dissolved in July 2014.

Note 5: Sinyi Estate Ltd. and Sinyi Estate (Hong Kong) Limited were incorporated in April 2015, with a capital of US\$ 1 dollar, respectively.

Note 6: Hua Yun was incorporated in September 2014, with a capital of RMB8,000 thousand.

Note 7: As of June 30, 2015, Tokyo Sinyi Real Estate Co., Ltd. was under registration of incorporation with a expected capital of 5,000 thousand.

Note 8: Kunshan Dinxian Trading was incorporated in January 2015, with a capital of RMB6,000 thousand.

Note 9: Subsidiaries included in consolidated financial statement: The financial statements of the consolidated entities had not been reviewed by the independent accountants, except for those of Sinyi International, Sinyi Limited, Sinyi Development, Hong Kong Real Estate and Shanghai Real Estate as of and for the six months ended June 31, 2015 and 2014.

b. Subsidiaries excluded from consolidated financial statement: None.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2015	December 31, 2014	June 30, 2014
Investments in associates	<u>\$ 9,180</u>	<u>\$ 10,951</u>	<u>\$ 11,598</u>

a. Investments in associates

	June 30, 2015	December 31, 2014	June 30, 2014
Unlisted company			
Sinyi Interior Design Co., Ltd.	<u>\$ 9,180</u>	<u>\$ 10,951</u>	<u>\$ 11,598</u>

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

Name of Associate	June 30, 2015	December 31, 2014	June 30, 2014
Sinyi Interior Design Co., Ltd.	19%	19%	19%

The Group's management considered investments in associates are not individually material. Aggregate information of associates is summarized as follows:

Six Months Ended June 30

2015 2014

The Group's share of:

Loss from continuing operations	(\$ 4)	(\$ 3)
Other comprehensive income	(1,406)	(22)

Total comprehensive income for the period	(\$ 1,410)	(\$ 25)
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The investments accounted for using the equity method and the share of net income from investments are accounted for based on unreviewed financial statements. The Group's management considered the use of unreviewed financial statements of Sinyi Interior Design Co., Ltd. did not have material impact on its consolidated financial statements.

15. PROPERTY, PLANT AND EQUIPMENT

Six Months Ended June 30, 2015									
Cost	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Balance at January 1, 2015	\$2,670,039	\$ 418,777	\$ 6,984	\$ 354,744	\$ 4,671	\$ 454,972	\$ 79,501	\$ 272,743	\$4,262,431
Additions	-	-	-	16,396	-	23,503	448	41	40,388
Disposals (Note 1)	-	(1,448)	-	(7,019)	-	(15,466)	-	-	(23,933)
Reclassifications	-	-	-	163	-	-	-	(608)	(445)
Effect of foreign currency exchange differences	-	-	(135)	(1,255)	-	(2,008)	-	(6,367)	(9,765)
Balance at June 30, 2015	<u>\$2,670,039</u>	<u>\$ 417,329</u>	<u>\$ 6,849</u>	<u>\$ 363,029</u>	<u>\$ 4,671</u>	<u>\$ 461,001</u>	<u>\$ 79,949</u>	<u>\$ 265,809</u>	<u>\$4,268,676</u>
Accumulated depreciation									
Balance at January 1, 2015	\$ -	\$ 86,407	\$ 3,084	\$ 211,880	\$ 4,671	\$ 309,207	\$ 42,594	\$ -	\$ 657,843
Depreciation expense	-	5,337	555	24,095	-	28,220	5,939	-	64,146
Disposals	-	-	-	(6,742)	-	(15,466)	-	-	(22,208)
Effect of foreign currency exchange differences	-	-	(69)	(772)	-	(1,161)	-	-	(2,002)
Balance at June 30, 2015	<u>\$ -</u>	<u>\$ 91,744</u>	<u>\$ 3,570</u>	<u>\$ 228,461</u>	<u>\$ 4,671</u>	<u>\$ 320,800</u>	<u>\$ 48,533</u>	<u>\$ -</u>	<u>\$ 697,779</u>
Carrying amounts at January 1, 2015	<u>\$2,670,039</u>	<u>\$ 332,370</u>	<u>\$ 3,900</u>	<u>\$ 142,864</u>	<u>\$ -</u>	<u>\$ 145,765</u>	<u>\$ 36,907</u>	<u>\$ 272,743</u>	<u>\$3,604,588</u>
Carrying amounts at June 30, 2015	<u>\$2,670,039</u>	<u>\$ 325,585</u>	<u>\$ 3,279</u>	<u>\$ 134,568</u>	<u>\$ -</u>	<u>\$ 140,201</u>	<u>\$ 31,416</u>	<u>\$ 265,809</u>	<u>\$3,570,897</u>
Six Months Ended June 30, 2014									
Cost	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
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	-	-	-	14,591	-	24,335	1,480	2,930	43,336
Disposals (Note 2)	-	-	-	(12,591)	-	(2,187)	-	(12,416)	(27,194)
Effect of foreign currency exchange differences	-	-	(39)	(231)	-	(501)	-	(1,940)	(2,711)
Balance at June 30, 2014	<u>\$2,670,039</u>	<u>\$ 418,777</u>	<u>\$ 8,112</u>	<u>\$ 287,610</u>	<u>\$ 4,671</u>	<u>\$ 439,810</u>	<u>\$ 63,506</u>	<u>\$ 273,422</u>	<u>\$4,165,947</u>
Accumulated depreciation									
Balance at January 1, 2014	\$ -	\$ 75,733	\$ 2,777	\$ 199,323	\$ 4,671	\$ 286,556	\$ 33,576	\$ -	\$ 602,636
Depreciation expense	-	5,336	664	17,830	-	22,489	4,422	-	50,741
Disposals	-	-	-	(12,277)	-	(2,187)	-	-	(14,464)
Effect of foreign currency exchange differences	-	-	(19)	(82)	-	(459)	-	-	(560)

(Continued)

Balance at June 30, 2014	\$ -	\$ 81,069	\$ 3,422	\$ 204,794	\$ 4,671	\$ 306,399	\$ 37,998	\$ -	\$ 638,353
Carrying amounts at January 1, 2014	\$2,670,039	\$ 343,044	\$ 5,374	\$ 86,518	\$ -	\$ 131,607	\$ 28,450	\$ 295,536	\$3,560,568
Carrying amounts at June 30, 2014	\$2,670,039	\$ 337,708	\$ 4,690	\$ 82,816	\$ -	\$ 133,411	\$ 25,508	\$ 273,422	\$3,527,594

(Concluded)

Note 1: The amount of disposals of buildings was refunded based on the portfolio of the value of right and investment amount after the urban renewal plan which the Group participated in was completed.

Note 2: Disposal of construction in progress and prepayments for equipment was the amount refunded for the delay of construction progress of the Group's purchase of the pre-sold property.

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

- Construction in progress and prepayments for equipment were mainly the Group's purchase of the pre-sold property which was still in construction located in Suzhou City. The transaction price had been paid fully according to the real estate transaction contract.
- There was no interest capitalized during the six months ended June 30, 2015 and 2014.
- Refer to Note 34 for the details of properties, plant and equipment pledged as collaterals.

16. INVESTMENT PROPERTIES

	Land	Buildings	Contraction in Progress and Prepayments for Equipment	Total
<u>Cost</u>				
Balance at January 1, 2015	\$2,033,087	\$ 953,151	\$ 40,328	\$3,026,566
Additions	-	-	3,854	3,854
Effect of foreign currency exchange differences	-	(14,102)	-	(14,102)
Balance at June 30, 2015	<u>\$2,033,087</u>	<u>\$ 939,049</u>	<u>\$ 44,182</u>	<u>\$3,016,318</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2015	\$ 7,396	\$ 137,927	\$ -	\$ 145,323
Depreciation expense	-	10,375	-	10,375
Effect of foreign currency exchange differences	-	(1,461)	-	(1,461)
Balance at June 30, 2015	<u>\$ 7,396</u>	<u>\$ 146,841</u>	<u>\$ -</u>	<u>\$ 154,237</u>

(Continued)

	Land	Buildings	Contraction in Progress and Prepayments for Equipment	Total
Carrying amounts at January 1, 2015	<u>\$2,025,691</u>	<u>\$ 815,224</u>	<u>\$ 40,328</u>	<u>\$2,881,243</u>
Carrying amounts at June 30, 2015	<u>\$2,025,691</u>	<u>\$ 792,208</u>	<u>\$ 44,182</u>	<u>\$2,862,081</u>
Cost				
Balance at January 1, 2014	\$2,024,834	\$ 922,522	\$ 3,890	\$2,951,246
Additions	12,562	3,912	-	16,474
Disposals	(6,596)	(725)	-	(7,321)
Effect of foreign currency exchange differences	-	(4,107)	-	(4,107)
Balance at June 30, 2014	<u>\$2,030,800</u>	<u>\$ 921,602</u>	<u>\$ 3,890</u>	<u>\$2,956,292</u>
Accumulated depreciation and impairment				
Balance at January 1, 2014	\$ 5,745	\$ 113,897	\$ -	\$ 119,642
Recognized impairment losses	1,193	637	-	1,830
Depreciation expense	-	10,240	-	10,240
Disposals	-	(75)	-	(75)
Effect of foreign currency exchange differences	-	(407)	-	(407)
Balance at June 30, 2014	<u>\$ 6,938</u>	<u>\$ 124,292</u>	<u>\$ -</u>	<u>\$ 131,230</u>
Carrying amounts at January 1, 2014	<u>\$2,019,089</u>	<u>\$ 808,625</u>	<u>\$ 3,890</u>	<u>\$2,831,604</u>
Carrying amounts at June 30, 2014	<u>\$2,023,862</u>	<u>\$ 797,310</u>	<u>\$ 3,890</u>	<u>\$2,825,062</u>

(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 June 30, 2015, December 31, 2014 and June 30, 2014 was \$9,943,214 thousand, \$9,918,150 thousand and \$10,220,553 thousand, respectively. The fair value valuation had not been performed by independent qualified professional valuers and the fair value was measured by using Level 3 inputs; 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.

17. INTANGIBLE ASSETS

	June 30, 2015	December 31, 2014	June 30, 2014
Franchise (Note 36)	\$ 57,229	\$ 59,903	\$ 57,855
Goodwill	9,621	9,621	9,621
System software costs	<u>84,159</u>	<u>73,194</u>	<u>53,978</u>
	<u>\$ 151,009</u>	<u>\$ 142,718</u>	<u>\$ 121,454</u>

Six Months Ended June 30, 2015

	Franchise	Goodwill	System Software Costs	Total
<u>Cost</u>				
Balance at January 1, 2015	\$ 96,709	\$ 9,621	\$ 127,062	\$ 233,392
Additions	-	-	29,257	29,257
Disposals	-	-	(2,167)	(2,167)
Reclassifications	-	-	445	445
Effect of foreign currency exchange differences	(<u>2,414</u>)	<u>-</u>	(<u>16</u>)	(<u>2,430</u>)
Balance at June 30, 2015	<u>\$ 94,295</u>	<u>\$ 9,621</u>	<u>\$ 154,581</u>	<u>\$ 258,497</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2015	\$ 36,806	\$ -	\$ 53,868	\$ 90,674
Amortization expense	1,191	-	18,735	19,926
Disposals	-	-	(2,167)	(2,167)
Effect of foreign currency exchange differences	(<u>931</u>)	<u>-</u>	(<u>14</u>)	(<u>945</u>)
Balance at June 30, 2015	<u>\$ 37,066</u>	<u>\$ -</u>	<u>\$ 70,422</u>	<u>\$ 107,488</u>
Carrying amounts at January 1, 2015	<u>\$ 59,903</u>	<u>\$ 9,621</u>	<u>\$ 73,194</u>	<u>\$ 142,718</u>
Carrying amounts at June 30, 2015	<u>\$ 57,229</u>	<u>\$ 9,621</u>	<u>\$ 84,159</u>	<u>\$ 151,009</u>

Six Months Ended June 30, 2014

	Franchise	Goodwill	System Software Costs	Total
<u>Cost</u>				
Balance at January 1, 2014	\$ 91,071	\$ 9,621	\$ 51,966	\$ 152,658
Additions	-	-	30,695	30,695
Disposal	-	-	(620)	(620)
Reclassifications	-	-	10,688	10,688
Effect of foreign currency exchange differences	<u>183</u>	<u>-</u>	(<u>2</u>)	<u>181</u>
Balance at June 30, 2014	<u>\$ 91,254</u>	<u>\$ 9,621</u>	<u>\$ 92,727</u>	<u>\$ 193,602</u>

(Continued)

Accumulated amortization

Balance at January 1, 2014	\$ 32,384	\$ -	\$ 30,396	\$ 62,780
Amortization expense	961	-	8,975	9,936
Disposal	-	-	(620)	(620)
Effect of foreign currency exchange differences	54	-	(2)	52
Balance at June 30, 2014	<u>\$ 33,399</u>	<u>\$ -</u>	<u>\$ 38,749</u>	<u>\$ 72,148</u>
Carrying amounts at January 1, 2014	<u>\$ 58,687</u>	<u>\$ 9,621</u>	<u>\$ 21,570</u>	<u>\$ 89,878</u>
Carrying amounts at June 30, 2014	<u>\$ 57,855</u>	<u>\$ 9,621</u>	<u>\$ 53,978</u>	<u>\$ 121,454</u>

(Concluded)

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

Franchise	40 years
System software costs	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 six months ended June 30, 2015, the Group did not recognize any impairment loss on goodwill.

18. OTHER ASSETS

	June 30, 2015	December 31, 2014	June 30, 2014
<u>Current</u>			
Prepaid expenses	\$ 85,221	\$ 71,428	\$ 74,349
Tax prepayment	21,925	-	-
Temporary payments	801	3,404	9,397
Overpaid VAT	3,950	1,982	-
Overdue receivables	3,434	3,189	6,006
Others	<u>1,890</u>	<u>1,890</u>	<u>1,896</u>
	<u>\$ 117,221</u>	<u>\$ 81,893</u>	<u>\$ 91,648</u>
<u>Non-current</u>			
Overdue receivables	\$ 111,897	\$ 76,814	\$ 83,752
Other	<u>5,324</u>	<u>5,079</u>	<u>7,896</u>
	<u>\$ 117,221</u>	<u>\$ 81,893</u>	<u>\$ 91,648</u>

19. BORROWINGS

a. Short-term borrowings

	June 30, 2015	December 31, 2014	June 30, 2014
<u>Secured borrowings</u>			
Bank loans	\$ 24,865	\$ 45,828	\$ 485,390

1) The interest rates on the bank loans as of June 30, 2015, December 31, 2014 and June 30, 2014 were 4.0%, 6.0% and 7.4% per annum, respectively.

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

b. Long-term borrowings

	June 30, 2015	December 31, 2014	June 30, 2014
<u>Secured borrowings</u>			
Bank loans	\$ 2,064,761	\$ 1,256,958	\$ 163,000
<u>Unsecured borrowings</u>			
Loans unsecured	283,912	291,180	274,758
Bank loans	-	100,000	-
	2,348,673	1,648,138	437,758
Less: Current portion	(283,912)	(291,180)	-
Long-term borrowings	<u>\$ 2,064,761</u>	<u>\$ 1,356,958</u>	<u>\$ 437,758</u>

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

Content of Borrowings		June 30, 2015	December 31, 2014	June 30, 2014
E.Sun Bank	Loan limit: \$190,000 thousand; period: September 10, 2013 to September 10, 2016; floating interest rate of 2.5%; interest is paid monthly and principal is repaid at maturity.	\$ 163,000	\$ 163,000	\$ 163,000
E.Sun Bank	Loan limit borrowings: \$800,000 thousand; period: March 13, 2015 to March 12, 2017; fixed interest rate of 1.6% with negotiating rate per 90 days; interest is paid monthly and principal is repaid at maturity.	100,000	-	-
East Asia Bank	Loan limit: \$1,300,000 thousand; period: December 31, 2013 to December 18, 2016; floating interest rate of 1.89%; Interest is paid monthly and principal is repaid at maturity.	100,000	100,000	-
China Construction Bank	Loan limit: 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.	1,701,761	993,958	-
Far Eastern International Bank	Loan limit: \$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.	Loan limit: 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.	283,912	291,180	274,758
Total long-term borrowings		<u>\$ 2,348,673</u>	<u>\$ 1,648,138</u>	<u>\$ 437,758</u>

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

20. BONDS PAYABLE

	June 30, 2015	December 31, 2014	June 30, 2014
Domestic unsecured bonds	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Less: Current portion	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

The major term of domestic unsecured bonds was as follow:

Issuance Period	Total Amount (In Thousands)	Coupon Rate	Repayment and Interest Payment
June 2015 to June 2019	\$ 3,000,000	1.48%	At the end of the 4 th and 5 th year from the issuance date, the Group will repay the half of the principle, respectively. Interest is paid annually.

21. TRADE PAYABLES

	June 30, 2015	December 31, 2014	June 30, 2014
Construction payables	<u>\$ 71,540</u>	<u>\$ 165,767</u>	<u>\$ 63</u>

22. OTHER LIABILITIES

	June 30, 2015	December 31, 2014	June 30, 2014
<u>Current</u>			
Other payables	\$ 1,129,775	\$ 1,683,773	\$ 1,607,297
Other payables to related parties	110,705	131,726	94,903
Other financial liabilities	873,652	274,117	1,486,907
Other liabilities	<u>387,088</u>	<u>122,070</u>	<u>107,998</u>
	<u>\$ 2,501,220</u>	<u>\$ 2,211,686</u>	<u>\$ 3,297,105</u>

Non-current

Other liabilities	<u>\$ 1,031,267</u>	<u>\$ 941,726</u>	<u>\$ 944,715</u>
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a. Other payables were as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Performance bonus and salaries	\$ 756,522	\$ 1,257,908	\$ 1,184,177
Advertisement	96,155	96,838	133,605
Labor and health insurance	56,168	69,028	55,398
Payable for annual leave	70,938	58,292	67,815
Professional fees	13,934	17,556	15,014
Interest payables	29,328	43,985	487

(Continued)

	June 30, 2015	December 31, 2014	June 30, 2014
Employees bonuses and compensation to directors	\$ 24,522	\$ 19,100	\$ 41,206
Others	<u>82,208</u>	<u>121,066</u>	<u>109,595</u>
	<u>\$ 1,129,775</u>	<u>\$ 1,683,773</u>	<u>\$ 1,607,297</u> (Concluded)

Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other liabilities - others. The performance bonuses payable under other liabilities - others amounted to \$1,031,267 thousand, \$941,726 thousand and \$944,715 thousand as of June 30, 2015, December 31, 2014 and June 30, 2014, respectively.

b. Other payable to related parties were as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Financing to related parties			
Loan from related parties	\$ 70,617	\$ 77,653	\$ 72,808
Interest payable	14,201	12,652	11,384
Others	<u>25,887</u>	<u>41,421</u>	<u>10,711</u>
	<u>\$ 110,705</u>	<u>\$ 131,726</u>	<u>\$ 94,903</u>

Loans from related parties were accounted for other payables to related parties with interest rates of 0-3% and 3% for the six months ended June 30, 2015 and 2014, respectively.

c. Other financial liabilities were as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Dividend payable	\$ 613,437	\$ -	\$ 1,307,324
Receipts under custody from real estate transactions	190,254	174,242	112,226
Other receipts under custody	32,201	68,058	40,432
Payable on equipment	10,215	9,554	2,112
Payable for investment	-	8,214	-
Receipts under custody - escrow service	471	107	697
Others	<u>27,074</u>	<u>13,942</u>	<u>24,116</u>
	<u>\$ 873,652</u>	<u>\$ 274,117</u>	<u>\$ 1,486,907</u>

1) On May 15, 2015 and May 30, 2014, the stockholders approved the appropriation of cash dividends \$613,437 thousand and \$1,307,324 thousand, respectively. The amounts to be distributed were temporarily accounted for dividends payable as of June 30, 2015 and 2014. Refer to Note 25 for the details on appropriation of earnings and dividends.

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

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

follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Receipts under custody - escrow service	\$ 13,551,953	\$ 11,515,917	\$ 16,151,082
Interest payable	15,767	16,005	18,049
Deposit accounts	(13,566,503)	(11,531,200)	(16,168,199)
Interest receivable	(<u>746</u>)	(<u>615</u>)	(<u>235</u>)
	<u>\$ 471</u>	<u>\$ 107</u>	<u>\$ 697</u>

a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.17%-0.26% as of June 30, 2015, December 31, 2014 and June 30, 2014.

b) Deposit accounts were receipts which had been paid by buyers of real estate transactions but not delivered to the sellers yet. The Group deposited these receipts in bank accounts according to the escrow contracts.

3) In October 2014, the Group entered a transaction with Qingdao City Construction Group Co., Ltd. to buy back 35% interest in Qingdao Sinyi for \$8,214 thousand (RMB1,600 thousand). As of June 30, 2015, the amount has been fully paid.

d. Other current liabilities were as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Receipts from real estate transaction in advance	\$ 262,813	\$ 18,953	\$ -
VAT payable	108,847	90,392	95,882
Others	<u>15,428</u>	<u>12,725</u>	<u>12,116</u>
	<u>\$ 387,088</u>	<u>\$ 122,070</u>	<u>\$ 107,998</u>

23. PROVISIONS

	June 30, 2015	December 31, 2014	June 30, 2014
Service revenue allowances	<u>\$ 44,595</u>	<u>\$ 47,488</u>	<u>\$ 60,300</u>
Current	\$ 41,161	\$ 44,299	\$ 54,294
Non-current	<u>3,434</u>	<u>3,189</u>	<u>6,006</u>
	<u>\$ 44,595</u>	<u>\$ 47,488</u>	<u>\$ 60,300</u>

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

24. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2014 and 2012, and recognized in the following line items in their respective periods:

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Operating cost	\$ 708	\$ 652	\$ 1,407	\$ 1,182
Operating expenses	<u>118</u>	<u>190</u>	<u>247</u>	<u>277</u>
	<u>\$ 826</u>	<u>\$ 842</u>	<u>\$ 1,654</u>	<u>\$ 1,459</u>

25. EQUITY

Share Capital

	June 30, 2015	December 31, 2014	June 30, 2014
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>613,437</u>	<u>613,437</u>	<u>502,817</u>
Share capital issued	\$ 6,318,398	\$ 6,134,367	\$ 5,028,170
Stock dividends to be distributed	<u>-</u>	<u>-</u>	<u>1,106,197</u>
	<u>\$ 6,318,398</u>	<u>\$ 6,134,367</u>	<u>\$ 6,134,367</u>

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

Capital Surplus

	June 30, 2015	December 31, 2014	June 30, 2014
Employee stock options	<u>\$ 63,896</u>	<u>\$ 63,896</u>	<u>\$ 63,896</u>

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

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

Retained Earnings and Dividend Policy

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

In accordance with the amendments to the Company Act in May 2015 and the Rule No. 10402413890 of legal interpretations issued by the MOEA, the recipients of dividends and bonuses are limited to shareholders and do not include employees and directors. The Company expects to make consequential amendments to the Company's Articles of Incorporation to be approved during the 2016 annual shareholders' meeting. For information about the accrual basis of the employee remuneration and

remuneration to directors and supervisors for the three months ended June 30, 2015 and 2014, and the six months ended June 30, 2015 and 2014, and the actual appropriations for the years ended December 31, 2014 and 2013, please refer to f. Employee benefits expense in Note 26.

- b. Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive entitled “Questions and Answers for Special Reserves Appropriated Following the Adoption of IFRSs”, the Company should appropriate earnings to special reserve and reverse special reserve to earnings. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.
- c. Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company’s paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.
- d. Except for non-ROC resident shareholders, all shareholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.
- e. The appropriations of earnings including bonus to employees, and the remuneration to directors for 2014 and 2013 had been approved in the shareholders’ meeting held on May 15, 2015 and May 30, 2014, respectively. The appropriations and dividends per share were as follows:

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

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

	June 30, 2015	December 31, 2014	June 30, 2014
Exchange differences on translating foreign operations	\$ 118,271	\$ 264,741	\$ 4,628
Unrealized gains or losses from available-for-sale financial assets	<u>300,186</u>	<u>281,404</u>	<u>317,009</u>
	<u>\$ 418,457</u>	<u>\$ 546,145</u>	<u>\$ 321,637</u>

- a. Exchange differences on translating foreign operations

Exchange differences relating to the translation of the results and net assets of the Group’s foreign operations from their functional currencies to the Group’s presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the exchange differences on translation of foreign operations. Gains and losses on hedging instruments that were

designated as hedging instruments for hedges of net investments in foreign operations were included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

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

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

Non-controlling Interests

	Six Months Ended June 30	
	2015	2014
Balance, beginning of period	\$ 139,495	\$ 130,704
Attributed to non-controlling interests:		
Net income	14,166	14,165
Exchange differences on translating foreign operations	45	767
Acquisition of non-controlling interests in subsidiaries	-	(1,422)
Payment of cash dividends to non-controlling interests	(36,294)	(29,111)
Balance, end of period	<u>\$ 117,412</u>	<u>\$ 115,103</u>

26. NET PROFIT FROM CONTINUING OPERATIONS

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

a. Interest Income

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Interest income				
Cash in bank	\$ 10,079	\$ 10,181	\$ 17,819	\$ 23,570
Other receivables	4,472	4,414	8,886	9,346
Other	<u>7</u>	<u>2</u>	<u>64</u>	<u>8</u>
	<u>\$ 14,558</u>	<u>\$ 14,597</u>	<u>\$ 26,769</u>	<u>\$ 32,924</u>

b. Other Gains and Losses

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Impairment loss of investment properties	\$ -	(\$ 227)	\$ -	(\$ 1,830)
Gain on disposal of investments	40	7,265	26,288	7,339
Net gain on fair value change of financial assets held for trading	(290)	11,362	(9,934)	9,806
Losses on disposal of property, plant and equipment	(118)	(277)	(265)	(308)

(Continued)

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Gains (losses) on disposal of investment properties	\$ -	\$ 1,259	\$ -	\$ 1,259
Net foreign exchange gains (losses)	(10,322)	(8,642)	(17,522)	(13,498)
Share of loss of associates and joint ventures	(4)	(3)	(4)	(3)
Others	<u>19,090</u>	<u>12,268</u>	<u>27,723</u>	<u>30,831</u>
	<u>\$ 8,396</u>	<u>\$ 23,005</u>	<u>\$ 26,286</u>	<u>\$ 33,596</u>

(Concluded)

c. Finance Costs

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Interest on bank loans	\$ 30,413	\$ 19,184	\$ 60,800	\$ 39,062
Interest on unsecured bonds payable	11,070	487	22,018	487
Interest on loans from related parties	213	823	356	1,657
Interest on loans from others	3,768	10,364	7,393	10,364
Others	<u>190</u>	<u>-</u>	<u>538</u>	<u>-</u>
	45,654	30,858	91,105	51,570
Deduct: Amounts included in the cost of qualifying assets (properties under development)	(28,334)	(10,320)	(55,494)	(16,258)
	<u>\$ 17,320</u>	<u>\$ 20,538</u>	<u>\$ 35,611</u>	<u>\$ 35,312</u>

Information about capitalized interest was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Interest capitalization rate	2.5%-6.15%	2.5%-7.4%	2.5%-6.15%	2.5%-7.4%

d. Depreciation and Amortization

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Property, plant and equipment	\$ 32,227	\$ 22,418	\$ 64,146	\$ 50,741
Investment property	5,163	5,110	10,375	10,240
Intangible assets	<u>10,607</u>	<u>6,162</u>	<u>19,926</u>	<u>9,936</u>
	<u>\$ 47,997</u>	<u>\$ 33,690</u>	<u>\$ 94,447</u>	<u>\$ 70,917</u>
An analysis of depreciation by function				
Operating costs	\$ 22,595	\$ 16,771	\$ 44,621	\$ 33,238
Operating expenses	9,632	5,647	19,525	17,503
Other losses	<u>5,163</u>	<u>5,110</u>	<u>10,375</u>	<u>10,240</u>

(Continued)

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
	<u>\$ 37,390</u>	<u>\$ 27,528</u>	<u>\$ 74,521</u>	<u>\$ 60,981</u>
An analysis of amortization by function				
Operating costs	\$ 749	\$ 457	\$ 788	\$ 893
Operating expenses	<u>9,858</u>	<u>5,705</u>	<u>19,138</u>	<u>9,043</u>
	<u>\$ 10,607</u>	<u>\$ 6,162</u>	<u>\$ 19,926</u>	<u>\$ 9,936</u>

(Concluded)

e. Operating Expenses Directly Related to Investment Properties

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Direct operating expenses from investment property				
That generated rental income	\$ 10,071	\$ 9,666	\$ 20,258	\$ 19,618
That did not generate rental income	<u>22</u>	<u>69</u>	<u>44</u>	<u>123</u>
	<u>\$ 10,093</u>	<u>\$ 9,735</u>	<u>\$ 20,302</u>	<u>\$ 19,741</u>

f. Employee Benefits Expense

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Salary expense	\$ 1,095,069	\$ 1,239,956	\$ 2,105,434	\$ 2,368,069
Labor and health insurance expenses	<u>71,665</u>	<u>64,032</u>	<u>142,128</u>	<u>149,387</u>
	<u>1,166,734</u>	<u>1,303,988</u>	<u>2,247,562</u>	<u>2,517,456</u>
Post-employment benefits				
Defined contribution plans	42,248	45,224	83,530	90,227
Defined benefit plans (Note 24)	<u>826</u>	<u>842</u>	<u>1,654</u>	<u>1,459</u>
	<u>43,074</u>	<u>46,066</u>	<u>85,184</u>	<u>91,686</u>
Other employee benefits	<u>54,222</u>	<u>30,916</u>	<u>109,596</u>	<u>100,454</u>
Total employee benefits expense	<u>\$ 1,264,030</u>	<u>\$ 1,380,970</u>	<u>\$ 2,442,342</u>	<u>\$ 2,709,596</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 1,105,300	\$ 1,211,335	\$ 2,122,509	\$ 2,396,602
Operating expenses	<u>158,730</u>	<u>169,635</u>	<u>319,833</u>	<u>312,994</u>
	<u>\$ 1,264,030</u>	<u>\$ 1,380,970</u>	<u>\$ 2,442,342</u>	<u>\$ 2,709,596</u>

In accordance with the amendments to the Company Act in May 2015 and the Rule No. 10402413890 of legal interpretations issued by the MOEA, when there is profit for the current year, the Company should rule bonus to employees and may rule remuneration to directors as well in the Articles of Incorporation at fixed amount or specific percentage of the profit of current year, respectively. The Company expects to make consequential amendments to the Company's Articles of Incorporation to be approved during the 2016 annual shareholders' meeting.

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

- 1) Bonus to employees not less than 1%;
- 2) Bonus to directors not more than 1%;
- 3) In consideration of future fund needs, the remaining earnings can be paid out as dividends to the shareholders, preferably stock dividends. But, in principle, cash dividends shall not be less than 10% of total dividends distributed.

The accrued bonus to employees represented the percentage of distributable retained earnings (net of the bonus and remuneration) in accordance with the Company's Articles of Incorporation, while the accrued remuneration to directors was estimated based on the actual amounts in the past. The accrued bonus to employees and remuneration to directors were as follow:

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Bonus to employees	\$ 2,275	\$ 2,853	\$ 3,043	\$ 5,050
Remuneration to directors	1,750	1,750	3,500	3,500

Material differences between these estimated amounts and the amounts proposed by the board of directors on or before the date of annual consolidated financial statements had been authorized for issue are adjusted in the year the bonus and remuneration are recognized. If there is a change in the proposed amounts after the date of annual consolidated financial statements had been authorized for issue, the differences are accounted for as a change in accounting estimate in the following year. If a share bonus is resolved to be distributed to employees, the number of shares is determined by dividing the amount of the share bonus by the fair value of the shares. Fair value of the shares refers to the closing price (after considering the effect of cash and stock dividends) of the shares on the day immediately preceding the shareholders' meeting.

The appropriations of bonus to employees, and the remuneration to directors for 2014 and 2013 had been approved in the shareholders' meeting held on May 15, 2015 and May 30, 2014, respectively. The appropriations were as follows:

	Cash Bonus	
	Six Months Ended June 30	
	2014	2013
Bonus to employees	\$ 9,872	\$ 24,528
Remuneration to directors	6,417	6,623

The bonus to employees and the remuneration to directors for 2014 and 2013 approved in the shareholders' meeting on May 30, 2015 and May 30, 2014, respectively, the amounts were as follows:

	Year Ended 2014		Year Ended 2013	
	Bonus to Employees	Remuneration to Directors	Bonus to Employees	Remuneration of Directors
Amounts approved in shareholders' meeting	\$ 9,872	\$ 6,417	\$ 24,528	\$ 6,623
Deduct: Amounts recognized in respective financial statements	(9,701)	(7,000)	(23,266)	(11,633)
Difference	<u>\$ 171</u>	<u>(\$ 583)</u>	<u>\$ 1,262</u>	<u>(\$ 5,010)</u>

The differences above were recognized in profit and loss for the six months ended June 30, 2015 and 2014.

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

27. INCOME TAXES RELATING TO CONTINUING OPERATIONS

Income Tax Recognized in Profit or Loss

The major components of tax expense were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Current tax				
In respect of the current period	\$ 67,175	\$ 78,567	\$ 114,956	\$ 158,235
Income tax expense of unappropriated earnings	16,161	-	16,161	-
In respect of the prior periods	8,186	857	8,186	857
Deferred tax				
In respect of the current periods	(3,852)	(1,062)	(4,978)	(514)
Income tax expense recognized in profit or loss	<u>\$ 87,670</u>	<u>\$ 78,362</u>	<u>\$ 134,325</u>	<u>\$ 158,578</u>

Integrated Income Tax

	June 30, 2015	December 31, 2014	June 30, 2014
Unappropriated earnings generated on and after January 1, 1998	<u>\$ 513,062</u>	<u>\$ 1,094,412</u>	<u>\$ 582,784</u>
Imputation credits accounts	<u>\$ 142,676</u>	<u>\$ 222,352</u>	<u>\$ 88,156</u>

The creditable ratio for distribution of earnings of 2014 and 2013 was 20.85% (expected ratio) and 22.11%, 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 amended article 66-6 of Income Tax Law, 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.

Income Tax Assessments

The Company's tax returns through 2011 have been assessed by the tax authorities. The Company disagreed with the tax authorities' assessment of its 2011 and 2012 tax return and applied for a re-examination. Tax returns of Global, Shin Cheng, Sinyi Culture, Jui-Inn, An-Sin, An-Shin and Taiwan Sinyi Development through 2013 had been assessed by the tax authorities.

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Basic EPS	\$ 0.38	\$ 0.48	\$ 0.51	\$ 0.86
Diluted EPS	\$ 0.38	\$ 0.48	\$ 0.51	\$ 0.86

The earnings per share computation for the three months ended June 30, 2014 and for the six months ended June 30, 2014 was retrospectively adjusted for the effects of adjustments resulting from bonus stock issued on June 27, 2015. The basic and diluted after-tax earnings per share were adjusted retrospectively as followings:

Unit: NT\$ Per Share

	<u>Before Adjusted Retrospectively</u>		<u>After Adjusted Retrospectively</u>	
	<u>Three Months Ended June 30, 2014</u>	<u>Six Months Ended June 30, 2014</u>	<u>Three Months Ended June 30, 2014</u>	<u>Six Months Ended June 30, 2014</u>
Basic earnings per share	\$ 0.50	\$ 0.89	\$ 0.48	\$ 0.86
Diluted earnings per share	\$ 0.50	\$ 0.89	\$ 0.48	\$ 0.86

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

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit for the period attributable to owners of the Company	\$ 242,311	\$ 305,554	\$ 323,334	\$ 545,006

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

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Weighted average number of ordinary shares in computation of basic earnings per share	631,840	631,840	631,840	631,840
Effect of dilutive potential ordinary shares:				
Bonus issue to employee	<u>229</u>	<u>214</u>	<u>348</u>	<u>488</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>632,069</u>	<u>632,054</u>	<u>632,188</u>	<u>632,328</u>

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

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

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

	Six Months Ended June 30, 2014
	Chengdu Sinyi
Cash consideration (paid) received	(\$ 7,668)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	<u>1,422</u>
Differences arising from equity transaction	(\$ <u>6,246</u>)
<u>Line items adjusted for equity transaction</u>	
Capital surplus - difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	(\$ 4,701)
Unappropriated earnings	(<u>1,545</u>)
	(\$ <u>6,246</u>)

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 June 30, 2015, December 31, 2014 and June 30, 2014, refundable deposits paid under operating lease amounted to \$110,700 thousand, \$105,404 thousand and \$106,445 thousand, respectively.

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

	June 30, 2015	December 31, 2014	June 30, 2014
Within 1 year	\$ 467,989	\$ 456,592	\$ 455,625
1 to 5 years	829,376	746,634	722,214
After 5 years	<u>122,063</u>	<u>106,258</u>	<u>60,309</u>
	<u>\$ 1,419,428</u>	<u>\$ 1,309,484</u>	<u>\$ 1,238,148</u>

The Group as Lessor

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

As of June 30, 2015, December 31, 2014 and June 30, 2014, deposits received under operating leases amounted to \$32,959 thousand, \$32,761 thousand and \$32,519 thousand, respectively.

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

	June 30, 2015	December 31, 2014	June 30, 2014
Within 1 year	\$ 132,733	\$ 128,240	\$ 124,432
1 to 5 years	<u>175,684</u>	<u>238,606</u>	<u>297,958</u>
	<u>\$ 308,417</u>	<u>\$ 366,846</u>	<u>\$ 422,390</u>

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 shareholders through the optimization of the debt and equity balance.

Key management personnel of the Group review the capital structure on a quarterly basis. Based on recommendations of the key management personnel, in order to balance the overall capital 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).

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

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

June 30, 2015

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$3,000,000</u>	<u>\$ -</u>	<u>\$3,004,959</u>	<u>\$ -</u>	<u>\$3,004,959</u>

December 31, 2014

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$3,000,000</u>	<u>\$ -</u>	<u>\$2,998,521</u>	<u>\$ -</u>	<u>\$2,998,521</u>

June 30, 2014: None.

The fair values of the financial liabilities included in the Level 2 category above have been determined in accordance with market price based on a discounted cash flow analysis, with the most significant observable inputs being the bond duration, interest rates and credit ratings, etc.

b. Fair value measurements recognized in the consolidated balance sheet

June 30, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	<u>\$ 8,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,530</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 275,269	\$ -	\$ -	\$ 275,269
Foreign listed stocks - equity investments	552,423	-	-	552,423
Mutual funds	<u>1,336</u>	<u>-</u>	<u>-</u>	<u>1,336</u>
	<u>\$ 829,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,028</u>

December 31, 2014

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

June 30, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 42,027	\$ -	\$ -	\$ 42,027
Mutual funds	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	<u>\$ 52,027</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,027</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed stocks - equity investments	\$ 268,350	\$ -	\$ -	\$ 268,350
Foreign listed stocks - equity investments	583,983	-	-	583,983
Mutual funds	<u>1,291</u>	<u>-</u>	<u>-</u>	<u>1,291</u>
	<u>\$ 853,624</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 853,624</u> (Concluded)

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

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

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

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

Categories of Financial Instruments

	June 30, 2015	December 31, 2014	June 30, 2014
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 8,530	\$ 19,180	\$ 52,027
Loans and receivables (Note 1)	4,511,702	4,491,799	4,769,915
Available-for-sale financial assets (Note 2)	1,118,741	1,134,178	1,135,678
<u>Financial liabilities</u>			
Amortized cost (Note 3)	8,680,441	7,980,941	8,149,698

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

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

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

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

Financial Risk Management Objectives and Policies

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

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

a. Market risk

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

1) Foreign currency risk

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

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

Foreign currency sensitivity analysis

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

	Six Months Ended June 30					
	2015			2014		
	RMB	JPY	USD	RMB	JPY	USD
Equity	(\$13,357)	\$2,319	\$ 838	(\$8,791)	\$1,597	\$1,311
Profit or loss	3,076	-	5,409	10,853	-	-

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:

	June 30, 2015	December 31, 2014	June 30, 2014
Fair value interest rate risk			
Financial assets	\$ 1,839,457	\$ 1,563,667	\$ 1,675,954
Financial liabilities	3,408,777	3,454,180	3,274,758
Cash flow interest rate risk			
Financial assets	276,627	594,659	-
Financial liabilities	2,035,378	1,239,786	721,198

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 \$20,354 thousand for the six months ended June 30, 2015.

b. Credit risk

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

Business related credit risk

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

Financial credit risk

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

c. Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2015, December 31, 2014 and June 30, 2014, the Group had available unutilized bank loan facilities were follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Unsecured bank overdraft facility, reviewed annually and payable at call:			
Amount used	\$ -	\$ 100,000	\$ 760,148
Amount unused	<u>4,250,000</u>	<u>1,300,000</u>	<u>400,000</u>
	<u>\$ 4,250,000</u>	<u>\$ 1,400,000</u>	<u>\$ 1,160,148</u>
Secured bank overdraft facility:			
Amount used	\$ 2,089,626	\$ 1,302,786	\$ 163,000
Amount unused	<u>7,898,374</u>	<u>11,329,414</u>	<u>4,522,000</u>
	<u>\$ 9,988,000</u>	<u>\$ 12,632,200</u>	<u>\$ 4,685,000</u>

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

	June 30, 2015	December 31, 2014	June 30, 2014
Other related parties - related parties in substance	\$ 66,608	\$ 84,760	\$ 49,510
Other related parties - the person in charge of other related parties is the president of the Company			
Other - vice president of the Company	9,693	11,092	10,711
	<u>34,404</u>	<u>35,874</u>	<u>34,682</u>
	<u>\$ 110,705</u>	<u>\$ 131,726</u>	<u>\$ 94,903</u>

Other payables to related parties were financing. Information on the financing for the six months ended June 30, 2015 and 2014 were as follows:

	<u>Six Months Ended June 30, 2015</u>				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Other related parties - related parties in substance	\$ 46,592	\$ 42,768	-	\$ -	\$ 7,656
Other - vice president of the Company	<u>31,061</u>	<u>27,849</u>	2%-3%	<u>356</u>	<u>6,545</u>
	<u>\$ 77,653</u>	<u>\$ 70,617</u>		<u>\$ 356</u>	<u>\$ 14,201</u>

(Continued)

Six Months Ended June 30, 2014

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

The financing above were unsecured.

Compensation of Key Management Personnel

The remuneration of directors and other members of key management personnel for the six months ended June 30, 2015 and 2014 included the following:

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Short-term benefits	\$ 33,702	\$ 23,037	\$ 65,633	\$ 52,961
Other long-term benefits	<u>2,517</u>	<u>1,648</u>	<u>3,911</u>	<u>3,296</u>
	<u>\$ 36,219</u>	<u>\$ 24,685</u>	<u>\$ 69,544</u>	<u>\$ 56,257</u>

Other long-term benefits included a long-term incentive plan approved by the Company's board of directors to encourage senior management to contribute further to the sustainable growth of the Company. Senior managers will be entitled to such incentive when they continue to serve for three years starting the following year after obtaining the qualification and the bonus is calculated on the basis of company's operating performance or individual performance.

Other Transactions with Related Parties

a. Rental income

	Three Months Ended June 30		Six Months Ended June 30	
	2015	2014	2015	2014
Other related parties				
The person in charge of other related parties is the president of the Company	\$ 1,198	\$ 1,239	\$ 2,416	\$ 2,476
Related parties in substance	2,037	2,372	4,569	4,748
Associates	<u>9</u>	<u>9</u>	<u>17</u>	<u>17</u>
	<u>\$ 3,244</u>	<u>\$ 3,620</u>	<u>\$ 7,002</u>	<u>\$ 7,241</u>

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

b. Other benefit

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2015	2014	2015	2014
Other related parties				
The person in charge of other related parties is the president of the Company	\$ 622	\$ 557	\$ 1,244	\$ 1,207
Related parties in substance	<u>1,799</u>	<u>1,749</u>	<u>3,518</u>	<u>3,529</u>
	<u>\$ 2,421</u>	<u>\$ 2,306</u>	<u>\$ 4,762</u>	<u>\$ 4,736</u>

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

c. Professional fee

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2015	2014	2015	2014
Other related parties				
The person in charge of other related parties is the president of the Company	\$ 27,988	\$ 25,734	\$ 55,594	\$ 56,655
Related parties in substance	<u>13,403</u>	<u>1,802</u>	<u>16,945</u>	<u>6,493</u>
	<u>\$ 41,391</u>	<u>\$ 27,536</u>	<u>\$ 72,539</u>	<u>\$ 63,148</u>

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

d. Rental expense

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	2015	2014	2015	2014
Related parties in substance	<u>\$ 2,287</u>	<u>\$ 1,942</u>	<u>\$ 4,305</u>	<u>\$ 3,853</u>

The rental rates are based on the prevailing rates in the surrounding area. Related parties pay rentals to the Group on a monthly basis.

e. Other receivables

	June 30, 2015	December 31, 2014	June 30, 2014
Other related parties			
The person in charge of other related parties is the president of the Company	\$ 1,167	\$ 1,149	\$ 1,099
Related parties in substance	<u>3,594</u>	<u>7,660</u>	<u>3,648</u>
	<u>\$ 4,761</u>	<u>\$ 8,809</u>	<u>\$ 4,747</u>

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:

	June 30, 2015	December 31, 2014	June 30, 2014
Property, plant and equipment (including investment properties)			
Land	\$ 3,290,251	\$ 3,290,251	\$ 3,290,251
Building	403,427	409,981	416,534
Other financial assets - current			
Pledged time deposits	57,608	25,602	531,826
Inventories	<u>4,175,828</u>	<u>4,268,657</u>	<u>299,770</u>
	<u>\$ 7,927,114</u>	<u>\$ 7,994,491</u>	<u>\$ 4,538,381</u>

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 in obtaining financing limit for \$348,110 thousand (RMB70,000 thousand). Refer to Note 38 Table 2 for the details.
- d. As of June 30, 2015, the Group had signed construction contracts but not yet paid for \$1,825,360 thousands.

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 sublicense other franchisees and territorial subfranchisors in China, Hong Kong and Macau. The term of this contract is for forty years from October 12, 1999 and is automatically renewed for another period of forty years to October 11, 2079 unless the two sides agree to terminate the contract in three months prior to the expiration of the contract. Thereafter, because Sinyi Limited transferred this agreement right to Ke Wei Shanghai on August 1, 2000 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 assets and liabilities, denominated in foreign currencies as of June 30, 2015, December 31, 2014 and June 30, 2014 were as follows:

June 30, 2015

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 238,427	4.973	\$ 1,185,699
JPY	1,206,098	0.2524	304,419
USD	30,270	30.86	934,133
Non-monetary items			
RMB			
JPY	32,797	4.973	163,097
USD	2,188,679	0.2524	552,423
	43	30.86	1,336
<u>Financial liabilities</u>			
Monetary items			
RMB	445,162	4.973	2,213,790
JPY	287,343	0.2524	72,525
USD	10,028	30.86	309,454

December 31, 2014

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

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
USD	10,057	31.65	318,297

(Continued)

June 30, 2014

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

The Group is mainly exposed to foreign currency risk from USD, RMB and JPY. The following information was aggregated by the functional currencies of the Group entities and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Six Months Ended June 30				
2015			2014	
Functional Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Loss
NTD	1 (NTD:NTD)	(\$ 18,238)	1 (NTD:NTD)	(\$ 12,674)
USD	31.179 (RMB:NTD)	50	30.187 (USD:NTD)	(1,923)
RMB	5.008 (RMB:NTD)	588	4.918 (RMB:NTD)	1,100
JPY	0.26 (JPY:NTD)	<u>78</u>	0.29 (JPY:NTD)	(<u>1</u>)
		(\$ <u>17,522</u>)		(\$ <u>13,498</u>)

37. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

- a. Financing provided: Table 1 (attached)
- b. Endorsements/guarantees provided to others: Table 2 (attached)
- c. Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (attached)
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the

paid-in capital: None

- 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 4 (attached)
- k. Information on investees: Table 5 (attached)

Information on investments in mainland China:

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

38. SEGMENT INFORMATION

a. Operating segments information

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

Management has determined reportable segments as follows:

Real estate brokerage segment

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

Real estate development segment

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

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the six months ended June 30, 2015 and 2014:

	Real Estate Brokerage			Real Estate Development			Elimination	Consolidated
	Taiwan	Mainland China and Others	Total	Taiwan	China	Total		
For the six months ended June 30, 2015								
Revenues from external customers	\$ 3,453,937	\$ 507,581	\$ 3,961,518	\$ 40,060	\$ 25,242	\$ 65,302	\$ -	\$ 4,026,820
Inter-segment revenues	34,613	-	34,613	7,155	-	7,155	(41,768)	-
Segment revenues	<u>\$ 3,488,550</u>	<u>\$ 507,581</u>	<u>\$ 3,996,131</u>	<u>\$ 47,215</u>	<u>\$ 25,242</u>	<u>\$ 72,457</u>	<u>(\$ 41,768)</u>	4,026,820
Rental income from investment property								(65,302)
Consolidated revenues								<u>\$ 3,961,518</u>
Operating profit	<u>\$ 420,147</u>	<u>\$ 5,706</u>	<u>\$ 425,853</u>	<u>\$ 16,362</u>	<u>(\$ 41,875)</u>	<u>(\$ 25,513)</u>	<u>\$ 18,961</u>	\$ 419,301
Operating income from investment property								(45,000)
Operating income								<u>\$ 374,301</u>
Segment assets	<u>\$ 7,078,422</u>	<u>\$ 1,531,874</u>	<u>\$ 8,610,296</u>	<u>\$ 3,049,362</u>	<u>\$ 6,776,622</u>	<u>\$ 9,825,984</u>	<u>(\$ 104,239)</u>	\$ 18,332,041
Investments accounted for by the equity method and goodwill								18,801
Total assets								<u>\$ 18,350,842</u>
For the six months ended June 30, 2014								
Revenues from external customers	\$ 4,347,905	\$ 310,103	\$ 4,658,008	\$ 39,612	\$ 23,607	\$ 63,219	\$ -	\$ 4,721,227
Inter-segment revenues	13,761	-	13,761	6,439	-	6,439	(20,200)	-
Segment revenues	<u>\$ 4,361,666</u>	<u>\$ 310,103</u>	<u>\$ 4,671,769</u>	<u>\$ 46,051</u>	<u>\$ 23,607</u>	<u>\$ 69,658</u>	<u>(\$ 20,200)</u>	4,721,227
Rental income from investment property								(63,219)
Consolidated revenues								<u>\$ 4,658,008</u>
Operating profit (loss)	<u>\$ 727,499</u>	<u>(\$ 121,252)</u>	<u>\$ 606,247</u>	<u>\$ 18,621</u>	<u>\$ 12,100</u>	<u>\$ 30,721</u>	<u>\$ 13,253</u>	\$ 650,221
Operating income from investment property								(43,478)
Operating income								<u>\$ 606,743</u>
Segment assets	<u>\$ 7,106,963</u>	<u>\$ 2,450,041</u>	<u>\$ 9,557,004</u>	<u>\$ 3,014,859</u>	<u>\$ 5,211,907</u>	<u>\$ 8,226,766</u>	<u>(\$ 544,651)</u>	\$ 17,239,119
Investments accounted for by the equity method and goodwill								21,219
Total assets								<u>\$ 17,260,338</u>

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 June 30, 2015, there is no revenue generated from residences and buildings development business.

c. Geographic information

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

d. Major customers

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

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
SIX MONTHS ENDED JUNE 30, 2015
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
													Item	Value		
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	\$ 5,044 (RMB 1,000 thousand)	\$ 4,973 (RMB 1,000 thousand)	\$ -	3.896%	Short-term financing	\$ -	Needs for operation	\$ -	-	\$ -	\$ 447,941 (Note 1)	\$ 895,882 (Note 1)
1	Sinyi Development Inc.	Shin Hau Real Estate Co., Ltd.	Other receivables	No	179,000	179,000	179,000	10.000%	Business activity	201,000	-	-	Land	290,235	201,000 (Note 2)	261,300 (Note 3)
2	Suzhou Sinyi Real Estate Inc.	Shanghai Sinyi Real Estate Inc.	Other receivables	Yes	37,830 (RMB 7,500 thousand)	19,892 (RMB 4,000 thousand)	9,946 (RMB 2,000 thousand)	4.000%	Short-term financing	-	Participation in the capital increase of strategic investment plan	-	-	-	618,258 (Note 4)	1,236,516 (Note 4)
		Sinyi Real Estate (Shanghai) Limited	"	Yes	50,440 (RMB 10,000 thousand)	19,892 (RMB 4,000 thousand)	14,919 (RMB 3,000 thousand)	5.000%	"	-	Needs for operation	-	-	-	618,258 (Note 4)	1,236,516 (Note 4)

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 total amount for lending to Sinyi Development Inc. for business activity should not exceed the amount of transaction during the latest year.

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

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

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER
SIX MONTHS ENDED JUNE 30, 2015
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor (Note 2)	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of Parent	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Suzhou Sinyi Real Estate Inc.	Indirect subsidiary	\$ 7,167,058 (Note 1)	\$ 45,396 (RMB 9,000 thousand)	\$ -	\$ -	\$ -	-	\$ 8,958,822	Y	N	Y	
		Shanghai Sinyi Real Estate Inc.	"	7,167,058 (Note 1)	353,080 (RMB 70,000 thousand)	348,110 (RMB 70,000 thousand)	37,298 (RMB 7,500 thousand)-	50,122 (RMB 10,079 thousand)	3.89	8,958,822	Y	N	Y	

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

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

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2015

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

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2015				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	<u>Listed stock</u> E.SUN Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	13,362,580	\$ 275,269	-	\$ 275,269	
	<u>Stock</u> 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 Security Service Co., Ltd.	-	"	3,100,000	62,000	10	62,000	
Sinyi Limited	<u>Stock</u> Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	552,423	-	552,423	
	<u>Monetary market fund</u> SBGH U.S. Dollar Reserve Fund CL A Dist Units	-	"	43,287	1,336	-	1,336	
Shanghai Sinyi Real Estate Inc.	<u>Stock</u> Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	30,000,000	158,122	2	158,122	
	Cura Commercial Management Co., Ltd.	-	"	-	4,975	11	4,975	
Sinyi Development Inc.	<u>Stock</u> CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	8,530	-	8,530	
	<u>Principal guaranteed financial product</u> Bubu Shengking No. 8688	-	Other financial assets - current	1,000,000	4,973	-	4,973	
Shanghai Shang Tuo Investment Management Consulting Inc.	Bubu Shengking No. 8688	-	"	550,000	2,735	-	2,735	
Suzhou Sinyi Real Estate Inc.	Bubu Shengking No. 8688	-	"	3,000,000	14,919	-	14,919	

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTION
SIX MONTHS ENDED JUNE 30, 2015

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

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%)
	<u>Six months ended June 30, 2015</u>						
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd. Jui-Inn Consultants Co., Ltd.) An-Sin Real Estate Management Ltd. Sinyi Realty Inc. Japan	1 1 1 1	Professional fee Professional fee Other income Other income	\$ 9,312 4,160 4,354 15,377	Fixed charges by guarantee piece work By the piece work 30 days after regular settlement Quarterly	- - - -
2	Shanghai Sinyi Real Estate Inc.	Inane International Limited Suzhou Sinyi Real Estate Inc.	3 3	Other payables Other payables	9,938 9,946	- Interest rate 4%	- -
3	Suzhou Sinyi Real Estate Inc.	Sinyi Real Estate (Shanghai) Limited	3	Other receivables	14,919	Financing for operation, interest rate 5%	3

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

- "0" for Sinyi Realty Inc.
- Subsidiaries are numbered from "1".

Note 2: Flows of transactions are categorized as follows:

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

Note 3: Percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of June 30, 2015 and 2014. Percentage to consolidated total revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenues for the six months ended June 30, 2015 and 2014.

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

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
SIX MONTHS ENDED JUNE 30, 2015
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2015			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	\$ 4,027,369	\$ 3,996,349	136,098,038	100	\$ 4,177,704 (Note 1)	(\$ 11,761)	(\$ 11,761)	Note 2
	Sinyi Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	2,448,306	2,440,236	76,001,135	100	1,823,845 (Note 1)	(23,329)	(23,329)	Note 2
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Construction	535,005	535,005	53,500,000	100	512,615 (Note 1)	(9,984)	(9,984)	
	Sinyi Global Asset Management Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	10,000	10,000	2,000,000	100	44,198 (Note 1)	12,838	12,838	
	Heng-Yi Real Estate Consulting	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories; Real estate brokerage	20,000	20,000	2,000,000	100	16,774 (Note 1)	38	38	
	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	4,818 (Note 1)	204	204	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	1,883 (Note 1)	222	220	
	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	121,850 (Note 1)	29,053	14,817	(Note 1)
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	9,180	(24)	(4)	
Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	30,000	30,000	3,000,000	100	18,107 (Note 1)	(2,340)	(6,188)	(Note 1)	
Sinyi Limited	Inane International Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,790,590	1,782,520	56,629,268	100	1,143,939 (Note 1)	(14,217)	(14,217)	Note 2
	Ke Wei HK Realty Limited	Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	95,129	95,129	2,700,000	95	34,729 (Note 1)	(7,742)	(7,670)	(Note 1)
Sinyi International Limited	Forever Success International Limited	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius	Investment holding	68,741	68,741	2,216,239	100	43,394 (Note 1)	(944)	(944)	
	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	196,494 (Note 1)	45,737	45,737	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Asia Samoa	Investment holding	3,899,767	3,868,747	131,966,210	100	3,908,118 (Note 1)	(56,969)	(56,969)	Note 2
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Asia Samoa	Investment holding	-	-	1	100	- (Note 1)	-	-	(Note 1)
Inane International Limited	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	399,792	399,792	12,454,780	100	399,177 (Note 1)	11,574	11,574	(Note 3)
An-Sin Real Estate Management Ltd.	An-Shin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	100,000	100,000	10,000,000	100	120,399 (Note 1)	20,195	20,195	(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 and rental management	10,746	10,746	600	100	16,377 (Note 1)	2,940	2,940	(Note 1)
	Tokyo Sinyi Real Estate Co., Ltd. (under registration)	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	5,000	-	-	100	5,000 (Note 1)	-	-	Note 2
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	131,000,306	100	3,895,281 (Note 1)	(53,264)	(53,264)	(Note 1)
Sinyi estate Ltd.	Sinyi Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	-	-	1	100	- (Note 1)	-	-	(Note 1)
Sinyi Development Inc.	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	500	50,000	100	376 (Note 1)	(58)	(58)	(Note 1)
	Sinyi Real Estate Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	500	50,000	100	375 (Note 1)	(58)	(58)	(Note 1)

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

Note 1: As of June 30, 2015, it has not been registered as a capital stock; therefore, it is recorded under "prepayment for long-term investment".

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
SIX MONTHS ENDED JUNE 30, 2015
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of June 30, 2015 (Note 2)	Accumulated Inward Remittance of Earnings as of June 30, 2015
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 9,851	Investment in company located in Mainland China indirectly through Ke Wei HK Realty Limited	\$ 81,859	\$ -	\$ -	\$ 81,859	(\$ 8,384)	99	(\$ 8,384) (Note 6)	(\$ 14,297) (Note 6)	\$ -
Shanghai Sinyi Real Estate Inc. (Note 3)	Real estate brokerage	RMB 260,082	Investment in company located in Mainland China indirectly through Inane International Limited	1,140,018	-	-	1,140,018	(15,437)	100	(15,437) (Note 6)	713,711 (Note 6)	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 34,747	"	149,955	-	-	149,955	(7,830)	100	(7,830) (Note 6)	(3,835) (Note 6)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 4)	Real estate brokerage	RMB 4,138	"	17,095	-	-	17,095	(187)	100	(187) (Note 6)	(3,350) (Note 6)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	"	355,249	-	-	355,249	10,131	100	10,131 (Note 6)	412,599 (Note 6)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB1,636,300	"	-	-	-	-	-	2	-	158,122	-
Cura Commercial Management Co., Ltd. (Note 4)	Real estate fund investment management	RMB 8,998	"	-	-	-	-	-	11	-	4,975	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 20,200	"	44,543	-	-	44,543	2,686	100	2,686 (Note 6)	(6,763) (Note 6)	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	Investment in company located in Mainland China indirectly through Forever Success International Ltd.	27,432	-	-	27,432	(1,274)	100	(1,274) (Note 6)	2,849 (Note 6)	-
Chengdu Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 13,000	Investment in company located in Mainland China indirectly through Inane International Limited	62,005	-	-	62,005	(1,772)	100	(1,772) (Note 6)	22,182 (Note 6)	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 8,000	"	29,225	8,070	-	37,295	(617)	100	(617) (Note 6)	402 (Note 6)	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	Investment in company located in Mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,868,747	-	-	3,868,747	(53,264)	100	(53,264) (Note 6)	\$ 3,894,745 (Note 6)	-
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, hard ware, general merchandise, building materials	RMB 8,000	Investment in company located in Mainland China indirectly through Forever Success International Ltd.	40,465	-	-	40,465	330	100	330 (Note 6)	39,912 (Note 6)	-

Kunshan Dingxian Trading Co., Ltd.	wholesale Construction materials, furniture, sanitary ware and ceramic products wholesale	RMB 6,000	Investment in company located in Mainland China indirectly through Sinyi Development Ltd.	-	31,020	-	31,020	(25)	100	(25) (Note 6)	29,813 (Note 6)	-
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Accumulated Outflow for Investment in Mainland China as of June 30, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 6)
\$5,855,683	\$10,306,125	\$ -

(Continued)

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

Note 2: Carrying value was converted into New Taiwan dollars based on the exchange rate of US\$1=NT\$3.86 and US\$1=RMB6.2055 at June 30, 2015.

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

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

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

Note 6: Those subsidiaries included in the consolidated entities have been eliminated.