

Lungyen Life Service Corp. and Subsidiaries
(Formerly Known as Dahan Development Corp. and Subsidiaries)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2011

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Lungyen Life Service Corp. and Subsidiaries
(Formerly Known as Dahan Development Corp. and Subsidiaries)

Consolidated Balance Sheets

For The Nine Months Ended September 30, 2010 and 2011
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)
(Not Reviewed)

	9.30.2011		9.30.2010			9.30.2011		9.30.2010	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets									
Current assets:									
1100 Cash and cash equivalents (Note 4(1))	\$ 416,453	1	\$ 981,924	3	2100 Short-term loan (Note 4(12))	\$ 2,440,000	7	\$ -	-
1120 Receivable notes and accounts, net (Note 5)	33,274	-	31,616	-	2120 Payable notes and accounts	246,738	1	221,775	1
1310 Financial assets at fair value through profit or loss - current (Notes 4(2) and (6))	802,820	2	1,221,326	4	2130 Payable accounts - related parties (Note 5)	81,691	-	3,786	-
1190 Other financial assets - current (Note 6)	1,191,681	3	214,663	1	2160 Payable income tax (Note 4(15))	247,522	1	415,870	1
1221 Building and land held for sale (Note 4(3))	18,602	-	50,427	-	2170 Payable expenses	167,323	-	165,046	1
1222 Columbarium and Cemetery for sale (Note 4(3))	1,781,961	5	1,732,426	6	2170 Other payables (Note 5)	145,066	-	-	-
1223 Construction land (Notes 4(4) and (6))	1,093,941	3	3,007,654	10	2262 Advance receipts for real estate (Note 4(13) and 7)	19,669	-	12,321	-
1224 Construction in process (Notes 4(5), 6 and 7)	6,721,241	18	5,145,125	16	2263 Advance receipts (Notes 4(14) and 5)	26,437,316	72	25,450,182	81
1225 Land prepayment (Notes 4(6) and 7)	506,089	2	389,184	1	2280 Other current liabilities	71,741	-	141,535	-
1240 Balance after construction in process less Advance receipts for construction	1,481	-	25,969	-		<u>29,785,191</u>	<u>81</u>	<u>26,410,515</u>	<u>84</u>
1285 Deferred marketing expenses (Note 4(7))	8,983,851	24	8,953,575	28	2446 Long-term liabilities with interest:				
1291 Restricted (Note 6)	195,921	1	184,976	1	Payable lease - non-current	-	-	3,200	-
1298 Other current assets	162,816	1	278,601	2					
	<u>21,910,151</u>	<u>60</u>	<u>22,217,466</u>	<u>72</u>	2810 Other liabilities:				
Fund and long-term investment:					Pension reserve/accrued pension liabilities	18,827	-	19,718	-
1421 Long-term equity investment under the equity method (Note 4(8))	509,453	1	411,777	2	2820 Deposit received	42,564	-	33,131	-
1480 Financial assets carried at cost - non-current (Note 4(2))	71,471	-	65,471	-	2888 Consolidated credit	3,019	-	2,983	-
1440 Other financial assets - non-current (Note 7)	59,341	-	74,412	-		<u>64,410</u>	<u>-</u>	<u>55,832</u>	<u>-</u>
	<u>640,265</u>	<u>1</u>	<u>551,660</u>	<u>2</u>	Total liabilities	<u>29,849,601</u>	<u>81</u>	<u>26,469,547</u>	<u>84</u>
Property, plant and equipment (Notes 4(9), 6 and 7)									
1501 Land	2,671,631	8	2,000,879	6	3110 Shareholders' equity:				
1521 House and building	717,695	2	882,266	3	Capital stock - common stock (Note 4(16))	3,990,841	11	3,821,593	12
1551 Transportation equipment	43,870	-	37,181	-	32XX Capital surplus (Notes 4(8) and (17))	1,451,901	4	826,803	3
1552 Other equipments	31,647	-	27,654	-	3310 Legal reserve (Note 4(18))	77,142	-	60,106	-
1561 Office equipments	92,005	-	94,239	-	3320 Special reserve (Note 4(18))	-	-	-	-
1611 Leased assets	30,035	-	30,035	-	3351 Accumulated earnings (Note 4(18))	1,361,047	4	(271,671)	(1)
1621 Assets rented to others	8,045,264	22	3,955,997	13	3420 Accumulated translation adjustment (Note 4(8))	(13,205)	-	(7,010)	-
1631 Leasehold improvement	821	-	466	-	Parent company's shareholders' equity - subtotal	6,893,731	19	4,429,821	14
1671 Unfinished construction	1,026,224	3	119,572	-	3610 Minority interest	3,514	-	619,128	2
1672 Advance receipts for real estate and equipment	35,763	-	647,885	2	Total shareholders' equity	<u>6,897,250</u>	<u>19</u>	<u>5,048,949</u>	<u>16</u>
	<u>12,694,960</u>	<u>35</u>	<u>7,796,174</u>	<u>24</u>					
15X9 Less: accumulated depreciation	614,956	2	514,011	2					
1599 Less: accumulated impairment	7,400	-	102,647	-					
	<u>12,072,604</u>	<u>33</u>	<u>7,179,516</u>	<u>22</u>					
Intangible assets:									
1760 Goodwill (Note 4(10))	752,360	2	456,757	1					
1770 Deferred pension cost	-	-	1,495	-					
	<u>752,360</u>	<u>2</u>	<u>458,252</u>	<u>1</u>					
Other assets:									
1860 Deferred income tax assets - non-current	537,873	2	421,740	1					
1880 Deferred expenses	46,981	-	-	-					
1888 Other assets - others (Notes 4(11) and (6))	786,617	2	689,862	2					
	<u>1,371,471</u>	<u>4</u>	<u>1,111,602</u>	<u>3</u>					
Total assets	<u>\$ 36,746,851</u>	<u>100</u>	<u>\$ 31,518,496</u>	<u>100</u>	5610 Significant commitments or contingencies (Note 7)				
					Total liabilities and shareholders' equity	<u>\$ 36,746,851</u>	<u>100</u>	<u>\$ 31,518,496</u>	<u>100</u>

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

Chairman: Lee Shih-Tsung

General Manager: Liu Wei-Long

Chief Accountant: Jan Shu-Chuan

Lungyen Life Service Corp. and Subsidiaries
(Formerly Known as Dahan Development Corp. and Subsidiaries)

Consolidated Income Statements

For The Nine Months Ended September 30, 2010 and 2011

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)
(Not Reviewed)

		For The Nine Months Ended September 30,			
		2011		2010	
		Amount	\$	Amount	\$
4000	Operating revenue (Note 5):				
4511	Construction revenue	\$ 442,224	14	\$ 288,884	13
4310	Leasehold revenue	120,300	4	97,338	4
4700	Columbarium and Cemetery revenue	1,711,097	54	1,223,171	53
4710	Funeral service revenue	855,383	27	669,041	29
4881	Other operating revenue	41,713	1	32,236	1
		<u>3,170,717</u>	<u>100</u>	<u>2,310,670</u>	<u>100</u>
5000	Operating cost (Note 5):				
5510	Construction cost	189,786	6	259,003	11
5310	Leasehold cost	66,788	2	45,434	2
5690	Columbarium and Cemetery cost	190,537	6	196,756	9
5691	Funeral service cost	553,081	17	428,727	19
5800	Other operating costs	34,731	1	21,332	1
		<u>1,034,923</u>	<u>32</u>	<u>951,252</u>	<u>42</u>
5910	Gross profit	<u>2,135,794</u>	<u>68</u>	<u>1,359,418</u>	<u>58</u>
6000	Operating expenses:				
6100	Selling expenses	615,841	19	537,745	-
6200	General and administrative expenses (Note 5)	256,8	8	165,129	30
		<u>872,658</u>	<u>27</u>	<u>702,874</u>	<u>30</u>
6900	Operating income (loss)	<u>1,263,136</u>	<u>41</u>	<u>656,544</u>	<u>28</u>
7100	Non-operating revenue and gain:				
7110	Interest revenue	1,750	-	4,344	-
7121	Income from investment under the equity method (Note 4(8))	13,089	-	14,519	1
7122	Stock dividend revenue	29,728	1	19,318	1
7130	Gain from disposal of Property, plant and equipment	-	-	695	-
7140	Gain from disposal of investment	2,870	-	5	-
7170	Revenue from counter-party default (Note 7)	126,45	4	44,287	2
7310	Gain on valuation of financial assets (Note 4(2))	6,918	-	58,888	3
7480	Miscellaneous revenues (Note 5):	11,033	-	220,660	10
		<u>193,838</u>	<u>5</u>	<u>362,716</u>	<u>17</u>
7500	Non-operating expenses and losses:				
7510	Interest expenses (Note 4(5))	8,529	-	1,253	-
7530	Loss from disposal of Property, plant and equipment	18,680	1	-	-
7560	Exchange loss	2,400	-	1,332	-
7630	Impairment loss	7,400	-	292	-
7880	Miscellaneous expenses	40,171	2	249	-
7570		<u>77,180</u>	<u>3</u>	<u>3,126</u>	<u>-</u>
7900	Continuing operating income before tax	1,379,794	43	1,016,134	45
8110	Income tax expense	88,632	3	53,412	2
	Consolidated total income	<u>\$ 1,291,162</u>	<u>40</u>	<u>\$ 962,722</u>	<u>43</u>
	Attributed to:				
9601	Consolidated net income	\$ 1,291,403	40	\$ 718,064	32
9602	Operating income (loss) on minority interest	(241)	-	244,658	11
		<u>\$ 1,291,162</u>	<u>40</u>	<u>\$ 962,722</u>	<u>43</u>
		Before Tax	After Tax	Before Tax	After Tax
9750	Basic earnings per share (NTD) (Note 4(19))	\$ 3.46	3.25	\$ 1.92	1.92
9850	Diluted earnings per share (NTD) (Note 4(19))	\$ 3.64	3.25	\$ 1.92	1.92

(Please refer to the accompanying notes for details)

Chairman: Lee Shih-Tsung

General Manager: Liu
Wei-Long

Chief Accountant: Jan
Shu-Chuan

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Lungyen Life Service Corp. and Subsidiaries
(Formerly Known as Dahan Development Corp. and Subsidiaries)

Consolidated Statements of Cash Flows

For The Nine Months Ended September 30, 2010 and 2011

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except of Earnings Per Share)
(Not Reviewed)

	For The Nine Months Ended September 30,	
	2011	2010
Cash flows from operating activities:		
Consolidated net income	\$ 1,291,162	\$ 962,722
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expenses	74,649	72,811
Allowance for doubtful accounts	16,774	-
Gain from price recovery of inventory	(11,300)	-
Gain from investment under equity method	(13,089)	(14,519)
Loss (gain) from disposal of Property, plant and equipment	18,680	(695)
Gain on valuation of financial assets	(6,918)	(58,888)
Loss on impairment of Property, plant and equipment	7,400	-
Estimated reversal of income tax	-	(227,387)
Net changes in operating assets and liabilities:		
Net changes in operating assets:		
Decrease in financial assets held for trading	552,209	250,564
Decrease (increase) in receivable notes and accounts related parties	(19,035)	67,982
Decrease (increase) in inventory	(57,498)	722,961
Decrease in other current assets	115,060	13,871
Increase in other financial assets	(937,763)	(4,893)
Increase in deferred marketing expenses	(3,570)	113,797
Increase in deferred income tax assets	(48,099)	-
Decrease (increase) in other operating assets	-	97,459
Net changes in operating liabilities:		
Increase (decrease) in payable notes and accounts related parties	14,829	(101,070)
Decrease in payable income tax	(213,905)	-
Increase in other payables	4,381	-
Increase (decrease) in payable expenses	11,433	31,900
Increase in advance receipts	527,936	1,006,795
Increase (decrease) in advance receipts for rates	19,669	-
Increase in other current liabilities	53,669	70,606
Net cash provided by operating activities	1,396,674	2,138,025

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

Chairman: Lee Shih-Tsung General Manager: Liu Wei-Long

Chief Accountant: Jan Shu-Chuan

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Cash flows from investing activities:		
Long-term equity investment under equity method	0,000	-
Purchase of Property, plant and equipment and other assets	(3,829,125)	(734,586)
Proceeds from disposal of Property, plant and equipment	40,223	10,308
Increase in restricted assets	(10,946)	(138,148)
Decrease (increase) in other financial assets	221,3	(6,593)
Increase in deferred expenses	(1,803)	-
Increase in consolidated credit	38	-
Increase in other assets	(148,327)	-
Net cash used by investing activities:	(3,968,618)	(869,019)
Cash flows from financing activities:		
Increase (decrease) in short-term loan	2,440,000	(744,500)
Increase in deposit received	11,264	904
Decrease in payable lease	(800)	(7,200)
Allocation of cash dividend	(598,626)	-
Net cash provided by financing activities	1,851,838	(750,796)
Effect of net changes in consolidated entities	-	306,060
Net increase (decrease) in cash and cash equivalents	(720,106)	824,270
Cash and cash equivalents, beginning of the period	1,136,559	157,654
Cash and cash equivalents, ending of the period	<u>\$ 416,453</u>	<u>\$ 981,924</u>
Supplemental disclosures of cash flow information:		
Interest paid this period	\$ 8,518	\$ 2,180
Less: Capitalized interest	-	(186)
Excluding the interest paid this period for capitalized interest	<u>\$ 8,518</u>	<u>\$ 1,994</u>
Income tax paid	<u>\$ 353,669</u>	<u>\$ 371,144</u>
Investing and financing activities not affecting cash flows:		
Payable lease – current portion	<u>\$ -</u>	<u>\$ 9,600</u>
Property, plant and equipment translated into inventory	<u>\$ 422,948</u>	<u>\$ 2,160,863</u>
Inventory translated into Property, plant and equipment	<u>\$ 848,789</u>	<u>\$ -</u>
Long-term equity investment acquired by issuance of shares	<u>\$ 1,561,321</u>	<u>\$ -</u>

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

Chairman: Lee Shih-Tsung General Manager: Liu Wei-Long

Chief Accountant: Jan Shu-Chuan

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Lungyen Life Service Corp. and Subsidiaries
(Formerly Known as Dahan Development Corp. and Subsidiaries)

Notes to Consolidated Financial Statements
For The Nine Months Ended September 30, 2010 and 2011

(All Amounts Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)
(Not Reviewed)

1. Organization and Business: The disclosure of company profile may be exempted in accordance with the Interpretation under Ching-Kuan-Cheng-6-Tze No. 0960064020.
2. Summary of significant accounting policies

Per the Interpretation under Ching-Kuan-Cheng-6-Tze 0960064020 issued by Financial Supervisory Commission, Executive Yuan on November 15, 2007, the Company and its subsidiaries were permitted to simplify the disclosures of notes to the consolidated quarterly financial statements as prepared by them. Therefore the simplified disclosures of notes thereto were not prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the R.O.C. The Company and its subsidiaries have prepared the consolidated financial statements for the year ended on June 30, 2011. An independent auditor audited the financial statements and expressed a modified opinion on such financial statements on July 28, 2011. In order to better understand the Company's financial condition, operating result and cash flows, it is necessary to have the consolidated quarterly financial statements and said audited consolidated financial statements audited altogether.

Additionally, the Company's consolidated financial statements were prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the R.O.C. The important accounting policies and estimation basis are summarized as following:

(1) Basis for preparation of consolidated quarterly financial statements

A. Subjects included in the consolidated financial statements:

The subjects include the Company, and the subsidiaries controlled by the Company. The investees' income and gain or loss were included to the consolidated financial statements as of the dates when the investees were controlled by the Company in the same year.

B. The subsidiaries included into the consolidated financial statements on September 30, 2010 and 2011 are stated as following:

Investor	Subsidiary	Date of Incorporation	Descriptions	Business Activities	Consolidated % of Ownership	
					9.30.2011	9.30.2010
The Company	Ching Huang Construction Co., Ltd.	September 1987	A subsidiary in which the Company holds more than 50% the issued shares with voting right	Construction and civil engineering	98.20%	92.55%

Notes to Consolidated Financial Statements of Lungyen Life Service Corp.(Cont'd)

			directly			
The Company	Yuji Development Corp.	April 2006	A subsidiary in which the Company holds more than 50% of the issued shares with voting right directly	Development and lease of residential areas and buildings, et al.	100.00%	100.00%
The Company	Dahan Property Management Co., Ltd.	July 2007	A subsidiary in which the Company holds more than 50% of the issued shares with voting right directly (Note 1)	Development and lease of residential areas and buildings, et al.	80.00%	80.00%
The Company	Lungyen Life Service Corp.	May 1992	Extinguished upon consolidation with the Company on February 2011	Funeral service, development and lease of interment premises	-	75.00%
The Company	Sea Dragon Traders Ltd. (BVI)	May 1995	An investee in which the Company and its subsidiary hold more than 50% of the issued shares with voting right directly (Note 2)	Investment	100.00%	100.00%

Note 1: Lung Yen Life Service Co., Ltd. initially held 40% of the shares directly. However, after Lungyen Life Service Corp. was extinguished upon consolidation with the Company on February 1, 2011, said shares are now held by the Company directly.

Note 2: Lungyen Life Service Corp. initially held the shares directly. However, after Lungyen Life Service Corp. was extinguished upon consolidation with the Company on February 1, 2011, said shares are now held by the Company directly.

When preparing the consolidated financial statements, the Company has written off the investment in subsidiaries and shareholders' equity of subsidiaries, and the credit and debit as well (e.g. construction in process, advance receipts for construction, and receivable accounts and payable accounts). Meanwhile, the unrealized internal incomes from the projects contracted by any subsidiary from the Company or the other subsidiaries were written off under the method adopted by the Company to recognize income.

C. Increase/decrease in shares of subsidiaries this year

On February 5, 2010, the Company increased capital \$749,243 thousand by issuing new shares to swap the common stock totaling 6,698 thousand shares from Lungyen Life Service Corp. The percentage of ownership became 75%. Meanwhile, upon resolution of the temporary shareholders' meeting on October 12, 2010, Lungyen Life Service Corp. should be consolidated pursuant to Merger and Acquisition Act and other related laws. In order to deal with the consolidation, the Company increased the capital by issuing new shares totaling 16,925 thousand shares to swap 22,899 thousand shares from Lungyen Life Service Corp. The consolidation was approved by the Financial Supervisory Commission of Executive Yuan in its approval letter under Ching-Kuan-Chen-Fa-Tze No. 1000001274 dated January 26, 2011. On the same day, the Board of Directors of the Company also approved that the base date of consolidation should be February 1, 2011. The Company was held as the surviving company upon the consolidation and renamed into Lungyen Life Service Corp.

For the nine months ended September 30, 2011, the Company's subsidiary, Chin

Notes to Consolidated Financial Statements of Lungyen Life Service Corp.(Cont'd)

Huang Construction Co., Ltd., increased capital cash by \$155,000 thousand and issued new shares at par value. Since the Company subscribed for the new shares at the price of \$154,748 thousand based on the price other than the original ownership percentage, the Company's ownership percentage increased from 92.55% to 98.20%.

D. The information about subsidiaries excluded from consolidated financial statements for this period:

Investor	Subsidiary	Consolidated % of Ownership 3.31.2011	Cause of Exclusion
The Company	Beauty Kadan Co., Ltd.	50.00%	Note

Note: The Company accounted for less than a majority of the voting rights vested in that company's board of directors. That company's ultimate parent company is a Japan-based company.

Note 2: Lungyen Life Service Corp. initially held shares directly. However, after Lungyen Life Service Corp. was extinguished upon consolidation with the Company on February 1, 2011, said shares are now held by the Company directly.

- E. Difference in FY of subsidiaries and holding company: None
- F. Difference in accounting policies of subsidiaries and holding company: None
- G. Special risk in operation of overseas subsidiaries: None
- H. Allocation of earnings of various companies recorded under laws or contract: None
- I. Contents of securities issued by parent company and subsidiaries: None
- J. Information about convertible corporate bond and shares issued by subsidiaries: None

3. Effects of changes in accounting principles

As of January 1, 2011, the Company has adopted Statement of Financial Accounting Standards No. 41 "Disclosure of Information by Operating Department". According to the Statement, the enterprise shall disclose information helpful for users of the financial statement to evaluate the business activities conducted by the enterprise and the nature of economic environment under which the enterprise operates financial effect thereof. The Company decides and expresses the operation department based on the information provided to the decision policy maker internally. The Statement also repeats the Statement of Financial Accounting Standards No. 20 "Disclosure of financial information by department". Notwithstanding, said changes in the accounting principles would not produce any effect on the income in the quarterly financial statements for the first three quarters of 2011.

As of January 1, 2011, the Company has also adopted amendments to the Statement of Financial Accounting Standards No. 34 "Accounting Principles for Financial Instruments". According to the Statement, the loan stated initial and receivable accounts shall apply the recognition, subsequent evaluation and impairment with respect to the loans and receivable

Notes to Consolidated Financial Statements of Luye Life Service Corp.(Cont'd)

accounts under the Statements. Notwithstanding, changes in the accounting principles would not produce any effect on the income in the quarterly financial statements for the first three quarters of 2011.

4. Significant account disclosures

(1) Cash and cash equivalents

	<u>9.30.2011</u>	<u>9.30.2010</u>
Petty cash	\$ 2,158	\$ 4,247
Bank deposit		
Checking deposit	98	24,610
Demand deposit	412,197	731,067
Time deposit	<u>2,000</u>	<u>222,000</u>
Subtotal	<u>414,295</u>	<u>977,677</u>
Total	<u>\$ 416,453</u>	<u>\$ 981,924</u>

(2) Financial instruments

The financial assets held by the Company and subsidiaries on September 30, 2011 and 2010 are specified as following:

	<u>9.30.2011</u>	<u>9.30.2010</u>
Financial assets at fair value through profit or loss - current		
Financial assets held for trading		
Listed (OTC) stock	\$ 535,852	\$ 649,543
Beneficiary certificate	<u>266,968</u>	<u>571,783</u>
Total	<u>\$ 802,820</u>	<u>\$ 1,221,326</u>
Financial assets carried at cost – non-current		
Investment in stock—PK Venture Capital Corp.	\$ 54,255	\$ 54,255
Investment in stock –FORTUNE IC FUND I	11,216	11,216
Investment in stock - J-Garden Corp.	<u>6,000</u>	<u>-</u>
Total	<u>\$ 71,471</u>	<u>\$ 65,471</u>

- A. The Company and subsidiaries valued said financial assets in accordance with the Statement of Financial Accounting Standards No. 32 in the first three quarters of 2011 and 2010, and recognized the gains on valuation of \$9,150 thousand and \$58,888 thousand, respectively.
- B. The financial assets carried at cost – non-current were stated at cost, as there was no quoted price in active market and with fair value available.
- C. Please refer to Note 6 for the details about circumstances secured by said financial assets on September 30, 2010 and 2011.

Notes to Consolidated Financial Statements of Luyang Life Service Corp.(Cont'd)

(3) Building and land held for sale

A. Building and land held for sale

Project	9.30.2011				9.30.2010			
	Land held for sale	Building held for sale	Realized gain	Total	Land held for sale	Building held for sale	Realized gain	Total
Summer Palace	\$ 2,154	\$ 3,92	-	\$ 6,075	\$ 4,61	\$ 8,403	-	\$ 13,018
Green Castle Dazhi	4,482	3,073	-	7,555	8,932	7,553	-	16,485
Beitou Dahan	-	-	-	-	4,527	5,685	-	10,212
Muzha Museum Collection	3,326	3,487	-	6,813	15,590	16,355	467	32,412
Min Chi Section, Sanchung	16,359	-	-	16,359	-	-	-	-
Subtotal	\$ 26,321	\$ 10,48	\$ -	36,802	\$ 33,664	\$ 38,996	467	72,127
Less: Allowance for loss on price decline				(18,200)				(21,700)
Net				\$ 18,602				\$ 50,427

B. Columbarium and Cemetery for sale

Project	9.30.2011	9.30.2010
True Dragon Tower	\$ 1,090,238	\$ 1,224,318
Lung Tai Ling	245,719	245,744
Cemetery Area	399,700	211,314
Bamboo Abode	46,304	51,050
Total	\$ 1,781,961	\$ 1,732,426

C. Allowance for loss on price decline of inventory

It is the total of the allowance for loss on price decline of inventory for construction land and Building and land held for sale upon valuation adjustment at the end of the period. As a result of the sale of the Building and land held for sale for which the allowance for loss on price decline of inventory has already been provided, in the first three quarters of 2011, the net realized value increased and decrease in carrying cost, \$11,300 thousand, was recognized.

(4) Construction land

Project	9.30.2011	9.30.2010
2 nd Subsection, Li Ho Section, Hsinyi District	\$ 569,314	\$ 569,314
2 nd Subsection, Xi Hu Section, Neihu District	38,748	26,868
4 th Subsection, Jing Hua Section, Daan District	8,989	8,989
Land No. 730, 1 st Subsection, Jen Ai	239,760	239,761
Land No. 211, 2 nd Subsection, Yu Cheng Section, Nangang District	172,459	-
3 rd Subsection, Daan Section, Daan District	71,374	-

Notes to Consolidated Financial Statements of Luye Life Service Corp.(Cont'd)

1 Subsection, Chung Nan, Nangang District	-	2,160,863
Min Chi Section, Sanchung	-	16,359
Subtotal	1,100,644	3,022,154
Less: Allowance for loss on price decline	(6,700)	(14,500)
Net	\$ 1,093,944	\$ 3,007,654

On September 30, 2010 and 2011, the Company and subsidiaries furnished said construction land, in part, to secure the bank loan. For details, please refer to Note 6.

(5) Construction in process

A. Real estate in process

	Land Cost	Project Cost	Total	Mode of Investment	Projected Year of Completion
<u>9.30.2011</u>					
Heng Chou S. Road	\$ 40,873	560	41,433	Self-building on self land	TBD
Chung Nan Section, Nangang	<u>2,160,863</u>	<u>7,338</u>	<u>2,168,201</u>	Self-building on self land	2015
Total	<u>\$ 2,201,736</u>	<u>7,898</u>	<u>2,209,634</u>		
<u>9.30.2010</u>					
Tung Shi, Hsichih	\$ 580,030	234,515	815,545	Self-building on self land	2012
Heng Chou S. Road	<u>40,873</u>	<u>480</u>	<u>41,353</u>	Self-building on self land	TBD
Total	<u>\$ 621,903</u>	<u>234,995</u>	<u>856,898</u>		

- (a) In the first three quarters of 2011 and 2010, the total interest expenditures of the Company and subsidiaries were \$8,529 thousand and \$125 thousand. The capitalized interests on real estate in process were \$0 and \$186 thousand respectively. The capitalization interest rate applied in the first three quarters of 2010 was 1.34%.
- (b) On September 30, 2010 and 2011, all of said projects failed to meet the conditions applicable under the percentage of completion method.
- (c) On September 30, 2010 and 2011, the Company and subsidiaries furnished said real estate in process, in part, to secure the bank loan. For details, please refer to Note 6.
- (d) On September 30, 2011, the Company planned to upgrade the real estate in process, Tung Shih, Hsichih, as the Group's operation premises in the future in order to upgrade the utilization of asset. Therefore, the relevant book value, \$840,491 thousand, was re-stated into the Property, plant and equipment-unfinished construction in whole subject to the nature of future occupation.

Notes to Consolidated Financial Statements of Luyang Life Service Corp.(Cont'd)

B. Columbarium and Cemetery in process

<u>Project</u>	<u>9.30.2011</u>		
	<u>Land Cost</u>	<u>Project Cost</u>	<u>Total</u>
True Dragon Tower	\$ 208,813	1,976,308	2,185,121
Sanzhi Area	97,997	390,445	488,442
Cemetery Area	1,300,915	11,921	1,312,836
Hua-lien Tower	97,956	421,633	519,589
Others	-	5,618	5,618
Total	<u>\$ 1,705,681</u>	<u>2,805,925</u>	<u>4,511,606</u>

<u>Project</u>	<u>9.30.2010</u>		
	<u>Land Cost</u>	<u>Project Cost</u>	<u>Total</u>
True Dragon Tower	\$ 212,424	1,958,604	2,171,028
Sanzhi Area	97,997	89,942	187,939
Cemetery Area	1,368,415	50,051	1,418,466
Hua-lien Tower	97,956	403,237	501,193
Others	-	9,601	9,601
Total	<u>\$ 1,776,792</u>	<u>2,511,435</u>	<u>4,288,227</u>

(a) In the first three quarters of 2011 and 2010, capitalized interests on columbarium and cemetery in process were both \$0.

(b) Please refer to Note 6 for the details about the bank loan secured by said construction in process on September 30, 2010 and 2011.

(6) Land prepayment

<u>Item</u>	<u>9.30.2011</u>	<u>9.30.2010</u>
2 nd Subsection, Li Ho Section, Hsinyi District	\$ 131,886	\$ 131,886
3 rd Subsection, Hua Kung Section, Shihlin District	252,510	252,510
Land No. 212, 2 nd Subsection, Yu Cheng Section, Nangang District	97,759	-
Land No. 6, Palien Xitou Subsection, Sanchi District	19,146	-
Others	4,788	4,788
Total	<u>\$ 506,089</u>	<u>\$ 389,184</u>

(7) Deferred marketing expenses

<u>Item</u>	<u>9.30.2011</u>	<u>9.30.2010</u>
Cemetery	\$ 5,733,148	\$ 5,661,992
Contract	3,225,500	3,284,660
Warrant	25,208	6,923

Notes to Consolidated Financial Statements of Luye Life Service Corp.(Cont'd)

Total \$ 8,983,856 \$ 8,953,575

(8) Long-term equity investment under the equity method

	9.30.2011		9.30.2010	
	Book Value	% of Ownership	Book Value	% of Ownership
Beauty Kadan Co., Ltd. (the initial investment costs therein were \$20,534 thousand and \$14,250 thousand on September 30, 2010 and 2011)	\$ 20,417	50.00%	\$ 19,502	50.00%
Asia Best Healthcare Co., Ltd. (the initial investment costs therein were \$375,694 thousand and \$377,170 thousand on September 30, 2010 and 2011)	459,036	16.35%	392,275	34.00%
Ruei Da Venture Capital Co., Ltd.	30,000	47.62%	-	- %
Total	<u>\$ 509,453</u>		<u>\$ 411,777</u>	

A. In the first three quarters of 2011 and 2010, the Company recognized the investment income on the investees valued under the equity method based on the financial statements for the same period ended settled independently. The investment gain (loss), capital surplus and accumulated translation adjustment recognized in the first three quarters of 2011 and 2010 are stated as following:

	For The Nine Months Ended September 30,					
	2011			2010		
	Investment Income	Capital Surplus	Translation Adjustment	Investment Income	Capital Surplus	Translation Adjustment
Beauty Kadan Co., Ltd.	\$ (117)	-	-	\$ 6,210	-	-
Asia Best Healthcare Co., Ltd.	13,206	59,441	10,696	8,309	518	(7,929)
Ruei Da Venture Capital Co., Ltd.	-	-	-	-	-	-
Total	<u>\$ 13,089</u>	<u>59,441</u>	<u>10,696</u>	<u>\$ 14,519</u>	<u>518</u>	<u>(7,929)</u>

B. Asia Best Healthcare Co., Ltd. valued by the Company under the equity method increased capital in cash by issuing new shares in the first three quarters of 2011. Since the Company subscribed for the new shares based on the percentage other than the original ownership percentage, the net value of equity initially held by the Company increased and the capital surplus was adjusted \$59,441 thousand.

C. In the first three quarters of 2011, the Company increased the investment in Ruei Da Venture Capital Co., Ltd. by \$30,000 thousand, held 47.62% ownership. Because of the Company's significant influence over Ruei Da, it was valued under the equity method.

Notes to Consolidated Financial Statements of Luyon Life Service Corp.(Cont'd)

(9) Property, plant and equipment

<u>Item</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Accumulated Impairment</u>	<u>Net Book Value</u>
<u>9.30.2011</u>				
Land	\$ 2,671,630	-	-	2,671,636
House and building	717,690	239,334	-	478,361
Office equipments	92,000	85,416	-	6,589
Transportation equipment	43,870	34,515	-	9,355
Other equipments	31,647	18,782	-	12,865
Assets rented to others	8,045,260	209,070	7,400	7,828,786
Leased assets	30,030	27,320	-	2,709
Leasehold improvement	821	505	-	316
Unfinished construction	1,026,224	-	-	1,026,224
Advance receipts for real estate and equipment	<u>35,763</u>	<u>-</u>	<u>-</u>	<u>35,763</u>
Total	<u>\$ 12,694,960</u>	<u>614,950</u>	<u>7,400</u>	<u>12,072,604</u>
<u>9.30.2010</u>				
Land	\$ 2,000,879	-	-	2,000,879
House and building	882,266	233,147	-	649,119
Other equipments	27,654	15,349	-	12,305
Office equipments	94,239	77,365	-	16,874
Transportation equipment	37,181	32,383	-	4,798
Assets rented to others	3,955,997	138,425	102,647	3,714,925
Leased assets	30,035	16,926	-	13,109
Leasehold improvement	466	416	-	50
Unfinished construction	119,572	-	-	119,572
Advance receipts for real estate and equipment	<u>647,885</u>	<u>-</u>	<u>-</u>	<u>647,885</u>
Total	<u>\$ 7,796,174</u>	<u>514,011</u>	<u>102,647</u>	<u>7,179,516</u>

A. Please refer to Note 6 for the details about circumstances secured by said Property, plant and equipment on September 30, 2010 and 2011.

B. The Company has entered into a contract with a third party to entrust the third party to process and consolidate the purchase of land reserved for office buildings and the land was registered in the third party's name, in part. Upon consolidation of the land, the

Notes to Consolidated Financial Statements of Lungyen Life Service Corp.(Cont'd)

title of the land would be transferred to the Company unconditionally. The Company took the precautionary action to have the documents required by registration of transfer of the land ownership kept in the custody of the attorney-at-law appointed by the Company. Meanwhile, the third party also issued a promissory note bearing the same value to the Company.

- C. In the first three quarters of 2011, the Company recognized the asset impairment loss \$7,400 thousand in accordance with Statement of Financial Accounting Standards No. 35 "Accounting Principles for Asset Impairment".

(10) Goodwill

The Company acquired the trademark right due to merger in the first three quarters of 2011. An application for an extension of the trademark term may be made at low cost. The Company expects to continue applying for extending its valid term and also anticipates that the trademark right will continue generating net cash inflow. According to Statement of Financial Accounting Standards No. 37 "Accounting Principles for Intangible Assets", the trademark right is stated as an indefinite life intangible asset

On February 5, 2010, the Company increased capital \$749,243 thousand by issuing new shares to swap the common stock totaling 68,698 thousand shares from Lungyen Life Service Corp. Upon swapping of the stock, the Company's ownership in the shares of Lungyen Life Service Corp. was 75%. Meanwhile, according to the acquisition price amortization report, the Company divided the excess of the acquisition cost over the fair value of the identifiable net assets acquired, \$756 thousand, into the Property, plant and equipment at fair value in excess of book value \$2,336 thousand, and goodwill, \$134,397 thousand. On February 1, 2011, the Company increased capital by \$169,249 thousand to swap 22,899 thousand shares from Lungyen Life Service Corp. Upon the swapping, the Company's ownership in the shares of Lungyen Life Service Corp. was 25%. The shares of Lungyen Life Service Corp. initially held by the Company extinguished at the same time of consolidation. According to the acquisition price amortization report, the Company categorized the excess of the acquisition cost over the fair value of the identifiable net assets acquired, \$884,569 thousand, into the Property, plant and equipment at fair value in excess of book value, \$266,606 thousand, goodwill, \$425,211 thousand, and trademark right, \$192,750 thousand.

(11) Other assets - others

	<u>9.30.2011</u>	<u>9.30.2010</u>
Cost of agricultural land held for transfer registration	\$ 391,608	\$ 391,608
Fine art	380,531	230,990
Idle land	14,478	14,479
Others	-	52,785
Total	<u>\$ 786,617</u>	<u>\$ 689,862</u>

- A. The Company purchased 49 parcels of agricultural land including Land No. 248, Pu Tou Ken Subsection, New Hsiao Keelung Section, San Chi Hsiang, Taipei County, et al., occupied an area of 247,871 square meters, at the price of \$450,000 thousand, in 2004, and also purchased 6 parcels of agricultural land including Land No. 159, Pai Lien Xi Tou Subsection, Gung Pu Section, San Chi Hsiang, et al., occupying an area of 61,866 square meters, at the price of \$1,300,000 thousand, for the development of Cemeteries, in October 2008. Given that laws prohibit any private corporation from acquiring agricultural land, the Company (hereinafter referred to as "Party A") entered into a power of attorney with the individual who was a natural person (hereinafter referred to as "Party B") then, agreeing that Party B should affix the signature into the relevant documents required by the land title transfer registration and then deliver the same to Party A for record. Party A may proceed with the transfer registration unconditionally automatically after the land is developed and the administration authority completes the change in category of the land, and Party B vows no objection. Further, until September 30, 2011, the premises occupying area 208,523 square meters and 504 square meters at Pu Tou Ken Subsection, New Hsiao Keelung Section and Pa Lien Xi Tou Subsection, Gung Pu Section, respectively, have yet been transferred officially.
- B. Please refer to Note 6 for the details about instances secured by said other assets on September 30, 2011.

(12) Short-term loan

Nature	Maturity	Interest Rate Range	Amount
9.30.2011			
Secured loan	07.31.2012	0.62% 1.71%	\$ <u>2,440.00</u>

(13) Advance receipts for real estate

Project	9.30.2011			9.30.2010		
	Advance receipts for land	Advance receipts for building	Total	Advance receipts for land	Advance receipts for building	Total
Muzha	\$ 240	914	1,154	\$ 8,750	3,571	12,321
Museum Collection						
Sanchung	<u>18,515</u>	-	<u>18,515</u>	-	-	-
Tatung						
Total	<u>\$ 18,755</u>	<u>914</u>	<u>19,669</u>	<u>\$ 8,750</u>	<u>3,571</u>	<u>12,321</u>

Notes to Consolidated Financial Statements of Lungyen Life Service Corp.(Cont'd)

(14) Advance receipts

Item	9.30.2011	9.30.2010
Columbarium and cemetery	\$ 16,112,475	\$ 14,674,046
Pre-need contract	9,296,640	9,900,246
Warrant	152,192	51,239
Permanent Management Fee	844,049	794,311
Others	31,960	30,340
Total	<u>\$ 26,437,316</u>	<u>\$ 25,450,182</u>

(15) Income tax: The disclosure of income tax may be exempted in accordance with the Interpretation under Ching-Kuan-Cheng-6-Tze No.0081020.

(16) Capital stock

Until September 30, 2010 and 2011, the Company has raised capital stocks both totaled \$6,000,000 thousand, at the par value of \$1 per share, divided into 600,000 thousand shares, and 399,084 thousand shares and 382,159 thousand shares were issued respectively.

In order to enhance the business performance and corporate value, the Company increased the capital by issuing new shares totaling 14,924 thousand shares upon resolution of the Board of Directors on November 6, 2009 to increase to 68,698 thousand shares from Lungyen Life Service Corp. (according to the swap ratio, the new shares issued by the Company may swap the outstanding shares of Lungyen Life Service Corp. at 1:0.9169). The capital increase upon issuance of new shares was reported and effective as of January 19, 2010 and the base date for the stock swap was set as February 5, 2010. Owing to the capital increase, the Company's paid-in capital and capital surplus became \$749,243 thousand and \$826,415 thousand.

In order to respond to the merger and acquisition policy encouraged by the Government, and to enhance the effect of future resources integration and utilization, and development of strategic businesses, the Company was consolidated into Lungyen Life Service Corp. upon the resolution made at the temporary shareholders meeting held on October 12, 2010. In order to deal with the consolidation, the Company increased capital by issuing new shares totaling 16,925 thousand shares to swap 22,899 thousand shares from Lungyen Life Service Corp. (according to the swap ratio, the new shares issued by the Company may swap the outstanding shares of Lungyen Life Service Corp. at 1:1.353). The capital increase upon issuance of new shares and consolidation were reported and effective as of January 26, 2011 and the relevant base date was set as February 11, 2011. Owing to the capital increase and consolidation, the Company's paid-in capital and capital surplus became \$169,249 thousand and \$1,392,072 thousand.

(17) Capital surplus

A. The Company's capital surplus on September 30, 2011 is stated as following:

	9.30.2011	9.30.2010
Capital surplus – common stock premium	\$ 1,392,072	826,415
Capital surplus – long-term investment	59,829	388
	<u>\$ 1,451,901</u>	<u>826,803</u>

B. Pursuant to the R.O.C. Company Act, capital surplus shall be first used to offset a deficit and then the realized capital surplus may be distributed. Realized capital surplus referred to in the preceding paragraph included the surplus generated from donations and the excess of the issuance price over the par value of capital stock. According to Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital surplus may be transferred to common stock to an annual limit of 10% of the paid-in capital.

C. On October 12, 2010, the Company's temporary shareholders' meeting resolved to offset the loss against the capital surplus, \$826,415. For details, please refer to Note 4(18).

(18) Appropriation of earnings

A. According to the Company's articles of incorporation, of the annual net income, less taxes and duties, and any deficit for the previous year, if any, 10% should be appropriated as legal reserve, and a certain amount set aside or reserved as special reserve according to actual circumstances, and the balance, if any, 2% should be set aside as the remuneration to directors/supervisors, no less than 1% as bonus to employees. The remainder allocable, if any, may be allocated subject to the earnings allocation proposal submitted by the Board of Directors as resolved by a shareholders' meeting. Meanwhile, the cash dividend allocable shall be no less than 10% of the stock dividend. On October 12, 2010, the amendment to the Company's articles of incorporation approved upon resolution of the temporary shareholders' meeting, providing that the balance of earnings, if any, shall be reserved as retained earnings, in part, and the remainder, if any, should be allocated in the following manners: (1) no less than 97% as the common stock dividend and bonus; (2) no more than 2% as the remuneration to directors; (3) no less than 1% as bonus to employees. In the event that the bonus to employees referred to in the preceding paragraph is allocated in the form of stock dividend, the counterparts whom the stock dividend may be allocated to shall include the employees of affiliated companies that comply with specific requirements. In order to protect shareholders' interests and according to the funding need for the following years measured based on the Company's future budget planning, the retained earnings may be allocated in the form of stock dividend, and the allocated cash dividend shall be no less than 10% of the stock dividend allocated to shareholders.

B. The Company's general shareholders' meeting held June 9, 2010 resolved the proposal for appropriation of profit or loss for 2009. The amount allocated upon resolution was not different from the accounting estimates. The Company also proceeded with the capital decrease by \$989,740 thousand in an attempt to cover the accumulated loss. Notwithstanding, said proposal was revoked by the FSC via its official letter under Ching-Kuan-Chen-Fa-Tze No.90938429 dated July 28, 2010, and the Company's board of director meeting held on August 24, 2010 resolved that no further application would be submitted.

Given that no further proposal for capital decrease would be submitted upon resolution, the Company's temporary shareholders meeting held on October 12, 2010 resolved that said proposal for appropriation of profit or loss for 2009 as ratified by said shareholders' meeting should be amended to have legal reserve, \$60,106 thousand, and capital surplus, \$826,415 thousand, to cover debts. For the relevant information, please visit the M.O.P.S.

C. The information about stock dividend per share, bonus to employees, and remuneration to directors/supervisors allocated according to the proposal for allocation of earnings resolved by the Company's general shareholders meeting held on June 28, 2011 is stated as following:

	<u>2010</u>
Common stock dividend per share (NT\$)	
! Cash	\$ <u>1.5</u>
Bonus to employees - cash	\$ 6,171
Remuneration to directors/supervisors	<u>12,343</u>
Total	<u>\$ 18,514</u>

Said appropriation of retained earnings is consistent with that recognized in the Company's financial statement 2010.

D. The accounting estimates for payable bonus to employees and remuneration to directors/supervisors in the first three quarters of 2011 and 2010 were determined based on past experience. The bonuses to employees and remunerations to directors/supervisors stated based on the annual income, if any, less the legal (special) reserves and earnings reserved as retained earnings multiplying 1% and 2% respectively, were \$12,000 thousand and \$6,154 thousand, and \$24,000 thousand and \$12,308 thousand, respectively. Notwithstanding, difference in the amount allocated upon resolution of the shareholders' meeting and the estimates, if any, will be stated as the changes in accounting estimates and as the memo for the year of allocation.

E. Please visit the M.O.P.S. after the relevant memo for the proposal for allocation of earnings, bonus to employees and remuneration to directors/supervisors approved by the Company's Board of Directors and resolved by the shareholders' meeting.

(19) EARNINGS PER SHARE

In the first three quarters of 2011 and 2010, the Company's Basic earnings per share and Diluted earnings per share were computed as follows:

Unit: Thousand NTD/for Earnings per share, NTD/share
For The Nine Months Ended September 30,

	2011		2010	
	Before Tax	After Tax	Before Tax	After Tax
Net income before income tax	\$ 1,373,725	1,291,403	718,064	718,064
Weighted average number of outstanding shares	397,204	397,204	373,834	373,834
Bonus to employees not yet resolved by a shareholders' meeting but allocable in the form of stock dividend	200	200	77	77
Number of dilutable shares	397,404	397,404	373,911	373,911
Basic earnings per share	\$ 3.46	3.25	1.92	1.92
Diluted earnings per share	\$ 3.46	3.25	1.92	1.92

(20) Information about financial instruments

A. Information about fair value:

The non-derivative short-term financial assets and liabilities of the Company and subsidiaries include cash and cash equivalents, trade receivables/payable notes and accounts, receivables/payables-related parties, other financial assets-current, restricted assets, short-term loan, payable expenses and other current liabilities. The fair values thereof were determined based on their book values on the balance sheet date because of the short maturities of such instruments.

In addition to said financial assets and liabilities, the information about the fair values of the other financial assets and liabilities determined and valued based on their market values on March 31, 2011 and 2010 is stated as follows:

	9.30.2011			9.30.2010		
	Fair Value			Fair Value		
	Book Value	Determined based on market price	Estimated under evaluation method	Book Value	Determined based on market price	Estimated under evaluation method
Financial assets:						
Financial assets at fair value through profit or loss - current	\$ 802,820	802,820	-	\$ 1,221,326	1,221,326	-
Financial assets carried at cost – non-current	71,471	-	See Paragraph (3)	65,471	-	See Paragraph (3)

Notes to Consolidated Financial Statements of Luye Life Service Corp.(Cont'd)

Other financial assets – non-current	59,341	-	59,341	74,412	-	74,412
Financial liabilities						
Payable lease (including current portion)	2,400	-	2,400	3,200	-	3,200

- B. The methods and assumptions used by the Company and its subsidiaries to estimate the fair values of the above financial instruments are summarized as follows:
- (a) Financial assets at fair value through profit or loss – The fair values of financial instruments at fair value through profit or loss are determined at their market value, if any. If there is no market value available for reference, the fair values are determined by using the valuation technique. The information used as the basis for determining the Company's assumptions in applying valuation technique is consistent with that used by market participants in determining the fair value of the financial instruments.
 - (b) Other financial assets – non-current: The assets include the refundable deposits, which are required by the Company's continuing operations frequently. It is impossible to expect the time to be spent in completing the exchange of assets and, therefore, it is impossible to estimate the fair values thereof, and the fair values are determined based on their book values.
 - (c) Financial assets carried at cost – non-current: The equity instrument investment which cannot be measured at fair value should be stated at the cost initially recognized. An impairment loss is recognized when there is objective evidence of impairment. A reversal of this impairment loss is not allowed.
 - (d) Payable lease: The fair values thereof are determined by the present values of future cash flows.
 - (e) The current incomes recognized based on the changes in fair values estimated based on the market price in the first three quarters of 2011 and 2010 were \$6,918 thousand and \$58,888 thousand for gains.

C. Information about financial risk

(a) Market risk:

The Company's investment in listed (OTC) stock and beneficiary certificates was classified as "financial assets at fair value through profit or loss". These assets were measured at their fair values, which will be influenced by the fluctuation in market value.

(b) Credit risk

The Company was used to subscribe for beneficiary certificates from financial organizations with a fair credit rating. The Company controlled the credit risk exposure to each financial organization and considered that there should be no likelihood of important credit risk concentration.

The Company has a vast clientele. Meanwhile, the Company did not

Notes to Consolidated Financial Statements of Luye Life Service Corp.(Cont'd)

concentrate any transactions on one single customer and the regions of distribution were dispersed. Therefore, there should be no risk of concentrated credit risk on receivable accounts. In order to reduce the credit risk, the Company would ask the customers to issue a promissory note as collateral.

(c) Liquidity risk

The Company maintained sufficient capital and working funds to deal with all contractual obligations to be performed by the Company. The Company does not anticipate any liquidity risks associated with the Company to source required funding to perform contractual obligations.

(d) Cash flow risk due to changes in interest rate

The Company's short-term loans for the first three quarters of 2011 referred to the debt instruments at floating interest rate. Accordingly, the yield rate of these debt instruments will fluctuate with changes in the floating interest rate and thereby result in fluctuation in future cash flows.

5. Transactions with related parties

(1) Name and relationship of related parties

<u>Name</u>	<u>Relationship with the Company</u>
Beauty Kadan Co., Ltd. (Beauty Kadan)	The Company's trustee under equity method
Hsin Wei International Lease Co., Ltd. (Hsin Wei International)	Related Party
Fu Yuan International Development Co., Ltd. (Fu Yuan International)	Its chairman of board is a second degree relative of the Company's Chairman.
Lee Investment Co., Ltd. (Lee Investment)	Its directors are as same as those of the Company.
Lee Shih-Tsung	The Company's Chairman
Lee Chia-Cheng (formerly known as Lee Yi-Lun)	A second degree relative of the Company's Chairman
Lee Shu-Rong	A second degree relative of the Company's Chairman
Liu Ping	A second degree relative of the Company's Chairman
Wang Yu-Mei	An officer of the Company and subsidiary (until June 2010)

(2) Significant transactions with related parties are stated as following:

A. Purchases

The purchases from related parties for the nine months ended September 30, 2011 are stated as following:

<u>Name</u>	<u>For The Nine Months Ended September 30,</u>			
	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Funeral service cost				
Beauty Kadan	<u>\$ 9,801</u>	<u>2</u>	<u>\$ 41,094</u>	<u>10</u>

Notes to Consolidated Financial Statements of Luyang Life Service Corp.(Cont'd)

Said purchases were at the price agreed by both parties. The payment term thereof was 30 days upon inspection and acceptance, which is identical with that applicable to the general customers.

B. Contract awarding

For the nine months ended September 30, 2011 and 2010, the related parties who awarded contracts to subsidiaries are stated as follows:

Name	Project Title	Total Contract Amount	Pricing	Accumulated Pricing
For The Nine Months Ended September 30, 2011				
Fu Yuan International	National Palace Museum	\$ 347,249	79,428	79,428
For The Nine Months Ended September 30, 2010				
Fu Yuan International	National Palace Museum	\$ 56,043	-	-

C. Credit and debt

The credit and debt between the Company and related parties on September 30, 2010 and 2011 are stated as following:

Name	9.30.2011		9.30.2010	
	Amount	%	Amount	%
<u>Payable accounts-related parties</u>				
Beauty Kadan	\$ 9,816	4	\$ 3,786	2
Other payables-related parties (Stated as other payables)				
Hsin Wei International Lease	\$ 3,632	2	-	-
<u>Other receivables- related parties (Stated as other financial assets-current)</u>				
Beauty Kadan	\$ 8,131	1	-	-

D. Lease contract

The lease between the Company and related parties in the nine months ended September 30, 2011 and 2010 are stated as following

Lessor	Object/Premises	Duration	Monthly rent (Before tax)	Rent expenditure	Deposit (Stated as other financial assets -non-current)
For The Nine Months Ended September 30, 2011					

Notes to Consolidated Financial Statements of Luyang Life Service Corp.(Cont'd)

<p>Hsin Wei International</p> <p>For The Nine Months Ended September 30, 2010</p> <hr/> <p>Hsin Wei International</p>	<p>41 vehicles including limousine official business cars, executive cars and VIP cars</p> <p>41 vehicles including limousine official business cars, executive cars and VIP cars</p>	<p>09.01.2007 06.24.2012</p> <p>09.01.2007 06.24.2012</p>	<p>\$14 762</p> <p>\$12 762</p>	<p><u>17,976</u></p> <p><u>26,694</u></p>	<p>16,000</p> <p>16,000</p>
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E. Asset transactions

The Company purchased the transportation equipment from Hsin Wei International Lease Co., Ltd. at the price of \$2,000 thousand (tax) in September 2011.

F. Trust contract

The Company has entered into the land trust contract with Wang Yu-Mei, Lee Shih-Tsung, Lee Chia-Chen, Lee Shu-Rong and Lig. Please refer to Note 7(6).

G. Others

(a) On September 30, 2011, as Lee Investment entrusted the Company to provide the relevant advice and management service with respects real estate development project in Daan Section, Daan District, Taipei City from January 1, 2010 until October 31, 2011, the Company collected the Advance receipts for consultation service fees, \$238 thousand (stated as Advance receipts) and recognized the consultation service fees \$1,667 thousand (stated as miscellaneous revenue) in the first three quarters of 2011.

(b) Until September 30, 2011, the cost spent by the Company in entrusting Mr. Lee Shih-Tsung to purchase the construction land and individual projects was \$668,016 thousand. Mr. Lee was entrusted to process and handle the matters related to the land reserved for construction projects.

(c) Please refer to Note 7(5) for the details about the agreement concluded by the Company and Fu Yuan International for termination of the joint venture building contract on September 30, 2011.

6. Pledged assets

The Company and subsidiaries have provided the following assets as collateral on September 30, 2010 and 2011:

<u>Item</u>	<u>9.30.2011</u>	<u>9.30.2010</u>	<u>Purpose</u>
Restricted assets	\$ 195,922	184,976	Trust accounts and security for purchasers
Financial assets at fair value through profit or loss - current	297,762	249,127	To secure the acquiring service for credit account transactions
Construction land	569,314	2,730,177	To secure the acquiring service for loan and credit account transactions
Real estate in process (residential area and	2,160,863	840,377	To secure the loan

Notes to Consolidated Financial Statements of Luyang Life Service Corp.(Cont'd)

buildings)			
Real estate in process (Columbarium and Cemetery)	1,289,409	1,289,409	To secure the acquiring service for credit account transactions
Other financial assets – current	-	1,923	To secure issuance of the CPC debit card
Deductible balance for Property, plant and equipment	2,229,071	1,383,713	To secure the acquiring service for credit account transactions
Other assets	10,591	10,591	C
Total	<u>\$ 6,752,932</u>	<u>6,690,293</u>	

7. Significant commitments or contingencies

- (1) On September 30, 2010 and 2011, the total amount of contracts concluded by the Company for construction in process (before tax) were \$6,229 thousand and \$719,311 thousand, and already valued as \$515,131 thousand and \$206,299 thousand respectively. For details, please refer to Note 5(2).
- (2) On September 30, 2010 and 2011, the total amount of contracts concluded with customers for residual real estate and land released by the Company for sale (before tax) were \$20,342 thousand and \$40,414 thousand, and \$19,669 thousand and \$12,321 thousand were already collected pursuant to the contracts.
- (3) The Company purchased the land at Li Ho Section in Yi District in February 2007. Notwithstanding, in March 2007, the joint owners of said land initiated the proceeding for "Declaration of non-existence of land transaction" with the court and, therefore, the registration of land transfer was hindered. Later Taipei District Court rendered the judgment in favor of the Company. The adverse party for disagreement with the judgment, filed an appeal. However, the adverse party withdrew the appeal in June 2009. Therefore, the judgment in favor of the Company is final and irrevocable. Notwithstanding, the action was withdrawn in March 2010. The Company filed an action with the court in April 2009, claiming registration of title transfer. However, the joint owners of said land also filed an action in June 2009 claiming that the registration should be prohibited. According to the Company's attorney-at-law, it is very possible that the Company may win the suit.
- (4) The information about the trust registration of real estate in process made by the Company to secure successful performance and delivery of any construction project and work on September 30, 2010 and 2011 is stated as following:

Construction in process	Object	Trustee	Duration
Tung Shi, Hsichih	Land	Chinatrust	From date of contract until date of completion of the object under trust
Tung Shi, Hsichih	Building	Chao-Fu Real Estate	From date of contract until date

Management Corporation of completion of the object trust

Said trust projects were contracted by the Company through the trustees for the purpose of management and operation of the projects, and the real estate management and transfer. Meanwhile, the land trust transfer of the projects was registered to the trustees, and the proprietor in the construction license was changed to the trustee to secure financing to the Company by the lending organizations of said projects.

On September 30, 2011, said construction in progress was scheduled to serve as the Group's operation office premises and, therefore, was re-stated into the Property, plant and equipment, while said trust registration remained unchanged.

- (5) The joint venture building contracts and urban renewal projects concluded by the Company on September 30, 2010 and 2011 are stated as follows:

Project Title	Land Owner or Co-Investors	Location	Nature	Joint Venture Deposit		Projected Year of Completion
				9.30.2011	9.30.2010	
Yen Chi Urban Renewal Project (Note 1)	36 persons including Chen Hsu Ching-Yun, et al.	Land at #1 Subsection, Jen Ai Section, Daan District, Taipei City	Urban renewal	\$ 7,396	7,396	TBD
Shou Cheng Urban Renewal Project	2 persons including Hsu Chun-Huei, et al.	Land at #1 Subsection, Chung Shan Section, Chung Shan District		8,400	8,400	
National Palace Museum Project (Note 2)	Fu Yuan International	Land at #8 Subsection, Chi Shan Road, Shihlin District, Taipei City	Joint construction and separate sale	-	-	-

Note 1: The Company has entered into an agreement for termination of the joint venture building contract with the owners on September 30, 2011, and the relevant deposits were recalled successively.

Note 2: The Company has entered into an agreement for termination of the joint venture building contract with Fu Yuan International on March 4, 2011, and the relevant deposits were recalled successively.

- (6) The trust by the Company for purchase of land on September 30, 2010 and 2011 is stated as following:

Trust Object	Trustee	Remark
Ching Hua Section, Daan District, Taipei City	Liu Ping	The contract amount was \$460,370 thousand. Meanwhile, the Company has paid \$68,531 thousand pursuant to the contract, and the parties to the contract delivered the promissory note bearing \$50,000 thousand and the check bearing \$15,000 thousand, respectively, to the witness attorney-at-law as the performance bond.(Note 1)
Part of land at Hsihchi District, New Taipei	Lee Chia-Chen	The relevant documents required by said land ownership transfer registration were delivered

Notes to Consolidated Financial Statements of Lungyen Life Service Corp.(Cont'd)

City		the attorney-at-law appointed by the Company, and the trustee issued the promissory note bearing the equivalent amount to the Company
New Hsiao Keelung Section, Sanchi Hsiang	Lee Shih-Tsung Song Mei-Hua	The relevant documents required by said land ownership transfer registration were delivered to the attorney-at-law appointed by the Company, and the trustee issued the promissory note bearing the equivalent amount to the Company. (Note 2)
Gung Pu Section, Sanchi Hsiang	Lee Shih-Tsung	The relevant documents required by said land ownership transfer registration were delivered to the attorney-at-law appointed by the Company, and the trustee issued the promissory note bearing the equivalent amount to the Company. (Note 2)
1 st Subsection, Jen Ai, Taipei City	Lee Shih-Tsung	The relevant documents required by said land ownership transfer registration were delivered to the attorney-at-law appointed by the Company, and the trustee issued the promissory note bearing the equivalent amount to the Company. (Note 2)
Yu Cheng Section, Nangang District	Lee Shu-Rong	The relevant documents required by said land ownership transfer registration were delivered to the attorney-at-law appointed by the Company, and the trustee issued the promissory note bearing the equivalent amount to the Company. (Note 2)

Note 1: The Company terminated the trust with the original trustee, Wang Yu-Mei, and transferred the title to Liu Ping on June 15, 2010.

Note 2: The Company was consolidated with Lungyen Life Service Corp. on February 1, 2011, and the matter was consolidated into financial statements accordingly.

- (7) On September 30, 2011, the total amounts of installment account receivable were \$9,685,440 thousand that the Company entered into pre-sale contract for columbarium of True Dragon Tower and reserved funeral service. The amount was fixed, while the commodity or labor service has not yet been provided. In order to reflect the economic substance of the transactions, the Company wrote off Installment Account Receivable against Advance receipts.
- (8) On September 30, 2010 and 2011, the total amount of contracts for purchase of construction land and lease of land for property concluded by the Company were \$1,029,782 thousand and \$271,602 thousand respectively. The payments for integration of the land were \$682,077 thousand and \$136,674 thousand (state land prepayment and Property, plant and equipment), and the refundable deposits were both \$93,354 thousand.
- (9) In order to upgrade the quality of funeral services and ensure the ability of performance, the

Company (hereinafter referred to the "Client") entered into the trust contract with Union Bank of Taiwan (hereinafter referred to as the "Trustee") in April 2004, agreeing that as of the date when the contract was signed, 75% of the proceeds (after tax) from each pre-need contract sold by the Company should be transferred to the Trustee under trust, and real estate should be delivered and transferred to the Trustee. Notwithstanding, on April 1, 2010, the Company's Trustee was changed into Industrial Bank Taiwan. Further, until September 30, 2011, a total of NT\$4,739,923 thousand (including time deposit \$240,000 thousand, stated as other financial assets – current) have been used to purchase financial instruments, and the real estate was delivered and transferred to the Trustee, to have the Trustee manage and dispose of the trust property for the intended purposes per the Client's instruction.

- (10) In order to maintain the safety and cleanliness of the funeral facilities and to organize sacrifice ceremonies and to meet the need for related administrative management, the Company opened an exclusive account for administrative expenses collected from consumers in a lump sum or periodically. On September 30, 2011, the balance of the exclusive account was \$901,323 thousand, stated as financial assets – current.
- (11) The Company acquired the land and building in QianTze Section, Tamsui Township, Taipei County. Notwithstanding, the contractor, Chao Yang Construction Co., Ltd., claimed damages, \$215,256 thousand plus the interest at the statutory interest rate from September 20, 1996 until the date of payment, against the original owner and subcontractor, and also included the Company into its claim as an additional defendant in 2008. The claim was revoked upon the judgment rendered by the District Court on October 23, 2009. Disagreeing with the judgment, Chao Yang filed an appeal and claimed damages in the amount of \$80,000 thousand. Currently, the appeal is pending examination before the Taiwan High Court. According to the attorney-at-law, because it is impossible for Chao Yang to prove the requirements constituting the usual mortgage as mentioned before, Chao Yang is unlikely to receive a ruling in its favor.

- 8. Significant losses: None
- 9. Significant subsequent events: None
- 10. Others

(1) Assets/liabilities liquidity analysis

On September 30, 2010 and 2011, the liquidity analysis about the assets/liabilities of the Company and subsidiaries related to the business activities conducted by them is stated as following:

9.30.2011	Anticipated to Collect or Repay Within 12 Months	Anticipated to Collect or Repay Beyond 12 Months	Total
Assets			
Receivable notes and accounts	\$ 32,274	-	32,274
Other financial assets-current	1,191,686	-	1,191,686

Notes to Consolidated Financial Statements of Luyon Life Service Corp. (Cont'd)

Building and land held for sale	18,602	-	18,602
Columbarium and Cemetery for sale	225,957	1,556,004	1,781,961
Construction land	-	1,093,944	1,093,944
Real estate in process	134,431	6,586,809	6,721,240
Deferred marketing expenses	893,120	8,090,736	8,983,856
Land prepayment	-	506,089	506,089
Restricted assets	195,922	-	195,922
Other current assets	162,816	-	162,816
Total	<u>\$ 2,854,808</u>	<u>17,833,582</u>	<u>20,688,390</u>
Liabilities			
Short-term loan	\$ 2,440,000	-	2,440,000
Payable notes and accounts	251,291	-	251,291
Payable accounts-related parties	5,263	-	5,263
Payable income	247,522	-	247,522
Payable expenses	167,323	-	167,323
Other payables	145,066	-	145,066
Advance receipts	3,253,791	23,183,525	26,437,316
Advance receipts for real estate	19,669	-	19,669
Other current liabilities	71,741	-	71,741
Total	<u>\$ 6,601,666</u>	<u>23,183,525</u>	<u>29,785,191</u>
	Anticipated to	Anticipated to	
	Collect or Repay	Collect or Repay	
99.9.30	Within 12 Months	Beyond 12 Months	Total
Assets			
Receivable notes and accounts	\$ 31,616	-	31,616
Other financial assets-current	214,663	-	214,663
Inventory	238,895	10,111,890	10,350,785
Deferred marketing expenses	609,899	8,343,676	8,953,575
Restricted assets	-	184,976	184,976
Other current assets	278,601	-	278,601
Total	<u>\$ 1,373,674</u>	<u>18,640,542</u>	<u>20,014,216</u>
Liabilities			
Payable notes and accounts (including related parties)	\$ 225,561	-	225,561
Payable expenses	165,046	-	165,046
Payable income	415,870	-	415,870
Advance receipts	2,164,589	23,285,593	25,450,182

Notes to Consolidated Financial Statements of Lungyen Life Service Corp.(Cont'd)

Advance receipts for real estate	12,321	-	12,321
Other current liabilities	141,535	-	141,535
Total	<u>\$ 3,124,922</u>	<u>23,285,593</u>	<u>26,410,515</u>

(2) Human resources spending, depreciations, depletion and amortization: The disclosure thereof may be exempted in accordance with the Interpretation under Ching-Kuan-Cheng-6-Tze No. 0960064020.

(3) Reclassification:

Some figures in the consolidated quarterly financial statements for the first three quarters of 2010 of the Company and subsidiaries have been reclassified to cope with the expression made in the consolidated quarterly financial statements for the first three quarters of 2011. The reclassification would not produce material effects to the consolidated quarterly financial statements.

11. Additional disclosures

- (1) Information about significant transactions: The disclosure thereof may be exempted in accordance with the Interpretation under Ching-Kuan-Cheng-6-Tze No. 0960064020.
- (2) Information about reinvestees: The disclosure thereof may be exempted in accordance with the Interpretation under Ching-Kuan-Cheng-6-Tze No. 0960064020.
- (3) Information about investment in Mainland China: The disclosure thereof may be exempted in accordance with the Interpretation under Ching-Kuan-Cheng-6-Tze No. 0960064020.
- (4) Business affiliation and important transactions between subsidiaries and parent company

For the nine months ended September 30, 2011

No. (Note 1)	Trader	Trading Counterpart	Affiliation with trading counterpart (Note 2)	Status			
				Title	Amount	Trading Terms	Proportion to consolidated total revenue or total assets
0	Lungyen Life Service Corp.	Ching Huang Construction Co., Ltd.	1	Real estate in process	\$ 12,388	-	- %
0	Lungyen Life Service Corp.	Ching Huang Construction Co., Ltd.	1	Payable accounts	120,349	100% 30day postdate check	- %
0	Lungyen Life Service Corp.	Ching Huang Construction Co., Ltd.	1	Rent revenue	1,458	-	- %
0	Lungyen Life Service Corp.	Ching Huang Construction Co., Ltd.	1	Construction in process	32,960	-	- %
0	Lungyen Life Service Corp.	Dahan Property Management Co., Ltd	1	Rent revenue	10	-	- %
1	Ching Huang Construction Co., Ltd.	Lungyen Life Service Corp.	2	Receivable accounts	120,349	100% 30day postdate check	- %
1	Ching Huang Construction Co., Ltd.	Lungyen Life Service Corp.	2	Advance receipts for construction	110,053	-	- %
1	Ching Huang Construction Co., Ltd.	Lungyen Life Service Corp.	2	Operating revenue	49,872	-	2.00%
1	Ching Huang Construction Co., Ltd.	Lungyen Life Service Corp.	2	Operating cost	47,470	-	1.00%
1	Ching Huang Construction Co., Ltd.	Lungyen Life Service Corp.	2	Rent expenditure	1,458	-	- %
3	Dahan Property Management Co., Ltd.	Lungyen Life Service Corp.	2	Rent expenditure	10	-	- %

Notes to Consolidated Financial Statements of Lungye Life Service Corp.(Cont'd)

For the nine months ended September 30, 2010

No. (Note 1)	Trader	Trading Counterpart	Affiliation with trading counterpart (Note 2)	Status			
				Title	Amount	Trading Terms	Proportion to consolidated total revenue or total assets
0	Dahan Development Corp.	Ching Huang Construction Co., Ltd.	1	Real estate in process	\$ 206,297	-	1.00%
0	Dahan Development Corp.	Ching Huang Construction Co., Ltd.	1	Payable accounts	39,685	100% 30-day postdated check	- %
0	Dahan Development Corp.	Ching Huang Construction Co., Ltd.	1	Rent revenue	1,296	-	- %
0	Dahan Development Corp.	Ching Huang Construction Co., Ltd.	1	Construction cost	989	-	- %
0	Dahan Development Corp.	Ching Huang Construction Co., Ltd.	1	Other revenues	834	-	- %
0	Dahan Development Corp.	Dahan Property Management Co., Ltd.	1	Rent revenue	12	-	- %
0	Dahan Development Corp.	Lungyen Life Service Corp.	1	Rent expenditure	3,171	-	- %
1	Ching Huang Construction Co., Ltd.	Dahan Development Corp.	2	Receivable accounts	39,685	100% 30-day postdated check	- %
1	Ching Huang Construction Co., Ltd.	Dahan Development Corp.	2	Advance receipts for construction	206,297	-	1.00%
1	Ching Huang Construction Co., Ltd.	Dahan Development Corp.	2	Operating revenue	41,145	-	1.78%
1	Ching Huang Construction Co., Ltd.	Dahan Development Corp.	2	Operating cost	40,156	-	1.74%
1	Ching Huang Construction Co., Ltd.	Dahan Development Corp.	2	Operating expenses	834	-	- %
1	Ching Huang Construction Co., Ltd.	Dahan Development Corp.	2	Rent expenditure	1,296	-	- %
1	Ching Huang Construction Co., Ltd.	Lungyen Life Service Corp.	3	Advance receipts for construction	129,906	-	- %
2	Dahan Property Management Co., Ltd.	Dahan Development Corp.	2	Rent expenditure	12	-	- %
2	Dahan Property Management Co., Ltd.	Lungyen Life Service Corp.	3	Leasehold cost	2,823	-	- %
2	Dahan Property Management Co., Ltd.	Lungyen Life Service Corp.	3	Rent revenue	1,743	-	- %
3	Lungyen Life Service Corp.	Ching Huang Construction Co., Ltd.	3	Assets rented to others	6,306	-	- %
3	Lungyen Life Service Corp.	Ching Huang Construction Co., Ltd.	3	Unfinished construction	123,600	-	- %
3	Lungyen Life Service Corp.	Ching Huang Construction Co., Ltd.	3	Rent expenditure	100	-	- %
3	Lungyen Life Service Corp.	Dahan Property Management Co., Ltd.	3	Rent revenue	2,823	-	- %
3	Lungyen Life Service Corp.	Dahan Property Management Co., Ltd.	3	Leasehold cost	1,643	-	- %
3	Lungyen Life Service Corp.	Dahan Development Corp.	2	Rent revenue	3,171	-	- %

Note 1: Said transactions shall be numbered as follows:

1. "0" for parent company
2. Subsidiaries are numbered from "1".

Note 2: Transactions with related parties are divided into the categories as follows:

1. Parent company to subsidiaries;
2. Subsidiaries to parent company;

Notes to Consolidated Financial Statements of Luyon Life Service Corp. (Cont'd)

3. Subsidiaries to subsidiaries.

12. Segment Information

Unit: Thousand NTD

9.30.2011	Sales for Columbarium and Cemetery	Life Service	Real Estate Lease	Management of Cemetery and Others	Sales for Construction	Adjustment and Elimination	Total
Revenue							
Revenue from external customers	\$1,711,097	\$ 855,383	\$ 120,300	\$ 41,713	\$ 442,224	-	\$ 3,170,717
Inter-departmental revenue	-	-	1,458	-	79,131	(80,589)	-
Total revenues	<u>\$1,711,097</u>	<u>\$ 855,383</u>	<u>\$ 121,758</u>	<u>\$ 41,713</u>	<u>\$ 521,355</u>	<u>\$ (80,589)</u>	<u>\$ 3,170,717</u>
Departmental income	<u>\$ 778,994</u>	<u>\$ 126,578</u>	<u>\$ 36,807</u>	<u>\$ 169,468</u>	<u>\$ 226,029</u>	<u>\$ (46,714)</u>	<u>\$ 1,291,162</u>
Total departmental assets	<u>\$6,293,567</u>	<u>\$ 3,257,033</u>	<u>\$7,828,786</u>	<u>\$ -</u>	<u>\$3,829,757</u>	<u>\$15,537,708</u>	<u>\$36,746,851</u>

9.30.2010	Sales for Columbarium and Cemetery	Life Service	Real Estate Lease	Management of Cemetery and Others	Sales for Construction	Adjustment and Elimination	Total
Revenue							
Revenue from external customers	\$1,223,171	\$ 669,041	\$ 97,338	\$ 32,236	\$ 288,884	-	\$ 2,310,670
Inter-departmental revenue	-	-	7,402	-	42,586	(49,988)	-
Total revenues	<u>\$1,223,171</u>	<u>\$ 669,041</u>	<u>\$ 104,740</u>	<u>\$ 32,236</u>	<u>\$ 331,470</u>	<u>\$ (49,988)</u>	<u>\$ 2,310,670</u>
Departmental income	<u>\$ 436,373</u>	<u>\$ 86,436</u>	<u>\$ 37,506</u>	<u>\$ 400,623</u>	<u>\$ 6,950</u>	<u>\$ (5,166)</u>	<u>\$ 962,722</u>
Total departmental assets	<u>\$6,020,653</u>	<u>\$ 2,732,526</u>	<u>\$3,714,925</u>	<u>\$ -</u>	<u>\$3,330,132</u>	<u>\$14,720,260</u>	<u>\$31,518,496</u>