(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp.

Individual financial statements

December 31, 2014 and 2013
(With Independent Auditor's Report)

Company address: 1F., No.166, Sec. 2, Minquan E. Rd., Zhongshan Dist., Taipei City 104, Taiwan
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Independent Auditor's Report

To Board of Directors of Lungyen Life Service Corp.,

We have audited the balance sheets of Lungyen Life Service Corp. as of December 31, 2014 and 2013, and the related statements of income, statement of changes in shareholders' equity and consolidated statement of cash flows for the period then ended. These individual financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and that of the other independent auditor's report provide a reasonable basis for our opinion.

In our opinion, based on our audit and the other independent auditor's reports, the financial statements referred in the first paragraph, in all materials respects, the financial position of Lungyen Life Service Corporation Ltd. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for twelve months ended in 2014 and 2013 in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

KPMG Taiwan

CPA:

Securities and Futures Committee of the Ministry of Finance approval no. ： FSC VI. Tzi No. 0940129108
FSC No. 1020000737

March 27, 2015

(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp.

Balance Sheet

December 31, 2014 and 2013

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		12.31.2014		12.31.2013	
	Assets	Amount	%	Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(1) & (16))	$ 160,762	-	1,112,386	3
1110	Financial assets at fair value through profit or loss – current (Note 6(2) & (16))	875,194	2	796,585	2
1150	Notes receivable, net (Note 6 (16))	28,705	-	19,929	-
1170	Accounts receivable, net (Note 6(16) & 7)	392,433	1	315,058	1
1320	Inventories (Note 6(3))	10,700,671	27	10,631,570	28
1410	Prepayments (Note 7 & 9)	8,195,919	20	8,257,412	22
1476	Other financial assets – current (Note 6(16), 7 & 9)	2,679,900	7	2,149,360	6
1479	Other current assets	2,217	-	2,372	-
		23,035,801	57	23,284,672	62
	Non-current assets:				
1524	Available-for-sale financial assets – non-current (Note 6 (2) & (16))	1,866,734	5	-	-
1543	Financial assets carried at cost – non-current (Note 6(2) & (16))	24,885	-	56,333	-
1550	Investment under equity method (Note 6(4))	1,391,988	3	1,492,342	4
1600	Property, plant and equipment (Note 6(5))	5,880,836	15	5,136,552	13
1760	Investment property, net (Note 6(6))	6,134,885	15	6,177,305	16
1780	Intangible assets (Note 6(7))	771,538	2	777,315	2
1840	Deferred income tax assets (Note 6(11))	699,366	2	711,747	2
1980	Other financial assets – non-current (Note 6(16))	34,338	-	36,253	-
1990	Other non-current assets (Note 6(16))	430,588	1	430,588	1
		17,235,158	43	14,818,435	38
	Total assets	$ 40,270,959	100	38,103,107	100

		12.31.2014		12.31.2013	
	Liabilities and Equity	Amount	%	Amount	%
	Current liabilities:				
2100	Short-term loan (Note 6(8) & (16))	$ 2,550,000	6	1,002,000	3
2170	Payable notes and accounts (Note 6(16))	398,952	1	342,627	1
2180	Accounts payable - related party (Note 6(16) & 7)	42,554	-	35,916	-
2200	Other payable accounts (Note 6(16) & 7)	346,926	1	496,006	1
2230	Current income tax liabilities (Note 6(16))	79,942	-	159,316	-
2310	Advance receipts (Note 9)	27,746,709	70	27,572,944	73
2399	Other current liabilities	14,669	-	14,290	-
		31,179,752	78	29,623,099	78
	Non-current liabilities:				
2570	Deferred income tax liabilities (Note 6(11))	50,224	-	30,683	-
2640	Accrued pension liabilities (Note 6(10))	24,867	-	22,306	-
2645	Deposit received	50,582	-	50,420	-
		125,673	-	103,409	-
	Total liabilities	31,305,425	78	29,726,508	78
	Equity:				
3100	Capital stock (Note 6(12))	3,990,842	10	3,990,842	10
3200	Capital surplus (Note 6(12))	1,392,072	3	1,395,659	4
	Retained earnings:				
3310	Legal reserve	669,595	2	467,987	1
3320	Special reserve	15,224	-	19,835	-
3350	Unappropriated retained earnings (Note 6(11) & (12))	2,912,259	7	2,517,500	7
		3,597,078	9	3,005,322	8
	Other equity:				
3410	Exchange differences from the translation of foreign institution's financial statements (Note 6(12))	(8,162)	-	(15,280)	-
3425	Unrealized gain or loss of the available-for-sale financial assets (Note 6(12))	(6,296)	-	56	-
		(14,458)	-	(15,224)	-
	Total equity	8,965,534	22	8,376,599	22
	Total liabilities and equity	$ 40,270,959	100	38,103,107	100

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

Chairman： **General Manager：** **Chief Accountant：**

(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp.

Comprehensive Income Statement

For The Twelve Months Ended December 31, 2014 and 2013

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2014		2013	
		Amount	%	Amount	%
4000	**Operating revenue (Note 6(9) & (14))**	$ 5,083,418	100	3,641,810	100
5000	**Operating cost**	1,688,917	33	1,146,767	31
5900	**Operating gross profit (loss)**	3,394,501	67	2,495,043	69
	Operating expenses:				
6100	Selling expenses	1,105,893	22	751,773	21
6200	Administration expenses (Note 7)	406,884	8	357,723	10
6000	**Total operating expenses**	1,512,777	30	1,109,496	31
6500	**Other income and expenses (Note 6(6))**	15,731	-	434,117	12
6900	**Operating income (loss)**	1,897,455	37	1,819,664	50
	Non-operating income and expenses:				
7010	Other income (Note 6(15))	267,877	5	274,243	8
7020	Other gains and losses (Note 6(15))	167,587	4	64,821	1
7050	Financial costs (Note 6(3) & (15))	(17,463)	-	(20,660)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 6(4))	117,257	2	100,395	3
		535,258	11	418,799	11
7900	**Operating income before tax**	2,432,713	48	2,238,463	61
7950	**Less: Income tax expense (Note 6(11))**	239,851	5	222,376	6
	Net income	**2,192,862**	**43**	**2,016,087**	**55**
8300	**Other comprehensive income:**				
8310	Exchange differences on translation of foreign statements	7,118	-	4,924	-
8325	Unrealized losses on available-for-sale financial assets	(6,296)	-	-	-
8360	Determine the benefit plan actuarial losses	(1,993)	-	(433)	-
8380	Share of other comprehensive profit (loss) of associates and joint ventures accounted for using equity method	(56)	-	(313)	-
8399	Less: Income tax relating to the composition and part of other comprehensive income	-	-	-	-
8300	**Other comprehensive income, net (after tax)**	(1,227)	-	4,178	-
8500	**Total comprehensive income**	**$ 2,191,635**	**43**	**2,020,265**	**55**
	Basic earnings per share (Note 6(13))				
9750	**Basic earnings per share (NTD)**	**$**	**5.49**		**5.05**
9850	**Diluted earnings per share (NTD)**	**$**	**5.49**		**5.05**

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

Chairman： **General Manager：** **Chief Accountant：**

(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp.

Statements of Changes in Equity

For The Twelve Months Ended December 31, 2014 and 2013

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

			Retained earnings				Other equity			
	Common stock capital	Additional paid-in capital	Legal reserves	Special reserves	Unappropriated earnings	Total	Exchange differences from the translation of foreign institution's financial statements	Unrealized gain (loss) of the available-for-sale financial instruments	Total	Total equity
Balance – January 1, 2013	$ 3,990,842	1,392,072	263,270	14,152	2,029,224	2,306,646	(20,204)	369	(19,835)	7,669,725
Net profit	-	-	-	-	2,016,087	2,016,087	-	-	-	2,016,087
Other comprehensive income	-	-	-	-	(433)	(433)	4,924	(313)	4,611	4,178
Total comprehensive income	-	-	-	-	2,015,654	2,015,654	4,924	(313)	4,611	2,020,265
Appropriation and distribution of earnings (Note 1):										
Legal reserve	-	-	204,717	-	(204,717)	-	-	-	-	-
Special reserve	-	-	-	5,683	(5,683)	-	-	-	-	-
Shareholders' dividend – cash, 3.3 per share	-	-	-	-	(1,316,978)	(1,316,978)	-	-	-	(1,316,978)
Actual acquisition or disposal of shares in subsidiaries difference between the price and the book value	-	3,587	-	-	-	-	-	-	-	3,587
Balance – December 31, 2013	3,990,842	1,395,659	467,987	19,835	2,517,500	3,005,322	(15,280)	56	(15,224)	8,376,599
Net profit	-	-	-	-	2,192,862	2,192,862	-	-	-	2,192,862
Other comprehensive income	-	-	-	-	(1,993)	(1,993)	7,118	(6,352)	766	(1,227)
Total comprehensive income	-	-	-	-	2,190,869	2,190,869	7,118	(6,352)	766	2,191,635
Appropriation and distribution of earnings (Note 2):										
Legal reserve	-	-	201,608	-	(201,608)	-	-	-	-	-
Special reserve	-	-	-	(4,611)	4,611	-	-	-	-	-
Shareholders' dividend – cash, 4 per share	-	-	-	-	(1,596,337)	(1,596,337)	-	-	-	(1,596,337)
Actual acquisition or disposal of shares in subsidiaries difference between the price and the book value	-	(3,587)	-	-	(2,776)	(2,776)	-	-	-	(6,363)
Balance – December 31, 2014	**$ 3,990,842**	**1,392,072**	**669,595**	**15,224**	**2,912,259**	**3,597,078**	**(8,162)**	**(6,296)**	**(14,458)**	**8,965,534**

Note1: Remuneration for directors and supervisors for NT$27,154 thousand and bonus to employees for NT$13,577 thousand are deducted in the Income Statement.

Note2: Remuneration for directors and supervisors for NT$27,154 thousand and bonus to employees for NT$ 13,577 thousand are deducted in the Income Statement.

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

Chairman： **General Manager：** **Chief Accountant：**

(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp.

Statement of Cash Flow

For The Twelve Months Ended December 31, 2014 and 2013

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2014	2013
Cash flows from operating activities:			
Profit (loss) before tax	$	2,432,713	2,238,463
Adjustments:			
Adjustments to reconcile profit (loss)			
Depreciation expense		99,468	107,349
Amortization expense		8,802	8,074
Provision (reversal of provision) for bad debt expense		6,935	11,681
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		(76,551)	(54,072)
Interest expense		17,463	20,660
Interest income		(90,336)	(23,350)
Dividend income		(9,375)	(18,477)
Share of loss (gain) of associates and joint ventures accounted for using equity method		(117,257)	(100,395)
Loss (gain) on disposal of property, plan and equipment		12	170
Loss (gain) on disposal of investment properties		(15,731)	(434,117)
Loss (gain) on disposal of investment income		(207)	(33,745)
Loss (gain) on reduction financial assets carried at cost		7,000	-
Exchange loss (gain) of available-for-sale financial assets		(80,648)	-
Total adjustments to reconcile profit (loss)		(250,425)	(516,222)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets held for trading		(2,058)	(432,221)
Notes receivable and accounts receivable, net		(92,765)	(137,525)
Inventories		(440,668)	(340,362)
Prepayments		61,493	(58,706)
Other financial assets		(464,641)	(191,019)
Other current assets		157	14,737
Total changes in operating assets		(938,482)	(1,145,096)
Changes in operating liabilities:			
Notes payable and accounts payable, net		56,325	127,052
Accounts payable - related parties		6,638	7,480
Other payable		(143,903)	108,349
Advance receipts		173,765	1,092,369
Other current liability		379	7,908
Accrued pension liabilities		568	401
Total changes in operating liabilities		93,772	1,343,559
Total changes in operating assets and liabilities		(844,710)	198,463
Total adjustments		(1,095,135)	(317,759)
Cash inflow (outflow) generated from operations		1,337,578	1,920,704
Interest received		72,556	23,350
Dividend received		121,245	31,242
Interest paid		(14,579)	(20,660)
Income taxes refund		38,197	-
Income taxed (paid)		(325,500)	(244,848)
Net cash flows from (used in) operating activities		1,229,497	1,709,788

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Lungyen Life Service Corp.

Statement of Cash Flow (continued)

For The Twelve Months Ended December 31, 2014 and 2013

(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2014	2013
Cash flow from investment activities:		
Acquisition of available-for-sale financial assets	(1,794,639)	-
Disposal of financial assets measured at cost	3,013	489,290
Refunds from decapitalization of financial assets measured at cost	21,586	12,000
Acquisition of investments under the equity method	(67,805)	(61,250)
Disposal of investments under the equity method	-	23,732
Refunds from decapitalization of the invested company under the equity method	174,299	254,810
Acquisition of property, plant, and equipment	(703,436)	(530,839)
Proceeds from disposal of property, plant and equipment	220	113
Acquisition of intangible assets	(3,025)	(7,713)
Acquisition of investment properties	(1,019)	(4,782)
Proceeds from disposal of investment properties	32,393	1,765,544
Other financial assets	205,467	(482,738)
Net cash flows from (used in) investing activities	(2,132,946)	1,458,167
Cash flow from (used in) financing activities:		
Increase in short-term loans	5,050,500	2,421,000
Decrease in short-term loans	(3,502,500)	(3,359,000)
Increase (decrease) in guarantee deposits received	162	7,425
Cash dividends	(1,596,337)	(1,316,978)
Net cash flows from (used in) financing activities	(48,175)	(2,247,553)
Net increase (decrease) in cash and cash equivalents	(951,624)	920,402
Cash and cash equivalents at beginning of period	1,112,386	191,984
Cash and cash equivalents at end of period	$ 160,762	1,112,386

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

Chairman： **General Manager：** **Chief Accountant：**

Lungyen Life Service Corp.
Notes to the individual financial statements
For The Twelve Months Ended December 31, 2014 and 2013
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. Company profile

Lungyen Life Service Corporation (formerly known as Dahan Development Corp.; hereinafter referred to as "the Company") was incorporated in March 1987. The Company is primarily engaged in funeral service, development and lease of interment premises, and development and lease of residential areas and buildings

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, upon resolution of the temporary shareholders' meeting on October 12, 2010, Lungyen Life Service Co., Ltd. should be consolidated with the Company pursuant to Merger and Acquisition Act and other related laws. The consolidation was approved by the Financial Supervisory Commission of Executive Yuan via 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 held the surviving company upon the consolidation and renamed Lungyen Life Service Corp. The alteration registration was completed on March 18, 2011.

II. Approval and procedures of the consolidated financial statements

The individual financial statements were approved by the Board of Directors for publication on March 27, 2015.

III. Application of new and revised standards and interpretations

1. Impact from not yet adopting 2013 version of IFRS approved by Financial Supervisory Commission

   According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued by Financial Supervisory Commissions R.O.C. ("FSC") on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taiwan GreTai Securities Market or Emerging Stock Market shall adopt 2013 version of IFRS (not including IFRS No. 9 'Financial instruments') as endorsed by FSC in preparing the consolidated financial statements. The related new, amended and revised standards as well as interpretations are listed as below:

New／Amended／Revised Standards and Interpretations	Effective date per IASB
Amendments to IFRS No. 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters"	7.1.2010
Amendments to IFRS No. 1 "Severe hyper-inflation and removal of fixed dates for first-time adopters"	7.1.2011
Amendments to IFRS No. 1 "Government Loans"	1.1.2013
Amendments to IFRS No. 7 "Disclosures – Transfers of Financial Assets"	1.1.2011

New／Amended／Revised Standards and Interpretations	**Effective date per IASB**
Amendments to IFRS No. 7 “ Disclosures – Offsetting Financial Assets and Financial Liabilities”	1.1.2013
IFRS No. 10 “Consolidated Financial Statements”	1.1.2013 (Investment entities were effective on January 1, 2012)
IFRS No. 11 “Joint Arrangements”	1.1.2013
IFRS No. 12 “Disclosure of Other Vehicle’s Equity”	1.1.2013
IFRS No. 13 “Fair Value Measurement”	1.1.2013
Amendments to IAS No. 1 “Presentation of items of other comprehensive income”	7.1.2012
Amendments to IAS No. 12 “Deferred Tax: Recovery of Underlying Assets”	1.1.2012
Amendments to IAS No. 19 “Employee Benefits”	1.1.2013
Amendments to IAS No. 27 “Separate financial statements”	1.1.2013
Amendments to IAS No. 32 “Offsetting Financial Assets and Financial Liabilities”	1.1.2014
Interpretations of IFRS No. 20 “Stripping Costs in the Production Phase of a Surface Mine”	1.1.2013

Assessing the impact, the Company believes that the adoption of 2013 version of IFRS will not result in significant changes to the individual financial statements. The exceptions are as follow:

(1) IAS No. 1 “Presentation of Financial Statements”

This standard revised the presentation of other comprehensive income and divided the items listed at other comprehensive income into two categories accordingly to their characteristics: “items that will not be reclassified to profit or loss in subsequent periods”, and “items that might be reclassified to profit or loss in subsequent periods”. Simultaneously, this amendment formulated that if the items of other comprehensive income are presented as before tax, then the related tax amount shall be shown individually in accordance with previous-mentioned two categories. The consolidated company will adjust the presentation of comprehensive income statements in accordance with this standard.

(2) IFRS No. 13 “Fair Value Measurement”

This standard defines fair value, sets out a framework for measuring fair value, and specifies relevant disclosures about fair value measurements. Assessments show that this standard may not result in significant impacts toward the financial situations and operating results of the consolidated company. Thus, the relevant disclosures of fair value measurements will be increased in accordance with the regulations.

(3) IAS No. 19 “Employee Welfares”

The amendment clarifies that interest expense is calculated by applying the discount rate to the net defined benefit liability (asset). This replaces the interest cost on the defined benefit obligation and the expected return on plan assets. This amendment also removes the “corridor and spreading method” on actuarial gains and losses or the accounting policy selection of recognizing all profit or loss upon incurred. Furthermore, this amendment formulates that actuarial gains and losses should be booked as other comprehensive profit or loss, and past-service costs should be recognized in profit or loss immediately upon incurred, instead of recognition on a straight-line basis over the average period as expense before conforming to the vesting condition. Additionally, the entity can no longer withdraw the offer of termination benefits or recognize the earlier termination benefits of related reconstruction costs instead of only recognizing the termination benefits as liability and expense when clearly promising related termination events. Besides, the standard adds the disclosure regulation of defined benefit plan.

The IAS No.19 (2010 version) "Expected return on plan assets" was the market expectation in accordance with the overall period return of related obligation. After amending, expected return on plan assets is decided based on discount rate (high quality corp. bond yield) instead of separately calculation of expected return on plan assets. Besides, defined benefit obligation and the actuarial gains and losses of plan assets should be recognized under other comprehensive profit or loss.

After the Company assessed the benefit cost based on the calculation of amended standards, it decided to adjust and reduce operating expense by NT$18 thousand, and recognized the re-measured amount for NT$18 thousand under other comprehensive profit or loss.

2. Impact from IFRS issued by the IAS Board but not yet approved by the FSC

The following table depicts the new, amended, revised standards and interpretations of 2013 IFRS issued by the IAS Board but not yet approved by the FSC:

New／Amended／Revised Standards and Interpretations	**Effective date per IASB**
IFRS No. 9 "Financial Instruments"	1.1.2018
Amendments to IFRS No. 10 & IAS No. 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	1.1.2016
Amendments to IFRS No. 10, IFRS No. 12 and IAS No. 28 "Investment Entities: Applying the Consolidation Exception"	1.1.2016
Amendments to IFRS No. 11"Accounting for Acquisitions of Interests in Joint Operations"	1.1.2016
IFRS No. 14 "Regulatory Deferral Accounts"	1.1.2016
IAS No. 15 "Revenue from Contracts with Customers"	1.1.2017
Amendments to IAS No. 1 "Disclosure Initiative"	1.1.2016
Amendments to IAS No. 16 & 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	1.1.2016
Amendments to IAS No. 16 & 41 "Agriculture: Bearer Plants"	1.1.2016
Amendments to IAS No. 19 "Defined Benefit Plans: Employee Contributions"	7.1.2014
Amendments to IAS No. 27 "Equity Method in Separate Financial Statements"	1.1.2016
Amendments to IAS No. 36 "Recoverable Amount Disclosures for Non-Financial Assets"	1.1.2014
Amendments to IAS No. 39 "Novation of Derivatives and	1.1.2014

New／Amended／Revised Standards and Interpretations	Effective date per IASB
Continuation of Hedge Accounting”	
IFRIC No. 21 “Levies”	1.1.2014

The Company is in the process of assessing the impact of the above-mentioned standards and interpretations on the financial condition and operating results of the consolidated company. Relevant impact will be disclosed when completing the assessment.

IV. Summary of significant accounting policies

The individual financial report utilizes significant accounting policies summary as below. Despite other explanations, the following accounting policies are all applied to the period presented in this individual financial report.

(I) Compliance Statement

The individual financial report is prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of consolidation

1. Basis of measurement

Except for the important items in the balance sheet, the individual financial report has been prepared in accordance with the historical cost:

(1) Financial instruments measured at fair value through profit or loss (including derivatives);

(2) Available-for-sale financial assets valued at fair value; and

(3) Defined benefit assets are recognized in accordance with the net present value of pension fund assets plus unrecognized prior service cost and unrecognized actuarial losses and less unrecognized actuarial interests and defined benefit obligation.

2. Functional currency and presentation currency

Each vehicle of the Company makes the currency of the primary economic environment its functional currency. The individual financial report is prepared in the Company’s functional currency, NT Dollar. All financial information expressed in New Taiwan Dollar is with the monetary unit of NT$ Thousand.

(III) Foreign currency

1. Transactions in foreign currencies

Foreign currency transactions are translated in accordance with the exchange rate on the transactions date as the functional currency. Foreign currency monetary items are translated in accordance with the prevailing exchange rates into the functional currency on the reporting date. The exchange gain or loss is the difference between the amortized cost valued in functional currency at the beginning less the adjusted current effective interest and payment and the amortized cost value in foreign currency translated in accordance with the exchange rate on the reporting date.

The foreign currency non-monetary item measured at fair value is translated into functional currency in accordance with the exchange rate on the valuation date. The foreign currency non-monetary item valued at historical cost is translated in accordance with the exchange rates on the transaction date.

Except for non-monetary available-for-sale equity instrument, financial liabilities designated as hedges of foreign institution’s net investment or qualified cash flow hedge, the foreign currency exchange difference arising from translation is recognized in “Other comprehensive profit or loss” while others are recognized in “Profit or loss.”

2. Foreign operating agency

Foreign institution's assets and liabilities include goodwill arising on acquisition and fair value adjustments that are translated into the functional currency on the reporting date. Except for highly inflationary economy, income and expenses are translated into the functional currency in accordance with the current average exchange rates; also, the resulted exchange differences are recognized in "Other comprehensive profit or loss."

When the disposal of a foreign operation causes a loss of control, loss of joint control, or significant influence, the cumulative exchange difference related to the foreign operation is entirely reclassified as "Profit or loss." If some of the foreign institution's subsidiaries are disposed of, the related cumulative exchange difference is proportionally re-attributed to the non-controlling equity. If some of the foreign institution's affiliated enterprises or joint ventures are disposed of, the related cumulative exchange difference is proportionally re-attributed to the "Profit or loss.".

For the foreign institution's monetary receivable or payable, if there is no settlement plan available and without possibility in the foreseeable future to be settled, the resulted foreign exchange gains and losses is deemed as the foreign institution's net investment and is recognized in "Other comprehensive profit or loss."

(IV) Classification of assets and liabilities as current and non-current

Assets in compliance with one of the following conditions are classified as current assets. Assets other than current assets are classified as noncurrent assets:

1. Expected to realize in the normal business cycle of the Consolidated Company, or with intent to sell or consume.
2. Primarily for trading purposes
3. Expected to be realized within 12 months after the balance sheet date.
4. Cash or cash equivalent, but does not include those to be used for exchange or settlement of liabilities within 12 months after the balance sheet date or the restricted cash or cash equivalent.

Liabilities in compliance with one of the following conditions are classified as current liabilities. Liabilities other than current liabilities are classified as noncurrent liabilities:

1. Expected to be settled in the normal business cycle of the Company.
2. Primarily for trading purposes.
3. Expected to be settled within 12 months after the balance sheet date.
4. The Consolidated Company cannot unconditionally have the settlement period extended for at least 12 months after the balance sheet date. The classification of the liabilities that are settled with equity instrument issued at the choice of the counterparty is not affected thereafter.

(V) Cash and cash equivalent

Cash and cash equivalent includes cash on hand, demand deposits, and short-term with high liquidity investment that is readily convertible to known amounts of cash with insignificant risk of changes in value.

(VI) Financial instruments

Financial assets and financial liabilities are recognized when the Consolidated Company has become a party to the financial instrument contract.

1. Financial assets

The Company's financial assets are classified as follows: Financial assets, available-for sale financial assets, loans, and receivables measured at fair value through profit or loss.

(1) Financial assets measured at fair value through profit or loss

The type of financial assets meant for the ones available-for-sale or measured at fair value through profit or loss.

Available-for-sale financial assets are acquired or incurred principally for the purpose of sales or repurchase in a short term. For the financial assets other than the available-for-sale financial assets, the Company in one of the following situations has the fair value measurement through profit or loss designated at the initial recognition:

A. Eliminating or significantly minimizing the measurement or recognition inconsistency arising from measuring assets or liabilities on a different basis and recognizing the related gains and losses.

B. The performance of financial assets is measured at fair value.

C. Hybrid instruments contain embedded derivatives.

These financial assets are initially recognized at fair value. Transaction cost is recognized in profit or loss upon incurred. Subsequent valuation is based on the fair value measurement. The resulting gain or loss (including the related dividend income and interest income) is recognized as profit or loss; also, it is booked in the "Other profit or loss" of the "Non-operating income and expenses." The financial assets that are purchased or sold in accordance with the general trade practice are processed in accordance with the trade date accounting.

If these financial assets are an equity investment "without quoted market price and reliably measured fair value," they are measured at cost less the amount of impairment loss and it is reported in "Financial assets carried at cost."

(2) Available-for-sale financial assets

This kind of financial assets is appointed as available-for-sale or non-derivative financial assets that are not classified as other categories. Initial recognition is measured in accordance with fair value adding transaction cost which can be directly classified. Subsequent measurement is in accordance with fair value, despite deducting impairment loss, interest income calculated based on effective interest rate method, dividend income and foreign currency exchange gain or loss of monetary financial assets, other changes of book value should be recognized as other comprehensive profit or loss, and accumulated at the unrealized gain or loss of the available-for-sale financial assets under equity. When derecognizing, the accumulative profit or loss under equity is reclassified to profit or loss. When purchasing or selling financial assets utilizes transaction date accounting treatment based on transaction practices.

If this kind of financial assets is classified as equity investment "without quoted market price in active market and of which fair value cannot be reliably measured", then it should be measured based on cost deducting impairment loss, and presented as "financial assets valued at cost.

Dividend income of equity investment should be recognized when the consolidated company has the right to receive dividends (usually on ex-dividend date).

(3) Loans and receivables

Loans and receivables are financial assets without quoted market price and with fixed or determinable payments, including accounts receivable and other receivables. Initially recognized at fair value plus directly attributable transaction cost. Subsequent measurement is with the use of the effective interest method by having the amortized cost less impairment loss, except for the insignificant interest recognition of short-term receivables. The financial assets that are purchased or sold in accordance with the general trade practice are processed in accordance with the trade date accounting.

Interest income is reported in the "Other income" of the "Non-operating income and expenses."

(4) Financial assets impairment

For the financial assets that are not measured at fair value through profit or loss, the impairment is assessed on each reporting date. When there is objective evidence that the estimated future cash flow of the financial asset is affected by one or more events occurred after the initial recognition, the impairment of the financial assets has already occurred.

Objective evidence of financial assets impairment includes significant financial difficulty of issuer or obligor, default (such as, interest or principal payments delay or non-performing), the debtor faces possible bankruptcy or other financial reorganization, and active financial assets market disappeared due to financial difficulty. Besides, when the fair value of available-for-sale equity investment decreases significantly or continually to lower than its cost, it is also objective impairment evidence.

The individually assessed accounts receivable without impairment is further assessed for impairment on a collective basis. Objective evidence of collective receivables impairment includes the Consolidated Company's experience in collections, the increase of delay payment over the average credit period, and the national or regional economic changes related to the delay payment on receivables.

The impairment loss amount of the financial assets measured at amortized cost is recognized for the difference between the book value of the asset and the present value of the estimated future cash flows discounted at the financial asset's initial effective interest rate.

The impairment loss amount of the financial assets measured at cost is recognized for the difference between the book value of the asset and the present value of the estimated future cash flows discounted at the market rate of return for similar assets. The impairment loss shall not be reversed in the subsequent periods.

All financial assets impairment loss is directly deducted from the book value of the financial asset. However, the book value of accounts receivable is adjusted down through the allowance account. The receivable that is concluded to be uncollectible is written off against the allowance account. Previously written off amounts that are recovered subsequently are credited to the allowance account. Changes in the book value of the allowance account are recognized in "Profit or loss".

When financial assets are measured at amortized cost, if the amount of impairment loss decreases in the subsequent period and the decrease can be objectively linked to an event occurred after the impairment loss was recognized, the previously recognized impairment loss shall be reversed and recognized in profit or loss. However, the book value of the investment on reversal date shall not exceed the amortized cost before recognizing impairment.

Bad debt losses and reversed amount of accounts receivable is reported as administrative expense. Impairment loss and reserved amount of financial assets other than accounts receivable is reported in the "Other gains and losses" of the "Non-operating income and expenses."

(5) Elimination of financial assets

The Company derecognizes financial assets only when the contractual rights on the cash flows from the assets are terminated, or financial assets are transferred and the ownership, risk, and returns of the financial assets have been transferred to other companies.

When one financial asset is derecognized entirely, the difference between the book value and the total amount of the received or receivable plus the amount recognized in other comprehensive profit or loss and accumulated in “Other equity - unrealized gains and losses of available-for-sale g financial assets” is recognized in “profit or loss” and is reported in the “Other gains and losses” of the “Non-operating income and expenses.”

When one financial asset is not derecognized entirely, the Company based on the relative fair value of each portion on the transfer date has the original book value of the financial asset allocated to the continuingly recognized portion and the derecognized portion. The difference between the book value allocated to the derecognized portion and the total amount of the consideration received for the derecognized portion plus any cumulative gain or loss recognized in other comprehensive profit or loss that is allocated to the derecognized portion is recognized in “profit or loss;” also, it is reported in the “Other gains and losses” of the “Non-operating income and expenses.” The cumulative gain or loss that is recognized in “Other comprehensive profit or loss” is allocated to the continuingly recognized portion and the derecognized portion.

2. Financial liabilities

(1) Classification of liabilities or equity

The debt and equity instruments issued by the Company are classified as financial liability or equity in accordance with the substance of contractual agreements and the definition of financial liabilities and equity instruments.

Equity instruments are the contracts commending the Company’s residual equity of assets net of liabilities. The equity instruments issued by the Company are recognized at the purchase price net of the direct issue cost.

(2) Other financial liabilities

For the financial liability that is not available-for-sale and is not measured at fair value through profit and (including long-term and short-term loans, accounts payable, and other payables), it was initially recognized at fair value plus any directly attributable transaction cost; also, it is subsequently measured with the effective interest rate method at amortized cost. Interest expense that is not capitalized as assets cost is reported in the “Finance cost” of the “Non-operating income and expenses.”

(3) Elimination of financial liabilities

The Company will have financial liabilities derecognized when the contractual obligation is performed, discharged, or expired.

When financial liability is derecognized, the difference between the book value and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in “Profit or loss” and is reported in the “Other gains and losses” of the “Non-operating income and expenses.”

(4) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities can offset against each other only when the Company has legal right to conduct offsetting and has intention for net settlement or liquidating asset and settling liability simultaneously; also, shall be expressed in net amount on the balance sheet.

(5) Financial guarantee contract

Financial guarantee contract requires the issuer to make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to make payment when due under the original or modified terms of a debt instrument.

Financial guarantee contracts, issued and unspecified to be measured by fair value through profit or loss by the Company, initially are measured by fair value deducting directly classified transaction cost. Subsequent measurement is measured in accordance with the higher one as below: (a) contract obligation amount which is decided by IAS No. 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (b) the balance after initially recognized amount deducted accumulative amortization based on accounting recognition policy.

3. Derivative financial instruments

The Company holds derivative financial instruments to hedge foreign currency and interest rate risk exposure. Initial recognition is based on the fair value measurement and transaction cost is recognized in profit or loss. Subsequent measurement is based on the fair value and the resulting gains and losses are measured and directly included in profit or loss; also, it is reported in the "Other gain and loss" of the "Non-operating income and expenses."

(VIII) Inventories

1. Building for sales

Inventories are measured at the lower of cost or net realizable value. Cost includes the necessary expense to prepare it in the condition available for use at the designated location and the capitalized loan cost.

Net realizable value is the estimated selling price in ordinary course of business less the estimated cost needed to complete the work and the estimated cost needed to complete the sale.Net realizable value is determined as follows:

(1) Construction Site: Net realizable value is by referring to the estimate made by the competent authorities in accordance with the prevailing market conditions.

(2) Construction in progress: Net realizable value is the estimated selling price (prevailing market conditions) less the estimated cost and selling expense needed to complete.

(3) Real estate for sale: Net realizable value is the estimated selling price (see the estimate made by the competent authorities in accordance with the prevailing market conditions) less the estimated cost and selling expense needed to sell the real estate.

2. Invest and construct columbarium and cemetery for sale

Construction in progress includes the cost of land and construction, upon completion, the permanent right to use that has been transferred to the clients is recognized as current operating cost proportionally to the selling price of columbarium and cemetery; also, the others are recognized as columbarium and cemetery for sale. Deferred marketing expenses are the direct marketing costs incurred for the sale of columbarium and cemetery during the construction period and it will be booked as current expense when income is recognized upon completion.

Interest expense incurred to have the construction in progress (including land and construction in progress) available for use or completed shall be capitalized. Columbarium and cemetery for sale is measured at the lower of cost or net realizable value.

(VIII) Investment in affiliated enterprises

Affiliated enterprise is the one that the Consolidated Company has significant influence but not control over its financial and operating policies. If the Consolidated

Company owns 20%~50% voting rights of the invested company, it is assumed to have significant influence.

Under equity method, the original acquisition is recognized at cost and the investment cost includes transaction cost. The book value of investments in affiliated enterprises includes the goodwill recognized in original investment net of any accumulated impairment loss.

The individual financial report includes the period from the date the significant influence received to the date the significant influence ceased. After adjusting the accounting policies to be consistent with the Company's, the Company recognizes the affiliated enterprise's profit or loss and other comprehensive profit or loss proportionally to equity.

The unrealized gains arising from the transactions conducted between the Company and the affiliated enterprise has been written off within the range of the invested company's equity held by the Company. The elimination method for unrealized losses is same as the one for unrealized gains, but limited to the case without evidence of impairment.

When the loss in the affiliated enterprise recognized proportionally by the Company equals or exceeds its interest in the affiliated enterprise, stop recognizing loss; also, only recognizes additional loss and related liability upon the occurrence of a legal obligation, constructive obligations, or prepayment made on behalf of the invested company.

(IX) Investments in subsidiaries

The Company has the controlled subsidiaries valued with the equity method in the preparation of the individual financial statements. Under the equity method, the amortization amount of the profit or loss and other comprehensive profit or loss in the individual financial statements and the profit or loss and other comprehensive profit or loss attributable to the shareholder's equity of the parent company in the financial statements prepared on a consolidated basis is the same, and the shareholder's equity in the individual financial statements and the shareholder's equity of the parent company in the financial statements prepared on a consolidated basis is the same.

If the company's equity ownership change in a subsidiary does not result in loss of control, it is treated as equity transaction with the shareholders.

(X) Investment property

Investment property is held for earning rent income or for capital appreciation, or both, rather than for normal business operation, for sale, used in production, for supply of goods or services, or for administrative purposes. Investment property is initially recognized at cost and then subsequently measured at cost again. The depreciation expense is appropriated in accordance with the depreciable amount after the initial recognition. The depreciation methods, useful lives, and residual values of investment property are same as the practice of the property, plant, and equipment. Cost includes the expense that can be directly attributable to the real estate acquired. The cost of the self-constructed investment property includes materials, direct labor, and directly attributable cost and capitalized loan cost to have the investment property ready for use. The estimated endurance life of current and comparable period is 2~55 years.

If the intended use of an investment property is changed and it is then reclassified as property, plant, and equipment, the reclassification is made in accordance with the book value at the time of changing the intended use.

(XI) Real property, plant, and equipment

1. Recognition and measurement

The property, plant, and equipment is recognized and measured in accordance with the cost model; also, it is measured in accordance with the cost net of accumulated depreciation and accumulated impairment. Cost includes the expense directly attributable to the assets acquired. The cost of the self-constructed asset includes the cost of materials and direct labor, directly attributable cost to have the asset ready for the intended use, item dismantling and removing and the location recovery cost, and the loan cost of the capitalized assets.

When property, plant, and equipment contains different parts and each part is relatively significant comparing to the total cost of the project and the use of different depreciation rates or methods is more appropriate, it will be deemed and processed as a separate item from the property, plant, and equipment (major component).

The gain or loss from the disposition of property, plant, and equipment bases on the difference between the book value and the disposal amount; also, the net amount is recognized in the "Other gains and losses" of the "Non-operating income and expenses."

2. Reclassified to investment property

When the intended for own-use property is changed to as investment property, the property should be reclassified in accordance with the book value at the time of changing the intended use as investment property.

3. Subsequent cost

If the expected future economic effect arising from the subsequent expenditures of the property, plant, and equipment will probable inflow to the Company with an amount can be measured reliably, the expenditure is recognized as part of the book value of the item and the book value of the replaced part is then derecognized.The routine maintenance cost of the property, plant, and equipment is recognized in profit or loss upon incurred.

4. Depreciation

Depreciation is computed at the cost of an asset less its residual value over the estimated useful lives in accordance with the straight-line method. Also, it is assessed by the significant part of the asset. If the useful life of a part of the asset is different from the rest of the asset, the said part should be depreciated separately. The appropriated depreciation is recognized in profit or loss.

If the ownership of the lease asset can be acquired by the Company on the expiry date of the lease, the depreciation can be appropriated in accordance with the estimated useful lives; the depreciation of other leased assets is appropriated in accordance with the lease term or the useful lives whichever is shorter.

Land is not depreciated.

The estimated service life of the current year and the comparative period is as follows:

(1) House and building	1~55 years
(2) Office equipments	3~5 years
(3) Transportation equipment	2~5 year
(4) Other equipments	1~10 years
(5) Assets rented to others	3 years
(6) Leasehold improvement	2~5 years

Depreciation methods, service life, and residual values are examined at the end of each financial year. If the expected value is different from the previous estimate, if necessary, it will be appropriately adjusted. The said changes made will be handled in accordance with the requirements of accounting estimates.

(XIV) Lease

1. Lessor

The rental income from operating leases is recognized as income over the period of the lease in accordance with the straight-line method. The total incentives provided to the lessee for achieving the lease arrangement is credited to the rent income over the period of the lease in accordance with the straight-line method.

2. Lessee

The rent payment for operating lease (excluding insurance and maintenance service cost) is recognized as expenses over the period of the lease in accordance with the straight-line method. The total incentive provided by the lessor for achieving the lease arrangement is debited to the rent expense over the period of the lease in accordance with the straight-line method.

(XIII) Intangible assets

1. Goodwill

(1) Initial recognition

The Goodwill arising from the acquisition of subsidiaries is included in the intangible asset.

(2) Subsequent measurement

Goodwill is measured at cost net of the accumulated impairment. For the investment under the equity method, the book value of goodwill is included in the book value of the investment and the impairment loss of the investments is not allocated to goodwill and any asset but as part of the book value of the investment under the equity method.

2. Other intangible assets

The intangible assets acquired by the Company are measured at cost less accumulated amortization and accumulated impairment.

3. Subsequent expense

Subsequent expense can be capitalized only when it is able to help increase the future economic benefits of specific asset. All other expenses are recognized in profit or loss upon incurred, including internally developed goodwill and brands.

4. Amortization

The amortizable amount is the cost of the asset less the residual value.

Other than goodwill and intangible assets with indefinite useful life, intangible assets are amortized in accordance with the straight-line method and the estimated useful life from the date it is available for use. Amortization amount is recognized in profit of loss:

(1) Computer software 1~10 years

The residual value, amortization period, and amortization method of intangible assets are examined at least at the end of the fiscal year with the change deemed as changes in accounting estimates.

(XIV) Non-financial assets impairment

The Company has inventories, assets arising from construction contracts, deferred income tax assets, assets arising from employee welfare, and non-financial assets other than biological asset assessed for impairment on each reporting date; also, estimates the recoverable amount of the assets with a sign of impairment. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit the asset belongs to in order to assess impairment.

The recoverable amount is the fair value of an individual asset or cash-generating unit less selling cost and the value in use whichever is higher. If the recoverable amount of an individual asset or cash-generating unit is less than the book value, the book value of the individual asset or cash-generating unit is adjusted down to the recoverable amount with impairment loss recognized. Impairment losses were recognized immediately in current profit or loss.

The Company on each reporting date reassesses whether there are indications that the recognized impairment losses of non-financial assets other than goodwill may no longer exist or have decreased. If the estimates used to determine the recoverable amount are changed, the impairment loss is reversed to increase the book value of an individual asset or cash-generating unit equivalent to its recoverable amount, but may not exceed the book value of an individual asset or cash-generating unit before recognizing impairment loss and after deducting depreciation and amortization.

Goodwill, intangible assets with indefinite useful life, and intangible assets not yet available for use are tested for impairment annually; also, the recoverable amount less than the book value is recognized as impairment loss.

For the purpose of impairment testing, the goodwill acquired in a business consolidation shall be allocated to the Company’s cash-generating units (or cash-generating group) that is expected to benefit from the synergies of the consolidation effort. If the recoverable amount of the cash-generating unit is less than its book value, an impairment loss is allocated to the cash-generating unit by reducing the book value of its goodwill and then to the book value of each asset within the unit proportionally. The recognized goodwill impairment loss shall not be reversed in the subsequent periods.

(XV) Provision

The recognition of provision is the current obligation due to past events, so that the consolidated company will probably need to flow out economic resources to pay off obligations, and the obligations can be reliably estimated. Provision can reflect that current market discounts time value of money and the pre-tax discount rate of liability specific risk evaluation to present value, the amortization of discounting should be recognized as interest expense.

(XVI) Income recognition

1. Invest and construct columbarium and cemetery for sale

The proceeds collected for the sales of columbarium and cemetery is booked as advanced receipts and will be recognized as operating income once the permanent right to use is transferred to the client upon completion.

According to Ministry of the Interior, “store ashes units traded the right to use standard contracts shall be documented and recorded" the Act applied to all contract signed after April 1, 2013, in accordance with the historical experience of estimated future occurrence of termination refund and ready to use right of life of the related liabilities of the undertaking.

2. Funeral service

Funeral service is recognized as income upon the completion of the labor service.

The proceeds collected for the sales of reserved labor service is recognized as operating income upon the completion of the labor service. The direct marketing expense incurred for the sale of contracted labor service is booked as deferred marketing expense and it is recognized as current expense upon the completion of the labor service.

3. Rent income

The rent income arising from investment property is recognized in accordance with the straight-line method over the lease period; also, the given lease incentives is deemed as part of the overall rent income and it is credited to the rent income in accordance with the straight-line method over the lease period. The income generated from the sublease of property is recognized in the "Rent income" of the operating income.

(XVII) Employee welfare

1. Defined contribution plan

The defined contribution plan obligation is recognized as employee welfare expense during the labor service period.

2. Defined benefit plan

The retirement pension plan that is not a defined contribution plan is a defined benefit plan. The Company's net obligation under the defined benefit plan is the future benefits earned by employees currently or in the past and it is discounted to present value. Any unrecognized prior service cost and the fair value of the project assets is deducted or eliminated. Discount rate is based on the interest rate that is with a maturity date close to the net obligation deadline of the Company and the currency of denomination same as the market yield rate of government bonds for the expected benefit payment on the reporting date.

Enterprise's annual net obligation is calculated by a qualified actuary with the use of a projected unit welfare method. When the calculation result is favorable to the Company, the recognized asset is limited to the total amount of any unrecognized prior service cost and the present value of the total economic benefits available from the future refund of the plan or reduction of funding to the plan. The calculation of the present value of any economic benefits shall consider the minimum capital appropriation requirement applicable to any plan of the Company. If the benefit can be realized during the project period or when the project liabilities settled, it means economic benefit to the Company.

When the content of the planned welfare is improved, the welfare increase due to the service performed by the employees is recognized in profit or loss in accordance with the straight-line method over the average welfare vesting period. The associated expense of the vested benefit is recognized in profit or loss immediately.

The Company's actuarial gains and losses of the defined benefit plans arising subsequently is recognized immediately in the "Other comprehensive profit or loss."

The Company shall have the curtailment or settlement gain or loss of the defined benefit plan recognized upon occurrence. Curtailment or settlement gain or loss includes any changes in the fair value of plan assets, changes in the present value of the defined benefit obligation, any previously unrecognized actuarial gain or loss, and prior service cost.

3. Short-term employee welfare

Short-term employee benefit obligation is measured on an undiscounted basis and is recognized as expense when the related services are provided.

For the short-term cash bonus or the amounts expected to be paid under the bonus plan, if the Company has a present legal or constructive obligation to pay for the services rendered by employees before and the obligation can be estimated reliably, the amount is recognized as a liability.

(XVIII) Income tax

Income tax expense comprises current and deferred tax. In addition to the business combination are recognized directly in equity or in other comprehensive income related to the project, as the current income tax and deferred tax should be recognized in profit or loss.

Income tax includes current year taxable income (loss) of the reporting date at the statutory rate or the rate of substantive legislation expected tax payable or receivable tax refund calculation, and any adjustment to tax payable in previous years.

Deferred tax is provided on temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and their tax base amount of measure to be recognized. Temporary differences arising from the following circumstances shall not be recognized as deferred income tax:

1. Does not belong to a business combination and trading upon initial recognition of an asset or liability and, at the time of the transaction affects neither the accounting profit and taxable income (loss) persons.
2. Equity investments in subsidiaries and joint ventures generated, and it is probable in the foreseeable future will not swing by.
3. Original goodwill recognized.

Deferred income tax is based on the expected tax asset is realized or the liability is settled the current measure and report the date of the statutory tax rate or rates based on substantive legislation.

When Company will only meet the following conditions, before the deferred tax assets and deferred tax liabilities offsetting:

1. There is a legally enforceable right to set off current tax assets against current tax liabilities netted; and

2. Deferred tax assets and deferred tax liabilities and one of the following tax levied by the same taxation authority of the taxable entity;

(1) the same taxable entity; or

(2) different taxable entities, provided that each of the main intentions of each future period in which significant amounts of deferred tax assets and deferred tax liabilities are expected recovery is expected to be settled, the current income tax liabilities and assets in order to settle on a net basis, or to realize asset and settle the liability.

For unused tax losses and unused tax credits handed turn late, and deductible temporary differences, within the range of probable future taxable income available for use, are recognized as deferred income tax assets. And date to be re-assessed at each reporting be reduced on the related income tax benefit is likely to fall within the scope of non-realized.

(XIX) Business combinations

The Company transfers fair value of the consideration based on acquisition date, including amount which is classified as any non-controlling equity of acquiree, deducting acquired identifiable assets and net assumed liabilities (usually fair value) to measure goodwill. If the balance is negative after deducting, then the Company reassesses whether it has already identified all acquired assets and all assumed liabilities before recognizing gain from bargain purchase in profit or loss.

Based on transaction by transaction, the Company selects the fair value of non-controlling equity in accordance with acquisition date, or measures based on the identifiable assets in proportion with non-controlling equity.

In a business combination achieved in stages, the Company re-measures any previously held equity interest in the acquiree at fair value of acquisition date, and recognizes any profit or loss upon incurred. For acquiree's equity value changes which were already recognized in other comprehensive profit or loss before the acquisition date, the amount should be treated based on the same method that the acquirer directly disposes previously held equity. If it is appropriate to reclassify this equity to profit or loss, then the amount should be reclassified to profit or loss.

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. The measurement period cannot exceed one year from the acquisition date.

Despite cost related to issued debt or equity method, transaction cost related to business combinations should be recognized as the Company's expense immediately upon incurred.

(XX) Earnings per share

The Company lists the basic and diluted earnings per share of the common stock shareholders of the Company. The Company's basic earnings per share is based on the profit or loss of the Company's common stock shareholder divided by the weighted average number of outstanding common stock shares of the period. The Company's diluted earnings per share is to have the profit or loss of the Company's common stock shareholder and the weighted average number of outstanding common stock shares calculated after having the effect of the potential diluted common stock adjusted respectively. The Company's potential diluted common stock includes the estimated bonus to employees.

(XXI) Department information

The Company had segment information disclosed in the consolidated financial statements; therefore, segment information was not disclosed in the individual financial statements.

V. Major source of significant accounting judgments, estimates, and assumptions uncertainty

When the management has the individual financial statements prepared in accordance with the International Accounting Standard approved by the FSC, it is necessary to make judgments, estimates, and assumptions that are influential to the accounting policies adopted and the assets, liabilities, and income and expenses amount reported. Actual results may differ from those estimates.

The administering authority continually checks estimation and basic assumption. The accounting estimated changes are recognized in the changeable period and future period being impacted.

For the significant judgments involved in accounting policies and the influential information to the amount recognized in the individual financial report, please refer to the following notes:

(I) Note 6(7), The classification of investment property
(II) Note 6(11), The classification of leases

For the assumptions and estimates of uncertainty, and there will be a significant risk of causing a material adjustment to the relevant information about the next one year, please note the following details:

(I) Note 6(16), assessment of impairment of intangible assets
(II) Note 6(3), valuation of inventories
(III) Note 6(7), estimated impairment of intangible assets

VI. Description of significant accounting items

(I) Cash and cash equivalent

		12.31.2014	12.31.2013
Cash	$	3,132	2,490
Demand deposits		157,630	236,421
Time deposits		-	873,475
Cash and cash equivalent on the Consolidated Statement of Cash Flow	**$**	**160,762**	**1,112,386**

1. Time deposits, which are used for short-term cash commitments instead of investment, are classified as cash equivalents.
2. For the interest rate risk and sensitivity analysis disclosure of the Company's financial assets and liabilities, please refer to Note 6 (16)

(II) Financial assets at fair value through profit or loss

1. Details are as follows:

		12.31.2014	12.31.2013
Financial assets held-for-trading:			
Domestic and foreign common stocks	$	536,032	232,349
Bond investment		201,769	198,748
Beneficiary certificates		137,393	365,488
Total	**$**	**875,194**	**796,585**
Available-for-sale financial assets – non-current			
Bond investment	**$**	**1,866,734**	**-**
Financial assets valued at cost			
Stock Investment - PK Venture Capital Corp.	$	20,855	42,255
Stock Investment - FORTUNE IC FUND I		4,030	11,216
Stock investment – Ruei Da Venture Capital Co., Ltd.		-	2,862
Total	**$**	**24,885**	**56,333**

(1) The Company's stock investment valued at cost referred to above is measured in accordance with the cost net of impairment on the reporting date. Due to the significant range of the reasonable estimate of the fair value and the probability of various estimates cannot be reasonably assessed; the Company's management

believes that its fair value cannot be reliably measured.

(2) Investee company PK Venture Capital Corp. performed reduction of cash capital in 2014 and 2013, the Company received capital reduction refund of NT$14,400 thousand and NT$12,000 thousand respectively.

(3) The consolidated company's Board of Directors resolved in May 2013 to have the shareholding of Asia Best Healthcare Co., Ltd. sold entirely for an amount of NT$489,290 thousand, and recognized gain on disposal of NT$32,942 thousand.

(4) The investee company FORTUNE IC FUND I resolved to refund the additional paid in capital and cash dividend in accordance with shareholding ratio 40% in 2014. The consolidated company received dividend refund for NT$7,186 thousand.

(5) On May 15, 2014, the Company disposed shares of Ruei Da Venture Capital Co., Ltd. for an amount of NT$3,013 thousand and recognized expected gain on disposal of NT$207 thousand.

(6) The coupon rate range of the Company's available-for-sale financial assets – non-current on December 31, 2014, is 3.00%~7.875%, and the maturity year is 2016~2027.

(7) With respect to details of transferring from financial assets measured at fair value through profit or loss to the Trust as of December 31, 2014 and 2013, please refer to Note 9(3) for more information.

(8) As of December 31, 2014 and 2013, the Company did not have any financial assets warranted by pledge.

2. The Company has disclosed the credit, currency, and interest rate exposure related to the financial instruments on Note 6(16).

3. The impact of the changes in equity price on the reporting date (the analysis of two terms is completed by using the same basis, and assuming all other variables held constant) on the comprehensive profit and loss is as follows:

Stock price on the reporting date	**2014**	**2013**
Increased by 10%	**$ 44,491**	**19,285**
Decreased by 10%	**$ (44,491)**	**(19,285)**

At the reporting date significant foreign currency equity investments were as follows:

	12.31.2014			**12.31.2013**		
	Foreign Currency	**Exchange rate**	**NTD**	**Foreign Currency**	**Exchange rate**	**NTD**
Japanese Yen	$ 157,280	0.265	41,569	145,760	0.285	41,584
RMB	218,968	5.092	1,114,198	-	-	-
USD	29,185	31.65	925,677	1,929	29.720	57,341
HKD	25,730	4.08	105,026	-	-	-

(III) Inventory

	12.31.2014	**12.31.2013**
Real estate for sale	$ 5,075	5,957
Columbarium and cemetery for sale	1,231,046	1,365,905
Construction Site	2,051,423	1,230,794
Residential and building under construction	2,257,673	2,257,441
Columbarium and cemetery under construction	4,905,716	5,043,883

	12.31.2014	12.31.2013
Prepayments for land	249,738	727,590
	$ 10,700,671	10,631,570
Expected to be recovered in more than twelve months	$ 10,659,657	10,483,581

1. In the year 2014 and the year 2013, total interest expense Company was NT$17,463 thousand and NT$20,660 thousand, respectively. The interest capitalized amount of residential and building under construction and columbarium and cemetery under construction is zero.
2. Company discretionary portion of the land due to land acquisition integration consignee handle matters registered in the name part, the two sides signed the contract, agreed upon land consolidation has been completed, the property will be transferred to an unconditional merger companies, delegates should obtain rights Meanwhile, the right to apply for registration of transfer documents required by the appointment of people with print ready Receipt another matter consignee for such appointment has been opened with the cashier to register its name with the amount of land value delivered to appoint people Receipt.
3. As a mortgager, the Company requested to auction collateral of non-performing loan for NT$252,510 thousand, and acquired land at Huagang section, Shilin Dist through public tender for NT$451,114 thousand, and related legal registration proceedings are already completed. Additionally, the non-performing loan of the Company is still in the process of allocation by the court.
4. For the Company's inventories pledged as collateral as of December 31, 2014 and 2013, please refers to Note VIII.

(IV) The investment under equity method

The Company's investment under equity method on the reporting date is as follows:

	12.31.2014	12.31.2013
Affiliated enterprises	$ 1,391,988	1,492,342

1. Affiliated enterprises
 (1) In June 2013, our affiliates Zekaen Co. Ltd. increased cash capital to NT$70,000 thousand, issued at par. The proportion of the Company's acquisition of shares held by non-original NT$61,250 thousand; the proportion has been increased from 42% to 73.85% and having the ability to control of the company's revenues and expenses in the consolidated statements. Additionally, in May 2014, the Company purchased shares of Zekaen Co. Ltd. from Japanese companies which are Fuji Kogyo Co., Ltd. and You Ka En Inc., and its stake from 73.85% to 100%.
 (2) In August 2014, upon the resolution by the Annual Meeting of Shareholders, the subsidiary company Jin Huang Construction Co. Ltd. reduced cash capital in order to adjust capital structure and to improve the return on equity (ROE). The total amount was NT$177,500 thousand and was returned based on the ordinary shareholding ratio of each shareholder. The capital reduction ratio was 88.75%. After the capital reduction, the paid-in capital of Jin Huang was NT$22,500 thousand, and the reduction effective date was August 5, 2014.
 (3) In June 2013, the subsidiary company Longding Life Sciences Inc. increased cash capital to 55,000 thousand, issued at par, the Company did not take up new shares as proportion previously held, the subsidiary Zekaen Co. Ltd. fully taken up 55,000

thousand company shares, this has caused the Company's ownership to decrease from 100% to 42.11%, Zekaen Co. Ltd. to increase to 57.89%. Additionaaly, in March 2014, the subsidiary company Longding Life Sciences Inc. increased cash capital to 45,000 thousand, issued at par, the Company did not take up new shares as proportion previously held, this has caused the Company's ownership to increase from 42.11% to 60.71%, Zekaen Co. Ltd. to decrease to 31.75%.

2. Affiliated enterprises

(1) The Company’s investment under equity method on the reporting date in 2013 is as follows:

	2013
The Consolidated Company’s share of the affiliated enterprise’s profit and loss	$ (24)

The Company’s affiliated enterprise’s financial information is summarized as follows. The said financial information is not adjusted proportionally to the Company’s shareholding ratio:

	2013
Income	$ 456
Net income	$ (33)

(2) The Company disposed the full ownership of the affiliated enterprises Beauty Kadan Co., Ltd. in August 2013 at a sales price of 23,732 thousands, and the recognized profit of the disposal of investment is 803 thousands.

(3) Affiliated enterprise Ruei Da Venture Capital Co., Ltd. performed capital reduction refund NT$27,000 thousand in June 2013 and the amount debited using the equity method of investment. In addition, Ruei Da Venture Capital Co., Ltd. conducted capital injection in November 2013, the consolidated company's did not take up new shares as shareholding ratio, this has caused the Company's ownership to decrease from 47.62% to 15%, leading to loss of significant influence on this company. Hence, the investment under equity method is transferred to financial assets carried at cost using. Please refer to Note 6(2).

(4) The Company’s investment under equity method was without any collateral pledged as of December 31, 2014 and 2013.

(V) Property, plant, and equipment

The changes in the cost, depreciation, and impairment loss of the Company’s property, plant, and equipment in 2014 and 2013 as follows:

	Land	Houses and buildings	Transportation equipment	Office equipment	Leased assets and leasehold improvements	Other equipment	Construction in progress and equipment to be tested	Total
Cost or identified cost:								
Balance on January 1, 2014	$ 2,007,589	789,264	88,321	91,216	30,856	41,117	2,544,733	5,593,096
Additions	186	27,440	71	160	176	3,545	671,858	703,436
Disposal and scrap	-	-	(5,915)	(2,251)	-	(985)	(212)	(9,363)
Reclassification	91,454	302,579	-	-	1,929	-	(312,319)	83,643
Balance on December 31, 2014	$ 2,099,229	1,119,283	82,477	89,125	32,961	43,677	2,904,060	6,370,812
Balance on January 1, 2013	$ 1,974,767	639,816	86,757	91,210	30,856	38,612	2,206,352	5,068,370
Additions	32,822	3,503	1,564	846	-	3,893	488,211	530,839
Disposal and scrap	-	-	-	(840)	-	(1,388)	(3,885)	(6,113)
Reclassification	-	145,945	-	-	-	-	(145,945)	-

		Land	Houses and buildings	Transportation equipment	Office equipment	Leased assets and leasehold improvements	Other equipment	Construction in progress and equipment to be tested	Total
Balance on December 31, 2013	$	2,007,589	789,264	88,321	91,216	30,856	41,117	2,544,733	5,593,096
Depreciation and impairment loss:									
Balance on January 1, 2014	$	-	268,118	41,765	87,997	30,498	28,166	-	456,544
Current depreciation		-	29,881	11,107	1,282	283	4,010	-	46,563
Disposal and scrap		-	-	(5,915)	(2,248)	-	(968)	-	(9,131)
Reclassification		-	(4,128)	-	-	128	-	-	(4,000)
Balance on December 31, 2014	$	-	293,871	46,957	87,031	30,909	31,208	-	489,976
Balance on January 1, 2013	$	-	250,699	30,354	87,341	30,379	24,719	-	423,492
Current depreciation		-	17,419	11,411	1,496	119	4,551	-	34,996
Disposal and scrap		-	-	-	(840)	-	(1,104)	-	(1,944)
Balance on December 31, 2013	$	-	268,118	41,765	87,997	30,498	28,166	-	456,544
Book value:									
December 31, 2014	$	2,099,229	825,412	35,520	2,094	2,052	12,469	2,904,060	5,880,836
January 1, 2013	$	1,974,767	389,117	56,403	3,869	477	13,893	2,206,352	4,644,878
December 31, 2013	$	2,007,589	521,146	46,556	3,219	358	12,951	2,544,733	5,136,552

1. The Company (referred to as “the principal” hereinafter) has part of the land registered in the name of the discretionary related party (referred to as “the trustee” hereinafter) for land acquisition matters. The contractual parties agree to have the land ownership transferred back to the Company unconditionally upon the completion of land consolidation. Trustee at the time of acquiring the land ownership shall have the documents needed for ownership transfer prepared, signed and sealed, and then delivered to the principal for records. In addition, a promissory note issued by the trustee for an amount equivalent to the land value should be delivered to the principal for records.
2. For the breakdown of the amount of guarantees and other financing as of December 31, 2014 and 2013, please refer to Note 8.
3. For part of property, plant and equipment in trust case as of December 31, 2014 and 2013, please refer to Note 9(3).

(VII) Investment property

		Land and improvements	Building and structure	Total
Cost or identified cost:				
Balance on January 1, 2014	$	4,585,987	1,874,906	6,460,893
Additions		-	1,019	1,019
Disposal		(9,064)	(10,981)	(20,045)
Reclassification		12,531	17,597	30,128
Balance on December 31, 2014	$	4,589,454	1,882,541	6,471,995
Balance on January 1, 2013	$	5,133,615	2,746,619	7,880,234
Additions		1,085	3,697	4,782
Disposal		(548,713)	(875,410)	(1,424,123)
Balance on December 31, 2013	$	4,585,987	1,874,906	6,460,893
Depreciation and impairment loss:				
Balance on January 1, 2014	$	19,001	264,587	283,588
Current depreciation		-	52,905	52,905
Disposal		-	(3,383)	(3,383)
Reclassification		-	4,000	4,000

		Land and improvements	Building and structure	Total
Balance on December 31, 2014	$	19,001	318,109	337,110
Balance on January 1, 2013	$	19,001	288,815	307,816
Current depreciation		-	72,353	72,353
Disposal		-	(96,581)	(96,581)
Balance on December 31, 2013	$	19,001	264,587	283,588
Book value:				
December 31, 2014	$	4,570,453	1,564,432	6,134,885
January 1, 2013	$	5,114,614	2,457,804	7,572,418
December 31, 2013	$	4,566,986	1,610,319	6,177,305
Fair value:				
December 31, 2014				$ 9,750,580
January 1, 2013				$ 9,075,791
December 31, 2013				$ 7,662,847

1. Investment property contains a number of commercial properties leased to others. Please refer to Note 6(9).
2. The fair value of investment property is based on the evaluation of an independent evaluator (is with relevant professional qualification and has relevant experience recently in the location and type of the investment property).This evaluation is based on market value. If the current price in an active market is not available, the evaluation takes into consideration of the estimated total cash flows expected to be received from the property leased; also, it is discounted at the yield rate that reflects the specific risks inherent in the net cash flows to determine the value of the property.
3. The Company in October 2013 deal with investment property for sale by public tender, marked the price paid NT$1,775,640 thousand (before tax), deducting the book value of investment property – non-current asset, related ancillary works and relevant taxes, recognized gains on disposal of assets is NT$428,210 thousand.
4. As of 2014 and 2013, the Company recognized the profit or loss from disposal of investment property for net profit NT$15,731 thousand and NT$434,117 thousand, respectively, booked under other profit or loss. Please refer to Note 6(17).
5. With regards to real estate delivered to investment trust case as of December 31, 2014 and 2013, please refer to Note 9(3).\6. With regards to details of guarantees for financing facilities provided as of December 31, 2014 and 2013, please refer to Note 8.

(VII) Intangible assets

The cost, depreciation, and impairment loss of the Company's intangible assets as of 2014 and 2013 are as follows:

		Goodwill	Trademark	Computer software	Total
Cost:					
Balance on January 1, 2014	$	542,428	192,750	83,807	818,985
Acquired separately		-	-	3,025	3,025
Balance on December 31, 2014	$	542,428	192,750	86,832	822,010
Balance on January 1, 2013	$	542,428	192,750	76,094	811,272
Acquired separately		-	-	7,713	7,713

	Goodwill	Trademark	Computer software	Total
Balance on December 31, 2013	$ 542,428	192,750	83,807	818,985
Amortization and impairment loss:				
Balance on January 1, 2014	$ -	-	41,670	41,670
Current amortization	-	-	8,802	8,802
Balance on December 31, 2014	$ -	-	50,472	50,472
Balance on January 1, 2013	$ -	-	33,596	33,596
Current amortization	-	-	8,074	8,074
Balance on December 31, 2013	$ -	-	41,670	41,670
Book value:				
Balance on December 31, 2014	$ 542,428	192,750	36,360	771,538
Balance on January 1, 2013	$ 542,428	192,750	42,498	777,676
Balance on December 31, 2013	$ 542,428	192,750	42,137	777,315

1. The intangible assets amortization expense reported in the Comprehensive Income Statement as of 2014 and 2013 is as follows:

	2014	2013
Operating expenses	$ 8,802	8,074

2. The Company on February 5, 2010 in the capital increase by issuing new shares in exchange for ordinary shares in Lungyen Life Service Corp. (75% stake), and the purchase price allocation according to the report recognize goodwill NT$134,397 thousand. Also on February 1, 2011, the Consolidated Company to issue new shares in exchange for the capital increase ordinary shares Lungyen Life Service Co., Ltd (shares) of the Company (25% stake), and the original Lungyen Life Service in the Consolidated Company while when together to destroy, according to the report recognize the purchase price allocation of goodwill NT$425,213 thousand and NT$ 192,750 thousand trademark, and the other on December 31, 2011 and incorporated into the assessment of deferred tax liabilities related to the merger did not affect taxable income in the future number, so be reduced goodwill NT$17,182 thousand.
3. The Company executed annually at the reporting date for impairment assessment of goodwill and trademarks, on December 31, 2014 and 2013, through the implementation of impairment testing, goodwill and trademark rights should be recognized without impairment losses. Hereby will calculate the recoverable amount is based key assumptions are summarized as follows:
   (1) Department of estimated future cash flows based on historical operating performance management authorities and planning future operations of the five-year budget forecast.
   (2) Pre-tax discount rate is calculated using the value system adopted in accordance with the industry weighted average cost of capital (WACC) for the estimation basis.

(VIII) Short-term loan

The Company's short-term loan details, conditions, and terms are as follows:

	12.31.2014	12.31.2013
Unguaranteed bank loans	$ 177,500	-
Guaranteed bank loans	2,372,500	1,002,000
Total	$ 2,550,000	1,002,000

	12.31.2014	12.31.2013
Unused limit	$ 3,590,000	3,429,000
Interest rate range	0.72%~1.5%	0.62%~1.5%

1. For the Company's assets pledged as collateral for bank loans, please refer to Note 8.
2. For the Company's interest rate, foreign currency, and liquidity risk exposure information, please refers to Note 6(16).

(IX) Operating lease

For the Company's investment property leased as operating rental, please refer to Note 6(6). The future minimum lease payment receivable of the irrevocable lease term is as follows:

	12.31.2014	12.31.2013
Within 1 year	$ 219,253	215,679
1~5 years	441,926	482,340
Over 5 years	90,393	129,617
	$ 751,572	827,636

The rent income arising from the investment property amounted to NT$214,730 thousand and NT$227,955 thousand as of 2014 and 2013, respectively. The repair and maintenance expense (booked in the "Operating cost") incurred from investment property is as follows:

	2014	2013
Rent income generated	$ 104,645	132,450
Rent income not generated	-	-
	$ 104,645	132,450

(X) Employee welfare

1. Defined benefit plan

The Company's recognized defined benefit obligation assets are as follows:

	12.31.2014	12.31.2013
Total present value of obligations	$ 32,070	29,310
The fair value of plan assets	(7,203)	(7,004)
Plans shortage	$ 24,867	22,306
Recognized defined benefit obligations liability	$ 24,867	22,306

The Company's defined benefit plan is with fund appropriated to the labor pension reserve account at the Bank of Taiwan. The pension payment to each employee that is subject to the Labor Standards Act is based on the pension point received for the years of service and the average salary six months prior to the retirement.

(1) Composition of plan assets

The pension fund appropriated by the Company in accordance with the Labor Standards Act is managed by the Labor Pension Fund Supervisory Committee of the Council of Labor Affairs, Executive Yuan (referred to as the "Labor Pension Fund Supervisory Committee" hereinafter). According to the "Guidelines for Labor Pension Fund Safekeeping and Implementation," the annual minimum yield generated from the use of fund may not be less than the interest income generated from a local bank's two-year time deposit

The Company's labor pension fund account at the Bank of Taiwan is with a balance of NT$7,203 thousand and NT$7,004 thousand as of December 31, 2014 and 2013. Labor Pension Fund Asset Management information includes fund yield rate and pension asset allocation. Please refer to the website of the Pension Fund Supervisory Committee of the Council of Labor.

(2) Changes in value of defined benefit obligation

The Company's changes in value of defined benefit obligation for 2014 and 2013 as follows:

	2014	2013
Value of defined benefit obligation balance January 1	$ 29,310	28,349
Current service cost and interest	731	567
Actuarial loss (gain)	2,029	394
Value of defined benefit obligation balance December 31	$ 32,070	29,310

(3) Changes in the present value of plan assets

The Company 2014 and 2013 changes in the present value of the defined benefit plan assets are as follows:

	2014	2013
The fair value of plan assets on January 1	$ 7,004	6,877
Amount withdraw to plan assets	34	38
Expected return on plan assets	129	128
Actuarial loss (gain)	36	(39)
The fair value of the plan assets is December 31	$ 7,203	7,004

(4) Expenses through profit or loss

The Company recognized gains and losses for year 2014 and 2013 as follows:

	2014	2013
Current service cost	$ 146	142
Interest cost	585	425
Expected return on plan assets	(129)	(128)
	$ 602	439
Operating expense	$ 602	439
Actual return on plan assets	$ 165	89

(5) Actuarial gains and losses recognized in other comprehensive (loss) income

	2014	2013
January 1 cumulative balance	$ (2,466)	(2,033)
Recognized during this period	(1,993)	(433)
December 31 cumulative balance	$ (4,459)	(2,466)

(6) Actuarial assumptions

The Company's principal actuarial assumptions (expressed as weighted average) in 2014 and 2013 are as follows:

	2014	2013
Discount rate as of December 31	2.00%	2.00%
Expected return on plan assets as of January 1	1.75%	1.75%
Future salary increases	2.00%	2.00%

Expected long-term return on assets is based on the overall portfolio not the sum of individual asset. This return rate is based purely on the historical return rate without any adjustment made.

(7) Historical information after adjustments

	12.31.2014	12.31.2013	12.31.2012	1.1.2012
Present value of defined benefit obligation	$ 32,070	29,310	28,349	25,798
The fair value of plan assets	(7,203)	(7,004)	(6,877)	(6,754)
Net liability of defined benefit obligation	$ 24,867	22,306	21,472	19,044
Adjustment to the present value of defined benefit plans made by experience	$ 392	667	763	-
Adjustment to the fair value of plan assets by experience	$ 36	(40)	(78)	-

The Company plans to pay NT$34 thousand and NT$36 thousand for the defined benefit plan within one year after the reporting date as of 2014 and 2013.

(8) When calculating the present value of the defined benefit obligation, the Company must exercise judgment and estimate to determine the relevant actuarial assumptions on the balance sheet date, including employee turnover, future salary changes, etc. Any changes in actuarial assumptions are likely to materially affect the Company's defined benefit obligation amount.

The Company's pension liabilities book value amounted to NT$24,867 thousand and NT$22,306 thousand as of December 31, 2014 and 2013. When the fluctuation of adoption discount rate is 0.25%, the Company's recognized accrued pension liabilities accrual would be reduced by NT$1,197 thousand or increased by NT$1,255 thousand, and reduced by NT$1,149 thousand or increased by NT$1,208 thousand, respectively.

2. Defined contribution plan

The Company's defined contribution plan is based on Labor Pension Act. An amount equivalent to 6% of the monthly wages is appropriated to the Labor Pension personal accounts of the Bureau of Labor Insurance. In this project, the Company appropriates a fixed amount to the Bureau of Labor Insurance and without any legal or constructive obligation to make additional contribution.

The Company's pension expense as of 2014 and 2013 under the defined contribution plan amounted to NT$15,685 thousand and NT$14,373 thousand, respectively, and it has been appropriated to the Bureau of Labor Insurance already.

(XI) Income tax

1. Income tax expense

The Company's income tax expenses of 2014 and 2013 as follows：

	2014	2013
Current income tax expenses		
Current generated	$ 172,853	207,543

		2014	2013
Increase of land tax		2,072	30,288
Undistributed earnings to 10%		22,275	51,979
		197,200	289,810
Deferred income tax expense (income)			
Occurrence and reoccurrence of temporary differences		42,651	(67,434)
Income tax expense	$	239,851	222,376

2. The Company's adjustment between the relationship of income and income before tax as follows:

		2014	2013
Pre-tax profit	$	2,432,713	2,238,463
Income tax rate calculation using the domestic tax rate		360,318	396,212
Tax-exempt income and dividend income		(128,685)	(150,416)
Land appreciation tax		2,072	30,288
Restoration of temporary management fee received in advance		(20,040)	(20,279)
Undistributed earning to 10%		22,275	51,979
Other		3,911	(85,408)
	$	239,851	222,376

3. Deferred tax assets and liabilities

(1) Unrecognized deferred income tax liabilities

December 31, 2014 and 2013 temporary differences associated with investments in subsidiaries due to the Company can control the timing of reversal of temporary differences, and the belief in the foreseeable future will not swing, so unrecognized deferred income tax liabilities. Related amounts are as follows:

		12.31.2014	12.31.2013
Temporary differences associated with investments in subsidiaries aggregated amount	$	120,247	114,930
Amount not recognized as deferred tax liabilities	$	20,442	19,538

(2) Recognized deferred tax assets and liabilities

Changes in assets and liabilities of the years ended 2014 and 2013 deferred income tax as follows:

Deferred income tax liabilities:

		Goodwill and trademark amortization	Other	Total
January 1, 2014	$	27,568	3,115	30,683
Debit (credit) to income statement		9,452	10,089	19,541
December 31, 2014	$	37,020	13,204	50,224
January 1, 2013	$	18,116	6,297	24,413
Debit (credit) to income statement		9,452	(3,182)	6,270
December 31, 2013	$	27,568	3,115	30,683

Deferred tax assets:

	Cemetery Revenue	Contract Revenue	Other	Total
January 1, 2014	$ 565,802	64,386	81,559	711,747
(Debit) credit to income statement	(28,169)	10,354	(5,295)	(23,110)
(Debit) credit to other	10,729	-	-	10,729
December 31, 2014	**$ 548,362**	**74,740**	**76,264**	**699,366**
January 1, 2013	$ 460,226	37,692	79,673	577,591
(Debit) credit to income statement	45,124	26,694	1,886	73,704
(Debit) credit to other	60,452	-	-	60,452
December 31, 2013	**$ 565,802**	**64,386**	**81,559**	**711,747**

4. The Company's income tax returns have been audited by the tax authorities up to 2010. The discontinued company after the consolidation - Lungyen Life Service Co.'s income tax returns has been audited by the tax authorities up to 2010, while that in 2009 has yet to be audited.
5. The Company's imputation tax:

	12.31.2014	12.31.2013
Undistributed earnings before 1997	$ -	-
Undistributed earnings before 1998	2,912,259	2,517,500
	$ 2,912,259	**2,517,500**
Imputed tax credit account balance	**$ 437,374**	**567,641**

	2014 (Estimate)	2013 (Actual)
The tax credit ratio granted to the earnings of the ROC residents.	**17.78%**	**23.14%**

The two tax information dealt with in accordance with the Treasury Department sets of regulation and taxation No. 10204562810 of October 17 2013.

(XII) Capital and other equity

The Company's authorized capital was NT$6,000,000 thousand for 600,000 thousand shares to be issued at NT$10 Par and there were 399,084 thousand common stock shares issued as of December 31, 2014 and 2013.

1. Additional paid-in capital

The Company's additional paid-in capital balance:

	12.31.2014	12.31.2013
Stock premium	$ 1,392,072	1,392,072
Recognized under the equity method and the associated number of changes in net equity of a business venture	-	3,587
Total	**$ 1,392,072**	**1,395,659**

According to the Company Law amended in January 2012, additional paid-in capital must be applied to make up losses with priority before distributing new shares or cash to shareholders proportionally to their shareholding ratio. The realized additional paid-in capital referred to above includes stock premium and bestowed income received.

According to the Regulations Governing the Offering and Issuance of Securities by the Issuer, the additional paid-in capital that can be capitalized annually shall not exceed 10% of the total paid-in capital.

2. Retained earnings

According to the Company's Articles of Incorporation, the total annual earnings, if any, should be applied to pay tax, make up losses of prior years, then appropriated 10% legal reserve, and if necessary, appropriated special reserve, the remaining amount thereafter, if any, is deposited as retained earnings partially and the rest amount is allocated as follows:

a. Remuneration to directors may not exceed 2%;

b. Bonus to employees may not be less than 1%. If the distribution of bonus to employees is paid with stock shares, the recipients shall include the qualified employees of the subsidiaries.

Deducting the previous amount, the available balance which pluses prior period accumulative unappropriated earnings can be the shareholders bonus. The Board of Directors decides to appropriate or retain in proportion with total shares based on the Company's dividend policy, and formulates the proposal for distribution of profits to shareholder meeting for resolution.

Retained earnings can be distributed in the form of stock dividends for the purpose of protecting shareholders' equity and in response to the annual fund demands estimated in accordance with the Company's capital budget planning. The distribution of cash dividends may not be less than 10% of the dividend to shareholders.

(1) Legal reserve

According to the Company Law amended in January 2012, companies are to appropriate 10% of the net income as legal reserve until it is equivalent to the total capital. If there is no deficit, companies with the resolution reached in the shareholders' meeting may distribute new shares or cash to shareholders with legal reserve and it is limited to the portion exceeding 25% paid-in capital.

(2) Special reserve

According to the FSC.Cert. Far.Tzi No. 1010012865 Order dated April 6 2012 issued by the Financial Supervisory Commission, when the Company distributes the distributable earnings, for the net amount debited to the "Other shareholder's equity," appropriate special reserve for the same amount from the current profit or loss and prior unappropriated earnings. For the cumulative amount debited to the "Other shareholder's equity," appropriate special reserve for the same amount from the prior unappropriated earnings and it may not be distributed. The amount debited to "Other shareholder's equity" that is reversed subsequently can be distributed as earnings.

(3) Distribution of earnings

The Company's bonus to employees as of 2014 and 2013 is estimated to be NT$19,736 thousand and NT$13,577 thousand. The remuneration to directors and supervisors as of 2014 and 2013 is estimated to be NT$39,471 thousand and NT$27,154 thousand. The estimated bonus payable to employees and remuneration payable to directors is based on the experience in distribution to calculate, having the net income after deducting the bonus to employees, remuneration to directors and supervisors, legal (special) reserve, and retained earnings multiplied 1% and 2%, respectively; also, it is reported as operating cost or operating expense as of 2014 and 2013.

The 2014 distribution of bonus to employees and remuneration to directors and supervisors is yet to be resolved in the shareholders' meeting. The relevant information can be obtained from the MOPS after the shareholders' meeting convened. If the distribution amount resolved in the shareholders' meeting differs from the estimated amount, the difference is recognized in the 2014 profit or loss.

The company's distribution of 2013 and 2012 earnings was proposed by the board of directors on June 17, 2014 and June 4, 2013. The distribution of dividends to shareholders is as follows:

	2013		2012	
	Share distribution rate (NT$)	**Amount**	**Share distribution rate (NT$)**	**Amount**
Dividends distributed to common stock shareholders:				
Cash	$ 4.00	**1,596,337**	3.30	**1,316,978**

The Company's 2012 annual bonus to employees, directors and supervisors of financial reporting amounts recognized no difference between the actual distributions. The shareholder's meeting resolved to change 2013 dividend distribution from NT$3.3 per share to NT$4 per share on June 17, 2014, hence actual distributions of bonus to employees was changed from NT$13,577 thousand to NT$16,457 thousand, actual remuneration to directors and supervisors was changed from NT$27,154 thousand to NT$32,914 thousand. Thus, the difference of estimated and actual distributions of bonus to employees and remuneration to directors and supervisors was NT$8,640 thousand, reported as current loss/gain in 2014.

3. Other equity (net amount after tax)

	Exchange differences from the translation of foreign institution's financial statements	**Available-for-sale investment**	**Total**
January 1, 2014	$ (15,280)	56	(15,224)
Currency translation differences using equity method:			
Subsidiaries	7,118	-	7,118
Unrealized gain or loss of the available-for-sale financial assets:			
The Company	-	(6,296)	(6,296)
Affiliated enterprises	-	(56)	(56)
Balance on December 31, 2014	**$ (8,162)**	**(6,296)**	**(14,458)**
January 1, 2013	(20,204)	369	(19,835)
Currency translation differences using equity method:			
Subsidiaries	4,924	-	4,924
Unrealized gain or loss of the available-for-sale financial assets:			
Affiliated enterprises	-	(313)	(313)
Balance on December 31, 2013	**$ (15,280)**	**56**	**(15,224)**

(XIII) Earnings per share

The Company's basic earnings per share and diluted earnings per share as of 2014 and 2013 are calculated as follows:

		2014	2013
Basic earnings per share			
Net income attributable to the Company's common stock shareholders:	$	2,192,862	2,016,087
Weighted average outstanding common stock shares		399,084	399,084
	$	5.49	5.05
Diluted earnings per share			
Net income attributable to the Company's common stock shareholders (after adjusting the potential dilutive effect of the common stock shares)	$	2,192,862	2,016,087
The impact of common stock shares with potential dilutive effect of the weighted average outstanding common stock shares	$	399,084	399,084
The impact of stock bonus to employees		301	228
Weighted average outstanding common stock shares (after adjusting the potential dilutive effect of the common stock shares)	$	399,385	399,312
	$	5.49	5.05

(XIV) Income

The Company's income as of 2014 and 2013 is as follows:

		2014	2013
Columbarium and cemetery income	$	3,318,911	1,991,194
Funeral services income		1,445,580	1,342,399
Rent income from investment property		214,730	227,955
Other operating income		104,197	80,262
	$	5,083,418	3,641,810

(XV) Non-operating income and expense

1. Other income

The Company's other income in 2014 and 2013 as follows:

		2014	2013
Interest income	$	90,336	23,350
Dividend income		9,375	18,477
Management consulting income		24,000	24,000
Fines income		114,861	183,092
Other income		29,305	25,324
	$	267,877	274,243

2. Other profit and loss

The Company's other gain and loss in 2014 and 2013 as follows:

	2014	2013
Foreign exchange gain (loss)	$ 100,727	5,700
Gains and losses on disposal of investments and financial liabilities	207	33,745
Net financial assets measured at fair value through profit or loss	76,551	54,072
Disposal of property, plant, and equipment	(12)	(170)
Loss from financial assets decrease valued at cost	(7,000)	-
Other expense	(2,886)	(28,526)
	$ 167,587	64,821

3. Finance cost

The Company's finance cost a of 2014 and 2013 is as follows:

	2014	2013
Interest expense		
Bank loan	$ 17,463	20,660

(XVI) Financial instruments

1. Types of financial instruments

(1) Financial assets

	12.31.2014	12.31.2013
Financial assets at fair value through profit or loss:		
Financial assets held for trading (included at cost)	$ 900,079	852,918
Available-for-sale financial assets	1,866,734	-
Subtotal	2,766,813	852,918
Loans and receivables:		
Cash and cash equivalent	160,762	1,112,386
Notes receivable and accounts receivable	421,138	334,987
Other financial assets	2,714,238	2,185,613
Subtotal	3,296,138	3,632,986
Total	$ 6,062,951	4,485,904

(2) Financial liabilities

	12.31.2014	12.31.2013
Financial liabilities at amortized cost:		
Short term loan	2,550,000	1,002,000
Note and account payable (including related parties)	441,506	378,543
Other payables	346,926	496,006
Total	$ 3,338,432	1,876,549

2. Credit risk

(1) Credit risk exposure

The book value of financial assets represents the maximum credit risk exposure amount. The maximum credit risk exposure amounted to NT$6,062,951 thousand and NT$4,485,904 thousand as of December 31, 2014 and 2013, respectively.

(2) Concentration of credit risk

As the company has a broad customer base, not with a significant focus on customer transactions and sales area scattered, so there is no significant credit risk concentration of accounts receivable danger. And in order to reduce credit risk, the Company also continued to regularly assess the financial condition of customers, but usually do not require customers to provide collateral.

(3) Impairment loss

Loans and receivables aging analysis on the reporting date:

	12.31.2014		12.31.2013	
	Total	**Impairment**	**Total**	**Impairment**
Not overdue	$ 966,264	29,518	259,787	24,755
Overdue 31~60 days	20,321	1,762	17,176	966
Overdue 61~90 days	10,882	944	9,871	584
Overdue 91~120 days	2,509	217	8,349	143
Overdue more than 120 days	47,888	20,173	92,111	19,457
	$ 1,047,864	**52,614**	**387,294**	**45,905**

Changes in allowance for doubtful accounts receivable is as follows:

	2014	2013
Balance at 1 January	$ 45,905	34,224
Impairment losses recognized	6,935	11,681
Uncollectible amounts written off amount during the current year	(226)	-
Balance at December 31	**$ 52,614**	**45,905**

The allowance for bad debt of accounts receivable is for estimating the irrecoverable amounts. However, if the Consolidated Company is convinced that the relevant amount cannot be recovered, the allowance for bad debt is applied to write off financial assets upon identifying the uncollectible. The company's receivable in December 31, 2014 and 2013 there has been no recovery of impairment.

3. Liquidity risk

The contract maturities of financial liabilities are illustrated in the table below, excluding the estimated interest but not the impact of net amount agreed.

	Book value	**Contract Cash flow**	**6 months Within**	**6-12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
December 31, 2014							
Non-derivative financial liabilities							
Guaranteed bank loans	$ 2,550,000	2,550,000	2,550,000	-	-	-	-
Notes payable and accounts payable	441,506	441,506	257,921	71,970	46,408	3,845	61,362
Other payables	346,926	346,926	346,926	-	-	-	-
	$ 3,338,432	**3,338,432**	**3,154,847**	**71,970**	**46,408**	**3,845**	**61,362**
December 31, 2013							

	Book value	Contract Cash flow	6 months Within	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Secured bank loans	$ 1,002,000	1,002,000	1,002,000	-	-	-	-
Notes payable and accounts payable	378,543	378,543	228,529	26,144	48,696	18,370	56,804
Other payables	496,006	496,006	496,006	-	-	-	-
	$ 1,876,549	1,876,549	1,726,535	26,144	48,696	18,370	56,804

The Company does not expect the maturity analysis of cash flows will be significantly pre-matured or the actual amount will be significantly different.

4. Exchange rate risk

(1) Exchange rate risk exposure

The Company's financial assets and liabilities exposed to significant foreign exchange rate risk is as follows:

	12.31.2014			12.31.2013		
	Foreign currency	Exchange rate	New Taiwan Dollar	Foreign currency	Exchange rate	New Taiwan Dollar
Financial assets						
Monetary items						
RMB/NTD	$ 366,647	5.092	1,866,966	230,812	4.900	1,130,977
USD/NTD	29,697	31.65	939,903	2,875	29.72	85,445
Japanese yen/NTD	19,262	0.2646	5,097	10,916	0.2850	3,111
HKD/NTD	25,733	4.080	104,991	-	-	-
Non-monetary items						
Japanese yen/NTD	157,280	0.2646	41,569	145,760	0.285	41,584
USD/NTD	2,205	31.65	69,936	1,929	29.72	57,341

(2) Sensitivity analysis

The Company's exchange rate risk is mainly from foreign currency denominated cash and cash equivalent and financial assets measured at fair value through profit or loss. Foreign exchange gain and loss arises from the translation. When the exchange rate of NT Dollars against main foreign currency depreciated or appreciated by 10% (the analysis of two terms is completed by using the same basis, and assuming all other variables held constant) as of December 31, 2014 and 2013, the net income was increased by NT$242,10 thousand and decreased by NT$101,221 thousand, respectively as of 2014 and 2013.

5. Interest rate analysis

Please refer to the Note regarding liquidity risk management for the interest rate risk exposure of the Consolidated Company's financial assets and financial liabilities.

The following sensitivity analyzes are based on the interest rate risk exposure of the derivative and non-derivative instruments on the reporting date. The analysis of floating rate liabilities is by assuming the outstanding liability amount on the reporting date stays outstanding the entire year. In addition, interest rate is assessed within the reasonable and possible range of change. If interest rate is increased or decreased by 0.5%, with all other variables held constant, the Consolidated Company's net income as of 2014 and 2013 is increased by NT$2,646 thousand and NT$1,040 thousand, respectively.

6. Fair value

(1) Fair value and book value

The Company's management believes that the book value of the financial assets and financial liabilities measured at amortized cost in the individual financial statements is similar to the fair value.

(2) Evaluation techniques and assumptions used in determining the fair value

The Company has the fair value of financial assets and financial liabilities determined as follows:

Listed (OTC) stock, beneficiary certificate, and corporate bonds are financial assets and financial liabilities with standard terms and conditions and traded in an active market, therefore, the fair value is based on the market price quoted.

The fair value of the financial assets and financial liabilities other than the ones referred to above is determined in accordance with the generally accepted pricing models based on the cash flow discount analysis.

(3) The fair value hierarchy

The financial instruments measured at fair value are analyzed in accordance with the valuation method illustrated in the table below. The fair value hierarchy is defined as follows:

Class I: The price (unadjusted) of equivalent assets or liabilities quoted in market.

Class II: In addition to the quote included in Class I, the input parameter of the asset or liability can be observed directly (i.e. prices) or indirectly (i.e. derived from prices).

Class III: The input parameter of the asset or liability is not based on the observable market data (unobservable parameter).

	Class I	Class II	Class III	Total
December 31, 2014				
Financial assets measured at fair value through profit or loss	$ 875,194	-	-	875,194
Available-for-sale financial assets	1,866,734	-	-	1,866,734
	$ 2,741,928	-	-	2,741,928
December 31, 2013				
Financial assets measured at fair value through profit or loss	$ 796,585	-	-	796,585

No financial asset was transferred as of 2014 and 2013.

(XVII) Financial risk management

1. Summary

The Company is exposed to the following risks due to the use of the financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

The Company's risk exposure information and the Company's measurement and risk management objectives, policies, and procedures are expressed in this Note. Please refer to the notes to the individual financial statements for the further quantified disclosure.

2. Risk management structure

The Company's risk management policies are setup to identify and analyze the risk faced by the Company, to define appropriate risk limits and controls, and to monitor risks and risk limits compliance. Risk management policies and systems are reviewed regularly to reflect market conditions and changes in the operation of the Consolidated

Company. The Company through training, management guidelines, and operating procedures develops a disciplined and constructive controlled environment to help all employees understand their roles and obligations.

The Company's Audit Committee supervises how the management monitors the Company's risk management policies and procedures compliance and reviews the appropriateness of the Company's risk management structure in service. Internal audit staff assists the Company's Audit Committee to play a supervisory role. These personnel conduct regular and extraordinary review of risk management controls and procedures; also, have the outcome of the review reported to the Audit Committee.

3. Credit risk

Credit risk is the risk of financial losses faced by the Company when the client or the counterparty of financial instruments trade is unable to meet its contractual obligations. It is mainly from the Company's accounts receivables from customers and securities investment.

(1) Accounts receivable and other receivables

The Company's credit risk exposure is mainly affected by the condition of each individual customer. However, the management also considers the statistic data of the Company's customers, including the default risk of the industry and country the customer belongs to since it may affect credit risk.

The Company has the allowance account setup to reflect the estimated losses of the accounts receivable, other receivables, and investments. The allowance account mainly includes specific loss related to individual significant exposure and the consolidated loss of the similar assets cluster that has incurred but yet to be identified. The allowance account for consolidated loss is determined in accordance with the historical payment statistics of similar financial assets.

(2) Investment

The credit risk of bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Finance Department of the Company. The Company's trade counterparty and performing party is all reputable banks, investing financial institutions, corporate organizations, and government agencies with no significant performance concerns; therefore, there is no significant credit risk.

(3) Guarantees

The Company regulated by the company policies can only provide financial guarantee to the subsidiaries. The Company offers no endorsement and guarantee to non-subsidiary as of December 31, 2014 and 2013.

4. Liquidity risk

Liquidity risk is the risk that the Company unable to pay cash or financial asset to settle the financial liability and unable to perform its obligations. The Company's managing liquidity is to ensure that the Company in general practice or under pressure has sufficient current fund to liquidate liabilities when due, without incurring unacceptable losses or causing harm to the Company's reputation.

The Company's unused loan facilities amounted to NT$3,590,000 thousand and NT$3,429,000 thousand as of December 31, 2014 and 2013.

5. Market risk

Market risk is the risk the Company's yield or financial instrument value affected by changes in market prices, such as exchange rates and interest rates. The objective of market risk management is to control the market risk exposure within the affordable range and to optimize return on investment.

The Company conducts derivative instruments transactions for managing market risk with financial liabilities then resulted.

(1) Exchange rate risk

The Company is exposed to exchange rate risk that is resulted from the investment transactions measured with a currency other than the company's functional currency. New Taiwan Dollar is the functional currency of the Group. These transactions are denominated in major currencies of New Taiwan Dollar, Singapore Dollar, U.S. Dollar, RMB, and Japanese Yen.

In addition, the Company's principle is for natural hedge. The Company bases on the capital demand in each currency and the net positions and the foreign exchange market condition to hedge exchange rate risk.

(2) Interest rate risk

The Company's policy is to ensure that the interest rate risk exposure is assessed in accordance with the international economic situation and market interest rate.

(XVIII) Capital management

The Company's capital management objective is to safeguard the operating ability in order to provide investment returns to shareholders and profits to the related party; also, to maintain an optimal capital structure for reducing the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or sell assets to pay off liabilities.

The Company and the industry both have capital managed in accordance with the debt to equity ratio. This debt to equity ratio is calculated by having net debt divided by total capital.Net debt is the total liabilities less cash and cash equivalent on the balance sheet. Total capital is the entire equity (i.e. capital stock, additional paid-in capital, retained earnings, and other equity and non-controlling equity) plus net debt.

The debt to equity ratio on the reporting date is as follows:

	12.31.2014	12.31.2013
Total liabilities	$ 31,305,425	29,726,508
Minus: Cash and cash equivalent	(160,762)	(1,112,386)
Net liabilities	31,144,663	28,614,122
Total equity	8,965,534	8,376,599
Adjusted capital	$ 40,110,197	36,990,721
Debt to equity ratio	78%	77%

The Company's capital management method has not been changed as of December 31, 2014 and 2013.

VII. Related Party Transactions

(I) The relationship between parent company and subsidiaries

The Company's subsidiaries are as follows:

Name of subsidiary	Shareholder's equity (Shareholding ratio; %) 12.31.2014	12.31.2013
Jin Huang Construction Co., Ltd. (Jin Huang)	98.20%	98.20%
Dahan Property Management Co., Ltd. (Dahan)	80.00%	80.00%

Name of subsidiary	Shareholder's equity (Shareholding ratio; %) 12.31.2014	12.31.2013
Yuji Development Corp. (Yuji)	56.25%	56.25%
Sea Dragon Traders Ltd. (BVI) (Sea Dragon)	100.00%	100.00%
Longding Life Sciences Inc. (Longding)	60.71%	42.11%
SINGAPORE LUNGYEN LIFE SERVICES PTE. LTD. (SINGAPORE LUNGYEN)	100.00%	100.00%
Zekaen Co., Ltd. (Zekaen)	100.00%	73.85%

(II) Parent company and ultimate controller

The Company is the ultimate controller of the Company and the Company's subsidiaries.

(III) Significant transactions with related parties

1. Sales

	Sales		Receivables from related parties (booked in "Accounts receivable – net")	
	2014	2013	12.31.2014	12.31.2013
Other related party	$ -	-	-	100

Transaction price is determined by bilateral agreement price, the payment terms are agreed by signed contracts receivable, and general trading fairly.

2. Purchase goods from related party

The Company's purchase amount and the outstanding balance to the related party are as follows:

	Purchase		Payable to related party	
	2014	2013	12.31.2014	12.31.2013
Subsidiaries	$ 215,798	153,683	42,554	35,916

The Company's purchase price from the related party is negotiated and agreed upon by both parties. Payment term is 30-day after passing incoming inspection. The purchase price and payment term is not significantly different from the general vendors.

3. Contracted engineering project

Name of related party	Project name	Total contract price	Current amount denominated	Accumulated amount denominated
2014				
Subsidiaries	Sanjhih New Little Keelung Section	$ 459,183	-	459,183
〃	Neihu Logistics Center	135,199	18,513	143,231
		$ 594,382	18,513	602,414

Name of related party	Project name	Total contract price	Current amount denominated	Accumulated amount denominated
2013				
Subsidiaries	Sanjhih New Little Keelung Section	$ 459,801	64,252	459,183
〃	Neihu Logistics Center	143,633	-	124,718
		$ 603,434	64,252	583,901

(1) The contract price of the Company's engineering project contracted to the related parties is based on the project budget plus reasonable administrative fees and profits approved by the authority. The Company had unrealized income arising from a countercurrent transaction in 2014 and 2013 due to the engineering project contracted to the subsidiary for an amount of NT$1,938 thousand and NT$1,813 thousand that had been adjusted to the investment profit or loss.

(2) The allowance construction NT$8,032 thousand of above Neihu Logistics Center Project is in accordance with actual construction settlement and agreement with subsidiary in March, 2015.

(3) The Company for the commissioned engineering project referred to above had received guarantee notes from the related party for an amount of NT$216,711 thousand as of December 31, 2014 and 2013.

4. Lease

(1) Lessee:

The Company leases office buildings and transport equipment from the related party. As of 2014 and 2013, the rent expense as below:

	2014	2013
Other related party	$ 8,967	1,343

(2) Lessor:

The Company has office building and parking space rented to the related party. Ad of 2014 and 2013, rent income as below:

	2014	2013
Subsidiaries	$ 4,050	4,083
Other related party	34	34
	$ 4,084	4,117

The lease terms referred to above are negotiated by the two parties that are not significantly different from the transactions conducted with the non-related party.

5. Others

(1) Other receivables (booked in other financial assets – current)

	12.31.2014	12.31.2013
Subsidiaries	$ 183,881	3,028

(2) Other payables

	12.31.2014	12.31.2013
Subsidiaries	$ 16,662	23,210

	12.31.2014	12.31.2013
Other related party	1,206	826
	$ 17,868	24,036

(3) Prepayment (booked as prepayments)

	12.31.2014	12.31.2013
Subsidiaries	$ 8,554	5,962

6. Loaning of funds to related parties (booked as other financial assets – current)

The Company's loaning of funds to the related party is applied as follows (booked as other financial assets – current):

	12.31.2014	12.31.2013
Subsidiaries	$ 180,000	-

(1) Upon the board resolution on May 28, 2014, the maximum amount of endorsements to Longding Life Sciences Inc has been set to $100,000 thousand. However, upon the board resolution of interim meeting on September 9, 2014, the maximum amount of endorsements to Longding Life Sciences Inc has been set to $202,000 thousand.

(2) Upon the board resolution on May 28, 2014, the maximum amount of endorsements to Lung Fu Company has been set to $20,000 thousand.

The Company's loaning of funds to the related party is with interest accrued at the average interest rate of short-term loans received from financial institutions, and are unsecured loans without bad debt expense appropriated after assessment.

7. Endorsements and guarantees

The Company had recognized service fee income of NT$108 thousand and NT$5,147 thousand arising from the endorsement and guarantees provided for subsidiaries in 2014 and 2013, respectively.

8. Trust contract

Part of the company's land is trusted and registered in the name of the related party as of December 31, 2014 and 2013. Please refer to Note 6(3) and 6(5).

9. Others

(1) The Company commissioned the discretionary related party to handle the matters related to the land reserved for integrated engineering project within the range of NT$668,016 thousand for the acquisition of construction land and the construction project as of December 31, 2014 and 2013.

(2) The Company recognized income arising from providing operation and management assistance and counseling to subsidiaries for an amount of NT$24,000 thousand in 2014 and 2013, respectively.

(IV) Key management personnel transactions

Key management personnel compensation includes:

	2014	2013
Short-term employee benefits	$ 30,684	25,833
Retirement benefits	1,039	844
	$ 31,723	26,677

VIII. Pledged Assets

The book value of the Company's pledged assets is as follows:

Assets name	Purpose of collateral	12.31.2014	12.31.2013
Other financial assets - current	The transaction service of trust accounts and credit accounts; also, the guarantee of forward exchange transactions	$ 602,173	136,046
Inventories	The guarantee for the transaction service of the loan account and credit account	2,730,177	2,864,063
Property, plant, and equipment – book value	Collateral for loan	581,031	581,031
Investment property – book value	The guarantee for the transaction service of the loan account and credit account	2,970,838	2,991,069
		$ 6,884,219	6,572,209

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Significant unrecognized contractual commitments:

1. The company's unrecognized contractual commitments are as follows:

	12.31.2014	12.31.2013
Contracted engineering poject	$ 1,366	48,729
Acquisition of construction site	56,950	318,358
Self-built engineering	741,787	814,501

(II) Contingent liabilities:

1. The Company signed a land contract with landlord Bo-Zhou Lin, and prepaid NT$15 million accordingly. However, the landlord was confirmed being unable to execute the promised obligations, so the landlord should return the advance deposit and pay 10% of the total price as compensation according to the contract. Taipei District Court dismissed the suit in 2010, while after filing an appeal, Taiwan High Court judged that Bo-Zhou Lin should return NT$15 million. Currently, as Bo-Zhou Lin filed an appeal to Supreme Court, and Supreme Court remanded the case to Taiwan High Court, this case is still pending in court.
2. The Company purchased the land at Li Ho Section, Hsin 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 a judgment in favor of the Company. The adverse parties, in disagreement with the judgment, filed an appeal. However, the adverse parties withdrew the appeal in June 2009. Therefore, the judgment in favor of the Company became 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. Investigation is re-examined by the Taipei District Court as 2009 Zi No. 672, but since the aforementioned title of the land has been transferred to the Company, this case has been withdrawn.

(III) Others

1. The Company (referred to as "the principal" hereinafter) for enhancing the quality of funeral service and ensuring the ability of performance had a trust contract signed with

Taiwan Industrial Bank Co., Ltd. (referred to as "the trustee" hereinafter) in April 2010. According to the trust contract signed, 75% selling price (tax included) of each pre-need contract sold should be transferred to the trustee, including the delivery and transfer of the trust property. However, the trustee referred to above was replaced by Chang Hwa Commercial Bank Co., Ltd. on December 28, 2012. In addition, the trust assets as of December 31, 2014 and 2013 are as follows:

		12.31.2014	12.31.2013
Bank deposits			
Demand deposits	$	144,729	11,519
Time deposits		111,945	816,324
Financial assets-current measured at fair value through profit or loss - current		360,876	497,032
Available-for-sale financial assets – noncurrent		1,516,503	-
Property, plant, and equipment (Note)		2,206,293	2,277,914
Investment property (Note)		1,962,845	1,962,845
	$	6,303,191	5,565,634

Note: It was the book value of the assets transferred to the Trust.

The trust assets amount referred to above has been used to purchase financial instruments and property that is delivered and transferred to the Trustee. The Trustee in accordance with the Principal's instructions is to have the trust property managed and disposed.

2. The Company has an administration fee account setup for the fees collected in a lump sum or periodically from the clients to maintain funeral facilities safety and cleanness, and to organize ceremony activities and internal administration. The administration fee account was with a balance of NT$1,014,403 thousand, and NT$1,015,544 thousand as of December 31, 2014 and 2013, respectively; also, it is booked in the "Other financial assets – current."
3. The Company had contracts signed with clients for the sale of columbarium of True Dragon Tower and funeral service as of December 31, 2014 and 2013. The pre-need contract signed and the related deferred marketing expenses are as follows:

		12.31.2014	12.31.2013
Total contract price	$	34,505,035	34,168,389
Outstanding proceeds		(7,863,205)	(7,630,962)
Advanced receipts	$	26,641,830	26,537,427
Deferred marketing expense	$	7,866,213	8,046,357
Expected to be reclassified for more than twelve months	$	24,830,262	23,812,512

X. Significant disaster loss: None.

XI. Significant subsequent events: None.

XII. Others

(1) The followings are the summary statement of current period employee benefits, depreciation, depletion and amortization expenses by function:

By function / By item	2014				2013			
	Classified as Operating Costs	Classified as Selling Expenses	Other (Note 1)	Total	Classified as Operating Costs	Classified as Selling Expenses	Other (Note 1)	Total
Employee benefits								
Salary	189,613	207,337	45,478	442,428	182,977	197,182	49,998	430,157
Labor and health insurance	13,103	13,030	4,403	30,536	11,783	11,178	4,055	27,016
Pension	7,658	6,526	2,103	16,287	7,019	5,591	2,202	14,812
Others	4,552	12,579	2,699	19,830	4,220	11,456	2,588	18,264
Depreciation	85,544	10,301	3,623	99,468	91,026	12,212	4,111	107,349
Depletion	-	-	-	-	-	-	-	-
Amortization	-	8,140	662	8,802	-	7,477	597	8,074

The Company's employee number is 468 and 450 people as of 2014 and 2013.

Note 1: It is the cemetery control center related expenses (a debit to the "management fees received in advance") and deferred marketing expense resulted from sales contracts.

Note 2: The Company's estimated bonus to employees and remuneration to directors and supervisors amounted to NT$19,736 thousand and NT$13,577 thousand in 2014 and 2013, respectively.

(2) In 2013 Sun Lung Asset Management Company Limited and Quan An Tai Corporation signed the "Kaohsiung Quan An Tai Cemetery entrust cooperation operation contract" Since the effective date of the contract, the subject of joint venture investments commissioned the construction of the required amount, according to the contract agreed upon by the three parties funded ratio of investment and registered in accordance with the proportion of total funding, and all merchandising and management cooperation is the subject of co-ordination by the Company.

The capital amount contributed by the described 3 parties is considered as working capital, working capital at the commencement of the contract will be deposited in a special account for future management and co-ordination by the Company's management, utilization and management during the Company may only be stored by the owner of the tomb and the other in management fees charged by funeral regulations and in accordance with established account management fees and earmarking.

XIII. Supplementary disclosure

(I) Information on significant transactions

The Company should have the following material transactions disclosed as of 2014 in accordance with Regulations Governing the Preparation of Financial Reports by Securities Firms:

1.Loaning of funds:

Unit: Thousand NTD

Serial No.	Lending company	Borrowing company	Current account	A related party or not	Current maximum amount	Balance – ending	The actual amounts disbursed	Range of interest rates	Nature of loaning of funds	Business transaction amount	Reasons for the need of short-term financing	Appropriated allowance for bad debt	Collateral		Limit of loaning of funds to individual borrower	Limit of total loaning of funds
													Name	Value		
0	Lungyen Life Service Corp.	Longding Life Sciences Inc	Other receivables related parties	Yes	202,000	202,000	180,000	6%	2	-	Working fund	-	–	-	1,793,107	3,586,214

Serial No.	Lending company	Borrowing company	Current account	A related party or not	Current maximum amount	Balance – ending	The actual amounts disbursed	Range of interest rates	Nature of loaning of funds	Business transaction amount	Reasons for the need of short-term financing	Appropriated allowance for bad debt	Collateral		Limit of loaning of funds to individual borrower	Limit of total loaning of funds
													Name	Value		
0	Lungyen Life Service Corp.	Lung Fu Company	Other receivables related parties	Yes	20,000	20,000	-	8%	2	-	Working fund	-	–	-	1,793,107	3,586,214

Note 1: The maximum amount of total loans to others shall not exceed 40% of the Company's net assets. The total amount of loans granted to a single business partner of the Company shall be limited to the total amount of business transactions between the Company and the business partner and shall be no more than 20% of the Company's latest net value. The short-term financing shall be no more than 20% of the Company's latest net value.

Note 2: Nature of financing:

(1) For transactions.

(2) For short-term financing.

Note 3: Upon the board resolution on May 28, 2014, the maximum amount of endorsements to Longding Life Sciences Inc has been set to $100,000 thousand. However, upon the board resolution of interim meeting on September 9, 2014, the maximum amount of endorsements to Longding Life Sciences Inc has been set to $202,000 thousand.

Note4: Upon the board resolution on May 28, 2014, the maximum amount of endorsements to Lung Fu Company has been set to $20,000 thousand.

2. Guarantees and endorsements for other parties:

Unit: Thousand NTD

Number	Name of the Company	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent Company Endorses /guarantees to third parties on behalf of subsidiary	Subsidiary Endorses /guarantees to third parties on behalf of Parent Company	Endorsements /guarantees to the third parties on behalf of the Companies in Mainland China
		Name of Company	Relationship										
0	Lungyen Life Service Corp.	Longding Life Sciences Inc	2	1,793,107	216,000	202,000	-	-	2.25%	4,482,767	Y	-	-
0	Lungyen Life Service Corp.	Yuji Development Corp.	2	1,793,107	300,000	300,000	30,000	-	3.35%	4,482,767	Y	-	-
0	Lungyen Life Service Corp.	Lung Fu Company	3	1,793,107	200,000	180,000	9,000	180,000	2.01%	4,482,767	Y	-	-

Note 1: The total amount of guarantees and endorsements shall not exceed 50% of the net worth in the current period.

The total amount of guarantees and endorsements for individual party shall not exceed 20% of the net worth in the current period.

Note 2: There are six kind of conditions in which the Company may have guarantees or endorsements for the receiving parties.

(1) The Company has business with the receiving parties.

(2) The Company holds directly more than 50% of the common stock of the subsidiaries.

(3) In aggregate, the Company and its subsidiaries hold more than 50% of the investee.

(4) In aggregate, the Company holds directly or its subsidiaries hold indirectly more than 50% of the investee.

(5) The Company is required to make guarantees or endorsements for the construction project based on the construction contract.

(6) The stockholders of the Company make guarantees or endorsements for the investee in proportion to their stockholding percentage.

Note 3: Upon Board resolutions on June 14, 2013, the maximum amount of endorsements to Yuji Development Corp. has been set to $300,000 thousand.

Note 4: Upon the board resolution on March 27, 2014, the maximum amount of endorsements to Lung Fu Company has been set to $200,000 thousand. However, upon the board resolution on May 28, 2014, the maximum amount of endorsements to Lung Fu Company has been set to $180,000 thousand.

Note 5: Upon the board resolution on August 12, 2014, the maximum amount of endorsements to Longding Life Sciences Inc has been set to $216,000 thousand. However, upon the board resolution of interim meeting on September 9, 2014, the maximum amount of $216,000 thousand of endorsements to Longding Life Sciences Inc has been canceled. Upon the board resolution on December 26, 2014, the maximum amount of endorsements to Longding Life Sciences Inc has been set to $202,000 thousand.

3. Information regarding securities held at balance sheet date (excluding subsidiaries, associates and joint control):

Holder of Securities	Type and Name of Securities	Relationship with Securities Issuer	Account Title	Ending				Remark
				Quantity of shares (thousand shares)/unit	Book Value	% of Ownership	Fair value	
The Company	Stock of Chang Hwa Bank	–	Financial assets at fair value through profit or loss - current	15,376	279,079	- %	18.15	
The Company	LUMAX securities	–	Financial assets at fair value through profit or loss - current	242	15,706	- %	64.90	
The Company	Stock of CTBC FINANCIAL HOLDING CO., LTD	–	Financial assets at fair value through profit or loss - current	1	19	- %	20.55	
The Company	Stock of Asia Cement Corporation	–	Financial assets at fair value through profit or loss - current	3,000	57,600	- %	19.20	
The Company	Stock of CHINA LIFE INSURANCE COMPANY, LTD.	–	Financial assets at fair value through profit or loss - current	715	18,805	- %	26.30	
The Company	Stock of Cheng Shin Rubber Ind., Co., Ltd	–	Financial assets at fair value through profit or loss - current	245	18,228	- %	74.40	
The Company	Stock of Sun Life Corporation	–	Financial assets at fair value through profit or loss - current	160	41,569	- %	259.81	
The Company	Stock of China Construction Bank	–	Financial assets at fair value through profit or loss - current	2,100	54,603	- %	26.00	Trust
The Company	Stock of Jiangsu Expressway Company Limited	–	Financial assets at fair value through profit or loss - current	1,334	50,423	- %	37.80	〃
The Company	Fubon Securities bond	–	Financial assets at fair value through profit or loss - current	100,000	99,999	- %	0.9999	〃
The Company	CITIC primary financial bond	–	Financial assets at fair value through profit or loss - current	20,000	101,770	- %	5.0885	〃
The Company	CTBC Emerging Market Bond Fund	–	Financial assets at fair value through profit or loss - current	1,000	10,189	- %	10.19	
The Company	Cathay Emerging China Bond (Trust)	–	Financial assets at fair value through profit or loss - current	297	3,187	- %	10.74	
The Company	Cathay Emerging China Bond Fund	–	Financial assets at fair value through profit or loss - current	4,900	52,646	- %	10.74	Trust
The Company	Erenstar sub-Fundl Segregated Portfolio	–	Financial assets at fair value through profit or loss - current	0.589	69,936	- %	118,678.29	
The Company	Fuh Hwa Emerging Market RMB Fixed Inc Type A	–	Financial assets at fair value through profit or loss - current	28	1,435	- %	52.16	Trust
The Company	AVIC International Finance & Investment Limited - Bond	–	Available-for-sale financial assets – non-current	10,000	51,276	- %	5.13	
The Company	China Unicom Bond	–	Available-for-sale financial assets – non-current	10,000	50,740	- %	5.07	
The Company	CNOOC Nexen Finance [2014] ULC - Bond	–	Available-for-sale financial assets – non-current	1,500	49,097	- %	32.73	Trust
The Company	Petronas Capital Ltd - Bond	–	Available-for-sale financial assets – non-current	1,200	49,240	- %	41.03	〃
The Company	Republic of Poland Government Bond	–	Available-for-sale financial assets – non-current	1,500	53,636	- %	35.76	〃
The Company	Saudi Electricity Global - Bond	–	Available-for-sale financial assets – non-current	1,500	50,485	- %	33.66	〃
The Company	Bank of China/Luxembourg Bond	–	Available-for-sale financial assets – non-current	10,000	50,573	- %	5.06	〃
The Company	China Construction Bank Asia Dim-sum Bond	–	Available-for-sale financial assets – non-current	5,000	25,305	- %	5.06	〃
The Company	China Construction Bank Frankfurt Dim-sum Bond	–	Available-for-sale financial assets – non-current	10,000	50,517	- %	5.05	〃
The Company	Republic of Poland Government Bond	–	Available-for-sale financial assets – non-current	1,450	52,119	- %	35.94	〃
The Company	Sinochem Offshore Capital Company Ltd.-Bond	–	Available-for-sale financial assets – non-current	10,000	50,609	- %	5.06	〃
The Company	Sichuan Development Holding Co., Ltd. RMB Bond	–	Available-for-sale financial assets – non-current	10,000	50,801	- %	5.08	
The Company	State Grid Corporation of China Bond	–	Available-for-sale financial assets – non-current	1,500	50,211	- %	33.47	Trust
The Company	Emirates Telecom Corp. Corp. Bond	–	Available-for-sale financial assets – non-current	1,600	52,363	- %	32.73	〃

Holder of Securities	Type and Name of Securities	Relationship with Securities Issuer	Account Title	Ending				Remark
				Quantity of shares (thousand shares)/unit	Book Value	% of Ownership	Fair value	
The Company	Guotai Junan Corp. Bond	－	Available-for-sale financial assets – non-current	1,600	50,869	- %	31.79	〃
The Company	Ping An Insurance (Group) Company of China, Ltd. Bond	－	Available-for-sale financial assets – non-current	9,500	48,981	- %	5.16	
The Company	Bank of China 2-year Senior Unsecured RMB Callable Financial Bond	－	Available-for-sale financial assets – non-current	8,000	40,497	- %	5.06	Trust
The Company	Bank of China 5-year Senior Unsecured RMB Callable Financial Bond	－	Available-for-sale financial assets – non-current	10,000	51,219	- %	5.12	〃
The Company	Beijing Infrastructure Investment (Hong Kong) Ltd. 3-year Senior Unsecured RMB Callable Financial Bond	－	Available-for-sale financial assets – non-current	10,000	50,681	- %	5.07	〃
The Company	China Construction Bank Asia Dim-sum Bond	－	Available-for-sale financial assets – non-current	9,500	48,067	- %	5.06	〃
The Company	PetroChina Company Limited Corporate Bond	－	Available-for-sale financial assets – non-current	1,700	52,837	- %	31.08	〃
The Company	PetroChina Company Limited Corporate Bond	－	Available-for-sale financial assets – non-current	1,600	51,737	- %	32.34	〃
The Company	Abu Dhabi National Energy Company10-year Senior Unsecured USD Callable Corporate Bond	－	Available-for-sale financial assets – non-current	1,600	51,231	- %	32.02	〃
The Company	Abu Dhabi National Energy Company10-year Senior Unsecured USD Callable Corporate Bond	－	Available-for-sale financial assets – non-current	1,600	51,506	- %	32.19	〃
The Company	Bank of China 5-year Senior Unsecured RMB Callable Financial Bond	－	Available-for-sale financial assets – non-current	9,800	50,409	- %	5.14	〃
The Company	CNOOC Limited USD Callable Corporate Bond	－	Available-for-sale financial assets – non-current	1,600	48,234	- %	30.15	〃
The Company	Rizhao Port Co., Ltd. RMB Callable Corporate Bond	－	Available-for-sale financial assets – non-current	9,800	50,106	- %	5.11	〃
The Company	Tsinlien Group Company Limited Corporate Bond	－	Available-for-sale financial assets – non-current	10,000	50,839	- %	5.08	
The Company	21Vianet Group Inc Corporate Bond	－	Available-for-sale financial assets – non-current	10,000	49,628	- %	4.96	
The Company	VTB Bank	－	Available-for-sale financial assets – non-current	10,000	47,966	- %	4.80	
The Company	ICBC RMB Corp. Bond	－	Available-for-sale financial assets – non-current	3,200	16,306	- %	5.10	Trust
The Company	China Development Bank RMB Corp. Bond	－	Available-for-sale financial assets – non-current	9,800	49,860	- %	5.09	〃
The Company	QTel USD Corp. Bond	－	Available-for-sale financial assets – non-current	1,450	49,672	- %	34.26	〃
The Company	American International Assurance Co., Ltd.USD Corp. Bond	－	Available-for-sale financial assets – non-current	1,450	45,025	- %	31.05	〃
The Company	Hutchison Whampoa Limited USD Corp. Bond	－	Available-for-sale financial assets – non-current	1,500	47,858	- %	31.91	〃
The Company	ICBC RMB Corp. Bond	－	Available-for-sale financial assets – non-current	10,000	50,582	- %	5.06	〃
The Company	ICBC RMB Corp. Bond	－	Available-for-sale financial assets – non-current	10,000	50,537	- %	5.05	〃
The Company	China EXIM Bank RMB Corp. Bond	－	Available-for-sale financial assets – non-current	5,000	25,494	- %	5.10	〃
The Company	QTel USD Corp. Bond	－	Available-for-sale financial assets – non-current	1,600	49,621	- %	31.01	〃
The Company	FORTUNE IC FUND I	－	Financial assets carried at cost – non-current	600	4,030	4.86 %	10.32	
The Company	PK Venture Capital Corp	－	Financial assets carried at cost – non-current	3,360	20,855	8.57 %	6.07	
The Company	Cathay insurance stock	－	Financial assets carried at cost – non-current	44	-	0.01 %	-	
Yuji Development Corp.	CTBC Hwa-win Money Market Fund	－	Financial assets at fair value through profit or loss - current	1,039	11,247	- %	10.81	
Ching Huang Construction Co., Ltd.	Jih Sun Money Market Fund	－	Financial assets at fair value through profit or loss - current	1,525	22,177	- %	14.54	

Holder of Securities	Type and Name of Securities	Relationship with Securities Issuer	Account Title	Ending				Remark
				Quantity of shares (thousand shares)/unit	Book Value	% of Ownership	Fair value	
Ching Huang Construction Co., Ltd.	J-Garden Corp.	–	Financial assets carried at cost – non-current	-	2,550	5.00 %	12.23	
Dahan Property Management Co., Ltd.	Allianz Global Investors Taiwan Money Market Fund	–	Financial assets at fair value through profit or loss - current	170	2,085	- %	12.30	

4. Information regarding securities where the accumulated purchase or sale amounts for the period exceed NT$300 million or 20% of the paid-in capital:

Unit: Thousand shares; Thousand of NTD

Name of Company	Category and name of security	Account name	Name of counter-party	Relationship with the Company	Beginning balance		Purchases		Sales				Ending balances	
					Shares/ Units	Amount	Shares/ Units	Amount	Shares/ Units	Amount	Book Value	Gain(loss) from disposal	Shares/ Units	Amount
The Company	Beneficiary Certificate - Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	24,889	305,000	24,889	305,132	305,000	132	-	-
The Company	Beneficiary Certificate - CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	58,731	633,000	58,731	633,138	633,000	138	-	-

5. The acquisition of real property exceeding NT$300 million or 20% of the paid-in capital:

Unit: Thousand of NTD

Name of Company	Name of Property	Date of Event	Transaction Amount	Payout Status	Name of counter-party	Relationship with the Company	Previous transfer data of the counter-party which is related party				Reference Basis for the Decision on Price	Concrete purpose or use of the acquisition	Other Agreement Terms
							Owner	Relationship with the Issuer	Date of Transfer	Amount			
The Company	Huagang section, Shilin Dist.	5.14.2014	451,111	Paid	Public tender	–	–	–	-	-	Open market price and publicly announced land value	Construction site	
The Company	Sanzhi Dist., New Taipei City	6.12.2014	420,871	30% of signing amount paid	Zheng-An Jiang, New Taipei City, Corporation in the ancestor worship related business	–	–	–	-	-	The Company's Board of directors and Property Appraisers Joint Firm	Original profession	Note
The Company	Sanzhi Dist., New Taipei City	11.28.2014	485,563	20% of signing amount paid	Shen-Cen Construction Company	–	–	–	-		The Company's Board of directors	Original profession	

Note: Since the seller did not achieve transaction conditions of the contract before promised deadline, the Board of directors revolved that the transaction was false.

6. The disposition of real property exceeding NT$300 million or 20% of the paid-in capital: None.

7. Amount of sales amounted to NT$100 million or 20% of paid-in capital or more with related parties:

Unit: Thousand of NTD

Name of Company	Name of the counter-party	Relationship	Transaction Details				Conditions and reasons of transaction condition differences to general ones		Receivables/payables, receivables/payable accounts		Note
			Purchase/ Sales	Amount	%	Tenor	Unit price	Tenor	Balance	%	
The Company	Yuji Development Corp.	Investee company using equity method	Purchase	104,578	6.19 %	Open account 60 days	-	-	(12,863)	2.91%	
Yuji Development Corp.	The Company	Investee company using equity method	Sales	(104,578)	(23.09)%	Open account 60 days	-	-	12,863	34.05%	

8. Receivables from related parties exceeding NT$100 million or 20% of the paid-in capital:

Unit: Thousand of NTD

Name of Company (booked receivable accounts)	Name of the counter-party	Relationship	Receivable accounts balances of related parties	Turnover rate	Overdue Receivable accounts of related parties		Recovered amount of Receivable accounts balances of related parties after expiry	Recorded provision for bad debt
					Amount	Handling methods		
The Company	Longding Life Science Co., Ltd.	Investee company using equity method	183,787	-%	-		-	-

9. Engage in derivatives trading: None.

(II) Information on the invested business:

The company's reinvestment as of 2014 is as follows:

Unit: Thousand of NTD

Name of investment company	Name of the invested company	Location	Main business line	Original investment amount		Held at yearend			Net income of the invested company	Investment gains and losses recognized in the current period	Remark
				End of the period	Last year	Quantity of shares	Ratio	Book value			
The Company	Jin Huang Construction Co., Ltd.	Taiwan	Civil engineering operations	30,033	204,332	2,209	98.20%	(4,824)	4,650	3,101	Subsidiaries
The Company	Yuji Development Corp.	Taiwan	Funeral service	990,000	990,000	99,000	56.25%	1,158,168	253,301	142,481	Subsidiaries
The Company	Dahan Property Management Co., Ltd.	Taiwan	Residents and buildings development and rental	3,870	3,870	400	80.00%	3,597	(4)	(3)	Subsidiaries
The Company	Sea Dragon Traders Ltd. (BVI)	British Virgin Islands	Investment Industry	114,529	114,529	1	100.00%	120,586	(1,742)	(1,742)	Subsidiaries
The Company	Longding Life Sciences Inc.	Taiwan	Floriculture industry	85,000	40,000	8,500	60.71%	55,641	(12,534)	(6,097)	Subsidiaries
The Company	Singapore Lungyen Life Service Corp.	Singapore	Funeral service	11,990	11,990	500	100.00%	(2,101)	(6,343)	(6,343)	Subsidiaries
The Company	Zekaen Co., Ltd.	Taiwan	Floriculture industry	96,655	73,850	10,000	100.00%	60,921	(15,560)	(14,140)	Subsidiaries
Yuji Development Corp.	Lung Fu Company Limited	Taiwan	Funeral service	210,700	210,700	21,070	77.75%	216,226	7,775	6,045	Sub-subsidiary
Zekaen Co., Ltd.	Longding Life Sciences Inc.	Taiwan	Floriculture industry	44,450	55,000	4,445	31.75%	29,097	(12,534)	(2,791)	Subsidiaries

(III) China investment information:

1. China investee company name, business operation, and related information:

Unit: Thousand NTD/Foreign Currency

China investee company name	Business operation	Received Capital	Type of investment (Note 1)	Current Beginning Period of Taiwan Accumulated Export	Current Export or Return of Investment Amount		Current Ending Period of Taiwan Accumulated Export	Company Direct or Indirect Investment Proportion of Holding	Recognized Investment Profit and Loss (Note2)	Ending Period of Investment Book Value	Amount Remitted Current Ending Period
					Export	Return					
Wenzhou Lungyen Trading Co. Ltd	Wholesale and export operations	-	Sea Dragon Traders Ltd. (BVI)	-	-	-	-	100.00%	-	-	-

2. Mainland China investment limits:

End of this period the cumulative remittance from Taiwan Amount of investment in Mainland China	Investment Amount Approved by Ministry of Economic Affairs	The limitation on investment areas in accordance with the provisions of the Investment Commission of Ministry of Economic Affairs
-	1,266,000 USD 40,000	5,379,320

US Dollar Exchange Rate: closing rate:31.65

Note 1: An investment is divided into the following three ways, list out the type of the category:

(A) Directly engaged in investment in Mainland China

(B) Re-invest in the mainland through a third country company (please specify in the third area of investment companies)

(C) Other methods.

Note 2: the current investment income recognized:

(A) During the stage of preparations, note that there is no investment income.

(B) The gain or loss recognized on the basis of the investment is divided into the following two types with note:

1 Financial statements to be prepared by international CPA audit that is in cooperation with ROC CPA audit.

2 By the parent company in Taiwan audited financial statements.

Note 3: The corresponding currency should be NT dollars. Those involving foreign currency, the exchange rate for the reporting period amounted to NT accounts.

Note 4: The Company on March 31, 2011 by the Board of Directors resolved to the amount of US$4,000 million, investment in the mainland established Lungyen (China) Co., Ltd. and in July 1, 2011 as approved by the Investment Commission of Ministry of Economic Affairs, Sea Dragon Traders Ltd. (BVI) currently intends reinvestment Lungyen (Cayman) Limited and Lungyen (Hong Kong) Limited to invest in the mainland funeral business, but is not actually exercised investment. The combined company on June 14, 2013 preceding the mainland investment undertaking intends to change the resolution by the Board as an operating base in Wenzhou, Zhejiang, engaged in the operation of funeral services and other advisory services, in October 28, 2013 Ministry of Economic Affairs of the investment project investment by industry Commission approval documented.

3. Significant transactions of the mainland China investment: None.

XIV. Financial Information by Department

Please refer to the 2014 consolidated financial statements.