(English Translation of Financial Report Originally Issued in Chinese)

(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp. and Subsidiaries

Consolidated Financial Statements

For The 12 Months Ended December 31, 2014 and 2013
(Including an Independent Auditor's Audit Report)

Address: 1F., No. 166, Sec. 2, Minquan E. Rd., Taipei City
Tel. No.: (02)2712-1628

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Statement of Declaration

The Company is required to prepare consolidated financial statements 2014 (for the year ended December 31, 2014) with its subsidiaries under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”. Subsidiaries of the Company under the aforementioned legal rule are identical with the subsidiaries defined under IFRS No.27 on “Consolidated Financial Statements”. Information on Financial Status and operation performance of such subsidiaries has been included in the disclosure of the aforementioned consolidated financial statement between parent and subsidiaries and therefore will not be prepared separately.

We hereby make said statement accordingly.

Company name: Lungyen Life Service Corp.
Chairman: Lee Shih-Tsung
Date: March 27, 2015

(English Translation of Financial Report Originally Issued in Chinese)

Independent Auditor's Audit Report

To Board of Directors of Lungyen Life Service Corp.,

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

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lungyen Life Service Corporation as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting with respect to financial accounting standards, and accounting principles generally accepted in the Republic of China.

Lungyen Life Service Corp. has prepared standalone financial statement as of 2014 and 2013 and it has been audited by our audits, for your reference.

KPMG

CPA:

Approval Document issued by the competent securities authority ： FSC VI. Tzi No. 0940129108
FSC No. 1020000737

March 27, 2015

(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp. and Subsidiaries

Consolidated Balance Sheets

For December 31, 2014 and December 31, 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) & (19))	$ 372,338	1	1,382,339	4
1110	Financial assets at fair value through profit or loss – current (Note 6 (2) & (19))	910,703	2	859,527	2
1150	Notes receivable, net (Note 6 (19))	46,749	-	26,780	-
1170	Accounts receivable, net (Note 6(19))	418,676	1	335,734	1
1190	Constructions contract receivable	-	-	8,492	-
1320	Inventories (Note 6(3))	12,762,840	31	12,698,018	32
1400	Biological assets – current (Note 6(4))	33,971	-	12,162	-
1410	Prepayments	8,201,325	20	8,270,464	21
1476	Other financial assets – current (Note 6(9), (19), 7 & 9)	2,536,037	6	2,167,787	6
1479	Other current assets (Note 7 & 9)	6,564	-	5,420	-
		25,289,203	61	25,766,723	66
	Non-current assets:				
1524	Available-for-sale financial assets – non-current (Note 6 (2) & (19))	1,866,734	4	-	-
1543	Financial assets carried at cost – non-current (Note 6(2) & (19))	27,435	-	58,883	-
1600	Property, plant and equipment (Note 6(6))	6,222,940	15	5,223,155	13
1760	Investment property, net (Note 6(7))	6,141,719	15	6,184,139	16
1780	Intangible assets (Note 6(8))	773,054	2	785,148	2
1840	Deferred income tax assets (Note 6(13))	699,366	2	711,747	2
1980	Other financial assets – non-current (Note 6(19))	35,764	-	41,891	-
1990	Other non-current assets	430,886	1	430,970	1
		16,197,898	39	13,435,933	34
	Total assets	$ 41,487,101	100	39,202,656	100

		12.31.2014		12.31.2013	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term loan (Note 6(10) & (19))	$ 2,589,000	6	1,002,000	3
2170	Payable notes and accounts (Note 6(19))	509,398	1	462,026	1
2190	Constructions contract payable	36,577	-	14,902	-
2200	Other payable accounts (Note 6(19) & 7)	385,934	1	498,677	1
2230	Current income tax liabilities (Note 6(19))	91,444	-	171,844	-
2310	Advance receipts (Note 9)	27,784,097	67	27,595,812	71
2399	Other current liabilities (Note 9)	26,582	-	15,401	-
		31,423,032	75	29,760,662	76
	Non-current liabilities:				
2570	Deferred income tax liabilities (Note 6(13))	50,224	-	30,683	-
2640	Accrued pension liabilities (Note 6(12))	24,867	-	22,306	-
2645	Deposit received	50,016	1	50,420	-
2670	Other non-current liabilities	2,981	-	2,981	-
		128,088	1	106,390	-
	Total liabilities	31,551,120	76	29,867,052	76
	Equity attributable to owners of parent (Note 6(14)):				
3100	Capital stock – common stock	3,990,842	10	3,990,842	10
3200	Capital surplus	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	2,912,259	7	2,517,500	7
3400	Other equity interest	(14,458)	-	(15,224)	-
	Total equity attributable to owners of parent	8,965,534	22	8,376,599	22
36xx	Non-controlling interest (Note 6(14))	970,447	2	959,005	2
	Total equity	9,935,981	24	9,335,604	24
	Total liabilities and equity	$ 41,487,101	100	39,202,656	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. and Subsidiaries

Consolidated Statements of Comprehensive Income

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(16) & 7)**	$ 5,451,308	100	4,151,854	100
5000	**Operating cost (Note 7)**	1,732,157	32	1,174,975	28
5900	**Operating gross profit (loss)**	3,719,151	68	2,976,879	72
	Operating expenses (Note 7):				
6100	Selling expenses	1,160,993	21	962,847	23
6200	Administration expenses	438,595	8	408,064	10
6000	**Total operating expenses**	1,599,588	29	1,370,911	33
6500	**Other income and expenses (Note 6(17))**	49,588	1	444,752	11
6900	**Operating income (loss)**	2,169,151	40	2,050,720	50
	Non-operating income and expenses (Note 6(5) & (18)):				
7010	Other income	250,417	4	258,125	6
7020	Other gains and losses	150,362	3	72,278	2
7050	Financial costs	(17,717)	-	(23,170)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	876	-
		383,062	7	308,109	7
7900	**Operating income before tax**	2,552,213	47	2,358,829	57
7950	**Less: Income tax expense (Note 6(13))**	251,786	5	250,291	6
	Net income	**2,300,427**	**42**	**2,108,538**	**51**
8300	**Other comprehensive income: (Note 6(14))**				
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)	-
8370	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**	(1,227)	-	4,178	-
8500	**Total comprehensive income**	**$ 2,299,200**	**42**	**2,112,716**	**51**
	Net income, attributable to:				
8610	Owners of parent	$ 2,192,862	40	2,016,087	49
8620	Non-controlling interest	107,565	2	92,451	2
		$ 2,300,427	**42**	**2,108,538**	**51**
	Total comprehensive income, attributable to:				
8710	Owners of parent	$ 2,191,635	40	2,020,265	49
8720	Non-controlling interest	107,565	2	92,451	2
		$ 2,299,200	**42**	**2,112,716**	**51**
	Earnings per share (Note 6(15))				
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：**

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Lungyen Life Service Corp. and Subsidiaries

Consolidated 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)

	Equity attributable to owners of parent											
			Retained earnings				Other equity interest					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on foreign translation	Unrealized gains (losses) on available-for-sale financial assets	Total	Total equity attributable to owners of parent	Non-controlling interest	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	783,823	8,453,548
Net profit	-	-	-	-	2,016,087	2,016,087	-	-	-	2,016,087	92,451	2,108,538
Other comprehensive income	-	-	-	-	(433)	(433)	4,924	(313)	4,611	4,178	-	4,178
Total comprehensive income	-	-	-	-	2,015,654	2,015,654	4,924	(313)	4,611	2,020,265	92,451	2,112,716
Allocation of earnings in 2012:												
Legal reserve	-	-	204,717	-	(204,717)	-	-	-	-	-	-	-
Special reserve	-	-	-	5,683	(5,683)	-	-	-	-	-	-	-
Shareholders' bonus – cash, NT$3.3 per share	-	-	-	-	(1,316,978)	(1,316,978)	-	-	-	(1,316,978)	-	(1,316,978)
Acquisition or disposal of shares in subsidiaries difference between the price and the book value	-	3,587	-	-	-	-	-	-	-	3,587	(3,587)	-
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	86,318	86,318
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	959,005	9,335,604
Net profit	-	-	-	-	2,192,862	2,192,862	-	-	-	2,192,862	107,565	2,300,427
Other comprehensive income	-	-	-	-	(1,993)	(1,993)	7,118	(6,352)	766	(1,227)	-	(1,227)
Total comprehensive income	-	-	-	-	2,190,869	2,190,869	7,118	(6,352)	766	2,191,635	107,565	2,299,200
Allocation of earnings in 2013: ：												
Legal reserve	-	-	201,608	-	(201,608)	-	-	-	-	-	-	-
Special reserve	-	-	-	(4,611)	4,611	-	-	-	-	-	-	-
Shareholders' bonus – cash, NT$4 per share	-	-	-	-	(1,596,337)	(1,596,337)	-	-	-	(1,596,337)	-	(1,596,337)
Acquisition or disposal of shares in subsidiaries difference between the price and the book value	-	(3,587)	-	-	(2,776)	(2,776)	-	-	-	(6,363)	6,363	-
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(102,486)	(102,486)
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	970,447	9,935,981

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

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

Lungyen Life Service Corp. and Subsidiaries

Consolidated Statements of Cash Flows

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	$	2,552,213	2,358,829
Adjustments:			
Adjustments to reconcile profit (loss)			
Depreciation expense		105,666	112,399
Amortization expense		11,379	10,755
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		(75,646)	(62,056)
Interest expense		17,717	23,170
Interest income		(90,198)	(34,133)
Dividend income		(15,158)	(19,057)
Share of loss (gain) of associates and joint ventures accounted for using equity method		-	(876)
Loss (gain) on disposal of property, plan and equipment		3,144	477
Loss (gain) on disposal of investment properties		(15,731)	(434,117)
Loss (gain) on disposal of intangible assets		3,745	-
Loss (gain) on disposal of investment income		(207)	(33,745)
Loss (gain) on reduction financial assets carried at cost		7,000	-
Exchange gain of available-for-sale financial assets		(80,648)	-
Total adjustments to reconcile profit (loss)		(122,002)	(425,502)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets held for trading		24,470	(103,941)
Notes receivable, net		(19,969)	(11,142)
Accounts receivable, net		(89,556)	(134,191)
Receivables from construction contracts		8,492	(7,860)
Inventories		(436,389)	(664,653)
Biological assets		(22,706)	(6,102)
Prepayments		69,139	84,404
Other financial assets		(289,676)	62,721
Other current assets		(1,140)	13,110
Total changes in operating assets		(757,335)	(767,654)
Changes in operating liabilities:			
Accounts payable		47,372	11,040
Accounts payable to related parties		-	(12,400)
Construction contract receivable		21,675	(33,912)
Other payable		(106,586)	132,471
Advance receipts		188,285	1,115,237
Other current liability		11,183	6,202
Accrued pension liabilities		568	402
Total changes in operating liabilities		162,497	1,219,040
Total changes in operating assets and liabilities		(594,838)	451,386
Total adjustments		(716,840)	25,884
Cash inflow (outflow) generated from operations		1,835,373	2,384,713
Interest received		72,418	34,133
Dividend received		15,158	19,057
Interest paid		(14,819)	(23,170)
Income taxes refund		38,197	-
Income taxed (paid)		(338,460)	(271,286)
Net cash flows from (used in) operating activities		1,607,867	2,143,447

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Lungyen Life Service Corp. and Subsidiaries

Consolidated Statements of Cash Flows (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 flows from (used in) investing activities:		
Acquisition of available-for-sale financial assets – non-current	(1,794,639)	-
Proceeds from disposal of financial asset carried at cost	3,013	489,290
Proceeds from capital reduction of financial assets carried at cost	21,586	12,450
Proceeds from disposal of investment using equity method	-	23,732
Proceeds from capital reduction of investments accounted for using equity method	-	27,000
Acquisition of property, plant and equipment	(970,997)	(575,695)
Proceeds from disposal of property, plant and equipment	2,675	113
Acquisition of intangible assets	(3,040)	(16,516)
Proceeds from disposal of intangible assets	188	-
Acquisition of subsidiaries cash flow	-	11,613
Acquisition of investment properties	(1,019)	(4,821)
Proceeds from disposal of investment properties	32,393	1,765,544
Decrease (increase) in other financial assets – non current	197,004	(489,444)
Decrease (increase) in other non-current assets	84	(383)
Net cash flows from (used in) investing activities	(2,512,752)	1,242,883
Cash flow from (used in) financing activities:		
Increase in short-term loans	5,114,500	2,421,000
Decrease in short-term loans	(3,527,500)	(3,559,000)
Increase (decrease) in guarantee deposits received	(404)	7,425
Cash dividends	(1,596,337)	(1,316,978)
Change in non-controlling interests	(102,486)	68,815
Net cash flows from (used in) financing activities	(112,227)	(2,378,738)
Effects of foreign exchange rates changes on cash and cash equivalents	7,111	2,320
Net increase (decrease) in cash and cash equivalents	(1,010,001)	1,009,912
Cash and cash equivalents at beginning of period	1,382,339	372,427
Cash and cash equivalents at end of period	$ 372,338	1,382,339

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

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

Lungyen Life Service Corp. and Subsidiaries
Notes to Consolidated 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 Corp. (formerly known as Dahan Development Corp.) (hereinafter referred to as the "Company") was incorporated in March 1987. The consolidated financial statements of the Company as at and for the twelve months ended December 31, 2014 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in associates and jointly controlled entities. The Company is primarily engaged in funeral service, development and lease of interment premises, and development and lease of residential areas and buildings. Please refer to Note 14.

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 quarterly consolidated financial statements were accepted and published by the Board of Directors 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

New／Amended／Revised Standards and Interpretations	Effective date per IASB
Amendments to IFRS No. 7 "Disclosures – Transfers of Financial Assets"	7.1.2011
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, 2014)
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 Consolidated Company believes that the adoption of 2013 version of IFRS will not result in significant changes to the consolidated 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 Consolidated 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 Continuation of Hedge Accounting”	1.1.2014
IFRIC No. 21 “Levies”	1.1.2014

The Consolidated 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 consolidated 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 consolidated financial report.

(I) Compliance Statement

The consolidated financial report is prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (referred to as "the Regulations" hereinafter) and the international financial reporting standard, international accounting standards, interpretation, and bulletin (referred to as "the IFRS approved by the FSC" hereinafter) approved by the FSC.

(II) Basis of consolidation

1. Basis of measurement

Except for the important items in the balance sheet, the consolidated 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;
(3) Biological assets valued at fair value net of selling cost; and
(4) 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 Consolidated Company makes the currency of the primary economic environment its functional currency. The consolidated 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) Basis of consolidation

1. Principle for preparation of consolidated financial statements

The Company and its subsidiaries are the business entity of the consolidated financial report prepared.

The financial statements of the subsidiaries are integrated into the consolidated financial statements from the day acquired control over the subsidiaries until the day loss control over the subsidiaries. The profit or loss of the non-controlling equity attributable to the subsidiaries should be classified as non-controlling equity even if the non-controlling equity is with a deficit balance.

The inter-company transaction, balance amount, and unrealized income and expense of the Consolidated Company are eliminated from the quarterly consolidated financial statements prepared.

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

2. The subsidiaries included in the quarterly consolidated financial statements

The subsidiaries included in the quarterly consolidated financial statements include:

Name of investment company	Name of subsidiary	Nature of business	Shareholding ratio 12.31.2014	12.31.2013	Remarks
The Company	Jin Huang Construction Co., Ltd.	Architecture and Civil Engineering business operations	98.20%	98.20%	
The Company	Yuji Development Corp.	Funeral services business operations	56.25%	56.25%	
The Company	Longding Life Sciences Inc.	Flowers growing, wholesale, and retail business operations	60.71%	42.11%	Note 4(3)4
The Company	Dahan Property Management Co., Ltd.	Housing and building development and rental business operations, etc.	80.00%	80.00%	
The Company	Sea Dragon Traders Ltd. (BVI)	Investment busines	100.00%	100.00%	
The Company	SINGAPORE LUNGYEN LIFE SERVICES PTE. LTD.	Funeral services business operations	100.00%	100.00%	
The Company	ZEKAEN CO. LTD.(the original You Ka En Inc)	Flower wholesale, retail, and landscape design business operations	100.00%	73.85%	Note 4(3)4
Yuji Development Corp.	Lung Fu Company Limited	Funeral services business operations	77.75%	77.75%	Note 4(3)4
ZEKAEN CO. LTD	Longding Life Sciences Inc.	Flowers growing, wholesale, and retail business operations	31.75%	57.89%	Note 4(3)4

3. The subsidiaries that are not included in the consolidated financial statements: None.
4. Changes in subsidiary:
(1) Yuji Development Corp., the subsidiary, had invested NT$700 thousand for 70% shareholding of Lung Fu Company Limited, the invested company, in March 2013 in order to expand the scale of operation. Additionally, Yuji participated in August 2013 in the new issuance shares of Lung Fu to increase capital, at price of NT$210,000 thousand, Yuji now holds 21,070 thousand shares and its stake from 70% to 77.75%.
(2) In June 2013, in order to expand the scale of operations, our affiliates Zekaen Co. Ltd. (originally You Ka En Inc.) 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%.
(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%.
(4) 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.

(IV) 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 end of reporting period. 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."

(V) 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 Consolidated 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.

(VI) 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.

(VII) 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 Consolidated 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 Consolidated 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 decreased 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.

Available-for-sale equity method which was initially recognized as impairment loss in profit or loss should not be reversed and recognized as profit or loss. When any fair value which was recognized impairment loss rebounds, the amount should be recognized as other comprehensive income or loss, and cumulated under other equity. If the rebound amount of fair value of available-for-sale liability method can be related objectively to the event occurred after recognizing impairment loss as profit or loss, then it should be reversed and recognized as profit or loss.

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

Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Company's residual equity of assets net of liabilities. The equity instruments issued by the Consolidated 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

Consolidated 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 Consolidated 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 Consolidated 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

Consolidated 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.

(IX) Biological assets

Biological assets are measured at the fair value net of the selling cost for initial recognition and on each reporting date. Selling cost, except for finance cost and income tax, includes incremental cost directly attributable to the disposed asset. Gain or loss from the initial recognition of biological assets and the gain or loss resulted from the changes in fair value less selling cost is included in current profit or loss.

Biological asset on the harvest day is transferred to inventory at its fair value less selling cost.

(X) Construction contract

Construction contract meant for the total amount to be collected from the customers but not yet billed proportionally to the construction work completed as of the reporting date. It is measured in accordance with the cost plus recognized profits as of the reporting date and less the billing made for the construction completed and the amount of loss recognized. Cost includes all expenses directly related to a specific project and fixed and variable manufacturing overhead expense allocated in accordance with the normal capacity.

If input cost plus recognized profits exceed construction-in-progress billing, construction contract is expressed on the balance sheet as construction receivables. If the construction-in-progress billing amount is greater than the cost incurred plus recognized profits, the difference is expressed on the balance sheet as construction payables.

(XI) 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 consolidated 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 Consolidated Company's, the Consolidated 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 Consolidated Company and the affiliated enterprise has been written off within the range of the invested company's equity held by the Consolidated 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 Consolidated 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.

(XII) 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.

(XIII) 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 Consolidated 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 Consolidated 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	5 years
(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.

(XV) 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 Consolidated 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.

(XVI) Non-financial assets impairment

The Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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.

(XVII) 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.

(XVIII) 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. Construction contract

Contract income is recognized when it is highly probable and can be measured reliably, including the original amount of the contract signed plus any changes associated with the contract, requested compensation, and incentive payments. When the outcome of a construction contract can be estimated reliably, the income and cost related to the construction contract should be recognized as income and expenses on the balance sheet date with reference to the completion of contract activity. The cost of the future events related to the contract should be recognized as assets to the extent of the recoverable amount.

By the nature of the contract, the degree of completion is based on the contract cost incurred proportionate to the estimated total contract cost. If the outcome of a construction contract cannot be estimated reliably, contract income is recognized only to the extent of the expected recoverable cost; also, the expected contract loss is recognized immediately in profit or loss.

4. 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.

(XIX) 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Company. If the benefit can be realized during the project period or when the project liabilities settled, it means economic benefit to the Consolidated 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 Consolidated Company’s actuarial gains and losses of the defined benefit plans arising subsequently is recognized immediately in the “Other comprehensive profit or loss.”

Consolidated 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 Consolidated 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.

(XX) 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 Consolidated 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.

(XXI) Business combinations

The acquirer 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 acquirer 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 acquirer 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 acquirer 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 acquirer’s expense immediately upon incurred.

(XXII) Earnings per share

Consolidated Company lists the basic and diluted earnings per share of the common stock shareholders of the Company. The Consolidated 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 Consolidated 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 Consolidated Company’s potential diluted common stock includes the estimated bonus to employees.

(XXIII) Department information

An operating segment is an integral part of the Consolidated Company, engaged in the business activities that may earn income and incur expenses (including the income and expense of the transactions conducted with other divisions within the Consolidated Company).All operating segments’ operating results are regularly reviewed by the chief operator of the Consolidated Company for decision-making in regard of the resource allocation to each division and evaluating its performance. Each operating division has independent financial information provided.

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

When the management has the consolidated 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 consolidated 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(19), assessment of impairment of intangible assets
(II) Note 6(3), valuation of inventories
(I) Note 6(8), estimated impairment of intangible assets

VI. Important accounting account

(I) Cash and cash equivalent

	12.31.2014	12.31.2013
Cash on hand	$ 3,450	3,128
Check deposits	366,888	391,440
Time deposits	2,000	987,771
Cash and cash equivalent on the Consolidated Statement of Cash Flow	$ 372,338	1,382,339

1. Time deposits with maturities of within 3 months, which are used for short-term cash commitments instead of investment and are subject to an insignificant risk of changes in their fair value, are classified as cash and cash equivalents.
2. For the interest rate risk and sensitivity analysis disclosure of the Consolidated Company's financial assets and liabilities, please refer to Note 6 (19).

(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	172,902	428,430
Total	$ 910,703	859,527
Available-for-sale financial assets – non-current		
Bond investment	$ 1,866,734	-

		12.31.2014	12.31.2013
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 – Chen-Yuan Industry Co., Ltd.		2,550	2,550
Stock investment – Ruei Da Venture Capital Co., Ltd.		-	2,862
Total	$	27,435	58,883

(1) The Consolidated 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 Consolidated 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 Consolidated Company received capital reduction refund of NT$14,400 thousand and NT$12,000 thousand respectively. Additionally, investee company Chen-Yuan Industry Co., Ltd. performed reduction of cash capital in 2013, the Consolidated Company received capital reduction refund of NT$450 thousand.
(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. For more information, please refer to Note 6(18).
(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 Consolidated 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. For more information, please refer to Note 6(18).
(6) The coupon rate range of the Consolidated 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 Consolidated Company did not have any financial assets warranted by pledge.

2. The Consolidated Company has disclosed the credit, currency, and interest rate exposure related to the financial instruments on Note 6(19).
3. Sensitivity analysis - Equity price risk

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)**

4. Foreign currency equity investment information

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	$ 4,968	5,837
Columbarium and cemetery for sale	1,517,073	1,666,043
Construction Site	2,051,423	1,230,794
Residential and building under construction	2,245,766	2,245,468
Columbarium and cemetery under construction	6,692,341	6,820,784
Prepayments for land	249,738	727,589
Agriculture Products	1,531	1,503
	$ 12,762,840	12,698,018
Expected to be recovered in more than twelve months	$ 12,676,867	12,505,070

1. In the year 2014 and the year 2013, total interest expense Consolidated Company was NT$17,717 thousand and NT$23,170 thousand, respectively. The interest capitalized amount of residential and building under construction and columbarium and cemetery under construction is zero.
2. Consolidated 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 Consolidated 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 Consolidated Company's inventories pledged as collateral as of December 31, 2014 and 2013, please refers to Note VIII.

(IV) Biological assets

	12.31.2014	12.31.2013
Consumable biological assets	$ 33,667	10,961

		12.31.2014	12.31.2013
Biological assets		304	1,201
	$	33,971	12,162

1. Consumable biological assets

		2014	2013
Orchid seedlings			
Balance on January 1, 2014	$	10,961	4,859
Increase due to obtained		3,406	3,622
Decrease due to sold		(13,026)	(6,652)
Transferred seedlings into agriculture		(1,531)	(1,503)
The changes in the fair value less estimated costs to sell		33,857	10,635
Balance on December 31, 2014	$	33,667	10,961

Changes in fair value less estimated costs to sell, presentation of gains and losses in other comprehensive income statement items, please refer to Note 6 (17).

The fair value of the Phalaenopsis and seeding of the most recent market transaction price, but if the economic conditions between the transaction date and the reporting date significant changes, the market price of similar assets adjusted to reflect the difference.

2. Productive biological assets

Reproduction of seedling or cut flower production considered as biological assets, after subsequent evaluation at cost less accumulated depreciation and accumulated impairment impulse, costs associated with the growth cycle of the parent plants are capitalized, and in the mature crop has reached the point of law can be maintained depreciated on a straight-line method, the average depreciation period of 2 years.

For 2014 and 2013 annual production of biological assets, depreciation expenses are both $897 thousand.

3. The Consolidated Company is exposed to the Phalaenopsis planted and related risk:

(1) Regulatory and environmental risks

Consolidated Company operating in different countries and are subject to local laws and regulations. In order to ensure compliance with local environmental and other regulations, the combined company to establish policies and procedures related to the environment and the management regularly reviews to identify environmental risks to ensure that there are appropriate systems around the mechanisms to manage these risks.

(2) Supply and demand risk

The sales of Phalaenopsis and seedling were exposed at risks of fluctuations in price and sales volume in Phalaenopsis. In response to this risk, the Consolidated Company adjust the number of flowering plants and an increase in the scale of planting to cope with changes in market supply and demand, and the management of the industry trend analysis on a regular basis to ensure consistent pricing structure of the Consolidated Company and the market, and to ensure that plans and the expected number of flowering consistent demand.

(3) Climate and other risks

Phalaenopsis and planting recruits are exposed due to climate change, disease and other natural factors caused by the risk of injury. In response to this risk, the company has entered into a relevant merger control procedures in order to reduce this risk, including regular health checks and orchid seedling pests and disease investigation.

(4) As of December 31, 2014 and 2013, the Consolidated Company have no biological assets provided as collateral security for the situation.

(V) The investment under equity method

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

1. Affiliated enterprises

(1)The Consolidated Company's share of the affiliated enterprise's profit and loss as of 2014 and 2013 is summarized as follows:

	2013
The Consolidated Company's share of the affiliated enterprise's profit and loss	$ 876

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

	2013
Income	$ 456
Net income	$ (33)

(2) The Consolidated 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. For more information, please refer to Note 6(18).

(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).

2. The Consolidated Company's investment under equity method was without any collateral pledged as of December 31, 2014 and 2013.

(VI) Property, plant, and equipment

The changes in the cost, depreciation, and impairment loss of the Consolidated 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	$ 2,007,959	792,553	89,748	106,079	35,280	43,486	2,612,030	5,687,135
Additions	186	30,186	72	1,121	3,298	4,192	931,942	970,997
Disposal and scrap	-	-	(5,915)	(7,955)	(2,988)	(985)	(212)	(18,055)
Reclassification	91,454	323,660	-	(1,888)	1,929	(62)	(333,400)	81,693
Balance on December 31, 2014	$ 2,099,599	1,146,399	83,905	97,357	37,519	46,631	3,210,360	6,721,770
Balance on January 1, 2013	$ 1,974,767	639,816	87,764	94,870	32,696	40,800	2,240,812	5,111,525

	Land	Houses and buildings	Transportation equipment	Office equipment	Leased assets and leasehold improvements	Other equipment	Construction in progress and equipment to be tested	Total
Subsidiaries	-	-	-	4,643	557	-	-	5,200
Additions	32,822	3,503	1,984	7,406	1,936	4,599	523,445	575,695
Disposal and scrap	-	-	-	(840)	(356)	(1,388)	(3,885)	(6,469)
Reclassification	370	149,234	-	-	447	(525)	(148,342)	1,184
Balance on December 31, 2013	$ 2,007,959	792,553	89,748	106,079	35,280	43,486	2,612,030	5,687,135
Depreciation and impairment loss:								
Balance on January 1, 2014	$ -	268,206	42,079	92,020	32,608	29,067	-	463,980
Current depreciation	-	31,347	11,344	3,162	1,619	4,392	-	51,864
Disposal	-	-	(5,915)	(3,622)	(1,731)	(968)	-	(12,236)
Reclassification	-	(4,128)	-	(756)	129	(23)	-	(4,778)
Balance on December 31, 2014	$ -	295,425	47,508	90,804	32,625	32,468	-	498,830
Balance on January 1, 2013	$ -	250,699	30,494	89,057	30,721	25,368	-	426,339
Subsidiaries	-	-	-	621	3	-	-	624
Current depreciation	-	17,507	11,585	3,182	1,933	4,942	-	39,149
Disposal	-	-	-	(840)	(49)	(1,104)	-	(1,993)
Reclassification	-	-	-	-	-	(139)	-	(139)
Balance on December 31, 2013	$ -	268,206	42,079	92,020	32,608	29,067	-	463,980
Book value:								
December 31, 2014	$ 2,099,599	850,974	36,397	6,553	4,894	14,163	3,210,360	6,222,940
January 1, 2013	$ 1,974,767	389,117	57,270	5,813	1,975	15,432	2,240,812	4,685,186
December 31, 2013	$ 2,007,959	524,347	47,669	14,059	2,672	14,419	2,612,030	5,223,155

1. The Consolidated 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 Consolidated 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.

(VII) Investment property

	Land and improvements	Building and structure	Total
Cost or identified cost:			
Balance on January 1, 2014	$ 4,593,823	1,874,813	6,468,636
Additions	-	1,019	1,019
Disposal	(9,064)	(10,981)	(20,045)
Reclassification	12,531	17,597	30,128
Balance on December 31, 2014	$ 4,597,290	1,882,448	6,479,738
Balance on January 1, 2013	$ 5,141,451	2,746,487	7,887,938

	Land and improvements	Building and structure	Total
Additions	1,085	3,736	4,821
Disposal	(548,713)	(875,410)	(1,424,123)
Balance on December 31, 2013	$ 4,593,823	1,874,813	6,468,636
Depreciation and impairment loss:			
Balance on January 1, 2014	$ 19,910	264,587	284,497
Current depreciation	-	52,905	52,905
Disposal	-	(3,383)	(3,383)
Reclassification	-	4,000	4,000
Balance on December 31, 2014	$ 19,910	318,109	338,019
Balance on January 1, 2013	$ 19,910	288,815	308,725
Current depreciation	-	72,353	72,353
Disposal	-	(96,581)	(96,581)
Balance on December 31, 2013	$ 19,910	264,587	284,497
Book value:			
December 31, 2014	$ 4,577,380	1,564,339	6,141,719
January 1, 2013	$ 5,121,541	2,457,672	7,579,213
December 31, 2013	$ 4,573,913	1,610,226	6,184,139
Fair value:			
December 31, 2014			$ 9,757,506
January 1, 2013			$ 9,082,586
December 31, 2013			$ 7,699,681

1. Investment property contains a number of commercial properties leased to others. Please refer to Note 6(16).
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 Consolidated 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 Consolidated 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.

(VIII) Intangible assets

The cost, depreciation, and impairment loss of the Consolidated 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	94,571	829,749
Acquired separately	-	-	3,040	3,040
Disposal	-	-	(7,820)	(7,820)
Reclassification	-	-	178	178
Balance on December 31, 2014	**$ 542,428**	**192,750**	**89,969**	**825,147**
Balance on January 1, 2013	$ 542,428	192,750	76,126	811,304
Acquired separately	-	-	16,516	16,516
Subsidiaries	-	-	1,543	1,543
Reclassification	-	-	386	386
Balance on December 31, 2013	**$ 542,428**	**192,750**	**94,571**	**829,749**
Amortization and impairment loss:				
Balance on January 1, 2014	$ -	-	44,601	44,601
Current amortization	-	-	11,379	11,379
Disposal	-	-	(3,887)	(3,887)
Balance on December 31, 2014	**$ -**	**-**	**52,093**	**52,093**
Balance on January 1, 2013	$ -	-	33,628	33,628
Current amortization	-	-	10,755	10,755
Subsidiaries	-	-	218	218
Balance on December 31, 2013	**$ -**	**-**	**44,601**	**44,601**
Book value:				
Balance on December 31, 2014	**$ 542,428**	**192,750**	**37,876**	**773,054**
Balance on January 1, 2013	**$ 542,428**	**192,750**	**42,498**	**777,676**
Balance on December 31, 2013	**$ 542,428**	**192,750**	**49,970**	**785,148**

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

	2014	2013
Operating cost	$ 2,073	2,262
Operating expenses	9,306	8,493
Total	**$ 11,379**	**10,755**

2. The Consolidated 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. Consolidated 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.

(IX) Other financial assets - current

The Consolidated Company's other financial assets as below:

	12.31.2014	12.31.2013
Time deposit – trust account	$ 111,945	816,324
Current deposit – trust account and management account	1,198,659	1,044,922
Other receivables	390,619	6,454
Other financial assets	-	106,156
Securities sales receivables	172,179	7,275
Rental receivables	31,735	24,550
Bond interest receivables	17,317	55
Limited assets	602,173	136,046
Others	11,410	26,005
Total	$ 2,536,037	2,167,787

(X) Short-term loan

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

	12.31.2014	12.31.2013
Guaranteed bank loans	$ 2,402,500	1,002,000
Unguaranteed bank loans	186,500	-
Total	$ 2,589,000	1,002,000
Unused limit	$ 3,961,000	3,429,000
Interest rate range	0.72%~1.5%	0.62%~1.85%

1. For the Consolidated Company's interest rate, foreign currency, and liquidity risk exposure information, please refers to Note 6 (19).

2. For the Consolidated Company's assets pledged as collateral for bank loans, please refer to Note 8.

(XI) Operating lease

For the Consolidated Company's investment property leased as operating rental, please refer to Note 6(7). The future minimum lease payment receivable of the irrevocable lease term is as follows:

	12.31.2014	2013.12.31
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$210,680 thousand and NT$223,270 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

(XII) Employee welfare

1. Defined benefit plan

The Consolidated 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

Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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

Annual Consolidated 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 Consolidated 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 Consolidated 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	2013.12.31	2012.12.31	2012.1.1
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 Consolidated 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 Consolidated 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 Consolidated Company's defined benefit obligation amount.

The Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Company appropriates a fixed amount to the Bureau of Labor Insurance and without any legal or constructive obligation to make additional contribution.

The Consolidated Company's pension expense as of 2014 and 2013 under the defined contribution plan amounted to NT$18,457 thousand and NT$17,703 thousand, respectively, and it has been appropriated to the Bureau of Labor Insurance already.

(XIII) Income tax

1. Income tax expense

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

	2014	2013
Current income tax expenses		
Current generated	$ 191,156	231,149
Prior period overestimated income tax	(6,565)	-
Increase of land tax	2,107	30,288
Undistributed earnings to 10%	22,437	51,979
	209,135	313,416

		2014	2013
Deferred income tax expense (income)			
Occurrence and reoccurrence of temporary differences		42,651	(63,125)
Income tax expense	$	251,786	250,291

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

		2014	2013
Pre-tax profit	$	2,552,213	2,358,829
Income tax rate calculation using the domestic tax rate		402,542	432,143
Tax-exempt income		(146,014)	(164,770)
Restoration of temporary management fee received in advance		(29,611)	(28,178)
Prior period overestimated income tax		(6,565)	-
Land appreciation tax		2,107	30,288
Undistributed earning to 10%		22,437	51,979
Other		6,890	(71,171)
	$	251,786	250,291

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 Consolidated 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) Unrecognized deferred tax assets

The Company unrecognized deferred income tax assets as follows:

		12.31.2014	12.31.2013
Deductible temporary differences	$	755	3,524
Tax loss		11,621	9,898
	$	12,376	13,422

Department of taxable losses in accordance with the provisions of the Income Tax Act, the tax authorities until after ten years' losses derived from the current year net interest deduction, tax re-nuclear course. These items are not recognized as deferred tax assets was due to the Consolidated Company is not very probable that sufficient taxable income in the future for the use of temporary differences.

Ended December 31, 2014, the Consolidated Company has not yet recognized as tax loss deferred tax asset, net of its period as follows:

Deductible Year	Losses yet to be deducted	Last Deductible Year
Authorized loss in 2006	$ 9,586	2016
Authorized loss in 2007	8,649	2017
Authorized loss in 2008	4,376	2018
Authorized loss in 2010	2,601	2020
Authorized loss in 2011	1,568	2021
Authorized loss in 2012	11,260	2022
Authorized loss in 2013	18,744	2023
Authorized loss in 2014	11,576	2024
	$ 68,360	

(3) 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	83,982	581,900
(Debit) credit to income statement	45,124	26,694	(2,423)	69,395
(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., Ltd.'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 after 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 (Estimate)
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.

(XIV) 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 profit or loss 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 (after tax):				
Consolidated Company		7,118	-	7,118
Unrealized gain or loss of the available-for-sale financial assets:				
Consolidated 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 (after tax):				
Consolidated Company		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)

4. Non-controlling equity

		2014	2013
Balance at beginning of period	$	959,005	783,823
Non-controlling equity			
Net profit of non-controlling equity		107,565	92,451
Differences between actual price acquisition or disposal of subsidiaries and book value		6,363	(3,587)
Cash dividend		(87,010)	-
Capital increase to subsidiaries		10,550	68,815
Capital decrease to subsidiaries		(26,026)	-
Subsidiaries acquired in the first time		-	17,503
Balance at end of period	$	970,447	959,005

(XV) Earnings per share

The Consolidated 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

(XVI) Income

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

	2014	2013
Columbarium and cemetery income	$ 3,616,656	2,472,492
Funeral services income	1,445,611	1,342,442
Rent income from investment property	210,680	223,270
Construction contract income	21,975	33,712
Other operating income	156,386	79,938
	$ 5,451,308	4,151,854

(XVII) Other profit and loss

The Consolidated Company's other gain and loss as follows:

	2014	2013
Disposition of real estate investment income (loss)	$ 15,731	434,117
Changes in fair value of biological assets interests	33,857	10,635
	$ 49,588	444,752

(XVIII) Non-operating income and expense

1. Other income

The Consolidated Company's other income as follows:

	2014	2013
Interest income	$ 90,198	34,133
Dividend income	15,158	19,057
Fines income	114,861	183,092
Other income	30,200	21,843
	$ 250,417	258,125

2. Other profit and loss

The Consolidated Company's other gain and loss:

	2014	2013
Foreign exchange gain (loss)	$ 97,494	7,831
Gains and losses on disposal of investments and financial liabilities	207	33,745
Net financial assets measured at fair value through profit or loss	75,646	62,056
Disposal of property, plant, and equipment	(3,144)	(477)
Loss from scrapping intangible assets	(3,745)	-
Loss from financial assets decrease valued at cost	(7,000)	-
Other expense	(9,096)	(30,877)
	$ 150,362	72,278

3. Finance cost

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

	2014	2013
Interest expense		
Bank loan	$ 17,717	23,170

(XIX) 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)	$ 938,138	918,410
Available-for-sale financial assets	1,866,734	-
Subtotal	2,804,872	918,410
Loans and receivables：		
Cash and cash equivalent	372,338	1,382,339
Notes receivable and accounts receivable	465,425	362,514
Other financial assets	2,571,801	2,209,678
Subtotal	3,409,564	3,954,531
Total	$ 6,214,436	4,872,941

(2) Financial liabilities

		12.31.2014	12.31.2013
Financial liabilities at amortized cost:			
Short term loan	$	2,589,000	1,002,000
Note and account payable		509,398	462,026
Other payables		385,934	498,677
Total	$	3,484,332	1,962,703

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$6,214,436 thousand and NT$4,872,941 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	$	827,059	29,519	294,589	24,755
Overdue 31~60 days		20,320	1,762	10,193	966
Overdue 61~90 days		10,882	943	6,884	584
Overdue 91~120 days		2,509	218	8,352	143
Overdue more than 120 days		52,410	24,694	99,377	23,979
	$	913,180	57,136	419,395	50,427

Changes in allowance for doubtful accounts receivable is as follows:

		2014	2013
Balance at 1 January	$	50,427	38,746
Impairment losses recognized		6,935	11,681
Uncollectible amounts written off amount during the current year		(226)	-
Balance at December 31	$	57,136	50,427

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	$ 2,589,000	2,589,000	2,589,000	-	-	-	-
Notes payable and accounts payable	509,398	509,398	289,152	98,677	46,408	9,343	65,818
Other payables	385,934	385,934	385,934	-	-	-	-
	$ 3,484,332	3,484,332	3,264,086	98,677	46,408	9,343	65,818
December 31, 2013							
Non-derivative financial liabilities							
Secured bank loans	$ 1,002,000	1,002,000	1,002,000	-	-	-	-
Notes payable and accounts payable	462,026	462,026	306,100	30,495	48,696	19,931	56,804
Other payables	498,677	498,677	498,677	-	-	-	-
	$ 1,962,703	1,962,703	1,806,777	30,495	48,696	19,931	56,804

The Consolidated 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 Consolidated 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	4.90	1,130,977
RMB/USD	23,618	0.161	120,261	23,292	0.165	114,132
USD/NTD	29,697	31.650	939,903	2,875	29.72	85,445
Japanese yen/NTD	32,899	0.265	8,705	10,916	0.2850	3,111
HKD/NTD	25,733	4.080	104,991	-	-	-
Non-monetary items						
Japanese yen/NTD	157,280	0.265	41,569	145,760	0.285	41,584
USD/NTD	2,205	31.650	69,936	1,926	29.720	57,341

(2) Sensitivity analysis

The Consolidated 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$252,389 thousand and decreased by NT$110,694 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$2,686 thousand and NT$1,040 thousand, respectively.

6. Fair value

(1) Fair value and book value

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

(2) 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	$ 910,703	-	-	910,703
Available-for-sale financial assets	1,866,734	-	-	1,866,734
	$ 2,777,437	**-**	**-**	**2,777,437**
December 31, 2013				
Financial assets measured at fair value through profit or loss	**$ 859,527**	**-**	**-**	**859,527**

No financial asset was transferred as of 2014 and 2013.

(XX) Financial risk management

1. Summary

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

2. Risk management structure

The Consolidated Company's risk management policies are setup to identify and analyze the risk faced by the Consolidated 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 Consolidated 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 Consolidated Company's Audit Committee supervises how the management monitors the Consolidated Company's risk management policies and procedures compliance and reviews the appropriateness of the Consolidated Company's risk management structure in service. Internal audit staff assists the Consolidated 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 Consolidated Company when the client or the counterparty of financial instruments trade is unable to meet its contractual obligations. It is mainly from the Consolidated Company's accounts receivables from customers and securities investment.

(1) Accounts receivable and other receivables

The Consolidated 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 Consolidated Company's customers, including the default risk of the industry and country the customer belongs to since it may affect credit risk.

The Consolidated 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 Consolidated Company. The Consolidated 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 Consolidated Company regulated by the company policies can only provide financial guarantee to the subsidiaries. The Consolidated 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 Consolidated Company unable to pay cash or financial asset to settle the financial liability and unable to perform its obligations. The Consolidated Company's managing liquidity is to ensure that the Consolidated 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 Consolidated Company's reputation.

The Consolidated Company's unused loan facilities amounted to NT$3,961,000 thousand and NT$3,429,000 thousand as of December 31, 2014 and 2013.

5. Market risk

Market risk is the risk the Consolidated 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 Consolidated Company conducts derivative instruments transactions for managing market risk with financial liabilities then resulted.

(1) Exchange rate risk

The Consolidated 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 Consolidated Company's principle is for natural hedge. The Consolidated 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 Consolidated 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.

(XXI) Capital management

The Consolidated 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 Consolidated Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or sell assets to pay off liabilities.

The Consolidated 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	$ 31,551,120	29,867,052
Minus: Cash and cash equivalent	(372,338)	(1,382,339)
Net liabilities	31,178,782	28,484,713
Total equity	8,965,534	8,376,599
Adjusted capital	**$ 40,144,316**	**36,861,312**
Debt to equity ratio	**77.67%**	**77.28%**

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

VII. Related Party Transactions

(I) Parent company and ultimate controller

The Company is the ultimate controller of the Consolidated Company and its subsidiaries.

(II) Other related party transactions

1. Sales

	Sales		Receivables from related parties (booked in "Accounts receivable – net")	
	2014	**2013**	**12.31.2014**	**12.31.2013**
Other related party	$ 6,284	1,706	21,470	20,031

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 Consolidated 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**
Affiliated enterprises	$ -	42,286	-	-

The Consolidated Company's purchase price from the companies referred to above is not significantly different from the purchase price from general manufacturers. Payment term is approximately 30 to 60 days after acceptance and it is not significantly different from the payment term of general manufacturers.

3. Lease

(1) Lessee:

The Consolidated Company leases transport equipment from the related party for a rent expense of NT$5,554 thousand and NT$3,539 thousand paid as of 2014 and 2013, respectively.

(2) Lessor:

The Consolidated Company has office building and parking space rented to the related party with a rent income of NT$34 thousand and NT$34 thousand as of 2014 and 2013, respectively.

The above conditions are negotiated lease, no significant difference between non-related party transactions.

4. Contract projects

Name of related party	Project Name	Contract Price	Current Price	Accumulated Price
2014				
Other related party	Gu Gong Case	$ 223,962	34,431	251,140
2013				
Other related party	Gu Gong Case	$ 252,950	-	216,709

(1) The Consolidated Company contracted according to the related engineering project budget in addition to a reasonable management fees and profits, the contract prices are set after the decision of supervisors.

(2) The allowance construction NT$27,178 thousand of above Gu Gong Case is in accordance with actual construction settlement and agreement with other related parties in February, 2015.

5. Others

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

	12.31.2014	**12.31.2013**
Other related party	$ -	100

(2) Other payables

	12.31.2014	12.31.2013
Other related party	$ 1,217	925

(3) Payment on behalf of others (booked in other current assets)

	12.31.2014	12.31.2013
Other related party	$ 557	557

6. Trust contract

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

7. Others

The Consolidated Company commissioned other related party to acquire land for construction for a total price of NT$668,016 thousand as of December 31, 2014 and 2013, respectively. The discretionary trustee is to handle the land combination matter on behalf of the Company.

(III) Key management personnel transactions

	2014	2013
Short-term employee benefits	$ 34,333	28,879
Retirement benefits	1,039	844
	$ 35,372	29,723

VIII. Pledged Assets

The book value of the Consolidated 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 (Note)	2,730,177	2,870,063
Property, plant, and equipment – book value	Loans as collateral	581,031	581,031
Investment property – book value	As a guarantee of borrowings and letters received single-user transaction services industry	2,970,838	2,991,069
		$ 6,884,219	6,578,209

Note: Subsidiary in May 29, 2013 for land cover cash capital to issue new shares at a price of land to offset the monies already on June 6, 2013 to complete the transfer of ownership transfer registration procedures, some of which 6,000 thousand land value has mortgage.

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Significant unrecognized contractual commitments

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

	12.31.2014	12.31.2013
Contracted projects	$ 1,366	36,241

	12.31.2014	12.31.2013
Acquisition of columbarium and cemetery	26,707	37,707
Acquisition of construction site	56,950	171,919
Individual construction project	870,223	1,144,392

2. The subsidiaries and National Chiayi University entered into a non-exclusive license agreement with respect to plant/strain selection of relevant phalaenopsis specimens, requiring that the subsidiaries should pay the royalty to National Chiayi University on a pro rata basis from the revenue of products generated from the selected plant/strain on a yearly basis for the duration of the agreement (five years as of the effective date of the agreement) as of December 31, 2014 and 2013, respectively.
3. In September 2013 the company entered into a merger with Tainan City Government Economic Development Board ", Tainan local industrial R&D Promotion Program project contract" to perform in accordance with the relevant technical research program set out in the project plan to contract content and applications in accordance with the agreed schedule grants, contracts executed during the period from the signing date to April 30, 2014. Ended December 31, 2013, but has not yet been received up to timing of revenue recognition of grants total 390 thousand recorded as deferred revenue (other current liabilities).

   Combined with NCKU Research and Development Foundation signed a contract R&D program guidance, counseling and during the same period of the previous project contract execution, ending December 31, 2014 in accordance with the contract fee paid tutoring count NT$101 thousand in other current assets under.

(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 Consolidated 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 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: The carrying value of the asset at the time of delivery of the Trust.

The above amounts have switched trust assets to purchase financial instruments and real estate delivery, transfer to the Trustee, the Trustee in accordance with the instructions so that the principal of, for the trust property, the designated uses for management action.

2. The Consolidated 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$1,053,930 thousand, and NT$1,033,403 thousand as of December 31, 2014 and 2013, respectively; also, it is booked in the "Other financial assets – current."
3. The Consolidated 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	217,069	222,578	62,397	502,044	213,549	228,509	67,382	509,440
Labor and health insurance	15,848	13,881	6,199	35,928	14,628	12,726	5,701	33,055
Pension	9,102	6,963	2,994	19,059	8,505	6,589	3,048	18,142
Others	5,743	13,013	3,941	22,697	4,693	12,972	3,694	21,359
Depreciation	88,116	11,438	6,112	105,666	94,610	12,852	4,937	112,399
Depletion	-	-	-	-	-	-	-	-
Amortization	2,073	8,488	818	11,379	2,262	7,766	727	10,755

Note 1: It includes the related fees of the cemetery management center-related expenses (stated as less item-advance receipts) and deferred marketing expense from contract sales.

(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. Other disclosures

(1) Information on significant transactions

The Consolidated 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. Fund financing to other parties:

Unit: Thousand NTD

Number	Name of Lenders	Name of Borrowers	Account name	Related Party	Highest balance during the period	Ending Balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrowers	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limitation on fund financing
													Name	Value		
0	Lungyen Life Service Corp.	Longding Life Sciences Inc	Other receivables related parties	Yes	202,00	202,000	180,000	6%	2	-	Working fund	-	–	-	1,793,107	3,586,214
0	Lungyen Life Service Corp.	Lung Fu Company	Other receivables related parties	Yes	20,00	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.
Note 5: The transaction had been written-off when the Company made the consolidated financial statements.

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				Maximum shareholding or funding situation	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	242	15,706	- %	64.90	- %	

Holder of Securities	Type and Name of Securities	Relationship with Securities Issuer	Account Title	Ending				Maximum shareholding or funding situation	Remark
				Quantity of shares (thousand shares)/unit	Book Value	% of Ownership	Fair value		
			through profit or loss - current						
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	- %	〃
The Company	Guotai Junan Corp. Bond	－	Available-for-sale financial	1,600	50,869	- %	31.79	- %	〃

Holder of Securities	Type and Name of Securities	Relationship with Securities Issuer	Account Title	Ending				Maximum shareholding or funding situation	Remark
				Quantity of shares (thousand shares)/unit	Book Value	% of Ownership	Fair value		
			assets – non-current						
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	4.86%	
The Company	PK Venture Capital Corp	－	Financial assets carried at cost – non-current	3,360	20,855	8.57 %	6.07	8.57%	
The Company	Cathay insurance stock	－	Financial assets carried at cost – non-current	44	-	0.01 %	-	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	- %	
Ching Huang Construction Co., Ltd.	J-Garden Corp.	－	Financial assets carried at cost – non-current	-	2,550	5.00 %	12.23	5.00%	

Holder of Securities	Type and Name of Securities	Relationship with Securities Issuer	Account Title	Ending				Maximum shareholding or funding situation	Remark
				Quantity of shares (thousand shares)/unit	Book Value	% of Ownership	Fair value		
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 shares; 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 shares; 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 shares; 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.

10. Business relationships and significant intercompany transactions:

Number (Note 1)	Name of the Company	Name of the counter-party	Existing relationship with the counter-party (Note 2)	Transaction Details			Percentage of the total consolidated revenue or total assets
				Account name	Amount	Terms of trading	
0	Lungyen Life Service Corp.	Ching Huang Construction Co., Ltd.	1	Payable accounts	$ 13,256	Equal to transaction with non-related parties	0.03%
0	〃	〃	1	Other payable accounts	16,662	–	0.04%
0	〃	〃	1	Operating income	388	–	0.01%
0	〃	Yuji Development Corp.	1	Payable accounts	12,863		0.03%
0	〃	〃	1	Prepayments	3,116	-	0.01%
0	〃	〃	1	Operating cost	104,578	-	1.92%
0	〃	〃	1	Other revenue	24,177	-	0.44%
0	〃	〃	1	Receipts under custody	6,645	-	0.02%
0	〃	Longding Life Science Co., Ltd.	1	Other financial assets – current	183,787	-	0.44%
0	〃	〃	1	Payable accounts	184	-	- %
0	〃	〃	1	Operating cost	2,620	-	- %
0	〃	〃	1	Financial cost	3,782	-	0.05%
0	〃	Zekaen Co. Ltd.	1	Operating cost	69,027	-	1.27%
0	〃	〃	1	Operating income	3,559	-	0.07%
0	〃	〃	1	Payable accounts	7,896	-	0.02%
0	〃	Lung Fu Company Limited	1	Payable accounts	8,355	-	0.02%
0	〃	〃	1	Advance sales receipts	5,438	-	0.01%
0	〃	〃	1	Receipts under custody	246	-	- %
0	〃	〃	1	Operating cost	39,363	-	1%
1	Ching Huang Construction Co., Ltd.	Lungyen Life Service Corp.	2	Accounts Receivable	29,918		0.07%
1	〃	〃	2	Operating income	1,433	-	- %
1	〃	〃	2	Operating cost	1	-	- %
1	〃	〃	2	Construction in progress	1,432	–	- %
1	〃	〃	2	Administrative expenses	388	–	0.01%
2	Yuji Development Corp.	Lungyen Life Service Corp.	2	Accounts Receivable	12,863	–	0.03%
2	〃	〃	2	Payable accounts – related parties	6,645	–	0.02%
2	〃	〃	2	Advance receipts	3,116	–	0.01%
2	〃	〃	2	Operating income	104,578	–	1.92%
2	〃	〃	2	Administrative expenses	24,177		0.44%
3	Longding Life Science Co., Ltd.	Lungyen Life Service Corp.	2	Accounts Receivable	184	–	- %
3	〃	〃	2	Other current liabilities - others	183,787	–	0.44%
3	〃	〃	2	Operating income	2,620	–	0.05%
3	〃	〃	2	Other revenue	3,782	–	0.07%
3	〃	Zekaen Co. Ltd.	3	Accounts Receivable	61	–	- %
2	Zekaen Co. Ltd.	Lungyen Life Service Corp.	2	Operating income	69,027	–	1.27%
2	〃	〃	2	Accounts Receivable	7,896	–	0.02%
2	〃	〃	2	Administrative expenses	3,559	–	0.07%
2	〃	Longding Life Science Co., Ltd.	3	Payable accounts	61	–	- %
2	Lung Fu Company Limited	Lungyen Life Service Corp.	2	Accounts Receivable	8,601	–	0.02%
2	〃	〃	2	Advance sales receipts	5,438	–	0.01%
2	〃	〃	2	Operating income	39,363	–	0.72%

Note 1: Said transactions shall be numbered as follows:
1. “0” for parent company
2. Subsidiaries are numbered from “1”

Note 2: Transactions with stakeholders are divided into three categories as follows:
1. Parent company to subsidiaries;
2. Subsidiaries to parent company;
3. Subsidiaries to subsidiaries

(2) Information on investees:

The Consolidated Company's reinvestment as of 2014 is as follows:

Unit: Thousand NTD

Name of the investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			Maximum shareholding or funding situation	Current gain/loss of investees	Current recognized Investment gains and losses	Note
				Ending balance	Beginning balance	Shares	Ratio of shares	Book value				
The Company	Ching Huang Construction Co., Ltd.	Taiwan	Civil engineering	30,033	204,332	2,209	98.20%	(4,824)	98.20%	4,650	3,101	Subsidiary
The Company	Yuji Development Corp.	Taiwan	Funeral Service	990,000	990,000	99,000	56.25%	1,158,168	56.25%	253,301	142,481	Subsidiary
The Company	Dahan Property Management Co., Ltd.	Taiwan	Development, lease and sale of residential areas and building	3,870	3,870	400	80.00%	3,597	80.00%	(4)	(3)	Subsidiary
The Company	Sea Dragon Traders Ltd. (BVI)	British Virgin Islands.	Investment	114,529	114,529	1	100.00%	120,586	100.00%	(1,742)	(1,742)	Subsidiary
The Company	Longding Life Science Co., Ltd.	Taiwan	Flower and plant cultivation	85,000	40,000	8,500	60.71%	55,641	60.71%	(12,534)	(6,097)	Subsidiary
The Company	Singapore Lungyen Life Services Pte., Ltd.	Singapore	Funeral Service	11,990	11,990	500	100.00%	(2,101)	100.00%	(6,343)	(6,343)	Subsidiary
The Company	Zekaen Co. Ltd.	Taiwan	Flower and plant cultivation	96,656	73,850	10,000	100.00%	60,921	100.00%	(15,560)	(14,140)	Subsidiary
Yuji Development Corp.	Lung Fu Company Limited	Taiwan	Funeral Service	210,700	210,700	21,070	77.75%	216,226	77.75%	7,775	6,045	Sub-subsidiary
Zekaen Co. Ltd.	Longding Life Science Co., Ltd.	Taiwan	Flower and plant cultivation	44,450	55,000	4,445	31.75%	29,097	39.29%	(12,534)	(2,791)	Subsidiary

Note 1: The Company holds equity industry to write off these subsidiaries in the consolidated financial report.

(3) 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	Current interim maximum shareholding ratio or contribution	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 Consolidated 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

(I) General information

The Consolidated Company consist of five departments, namely Columbarium Sales Dept., Funeral Service Dept., Property Lease Dept., Cemetery Operation Dept., and other departments and construction sales department. Columbarium Sales Dept. is primarily engaged in columbarium-related business. Funeral Service Dept. is engaged in funeral service business. Property Lease Dept. is engaged in lease of real property. Cemetery Operation Dept. and other departments are engaged in management and operation of cemeteries. Construction Sales Dept. is engaged in building construction business.

The Consolidated Company' departments shall be the units dedicated to strategic business to provide different products and services. Given that the technique and marketing strategies as needed vary according to each strategic business unit, it is necessary to manage the units separately. Most of the business units are acquired separately, and the competent management teams are retained.

(II) Departmental profit and loss, assets, liabilities, measurements and adjustment should be reported

The before tax profit and loss (excluding gains and losses and exchange gains and losses are often non-occurrence) is based on the Consolidated Company within the department's chief operating decision making report as a basis for the management of resource allocation and assessment of performance. As the profit or non-occurrence of recurrent and exchange gains and losses are based on a group basis to manage, so the Consolidated Company unallocated income tax expense (benefit), exchange gain or loss and non-recurring occurrence to reportable segments. In addition, not all departmental profit and loss contains depreciation and amortization non-cash items. The reported amounts should be consistent with the operating decision making report.

The Consolidated Company's operating segments and adjustment are as follows:

	2014						
	Columbarium and cemetery for sale	**Funeral services**	**Property leasing**	**Cemetery operation and others**	**Construction for sales**	**Adjustments and written-off**	**Total**
Income:							
Income from external customers	$ 3,616,656	1,445,611	210,680	156,386	21,975	-	5,451,308
Inter-segment income	143,940	-	4,050	71,513	1,465	(220,968)	-
Total income	$ 3,760,596	1,445,611	214,730	227,899	23,440	(220,968)	5,451,308
Interest expense	$ -	-	-	(17,717)	-	-	(17,717)
Depreciation and amortization	-	(29,605)	(57,633)	(2,951)	-	(19,926)	(110,115)
Reportable segment profit or loss	**$ 1,667,815**	**272,884**	**77,990**	**501,828**	**(454)**	**(219,636)**	**2,300,427**

	2014							
		Columbarium and cemetery for sale	Funeral services	Property leasing	Cemetery operation and others	Construction for sales	Adjustments and written-off	Total
Assets:								
Capital expenditure of non-current assets		-	-	-	975,056	-	-	975,056
Reportable segment assets	$	12,902,054	3,717,652	6,141,719	53,740	4,551,895	14,120,041	41,487,101
Reportable segment liabilities	$	14,775,779	11,877,970	40,847	933,183	-	3,923,341	31,551,120

	2013							
		Columbarium and cemetery for sale	Funeral services	Property leasing	Cemetery operation and others	Construction for sales	Adjustments and written-off	Total
Income:								
Income from external customers	$	2,472,492	1,342,442	223,270	79,938	33,712	-	4,151,854
Inter-segment income		47,470	-	4,417	148,737	158,638	(359,262)	-
Total income	$	2,519,962	1,342,442	227,687	228,675	192,350	(359,262)	4,151,854
Interest expense	$	-	-	-	(23,170)	-	-	(23,170)
Depreciation and amortization		-	(21,921)	(72,689)	(2,262)	-	(20,618)	(117,490)
Affiliated companies and joint ventures profit or loss portion using equity method		-	-	-	876	-	-	876
Reportable segment profit or loss	$	1,357,155	168,973	61,584	722,823	157,265	(359,262)	2,108,538
Assets:								
Capital expenditure of non-current assets		-	-	-	597,032	-	-	597,032
Reportable segment assets	$	13,403,823	3,547,931	6,184,139	722	4,230,153	11,835,888	39,202,656
Reportable segment liabilities	$	15,655,531	10,593,902	62,357	951,629	289	2,603,344	29,867,052

(III) Geographical information

The Consolidated Company's geographical information as below, the revenue is categorized in accordance with customers' geographical locations, and non-current assets are categorized in accordance with assets' geographical locations.

Area		**2014**	**2013**
Income from external customers			
Taiwan	$	5,445,025	4,150,365
Other countries		6,283	1,489
Total	**$**	**5,451,308**	**4,151,854**
Non-current assets:			
Taiwan	**$**	**13,137,713**	**12,192,442**

Non-current assets include property, plant and equipment, investment property and intangible assets, but not including financial methods and deferred income tax assets.

(IV) Main customer information

The Consolidated Company has no customer whose income is over 10% of net operating revenue in consolidated comprehensive income statement as of 2014 and 2013.