

(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 Three Months Ended March 31, 2015 and 2014
(Including an Independent Auditor's Audit Report)**

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Independent Auditor's Audit Report

To Board of Directors of Lungyen Life Service Corp.:

We have audited the accompanying consolidated balance sheets of Lungyen Life Service Corp. and its subsidiaries as of March 31, 2015 and 2014, the related consolidated statements of comprehensive income as of January 1 to March 31, 2015 and 2014, and consolidated statements of changes in equity and consolidated statement of cash flows as of three months ended March 31, 2015 and 2014. The quarterly consolidated financial statements are the responsibility of the management. Our responsibility is to express an opinion on the quarterly consolidated financial statements based on our audits.

Except for the statements in paragraph 3 and paragraph 4, we have the review planned and implemented in conformity with Generally Accepted Auditing Standard (GAAS) No. 36 "Financial Statements Review." We have conducted only analysis, comparison, and check but not audit in conformity with generally accepted auditing standards; therefore, we are unable to express an opinion on the quarterly consolidated financial statements referred to above.

Lungyen Life Service Corp. has based on the unreviewed quarterly financial statements of the subsidiaries to prepare the quarterly consolidated financial statements. The total assets amounted to NT\$762,469 thousand and NT\$757,613 thousand, representing both 2% of total consolidated assets as of March 31, 2015 and 2014, respectively. The total liabilities amounted to NT\$263,567 thousand and NT\$56,747 thousand, representing 1% and 0.2% of total consolidated liabilities as of March 31, 2015 and 2014, respectively. The comprehensive profit or loss was NT\$(6,975) thousand and NT\$(6,901) thousand, representing (2)% and (1)% of the consolidated profit or loss as of January 1 to March 31, 2015 and 2014, respectively.

Except for the statements in paragraph 3, the investment under the equity method of Lungyen Life Service Corp. and its subsidiaries amounted to NT\$165,268 thousand as of March 31, 2015. The profit or loss under the equity method of the affiliated enterprise amounted to NT\$0 thousand as of January 1 to March 31, 2015. The financial statements were prepared in accordance with the unreviewed quarterly financial statements of the subsidiaries.

In our opinion, except for the quarterly financial statements of the invested company in paragraph 3 and paragraph 4 are not yet reviewed by the auditors that may result adjustment to the quarterly consolidated financial statements in paragraph 1, the quarterly consolidated financial statements referred to above present fairly, in all material respects, and in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms and International Accounting Standard No. 1 "First-time Adoption of International Financial Reporting Standards" and No. 34 "Interim Financial Report" recognized by Financial Supervisory Commission without any amendment required.

KPMG

CPA:

Approval Document issued by the competent securities authority
FSC VI. Tzi No. 0940129108
: FSC No. 1020000737
May 8, 2015

(English Translation of Financial Report Originally Issued in Chinese)
Lungyen Life Service Corp. and Subsidiaries

Consolidated Balance Sheets

March 31, 2015, December 31, 2013 and March 31, 2014

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

Assets	3.31.2015		12.31.2014		3.31.2014			Liabilities and Equity	3.31.2015		12.31.2014		3.31.2014	
	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:						
1100 Cash and cash equivalents (Note 6(1) & (18))	\$ 428,279	1	372,338	1	495,130	1	2100 Short-term loan (Note 6(10))	\$ 3,229,550	8	2,589,000	6	1,002,000	3	
1110 Financial assets at fair value through profit or loss – current (Note 6(2), (18), 8 & 9)	1,113,500	3	910,703	2	1,221,555	3	2170 Payable accounts	426,491	1	509,398	1	351,549	1	
1150 Notes receivable, net (Note 6(18))	27,636	-	46,749	-	64,833	-	2190 Constructions contract payable	1,344	-	36,577	-	6,883	-	
1170 Accounts receivable, net (Note 6(18) & 7)	422,379	1	418,676	1	377,343	1	2200 Other payable accounts (Note 7)	416,775	1	385,934	1	324,715	1	
1190 Constructions contract receivable	-	-	-	-	8,492	-	2230 Current income tax liabilities	177,352	-	91,444	-	231,618	1	
1320 Inventories (Note 6(3) & 8)	12,918,637	30	12,762,840	31	12,652,364	32	2310 Advance receipts (Note 9)	28,158,420	66	27,784,097	67	27,883,289	70	
1400 Biological assets – current	50,374	-	33,971	-	11,251	-	2399 Other current liabilities - others (Note 7)	23,262	-	26,582	-	8,277	-	
1410 Prepayments (Note 9)	8,309,011	19	8,201,325	20	8,317,377	21		32,433,194	76	31,423,032	75	29,808,331	76	
1476 Other financial assets – current (Note 6(9), (17), 7, 8 & 9)	2,000,746	5	2,536,037	6	2,847,841	7	Non-current liabilities:							
1479 Other current assets	8,606	-	6,564	-	11,308	-	2540 Long-term loan	165,000	-	-	-	-	-	
	<u>25,279,168</u>	<u>59</u>	<u>25,289,203</u>	<u>61</u>	<u>26,007,494</u>	<u>65</u>	2570 Deferred income tax liabilities	28,426	-	50,224	-	33,321	-	
Non-current assets:							2640 Net defined benefit liability – non-current	24,867	-	24,867	-	22,306	-	
1524 Available-for-sale financial assets – non-current (Note 6(2)&9)	3,095,740	7	1,866,734	4	-	-	2645 Deposit received	53,284	-	50,016	1	51,181	-	
1544 Financial assets carried at cost – non-current (Note 6(2))	27,435	-	27,435	-	58,883	-	2670 Other non-current liabilities - others	2,981	-	2,981	-	2,981	-	
1550 Investment under equity method (Note 6(4))	165,268	-	-	-	-	-		274,558	-	128,088	1	109,789	-	
1600 Property, plant and equipment (Note 6(6), 8 & 9)	6,375,896	15	6,222,940	15	5,524,455	14	Total liabilities	32,707,752	76	31,551,120	76	29,918,120	76	
1760 Investment property, net (Note 6(7), 8 & 9)	6,123,967	14	6,141,719	15	6,160,284	16	Equity attributable to owners of parent (Note 6(13) & (14)):							
1780 Intangible assets (Note 6(8))	771,304	2	773,054	2	780,832	2	3100 Capital stock – common stock	3,990,842	9	3,990,842	10	3,990,842	10	
1840 Deferred income tax assets	723,134	2	699,366	2	736,337	2	3200 Capital surplus	1,401,264	3	1,392,072	3	1,393,520	4	
1980 Other financial assets – non-current	25,802	-	35,764	-	36,973	-	Retained earnings:							
1990 Other non-current assets - others	438,684	1	430,886	1	431,423	1	3310 Legal reserve	669,595	2	669,595	2	467,987	1	
	<u>17,747,230</u>	<u>41</u>	<u>16,197,898</u>	<u>39</u>	<u>13,729,187</u>	<u>35</u>	3320 Special reserve	15,224	-	15,224	-	19,835	-	
							3350 Unappropriated retained earnings (or deficit yet to be compensated)	3,187,057	7	2,912,259	7	2,978,536	7	
							3400 Other equity interest	(14,051)	-	(14,458)	-	(12,656)	-	
								9,249,931	21	8,965,534	22	8,838,064	22	
Total assets	\$ 43,026,398	100	41,487,101	100	39,736,681	100	Total equity attributable to owners of parent	1,068,715	3	970,447	2	980,497	2	
							Total equity	10,318,646	24	9,935,981	24	9,818,561	24	
							Total liabilities and equity	\$ 43,026,398	100	41,487,101	100	39,736,681	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 Three Months Ended March 31, 2015 and 2014

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

(Reviewed, Not Audited)

		<u>2015Q1</u>		<u>2014Q1</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Note 6(16) & 7)	\$ 862,626	100	1,109,956	100
5000	Operating cost (Note 7)	294,589	34	358,130	32
5900	Operating gross profit (loss)	568,037	66	751,826	68
Operating expenses:					
6100	Selling expenses	168,246	20	208,940	19
6200	Administration expenses (Note 6 & 7)	81,493	9	80,459	7
6000	Total operating expenses	249,739	29	289,399	26
6500	Other income and expenses (Note 6(17))	13,665	2	9,043	1
6900	Operating income (loss)	331,963	39	471,470	43
Non-operating income and expenses:					
7010	Other income (Note 6(18))	64,025	7	45,363	4
7020	Other gains and losses (Note 6(18))	(40,959)	(5)	5,372	-
7050	Financial costs (Note 6(3) & (18))	(10,111)	(1)	(1,705)	-
		12,955	1	49,030	4
7900	Operating income before tax	344,918	40	520,500	47
7950	Less: Income tax expense (Note 6(13))	42,070	5	40,111	4
	Net income	302,848	35	480,389	43
8300	Other comprehensive income:				
8360	Items that may be subsequently reclassified to profit or loss:				
8361	Exchange differences on translation of foreign statements	11	-	2,568	-
8362	Unrealized losses on available-for-sale financial assets	396	-	-	-
	Total items that may be subsequently reclassified to profit or loss	407	-	2,568	-
8300	Other comprehensive income, net	407	-	2,568	-
	Total comprehensive income	<u>\$ 303,255</u>	<u>35</u>	<u>482,957</u>	<u>43</u>
	Net income, attributable to:				
	Owners of parent	\$ 274,798	32	461,036	41
	Non-controlling interest	28,050	3	19,353	2
		<u>\$ 302,848</u>	<u>35</u>	<u>480,389</u>	<u>43</u>
	Total comprehensive income, attributable to:				
	Owners of parent	\$ 275,205	32	463,604	41
	Non-controlling interest	28,050	3	19,353	2
		<u>\$ 303,255</u>	<u>35</u>	<u>482,957</u>	<u>43</u>
	Earnings per share (Note 6(15))				
9750	Basic earnings per share (NTD)	<u>\$ 0.69</u>		<u>1.16</u>	
9850	Diluted earnings per share (NTD)	<u>\$ 0.69</u>		<u>1.15</u>	

(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 Changes in Equity

For The Three Months Ended March, 2015 and 2014

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

(Reviewed, Not Audited)

	Equity attributable to owners of parent											
	Retained earnings					Other equity interest				Total equity attributable to owners of parent	Non-controlling interest	Total equity
	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			
Balance – January 1, 2014	\$ 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	-	-	-	-	461,036	461,036	-	-	-	461,036	19,353	480,389
Other comprehensive income	-	-	-	-	-	-	2,568	-	2,568	2,568	-	2,568
Total comprehensive income	-	-	-	-	461,036	461,036	2,568	-	2,568	463,604	19,353	482,957
Acquisition or disposal of shares in subsidiaries difference between the price and the book value	-	(2,139)	-	-	-	-	-	-	-	(2,139)	2,139	-
Balance – March 31, 2014	\$ 3,990,842	1,393,520	467,987	19,835	2,978,536	3,466,358	(12,712)	56	(12,656)	8,838,064	980,497	9,818,561
Balance – January 1, 2015	\$ 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
Net profit	-	-	-	-	274,798	274,798	-	-	-	274,798	28,050	302,848
Other comprehensive income	-	-	-	-	-	-	11	396	407	407	-	407
Total comprehensive income	-	-	-	-	274,798	274,798	11	396	407	275,205	28,050	303,255
Acquisition or disposal of shares in subsidiaries difference between the price and the book value	-	9,192	-	-	-	-	-	-	-	9,192	(9,192)	-
Increase/decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	79,410	79,410
Balance – March 31, 2015	\$ 3,990,842	1,401,264	669,595	15,224	3,187,057	3,871,876	(8,151)	(5,900)	(14,051)	9,249,931	1,068,715	10,318,646

(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 Cash Flows

For The Three Months Ended March 31, 2015 and 2014

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

(Reviewed, Not Audited)

	<u>2015Q1</u>	<u>2014Q1</u>
Cash flows from operating activities:		
Profit (loss) before tax	\$ 344,918	520,500
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	27,938	26,292
Amortization expense	2,552	3,361
Provision (reversal of provision) for bad debt expense	-	3,026
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	17,660	(20,938)
Interest expense	10,111	1,705
Interest income	(31,624)	(14,430)
Dividend income	(3,437)	-
Loss (gain) on disposal of property, plan and equipment	-	1,449
Loss (gain) on disposal of investment properties	-	(10,106)
Loss (gain) on disposal of intangible assets	-	1,126
Miscellaneous expense	-	57
Exchange loss on disposal of financial assets	19,524	-
Gain on disposal of available-for-sale financial assets	(3,388)	-
Total adjustments to reconcile profit (loss)	<u>39,336</u>	<u>(8,458)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets held for trading	(220,457)	(341,090)
Decrease (Increase) in notes receivable and account receivable	19,113	(38,053)
Decrease (Increase) in construction contract receivable	(3,703)	(44,635)
Decrease (Increase) in inventories	(181,796)	45,654
Decrease (Increase) in biological assets	(16,501)	726
Decrease (Increase) in prepayments	(107,686)	(46,913)
Decrease (Increase) in other current assets	(2,042)	(5,888)
Decrease (Increase) in other financial assets - current	285,975	30,561
Total changes in operating assets	<u>(227,097)</u>	<u>(399,638)</u>
Changes in operating liabilities:		
Increase (Decrease) in accounts payable	(57,182)	(110,477)
Increase (Decrease) in construction contract receivable	(35,233)	(8,019)
Increase (Decrease) in other payable	(55,051)	(175,090)
Increase (Decrease) in advance receipts	374,323	287,477
Increase (Decrease) in other current liabilities	(3,320)	(7,124)
Total changes in operating liabilities	<u>223,537</u>	<u>(13,233)</u>
Total changes in operating assets and liabilities	<u>(3,560)</u>	<u>(412,871)</u>
Total adjustments	<u>35,776</u>	<u>(421,329)</u>
Cash inflow (outflow) generated from operations	380,694	99,171
Interest received	25,561	14,430
Dividend received	3,437	-
Interest paid	(9,456)	(1,705)
Income taxes (paid)	(1,323)	(1,161)
Net cash flows from (used in) operating activities	<u>398,913</u>	<u>110,735</u>

(English Translation of Financial Report Originally Issued in Chinese)
Notes to the quarterly consolidated financial statements of Lungyen Life Service Corp.
and its subsidiaries (continue)

Lungyen Life Service Corp. and Subsidiaries
Consolidated Statements of Cash Flows

For The Three Months Ended March 31, 2015 and 2014

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

(Reviewed, Not Audited)

	<u>2015Q1</u>	<u>2014Q1</u>
Cash flows from (used in) investing activities:		
Acquisition of available-for-sale financial assets	(1,338,976)	-
Proceeds from disposal of available-for-sale financial assets	179,742	-
Proceeds from disposal of investment using equity method	(165,268)	-
Acquisition of property, plant and equipment	(170,878)	(316,559)
Proceeds from disposal of property, plant and equipment	-	749
Acquisition of intangible assets	(802)	(415)
Proceeds from disposal of intangible assets	-	187
Proceeds from disposal of investment properties	-	20,815
Decrease in other financial assets	273,378	(705,697)
Increase in other non-current assets	(7,798)	(453)
Net cash flows from (used in) investing activities	<u>(1,230,602)</u>	<u>(1,001,373)</u>
Cash flow from (used in) financing activities:		
Increase in short-term loans	2,084,750	25,000
Decrease in short-term loans	(1,444,200)	(25,000)
Increase in long-term loans	165,000	-
Increase (decrease) in guarantee deposits received	3,268	861
Change in non-controlling interests	79,410	-
Net cash flows from (used in) financing activities	<u>888,228</u>	<u>861</u>
Effects of foreign exchange rates changes on cash and cash equivalents	(598)	2,568
Net increase (decrease) in cash and cash equivalents	55,941	(887,209)
Cash and cash equivalents at beginning of period	<u>372,338</u>	<u>1,382,339</u>
Cash and cash equivalents at end of period	<u>\$ 428,279</u>	<u>495,130</u>

(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)
Notes to the quarterly consolidated financial statements of Lungyen Life Service Corp.
and its subsidiaries

Lungyen Life Service Corp. and Subsidiaries

Notes to Consolidated Financial Statements

For The Three Months Ended March 31, 2015 and 2014

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(Reviewed, Not Audited)

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 three months ended March 31, 2015 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.

II. Approval and procedures of the consolidated financial statements

The quarterly consolidated financial statements were accepted and published by the Board of Directors on May 8, 2015.

III. Application of new and revised standards and interpretations

1. Impact from adopting new version of IFRS approved by Financial Supervisory Commission

Commencing 2015, the Consolidated Company fully adopts 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:

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

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Notes to the quarterly consolidated financial statements of Lungyen Life Service Corp.
and its subsidiaries (continue)

<u>New / Amended / Revised Standards and Interpretations</u>	<u>Effective date per IASB</u>
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 did not result in significant changes to the consolidated financial statements.

The exceptions are as follow:

1. IFRS No. 12 “Disclosure of Other Vehicle’s Equity”

In accordance with the standard, the Consolidated Company increased information disclosure of subsidiaries (Note 6(4)) and affiliate enterprise (Note 6(5)).

2. IFRS No. 13 “Fair Value Measurement”

The standard changed definition of fair value, established measurement structure of fair value, and regulated relevant disclosure of fair value measurement. The Consolidated Company has disclosed relevant information of fair value measurement (Note 6(19)). Additionally, the revision of this standard did not cause significant impact on fair value measurement under the Consolidated Company’ assets and liabilities items.

3. IAS No. 1 “Presentation of Financial Statements”

The standard revised presenting methods of other comprehensive income which is presented in line items. They are classified by their nature and grouped between those items that will or will not be reclassified to profit and loss in subsequent periods. Meanwhile, the standard regulated that pre-tax amount listed in other comprehensive income, of which relevant tax expenses should be listed separately under the previous mentioned two categories. The Consolidated Company has changed presenting methods of other comprehensive income in accordance with this standard, and adjusted comparable period accordingly.

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 issued by the IAS Board but not yet approved by the FSC:

<u>New / Amended / Revised Standards and Interpretations</u>	<u>Effective date per IASB</u>
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	1.1.2016

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Notes to the quarterly consolidated financial statements of Lungyen Life Service Corp.
and its subsidiaries (continue)

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective date per IASB</u>
of Depreciation and Amortisation”	
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
Annual Improvements cycle 2010-2012 & 2011-2013	7.1.2014
Annual Improvements cycle 2012-2014	1.1.2016
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

(I) Compliance Statement

The quarterly consolidated financial report is prepared in accordance with Regulations Governing the Preparation of Financial Reports by Issuers (referred to as “the Regulations” hereinafter) and International Accounting Standard No. 34 “Interim Financial Report” approved by the FSC. The quarterly consolidated financial report does not include all the necessary information disclosed in the annual consolidated financial statements according to Regulations Governing the Preparation of Financial Reports by Issuers 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.

Except as described in the following paragraphs, the significant accounting policies applied in this quarterly consolidated financial report is consistent to the 2014 annual consolidated financial statements. Please refer to Note 4 of the 2014 annual consolidated financial statements for other related information. In addition, commencing 2015, the Consolidated Company fully adopts 2013 version of IFRS as endorsed by FSC. Please refer to Note 3(1) for related changes.

(II) Basis of consolidation

The principle for preparation of the consolidated financial statements is accordingly to the 2014 annual consolidated financial statements. For more information, please refer to Note 4(3) of the 2014 annual consolidated financial statements.

1. List of subsidiaries included in the 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			Remarks
			3.31.2015	12.31.2014	3.31.2014	
The Company	Jin Huang Construction Co., Ltd.	Architecture and Civil Engineering business operations	98.20%	98.20%	98.20%	Note 4(2)3
The Company	Yuji Development Corp.	Funeral services business operations	54.61%	56.25%	56.25%	Note 4(2)3
The Company	Longding Life Sciences Inc.	Flowers growing, wholesale, and retail business operations	60.71%	60.71%	60.71%	

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Name of investment company	Name of subsidiary	Nature of business	Shareholding ratio			Remarks
			3.31.2015	12.31.2014	3.31.2014	
The Company	Dahan Property Management Co., Ltd.	Housing and building development and rental business operations, etc.	80.00%	80.00%	80.00%	-
The Company	Sea Dragon Traders Ltd. (BVI)	Investment business	100.00%	100.00%	100.00%	-
The Company	Singapore Lungyen Life Service Pte. Ltd.	Funeral services business operations	100.00%	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%	100.00%	73.85%	Note 4(2)3
Yuji Development Corp.	Lung Fu Company Limited	Funeral services business operations	77.75%	77.75%	77.75%	-
Zekaen Co. Ltd.	Longding Life Sciences Inc.	Flowers growing, wholesale, and retail business operations	31.75%	31.75%	39.29%	Note 4(2)3

2. The subsidiaries that are not included in the consolidated financial statements: None.

3. Changes in subsidiary:

- (1) In order to expand the scale of operations, Yuji Development Corp., the subsidiary, increased cash capital for NT\$79,410 thousand, issued at par in February 2015. The Company did not take up new shares as proportion previously held, and this has caused the Company's ownership to increase from 56.25% to 54.61%.
- (2) 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 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.
- (4) In December 2014, Zekaen Co. Ltd., the subsidiary, sold shares of Longding to Japanese company Fuji Kogyo Co., Ltd., leading to its stake decreased to 31.75%.

(III) Income tax

The consolidated company assesses and discloses interim period income tax expense according to IAS No. 34 B12 "Interim Financial Reporting".

Income tax expense for the year is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and recognized directly in equity or other comprehensive income as tax expense.

(IV) Employee welfare

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for

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significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

V. Classification of assets and liabilities as current and non-current

When the management has the quarterly consolidated financial statements prepared in accordance with the International Accounting Standard No. 34 “Interim Financial Report” 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 bases of key accounting assumptions, judgments and estimation uncertainty used in preparing the quarterly consolidated quarterly financial statements are consistent with the Group’s 2014 annual consolidated financial statements (Note 5).

VI. Important accounting accounts

Except as described in the following paragraphs, there were no significant differences with those disclosed in the 2014 annual consolidated financial statements. Please refer to Note 6 of the 2014 annual consolidated financial statements.

(I) Cash and cash equivalent

	<u>3.31.2014</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Cash on hand	\$ 5,652	3,450	3,486
Demand deposits	420,627	366,888	260,406
Time deposits	<u>2,000</u>	<u>2,000</u>	<u>231,238</u>
Cash and cash equivalent on the Consolidated Statement of Cash Flow	<u>\$ 428,279</u>	<u>372,338</u>	<u>495,130</u>

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

1. Details are as follows:

	<u>3.31.2015</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Financial assets measured at fair value through profit or loss			
Domestic and foreign common stocks	\$ 765,253	536,032	472,280
Bond investment	99,704	201,769	198,135
Beneficiary certificates	<u>248,543</u>	<u>172,902</u>	<u>551,140</u>
Total	<u>\$ 1,113,500</u>	<u>910,703</u>	<u>1,221,555</u>
Financial assets valued at cost			
Stock Investment – PK Venture Capital Corp.	\$ 20,855	20,855	42,255
Stock Investment – FORTUNE IC FUND I	4,030	4,030	11,216
Stock Investment – Chen-Yuan Industry Co., Ltd.	2,550	2,550	2,550
Stock investment –Ruei Da Venture Capital Co., Ltd.	<u>-</u>	<u>-</u>	<u>2,862</u>

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	<u>3.31.2015</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Total	<u>\$ 27,435</u>	<u>27,435</u>	<u>58,883</u>
Available-for-sale financial assets – non-current			
Bond investment	\$ 1,815,183	1,866,734	-
Domestic common stock	<u>1,280,557</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,095,740</u>	<u>1,866,734</u>	<u>-</u>

- (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) On June 16, 2014, PK Venture Capital Corp. performed reduction of cash capital, and received returning cash for NT\$14,400 thousand.
 - (3) The Consolidated Company disposed shares of Rwei Da Venture Capital Co., Ltd. on May 15, 2014, the disposal value was NT\$3,013 thousand, and recognized gain from disposal for NT\$207 thousand.
 - (4) The invested company FORTUNE IC FUND I resolved to return cash from additional paid-in capital and earnings based on the shareholding ratio 40%. The Consolidated Company received the returning cash for NT\$7,186 thousand.
 - (5) The Consolidated Company's available-for-sale financial assets – non-current is classified as bond investment. The coupon rate range was 3.00%~7.875% on March 31, 2015.
 - (6) In order to acquire long-term stable dividend income, the Consolidated Company invested stocks of domestic listed companies for total NT\$1,285,133 thousand in 2015Q1, without any control ability and significant influence, and recognized it under available-for-sale in accordance with holding intention.
 - (7) With respect to details of transferring from financial assets measured at fair value through profit or loss to the Trust as of March 31, 2015, December 31 and March 31, 2014, please refer to Note 9 for more information.
 - (8) As of March 31, 2015, December 31 and March 31, 2014, the Consolidated Company did not have its financial assets pledged as collateral.
2. The Consolidated Company has disclosed the credit, currency, and interest rate exposure related to the financial instruments on Note 6(19).

(III) Inventory

	<u>3.31.2015</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Real estate for sale	\$ 4,968	4,968	4,968
Columbarium and cemetery for sale	1,486,013	1,517,073	1,600,180
Construction Site	2,426,944	2,051,423	1,592,392
Residential and building under construction	2,245,766	2,245,766	2,247,495
Columbarium and cemetery under construction	6,753,836	6,692,341	6,851,870
Prepayments for land	-	249,738	354,564
Agricultural products	<u>1,110</u>	<u>1,531</u>	<u>895</u>
	<u>\$ 12,918,637</u>	<u>12,762,840</u>	<u>12,652,364</u>
Expected to be recovered in more than twelve months	<u>\$ 12,812,936</u>	<u>12,676,867</u>	<u>12,459,417</u>

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1. As of January 1 to March 31, 2015 and 2014, the total interest expense of the consolidated company is NT\$10,111 thousand and NT\$1,705 thousand, respectively. The amount of capitalized interest of residential and building under construction, as well as columbarium and cemetery under construction is zero.
2. The 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 and agreed 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.
3. As a mortgagee, the Consolidated Company appealed to conduct auction of non-performing loans for NT\$252,510 thousand. In May 2014, the Company acquired the foreclosed land on Huagang section, Shilin Dist. through public tender. The transaction price was NT\$451,114 thousand and the related legal registration procedure was completed. Additionally, so far, the Company's non-performing loans are still in the progress of distribution by the court.
4. For the consolidated company's inventories pledged as collateral as of March 31, 2015, December 31 and March 31, 2014, please refer to Note 8.

(IV) The investment under equity method

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

	<u>3.31.2015</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Affiliated enterprises -Witty	<u>\$ 165,268</u>	<u>-</u>	<u>-</u>

1. In March 2015, the Consolidated Company participated in the cash capital increase of Witty Dragon Limited (BVI), the investment amount was US\$5,264 thousand, and the shareholding ratio was 26.32%, with significant influence.
2. As of March 31, 2015, the book value of equity of individual non-significant affiliated enterprises was NT\$627,731 thousand. In addition, the comprehensive loss or income was NT\$0 as of January 1 to March 31, 2015.
3. As of March 31, 2015, the Consolidated Company did not have its investment using equity method pledged as collateral.

(V) Subsidiaries in which the Company has significant influence but not control

Subsidiaries in which the Company has significant influence but not control as below:

<u>Name of subsidiaries</u>	<u>Main operation location /Country of registration</u>	<u>Proportion of shareholdings held by non-controlling interest and voting rights</u>		
		<u>3.31.2015</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Yuji	Taiwan	45.39%	43.75%	43.75%

Financial information of abovementioned subsidiary is summarized as the followings, in accordance with IFRS approved by FSC. The financial information is based on amount with the Consolidated Company before transaction eliminated:

1. Summarized financial information of Yuji:

	<u>3.31.2015</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Current asset	\$ 2,014,443	2,011,442	1,994,355
Non-current asset	452,057	322,157	283,166
Current liability	<u>(264,744)</u>	<u>(274,634)</u>	<u>(225,134)</u>
Equity	<u>\$ 2,201,756</u>	<u>2,058,965</u>	<u>2,052,387</u>

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	<u>3.31.2015</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Book value of ending non-controlling interests	<u>\$ 999,377</u>	<u>900,797</u>	<u>897,920</u>
		<u>2015Q1</u>	<u>2014Q1</u>
Operating revenue		\$ 102,814	140,624
Net income		\$ 63,380	47,842
Total comprehensive income		<u>\$ 63,380</u>	<u>47,842</u>
Net income, attributable to non-controlling interest		<u>\$ 28,362</u>	<u>20,931</u>
Total comprehensive income, attributable to non-controlling interest		<u>\$ 28,362</u>	<u>20,931</u>
		<u>2015Q1</u>	<u>2014Q1</u>
Cash flows from operating activities		\$ (28,869)	18,904
Cash flows from investing activities		(42,366)	(3,903)
Cash flows from financing activities		49,410	-
Net cash flow increase (decrease)		<u>\$ (21,825)</u>	<u>15,001</u>

(VI) Real property, plant, and equipment

The changes in the cost, depreciation, and impairment loss of the consolidated company's property, plant, and equipment as follows:

	<u>Land</u>	<u>Houses and buildings</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leased assets and leasehold improvements</u>	<u>Other equipment</u>	<u>Construction in progress and equipment to be tested</u>	<u>Total</u>
Cost or identified cost:								
Balance on January 1, 2015	\$ 2,099,599	1,146,399	83,905	97,357	37,519	46,631	3,210,360	6,721,770
Additions	-	1,273	-	541	-	774	168,290	170,878
Reclassification	20,724	123,971	-	9,911	-	9,507	(167,497)	(3,384)
Balance on March 31, 2015	<u>\$ 2,120,323</u>	<u>1,271,643</u>	<u>83,905</u>	<u>107,809</u>	<u>37,519</u>	<u>56,912</u>	<u>3,211,153</u>	<u>6,889,264</u>
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	101,981	2,733	72	24	1,430	704	209,615	316,559
Disposal and scrap	-	-	-	(2,099)	(472)	-	(79)	(2,650)
Balance on March 31, 2014	<u>\$ 2,109,940</u>	<u>795,286</u>	<u>89,820</u>	<u>104,004</u>	<u>36,238</u>	<u>44,190</u>	<u>2,821,566</u>	<u>6,001,044</u>
Depreciation and impairment loss:								
Balance on January 1, 2015	\$ -	295,425	47,508	90,804	32,625	32,468	-	498,830
Current depreciation	-	9,559	2,831	715	284	1,149	-	14,538
Balance on March 31, 2015	<u>\$ -</u>	<u>304,984</u>	<u>50,339</u>	<u>91,519</u>	<u>32,909</u>	<u>33,617</u>	<u>-</u>	<u>513,368</u>
Balance on January 1, 2014	\$ -	268,206	42,079	92,020	32,608	29,067	-	463,980
Current depreciation	-	7,516	2,886	1,214	338	1,107	-	13,061
Disposal and scrap	-	-	-	(360)	(92)	-	-	(452)
Balance on March 31, 2014	<u>\$ -</u>	<u>275,722</u>	<u>44,965</u>	<u>92,874</u>	<u>32,854</u>	<u>30,174</u>	<u>-</u>	<u>476,589</u>
Book value								
January 1, 2015	<u>\$ 2,099,599</u>	<u>850,974</u>	<u>36,397</u>	<u>6,553</u>	<u>4,894</u>	<u>14,163</u>	<u>3,210,360</u>	<u>6,222,940</u>
March 31, 2015	<u>\$ 2,120,323</u>	<u>966,659</u>	<u>33,566</u>	<u>16,290</u>	<u>4,610</u>	<u>23,295</u>	<u>3,211,153</u>	<u>6,375,896</u>
January 1, 2014	<u>\$ 2,007,959</u>	<u>524,347</u>	<u>47,669</u>	<u>14,059</u>	<u>2,672</u>	<u>14,419</u>	<u>2,612,030</u>	<u>5,223,155</u>
March 31, 2014	<u>\$ 2,109,940</u>	<u>519,564</u>	<u>44,855</u>	<u>11,130</u>	<u>3,384</u>	<u>14,016</u>	<u>2,821,566</u>	<u>5,524,455</u>

- 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

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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 record.

2. For the financing facilities pledged in details as of March 31, 2015 and December 31, March 31, 2014, please refer to Note 8.
3. As of March 31, 2015 and December 31, March 31, 2014 through part of real property deliver trust case, please refer to Note 9.

(VII) Investment property

	<u>Land and improvements</u>	<u>Building and structure</u>	<u>Total</u>
Cost or identified cost:			
Balance on January 1, 2015	\$ 4,597,290	1,882,448	6,479,738
Reclassification	(4,450)	-	(4,450)
Balance on March 31, 2015	<u>\$ 4,592,840</u>	<u>1,882,448</u>	<u>6,475,288</u>
Balance on January 1, 2014	\$ 4,593,821	1,874,815	6,468,636
Disposal	(5,147)	(8,495)	(13,642)
Balance on March 31, 2014	<u>\$ 4,588,674</u>	<u>1,866,320</u>	<u>6,454,994</u>
Depreciation and impairment loss:			
Balance on January 1, 2015	\$ 19,910	318,109	338,019
Current depreciation	-	13,302	13,302
Balance on March 31, 2015	<u>\$ 19,910</u>	<u>331,411</u>	<u>351,321</u>
Balance on January 1, 2014	\$ 19,910	264,587	284,497
Current depreciation	-	13,046	13,046
Disposal	-	(2,833)	(2,833)
Balance on March 31, 2014	<u>\$ 19,910</u>	<u>274,800</u>	<u>294,710</u>
Book value:			
January 1, 2015	<u>\$ 4,577,380</u>	<u>1,564,339</u>	<u>6,141,719</u>
March 31, 2015	<u>\$ 4,572,930</u>	<u>1,551,037</u>	<u>6,123,967</u>
January 1, 2014	<u>\$ 4,573,911</u>	<u>1,610,228</u>	<u>6,184,139</u>
March 31, 2014	<u>\$ 4,568,764</u>	<u>1,591,520</u>	<u>6,160,284</u>

1. Investment property contains a number of commercial properties leased to others. Please refer to Note 6(11).
2. There are no significant differences between the consolidated company investment property fair value and the disclosure information of the 2014 annual consolidated financial report Note 6(7).
3. With respect to details of transferring from investment property to the Trust as of March 31, 2015, December 31 and March 31, 2014, please refer to Note 9 for more information.
4. For the financing facilities pledged in details as of March 31, 2015 and December 31, March 31, 2014, please refer to Note 8.

(VIII) Intangible assets

	<u>Goodwill</u>	<u>Trademark</u>	<u>Computer software</u>	<u>Total</u>
Cost:				
Balance on January 1, 2015	\$ 542,428	192,750	89,969	825,147
Acquired separately	-	-	802	802
Balance on March 31, 2015	<u>\$ 542,428</u>	<u>192,750</u>	<u>90,771</u>	<u>825,949</u>
Balance on January 1, 2014	\$ 542,428	192,750	94,571	829,749
Acquired separately	-	-	415	415
Disposal and scrap	-	-	(2,080)	(2,080)
Reclassified to sales cost	-	-	(67)	(67)
Balance on March 31, 2014	<u>\$ 542,428</u>	<u>192,750</u>	<u>92,839</u>	<u>828,017</u>

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	<u>Goodwill</u>	<u>Trademark</u>	<u>Computer software</u>	<u>Total</u>
Amortization and impairment loss:				
Balance on January 1, 2015	\$ -	-	52,093	52,093
Current Amortization	-	-	2,552	2,552
Balance on March 31, 2015	<u>\$ -</u>	<u>-</u>	<u>54,645</u>	<u>54,645</u>
Balance on January 1, 2014	\$ -	-	44,601	44,601
Current Amortization	-	-	3,361	3,361
Disposal and scrap	-	-	(767)	(767)
Reclassified to sales cost	-	-	(10)	(10)
Balance on March 31, 2014	<u>\$ -</u>	<u>-</u>	<u>47,185</u>	<u>47,185</u>
Book value:				
January 1, 2015	<u>\$ 542,428</u>	<u>192,750</u>	<u>37,876</u>	<u>773,054</u>
Balance on September 30, 2015	<u>\$ 542,428</u>	<u>192,750</u>	<u>36,126</u>	<u>771,304</u>
January 1, 2014	<u>\$ 542,428</u>	<u>192,750</u>	<u>49,970</u>	<u>785,148</u>
Balance on September 30, 2014	<u>\$ 542,428</u>	<u>192,750</u>	<u>45,654</u>	<u>780,832</u>

There were no significant additions, disposals, or recognitions and reversals of impairment losses of intangible assets for the three months ended March 31, 2015 and 2014. Information on amortization for the period is discussed in Note 12(1). Please refer to 2014 annual consolidated financial report Note 6(8) for other related information.

(IX) Other financial assets - current

The Consolidated Company's other financial assets as below:

	<u>3.31.2015</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Time deposit – trust account	\$ 110,803	111,945	905,577
Time deposit	-	-	724,649
Current deposit – trust account and management account	1,386,493	1,198,659	1,139,676
Other receivables	257,977	390,619	3,444
Securities sales receivables	24,875	172,179	-
Rental receivables	34,159	31,735	25,359
Bond interest receivables	23,381	17,317	549
Limited assets	143,072	602,173	39,100
Others	19,986	11,410	9,487
Total	<u>\$ 2,000,746</u>	<u>2,536,037</u>	<u>2,847,841</u>

(X) Short-term loan

	<u>3.31.2015</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Guaranteed bank loans	\$ 2,475,000	2,402,500	1,002,000
Unguaranteed bank loans	754,550	186,500	-
Total	<u>\$ 3,229,550</u>	<u>2,589,000</u>	<u>1,002,000</u>
Unused limit	<u>\$ 1,761,450</u>	<u>3,961,000</u>	<u>3,429,000</u>
Interest rate range	<u>1.2%~1.7%</u>	<u>0.72%~1.5%</u>	<u>0.62%~1.85%</u>

1. Issuance and repayment of short term loan

As of January 1 to March 31, 2015 and 2014, the increase amount was NT\$2,084,750 thousand and NT\$25,000 thousand, the maturity date was January 2016 and July 2014, respectively; the repayment was NT\$1,444,200 thousand and NT\$25,000 thousand,

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respectively.

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

(XI) Operating lease

As of January 1 to March 31, 2015 and 2014, the Consolidated Company did not have any new significant operating lease agreement. please refer to Note 6(11) in 2014 consolidated financial report for relevant information. Besides, the Consolidated Company signed a lease agreement with Xiaofei Wang on April 29, 2015, to lease the whole building at No. 371, Subsec. 1, Dunhua section, Songshan Dist., Taipei City. The leasing period is 20 years, from December 1, 2015 to November 30, 2035, and estimated rental income is NT\$7,000 thousand per month.

(XII) Employee welfare

1. Defined benefit plan

Management believes that in prior fiscal year, there was no material volatility of the market, no material reimbursement and settlement or other material one-time events. As a result, the consolidated company adopts the pension cost decided actuarially as of December 31, 2014 and 2013 to measure and disclose the pension cost during the interim period.

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

	2015Q1	2014Q1
Administrative expense	\$ 8	4

2. Defined contribution plan

The consolidated company's pension expense under the defined contribution plan as follows, the amount has been appropriated to the Bureau of Labor Insurance:

	2015Q1	2014Q1
Operating cost	\$ 2,363	2,312
Administrative expenses	2,222	2,340
	\$ 4,585	4,652

(XIII) Income tax

1. Income tax expense is simply calculated on financial income before tax in the interim report multiplied by the estimated annual effective tax rate.

2. The consolidated company's income tax expenses as follows:

	2015Q1	2014Q1
Current income tax expenses		
Current generated	\$ 41,795	38,950
Increase of land tax	275	1,161
	\$ 42,070	40,111

3. 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 return has been audited by the tax authorities up to 2010, while in 2009 it still needs further auditing.

4. The Company's imputation tax is as follows:

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	3.31.2015	12.31.2014	3.31.2014
Undistributed earnings before 1997	\$ -	-	-
Undistributed earnings after 1998	3,187,057	2,912,259	2,978,536
	\$ 3,187,057	2,912,259	2,978,536
Imputed tax credit account balance	\$ 437,374	437,374	453,453
	2014	2013	
	(Estimated)	(Actual)	
Creditable ratio for distribution of earnings for ROC residents	17.78%	23.14%	

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

(XIV) Capital and other equity

Except as described below, there were no significant changes in the equity capital and other equity accounts of the consolidated company during the three months ended in March 31, 2015 and 2014, for more information please refer to Note 6(14) of the 2014 annual consolidated financial statements.

1. Additional paid-in capital

The Company's additional paid-in capital balance:

	3.31.2015	12.31.2014	3.31.2014
Stock premium	\$ 1,392,072	1,392,072	1,392,072
Recognized under the equity method and the associated number of changes in net equity of a business venture	9,192	-	1,448
	\$ 1,401,264	1,392,072	1,393,520

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 January 1 to March 31 2015 and 2014 is estimated to be NT\$2,493 thousand and NT\$3,032 thousand. The remuneration to directors and supervisors as of January 1 to March 31 2015 and 2014 is estimated to be NT\$4,986 thousand and NT\$6,063 thousand. The estimated base of bonus payable to employees and remuneration payable to directors is after-tax net income of the specific period multiply by the distribution fractional ratio of the Company's Articles of association; also, the bonus to employees and the remuneration to directors and supervisors are reported as operating cost or operating expense as of January 1 to March 31 2015 and 2014.

The Company's bonus to employees as of 2014 and 2013 is estimated to be NT\$19,736 thousand and NT\$13,577 thousand, respectively. The remuneration to directors and supervisors is estimated to be NT\$39,471 thousand and NT\$27,154 thousand.

The Company's distribution of 2014 earnings was proposed by the board of directors on March 27, 2015; also, the distribution of 2013 earnings was resolved in the general shareholders' meeting on June 17, 2014. The distribution of dividends to shareholders is as follows:

	2014		2013	
	Share distribution rate (NT\$)	Amount	Share distribution rate (NT\$)	Amount
Dividends distributed to common stock shareholders:				
Cash	\$ 3.60	<u>1,436,703</u>	4.00	<u>1,596,337</u>

On June 17, 2014, annual shareholders meeting resolved the change in 2013 cash dividend distribution from NT\$3.3 per share to NT\$4.0 per share. Hence, the actual distribution of bonus to employees is changed from NT\$13,577 thousand to NT\$16,457 thousand, and the actual distribution of remuneration to directors and supervisors is changed from NT\$27,154 thousand to NT\$32,914 thousand. Additionally, the difference between estimated and actual distribution of bonus to employees and remuneration to directors and supervisors is NT\$8,640 thousand which is listed as current profit or loss in 2014.

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The Company's 2014 bonus to employees and remuneration to directors and supervisors are pending for resolution by shareholder meeting. Please refer to MOPS for related information after relevant meetings called. If there is any difference between actual and estimated amount, then the difference will be listed as current profit or loss in 2015.

3. Other equity

	Exchange differences from the translation of foreign institution's financial statements	Available-for- sale investment	Total
January 1, 2015	\$ (8,162)	(6,296)	(14,458)
Currency translation differences:			
Consolidated company	11	-	11
Unrealized gain or loss of the available-for-sale financial assets:			
Consolidated company	-	396	396
Balance on March 31, 2015	<u>\$ (8,151)</u>	<u>(5,900)</u>	<u>(14,051)</u>
January 1, 2014	\$ (15,280)	56	(15,224)
Currency translation differences:			
Consolidated company	2,568	-	2,568
Balance on March 31, 2014	<u>\$ (12,712)</u>	<u>56</u>	<u>(12,656)</u>

4. Non-controlling equity

	2015Q1	2014Q1
Balance at beginning of period	\$ 970,447	959,005
Non-controlling equity		
Net profit of non-controlling equity	28,050	19,353
Differences between actual price acquisition or disposal of subsidiaries and book value	(9,192)	2,139
Capital increase to subsidiaries	79,410	-
Balance at end of period	<u>\$ 1,068,715</u>	<u>980,497</u>

(XV) Earnings per share

The Consolidated Company's basic earnings per share and diluted earnings per share are calculated as followings:

	2015Q1	2014Q1
Basic earnings per share		
Net income attributable to the Company's common stock shareholders:	<u>\$ 274,798</u>	<u>461,036</u>
Weighted average outstanding common stock shares	399,084	399,084
	<u>\$ 0.69</u>	<u>1.16</u>
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)	<u>\$ 274,798</u>	<u>461,036</u>
Weighted average outstanding common stock shares	399,084	399,084

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	2015Q1	2014Q1
The impact of common stock shares with potential dilutive effect of the weighted average outstanding common stock shares		
The impact of stock bonus to employees	231	201
Weighted average outstanding common stock shares (after adjusting the potential dilutive effect of the common stock shares)	399,315	399,285
	\$ 0.69	1.15

(XIV) Income

The consolidated company's income is as follows:

	2015Q1	2014Q1
Columbarium and cemetery income	\$ 364,776	612,897
Funeral services income	383,990	369,654
Rent income from investment property	54,096	50,667
Construction contract income	22	8,307
Other operating income	59,742	68,431
	\$ 862,626	1,109,956

(XVII) Other profit and loss

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

	2015Q1	2014Q1
Gain (loss) on disposal of investment property interests	\$ -	10,106
Gain (loss) on change in fair value of biological assets	13,665	(1,063)
	\$ 13,665	9,043

(XVIII) Non-operating income and expense

1. Other income

The consolidated company's other income is as follows:

	2015Q1	2014Q1
Interest income	\$ 31,624	14,430
Dividend income	3,437	-
Service charge income	2,050	2,343
Fines income	22,685	28,203
Other income	4,229	387
	\$ 64,025	45,363

2. Other profit and loss

The consolidated company's other gain and loss is as follows:

	2015Q1	2014Q1
Foreign exchange gain (loss)	\$ (26,662)	(8,928)
Net financial assets measured at fair value through profit or loss	(17,660)	20,938
Gain from disposal of available-for-sale financial asset	3,388	-
Disposal of property, plant, and equipment	-	(1,370)
Loss on scrapping of intangible asset	-	(1,126)

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	2015Q1	2014Q1
Other expense	(25)	(4,142)
	\$ (40,959)	5,372

3. Finance cost

Consolidated company's finance cost is as follows:

	2015Q1	2014Q1
Interest expense	\$ 10,111	1,705

(XIX) Financial instruments

Except as described in the following paragraph, there were no significant changes in the Group's fair value of financial instruments exposed to credit risk, liquidity risk, and market risk. For other information, please refer to Note 6(19) in the 2014 annual consolidated financial statements.

1. Credit risk

The consolidated company past due without the impairment of notes receivable, account receivables, and other receivables. The analysis is as follows:

	3.31.2015		12.31.2014		3.31.2014	
	Total	Impairment	Total	Impairment	Total	Impairment
Not overdue	\$ 673,987	28,444	827,059	29,519	437,133	27,379
Overdue 31~60 days	25,778	2,235	20,320	1,762	10,215	886
Overdue 61~90 days	11,208	972	10,882	943	11,316	981
Overdue 91~120 days	4,002	347	2,509	218	1,494	129
Overdue more than 120 days	50,153	25,138	52,410	24,694	38,915	24,078
	\$ 765,128	57,136	913,180	57,136	499,073	53,453

	2015Q1	2014Q1
Balance on January 1	\$ 57,136	50,427
Impairment loss recognized	-	3,026
Balance on March 31	\$ 57,136	53,453

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.

2. Exchange rate risk

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

	3.31.2015			12.31.2014			3.31.2014		
	Foreign currency	Exchange rate	New Taiwan Dollar	Foreign currency	Exchange rate	New Taiwan Dollar	Foreign currency	Exchange rate	New Taiwan Dollar
<u>Financial assets</u>									
<u>Monetary items</u>									
RMB/NTD	\$ 55,262	5.044	278,740	147,679	5.092	752,768	328,626	4.875	1,602,052
RMB/USD	20,050	0.163	101,130	23,618	0.161	120,261	-	-	-
USD/NTD	7,481	31.030	232,132	2,717	31.650	84,162	5,294	30.47	161,313
Japanese yen / NTD	27,978	0.260	7,285	32,899	0.265	8,705	12,257	0.294	3,604
HKD/NTD	23,390	4.036	94,404	-	-	-	-	-	-
<u>Non-monetary items</u>									
HKD/NTD	73,422	4.036	296,333	25,730	4.080	104,991	-	-	-
Japanese yen / NTD	119,136	0.260	31,023	157,280	0.265	41,569	119,136	0.294	35,026

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	3.31.2015			12.31.2014			3.31.2014		
	Foreign currency	Exchange rate	New Taiwan Dollar	Foreign currency	Exchange rate	New Taiwan Dollar	Foreign currency	Exchange rate	New Taiwan Dollar
USD/NTD	29,343	31.030	910,522	29,185	31.650	925,677	1,652	30.470	50,336
RMB/NTD	211,547	5.044	1,067,043	218,968	5.092	1,114,198	-	-	-

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 US Dollars, Singapore Dollars, RMB and Japanese Yen depreciated or appreciated by 10%, assuming all other variables held constant, as of March 31, 2015 and 2014, the net income was increased by NT\$250,545 thousand or decreased by NT\$153,743 thousand, respectively. The analysis of two terms is completed by using the same basis.

Due to the variety of the Consolidated Company's functional currencies, the exchange gain or loss of currency items are disclosed in summary. As of January 1 to March 31, 2015 and 2014, the foreign currency exchange gain (loss) was NT\$(26,662) thousand and NT\$(8,928) thousand, respectively.

3. Fair value

(1) Fair value and book value

The Consolidated Company's book value and fair value (including fair value hierarchy information, but the book value of financial instruments' which is not measured by fair value and reasonably similar to fair value, as well as the equity method investments without active market price and of which fair value cannot be reliably invested, it is not necessary to disclose their fair value information accordingly to regulation) of the financial assets and financial liabilities are listed as below:

	3.31.2015				
	Book value	Class I	Class II	Class III	Total
Financial assets measured at fair value through profit or loss	\$ 1,113,500	1,113,500	-	-	1,113,500
Available-for-sale financial assets	3,095,740	3,095,740	-	-	3,095,740
Loans and receivables					
Cash and cash equivalents	428,279	-	-	-	-
Note receivables and account receivables	450,015	-	-	-	-
Other receivables	257,977	-	-	-	-
Total	\$ 5,345,511	4,209,240	-	-	4,209,240
Financial liability measured at amortized cost					
Short-term loan	\$ 3,229,550	-	-	-	-
Note payables and account payables	426,491	-	-	-	-
Other payables	416,775	-	-	-	-
Long-term loan	165,000	-	-	-	-
Total	\$ 4,237,816	-	-	-	-
	12.31.2014				
	Book value	Class I	Class II	Class III	Total
Financial assets measured at fair value through profit or loss	\$ 910,703	910,703	-	-	910,703
Available-for-sale financial assets	1,866,734	1,866,734	-	-	1,866,734
Loans and receivables					
Cash and cash equivalents	372,338	-	-	-	-
Note receivables and account receivables	465,425	-	-	-	-
Other receivables	390,619	-	-	-	-
Total	\$ 4,005,819	2,777,437	-	-	2,777,437

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	12.31.2014				
	Book value	Fair Value			Total
		Class I	Class II	Class III	
Financial liability measured at amortized cost					
Short-term loan	\$ 2,589,000	-	-	-	-
Note payables and account payables	509,398	-	-	-	-
Other payables	385,934	-	-	-	-
Long-term loan	\$ 3,484,332	-	-	-	-
	3.31.2014				
	Book value	Fair Value			Total
	Class I	Class II	Class III		Total
Financial assets measured at fair value through profit or loss	\$ 1,221,555	1,221,555	-	-	1,221,555
Loans and receivables					
Cash and cash equivalents	495,130	-	-	-	-
Note receivables and account receivables	442,176	-	-	-	-
Other receivables	3,444	-	-	-	-
Total	\$ 2,162,305	1,221,555	-	-	1,221,555
Financial liability measured at amortized cost					
Short-term loan	\$ 1,002,000	-	-	-	-
Note payables and account payables	351,549	-	-	-	-
Other payables	324,715	-	-	-	-
Long-term loan	\$ 1,678,264	-	-	-	-

No financial assets and liabilities of each hierarchy were transferred as of the three months ended March 31, 2015 and 2014.

(2) Fair value measurements of financial instruments measured at fair value

The fair value of financial instruments traded in active markets is based on quoted market prices. Market prices announced by major stock exchanges are classified as fair value bases of TWSE/OTC listed equity instruments; while central government bonds' market prices which are announced by OTC and identified as on-the-run issues are classified as fair value base of debt instruments with active market quoted prices.

If able to promptly and usually acquire public quoted prices of financial instruments from stock exchanges, brokers, underwriters, industrial guilds, pricing services facilities and authorities, and the said prices represent actual and frequent incurring fair market transaction, then the financial instruments have active market quoted prices. If abovementioned conditions are not achieved, then the market is identified as inactive. In general, considerably large bid-ask spread, significantly increased bid-ask spread or extremely low transaction volume are indexes of inactive markets.

Listed companies' stocks, beneficial certificates and corporate bonds held by the Consolidated Company are financial assets and liabilities capable with standard terms and conditions and traded in active markets, of which fair values are determined in accordance with market quoted prices respectively.

(XX) Financial risk management

There were no significant differences of the consolidated company's financial risk management and policies with those disclosed in Note 6(20) of the 2014 annual consolidated financial statements.

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(XXI) Capital management

Management believes that the objectives, policies, and processes of capital management of the Group have been applied consistently with those described in the 2014 annual consolidated financial statements. Additionally, management believes that there were no significant changes between the total quantitative information of capital management and those disclosed in the 2014 annual consolidated financial statements. For related information, please refer to Note 6(21) in 2014 annual consolidated financial statements.

VII. Related Party Transactions

(I) Parent company and ultimate controller

The Company is the ultimate controller of the consolidated company.

(II) Other related party transactions

1. Sales

The consolidated company's significant sales amount and the outstanding balances to the related parties are as follows:

	Sales		Receivables from related parties (booked in "Accounts receivable – net")		
	2015Q1	2014Q1	3.31.2015	12.31.2014	3.31.2014
Other related party	\$ -	6,143	21,470	21,470	2,252

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

2. Lease

(1) Lessee:

The consolidated company leases transport equipment and building from the related party for a rent expense of NT\$2,557 thousand and NT\$1,317 thousand as of January 1 to March 31, 2015 and 2014, respectively.

(2) Lessor:

The consolidated company has office building and parking space rented to the related party for a rent income of NT\$8 thousand and NT\$9 thousand as of January 1 to March 31, 2015 and 2014, respectively.

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

3. Contract projects

<u>Name of related party</u>	<u>Project Name</u>	<u>Contract Price</u>	<u>Current Price</u>	<u>Accumulated Price</u>
2015Q1				
Other related party	Gu Gong Case	\$ 223,962	-	223,962
2014Q1				
Other related party	Gu Gong Case	\$ 252,950	-	216,709

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.

4. Others

(1) Other payables

	3.31.2015	12.31.2014	3.31.2014
Other related party	\$ 665	1,217	677

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(2) Payment on behalf of others (included in other current assets)

	3.31.2015	12.31.2014	3.31.2014
Other related party	\$ 557	557	557

5. Trust contract

Part of the Consolidated Company's land is trusted and registered in the name of the related party as of March 31, 2015, December 31 and March 31, 2014. Please refer to Note 6(3) and (6).

6. Others

The Consolidated Company commissioned other related party to acquire land for construction for a total price of NT\$668,016 thousand as of March 31, 2015, December 31 and March 31, 2014, respectively. The discretionary trustee is to handle the land combination matter on behalf of the Company.

(III) Key management personnel transactions

	2015Q1	2014Q1
Short-term employee benefits	\$ 7,644	11,224
Retirement benefits	236	293
	\$ 7,880	11,517

VIII. Pledged Assets

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

Assets name	Purpose of collateral	3.31.2015	12.31.2014	3.31.2014
Other financial assets - current	The transaction service of trust accounts and credit accounts; also, the guarantee of forward exchange transactions	\$ 143,072	602,173	39,100
Inventories	The guarantee for the transaction service of the loan account and credit account (Note)	2,730,177	2,730,177	2,864,063
Property, plant, and equipment – book value	Collateral for loan	581,031	581,031	581,031
Investment property – book value	The guarantee for the transaction service of the loan account and credit account	2,966,041	2,970,838	2,986,011
		\$ 6,420,321	6,884,219	6,470,205

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:

	3.31.2015	12.31.2014	3.31.2014
Contracted projects	\$ 1,344	1,366	36,241
Acquisition of columbarium and cemetery	21,707	26,707	26,709
Acquisition of construction site	-	56,950	57,013
Individual construction project	824,334	870,223	793,546

- 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 March 31, 2015, December 31 and March 31, 201, respectively.

(II) Contingent liabilities:

- The legislative purpose of Mortuary Service Administration Act Article 36 is to cope with repair and management costs when a major accident hits or abnormal operations occur due to poor management. In order to maintain and manage funeral facilities, the Consolidated Company has set up an administration fee account for specific uses only, so that if any significant incidents occur in the future, subsequent general impairment and management of the facilities will not be impacted. New Taipei City Funeral Service Association is carrying out a petition among funeral operators to propose New Taipei City Government to invite local operators to discuss relevant self governing regulation supplements, correspondent supervision mechanism and fund utilization regulations, and complete related regulations and procedures before collecting the fund. Besides, since relevant regulations are awaiting further discussion, the future possible obligation amount of the Consolidated Company cannot be confirmed.
- 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. However, the joint owners of said land claimed that the disposal was not agreed by all joint owners and classified as an unauthorized disposition with no effect, so filing an action with Taipei District Court. Investigation is re-examining by the Taipei District Court as 2014 Zhong Su Zi No. 173.

(III) Others

- 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 March 31, 2015, December 31 and March 31, 2014 are as follows :

	<u>3.31.2015</u>	<u>12.31.2014</u>	<u>3.31.2014</u>
Bank deposits			
Demand deposits	\$ 340,441	144,729	83,227
Time deposits	110,803	111,945	905,577
Financial assets measured at fair value through profit or loss - current	444,463	360,876	460,647
Available-for-sale financial assets – non-current	1,471,560	1,516,503	-
Property, plant and equipment (Note)	2,206,293	2,206,293	2,277,914
Investment property (Note)	1,962,845	1,962,845	1,962,845
	<u>\$ 6,536,405</u>	<u>6,303,191</u>	<u>5,690,210</u>

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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\$1,046,052 thousand, NT\$1,053,930 thousand, and NT\$1,056,449 thousand, as of March 31, 2015, December 31 and March 31, 2014, 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 March 31, 2015, December 31 and March 31, 2014. The pre-need contract signed and the related deferred marketing expenses are as follows:

	3.31.2015	12.31.2014	3.31.2014
Total contract price	\$ 34,985,051	34,505,035	34,319,895
Outstanding proceeds	(7,847,862)	(7,863,205)	(7,608,433)
Advanced receipts	\$ 27,137,189	26,641,830	26,711,462
Deferred marketing expense	\$ 7,962,795	7,866,213	8,077,897
Expected to be reclassified for more than twelve months	\$ 25,185,349	24,830,262	23,986,547

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	January to March 2015				January to March 2014			
	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	56,522	46,210	15,852	118,584	56,748	42,418	16,441	115,607
Labor and health insurance	4,168	2,859	1,315	8,342	4,053	3,970	1,744	9,767
Pension	2,364	1,550	679	4,593	2,312	1,595	749	4,656
Others	1,450	1,916	926	4,292	1,357	2,159	942	4,458
Depreciation	23,081	2,890	1,967	27,938	21,954	3,049	1,289	26,292
Depletion	-	-	-	-	-	-	-	-
Amortization	61	2,284	207	2,552	1,014	2,136	211	3,361

Note: It includes the related fees of the cemetery management center-related expenses (stated as less item-advance receipts).

- (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

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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.

(3) Seasonality of operations

The Company's operations are not seasonal or cyclical factors.

XIII. Other disclosures

(1) Information on significant transactions

The consolidated company should have the following material transactions disclosed as of January 1 to March 31 2015 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 of financing to other parties 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.	Lung Fu Company Limited	Other receivables-related parties	Yes	20,000	20,000	-	8%	2	-	Working fund	-	-	-	1,849,986	3,699,972
0	Lungyen Life Service Corp.	Longding Life Science Co., Ltd.	Other receivables-related parties	Yes	202,000	202,000	102,000	6%	2	-	Working fund	-	-	-	1,849,986	3,699,972

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 total capital amount.

Note 2: Nature of financing:

- (1) for transactions.
- (2) for short-term financing.

Note 3 : Upon the board resolution on May 28, 2014, the total amount for lending to Longding Life Science Co., Ltd. shall not exceed \$100,000 thousand. Upon the resolution of interim board meeting on September 9, 2014, the total amount for lending to Longding Life Science Co., Ltd. shall not exceed \$202,000 thousand.

Note 4 : Upon the board resolution on May 28, 2014, the total amount for lending to Lung Fu Company Limited shall not exceed \$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 Lenders	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	1,849,986	202,000	202,000	165,000	-	2.18%	4,624,965	Y	N	N
0	Lungyen Life Service Corp.	Yuji Development Corp.	2	1,849,986	300,000	300,000	-	-	3.24%	4,624,965	Y	N	N
0	Lungyen Life Service Corp.	Lung Fu Company Limited	3	1,849,986	180,000	180,000	7,550	180,000	1.95%	4,624,965	Y	N	N

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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 the board resolution on June 14, 2013, the maximum amount of endorsements to Yuji Company Limited has been set to \$300,000 thousand.

Note 4: According to the original Board resolution on March 27, 2014, endorsement to Lung Fu Company Limited shall not exceed \$200,000 thousand. However, upon Board resolutions on May 28, 2014, the maximum amount of endorsements to Lung Fu Company has been set to \$180,000 thousand.

Note 5: According to the original Board resolution on August 12, 2014, endorsement to Longding Life Sciences Inc. shall not exceed \$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, endorsement to Longding Life Sciences Inc. shall not exceed \$202,000 thousand.

3. Information regarding securities held at balance sheet date (not including subsidiaries, associates and joint control):

Holder of Securities	Type and Name of Securities	Relationship with Securities Issuer	Account Title	Ending			Remark	
				Quantity of shares (thousand shares)/unit	Book Value	% of Ownership		Fair Value
The Company	Stock of Chang Hwa Bank	-	Financial assets at fair value through profit or loss - current	17,976	325,370	- %	18.10	
The Company	LUMAX securities	-	Financial assets at fair value through profit or loss - current	242	14,931	- %	61.70	-
The Company	Stock of CTBC FINANCIAL HOLDING CO., LTD.	-	Financial assets at fair value through profit or loss - current	1	20	- %	20.80	-
The Company	Gallop No. 1	-	Financial assets at fair value through profit or loss - current	3,000	56,760	- %	18.92	-
The Company	Stock of CHINA LIFE INSURANCE COMPANY, LTD.	-	Financial assets at fair value through profit or loss - current	715	19,484	- %	27.25	-
The Company	Stock of Cheng Shin Rubber Ind., Co., Ltd.	-	Financial assets at fair value through profit or loss - current	245	17,616	- %	71.90	-
The Company	Stock of Sun Life Corporation	-	Financial assets at fair value through profit or loss - current	160	40,784	- %	254.90	-
The Company	Stock of China Construction Bank	-	Financial assets at fair value through profit or loss - current	2,100	54,618	- %	26.01	Trust
The Company	Stock of Jiangsu Expressway Company Limited	-	Financial assets at fair value through profit or loss - current	1,334	56,138	- %	42.08	Trust
The Company	Stock of Sinopec	-	Financial assets at fair value through profit or loss - current	1,990	49,587	- %	24.92	Trust
The Company	Stock of PetroChina	-	Financial assets at fair value through profit or loss - current	1,438	49,828	- %	34.65	Trust
The Company	Stock of Sands China Limited	-	Financial assets at fair value through profit or loss - current	320	41,484	- %	129.64	Trust
The Company	Stock of MGM China Holdings Limited	-	Financial assets at fair value through profit or loss - current	655	38,633	- %	58.96	Trust
The Company	CITIC primary financial bond	-	Financial assets at fair value through profit or loss - current	200,000	99,704	- %	4.99	Trust

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Holder of Securities	Type and Name of Securities	Relationship with Securities Issuer	Account Title	Ending			Remark	
				Quantity of shares (thousand shares)/unit	Book Value	% of Ownership		Fair Value
The Company	CTBC Emerging Market Bond Fund	-	Financial assets at fair value through profit or loss - current	1,000	10,180	- %	10.18	-
The Company	Cathay Emerging China Bond Fund	-	Financial assets at fair value through profit or loss - current	297	3,211	- %	10.83	-
The Company	Cathay Emerging China Bond (Trust)	-	Financial assets at fair value through profit or loss - current	4,900	53,044	- %	10.83	Trust
The Company	Evenstar Sub-Fund I Segregated Portfolio	-	Financial assets at fair value through profit or loss - current	1	69,525	- %	117,981.09	-
The Company	Fuh Hwa Emerging Market RMB Fixed Inc Type A	-	Financial assets at fair value through profit or loss - current	28	1,426	- %	51.83	Trust
The Company	AVIC International Finance & Investment Limited - Bond	-	Available-for-sale financial assets – non-current	10,000	49,906	- %	4.99	-
The Company	China Unicom Bond	-	Available-for-sale financial assets – non-current	10,000	49,388	- %	4.94	-
The Company	CNOOC Nexen Finance [2014] ULC - Bond	-	Available-for-sale financial assets – non-current	2,900	96,937	- %	33.43	Trust
The Company	Petronas Capital Ltd - Bond	-	Available-for-sale financial assets – non-current	1,200	49,419	- %	41.18	Trust
The Company	Saudi Electricity Global - Bond	-	Available-for-sale financial assets – non-current	50	1,694	- %	33.89	Trust
The Company	Bank of China/Luxembourg Bond	-	Available-for-sale financial assets – non-current	10,000	49,484	- %	4.95	Trust
The Company	China Construction Bank Asia Dim-sum Bond	-	Available-for-sale financial assets – non-current	10,000	49,157	- %	4.92	Trust
The Company	China Construction Bank Frankfurt Dim-sum Bond	-	Available-for-sale financial assets – non-current	10,000	49,584	- %	4.96	Trust
The Company	Sichuan Development Holding Co., Ltd. RMB Bond	-	Available-for-sale financial assets – non-current	10,000	49,690	- %	4.97	-
The Company	State Grid Corporation of China Bond	-	Available-for-sale financial assets – non-current	1,500	51,092	- %	34.06	Trust
The Company	Emirates Telecom Corp. Corp. Bond	-	Available-for-sale financial assets – non-current	1,600	53,382	- %	33.36	Trust
The Company	Guotai Junan Corp. Bond	-	Available-for-sale financial assets – non-current	1,600	51,814	- %	32.38	Trust
The Company	Ping An Insurance (Group) Company of China, Ltd. Bond	-	Available-for-sale financial assets – non-current	9,500	47,626	- %	5.01	-
The Company	Bank of China 2-year Senior Unsecured RMB Callable Financial Bond	-	Available-for-sale financial assets – non-current	8,000	39,696	- %	4.96	Trust
The Company	Bank of China 5-year Senior Unsecured RMB Callable Financial Bond	-	Available-for-sale financial assets – non-current	10,000	49,656	- %	4.97	Trust
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	49,308	- %	4.93	Trust
The Company	China Construction Bank Asia Dim-sum Bond	-	Available-for-sale financial assets – non-current	9,500	46,838	- %	4.93	Trust
The Company	PetroChina Company Limited Corporate Bond	-	Available-for-sale financial assets – non-current	3,200	101,236	- %	31.64	Trust
The Company	PetroChina Company Limited Corporate Bond	-	Available-for-sale financial assets – non-current	1,600	52,919	- %	33.07	Trust
The Company	Abu Dhabi National Energy Company 10-year Senior Unsecured USD Callable Corporate Bond	-	Available-for-sale financial assets – non-current	1,600	51,498	- %	32.19	Trust
The Company	Abu Dhabi National Energy Company 10-year Senior Unsecured USD Callable Corporate Bond	-	Available-for-sale financial assets – non-current	1,600	51,748	- %	32.34	Trust
The Company	Bank of China 5-year Senior Unsecured RMB Callable Financial Bond	-	Available-for-sale financial assets – non-current	9,800	49,086	- %	5.01	Trust

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Holder of Securities	Type and Name of Securities	Relationship with Securities Issuer	Account Title	Ending				Remark
				Quantity of shares (thousand shares)/unit	Book Value	% of Ownership	Fair Value	
The Company	CNOOC Limited USD Callable Corporate Bond	-	Available-for-sale financial assets – non-current	3,100	95,046	- %	30.66	Trust
The Company	Rizhao Port Co., Ltd. RMB Callable Corporate Bond	-	Available-for-sale financial assets – non-current	9,800	48,846	- %	4.98	Trust
The Company	Tsinlien Group Company Limited Corporate Bond	-	Available-for-sale financial assets – non-current	10,000	49,599	- %	4.96	-
The Company	21Vianet Group Inc Corporate Bond	-	Available-for-sale financial assets – non-current	10,000	48,449	- %	4.84	-
The Company	VTB Bank	-	Available-for-sale financial assets – non-current	10,000	48,964	- %	4.90	-
The Company	ICBC RMB Corp. Bond	-	Available-for-sale financial assets – non-current	9,800	48,180	- %	4.92	Trust
The Company	QTel USD Corp. Bond	-	Available-for-sale financial assets – non-current	1,450	50,813	- %	35.04	Trust
The Company	American International Assurance Co., Ltd.USD Corp. Bond	-	Available-for-sale financial assets – non-current	1,450	45,751	- %	31.55	Trust
The Company	Hutchison Whampoa Limited USD Corp. Bond	-	Available-for-sale financial assets – non-current	1,500	48,255	- %	32.17	Trust
The Company	ICBC RMB Corp. Bond	-	Available-for-sale financial assets – non-current	10,000	49,436	- %	4.94	Trust
The Company	ICBC RMB Corp. Bond	-	Available-for-sale financial assets – non-current	10,000	49,428	- %	4.94	Trust
The Company	China EXIM Bank RMB Corp. Bond	-	Available-for-sale financial assets – non-current	5,000	25,120	- %	5.02	Trust
The Company	QTel USD Corp. Bond	-	Available-for-sale financial assets – non-current	1,600	50,279	- %	31.42	Trust
The Company	Chang Hwa Bank	-	Available-for-sale financial assets – non-current	70,749	1,280,557	0.90 %	18.10	-
The Company	FORTUNE IC FUND I	-	Financial assets carried at cost – non-current	600	4,030	4.86 %	10.06	
The Company	PK Venture Capital Corp	-	Financial assets carried at cost – non-current	3,360	20,855	8.57 %	6.02	
The Company	Cathay insurance stock	-	Financial assets carried at cost – non-current	44	-	0.01 %	-	
Yuji Development Corp.	CTBC Hwa-win Money Market Fund	-	Available-for-sale financial assets – non-current	3,200	15,859	- %	4.96	Trust
Yuji Development Corp.	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,179	88,661	- %	10.84	
Ching Huang Construction Co., Ltd.	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,402	20,408	- %	14.56	
Ching Huang Construction Co., Ltd.	J-Garden Corp.	-	Financial assets carried at cost – non-current	-	2,550	5.00 %	12.23	
Dahan Property Management Co., Ltd.	Allianz Global Investors Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	170	2,088	- %	12.32	

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	Shares/ Units	Shares/ Units	Amount	Shares/ Units	Amount	Book Value	Gain(loss) from disposal	Shares/ Units	Amount
The Company	Stock of Chang Hwa Bank	Available-for-sale financial assets – non-current	-	-	-	-	70,749	1,280,557	-	-	-	-	70,749	1,280,557
"	Stock of Chang Hwa Bank	Financial assets at fair value through profit or loss - current	-	-	15,376	273,108	2,950	58,476	350	6,401	6,214	187	17,976	325,370

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Note 1: Purchasing amount includes loss on valuation NT\$4,575 thousand.

Note 2: Purchasing amount includes loss on valuation NT\$6,201 thousand.

5. The acquisition of real property exceeding NT\$300 million or 20% of the paid-in capital: None.
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: None.
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	104,578	-%	-		-	-

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	Other financial assets – current	\$ 8,434	Equal to transaction with non-related parties	0.02%
0	"	"	1	Payable accounts	13,256	-	0.03%
0	"	"	1	Other payable accounts	16,662	-	0.04%
0	"	Yuji Development Corp.	1	Other financial assets – current	2,150	-	0.01%
0	"	"	1	Payable accounts	13,635	-	0.03%
0	"	"	1	Prepayments	3,838	-	0.01%
0	"	"	1	Operating cost	24,385	-	2.81%
0	"	"	1	Other revenue	6,175	-	0.71%
0	"	"	1	Receipts under custody	13,388	-	0.03%
0	"	Longding Life Science Co., Ltd.	1	Other financial assets – current	104,578	-	0.24%
0	"	"	1	Payable accounts	608	-	- %
0	"	"	1	Other revenue	2,825	-	0.33%
0	"	"	1	Operating cost	891	-	0.10%
0	"	Zekaen Co. Ltd.	1	Operating cost	10,950	-	1.26%
0	"	"	1	Payable accounts	6,822	-	0.02%
0	"	"	1	Operating income	1,180	-	0.14%
0	"	Lung Fu Company Limited	1	Accounts Receivable	80	-	- %
0	"	"	1	Payable accounts	2,112	-	- %
0	"	"	1	Receipts under custody	143	-	- %
0	"	"	1	Prepayment for purchases	10,789	-	0.03%
0	"	"	1	Operating cost	1,061	-	0.12%
1	Ching Huang Construction Co., Ltd.	Lungyen Life Service Corp.	2	Accounts Receivable	29,918	-	0.07%
1	"	"	2	Other payable accounts	8,434	-	0.02%
2	Yuji Development Corp.	Lungyen Life Service Corp.	2	Accounts Receivable	27,023	-	0.06%
2	"	"	2	Advance sales receipts	3,838	-	0.01%
2	"	"	2	Other payable accounts	2,150	-	0.01%
2	"	"	2	Operating income	24,385	-	2.81%
2	"	"	2	Administrative expenses	6,175	-	0.71%
2	"	Lung Fu Company Limited	3	Payment on behalf of others	276	-	- %
3	Longding Life Science Co., Ltd.	Lungyen Life Service Corp.	2	Accounts Receivable	608	-	- %

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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	
3	"	"	2	Other payable accounts	104,578	-	0.24%
3	"	"	2	Operating income	891	-	0.10%
3	"	"	2	Operating expense	2,825	-	0.33%
4	Zekaen Co. Ltd.	Lungyen Life Service Corp.	2	Operating income	10,950	-	1.26%
4	"	"	2	Accounts Receivable	6,822	-	0.02%
4	"	"	2	Operating cost	1,180	-	0.14%
5	Lung Fu Company Limited	Lungyen Life Service Corp.	2	Accounts Receivable	2,255	-	0.01%
5	"	"	2	Expenses payable	80	-	- %
5	"	"	2	Advance sales receipts	10,789	-	0.03%
5	"	"	2	Operating income	1,061	-	0.12%
5	"	Yuji Development Corp.	3	Payable accounts	276	-	- %

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 2015Q1 is as follows:

Unit: Thousand NTD

Name of the investor	Name of investee	Location	Major operations	Initial investment (Amount)		Ending balance			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	30,033	2,209	98.20%	(5,112)	(294)	(288)	Subsidiary
The Company	Yuji Development Corp.	Taiwan	Funeral Service	990,000	990,000	99,000	54.61%	1,202,379	63,380	35,018	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%	3,604	9	7	Subsidiary
The Company	Sea Dragon Traders Ltd. (BVI)	British Virgin Islands.	Investment	261,262	114,529	1	100.00%	266,422	(805)	(805)	Subsidiary
The Company	Longding Life Science Co., Ltd.	Taiwan	Flower and plant cultivation	85,000	85,000	8,500	60.71%	52,984	(4,377)	(2,657)	Subsidiary
The Company	Singapore Lungyen Life Services Pte., Ltd.	Singapore	Funeral Service	11,990	11,990	500	100.00%	(2,049)	(51)	(51)	Subsidiary
The Company	Zekaen Co. Ltd.	Taiwan	Flower and plant cultivation	96,656	96,656	10,000	100.00%	57,967	(2,954)	(2,954)	Subsidiary
Yuji Development Corp.	Lung Fu Company Limited	Taiwan	Funeral Service	210,700	210,700	21,070	77.75%	216,300	96	74	Subsidiary
Zekaen Co. Ltd.	Longding Life Science Co., Ltd.	Taiwan	Flower and plant cultivation	44,450	44,450	4,445	31.75%	27,708	(4,377)	(1,390)	Subsidiary
Sea Dragon Traders Ltd. (BVI)	Witty Dragon Limited(BVI)	British Virgin Islands.	Investment	165,268	-	53	26.32%	165,268	(3,387)	-	Affiliated company

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	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%	preparing	-	-

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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
-	1,264,000 USD 40,000	5,549,959

US Dollar Exchange Rate: closing rate: 31.60

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.
 - 3. Others

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

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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.

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

January to March 2015							
	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	\$ 364,776	383,990	54,096	59,742	22	-	862,626
Inter-segment income	25,446	-	1,214	11,841	-	(38,501)	-
Total income	<u>\$ 390,222</u>	<u>383,990</u>	<u>55,310</u>	<u>71,583</u>	<u>22</u>	<u>(38,501)</u>	<u>862,626</u>
Reportable segment profit or loss	<u>\$ 194,979</u>	<u>67,451</u>	<u>27,586</u>	<u>51,324</u>	<u>9</u>	<u>(38,501)</u>	<u>302,848</u>
January to March 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	\$ 612,897	369,654	50,667	68,431	8,307	-	1,109,956
Inter-segment income	9,093	-	1,138	1,306	-	(11,537)	-
Total income	<u>\$ 621,990</u>	<u>369,654</u>	<u>51,805</u>	<u>69,737</u>	<u>8,307</u>	<u>(11,537)</u>	<u>1,109,956</u>
Reportable segment profit or loss	<u>\$ 299,723</u>	<u>70,002</u>	<u>26,535</u>	<u>96,337</u>	<u>(671)</u>	<u>(11,537)</u>	<u>480,389</u>
Reportable segment profit or loss							
March 31, 2015	<u>\$ 13,013,930</u>	<u>3,734,664</u>	<u>6,123,967</u>	<u>70,449</u>	<u>4,677,677</u>	<u>15,405,711</u>	<u>43,026,398</u>
December 31, 2014	<u>\$ 12,902,054</u>	<u>3,717,652</u>	<u>6,141,719</u>	<u>53,740</u>	<u>4,551,895</u>	<u>14,120,041</u>	<u>41,487,101</u>
March 31, 2014	<u>\$ 13,425,953</u>	<u>3,629,987</u>	<u>6,160,284</u>	<u>30,930</u>	<u>4,207,912</u>	<u>12,281,615</u>	<u>39,736,681</u>