Stock No.：5530

Lungyen Life Service Corp. and Subsidiaries

Consolidated Financial Statements

For The Three Months Ended June 30, 2019 and 2018
(Including an Independent Auditor’s Audit Report)

Address: 1F., No. 166, Sec. 2, Minquan E. Rd., Taipei City
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Independent Auditor's Audit Report

To Board of Directors of Lungyen Life Service Corp.:

Introduction

We have audited the accompanying consolidated balance sheets of Lungyen Life Service Corp. and its subsidiaries (the "Company") as of June 30, 2019 and 2018, the related consolidated statements of comprehensive income as of January 1 to June 30, 2019 and 2018, and consolidated statements of changes in equity and consolidated statement of cash flows as of January 1 to June 30, 2019 and 2018. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except which mentioned in the paragraph of base on qualified opinion, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of responsible for financial and accounting matters, and applying analytical and other review procedures. A review that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express and audit opinion.

Base of Qualified Opinion

As mentioned in Note 4(2), part of the non-significant subsidiaries were consolidated based on their unreviewed financial reports of the corresponding period. Total assets were NT$636,221 thousand and NT$1,105,758 thousand as of June 30, 2019 and 2018, accounting for 1% and 2%, respectively of the consolidated total assets; total liabilities were NT$168,055 thousand and NT$106,429 thousand, both accounting for 0% of the total consolidated liabilities. Comprehensive profits (losses) were NT$10,325 thousand and NT$10,261 thousand for April 1 to June 30, 2019 and 2018, and NT$23,213 thousand and (NT$4,184) thousand for January 1 to June 30, 2018 and 2019, accounting for 1%, 1%, 1% and 0% of the total consolidated comprehensive income.

Besides those mentioned above, as remarked in Note 6 (6), the Company's investment under equity method were NT$1,188,558 thousand and NT$1,259,613 thousand as of June 30, 2019 and 2018. Net losses from affiliates and joint-venture under equity method for the period from April 1 to June 30 of 2019 and 2018 were NT$(17,742) and $(5,289), and for January 1 to June 30 of 2019 and 2018 were NT$(29,332) and $(12,727) respectively, which were based on those investees' unreviewed financial reports.

Qualified Opinion

Based on our reviews, except that the consolidated financial reports may have to be adjusted when financial reports of investees mentioned in section "Base of Qualified Opinion" is to be audited, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the financial position of the entity as of June 30, 2019 and 2018, and of its consolidated financial performance and its consolidated cash flows for January 1 to June 30, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG

CPA: Zeng,Guo-Yang Lai. Li-
Zeng

Approval issued by the competent securities authority:

FSC VI. Tzi No. 0940129108

August 20, 2019

(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp. and Subsidiaries

Consolidated Balance Sheets

June 30, 2019, December 31, and June 30, 2018

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

		6.30.2019		12.31.2018		6.30.2018	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets：						
1100	Cash and cash equivalents (Note 6(1))	$ 186,063	-	194,002	-	139,803	-
1110	Financial assets at fair value through profit or loss – Current (Note 6(2), & 9)	918,821	1	1,527,182	2	1,630,895	3
1150	Notes receivable, net (Note 6 (3) & (20))	12,934	-	6,345	-	9,575	-
1170	Accounts receivable, net (Note 6 (3) & (20))	9,034,158	15	8,748,396	14	8,963,391	15
1320	Inventory (Note 6(4), 7, & 8)	15,643,192	25	15,440,765	25	15,043,308	24
1410	Prepayments	234,607	-	251,030	-	435,024	1
1460	Non-current assets held for sale (Net) (Note 6 (5), & 8)	841,388	1	2,565,683	4	-	-
1476	Other financial assets – current (Note 6 (12), 8, & 9)	2,784,016	4	2,113,425	3	2,006,199	3
1479	Other current assets (Note 7)	13,803	-	7,600	-	3,042	-
1480	Incremental cost of contract acquisition – current (Note 9)	8,062,706	13	7,969,334	13	8,118,544	13
		37,731,688	59	38,823,762	61	36,349,781	59
	Non-current assets：						
1517	Financial assets at fair value through other comprehensive income (Note 6 (2), 8, & 9)	11,789,987	19	10,048,850	17	9,606,975	15
1535	Financial assets at amortized cost－non-current (Note 6(2), & 9)	1,468,197	2	1,017,051	2	818,274	1
1550	Investment under equity method (Note 6 (6) & (7))	1,188,558	2	1,209,106	2	1,259,613	2
1600	Property, plant and equipment (Note 6 (8), 7, 8, & 9)	5,875,470	9	5,812,305	9	5,826,679	9
1755	Right of use asset (Note 6 (9), & 7)	45,068	-	-	-	-	-
1760	Investment property, net (Note 6 (10), 8, & 9)	3,875,363	6	3,893,572	6	6,463,441	10
1780	Intangible assets (Note 6 (11))	757,879	1	759,365	1	761,072	1
1840	Deferred income tax assets	874,406	1	899,795	1	938,357	2
1980	Other financial assets – non-current (Note 7)	58,535	-	55,838	-	50,956	-
1990	Other non-current assets - others	786,245	1	773,664	1	440,667	1
		26,719,708	41	24,469,546	39	26,166,034	41
	Total Assets	$ 64,451,396	100	63,293,308	100	62,515,815	100

		6.30.2019		12.31.2018		6.30.2018	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term loan (Note 6 (13))	$ 1,092,800	2	3,165,300	5	2,040,000	3
2130	Contract Liability－current(Note 6 (20) & 9)	38,670,925	59	37,755,020	61	38,268,638	61
2150	Notes accounts	6,987	-	7,105	-	-	-
2170	Payable accounts (Note 7)	652,399	1	617,756	1	578,948	1
2200	Other payable accounts (Note 6 (18), & 7)	2,005,913	3	830,485	1	1,752,099	3
2230	Current income tax liabilities	97,694	-	290,179	-	326,309	1
2280	Lease obligations－current	45,068	-	-	-	-	-
2310	Advance receipts	848,122	2	834,391	1	837,064	1
2321	Convertible corporate bonds- current (Note 6 (14))	3,216,862	5	-	-	-	-
2399	Other current liabilities - others	7,943	-	7,835	-	7,916	-
		46,644,713	72	43,508,071	69	43,810,974	70
	Non-current liabilities:						
2530	Corporate bond payable (Note 6 (14))	-	-	3,190,916	5	3,165,180	6
2570	Deferred income tax liabilities	16,119	-	16,119	-	16,119	-
2640	Net defined benefit liability – non-current	30,686	-	30,686	-	31,263	-
2645	Deposit received	67,205	-	71,542	-	62,458	-
2670	Other non-current liabilities - others	2,981	-	2,981	-	2,981	-
		116,991	-	3,312,244	5	3,278,001	6
	Total liabilities	46,761,704	72	46,820,315	74	47,088,975	76
	Equity attributable to owners of parent (Note 6(14) & (18)):						
3100	Capital stock – common stock	4,200,842	7	4,200,842	7	4,200,842	7
3200	Capital surplus	2,519,954	4	2,519,954	4	2,519,954	4
	Retained earnings:						
3310	Legal reserve	1,498,055	2	1,280,001	2	1,280,001	2
3350	Unappropriated retained earnings	5,725,543	9	6,293,123	10	5,313,399	8
3400	Other equity interest	2,278,954	4	688,453	1	683,157	1
	Total equity attributable to owners of parent	16,223,348	26	14,982,373	24	13,997,353	22
36xx	Non-controlling interest (Note 6 (7)&(18))	1,466,344	2	1,490,620	2	1,429,487	2
	Total Equity	17,689,692	28	16,472,993	26	15,426,840	24
	Total liabilities and equity	$ 64,451,396	100	63,293,308	100	62,515,815	100

(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 June 30, 2019 and 2018

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

(Reviewed, Not Audited)

		For the Three Months Ended June 30				For the Six Months Ended June 30			
		2019		2018		2019		2018	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (Note 6 (5), (15), (20), & 7)**	$ 770,276	100	1,316,408	100	2,095,270	100	2,346,834	100
5000	**Operating cost(Note 6 (15) & 7)**	290,383	38	429,954	33	717,628	34	752,673	32
5900	**Operating gross profit (loss)**	479,893	62	886,454	67	1,377,642	66	1,594,161	68
	Operating expenses (Note 6 (16), (21), & 7)：								
6100	Selling expenses	139,483	18	252,044	19	304,221	15	430,733	18
6200	Selling expenses	125,518	16	143,342	11	274,775	13	284,399	12
6000	**Other income and expenses (Note 6 (22))**	265,001	34	395,386	30	578,996	28	715,132	30
6500	**Operating income (loss)**	34,412	4	34,260	3	70,172	3	70,132	3
6900	**Non-operating income and expenses (Note 6(23)&7)：**	249,304	32	525,328	40	868,818	41	949,161	41
7010	Other income	83,157	11	66,254	5	135,269	6	134,859	6
7020	Other gains and losses	22,724	3	453,911	34	98,634	5	394,539	17
7050	Financial costs	(17,806)	(2)	(19,912)	(2)	(37,315)	(2)	(39,621)	(2)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 6 (6))	(17,742)	(2)	(5,289)	-	(29,332)	(1)	(12,727)	(1)
		70,333	10	494,964	37	167,256	8	477,050	20
		319,637	42	1,020,292	77	1,036,074	49	1,426,211	61
7950	**Less: Income tax expense (Note 6 (17))**	53,615	7	291,376	22	99,639	5	187,081	8
	Net income	266,022	35	728,916	55	936,435	44	1,239,130	53
8300	**Other comprehensive income:**								
8310	**Items that may not be subsequently reclassified to profit or loss:**								
8316	Unrealized loss on investments in equity instruments at fair value through other comprehensive income	970,190	126	306,035	23	1,546,210	74	456,571	19
	Total items that may not be subsequently reclassified to profit or loss	970,190	126	306,035	23	1,546,210	74	456,571	19
8360	**Items that may be subsequently reclassified to profit or loss**								
8361	Exchange differences on translation of foreign statements	8,512	1	11,427	1	11,346	1	8,678	-
8367	Unrealized loss on investments in debt instruments at fair value through other comprehensive income	19,057	2	(7,586)	-	51,660	2	(36,776)	(1)
8370	Share of other comprehensive profit (loss) of associates and joint ventures accounted for using equity method- items that may be reclassified to profit or loss	(17,583)	(2)	5,788	-	(1,599)	-	6,550	-
	Total items that may be subsequently reclassified to profit or loss	9,986	1	9,629	1	61,407	3	(21,548)	(1)
8300	**Other comprehensive income, net**	980,176	127	315,664	24	1,607,617	77	435,023	18
	Total comprehensive income	**$ 1,246,198**	**162**	**1,044,580**	**79**	**2,544,052**	**121**	**1,674,153**	**71**
	Net income, attributable to:								
8610	Owners of parent	$ 256,178	34	712,054	54	902,256	43	1,189,260	51
8620	Non-controlling interest	9,844	1	16,862	1	34,179	1	49,870	2
		$ 266,022	**35**	**728,916**	**55**	**936,435**	**44**	**1,239,130**	**53**
	Total comprehensive income, attributable to:								
8710	Owners of parent	$ 1,233,922	160	1,025,649	78	2,504,759	119	1,621,963	69
8720	Non-controlling interest	12,276	2	18,931	1	39,293	2	52,190	2
		$ 1,246,198	**162**	**1,044,580**	**79**	**2,544,052**	**121**	**1,674,153**	**71**
	Earnings per share (Note 6 (19))								
9750	**Basic earnings per share (NTD)**	**$**	**0.61**		**1.70**		**2.15**		**2.83**
9850	**Diluted earnings per share (NTD)**	**$**	**0.56**		**1.53**		**1.94**		**2.57**

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

(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 June 30, 2019 and 2018

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

(Reviewed, Not Audited)

	Equity attributable to owners of parent												
	Capital Stock		Retained Earnings				Others						
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange differences on foreign translation	Unrealized Gain (loss) on financial Assets at fair value through other comprehensive income	Unrealized gain (loss) on available-for-sale financial assets	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance – January 1, 2018	4,200,842	2,519,954	1,095,601		4,253,894	5,349,495	(13,825)		472,440	458,615	12,528,906	1,377,297	13,906,297
Retrospective adjustment due to new accounting standard	-	-	-	-	1,104,855	1,104,855	-	264,279	(472,440)	(208,161)	896,694	-	896,694
Restated beginning balance	4,200,842	2,519,954	1,095,601	-	5,358,749	6,454,350	(13,825)	264,279	-	250,454	13,425,600	1,377,297	14,802,897
Other comprehensive income	-	-	-	-	-	-	15,228	417,475	-	432,703	432,703	2,320	435,023
Appropriation and distribution of retained earnings:	-	-	-	-	1,189,260	1,189,260	15,228	417,475	-	432,703	1,621,963	52,190	1,674,153
Cash dividends on ordinary shares (NTD$2.5 per share)	-	-	-	-	(1,050,210)	(1,050,210)	-	-	-	-	(1,050,210)	-	(1,050,210)
Balance – June 30, 2018	$ 4,200,842	2,519,954	1,280,001	-	5,313,399	6,593,400	1,403	681,754	-	683,157	13,997,353	1,429,487	15,426,840
Balance – January 1, 2019	$ 4,200,842	2,519,954	1,280,001	-	6,293,123	7,573,124	(24,815)	713,268	-	688,453	14,982,373	1,490,620	16,472,993
Other comprehensive income	-	-	-	-	-	-	9,747	1,592,756	-	1,602,503	1,602,503	5,114	1,607,617
Total comprehensive income	-	-	-	-	902,256	902,256	9,747	1,592,756	-	1,602,503	2,504,759	39,293	2,544,052
Appropriation and distribution of retained earnings:	-	-	218,054	-	(218,054)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares (NTD$3 per share)	-	-	-	-	(1,260,253)	(1,260,253)	-	-	-	-	(1,260,253)	-	(1,260,253)
Valuation adjustment for Fair value through other comprehensive income equity instruments	-	-	-	-	12,002	12,002	-	(12,002)	-	(12,002)	-	-	-
Changes to subsidiaries' ownership	-	-	-	-	-	-	-	-	-	-	-	(67,100)	(67,100)
Balance – June 30, 2019	$ 4,200,842	2,519,954	1,498,055	-	5,725,543	7,223,598	(15,068)	2,294,022	-	2,278,954	16,223,348	1,466,344	17,689,692

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For The Three Months Ended June 30, 2019 and 2018

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

(Reviewed, Not Audited)

	2019Q1-Q2	2018Q1-Q2
Cash flows from operating activities		
Profit (loss) before tax	$ 1,036,074	1,426,211
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	71,473	72,777
Amortization expense	8,332	8,537
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(67,145)	(44,901)
Interest expense	37,315	39,621
Interest income	(141,282)	(140,219)
Dividend income	(21,233)	(26,881)
Share of profit (loss) of associates and joint ventures accounted for using equity method	29,332	12,727
Gain on disposal of non-current asset to be sold	(246,053)	-
Loss (gain) on disposal and scrap of property, plant and equipment	(285)	2,578
Gain on disposal of investment property	-	(525)
Losses on disposal of other assets	-	(347,626)
Disposal of investment gains (losses)	377	-
Disposal of investment gains (losses) using equity method	-	6,930
Exchange loss on financial assets or liabilities at fair value through other comprehensive income	(23,946)	(56,691)
Disposal loss on financial assets or liabilities at fair value through other comprehensive income	(1,318)	35,734
Total adjustments to reconcile profit (loss)	(354,433)	35,734
Changes in operating assets and liabilities:		
Decrease (Increase) on financial assets at fair value through income	675,506	6,547
Decrease (Increase) on notes receivable	(6,589)	7,002
Increase on account receivable	19,828	(236,194)
Increase on inventories	(202,427)	(274,959)
Decrease on prepayments	(6,589)	7,002
Decrease (Increase) on other financial assets	16,423	(14,677)
Disposal of available-for-sale assets-non current	1,977,342	-
Increase on other financial assets	(29,388)	(69,012)
Increase on other current asset	(6,205)	(623)
Increase on incremental cost of contract acquisition	(87,984)	31,158
Increase on contract liabilities	641,005	358,337
Increase (Decrease) on accounts payable	34,525	114,834
Decrease on other payable	(89,229)	(9,042)
Increase (Decrease) on advance receipts	13,731	8,310
Increase on other current liabilities	109	(7,577)
Disposal of non-current asset to be sold	2,956,646	(85,896)
Total net change in operating assets and liabilities	2,602,213	(523,835)

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Total Adjustments:		
Cash inflow (outflow) generated from operations	3,638,287	902,376
Interest received	102,682	140,517
Dividend received	21,233	26,811
Interest paid	(6,676)	(11,173)
Income taxes (paid)	(266,735)	(250,645)
Cash inflow (outflow) generated from operation	3,488,791	807,956
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(517,470)	(917,766)
Disposal of financial assets at fair value through other comprehensive income	398,856	419,346
Acquisition of financial assets measured by amortized cost	(530,342)	(405,756)
Held to maturity financial assets measured by amortized cost	75,000	-
Acquisition of property, plant and equipment	(119,502)	(36,235)
Disposal of property, plant and equipment	286	246
Acquisition of intangible assets	(3,036)	(4,978)
Acquisition of investment property	(1,009)	-
Disposal of investment property	-	750
Decrease (increase) in other financial assets - current	(633,944)	291,778
Increase in other financial assets - non current	(2,698)	(5,194)
Decrease in other non-current assets	(12,577)	604,337
Cash outflow due loss of control of subsidiaries	-	(17,621)
Net cash flows from (used in) investing activities	(1,346,436)	(71,093)
Cash flow from (used in) financing activities:		
Increase in short-term loans	10,580,674	1,250,000
Decrease in short-term loans	(12,653,174)	(2,034,000)
Increase in guarantee deposits received	(4,337)	1,527
Capital increase	(6,822)	-
Change in non-controlling interests	(67,100)	-
Net cash flows from (used in) financing activities	(2,150,759)	(782,473)
Effects of foreign exchange rates changes on cash and cash equivalents	465	15,632
Net (decrease) increase in cash and cash equivalents	(7,939)	(29,978)
Cash and cash equivalents at beginning of period	194,002	169,781
Cash and cash equivalents at end of period	**$ 186,063**	**139,803**

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Lungyen Life Service Corp.
Notes to Its Consolidated Financial statements
For The Three Months Ended June 30, 2019 and 2018
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. Company profile

Lungyen Life Service Corp. (Original Da Han Construction; hereinafter referred to as the "Company") was incorporated in March 27, 1987, and was registered in 1F., No.166, Sec. 2, Minquan E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.). The Company and its subsidiaries (together referred to as the 'Consolidated Company' and individually as 'Group entities') is primarily engaged in funeral service, development and lease of interment premises, and development and lease of residential areas and buildings.

II. Approval and procedures of the consolidated financial statements

The quarterly consolidated financial statements were accepted and published by the Board of Directors on July 31, 2019.

III. Application of new and revised standards and interpretations

(I) New and revised standards and interpretations approved by Financial Supervisory Commission

The Consolidated financial report has fully adopted IFRS approved by Financial Supervisory Commission (hereinafter referred to as the "FSC") and effective in 2019. The following table depicts the new, amended, revised standards and interpretations:

New/ Amended/ Revised Standards and Interpretations	Effective date per IASB
IFRS 16 "Leases"	January 1, 2019
IFRIC 23 "Uncertainty of Income Tax Treatment"	January 1, 2019
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019
Amendments to IAS 28 "Long-term interests in affiliated companies and joint ventures	January 1, 2019
Annual Improvements to IFRS Standards 2015-2017 Cycle	January 1, 2019

Except for the following items, the Consolidated Company believes that the adoption of the above IFRSs would not have any material impact on its consolidated interim financial statements. The extent and impact of signification changes are as follows:

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1. IFRS 16 “Leases”

IFRS 16 "Leases" (hereinafter referred to as IFRS 16) replaces the current IAS 17 "Leases" (hereinafter referred to as IAS 17), IFRIC 4 "Determining whether an arrangement includes a lease" (hereinafter referred to as IFRIC 4), SIC 15 "Business Leasing: Incentives" and SIC 27 "Evaluation the nature of the transaction involving leases in legal form"

The Consolidated Company adopts IFRS 16 retrospectively and adjusts the cumulative impact of the initial application to the retained earnings of January 1, 2019. The nature and impact of the changes in the relevant accounting policies are as follows:

(1) Definition of a Lease

The Consolidated Company previously determined whether an agreement is or includes a lease based on the IFRIC 4 on the contract beginning date. After changing the accounting policy, it is assessed whether the contract is or includes a lease in accordance with the lease definition of IFSR 16. The relevant accounting policies are detailed in Note 4 (3).

In the transition to IFRS 16, the Consolidated Company has chosen to use the expediency exemption to assess whether the transaction before the initial application date is a lease, that is, the contract previously identified as a lease is directly applicable to IFRS 16. Contracts that have previously been identified as non-lease in accordance with IAS 17 and IFRIC 4 are not reassessed as leases. Therefore, the lease definitions required by IFRS 16 apply only to contracts signed or changed on and after the initial application date.

(2) Lessee

A transaction in which the Consolidated Company is a lessee is previously assessed based on whether the lease contract has transferred almost all of the risks and payments attached to the underlying asset ownership. Under IFRS 16, the right-of-use assets and lease liabilities are recognized on the balance sheet for the lease contract.

The Consolidated Company chooses to apply the exemption for the lease of office and other equipment for short-term leases:

- Contract previously classified as an operating lease under IAS 17:

  At the time of the transition, the lease liability is measured by the present value of the remaining lease payments and discounted using the borrowing rate of the Consolidated Company on the initial application date.

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Right-of-use assets are measured in one of the following methods:

i. The carrying amount of the right-of-use asset is the same as of the date of IFRS 16 commencement, but is discounted using the lessee's incremental borrowing rate on the initial application date. The Consolidated Company applies this method to its large real estate lease.

ii. The amount of the lease liability is adjusted for all prepaid or payable lease payments related to the lease. The Consolidated Company applies all other leases in this method other than the foregoing case.

In addition, the Consolidated Company has transitioned to IFRS 16 using the following expedient practices:

i. Single discount rate for lease combinations with similar characteristics.

ii. As an alternative to the impairment assessment of the right-of-use asset, based on the results of the assessment of the loss-making contract according to the IAS 37 “Liabilities Reserve, Contingent Liabilities and Contingent Assets” before the date of initial application.

iii. For leases that are matured within 12 months after the initial application date, the right-of-use asset and lease liability are not recognized.

iv. The original direct cost is not included in the measurement of the right-of-use asset on the initial application date.

v. In the case of a lease contract that includes a lease extension or termination option, the use of the hindsight is adopted when the lease term is determined.

Contract previously classified as a finance lease:

For the contract previously classified as a finance lease under the IAS 17, the carrying amount of the right-of-use asset and the lease liability on the initial application date is the amount of leased asset and lease liability measured in accordance with IAS 17.

(3) Lessor

Except for sub-leasing, the Consolidated Company is not required to make any adjustments to the transaction as a lessor in the transition to IFRS 16, and the IFRS 16 applies to the lease from the date of initial application.

Under IFRS 16, the classification of sub-leasing should be assessed based on the right-of-use asset rather than the underlying asset. At the time of the transition,

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the Consolidated Company reassesses its classification for the sub-lease classified as operating lease under the earlier application of IAS 17 and considers that the sublease should be classified as a finance lease under IFRS 16.

(4) Impact on financial reporting

In the transition to IFRS 16, the Consolidated Company recognizes the right-of-use assets and lease liabilities of NT$51,791 thousand on the initial application date. The lease liability is discounted at the incremental borrowing

rate on the initial application date of the Consolidated Company. The weighted average of the interest rates is 0.78%. However, the difference between the amount of the operating lease commitments for the year prior to the initial application date and the lease liability recognized on the initial application date (which may be reasonably determined to exercise the lease extension option) is not significant, therefore there is no adjustments to be made.

2. IFRIC 23 “Uncertainty of Income Tax Treatment”

The new interpretation clarifies that when assessing the impact of income tax treatment on taxable income (loss), taxable base, unused tax losses, tax credit of investment and tax rates, it should be assumed that the tax authority will review the relevant amount and has obtained all relevant information at the time of the review.

If the Consolidated Company considers that the tax authority is likely to accept an uncertain tax treatment after assessment, it shall determine the taxable income (loss), tax base, unused tax losses, tax credit of investment and tax rates in a manner consistent with the treatment used in the tax return declaration. Otherwise, the most likely amount or expected value which is more appropriate to reflect the impact of each uncertain tax treatment shall be adopted.

The above assessment did not have a significant impact on the Consolidated Company’s financial report.

(II) The impact of IFRSs endorsed by the FSC but not yet applied

According to official document No.1080323028 announced by FSC on July 29, 2018, public companies should apply IFRSs endorsed by the FSC comprehensively since 2019 which become effective in 2019. The following table depicts the new, amended, revised standards and interpretations:

New, Revised or Amended Standards and Interpretations	**Effective Date Issued by IASB**
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020

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The above assessment did not have a significant impact on the Consolidated Company's financial report.

(III) The new and revised standards and interpretations but not yet endorsed by the FSC

According to official document No.1080323028 announced by FSC on July 29, 2018, public companies should apply IFRSs endorsed by the FSC comprehensively since 2019 which become effective in 2019. The following table depicts the new, amended, revised standards and interpretations:

New, Revised or Amended Standards and Interpretations	**Effective Date Issued by IASB**
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB

IV. Summary of significant accounting policies

(I) Compliance Statement

The consolidated financial report is prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (referred to as "the Regulations" hereinafter) and the IAS 34 "Interim Financial Reporting" 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 followings, the significant accounting policies applied in this consolidated financial report is consistent to the 2018 annual consolidated financial statements. Please refer to Note 4 of the 2018 annual consolidated financial statements for other related information.

(II) Basis of Consolidation

1. List of subsidiaries included in the consolidated financial statements

Investment company	**Name of subsidiary**	**Nature of Business**	**6.30.2019**	**12.31.2018**	**6.30.2018**	**Remarks**

The Company	Jin Huang Construction Co., Ltd.	Architecture and Civil Engineering business operations	98.20%	98.20%	98.20%	*
The Company	Yuji Development Corp.	Funeral services business operation	54.42%	54.42%	54.42%	
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	100.00%	100.00%	100.00%	Note 4 (2), 3 (1) *
The Company	Lung An Company Limited.	Funeral services	100.00%	100.00%	100.00%	Note 4 (2), 3 (2) *
Yuji Development Corp.	Lung Fu Company Limited	Funeral services	100.00%	77.75%	77.75%	Note 4 (2), 3 (3) *

*Not major subsidiary, thus financial statements aren't reviewed by independent auditors.

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

3. Changes in subsidiary:

(1) Singapore Lungyen Life Service Pte.Ltd handled settlements in June 2019.

(2) Lung An Company Limited was discharged after a short-form merger on April 1, 2019.

(3) Yuji Development Corp. acquired the shares of other shareholders of Lung Fu Company Limited in January 2019. The number of shares acquired was 6,030 thousand shares, and the purchase price was NT$67,100,000. After the acquisition, the shareholding ratio of Yuji Development Corp. increased from 77.75% to 100.00%. In addition, Lung Fu Company Limited increased its capital by NT$100,000 in February, 2019, and Yuji Development Corp. subscribed in full.

(III) Leases

1. Lease judgement

The Consolidated Company evaluates whether the contract is or includes a lease on the contract establishment date. If the contract transfers control of the use of the identified asset for a period of time in exchange for the consideration, the contract is or includes a lease. In order to assess whether the contract is a lease, the Consolidated Company evaluates the following items:

(1) The contract involves the use of an identified asset that is expressly specified in the contract or is implicitly specified as it is available for use. The asset may be distinguished

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or represents substantially all of the capacity. If the supplier has material rights to replace the asset, the asset is not an identified asset; and,

(2) The right to obtain almost all economic benefits from the use of identified assets throughout the period of use; and,

(3) Obtain the right to use the identified assets when one of the following conditions is met:

i. The customer has the right to determine the use of the identified assets and the purpose of its use throughout the period of use.

ii. The decision-making process regarding the use of the asset and the purpose of its use is predetermined, and

- The customer has the right to operate the asset throughout the period of use and the supplier has no right to change such operational instructions; or

- The way the customer designs the asset has pre-determined the use of the asset and the purpose of its use throughout its life.

When the lease is established or the reassessment of the contract includes a lease, the Consolidated Company distributes the consideration in the contract to the individual lease component on a relative price basis. However, regarding leases of land and buildings, the Consolidated Company chooses to treat the lease component and the non-lease component as a single lease without distinguishing the non-lease component.

2. Lessee

The Consolidated Company recognizes the right-of-use asset and the lease liability on the lease start date. The right-of-use asset is measured at cost. The cost includes the original measurement amount of the lease liability, adjusted by any lease payments paid on or before the lease start date, plus the original direct cost incurred and the estimated cost of dismantling, removing the underlying asset and restoring the location or underlying asset, and deducting any rental incentives received.

The right to use assets is subsequently depreciated on a straight-line basis over the period from the date of the lease to the expiration of the useful lives of the right-of-use asset or the expiration of the lease term. In addition, the Consolidated Company regularly assesses whether the right-of-use asset is impaired and deals with any impairment losses that have occurred, and adjusts the right-of-use asset in the event that the lease liability is re-measured.

The lease liability is measured at the present value of the lease payments that have not been paid on the lease beginning date. If the lease implied interest rate is easy to determine, the discount rate is the interest rate. If it is not easy to determine, the Consolidated Company's

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incremental borrowing rate will be used. In general, the Consolidated Company uses its incremental borrowing rate as the discount rate.

Lease payments that are included in the measurement of rental liabilities include:

(1) Fixed payment, including substantial fixed payment;

(2) Variable payments depending on an index or rate, the index or rate at the start date of the lease as the original measurement;

(3) Advanced payment of guaranteed residual value; and

(4) The exercise price or the penalty to be paid when it is reasonably determined that the purchase option or the lease termination option will be exercised.

The lease liability is subsequently accrued using the effective interest method and the amount is re-measured when:

(1) Changes in the index or rate used to determine the lease payment result in changes in future lease payments;

(2) Advanced payment of guaranteed residual value amount has changed;

(3) Changes in the assessment of the underlying asset purchase option;

(4) Changes in the estimate of whether to exercise the extension or termination option, and resulted in the change of the assessment on the lease term;

(5) Modification of the subject, scope or other terms of the lease.

When the lease liability is re-measured by the above-mentioned changes in the index or rate for determining the lease payment, the change in the guaranteed residual value, and the change in the evaluation of the purchase, extension or termination option, the

book value of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use asset is reduced to zero, the remaining re-measurement amount is recognized in profit or loss.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between the lease liability and the re-measurement of the lease liability is recognized in profit or loss.

The Consolidated Company will express the right-of-use assets and lease liabilities that are not in line with the definition of investment real estate in the balance sheet as separate items.

For short-term leases of office and other equipment and low-value underlying asset leases,

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the Consolidated Company chooses not to recognize the right-of-use assets and lease liabilities, and the related lease payments are recognized as expenses on a straight-line basis over the lease term.

The sale and leaseback transaction is based on the IFRS 15 to assess whether the transfer of assets to the buyer and the lessor meets the requirements for sales transaction. If it is determined to be processed as sales, the asset is derecognized and the relevant profit or loss of the rights transferred to the buyer and lessor is recognized. The leaseback transaction is subject to the lessee accounting principle, and the right-of-use asset is measured by the original amount of the leaseback asset; if it is judged that the lease does not meet the requirements of sales transaction, it is treated as financing lease.

3. Lessor

The transaction in which the Consolidated Company is the lessor is classified as a finance lease on the date of the lease when almost all the risks of the ownership and payments attached to the underlying assets is transferred, otherwise classified as an operating lease. At the time of the assessment, the consideration includes whether the lease period covers the major part of the economic life of the underlying asset and other relevant specific indicators.

If the Consolidated Company is a sub-lessor, the main lease and sub-lease transaction are processed separately, and the classification of the sub-lease transaction is evaluated based on the right-of-use asset generated by the main lease. If the main lease is a short-term lease and an exemption is applied, the sub-lease transaction should be classified as an operating lease.

If the agreement includes a lease and a non-lease component, the Consolidated Company allocates the consideration in the contract according to IFRS 15.

Assets held under finance leases are expressed as finance lease receivables of net lease investment amount. The original direct cost arising from negotiation and arrangement of operating leases is included in the net lease investment. The net investment in leases is a type of fixed rate of return that can be reflected in each period and is recognized as interest income during the lease term. For operating leases, the Consolidated Company uses the straight-line basis to recognize the lease payments received as rental income during the lease term.

(IV) Income Tax

The Consolidated Company measures and discloses interim income tax expenses according to IAS 34 “Interim Financial Reporting” B12.

The income tax expense is calculated by multiplying the pre-tax net income during the interim period by the best estimate of the management's estimated effective tax rate for the whole year,

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and fully recognizes it as current income tax expense.

When the statutory income tax rate changes during the interim period, the impact on the deferred income tax is recognized once during the reporting period of the change in the tax rate.

For income tax expenses that are recognized as equity or other comprehensive income, the temporary difference between book value of related assets, liabilities and taxable base should be measured by applicable tax rate at the expected realization time

(V) Employee Benefits

A confirmed pension plan during interim period will be calculated by the rate of pension cost from former year of the date of reporting on the basis of year-to-date period, and will have adjustments according to significant market fluctuation, significant reduction, settlement, or other significant one-time events.

V. The major sources of significant accounting judgements, estimations, and assumptions for the uncertainties

When the management has the consolidated financial statements prepared in accordance with the IAS 34 “Interim Financial Reporting” 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.

When preparing for the consolidated financial reports, the major sources of significant accounting judgements, estimations, and assumptions for the uncertainties that the management apply to accounting policies should be in accordance with Note (5) from the 2018 Consolidated Financial Statements.

VI. Important accounting accounts

Except as described in the following paragraphs, there were no significant differences with those disclosed in the 2018 annual consolidated financial statements. Please refer to Note 6 of the 2018 annual consolidated financial statements.

(I) Cash and cash equivalent

	6.30.2019	12.31.2018	6.30.2018
Cash on hand	$ 4,081	3,966	3,788
Demand deposits	181,237	189,996	135,982
Check deposits	25	40	33
Cash and cash equivalent on the Consolidated Statement of Cash Flow	$ 186,063	194,002	139,803

For the exchange rate risk and sensitivity analysis disclosure of the Consolidated Company’s financial

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assets and liabilities, please refer to Note 6(24).

(II) Financial assets

1. Current financial assets at fair value through profit and loss-current

	6.30.2019	12.31.2018	6.30.2018
Financial assets at fair value through profit and loss:			
Domestic and foreign common stocks	$ 51,941	115,590	309,571
Beneficiary certificates	866,880	1,411,592	1,321,324
Total	**$ 918,821**	**1,527,182**	**1,630,895**

For profits and losses recognized from the reevaluation at fair value, please refer to Note 6(23).

2. Financial assets at fair value through other comprehensive income – non-current

	6.30.2019	12.31.2018	6.30.2018
Liability instruments at fair value through other comprehensive income:			
Bonds	$ 1,870,478	1,722,906	2,018,404
Equity instruments at fair value through other comprehensive income:			
Domestic and foreign common stock:	9,629,509	8,034,494	7,588,571
Beneficiary certificates:	290,000	291,450	-
Total	**$ 11,789,987**	**10,048,850**	**9,606,975**

(1) Liability instruments at fair value through other comprehensive income

The Consolidated Company held bond investment through cash flow from contract with customers and sales of financial assets, thus the Consolidated Company categorized those investments in bonds as financial assets at fair value through other comprehensive income.

The coupon rates of the Consolidated Company's bond investment at fair value through other comprehensive income were 1.625% ~ 4.851%, 1.625% ~ 4.500% and 1.900% ~ 4.500% as of June 30, 2019, December 31, 2018 and June 30, 2018, respectively. The maturity years were 2020 to 2029, 2020 to 2028 and 2019 to 2028,

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respectively.

For profits and losses from disposal of investment, please refer to Note 6 (23).

(2) Equity instruments at fair value through other comprehensive income

The Consolidated Company was for long-term strategic reason and not for trading to hold those equity instruments, thus recognized them at fair value through other comprehensive income.

The Consolidated Company made disposal of a portion of equity instruments at fair value through other comprehensive income from January 1 to June 30, 2019 and 2018, with a fair value at NT$218,553 thousand and NT$0, respectively, an accumulated disposal profits of NT$12,002 thousand and NT$0, respectively, which have been transferred from other comprehensive income to retained earnings.

Details of credit risks (including impairment of debt instrument investment) and market risks can be found in Note 6 (24).

3. Financial assets at amortized cost – non-current

		6.30.2019	12.31.2018	6.30.2018
Bonds	$	1,468,197	1,017,051	819,274

(1) The Consolidated Company held above investment to its maturity in order to collect the contract cash flow, which was fully for paying the principle and interests of outstanding principle, which was presented as financial assets carried at amortized cost.

(2) The coupon rates of the Consolidated Company's investments in financial assets at amortized cost on June 30, 2019, December 31, 2018 and June 30, 2018 were 0.625% ~ 3.00%, 0.625% ~ 2.45%, and 1.00% ~ 2.45%, respectively. The maturity years were 2020 to 2038, 2020 to 2027 and 2019 to 2027, respectively.

4. For details of trusted part of the Consolidated Company's financial assets as of June 30, 2019, December 31 and June 30, 2018, please refer to Note 9 (3).

5. For details of the Consolidated Company's financial assets pledged as collateral as of June 30, 2019, December 31 and June 30, 2018, please refer to Note 8.

6. Sensitivity analysis – risks from equity price change

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

	2019Q1-Q2		2018Q1-Q2	
Stock price on the reporting date	**Other Consolidated profit or loss after tax**	**Profit or loss after tax**	**Other Consolidated profit or loss after tax**	**Profit or loss after tax**
Increase by 10%	$ 945,089	4,352	748,346	25,267

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Decrease by 10%	$ (945,089)	(4,352)	(748,346)	(25,267)

(III) Account receivables and note receivables

	6.30.2019	12.31.2018	6.30.2018
Note receivables – from operation	$ 12,934	6,345	9,575
Account receivables – at amortized cost	9,826,523	9,538,757	9,741,247
Less: allowance	(60,875)	(60,875)	(53,111)
Unrealized interest revenues	(731,490)	(729,486)	(724,745)
	$ 9,047,092	8,754,741	8,972,966

The Consolidated Company estimated expected credit risk of all account receivables and note receivables by the simplified method, which evaluates the expected credit losses by the duration. For the purpose of this measurement, these notes and receivables are grouped according to the common credit risk characteristics of the ability of the customer to pay all of the maturity amounts in accordance with the terms of the contract, combined with forward-looking information, including the overall economy and related industry information. The Consolidated Company's expected credit losses from account receivables and note receivables are analyzed below.

	6.30.2019		
	Book value of account receivables	**Expected credit losses ratio during the duration**	**Expected credit losses during allowance period**
Non-overdue (*)	$ 9,783,589	0.00%~0.22%	8,839
Overdue for 31~90 days	4,197	29.65%	1,244
Overdue for 90~180 days	2,897	78.08%	2,262
Overdue for 181~270 days	2,994	91.84%	2,750
Overdue for 270 days and more	45,780	100.00%	45,780
Total	**$ 9,839,457**		**60,875**

	12.31.2018		
	Book value of account receivables	**Expected credit losses ratio during the duration**	**Expected credit losses during allowance period**
Non-overdue (*)	$ 9,490,896	0.00%~0.22%	2,208
Overdue for 31~90 days	6,132	29.65%	1,818
Overdue for 90~180 days	2,160	78.08%	1,687
Overdue for 181~270 days	2,022	91.84%	1,856
Overdue for 270 days and more	43,892	100%	43,892
Total	**$ 9,545,102**		**51,461**

	6.30.2018		
	Book value of	**Expected credit**	**Expected credit**

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	account receivables	losses ratio during the duration	losses during allowance period
Non-overdue (*)	$ 9,570,941	0.00%~8.67%	43,433
Overdue for 31~90 days	48,627	3.36%~8.67%	2,896
Overdue for 90~180 days	21,796	〃	1,122
Overdue for 181~270 days	24,754	〃	358
Overdue for 270 days and more	84,704	〃	5,302
Total	**$ 9,750,822**		**53,111**

*Account receivables including undue amount as of June 30, 2019, December 31 and June 30, 2018 were NT$8,132,162 thousand, NT$8,500,476 thousand and NT$8,562,268 thousand, respectively.

Change of the Consolidated Company's allowance for account receivables and note receivables are listed below.

	For the six months ended June 30	
	2019	**2018**
Beginning balance	**$ 60,875**	**53,313**
Allowance loss		**(202)**
Ending balance	**$ 60,875**	**53,111**

(IV) Inventory

	6.30.2019	12.31.2018	6.30.2018
Columbarium and cemetery for sale	$ 3,035,902	3,099,606	2,649,643
Construction Site	4,601,342	4,601,056	4,600,999
Residential and building under construction	112,749	92,118	90,579
Columbarium and cemetery under construction	7,893,199	7,647,985	7,702,087
	$ 15,643,192	15,440,765	14,043,308
Expected to be recovered in more than twelve months	$ 15,595,171	15,419,793	14,914,399

1. As of April 1 to June 30 of 2019 and 2018, the capitalized interest amount recognized by the Consolidated Company of residential and building under construction as well as columbarium and cemetery under construction is zero.
2. Parts of the land of the Consolidated Company (refer to as "the principal") was registered by the trustee's name in order to deal with the land purchasing. The two sides signed the contract regulating that after land consolidation has been completed, the property will be transferred to the Consolidated Company unconditionally. The trustee shall, at the same time, hand over the documents required for the transfer of the right to the principal. In

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addition, the entrusted shall hand over the promissory note with the same value of the land opened and registered under his/her name to the principal.

3. For the Consolidated Company's inventories pledged as collateral as of June 30, 2019 and December 31 and June 30 2018, please refers to Note 8.

(V) Non-Current Assets Held for Sale

	6.30.2019	12.31.2018
Land held for sale	$ 685,803	1,762,998
Houses and buildings held for sale	155,585	802,685
	$ 841,388	**2,565,683**

1. The Consolidated Company's Board meeting made resolution on August 10, 2018 to dispose part of its investment properties. Since no impairment occurred when comparing the book value and the fair value minus disposal costs, those assets for sale were recognized at book value in non-current assets held for sale.
2. The Consolidated Company sold the non-current assets held-for-sale of the 2nd section, Dunhua South Road, Taipei City on November 7, 2018, and completed the ownership transfer procedure in January 2019. Therefore, the profit from disposal of NT$246,053 thousand was recognized under the operating income in the first quarter of 2019, please see Note 6 (20).

(VI) The investment under equity method

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

	6.30.2019	12.31.2018	6.30.2018
Affiliates	$ 415,156	417,658	423,842
Joint venture	773,402	791,448	835,771
	$ 1,188,558	**1,209,106**	**1,259,613**

・Affiliates

(1) Affiliated enterprises having significant importance to the Company, the relevant information is as follow:

Affiliates	Nature of relationship with the company	Major operating place/ country	6.30.2019	12.31.2018	6.30.2018
Lung Ting Life Services Co. Ltd.	Flower, Cultivation, Wholesales, and Retail business	Taiwan	49.00%	49.00%	49.00%

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Summary of financial information of the affiliated enterprises having significant importance to the Consolidated Company is as follows:

・Financial information for Lung Ting Life Sciences Ltd

	6.30.2019	12.31.2018	6.30.2018
Current Assets	$ 231,223	222,526	217,492
Non-current Assets	250,903	265,544	275,683
Current Liabilities	(12,010)	(13,060)	(9,996)
Non-current Liabilities	(1,677)	(1,677)	-
Net Assets	**$ 468,439**	**473,333**	**483,179**
Net Assets attributable to controlling equity	**$ 238,904**	**241,400**	**246,421**
Net Assets attributable to the owner of the investee	**$ 229,535**	**231,933**	**236,758**

	2019Q1-Q2	2018Q1-Q2
The share of the Consolidated Company's net assets of affiliated enterprises at the beginning period	$ 231,933	239,598
Total comprehensive profit or loss attributable to the Consolidated Company	(2,398)	(2,840)
The book value of the Consolidated Company's equity in the affiliated enterprise of the Company	**$ 229,535**	**236,758**

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		For the three months ended June 30,2019	For the three months ended June 30,2018	For the six months ended June 30,2019	For the six months ended June 30,2018
Operating Revenue	**$**	**30,844**	**31,358**	**64,444**	**58,527**
Current net loss	$	(3,769)	(2,716)	(4,894)	(5,797)
Other comprehensive profit or loss		-	-	-	-
Total profit or loss	**$**	**(3,769)**	**(2,716)**	**(4,894)**	**(5,797)**
Total comprehensive profit or loss attributable to controlling equity	$	(1,922)	(1,386)	(2,496)	(2,957)
	$	**(1,847)**	**(1,330)**	**(2,398)**	**(2,840)**

(2) The Consolidated Company’s share of the affiliated enterprise under equity method which is not significant individually is summarized as follows. The said financial information is the amount in the Consolidated Company’s financial report.

		For the three months ended June 30,2019	For the three months ended June 30,2018	For the six months ended June 30,2019	For the six months ended June 30,2018
Attribute to the Company:					
Continuing operations' current loss	$	(903)	(922)	(529)	(662)
Other comprehensive profit or loss		(208)	5,788	425	(6,550)
Total comprehensive profit or loss	**$**	**(1,111)**	**4,866**	**(104)**	**(5,888)**

(3) As of June 30, 2019, December 31, 2018 and June 30, 2018, the Consolidated Company did not have its investment using equity method pledged as collateral.

(4) Joint Venture

The Consolidated Company, Bliss Knight Limited and SINO-OCEAN Group signed a joint-venture agreement on December 31, 2017 based on the cooperation framework of

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jointly developing, constructing and operating cemetery sites and also developing and marketing funeral related services and products. The JV uses one of the Consolidated Company's existing subsidiaries, Lungyen Cayman, and was renamed Long Young Cayman by US$28,000 thousand in January, 2018, which decreased the Consolidated Company's ownership from 100% to 50%. Henceforth the Consolidated Company would never recognized LUNGYANG LIFE's profits and losses into consolidated financial statement but treat them with equity method since 2018 instead.

Long Young Life's financial condition was summarized in below table based on its own financial reports and fair value at acquisition and differences in accounting policy were adjusted accordingly.

	6.30.2019	12.31.2018	6.30.2018
Ownership	50%	50%	50%
Non-current assets	$ 1,534,120	1,562,292	856,349
Current assets	21,859	27,247	815,193
Net assets	$ 1,546,803	1,582,896	1,671,542
Cash and cash equivalents	$ 21,859	27,247	306,709
Net assets attributable to the Consolidated Company	$ 773,402	791,448	835,771

	For the three months ended June 30,2019	For the three months ended June 30,2018	For the six months ended June 30,2019	For the six months ended June 30,2018
Net losses from continuing operations	$ (29,984)	(7,880)	(52,810)	(18,451)
Other comprehensive income	(34,750)	-	(4,048)	(18,451)
Total comprehensive income	(64,734)	(3,037)	(56,858)	(9,225)
Total net income attributable to the Consolidated company	**$ (14,992)**	**(3,037)**	**(26,405)**	**(9,225)**
Total comprehensive income attributable to the Consolidated company	**$ (17,375)**	**(3,037)**	**(2,024)**	**(9,225)**

*Ending exchange rate of US$ on June 30, 2019: 31.072; average exchange rate of US$ for the six month ended June 30, 2018: 30.996

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(VII) Subsidiaries in which the Company has significant influence but with none control as below:

Name of subsidiaries	Main operation location/Country of registration	Proportion of shareholdings held by non-controlling interest and voting rights		
		6.30.2019	**12.31.2018**	**6.30.2018**
Yuji construction Co. Ltd.	Taiwan	45.58%	45.58%	45.58%

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:

	6.30.2019	12.31.2018	6.30.2018
Current asset	$ 3,449,829	3,422,653	3,243,580
Non-current asset	571,001	412,149	401,760
Current liability	(760,258)	(653,960)	(601,244)
Equity	**$ 3,260,572**	**3,180,842**	**3,044,096**
Book value of ending non-controlling Interests	**$ 1,466,421**	**1,430,081**	**1,367,751**

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	For the three months ended June 30,2019	For the three months ended June 30,2018	For the six months ended June 30,2019	For the six months ended June 30,2018
Operating revenue	$ 82,716	180,937	350,095	311,742
Net income	$ 21,605	39,387	74,997	112,866
Other comprehensive income	5,337	4,541	11,222	5,091
Total comprehensive income	$ **26,942**	**43,928**	**86,219**	**117,957**
Net income, attributable to non-controlling interest	$ **9,848**	**17,953**	**34,184**	**51,445**
Total comprehensive income, attributable to non-controlling interest	$ **12,280**	**20,022**	**39,298**	**53,765**

	For the three months ended June 30,2019	For the three months ended June 30,2018	For the six months ended June 30,2019	For the six months ended June 30,2018
Cash flows from operating activities	(34,689)	94,491	437,104	101,916
Cash flows from investing activities	14,023	(96,176)	(560,333)	(102,776)
Cash flows from financing activities	19,000	-	124,000	-
Net cash flow increase (decrease)	$ **(1,666)**	**(1,685)**	**771**	**(860)**

(VIII) Property and plants:

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

	Land	Houses and buildings	Transportation equipment	Office equipment	Office equipment	Other equipment	Constructions in progress and equipment to be tested	Total
Cost or identified cost：								
Balance on January 1, 2018	$ 2,415,999	2,829,630	94,199	56,502	4,100	187,108	952,226	6,539,764
Additions	-	15,761	1,351	-	-	7,287	95,103	119,502
Disposal and scrap	-	-	(2,440)	(6)	-	(22)	-	(2,468)
Reclassification	-	23,366	-	-	-	2,872	(30,048)	(3,810)
Balance on June 30, 2019	$ **2,415,999**	**2,868,757**	**93,110**	**56,496**	**4,100**	**197,245**	**1,017,281**	**6,652,988**

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Balance on January 1, 2018	$ 2,359,206	2,770,810	93,403	56,283	4,100	170,088	1,022,373	6,476,263
Additions	-	4,220	1,579	239	-	9,195	21,002	36,235
Disposal and scrap	-	(3,152)	(400)	(597)	-	(45)	-	(4,194)
Loss control of subsidiary	-	-	(1,516)	(88)	-	-	-	(1,604)
Reclassification	15,456	5,189	1,000	-	-	185	(21,863)	(33)
Balance on June 30,2018	**$ 2,374,662**	**2,777,067**	**94,066**	**55,837**	**4,100**	**179,423**	**1,021,512**	**6,506,667**
Depreciation and impairment loss：								
Balance on January 1, 2019	$ -	521,956	74,486	54,439	3,293	73,285	-	727,459
Current depreciation	-	39,822	2,279	476	90	9,859	-	52,526
Disposal	-	-	(2,440)	(6)	-	(21)	-	(2,467)
Balance on June 30, 2019	**$ -**	**561,778**	**74,325**	**54,909**	**3,383**	**83,123**	**-**	**777,518**
Balance on January 1, 2018	$ -	449,850	69,761	54,066	3,113	54,508	-	631,298
Current depreciation	-	34,895	5,430	465	90	9,458	-	50,338
Disposal	-	(577)	(400)	(356)	-	(37)	-	(1,370)
Loss control of subsidiary	-	-	(240)	(38)	-	-	-	(278)
Balance on June 30, 2018	**$ -**	**484,168**	**74,551**	**54,137**	**3,203**	**63,929**	**-**	**679,988**

January 1, 2019	$	2,415,999	2,307,674	19,713	2,063	807	113,823	952,226	5,812,305
June 30, 2019	$	2,415,999	2,306,979	18,785	1,587	717	114,122	1,017,281	5,875,470
January 1, 2018	$	2,359,206	2,320,960	23,642	2,217	987	115,580	1,022,373	5,844,965
June 30, 2018	$	2,374,662	2,292,899	19,515	1,700	897	115,494	1,021,512	5,826,679

2. 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 Principal unconditionally upon the completion of land consolidation. The 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. For details of assets pledged as collateral as of June 30, 2019, December 31, and June 30, 2018, please refer to Note 8.

4. For details of part of the property, plant and equipment trusted as of June 30, 2019 and December 31, and June 30, 2018, please refer to Note 9 (3)

(IX) Right-of-use asset

The changes in right-of-use asset for the Company as the followings:

		Land	Houses and Buildings	Transportion Equipment	Total
Cost of right-of-use asset：					
Balance on January 1, 2019	$	-	-	-	-
Adjustment made for IFRS16		574	29,894	21,323	51,791
Balance on June 30, 2019	**$**	**574**	**29,894**	**21,323**	**51,791**
Impairment loss on right-of-use asset：					
Balance on January 1, 2019	$	-	-	-	-
Current depreciation		118	4,513	2,092	6,723
Balance on June 30, 2019	**$**	**118**	**4,513**	**2,092**	**6,723**
Book value：					
June 30, 2019	**$**	**456**	**25,381**	**19,231**	**45,068**

(X) Investment property

The changes in investment for the Company as the followings:

		Land and improvements	Buildings and structure	Total
Cost or identified cost：				
Balance on January 1, 2019	$	3,259,021	1,015,581	4,274,602
Additions		-	1,009	1,009
Reclassification to available-for-sale assets		(6,641)	(556)	(7,197)
Balance on June 30, 2019	**$**	**3,252,380**	**1,016,034**	**4,268,414**
Balance on January 1, 2018	$	5,022,148	1,992,136	7,014,284
Disposal		(129)	(168)	(297)
Balance on June 30, 2018	**$**	**5,022,019**	**1,991,968**	**7,013,987**
Depreciation and impairment loss：				
Balance on January 1, 2019	$	19,910	361,120	381,030
Current depreciation		-	12,224	12,224
Reclassification to available-for-sale assets		-	(203)	(203)
Balance on June 30, 2019	**$**	**19,910**	**373,141**	**393,051**
Balance on January 1, 2018	$	19,910	508,269	528,179
Current depreciation		-	22,439	22,439
Disposal		-	(72)	(72)
Balance on June 30, 2018	**$**	**19,910**	**530,636**	**550,546**
Book value：				
January 1, 2019	**$**	**3,239,111**	**654,461**	**3,893,572**
June 30, 2019	**$**	**3,232,470**	**642,893**	**3,875,363**
January 1, 2018	**$**	**5,002,238**	**1,483,867**	**6,486,105**
June 30, 2018	**$**	**5,002,109**	**1,461,332**	**6,463,441**

1. Investment property contains a number of commercial properties leased to others. Please refer to Note 6 (15).
2. No significant changes of between the Company's fair value of non-current assets for investment and Note 6 (10) disclosed in 2018 consolidated financial report.
3. With regards to real estate delivered to investment trust case as of June 30, 2019, December 31 and June 30, 2018, please refer to Note 9 (3).
4. For the investment property pledged for collateral on June 30, 2019, December 31 and June 30, 2018 please refer to Note 8.

(XI) Intangible Assets:

		Goodwill	Trademark	Computer Software	Total
Cost:					
Balance on January 1, 2019	$	542,428	192,750	134,115	869,293
Acquired separately		-	-	3,036	3,036
Additions				3,810	3,810
Balance on June 30, 2019	$	**542,428**	**192,750**	**140,961**	**876,139**
Balance on January 1, 2018	$	542,428	192,750	121,954	857,132
Acquired separately		-	-	4,978	4,978
Balance on June 30, 2018	$	**542,428**	**192,750**	**126,932**	**862,110**
Amortization and impairment loss:					
Balance on January 1, 2019	$	-	-	109,928	109,928
Current Amortization		-	-	8,332	8,332
Balance on June 30, 2019	$	-	-	**118,260**	**118,260**
Balance on January 1, 2018	$	-	-	92,501	92,501
Current Amortization		-	-	8,537	8,537
Balance on June 30, 2018	$	-	-	**101,038**	**101,038**
Book value:					
January 1, 2019	$	**542,428**	**192,750**	**24,187**	**759,365**
Balance on June 30, 2019	$	**542,428**	**192,750**	**22,701**	**757,879**
January 1, 2018	$	**542,428**	**192,750**	**29,453**	**764,631**
Balance on June 30, 2018	$	**542,428**	**192,750**	**25,894**	**761,072**

The Consolidated Company conducts impairment assessment for goodwill and trademark every year. According to the impairment assessment carried out on December 31, 2019 and 2018, no impairment loss shall be recognized.

(XII) Other financial assets - current

The Consolidated Company's other financial assets as below:

	6.30.2019	12.31.2018	6.30.2018
Time deposit – trust account	$ 350,000	350,000	645,932
Current deposit – trust account	1,070,088	828,307	455,980
Current deposit – management fees account	858,700	853,870	867,661
Other receivables	3,376	7,530	5,871
Other notes receivables	392,163	-	-
Bond interest receivables	27,810	20,551	20,467
Restricted assets	709	709	709
Receivables for sales of securities	70,956	42,865	
Others	9,854	9,593	9,579
Total	$ 2,784,016	2,113,425	2,006,199

(XIII) Short-term loan

	6.30.2019	12.31.2018	6.30.2018
Guaranteed bank loans	$ 821,000	2,762,000	1,977,000
Unguaranteed bank loans	271,800	403,300	63,000
Total	$ 1,092,800	3,165,300	2,040,000
Unused credit lines	$ 6,700,200	3,302,700	3,938,000
Range of interest rates	0.68%~1.1%	0.68%~1.15%	0.68%~1.10%

Main rights and responsibilities for the domestic unsecured corporate bond issued by the Company on April, 2017 are as of follows:

Item	Content
Total amount of the issue	Total amount of the issuance is NT$3,113,000,000, each face value is NT$100,000.The actual issue price of the convertible bond through private placement is NT$100,000.
Issue coupon rate	0%
Issue period	April 10, 2017, for 3 years.
Ways of return	In addition to writing off of the bond, the Company could repay 104.5% of the face value of the bond on maturity date.
Convertible price	NT$56.50 per share.
Convertible period	The holder of the bond could be converted into ordinary shares of the Company at any time after one month of the date of issuance of the private convertible bonds (May 11, 2017) until the expiry date (March 31, 2020), except for the period from the date on which the Company has paid off the free shareholding, the cash dividend or the cash increase account, the date of the distribution of the rights distribution, 15 business days before the consolidated or division of the base date, and to the date of consolidation or division of the base date, the date of the reduction of the capital reduction from the date of the reduction of the stock to commemorate the day before the commencement of trading and other ordinary shares of the Company suspended by the transfer period.
Others	No redemption, put option and re-establishment

(XV) Operating Lease

The Consolidated Company leased its investment property by means of operating lease, for more information please refer to Note6 (9).The minimum lease amount of future receivables during the lease period is as the follows:

	6.30.2019	12.31.2018	6.30.2018
Within 1 year	$ 181,323	190,813	200,287
1~5 years	630,269	642,567	574,120
Over 5 years	1,487,950	1,568,232	1,371,726
	$ 2,299,542	**2,401,612**	**2,146,133**

The rent income arising from the investment property amounted to NT$96,721 thousand and NT$94,580 thousand as of six months ended June 30, 2019 and 2018, respectively. The repair, depreciation and maintenance expenses (booked in the "Operating cost") incurred from investment property are as follows:

	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Rent income generated	$ 33,426	44,244
Rent income not generated	-	-
	$ 33,426	44,244

(XVI) 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, 2018 and 2017 to measure and disclose the pension cost during the interim period.

Details of expenses reported by the Consolidated Company are as follows:

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Administrative expense	**$ 12**	**9**	**21**	**19**

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:

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Operating cost	$ 2,142	2,010	4,224	4,042

Administrative expenses	2,890	2,628	5,733	5,330
	$ 5,032	**4,638**	**9,957**	**9,372**

(XVII) 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.Income tax expenses

The Consolidated Company's income tax expenses are as follows:

	For the three months ended June 30, 2019	**For the three months ended June 30, 2018**	**For the six months ended June 30, 2019**	**For the six months ended June 30, 2018**
Current income tax expenses				
Current generated	$ 34,582	168,787	48,798	217,180
Underestimate of previous income tax	(27,185)	2,227	(27,185)	1,044
Increase of land tax	458	393	32,266	594
Additional 10% Surtax on Undistributed Retained Earnings	45,760	127,885	45,760	127,885
	53,615	299,292	99,639	346,703
Deferred income tax expenses (profits)				
Change in income tax rate	-	-		(135,882)
Temperate differences happened and return		(7,916)		(23,740)
		(7,916)		(159,622)
Income tax (profits) expenses	**$ 53,615**	**291,376**	**99,639**	**187,081**

3. The Company's income tax returns have been audited by the tax authorities up to 2017 except the year of 2015

(XVIII) 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 six months ended in June 30, 2019 and 2018, for more information please refer to Note 6 (18) of the 2018 annual consolidated financial statements.

The Company's authorized capital was NT$6,000,000 thousand for 600,000 thousand shares to be issued at NT$10 Par, and 420,084 thousand common stock shares issued as of June 30, 2019, December 31 and June, 2018 respectively.

1.Issuance of Ordinary shares:

The Company resolved in special shareholders' meeting on January 25, 2017 to authorize the Board of Directors to increase paid- up capital and issue ordinary shares through private placement but not exceeding 21,000 thousand shares within a year after the interim. The Company has resolved after meeting of the Board of Directors to issue 21,000 thousand ordinary shares through private placement at NT$62.1 per share, and NT$10 par, so the total is NT$1,304,100 thousand. March 29, 2017 is the date of capital increase, related regulated registration procedures have been completed.

The transfer of the aforesaid private placement and its free distribution of shares shall be subject to the provisions of section 43.8 of the Securities Exchange Act and after the expiration of three years from the date of delivery of the ordinary shares through private placement (April 10, 2017), first of all, go to TPEX or TWSE for issuance of standard letter in order to apply to the authorities for reimbursement, and to TPEX or TWSE to apply for the private placement of the ordinary shares for trading.

2.Additional paid-in capital

The Company's additional paid-in capital balance:

	6.30.2019	12.31.2018	6.30.2018
Stock premium	$ 2,486,172	2,486,172	2,486,172
Disposal of difference of book value of subsidiaries' equity	20,972	20,972	20,972
Recognition changes in net equity of subsidiaries	2,849	2,849	2,849
Stock option for convertible bonds issued	9,961	9,961	9,961
Total	$ 2,519,954	2,519,954	2,519,954

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.

3. 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; however, this restriction does not apply in the event that the amount of the accumulated legal reserve equals or exceeds the Company's total capital stock, 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; the remains except appointment of dividends, along with undistributed earnings at the beginning of the period, the Board shall proposed distribution plan and resolved by the shareholders' meeting.

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 distribution of 2019 earnings was resolved in the general shareholders' meeting on May 31, 2019, and the Company's distribution of 2018 earnings was resolved in the general shareholders' meeting on June 20, 2018. The ex-dividend date was August 2, 2019 and August 3, 2018 respectively. The distribution of dividends to shareholders is as follows:

	2019		2018	
	Share distribution rate (NT$)	**Amount**	**Share distribution rate (NT$)**	**Amount**
Dividends distributed to common stock shareholders:				
Cash	$ 3.00	1,260,253	2.50	1,050,210

4. Other equity

	Exchange differences from the translation of foreign institution's financial statements	Investments at fair value through other comprehensive income	Available-for-sale investment	Total
January 1, 2019	$ (13,825)	-	472,440	458,615
Retrospective adjustment due to new accounting standard	-	264,279	(472,440)	(208,161)
Re-estimated balance on January 1, 2018	(13,825)	264,279	-	250,454
The Consolidate Company	8,678	417,475	-	426,153
Exchange difference of affiliate company using equity method	6,550	-	-	6,550
Balance on June 30, 2018	$ 1,403	681,754	-	683,157
January 1, 2019	$ (24,815)	-	713,268	688,453
The Consolidate Company	10,969	-	1,592,756	1,603,725
Reclassification of profit and loss from disposal of foreign operations	377			377
Exchange difference of affiliate company using equity method	(1,599)			(1,599)
Disposal from other comprehensive income at fair value using equity method		-	(12,002)	(12,022)
Balance on June 30, 2019	$ (15,068)	-	2,294,022	2,278,954

5. Non-controlling equity

	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Balance at beginning of period	$ 1,490,620	1,377,297
Non-controlling equity		
Net profit of non-controlling equity	34,179	49,870
Financial assets gain(loss) at fair value through other comprehensive income	5,114	2,320
Equity changes to subsidiaries	3,351	

Acquisition of shares of subsidiaries to non-control equity	(67,100)	
Balance at end of period	$ 1,466,344	1,429,487

(XIX) Earnings per share

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

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

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Basic earnings per share				
Net income attributable to the Consolidated Company's common stock shareholders:	**$ 256,178**	**712,054**	**902,256**	**1,189,260**
Weighted average outstanding common stock shares	420,084	420,084	420,084	420,084
	$ 0.61	**1.70**	**2.15**	**2.83**
Diluted earnings per share				
Net income attributable to the Consolidated Company	$ 256,178	712,054	902,256	1,189,260
The impact of common stock shares with potential dilutive effect of the weighted average outstanding common stock shares				
Convertible Bond	10,399	10,233	20,757	20,423
Net income attributable to the Consolidated Company's common stock shareholders (after adjusting the potential dilutive effect of the common stock shares)	$ 266,577	722,287	923,013	1,209,683
Weighted average outstanding common stock shares	420,084	420,084	420,084	420,084
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	284	381	284	381
The impact of convertible bond	55,097	50,234	55,097	50,234
Weighted average outstanding common stock shares (after adjusting the potential dilutive effect of the common stock shares)	475,465	470,699	475,465	470,699
	$ 0.56	**1.53**	**1.94**	**2.57**

(XX) Revenues from contracts with customers

i. Details of revenues

	For the three months ended June 30, 2019					
	Sales of columbarium and cemetery	Funeral services	Property leasing	Cemetery operation and others	Construction and sales	Total
Area of main market:						
Taiwan	$ 282,431	399,565	46,588	41,692	-	770,276
Revenues recognized at:						
Goods or services that are transferred at a certain point in time	$ 282,431	399,565	46,588	41,692	-	770,276

	For the six months ended June 30, 2018					
	Sales of columbarium and cemetery	Funeral services	Property leasing	Cemetery operation and others	Construction and sales	Total
Area of main market:						
Taiwan	$ 837,220	387,158	48,373	43,657	-	1,316,408
Revenues recognized at:						
Goods or services that are transferred at a certain point in time	$ 837,220	387,158	48,373	43,657	-	1,316,408

	For the six months ended June 30, 2019					
	Sales of columbarium and cemetery	Funeral services	Property leasing	Cemetery operation and others	Construction and sales	Total
Area of main market:						
Taiwan	$ 838,775	795,290	90,862	124,290	246,053	2,095,270
Revenues recognized at:						
Goods or services that are transferred at a certain point in time	$ 838,775	795,290	90,862	124,290	246,053	2,095,270

	For the six months ended June 30, 2018					
	Sales of columbarium and cemetery	Funeral services	Property leasing	Cemetery operation and others	Construction and sales	Total
Area of main market:						
Taiwan	$ 1,287,039	837,327	96,721	125,747	-	2,346,834
Revenues recognized at:						
Goods or services that are transferred at a certain point in time	$ 1,287,039	837,327	96,721	125,747	-	2,346,834

ii. Outstanding contract amount

	6.30.2019	12.31.2018	6.30.2018
Account receivables and note receivables	$ 9,839,457	9,545,102	9,750,822
Less: allowance	(60,875)	(60,875)	(53,112)
Unrealized interests revenues	(731,490)	(729,486)	(724,745)
Total	$ 9,047,092	8,754,741	8,972,965
Contract liabilities – presale of columbarium and cemetery products and contracts of funeral services	$ 38,392,412	37,755,020	38,268,638
Contract liabilities – real estate advances	$ 278,513	-	-

For the disclosures of accounts receivables and allowances, please refer to Note 6(3).

(XXI) Remuneration to employees, directors, and supervisors

According to the Company's Articles of association approved by the Board but not yet approved by the shareholder meeting, any earnings after the Company's fiscal year final settlement shall be allotted no less than 1% as the remuneration to employees, and no more than 2% as the remuneration to directors. However, if there are still accumulated losses, certain amount shall be reserved to cover the deficit in advance. The preceding employees who receive stocks or cash include employees of subsidiaries under certain conditions.

The Company's remuneration to employees as of the three months ended June 30, 2019 and 2018 and for the six months ended June 30, 2019 and 2018 were NT$3,060 thousand, NT$9,772 thousand, NT$ 10,098 thousand, and NT$13,633 thousand, and the remuneration to directors and supervisors were NT$6,119 thousand, NT$19,545 thousand, $20,195 thousand, and 27,266 thousand. The estimated basis is that after-tax net income of the specific period before deducting the remuneration to employees and directors multiplied by the distribution ratio of the Company's Articles of association, and is reported as operating expense during the period. When there is difference between the actual and estimated distribution amount in the next year, it will be conducted based on changes in accounting estimates, and recognized as profit or loss in the next year. If the Board resolves to pay stocks as employee remuneration, the calculation basis of the number of stock remuneration is in accordance with the closing price of the common stock on the day before the Board resolution.

In 2019 and 2018, the allowance amount of the remuneration to employees of the Company were NT$24,673 thousand and NT$21,149 thousand, as for the amount for directors and supervisors of the Company were NT$49,345 thousand and NT$42,297 thousand, respectively. For more information please refer to M.O.P.S.

(XXII) Net other gains or losses

The Consolidated Company's net other gains and losses are as follows:

	For the three months ended June 30		**For the six months ended June 30**	
	2019	**2018**	**2019**	**2018**

Interest income	$ 43,841	43,962	89,115	90,461
Marketing expenses	(9,429)	(9,702)	(18,943)	(20,329)
Management fees income	53,499	40,459	97,795	107,203
Management fees expenses	(53,499)	(40,459)	(97,795)	(107,203)
	$ 34,412	**34,260**	**70,172**	**70,132**

(XXIII) Non-operating income and expense

6. Other income

The Consolidated Company’s other income is as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	**2018**	**2019**	**2018**
Interest income	$ 28,166	26,341	52,167	49,758
Dividend income	12,022	14,050	21,233	26,881
Fee income	3,012	3,415	5,693	6,806
Fines income	9,466	13,612	15,194	32,091
Other income	30,491	8,836	40,982	19,323
	$ 83,157	**66,254**	**135,269**	**134,859**

7. Other profit and loss

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

	For the three months ended June 30		For the six months ended June 30	
	2019	**2018**	**2019**	**2018**
Foreign exchange gain (loss)	$ 16,833	96,807	30,890	54,918
Gains (losses) from disposal of available-for-sale financial assets	(377)		(377)	
Gains (losses) from disposal of financial assets at fair value through other comprehensive income	1,318	(19,052)	1,318	(35,734)
Net gains from net financial assets measured at fair value	5,022	(38,456)	67,145	44,901

through profit or loss				
Gain (losses) from disposal of investment under equity method		(7)		(6,390)
(Disposal of property, plant, and equipment	285	(2,565)	285	(2,578)
Disposal of investment property		525		525
Disposal of other non-current asset		347,626		347,626
Other expense	(357)	(7,879)	(627)	(8,189)
	$ 22,724	453,911	98,634	394,539

8. Financial cost

The Consolidated Company's finance cost is as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Interest expense	$ 4,807	7,122	11,369	14,092
Amortization for discount on cooperate bond	12,999	12,790	25,946	25,529
	$ 17,806	19,912	37,315	39,621

(XXIV) Financial Instruments

Except as described in the following paragraph, there were no significant changes in the Company's fair value of financial instruments exposed to credit risk, liquidity risk, and market risk. For other information, please refer to Note 6 (25) in the 2018 annual consolidated financial statements.

	6.30.2019	12.31.2018	6.30.2018
Financial assets fair value through income and loss	$ 918,821	1,527,182	1,630,895
Financial assets at fair value through other comprehensive income	11,789,987	10,048,850	9,606,975
Financial assets carried at amortized cost	1,468,197	1,017,051	818,274
Financial assets carried at amortized cost (loans and receivables)：			
Cash and cash equivalents	186,063	194,002	139,803
Notes receivable and account	9,047,092	8,754,741	8,972,966

receivable			
Other financial assets (current & non-current)	2,842,551	2,169,263	2,057,155
Sub total	12,075,706	11,118,006	11,169,924
Total	**$ 26,252,711**	**23,711,089**	**23,226,068**

(2)Financial liabilities

		6.30.2019	12.31.2018	6.30.2018
Financial liabilities carried at amortized costs:				
Short term loans	$	1,092,800	3,165,300	2,040,000
Account payables and other payables		2,312,658	1,062,094	2,018,069
Corporate bonds payable (due within one year included)		3,216,862	3,190,916	3,165,180
Long term loans		45,068	-	-
Guarantee deposit		67,205	71,542	62,458
Total	**$**	**6,734,593**	**7,489,852**	**7,285,707**

2. Credit risk

(1) Credit risk exposure

The book value of financial assets represents the maximum credit risk exposure amount.

(2) Concentration of credit risk

As the Company has a broad customer base, not with a significant focus on customer transactions and sales area scattered, thus credit risks of receivables are not concentrative. And in order to reduce credit risk, the Company also continued to regularly assess the financial condition of customers, but usually do not require customers to provide collateral.

(3) Credit risks of account receivables and liabilities securities

For credit risk exposure to note receivables and account receivables, please refer to Note 6 (3). Other financial assets carried at amortized costs include other receivables.

Liabilities investments at fair value through other comprehensive income include non-listed liabilities securities (which were booked as available-for-sale or hold-to-maturity financial assets as of December 31 and June 30, 2018)

Those mentioned above are all financial assets with low risks, thus the expected twelve-month credit loss amount is allied to evaluate the allowance during the reporting period (for details of how the Consolidated Company judges the credit risk, please refer to Note 4 (7)). Changes of allowance during January 1, 2019 and June 30, 2019 are as follows:

	Other receivables
Balance on January 1, 2019	$ 22,745
Impairment loss	-
Balance on June 30, 2019	$ 22,745
Balance on January 1, 2018	$ 22,745
Impairment loss	-
Balance on June 30, 2018	$ 22,745

3.Liquidity risk

The contract maturities of financial liabilities are illustrated in the table below, including the estimated interests but excluding the impact of net amount agreed.

	Book Value	Contract Cash flow	6 months Within	6-12 months	1-2 years	2-5 years	Over 5 years
June 30, 2019							
Non-derivative financial liabilities							
Floating rate instruments	$ 1,092,800	1,092,800	1,092,800	-	-	-	-
Fixed rate instruments	3,216,862	3,216,862	-	3,216,862	-	-	-
Lease obligations	45,068	45,068	6,749	6,749	13,498	18,072	-
No interest-bearing liabilities	2,379,863	2,379,863	2,379,863	-	-	-	-
	$ 6,734,593	6,734,593	3,479,412	3,223,611	13,498	18,072	-
December 31, 2018							
Non-derivative financial liabilities							
Floating rate instruments	$ 3,165,300	3,165,300	3,165,300	-	-	-	-
Fixed rate instruments	3,190,916	3,190,916	-	-	3,190,916	-	-
No interest-bearing liabilities	1,133,636	1,133,636	1,133,636	-	-	-	-
	$ 7,489,852	7,489,852	4,298,936	-	3,190,916	-	-
June 30, 2018							
Non-derivative financial liabilities							
Floating rate instruments	$ 1,977,000	1,977,000	1,977,000	-	-	-	-
Fixed rate instruments	3,228,180	3,228,180	63,000	-	3,165,180	-	-
No interest-bearing liabilities	2,080,527	2,080,527	2,080,527	-	-	-	-
	$ 7,285,707	7,285,707	4,120,527	-	3,165,180	-	-

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

4. Market Risks

(1) Exchange rate risk

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

	6.30.2019			12.31.2018			6.30.2018		
	Foreign currency	**Exchange rate**	**New Taiwan Dollar**	**Foreign currency**	**Exchange rate**	**New Taiwan Dollar**	**Foreign currency**	**Exchange rate**	**New Taiwan Dollar**
Financial assets									
Monetary items									
RMB/NTD	$ 17,813	4.509	80,311	17,144	4.452	76,327	26,329	4.593	120,932
RMB/USD	250	0.145	1,126	250	0.145	1,111	249	0.151	1,145
USD/NTD	48,000	31.072	1,491,464	39,718	30.733	1,229,661	54,490	30.500	1,661,958
JPY/NTD	98,428	0.287	28,278	95,918	0.279	26,742	93,881	0.275	25,836
HKD/NTD	8,783	3.971	34,882	21,875	3.902	85,343	16,291	3.884	63,283
SGD/NTD	22,042	22.933	505,498	21,503	22.42	482,094	11,060	22.368	247,379
Non-monetary items	8,639	21.782	188,170	106	21.540	2,288	-	-	-
JPY/NTD	151,200	0.287	43,440	155,840	0.279	43,448	162,560	0.275	44,737
USD/NTD	17,382	31.072	540,100	20,937	30.732	643,446	16,456	30.500	501,908
HKD/NTD	100,469	3.971	399,001	78,402	3.902	305,886	95,254	3.884	370,006
SGD/NTD	2,188	22.933	50,166	1,831	22.420	41,056	-	-	-

5. Sensitivity analysis

The Consolidated Company's exchange rate risk is mainly from foreign currency denominated cash and cash equivalent and financial assets measured at fair value through profit or loss. Foreign exchange gain and loss arises from the translation. When the exchange rate of the Consolidated Company's functional currency against main foreign currency depreciated or appreciated by 10% (the analysis of two terms is completed by using the same basis, and assuming all other variables held constant) as of June 30, 2019 and 2018, the net income was increased or decreased by NT$194,178 thousand and by NT$178,169 thousand, respectively, and other comprehensive income was increased or decreased by NT$74,817 thousand and by NT$64,806 thousand, respectively.

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 the three months ended June 30, 2019 and 2018, and the six months ended June 30, 2019 and 2018, the foreign currency exchange gain (loss) was NT$16,833 thousand, NT$96,807 thousand, NT$30,890 thousand, and NT$54,918 thousand respectively.

6. Interest rate analysis

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

The following sensitivity analyzes are based on the interest rate risk exposure of the derivative and non-derivative instruments on the reporting date. The analysis of floating rate liabilities is by assuming the outstanding liability amount on the reporting date stays outstanding the entire year. In addition, interest rate is assessed within the reasonable and possible range of change. If interest rate is increased or decreased by 0.5%, with all other variables held constant, the Consolidated Company's net income as of June, 2019 and 2018 is going to decreased or increased by NT$2,186 thousand and NT$3,954 thousand, respectively.

7. Fair value

(1)Financial instrument and category

Fair value of the Consolidated Company's financial assets and liabilities at fair value through profits and losses, debt and hedging financial assets and financial assets at fair value though other comprehensive income (available-for-sale financial assets) are assessed based on repeatability. 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:

	12.31.2018				
		Fair value			
	Book value	Class I	Class II	Class III	Total
Financial assets at fair value through profit or loss	$ 1,527,182	1,527,182	-	-	1,527,182
Available-for-sale financial assets	10,048,850	10,039,968	-	8,882	10,048,850
Hold-to-maturity investment	1,017,051	1,017,051	-	-	1,017,051
Total	**$ 12,593,083**	**12,584,201**	**-**	**8,882**	**12,593,083**

	6.30.2019				
		Fair value			
	Book value	Class I	Class II	Class III	Total
Financial assets at fair value through profit or loss	$ 918,821	918,821	-	-	918,821
Financial assets at fair value through other comprehensive income	11,789,987	11,781,105	-	8,882	11,789,987
Financial assets at amortized costs	1,468,197	1,468,197	-	-	1,468,197
Total	**$ 14,177,005**	**14,168,123**	**-**	**8,882**	**14,177,005**

	6.30.2018				
		Fair value			
	Book value	Class I	Class II	Class III	Total
Financial assets at fair value through profit or loss	$ 1,630,895	1,630,895	-	-	1,630,895
Available-for-sale financial assets	9,606,975	9,587,983	-	18,992	9,606,975
Hold-to-maturity investment	818,274	818,274	-	-	818,274
Total	**$ 12,056,144**	**12,037,152**	**-**	**18,992**	**12,056,144**

No financial assets and liabilities of each hierarchy were transferred during the period from January 1 to June 30, 2019 and 2018.

(2)Fair value measurements of financial instruments not measured at fair value

The Company's methods and assumption for instruments not measured at fair value as the follows:

Financial assets at amortized costs (hold to maturity financial assets): If there's quoted market prices in active markets, the fair value is based on market price; if there's no market prices for references, the evaluation methods or counterparts' price will be adopted.

(3)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.

(4) Details of changes in Class III

	Financial assets at fair value through other comprehensive income (available-for-sale) financial assets)		
	Equity instrument without public prices	Bonds	Total
January 1, 2019	$ 8,882	-	8,882
June 30, 2019	$ 8,882	-	8,882
January 1, 2018	$ 18,992	-	18,992
June 30, 2018	$ 18,992	-	18,992

Total profits or losses mentioned above were recognized as "unrealized gains (losses) from financial assets at fair value through other comprehensive". Among which related asset still held as of June 30, 2019 are:

	For the three months ended June 30, 2019	For the six months ended June 30, 2019
Total profits or losses		
Recognized in other comprehensive income (recognized as "unrealized gains (losses) from financial assets at fair value through other comprehensive")	$ -	-

(5) Quantitative information on the fair value measurement of significant unobservable input (class III)

The Consolidated Company's fair value measurement which categorized in class III mainly includes financial asset at fair value through other comprehensive income.

Most of the Consolidated Company's fair value measurement which categorized in class III equipped only one significant unobservable input; only equity instrument with active market has plural unobservable inputs. The significant unobservable inputs of investment in equity instrument without active market are mutually independent, thus no mutual relevance exists.

Information of significant unobservable inputs are quantified in below table:

Item	Measurement method	Significant unobservable input	Relation between significant unobservable input and fair value
Financial assets at fair value through other comprehensive income – investment in equity instrument without active market	Comparable to the Company Act for listed company	· P/E ratio (217.10 as of June 30, 2019)	• The higher the multiplier and ownership premium, the higher the fair value
Financial assets at fair value through other comprehensive income – investment in equity instrument without active market	Comparable to the Company Act for listed company	• P/B ratio (1.57 as of June 30, 2019)	Same as above
Financial assets at fair value through other comprehensive income – investment in equity instrument without active market	Net assets value method	· Net asset value	Not applicable

(6) Sensitivity analysis of fair value to reasonable possible alternative hypotheses for the class III of fair value measurement

The Consolidated Company's measurement on the fair value of financial instrument was reasonable; however, the results of measurement may differ due to the application of different measurement model or parameters. For financial assets categorized in class III, impact resulted from change in measurement parameters to current net income or other comprehensive income are as follows:

	Input parameter	Upward or downward change	Change in fair value reflected in current net income		Change in fair value reflected in current other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
June 30, 2019						
Financial assets at fair value through other comprehensive income						
Investment in equity instruments without active market	P/E ratio	10%	-	-	394	(394)
Investment in equity instruments without active market	P/B ratio				619	(619)
December 31, 2018						
Financial assets at fair value through other comprehensive income						
Investment in equity instruments without active market	P/E ratio	10%	-	-	444	(444)
Investment in equity instruments without active market	P/B ratio				541	(541)
June 30, 2018						
Financial assets at fair value through other comprehensive income						
Investment in equity instruments without active market	P/E ratio	10%	-	-	748	(748)
Investment in equity instruments without active market	P/B ratio	10%	-	-	425	(425)

(XXV) Financial risk management

There were no significant differences of the consolidated company's financial risk management and policies with those disclosed in Note 6 (26) of the 2018 consolidated financial statements.

(XXVI) 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 2018 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 2018 annual consolidated financial statements. For related information, please refer to Note 6 (27) in 2018 annual consolidated financial statements.

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.

(XXVII) Re-categorization of components of other comprehensive income

Details of the Consolidated Company's re-categorization of components of other comprehensive income are as follows:

	For the six months ended June 30	
	2019	**2018**
Investment in debt instrument at fair value through other comprehensive income		
Net changes in fair value of current year	55,104	(40,773)
Net change in fair value re-categorized to profits and losses	(3,444)	3,997
Net change in fair value recognized in other comprehensive income	**$ (51,660)**	**(36,776)**

VII. Related Party Transactions

(I) Related parties' names and relations

The related parties with transaction relations during the period of consolidated report are as the follows:

Related Parties	Relations with the Consolidated Company
Lungding Life Science Co. Ltd.	Affiliated Company of the Company
Xin Wei International Leasing Co. Ltd.	The corporate director is the same as the Company (No longer a related party from June 20, 2018)
Fuyuan International Development Co. Ltd.	The chairman of Fuyuan is the director of the Company
Fuyang Development Co., Ltd	Subsidiary (No longer a related party from January 11, 2019)
Creative Space Design Co. Ltd.	Affiliated Company of the Company (No longer a related party from August, 2018)
Other natural person	Major administrator of the Consolidated Company

(II) Significant transaction between related parties

Transaction price was determined by bilateral agreement, the payment terms agreed by signed contracts.

1. Purchase from related party

The Consolidated Company's purchase amount and the outstanding balances from the related parties are as follows:

	Purchase				Payable to related parties		
	For the three months ended June 30		For the six months ended June 30				
	2019	2018	2019	2018	6.30.2019	12.31.2018	6.30.2018
Affiliated Company	$	198		452		9	157

The purchase price was determined by bilateral agreement. Payment terms were 30 days after acceptance.

2. Lease

(1) Lessee

The Consolidated Company leases real estate from related parties for operational use in February 2014 and signed a five-year lease contract with reference to the rental price of the neighboring offices. The rental fee for the period from January 1 to

June 31, 2019 was NT$3,047 thousand. The lease transaction was recognized as the right-of-use asset of NT$18,634 thousand and the lease liability of NT$18,634 thousand upon the first application of the International Financial Reporting Standard No. 16 on January 1, 2019. From January 1 to June 30, 2019, interest expenses of NT$35 thousand was recognized. As of June 30, 2019, the balance of lease liabilities was NT$15,612 thousand.

The Consolidated Company leases transport equipment from the related party for a rent expense of NT$0 thousand and NT$273 thousand during January 1 to March 31, 2019 and 2018.

The Consolidated Company leases transport equipment from the related party for a rent expense are NT$0 thousand, NT$187 thousand, NT$0 thousand, and NT$17 thousand respectively for the three months ended June 30, 2019, 2018 and during January 1 to June 30, 2019 and 2018.

(2) Lessor

The Consolidated Company has office building and parking space rented to the related party for a rent income are NT$0 thousand, NT$8 thousand, NT$0 thousand, and NT$17 thousand respectively for the three months ended June 30, 2019 and 2018, and for the six months ended June 30, 2019 and 2018.

The terms and conditions of above lease contract are negotiated by both sides.

3. Others

(1) Other payables

	6.30.2019	12.31.2018	6.30.2018
Other related parties	$	57	66

(2) Payment on behalf of others (recognized as other current assets)

	6.30.2019	12.31.2018	6.30.2018
Other related parties	$	557	557

(3) Refundable deposits (recognized as other financial assets – non-current)

	6.30.2019	12.31.2018	6.30.2018
Other related parties	$ 961	961	961

Refundable deposits are deposit for the consolidated company leasing property from other related party. Interests from those deposits collected on June 30, 2019, December 31 and June 30, 2018 were NT$6 thousand, NT$10 thousand and NT$5 thousands, respectively.

(4) Management fees

	For the three months ended June 30		For the six months ended June 30	
	2019	**2018**	**2019**	**2018**
Other related parties	**$ 132**	**139**	**310**	**277**

The Consolidated Company entrusts related party with management service for leased buildings and pays management fees in accordance to the contract.

4. Obtaining other assets

The acquisition price of other assets obtained from the related parties was as follows:

Kinds of related parties	Item	For the three months ended June 30		For the six months ended June 30	
		2019	2018	2019	2018
Affiliated Companies	Fixed assets	$ 294	-	536	-

5. Trust contract

Part of the Consolidated Company's land is trusted and registered in the name of other related party as of June 30, 2019. Please refer to Note 6 (4) and 6 (10) for details.

6. Others

The Consolidated Company commissioned other related party to acquire land for construction for a total price below NT$376,820 thousand as of June 30, 2019, December 31 and June 30, 2018. The discretionary trustee is to handle the land combination matter on behalf of the Consolidated Company.

Other related parties purchased products from the Consolidated Company for a total price at NT$3,506 thousand, NT$6,815 thousand and NT$3,777 thousand as of June 30, 2019, December 31 and June 30, 2018, respectively.

(III) Main manager transaction

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Benefit for short-term employees	$ 10,561	9,466	21,064	21,350
Post-employment benefits	363	309	734	697
	$ 10,924	**9,775**	**21,798**	**22,047**

VIII. Pledged Assets

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

Assets name	Purpose of collateral	6.30.2019	12.31.2018	6.30.2018
Financial assets at fair value through profits and losses - current	Collateral for loan	$ -	834,394	-
Other financial assets - current	Guarantee for mutual investment development and sales	1,302	1,302	1,271
Inventories	Guarantee for loans and corporate finance amount	3,162,209	3,162,166	3,161,789
Property, plant, and equipment	Collateral for loan	2,318,507	2,373,297	2,394,370
Investment property	Guarantee for loans and corporate finance amount	281,436	1,445,300	4,007,685
Financial assets at fair value through other comprehensive income	Collateral for loan	5,399,050	3,390,20	4,119,140
		$ 11,162,504	11,746,659	13,684,255

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Contingent liabilities

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

	6.30.2019	12.31.2018	6.30.2018
Acquisition of columbarium and cemetery	$ -	-	19,580
Construction contracts	$ 1,340,997	1,269,442	617,622

ii. The contract price of the sold investment property are as follows:

	6.30.2019	12.31.2018	6.30.2018
Price of signed sale contract	$ 1,420,000	2,007,350	-
Contract price collected	$ -	-	-

iii. The signed contract price of the presold houses are as follows:

	6.30.2019	12.31.2018	6.30.2018
Price of signed sale contract	$ 18,320	-	-
Contract price collected	$ 3,613	-	-

(II) Contingent liabilities

1. 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 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 affected. 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 Company cannot be confirmed. The negotiation among parties is finished on October 18, 2017, thus the proposal is sent to the Legislative Yuan for further discussion on December 29, 107; the 2nd and 3rd reading will start after completion of the discussion. After the amendment, the old fund system will be replaced by the new management system.

2. A small number of shareholders of Lungyen Service Co., Ltd. (was merged in 2011, hereinafter referred to as Lungyen), requested the Company to repurchase the shares held by them at its fair price during the time and appeal to the court to determine the purchase price

in 1st shareholders' interim meeting on October 12, 2010 according to the provisions of

Paragraph 1 of Article 317 of the Company Law. The Taipei District Court of the decided judicially in this civil ruling that the Company shall buy back all the shares held by the shareholders in an unreasonable price. As the civil ruling is not identified in accordance with the provisions of the Enterprise Mergers and Acquisitions Law and contrary to the provisions of the law, and the original ruling included in the assets shall be excluded as well as many fall-overs in the real estate valuation report. So the Company has filed a complaint on October 24, 2016 to the preceding matters, the case is still in processing.

(III) Others

1.The Consolidated Company (referred to as "the principal" hereinafter) for enhancing the quality of funeral service and ensuring the ability of performance had a trust contract signed with Taiwan Industrial Bank Co., Ltd. (referred to as "the trustee" hereinafter) in April 2010. According to the trust contract signed, 75% selling price (tax included) of each pre-need contract sold should be transferred to the trustee, including the delivery and transfer of the trust property. However, the trustee referred to above was replaced by Chang Hwa Commercial Bank Co., Ltd. on December 28, 2012. In addition, the trust assets as of June 30, 2019, December 31 and June 30, 2018 are as follows：

	6.30.2019	12.31.2018	6.30.2018
Bank deposits (booked as other financial assets – current)			
Demand deposits	$ 1,070,088	828,307	455,980
Time deposits	350,000	350,000	645,932
Financial assets at fair value through profits or losses - current	779,323	1,036,529	1,135,622
Financial assets at fair value through other comprehensive income	3,010,139	2,843,388	2,499,217
Financial assets at amortized cost	1,468,197	1,017,051	818,274
Property, plant and equipment (*)	2,206,293	2,206,293	2,206,293
Investment property (*)	1,962,845	1,962,845	1,962,845
	$ 10,846,885	**10,244,413**	**9,724,163**

*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 a management 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$867,661 thousand, NT$881,491 thousand, and NT$935,248 thousand, as of June 30, 2019, December 31 and June 30, 2018, respectively; also, it is booked in the "Other financial assets – current."

3.The Company had contracts signed with clients for the sale of columbarium and funeral service as of June 30, 2019, December 31 and June 30, 2018. The pre-need contract signed and the related deferred marketing expenses are as follows:

		6.30.2019	12.31.2018	6.30.2018
Total contract price (booked as contract liabilities)	$	38,114,983	37,522,150	38,066,067
Outstanding proceeds		(7,554,833)	(7,613,138)	(7,837,523)
Advanced receipts	$	**30,560,150**	**29,909,012**	**30,228,544**
Incremental cost of contract acquisition	$	**7,977,173**	**7,910,905**	**8,093,199**
Expected to be reclassified for more than twelve months	$	**36,913,635**	**36,137,082**	**28,107,490**

4.Subsidiaries had contracts signed with clients for the sale of columbarium and funeral service as of June 30, 2019, December 31 and June 30, 2018. The pre-need contract signed and the related deferred marketing expenses are as follows:

		6.30.2019	12.31.2018	6.30.2018
Total contract price (booked as contract liabilities)	$	277,429	232,870	202,571
Outstanding proceeds		(16,819)	(17,112)	(10,420)
Advanced receipts	$	**260,610**	**215,758**	**192,151**
Incremental cost of contract acquisition	$	**85,533**	**58,429**	**25,345**
Expected to be reclassified for more than twelve months	$	**245,951**	**178,053**	**144,941**

II. Significant disaster loss: None.

III. Significant subsequent events: None

II. Others

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

(II)

By function / By item	2019 Q2				2018 Q2			
	Classified as operating costs	Classified as operating expenses	Other (*)	Total	Classified as operating costs	Classified as operating expenses	Other(*)	Total
Employee benefits								
Salary	53,974	54,696	22,398	131,068	52,130	77,685	32,023	161,838
Labor and health insurance	3,983	3,960	1,751	9,694	3,627	5,549	1,953	11,129
Pension	2,142	1,991	911	5,044	2,010	1,804	833	4,647
Others	1,739	2,566	1,017	5,322	1,624	3,184	1,031	5,839
Depreciation	15,146	15,992	3,473	34,611	19,721	12,206	4,134	36,061
Employee benefits	-	3,854	385	4,239	-	3,906	350	4,256
Amortization	-	3,906	350	4,256	-	3,666	315	3,981

By function / By item	For the six months ended June 30, 2019				For the six months ended June 30, 2018			
	Classified as operating costs	Classified as operating expenses	Other (*)	Total	Classified as operating costs	Classified as operating expenses	Other(*)	Total
Employee benefits								
Salary	106,462	125,062	47,982	279,506	108,241	145,144	59,166	312,551
Labor and health insurance	7,833	10,967	4,171	22,971	7,292	9,039	3,511	19,842
Pension	4,224	3,926	1,828	9,978	4,042	3,690	1,659	9,391
Others	3,413	5,765	2,275	11,453	3,250	6,534	2,167	11,951
Depreciation	30,437	30,529	10,507	71,473	40,053	24,534	8,190	72,777
Amortization	-	7,555	777	8,332	-	7,887	650	8,537

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

(III) Operational seasonality

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

III. Other disclosures

(I) Information on significant transactions

The consolidated company should have the following material transactions disclosed as of January 1 to March 31 2019 in accordance with Regulations Governing the Preparation of

Financial Reports by Securities Firms:

1. Fund financing to other parties:

No.	Creditor	Debtor	Accounting Item	Related Party or Not	Current Maximum	Ending Balance	Amount Used	Interest Rate	Nature of the Financing (**)	Transaction Amount	Reason for the Need of Short-term Financing	Allowance	Collateral		Limitation to Single Debtor(*)	Financing Limitation (*)
1	Yuji Construction Limited Co.	Sande Futian Miaoguo Limited Co.	Other financial asset-current	Not	420,000	420,000	392,163	3%	1	72,000	For use of working capital	-	Columbarium products owned by the debtor	421,480	652,114	1,304,229

* According to Yuji Construction Limited Co.'s "Procedure of Loaning of Funds", funds can only be loaned to parties with business transactions, and the total loan amount is limited to 40% of the company's recent book value. For single debtor, the loan amount is limited to 20 times of the transaction amount, and 20% of the company's recent book value.

Limitation on the total loan amount to other parties: 3,260,572 thousand × 40% = 1,304,229 thousand

Limitation on the loan amount to single debtor: 3,260,572 thousand × 20% = 652,114 thousand

72,000 thousand × 20 times = 1,440,000 thousand

Limited to 652,114 thousand

** Explanations for nature of the financing are as follows:

i. Parties with business transactions

ii. Parties with need of short-term financing.

1. Guarantees and endorsements for other parties:

	Name of Lenders	Counter-party of guarantee and endorsement: Name of Company	Counter-party of guarantee and endorsement: Relationship	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
0	Lungyen Life Service Corp.	LungAn Co.Ltd.	2	4,867,004	100,000	-	-	-	0.62%	-	Y	N	N
0	Lungyen Life Service Corp.	Yuji Development Corp.	2	4,867,004	300,000	300,000	124,000	-	1.85%	8,111,674	Y	N	N
0	Lungyen Life Service Corp.	Lung Fu Company Limited	2	4,867,004	300,000	300,000	147,800	-	1.85%	8,111,674	Y	N	N

Note 1: The total amount of guarantees and endorsements shall not exceed 50% of the net value 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.

i. The Company has business with the receiving parties.
ii. The Company holds directly more than 50% of the common stock of the subsidiaries.

iii. In aggregate, the Company and its subsidiaries hold more than 50% of the investee.
iv. In aggregate, the Company holds directly or its subsidiaries hold indirectly more than 90% of the investee.
v. The Company is required to make guarantees or endorsements for the construction project based on the construction contract.
vi. 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 December 28, 2018, the maximum amount of endorsements to LungAn has been set to NT$100,000 thousand. Lung An is discharged after a short-form merger on April 1, 2019.

Note 4: Upon the board resolution on December 28, 2018, the maximum amount of endorsements to Yuji has been set to NT$300,000 thousand.

Note 5: Upon the Board resolution on December 28, 2018, the maximum amount of endorsements to Lung Fu has been set to NT$300,000 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 Balance				Remarks
				Shares/Units in Thousand	Book Value	% of Ownership	Fair Value	
The Company	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profits and losses - current	43,343	707,578	- %	707,578	Trust
The Company	Yuanta AUD Money Market Fund TWD	-	Financial assets at fair value through profits and losses - current	3,162	29,629	- %	29,629	Trust
The Company	Evenstar Sub-Fund 1 Segregated Portfolio	-	Financial assets at fair value through profits and losses - current	1	97,488	- %	97,488	Company -owned
The Company	Stock of Cheng Shin Rubber Ind., Co., Ltd.	-	Financial assets at fair value through profits and losses - current	245	9,825	0.01 %	9,825	Company -owned
The Company	Qualcomm	-	Financial assets at fair value through profits and losses - current	13	30,420	- %	30,420	Trust
The Company	CR GAS	-	Financial assets at fair value through profits and losses - current	76	11,696	- %	11,696	Trust
The Company	Millerful No. 1 REIT	-	Financial assets at fair value through other comprehensive income – non-current	29,000	290,000	- %	290,000	Trust
The Company	Chang Hwa Bank	-	Financial assets at fair value through other comprehensive income – non-current	383,811	8,040,833	3.92 %	8,040,833	Company -owned
The Company	Stocks of Taiyen	-	Financial assets at fair value through other comprehensive income – non-current	9,493	321,813	4.75 %	321,813	Company -owned
The Company	Fubon Financial Holding - Preferred Shares B	-	Financial assets at fair value through other	1,666	104,625	- %	104,625	Company -owned

The Company	Cathay Financial Holding - Preferred Shares B	-	Financial assets at fair value through other comprehensive income – non-current	1,250	77,875	- %	77,875	Company -owned
The Company	Chinatrust Commercial Bank Preferred Shares C	-	Financial assets at fair value through other comprehensive income – non-current	833	50,896	- %	50,896	Company -owned
The Company	Stock of Foxconn	-	Financial assets at fair value through other comprehensive income – non-current	500	38,700	- %	38,700	Company -owned
The Company	Sun Life Holding Co Ltd	-	Financial assets at fair value through other comprehensive income – non-current	160	43,440	2.35 %	43,440	Company -owned
The Company	Stock of Jiangsu Expressway Company Limited	-	Financial assets at fair value through other comprehensive income – non-current	210	9,274	0.02 %	9,274	Trust
The Company	Stock of PetroChina	-	Financial assets at fair value through other comprehensive income – non-current	2,088	44,032	0.01 %	44,032	Trust
The Company	Stock of Sands China Limited	-	Financial assets at fair value through other comprehensive income – non-current	320	47,466	- %	47,466	Trust
The Company	Stock of China Construction Bank	-	Financial assets at fair value through other comprehensive income – non-current	1,860	49,713	- %	49,713	Trust
The Company	ST.SP	-	Financial assets at fair value through other comprehensive income – non-current	625	50,166	- %	50,166	Trust
The Company	GlaxoSmithKline PLC	-	Financial assets at fair value through other comprehensive income – non-current	36	44,269	0.02 %	44,269	Trust
The Company	National Grid PLC	-	Financial assets at fair value through other comprehensive income – non-current	24	39,327	- %	39,327	Trust
The Company	Electronic Business	-	Financial assets at fair value through other comprehensive income – non-current	166	37,050	0.01 %	37,050	Trust
The Company	Preferred stock of HSBC	-	Financial assets at fair value through other comprehensive income – non-current	52	42,332	- %	42,332	Trust

The Company	Preferred stock of AGNC	-	Financial assets at fair value through other comprehensive income – non-current	44	35,807	- %	35,807	Trust
The Company	Stock of ICBC(Hong Kong)	-	Financial assets at fair value through other	1,820	41,199	- %	41,199	Trust

The Company	Preferred stock of QTS	-	Financial assets at fair value through other comprehensive income – non-current	24	19,538	- %	19,538	Trust
The Company	Preferred stock of TGP	-	Financial assets at fair value through other comprehensive income – non-current	32	24,129	- %	24,129	Trust
The Company	Preferred stock of VEREIT	-	Financial assets at fair value through other comprehensive income – non-current	27	21,487	- %	21,487	Trust
The Company	Preferred stock of AXIS	-	Financial assets at fair value through other comprehensive income – non-current	40	30,786	- %	30,786	Trust
The Company	Stock of China Molybdenum Co., Ltd.	-	Financial assets at fair value through other comprehensive income – non-current	4,662	45,731	0.12 %	45,731	Trust
The Company	Preferred stock of WFC	-	Financial assets at fair value through other comprehensive income – non-current	42	33,148	- %	33,148	Trust
The Company	Stock of Cheung Kong Infrastructure Holdings Limited	-	Financial assets at fair value through other comprehensive income – non-current	169	42,627	0.01 %	42,627	Trust
The Company	Stock of 3M	-	Financial assets at fair value through other comprehensive income – non-current	7	39,857	- %	39,857	Trust
The Company	Stock of Texas Instruments	-	Financial assets at fair value through other comprehensive income – non-current	10	34,945	- %	34,945	Trust
The Company	Stock of LYB-LyondellBasell Industries	-	Financial assets at fair value through other comprehensive income – non-current	17	46,566	- %	46,566	Trust
The Company	Stock of Bank of Communications	-	Financial assets at fair value through other comprehensive income – non-current	2,030	47,807	0.01 %	47,807	Trust
The Company	Stock of Tencent Holdings. Co	-	Financial assets at fair value through other comprehensive income – non-current	16	22,405	- %	22,405	Trust
The Company	051 Chailease Holding Company Limited-A	-	Financial assets at fair value through other comprehensive income – non-current	200,000	200,200	- %	200,200	Trust
The Company	104 Central Bond A5	-	Financial assets at fair value through other	100,000	105,649	- %	105,649	Trust

The Company	The Export-Import Bank of China CNY Corporate Bond 4.15 20270618	-	Financial assets at fair value through other comprehensive income – non-current	5,000	23,098	- %	23,098	Trust
The Company	Africa Finance Corporate Bond 4.375 20200429	-	Financial assets at fair value through other comprehensive income – non-current	3,000	94,690	- %	94,690	Trust
The Company	ICBC RMB Corp. Bond 4.2 20270119	-	Financial assets at fair value through other comprehensive income – non-current	4,000	18,529	- %	18,529	Trust
The Company	ICBC RMB Corp. Bond 4.5 20281113	-	Financial assets at fair value through other comprehensive income – non-current	5,000	23,804	- %	23,804	Trust
The Company	China Comm Cons Corp. Bond 20200421	-	Financial assets at fair value through other comprehensive income – non-current	1,900	59,059	- %	59,059	Trust
The Company	Saudi Electricity Global - Bond 20230408	-	Financial assets at fair value through other comprehensive income – non-current	2,000	63,385	- %	63,385	Trust
The Company	Saudi Electricity Global - Bond 20240408	-	Financial assets at fair value through other comprehensive income – non-current	1,000	32,284	- %	32,284	Trust
The Company	Qatar Telecom USD corp. bond 3.25 20230221	-	Financial assets at fair value through other comprehensive income – non-current	3,000	94,423	- %	94,423	Trust
The Company	Standard Chattered USD corp. bond 4.05 20260412	-	Financial assets at fair value through other comprehensive income – non-current	3,000	96,532	- %	96,532	Trust
The Company	Islamic Bank 20210531	-	Financial assets at fair value through other comprehensive income – non-current	3,000	93,736	- %	93,736	Trust
The Company	China Railway USD Bond 20260728	-	Financial assets at fair value through other comprehensive income – non-current	2,500	77,633	- %	77,633	Trust
The Company	Malaysia National Resource Bond 20261019	-	Financial assets at fair value through other	1,000	30,860	- %	30,860	Trust

The Company	China Cinda USD Bond 20240309	-	Financial assets at fair value through other comprehensive income – non-current	1,500	48,550	- %	48,550	Trust
The Company	Huarong USD Bond 20240309	-	Financial assets at fair value through other comprehensive income – non-current	3,000	94,453	- %	94,453	Trust
The Company	Bank of Communications USD Bond 20200515	-	Financial assets at fair value through other comprehensive income – non-current	3,000	92,723	- %	92,723	Trust
The Company	Société Générale SGD Corp. Bond 20260519	-	Financial assets at fair value through other comprehensive income – non-current	3,250	75,792	- %	75,792	Trust
The Company	Société Générale SGD Corp. Bond 20240909	-	Financial assets at fair value through other comprehensive income – non-current	3,500	82,974	- %	82,974	Trust
The Company	SANTANDER CENTRAL HISPANO S.A. Financial Bond 20230412	-	Financial assets at fair value through other comprehensive income – non-current	3,000	92,905	- %	92,905	Trust
The Company	Lloyds Banking Group Financial Bond 20250307	-	Financial assets at fair value through other comprehensive income – non-current	2,000	42,727	- %	42,727	Trust
The Company	Goldman Sachs Financial Bond	-	Financial assets at fair value through other comprehensive income – non-current	2,000	43,554	- %	43,554	Trust
The Company	Manulife Asset Management SGD Corporate Bond	-	Financial assets at fair value through other comprehensive income – non-current	750	17,495	- %	17,495	Trust
The Company	Manulife Asset Management SGD Corporate Bond 20291121	-	Financial assets at fair value through other comprehensive income – non-current	4,000	90,677	- %	90,677	Trust
The Company	Malaysia Electricity Corporate Bonds 20281101	-	Financial assets at fair value through other comprehensive income – non-current	2,000	69,009	- %	69,009	Trust
The Company	Anheuser-Busch US Corporate Bond 20290123	-	Financial assets at fair value through other comprehensive income – non-current	3,000	105,737	- %	105,737	Trust
The Company	Trans globe Insurance	-	Financial assets at fair value through other comprehensive income – non-current	15	-	0.01 %	-	Company-owned
The Company	Stocks of Creative Space Design	-	Financial assets at fair value through other comprehensive income – non-current	396	3,960	19.80 %	3,960	Company-owned

The Company	FORTUNE IC FUND I	-	Financial assets at fair value through other comprehensive income – non-current	600	4,030	4.86 %	4,030	Company-owned
The Company	Nan Ya Corp. Bond P02 Nan Ya 3B	-	Financial assets at amortized costs –	100,000	105,642	- %	105,642	Trust

The Company	China airline corporate bond	-	Financial assets at amortized costs – non-current	75,000	75,020	- %	75,020	Trust
The Company	Taipower Corporate bond 20231230	-	Financial assets at amortized costs – non-current	150,000	154,618	- %	154,618	Trust
The Company	02 Yang Ming1B 20201101	-	Financial assets at amortized costs – non-current	150,000	152,661	- %	152,661	Trust
The Company	106 Central Bond 4	-	Financial assets at amortized costs – non-current	100,000	100,770	- %	100,770	Trust
The Company	106 Central Bond 9	-	Financial assets at amortized costs – non-current	150,000	149,485	- %	149,485	Trust
The Company	107 Central Bond 7	-	Financial assets at amortized costs – non-current	100,000	99,586	- %	99,586	Trust
The Company	104 Central Bond 12	-	Financial assets at amortized costs – non-current	100,000	101,653	- %	101,653	Trust
The Company	107 Central Bond 2	-	Financial assets at amortized costs – non-current	100,000	101,407	- %	101,407	Trust
The Company	93 Central Bond 9	-	Financial assets at amortized costs – non-current	100,000	112,061	- %	112,061	Trust
The Company	94 Central Bond 3	-	Financial assets at amortized costs – non-current	100,000	109,257	- %	109,257	Trust
The Company	02 China Steel 1B 20230712	-	Financial assets at amortized costs – non-current	100,000	103,200	- %	103,200	Trust
The Company	02 TSMC 2C 20230206	-	Financial assets at amortized costs – non-current	100,000	102,837	- %	102,837	Trust
Yuji Development	Stock of Taiyen Corp.	-	Financial assets at fair value through other comprehensive income – non-current	2,737	92,784	1.37 %	92,784	Company -owned
Jing Huang Construction	Jih Sun Money Market Fund	-	Financial assets at fair value through profits and losses - current	2,170	32,185	- %	32,185	Company -owned
Jing Huang Construction	Stocks of J-Garden Corp.	-	Financial assets at fair value through other comprehensive income – non-current	90	892	- %	892.00	Company -owned

1. Information regarding securities where the accumulated purchase or sale amounts for the period exceed NT$300 million or 20% of the paid-in capital: None.
2. The acquisition of real property exceeding NT$300 million or 20% of the paid-in capital: None.

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

Unit：Thousand NTD

Name of the company	Name of the Property	Disposal date	Acquisition date	Book value	Amount	Payment status	Profit (Loss)	Name of transaction partner	Relationship with the company	Purpose	Price reference	Remark.
The Company	Pacific Commercial Building	108.05.13	11.2014	834,394	1,420,000	Not received yet	519,000,000	Wanhai Lines	None	Asset activation	Valuation report	-

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

Unit：Thousand NTD

Name of Company	Name of transaction partner	Relationship	Transaction details				Situation and cause of different transaction condition compared with general transaction		Accountable receivable (payable)		Remark
			Purchase (Sales)	Amount	% of total purchase (sales)	Credit period	Unit price	Credit period	Balance	% of Accounts receivable (payable)	
The Company	Fuyang Development Ltd.Co	Legal representative	Purchase	173,250	99.20 %	Per contract	-	-	-	-%	

1. Receivables from related parties exceeding NT$100 million or 20% of the paid-in capital: None.
2. Engage in derivatives trading: None.
3. 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			
				Account name	Amount	Terms of trading	Percentage of the total consolidated revenue or total assets
0	Lungyen Life Service Co.	Yuji Development Co	1	Other financial assets – current	$ 6,831	Equal to transaction with non-related parties	0.01%
0	〃	〃	1	Account payable	41,095	-	0.06%
0	〃	〃	1	Prepayments	20,805	-	0.03%
0	〃	〃	1	Other revenue	20,632	-	0.98%
0	〃	〃	1	Other liabilities-current	13,747	-	0.02%
0	〃	Lung Fu Company Limited	1	Other financial assets – current	2,162	-	- %
0	〃	〃	1	Other revenue	3,869	-	0.18%

1	Yuji Development Co.	Lungyen Life Service Co.	2	Account receivable	54,842	-	0.09%
1	〃	〃	2	Advance receipts	20,805	-	0.03%
1	〃	〃	2	Other payable accounts	6,831	-	0.01%
1	〃	〃	2	Management expenses	20,632	-	0.98%
3	Lung Fu Company Limited	Lungyen Life Service Co.	2	Account payable	2,162	-	- %
			2	Management expenses	3,869	-	0.18%

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 subsidiarie

(II) Information on investees (Excluding from China investee company)::

The Consolidated Company’s reinvestment as of June 30, 2019 is as follows (Excluding from China investee company):

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	Shares	Shares	Ratio of shares	Book value			
The Company	Jing Huang Construction Co., Ltd.	Taiwan	Civil engineering	30,033	30,033	2,209	98.20%	(11,904)	(81)	(80)	Subsidiary
The Company	Yuji Development Corp.	Taiwan	Funeral Service	900,000	900,000	110,723	54.42%	1,752,289	74,997	40,813	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%	373	(18)	(14)	Subsidiary
The Company	Sea Dragon Traders Ltd. (BVI)	British Virgin Islands	Investment	1,010,536 (USD32,710)	1,010,536 (USD32,710)	3,271	100.00%	1,006,878	(26,802)	(26,802)	Subsidiary
The Company	Singapore Lungyen Life Services Pte., Ltd	Singapore	Funeral Service	-	11,990 (SGD500)	-	- %	-	16,808	16,808	Subsidiary
The Company	Lung Ting Life Science Co., Ltd.	Taiwan	Flower and plant cultivation	259,700	259,700	25,970	49.00%	229,535	(4,894)	(2,398)	Affiliated Company
The Company	Lung An Company Limited	Taiwan	Funeral Service	716,656	716,656	-	- %	-	(3,374)	(3,374)	Subsidiary
The Company	RIA AWANA SDN. BHD	Malaysia	Funeral Service	31,454 (MYR3,920)	31,454 (MYR3,920)	3,920	49.00%	30,003	417	204	Affiliated Company

Yuji Development Corp.	Lung Fu Company Limited	Taiwan	Funeral Service	377,800	210,700	371,000	100.00%	365,502	(6,900)	(6,900)	Subsidiary
Sea Dragon Traders Ltd. (BVI)	Witty Dragon Limited(BVI)	British Virgin Islands	Investment	165,268 (USD5,264)	165,268 (USD5,264)	5	26.32%	155,618	(2,786)	(733)	Affiliated Company
Sea Dragon Traders Ltd. (BVI)	Lungyen Cayman Co.Ltd.	Cayman	Investment	863,463 (USD28,000)	863,463 (USD28,000)	2,800	50.00%	773,402	(52,810)	(26,405)	Joint-venture

Note 1: The equity of the above-mentioned subsidiaries of the Consolidated Company is written off when preparing the consolidated financial report.

Note 2: USD exchange rate: 31.072 (closing) and 30.996 (average)

Note 3: Singapore Lungyen Life Services Pte. Ltd handled settlements in June, 2019.

(III) Information on investment in Mainland China:

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

Unit: Thousand NTD/Foreign Currency

China Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of March 1, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2019	Percentage of Ownership	Share of Profits / Losses (Note 2)	Carry Amount as of March 01, 2019	Accumula ted Inward Remittanc e of Earnings as of June 30, 2019
					Outflow	Inflow					
Lungyen Cemetery (Wenzhou) Co. Ltd	Funeral services	1,417,950 USD46,000	Sea Dragon Traders Ltd. (BVI)	863,463 USD28,000	-	-	863,463 USD28,000	50.00%	(10,137)	639,508	-
Long Young Life (China) Holding Co. Ltd.	Investment holding	277,425 USD9,000	Sea Dragon Traders Ltd. (BVI)-	-	-	-	-	50.00%	(11,202)	127,453	-
Shijiazuang Taifu Cebetery Managenebt Co, Ltd	Cemetery management, construction and sales	78,218 RMB17,041	Sea Dragon Traders Ltd. (BVI)	-	-	-	-	40.00%	(765)	41,098	-

2. Limitations in Mainland China:

Ending balance of the accumulated amount of investment from Taiwan to Mainland China	Investment amount approved by Ministry of Economic Affairs	Limitation on investment in Mainland China in accordance with the provisions of the Investment Commission of Ministry of Economic Affairs (Note 4)
863,463	2,563,440 USD 82,500	9,734,009

US Dollar Exchange Rate: closing rate: 31.072; RMB exchange rate: 4.509

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

(A) Directly engaged in investment in Mainland China

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

(C) Other methods.

Note 2: the current investment income recognized:

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

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

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

2 By the parent company in Taiwan audited financial statements.

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

Note 4: The limit is based on “the principle of review of investment or technical cooperation in the Mainland”, which is limited to 60% of the Company's most recent financial report.

4. Significant transactions of the mainland China investment: None.\

X. 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 Consolidated Company uses pre-tax profit and loss (excluding non-recurring gains and losses and exchange gains and losses) of internal management reports reviewed by the chief operating decision makers as a basis for the management resource allocation and performance assessment. As the tax, non-recurring gains and losses and exchange gains and losses are based on a group basis to manage, so the Consolidated Company unallocated income tax expense (benefit), non-recurring gains and losses and exchange gains and losses to reportable segments. In addition, not all departmental profit and loss contains depreciation and amortization non-cash items. The reported amounts should be consistent with the operating decision making report.

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

	Columbarium and cemetery for sale	Funeral services	Property leasing	Cemetery operations and others	Construction for sales	Adjustments and written-off	Total
Income：							
Income from external customer	$ 282,431	399,565	46,588	41,692	-	-	770,276
Inter-segment income	-	-	43	-	-	(43)	-
Total income	**$ 282,431**	**399,565**	**46,631**	**41,692**	**-**	**(43)**	**770,276**
Reportable segment profit or loss	**$ 128,905**	**89,023**	**23,419**	**82,884**	**(4,551)**	**(43)**	**319,637**

	April to June, 2018						
	Columbarium and cemetery for sale	Funeral services	Property leasing	Cemetery operations and others	Construction for sales	Adjustments and written-off	Total
Income：							
Income from external customer	$ 837,220	387,158	48,373	43,657	-	-	1,316,408
Inter-segment income	-	-	940	-	-	(940)	-
Total income	**$ 837,220**	**387,158**	**49,313**	**43,657**	**-**	**(940)**	**1,316,408**
Reportable segment profit or loss	**$ 371,574**	**109,261**	**22,157**	**518,329**	**(89)**	**(940)**	**1,020,292**

	January to June, 2019						
	Columbarium and cemetery for sale	Funeral services	Property leasing	Cemetery operations and others	Construction for sales	Adjustments and written-off	Total
Income：							
Income from external customer	$ 838,775	795,290	90,862	124,290	246,053	-	2,095,270
Inter-segment income	29	-	161	-	-	(190)	-
Total income	**$ 838,804**	**795,290**	**91,023**	**124,290**	**246,053**	**(190)**	**2,095,270**
Reportable segment profit or loss	**$ 338,427**	**209,057**	**45,681**	**229,314**	**213,785**	**(190)**	**1,036,074**

	January to June, 2018						
	Columbarium and cemetery for sale	Funeral services	Property leasing	Cemetery operations and others	Construction for sales	Adjustments and written-off	Total
Income：							
Income from external customer	$ 1,287,039	837,327	96,721	125,747	-	-	2,346,834
Inter-segment income	2,826	-	2,486	-	-	(5,312)	-
Total income	**$ 1,289,865**	**837,327**	**99,207**	**125,747**	**-**	**(5,312)**	**2,346,834**
Reportable segment profit or loss	**$ 616,213**	**228,385**	**43,242**	**543,772**	**(89)**	**(5,312)**	**1,426,211**

	Columbarium and cemetery for sale	Funeral services	Property leasing	Cemetery operations and others	Construction for sales	Adjustments and written-off	Total
Reportable segment assets							
June 30, 2019	**$ 18,942,781**	**9,418,184**	**3,882,357**	**26,763,593**	**5,548,485**	**(104,004)**	**64,451,396**
December 31, 2018	**$ 17,552,446**	**9,612,615**	**3,893,573**	**25,112,081**	**7,258,857**	**(136,264)**	**63,293,308**
June 30, 2018	**$ 17,690,229**	**9,463,871**	**6,463,442**	**24,337,140**	**4,691,578**	**(130,445)**	**62,515,815**
Reportable segment assets							
June 30, 2019	**$ 17,194,473**	**20,886,102**	**63,700**	**8,695,474**	**3,613**	**(81,658)**	**46,761,704**
December 31, 2018	**$ 16,636,314**	**20,261,395**	**68,343**	**9,968,181**	**-**	**(113,918)**	**46,820,315**
June 30, 2018日	**$ 17,911,997**	**19,548,531**	**59,249**	**9,677,298**	**-**	**(108,100)**	**47,088,975**