

Stock Code : 5530

Lungyen Life Service Corp.

(Formerly Known as Dahan Development Corp.)

2014 Annual Meeting of Shareholders

Handbook

Date: June17, 2014

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

2014 General Meeting Procedure

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VII. Meeting adjourned

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

2014 General Meeting Agenda

Time: June 17, 2014 (Tuesday), 09:00

Place: Conference Room, No.100 Tunhua North Road, Taipei

I. Announcement of the General Meeting in session (report on attendance by quantity of shares)

II. Message from the Chairman

III. Reports

(I) Review of operations in 2013

(II) Auditing Committee's report on budget settlement in 2013

IV. Points of recognition

(I) Recognition of the Review of Operation and Financial Statements in 2013.

(II) Recognition of the proposal of distribution of earnings in 2013

V. Point of discussion

(I) Amendment to the "Company Articles of Incorporation"

(II) Amendment to the "Procedure for the Acquisition and Disposition of Assets"

(III) Amendment to the "Procedure for Loaning of Funds"

VI. Other and impromptu motions

VII. Meeting adjourned

Reporting matters

Case 1

Summary: The Company's 2013 business report presented for approval.

Remarks: The 2013 business report is as follows:

In the wake of the announcement by the Federal Reserve System (the Fed) in 2013 the policy to progressively withdraw from Quantitative Easing(QE), the stock and bond markets throughout the world have undergone drastic turbulence. The People's Republic of China government dealt with the fluctuations by means of economic stability through sound adjustment without pursuit of growth at a rapid pace. In Taiwan, the economic development has been in entanglement amidst the structure and political problems which could not be solved radically through the very root where industries were in difficulty transforming themselves, and the efforts in economic reform progressed at a very slow pace, lacking the very momentum of growth. The economy grew in Taiwan by a pace below 2% in two years in a row. Thanks to the common efforts by the entire team and entire staff members, nevertheless, we still strive for continued and steady growth in business operation.

Here at Lungyen Life Service Corp., our sales turnover came to NT\$4.152 billion in 2013, declining by 14.26% from the preceding year. The net earnings after tax came to NT\$2.109 billion, a slight decline at 2.24% from the preceding year. But the net income after tax as of December 31, 2013 was up to 51%, growing by as significantly as 24% over the 44% net income after tax of the preceding year. As of December 31, 2013, the consolidated total assets came to NT\$39.2 billion, growing by 2.62% from NT\$38.2 billion of the preceding year's.

Business performance for the year 2012 and the business plan for 2013 is hereby presented to the Company's shareholders as follows:

I. 2013 Operating results:

(1) Operating results of the business plan:

Unit: NT Thousand EPS in NT/%

Item	2013	2012	Increase (decrease) Amount	Increase (decrease) %
Net operating income	3,641,810	4,382,632	(740,822)	(16.90%)
Operating costs	1,146,767	1,218,764	(71,997)	(5.91%)
Gross profits	2,495,043	3,163,868	(668,815)	(21.14%)

Operating expenses	1,109,496	1,166,684	(57,188)	(4.90%)
Net operating profits	1,819,664	1,996,755	(177,091)	(8.87%)
Net non-operating income and expenses	418,799	329,950	88,849	26.93%
Income tax expenses	222,376	241,590	(19,214)	(7.95%)
Net income	2,016,087	2,085,115	(69,028)	(3.31%)

(2) Financial income and expenses

As of December 31, 2013, the total assets amounted to NT38,103,107,000; total liabilities amounted to NT29,726,508,000; the debt ratio was 78.02%; the liability net of the collections amounted to NT2,153,564,000; and debt ratio net of the collections was 5.65 %.

(3) Profitability analysis:

Item	2013	2012
Return on assets (%)	5.50	5.64
Return on equity (%)	23.71	27.04
Profit ratio (%)	50.79	44.54
Earnings per share (NT)	5.05	5.22

II. Summary of the 2014 business plan

(1) Operating principle

1. Substantiate business plans and achieve business goals
2. Properly allocate capital and improve financial performance
3. Strengthen risk management and enhance operating foundation
4. Upgrade business management and exercise enterprise value
5. Fulfill corporate social responsibility and optimize corporate image

(2) Summary of execution

1. Substantiate business plans and achieve business goals

Exercise the merger effect of northern, central and southern cemetery; also, the cross integration of customers, channels, and commodities with unified liturgical service provided to effectively increase product penetration rate, to fulfill the primary goal of increasing market share, and to actively explore the Chinese market.

2. Properly allocate capital and improve financial performance

Grasp the capital market opportunity, plan the optimal capital to improve financial performance, provide comprehensive operational management procedures with the regulations update and enhance operating effectiveness.

3. Strengthen risk management and enhance operating foundation

Strengthen the functions of internal audit and internal control, substantiate corporate governance, review and modify the risk management regulations and update the internal control operating procedures in a timely manner in order to enhance risk management capability.

4. Upgrade business management and exercise enterprise value

Promote human resources exchanges and talents incubation plan within the Group to develop the cross-industry management talent needed, enhance manpower capital, and strengthen competitiveness. Utilize information technology for integrating workflow and service innovation to ensure competitive advantage. Exercise the bargaining power of procurement, effectively reduce operating costs and maintain the Group's long-term stability of profit growth.

5. Fulfill corporate social responsibility and optimize corporate image

Work with the Government to execute the policies, to convey business philosophy by combining it with public service, to exercise the synergy of business operations, to continuously feedback to the society, to serve the citizens, and to fulfill the satisfaction of customers, employees, and shareholders.

(3) Estimated production and sales in 2014 Unit: SET

Product / Name	Estimated production and sales
Columbarium	5,163
Cemetery	209
Preneed contract	12,206
Total	17,578

III. The Company's development strategy

In 2014, we shall focus on re-planning and reorganization of the cemeteries and towers obtained through merger/acquisition (M&A) efforts. Under the philosophy of integrated funeral services of the entire country, we shall further effectively augment the benefits of Lungyen brand logo and further expand market shares in the funeral service industry.

Amidst the mounting environmental protection awareness, the need for interment services still widely existent. As people are in heated protest against the special funeral zones, the interment service licenses will be increasingly unavailable. We shall prudentially map out our current cemetery land and augment the benefits in combination of Lungyen brand name to assure maximum possible benefits and values of Lungyen cemetery assets.

At the moment, people seem to strive for simplified ways in funeral services. Here at Lungyen, we shall elaborately adjust and upgrade marketing efforts and target products to create segmentation in the market. In turn, we will provide new needs in the market and assure continued growth and development. Meanwhile, we shall be continually strengthen internal control and demand in upgrade quality of services so that the hardware commodities and software services will be continually upgraded. Through such efforts, Lungyen will further step into extensive consumers and expand market share.

As Taiwan is in increasingly significant aging society and decreased childbirth, and amidst the limited territories and population, on the grounds of our existent life service bases, we shall, step-by-step, expand our horizons to cover life service related medical treatment services and elder citizen hotels and such business lines. Other than our efforts on the already well developed business lines and markets in Taiwan, we shall, under the well designed programs, expand our services toward China. Where China is transforming from interment toward incineration, Lungyen will be one step ahead of competitors to stand firmly in the vast markets in China. As always, Lungyen shall render high quality and elaborate thoughtful services. In the efforts of marketing pre-need contracts and tower units, we shall spearhead the entire markets as the leading brand name toward more brilliant tomorrow.

IV. Impact of external competitive environment, regulatory environment and the macro business environment

The national competent authority has gradually established comprehensive management of funeral services and published funeral-related laws and regulations for the protection of consumers. The action may have had the funeral industry subject to more strict regulations; however, it will help establish a higher operating threshold that will keep the inferior operators away. Under these circumstances, the long-lasting legitimate business operations of Lungyen will be well protected.

The funeral business is for daily necessities; therefore, the sales are not subject to the

influence of the economy. In perspective, we will continue to uphold the business philosophy of professionalism, integrity and compassion to strengthen operating performance, solid operating foundation, generate outstanding business performance, create greater shareholders' equity, contribute to the prosperity of society and set the record again for national economic development.

Thanks to our shareholders for the support over the years and we do look forward to the continuing guidance and encouragement in the future. Thank you!

Chairman: Li Shih Tsung

President: Liu Wei Lung

Chief Accountant: Chan Shu Chuan

Case 2:

Summary: **The 2013 Audit Committee's report** is proposed for approval.

Remarks: **The 2013 Audit Committee's report** is proposed as follows:

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

Auditing Committee's report on the budget settlement in 2013

Authorized

The Board of Directors has the Company's 2013 business report, financial statements, and earnings distribution report prepared and presented, in which the financial statements have been audited by CPA CPA Li Zhen Lai and Shi-Qin, Chi of KPMG Taiwan with an independent auditor's report issued.

The business report, financial statements, and earnings distribution report referred to above are audited and concluded by the Audit Committee members in compliance with Article 14.4 of the Securities and Exchange Act and Article 219 of the Company Law.

To

Lungyen Life Service Corp. (Formerly Known as Dahan Development Corp.) 2014 General Shareholders' Meeting

Independent Director: Liu Chi-Husan
Independent Director: Yeh Shu
Independent Director: Huang You-Bin

March 28, 2014

Points of Recognition

Case 1: (Proposed by the board of directors)

Summary: The Company has the **operation and financial statement reviews in 2013** presented for approval.

- Remark: 1. The Company's **operation and financial statement reviews in 2013** (including balance sheet, income statement, statement of changes in shareholders' equity and statement of cash flow and consolidated balance sheet, consolidated income statement, consolidated statements of changes in shareholders' equity and consolidated statement of cash flow) as detailed in Attachment 1 and Attachment 2. (Please refer to Page 25~35 of the Agenda Handbooks)
2. The financial statements referred to above that were audited by CPA Lai Li-Zhen and CPA Chen Jia-Xiu of KPMG Taiwan is presented for recognition.
- (Please visit the website at on the MOPS for the financial statements in details <http://newmops.twse.com.tw>)

Resolutions:

Case 2: (Proposed by the board of directors)

Summary: The Company's **proposal for distribution of earnings in 2013** is presented for recognition.

Remarks:

1. The Company's net income amounted to NT 2,016,087,376 in 2013 and the unappropriated earnings amounted to NT 506,022,708 in 2012 for a grand total of NT 2,522,110,084 that is proposed to be distributed as follows:
 1. Legal reserve appropriated: NT 201,608,738
 2. Shareholders' dividends: NT 1,316,977,857 of the distributable earnings will be appropriated for the distribution of cash dividend at NT3.3 per share. Cash dividend is distributed prorated currently with the amount rounded up to the dollar. Also, it is adjusted by a decimal point from large to small and the account number from front to back in order to match up with the total cash dividends distributed.
 3. Remuneration to directors and supervisor: It is estimated to be NT 27,154,181.
 4. Bonus to employees: The cash dividend is estimated to be NT 13,577,092.
 5. Please refer to Attachment 4 for the distribution of earnings in detail.
 6. For the distribution of cash dividends to shareholders, the board of directors is authorized to schedule the ex-dividend date as soon as it is resolved at the shareholders' meeting.
2. If the outstanding stock shares are affected that have caused changes to shareholder's dividend ratio due to the Company's repurchasing treasury shares and cash capitalization before the Ex-dividend date, the board of directors is authorized in the shareholders' meeting to deal with the correction needed.
3. For the distribution of cash dividend to shareholders, the board of directors is authorized to schedule the ex-dividend date as soon as it is resolved at the shareholders' meeting.

4. Hereby apply for recognition.

Resolutions:

Attachment 4

Lungyen Life Service Corp.
2013 Distribution of Earnings

Item	Unit: NT
	Amount
Balance – beginning	506,022,708
Added: Net income	2,016,087,376
Earnings available for distribution	2,522,110,084
Appropriate 10% legal reserve	201,608,738
Appropriation of special reserves	0
Current earnings available for distribution	2,320,501,346
Distribution:	
1. Cash dividend to shareholders – 97% (estimated NT3.3 per share)	1,316,977,857
2. Stock dividend to shareholders – 0%	-

Note: (NT3.3 per share)

 Remuneration to directors and supervisors – 2% (NT27,154,181)

 Bonus to employees – 1% (NT13,577,092)

Chairman: Lee Shih-Tsung

Manager: Liu Wei-Lung

Chief Accountant: Chan Shu-Chuan

Point of Discussion

Case 1:

(Proposed by the board of directors)

Summary: **The Amendment to the “Amendment of the Articles table”** is proposed for discussion.

Remark: The Company’s “Amendment of the Articles table” will be amended line with the laws and regulations amendments and the needs for business operations. The comparison table of the “Amendment of the Articles table ” amendment before and after is as follow:

Lung Yen Life Service Co., Ltd. (formerly known as Dahan Development Corp.)

Amendment of the Articles table Endorsement” amendment before and after

Article	Old	New	Amendment basis and reasons
Article 2	<p>The company's business activities are:</p> <p>01.H701010 Residence and Buildings Lease Construction and Development</p> <p>02.H701040 Specialized Field Construction and Development.</p> <p>03.H701060 New County and Community Construction and Investment.</p> <p>04.F111090 Wholesale of Building Materials.</p> <p>05.F205040 Retail Sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures.</p> <p>06.F211010 Retail Sale of Building Materials.</p> <p>07.I503010 Landscape and Interior Design.</p> <p>08.H701050 Public Works Construction and Investment.</p> <p>09.H701030 Funeral Places Lease Construction and Development.</p> <p>10.H703090 Real Estate Commerce.</p> <p>11.H703100 Real Estate Rental and Leasing.</p> <p>12.H703110 Senior Citizen's Development.</p> <p>13.H701080 Reconstruction within the renewal area.</p> <p>14.JZ99141 Burial Ground Services.</p> <p>15.JZ99151 Burial Services.</p> <p>16.J202010 Industry Innovation and Incubation Services.</p> <p>17.J901020 Hotels and Motels.</p> <p>18.J701040 Recreational Activities</p>	<p>The company's business activities are:</p> <p>01.H701010 Residence and Buildings Lease Construction and Development</p> <p>02.H701040 Specialized Field Construction and Development.</p> <p>03.H701060 New County and Community Construction and Investment.</p> <p>04.F111090 Wholesale of Building Materials.</p> <p>05.F205040 Retail Sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures.</p> <p>06.F211010 Retail Sale of Building Materials.</p> <p>07.I503010 Landscape and Interior Design.</p> <p>08.H701050 Public Works Construction and Investment.</p> <p>09.H701030 Funeral Places Lease Construction and Development.</p> <p>10.H703090 Real Estate Commerce.</p> <p>11.H703100 Real Estate Rental and Leasing.</p> <p>12.H703110 Senior Citizen's Development.</p> <p>13.H701080 Reconstruction within the renewal area.</p> <p>14.JZ99141 Burial Ground Services.</p> <p>15.JZ99151 Burial Services.</p> <p>16.J202010 Industry Innovation and Incubation Services.</p>	<p>With its operations and adjustment items.</p>

	<p>Grounds and Facilities.</p> <p>19.J701070 Computer Recreational Activities.</p> <p>20.J801030 Athletics and Recreational Sports Stadium.</p> <p>21.J701020 Amusement Parks.</p> <p>22.JZ99050 Agency Services.</p> <p>23.JZ99090 Joyous Events Services.</p> <p>24.F401010 International Trade.</p> <p>25.J303010 Magazine and Periodical Publication.</p> <p>26.F206060 Retail Sale of Articles to Offer Sacrifices to Gods or Ancestors.</p> <p>27.F203010 Retail Sale of Food and Grocery.</p> <p>28.F201070 Retail Sale of Flowers.</p> <p>29.F201010 Retail Sale of Agricultural Products.</p> <p>30.F399040 Retail Business without Shop.</p> <p>31.J101030 Waste Disposal.</p> <p>32.J101040 Waste Management.</p> <p>33.JZ99990 Other services not elsewhere classified.</p> <p>34.H704031 Real estate agency brokerage industry.</p> <p>35.H704041 Real estate agency brokerage industry.</p> <p>36.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>17.J901020 Hotels and Motels.</p> <p>18.J701040 Recreational Activities Grounds and Facilities.</p> <p>19.J701070 Computer Recreational Activities.</p> <p>20.J801030 Athletics and Recreational Sports Stadium.</p> <p>21.JZ99050 Agency Services.</p> <p>22.JZ99090 Joyous Events Services.</p> <p>23.F401010 International Trade.</p> <p>24.F206060 Retail Sale of Articles to Offer Sacrifices to Gods or Ancestors.</p> <p>25.F203010 Retail Sale of Food and Grocery.</p> <p>26.F201070 Retail Sale of Flowers.</p> <p>27.F201010 Retail Sale of Agricultural Products.</p> <p>28.F399040 Retail Business without Shop.</p> <p>29.J101030 Waste Disposal.</p> <p>30.J101040 Waste Management.</p> <p>31.JZ99990 Other services not elsewhere classified.</p> <p>32.H704031 Real estate agency brokerage industry.</p> <p>33.H704041 Real estate agency brokerage industry.</p> <p>34.G801010 Warehousing</p> <p>35.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	
Article 12	All company shareholders are entitled to one vote for every share held, except for the circumstances described in Section 179 of The Company Act where shareholders cannot exercise their voting rights.	All company shareholders are entitled to one vote for every share held, except for the circumstances described in Section 179 of The Company Act where shareholders cannot exercise their voting rights. Shareholders may exercise their voting rights adopted in writing or by electronic means, and shall specify in the notice convening the shareholders' meeting.	Updating shareholders exercise voting
Article 16-1	The composition of the company's board of directors mentioned above include three independent directors appointed by	The directors of the Company are mining system for nominating candidates, elected by the shareholders	Implementati on of corporate

	<p>way of nomination which requires shareholders to select from a list of independent director nominees. The nomination shall comply with section 192-1 of The Company Act.</p> <p>Independent directors and non-independent directors must be selected during the same election. Their electoral quota must be calculated separately.</p> <p>Independent directors' eligibility, shareholding, concurrent employment, names, the method of election, and all other compliance issues shall be governed by the rules of the securities authority</p>	<p>of the list of candidates for directors, nomination of one hundred ninety-two handled in accordance with the Companies Act.</p> <p>Independent directors and non-independent directors must be selected during the same election. Their electoral quota must be calculated separately.</p> <p>Independent directors' eligibility, shareholding, concurrent employment, names, the method of election, and all other compliance issues shall be governed by the rules of the securities authority.</p>	<p>governance policies</p>
<p>Article 28</p>	<p>If the company concludes a surplus for the financial year, it must first fulfill all tax duties and reimburse previous losses, followed by a 10% provision for statutory earnings reserve and a special earnings reserve if necessary. A discretionary amount of retained earnings can be withheld from the remaining surpluses, and the remainder will be subject to the following distributions:</p> <p>(1) Ordinary share dividends and bonuses no less than 97%.</p> <p>(2) Directors' remuneration no more than 2%.</p> <p>(3) Employees' bonuses no less than 1%.</p> <p>If the above-mentioned bonus to employees is paid in shares, the beneficiaries may include the employees of the company's subsidiaries who have met certain criteria. The company may distribute retained earnings in shares out of concern toward shareholders equity and based on its capital requirements derived from future capital budgets. The amount distributed in cash must be no less than 10% of shareholders' stock dividends.</p> <p>Chapter Seven Additional rules</p>	<p>After the settlement , if any, of the company's annual earnings , tax money should be appropriated to make up for losses in prior years , times set aside as legal reserve and it occurs when the stockholders' equity for the year as special reduction of the amount of surplus public after turning the plot or special reserve , then the balance will be distributed according to the following ratio:</p> <p>(1) the directors ' remuneration of not more than 2% .</p> <p>(2) the employee bonus of 1% . In stock issuer , the recipients must include the employees of subsidiaries certain conditions .</p> <p>After deducting the preceding paragraph amounts , the amount of the remaining available for distribution to plus pre cumulative undistributed earnings as dividends , the Board of Directors in accordance with the company dividend policy based on the total percentage of shares distributed or retained by the proposed appropriation of earnings will be distributed in the preceding paragraph for resolution of shareholders .</p> <p>The Company's dividend policy is based on the interests of shareholders and in accordance with the Company's future</p>	<p>Amendments to the shareholders dividends plus undistributed earnings for the early accumulation and clearly defined distribution ratio</p>

		capital budget planning for future years as measured by capital requirements , dividends or stock dividends of cash dividends to be paid. Priority of cash dividends may also be made by way of stock dividend distribution , only cash dividends shall not be less than 10% of total shareholders' dividends	
Article 31	<p>This Memorandum of Association was created on 27 February 1987.</p> <p>1st amendment - 20 March 1987.</p> <p>2nd amendment - 18 January 1991.</p> <p>3rd amendment - 2 September 1992.</p> <p>4th amendment - 31 December 1993.</p> <p>5th amendment - 1 March 1995.</p> <p>6th amendment - 15 July 1996.</p> <p>7th amendment - 19 March 1997.</p> <p>8th amendment - 26 April 1997.</p> <p>9th amendment - 24 October 1997.</p> <p>10th amendment - 18 May 1998.</p> <p>11th amendment - 4 December 1998.</p> <p>12th amendment - 6 May 1999.</p> <p>13th amendment - 22 June 2001.</p> <p>14th amendment - 30 June 2002.</p> <p>15th amendment - 8 February 2006.</p> <p>16th amendment - 8 February 2006.</p> <p>17th amendment - 15 June 2007.</p> <p>18th amendment - 1 August 2008.</p> <p>19th amendment - 10 June 2009.</p> <p>20th amendment - 29 October 2009.</p> <p>21st amendment - 12 October 2010.</p> <p>22nd amendment - 28 June 2011</p> <p>23rd amendment - 6 June 2012</p>	<p>This Memorandum of Association was created on 27 February 1987.</p> <p>1st amendment - 20 March 1987.</p> <p>2nd amendment - 18 January 1991.</p> <p>3rd amendment - 2 September 1992.</p> <p>4th amendment - 31 December 1993.</p> <p>5th amendment - 1 March 1995.</p> <p>6th amendment - 15 July 1996.</p> <p>7th amendment - 19 March 1997.</p> <p>8th amendment - 26 April 1997.</p> <p>9th amendment - 24 October 1997.</p> <p>10th amendment - 18 May 1998.</p> <p>11th amendment - 4 December 1998.</p> <p>12th amendment - 6 May 1999.</p> <p>13th amendment - 22 June 2001.</p> <p>14th amendment - 30 June 2002.</p> <p>15th amendment - 8 February 2006.</p> <p>16th amendment - 8 February 2006.</p> <p>17th amendment - 15 June 2007.</p> <p>18th amendment - 1 August 2008.</p> <p>19th amendment - 10 June 2009.</p> <p>20th amendment - 29 October 2009.</p> <p>21st amendment - 12 October 2010.</p> <p>22nd amendment - 28 June 2011</p> <p>23rd amendment - 6 June 2012</p> <p>24nd amendment - 17 June 2014</p>	<p>Revision</p> <p>Date added</p>

Resolutions:

Case 2:

(Proposed by the board of directors)

Summary: **The Amendment to the “Procedure for the Acquisition and Disposition of Assets”** is proposed for discussion.

Remark: The Company’s **“Procedure for the Acquisition and Disposition of Assets”** will be amended line with the laws and regulations amendments and the needs for business operations. The comparison table of the **“Procedure for the Acquisition and Disposition of Assets”** amendment before and after is as follow:

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

The comparison table of the “Procedure for Guarantees and Endorsement” amendment before and after

Clause	Original clause	Amended clause	References and reasons for amendments
Article 7 Section 3	(3) The total endorsement and guarantee amount made for one single enterprise by the Company and its subsidiaries exceeds NT10 million; also, the total endorsement and guarantee, long-term investment and loaning of funds exceed 30% of the net value on the Company’s most recent financial statements.	(3) The endorsement or guarantee amount for individual enterprise made by the Company and its subsidiaries shall not exceed NT10 million; also, the endorsement and guarantee for <u>long-term</u> investment and loaning of funds exceeds 30% of the net value in the most recent financial statements.	Revise the wordings of long-term investment in accordance with the “Guidelines for Handling Loaning of Funds and Endorsements and Guarantees by Public Companies.”
Article 12	<Addition>	<u>The matters that are not properly addressed in the operating procedure should be processed in accordance with the “Guidelines for Handling Loaning of Funds and Endorsements and Guarantees” published by Financial Supervisory Commission.</u>	The operating procedure is amended in accordance with the “Guidelines for Handling Loaning of Funds and Endorsements and Guarantees by Public Companies”. If the operating procedure is not amended in time, it should be processed in accordance with the “Guidelines for Handling Loaning of Funds and Endorsements and Guarantees by Public Companies”.
Amendment date	The 1st amendment was on May 27, 2003. The 2nd amendment was on June 10, 2009. The 3rd amendment was on October 29, 2009. The 4th amendment was on June 28, 2011. The 5th amendment was on June 6, 2012.	The 1st amendment was on May 27, 2003. The 2nd amendment was on June 10, 2009. The 3rd amendment was on October 29, 2009. The 4th amendment was on June 28, 2011. The 5th amendment was on June 6, 2012. <u>The 6th amendment was on June 4, 2013</u>	Adding the current amendment date

Resolutions:

Case 3:

(Proposed by the board of directors)

Summary: **The Amendment to the “Procedures for Derivative Instrument Transactions”** is proposed for discussion.

Remark: The Company’s **“Procedures for Derivative Instrument Transactions”** will be amended in line with the need of business operation. The comparison table of the “Procedures for Endorsement and Guarantee” amendment before and after is as follow:

**Lung Yen Life Service Co., Ltd. - formerly known as Dahan
Development Corp.**

Procedures for Derivative Instrument Transactions

Endorsement” amendment before and after

Article	Old	New	Amendment basis and reasons
10-1-3	Any personnel authorized according to the company's derivatives trading procedures to carry out derivatives trading activities must be reported to the board of directors afterward.	The Company engaged in derivatives trading, according to the Order Derivative transaction processing requirements handled by authorized personnel, and afterwards shall submit the most recent Board of Directors.	
13	This policy was passed during the shareholders meeting held on 28 June 2011, and become effective on the date of announcement.	This policy was passed during the shareholders meeting held on 28 June 2011, and become effective on the date of announcement. 2nd amendment - 17 June 2014	

Resolutions:

Other proposals and impromptu motions

Meeting adjourned

Independent Auditor's Report

From the Board of Directors, Lungyen Life Service Corporation

We have audited the accompanying consolidated balance sheet of Lungyen Life Service Corporation Ltd. as of December 31, 2013 and 2012 and January 1, 2012, and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have not audited the financial statements of some of the invested companies under the equity method of Lungyen Life Service Corporation Ltd., which were audited by the other independent auditors; therefore, our opinions expressed on those financial statements and the amounts reported were based on the other independent auditor's report. The investment in these invested companies under the equity method were NT\$0, NT\$30,024 thousand, and NT\$29,305 thousand as of December 31, 2013 and 2012, and January 1, 2012, representing 0%, 0.08%, and 0.08% of total assets, respectively. The earnings from the subsidiary under the equity method and affiliated company and joint venture were NT\$151 thousand and NT\$49 thousand on January 1 ~ December 31, 2013 and 2012, representing 0.007% and 0.002% of net income before tax, respectively.

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

In our opinion, based on our audit and the other independent auditor's reports, the financial statements referred to above present fairly, in all materials respects, the financial position of Lungyen Life Service Corporation Ltd. as of December 31, 2013 and 2012, and January 1, 2012, and the results of its operations and its cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

The Significant Accounting Ledger of the 2013 individual financial statements is mainly for supplementary analysis and is also audited by the accountant using the audit procedure described in the first paragraph. In our opinion, the significant accounting ledger referred to above that is prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms present fairly, in all materials respects, corresponding to the individual financial statements in the first paragraph.

KPMG Taiwan

CPA:

Securities and : (89) Tai.chai.jen(VI) No. 62474
Futures FSC(I).tzi No. 1020000737

Committee of
the Ministry of
Finance
approval no.

March 27, 2014

Lungyen Life Service Corp.
Comprehensive Income Statement
January 1 ~ December 31, 2013 and 2012

Unit: NT Thousand

		<u>2013year</u>		<u>2012year</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating income (Note 6 [15])	\$ 3,641,810	100	4,382,632	100
5000	Operating costs	<u>1,146,767</u>	<u>31</u>	<u>1,218,764</u>	<u>28</u>
5900	Gross profits	<u>2,495,043</u>	<u>69</u>	<u>3,163,868</u>	<u>72</u>
Operating expenses					
6100	Marketing expenses	751,773	21	869,713	20
6200	Administrative expenses (Note VII)	<u>357,723</u>	<u>10</u>	<u>296,971</u>	<u>7</u>
6000	Total operating expenses	<u>1,109,496</u>	<u>31</u>	<u>1,166,684</u>	<u>27</u>
6500	Other income and expense - net (Note VI(VII))	<u>434,117</u>	<u>12</u>	<u>(429)</u>	<u>-</u>
6900	Net operating profits	<u>1,819,664</u>	<u>50</u>	<u>1,996,755</u>	<u>45</u>
Non-operating income and expenses (Note VI(XVI)):					
7010	Other income (Note 6 [15])	274,243	8	238,301	6
7020	Other profit and loss	64,821	1	33,976	1
7050	Finance costs (Note VI(IV))	(20,660)	(1)	(26,715)	(1)
7060	Shareholding in the profit or loss of the affiliated company and joint venture under the equity method (Note 6 [5])	<u>100,395</u>	<u>3</u>	<u>84,388</u>	<u>2</u>
		<u>418,799</u>	<u>11</u>	<u>329,950</u>	<u>8</u>
7900	Net income before tax from continuing operations	2,238,463	61	2,326,705	53
7950	Minus: Income tax expense (Note 6 [12])	<u>222,376</u>	<u>6</u>	<u>241,590</u>	<u>6</u>
8200	Net income	<u>2,016,087</u>	<u>55</u>	<u>2,085,115</u>	<u>47</u>
8300	Other comprehensive profit or loss (Note VI(XIII))				
8310	Exchange differences on the translation of financial statements of foreign operations	4,924	-	(6,353)	-
8360	Actuarial gains (losses) of the defined benefit plan	(433)	-	(2,033)	-
8380	Shareholding in the other comprehensive profit or loss of the subsidiaries, affiliated companies, and joint ventures under the equity method	(313)	-	670	-
8399	Less: Income tax related to the other comprehensive profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	Other comprehensive profit or loss (net of tax)	<u>4,178</u>	<u>-</u>	<u>(7,716)</u>	<u>-</u>
8500	Other total comprehensive income	<u>\$ 2,020,265</u>	<u>55</u>	<u>2,077,399</u>	<u>47</u>
Basic earnings per share (NT) (Note 6 [14])					
9750	Basic earnings per share (Unit: NT)	<u>\$ 5.05</u>		<u>5.22</u>	
9850	Diluted earnings per share (Unit: NT)	<u>\$ 5.05</u>		<u>5.22</u>	

(Please refer to the enclosed Notes to Financial Statements)

Chairman

Manager

Chief Accountant

Lungyen Life Service Corp.
Statement of Retained Earnings
January 1 ~ December 31, 2013 and 2012

Unit: NT Thousand

	Common stock capital	Additional paid-in capital	Retained earnings			Total	Other equity		Total	Total equity
			Legal reserves	Special reserves	Unappropriated earnings		Exchange differences from the translation of foreign institution's financial statements	Unrealized gain (loss) of the available-for-sale financial instruments		
Balance – 01/01/2012	\$ 3,990,842	1,392,072	77,142	26,009	1,317,666	1,420,817	(13,851)	(301)	(14,152)	6,789,579
Net income(loss)	-	-	-	-	2,085,115	2,085,115	-	-	-	2,085,115
Other comprehensive income	-	-	-	-	(2,033)	(2,033)	(6,353)	670	(5,683)	(7,716)
Other total comprehensive income	-	-	-	-	2,083,082	2,083,082	(6,353)	670	(5,683)	2,077,399
Appropriation and distribution of earnings (Note 1):										
Appropriation of legal reserves	-	-	186,128	-	(186,128)	-	-	-	-	-
Shareholders' dividend – cash, 3 per share	-	-	-	-	(1,197,253)	(1,197,253)	-	-	-	(1,197,253)
Special reserve reversed	-	-	-	(11,857)	11,857	-	-	-	-	-
Balance – 12/31/2012	3,990,842	1,392,072	263,270	14,152	2,029,224	2,306,646	(20,204)	369	(19,835)	7,669,725
Net income(loss)	-	-	-	-	2,016,087	2,016,087	-	-	-	2,016,087
Other comprehensive income	-	-	-	-	(433)	(433)	4,924	(313)	4,611	4,178
Other total comprehensive income	-	-	-	-	2,015,654	2,015,654	4,924	(313)	4,611	2,020,265
Appropriation and distribution of earnings (Note 2):										
Appropriation of legal reserves	-	-	204,717	-	(204,717)	-	-	-	-	-
Appropriation of special reserves	-	-	-	5,683	(5,683)	-	-	-	-	-
Shareholders' dividend – cash, 3.3 per share	-	-	-	-	(1,316,978)	(1,316,978)	-	-	-	(1,316,978)
Difference between the equity price and book value of the subsidiary's equity acquired or disposed	-	3,587	-	-	-	-	-	-	-	3,587
Balance – 12/31/2013	\$ 3,990,842	1,395,659	467,987	19,835	2,517,500	3,005,322	(15,280)	56	(15,224)	8,376,599

Note1: Remuneration for directors and supervisors for NT27,154, 000 and bonus to employees for NT13,577,000 are deducted in the Income Statement.

Note2: Remuneration for directors and supervisors for NT27,154, 000 and bonus to employees for NT13,577,000 are deducted in the Income Statement.

(Please refer to the enclosed Notes to Financial Statements)

Chairman

Manager

Chief Accountant

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Lungyen Life Service Corp.
Statement of Cash Flow
January 1 ~ December 31, 2013 and 2012

Unit: NT Thousand

	2013year	2012year
Cash flow from operating activities:		
Net income before tax	\$ 2,238,463	2,326,705
Adjustments:		
Income and expense that does not affect cash flows		
Depreciation expense	107,349	99,227
Amortization expense	8,074	7,806
Appropriation of bad debt expenses	10,755	17,089
Net earnings of financial assets and liabilities measured at fair value through profit or loss	(54,072)	(32,218)
Interest expense	20,660	26,715
Interest income	(23,350)	(11,784)
Dividend income	(18,477)	(21,574)
Shareholding in the profit or loss of the affiliated companies and joint ventures under the equity method	(100,395)	(84,388)
Disposal and obsolescence of property, plant, and equipment loss (gain)	170	(2,844)
Disposal of investment property (gain) loss	(434,117)	429
Disposal of investment gain	(33,745)	-
Total income and expense that does not affect cash flows	(517,148)	(1,542)
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Held-for-sale financial assets	(432,221)	345,816
Notes and accounts receivable	(137,525)	(103,456)
Inventories	(340,362)	453,634
Prepayments	(58,706)	53,896
Other financial assets	(190,093)	(196,181)
Other current assets	14,737	(8,262)
Total net changes in assets related to operating activities	(1,144,170)	545,447
Net changes in liabilities related to operating activities:		
Notes and accounts payable – net	127,052	59,698
Accounts payable – related party	7,480	(19,428)
Other payables	108,349	64,902
Collections	1,092,369	117,012
Other current liabilities	7,908	(7,288)
Accrued pension liability	401	395
Total net changes in the liability related to operating activities	1,343,559	215,291
Total net changes in assets and liabilities related to operating activities	199,389	760,738
Total Adjustments	(317,759)	759,196
Cash inflow from operations	1,920,704	3,085,901
Interest received	23,350	11,784
Dividends received	31,242	21,574
Interest paid	(20,660)	(26,715)
Income taxes paid	(244,848)	(391,072)
Net cash inflow from operating activities	1,709,788	2,701,472

Lungyen Life Service Corp.
Statement of Cash Flow (continued)
January 1 ~ December 31, 2013 and 2012

Unit: NT Thousand

	2013year	2012year
Cash flow from investment activities		
Disposal of financial assets measured at cost	489,290	-
Refunds from decapitalization of financial assets measured at cost	12,000	-
Acquisition of investments under the equity method	(61,250)	(272,400)
Disposal of investments under the equity method	23,732	-
Refunds from decapitalization of the invested company under the equity method	254,810	-
Acquisition of property, plant, and equipment	(530,839)	(270,743)
Disposal of property, plant, and equipment	113	3,063
Acquisition of intangible assets	(7,713)	(3,829)
Acquisition of investment property	(4,782)	(236)
Disposal of investment property	1,765,544	92,512
Other financial assets	(482,738)	(121,228)
Other noncurrent assets	-	(50,056)
Net cash inflow (outflow) from investing activities	1,458,167	(622,917)
Cash flows from financing activities:		
Increase in short-term loans	2,421,000	3,660,000
Decrease in short-term loans	(3,359,000)	(4,760,000)
Increase (decrease) of guaranteed deposit and margin received	7,425	(3,080)
Distribution of cash dividends	(1,316,978)	(1,197,253)
Net cash outflow from financing activities	(2,247,553)	(2,300,333)
Current cash and cash equivalents Increase (decrease)	920,402	(221,778)
Balance of cash and cash equivalent – beginning	191,984	413,762
Balance of cash and cash equivalent – ending	\$ 1,112,386	191,984

(Please refer to the enclosed Notes to Financial Statements)

Chairman

Manager

Chief Accountant

Appendix II

Independent Auditor's Audit Report

To Board of Directors of Lungyen Life Service Corp.

We have audited the consolidated balance sheets of Lungyen Life Service Corp. as of December 31, 2013 and 2012, and the related consolidated statements of income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. The financial statements of some investees of Lungyen Life Service Corp. and its subsidiaries evaluated under equity method were audited by other auditors. All amounts related to investment income and the information about the investees presented in the foregoing financial statements were accounted for on the basis of the investee's financial statement audited by other auditors. The long-term equity investment under equity method of said investees were NT\$0, NT\$30,024 thousand and NT\$29,305 thousand as of December 31, 2013 and 2012, accounting for 0%, 0.08% and 0.08% of the consolidated total assets. The investment loss, net recognized in 2012 and 2011, were NT\$151 thousand and NT\$49 thousand, accounting for 0.006% and 0.002% of the consolidated net income before income tax, respectively.

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

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Lungyen Life Service Corp. (formerly known as Dahan Development Corp.) and its subsidiaries of December 31, 2013 and 2012, and the results of their consolidated operations and their consolidated cash flows for the years then ended in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

Lungyen Life Service Corp. has prepared standalone financial statement as of 2013 and 2012 and it has been audited by our audits, for your reference.

KPMG

CPA:

Approval Document issued
by the competent securities
authority:

(89) Tai-Tsai-Chen (6) No.
62474
FSC No. 1020000737

March 27, 2014

(English Translation of Financial Report Originally Issued in Chinese)
Lungyen Life Service Corp. and Subsidiaries
Consolidated Balance Sheets
December 31, 2013, December 31, 2012, and January 1, 2012
(All Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Assets		12.31.2013		12.31.2012		1.1.2012		Liabilities and Equity		12.31.2013		12.31.2012		1.1.2012	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6 (1) & (18))	\$ 1,382,339	4	372,427	1	1,565,112	4	2100	Short-term loan (Note 6(10) & (19))	\$ 1,002,000	3	2,140,000	6	3,040,000	8
1110	Financial assets at fair value through profit or loss - current (Note 6(2),&(19))	859,527	2	693,530	2	916,903	2	2170	Payable notes and accounts (Note 6(19))	462,026	1	450,986	1	1,521,114	4
1150	Notes receivable, net (Note 6(19))	26,780	-	15,638	-	41,648	-	2180	Payable accounts – related parties (Note 6(19)&7)	-	-	12,400	-	-	-
1170	Accounts receivable, net (Note 6(19)) & 7)	335,734	1	212,298	1	161,712	1	2190	Constructions contract payable	14,902	-	48,814	-	18,402	-
1190	Constructions contract receivable	8,492	-	632	-	-	-	2200	Other payable accounts (Note 7)	498,677	1	365,720	1	322,445	1
1320	Inventories (Note 6(4))	12,698,018	32	12,033,365	31	12,173,632	31	2230	Current income tax liabilities (Note 6(19))	171,844	-	99,539	-	314,561	1
1400	Biological assets – current (Note 6(5))	12,162	-	6,957	-	-	-	2310	Advance receipts (Note 9)	27,595,812	71	26,480,575	70	26,385,968	67
1410	Prepayments (Note 9)	8,270,464	21	8,368,806	22	8,411,531	21	2399	Other current liabilities (Note 6(2)&9)	15,401	-	9,199	-	16,194	-
1476	Other financial assets – current (Note 6(19), 7 and 9)	2,167,787	6	1,756,849	5	1,376,366	4			29,760,662	76	29,607,233	78	31,618,684	81
1479	Other current assets (Note 9)	5,420	-	18,530	-	9,762	-								
		25,766,723	66	23,479,032	62	24,656,666	63								
Non-current assets:								Non-current liabilities:							
1543	Financial assets carried at cost – non-current (Note 6(3)&19)	58,883	-	524,819	1	68,471	-	2570	Deferred income tax liabilities (Note 6(13))	30,683	-	24,413	-	9,906	-
1550	Investment under equity method (Note 6(6))	-	-	64,902	-	508,032	1	2640	Accrued pension liabilities (Note 6(13))	22,306	-	21,471	-	19,044	-
1600	Property, plant and equipment (Note 6(7))	5,182,831	13	4,644,862	12	4,260,803	11	2645	Deposit received	50,420	-	42,995	-	46,075	-
1760	Investment property, net (Note 6(8))	6,184,139	16	7,579,213	20	7,793,947	20	2670	Other non-current liabilities (Note 6(2)&9)	2,981	-	2,981	-	2,981	-
1780	Intangible assets (Note 6(9))	785,148	2	777,676	2	781,684	2			106,390	-	91,860	-	78,006	-
1840	Deferred income tax assets (Note 6(13))	711,747	2	581,900	2	650,567	2			29,867,052	76	29,699,093	78	31,696,690	81
1915	Prepayment for equipment	40,324	-	42,618	-	36,534	-	Total liabilities							
1980	Other financial assets – non-current (Note 6(19))	41,891	-	27,032	-	61,092	-	Equity attributable to owners of parent (Note 6(14)):							
1990	Other non-current assets (Note 9)	430,970	1	430,587	1	380,531	1	3100	Capital stock – common stock	3,990,842	10	3,990,842	10	3,990,842	10
		13,435,933	34	14,673,609	38	14,541,661	37	3200	Capital surplus	1,395,659	4	1,392,072	4	1,392,072	4
									Retained earnings:						
									Legal reserve	467,987	1	263,270	1	77,142	-
									Special reserve	19,835	-	14,152	-	26,009	-
									Unappropriated retained earnings	2,517,500	7	2,029,224	5	1,317,666	3
									Other equity interest	(15,224)	-	(19,835)	-	(14,152)	-
									Total equity attributable to owners of parent	8,376,599	22	7,669,725	20	6,789,579	17
									Non-controlling interest	959,005	2	783,823	2	712,058	2
									Total equity	9,335,604	24	8,453,548	22	7,501,637	19
									Total liabilities and equity	\$ 39,202,656	100	38,152,641	100	39,198,327	100
	Total assets	\$ 39,202,656	100	38,152,641	100	39,198,327	100								

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

Chairman :

General Manager :

Chief Accountant :

(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income

The Twelve Months Ended December 31, 2013 and 2012

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

		2013		2012	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(16) & 7)	\$ 4,151,854	100	4,842,343	100
5000	Operating cost (Note 7)	1,174,975	28	1,321,325	27
5900	Operating gross profit (loss)	2,976,879	72	3,521,018	73
Operating expenses (Note 7):					
6100	Selling expenses	962,847	23	1,026,689	21
6200	Administration expenses	408,064	10	321,328	7
6000		1,370,911	33	1,348,017	28
6500	Net other income (expenses) (Note 6(17))	444,752	11	4,750	-
6900	Operating income	2,050,720	50	2,177,751	45
Non-operating income and expenses (Note 6(3)(6)&(18))					
7010	Other income	258,125	6	219,432	5
7020	Other gains and losses	72,278	2	47,681	1
7050	Financial costs	(23,170)	(1)	(29,483)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	876	-	937	-
		308,109	7	238,567	5
7900	Operating income before tax	2,358,829	57	2,416,318	50
7950	Less: Income tax expense (Note 6(12))	250,291	6	259,438	6
8200	Net income	2,108,538	51	2,156,880	44
8300	Other comprehensive income:				
8310	Exchange differences on translation of foreign statements	4,924	-	(6,353)	-
8360	Determine the benefit plan actuarial losses	(433)	-	(2,033)	-
8370	Share of other comprehensive profit (loss) of associates and joint ventures accounted for using equity method	(313)	-	670	-
8399	Less: Income tax relating to the composition and part of other comprehensive income	-	-	-	-
8300	Other comprehensive income, net	4,178	-	(7,716)	-
8500	Total comprehensive income	\$ 2,112,716	51	2,149,164	44
Net income, attributable to:					
8610	Owners of parent	\$ 2,016,087	49	2,085,115	43
8620	Non-controlling interest	92,451	2	71,765	1
		\$ 2,108,538	51	2,156,880	44
Total comprehensive income, attributable to:					
8710	Owners of parent	\$ 2,020,265	49	2,077,399	43
8720	Non-controlling interest	92,451	2	71,765	1
		\$ 2,112,716	51	2,149,164	44
Earnings per share (Note 6(15))					
9750	Basic earnings per share (NTD)	\$ 5.05		5.22	
9850	Diluted earnings per share (NTD)	\$ 5.05		5.22	

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

Chairman :

General Manager :

Chief Accountant :

(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp. and Subsidiaries

Consolidated Statements of Changes in Equity

The Twelve Months Ended December 31, 2013 and 2012

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

	Equity attributable to owners of parent						Other equity interest					
	Retained earnings	Other equity interest					Total equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on foreign translation	Unrealized gains (losses) on available-for-sale financial assets	Total	Total equity attributable to owners of parent	Non-controlling interest	Total equity
Balance – January 1, 2012	\$ 3,990,842	1,392,072	77,142	26,009	1,317,666	1,420,817	(13,851)	(301)	(14,152)	6,789,579	712,058	7,501,637
Net profit	-	-	-	-	2,085,115	2,085,115	-	-	-	2,085,115	71,765	2,156,880
Other comprehensive income	-	-	-	-	(2,033)	(2,033)	(6,353)	670	(5,683)	(7,716)	-	(7,716)
Total comprehensive income	-	-	-	-	2,083,082	2,083,082	(6,353)	670	(5,683)	2,077,399	71,765	2,149,164
Allocation of earnings in 2011												
Legal reserve	-	-	186,128	-	(186,128)	-	-	-	-	-	-	-
Shareholders' bonus – cash, NT\$3 per share	-	-	-	-	(1,197,253)	(1,197,253)	-	-	-	(1,197,253)	-	(1,197,253)
Reversal of special reserve	-	-	-	(11,857)	11,857	-	-	-	-	-	-	-
Balance – December 31, 2012	3,990,842	1,392,072	263,270	14,152	2,029,224	2,306,646	(20,204)	369	(19,835)	7,669,725	783,823	8,453,548
Net profit	-	-	-	-	2,016,087	2,016,087	-	-	-	2,016,087	92,451	2,108,538
Other comprehensive income	-	-	-	-	(433)	(433)	4,924	(313)	4,611	4,178	-	4,178
Total comprehensive income	-	-	-	-	2,015,654	2,015,654	4,924	(313)	4,611	2,020,265	92,451	2,112,716
Allocation of earnings in 2012 (Note2)												
Legal reserve	-	-	204,717	-	(204,717)	-	-	-	-	-	-	-
Special reserve	-	-	-	5,683	(5,683)	-	-	-	-	-	-	-
Shareholders' bonus – cash, NT\$3.3 per share	-	-	-	-	(1,316,978)	(1,316,978)	-	-	-	(1,316,978)	-	(1,316,978)
Acquisition or disposal of shares in subsidiaries difference between the price and the book value	-	3,587	-	-	-	-	-	-	-	3,587	(3,587)	-
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	-	86,318	86,318
Balance – December 31, 2013	\$ 3,990,842	1,395,659	467,987	19,835	2,517,500	3,005,322	(15,280)	56	(15,224)	8,376,599	959,005	9,335,604

Note 1: The directors and supervisors 27,154 and \$ 13,577 thousand was charged to the employee bonus combined consolidated income statement.

Note 2: The directors and supervisors 27,154 and \$ 13,577 thousand was charged to the employee bonus combined consolidated income statement.

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

Chairman :

General Manager :

Chief Accountant :

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(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For The Twelve Months Ended December 31, 2013 and 2012

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

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Profit (loss) before tax	\$ 2,358,829	2,416,318
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	112,399	100,673
Amortization expense	10,755	7,837
Provision (reversal of provision) for bad debt expense	10,755	17,089
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(62,056)	(46,027)
Interest expense	23,170	29,483
Interest income	(34,133)	(15,329)
Dividend income	(19,057)	(23,176)
Share of loss (gain) of associates and joint ventures accounted for using equity method	(876)	(937)
Loss (gain) on disposal of property, plan and equipment	477	(2,844)
Loss (gain) on disposal of investment properties	(434,117)	429
Disposal of investment income	(33,745)	-
Total adjustments to reconcile profit (loss)	<u>(426,428)</u>	<u>67,198</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets held for trading	(103,941)	269,400
Notes receivable, net	(11,142)	26,010
Accounts receivable, net	(134,191)	(67,675)
Receivables from construction contracts	(7,860)	(632)
Inventories	(664,653)	80,794
Biological assets	(6,102)	(6,957)
Prepayments	84,404	42,725
Other financial assets	63,647	(217,597)
Other current assets	13,110	(8,767)
Total changes in operating assets	<u>(766,728)</u>	<u>117,301</u>
Changes in operating liabilities:		
Accounts payable	11,040	(1,070,128)
Accounts payable to related parties	(12,400)	12,400
Construction contract receivable	(33,912)	30,412
Other payable	134,791	42,049
Advance receipts	1,115,237	87,924
Other current liability	6,202	(6,995)
Accrued pension liabilities	402	395
Total changes in operating liabilities	<u>1,221,360</u>	<u>(903,943)</u>
Total changes in operating assets and liabilities	<u>454,632</u>	<u>(786,642)</u>
Total adjustments	<u>28,204</u>	<u>(719,444)</u>
Cash inflow (outflow) generated from operations	2,387,033	1,696,874
Interest received	34,133	15,329
Dividend received	19,057	23,176
Interest paid	(23,170)	(29,483)
Income taxes refund (paid)	(271,286)	(395,424)
Net cash flows from (used in) operating activities	<u>2,145,767</u>	<u>1,310,472</u>

(English Translation of Financial Report Originally Issued in Chinese)

Lungyen Life Service Corp. and Subsidiaries

Consolidated Statements of Cash Flows (Cont'd)

For The Twelve Months Ended December 31, 2013 and 2012

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

	<u>2013</u>	<u>2012</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial asset carried at cost	489,290	-
Proceeds from capital reduction of financial assets carried at cost	12,450	-
Acquisition of investments accounted for using equity method	-	(12,600)
Proceeds from disposal of investments accounted for using equity method	23,732	-
Proceeds from capital reduction of investments accounted for using equity method	27,000	-
Acquisition of property, plant and equipment	(575,695)	(302,853)
Proceeds from disposal of property, plant and equipment	113	3,063
Acquisition of intangible assets	(16,516)	(3,829)
Acquisition of subsidiaries cash flow	11,613	-
Acquisition of investment properties	(4,821)	(236)
Proceeds from disposal of investment properties	1,765,544	92,512
Decrease (increase) in other financial assets – non current	(489,444)	(128,826)
Decrease (increase) in other non-current assets	(383)	(50,055)
Net cash flows from (used in) investing activities	<u>1,242,883</u>	<u>(402,824)</u>
Cash flow from (used in) financing activities:		
Increase in short-term loans	2,421,000	3,860,000
Decrease in short-term loans	(3,559,000)	(4,760,000)
Increase in guarantee deposits received	7,425	(3,080)
Cash dividends	(1,316,978)	(1,197,253)
Change in non-controlling interests	68,815	-
Net cash flows from (used in) financing activities	<u>(2,378,738)</u>	<u>(2,100,333)</u>
Net increase (decrease) in cash and cash equivalents	1,009,912	(1,192,685)
Cash and cash equivalents at beginning of period	372,427	1,565,112
Cash and cash equivalents at end of period	<u>\$ 1,382,339</u>	<u>372,427</u>

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

Chairman :

General Manager :

Chief Accountant :

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

Articles of Incorporation

Chapter 1 General Rules

Article 1: The Company is organized in accordance with the Company Law and named “Lungyen Life Service Corp.”

Article 2: The Company’s business services are as follows:

1. H701010 Residents and buildings development and rental business
2. H701040 Specific professional area development business
3. H701060 New towns and new community development business
4. F111090 Construction materials wholesale business
5. F205040 Furniture, beddings, kitchen utensils and appliances, and fixtures retail business
6. F211010 Construction materials retail business
7. I503010 Landscape and interior design business
8. H701050 Investments in the construction of public works business
9. H701030 Cemetery development and rental business
10. H703090 Real estate trade business
11. H703100 Real estate rental business
12. H703110 Senior homes business
13. H701080 Urban renewal and reconstruction business
14. JZ99141 Funeral facilities operations business
15. JZ99151 Funeral and liturgical services business
16. J202010 Industrial incubation business
17. J901020 General hotel business
18. J701040 Recreational club business
19. J701070 Information and leisure business
20. J801030 Tournament and leisure stadium business
21. J701020 Amusement park business
22. JZ99050 Agency services business
23. JZ99090 Festive general service business
24. F401010 International trade business
25. J303010 Magazines (periodicals) publishing business
26. F206060 The ritual supplies retail business
27. F203010 Food, sundries and beverage retail business
28. F201070 Flower retail business

- 29. F201010 Agricultural products retail business
- 30. F399040 Non-store retail business
- 31. J101030 Waste collection business
- 32. J101040 Waste disposal business
- 33. JZ99990 Unclassified services business
- 34. H704031 Real estate brokerage business
- 35. H704041 Real estate marketing agency business
- 36. ZZ99999 In addition to the chartered business, the business not prohibited or restricted by law

Article 3: The Company may operate external guarantee business.

Article 4: The Company may invest in other companies as a shareholder with limited liability and the total investment amount is not limited to the threshold of 40% of the paid-in capital.

Article 5: The Company has its headquarters located in Taipei City and if necessary, branches can be established domestically or overseas with the approval of the board of directors.

Article 6: Deleted.

Chapter 2 Stock shares

Article 7: The Company's authorized capital stock amounts to NT6 billion with 600 million shares issued at NT10 Par. The Board of Directors is authorized to have stock shares issued separately, in which, NT600 million divided into 60 million shares at NT10 Par are reserved for subscription when the stock option is exercised.

Article 8: The Company's stock shares are straight stock shares that must be signed or stamped by at least three directors and are listed and stamped with the corporate seal; also, the stock shares are issued after being certified by the certification agency designated by the competent authority.

Article 8.1: The Company's straight stock shares are issued with the stock printed, but should be registered with the security centralized depository enterprise.

Article 9: The Company's stock affairs are processed in accordance with the "Criteria Governing Handling of Stock Affairs by Public Stock Companies" and other relevant laws and regulations.

Chapter 3 Shareholders' meeting

Article 10: Shareholders' meetings are divided into general shareholders' meetings and extraordinary shareholders' meetings. A general shareholders' meeting is convened annually within six months after each fiscal year ends. An extraordinary shareholders' meeting is convened, when necessary. Shareholders should be informed as to the reason for convening a meeting 30 days before the general

- shareholders' meeting and 15 days before the extraordinary shareholders' meeting.
- Article 11: The Board Chairman is the chairman of the shareholders' meeting. If the Board Chairman is on leave of absence or is unable to perform his duty for a reason, one of the board directors is designated to chair on behalf of the Board Chairman. If the Board Chairman does not have a representative appointed to perform his duty, one of the directors is elected to chair on behalf of the Board Chairman.
- Article 12: Shareholders are entitled to one voting right per share except for those without any voting rights granted according to Article 179 of the Company Law.
- Article 13: A shareholder who is unable to attend the shareholders' meeting in person may have a representative appointed to attend the meeting with a signed and sealed proxy letter issued in accordance with Article 177 of the Company Law and Article 25.1 of the Securities and Exchange Act.
- Article 14: The resolution reached in the Company's shareholders' meeting, unless otherwise provided for in the Company Law, must be approved with the majority votes of the shareholders present that represent majority shareholdings.
- Article 15: The resolutions reached in the shareholders' meeting must be documented in the minutes of the meeting in accordance with Article 183 of the Company Law.

Chapter 4 Board of Directors and Audit Committee

- Article 16: There are 5 to 9 board directors who are competent individuals elected in the shareholders' meeting for a term of three years and can be elected for a second term. The straight stock shares held by the board directors taken as a whole are processed in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."
- Article 16.1: For the number of directors of the Company referred to above, the three independent directors are elected from the nominees who are nominated by the shareholders from the list of candidates in accordance with Article 192.1 of the Company Law.
- Independent directors and directors are elected at the same time but with the elected seats counted separately.
- The requirements for professional qualifications, shareholdings, part-time constraints, the nomination and election, and other binding matters for independent directors are handled in accordance with the governing provisions of the securities competent authorities.
- Article 16.2: The Company has the Audit Committee set-up in accordance with Article 14.4 of the Securities and Exchange Act. The Audit Committee shall be composed by all independent directors.
- The Audit Committee is to exercise power and compliance in accordance with the governing laws or regulations.

- Article 16.3: The board directors should be informed in writing or by e-mail or fax seven days before convening the board meeting.
- Article 17: If a board director reelection cannot be held after the expiry date of the current term, the office term of the current board directors is extended until the newly elected board director reports for duty. However, the competent authority may demand that the Company must have the board of directors' reelection processed before the deadline. If the reelection is not held before the deadline, the current board of directors is dismissed automatically on the expiry date.
- Article 18: The formation of the Board of Directors by the directors should be with the attendance of more than two thirds of the directors and the consent of a majority of the directors present. The chairman is elected among the directors to represent the Company to the public and to resolve all matters in accordance with the governing law and regulations, the Articles of Incorporation, the resolutions reached in the shareholders' meetings and the decisions of the board of directors internally.
- Article 19: The Company's business policies and other important matters are to be resolved by the Board of Directors. Except for the first board meeting, each term is to be convened by the Board of Directors in accordance with Article 203 of the Company Law, the Board Chairman is to convene and chair the board meetings thereafter. If the Board Chairman cannot perform his/her duties as chairman, the Board Chairman is to designate a representative to act on his/her behalf. If a representative of the board chairman is not specified, a representative is to be elected from among the directors.
- Article 20: The resolution of the Board of Directors, unless otherwise provided in the Company Law, should be approved with the attendance of a majority of the directors and the consent of a majority of the directors present. When directors are represented in the board meeting by other directors for valid reasons, a proxy must be issued with the scope of authorization cited for the meeting convened. However, this is limited to one shareholder per proxy.
Board directors who have attended the board meeting through a conference call are deemed as attending the meeting in person.
- Article 21: The resolutions of the board of directors must be documented in the minutes of meeting and signed or sealed by the Chairman and then distributed to the board directors within 20 days after the meeting. The essentials and results of the proceedings should be detailed in the minutes of meeting. The minutes of meeting, attendance register and proxies should be kept for records in the Company.
- Article 22: Deleted
- Article 23: The board of directors is authorized to determine the remunerations to the Chairman, board directors and independent directors in accordance with the degree of involvement and the value of contribution to the Company's operations and the

payment standards of the domestic and international industry. The Board of Directors may, depending on the actual needs, acquire liability insurance for all the board directors throughout the service term with the attendance of a majority of the directors and the consent of a majority of the directors present.

Article 5 Managers and staff

Article 24: The Company may have a manager designated with the appointment, dismissal and remuneration processed in accordance with the Company Law.

Article 25: Deleted.

Chapter 6 Accounting

Article 26: The Company's fiscal year is defined as from January 1 to December 31.

Article 27: The Company's Board of Directors is to have the following accounting books compiled at the end of the fiscal year and submitted to the Audit Committee for audit 30 days before convening the Shareholders' Meeting and then presenting it in the general shareholders' meeting for recognition.

1. Business report
2. Financial statements
3. Proposal for earnings distribution or loss supplement

Article 28: The Company's annual earnings, if any, should be applied to pay for taxes and to make up losses of prior years, then appropriate 10% of the remaining earnings as legal reserves and, if necessary, special reserves. The remaining amount, if any, is for retained earnings and distribution proportionally as follows:

- (1) Common stock dividend and bonus may not be less than 97%
- (2) Remuneration to directors and supervisors may not be more than 2%
- (3) Bonus to employees may not be less than 1%

If the distribution of bonus to employees is paid with stock shares, the recipients shall include the qualified employees of the subsidiaries. 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.

Chapter 7 Supplementary Rules

Article 29: The Company's Articles of Incorporation and enforcement rules are stipulated separately by the Board of Directors.

Article 30: Matters that are not addressed in the Articles of Incorporation are to be governed in accordance with the Company Law and other relevant laws and regulations.

Article 31: The Articles of Incorporation were stipulated on February 27, 1987.

The 1st amendment was on March 20, 1987.

The 2nd amendment was on January 18, 1991.

The 3rd amendment was on September 2, 1992.

The 4th amendment was on December 31, 1993.

The 5th amendment was on March 1, 1995.

The 6th amendment was on July 15, 1996.

The 7th amendment was on March 19, 1997.

The 8th amendment was on April 26, 1997.

The 9th amendment was on October 24, 1997.

The 10th amendment was on May 18, 1998.

The 11th amendment was on December 4, 1998.

The 12th amendment was on May 6, 1999.

The 13th amendment was on June 22, 2001.

The 14th amendment was on June 30, 2002.

The 15th amendment was on February 8, 2006.

The 16th amendment was on February 8, 2006.

The 17th amendment was on June 15, 2007.

The 18th amendment was on August 1, 2008.

The 19th amendment was on June 10, 2009.

The 20th amendment was on October 29, 2009.

The 21st amendment was on October 12, 2010.

The 22nd amendment was on June 28, 2011.

The 23rd amendment was on June 6, 2012.

Lungyen Life Service Corp.
(Formerly Known as Dahan Development Corp.)
Chairman: Lee Shih-Tsung

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

Rules of Procedure for Shareholders' Meetings

1. The Company's Shareholders' Meeting, unless otherwise provided by law, shall be handled in accordance with the Rules of Procedure for Shareholders' Meetings.
2. The attendance register should be made available at the shareholders' meeting for the attending shareholders to sign or the attending shareholders may have attendance cards presented instead.
The attendees' shareholding is calculated in accordance with the attendance register or the attendance cards collected.
3. The attendance and votes of the Shareholders' Meeting are counted by the number of shares.
4. The Shareholders' Meeting location must be at the Company's premises or where it is suitable and convenient for shareholders to attend. The shareholders' meeting time may not be earlier than 9:00am or later than 3:00pm.
5. If the Shareholders' Meeting is convened by the Board of Directors, the Chairman is to chair the meeting. The Chairman who is on leave of absence or is unable to perform his/her duty is to be represented by the Vice Chairman. If there is no Vice Chairman or if the Vice Chairman is also on leave of absence or is unable to perform his/her duty, the Chairman is to appoint one general director to perform this duty. If there is no general director, the Chairman is to appoint one director to perform this duty. If the Chairman does not have a representative appointed to perform this duty, one of the general directors or directors is to be elected to perform this duty.
If Shareholders' Meeting is convened by another authorized individual, the authorized individual is the chairman to chair the meeting.
6. The Company's CPAs, lawyers or other related personnel may be invited to attend the board meeting.
The service personnel for the shareholders' meeting shall wear identification badges or armbands.
7. The shareholders' meeting in session should be recorded or filmed and kept for at least one year.
8. The Chairman shall declare the board meeting in session. However, the Chairman may declare a postponement of the meeting at the meeting time when the attending shareholders constitute less than a majority of shareholdings. The meeting is limited to two postponements for a total of less than 1 hour. A pseudo-resolution could be reached in accordance with Article 175 Section 1 of the Company Law if there are insufficient attendees to attend the meeting after two meeting postponements that represent more than one thirds of shareholders. The Chairman may have a pseudo-resolution reached if the attending shareholders constitute a majority of the shareholders before the end of the session and may have it presented again

for resolution during the meeting in accordance with Article 174 of the Company Law.

9. If the shareholders' meeting is convened by the board of directors, its agenda is set by the board of directors. The meeting is conducted in accordance with the agenda and it may not be changed without the resolutions reached in the shareholders' meeting.

The provision referred to above is applicable even when the shareholders' meeting is convened by other than the board of directors.

The Chairman may not announce the meeting is adjourned until a resolution is reached for the two procedures (including motions) referred to above.

The shareholders may not elect another chairman to continue the meeting at the original meeting place or in a new location after the meeting is adjourned. If the Chairman has announced the meeting adjourned in violation of the procedures, the shareholders present with a majority of voting rights may elect a chairman to continue the meeting.

10. The attending shareholders must fill out and submit the statement slip stating the purpose of the speech, the shareholder account number (or attendance card number) and account name for the Chairman to determine the order of speakers.

The attending shareholders who present a statement slip but do not speak shall be deemed as not speaking. The content of the speech shall prevail if it is inconsistent with the statement slip.

The speech of the attending shareholders may not be interrupted by other shareholders, unless otherwise with the consent of the chairman and the speaking shareholder. The chairman must stop the offender from speaking.

11. Each shareholder may not speak on the same proposal more than twice and for not more than 5 minutes each time unless otherwise permitted by the Chairman.

However, the Chairman may stop the shareholder from speaking if the speech is in violation of the regulations referred to above or outside the scope of the motion.

12. The legal person entrusted to attend the shareholders' meeting is entitled to appoint only one person.

If there is more than one proxy appointed by the institutional shareholder to attend the shareholders' meeting, only one proxy can speak on the same motion.

13. The Chairman may have the speech of the shareholder represented in person or by the designated personnel.

14. The Chairman of the board meeting is to have the motion in discussion that is ready for balloting put to the vote.

15. The Chairman is to appoint the controllers of ballot and tally clerks who are shareholders for the proposals to be put to vote, if any.

The balloting results should be announced immediately at the meeting and it should be documented for record.

16. The Chairman at his/her discretion may announce the meeting in recess.

17. Unless otherwise provided in the Company Law and the Company's Articles of Incorporation, the motion is passed in the meeting by the shareholders representing a majority of the balloting rights.

The Chairman is to consult the motion ready for balloting with the attendees at the meeting and it is deemed as having been passed if there are no objections raised.

18. For the motion with an amendment or alternative put to vote, the Chairman is to have it prioritized for balloting with the original bill enclosed. If one of the motions is put on the ballot and passed, other motions shall be deemed as vetoed without the need for further balloting.
19. The Chairman may command the marshals (or security guards) to assist with the maintenance of order. The marshals (or security guards) at the meeting venue assisting with maintenance of order shall wear armbands marked "Marshal."

Attachment III

Lungyen Life Service Corp.
(Formerly Known as Dahan Development Corp.)
Procedure for the Acquisition and Disposition of Assets

- 2012.06.06
- Article 1 The “Guidelines for Handling the Acquisition and Disposal of Assets” is stipulated in accordance with Article 36.1 of the Securities and Exchange Act and the Guidelines for Handling the Acquisition and Disposal of Assets by Public Companies.”
- Article 2 The applicability of “assets” defined in the Guidelines is as follows:
1. Investments in stocks, government bonds, corporate bonds, financial bonds, fund-based securities, depositary receipts, call (put) warrants, beneficial securities, and asset-backed securities;
 2. Real estate (excluding the inventory of the construction industry) and other Property, plant and equipment;
 3. Membership card;
 4. Intangible assets including patents, copyrights, trademarks and charter;
 5. Financial institutions’ claims (including receivables, foreign exchange discount and loans and nonperforming loans);
 6. Directives;
 7. The acquisition or disposal of assets by law full merger, spins-off, acquisition or assignment of shares;
 8. Other important assets;
- Article 3 The assessment process of the Company’s acquisition or disposal of assets is as follows:
1. The Company’s acquisition or disposal of real estate and other Property, plant and equipment is handled in accordance with the Company’s Internal Control System Property, plant and equipment Circulatory Procedure.
 2. The factors of feasibility, necessity and reasonableness of pricing must be included in assessing the Company’s acquisition or disposal of assets.
 3. The price determination method and reference for the Company’s acquisition or disposal of assets:
 - (1) The acquisition or disposal of marketable securities that were traded in the listed market or GreTai Securities Market (GTSM) shall be determined in accordance with the stock price or bond price.
 - (2) The acquisition or disposal price of the marketable securities that were not traded in the listed market or GreTai Securities Market (GTSM) shall be determined with the references to the net worth per share, profitability, potential for development, market interest rates, bond coupon rate, and debtor’s credit, including the prevailing trade price or the opinions on the reasonableness of the transaction amount issued by securities analysts.
 - (3) The acquisition or disposal price of assets other than the ones referred to above should be determined by parity, negotiation or tender, with reference to the announced present value, appraised value, and the actual transaction price of the nearby real estate. Please refer to the appraisal report issued by a professional appraisal agency for assets that must be announced and reported in accordance with the Guidelines.
- Article 4 The Company’s decision-making process for the acquisition or disposal of assets:
1. The Company’s acquisition or disposal of assets that must be announced and reported in accordance with the Guidelines should be resolved by the board of directors in advance. The Company’s acquisition or disposal of assets that

must be announced and reported in accordance with Article 185 of the Company Law should be resolved in advance at the shareholders' meeting.

2. For the Company's acquisition or disposal of assets, the undertaking unit should have the reasons, underlying subject, counterparties, transfer price, payment terms and price reference presented to the competent authorities for decision-making.
3. The Company's acquisition or disposal of assets that must be done with the consent of the Audit Committee and reported to the board of directors for discussion in accordance with the Guidelines or other governing laws. The opinions of each independent director should be considered sufficiently and have their supporting or opposing opinions and reasons documented in the minutes of meeting.

In addition, if the Company has independent directors appointed, for the acquisition or disposal of assets presented to the board of directors for discussion as referred to above, the opinions of each independent director should be considered sufficiently and have their supporting or opposing opinions and reasons documented in the minutes of meeting.

Article 5 The unit that is responsible for the Company's acquisition or disposal of assets should have them presented for approval in accordance with the Company's authorization hierarchy and then the competent unit will have them implemented accordingly.

Article 6 The Company should have the acquisition or disposal of assets fall under one of the following circumstances reported in the designated format on-line at the information network designated by the competent authorities within 2 days from the date of occurrence:

1. The acquisition or disposal of real estate from and to the related party or the acquisition or disposal of assets other than real estate from and to the related party exceeds an amount of 20% of the paid-in capital, 10% of the total assets, or NT300 million; The trading of bonds or bonds with repurchase or resale agreements is not subject to this restriction.
2. Process mergers, spin-offs, acquisitions or assignment of shares.
3. Engaged in derivatives transaction with a loss up to the limit of the total or individual contract amount regulated in this procedure.
4. The amount of the assets traded other than the ones in the three Sections referred to above, the disposal of credit by the financial institutions or the investments in Mainland China exceeds 20% of the paid-in capital or NT300 million, except for the following circumstances:
 1. Bond trade
 2. Bond trade with repurchase and resale agreements
 3. The acquisition or disposal of assets that are operating machinery and equipment and the counterparty is not a related party; also, the trade amount does not exceed NT500 million
 4. The acquisition or disposal of real estate that is for construction and the counterparty is not a related party; also, the trade amount does not exceed NT500 million
 5. The Company expects to invest less than NT500 million for the acquisition of real estate with the methods of commissioned to build by the land owner, commissioned to build by lessee, jointly built by separate estate, jointly built by percentage and jointly built by separate sales.

Article 7 The Company should have the acquisition or disposal of assets fall under one of the following circumstances reported on-line at the information network designated by the Financial Supervisory Commission, Executive Yuan within 2 days from the date of occurrence:

1. The original transaction contract is modified, terminated, or revoked.

2. Mergers, spin-offs, acquisitions or assignment of shares are not completed in accordance with the deadline stated in the contract signed.
 3. Changes made to the original announcement and report.
- Article 8 For the appraisal report or the opinions obtained from the CPAs, attorney or security underwriter by the Company, the professional appraisers and their appraising personnel, CPAs, attorneys, security underwriters and the trade parties must be not related.
- Article 9 Objective, impartial and independent specialists should be commissioned to issue a report on the Company's acquisition or disposal of assets in accordance with the general category of assets:
1. The Company's acquisition or disposal of real estate or other Property, plant and equipment, except for the transactions conducted with government agencies, commissioned to build by land owner, commissioned to build by lessee, and machinery equipment for business operations, the transaction amount exceeding 20% of the paid-in capital or NT300 million should be accompanied by the appraisal report collected from the professional appraisers before the date of occurrence in accordance with the following requirements:
 1. If the transaction price is determined by referral to an attributive price, a specific price or a special price for a good cause, the transaction should be presented to the board of directors for resolution. The changes in trading conditions should be processed in the same manner.
 2. A transaction amounting to NT1 billion or more should be appraised by two or more professional appraisers.
 3. For the professional appraiser's appraisal results with one of the following circumstances, unless the appraisal results of the assets acquired are higher than the transaction amount or the appraisal results of the assets disposed are lower than the transaction amount, they should be processed in accordance with the Generally Accepted Auditing Standards (GAAS) No. 20 of the ROC Accounting Research and Development Foundation; also, express an opinion on the cause of the nonconformity and the adequacy of the transaction price:
 - (1) The spread between the appraisal results and the transaction amount exceeds 20%.
 - (2) The appraisal spread between the two or more appraisers exceeds 10% of the transaction amount.
 4. The date of the appraisal report issued for the appraisal performed before the professional appraisal contract date may not be more than three months from the contract date. However, if it is applicable to the same present value announced and is not over six months old, the original professional appraiser may have an opinion issued.
 5. In addition to having the transaction price determined by referring to an attributive price, a specific price or a special price, if an appraisal report cannot be received in time for a good reason, the Company must have an appraisal report received in 2 weeks from the date of occurrence and the opinion of the CPAs referred to in paragraph 3.
 2. For the acquisition or disposal of securities, the Company should receive the latest financial statements audited or reviewed by the CPAs of the underlying company before the date of occurrence as a reference for evaluating the transaction prices. In addition, for the transactions amounting over 20% of the paid-in capital or NT300 million, the commissioned CPA should be contacted before the date of occurrence to comment on the reasonableness of the transaction prices. If a professional report is needed by the CPAs, it should be processed in accordance with the Generally Accepted Auditing

Standards (GAAS) No. 20 of the Accounting Research and Development Foundation. However, if the securities are offered publicly with a quote available in the market or otherwise authorized by the competent authorities; it is not subject to this restriction.

3. For the acquisition or disposal of membership cards or intangible assets with the transactions amount over 20% of the paid-in capital or NT300 million, the commissioned CPA shall comment on the reasonableness of the transaction prices before the date of occurrence in accordance with the Generally Accepted Auditing Standards (GAAS) No. 20 of the Accounting Research and Development Foundation.
4. For the Company's acquisition or disposal of assets through the court auction process, the supporting documents issued by the court can be used instead of the appraisal report or CPA's opinions.

Article 9.1 The transactions amount referred to above should be calculated in accordance with Article 30 Section 2. Also, the alleged "within one year" means for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA's opinions rendered in accordance with the guidelines.

Article 10 For the acquisition or disposal of real estate of the Company with the related party or the acquisition or disposal of assets other than the real estate traded with the related party for an amount over 20% of the paid-in capital, 10% of the total assets, or NT300 million, the following information should be submitted to the Audit Committee for approval and the Board of Directors for resolution before having the Trade Contract signed and the payments paid:

1. The purpose, necessity, and expected benefits of the acquisition or disposal of assets.
2. The reasons for selecting the related party as the counterparty.
3. The related information applied to assess the reasonableness of the trade terms and conditions for the acquisition of real estate from the related party in accordance with Article 15 and Article 16 of the "Guidelines for Handling Acquisition and Disposal of Assets by Public Companies".
4. The matters of the related party's original acquisition date and price, counterparty and the relationship between the Company and the related party.
5. The monthly cash income and expense forecast within the year from the month of the contract signing; also, assess the necessity of the trade and the reasonableness of the use of funds.
6. Acquire the appraisal report from the professional appraisal company or the opinions of the CPAs in accordance with the provisions referred to above.
7. The restrictions and other important stipulations of the transaction.

The transactions amount referred to above shall be calculated in accordance with Article 30 Section 2. Also, the alleged "within one year" means for the one year prior to the date of occurrence excluding the part that had already been resolved in the board meeting and accepted by the supervisors.

For the acquisition or disposal of operating machinery and equipment between the public company and the parent company or the subsidiary, the board of directors may authorize the Chairman in accordance with Article 7 Section 1 Paragraph 3 to have a decision made within an amount of NT\$300 million and then reported to the most recent board meeting for ratification..

In addition, after the Company has independent directors appointed lawfully and presented to the board of directors for discussion accordingly, the opinions of each independent director should be considered sufficiently and have their opposing opinions and qualified opinions documented in the minutes of meeting.

Article 11 The Company should assess the reasonableness of the transaction costs for the acquisition or disposal of real estate from or to the related party in accordance

with the following methods:

1. Based on the transaction prices of the related party plus the necessary funds interest and buyer's cost by law. The alleged necessary funds interest cost is calculated in accordance with the weighted average interest rate of the loans in the year the assets purchased were provided and it should not be higher than the non-financial industry's highest loan interest rate announced by the Ministry of Finance.
2. If the related party has the underlying subject used as collateral for a loan from financial institutions, the financial institutions are to assess the gross lending value of the subject matter. However, the actual cumulative lending value of the subject matter granted by the financial institutions should be over 70% of the assessed gross lending value for a lending period over a period of one year. However, this is not applicable if the financial institution and counterparty are related.

For the combined purchase of the same underlying land and house, the transaction costs of land and house can be assessed by any of the methods referred to above.

The cost of the real estate acquired by the Company from the related party should be assessed in accordance with Section 1 and Section 2 referred to above; also, a CPA should be commissioned to review and express an opinion.

The acquisition of real estate by the Company from the related parties that fall under one of the following situations should be handled in accordance with Article 10 instead of the provisions referred to in the last three sections:

1. The acquisition of real estate by a related party is by inheritance or gift.
2. A related party's contracting for the acquisition of real estate is more than five years from the date of the trade contract signing.
3. The acquisition of real estate is by signing a construction contract with the related party.

Article 11.1 If the assessment results of the Company's acquisition or disposal of real estate from or to the related party is lower than the trade price in accordance with Section 1 and Section 2 referred to above, it must be processed in accordance with Article 11.2. However, as a result of the following circumstances, it is not subject to the limitations with the objective evidence presented and an appraisal report received from the professional real estate appraiser and the solid and reasonable opinion of the CPAs:

1. A related party that has obtained prime land or rental land for construction has submitted the proof of complying with one of the following conditions:
 1. The prime land is assessed in accordance with the methods referred to above. The house is assessed in accordance with the sum of the related party's construction costs and a reasonable profit that exceeds the actual transaction price. The term "reasonable construction profit" is based on the average gross profit rate in the last three years of the related party's construction department or the latest gross profit rate of the construction industry announced by the Ministry of Finance, whichever is lower.
 2. The successful trade of other floors of the same underlying house and land or the successful trade of the unrelated party in the neighborhood within one year with a similar floor area; also, the trading conditions are assessed to be equivalent with the reasonable price spread of the same floors or area in a general real estate trade.
 3. For the lease of other floors of the same underlying house and land by the unrelated party within one year, the trading conditions are assessed to be equivalent with the reasonable price spread of the same floors in a general real estate lease.
2. The Company evidences that the terms of acquiring the real estate from the

- related parties are similar to the successful trade by the unrelated party in the neighborhood within one year with the similar floor area.
- The alleged “successful trade” in the neighborhood referred to above means for the underlying subject on the same street or an adjacent street/block within the 500m-radius of the subject matter or with the similarly announced present value. The alleged “similar floor area” means for the successful trade of the subject matter by the other unrelated party is not less than 50% of the floor area of the subject matter. The alleged “within one year” means for the one year prior to the date of occurrence for the acquisition of the real estate.
- Article 11.2 If the assessment results of the acquisition or disposal of real estate from and to the related party is lower than the trade price in accordance with Article 11.1, the Company is to have the following matters processed:
1. A special reserve is to be appropriated with respect to the spread between the transaction price and the assessment costs of the real estate in accordance with Article 41 Section 1 of the Securities and Exchange Act. Also, the special reserve may not be distributed or capitalized for stock dividends. If the public company has its investments in the Company valued under the equity method, a special reserve should be appropriated proportionately to the shareholding ratio with respect to the appropriated amount in accordance with Article 41 Section 1 of the Securities and Exchange Act.
 2. Audit Committee shall apply mutatis mutandis with Article 218, Article 218.1, and Article 218.2 of the Company Law.
 3. The process referred to in Paragraph 1 and Paragraph 2 should be presented at the shareholders’ meeting. Also, the transaction details should be disclosed in the annual report and prospectus.
- If the Company has a special reserve appropriated in accordance with the provisions referred to above, the special reserve can be used with the approval of the Financial Supervisory Commission, Executive Yuan as soon as the high-price assets acquired are with the devaluation recognized, are disposed of, are appropriately compensated or restored, or are evidenced otherwise without any unreasonableness.
- The acquisition of real estate by the Company from the related party that is evidenced not in compliance with general business practices should be handled in accordance with the two sections referred to above.
- Article 12 If the Company’s acquisition or disposal of credit is acquired from financial institutions, it is classified as “financial institution claims” in accordance with Article 2 Section 1 Paragraph 5 of the Guidelines. However, if it is not acquired from financial institutions, it is classified as “other material assets” in accordance with Article 2 Section 1 Paragraph 8 of the Guidelines.
- Article 13 The Company before engaging in derivative transactions must have the “Guidelines Governing Derivatives Transactions” stipulated in accordance with the “Guidelines for Handling Acquisition and Disposal of Assets by Public Companies” announced by the Financial Supervisory Commission of the Executive Yuan.
- Article 14 The Company prior to the mergers, spin-offs, acquisitions or assignment of shares shall have the “Guidelines for Handling Merger, Spins-off, Acquisition, or Assignment of Shares” stipulated in accordance with the Company Law, the “Guidelines for Handling Acquisition and Disposal of Assets by Public Companies” published by the Financial Supervisory Commission, Executive Yuan and the related laws and regulations.
- Article 15 The total amount of the non-operating real estate or securities acquired by the Company; also, the limits of each security acquired are as follows:
1. The total amount of the non-operating real estate may not exceed 50% of the total assets on the Company’s most recent financial statements.

2. The total investment amount of the securities, except for long-term equity investments, may not exceed 20% of the total assets on the Company's most recent financial statements.
 3. Except for long-term equity investments, the investments in each marketable security may not exceed 5% of the total assets on the Company's most recent financial statements.
- Article 16 The investments commissioned to financial institutions by the Company and its subsidiaries and the asset utilization are limited as follows:
1. Amount: The total commissioned amount shall not exceed 20% of the total assets on the Company's most recent financial statements.
 2. Single financial institution commissioned amount shall not exceed 10% of the total assets on the Company's most recent financial statements.
 3. Scope of Investments: It is in compliance with the Guidelines for Discretionary Management.
 4. Each commissioned investment account added or cancelled must be presented to the internal competent authority in advance for approval.
 5. The amount change in each commissioned investment account must be presented to the internal competent authority in advanced for approval.
- Article 17 The acquisition or disposal of assets by the Company's subsidiary is processed in accordance with the governing regulations.
1. The subsidiary's acquisition or disposal of assets shall be processed in accordance with the relevant requirements of the Company and the Financial Supervisory Commission.
 2. If the subsidiary is not a public company in Taiwan, the Company is to have the subsidiary's acquisition or disposal of assets announced and reported in accordance with Article 6 and Article 7 of the Guidelines.
 3. The "amount equivalent to 20% of the company's paid-in capital or 10% of the total assets" as defined in the subsidiary's announcement and reporting standard is based on the Company's actual capital stock collected or the total assets.
- Article 18 The Company's management and clerk in charge of violations in the Guidelines that are detrimental to the Company's interests will be punished in accordance with the Company's Personnel Management Rules.
- Article 19 The matters that are not properly addressed in the Guidelines shall be processed in accordance with the "Guidelines for Handling Acquisition and Disposal of Assets by Public Companies."
- Article 20 The "Guidelines" is with the consent of the Audit Committee, the approval of the board of directors and the resolutions reached in the shareholders' meeting before implementation, same as the amendments.
- The stipulations or amendments in the Guidelines for Handling Acquisition or Disposal of Assets should be with the consent of a majority of the Audit Committee members and resolved by the Board of Directors.
- The matters referred to above without the consent of a majority of the Audit Committee must be with the consent of more than two thirds of the board directors; also, the resolutions of the Audit Committee should be clearly stated in the minutes of the board meeting.
- The Audit Committee body referred to above is meant for the incumbents.
- For the acquisition or disposal of assets that must be resolved by the board of directors in accordance with the Guidelines or other governing law, the opinions of each independent director should be considered sufficiently; also, their supporting or opposing opinions and reasons should be documented in the minutes of the meeting.

Amendment date The 1st amendment was on May 27, 2003.

The 2nd amendment was on June 10, 2007.
The 3rd amendment was on October 29, 2009.
The 4th amendment was on October 12, 2010.
The 5th amendment was on June 28, 2011.
The 6th amendment was on June 6, 2012.
The 7th amendment was on June 4, 2013.

**Lung Yen Life Service Co., Ltd. - formerly known as Dahan
Development Corp.**

Procedures for Derivative Instrument Transactions

Section 1: Purpose

These procedures were established to secure the company's investments, ensure information transparency, and to enhance its risk management policies over derivative instruments trading.

Section 2: Regulatory basis

These procedures were revised according to Section 36-1 of the Securities Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

Section 3: Applicability

The derivative instruments mentioned in these procedures refer to forward contracts, options contracts, futures contracts, leverage contracts, swap contracts, etc., and any combination of the above, whose values are derived from assets, interest rates, exchange rates, indices, or other benefits. The forward contracts mentioned in these procedures do not include insurance contracts, performance contracts, after-sale service contracts, long-term lease contracts, and long-term (purchase) sale contracts.

Section 4: Transaction Principles and Guidelines

I. Transaction type

The derivative instruments engaged by the company refer to forward contracts, options contracts, futures contracts, leverage contracts, swap contracts, etc., and any combination of the above, whose values are derived from assets, interest rates, exchange rates, indices, or other benefits. The forward contracts mentioned in these procedures do not include insurance contracts, performance contracts, after-sale service contracts, long-term lease contracts, and long-term (purchase) sale contracts.

II. Operating and hedging strategies

(I) The company's derivatives trading activities must be based on hedging purposes. The traded instruments should primarily consist of those that eliminate the risks arising from the company's business activities. Transactions intended for other purposes must be approved by the proper authority before proceeding.

(II) All involvements in derivatives trading must be assessed thoroughly with regard to the company's knowledge, estimations, procedures on

risk monitoring, and cost effectiveness. Operating procedures and risk control measures must be clearly outlined in consideration of the following factors prior to transaction:

1. The security of committed capital.
2. The viability of committed capital.
3. The liquidity of committed capital.

III. Areas of responsibility

(I) Investment Department:

1. Traders

- (1) Responsible for outlining the company's financial instrument trading strategies.
- (2) The trader must calculate outstanding positions, gather market information, evaluate trends and risks, and establish trading strategies on a regular basis. Once approved by the proper authority, the above information will serve as reference for subsequent transactions.
- (3) Execute transactions according to existing strategies within the granted authority.
- (4) When the financial market undergoes major changes to the extent that the existing strategies are no longer deemed applicable, the trader shall produce evaluation reports and propose new strategies. Once approved by the accountable supervisor, these new strategies will become the basis for subsequent trades.

2. Settlement personnel: executes settlement.

(II) Finance Department:

1. Verifies transactions.
2. Reviews whether transactions are executed according to existing strategies under the proper authority.
3. Performs monthly evaluation and presents evaluation reports to the supervisor of the accountable department.
4. Bookkeeping.
5. Conduct regulatory reporting and announcements as required by the Securities and Futures Bureau.

(III) Audit Department: The internal audit personnel of a public listed company must regularly assess the appropriateness of internal controls over derivatives trading, conduct audits on the trading unit on a monthly basis with respect to their compliance to these procedures, analyze trade cycles, and produce audit reports.

Supervisors must be notified in writing upon the discovery of any exceptional incidents.

IV. Contract caps:

- (I) For hedging purposes: the amount of outstanding position must not exceed the amount of net exposure.
- (II) Special-purpose transactions: with respect to the company's special-purpose transactions, the Finance Department needs to evaluate the types of derivative instruments involved, operating or hedging strategies, allocation of responsibilities, performance evaluation, and the authorized limit on derivatives trading. Trading may commence only with the approval of the board of directors. The cumulative contract position cannot exceed 20% of total assets, as shown in the latest financial statements.

V. Limits on individual and total contract losses:

- (I) Hedging purpose transactions: Realized and unrealized losses arising from established derivative contracts must not exceed 30% of the total contract value. This ratio is applicable on an individual and total basis.
- (II) Special-purpose transactions: with respect to the company's special-purpose transactions, the Finance Department needs to evaluate the types of derivative instruments involved, operating or hedging strategies, allocation of responsibilities, performance evaluation, and the authorized limit on derivatives trading. Realized and unrealized losses arising from derivative contracts must not exceed 10% of the total contract value; this ratio is applicable on an individual and total basis.

Section 5: Operating procedures

- I. Estimate hedging positions: the Investment Department needs to estimate the total amount of assets denominated in foreign currencies shown in the company's latest financial statements, and the underlying exchange rates.
- II. Propose hedging solutions: the Investment Department needs to propose hedging plans and solutions detailing the assets to be hedged, the hedging instruments, and the hedged exposure.
- III. Transaction execution:
 - (I) The Investment Department may designate a proper time within its granted authority to execute the transaction, subject to the approval of the accountable supervisor. After settlement, the Investment Department will also submit all relevant documents to the Accounting Department for bookkeeping.

- (II) Based on the documents submitted by the Investment Department, the Accounting Department will proceed with bookkeeping according to the relevant regulations and accounting principles.

IV. Reporting and regular assessments

Section 6: Announcement and reporting procedures

If derivative trading activities accumulate to the extent that announcements and regulatory reporting are required, the Investment Department shall report on a monthly basis the total amount of derivative contracts undertaken by the company and its subsidiaries which were outstanding as at the previous month-end. The report will disclose net losses using market prices, the amount of cash deposits paid, and details relating to recognized gains/losses, and shall be reported to the Securities and Futures Bureau along with monthly operations.

Section 7: Accounting procedures

Trading of derivative instruments is accounted according to the Statement of Financial Accounting Standards No. 34.

Section 8: Internal control policies

- I. The trading, confirmation, and settlement of derivative instruments must be handled by separate personnel.
- II. As soon as a transaction is completed, the trader must submit documents relevant to the transaction to the accountable supervisor, who then confirms and approves the transaction.
- III. The accounting personnel must verify or confirm with the bank in writing regarding the transaction details and totals on a regular basis.
- IV. Traders must be aware of their transaction limits and monitor limit breaches at all times.
- V. Traders shall monitor at all times whether unrealized losses have exceeded the upper limit; if so, the trader must engage the supervisor of the Investment Department for further actions.

Section 9: Risk management measures

- I. Credit risk management
 - (I) Transaction counterparty: limited to local and foreign banks of sound reputation.
 - (II) Transaction amount: exposure to any single counterparty must not exceed 10% of the authorized limit, unless otherwise approved by the supervisor of the accountable department.
- II. Market risk management
 - Through open markets made available by banks.
- III. Liquidity risk management
 - To ensure liquidity, the traded instruments should consist mainly of those

exhibiting higher liquidity offered by the counterparty bank (for they can be immediately traded over the market). The counterparty bank must have access to sufficient information and be capable of conducting transactions in any given market.

IV. Operational risk management

Mitigate operational risks by enforcing the company's levels of approval authorities, operating procedures, and subjecting derivatives trading under internal audit.

V. Legal risk management

To avoid risks, any documents signed with banks that involve legal consequences must be reviewed by the company's legal consultants or personnel beforehand.

VI. Product risk management

Traders of financial instruments must possess complete and accurate knowledge, and shall demand full risk disclosure from banks to avoid risks arising from misuse of financial instruments.

Section 10: Regular assessments and the handling of extraordinary circumstances

- I. The board of directors shall assign senior managers to regularly monitor and evaluate derivatives trading, thereby ensuring full compliance with the company's trading procedures, and to determine whether risk exposures are kept within a tolerable level. If the market price evaluation report shows any abnormalities (e.g. losses exceeding the prescribed caps), such incidents must be reported immediately to the board of directors. If the company has independent directors in place, their presence is required during board of directors meetings to provide opinions.
- II. Derivative instruments held for hedging purposes are subject to evaluation at least twice per month, while derivative instruments held for special purposes are subject to evaluation at least once per week. The evaluation reports must be presented to the senior managers assigned by the board of directors.
- III. Any personnel authorized according to the company's derivatives trading procedures to carry out derivatives trading activities must be reported to the board of directors afterward.
- IV. The company needs to maintain a reference log to record derivatives trading activities. This reference log shall contain details on the types and amounts of derivative instruments traded, the board of directors' approval date, and the issues subject to due diligence assessment according to Items I, II, and III in this section.

Section 11: Implementation and revision

These procedures shall become effective once approved by the board of directors and passed during the shareholders meeting; the same applies to all subsequent revisions.

Section 12: Additional rules

Any matters that are not addressed in these procedures shall be governed by the relevant regulations.

Section 13: This policy was passed during the shareholders meeting held on 28 June 2011, and become effective on the date of announcement.

Attachment V

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

Directory of Directors

1. The shareholdings of an individual director and the directors taken as a whole in the shareholder's register on the Ex-Dividend date (April 19, 2014) is as follows, which is in compliance with the shareholding ratio standard defined in Article 26 of the Securities and Exchange Act.

Job title	Name	Shareholding
Chairman	Cheng Chang Investment Co., Ltd. Representative: Lee Shih-Tsung	26,123,332 share
Director	Cheng Chang Investment Co., Ltd. Representative: Liu Wei-Lung	26,123,332 share
Director	Cheng Chang Investment Co., Ltd. Representative: Ren Li-Chung	26,123,332 share
Director	Bai Ruei Investment Co., Ltd. Representative: Kuo Ya-Tao	18,488,690 share
Director	Bai Ruei Investment Co., Ltd. Representative: Chan Pai-Lien	18,488,690 share
Director	Fuji Kogyo Co., Ltd Representative: Fujibayashi Ichiro	16,304,543 share
Independent Director	Liu Chi-Husan	0 share
Independent Director	Yeh Shu	0 share
Independent Director	Huang You-Pin	0 share

2. The required shareholdings of the directors taken as a whole: 15,963,368 shares. The actual shareholdings of the directors taken as a whole: 60,916,565 shares
3. The Company has an Audit Committee established; therefore, there is no requirement on the minimum shareholdings of the supervisors.