

Sinyi Realty Inc. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2017 and 2016 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Sinyi Realty Inc.

We have reviewed the accompanying consolidated balance sheets of Sinyi Realty Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2017 and 2016 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

We conducted our reviews in accordance with Statement of Auditing Standards No. 36 "Review of Financial Statements" issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

As stated in Note 13 to the consolidated financial statements, some non-significant subsidiaries' financial statements and related information mentioned in Note 39 were unreviewed. As of March 31, 2017 and 2016, such subsidiaries' total assets were 22% (\$5,371,268 thousand) and 24% (\$5,274,594 thousand), respectively, of the consolidated assets, and their total liabilities were 5% (\$767,741 thousand) and 8% (\$1,009,229 thousand), respectively, of the consolidated liabilities. The total comprehensive income of these subsidiaries were (13%) ((\$36,482) thousand), and 6% (\$7,199 thousand) of consolidated comprehensive income for the three months ended March 31, 2017 and 2016, respectively.

Based on our reviews, except for the effects of adjustments, if any, as might have been required had the financial statements of these non-significant subsidiaries and related information mentioned in Note 38 as described in the preceding paragraph been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements referred to in the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

April 30, 2017

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

SINYI REALTY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2017 (Reviewed)		December 31, 2016 (Audited)		March 31, 2016 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,695,790	15	\$ 3,512,457	15	\$ 4,666,303	21
Financial assets at fair value through profit or loss - current (Note 7)	244,245	1	479,603	2	450,149	2
Available-for-sale financial assets - current (Note 8)	736,689	3	801,432	3	728,490	3
Notes receivable (Note 10)	37,089	-	16,001	-	63,612	-
Trade receivables (Note 10)	783,189	3	807,093	3	744,478	4
Other receivables (Notes 10 and 33)	95,037	-	336,881	2	66,929	-
Current tax asset	126,290	1	70,007	-	22,529	-
Inventories (Notes 11 and 34)	8,472,160	35	7,753,415	33	6,797,544	31
Other financial assets - current (Notes 12 and 34)	2,845,810	12	2,966,314	13	1,214,635	6
Other current assets (Note 18)	885,543	4	800,623	3	487,100	2
Total current assets	<u>17,921,842</u>	<u>74</u>	<u>17,543,826</u>	<u>74</u>	<u>15,241,769</u>	<u>69</u>
NON-CURRENT ASSETS						
Financial assets measured at cost - non-current (Note 9)	199,361	1	207,335	1	251,568	1
Investment accounted for using equity method (Note 14)	30,326	-	10,723	-	9,384	-
Property, plant and equipment (Notes 15 and 34)	3,432,691	14	3,474,237	14	3,531,152	16
Investment properties (Notes 16 and 34)	2,271,492	9	2,269,286	9	2,800,617	13
Intangible assets (Notes 17 and 37)	122,590	1	136,978	1	133,978	1
Deferred tax assets	83,887	-	85,680	-	46,245	-
Refundable deposits (Note 30)	131,375	1	134,452	1	130,656	-
Other non-current assets (Note 18)	6,875	-	6,747	-	7,322	-
Total non-current assets	<u>6,278,597</u>	<u>26</u>	<u>6,325,438</u>	<u>26</u>	<u>6,910,922</u>	<u>31</u>
TOTAL	<u>\$ 24,200,439</u>	<u>100</u>	<u>\$ 23,869,264</u>	<u>100</u>	<u>\$ 22,152,691</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 34)	\$ 950,000	4	\$ 158,058	1	\$ 42,468	-
Notes payable	10,111	-	105	-	1,742	-
Trade payable (Note 21)	52,809	-	175,385	1	72,259	-
Other payables (Note 23)	1,072,771	5	1,599,087	7	1,282,022	6
Other payable to related parties (Notes 23 and 33)	85,272	-	83,091	-	97,713	-
Current tax liabilities	150,826	1	111,715	-	44,895	-
Provisions - current (Note 24)	84,775	-	83,195	-	36,164	-
Other current financial liabilities (Note 23)	304,361	1	406,968	2	349,683	2
Unearned revenue (Note 22)	8,031,795	33	7,283,452	31	4,459,490	20
Current portion of long-term borrowings (Notes 19 and 34)	203,565	1	296,120	1	190,000	1
Other current liabilities (Note 23)	79,103	-	220,275	1	158,173	1
Total current liabilities	<u>11,025,388</u>	<u>45</u>	<u>10,417,451</u>	<u>44</u>	<u>6,734,609</u>	<u>30</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	3,000,000	13	3,000,000	13	3,000,000	14
Long-term borrowings (Notes 19 and 34)	646,957	3	520,670	2	2,751,418	12
Provisions - non-current (Note 24)	4,985	-	4,857	-	5,432	-
Net defined benefit liabilities - non-current (Note 25)	39,699	-	43,602	-	469	-
Guarantee deposits received (Note 30)	56,561	-	60,012	-	60,808	-
Other non-current liabilities (Note 23)	297,230	1	414,879	2	370,112	2
Deferred tax liabilities	13,627	-	19,404	-	23,457	-
Total non-current liabilities	<u>4,059,059</u>	<u>17</u>	<u>4,063,424</u>	<u>17</u>	<u>6,211,696</u>	<u>28</u>
Total liabilities	<u>15,084,447</u>	<u>62</u>	<u>14,480,875</u>	<u>61</u>	<u>12,946,305</u>	<u>58</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Share capital						
Ordinary shares	<u>6,318,398</u>	<u>26</u>	<u>6,318,398</u>	<u>27</u>	<u>6,318,398</u>	<u>29</u>
Capital surplus	<u>63,896</u>	<u>-</u>	<u>63,896</u>	<u>-</u>	<u>63,896</u>	<u>-</u>
Retained earnings						
Legal reserve	1,701,396	7	1,701,396	7	1,645,009	7
Unappropriated earnings	<u>1,184,648</u>	<u>5</u>	<u>1,116,118</u>	<u>5</u>	<u>669,329</u>	<u>3</u>
Total retained earnings	<u>2,886,044</u>	<u>12</u>	<u>2,817,514</u>	<u>12</u>	<u>2,314,338</u>	<u>10</u>
Other equity						
Exchange differences on translating foreign operations	(528,589)	(2)	(225,707)	(1)	148,250	1
Unrealized gain from available-for-sale financial assets	<u>263,609</u>	<u>1</u>	<u>304,476</u>	<u>1</u>	<u>230,977</u>	<u>1</u>
Total other equity	<u>(264,980)</u>	<u>(1)</u>	<u>78,769</u>	<u>-</u>	<u>379,227</u>	<u>2</u>
Total equity attributable to owners of the Company	9,003,358	37	9,278,577	39	9,075,859	41
NON-CONTROLLING INTERESTS						
Total equity	<u>9,115,992</u>	<u>38</u>	<u>9,388,389</u>	<u>39</u>	<u>9,206,386</u>	<u>42</u>
TOTAL	<u>\$ 24,200,439</u>	<u>100</u>	<u>\$ 23,869,264</u>	<u>100</u>	<u>\$ 22,152,691</u>	<u>100</u>

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

(With Deloitte & Touche review report dated April 30, 2017)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (LOSS) Per Share) (Reviewed, Not Audited)

	Three Months Ended March 31			
	2017		2016	
	Amount	%	Amount	%
OPERATING REVENUE				
Service revenue	\$ 1,745,241	100	\$ 1,558,681	100
OPERATING COSTS (Notes 27 and 33)	<u>1,366,694</u>	<u>78</u>	<u>1,307,720</u>	<u>84</u>
GROSS PROFIT	378,547	22	250,961	16
OPERATING EXPENSES (Notes 27 and 33)	<u>279,820</u>	<u>16</u>	<u>348,587</u>	<u>23</u>
OPERATING INCOME (LOSS)	<u>98,727</u>	<u>6</u>	(<u>97,626</u>)	(<u>7</u>)
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 33)	18,399	1	33,234	2
Dividend income	169	-	169	-
Interest income (Notes 27)	29,421	2	10,454	1
Other gains and losses (Notes 27 and 33)	(26,398)	(2)	13,435	1
Finance costs (Notes 27 and 33)	(<u>14,411</u>)	(<u>1</u>)	(<u>14,501</u>)	(<u>1</u>)
Total non-operating income and expenses	<u>7,180</u>	<u>-</u>	<u>42,791</u>	<u>3</u>
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	105,907	6	(54,835)	(4)
INCOME TAX EXPENSE (Note 4 and 28)	(<u>34,543</u>)	(<u>2</u>)	(<u>5,733</u>)	<u>-</u>
NET (LOSS) PROFIT FOR THE PERIOD	<u>71,364</u>	<u>4</u>	(<u>60,568</u>)	(<u>4</u>)
OTHER COMPREHENSIVE INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(302,894)	(17)	(41,523)	(2)
Unrealized loss on available-for-sale financial assets	(41,396)	(3)	(13,638)	(1)
Share of other comprehensive income of associates and joint ventures	<u>529</u>	<u>-</u>	(<u>263</u>)	<u>-</u>
Other comprehensive loss for the period, net of income tax	(<u>343,761</u>)	(<u>20</u>)	(<u>55,424</u>)	(<u>3</u>)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(<u>\$ 272,397</u>)	(<u>16</u>)	(<u>\$ 115,992</u>)	(<u>7</u>)

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SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	Three Months Ended March 31			
	2017		2016	
	Amount	%	Amount	%
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owner of the Company	\$ 68,530	4	(\$ 65,408)	(4)
Non-controlling interests	<u>2,834</u>	<u>-</u>	<u>4,840</u>	<u>-</u>
	<u>\$ 71,364</u>	<u>4</u>	<u>(\$ 60,568)</u>	<u>(4)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owner of the Company	(\$ 275,219)	(16)	(\$ 120,875)	(8)
Non-controlling interests	<u>2,822</u>	<u>-</u>	<u>4,883</u>	<u>1</u>
	<u>(\$ 272,397)</u>	<u>(16)</u>	<u>(\$ 115,992)</u>	<u>(7)</u>
EARNINGS (LOSS) PER SHARE (Note 29)				
From continuing operations				
Basic	<u>\$ 0.11</u>		<u>(\$ 0.10)</u>	
Diluted	<u>\$ 0.11</u>		<u>(\$ 0.10)</u>	

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

(With Deloitte & Touche review report dated April 30, 2017)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company								
	Share Capital	Capital Surplus	Retained Earnings		Other Equity		Total	Non-controlling Interests	Total Equity
			Legal Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets			
BALANCE AT JANUARY 1, 2016	\$ 6,318,398	\$ 63,896	\$ 1,645,009	\$ 734,737	\$ 189,816	\$ 244,878	\$ 9,196,734	\$ 125,644	\$ 9,322,378
Net profit for the three months ended March 31, 2016	-	-	-	(65,408)	-	-	(65,408)	4,840	(65,408)
Other comprehensive income (loss) for the three months ended March 31, 2016, net of income tax	-	-	-	-	(41,566)	(13,901)	(55,467)	43	(55,424)
Total comprehensive income (loss) for the three months ended March 31, 2016	-	-	-	(65,408)	(41,566)	(13,901)	(120,875)	4,883	(115,992)
BALANCE AT MARCH 31, 2016	<u>\$ 6,318,398</u>	<u>\$ 63,896</u>	<u>\$ 1,645,009</u>	<u>\$ 669,329</u>	<u>\$ 148,250</u>	<u>\$ 230,977</u>	<u>\$ 9,075,859</u>	<u>\$ 130,527</u>	<u>\$ 9,206,386</u>
BALANCE AT JANUARY 1, 2017	\$ 6,318,398	\$ 63,896	\$ 1,701,396	\$ 1,116,118	(\$ 225,707)	\$ 304,476	\$ 9,278,577	\$ 109,812	\$ 9,388,389
Net profit for the three months ended March 31, 2017	-	-	-	68,530	-	-	68,530	2,834	71,364
Other comprehensive income (loss) for the three months ended March 31, 2017, net of income tax	-	-	-	-	(302,882)	(40,867)	(343,749)	(12)	(343,761)
Total comprehensive income (loss) for the three months ended March 31, 2017	-	-	-	68,530	(302,882)	(40,867)	(275,219)	2,822	(272,397)
BALANCE AT MARCH 31, 2017	<u>\$ 6,318,398</u>	<u>\$ 63,896</u>	<u>\$ 1,701,396</u>	<u>\$ 1,184,648</u>	<u>(\$ 528,589)</u>	<u>\$ 263,609</u>	<u>\$ 9,003,358</u>	<u>\$ 112,634</u>	<u>\$ 9,115,992</u>

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

(With Deloitte & Touche review report dated April 30, 2017)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 105,907	(\$ 54,835)
Adjustments for:		
Depreciation expenses	31,141	37,960
Amortization expenses	13,657	11,818
Net (gain) loss on fair value change of financial assets held for trading	(895)	(1,474)
Interest expense	16,088	38,330
Interest income	(29,421)	(10,454)
Dividend income	(169)	(169)
Share of profit of associates and joint ventures	2	2
Loss on disposal of property, plant and equipment	330	39
Gain on disposal of investment properties	-	(5,215)
Gain on disposal of investments	(71)	(18)
Impairment losses on non-financial assets	1,082	-
Changes in operating assets and liabilities		
Financial assets held for trading	236,324	(131,000)
Notes receivable	(21,088)	13,171
Trade receivables	23,904	(59,921)
Other receivables	(2,956)	23,373
Inventories	(1,068,558)	(480,132)
Other current assets	(84,920)	(154,332)
Other operating assets	(3,903)	(3,756)
Notes payable	10,006	(3,004)
Unearned revenue	1,116,789	1,792,987
Trade payables	(122,576)	(14,071)
Other payables	(537,743)	(222,639)
Other payable to related parties	5,327	(16,331)
Provisions	1,708	2,496
Other financial liabilities	(102,607)	28,216
Other current liabilities	(141,172)	(138,986)
Other operating liabilities	(117,649)	(352,354)
Cash used in operations	(671,463)	299,701
Interest received	29,520	10,454
Interest paid	(5,181)	(27,169)
Income taxes paid	(55,699)	(43,173)
Net cash generated from (used in) operating activities	(702,823)	239,813
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of long-term Investment accounted for using equity method	(17,989)	-
Payments for property, plant and equipment	(8,098)	(9,724)
Proceeds on disposal on property, plant and equipment	-	18

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Three Months Ended March 31	
	2017	2016
Decrease in prepayment for equipment	\$ 6,677	\$ 6,760
Increase in refundable deposits	-	(3,117)
Decrease in refundable deposits	3,077	-
Payment for intangible assets	(2,898)	(2,087)
Payment for investment properties	(5,410)	-
Proceeds on disposal of investment properties	244,701	13,320
Increase in other financial assets	(9,511)	-
Decrease in other financial assets	-	566,884
Increase in other non-current assets	(128)	(788)
Dividend received	<u>169</u>	<u>169</u>
Net cash generated from (used in) investing activities	<u>210,590</u>	<u>571,435</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	791,942	-
Repayment of short-term borrowings	-	(194,995)
Proceeds from long-term borrowings	680,000	950,000
Repayment of long-term borrowings	(643,998)	(300,000)
Proceeds from guarantee deposits received	-	600
Refund of guarantee deposits received	(3,451)	-
Decrease in other payables to related parties	<u>(2,626)</u>	<u>(1,804)</u>
Net cash generated from financing activities	<u>821,867</u>	<u>453,801</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(<u>146,301</u>)	(<u>36,518</u>)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	183,333	1,228,531
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>3,512,457</u>	<u>3,437,772</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 3,695,790</u>	<u>\$ 4,666,303</u>

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

(With Deloitte & Touche review report dated April 30, 2017)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2017 AND 2016

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

(Reviewed, Not Audited)

1. GENERAL INFORMATION

Sinyi Realty Inc. (the “Company”) was incorporated in January 1987 and engaged in the operation of a full-service real-estate brokerage business. The head office is situated in Taipei City, Taiwan, Republic of China (ROC). The Company continues to expand by establishing branches in Taiwan and highly focuses on promoting its brand value.

In August 1999, the Securities and Futures Bureau (“SFB”) approved the trading of the Company’s common shares on the over-the-counter (“OTC”) securities exchange in the ROC. In September 2001, the SFB approved the listing of the Company’s shares on Taiwan Stock Exchange (“TSE”).

The consolidated financial statements were presented New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements had been approved by the board of directors and authorized for issue on April 30, 2017.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

- a. First adoption of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed and issued by the Financial Supervisory Commission (FSC)

The application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed and issued by the FSC would not have any material impact on the Group’s accounting policies, except for the following:

Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers

The amendments include additions of several accounting items and requirements for disclosures of impairment of non-financial assets as a consequence of the IFRSs endorsed by the FSC. In addition, as a result of the post implementation review of IFRSs in Taiwan, the amendments also include emphasis on certain recognition and measurement considerations and add requirements for disclosures of related party transactions and goodwill.

The amendments stipulate that other companies or institutions, of which the chairman of the board of directors or president serves as the chairman of the board of directors or the president of the Group or is the spouse or second immediate family of the chairman of the board of directors or president of the Group, are deemed to have a substantive related party relationship, unless it can be demonstrated that no control, joint control, or significant influence exists. Furthermore, the amendments require the disclosure of the names of the related parties and the relationships with whom the Group has significant transactions. If the transactions or balance with a specific related party is 10% or more of the Group’s

respective total transactions or balance, such transactions should be separately disclosed by the name of each related party.

The disclosures of related party transactions and impairment of goodwill will be enhanced when the above amendments are retrospectively applied in 2017.

The first adoption of the above amended Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued by the FSC does not have any material impact on the Group's assets, liabilities, equities, comprehensive income and cash flow.

b. New IFRSs in issue but not yet endorsed by the FSC

The Group has not applied the following IFRSs issued by the IASB but not yet endorsed by the FSC.

The FSC announced that IFRS 9 and IFRS 15 will take effect starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new IFRSs.

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of investment property"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 12 is retrospectively applied for annual periods beginning on or after January 1, 2017; the amendment to IAS 28 is retrospectively applied for annual periods beginning on or after January 1, 2018.

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

- a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;
- b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gains or losses shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for the above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

Impairment of financial assets

IFRS 9 requires impairment loss on financial assets to be recognized by using the expected credit loss model. The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

Transition

Financial instruments that have been derecognized prior to the effective date of IFRS 9 cannot be reversed to apply IFRS 9 when it becomes effective. Under IFRS 9, the requirements for classification, measurement and impairment of financial assets are applied retrospectively with the difference between the previous carrying amount and the carrying amount at the date of initial application recognized in the current period, and restatement of prior periods is not required. The requirements for general hedge accounting shall be applied prospectively, and the accounting for hedging options shall be applied retrospectively.

2) IFRS 15 “Revenue from Contracts with Customers” and the related amendment

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2018.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when the entity satisfies a performance obligation.

Incremental costs of obtaining a contract will be recognized as an asset to the extent the Group expects to recover those costs. Such asset will be amortized on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. This will lead to the later recognition of charges for certain customer-obtaining costs.

When IFRS 15 and the related amendment are effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

3) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on the right-of-use asset separately from the interest expense accrued on the lease liability; interest is computed by using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for the interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Group as lessor.

When IFRS 16 becomes effective, the Group may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

4) Amendments to IAS 40 “Transfers of Investment Property”

The amendments clarify that the Group should transfer to, or from, investment property when, and only when, the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management’s intentions for the use of a property does not provide evidence of a change in use. The amendments also clarify that the evidence of the change in use is not limited to those illustrated in IAS 40.

The Group may elect to apply the amendments prospectively and reclassify the property as required to reflect the conditions that exist at the date of initial application. The Group is also required to disclose the reclassified amounts and such amounts should be included in the reconciliation of the carrying amount of investment property. Alternatively, the Group may elect to apply the amendments retrospectively if, and only if, that is possible without the use of hindsight.

5) IFRIC 22 “Foreign Currency Transactions and Advance Consideration”

IAS 21 stipulated that a foreign currency transaction shall be recorded on initial recognition in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. IFRIC 22 further explains that the date of the transaction is the date on which an entity recognizes a non-monetary asset or non-monetary liability from payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine the date of the transaction for each payment or receipt of advance consideration.

The Group shall apply IFRIC 22 either retrospectively or prospectively to all assets, expenses and income in the scope of the Interpretation initially recognized on or after (a) the beginning of the reporting period in which the entity first applies IFRIC 22, or (b) the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies IFRIC 22.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in the consolidated financial statements is less than those required in a complete set of annual financial statements.

b. Basis of consolidation

The principles of preparation of the consolidated financial statements are in line with 2016 consolidated financial statements. See Note 13 and Table 6 and 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

c. Other significant accounting policies

The accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2016, except for those described below.

1) Retirement benefit costs

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

2) Income taxes

Income tax expense is the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income and the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2016.

6. CASH AND CASH EQUIVALENTS

	March 31, 2017	December 31, 2016	March 31, 2016
Cash on hand	\$ 18,436	\$ 17,924	\$ 17,413
Checking accounts and demand deposits	2,140,725	2,006,462	3,134,704
Cash equivalents			
Time deposits with original maturities less than three months	<u>1,536,629</u>	<u>1,488,071</u>	<u>1,514,186</u>
	<u>\$ 3,695,790</u>	<u>\$ 3,512,457</u>	<u>\$ 4,666,303</u>

The interest rates of cash in bank at the end of the reporting period were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Interest rates range	0%-1.20%	0%-3.80%	0.01%-1.35%

As of March 31, 2017, December 31, 2016 and March 31, 2016, the carrying amounts of time deposits with original maturities more than three months were \$108,470 thousand, \$108,470 thousand and \$225,179 thousand, respectively, which were classified as other financial assets - current (Note 12).

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Financial assets held for trading</u>			
Non-derivative financial assets			
Domestic quoted shares	\$ 9,060	\$ 8,325	\$ 7,231
Mutual funds	<u>235,185</u>	<u>471,278</u>	<u>442,918</u>
	<u>\$ 244,245</u>	<u>\$ 479,603</u>	<u>\$ 450,149</u>

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Domestic investments</u>			
Quoted shares	<u>\$ 207,481</u>	<u>\$ 206,356</u>	<u>\$ 184,019</u>
<u>Foreign investments</u>			
Quoted shares	527,894	593,680	543,078
Mutual funds	<u>1,314</u>	<u>1,396</u>	<u>1,393</u>
	<u>529,208</u>	<u>595,076</u>	<u>544,471</u>
Available-for-sale financial assets	<u>\$ 736,689</u>	<u>\$ 801,432</u>	<u>\$ 728,490</u>

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	March 31, 2017	December 31, 2016	March 31, 2016
Domestic unlisted common shares	\$ 49,953	\$ 51,039	\$ 83,629
Overseas unlisted common shares	<u>149,408</u>	<u>156,296</u>	<u>167,939</u>
	<u>\$ 199,361</u>	<u>\$ 207,335</u>	<u>\$ 251,568</u>

Management believed that the fair value of the above unlisted equity investments held by the Group cannot

be reliably measured due to the wide range of reasonable fair value estimates; therefore, they were measured at cost less impairment at the end of reporting period.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Notes receivable and trade receivables</u>			
Notes receivable - operating	\$ 37,089	\$ 16,001	\$ 43,612
Notes receivable - non-operating	<u>-</u>	<u>-</u>	<u>20,000</u>
	<u>37,089</u>	<u>16,001</u>	<u>63,612</u>
Trade receivables	791,737	816,174	754,408
Less: Allowance for doubtful accounts	(<u>8,548</u>)	(<u>9,081</u>)	(<u>9,930</u>)
	<u>783,189</u>	<u>807,093</u>	<u>744,478</u>
	<u>\$ 820,278</u>	<u>\$ 823,094</u>	<u>\$ 808,090</u>
<u>Other receivables</u>			
Receivables from disposal of investment properties	\$ -	\$ 244,701	\$ -
Receivables from disposal of investment	17,000	17,000	-
Interest receivables	11,247	11,346	1,147
Others	69,638	66,682	68,630
Less: Allowance for doubtful accounts	(<u>2,848</u>)	(<u>2,848</u>)	(<u>2,848</u>)
	<u>\$ 95,037</u>	<u>\$ 336,881</u>	<u>\$ 66,929</u>

a. Trade receivables

The average credit period for rendering of services was 30 to 60 days. No interest was charged on trade receivables. The provision of allowance for trade receivables from real estate brokerage service revenue was estimated based on historical experience. Allowance for impairment loss was recognized against trade receivables based on aging analysis, historical experience and an analysis of clients' current financial position. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period.

The concentration risk of credit was limited due to the fact that the customer base was large and customers were unrelated.

For some trade receivables (see below for aging analysis) that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss because there was no significant change in credit quality and the amounts were considered recoverable.

Aging analysis of receivables was as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
0-60 days	\$ 666,940	\$ 662,460	\$ 623,016
61-90 days	28,992	52,589	40,613
			(Continued)

	March 31, 2017	December 31, 2016	March 31, 2016
91-180 days	\$ 48,890	\$ 64,687	\$ 41,440
181-360 days	29,002	16,063	22,292
Over 360 days	<u>17,913</u>	<u>20,375</u>	<u>27,047</u>
	<u>\$ 791,737</u>	<u>\$ 816,174</u>	<u>\$ 754,408</u>

(Concluded)

The above analysis was based on the billing date.

Aging analysis of receivables that were past due but not impaired was as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
61-90 days	\$ 3,784	\$ 11,261	\$ 5,037
91-180 days	10,777	11,924	7,286
181-360 days	3,815	1,914	6,127
Over 360 days	<u>1,384</u>	<u>2,126</u>	<u>13,962</u>
	<u>\$ 19,760</u>	<u>\$ 27,225</u>	<u>\$ 32,412</u>

The above analysis was based on the billing date.

Movements of the allowance for impairment loss recognized on trade receivables and other receivables were as follows:

	<u>2017</u>		<u>2016</u>	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Balance at January 1	\$ 9,081	\$ 2,848	\$ 12,844	\$ 2,848
Less: reversal of provision of bad debt	(154)	-	(2,354)	-
Less: Amounts written off	-	-	(512)	-
Foreign exchange translation gains and losses	(<u>379</u>)	<u>-</u>	(<u>48</u>)	<u>-</u>
Balance at March 31	<u>\$ 8,548</u>	<u>\$ 2,848</u>	<u>\$ 9,930</u>	<u>\$ 2,848</u>

b. Other receivables

- 1) Receivables from disposal of investment and interest receivable were due to the Group's disposal of financial assets measured at cost from the Group's exercising the option to sell back the shares under the agreement of the share transaction.
- 2) Receivables from disposal of investment properties as of December 31, 2016 were proceeds from sale of properties located in Dongcheng district, Beijing.
- 3) Other receivables were the payment on behalf of others and rental receivable.

11. INVENTORIES

	March 31, 2017	December 31, 2016	March 31, 2016
Properties under development			
Jiading District, Shanghai	\$ 7,245,499	\$ 7,343,643	\$ 6,451,382
Shilin District, Taipei City	421,803	407,659	344,049
Properties to be developed			
Banqiao District, New Taipei City	721,860	-	-
Banqiao District, New Taipei City (for transferable development rights)	80,885	-	-
Other			
Shilin District, Taipei City	<u>2,113</u>	<u>2,113</u>	<u>2,113</u>
	<u>\$ 8,472,160</u>	<u>\$ 7,753,415</u>	<u>\$ 6,797,544</u>

To ensure the smooth completion of the real estate project, the Group entered into a trust contract with E.Sun Bank on the real estate project of Tianmu, Shihlin District, Taipei City. The information of the real estate trust was as follows:

Project Name	Trustee	Trust Period
Sinyi Chien-Shih	E.Sun Bank	From April 16, 2014 to the completion of the project

In accordance with the trust contract, E.Sun Bank has been authorized to take fund control function, including making progress payments, the payment of taxes, and so on.

Refer to Note 34 for the carrying amount of inventories pledged as security for bank borrowings by the Group.

12. OTHER FINANCIAL ASSETS - CURRENT

	March 31, 2017	December 31, 2016	March 31, 2016
Time deposits with original maturity more than three months	\$ 108,470	\$ 108,470	\$ 225,179
Restricted assets - current	7,203	7,308	7,486
Financial assets at amortized cost	<u>2,730,137</u>	<u>2,850,536</u>	<u>981,970</u>
	<u>\$ 2,845,810</u>	<u>\$ 2,966,314</u>	<u>\$ 1,214,635</u>

a. The ranges of interest rates of time deposits with original maturities more than three months were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Time deposits with original maturity more than three months	0.09%-1.125%	0.09%-1.20%	0.025%-4.7%

b. Restricted assets - current were operating guarantee for real-estate brokerage. Please refer to Note 34.

c. Financial assets at amortized cost were bank financial products, the expected yield rates as of March 31,

2017, December 31, 2016 and March 31, 2016 were 0%-4.35%, 0%-4.35% and 1.80%-3.75%, respectively.

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Those subsidiaries included in the consolidated entities as of March 31, 2017, December 31, 2016 and March 31, 2016 were as follows:

Investor	Investee	Main Businesses	% of Ownership			Remark	
			March 31, 2017	December 31, 2016	March 31, 2016		
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	100		
	Sinyi Development Inc. (Taiwan Sinyi Development)	Development, construction, rental and sale of residential building and factories	100	100	100		
	Sinyi Limited	Investment holding	100	100	100		
	Sinyi Global Asset Management Co., Ltd. (Sinyi Global)	Real estate brokerage	100	100	100		
	Heng-Yi Real Estate Consulting Inc. (Heng-Yi)	Development, construction, rental and sale of residential building and factories	100	100	100		
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	100		
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	99		
An-Sin	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	51		
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	100	100		
Sinyi Limited	SIN CHIUN HOLDING SDN. BHD.	Investment holding	100	-	-	Note 1	
	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	99	99	99		
	Inane International Limited (Inane)	Investment holding	100	100	100		
Inane	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100	100		
	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	100	100	100		
	Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Shanghai Sinyi of Land Administration and Real Estate Counseling)	Management consulting	100	100	100		
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	100	100	100		
	Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Qingdao Sinyi)	Real estate brokerage and management consulting	100	100	100		
	Max Success International Limited (Max Success)	Investment holding	100	100	100		
	Shanghai Sinyi Real Estate	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	38	38	38	
		Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	100	2	2	Note 3
	Max Success	Zhejiang Sinyi	Real estate brokerage and management consulting	62	62	62	
		Suzhou Sinyi	Real estate brokerage and management consulting	-	98	98	Note 3
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	100		
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	100		
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage and management	100	100	100		
	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100	100		
Forever Success	Sinyi Estate Ltd. (Sinyi Estate)	Investment holding	100	100	-		
	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	100		
	Hua Yun Renovation (Shanghai) Co., Ltd. (Hua Yun)	Professional construction, buildings, decoration construction, hardware, general merchandise, building materials wholesale	100	100	-		
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	100		
Japan Sinyi	Sinyi Asset Management Co., Ltd. (Japan Management)	Real estate brokerage	100	100	100		
	Tokyo Sinyi Real Estate Co., Ltd.	Real estate brokerage	100	100	-		
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	100		
	Kunshan Dingxian Trading Co., Ltd. (Kunshan Dingxian Trading)	Construction materials furniture, sanitary ware and ceramic products wholesale	100	100	100		
Sinyi Estate	Sinyi Estate (Hong Kong) Limited (Hong Kong Sinyi Estate)	Investment holding	100	100	-		
Hong Kong Real Estate	Sinyi Real Estate (Shanghai) Limited (Shanghai Real Estate)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	100	100	100		
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sale of residential building and factories	100	100	100		
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sale of residential building and factories	100	100	100		
SIN CHIUN HLODING SDN.BHD.	FIDELITY PROPERTY CONSULTANT SDN.BHD.(FIDELITY)	Real estate brokerage	100	-	-	Note 2	

Remark:

Note 1: Sin Chiun Holding SDN. BHD. was incorporated in October 2016, with a capital of MYR 3,537,766 as of March 31, 2017.

Note 2: FIDELITY PROPERTY CONSULTANT SDN.BHD. was incorporated in February, 2017, with a capital of MYR 2 as of March 31, 2017.

Note 3: The Group had resolved at the Board meeting in February, 2017 that Shanghai Sinyi Real Estate hold 100% ownership of Suzhou Sinyi for the organization restructuring of the Group.

Note 4: Subsidiaries included in consolidated financial statement: The financial statements of the consolidated entities had not been reviewed by the independent accountants, except for those of Sinyi International, Sinyi Development, Hong Kong Real Estate and Shanghai Real Estate as of and for the three months ended March 31, 2017 and 2016.

b. Subsidiaries excluded from consolidated financial statement: None.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2017	December 31, 2016	March 31, 2016
Investments in associates	\$ <u>30,326</u>	\$ <u>10,723</u>	\$ <u>9,384</u>

Investments In Associates

	March 31, 2017	December 31, 2016	March 31, 2016
Unlisted company			
Sinyi Interior Design Co., Ltd.	\$ 11,250	\$ 10,723	\$ 9,384
Rakuya International Info. Co., Ltd.	<u>19,076</u>	<u>-</u>	<u>-</u>
	\$ <u>30,326</u>	\$ <u>10,723</u>	\$ <u>9,384</u>

As of the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

Name of Associate	March 31, 2017	December 31, 2016	March 31, 2016
Sinyi Interior Design Co., Ltd.	19%	19%	19%
Rakuya International Info. Co., Ltd.	23%	-%	-%

The Group's management considered investments in associates are not individually material, aggregate information of associates are summarized as follows:

	<u>Three Months Ended March 31</u>	
	2017	2016
The Group's share of:		
Loss from continuing operations	(\$ 2)	(\$ 2)
Other comprehensive income	<u>529</u>	(<u>263</u>)
Total comprehensive income for the period	\$ <u>527</u>	(\$ <u>265</u>)

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income (loss) of the investment for the years ended December 31, 2016 and 2015 were based on unreviewed financial statements. The Group's management believes the unreviewed financial statements of Sinyi Interior Design Co., Ltd. do not have material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income (loss).

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost									
Balance at January 1, 2017	\$ 2,665,208	\$ 415,360	\$ 6,571	\$ 367,121	\$ 4,671	\$ 521,294	\$ 80,540	\$ 230,850	\$ 4,291,615
Additions	-	-	-	1,280	-	6,148	670	-	8,098
Disposals (note)	-	-	-	(1,295)	-	(3,151)	-	(6,677)	(11,123)
Reclassifications	-	-	-	(41)	-	41	-	-	-
Effect of foreign currency exchange differences	-	-	(210)	(2,634)	-	(4,136)	-	(10,320)	(17,300)
Balance at March 31, 2017	<u>\$ 2,665,208</u>	<u>\$ 415,360</u>	<u>\$ 6,361</u>	<u>\$ 364,431</u>	<u>\$ 4,671</u>	<u>\$ 520,196</u>	<u>\$ 81,210</u>	<u>\$ 213,853</u>	<u>\$ 4,271,290</u>
Accumulated depreciation									
Balance at January 1, 2017	\$ -	\$ 107,102	\$ 3,560	\$ 264,153	\$ 4,671	\$ 374,696	\$ 63,196	\$ -	\$ 817,378
Depreciation expense	-	2,635	323	10,924	-	13,607	1,530	-	29,019
Disposals	-	-	-	(1,256)	-	(2,860)	-	-	(4,116)
Reclassifications	-	-	-	(1)	-	1	-	-	-
Effect of foreign currency exchange differences	-	-	(137)	(1,515)	-	(2,030)	-	-	(3,682)
Balance at March 31, 2017	<u>\$ -</u>	<u>\$ 109,737</u>	<u>\$ 3,746</u>	<u>\$ 272,305</u>	<u>\$ 4,671</u>	<u>\$ 383,414</u>	<u>\$ 64,726</u>	<u>\$ -</u>	<u>\$ 838,599</u>
Carrying amounts at January 1, 2017	<u>\$ 2,665,208</u>	<u>\$ 308,258</u>	<u>\$ 3,011</u>	<u>\$ 102,968</u>	<u>\$ -</u>	<u>\$ 146,598</u>	<u>\$ 17,344</u>	<u>\$ 230,850</u>	<u>\$ 3,474,237</u>
Carrying amounts at March 31, 2017	<u>\$ 2,665,208</u>	<u>\$ 305,623</u>	<u>\$ 2,615</u>	<u>\$ 92,126</u>	<u>\$ -</u>	<u>\$ 136,782</u>	<u>\$ 16,484</u>	<u>\$ 213,853</u>	<u>\$ 3,432,691</u>
Cost									
Balance at January 1, 2016	\$ 2,665,208	\$ 415,360	\$ 6,874	\$ 371,882	\$ 4,671	\$ 501,124	\$ 79,979	\$ 258,785	\$ 4,303,883
Additions	-	-	-	4,141	-	5,454	-	129	9,724
Disposals	-	-	-	(10,341)	-	-	-	(6,760)	(17,101)
Effect of foreign currency exchange differences	-	-	(26)	(19)	-	6	-	(1,191)	(1,230)
Balance at March 31, 2016	<u>\$ 2,665,208</u>	<u>\$ 415,360</u>	<u>\$ 6,848</u>	<u>\$ 365,663</u>	<u>\$ 4,671</u>	<u>\$ 506,584</u>	<u>\$ 79,979</u>	<u>\$ 250,963</u>	<u>\$ 4,295,276</u>
Accumulated depreciation									
Balance at January 1, 2016	\$ -	\$ 96,564	\$ 4,330	\$ 240,142	\$ 4,671	\$ 341,765	\$ 54,491	\$ -	\$ 741,963
Depreciation expense	-	2,633	267	12,335	-	15,073	2,432	-	32,740
Disposals	-	-	-	(10,284)	-	-	-	-	(10,284)
Effect of foreign currency exchange differences	-	-	(21)	(76)	-	(198)	-	-	(295)
Balance at March 31, 2016	<u>\$ -</u>	<u>\$ 99,197</u>	<u>\$ 4,576</u>	<u>\$ 242,117</u>	<u>\$ 4,671</u>	<u>\$ 356,640</u>	<u>\$ 56,923</u>	<u>\$ -</u>	<u>\$ 764,124</u>
Carrying amounts at January 1, 2016	<u>\$ 2,665,208</u>	<u>\$ 318,796</u>	<u>\$ 2,544</u>	<u>\$ 131,740</u>	<u>\$ -</u>	<u>\$ 159,359</u>	<u>\$ 25,488</u>	<u>\$ 258,785</u>	<u>\$ 3,561,920</u>
Carrying amounts at March 31, 2016	<u>\$ 2,665,208</u>	<u>\$ 316,163</u>	<u>\$ 2,272</u>	<u>\$ 123,546</u>	<u>\$ -</u>	<u>\$ 149,944</u>	<u>\$ 23,056</u>	<u>\$ 250,963</u>	<u>\$ 3,531,152</u>

Note : Refund of prepayments to construction company when it failed to meet the terms of the contract for Suzhou Sinyi.

The above items of property, plant and equipment were depreciated on a straight-line basis over the following estimated useful lives:

Buildings - main buildings	21-55 years
Transportation equipment	4-5 years
Office equipment	3-5 years
Leased assets	3 years
Leasehold improvements	3-5 years
Other equipment	3-15 years

- Construction in progress and prepayments for equipment were mainly the Group's purchase of the pre-sold property which was still in construction located in Suzhou City. The transaction price had been paid fully according to the real estate transaction contract.
- There was no interest capitalized during the three months ended March 31, 2017 and 2016.
- Refer to Note 34 for the details of properties, plant and equipment pledged as collaterals.

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2017	\$ 2,022,380	\$ 345,739	\$ 2,368,119
Additions	<u>4,844</u>	<u>566</u>	<u>5,410</u>
Balance at March 31, 2017	<u>\$ 2,027,224</u>	<u>\$ 346,305</u>	<u>\$ 2,373,529</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2017	\$ 5,558	\$ 93,275	\$ 98,833
Impairment loss	969	113	1,082
Depreciation expense	<u>-</u>	<u>2,122</u>	<u>2,122</u>
Balance at March 31, 2017	<u>\$ 6,527</u>	<u>\$ 95,510</u>	<u>\$ 102,037</u>
Carrying amounts at January 1, 2017	<u>\$ 2,016,822</u>	<u>\$ 252,464</u>	<u>\$ 2,269,286</u>
Carrying amounts at March 31, 2017	<u>\$ 2,020,697</u>	<u>\$ 250,795</u>	<u>\$ 2,271,492</u>
<u>Cost</u>			
Balance at January 1, 2016	\$ 2,037,918	\$ 943,625	\$ 2,981,543
Disposals	(6,348)	(2,245)	(8,593)
Effect of foreign currency exchange differences	<u>-</u>	<u>(2,726)</u>	<u>(2,726)</u>
Balance at March 31, 2016	<u>\$ 2,031,570</u>	<u>\$ 938,654</u>	<u>\$ 2,970,224</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2016	\$ 7,396	\$ 157,855	\$ 165,251
Depreciation expense	-	5,220	5,220
Disposals	-	(488)	(488)
Effect of foreign currency exchange differences	<u>-</u>	<u>(376)</u>	<u>(376)</u>

(Continued)

	Land	Buildings	Total
Balance at March 31, 2016	<u>\$ 7,396</u>	<u>\$ 162,211</u>	<u>\$ 169,607</u>
Carrying amounts at January 1, 2016	<u>\$ 2,030,522</u>	<u>\$ 785,770</u>	<u>\$ 2,816,292</u>
Carrying amounts at March 31, 2016	<u>\$ 2,024,174</u>	<u>\$ 776,443</u>	<u>\$ 2,800,617</u>

(Concluded)

The above investment properties were depreciated on a straight-line basis over the following estimated useful lives:

Buildings - main buildings 30-60 years

The total fair value of the Group's investment properties and property, plant and equipment as of March 31, 2017, December 31, 2016 and March 31, 2016 was \$9,398,271 thousand, \$9,145,666 thousand and \$10,392,642 thousand, respectively. The fair value valuation had not been performed by independent qualified professional valuers and the fair value was measured by using Level 3 inputs; however, the management of the Group used the valuation model that market participants generally use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's investment property was held under freehold interests. The carrying amount of the investment properties that had been pledged by the Group to secure borrowings was disclosed in Note 34.

17. INTANGIBLE ASSETS

	March 31, 2017	December 31, 2016	March 31, 2016
Franchise (Note 37)	\$ 52,192	\$ 56,112	\$ 57,842
Goodwill	9,621	9,621	9,621
System software costs	<u>60,777</u>	<u>71,245</u>	<u>66,515</u>
	<u>\$ 122,590</u>	<u>\$ 136,978</u>	<u>\$ 133,978</u>

	Franchise	Goodwill	System Software Costs	Total
<u>Cost</u>				
Balance at January 1, 2017	\$ 98,542	\$ 9,621	\$ 207,447	\$ 315,610
Additions	-	-	2,898	2,898
Disposals	-	-	(300)	(300)
Effect of foreign currency exchange differences	<u>(5,867)</u>	<u>-</u>	<u>(622)</u>	<u>(6,489)</u>
Balance at March 31, 2017	<u>\$ 92,675</u>	<u>\$ 9,621</u>	<u>\$ 209,423</u>	<u>\$ 311,719</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2017	\$ 42,430	\$ -	\$ 136,202	\$ 178,632
Amortization expense	594	-	13,063	13,657

(Continued)

	Franchise	Goodwill	System Software Costs	Total
Disposals	\$ -	-	(300)	(300)
Effect of foreign currency exchange differences	(2,541)	-	(319)	(2,860)
Balance at March 31, 2017	<u>\$ 40,483</u>	<u>\$ -</u>	<u>\$ 148,646</u>	<u>\$ 189,129</u>
Carrying amounts at January 1, 2017	<u>\$ 56,112</u>	<u>\$ 9,621</u>	<u>\$ 71,245</u>	<u>\$ 136,978</u>
Carrying amounts at March 31, 2017	<u>\$ 52,192</u>	<u>\$ 9,621</u>	<u>\$ 60,777</u>	<u>\$ 122,590</u>

(Concluded)

	Franchise	Goodwill	System Software Costs	Total
<u>Cost</u>				
Balance at January 1, 2016	\$ 100,299	\$ 9,621	\$ 167,849	\$ 277,769
Additions	-	-	2,087	2,087
Disposals	-	-	(467)	(467)
Effect of foreign currency exchange differences	(1,956)	-	74	(1,882)
Balance at March 31, 2016	<u>\$ 98,343</u>	<u>\$ 9,621</u>	<u>\$ 169,543</u>	<u>\$ 277,507</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2016	\$ 40,680	\$ -	\$ 92,326	\$ 133,006
Amortization expense	632	-	11,186	11,818
Disposals	-	-	(467)	(467)
Effect of foreign currency exchange differences	(811)	-	(17)	(828)
Balance at March 31, 2016	<u>\$ 40,501</u>	<u>\$ -</u>	<u>\$ 103,028</u>	<u>\$ 143,529</u>
Carrying amounts at January 1, 2016	<u>\$ 59,619</u>	<u>\$ 9,621</u>	<u>\$ 75,523</u>	<u>\$ 144,763</u>
Carrying amounts at March 31, 2016	<u>\$ 57,842</u>	<u>\$ 9,621</u>	<u>\$ 66,515</u>	<u>\$ 133,978</u>

The above intangible assets with finite useful lives were amortized on a straight-line basis over the following estimated useful lives:

Franchise	40 years
System software costs	2-5 years

The recoverable amount of the Group's goodwill had been tested for impairment using the forecast carrying amount at the end of the annual reporting period. For the three months ended March 31, 2017, the Group did not recognize any impairment loss on goodwill.

18. OTHER ASSETS

	March 31, 2017	December 31, 2016	March 31, 2016
Prepaid expenses	\$ 123,243	\$ 92,805	\$ 80,418
Tax prepayment	707,078	654,411	400,951
Temporary payments	46,467	45,006	1,410
Overpaid VAT	8,755	8,401	4,321
Overdue receivables	4,985	4,857	5,432
Others	<u>1,890</u>	<u>1,890</u>	<u>1,890</u>
	<u>\$ 892,418</u>	<u>\$ 807,370</u>	<u>\$ 494,422</u>
Current	\$ 885,543	\$ 800,623	\$ 487,100
Non-current	<u>6,875</u>	<u>6,747</u>	<u>7,322</u>
	<u>\$ 892,418</u>	<u>\$ 807,370</u>	<u>\$ 494,422</u>

Tax prepayment is land value increment tax and sales tax imposed by China local tax bureau for presold real estate of subsidiary Shanghai Real Estate in mainland China.

19. BORROWINGS

a. Short-term borrowings

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Unsecured borrowings</u>			
Unsecured loans	\$ 450,000	\$ 158,058	\$ 42,468
<u>Secured borrowings</u>			
Bank loans	<u>500,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 950,000</u>	<u>\$ 158,058</u>	<u>\$ 42,468</u>

1) The interest rates on the bank loans as of March 31, 2017, December 31, 2016 and March 31, 2016 were 1.12%-1.25%, 1.03%-1.42% and 0.88%, respectively.

2) Refer to Note 34 for the details of assets pledged as collaterals for short-term borrowings.

b. Long-term borrowings

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Secured borrowings</u>			
Bank loans	\$ 590,000	\$ 632,340	\$ 2,941,418

(Continued)

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Unsecured borrowings</u>			
Loans unsecured	<u>260,522</u>	<u>184,450</u>	<u>-</u>
	850,522	816,790	2,941,418
Less: Current portion	(<u>203,565</u>)	(<u>296,120</u>)	(<u>190,000</u>)
Long-term borrowings	<u>\$ 646,957</u>	<u>\$ 520,670</u>	<u>\$ 2,751,418</u>

(Concluded)

The long-term borrowings of the Group were as follows:

	Content of Borrowings	March 31, 2017	December 31, 2016	March 31, 2016
E.Sun Bank	\$190,000 thousand; period: September 10, 2013 to June 30, 2017; floating interest rate of 2% on March 31, 2017, 2.1% on December 31, 2016 and 2.5% on March 31, 2016; interest is paid monthly and principal is repaid at maturity.	\$ 190,000	\$ 190,000	\$ 190,000
E.Sun Bank	\$800,000 thousand; period: March 1, 2016 to March 31, 2018; fixed interest rate of 1.55% on March 31, 2016, negotiating rate per 90 days; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in April, July 2016.	-	-	450,000
E.Sun Bank	\$2,450,000 thousand; period: October 25, 2016 to October 20, 2018; floating interest rate of 1.25% on March 31, 2017 and 1.35% on December 31, 2016; negotiating rate per 30 days; interest is paid monthly and principal is repaid at maturity.	200,000	200,000	-
East Asia Bank	\$1,600,000 thousand; period: December 31, 2015 to December 31, 2018; floating interest rate of 1.718%; total 7 quarterly installment to begin from 18 months after December 31, 2015, 5% of principal for each of the first six installments, while the rest will be paid at maturity. The Group repaid all the debts in October and November in 2016.	-	-	200,000
China Construction Bank	RMB\$800,000 thousand; period: May 20, 2014 to June 19, 2017; floating interest rate as of December 31, 2016 and 2015 is 4.75% and 5.25%; interest is paid quarterly and principal is repaid at maturity. The Group repaid all principal of RMB 322,200 thousand in May, June and December in 2016 and March 2017.	-	92,340	1,701,418
Taipei Fubon Bank	Loan limit: \$385,000 thousand; period: December 30, 2016 to December 30, 2019; floating interest rate of 1.65%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January, 2016.	-	50,000	-
Far Eastern International Bank	\$800,000 thousand; period: February 25, 2016 to February 25, 2018; floating interest rate of 1.705%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in May and June, 2016.	-	-	200,000
Bank of Taiwan	\$1,000,000 thousand; period: September 22, 2015 to September 22, 2018; fixed interest rate of 1.8%, negotiating rate per 180 days; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in May and June, 2016.	-	-	200,000
Yuanta Bank	Loan limit: \$300,000 thousand; period: December 30, 2016 to December 30, 2018; floating interest rate of 1.75% with negotiating rate per 180 days; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January, 2016.	-	100,000	-
Mizuho Bank	Loan limit: JPY 150,000 thousand; period: June 20, 2016 to June 20, 2019; fixed interest rate of 1.108%; interest is paid monthly and principal is repaid JPY 4,167 thousand monthly.	30,521	34,450	-
SinoPac Bank	Loan limit: \$200,000 thousand; period: December 30, 2016 to December 30, 2018; floating interest rate of 1.374% on March 31, 2017 and 1.5% on December 31, 2017; interest is paid monthly and principal is repaid at maturity.	100,000	50,000	-

(Continued)

Content of Borrowings		March 31, 2017	December 31, 2016	March 31, 2016
Bank of Taiwan	Loan limit: \$1,000,000 thousand; period: September 22, 2015 to September 22, 2018; fixed interest rate of 1.35% on March 31, 2017 and 1.46% on December 31, 2016; negotiating rate per 180 days; interest is paid monthly and principal is repaid at maturity.	\$ 200,000	\$ 100,000	\$ -
O-Bank	Loan limit: \$200,000 thousand; period: March 30, 2017 to March 30, 2019; floating interest rate of 1.488% on March 31, 2017; interest is paid monthly and principal is repaid at maturity.	30,000	-	-
Far Eastern International Bank	Loan limit: \$800,000 thousand; period: March 31, 2017 to March 31, 2019; floating interest rate of 1.545% on March 31, 2017; interest is paid monthly and principal is repaid at maturity.	100,000	-	-
Total long-term borrowings		<u>\$ 850,522</u>	<u>\$ 816,790</u>	<u>\$ 2,941,418</u>

(Concluded)

Refer to Note 34 for the details of assets pledged as collaterals for long-term borrowings.

20. BONDS PAYABLE

	March 31, 2017	December 31, 2016	March 31, 2016
Domestic unsecured bonds	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Less: Current portion	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

The major term of domestic unsecured bonds was as follows:

Issuance Period	Total Amount (In Thousands)	Coupon Rate	Repayment and Interest Payment
June 2014 to June 2019	\$ 3,000,000	1.48%	At the end of the 4 th and 5 th year from the issuance date, the Group will repay half of the principle, respectively. Interest is paid annually.

21. TRADE PAYABLES

	March 31, 2017	December 31, 2016	March 31, 2016
Construction payables	<u>\$ 52,809</u>	<u>\$ 175,385</u>	<u>\$ 72,259</u>

22. UNEARNED REVENUE

	March 31, 2017	December 31, 2016	March 31, 2016
Advance receipts from real estate transactions	\$ 8,027,074	\$ 7,280,944	\$ 4,457,533
Others	<u>4,721</u>	<u>2,508</u>	<u>1,957</u>
	<u>\$ 8,031,795</u>	<u>\$ 7,283,452</u>	<u>\$ 4,459,490</u>

Advance receipts from real estate transactions are the amounts collected by Sinyi Development and Shanghai Real Estate from customers for pre-sold real estate. Shanghai Real Estate entered into real estate

sales contracts with the customers and put on record at Shanghai Real Estate Trading Center. When houses are on the status available for usage and are checked and accepted by the related authorities and Shanghai Real Estate completes the procedures of putting on file, Shanghai Real Estate may issue the house delivery notice according to the real estate sales contracts and recognizes revenue of selling houses at the date of delivering house and transferred the related inventory to cost of goods sold. The amount of deposits and installments from the real estate sales contracts collected from the customers are recorded as unearned revenue of current liabilities before meeting the criteria of being recognized as revenue from selling commodities.

23. OTHER LIABILITIES

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Current</u>			
Other payables	\$ 1,072,771	\$ 1,599,087	\$ 1,282,022
Other payable to related parties	85,272	83,091	97,713
Other financial liabilities	304,361	406,968	349,683
Other liabilities	<u>79,103</u>	<u>220,275</u>	<u>158,173</u>
	<u>\$ 1,541,507</u>	<u>\$ 2,309,421</u>	<u>\$ 1,887,591</u>

(Continued)

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Non-current</u>			
Other liabilities	<u>\$ 297,230</u>	<u>\$ 414,879</u>	<u>\$ 370,112</u>

(Concluded)

a. Other payables were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Performance bonus and salaries	\$ 734,606	\$ 1,259,150	\$ 929,630
Advertisement	41,855	53,675	79,920
Labor and health insurance	54,344	65,797	53,978
Payable for annual leave	83,871	65,625	70,849
Professional fees	12,650	15,343	8,527
Interest payables	34,718	23,291	37,008
Employees bonuses and compensation to directors	19,460	17,365	12,879
Others	<u>91,267</u>	<u>98,841</u>	<u>89,231</u>
	<u>\$ 1,072,771</u>	<u>\$ 1,599,087</u>	<u>\$ 1,282,022</u>

Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other liabilities - others. The performance bonuses payable under other liabilities - others amounted to \$297,230 thousand, \$414,879 thousand and \$370,112 thousand as of March 31, 2017, December 31,

2016 and March 31, 2016, respectively.

b. Other payable to related parties were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Financing to related parties			
Loan from related parties	\$ 55,087	\$ 57,713	\$ 66,128
Interest payable	13,740	14,260	14,856
Others	<u>16,445</u>	<u>11,118</u>	<u>16,729</u>
	<u>\$ 85,272</u>	<u>\$ 83,091</u>	<u>\$ 97,713</u>

Loans from related parties were accounted for other payables to related parties with interest rates of 0-3% for the three months ended March 31, 2017 and 2016, respectively.

c. Other financial liabilities were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Receipts under custody from real estate transactions	\$ 232,237	\$ 291,110	\$ 260,068
Other receipts under custody	41,543	67,079	57,918
Payable on equipment	1,472	10,335	1,436
Receipts under custody – escrow service	144	11	263
Others	<u>28,965</u>	<u>38,433</u>	<u>29,998</u>
	<u>\$ 304,361</u>	<u>\$ 406,968</u>	<u>\$ 349,683</u>

1) Receipts under custody from real estate transactions were the money received by real estate brokers - Shanghai Sinyi Real Estate, Zhejiang Sinyi, Suzhou Sinyi, Beijing Sinyi, Chengdo Sinyi and Qingdao Sinyi from buyers that had concluded transactions, but not yet transferred to the sellers.

2) Receipts under custody from escrow service were the money received by An-Sin and An-Shin from buyers of real estate transactions but not yet transferred to the sellers. Composition was as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Receipts under custody - escrow service	\$ 12,109,048	\$ 9,868,003	\$ 8,737,028
Interest payable	2,736	3,291	3,585
Deposit accounts	(12,111,640)	(9,871,283)	(8,739,963)
Interest receivable	<u>-</u>	<u>-</u>	<u>(387)</u>
	<u>\$ 263</u>	<u>\$ 150</u>	<u>\$ 296</u>

a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.01%-0.09%、0.01%-0.09% and 0.12%-0.2% as of March 31, 2017, December 31, 2016 and March 31, 2016.

b) Deposit accounts were receipts which had been paid by buyers of real estate transactions but not delivered to the sellers yet. The Group deposited these receipts in bank accounts according to

the escrow contracts.

d. Other current liabilities were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
VAT payable and other tax payable	\$ 67,859	\$ 206,735	\$ 141,516
Others	<u>11,244</u>	<u>13,540</u>	<u>16,657</u>
	<u>\$ 79,103</u>	<u>\$ 220,275</u>	<u>\$ 158,173</u>

The VAT payable and other tax payable were the VAT of the Group and other tax payable of Shanghai Real Estate on the pre-sold real estate in mainland China.

24. PROVISIONS

	March 31, 2017	December 31, 2016	March 31, 2016
Service revenue allowances	\$ 45,836	\$ 45,204	\$ 41,596
Operating loss provisions	<u>43,924</u>	<u>42,848</u>	<u>-</u>
	<u>\$ 89,760</u>	<u>\$ 88,052</u>	<u>\$ 41,596</u>
Current	\$ 84,775	\$ 83,195	\$ 36,164
Non-current	<u>4,985</u>	<u>4,857</u>	<u>5,432</u>
	<u>\$ 89,760</u>	<u>\$ 88,052</u>	<u>\$ 41,596</u>

- a. The provision for service revenue allowances was estimated based on historical experience. The provision was recognized as a reduction of operating revenue in the period the related services were provided.
- b. The provision for operating losses was recognized as possible operating defects in performing the escrow and brokerage business. The provisions were estimated on the basis of evaluation of the escrow service and brokerage service provided, historical experience and pertinent factors.

25. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2016 and 2015, and recognized in profit or loss in respect of the defined benefit plans for the three months ended March 31, 2017 and 2016 were \$1,058 thousand and \$928 thousand, respectively.

26. EQUITY

Share Capital

	March 31, 2017	December 31, 2016	March 31, 2016
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>

Number of shares issued and fully paid (in thousands)	<u>631,840</u>	<u>631,840</u>	<u>631,840</u>
Share capital issued	<u>\$ 6,318,398</u>	<u>\$ 6,318,398</u>	<u>\$ 6,318,398</u>

The ordinary shares issued, which have par value of \$10, carry one vote and a right to dividends.

Capital Surplus

	March 31, 2017	December 31, 2016	March 31, 2016
Employee stock options	<u>\$ 63,896</u>	<u>\$ 63,896</u>	<u>\$ 63,896</u>

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds, treasury stock transactions and arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

The capital surplus from long-term investments, employee stock options and conversion options may not be used for any purpose.

Retained Earnings and Dividend Policy

- a. In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The Company has resolved retained earnings distribution policy and stipulated the employees' compensation policy in the amended Article of Incorporation in the general shareholders' meeting on May 20, 2016.
- b. Under the dividend policy as set forth in the amended Articles, where the Company has earning upon settlement for a fiscal year, after taxes are paid by law and accumulated deficits are set off, ten percent shall be appropriated as legal earning reserves; however, if the amount of the legal earning reserves has attained the amount of paid-in capital of the Company, no further appropriation shall be made. The remainder shall be appropriated or reversed as special earning reserves. If there still has balance, considering together with accumulated undistributed earnings, the board of directors shall prepare the proposal for earning distribution, which shall be submitted to the shareholders' meeting for a resolution of distribution of dividends and bonuses to shareholders. For the policies on distribution of employees' compensation and remuneration of directors before and after amendment, refer to f Employee benefits expense in Note 27.
- c. In addition, according the revised Article of Incorporation of the Company, the dividend policy of the Company is to deliberately distribute dividends, in the light of present and future development plan, taking into consideration the investment environments, fund demands, and domestic competition status, as well as factors of interests of shareholders; provided. However, the amount of proposed earning distribution of current year may not be less than 20% of accumulated distributable earnings. In distributing dividends and bonuses to shareholders, the distribution may be made by stocks or cash, of which cash dividends may not be less than 10% of total amount of dividends.
- d. Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.
- e. Except for non-ROC resident shareholders, all shareholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

- f. The appropriations of earnings for 2016 and 2015 had been proposed at Board meeting on February 24, 2017 and had been approved in the shareholders' meeting held on May 20, 2016, respectively were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>Years Ended December 31</u>		<u>Years Ended December 31</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Legal reserve	\$ 91,980	\$ 56,387	\$ -	\$ -
Cash dividends	631,840	442,288	1.0	0.7
Stock dividends	196,602	-	0.3	-

The appropriations of earnings for 2016 are subject to the resolution of the shareholders' meeting to be held on May 26, 2017.

Others Equity Items

	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2016</u>
Exchange differences on translating foreign operations	(\$ 528,589)	(\$ 225,707)	\$ 148,250
Unrealized gains from available-for-sale financial assets	<u>263,609</u>	<u>304,476</u>	<u>230,977</u>
	<u>(\$ 264,980)</u>	<u>\$ 78,769</u>	<u>\$ 379,227</u>

- a. Exchange differences on translating foreign operations

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the exchange differences on translation of foreign operations. Gains and losses on hedging instruments that were designated as hedging instruments for hedges of net investments in foreign operations were included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

- b. Unrealized gains or losses from available-for-sale financial assets

Unrealized gains or losses from available-for-sale financial assets represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets, that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

Non-controlling Interests

	<u>Three Months Ended March 31</u>	
	<u>2017</u>	<u>2016</u>
Balance, beginning of period	\$ 109,812	\$ 125,644
Attributed to non-controlling interests:		
Net income	2,834	4,840
Exchange differences on translating foreign operations	(<u>12</u>)	<u>43</u>
Balance, end of period	<u>\$ 112,634</u>	<u>\$ 130,527</u>

27. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

Net profit (loss) from continuing operations had been arrived at after charging or crediting:

Interest Income

	Three Months Ended March 31	
	2017	2016
Interest income		
Cash in bank	<u>\$ 29,421</u>	<u>\$ 10,454</u>

Other Gains and Losses

	Three Months Ended March 31	
	2017	2016
Impairment loss on investment properties	(\$ 1,082)	\$ -
Gains on disposal of investments	71	18
Net gain on fair value change of financial assets held for trading	895	1,474
Losses on disposal of property, plant and equipment	(330)	(39)
Gains on disposal of investment properties	-	5,215
Net foreign exchange loss	(35,324)	(8,878)
Share of gains on associates and joint ventures	(2)	(2)
Gain on reversal of bad debts	154	2,354
Others	<u>9,220</u>	<u>13,293</u>
	<u>(\$ 26,398)</u>	<u>\$ 13,435</u>

Finance Costs

	Three Months Ended March 31	
	2017	2016
Interest on bank loans	\$ 5,003	\$ 27,003
Interest on unsecured bonds payable	10,948	11,070
Interest on loans from related parties	132	191
Others	<u>5</u>	<u>66</u>
	16,088	38,330
Deduct: Amounts included in the cost of qualifying assets (inventory - properties under development)	<u>(1,677)</u>	<u>(23,829)</u>
	<u>\$ 14,411</u>	<u>\$ 14,501</u>
Interest capitalization rate	2%-4.75%	2.5%-5.25%

Depreciation and Amortization

	Three Months Ended March 31	
	2017	2016
Property, plant and equipment	\$ 29,019	\$ 32,740
Investment property	2,122	5,220
Intangible assets	<u>13,657</u>	<u>11,818</u>
	<u>\$ 44,798</u>	<u>\$ 49,778</u>

(Continued)

	Three Months Ended March 31	
	2017	2016
An analysis of depreciation by function		
Inventory	\$ 387	\$ 461
Operating costs	20,998	23,458
Operating expenses	7,634	8,821
Other losses	<u>2,122</u>	<u>5,220</u>
	<u>\$ 31,141</u>	<u>\$ 37,960</u>

	Three Months Ended March 31	
	2017	2016
An analysis of amortization by function		
Inventory	\$ 459	\$ 717
Operating costs	338	71
Operating expenses	<u>12,860</u>	<u>11,030</u>
	<u>\$ 13,657</u>	<u>\$ 11,818</u>

Operating Expenses Directly Related to Investment Properties

	Three Months Ended March 31	
	2017	2016
Direct operating expenses from investment property		
That generated rental income	\$ 6,084	\$ 10,601
That did not generate rental income	<u>3</u>	<u>8</u>
	<u>\$ 6,087</u>	<u>\$ 10,609</u>

Employee Benefits Expense

	Years Ended March 31	
	2017	2016
Salary expense	\$ 1,022,856	\$ 935,893
Labor and health insurance expense	<u>72,678</u>	<u>65,942</u>
	<u>1,095,534</u>	<u>1,001,835</u>
Post-employment benefits		
Defined contribution plans	42,807	37,656
Defined benefit plans (see Note 25)	<u>1,058</u>	<u>928</u>
	<u>43,865</u>	<u>38,584</u>
Other employee benefits	<u>43,848</u>	<u>36,108</u>
Total employee benefits expense	<u>\$ 1,183,247</u>	<u>\$ 1,076,527</u>
An analysis of employee benefits expense by function		
Inventory	\$ 15,174	\$ 13,041
Operating costs	1,002,510	919,872
Operating expenses	<u>165,563</u>	<u>143,614</u>
	<u>\$ 1,183,247</u>	<u>\$ 1,076,527</u>

In compliance with the Company Act as amended in May 2015 and the amended Articles of incorporation

of the Company approved by the shareholders in their meeting in May 2016, the Company accrued employees' compensation and remuneration of directors at the rates no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The accrued employees' compensation and remuneration of directors for the years ended December 31, 2017 were as follows:

Accrual rate

	Three Months Ended March 31, 2017
Employees' compensation	1%
Remuneration of directors	0.65%

Amount

	Three Months Ended March 31, 2017	
	Cash	
Employees' compensation	\$	984
Remuneration of directors		639

If there is a change in the proposed amounts after the date the Group's annual consolidated financial statements were authorized for issue, the differences are accounted for as a change in accounting estimate in the following year.

The Company shall not accrue the employees' compensation and remuneration to directors for the three months ended on March 31, 2017 since there was loss for the period.

The appropriations of compensation to employees and the remuneration to directors for 2016 and 2015 had been approved ,respectively by the board of directors on February 24, 2017 and on February 25, 2016. The appropriations were as below.

	Years Ended December 31	
	2016	2015
	Cash	Cash
compensation to employees	\$ 10,958	\$ 7,383
Remuneration to directors	6,027	4,799

The compensation to employees and the remuneration to directors for 2016 and 2015 which had been approved by the board of directors on February 24, 2017 and on February 25, 2016. The differences between the actual amount of distribution of the compensation to employees and the remuneration to directors and the amount recognized at the consolidated financial statements were adjusted to profit and loss for the years ended December 31, 2017 and 2016, respectively. The amounts were as below:

	<u>Year Ended 2016</u>		<u>Year Ended 2015</u>	
	Bonus to Employees	Remuneration to Directors	Bonus to Employees	Remuneration of Directors
Amounts proposed by the board of directors or amounts approved in shareholders' meeting	\$ 10,958	\$ 6,027	\$ 7,383	\$ 4,799
Deduct: Amounts recognized in respective financial statements	(<u>10,315</u>)	(<u>6,705</u>)	(<u>7,393</u>)	(<u>7,000</u>)
Difference	<u>\$ 643</u>	(<u>\$ 678</u>)	(<u>\$ 10</u>)	(<u>\$ 2,201</u>)

Information on the employees' compensation and remuneration to directors approved by the Company's board of directors in 2017 and 2016 is available on the Market Observation Post System website of the Taiwan Stock Exchange.

28. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	<u>Three Months Ended March 31</u>	
	2017	2016
Current tax		
In respect of the current period	\$ 41,206	\$ 15,932
In respect of the prior periods	-	2
Deferred tax		
In respect of the current period	(<u>6,663</u>)	(<u>10,201</u>)
Income tax expense recognized in profit or loss	<u>\$ 34,543</u>	<u>\$ 5,733</u>

b. Integrated income tax

	March 31, 2017	December 31, 2016	March 31, 2016
Unappropriated earnings generated on and after January 1, 1998	<u>\$ 1,184,648</u>	<u>\$ 1,116,118</u>	<u>\$ 669,329</u>
Imputation credits accounts	<u>\$ 259,203</u>	<u>\$ 258,809</u>	<u>\$ 280,438</u>

The creditable ratio for distribution of earnings of 2016 and 2015 was 23.47% (expected ratio) and 23.97%, respectively.

Under the Income Tax Law amended and promulgated by Presidential Decree Hua-tzung Yi No. 10300085101, for distribution of earning generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Company will be reduced by 50% in comparison with that described in the previous paragraph, effective January 1, 2015.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Company was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to shareholders of the Company was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2016 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

c. Income tax assessments

The Company's tax returns through 2014 have been assessed by the tax authorities. However, the Company disagreed with the tax authorities' assessment of its 2011 to 2014 tax return. The Company had applied to Ministry of Finance for administrative remedies procedures as for 2011 and 2012 tax returns and prepaid half of its 2011 and 2012 assessed additional taxes. The Company applied for a re-examination of its 2013 and 2014 tax returns with the tax collection authorities. Sinyi Culture, Jui-Inn, Taiwan Sinyi Development and Yowoo's tax returns through 2015 had been assessed by the tax authorities. Sinyi Global, An-Sin and An-Shin's tax returns through 2014 had been assessed by the tax authorities.

29. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	Three Months Ended March 31	
	2017	2016
Basic EPS	\$ 0.11	(\$ 0.10)
Diluted EPS	\$ 0.11	(\$ 0.10)

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations were as follows:

Net Profit (Loss) for the Period

	Three Months Ended March 31	
	2017	2016
Profit (loss) for the period attributable to owners of the Company	\$ 68,530	(\$ 65,408)

Weighted Average Number of Ordinary Shares Outstanding

Unit: Thousand Shares

	Three Months Ended March 31	
	2017	2016
Weighted average number of ordinary shares in computation of basic earnings per share	631,840	631,840
Effect of dilutive potential ordinary shares:		
Bonus issue to employee	<u>160</u>	<u>111</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>632,000</u>	<u>631,951</u>

If the Group may settle the bonus to employees by cash or shares, the Group should presume that the entire amount of the bonus will be settled in shares and the resulting potential shares should be included in the weighted average number of outstanding shares used in the calculation of diluted earnings per share, if the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential shares should be included in the calculation of diluted earnings per share until the stockholders resolve the number of shares to be distributed to employees at their meeting in the following year.

30. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

Operating leases relate to leases of office with lease terms between 5 and 10 years. All operating lease contracts over 5 years contain clauses for 5-yearly market rental reviews. The Group does not have a bargain purchase option to acquire the leased office at the expiry of the lease periods.

As of March 31, 2017, December 31, 2016 and March 31, 2016, refundable deposits paid under operating lease amounted to \$113,182 thousand, \$115,741 thousand and \$112,403 thousand, respectively.

The future minimum lease payments payable on non-cancellable operating lease commitments were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Within 1 year	\$ 567,803	\$ 524,377	\$ 510,033
1 to 5 years	802,721	910,824	954,840
After 5 years	<u>73,859</u>	<u>90,582</u>	<u>86,665</u>
	<u>\$ 1,444,383</u>	<u>\$ 1,525,783</u>	<u>\$ 1,551,538</u>

The Group as Lessor

Operating leases relate to the investment property owned by the Group with lease terms between 1 to 5 years.

As of March 31, 2017, December 31, 2016 and March 31, 2016, deposits received under operating leases amounted to \$20,968 thousand, \$20,968 thousand and \$33,271 thousand, respectively.

The future minimum lease payments receivable on non-cancellable operating leases were as follows:

	March 31, 2017	December 31, 2015	March 31, 2015
Within 1 year	\$ 48,502	\$ 55,011	\$ 136,142
1 to 5 years	<u>1,890</u>	<u>2,222</u>	<u>78,136</u>
	<u>\$ 50,392</u>	<u>\$ 57,233</u>	<u>\$ 214,278</u>

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

Key management personnel of the Group review the capital structure on a quarterly basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

32. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Fair value of financial instruments not carried at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair values cannot be reliably measured.

March 31, 2017

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$3,000,000</u>	<u>\$ -</u>	<u>\$3,039,669</u>	<u>\$ -</u>	<u>\$3,039,669</u>

December 31, 2016

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$3,000,000</u>	<u>\$ -</u>	<u>\$3,045,423</u>	<u>\$ -</u>	<u>\$3,045,423</u>

March 31, 2016

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$3,000,000</u>	<u>\$ -</u>	<u>\$3,036,057</u>	<u>\$ -</u>	<u>\$3,036,057</u>

The fair values of the financial liabilities included in the Level 2 category above have been determined in accordance with market price based on discounted cash flow analysis, with the most significant observable inputs being the bond duration, interest rates and credit ratings, etc.

b. Fair value measurements recognized in the consolidated balance sheet

March 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 9,060	\$ -	\$ -	\$ 9,060
Mutual funds	<u>235,185</u>	<u>-</u>	<u>-</u>	<u>235,185</u>
	<u>\$ 244,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,245</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments				
	\$ 207,481	\$ -	\$ -	\$ 207,481
Foreign listed stocks - equity investments				
	527,894	-	-	527,894
Mutual funds	<u>1,314</u>	<u>-</u>	<u>-</u>	<u>1,314</u>
	<u>\$ 736,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 736,689</u>

December 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Foreign listed stocks - equity investments				
	\$ 8,325	\$ -	\$ -	\$ 8,325
Mutual funds	<u>471,278</u>	<u>-</u>	<u>-</u>	<u>471,278</u>
	<u>\$ 479,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 479,603</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments				
	\$ 206,356	\$ -	\$ -	\$ 206,356
Foreign listed stocks - equity investments				
	593,680	-	-	593,680
Mutual funds	<u>1,396</u>	<u>-</u>	<u>-</u>	<u>1,396</u>
	<u>\$ 801,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,432</u>

(Continued)

March 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 7,231	\$ -	\$ -	\$ 7,231
Mutual funds	<u>442,918</u>	<u>-</u>	<u>-</u>	<u>442,918</u>
	<u>\$ 450,149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,149</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments				
	\$ 184,019	\$ -	\$ -	\$ 184,019
Foreign listed stocks - equity investments				
	543,078	-	-	543,078
Mutual funds	<u>1,393</u>	<u>-</u>	<u>-</u>	<u>1,393</u>
	<u>\$ 728,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 728,490</u>

(Concluded)

There were no transfers between Level 1 and Level 2 in the current and prior periods.

Categories of Financial Instruments

	March 31, 2017	December 31, 2016	March 31, 2016
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 244,245	\$ 479,603	\$ 450,149
Loans and receivables (Note 1)	7,588,290	7,773,198	6,886,613
Available-for-sale financial assets (Note 2)	936,050	1,008,767	980,058
<u>Financial liabilities</u>			
Amortized cost (Note 3)	6,679,637	6,714,375	8,218,225

Note 1: The balance included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, other receivables, other current financial assets and refundable deposits.

Note 2: The balance included the carrying amount of available-for-sale financial assets and financial assets measured at cost.

Note 3: The balance included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables, other payables to related parties, other financial liabilities, bonds payable, long-term borrowings (including current portion of long-term borrowings), guarantee deposits received and other non-current liabilities.

Financial Risk Management Objectives and Policies

The Group's major financial instruments included equity, mutual funds, trade receivables other payables, bonds payable and borrowings. The Group's Corporate Treasury function provides services to the

business and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group seeks to ensure sufficient funding readily available when needed with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by audit committees and/or board of directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, Corporate Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

a. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

1) Foreign currency risk

Most of the Group's operating activities are in Taiwan, denominated in New Taiwan dollars. Therefore, the operating activities in Taiwan are not exposed to foreign currency risk. The Group took foreign operations as strategic investments, and did not hedge the risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period please refer to Note 37.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollars ("NTD", the functional currency) against the relevant foreign currencies. A negative number below indicates an increase in profit before income tax or equity where the NTD strengthens 1% against the relevant currency. For a 1% weakening of the NTD against the relevant currency, the balances below would be positive as the other factors remain unchanged.

	Three Months Ended March 31							
	2017				2016			
	RMB	JPY	USD	MYR	RMB	JPY	USD	MYR
Equity	\$39,895	\$2,232	\$8,178	\$ 227	\$15,808	\$2,150	\$7,037	\$ -
Profit or loss	3	-	5,883	-	475	-	7,617	-

2) Interest rate risk

The Group is exposed to interest rate risk on investments and borrowings; interest rates could be fixed or floating. The investments and part of borrowings are fixed-interest rates and measured at amortized cost, and changes in interest will not affect future cash flows. Another part of borrowings are floating-interest rates, and changes in interest will affect future cash flows, but will not affect fair value.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of reporting period were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Fair value interest rate risk			
Financial assets	\$ 1,606,502	\$ 1,558,049	\$ 1,690,351
Financial liabilities	4,310,521	3,384,450	3,692,468
Cash flow interest rate risk			
Financial assets	2,775,937	2,896,336	1,038,470
Financial liabilities	545,088	648,110	2,357,546

Interest rate sensitivity analysis

The Group was exposed to cash flow interest rate risk in relation to floating rate liabilities, and the short-term and long-term borrowings will be affected by the changes in market interest rate accordingly. If the market interest rate increased by 1%, the Group's cash outflow will increase by \$5,451 thousand for the three months ended March 31, 2017.

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily trade receivables, and from investing activities, primarily the fixed-income investments and other financial instruments.

Business related credit risk

The Group is mainly engaged in the operation of real-estate brokerage business and the customers of the Group are the people who buy house and people who sell house. The revenue of agency service is also received through the housing performance guarantee, so the concentration credit risk of trade receivable is not material.

Financial credit risk

The credit risk of bank deposits, fixed-income investments and other financial instruments are regularly controlled and monitored by the Group's Corporate Treasury function. The counterparties to the foregoing financial instruments are reputable financial institutions and business organizations. Management does not expect the Group's exposure to default by those parties to be material.

c. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants. The Group has sufficient working capital to pay all debts; thus, there is no liquidity risk.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2017, December 31, 2016 and March 31, 2016, the Group had available unutilized bank loan facilities were follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Unsecured bank overdraft facility, reviewed annually and payable at call:			
Amount used	\$ 710,522	\$ 342,508	\$ 242,468
Amount unused	<u>2,630,174</u>	<u>2,923,003</u>	<u>3,058,493</u>
	<u>\$ 3,340,696</u>	<u>\$ 3,265,511</u>	<u>\$ 3,300,961</u>
Secured bank overdraft facility:			
Amount used	\$ 1,090,000	\$ 632,340	\$ 2,741,418
Amount unused	<u>5,110,000</u>	<u>9,261,260</u>	<u>7,437,072</u>
	<u>\$ 6,200,000</u>	<u>\$ 9,893,600</u>	<u>\$ 10,178,490</u>

33. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties were disclosed below:

Related Parties and relationship

Related Party	Relationship with the Group
Sinyi Real Estate Consulting Limited	Related party in substance
Sinyi Land Administration Agent Joint Office	Related party in substance
H&B Business Co., Ltd.	Related party in substance
Sinyi Cultural Foundation	Related party in substance
Yu-Hao Co., Ltd.	Parent company
Sinyi Co., Ltd.	Parent company
Yu-Heng Co., Ltd.	Ultimate parent company
Chou Wang Mei-Wen	Director of the Company (the former Vice-president of the Company)
Beijing Sinyi Guaranty Co.	Related party in substance
Global Real Estate Appraisal Office	Related party in substance
Ken Investment Co., Ltd.	Related party in substance
Sin-Heng Limited.	Related party in substance
Sinyi Public Welfare Foundation	Related party in substance
Fu-Yu Real Estate Appraisal Office	Related party in substance
Sinyi Interior Design Co., Ltd.	Associate

Other Payables to Related Parties

	March 31, 2017	December 31, 2016	March 31, 2016
Other related parties - related parties in substance	\$ 61,130	\$ 57,934	\$ 66,303
Other - the director of the Company	<u>24,142</u>	<u>25,157</u>	<u>31,410</u>
	<u>\$ 85,272</u>	<u>\$ 83,091</u>	<u>\$ 97,713</u>

Parts of other payables to related parties were financing. Information on the financing for the three months ended March 31, 2017 and 2016 were as follows:

Three Months Ended March 31, 2017					
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Other related parties - related parties in substance	\$39,707	\$37,900	-	\$ -	\$ 6,785
Other - the director of the Company	<u>18,006</u>	<u>17,187</u>	3%	<u>132</u>	<u>6,955</u>
	<u>\$57,713</u>	<u>\$55,087</u>		<u>\$ 132</u>	<u>\$13,740</u>
Three Months Ended March 31, 2016					
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Other related parties - related parties in substance	\$42,957	\$42,760	-	\$ -	\$ 7,655
Other – the director of the Company	<u>24,975</u>	<u>23,368</u>	3%	<u>191</u>	<u>7,201</u>
	<u>\$67,932</u>	<u>\$66,128</u>		<u>\$ 191</u>	<u>\$14,856</u>

The financing above were unsecured.

Compensation for Key Management Personnel

The remuneration to directors and other members of key management personnel for the three months ended March 31, 2017 and 2016 included the following:

	Three Months Ended March 31	
	2017	2016
Short-term benefits	\$ 26,997	\$ 25,761
Other long-term benefits	<u>2,443</u>	<u>1,886</u>
	<u>\$ 29,440</u>	<u>\$ 27,647</u>

Other long-term benefits included a long-term incentive plan approved by the Company's board of directors to encourage senior management to contribute further to the sustainable growth of the Company. Senior managers will be entitled to such incentive when they continue to serve for three years starting the following year after obtaining the qualification and the bonus is calculated on the basis of company's operating performance or individual performance.

Other Transactions with Related Parties

a. Rental income

	Three Months Ended March 31	
	2017	2016
Other related parties		
Related parties in substance	\$ 2,916	\$ 3,101
Parent company	29	29
Ultimate parent company	14	14
Associate	<u>8</u>	<u>8</u>
	<u>\$ 2,967</u>	<u>\$ 3,152</u>

The rental rates are based on the prevailing rates in the surrounding area. The Group collects rentals from related parties on a monthly basis.

b. Other benefit

	Three Months Ended March 31	
	2017	2016
Other related parties		
Related parties in substance	<u>\$ 2,520</u>	<u>\$ 2,713</u>

Other benefit is mainly derived from management consulting services provided to the related parties.

c. Professional fee

	Three Months Ended March 31	
	2017	2016
Other related parties		
Related parties in substance		
Sinyi Real Estate Consulting Limited	\$ 24,441	\$ 22,340
Others	<u>7,035</u>	<u>6,430</u>
	<u>\$ 31,476</u>	<u>\$ 28,770</u>

Professional fee is mainly payment for services related to instructions of real estate, real estate registration and cadaster access service, etc.

d. Rental expense

	Three Months Ended March 31	
	2017	2016
Related parties in substance	<u>\$ 2,702</u>	<u>\$ 2,549</u>

The rental rates are based on the prevailing rates in the surrounding area. Related parties pay rentals to the Group on a monthly basis.

e. Other receivables

	March 31, 2017	December 31, 2016	March 31, 2016
Other related parties			
Related parties in substance	\$ 3,475	\$ 9,526	\$ 4,264
Associate	<u>36</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,511</u>	<u>\$ 9,526</u>	<u>\$ 4,264</u>

34. MORTGAGED OR PLEDGED ASSETS

The Group's assets mortgaged or pledged as collateral for bank loans, other financial institutions or other contracts were as follows:

	March 31, 2017	December 31, 2016	March 31, 2016
Property, plant and equipment (including investment properties)			
Land	\$ 4,450,966	\$ 4,450,966	\$ 4,022,638
Building	509,265	513,629	455,675
Other financial assets - current			
Pledged time deposits and demand deposits	7,203	7,308	7,486
Inventories	<u>1,968,550</u>	<u>3,898,119</u>	<u>4,175,048</u>
	<u>\$ 6,935,984</u>	<u>\$ 8,870,022</u>	<u>\$ 8,660,847</u>

35. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

- a. The Group is involved in claims that arise in the ordinary course of brokerage and escrow business; the other party may claim against the Group through legal proceedings. On the basis of past experience and consultations with legal counsel, management of the Group has measured the possible effects of the contingent lawsuits on its financial condition in brokerage and escrow business.
- b. Guarantee notes submitted as guarantees for real-estate brokerage business amounted to \$5,000 thousand.
- c. The Group has endorsed Shanghai Sinyi Real Estate and Sinyi Estate in obtaining financing limit of \$4,755,350 thousand. Refer to Note 38, Table 2 for the details.
- d. As of March 31, 2017, the Group had signed construction contracts but not yet paid for \$2,439,080 thousand.
- e. Shanghai Real Estate, property developer in mainland China, sold real estate and guaranteed the mortgage bank loans of some of its customers (including natural persons and juridical persons); the guarantee amounted to \$3,350,162 thousand as of March 31, 2017. The amount of mortgage loan was remitted to Shanghai Real Estate for payment of the property sold. If a customer breached a mortgage contract, Shanghai Real Estate will return to the banks only the amount of mortgage received. Therefore, Shanghai Real Estate is not exposed to risk of material loss from the guarantee. The guarantee is just a selling feature in the real estate development industry in China and it does not bear the economic substance and risk of ordinary endorsement. In addition, according to the Q&A No. 35 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public

Companies” (the Regulations) announced on December 26, 2012 by the SFB, the above guarantee provided by Shanghai Real Estate to its customers is similar to an escrow, instead of endorsement as defined in the Regulations.

36. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

As to phase 1 of the construction project located at Jiading District in Shanghai, Sinyi Real Estate (Shanghai) Limited had acquired the Permit of House Delivery for Use and started house delivery to its customers. As of April 30, 2017, 516 houses of 523 houses which were presold to the customers other than the Group had completed the process of delivery.

37. SIGNIFICANT FRANCHISE CONTRACTS

Sinyi Limited entered into a subfranchise agreement with Cendent Global Services B.V. (“GLOBAL”) and Coldwell Banker Real Estate Corporation (“Coldwell”). Sinyi Limited obtained from the counterparty a license granting the right to use the plans, manuals, system and forms developed by Coldwell and the exclusive right to itself sublicense and/or to sublicense other franchisees and territorial subfranchisors in China, Hong Kong and Macau. The term of this contract is for forty years from October 12, 1999 and is automatically renewed for another period of forty years to October 11, 2079 unless the two sides agree to terminate the contract in three months prior to the expiration of the contract. Thereafter, because Sinyi Limited transferred this agreement right to Ke Wei Shanghai on August 1, 1990 and GLOBAL was renamed to Realogy Corporation (“Realogy”) due to its organizational adjustment, Ke Wei Shanghai and Realogy entered into a supplemental subfranchise agreement in 2008.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities, denominated in foreign currencies were as follows:

March 31, 2017

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 988,841	4.407	\$ 4,357,823
JPY	1,653,262	0.2713	448,530
USD	46,359	30.33	1,406,073
MYR	3,458	6.5725	22,731
Non-monetary items			
RMB	32,797	4.407	144,534
JPY	1,945,792	0.2713	527,893
USD	43	30.33	1,314

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial liabilities</u>			
Monetary items			
RMB	\$ 83,504	4.407	\$ 368,000
JPY	830,649	0.2713	225,355
<u>December 31, 2016</u>			
<u>Financial assets</u>			
Monetary items			
RMB	\$ 943,560	4.617	\$ 4,356,416
JPY	1,681,365	0.2756	463,384
USD	47,288	32.25	1,525,048
Non-monetary items			
RMB	32,797	4.617	151,422
JPY	2,154,135	0.2756	593,680
USD	43	32.25	1,396
<u>Financial liabilities</u>			
Monetary items			
RMB	160,122	4.617	739,283
JPY	933,813	0.2756	257,359
<u>March 31, 2016</u>			
<u>Financial assets</u>			
Monetary items			
RMB	\$ 770,226	4.972	\$ 3,289,563
JPY	1,732,780	0.2863	496,095
USD	45,532	32.185	1,465,434
Non-monetary items			
RMB	32,797	4.972	163,064
JPY	1,896,884	0.2863	543,078
USD	43	32.185	1,393
<u>Financial liabilities</u>			
Monetary items			
RMB	442,735	4.972	2,201,277
JPY	981,821	0.2863	281,095
			(Concluded)

The Group is mainly exposed to foreign currency risk from USD, RMB and JPY. The following information was aggregated by the functional currencies of the Group entities and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Three Months Ended March 31					
		2017			2016
Functional Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)	
NTD	1 (NTD:NTD)	(\$ 35,231)	1 (NTD:NTD)	(\$ 8,460)	
USD	31.09 (USD:NTD)	-	33.14 (USD:NTD)	1,125	
RMB	4.53 (RMB:NTD)	(93)	5.050 (RMB:NTD)	(1,543)	
		<u>(\$ 35,324)</u>		<u>(\$ 8,878)</u>	

39. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

- a. Financing provided: Table 1 (see the attached)
- b. Endorsements/guarantees provided to others: Table 2 (see the attached)
- c. Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (see the attached)
- d. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Table 4 (see the attached)
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: Table 5 (see the attached)
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
- g. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
- i. Information about derivative: None
- j. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: Table 6 (see the attached)
- k. Information on investees: Table 7 (see the attached)

Information on investments in mainland China:

- a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 8 (see the attached)
- b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

- 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
- 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
- 3) The amount of property transactions and the amount of the resultant gains or losses: None
- 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (see the attached)
- 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (see the attached)
- 6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None

40. SEGMENT INFORMATION

a. Operating segments information

The Group is in the operation of local and international real-estate brokerage business and real-estate developing business. The Group provides information to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance. The information gives emphasis on related laws on real-estate transactions in different countries that may affect the adoption of different marketing strategies.

Management has determined reportable segments as follows:

Real estate brokerage segment

- 1) Companies in Taiwan
- 2) Companies in mainland China and other foreign companies.

Real estate development segment

- 1) Companies in Taiwan
- 2) Companies in China

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the three months ended March 31, 2017 and 2016:

	Real Estate Brokerage			Real Estate Development			Elimination	Consolidated
	Taiwan	Mainland China and Others	Total	Taiwan	Mainland China and Others	Total		
Three months ended March 31, 2017								
Revenues from external customers	\$ 1,518,585	\$ 226,656	\$ 1,745,241	\$ 18,399	\$ -	\$ 18,399	\$ -	\$ 1,763,640
Inter-segment revenues	18,670	-	18,670	4,040	-	4,040	(22,710)	-
Segment revenues	<u>\$ 1,537,255</u>	<u>\$ 226,656</u>	<u>\$ 1,763,911</u>	<u>\$ 22,439</u>	<u>\$ -</u>	<u>\$ 22,439</u>	<u>(\$ 22,710)</u>	1,763,640
Rental income from investment property								(18,399)
Consolidated revenues								<u>\$ 1,745,241</u>
Operating profit (loss)	<u>\$ 164,330</u>	<u>(\$ 48,616)</u>	<u>\$ 115,714</u>	<u>\$ 5,897</u>	<u>(\$ 20,482)</u>	<u>(\$ 14,585)</u>	<u>\$ 9,910</u>	\$ 111,039
Operating income from investment property								(12,312)
Operating income								<u>\$ 98,727</u>
Segment assets	<u>\$ 5,582,311</u>	<u>\$ 2,667,765</u>	<u>\$ 8,250,076</u>	<u>\$ 3,757,898</u>	<u>\$ 12,778,488</u>	<u>\$ 16,536,385</u>	<u>(\$ 625,969)</u>	\$ 24,160,492
Investments accounted for by the equity method and goodwill								39,947
Total assets								<u>\$ 24,200,439</u>
Three months ended March 31, 2016								
Revenues from external customers	\$ 1,222,083	\$ 336,598	\$ 1,558,681	\$ 19,872	\$ 13,362	\$ 33,234	\$ -	\$ 1,591,915
Inter-segment revenues	18,672	-	18,672	3,594	-	3,594	(22,266)	-
Segment revenues	<u>\$ 1,240,755</u>	<u>\$ 336,598</u>	<u>\$ 1,577,353</u>	<u>\$ 23,466</u>	<u>\$ 13,362</u>	<u>\$ 36,828</u>	<u>(\$ 22,266)</u>	1,591,915
Rental income from investment property								(33,234)
Consolidated revenues								<u>\$ 1,558,681</u>
Operating profit (loss)	<u>\$ 11,177</u>	<u>(\$ 72,648)</u>	<u>(\$ 61,471)</u>	<u>\$ 8,361</u>	<u>(\$ 32,845)</u>	<u>(\$ 24,484)</u>	<u>\$ 10,953</u>	(\$ 75,002)
Operating income from investment property								(22,624)
Operating income								<u>(\$ 97,626)</u>
Segment assets	<u>\$ 5,624,139</u>	<u>\$ 2,418,286</u>	<u>\$ 8,042,425</u>	<u>\$ 2,997,734</u>	<u>\$ 11,249,998</u>	<u>\$ 14,247,732</u>	<u>(\$ 156,471)</u>	\$ 22,133,686
Investments accounted for by the equity method and goodwill								19,005
Total assets								<u>\$ 22,152,691</u>

The Group uses the operating profit (loss) as the measurement for segment profit. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

b. Industry and service information

The Group operates mainly in real-estate brokerage business. As of March 31, 2017, there is no revenue generated from residences and buildings development business.

c. Geographic information

Reportable segments of the Group are based on geography. The Group has no additional information to be disclosed.

d. Major customers

No single customer accounts for at least 10% of the Group's service revenue; therefore, no customer information is required to be disclosed.

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
THREE MONTHS ENDED MARCH 31, 2017
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance of collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
													Item	Value		
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	\$ 4,586 (RMB 1,000 thousand)	\$ 4,407 (RMB 1,000 thousand)	\$ -	3.686%	Short-term financing	\$ -	Needs for operation	\$ -	-	\$ -	\$ 900,336 (Note 1)	\$ 1,800,672 (Note 1)
		Kunshan Dingxian Trading Co., Ltd.	"	Yes	366,880 (RMB 80,000 thousand)	352,560 (RMB 80,000 thousand)	4,407 (RMB 1,000 thousand)	3.8%	"	-	"	-	-	-	900,336 (Note 1)	1,800,672 (Note 1)
1	Sinyi Real Estate (Shanghai) Limited	Shanghai Sinyi Real Estate Inc.	"	Yes	183,440 (RMB 40,000 thousand)	-	-	4.75%	"	-	"	-	-	-	667,024 (Note 2)	1,334,048 (Note 2)
		Sinyi Realty Inc.	"	Yes	144,459 (RMB 31,500 thousand)	138,821 (RMB 31,500 thousand)	-	-	"	-	Repayment of borrowings	-	-	-	667,024 (Note 2)	1,334,048 (Note 2)

Note 1: Total financing provided by Sinyi Realty Inc. for short-term financing requirements for each borrowing company should not exceed 10% of the Sinyi Realty Inc.'s net worth. The maximum total financing provided should not exceed 20% of the Sinyi Realty Inc.'s net worth.

Note 2: The maximum amount of total financing should not exceed 40% of net worth of Sinyi Real Estate (Shanghai) Limited. The individual lending amount should not exceed 20% of Sinyi Real Estate (Shanghai) Limited's net worth.

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER
THREE MONTHS ENDED MARCH 31, 2017
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor (Note 2)	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of Parent	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Shanghai Sinyi Real Estate Inc.	Indirect subsidiary	\$ 7,202,686 (Note 1)	\$ 229,300 (RMB 50,000 thousand)	\$ 220,350 (RMB 50,000 thousand)	\$ -	\$ -	2.45	\$ 9,003,358	Y	N	Y	
		Sinyi Estate Ltd.	"	7,202,686 (Note 1)	4,535,000	4,535,000	-	-	50.37	9,003,358	"	"	"	

Note 1: For those subsidiaries the Company has over 80% ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of the Company's net worth.

Note 2: The maximum total endorsement/guarantee should not exceed 100% of the Company's net worth.

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2017

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	March 31, 2017				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	<u>Listed stock</u> E.SUN Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	11,245,582	\$ 207,481	-	\$ 207,481	
	<u>Stock</u> Han Yu Venture Capital Co., Ltd.	-	Financial assets measured at cost - non-current	5,000,000	49,063	11	49,063	
	PChome Investment Co., Ltd.	-	"	196,350	-	8	-	
	Kun Gee Venture Capital Co., Ltd.	-	"	160,650	-	3	-	
	Cite' Publishing Holding Ltd.	-	"	7,637	4,874	1	4,874	
	Cite' Information Services Co., Ltd.	-	"	106,392	890	1	890	
Sinyi Limited	<u>Stock</u> Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	527,894	-	527,894	
	<u>Monetary market fund</u> SBGH U.S. Dollar Reserve Fund CL A Dist Units	-	"	43,327	1,314	-	1,314	
Shanghai Sinyi Real Estate Inc.	<u>Stock</u> Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	30,000,000	140,125	2	140,125	
	Cura Commercial Management Co., Ltd.	-	"	-	4,409	9	4,409	
Sinyi Development Inc.	<u>Stock</u> CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	9,060	-	9,060	
Yowoo Technology Inc.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	895,162	12,003	-	12,003	
Sinyi Global Asset Management Co., Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	2,282,287	30,602	-	30,602	
An-Sin Real Estate Management Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	3,952,257	52,995	-	52,995	
An-Shin Real Estate Management Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	10,410,060	139,585	-	139,585	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	March 31, 2017				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Ke Wei Shanghai Real Estate Management Consulting Inc.	<u>Financial product (principal guaranteed by bank)</u> Bubu Shengking No. 8688	-	Other financial assets - current	5,950,000	\$ 26,222	-	\$ 26,222	
Suzhou Sinyi Real Estate Inc.	Bubu Shengking No. 8688	-	"	3,000,000	13,221	-	13,221	
Sinyi Real Estate (Shanghai) Limited	Li Duo Cash Management No. 1 (product ID: 2101123504)	-	"	45,000,000	198,315	-	198,315	
	China Merchant Bank Structured Deposit Structured Financial Product (Product ID: 2017012510042)	-	"	30,000,000	132,210	-	132,210	
	Structured Financial Product (Product ID: 2017012510042)	-	"	125,000,000	550,875	-	550,875	
	Structured Financial Product (Product ID: 201703161916)	-	"	60,000,000	264,420	-	264,420	
	Yehdeyin No. 17030351	-	"	60,000,000	264,420	-	264,420	
	Li Duo Duo Structured Deposits of Enterprises (No. JG902)	-	"	180,000,000	793,260	-	793,260	
Shanghai Sinyi Real Estate Inc.	Bubu Shengking No. 8688	-	"	500,000	2,204	-	2,204	
	Qianyuan Woen-Ying- 2017 No. 2 Financial Product	-	"	70,000,000	308,490	-	308,490	
	Qianyuan Woen-Ying- 2017 No. 27 Financial Product	-	"	20,000,000	88,140	-	88,140	
	China Bank principal guaranteed Financial Product Periodical open denominated in RMB (Product No: CNYAQKF)	-	"	20,000,000	88,140	-	88,140	
Shanghai Shang Tuo Investment Management Consulting Inc.	Bubu Shengking No. 8688	-	"	50,000	220	-	220	

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
THREE MONTHS ENDED MARCH 31, 2017
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Costs	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	<u>Stock</u> Sinyi International Limited	Investments accounted for using equity method and prepayments for long-term investments	-	Subsidiary	136,114,838	\$ 4,027,898	25,190,000	\$ 809,859	-	\$ -	\$ -	\$ -	161,304,838	\$ 4,837,757 (Note 1, 2)
	Sinyi Development Inc.	"	-	"	53,500,000	535,005	75,000,000	750,000	-	-	-	-	128,500,000	1,285,005 (Note 1, 2)
Sinyi International Limited	Sinyi Estate Ltd.	"	"	"	16,900	535	25,190,000	809,859	-	-	-	-	25,206,900	810,394 (Note 1, 2)
Sinyi Development Inc.	<u>Monetary market funds</u> Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss	-	-	18,864,150	252,757	-	-	18,640,150	252,824	252,757	67	-	-
Sinyi Real Estate (Shanghai) Limited	<u>Financial product</u> Suiyue Liuking No. 55962 Structured Financial Product (Product ID: 2016072810017)	Other financial assets - current	"	"	100,000,000	RMB100,000	-	RMB -	100,000,000	RMB100,292	RMB100,000	RMB 292	-	RMB -
	Yehdeyin No. 16071101 Li Duo Duo Structured Deposits of Enterprises (No. JG902)	"	"	"	75,000,000	RMB 75,000	-	RMB -	75,000,000	RMB 76,120	RMB 75,000	RMB 1,120	-	RMB -
	Structured Financial Product (Product ID: 2017012510042)	"	"	"	80,000,000	RMB 80,000	-	RMB -	80,000,000	RMB 81,270	RMB 80,000	RMB 1,270	-	RMB -
	Structured Financial Product (Product ID: 2017012510042)	"	"	"	30,000,000	RMB 30,000	180,000,000	RMB180,000	30,000,000	RMB 30,240	RMB 30,000	RMB 240	180,000,000	RMB180,000
	Structured Financial Product (Product ID: 2017012510042)	"	"	"	-	RMB -	125,000,000	RMB125,000	-	RMB -	RMB -	RMB -	125,000,000	RMB125,000
Shanghai Sinyi Real Estate Inc.	Qianyuan Riri-Ying - Open-end portfolio type financial product	"	"	"	100,000,000	RMB100,000	-	RMB -	100,000,000	RMB100,022	RMB100,000	RMB 22	-	RMB -
	Qianyuan Woen-Ying- 2017 No. 2 Financial Product	"	"	"	-	RMB -	70,000,000	RMB 70,000	-	RMB -	RMB -	RMB -	70,000,000	RMB 70,000

Note 1: The ending balance presents historical cost.

Note 2: Those subsidiaries included in the consolidated entities have been eliminated.

SINYI REALTY INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL

THREE MONTHS ENDED MARCH 31, 2017

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Buyer	Property	Event Date	Transaction Amount	Amount Payment (Note 2)	Counterparty	Relationship	The former transfer information if the counterparty is a related party				Purpose of Acquisition	Price Reference	Other Terms
							Owner	The relationship with the Company	Date of Transfer	Amount			
Sinyi Development Inc.	Inventory-to be developed	2017.2.16	\$1,066,086	\$ 721,326	Natural person	Non-related party	N.A.	N.A.	N.A.	N.A.	For construction	Market value at the neighborhood	-

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTION
THREE MONTHS ENDED MARCH 31, 2017

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			Percentage to Consolidated Total Assets/Revenue (%)
				Financial Statement Account	Amount	Payment Terms	
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	a	Professional fees	\$ 4,186	Fixed charges by guarantee piece work	-
		Jui-Inn Consultants Co., Ltd.	a	Professional fees	1,268	By the piece work	-
		An-Sin Real Estate Management Ltd.	a	Other income	1,147	30 days after regular settlement	-
		Sinyi Realty Inc. Japan	a	Other income	1,011	Quarterly	-
		Sinyi Realty Inc. Japan	a	Other receivables	1,035	Quarterly	-
		Kunshan Dingxian Trading Co., Ltd.	a	Other receivables	4,407	Financing for operation, interest rate 3.8%	-
1	Shanghai Sinyi Real Estate Inc.	Inane International Limited	c	Other payables	8,807	-	-
		Sinyi Real Estate (Shanghai) Limited	c	Trade receivables	2,747	Monthly	-
2	Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	c	Professional fees	2,404	By the piece work	-
3	Sinyi Real Estate (Shanghai) Limited	Sinyi Development Inc.	c	Inventory under development	7,733	On the usual terms	-
		Sinyi Development Inc.	c	Trade payable	11,318	On the usual terms	-
		Kunshan Dingxian Trading Co., Ltd.	c	Prepayment	45,884	-	-
		Kunshan Dingxian Trading Co., Ltd.	c	Advanced real estate receipts	81,366	-	-
		Kunshan Dingxian Trading Co., Ltd.	c	Inventory under development	18,712	On the usual terms	-
		Shanghai Shang Tuo Investment Management Consulting Inc.	c	Prepayment	11,508	-	-
4	Tokyo Sinyi Real Estate Co., Ltd.	Sinyi Realty Inc. Japan	c	Service income	6,021	By the piece work	-
		Sinyi Realty Inc. Japan	c	Other income	2,231	Bimonthly	-
		Sinyi Realty Inc. Japan	c	Trade receivables	2,649	Bimonthly	-
5	Zhejiang Sinyi Real Estate Co., Ltd.	Beijing Sinyi Real Estate Ltd.	c	Other income	1,941	Regular settlement	-
		Beijing Sinyi Real Estate Ltd.	c	Other receivables	2,644	Regular settlement	-
		Chengdu Sinyi Real Estate Co.	c	Other income	1,941	Regular settlement	-
		Chengdu Sinyi Real Estate Co.	c	Other receivables	4,627	Regular settlement	-
6	Sinyi Development Inc.	Jui-Inn Consultants Co., Ltd.	c	Other receivables	14,085	Monthly	-
7	Jui-Inn Consultants Co., Ltd.	Sinyi Real Estate (Shanghai) Limited	c	Other receivables	13,842	Monthly	-

Note 1: Parties to the intercompany transactions are identified and numbered (in first column) as follows:

- a. "0" for Sinyi Realty Inc.
- b. Subsidiaries are numbered from "1".

Note 2: Flows of transactions are categorized as follows:

- a. From a parent company to its subsidiary.

- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: Percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of March 31, 2017.
Percentage to consolidated total revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenues for the three months ended March 31, 2017..

Note 4: The table is disclosed by the Company based on the principle of materiality.

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
THREE MONTHS ENDED MARCH 31, 2017
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2017			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Sinyi International Limited (Samoa)	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	\$4,837,757	\$4,027,898	161,304,838	100	\$4,397,862 (Note 1)	\$ 14,022	\$ 14,022 (Note 1)	Note 2
	Sinyi Limited (B.V.I.)	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	2,448,306	2,448,306	76,001,135	100	1,809,184 (Note 1)	(51,911)	(51,911) (Note 1)	
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	1,285,005	535,005	128,500,000	100	1,212,337 (Note 1)	(9,644)	(9,644) (Note 1)	
	Sinyi Global Asset Management Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	50,000	50,000	5,000,000	100	69,521 (Note 1)	234	234 (Note 1)	
	Heng-Yi Real Estate Consulting	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	20,000	20,000	2,000,000	100	17,001 (Note 1)	23	23 (Note 1)	
	Jui-Inn Consultants Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Management consulting	5,000	5,000	500,000	100	2,671 (Note 1)	(2,356)	(2,356) (Note 1)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	1,857 (Note 1)	(3)	(3) (Note 1)	
	An-Sin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	25,500	25,500	7,650,000	51	116,917 (Note 1)	5,845	2,981 (Note 1)	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	11,250	(10)	(2)	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	60,000	30,000	4,500,000	100	7,997 (Note 1)	(8,969)	(8,969) (Note 1)	
	Rakuya International Info. Co., Ltd.	12F. No. 105, Dunhua S. Rd., Sec. 2, Daan District, Taipei City, Taiwan	Information software wholesale and retail	19,076	1,086	2,580,743	23	19,076	-	-	
	SIN CHIUN HOLDING SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat , Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P.Kuala Lumpur, Malaysia	Investment holding	25,500	-	3,537,766	100	23,249 (Note 1)	(3)	(3) (Note 1)	
Sinyi Limited (B.V.I.)	Inane International Limited (B.V.I.)	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,790,590	1,790,590	56,629,268	100	1,152,448 (Note 1)	(48,437)	(48,437) (Note 1)	Note 2
	Ke Wei HK Realty Limited	Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	95,129	95,129	2,675,000	99	30,838 (Note 1)	(2,957)	(2,930) (Note 1)	
Sinyi International Limited (Samoa)	Forever Success International Limited (Mauritius)	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius	Investment holding	68,741	68,741	2,216,239	100	35,620 (Note 1)	(111)	(111) (Note 1)	Note 2
	Sinyi Realty Inc. Japan	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	58,064	58,064	16,000	100	243,268 (Note 1)	9,769	9,769 (Note 1)	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,899,767	3,899,767	132,866,210	100	3,353,273 (Note 1)	4,382	4,382 (Note 1)	
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	810,394	535	25,206,900	100	765,295 (Note 1)	(18)	(18) (Note 1)	
Inane International Limited (B.V.I.)	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	399,792	399,792	12,454,780	100	3,787 (Note 1)	5,524	5,524 (Note 1)	
An-Sin Real Estate Management Ltd.	An-Shin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	100,000	100,000	10,000,000	100	108,976 (Note 1)	6,500	6,500	
Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage	10,746	10,746	600	100	21,199 (Note 1)	1,666	1,666 (Note 1)	
	Tokyo Sinyi Real Estate Co., Ltd.	3rd Floor, No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	5,000	5,000	500,000	100	10,501 (Note 1)	412	412 (Note 1)	
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	3,868,747	3,868,747	131,000,200	100	3,335,647 (Note 1)	4,414	4,414 (Note 1)	
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	578	578	17,497	100	457 (Note 1)	(18)	(18) (Note 1)	Note 2

Sinyi Development Inc.	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	\$ 500	\$ 500	50,000	100	\$ 304 (Note 1)	(\$ 14)	(\$ 14) (Note 1)	
	Sinyi Real Estate Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	500	50,000	100	303 (Note 1)	(14)	(14) (Note 1)	
SIN CHIUN HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat , Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P.Kuala Lumpur, Malaysia	Real estate brokerage	-	-	1	49	- (Note 1)	-	- (Note 1)	Note 2

Note 1: Those subsidiaries included in the consolidated entities have been eliminated.

Note 2: As of March 31, 2017, the process of the share capital increase was not complete; therefore, it was recorded under "prepayment for long-term investment".

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
 THREE MONTHS ENDED MARCH 31, 2017
 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of March 31, 2017 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2017
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 19,638	Investment in company located in mainland China indirectly through Ke Wei HK Realty Limited	\$ 81,859	\$ -	\$ -	\$ 81,859	(\$ 2,957)	100	(\$ 2,957) (Note 6)	\$ 31,153 (Note 6)	\$ -
Shanghai Sinyi Real Estate Inc. (Note 3)	Real estate brokerage	RMB 260,082	Investment in company located in mainland China indirectly through Inane International Limited	1,140,018	-	-	1,140,018	(49,087)	100	(49,087) (note 6)	821,638 (note 6)	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage	RMB 34,747	"	149,955	-	-	149,955	(2,778)	100	(2,778) (note 6)	(21,301) (note 6)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 4)	Management consulting	RMB 4,138	"	17,095	-	-	17,095	(36)	100	(36) (note 6)	(2,446) (note 6)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	"	355,249	-	-	355,249	2,352	100	2,352 (note 6)	333,668 (note 6)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	"	-	-	-	-	-	2	-	140,125	-
Cura Commercial Management Co., Ltd. (Note 4)	Business service, exhibition service, urban planning and design, marketing strategy planning, business consulting and real estate advisory	RMB 10,998	"	-	-	-	-	-	9	-	4,409	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 20,200	"	44,543	-	-	44,543	5,186	100	5,186 (note 6)	6,050 (note 6)	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	Investment in company located in mainland China indirectly through Forever Success International Ltd.	27,432	-	-	27,432	(120)	100	(120) (note 6)	(789) (note 6)	-
Chengdu Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 13,000	Investment in company located in mainland China indirectly through Inane International Limited	62,005	-	-	62,005	(2,044)	100	(2,044) (note 6)	9,458 (note 6)	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 8,000	"	37,295	-	-	37,295	(16)	100	(16) (note 6)	(265) (note 6)	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,868,747	-	-	3,868,747	4,414	100	4,414 (note 6)	3,335,120 (note 6)	-
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, hard ware, building materials wholesale	RMB 8,000	Investment in company located in mainland China indirectly through Forever Success International Ltd.	40,465	-	-	40,465	9	100	9 (note 6)	35,785 (note 6)	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of March 31, 2017 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2017
					Outflow	Inflow						
Kunshan Dingxian Trading Co., Ltd.	Construction materials, furniture, sanitary ware and ceramic products wholesale	RMB 6,000	Investment in company located in mainland China indirectly through Sinyi Development Ltd.	\$ 31,020	\$ -	\$ -	\$ 31,020	(\$ 32)	100	(\$ 32) (note 6)	\$ 16,981 (note 6)	-

Accumulated Outflow for Investment in Mainland China as of March 31, 2016	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 5)
\$5,855,683	\$13,728,725	\$ -

Note 1: Amounts were based on audited financial statements.

Note 2: Carrying value was converted into New Taiwan dollars at the exchange rates of US\$1=NT\$30.33 and US\$1=RMB6.882 on March 31, 2017.

Note 3: Some of the investments were made indirectly through earnings of the Company's subsidiary in China.

Note 4: Investments were made indirectly through the earnings of the Company's subsidiary in China.

Note 5: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

Note 6: Those subsidiaries included in the consolidated entities have been eliminated.