Sinyi Realty Inc.

Parent Company Only Financial Statements for the Years Ended December 31, 2016 and 2015 and Independent Auditors’ Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinyi Realty Inc.

Opinion

We have audited the accompanying parent company only financial statements of Sinyi Realty Inc. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2016 and 2015, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to parent company only the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2016 and 2015, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in Taiwan, the Republic of China ("ROC"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2016. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2016 are stated as follows:

Service income earned from real-estate brokering

The Company's revenue mainly comes from service income. Refer to Note 4 to the accompanying parent company only financial statements for the details of the accounting policies of revenue recognition. Revenue from the rendering of services is recognized when all the conditions stipulated in the accounting policies are satisfied. When all the conditions are satisfied, the Company's accounting system will calculate service income automatically. Since the service income was computed by the system and the amount is significant to the parent company only financial statement, service income is identified as a key audit matter.

The Company's personnel will fill in the transaction form when real estate contracts or lease contracts have been signed by both counterparties. After being reviewed by the competent supervisor, the transaction form will be delivered to the Company's personnel to create an item file in the system. The system will calculate the service income by item files on a daily basis and generate an entry by batch.

We understood and tested the internal control for recognition of service income. We selected service income samples, which were computed by the system, and cross-checked whether the samples and contracts are the same. In order to verify accuracy of service income in the system, we recomputed service income and verified whether there was any significant difference in the amount. We also confirmed the dates on the contracts to make sure whether the recognition timing of service income is reasonable.

Accrual of performance bonus payables

The Company is mainly engaged in the operation of a real-estate brokerage business. The Company designed a bonus scheme in order to stimulate employee retention. As of December 31, 2016, the carrying amounts of performance bonus payables (including non-current liabilities) were NT$832,115 thousand, accounting for nearly 15% of the total liability. Because the amounts of performance bonus payables and non-current liabilities were considered significant to the parent company only financial statements, it has been identified as a key audit matter.

We focused on the adequacy of performance bonus payables at the balance sheet date. As stated in the preceding paragraph, we understood and tested the internal control for the performance bonus recognition. As for the evaluation of the accrual of performance bonus payables by management, we sampled from the major bonus records and understood the calculation criteria for the relevant bonuses awarded. We confirmed the basis of the calculation for each sample to verify whether they followed the Company's bonus scheme. We performed recalculations to test the accuracy of the performance bonus payables, and we assessed the reasonableness by reviewing the payments in the subsequent period.

Refer to Notes 5 and 18 to the parent company only financial statements for the details of the accrual of performance bonus payables.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in ROC will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the auditing standards generally accepted in ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2016 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
The engagement partners on the audit resulting in this independent auditors' report are Wen-Yea Shyu and Kwan-Chung Lai

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2017

Notice to Readers

The accompanying parent company only financial statements are intended only to present the 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 audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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' report and parent company only financial statements shall prevail.

SINYI REALTY INC.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	2016		2015	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,998,262	13	$ 1,035,714	7
Available-for-sale financial assets - current (Notes 4 and 7)	206,356	1	195,775	1
Notes receivable (Notes 4 and 9)	7,210	-	69,216	1
Trade receivables (Notes 4, 5 and 9)	421,752	3	287,876	2
Trade receivables from related parties (Notes 4, 5 and 28)	85,213	1	96,671	1
Other receivables (Notes 4, 5 and 9)	42,058	-	50,698	-
Other receivable from related parties (Notes 4, 5 and 28)	21,791	-	21,550	-
Other financial assets - current (Notes 10 and 29)	5,000	-	275,135	2
Other current assets (Note 15)	65,440	1	26,604	-
Total current assets	2,853,082	19	2,059,239	14
NON-CURRENT ASSETS				
Financial assets measured at cost - non-current (Notes 4 and 8)	55,913	-	88,503	1
Investments accounted for using equity method (Notes 4 and 11)	6,465,505	43	7,060,348	47
Property, plant and equipment (Notes 4, 12 and 29)	2,696,461	18	2,759,843	18
Investment properties (Notes 4, 13 and 29)	2,731,236	18	2,759,442	18
Intangible assets (Notes 4 and 14)	76,405	1	78,801	1
Deferred tax assets (Notes 4 and 23)	11,651	-	9,761	-
Refundable deposits (Note 25)	92,030	1	87,992	1
Other non-current assets (Note 15)	6,747	-	6,534	-
Total non-current assets	12,135,948	81	12,851,224	86
TOTAL	$ 14,989,030	100	$ 14,910,463	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 150,000	1	$ 200,000	2
Notes payable	105	-	1,524	-
Other payables (Notes 5 and 18)	1,290,835	9	1,175,677	8
Other payables to related parties (Notes 18 and 28)	17,713	-	37,823	-
Current tax liabilities (Notes 4 and 23)	99,640	1	24,047	-
Provisions - current (Notes 4, 5 and 19)	34,802	-	29,505	-
Other current financial liabilities (Note 18)	63,851	-	48,590	-
Other current liabilities (Note 18)	79,808	1	72,771	1
Total current liabilities	1,736,754	12	1,589,937	11
NON-CURRENT LIABILITIES				
Bonds payable (Note 17)	3,000,000	20	3,000,000	20
Long-term borrowings (Notes 16 and 29)	500,000	3	400,000	3
Provisions - non-current (Notes 4, 5 and 19)	4,857	-	4,644	-
Net defined benefit liabilities - non-current (Notes 4, 5 and 20)	39,789	-	413	-
Guarantee deposit received (Note 25)	45,409	-	43,829	-
Investments accounted for using equity method (Notes 4 and 11)	13,034	-	-	-
Other non-current liabilities (Notes 5 and 18)	351,206	3	644,281	4
Deferred tax liabilities (Notes 4 and 23)	19,404	-	30,625	-
Total non-current liabilities	3,973,699	26	4,123,792	27
Total liabilities	5,710,453	38	5,713,729	38
EQUITY (Note 21)				
Share capital				
Ordinary shares	6,318,398	42	6,318,398	42
Capital surplus	63,896	-	63,896	1
Retained earnings				
Legal reserve	1,701,396	11	1,645,009	11
Unappropriated earnings	1,116,118	8	734,737	5
Total retained earnings	2,817,514	19	2,379,746	16
Other equity (Note 4)				
Exchange differences on translating foreign operations	(225,707)	(1)	189,816	1
Unrealized gain from available-for-sale financial assets	304,476	2	244,878	2
Total other equity	78,769	1	434,694	3
Total equity	9,278,577	62	9,196,734	62
TOTAL	$ 14,989,030	100	$ 14,910,463	100

The accompanying notes are an integral part of the parent company only financial statements.

SINYI REALTY INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Service revenue (Note 4)	$ 6,123,679	100	$ 6,140,394	100
OPERATING COSTS (Notes 22 and 28)	4,571,076	74	4,684,152	76
GROSS PROFIT	1,552,603	26	1,456,242	24
OPERATING EXPENSES (Notes 22 and 28)	714,839	12	831,743	14
PROFIT FROM OPERATIONS	837,764	14	624,499	10
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 28)	94,210	2	93,936	2
Dividend income	6,472	-	10,256	-
Interest income (Note 22)	16,553	-	15,471	-
Other gains and losses (Notes 22 and 28)	34,599	1	177,838	3
Finance cost (Note 22)	(55,294)	(1)	(53,171)	(1)
Share of profit or loss of subsidiaries, associates and joint ventures (Note 4)	146,683	2	(144,483)	(2)
Total non-operating income and expenses	243,223	4	99,847	2
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,080,987	18	724,346	12
INCOME TAX EXPENSE (Notes 4 and 23)	(161,122)	(3)	(160,481)	(3)
NET PROFIT FOR THE YEAR	919,865	15	563,865	9
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	(47,942)	-	(22,661)	-
Share of other comprehensive loss of subsidiaries, associates and joint ventures	(17)	-	(47)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	8,150	-	3,852	-

(Continued)

SINYI REALTY INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statement of foreign operations	$ (415,523)	(7)	$ (74,925)	(1)
Unrealized gain (loss) on available-for-sale financial assets	10,581	-	(34,536)	(1)
Shares of other comprehensive income (loss) of subsidiaries, associates and joint ventures	49,017	1	(1,990)	-
Other comprehensive loss for the year, net of income tax	(395,734)	(6)	(130,307)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 524,131	9	$ 433,558	7
EARNINGS PER SHARE (Note 24)				
From continuing operations				
Basic	$1.46		$0.89	
Diluted	$1.46		$0.89	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

SINYI REALTY INC.

STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

			Retained Earnings		Other Equity		
	Share Capital	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Total Equity
BALANCE AT JANUARY 1, 2015	$ 6,134,367	$ 63,896	$ 1,537,793	$ 1,094,412	$ 264,741	$ 281,404	$ 9,376,613
Appropriation of 2014 earnings							
Legal reserve	-	-	107,216	(107,216)	-	-	-
Cash dividends	-	-	-	(613,437)	-	-	(613,437)
Stock dividends	184,031	-	-	(184,031)	-	-	-
Net profit for the year ended December 31, 2015	-	-	-	563,865	-	-	563,865
Other comprehensive loss for the year ended December 31, 2015, net of income tax	-	-	-	(18,856)	(74,925)	(36,526)	(130,307)
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	545,009	(74,925)	(36,526)	433,558
BALANCE AT DECEMBER 31, 2015	6,318,398	63,896	1,645,009	734,737	189,816	244,878	9,196,734
Appropriation of 2015 earnings							
Legal reserve	-	-	56,387	(56,387)	-	-	-
Cash dividends	-	-	-	(442,288)	-	-	(442,288)
Net profit for the year ended December 31, 2016	-	-	-	919,865	-	-	919,865
Other comprehensive (loss) income for the year ended December 31, 2016, net of income tax	-	-	-	(39,809)	(415,523)	59,598	(395,734)
Total comprehensive income (loss) for the year ended December 31, 2016	-	-	-	880,056	(415,523)	59,598	524,131
BALANCE AT DECEMBER 31, 2016	$ 6,318,398	$ 63,896	$ 1,701,396	$ 1,116,118	$ (225,707)	$ 304,476	$ 9,278,577

The accompanying notes are an integral part of the parent company only financial statements.

SINYI REALTY INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,080,987	$ 724,346
Adjustments for:		
Depreciation expenses	106,171	116,944
Amortization expenses	42,433	35,230
Impairment loss recognized on financial assets	-	3,662
Net loss on fair value change of financial assets held for trading	-	9,849
Finance costs	55,294	53,171
Interest income	(16,553)	(15,471)
Dividend income	(6,472)	(10,256)
Share of (profit) loss of subsidiaries, associates and joint ventures	(146,683)	144,483
Loss on disposal of property, plant and equipment	662	1,485
Loss on disposal of investment properties	1,137	-
Loss (gain) on disposal of investments	361	(67,862)
Reversal of impairment loss recognized on non-financial assets	(2,577)	-
Changes in operating assets and liabilities		
Financial assets held for trading	34	11,960
Notes receivable	62,006	(58,968)
Trade receivables	(133,876)	209,645
Trade receivables from related parties	11,458	26,759
Other receivables	35,124	24,781
Other receivables from related parties	(241)	801
Other current assets	(38,836)	(2,661)
Other operating assets	(8,566)	(9,516)
Notes payable	(1,419)	(5,662)
Other payables	115,195	(215,908)
Other payables to related parties	(20,110)	(11,159)
Provisions	5,510	(10,257)
Other financial liabilities	15,261	(6,923)
Other current liabilities	7,037	(15,660)
Other operating liabilities	(293,075)	(230,119)
Cash generated from operations	870,262	702,694
Interest received	7,069	15,471
Interest paid	(55,331)	(53,171)
Income taxes paid	(90,490)	(232,822)
Net cash generated from operating activities	731,510	432,172
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets measured at cost	15,000	-
Acquisition of investment accounted for using equity method	(1,027,500)	(441,597)
Capital refund of equity method investees	1,393,921	-
Purchase of financial assets measured at cost	(498)	-
Proceeds from disposal of available-for-sale financial assets	-	122,267
Capital refund of financial assets measured at cost	693	38,400

(Continued)

SINYI REALTY INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars)

	2016	2015
Payments for property, plant and equipment	$ (34,561)	$ (69,524)
Proceeds from disposal of property, plant and equipment	1,205	-
Decrease in prepayment for equipment	-	1,448
Increase in refundable deposits	(4,038)	-
Decrease in refundable deposits	-	6,924
Payment for intangible assets	(40,215)	(35,940)
Proceeds from disposal of intangible assets	178	-
Payment for investment properties	(20,200)	-
Proceeds from disposal of investment properties	39,751	-
Increase in other financial assets	-	(252,079)
Decrease in other financial assets	270,135	-
Increase in other non-current assets	(213)	(1,455)
Dividends received	28,088	64,393
Net cash generated from (used in) investing activities	621,746	(567,163)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	200,000
Repayments of short-term borrowings	(50,000)	-
Proceeds from long-term borrowings	3,300,000	1,600,000
Repayments of long-term borrowings	(3,200,000)	(1,400,000)
Increase in guarantee deposits received	1,580	-
Refund of guarantee deposits received	-	(22,960)
Dividends paid to owners of the Company	(442,288)	(613,437)
Net cash used in financing activities	(390,708)	(236,397)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	962,548	(371,388)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,035,714	1,407,102
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,998,262	$ 1,035,714

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

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

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, the Republic of China ("ROC"). The Company continues to expand by establishing branches in Taiwan and focuses heavily on promoting its brand value.

In August 1999, the Securities and Futures Bureau ("SFB") approved the trading of the Company's ordinary shares on the Taipei Exchange ("TPEx") in the ROC. In September 2001, the SFB approved the listing of the Company's shares on the Taiwan Stock Exchange ("TWSE").

The parent company only financial statements are presented in New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors and authorized for issue on February 24, 2017.

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

a. Amendments to 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 by the FSC for application starting from 2017

Rule No. 1050050021 and Rule No. 1050026834 issued by the FSC stipulated that starting January 1, 2017, the Company should apply the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") issued by the IASB and endorsed by the FSC for application starting from 2017.

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016

(Continued)

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

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 2 applies to share-based payment transactions with grant dates on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition dates on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occurs in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application in 2017 of the above IFRSs and related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers would not have any material impact on the Company'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 for application starting from 2017. 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 Company or is the spouse or second immediate family of the chairman of the board of directors or president of the Company, 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 Company has significant transactions. If the transactions or balance with a specific related party is 10% or more of the Company's respective total transactions or balance, such transactions should be separately disclosed by the name of each related party.

The amendments also require additional disclosure if there is a significant difference between the actual operation after a business combination and the expected benefit on the acquisition date.

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

Except for the above impacts, as of the date the parent company only financial statements were authorized for issue, the Company continues assessing other possible impacts that application of the aforementioned amendments and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers will have on the Company's financial position and financial performance, and will disclose these other impacts when the assessment is completed.

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

The Company 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 parent company only financial statements were authorized for issue, the FSC has not announced the effective dates of other new IFRSs.

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.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Company's accounting policies, except for the following:

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 Company'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 Company 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 Company 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 Company 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 Company is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the balance sheets except for low-value and short-term leases. The Company 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 statements of comprehensive income, the Company 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 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 Company as lessor.

When IFRS 16 becomes effective, the Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing its parent company only financial statements, the Company used equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis are made to investments accounted for by equity method, share of profit or loss of subsidiaries, associates and joint ventures, share of other comprehensive income of subsidiaries, associates and joint ventures and related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combination

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer’s previously held equity interest in the acquire over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

e. Foreign currencies

In preparing the parent company only financial statements of the Company, transactions in currencies other than the Company’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates operating in other countries or currencies used are different with the Company) are translated into the New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Investments accounted for using equity method

Investments in subsidiaries and associates are accounted for by the equity method.

1) Investment in subsidiaries

Subsidiaries are the entities controlled by the Company.

The Company uses the equity method to account for its investments in subsidiaries.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the financial statements of the invested company as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. Furthermore, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream transactions with a subsidiary and sidestream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

2) Investment in associates

An associate is an entity over which the Company has significant influence and that is not a subsidiary.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate.

When the Company's subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company's records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

g. Property, plant and equipment

Property, plant and equipment are stated at cost, less recognized accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company’s cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the allocated goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Company disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

i. Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Investments in equity instruments under financial assets at fair value through profit or loss that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are subsequently measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in profit or loss.

ii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Company’s right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in profit or loss or other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

iii. Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalent, other receivables and other financial assets - current) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables and other receivables assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company’s past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables, and other situation.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counterparty, breach of contract, such as a default or delinquency in interest or principal payments, it becoming probable that the borrower will enter bankruptcy or financial re-organization, or the disappearance of an active market for that financial asset because of financial difficulties.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable and other receivables are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables and other receivables that are written off against the allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for service revenue discount are measured and recognized at the end of the reporting period based on the actual experience and possibility of discount occurrence.

n. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

1) Rendering of services

Service revenue from real-estate brokerage business is recognized when services are provided.

Revenue from the rendering of services is recognized when all the following conditions are satisfied:

a) The amount of revenue can be measured reliably;

b) It is probable that the economic benefits associated with the transaction will flow to the Company;

c) The degree of completion of transaction can be measured reliably at the end of the reporting period; and

d) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

o. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

All of the Company's lease contracts are operating leases. Rental income and expense from operating leases are recognized as rental revenue and operating expense, respectively, on a straight-line basis over the lease term.

p. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement (comprising actuarial gains and losses, effect of changes to the asset ceiling and return on plan assets excluding interest) is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Company takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Impairment of tangible and intangible assets other than goodwill

The Company measures the useful life of individual assets and the probable future economic benefits in a specific asset group, which depends on subjective judgment, asset characteristics and industry, during the impairment testing process. Any change in accounting estimates due to economic circumstances and business strategies might cause material impairment in the future.

c. Provisions

Provisions for service revenue discount are measured and recognized at the end of reporting period based on actual experience and possibility of discount occurrence.

d. Evaluation of performance bonus payables

Revenue from the rendering of services is recognized when all the conditions (see Note 4) are satisfied. Performance bonus payables are recognized considering whether the criteria of sales performance reached and the performance standards under the bonus rules met. The Company will regularly review the rationality of the evaluation of performance bonus payables.

e. Recognition and measurement of defined benefit plan

Net defined benefit liabilities (assets) and the resulting defined benefit costs under defined benefit pension plan are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, and future salary increase, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2016	**2015**
Cash on hand	$ 15,764	$ 12,690
Checking accounts and demand deposits	573,495	327,720
Cash equivalents		
Time deposits with original maturities less than three months	1,409,003	695,304
	$ 1,998,262	$ 1,035,714

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

	December 31	
	2016	**2015**
Interest rates range	0%-3.8%	0%-4.1%

As of December 31, 2016 and 2015, the carrying amounts of time deposits with original maturities more than three months were $0 thousand and $229,775 thousand, respectively, which were classified as other financial assets - current (Note 10).

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	December 31	
	2016	2015
Domestic investments		
Quoted shares	$ 206,356	$ 195,775

8. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31	
	2016	2015
Domestic unlisted ordinary shares	$ 51,039	$ 83,629
Foreign unlisted ordinary shares	4,874	4,874
	$ 55,913	$ 88,503

Management believed that the fair value of the above unlisted equity investments held by the Company 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.

During the years ended December 31, 2016 and 2015, impairment losses that resulted from the decline in the carrying value of investments were $0 thousand and $3,662 thousand, respectively.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2016	2015
Notes receivable and trade receivables		
Notes receivable - operating	$ 7,210	$ 39,216
Notes receivable - non-operating	-	30,000
	7,210	69,216
Trade receivables	421,752	292,711
Less: Allowance for doubtful accounts	-	(4,835)
	421,752	287,876
	$ 428,962	$ 357,092
Other receivables		
Receivables from disposal of investment	$ 17,000	$ -
Interest receivables	11,346	1,862
Others	16,560	51,684
Less: Allowance for doubtful accounts	(2,848)	(2,848)
	$ 42,058	$ 50,698

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 Company 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 of the trade receivables (see below for aging analysis) that were past due at the end of the reporting period, the Company 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:

	December 31	
	2016	**2015**
0-60 days	$ 344,234	$ 223,935
61-90 days	32,928	22,940
91-180 days	28,122	12,425
181-360 days	8,985	11,463
Over 360 days	7,483	21,948
	$ 421,752	$ 292,711

The above aging schedule was based on the billing date.

The aging of receivables that were past due but not impaired was as follows:

	December 31	
	2016	**2015**
61-90 days	$ 11,261	$ 13,415
91-180 days	11,713	2,517
181-360 days	1,880	7,830
Over 360 days	2,055	14,620
	$ 26,909	$ 38,382

The above aging schedule was based on the billing date.

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

	2016		2015	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Balance at January 1	$ 4,835	$ 2,848	$ 22,677	$ 3,271
Add (less): (Reversal of) impairment losses	(4,835)	253	(17,842)	(99)
Less: Amounts written off	-	(253)	-	(324)
Balance at December 31	$ -	$ 2,848	$ 4,835	$ 2,848

b. Other receivables

1) Receivables from disposal of investment and interest receivable as of December 31, 2016 were due to the Company's disposal of financial assets measured at cost from the Company's exercising the option to sell back the shares under the agreement of the share transaction.

2) Other receivables were the payment on behalf of others and rental receivable.

10. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2016	2015
Time deposits with original maturity more than three months	$ -	$ 229,775
Restricted assets - current	5,000	45,360
	$ 5,000	$ 275,135

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

	December 31	
	2016	2015
Time deposits with original maturity more than three months	-	1.02%-1.14%

b. Restricted assets - current consisted of time deposits provided as guarantee for the loan of Shanghai Sinyi Real Estate and as operating guarantee for real-estate brokerage. Refer to Note 29.

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2016	2015
Investments in subsidiaries	$ 6,454,782	$ 7,050,699
Investments in associates	10,723	9,649
	$ 6,465,505	$ 7,060,348

a. Investments in subsidiaries

	December 31 2016	December 31 2015
Sinyi Limited	$ 1,990,730	$ 1,814,050
Sinyi International Limited	3,784,983	4,531,251
Sinyi Development Inc.	471,982	495,676
Sinyi Global Asset Management Co., Ltd.	69,287	43,411
Heng-Yi Real Estate Consulting Inc.	16,978	16,862
Jui-Inn Consultants Co., Ltd.	5,026	4,904
Sinyi Culture Publishing Inc.	1,860	1,785
An-Sin Real Estate Management Ltd.	113,936	130,487
Yowoo Technology Inc.	(13,034)	12,273
Sin Chiun Holding SDN. BHD.	-	-
	6,441,748	7,050,699
Investments accounted for using equity method recognized as other non-current liabilities	13,034	-
	$ 6,454,782	$ 7,050,699

At the end of the reporting period, the proportion of ownership and voting rights in subsidiaries held by the Company were as follows:

Company Name	December 31 2016	December 31 2015
Sinyi Limited	100%	100%
Sinyi International Limited	100%	100%
Sinyi Development Inc.	100%	100%
Sinyi Global Asset Management Co., Ltd.	100%	100%
Heng-Yi Real Estate Consulting Inc.	100%	100%
Jui-Inn Consultants Co., Ltd.	100%	100%
Sinyi Culture Publishing Inc.	99%	99%
An-Sin Real Estate Management Ltd.	51%	51%
Yowoo Technology Inc.	100%	100%
Sin Chiun Holding SDN. BHD.	100%	-

Refer to Note 33 for the details of subsidiaries indirectly held by the Company.

The investments in subsidiaries accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2016 and 2015 were based on the subsidiaries' financial statements audited by auditors for the same years.

b. Investments in associates

	December 31 2016	December 31 2015
Associates that are not individually material		
Sinyi Interior Design Co., Ltd.	$ 10,723	$ 9,649

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

Name of Associate	December 31 2016	December 31 2015
Sinyi Interior Design Co., Ltd.	19%	19%

The summarized financial information in respect of the Company's associates that are not individually material is set out below.

	Years Ended December 31 2016	Years Ended December 31 2015
The Company's share of		
Profit from continuing operations	$ 208	$ 243
Other comprehensive income (loss)	1,084	(1,184)
Total comprehensive income (loss) for the year	$ 1,292	$ (941)

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 unaudited financial statements. The Company's management believes the unaudited 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).

12. PROPERTY, PLANT AND EQUIPMENT

Year Ended December 31, 2016

	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, 2016	$ 2,249,789	$ 353,606	$ 1,208	$ 304,791	$ 4,671	$ 408,720	$ 79,979	$ -	$ 3,402,764
Additions	-	-	-	9,958	-	23,166	687	750	34,561
Disposals	-	-	-	(15,810)	-	(8,448)	(154)	-	(24,412)
Reclassifications	-	-	750	-	-	-	-	(750)	-
Balance at December 31, 2016	$ 2,249,789	$ 353,606	$ 1,958	$ 298,939	$ 4,671	$ 423,438	$ 80,512	$ -	$ 3,412,913
Accumulated depreciation									
Balance at January 1, 2016	$ -	$ 82,847	$ 486	$ 203,214	$ 4,671	$ 297,211	$ 54,492	$ -	$ 642,921
Depreciation expense	-	9,031	201	37,785	-	40,354	8,705	-	96,076
Disposals	-	-	-	(14,642)	-	(7,875)	(28)	-	(22,545)
Reclassifications	-	-	-	-	-	-	-	-	-
Balance at December 31, 2016	$ -	$ 91,878	$ 687	$ 226,357	$ 4,671	$ 329,690	$ 63,169	$ -	$ 716,452
Net book value, January 1, 2016	$ 2,249,789	$ 270,759	$ 722	$ 101,577	$ -	$ 111,509	$ 25,487	$ -	$ 2,759,843
Net book value, December 31, 2016	$ 2,249,789	$ 261,728	$ 1,271	$ 72,582	$ -	$ 93,748	$ 17,343	$ -	$ 2,696,461

	Year Ended December 31, 2015								
	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, 2015	$ 2,573,292	$ 404,395	$ 1,208	$ 300,836	$ 4,671	$ 371,128	$ 79,501	$ 445	$ 3,735,476
Additions	-	-	-	23,209	-	45,837	478	-	69,524
Disposals (Note)	-	(1,448)	-	(19,254)	-	(8,245)	-	-	(28,947)
Reclassifications	(323,503)	(49,341)	-	-	-	-	-	(445)	(373,289)
Balance at December 31, 2015	$ 2,249,789	$ 353,606	$ 1,208	$ 304,791	$ 4,671	$ 408,720	$ 79,979	$ -	$ 3,402,764
Accumulated depreciation									
Balance at January 1, 2015	$ -	$ 83,579	$ 285	$ 180,314	$ 4,671	$ 260,413	$ 42,595	$ -	$ 571,857
Depreciation expense	-	10,058	201	41,378	-	44,334	11,897	-	107,868
Disposals	-	-	-	(18,478)	-	(7,536)	-	-	(26,014)
Reclassifications	-	(10,790)	-	-	-	-	-	-	(10,790)
Balance at December 31, 2015	$ -	$ 82,847	$ 486	$ 203,214	$ 4,671	$ 297,211	$ 54,492	$ -	$ 642,921
Net book value, January 1, 2015	$ 2,573,292	$ 320,816	$ 923	$ 120,522	$ -	$ 110,715	$ 36,906	$ 445	$ 3,163,619
Net book value, December 31, 2015	$ 2,249,789	$ 270,759	$ 722	$ 101,577	$ -	$ 111,509	$ 25,487	$ -	$ 2,759,843

Note: The proceeds of disposal of building were collected based on the portfolio of the value of right and investment amount after the urban renewal plan was completed; the Company participated in the plan.

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

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

a. There was no interest capitalized during the years ended December 31, 2016 and 2015.

b. Refer to Note 29 for the details of properties, plant and equipment pledged as collaterals.

13. INVESTMENT PROPERTIES

	Year Ended December 31, 2016		
	Land	**Buildings**	**Total**
Cost			
Balance at January 1, 2016	$ 2,453,337	$ 413,435	$ 2,866,772
Additions	18,901	1,299	20,200
Disposals	(34,439)	(7,240)	(41,679)
Balance at December 31, 2016	$ 2,437,799	$ 407,494	$ 2,845,293

(Continued)

	Year Ended December 31, 2016		
	Land	**Buildings**	**Total**
Accumulated depreciation and impairment			
Balance at January 1, 2016	$ 7,396	$ 99,934	$ 107,330
Impairment losses reversed	(1,838)	(739)	(2,577)
Depreciation expense	-	10,095	10,095
Disposals	-	(791)	(791)
Balance at December 31, 2016	$ 5,558	$ 108,499	$ 114,057
Net book value, January 1, 2016	$ 2,445,941	$ 313,501	$ 2,759,442
Net book value, December 31, 2016	$ 2,432,241	$ 298,995	$ 2,731,236

(Concluded)

	Year Ended December 31, 2015		
	Land	**Buildings**	**Total**
Cost			
Balance at January 1, 2015	$ 2,129,834	$ 364,094	$ 2,493,928
Reclassifications	323,503	49,341	372,844
Balance at December 31, 2015	$ 2,453,337	$ 413,435	$ 2,866,772
Accumulated depreciation and impairment			
Balance at January 1, 2015	$ 7,396	$ 80,068	$ 87,464
Depreciation expense	-	9,076	9,076
Reclassifications	-	10,790	10,790
Balance at December 31, 2015	$ 7,396	$ 99,934	$ 107,330
Net book value, January 1, 2015	$ 2,122,438	$ 284,026	$ 2,406,464
Net book value, December 31, 2015	$ 2,445,941	$ 313,501	$ 2,759,442

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

Buildings - main buildings	30-60 years

The total fair value of the Company’s investment properties and property, plant and equipment as of December 31, 2016 and 2015 was $9,145,666 thousand and $9,403,909 thousand, respectively. The fair value determination was not performed by independent qualified professional appraisers, but by the management of the Company who used the valuation model that market participants generally use in determining fair value, and the fair value was measured by using Level 3 inputs. The fair value was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Company’s investment property was held under freehold interests. The carrying amount of the investment properties that had been pledged by the Company to secure borrowings is disclosed in Note 29.

14. INTANGIBLE ASSETS

	December 31 2016	December 31 2015
Goodwill	$ 9,621	$ 9,621
System software costs	66,784	69,180
	$ 76,405	$ 78,801

	Year Ended December 31, 2016		
	Goodwill	System Software Costs	Total
Cost			
Balance at January 1, 2016	$ 9,621	$ 152,057	$ 161,678
Additions	-	40,215	40,215
Disposals	-	(758)	(758)
Balance at December 31, 2016	$ 9,621	$ 191,514	$ 201,135
Accumulated amortization			
Balance at January 1, 2016	$ -	$ 82,877	$ 82,877
Amortization expense	-	42,433	42,433
Disposals	-	(580)	(580)
Balance at December 31, 2016	$ -	$ 124,730	$ 124,730
Net book value, January 1, 2016	$ 9,621	$ 69,180	$ 78,801
Net book value, December 31, 2016	$ 9,621	$ 66,784	$ 76,405

	Year Ended December 31, 2015		
	Goodwill	System Software Costs	Total
Cost			
Balance at January 1, 2015	$ 9,621	$ 115,672	$ 125,293
Additions	-	35,940	35,940
Reclassifications	-	445	445
Balance at December 31, 2015	$ 9,621	$ 152,057	$ 161,678
Accumulated amortization			
Balance at January 1, 2015	$ -	$ 47,647	$ 47,647
Amortization expense	-	35,230	35,230
Balance at December 31, 2015	$ -	$ 82,877	$ 82,877
Net book value, January 1, 2015	$ 9,621	$ 68,025	$ 77,646
Net book value, December 31, 2015	$ 9,621	$ 69,180	$ 78,801

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

System software costs	2-5 years

The recoverable amount of the Company's goodwill had been tested for impairment using the forecast carrying amount at the end of the annual reporting period. For the year ended December 31, 2016, the Company did not recognize any impairment loss on goodwill.

15. OTHER ASSETS

	December 31	
	2016	**2015**
Prepaid expenses	$ 20,777	$ 26,324
Temporary payments	44,663	280
Overdue receivables	4,857	4,644
Others	1,890	1,890
	$ 72,187	$ 33,138
Current	$ 65,440	$ 26,604
Non-current	6,747	6,534
	$ 72,187	$ 33,138

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2016	**2015**
Unsecured borrowings		
Unsecured loan	$ 150,000	$ 200,000

The interest rates of the bank loans for the years ended December 31, 2016 and 2015 were 1.30%-1.42% and 1.40%-1.63%, respectively.

b. Long-term borrowings

	December 31	
	2016	**2015**
Secured borrowings		
Bank loans	$ 350,000	$ 400,000
Unsecured borrowings		
Unsecured loans	150,000	-
Long-term borrowings	$ 500,000	$ 400,000

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

	Content of Borrowings	December 31 2016	December 31 2015
E.SUN Bank	Loan limit: $800,000 thousand; period: March 13, 2015 to December 30, 2017; fixed interest rate of 1.55% with negotiating rate per 90 days; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in January 2016.	$ -	$ 100,000
E.SUN Bank	Loan limit: $2,450,000 thousand; period: October 25, 2016 to October 20, 2018; floating interest rate of 1.35% with negotiating rate per 30 days; interest is paid monthly and principal is repaid at maturity.	200,000	-
East Asia Bank	Loan limit: $1,600,000 thousand; period: September 25, 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 Company repaid all the debts in October and November in 2016.	-	200,000
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.	50,000	-
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.	100,000	-
SinoPac Bank	Loan limit: $200,000 thousand; period: December 30, 2016 to December 30, 2018; floating interest rate of 1.5%; interest is paid monthly and principal is repaid at maturity.	50,000	-
Bank of Taiwan	Loan limit: $1,000,000 thousand; period: September 22, 2015 to September 22, 2018; fixed interest rate as of December 31, 2016 and 2015 is 1.46% and 1.8% with negotiating rate per 180 days; interest is paid monthly and principal is repaid at maturity.	100,000	100,000
Total long-term borrowings		$ 500,000	$ 400,000

Refer to Note 29 for the details of assets pledged as collaterals for long-term borrowings.

17. BONDS PAYABLE

	December 31 2016	December 31 2015
Domestic unsecured bonds	$ 3,000,000	$ 3,000,000
Less: Current portion	-	-
	$ 3,000,000	$ 3,000,000

The major terms of domestic unsecured bonds were as follows:

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

18. OTHER LIABILITIES

	December 31 2016	December 31 2015
Current		
Other payables	$ 1,290,835	$ 1,175,677
Other payables to related parties (Note 28)	17,713	37,823
Other financial liabilities	63,851	48,590
Other liabilities	79,808	72,771
	$ 1,452,207	$ 1,334,861
Non-current		
Other liabilities	$ 351,206	$ 644,281

a. Other payables were as follows:

	December 31 2016	December 31 2015
Salaries and bonus	$ 993,882	$ 844,445
Advertisement	52,762	101,112
Labor and health insurance	60,012	56,798
Annual leave	52,158	49,973
Professional fees	8,295	12,566
Interest payables	22,953	22,990
Compensation to employees and directors	17,020	14,393
Others	83,753	73,400
	$ 1,290,835	$ 1,175,677

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. The performance bonuses payable under other liabilities amounted to $351,206 thousand and $644,281 thousand as of December 31, 2016 and 2015, respectively.

b. Other financial liabilities were as follows:

	December 31	
	2016	2015
Other receipts under custody	$ 53,516	$ 42,881
Payables on equipment	10,335	5,709
	$ 63,851	$ 48,590

c. Other current liabilities were as follows:

	December 31	
	2016	2015
VAT payable	$ 67,669	$ 58,398
Other	12,139	14,373
	$ 79,808	$ 72,771

19. PROVISIONS

	December 31	
	2016	2015
Service revenue allowances	$ 39,659	$ 34,149
Current	$ 34,802	$ 29,505
Non-current	4,857	4,644
	$ 39,659	$ 34,149

	Service Allowances
Balance, January 1, 2015	$ 44,406
Reversing un-usage balances	(10,257)
Balance, December 31, 2015	$ 34,149
Balance, January 1, 2016	$ 34,149
Additional provisions recognized	5,510
Balance, December 31, 2016	$ 39,659

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.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plan were as follows:

	December 31	
	2016	**2015**
Present value of defined benefit obligation	$ 569,479	$ 519,355
Fair value of plan assets	(529,690)	(518,942)
Deficit	39,789	413
Net defined benefit liability	$ 39,789	$ 413

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit (Asset) Liability**
Balance at January 1, 2015	$ 487,089	$ (499,821)	$ (12,732)
Service cost			
Current service cost	3,575	-	3,575
Net interest expense (income)	9,133	(9,473)	(340)
Recognized in profit or loss	12,708	(9,473)	3,235
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,828)	(3,828)
Actuarial loss - changes in demographic assumptions	23,232	-	23,232
Actuarial loss - change in financial assumption	16,479	-	16,479
Actuarial gain - experience adjustments	(13,222)	-	(13,222)
Recognized in other comprehensive income	26,489	(3,828)	22,661

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Asset) Liability
Contributions from the employer	$ -	$ (12,751)	$ (12,751)
Benefits paid	(6,931)	6,931	-
Balance at December 31, 2015	519,355	(518,942)	413
Service cost			
Current service cost	3,718	-	3,718
Net interest expense (income)	8,440	(8,506)	(66)
Recognized in profit or loss	12,158	(8,506)	3,652
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	4,798	4,798
Actuarial loss - changes in demographic assumptions	17,442	-	17,442
Actuarial loss - changes in financial assumptions	18,065	-	18,065
Actuarial loss - experience adjustments	7,637	-	7,637
Recognized in other comprehensive income	43,144	4,798	47,942
Contributions from the employer	-	(12,218)	(12,218)
Benefits paid	(5,178)	5,178	-
Balance at December 31, 2016	$ 569,479	$ (529,690)	$ 39,789

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

	Years Ended December 31	
	2016	2015
Operating costs	$ 3,329	$ 2,833
Operating expenses	323	402
	$ 3,652	$ 3,235

Through the defined benefit plan under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan’s debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2016	2015
Discount rates	1.375%	1.625%
Expected rates of salary increase	3.000%	3.000%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2016	2015
Discount rates		
0.25% increase	$ (18,602)	$ (17,318)
0.25% decrease	$ 19,431	$ 18,106
Expected rates of salary increase		
0.25% increase	$ 18,773	$ 17,524
0.25% decrease	$ (18,072)	$ (16,853)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2016	2015
The expected contributions to the plan for the next year	$ 9,152	$ 8,999
The average duration of the defined benefit obligation	13.3 years	13.7 years

21. EQUITY

Share Capital

	December 31	
	2016	2015
Numbers of shares authorized (in thousands)	1,000,000	1,000,000
Share capital authorized	$ 10,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands)	631,840	631,840
Share capital issued	$ 6,318,398	$ 6,318,398

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

Capital Surplus

	December 31	
	2016	2015
May not be used for any purpose		
Employee stock options	$ 63,896	$ 63,896

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of ordinary 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).

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, please refer to Employee benefits expense in Note 22.

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 2015 and 2014 approved in the shareholders' meeting held on May 20, 2016 and May 15, 2015, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	Years Ended December 31		Years Ended December 31	
	2015	2014	2015	2014
Legal reserve	$ 56,387	$ 107,216	$ -	$ -
Cash dividends	442,288	613,437	0.7	1.0
Stock dividends	-	184,031	-	0.3

g. The appropriations of earnings for 2016 had been proposed by the Company's board of directors on February 24, 2017. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 91,986	$ -
Cash dividends	631,840	1.0
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

	December 31	
	2016	2015
Exchange differences on translating foreign operations	$ (225,707)	$ 189,816
Unrealized gains from available-for-sale financial assets	304,476	244,878
	$ 78,769	$ 434,694

a. Exchange differences on translating the financial statement of foreign operations

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company'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 on 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.

22. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the following:

Interest Income

	Years Ended December 31	
	2016	2015
Interest income		
Cash in bank	$ 5,725	$ 15,404
Other accounts receivable	10,734	-
Others	94	67
	$ 16,553	$ 15,471

Other Gains and Losses

	Years Ended December 31	
	2016	2015
Reversal of impairment loss of investment properties	$ 2,577	$ -
Impairment loss of financial assets measured at cost	-	(3,662)
(Losses) gain on disposal of investments	(361)	67,862
Net loss on fair value change of financial assets held for trading	-	(9,849)
Losses on disposal of property, plant and equipment	(662)	(1,485)
Losses on disposal of investment properties	(1,137)	-
Net foreign exchange (loss) gain	(11,740)	23,854
Gain on reversal of bad debts	4,582	17,941
Administration service revenue	36,839	59,400
Others	4,501	23,777
	$ 34,599	$ 177,838

Finance Costs

	Years Ended December 31	
	2016	2015
Interest on bank loans	$ 10,806	$ 8,459
Interest on bonds payable	44,400	44,278
Others	88	434
	$ 55,294	$ 53,171

Depreciation and Amortization

	Years Ended December 31	
	2016	2015
Property, plant and equipment	$ 96,076	$ 107,868
Investment property	10,095	9,076
Intangible assets	42,433	35,230
	$ 148,604	$ 152,174

(Continued)

	Years Ended December 31	
	2016	2015
An analysis of depreciation by function		
Operating costs	$ 71,749	$ 79,163
Operating expenses	24,327	28,705
Other losses	10,095	9,076
	$ 106,171	$ 116,944
An analysis of amortization by function		
Operating costs	$ 66	$ 16,351
Operating expenses	42,367	18,879
	$ 42,433	$ 35,230

(Concluded)

Operating Expenses Directly Related to Investment Properties

	Years Ended December 31	
	2016	2015
Direct operating expenses from investment property that generated rental income	$ 24,020	$ 22,547
Direct operating expenses from investment property that did not generate rental income	23	83
	$ 24,043	$ 22,630

Employee Benefits Expense

Year ended December 31, 2016

	Operating Costs	Operating Expenses	Total
Salary expense	$ 2,911,434	$ 275,500	$ 3,186,934
Labor and health insurance expense	217,829	23,588	241,417
	3,129,263	299,088	3,428,351
Post-employment benefits			
Defined contribution plan	118,211	11,493	129,704
Defined benefit plan (Note 20)	3,329	323	3,652
	121,540	11,816	133,356
Other employee benefits	84,611	56,911	141,522
Total employee benefits expense	$ 3,335,414	$ 367,815	$ 3,703,229

Year ended December 31, 2015

	Operating Costs	Operating Expenses	Total
Salary expense	$ 2,838,679	$ 284,374	$ 3,123,053
Labor and health insurance expense	227,460	24,227	251,687
	3,066,139	308,601	3,374,740
Post-employment benefits			
Defined contribution plan	123,362	12,974	136,336
Defined benefit plan (Note 20)	2,833	402	3,235
	126,195	13,376	139,571
Other employee benefits	87,380	75,744	163,124
Total employee benefits expense	$ 3,279,714	$ 397,721	$ 3,677,435

As of December 31, 2016 and 2015, the Company had 3,949 and 4,085 employees, respectively.

a. Employee's compensation and remuneration of directors for 2016 and 2015

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 on 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 employees' compensation and remuneration of directors for the years ended December 31, 2016 and 2015 which have been approved by the Company's board of directors on February 24, 2017 and February 25, 2016, respectively, were as follows:

Accrual rate

	Years Ended December 31	
	2016	2015
Employees' compensation	1%	1%
Remuneration of directors	0.55%	0.65%

Amount

	Years Ended December 31	
	2016	2015
	Cash	Cash
Employees' compensation	$ 10,958	$ 7,383
Remuneration of directors	6,027	4,799

If there is a change in the amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The actual amounts of the employees' compensation and remuneration of directors paid for 2015 were different from the amounts recognized in the financial statements for the year ended December 31, 2015. The differences were adjusted to profit and loss for the year ended December 31, 2016.

	Year Ended December 31, 2015	
	Employees' Compensation	Remuneration of Directors
Amounts approved in the board of directors' meeting	$ 7,383	$ 4,799
Amounts recognized in the annual financial statements	(7,393)	(7,000)
	$ (10)	$ (2,201)

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

b. Bonuses to employees and remuneration of directors for 2014

The bonus to employees and remuneration of directors for 2014 which have been approved in the shareholders' meeting on May 15, 2015 were as follows:

	Year Ended December 31, 2014
	Cash
Bonuses to employees	$ 9,872
Remuneration of directors	6,417

The bonus to employees and the remuneration of directors for 2014 approved in the shareholders' meeting on May 15, 2015 and the amounts recognized in the financial statements were as follows:

	Year Ended December 31, 2014	
	Bonuses to Employees	Remuneration of Directors
Amounts approved in shareholders' meeting	$ 9,872	$ 6,417
Amounts recognized in annual financial statements	(9,701)	(7,000)
	$ 171	$ (583)

The differences were adjusted to profit and loss for the year ended December 31, 2015.

Information on the bonuses to employees and remuneration of directors resolved by the shareholders in their meeting in 2015 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

Income Tax Recognized in Profit or Loss

The major components of tax expense were as follows:

	Years Ended December 31	
	2016	2015
Current tax		
In respect of the current year	$ 160,306	$ 127,636
Income tax expense of unappropriated earnings	4,633	16,161
Land value increment tax	433	-
In respect of the prior years	711	8,186
Deferred tax		
In respect of the current year	(4,961)	8,498
Income tax expense recognized in profit or loss	$ 161,122	$ 160,481

A reconciliation of accounting profit and income tax expenses is as follows:

	Years Ended December 31	
	2016	2015
Profit before tax from continuing operations	$ 1,080,987	$ 724,346
Income tax expense calculated at the statutory rate (17%)	$ 183,768	$ 123,139
Nondeductible expenses in determining taxable income	848	57
Tax-exempt income	(4,602)	(10,513)
Additional income tax on unappropriated earnings	4,633	16,161
Land value increment tax	433	-
Adjustments for prior years' tax	711	8,186
Unrecognized deductible temporary differences	(30,945)	23,451
Income tax expense recognized in profit or loss	$ 161,122	$ 160,481

The applicable tax rate used above is the corporate tax rate of 17% for the Company in ROC.

As the status of 2017 appropriations of earnings is uncertain, the potential income tax consequences of 2016 unappropriated earnings are not reliably determinable.

Income Tax Recognized in Other Comprehensive Income

	Years Ended December 31	
	2016	2015
Deferred tax		
In respect of the current year		
Remeasurement on defined benefit plan	$ 8,150	$ 3,852

Current Tax Liabilities

	December 31	
	2016	**2015**
Current tax liabilities		
Income tax payable	$ 99,640	$ 24,047

Deferred Tax Assets and Liabilities

The Company has offset certain deferred tax assets and deferred tax liabilities which met the offset criteria.

The movements of deferred tax assets and deferred tax liabilities were as follows:

Year ended December 31, 2016

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Provisions	$ 5,797	$ 944	$ -	$ 6,741
Allowance for doubtful accounts	499	(456)	-	43
Others	3,465	1,402	-	4,867
	$ 9,761	$ 1,890	$ -	$ 11,651
Deferred tax liabilities				
Temporary differences				
Defined benefit obligation	$ 25,106	$ 1,456	$ (8,150)	$ 18,412
Others	5,519	(4,527)	-	992
	$ 30,625	$ (3,071)	$ (8,150)	$ 19,404

Year ended December 31, 2015

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Provisions	$ 7,549	$ (1,752)	$ -	$ 5,797
Allowance for doubtful accounts	3,294	(2,795)	-	499
Others	280	3,185	-	3,465
	$ 11,123	$ (1,362)	$ -	$ 9,761

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Defined benefit obligation	$ 27,341	$ 1,617	$ (3,852)	$ 25,106
Others	-	5,519	-	5,519
	$ 27,341	$ 7,136	$ (3,852)	$ 30,625

(Concluded)

Integrated Income Tax

	December 31 2016	December 31 2015
Unappropriated earnings		
Unappropriated earnings generated on and after January 1, 1998	$ 1,116,118	$ 734,737
Imputation credits accounts	$ 258,809	$ 280,066

The creditable ratios for distribution of earnings of 2016 and 2015 were 23.47% (estimated 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.

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.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	Years Ended December 31	
	2016	**2015**
Basic EPS	$ 1.46	$ 0.89
Diluted EPS	$ 1.46	$ 0.89

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 for the Year

	Years Ended December 31	
	2016	**2015**
Profit for the period	$ 919,865	$ 563,865

Weighted average number of ordinary shares outstanding (in thousand shares):

	Years Ended December 31	
	2016	**2015**
Weighted average number of ordinary shares in computation of basic earnings per share	631,840	631,840
Effect of dilutive potential ordinary shares:		
Employees' compensation	321	270
Weighted average number of ordinary shares used in the computation of diluted earnings per share	632,161	632,110

Since the Company is allowed to settle the compensation to employees by cash or shares, the Company presumed that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of outstanding shares used in the calculation of diluted earnings per share, as 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 is included in the calculation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

25. OPERATING LEASE ARRANGEMENTS

The Company 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 Company does not have a bargain purchase option to acquire the leased office at the expiry of the lease periods.

As of December 31, 2016 and 2015, refundable deposits paid under operating lease amounted to $75,956 thousand and $76,807 thousand, respectively.

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

	December 31	
	2016	2015
Within 1 year	$ 357,316	$ 369,612
1 to 5 years	551,839	640,754
After 5 years	3,156	20,884
	$ 912,311	$ 1,031,250

The Company as Lessor

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

As of December 31, 2016 and 2015, deposits received under operating leases amounted to $20,968 thousand and $21,309 thousand, respectively.

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

	December 31	
	2016	2015
Within 1 year	$ 55,011	$ 96,429
1 to 5 years	2,222	77,491
	$ 57,233	$ 173,920

26. CAPITAL RISK MANAGEMENT

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

Key management personnel of the Company 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 Company 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.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured 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.

December 31, 2016

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

December 31, 2015

Financial liabilities	Carrying Amount	Fair Value Hierarchy Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost - bonds payable	$ 3,000,000	$ -	$ 3,021,693	$ -	$ 3,021,693

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

b. Fair value of financial instruments that are measured at fair value

December 31, 2016

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed stocks - equity investments	$ 206,356	$ -	$ -	$ 206,356

December 31, 2015

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed stocks - equity investments	$ 195,775	$ -	$ -	$ 195,775

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

Categories of Financial Instruments

	December 31 2016	2015
Financial assets		
Loans and receivables (Note 1)	$ 2,673,316	$ 1,924,852
Available-for-sale financial assets (Note 2)	262,269	284,278
Financial liabilities		
Amortized cost (Note 3)	5,419,119	5,551,724

Note 1: The balance included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, trade receivables from related parties, other receivables, other receivables from related parties, 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, other payables, other payables to related parties, other financial liabilities, bonds payable, long-term borrowings, guarantee deposits received and other non-current liabilities.

Financial Risk Management Objectives and Policies

The Company's major financial instruments included equity, mutual funds, trade receivables, other payables, bonds payables and borrowings. The Company's Corporate Treasury function provides services to the business and manages the financial risks relating to the operations of the Company 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 Company 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 Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

1) Foreign currency exchange

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

For the carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 32.

<u>Foreign currency sensitivity analysis</u>

The following table details the Company's sensitivity to a 1% increase and decrease in the New Taiwan dollars ("NTD", the functional currency) against the relevant foreign currencies. A positive 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 negative if the other factors remain unchanged.

	Years Ended December 31			
	2016		2015	
	RMB	USD	RMB	USD
Equity	$ -	$ 57,757	$ -	$ 63,453
Profit or loss	4	14,112	2,109	7,589

2) Interest rate risk

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

	December 31	
	2016	2015
Fair value interest rate risk		
Financial assets	$ 1,409,003	$ 925,079
Financial liabilities	3,350,000	3,400,000
Cash flow interest rate risk		
Financial assets	5,000	45,360
Financial liabilities	300,000	200,000

Interest rate sensitivity analysis

The Company 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 Company's cash outflow will increase by $3,000 thousand.

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company 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 Company is mainly engaged in the operation of real-estate brokerage business and the customers of the Company are the people who buy and sell the houses. The revenue from agency service is also received through the housing performance guarantee, so the concentration credit risk of trade receivable is immaterial.

Financial credit risk

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

c. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining certain level of cash and cash equivalents deemed adequate to finance the Company'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 Company has sufficient working capital to pay all debts; thus, there is no liquidity risk.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2016 and 2015, the Company had available unutilized bank loan facilities as follows:

	December 31	
	2016	**2015**
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	$ 300,000	$ 200,000
Amount unused	2,900,000	3,750,000
	$ 3,200,000	$ 3,950,000
Secured bank overdraft facility:		
Amount used	$ 350,000	$ 400,000
Amount unused	5,585,000	5,250,000
	$ 5,935,000	$ 5,650,000

28. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and related parties were disclosed below:

a. Trade receivables from related parties, net

	December 31	
	2016	**2015**
Subsidiaries	$ 85,213	$ 96,671

Trade receivables from related parties represent amounts collected on behalf of the Company. The related parties will transfer the amount to the Company after closing the deals.

b. Other payables to related parties

	December 31	
	2016	**2015**
Other related parties		
The person in charge of other related parties is the president of the Company	$ 8,608	$ 8,028
Related parties in substance	1,792	24,080
Subsidiaries	7,313	5,606
Other - vice president of the Company	-	109
	$ 17,713	$ 37,823

c. Other transactions with related parties

1) Rental income

	Years Ended December 31	
	2016	2015
Other related parties		
The person in charge of other related parties is the president of the Company	$ 4,299	$ 4,867
Related parties in substance	7,678	8,401
Subsidiaries	15,861	14,292
Associates	34	34
	$ 27,872	$ 27,594

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

2) Other benefit

	Years Ended December 31	
	2016	2015
Other related parties		
The person in charge of other related parties is the president of the Company	$ 3,123	$ 3,273
Related parties in substance	7,590	6,515
Subsidiaries	28,061	53,342
	$ 38,774	$ 63,130

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

3) Professional fee

	Years Ended December 31	
	2016	2015
Other related parties		
The person in charge of other related parties is the president of the Company	$ 90,234	$ 105,258
Related parties in substance	22,346	26,740
Subsidiaries	17,724	25,152
	$ 130,304	$ 157,150

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

4) Rental expense

	Years Ended December 31	
	2016	**2015**
Related parties in substance	$ 10,219	$ 9,206

The rental rates are based on the prevailing rates in the surrounding area. The Company pays rentals to related parties on a monthly basis.

5) Other receivables from related parties

	December 31	
	2016	**2015**
Other related parties		
The person in charge of other related parties is the president of the Company	$ 1,305	$ 1,422
Related parties in substance	8,222	6,741
Subsidiaries	12,264	13,387
	$ 21,791	$ 21,550

Other receivables from related parties are mainly management consulting services receivable and rental receivable.

6) Endorsement and guarantee

As of December 31, 2016, the Company endorsed and guaranteed Shanghai Sinyi Real Estate Inc. and Sinyi Estate Ltd.’s bank loan for $4,765,850 thousand. As of December 31, 2015, the Company endorsed and guaranteed Shanghai Sinyi Real Estate Inc.’s bank loan for $349,650 thousand.

As of December 31, 2016 and 2015, the Company provided $0 thousand and $40,360 thousand of guarantee deposits, respectively, which were recorded as other current financial assets.

d. Compensation of key management personnel

	2016	**2015**
Short-term employee benefits	$ 58,388	$ 63,806
Other long-term employee benefits	8,486	1,146
	$ 66,874	$ 64,952

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 from the following year after obtaining the qualification and the bonus is calculated on the basis of the Company’s operating performance or individual performance.

29. MORTGAGED OR PLEDGED ASSETS

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

	December 31	
	2016	2015
Property, plant and equipment (including investment properties)		
Land	$ 4,450,966	$ 4,022,638
Building	513,629	459,448
Other financial assets - current		
Pledged time deposits	5,000	45,360
	$ 4,969,595	$ 4,527,446

30. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

a. The Company is involved in claims that arise in the ordinary course of business; the other party may claim against the Company through legal proceedings. Management of the Company believe, based on legal advice, that the Company has strong and likely successful defense and the ultimate outcome of these unresolved matters will not have a material adverse impact on the Company's financial results.

b. Guarantee notes submitted as guarantees for real-estate brokerage business amounted to $5,000 thousand.

c. The Company has endorsed Shanghai Sinyi Real Estate and Sinyi Estate in obtaining financing limit of $4,765,850 thousand. Refer to Note 33, Table 2 for the details.

31. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

a. For the Company's future real estate business development, the Company's board of directors approved cash injection of $1,500,000 thousand into a subsidiary, Taiwan Sinyi Development, on February 16, 2017 for the purposes of acquiring and developing a parcel of land located in Yong Chui segment, Banqiao District, New Taipei City. Taiwan Sinyi Development acquired parts of the land for $1,066,086 thousand on February 24, 2017.

b. The Company's board of directors approved an organizational restructuring plan on February 24, 2017 for a subsidiary Shanghai Sinyi Real Estate to buy 98% ownership of Suzhou Sinyi from another subsidiary Max Success.

32. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities, denominated in foreign currencies were as follows:

	December 31, 2016		
	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial assets			
Monetary items			
USD	$ 43,757	32.25	$ 1,411,151
RMB	79	4.617	362
Non-monetary items			
USD	179,092	32.25	5,775,713

	December 31, 2015		
	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial assets			
Monetary items			
USD	$ 23,121	32.825	$ 758,935
RMB	42,223	4.995	210,903
Non-monetary items			
USD	193,307	32.825	6,345,301

The Company is mainly exposed to foreign currency risk from USD, RMB and JPY. The following information was aggregated by the functional currencies of the Company 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:

	Years Ended December 31			
	2016		2015	
Functional Currencies	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Gain
NTD	1 (NTD:NTD)	$ (11,740)	1 (NTD:NTD)	$ 23,854

33. 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: None

f. Disposal of individual real estate at prices of at least NT$100 million or 20% of the paid-in capital: Table 5 (see the attached)

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. Trading in derivative instruments: None

j. Information on investees: Table 6 (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 7 (see the attached)

b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, 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

34. SEGMENT INFORMATION

The Company had disclosures of segment information in accordance with Regulations in the consolidated financial statements as of and for the years ended December 31, 2016 and 2015. The disclosure of segment information is not required for the parent company only financial statements.

SINYI REALTY INC.

FINANCING PROVIDED
YEAR ENDED DECEMBER 31, 2016
(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		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	$ 5,084 (RMB 1,000 thousand)	$ 4,617 (RMB 1,000 thousand)	$ -	3.686%	Short-term financing	$ -	Needs for operation	$ -	-	$ -	$ 927,858 (Note 1)	$ 1,855,715 (Note 1)
		Kunshan Dingxian Trading Co., Ltd.	〃	Yes	397,760 (RMB 80,000 thousand)	369,360 (RMB 80,000 thousand)	4,617 (RMB 1,000 thousand)	3.8%	〃	-	〃	-	-	-	927,858 (Note 1)	1,855,715 (Note 1)
1	Sinyi Real Estate (Shanghai) Limited	Shanghai Sinyi Real Estate Inc.	〃	Yes	203,360 (RMB 40,000 thousand)	184,680 (RMB 40,000 thousand)	184,680 (RMB 40,000 thousand)	4.75%	〃	-	〃	-	-	-	697,909 (Note 2)	1,395,818 (Note 2)
		Sinyi Realty Inc.	〃	Yes	145,436 (RMB 31,500 thousand)	145,436 (RMB 31,500 thousand)	-	-	〃	-	Repayment of borrowings	-	-	-	697,909 (Note 2)	1,395,818 (Note 2)

Note 1: Total financing provided by Sinyi Realty Inc. for short-term financing requirements for each borrowing company which was owned over 50% directly or indirectly by the same parent company should not exceed 10% of Sinyi Realty Inc.'s net worth. Total financing provided should not exceed 20% of Sinyi Realty Inc.'s net worth.

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

TABLE 2

SINYI REALTY INC.

ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
YEAR ENDED DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	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 the Company	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	$ 7,422,862 (Note 1)	$ 355,880 (RMB 70,000 thousand)	$ 230,850 (RMB 50,000 thousand)	$ -	$ -	2.49	$ 9,278,577	Y	N	Y	
		Sinyi Estate Ltd.	〃	7,422,862 (Note 1)	4,535,000	4,535,000	-	-	48.88	9,278,577	〃	〃	〃	

Note 1: For those subsidiaries the Company has over 50% 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.

TABLE 3

SINYI REALTY INC.

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT CONTROLLED ENTITIES)
DECEMBER 31, 2016
(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	December 31, 2016				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	Listed stock							
	E.SUN Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	11,245,582	$ 206,356	-	$ 206,356	
	Stock							
	Rakuya International Info. Co., Ltd.	-	Financial assets measured at cost - non-current	994,190	1,086	18	1,086	
	Han Yu Venture Capital Co., Ltd.	-	〃	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	Stock							
	Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	593,680	-	593,680	
	Monetary market fund							
	SBGH U.S. Dollar Reserve Fund CL A Dist Units	-	〃	43,297	1,396	-	1,396	
Shanghai Sinyi Real Estate Inc.	Stock							
	Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	30,000,000	146,802	2	146,802	
	Cura Commercial Management Co., Ltd.	-	〃	-	4,620	9	4,620	
Sinyi Development Inc.	Stock							
	CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	8,325	-	8,325	
	Monetary market fund							
	Taishin 1699 Money Market Fund	-	〃	18,864,150	252,757	-	252,757	
Sinyi Global Asset Management Co., Ltd.	Monetary market fund							
	Taishin 1699 Money Market Fund	-	〃	2,468,838	33,079	-	33,079	
An-Sin Real Estate Management Ltd.	Monetary market fund							
	Taishin 1699 Money Market Fund	-	〃	3,952,257	52,956	-	52,956	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2016				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
An-Shin Real Estate Management Ltd.	Monetary market fund							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	9,887,882	$ 132,486	-	$ 132,486	
Ke Wei Shanghai Real Estate Management Consulting Inc.	Financial product							
	Bubu Shengking No. 8688	-	Other financial assets - current	6,350,000	29,318	-	29,318	
Suzhou Sinyi Real Estate Inc.	Bubu Shengking No. 8688	-	〃	6,000,000	27,702	-	27,702	
	Yunton Tsaifu-Daily Incremental Interest-S Type	-	〃	5,000,000	23,085	-	23,085	
Sinyi Real Estate (Shanghai) Limited	Li Duo Duo Cash Management No. 1 (product ID: 2101123504)	-	〃	45,000,000	207,765	-	207,765	
	Yehdeyin No. 16071101	-	〃	80,000,000	369,360	-	369,360	
	Structured Financial Product (Product ID: 2016072810017)	-	〃	75,000,000	346,275	-	346,275	
	Xin Yi Hengtong (No. M16049)	-	〃	40,000,000	184,680	-	184,680	
	Suiyue Liuking No. 55962	-	〃	100,000,000	461,700	-	461,700	
	Li Duo Duo Structured Deposits of Enterprises (No. JG901)	-	〃	60,000,000	277,020	-	277,020	
	Li Duo Duo Structured Deposits of Enterprises (No. JG902)	-	〃	30,000,000	138,510	-	138,510	
	Structured Financial Product (Product ID: 2016122810030)	-	〃	60,000,000	277,020	-	277,020	
Shanghai Sinyi Real Estate Inc.	Bubu Shengking No. 8688	-	〃	3,000,000	13,851	-	13,851	
	Qianyuan Woen-Ying - 2016 No. 251 principal guaranteed financial product denominated in RMB	-	〃	7,000,000	32,319	-	32,319	
	Qianyuan Riri-Ying - Open-end portfolio type financial product denominated in RMB	-	〃	100,000,000	461,700	-	461,700	
Shanghai Shang Tuo Investment Management Consulting Inc.	Bubu Shengking No. 8688	-	〃	50,000	231	-	231	

(Concluded)

SINYI REALTY INC.

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2016
(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.	Stock													
	Sinyi International Limited	Investments accounted for using equity method and prepayments for long-term investments	-	Subsidiary	148,395,838	$ 4,429,876	31,359,000	$ 1,008,320	43,640,000	$ 1,410,298	$ 1,410,298 (Note 2)	$ -	136,114,838	$ 4,027,898 (Note 1)
Sinyi International Limited	Sinyi Estate Ltd.	〃	〃	〃	12,297,800	402,507	31,359,000	1,008,320	43,639,900	1,410,292	1,410,292 (Note 2)	-	16,900	535 (Note 1)
Sinyi Development Inc.	Monetary market funds													
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss	-	-	15,004,692	200,000	9,198,014	123,000	5,338,556	71,501	71,242	259	18,864,150	252,757 (Note 3)
Sinyi Real Estate (Shanghai) Limited	Financial product													
	Yehdeyin No. 16071101	Other financial assets - current	〃	〃	-	-	80,000,000	369,360	-	-	-	-	80,000,000	369,360
	Structured Financial Product (Product ID: 2016072810017)	〃	〃	〃	-	-	75,000,000	346,275	-	-	-	-	75,000,000	346,275
	Suiyue Liuking No. 55962	〃	〃	〃	-	-	100,000,000	461,700	-	-	-	-	100,000,000	461,700
Shanghai Sinyi Real Estate Inc.	Qianyuan Riri-Ying - Open-end portfolio type financial product denominated in RMB	〃	〃	〃	-	-	100,000,000	461,700	-	-	-	-	100,000,000	461,700

Note 1: The ending balance presents historical cost.

Note 2: The cost of disposal is returned by the subsidiary for the unsuccessful tender of land.

Note 3: The ending balance includes cost of $251,758 thousand and valuation gain on financial assets of $999 thousand.

SINYI REALTY INC.

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Seller	Property	Event Date (Note 1)	Original Acquisition Date	Carrying Amount	Transaction Amount (Note 2)	Collection	Gain (Loss) on Disposal (Note 2)	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Shanghai Sinyi Real Estate Inc.	7A/7B/7C Building 7F, Xinbaoli Building, No. 1, Chaoyangmen North Street, Dongcheng District, Beijing	October 27, 2016	January 31, 2010	$ 494,313	$ 846,380 (RMB 174,551 thousand)	The contract stipulates that the buyer pays in installments, and the remaining RMB53,000 thousand had not been collected as of December 31, 2016.	$ 352,067	Natural person	Non-related party	Effective use of assets, as the working capital for the real estate brokerage segment in mainland China	The real estate appraisers' report	-

Note 1: Board of directors approved the sale of real estate located in Beijing city on October 27, 2016.

Note 2: Excluded-tax transaction price.

SINYI REALTY INC.

INFORMATION ON INVESTEES
YEAR ENDED DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2016			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	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	$ 4,027,898	$ 4,429,876	136,114,838	100	$ 3,784,983	$ (51,582)	$ (51,582)	Note 1
	Sinyi Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	2,448,306	2,448,306	76,001,135	100	1,990,730	235,185	235,185	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	535,005	535,005	53,500,000	100	471,982	(23,694)	(23,964)	
	Sinyi Global Asset Management Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	50,000	10,000	5,000,000	100	69,287	6,696	6,696	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	16,978	116	116	
	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	5,026	122	122	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	1,860	75	75	
	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	113,936	9,536	4,864	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	10,723	1,094	208	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	30,000	30,000	3,000,000	100	(13,034)	(25,307)	(25,307)	
	Sin Chiun Holding SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P. Kuala Lumpur.	Investment holding	-	-	2	100	-	-	-	
Sinyi Limited	Inane International Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,790,590	1,790,590	56,629,268	100	1,256,983	235,153	235,153	Note 1
	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	2,700,000	99	35,294	5,351	5,301	
Sinyi International Limited	Forever Success International Limited	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius	Investment holding	68,741	68,741	2,216,239	100	37,440	(1,745)	(1,745)	
	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	237,116	22,921	22,921	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,899,767	3,899,767	131,966,210	100	3,508,612	(73,614)	(73,614)	Note 1
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	535	402,507	16,900	100	1,382	842	842	Note 1
Inane International Limited	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	340,074	(39,771)	(39,771)	
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	102,476	(709)	(709)	
Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd. (original name: Richesse Management Co., Ltd.)	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	10,746	10,746	600	100	19,855	1,925	1,925	
	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	10,089	5,233	5,233	
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	3,490,104	(62,172)	(62,172)	
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	578	26	17,497	100	505	(56)	(56)	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	319	(58)	(58)	
	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	317	(58)	(58)	

Note 1: As of December 31, 2016, the process of the share capital increase was not complete; therefore, it was recorded under “prepayment for long-term investment”.

SINYI REALTY INC.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2016
(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, 2016	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2016	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2016 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2016
					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	$ 5,351	100	$ 5,351	$ 35,652	$ -
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	296,225	100	296,225	910,831	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage	RMB 34,747	〃	149,955	-	-	149,955	(11,575)	100	(11,575)	(19,484)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 4)	Management consulting	RMB 4,138	〃	17,095	-	-	17,095	444	100	444	(2,526)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	〃	355,249	-	-	355,249	(49,005)	100	(49,005)	347,170	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	〃	-	-	-	-	-	2	-	146,802	-
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	-	4,620	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 20,200	〃	44,543	-	-	44,543	13,084	100	13,084	1,053	-
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	(1,958)	100	(1,958)	(704)	-
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	(10,164)	100	(10,164)	11,993	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 8,000	〃	37,295	-	-	37,295	(6)	100	(6)	(262)	-
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	(62,172)	100	(62,172)	3,489,544	-
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	212	100	212	37,481	-
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	(10,550)	100	(10,550)	17,823	-

(Continued)

Accumulated Outflow for Investment in Mainland China as of December 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$32.25 and US$1=RMB6.985 on December 31, 2016

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.

(Concluded)