Sinyi Realty Inc.

Financial Statements for the
Years Ended December 31, 2017 and 2016 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, 2017 and 2016, 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, 2017 and 2016, 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, 2017. 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, 2017 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, 2017, the carrying amounts of performance bonus payables (including non-current liabilities) were NT$958,770 thousand, accounting for nearly 9% 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.

Evaluation and Profit and Loss Recognition of Investments Accounted for Using the Equity Method

As stated in Note 11 to the accompanying financial statements, on December 31, 2017, the carrying amount of the investment in Sinyi International Limited accounted for using the equity method is NT$9,667,366 thousand, or 45% of the Company's assets. From January 1, 2017 to December 31, 2017, the amount of profit and loss accounted for using the equity method is NT$2,073,215 thousand, or 74% of the Company's net income. The financial condition and performance of Sinyi International Limited will have material impact on the Company's financial statements. Thus, we include Sinyi International Limited's recognition of real estate revenue and valuation of inventories in key audit matters shown respectively as follows:

Revenue earned from sales of real estate

For the 2017 accounting policies of real estate sales revenue of Sinyi International Limited and its subsidiaries, refer to Note 4 to the consolidated financial statements for the accounting policies of the Company. When real estate has reached the expected state of use, its acceptance has been qualified by relevant departments and the filing procedures are completed, Sinyi International Limited and its subsidiaries issue a notice for the transfer of real estate according to the provisions of the contract and recognizes sales revenue on the transfer date. Since revenue from sales of real estate must be recognized after the real estate in question meets the above conditions, the recognition of revenue earned from the sale of real estate is regarded as a key audit matter.

We conducted tests of controls in order to understand the timing of the recognition of the sales of real estate and the design and implementation of the relevant control systems of Sinyi International Limited and its subsidiaries. We selected samples of sales transactions for the current year to review the sales contracts signed by both parties in order to confirm the terms and conditions of the contracts and verify whether the collection records of the sales match the sales contract prices. Also, we checked the relevant transfer notices or transfer records to confirm that the revenue from sales of real estate listed in the account was recognized after the completion of the transfer procedures in order to ensure that the income was properly recorded in the correct accounting period.

Valuation of inventory

In order to evaluate the net realizable value of inventory, the Company will take into consideration reasonable estimations of future cash flows, changes in the overall economic environment, and effects of changes in related business regulations. The evaluation of inventory's net realizable value is subject to management's judgment and has a significant level of uncertainty, which will impact the Company's financial statements. Consequently, the valuation of inventory has been identified as a key audit matter.

We focused on the valuation of inventory at the balance sheets date, understood and assessed the reasonableness of management's assumptions made regarding the valuation as well as the methodology used in estimating the net realizable value of inventory. To test the accuracy of the valuation of inventory by management, we sampled the estimated selling price made by management while taking into consideration the market value less the estimated costs of completion and the estimated costs necessary to make the respective sales. We inspected the latest selling prices and performed our own calculations to verify the reasonableness of the Company's valuation of inventory.

Refer to Notes 4, 5 and 11 to the consolidated financial statements for details about the valuation of inventory of Sinyi International Limited and its subsidiaries.

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, 2017 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 26, 2018

<u>*Notice to Readers*</u>

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.

BALANCE SHEETS
DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017		2016	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,554,557	7	$ 1,998,262	13
Available-for-sale financial assets - current (Notes 4 and 7)	228,299	1	206,356	1
Notes receivable (Notes 4 and 9)	4,333	-	7,210	-
Trade receivables (Notes 4, 5 and 9)	523,886	3	421,752	3
Trade receivables from related parties (Notes 4, 5 and 28)	127,691	1	85,213	1
Other receivables (Notes 4, 5 and 9)	8,926	-	42,058	-
Other receivable from related parties (Notes 4, 5 and 28)	16,576	-	21,791	-
Other financial assets - current (Notes 10 and 29)	5,000	-	5,000	-
Other current assets (Note 15)	62,976	-	65,440	1
Total current assets	2,532,244	12	2,853,082	19
NON-CURRENT ASSETS				
Financial assets measured at cost - non-current (Notes 4 and 8)	54,827	-	55,913	-
Investments accounted for using equity method (Notes 4 and 11)	13,351,473	62	6,465,505	43
Property, plant and equipment (Notes 4, 12 and 29)	2,647,588	12	2,696,461	18
Investment properties (Notes 4, 13 and 29)	2,726,105	13	2,731,236	18
Intangible assets (Notes 4 and 14)	50,503	-	76,405	1
Deferred tax assets (Notes 4 and 23)	15,393	-	11,651	-
Refundable deposits (Note 25)	86,714	1	92,030	1
Other non-current assets (Note 15)	3,584	-	6,747	-
Total non-current assets	18,936,187	88	12,135,948	81
TOTAL	$ 21,468,431	100	$ 14,989,030	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 800,000	4	$ 150,000	1
Notes payable	66	-	105	-
Other payables (Notes 5 and 18)	1,346,447	6	1,290,835	9
Other payables to related parties (Notes 18 and 28)	41,317	-	17,713	-
Current tax liabilities (Notes 4 and 23)	115,400	1	99,640	1
Provisions - current (Notes 4, 5 and 19)	34,696	-	34,802	-
Other current financial liabilities (Note 18)	43,037	-	63,851	-
Current portion of bonds payable (Note 17)	1,500,000	7	-	-
Other current liabilities (Note 18)	90,644	-	79,808	1
Total current liabilities	3,971,607	18	1,736,754	12
NON-CURRENT LIABILITIES				
Bonds payable (Note 17)	1,500,000	7	3,000,000	20
Long-term borrowings (Notes 16 and 29)	4,250,000	20	500,000	3
Provisions - non-current (Notes 4, 5 and 19)	1,694	-	4,857	-
Net defined benefit liabilities - non-current (Notes 4, 5 and 20)	69,406	-	39,789	-
Guarantee deposit received (Note 25)	38,260	-	45,409	-
Investments accounted for using equity method (Notes 4 and 11)	-	-	13,034	-
Other non-current liabilities (Notes 5 and 18)	325,431	2	351,206	3
Deferred tax liabilities (Notes 4 and 23)	13,377	-	19,404	-
Total non-current liabilities	6,198,168	29	3,973,699	26
Total liabilities	10,169,775	47	5,710,453	38
EQUITY (Note 21)				
Share capital				
Ordinary shares	6,515,000	31	6,318,398	42
Capital surplus	63,896	-	63,896	-
Retained earnings				
Legal reserve	1,793,382	8	1,701,396	11
Unappropriated earnings	2,967,208	14	1,116,118	8
Total retained earnings	4,760,590	22	2,817,514	19
Other equity (Note 4)				
Exchange differences on translating foreign operations	(396,805)	(2)	(225,707)	(1)
Unrealized gain from available-for-sale financial assets	355,975	2	304,476	2
Total other equity	(40,830)	-	78,769	1
Total equity	11,298,656	53	9,278,577	62
TOTAL	$ 21,468,431	100	$ 14,989,030	100

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

SINYI REALTY INC.

STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Service revenue (Note 4)	$ 6,886,597	100	$ 6,123,679	100
OPERATING COSTS (Notes 22 and 28)	4,957,229	72	4,571,076	74
GROSS PROFIT	1,929,368	28	1,552,603	26
OPERATING EXPENSES (Notes 22 and 28)	846,648	12	714,839	12
PROFIT FROM OPERATIONS	1,082,720	16	837,764	14
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 28)	98,818	2	94,210	2
Dividend income	7,925	-	6,472	-
Interest income (Notes 22 and 28)	9,709	-	16,553	-
Other gains and losses (Notes 22 and 28)	3,017	-	34,599	1
Finance cost (Notes 22 and 28)	(71,489)	(1)	(55,294)	(1)
Share of profit or loss of subsidiaries, associates and joint ventures (Note 4)	1,865,432	27	146,683	2
Total non-operating income and expenses	1,913,412	28	243,223	4
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,996,132	44	1,080,987	18
INCOME TAX EXPENSE (Notes 4 and 23)	(193,305)	(3)	(161,122)	(3)
NET PROFIT FOR THE YEAR	2,802,827	41	919,865	15
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	(37,896)	-	(47,942)	-
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	145	-	(17)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 23)	6,442	-	8,150	-

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SINYI REALTY INC.

STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statement of foreign operations	$ (171,098)	(2)	$ (415,523)	(7)
Unrealized gain on available-for-sale financial assets	18,782	-	10,581	-
Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	32,717	-	49,017	1
Other comprehensive loss for the year, net of income tax	(150,908)	(2)	(395,734)	(6)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,651,919	39	$ 524,131	9
EARNINGS PER SHARE (Note 24)				
From continuing operations				
Basic	$4.30		$1.41	
Diluted	$4.29		$1.41	

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

SINYI REALTY INC.

STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2017 AND 2016
(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 on Available-for-sale Financial Assets	Total Equity
BALANCE AT JANUARY 1, 2016	$ 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
Appropriation of 2016 earnings							
Legal reserve	-	-	91,986	(91,986)	-	-	-
Cash dividends	-	-	-	(631,840)	-	-	(631,840)
Stock dividends	196,602	-	-	(196,602)	-	-	-
Net profit for the year ended December 31, 2017	-	-	-	2,802,827	-	-	2,802,827
Other comprehensive (loss) income for the year ended December 31, 2017, net of income tax	-	-	-	(31,309)	(171,098)	51,499	(150,908)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	2,771,518	(171,098)	51,499	2,651,919
BALANCE AT DECEMBER 31, 2017	$ 6,515,000	$ 63,896	$ 1,793,382	$ 2,967,208	$ (396,805)	$ 355,975	$ 11,298,656

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

SINYI REALTY INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,996,132	$ 1,080,987
Adjustments for:		
Depreciation expenses	95,301	106,171
Amortization expenses	38,516	42,433
Interest expenses	71,489	55,294
Interest income	(9,709)	(16,553)
Dividend income	(7,925)	(6,472)
Share of profit of subsidiaries, associates and joint ventures	(1,865,432)	(146,683)
Loss on disposal of property, plant and equipment	1,528	662
Loss on disposal of investment properties	1,440	1,137
(Gain) loss on disposal of investments	(5,460)	361
Impairment loss (reversal of impairment loss) recognized on non-financial assets	10,800	(2,577)
Changes in operating assets and liabilities		
Financial assets held for trading	-	34
Notes receivable	2,877	62,006
Trade receivables	(102,134)	(133,876)
Trade receivables from related parties	(42,478)	11,458
Other receivables	21,788	35,124
Other receivables from related parties	5,215	(241)
Other current assets	2,464	(38,836)
Other operating assets	(8,279)	(8,566)
Notes payable	(39)	(1,419)
Other payables	54,583	115,195
Other payables to related parties	23,604	(20,110)
Provisions	(3,269)	5,510
Other financial liabilities	(20,814)	15,261
Other current liabilities	10,836	7,037
Other operating liabilities	(25,775)	(293,075)
Cash generated from operations	1,245,259	870,262
Interest received	21,053	7,069
Interest paid	(70,460)	(55,331)
Income taxes paid	(180,872)	(90,490)
Net cash generated from operating activities	1,014,980	731,510
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets measured at cost	-	15,000
Acquisition of investment accounted for using equity method	(5,614,856)	(1,027,500)
Capital refund of equity method investees	440,927	1,393,921
Purchase of financial assets measured at cost	-	(498)
Purchase of available-for-sale financial assets	(10,103)	-
Proceeds from disposal of available-for-sale financial assets	12,402	-
Capital refund of financial assets measured at cost	-	693

(Continued)

SINYI REALTY INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017	2016
Payments for property, plant and equipment	$ (38,069)	$ (34,561)
Proceeds from disposal of property, plant and equipment	99	1,205
Increase in refundable deposits	-	(4,038)
Decrease in refundable deposits	5,316	-
Payment for intangible assets	(22,235)	(40,215)
Proceeds from disposal of intangible assets	-	178
Payment for investment properties	(26,531)	(20,200)
Proceeds from disposal of investment properties	19,057	39,751
Decrease in other financial assets	-	270,135
Decrease (increase) in other non-current assets	3,163	(213)
Dividends received	11,134	28,088
Net cash generated from (used in) investing activities	(5,219,696)	621,746
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	650,000	-
Repayments of short-term borrowings	-	(50,000)
Proceeds from long-term borrowings	12,193,987	3,300,000
Repayments of long-term borrowings	(8,443,987)	(3,200,000)
Increase in guarantee deposits received	-	1,580
Refund of guarantee deposits received	(7,149)	-
Dividends paid to owners of the Company	(631,840)	(442,288)
Net cash generated from (used in) financing activities	3,761,011	(390,708)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(443,705)	962,548
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,998,262	1,035,714
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,554,557	$ 1,998,262

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

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 26, 2018.

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

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

The application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed and issued by the FSC would not have any material impact on the 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. 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 disclosures of related party transactions will be enhanced when the above amendments are retrospectively applied in 2017. Please refer to Note 28.

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

b. Application of the Regulations Governing the Preparation of Financial Reports by Securities Issuers for 2018 and IFRSs to be endorsed and issued by the FSC for 2018

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendments 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
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
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 amendments to IAS 28 are retrospectively applied for annual periods beginning on or after January 1, 2018.

1) IFRS 9 "Financial Instruments" and related amendments

Classification, measurement and impairment of financial assets

With regard 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 held within a business model whose objective is to collect contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with any impairment loss recognized in profit or loss. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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 that which is stated 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.

IFRS 9 requires impairment loss on financial assets to be recognized by using the "Expected Credit Losses Model". A loss allowance is required for financial assets measured at amortized cost, investments in debt instruments 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 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.

The Company has performed a preliminary assessment in which it will apply the simplified approach to recognize full-lifetime expected credit losses for trade receivables, contract assets and lease receivables. In relation to debt instrument investments and financial guarantee contracts, the Company will assess whether there has been a significant increase in credit risk to determine whether to recognize 12-month or full-lifetime expected credit losses.

The Company elects not to restate prior reporting periods when applying the requirements for the classification, measurement and impairment of financial assets under IFRS 9 with the cumulative effect of the initial application recognized at the date of initial application and will provide the disclosures related to the classification and the adjustment information upon initial application of IFRS 9.

The anticipated impact on assets, liabilities and equity of retrospective application of the requirements for the classification, measurement and impairment of financial assets as of January 1, 2018 is set out below:

	Carrying Amount as of December 31, 2017	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2018
Impact on assets, liabilities and equity			
Financial assets at fair value through other comprehensive income	$ -	$ 267,627	$ 267,627
Available-for-sale financial assets - current	228,299	(228,299)	-
Financial assets measured at cost	54,827	(54,827)	-
Investment accounted for using equity method	13,351,473	79,484	13,430,957
Total effect on assets	$ 13,634,599	$ 63,985	$ 13,698,584
Unappropriated earnings	$ 2,967,208	$ 13,949	$ 2,981,157
Unrealized gain on available-for-sale financial assets	355,975	(355,975)	-
Gain on financial assets at fair value through other comprehensive income	-	406,011	406,011
Total effect on equity	$ 3,323,183	$ 63,985	$ 3,387,168

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.

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.

Except for the material accounting policy changes above, the Company evaluate that the validation of IFRS15 does not have significant impact on financial condition and financial performance.

3) 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 will reclassify property as necessary according to the amendments to reflect the conditions that exist at January 1, 2018. In addition, the Company will disclose the reclassified amounts in 2018 and the reclassified amounts of January 1, 2018 should be included in the reconciliation of the carrying amount of investment property.

Except for the material accounting policy changes above, the Company evaluate that the validation of IAS 40 does not have significant impact on financial condition and financial performance.

4) 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 will apply IFRIC 22 prospectively to all assets, expenses and income recognized on or after January 1, 2018 within the scope of the interpretation, and the Company evaluates that the application of IFRIC 22 does not have a significant impact on its financial condition and financial performance.

Except for the above impact, as of the date that these 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.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019 (Note 2)
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 16 "Leases"	January 1, 2019 (Note 3)
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty Over Income Tax Treatments"	January 1, 2019

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 FSC permits the election for early adoption of the amendments starting from 2018.

Note 3: On December 19, 2017, the FSC announced that IFRS 16 will take effect starting from January 1, 2019.

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when an entity sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when an entity loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when an entity sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors' interest in the associate or joint venture, i.e. the entity's share of the gain or loss is eliminated.

2) 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.

3) IFRIC 23 "Uncertainty Over Income Tax Treatments"

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Company should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Company concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Company should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Company should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the entity expects to better predict the resolution of the uncertainty. The Company has to reassess its judgments and estimates if facts and circumstances change.

On initial application, the Company shall apply IFRIC 23 either retrospectively to each prior reporting period presented, if this is possible without the use of hindsight, or retrospectively with the cumulative effect of the initial application of IFRIC 23 recognized at the date of initial application.

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 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	
	2017	**2016**
Cash on hand	$ 21,596	$ 15,764
Checking accounts and demand deposits	1,532,961	573,495
Cash equivalents		
Time deposits with original maturities less than three months	-	1,409,003
	$ 1,554,557	$ 1,998,262

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

	December 31	
	2017	**2016**
Interest rates range	0%-0.32%	0%-1.5%

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	December 31	
	2017	**2016**
Domestic investments		
Quoted shares	$ 228,299	$ 206,356

8. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31	
	2017	**2016**
Domestic unlisted ordinary shares	$ 49,953	$ 51,039
Foreign unlisted ordinary shares	4,874	4,874
	$ 54,827	$ 55,913

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.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2017	**2016**
Notes receivable and trade receivables		
Notes receivable - operating	$ 4,333	$ 7,210
Trade receivables	523,886	421,752
Less: Allowance for doubtful accounts	-	-
	523,886	421,752
	$ 528,219	$ 428,962
Other receivables		
Receivables from disposal of investment	$ -	$ 17,000
Interest receivables	2	11,346
Others	13,089	16,560
Less: Allowance for doubtful accounts	(4,165)	(2,848)
	$ 8,926	$ 42,058

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	
	2017	**2016**
0-60 days	$ 424,587	$ 344,234
61-90 days	39,724	32,928
91-180 days	39,626	28,122
181-360 days	14,166	8,985
Over 360 days	5,783	7,483
	$ 523,886	$ 421,752

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	
	2017	2016
61-90 days	$ 6,009	$ 11,261
91-180 days	6,219	11,713
181-360 days	1,667	1,880
Over 360 days	2,926	2,055
	$ 16,821	$ 26,909

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:

	2017		2016	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Balance at January 1	$ -	$ 2,848	$ 4,835	$ 2,848
Add (less): Impairment losses recognized (reversed) on receivables	-	1,317	(4,835)	253
Less: Amounts written off	-	-	-	(253)
Balance at December 31	$ -	$ 4,165	$ -	$ 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	
	2017	2016
Restricted assets - current	$ 5,000	$ 5,000

Restricted assets - current consisted of time deposits provided as operating guarantee for real-estate brokerage. Refer to Note 29.

11. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2017	2016
Investments in subsidiaries	$ 13,322,353	$ 6,454,782
Investments in associates	29,120	10,723
	$ 13,351,473	$ 6,465,505

a. Investments in subsidiaries

	December 31	
	2017	2016
Sinyi Limited	$ 1,418,430	$ 1,990,730
Sinyi International Limited	9,667,366	3,784,983
Sinyi Development Inc.	1,978,968	471,982
Sinyi Global Asset Management Co., Ltd.	78,183	69,287
Heng-Yi Real Estate Consulting Inc.	17,064	16,978
Jui-Inn Consultants Co., Ltd.	4,017	5,026
Sinyi Culture Publishing Inc.	1,923	1,860
An-Sin Real Estate Management Ltd.	136,482	113,936
Yowoo Technology Inc.	4,654	(13,034)
Sin Chiun Holding SDN. BHD.	15,266	-
	13,322,353	6,441,748
Investments accounted for using equity method recognized as other non-current liabilities	-	13,034
	$ 13,322,353	$ 6,454,782

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

	December 31	
Company Name	2017	2016
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 32 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, 2017 and 2016 were based on the subsidiaries' financial statements audited by auditors for the same years.

b. Investments in associates

	December 31	
	2017	2016
Associates that are not individually material		
Sinyi Interior Design Co., Ltd.	$ 12,826	$ 10,723
Rakuya International Info. Co., Ltd.	16,294	-
	$ 29,120	$ 10,723

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

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

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

	Years Ended December 31	
	2017	2016
The Company's share of		
Profit (loss) from continuing operations	$ (2,488)	$ 208
Other comprehensive income	1,996	1,084
Total comprehensive (loss) income for the year	$ (492)	$ 1,292

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, 2017 and 2016 were based on unaudited financial statements. The Company's management believes the unaudited financial statements of investees 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, 2017								
	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost									
Balance at January 1, 2017	$ 2,249,789	$ 353,606	$ 1,958	$ 298,939	$ 4,671	$ 423,438	$ 80,512	$ -	$ 3,412,913
Additions	-	-	-	16,255	-	17,925	3,889	-	38,069
Disposals	-	-	-	(14,545)	-	(9,781)	-	-	(24,326)
Balance at December 31, 2017	$ 2,249,789	$ 353,606	$ 1,958	$ 300,649	$ 4,671	$ 431,582	$ 84,401	$ -	$ 3,426,656
Accumulated depreciation									
Balance at January 1, 2017	$ -	$ 91,878	$ 687	$ 226,357	$ 4,671	$ 329,690	$ 63,169	$ -	$ 716,452
Depreciation expense	-	9,033	327	34,559	-	35,045	6,351	-	85,315
Disposals				(14,388)		(8,311)			(22,699)
Balance at December 31, 2017	$ -	$ 100,911	$ 1,014	$ 246,528	$ 4,671	$ 356,424	$ 69,520	$ -	$ 779,068
Net book value, December 31, 2017	$ 2,249,789	$ 252,695	$ 944	$ 54,121	$ -	$ 75,158	$ 14,881	$ -	$ 2,647,588

	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, December 31, 2016	$ 2,249,789	$ 261,728	$ 1,271	$ 72,582	$ -	$ 93,748	$ 17,343	$ -	$ 2,696,461

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, 2017 and 2016.

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

13. INVESTMENT PROPERTIES

	Year Ended December 31, 2017		
	Land	Buildings	Total
Cost			
Balance at January 1, 2017	$ 2,437,799	$ 407,494	$ 2,845,293
Additions	24,271	2,260	26,531
Disposals	(16,952)	(3,686)	(20,638)
Balance at December 31, 2017	$ 2,445,118	$ 406,068	$ 2,851,186
Accumulated depreciation and impairment			
Balance at January 1, 2017	$ 5,558	$ 108,499	$ 114,057
Impairment losses (reversed)	1,464	(285)	1,179
Depreciation expense	-	9,986	9,986
Disposals	-	(141)	(141)
Balance at December 31, 2017	$ 7,022	$ 118,059	$ 125,081
Net book value, December 31, 2017	$ 2,438,096	$ 288,009	$ 2,726,105

	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
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, December 31, 2016	$ 2,432,241	$ 298,995	$ 2,731,236

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, freehold land and buildings as of December 31, 2017 and 2016 was $9,113,907 thousand and $9,145,666 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	
	2017	**2016**
Goodwill	$ -	$ 9,621
System software costs	50,503	66,784
	$ 50,503	$ 76,405

	Year Ended December 31, 2017		
	Goodwill	**System Software Costs**	**Total**
Cost			
Balance at January 1, 2017	$ 9,621	$ 191,514	$ 201,135
Additions	-	22,235	22,235
Balance at December 31, 2017	$ 9,621	$ 213,749	$ 223,370
Accumulated amortization			
Balance at January 1, 2017	$ -	$ 124,730	$ 124,730
Amortization expense	-	38,516	38,516
Disposals	9,621	-	9,621
Balance at December 31, 2017	$ 9,621	$ 163,246	$ 172,867
Net book value, December 31, 2017	$ -	$ 50,503	$ 50,503

	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, December 31, 2016	$ 9,621	$ 66,784	$ 76,405

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, 2017, the Company recognize impairment loss of $9,621 thousand on goodwill. Refer to Note 22.

15. OTHER ASSETS

	December 31	
	2017	2016
Prepaid expenses	$ 18,097	$ 20,777
Temporary payments	44,879	44,663
Overdue receivables	1,694	4,857
Others	1,890	1,890
	$ 66,560	$ 72,187
Current	$ 62,976	$ 65,440
Non-current	3,584	6,747
	$ 66,560	$ 72,187

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2017	2016
Unsecured borrowings		
Unsecured loan	$ 500,000	$ 150,000
Secured borrowings		
Bank loans	300,000	-
	$ 800,000	$ 150,000

The interest rates of the bank loans as of December 31, 2017 and 2016 were 1.10%-1.12% and 1.30%-1.42%, respectively.

b. Long-term borrowings

	December 31	
	2017	2016
Secured borrowings		
Bank loans	$ 2,750,000	$ 350,000
Unsecured borrowings		
Unsecured loans	1,500,000	150,000
Long-term borrowings	$ 4,250,000	$ 500,000

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

	Content of Borrowings	December 31 2017	December 31 2016
E.SUN Bank	Loan limit: $200,000 thousand; period: December 29, 2017 to December 29, 2020; fixed interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity.	$ 200,000	$ -
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. The Company repaid all the debts in October 2017.	-	200,000
E.SUN Bank	Loan limit: $2,450,000 thousand; period: December 29, 2017 to December 29, 2020; fixed interest rate of 1.2% plus 0.28% according to E.SUN monthly deposit interest index; interest is paid monthly and principal is repaid at maturity.	2,450,000	-
East Asia Bank	Loan limit: $1,600,000 thousand; period: December 7, 2017 to December 7, 2020; floating interest rate of 1.4649%; 18,24,30 months after December 7, 2017 pay 3% of principal, 36 months after December 7, 2017 pay 91% of principal.	300,000	-
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. The Company repaid all the debts in January 2017.	-	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. The Company repaid all the debts in January 2017.	-	100,000
Yuanta Bank	Loan limit: $200,000 thousand; period: December 29, 2017 to February 25, 2019; fixed interest rate of 2.01%; interest is paid monthly and principal is repaid at maturity.	200,000	-
Bank of SinoPac	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. The Company repaid all the debts in April 2017.	-	50,000
Bank of SinoPac	Loan limit: $200,000 thousand; period: August 29, 2017 to August 29, 2019; fixed interest rate of 1.10%; interest is paid monthly and principal is repaid at maturity.	200,000	-

(Continued)

	Content of Borrowings	December 31 2017	2016
Bank of Taiwan	Loan limit: $1,000,000 thousand; period: September 22, 2015 to September 22, 2018; fixed interest rate of 1.46% with negotiating rate per 180 days; interest is paid monthly and principal is repaid at maturity. The Company repaid all the debts in November 2017.	$ -	$ 100,000
O-Bank	Loan limit: $200,000 thousand; period: March 30, 2017 to March 30, 2019; fixed interest rate of 1.237%; interest is paid monthly and principal is repaid at maturity.	200,000	-
Far Eastern Bank	Loan limit: $800,000 thousand; period: March 31, 2017 to March 31, 2019; fixed interest rate of 1.34%; interest is paid monthly and principal is repaid at maturity.	400,000	-
Taishin Bank	Loan limit: $300,000 thousand; period: December 25, 2017 to December 25, 2020; fixed interest rate of 1.22%; interest is paid monthly and principal is repaid at maturity.	300,000	-
Total long-term borrowings		$ 4,250,000	$ 500,000

(Concluded)

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

17. BONDS PAYABLE

	December 31 2017	2016
Domestic unsecured bonds	$ 3,000,000	$ 3,000,000
Less: Current portion	(1,500,000)	-
	$ 1,500,000	$ 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	
	2017	2016
Current		
Other payables	$ 1,346,447	$ 1,290,835
Other payables to related parties (Note 28)	41,317	17,713
Other financial liabilities	43,037	63,851
Other liabilities	90,644	79,808
	$ 1,521,445	$ 1,452,207
Non-current		
Other liabilities	$ 325,431	$ 351,206

a. Other payables were as follows:

	December 31	
	2017	2016
Salaries and bonus	$ 1,002,442	$ 993,882
Advertisement	54,975	52,762
Labor and health insurance	58,368	60,012
Annual leave	62,214	52,158
Professional fees	9,351	8,295
Interest payables	23,982	22,953
Compensation to employees and directors	35,193	17,020
Others	99,922	83,753
	$ 1,346,447	$ 1,290,835

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 $325,431 thousand and $351,206 thousand as of December 31, 2017 and 2016, respectively.

b. Other financial liabilities were as follows:

	December 31	
	2017	2016
Other receipts under custody	$ 40,128	$ 53,516
Payables on equipment	2,909	10,335
	$ 43,037	$ 63,851

c. Other current liabilities were as follows:

	December 31	
	2017	2016
VAT payable	$ 78,290	$ 67,669
Other	12,354	12,139
	$ 90,644	$ 79,808

19. PROVISIONS

	December 31	
	2017	2016
Service revenue allowances	$ 36,390	$ 39,659
Current	$ 34,696	$ 34,802
Non-current	1,694	4,857
	$ 36,390	$ 39,659

	Service Allowances
Balance, January 1, 2016	$ 34,149
Additional provisions recognized	5,510
Balance, December 31, 2016	$ 39,659
Balance, January 1, 2017	$ 39,659
Additional provisions recognized	(3,269)
Balance, December 31, 2017	$ 36,390

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	
	2017	**2016**
Present value of defined benefit obligation	$ 589,400	$ 569,479
Fair value of plan assets	(519,994)	(529,690)
Deficit	69,406	39,789
Net defined benefit liability	$ 69,406	$ 39,789

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, 2016	$ 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

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Asset) Liability
Service cost			
Current service cost	$ 3,705	$ -	$ 3,705
Past service cost	512	-	512
Net interest expense (income)	7,830	(7,346)	484
Recognized in profit or loss	12,047	(7,346)	4,701
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	2,208	2,208
Actuarial loss - changes in demographic assumptions	20,737	-	20,737
Actuarial loss - experience adjustments	14,951	-	14,951
Recognized in other comprehensive income	35,688	2,208	37,896
Contributions from the employer	-	(12,980)	(12,980)
Benefits paid	(27,814)	27,814	-
Balance at December 31, 2017	$ 589,400	$ (519,994)	$ 69,406

(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	
	2017	2016
Operating costs	$ 4,220	$ 3,329
Operating expenses	481	323
	$ 4,701	$ 3,652

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	
	2017	2016
Discount rates	1.375%	1.375%
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	
	2017	2016
Discount rates		
0.25% increase	$ (19,111)	$ (18,602)
0.25% decrease	$ 19,949	$ 19,431
Expected rates of salary increase		
0.25% increase	$ 19,294	$ 18,773
0.25% decrease	$ (18,586)	$ (18,072)

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	
	2017	2016
The expected contributions to the plan for the next year	$ 9,637	$ 9,152
The average duration of the defined benefit obligation	13.3 years	13.3 years

21. EQUITY

Share Capital

	December 31	
	2017	2016
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)	651,500	631,840
Share capital issued	$ 6,515,000	$ 6,318,398

The Company's issued ordinary shares has reached to $6,515,000 thousand with outstanding shares, 651,500 shares and par value of $10 dollars, after conducting the issue of new shares through capitalization of 2016 retained earnings at the amount of NT$196,602 thousand in July 2017.

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	
	2017	**2016**
May not be used for any purpose		
Employee share 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 share 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 share 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. For the policies on distribution of employees' compensation and remuneration of directors after amendment, please refer to Employee benefits expense in Note 22.

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.

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 shares or cash, of which cash dividends may not be less than 10% of total amount of dividends.

d. Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

e. Except for non-ROC resident shareholders, all shareholders receiving dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

f. The appropriations of earnings for 2016 and 2015 approved in the shareholders' meeting held on May 26, 2017 and May 20, 2016, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	Years Ended December 31		Years Ended December 31	
	2016	2015	2016	2015
Legal reserve	$ 91,986	$ 56,387	$ -	$ -
Cash dividends	631,840	442,288	1.0	0.7
Share dividends	196,602	-	0.3	-

g. The appropriations of earnings for 2017 had been proposed by the Company's board of directors on February 26, 2018. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 280,283	$ -
Special reserve	40,830	-
Cash dividends	1,628,750	2.50
Share dividends	853,465	1.31

The appropriations of earnings for 2017 are subject to the resolution of the shareholders' meeting to be held on May 23, 2018.

Others Equity Items

	December 31	
	2017	2016
Exchange differences on translating foreign operations	$ (396,805)	$ (225,707)
Unrealized gains from available-for-sale financial assets	355,975	304,476
	$ (40,830)	$ 78,769

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	
	2017	**2016**
Interest income		
Cash in bank	$ 8,692	$ 5,725
Other accounts receivable	808	10,734
Interest on loans from related parties	207	-
Others	2	94
	$ 9,709	$ 16,553

Other Gains and Losses

	Years Ended December 31	
	2017	**2016**
(Reversal of) impairment loss of investment properties	$ (1,179)	$ 2,577
Gains (losses) on disposal of investments	5,460	(361)
Losses on disposal of property, plant and equipment	(1,528)	(662)
Losses on disposal of investment properties	(1,440)	(1,137)
Net foreign exchange loss	(32,167)	(11,740)
Gain on reversal of bad debts	-	4,582
Administration service revenue	32,253	36,839
Impairment loss of goodwill	(9,621)	-
Others	11,239	4,501
	$ 3,017	$ 34,599

Finance Costs

	Years Ended December 31	
	2017	**2016**
Interest on bank loans	$ 24,855	$ 10,806
Interest on bonds payable	44,400	44,400
Interest on loans from related parties	2,214	-
Others	20	88
	$ 71,489	$ 55,294

Depreciation and Amortization

	Years Ended December 31	
	2017	2016
Property, plant and equipment	$ 85,315	$ 96,076
Investment property	9,986	10,095
Intangible assets	38,516	42,433
	$ 133,817	$ 148,604
An analysis of depreciation by function		
Operating costs	$ 63,084	$ 71,749
Operating expenses	22,231	24,327
Other losses	9,986	10,095
	$ 95,301	$ 106,171
An analysis of amortization by function		
Operating costs	$ 111	$ 66
Operating expenses	38,405	42,367
	$ 38,516	$ 42,433

Operating Expenses Directly Related to Investment Properties

	Years Ended December 31	
	2017	2016
Direct operating expenses from investment property that generated rental income	$ 24,027	$ 24,020
Direct operating expenses from investment property that did not generate rental income	32	23
	$ 24,059	$ 24,043

Employee Benefits Expense

Year ended December 31, 2017

	Operating Costs	Operating Expenses	Total
Salary expense	$ 3,267,643	$ 353,946	$ 3,621,589
Labor and health insurance expense	230,383	24,821	255,204
	3,498,026	378,767	3,876,793
Post-employment benefits			
Defined contribution plan	121,823	11,853	133,676
Defined benefit plan (Note 20)	4,220	481	4,701
	126,043	12,334	138,377
Other employee benefits	85,168	55,632	140,800
Total employee benefits expense	$ 3,709,237	$ 446,733	$ 4,155,970

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

As of December 31, 2017 and 2016, the Company had 3,978 and 3,949 employees, respectively.

Employee's Compensation and Remuneration of Directors

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, 2017 and 2016, which have been approved by the Company's board of directors on February 26, 2018 and February 24, 2017, respectively, were as follows:

Accrual rate

	Years Ended December 31	
	2017	2016
Employees' compensation	1.00%	1.00%
Remuneration of directors	0.16%	0.55%

Amount

	Years Ended December 31	
	2017	2016
	Cash	Cash
Employees' compensation	$ 30,313	$ 10,958
Remuneration of directors	4,880	6,027

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

	Years Ended December 31			
	2016		**2015**	
	Employees' Compensation	**Remuneration of Directors**	**Employees' Compensation**	**Remuneration of Directors**
Amounts approved in the board of directors' meeting	$ 10,958	$ 6,027	$ 7,383	$ 4,799
Amounts recognized in the annual financial statements	(10,315)	(6,705)	(7,393)	(7,000)
	$ 643	$ (678)	$ (10)	$ (2,201)

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2018 and 2017 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

Impairment Losses Recognized (Reversed) on Non-financial Assets

	Years Ended December 31	
	2017	**2016**
Goodwill (included in other operating income and expenses, net)	$ 9,621	$ -
Property, plant and equipment (included in other operating income and expenses, net)	$ 1,179	$ (2,577)

23. INCOME TAXES RELATING TO CONTINUING OPERATION

Income Tax Recognized in Profit or Loss

The major components of tax expense were as follows:

	Years Ended December 31	
	2017	**2016**
Current tax		
In respect of the current year	$ 196,578	$ 160,306
Income tax expense of unappropriated earnings	-	4,633
Land value increment tax	8	433
In respect of the prior years	46	711
Deferred tax		
In respect of the current year	(3,327)	(4,961)
Income tax expense recognized in profit or loss	$ 193,305	$ 161,122

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

	Years Ended December 31	
	2017	2016
Profit before tax from continuing operations	$ 2,996,132	$ 1,080,987
Income tax expense calculated at the statutory rate (17%)	$ 509,342	$ 183,768
Nondeductible expenses in determining taxable income	192	848
Tax-exempt income	(2,247)	(4,602)
Additional income tax on unappropriated earnings	-	4,633
Land value increment tax	8	433
Adjustments for prior years' tax	46	711
Unrecognized deductible temporary differences	(314,036)	(24,669)
Income tax expense recognized in profit or loss	$ 193,305	$ 161,122

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

In February 2018, it was announced by the President that the Income Tax Act in the ROC was amended and, starting from 2018, the corporate income tax rate will be adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to 2018 unappropriated earnings will be reduced from 10% to 5%. Deferred tax assets and deferred tax liabilities recognized as at December 31, 2017 are expected to be adjusted and would increase by $2,716 thousand and $2,361 thousand, respectively, in 2018.

As the status of the 2018 appropriation of earnings is uncertain, the potential income tax consequences of the 2017 unappropriated earnings are not reliably determinable.

Income Tax Recognized in Other Comprehensive Income

	Years Ended December 31	
	2017	2016
Deferred tax		
In respect of the current year		
Remeasurement on defined benefit plan	$ 6,442	$ 8,150

Current Tax Liabilities

	December 31	
	2017	2016
Current tax liabilities		
Income tax payable	$ 115,400	$ 99,640

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, 2017

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Provisions	$ 6,741	$ (555)	$ -	$ 6,186
Allowance for doubtful accounts	43	665	-	708
Others	4,867	3,632	-	8,499
	$ 11,651	$ 3,742	$ -	$ 15,393
Deferred tax liabilities				
Temporary differences				
Defined benefit obligation	$ 18,412	$ 1,407	$ (6,442)	$ 13,377
Others	992	(992)	-	-
	$ 19,404	$ 415	$ (6,442)	$ 13,377

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

The Aggregate Amount of Temporary Difference Associated with Investments for Which Deferred Tax (Liabilities) Assets Have Not Been Recognized

As of December 31, 2017 and 2016, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax (liabilities) assets have been recognized were $(1,040,563) thousand and $684,102 thousand, respectively.

Integrated Income Tax

	December 31	
	2017	2016
Unappropriated earnings		
Unappropriated earnings generated on and after January 1, 1998	$ 2,967,208	$ 1,116,118
Imputation credits accounts	$ 227,535	$ 258,809

	Years Ended December 31	
	2017 (Expected)	2016
Creditable ratio for distribution of earnings	Note	23.33%

Note: Since the amended Income Tax Act announced in February 2018 abolished the imputation tax system, no creditable ratio for distribution of earnings in 2018 is expected.

Income Tax Assessments

The Company's tax returns through 2015 have been assessed by the tax authorities. However, the Company disagreed with the tax authorities' assessment of its 2011 to 2015 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 to 2015 tax returns with the tax collection authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	Years Ended December 31	
	2017	2016
Basic EPS	$ 4.30	$ 1.41
Diluted EPS	$ 4.29	$ 1.41

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on July 8, 2017. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2016 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 1.46	$ 1.41
Diluted earnings per share	$ 1.46	$ 1.41

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	
	2017	**2016**
Profit for the period	$ 2,802,827	$ 919,865

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

	Years Ended December 31	
	2017	**2016**
Weighted average number of ordinary shares in computation of basic earnings per share	651,500	651,500
Effect of dilutive potential ordinary shares:		
Employees' compensation	1,186	321
Weighted average number of ordinary shares used in the computation of diluted earnings per share	652,686	651,821

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 1 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, 2017 and 2016, refundable deposits paid under operating lease amounted to $75,341thousand and $75,956 thousand, respectively.

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

	December 31	
	2017	**2016**
Within 1 year	$ 365,605	$ 357,316
1 to 5 years	474,902	551,839
After 5 years	3,666	3,156
	$ 844,173	$ 912,311

The Company as Lessor

Operating leases relate to the investment property owned by the Company with lease terms between 1 to 7 years.

As of December 31, 2017 and 2016, deposits received under operating leases amounted to $21,419 thousand and $21,338 thousand, respectively.

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

	December 31	
	2017	**2016**
Within 1 year	$ 105,982	$ 55,011
1 to 5 years	179,434	2,222
After 5 years	7,871	-
	$ 293,287	$ 57,233

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, 2017

	Carrying Amount	**Fair Value Hierarchy**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities					
Financial liabilities measured at amortized cost - bonds payable	$ 3,000,000	$ -	$ 3,015,210	$ -	$ 3,015,210

December 31, 2016

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

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, 2017

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed shares - equity investments	$ 228,299	$ -	$ -	$ 228,299

December 31, 2016

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

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

Categories of Financial Instruments

	December 31	
	2017	2016
Financial assets		
Loans and receivables (Note 1)	$ 2,327,683	$ 2,673,316
Available-for-sale financial assets (Note 2)	283,126	262,269
Financial liabilities		
Amortized cost (Note 3)	9,844,558	5,419,119

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 (including current portion of 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 31.

Foreign currency sensitivity analysis

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					
	2017			2016		
	RMB	USD	MYR	RMB	USD	MYR
Equity	$ -	$ 110,858	$ 153	$ -	$ 57,757	$ -
Profit or loss	3	900	-	4	14,112	-

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	
	2017	**2016**
Fair value interest rate risk		
Financial assets	$ -	$ 1,409,003
Financial liabilities	7,750,000	3,350,000
Cash flow interest rate risk		
Financial assets	5,000	5,000
Financial liabilities	300,000	300,000

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, 2017 and 2016, the Company had available unutilized bank loan facilities as follows:

	December 31	
	2017	2016
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	$ 2,000,000	$ 300,000
Amount unused	400,000	2,900,000
	$ 2,400,000	$ 3,200,000
Secured bank overdraft facility:		
Amount used	$ 3,050,000	$ 350,000
Amount unused	200,000	5,585,000
	$ 3,250,000	$ 5,935,000

28. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and relationship

Related Party	Relationship with the Company
Sinyi Real Estate Consulting Limited	Related party in substance
Sinyi Land Administration Agent Joint Office	Related party in substance
Sinyi Cultural Fundation	Related party in substance
Sinyi Real Estate Appraisal Office	Related party in substance
Yu-Hao Co., Ltd.	A corporate shareholder who using the equity method of the Group
Sinyi Co., Ltd.	A corporate shareholder who using the equity method of the Group
Yu-Heng Co., Ltd.	Ultimate holding company
Global Real Estate Appraisal Office	Related party in substance
Ken Investment Co., Ltd.	Related party in substance
Sin-Heng Limited.	Related party in substance
Sinyi Public Welfare Foundation	Related party in substance
Sinyi Interior Design Co., Ltd.	Associate
An-Sin Real Estate Management Ltd.	Subsidiaries
Sinyi Global Asset Management Co., Ltd.	Subsidiaries
Jui-Inn Consultants Co., Ltd.	Subsidiaries
Yowoo Technology Inc.	Subsidiaries
Sinyi Culture Publishing Inc.	Subsidiaries
Sinyi Development Inc.	Subsidiaries
An-Shin Real Estate Management Ltd.	Subsidiaries
Sinyi Realty Inc. Japan	Subsidiaries
Tokyo Sinyi Real Estate Co., Ltd.	Subsidiaries
Fidelity Property Consultant Sdn. Bhd.	Subsidiaries

(Continued)

Related Party	Relationship with the Company
Heng-Yi Real Estate Consulting	Subsidiaries
Da-Chia Construction Co., Ltd.	Subsidiaries
Sinyi Real Estate Limited	Subsidiaries
Kunshan Dingxian Trading Co., Ltd.	Subsidiaries
Sinyi Real Estate (Shanghai) Limited	Subsidiaries
Sinyi Estate Ltd.	Subsidiaries
Shanghai Sinyi Real Estate Inc.	Subsidiaries

(Concluded)

b. Trade receivables from related parties, net

	December 31	
	2017	2016
An-Sin Real Estate Management Ltd.	$ 127,691	$ 85,213

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.

c. Other receivables from related parties

	December 31	
	2017	2016
Other related parties		
Related parties in substance		
Sinyi Land Administration Agent Joint Office	$ 7,402	$ 7,867
Others	1,640	1,660
Subsidiaries	7,534	12,264
	$ 16,576	$ 21,791

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

d. Other payables to related parties

	December 31	
	2017	2016
Other related parties		
Related parties in substance	$ 24,422	$ 10,400
Subsidiaries	16,895	7,313
	$ 41,317	$ 17,713

e. Compensation of key management personnel

	Years Ended December 31	
	2017	2016
Short-term employee benefits	$ 63,944	$ 58,388
Other long-term employee benefits	14,180	8,486
	$ 78,124	$ 66,874

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.

f. Loans from related parties

	Year Ended December 31, 2017				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Sinyi Real Estate (Shanghai) Limited	$ 143,357	$ -	3.75	$ 2,214	$ -

Year ended December 31, 2016: None.

The loans from Sinyi Real Estate (Shanghai) Limited were unsecured.

g. Loans to related parties

	Year Ended December 31, 2017				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Sinyi Development Inc.	$ 100,000	$ -	1.2	$ 126	$ -
Kunshan Dingxian Trading Co., Ltd.	4,903	-	3.8	81	-
	$ 104,903	$ -		$ 207	$ -

Year ended December 31, 2016: None.

The loans to Sinyi Development Inc. and Kunshan Dingxian Trading Co., Ltd. were unsecured loans.

h. Other transactions with related parties

1) Rental income

	Years Ended December 31	
	2017	2016
Other related parties		
Related parties in substance	$ 11,688	$ 11,806
Parent company	114	114
Ultimate parent company	57	57
Associates	34	34
Subsidiaries	16,083	15,861
	$ 27,976	$ 27,872

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	
	2017	2016
Other related parties		
Related parties in substance		
Sinyi Land Administration Agent Joint Office	$ 5,946	$ 7,073
Others	3,707	3,640
Subsidiaries		
Sinyi Realty Inc. Japan	3,968	7,687
Others	20,060	20,374
	$ 33,681	$ 38,774

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

3) Professional fee

	Years Ended December 31	
	2017	2016
Other related parties		
Related parties in substance		
Sinyi Real Estate Consulting Limited	$ 105,023	$ 90,234
Sinyi Land Administration Agent Joint Office	16,254	22,346
Other	15	-
Subsidiaries	19,155	17,724
	$ 140,447	$ 130,304

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	
	2017	2016
Other related parties		
Related parties in substance	$ 9,973	$ 10,219

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) Endorsement and guarantee

As of December 31, 2017, the Company endorsed and guaranteed Sinyi Estate Ltd.'s bank loan for $2,380,000 thousand. As of December 31, 2016, the Company endorsed and guaranteed Shanghai Sinyi Real Estate Inc.'s and Sinyi Estate Ltd.'s bank loan for $4,765,850 thousand.

As of December 31, 2017 and 2016, the Company provided $2,380,800 thousand and $0 thousand of property, plant and equipment (including investment properties) mortgaged as collateral for bank loans, respectively.

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	
	2017	2016
Property, plant and equipment (including investment properties)		
Land	$ 4,241,789	$ 4,450,966
Building	473,584	513,629
Other financial assets - current		
Pledged time deposits	5,000	5,000
	$ 4,720,373	$ 4,969,595

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 Sinyi Estate in obtaining financing limit of $2,380,800 thousand. Refer to Note 32, Table 2 for the details.

31. 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, 2017		
	Foreign Currencies (In Thousands)	**Exchange Rate**	**New Taiwan Dollars (In Thousands)**
Financial assets			
Monetary items			
USD	$ 3,023	29.76	$ 89,961
RMB	76	4.565	348
Non-monetary items			
USD	372,507	29.76	11,085,796
MYR	2,159	7.072	15,266

	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

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			
	2017		2016	
Functional Currencies	**Exchange Rate**	**Net Foreign Exchange Loss**	**Exchange Rate**	**Net Foreign Exchange Gain**
NTD	1 (NTD:NTD)	$ (32,167)	1 (NTD:NTD)	$ (11,740)

32. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

a. Financing provided: Table 1 (see the attached)

b. Endorsements/guarantees provided to others: Table 2 (see the attached)

c. Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (see the attached)

d. Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: Table 4 (see the attached)

e. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: Table 5 (see the attached)

f. Disposal of individual real estate at prices of at least NT$100 million or 20% of the paid-in capital: None

g. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Table 6 (see the attached)

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 7 (see the attached)

Information on investments in mainland China:

a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the mainland China area: Table 8 (see the attached)

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

33. 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, 2017 and 2016. The disclosure of segment information is not required for the parent company only financial statements.

TABLE 1

SINYI REALTY INC.

FINANCING PROVIDED
YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance of Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
													Item	Value		
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	$ 4,586 (RMB 1,000 thousand)	$ 4,565 (RMB 1,000 thousand)	$ -	3.686%	Short-term financing	$ -	Needs for operation	$ -	-	$ -	$ 3,389,597 (Note 1)	$ 4,519,462 (Note 1)
		Kunshan Dingxian Trading Co., Ltd.	Other receivables	Yes	366,880 (RMB 80,000 thousand)	360,635 (RMB 79,000 thousand)	-	3.80%	Short-term financing	-	Needs for operation	-	-	-	3,389,597 (Note 1)	4,519,462 (Note 1)
		Sinyi Development Inc.	Other receivables	Yes	100,000	-	-	1.20%	Short-term financing	-	Needs for operation	-	-	-	3,389,597 (Note 1)	4,519,462 (Note 1)
1	Sinyi Real Estate (Shanghai) Limited	Shanghai Sinyi Real Estate Inc.	Other receivables	Yes	183,440 (RMB 40,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,094,223 (Note 2)	2,188,446 (Note 2)
		Sinyi Realty Inc.	Other receivables	Yes	144,459 (RMB 31,500 thousand)	-	-	3.75%	Short-term financing	-	Repayment of borrowings	-	-	-	1,094,223 (Note 2)	2,188,446 (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 30% of Sinyi Realty Inc.'s net worth. Total financing provided should not exceed 40% 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.

SINYI REALTY INC.

ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	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	$ 9,038,925 (Note 1)	$ 229,300 (RMB 50,000 thousand)	$ -	$ -	$ -	-	$ 16,947,984	Yes	No	Yes	
		Sinyi Estate Ltd.	Indirect subsidiary	9,038,925 (Note 1)	4,535,000	2,380,800	2,380,800	2,380,800	21.07	16,947,984	Yes	No	No	

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 150% 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, 2017
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	Listed shares							
	E.SUN Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	12,079,286	$ 228,299	-	$ 228,299	
	Shares							
	Han Yu Venture Capital Co., Ltd.	-	Financial assets measured at cost - non-current	5,000,000	49,063	11	49,063	
	PChome Investment Co., Ltd.	-	Financial assets measured at cost - non-current	196,350	-	8	-	
	Kun Gee Venture Capital Co., Ltd.	-	Financial assets measured at cost - non-current	160,650	-	3	-	
	Cite' Publishing Holding Ltd.	-	Financial assets measured at cost - non-current	7,637	4,874	1	4,874	
	Cite' Information Services Co., Ltd.	-	Financial assets measured at cost - non-current	106,392	890	1	890	
Sinyi Limited	Shares							
	Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	594,228	-	594,228	
	Monetary market fund							
	Western Asset US Dollar Fund A	-	Available-for-sale financial assets - current	43,500	1,294	-	1,294	
Shanghai Sinyi Real Estate Inc.	Shares							
	Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	30,000,000	145,149	2	145,149	
Sinyi Development Inc.	Shares							
	CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	7,718	-	7,718	
	B Current Impact Investment Fund 2		Financial assets measured at cost - non-current	500,000	5,000	9	5,000	
Sinyi Global Asset Management Co., Ltd.	Monetary market fund							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,282,287	30,690	-	30,690	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2017				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
An-Sin Real Estate Management Ltd.	<u>Monetary market fund</u>							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	377,254	$ 5,073	-	$ 5,073	
An-Shin Real Estate Management Ltd.	<u>Monetary market fund</u>							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,757,752	143,987	-	143,987	
Yowoo Technology Inc.	<u>Monetary market fund</u>							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,064,180	14,310	-	14,310	
	<u>Financial product</u>							
Ke Wei Shanghai Real Estate Management Consulting Inc.	Bubu Shengking No. 8688	-	Other financial assets - current	4,400,000	20,086	-	20,086	
Suzhou Sinyi Real Estate Inc.	Bubu Shengking No. 8688	-	Other financial assets - current	3,000,000	13,695	-	13,695	
		-	Other financial assets - current					
Sinyi Real Estate (Shanghai) Limited	Structured Financial Product (Product ID: 201711163044)			120,000,000	547,800	-	547,800	
	Yehdeyin No. 17120599	-	Other financial assets - current	40,000,000	182,600	-	182,600	
	Li Duo Duo Structured Deposits of Enterprises (No. JG902)	-	Other financial assets - current	100,000,000	456,500	-	456,500	
	Li Duo Duo Structured Deposits of Enterprises (No. JG903)	-	Other financial assets - current	30,000,000	136,950	-	136,950	
	Structured Financial Product (Product ID: 2017122910037)	-	Other financial assets - current	320,000,000	1,460,800	-	1,460,800	
			Other financial assets - current					
Shanghai Sinyi Real Estate Inc.	China Bank principal guaranteed Financial Product Periodical open denominated in RMB (Product No: CNYQQZX)	-	Other financial assets - current	10,000,000	45,650	-	45,650	
	Qianyuan Woen-Ying- 2017 No. 292	-	Other financial assets - current	8,000,000	36,520	-	36,520	
			Other financial assets - current					
Shanghai Shang Tuo Investment Management Consulting Inc.	Bubu Shengking No. 8688	-	Other financial assets - current	50,000	228	-	228	
Beijing Sinyi Real Estate Ltd.	Bank of China Steady Growth-Daily Plan	-	Other financial assets - current	400,000	1,826	-	1,826	

(Concluded)

TABLE 4

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, 2017
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Costs	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	Stock													
	Sinyi International Limited	Investments accounted for using equity method and prepayments for long-term investments	-	Subsidiary	136,114,837	$ 4,027,898	130,780,000	$ 4,011,366	3,000,000	$ 91,310	$ 91,310	$ -	263,894,837	$ 7,947,954 (Note 1)
	Sinyi Development Inc.	Investments accounted for using equity method	-	Subsidiary	53,500,000	535,005	150,000,000	1,500,000	-	-	-	-	203,500,000	2,035,005 (Note 1)
	Sinyi Limited	Investments accounted for using equity method and prepayments for long-term investments	-	Subsidiary	76,001,135	2,448,306	-	-	11.394,135	349,617 (Note 2)	349,617	-	64,607,000	2,098,689 (Note 1)
Sinyi International Limited	Sinyi Estate Ltd.	Investments accounted for using equity method and prepayments for long-term investments	-	Subsidiary	16,900	535	130,140,000	3,992,006	3,000,000	91,310	91,310	-	127,156,900	3,901,231 (Note 1)
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Investments accounted for using equity method and prepayments for long-term investments	-	Subsidiary	17,497	578	207,000,000	6,350,826	-	-	-	-	207,017,497	6,351,404 (Note 1)
Sinyi Estate (Hong Kong) Limited	Jiu Xin Estate(Wuxi) Limited (Wuxi Jiu Xin Estate)	Investments accounted for using equity method and prepayments for long-term investments	-	Subsidiary	-	-	-	6,350,826	-	-	-	-	-	6,350,826 (Note 1)
INANE INTERNATIONAL LIMITED	MAX SUCCESS INTERNATIONAL LIMITED	Investments accounted for using equity method	-	Subsidiary	12,454,780	399,792	-	-	10,870,780	333,618 (Note 2)	333,618	-	1,584,000	66,174 (Note 1)
MAX SUCCESS INTERNATIONAL LIMITED	Suzhou Sinyi Real Estate Inc.	Investments accounted for using equity method	-	Subsidiary	-	313,197	-	-	-	332,835	313,197	19,638	-	- (Note 1)
Shanghai Sinyi Real Estate Inc.	Suzhou Sinyi Real Estate Inc.	Investments accounted for using equity method	-	Subsidiary	-	5,824	-	332,835	-	-	-	-	-	338,659 (Note 1)
Sinyi Development Inc.	Monetary market funds													
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss	-	-	18,864,150	252,757	34,723,960	466,000	53,588,110	718,937	718,757	180	-	-
Sinyi Real Estate (Shanghai) Limited	Financial product													
	Suiyue Liuking No. 55962	Other financial assets - current	-	Subsidiary	100,000,000	RMB 100,000	-	RMB -	100,000,000	RMB 100,292	RMB 100,000	RMB 292	-	RMB -
	Structured Financial Product (Product ID: 2016072810017)	Other financial assets - current	-	Subsidiary	75,000,000	RMB 75,000	-	RMB -	75,000,000	RMB 76,120	RMB 75,000	RMB 1,120	-	RMB -
	Yehdeyin No. 16071101		-	Subsidiary	80,000,000	RMB 80,000	-	RMB -	80,000,000	RMB 81,270	RMB 80,000	RMB 1,270	-	RMB -
	Li Duo Structured Deposits of Enterprises(No.JG902)	Other financial assets - current	-	Subsidiary	30,000,000	RMB 30,000	410,000,000	RMB 410,000	340,000,000	RMB 342,948	RMB 340,000	RMB 2,948	100,000,000	RMB 100,000
	Structured Financial Product (Product ID: 2017012510042)	Other financial assets - current	-	Subsidiary	-	RMB -	125,000,000	RMB 125,000	125,000,000	RMB 126,188	RMB 125,000	RMB 1,188	-	RMB -
	Yehdeyin No. 17030351	Other financial assets - current	-	Subsidiary	-	RMB -	60,000,000	RMB 60,000	60,000,000	RMB 60,564	RMB 60,000	RMB 564	-	RMB -
	Yehdeyin No. 17050548	Other financial assets - current	-	Subsidiary	-	RMB -	140,000,000	RMB 140,000	140,000,000	RMB 141,514	RMB 140,000	RMB 1,514	-	RMB -
	Structured Financial Product (Product ID: 201705252226)	Other financial assets - current	-	Subsidiary	-	RMB -	230,000,000	RMB 230,000	230,000,000	RMB 232,522	RMB 230,000	RMB 2,522	-	RMB -
	Yehdeyin No. 17090460	Other financial assets - current	-	Subsidiary	-	RMB -	140,000,000	RMB 140,000	140,000,000	RMB 141,501	RMB 140,000	RMB 1,501	-	RMB -
	Structured Financial Product (Product ID: 201709212169)	Other financial assets - current	-	Subsidiary	-	RMB -	290,000,000	RMB 290,000	290,000,000	RMB 293,262	RMB 290,000	RMB 3,262	-	RMB -

(Continued)

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
	Structured Financial Product (Product ID: 201703161916)	Other financial assets - current	-	Subsidiary	-	RMB -	60,000,000	RMB 60,000	60,000,000	RMB 60,000	RMB 60,000	RMB -	-	RMB -
	Structured Financial Product (Product ID: 2017063010013)	Other financial assets - current	-	Subsidiary	-	RMB -	50,000,000	RMB 50,000	50,000,000	RMB 50,472	RMB 50,000	RMB 472	-	RMB -
	Structured Financial Product (Product ID: 201711163044)	Other financial assets - current	-	Subsidiary	-	RMB -	120,000,000	RMB 120,000	-	RMB -	RMB -	RMB -	120,000,000	RMB 120,000
	Structured Financial Product (Product ID: 2017122910037)	Other financial assets - current	-	Subsidiary	-	RMB -	320,000,000	RMB 320,000	-	RMB -	RMB -	RMB -	320,000,000	RMB 320,000
Shanghai Sinyi Real Estate Inc.	Qianyuan Riri-Ying - Open-end portfolio type financial product	Other financial assets - current	-	Subsidiary	100,000,000	RMB 100,000	-	-	100,000,000	RMB 100,022	RMB 100,000	RMB 22	-	RMB -
	Qianyuan Woen-Ying- 2017 No. 2 Financial Product	Other financial assets - current	-	Subsidiary	-	RMB -	70,000,000	RMB 70,000	70,000,000	RMB 70,600	RMB 70,000	RMB 600	-	RMB -
	China Bank principal guaranteed Financial Product Periodical open denominated in RMB (Product No: CNYAQKF)	Other financial assets - current	-	Subsidiary	-	RMB -	175,100,000	RMB 175,100	175,100,000	RMB 175,306	RMB 175,100	RMB 206	-	RMB -

Note 1: The ending balance presents historical cost.

Note 2: Repayment of capital reduction.

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Buyer	Property	Event Date	Transaction Amount	Amount Payment	Counterparty	Relationship	The Former Transfer Information If the Counterparty Is A Related Party				Purpose of Acquisition	Price Reference	Other Terms
							Owner	The Relationship with the Company	Date of Transfer	Amount			
Sinyi Development Inc.	Inventory - to be developed	2017/02/16	$ 1,066,086	$ 1,066,086	Natural person	Non-related party	-	N.A.	N.A.	N.A.	For construction	Market value in the neighborhood	-
	Inventory - to be developed	2017/07/28	1,277,189	1,277,189	Natural person	Non-related party	-	N.A.	N.A.	N.A.	For construction	Market value in the neighborhood	-
Jiu Xin Estate(Wuxi) Limited (Wuxi Jiu Xin Estate)	Inventory - to be developed	2017/09/08	RMB 1,294,060 thousand	RMB 1,294,060 thousand	Land and Resources Bureau, Wuxi City	Non-related party	-	N.A.	N.A.	N.A.	For construction	Public auction	-

SINYI REALTY INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Sinyi Real Estate (Shanghai) Limited	Kunshan Dingxian Trading Co., Ltd.	Associate	Purchases	$ 141,634	11	90 days	-	Similar with not related parties	$ -	-	-
Kunshan Dingxian Trading Co., Ltd.	Sinyi Real Estate (Shanghai) Limited	Associate	Sales	(141,634)	(100)	90 days	-	Incomparable because of no trade with related parties	-	-	-

TABLE 7

SINYI REALTY INC.

INFORMATION ON INVESTEES
YEAR ENDED DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2017			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	$ 7,947,954	$ 4,027,898	263,894,837	100	$ 9,667,366	$ 2,073,215	$ 2,073,215	Note
	Sinyi Limited	Portcullis Chambers,4th floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Torola, B.V.I.	Investment holding	2,098,689	2,448,306	64,607,000	100	1,418,430	(194,052)	(194,052)	
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	2,035,005	535,005	203,500,000	100	1,978,968	6,896	6,896	
	Sinyi Global Asset Management Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	29,180	29,180	5,000,000	100	78,183	8,896	8,896	
	Heng-Yi Real Estate Consulting	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	20,000	20,000	2,000,000	100	17,064	86	86	
	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	4,017	(1,009)	(1,009)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	1,923	64	63	
	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	136,482	49,849	25,423	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	12,826	1,548	294	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	90,000	30,000	5,500,000	100	4,654	(42,312)	(42,312)	
	Rakuya International Info. Co., Ltd.	12F. No. 105, Dunhua S. Rd., Sec. 2, Daan District, Taipei City, Taiwan	Information software wholesale and retail	19,076	1,086	2,580,743	23	16,294	(12,270)	(2,782)	
	Sin Chiun Holding SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P. Kuala Lumpur.	Investment holding	25,500	-	3,537,766	100	15,266	(9,376)	(9,376)	
Sinyi Limited	Inane International Limited	Portcullis Chambers,4th floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Torola, B.V.I.	Investment holding	1,493,092	1,790,590	46,935,840	100	757,371	(180,122)	(180,122)	
	Ke Wei HK Realty Limited	Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	95,129	95,129	2,675,000	99	19,943 (Note 1)	(14,904)	(14,765)	
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	39,346	2,342	2,342	
	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	254,313	27,142	27,142	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,919,127	3,899,767	133,506,209	100	5,542,692	2,028,434	2,028,434	Note
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,901,231	535	127,156,900	100	3,830,622	(7,253)	(7,253)	Note
Inane International Limited	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	66,174	399,792	1,584,000	100	10,767	(4,377)	(4,377)	
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	139,714	37,238	37,238	
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	26,733	7,905	7,905	
	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	16,076	5,987	5,987	
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	3,888,107	3,868,747	131,640,306	100	5,490,590	1,995,019	1,995,019	Note
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	6,351,404	578	207,017,497	100	6,209,202	(4,434)	(4,434)	Note
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	260	(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	259	(58)	(58)	
Sin Chiun Holding SDN. BHD	Fidelity Property Consultant SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia	Management and identification	11,020	-	1,528,849	49	6,251	(8,948)	(4,384)	
	Pegusus Holding SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia	Investment holding	11,974	-	1,661,200	100	6,996	(4,568)	(4,568)	
Pegusus Holding SDN. BHD.	Fidelity Property Consultant SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia	Management and identification	11,470	-	1,591,251	51	6,506	(8,948)	(4,564)	

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

TABLE 8

SINYI REALTY INC.

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

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2017 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2017
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 19,638	Investment in company located in mainland China indirectly through Ke Wei HK Realty Limited	$ 81,859	$ -	$ -	$ 81,859	$ (14,905)	100	$ (14,905)	$ 20,153	$ -
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	(169,066)	100	(169,066)	729,323	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage	RMB 34,747	Investment in company located in mainland China indirectly through Inane International Limited	149,955	-	-	149,955	(5,953)	100	(5,953)	(25,294)	-
Shanghai Zhi Xin allograph Ltd.(Note 4)	Management consulting	RMB 11,968	Investment in company located in mainland China indirectly through Inane International Limited	17,095	-	-	17,095	(72)	100	(72)	33,174	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	355,249	-	332,835	22,414	(10,343)	100	(10,343)	332,783	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	-	2	-	145,149	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 27,200	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	44,543	-	777	43,766	2,234	100	2,234	35,397	-
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	17,143	100	17,143	16,668	-
Chengdu Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 13,000	Investment in company located in mainland China indirectly through Inane International Limited	62,005		-	62,005	(2,725)	100	(2,725)	9,098	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Note 5)	Real estate brokerage and management consulting	RMB -	Investment in company located in mainland China indirectly through Inane International Limited	37,295	-	-	37,295	265	-	265	-	-
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	1,995,110	100	1,995,110	5,471,116	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2017 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2017
					Outflow	Inflow						
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	$ (14,802)	100	$ (14,802)	$ 22,066	$ -
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	33,424	100	33,424	51,447	-
Shanghai Chang Yuan Co., Ltd	Property, business and management consulting	RMB 2,200	Investment in company located in mainland China indirectly through Shanghai Shang Tuo Investment Management Consulting Inc.	-	-	-	-	(225)	100	(225)	9,816	-
Jiaxing Zhi Zheng Real Estate Marketing Planning Inc.	Real estate marketing planning and management consulting	RMB 100	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	(2)	100	(2)	455	-
Jiu Xin Estate(Wuxi) Limited (Wuxi Jiu Xin Estate)	Real estate development	US$ 207,000	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	-	3,900,696	-	3,900,696	(4,291)	100	(4,291)	6,208,877	-

Accumulated Outflow for Investment in Mainland China as of December 31, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 6)
$9,422,767	$13,472,301	$ -

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$29.76 and US$1=RMB6.519 on December 31, 2017

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

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

Note 5: The liquidation was completed and approved by court.

Note 6: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

(Concluded)