

Sinyi Realty Inc. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended September 30, 2018 and 2017 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Sinyi Realty Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Sinyi Realty Inc. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of September 30, 2018 and 2017 and the related consolidated statements of comprehensive income for the three months ended September 30, 2018 and 2017, nine months ended September 30, 2018 and 2017, and changes in equity and cash flows for the nine months ended September 30, 2018 and 2017. (including summary of significant accounting policy) for the nine months then ended. These consolidated financial statements, which are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China, are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

Scope

Except for those described in the following paragraph of basis on qualified conclusion, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Statements". A review consists of inquiries (mainly persons responsible for financial and accounting matters), analytical procedures and other review procedures. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China. Therefore, we may not aware of all material events which can be identified by conducting audit procedures. Accordingly, we do not express such an opinion.

Basis of qualified conclusion

As stated in Note 14 to the consolidated financial statements, some non-significant subsidiaries' financial statements and related information mentioned in Note 43 were unreviewed. As of September 30, 2018 and 2017, such subsidiaries' total assets were 20% (\$5,713,249 thousand) and 30% (\$6,939,529 thousand), respectively, of the consolidated assets, and their total liabilities were 8% (\$1,566,916 thousand) and 11% (\$1,349,638 thousand), respectively, of the consolidated liabilities. The total comprehensive income of these subsidiaries were (36%) ((\$72,322) thousand), and (8%) ((\$90,288) thousand) of consolidated comprehensive income for the three months ended September 30, 2018 and 2017, respectively, and were (41%) ((\$154,994) thousand), and (8%) ((\$177,024) thousand) of consolidated comprehensive income for the nine months ended September 30, 2018 and 2017, respectively.

Qualified conclusion

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

Emphasis of Matter

As stated in Note 3 to the consolidated financial statements, since 2018, the Company and its subsidiaries adopted and retroactively applied the amended 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) applicable starting from 2018. The Company and its subsidiaries chose not to restate the comparative information of consolidated financial statements. Even so, our review result does not need to be modified in respect of this matter.

The engagement partners on the review resulting in this independent auditors' review report are Wen-Yea Shyu and Kwan-Chung Lai.

October 29, 2018

Notice to Readers

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

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

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

	September 30, 2018 (Reviewed)		December 31, 2017 (Audited)		September 30, 2017 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 3 and 6)	\$ 3,833,047	13	\$ 3,899,831	15	\$ 3,926,943	17
Financial assets at fair value through profit or loss - current (Note 3,4 and 7)	4,935,454	17	201,778	1	186,819	1
Financial assets at fair value through other comprehensive income - current (Note 3,4 and 8)	874,428	3	-	-	-	-
Available-for-sale financial assets - current (Note 3,4 and 9)	-	-	823,821	3	797,252	3
Notes receivable (Note 3 and 11)	76,993	-	28,157	-	15,695	-
Trade receivables (Note 3 and 11)	964,105	3	842,270	3	867,266	4
Other receivables (Notes 3, 11 and 37)	49,890	-	47,784	-	68,753	-
Current tax asset	11,456	-	2,829	-	19,959	-
Inventories (Notes 12 and 38)	11,621,389	40	11,697,449	43	7,983,147	34
Other financial assets - current (Notes 3, 13 and 38)	158,588	1	3,079,908	11	3,010,471	13
Other current assets (Note 19)	209,090	1	166,113	1	211,037	1
Total current assets	<u>22,734,440</u>	<u>78</u>	<u>20,789,940</u>	<u>77</u>	<u>17,087,342</u>	<u>73</u>
NON-CURRENT ASSETS						
Financial assets measured at fair value through other comprehensive income and loss - non-current (Note 3,4 and 8)	347,516	1	-	-	-	-
Financial assets measured at cost - non-current (Note 3,4 and 10)	-	-	204,976	1	209,084	1
Investment accounted for using equity method (Note 15)	29,453	-	29,120	-	28,990	-
Property, plant and equipment (Notes 16 and 38)	3,378,073	12	3,392,572	13	3,404,367	15
Investment properties (Notes 17 and 38)	2,253,701	8	2,265,661	8	2,278,338	10
Intangible assets (Notes 18 and 40)	101,513	-	103,988	-	113,100	-
Deferred tax assets	55,914	-	35,476	-	28,019	-
Refundable deposits (Note 3 and 34)	130,521	1	130,799	1	131,116	1
Other non-current assets (Note 19)	2,302	-	3,584	-	4,547	-
Total non-current assets	<u>6,298,993</u>	<u>22</u>	<u>6,166,176</u>	<u>23</u>	<u>6,197,561</u>	<u>27</u>
TOTAL	<u>\$ 29,033,433</u>	<u>100</u>	<u>\$ 26,956,116</u>	<u>100</u>	<u>\$ 23,284,903</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 38)	\$ 748,000	3	\$ 1,608,000	6	\$ 848,000	4
Notes payable	1,225	-	1,566	-	121	-
Contract liabilities - current (Note 28)	2,404,585	8	-	-	-	-
Trade payable (Note 22)	47,440	-	81,429	-	19,010	-
Other payables (Note 24)	1,557,564	5	1,648,489	6	1,400,488	6
Other payable to related parties (Notes 24 and 37)	55,740	-	71,653	-	67,931	-
Current tax liabilities	465,812	2	975,199	4	542,657	2
Provisions - current (Note 25)	5,767	-	97,909	-	87,102	-
Other current financial liabilities (Note 24)	487,401	2	300,131	1	322,848	2
Unearned revenue (Note 23)	3,083	-	179,057	1	631,419	3
Current portion of long-term borrowings and bonds payable (Notes 20, 21 and 38)	1,510,095	5	1,513,210	6	1,713,455	7
Other current liabilities (Note 24)	195,481	1	152,958	1	49,228	-
Total current liabilities	<u>7,482,193</u>	<u>26</u>	<u>6,629,601</u>	<u>25</u>	<u>5,682,259</u>	<u>24</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 21)	4,400,000	15	1,500,000	6	1,500,000	7
Long-term borrowings (Notes 20 and 38)	6,325,000	22	6,887,406	26	4,737,892	20
Provisions - non-current (Note 25)	-	-	1,694	-	2,657	-
Net defined benefit liabilities - non-current	67,858	-	72,820	-	36,564	-
Guarantee deposits received (Note 34)	42,825	-	42,615	-	45,746	-
Other non-current liabilities (Note 24)	475,013	2	378,615	1	374,682	2
Deferred tax liabilities	16,927	-	13,377	-	14,603	-
Total non-current liabilities	<u>11,327,623</u>	<u>39</u>	<u>8,896,527</u>	<u>33</u>	<u>6,712,144</u>	<u>29</u>
Total liabilities	<u>18,809,816</u>	<u>65</u>	<u>15,526,128</u>	<u>58</u>	<u>12,394,403</u>	<u>53</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 27)						
Share capital						
Ordinary shares	7,368,465	26	6,515,000	24	6,515,000	28
Capital surplus	64,528	-	63,896	-	63,896	-
Retained earnings						
Legal reserve	2,073,664	7	1,793,382	7	1,793,382	8
Special reserve	40,830	-	-	-	-	-
Unappropriated earnings	854,040	3	2,967,208	11	2,465,124	10
Total retained earnings	<u>2,968,534</u>	<u>10</u>	<u>4,760,590</u>	<u>18</u>	<u>4,258,506</u>	<u>18</u>
Other equity						
Exchange differences on translating foreign operations	(772,099)	(3)	(396,805)	(1)	(389,673)	(2)
Unrealized gain from financial assets measured at fair value through other comprehensive income	494,863	2	-	-	-	-
Unrealized gain from available-for-sale financial assets	-	-	355,975	1	312,921	2
Total other equity	<u>277,236</u>	<u>(1)</u>	<u>(40,830)</u>	<u>-</u>	<u>(67,752)</u>	<u>-</u>
Total equity attributable to owners of the Company	10,124,291	35	11,298,656	42	10,769,650	46
NON-CONTROLLING INTERESTS (Note 27)	<u>99,326</u>	<u>-</u>	<u>131,332</u>	<u>-</u>	<u>120,850</u>	<u>1</u>
Total equity	<u>10,223,617</u>	<u>35</u>	<u>11,429,988</u>	<u>42</u>	<u>10,890,500</u>	<u>47</u>
TOTAL	<u>\$ 29,033,433</u>	<u>100</u>	<u>\$ 26,956,116</u>	<u>100</u>	<u>\$ 23,284,903</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 29, 2018)

SINYI REALTY INC. AND SUBSIDIARIES

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

	Three Months Ended September 30				Nine Months Ended September 30			
	2018		2017		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
(Note 4 and 28)								
Sales revenue	\$ 156,712	6	\$3,223,100	62	\$ 621,232	8	\$8,689,625	60
Service revenue	<u>2,269,676</u>	<u>94</u>	<u>2,014,352</u>	<u>38</u>	<u>6,891,102</u>	<u>92</u>	<u>5,821,553</u>	<u>40</u>
Total operating revenues	<u>2,426,388</u>	<u>100</u>	<u>5,237,452</u>	<u>100</u>	<u>7,512,334</u>	<u>100</u>	<u>14,511,178</u>	<u>100</u>
OPERATING COSTS (Note 12, 29 and 37)								
Cost of sales	109,902	5	1,629,423	31	400,127	5	5,669,657	39
Service costs	<u>1,734,190</u>	<u>71</u>	<u>1,500,236</u>	<u>29</u>	<u>5,122,647</u>	<u>68</u>	<u>4,398,326</u>	<u>31</u>
Total operating costs	<u>1,844,092</u>	<u>76</u>	<u>3,129,659</u>	<u>60</u>	<u>5,522,774</u>	<u>73</u>	<u>10,067,983</u>	<u>70</u>
GROSS PROFIT	582,296	24	2,107,793	40	1,989,560	27	4,443,195	30
OPERATING EXPENSES (Notes 29 and 37)	<u>344,588</u>	<u>14</u>	<u>312,524</u>	<u>6</u>	<u>1,064,446</u>	<u>14</u>	<u>903,293</u>	<u>6</u>
OPERATING INCOME	<u>237,708</u>	<u>10</u>	<u>1,795,269</u>	<u>34</u>	<u>925,114</u>	<u>13</u>	<u>3,539,902</u>	<u>24</u>
NON-OPERATING INCOME AND EXPENSES								
Rental income (Note 37)	21,946	1	22,316	-	65,438	1	61,867	-
Dividend income	21,867	1	6,741	-	33,258	-	27,248	-
Interest income (Note 29)	44,775	2	42,272	1	124,221	2	101,622	1
Other gains and losses (Notes 29 and 37)	10,640	-	2,254	-	16,768	-	(13,499)	-
Finance costs (Notes 29 and 37)	(<u>29,358</u>)	(<u>1</u>)	(<u>21,161</u>)	-	(<u>79,387</u>)	(<u>1</u>)	(<u>50,816</u>)	-
Total non-operating income and expenses	<u>69,870</u>	<u>3</u>	<u>52,422</u>	<u>1</u>	<u>160,298</u>	<u>2</u>	<u>126,422</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	307,578	13	1,847,691	35	1,085,412	15	3,666,324	25
INCOME TAX EXPENSE (Notes 4 and 30)	(<u>111,294</u>)	(<u>5</u>)	(<u>812,250</u>)	(<u>15</u>)	(<u>423,082</u>)	(<u>6</u>)	(<u>1,382,947</u>)	(<u>9</u>)
NET PROFIT FOR THE PERIOD	<u>196,284</u>	<u>8</u>	<u>1,035,441</u>	<u>20</u>	<u>662,330</u>	<u>9</u>	<u>2,283,377</u>	<u>16</u>
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	52,086	2	-	-	87,485	1	-	-

(Continued)

	Three Months Ended September 30				Nine Months Ended September 30			
	2018		2017		2018		2017	
	Amount	%	Amount	%	Amount	%	Amount	%
Share of the other comprehensive income (loss) of associates/joint ventures accounted for using the equity method	\$ 505	-	\$ -	-	\$ 1,367	-	\$ -	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	(447,263)	(18)	58,688	1	(375,297)	(5)	(163,968)	(1)
Unrealized gain (loss) on available-for-sale financial assets	-	-	29,738	-	-	-	16,855	-
Share of the other comprehensive income (loss) of associates/joint ventures accounted for using the equity method	-	-	449	-	-	-	590	-
Other comprehensive income for the period, net of income tax	(394,672)	(16)	88,875	1	(286,445)	(4)	(146,523)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(\$ 198,388)</u>	<u>(8)</u>	<u>\$ 1,124,316</u>	<u>21</u>	<u>\$ 375,885</u>	<u>5</u>	<u>\$ 2,136,854</u>	<u>15</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owner of the Company	\$ 199,379	8	\$ 1,030,302	20	\$ 676,210	9	\$ 2,269,434	16
Non-controlling interests	(3,095)	-	5,139	-	(13,880)	-	13,943	-
	<u>\$ 196,284</u>	<u>8</u>	<u>\$ 1,035,441</u>	<u>20</u>	<u>\$ 662,330</u>	<u>9</u>	<u>\$ 2,283,377</u>	<u>16</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owner of the Company	(\$ 195,288)	(8)	\$ 1,119,172	21	\$ 389,768	5	\$ 2,122,913	15
Non-controlling interests	(3,100)	-	5,144	-	(13,883)	-	13,941	-
	<u>\$ 198,388</u>	<u>(8)</u>	<u>\$ 1,124,316</u>	<u>21</u>	<u>\$ 375,885</u>	<u>5</u>	<u>\$ 2,136,854</u>	<u>15</u>
EARNINGS PER SHARE								
(Note 31)								
From continuing operations								
Basic	<u>\$ 0.27</u>		<u>\$ 1.40</u>		<u>\$ 0.92</u>		<u>\$ 3.08</u>	
Diluted	<u>\$ 0.27</u>		<u>\$ 1.40</u>		<u>\$ 0.92</u>		<u>\$ 3.08</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 29, 2018)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company											
	Share Capital					Retained Earnings			Other Equity			Non-controlling Interests
	Ordinary Shares	Capital Surplus	Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized gain from financial assets measured at fair value through other Comprehensive income	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Total	Total Equity		
BALANCE AT JANUARY 1, 2017	\$ 6,318,398	\$ 63,896	\$ 1,701,396	\$ -	\$ 1,116,118	(\$ 225,707)	\$ -	\$ 304,476	\$ 9,278,577	\$ 109,812	\$ 9,388,389	
Appropriation of 2016 earnings												
Legal Reserve	-	-	91,986	-	(91,986)	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(631,840)	-	-	-	(631,840)	-	(631,840)	
Stock dividends distributed by the Company	196,602	-	-	-	(196,602)	-	-	-	-	-	-	
Net profit for the nine months ended September 30, 2017	-	-	-	-	2,269,434	-	-	-	2,269,434	13,943	2,283,377	
Other comprehensive income (loss) for the nine months ended September 30, 2017, net of income tax	-	-	-	-	-	(163,966)	-	17,445	(146,521)	(2)	(146,523)	
Total comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	2,269,434	(163,966)	-	17,445	2,122,913	13,941	2,136,854	
Non-controlling Interests	-	-	-	-	-	-	-	-	-	(2,903)	(2,903)	
BALANCE AT SEPTEMBER 30, 2017	\$ 6,515,000	\$ 63,896	\$ 1,793,382	\$ -	\$ 2,465,124	(\$ 389,673)	\$ -	\$ 321,921	\$ 10,769,650	\$ 120,850	\$ 10,890,500	
BALANCE AT JANUARY 1, 2018	\$ 6,515,000	\$ 63,896	\$ 1,793,382	\$ -	\$ 2,967,208	(\$ 396,805)	\$ -	\$ 355,975	\$ 11,298,656	\$ 131,332	\$ 11,429,988	
Effect of retrospective application and retrospective restatement	-	-	-	-	13,949	-	406,011	(355,975)	63,985	-	63,985	
BALANCE AT JANUARY 1, 2018 AS RESTATED	6,515,000	63,896	1,793,382	-	2,981,157	(396,805)	406,011	-	11,362,641	131,332	11,493,973	
Appropriation of 2017 earnings												
Legal Reserve	-	-	280,282	-	(280,282)	-	-	-	-	-	-	
Special Reserve	-	-	-	40,830	(40,830)	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	(1,628,750)	-	-	-	(1,628,750)	-	(1,628,750)	
Stock dividends distributed by the Company	853,465	-	-	-	(853,465)	-	-	-	-	-	-	
Actual disposals of interests in subsidiaries	-	632	-	-	-	-	-	-	632	4,638	5,000	
Net profit for the nine months ended September 30, 2018	-	-	-	-	676,210	-	-	-	676,210	(13,880)	662,330	
Other comprehensive income (loss) for the nine months ended September 30, 2018, net of income tax	-	-	-	-	-	(375,294)	88,852	-	(286,442)	(3)	(286,445)	
Total comprehensive income (loss) for the nine months ended September 30, 2018	-	-	-	-	676,210	(375,294)	88,852	-	389,768	(13,883)	375,885	
Non-controlling Interests	-	-	-	-	-	-	-	-	-	(22,491)	(22,491)	
BALANCE AT SEPTEMBER 30, 2018	\$ 7,368,465	\$ 64,528	\$ 2,073,664	\$ 40,830	\$ 854,040	(\$ 772,099)	\$ 494,863	\$ -	\$ 10,124,291	\$ 99,326	\$ 1,0223,617	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated October 29, 2018)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Nine Months Ended September 30	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,085,412	\$ 3,666,324
Adjustments for:		
Depreciation expenses	96,080	94,992
Amortization expenses	24,279	35,245
Net gain on fair value change of financial assets held for trading	(1,667)	(321)
Interest expense	136,986	54,713
Interest income	(124,221)	(101,622)
Dividend income	(33,258)	(27,248)
Share of profit of associates and joint ventures	1,034	1,211
Loss on disposal of property, plant and equipment	750	1,765
Loss on disposal of investment properties	3,901	1,419
Gain on disposal of investments	(1,321)	(5,897)
Reversal of Impairment loss (gain) on non-financial assets	(1,405)	3,819
Changes in operating assets and liabilities		
Financial assets held for trading	(1,973,662)	293,543
Notes receivable	(48,836)	306
Trade receivables	(111,105)	(60,173)
Other receivables	(1,601)	23,549
Inventories	(179,500)	(414,357)
Other current assets	(42,960)	589,586
Other operating assets	(6,173)	(7,038)
Contract liabilities	2,318,588	-
Notes payable	(341)	16
Trade payables	(33,989)	(156,375)
Other payables	(101,685)	(188,135)
Other payable to related parties	(14,607)	10,725
Provisions	(50,909)	1,707
Unearned revenue	319	(6,460,693)
Other financial liabilities	186,777	(84,120)
Other current liabilities	642	(171,047)
Other operating liabilities	<u>94,704</u>	<u>(40,197)</u>
Cash generated from operations	1,222,232	(2,938,303)
Interest received	123,803	101,500
Interest paid	(142,871)	(72,488)
Income taxes paid	<u>(957,585)</u>	<u>(849,097)</u>
Net cash generated from (used in) operating activities	<u>245,579</u>	<u>(3,758,388)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets measured at fair value through other comprehensive income	(44,774)	-
Purchase of financial assets measured at cost	-	(5,000)
Purchase of available-for-sale financial assets	-	(10,103)
Proceeds from disposal of available-for-sale financial assets	-	12,403

Nine Months Ended September 30
2018 **2017**

Acquisition of long-term Investment accounted for using equity method	\$ -	(\$ 17,989)
Increase in prepaid investment	-	-
Proceeds on acquisition of subsidiary	4,740	-
Proceeds on disposal of subsidiary	5,000	-
Payments for property, plant and equipment	(81,915)	(36,977)
Proceeds on disposal of property, plant and equipment	171	128
Decrease in prepayment for equipment	-	11,466
Decrease in refundable deposits	281	3,336
Payment for intangible assets	(19,292)	(14,949)
Payment for investment properties	(5,675)	(26,531)
Proceeds on disposal of investment properties	8,792	250,580
Increase in other financial assets	-	(84,633)
Decrease in other financial assets	18,665	-
Decrease in other non-current assets	1,282	2,200
Dividend received	<u>33,258</u>	<u>27,436</u>
Net cash generated from (used in) investing activities	(<u>79,467</u>)	<u>111,367</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	689,942
Repayment of short-term borrowings	(860,000)	-
Issuance of bonds	4,400,000	-
Repayment of bonds	(1,500,000)	-
Proceeds from long-term borrowings	10,815,000	10,907,155
Repayment of long-term borrowings	(11,393,430)	(6,761,051)
Proceeds from guarantee deposits received	210	-
Refund of guarantee deposits received	-	(14,266)
Decrease in other payables to related parties	(1,109)	(18,574)
Dividends paid to owners of the Company	(1,628,750)	(631,840)
Changes in non-controlling Interests	(<u>22,491</u>)	(<u>2,903</u>)
Net cash generated from (used in) financing activities	(<u>190,570</u>)	<u>4,168,463</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(<u>42,326</u>)	(<u>106,956</u>)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(66,784)	414,486
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>3,899,831</u>	<u>3,512,457</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 3,833,047</u>	<u>\$3,926,943</u>

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

(With Deloitte & Touche review report dated October 29, 2018)

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements had been approved by the board of directors and authorized for issue on October 29, 2018.

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

- a. Initial adoption of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

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

1) IFRS 9 “Financial Instruments” and related amendment

IFRS 9 supersedes IAS 39 “Financial Instruments: Recognition and Measurement”, with consequential amendments to IFRS 7 “Financial Instruments: Disclosures” and other standards. IFRS 9 sets out the requirements for classification, measurement and impairment of financial assets and hedge accounting. Refer to Note 4 for information relating to the relevant accounting policies.

The requirements for classification, measurement and impairment of financial assets and hedging cost have been applied retrospectively on January 1, 2018, and the other requirements for hedge accounting have been applied prospectively. IFRS 9 is not applicable to items that have already been derecognized at December 31, 2017.

Classification, measurement and impairment of financial assets

On the basis of the facts and circumstances existed at January 1, 2018, the Group has performed an assessment of the classification of recognized financial assets and has elected not to restate prior reporting periods. The following table shows the original measurement categories and carrying amount under IAS 39 and the new measurement categories and carrying amount under IFRS 9 for each class of the Group's financial assets and financial liabilities as at January 1, 2018.

Financial Assets	Measurement Category		Carrying Amount		Remark
	IAS 39	IFRS 9	IAS 39	IFRS 9	
Cash and cash equivalents	Loans and receivables	Amortized cost	\$ 3,899,831	\$ 3,899,831	(d)
Structured deposits	Loans and receivables	Mandatorily at FVTPL	2,902,655	2,910,977	(a)
Equity securities	Mandatorily at FVTPL	Mandatorily at FVTPL	7,718	7,718	
	Available-for-sale	FVTOCI - equity instruments	1,027,503	1,083,166	(b)
Mutual funds	Mandatorily at FVTPL	Mandatorily at FVTPL	194,060	194,060	
	Available-for-sale	Mandatorily at FVTPL	1,294	1,294	(c)
Time deposits with original maturity of more than 3 months	Loans and receivables	Amortized cost	169,970	169,970	(d)
Notes receivable, trade receivables and other receivables	Loans and receivables	Amortized cost	918,211	918,211	(d)
Restricted assets	Loans and receivables	Amortized cost	7,283	7,283	(d)
Refundable deposits	Loans and receivables	Amortized cost	130,799	130,799	(d)

	IAS 39 Carrying Amount as of January 1, 2018	Reclassifica- tions	Remeasure- ments	IFRS 9 Carrying Amount as of January 1, 2018	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Remark
FVTPL	\$201,778	\$ -	\$ -	\$ 201,778	\$ -	\$ -	
Add: Reclassification from available for sale (IAS 39)	-	1,294	-	1,294	-	-	(c)
Add: Reclassification from Amortized cost (IAS 39)	-	2,902,655	8,322	2,910,977	8,322	-	(a)
	<u>201,778</u>	<u>2,903,949</u>	<u>8,322</u>	<u>3,114,049</u>	<u>8,322</u>	<u>-</u>	
FVTOCI— equity instruments	-	-	-	-	-	-	
Add: Reclassification from Financial assets available for sale (IAS 39)	-	1,027,503	55,663	1,083,166	5,627	50,036	(b)
	<u>-</u>	<u>1,027,503</u>	<u>55,663</u>	<u>1,083,166</u>	<u>5,627</u>	<u>50,036</u>	
Amortized cost	-	-	-	-	-	-	
Add: Reclassification from loans and receivables IAS 39)	-	5,126,094	-	5,126,094	-	-	(d)
	<u>-</u>	<u>5,126,094</u>	<u>-</u>	<u>5,126,094</u>	<u>-</u>	<u>-</u>	
	<u>\$201,778</u>	<u>\$ 9,057,546</u>	<u>\$ 63,985</u>	<u>\$ 9,323,309</u>	<u>\$ 13,949</u>	<u>\$ 50,036</u>	

- a) Structured deposits were designated as financial assets at fair value through profit and loss (FVTPL) under IAS 39 because they were hybrid instruments. They have been classified as mandatorily measured at FVTPL in their entirety under IFRS 9 since they contain host contracts that are assets within the scope of IFRS 9 and should be remeasured at fair value. Therefore, the amounts of FVTPL and retained earnings increase \$8,322 thousand at January 1, 2018.
- b) The Group choose to designate all its investments in equity securities previously classified as available-for-sale under IAS 39 as financial assets at fair value through other comprehensive income (FVTOCI) under IFRS 9, because these investments are not held for trading. As a result, the related other equity - unrealized gain/(loss) on available-for-sale financial assets of \$355,975 thousand was reclassified to other equity - unrealized gain/(loss) on financial assets at

FVTOCI.

The Company designated its investments in unlisted equity securities previously classified as financial assets at amortized cost under IAS 39 as at FVTOCI under IFRS 9 and should be remeasured at fair value. Therefore, the amounts of FVTOCI, retained earnings and unrealized gain from FVTOCI increase respectively \$55,663 thousand, \$5,627 thousand and \$50,036 thousand at January 1, 2018.

- c) Mutual funds previously classified as available-for-sale under IAS 39 were classified mandatorily as at FVTPL under IFRS 9, because the contractual cash flows are not solely payments of principal and interest on the principal outstanding and they are not equity instruments.
- d) Notes receivables, trade receivables and other receivables which were previously accounted for as loans and receivables under IAS39 were classified as at amortized cost with an assessment of expected credit losses under IFRS 9..

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

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers and supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations. Refer to Note 4 for related accounting policies.

Incremental costs of obtaining a contract are recognized as an asset to the extent the Group expects to recover those costs. Such an asset is amortized on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Prior to the application of IFRS 15, related costs were recognized as an expense immediately.

Accrued discount of service revenue were recognized as provisions for service revenue allowances before IFRS 15 is adopted and recognized as refund liability which are accounted for as other current liabilities and other non-current liabilities after IFRS 15 is adopted.

The Group elected only to retrospectively apply IFRS 15 to those contracts not completed as of January 1, 2018 and recognize the cumulative effect of the change in retained earnings on January 1, 2018.

Impact on assets, liabilities and equity for current period

	As Originally Stated	Adjustments Arising from Initial Application	Restated
Unearned revenue	\$ 176,293	(\$ 176,293)	\$ -
Provision of liabilities	99,603	(42,927)	56,676
Refund liability (recorded as other current liabilities)	-	42,927	42,927
Contract liabilities - current	<u>-</u>	<u>176,293</u>	<u>176,293</u>
Total effect on liabilities	<u>\$ 275,896</u>	<u>\$ -</u>	<u>\$ 275,896</u>

b. IFRSs to be endorsed by the FSC for application starting from 2019

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 “Prepayment Features with Negative Compensation”	January 1, 2019 (Note 2)
IFRS 16 “Leases”	January 1, 2019
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019 (Note 3)
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: The Group shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

1) IFRS 16 “Leases”

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

Definition of a lease

Upon initial application of IFRS 16, the Group will elect to apply IFRS 16 only to contracts entered into (or changed) on or after January 1, 2019 in order to determine whether those contracts are, or contain, a lease. Contracts identified as containing a lease under IAS 17 and IFRIC 4 will not be reassessed and will be accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

Upon initial application of IFRS 16, the Group will recognize right-of-use assets, or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value and short-term leases will be recognized as expenses on a straight-line basis. However, right-of-use asset in accordance with investment property will be recognized as investment property. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows. Contract classified as finance lease will be recognized as leased assets and lease payable in the balance sheet. Leased assets and finance lease payables are recognized for contracts classified as finance leases.

The Group anticipates applying IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

Except for applying the expedient b below, all right-of-use assets recognized will apply to the impairment evaluation of IAS 36. The Group expects to apply the following practical expedients:

- a) The Group will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
- b) The Group will adjust the right-of-use assets on January 1, 2019 by the amount of any provisions for onerous leases recognized as of December 31, 2018.
- c) The Group will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.
- d) The Group will exclude initial direct costs from the measurement of right-of-use assets on January 1, 2019.
- e) The Group will use hindsight, such as in determining lease terms, to measure lease liabilities.

For the leases classified as finance leases according to IAS 17, the carrying amount of the leased assets and lease liabilities on December 31, 2018 will be used as the carrying amount of the right-of-use assets and lease liabilities on January 1, 2019.

The Group as lessor

Except for sublease transactions, the Group will not make any adjustments for leases in which it is a lessor and will account for those leases with the application of IFRS 16 starting from January 1, 2019.

2) IFRIC 23 “Uncertainty Over Income Tax Treatments”

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Group should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Group 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 Group should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Group expects to better predict the resolution of the uncertainty. The Group has to reassess its judgments and estimates if facts and circumstances change.

Upon initial application of IFRIC 23, the Group will recognize the cumulative effect of retrospective application in retained earnings on January 1, 2019.

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

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)
Amendments to IFRS 3 “Definition of a Business”	January 1, 2021 (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 17 “Insurance Contracts”	January 1, 2021

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 Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

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

b. Basis of consolidation

The principles of preparation of the consolidated financial statements are in line with 2017 consolidated financial statements. See Note 14 and Table 6 and 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

c. Other significant accounting policies

The accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2017, except for those described below.

1) Retirement benefit costs

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

2) Costs to obtain a contract recognized as an asset

Commission expenses from sale of real estate and underwriting contract of selling real estate which were incurred at time of obtaining customers' contracts are recognized as an asset to the extent the Group expects to recover those costs and derecognized as expenses at the completion of the real estate. However, the Group does not choose to capitalize the costs of due to the costs obtaining a contract being expected to be amortized within one year.

3) 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.

(A) Financial assets

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

a) Measurement category

2018

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in debt instruments and equity instruments at FVTOCI.

i. Financial asset at FVTPL

FVTPL includes financial assets designated as at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 36.

ii. Financial assets at amortized cost

Financial assets that meet the two following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables, other receivables and other financial assets-current at amortized cost, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and
- ii) Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2017

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 Group'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 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 asset - 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

2018

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets.

The Group always recognizes lifetime Expected Credit Loss (i.e. ECL) for trade receivables and lease receivables. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

2017

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, as a result of one or more events that occurred after the initial recognition of the financial assets, that 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 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 Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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 Group 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.

Before 2018, 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 which had been recognized in other comprehensive income is recognized in profit or loss. Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

(B) Financial liabilities

2018 and 2017

i. Subsequent measurement

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

ii. 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.

4) Revenue recognition

2018

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

a) Revenue from rendering of services

Revenue from rendering of services comes from real-estate brokerage business and will be recognized when services provided are completed.

b) Revenue from sale of realty estate

Revenue from sales of real estate in Mainland China is recognized on the day of real estate transferring when buyers and sellers assignment sales contract and file in the local real estate institution, acceptance has been qualified by relevant departments and the filing procedures are completed, and the Group sale issues a notice of real estate transferring according to the provisions of the contract. Revenue from the sale of properties in Taiwan is recognized when

construction is complete, rewards of ownership of the properties are transferred to buyers. Until such revenue is recognized, deposits in and installment payments from sales of properties are carried at contract liabilities –current in the consolidated balance sheets.

2017

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

A) 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.

B) Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) The amount of revenue can be measured reliably;
- d) It is probable that the economic benefits associated with the transaction will flow to the Group; and
- e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of real estate in Main China is recognized on the day of real estate transferring when buyers and sellers assignment sales contract and file in the local real estate institution, acceptance has been qualified by relevant departments and the filing procedures are completed, and the Group sale issues a notice of real estate transferring according to the provisions of the contract. Revenue from the sale of properties in Taiwan is recognized when construction is complete, rewards of ownership of the properties are transferred to buyers, and collectability of the related receivables is reasonably assured. Deposits in and installment payments from sales of properties are recorded as unearned revenue in the consolidated balance sheets under current liabilities.

C) 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.

5) Income taxes

Income tax expense is the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income and the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistent with the accounting for the transaction itself which gives rise to the tax consequence, and is recognized in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2017.

a. Estimated impairment of financial assets - 2018

The provision for impairment of trade receivables, investments in debt instruments and financial guarantee contracts is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Estimated impairment of trade receivables - 2017

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of impairment loss is measured as the difference between an asset's carrying amount and the present value of its 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.

6. CASH AND CASH EQUIVALENTS

	September 30, 2018	December 31, 2017	September 30, 2017
Cash on hand	\$ 25,179	\$ 24,912	\$ 18,238
Checking accounts and demand deposits	3,656,415	3,793,191	3,688,649
Cash equivalents			
Time deposits with original maturities less than three months	<u>151,453</u>	<u>81,728</u>	<u>220,056</u>
	<u>\$ 3,833,047</u>	<u>\$ 3,899,831</u>	<u>\$ 3,926,943</u>

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

	September 30, 2018	December 31, 2017	September 30, 2017
Interest rates range	0%-2.10%	0%-1.98%	0%-4.00%

As of September 30, 2018, December 31, 2017 and September 30, 2017, the carrying amounts of time deposits with original maturities more than three months were \$151,370 thousand, \$169,970 thousand and \$169,970 thousand, respectively, which were classified as other financial assets - current (Note 13).

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

	September 30, 2018	December 31, 2017	September 30, 2017
<u>Financial assets at FVTPL</u>			
Non-derivative financial assets			
Domestic quoted shares	\$ 8,393	\$ -	\$ -
Mutual funds	48,240	-	-
Structured financial products	<u>4,878,821</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,935,454</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Financial assets held for trading</u>			
Non-derivative financial assets			
Domestic quoted shares	\$ -	\$ 7,718	\$ 8,351
Mutual funds	<u>-</u>	<u>194,060</u>	<u>178,468</u>
	<u>\$ -</u>	<u>\$ 201,778</u>	<u>\$ 186,819</u>

Structured financial products the Group bought from banks are structured time deposit with the expected yield rates of 0%-4.45% as of September 30, 2018.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND LOSS -2018

	September 30, 2018
Financial assets measured at fair value through other comprehensive income and loss	
Current	<u>\$ 874,428</u>
Non-current	<u>\$ 347,516</u>

**September 30,
2018**

Financial assets measured at fair value through other comprehensive income and loss

Current

Domestic investment	
Listed common shares	\$ 289,075
Overseas investment	
Listed common shares	<u>585,353</u>
	<u>\$ 874,428</u>

Non-current

Domestic investment	
Listed common shares	\$ 75,766
Overseas investment	
Listed common shares	<u>271,750</u>
	<u>\$ 347,516</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as the management believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes. These investments in equity instruments were classified as available-for-sale under IAS 39. Refer to Note 3, Note 9 and Note 10 for information relating to their reclassification and comparative information for 2017.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT-2017

	December 31, 2017	September 30, 2017
<u>Domestic investment</u>		
Quoted shares	<u>\$ 228,299</u>	<u>\$ 219,239</u>
<u>Foreign investment</u>		
Quoted shares	594,228	576,699
Mutual funds	<u>1,294</u>	<u>1,314</u>
	<u>595,522</u>	<u>578,013</u>
Available-for-sale financial assets	<u>\$ 823,821</u>	<u>\$ 797,252</u>

10. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT-2017

	December 31, 2017	September 30, 2017
Domestic unlisted common shares	\$ 54,953	\$ 54,953
Overseas unlisted common shares	<u>150,023</u>	<u>154,131</u>
	<u>\$ 204,976</u>	<u>\$ 209,084</u>

Management believed that the fair value of the above unlisted equity investments held by the Group cannot be reliably measured due to the wide range of reasonable fair value estimates; therefore, they were measured at cost less impairment at the end of reporting period.

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2018	December 31, 2017	September 30, 2017
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 76,993	\$ 28,157	\$ 15,695
Notes receivable - operating	<u>\$ 76,993</u>	<u>\$ 28,157</u>	<u>\$ 15,695</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	981,501	850,334	876,703
Less: Allowance for doubtful accounts	(17,396)	(8,064)	(9,437)
	<u>\$ 964,105</u>	<u>\$ 842,270</u>	<u>\$ 867,266</u>
<u>Other receivables</u>			
Receivables from disposal of investment	\$ 4,438	\$ 4,567	\$ 2,000
Interest receivables	899	481	11,468
Others	47,659	46,901	58,391
Less: Allowance for doubtful accounts	(3,106)	(4,165)	(3,106)
	<u>\$ 49,890</u>	<u>\$ 47,784</u>	<u>\$ 68,753</u>

a. Trade receivables

For the nine months ended September 30, 2018

The average credit period for rendering of services was 30 to 60 days. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. Except for collections from real estate agent service rendered to individuals and from sales of real estate, the Group adopted a policy of using other publicly available financial information or its own trading records to rate its major customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Since the Group collected the receivables for providing real estate agent services from Receipts under escrow custody, the uncollectible risk shall be insignificant. On the other hand, the Group generally collected in advance the amount of real estate sold and the real estate shall not transferred or handed over until all the amount are collected. Thus, there would not be trade receivables from transactions of selling real estate.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast of Gross Domestic Product (GDP) and the industry at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

September 30, 2018

	<u>Less than 60 Days</u>	<u>61 to 90 Days</u>	<u>91 to 180 Days</u>	<u>180 to 360 Days</u>	<u>Over 360 Days</u>	<u>Total</u>
Expected credit loss rate	0%-0.5%	0%-0.5%	0%-0.5%	0%-0.5%	50%-100%	
Gross carrying amount	\$ 750,775	\$ 82,603	\$ 89,550	\$ 22,872	\$ 35,701	\$ 981,501
Service revenue allowances (note)	(30,645)	(4,865)	(3,346)	(2,029)	(686)	(41,571)
Loss allowance (Lifetime ECL)	(<u>452</u>)	(<u>122</u>)	(<u>164</u>)	(<u>105</u>)	(<u>16,553</u>)	(<u>17,396</u>)
Amortized cost	<u>\$ 719,678</u>	<u>\$ 77,616</u>	<u>\$ 86,040</u>	<u>\$ 20,738</u>	<u>\$ 18,462</u>	<u>\$ 922,534</u>

Note : The provision of allowance for trade receivables were accounted for as Provisions – current.

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

	<u>Nine months ended September 30, 2018</u>	
	<u>Trade Receivables</u>	<u>Other Receivables</u>
Balance at January 1 (IAS 39)	\$ 8,064	\$ 4,165
Adjustments Arising from Application of IFRS 9	<u>-</u>	<u>-</u>
Balance at January 1 (IFRS 9)	8,064	4,165
Add: recognized impairment loss	9,896	-
Less: Amounts written off	-	(1,059)
Foreign exchange translation gains and losses	(<u>564</u>)	<u>-</u>
Balance at September 30	<u>\$ 17,396</u>	<u>\$ 3,106</u>

For the nine months ended September 30, 2017

The Group applied the same credit policy in 2018 and 2017. The provision of allowance for trade receivables from real estate brokerage service revenue was estimated based on historical experience. Allowance for impairment loss was recognized against trade receivables based on aging analysis, historical experience and an analysis of clients' current financial position. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period.

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

Aging analysis of receivables was as follows:

	December 31, 2017	September 30, 2017
0-60 days	\$ 694,076	\$ 666,411
61-90 days	51,046	67,806
91-180 days	50,009	54,761
181-360 days	38,941	50,445
Over 360 days	<u>16,262</u>	<u>37,280</u>
	<u>\$ 850,334</u>	<u>\$ 876,703</u>

The above analysis was based on the billing date.

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

	December 31, 2017	September 30, 2017
61-90 days	\$ 8,742	\$ 13,086
91-180 days	6,219	4,298
181-360 days	1,667	2,101
Over 360 days	<u>2,978</u>	<u>1,916</u>
	<u>\$ 19,606</u>	<u>\$ 21,401</u>

The above analysis was based on the billing date.

Movements of the Allowance for doubtful accounts recognized on trade receivables and other receivables were as follows:

	2017	
	Trade Receivables	Other Receivables
Balance at January 1	\$ 9,081	\$ 2,848
Add: Allowance for bad debt expenses	1,265	258
Less: Amounts written off	(800)	-
Foreign exchange translation gains and losses	<u>(109)</u>	<u>-</u>
Balance at September 30	<u>\$ 9,437</u>	<u>\$ 3,106</u>

b. Other receivables

- 1) Receivables from disposal of investment and interest receivable were due to the Group's disposal of financial assets measured at cost from the Group's exercising the option to sell back the shares under the agreement of the share transaction.
- 2) Other receivables were the payment on behalf of others and rental receivable.

12. INVENTORIES

	September 30, 2018	December 31, 2017	September 30, 2017
Properties under development			
Jiading District, Shanghai	\$ -	\$ 1,967,730	\$ 1,921,125
Properties to be developed			
Binhu District, Wuxi	6,095,801	5,907,655	2,299,760
Banqiao District, New Taipei City	2,417,774	2,402,626	2,400,068
Banqiao District, New Taipei City (for transferable development rights)	283,347	198,104	139,932
Other			
Shilin District, Taipei City	2,113	2,113	2,113
Inventory-merchandise			
Jiading District, Shanghai	2,537,704	799,065	799,822
Shilin District, Taipei City	<u>284,650</u>	<u>420,156</u>	<u>420,327</u>
	<u>\$ 11,621,389</u>	<u>\$ 11,697,449</u>	<u>\$ 7,983,147</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2018 and nine months ended September 30, 2018 were \$109,902 thousand and \$400,127 thousand, respectively. The amount for the three months ended September 30, 2017 and nine months ended September 30, 2017 were \$1,629,423 thousand and \$5,669,657 thousand, respectively.

To ensure the smooth completion of the real estate project, Sinyi Development Inc. of the Group entered into trust contracts with banks on the real estate projects. The information of the real estate trust was as follows:

Project Name	Trustee	Trust Period
Yong Cui Section parcel number 4 and 6	Taishin International Bank Co., Ltd.	2017/5/22-2024/5/22
Yong Cui Section parcel number 27	Taishin International Bank Co., Ltd.	2017/9/30-2024/9/30

In accordance with the trust contract, Sinyi Development Inc. has engaged the trustees taking fund control function, including making progress payments, the payment of taxes, and so on.

Refer to Note 38 for the carrying amount of inventories pledged as security for bank borrowings by the Group.

13. OTHER FINANCIAL ASSETS - CURRENT

	September 30, 2018	December 31, 2017	September 30, 2017
Time deposits with original maturity more than three months	\$ 151,370	\$ 169,970	\$ 169,970
Restricted assets - current	7,218	7,283	7,276
Financial assets at amortized cost	<u>-</u>	<u>2,902,655</u>	<u>2,833,225</u>
	<u>\$ 158,588</u>	<u>\$ 3,079,908</u>	<u>\$ 3,010,471</u>

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

- | | September 30,
2018 | December 31,
2017 | September 30,
2017 |
|---|-------------------------------|------------------------------|-------------------------------|
| Time deposits with original maturity more than three months | 0.12%-1.13% | 0.12%-1.15% | 0.12%-1.15% |
- b. Restricted assets - current were operating guarantee for real-estate brokerage. Please refer to Note 38.
- c. The Group concluded that the expected credit risk of the above financial assets would not be high and does not increase after the initial recognition.
- d. Financial assets at amortized cost were bank financial products and the expected yield rates as of December 31, 2017 and September 30, 2017 were 0%-4.75% and 0%-4.55%, respectively.

14. SUBSIDIARIES

- a. Subsidiaries included in consolidated financial statements

Those subsidiaries included in the consolidated entities as of September 30, 2018, December 31, 2017 and September 30, 2017 were as follows:

Investor	Investee	Main Businesses	% of Ownership			Remark
			September 30, 2018	December 31, 2017	September 30, 2017	
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	100	
	Sinyi Development Inc. (Taiwan Sinyi Development)	Development, construction, rental and sale of residential building and factories	100	100	100	
	Sinyi Limited	Investment holding	100	100	100	
	Sinyi Global Asset Management Co., Ltd. (Sinyi Global)	Real estate brokerage	100	100	100	
	Heng-Yi Intelligent Technology Inc. (original name: Heng-Yi Real Estate Consulting) (Heng-Yi)	Development, construction, rental and sale of residential building and factories	75	100	100	Note 4
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	100	
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	99	
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	51	
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	100	100	
		SIN CHIUN HOLDING SDN. BHD. Sinyi Real Estate Consulting Limited (Sinyi Consulting)	Investment holding Production of Instructions of real estate	100 100	100 -	100 -
Sinyi Limited	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	99	99	99	
Inane	Inane International Limited (Inane)	Investment holding	100	100	100	
	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100	100	
Shanghai Sinyi Real Estate	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	100	100	100	
	Shanghai Zhi Xin allograph Ltd.	Real estate brokerage and management consulting	100	100	100	
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	100	100	100	
	Max Success International Limited (Max Success)	Investment holding	100	100	100	
	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	100	100	100	
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	100	100	100	
	Jiaxing Zhi Zheng Real Estate Marketing Planning Inc. (Jiaxing Zhi Zheng)	Real estate marketing planning and management consulting	100	100	-	Note 1
Shanghai Zhi Xin	Suzhou Zhi Xin Real Estate Co. Ltd.	Market information consultation and management consulting	100	-	-	Note 7
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	100	
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	100	
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage and management	100	100	100	
	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100	100	
Forever Success	Sinyi Estate Ltd. (Sinyi Estate)	Investment holding	100	100	100	
	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	100	
	Hua Yun Renovation (Shanghai) Co., Ltd. (Hua Yun)	Professional construction, buildings, decoration construction, hardware, general merchandise, building materials wholesale	100	100	100	
Shanghai Shang Tuo	Shanghai Chang Yuan Co., Ltd. (Shanghai Chang Yuan)	Property management	100	100	-	Note 2
Hua Yun	Lunheng Business Management (Shanghai) Ltd	Management consulting	-	-	-	Note 8
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	100	

(continued)

Investor	Investee	Main Businesses	% of Ownership			Remark
			September 30, 2018	December 31, 2017	September 30, 2017	
Japan Sinyi	Sinyi Asset Management Co., Ltd. (Japan Management)	Real estate brokerage	100	100	100	
Sinyi Development	Tokyo Sinyi Real Estate Co., Ltd.	Real estate brokerage	100	100	100	
	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	100	
Sinyi Estate	Kunshan Dingxian Trading Co., Ltd. (Kunshan Digxian Trading)	Construction materials furniture, sanitary ware and ceramic products wholesale	100	100	100	
	Sinyi Estate (Hong Kong) Limited (Hong Kong Sinyi Estate)	Investment holding	100	100	100	
Hong Kong Real Estate	Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	100	100	100	
Hong Kong Sinyi Estate	Jiu Xin Estate(Wuxi) Limited (Jiu Xin Estate)	Development of commercial and residential building	100	100	-	Note 3
Yowoo Technology	Wu Pu Co.,Ltd. (Wu Pu)	Investment	100	-	-	Note 5
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sale of residential building and factories	100	100	100	
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sale of residential building and factories	100	100	100	
SIN CHIUN	FIDELITY PROPERTY CONSULTANT SDN.BHD.(FIDELITY)	Real estate brokerage	49	49	49	
PEGUSUS	PEGUSUS HOLDING SDN.BHD.(PEGUSUS)	Investment holding	100	100	100	
	FIDELITY PROPERTY CONSULTANT SDN.BHD.(FIDELITY)	Real estate brokerage, management and identification	51	51	51	

(concluded)

Remark:

- Note 1: Jiaxing Zhi Zheng was incorporated in August 2017, with a capital of RMB 100 thousand as of September 30, 2018. The capital has not been remitted as of September 30, 2018.
- Note 2: Shanghai Chang Yuan was incorporated in August 2017, with a capital of RMB 2,200 thousand as of September 30, 2018. The capital has not been remitted as of September 30, 2018 .
- Note 3: Jiu Xin Estate was incorporated in December 2017, with a capital of USD207,000 thousand as of September 30, 2018.
- Note 4: The Company's percentage of ownership interest in Heng Yi reduced to 75% as of September 30, 2018 due to the disposal of 25% of shares of Heng Yi to others in February and March, 2018.
- Note 5: Wu Pu was incorporated in March 2018, with a capital of \$500 thousand as of September 30, 2018.
- Note 6: The Group acquired 100% ownership of Sinyi Real Estate Consulting Limited from Sinyi Co., Ltd. and Yu-Heng Co., Ltd. with an amount of \$8,000 thousand in June 2018.
- Note 7: SuZhou Zhi Xin was incorporated in August 2018, with a capital of RMB 3,000 thousand as of September 30, 2018.
- Note 8: Lunheng Business Management (Shanghai) Ltd was incorporated in September 2018. The capital has not been remitted as of September 30, 2018 .
- Note 9: Subsidiaries included in consolidated financial statement: The financial statements of the consolidated entities had not been reviewed by the independent accountants, except for those of Sinyi International, Sinyi Development, Hong Kong Real Estate, Shanghai Real Estate, Sinyi Estate, Hong Kong Sinyi Estate and Jiu Xin Estate as of and for the nine months ended September 30, 2018. The financial statements of the consolidated entities had not been reviewed by the independent accountants, except for those of Sinyi International, Sinyi Development, Hong Kong Real Estate, Shanghai Real Estate, Sinyi Estate and Hong Kong Sinyi Estate as of and for the nine months ended September 30, 2017.

b. Subsidiaries excluded from consolidated financial statement: None.

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2018	December 31, 2017	September 30, 2017
Investments in associates	\$ 29,453	\$ 29,120	\$ 28,990

Investments In Associates

	September 30, 2018	December 31, 2017	September 30, 2017
<u>Unlisted company</u>			
Sinyi Interior Design Co., Ltd.	\$ 14,824	\$ 12,826	\$ 11,430
Rakuya International Info. Co., Ltd.	<u>14,629</u>	<u>16,294</u>	<u>17,560</u>
	<u>\$ 29,453</u>	<u>\$ 29,120</u>	<u>\$ 28,990</u>

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

Name of Associate	September 30, 2018	December 31, 2017	September 30, 2017
Sinyi Interior Design Co., Ltd.	19%	19%	19%
Rakuya International Info. Co., Ltd.	23%	23%	23%

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

	<u>Nine Months Ended September 30</u>	
	2018	2017
The Group's share of:		
Loss from continuing operations	(\$ 1,034)	(\$ 1,211)
Other comprehensive income	<u>1,367</u>	<u>590</u>
Total comprehensive income for the period	<u>\$ 333</u>	<u>(\$ 621)</u>

The Group's percentage of ownership of Sinyi Interior Design Co., Ltd. is less than 20%. Since the Company's stockholder which accounted for the Company under equity method is also the director of Sinyi Interior Design Co., Ltd., the Company has material impact on it.

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 nine months ended September 30, 2018 and 2017 were based on unreviewed financial statements. The Group's management believes the unreviewed financial statements of the investees above do not have material impact.

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>									
Balance at January 1, 2018	\$ 2,665,208	\$ 639,680	\$ 6,519	\$ 370,157	\$ 4,671	\$ 526,644	\$ 84,401	\$ -	\$ 4,297,280
Additions	-	-	4,292	27,448	-	27,894	1,425	20,856	81,915
Disposals	-	-	-	(15,405)	-	(7,990)	-	-	(23,395)
Reclassifications	-	-	-	-	-	1,081	-	(1,081)	-
Acquisition through business combinations	-	-	-	6,626	-	612	-	-	7,238
Effect of foreign currency exchange differences	<u>-</u>	<u>(6,340)</u>	<u>(212)</u>	<u>(1,541)</u>	<u>-</u>	<u>(2,488)</u>	<u>-</u>	<u>-</u>	<u>(10,581)</u>
Balance at September 30, 2018	<u>\$ 2,665,208</u>	<u>\$ 633,340</u>	<u>\$ 10,599</u>	<u>\$ 387,285</u>	<u>\$ 4,671</u>	<u>\$ 545,753</u>	<u>\$ 85,826</u>	<u>\$ 19,775</u>	<u>\$ 4,352,457</u>

(continued)

	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Accumulated depreciation									
Balance at January 1, 2018	\$ -	\$ 117,641	\$ 4,668	\$ 290,126	\$ 4,671	\$ 418,082	\$ 69,520	\$ -	\$ 904,708
Depreciation expense	-	14,308	598	32,019	-	38,007	4,801	-	89,733
Disposals	-	-	-	(14,909)	-	(7,565)	-	-	(22,474)
Acquisition through business combinations	-	-	-	5,246	-	555	-	-	5,801
Effect of foreign currency exchange differences	-	(213)	(113)	(1,086)	-	(1,972)	-	-	(3,384)
Balance at September 30, 2018	<u>\$ -</u>	<u>\$ 131,736</u>	<u>\$ 5,446</u>	<u>\$ 311,396</u>	<u>\$ 4,671</u>	<u>\$ 447,107</u>	<u>\$ 74,321</u>	<u>\$ -</u>	<u>\$ 974,384</u>
Carrying amounts at September 30, 2018	<u>\$ 2,665,208</u>	<u>\$ 501,604</u>	<u>\$ 5,446</u>	<u>\$ 75,889</u>	<u>\$ -</u>	<u>\$ 98,646</u>	<u>\$ 11,505</u>	<u>\$ 19,775</u>	<u>\$ 3,378,073</u>
	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost									
Balance at January 1, 2017	\$ 2,665,208	\$ 415,360	\$ 6,571	\$ 367,121	\$ 4,671	\$ 521,294	\$ 80,540	\$ 230,850	\$ 4,291,615
Additions	-	-	-	18,267	-	15,009	3,701	-	36,977
Disposals (note)	-	-	-	(13,961)	-	(7,869)	(28)	(11,466)	(33,324)
Reclassifications	-	-	-	(41)	-	41	-	-	-
Effect of foreign currency exchange differences	-	-	(66)	(884)	-	(1,403)	-	(3,451)	(5,804)
Balance at September 30, 2017	<u>\$ 2,665,208</u>	<u>\$ 415,360</u>	<u>\$ 6,505</u>	<u>\$ 370,502</u>	<u>\$ 4,671</u>	<u>\$ 527,072</u>	<u>\$ 84,213</u>	<u>\$ 215,933</u>	<u>\$ 4,289,464</u>
	Freehold land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Accumulated depreciation									
Balance at January 1, 2017	\$ -	\$ 107,102	\$ 3,560	\$ 264,153	\$ 4,671	\$ 374,696	\$ 63,196	\$ -	\$ 817,378
Depreciation expense	-	7,904	885	32,826	-	42,313	4,702	-	88,630
Disposals	-	-	-	(13,476)	-	(6,461)	(28)	-	(19,965)
Reclassifications	-	-	-	(1)	-	1	-	-	-
Effect of foreign currency exchange differences	-	-	(33)	(465)	-	(448)	-	-	(946)
Balance at September 30, 2017	<u>\$ -</u>	<u>\$ 115,006</u>	<u>\$ 4,412</u>	<u>\$ 283,037</u>	<u>\$ 4,671</u>	<u>\$ 410,101</u>	<u>\$ 67,870</u>	<u>\$ -</u>	<u>\$ 885,097</u>
Carrying amounts at September 30, 2017	<u>\$ 2,665,208</u>	<u>\$ 300,354</u>	<u>\$ 2,093</u>	<u>\$ 87,465</u>	<u>\$ -</u>	<u>\$ 116,971</u>	<u>\$ 16,343</u>	<u>\$ 215,933</u>	<u>\$ 3,404,367</u>

(concluded)

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

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

Buildings - main buildings	21-55 years
Transportation equipment	4-5 years
Office equipment	3-5 years
Leased assets	3 years
Leasehold improvements	1-5 years
Other equipment	3-15 years

- Construction in progress and prepayments for equipment were mainly the Group's purchase of the pre-sold property which was still in construction located in Suzhou City. The transaction price had been paid fully according to the real estate transaction contract in 2017.
- There was no interest capitalized during the nine months ended September 30, 2018 and 2017.
- Refer to Note 38 for the details of properties, plant and equipment pledged as collaterals.

17. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2018	\$ 2,029,699	\$ 344,313	\$ 2,374,012
Additions	5,675	-	5,675
Disposals	(12,461)	(239)	(12,700)
Balance at September 30, 2018	<u>\$ 2,022,913</u>	<u>\$ 344,074</u>	<u>\$ 2,366,987</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2018	\$ 7,022	\$ 101,329	\$ 108,351
Gain on reversal of impairment loss	(1,405)	-	(1,405)
Depreciation expense	-	6,347	6,347
Disposals	-	(7)	(7)
Balance at September 30, 2018	<u>\$ 5,617</u>	<u>\$ 107,669</u>	<u>\$ 113,286</u>
Carrying amounts at September 30, 2018	<u>\$ 2,017,296</u>	<u>\$ 236,405</u>	<u>\$ 2,253,701</u>

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2017	\$ 2,022,380	\$ 345,739	\$ 2,368,119
Additions	24,271	2,260	26,531
Disposals	(4,207)	(3,230)	(7,437)
Balance at September 30, 2017	<u>\$ 2,042,444</u>	<u>\$ 344,769</u>	<u>\$ 2,387,213</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2017	\$ 5,558	\$ 93,275	\$ 98,833
Impairment losses recognized (reversed)	4,013	(194)	3,819
Depreciation expense	-	6,362	6,362
Disposals	-	(139)	(139)
Balance at September 30, 2017	<u>\$ 9,571</u>	<u>\$ 99,304</u>	<u>\$ 108,875</u>
Carrying amounts at September 30, 2017	<u>\$ 2,032,873</u>	<u>\$ 245,465</u>	<u>\$ 2,278,338</u>

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

Buildings - main buildings 36-60 years

The total fair value of the Group's investment properties and property, plant and equipment as of September 30, 2018, December 31, 2017 and September 30, 2017 was \$9,531,777 thousand, \$9,113,907 thousand and

\$8,986,849 thousand, respectively. The fair value valuation had not been performed by independent qualified professional valuers and the fair value was measured by using Level 3 inputs; however, the management of the Group used the valuation model that market participants generally use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

All of the Group's investment property was held under freehold interests. The carrying amount of the investment properties that had been pledged by the Group to secure borrowings was disclosed in Note 38.

18. INTANGIBLE ASSETS

	September 30, 2018	December 31, 2017	September 30, 2017	
Franchise (Note 40)	\$ 49,031	\$ 49,506	\$ 50,916	
Goodwill	-	-	9,621	
System software costs	<u>52,482</u>	<u>54,482</u>	<u>52,563</u>	
	<u>\$ 101,513</u>	<u>\$ 103,988</u>	<u>\$ 113,100</u>	
	Franchise	Goodwill	System Software Costs	
			Total	
<u>Cost</u>				
Balance at January 1, 2018	\$ 90,933	\$ 9,621	\$ 230,520	\$ 331,074
Additions	-	-	19,292	19,292
Disposals	-	-	(564)	(564)
Acquisition from business combination	-	-	3,530	3,530
Effect of foreign currency exchange differences	<u>2,338</u>	<u>-</u>	<u>(449)</u>	<u>1,889</u>
Balance at September 30, 2018	<u>\$ 93,271</u>	<u>\$ 9,621</u>	<u>\$ 252,329</u>	<u>\$ 355,221</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2018	\$ 41,427	\$ 9,621	\$ 176,038	\$ 227,086
Amortization expense	1,714	-	22,565	24,279
Disposals	-	-	(564)	(564)
Acquisition through business combination	-	-	2,272	2,272
Effect of foreign currency exchange differences	<u>1,099</u>	<u>-</u>	<u>(464)</u>	<u>635</u>
Balance at September 30, 2018	<u>\$ 44,240</u>	<u>\$ 9,621</u>	<u>\$ 199,847</u>	<u>\$ 253,708</u>
Carrying amounts at September 30, 2018	<u>\$ 49,031</u>	<u>\$ -</u>	<u>\$ 52,482</u>	<u>\$ 101,513</u>

	Franchise	Goodwill	System Software Costs	Total
<u>Cost</u>				
Balance at January 1, 2017	\$ 98,542	\$ 9,621	\$ 207,447	\$ 315,610
Additions	-	-	14,949	14,949
Disposals	-	-	(692)	(692)
Effect of foreign currency exchange differences	(6,081)	-	(186)	(6,267)
Balance at September 30, 2017	<u>\$ 92,461</u>	<u>\$ 9,621</u>	<u>\$ 221,518</u>	<u>\$ 323,600</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2017	\$ 42,430	\$ -	\$ 136,202	\$ 178,632
Amortization expense	1,749	-	33,496	35,245
Disposals	-	-	(692)	(692)
Effect of foreign currency exchange differences	(2,634)	-	(51)	(2,685)
Balance at September 30, 2017	<u>\$ 41,545</u>	<u>\$ -</u>	<u>\$ 168,955</u>	<u>\$ 210,500</u>
Carrying amounts at September 30, 2017	<u>\$ 50,916</u>	<u>\$ 9,621</u>	<u>\$ 52,563</u>	<u>\$ 113,100</u>

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

Franchise	40 years
System software costs	2-5 years

The recoverable amount of the Group's goodwill had been tested for impairment using the forecast carrying amount at the end of the annual reporting period. In 2017, the Group had recognized impairment loss of \$9,621 thousand on goodwill.

19. OTHER ASSETS

	September 30, 2018	December 31, 2017	September 30, 2017
Prepaid expenses	\$ 88,266	\$ 94,820	\$ 120,621
Tax prepayment	103,063	15,750	33,415
Temporary payments	3,133	45,847	47,774
Overpaid VAT	14,628	9,696	9,227
Overdue receivables	412	1,694	2,657
Others	1,890	1,890	1,890
	<u>\$ 211,392</u>	<u>\$ 169,697</u>	<u>\$ 215,584</u>
Current	\$ 209,090	\$ 166,113	\$ 211,037
Non-current			
Others	2,302	3,584	4,547
	<u>\$ 211,392</u>	<u>\$ 169,697</u>	<u>\$ 215,584</u>

Tax prepayment is land value increment tax and sales tax imposed by China local tax bureau for presold

real estate of subsidiary Shanghai Real Estate in Mainland China.

20. BORROWINGS

a. Short-term borrowings

	September 30, 2018	December 31, 2017	September 30, 2017
<u>Unsecured borrowings</u>			
Unsecured loans	\$ -	\$ 560,000	\$ 100,000
<u>Secured borrowings</u>			
Bank loans	<u>748,000</u>	<u>1,048,000</u>	<u>748,000</u>
	<u>\$ 748,000</u>	<u>\$ 1,608,000</u>	<u>\$ 848,000</u>

1) The interest rates on the bank loans as of September 30, 2018, December 31, 2017 and September 30, 2017 were 1.73%, 1.10%-1.73% and 1.59%-1.73%, respectively.

2) Refer to Note 38 for the details of assets pledged as collaterals for short-term borrowings.

b. Long-term borrowings

	September 30, 2018	December 31, 2017	September 30, 2017
<u>Secured borrowings</u>			
Bank loans	\$ 3,835,000	\$ 5,380,800	\$ 3,727,800
<u>Unsecured borrowings</u>			
Loans unsecured	<u>2,500,095</u>	<u>1,519,816</u>	<u>1,223,547</u>
	6,335,095	6,900,616	4,951,347
Less: Current portion	(<u>10,095</u>)	(<u>13,210</u>)	(<u>213,455</u>)
Long-term borrowings	<u>\$ 6,325,000</u>	<u>\$ 6,887,406</u>	<u>\$ 4,737,892</u>

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

Content of Borrowings		September 30, 2018	December 31, 2017	September 30, 2017
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. The Group repaid all the debts in July 2018.	\$ -	\$ 200,000	\$ -
E.Sun Bank	Loan limit: \$200,000 thousand; period: October 25, 2016 to October 20, 2018; floating interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2017.	-	-	200,000
E.Sun Bank	Loan limit: \$2,450,000 thousand; period: October 25, 2016 to October 20, 2018; floating interest rate of 1.2%; negotiating rate per 30 days; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2017.	-	-	1,520,000
E.Sun Bank	Loan limit: \$2,450,000 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. The Group repaid \$100,000 in July 2018.	2,350,000	2,450,000	-

(Continued)

Content of Borrowings		September 30, 2018	December 31, 2017	September 30, 2017
E.Sun Bank	Loan limit: USD75,000 thousand; period: November 3, 2016 to November 3, 2018; fixed interest rate of 2.63389% interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2017.	\$ -	\$ -	\$ 907,800
Taipei Fubon Bank	Loan limit: \$385,000 thousand; period: December 30, 2016 to December 30, 2019; floating interest rate of 1.52%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2017.	-	-	150,000
East Asia Bank	Loan limit: \$1,600,000 thousand (note); period: December 7, 2017 to December 7, 2020; floating interest rate as of 1.4653%; interest is paid monthly; 3% of principal is repaid in 18th, 24th and 30th months, respectively 91% of principal is paid in 36th month. The Group repaid all the debts in July 2018.	-	300,000	-
East Asia Bank	Loan limit: \$1,600,000 thousand; period: September 12, 2018 to September 12, 2021; floating interest rate as of 1.24%; interest is paid monthly; 3% of principal is repaid in 18th, 24th and 30th months, respectively 91% of principal is paid in 36th month.	1,200,000	-	-
East Asia Bank	Loan limit: US\$40,000 thousand (note); period: December 7, 2017 to December 7, 2020; floating interest rate as of 3.5296%; interest is paid quarterly; 3% of principal is repaid in 18th, 24th and 30th months, respectively 91% of principal is paid in 36th month. The Group repaid all the debts in July 2018.	-	1,190,400	-
Yuanta Bank	Loan limit: \$200,000 thousand; period: March 23, 2018 to March 22, 2020; fixed interest rate of 1.25%; interest is paid monthly and principal is repaid at maturity.	200,000	-	-
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. The Group repaid all the debts in January 2018.	-	200,000	-
Mizuho Bank	Loan limit: JPY 150,000 thousand; period: June 20, 2016 to June 20, 2019; fixed interest rate of 1.108%; interest is paid monthly and principal is repaid JPY 4,167 thousand monthly.	10,095	19,816	23,547
Bank of SinoPac	Loan limit: \$200,000 thousand; period: August 29, 2017 to August 29, 2019; fixed rate of 1.10%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in July 2018.	-	200,000	200,000
Bank of SinoPac	Loan limit: \$200,000 thousand; period: September 19, 2018 to September 19, 2020; fixed rate of 1.10%; interest is paid monthly and principal is repaid at maturity.	200,000	-	-
Bank of Taiwan	Loan limit: \$1,000,000 thousand; period: September 28, 2017 to September 28, 2020; fixed interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in November 2017.	-	-	1,000,000
O-Bank	Loan limit: \$200,000 thousand; period: March 2, 2018 to March 2, 2020; fixed interest rate of 1.295%; interest is paid monthly and principal is repaid at maturity.	200,000	-	-
O-Bank	Loan limit: \$200,000 thousand; period: March 30, 2017 to March 30, 2019; fixing interest rate of 1.237%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January 2018.	-	200,000	200,000
Far Eastern Bank	Loan limit: \$800,000 thousand; period: September 26, 2018 to September 26, 2020; fixed interest rate of 1.29%; interest is paid monthly and principal is repaid at maturity.	600,000	-	-
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. The Group repaid all the debts in January 2018.	-	400,000	400,000
TC Bank	Loan limit: \$200,000 thousand; period: September 29, 2017 to October 6, 2019; fixed interest rate of 1.3%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2017.	-	-	200,000

(Continued)

Content of Borrowings		September 30, 2018	December 31, 2017	September 30, 2017
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	\$ 300,000	\$ -
Taishin Bank	Loan limit: \$1,900,000 thousand; period: September 8, 2017 to September 8, 2022; fixed interest rate of 1.7%; interest is paid monthly and principal is repaid at maturity.	285,000	250,000	150,000
DBS	Loan limit: US\$40,000 thousand; period: December 13, 2017 to December 13, 2019; floating interest rate at 3.80325%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in August 2018.	-	1,190,400	-
DBS	Loan limit: \$150,000 thousand; period: March 23, 2018 to March 23, 2020; fixed interest rate at 1.25%; interest is paid monthly and principal is repaid at maturity.	150,000	-	-
Jihsun Bank	Loan limit: \$200,000 thousand; period: September 26, 2018 to September 26, 2020; fixed interest rate at 1.22%; interest is paid monthly and principal is repaid at maturity.	190,000	-	-
Taiwan Cooperative Bank	Loan limit: \$200,000 thousand; period: September 26, 2018 to September 26, 2020; fixed interest rate at 1.22%; interest is paid monthly and principal is repaid at maturity.	200,000	-	-
Cathay United Bank	Loan limit: \$200,000 thousand; period: September 4, 2018 to September 4, 2020; fixed interest rate at 1.22%; interest is paid monthly and principal is repaid at maturity.	200,000	-	-
Mega Bank	Loan limit: \$250,000 thousand; period: September 26, 2018 to September 26, 2020; fixed interest rate at 1.20%; interest is paid monthly and principal is repaid at maturity.	250,000	-	-
Total long-term borrowings		<u>\$6,335,095</u>	<u>\$6,900,616</u>	<u>\$4,951,347</u>

(Concluded)

Note : The total amount of line of credit from East Asia Bank is not more than 1,600,000 thousand.

Refer to Note 38 for the details of assets pledged as collaterals for long-term borrowings.

21. BONDS PAYABLE

	September 30, 2018	December 31, 2017	September 30, 2017
Domestic unsecured bonds	\$ 5,900,000	\$ 3,000,000	\$ 3,000,000
Less: Current portion	(<u>1,500,000</u>)	(<u>1,500,000</u>)	(<u>1,500,000</u>)
	<u>\$ 4,400,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

The major term of domestic unsecured bonds was as follows:

Issuance Period	Total Amount (In Thousands)	Coupon Rate	Repayment and Interest Payment
June 2014 to June 2019	\$ 3,000,000	1.48%	At the end of the 4 th and 5 th year from the issuance date, the Group will repay half of the principle, respectively. Interest is paid annually.
May 2018 to May 2021	700,000	0.92%	Principal is repaid at maturity. Interest is paid annually.
May 2018 to May 2023	1,900,000	1.07%	Principal is repaid at maturity. Interest is paid annually.
July 2018 to July 2023	1,800,000	1.05%	Principal is repaid at maturity. Interest is paid annually.

22. TRADE PAYABLES

	September 30, 2018	December 31, 2017	September 30, 2017
Construction payables	\$ 47,440	\$ 81,429	\$ 19,010

23. UNEARNED REVENUE

	September 30, 2018	December 31, 2017	September 30, 2017
Advance receipts from real estate transactions	\$ -	\$ 176,293	\$ 628,579
Others	<u>3,083</u>	<u>2,764</u>	<u>2,840</u>
	<u>\$ 3,083</u>	<u>\$ 179,057</u>	<u>\$ 631,419</u>

Advance receipts from real estate transactions are the amounts collected by Shanghai Real Estate and Sinyi Development from customers for pre-sold real estate. Shanghai Real Estate entered into real estate sales contracts with the customers and put on record at Shanghai Real Estate Trading Center. When houses are on the status available for usage and are checked and accepted by the related authorities and Shanghai Real Estate completes the procedures of putting on file, Shanghai Real Estate may issue the house delivery notice according to the real estate sales contracts and recognizes revenue of selling houses at the date of delivering house and transferred the related inventory to cost of goods sold. The amount of deposits and installments from the real estate sales contracts collected from the customers are recorded as unearned revenue of current liabilities before meeting the criteria of being recognized as revenue from selling commodities. After IFRS 15 is adopted, the amount of deposit and installment which are collected before the criteria of recognition of sales revenue are met have been recorded as contract liabilities-current in the consolidation balance sheets.

24. OTHER LIABILITIES

	September 30, 2018	December 31, 2017	September 30, 2017
<u>Current</u>			
Other payables	\$ 1,557,564	\$ 1,648,489	\$ 1,400,488
Other payable to related parties	55,740	71,653	67,931
Other financial liabilities	487,401	300,131	322,848
Other liabilities	<u>195,481</u>	<u>152,958</u>	<u>49,228</u>
	<u>\$ 2,296,186</u>	<u>\$ 2,173,231</u>	<u>\$ 1,840,495</u>

Non-current

Other liabilities	<u>\$ 475,013</u>	<u>\$ 378,615</u>	<u>\$ 374,682</u>
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a. Other payables were as follows:

	September 30, 2018	December 31, 2017	September 30, 2017
Payable for performance bonus and salaries	\$ 1,121,410	\$ 1,224,557	\$ 989,527
Advertisement payable	117,460	57,988	53,602

(Continued)

	September 30, 2018	December 31, 2017	September 30, 2017
Payable for labor and health insurance	\$ 57,074	\$ 65,157	\$ 70,367
Payable for annual leave	79,027	79,719	90,098
Payable for professional fees	13,276	11,787	9,000
Interest payables	22,640	28,328	12,827
Payable for employees bonuses and compensation to directors	15,337	40,020	45,102
Others	<u>131,340</u>	<u>140,933</u>	<u>129,965</u>
	<u>\$ 1,557,564</u>	<u>\$ 1,648,489</u>	<u>\$ 1,400,488</u>

(Concluded)

Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other liabilities - others. The performance bonuses payable under other liabilities - others amounted to \$474,601 thousand, \$378,615 thousand and \$374,682 thousand as of September 30, 2018, December 31, 2017 and September 30, 2017, respectively.

b. Other payable to related parties were as follows:

	September 30, 2018	December 31, 2017	September 30, 2017
Financing to related parties			
Loan from related parties	\$ 38,150	\$ 39,259	\$ 39,139
Interest payable	6,773	6,970	6,949
Others	<u>10,817</u>	<u>25,424</u>	<u>21,843</u>
	<u>\$ 55,740</u>	<u>\$ 71,653</u>	<u>\$ 67,931</u>

Loans from related parties were accounted for other payables to related parties with the same interest rates of 0% for the nine months ended September 30, 2018 and 2017.

c. Other financial liabilities were as follows:

	September 30, 2018	December 31, 2017	September 30, 2017
Receipts under custody from real estate transactions	\$ 399,209	\$ 218,875	\$ 251,129
Other receipts under custody	40,038	45,371	35,206
Payable on equipment	12,421	2,909	12,658
Receipts under custody – escrow service	178	11	11
Others	<u>35,555</u>	<u>32,965</u>	<u>23,844</u>
	<u>\$ 487,401</u>	<u>\$ 300,131</u>	<u>\$ 322,848</u>

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

2) Receipts under custody from escrow service were the money received by An-Sin and An-Shin from

buyers of real estate transactions but not yet transferred to the sellers. Composition was as follows:

	September 30, 2018	December 31, 2017	September 30, 2017
Receipts under custody - escrow service	\$ 8,315,520	\$ 11,344,557	\$ 11,016,284
Interest payable	1,485	1,870	1,361
Deposit accounts	(8,316,827)	(11,346,416)	(11,017,634)
	<u>\$ 178</u>	<u>\$ 11</u>	<u>\$ 11</u>

a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.01%-0.09% as of September 30, 2018 , December 31,2017 and September 30, 2017.

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

d. Other liabilities were as follows:

	September 30, 2018	December 31, 2017	September 30, 2017
<u>Current</u>			
VAT payable and other tax payable	\$ 137,431	\$ 137,575	\$ 35,939
Refund liability	41,159	-	-
Others	16,891	15,383	13,289
	<u>\$ 195,481</u>	<u>\$ 152,958</u>	<u>\$ 49,228</u>
<u>Non-current</u>			
Long-term bonus payable	\$ 474,601	\$ 378,615	\$ 374,682
Refund liability	412	-	-
	<u>\$ 475,013</u>	<u>\$ 378,615</u>	<u>\$ 374,682</u>

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

The refund liability was estimated as based on historical experience of actual discount. The estimation was recognized as a reduction of operating revenue in the period the related services were provided.

25. PROVISIONS

	September 30, 2018	December 31, 2017	September 30, 2017
Service revenue allowances	\$ -	\$ 42,927	\$ 43,265
Operating loss provisions	5,767	56,676	46,494
	<u>\$ 5,767</u>	<u>\$ 99,603</u>	<u>\$ 89,759</u>
Current	\$ 5,767	\$ 97,909	\$ 87,102
Non-current	-	1,694	2,657
	<u>\$ 5,767</u>	<u>\$ 99,603</u>	<u>\$ 89,759</u>

a. The provision for service revenue allowances was estimated based on historical experience. The

provision was recognized as a reduction of operating revenue in the period the related services were provided. The Group adopted IFRS 15 since 2018 and recorded the estimation of discount of service revenue as refund liability which was presented in other current liabilities and other non-current liabilities.

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

26. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2017 and 2016, and recognized in profit or loss in respect of the defined benefit plans for the three months ended September 30, 2018 and 2017 and for the nine months ended September 30, 2018 and 2017 were \$1,201 thousand, \$1,058 thousand, \$3,601 thousand and \$3,174 thousand, respectively.

27. EQUITY

Share Capital

	September 30, 2018	December 31, 2017	September 30, 2017
Numbers of shares authorized (in thousands)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Shares authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>736,847</u>	<u>651,500</u>	<u>651,500</u>
Share capital issued	<u>\$ 7,368,465</u>	<u>\$ 6,515,000</u>	<u>\$ 6,515,000</u>

The Company had increased capital by allocating the undistributed earnings of \$853,465 thousand on June 2018. As such, as of September 30, 2018 had increased to \$7,368,465 thousand with 736,847 thousand ordinary shares at 10 dollars par value.

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

Capital Surplus

	September 30, 2018	December 31, 2017	September 30, 2017
<u>May not be used for any purpose</u>			
Employee stock options	\$ 63,896	\$ 63,896	\$ 63,896
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share</u>			
Disposal of ownership interests in subsidiaries	<u>632</u>	<u>-</u>	<u>-</u>
	<u>\$ 64,52896</u>	<u>\$ 63,896</u>	<u>\$ 63,896</u>

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

surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

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

Retained Earnings and Dividend Policy

- a. Under the dividend policy as set forth in the amended Articles, where the Company has earning upon settlement for a fiscal year, after taxes are paid by law and accumulated deficits are set off, ten percent shall be appropriated as legal earning reserves; however, if the amount of the legal earning reserves has attained the amount of paid-in capital of the Company, no further appropriation shall be made. The remainder shall be appropriated or reversed as special earning reserves. If there still has balance, considering together with accumulated undistributed earnings, the board of directors shall prepare the proposal for earning distribution, which shall be submitted to the shareholders' meeting for a resolution of distribution of dividends and bonuses to shareholders. For the policies on distribution of employees' compensation and remuneration of directors before and after amendment, please refer to section Employee benefits expense in Note 29(7).
- b. In addition, according the revised Article of Incorporation of the Company, the dividend policy of the Company is to deliberately distribute dividends, in the light of present and future development plan, taking into consideration the investment environments, fund demands, and domestic competition status, as well as factors of interests of shareholders; provided. However, the amount of proposed earning distribution of current year may not be less than 20% of accumulated distributable earnings. In distributing dividends and bonuses to shareholders, the distribution may be made by stocks or cash, of which cash dividends may not be less than 10% of total amount of dividends.
- c. 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.
- d. The appropriations of earnings including bonus to employees, and the remuneration to directors for 2017 and 2016 had been approved in the shareholders' meeting held on May 23, 2018 and May 26, 2017, respectively. The appropriations and dividends per share were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>Years Ended December 31</u>		<u>Years Ended December 31</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Legal reserve	\$ 280,282	\$ 91,986	\$ -	\$ -
Special reserve	40,830	-	-	-
Cash dividends	1,628,750	631,840	2.50	1.0
Stock dividends	853,465	196,602	1.31	0.3

Special Reserve

	<u>Nine Months Ended September 30</u>	
	<u>2018</u>	<u>2017</u>
Balance, beginning of period	\$ -	\$ -
Special reserve		
Other equity items reserve	<u>40,830</u>	<u>-</u>
Balance, end of period	<u>\$ 40,830</u>	<u>\$ -</u>

Others Equity Items

	September 30, 2018	December 31, 2017	September 30, 2017
Exchange differences on translating foreign operations	(\$ 772,099)	(\$ 396,805)	(\$ 389,673)
Unrealized gains from available-for-sale financial assets	-	355,975	321,921
Unrealized gains from financial assets at fair value through other comprehensive income	<u>494,863</u>	<u>-</u>	<u>-</u>
	<u>(\$ 277,236)</u>	<u>(\$ 40,830)</u>	<u>(\$ 67,752)</u>

a. Exchange differences on translating foreign operations

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

b. Unrealized gains or losses from available-for-sale financial assets -2017

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.

c. Unrealized gains or losses from financial assets at fair value through other comprehensive income-2018

Unrealized gains or losses from financial assets at fair value through other comprehensive income represents the cumulative gains and losses arising on the revaluation of financial assets at fair value through other comprehensive income, that have been defined to recognize in other comprehensive income. The accumulated amounts of unrealized gains or losses from financial assets at fair value through other comprehensive income did not reclassified to gains or losses when dispose of investment.

Non-controlling Interests

	<u>Nine Months Ended September 30</u>	
	2018	2017
Balance, beginning of period	\$ 131,332	\$ 109,812
Attributed to non-controlling interests:		
Net income	(13,880)	13,943
Exchange differences on translating foreign operations	(3)	(2)
Payment of cash dividends to non-controlling interests	(22,491)	(2,903)
Disposal of the partial subsidiary interest	<u>4,368</u>	<u>-</u>
Balance, end of period	<u>\$ 99,326</u>	<u>\$ 120,850</u>

28. REVENUE

- a. Disaggregation of revenue
Refer to Note 43 for information about disaggregation of revenue.
- b. Balance of contract
The amount of deposit and installment which are collected before the criteria of recognition of sales revenue are met had been included in the current liabilities (unearned revenue) before the adoption of IFRS15 and have recorded as contract liabilities-current in the consolidation balance sheets since IFRS 15 was adopted.

**September 30,
2018**

Contract liabilities - current	
Real estate sales	<u>\$ 2,404,585</u>

29. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

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

Interest Income

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Interest income				
Cash in bank	\$ 44,435	\$ 42,272	\$ 123,522	\$ 100,984
Other receivables	-	-	-	637
Other	<u>340</u>	<u>-</u>	<u>699</u>	<u>1</u>
	<u>\$ 44,775</u>	<u>\$ 42,272</u>	<u>\$ 124,221</u>	<u>\$ 101,622</u>

Other Gains and Losses

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Impairment loss (gain on reversal) of investment properties	\$ 2,540	(\$ 2,640)	\$ 1,405	(\$ 3,819)
Gain on disposal of investments	993	301	1,321	5,597
Net gain (loss) on fair value change of financial assets held for trading	718	(557)	1,667	321
Losses on disposal of property, plant and equipment	(351)	(198)	(750)	(1,765)
Gains (losses) on disposal of investment properties	(3,901)	-	(3,901)	(1,419)
Net foreign exchange gains (losses)	3,425	(2,357)	(1,538)	(37,933)
Reversal of bad debt	-	(1,027)	-	-
Share of loss of associates and joint ventures	388	(413)	(1,034)	(1,211)
Others	<u>6,828</u>	<u>9,145</u>	<u>19,598</u>	<u>26,430</u>
	<u>\$ 10,640</u>	<u>\$ 2,254</u>	<u>\$ 16,768</u>	<u>(\$ 13,499)</u>

Finance Costs

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Interest on bank loans	\$ 22,985	\$ 11,289	\$ 93,347	\$ 21,308
Interest on unsecured bonds payable	16,075	11,191	42,005	33,209
Interest on back tax from administrative remedies	-	-	1,618	-
Interest on loans from related parties	-	1	-	156
Others	<u>5</u>	<u>23</u>	<u>16</u>	<u>40</u>
	39,065	22,504	136,986	54,713
Deduct: Amounts included in the cost of qualifying assets	(9,707)	(1,343)	(57,599)	(3,897)
	<u>\$ 29,358</u>	<u>\$ 21,161</u>	<u>\$ 79,387</u>	<u>\$ 50,816</u>

Information about capitalized interest was as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Interest capitalization rate	1.7%-1.73%	1.59%-1.73%	1.59%-3.80%	1.59%-4.75%

Depreciation and Amortization

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Property, plant and equipment	\$ 28,793	\$ 30,819	\$ 89,733	\$ 88,630
Investment property	2,115	2,116	6,347	6,362
Intangible assets	<u>7,662</u>	<u>10,624</u>	<u>24,279</u>	<u>35,245</u>
	<u>\$ 38,570</u>	<u>\$ 43,559</u>	<u>\$ 120,359</u>	<u>\$ 130,237</u>
An analysis of depreciation by function				
Inventories	\$ 187	\$ 296	\$ 660	\$ 1,055
Operating costs	17,979	23,035	57,930	64,949
Operating expenses	10,627	7,488	31,143	\$ 22,626
Other losses	<u>2,115</u>	<u>2,116</u>	<u>6,347</u>	<u>6,362</u>
	<u>\$ 30,908</u>	<u>\$ 32,935</u>	<u>\$ 96,080</u>	<u>\$ 94,992</u>
An analysis of amortization by function				
Inventories	\$ 151	\$ 306	\$ 991	\$ 1,015
Operating costs	297	369	935	1,056
Operating expenses	<u>7,214</u>	<u>9,949</u>	<u>22,353</u>	<u>33,174</u>
	<u>\$ 7,662</u>	<u>\$ 10,624</u>	<u>\$ 24,279</u>	<u>\$ 35,245</u>

Operating Expenses Directly Related to Investment Properties

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Direct operating expenses from investment property				
That generated rental income	\$ 6,402	\$ 5,942	\$ 18,431	\$ 18,004
That did not generate rental income	<u>9</u>	<u>11</u>	<u>31</u>	<u>20</u>
	<u>\$ 6,411</u>	<u>\$ 5,953</u>	<u>\$ 18,462</u>	<u>\$ 18,024</u>

Employee Benefits Expense

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Salary expense	\$ 1,217,654	\$ 1,116,633	\$ 3,779,426	\$ 3,269,210
Labor and health insurance expenses	<u>83,642</u>	<u>72,438</u>	<u>241,976</u>	<u>217,449</u>
	<u>1,355,296</u>	<u>1,189,071</u>	<u>4,021,402</u>	<u>3,486,659</u>
Post-employment benefits				
Defined contribution plans	\$ 47,750	\$ 42,922	\$ 138,979	\$ 128,854
Defined benefit plans (Note 26)	<u>1,201</u>	<u>1,058</u>	<u>3,601</u>	<u>3,174</u>
	<u>48,951</u>	<u>43,980</u>	<u>142,580</u>	<u>132,028</u>
Other employee benefits	<u>44,705</u>	<u>48,840</u>	<u>133,406</u>	<u>135,122</u>
Total employee benefits expense	<u>\$ 1,448,952</u>	<u>\$ 1,281,891</u>	<u>\$ 4,297,388</u>	<u>\$ 3,753,809</u>
An analysis of employee benefits expense by function				
Inventories	\$ 2,514	\$ 20,768	\$ 8,550	\$ 42,126
Operating costs	1,267,520	1,084,657	3,752,661	3,206,622
Operating expenses	<u>178,918</u>	<u>176,466</u>	<u>536,177</u>	<u>505,061</u>
	<u>\$ 1,448,952</u>	<u>\$ 1,281,891</u>	<u>\$ 4,297,388</u>	<u>\$ 3,753,809</u>

Employees' Compensation and Remuneration of Directors

In accordance with the Company's Articles of incorporation, the Company accrued employees' compensation and remuneration of directors at the rates no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The accrued employees' compensation and remuneration of directors for the three months ended September 30, 2018 and 2017 and the nine months ended September 30, 2018 and 2017 were as follows:

Accrual rate

	Nine Months Ended September 30	
	2018	2017
Employees' compensation	1%	1%
Remuneration of directors	0.36%	0.14%

Amount

	Three Months Ended September 30		Nine Months Ended September 30	
	2018 Cash	2017 Cash	2018 Cash	2017 Cash
Employees' compensation	\$ 2,874	\$ 24,318	\$ 10,234	\$ 37,929
Remuneration to directors	1,225	1,750	3,675	5,250

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

The appropriations of compensation to employees and the remuneration to directors for 2017 and 2016 had been approved, respectively by the board of directors on February 26, 2018 and on February 24, 2017. The appropriations were as below.

	Years Ended December 31	
	2017 Cash	2016 Cash
compensation to employees	\$ 30,313	\$ 10,958
Remuneration to directors	4,880	6,027

The compensation to employees and the remuneration to directors for 2017 and 2016 which had been approved by the board of directors on February 26, 2018 and on February 24, 2017. 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 nine months ended September 30, 2018 and 2017, respectively. The amounts were as below:

	Year Ended 2017		Year Ended 2016	
	Bonus to Employees	Remuneration to Directors	Bonus to Employees	Remuneration of Directors
Amounts proposed by the board of directors or amounts approved in shareholders' meeting	\$ 30,313	\$ 4,880	\$ 10,958	\$ 6,027
Deduct: Amounts recognized in respective financial statements	(30,313)	(4,880)	(10,315)	(6,705)
Difference	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 643</u>	<u>(\$ 678)</u>

Information on the employees' compensation and remuneration to directors approved by the Company's board of directors in 2018 and 2017 is available on the Market Observation Post System website of the

Taiwan Stock Exchange.

30. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Current tax				
In respect of the current period	\$ 121,075	\$ 314,973	\$ 413,159	\$ 688,645
Land value increment tax	4,878	494,782	45,364	642,238
In respect of the prior periods	(780)	-	2,250	46
Deferred tax				
Adjustments to deferred tax attributable to changes in tax rates	-	-	(3,899)	-
In respect of the current periods	(13,879)	2,495	(33,792)	52,018
Income tax expense recognized in profit or loss	<u>\$ 111,294</u>	<u>\$ 812,250</u>	<u>\$ 423,082</u>	<u>\$ 1,382,947</u>

The Income Tax Act in the ROC was amended in 2018 and the corporate income tax rate was adjusted from 17% to 20% effective in 2018. The effect of the change in tax rate on deferred tax income/expense is recognized in full in the period in which the change in tax rate occurs. In addition, the rate of the corporate surtax applicable to 2018 unappropriated earnings will be reduced from 10% to 5%.

b. Income tax assessments

The Company's tax returns through 2015 have been assessed by the tax authorities. However, The Company had applied to Ministry of Finance for administrative remedies procedures as for 2011 and 2015 tax returns. After consultation with the tax authorities, the counterparties reached an agreement of the tax treatment of the accrued expenses of Company's salespersons' long-term retention bonus for 2011 and 2013. Based on the principal of the agreement, the Company would recalculate the amount of deferred tax assets of the unapproved tax returns for the subsequent years.

The tax returns of Sinyi Global, Taiwan Sinyi Development, Heng Yi, Yowoo, Sinyi Culture, An-Sin and Tokyo Sinyi through 2016 had been assessed by the tax authorities. The tax returns of Jui-Inn, and An-Shin, through 2015 had been assessed by the tax authorities.

31. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Basic EPS	<u>\$ 0.27</u>	<u>\$ 1.40</u>	<u>\$ 0.92</u>	<u>\$ 3.08</u>
Diluted EPS	<u>\$ 0.27</u>	<u>\$ 1.40</u>	<u>\$ 0.92</u>	<u>\$ 3.08</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on June 25, 2018. The basic and diluted earnings per share adjusted retrospectively for the three months and nine months ended September 30, 2017 were as follows:

	Unit: NT\$ Per Share			
	Before Retrospective Adjustment		After Retrospective Adjustment	
	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017
Basic EPS	<u>\$ 1.58</u>	<u>\$ 3.48</u>	<u>\$ 1.40</u>	<u>\$ 3.08</u>
Diluted EPS	<u>\$ 1.58</u>	<u>\$ 3.48</u>	<u>\$ 1.40</u>	<u>\$ 3.08</u>

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

Net Profit (Loss) for the Period

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Profit for the period attributable to owners of the Company	<u>\$ 199,379</u>	<u>\$ 1,030,302</u>	<u>\$ 676,210</u>	<u>\$ 2,269,434</u>

Weighted Average Number of Ordinary Shares Outstanding

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Weighted average number of ordinary shares in computation of basic earnings per share	736,847	736,847	736,847	736,847
Effect of dilutive potential ordinary shares:				
Bonus issue to employee	<u>85</u>	<u>752</u>	<u>303</u>	<u>1,171</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>736,932</u>	<u>737,599</u>	<u>737,150</u>	<u>738,018</u>

Since the Group is allowed to settle the bonus to employees by cash or shares, the Group presumed that the entire amount of the bonus 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, if the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares at the balance sheet date. The dilutive effect of the potential

shares should be included in the calculation of diluted earnings per share until the stockholders resolve the number of shares to be distributed to employees at their meeting in the following year.

32. BUSINESS COMBINATIONS

a. Subsidiary acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Sinyi Real Estate Consulting Limited	Production of Instructions of real estate	June 15, 2018	100%	<u>\$ 8,000</u>

To pursue the development of business and to integrate the resource of the Group, the Group acquired Sinyi Consulting with an amount of 8,000 thousand in cash. The Group temporarily recorded the acquired assets and liabilities without purchase price allocation report as of the June 30, 2018 and would measured them in the subsequent measurement period after acquiring purchase price allocation report.

b. Assets acquired and liabilities assumed at the date of acquisition

	<u>Amount</u>
Current Assets	
Cash and cash equivalents	\$ 12,740
Trade receivables	10,730
Other receivables	216
Other current assets	26
Non- Current Assets	
Property, plant and equipment	1,437
Intangible assets	1,258
Refundable deposits	3
Deferred tax assets	390
Current Liabilities	
Other payables	(16,448)
Other current liabilities	(1,141)
Non- Current Liabilities	
Net defined benefit liabilities	(<u>1,211</u>)
	<u>\$ 8,000</u>

c. Net cash inflow on acquisition of subsidiary

	<u>Amount</u>
Consideration paid in cash	(\$ 8,000)
Less : Cash and cash equivalents acquired	<u>12,740</u>
	<u>\$ 4,740</u>

d. Impact of acquisition on the results of the Group

The results of the acquiree since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	<u>Amount</u>
Operating revenue	\$ 28,228
Net profit for the period	\$ 1,805

33. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On February and March 2018, the Group disposed of 25% of its interest in Heng-Yi, reducing its continuing interest from 100% to 75%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over the subsidiary.

	Nine Months Ended September 30 Heng Yi
Cash consideration received	\$ 5,000
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(<u>4,368</u>)
Differences recognized from equity transactions	<u>\$ 632</u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus – difference between consideration received or paid and the carrying amount of the subsidiaries' net assets	<u>\$ 632</u>

34. OPERATING LEASE ARRANGEMENTS

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

As of September 30, 2018, December 31, 2017 and September 30, 2017, refundable deposits paid under operating lease amounted to \$107,084 thousand, \$107,612 thousand and \$121,781 thousand, respectively.

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

	September 30, 2018	December 31, 2017	September 30, 2017
Within 1 year	\$ 448,347	\$ 469,433	\$ 418,708
1 to 5 years	653,199	753,768	838,034
After 5 years	<u>3,173</u>	<u>75,567</u>	<u>79,978</u>
	<u>\$ 1,104,719</u>	<u>\$ 1,298,768</u>	<u>\$ 1,336,720</u>

The Group as Lessor

Operating leases relate to the investment property owned by the Group with lease terms between 1 to 6 years.

As of September 30, 2018, December 31, 2017 and September 30, 2017, deposits received under operating leases amounted to \$20,839 thousand, \$21,089 thousand and \$20,968 thousand, respectively.

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

	September 30, 2018	December 31, 2017	September 30, 2017
Within 1 year	\$ 89,187	\$ 90,300	\$ 62,820
1 to 5 years	85,321	155,741	114,552
After 5 years	<u>674</u>	<u>7,705</u>	<u>-</u>
	<u>\$ 175,182</u>	<u>\$ 253,746</u>	<u>\$ 177,372</u>

35. CAPITAL RISK MANAGEMENT

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

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

36. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

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

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

September 30, 2018

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$5,900,000</u>	<u>\$ -</u>	<u>\$5,908,425</u>	<u>\$ -</u>	<u>\$5,908,425</u> (Continued)

December 31, 2017

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

September 30, 2017

	Carrying Amount	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost - bonds payable	<u>\$3,000,000</u>	<u>\$ -</u>	<u>\$3,019,131</u>	<u>\$ -</u>	<u>\$3,019,131</u> (Concluded)

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

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets				
held for trading				
Domestic listed stocks - equity				
investments	\$ 8,393	\$ -	\$ -	\$ 8,393
Mutual funds	48,240	-	-	48,240
Structured products	<u>-</u>	<u>4,878,821</u>	<u>-</u>	<u>4,878,821</u>
	<u>\$ 56,633</u>	<u>\$ 4,878,821</u>	<u>\$ -</u>	<u>\$4,935,454</u>
Available-for-sale financial assets				
Domestic listed stocks - equity				
investments	\$ 289,075	\$ -	\$ -	\$ 289,075
Domestic unlisted stocks - equity				
investments	-	-	75,766	75,766
Foreign listed stocks - equity				
investments	585,353	-	-	585,353
Foreign unlisted stocks - equity				
investments	<u>-</u>	<u>-</u>	<u>271,750</u>	<u>271,750</u>
	<u>\$ 874,428</u>	<u>\$ -</u>	<u>\$ 347,516</u>	<u>\$ 1,221,944</u>

December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 7,718	\$ -	\$ -	\$ 7,718
Mutual funds	<u>194,060</u>	<u>-</u>	<u>-</u>	<u>194,060</u>
	<u>\$ 201,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,778</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments				
	\$ 228,299	\$ -	\$ -	\$ 228,299
Foreign listed stocks - equity investments	594,228	-	-	594,228
Mutual funds	<u>1,294</u>	<u>-</u>	<u>-</u>	<u>1,294</u>
	<u>\$ 823,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 823,821</u>

September 30, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	\$ 8,351	\$ -	\$ -	\$ 8,351
Mutual funds	<u>178,468</u>	<u>-</u>	<u>-</u>	<u>178,468</u>
	<u>\$ 186,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,819</u>
Available-for-sale financial assets				
Domestic listed stocks - equity investments				
	\$ 219,239	\$ -	\$ -	\$ 219,239
Foreign listed stocks - equity investments	576,699	-	-	576,699
Mutual funds	<u>1,314</u>	<u>-</u>	<u>-</u>	<u>1,314</u>
	<u>\$ 797,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,252</u>

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

2) Reconciliation of Level 3 fair value measurements of financial instruments

Financial Assets	Financial Assets at Fair Value Through Other Comprehensive Income
	Equity Instruments
Balance at January 1, 2018	\$ 260,639
Addition	44,774
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	50,375
Effect of exchange rate changes	(8,272)
Balance at September 30, 2018	<u>\$ 347,516</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Structured financial products	Discounted cash flow: future cash flows are estimated based on observable interest rate and discounted at a market interest rate.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Foreign unlisted stocks	Market comparison method: the value of the evaluation target can be obtained by using the transaction price of the enterprises which are similar to the evaluation target in the active market with consideration of implied value multiplier and liquidity discount.
Domestic unlisted stocks	According to the balance sheet of the evaluation target, evaluate the total value of its individual assets and liabilities using market approach consistently with the consideration of liquidity and non-control discounts to reflect the overall value of the target.

The investments in equity instruments which are classified in Level 3 without public price at active market should be evaluated with the reference of the evaluation method, the evaluation target's net asset value and the bid price of the competitors which are widely used by the market participants. The Group did not disclose the quantitative information due to the difficulty in fully getting the relationship between the material unobservable inputs and fair value in practice.

c. Categories of financial instruments

	September 30, 2018	December 31, 2017	September 30, 2017
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 4,935,454	\$ 201,778	\$ 186,819
Loans and receivables (Note 1)	-	8,028,749	8,020,244
Available-for-sale financial assets (Note 2)	-	1,028,797	1,006,336
Financial assets at amortized cost (Note 3)	5,213,144	-	-
Financial assets at fair value through other comprehensive income	1,221,944	-	-

Financial liabilities

Financial assets at amortized cost (Note 4)	15,650,303	14,033,114	11,030,173
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Note 1: The balance included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, other receivables, other current financial assets and refundable deposits.

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

Note 3: The balance included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, notes receivable and trade receivables, other receivables, other current financial assets and refundable deposits.

Note 4: The balance included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables, other payables to related parties, other financial liabilities, bonds payable, long-term borrowings (including current portion of long-term borrowings and bonds payable), guarantee deposits received and other non-current liabilities.

d. Financial Risk Management Objectives and Policies

The Group's major financial instruments included equity, mutual funds, trade receivables other payables, bonds payable and borrowings. The Group's Corporate Treasury function provides services to the business and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group seeks to ensure sufficient funding readily available when needed with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

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

a. Market risk

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

1) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period please refer to Note 41.

Foreign currency sensitivity analysis

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

	Nine Months Ended September 30									
	2018					2017				
	RMB	JPY	USD	MYR	HKD	RMB	JPY	USD	MYR	HKD
Equity	\$7,865	\$2,676	\$207	\$ 194	\$ 173	\$37,499	\$2,381	(\$ 8,920)	\$ 157	\$ -
Profit or loss	18	-	409	-	-	2,793	-	7,404	-	-

2) Interest rate risk

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

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

	September 30, 2018	December 31, 2017	September 30, 2017
Fair value interest rate risk			
Financial assets	\$ 286,041	\$ 213,181	\$ 351,502
Financial liabilities	11,783,095	8,767,816	8,099,347
Cash flow interest rate risk			
Financial assets	4,902,821	2,948,455	2,879,025
Financial liabilities	1,238,150	2,780,059	739,139

Interest rate sensitivity analysis

The Group was exposed to cash flow interest rate risk in relation to floating rate liabilities, and the short-term and long-term borrowings will be affected by the changes in market interest rate accordingly. If the market interest rate increased by 1%, the Group's cash outflow will increase by \$12,382 thousand for the nine months ended September 30, 2018.

3) Other price risk

The Group was exposed to equity price risk through its investments in mutual fund and domestic and foreign quoted shares.

If equity prices had been 1% higher/lower, pre-tax profit for the nine months ended September 30, 2018 would have increased/decreased by 566 thousand as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2018 would have increased/decreased by \$8,744 thousand as a result of [the changes in fair value of financial assets at FVTOCI.

If equity prices had been 1% higher/lower, pre-tax profit for the nine months ended September 30, 2017 would have increased/decreased by 1,868 thousand as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2017 would have increased/decreased by \$7,973 thousand as a result of the changes in fair value of financial assets at FVTOCI.

b. Credit risk

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

Business related credit risk

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

Financial credit risk

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

c. Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2018, December 31, 2017 and June 30, 2017, the Group had available unutilized bank loan facilities were follows:

	September 30, 2018	December 31, 2017	September 30, 2017
Unsecured bank overdraft facility, reviewed annually and payable at call:			
Amount used	\$ 2,500,095	\$ 2,079,816	\$ 1,323,547
Amount unused	<u>3,040,285</u>	<u>2,409,815</u>	<u>2,869,418</u>
	<u>\$ 5,540,380</u>	<u>\$ 4,489,631</u>	<u>\$ 4,192,965</u>

(Continued)

	September 30, 2018	December 31, 2017	September 30, 2017
Secured bank overdraft facility:			
Amount used	\$ 4,583,000	\$ 6,428,800	\$ 4,475,800
Amount unused	<u>2,615,000</u>	<u>1,850,000</u>	<u>6,376,700</u>
	<u>\$ 7,198,000</u>	<u>\$ 8,278,800</u>	<u>\$ 10,852,500</u> (Concluded)

37. TRANSACTIONS WITH RELATED PARTIES

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

Related Parties and relationship

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

Note : The Group acquired Sinyi Real Estate Consulting Limited in June 15, 2018. The related transactions entities had been consolidated into the consolidated financial statements, and had been eliminated as of June 15, 2018.

Other Payables to Related Parties

	September 30, 2018	December 31, 2017	September 30, 2017
Other related parties - related parties in substance	<u>\$ 55,740</u>	<u>\$ 71,653</u>	<u>\$ 67,931</u>

Parts of other payables to related parties were financing. Information on the financing for the nine months ended September 30, 2018 and 2017 were as follows:

	Nine Months Ended September 30, 2018				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Other related parties - related parties in substance	\$ 39,964	\$38,150	-	\$ -	\$6,773

	Nine Months Ended September 30, 2017				
	Highest Balance During the Period	Amount	Interest Rate %	Interest Expense	Interest Payable
Other related parties - related parties in substance	\$39,707	\$39,139	-	\$ -	\$ 6,949
Other – the director of the Company	18,006	-	0%-3%	156	-
	<u>\$57,713</u>	<u>\$39,139</u>		<u>\$ 156</u>	<u>\$ 6,949</u>

The financing above were unsecured.

Compensation for Key Management Personnel

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Short-term benefits	\$ 36,401	\$ 28,718	\$ 96,650	\$ 83,209
Other long-term benefits	<u>2,775</u>	<u>2,963</u>	<u>8,418</u>	<u>8,368</u>
	<u>\$ 39,176</u>	<u>\$ 31,681</u>	<u>\$ 105,068</u>	<u>\$ 91,577</u>

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

Other Transactions with Related Parties

a. Rental income

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Other related parties				
Related parties in substance	\$ 1,845	\$ 2,916	\$ 7,637	\$ 8,747
Parent company	29	29	86	86
Ultimate parent company	14	14	43	43
Associates	<u>9</u>	<u>9</u>	<u>26</u>	<u>26</u>
	<u>\$ 1,897</u>	<u>\$ 2,968</u>	<u>\$ 7,792</u>	<u>\$ 8,902</u>

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

b. Other benefit

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Other related parties				
Related parties in substance	<u>\$ 211</u>	<u>\$ 2,468</u>	<u>\$ 1,475</u>	<u>\$ 7,295</u>

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

c. Professional fee

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Other related parties				
Related parties in substance				
Sinyi Real Estate				
Consulting Limited	\$ -	\$ 26,399	\$ 55,103	\$ 75,683
Others	<u>1,518</u>	<u>2,692</u>	<u>5,763</u>	<u>19,151</u>
	<u>\$ 1,518</u>	<u>\$ 29,091</u>	<u>\$ 60,866</u>	<u>\$ 94,834</u>

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

d. Rental expense

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	2017	2018	2017
Related parties in substance	<u>\$ 1,724</u>	<u>\$ 2,537</u>	<u>\$ 5,947</u>	<u>\$ 7,845</u>

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

e. Other receivables

	September 30, 2018	December 31, 2017	September 30, 2017
Other related parties			
Related parties in substance	<u>\$ 1,927</u>	<u>\$ 9,042</u>	<u>\$ 7,099</u>

Property Transactions

The Group acquired 100% equity of Sinyi Real Estate Consulting Limited from Sinyi Co., Ltd. and Yu-Heng Co., Ltd. with an amount of 8,000 thousand in June 2018. The price was based on the company's net value on the trading day. Refer to Note 32 for the details.

38. MORTGAGED OR PLEDGED ASSETS

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

	September 30, 2018	December 31, 2017	September 30, 2017
Property, plant and equipment (including investment properties)			
Land	\$ 4,241,789	\$ 4,241,789	\$ 4,450,966
Building	460,874	473,584	500,538
Other financial assets - current			
Pledged time deposits and demand deposits	7,218	7,283	7,276
Inventories	<u>2,417,774</u>	<u>2,402,626</u>	<u>2,400,068</u>
	<u>\$ 7,127,655</u>	<u>\$ 7,125,282</u>	<u>\$ 7,358,848</u>

39. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

- a. The Group is involved in claims that arise in the ordinary course of brokerage and escrow business; the other party may claim against the Group through legal proceedings. On the basis of past experience and consultations with legal counsel, management of the Group has measured the possible effects of the contingent lawsuits on its financial condition in brokerage and escrow business.
- b. Guarantee notes submitted as guarantees for real-estate brokerage business amounted to \$5,000 thousand.
- c. The Group has endorsed Shanghai Sinyi Real Estate and Sinyi Estate in obtaining financing limit of \$1,600,000 thousand. Refer to Note 42, Table 2 for the details.
- d. As of September 30, 2018, the Group had signed construction contracts but not yet paid for \$725,931 thousand.
- e. Shanghai Real Estate, property developer in Mainland China, sold real estate and guaranteed the mortgage bank loans of some of its customers (including natural persons and juridical persons); the guarantee amounted to \$1,108,388 thousand as of September 30, 2018. The amount of mortgage loan was remitted to Shanghai Real Estate for payment of the property sold. If a customer breached a mortgage contract, Shanghai Real Estate will return to the banks only the amount of mortgage received. Therefore, Shanghai Real Estate is not exposed to risk of material loss from the guarantee. The guarantee is just a selling feature in the real estate development industry in China and it does not bear the economic substance and risk of ordinary endorsement. In addition, according to the Q&A No. 35 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (the Regulations) announced on December 26, 2012 by the SFB, the above guarantee provided by Shanghai Real Estate to its customers is similar to an escrow, instead of endorsement as defined in the Regulations.

40. SIGNIFICANT FRANCHISE CONTRACTS

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

41. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 275,369	4.436	\$ 1,221,537
JPY	2,457,001	0.2692	661,425
USD	2,017	30,525	61,582
MYR	2,975	7.099	21,123
HKD	4,526	3.901	17,656
Non-monetary items			
RMB	1,161,084	4.436	5,150,570
JPY	2,174,418	0.2692	585,353
USD	44	30.525	1,339
<u>Financial liabilities</u>			
Monetary items			
RMB	\$ 97,670	4.436	\$ 433,264
JPY	1,462,818	0.2692	393,791
MYR	249	7.099	1,770
HKD	93	3.901	362

December 31, 2017

Financial assets

Monetary items			
RMB	\$ 1,083,049	4.565	\$ 4,944,117
JPY	1,794,241	0.2642	474,038
USD	15,846	29.76	471,578
MYR	1,874	7.072	13,256

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Non-monetary items			
RMB	\$ 31,796	4.565	\$ 145,149
JPY	2,249,159	0.2642	594,228
USD	44	29.76	1,294

Financial liabilities

Monetary items			
RMB	86,827	4.565	396,366
JPY	813,693	0.2642	214,978
USD	80,561	29.76	2,397,508
MYR	137	7.072	970

September 30, 2017

Financial assets

Monetary items			
RMB	\$ 948,374	4.551	\$ 4,316,050
JPY	1,883,822	0.2691	506,937
USD	24,989	30.26	756,181
MYR	2,400	6.892	16,544

Non-monetary items			
RMB	32,797	4.551	149,257
JPY	2,143,064	0.2691	576,698
USD	43	30.26	1,314

Financial liabilities

Monetary items			
RMB	\$ 63,021	4.551	\$ 286,807
JPY	999,108	0.2691	268,860
USD	30,000	30.26	907,800
MYR	117	6.892	808

(Concluded)

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

Nine Months Ended September 30				
2018			2017	
Functional Currencies	Exchange Rate	Net Foreign Exchange (Loss) Gain	Exchange Rate	Net Foreign Exchange (Loss) Gain
NTD	1 (NTD:NTD)	\$ 7,616	1 (NTD:NTD)	\$ 35,717
USD	29.915 (USD:NTD)	(529)	30.54 (USD:NTD)	(2,201)
RMB	4.594 (RMB:NTD)	(8,307)	4.4919 (RMB:NTD)	(368)
JPY	0.2728 (JPY:NTD)	39	0.2729 (JPY:NTD)	73
MYR	7.225 (MYR:NTD)	(364)	6.7436 (MYR:NTD)	280
HKD	3.815 (HKD:NTD)	7	3.946 (HKD:NTD)	-
		<u>(\$ 1,538)</u>		<u>(\$ 37,933)</u>

42. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

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

Information on investments in Mainland China:

- a. Information on any investee company in Mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the Mainland China area: Table 7 (see the attached)

- b. Any of the following significant transactions with investee companies in Mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:
- 1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None
 - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None
 - 3) The amount of property transactions and the amount of the resultant gains or losses: None
 - 4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (see the attached)
 - 5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (see the attached)
 - 6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None

43. SEGMENT INFORMATION

a. Operating segments information

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

Management has determined reportable segments as follows:

Real estate brokerage segment

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

Real estate development segment

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

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the nine months ended September 30, 2018 and 2017:

	Real Estate Brokerage			Real Estate Development			Elimination	Consolidated
	Taiwan	Mainland China and Others	Total	Taiwan	Mainland China and Others	Total		
Nine months ended September 30, 2018								
Revenues from external customers	\$ 6,057,536	\$ 833,566	\$ 6,891,102	\$ 236,358	\$ 450,312	\$ 686,670	\$ -	\$ 7,577,772
Inter-segment revenues	72,656	38,102	110,758	13,726	113,416	127,142	(237,900)	-
Segment revenues	<u>\$ 6,130,192</u>	<u>\$ 871,668</u>	<u>\$ 7,001,860</u>	<u>\$ 250,084</u>	<u>\$ 563,728</u>	<u>\$ 813,812</u>	<u>(\$ 237,900)</u>	<u>7,577,772</u>
Rental income from investment property								(65,438)
Consolidated revenues								<u>\$ 7,512,334</u>
Operating profit (loss)	<u>\$ 944,600</u>	(<u>\$ 116,510</u>)	<u>\$ 828,090</u>	<u>\$ 47,133</u>	<u>\$ 36,914</u>	<u>\$ 84,047</u>	<u>\$ 59,953</u>	\$ 972,090
Operating income from investment property								(46,976)
Operating income								<u>\$ 925,114</u>
Segment assets	<u>\$ 6,912,191</u>	<u>\$ 2,576,404</u>	<u>\$ 9,488,595</u>	<u>\$ 5,305,515</u>	<u>\$ 15,063,061</u>	<u>\$ 20,368,576</u>	(<u>\$ 853,191</u>)	\$ 29,003,980
Investments accounted for by the equity method and goodwill								29,453
Total assets								<u>\$ 29,033,433</u>
Nine months ended September 30, 2017								
Revenues from external customers	\$ 5,220,875	\$ 600,678	\$ 5,821,553	\$ 161,804	\$ 8,589,688	\$ 8,751,492	\$ -	\$ 14,573,045
Inter-segment revenues	60,666	-	60,666	17,255	-	17,255	(77,921)	-
Segment revenues	<u>\$ 5,281,541</u>	<u>\$ 600,678</u>	<u>\$ 5,882,219</u>	<u>\$ 179,059</u>	<u>\$ 8,589,688</u>	<u>\$ 8,768,747</u>	<u>(\$ 77,921)</u>	<u>14,573,045</u>
Rental income from investment property								(61,867)
Consolidated revenues								<u>\$ 14,511,178</u>
Operating profit (loss)	<u>\$ 822,977</u>	(<u>\$ 222,226</u>)	<u>\$ 600,751</u>	<u>\$ 60,074</u>	<u>\$ 2,891,584</u>	<u>\$ 2,951,658</u>	<u>\$ 31,336</u>	\$ 3,583,745
Operating income from investment property								(43,842)
Operating income								<u>\$ 3,539,903</u>
Segment assets	<u>\$ 7,196,702</u>	<u>\$ 2,281,200</u>	<u>\$ 9,477,902</u>	<u>\$ 5,319,281</u>	<u>\$ 9,464,747</u>	<u>\$ 14,784,028</u>	(<u>\$ 1,015,638</u>)	\$ 23,246,292
Investments accounted for by the equity method and goodwill								38,611
Total assets								<u>\$ 23,284,903</u>

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

d. Major customers

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

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
NINE MONTHS ENDED SEPTEMBER 30, 2018
(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	\$ 4,686 (RMB 1,000 thousand)	\$ -	\$ -	3.686%	Short-term financing	\$ -	Needs for operation	\$ -	-	\$ -	\$ 3,037,287 (Note 1)	\$ 4,049,716 (Note 1)
		Kunshan Dingxian Trading Co., Ltd.	"	"	370,194 (RMB 79,000 thousand)	-	-	3.8%	"	-	"	-	-	-	3,037,287 (Note 1)	4,049,716 (Note 1)
1	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate (Wuxi) Limited	"	"	650,325 (RMB 145,000 thousand)	110,900 (RMB 25,000 thousand)	110,900	4.75%	"	-	"	-	-	-	1,618,269 (Note 2)	2,697,115 (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 amount of total financing should not exceed 50% of net worth of Sinyi Real Estate (Shanghai) Limited. The individual lending amount should not exceed 30% of Sinyi Real Estate (Shanghai) Limited's net worth.

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHER
 NINE MONTHS ENDED SEPTEMBER 30, 2018
 (In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor (Note 2)	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of Parent	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Sinyi Estate Limited	Indirectly 100% owned subsidiary	\$ 8,099,433 (Note 1)	\$ 2,818,400 (USD40,000 thousand and NTD1,600,000 thousand)	\$ 1,600,000 (NTD1,600,000 thousand)	\$ -	\$ 1,600,000 (NTD1,600,000 thousand)	15.80	\$ 15,186,437	Y	N	N	

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.

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

AS OF SEPTEMBER 30, 2018

(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	September 30, 2018				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	<u>Listed stock</u> E.SUN Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income – current	12,819,282	\$ 289,075	-	\$ 289,075	
	<u>Stock</u> Han Yu Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income and loss - non-current	5,000,000	30,992	11	30,992	
	PChome Investment Co., Ltd.	-	"	196,350	-	8	-	
	NOWnews Network Co., Ltd.	-	"	2,307,000	44,774	10	44,774	
	Kun Gee Venture Capital Co., Ltd.	-	"	160,650	-	3	-	
	Cite' Publishing Holding Ltd.	-	"	7,637	-	1	-	
	Cite' Information Services Co., Ltd.	-	"	106,392	-	1	-	
Sinyi Limited	<u>Stock</u> Orix Corp.	-	Financial assets at fair value through other comprehensive income – current	1,180,800	585,353	-	585,353	
	<u>Monetary market fund</u> Western Asset US Dollar Fund A	-	Financial assets at fair value through profit or loss – current	43,847	1,339	-	1,339	
Shanghai Sinyi Real Estate Inc.	<u>Stock</u> Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income and loss - non-current	30,000,000	271,750	2	271,750	
Sinyi Development Inc.	<u>Stock</u> CTCI Corporation	-	Financial assets at fair value through profit or loss – current	170,940	8,393	-	8,393	
Sinyi Global Asset Management Co., Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	2,282,287	30,789	-	30,789	
An-Sin Real Estate Management Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	1,120,083	15,110	-	15,110	
An-Shin Real Estate Management Ltd.	<u>Monetary market fund</u> Taishin 1699 Money Market Fund	-	"	74,279	1,002	-	1,002	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	September 30, 2018				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Ke Wei Shanghai Real Estate Management Consulting Inc.	<u>Financial product (principal guaranteed by bank)</u> Bubu Shengking No. 8688	-	Financial assets at fair value through profit or loss – current	2,900,000	\$ 14,636	-	\$ 14,636	
Suzhou Sinyi Real Estate Inc.	Bubu Shengking No. 8688	-	"	3,000,000	15,314	-	15,314	
Sinyi Real Estate (Shanghai) Limited	Li Duo Duo Structured Deposits of Enterprises (No. JG902)	-	"	50,000,000	222,772	-	222,772	
	Structured Financial Product (Product ID: 201808170017)	-	"	100,000,000	446,013	-	446,013	
	Fortune Shuttle No.1	-	"	190,000,000	843,001	-	843,001	
	Fortune Shuttle No.S21	-	"	180,000,000	798,480	-	798,480	
	Yue-de-ying No.18080350	-	"	80,000,000	356,830	-	356,830	
	Yue-de-ying 3 (Redemption type) No.18090602	-	"	220,000,000	976,099	-	976,099	
	Yue-de-ying No.18090603	-	"	270,000,000	1,197,979	-	1,197,979	
Shanghai Shang Tuo Investment Management Consulting Inc.	Bubu Shengking No. 8688	-	"	50,000	244	-	244	
Beijing Sinyi Real Estate Ltd.	Bank of China Steady Growth-Daily Plan	-	"	1,650,000	7,453	-	7,453	

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 NINE MONTHS ENDED SEPTEMBER 30, 2018
 (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	263,894,837	\$ 7,947,954	81,343,200	\$ 2,458,819	-	\$ -	\$ -	\$ -	345,238,037	\$ 10,406,773 (Note1, 3)
Sinyi International Limited	SINYI ESTATE LTD.	"	-	"	127,156,900	3,901,231	81,343,100	2,458,815	-	-	-	-	208,500,000	6,360,046 (Note1, 3)
Sinyi Real Estate (Shanghai) Limited	Financial product Pufa Fortune Shuttle 21 days	Financial assets at fair value through profit or loss – current	-	-	-	RMB -	200,000,000	RMB200,000	200,000,000	RMB200,241	RMB200,241	RMB -	-	RMB -
	Li Duo Duo Structured Deposits of Enterprises (No. JG902)	"	-	"	100,000,000	RMB100,025	571,000,000	RMB571,000	621,000,000	RMB625,765	RMB625,765	RMB -	-	RMB50,219 (Note2)
	Structured Financial Product (Product ID: 2017122910037)	"	-	"	320,000,000	RMB320,083	-	RMB -	320,000,000	RMB323,800	RMB323,800	RMB -	-	RMB -
	Structured Financial Product (Product ID: 20171163044)	"	-	"	120,000,000	RMB120,658	-	RMB -	120,000,000	RMB122,745	RMB122,745	RMB -	-	RMB -
	Structured Financial Product (Product ID: 201803283707)	"	-	"	-	RMB -	320,000,000	RMB320,000	320,000,000	RMB324,007	RMB324,007	RMB -	-	RMB -
	Structured Financial Product (Product ID: 2018051810009)	"	-	"	-	RMB -	120,000,000	RMB120,000	120,000,000	RMB121,471	RMB121,471	RMB -	-	RMB -
	Structured Financial Product (Product ID: 2018062910025)	"	-	"	-	RMB -	320,000,000	RMB320,000	320,000,000	RMB324,044	RMB324,044	RMB -	-	RMB -
	Structured Financial Product (Product ID: 201807034278)	"	-	"	-	RMB -	60,000,000	RMB 60,000	60,000,000	RMB 60,711	RMB 60,711	RMB -	-	RMB -
	Structured Financial Product (Product ID: 201808164525)	"	-	"	-	RMB -	100,000,000	RMB100,000	-	RMB -	RMB -	RMB -	100,000,000	RMB100,544 (Note2)
	Fortune Shuttle No.1	"	-	"	-	RMB -	190,000,000	RMB190,000	-	RMB -	RMB -	RMB -	190,000,000	RMB190,036 (Note2)
	Fortune Shuttle No.S21	"	-	"	-	RMB -	180,000,000	RMB180,000	-	RMB -	RMB -	RMB -	180,000,000	RMB180,000 (Note2)
	Yue-de-ying No.18080350	"	-	"	-	RMB -	80,000,000	RMB 80,000	-	RMB -	RMB -	RMB -	80,000,000	RMB 80,440 (Note2)
	Yue-de-ying 3 (Redemption type) No.18090602	"	-	"	-	RMB -	220,000,000	RMB220,000	-	RMB -	RMB -	RMB -	220,000,000	RMB220,040 (Note2)
	Yue-de-ying No.18090603	"	-	"	-	RMB -	270,000,000	RMB270,000	-	RMB -	RMB -	RMB -	270,000,000	RMB270,059 (Note2)
	Xin-yi Heng-tong financial management (No. N18081)	"	-	"	-	RMB -	60,000,000	RMB 60,000	60,000,000	RMB 60,673	RMB 60,673	RMB -	-	RMB -

Note 1: The ending balance presents historical cost.

Note 2: The ending balance includes the final evaluation amount.

Note 3: Those subsidiaries included in the consolidated entities have been eliminated.

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTION
NINE MONTHS ENDED SEPTEMBER 30, 2018

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

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			Percentage to Consolidated Total Assets/Revenue (%)
				Financial Statement Account	Amount	Payment Terms	
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	a	Professional fees	\$ 14,534	Fixed charges by guarantee piece work	-
		An-Sin Real Estate Management Ltd.	a	Other income	2,390	30 days after regular settlement	-
		Sinyi Realty Inc. Japan	a	Other income	3,506	Quarterly	-
		Sinyi Realty Inc. Japan	a	Other receivables	1,165	Quarterly	-
		Sinyi Global Asset Management Co., Ltd.	a	Salary expense	17,256	Regular settlement	-
		Sinyi Global Asset Management Co., Ltd.	a	Other payables	5,896	Regular settlement	-
		Sinyi Real Estate Consulting Limited	a	Professional fees	28,057	Regular settlement	-
1	Shanghai Sinyi Real Estate Inc.	Inane International Limited	c	Other payables	8,865	-	-
		Suzhou Sinyi Real Estate Inc.	c	Other income	17,871	Regular settlement	-
2	Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	c	Professional fees	15,705	By the piece work	-
3	Sinyi Real Estate (Shanghai) Limited	Kunshan Dingxian Trading Co., Ltd.	c	Prepayment	67,379	-	-
		Kunshan Dingxian Trading Co., Ltd.	c	Advance receipts from real estate transactions	201,264	-	1
		Kunshan Dingxian Trading Co., Ltd.	c	Inventory under development	33,092	On the usual terms	-
		Shanghai Shang Tuo Investment Management Consulting Inc.	c	Prepayment	11,584	-	-
		Shanghai Chang Yuan Co., Ltd.	c	Inventory under development	6,769	On the usual terms	-
		Shanghai Shang Tuo Investment Management Consulting Inc.	c	Inventory under development	1,214	On the usual terms	-
		Jiu Xin Estate(Wuxi) Limited	c	Other receivables	110,900	For working capital, rate at 4.75%	-
4	Tokyo Sinyi Real Estate Co., Ltd.	Sinyi Realty Inc. Japan	c	Service income	18,632	By the piece work	-
		Sinyi Realty Inc. Japan	c	Other income	5,039	Bimonthly	-
		Sinyi Realty Inc. Japan	c	Trade receivables	7,213	Bimonthly	-
5	Beijing Sinyi Real Estate Ltd.	Chengdu Sinyi Real Estate Co.	c	Service income	9,366	Regular settlement	-

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

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

Note 2: Flows of transactions are categorized as follows:

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

Note 3: Percentage to consolidated total assets is calculated by dividing the amount of a particular asset or liability account by the consolidated total of assets as of September 30, 2018.

Percentage to consolidated total revenues is calculated by dividing the amount of a particular revenue or cost or expense account by the consolidated total operating revenues for the nine months ended September 30, 2018.

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

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
NINE MONTHS ENDED SEPTEMBER 30, 2018
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2018			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Sinyi International Limited (Samoa)	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	\$10,406,773	\$ 7,947,954	345,238,037	100	\$ 11,831,471 (Note1)	\$ 67,578	\$ 67,578 (Note1)	(Note2)
	Sinyi Limited (B.V.I.)	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	2,103,724	2,098,689	64,777,000	100	1,463,132 (Note1)	(68,891)	(68,891) (Note1)	(Note2)
	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	2,035,005	203,500,000	100	1,963,100 (Note1)	(10,868)	(10,868) (Note1)	
	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	79,466 (Note1)	11,284	11,284 (Note1)	
	Heng-Yi Intelligent Technology Inc. (original name: 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	15,000	20,000	1,500,000	75	7,664 (Note1)	(9,782)	(7,969) (Note1)	
	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	1,236 (Note1)	(2,781)	(2,781) (Note1)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	1,664 (Note1)	(261)	(259) (Note1)	
	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	100,595 (Note1)	(24,467)	(12,478) (Note1)	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	14,824	3,320	631	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	120,000	90,000	6,500,000	100	13,057 (Note1)	(21,596)	(21,596) (Note1)	
	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	19,076	2,580,743	23	14,629	(7,399)	(1,665)	
	SIN CHIUN HOLDING SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat , Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P.Kuala Lumpur, Malaysia	Investment holding	49,140	25,500	6,537,766	100	22,371 (Note1)	(14,503)	(14,503) (Note1)	
	Sinyi Real Estate Consulting Limited	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Production of instructions of real estate	8,000	-	500,000	100	9,805 (Note1)	1,805	1,805 (Note1)	
	Sinyi Limited (B.V.I.)	Inane International Limited (B.V.I.)	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,493,092	1,493,092	46,935,840	100	804,014 (Note1)	(67,688)	(67,688) (Note1)
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	11,473 (Note1)	(10,108)	(10,031) (Note1)	
Sinyi International Limited (Samoa)	Forever Success International Limited (Mauritius)	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius	Investment holding	68,741	68,741	2,216,239	100	23,710 (Note1)	(15,091)	(15,091) (Note1)	
	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	273,869 (Note1)	15,247	15,247 (Note1)	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,919,127	3,919,127	133,506,209	100	5,472,243 (Note1)	83,868	83,868 (Note1)	
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	6,360,046	3,901,231	208,500,000	100	6,061,244 (Note1)	(16,445)	(16,445) (Note1)	(Note2)
Inane International Limited (B.V.I.)	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	66,174	66,174	1,584,000	100	11,044 (Note1)	-	- (Note1)	
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	66,664 (Note1)	(40,850)	(40,850) (Note1)	
Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage	10,746	10,746	600	100	38,739 (Note1)	11,654	11,654 (Note1)	
	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	16,150 (Note1)	74	74 (Note1)	
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	3,888,107	131,640,306	100	5,413,716 (Note1)	75,723	75,723 (Note1)	

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of September 30, 2018			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	\$ 6,350,826	\$ 6,351,404	207,000,000	100	\$ 6,015,619 (Note1)	(\$ 18,224)	(\$ 18,224) (Note1)	
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	218 (Note1)	(43)	(43) (Note1)	
	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	216 (Note1)	(43)	(43) (Note1)	
SIN CHIUN HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat , Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P.Kuala Lumpur, Malaysia	Real estate brokerage	22,604	11,020	2,998,849	49	10,001 (Note1)	(13,937)	(6,829) (Note1)	
	PEGUSUS HOLDING SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat , Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P.Kuala Lumpur, Malaysia	Investment holding	24,030	11,974	3,191,200	100	10,803 (Note1)	(7,206)	(7,206) (Note1)	
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	Real estate brokerage	23,526	11,470	3,121,251	51	10,409 (Note1)	(13,937)	(7,108) (Note1)	
Yowoo Technology Inc.	Woopu Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Investment holding	500	-	50,000	100	452 (Note1)	(48)	(48) (Note1)	

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

Note 2: As of September 30, 2018, the process of the share capital increase was not complete; therefore, it was recorded under "prepayment for long-term investment".

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
NINE MONTHS ENDED SEPTEMBER 30, 2018
(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, 2018	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of September 30, 2018 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2018
					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	(\$ 10,027)	100	(\$ 10,027) (Note7)	\$ 11,688 (Note7)	\$ -
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	(65,229)	100	(65,229) (Note7)	778,557 (Note7)	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage	RMB 34,747	"	149,955	-	-	149,955	7,630	100	7,630 (Note7)	(17,207) (Note7)	-
Shanghai Zhi Xin allograph Ltd.	Real estate brokerage and management consulting	RMB 11,968	"	17,095	-	-	17,095	52	100	52 (Note7)	32,287 (Note7)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	Investment in company located in Mainland China directly through Shanghai Sinyi Real Estate Inc	22,414	-	-	22,414	48,096	100	48,096 (Note7)	327,035 (Note7)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	"	-	-	-	-	-	2	-	271,750	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 27,200	"	43,766	-	-	43,766	(8,816)	100	(8,816) (Note7)	25,750 (Note7)	-
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	(535)	100	(535) (Note7)	15,695 (Note7)	-
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	(9,661)	100	(9,661) (Note7)	(487) (Note7)	-
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	-	-	-	-	-
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	76,184	100	76,184 (Note7)	5,394,229 (Note7)	\$ -
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	(14,557)	100	(14,557) (Note7)	7,386 (Note7)	-

(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, 2018	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2018	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of September 30, 2018 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2018
					Outflow	Inflow						
Kunshan Dingxian Trading Co., Ltd.	Construction materials, furniture, sanitary ware and ceramic products wholesale	RMB 6,000	Investment in company located in Mainland China indirectly through Sinyi Development Ltd.	\$ 31,020	\$ -	\$ -	\$ 31,020	\$ 8,144	100	\$ 8,144 (Note7)	\$ 57,887 (Note7)	-
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.	-	-	-	-	(3,225)	100	(3,225) (Note7)	6,424 (Note7)	-
Jiaying 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.	-	-	-	-	462	100	462 (Note7)	888 (Note7)	\$ -
Jiu Xin Estate (Wuxi) Limited	Real estate development	USD 207,000	Investment in company located in Mainland China indirectly through Sinyi Estate (Hong Kong) Limited	3,900,696	-	-	3,900,696	(18,113)	100	(18,113) (Note7)	6,015,933 (Note7)	-
Suzhou ZHI XIN Real Estate Co. Ltd.	Real estate brokerage and management consulting	RMB 1,000	Investment in company located in Mainland China indirectly through Shanghai ZHI XIN Allograph Ltd	-	-	-	-	-	100	- (Note7)	4,436 (Note7)	-
LUNHENG BusinessManagement(Shanghai) Ltd	Business management consulting , financial advisory and marketing strategy	RMB -	Investment in company located in Mainland China indirectly through Hua Yun Renovation (Shanghai) Co., Ltd.	-	-	-	-	-	100	- (Note7)	- (Note7)	-

Accumulated Outflow for Investment in Mainland China as of September 30, 2018	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 except those of Sinyi Real Estate (Shanghai) Limited and Jiu Xin Estate (Wuxi) Limited which had been reviewed by the auditors.

Note 2: Carrying value was converted into New Taiwan dollars at the exchange rates of US\$1=NT\$30.52 and US\$1=RMB6.881 on September 30, 2018.

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 Corporation has been liquidated in June 2017.

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

Note 7: Those subsidiaries included in the consolidated entities have been eliminated.