Sinyi Realty Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2016 and 2015 and Independent Auditors' Report

DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2016 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SINYI REALTY INC.

By

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February 24, 2017

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sinyi Realty Inc.

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of Taiwan, the Republic of China ("ROC").

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2016 are stated as follows:

<u>Service income earned from real-estate brokering</u>

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

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

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

<u>Accrual of performance bonus payables</u>

The Group is mainly engaged in the operation of a real-estate brokerage business. The Group designed a bonus scheme in order to stimulate employee retention. As of December 31, 2016, the carrying amounts of performance bonus payables (including non-current liabilities) were NT$1,074,634 thousand, accounting for nearly 7% of the total liability. Because the amounts of performance bonus payables and non-current liabilities were considered significant to the consolidated financial statements, it has been identified as a key audit matter.

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

Refer to Notes 5 and 23 to the consolidated financial statements for the details of the accrual of performance bonus payables.

Valuation of inventory

As of December 31, 2016, the carrying amount of inventory was NT$7,753,415 thousand. In order to evaluate the net realizable value of inventory, the Group will take into consideration reasonable estimations of future cash flows, changes in the overall economic environment, and effects of changes in related business regulations. The carrying amount of inventory was considered significant, and the evaluation of inventory's net realizable value is subject to management's judgment and has a significant level of uncertainty, which will impact the consolidated financial statements. Consequently, the valuation of inventory has been identified as a key audit matter.

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

Refer to Notes 4, 5 and 11 to the consolidated financial statements for the details about the valuation of inventory.

Other Matter

We have also audited the parent company only financial statements of Sinyi Realty Inc. as of and for the years ended December 31, 2016 and 2015 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the ROC Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2016 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 24, 2017

Notice to Readers

The accompanying 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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

SINYI REALTY INC. AND SUBSIDIARIES

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

	2016		2015	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 3,512,457	15	$ 3,437,772	17
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	479,603	2	317,657	1
Available-for-sale financial assets - current (Notes 4 and 8)	801,432	3	749,911	4
Notes receivable (Notes 4 and 10)	16,001	-	76,783	-
Trade receivables (Notes 4, 5 and 10)	807,093	3	684,557	3
Other receivables (Notes 4, 5, 10 and 33)	336,881	2	90,302	-
Current tax assets (Notes 4 and 28)	70,007	-	20,920	-
Inventories (Notes 4, 5, 11 and 34)	7,753,415	33	6,317,412	30
Other financial assets - current (Notes 12 and 34)	2,966,314	13	1,781,519	9
Other current assets (Note 18)	800,623	3	332,768	2
Total current assets	17,543,826	74	13,809,601	66
NON-CURRENT ASSETS				
Financial assets measured at cost - non-current (Notes 4 and 9)	207,335	1	252,322	1
Investment accounted for using equity method (Notes 4 and 14)	10,723	-	9,649	-
Property, plant and equipment (Notes 4, 15 and 34)	3,474,237	14	3,561,920	17
Investment properties (Notes 4, 16 and 34)	2,269,286	9	2,816,292	14
Intangible assets (Notes 4, 17 and 37)	136,978	1	144,763	1
Deferred tax assets (Notes 4 and 28)	85,680	-	43,384	-
Refundable deposits (Note 30)	134,452	1	127,539	1
Other non-current assets (Note 18)	6,747	-	6,534	-
Total non-current assets	6,325,438	26	6,962,403	34
TOTAL	$ 23,869,264	100	$ 20,772,004	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 34)	$ 158,058	1	$ 237,463	1
Notes payable	105	-	4,746	-
Trade payables (Note 21)	175,385	1	86,330	-
Other payables (Notes 5 and 23)	1,599,087	7	1,493,621	7
Other payables due to related parties (Notes 23 and 33)	83,091	-	115,727	1
Current tax liabilities (Notes 4 and 28)	111,715	-	70,697	-
Provisions - current (Notes 4, 5 and 24)	83,195	-	34,456	-
Other current financial liabilities (Note 23)	406,968	2	321,467	2
Unearned revenue (Note 22)	7,283,452	31	2,666,503	13
Current portion of long-term borrowings (Notes 19 and 34)	296,120	1	190,000	1
Other current liabilities (Note 23)	220,275	1	297,159	2
Total current liabilities	10,417,451	44	5,518,169	27
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	3,000,000	13	3,000,000	14
Long-term borrowings (Notes 19 and 34)	520,670	2	2,109,289	10
Provisions - non-current (Notes 4, 5 and 24)	4,857	-	4,644	-
Net defined benefit liabilities - non-current (Notes 4, 5 and 25)	43,602	-	4,225	-
Guarantee deposits received (Note 30)	60,012	-	60,208	-
Other non-current liabilities (Notes 5 and 23)	414,879	2	722,466	4
Deferred tax liabilities (Notes 4 and 28)	19,404	-	30,625	-
Total non-current liabilities	4,063,424	17	5,931,457	28
Total liabilities	14,480,875	61	11,449,626	55
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Share capital				
Ordinary shares	6,318,398	27	6,318,398	30
Capital surplus	63,896	-	63,896	-
Retained earnings				
Legal reserve	1,701,396	7	1,645,009	8
Unappropriated earnings	1,116,118	5	734,737	4
Total retained earnings	2,817,514	12	2,379,746	12
Other equity (Note 4)				
Exchange differences on translating foreign operations	(225,707)	(1)	189,816	1
Unrealized gain from available-for-sale financial assets	304,476	1	244,878	1
Total other equity	78,769	-	434,694	2
Total equity attributable to owners of the Company	9,278,577	39	9,196,734	44
NON-CONTROLLING INTERESTS	109,812	-	125,644	1
Total equity	9,388,389	39	9,322,378	45
TOTAL	$ 23,869,264	100	$ 20,772,004	100

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

SINYI REALTY INC. AND SUBSIDIARIES

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

	2016		2015	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Service revenue (Note 4)	$ 7,588,820	100	$ 7,523,143	100
OPERATING COSTS (Notes 27 and 33)	5,900,494	78	5,723,628	76
GROSS PROFIT	1,688,326	22	1,799,515	24
OPERATING EXPENSES (Notes 27 and 33)	1,149,984	15	1,292,983	17
OPERATING INCOME	538,342	7	506,532	7
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 33)	128,455	2	130,377	2
Dividend income	38,779	-	36,483	-
Interest income (Note 27)	61,599	1	45,262	1
Other gains and losses (Notes 27 and 33)	378,963	5	132,058	2
Finance costs (Notes 27 and 33)	(57,712)	(1)	(66,686)	(1)
Total non-operating income and expenses	550,084	7	277,494	4
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,088,426	14	784,026	11
INCOME TAX EXPENSE (Notes 4 and 28)	(163,838)	(2)	(197,665)	(3)
NET PROFIT FOR THE YEAR	924,588	12	586,361	8
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 25)	(47,982)	-	(22,775)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 28)	8,157	-	3,872	-

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

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

	2016		2015	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	$ (415,504)	(6)	$ (74,931)	(1)
Unrealized gain (loss) on available-for-sale financial assets	58,514	1	(35,342)	(1)
Share of the other comprehensive income of associates accounted for using the equity method	1,084	-	(1,184)	-
Other comprehensive loss for the year, net of income tax	(395,731)	(5)	(130,360)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 528,857	7	$ 456,001	6
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 919,865	12	$ 563,865	8
Non-controlling interests	4,723	-	22,496	-
	$ 924,588	12	$ 586,361	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 524,131	7	$ 433,558	6
Non-controlling interests	4,726	-	22,443	-
	$ 528,857	7	$ 456,001	6
EARNINGS PER SHARE (Note 29)				
Basic	$1.46		$0.89	
Diluted	$1.46		$0.89	

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

SINYI REALTY INC. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								
			Retained Earnings		Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2015	$ 6,134,367	$ 63,896	$ 1,537,793	$ 1,094,412	$ 264,741	$ 281,404	$ 9,376,613	$ 139,495	$ 9,516,108
Appropriation of 2014 earnings									
Legal reserve	-	-	107,216	(107,216)	-	-	-	-	-
Cash dividends	-	-	-	(613,437)	-	-	(613,437)	-	(613,437)
Stock dividends	184,031	-	-	(184,031)	-	-	-	-	-
Net profit for the year ended December 31, 2015	-	-	-	563,865	-	-	563,865	22,496	586,361
Other comprehensive loss for the year ended December 31, 2015, net of income tax	-	-	-	(18,856)	(74,925)	(36,526)	(130,307)	(53)	(130,360)
Total comprehensive income (loss) for the year ended December 31, 2015	-	-	-	545,009	(74,925)	(36,526)	433,558	22,443	456,001
Change in non-controlling interests	-	-	-	-	-	-	-	(36,294)	(36,294)
BALANCE AT DECEMBER 31, 2015	6,318,398	63,896	1,645,009	734,737	189,816	244,878	9,196,734	125,644	9,322,378
Appropriation of 2015 earnings									
Legal reserve	-	-	56,387	(56,387)	-	-	-	-	-
Cash dividends	-	-	-	(442,288)	-	-	(442,288)	-	(442,288)
Net profit for the year ended December 31, 2016	-	-	-	919,865	-	-	919,865	4,723	924,588
Other comprehensive (loss) income for the year ended December 31, 2016, net of income tax	-	-	-	(39,809)	(415,523)	59,598	(395,734)	3	(395,731)
Total comprehensive income (loss) for the year ended December 31, 2016	-	-	-	880,056	(415,523)	59,598	524,131	4,726	528,857
Change in non-controlling interests	-	-	-	-	-	-	-	(20,558)	(20,558)
BALANCE AT DECEMBER 31, 2016	$ 6,318,398	$ 63,896	$ 1,701,396	$ 1,116,118	$ (225,707)	$ 304,476	$ 9,278,577	$ 109,812	$ 9,388,389

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

SINYI REALTY INC. AND SUBSIDIARIES

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

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,088,426	$ 784,026
Adjustments for:		
Depreciation expenses	145,640	153,281
Amortization expenses	50,421	43,068
Impairment loss recognized on financial assets	-	3,662
Net (gain) loss on fair value change of financial assets held for trading	(3,325)	11,813
Interest expenses	109,166	181,207
Interest income	(61,599)	(45,262)
Dividend income	(38,779)	(36,483)
Share of profit of associates and joint ventures	(208)	(243)
Loss on disposal of property, plant and equipment	925	2,463
Gain on disposal of investment properties	(350,929)	-
Loss (gain) on disposal of investments	40	(67,906)
Reversal of impairment loss on non-financial assets	(2,577)	-
Changes in operating assets and liabilities		
Financial assets held for trading	(158,266)	(299,001)
Notes receivable	60,782	(50,021)
Trade receivables	(122,536)	78,713
Other receivables	24,606	41,716
Inventories	(1,989,844)	(929,938)
Other current assets	(423,346)	(255,954)
Operating assets	(8,573)	(9,546)
Notes payable	(4,641)	(2,440)
Unearned revenue	5,068,869	2,647,403
Trade payables	89,055	(79,437)
Other payables	108,143	(172,135)
Other payables to related parties	(21,942)	(8,361)
Provisions	48,952	(8,388)
Other financial liabilities	85,501	47,350
Other current liabilities	(76,884)	194,189
Other operating liabilities	(307,587)	(219,260)
Cash generated from operations	3,309,490	2,004,516
Interest received	52,115	93,785
Interest paid	(112,318)	(197,141)
Income taxes paid	(261,776)	(253,196)
Net cash generated from operating activities	2,987,511	1,647,964
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale financial assets	-	122,267
Purchase of financial assets measured at cost	(498)	-
Proceeds from disposal of financial assets measured at cost	15,000	-
Capital refund of financial assets measured at cost	693	38,400

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SINYI REALTY INC. AND SUBSIDIARIES

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

	2016	2015
Payments for property, plant and equipment	$ (73,167)	$ (114,668)
Proceeds from disposal on property, plant and equipment	256	35
Decrease in prepayment for equipment	8,771	9,688
Increase in refundable deposits	(6,913)	-
Decrease in refundable deposits	-	897
Payment for intangible assets	(44,147)	(42,522)
Payment for investment properties	(20,200)	-
Proceeds from disposal of investment properties	641,430	-
Increase in other financial assets	(1,366,929)	(1,393,167)
Increase in other non-current assets	(213)	(1,455)
Decrease in other receivables	-	179,000
Dividends received	38,997	36,844
Net cash used in investing activities	(806,920)	(1,164,681)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	191,635
Repayment of short-term borrowings	(79,405)	-
Proceeds from long-term borrowings	3,344,580	2,361,265
Repayment of long-term borrowings	(4,769,745)	(1,691,180)
Refund of guarantee deposits received	(196)	(22,472)
Decrease in other payables to related parties	(10,219)	(9,721)
Dividends paid to owners of the Company	(442,288)	(613,437)
Changes in non-controlling interests	(20,558)	(36,294)
Net cash (used in) generated from financing activities	(1,977,831)	179,796
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(128,075)	(91,073)
INCREASE IN CASH AND CASH EQUIVALENTS	74,685	572,006
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,437,772	2,865,766
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,512,457	$ 3,437,772

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

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

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on February 24, 2017.

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

a. Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC for application starting from 2017

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

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

(Continued)

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

(Concluded)

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

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

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

The initial application in 2017 of the above IFRSs and related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers would not have any material impact on the Group's accounting policies, except for the following:

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

The amendments include additions of several accounting items and requirements for disclosures of impairment of non-financial assets as a consequence of the IFRSs endorsed by the FSC for application starting from 2017. In addition, as a result of the post implementation review of IFRSs in Taiwan, the amendments also include emphasis on certain recognition and measurement considerations and add requirements for disclosures of related party transactions and goodwill.

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

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

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

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

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

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

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

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

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

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

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

1) IFRS 9 "Financial Instruments"

   Recognition and measurement of financial assets

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

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

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

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

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

   Impairment of financial assets

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

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

Transition

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

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

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

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

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

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

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

3) IFRS 16 "Leases"

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

The Group engages in the construction business, which has an operating cycle of over one year; the normal operating cycle of over one year is observed when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13, Tables 7 and 8 following the Notes to Consolidated Financial Statements for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Business combinations

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

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

f. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

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

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

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and the group entities (including subsidiaries and associates) are translated into the presentation currency – the New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

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

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

g. Inventories

Inventories consist of properties under development, undeveloped properties and merchandise. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

The properties to be developed refer to the land use rights which will be reclassified as construction in process at the start of the construction of the properties.

Before acquiring land use right and before completing the construction, the interest incurred on land payment and the actual construction cost are capitalized as cost of land use right and as development costs, respectively.

h. Investments in associates

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

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

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

i. Property, plant and equipment

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

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

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

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

j. Investment properties

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

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

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

k. Goodwill

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

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

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

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

l. Intangible assets

1) Intangible assets acquired separately

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

2) Intangible assets acquired in a business combination

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

3) Derecognition of intangible assets

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

m. Impairment of tangible and intangible assets other than goodwill

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

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

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

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

n. Financial instruments

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

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

1) Financial assets

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

   a) Measurement category

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

      i. Financial assets at fair value through profit or loss

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

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

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

      ii. Available-for-sale financial assets

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

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

         Dividends on available-for-sale equity instruments are recognized in profit or loss when the 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

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

For financial assets carried at amortized cost, such as trade receivables and other receivables 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.

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

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

o. Provisions

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

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

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

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

p. Revenue recognition

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

1) Rendering of services

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

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

a) The amount of revenue can be measured reliably;

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

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

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

2) 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 the sale of properties 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 in the consolidated balance sheets under current liabilities.

3) 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.

q. Leasing

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

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

r. Borrowing costs

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

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

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Other long-term employee benefits

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

t. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

3) Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Estimated impairment of trade receivables

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

b. Impairment of tangible and intangible assets other than goodwill

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

c. Provisions

Provisions for service revenue discount are measured and recognized at the end of reporting period based on actual experience and possibility of discount occurrence. Provisions for operating loss are measured and recognized on the basis of evaluation of the escrow service and brokerage service provided, historical experience and pertinent factors.

d. Evaluation of performance bonus payables

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

e. Recognition and measurement of defined benefit plan

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

f. Write-down of inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value of inventory is the estimated selling price made by the Group taking into consideration market value less the estimated costs of completion and the estimated costs necessary to make the sale. In the valuation process, the Group also makes reference to an independent valuation based on a market value assessment. If market condition changes, the Group will change the estimate of net realizable value of inventory accordingly, that may result in an increase or decrease in value of inventories.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2016	**2015**
Cash on hand	$ 17,924	$ 16,670
Checking accounts and demand deposits	2,006,462	1,989,990
Cash equivalents		
Time deposits with original maturities less than three months	1,488,071	1,431,112
	$ 3,512,457	$ 3,437,772

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

	December 31	
	2016	**2015**
Interest rates range	0%-3.80%	0%-4.10%

As of December 31, 2016 and 2015, the carrying amounts of time deposits with original maturities more than three months were $108,470 thousand and $401,695 thousand, respectively, which were classified as other financial assets - current (Note 12).

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

	December 31	
	2016	2015
Financial assets held for trading		
Non-derivative financial assets		
Domestic quoted shares	$ 8,325	$ 6,128
Mutual funds	471,278	311,529
	$ 479,603	$ 317,657

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	December 31	
	2016	2015
Domestic investments		
Quoted shares	$ 206,356	$ 195,775
Foreign investments		
Quoted shares	593,680	552,714
Mutual funds	1,396	1,422
	595,076	554,136
Available-for-sale financial assets	$ 801,432	$ 749,911

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31	
	2016	2015
Domestic unlisted ordinary shares	$ 51,039	$ 83,629
Overseas unlisted ordinary shares	156,296	168,693
	$ 207,335	$ 252,322

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.

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

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2016	**2015**
Notes receivable and trade receivables		
Notes receivable - operating	$ 16,001	$ 46,783
Notes receivable - non-operating	-	30,000
	16,001	76,783
Trade receivables	816,174	697,401
Less: Allowance for doubtful accounts	(9,081)	(12,844)
	807,093	684,557
	$ 823,094	$ 761,340
Other receivables		
Receivables from disposal of investment properties	$ 244,701	$ -
Receivables from disposal of investment	17,000	-
Interest receivables	11,346	1,862
Others	66,682	91,288
Less: Allowance for doubtful accounts	(2,848)	(2,848)
	$ 336,881	$ 90,302

a. Trade receivables

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

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

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

Aging analysis of receivables was as follows:

	December 31	
	2016	**2015**
0-60 days	$ 662,460	$ 592,384
61-90 days	52,589	32,641
91-180 days	64,687	21,589
181-360 days	16,063	25,142
Over 360 days	20,375	25,645
	$ 816,174	$ 697,401

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	
	2016	**2015**
61-90 days	$ 11,261	$ 13,455
91-180 days	11,924	3,491
181-360 days	1,914	7,830
Over 360 days	2,126	15,025
	$ 27,225	$ 39,801

The above analysis was based on the billing date.

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

	2016		**2015**	
	Trade Receivables	**Other Receivables**	**Trade Receivables**	**Other Receivables**
Balance at January 1	$ 12,844	$ 2,848	$ 28,262	$ 3,271
Add (less): Impairment losses recognized (reversed) on receivables	(2,570)	253	(15,289)	(99)
Less: Amounts written off	(519)	(253)	(7)	(324)
Foreign exchange translation differences	(674)	-	(122)	-
Balance at December 31	$ 9,081	$ 2,848	$ 12,844	$ 2,848

b. Other receivables

1) Receivables from disposal of investment properties were proceeds from sale of properties located in Dongcheng district, Beijing. Refer to Note 16 for the details.

2) Receivables from disposal of investment and interest receivable as of December 31, 2016 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.

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

11. INVENTORIES

	December 31	
	2016	2015
Properties under development		
Malu Town, Jiading District, Shanghai	$ 7,343,643	$ 5,972,207
Tianmu, Shihlin District, Taipei City	407,659	343,092
Others		
Sanyu, Shihlin District, Taipei City	2,113	2,113
	$ 7,753,415	$ 6,317,412

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

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

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

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

12. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2016	2015
Time deposits with original maturity more than three months	$ 108,470	$ 401,695
Restricted assets - current	7,308	47,857
Financial assets at amortized cost	2,850,536	1,331,967
	$ 2,966,314	$ 1,781,519

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

	December 31	
	2016	2015
Time deposits with original maturity more than three months	0.09%-1.20%	0.025%-3.00%

b. Restricted assets - current consisted of time deposits provided as guarantee for the loan of Shanghai Sinyi Real Estate and as operating guarantee for real-estate brokerage. Refer to Note 34.

c. Financial assets at amortized cost were bank financial products. The expected yield rates for the years ended December 31, 2016 and 2015 were 0%-4.35% and 1.80%-3.75%, respectively.

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The subsidiaries included in the consolidated entities as of December 31, 2016 and 2015 were as follows:

			% of Ownership		
			December 31		
Investor	Investee	Main Businesses	2016	2015	Remark
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	
	Sinyi Development Inc. (Taiwan Sinyi Development)	Construction	100	100	
	Sinyi Limited	Investment holding	100	100	
	Sinyi Global Asset Management Co., Ltd. (Global)	Real estate brokerage	100	100	
	Heng-Yi Real Estate Consulting Inc. (Heng-Yi)	Development, construction, rental and sale of residential building and factories	100	100	
	Jui-Inn Consultants Co., Ltd. (Jui-Inn)	Management consulting	100	100	
	Sinyi Culture Publishing Inc. (Sinyi Culture)	Publication	99	99	
	An-Sin Real Estate Management Ltd. (An-Sin)	Real estate management	51	51	
	Yowoo Technology Inc. (Yowoo Technology)	Information software, data processing and electronic information providing services	100	100	
	Sin Chiun Holding SDN. BHD.	Investment holding	100	-	Note 5
Sinyi Limited	Ke Wei HK Realty Limited (Ke Wei HK)	Investment holding	99	99	
	Inane International Limited (Inane)	Investment holding	100	100	
Inane	Shanghai Sinyi Real Estate Inc. (Shanghai Sinyi Real Estate)	Real estate brokerage	100	100	
	Beijing Sinyi Real Estate Ltd. (Beijing Sinyi)	Real estate brokerage	100	100	
	Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Shanghai Sinyi of Land Administration and Real Estate Counseling)	Management consulting	100	100	
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	100	100	
	Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Qingdao Sinyi)	Real estate brokerage and management consulting	100	100	
	Max Success International Limited (Max Success)	Investment holding	100	100	
Shanghai Sinyi Real Estate	Zhejiang Sinyi Real Estate Co., Ltd. (Zhejiang Sinyi)	Real estate brokerage and management consulting	38	38	
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	2	2	
Max Success	Zhejiang Sinyi	Real estate brokerage and management consulting	62	62	
	Suzhou Sinyi	Real estate brokerage and management consulting	98	98	
Ke Wei HK	Ke Wei Shanghai Real Estate Management Consulting Inc. (Ke Wei Shanghai)	Real estate brokerage and management consulting	100	100	
Sinyi International	Forever Success International Limited (Forever Success)	Investment holding	100	100	
	Sinyi Realty Inc. Japan (Japan Sinyi)	Real estate brokerage, management and identification	100	100	
	Sinyi Development Limited (Sinyi Development)	Investment holding	100	100	
	Sinyi Estate Ltd. (Sinyi Estate)	Investment holding	100	100	Note 1
Forever Success	Shanghai Shang Tuo Investment Management Consulting Inc. (Shanghai Shang Tuo)	Real estate brokerage and management consulting	100	100	
	Hua Yun Renovation (Shanghai) Co., Ltd. (Hua Yun)	Professional construction, building decoration construction, interior decoration, hardware, general merchandise, building materials wholesale	100	100	

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2016	2015	Remark
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	
Japan Sinyi	Sinyi Management Co., Ltd. (Sinyi Management)	Real estate brokerage	100	100	
	Tokyo Sinyi Real Estate Co., Ltd.	Real estate brokerage	100	100	Note 2
Sinyi Development	Sinyi Real Estate (Hong Kong) Limited (Hong Kong Real Estate)	Investment holding	100	100	
	Kunshan Dingxian Trading Co., Ltd. (Kunshan Dingxian Trading)	Construction materials furniture, sanitary ware and ceramic products	100	100	Note 4
Sinyi Estate	Sinyi Estate (Hong Kong) Limited (Hong Kong Sinyi Estate)	Investment holding	100	100	Note 3
Hong Kong Real Estate	Sinyi Real Estate (Shanghai) Limited (Shanghai Real Estate)	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	100	100	
Taiwan Sinyi Development	Da-Chia Construction Co., Ltd. (Da-Chia Construction)	Development, construction, rental and sales of residential building and factories	100	100	
	Sinyi Real Estate Co., Ltd. (Sinyi Real Estate)	Development, construction, rental and sales of residential building and factories	100	100	

(Concluded)

Remark:

Note 1: Sinyi Estate was incorporated in April 2015, with a capital collected in advance of US$17 thousand as of December 31, 2016.

Note 2: Tokyo Sinyi Real Estate Co., Ltd. was incorporated in May 2015, with a capital of $5,000 thousand.

Note 3: Hong Kong Sinyi Estate was incorporated in April 2015, with a capital collected in advance of US$17 thousand as of December 31, 2016.

Note 4: Kunshang Dingxian Trading was incorporated in January 2015, with a capital of RMB 6,000 thousand.

Note 5: Sin Chiun Holding SDN. BHD. was incorporated in October 2016, with a capital of MYR 2.

Note 6: The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those subsidiaries for the years ended December 31, 2016 and 2015 were based on audited financial statements.

b. Subsidiaries excluded from consolidated financial statements: None.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31 2016	2015
Investments in associates	$ 10,723	$ 9,649

Investments in Associates

	December 31	
	2016	**2015**
Unlisted company		
Sinyi Interior Design Co., Ltd.	$ 10,723	$ 9,649

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

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

The summarized financial information in respect of the Group's associates is set out below:

	Years Ended December 31	
	2016	**2015**
Group's share		
Net profit for continuing operations	$ 208	$ 243
Other comprehensive income (loss)	1,084	(1,184)
Total comprehensive income (loss) for the year	$ 1,292	$ (941)

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

15. PROPERTY, PLANT AND EQUIPMENT

	Year Ended December 31, 2016								
	Freehold Land	**Buildings**	**Transportation Equipment**	**Office Equipment**	**Leased Assets**	**Leasehold Improvements**	**Other Equipment**	**Construction in Progress and Prepayments for Equipment**	**Total**
Cost									
Balance, at January 1, 2016	$ 2,665,208	$ 415,360	$ 6,874	$ 371,882	$ 4,671	$ 501,124	$ 79,979	$ 258,785	$ 4,303,883
Additions	-	-	1,137	21,054	-	49,539	687	750	73,167
Disposals (Note 2)	-	-	(1,794)	(21,337)	-	(22,746)	-	(8,771)	(54,648)
Reclassifications	-	-	750	-	-	126	(126)	(750)	-
Effect of foreign currency exchange differences	-	-	(396)	(4,478)	-	(6,749)	-	(19,164)	(30,787)
Balance at December 31, 2016	$ 2,665,208	$ 415,360	$ 6,571	$ 367,121	$ 4,671	$ 521,294	$ 80,540	$ 230,850	$ 4,291,615
Accumulated depreciation									
Balance, at January 1, 2016	$ -	$ 96,564	$ 4,330	$ 240,142	$ 4,671	$ 341,765	$ 54,491	$ -	$ 741,963
Depreciation expense	-	10,538	1,100	47,489	-	58,446	8,705	-	126,278
Disposals	-	-	(1,614)	(20,908)	-	(22,174)	-	-	(44,696)
Effect of foreign currency exchange differences	-	-	(256)	(2,570)	-	(3,341)	-	-	(6,167)
Balance at December 31, 2016	$ -	$ 107,102	$ 3,560	$ 264,153	$ 4,671	$ 374,696	$ 63,196	$ -	$ 817,378
Net book value, January 1, 2016	$ 2,665,208	$ 318,796	$ 2,544	$ 131,740	$ -	$ 159,359	$ 25,488	$ 258,785	$ 3,561,920
Net book value, December 31, 2016	$ 2,665,208	$ 308,258	$ 3,011	$ 102,968	$ -	$ 146,598	$ 17,344	$ 230,850	$ 3,474,237

	Year Ended December 31, 2015								
	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost									
Balance, at January 1, 2015	$ 2,670,039	$ 418,777	$ 6,984	$ 354,744	$ 4,671	$ 454,972	$ 79,501	$ 272,743	$ 4,262,431
Additions	-	-	-	39,882	-	74,226	478	82	114,668
Disposals (Notes 1 and 2)	-	(1,448)	-	(22,146)	-	(26,935)	-	(8,240)	(58,769)
Reclassifications	(4,831)	(1,969)	-	176	-	-	-	(621)	(7,245)
Effect of foreign currency exchange differences	-	-	(110)	(774)	-	(1,139)	-	(5,179)	(7,202)
Balance at December 31, 2015	$ 2,665,208	$ 415,360	$ 6,874	$ 371,882	$ 4,671	$ 501,124	$ 79,979	$ 258,785	$ 4,303,883
Accumulated depreciation									
Balance, at January 1, 2015	$ -	$ 86,407	$ 3,084	$ 211,880	$ 4,671	$ 309,207	$ 42,594	$ -	$ 657,843
Depreciation expense	-	10,157	1,308	49,490	-	59,253	11,897	-	132,105
Disposals	-	-	-	(20,708)	-	(25,875)	-	-	(46,583)
Effect of foreign currency exchange differences	-	-	(62)	(520)	-	(820)	-	-	(1,402)
Balance at December 31, 2015	$ -	$ 96,564	$ 4,330	$ 240,142	$ 4,671	$ 341,765	$ 54,491	$ -	$ 741,963
Net book value, January 1, 2015	$ 2,670,039	$ 332,370	$ 3,900	$ 142,864	$ -	$ 145,765	$ 36,907	$ 272,743	$ 3,604,588
Net book value, December 31, 2015	$ 2,665,208	$ 318,796	$ 2,544	$ 131,740	$ -	$ 159,359	$ 25,488	$ 258,785	$ 3,561,920

Note 1: The proceeds of disposal of building were collected based on the portfolio of the value of right and investment amount after the urban renewal plan was completed; the Group participated in the plan.

Note 2: Refund of prepayments from the 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

a. 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.

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

c. Refer to Note 34 for the details of properties, plant and equipment pledged as collaterals.

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2016	$ 2,037,918	$ 943,625	$ 2,981,543
Additions	18,901	1,299	20,200
Disposals	(34,439)	(581,871)	(616,310)
Effect of foreign currency exchange differences	-	(17,314)	(17,314)
Balance at December 31, 2016	$ 2,022,380	$ 345,739	$ 2,368,119
Accumulated depreciation and impairment			
Balance at January 1, 2016	$ 7,396	$ 157,855	$ 165,251
Impairment losses reversed	(1,838)	(739)	(2,577)
Depreciation expense	-	19,362	19,362
Disposals	-	(81,108)	(81,108)
Effect of foreign currency exchange differences	-	(2,095)	(2,095)
Balance at December 31, 2016	$ 5,558	$ 93,275	$ 98,833
Net book value, January 1, 2016	$ 2,030,522	$ 785,770	$ 2,816,292
Net book value, December 31, 2016	$ 2,016,822	$ 252,464	$ 2,269,286
Cost			
Balance at January 1, 2015	$ 2,033,087	$ 953,151	$ 2,986,238
Reclassifications	4,831	1,969	6,800
Effect of foreign currency exchange differences	-	(11,495)	(11,495)
Balance at December 31, 2015	$ 2,037,918	$ 943,625	$ 2,981,543
Accumulated depreciation and impairment			
Balance at January 1, 2015	$ 7,396	$ 137,927	$ 145,323
Depreciation expense	-	21,176	21,176
Effect of foreign currency exchange differences	-	(1,248)	(1,248)
Balance at December 31, 2015	$ 7,396	$ 157,855	$ 165,251
Net book value, January 1, 2015	$ 2,025,691	$ 815,224	$ 2,840,915
Net book value, December 31, 2015	$ 2,030,522	$ 785,770	$ 2,816,292

(Concluded)

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

Buildings - main buildings	30-60 years

The Group disposed of investment properties in Beijing City for $846,380 thousand in 2016. The carrying amount of investment properties was $494,313 thousand, and the disposal gain of $352,067 thousand was recognized in other gains and losses, which is disclosed in Note 27. As of December 31, 2016, the remaining receivable from disposal of investment properties $244,701 thousand had not been collected.

The total fair value of the Group's investment properties and property, plant and equipment as of December 31, 2016 and 2015 was $9,145,666 thousand and $10,259,399 thousand, respectively. The fair value determination was not performed by independent qualified professional appraisers, but by the management of the Group who used the valuation model that market participants generally use in determining fair value, and the fair value was measured by using Level 3 inputs. The fair value was arrived at by reference to market evidence of transaction prices for similar properties.

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

17. INTANGIBLE ASSETS

	December 31	
	2016	2015
Franchises (Note 37)	$ 56,112	$ 59,619
Goodwill	9,621	9,621
System software costs	71,245	75,523
	$ 136,978	$ 144,763

	Franchises	Goodwill	System Software Costs	Total
Cost				
Balance at January 1, 2016	$ 100,299	$ 9,621	$ 167,849	$ 277,769
Additions	-	-	44,147	44,147
Disposals	-	-	(3,683)	(3,683)
Effect of foreign currency exchange differences	(1,757)	-	(866)	(2,623)
Balance at December 31, 2016	$ 98,542	$ 9,621	$ 207,447	$ 315,610
Accumulated amortization				
Balance at January 1, 2016	$ 40,680	$ -	$ 92,326	$ 133,006
Amortization expense	2,464	-	47,957	50,421
Disposals	-	-	(3,683)	(3,683)
Effect of foreign currency exchange differences	(714)	-	(398)	(1,112)
Balance at December 31, 2016	$ 42,430	$ -	$ 136,202	$ 178,632
Net book value, January 1, 2016	$ 59,619	$ 9,621	$ 75,523	$ 144,763
Net book value, December 31, 2016	$ 56,112	$ 9,621	$ 71,245	$ 136,978
Cost				
Balance at January 1, 2015	$ 96,709	$ 9,621	$ 127,062	$ 233,392
Additions	-	-	42,522	42,522
Disposals	-	-	(2,167)	(2,167)

(Continued)

	Franchises	Goodwill	System Software Costs	Total
Reclassification	$ -	$ -	$ 445	$ 445
Effect of foreign currency exchange differences	3,590	-	(13)	3,577
Balance at December 31, 2015	$ 100,299	$ 9,621	$ 167,849	$ 277,769
Accumulated amortization				
Balance at January 1, 2015	$ 36,806	$ -	$ 53,868	$ 90,674
Amortization expense	2,424	-	40,644	43,068
Disposals	-	-	(2,167)	(2,167)
Effect of foreign currency exchange differences	1,450	-	(19)	1,431
Balance at December 31, 2015	$ 40,680	$ -	$ 92,326	$ 133,006
Net book value, January 1, 2015	$ 59,903	$ 9,621	$ 73,194	$ 142,718
Net book value, December 31, 2015	$ 59,619	$ 9,621	$ 75,523	$ 144,763

(Concluded)

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

Franchises	40 years
System software costs	2-5 years

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

18. OTHER ASSETS

	December 31	
	2016	2015
Prepaid expenses	$ 92,805	$ 87,772
Tax prepayment	654,411	238,729
Temporary payments	45,006	1,877
Overpaid VAT	8,401	4,390
Overdue receivables	4,857	4,644
Others	1,890	1,890
	$ 807,370	$ 339,302
Current	$ 800,623	$ 332,768
Non-current	6,747	6,534
	$ 807,370	$ 339,302

Tax prepayment is land value increment tax and sales tax imposed by China local tax bureau for presold real estate made by Shanghai Real Estate, one of the Group's subsidiaries in mainland China.

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2016	2015
Unsecured borrowings		
Unsecured loans	$ 158,058	$ 200,000
Secured borrowings		
Bank loans	-	37,463
	$ 158,058	$ 237,463

1) The interest rates of the bank loans for the years ended December 31, 2016 and 2015 were 1.03%-1.42% and 1.4%-5.1%, respectively.

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

b. Long-term borrowings

	December 31	
	2016	2015
Secured borrowings		
Bank loans	$ 632,340	$ 2,299,289
Unsecured borrowings		
Unsecured loans	184,450	-
	816,790	2,299,289
Less: Current portion	(296,120)	(190,000)
Long-term borrowings	$ 520,670	$ 2,109,289

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

		December 31	
	Content of Borrowings	2016	2015
E.SUN Bank	Loan limit: $190,000 thousand; period: September 10, 2013 to March 31, 2017; floating interest rate as of December 31, 2016 and 2015 is 2.1% and 2.5%; interest is paid monthly and principal is repaid at maturity.	$ 190,000	$ 190,000

(Continued)

	Content of Borrowings	December 31 2016	December 31 2015
E.SUN Bank	Loan limit: $800,000 thousand; period: March 13, 2015 to December 30, 2017; fixed interest rate of 1.55% with negotiating rate per 90 days; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January 2016.	$ -	$ 100,000
E.SUN Bank	Loan limit: $2,450,000 thousand; period: October 25, 2016 to October 20, 2018; floating interest rate of 1.35% with negotiating rate per 30 days; interest is paid monthly and principal is repaid at maturity.	200,000	-
East Asia Bank	Loan limit: $1,600,000 thousand; period: September 25, 2015 to December 31, 2018; floating interest rate of 1.718%; total 7 quarterly installment to begin from 18 months after December 31, 2015, 5% of principal for each of the first six installments, while the rest will be paid at maturity. The Group repaid all the debts in October and November in 2016.	-	200,000
China Construction Bank	Loan limit: RMB 800,000 thousand; period: May 20, 2014 to June 19, 2017; floating interest rate as of December 31, 2016 and 2015 is 4.75% and 5.25%; interest is paid quarterly and principal is repaid at maturity. The Group repaid partial principal of RMB 322,200 thousand in May, June and December in 2016	92,340	1,709,289
Taipei Fubon Bank	Loan limit: $385,000 thousand; period: December 30, 2016 to December 30, 2019; floating interest rate of 1.65%; interest is paid monthly and principal is repaid at maturity.	50,000	-
Yuanta Bank	Loan limit: $300,000 thousand; period: December 30, 2016 to December 30, 2018; floating interest rate of 1.75% with negotiating rate per 180 days; interest is paid monthly and principal is repaid at maturity.	100,000	-
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.	34,450	-
Sinopac Bank	Loan limit: $200,000 thousand; period: December 30, 2016 to December 30, 2018; floating interest rate of 1.5%; interest is paid monthly and principal is repaid at maturity.	50,000	-
Bank of Taiwan	Loan limit: $1,000,000 thousand; period: September 22, 2015 to September 22, 2018; fixed interest rate as of December 31, 2016 and 2015 is 1.46% and 1.8% with negotiating rate per 180 days; interest is paid monthly and principal is repaid at maturity.	100,000	100,000
Total long-term borrowings		$ 816,790	$ 2,299,289

(Concluded)

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

20. BONDS PAYABLE

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

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 4th and 5th year from the issuance date, the Group will repay half of the principle, respectively. Interest is paid annually.

21. TRADE PAYABLES

	December 31	
	2016	2015
Construction payables	$ 175,385	$ 86,330

22. UNEARNED REVENUE

	December 31	
	2016	2015
Advance receipts from real estate transactions	$ 7,280,944	$ 2,665,026
Others	2,508	1,477
	$ 7,283,452	$ 2,666,503

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

23. OTHER LIABILITIES

	December 31	
	2016	2015
Current		
Other payables	$ 1,599,087	$ 1,493,621
Other payables to related parties	83,091	115,727
Other financial liabilities	406,968	321,467
Other liabilities	220,275	297,159
	$ 2,309,421	$ 2,227,974
Non-current		
Other liabilities	$ 414,879	$ 722,466

a. Other payables were as follows:

	December 31	
	2016	2015
Performance bonus and salaries	$ 1,259,150	$ 1,118,097
Advertisement	53,675	101,204
Labor and health insurance	65,797	62,216
Payable for annual leave	65,625	60,081
Professional fees	15,343	16,773
Interest payables	23,291	25,968
Compensation to employees and directors	17,365	17,414
Others	98,841	91,868
	$ 1,599,087	$ 1,493,621

Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other liabilities. The performance bonuses payable under other liabilities amounted to $414,879 thousand and $722,466 thousand as of December 31, 2016 and 2015, respectively.

b. Other payables to related parties were as follows:

	December 31	
	2016	2015
Financing from related parties		
Loan from related parties	$ 57,713	$ 67,932
Interest payable	14,260	14,735
Others	11,118	33,060
	$ 83,091	$ 115,727

Loans from related parties were accounted for as other payables to related parties with interest rates of 0%-3% for the years ended December 31, 2016 and 2015.

c. Other financial liabilities were as follows:

	December 31	
	2016	**2015**
Receipts under custody from real estate transactions	$ 291,110	$ 221,384
Other receipts under custody	67,079	68,283
Payables on equipment	10,335	5,709
Receipts under custody - escrow service	11	150
Others	38,433	25,941
	$ 406,968	$ 321,467

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

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

	December 31	
	2016	**2015**
Receipts under custody - escrow service	$ 9,868,003	$ 10,612,418
Interest payables	3,291	4,479
Deposit accounts	(9,871,283)	(10,616,258)
Interest receivables	-	(489)
	$ 11	$ 150

a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.01%-0.09% and 0.15%-0.24% for the years ended December 31, 2016 and 2015, respectively.

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

d. Other current liabilities were as follows:

	December 31	
	2016	**2015**
VAT payable and other tax payable	$ 206,735	$ 280,730
Others	13,540	16,429
	$ 220,275	$ 297,159

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

24. PROVISIONS

	December 31 2016	December 31 2015
Service revenue allowances	$ 45,204	$ 39,100
Operating loss provisions	42,848	-
	$ 88,052	$ 39,100
Current	$ 83,195	$ 34,456
Non-current	4,857	4,644
	$ 88,052	$ 39,100

	Service Allowances	Operating Loss Provisions	Total
Balance, January 1, 2016	$ 39,100	$ -	$ 39,100
Additional provisions recognized	6,420	42,848	49,268
Effect of foreign currency exchange differences	(316)	-	(316)
Balance, December 31, 2016	$ 45,204	$ 42,848	$ 88,052

	Service Allowances	Operating Loss Provisions	Total
Balance, January 1, 2015	$ 47,488	$ -	$ 47,488
Reversing un-usage balances	(8,391)	-	(8,391)
Effect of foreign currency exchange differences	3	-	3
Balance, December 31, 2015	$ 39,100	$ -	$ 39,100

a. The provision for service revenue allowances was estimated based on historical experience. The provision was recognized as a reduction of operating revenue in the period the related services were provided.

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

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The pension plan under the Labor Pension Act (the "LPA") is a defined contribution plan. Based on the LPA, the Company, An-Sin, An-Shin, Global, Sinyi Development, Jui-Inn, Heng-Yi, Yowoo Technology and Tokyo Sinyi make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in other countries are members of a state-managed retirement benefit plan operated by local government. The subsidiary is required to contribute amounts calculated at a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions to the fund.

Sinyi Limited, Sinyi International, Forever Success, Inane, Ke Wei HK, Max Success, Sinyi Development, Sinyi Estate, Sin Chiun, Hong Kong Real Estate, Hong Kong Sinyi Estate, Sinyi Culture, Da-Chia Construction and Sinyi Real Estate have no full-time employees. Thus, there are no related pension obligations or pension costs.

b. Defined benefit plans

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

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2016	**2015**
Present value of defined benefit obligation	$ 580,132	$ 529,845
Fair value of plan assets	(536,530)	(525,620)
Deficit	43,602	4,225
Net defined benefit liability	$ 43,602	$ 4,225

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liability (Asset)**
Balance at January 1, 2015	$ 497,221	$ (506,225)	$ (9,004)
Service cost			
Current service cost	3,575	-	3,575
Net interest expense (income)	9,336	(9,602)	(266)
Recognized in profit or loss	12,911	(9,602)	3,309
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,869)	(3,869)
Actuarial loss - changes in demographic assumptions	24,396	-	24,396
Actuarial loss - changes in financial assumptions	16,664	-	16,664
Actuarial gain - experience adjustments	(14,416)	-	(14,416)
Recognized in other comprehensive income	26,644	(3,869)	22,775

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Contributions from the employer	$ -	$ (12,855)	$ (12,855)
Benefits paid	(6,931)	6,931	-
Balance at December 31, 2015	529,845	(525,620)	4,225
Service cost			
Current service cost	3,718	-	3,718
Net interest expense (income)	8,610	(8,615)	(5)
Recognized in profit or loss	12,328	(8,615)	3,713
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	4,845	4,845
Actuarial loss - changes in demographic assumptions	17,655	-	17,655
Actuarial loss - changes in financial assumptions	18,741	-	18,741
Actuarial loss - experience adjustments	6,741	-	6,741
Recognized in other comprehensive income	43,137	4,845	47,982
Contributions from the employer	-	(12,318)	(12,318)
Benefits paid	(5,178)	5,178	-
Balance at December 31, 2016	$ 580,132	$ (536,530)	$ 43,602

(Concluded)

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

	Years Ended December 31	
	2016	2015
Operating costs	$ 3,329	$ 2,905
Operating expenses	384	404
	$ 3,713	$ 3,309

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

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

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

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

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

	December 31	
	2016	2015
Discount rates	1.125%-1.375%	1.625%
Expected rates of salary increase	2.00%-3.00%	2.00%-3.00%

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

	December 31	
	2016	2015
Discount rates		
0.25% increase	$ (18,950)	$ (17,679)
0.25% decrease	$ 19,794	$ 18,483
Expected rates of salary increase		
0.25% increase	$ 19,126	$ 17,893
0.25% decrease	$ (18,412)	$ (17,209)

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

	December 31	
	2016	2015
The expected contributions to the plan for the next year	$ 9,252	$ 9,102
The average duration of the defined benefit obligation	13.3 years	13.7 years - 14.1 years

26. EQUITY

Share Capital

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

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

Capital Surplus

	December 31	
	2016	**2015**
<u>May not be used for any purpose</u>		
Employee stock options	$ 63,896	$ 63,896

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

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

Retained Earnings and Dividend Policy

a. In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The Company has resolved retained earnings distribution policy and stipulated the employees' compensation policy in the amended Article of Incorporation in the general shareholders' meeting on May 20, 2016.

b. Under the dividend policy as set forth in the amended Articles, where the Company has earning upon settlement for a fiscal year, after taxes are paid by law and accumulated deficits are set off, ten percent shall be appropriated as legal earning reserves; however, if the amount of the legal earning reserves has attained the amount of paid-in capital of the Company, no further appropriation shall be made. The remainder shall be appropriated or reversed as special earning reserves. If there still has balance, considering together with accumulated undistributed earnings, the board of directors shall prepare the proposal for earning distribution, which shall be submitted to the shareholders' meeting for a resolution of distribution of dividends and bonuses to shareholders. For the policies on distribution of employees' compensation and remuneration of directors before and after amendment, refer to f Employee benefits expense in Note 27.

c. In addition, according the revised Article of Incorporation of the Company, the dividend policy of the Company is to deliberately distribute dividends, in the light of present and future development plan, taking into consideration the investment environments, fund demands, and domestic competition status, as well as factors of interests of shareholders; provided. However, the amount of proposed earning distribution of current year may not be less than 20% of accumulated distributable earnings. In distributing dividends and bonuses to shareholders, the distribution may be made by stocks or cash, of which cash dividends may not be less than 10% of total amount of dividends.

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

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

f. The appropriations of earnings for 2015 and 2014 approved in the shareholders’ meeting held on May 20, 2016 and May 15, 2015, respectively, were as follows:

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

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

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 91,986	$ -
Cash dividends	631,840	1.0
Stock dividends	196,602	0.3

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

Others Equity Items

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

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

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

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

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

Non-controlling Interests

	Years Ended December 31	
	2016	2015
Balance, beginning of year	$ 125,644	$ 139,495
Attributed to non-controlling interests:		
Net income	4,723	22,496
Exchange differences on translating foreign operations	19	(6)
Remeasurement on defined benefit plans	(19)	(56)
Related income tax	3	9
Payment of cash dividends to non-controlling interests	(20,558)	(36,294)
Balance, end of year	$ 109,812	$ 125,644

27. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the followings:

Interest Income

	Years Ended December 31	
	2016	2015
Interest income		
Cash in bank	$ 50,849	$ 34,696
Other accounts receivable	10,734	10,506
Others	16	60
	$ 61,599	$ 45,262

Other Gains and Losses

	Years Ended December 31	
	2016	2015
Reversal of impairment loss of investment properties	$ 2,577	$ -
Impairment loss of financial assets measured at cost	-	(3,662)
(Losses) gains on disposal of investments	(40)	67,906
(Gains) losses on fair value change of financial assets held for trading	3,325	(11,813)
Losses on disposal of property, plant and equipment	(925)	(2,463)
Gains on disposal of investment properties (Note 16)	350,929	-
Net foreign exchange (loss) gain	(9,647)	20,054
Share of gains on associates and joint ventures	208	243
Gain on reversal of bad debts	2,317	15,388
Others	30,219	46,405
	$ 378,963	$ 132,058

Finance Costs

	Years Ended December 31	
	2016	2015
Interest on bank loans	$ 64,007	$ 125,231
Interest on unsecured bonds payable	44,400	44,278
Interest on loans from related parties	671	832
Interest on loans from others	-	10,243
Others	88	623
	109,166	181,207
Deduct: Amounts included in the cost of qualifying assets (inventory - properties under development)	(51,454)	(114,521)
	$ 57,712	$ 66,686
Interest capitalization rate	2.1%-5.25%	2.5%-6.15%

Depreciation and Amortization

	Years Ended December 31	
	2016	2015
Property, plant and equipment	$ 126,278	$ 132,105
Investment property	19,362	21,176
Intangible assets	50,421	43,068
	$ 196,061	$ 196,349
An analysis of depreciation by function		
Inventory	$ 1,799	$ 913
Operating costs	90,397	91,272
Operating expenses	34,082	39,920
Other losses	19,362	21,176
	$ 145,640	$ 153,281
An analysis of amortization by function		
Inventory	$ 3,049	$ 1,243
Operating costs	1,331	17,826
Operating expenses	46,041	23,999
	$ 50,421	$ 43,068

Operating Expenses Directly Related to Investment Properties

	Years Ended December 31	
	2016	2015
Direct operating expenses from investment property		
That generated rental income	$ 40,445	$ 40,640
That did not generate rental income	23	83
	$ 40,468	$ 40,723

Employee Benefits Expense

	Years Ended December 31	
	2016	**2015**
Salary expense	$ 4,158,907	$ 4,019,314
Labor and health insurance expense	281,000	287,349
	4,439,907	4,306,663
Post-employment benefits		
Defined contribution plans	171,541	149,429
Defined benefit plans (Note 25)	3,713	3,309
	175,254	152,738
Other employee benefits	167,751	180,432
Total employee benefits expense	$ 4,782,912	$ 4,639,833
An analysis of employee benefits expense by function		
Inventory	$ 41,079	$ 36,114
Operating costs	4,191,026	3,993,030
Operating expenses	550,807	610,689
	$ 4,782,912	$ 4,639,833

a. Employees' compensation and remuneration of directors for 2016 and 2015

In compliance with the Company Act as amended in May 2015 and the amended Articles of incorporation of the Company approved by the shareholders in their meeting in May 2016, the Company accrued employees' compensation and remuneration of directors at the rates no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2016 and 2015 which have been approved by the Company's board of directors on February 24, 2017 and February 25, 2016, respectively, were as follows:

Accrual rate

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

Amount

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

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

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

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

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

b. Bonuses to employees and remuneration of directors for 2014

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

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

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

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

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

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

28. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	Years Ended December 31	
	2016	2015
Current tax		
In respect of the current year	$ 183,768	$ 184,415
Income tax expense of unappropriated earnings	4,633	16,161
Land value increment tax	23,491	-
In respect of the prior years	711	8,186
Deferred tax		
In respect of the current period	(48,765)	(11,097)
Income tax expense recognized in profit or loss	$ 163,838	$ 197,665

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

	Years Ended December 31	
	2016	2015
Profit before tax from continuing operations	$ 1,088,426	$ 784,026
Income tax expense calculated at the statutory rate (17%)	$ 185,032	$ 133,284
Nondeductible expenses in determining taxable income	944	8,257
Tax-exempt income	(4,627)	(19,720)
Additional income tax on unappropriated earnings	4,633	16,161
Land value increment tax	23,491	-
Unrecognized deductible temporary differences	9,299	25,537
(Used) unrecognized loss carryforward in current period	(68,666)	13,706
Effect of different tax rate of group entities operating in other jurisdictions	13,021	12,254
Adjustments for prior years' tax	711	8,186
Income tax expense recognized in profit or loss	$ 163,838	$ 197,665

The income tax rate used above is 17% for the companies located in the ROC, while the income tax rate used by subsidiaries in China is 25%. Tax rates used by the group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

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

b. Income tax recognized in other comprehensive income

	Years Ended December 31	
	2016	2015
Deferred tax		
In respect of the current year		
Remeasurement on defined benefit plan	$ 8,157	$ 3,872

c. Current tax assets and liabilities

	December 31 2016	December 31 2015
Current tax assets		
Tax refund receivables	$ 114,516	$ 20,920
Current tax liabilities		
Income tax payables	$ 111,715	$ 70,697

d. Deferred tax assets and liabilities

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

Year ended December 31, 2016

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Translation Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for doubtful accounts	$ 407	$ (364)	$ -	$ -	$ 43
Provisions	5,924	7,975	-	-	13,899
Loss carryforwards	32,576	36,079	-	(3,405)	65,250
Defined benefit obligation	380	(7)	7	-	380
Others	4,097	2,011	-	-	6,108
	$ 43,384	$ 45,694	$ 7	$ (3,405)	$ 85,680
Deferred tax liabilities					
Temporary differences					
Defined benefit obligation	$ 25,106	$ 1,456	$ (8,150)	$ -	$ 18,412
Others	5,519	(4,527)	-	-	992
	$ 30,625	$ (3,071)	$ (8,150)	$ -	$ 19,404

Year ended December 31, 2015

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Translation Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for doubtful accounts	$ 499	$ (92)	$ -	$ -	$ 407
Provisions	10,773	(4,849)	-	-	5,924
Loss carryforwards	13,012	19,910	-	(346)	32,576
Defined benefit obligation	355	5	20	-	380
Others	838	3,259	-	-	4,097
	$ 25,477	$ 18,233	$ 20	$ (346)	$ 43,384
Deferred tax liabilities					
Temporary differences					
Defined benefit obligation	$ 27,341	$ 1,617	$ (3,852)	$ -	$ 25,106
Others	-	5,519	-	-	5,519
	$ 27,341	$ 7,136	$ (3,852)	$ -	$ 30,625

e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2016	2015
Loss carryforwards		
Expire in 2015	$ -	$ 35,998
Expire in 2016	25,681	67,310
Expire in 2017	23,917	49,941
Expire in 2018	14,544	24,042
Expire in 2019	19,892	31,498
Expire in 2020	14,928	19,375
Expire in 2021	7,747	-
Expire in 2024	945	945
Expire in 2025	1,103	1,191
Expire in 2026	3,026	-
	$ 111,783	$ 230,300

f. Information about unused loss carryforward

Loss carryforwards as of December 31, 2016 comprised of:

Unused Amount	Expiry Year
$ 95,670	2017
67,378	2018
103,804	2019
175,663	2020
117,206	2021
12,143	2024
31,020	2025
24,024	2026
$ 626,908	

g. Integrated income tax

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

The creditable ratios for distribution of earnings of 2016 and 2015 were 23.47% (estimated ratio) and 23.97%, respectively.

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

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

h. Income tax assessments

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

29. EARNINGS PER SHARE

Unit: NT$ Per Share

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

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

Net Profit for the Period

	Years Ended December 31	
	2016	**2015**
Profit for the period attributable to owners of the Company	$ 919,865	$ 563,865

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

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

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

30. OPERATING LEASE ARRANGEMENTS

The Group as Lessee

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

As of December 31, 2016 and 2015, refundable deposits paid under operating lease amounted to $115,741 thousand and $112,858 thousand, respectively.

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

	December 31	
	2016	2015
Within 1 year	$ 524,377	$ 510,215
1 to 5 years	910,824	952,915
After 5 years	90,582	80,876
	$ 1,525,783	$ 1,544,006

The Group as Lessor

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

As of December 31, 2016 and 2015, deposits received under operating leases amounted to $20,968 thousand and $33,297 thousand, respectively.

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

	December 31	
	2016	2015
Within 1 year	$ 55,011	$ 135,449
1 to 5 years	2,222	113,716
	$ 57,233	$ 249,165

31. CAPITAL RISK MANAGEMENT

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

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

32. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

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

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

December 31, 2016

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

December 31, 2015

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

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

b. Fair value measurements recognized in the consolidated balance sheet

December 31, 2016

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

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed stocks - equity investments	$ 6,128	$ -	$ -	$ 6,128
Mutual funds	311,529	-	-	311,529
	$ 317,657	$ -	$ -	$ 317,657
Available-for-sale financial assets				
Domestic listed stocks - equity investments	$ 195,775	$ -	$ -	$ 195,775
Foreign listed stocks - equity investments	552,714	-	-	552,714
Mutual funds	1,422	-	-	1,422
	$ 749,911	$ -	$ -	$ 749,911

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

Categories of Financial Instruments

	December 31 2016	December 31 2015
Financial assets		
FVTPL		
Held for trading	$ 479,603	$ 317,657
Loans and receivables (Note 1)	7,773,198	6,198,472
Available-for-sale financial assets (Note 2)	1,008,767	1,002,233
Financial liabilities		
Amortized cost (Note 3)	6,714,375	8,341,317

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

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

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

Financial Risk Management Objectives and Policies

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

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

a. Market risk

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

1) Foreign currency risk

Most of the Group's operating activities are in Taiwan, which is 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.

For the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 38.

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 positive number below indicates an increase in profit before income tax or equity where the NTD strengthens 1% against the relevant currency. For a 1% weakening of the NTD against the relevant currency, the balances below would be negative if the other factors remain unchanged.

	Years Ended December 31					
	2016			2015		
	RMB	JPY	USD	RMB	JPY	USD
Equity	$ 36,168	$ 2,060	$ 572	$ 6,266	$ 2,463	$ 3,847
Profit or loss	4	-	14,679	2,109	121	8,176

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:

	December 31	
	2016	**2015**
Fair value interest rate risk		
Financial assets	$ 1,558,049	$ 2,464,504
Financial liabilities	3,384,450	3,437,463
Cash flow interest rate risk		
Financial assets	2,896,336	748,127
Financial liabilities	648,110	2,167,221

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 $6,481 thousand.

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 December 31, 2016 and 2015, the Group had available unutilized bank loan facilities as follows:

	December 31	
	2016	2015
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	$ 342,508	$ 200,000
Amount unused	2,923,003	3,750,000
	$ 3,265,511	$ 3,950,000
Secured bank overdraft facility:		
Amount used	$ 632,340	$ 2,336,752
Amount unused	9,261,260	7,861,461
	$ 9,893,600	$ 10,198,213

33. TRANSACTIONS WITH RELATED PARTIES

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

Other Payables to Related Parties

	December 31	
	2016	2015
Other related parties - related parties in substance	$ 49,326	$ 75,510
Other related parties - the person in charge of other related parties is the president of the Company	8,608	8,088
Other - vice president of the Company	25,157	32,129
	$ 83,091	$ 115,727

Parts of other payables to related parties were financing. Information on the financing for the years ended December 31, 2016 and 2015 were as follows:

	Year Ended December 31, 2016				
	Highest Balance During the Period	Amount	Interest Rate	Interest Expense	Interest Payable
Other related parties - related parties in substance	$ 42,957	$ 39,707	-	$ -	$ 7,109
Other - vice president of the Company	24,975	18,006	3.00%	671	7,151
	$ 67,932	$ 57,713		$ 671	$ 14,260

	Year Ended December 31, 2015				
	Highest Balance During the Period	**Amount**	**Interest Rate**	**Interest Expense**	**Interest Payable**
Other related parties - related parties in substance	$ 46,592	$ 42,957	-	$ -	$ 7,690
Other - vice president of the Company	31,061	24,975	3.00%	832	7,045
	$ 77,653	$ 67,932		$ 832	$ 14,735

The financing above were unsecured.

Compensation of Key Management Personnel

The remuneration to directors and other members of key management personnel for the years ended December 31, 2016 and 2015 included the following:

	Years Ended December 31	
	2016	**2015**
Short-term benefits	$ 109,078	$ 121,784
Other long-term benefits	8,486	1,146
	$ 117,564	$ 122,930

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

Other Transactions with Related Parties

a. Rental income

	Years Ended December 31	
	2016	**2015**
Other related parties		
The person in charge of other related parties is the president of the Company	$ 4,299	$ 4,867
Related parties in substance	7,678	8,401
Associates	34	34
	$ 12,011	$ 13,302

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

	Years Ended December 31	
	2016	2015
Other related parties		
The person in charge of other related parties is the president of the Company	$ 3,123	$ 3,273
Related parties in substance	7,590	6,515
	$ 10,713	$ 9,788

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

c. Professional fee

	Years Ended December 31	
	2016	2015
Other related parties		
The person in charge of other related parties is the president of the Company	$ 90,811	$ 105,803
Related parties in substance	30,756	34,160
	$ 121,567	$ 139,963

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

d. Rental expense

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

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

e. Other receivables

	December 31	
	2016	2015
Other related parties		
The person in charge of other related parties is the president of the Company	$ 1,304	$ 1,422
Related parties in substance	8,222	6,741
	$ 9,526	$ 8,163

34. MORTGAGED OR PLEDGED ASSETS

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

	December 31	
	2016	2015
Property, plant and equipment (including investment properties)		
Land	$ 4,450,966	$ 4,022,638
Building	513,629	459,448
Other financial assets - current		
Pledged time deposits and demand deposits	7,308	47,857
Inventories	3,898,119	4,192,990
	$ 8,870,022	$ 8,722,933

35 SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS

a. The Group is involved in claims that arise in the ordinary course of brokerage and escrow business; the other party may claim against the Group through legal proceedings. On the basis of past experience and consultations with legal counsel, management of the Group has measured the possible effects of the contingent lawsuits on its financial condition in brokerage and escrow business.

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

c. The Group has endorsed Shanghai Sinyi Real Estate and Sinyi Estate in obtaining financing limit of $4,765,850 thousand. Refer to Note 39, Table 2 for the details.

d. As of December 31, 2016, the Group had signed construction contracts but not yet paid for $2,377,055 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 $2,586,494 thousand as of December 31, 2016. The amount of mortgage loan was remitted to Shanghai Real Estate for payment of the property sold. If a customer breached a mortgage contract, Shanghai Real Estate will return to the banks only the amount of mortgage received. Therefore, Shanghai Real Estate is not exposed to risk of material loss from the guarantee. The guarantee is just a selling feature in the real estate development industry in China and it does not bear the economic substance and risk of ordinary endorsement. In addition, according to the Q&A No. 35 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (the Regulations) announced on December 26, 2012 by the SFB, the above guarantee provided by Shanghai Real Estate to its customers is similar to an escrow, instead of endorsement as defined in the Regulations.

36. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

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

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

37. SIGNIFICANT FRANCHISE CONTRACTS

Sinyi Limited entered into a sub-franchise agreement with Cendant 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 sub-sublicense other franchisees and territorial sub-franchisors in China, Hong Kong and Macau. The term of this contract is for forty years from Octobor 12, 1999 and is automatically renewed for another period of forty years to October 11, 2079 unless the contract parties 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 sub-franchise agreement for reflecting the necessary amendments in 2008.

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

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

December 31, 2016

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial assets			
Monetary items			
RMB	$ 943,560	4.617	$ 4,356,416
JPY	1,681,365	0.2756	463,384
USD	47,288	32.25	1,525,048
Non-monetary items			
RMB	32,797	4.617	151,422
JPY	2,154,135	0.2756	593,680
USD	43	32.25	1,396
Financial liabilities			
Monetary items			
RMB	160,122	4.617	739,283
JPY	933,813	0.2756	257,359

December 31, 2015

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial assets			
Monetary items			
RMB	$ 637,544	4.995	$ 3,184,530
JPY	1,443,034	0.2727	393,515
USD	36,628	32.825	1,202,314
Non-monetary items			
RMB	32,797	4.995	163,818
JPY	2,026,821	0.2727	552,714
USD	43	32.825	1,422
Financial liabilities			
Monetary items			
RMB	469,892	4.995	2,347,012
JPY	495,380	0.2727	135,090

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:

	Years Ended December 31			
	2016		2015	
Functional Currencies	Exchange Rate	Net Foreign Exchange (Loss) Gain	Exchange Rate	Net Foreign Exchange (Loss) Gain
NTD	1 (NTD:NTD)	$ (13,072)	1 (NTD:NTD)	$ 23,870
USD	32.2627 (USD:NTD)	3,852	31.739 (USD:NTD)	(10,118)
RMB	4.8489 (RMB:NTD)	(454)	5.033 (RMB:NTD)	6,152
JPY	0.2972 (JPY:NTD)	27	0.2624 (JPY:NTD)	150
		$ (9,647)		$ 20,054

39. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

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

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

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

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

e. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

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

g. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: None

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

i. Information about derivative: None

j. Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and significant transactions between them: Table 6 (see the attached)

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

Information on investments in mainland China:

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

b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

   1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None

   2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None

   3) The amount of property transactions and the amount of the resultant gains or losses: None

   4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2 (see the attached)

   5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (see the attached)

   6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None

40. SEGMENT INFORMATION

a. Operating segments information

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

Management has determined reportable segments as follows:

Real estate brokerage segment

1) Companies in Taiwan.

2) Companies in mainland China and other foreign companies.

Real estate development segment

1) Companies in Taiwan.

2) Companies in mainland China and other foreign companies.

The following table was an analysis of the Group's revenue, result of operations and assets of segments for the years ended December 31, 2016 and 2015:

	Real Estate Brokerage			Real Estate Lease Construction and Development				
	Taiwan	Mainland China and Others	Total	Taiwan	Mainland China and Others	Total	Elimination	Consolidated
Year ended December 31, 2016								
Revenues from external customers	$ 6,351,506	$ 1,237,314	$ 7,588,820	$ 78,356	$ 50,099	$ 128,455	$ -	$ 7,717,275
Inter-segment revenues	89,669	-	89,669	15,854	-	15,854	(105,523)	-
Segment revenues	$ 6,441,175	$ 1,237,314	$ 7,678,489	$ 94,210	$ 50,099	$ 144,309	$ (105,523)	7,717,275
Rental income from investment property								(128,455)
Consolidated revenues								$ 7,588,820
Operating profit (loss)	$ 835,037	$ (192,819)	$ 642,218	$ 38,350	$ (120,198)	$ (81,848)	$ 65,959	$ 626,329
Operating income from investment property								(87,987)
Operating income								$ 538,342
Segment assets	$ 6,746,602	$ 3,155,775	$ 9,902,377	$ 3,006,152	$ 11,813,385	$ 14,819,537	$ (872,994)	$ 23,848,920
Investments accounted for by the equity method and goodwill								20,344
Total assets								$ 23,869,264
Year ended December 31, 2015								
Revenues from external customers	$ 6,400,890	$ 1,122,253	$ 7,523,143	$ 79,644	$ 50,733	$ 130,377	$ -	$ 7,653,520
Inter-segment revenues	77,359	-	77,359	14,292	-	14,292	(91,651)	-
Segment revenues	$ 6,478,249	$ 1,122,253	$ 7,600,502	$ 93,936	$ 50,733	$ 144,669	$ (91,651)	7,653,520
Rental income from investment property								(130,377)
Consolidated revenues								$ 7,523,143
Operating profit (loss)	$ 683,928	$ (57,860)	$ 626,068	$ 30,139	$ (116,804)	$ (86,665)	$ 56,783	$ 596,186
Operating income from investment property								(89,654)
Operating income								$ 506,532
Segment assets	$ 5,972,375	$ 2,455,725	$ 8,428,100	$ 3,062,161	$ 9,393,554	$ 12,455,715	$ (131,081)	$ 20,752,734
Investments accounted for by the equity method and goodwill								19,270
Total assets								$ 20,772,004

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

b. Industry and service information

The Group operates mainly in real-estate brokerage business. As of December 31, 2016, there is no revenue generated from residences and buildings development business.

c. Geographic information

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

d. Major customers

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

TABLE 1

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
YEAR ENDED DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
													Item	Value		
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	$ 5,084 (RMB 1,000 thousand)	$ 4,617 (RMB 1,000 thousand)	$ -	3.686%	Short-term financing	$ -	Needs for operation	$ -	-	$ -	$ 927,858 (Note 1)	$ 1,855,715 (Note 1)
		Kunshan Dingxian Trading Co., Ltd.	〃	Yes	397,760 (RMB 80,000 thousand)	369,360 (RMB 80,000 thousand)	4,617 (RMB 1,000 thousand)	3.8%	〃	-	〃	-	-	-	927,858 (Note 1)	1,855,715 (Note 1)
1	Sinyi Real Estate (Shanghai) Limited	Shanghai Sinyi Real Estate Inc.	〃	Yes	203,360 (RMB 40,000 thousand)	184,680 (RMB 40,000 thousand)	184,680 (RMB 40,000 thousand)	4.75%	〃	-	〃	-	-	-	697,909 (Note 2)	1,395,818 (Note 2)
		Sinyi Realty Inc.	〃	Yes	145,436 (RMB 31,500 thousand)	145,436 (RMB 31,500 thousand)	-	-	〃	-	Repayment of borrowings	-	-	-	697,909 (Note 2)	1,395,818 (Note 2)

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

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

SINYI REALTY INC. AND SUBSIDIARIES

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

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor (Note 2)	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of the Company	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Shanghai Sinyi Real Estate Inc.	Indirect subsidiary	$ 7,422,862 (Note 1)	$ 355,880 (RMB 70,000 thousand)	$ 230,850 (RMB 50,000 thousand)	$ -	$ -	2.49	$ 9,278,577	Y	N	Y	
		Sinyi Estate Ltd.	〃	7,422,862 (Note 1)	4,535,000	4,535,000	-	-	48.88	9,278,577	〃	〃	〃	

Note 1: For those subsidiaries the Company has over 50% ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of the Company’s net worth.

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

TABLE 3

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT CONTROLLED ENTITIES)
DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2016				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Sinyi Realty Inc.	Listed stock							
	E.SUN Financial Holding Co., Ltd.	-	Available-for-sale financial assets - current	11,245,582	$ 206,356	-	$ 206,356	
	Stock							
	Rakuya International Info. Co., Ltd.	-	Financial assets measured at cost - non-current	994,190	1,086	18	1,086	
	Han Yu Venture Capital Co., Ltd.	-	〃	5,000,000	49,063	11	49,063	
	PChome Investment Co., Ltd.	-	〃	196,350	-	8	-	
	Kun Gee Venture Capital Co., Ltd.	-	〃	160,650	-	3	-	
	Cite’ Publishing Holding Ltd.	-	〃	7,637	4,874	1	4,874	
	Cite’ Information Services Co., Ltd.	-	〃	106,392	890	1	890	
Sinyi Limited	Stock							
	Orix Corp.	-	Available-for-sale financial assets - current	1,180,800	593,680	-	593,680	
	Monetary market fund							
	SBGH U.S. Dollar Reserve Fund CL A Dist Units	-	〃	43,297	1,396	-	1,396	
Shanghai Sinyi Real Estate Inc.	Stock							
	Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets measured at cost - non-current	30,000,000	146,802	2	146,802	
	Cura Commercial Management Co., Ltd.	-	〃	-	4,620	9	4,620	
Sinyi Development Inc.	Stock							
	CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	8,325	-	8,325	
	Monetary market fund							
	Taishin 1699 Money Market Fund	-	〃	18,864,150	252,757	-	252,757	
Sinyi Global Asset Management Co., Ltd.	Monetary market fund							
	Taishin 1699 Money Market Fund	-	〃	2,468,838	33,079	-	33,079	
An-Sin Real Estate Management Ltd.	Monetary market fund							
	Taishin 1699 Money Market Fund	-	〃	3,952,257	52,956	-	52,956	

(Continued)

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

(Concluded)

SINYI REALTY INC. 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
YEAR ENDED DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Costs	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	Stock													
	Sinyi International Limited	Investments accounted for using equity method and prepayments for long-term investments	-	Subsidiary	148,395,838	$ 4,429,876	31,359,000	$ 1,008,320	43,640,000	$ 1,410,298	$ 1,410,298 (Note 2)	$ -	136,114,838	$ 4,027,898 (Notes 1 and 4)
Sinyi International Limited	Sinyi Estate Ltd.	〃	〃	〃	12,297,800	402,507	31,359,000	1,008,320	43,639,900	1,410,292	1,410,292 (Note 2)	-	16,900	535 (Notes 1 and 4)
Sinyi Development Inc.	Monetary market funds													
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss	-	-	15,004,692	200,000	9,198,014	123,000	5,338,556	71,501	71,242	259	18,864,150	252,757 (Note 3)
Sinyi Real Estate (Shanghai) Limited	Financial product													
	Yehdeyin No. 16071101	Other financial assets - current	〃	〃	-	-	80,000,000	369,360	-	-	-	-	80,000,000	369,360
	Structured Financial Product (Product ID: 2016072810017)	〃	〃	〃	-	-	75,000,000	346,275	-	-	-	-	75,000,000	346,275
	Suiyue Liuking No. 55962	〃	〃	〃	-	-	100,000,000	461,700	-	-	-	-	100,000,000	461,700
Shanghai Sinyi Real Estate Inc.	Qianyuan Riri-Ying - Open-end portfolio type financial product denominated in RMB	〃	〃	〃	-	-	100,000,000	461,700	-	-	-	-	100,000,000	461,700

Note 1: The ending balance presents historical cost.

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

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

Note 4: Those subsidiaries included in the consolidated entities have been eliminated.

SINYI REALTY INC. AND SUBSIDIARIES

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

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

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

Note 2: Excluded-tax transaction price.

TABLE 6

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
YEAR ENDED DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Company Name	Counterparty	Flow of Transactions	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	Percentage to Consolidated Total Assets/Revenue (%)
0	Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	a	Professional fees	$ 17,276	Fixed charges by guarantee piece work	-
		Jui-Inn Consultants Co., Ltd.	a	Professional fees	3,114	By the piece work	-
		An-Sin Real Estate Management Ltd.	a	Other income	5,740	30 days after regular settlement	-
		An-Shin Real Estate Management Ltd.	a	Other income	4,150	30 days after regular settlement	-
		Sinyi Realty Inc. Japan	a	Other income	7,687	Quarterly	-
		Sinyi Realty Inc. Japan	a	Other receivables	1,968	Quarterly	-
		Kunshan Dingxian Trading Co., Ltd.	a	Other receivables	4,617	Financing for operation, interest rate 3.8%	-
1	Shanghai Sinyi Real Estate Inc.	Inane International Limited	c	Other payables	9,226	-	-
		Sinyi Real Estate (Shanghai) Limited	c	Service income	6,920	By percentage of turnover	-
		Sinyi Real Estate (Shanghai) Limited	c	Trade receivables	3,447	Monthly	-
2	Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	c	Professional fees	24,077	By the piece work	-
3	Sinyi Real Estate (Shanghai) Limited	Shanghai Sinyi Real Estate Inc.	c	Other receivables	184,680	Financing for operation, interest rate 4.75%	1
		Kunshan Dingxian Trading Co., Ltd.	c	Prepayments	48,070	-	-
		Kunshan Dingxian Trading Co., Ltd.	c	Advance real estate receipts	209,476	-	1
		Kunshan Dingxian Trading Co., Ltd.	c	Inventory under development	154,429	On the usual terms	1
		Shanghai Shang Tuo Investment Management Consulting Inc.	c	Inventory under development	24,012	On the usual terms	-
		Shanghai Shang Tuo Investment Management Consulting Inc.	c	Prepayments	12,056	-	-
4	Tokyo Sinyi Real Estate Co., Ltd.	Sinyi Realty Inc. Japan	c	Service income	33,906	By the piece work	-
		Sinyi Realty Inc. Japan	c	Other income	9,459	Quarterly	-
		Sinyi Realty Inc. Japan	c	Trade receivables	12,405	Quarterly	-
5	Zhejiang Sinyi Real Estate Co., Ltd.	Beijing Sinyi Real Estate Ltd.	c	Other income	8,474	Regular	-
		Chengdu Sinyi Real Estate Co., Ltd.	c	Other income	17,202	Regular	-
6	Sinyi Development Inc.	Sinyi Real Estate (Shanghai) Limited	c	Other receivables	11,227	Monthly	-
		Sinyi Real Estate (Shanghai) Limited	c	Service income	11,227	Monthly	-

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

a. “0” for Sinyi Realty Inc.
b. Subsidiaries are numbered from “1”.

(Continued)

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 December 31, 2016.
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 year ended December 31, 2016.

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

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2016			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	$ 4,027,898	$ 4,429,876	136,114,838	100	$ 3,784,983 (Note 1)	$ (51,582)	$ (51,582) (Note 1)	Note 2
	Sinyi Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	2,448,306	2,448,306	76,001,135	100	1,990,730 (Note 1)	235,185	235,185 (Note 1)	Note 2
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	535,005	535,005	53,500,000	100	471,982 (Note 1)	(23,694)	(23,964) (Note 1)	
	Sinyi Global Asset Management Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	50,000	10,000	5,000,000	100	69,287 (Note 1)	6,696	6,696 (Note 1)	Note 2
	Heng-Yi Real Estate Consulting	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	20,000	20,000	2,000,000	100	16,978 (Note 1)	116	116 (Note 1)	
	Jui-Inn Consultants Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Management consulting	5,000	5,000	500,000	100	5,026 (Note 1)	122	122 (Note 1)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	1,860 (Note 1)	75	75 (Note 1)	
	An-Sin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	25,500	25,500	7,650,000	51	113,936 (Note 1)	9,536	4,864 (Note 1)	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	10,723	1,094	208	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	30,000	30,000	3,000,000	100	(13,034) (Note 1)	(25,307)	(25,307) (Note 1)	
	Sin Chiun Holding SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P. Kuala Lumpur.	Investment holding	-	-	2	100	- (Note 1)	-	-	
Sinyi Limited	Inane International Limited	Citco Building P.O. Box 662, Road Town, Torola, B.V.I.	Investment holding	1,790,590	1,790,590	56,629,268	100	1,256,983 (Note 1)	235,153	235,153 (Note 1)	Note 2
	Ke Wei HK Realty Limited	Rooms 3703-4 37/F West Tower Shun Tak Centre 168-200 Connaught Road, Central HK	Investment holding	95,129	95,129	2,700,000	99	35,294 (Note 1)	5,351	5,301 (Note 1)	
Sinyi International Limited	Forever Success International Limited	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Mauritius	Investment holding	68,741	68,741	2,216,239	100	37,440 (Note 1)	(1,745)	(1,745) (Note 1)	
	Sinyi Realty Inc. Japan	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	58,064	58,064	16,000	100	237,116 (Note 1)	22,921	22,921 (Note 1)	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,899,767	3,899,767	131,966,210	100	3,508,612 (Note 1)	(73,614)	(73,614) (Note 1)	Note 2
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	535	402,507	16,900	100	1,382 (Note 1)	842	842 (Note 1)	Note 2
Inane International Limited	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	399,792	399,792	12,454,780	100	340,074 (Note 1)	(39,771)	(39,771) (Note 1)	
An-Sin Real Estate Management Ltd.	An-Shin Real Estate Management Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate management	100,000	100,000	10,000,000	100	102,476 (Note 1)	(709)	(709) (Note 1)	
Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd. (original name: Richesse Management Co., Ltd.)	2nd Floor, Shoritsu Building 2-7-1 Yoyogi Shibuya-ku, Tokyo, Japan	Real estate brokerage, management and identification	10,746	10,746	600	100	19,855 (Note 1)	1,925	1,925 (Note 1)	
	Tokyo Sinyi Real Estate Co., Ltd.	3rd Floor, No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Real estate brokerage	5,000	5,000	500,000	100	10,089 (Note 1)	5,233	5,233 (Note 1)	
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	3,868,747	3,868,747	131,000,200	100	3,490,104 (Note 1)	(62,172)	(62,172) (Note 1)	
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Suites 2302-6, 23/F Great Eagle Ctr 23 Harbour Rd. Wanchai HK	Investment holding	578	26	17,497	100	505 (Note 1)	(56)	(56) (Note 1)	Note 2
Sinyi Development Inc.	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	500	50,000	100	319 (Note 1)	(58)	(58) (Note 1)	
	Sinyi Real Estate Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	500	500	50,000	100	317 (Note 1)	(58)	(58) (Note 1)	

Note 1: Those subsidiaries included in the consolidated entities have been eliminated.
Note 2: As of December 31, 2016, the process of the share capital increase was not complete; therefore, it was recorded under "prepayment for long-term investment".

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2016	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2016	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2016 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2016
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 19,638	Investment in company located in mainland China indirectly through Ke Wei HK Realty Limited	$ 81,859	$ -	$ -	$ 81,859	$ 5,351	100	$ 5,351 (Note 6)	$ 35,652 (Note 6)	$ -
Shanghai Sinyi Real Estate Inc. (Note 3)	Real estate brokerage	RMB 260,082	Investment in company located in mainland China indirectly through Inane International Limited	1,140,018	-	-	1,140,018	296,225	100	296,225 (Note 6)	910,831 (Note 6)	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage	RMB 34,747	〃	149,955	-	-	149,955	(11,575)	100	(11,575) (Note 6)	(19,484) (Note 6)	-
Shanghai Sinyi Limited Corporation of Land Administration and Real Estate Counseling (Note 4)	Management consulting	RMB 4,138	〃	17,095	-	-	17,095	444	100	444 (Note 6)	(2,526) (Note 6)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	〃	355,249	-	-	355,249	(49,005)	100	(49,005) (Note 6)	347,170 (Note 6)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	〃	-	-	-	-	-	2	-	146,802	-
Cura Commercial Management Co., Ltd. (Note 4)	Business service, exhibition service, urban planning and design, marketing strategy planning, business consulting and real estate advisory	RMB 10,998	〃	-	-	-	-	-	9	-	4,620	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 20,200	〃	44,543	-	-	44,543	13,084	100	13,084 (Note 6)	1,053 (Note 6)	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	Investment in company located in mainland China indirectly through Forever Success International Ltd.	27,432	-	-	27,432	(1,958)	100	(1,958) (Note 6)	(704) (Note 6)	-
Chengdu Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 13,000	Investment in company located in mainland China indirectly through Inane International Limited	62,005		-	62,005	(10,164)	100	(10,164) (Note 6)	11,993 (Note 6)	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 8,000	〃	37,295	-	-	37,295	(6)	100	(6) (Note 6)	(262) (Note 6)	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,868,747	-	-	3,868,747	(62,172)	100	(62,172) (Note 6)	3,489,544 (Note 6)	-
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, hard ware, building materials wholesale	RMB 8,000	Investment in company located in mainland China indirectly through Forever Success International Ltd.	40,465	-	-	40,465	212	100	212 (Note 6)	37,481 (Note 6)	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2016	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2016	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2016 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2016
					Outflow	Inflow						
Kunshan Dingxian Trading Co., Ltd.	Construction materials, furniture, sanitary ware and ceramic products wholesale	RMB 6,000	Investment in company located in mainland China indirectly through Sinyi Development Ltd.	$ 31,020	$ -	$ -	$ 31,020	$ (10,550)	100	$ (10,550) (Note 6)	$ 17,823 (Note 6)	$ -

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

Note 1: Amounts were based on audited financial statements.

Note 2: Carrying value was converted into New Taiwan dollars at the exchange rates of US$1=NT$32.25 and US$1=RMB6.985 on December 31, 2016

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

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

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

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

(Concluded)