Sinyi Realty Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2017 and 2016 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, 2017 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 26, 2018

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, 2017 and 2016, 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, 2017 and 2016, 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, 2017. 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, 2017 are stated as follows:

Revenue Earned from Sales of Real Estate

For the year ended December 31, 2017, the revenue from the sales of real estate was NT$9,779,892 thousand. Refer to Note 4 of the accompanying consolidated financial statements for the accounting policies of the Group. When real estate has reached the expected state of use, its acceptance has been qualified by relevant departments and the filing procedures are completed, the Group issues a notice for the transfer of real estate according to the provisions of the contract and recognizes sales revenue on the transfer date. Since revenue from sales of real estate must be recognized after the real estate in question meets the above conditions, the recognition of revenue earned from the sale of real estate is regarded as a key audit matter.

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

Service Income Earned from Real-estate Brokering

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.

Accrual of Performance Bonus Payables

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, 2017, the carrying amounts of performance bonus payables (including non-current liabilities) were NT$1,151,615 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, 2017, the carrying amount of inventory was NT$11,697,449 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, 2017 and 2016 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, 2017 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2018

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

The accompanying 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, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017		2016	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 3,899,831	15	$ 3,512,457	15
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	201,778	1	479,603	2
Available-for-sale financial assets - current (Notes 4 and 8)	823,821	3	801,432	3
Notes receivable (Notes 4 and 10)	28,157	-	16,001	-
Trade receivables (Notes 4, 5 and 10)	842,270	3	807,093	3
Other receivables (Notes 4, 5, 10 and 33)	47,784	-	336,881	2
Current tax assets (Notes 4 and 28)	2,829	-	70,007	-
Inventories (Notes 4, 5, 11 and 34)	11,697,449	43	7,753,415	33
Other financial assets - current (Notes 12 and 34)	3,079,908	11	2,966,314	13
Other current assets (Note 18)	166,113	1	800,623	3
Total current assets	20,789,940	77	17,543,826	74
NON-CURRENT ASSETS				
Financial assets measured at cost - non-current (Notes 4 and 9)	204,976	1	207,335	1
Investment accounted for using equity method (Notes 4 and 14)	29,120	-	10,723	-
Property, plant and equipment (Notes 4, 15 and 34)	3,392,572	13	3,474,237	14
Investment properties (Notes 4, 16 and 34)	2,265,661	8	2,269,286	9
Intangible assets (Notes 4, 17 and 36)	103,988	-	136,978	1
Deferred tax assets (Notes 4 and 28)	35,476	-	85,680	-
Refundable deposits (Note 30)	130,799	1	134,452	1
Other non-current assets (Note 18)	3,584	-	6,747	-
Total non-current assets	6,166,176	23	6,325,438	26
TOTAL	$ 26,956,116	100	$ 23,869,264	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 34)	$ 1,608,000	6	$ 158,058	1
Notes payable	1,566	-	105	-
Trade payables (Note 21)	81,429	-	175,385	1
Other payables (Notes 5 and 23)	1,648,489	6	1,599,087	7
Other payables due to related parties (Notes 23 and 33)	71,653	-	83,091	-
Current tax liabilities (Notes 4 and 28)	975,199	4	111,715	-
Provisions - current (Notes 4, 5 and 24)	97,909	-	83,195	-
Other current financial liabilities (Note 23)	300,131	1	406,968	2
Unearned revenue (Note 22)	179,057	1	7,283,452	31
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 34)	1,513,210	6	296,120	1
Other current liabilities (Note 23)	152,958	1	220,275	1
Total current liabilities	6,629,601	25	10,417,451	44
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	1,500,000	6	3,000,000	13
Long-term borrowings (Notes 19 and 34)	6,887,406	26	520,670	2
Provisions - non-current (Notes 4, 5 and 24)	1,694	-	4,857	-
Net defined benefit liabilities - non-current (Notes 4, 5 and 25)	72,820	-	43,602	-
Guarantee deposits received (Note 30)	42,615	-	60,012	-
Other non-current liabilities (Notes 5 and 23)	378,615	1	414,879	2
Deferred tax liabilities (Notes 4 and 28)	13,377	-	19,404	-
Total non-current liabilities	8,896,527	33	4,063,424	17
Total liabilities	15,526,128	58	14,480,875	61
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Share capital				
Ordinary shares	6,515,000	24	6,318,398	27
Capital surplus	63,896	-	63,896	-
Retained earnings				
Legal reserve	1,793,382	7	1,701,396	7
Unappropriated earnings	2,967,208	11	1,116,118	5
Total retained earnings	4,760,590	18	2,817,514	12
Other equity (Note 4)				
Exchange differences on translating foreign operations	(396,805)	(1)	(225,707)	(1)
Unrealized gain from available-for-sale financial assets	355,975	1	304,476	1
Total other equity	(40,830)	-	78,769	-
Total equity attributable to owners of the Company	11,298,656	42	9,278,577	39
NON-CONTROLLING INTERESTS	131,332	-	109,812	-
Total equity	11,429,988	42	9,388,389	39
TOTAL	$ 26,956,116	100	$ 23,869,264	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, 2017 AND 2016
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 4)				
Sales revenue	$ 9,779,892	55	$ -	-
Service revenue	8,026,889	45	7,588,820	100
Total operating revenue	17,806,781	100	7,588,820	100
OPERATING COSTS (Notes 27 and 33)				
Cost of sales	6,062,907	34	-	-
Service cost	5,974,258	34	5,900,494	78
Total operating costs	12,037,165	68	5,900,494	78
GROSS PROFIT	5,769,616	32	1,688,326	22
OPERATING EXPENSES (Notes 27 and 33)	1,305,756	7	1,149,984	15
OPERATING INCOME	4,463,860	25	538,342	7
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 33)	84,477	-	128,455	2
Dividend income	34,556	-	38,779	-
Interest income (Note 27)	133,401	1	61,599	1
Other gains and losses (Notes 27 and 33)	29,508	-	388,610	5
Foreign exchange losses	(36,935)	-	(9,647)	-
Finance costs (Notes 27 and 33)	(79,315)	-	(57,712)	(1)
Total non-operating income and expenses	165,692	1	550,084	7
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	4,629,552	26	1,088,426	14
INCOME TAX EXPENSE (Notes 4 and 28)	(1,802,437)	(10)	(163,838)	(2)
NET PROFIT FOR THE YEAR	2,827,115	16	924,588	12
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 25)	(37,555)	-	(47,982)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 28)	6,384	-	8,157	-

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SINYI REALTY INC. AND SUBSIDIARIES

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

	2017		2016	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	$ (171,101)	(1)	$ (415,504)	(6)
Unrealized gain on available-for-sale financial assets	49,503	-	58,514	1
Share of the other comprehensive income of associates accounted for using the equity method	1,996	-	1,084	-
Other comprehensive loss for the year, net of income tax	(150,773)	(1)	(395,731)	(5)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,676,342	15	$ 528,857	7
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 2,802,827	16	$ 919,865	12
Non-controlling interests	24,288	-	4,723	-
	$ 2,827,115	16	$ 924,588	12
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 2,651,919	15	$ 524,131	7
Non-controlling interests	24,423	-	4,726	-
	$ 2,676,342	15	$ 528,857	7
EARNINGS PER SHARE (Note 29)				
Basic	$4.30		$1.41	
Diluted	$4.29		$1.41	

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, 2017 AND 2016
(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 on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2016	$ 6,318,398	$ 63,896	$ 1,645,009	$ 734,737	$ 189,816	$ 244,878	$ 9,196,734	$ 125,644	$ 9,322,378
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
Appropriation of 2016 earnings									
Legal reserve	-	-	91,986	(91,986)	-	-	-	-	-
Cash dividends	-	-	-	(631,840)	-	-	(631,840)	-	(631,840)
Share dividends	196,602	-	-	(196,602)	-	-	-	-	-
Net profit for the year ended December 31, 2017	-	-	-	2,802,827	-	-	2,802,827	24,288	2,827,115
Other comprehensive (loss) income for the year ended December 31, 2017, net of income tax	-	-	-	(31,309)	(171,098)	51,499	(150,908)	135	(150,773)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	2,771,518	(171,098)	51,499	2,651,919	24,423	2,676,342
Change in non-controlling interests	-	-	-	-	-	-	-	(2,903)	(2,903)
BALANCE AT DECEMBER 31, 2017	$ 6,515,000	$ 63,896	$ 1,793,382	$ 2,967,208	$ (396,805)	$ 355,975	$ 11,298,656	$ 131,332	$ 11,429,988

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, 2017 AND 2016
(In Thousands of New Taiwan Dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,629,552	$ 1,088,426
Adjustments for:		
Depreciation expenses	125,214	145,640
Amortization expenses	44,057	50,421
Net loss (gain) on financial assets at fair value through profit or loss	1,119	(3,325)
Interest expenses	88,669	109,166
Interest income	(133,401)	(61,599)
Dividend income	(34,556)	(38,779)
Share of loss (profit) of associates and joint ventures	2,488	(208)
Loss on disposal of property, plant and equipment	5,075	925
Loss (gain) on disposal of investment properties	1,440	(350,929)
(Gain) loss on disposal of investments	(6,910)	40
Impairment loss recognized (reversed) on non-financial assets	10,800	(2,577)
Changes in operating assets and liabilities		
Financial assets held for trading	278,157	(158,266)
Notes receivable	(12,156)	60,782
Trade receivables	(35,177)	(122,536)
Other receivables	38,098	24,606
Inventories	(4,011,320)	(1,989,844)
Other current assets	634,510	(423,346)
Operating assets	(1,953)	(8,573)
Notes payable	1,461	(4,641)
Unearned revenue	(6,931,127)	5,068,869
Trade payables	(93,956)	89,055
Other payables	44,365	108,143
Other payables to related parties	14,306	(21,942)
Provisions	11,551	48,952
Other financial liabilities	(106,837)	85,501
Other current liabilities	(67,317)	(76,884)
Other operating liabilities	(36,264)	(307,587)
Cash generated from operations	(5,540,112)	3,309,490
Interest received	144,266	52,115
Interest paid	(90,922)	(112,318)
Income taxes paid	(827,598)	(261,776)
Net cash (used in) generated from operating activities	(6,314,366)	2,987,511
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	(10,103)	-
Proceeds from disposal of available-for-sale financial assets	12,403	-
Purchase of financial assets measured at cost	(5,000)	(498)
Proceeds from disposal of financial assets measured at cost	-	15,000
Purchase of investment accounted for using equity method	(17,989)	-
Capital refund of financial assets measured at cost	-	693

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

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

	2017	2016
Payments for property, plant and equipment	$ (55,814)	$ (73,167)
Proceeds from disposal on property, plant and equipment	123	256
Decrease in prepayment for equipment	11,504	8,771
Increase in refundable deposits	-	(6,913)
Decrease in refundable deposits	3,653	-
Payment for intangible assets	(25,139)	(44,147)
Payment for investment properties	(26,531)	(20,200)
Proceeds from disposal of investment properties	263,758	641,430
Increase in other financial assets	(144,650)	(1,366,929)
Increase in other non-current assets	-	(213)
Decrease in other non-current assets	3,163	-
Dividends received	34,743	38,997
Net cash generated from (used in) investing activities	44,121	(806,920)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,449,942	-
Repayment of short-term borrowings	-	(79,405)
Proceeds from long-term borrowings	17,701,680	3,344,580
Repayment of long-term borrowings	(11,560,820)	(4,769,745)
Refund of guarantee deposits received	(17,397)	(196)
Decrease in other payables to related parties	(18,454)	(10,219)
Dividends paid to owners of the Company	(631,840)	(442,288)
Changes in non-controlling interests	(2,903)	(20,558)
Net cash generated from (used in) financing activities	6,920,208	(1,977,831)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(262,589)	(128,075)
INCREASE IN CASH AND CASH EQUIVALENTS	387,374	74,685
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,512,457	3,437,772
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,899,831	$ 3,512,457

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

1. GENERAL INFORMATION

Sinyi Realty Inc. (the "Company") was incorporated in January 1987 and engaged in the operation of a full-service real-estate brokerage business. The head office is situated in Taipei City, Taiwan, the Republic of China ("ROC"). The Company continues to expand by establishing branches in Taiwan and focuses heavily on promoting its brand value. 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 26, 2018.

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

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

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

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

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

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

The disclosures of related party transactions will be enhanced when the above amendments are retrospectively applied in 2017. Please refer to Note 33.

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

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

New, Amended or Revised Standards and Interpretations (the "New lFRSs")	**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
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

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

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

1) IFRS 9 “Financial Instruments” and related amendments

Classification, measurement and impairment of financial assets

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

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

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

Except for that which is stated above, all other financial assets are measured at fair value through profit or loss. However, the 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.

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

For purchased or originated credit-impaired financial assets, the 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.

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

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

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

	Carrying Amount as of December 31, 2017	**Adjustments Arising from Initial Application**	**Adjusted Carrying Amount as of January 1, 2018**
Impact on assets, liabilities and equity			
Financial assets at fair value through profit or loss	$ 201,778	$ 2,912,272	$ 3,114,050
Financial assets at fair value through other comprehensive income	-	1,083,165	1,083,165
Available-for-sale financial assets - current	823,821	(823,821)	-
Other financial assets	3,079,908	(2,902,655)	177,253
Financial assets measured at cost	204,976	(204,976)	-
Total effect on assets	$ 4,310,483	$ 63,985	$ 4,374,468
Unappropriated earnings	$ 2,967,208	$ 13,949	$ 2,981,157
Unrealized gain on available-for-sale financial assets	355,975	(355,975)	-
Gain on financial assets at fair value through other comprehensive income	-	406,011	406,011
Total effect on equity	$ 3,323,183	$ 63,985	$ 3,387,168

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

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

When applying IFRS 15, the Group recognizes 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 Group satisfies a performance obligation.

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

3) Amendments to IAS 40 "Transfers of Investment Property"

The amendments clarify that the Group should transfer to, or from, investment property when, and only when, a property meets, or ceases to meet, the definition of investment property and there is evidence of a 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 evidence of a change in use is not limited to those illustrated in IAS 40.

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

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

4) IFRIC 22 "Foreign Currency Transactions and Advance Consideration"

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

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

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

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

New IFRSs	**Effective Date Announced by IASB (Note 1)**
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019 (Note 2)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 16 "Leases"	January 1, 2019 (Note 3)
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty Over Income Tax Treatments"	January 1, 2019

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

Note 2: The FSC permits the election for early adoption of the amendments starting from 2018.

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

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

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

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

2) IFRS 16 "Leases"

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

Under IFRS 16, if the 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 leases under IAS 17 to low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed by using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities 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.

3) IFRIC 23 "Uncertainty Over Income Tax Treatments"

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

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

Except for the above impact, as of the date the 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 8 and 9 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 sales of real estate is recognized on the day of real estate transferring when buyers and sellers assignment sales contract and file in the local real estate institution, acceptance has been qualified by relevant departments and the filing procedures are completed, and the Group sale issues a notice of real estate transferring according to the provisions of the contract.

Revenue from the sale of properties in Taiwan is recognized when construction is complete, rewards of ownership of the properties are transferred to buyers, and collectability of the related receivables is reasonably assured. Deposits in and installment payments from sales of properties are recorded 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.

g. Land Value Increment Tax

Land value increment tax is estimated according to the related tax regulations issued by the People's Republic of China. As of December 31, 2017 and 2016, the amount of land value increment tax payable recorded as current tax payable was $467,695 thousand, and $0 thousand, respectively. However, the amount of final actual liability of land value increment tax shall be examined by the tax authorities of China and may be different from the amount estimated by the Group.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2017	**2016**
Cash on hand	$ 24,912	$ 17,924
Checking accounts and demand deposits	3,793,191	2,006,462
Cash equivalents		
Time deposits with original maturities less than three months	81,728	1,488,071
	$ 3,899,831	$ 3,512,457

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

	December 31	
	2017	**2016**
Interest rates range	0%-1.98%	0%-1.5%

As of December 31, 2017 and 2016, the carrying amounts of time deposits with original maturities more than three months were $169,970 thousand and $108,470 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	
	2017	**2016**
Financial assets held for trading		
Non-derivative financial assets		
Domestic quoted shares	$ 7,718	$ 8,325
Mutual funds	194,060	471,278
	$ 201,778	$ 479,603

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS - CURRENT

	December 31	
	2017	**2016**
Domestic investments		
Quoted shares	$ 228,299	$ 206,356
Foreign investments		
Quoted shares	594,228	593,680
Mutual funds	1,294	1,396
	595,522	595,076
Available-for-sale financial assets	$ 823,821	$ 801,432

9. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31	
	2017	**2016**
Domestic unlisted ordinary shares	$ 54,953	$ 51,039
Overseas unlisted ordinary shares	150,023	156,296
	$ 204,976	$ 207,335

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

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31 2017	December 31 2016
Notes receivable and trade receivables		
Notes receivable - operating	$ 28,157	$ 16,001
Trade receivables	850,334	816,174
Less: Allowance for doubtful accounts	(8,064)	(9,081)
	842,270	807,093
	$ 870,427	$ 823,094
Other receivables		
Receivables from disposal of investment properties	$ -	$ 244,701
Receivables from disposal of investment	4,567	17,000
Interest receivables	481	11,346
Others	46,901	66,682
Less: Allowance for doubtful accounts	(4,165)	(2,848)
	$ 47,784	$ 336,881

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 2017	December 31 2016
0-60 days	$ 694,076	$ 662,460
61-90 days	51,046	52,589
91-180 days	50,009	64,687
181-360 days	38,941	16,063
Over 360 days	16,262	20,375
	$ 850,334	$ 816,174

The above analysis was based on the billing date.

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

	December 31	
	2017	2016
61-90 days	$ 8,742	$ 11,261
91-180 days	6,219	11,924
181-360 days	1,667	1,914
Over 360 days	2,978	2,126
	$ 19,606	$ 27,225

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:

	2017		2016	
	Trade Receivables	Other Receivables	Trade Receivables	Other Receivables
Balance at January 1	$ 9,081	$ 2,848	$ 12,844	$ 2,848
Add (less): Impairment losses recognized (reversed) on receivables	(116)	1,317	(2,570)	253
Less: Amounts written off	(802)	-	(519)	(253)
Foreign exchange translation differences	(99)	-	(674)	-
Balance at December 31	$ 8,064	$ 4,165	$ 9,081	$ 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 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	
	2017	2016
Properties under development		
Jiading District, Shanghai	$ 1,967,730	$ 7,343,643
Shilin District, Taipei City	-	407,659

(Continued)

	December 31	
	2017	2016
Properties to be developed		
Binhu District, Wuxi	$ 5,907,655	$ -
Banqiao District, New Taipei City	2,402,626	-
Banqiao District, New Taipei City (for transferable development rights)	198,104	-
Other		
Shilin District, Taipei City	2,113	2,113
Inventory-merchandise		
Jiading District, Shanghai	799,065	-
Shilin District, Taipei City	420,156	-
	$ 11,697,449	$ 7,753,415

(Concluded)

The amount of cost of goods sold transferred from inventory were $6,062,907 thousand for the years ended December 31, 2017. There was no inventory-related cost of goods sold for the years ended December 31, 2016.

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	
	2017	2016
Time deposits with original maturity more than three months	$ 169,970	$ 108,470
Restricted assets - current	7,283	7,308
Financial assets at amortized cost	2,902,655	2,850,536
	$ 3,079,908	$ 2,966,314

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

	December 31	
	2017	2016
Time deposits with original maturity more than three months	0.12%-1.15%	0.09%-1.20%

b. Restricted assets - current 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, 2017 and 2016 were 0%-4.75% and 0%-4.35%, respectively.

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

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

			% of Ownership December 31		
Investor	Investee	Main Businesses	2017	2016	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.(SIN CHIUN)	Investment holding	100	100	
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 Zhi Xin allograph Ltd. (Shanghai Zhi Xin) (original name：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	Note 5
	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	100	38	Note 3
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	100	2	Note 2
	Jiaxing Zhi Zheng Real Estate Marketing Planning Inc. (Jiaxing Zhi Zheng)	Real estate marketing planning and management consulting	100	-	Note 6
Max Success	Zhejiang Sinyi	Real estate brokerage and management consulting	-	62	Note 3
	Suzhou Sinyi	Real estate brokerage and management consulting	-	98	Note 2
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	
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 2017	2016	Remark
Shanghai Shang Tuo	Shanghai Chang Yuan Co., Ltd. (Shanghai Chang Yuan)	Property management	100	-	Note 7
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	
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	
Sinyi Estate	Sinyi Estate (Hong Kong) Limited (Hong Kong Sinyi Estate)	Investment holding	100	100	
Hong Kong Real Estate	Jiu Xin Estate(Wuxi) Limited (Wuxi Jiu Xin Estate)	Development of commercial and residential building	100	-	Note 8
	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	
SIN CHIUN	FIDELITY PROPERTY CONSULTANT SDN. BHD.(FIDELITY)	Investment holding	49	-	Note 1
	PEGUSUS HOLDING SDN.BHD.(PEGUSUS)	Investment holding	100	-	Note 4
PEGUSUS	FIDELITY PROPERTY CONSULTANT SDN.BHD.(FIDELITY)	Real estate brokerage, management and identification	51	-	Note 1

(Concluded)

Remark:

Note 1: Fidelity Property Consultant SDN. BHD was incorporated in February 2017, with a capital of MYR$3,120 thousand as of December 31, 2017.

Note 2: The Group had resolved at the Board meeting in February 2017 that Shanghai Sinyi Real Estate hold 100% ownership of Suzhou Sinyi for the organization restructuring of the Group.

Note 3: The shareholder of Zhejiang Sinyi had been transferred in May 2017 that Shanghai Sinyi Real Estate hold 100% ownership of Zhejiang Sinyi.

Note 4: Since the Group owns 100% Redeemable Convertible Preference Shares (RCPS) of PEGUSUS HOLDING SDN. BHD., the operation of Fidelity Property Consultant SDN. BHD. is substantially controlled by Sin Chiun Holding SDN. BHD. which directly holds 49% ownership and indirectly holds through PEGUSUS HOLDING SDN. BHD. 51% ownership of Fidelity Property Consultant SDN. BHD. Hence, Fidelity Property Consultant SDN. BHD. is consolidated in the financial statements for the Company's having substantial control over it.

Note 5: Qingdao Sinyi had been liquidated in June 2017. The ownership which the Group hold as of December 31, 2017 is null.

Note 6: Jiaxing Zhi Zheng Real Estate Marketing Planning Inc. was incorporated in August 2017, with capital of RMB100 thousand, as of December 31, 2017.

Note 7: Shanghai Chang Yuan Co., Ltd. was incorporated in August 2017, with a capital of RMB2,200 thousand, as of December 31, 2017.

Note 8: Jiu Xin Estate (Wuxi) Limited (Wuxi Jiu Xin Estate). was incorporated in December 2017, with a capital of RMB207,000 thousand, as of December 31, 2017.

b. Subsidiaries excluded from consolidated financial statements: None.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2017	**2016**
Investments in associates	$ 29,120	$ 10,723

Investments in Associates

	December 31	
	2017	**2016**
Unlisted company		
Sinyi Interior Design Co., Ltd.	$ 12,826	$ 10,723
Rakuya International Info. Co., Ltd.	16,294	-
	$ 29,120	$ 10,723

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

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

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

	Years Ended December 31	
	2017	**2016**
Group's share		
Net profit (loss) for continuing operations	$ (2,488)	$ 208
Other comprehensive income	1,996	1,084
Total comprehensive (loss) income for the year	$ (492)	$ 1,292

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income (loss) of the investment for the years ended December 31, 2017 and 2016 were based on unaudited financial statements. The Group's management believes the unaudited financial statements of investees do not have material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income (loss).

15. PROPERTY, PLANT AND EQUIPMENT

	Year Ended December 31, 2017								
	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost									
Balance, at January 1, 2017	$ 2,665,208	$ 415,360	$ 6,571	$ 367,121	$ 4,671	$ 521,294	$ 80,540	$ 230,850	$ 4,291,615
Additions	-	7,623	-	21,964	-	22,338	3,889	-	55,814
Disposals (Note)	-	-	-	(18,107)	-	(15,683)	(28)	(11,504)	(45,322)
Reclassifications	-	213,836	-	(41)	-	41	-	(213,836)	-
Effect of foreign currency exchange differences	-	2,861	(52)	(780)	-	(1,346)	-	(5,510)	(4,827)
Balance at December 31, 2017	$ 2,665,208	$ 639,680	$ 6,519	$ 370,157	$ 4,671	$ 526,644	$ 84,401	$ -	$ 4,297,280
Accumulated Depreciation									
Balance, at January 1, 2017	$ -	$ 107,102	$ 3,560	$ 264,153	$ 4,671	$ 374,696	$ 63,196	$ -	$ 817,378
Depreciation expense	-	10,539	1,130	43,724	-	54,989	6,352	-	116,734
Disposals	-	-	-	(17,339)	-	(11,253)	(28)	-	(28,620)
Reclassifications	-	-	-	(1)	-	1	-	-	-
Effect of foreign currency exchange differences	-	-	(22)	(411)	-	(351)	-	-	(784)
Balance at December 31, 2017	$ -	$ 117,641	$ 4,668	$ 290,126	$ 4,671	$ 418,082	$ 69,520	$ -	$ 904,708
Net book value, December 31, 2017	$ 2,665,208	$ 522,039	$ 1,851	$ 80,031	$ -	$ 108,562	$ 14,881	$ -	$ 3,392,572

	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)	-	-	(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, December 31, 2016	$ 2,665,208	$ 308,258	$ 3,011	$ 102,968	$ -	$ 146,598	$ 17,344	$ 230,850	$ 3,474,237

Note: 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. The construction has been completed this year.

b. There was no interest capitalized during the years ended December 31, 2017 and 2016.

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, 2017	$ 2,022,380	$ 345,739	$ 2,368,119
Additions	24,271	2,260	26,531
Disposals	(16,952)	(3,686)	(20,638)
Balance at December 31, 2017	$ 2,029,699	$ 344,313	$ 2,374,012
Accumulated depreciation and impairment			
Balance at January 1, 2017	$ 5,558	$ 93,275	$ 98,833
Impairment losses recognized (reversed)	1,464	(285)	1,179
Depreciation expense	-	8,480	8,480
Disposals	-	(141)	(141)
Balance at December 31, 2017	$ 7,022	$ 101,329	$ 108,351
Net book value, December 31, 2017	$ 2,022,677	$ 242,984	$ 2,265,661
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, December 31, 2016	$ 2,016,822	$ 252,464	$ 2,269,286

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.

The total fair value of the Group's investment properties, freehold land and buildings as of December 31, 2017 and 2016 was $9,113,907 thousand and $9,145,666 thousand, respectively. The fair value determination was not performed by independent qualified professional appraisers, but by the management of the 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	
	2017	**2016**
Franchises (Note 36)	$ 49,506	$ 56,112
Goodwill	-	9,621
System software costs	54,482	71,245
	$ 103,988	$ 136,978

	Franchises	**Goodwill**	**System Software Costs**	**Total**
Cost				
Balance at January 1, 2017	$ 98,542	$ 9,621	$ 207,447	$ 315,610
Additions	-	-	25,139	25,139
Disposals	-	-	(1,866)	(1,866)
Effect of foreign currency exchange differences	(7,609)	-	(200)	(7,809)
Balance at December 31, 2017	$ 90,933	$ 9,621	$ 230,520	$ 331,074

(Continued)

	Franchises	Goodwill	System Software Costs	Total
Accumulated amortization				
Balance at January 1, 2017	$ 42,430	$ -	$ 136,202	$ 178,632
Amortization expense	2,324	-	41,733	44,057
Disposals	-	-	(1,866)	(1,866)
Impairment losses recognized	-	9,621	-	9,621
Effect of foreign currency exchange differences	(3,327)	-	(31)	(3,358)
Balance at December 31, 2017	$ 41,427	$ 9,621	$ 176,038	$ 227,086
Net book value, December 31, 2017	$ 49,506	$ -	$ 54,482	$ 103,988
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, December 31, 2016	$ 56,112	$ 9,621	$ 71,245	$ 136,978

(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, 2017, the Group recognized impairment loss of $9,621 thousand on goodwill. Refer to Note 27.

18. OTHER ASSETS

	December 31	
	2017	2016
Prepaid expenses	$ 94,820	$ 92,805
Tax prepayment	15,750	654,411
Temporary payments	45,847	45,006
Overpaid VAT	9,696	8,401
Overdue receivables	1,694	4,857
Others	1,890	1,890
	$ 169,697	$ 807,370
Current	$ 166,113	$ 800,623
Non-current	3,584	6,747
	$ 169,697	$ 807,370

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	
	2017	2016
Unsecured borrowings		
Unsecured loans	$ 560,000	$ 158,058
Secured borrowings		
Bank loans	1,048,000	-
	$ 1,608,000	$ 158,058

1) The interest rates of the bank loans as of December 31, 2017 and 2016 were 1.10%-1.73% and 1.03%-1.42%, respectively.

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

b. Long-term borrowings

	December 31 2017	December 31 2016
Secured borrowings		
Bank loans	$ 5,380,800	$ 632,340
Unsecured borrowings		
Unsecured loans	1,519,816	184,450
	6,900,616	816,790
Less: Current portion	(13,210)	(296,120)
Long-term borrowings	$ 6,887,406	$ 520,670

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

	Content of Borrowings	December 31 2017	December 31 2016
E.SUN Bank	Loan limit: $190,000 thousand; period: September 10, 2013 to June 30, 2017; floating interest rate of 2.1%; interest is paid monthly and principal is repaid at maturity.	$ -	$ 190,000
E.SUN Bank	Loan limit: $200,000 thousand; period: December 29, 2017 to December 29, 2020; fixed interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity.	200,000	-
E.SUN Bank	Loan limit: $2,450,000 thousand; period: October 25, 2016 to October 20, 2018; floating interest rate of 1.35% with negotiating rate per 30 days; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2017.	-	200,000
E.SUN Bank	Loan limit: $2,450,000 thousand; period: December 29, 2017 to December 29, 2020; fixed interest rate of 1.2% plus 0.28% according to E. SUN monthly deposit interest index; interest is paid monthly and principal is repaid at maturity.	2,450,000	-
Bank of East Asia	Loan limit: $1,600,000 thousand; period: December 7, 2017 to December 7, 2020; floating interest rate as of 1.4649%; interest is paid monthly; 3% of principal is repaid in 18th, 24th and 30th months, respectively 91% of principal is paid in 36th month.	300,000	-
Bank of East Asia	Loan limit: US$40,000 thousand; period: December 7, 2017 to December 7, 2020; floating interest rate as of 2.9069%; interest is paid quarterly; 3% of principal is repaid in 18th, 24th and 30th months, respectively 91% of principal is paid in 36th month.	1,190,400	-

(Continued)

	Content of Borrowings	December 31 2017	December 31 2016
China Construction Bank	Loan limit: RMB800,000 thousand; period: May 20, 2014 to June 19, 2017; floating interest rate of 4.75%; interest is paid quarterly and principal is repaid at maturity. The Group repaid all the debts in May, June and December in 2016 and March 2017.	$ -	$ 92,340
Taipei Fubon Bank	Loan limit: $385,000 thousand; period: December 30, 2016 to December 30, 2019; floating interest rate of 1.65%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January 2017.	-	50,000
Yuanta Bank	Loan limit: $300,000 thousand; period: December 30, 2016 to December 30, 2018; floating interest rate of 1.75% with negotiating rate per 180 days; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January 2017.	-	100,000
Yuanta Bank	Loan limit: $200,000 thousand; period: December 29, 2017 to February 25, 2019; fixed interest rate of 2.01%; interest is paid monthly and principal is repaid at maturity.	200,000	-
Mizuho Bank	Loan limit: JPY150,000 thousand; period: June 20, 2016 to June 20, 2019; fixed interest rate of 1.108%; interest is paid monthly and principal is repaid JPY4,167 thousand monthly.	19,816	34,450
Bank of Sinopac	Loan limit: $200,000 thousand; period: December 30, 2016 to December 30, 2018; floating interest rate of 1.5%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in April 2016.	-	50,000
Bank of Sinopac	Loan limit: $200,000 thousand; period: August 29, 2017 to August 29, 2019; fixed rate of 1.10%; interest is paid monthly and principal is repaid at maturity.	200,000	-
Bank of Taiwan	Loan limit: $1,000,000 thousand; period: September 22, 2015 to September 22, 2018; fixed interest rate of 1.46% with negotiating rate per 180 days; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in November 2017.	-	100,000
O-Bank	Loan limit: $200,000 thousand; period: March 30, 2017 to March 30, 2019; fixed interest rate of 1.237%; interest is paid monthly and principal is repaid at maturity.	200,000	-
Far Eastern Bank	Loan limit: $800,000 thousand; period: March 31, 2017 to March 31, 2019; fixed interest rate of 1.34%; interest is paid monthly and principal is repaid at maturity.	400,000	-

(Continued)

	Content of Borrowings	December 31 2017	2016
Taishin Bank	Loan limit: $300,000 thousand; period: December 25, 2017 to December 25, 2020; fixed interest rate of 1.22%; interest is paid monthly and principal is repaid at maturity.	$ 300,000	$ -
Taishin Bank	Loan limit: $1,900,000 thousand; period: September 8, 2017 to September 8, 2022; fixed interest rate of 1.7%; interest is paid monthly and principal is repaid at maturity.	250,000	-
DBS	Loan limit: US$40,000 thousand; period: December 13, 2017 to December 13, 2019; floating interest rate at 3.1895%; interest is paid monthly and principal is repaid at maturity.	1,190,400	-
Total long-term borrowings		$ 6,900,616	$ 816,790

(Concluded)

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

20. BONDS PAYABLE

	December 31 2017	2016
Domestic unsecured bonds	$ 3,000,000	$ 3,000,000
Less: Current portion	(1,500,000)	-
	$ 1,500,000	$ 3,000,000

The major 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 2017	2016
Construction payables	$ 81,429	$ 175,385

22. UNEARNED REVENUE

	December 31	
	2017	2016
Advance receipts from real estate transactions	$ 176,293	$ 7,280,944
Others	2,764	2,508
	$ 179,057	$ 7,283,452

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	
	2017	2016
Current		
Other payables	$ 1,648,489	$ 1,599,087
Other payables to related parties	71,653	83,091
Other financial liabilities	300,131	406,968
Other liabilities	152,958	220,275
	$ 2,173,231	$ 2,309,421
Non-current		
Other liabilities	$ 378,615	$ 414,879

a. Other payables were as follows:

	December 31	
	2017	2016
Performance bonus and salaries	$ 1,224,557	$ 1,259,150
Advertisement	57,988	53,675
Labor and health insurance	65,157	65,797
Payable for annual leave	79,719	65,625
Professional fees	11,787	15,343
Interest payables	28,328	23,291
Compensation to employees and directors	40,020	17,365
Others	140,933	98,841
	$ 1,648,489	$ 1,599,087

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 $378,615 thousand and $414,879 thousand as of December 31, 2017 and 2016, respectively.

b. Other payables to related parties were as follows:

	December 31	
	2017	**2016**
Financing from related parties		
Loan from related parties	$ 39,259	$ 57,713
Interest payable	6,970	14,260
Others	25,424	11,118
	$ 71,653	$ 83,091

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, 2017 and 2016.

c. Other financial liabilities were as follows:

	December 31	
	2017	**2016**
Receipts under custody from real estate transactions	$ 218,875	$ 291,110
Other receipts under custody	45,371	67,079
Payables on equipment	2,909	10,335
Receipts under custody - escrow service	11	11
Others	32,965	38,433
	$ 300,131	$ 406,968

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

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

	December 31	
	2017	**2016**
Receipts under custody - escrow service	$ 11,344,557	$ 9,868,003
Interest payables	1,870	3,291
Deposit accounts	(11,346,416)	(9,871,283)
	$ 11	$ 11

a) Receipts under custody - performance guarantee were receipts under custody from sellers of real estate transactions with interest rate of 0.01%-0.09% for the years ended December 31, 2017 and 2016.

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

d. Other current liabilities were as follows:

	December 31	
	2017	2016
VAT payable and other tax payable	$ 137,575	$ 206,735
Others	15,383	13,540
	$ 152,958	$ 220,275

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	
	2017	2016
Service revenue allowances	$ 42,927	$ 45,204
Operating loss provisions	56,676	42,848
	$ 99,603	$ 88,052
Current	$ 97,909	$ 83,195
Non-current	1,694	4,857
	$ 99,603	$ 88,052

	Service Allowances	Operating Loss Provisions	Total
Balance, January 1, 2017	$ 45,204	$ 42,848	$ 88,052
Additional provisions (reversed) recognized	(2,202)	13,828	11,626
Effect of foreign currency exchange differences	(75)	-	(75)
Balance, December 31, 2017	$ 42,927	$ 56,676	$ 99,603
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

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	
	2017	**2016**
Present value of defined benefit obligation	$ 599,807	$ 580,132
Fair value of plan assets	(526,987)	(536,530)
Deficit	72,820	43,602
Net defined benefit liability	$ 72,820	$ 43,602

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, 2016	$ 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
Service cost			
Current service cost	3,705	-	3,705
Past service cost	512	-	512
Net interest expense (income)	7,950	(7,424)	526
Recognized in profit or loss	12,167	(7,424)	4,743
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	2,233	2,233
Actuarial loss - changes in demographic assumptions	20,802	-	20,802
Actuarial gain - changes in financial assumptions	(163)	-	(163)
Actuarial loss - experience adjustments	14,683	-	14,683
Recognized in other comprehensive income	35,322	2,233	37,555
Contributions from the employer	-	(13,080)	(13,080)
Benefits paid	(27,814)	27,814	-
Balance at December 31, 2017	$ 599,807	$ (526,987)	$ 72,820

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	
	2017	2016
Operating costs	$ 4,220	$ 3,329
Operating expenses	523	384
	$ 4,743	$ 3,713

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	
	2017	**2016**
Discount rates	1.250%-1.375%	1.125%-1.375%
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	
	2017	**2016**
Discount rates		
0.25% increase	$ (19,428)	$ (18,950)
0.25% decrease	$ 20,279	$ 19,794
Expected rates of salary increase		
0.25% increase	$ 19,616	$ 19,126
0.25% decrease	$ (18,897)	$ (18,412)

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

	December 31	
	2017	**2016**
The expected contributions to the plan for the next year	$ 9,739	$ 9,252
The average duration of the defined benefit obligation	12.4-13.3 years	13.3 years

26. EQUITY

Share Capital

	December 31	
	2017	2016
Numbers of shares authorized (in thousands)	1,000,000	1,000,000
Share capital authorized	$ 10,000,000	$ 10,000,000
Number of shares issued and fully paid (in thousands)	651,500	631,840
Share capital issued	$ 6,515,000	$ 6,318,398

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

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

Capital Surplus

	December 31	
	2017	2016
May not be used for any purpose		
Employee share options	$ 63,896	$ 63,896

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

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

Retained Earnings and Dividend Policy

a. In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The Company has resolved retained earnings distribution policy and stipulated the employees' compensation policy in the amended Article of Incorporation in the general shareholders' meeting on May 20, 2016. For the policies on distribution of employees' compensation and remuneration of directors after amendment, please refer to Employee benefits expense in Note 27.

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

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

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

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

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

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

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

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

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

Others Equity Items

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

a. Exchange differences on translating the financial 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	
	2017	**2016**
Balance, beginning of year	$ 109,812	$ 125,644
Attributed to non-controlling interests:		
Net income	24,288	4,723
Exchange differences on translating foreign operations	(3)	19
Remeasurement on defined benefit plans	167	(19)
Related income tax	(29)	3
Payment of cash dividends to non-controlling interests	(2,903)	(20,558)
Balance, end of year	$ 131,332	$ 109,812

27. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the followings:

Interest Income

	Years Ended December 31	
	2017	**2016**
Interest income		
Cash in bank	$ 132,587	$ 50,849
Other accounts receivable	808	10,734
Others	6	16
	$ 133,401	$ 61,599

Other Gains and Losses

	Years Ended December 31	
	2017	2016
Impairment reversal gain (loss) of investment properties	(1,179)	$ 2,577
Gains (losses) on disposal of investments	6,910	(40)
(Losses) gains on fair value change of financial assets held for trading	(1,119)	3,325
Losses on disposal of property, plant and equipment	(5,075)	(925)
(Losses) gains on disposal of investment properties (Note 16)	(1,440)	350,929
Share of (losses) gains on associates and joint ventures	(2,488)	208
Impairment loss of goodwill	(9,621)	-
Gain on reversal of bad debts	-	2,317
Others	43,520	30,219
	$ 29,508	$ 388,610

Finance Costs

	Years Ended December 31	
	2017	2016
Interest on bank loans	$ 44,073	$ 64,007
Interest on unsecured bonds payable	44,400	44,400
Interest on loans from related parties	156	671
Others	40	88
	88,669	109,166
Deduct: Amounts included in the cost of qualifying assets	(9,354)	(51,454)
	$ 79,315	$ 57,712

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2017	2016
Capitalization rate	1.59%-4.75%	2.1%-5.25%

Depreciation and Amortization

	Years Ended December 31	
	2017	2016
Property, plant and equipment	$ 116,734	$ 126,278
Investment property	8,480	19,362
Intangible assets	44,057	50,421
	$ 169,271	$ 196,061

(Continued)

	Years Ended December 31	
	2017	2016
An analysis of depreciation by function		
Inventory	$ 1,340	$ 1,799
Operating costs	84,091	90,397
Operating expenses	31,303	34,082
Other losses	8,480	19,362
	$ 125,214	$ 145,640
An analysis of amortization by function		
Inventory	$ 1,312	$ 3,049
Operating costs	1,439	1,331
Operating expenses	41,306	46,041
	$ 44,057	$ 50,421

(Concluded)

Operating Expenses Directly Related to Investment Properties

	Years Ended December 31	
	2017	2016
Direct operating expenses from investment property		
That generated rental income	$ 24,027	$ 40,445
That did not generate rental income	32	23
	$ 24,059	$ 40,468

Employee Benefits Expense

	Years Ended December 31	
	2017	2016
Salary expense	$ 4,444,849	$ 4,158,907
Labor and health insurance expense	296,597	281,000
	4,741,446	4,439,907
Post-employment benefits		
Defined contribution plans	173,639	171,541
Defined benefit plans (Note 25)	4,743	3,713
	178,382	175,254
Other employee benefits	177,714	167,751
Total employee benefits expense	$ 5,097,542	$ 4,782,912
An analysis of employee benefits expense by function		
Inventory	$ 52,671	$ 41,079
Operating costs	4,388,960	4,191,026
Operating expenses	655,911	550,807
	$ 5,097,542	$ 4,782,912

Employees' Compensation and Remuneration of Directors

The Company accrued employees' compensation and remuneration of directors at the rates no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2017 and 2016 which have been approved by the Group's board of directors on February 26, 2018 and February 24, 2017, respectively, were as follows:

Accrual rate

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

Amount

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

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

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

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

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

Impairment Losses Recognized (Reserved) on Non-financial Assets

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

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	
	2017	2016
Current tax		
In respect of the current year	$ 976,825	$ 183,768
Income tax expense of unappropriated earnings	575	4,633
Land value increment tax	775,659	23,491
In respect of the prior years	52	711
Deferred tax		
In respect of the current period	49,326	(48,765)
Income tax expense recognized in profit or loss	$ 1,802,437	$ 163,838

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

	Years Ended December 31	
	2017	2016
Profit before tax from continuing operations	$ 4,629,552	$ 1,088,426
Income tax expense calculated at the statutory rate (17%)	$ 787,024	$ 185,032
Nondeductible expenses in determining taxable income	531	944
Deductible expenses in determining taxable income	(131,861)	-
Tax-exempt income	(2,647)	(4,627)
Additional income tax on unappropriated earnings	575	4,633
Land value increment tax	775,659	23,491
Unrecognized deductible temporary differences	17,916	9,299
Loss carryforwards unrecognized (used) in current period	58,580	(68,666)
Effect of different tax rate of group entities operating in other jurisdictions	296,608	13,021
Adjustments for prior years' tax	52	711
Income tax expense recognized in profit or loss	$ 1,802,437	$ 163,838

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.

In February 2018, it was announced by the President that the Income Tax Act in the ROC was amended and, starting from 2018, the corporate income tax rate will be adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to 2018 unappropriated earnings will be reduced from 10% to 5%. Deferred tax assets and deferred tax liabilities recognized as at December 31, 2017 are expected to be adjusted and would increase by $6,260 thousand and $2,361 thousand, respectively, in 2018.

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

b. Income tax recognized in other comprehensive income

	Years Ended December 31	
	2017	**2016**
Deferred tax		
In respect of the current year		
Remeasurement on defined benefit plan	$ 6,384	$ 8,157

c. Current tax assets and liabilities

	December 31	
	2017	**2016**
Current tax assets		
Tax refund receivables	$ 2,829	$ 70,007
Current tax liabilities		
Income tax payables	$ 975,199	$ 111,715

d. Deferred tax assets and liabilities

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

Year ended December 31, 2017

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Compre-hensive Income**	**Translation Differences**	**Closing Balance**
Deferred tax assets					
Temporary differences					
Allowance for doubtful accounts	$ 43	$ 665	$ -	$ -	$ 708
Provisions	13,899	1,951	-	-	15,850
Loss carryforwards	65,250	(55,085)	-	(1,235)	8,930
Defined benefit obligation	380	(9)	(58)	-	313
Others	6,108	3,567	-	-	9,675
	$ 85,680	$ (48,911)	$ (58)	$ (1,235)	$ 35,476

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Translation Differences	Closing Balance
Deferred tax liabilities					
Temporary differences					
Defined benefit obligation	$ 18,412	$ 1,407	$ (6,442)	$ -	$ 13,377
Others	992	(992)	-	-	-
	$ 19,404	$ 415	$ (6,442)	$ -	$ 13,377

(Concluded)

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

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

	December 31	
	2017	**2016**
Loss carryforwards		
Expire in 2016	$ -	$ 25,681
Expire in 2017	18,651	23,917
Expire in 2018	11,049	14,544
Expire in 2019	19,805	19,892
Expire in 2020	14,730	14,928
Expire in 2021	8,915	7,747
Expire in 2022	45,351	-
Expire in 2024	945	945
Expire in 2025	1,103	1,103
Expire in 2026	2,899	3,026
Expire in 2027	6,500	-
	$ 129,948	$ 111,783

f. Information about unused loss carryforward

Loss carryforwards as of December 31, 2017 comprised of:

Unused Amount	Expiry Year
$ 44,197	2018
79,218	2019
58,923	2020
35,659	2021
181,403	2022
12,143	2024
31,020	2025
23,563	2026
53,136	2027
$ 519,262	

g. Integrated income tax

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

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

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

h. Income tax assessments

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

29. EARNINGS PER SHARE

Unit: NT$ Per Share

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

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

Unit: NT$ Per Share

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

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

Net Profit for the Period

	Years Ended December 31	
	2017	**2016**
Profit for the period attributable to owners of the Company	$ 2,802,827	$ 919,865

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

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

Since the 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 1 and 10 years. All operating lease contracts over 5 years contain clauses for 5-yearly market rental reviews. The Group does not have a bargain purchase option to acquire the leased office at the expiry of the lease periods.

As of December 31, 2017 and 2016, refundable deposits paid under operating lease amounted to $107,612 thousand and $115,741 thousand, respectively.

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

	December 31	
	2017	2016
Within 1 year	$ 469,433	$ 524,377
1 to 5 years	753,768	910,824
After 5 years	75,567	90,582
	$ 1,298,768	$ 1,525,783

The Group as Lessor

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

As of December 31, 2017 and 2016, deposits received under operating leases amounted to $21,089 thousand and $20,968 thousand, respectively.

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

	December 31	
	2017	2016
Within 1 year	$ 90,300	$ 55,011
1 to 5 years	155,741	2,222
After 5 years	7,705	-
	$ 253,746	$ 57,233

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, 2017

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

December 31, 2016

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

The fair values of the financial liabilities included in the Level 2 category above have been determined in accordance with market price based on 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, 2017

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

December 31, 2016

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

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

Categories of Financial Instruments

	December 31	
	2017	**2016**
<u>Financial assets</u>		
FVTPL		
Held for trading	$ 201,778	$ 479,603
Loans and receivables (Note 1)	8,028,749	7,773,198
Available-for-sale financial assets (Note 2)	1,028,797	1,008,767
<u>Financial liabilities</u>		
Amortized cost (Note 3)	14,033,114	6,714,375

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 and bonds payable), 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 37.

Foreign currency sensitivity analysis

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

	Years Ended December 31							
	2017				2016			
	RMB	JPY	USD	MYR	RMB	JPY	USD	MYR
Equity	$ 45,466	$ 2,519	$ (23,547)	$ 123	$ 36,168	$ 2,060	$ 572	$ -
Profit or loss	12	71	4,287	-	4	-	14,679	-

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	
	2017	2016
Fair value interest rate risk		
Financial assets	$ 213,181	$ 1,558,049
Financial liabilities	8,767,816	3,384,450
Cash flow interest rate risk		
Financial assets	2,948,455	2,896,336
Financial liabilities	2,780,059	648,110

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 $27,801 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, 2017 and 2016, the Group had available unutilized bank loan facilities as follows:

	December 31	
	2017	2016
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	$ 2,079,816	$ 342,508
Amount unused	2,409,815	2,923,003
	$ 4,489,631	$ 3,265,511
Secured bank overdraft facility:		
Amount used	$ 6,428,800	$ 632,340
Amount unused	1,850,000	9,261,260
	$ 8,278,800	$ 9,893,600

33. TRANSACTIONS WITH RELATED PARTIES

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

Related Parties and Relationship

Related Party	Relationship with the Group
Sinyi Real Estate Consulting Limited	Related party in substance
Sinyi Land Administration Agent Joint Office	Related party in substance
H&B Business Co., Ltd.	Related party in substance
Sinyi Cultural Fundation	Related party in substance
Yu-Hao Co., Ltd.	A corporate shareholder who using the equity method of the Group
Sinyi Co., Ltd.	A corporate shareholder who using the equity method of the Group

(Continued)

Related Party	Relationship with the Group
Yu-Heng Co., Ltd.	Ultimate holding company
Chou Wang Mei-Wen	Director of the Company (the former vice-president of the Company)
Beijing Sinyi Guaranty Co.	Related party in substance
Global Real Estate Appraisal Office	Related party in substance
Ken Investment Co., Ltd.	Related party in substance
Sin-Heng Limited.	Related party in substance
Sinyi Public Welfare Foundation	Related party in substance
Sinyi Interior Design Co., Ltd.	Associate
Sinyi Real Estate Appraisal Office	Related party in substance

(Concluded)

Other Payables to Related Parties

	December 31	
	2017	2016
Other related parties - related parties in substance	$ 71,653	$ 57,934
Other - Director of the Company	-	25,157
	$ 71,653	$ 83,091

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

	Year Ended December 31, 2017				
	Highest Balance During the Period	Amount	Interest Rate	Interest Expense	Interest Payable
Other related parties - related parties in substance	$ 39,707	$ 39,259	-	$ -	$ 6,970
Other - Director of the Company	18,006	-	3.00%	156	-
	$ 57,713	$ 39,259		$ 156	$ 6,970

	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 - Director of the Company	24,975	18,006	3.00%	671	7,151
	$ 67,932	$ 57,713		$ 671	$ 14,260

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, 2017 and 2016 included the following:

	Years Ended December 31	
	2017	2016
Short-term benefits	$ 107,516	$ 109,078
Other long-term benefits	14,180	8,486
	$ 121,696	$ 117,564

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	
	2017	2016
Other related parties		
Related parties in substance	$ 11,688	$ 11,806
Parent company	114	114
Ultimate parent company	57	57
Associates	34	34
	$ 11,893	$ 12,011

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 benefits

	Years Ended December 31	
	2017	2016
Other related parties		
Related parties in substance	$ 9,653	$ 10,713

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

c. Professional fees

	Years Ended December 31	
	2017	2016
Other related parties		
Related parties in substance		
Sinyi Real Estate Consulting Limited	$ 105,601	$ 90,811
Others	25,068	30,756
	$ 130,669	$ 121,567

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

d. Rental expenses

	Years Ended December 31	
	2017	2016
Related parties in substance	$ 10,365	$ 10,219

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	
	2017	2016
Other related parties		
Related parties in substance	$ 9,042	$ 9,526

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	
	2017	2016
Property, plant and equipment (including investment properties)		
Land	$ 4,241,789	$ 4,450,966
Building	473,584	513,629
Other financial assets - current		
Pledged time deposits and demand deposits	7,283	7,308
Inventories	2,402,626	3,898,119
	$ 7,125,282	$ 8,870,022

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 Sinyi Estate in obtaining financing limit of $2,380,800 thousand. Refer to Note 38, Table 2 for the details.

d. As of December 31, 2017, the Group had signed construction contracts but not yet paid for $884,877 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 $4,224,958 thousand as of December 31, 2017. The amount of mortgage loan was remitted to Shanghai Real Estate for payment of the property sold. If a customer breached a mortgage contract, Shanghai Real Estate will return to the banks only the amount of mortgage received. Therefore, Shanghai Real Estate is not exposed to risk of material loss from the guarantee. The guarantee is just a selling feature in the real estate development industry in China and it does not bear the economic substance and risk of ordinary endorsement. In addition, according to the Q&A No. 35 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (the Regulations) announced on December 26, 2012 by the SFB, the above guarantee provided by Shanghai Real Estate to its customers is similar to an escrow, instead of endorsement as defined in the Regulations.

36. SIGNIFICANT 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.

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

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

December 31, 2017

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial assets			
Monetary items			
RMB	$ 1,083,049	4.565	$ 4,944,117
JPY	1,794,241	0.2642	474,038
USD	15,846	29.76	471,578
MYR	1,874	7.072	13,256
Non-monetary items			
RMB	31,796	4.565	145,149
JPY	2,249,159	0.2642	594,228
USD	44	29.76	1,294

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial liabilities			
Monetary items			
RMB	$ 86,827	4.565	$ 396,366
JPY	813,693	0.2642	214,978
USD	80,561	29.76	2,397,508
MYR	137	7.072	970

(Concluded)

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

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			
	2017		2016	
Functional Currencies	Exchange Rate	Net Foreign Exchange (Loss) Gain	Exchange Rate	Net Foreign Exchange (Loss) Gain
NTD	1 (NTD:NTD)	$ (33,228)	1 (NTD:NTD)	$ (13,072)
USD	30.432 (USD:NTD)	673	32.2627 (USD:NTD)	3,852
RMB	4.5068 (RMB:NTD)	(4,813)	4.8489 (RMB:NTD)	(454)
JPY	0.2713 (JPY:NTD)	140	0.2972 (JPY:NTD)	27
MYR	6.7988 (MYR:NTD)	293	7.4368 (MYR:NTD)	-
		$ (36,935)		$ (9,647)

38. SEPARATELY DISCLOSED ITEMS

Information on significant transactions and information on investees:

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

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

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

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

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

f. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

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

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

i. 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 7 (see the attached)

k. Information on investees: Table 8 (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 9 (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

39. 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, 2017 and 2016:

	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, 2017								
Revenues from external customers	$ 7,162,058	$ 864,830	$ 8,026,888	$ 184,414	$ 9,679,956	$ 9,864,370	$ -	$ 17,891,258
Inter-segment revenues	69,860	16,607	86,467	36,967	250,558	287,525	(373,992)	-
Segment revenues	$ 7,231,918	$ 881,437	$ 8,113,355	$ 221,381	$ 9,930,514	$ 10,151,895	$ (373,992)	17,891,258
Rental income from investment property								(84,477)
Consolidated revenues								$ 17,806,781
Operating profit (loss)	$ 1,102,880	$ (232,118)	$ 870,762	$ 77,283	$ 3,531,211	$ 3,608,494	$ 45,022	$ 4,524,278
Operating income from investment property								(60,418)
Operating income								$ 4,463,860
Segment assets	$ 6,458,103	$ 2,255,338	$ 8,713,441	$ 5,365,895	$ 13,593,582	$ 18,959,477	$ (745,922)	$ 26,926,996
Investments accounted for by the equity method and goodwill								29,120
Total assets								$ 26,956,116
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

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, 2017, $9,779,892 thousand 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, 2017
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Interest Rate	Type of Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Doubtful Accounts	Ending Balance of Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
													Item	Value		
0	Sinyi Realty Inc.	Hua Yun Renovation (Shanghai) Co., Ltd.	Other receivables	Yes	$ 4,586 (RMB 1,000 thousand)	$ 4,565 (RMB 1,000 thousand)	$ -	3.686%	Short-term financing	$ -	Needs for operation	$ -	-	$ -	$ 3,389,597 (Note 1)	$ 4,519,462 (Note 1)
		Kunshan Dingxian Trading Co., Ltd.	Other receivables	Yes	366,880 (RMB 80,000 thousand)	360,635 (RMB 79,000 thousand)	-	3.80%	Short-term financing	-	Needs for operation	-	-	-	3,389,597 (Note 1)	4,519,462 (Note 1)
		Sinyi Development Inc.	Other receivables	Yes	100,000	-	-	1.20%	Short-term financing	-	Needs for operation	-	-	-	3,389,597 (Note 1)	4,519,462 (Note 1)
1	Sinyi Real Estate (Shanghai) Limited	Shanghai Sinyi Real Estate Inc.	Other receivables	Yes	183,440 (RMB 40,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,094,223 (Note 2)	2,188,446 (Note 2)
		Sinyi Realty Inc.	Other receivables	Yes	144,459 (RMB 31,500 thousand)	-	-	3.75%	Short-term financing	-	Repayment of borrowings	-	-	-	1,094,223 (Note 2)	2,188,446 (Note 2)

Note 1: Total financing provided by Sinyi Realty Inc. for short-term financing requirements for each borrowing company which was owned over 50% directly or indirectly by the same parent company should not exceed 30% of Sinyi Realty Inc.'s net worth. Total financing provided should not exceed 40% of Sinyi Realty Inc.'s net worth.

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

TABLE 2

SINYI REALTY INC. AND SUBSIDIARIES

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

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Actual Appropriation	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Financial Statement (%)	Maximum Total Endorsement/ Guarantee Allowed to Be Provided by the Endorser/ Guarantor (Note 2)	Guarantee Given by Parent on Behalf of Subsidiaries	Guarantee Given by Subsidiaries on Behalf of the Company	Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Nature of Relationship											
0	Sinyi Realty Inc.	Shanghai Sinyi Real Estate Inc.	Indirect subsidiary	$ 9,038,925 (Note 1)	$ 229,300 (RMB 50,000 thousand)	$ -	$ -	$ -	-	$ 16,947,984	Yes	No	Yes	
		Sinyi Estate Ltd.	Indirect subsidiary	9,038,925 (Note 1)	4,535,000	2,380,800	2,380,800	2,380,800	21.07	16,947,984	Yes	No	No	

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

Note 2: The maximum total endorsement/guarantee should not exceed 150% of the Company’s net worth.

TABLE 3

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT CONTROLLED ENTITIES)
DECEMBER 31, 2017
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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

(Continued)

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

(Concluded)

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

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

(Continued)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Costs	Gain or Loss	Shares/Units	Amount
	Structured Financial Product (Product ID: 201703161916)	Other financial assets - current	-	Subsidiary	-	RMB -	60,000,000	RMB 60,000	60,000,000	RMB 60,000	RMB 60,000	RMB -	-	RMB -
	Structured Financial Product (Product ID: 2017063010013)	Other financial assets - current	-	Subsidiary	-	RMB -	50,000,000	RMB 50,000	50,000,000	RMB 50,472	RMB 50,000	RMB 472	-	RMB -
	Structured Financial Product (Product ID: 201711163044)	Other financial assets - current	-	Subsidiary	-	RMB -	120,000,000	RMB 120,000	-	RMB -	RMB -	RMB -	120,000,000	RMB 120,000
	Structured Financial Product (Product ID: 2017122910037)	Other financial assets - current	-	Subsidiary	-	RMB -	320,000,000	RMB 320,000	-	RMB -	RMB -	RMB -	320,000,000	RMB 320,000
Shanghai Sinyi Real Estate Inc.	Qianyuan Riri-Ying - Open-end portfolio type financial product	Other financial assets - current	-	Subsidiary	100,000,000	RMB 100,000	-	-	100,000,000	RMB 100,022	RMB 100,000	RMB 22	-	RMB -
	Qianyuan Woen-Ying- 2017 No. 2 Financial Product	Other financial assets - current	-	Subsidiary	-	RMB -	70,000,000	RMB 70,000	70,000,000	RMB 70,600	RMB 70,000	RMB 600	-	RMB -
	China Bank principal guaranteed Financial Product Periodical open denominated in RMB (Product No: CNYAQKF)	Other financial assets - current	-	Subsidiary	-	RMB -	175,100,000	RMB 175,100	175,100,000	RMB 175,306	RMB 175,100	RMB 206	-	RMB -

Note 1: The ending balance presents historical cost.

Note 2: Repayment of capital reduction.

Note3: Those subsidiaries included in the consolidated entities have been eliminated.

(Concluded)

TABLE 5

SINYI REALTY INC. AND SUBSIDIARIES

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

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

TABLE 6

SINYI REALTY INC. AND SUBSIDIARIES

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

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

TABLE 7

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
YEAR ENDED DECEMBER 31, 2017
(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	$ 19,048	Fixed charges by guarantee piece work	-
		Jui-Inn Consultants Co., Ltd.	a	Professional fees	1,519	By the piece work	-
		An-Sin Real Estate Management Ltd.	a	Other income	5,975	30 days after regular settlement	-
		Sinyi Realty Inc. Japan	a	Other income	3,968	Quarterly	-
		Sinyi Realty Inc. Japan	a	Other receivables	682	Quarterly	-
		Sinyi Global Asset Management Co., Ltd.	a	Other payables	14,823	On the usual terms	-
1	Shanghai Sinyi Real Estate Inc.	Inane International Limited	c	Other payables	9,123	-	-
2	Sinyi Realty Inc. Japan	Sinyi Management Co., Ltd.	c	Professional fees	15,612	By the piece work	-
3	Sinyi Real Estate (Shanghai) Limited	Sinyi Development Inc.	c	Inventory under development	7,795	On the usual terms	-
		Sinyi Development Inc.	c	Trade payable	2,550	On the usual terms	-
		Kunshan Dingxian Trading Co., Ltd.	c	Prepayment	119,553	-	-
		Kunshan Dingxian Trading Co., Ltd.	c	Advanced real estate receipts	183,297	-	1
		Kunshan Dingxian Trading Co., Ltd.	c	Inventory under development	141,634	On the usual terms	1
		Shanghai Shang Tuo Investment Management Consulting Inc.	c	Prepayment	11,920	-	-
		Shanghai Shang Tuo Investment Management Consulting Inc.	c	Inventory under development	65,469	On the usual terms	-
		Hua Yun Renovation (Shanghai) Co., Ltd.	c	Inventory under development	85,720	On the usual terms	-
4	Tokyo Sinyi Real Estate Co., Ltd.	Sinyi Realty Inc. Japan	c	Service income	31,658	By the piece work	-
		Sinyi Realty Inc. Japan	c	Other income	10,138	Bimonthly	-
		Sinyi Realty Inc. Japan	c	Trade receivables	7,295	Bimonthly	-
5	Zhejiang Sinyi Real Estate Co., Ltd.	Beijing Sinyi Real Estate Ltd.	c	Other income	2,570	Regular settlement	-
		Beijing Sinyi Real Estate Ltd.	c	Other receivables	685	Regular settlement	-
		Chengdu Sinyi Real Estate Co.	c	Other income	2,570	Regular settlement	-
6	Sinyi Development Inc.	Jui-Inn Consultants Co., Ltd.	c	Service income	10,894	Monthly	-
		Jui-Inn Consultants Co., Ltd.	c	Other receivables	22,942	Monthly	-
7	Jui-Inn Consultants Co., Ltd.	Sinyi Real Estate (Shanghai) Limited	c	Service income	10,075	Monthly	-
		Sinyi Real Estate (Shanghai) Limited	c	Other receivables	21,912	Monthly	-

(Continued)

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

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

Note 2: Flows of transactions are categorized as follows:

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

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

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

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

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2017			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Development Inc.	Da-Chia Construction Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	$ 500	$ 500	50,000	100	$ 260 (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	259 (Note 1)	(58)	(58) (Note 1)	
Sin Chiun Holding SDN. BHD	Fidelity Property Consultant SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P.Kuala Lumpur, Malaysia	Management and identification	11,020	-	1,528,849	49	6,251 (Note 1)	(8,948)	(4,384) (Note 1)	
	Pegusus Holding SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P.Kuala Lumpur, Malaysia	Investment holding	11,974	-	1,661,200	100	6,996 (Note 1)	(4,568)	(4,568) (Note 1)	
Pegusus Holding SDN. BHD.	Fidelity Property Consultant SDN. BHD.	Level 11, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, 50470 Kuala Lumpur, W.P.Kuala Lumpur, Malaysia	Management and identification	11,470	-	1,591,251	51	6,506 (Note 1)	(8,948)	(4,564) (Note 1)	

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

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

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

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

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2017 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2017
					Outflow	Inflow						
Ke Wei Shanghai Real Estate Management Consulting Inc.	Real estate brokerage and management consulting	RMB 19,638	Investment in company located in mainland China indirectly through Ke Wei HK Realty Limited	$ 81,859	$ -	$ -	$ 81,859	$ (14,905)	100	$ (14,905) (Note 7)	$ 20,153 (Note 7)	$ -
Shanghai Sinyi Real Estate Inc. (Note 3)	Real estate brokerage	RMB 260,082	Investment in company located in mainland China indirectly through Inane International Limited	1,140,018	-	-	1,140,018	(169,066)	100	(169,066) (Note 7)	729,323 (Note 7)	-
Beijing Sinyi Real Estate Ltd. (Note 3)	Real estate brokerage	RMB 34,747	Investment in company located in mainland China indirectly through Inane International Limited	149,955	-	-	149,955	(5,953)	100	(5,953) (Note 7)	(25,294) (Note 7)	-
Shanghai Zhi Xin allograph Ltd.(Note 4)	Management consulting	RMB 11,968	Investment in company located in mainland China indirectly through Inane International Limited	17,095	-	-	17,095	(72)	100	(72) (Note 7)	33,174 (Note 7)	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	Investment in company located in mainland China directly through Shanghai Sinyi Real Estate Inc.	355,249	-	332,835	22,414	(10,343)	100	(10,343) (Note 7)	332,783 (Note 7)	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	Investment in company located in mainland China directly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	-	2	-	145,149	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 27,200	Investment in company located in mainland China directly through Shanghai Sinyi Real Estate Inc.	44,543	-	777	43,766	2,234	100	2,234 (Note 7)	35,397 (Note 7)	-
Shanghai Shang Tuo Investment Management Consulting Inc.	Real estate brokerage and management consulting	RMB 5,961	Investment in company located in mainland China indirectly through Forever Success International Ltd.	27,432	-	-	27,432	17,143	100	17,143 (Note 7)	16,668 (Note 7)	-
Chengdu Sinyi Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 13,000	Investment in company located in mainland China indirectly through Inane International Limited	62,005		-	62,005	(2,725)	100	(2,725) (Note 7)	9,098 (Note 7)	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Note 5)	Real estate brokerage and management consulting	RMB -	Investment in company located in mainland China indirectly through Inane International Limited	37,295	-	-	37,295	265	-	265 (Note 7)	- (Note 7)	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,868,747	-	-	3,868,747	1,995,110	100	1,995,110 (Note 7)	5,471,116 (Note 7)	-
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, hard ware, building materials wholesale	RMB 8,000	Investment in company located in mainland China indirectly through Forever Success International Ltd.	40,465	-	-	40,465	(14,802)	100	(14,802) (Note 7)	22,066 (Note 7)	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2017	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2017	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2017 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2017
					Outflow	Inflow						
Kunshan Dingxian Trading Co., Ltd.	Construction materials, furniture, sanitary ware and ceramic products wholesale	RMB 6,000	Investment in company located in mainland China indirectly through Sinyi Development Ltd.	$ 31,020	$ -	$ -	$ 31,020	$ 33,424	100	$ 33,424 (Note 7)	$ 51,447 (Note 7)	$ -
Shanghai Chang Yuan Co., Ltd	Property, business and management consulting	RMB 2,200	Investment in company located in mainland China indirectly through Shanghai Shang Tuo Investment Management Consulting Inc.	-	-	-	-	(225)	100	(225) (Note 7)	9,816 (Note 7)	-
Jiaxing Zhi Zheng Real Estate Marketing Planning Inc.	Real estate marketing planning and management consulting	RMB 100	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	(2)	100	(2) (Note 7)	455 (Note 7)	-
Jiu Xin Estate(Wuxi) Limited (Wuxi Jiu Xin Estate)	Real estate development	US$ 207,000	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	-	3,900,696	-	3,900,696	(4,291)	100	(4,291) (Note 7)	6,208,877 (Note 7)	-

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

Note 1: Amounts were based on audited financial statements.

Note 2: Carrying value was converted into New Taiwan dollars at the exchange rates of US$1=NT$29.76 and US$1=RMB6.519 on December 31, 2017

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

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

Note 5: Had been liquidated.

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

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

(Concluded)