Sinyi Realty Inc. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 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, 2019 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 did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SINYI REALTY INC.

By

____

February 27, 2020

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 (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, 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 (collectively referred to as the "consolidated financial statements").

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, 2019 and 2018, 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 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 the 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 the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As stated in Note 3 to the consolidated financial statements, starting from 2019, the Group adopted and retroactively applied the amended Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed and issued by the Financial Supervisory Commission applicable starting from 2019. The Group chose not to restate the comparative information of consolidated financial statements. Even so, our opinion does not need to be modified in respect of this matter.

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, 2019. 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.

The key audit matters identified in for the Group's consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Revenue Earned from Sales of Real Estate

For the year ended December 31, 2019, the Group's revenue from the sales of real estate was NT$1,688,401 thousand. Refer to Note 4 to the accompanying consolidated financial statements for the accounting policies of the Group. When the Group's real estate has reached the expected state of use and its has been accepted and qualified for use by relevant departments and the filing procedures have been completed, the Group issues a transfer notice of real estate based on the terms of the contract and recognizes sales revenue on the date of transfer. Since revenue from sales of real estate must be recognized after the real estate meets the above conditions, the recognition of revenue earned from the sale of real estate is regarded as a key audit matter.

We tested the controls to understand the timing of the revenue recognition of the sales of real estate. We also evaluated the design and implementation of the relevant control of the Group. We selected samples from sales transactions of the current year to review the sales contracts signed by both parties to understand the terms and conditions of the contracts, verified whether the collection records of such sales are consistent with the sales prices stated in contracts. We also verified the transfer notices and relevant transfer records to confirm that the revenue from sales of real estate was recognized after the completion of the transfer procedures in order to ensure that the revenue was earned and was properly recorded in the correct accounting period.

Valuation of Inventories

As of December 31, 2019, the carrying amount of inventories was NT$10,682,189 thousand. In order to evaluate the net realizable value of its inventories, the Group had to take into consideration the rationality of the estimated selling price and additional costs, changes in the overall economic environment, and effects of changes in related business regulations. Since the carrying amount of inventory was considered significant to the consolidated financial statements and the evaluation of inventories' net realizable value is subject to management's significant judgment, we identified the valuation of inventory has been identified as a key audit matter.

We focused on the valuation of inventories at the balance sheets date. We selected samples from the inventory balance to assess and test the net realizable value of inventories estimated by the management as well as the rationale of key parameters used in the valuation. The procedures included but were not limited to inspecting the latest actual transaction price or market transaction price of similar real estate, and we recalculated the amount to determine if the net realizable value of inventories is not lower than the carrying amount. We inspected the selected samples and performed the recalculation procedures, and we verified the accuracy of the valuation of inventories.

Refer to the accompanying consolidated financial statements on the following notes regarding the valuation of inventories: Note 4 for the accounting policies of the Group, Note 5 for the description of critical accounting judgements and key sources of estimation uncertainty, and Note 10 for the related presentation and disclosures.

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, 2019 and 2018 on which we have both issued the unmodified opinion with emphasis of matter.

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, 2019 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 27, 2020

<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, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 7,480,172	24	$ 4,551,253	16
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	74,633	-	4,702,735	16
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	999,379	3	785,371	3
Notes receivable (Notes 4 and 9)	45,814	-	52,755	-
Trade receivables (Notes 4, 9 and 36)	1,040,300	3	925,560	3
Other receivables (Notes 4, 9 and 36)	34,573	-	47,569	-
Current tax assets (Notes 4 and 29)	23,501	-	64,742	-
Inventories (Notes 4, 5, 10 and 37)	10,682,189	34	11,054,987	38
Other financial assets - current (Notes 11 and 37)	239,049	1	155,706	1
Other current assets (Note 18)	101,419	-	102,142	1
Total current assets	20,721,029	65	22,442,820	78
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	349,958	1	393,127	1
Investments accounted for using equity method (Notes 4 and 13)	31,900	-	27,554	-
Property, plant and equipment (Notes 4, 14 and 37)	3,495,635	11	3,553,206	12
Right-of-use assets (Notes 3, 4 and 15)	4,320,872	14	-	-
Investment properties (Notes 4, 16 and 37)	2,255,011	7	2,083,520	7
Intangible assets (Notes 4, 17, 31 and 39)	97,281	-	115,329	1
Deferred tax assets (Notes 4 and 29)	212,534	1	82,663	-
Refundable deposits	122,928	1	143,620	1
Other non-current assets (Note 18)	63,635	-	2,225	-
Total non-current assets	10,949,754	35	6,401,244	22
TOTAL	$ 31,670,783	100	$ 28,844,064	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 37)	$ -	-	$ 748,000	2
Contract liabilities - current (Notes 22 and 27)	284,387	1	694,468	2
Notes payable	319	-	643	-
Trade payables (Note 21)	379,619	1	766,021	3
Other payables (Note 23)	2,618,266	8	2,219,129	8
Current tax liabilities (Notes 4, 5 and 29)	941,277	3	1,153,996	4
Provisions - current (Notes 4 and 24)	9,374	-	6,322	-
Lease liability - current (Notes 3, 4, 15 and 36)	488,421	2	-	-
Current portion of long-term borrowings and bonds payable (Notes 19, 20 and 37)	25,295	-	1,507,682	5
Other current liabilities (Note 23)	119,104	-	206,156	1
Total current liabilities	4,866,062	15	7,302,417	25
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	5,300,000	17	4,400,000	15
Long-term borrowings (Notes 19 and 37)	6,873,817	22	5,371,478	19
Lease liability - non-current (Notes 3, 4, 15 and 36)	2,795,104	9	-	-
Net defined benefit liabilities - non-current (Notes 4 and 25)	157,406	-	114,862	1
Guarantee deposits received	35,190	-	43,028	-
Other non-current liabilities (Note 23)	653,501	2	514,141	2
Deferred tax liabilities (Notes 4 and 29)	1,672	-	33,905	-
Total non-current liabilities	15,816,690	50	10,477,414	37
Total liabilities	20,682,752	65	17,779,831	62
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Ordinary shares	7,368,465	23	7,368,465	26
Capital surplus	63,896	-	64,528	-
Retained earnings				
Legal reserve	2,224,122	7	2,073,664	7
Special reserve	240,436	1	40,830	-
Unappropriated earnings	1,566,765	5	1,658,029	6
Total retained earnings	4,031,323	13	3,772,523	13
Other equity (Notes 4 and 26)				
Exchange differences on translating the financial statements of foreign operations	(1,196,665)	(4)	(681,439)	(2)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	609,351	2	441,003	1
Total other equity	(587,314)	(2)	(240,436)	(1)
Total equity attributable to owners of the Company	10,876,370	34	10,965,080	38
NON-CONTROLLING INTERESTS (Note 26)	111,661	1	99,153	-
Total equity	10,988,031	35	11,064,233	38
TOTAL	$ 31,670,783	100	$ 28,844,064	100

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

(With Deloitte & Touche auditors' report dated February 27, 2020)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 27, 36 and 42)				
Sales revenue	$ 1,688,401	14	$ 3,644,688	28
Service revenue	10,749,631	86	9,258,270	72
Total operating revenue	12,438,032	100	12,902,958	100
OPERATING COSTS (Notes 10, 25, 28 and 36)				
Cost of sales	921,728	7	1,867,712	14
Service cost	7,602,145	61	6,812,680	53
Total operating costs	8,523,873	68	8,680,392	67
GROSS PROFIT	3,914,159	32	4,222,566	33
OPERATING EXPENSES (Notes 9, 25, 28 and 36)				
Management expense	1,945,021	16	1,565,475	12
Expect credit loss (gain)	(2,420)	-	12,189	-
Total operating expenses	1,942,601	16	1,577,664	12
OPERATING INCOME	1,971,558	16	2,644,902	21
NON-OPERATING INCOME AND EXPENSES				
Rental income (Note 36)	82,857	1	85,069	1
Dividend income	22,849	-	41,198	-
Interest income (Note 28)	70,961	-	15,033	-
Other gains (Notes 28 and 36)	91,643	1	145,573	1
Finance costs (Notes 28 and 36)	(183,182)	(2)	(112,223)	(1)
Total non-operating income and expenses	85,128	-	174,650	1
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,056,686	16	2,819,552	22
INCOME TAX EXPENSE (Notes 4 and 29)	(780,481)	(6)	(1,328,629)	(11)
NET PROFIT FOR THE YEAR	1,276,205	10	1,490,923	11

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 25)	$ (53,288)	-	$ (36,773)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	164,970	1	35,301	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	3,378	-	(309)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 29)	10,658	-	12,078	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(515,225)	(4)	(284,719)	(2)
Other comprehensive loss for the year, net of income tax	(389,507)	(3)	(274,422)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 886,698	7	$ 1,216,501	9
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,262,934	10	$ 1,504,587	12
Non-controlling interests	13,271	-	(13,664)	-
	$ 1,276,205	10	$ 1,490,923	12
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 873,591	7	$ 1,230,557	9
Non-controlling interests	13,107	-	(14,056)	-
	$ 886,698	7	$ 1,216,501	9
EARNINGS PER SHARE (Note 30)				
Basic	$1.71		$2.04	
Diluted	$1.71		$2.04	

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

(With Deloitte & Touche auditors' report dated February 27, 2020) (Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
			Retained Earnings			Other Equity					
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain on Investments in Equity Instruments at Fair Value through Other Comprehensive Income	Unrealized Gain on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2018	$ 6,515,000	$ 63,896	$ 1,793,382	$ -	$ 2,967,208	$ (396,805)	$ -	$ 355,975	$ 11,298,656	$ 131,332	$ 11,429,988
Effect of retrospective application and retrospective restatement	-	-	-	-	13,949	-	406,011	(355,975)	63,985	-	63,985
BALANCE AT JANUARY 1, 2018 AS RESTATED	6,515,000	63,896	1,793,382	-	2,981,157	(396,805)	406,011	-	11,362,641	131,332	11,493,973
Appropriation of 2017 earnings											
Legal reserve	-	-	280,282	-	(280,282)	-	-	-	-	-	-
Special reserve	-	-	-	40,830	(40,830)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,628,750)	-	-	-	(1,628,750)	-	(1,628,750)
Share dividends	853,465	-	-	-	(853,465)	-	-	-	-	-	-
Actual disposals of interests in subsidiaries	-	632	-	-	-	-	-	-	632	4,368	5,000
Net profit (loss) for the year ended December 31, 2018	-	-	-	-	1,504,587	-	-	-	1,504,587	(13,664)	1,490,923
Other comprehensive (loss) income for the year ended December 31, 2018, net of income tax	-	-	-	-	(24,388)	(284,634)	34,992	-	(274,030)	(392)	(274,422)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	1,480,199	(284,634)	34,992	-	1,230,557	(14,056)	1,216,501
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(22,491)	(22,491)
BALANCE AT DECEMBER 31, 2018	7,368,465	64,528	2,073,664	40,830	1,658,029	(681,439)	441,003	-	10,965,080	99,153	11,064,233
Appropriation of 2018 earnings											
Legal reserve	-	-	150,458	-	(150,458)	-	-	-	-	-	-
Special reserve	-	-	-	199,606	(199,606)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(957,900)	-	-	-	(957,900)	-	(957,900)
Actual acquisition of interests in subsidiaries	-	(632)	-	-	(3,769)	-	-	-	(4,401)	(599)	(5,000)
Net profit for the year ended December 31, 2019	-	-	-	-	1,262,934	-	-	-	1,262,934	13,271	1,276,205
Other comprehensive (loss) income for the year ended December 31, 2019, net of income tax	-	-	-	-	(42,465)	(515,226)	168,348	-	(389,343)	(164)	(389,507)
Total comprehensive (loss) income for the year ended December 31, 2019	-	-	-	-	1,220,469	(515,226)	168,348	-	873,591	13,107	886,698
BALANCE AT DECEMBER 31, 2019	$ 7,368,465	$ 63,896	$ 2,224,122	$ 240,436	$ 1,566,765	$ (1,196,665)	$ 609,351	$ -	$ 10,876,370	$ 111,661	$ 10,988,031

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

(With Deloitte & Touche auditors' report dated February 27, 2020)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,056,686	$ 2,819,552
Adjustments for:		
Expected credit loss recognized/(reversed) on trade receivables	2,420	(12,356)
Depreciation expenses	656,042	124,538
Amortization expenses	30,875	32,632
Net gain on financial assets at fair value through profit or loss	(66,009)	(134,826)
Finance costs	253,367	175,087
Interest income	(70,961)	(15,033)
Dividend income	(22,849)	(41,198)
Share of (gain) loss of associates and joint ventures	(1,525)	992
Loss on disposal of property, plant and equipment	261	3,540
(Gain) loss on disposal of investment properties	(7,961)	3,901
Gain on disposal of investments	-	(1,321)
Impairment loss recognized on non-financial assets	48,221	3,103
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	4,693,538	(1,547,124)
Notes receivable	6,941	(24,598)
Trade receivables	(117,160)	(60,204)
Other receivables	8,035	1,132
Inventories	(33,525)	472,570
Other current assets	735	63,988
Contract liabilities	(388,095)	535,703
Notes payable	(324)	(923)
Trade payables	(386,402)	684,592
Other payables	410,437	172,520
Provisions	3,052	(50,354)
Other current liabilities	(87,052)	8,553
Other operating liabilities	139,274	138,602
Cash generated from operations	7,128,021	3,353,068
Interest received	71,448	14,239
Interest paid	(263,231)	(164,039)
Income tax paid	(1,114,063)	(1,238,005)
Net cash generated from operating activities	5,822,175	1,965,263
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(31,715)	(48,774)
Capital reduction and refund from financial assets measured at fair value through other comprehensive gains and losses	4,474	-
Net cash (outflow) inflow on acquisition of subsidiaries	(5,464)	4,740
Partial disposal of interests in subsidiaries	-	5,000
Payments for property, plant and equipment	(107,455)	(97,580)
Proceeds from disposal of property, plant and equipment	1,541	190

(Continued)

SINYI REALTY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
Increase in refundable deposits	$ -	$ (12,818)
Decrease in refundable deposits	6,390	-
Payments for intangible assets	(19,694)	(30,587)
Proceeds from disposal of intangible assets	689	-
Payments for right-of-use assets	(1,048,087)	-
Payments for investment properties	(94,324)	(28,215)
Proceeds from disposal of investment properties	35,350	8,792
Increase in other financial assets	(83,343)	-
Decrease in other financial assets	-	21,547
(Increase) decrease in other non-current assets	(61,410)	1,359
Dividends received	23,406	41,463
Net cash used in investing activities	(1,379,642)	(134,883)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings	(748,000)	(860,000)
Proceeds from bond payables	900,000	4,400,000
Repayments of bond payables	(1,500,000)	(1,500,000)
Proceeds from long-term borrowings	18,897,176	15,253,920
Repayment of long-term borrowings	(17,318,935)	(16,805,570)
Proceeds from guarantee deposits received	-	413
Refund of guarantee deposits received	(7,838)	-
Decrease in other payables to related parties	-	(800)
Repayment of the principal portion of lease liabilities	(520,065)	-
Dividends paid to owners of the Company	(957,900)	(1,628,750)
Acquisition of partial interests in subsidiaries	(5,000)	-
Changes in non-controlling interests	-	(22,491)
Net cash used in financing activities	(1,260,562)	(1,163,278)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(253,052)	(15,680)
INCREASE IN CASH AND CASH EQUIVALENTS	2,928,919	651,422
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,551,253	3,899,831
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 7,480,172	$ 4,551,253

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

(With Deloitte & Touche auditors' report dated February 27, 2020) (Concluded)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on February 27, 2020.

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

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

   - IFRS 16 "Leases"

     IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both the lessee and the lessor. It supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

     Definition of a lease

     The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts, were recognized as expenses on a straight-line basis. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows. Leased assets and finance lease payables were recognized on the consolidated balance sheets for contracts classified as finance leases.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities. The Group applies IAS 36 to all right-of-use assets.

The Group also applies the following practical expedients:

1) The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

2) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

3) The Group excludes initial direct costs from the measurement of right-of-use assets on January 1, 2019.

4) The Group uses hindsight, such as in determining lease terms, to measure lease liabilities.

The leesee's weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 1.11%-5.70%. The difference between the lease liabilities recognized and disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 1,255,111
Less: Recognition exemption for short-term leases and low-value assets	(10,243)
Undiscounted amounts on January 1, 2019	$ 1,244,868
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 1,203,841
Add: Adjustments as a result of a different treatment of extension and termination options	2,176,586
Less: Adjustments relating to reclassification of refundable deposits	(11,947)
Lease liabilities recognized on January 1, 2019	$ 3,368,480

The Group as lessor

The Group does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Right-of-use assets	$ -	$ 3,380,427	$ 3,380,427
Refundable deposits	143,620	(11,947)	131,673
	$ 143,620	$ 3,368,480	$ 3,512,100
Lease liabilities - current	$ -	$ 526,765	$ 526,765
Lease liabilities - non-current	-	2,841,715	2,841,715
	$ -	$ 3,368,480	$ 3,368,480

b. The IFRSs endorsed by the FSC for application starting from 2020.

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

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

Note 2: The Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

As of the date the consolidated financial statements were authorized for issue, the Group assess the possible impact that the application of above standards and interpretations don’t have impacts 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)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of above 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 and net defined benefit liability.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on 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:

- Assets held primarily for the purpose of trading;

- Assets expected to be realized within 12 months after the reporting period; and

- 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:

- Liabilities held primarily for the purpose of trading;

- Liabilities due to be settled within 12 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

- Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 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 12, 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 they are 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 interests 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 entity, transactions in currencies other than the Group's functional currency (i.e., 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 from the retranslation of non-monetary items are included in profit or loss for the year 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 entities in the Group (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 year. 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 the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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

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. The 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 are 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 the 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 using 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 measured 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.

Freehold 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 measured 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 allocated goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group 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 estimates accounted for on a prospective basis.

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. Assets related to contract costs

When a sales contract is obtained, commission paid to employees who obtained from the sale of property and selling service fees paid to agents under exclusive sale agreements are recognized as assets (incremental cost of obtaining a contract) to the extent that the costs are expected to be recovered and are recognized in profit or loss when the property is transferred to the customers. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the related asset, which the Group otherwise would have recognized, is expected to be one year or less.

n. Impairment of tangible and intangible assets other than goodwill and assets related to contract costs

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.

The 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.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit, or assets related to contract cost 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 on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

o. Financial instruments

Financial assets and financial liabilities are recognized when an entity in the Group 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 issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) 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 FVTPL 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 FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

i. Financial assets at FVPTL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL.

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

Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI that do not meet the amortized cost criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 35.

ii. Financial assets at amortized cost

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

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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

2) Financial liabilities

a) Subsequent measurement

All 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.

p. Provisions

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 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.

q. Revenue recognition

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

<u>Revenue from rendering of services</u>

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

<u>Revenue from sale of real estate</u>

Revenue from sales of real estate in mainland China is recognized on the day of real estate transfer when buyers and sellers sign and register the sales contract to the local real estate institution and acceptance has been issued by relevant departments and the filing procedures are completed. The Group issues a notice of real estate transfer according to the provisions of the contract. Revenue from the sale of properties in Taiwan is recognized when construction is completed, certificates of ownership of the properties are transferred to buyers. Until such revenue is recognized, deposits and installment payments from sales of properties are recognized as contract liabilities - current in the consolidated balance sheets.

r. Leasing

2019

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

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

Under finance leases, lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

2018

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.

s. 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.

t. 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 services 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.

u. 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 on 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 carryforwards 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.

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 assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized 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 is 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 taxes 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.

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. Impairment of tangible and intangible assets other than goodwill

The Group measures the useful life of its 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.

b. 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 the market value less the estimated costs of completion and the estimated costs necessary to make the sale. In the valuation process, if market condition changes, the Group will change the estimated net realizable value of inventory accordingly, which may result in an increase or decrease in the value of inventories.

c. 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, 2019 and 2018, the amount of land value increment tax payable recorded as current tax payable was $803,435 thousand and $713,828 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	
	2019	2018
Cash on hand	$ 15,301	$ 26,952
Checking accounts and demand deposits	2,386,282	3,739,797
Cash equivalents		
Time deposits with original maturities less than three months	5,078,589	784,504
	$ 7,480,172	$ 4,551,253

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

	December 31	
	2019	2018
Interest rates range	0%-2.02%	0%-3.2%

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

	December 31	
	2019	2018
Financial assets mandatorily classified as at FVTPL - current		
Non-derivative financial assets		
Domestic quoted shares	$ 6,513	$ 7,590
Mutual funds	53,467	48,308
Structured financial products	14,653	4,646,837
	$ 74,633	$ 4,702,735

Structured financial products which the Group bought from banks are structured time deposit with the expected yield rates of 0%-4.35% and 0%-4.45% as of December 31, 2019 and 2018, respectively.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investment in Equity Instruments at FVTOCI

	December 31	
	2019	2018
Current		
Domestic investments		
Listed shares	$ 383,088	$ 257,668
Foreign investments		
Listed shares	616,291	527,703
	$ 999,379	$ 785,371
Non-current		
Domestic investments		
Unlisted shares	$ 95,532	$ 88,583
Foreign investments		
Unlisted shares	254,426	304,544
	$ 349,958	$ 393,127

These investments in equity instruments are not held for trading. Instead, they are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as the management believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2019	2018
Notes receivable		
At amortized cost		
Operating-gross carrying amount	$ 45,814	$ 52,755
Trade receivables		
At amortized cost		
Gross carrying amount	$ 1,055,219	$ 943,461
Less: Allowance for impairment loss	(14,919)	(17,901)
	$ 1,040,300	$ 925,560
Other receivables		
Receivables from disposal of investment	$ -	$ 4,474
Interest receivables	788	1,275
Others	39,053	47,088
Less: Allowance for impairment loss	(5,268)	(5,268)
	$ 34,573	$ 47,569

a. Trade receivables

The average credit period for rendering of services was 30 to 60 days. No interest was charged on trade receivables. The refund liability for trade receivables from real estate brokerage service revenue was estimated based on historical experience. Except for collections from real estate agent service rendered to individuals and from sales of real estate, the Group adopted a policy of using other publicly available financial information or its own trading records to rate its major customers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit conditions of its counterparties are continuously monitored. Since the Group collected the receivables for providing real estate agent services from clients under escrow custody, the uncollectible risk shall be insignificant. On the other hand, the Group generally collected in advance the amount of real estate sold and the real estate shall not transferred or handed over until all the amount are collected. Thus, there would not be trade receivables from transactions of selling real estate.

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

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

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

December 31, 2019

	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	0%-0.5%	0%-0.5%	0%-0.5%	0%-0.5%	50%-100%	
Gross carrying amount	$ 914,697	$ 74,390	$ 67,393	$ 23,843	$ 21,981	$ 1,102,304
Refund liability (Note)	(41,463)	(4,365)	(2,705)	(2,252)	(1,271)	(52,056)
Loss allowance (Lifetime ECL)	(148)	(54)	(135)	(119)	(14,463)	(14,919)
Amortized cost	$ 873,086	$ 69,971	$ 64,553	$ 21,472	$ 6,247	$ 1,035,329

December 31, 2018

	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 361 Days	Total
Expected credit loss rate	0%-0.5%	0%-0.5%	0%-0.5%	0%-0.5%	50%-100%	
Gross carrying amount	$ 800,436	$ 76,409	$ 63,149	$ 21,757	$ 34,800	$ 996,551
Refund liability (Note)	(35,470)	(4,039)	(2,666)	(1,493)	(335)	(44,003)
Loss allowance (Lifetime ECL)	(184)	(63)	(237)	(109)	(17,308)	(17,901)
Amortized cost	$ 764,782	$ 72,307	$ 60,246	$ 20,155	$ 17,157	$ 934,647

Note: The refund liability were recognized under other current liabilities and other non-current liabilities.

The movements of the loss allowance of trade receivables were as follows:

	2019	
	Trade Receivables	Other Receivables
Balance at January 1, 2019	$ 17,901	$ 5,268
Less: Amounts written off	(2,420)	-
Foreign exchange losses	(562)	-
Balance at December 31, 2019	$ 14,919	$ 5,268

	2018	
	Trade Receivables	Other Receivables
Balance at January 1, 2018 per IAS 39	$ 8,064	$ 4,165
Adjustment on initial application of IFRS 9	-	-
Balance at January 1, 2018 per IFRS 9	8,064	4,165
Add: Net remeasurement of loss allowance	10,194	2,162
Less: Amounts written off	-	(1,059)
Foreign exchange gains and losses	(357)	-
Balance at December 31, 2018	$ 17,901	$ 5,268

b. Other receivables

1) Receivables from disposal of investment was due to the Group's disposal of financial assets measured at cost.

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

10. INVENTORIES

	December 31	
	2019	**2018**
Properties under development		
Binhu District, Wuxi	$ 6,815,610	$ -
Banqiao District, New Taipei City	1,371,403	-
Properties to be developed		
Binhu District, Wuxi	-	6,175,692
Banqiao District, New Taipei City	1,241,624	2,440,170
Banqiao District, New Taipei City (for transferable development rights)	170,885	283,360
Other		
Shilin District, Taipei City	2,113	2,113
Inventory-merchandise		
Jiading District, Shanghai	910,105	1,894,686
Shilin District, Taipei City	170,449	258,966
	$ 10,682,189	$ 11,054,987

The amounts of cost of goods sold transferred from inventories were $921,728 thousand and $1,867,712 thousand for the years ended December 31, 2019 and 2018, respectively. The amount of cost of goods sold included inventory write-downs which was $18,843 thousand for the year ended December 31, 2019.

The amount transferred from inventory to investment property was $95,861 thousand for the year ended December 31, 2019.

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

Project Name	Trustee	Trust Period
Sinyi Jia-Ho	Taishin Bank	2017/5/22-2024/5/22
Sinyi Jia-Pin	Taishin Bank	2017/9/30-2024/9/30

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

Refer to Note 37 for the carrying amount of inventories pledged as security for bank borrowings by the Group.

11. OTHER FINANCIAL ASSETS - CURRENT

	December 31	
	2019	2018
Time deposits with original maturity more than three months	$ 121,570	$ 148,470
Restricted assets - current	117,479	7,236
	$ 239,049	$ 155,706

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

	December 31	
	2019	2018
Time deposits with original maturity more than three months	0.15%-2.75%	0.12%-2.75%

b. Restricted assets - current are mainly operating guarantee for real-estate brokerage and restricted bank deposits. Refer to Note 37.

12. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The subsidiaries included in the consolidated entities as of December 31, 2019 and 2018 were as follows:

			% of Ownership December 31		
Investor	Investee	Main Businesses	2019	2018	Remark
Sinyi Realty Inc.	Sinyi International Limited (Sinyi International)	Investment holding	100	100	
	Sinyi Development Inc. (Taiwan Sinyi Development)	Development, construction, rental and sale of residential building and factories	100	100	
	Sinyi Limited	Investment holding	100	100	
	Sinyi Global Asset Management Co., Ltd. (Global)	Real estate brokerage	100	100	
	Heng-Yi Intelligent Technology Inc. (Heng-Yi)	Information software, data processing and electronic information providing services	75	75	
	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 Real Estate Consulting Limited (Sinyi Consulting)	Production of Instructions of real estate	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	

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2019	% of Ownership December 31 2018	Remark
	Shanghai Zhi Xin allograph Ltd. (Shanghai Zhi Xin)	Management consulting	100	100	
	Chengdu Sinyi Real Estate Co., Ltd. (Chengdu Sinyi)	Real estate brokerage and management consulting	-	100	Note 1
	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	100	
	Suzhou Sinyi Real Estate Inc. (Suzhou Sinyi)	Real estate brokerage and management consulting	100	100	
	Jiaxing Zhi Zheng Real Estate Marketing Planning Inc. (Jiaxing Zhi Zheng)	Real estate marketing planning and management consulting	100	100	
Shanghai Zhi Xi	Suzhou Zhi Xin Real Estate Co., Ltd. (Suzhou Zhi Xin)	Market information consultation and management consulting	100	100	
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	
Shanghai Shang Tuo	Shanghai Chang Yuan Co., Ltd. (Shanghai Chang Yuan)	Property management	100	100	
Hua Yun	Lunheng Business Management (Shanghai) Ltd. (Lunheng)	Management consulting	100	100	
An-Sin	An-Shin Real Estate Management Ltd. (An-Shin)	Real estate management	100	100	
Japan Sinyi	Sinyi Management Co., Ltd. (Japan 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	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	
Hong Kong Sinyi Estate	Jiu Xin Estate (Wuxi) Limited (Jiu Xin Estate)	Development of commercial and residential building	100	100	
Sinyi Real Estate (Shanghai) Limited	SinYeh Enterprise Management (Shanghai) Limited (SinYeh)	Development of commercial and residential building	100	-	Note 2
Yowoo Technology	Wu Pu Co., Ltd. (Wu Pu)	Investment holding	-	100	Note 3
	Heng-Yi Intelligent Technology Inc. (Heng-Yi)	Information software, data processing and electronic information providing services	25	-	Note 4
	Lian Yue Traffic Inc. (Lian Yue Traffic)	Manpower dispatch and Merchandise delivery	100	-	Note 5
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	

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2019	2018	Remark
SIN CHIUN	FIDELITY PROPERTY CONSULTANT SDN. BHD. (FIDELITY)	Investment holding	49	49	
	PEGUSUS HOLDING SDN. BHD. (PEGUSUS)	Investment holding	100	100	
PEGUSUS	FIDELITY PROPERTY CONSULTANT SDN. BHD. (FIDELITY)	Real estate brokerage, management and identification	51	51	

(Concluded)

Remark:

Note 1: Chengdu Sinyi has been liquidated in June 2019.

Note 2: Xin Yeh was incorporated in February 2019, with a capital of RMB400,000 thousand, as of December 31, 2019.

Note 3: Wu Pu has been liquidated in November 2019.

Note 4: The Group acquired 25% ownership of Heng-Yi from non-controlling interests through Yowoo Technology in March 2019. Refer to Note 31.

Note 5: The Group acquired 100% ownership of Lian Yue Traffic through Yowoo Technology in November 2019. Refer to Note 31.

b. Subsidiaries excluded from consolidated financial statements: None.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31 2019	2018
Investments in associates	$ 31,900	$ 27,554

Investments in Associates

	December 31 2019	2018
Unlisted company		
Sinyi Interior Design Co., Ltd.	$ 15,774	$ 12,870
Rakuya International Info. Co., Ltd.	16,126	14,684
	$ 31,900	$ 27,554

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

Name of Associate	December 31 2019	2018
Sinyi Interior Design Co., Ltd.	19%	19%
Rakuya International Info. Co., Ltd.	23%	23%

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

	For the Year Ended December 31	
	2019	2018
The Group's shares		
Net income (loss) for continuing operations	$ 1,525	$ (992)
Other comprehensive income (loss)	3,378	(309)
Total comprehensive income (loss) for the year	$ 4,903	$ (1,301)

Even though holding less than 20% of voting rights of Sinyi Interior Design Co., Ltd. the Group is able to exercise significant influence over it. The investment is still accounted for by the equity method.

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of the investment for the years ended December 31, 2019 and 2018 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.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Transportation Equipment	Office Equipment	Leased Assets	Leasehold Improvements	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost									
Balance at January 1, 2019	$ 2,833,746	$ 660,163	$ 10,654	$ 388,221	$ 4,671	$ 548,513	$ 87,384	$ 2,680	$ 4,536,032
Additions	-	-	571	36,640	-	62,196	1,297	6,751	107,455
Disposals	-	-	-	(8,294)	(4,671)	(20,610)	(30)	-	(33,605)
To investment properties	-	(58,654)	-	-	-	-	-	-	(58,654)
Reclassification	-	-	-	-	-	2,680	-	(2,680)	-
Effect of foreign currency exchange differences	-	(6,015)	(253)	(1,893)	-	(3,198)	-	-	(11,359)
Balance at December 31, 2019	$ 2,833,746	$ 595,494	$ 10,972	$ 414,674	$ -	$ 589,581	$ 88,651	$ 6,751	$ 4,539,869
Accumulated depreciation									
Balance at January 1, 2019	$ -	$ 143,941	$ 5,442	$ 310,202	$ 4,671	$ 442,957	$ 75,613	$ -	$ 982,826
Depreciation expense	-	19,224	948	30,404	-	46,505	4,878	-	101,959
Disposals	-	-	-	(6,963)	(4,671)	(20,147)	(22)	-	(31,803)
To investment properties	-	(4,108)	-	-	-	-	-	-	(4,108)
Effect of foreign currency exchange differences	-	(444)	(161)	(1,532)	-	(2,504)	1	-	(4,640)
Balance at December 31, 2019	$ -	$ 158,613	$ 6,229	$ 332,111	$ -	$ 466,811	$ 80,470	$ -	$ 1,044,234
Net carrying amount at December 31, 2019	$ 2,833,746	$ 436,881	$ 4,743	$ 82,563	$ -	$ 122,770	$ 8,181	$ 6,751	$ 3,495,635
Cost									
Balance at January 1, 2018	$ 2,665,208	$ 639,680	$ 6,519	$ 370,157	$ 4,671	$ 526,644	$ 84,401	$ -	$ 4,297,280
Additions	-	-	4,292	37,811	-	48,733	2,983	3,761	97,580
Disposals	-	-	-	(25,592)	-	(27,429)	-	-	(53,021)
Reclassifications	168,538	25,054	-	-	-	1,081	-	(1,081)	193,592
Acquisition through business combinations	-	-	-	6,626	-	612	-	-	7,238
Effect of foreign currency exchange differences	-	(4,571)	(157)	(781)	-	(1,128)	-	-	(6,637)
Balance at December 31, 2018	$ 2,833,746	$ 660,163	$ 10,654	$ 388,221	$ 4,671	$ 548,513	$ 87,384	$ 2,680	$ 4,536,032
Accumulated depreciation									
Balance at January 1, 2018	$ -	$ 117,641	$ 4,668	$ 290,126	$ 4,671	$ 418,082	$ 69,520	$ -	$ 904,708
Depreciation expense	-	18,963	856	40,106	-	50,057	6,093	-	116,075
Disposals	-	-	-	(24,680)	-	(24,611)	-	-	(49,291)
Acquisition through business combinations	-	-	-	5,246	-	555	-	-	5,801
Reclassifications	-	7,495	-	-	-	-	-	-	7,495
Effect of foreign currency exchange differences	-	(158)	(82)	(596)	-	(1,126)	-	-	(1,962)
Balance at December 31, 2018	$ -	$ 143,941	$ 5,442	$ 310,202	$ 4,671	$ 442,957	$ 75,613	$ -	$ 982,826
Net carrying amount at December 31, 2018	$ 2,833,746	$ 516,222	$ 5,212	$ 78,019	$ -	$ 105,556	$ 11,771	$ 2,680	$ 3,553,206

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

Buildings - main buildings	21-55 years
Transportation equipment	4-6 years
Office equipment	3-6 years
Leased assets	3 years
Leasehold improvements	1-5 years
Other equipment	3-15 years

a. There was no interest capitalized during the years ended December 31, 2019 and 2018.

b. Refer to Note 37 for the details of properties, plant and equipment pledged as collaterals.

15. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
Carrying amounts	
Land	$ 1,048,087
Buildings	3,256,490
Office equipment	3,998
Other equipment	12,297
	$ 4,320,872

	For the Year Ended December 31, 2019
Additions to right-of-use assets	$ 1,509,243
Depreciation charge for right-of-use assets	$ 539,041
Buildings	2,918
Office equipment	3,984
Other equipment	$ 545,943

Right-of-use asset for land is the using right to use of a land in Malaysia purchased by the subsidiary SIN CHIUN.

b. Lease liabilities - 2019

	December 31, 2019
Carrying amounts	
Current	$ 488,421
Non-current	$ 2,795,104

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Buildings	1.11%-5.7%
Office equipment	1.28%-5.7%
Other equipment	1.28%-1.29%

c. Material lease-in activities and terms

The Group leases buildings for the use of office spaces and retail stores with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms. In addition, the Group is prohibited from transferring all or any portion of the underlying assets without the lessor's consent.

The Group signed a agreement to purchase the right-of-use of a land in Malaysia in September 2019 and completed the legal process of possession right transfer in December 2019. The right-of-use of land will last until December 31, 2096.

d. Other lease information

Lease arrangements under operating leases for the leasing out of freehold investment properties are set out in Note 16.

2019

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	$ 26,925
Expenses relating to low-value asset leases	$ 15,237
Total cash outflow for leases	$ 633,588

The Group leases certain assets which qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

2018

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

	December 31, 2018
Not later than 1 year	$ 461,340
Later than 1 year and not later than 5 years	786,897
Later than 5 years	6,874
	$ 1,255,111

16. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2019	$ 1,876,100	$ 319,835	$ 2,195,935
Additions	82,918	11,406	94,324
Disposals	(32,025)	(8,096)	(40,121)
Transferred from inventories	-	95,861	95,861
Transferred from property, plant and equipment	-	58,654	58,654
Effects of foreign currency exchange differences	-	(19,019)	(19,019)
Balance at December 31, 2019	$ 1,926,993	$ 458,641	$ 2,385,634
Accumulated depreciation and impairment			
Balance at January 1, 2019	$ 10,010	$ 102,405	$ 112,415
Impairment loss recognized	16,584	2,281	18,865
Depreciation expense	-	8,140	8,140
Disposals	(9,882)	(2,850)	(12,732)
Transferred from property, plant and equipment	-	4,108	4,108
Effects of foreign currency exchange differences	-	(173)	(173)
Balance at December 31, 2019	$ 16,712	$ 113,911	$ 130,623
Net carrying amount at December 31, 2019	$ 1,910,281	$ 344,730	$ 2,255,011
Cost			
Balance at January 1, 2018	$ 2,029,699	$ 344,313	$ 2,374,012
Additions	27,400	815	28,215
Disposals	(12,461)	(239)	(12,700)
Transferred to property, plant and equipment	(168,538)	(25,054)	(193,592)
Balance at December 31, 2018	$ 1,876,100	$ 319,835	$ 2,195,935
Accumulated depreciation and impairment			
Balance at January 1, 2018	$ 7,022	$ 101,329	$ 108,351
Impairment loss recognized	2,988	115	3,103
Depreciation expense	-	8,463	8,463
Disposals	-	(7)	(7)
Transferred to property, plant and equipment	-	(7,495)	(7,495)
Balance at December 31, 2018	$ 10,010	$ 102,405	$ 112,415
Net carrying amount at December 31, 2018	$ 1,866,090	$ 217,430	$ 2,083,520

The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payment receivables under operating leases of investment properties as of December 31, 2019 was as follows:

	December 31, 2019
Year 1	$ 86,280
Year 2	84,860
Year 3	82,823
Year 4	82,062
Year 5	77,256
Year 6 onwards	38,566
	$ 451,847

The future minimum lease payment receivables of non-cancellable operating lease commitments as of December 31, 2018 were as follows:

	December 31, 2018
Not later than 1 year	$ 86,134
Later than 1 year and not later than 5 years	60,780
Later than 5 years	10
	$ 146,924

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

Buildings - main buildings	30-60 years

The total fair value of the Group's investment properties, freehold land and buildings as of December 31, 2019 and 2018 were $10,872,806 thousand and $9,703,340 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 37.

17. INTANGIBLE ASSETS

	December 31	
	2019	2018
Franchises (Note 39)	$ 45,293	$ 48,749
Goodwill	5,452	10,513
System software costs	42,994	51,067
Patent rights	3,542	5,000
	$ 97,281	$ 115,329

	Franchises	Goodwill	System Software Costs	Patent Rights	Total
Cost					
Balance at January 1, 2019	$ 93,851	$ 20,134	$ 256,019	$ 5,000	$ 375,004
Additions	-	-	19,694		19,694
Disposals	-	-	(1,589)	-	(1,589)
Acquisition through business combinations (Note 31)	-	5,452	-	-	5,452
Effect of foreign currency exchange differences	(2,245)	-	(742)	-	(2,987)
Balance at December 31, 2019	$ 91,606	$ 25,586	$ 273,382	$ 5,000	$ 395,574
Accumulated amortization					
Balance at January 1, 2019	$ 45,102	$ 9,621	$ 204,952	$ -	$ 259,675
Amortization expense	2,361	-	27,056	1,458	30,875
Disposals	-	-	(900)	-	(900)
Impairment loss	-	10,513	-	-	10,513
Effect of foreign currency exchange differences	(1,150)	-	(720)	-	(1,870)
Balance at December 31, 2019	$ 46,313	$ 20,134	$ 230,388	$ 1,458	$ 298,293
Net carrying amount at December 31, 2019	$ 45,293	$ 5,452	$ 42,994	$ 3,542	$ 97,281
Cost					
Balance at January 1, 2018	$ 90,933	$ 9,621	$ 230,520	$ -	$ 331,074
Additions	-	-	25,587	5,000	30,587
Disposals	-	-	(3,420)	-	(3,420)
Acquisition through business combinations (Note 31)	-	10,513	3,530	-	14,043
Effect of foreign currency exchange differences	2,918	-	(198)	-	2,720
Balance at December 31, 2018	$ 93,851	$ 20,134	$ 256,019	$ 5,000	$ 375,004
Accumulated amortization					
Balance at January 1, 2018	$ 41,427	$ 9,621	$ 176,038	$ -	$ 227,086
Amortization expense	2,303	-	30,329	-	32,632
Disposals	-	-	(3,420)	-	(3,420)
Acquisition through business combinations	-	-	2,272	-	2,272
Effect of foreign currency exchange differences	1,372	-	(267)	-	1,105
Balance at December 31, 2018	$ 45,102	$ 9,621	$ 204,952	$ -	$ 259,675
Net carrying amount at December 31, 2018	$ 48,749	$ 10,513	$ 51,067	$ 5,000	$ 115,329

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

Franchises	40 years
System software costs	2-5 years
Patent rights	4 years

The Group performs impairment assessment of the recoverable amount of goodwill at the end of the annual financial reporting period, and compares the unit's carrying amount that includes goodwill with its recoverable amount.

The Group recognized a goodwill impairment loss of $10,513 thousand for the year ended December 31, 2019. Refer to Note 28 for the details.

18. OTHER ASSETS

	December 31	
	2019	**2018**
Prepayments for right-of-use asset - land	$ 60,474	$ -
Prepaid expenses	48,735	84,768
Tax prepayment	26,679	-
Overpaid VAT	14,126	14,019
Temporary payments	11,879	3,355
Overdue receivables	1,271	335
Others	1,890	1,890
	$ 165,054	$ 104,367
Current	$ 101,419	$ 102,142
Non-current	63,635	2,225
	$ 165,054	$ 104,367

Prepayments for the right-of-use asset are prepayments made by subsidiary SIN CHIUN HOLDING SDN. BHD. for purchasing right-of-use of land at Pulau Mengalum, Sabah, Malaysia. The Group had not completed the legal process for the transfer of the possession right as of December 31, 2019.

Tax prepayment is land value increment tax and sales tax imposed by China local tax bureau for presold real estate of subsidiary Shanghai Real Estate and Jiu Xin Estate in Mainland China.

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2019	**2018**
Secured borrowings		
Bank loans	$ -	$ 748,000

1) The interest rate of the bank loans as of December 31, 2018 was 1.73%.

2) Refer to Note 37 for the details of assets pledged as collaterals for short-term borrowings.

b. Long-term borrowings

	December 31	
	2019	2018
Secured borrowings		
Bank loans	$ 4,299,112	$ 3,022,204
Unsecured borrowings		
Unsecured loans	2,600,000	2,356,956
	6,899,112	5,379,160
Less: Current portion	(25,295)	(7,682)
Long-term borrowings	$ 6,873,817	$ 5,371,478

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

	Content of Borrowings	December 31 2019	December 31 2018
E.SUN Bank	Loan limit: $200,000 thousand; period: October 19, 2018 to October 19, 2021; fixed interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in March 2019.	$ -	$ 200,000
E.SUN Bank	Loan limit: $2,450,000 thousand; period: October 19, 2018 to October 19, 2021; fixed interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in August 2019.	-	2,450,000
E.SUN Bank	Loan limit: $2,420,000 thousand; period: August 02, 2019 to August 02, 2021; floating interest rate of 1.2%; interest is paid monthly and principal is repaid at maturity.	1,700,000	-
Bank of East Asia	Loan limit: $1,600,000 thousand; period: November 15, 2018 to November 12, 2021; floating interest rate as of 1.242%; interest is paid monthly; 3% of principal is repaid in 18th, 24th and 30th months, respectively 91% of principal is paid in 36th month. The Group repaid all the debts in February 2019.	-	200,000
Yuanta Bank	Loan limit: $200,000 thousand; period: March 23, 2018 to March 22, 2020; fixed interest rate of 1.25%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in February 2019.	-	200,000
Yuanta Bank	Loan limit: $400,000 thousand; period: March 20, 2019 to March 19, 2021; fixed interest rate of 1.15%; interest is paid monthly and principal is repaid at maturity.	400,000	-

(Continued)

	Content of Borrowings	December 31 2019	December 31 2018
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.	$ -	$ 6,956
Mizuho Bank	Loan limit: $300,000 thousand; period: November 30, 2018 to November 30, 2020; fixed interest rate of 1.16%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in October 2019.	-	200,000
Mizuho Bank	Loan limit: $300,000 thousand; period: November 30, 2019 to November 30, 2021; fixed interest rate of 1.16%; interest is paid monthly and principal is repaid at maturity.	300,000	-
Bank of Sinopac	Loan limit: $200,000 thousand; period: September 19, 2018 to September 19, 2020; fixed rate of 1.10%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in January 2019.	-	200,000
O-Bank	Loan limit: $200,000 thousand; period: December 26, 2018 to December 25, 2020; fixed interest rate of 1.221%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in February 2019.	-	200,000
Far Eastern Bank	Loan limit: $800,000 thousand; period: April 02, 2018 to April 02, 2020; fixed interest rate of 1.29%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in February 2019.	-	300,000
Far Eastern Bank	Loan limit: $800,000 thousand; period: May 02, 2019 to May 02, 2021; fixed interest rate of 1.19%; interest is paid monthly and principal is repaid at maturity.	600,000	-
Taishin Bank	Loan limit: $300,000 thousand; period: December 25, 2017 to December 25, 2020; fixed interest rate of 1.22%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in February 2019.	-	300,000
Taishin Bank	Loan limit: $1,900,000 thousand; period: September 08, 2017 to September 08, 2022; fixed interest rate of 1.73%; interest is paid monthly and principal is repaid at maturity.	345,000	285,000
Taishin Bank	Loan limit: $1,373,000 thousand; period: March 29, 2019 to March 29, 2024; fixed interest rate of 1.73%; interest is paid monthly and principal is repaid at maturity.	748,000	-
Taishin Bank	Loan limit: $300,000 thousand; period: December 25, 2019 to December 25, 2022; fixed interest rate of 1.05%; interest is paid monthly and principal is repaid at maturity.	200,000	-

(Continued)

	Content of Borrowings	December 31 2019	2018
DBS	Loan limit: $150,000 thousand; period: March 23, 2018 to March 23, 2020; fixed interest rate of 1.25%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in February 2019.	$ -	$ 150,000
DBS	Loan limit: US$400,000 thousand (equal to $1,200,000 thousand New Taiwan dollars); period: January 02, 2019 to January 02, 2021; floating interest rate of 1.14%; interest is paid monthly and principal is repaid at maturity.	400,000	-
TC Bank	Loan limit: $200,000 thousand; period: June 21, 2018 to June 21, 2020; fixed interest rate of 1.25%; interest is paid monthly and principal is repaid at maturity. The Group repaid all the debts in June 2019.	-	200,000
Mega Bank	Loan limit: $250,000 thousand; period: August 13, 2018 to August 13, 2021; floating interest rate of 1.20%; interest is paid monthly and principal is repaid at maturity.	200,000	200,000
Shin Kong Bank	Loan limit: $200,000 thousand; period: November 21, 2018 to November 20, 2021; fixed interest rate of 1.15%; interest is paid monthly and principal is repaid at maturity.	200,000	200,000
Shanghai Pudon Development Bank	Loan limit: RMB600,000 thousand; period: December 26, 2018 to December 25, 2023; fixed interest rate of 5.70%; interest is paid quarterly and principal is repaid semi-annually per agreement.	1,506,112	87,204
Shanghai Commercial and Savings Bank	Loan limit: $400,000 thousand; period: December 08, 2018 to December 08, 2021; fixed interest rate of 1.20%; interest is paid monthly and principal is repaid at maturity.	200,000	-
First Bank	Loan limit:$100,000 thousand; period: April 10, 2019 to April 10, 2021; fixed interest rate of 1.16%; interest is paid monthly and principal is repaid at maturity.	100,000	-
Total long-term borrowings		$ 6,899,112	$ 5,379,160

(Concluded)

Refer to Note 37 for the details of assets pledged as collaterals for long-term borrowings.

20. BONDS PAYABLE

	December 31 2019	2018
Domestic unsecured bonds	$ 5,300,000	$ 5,900,000
Less: Current portion	-	(1,500,000)
	$ 5,300,000	$ 4,400,000

The major terms of domestic unsecured bonds were 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.
May 2018 to May 2021	700,000	0.92%	Principal is repaid at maturity. Interest is paid annually.
May 2018 to May 2023	1,900,000	1.07%	Principal is repaid at maturity. Interest is paid annually.
July 2018 to July 2023	1,800,000	1.05%	Principal is repaid at maturity. Interest is paid annually.
November 2019 to November 2029	900,000	1.25%	Principal is repaid at maturity. Interest is paid annually.

Domestic unsecured bonds issued in June 2014, totaling $3,000,000 thousand, were repaid by $1,500,000 thousand and $1,500,000 thousand in June, 2018 and June, 2019, respectively.

21. TRADE PAYABLES

	December 31	
	2019	2018
Construction payables	$ 379,619	$ 766,021

22. CONTRACT LIABILITIES & UNEARNED REVENUE

	December 31	
	2019	2018
Contract liabilities		
Advance receipts from real estate transactions	$ 284,387	$ 694,468

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

23. OTHER LIABILITIES

	December 31 2019	December 31 2018
Current		
Other payables	$ 2,618,266	$ 2,219,129
Other liabilities	119,104	206,156
	$ 2,737,370	$ 2,425,285
Non-current		
Other liabilities	$ 653,501	$ 514,141

a. Other payables were as follows:

	December 31 2019	December 31 2018
Other payables - expenses		
Payables for performance bonus and salaries	$ 1,606,694	$ 1,365,002
Payables for annual leave	125,095	106,632
Advertisement payable	107,856	68,671
Payables for labor and health insurance	85,944	63,431
Interest payables	29,053	39,518
Payables for employees bonuses and compensation to directors	20,733	25,014
Payables for professional fees	14,780	14,407
Others	180,333	156,708
	$ 2,170,488	$ 1,839,383
Other payables - others		
Receipts under custody from real estate transactions	$ 348,256	$ 288,151
Other receipts under custody	53,733	45,661
Receipts under custody - escrow service	1	4
	$ 401,990	$ 333,816
Other payables to related parties		
Financing from related parties		
Loan from related parties	$ 37,023	$ 38,459
Interest payable	7,429	6,828
Others	1,336	643
	$ 45,788	$ 45,930

1) Employees and senior management who meet the performance standards under the bonus rules are eligible for performance bonuses. Performance bonuses to be paid one year later are recorded as other liabilities - others.

2) Loans from related parties were accounted for other payables to related parties with nil interest rates for the years ended December 31, 2019 and 2018.

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

4) 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	
	2019	**2018**
Receipts under custody - escrow service	$ 11,565,378	$ 7,747,371
Interest payables	1,721	1,615
Deposit accounts	(11,567,098)	(7,748,982)
	$ 1	$ 4

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, 2019 and 2018.

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.

b. Other current liabilities were as follows:

	December 31	
	2019	**2018**
Current		
VAT payable and other tax payable	$ 37,203	$ 143,441
Refund liability	50,785	43,668
Others	31,116	19,047
	$ 119,104	$ 206,156
Non-current		
Long-term bonus payable	$ 652,230	$ 513,806
Refund liability	1,271	335
	$ 653,501	$ 514,141

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

24. PROVISIONS

	December 31	
	2019	2018
Operating loss provisions	$ 9,374	$ 6,322

	For the Year Ended December 31	
	2019	2018
Balance at January 1, 2019	$ 6,322	$ 56,676
Additional provisions recognized	3,052	75,938
Usage	-	(126,292)
Balance at December 31, 2019	$ 9,374	$ 6,322

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 (LPA) is a defined contribution plan. Based on the LPA, the Company, An-Sin, An-Shin, Global, Sinyi Development, Heng-Yi, Yowoo Technology, Tokyo Sinyi, Sinyi Consulting and Lian Yue Traffic 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, Sinyi Real Estate and Jui-Inn 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, An-Sin, Global, and Sinyi Consulting 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, An-Sin, Global and Sinyi Consulting 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	
	2019	**2018**
Present value of defined benefit obligation	$ 736,259	$ 681,028
Fair value of plan assets	(578,853)	(566,166)
Deficit	157,406	114,862
Net defined benefit liability	$ 157,406	$ 114,862

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 (Asset) Liability**
Balance at January 1, 2018	$ 599,807	$ (526,987)	$ 72,820
Service cost			
Current service cost	3,871	-	3,871
Past service cost	434	-	434
Net interest expense (income)	8,234	(7,304)	930
Recognized in profit or loss	12,539	(7,304)	5,235
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(14,351)	(14,351)
Actuarial loss - changes in demographic assumptions	9,008	-	9,008
Actuarial loss - changes in financial assumptions	10,337	-	10,337
Actuarial loss - experience adjustments	31,779	-	31,779
Recognized in other comprehensive income	51,124	(14,351)	36,773
Contributions from the employer	-	(12,543)	(12,543)
Benefits paid	(3,766)	3,766	-
Increase from business combinations	21,324	(8,747)	12,577
Balance at December 31, 2018	681,028	(566,166)	114,862
Service cost			
Current service cost	4,719	-	4,719
Past service cost	289	-	289
Net interest expense (income)	8,644	(7,202)	1,442
Recognized in profit or loss	13,652	(7,202)	6,450
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(18,321)	(18,321)
Actuarial loss - changes in demographic assumptions	7,538	-	7,538
Actuarial loss - changes in financial assumptions	43,769	-	43,769
Actuarial loss - experience adjustments	20,302	-	20,302
Recognized in other comprehensive income	71,609	(18,321)	53,288
Contributions from the employer	-	(14,109)	(14,109)
Benefits paid	(30,030)	26,945	(3,085)
Balance at December 31, 2019	$ 736,259	$ (578,853)	$ 157,406

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

	For the Year Ended December 31	
	2019	2018
Operating costs	$ 4,426	$ 4,567
Management expenses	2,024	668
	$ 6,450	$ 5,235

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	
	2019	2018
Discount rates	0.75%	1.125%-1.250%
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	
	2019	2018
Discount rates		
0.25% increase	$ (22,444)	$ (20,741)
0.25% decrease	$ 23,371	$ 21,620
Expected rates of salary increase		
0.25% increase	$ 22,479	$ 20,893
0.25% decrease	$ (21,712)	$ (20,155)

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	
	2019	2018
The expected contributions to the plan for the next year	$9,848	$13,192
The average duration of the defined benefit obligation	10.19-12.42 years	11.53-12.81 years

26. EQUITY

Share Capital

	December 31	
	2019	2018
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)	736,847	736,847
Share capital issued	$ 7,368,465	$ 7,368,465

The Company had increased capital by allocating the undistributed earnings of $853,465 thousand in June 2018. As such, as of December 31, 2018 the Company's shares increased to $7,368,465 thousand with 736,847 thousand ordinary shares at $10 per share.

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

Capital Surplus

	December 31	
	2019	2018
May not be used for any purpose		
Employee share options	$ 63,896	$ 63,896
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Disposal of ownership interests in subsidiaries	-	632
	$ 63,896	$ 64,528

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of ordinary common 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. Under the dividend policy as set forth in the amended Articles, where the Company has earning upon settlement for a fiscal year, after taxes are paid by law and accumulated deficits are set off, ten percent shall be appropriated as legal earning reserves; however, if the amount of the legal earning reserves has attained the amount of paid-in capital of the Company, no further appropriation shall be made. The remainder shall be appropriated or reversed as special earning reserves. If there still has balance, considering together with accumulated undistributed earnings, the board of directors shall prepare the proposal for earning distribution, which shall be submitted to the shareholders' meeting for a resolution of distribution of dividends and bonuses to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, please refer to Employee benefits expense in Note 28 (Employees' Compensation and Remuneration of Directors).

b. In addition, according to the revised Article of Incorporation of the Company, the dividend policy of the Company is to deliberately distribute dividends, in light of the present and future development plan, taking into consideration the investment environment, fund demands, and domestic competition status, as well as factors of interests of shareholders. 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.

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

d. The appropriations of earnings for 2018 and 2017 which had been approved in the shareholders' meeting held on May 24, 2019 and May 23, 2018, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2018	**2017**	**2018**	**2017**
Legal reserve	$ 150,458	$ 280,282	$ -	$ -
Special reserve	199,606	40,830	-	-
Cash dividends	957,900	1,628,750	1.30	2.50
Share dividends	-	853,465	-	1.31

e. The appropriations of earnings for 2019 had been proposed by the Company's board of directors on February 27, 2020. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 121,670	$ -
Special reserve	346,879	-
Cash dividends	884,216	1.2

The appropriations of earnings for 2019 are subject to the resolution of the shareholders' meeting to be held on May 22, 2020.

Other Equity Items

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 on financial assets at fair value through other comprehensive income

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

Non-controlling Interests

	For the Year Ended December 31	
	2019	**2018**
Balance at beginning of year	$ 99,153	$ 131,332
Attributed to non-controlling interests:		
Net income (loss)	13,271	(13,664)
Exchange differences on translating the financial statements of foreign operations	1	(85)
Remeasurement on defined benefit plans	(206)	(400)
Related income tax	41	93
Payment of cash dividends to non-controlling interests	-	(22,491)
Disposal of the partial subsidiary interest	-	4,368
Acquisition of non-controlling interests in subsidiaries	(599)	-
Balance at end of year	$ 111,661	$ 99,153

27. REVENUE

a. Disaggregation of revenue

Refer to Note 42 for information about disaggregation of revenue.

b. Balance of contract

Total amount of the Group's contract liabilities is from the sale of real estate. The amount of deposit and installment which are collected before the criteria of recognition of sales revenue are recorded as contract liabilities-current in the consolidation balance sheets. Please refer to Note 22.

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consisted of the following:

Interest Income

	For the Year Ended December 31	
	2019	**2018**
Interest income		
Cash in bank	$ 68,664	$ 14,328
Others	2,297	705
	$ 70,961	$ 15,033

Other Gains and Losses

	For the Year Ended December 31	
	2019	**2018**
Impairment loss of investment properties	$ (18,865)	$ (3,103)
Gains on disposal of investments	-	1,321
Gains on financial assets mandatorily classified as at FVTPL	66,009	134,826
Losses on disposal of property, plant and equipment	(261)	(3,540)
Gains (losses) on disposal of investment properties	7,961	(3,901)
Net foreign exchange gains (losses)	3,514	(5,755)
Share of gains (losses) on associates and joint venture	1,525	(992)
Impairment loss of goodwill	(10,513)	-
Others	42,273	26,717
	$ 91,643	$ 145,573

Finance Costs

	For the Year Ended December 31	
	2019	**2018**
Interest on bank loans	$ 124,506	$ 113,827
Interest on unsecured bonds payable	57,483	59,351
Interest on back tax from administrative remedies	-	1,892
Interest on lease liabilities	71,361	-
Others	17	17
	253,367	175,087
Deduct: Amounts included in the cost of qualifying asset (inventory-properties under development)	(70,185)	(62,864)
	$ 183,182	$ 112,223

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2019	**2018**
Interest capitalization rate	1.59%-5.70%	1.59%-3.80%

Depreciation and Amortization

	For the Year Ended December 31	
	2019	2018
Property, plant and equipment	$ 101,959	$ 116,075
Investment property	8,140	8,463
Intangible assets	30,875	32,632
Right-of-use assets	545,943	-
	$ 686,917	$ 157,170
An analysis of depreciation by function		
Inventory	$ 42	$ 665
Operating costs	577,322	73,851
Management expenses	70,538	41,559
Other losses	8,140	8,463
	$ 656,042	$ 124,538
An analysis of amortization by function		
Inventory	$ 718	$ 1,912
Operating costs	1,162	1,237
Management expenses	28,995	29,483
	$ 30,875	$ 32,632

Operating Expenses Directly Related to Investment Properties

	For the Year Ended December 31	
	2019	2018
Direct operating expenses from investment property		
That generated rental income	$ 23,285	$ 23,445
That did not generate rental income	65	42
	$ 23,350	$ 23,487

Employee Benefits Expense

	For the Year Ended December 31	
	2019	2018
Salary expense	$ 5,994,205	$ 5,147,661
Labor and health insurance expense	390,327	329,525
	6,384,532	5,477,186
Post-employment benefits		
Defined contribution plans	213,767	190,184
Defined benefit plans (Note 25)	6,450	5,235
	220,217	195,419
Other employee benefits	210,304	178,339
Total employee benefits expense	$ 6,815,053	$ 5,850,944

(Continued)

	For the Year Ended December 31	
	2019	2018
An analysis of employee benefits expense by function		
Inventory	$ 17,149	$ 11,050
Operating costs	5,910,521	5,096,929
Management expenses	887,383	742,965
	$ 6,815,053	$ 5,850,944

(Concluded)

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, 2019 and 2018 which have been approved by the Group's board of directors on February 27, 2020 and February 25, 2019, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees' compensation	1%	1%
Remuneration of directors	0.241%	0.191%

Amount

	For the Year Ended December 31	
	2019	2018
	Cash	Cash
Employees' compensation	$ 16,258	$ 20,476
Remuneration of directors	3,923	3,909

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.

There is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2018 and 2017.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

Impairment Loss Recognized on Non-financial Assets

	For the Year Ended December 31	
	2019	2018
Goodwill (included in other operating income and expenses, net)	$ 10,513	$ -
Investment property (included in other operating income and expenses, net)	$ 18,865	$ 3,103
Inventories (included operating cost)	$ 18,843	$ -

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	$ 732,096	$ 905,187
Income tax expense of unappropriated earnings	6,614	539
Land value increment tax	197,386	458,295
In respect of the prior years	983	3,345
Deferred tax		
In respect of the current year	(156,598)	(34,838)
Adjustments to deferred tax attributable to changes in tax rates	-	(3,899)
Income tax expense recognized in profit or loss	$ 780,481	$ 1,328,629

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

	For the Year Ended December 31	
	2019	2018
Profit before tax from continuing operations	$ 2,056,686	$ 2,819,552
Income tax expense calculated at the statutory rate (20%)	$ 411,337	$ 563,910
Nondeductible expenses in determining taxable income	75,952	5,485
Deductible expenses in determining taxable income	(39,241)	(77,554)
Tax-exempt income	(2,042)	(5,115)
Additional income tax on unappropriated earnings	6,614	539
Land value increment tax	197,386	458,295
Unrecognized deductible temporary differences	69,949	244,488
Loss carryforwards unrecognized in current period	34,730	42,730
Changes in tax rate	-	773
Effect of different tax rates of the Group operating in other jurisdictions	24,813	91,733
Adjustments for prior years' tax	983	3,345
Income tax expense recognized in profit or loss	$ 780,481	$ 1,328,629

The Income Tax Act in the ROC was amended in 2018, and the corporate income tax rate was adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to the 2018 unappropriated earnings was reduced from 10% to 5%.

In July 2019, the President of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. The Company has already deducted the amount of capital expenditure from the unappropriated earnings in 2018 that was reinvested when calculating the tax on unappropriated earnings for the year ended December 2019.

b. Income tax benefit recognized in other comprehensive income

	For the Year Ended December 31	
	2019	2018
Deferred tax		
In respect of the current year		
Remeasurement on defined benefit plan	$ 10,658	$ 7,355
Changes in tax rate	-	4,723
	$ 10,658	$ 12,078

c. Current tax assets and liabilities

	December 31	
	2019	2018
Current tax assets		
Tax refund receivables	$ 23,501	$ 64,742
Current tax liabilities		
Income tax payables	$ 137,842	$ 440,168
Land value tax payables	803,455	713,828
	$ 941,277	$ 1,153,996

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for impairment loss	$ 1,265	$ 32	$ -	$ -	$ 1,297
Provisions	8,804	2,262	-	-	11,066
Loss carryforwards	48,465	8,381	-	(687)	56,159
Defined benefit obligation	501	49	617	-	1,167
Right-of-use assets	-	3,793	-	-	3,793
Deferred revenue	-	114,127	-	(4,262)	109,865
Others	23,628	5,762	-	(203)	29,187
	$ 82,663	$ 134,406	$ 617	$ (5,152)	$ 212,534

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Defined benefit obligation	$ 9,997	$ 1,716	$ (10,041)	$ 1,672
Other	23,908	(23,908)	-	-
	$ 33,905	$ (22,192)	$ (10,041)	$ 1,672

For the year ended December 31, 2018

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for impairment loss	$ 708	$ 557	$ -	$ 1,265
Provisions	15,850	(7,046)	-	8,804
Loss carryforwards	8,930	39,535	-	48,465
Defined benefit obligation	313	379	(191)	501
Others	9,675	13,953	-	23,628
	$ 35,476	$ 47,378	$ (191)	$ 82,663
Deferred tax liabilities				
Temporary differences				
Defined benefit obligation	$ 13,377	$ (15,267)	$ 11,887	$ 9,997
Subsidiary undistributed retained earnings	-	23,908	-	23,908
	$ 13,377	$ 8,641	$ 11,887	$ 33,905

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

	December 31	
	2019	**2018**
Loss carryforwards		
Expire in 2019	$ -	$ 77,604
Expire in 2020	54,711	57,723
Expire in 2021	20,014	28,639
Expire in 2022	148,439	174,022
Expire in 2023	119,413	172,390
Expire in 2024	106,048	5,558
Expire in 2025	6,486	6,486
Expire in 2026	17,053	17,053
Expire in 2027	38,469	38,469
Expire in 2028	47,184	47,186
Expire in 2029	48,036	-
	$ 605,853	$ 625,130

f. Information about unused loss carryforward

Loss carryforwards as of December 31, 2019 comprised of:

Unused Amount	Expiry Year
$ 54,711	2020
20,014	2021
152,538	2022
149,654	2023
149,152	2024
31,020	2025
23,563	2026
40,405	2027
146,989	2028
100,890	2029
$ 868,936	

g. Income tax assessments

The Company’s tax returns through 2017 have been assessed by the tax authorities.

Sinyi Global, Heng-Yi, Tokyo Sinyi, Taiwan Sinyi Development, Yowoo Technology, Sinyi Culture, An-Sin, An-Shin, Da-Chia Construction, Sinyi Real Estate, Sinyi Consulting and Lian Yue Traffic’s tax returns through 2017 had been assessed by the tax authorities. Jui-Inn’s tax returns through 2016 had been assessed by the tax authorities.

30. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2019	**2018**
Basic EPS	$ 1.71	$ 2.04
Diluted EPS	$ 1.71	$ 2.04

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

Net Profit for the Year

	For the Year Ended December 31	
	2019	**2018**
Profit for the year attributable to owners of the Company	$ 1,262,934	$ 1,504,587

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

	For the Year Ended December 31	
	2019	**2018**
Weighted average number of ordinary shares in computation of basic earnings per share	736,847	736,847
Effect of dilutive potential ordinary shares		
Bonus issue to employee	772	1,071
Weighted average number of ordinary shares used in the computation of diluted earnings per share	737,619	737,918

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.

31. BUSINESS COMBINATIONS

a. Acquiring additional ownership of subsidiaries

The ownership of Heng-Yi which the Group holds reaches to 100% through its acquiring additional 25% of the shares of Heng-Yi in March 2019. Please refer to Note 12.

	Heg-Yi
Cash consideration paid	$ (5,000)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	599
Differences recognized from equity transactions	$ (4,401)

Line items adjusted for equity transactions

Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ (632)
Retained earnings	(3,769)
	$ (4,401)

b. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Sinyi Real Estate Consulting Limited	Production of instructions of real estate	June 15, 2018	100	$ 8,000
Lian Yue Traffic Inc.	Manpower dispatch and goods delivery	November 18, 2019	100	$ 5,500

The Group acquired Sinyi Consulting and Lian Yue Traffic to pursue the development of business and to integrate the resource of the Group. All transfer consideration were paid by cash.

The Group's acquisition of Sinyi Consulting had been measured after acquired the official purchase price allocation report during the post measurement period. The Group recognizes the excess amount between the purchase price paid and the fair value of net assets acquired as goodwill.

The Group temporarily recorded the acquired assets and liabilities without purchase price allocation report as of the December 31, 2019 and measured them in the subsequent measurement period after acquiring purchase price allocation report.

1) Assets acquired and liabilities assumed at the date of acquisition

	Sinyi Real Estate Consulting Limited	Lian Yue Traffic
Current assets		
Cash and cash equivalents	$ 12,740	$ 36
Trade receivables	10,730	-
Trade and other receivables	216	-
Other current assets	26	12
Non-current assets		
Property, plant and equipment	1,437	-
Intangible assets	1,258	-
Refundable deposits	3	-
Deferred tax assets	390	-
Current liabilities		
Trade and other payables	(16,448)	-
Other current liabilities	(289)	-
Non-current liabilities		
Net defined benefit liabilities (Note)	(12,576)	-
Fair value of net assets acquired	$ (2,513)	$ 48

Note: The Group acquired Sinyi Consulting based on IFRSs, so the net defined benefit liabilities of Sinyi Consulting were remeasured.

2) Goodwill recognized on acquisitions

	Sinyi Real Estate Consulting Limited	Lian Yue Traffic
Consideration transferred	$ 8,000	$ 5,500
Less: Fair value of identifiable net assets acquired	(2,513)	48
Goodwill recognized on acquisitions	$ 10,513	$ 5,452

The total amount of acquired goodwill is expected to be not tax-deductible.

3) Net cash (outflow) inflow on the acquisition of subsidiaries

	Sinyi Real Estate Consulting Limited	Lian Yue Traffic
Consideration paid in cash	$ (8,000)	$ (5,500)
Less: Cash and cash equivalent balances acquired	12,740	36
	$ 4,740	$ (5,464)

4) Impact of acquisitions on the results of the Group

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

	Lian Yue Traffic
Revenue	$ 3,586
(Loss)	$ (114)

32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On February and March 2018, the Group disposed of 25% of its interest in Heng-Yi, reducing its continuing interest from 100% to 75%. The above transactions were accounted for as equity transactions, since the Group did not cease to have control over the subsidiary.

	Amount
Cash consideration received	$ 5,000
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(4,368)
Differences recognized from equity transactions	$ 632

Line items adjusted for equity transactions

Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ 632

33. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2019

	Opening Balance	Cash Flows	Non-cash Changes		Cash Flow from Operating Activities	Closing Balance
			New Leases	Other		
Short-term borrowings	$ 748,000	$ (748,000)	$ -	$ -	$ -	$ -
Bonds payable (including current portion)	5,900,000	(600,000)	-	-	-	5,300,000
Long-term borrowings (including current portion)	5,379,160	1,578,241	-	(58,289)	-	6,899,112
Guarantee deposits received	43,028	(7,838)	-	-	-	35,190
Lease liabilities (Note 3)	3,368,480	(520,065)	458,963	47,508	(71,361)	3,283,525
	$ 15,438,668	$ (297,662)	$ 458,963	$ (10,781)	$ (71,361)	$ 15,517,827

For the year ended December 31, 2018

	Opening Balance	Cash Flows	Non-cash Changes: Changes of Exchange Rate	Closing Balance
Short-term borrowings	$ 1,608,000	$ (860,000)	$ -	$ 748,000
Bonds payable (including current portion)	3,000,000	2,900,000	-	5,900,000
Long-term borrowings (including current portion)	6,900,616	(1,551,650)	30,194	5,379,160
Guarantee deposits received	42,615	413	-	43,028
	$ 11,551,231	$ 488,763	$ 30,194	$ 12,070,188

34. 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.

35. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

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

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

December 31, 2019

	Carrying Amount	Fair Value Hierarchy			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost - bonds payable	$ 5,300,000	$ -	$ 5,314,254	$ -	$ 5,314,254

December 31, 2018

	Carrying Amount	Fair Value Hierarchy			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities measured at amortized cost - bonds payable	$ 5,900,000	$ -	$ 5,912,939	$ -	$ 5,912,939

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

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

1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed shares - equity investments	$ 6,513	$ -	$ -	$ 6,513
Mutual funds	53,467	-	-	53,467
Structured financial products	-	14,653	-	14,653
	$ 59,980	$ 14,653	$ -	$ 74,633
Financial assets at FVTOCI				
Domestic listed shares - equity investments	$ 383,088	$ -	$ -	$ 383,088
Domestic unlisted shares - equity investments	-	-	95,532	95,532
Foreign listed shares - equity investments	616,291	-	-	616,291
Foreign unlisted shares - equity investments	-	-	254,426	254,426
	$ 999,379	$ -	$ 349,958	$ 1,349,337

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading				
Domestic listed shares - equity investments	$ 7,590	$ -	$ -	$ 7,590
Mutual funds	48,308	-	-	48,308
Structured financial products	-	4,646,837	-	4,646,837
	$ 55,898	$ 4,646,837	$ -	$ 4,702,735
Financial assets at FVTOCI				
Domestic listed shares - equity investments	$ 257,668	$ -	$ -	$ 257,668
Domestic unlisted shares - equity investments	-	-	88,583	88,583
Foreign listed shares - equity investments	527,703	-	-	527,703
Foreign unlisted shares - equity investments	-	-	304,544	304,544
	$ 785,371	$ -	$ 393,127	$ 1,178,498

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

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

For the year December 31, 2019

	Financial Assets at Fair Value Through Other Comprehensive Income
	Equity Instruments
Balance at January 1, 2019	$ 393,127
Addition	4,500
Recognized in other comprehensive income	(37,799)
Effect of exchange rate changes	(9,870)
Balance at December 31, 2019	$ 349,958

For the year December 31, 2018

	Financial Assets at Fair Value Through Other Comprehensive Income
	Equity Instruments
Balance at January 1, 2018	$ 260,639
Addition	48,774
Recognized in other comprehensive income	89,949
Effect of exchange rate changes	(6,235)
Balance at December 31, 2018	$ 393,127

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

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

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

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

For fair value measurements categorized within Level 3 of the fair value hierarchy as derivatives and investments in equity instruments, the lack of quoted prices in an active market categorized the financial assets into Level 3 of which fair values are based on valuations provided by market participants or quoted prices of the counterparty. Quantitative information is not disclosed since the relationship between significant unobservable inputs and the fair value cannot be fully controlled.

Categories of Financial Instruments

	December 31	
	2019	**2018**
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	$ 74,633	$ 4,702,735
Financial assets at amortized cost (Note 1)	8,962,836	5,876,463
Financial assets at FVTOCI	1,349,337	1,178,498
<u>Financial liabilities</u>		
Financial assets at amortized cost (Note 2)	15,232,506	15,570,122

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

Note 2: The balance included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, trade payables, other payables, bonds payable, long-term borrowings (including current portion of long-term borrowings and bonds payable) and guarantee deposits received.

Financial Risk Management Objectives and Policies

The Group's major financial instruments included equity, mutual funds, trade receivables, other payables, bonds payable, borrowings and lease liabilities. 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, interest rate risk and other price 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 40.

Foreign currency sensitivity analysis

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

	For the Year Ended December 31							
	2019				2018			
	RMB	JPY	USD	MYR	RMB	JPY	USD	MYR
Equity	$ 40,854	$ 2,977	$ 120	$ 437	$ 3,439	$ 2,680	$ 288	$ 149
Profit or loss	21	-	1,454	327	18	-	9,007	-

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	
	2019	2018
Fair value interest rate risk		
Financial assets	$ 5,292,138	$ 916,210
Financial liabilities	13,219,660	11,627,160
Cash flow interest rate risk		
Financial assets	40,153	4,670,837
Financial liabilities	2,300,000	400,000

Interest rate sensitivity analysis

The Group was exposed to cash flow interest rate risk in relation to floating rate financial assets or liabilities, and the financial assets, short-term and long-term borrowings will be affected by the changes in market interest rate accordingly. If the market interest rate increased/decreased by 1%, the Group's cash outflow will increase/decrease by $22,598 thousand and $42,708 thousand for the years ended December 31, 2019 and 2018, respectively.

3) Other price risk

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2019 and 2018 would have increased/decreased by $600 thousand and $559 thousand, respectively as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2019 and 2018 would have increased/decreased by $13,493 thousand and $11,785 thousand, respectively as a result of the changes in fair value of financial assets at FVTOCI.

b. Credit risk

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

Business related credit risk

The Group is mainly engaged in the operation of real-estate brokerage business and the customers of the Group are the people who buy and sell houses. 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, 2019 and 2018, the Group had available unutilized bank loan facilities as follows:

	December 31	
	2019	**2018**
Unsecured bank overdraft facility, reviewed annually and payable on call:		
Amount used	$ 2,600,000	$ 2,444,160
Amount unused	4,680,000	6,380,770
	$ 7,280,000	$ 8,824,930
Secured bank overdraft facility:		
Amount used	$ 4,299,112	$ 3,683,000
Amount unused	5,876,888	3,315,000
	$ 10,176,000	$ 6,998,000

Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group’s remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2019

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years	5+ Years
Non-interest bearing	$ 319	$ 2,997,885	$ 35,190	$ -
Lease liabilities	49,503	543,547	2,059,945	934,454
Variable interest rate liabilities	-	-	2,300,000	-
Fixed interest rate liabilities	-	25,295	8,973,817	900,000
	$ 49,822	$ 3,566,727	$ 13,368,952	$ 1,834,454

Additional information about the maturity analysis for lease liabilities:

	On Demand or Less than 1 Month	1 Month to 1 Year	1-5 Years	5-10 Years	10-20 Years
Lease liabilities	$ 49,503	$ 543,547	$ 2,059,945	$ 926,076	$ 8,378

December 31, 2018

	On Demand or Less than 1 Month	1 Months to 1 Year	1-5 Years
Non-interest bearing	$ 643	$ 2,985,150	$ 43,028
Variable interest rate liabilities	-	-	400,000
Fixed interest rate liabilities	-	1,500,000	9,379,160
	$ 643	$ 4,485,150	$ 9,822,188

36. TRANSACTIONS WITH RELATED PARTIES

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

Related Parties and Relationship

Related Party	Relationship with the Group
Sinyi Real Estate Consulting Limited	Related party in substance (Note)
Sinyi Land Administration Agent Joint Office	Related party in substance
H&B Business Co., Ltd.	Related party in substance
Sinyi Cultural Foundation	Related party in substance
Yu-Hao Co., Ltd.	Corporate shareholder (direct investment using the equity method)
Sinyi Co., Ltd.	Corporate shareholder (direct investment using the equity method)
Yu-Heng Co., Ltd.	Corporate shareholder (indirect investment using the equity method)
Chou Wang Mei-Wen	Director of the Company
Beijing Sinyi Guaranty Co.	Related party in substance
Global Real Estate Appraisal Office	Related party in substance
Ken Investment Co., Ltd.	Related party in substance
Sin-Heng Limited.	Related party in substance
Sinyi Public Welfare Foundation	Related party in substance
Sinyi Real Estate Appraisal Office	Related party in substance
Sinyi Interior Design Co., Ltd.	Associate
Prospect Hospitality Co., Ltd.	The Company’s director is its director

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

Operating Revenue

	For the Year Ended December 31	
	2019	2018
Service revenue		
The Company’s director is its director	$ 7,589	$ -

Trade Receivables - Related parties

	December 31	
	2019	2018
The Company’s director is its director	$ 426	$ -

Other Payables to Related Parties

	December 31	
	2019	2018
Other related parties - related parties in substance	$ 45,788	$ 45,930

Parts of other payables to related parties were financing. Information on the financing for the years ended December 31, 2019 and 2018 were as follows:

	For the Year Ended December 31, 2019				
	Highest Balance During the Period	**Amount**	**Interest Rate**	**Interest Expense**	**Interest Payable**
Other related parties - related parties in substance	$ 39,388	$ 37,023	-	$ -	$ 7,429

	For the Year Ended December 31, 2018				
	Highest Balance During the Period	**Amount**	**Interest Rate**	**Interest Expense**	**Interest Payable**
Other related parties - related parties in substance	$ 39,964	$ 38,459	-	$ -	$ 6,828

The financing above were unsecured.

Compensation of Key Management Personnel

	For the Year Ended December 31	
	2019	**2018**
Short-term employee benefits	$ 133,805	$ 120,200
Other long-term employee benefits	12,127	11,193
	$ 145,932	$ 131,393

Other long-term employee 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

	For the Year Ended December 31	
	2019	**2018**
Other related parties		
Related parties in substance	$ 7,388	$ 9,485
Corporate shareholder (direct investment using the equity method)	114	114
Corporate shareholder (indirect investment using the equity method)	57	57
Associates	34	34
	$ 7,593	$ 9,690

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

	For the Year Ended December 31	
	2019	2018
Other related parties		
Related parties in substance	$ 1,012	$ 1,626

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

c. Professional fees

	For the Year Ended December 31	
	2019	2018
Other related parties		
Related parties in substance		
Sinyi Real Estate Consulting Limited	$ -	$ 55,103
Others	10,719	7,865
	$ 10,719	$ 62,968

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

d. Lease agreement

	For the Year Ended December 31	
	2019	2018
Lease liabilities - related parties in substance	$ 25,659	$ -

	December 31	
	2019	2018
Interest expense		
Related parties in substance	$ 392	$ -
Rental expense		
Related parties in substance	$ -	$ 7,673

As of December 31, 2018, the minimum lease payment for the Group's operating leases for related parties is $35,489 thousand.

e. Other receivables

	December 31	
	2019	2018
Other related parties		
Related parties in substance	$ 1,285	$ 1,269

Property Transactions

The Group acquired 100% equity of Sinyi Real Estate Consulting Limited from Sinyi Co., Ltd. and Yu-Heng Co., Ltd. with an amount of $8,000 thousand in June 2018. The price was based on the Company’s net value on the trading day. Refer to Note 31 for the details.

37. 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	
	2019	2018
Property, plant and equipment (including investment properties)		
Land	$ 4,191,664	$ 4,241,789
Building	416,351	456,691
Other financial assets - current		
Pledged time deposits and demand deposits	7,153	7,236
Restricted bank deposits	110,326	-
Inventories	9,500,034	8,570,743
	$ 14,225,528	$ 13,276,459

Restricted bank deposits are offshore funds in the segregated foreign exchange deposit account which were repatriated by the Group in accordance with The Management Utilization, and Taxation of Repatriated Offshore Funds Act.

38. 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 (Hong Kong) and Kunshan Dingxian Trading in obtaining financing limit of $1,169,200 thousand and $18,262 thousand, respectively. Refer to Note 41, Table 2 for the details.

d. As of December 31, 2019, the Group had signed construction contracts but not yet paid for $1,637,531 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 $19,502 thousand as of December 31, 2019. 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.

39. 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.

40. 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, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial assets			
Monetary items			
RMB	$ 1,429,607	4.305	$ 6,154,458
JPY	2,281,500	0.2760	629,694
USD	5,571	29.980	167,011
MYR	10,921	7.330	80,050
Non-monetary items			
RMB	68,582	4.305	295,244
JPY	2,138,132	0.2760	590,124
USD	14	29.980	431
Financial liabilities			
Monetary items			
RMB	480,121	4.305	2,066,920
JPY	1,202,752	0.2760	331,960
USD	322	29.980	9,653
MYR	507	7.330	3,718

December 31, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars (In Thousands)
Financial assets			
Monetary items			
RMB	$ 357,687	4.472	$ 1,599,574
JPY	1,854,823	0.2782	516,012
USD	30,269	30.715	929,726
MYR	2,328	7.112	16,559
Non-monetary items			
RMB	1,104,186	4.472	4,937,920
JPY	1,896,849	0.2782	527,703
USD	44	30.715	1,351
Financial liabilities			
Monetary items			
RMB	280,389	4.472	1,253,900
JPY	891,390	0.2782	247,985
MYR	235	7.112	1,674

The Group is mainly exposed to foreign currency risk from USD, RMB, JPY and MYR. The following information was aggregated by the functional currencies of the Group and the exchange rates between respective functional currencies and the presentation currency were disclosed. The realized and unrealized foreign exchange gains (losses) for the years ended December 31, 2019 and 2018, respectively, were as follows:

	For the Year Ended December 31			
	2019		2018	
Functional Currencies	Exchange Rate	Net Foreign Exchange (Loss) Gain	Exchange Rate	Net Foreign Exchange (Loss) Gain
NTD	1 (NTD:NTD)	$ 4,024	1 (NTD:NTD)	$ 3,274
USD	30.912 (USD:NTD)	367	30.149 (USD:NTD)	(508)
RMB	4.472 (RMB:NTD)	(37)	4.560 (RMB:NTD)	(8,249)
JPY	0.2837 (JPY:NTD)	22	0.2730 (JPY:NTD)	64
MYR	7.455 (MYR:NTD)	(256)	7.198 (MYR:NTD)	(343)
HKD	3.945 (HKD:NTD)	(606)	3.846 (HKD:NTD)	7
		$ 3,514		$ (5,755)

41. 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: None

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 6 (see the attached)

i. Information about derivative instruments: 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 party, and their prices, payment terms, and unrealized gains or losses:

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

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

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

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

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

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

42. 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, 2019 and 2018:

	Real Estate Brokerage			Real Estate Lease Construction and Development				
	Taiwan	Mainland China and Others	Total	Taiwan	Mainland China and Others	Total	Elimination	Consolidated
For the year ended December 31, 2019								
Revenues from external customers	$ 9,860,389	$ 922,372	$ 10,782,761	$ 183,828	$ 1,554,300	$ 1,738,128	$ -	$ 12,520,889
Inter-segment revenues	171,021	49,083	220,104	4,525	167,874	172,399	(392,503)	-
Segment revenues	$ 10,031,410	$ 971,455	$ 11,002,865	$ 188,353	$ 1,722,174	$ 1,910,527	$ (392,503)	12,520,889
Rental income from investment property								(82,857)
Consolidated revenues								$ 12,438,032
Operating profit (loss)	$ 1,732,828	$ (230,611)	$ 1,502,217	$ (95,942)	$ 479,337	$ 383,395	$ 145,453	$ 2,031,065
Operating income from investment property								(59,507)
Operating income								$ 1,971,558
Segment assets	$ 8,292,211	$ 4,097,562	$ 12,389,773	$ 5,675,119	$ 14,628,037	$ 20,303,156	$ (1,054,046)	$ 31,638,883
Investments accounted for by the equity method and goodwill								31,900
Total assets								$ 31,670,783
For the year ended December 31, 2018								
Revenues from external customers	$ 8,186,548	$ 1,071,722	$ 9,258,270	$ 286,419	$ 3,443,338	$ 3,729,757	$ -	$ 12,988,027
Inter-segment revenues	150,385	12,364	162,749	6,962	155,679	162,641	(325,390)	-
Segment revenues	$ 8,336,933	$ 1,084,086	$ 9,421,019	$ 293,381	$ 3,599,017	$ 3,892,398	$ (325,390)	12,988,027
Rental income from investment property								(85,069)
Consolidated revenues								$ 12,902,958
Operating profit (loss)	$ 1,253,329	$ (186,726)	$ 1,066,603	$ 33,238	$ 1,504,611	$ 1,537,849	$ 102,032	$ 2,706,484
Operating income from investment property								(61,582)
Operating income								$ 2,644,902
Segment assets	$ 7,396,520	$ 2,382,953	$ 9,779,473	$ 5,338,302	$ 14,422,507	$ 19,760,809	$ (723,771)	$ 28,816,511
Investments accounted for by the equity method and goodwill								27,553
Total assets								$ 28,844,064

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. Major customers

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

TABLE 1

SINYI REALTY INC. AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Borrower	Financial Statement Account	Related Parties	Maximum Balance for the Year	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	$ 912,000 (RMB 200,000 thousand)	$ 430,500 (RMB 100,000 thousand)	$ -	1.15%	Short-term financing	$ -	Needs for operation	$ -	-	$ -	$ 3,262,911 (Note 1)	$ 4,350,548 (Note 1)
1	Sinyi Real Estate (Shanghai) Limited	Jiu Xin Estate (Wuxi) Limited	Other receivables	Yes	192,318 (RMB 42,000 thousand)	94,710 (RMB 22,000 thousand)	94,710 (RMB 22,000 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	4,924,010 (Note 2)	7,386,015 (Note 2)
		LUNHENG Business Management (Shanghai) Ltd	Other receivables	Yes	69,045 (RMB 15,000 thousand)	64,575 (RMB 15,000 thousand)	64,575 (RMB 15,000 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	4,924,010 (Note 2)	7,386,015 (Note 2)
		SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	3,590,340 (RMB 780,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	4,924,010 (Note 2)	7,386,015 (Note 2)
2	Hua Yun Renovation (Shanghai) Co., Ltd.	LUNHENG Business Management (Shanghai) Ltd	Other receivables	Yes	34,983 (RMB 7,600 thousand)	32,718 (RMB 7,600 thousand)	32,718 (RMB 7,600 thousand)	4.75%	Short-term financing	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)
		SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	23,015 (RMB 5,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)
		Suzhou Sinyi Real Estate Inc.	Other receivables	Yes	912,000 (RMB 200,000 thousand)	430,500 (RMB 100,000 thousand)	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	13,292,700 (Note 3)	19,939,050 (Note 3)
3	Shanghai Sinyi Real Estate Inc.	SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	46,030 (RMB 10,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,105,152 (Note 4)	2,210,304 (Note 4)
4	Kunshan Dingxian Trading Co., Ltd.	SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	452,100 (RMB 100,000 thousand)	430,500 (RMB 100,000 thousand)	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	1,143,740 (Note 5)	1,715,610 (Note 5)
5	Shanghai Shang Tuo Investment Management Consulting Inc.	SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	27,618 (RMB 6,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	131,187 (Note 6)	218,645 (Note 6)
6	Suzhou Sinyi Real Estate Inc.	Kunshan Dingxian Trading Co., Ltd.	Other receivables	Yes	452,100 (RMB 100,000 thousand)	430,500 (RMB 100,000 thousand)	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	812,910 (Note 7)	1,354,850 (Note 7)
		SinYeh Enterprise Management (Shanghai) Ltd	Other receivables	Yes	912,000 (RMB 200,000 thousand)	-	-	4.75%	Short-term financing	-	Needs for operation	-	-	-	812,910 (Note 7)	1,354,850 (Note 7)

Note 1: The maximum total financing provided should not exceed 40% of Sinyi Realty Inc.'s net worth. The individual lending amount should not exceed 30% of Sinyi Realty Inc.'s net worth.

Note 2: The maximum total financing provided should not exceed 150% of Sinyi Real Estate (Shanghai) Limited's net worth. The individual lending amount should not exceed 100% of Sinyi Real Estate (Shanghai) Limited's net worth.

Note 3: The maximum total financing provided should not exceed 150 times of Hua Yun Renovation (Shanghai) Co., Ltd.'s net worth. The individual lending amount should not exceed 100 times of Hua Yun Renovation (Shanghai) Co., Ltd.'s net worth.

(Continued)

Note 4: The maximum total financing provided should not exceed 300% of Shanghai Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 150% of Shanghai Sinyi Real Estate Inc.'s net worth.

Note 5: The maximum total financing provided should not exceed 15 times of Kunshan Dingxian Trading Co., Ltd.'s net worth. The individual lending amount should not exceed 10 times of Kunshan Dingxian Trading Co., Ltd.'s net worth.

Note 6: The maximum total financing provided should not exceed 5 times of Shanghai Shang Tuo Investment Management Consulting Inc.'s net worth. The individual lending amount should not exceed 3 times of Shanghai Shang Tuo Investment Management Consulting Inc.'s net worth.

Note 7: The maximum total financing provided should not exceed 5 times of Suzhou Sinyi Real Estate Inc.'s net worth. The individual lending amount should not exceed 3 times of Suzhou Sinyi Real Estate Inc.'s net worth.

(Concluded)

TABLE 2

SINYI REALTY INC. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Year	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	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.	Samoa Sinyi International Limited	Indirect subsidiary	$ 8,701,096 (Note 1)	$ 170,640 (US$ 5,400 thousand)	$ -	$ -	$ -	-	$ 16,314,555 (Note 1)	Yes	No	No	(Note 4)
		Sinyi Real Estate (Hong Kong) Limited	Indirect subsidiary	8,701,096 (Note 1)	1,224,210 (US$ 39,000 thousand)	1,169,220 (US$ 39,000 thousand)	-	-	10.75	16,314,555 (Note 1)	Yes	No	No	(Note 4)
1	Sinyi Real Estate (Shanghai) Ltd.	SinYeh Enterprise Management (Shanghai) limited	Indirect subsidiary	3,939,208 (Note 2)	91,520 (RMB 20,000 thousand)	-	-	-	-	4,929,010 (Note 2)	No	No	Yes	(Note 5)
2	Jiu Xin Estate (Wuxi) Limited	Kunshan Dingxian Trading Co., Ltd.	Business dealings	4,537,772 (Note 3)	19,345 (RMB 4,242 thousand)	18,262 (RMB 4,242 thousand)	18,262 (RMB 4,242 thousand)	-	0.32	5,672,216 (Note 3)	No	No	Yes	(Note 6)

Note 1: For those subsidiaries Sinyi Realty Inc. has over 50% ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Sinyi Realty Inc.'s net worth. The maximum total endorsement/guarantee should not exceed 150% of Sinyi Realty Inc.'s net worth.

Note 2: For those subsidiaries Sinyi Real Estate (Shanghai) Limited has over 80% of ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Sinyi Real Estate (Shanghai) Limited's net worth. The maximum total endorsement/guarantee should not exceed 100% of Sinyi Real Estate (Shanghai) Limited's net worth.

Note 3: For those subsidiaries which Jiu Xin Estate (Wuxi) Limited has over 80% of ownership directly or indirectly, the limit of endorsement/guarantee amount for each guaranteed party should not exceed 80% of Jiu Xin Estate (Wuxi) Limited's net worth. The maximum total endorsement/guarantee should not exceed 100% of Jiu Xin Estate (Wuxi) Limited's net worth.

Note 4: The endorsement was provided for applying for line of credit.

Note 5: The endorsement was provided for meeting the criteria of tender of land.

Note 6: The endorsement was provided for procurement of construction materials.

TABLE 3

SINYI REALTY INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT CONTROLLED ENTITIES)
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				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.	-	Financial assets at fair value through other comprehensive income - current	13,730,751	$ 383,088	-	$ 383,088	
	Unlisted shares							
	Han Yu Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	5,000,000	43,095	11.0	43,095	
	NOWnews Network Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,157,000	52,437	10.0	52,437	
	PChome Investment Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	196,350	-	8.0	-	
	Kun Gee Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	160,650	-	3.0	-	
	Cité Publishing Holding Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	7,637	-	1.0	-	
	Cité Information Services Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	106,392	-	1.0	-	
Sinyi Limited	Listed shares							
	Orix Corp.	-	Financial assets at fair value through other comprehensive income - current	1,180,800	590,125	-	590,125	
	Monetary market fund							
	Western Asset US Dollar Fund A	-	Financial assets at fair value through profit or loss - current	14,390	431	-	431	
Shanghai Sinyi Real Estate Inc.	Listed shares							
	5i5j Holding Group Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	1,410,230	26,166	4.7	26,166	

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares/Units	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Shanghai Sinyi Real Estate Inc.	<u>Unlisted shares</u>							
	Cura Investment Management (Shanghai) Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	30,000,000	$ 254,426	2.0	$ 254,426	
Sinyi Development Inc.	<u>Listed shares</u>							
	CTCI Corporation	-	Financial assets at fair value through profit or loss - current	170,940	6,513	-	6,513	
Snyi Global Asset Management Co., Ltd.	<u>Monetary market fund</u>							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,174,851	15,959	-	15,959	
An-Sin Real Estate Management Ltd.	<u>Monetary market fund</u>							
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,729,416	37,077	-	37,077	
	<u>Financial product</u>							
Ke Wei Shanghai Real Estate Management Consulting Inc.	Bubu Shengking No. 8688	-	Financial assets at fair value through profit or loss - current	700,000	3,585	-	3,585	
Shanghai Shang Tuo Investment Management Consulting Inc.	Bubu Shengking No. 8688	-	Financial assets at fair value through profit or loss - current	50,000	248	-	248	
Beijing Sinyi Real Estate Ltd.	Bank of China Steady Growth -Daily Plan	-	Financial assets at fair value through profit or loss - current	2,440,000	10,820	-	10,820	

(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
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated 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 (Note 2)	Gain or Loss	Shares/Units	Amount
Sinyi Realty Inc.	Shares													
	SIN CHIUN HOLDING SDN. BHD.	Investments accounted for using equity method	-	Subsidiary	6,537,766	$ 49,140 (Note 1)	157,000,000	$ 1,185,768	-	$ -	$ -	$ -	159,537,766	$ 1,234,908 (Note 1)
Sinyi Real Estate (Shanghai) Limited	Shares													
	SinYeh Enterprise Management (Shanghai) limited	Investments accounted for using equity method	-	Subsidiary	-	-	-	1,820,900	-	-	-	-	-	1,820,900 (Note 1)
Sinyi Real Estate (Shanghai) Limited	Financial product													
	Yeh-de-yin No. 18100787	Financial assets at fair value through profit or loss - current	-	-	120,000,000	RMB 120,026	-	RMB -	120,000,000	RMB 121,195	RMB 121,195	RMB -	-	RMB -
	Structured Financial Product (Product ID: 201810294860)	Financial assets at fair value through profit or loss - current	-	-	240,000,000	RMB 240,503	-	RMB -	240,000,000	RMB 243,003	RMB 243,003	RMB -	-	RMB -
	Structured Financial Product (Product ID: 201811194978)	Financial assets at fair value through profit or loss - current	-	-	200,000,000	RMB 200,293	-	RMB -	200,000,000	RMB 202,274	RMB 202,274	RMB -	-	RMB -
	Fortune Shuttle No.3	Financial assets at fair value through profit or loss - current	-	-	470,000,000	RMB 470,167	-	RMB -	470,000,000	RMB 474,428	RMB 474,428	RMB -	-	RMB -
	Fortune Shuttle No.S21	Financial assets at fair value through profit or loss - current	-	-	-	RMB -	711,000,000	RMB 711,000	711,000,000	RMB 712,248	RMB 712,248	RMB -	-	RMB -
SinYeh Enterprise Management (Shanghai) limited	Financial product													
	Fortune Shuttle No.S21	Financial assets at fair value through profit or loss - current	-	-	-	RMB -	1,189,500,000	RMB1,189,500	1,189,500,000	RMB1,193,347	RMB1,193,347	RMB -	-	RMB -

Note 1: The ending balance presents historical cost.

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

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
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Amount Payment	Counterparty	Relationship	The Former Transfer Information If the Counterparty Is A Related Party				Price Reference	Purpose of Acquisition	Other Terms
							Owner	The Relationship with the Company	Date of Transfer	Amount			
SIN CHIUN HOLDING SDN. BHD.	Right-of-use asset of land at Pulau Mengalum, Sabah, in Malaysia.	September 18, 2019	$ 980,100 (MYR 137,500 thousand)	100% of the total price has been paid	Mengalum Beach Centre Sdn. Bhd.	-	-	-	-	$ -	According to the appraisal report, the amount of MYR141,000 thousand.	Development of real estate for tourism.	-
	Right-of-use asset of land at Pulau Mengalum, Sabah, in Malaysia.	December 30, 2019	598,125 (MYR 82,500 thousand)	10% of the total price has been paid	Mengalum Tours & Dive Resort Sdn. Bhd.	-	-	-	-	-	According to the appraisal report, the amount of MYR84,100 thousand.	Development of real estate for tourism.	-

TABLE 6

SINYI REALTY INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Nature of Relationships	Related Party	Ending Balance	Turnover Date	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Sinyi Realty Inc.	An-Sin Real Estate Management Ltd.	Subsidiary	$ 153,675	-	$ -	-	$ 153,675	$ -

SINYI REALTY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated 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	Trade receivables	$ 153,675	Regular settlement	-
		Sinyi Real Estate Consulting Ltd.	a	Service costs	122,181	-	-
1	Sinyi Real Estate (Shanghai) Limited	Kunshan Dingxian Trading Co., Ltd.	c	Advanced real estate receipts	195,320	-	-
		Kunshan Dingxian Trading Co., Ltd.	c	Trade receivables	80,356	-	-
		Jiu Xin Estate (WuXi) Limited	c	Other receivables	94,710	For working capital, rate at 4.75%	-
2	Kunshan Dingxian Trading Co., Ltd.	Jiu Xin Estate (WuXi) Limited	c	Advanced real estate receipts	332,512	-	1
		Sinyi Real Estate (Shanghai) Limited	c	Sales revenue	101,977	-	-

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, 2019.
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, 2019.

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

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
Sinyi Realty Inc.	Samoa Sinyi International Limited	Equity Trust Chamber, P.O. Box 3269, Apia, Samoa	Investment holding	$ 10,406,773	$ 10,406,773	345,238,037	100	$ 11,241,168	$ 190,298	$ 190,298	
	Sinyi Limited (B.V.I.)	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola VG1110, B. V. I.	Investment holding	2,227,354	2,103,724	68,777,000	100	1,377,377	(134,676)	(134,676)	
	Sinyi Development Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Development, construction, rental and sale of residential building and factories	2,035,005	2,035,005	203,500,000	100	1,800,618	(153,355)	(153,355)	
	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	86,406	18,749	18,749	
	Heng-Yi Intelligent Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	21,000	15,000	2,100,000	75	3,569	(10,152)	(7,514)	
	Jui-Inn Consultants Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Management consulting	5,000	5,000	500,000	100	1,068	(80)	(80)	
	Sinyi Culture Publishing Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Publication	4,960	4,960	-	99	2,205	195	193	
	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	116,202	29,612	15,102	
	Sinyi Interior Design Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Interior design	950	950	95,000	19	15,774	433	83	
	Yowoo Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	193,000	135,000	10,000,000	100	25,700	(41,249)	(41,249)	
	Rakuya International Info. Co., Ltd.	12F. No. 105, Dunhua S. Rd., Sec. 2, Daan District, Taipei City, Taiwan	Information software wholesale and retail	19,076	19,076	2,580,743	23	16,126	6,408	1,442	
	SIN CHIUN HOLDING SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	1,234,908	49,140	163,537,766	100	1,152,946	(16,308)	(16,308)	
	Sinyi Real Estate Consulting Limited	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Production of instructions of real estate	8,000	8,000	500,000	100	3,517	4,255	4,255	
Sinyi International Limited (Samoa)	Forever Success International Limited (Mauritius)	3rd Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius.	Investment holding	68,741	68,741	2,216,239	100	177,275	148,889	148,889	
	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	310,995	35,704	35,704	
	Sinyi Development Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	3,919,127	3,919,127	133,506,209	100	5,047,635	182,516	182,516	
	Sinyi Estate Ltd.	TMF Chambers, P.O. Box 3269, Apia Samoa	Investment holding	6,360,046	6,360,046	208,500,000	100	5,716,603	(165,289)	(165,289)	
Sinyi Limited (B.V.I.)	Inane International Limited (B.V.I.)	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola VG1110, B. V. I.	Investment holding	1,647,792	1,493,092	51,935,840	100	737,056	(133,850)	(133,850)	
	Ke Wei HK Realty Limited	Rooms 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, HK	Investment holding	95,129	95,129	2,675,000	99	(203)	(11,989)	(11,871)	
Inane International Limited (B.V.I.)	Max Success International Limited	Palm Grove House, P.O. Box 438, Road Town, Torola, British Virgin Islands	Investment holding	66,174	66,174	1,584,000	100	10,847	-	-	
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	78,708	10,523	10,523	
Sinyi Realty Inc. Japan	Sinyi 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	53,122	10,321	10,321	
	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	20,071	3,415	3,415	
Sinyi Development Ltd.	Sinyi Real Estate (Hong Kong) Limited	Room 802, 8 Floor, Millennium City 2, 378 Kwun Tong Road, Kwun Tong, Hong Kong	Investment holding	3,888,107	3,888,107	131,640,306	100	4,932,615	140,556	140,556	
Sinyi Estate Ltd.	Sinyi Estate (Hong Kong) Limited	Unit 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, Kowloon, Hong Kong	Investment holding	6,350,826	6,350,826	207,017,497	100	5,671,739	(165,290)	(165,290)	
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	146	(57)	(57)	
	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	70	(57)	(57)	
SIN CHIUN HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Management and identification	33,465	22,604	4,463,949	49	14,151	(9,378)	(4,595)	
	PEGUSUS HOLDING SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Investment holding	35,372	24,030	4,721,100	100	15,702	(4,858)	(4,858)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership (%)	Carrying Value			
PEGUSUS HOLDING SDN. BHD.	FIDELITY PROPERTY CONSULTANT SDN. BHD.	Suite 9-13A, Level 9, Wisma Uoa II, Jalan Pinang, 50450 Kuala Lumpur, Malaysia	Management and identification	$ 34,831	$ 23,526	4,646,151	51	$ 14,728	$ (4,783)	$ (4,783)	
Yowoo Technology Inc.	Wu Pu Co., Ltd.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Investment holding	-	500	-	-	-	(66)	(66)	Note
	Heng-Yi Intelligent Technology Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Information software, data processing and electronic information providing service	7,000	-	700,000	25	1,190	(10,152)	(1,410)	
	Lin Yue Traffic Inc.	No. 100, Sinyi Rd., Sec. 5, Sinyi District, Taipei City, Taiwan	Manpower dispatch and merchandise delivery	11,300	-	3,080,000	100	11,186	22,291	(114)	

Note: The Corporation has been liquidated in November 2019.

(Concluded)

SINYI REALTY INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated 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, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2019 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2019
					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	$ (11,944)	100	$ (11,944)	$ (57)	$ -
Shanghai Sinyi Real Estate Inc. (Note 3)	Real estate brokerage	RMB 293,632	Investment in company located in mainland China indirectly through Inane International Limited	1,140,018	154,400	-	1,294,418	(109,730)	100	(109,730)	737,668	-
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	(3,682)	100	(3,682)	(20,443)	-
Shanghai Zhi Xin allograph Ltd.	Real estate brokerage and management consulting	RMB 11,968	Investment in company located in mainland China indirectly through Inane International Limited	17,095	-	-	17,095	(11,937)	100	(11,937)	19,816	-
Suzhou Sinyi Real Estate Inc. (Note 3)	Real estate brokerage and management consulting	RMB 68,000	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	22,414	-	-	22,414	(21,009)	100	(21,009)	270,970	-
Cura Investment Management (Shanghai) Co., Ltd. (Note 4)	Real estate fund investment management	RMB 1,636,300	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	-	-	-	-	-	2	-	254,426	-
Zhejiang Sinyi Real Estate Co., Ltd. (Note 3)	Real estate brokerage and management consulting	RMB 27,200	Investment in company located in mainland China indirectly through Shanghai Sinyi Real Estate Inc.	43,766	-	-	43,766	(11,199)	100	(11,199)	9,675	-
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	20,884	100	20,884	43,729	-
Chengdu 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	62,005		-	62,005	-	-	-	-	-
Qingdao Chengjian & Sinyi Real Estate Co., Ltd. (Note 6)	Real estate brokerage and management consulting	RMB -	Investment in company located in mainland China indirectly through Inane International Limited	37,295	-	-	37,295	-	-	-	-	-
Sinyi Real Estate (Shanghai) Limited	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 802,513	Investment in company located in mainland China indirectly through Sinyi Real Estate (Hong Kong) Limited	3,868,747	-	-	3,868,747	158,407	100	158,407	4,924,010	1,218,297

(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, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Note 1)	Carrying Value as of December 31, 2019 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2019
					Outflow	Inflow						
Hua Yun Renovation (Shanghai) Co., Ltd.	Professional construction, building decoration construction, hard ware, building materials wholesale	RMB 8,000	Investment in company located in mainland China indirectly through Forever Success International Ltd.	$ 40,465	$ -	$ -	$ 40,465	$ 128,003	100	$ 128,003	$ 132,927	$ -
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	41,928	100	41,928	114,374	-
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.	-	-	-	-	540	100	540	8,985	-
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.	-	-	-	-	17	100	17	1,039	-
Jiu Xin Estate (Wuxi) Limited	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	(165,286)	100	(165,286)	5,672,216	-
Suzhou ZHI XIN Real Estate Co., Ltd.	Real estate brokerage and management consulting	RMB 3,000	Investment in company located in Mainland China indirectly through Shanghai ZHI XIN Allograph Ltd	-	-	-	-	(10,207)	100	(10,207)	3,071	-
LUNHENG Business Management (Shanghai) Ltd	Business management consulting, financial advisory and marketing strategy	RMB 11,400	Investment in company located in Mainland China indirectly through Hua Yun Renovation (Shanghai) Co., Ltd.	-	-	-	-	(240)	100	(240)	48,753	-
Xin Yeh Business Administration (Shanghai) Ltd.	Development of commercial and residential building and auxiliary facilities; and construction, rental, sale and property management	RMB 400,000	Investment in company located in Mainland China indirectly through Sinyi Real Estate (Shanghai) Limited.	-	-	-	-	(21,707)	100	(21,707)	1,731,847	-

Accumulated Outflow for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 7)
$9,577,167	$15,895,093	$ -

Note 1: The amounts were based on the audited financial statements.

Note 2: The carrying value was converted into New Taiwan dollars at the exchange rates of US$1=NT$29.98 and US$1=RMB6.964 on December 31, 2019.

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

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

Note 5: The Corporation has been liquidated in June 2019.

Note 6: The Corporation has been liquidated in June 2017.

Note 7: The Company has acquired the certification of operation headquarters issued by the Ministry of Economic Affairs, ROC.

(Concluded)