TA YA ELECTRIC WIRE & CABLE CO., LTD.

Parent Company Only

Financial Statements with Independent Auditors' Report for the Years Ended December 31, 2017 and 2016

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Index to Financial Statements

INDEPENDENT AUDITORS' REPORT

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Stockholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Opinion

We have audited the accompanying parent company only financial statements of Ta Ya Electric Wire & Cable Co., Ltd (the "Company"), which comprise the parent company only balance sheets as of December 31, 2017 and 2016, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (as set out in the Other Matter section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2017 and 2016, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2017. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company’s parent company only financial statements for the year ended December 31, 2017 are stated as follows:

Impairment of accounts receivable

For the assessment of recoverability of receivables and the allowance for doubtful accounts estimates, valuation of receivables is based on the customer’s credit quality and situation of collecting payments, and is also based on the historical experience of the actual bad debts. The Impairment of accounts receivable involves the management’s significant judgment, and hence its assessment is considered as a key audit matter.

The book value of accounts receivable please refer to Notes 8 to the parent company’s financial statements.

The audit procedures conducted by the accountant shall assess the appropriateness of the management policy of the provision of bad debts, test whether the aging period of accounts receivable is reasonable, analyze the changes in aging, and examine whether there is any need to assess the impairment the end of the sample sent to the letter to confirm whether the accounts receivable bad debts, and review the receivables after the period of payment to assess the accounts receivable recoverability.

Inventory evaluation

The company assesses impairment of material based on lower of cost or net realizable value evaluation, and valuation of the inventory is mainly affected by the international copper price, but the international copper market price fluctuations frequently, Inventory evaluation involves the management's significant judgment, and hence its assessment is considered as a key audit matter.

The book value of Inventories please refer to Notes 10 to the parent company's financial statements.

Our audit procedures in response to the abovementioned key audit matter were obtaining information pertaining to the lower of cost or net realizable value (LCNRV), sampling projected pricing information and the most recent sales record to assess the reasonableness of the judgment on the LCNRV, and comparing the year-end quantity of inventory items with the inventory count reports to confirm the existence and completeness of the inventory. Moreover, by attending year-end inventory counting, we assessed the condition of inventory and evaluated the adequacy of inventory provisions for obsolete goods.

Other Matter

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the parent company only financial statements. Those financial statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information, is based solely on the audit reports of other independent accountants. Total assets of these subsidiaries and investments amounted to NT$1,561,293 thousand and NT$1,335,730 thousand, representing 12.28% and 10.53% of the related totals, as of December 31, 2017 and 2016, respectively, and total operating revenues of NT$100,066 thousand and NT$82,644 thousand, constituting 38.59% and (100.12)% of the related totals for the years then ended, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements for the year ended December 31, 2017 and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

March 26, 2018

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in Thousands of New Taiwan Dollars)

	December 31,2017			December 31,2016		
ASSETS		***Amount***	***%***		***Amount***	***%***
CURRENT ASSETS						
Cash and cash equivalents (notes 4 and 6)	$	697,925	5.5	$	1,059,727	8.4
Financial assets at fair value through profit or loss (notes 4, 7 and 32)		294,279	2.3		338,236	2.7
Notes receivable, net (notes 4, 8 and 31)		188,690	1.5		149,510	1.2
Accounts receivable, net (notes 4, 8 and 31)		962,612	7.6		1,170,026	9.2
Receivable from customers on construction contracts(notes 4, 9)		288,740	2.3		180,084	1.4
Other receivables (note 31)		40,318	0.3		80,599	0.6
Inventories, net (notes 4 and 10)		1,555,381	12.2		1,382,023	10.9
Inventories (Construction) (notes 4 and 11)		265,641	2.1		373,013	2.9
Other current Assets		164,031	1.3		175,558	1.4
Total current assets		4,457,617	35.1		4,908,776	38.7
NONCURRENT ASSETS						
Financial assets at fair value through profit or loss (notes 4, 7 and 32)		—	—		4,823	—
Financial assets carried at cost (notes 4, 11 and 31)		611,012	4.8		611,172	4.8
Investments accounted for using equity method (notes 4, 13 and 32)		4,139,183	32.6		3,689,330	29.1
Property, plant and equipment (notes 4, 14 and 32)		2,369,108	18.6		2,329,504	18.4
Investment Property, net (notes 4 and 15)		905,411	7.1		907,881	7.2
Deferred income tax assets (notes 2 and 20)		170,357	1.3		158,652	1.3
Prepayments for equipment		7,837	0.1		55,081	0.4
Refundable deposits (note 32)		53,865	0.4		19,022	0.1
Total noncurrent assets		8,256,773	64.9		7,775,465	61.3
TOTAL	$	12,714,390	100.0	$	12,684,241	100.0
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (note116)	$	848,956	6.7	$	2,088,109	16.5
Commercial papers (note17)		500,000	3.9		600,000	4.7
Financial liabilities at fair value through profit or loss (notes 4 and 7)		43,812	0.3		2,194	—
Notes payable		352	—		746	—
Accounts payable (note 31)		351,550	2.8		501,915	4.0
Other payables		169,471	1.3		114,487	0.9
Income tax payable (note 20)		1,183	—		1,183	—
Receipts in advance		72,070	0.6		152,696	1.2
Current portion of long-term loans (notes 18 and 19)		1,336,000	10.5		612,243	4.8
Other current liabilities		12,358	0.1		14,146	0.1
Total current liabilities		3,335,752	26.2		4,087,719	32.2
NONCURRENT LIABILITIES						
Bonds payable (note 18)		200,000	1.6		400,000	3.2
Long-term loans (note 19)		2,037,200	16.0		1,338,850	10.6
Deferred income tax liabilities (note 20)		264,486	2.1		264,486	2.1
Net defined benefit liability (note 24)		154,107	1.3		159,564	1.2
Guarantee deposits		28,744	0.2		43,174	0.2
Other noncurrent liabilities		1,022	—		1,084	—
Total noncurrent liabilities		2,685,559	21.2		2,207,158	17.3
Total liabilities		6,021,311	47.4		6,294,877	49.5
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 21)						
Capital stock		5,721,808	45.0		5,721,808	45.1
Capital surplus		524,957	4.1		505,964	4.0
Retained earnings						
Appropriated as legal capital reserve		—	—		108,749	0.9
Appropriated as special capital reserve		264,909	2.1		489,960	3.9
Unappropriated earnings (accumulated deficits)		457,215	3.6		(333,800)	(2.6)
Total retained earnings		722,124	5.7		264,909	2.2
Others		(255,040)	(2.0)		(56,755)	(0.4)
Treasury stock (notes 4 and 22)		(20,770)	(0.2)		(46,562)	(0.4)
Total equity		6,693,079	52.6		6,389,364	50.5
TOTAL	$	12,714,390	100.0	$	12,684,241	100.0

The accompanying notes are an integral part of the parent company only financial statements
(With Solomon & Co., audit report dated March 26, 2018)

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2017		2016	
	Amount	*%*	*Amount*	*%*
NET REVENUE (notes 4 and 31)	$ 7,973,731	100.0	$ 7,185,456	100.0
COST OF REVENUE (notes 9, 23, 24 and 31)	7,274,575	91.2	6,789,447	94.5
GROSS PROFIT	699,156	8.8	396,009	5.5
OPERATING EXPENSES (notes 23 and 24)				
Sales and marketing	106,956	1.3	94,332	1.3
General and administrative	286,865	3.6	255,020	3.5
Research and development	31,854	0.4	34,285	0.5
Total Operating Expenses	425,675	5.3	383,637	5.3
INCOME FROM OPERATIONS	273,481	3.5	12,372	0.2
NON-OPERATING INCOME AND EXPENSES				
Other income (note 25)	99,138	1.2	117,640	1.6
Other gains and losses (note 26)	22,496	0.3	14,250	0.2
Finance costs(note 27)	(80,710)	(1.0)	(81,009)	(1.1)
Share of profit or loss of subsidiaries, associates and joint ventures	167,838	2.1	(11,507)	(0.2)
Total non-operating Income and expenses	208,762	2.6	39,374	0.5
INCOME BEFORE INCOME TAX	482,243	6.1	51,746	0.7
INCOME TAX EXPENSE (notes 4 and 20)	(14,780)	(0.2)	(23,610)	(0.3)
NET INCOME	$ 467,463	5.9	$ 28,136	0.4
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(12,089)	(0.2)	48,857	0.7
Remeasurement of defined benefit plans of subsidiariesand associates	(4,007)	—	(4,991)	(0.1)
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 4 and 20)	6,193	0.1	(8,306)	(0.1)
	(9,903)	(0.1)	35,560	0.5
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(145,973)	(1.8)	(70,331)	(1.0)
Share of the other comprehensive income of associates accounted for using the equity method	(70,437)	(0.9)	(64,263)	(0.9)
Income tax relating to items that may be reclassified subsequently to profit or loss (notes 4 and 20)	18,125	0.2	(11,645)	(0.1)
	(198,285)	(2.5)	(146,239)	(2.0)
Other comprehensive income (loss) for the year , net of income tax	(208,188)	(2.6)	(110,679)	(1.5)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 259,275	3.3	$ (82,543)	(1.1)
EARNINGS PER SHARE (NT$,notes 4 and 28)				
Basic earnings per share	$ 0.83		$ 0.05	

The accompanying notes are an integral part of the parent company only financial statements
(With Solomon & Co., audit report dated March 26, 2018)

TA YA ELECTRIC WIRE & CABLE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

(Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	Capital Stock －Common Stock			*Retained Earnings*			*Others*			
	Shares	*Amount*	*Capital Surplus*	*Legal Reserve*	*Special Reserve*	*Unappropriated Earnings (Accumulated Deficit)*	*Foreign Currency Translation Reserve*	*Unrealized Gain/Loss from Available-for-sale Financial Assets*	*Treasury Stock*	*Total Equity*
Balance at January 1, 2016	572,180,791	$ 5,721,808	$ 521,999	$ 108,749	$ 489,960	$ (397,542)	$ 93,497	$ (4,013)	$ (46,562)	$ 6,487,896
Adjustments to share of changes in equity of subsidiaries and associates	—	—	(12,570)	—	—	46	—	—	—	(12,524)
Disposed of Subsidiary	—	—	(3,465)	—	—	—	—	—	—	(3,465)
Appropriation of prior year's earnings:										
Net income in 2016	—	—	—	—	—	28,136	—	—	—	28,136
Other comprehensive income in 2016, net of income tax	—	—	—	—	—	35,560	(81,534)	(64,705)	—	(110,679)
Balance at December 31, 2016	572,180,791	5,721,808	505,964	108,749	489,960	(333,800)	11,963	(68,718)	(46,562)	6,389,364
Adjustments to share of changes in equity of subsidiaries and associates	—	—	2,080	—	—	(345)	—	—	—	1,735
Legal and Special reserve used to offset accumulated deficit				(108,749)	(225,051)	333,800				—
Treasury stock- sales of parent company stock held by subsidiaries	—	—	16,913	—	—	—	—	—	25,792	42,705
Disposed of Subsidiary	—	—	—	—	—	—	—	—	—	—
Appropriation of prior year's earnings:										
Net income in 2017	—	—	—	—	—	467,463	—	—	—	467,463
Other comprehensive income in 2017, net of income tax	—	—	—	—	—	(9,903)	(149,999)	(48,286)	—	(208,188)
Balance at December 31, 2017	572,180,791	$ 5,721,808	$ 524,957	$ -	$ 264,909	$ 457,215	$ (138,036)	$ (117,004)	$ (20,770)	$ 6,693,079

The accompanying notes are an integral part of the parent company only financial statements

(With Solomon & Co., audit report dated March 26, 2018)

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)

	2017	*2016*
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 482,243	$ 51,746
Adjustments for:		
Depreciation expense (including investment property)	121,212	128,638
Impairment loss recognized on trade receivables	4,269	3,994
Rental income	—	(282)
Finance costs	80,710	81,009
Interest income	(8,310)	(12,193)
Dividend income	(69,511)	(84,090)
Gain from bargain purchase	(123)	—
Net loss (income) of financial assets and liabilities at fair value through profit or loss	14,417	48,498
Share of loss (gain) of subsidiaries and associates	(167,838)	11,507
Loss on disposal of property, plant and equipment	1,603	3,496
Transfer of properties to expenses	4,285	—
Gain on reversal of impairment loss on long-term investments	(88,594)	—
Impairment loss on non-financial assets	27,794	—
Loss on disposal of investments	6,971	63,055
Gain on disposal of subsidiary	—	(4,230)
	(73,115)	239,402
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	64,969	277,367
Notes and accounts receivable	163,965	(20,766)
Receivable from customers on construction contracts	(108,656)	(180,084)
Other receivables	39,904	(26,718)
Inventories	(65,986)	(192,647)
Other current assets	11,527	129,439
Notes and accounts payable	(150,759)	61,220
Other payables	56,687	(151,193)
Receipts in advance	(80,626)	(36,087)
Other current liabilities	(1,788)	2,013
Net defined benefit liability	(17,546)	(186,847)
Total changes in operating assets and liabilities	(88,309)	(324,303)
Total adjustments	(161,424)	(84,901)
Cash generated from (used in) operations	320,819	(33,155)
Interests paid	(82,413)	(80,240)
Interests received	8,687	13,376
Income taxes paid	(2,167)	—
Net cash generated from (used in) operating activities	244,926	(100,019)

(Continued)

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)

	2017	*2016*
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (including prepayments for equipment)	(155,784)	(87,689)
Acquisition of financial assets carried at cost	—	(5,090)
Acquisition of investments accounted for using equity method	(459,451)	(53,873)
Proceeds from disposal of financial assets and liabilities at fair value through profit or loss	4,539	—
Proceeds from disposal of financial assets carried at cost	80	—
Proceeds from disposal of associates under equity method	3,109	—
Net cash inflow on disposal of associates	—	798
Dividends received from investments accounted for using equity method	86,587	32,688
Proceeds from disposal of property, plant and equipment	11,000	1,103
Decrease (increase) in refundable deposits	(34,843)	1,450
Dividends received	69,511	84,090
Net cash generated from (used in) investing activities	(475,252)	(26,523)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	(1,239,153)	343,403
Commercial papers	(100,000)	100,000
Proceeds from long-term loans	3,653,200	1,178,927
Repayments of long-term loans	(2,431,093)	(1,359,886)
Guarantee deposits received (refunded)	(14,430)	562
Net cash generated from (used in) financing activities	(131,476)	263,006
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(361,802)	136,464
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,059,727	923,263
CASH AND CASH EQUIVALENTS, ENDING OF YEAR	$ 697,925	$ 1,059,727

(Concluded)

The accompanying notes are an integral part of the parent company only financial statements
(With Solomon & Co., audit report dated March 26, 2018)

TA YA ELECTRIC WIRE & CABLE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

(Expressed in Thousands of New Taiwan Dollars)

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(Concluded)

The accompanying notes are an integral part of the parent company only financial statements

(With Solomon & Co., audit report dated March 26, 2018)

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Notes to Financial Statements

December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. Organization

TA YA ELECTRIC WIRE & CABLE CO., LTD. (the Company) was incorporated in November, 1962, mainly engages in the manufacturing and sale of electric wire & cable, and constructing, selling and renting of office and house buildings. The authorized capital was NTD 7,000,000 thousand, of which NTD 5,721,808 thousand was issued as of December 31, 2017. In December 1988, its shares were listed on Taiwan Stock Exchange (TSE).

2. The Authorization of Financial Statements

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 15, 2018.

3. Application of New and Revised International Financial Reporting Standards

a. Effect of the adoption of new issuances of or amendments to International Financial reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)：None.

b. Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company：None.

c. The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2018 in accordance with Ruling No.1060025773 issued by the FSC.

New, Amended or Revised Standards and Interpretations (the New IFRSs)	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendments to IFRS 2 “Classification and Measurement of Share-based Payment Transactions”	January 1, 2018
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018

IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
Amendments to IFRS 15 “Clarifications to IFRS 15 Revenue from Contracts with Customers”	January 1, 2018
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses	January 1, 2017
Amendments to IAS 40 “Transfers of Investment Property”	January 1, 2018
IFRIC 22 “Foreign Currency Transactions and Advance Consideration”	January 1, 2018

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

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

1) IFRS 9 “Financial Instruments” and related amendments

Classification, measurement and impairment of financial assets

With regard to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated - 13 - below.

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

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

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

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

The Corporation analyzed the facts and circumstances of its financial assets that exist at December 31, 2017 and performed the assessment of the impact of IFRS 9 on the classification and measurement of financial assets. Under IFRS

Listed shares, emerging market shares, and unlisted shares classified as available-for-sale will be classified as at fair value through profit or loss.

Besides this, unlisted shares measured at cost will be measured at fair value instead.

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

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

The Company has performed a preliminary assessment in which it will apply the simplified approach to recognize full-lifetime expected credit losses for trade receivables, contract assets and lease receivables. In relation to debt instrument investments and financial guarantee contracts, the Company will assess whether there has been a significant increase in credit risk to determine whether to recognize 12-month or full-lifetime expected credit losses. In general, the Company anticipates that the application of the expected credit losses model of IFRS 9 will result in an earlier recognition of credit losses for financial assets.

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

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

Impact on assets, liabilities and equity	Carrying Amount as of December 31, 2017	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2018
Financial assets at fair value through profit or loss – current	$ 294,279	$ —	$ 294,279
Financial assets at fair value through profit or loss - non current	—	13,000	13,000
Financial assets at fair value through other comprehensive income – non current	—	585,558	585,558
Financial assets measured at cost – non current	611,012	(611,012)	—
Investments accounted for using equity method	4,139,183	(123,873)	4,015,310
Total effect on assets	$ 5,044,474	$ (136,327)	$ 4,908,147
Retained earnings	$ 722,124	$ (277,209)	$ 444,915
Unrealized Gain/Loss on Available-for-sale Financial Assets	(255,040)	140,882	(114,158)
Total effect on equity	$ 467,084	$ (136,327)	$ 330,757

Except for the above impact, as of the date the standalone financial statements were authorized for issue, the Corporation assessed that there would be no material impact of the initial application of other standards and the amendments to interpretations on its financial position and results of operations.

4. **Summary of Significant Accounting Policies**

For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 parent company only financial statements shall prevail.

Statement of Compliance

The accompanying parent company only financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Preparation

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

When preparing the parent company only financial statements, the Company account for subsidiaries and associates by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

Operating Cycle

The operating cycle of manufacturing and sale of electric wire & cable is generally shorter than one year, and the classification of current or non-current is based on one year; the operating cycle of constructing, selling and renting of office and house buildings is generally longer than one year, and the classification of current or non-current is based on the operating cycle.

Classification of Current and Noncurrent Assets and Liabilities

Current assets are assets expected to be converted to cash within one year from the end of the reporting period. Current liabilities are obligations expected to be settled within one year from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

Cash Equivalent

Cash equivalents, for the purpose of meeting short-term cash commitments, consist of highly liquid time deposits and investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial Instruments

Financial assets and liabilities shall be recognized when the Company becomes a party to the contractual provisions of the instruments.

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

Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

a. Financial assets at fair value through profit or loss

   Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend and interest income, are recognized in profit or loss, under non-operating income and expense. A regular way purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting.

b. Available-for-sale financial assets

   (a) Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

(b) On a regular way purchase or sale basis, available-for-sale financial assets are recognized and derecognized using trade date accounting.

(c) Available-for-sale financial assets are initially recognized at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in other comprehensive income.

Investments in equity instruments that do not have a quoted market price in an active and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in ‘financial assets measured at cost’.

c. Derecognition of financial assets

The Company derecognizes of financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

Financial Liabilities and Equity Instruments

a. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

c. Financial liabilities

Financial liabilities are subsequently measured either at amortized cost using effective interest method or at FVTPL.

Financial liabilities measured at FVTPL are stated at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss.

d. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its market risk exposure to foreign exchange rate and interest rate, including metals options, metals commodities futures, metals swap contracts, forward exchange contracts and currency swap contracts.

Derivative financial instruments are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

Construction contracts

a. The construction contract contracted by the Group is designated by the entrusting party (owner) as the main structural elements of the engineering design before the construction. The project is also led by the entrusting party to change the main structure. The Group has no controlling power and is in line with the definition of IAS 11, 'Construction Contract'. And the contracted revenue and cost are recognized by using the percentage-of-completion method of accounting, over the contract term. An expected loss where total contract costs will exceed total contract revenue on a construction contract should be recognized as an expense as soon as such loss is probable. If the outcome of a construction contract cannot be estimated reliably, contract revenue should be recognized only to the extent of contract costs incurred that it is probable will be recoverable.
b. Contract revenue should include the revenue arising from variations from the original contract work, claims and incentive payments that are agreed by the customer and can be measured reliably.

c. The excess of the cumulative costs incurred plus recognized profits (less recognized losses) over the progress billings on each construction contract is presented as an asset within ‘due from customers for contract work’ .While, the excess of the progress billings over the cumulative costs incurred plus recognized profits (less recognized losses) on each construction contract is presented as a liability within ‘due to customers for contract work’ .

Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost at the end of the reporting period.

Investments Accounted for Using Equity Method

Investments accounted for using the equity method include investments in subsidiaries and associates.

a. Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transaction. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company loses control of a subsidiary, any retained investment of the former subsidiary is measured at the fair value at that date. A gain or loss is recognized in profit or loss and calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (b) the previous carrying amount of the investments in such subsidiary. In addition, the Company shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's parent company only financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

b. Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and assets and liabilities of associates are incorporated in these parent company only financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognized its share in the changes in the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying of the investment differs from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription to the shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit orloss on the same basis as would be required if the associate or jointly controlled entity had directly disposed of the related assets or liabilities.

When the Company transacts with an associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not owned by the Company.

Property, Plant and Equipment

Property, Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method over the following estimated useful lives: land improvements 8 years; buildings 10-55 years; machinery and equipment 8-12 years; transportation equipment 5 years; other 5-12 years. 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 estimates accounted for on a prospective basis. Land is not depreciated.

Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

Impairment of Tangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

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

Retirement Benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit retirement benefit plans, the cost of providing benefit is recognized based on actuarial calculation.

For defined benefit retirement benefit plans, the cost of providing benefit is determined using the Projected Unit Credit Method, with actuarial calculations being carried out at year end. Actuarial gains and losses are reported in retained earnings in the period that they are recognized as other comprehensive income.

Treasury Stock

Treasury stock is stated at cost and shown as a deduction in shareholders' equity. When the Company retires treasury stock, the treasury stock account is reduced and the common stock as well as the capital surplus - additional paid-in capital are reversed on a pro rata basis. When the book value of the treasury stock exceeds the sum of the par value and additional paid-in capital, the difference is charged to capital surplus - treasury stock transactions and to retained earnings for any remaining amount. The Company's stock held by its subsidiaries is treated as treasury stock and reclassified from investments accounted for using equity method to treasury stock. The gains resulted from disposal of the treasury stock held by subsidiaries and cash dividends received by subsidiaries from the Company are recorded under capital surplus - treasury stock transactions.

Taxation

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

a. Current tax

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Income tax on unappropriated earnings at a rate of 10% is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax credits 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 an 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 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 deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of 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 year in which 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.

c. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Foreign Currencies

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

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

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

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates in other countries or currencies used different with the Company)are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

Revenue Recognition

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

a. Sale of goods

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

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

Due to the short term nature of the receivables from sale of goods with the immaterial discounted effect, the Company measures them at the original invoice amounts without discounting.

b. Services, technical services, rent, dividend and interest income

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

Revenue from technical services rendered is recognized by arrangements, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Lease income is recognized in income on a straight-line basis over the lease term.

Dividend income from investments is recognized when the shareholder’s right to receive payment has been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Earnings Per Share

Earnings per share of common stock are calculated based on the weighted-average number of shares outstanding during the period. The increased shares from the capitalization of retained earnings and capital surplus are calculated retroactively.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

In the application of the Company's accounting policies, which are described in Note 4., the directors are 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 to be 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the parent company only financial statements.

a. Allowance for doubtful accounts

For the assessment of recoverability of receivables and the allowance for doubtful accounts estimates, valuation of receivables is based on the customer's credit quality and situation of collecting payments, and is also based on the historical experience of the actual bad debts. If the expected future cash receipts are different from the original estimate, such difference will have an impact on the carrying amount of receivables and the allowance for doubtful accounts in the period that estimate change.

b. Valuation of financial instrument

The Company's management uses its judgment in selecting an appropriate valuation technique for financial instruments that do not have quoted market price in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions were based on quoted market rates adjusted for specific features of the instruments. Debt instruments were valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of listed equity instruments traded in emerging market and unlisted equity instruments was based on the analysis in relation to the financial position and the operation results of investees, recent transaction prices, prices of same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, valuation multiples of comparable entities, including assumptions based on unobservable market prices or rates.

c. Bonus to employees and directors' and supervisors' remuneration

After taking into consideration income tax rate and the legal reserve and other factors, the Company accrued the bonus payable to employees and the remuneration payable to directors and supervisors at the end date of reporting period in accordance with the required percentage prescribed in the Articles of Association and based on the estimated full-year pre-tax profit.

d. Realization of deferred income tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the Company's subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

e. Valuation of inventory

Inventories are stated at the lower of cost or net realizable value, and the Company use judgment and estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid technological changes, the Company estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon.

f. The calculation of net defined benefit liability

When the Company calculates the present value of the defined benefit obligation, management have to make appropriate judgments and estimates to determine the relevant assumptions of the actuarial valuation for the end of each reporting period. The assumptions of the actuarial valuation are including discount rate and expected rate of return on plan assets, etc. Any changes in assumptions of the actuarial valuation could result in significant adjustments to the amount of the defined benefit obligation.

6. Cash and Cash Equivalents

	December 31, 2017	December 31, 2016
Petty cash	$ 1,527	$ 569
Cash in bank		
Checking accounts	196,619	223,045
Demand deposits	423,366	331,878
Foreign currency-demand deposits	76,413	504,235
Sub-total	696,398	1,059,158
Total	$ 697,925	$ 1,059,727

7. Financial Assets And Liabilities at Fair Value Through Profit or Loss

	December 31, 2017	December 31, 2016
Financial assets at FVTPL - current		
Listed stocks	$ 176,241	$ 176,241
Beneficiary certificate	—	70,001
Metals commodities futures	—	30,400
	176,241	276,642
Valuation adjustment	118,038	61,594
	$ 294,279	$ 338,236

Financial assets at FVTPL - noncurrent		
Structured product	$ —	$ 5,980
Valuation adjustment	—	(1,157)
	$ —	$ 4,823
Financial liabilities at FVTPL - current		
Metals swap contracts	$ 172	$ 2,194
Metals commodities futures	43,640	—
	$ 43,812	$ 2,194

a. At the end of the reporting period, outstanding metals commodities futures not under hedge accounting were as follows:

	Metric Tonnes	Maturity Date	National Amount	Fair Value	Gain (Loss) on Evaluate
December 31, 2017					
Buy	400	January, 2018 to November, 2018	USD 2,362	USD 2,904	USD 542
Sell	4,725	January, 2018 to May, 2018	USD32,219	USD34,224	(USD 2,005)
December 31, 2016					
Buy	1,250	January, 2017 to June, 2018	USD 5,979	USD 6,919	USD 940
Sell	2,375	January 2017 to March, 2017	USD13,141	USD13,139	USD 2

b. At the end of the reporting period, outstanding metals swap contracts not under hedge accounting were as follows:

	Metric Tonnes	Maturity Date	National Amount	Fair Value	Gain (Loss) on Evaluate
December 31, 2017					
Sell	125	February,2018	USD 897	USD 903	(USD 6)
December 31, 2016					
Buy	200	January,2018	USD 1,183	USD 1,109	(USD 74)
Sell	50	February,2017	USD 282	USD 276	USD 6

The Company’s strategy for metals commodities futures, metals swap contracts and metals options was to hedge exposures to fluctuations of metals prices. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8. Notes And Accounts Receivable, net

	December 31, 2017	December 31, 2016
Notes and accounts receivable	$ 1,170,662	$ 1,337,742
Allowance for sales returns and discount	(2,090)	(5,205)
Allowance for doubtful accounts	(17,270)	(13,001)
Notes and accounts receivable, net	$ 1,151,302	$ 1,319,536

The allowance for doubtful receivables is assessed by reference to the collectability of receivables by performing the account aging analysis, historical experience and current financial condition of customers.

Except for those impaired, for the rest of the notes and accounts receivable, the account aging analysis at the end of the reporting period is summarized in the following table. Notes and accounts receivable include amounts that are past due but for which the Company has not recognized a specific allowance for doubtful receivables after the assessment since there has not been a significant change in the credit quality of its customers and the amounts are still considered recoverable.

a. Aging analysis of notes and accounts receivable:

	December 31, 2017	December 31, 2016
Past due within 30 days	$ 1,124,137	$ 1,136,775
Past due 31-60 days	34,899	16,756
Past due 61-365 days	7,351	10,369
Past due over 365 days	4,275	173,842
	$ 1,170,662	$ 1,337,742

The above aging schedule was based on the past due date.

b. The aging of receivables that were past due but not impaired was as follows:

	December 31, 2017	December 31, 2016
Less than 30 days	$ 119,516	$ 81,242
Past due 31-60 days	27,165	14,714
Past due 61-365 days	—	2,190
Past due over 365 days	—	166,717
	$ 146,681	$ 264,863

c. The movements of the allowance for doubtful trade receivables were as follows:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	$ 13,001	$ 11,117
Less: Impairment losses recognized (reversed)	4,269	3,994
Write-offs	—	(2,110)
Balance, end of year	$ 17,270	$ 13,001

9.Receivable from customers on construction contracts

	December 31, 2017	December 31, 2016
Aggregate costs incurred plus recognized profits	$ 356,208	$ 180,084
Less: Progress billings	(67,468)	—
	$ 288,740	$ 180,084

For the years ended December 31, 2017 and 2016, revenue recognition of construction contracts amounted to $514,063 thousand and $582,992 thousand, respectively.

10.Inventories,net

	December31, 2017	December31, 2016
Raw materials	$ 367,280	$ 307,481
Supplies	18,467	17,738
Work-in-process	409,698	341,210
Semi-finished goods	8,715	6,504
Finished goods	771,023	724,711
Total	1,575,183	1,397,644
Less: Allowance for inventory valuation losses	(19,802)	(15,621)
	$ 1,555,381	$ 1,382,023

Expense and losses incurred on inventories recognized for the period：

	Years Ended December 31 2017	Years Ended December 31 2016
Cost of goods sold	$ 7,273,863	$ 6,816,232
Loss (gain) on physical inventory	(3,469)	(9,026)
(Reversal gain of) Write-down of inventories	4,181	(17,759)
	$ 7,274,575	$ 6,789,447

11.<u>Inventories(Construction)</u>

	December 31, 2017	December 31, 2016
Land held for sale	$ 93,809	$ 147,520
Buildings held for sale	99,952	158,083
	193,761	305,603
Building and land in progress	71,880	71,880
	265,641	377,483
Less: Allowance for loss on decline in market value and obsolescence	—	(4,470)
	$ 265,641	$ 373,013

12.<u>Financial Assets Carried at Cost</u>

	December 31, 2017	December31, 2016
Non-current		
Non-publicly traded stocks	$ 611,012	$ 611,172

Since there is a wide range of estimated fair values of the Company's investments in non-publicly traded stocks, the Company concludes that the fair value cannot be reliably measured and therefore should be measured at the cost less any impairment.

13.<u>Investments Accounted for Using Equity Method</u>

Investments accounted for using the equity method consisted of the following：

	December 31, 2017	December 31, 2016
Subsidiaries	$ 3,637,030	$ 3,294,590
Associates	502,153	394,740
	$ 4,139,183	$ 3,689,330

a. Investments in subsidiaries

Subsidiaries consisted of the following：

Name of Subsidiaries	Carrying Amount December 31, 2017	Carrying Amount December 31, 2016	% of ownership and voting rights held by the Company December31, 2017	% of ownership and voting rights held by the Company December31, 2016
Ta Ya (China) Holding Ltd.	$ 848,579	$ 556,876	100.00	100.00
Ta Ya Venture Holdings Ltd.	387,714	421,215	100.00	100.00
Ta Ya (Vietnam) Investment Holding Ltd.	462,177	467,726	100.00	100.00
Hua Ya Venture Capital Corporation	222,847	262,775	100.00	100.00
Ta Ya Electric Wire& Cable (H.K.) Co., Ltd.	－	－	99.99	99.99
Ta Ya Venture Capital Co., Ltd.	648,939	719,126	96.87	96.87
Ta Heng Electric Wire & Cable Co., Ltd.	167,260	167,267	61.36	61.36
Ta Ho Engineering Co., Ltd.	43,712	31,791	48.00	48.00
Ta Ye Plastic Co., Ltd.	35,143	38,620	45.58	45.58
Cuprime Electric Wire & Cable Co., Ltd.	221,783	192,093	45.22	45.22
United Electric Industry Co., Ltd.	291,818	269,481	42.78	42.09
Ta Ya Telecom Engineering Co., Ltd.	16,038	16,038	40.00	40.00
Plastic Technology Investment Holding Ltd.	57,338	61,973	25.60	25.60
TA YA Green Energy Technology Co., Ltd	233,682	89,609	75.00	55.00
	$ 3,637,030	$ 3,294,590		

(1). Except for TA YA Electric Wire & Cable(H.K.) Co., Ltd., investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have been audited.

(2). The Company participated in TA YA Green Energy Technology Co., Ltd's capital increase by cash in 2017 and the investment amount to NT$77,000 thousand.

(3). The Company purchased TA YA Green Energy Technology Co., Ltd's shares from Subsidiaries by cash in 2017 and the investment amount to NT$60,840 thousand.

b. Investments in associates

Associates consisted of the following：

Name of Associates	Carrying Amount December 31, 2017	Carrying Amount December 31, 2016	% of ownership and Voting Rights Held by the Company December31, 2017	% of ownership and Voting Rights Held by the Company December31, 2016
Ad Engineering Corporation	$ 79,907	$ 70,822	30.22	30.22
Jung Shing Wire Co., Ltd.	418,999	318,130	22.44	22.75
AMIT system service Ltd.	3,247	5,788	20.00	20.00
	$ 502,153	$ 394,740		

The summarized financial information in respect of the Company's associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with the Accounting Standards Used in Preparation of the Parent Company Only Financial Statements, which is also adjusted by the Company using the equity method of accounting.

	December 31, 2017	December 31, 2016
Total assets	$ 3,554,808	$ 3,697,651
Total liabilities	(1,615,789)	(1,852,593)
Net assets	$ 1,939,019	$ 1,845,058
The Company's share of net assets of associates	$ 455,296	$ 436,461

	Years Ended December 31	
	2017	2016
Net revenue	$ 2,215,786	$ 1,996,592
Net income	$ 136,298	$ 134,474
The Company's share of profits of associates	$ 33,644	$ 34,280

(1). The market prices of the investments accounted for using the equity method in publicly traded stocks calculated by the closing price at the end of the reporting period are summarized as follows:

Name of Associate	December 31, 2017	December 31, 2016
Jung Shing Wire Co., Ltd.	$ 511,335	$ 247,623

The company recognized gain on reversal of impairment loss for the year ended December 31,2017 of NTD$88,594 thousand because of the stock price rebounded.

(2). The Company participated in Ad Engineering Corporation's capital increase by cash in 2017 and the investment amount to NT$12,262 thousand.

(3). The amounts of investments in associates pledged as collateral for bank loans were disclosed in Note 32.

14. Property, Plant and Equipment

Cost	Year Ended December 31, 2017 Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
Land and land improvements	$ 1,488,133	$ —	$ —	$ —	$ 1,488,133
Buildings and improvements	1,032,906	4,979	—	1,362	1,039,247
Machinery and equipment	2,837,650	2,682	141,300	35,314	2,734,346
Transportation equipment	56,398	1,007	8,932	1,350	49,823
Miscellaneous equipment	939,991	5,712	5,754	39,549	979,498
Construction in progress and equipment awaiting inspection	1,196	15,475	—	91,314	107,985
	$ 6,356,274	$ 29,855	$ 155,986	$ 168,889	$ 6,399,032

Accumulated depreciation and impairment	Year Ended December 31, 2017 Balance, Beginning of Year	Additions	Impairment losses recognized in profit or loss	Disposals	Balance, End of Year
Land and land improvements	$ 2,798	$ 926	$ —	$ —	$ 3,724
Buildings and improvements	654,267	24,928	—	—	679,195
Machinery and equipment	2,502,705	52,947	27,794	131,134	2,452,312
Transportation equipment	46,704	2,598	—	8,216	41,086
Miscellaneous equipment	820,296	37,343	—	4,032	853,607
	$ 4,026,770	$ 118,742	$ 27,794	$ 143,382	$ 4,029,924

Cost	Year Ended December 31, 2016 Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
Land and land improvements	$ 1,487,763	$ 370	$ —	$ —	$ 1,488,133
Buildings and improvements	1,028,048	5,426	568	—	1,032,906
Machinery and equipment	2,793,589	7,277	25,764	62,548	2,837,650
Transportation equipment	56,309	2,548	2,630	171	56,398
Miscellaneous equipment	925,370	12,856	10,127	11,892	939,991
Construction in progress and equipment awaiting inspection	—	1,196	—	—	1,196
	$ 6,291,079	$ 29,673	$ 39,089	$ 74,611	$ 6,356,274

Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Impairment losses recognized in profit or loss	Disposals	Balance, End of Year
Land and land improvements	$ 1,918	$ 880	$ –	$ –	$ 2,798
Buildings and improvements	630,956	23,845	–	534	654,267
Machinery and equipment	2,461,508	62,781	–	21,584	2,502,705
Transportation equipment	46,211	2,738	–	2,245	46,704
Miscellaneous equipment	794,493	35,930	–	10,127	820,296
	$ 3,935,086	$ 126,174	$ –	$ 34,490	$ 4,026,770

The carrying amounts of property, plant and equipment pledged as collateral for bank loans were disclosed in Note 32.

15. Investment Property

	Year Ended December 31, 2017		
Cost	Balance, Beginning of Year	Additions	Balance, End of Year
Land	$ 812,549	$ –	$ 812,549
Buildings and improvements	156,248	–	156,248
	$ 968,797	$ –	$ 968,797

	Year Ended December 31, 2017		
Accumulated depreciation	Balance, Beginning of Year	Additions	Balance, End of Year
Land	$ –	$ –	$ –
Buildings and improvements	60,916	2,470	63,386
	$ 60,916	$ 2,470	$ 63,386

	Year Ended December 31, 2016		
Cost	Balance, Beginning of Year	Additions	Balance, End of Year
Land	$ 812,549	$ –	$ 812,549
Buildings and improvements	155,627	621	156,248
	$ 968,176	$ 621	$ 968,797
Accumulated depreciation			
Land	$ –	$ –	$ –
Buildings and improvements	58,542	2,464	60,916
	$ 58,542	$ 2,464	$ 60,916

The fair value of the Company's investment properties was arrived at on the basis of valuation carried out on January 16, 2017 by independent appraisers, who are not related parties. Lands were valued under market approach and income approach, while buildings were valued under cost approach. The important assumptions and fair value were as follows：

	December 31, 2017	December 31, 2016
Fair value	$ 1,068,788	$ 1,058,932

16.Short-termLoans

	December 31, 2017	Annual interest rate	Maturity date
Usance L/C loans	$ 598,956	1.32%~2.59%	2018.02~2018.06
Mortgage loans	113,000	1.40%	2018.11
Unsecured loans	137,000	1.25%~1.51%	2018.01~2018.11
Total	$ 848,956		

	December 31, 2016	Annual interest rate	Maturity date
Usance L/C loans	$ 1,083,754	1.25%~2.59%	2017.01~2017.06
Mortgage loans	312,000	1.26%~1.40%	2017.01~2017.02
Unsecured loans	692,355	1.26%~1.62%	2017.01~2017.05
Total	$ 2,088,109		

17.Commercial Papers

	December 31, 2017	December 31, 2016
Commercial Papers	$ 500,000	$ 600,000
Less：Discount on commercial papers	–	–
	$ 500,000	$ 600,000
Interest rate range	1.31%~1.54%	1.20%~1.54%
Maturity date	2018.01~2018.03	2017.01~2017.03

18.Bonds Payable

	December 31, 2017	December 31, 2016
First domestic secured bonds	$ 400,000	$ 500,000
Less：current portion	(200,000)	(100,000)
	$ 200,000	$ 400,000

On August 8, 2014, the Company issued the first secured domestic bonds with a face value of NT$500,000 thousand in a 5-year maturity. The principal will be repaid in five equal payments at the end of the fourth and fifth year. Simple interest is paid semiannually with a rate of 1.50% based on the outstanding balance.

19.Long-term Loans

	December 31, 2017	Annual interest rate	Maturity date
Mortgage loans	$ 1,891,600	1.49%~1.74%	2019.03~2022.09
Unsecured loans	1,281,600	1.49%~1.77%	2018.05~2021.06
Less:Current portion	(1,136,000)		
	$ 2,037,200		

	December 31, 2016	Annual interest rate	Maturity date
Mortgage loans	$ 1,260,397	1.63%~2.36%	2017.06~2021.02
Unsecured loans	590,696	1.54%~1.85%	2017.02~2018.08
Less:Current portion	(512,243)		
	$ 1,338,850		

Refer to Note 32 for information relating to assets pledged as security.

20.Income tax

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following：

	Years Ended December 31	
	2017	2016
Current income tax expense (benefit)		
Current tax expense recognized in the current year	$ 43,426	$ 18,053
Reserve for land value increment tax	2,166	–
Income tax adjustments on prior years	–	5,237
	45,592	23,290
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	(30,812)	320
Income tax benefit recognized in profit or loss	$ 14,780	$ 23,610

A reconciliation of accounting profit and income tax expenses recognized in profit or loss was as follows：

	Years Ended December 31	
	2017	2016
Income tax expense at the statutory rate (17%)	$ 81,980	$ 8,797
Tax effect of adjusting items：		
Nondeductible (deductible) items in determining taxable income	(38,554)	9,256
The origination and reversal of temporary differences	(30,812)	320
Reserve for land value increment tax	2,166	–
	14,780	18,373
Income tax adjustments on prior years	–	5,237
Income tax benefit recognized in profit or loss	$ 14,780	$ 23,610

b. Income tax expense recognized in other comprehensive income

	Years Ended December 31	
	2017	2016
Items that will never be reclassified to profit or loss:		
Related to remeasurement of defined benefit obligation	$ 6,193	$ (8,306)
Items that are or may be reclassified subsequently to profit or loss:		
Related to unrealized gain/loss on translation of foreign operations	$ 16,015	$ (11,203)
Share of changes in other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method	2,110	(442)
	$ 18,125	$ (11,645)

c. Deferred income tax balance

The analysis of deferred income tax in the parent company only balance sheets was as follows：

	December 31, 2017	December 31, 2016
Deferred income tax assets		
Unrealized loss on inventories	$ 3,960	$ 2,478
Unrealized loss on Construction in progress	3,200	3,198
Accrued pension cost	30,821	65,874
Unrealized loss on translation of foreign operations	33,789	17,774
Remeasurement of defined benefit obligation	27,584	21,392
Unrealized loss (gain) on available-for-sale financial assets	6,463	4,353
Loss carryforwards	70,246	59,457
Others	(5,706)	(15,874)
	$ 170,357	$ 158,652
Deferred income tax liabilities		
Land value incremental reserve	$ 264,486	$ 264,486

d. Items for which no deferred tax assets have been recognized：

	December 31, 2017	December 31, 2016
Impairment loss	$ 11,144	$ 11,144

e. Information about unused loss carry-forward

Loss carryforward as of December 31,2017 comprised of:

Unused Amount	Expiry Year
$ 233,619	2025
117,601	2026
$ 351,220	

f. The Company's income tax returns through 2015 have been assessed and approved by the Tax Authority.

g. Integrated income tax information

	December31, 2017	December 31, 2016
(a)Unappropriated earnings generated from 1998	$ 457,215	$ (333,800)
(b)Imputation credit account	$ 163,555	$ 147,982

	2016(Actual)
(c) Imputation tax credit rate	—

The creditable ratio for individual shareholders residing in the R.O.C. is half of the original creditable ratio according to the R.O.C. Income Tax Law. However, effective from January 1, 2018, integrated income tax system were abrogated and imputation credit account is no longer applicable based on amended R.O.C. Income Tax Law in January 2018.

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

21. Equity

a. Capital stock

As of December 31, 2017 and 2016, the Company's authorized capital was NT$7,000,000 thousand and the paid-in capital was NT$5,721,808 thousand, consisting of 572,180,791 shares of ordinary stock with a par value of NT$10 per share.

b. Capital surplus

In accordance with the Company Act, realized capital reserves can only be reclassified as share or be distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains.

ROC SEC regulations also stipulate that a capital increase by transferring paid-in capital in excess of par value can be done only once a year and only in years other than the year in which such excess arose. The amount of such capitalization depends on the Company's operating results and is limited to a certain ratio of paid-in capital in excess of par value in relation to issued capital.

c. Retained earnings (Accumulated deficit) and dividend policy

	Years Ended December 31	
	2017	2016
Balance, beginning of year	$ (333,800)	$ (397,542)
Legal and Special reserve used to offset accumulated deficit	333,800	—
Net income (loss)	467,463	28,136
Comprehensive income	(9,903)	35,560
Adjustments to share from of changes in equity of subsidiaries and associates	(345)	46
Balance, end of year	$ 457,215	$ (333,800)

The Company's articles of incorporation provide that annual earnings are to be appropriated as follows:

(a) Payment of tax;

(b) Offset accumulated deficits, if any;

(c) Of the remaining balance, if any, 10% is to be set aside as legal reserve.

(d) 3% as remuneration to directors and supervisors; and 1% as bonus to employees.

(e) 20% to 90% as appropriate dividends to stockholders; cash dividend should not lower than 10% of such dividends.

(f) Cash dividend will not be paid if it is less than $0.1 per share.

The bonus to employees and remuneration to directors and supervisors, representing at least 1% and at most 3% of net income (net of bonus and remuneration) less accumulated deficit, 10% legal reserve and special reserve, respectively, were recognized for the years ended. The amounts were estimated based on past experience. Material differences between these estimates and the amounts proposed by the board of directors in the following year are adjusted in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate.

The appropriations of earnings for 2016 and 2015 had been approved in the stockholders' meetings on June 8, 2017 and June 8, 2016, respectively. The appropriations and dividends per share were as follows：

The bonus to employees and the remuneration to directors and supervisors approved in the stockholders' meetings on June 8, 2017 and June 8, 2016, respectively, and the amounts recognized in the financial statements for the years ended December 31, 2016 and 2015, respectively, were as follows:

	Years Ended December 31	
	2016	2015
Amounts approved in stockholders' meetings	$ –	$ –
Amounts recognized in respective financial statements	–	–
	$ –	$ –

The differences were adjusted to profit and loss for the years ended.

Information on the earnings appropriation and the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

d. Others

Changes in others were as follows：

	Year Ended December 31, 2017		
	Foreign Currency Translation Reserve	Unrealized Gain/Loss Available-for-sale Financial Assets	Total
Balance, beginning of year	$ 11,963	$ (68,718)	$ (56,755)
Exchange differences arising on translation of foreign operations	(149,999)	—	(149,999
Changes in fair value of available-for-sale financial assets	—	(48,286)	(48,286
Balance, end of year	$ (138,036)	$ (117,004)	$ (255,040)

	Year Ended December 31, 2016		
	Foreign Currency Translation Reserve	Unrealized Gain/Loss Available-for-sale Financial Assets	Total
Balance, beginning of year	$ 93,497	$ (4,013)	$ 89,484
Exchange differences arising on translation of foreign operations	(81,534)	—	(81,534)
Changes in fair value of available-for-sale financial assets	—	(64,705)	(64,705)
Balance, end of year	$ 11,963	$ (68,718)	$ (56,755)

The exchange differences arising on translation of foreign operation’s net assets from its functional currency to the Company’s presentation currency are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve.

Unrealized gain/loss on available-for-sale financial assets represents the cumulative gains or losses arising from the fair value measurement on available-for-sale financial assets that are recognized in other comprehensive income. When those available-for-sale financial assets have been disposed of or are determined to be impaired subsequently, the related cumulative gains or losses in other comprehensive income are reclassified to profit or loss.

22. **Treasury Stock**

a. Common Stock

(1)Treasury stock shall not be pledged, nor does it entitle voting rights or receive dividends, in compliance with Securities and Exchange Law of the ROC.

b. The information of the Company's stocks held by the subsidiaries was as follow:

(1)Disposal of the treasury stock held by subsidiaries during the year ended December 31, 2017 and December 31, 2016 were 7,000,000 shares and 0 share, respectively

(2)As of December 31, 2017 ana 2016, the market value of the shares held by the subsidiaries were $13.9 and $5.47 per share, respectively.

23. **Additional Information of Expenses by Nature**

	Years Ended December 31			
	2017		2016	
Depreciation and amortization				
Depreciation of property, plant and equipment	$	118,742	$	126,174
Depreciation of investment property		2,470		2,464
	$	121,212	$	128,638
Employee benefits expenses				
Salaries and bonus	$	423,291	$	364,520
Labor and health insurance		32,678		31,734
Pension		19,570		26,022
Others		19,235		21,786
	$	494,774	$	444,062

24. **Retirement Benefit Plans**

a. Defined contribution plans

The pension plan under the Labor Pension Act (LPA) is a defined contribution plan which is managed by the government. Based on the LPA, the rate of monthly contributions by the Company to the employees' pension fund accounts is at 6% of monthly wages and salaries.

b. Defined benefit plans

The Company has a defined benefit pension plan set up in accordance with the Labor Standards Law of the R.O.C., covering all regular employees for their services prior to the implementation of the Labor Pension Act on July 1, 2005 and those employees who choose continuously to be applicable to the Labor Standards Law for the services after the implementation of the Labor Pension Act. The Company accrues pension costs on the basis of actuarial calculations and makes monthly contributions to their respective pension funds, which are administered by their respective pension plan committees and deposited in each committee’s name in the Bank of Taiwan.

(a) The amounts arising from the defined benefit obligation of the Company in the parent company only balance sheets were as follows：

	December 31, 2017	December 31, 2016
Present value of funded defined benefit obligation	$ (406,122)	$ (420,130)
Fair value of plan assets	252,015	260,566
Net defined benefit liability	$ (154,107)	$ (159,564)

(b) Movement in the present value of the defined benefit obligation were as follows：

	Years Ended December 31	
	2017	2016
Balance, beginning of year	$ 420,130	$ 488,082
Current service cost	4,261	5,267
Interest cost	5,096	5,982
Remeasurement losses	11,187	(48,322)
Benefits paid	(34,552)	(30,878)
Balance, end of year	$ 406,122	$ 420,130

(c) Movements in the fair value of the plan assets were as follows：

	Years Ended December 31	
	2017	2016
Balance, beginning of year	$ 260,566	$ 92,814
Interest income	3,253	1,201
Remeasurement losses	(902)	534
Contributions from plan assets	23,650	196,895
Benefits paid from plan assets	(34,552)	(30,878)
Balance, end of year	$ 252,015	$ 260,566

(d) Amounts of expenses recognized in comprehensive income statements are as follows：

	Years Ended December 31	
	2017	2016
Current service cost	$ 4,261	$ 5,267
Net interest cost	1,843	4,781
Current pension costs	$ 6,104	$ 10,048
Actual remuneration of plan assets	$ 2,351	$ 1,735

(e) For the years ended December 31, 2017 and 2016, the pre-tax actuarial income(loss) recognized in other comprehensive income were NT$(16,096) thousand and NT$43,866 thousand, respectively. As of December 31, 2017 and 2016, the pre-tax accumulated actuarial loss recognized in other comprehensive income were NT$(55,908) thousand and NT$(39,812) thousand, respectively.

(f) The Bank of Taiwan was commissioned to manage the Fund of the Company’s defined benefit pension plan in accordance with the Fund’s annual investment utilization plan and the “Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund” (Article 6：The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed. Over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The constitution of fair value of plan assets as of December 31, 2017 and 2016 is given in the Annual Labor Retirement Fund Utilization Report published by the government. Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilization by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund’s minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

(g) The principal assumptions of the actuarial valuation were as follow：

	December 31	
	2017	2016
Discount rate	1.00%	1.25%
Future salary increase rate	0.80%	1.00%

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 or decrease as follows:

	December 31,2017	December 31,2016
Discount rate		
0.25% increase	$ (8,900)	$ (9,436)
0.25% decrease	$ 9,218	$ 9,782
Future salary increase rate		
0.25% increase	$ 9,213	$ 9,782
0.25% decrease	$ (8,939)	$ (9,482)

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.

(h) The Company expects to make contributions of NT$24,320 thousand to the defined benefit plans in the next year starting from December 31, 2017.

(i) As of December 31, 2017 and 2016, the pension cost in comprehensive income were NT$19,570 thousand and NT$26,022 thousand, respectively.

25. Other Income

	Years Ended December 31	
	2017	2016
Interest income		
Bank deposits	$ 1,170	$ 789
Other interest income	7,140	11,404
	8,310	12,193
Rental revenue	21,317	21,357
Dividend income	69,511	84,090
	$ 99,138	$ 117,640

26. Other Gains And Losses

	Years Ended December 31	
	2017	2016
Gain on disposal of property, plant and equipment	$ (1,603)	$ (3,496)
Gain on disposal of investments	(6,971)	(58,825)
Net foreign exchange gains/(losses)	(10,401)	2,596
Net gain (loss)arising on financial assets/liabilities at FVTPL	(84,090)	(48,498)
Gain from compensation	8,178	57,239
Commission income	24,646	29,104
Technical Services revenue	9,926	—
Impairment loss	(27,794)	—
Reversal of impairment loss on long-term investment	88,594	36,130
Others	22,011	—
	$ 22,496	$ 14,250

27. Finance Costs

	Years Ended December 31	
	2017	2016
Interest expense		
Bank loans	$ 74,271	$ 73,385
Other Interest expense	6,439	7,624
	$ 80,710	$ 81,009

28. Earnings Per Share

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT$)
Year ended December 31, 2017			
Basic EPS			
Net income available to common shareholders	$ 467,463	572,180	
Regard as treasury stock-common stock held by subsidiaries		(12,050)	
		560,130	$ 0.83

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT$)
Year ended December 31, 2016			
Basic EPS			
Net income available to common shareholders	$ 28,136	572,180	
Regard as treasury stock-common stock held by subsidiaries		(12,634)	
		559,546	$ 0.05

29. Capital Management

The Company's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the company determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents)and equity of the Company (comprising issued capital, reserves and retained earnings).

The management of the company periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and issue new shares to reduce debt.

There were no changes in the Company's approach to capital management for the year ended December 31, 2017.

30. Financial Instruments

a. Financial risk management objective

The Company manages its exposure to risks relating to the operations through market risk, credit risk, and liquidity risk 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 Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans the company must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

b. Market risk

The Company is exposed to the market risks arising from changes in foreign exchange rates, interest rates and utilizes some derivative financial instruments to reduce the related risks.

(a) Foreign currency risk

Some of the Company's operating activities are denominated in foreign currencies. Consequently, the Company is exposed to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Company utilizes derivative financial instruments, including currency forward contracts and short-term borrowings in foreign currencies, to hedge its currency exposure.

The Company's significant exposure to foreign currency risk were as follows：

	December 31, 2017			December 31, 2016		
	Foreign currency	Exchange rate	NT$	Foreign currency	Exchange rate	NT$
Assets						
Monetary items						
USD	$ 10,036	29.83	$ 299,374	$ 22,262	32.26	$ 718,182
HKD	1,369	3.82	5,230	20	4.16	84
CNY	1,278	4.58	5,853	606	4.65	2,819
JPY	58,101	0.26	15,106	34,710	0.28	9,719
Liabilities						
Monetary items						
USD	4,065	29.83	121,259	19,796	32.26	638,628

Foreign currency sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, financial assets at fair value through profit or loss, loans and borrowings, accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the years ended December 31, 2017 and 2016 would have increased (decrease) the net profit after tax by NT$2,043 thousand and NT$922 thousand , respectively.

(b) Interest rate risk

The Company was exposed to fair value interest rate risk and cash flow interest rate risk because the Company hold assets and liabilities at both fixed and floating interest rates.

Interest rate sensitivity analysis

The following sensitivity analysis is based on the risk exposure to interest rates on the non-derivatives financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date.

If the interest rate increases (decreases) by 0.1%,all other variable factors that remains constant, the Company's net profit after tax would have (decreased) increased by NT$2,361 thousand and NT$2,394 thousand for the years ended December 31, 2017 and 2016, respectively. This is mainly due to the Company's net assets in floating rates.

(c) Other price risk

The Company is expensed to equity price risk arising from equity investments.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the Company's net profit after tax for the years ended December 31, 2017 and 2016 would have been higher/lower by NT$6,621 thousand and NT$14,021 thousand , respectively, as a result of the fair value changes of Financial assets at fair value through profit or loss.

c. Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

Business related credit risk

To maintain the quality of receivables, the Company has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit rating agency rating, the Company's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Company also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

As of December 31, 2017 and 2016,exceed 5% of accounts receivables from the Company's customer were as follows:

Customer	December 31	
	2017	2016
A	$ 81,328	$ 46,409
B	60,166	—
C	51,770	41,382
D	49,742	37,783

The Company does not expect significant credit risk because the counterparties are creditworthy companies.

Financial credit risk

Bank deposits, fixed income investment and other financial instruments are credit risk sources required by the Parent Company's Department of Finance Department to be measured and monitored. However, since the Company's counter-parties are all reputable financial institutions and government agencies, there is no significant financial credit risk.

d. Liquidity risk management

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business requirements associated with existing operations. The Company manages its liquidity risk by maintain adequate cash and banking facilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principles and interest.

	December 31, 2017					
	Carrying amount	Contractual cash flows	Within 1 year	2-3 years	4-5 years	Over 5 years
Non-derivative financial liabilities						
Short-term bank loans	$ 848,956	$ 848,956	$ 848,956	$ —	$ —	$ —
Notes payable (including related parties)	352	352	352	—	—	—
Accounts payable (including related parties)	351,550	351,550	351,550	—	—	—
Commercial papers	500,000	500,000	500,000	—	—	—
Other payables	169,471	169,471	169,471	—	—	—
Bonds payable	400,000	400,000	200,000	200,000	—	—
Long-term bank loans	3,173,200	3,173,200	1,136,000	1,487,200	550,000	—
	$ 5,443,529	$ 5,443,529	$ 3,206,329	$ 1,687,200	$ 550,000	$ —
Derivative financial liabilities						
Metals swap	$ 172	$ 26,743	$ 26,743	$ —	$ —	$ —
Metals futures	43,640	1,031,576	1,031,576	—	—	—
	$ 43,812	$ 1,058,319	$ 1,058,319	$ —	$ —	$ —

	December 31, 2016					
	Carrying amount	Contractual cash flows	Within 1 year	2-3 years	4-5 years	Over 5 years
Non-derivative financial liabilities						
Short-term bank loans	$ 2,088,109	$ 2,088,109	$ 2,088,109	$ —	$ —	$ —
Notes payable (including related parties)	746	746	746	—	—	—
Accounts payable (including related parties)	501,915	501,915	501,915	—	—	—
Commercial papers	600,000	600,000	600,000	—	—	—
Other payables	114,487	114,487	114,487	—	—	—
Bonds payable	500,000	500,000	100,000	400,000	—	—
Long-term bank loans	1,851,093	1,851,093	512,243	1,188,850	150,000	—
	$ 5,656,350	$ 5,656,350	$ 3,917,500	$ 1,588,850	$ 150,000	$ —
Derivative financial liabilities						
Metals swap	$ 2,194	$ 47,256	$ 9,104	$ 38,152	$ —	$ —

e. Fair value of financial instruments

(a) Fair value of financial instruments carried at amortized cost

The Company considers that the carrying amounts of financial assets and financial liabilities recognized in the parent company only financial statements approximate their fair values.

(b)Valuation techniques and assumptions used in Fair value measurement

The Fair value of financial assets and financial liabilities are determined as follows：

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks) .
- Forward exchange contracts and cross currency swap contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- The fair values of other financial assets and financial liabilities in accordance with generally accepted pricing models based on discounted cash flow analysis.

(c)Fair value measurements recognized in the parent company only balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to3 based on the degree to which the fair value is observable：

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities；
- Level 2 fair value measurements are those derived from 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
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) .

	December 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current	$ 294,279	$ －	$ －	$ 294,279
Financial liabilities at FVTPL - current	－	(43,812)	－	(43,812)
	$ 294,279	$ (43,812)	$ －	$ 250,467

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current	$ 245,324	$ 92,912	$ —	$ 338,236
Financial assets at FVTPL - noncurrent	4,823	—	—	4,823
Financial liabilities at FVTPL - current	—	(2,194)	—	(2,194)
	$ 250,147	$ 90,718	$ —	$ 340,865

There were no transfers between Level 1 and 2 for the years ended December 31, 2017 and 2016,respectively.

31.<u>Related Party Transactions</u>

(a)The name of the company and its relationship with the Corporation.

Company	Relationship
CUPRIME MATERIAL CO., LTD.	Subsidiaries
TA HO ENGINEERING, CO., LTD.	Subsidiaries
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Subsidiaries
TA YI PLASTIC CO., LTD.	Subsidiaries
UNITED ELECTRIC INDUSTRY CO., LTD.	Subsidiaries
TA YA UNION ENGINEERING, CO., LTD.	Subsidiaries
TA YA ENTREPRENEURSHIP INVESTMENT CO., LTD.	Subsidiaries
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Subsidiaries
BOSI SOLAR ENERGY CO., LTD.	Sub-subsidiary
DAIJU ELECTRIC CO., LTD.	Sub-subsidiary
CUGREEN METAL TECH CO., LTD.	Sub-subsidiary
HENG YA ELECTRIC LIMTED.	Sub-subsidiary
HENG YA ELECTRIC (KUNSHAN) LTD.	third-tier subsidiary
TAYA ZHANGZHOU WIRES CABLE CO.,LTD.	third-tier subsidiary
HENG YA ELECTRIC (DONGGUAN) LTD.	third-tier subsidiary
TAYA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	third-tier subsidiary
AD ENGINEERING CORPORATION	Associates
HENGS TECHNOLOGY CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
UNION STORAGE ENERGY SYSTEM LTD.	Associates
TA AN PRECISION CO., LTD.	Other related parties
Green inside	Other related parties
Shen Shang Hung	Other related parties
Shen San Yi	Other related parties

(b)Significant related party transactions

Sales

Related Parties	2017	2016
Subsidiaries	$ 1,069,982	$ 1,144,351
Associates	59,371	48,760
Others	10	8
	$ 1,129,363	$ 1,193,119

Prices and credit terms for such sales were similar to those given to third parties.

Purchases

Related Parties	2017	2016
Subsidiaries	$ 1,188,867	$ 1,297,316
Associates	530	5,194
Others	605	504
	$ 1,190,002	$ 1,303,014

Prices and credit terms for such purchases were generally comparable to those given by other suppliers, except that construction expense paid to Ta Ho Engineering Co., Ltd. was computed by cost plus 5% to 10% mark-up.

Endorsements and guarantees

As of December 31, 2017 and 2016, the information of the Company provided endorsements and guarantee for related parties was as follows:

Related Parties	December 31, 2017	December 31, 2016
Subsidiaries	$ 2,969,552	$ 2,844,587

Miscellaneous income

Related Parties	Description	2017	2016
TA YA (Vietnam) Co.	Interest、Commission、royalty and other income	$ 32,633	$ 37,075
HENG YA LTD.	Interest、technical service and other income	11,520	14,218
Subsidiaries	Rental、interest、technical service and other income	11,440	12,953
Associates	Rental income and other income	1,503	—
Others	Rental and other income	634	589
		$ 57,730	$ 64,835

Other expenses

Related Parties	Description	2017	2016
Subsidiaries	Rent、outsourcing and other expenses	$ 264	$ 5,245
Associates	Outsourcing expenses	—	14
Others	Outsourcing、loan guarantee and donation expense	12,635	11,813
		$ 12,899	$ 17,072

(b)Receivables and payables arising from the above transactions were as follows:

Receivables

		Related Parties	December 31, 2017	December 31,2016
(1)	Notes receivable	Subsidiaries	$ 4,300	$ 582
(2)	Accounts receivable	HENG YA LTD.	$ 2,299	$ 154,075
		Subsidiaries	56,854	47,143
		Associates	17,425	9,675
		Others	50	49
			$ 76,628	$ 210,942
(3)	Other receivable	Subsidiaries	$ 2,155	$ 981

Payables

	Related Parties	December 31, 2017	December 31,2016
Accounts payable	TA HENG CO.	$ 56,846	$ 62,928
	TA HO CO.	93,856	1,839
	Subsidiaries	6,872	5,848
	Associates	—	557
	Others	1,578	875
		$ 159,152	$ 72,047

Prepaid account

Related Parties	December 31, 2017	December 31, 2016
TA YA (Vietnam) Co.	$ 124,240	$ 103,077

Disposed of subsidiary

	December 31, 2017		December 31, 2016	
Related Parties	proceeds	Gains	proceeds	Gains
Others	$ —	$ —	$ 895	$ 4,230

(c)Key management personnel compensation disclosure

Item	2017	2016
Salary, compensation, allowance, income from professional practice and bonus	$ 58,718	$ 41,527

The Company's key management personnel includes directors, supervisors, president, general manager and financial director.

Please refer to Annual Report for related information of key management personnel compensation.

32.Mortgage Assets

As of December 31, 2017 and 2016, certain assets were pledged as collateral to secure debts and engineering performance bond. The net book value of such assets as of December 31, 2017 and 2016 were summarized as follows:

	December 31, 2017		December 31, 2016	
Financial assets at fair value through profit or loss－	Number of shares	Original cost	Number of shares	Original cost
Taiwan Cogeneration Corporation	－	$ －	8,800,000	$ 140,979
Investments accounted for using equity method －				
Jung Shing Wire Co., Ltd	28,200,000	$ 356,213	28,200,000	$ 356,213
Financial assets carried at cost －				
Sun Ba Power Corporation	30,000,000	$ 464,250	30,000,000	$ 464,250

	December 31, 2017	December 31, 2016
Property, plant and equipment－		
Land (include revaluation increments)	$ 934,854	$ 934,414
Buildings, net	87,536	92,010
	$ 1,022,390	$ 1,026,424
Investment property-land	$ 691,923	$ －
Refundable deposits	$ 53,865	$ 19,022

33.Commitments and Contingent Liabilities

Significant contingent liabilities and unrecognized commitments of the Company as of the end of the reporting period, excluding those disclosed in other notes, were as follows：

(a) As of December 31, 2017, the Company had outstanding usance letters of credit amounting to approximately $2,053 thousand (US$38 thousand and JPY$3,500 thousand).

(b) The Company pledged guarantee deposits amounting to $277,547 thousand due to the wire and cable installation project.

(c) The Company entered into contracts of copper procurement with $24,200 ton.

(d) The Company entered into contracts of machinery and equipment procurement with the amount of $103,424 thousand. As of December 31, 2017, $31,152 thousand had not been paid.

(e) The Company engaged into a contract of wire and cable installation project with the amount of $369,102 thousand. As of December 31, 2017, $126,297 thousand had not been paid.

(f) Checks of $2,267,262 thousand issued for issuing bank loans, draw letter of credit and procurement guarantees.