Century Steel Corporation and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2016 are all the same as the companies required to be included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

CENTURY STEEL CORPORATION

By

LAI WEN SHIANG
Chairman

March 21, 2017

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Century Steel Corporation

Opinion

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

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

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 the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the 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 consolidated financial statements for the year ended December 31, 2016. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Recognition of construction revenue

The Group operates principally as a contractor in government construction projects, industrial plants, residential buildings, and steel structure of office buildings. For the year ended December 31, 2016, the construction revenue accounted for 99% of total revenue. Please refer to Note 21. The recognition of construction revenue and cost is in accordance with IFRS 11 - Construction Contracts; see Note 4. l. for accounting policy.

The recognition of revenue is based on the stage of completion of each contract and the total contract price of each separate contract on the reporting date. The stage of completion is determined by reference to the proportion of contract costs incurred to date to the estimated total contract costs.

Due to the fact that total contracts costs are estimated and management judgment is applied in considering the nature of each construction, expected amounts of contract outsourcing, construction durations and construction method that affect the stage of completion and the recognition of construction revenue, we consider the reasonableness of the stage of completion and construction revenue recognition as a key audit matter. Please refer to Note 5 (3).

We have assessed the appropriateness of the Group's adoption of IFRS 11 - Construction Contracts to recognize construction revenue by performing procedures which included the following:

Control activity

1. We checked that construction estimation forms were approved by authorized supervisor; that additions to the construction are timely recorded in the construction estimation form and approved by the appropriate authority.

2. We checked that the Monthly Allocation of Construction Profit and Loss and the construction revenue calculation were reviewed and approved by appropriate authority.

Sbstantive tests

1. We selected samples from the Monthly Allocation of Construction Profit and Loss and checked the consistency of the total contract price between the construction contract or the notice of addition to construction contract and the record of the Monthly Allocation of Construction Profit and Loss.

2. We selected samples from the Monthly Allocation of Construction Profit and Loss and checked the construction estimation form for the consistency of total estimated cost.

3. We selected sample construction contracts and analyzed the differences between the percentage of completion of construction and the collection condition of receivable as of yearend, and inquired from management any differences and evaluated the reasonableness.

4. We selected samples from the Monthly Allocation of Construction Profit and Loss and recalculated the construction revenue and profit (loss).

5. We obtained confirmation letters from lawyers and legal advisers regarding controversial construction contracts.

Assessment of impairment of accounts receivable

The Group's overdue but not impaired accounts receivable comprise individually significant accounts; thus, we considered the assessment of allowance for accounts receivable for those overdue accounts receivable as a key audit matter. Please refer to Notes 5 (1) and 8.

Our key audit procedures performed in respect of the above area included the following:

1. We tested the effectiveness of internal controls which included the following:

    1) We evaluated the authorization process of periodic review of the customer's creditworthiness.

    2) We evaluated the review process of allowance for bad accounts.

2. We obtained understanding of the allowance for bad accounts policy and evaluated the reasonableness.

3. We tested the accuracy of accounts receivable aging and the allowance for bad accounts made by the management.

4. We considered additional allowance for accounts receivable through review of subsequent collection.

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tung Hui Yeh and Ming Hui Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 21, 2017

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

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

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

CENTURY STEEL CORPORATION AND SUBSIDIARIES

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

	2016		2015	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash (Notes 6 and 27)	$ 466,056	7	$ 452,100	7
Financial assets at fair value through profit or loss - current (Notes 7 and 27)	-	-	3,121	-
Notes receivable, net (Notes 8, 19 and 27)	76,200	1	261,931	4
Trade receivables, net (Notes 8, 19 and 27)	800,606	13	777,974	12
Amount due from customers for construction contracts (Notes 9 and 19)	1,339,588	21	1,383,111	22
Other receivables (Note 27)	4,529	-	3,015	-
Inventories (Notes 10 and 19)	983,844	15	872,627	14
Other financial assets - current (Notes 14, 27 and 29)	61,131	1	64,136	1
Other current assets (Notes 8, 12 and 14)	93,444	2	108,536	2
Total current assets	3,825,398	60	3,926,551	62
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 12 and 29)	2,191,484	34	2,062,455	33
Investment property (Notes 13 and 29)	149,951	2	151,031	2
Deferred tax assets (Note 23)	17,816	-	26,744	-
Refundable deposits (Note 14)	125	-	101	-
Other financial assets - non-current (Notes 12 and 14)	225,877	4	184,242	3
Total non-current assets	2,585,253	40	2,424,573	38
TOTAL	$ 6,410,651	100	$ 6,351,124	100

	2016		2015	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term borrowings (Notes 15 and 27)	$ 216,160	3	$ 243,337	4
Financial liabilities at fair value through profit or loss - current (Notes 7 and 27)	161	-	-	-
Notes payable (Notes 16, 19 and 26)	195,862	3	281,135	5
Payable to related parties (Notes 16, 19 and 27)	24,822	-	-	-
Account payables (Notes 16, 19 and 27)	587,739	9	586,684	9
Amount due to customers for construction contracts (Notes 9 and 19)	26,626	1	4,909	-
Accrued bonuses to employees, directors and supervisors (Notes 20 and 22)	3,400	-	6,740	-
Payable for equipment	453	-	691	-
Current tax liabilities (Note 23)	14,323	-	20,027	-
Current portion of long-term borrowings (Notes 15 and 27)	565,000	9	265,000	4
Other current liabilities (Notes 17 and 27)	62,098	1	68,451	1
Total current liabilities	1,696,644	26	1,476,974	23
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 15 and 27)	2,136,778	34	2,346,454	37
Accrued pension liabilities (Note 18)	13,137	-	14,074	-
Guarantee deposit received (Notes 17 and 27)	597	-	579	-
Total non-current liabilities	2,150,512	34	2,361,107	37
Total liabilities	3,847,156	60	3,838,081	60
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)				
Ordinary shares	1,855,581	29	1,855,581	29
Capital surplus	69,141	1	69,707	1
Retained earnings				
Legal reserve	142,015	2	123,073	2
Special reserve	20,490	-	-	-
Unappropriated earnings	293,285	5	333,122	5
Total retained earnings	455,790	7	456,195	7
Other equity				
Exchange differences on translating foreign operations	(45,800)	(1)	(20,490)	-
NON-CONTROLLING INTERESTS	228,783	4	152,050	3
Total equity	2,563,495	40	2,513,043	40
TOTAL	$ 6,410,651	100	$ 6,351,124	100

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

CENTURY STEEL CORPORATION AND SUBSIDIARIES

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

	2016		2015	
	Amount	**%**	**Amount**	**%**
NET OPERATING REVENUE (Note 21)	$ 2,281,877	100	$ 3,025,020	100
OPERATING COSTS (Notes 10, 18 and 22)	1,993,760	87	2,643,370	87
GROSS PROFIT	288,117	13	381,650	13
OPERATING EXPENSES (Notes 18, 21 and 23)				
Selling and marketing expenses	44,644	2	50,226	2
General and administrative expenses	82,616	4	72,260	2
Total operating expenses	127,260	6	122,486	4
OPERATIONS INCOME	160,857	7	259,164	9
NON-OPERATING EXPENSES (Note 22)				
Other income	11,623	1	5,874	-
Other gains and losses	3,336	-	24,286	1
Finance costs	(68,093)	(3)	(69,902)	(2)
Total non-operating expenses	(53,134)	(2)	(39,742)	(1)
PROFIT BEFORE INCOME TAX	107,723	5	219,422	8
INCOME TAX EXPENSE (Note 23)	36,355	2	28,588	1
NET INCOME FOR THE YEAR	71,368	3	190,834	7
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	664	-	(1,016)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(42,045)	(2)	(20,490)	(1)
Other comprehensive income (loss) for the year, net of income tax	(41,381)	(2)	(21,506)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 29,987	1	$ 169,328	6

(Continued)

CENTURY STEEL CORPORATION AND SUBSIDIARIES

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

	2016		2015	
	Amount	**%**	**Amount**	**%**
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 73,153	3	$ 189,418	6
Non-controlling interests	(1,785)	-	1,416	-
	$ 71,368	3	$ 190,834	6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 48,507	2	$ 167,912	6
Non-controlling interests	(18,520)	(1)	1,416	-
	$ 29,987	1	$ 169,328	6
EARNINGS PER SHARE (Note 24)				
Basic	$ 0.39		$ 1.02	
Diluted	$ 0.39		$ 1.02	

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

CENTURY STEEL CORPORATION AND SUBSIDIARIES

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

	Share Capital			Retained Earnings			Other Equity			
	Shares (Thousand)	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Total	Non-controlling Interests (Note 20)	Total Equity
BALANCE AT JANUARY 1, 2015	181,920	$ 1,819,197	$ 69,707	$ 116,618	$ -	$ 205,750	$ -	$ 2,211,272	$ 6,637	$ 2,217,909
Appropriation of 2014 earnings										
Legal reserve	-	-	-	6,455	-	(6,455)	-	-	-	-
Cash dividends distributed by the Group	-	-	-	-	-	(18,191)	-	(18,191)	-	(18,191)
Cash dividends distributed by the Group	3,638	36,384	-	-	-	(36,384)	-	-	-	-
Net profit for the year ended December 31, 2015	-	-	-	-	-	189,418	-	189,418	1,416	190,834
Other comprehensive loss for the year ended December 31, 2015, net of income tax	-	-	-	-	-	(1,016)	(20,490)	(21,506)	-	(21,506)
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	-	188,402	(20,490)	167,912	1,416	169,328
Increase in non-controlling interests	-	-	-	-	-	-	-	-	143,997	143,997
BALANCE AT DECEMBER 31, 2015	185,558	1,855,581	69,707	123,073	-	333,122	(20,490)	2,360,993	152,050	2,513,043
Appropriation of the 2015 earnings										
Legal reserve	-	-	-	18,942	-	(18,942)	-	-	-	-
Special reserve	-	-	-	-	20,490	(20,490)	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(74,222)	-	(74,222)	-	(74,222)
Change in capital surplus from investments in subsidiaries accounted for by using equity method	-	-	(566)	-	-	-	-	(566)	-	(566)
Net income for the year ended December 31, 2016	-	-	-	-	-	73,153	-	73,153	(1,785)	71,368
Other comprehensive income (loss) for the year ended December 31, 2016, net of income tax	-	-	-	-	-	664	(25,310)	(24,646)	(16,735)	(41,381)
Total comprehensive income for the year ended December 31, 2016	-	-	-	-	-	73,817	(25,310)	48,507	(18,520)	29,987
Increase in non-controlling interests	-	-	-	-	-	-	-	-	95,253	95,253
BALANCE AT DECEMBER 31, 2016	185,558	$ 1,855,581	$ 69,141	$ 142,015	$ 20,490	$ 293,285	$ (45,800)	$ 2,334,712	$ 228,783	$ 2,563,495

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

CENTURY STEEL CORPORATION AND SUBSIDIARIES

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

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income loss before income tax	$ 107,723	$ 219,422
Adjustments for：		
Depreciation expense	54,894	55,502
Impairment loss recognized on trade receivables	34,110	39,877
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	3,282	(2,843)
Finance costs	66,463	68,436
Interest income	(3,612)	(1,003)
(Gain) loss on disposal of property, plant and equipment	(141)	26
Net gain on foreign currency exchange	(21,039)	(19,107)
Amortization of prepayments	14,315	2,970
Changes in operating assets and liabilities		
Notes receivable	185,731	166,579
Accounts receivable	(56,742)	308,578
Amounts due from customers for construction contracts	43,523	187,000
Other receivables	(1,107)	(891)
Inventories	(111,217)	(365,412)
Other current assets	15,111	(56,494)
Notes payable	(85,273)	(5,585)
Trade payables	23,940	172,428
Amounts due to customers for construction contracts	21,717	(20,197)
Payables for employees' compensation and directors' remuneration	(3,340)	4,130
Accrued expenses and other current liabilities	(6,419)	(30,554)
Accrued pension liabilities	(273)	(972)
Cash generated from operations	281,646	721,890
Interest paid	(57,657)	(66,001)
Income tax paid	(33,131)	(8,505)
Net cash generated from operating activities	190,858	647,384
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,939	1,008
Increase in other non-current assets	(55,950)	(187,212)
Payments for property, plant and equipment	(209,685)	(60,140)
Payments for investment property	7,563	-
(Increase) decrease in refundable deposits	(24)	79,052
Decrease (increase) in other financial assets	3,005	(4,540)
Net cash used in investing activities	(252,152)	(171,832)

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CENTURY STEEL CORPORATION AND SUBSIDIARIES

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

	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 818,419	$ 1,650,094
Repayments of short-term borrowings	(842,880)	(1,731,453)
Proceeds from long-term borrowings	4,782,651	200,000
Repayments of long-term borrowings	(4,701,093)	(352,401)
Proceeds from guarantee deposits received	18	80
Cash dividends	(74,222)	(18,191)
Increase in non-controlling interest	94,687	143,997
Net cash generated from (used in) financing activities	77,580	(107,874)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(2,330)	876
NET INCREASE IN CASH	13,956	368,554
CASH AT THE BEGINNING OF THE YEAR	452,100	83,546
CASH AT THE END OF THE YEAR	$ 466,056	$ 452,100

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

CENTURY STEEL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Century Steel Corporation (the “Corporation”) was incorporated in October 1987. The Corporation (a) manufactures, processes, sells and installs steel structures and other materials and (b) builds and sells steel structural bridges.

The Corporation’s shares have been listed on the Taiwan Stock Exchange Corporation (TSE) since March 2008. The registered business address of the Corporation is No. 1999, Sec. 1, Zhongshan Rd., Guanyin Dist., Taoyuan City.

The consolidated financial statements of the Corporation and its subsidiaries (collectively hereinafter referred to as “the Group”) are presented in the Corporation’s functional currency, New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors and authorized for issue on March 21, 2017.

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

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

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

New, Amended or Revised Standards and Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016

(Continued)

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	Effective Date Announced by IASB (Note 1)
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

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

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

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

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

1) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

   The amendment clarifies that the recoverable amount of an asset or a cash-generating unit is disclosed only when an impairment loss on the asset has been recognized or reversed during the period. Furthermore, if the recoverable amount of an item of property, plant and equipment for which impairment loss has been recognized or reversed is fair value less costs of disposal, the Group is required to disclose the fair value hierarchy. If the fair value measurements are categorized within Level 2/Level 3 the valuation technique and key assumptions used to measure the fair value are disclosed. The discount rate used is disclosed if such fair value less costs of disposal is measured by using present value technique. The amendment will be applied retrospectively.

2) Annual Improvements to IFRSs: 2010-2012 Cycle

   Several standards, including IFRS 2 "Share-based Payment", IFRS 3 "Business Combinations" and IFRS 8 "Operating Segments", were amended in this annual improvement.

   The amended IFRS 8 requires the Group to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics". The amendment also clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segments' assets are regularly provided to the chief operating decision-maker. The judgements made in applying aggregation criteria should be disclosed retrospectively upon initial application of the amendment in 2017.

When the amended IFRS 13 becomes effective in 2017, the short-term receivables and payables with no stated interest rate will be measured at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Group is a related party of the Group. Consequently, the Group is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

3) Annual Improvements to IFRSs: 2011-2013 Cycle

Several standards, including IFRS 3, IFRS 13 and IAS 40 "Investment Property", were amended in this annual improvement.

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32. The Group entered into purchase contracts that could be settled net in cash.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

4) Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 "Property, Plant and Equipment" stipulates that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 "Intangible Assets" clarifies there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity's use of the intangible asset will expire upon achievement of a revenue threshold); or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

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

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

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

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

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

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

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

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

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

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

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

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

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

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

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

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

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

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

Impairment of financial assets

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

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

Transition

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

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

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

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

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

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

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

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

If the customer has retained a portion of payment to the contractor in accordance with the term of the contract in order to protect the customer from the contractor's possible failure to adequately complete its obligations under the contract, such payment arrangement does not include a significant financing component under IFRS 15. Under current standard, retention receivables under construction contract should be discounted to reflect time value of money.

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

4) IFRS 16 “Leases”

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

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

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

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

5) Amendment to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”

The amendment clarifies that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Group expects to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Group should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses as deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendment also stipulates that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Group’s assets for more than their carrying amount if there is sufficient evidence that it is probable that the Group will achieve the higher amount, and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

When preparing its parent company only financial statements, the Company used equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates and related equity items, as appropriate, in the parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

The Group engages in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries, including structured entities). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 11 and Table 4 for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Foreign currencies

In preparing separate 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 from 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 cases, the exchange differences are also recognized directly in other comprehensive income.

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

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

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

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

f. Inventories

Inventories include steel strips, steel structures, steel-related materials and construction sites. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Except for the land for construction, inventories are recorded at weighted-average cost on the balance sheet date.

g. Property, plant, and equipment

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

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

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

Any gain or loss arising on the disposal or retirement of an item 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.

h. Investment properties

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

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

Any gain or loss arising on derecognition of investment is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

i. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss and loans and receivables.

i. Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 27.

ii. Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalent, debt investments with no active market, and other receivables are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

b) Impairment of financial assets

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

For financial assets carried at amortized cost, such as trade receivables and other receivables, such assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of debtors not able to make payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with a default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

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3) Financial liabilities

a) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

i. Financial liabilities at fair value through profit or loss

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

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 27.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments, including foreign exchange forward contracts, to manage its exposure to interest rate and foreign exchange rate risks.

Derivatives 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 unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

k. 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. Allowance for sales returns and liability for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

1) Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

b) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c) The amount of revenue can be measured reliably;

d) It is probable that the economic benefits associated with the transaction will flow to the Group; and

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

2) Rendering of services

Service income is recognized when services are provided.

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

a) Installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the elapsed time relative to the total expected installation time at the end of the reporting period;

b) Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold; and

c) Revenue from time and material contracts is recognized at the contractual rates as labor hours and direct expenses are incurred.

3) Interest income

Interest income from a financial asset is recognized when 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 applicable effective interest rate.

l. Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred to date to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract can be estimated reliably, revenue from cost-plus contracts is recognized by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion of costs incurred to date to the estimated total costs of the contract.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that are probable of recovery. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When contract costs incurred to date plus recognized profits less recognized losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognized profits less recognized losses, the surplus is shown as the amounts due to customers for contract work. Billing according to the work completed but not collected is recorded as accounts receivable.

m. Leasing

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

1) The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

2) The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis.

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements and net interest on the net defined benefit liability (asset)) are recognized as employee benefit expenses in the period they occur, or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

o. Taxation

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

1) Current tax

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences 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, and interests in joint arrangements, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Estimated impairment of accounts receivable

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

b. Write-down of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

c. Construction contract

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of the contract is measured based on the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Variations in contract work, claims and incentives are included in the contract revenue to the extent that the amounts can be measured reliably and collection is considered probable.

The estimated total contract costs and contractual items are assessed and determined by management based on the nature of the work, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profits and losses from the construction contracts. Please see Note 9 "AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONSTRUCTION CONTRACTS".

6. CASH AND CASH EQUIVALENTS

	December 31	
	2016	**2015**
Petty cash	$ 1,517	$ 789
Checking accounts	175	1,099
Demand deposits	464,364	450,212
	$ 466,056	$ 452,100

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2016	**2015**
Financial assets held for trading		
Derivative financial assets (not under hedge accounting) - foreign exchange forward contracts	$ -	$ 3,121
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting) - foreign exchange forward contracts	$ 161	$ -

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2016			
Buy	USD/NTD	2017.1.6-2017.2.10	USD1,729/NTD55,450
	JPY/NTD	2017.4.14	JPY50,000/NTD14,290
December 31, 2015			
Buy	USD/NTD	2016.2.16	USD1,750/NTD54,282
	JPY/NTD	2016.3.7	JPY50,000/NTD13,800

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

8. NOTES AND TRADE RECEIVABLES

	December 31	
	2016	2015
Notes receivable		
Notes receivable - operating	$ 76,200	$ 265,231
Less: Allowance for impairment loss	-	(3,300)
	$ 76,200	$ 261,931
Trade receivables		
Trade receivables	$ 312,640	$ 196,005
Construction receivables	21,042	70,222
Retention receivables	494,757	547,149
Less: Allowance for impairment loss	(27,833)	(35,402)
	$ 800,606	$ 777,974

The average credit period was 30 to 60 days after invoicing. Allowance for impairment loss was recognized against trade receivables based on the estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial positions.

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

a. The aging of notes and trade receivable was as follows:

	December 31	
	2016	2015
Neither past due nor impaired	$ 694,701	$ 612,058
Past due but not impaired		
Less than 6 months	68,354	27,607
More than 6 months to 1 year	29,842	48,301
More than 1 year to 3 years	58,979	305,666
More than 3 years to 6 years	21,309	42,691
More than 6 years	3,621	3,582
Total	$ 876,806	$ 1,039,905

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

The movements of the allowance for impairment loss recognized on notes receivable, trade receivables and payments on behalf of others were as follows:

1) Notes and trade receivables

	For the Year Ended December 31	
	2016	2015
Balance at January 1	$ 38,702	$ 79,586
Add: Impairment losses recognized on receivables	36,901	70,968
Less: Impairment losses reversed	(9,716)	(21,325)
Less: Amounts written off during the year as uncollectible	(38,054)	(90,527)
Balance at December 31	$ 27,833	$ 38,702

2) Payments on behalf of others (classified as other current assets)

	December 31	
	2016	2015
Balance at January 1	$ 6,693	$ 16,459
Add: Impairment losses recognized on payments	-	-
Less: Impairment losses reversed	-	(9,766)
Balance at December 31	$ 6,693	$ 6,693

b. The aging of individually impaired notes and trade receivables was as follows:

	December 31	
	2016	2015
Notes and trade receivables		
Not past due	$ 3,448	$ 446
Less than 6 months	6,425	121
More than 6 months and less than 1 year	121	1,193
More than 1 year and less than 3 years	3,593	212
More than 3 years	506	3,594
Total	$ 14,093	$ 5,566

(Continued)

	December 31	
	2016	2015
Construction receivables		
Less than 6 months	$ -	$ -
More than 6 months and less than 1 year	-	-
More than 1 year and less than 3 years	-	8,354
More than 3 years and less than 6 years	9,654	14,754
Total	$ 9,654	$ 23,108
Retention receivables		
More than 6 months and less than 1 year	$ -	$ -
More than 1 year and less than 3 years	1,427	7,707
More than 3 years and less than 6 years	338	-
More than 6 years	2,321	2,321
Total	$ 4,086	$ 10,028

(Concluded)

The above aging of notes and trade receivables was presented based on the past due days from invoice date.

Accounts receivable included retention receivables from construction contracts which were not bearing interest and were expected to remain as receivables until the conditions specified in each contract were satisfied for the payment of such amounts during the retention periods, which are within the normal operating cycle of the Corporation, of usually more than 12 months after the reporting period. As of December 31, 2016 and 2015, retention receivables of NT$490,671 thousand and NT$537,121 thousand, respectively, were expected to be recovered after more than 12 months. Refer to Note 9 for details of construction contracts.

9. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONSTRUCTION CONTRACTS

	December 31	
	2016	2015
Amount due from customers for construction contracts		
Construction costs incurred plus recognized profits less recognized losses to date	$ 8,355,042	$ 7,720,952
Less: Progress billings	(7,015,454)	(6,337,841)
Amounts due from customers for construction contracts	$ 1,339,588	$ 1,383,111
Amount due to customers for construction contracts		
Progress billings	$ 123,186	$ 51,514
Less: Construction costs incurred plus recognized profits less recognized losses to date	(96,560)	(46,605)
Amounts due to customers for construction contracts	$ 26,626	$ 4,909

10. INVENTORIES

	December 31	
	2016	2015
Steel plate	$ 546,355	$ 447,483
Section steel	345,916	318,470
Additional plate	69,602	84,069
Materials	14,208	11,573
Steel coil	5,567	4,914
Slats	2,196	6,118
	$ 983,844	$ 872,627

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2016 and 2015 was $1,993,760 thousand and $2,643,370 thousand, which included gain from sale of scrap of $4,888 thousand and $7,551 thousand, respectively.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership December 31		
Investor	Investee	Nature of Activities	2016	2015	Remark
The Corporation	Century Huadu Corporation	Land development and investment in the construction of the residential building	100.00	100.00	-
The Corporation	Century International Investment Corporation	Investment	65.12	62.35	Note 1
Century International Investment Corporation	Myanmar Century Steel Corporation	Steel works contracting	90.00	90.00	Note 2

Note 1: Century International Investment Corporation was invested by the Company and established in Hong Kong in November 2014, with a shareholding ratio of 59.26% and total investment amount of US$6,400 thousand. In August 2014, the Company purchased the shares of Century International Investment Corporation from non-controlling interests in the amount of US$333 thousand. The shareholding increased from 59.26% to 62.35%. In August 2016, Century International Investment Corporation processed capital injection. The Company injected US$4,989 thousand. As of December 31, 2016, Century International Investment Corporation has received the capital of US$18,000 thousand. The shareholding ratio of the Corporation was increased from 62.35% to 65.12% with total investment of US$11,722 thousand.

Note 2: Myanmar Century Steel Corporation was established in Class-A Industrial Zone, Special Economic Zone, Diloba, Myanmar in March 2015 with total investment of US$12,000 thousand. The Corporation indirectly held an aggregate 56.12% equity interest of US$6,733 thousand. In November 2016, Myanmar Century Steel Corporation processed capital injection, and the Corporation injected US$4,989 thousand. As of December 31, 2016, Myanmar Century Steel Corporation has received the capital of US$20,000 thousand, and the Corporation's indirect holding increased from 56.12% to 58.61% with a total investment amount of US$11,722 thousand.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Leasehold Improvements	Construction in Progress and Equipment to be Inspected	Total
Cost							
Balance at January 1, 2015	$ 1,206,626	$ 631,645	$ 393,940	$ 41,921	$ 7,414	$ 88,139	$ 2,369,285
Additions	-	530	15,145	1,963	126	19,531	37,295
Disposals	-	-	-	(1,955)	-	-	(1,955)
Others	16,916	-	29,123	-	-	(46,039)	-
Reclassified as investment property	(57)	-	-	-	-	-	(57)
Effect of foreign currency exchange differences	-	-	-	(26)	(13)	(88)	(127)
Balance at December 31, 2015	$ 1,223,485	$ 632,175	$ 438,208	$ 41,903	$ 7,527	$ 61,543	$ 2,404,841
Accumulated depreciation							
Balance at January 1, 2015	$ -	$ 96,758	$ 172,758	$ 19,730	$ 656	$ -	$ 289,902
Disposals	-	17,043	29,812	4,651	2,916	-	54,422
Depreciation expense	-	-	-	(1,929)	-	-	(1,929)
Effect of foreign currency exchange differences	-	-	-	(2)	(7)	-	(9)
Balance at December 31, 2015	$ -	$ 113,801	$ 202,570	$ 22,450	$ 3,565	$ -	$ 342,386
Carrying amounts at December 31, 2015	$ 1,223,485	$ 518,374	$ 235,638	$ 19,453	$ 3,962	$ 61,543	$ 2,062,455
Cost							
Balance at January 1, 2016	$ 1,223,485	$ 632,175	$ 438,208	$ 41,903	$ 7,527	$ 61,543	$ 2,404,841
Additions	-	620	11,459	2,121	-	195,247	209,447
Disposals	(6,839)	-	(1,097)	(682)	-	-	(8,618)
Others	2,497	2,659	664	-	-	(5,820)	-
Effect of foreign currency exchange differences	-	-	-	(152)	(6)	(19,048)	(19,206)
Balance at December 31, 2016	$ 1,219,143	$ 635,454	$ 449,234	$ 43,190	$ 7,521	$ 231,922	$ 2,586,464
Accumulated depreciation							
Balance at January 1, 2016	$ -	$ 113,801	$ 202,570	$ 22,450	$ 3,565	$ -	$ 342,386
Disposals	-	16,644	29,744	4,630	2,796	-	53,814
Depreciation expense	-	-	(572)	(624)	-	-	(1,196)
Effect of foreign currency exchange differences	-	-	-	(18)	(6)	-	(24)
Balance at December 31, 2016	$ -	$ 130,445	$ 231,742	$ 26,438	$ 6,355	$ -	$ 394,980
Carrying amounts at December 31, 2016	$ 1,219,143	$ 505,009	$ 217,492	$ 16,752	$ 1,166	$ 231,922	$ 2,191,484

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

Buildings	15-55 years
Machinery equipment	
Overhead travelling crane	8-12 years
Crane	15-20 years
Others	2-20 years
Other equipment	2-20 years

The Corporation bought pieces of land in Baishatun and in the Guangxing Section in the Guanyin District of Taoyuan City to expand plant and inventory warehousing. As of December 31, 2016 and 2015, the total acquisition costs were $363,542 thousand and $361,732 thousand, respectively. However, because the lots were restricted to agricultural use only, these could not be owned by the Corporation. Therefore, these lots were registered in the names of Lai Wen Shiang and Chen Shing Shiue, and to secure the titles to the agricultural lots, the Corporation signed trust contracts on these lots.

For expanding business, the Corporation acquired land use right in Special Economic Zone Class-A in Buriram Drawa. The amortization period of land use right is 49 years. As of December 31, 2016, the book value of other current assets and other non-current assets were NT$3,662 thousand, and NT$169,927 thousand, respectively.

Refer to Note 29 for the carrying amount of property, plant and equipment that had been pledged by the Corporation to secure borrowings.

13. INVESTMENT PROPERTIES

	Land	Building	Total
Cost			
Balance at January 1, 2015	$ 150,370	$ 40,071	$ 190,441
Transferred from property, plant and equipment	57	-	57
Balance at December 31, 2015	$ 150,427	$ 40,071	$ 190,498
Accumulated depreciation and impairment			
Balance at January 1, 2015	$ 17,849	$ 20,538	$ 38,387
Depreciation expense	-	1,080	1,080
Balance at December 31, 2015	$ 17,849	$ 21,618	$ 39,467
Carrying amounts at January 1, 2015	$ 132,521	$ 19,533	$ 152,054
Carrying amounts at December 31, 2015	$ 132,578	$ 18,453	$ 151,031

(Continued)

	Land	Building	Total
Cost			
Balance at January 1 and December 31, 2016	$ 150,427	$ 40,071	$ 190,498
Accumulated depreciation and impairment			
Balance at January 1, 2016	$ 17,849	$ 21,618	$ 39,467
Depreciation expense	-	1,080	1,080
Balance at December 31, 2016	$ 17,849	$ 22,698	$ 40,547
Carrying amounts at January 1, 2016	$ 132,578	$ 18,453	$ 151,031
Carrying amounts at December 31, 2016	$ 132,578	$ 17,373	$ 149,951

(Concluded)

The investment properties held by the Group are depreciated over their estimated useful lives, using the straight-line method.

Buildings	38 years

As of December 31, 2015, the fair value of investment properties was NT$304,143 thousand. The fair value was based on real estate market data as of December 31, 2015. The determination of fair value was performed by independent qualified professional valuers. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The Corporation's management had assessed that there was no significant change in fair value between December 31, 2016 and 2015.

All the investment properties are owned by the Group. Refer to Note 29 for the carrying amount of investment properties that had been pledged by the Group to secure borrowings.

14. OTHER ASSETS

	December 31	
	2016	2015
Current		
Other financial assets		
Restricted time deposits or time deposits with original maturities more than three months (a)	$ 61,131	$ 64,136
Other current assets		
Prepayments for purchase	46,255	73,016
Payment on behalf of others (Note 8)	28,730	15,051
Temporary payments	14,193	7,522
Overpaid sales tax	604	9,061
Prepaid land use rights (Note 12)	3,662	3,886
	93,444	108,536
	$ 154,575	$ 172,672

(Continued)

	December 31	
	2016	2015
Non-current		
Refundable deposits	$ 125	$ 101
Other non-current assets		
Prepaid land use rights (Note 12)	$ 169,927	$ 184,242
Prepayments for equipment	55,950	-
	$ 225,877	$ 184,242

(Concluded)

a. The market rate intervals of restricted time deposits or time deposits with original maturities more than three months were 0.06%-1.13% and 1.36% in the years ended December 31, 2016 and 2015, respectively.

15. BORROWINGS

a. Short-term borrowings

	December 31	
	2016	2015
Unsecured borrowings		
Bank loans	$ 138,138	$ 240,653
Secured borrowing (Note 29)		
Bank loans	78,022	2,684
	$ 216,160	$ 243,337

The ranges of weighted average effective interest rate on bank loans were 1.81%-2.75% and 1.82%-2.23% per annum as of December 31, 2016 and 2015, respectively.

b. Long-term borrowings

	December 31	
	2016	2015
Secured borrowings (Note 29)		
Secured property, plant and equipment loan, repayable from May, 2014 to October, 2121; with annual interest rate of 1.90%-2.10% and 2.16%-2.24% in 2016 and 2015, respectively	$ 1,375,833	$ 1,390,833
Pledged loans, repayable from August 2014 to July 2019, with annual interest rate of 1.90%-1.91% and 2.17%-2.18% in 2016 and 2015, respectively	955,000	635,000
Total secured borrowings	2,330,833	2,025,833

(Continued)

	December 31	
	2016	2015
Unsecured borrowings		
Credit loans, repayable from May 2014 to October 2021, with annual interest rate of 2.04% and 2.26%-2.37% in 2016 and 2015, respectively	$ 181,669	$ 393,311
Credit loans, repayable from February 2015 to March 2017, with annual interest rate of 1.65% and 1.81% in 2016 and 2015, respectively	200,000	200,000
	2,712,502	2,619,144
Less: Current portion	(565,000)	(265,000)
Loan fee	(10,724)	(7,690)
	$ 2,136,778	$ 2,346,454

(Concluded)

The Corporation entered into a syndicated loan contract with eight financial institutions on September 22, 2016 for repayment of borrowings from existing financial institutions, enhancing the purchase ability and working capital, and for capital expenditure for new plant in Taoyuan Guanyin factory. The syndicated loan contract is divided into categories A, B and C with credit line A for $1,600,000 thousand, credit line B for $600,000 thousand, and credit line C for $1,400,000 thousand, with a total credit line of $3,600,000 thousand. The credit line A is payable in seven installments to be made every six months with the first installment to be made 24 months after October 17, 2017; the credit line B is payable in five installments with the first installment to be made 36 months after October 17, 2017; the repayment schedule for credit line C will be decided at the time the loan proceeds are drawn by the borrower.

The Group’s interest bearing floating rate borrowing was reset every three months.

According to the above syndicated loan contract, the semi-annual and annual consolidated financial statements of the Group are subject to the current ratio, gearing ratio and interest coverage ratio.

During the life of the loan, the Group should maintain certain financial ratios for each half year and for each whole year. The financial ratios of the Group for the half years and whole years 2016 and 2015 all complied with the aforesaid financial ratios.

Italian-Thai Development Public Company Limited and Evergreen Construction Corporation Ltd. formed a joint contractor (Italian-Thai and Evergreen Construction Company) under an agreement for the construction contract named Nangang Project. The construction project was finished in 2009; however, Italian-Thai and Evergreen Construction Company refused to agree to the final account for the reason that the project was not yet inspected and accepted by the owner.

Italian-Thai and Evergreen Construction Company filed a lawsuit to Italian-Thai and Evergreen Construction Company on April 22, 2014. Italian-Thai and Evergreen Construction Company claimed that the Corporation had breached the contract and therefore should make statement of acceptance or make payment of the guarantee bills. Based on considerations that the Corporation did not violate the terms of the contract, and to safeguard the interests of the Corporation’s shareholders, the Corporation had filed an application for revocation of such payment in a total amount of $116,448 thousand to Bank of Taiwan on January 21, 2015. However, Italian-Thai and Evergreen Construction Company made the presentation for payment of such bills without the Corporation’s consent on April 30, 2015, causing the Corporation to receive a notice of dishonored bill from Bank of Taiwan on the same date. This therefore led to the Corporation’s violation of Article 30(1) (12) of the syndicated loan contract. As such, the Corporation's reason for such dishonor was cancellation of payment and not for insufficient funds.

According to Article 33(14) (10) of the syndicated loan contract, the Corporation applied for an exemption from breach of contract and received a letter of exemption from the host bank, Chang Hwa Bank, on May 29, 2015. Based on the fact that the Corporation's reason for dishonor of bills was cancellation of payment and not insufficient funds, there is no material impact on the financial position of the Corporation.

The case between the Corporation and Italian-Thai and Evergreen Construction Company was settled on June 1, 2015, and the Corporation received the notice of withdrawal of complaint from the Taiwan Taipei District Court on June 4, 2015.

16. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2016	2015
Notes payable		
Operating	$ 195,862	$ 281,135
Trade payables		
Operating	$ 587,739	$ 586,684
Trade payables to related parties		
Operating	$ 24,822	$ -

Retentions payable on construction contracts which are included in trade payables and are not bearing interest and are expected to be paid at the end of retention periods, which are within the normal operating cycle of the Group, usually more than 12 months after the reporting period. Refer to Note 9 for details of construction contracts.

17. OTHER LIABILITIES

	December 31	
	2016	2015
Current		
Other payables		
Payable for construction	$ 20,687	$ 23,063
Payable for salaries or bonus	19,465	19,105
Payable for insurance premian	3,213	3,078
Payable for interest	2,620	2,580
Receipts under custody	3,418	2,475
Payable for utilities	1,974	1,949
Payable for pension	1,246	1,430

(Continued)

	December 31	
	2016	2015
Payable for professional service fees	$ 1,240	$ 1,425
Temporary credits for land purchases	-	4,200
Guarantee deposits received	-	468
Others	8,235	8,678
	$ 62,098	$ 68,451
Non-current		
Guarantee deposits received	$ 597	$ 579

(Concluded)

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (the LPA), which is a state-managed defined contribution plan. Based on the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

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

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

	December 31	
	2016	2015
Present value of defined benefit obligation	$ 37,763	$ 37,654
Fair value of plan assets	(24,626)	(23,580)
Net defined benefit liability	$ 13,137	$ 14,074

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	$ 35,402	$ 21,372	$ 14,030
Service cost			
Current service cost	377	-	377
Net interest expense	615	373	242
Recognized in profit or loss	992	373	619
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	244	(244)
Actuarial loss - changes in financial assumptions	1,878	-	1,878
Actuarial loss - experience adjustments	(618)	-	(618)
Recognized in other comprehensive income	1,260	244	1,016
Contributions from the employer	-	1,591	(1,591)
Balance at December 31, 2015	37,654	23,580	14,074
Service cost			
Current service cost	428	-	428
Net interest expense	467	293	174
Recognized in profit or loss	895	293	602
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(122)	122
Actuarial loss - experience adjustments	(786)	-	(786)
Recognized in other comprehensive income	(786)	(122)	(664)
Contributions from the employer	-	875	(875)
Balance at December 31, 2016	$ 37,763	$ 24,626	$ 13,137

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

	For the Year Ended December 31	
	2016	2015
Operating costs	$ 374	$ 491
Selling and marketing expenses	68	36
General and administrative expenses	160	92
	$ 602	$ 619

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

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

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

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

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

	December 31	
	2016	**2015**
Discount rates	1.25%	1.25%
Expected rates of salary increase	3.00%	3.00%
Estimated return on plan assets	1.25%	1.25%

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

	December 31, 2016
Discount rate	
0.25% increase	$ (878)
0.25% decrease	$ 908
Expected rate of salary increase	
0.25% increase	$ 891
0.25% decrease	$ (866)

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

	December 31	
	2016	**2015**
The expected contributions to the plan for the next year	$ 353	$ 351
The average duration of the defined benefit obligation	9 years	10 years

19. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current and non-current classifications of the Group's assets and liabilities relating to steel structure business are based on its operating cycle. The amount expected to be recovered or settled within 1 year after the reporting period and more than 1 year after the reporting period from related assets and liabilities are as follows:

	Within 1 Year	More Than 1 Year	Total
December 31, 2016			
Assets			
Notes receivables, net	$ 76,200	$ -	$ 76,200
Trade receivables, net	798,703	1,903	800,606
Inventories	983,844	-	983,844
Amounts due to customers for construction contracts	708,831	630,757	1,339,588
	$ 2,567,578	$ 632,660	$ 3,200,238
Liabilities			
Notes payable	$ 195,862	$ -	$ 195,862
Trade payable	612,561	-	612,561
Amounts due to customers for construction contracts	8,899	17,727	26,626
	$ 817,322	$ 17,727	$ 835,049
December 31, 2015			
Assets			
Notes receivables, net	$ 261,931	$ -	$ 261,931
Trade receivables, net	776,465	1,509	777,974
Inventories	872,627	-	872,627
Amounts due from customers for construction contracts	1,132,651	250,460	1,383,111
	$ 3,043,674	$ 251,969	$ 3,295,643
Liabilities			
Notes payable	$ 281,135	$ -	$ 281,135
Trade payable	586,684	-	586,684
Amounts due to customers for construction contracts	4,909	-	4,909
	$ 872,728	$ -	$ 872,728

20. EQUITY

a. Ordinary shares

	December 31 2016	December 31 2015
Number of shares authorized (in thousands)	200,000	200,000
Amount of shares authorized	$ 2,000,000	$ 2,000,000
Number of shares issued and fully paid (in thousands)	185,558	185,558
Amount of shares issued	$ 1,855,581	$ 1,855,581

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

b. Capital surplus

	December 31 2016	December 31 2015
May be used to offset a deficit, distributed as cash dividends or transferred to share capital		
Arising from issuance of common shares	$ 69,141	$ 69,707

Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year).

c. Retained earnings and dividend policy

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The shareholders held their regular meeting on June 20, 2016 and, in that meeting, had resolved amendments to the Corporation's Articles of Incorporation (the "Articles"), particularly the amendment to the policy on dividend distribution and the addition of the policy on distribution of employees' compensation.

Under the dividend policy as set forth in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

For the policies on distribution of employees' compensation and remuneration of directors and supervisors before and after amendment, please refer to f Employee benefits expense in Note 22.

The Corporation's Articles of Incorporation also stipulate a dividend policy that the issuance of a stock dividend takes precedence over the payment of cash dividends. In principle, cash dividends are limited to 30% of total dividends distributed.

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

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

The appropriations of earnings for 2015 and 2014 approved in the shareholders' meetings on June 20, 2016 and June 17, 2015, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31		**Dividends Per Share (NT$) For the Year Ended December 31**	
	2015	**2014**	**2015**	**2014**
Legal reserve	$ 18,942	$ 6,455		
Special reserve	20,490	-		
Cash dividends	74,222	18,191	$ 0.4	$ 0.10
Share dividends	-	36,384	-	0.20

The appropriations of earnings for 2016 are proposed by the Corporation's board of directors and subject to the resolution of the shareholders in their meeting to be held on June 20, 2017.

d. Non-controlling interests

	For the Year Ended December 31	
	2016	**2015**
Balance at January 1	$ 152,050	$ 6,637
Attributable to non-controlling interests:		
Share of profit for the year	(1,785)	(1,416)
Addition for the year	95,253	159,776
Exchange differences on translating foreign operations	(16,735)	(15,779)
Balance at December 31	$ 228,783	$ 152,050

21. REVENUE

	December 31	
	2016	**2015**
Revenue from the sale of goods	$ 3,322	$ 4,788
Construction contract revenue	2,278,555	3,020,232
	$ 2,281,877	$ 3,025,020

22. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was as follows:

a. Other income

	For the Year Ended December 31	
	2016	2015
Rental income	$ 2,105	$ 2,651
Interest income		
Bank deposits	3,612	1,003
Others	5,906	2,220
	$ 11,623	$ 5,874

b. Other gains and losses

	For the Year Ended December 31	
	2016	2015
Net foreign exchange gains	$ (7,255)	$ 2,843
Net gain (loss) arising on financial assets at FVTPL	141	(26)
Gain (loss) on disposal of property, plant and equipment	10,397	21,674
Others	53	(205)
	$ 3,336	$ 24,286

c. Finance costs

	For the Year Ended December 31	
	2016	2015
Interest on bank overdrafts and loans	$ 57,697	$ 65,814
Financial expense	10,396	4,088
	$ 68,093	$ 69,902

d. Depreciation

	For the Year Ended December 31	
	2016	2015
Property, plant and equipment	$ 53,814	$ 54,422
Investment properties	1,080	1,080
Total	$ 54,894	$ 55,502
An analysis of depreciation by function		
Operating costs	$ 50,797	$ 51,064
Operating expenses	4,097	4,438
Total	$ 54,894	$ 55,502

e. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2016	2015
Direct operating expenses of investment properties that generated rental income (Note 13)	$ 1,080	$ 1,080

f. Employee benefits expense

	For the Year Ended December 31	
	2016	2015
Post-employment benefits (Note 18)		
Defined contribution plans	$ 7,377	$ 7,266
Defined benefit plans	602	619
Others	164,040	160,083
Total employee benefits expense	$ 172,019	$ 167,968
An analysis of employee benefits expense by function		
Operating costs	$ 129,404	$ 126,795
Operating expenses	42,615	41,173
	$ 172,019	$ 167,968

1) Employees' compensation and remuneration to directors and supervisors for 2016 and 2015. In compliance with the Company Act as amended in May 2015 and the amended Articles of Incorporation of the Corporation approved by the shareholders in their meeting on June 20, 2016, the Corporation accrued employees' compensation and remuneration of directors and supervisors at the rates no less than 1.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2016 and 2015 which have been approved by the Corporation's board of directors on March 21, 2017 and March 15, 2016, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2016	2015
Employees' compensation	1.51%	1.50%
Remuneration of directors and supervisors	1.51%	1.50%

Amount

	For the Year Ended December 31			
	2016		2015	
	Cash	Share	Cash	Share
Employees' compensation	$ 1,700	$ -	$ 3,370	$ -
Remuneration of directors and supervisors	1,700	-	3,370	-

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the financial statements for the year ended December 31, 2015.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors in 2016 and 2015 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

2) Bonus to employees and remuneration of directors and supervisors for 2014

The bonus to employees and remuneration of directors and supervisors for 2014 which have been approved in the shareholders' meeting on June 17, 2015 were as follows:

	For the Year Ended December 31, 2014	
	Cash	**Share**
Bonus to employees	$ 1,450	$ -
Remuneration of directors and supervisors	1,160	-

There was no difference between the amounts of the bonus to employees and the remuneration of directors and supervisors approved in the shareholders' meeting on June 17, 2015 and the amounts recognized in the financial statements for the year ended December 31, 2014.

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

g. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2016	**2015**
Foreign exchange gains	$ 13,172	$ 39,568
Foreign exchange losses	(2,775)	(17,894)
	$ 10,397	$ 21,674

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2016	**2015**
Current tax		
In respect of the current year	$ 19,949	$ 27,578
Income tax on unappropriated earnings	7,475	-
Adjustments for prior years	3	1,211
Tax-exempt income	-	(1,501)
	27,427	27,288
Deferred tax		
In respect of the current year	8,928	1,300
Income tax expense recognized in profit or loss	$ 36,355	$ 28,588

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

	For the Year Ended December 31	
	2016	**2015**
Profit before tax from continuing operations	$ 107,723	$ 219,422
Income tax expense calculated at the statutory rate	$ 18,313	$ 39,399
Nondeductible expenses in determining taxable income	50	139
Tax-exempt income	-	(1,501)
Income tax on unappropriated earnings	7,475	413
Unrecognized deductible temporary differences	10,514	(12,056)
Adjustments for prior years' tax	3	1,211
Others	-	983
Income tax expense recognized in profit or loss	$ 36,355	$ 28,588

The applicable tax rate used above is the corporate tax rate of 17% payable by the Corporation in the ROC. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

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

b. Current tax assets and liabilities

	December 31	
	2016	**2015**
Current tax liabilities		
Income tax payable	$ 14,323	$ 20,027

c. Deferred tax assets

The movements of deferred tax assets were as follows:

For the year ended December 31, 2016

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Closing Balance**
Temporary difference			
Impairment loss	$ 5,104	$ (142)	$ 4,962
Unrealized construction loss	18,978	(14,426)	4,552
Share of the other comprehensive income of subsidiaries accounted for using the equity method	-	82	82
Unrealized gross profit on transactions with subsidiaries	-	5,529	5,529
Accrued pension cost	2,393	(160)	2,233
Others	269	189	458
	$ 26,744	$ (8,928)	$ 17,816

For the year ended December 31, 2015

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary difference			
Impairment loss	$ 5,246	$ (142)	$ 5,104
Unrealized construction loss	20,019	(1,041)	18,978
Accrued pension cost	2,489	(96)	2,393
Others	290	(21)	269
	$ 28,044	$ (1,300)	$ 26,744

d. Items for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2016	2015
Deductible temporary differences	$ -	$ 2,157

e. Integrated income tax

	December 31	
	2016	2015
Unappropriated earnings		
Generated on and after January 1, 1998	$ 293,285	$ 333,122
Shareholders' imputed credit account	$ 64,123	$ 51,457

The Corporation no longer have unappropriated earnings generated before January 1, 1998.

	For the Year Ended December 31	
	2016 (Expected)	2015
Creditable ratio for distribution of earnings	21.86%	23.33%

f. Income tax assessments

The tax returns through 2014 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2016	2015
Basic earnings per share		
From continuing operations	$ 0.39	$ 1.02
Diluted earnings per share		
From continuing operations	$ 0.39	$ 1.02

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

Net Profit for the Year

	For the Year Ended December 31	
	2016	**2015**
Earnings used in the computation of basic and diluted earnings per share	$ 73,153	$ 189,418

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

	For the Year Ended December 31	
	2016	**2015**
Weighted average number of ordinary shares used in the computation of basic earnings per share	185,558	185,558
Effect of potentially dilutive ordinary shares:		
Employees' compensation or bonus issue to employees	246	406
Weighted average number of ordinary shares used in the computation of diluted earnings per share	185,804	185,964

Since the Corporation offered to settle compensation or bonuses paid to employees in cash or shares, the Corporation assumed the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

The Group leased liquid oxygen equipment from Air Products San Fu Co., under several operating lease contracts maturing from January 2018 to December, 2020; the lease contracts are renewable upon maturity.

The Group leased land and administration building from Keelung Taiwan International Ports Corporation in June 2014 under an operating lease contract maturing in May 2017; this lease is renewable upon maturity.

For expansion of business, the Group acquired land use rights from Class-A Special Economic Zone in Myanmar Thilawa in March 2015. The lease contract period is 49 years.

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

	December 31	
	2016	**2015**
Not later than one year	$ 5,356	$ 7,138
Later than 1 year and not later than 5 years	15,194	18,085
Later than 5 years	155,284	174,774
	$ 175,834	$ 199,997

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group needs to maintain a lot of capital for the expansion and upgrading of plant and equipment. Thus, the Group manages its capital to ensure that its financial resources and operational plans can meet the next 12 months' requirements for working capital, capital expenditure, debt repayment and dividend payments.

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments

1) Fair value measurements recognized in the consolidated balance sheets

The management of the Group considers the book value of financial instruments not measured at fair value as close to their fair value.

2) Fair value of financial instruments that are measured at fair value on a recurring basis

a) Fair value hierarchy

December 31, 2016

	Level 1	Level 2	Level 3	Total
Financial liability at FVTPL				
Derivative financial assets	$ -	$ 161	$ -	$ 161

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 3,121	$ -	$ 3,121

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

b) Valuation techniques and input applied for the purpose of measuring Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign currency forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

b. Categories of financial instruments

	December 31	
	2016	2015
Financial assets		
Loans and receivables (Note 1)	$ 1,408,522	$ 1,559,156
Financial liabilities		
Amortized cost (Note 2)	$ 3,760,901	$ 3,770,803

Note 1: The balances included loans and receivables measured at amortized cost, which comprise cash and notes and accounts receivable, other receivables and other financial assets.

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

c. Financial risk management objectives

The Group manages its exposure to risks relating to the operations, including 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.

Compliance with policies and exposure limits on significant financing activities is reviewed according to internal control procedures on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group complies with internal control procedures for financial risk management.

1) Market risk

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

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 2% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currency. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 2%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 2% change in foreign currency rates. A positive (negative) number below indicates a decrease (increase) in pre-tax profit and other equity when the New Taiwan dollar strengthens 2% against the relevant currency. For a 2% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity.

	USD Impact	
	2016	2015
Pre-tax profit decrease (increase)	$ (1,722)	$ 1,013

2) Interest rate risk

The Group's interest rate risk is mainly from floating interest rates. Fluctuations in interest rates will affect future cash flows, but will not affect fair value.

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

	December 31	
	2016	2015
Fair value interest rate risk		
Financial assets	$ 61,131	$ 64,136
Financial liabilities	216,160	243,337
Cash flow interest rate risk		
Financial assets	464,364	450,212
Financial liabilities	2,701,778	2,611,454

Assuming the floating rate borrowings at the end of the reporting period were held throughout the reporting period, if interest rates had been 50 (0.5%) basis points higher and all other variables were held constant, pre-tax profit for the years ended December 31, 2016 and 2015 would have decreased by $7,826 thousand and $7,916 thousand, respectively.

3) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The credit risk of the Group mainly arises from the accounts receivable from operating activities, bank deposit from investing activities, fixed income investments and other financial instruments. Credit risk from operating and financing activities are managed separately. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could be based on the carrying amount of the respective recognized financial assets as stated in the balance sheets.

<u>Business related credit risk</u>

The Group's outstanding receivables were mainly from trade customers which do not provide collateral or credit guarantees. The Group has laid down procedures to reduce credit risk and for supervision and management of trade receivables, but there is no guarantee that the procedures can completely avoid credit risk and possible losses. In the case of worsening economic conditions, credit risk will increase.

The Group's concentration of credit risk was 58% and 44% of total accounts receivable as of December 31, 2016 and 2015, respectively, which comprises the Group's largest customer and the ten largest customers in the property construction business segment. The concentration of credit risk on the other receivables is relatively insignificant.

Financial credit risk

The Group periodically adjusts its transaction limits according to the amount of trade and financial market conditions and the performance of the credit transaction object. In addition, the Group also reduces the credit risk through the selection of a transaction object of the financial institutions with good credit.

4) Liquidity risk

The Group in the construction industry has operating cycle that is usually longer than one year; thus, the liquidity risk is higher than that in the general industry. So far, the operating funds are enough to fulfill contractual obligations.

As of December 31, 2016 and 2015, the Group had available unutilized short-term bank loan facilities of $1,663,488 thousand and $1,542,735 thousand.

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods.

December 31, 2016

	On Demand to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 842,808	$ -	$ -	$ 155	$ 842,963
Variable interest rate liabilities	505,000	1,286,778	850,000	-	2,701,778
Fixed interest rate liabilities	216,160	-	-	-	216,160
	$ 1,623,968	$ 1,286,778	$ 850,000	$ 155	$ 3,760,901

December 31, 2015

	On Demand to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	5+ Years	Total
Non-derivative financial liabilities					
Non-interest bearing	$ 915,876	$ -	$ -	$ 136	$ 916,012
Variable interest rate liabilities	265,000	1,644,787	701,667	-	2,611,454
Fixed interest rate liabilities	243,337	-	-	-	243,337
	$ 1,424,213	$ 1,644,787	$ 701,667	$ 136	$ 3,770,803

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows of derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2016

	On Demand to 1 Month	Over 1 Month to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
Gross settled					
Foreign exchange forward contracts					
Inflows	$ 41,539	$ 14,173	$ 13,867	$ -	$ -
Outflows	41,414	14,036	14,290	-	-

December 31, 2015

	On Demand to 1 Month	Over 1 Month to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	5+ Years
Gross settled					
Foreign exchange forward contracts					
Inflows	$ -	$ 71,203	$ -	$ -	$ -
Outflows	-	68,082	-	-	-

c) Financing facilities

	December 31 2016	December 31 2015
Unsecured bank overdraft facility:		
Amount used	$ 519,807	$ 833,964
Amount unused	228,111	318,730
	$ 747,918	$ 1,152,694
Secured bank overdraft facility:		
Amount used	$ 2,398,131	$ 2,020,827
Amount unused	1,435,377	1,224,005
	$ 3,833,508	$ 3,244,832

28. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Except as disclosed in other notes, the transactions between the Group and related parties were as follows.

a. Purchase of goods

Related Party Categories	For the Year Ended December 31	
	2016	**2015**
Other related	$ 23,541	$ -

The prices and terms of payment were not significantly different between purchases from related parties and purchases from not related parties.

b. Payables to related parties (excluding loans from related parties)

Line Items	Related Party Categories	December 31	
		2016	**2015**
Accounts payable	Other related parities	$ 24,822	$ -

c. Endorsement and guarantees

Endorsement and guarantees provided by the Group

Related Party Categories	December 31	
	2016	**2015**
Key management personnel	$ 2,917,938	$ 2,854,791

d. Compensation of key management personnel

	For the Year Ended December 31	
	2016	**2015**
Short-term employee benefits	$ 13,966	$ 17,401

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been provided as project warranty, performance and quality collateral, guarantee of long- and short-term borrowings and collateral for construction in progress:

	December 31	
	2016	**2015**
Restricted assets - property, plant and equipment, net	$ 1,610,900	$ 1,625,626
Other financial assets	61,131	64,136
Investment property	149,951	151,031
	$ 1,821,982	$ 1,840,793

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2016 and 2015 were as follows:

a. In March 2012, the Corporation sued Company L for a default on a construction. In August 2012, both parties reached a settlement of accounts receivable, and Company L has agreed to pay part of the amount; but there are still some additional matters to be agreed. The result of the additional part of the agreement cannot be predicted, but based on the principle of conservatism, the Corporation accrued a probable loss because of ongoing litigation in the amount of NT$11,521 thousand, which is the construction cost of the case as of December 31, 2016.

b. The Group's unused letters of credit for importation amounted to NT$55,826 thousand.

c. The Corporation issued a note payable amounting to NT$4,932,052 thousand as performance bond.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2016

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,454	32.25 (USD:NTD)	$ 46,892
USD	5,268	1,365 (USD:MMK)	7,190,820
Financial liabilities			
Monetary items			
USD	2,350	32.25 (USD:NTD)	75,788
USD	1,702	1,365 (USD:MMK)	2,323,230
JPY	45,000	0.2756 (JPY:NTD)	12,402

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 150	32.83 (USD:NTD)	$ 4,925
USD	4,019	1,309 (USD:MMK)	5,260,871
Financial liabilities			
Monetary items			
USD	1,693	32.83 (USD:NTD)	55,573
USD	181	1,309 (USD:MMK)	236,929
JPY	50,000	0.2727 (JPY:NTD)	13,635

The significant unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2016		2015	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	32.25	$ 16,487	32.83	$ 3,260
JPY	0.2756	1,458	0.2739	(139)
		$ 17,945		$ 3,121

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): None

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

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

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

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

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

9) Trading in derivative instruments: (Note 7)

10) Intercompany relationships and significant intercompany transactions: (Table 3)

11) Information on investees. (Table 4)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. None

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. None

c) The amount of property transactions and the amount of the resultant gains or losses. None

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes. None

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds. None

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

33. SEGMENT INFORMATION

a. Segments revenues and results

The entities in the Group all have similar economic characteristics and the Group is considered a single operating segment for the purpose of the chief operating decision-maker in the allocation of resources and measurement of departmental performance. Profit and loss, assets and liabilities are measured on the same basis as the basis for the preparation of the financial statements. For relevant operating information, please refer to the consolidated financial statements.

b. Geographical information

The Group has not generated any revenue from its overseas operations for the years ended December 31, 2016 and 2015.

	Revenue from External Customers		**Non-current Assets**	
	For the Year Ended December 31		**December 31**	
	2016	**2015**	**2016**	**2015**
Taiwan	$ 2,281,877	$ 3,025,020	$ 2,192,598	$ 2,211,929
Myanmar	-	-	374,714	185,799
	$ 2,281,877	$ 3,050,020	$ 2,567,312	$ 2,397,728

Non-current assets exclude deferred tax assets and refundable deposits.

c. Information about major customers

Single customers which contributed 10% or more to the Group's total revenue were as follows:

	For the Year Ended December 31	
	2016	**2015**
Custom A	$ 725,015	$ NA(Note 1)
Custom B	383,092	860,980

Note 1: Revenue was less than 10% of the Group's total revenue.

CENTURY STEEL CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 1)	Business Transaction Amounts	Reasons for Short-term Financing (Note 2)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	The Corporation	Century Huadu Corporation	Other receivable	Yes	$ 10,000	$ 5,000	$ 3,550	2.5%	2	$ -	Note 2	$ -	-	$ -	$ 100,000	$ 233,471	

Note 1: 1. Business operation.
2. Short-term financing.

Note 2: Working capital.

Note 3: Limit on loan amount provided to each counterparty is not exceeding NT$100,000 thousand.

Note 4: Limit on endorsement/guarantee amount provided to each counterparty is not exceeding 10% of the Corporation’s net equity.

CENTURY STEEL CORPORATION AND SUBSIDIARIES

ENDORSEMENT AND GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
1	Century Huadu Corporation	The Corporation	4	$ 233,471	$ 110,000	$ 110,000	$ 73,855	$ -	4.7	$ 233,471	No	Yes	No	

Note 1: The 1 represents a company having business relationship.
The 2 represents a subsidiary in which the Corporation directly owns more than 50% of the equity interest.
The 3 represents an investee in which the Corporation indirectly owns 50% of equity interest.
The 4 represents an investor directly (or indirectly) owns more than 50% of equity interest.
The 5 represents a corporation related due to contract regulations of project.
The 6 represents guaranteed parties due to joint investment relationship.

Note 2: Limit on endorsement/guarantee amount provided to each counterparty is not exceeding 10% of the Corporation’s net equity.

Note 3: Limit on endorsement/guarantee amount provided to each counterparty is not exceeding 10% of the Corporation’s net equity.

CENTURY STEEL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
0	Century Steel Corporation (the "Corporation")	Century Huadu Corporation	1	Other receivable	$ 3,550	Note 2	-
				Interest revenue	90	Note 2	2
		Century International	1	Other receivable	410	Note 2	-
		Century Myanmar	1	Other receivable	37,513	Note 2	1
				Account receivable	253	Note 2	-
				Sales	76,125	Note 2	3
				Service revenue	15,633	Note 2	-

Note 1: The 1 represents deal between the parent company and subsidiary.

Note 2: According to the contract.

TABLE 4

CENTURY STEEL CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2016			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2016	December 31, 2015	Shares	%	Carrying Amount			
Century Steel Corporation (the "Corporation")	Century Huadu Corporation	Taiwan	Land development and investment in the construction of the residential building	$ 50,000	$ 50,000	50,000	100	$ 72,557	$ (446)	$ (446)	Note
	Century International	Hong Kong	Investment activities	370,768	214,142	11,722	65.12	291,397	(2,473)	(1,194)	Note
Century International	Century Myanmar	Myanmar	Steel structure engineering	USD 18,000	USD 10,800	18,000	90	USD 15,435	USD (138)	USD (124)	Note

Note: Recognized on the basis of audited financial statements for the same reporting period as that of the Corporation.