Stock Code:2542

HIGHWEALTH CONSTRUCTION CORP.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2018 and 2017

Address: 10F., No.267, Lequn 2nd Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)
Telephone: (02)2755-5899

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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安侯建業聯合會計師事務所
KPMG
台北市11049信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)
Telephone 電話 + 886 2 8101 6666
Fax 傳真 + 886 2 8101 6667
Internet 網址 kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Highwealth Construction Corp.:

Opinion

We have audited the accompanying parent company only financial statements of Highwealth Construction Corp. ("the Company"), which comprise the parent company only balance sheets as of December 31, 2018 and 2017, the parent company only statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as December 31, 2018 and 2017, 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.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the 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 parent company only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

We draw attention to Note 3(a) of the parent company only financial statements, which the Company initially adopted the IFRS 9 "Financial Instruments" at January 1, 2018, with no restatement of comparative period amounts. Our opinion is not modified in respect of this matter.

We draw attention to Note 3(a) of the parent company only financial statements, which the Company initially adopted the IFRS 15 "Revenue from Contracts with Customers" at January 1, 2018, with no restatement of comparative period amounts. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

   Please refer to note 4(o) and 6(x) of the parent company only financial statements for the account policies on revenue recognition and the details of revenue.

   Description of key audit matter

   The real estate industry, in which the Company is into, has a higher tendency of revenue fluctuation, therefore the management has set up relevant internal control procedures. The Company's sales revenue was $30,663,635 thousand in 2018, whether revenue is presented fairly has a significant impact on financial statement. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

   Auditing procedures proformed

   Our principal audit procedures included testing the effectiveness of the design and implementing the internal control system of sales revenue. Inspection of sales contracts, bank account transaction record and real estate ownership transfer document, etc. Performing analytical procedures to advance payment to analyze the completeness of accounting procedures. Testing the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2. Inventory valuation

   Please refer to note 4(g) and 5 of the parent company only financial statements for the accounting policies on measuring inventory, assumption used and uncertainties considered in determining the net realizable value and the details of inventory.

   Description of key audit matter

   As of December 31, 2018, inventory of the Company valued $66,297,202 thousands, constituting 68% of the total assets, which was presented with lower of cost or net realizable value method. The judgment of net realizable value of inventory relies on management since the Company focuses on real estate industry, which is not only deeply affected by politics, economics, and revolution of housing and land taxation, but also an industry involving a large portion of capital infusion and long-term payback. Thus, the valuation of inventory is one of the most important valuation in performing our audit procedures.

   Auditing procedures proformed

   Our principal audit procedures included understanding the Company's operating and accounting procedures for inventory valuation. Obtain the Company management's data of inventory valuation, inspecting and recalculating the net realizable value of inventory whether adequate. The net realizable value can be assessed in both ways: through reviewing the recent selling price of the premises, or by inquiring the selling price of premises nearby from the "Actual Selling Price of Real Estate" website.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company only Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2018 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 Ti-Nuan Chien and Kuo-Yang Tseng.

KPMG

Taipei, Taiwan (Republic of China)
March 19, 2019

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.

Parent Company only Balance Sheets

December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2018		December 31, 2017	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 9,394,347	10	6,290,490	7
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and 8)	304,728	-	348,275	-
1150	Notes receivable, net (Note 6(f))	1,239,151	1	479,306	1
1170	Accounts receivable, net (Notes 6(f) and 7)	183,745	-	57,369	-
130X	Inventories (Notes 6(g), 7 and 8)	66,297,202	68	66,757,648	77
1410	Prepayments	245,988	-	1,175,409	1
1476	Other current financial assets (Notes 6(m), (x), 7,8 and 9(b))	3,174,073	3	3,278,704	4
1479	Other current assets, others	28,656	-	81,098	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 6(m))	700,286	1	-	-
		81,568,176	83	78,468,299	90
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	528,381	1	-	-
1523	Non-current available-for-sale financial assets, net (Note 6(d))	-	-	57,043	-
1543	Non-current financial assets at cost, net (Note 6(e))	-	-	18,298	-
1550	Investments accounted for using equity method, net (Notes 6(h), (i), (j) and 8)	3,497,665	4	3,618,739	4
1600	Property, plant and equipment (Notes 6(k) and 8)	859,716	1	521,707	1
1760	Investment property, net (Notes 6(l) and 8)	3,798,692	4	1,315,722	2
1780	Intangible assets	4,816	-	5,407	-
1840	Deferred tax assets (Note 6(u))	14,544	-	14,544	-
1980	Other non-current financial assets (Notes 6(m) and 8)	6,729,809	7	2,515,655	3
		15,433,623	17	8,067,115	10
	Total assets	**$ 97,001,799**	**100**	**86,535,414**	**100**

		December 31, 2018		December 31, 2017	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(n))	$ 29,912,189	30	26,024,973	30
2110	Short-term notes and bills payable (Note 6(o))	3,748,664	4	2,689,400	3
2130	Current contract liabilities (Notes 6(x), 7 and 9(a))	2,899,579	3	-	-
2150	Notes payable	19,813	-	12,232	-
2170	Accounts payable	645,259	1	608,742	1
2180	Accounts payable to related parties (Note 7)	643,798	1	842,832	1
2200	Other payables (Note 7)	1,603,992	2	1,156,880	2
2230	Current tax liabilities	16,629	-	1,850	-
2305	Other current financial liabilities	116,648	-	58,943	-
2310	Advance receipts (Notes 6(s),7 and 9(a))	-	-	6,248,440	7
2322	Long-term borrowings, current portion (Note 6(p))	94,398	-	4,374	-
2399	Other current liabilities, others	200,054	-	195,839	-
		39,901,023	41	37,844,505	44
	Non-Current liabilities:				
2530	Bonds payable (Note 6(q))	19,615,093	20	17,021,269	20
2540	Long-term borrowings (Note 6(p))	3,270,112	3	939,431	1
2570	Deferred tax liabilities (Note 6(u))	340	-	340	-
2640	Net defined benefit liability, non-current (Note 6(t))	35,084	-	37,097	-
		22,920,629	23	17,998,137	21
	Total liabilities	62,821,652	64	55,842,642	65
	Equity attributable to owners of parent:				
3100	Common stock (Note 6(v))	11,666,266	12	11,666,266	13
3200	Capital surplus (Note 6(v))	304,459	-	2,572,169	3
	Retained earnings:				
3310	Legal reserve (Note 6(v))	6,307,154	7	6,114,228	7
3350	Unappropriated retained earnings	15,458,602	16	10,404,144	12
3400	Other equity interest (Note 6(v))	510,427	1	5,394	-
3500	Treasury stock (Note 6(v))	(66,761)	-	(69,429)	-
	Total equity	34,180,147	36	30,692,772	35
	Total liabilities and equity	**$ 97,001,799**	**100**	**86,535,414**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.

Parent Company only Statements of Comprehensive Income

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2018		2017	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(x), (y) and 7)**	$ 30,717,971	100	12,252,697	100
5000	**Operating costs (Note 6(g))**	21,848,707	71	8,836,415	72
	Gross profit from operations	8,869,264	29	3,416,282	28
5910	Less:Unrealized profit (loss) from sales(note)	20,483	-	-	-
5920	Add:Realized profit (loss) on from sales(note)	-	-	2,271	-
	Gross profit from operations	8,848,781	29	3,418,553	28
	Operating expenses:				
6100	Selling expenses (Note 7)	1,646,635	5	836,361	7
6200	Administrative expenses (Note 7)	667,708	2	719,824	6
		2,314,343	7	1,556,185	13
	Net operating income	6,534,438	22	1,862,368	15
	Non-operating income and expenses:				
7010	Other income (Note 6(aa) and 7)	419,768	1	362,736	3
7020	Other gains and losses, net (Note 6(aa))	216,664	1	127,387	1
7050	Finance costs, net (Note 6(aa) and 7)	(588,498)	(2)	(361,824)	(3)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	586,465	2	109,118	1
	Total non-operating income and expenses	634,399	2	237,417	2
	Profit from continuing operations before tax	7,168,837	24	2,099,785	17
7950	**Less: Tax expense(Note 6(u))**	312,693	1	170,524	1
	Profit	6,856,144	23	1,929,261	16
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(t))	2,401	-	233	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	45,478	-	-	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(260)	-	4,316	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	47,619	-	4,549	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8362	Unrealized gains (losses) on valuation of available-for-sale financial assets	-	-	3,246	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(92)	-	(72)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(92)	-	3,174	-
8300	**Other comprehensive income, net**	47,527	-	7,723	-
	Total comprehensive income	**$ 6,903,671**	**23**	**1,936,984**	**16**
	Earnings per share (Note 6(x))				
	Basic earnings per share	$	**6.01**		**1.69**
	Diluted earnings per share	$	**5.28**		**1.69**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.

Parent Company only Statements of Changes in Equity

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Total other equity interest					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury stock	Total equity
Balance at January 1, 2017	$ 11,666,266	2,583,914	5,479,307	1,529	14,907,090	20,387,926	508	-	1,712	2,220	(62,057)	34,578,269
Profit (loss)	-	-	-	-	1,929,261	1,929,261	-	-	-	-	-	1,929,261
Other comprehensive income	-	-	-	-	4,549	4,549	(72)	-	3,246	3,174	-	7,723
Total comprehensive income	-	-	-	-	1,933,810	1,933,810	(72)	-	3,246	3,174	-	1,936,984
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	634,921	-	(634,921)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(5,684,971)	(5,684,971)	-	-	-	-	-	(5,684,971)
Reversal of special reserve	-	-	-	(1,529)	1,529	-	-	-	-	-	-	-
Cash dividends from capital surplus	-	(148,162)	-	-	-	-	-	-	-	-	-	(148,162)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	133,261	-	-	-	-	-	-	-	-	-	133,261
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(118,393)	(118,393)	-	-	-	-	-	(118,393)
Changes in ownership interests in subsidiaries	-	3,156	-	-	-	-	-	-	-	-	(7,372)	(4,216)
Balance at December 31, 2017	11,666,266	2,572,169	6,114,228	-	10,404,144	16,518,372	436	-	4,958	5,394	(69,429)	30,692,772
Effects of retrospective application	-	-	-	-	325,579	325,579	-	471,689	(4,958)	466,731	-	792,310
Equity at beginning of period after adjustments	11,666,266	2,572,169	6,114,228	-	10,729,723	16,843,951	436	471,689	-	472,125	(69,429)	31,485,082
Profit (loss)	-	-	-	-	6,856,144	6,856,144	-	-	-	-	-	6,856,144
Other comprehensive income	-	-	-	-	2,141	2,141	(92)	45,478	-	45,386	-	47,527
Total comprehensive income	-	-	-	-	6,858,285	6,858,285	(92)	45,478	-	45,386	-	6,903,671
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	192,926	-	(192,926)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,740,607)	(1,740,607)	-	-	-	-	-	(1,740,607)
Cash dividends from capital surplus	-	(2,342,586)	-	-	-	-	-	-	-	-	-	(2,342,586)
Due to donated assets received	-	3,396	-	-	-	-	-	-	-	-	-	3,396
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	93,282	-	-	-	-	-	-	-	-	-	93,282
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(202,957)	(202,957)	-	-	-	-	-	(202,957)
Changes in ownership interests in subsidiaries	-	(21,802)	-	-	-	-	-	-	-	-	2,668	(19,134)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	7,084	7,084	-	(7,084)	-	(7,084)	-	-
Balance at December 31, 2018	**$ 11,666,266**	**304,459**	**6,307,154**	**-**	**15,458,602**	**21,765,756**	**344**	**510,083**	**-**	**510,427**	**(66,761)**	**34,180,147**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.

Parent Company only Statements of Cash Flows

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

		2018	2017
Cash flows from (used in) operating activities:			
Profit before tax	$	7,168,837	2,099,785
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		38,826	19,124
Amortization expense		3,819	2,685
Expected credit loss / Provision (reversal of provision) for bad debt expense		-	2,503
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		69,826	(143,014)
Interest expense		588,498	361,824
Interest income		(14,156)	(9,821)
Dividend income		(44,603)	(18,688)
Share of profit of subsidiaries,associates and joint ventures accounted for using equity method		(586,465)	(109,118)
Loss on disposal of property, plan and equipment		12	575
Loss (gain) on disposal of investment properties		(288,513)	3,826
Unrealized profit (loss) from sales		20,483	(2,271)
Other revenue, overdue dividends and compensation of board and directors		3,396	-
Total adjustments to reconcile profit (loss)		(208,877)	107,625
Changes in operating assets and liabilities:			
Changes in operating assets:			
Increase in financial assets held for trading		-	(27,130)
Net gain on financial assets or liabilities at fair value through profit or loss		(26,278)	-
(Increase) decrease in notes receivable		(759,845)	5,230
(Increase) decrease in accounts receivable		(126,376)	21,933
Increase in inventories		(1,175,012)	(2,319,383)
Decrease in prepayments		145,253	182,176
Decrease (increase) in other current assets		52,441	(16,495)
Decrease in other financial assets		61,548	541,398
Decrease in incremental costs of obtaining a contract		365,621	-
Total changes in operating assets		(1,462,648)	(1,612,271)
Changes in operating liabilities:			
Decrease in contract liabilities		(3,348,861)	-
Increase (decrease) in notes payable		7,581	(12,481)
Decrease in accounts payable		(162,517)	(28,001)
Increase (decrease) in other payable		422,981	(198,442)
Increase in receipts in advance		-	385,829
Increase in other financial liabilities		57,705	50,305
Increase in other current liabilities		4,215	44,276
Increase in net defined benefit liability		388	1,381
Total changes in operating liabilities		(3,018,508)	242,867
Total changes in operating assets and liabilities		(4,481,156)	(1,369,404)
Total adjustments		(4,690,033)	(1,261,779)
Cash inflow generated from operations		2,478,804	838,006
Income taxes paid		(255,716)	(191,241)
Net cash flows from (used in) operating activities		2,223,088	646,765

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.

Parent Company only Statements of Cash Flows (CONT'D)

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets designated at fair value through profit or loss	59,169	-
Acquisition of investments accounted for using equity method	(269,780)	(4,205,086)
Proceeds from disposal of investments accounted for using equity method	518,300	-
Acquisition of property, plant and equipment	(355,236)	(4,862)
Proceeds from disposal of property, plant and equipment	-	381
Acquisition of intangible assets	(3,228)	(6,178)
Acquisition of investment properties	(531,548)	(132,882)
Proceeds from disposal of investment properties	446,454	30,310
Interest received	14,456	10,433
Dividends received	378,548	2,106,222
Net cash flows from (used in) investing activities	257,135	(2,201,662)
Cash flows from (used in) financing activities:		
Increase in short-term loans	18,061,505	18,837,460
Decrease in short-term loans	(13,386,069)	(17,815,056)
Decrease (increase) in short-term notes and bills payable	1,059,264	(645)
Proceeds from issuing bonds	2,497,500	9,993,705
Proceeds from long-term debt	1,703,511	-
Repayments of long-term debt	(71,026)	(4,320)
Increase in other financial liabilities	(4,214,154)	(1,822,281)
Cash dividends paid	(4,083,193)	(5,833,133)
Interest paid	(943,704)	(828,935)
Net cash flows from (used in) financing activities	623,634	2,526,795
Net increase (decrease) in cash and cash equivalents	3,103,857	971,898
Cash and cash equivalents at beginning of the year	6,290,490	5,318,592
Cash and cash equivalents at end of the year	$ **9,394,347**	**6,290,490**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.

Notes to the Parent Company only Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

HIGHWEALTH CONSTRUCTION CORP. (the "Company") was incorporated in January 1980 as a company limited by shares under the company Act of the Republic of China. Originally known as Yufu Construction Co., Ltd., after several times of rename. It changed its name to Hongju Construction Co., Ltd. after the acquisition of Hongju Construction Co., Ltd. in May 1989. Hongju Construction acquired Highwealth in 2000 and changed its name to Highwealth Construciton Corp. in May 2003. The Company registered address is 10F, No.267, Lequn 2nd Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.) The Company primarily engages in the business of construction, sales, and leasing of residual and commercial buildings. Please refer to the financial statements for the Company's main business activities.

(2) Approval date and procedures of the parent company only financial statements:

The parent company only financial statements were authorized for issuance by the Board of Directors on March 19,2019.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Company has prepared following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2018.

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendment to IFRS 2 "Clarifications of 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
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 7 "Statement of Cash Flows -Disclosure Initiative"	January 1, 2017
Amendment to IAS 12 "Income Taxes- Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
Annual Improvements to IFRS Standards 2014–2016 Cycle:	
Amendments to IFRS 12	January 1, 2017
Amendments to IFRS 1 and Amendments to IAS 28	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

Except for the following items, the Company believes that the adoption of the above IFRSs would not have any material impact on its financial statements. The extent and impact of signification changes are as follows:

(i) IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces the existing revenue recognition guidance, including IAS 18 “Revenue” and IAS 11 “Construction Contracts”. The Company applies this standard retrospectively with the cumulative effect, it need not restate those contracts, but instead, continues to apply IAS 11, IAS 18 and the related Interpretations for comparative reporting period. The Company recognizes the cumulative effect upon the initially application of this Standard as an adjustment to the opening balance of retained earnings on January 1, 2018.

The following are the nature and impacts on changing of accounting policies:

1) Revenue from sales of real estate

The current sales of real estate contracts are handled in accordance to the sales of commodity agreement. Revenue is recognized when the construction of the premises is completed and delivered to the customer. Since revenue and cost at that point in time can be reliably measured, the selling price is likely to be recovered, and the Company no longer participates in the management of the commodity. Under International Financial Reporting Standards No. 15, it is necessary to assess whether the contractual commitments will gradually satisfy performance obligations over time or meet performance obligations at a certain point in time. The Company’ s preliminary assessment of the contract for the sales of real estate still meets the performance obligations at a certain point in time, and since the time of transfer and control of major risks and rewards from the ownership of the premises to customer is similar; thus does not have a significant impact.

2) Major financing components - Prepayment of premises

The current standard has not stipulated the imputed interest for prepayment of premises; thus, the Company has not currently adjusted the consideration for the pre-acquisition. Under International Financial Reporting Standard No. 15, prepayments should also be assessed to ensure whether it contains significant financial component to determine whether adjustments are required to reflect the effect of the time value of money. Based on individual contracts, the Company pre-assesses the contract price and the current sales price, which does not contain significant financing factors; thus, does not have a significant financial component. It is expected to not have any significant impact on the parent company only financial statement.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

3) Incremental costs of acquiring customer contracts

The Company commissioned advertisers and the selling department of the Company to sale real estates, the current expenditures are recognized as acquisition of capitalized contract costs, and are recognized as expenses when they are sold in real estate; if they do not meet the requirements, they are immediately recognized as expenses when they occur. Under International Financial Reporting Standard No. 15, if it meets the expected incremental cost of requisitioning customer contracts through sales of premises, it should be classified as an asset and be consistent with the transfer of the pre-sale house to the customer. As a result, the incremental costs of acquiring the customer contracts, which are qualified to be recognized as assets, will be reclassified to expenses when the prepayment of premises reclassified as revenue.

4) Impacts on financial statements

The following tables summarize the impacts of adopting IFRS15 on the Company’s financial statements:

	December 31, 2018			January 1, 2018		
Impacted line items on the balance sheet	**Balances prior to the adoption of IFRS 15**	**Impact of changes in accounting policies**	**Balance upon adoption of IFRS 15**	**Balances prior to the adoption of IFRS 15**	**Impact of changes in accounting policies**	**Balance upon adoption of IFRS 15**
Prepayment	$ 689,820	(443,832)	245,988	1,175,409	(764,898)	410,511
Investments accounted for using equity method	3,492,640	5,025	3,497,665	3,618,739	24,570	3,643,309
Incremental costs of obtaining a contract	-	700,286	700,286	-	1,065,907	1,065,907
Impact on assets		**261,479**			**325,579**	
Contract Liabilit	$ -	2,899,579	2,899,579	-	6,248,440	6,248,440
Advanced receip	2,899,579	(2,899,579)	-	6,248,440	(6,248,440)	-
Impact on liabilities		**-**			**-**	
Retained earnings	$ 21,504,277	261,479	21,765,756	16,518,372	325,579	16,843,951
Impact on equity		261,479			325,579	

	For the year ended December 31, 2018		
Impacted line items on the income statement	**Before adjustments**	**Impact of changes in accounting polices**	**After adjustments**
Operating revenues	$ 30,717,971	-	30,717,971
Operating costs	(21,869,190)	-	(21,869,190)
Selling expenses	(1,602,080)	(44,555)	(1,646,635)
Administrative expenses	(667,708)	-	(667,708)
Non Operating income	653,944	(19,545)	634,399
Impact on profit before income tax		(64,100)	
Income tax expenses	(312,693)	-	(312,693)
Impact on Profit		**(64,100)**	
Basic earnings per share	**$ 6.07**	**(0.06)**	**6.01**
Diluted earnings per share	**$ 5.33**	**(0.05)**	**5.28**

(Continued)

HIGHWEALTH CONSTRUCTION CORP.

Notes to the Parent Company only Financial Statements

Impacted line items on the statement of cash flows	For the year ended December 31, 2018 Before adjustments	Impact of changes in accounting polices	After adjustments
Cash flows from (used in) operating activities:			
Profit before tax	$ 7,232,937	(64,100)	7,168,837
Adjustments:			
Shares of loss (profit) of associates accounted for using equity method	(606,010)	19,545	(586,465)
Prepayment	466,369	(321,066)	145,303
Prepayment	-	365,621	365,621
Contract liabilities	-	(3,348,861)	(3,348,861)
Advanced receipt	(3,348,861)	3,348,861	-
Impact on cash flows from operating activities		64,100	
Impact on net cash flows from operating activities		-	

(ii) IFRS 9 “Financial Instruments”

IFRS 9 replaces IAS 39 “ Financial Instruments: Recognition and Measurement” which contains classification and measurement of financial instruments, impairment and hedge accounting.

As a result of the adoption of IFRS 9, the Company adopted the consequential amendments to IAS 1 “Presentation of Financial Statements” which requires impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Company’ s approach was to include the impairment of trade receivables in administrative expenses. Additionally, the Company adopted the consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but generally have not been applied to comparative information.

The detail of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

1) Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification. For an explanation of how the Company classifies and measures financial assets and accounts for related gains and losses under IFRS 9, please see note 4(f).

The adoption of IFRS 9 did not have any a significant impact on its accounting policies on financial liabilities.

2) Impairment of financial assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with the ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than they are under IAS 39 – please see note 4(f).

3) Transition

The adoption of IFRS 9 have been applied retrospectively, except as described below,

- Comparative periods have been restated only for retrospective application of the cost of hedging approach for forward points. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as on January 1, 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

  —The determination of the business model within which a financial asset is held.

  — The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

  —The designation of certain investments in equity instruments not held for trading as at FVOCI.

- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Company assumed that the credit risk on its asset will not increase significantly since its initial recognition.

- Changes to hedge accounting policies have been applied prospectively except for the cost of hedging approach for forward points, which has been applied retrospectively to hedging relationships that existed on or after January 1 2017.

- All hedging relationships designated under IAS 39 on December 31 2017 met the criteria for hedge accounting under IFRS 9 on January 1, 2018, and are therefore, regarded as continuing hedging relationships.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

4) Classification of financial assets on the date of initial application of IFRS 9

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as of January 1, 2018.

	IAS39		IFRS9	
Financial Assets	**Measurement categories**	**Carrying Amount**	**Measurement categories**	**Carrying Amount**
Cash and equivalents	Loans and receivables	6,290,490	Amortized cost	6,290,490
Equity instruments	Financial assets measured at amortized cost (note 1)	18,298	Mandatorily at FVTPL	485,029
	Available-for-sale	57,043	FVOCI	57,043
Trade and other receivables	Loans and receivables (note 2)	536,675	Amortized cost	536,675
Other financial assets	Loans and receivables	5,794,359	Amortized cost	5,794,359

Note 1: For those equity instruments (including financial assets measured at amortized cost) indicate that the Company intention for long term investment. Under IFRS 9, The Company designated the investment as fair value through other comprehensive income at the beginning of the report date. Consequently, the amount of book value and other equity increase $466,731 thousand.

Note 2: Trade, lease and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost.

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 upon transition to IFRS 9 on 1 January, 2018.

	2017.12.31 IAS 39 Carrying Amount	Reclassifications	Remeasurements	2018.1.1 IFRS 9 Carrying Amount	2018.1.1 Retained earnings	2018.1.1 Other equity
Beginning balance of available for sale (including measured at cost) (IAS 39)	$ 75,341	-	-		-	-
Available for sale to FVOCI	-	-	466,731		-	466,731
Total	$ 75,341	-	466,731	542,072	-	466,731

(b) The impact of IFRS endorsed by FSC but not yet effective

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2019 in accordance with Ruling No. 1070324857 issued by the FSC on July 17, 2018:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 16 "Leases"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019
Amendments to IFRS 9 "Prepayment features with negative compensation"	January 1, 2019

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019
Amendments to IAS 28 “Long-term interests in associates and joint ventures”	January 1, 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	January 1, 2019

Except for the following items, the Company believes that the adoption of the above IFRSs would not have any material impact on its financial statements. The extent and impact of signification changes are as follows:

(i) IFRS 16 “Leases”

IFRS 16 replaces the existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces a single and an on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In addition, the nature of expenses related to those leases will now be changed since IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. The lessor accounting remains similar to the current standard – i.e. the lessors will continue to classify leases as finance or operating leases.

1) Determining whether an arrangement contains a lease

On transition to IFRS 16, the Company can choose to apply either of the following:

- IFRS 16 definition of a lease to all its contracts; or
- a practical expedient that does not need any reassessment whether a contract is, or contains, a lease.

The Company plans to apply the practical expedient to grandfather the definition of a lease upon transition. This means that it will apply IFRS 16 to all contracts entered into before January 1, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

2) Transition

As a lessee, the Company can apply the standard using either of the following:

- retrospective approach; or
- modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases.

On January 1, 2019, the Company plans to initially apply IFRS 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at January 1, 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Company chooses to elect the following practical expedients:

- apply a single discount rate to a portfolio of leases with similar characteristics.
- adjust the right-of-use assets, based on the amount reflected in IAS 37 onerous contract provision, immediately before the date of initial application, as an alternative to an impairment review.
- apply the exemption not to recognize the right-of-use assets and liabilities to leases with lease term that ends within 12 months of the date of initial application.
- exclude the initial direct costs from measuring the right-of-use assets at the date of initial application.
- use hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

3) So far, the most significant impact identified is that the Company will have to recognize the new assets and liabilities for the operating leases of its buildings and real estates. The Company estimated that the right-of-use assets and the lease liabilities to increase by $7,488 thousand and $7,749 thousand respectively, as well as the investment accounted for using equity method and the retained earnings to decrease by $14,698 thousand and $14,959 thousand respectively on January 1, 2019. No significant impact is expected for the Company’s finance leases. Besides, the Company does not expect the adoption of IFRS 16 to have any impact on its ability to comply with the revised maximum leverage threshold load covenant.

The actual impacts of adopting the standards may change depending on the economic conditions and events which may occur in the future.

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020

The Company assessed that the above IFRSs may not be relevant to the Company.

(4) Summary of significant accounting policies:

The accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in theinterpretation of the English and Chinese language parent company only financial statements, the Chinese version shall prevail.
The following significant accounting policies have been applied consistently to all periods presented in the parent company only financial statements unless otherwise specified.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(b) Basis of preparation

(i) Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for the financial instruments.

1) Financial asset measured at Fair value through profit or loss are measured at fair value;

2) Fair value through other comprehensive income are measured at fair value ;

3) The defined benefit liability (asset) is recognized as the fair value of the plan asset less the present value of defined benefit obligation and the upper limit impact mentioned in note 6(p).

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(ii) Functional and presentation currency

The functional currency of each Company entities is determined based on the primary economic environment in which the entities operate. The Company’s parent company only financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency.All the financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Foreign currencies

(i) currencies transaction

Transactions in foreign currencies are translated to the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) Fair value through other comprehensive income (Available-for-sale) equity investment;

2) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) Qualifying cash flow hedges to the extent that the hedge is effective.

(ii) Foreign operation

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated at the average exchange rate. Translation differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Current and non-current distinction

(i) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(ii) The Company holds the asset primarily for the purpose of trading;

(iii) The Company expects to realize the asset within twelve months after the reporting period;

(iv) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when

(i) The Company expects to settle the liability in its normal operating cycle;

(ii) The Company holds the liability primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period;

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

(e) Cash and cash equivalents

Cash comprises cash on hand, demand deposits, cash equivalents are highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.They are reported as cash equivalents.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

(f) Financial instruments

(i) Financial assets (Policy applicable from January 1, 2018)

Financial assets are classified into the following categories: measured at amortized cost, and fair value through profit or loss (FVTPL).

The Company shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

2) Fair value through other comprehensive income FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

HIGHWEALTH CONSTRUCTION CORP.
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A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses, deriving from debt investments are recognized in profit or loss; whereas dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses of financial assets measured at FVOCI are recognized in OCI. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss. However, gains and losses accumulated in OCI of equity investments are reclassified to retain earnings instead of profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex dividend date. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

4) Business model assessment

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable,guarantee deposit paid and other financial assets), debt investments measured at FVOCI, accounts receivable measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and

HIGHWEALTH CONSTRUCTION CORP.
Notes to the Parent Company only Financial Statements

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company' s historical experience and informed credit assessment as well as forward-looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ' investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ' credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data.

- significant financial difficulty of the borrower or issuer；
- a breach of contract such as a default or being more than 90 days past due；
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider；

- it is probable that the borrower will enter bankruptcy or other financial reorganization；or
- the disappearance of an active market for a security because of financial difficulties.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

6) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a debt instrument in its entirety, the Company recognizes the difference between its carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income and presented in “other equity – unrealized gains or losses on fair value through other comprehensive income”, in profit or loss, and presented it in the line item of non-operating income and expenses in the statement of comprehensive income.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss, and presented in the line item of non-operating income and expenses. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

(ii) Financial assets (Policy applicable before January 1, 2018)

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

1) financial assets at fair value through profit or loss

A financial asset is classified in this category if it is classified as held for trading or is designated as such on initial recognition.

(Continued)

Financial assets are classified as held for trading if they are acquired principally for the purpose of selling in the short term. The Company designates financial assets, other than those classified as held for trading, as at fair value through profit or loss at initial recognition under one of the following situations:

a) Designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

b) Performance of the financial asset is evaluated on a fair value basis

c) A hybrid instrument contains one or more embedded derivatives

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

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are measured at amortized cost, and are included in financial assets measured at cost.

2) Available for sale financial assets

Available for sale financial assets are non derivative financial assets that are designated as available for sale or are not classified in any of the other categories of financial assets. Available for sale financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, interest income calculated using the effective interest method, dividend income, and foreign currency differences on available for sale debt instruments, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss, and included in the other income or loss under non-operating income and expenses. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are measured at amortized cost, and are included in financial assets measured at cost.

Dividend income is recognized in profit or loss on the date that the Company’s right to receive payment is established, which in the case of quoted securities is normally the ex dividend date. Such dividend income is included in other income under non-operating income and expenses.

Interest income from investment in bond security is recognized in profit or loss, under other income of non operating income and expenses.

3) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market including account receivable, other receivable and debt investment in inactive market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables other than insignificant interest on short term receivables are measured at amortized cost using the effective interest method, less any impairment losses. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

Interest income is recognized in profit or loss, and it is included in non operating income and expenses.

4) Impairment of financial assets

Except for financial assets at fair value through profit or loss, financial assets are assessed for impairment at each reporting date. A financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is considered objective evidence of impairment.

All individually significant receivables are assessed for specific impairment. Receivables that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than the those suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

An impairment loss in respect of a financial asset measured at cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

(Continued)

An impairment loss in respect of a financial asset is deducted from the carrying amount except for accounts receivable, for which an impairment loss is reflected in an allowance account against the receivables. When it is determined a receivable is uncollectible, it is written off from the allowance account. Changes in the amount of the allowance account are recognized in profit or loss.

Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss.

If, in a subsequent period, the amount of impairment loss on a financial asset measured at amortized cost decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the decrease in impairment loss is reversed through profit or loss to the extent that the carrying value of the asset does not exceed its amortized cost before the impairment was recognized at the reversal date.

Impairment losses recognized on an available for sale equity security are not reversed through profit or loss. Any subsequent recovery in the fair value of an impaired available for sale equity security is recognized in other comprehensive income, and accumulated in other equity. If, in a subsequent period, the fair value of an impaired available for sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss.

Impairment losses and recoveries of accounts receivable are recognized in profit or loss; impairment losses and recoveries of other financial assets are recognized in other income and expenses in non-operating income and expenses.

(iii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

Preference share is classified as equity if it is non-redeemable, or redeemable only at the Company’s option, and any dividends are discretionary. Discretionary dividends thereon are recognized as distributions within equity upon approval by the Company’ s shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary.

Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, when the number of shares to be issued is fixed.

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The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognized in profit or loss, and included in finance cost in non-operating income and expenses

On conversion, the financial liability is reclassified to equity, and no gain or loss is recognized.

2) Financial liabilities at fair value through profit or loss

A financial liability is classified in this category if it is classified as held for trading or is designated as such on initial recognition.

Financial liabilities are classified as held for trading if acquired principally for the purpose of selling in the short term. The Company designates financial liabilities, other than those classified as held for trading, as at fair value through profit or loss at initial recognition under one of the following situations.

a) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on a different basis.

b) Performance of the financial liabilities is evaluated on a fair value basis.

c) A hybrid instrument contains one or more embedded derivatives.

Attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value, and changes therein, which take into account any interest expense, are recognized in profit or loss, and included in financial cost in non-operating income and expenses.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are measured at amortized cost, and are included in financial assets measured at cost.

A financial liability at fair value through profit or loss is measured at cost if it is a short sale of unquoted equity investment whose fair value cannot be reliably measured and the short seller is obligated to deliver the equity instrument.

3) Other financial liabilities

Financial liabilities not classified as held for trading or designated as at fair value through profit or loss(including long-term borrowing and short-term borrowing, account payable and other payable) are measured at fair value, plus any directly attributable transaction costs at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is recognized in profit or loss, and is included in operating costs.

(g) Inventory

(i) Construction industry

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The inventory of construction business are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in bringing them to their existing location and condition and capitalized borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value is estimated as follows:

1) Land held for construction

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value (development analytical method or comparison method).

2) Construction-in-progress

Net realizable value is the estimated selling price (current market condition)in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value.

3) Properties and land held

Net realizable value is the estimated selling price (refer to the market condition estimated by authority)in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value.

(ii) Manufacturer

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self constructed investment property includes the cost of raw materials and direct labor, any other costs directly attributable to bringing the investment property to a working condition for its intended use, and capitalized borrowing costs.

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its book value at the date of reclassification becomes its cost for subsequent accounting.ounting.

(i) Propery,plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self constructed asset comprises material, labor, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and any borrowing cost that is eligible for capitalization. Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. The cost of software is capitalized as part of the property, plant and equipment if the purchase of the software is necessary for the property, plant and equipment to be capable of operating.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately unless the useful life and depreciation method of that significant part are the same as those of another significant part of that same item.

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The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized in profit or loss, under net other income and expenses

(ii) Subsequent cost

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Company. The carrying amount of those parts of fixed assets that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment. Items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately.

Leased assets are depreciated by the straight line method during the period of expected use, consistent with the depreciation policy the lessee adopts for depreciable assets that are owned. If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise, the asset is depreciated over the shorter of the lease term and its useful life.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

(1) Buildings	6～50 years
(2) Transportation equipment	5 years
(3) Office equipemnt	3～5 years
(4) Other equipment	3～5 years

The depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates.

(j) Lease

(i) Lessor

A finance lease asset is recognized on a net basis as lease receivable. Initial direct costs incurred in negotiating and arranging an operating lease are added to the net investment in the leased asset. The finance income is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the receivable.

(Continued)

Lease income from an operating lease is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and recognized as an expense over the lease term on the same basis as the lease income. Incentives granted to the lessee to enter into the operating lease are spread over the lease term on a straight-line basis so that the lease income received is reduced accordingly.

Contingent rents are recognized as income in the period when the lease adjustments are confirmed.

(ii) Lessee

Other leases are operating leases and are not recognized in the Company's balance sheets.

Payments made under operating leases (excluding insurance and maintenance expenses) are recognized in profit or loss on a straight-line basis over the term of the lease.

The incentive provided for lease recognize as the deduction for the lease payment under the straight-line basis over the term of the lease.

Contingent rent is recognized as expense in the period in which it is incurred.

(k) Intangible assets

(i) Other intangible assets

Other intangible assets that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

The amortizable amount is the cost of an asset less its residual value. Except for goodwill and intangible assets with indefinite useful lives, amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows.

Computer software	1～3 years

The residual value, amortization period, and amortization method for an intangible asset with a finite useful life shall be reviewed at least annually at each fiscal year end. Any changes shall be accounted for as changes in accounting estimates.

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(l) Impairment of non-financial assets

The carrying amounts of the Company’ s non financial assets, other than assets arising from construction contracts, deferred tax assets, and assets arising from employee benefits, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. If it is not possible to determine the recoverable amount (the higher of its fair value less costs of disposal and its value in use) for the individual asset, then the Company will have to determine the recoverable amount for the asset’s cash generating unit (CGU).

The recoverable amount for an individual asset or a CGU is the higher of its fair value less costs to sell and its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount; and that reduction will be accounted as an impairment loss, which shall be recognized immediately in profit or loss.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

If there is any change of the estimation of the recoverable amount ,an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, However, the reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Goodwill and intangible assets with indefinite useful lives or those not yet in use are tested at least annually. Impairment loss is recognized if the recoverable amount is less than the carrying amount.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the acquirer’s CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination.

If the carrying amount of each of the CGUs exceeds the recoverable amount of the unit, impairment loss is recognized and is allocated to reduce the carrying amount of each asset in the unit.

Reversal of an impairment loss for goodwill is prohibited.

(m) Treasury stock

When the Company takes back treasury stocks that has been issued, the treasury stock would be taken as a deduction in equity, according to the price of the treasury stock (including direct costs) and the treasury stock after net income. The difference between the prices of the treasury stocks sold that has a higher price than its face value is listed as the access paid-in-capital (trade in treasury stock). When the price is lower than the face value, the difference is offset against the capital reserve generated by the exchange of the same type of treasury stock. If there is not enough, it would be debited to retaining earnings. The face value of the treasury stock uses weighted average and is calculated separately according to the reasons returned.

(n) Revenue

(i) Revenue from contracts with customers (policy applicable from January 1, 2018)

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Land development and sale of real estate

The Company develops and sells residential properties and usually sales properties in advance during construction or before construction begins. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from contract inception until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(Continued)

(ii) Revenue (policy applicable before January 1, 2018)

1) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that a discount will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

(iii) Contract costs-incremental costs of obtaining a contract (policy applicable from January 1, 2018)

The Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted from the aforesaid discounted present value. The discount rate is the yield at the reporting date on (market yields of high quality government bonds) bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss immediately.

Re-measurement of net defined benefit liability (asset) (including actuarial gains, losses and the return on plan asset and changes in the effect of the asset ceiling, excluding any amounts included in net interest) is recognized in other comprehensive income (loss). The effect of re-measurement of the defined benefit plan is charged to retained earnings.

The Company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets and change in the present value of defined benefit obligation.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Income Taxes

Income tax expenses include both current taxes and deferred taxes. Except for expenses that are related to business combinations, expenses recognized in equity or other comprehensive income directly, and other related expenses, all current and deferred taxes are recognized in profit or loss.

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

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized for the following:

(i) Assets and liabilities that are initially recognized from non-business combination transactions, with no effect on net income or taxable gains (losses).

(ii) Temporary differences arising from equity investments on subsidiaries or joint ventures, where there is a high probability that such temporary differences will not reverse.

(iii) Initial recognition of goodwill.

(Continued)

Deferred taxes are measured based on the statutory tax rate on the reporting date or the actual legislative tax rate during the year of expected asset realization or debt liquidation.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

(i) if the entity has the legal right to settle tax assets and liabilities on a net basis; and

(ii) the taxing of deferred tax assets and liabilities fulfill one of the below scenarios:

1) levied by the same taxing authority; or

2) levied by different taxing authorities, but where each such authority intend to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation; or where the timing of asset realization and debt liquidation is matched.

A deferred tax asset is recognized for unused tax losses available for carry-forward, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits and deductible temporary differences are also re-evaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

(q) Business combination

Goodwill is measured at the consideration transferred less the amounts of the identifiable assets acquired and liabilities assumed (generally at fair value) at the acquisition date. If the amount of net assets acquired and liabilities assumed exceeds the acquisition price, the Company reassesses whether it has correctly identified all of the assets acquired and liabilities assumed, and recognizes a gain for the excess.

All transaction costs relating to a business combination are recognized immediately as expenses when incurred, except for the issuance of debt or equity instruments.

The Company shall measure any non controlling interests in the acquiree either at fair value or at the non controlling interest's proportionate share of the acquiree's identifiable net assets, if the non controlling interests are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other non controlling interests are evaluated by their fair value or by another basis permitted by the IFRSs endorsed by the FSC.

(r) Earnings per share

Disclosures are made of basic and diluted earnings per share attributable to ordinary equity holders of the Company. The basic earnings per share is calculated based on the profit attributable to the ordinary shareholders of the Company divided by weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as remuneration of employees and employee stock options.

(Continued)

(s) Operating segments

Please refer to the consolidated financial report of Highwealth Cocstruciton Corp. for the years ended December 31, 2018 and 2017 for operating segments information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the parent company only financial statements in conformity with the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

(a) Inventory valuation

Inventories are measured at the lower of cost and net realizable value. The Company's evaluate the selling price in the market is below the cost, and write off the cost of inventory to net realizable value. The estimation of net realizable value is based on current market conditions. Please refer note 6(g) for inventory valuation.

The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The fair value measurement of investment property is based on the website of Department of Land Administration and estate agency's website or the close deal in similar district.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: 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).
- Level 3: inputs for the assets or liabilities that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. For assumptions used in measuring fair value.Please refer notes as follows:

(a) Note 6li) Investment property.

(b) Note 6(ab) Financial instruments.

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(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2018	December 31, 2017
Bank overdrafts used for cash management purposes	$ 2,382	1,365
Demand Deposits	9,391,965	6,289,125
Cash and cash equivalent	**$ 9,394,347**	**6,290,490**

Please refer Note 6(ab) for the disclosure of the Company's financial assets and liabilities interest risk and sensitivity analysis.

(b) Financial assets at fair value through profit or loss

	December 31, 2018	December 31, 2017
Mandatorily measured at fair value through profit or loss:		
Stocks listed on domestic markets	$ 303,728	-
Put options and call options	1,000	-
Financial assets held-for-trading:		
Stocks listed on domestic markets	-	347,275
Put Options and call options	-	1,000
Total	**$ 304,728**	**348,275**

For the net gain or loss on fair value on financial instruments at FVTPL, please refer to note 6(aa).

For credit risk and market risk, please refer to note 6(ab).

Please refer to note 8 for the financial asset held for the date for the years ended December 31, 2018 and 2017.

(c) Financial assets at fair value through other comprehensive income

	December 31, 2018
Equity investments at fair value through other comprehensive income:	
Unlisted Common Share	**$ 528,381**

(i) Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity investment at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term for strategic purposes and not hold for sale. Therefore, hese investments were classified as available-for-sale and financial assets measured at costs on December 31, 2017.

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In 2018, the Company has sold its shares at a fair value of $59,169 thousands and the Company realized a gain of $7,084 thousands, which is already included in other comprehensive income. The gain has been transferred to retained earnings.

(ii) For credit risk (including the impairment of debt investments) and market risk; please refer to note 6(ab).

(iii) As of December 31, 2018, the financial assets at fair value through other comprehensive income of the Company hadn't pledged as collateral for long-term borrowings.

(d) Available-for-sale financial assets

	December 31, 2017
Investments in listed securities:	
Stock listed on markets	**$ 57,043**

(i) These investments above were classified as financial assets at fair value through other comprehensive income on December 31, 2018; please refer to note 6(c).

(ii) For credit risk (including the impairment of debt investments) and market risk; please refer to note 6(ab).

(iii) As of December 31, 2017, the financial assets at fair value through other comprehensive income of the Company hadn't pledged as collateral for long-term borrowings

(e) Financial assets measured at cost

	December 31, 2017
Stocks unlisted on domestic markets	**$ 18,298**

(i) The Company hold for the investment above, it measured by cost deduct impairment at the year ended 2017. As of December 31, 2018, these investments above were classified as financial assets at fair value through other comprehensive income, please refer to note 6(c).

(ii) For credit risk and market risk, please refer to note 6(ab).

(iii) As of December 31, 2017, financial assets measured at amortized costs of the Company hadn't been pledged as collateral for long-term borrowings.

(f) Note and account receivables

	December 31, 2018	December 31, 2017
Note receivables	$ 1,241,151	481,306
Trade receivables	186,748	60,372
Less: loss allowance	5,003	5,003
	$ 1,422,896	**536,675**

(Continued)

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The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on December 31, 2018. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The expected credit losses of the note receivables and trade receivables for the year ended December 31, 2018 was as followed:

	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	$ 1,422,896	-	-
365 days past due	5,003	100%	5,003
	$ 1,427,899		5,003

As of December 31, 2017, the Company applies the incurred loss model to consider the loss allowance provision of notes and trade receivable, and the aging analysis of notes and trade receivable was as follows:

	December 31, 2017
Current	$ 536,675
More than 1 year past due	5,003
	$ 541,678

The Company recognized impairment losses for $2,503 thousands for the year ended December 31, 2017. It hadn’t recognized loss allowance and reversed in 2018.

(g) Inventory

	December 31, 2018	December 31, 2017
Properties and Land held for sale	$ 21,486,639	15,431,282
Land held for construction sites	17,945,309	13,475,885
Construction in progress	25,951,582	37,635,281
Prepaid for land purchase	913,672	215,200
Total	$ 66,297,202	66,757,648

For the years ended December 31, 2018 and 2017, the cost of good sold recognized in parent company only comprehensive income amounted to $21,848,707 thousands and $8,836,414 thousands, respectively. For the years ended December 31, 2018 and 2017 because parts of properties and land held for sale had been sold, the factor led to net realizable value below cost has been gone, the increase in net realizable value write-off the amount of cost of good sold $1,600 thousands and $4,800 thousands respectively.

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For the year ended December 31, 2018,the Company has changed the usage of partial asset, and reclassified properties and land held for sale to property, plant and equipment and investment property according to definition, please refer to note 6(l).

As of December 31, 2018 and 2017, the inventories of the Company had been pledged as collateral for bank borrowings, please refer to note 8.

(h) Investments accounted for using equity method

The components of investments accounted for using the equity method at the reporting date were as follows:

	December 31, 2018	December 31, 2017
Subsidiaries	$ 3,497,665	3,618,739

(i) Subsidiaries

Please refer to consolidated financial statement of 2018.

On November 13, 2017, the Board of Directors made a resolution to increase the capital of Jin Jyun Construction Co., Ltd by $400,000 thousand in cash. The record date of capital increase was November 16, 2017. As of December 31, 2017, all legal procedures were completed.

For the disposal of Jin Jyun Construction Co., Ltd to Run Long Construction Co., Ltd, the resolution of the Board of Directors on September 7, 2018, please refer to note 7.

On November 13, 2018, the Board of Directors made a resolution to establish Highwealth Construction Co., a new subsidiary, with 100% of voting interest by $5,000 thousand. As of December 31, 2018, all legal procedures were completed.

(ii) Guarantees

As of December 31, 2018 and 2017, the investments accounted for using equity method had been pledged as collateral for bank borrowings, please refer to note 8.

(i) Business combination

On October 26 and December 8, 2017, the Company obtained control of Yeh Kee Enterprise Co., Ltd. and Bijiang Enterprise Co., Ltd by acquiring 100% of the shares and voting interests in both company.

(i) Obtaining Yeh Kee Enterprise Co., Ltd.

1) Transfer pricing

In November 22, 2017, the Company obtained 100% control of Yeh Kee Enterprise Co., Ltd. with $2,423,152 thousands.

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2) Net identifiable assets at acquisition date

Property, plant and equipment	$	729
Inventories		2,457,065
Cash and cash equivalents		95,313
Other current assets, others		727
Deferred tax liabilities		(130,634)
Other current liabilities, others		(38)
Other non-current assets, others		(10)
Fair value of net identifiable assets	**$**	**2,423,152**

(ii) Obtaining Bijiang Enterprise Co., Ltd.

1) Transfer pricing

In December 18, 2017, the Company obtained 100% control of Bijiang Enterprise Co., Ltd. with $1,302,900 thousands.

2) Net identifiable assets at acquisition date

Inventories	$	1,360,590
Other current assets, others		45
Deferred tax liabilities		(57,735)
Fair value of net identifiable assets	**$**	**1,302,900**

(j) Changes in a parent's ownership interest in a subsidiary

The Company acquired Run Long Construction Co., Ltd's shares with cash in 2018 and 2017.

The effects of the changes in shareholdings were as follows:

		For the years ended December 31	
		2018	**2017**
Carrying amount of non-controlling interest on acquisition	$	148,500	85,497
Consideration paid to non-controlling interests		(351,457)	(203,890)
Capital surplus differences between consideration and carrying amounts subsidiaries acquired	**$**	**(202,957)**	**(118,393)**

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(k) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2018 and 2017, were as follows:

	Land	Buildings and construction	Other equipment	Construction in progress	Total
Cost or deemed cost:					
Balance on January 1, 2018	$ 257,691	301,259	39,042	-	597,992
Additions	219,014	113,164	16,880	6,178	355,236
Disposals	-	-	(20,021)	-	(20,021)
Transfer from construction inprogress	-	-	6,178	(6,178)	-
Balance on December 31, 2018	**$ 476,705**	**414,423**	**42,079**	**-**	**933,207**
Balance on January 1, 2017	$ 257,691	301,259	38,681	-	597,631
Additions	-	-	4,862	-	4,862
Disposals	-	-	(4,501)	-	(4,501)
Balance on December 31, 2017	**$ 257,691**	**301,259**	**39,042**	**-**	**597,992**
Depreciation and impairments loss:					
Balance on January 1, 2018	$ -	50,370	25,915	-	76,285
Depreciation	-	7,232	9,983	-	17,215
Disposals	-	-	(20,009)	-	(20,009)
December 31, 2018	**$ -**	**57,602**	**15,889**	**-**	**73,491**
Balance on January 1, 2017	$ -	43,877	23,290	-	67,167
Depreciation	-	6,493	6,170	-	12,663
Disposals	-	-	(3,545)	-	(3,545)
Balance on December 31, 2017	**$ -**	**50,370**	**25,915**	**-**	**76,285**
Carrying amounts:					
Balance on December 31, 2018	**$ 476,705**	**356,821**	**26,190**	**-**	**859,716**
Balance on December 31, 2017	**$ 257,691**	**250,889**	**13,127**	**-**	**521,707**
Balance on January 1, 2017	**$ 257,691**	**257,382**	**15,391**	**-**	**530,464**

As of December 31, 2018 and 2017, the property, plant and equipment of the Company had been pledged as collateral for bank borrowings, please refer to note 8.

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(l) Investment Property

		Land and improvement	Buildings and construction	Construction in progress	Total
Cost:					
Balance on January 1, 2018	$	642,894	715,458	132,882	1,491,234
Reclassification from inventories		1,123,788	1,007,186	-	2,130,974
Reclassification from construction in progress		386,640	277,790	(664,430)	-
Additions		-	-	531,548	531,548
Disposals		(82,356)	(76,381)	-	(158,737)
Balance on December 31, 2018	**$**	**2,070,966**	**1,924,053**	**-**	**3,995,019**
Balance on January 1, 2017	$	187,307	268,708	-	456,015
Reclassification from inventories		475,264	468,978	-	944,242
Additions		-	-	132,882	132,882
Disposals		(19,677)	(22,228)	-	(41,905)
Balance at December 31, 2017	**$**	**642,894**	**715,458**	**132,882**	**1,491,234**
Reclassification from inventories:					
Balance on January 1, 2018	$	40,818	134,694	-	175,512
Depreciation for the year		-	21,611	-	21,611
Disposals		-	(796)	-	(796)
Balance on December 31, 2018	**$**	**40,818**	**155,509**	**-**	**196,327**
Balance on January 1, 2017	$	40,818	136,002	-	176,820
Depreciation for the year		-	6,461	-	6,461
Disposals		-	(7,769)	-	(7,769)
Balance on December 31, 2017	**$**	**40,818**	**134,694**	**-**	**175,512**
Carrying amounts:					
Balance on December 31, 2018	**$**	**2,030,148**	**1,768,544**	**-**	**3,798,692**
Balance on December 31, 2017	**$**	**602,076**	**580,764**	**132,882**	**1,315,722**
Balance on January 1, 2017	**$**	**146,489**	**132,706**	**-**	**279,195**
Fair value:					
Balance on December 31, 2018				**$**	**5,944,851**
Balance on December 31, 2017				**$**	**2,882,020**

The investment property include several business real estate for rental purpose. Please refer to note 6 (r), 6(x), and 6(y) for more information.

The fair value measurement of investment property is based on the website of Department of Land Administration and estate agency’s website or the close deal in similar district. The fair value measurement for investment property has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

As of December 31, 2018 and 2017, the Company’s investment property had been pledged as collateral for bank borrowings; please refer to note 8.

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
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(m) Other current assets and other non-current assets

	December 31, 2018	December 31, 2017
Other current financial assets	$ 3,174,073	3,278,704
Current incremental costs of obtaining a contract	700,286	-
Other non-current financial assets	6,729,809	2,515,655
	$ 10,604,168	**5,794,359**

(i) Other financial asset

Other financial assets include Trust account for presale of properties and land restricted deposit and construction deposit.

(ii) Current incremental costs of obtaining a contract

The Company expects that incremental commission fees paid to intermediaries, and the bonus for the internal sales department are recoverable The Company has therefore capitalized them as contract costs. Capitalized commission fees are amortized when the related revenues are recognized. For theyear ended December 31, 2018, the Company recognized $911,881 thousands of amortized expense.

(iii) As of December 31, 2018 and 2017, the other financial assets of the Company had pledged as collateral for long-term borrowings, please refer to note 8.

(n) Short-term borrowings

	December 31, 2018	December 31, 2017
Unsecured bank loans	$ 4,233,333	2,033,333
Secured bank loans	25,678,856	23,991,640
Total	**$ 29,912,189**	**26,024,973**
Range of interest rates	**1.65%~2.30%**	**1.65%~2.48%**

(i) The issue of bank loan and repayment

For the years ended December 31, 2018 and 2017, the incremental amounts are $18,061,505 thousand and $18,837,460 thousand, respectively; the repayment amounts are $13,386,069 thousand and $17,815,056 thousand, respectively. Please refer to note 6(aa) for interest expense.

(ii) Collateral for Bank Loans

For the collateral for short-term borrowings, please refer to note 8.

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(o) Short-term notes and bills payable

	December 31, 2018			
	Guarantee or acceptance institute	**Range of interest rate**		**Amount**
Commercial paper payable	Financial institute	1.60%~1.688%	$	3,764,200
Less: Discount on short-term notes and bills payable				(15,536)
Total			$	**3,748,664**

	December 31, 2017			
	Trust or acceptance institute	**Range of interest rate**		**Amount**
Commercial paper payable	Financial institute	1.638%~1.688%	$	2,689,400
Less: Discount on short-term notes and bills payable				-
Total			$	**2,689,400**

For the collateral for short-term notes and bills payable, please refer to note 8.

(p) Long-term borrowings

The Company's long-term borrowings details、conditions and provisions were as follows:

	December 31, 2018				
	Currency	**Range of interest rate**	**Maturity**		**Amount**
Secured bank loans	TWD	1.69%~2.25%	110~127	$	3,364,510
Less:current portion					(94,398)
Total				$	**3,270,112**

	December 31, 2017				
	Currency	**Range of interest rate**	**Maturity**		**Amount**
Secured bank loans	TWD	2.09%~2.16%	111~119	$	943,805
Less:current portion					(4,374)
Total				$	**939,431**

(i) The issue of bank loan and repayment

The amount issued for the years ended December 31, 2018 and 2017 are $1,703,511 thousand and zero, respectively; the repayment amounts are $71,026 thousand and $4,320 thousand, respectively, please refer to note 6(aa) for interest expense.

(Continued)

(ii) Collateral for Bank Loans

For the collateral for long-term borrowings, please refer to note 8.

(q) Bonds payable

The details of the Company's bonds payable were as follows:

	December 31, 2018	December 31, 2017
Secured convertible bonds-current	$ 10,154,927	10,043,956
Secured ordinary corporate bond-current	9,460,166	6,977,313
Total	**$ 19,615,093**	**17,021,269**

(i) The Company issued a secured ordinary corporate bond amounting to $2,500,000 thousand with an interest rate of 0.9% in may 2018. The secured ordinary corporate bond was issued for 5 years, interest paid annually, repayment of principal and interest at maturity.

(ii) The Company's details of secured convertible bonds were as follows:

	December 31, 2018	December 31, 2017
Secured convertible bonds	$ 10,577,820	10,577,820
Discount on bonds payable-unamortized amount	(422,893)	(533,864)
Ending balance: bonds payablle	**$ 10,154,927**	**10,043,956**
Embedded derivatives- put option and call option (FVPL)	**$ 1,000**	**1,000**

	For the years ended December 31	
	2018	2017
Embedded derivative - put option and call option (FVPL) (List on other profit or loss)	**$ -**	**1,000**

In June 2017, the Company issued a secured 5-year convertible bond with zero interest for $10,577,820 with the following conditions:

1) The conversion price was $57.1 per share, when it comes to adjusting conversion price of subsidiary's common share, it should adhere to the Company's conversion rules. The conversion price change with formula within issuance details. The secured convertible bond does not have reset feature.

2) At any time within three months after the issuance date till 40 days before maturity date, the subsidiary would repurchase the bond at the face value if the close of the subsidiary's ordinary share price exceeded 130% of the bond's conversion price for successive 30 days, or the outstanding value of the bond was lower than 10% of the total issuance value.

3) The bondholders can execute put options after three years from the issuance date, the redemption value is 103.7971% of the bonds value (the real yield is 1.25%).

4) Unless the bond has been redeemed before maturity, repurchased and cancelled or converted, the bond will be redeemed by the Company on the maturity date at 106.4082% of the principal amount of the bond (the real yield is 1.25%).

(iii) Please refer to the note 6(aa) for the interest expense for the years ended December 31, 2018 and 2017. For the details of collateral of secured convertible bonds and bonds payable, please refer to note 8.

(r) Operating lease

(i) Leases as lessor

The Company leases out its investment properties, please refer to note 6(l). The future minimum lease payments under non-cancellable leases are as follows:

	December 31, 2018	December 31, 2017
Less than one year	$ 75,663	40,623
Between one and five years	188,302	136,254
	$ 263,965	**176,877**

The rental income from investment property for the years ended December 31, 2018 and 2017 are $49,579 thousand and $17,555 thousand, The maintanence expense come from investment property list on operating cost and administration expense are as followed:

	For the years ended December 31	
	2018	**2017**
Rental income generate unit	**$ 52**	**141**

(s) Advanced receipt

	December 31, 2017
Advanced receipt- properties and land	$ 6,242,964
Advanced receipt- rent	2,197
Others	3,279
	$ 6,248,440

The advanced receipt recognized as contract liability for the year ended December 31, 2018, please refer to note 6(x). The contract price of advanced payment-properties and land, please refer to note 9(a).

(t) Employee benefits

(i) Defined benefit plans

The expenses recognized in profit or loss for the Company were as follows:

		December 31, 2018	December 31, 2017
The present value of defined benefit plans	$	59,792	60,097
Fair value of plan asset		(25,799)	(24,177)
Net defined benefit liability	**$**	**33,993**	**35,920**

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to $25,799 thousand as of December 31, 2018. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Company were as follows:

		For the years ended December 31	
		2018	2017
Defined benefit obligations at January 1	$	60,097	58,897
Current service cost and interest		1,463	1,529
Remeasurements loss (gain):			
－Return on plan assets excluding interest income		(1,768)	(329)
Defined benefit obligations at December 31	**$**	**59,792**	**60,097**

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3) Change of fair value of plan asset

The amounts included in the parent company only balance sheets in respect of the Company's fair value of plan asset for the years ended December 31, 2018 and 2017 were as follows:

	For the years ended December 31	
	2018	**2017**
Balance at January 1	$ 24,177	23,286
Gains (losses) on remeasurements of defined benefit plans		
－Return on plan assets(excluding amounts included in net interest)	633	(96)
Amount that has been allocated to the plan	653	662
Expected return on Plan asset	336	325
Fair value of plan assets, December 31	**$ 25,799**	**24,177**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	For the years ended December 31	
	2018	**2017**
Current service cost	$ 638	719
Net interest of net liabilities for defined benefit obligations	489	485
	$ 1,127	**1,204**
Administration expense	**$ 1,127**	**1,204**

5) Remeasurement of net defined benefit liability (asset) recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2018 and 2017, was as follows:

	For the years ended December 31	
	2018	**2017**
Accumulated amount at January 1	$ (14,258)	(14,491)
Recognized during current period	2,401	233
Accumulated amount at December 31	**$ (11,857)**	**(14,258)**

(Continued)

6) Actuarial valuations

The principal actuarial assumptions at the reporting date were as follows:

	2018.12.31	2017.12.31
Discount rate	1.125 %	1.375 %
Future salary increase rate	2.00 %	2.00 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $653 thousand.

The weighted average lifetime of the defined benefits plans is 12.96 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Defined benefit obligation	
	Increase 0.25%	Decrease 0.25%
December 31, 2018		
Discount rate	$ (1,705)	1,765
Future salary increase rate	1,714	(1,665)
December 31, 2017		
Discount rate	(1,843)	1,911
Future salary increase rate	1,863	(1,806)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2018 and 2017.

(ii) Defined contribution plans

The Company allocates 6% of each employee’ s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance for the year ended December 31, 2018 amounted to $8,994 thousand and $9,041 thousand, respectively.

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(u) Income tax

According to the amendments to the "Income Tax Act" enacted by the office of the President of the Republic of China (Taiwan) on February 7, 2018, an increase in the corporate income tax rate from 17% to 20% is applicable upon filing the FY 2018 corporate income tax return.

(i) Tax expense

The components of income tax for the years ended December 31, 2018 and 2017 were as follows:

	For the years ended December 31 2018	2017
Current tax expense		
Current period	$ 17,741	-
Land value increment tax	294,924	167,863
Additional 10% surtax on unappropriated earnings	28	2,596
Adjustment for prior periods	-	65
Tax expense	$ 312,693	170,524

The reconciliation of tax expense and income before rax for the years ended December 31, 2018 and 2017 are as follows:

	For the years ended December 31 2018	2017
Income before tax	$ 7,168,837	2,099,785
Income tax expense at domestic statutory tax rate	1,433,768	356,963
Land tax exempt income	(1,270,924)	(385,555)
Book –tax difference between recognition time	148,869	41,742
Book –tax difference of capitalization	(114,260)	(32,113)
Profit or loss from investment accounted for using equity method	(117,293)	(18,550)
Book –tax difference between deferred sales commision	(29,055)	38,208
Land value increment tax	294,924	167,863
Financial assets measured at fair value through profit and loss	13,965	(24,312)
Unrealized profit or loss from associated company	4,097	(386)
Tax loss deduction	(38,946)	-
Additional 10% surtax on unappropriated earnings	28	2,596
Adjustment for prior periods	-	65
Others	(12,480)	24,003
Total	$ 312,693	170,524

(Continued)

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(ii) Deferred tax asset and liability recognized

Deferred tax asset:

	Investment property impairment	Others	Total
Balance on January 1, 2018	**$ 11,242**	**3,302**	**14,544**
Balance on December 31, 2018	**$ 11,242**	**3,302**	**14,544**
Balance on January 1, 2017	**$ 11,242**	**3,302**	**14,544**
Balance on December 31, 2017	**$ 11,242**	**3,302**	**14,544**

	Others
Balance on January 1, 2018	**$ 340**
Balance on **December 31, 2018**	**$ 340**
Balance on January 1, 2017	**$ 340**
Balance on **December 31, 2017**	**$ 340**

(iii) The Company's income tax had been examined by the tax authorities till 2016.

(v) Capital and other equity

(i) Ordinary shares

As of December 31, 2018 and 2017, the number of authorized ordinary shares were 1,500,000,000 shares with par value of $10 per share. The total value of authorized ordinary shares were amounted to $15,000,000 thousand. The relevant statutory registration procedures have since been completed. As of that date, 1,166,626,600 of ordinary shares amounted $11,666,266 thousand were issued. All issued shares were paid up upon issuance.

(ii) Capital surplus

	December 31, 2018	December 31, 2017
Share capital	$ -	24,154
Treasury share transactions	259,119	404,381
Difference arising from subsidiary's equity	33,525	55,327
Conversion of bonds	-	2,079,888
Capital surplus-premium from merger	62	62
Donation from shareholders	3,396	-
Other	8,357	8,357
	$ 304,459	**2,572,169**

(Continued)

As of June 11 2018 and June 11 2017, A resolution was passed during the general meeting of shareholders held on for cash dividends distributed by capital surplus per share \$2.008 dollars and \$0.127 dollars. Amounting to \$2,342,586 thousand and \$148,162 thousand, respectively.

According to Corporate Law. Capital surplus used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital. The realization of capital surplus limited to 10% of paid-in capital.

(iii) Retained earnings

The after-tax earnings are initially used to offset cumulative losses, and then appropriated 10% of Legal reserve and then a special reserve is appropriated from the remainder. Except for legal reserve has reached to the amount of paid－in capital. From the remaining amount add unappropriated earnings at the beginning date will be equal to the accumulated distribuable earnings. The accumulated earnings mentioned above should be proposed by Board of directors and resoluted by shareholder’s meeting. When it comes to allocating the earnings cash dividends shall not be less than 10% of the total amount dividends. Our corporate is aware of the diversity of the economic environment for the sustainable and long－term development,the board of director should focus on the sustainability and growth rate for dividends and decide the appropriate dividend distributing strategy based on the operating for the current year and capital budgeting plan for the following year.

1) Legal reserve

According to the company law, the company should appropriate 10% of Legal reserve till the total amount of capital. When the Company has no deficit, such legal reserve may be distributed as cash dividends or issuing new shares after the resolution of shareholder’s meeting. Only to the extent that the reserve exceeds 25% of the paid-in capital.

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders’ equity. Similarly, a portion of unappropriated earnings prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders’ equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders’ equity shall qualify for additional distributions.

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3) Earnings distribution

Earnings distribution for 2017 and 2016 was decided by the resolution adopted, at the general meeting of shareholders held on June 11, 2018 and June 13, 2017, respectively. The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31			
	2017		2016	
	Amount per share (dollars)	Total amount	Amount per share (dollars)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	1.492	$ 1,740,607	4.873	5,684,971

(iv) Treasury shares

1) In accordance with Securities and Exchange Act requirements as stated above, the number of shares repurchased should not exceed 10 percent of all shares outstanding. Also, the value of the repurchased shares should not exceed the sum of the Company's retained earnings, share premium, and realized capital reserves. As of December 31, 2018, the Company hadn't repurchase any share.

2) Subsidiaries, Ace Riches International Corp., Highwealth Real Estate Co., Ltd. and Chyi Yuh Construction Co., Ltd. held part of the Company's shares. As of December 31, 2018 and 2017. the market price per share were $45.0 and $42.3, respectively.

The details of the treasury shares held by subsidiaries are as followed:

	December 31, 2018		December 31, 2017	
Subsidiary	Shares (thousands)	Book value	Shares (thousands)	Book value
Ace Riches International Corp.	4,162	$ 1,733	4,162	1,733
Highwealth Real Estate Co., Ltd.	8,045	10,850	8,045	10,850
Chyi Yuh Construction Co., Ltd.	2,495	-	2,495	-
Run Long Construction Co., Ltd.	11,950	54,178	11,950	56,846
	26,652	$ 66,761	26,652	69,429

(Continued)

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(v) Other equity items

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total
Balance on January 1, 2018	$ 436	-	4,958	5,394
Effects of retrospective application	-	471,689	(4,958)	466,731
Balance on January 1, 2018 after adjustments	436	471,689	-	472,125
Exchange differences on foreign operations	(92)	-	-	(92)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	45,478	-	45,478
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(7,084)	-	(7,084)
Balance at December 31, 2018	**$ 344**	**510,083**	**-**	**510,427**
Balance on January 1, 2017	$ 508	-	1,712	2,220
Exchange differences on translation of foreign operations	(72)	-	-	(72)
Unrealized gains (losses) on available for sale financial assets	-	-	3,246	3,246
Balance at December 31, 2017	**$ 436**	**-**	**4,958**	**5,394**

(w) Earnings per share

(i) Basic earnings per share

The Company' s Basic earnings per share is calculated by profit attributable to ordinary shareholders of the Company for 2018 and 2017 are $6,856,144 thousand and $1,929,261 thousand, respectively, and the weighted average number of ordinary shares outstanding for 2018 and 2017 are 1,139,975 thousand shares. For related calculation are as follows:

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1) Profit attributable to ordinary shareholders of the Company

	For the years ended December 31	
	2018	2017
Profit attributable to ordinary	$ 6,856,144	1,929,261

2) Weighted-average number of ordinary shares

	For the years ended December 31	
	2018	2017
Ordinary shares outstanding at January 1	1,166,627	1,166,627
Treasury shares	(26,652)	(26,652)
Weighted-average number of ordinary shares at December 31	1,139,975	1,139,975

(ii) Diluted earnings per share

The Company' s diluted earnings per share is calculated by profit attributable to ordinary shareholders of the Company for 2018 and 2017 are $6,947,766 thousand and $1,980,219 thousand respectively. After adjusting the effect of dilution of ordinary share, the weighted average number of ordinary shares for 2018 and 2017 are 1,316,199 thousand and 1,199,178 thousand shares, respectively. For related calculation are as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31	
	2018	2017
Profit attributable to ordinary shareholders of the Company (diluted)	$ 6,947,766	1,980,219

2) Weighted-average number of ordinary shares

	For the years ended December 31	
	2018	2017
Weighted-average number of ordinary shares (basic)	1,139,975	1,139,975
Effect of conversion of convertible notes	175,131	58,377
Effect of restricted employee shares unvested	1,093	826
Weighted-average number of ordinary shares (diluted)	1,316,199	1,199,178

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(x) Revenue from contracts with customers

(i) Disaggregation of revenue

		For the year ended December 31, 2018
		Sales of real estate department
Primary geographical markets:		
Taiwan	**$**	**30,717,971**
Major products/services lines:		
Sales of real estate	$	30,663,635
Other revenue		54,336
	$	**30,717,971**
Timing of revenue recognition:		
Revenue transferred at a point in time	$	54,336
Products and services transferred over time		30,663,635
	$	**30,717,971**

For details on revenue for the year ended December 31, 2017 please refer to note 6(y).

(ii) Contract balances

		December 31, 2018	January 1, 2018
Contract liabilities-Sales of real estate	$	2,891,226	6,242,964
Contract liabilities-Advance receipt		8,353	5,476
Total	**$**	**2,899,579**	**6,248,440**

For details on accounts receivable and allowance for impairment, please refer to note 6(f).

As of January 1st, 2018, the beginning balance of contract liabilities that were accounted for as 2018 revenue amounts to $4,401,888 thousand.

The major change in the balance of contract assets and liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes for the year ended December 31, 2018.

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The Company' s advanced receipt of properties and land presale was deposit in real estate trust account of bank, and classified as other current financial assets. The details of real estate trust account of bank on December 31, 2018 were as follows:

	December 31, 2018
Nankang Third	$ 64,506
Sec.3 Kangning	76,576
Longfu second	9,929
Xingzhuang Section	247,647
Guangwu Section	485,997
Zhuangjing 671	11,634
Huixing Section	140,440
Bai Lun Section	288,668
Fu De Section	159,136
Liu He Section	11,415
Guo Mao Section	97,248
Dongshi Second	11,258
Taike Section	50,875
LongZhong six	1,026
YongCui Section	121,034
	$ 1,777,389

(y) Revenue

Details of the Company's for the year ended December 31, 2017 revenue details was as follows:

	For the year ended December 31 2017
Revenue obtained from sales of real estate	$ 12,214,023
Rent revenue	38,674
	$ 12,252,697

Refer to note 6(x) for the year ended December 31, 2018 revenue.

(z) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 0.1%of the profit as employee compensation and less than 1% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

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The remunerations to employees and directors amounted to $60,000 thousand and $35,400 thousand, respectively, for the years ended December 31, 2018 and 2017. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

(aa) Other operating income and expense

(i) Other income

For the years ended December 31, 2018 and 2017 revenue were as follows:

	For the years ended December 31	
	2018	**2017**
Interest income	$ 14,156	9,821
Contract termination income	158,491	258,942
Dividend income	44,603	18,688
Others	202,518	75,285
	$ 419,768	**362,736**

(ii) Other gains and losses

For the years ended December 31, 2018 and 2017 other gains and losses were as follows:

	For the years ended December 31	
	2018	**2017**
Losses on disposal of property, plant and equipment	$ (12)	(575)
Gains (losses) on disposal of investments	288,513	(3,826)
Gains (losses) on financial assets (liabilities) at fair value through profit or loss	(69,826)	143,014
Other expenses	(2,011)	(11,226)
	$ 216,664	**127,387**

(iii) Finance costs

For the years ended December 31, 2018 and 2017 details of finance cost of the Company were as follows:

	For the years ended December 31	
	2018	**2017**
Interest expense		
Bank loans and collateral	$ 876,958	751,951
Amortization on discounted corporate bond	116,179	65,075
Interest on corporate bond	90,877	79,089
Less: capitalized interest	(495,516)	(534,291)
	$ 588,498	**361,824**

(ab) Financial instruments

(i) Credit risk

1) Credit risk exposure

The financial instrument's biggest credit risk exposure is same as the carrying amount of the financial assets.

2) Concentration of credit risk

The Company has a vast client base that is not connected; thus, the ability to concentrate the credit risk is limited.

3) Receivables and debt securities

For credit risk exposure of note and trade receivables, please refer to note 6(6).

Other financial assets at amortized cost includes other receivables, investments in government bonds, corporate bonds and time deposits (previously classified as held-to-maturity investments and bond investment without an active market on December 31, 2017).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses.

The loss allowance provision as of December 31, 2018 was determined as follows:

	Other receivables
Balance on January 1, 2018 (Under IAS39)	$ 8,235
Adjustment on initial application of IFRS 9	-
Balance on January 1, per IFRS 9	**$ 8,235**

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(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

		Contractual cash flows	Within 1 year	1-5 years	Over 5 years
December 31, 2018					
Non derivative financial liabilities:					
Secured loans	$	31,350,689	2,549,253	25,219,551	3,581,885
Unsecured loans		4,359,395	303,978	4,055,417	-
Short-term transaction instrument payables		3,764,200	3,764,200	-	-
Convertible bond		10,640,820	-	10,640,820	-
Ordinary corporate bonds		9,788,502	100,000	9,688,502	-
Notes payable, accounts payable and other payable		2,810,894	2,737,519	72,037	1,338
	$	**62,714,500**	**9,454,950**	**49,676,327**	**3,583,223**
December 31, 2017					
Non derivative financial liabilities:					
Secured loans	$	26,394,220	4,875,483	20,421,907	1,096,830
Unsecured loans		2,095,370	70,703	2,024,667	-
Short-term transaction instrument payables		2,689,400	2,689,400	-	-
Convertible bond		10,640,820	-	10,640,820	-
Ordinary corporate bond		7,266,878	77,500	7,189,378	-
Notes payable, accounts payable and other payable		2,547,911	2,464,396	82,645	870
	$	**51,634,599**	**10,177,482**	**40,359,417**	**1,097,700**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts。

(iii) Currency risk

1) Currency risk exposure: None

2) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

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If the interest rate had increased / decreased by 0.5% basis points, the Company's net income would have increased / decreased by $185,127 thousand and $148,291 thousand for the years ended December 31, 2018 and 2017. Taking into account that capitalized interest of profit may decrease or increase by $100,503 thousand and $59,875 thousand. This is mainly due to the Company's borrowing at variable rates.

3) Other market price risk

For the years ended December 31, 2018 and 2017, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31			
	2018		2017	
Prices of securities at the reporting date	**Comprehensive Income (Loss) (net of tax)**	**Net Income (Loss) (net of tax)**	**Comprehensive Income (Loss) (net of tax)**	**Net Income (Loss) (net of tax)**
Increase 10%	**$ 52,838**	**30,373**	**5,704**	**34,728**
Decrease 10%	**$ (52,838)**	**(30,373)**	**(5,704)**	**(34,728)**

(iv) Information of fair value

1) Valuation techniques for financial instruments measured at fair value

The fair value of financial assets and liabilities at fair value through profit or loss, derivative financial instruments used for hedging, and financial assets at fair value through other comprehensive income (available for sale financial assets) is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required :

	December 31, 2018				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Derivative financial assets	$ 1,000	-	1,000	-	1,000
Derivative financial assets mandatorily measured at fair value through profit or loss	303,728	303,728	-	-	303,728
Subtotal	$ 304,728	303,728	1,000	-	304,728
Financial assets at fair value through other comprehensive income					
Stocks in unlisted company	$ 528,381	528,381	-	-	528,381

(Continued)

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Notes to the Parent Company only Financial Statements

	December 31, 2018				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 9,394,347	-	-	-	-
Notes and accounts receivable	1,422,896	-	-	-	-
Other financial assets- current	3,174,073	-	-	-	-
Other financial assets- non-current	6,729,809	-	-	-	-
Subtotal	$ 20,721,125	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term loans	$ 29,912,189	-	-	-	-
Short-term transaction instrument payables	3,748,664	-	-	-	-
Notes payable, accounts payable and other payables	2,810,894	-	-	-	-
Other financial liabilities- current	116,648	-	-	-	-
Corporate bonds payable	19,615,093	-	-	-	-
Long-term loans (Due within 1 year)	3,364,510	-	-	-	-
Subtotal	$ 59,567,998	-	-	-	-

	December 31, 2017				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets	$ 1,000	-	1,000	-	1,000
Derivative financial assets mandatorily measured at fair value through profit or loss	347,275	347,275	-	-	347,275
Subtotal	$ 348,275	347,275	1,000	-	348,275
Financial assets at fair value through other comprehensive income					
Stocks in unlisted company	$ 57,043	57,043	-	-	57,043
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 6,290,490	-	-	-	-
Notes and accounts receivable	536,675	-	-	-	-
Other financial assets- current	3,278,704	-	-	-	-
Other financial assets- non-current	2,515,655	-	-	-	-
Subtotal	$ 12,621,524	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term loans	$ 26,024,973	-	-	-	-
Short-term transaction instrument payables	2,689,400	-	-	-	-
Notes payable, accounts payable and other payables	2,547,911	-	-	-	-
Other financial liabilities- current	58,943	-	-	-	-
Corporate bonds payable	17,021,269	-	-	-	-
Long-term loans (Due within 1 year)	943,805	-	-	-	-
Subtotal	$ 49,286,301	-	-	-	-

(Continued)

2) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost (debt investment that has no active markets) and financial liabilities measured at amortized cost.

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm' s-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

The fair value of financial assets, which is regarded as being quoted in an active market, held by the Company is disclosed as follows sorted by character:

i) A financial instrument being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm' s-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

(Continued)

4) Transfers between Level 1 and Level 2

Stock held by the Company quoted in an active market is sorted to Level 1. There is no difference regarding valuation techniques between 2018 and 2017. There is no transfer between first and second level measured at fair value in 2018 and 2017.

(ac) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company’ s exposure information, objectives, policies and processes for measuring and managing the above mentioned risks.

(ii) Structure of risk management

The Company’ s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investments in debt securities.

1) Trade and other receivable

The Company is credit risk is affected by its clients. Accounts receivable generated by selling real estate has a lower credit risk since the payment is completed by the masses with transferring, check ,or loans form the bank.

The Company discloses the estimation of accounts receivables’ and other receivables’ loss with allowance for bad debt account. Allowance for bad debt account is composed with specific losses and batch of unrecognized losses components. Unrecognized losses components are determined by historically statistical data from similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company' s policy is to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2018 and 2017, no other guarantees were outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company' s reputation.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company' s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(ad) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabiltiies.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

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As of 2018, the Company's capital management strategy is consistent with the prior year as of 2017. The gearing ratio is maintained so as to ensure an "A" credit rating and ensure financing at reasonable cost. The Company's debt-to-equity ratio at the end of the reporting period as of December 31, 2018, is as follows:

	December 31, 2018	December 31, 2017
Total liabilities	$ 62,821,652	55,842,642
Less: cash and cash equivalents	(9,394,347)	(6,290,490)
Net debt	53,427,305	49,552,152
Total Equity	34,180,147	30,692,772
Less: hedging reserve	**$ 87,607,452**	**80,244,924**
Debt-to-equity ratio	**60.98 %**	**61.75 %**

(7) Related-party transactions:

(a) Names and relationship with related parties

The following are entities that have had transactions with related parties and the Company's subsidiaries during the periods covered in the parent company only financial statements.

Name of related party	Relationship with the Company
Chyi Yuh Construction Co., Ltd	Subsidiary company
Ace Riches International Corp.	Subsidiary company
Highwealth Real Estate Co., Ltd.	Subsidiary company
Jn Jyun Construction Co., Ltd	Subsidiary company
Bo Yuan Construction Co., Ltd	Subsidiary company
Guang Yang Investment Co., Ltd	Subsidiary company
Quan Xiang Trading (Shanghai) Co., Ltd	Subsidiary company
Quan Xiang Trading (Shanghai) Co., Ltd	Subsidiary company
Xingfuyu Trading (Xiamen) Co., Ltd	Subsidiary company
Run Long Construction Co., Ltd	Subsidiary company
Yeh Kee Enterprise Co., Ltd.	Subsidiary company
Bijiang Enterprise Co., Ltd	Subsidiary company
Highwealth Construction Co., Ltd.	Subsidiary company
Tsai, Tsung-Bin	Key management personnel
Jeng, Shiou-Huei	Director of the Company
You, Jr-Bin	Supervisor (resigned at June 13, 2017)
Jeng, You-Sheng	Key management personnel of subsidiary company

(Continued)

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(b) Significant transactions with related parties

(i) Operating revenue

Significant selling amount to related parties and the remaining balance were as follows:

	Recognized revenue in current period		Advanced payment	
	For the years ended December 31			
	2018	2017	December 31, 2018	December 31, 2017
Subsidiary- Run Long Construction Co., Ltd.	$ 990,596	-	-	113,593

There were no significant difference of the price and conditions for related parties and ordinary contract mentioned above.

(ii) Purchase

Significant purchasing amount to related parties and the remaining balance were as follows:

	Purchasing		Accumulated amount	
	For the years ended December 31			
	2018	2017	2018	2017
Subsidiary:				
Chyi Yuh Construction Co., Ltd	$ 4,019,402	5,034,337	11,957,459	10,508,306
Other subsidiaries	1,243,699	145,347	1,550,512	322,793
	$ 5,263,101	5,179,684	13,507,971	10,831,099

There were no significant difference of the price and conditions for related parties and ordinary contract mentioned above.

(iii) Receivables from related parties

The details of receivables from related parties were as follows:

Accounted items	Catagories	December 31, 2018	December 31, 2017
Accounts receivable	Subsidiaries	$ 1,315	1,150
Other receivables	Subsidiaries	1,476	4,138
		$ 2,791	5,288

(Continued)

HIGHWEALTH CONSTRUCTION CORP.
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(iv) Payables to related parties

The payables to related parties were as follows:

Accounted items	Catagories	December 31, 2018	December 31, 2017
Accounts payable	Subsidiaries:		
	Chyi Yuh Construction Co., Ltd	$ 462,525	822,552
Accounts payable	Jin Jyun Construction Co., Ltd	173,018	13,118
Accounts payable	Subsidiaries	8,255	7,162
Other payables	Subsidiaries	17,912	5,364
		$ 661,710	848,196

(v) Contract liabilities (Advanced receipts)

The details of contract liabilities from related parties were as follows:

Catagories	Note	December 31, 2018	December 31, 2017
Subsidiaries	Prepaid rents and administration fees	$ 5,980	3,379

(vi) Guarantees

The Company provided guarantees to subsidiary company. As of December 31, 2018 the guarantee ceiling was $9,501,390 (2017:$10,992,890) and the amount was $5,636,434 (2017:$5,750,690).

Subsidiaries provided land for guarantees to the Company. As for December 31, 2018 the guarantee ceiling was $1,922,700 (2017:$1,922,700) and the amount was $1,922,700 (2017:$ 0). In 2018, the Company paid subsidiary company 30,942 as handling fee for the guarantee mention above.

(vii) Others

1) The Details of the Company renting offices from related parties is as follows:

	Guarantee deposit		Rental expense	
	For the years ended December 31			
	2018	2017	2018	2017
Subsidiaries	$ 1,614	614	8,148	1,755
Other related parties	-	-	274	-
	$ 1,614	614	8,422	1,755

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2) Recognizing rental revenue due to renting offices to related parties:

	For the years ended December 31	
	2018	2017
Subsidiaries	$ 2,162	1,444

3) Recognizing other income due to signing entrusted administration contract with related parties:

	For the years ended December 31	
	2018	2017
Subsidiaries	$ 504	-

4) Paying consulting and service fee to relating parties for selling real estate on consignment:

		For the years ended December 31	
		2018	2017
Subsidiary company－	Ace Riches International Corp.	$ 60,048	54,939
	Other related parties	-	45,148
		$ 60,048	100,087

5) Paying administration expense to related parties for administrating constructing site:

	For the years ended December 31	
	2018	2017
Subsidiaries	$ 30,308	71,008

6) As of December 31, 2018 and 2017, cooperation cases with related parties were as follows:

Case Name	Catagories	Type	Security
2018.12.31			
Buo Shao Section	Landowner-subsidiary company-Yeh Kee Enterprise Co., Ltd.	Cooperation cases	Refundable deposit$ 80,000
Buo Shao Section	Landowner-subsidiary company-Bijiang Enterprise Co., Ltd	Cooperation cases	Refundable deposit 42,500
Guo Mao Section	Builder-subsidiary company-Run Long Construction Co., Ltd.	Cooperation cases	Guarantee deposit 100,000
2017.12.31			
Dongshi First	Landowner-subsidiary company-Run Long Construction Co., Ltd.	Cooperation cases	Guarantee note $ 61,800
Guo Mao Section	Builder-subsidiary company-Run Long Construction Co., Ltd.	〃	Guarantee deposit 50,000

(Continued)

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7) Performance bond received from related parties for contract work:

	December 31, 2018	December 31, 2017
Subsidiary company	$ 166,701	127,734

8) In September, 2008, The Company sold a portion of land to Mr. Tsai,Tsung-Bin with a land developing plan at 5 million dollars, recognized as other payables. The Company would repurchase the land without any interest if the plan was not completed within three years. Both parties agreed lengthening the expiray date unconditionally in October 20 2011. As of December 31, 2018 and 2017, other paybles are both 5 million dollars.

9) In September 2018, the Company sold 50,000 thousand shares of Jin Jyun Construction Co., Ltd. to Run Long Construction Co., Ltd. with the price $518,300. Gain from disposal was recognized as the equity transaction. As of December 31, 2018, transactions were entirely completed.

(c) Key management personnel transactions

	For the years ended December 31	
	2018	2017
Short-term employee benefits	$ 60,338	67,463

(8) Pledged assets:

Pledged assets	Object	December 31, 2018	December 31, 2017
Financial assets at FVTPL	Mortgage	$ 168,600	209,700
Inventories (construction)	Mortgage, issuing commercial paper and bonds payable	45,611,872	41,636,416
Other financial assets- current and non-current	Mortgage, issuing commercial paper, performance bond, real estate trust account and bond payable	9,087,489	5,008,301
Investment accounted for using equity method	Mortgage	1,300,497	-
Property, plant and equipment	Mortgage and bonds payable	833,526	508,580
Investment property at net value	Mortgage and bonds payable	3,478,657	1,174,619
		$ 60,480,641	48,537,616

As of December 31, 2018 and 2017, the book value of pledged assets providing undrawn guaranteed loan are $10,535,553 thousand and $3,104,637 thousand, respectively.

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(9) Commitments and contingencies:

(a) Unrecognized contractual commitments

(i) Contract price signed with clients were as follows:

	December 31, 2018	December 31, 2017
Amount of signed contracts	$ 25,236,536	30,748,690
Received amount from contracts	$ 2,891,226	6,242,964
Outstanding checks received from presale cases	$ 1,031,575	794,279

(ii) Unrecognized commitments generated by signing contracts for purchasing land for construction, building bulk ,and investment properties are as follows:

	December 31, 2018	December 31, 2017
Acquisition of inventory (construction)	$ 3,686,539	1,978,476
Acquisition of investment property	$ -	531,548

(b) Others

As of December 31, 2018 and 2017 the refundable deposit paid for cooperation cases are $445,249 thousand and $479,971 thousand, respectively.

(10) Losses due to major disasters: None

(11) Subsequent events: None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, were as follows:

By funtion / By item	For the year ended December 31					
	2018			2017		
	Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	-	360,828	360,828	-	285,827	285,827
Labor and health insurance	-	21,893	21,893	-	17,446	17,446
Pension	-	10,121	10,121	-	10,245	10,245
Remuneration of directors	-	21,685	21,685	-	9,550	9,550
Others	-	-	-	-	-	-
Depreciation	21,611	17,215	38,826	6,461	12,663	19,124
Depletion	-	-	-	-	-	-
Amortization	-	3,819	3,819	-	2,685	2,685

In 2018 and 2017, the Company had 291 and 301 employees, of which 4 directors were not in concurrent employment, respectively.

(Continued)

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The company	Chyi Yuh Construction Co., Ltd	2	$ 34,180,147	8,158,000	7,626,000	4,193,000	-	22.31 %	68,360,294	Y	N	N
0	The company	Bo Yuan Construction Co., Ltd	3	34,180,147	2,734,890	1,695,390	1,443,434	-	4.96 %	68,360,294	Y	N	N
0	The company	Well Rich International Co., Ltd	3	34,180,147	180,000	180,000	-	-	0.53 %	68,360,294	Y	N	N
1	Yeh Kee Enterprise Co., Ltd	The company	2	34,180,147	1,922,700	1,922,700	1,922,700	1,922,700	5.62 %	68,360,294	N	Y	N

Note 1: The numbering is as follows:

1."0" represents the parent company.

2. Subsidiaries are sequentially numbered from 1 by company.

Note 2: The relationship between the guarantee and the guarantor are as follows:

1. Transactions between the companies.

2. The Company directly or indirectly holds more than 50% voting right.

3. When other companies directly or indirectly hold more than 50% voting rights of the Company.

4. The Company directly or indirectly holds more than 90% voting right.

5. A company that is mutually protected under contractual requirements based on the needs of the contractor.

6. A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.

7. Under the Consumer Protection Act, performance guarantees for pre-sale contracts for companies in the same industry.

Note 3: The Company and its subsidiaries endorsed the operation method for the total amount of guarantees and the limit for endorsement of a single enterprise:

1. The total amount of guarantee for external endorsement shall not exceed 200% of the net value of the company.

2. The guarantee amount for a single enterprise endorsement shall not exceed 100% of the current net value of the company.

(iii) Securities held as of December 31, 2018 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock-Lee Shuo investment Co., Ltd.	-	Total non-current financial assets at fair value through other comprehensive income	712,500	$ 523,015	19.00 %	523,015	
〃	Stock-Super Communications Incorporation	-	Total non-current financial assets at fair value through other comprehensive income	36,480	366	0.13 %	366	
〃	Stock-Shin Kong Rral Estate Management Co., Ltd.	-	Total non-current financial assets at fair value through other comprehensive income	500,000	5,000	1.67 %	5,000	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock- Da-Ll Development Co., Ltd.	-	Financial assets at fair value through profit or loss-current	9,564,963	268,776	3.92 %	268,776	
〃	Stock- Hung Sheng Construction Co., Ltd.	-	Financial assets at fair value through profit or loss-current	1,368,000	34,952	0.18 %	34,952	
Ace Riches International Corp.	Stock- Highwealth Construction Corp.	Parent Company	Financial assets at fair value through other comprehensive income-current	4,162,135	187,296	0.36 %	187,296	
Highwealth Real Estate Co., Ltd.	Stock- Highwealth Construction Corp.	Parent Company	Total non-current financial assets at fair value through other comprehensive income	8,044,810	362,016	0.69 %	362,016	
Chyi Yuh Construction Co., Ltd	Stock- Highwealth Construction Corp.	Parent Company	Total non-current financial assets at fair value through other comprehensive income	2,495,092	112,279	0.21 %	112,279	
〃	Company Debt- China Rebar Co., Ltd.	-	inancial assets at amortized cost-current	3	-	- %	-	Note 1
〃	Stock- Da-Ll Development Co., Ltd.	-	Financial assets at fair value through profit or loss-current	6,719,236	188,810	2.75 %	188,810	
Run Long Construction Co., LTd.	Stock- Da-Ll Development Co., Ltd.	-	Financial assets at fair value through profit or loss-current	4,862,477	136,636	1.99 %	136,636	
〃	Stock-Highwealth Construction Corp.	Parent Company	Financial assets at fair value through other comprehensive income-current	11,950,000	537,750	1.02 %	537,750	

Note : Recognized as impairment loss.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Stock- Jin Jyun Construction Co., Ltd.	Investments accounted for using equity method, net	Run Long Construction Co., LTd.	Related Party	50,000,000	$ 508,942	-	-	50,000,000	518,300	498,619	19,681	-	-
Run Long Construction Co., Ltd.	Stock- Jin Jyun Construction Co., Ltd.	Investments accounted for using equity method, net	Highwealth Construction Corp.	Related Party	-	-	50,000,000	518,300	-	-	-	-	50,000,000	544,130

Note: Do not result in a loss of control are accounted for as equity transactions.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition
							Owner	Relationship with the Company	Date of transfer	Amount		
The Company	Dan-Hai Fifth	May 11, 2018	$ 2,488,443	2,488,443	Guo Ruei Construction	not related parties	-	-	-	-	Appraisal	Constrction
〃	Qing-Xi Section	May 29, 2018	898,655	898,655	Mr. Yeh and other 5 people	〃	-	-	-	-	〃	〃
〃	Fu-du Xing three	July 18, 2018	992,496	992,496	Mr. Hsu and other 8 people, Mr. Chao and Farglory Land Development Co, Ltd.	〃	-	-	-	-	〃	〃
〃	Wu-ru High speed rail	August 6, 2018	4,001,736	4,001,736	Railway Bureau	〃	-	-	-	-	Open tender	〃
〃	Shan-jie section	September 19, 2018	1,843,400	1,843,400	Mr. lee and other 3 people	〃	-	-	-	-	Appraisal	〃

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							If the counter-party is a related party, disclose the previous transfer information					
Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	Owner	Relationship with the Company	Date of transfer	Amount	References for determining price	Purpose of acquisition and current condition
The Company	Bo-Ai Second Road-Storefront	July 3, 2018	336,890	336,890	Jin Cheng Construction Co. and Mr. Tsai	not related parties				-	Appraisal	Operating
〃	An Kong Section	October 8, 2018	1,839,000	551,700	Sanyang Motor Co., Ltd.	〃	-	-	-	-	〃	Construction
〃	Huei Shun Second	November 1, 2018	1,698,841	1,698,841	Mr. Huang and other 9 people	〃			-	-	〃	〃
〃	Fung Gong Section	November 13, 2018	2,668,250	266,825	Farglory Land Development Co., Ltd.	〃	-	-	-	-	〃	〃
Run Long Construction Co., Ltd	Kaosiung city Sanmin district Shin-do section	August 29, 2018	1,383,589	1,383,589	Ministry of National Defense in the Republic of China	〃	-	-	-	-	Open tender	〃
〃	Tainan Yu Guang	August 6, 2018	400,491	400,491	Highwealth Construction Corp.	related parties	Taiwan Tainan District Court	not related parties	September 21, 2016	348,647	Appraisal	〃
〃	Taipei city Wenshan district Wanfang section	December 20, 2018	2,464,000	238,410	Empire Construction Co., Huaho Asset Management Co., Mr. Ho and otehr 6 people	not related parties	-	-	-	-	〃	〃

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counter-party	Nature of relationship	Purpose of disposal	Price reference	Other terms
The Company	Jin-Tai Jui-Store	April 30, 2018	Not applicable	$ 157,941	446,454	446,454	288,513	SILVER LAKK International Asset Management, Ltd.	Non-related party	Earning profit	Appraisal	None
〃	Jin-Tai Jui-Inventory	April 30, 2018	Not applicable	Inventory sold thus not applicable	266,326	266,326	Sale of inventory, not applicable	SILVER LAKK International Asset Management, Ltd.	〃	〃	〃	〃
〃	in-Tai Jui-Inventory	June 8, 2018	Not applicable	Inventory sold thus not applicable	929,100	929,100	Sale of inventory, not applicable	iSee Taiwan Foundation	〃	〃	〃	〃
〃	Tainan Yu Guang	August 6, 2018	September 22, 2018	385,291	400,491	400,491	15,200	Run Long Construction Co., Ltd.	Related party	Business purpose	〃	〃

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Note
The Company	Chyi Yuh Construciton Co., Ltd	Investee accounted for using equity method	Contracting project	$ 4,019,402	17.95%	Pay by contract terms	-	-	(462,525)	(35.34)%	Note 2
The Company	Jin Jyun Construction Co., Ltd	Investee accounted for using equity method	Contracting project	1,229,559	5.49%	Pay by contract terms	-	-	(173,018)	(13.22)%	Note 2
The Company	Run Long Construction Co., Ltd	Investee accounted for using equity method	Sales of goods	(990,596)	-%	Receive by contract terms	-	-	-	-%	
Chyi Yuh Construciton Co., Ltd	The Company	The ultimate parent of the company	Contracted project	(4,795,328)	(75.50)%	Receive by contract terms	-	-	462,525	67.70%	Note 1
Chyi Yuh Construciton Co., Ltd	Run Long Construction Co., Ltd	Investee accounted for using equity method	Contracted project	(837,646)	(13.19)%	Receive by contract terms	-	-	136,839	20.03%	Note 1
Chyi Yuh Construciton Co., Ltd	Bo Yuan Construction C0., Ltd	Investee accounted for using equity method	Contracted project	(666,229)	(10.49)%	Receive by contract terms	-	-	64,633	9.46%	Note 1

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Bo Yuan Construction C0., Ltd	Chyi Yuh Construciton Co., Ltd	Parent Company	Contracting project	622,183	80.70%	Pay by contract terms	-	-	(64,633)	(49.89)%	Note 2
Run Long Construction Co., Ltd	Chyi Yuh Construciton Co., Ltd	Parent Company	Contracting project	569,849	10.72%	Pay by contract terms	-	-	(136,839)	(22.84)%	Note 2
Run Long Construction Co., Ltd	Jin Jyun Construction Co., Ltd	Investee accounted for using equity method	Contracting project	562,428	10.57%	Pay by contract terms	-	-	(32,441)	(5.41)%	Note 2
Run Long Construction Co., Ltd	The Company	The ultimate parent of the company	Land held for development and administration fee	879,575	16.54%	Pay by contract terms	-	-	-	-%	
Jin Jyun Construction Co., Ltd	The Company	The ultimate parent of the company	Contracted project	(1,220,554)	(67.64)%	Receive by contract terms	-	-	173,018	64.26%	
Jin Jyun Construction Co., Ltd	Run Long Construction Co., Ltd	Investee accounted for using equity method	Contracted project	(535,600)	(29.68)%	Receive by contract terms	-	-	32,441	12.05%	Note 1

Note 1: The contracted company recognizes its construction revenue through percentage of completion method, and the amount of sales included.

Note 2: The contracting company records its import price through estimates of amount of purchase through number of trials.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Chyi Yuh Construciton Co., Ltd	The company	The ultimate parent of the company	462,525	7.46	-	-	-	-
〃	RUN LONG Construction Co., Ltd	Investee accounted for using equity method	136,839	2.61	-	-	-	-
Jin Jyun Construction Co., Ltd	The company	The ultimate parent of the company	173,018	13.11	-	-	-	-

(ix) Trading in derivative instruments: None

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2018 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2018	December 31, 2017	Shares (thousands)	Percentage of wnership	Carrying value			
The Company	Ace Riches International Corp.	Taiwan	Residential and building development, rental and sales	$ 12,000	12,000	1,200,000	100.00 %	36,525	14,545	(22)	
〃	Highwealth Real Estate Co., Ltd.	Taiwan	Real estate brokerage, real estate trading	25,000	25,000	2,500,000	100.00 %	56,642	20,942	(7,215)	
〃	Chyi Yuh Construciton Co., Ltd	Taiwan	Construction, housing and building development rental services etc.	30,041	30,041	55,000,000	100.00 %	248,654	440,641	554,340	
〃	Run Long Construction Co., Ltd	Taiwan	Environmental protection technology, real estate development, rental and sales industries, etc.	456,443	191,663	11,098,000	3.60 %	(599,564)	2,186,147	30,497	Note
〃	Jin Jyun Construction Co., Ltd	Taiwan	Construction, housing and building development rental services etc.	-	500,000	-	- %	-	12,964	(10,323)	
〃	Yeh Kee Enterprise Co., Ltd.	Taiwan	Residential and building development, rental services, etc.	2,423,152	2,423,152	2,200,000	100.00 %	2,420,257	(3,214)	(3,214)	
〃	Bijiang Enterprise Co., Ltd	Taiwan	Residential and building development, rental services, etc.	1,302,900	1,302,900	7,200	100.00 %	1,300,497	(2,385)	(2,385)	
〃	Highwealth Construction Co.	Taiwan	Residential and building development, rental services, etc.	5,000	-	500,000	100.00 %	4,826	(174)	(174)	

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2018	December 31, 2017	Shares (thousands)	Percentage of wnership	Carrying value			
Chyi Yuh Construciton Co., Ltd	Bo Yuan Construction Co., Ltd	Taiwan	Residential and building development, rental services, etc.	737,000	737,000	73,700,000	100.00 %	925,525	(2,423)	Exempt from diclosure	
	Guang Yang Investment Co., Ltd	Taiwan	Investment industry	284,050	284,050	29,900,000	100.00 %	578,622	139,266	〃	
	Well Rich International Co., Ltd	Taiwan	Construction material wholesale industry	78,484	78,484	8,100,000	100.00 %	143,414	24,505	〃	
	Run Long Construction Co., Ltd	Taiwan	Environmental technology, property development and rental industry	375,443	288,766	9,036,000	2.93 %	213,795	2,186,147	〃	Note
	Goyu Building Materials Co., Ltd.	Taiwan	Construction material wholesale industry	98,000	-	9,800,000	35.00 %	96,190	(5,171)	〃	Note 1
Guang Yang Investment Co., Ltd	Run Long Construction Co., Ltd	Taiwan	Environmental technology, property development and rental industry	398,063	398,063	16,810,013	5.45 %	398,410	2,186,147	〃	Note
Run Long Construction Co., Ltd	Jin Jyun Construction Co., Ltd	Taiwan	Construction, housing and building development rental services etc.	518,300	-	50,000,000	100.00 %	544,130	32,432	〃	

Note : Voting interest percentage differed due to secured bonds converted to ordinary shares.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2017	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2018	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period
					Outflow	Inflow						
Chuan Xiang Commercial Co.	Construction material, furniture, metal parts	26,555 USD 900,000	(1)	26,555 USD 900,000	-	-	26,555 USD 900,000	(380)	100.00%	(380)	2,634	-
Shin Fu Yu Commercial Co.	Construction material wholesale	27,104 USD 900,000	(1)	27,104 USD 900,000	-	-	27,104 USD 900,000	(56)	100.00%	(56)	1,797	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
53,659 （USD1,800,000）	53,659 （USD1,800,000）	20,508,088

Note 1: 3 types of investment method are as follows:

1. Directly investing in the mainland area
2. Investing in the mainland through companies in another country (Please note the name of the investing company from the other country)
3. Other methods

Note 2: Profit and loss recognized from investment for the current period:

1. If it is in preparation, and has no investment profit or loss, it should be noted
2. The basis for profit or loss from investment are as follows:
   A. The international accounting firm which has cooperative relationships with the CPA in the Republic of China verifies its financial statements
   B. Financial statement of the parent company is verified by the Taiwanese accountant
   C. Others

(iii) Significant transactions: None

(14) Segment information:

Please refer to the consolidated financial statements.

Highwealth Construction Corp.

Statement of cash and cash equivalents

December 31, 2018

(Expressed in thousands of New Taiwan Dollars)

Item	Summary	Amount
Cash and petty cash		$ 2,382
Bank deposit		
Demand deposit		9,385,447
Checking deposit		874
Foreign currency deposit	USD165,063.59 with foreign exchange rate at $31 and HKD16.29 with foreign exchange rate at $4	5,644
		9,391,965
		$ 9,394,347

Highwealth Construction Corp.

Statement of inventories

December 31, 2018

(Expressed in thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Prepayment for land purchse	An Kong Section	$ 551,700	
	Huei Shun Second	100,247	
	Fung Gung Section	261,725	
		913,672	
Land for construction	Qing-Xi Section	907,796	
	Sub-city Center Third	998,576	
	Shan-jie section	2,213,835	
	Wuri High Speed Rail	4,001,994	
	Huei Shun Second	1,766,772	
	Wu Fu Section	707,584	
	Nangang Fifth	2,590,662	
	Da Gang Section	701,002	
	Gin Cheng xase	210,722	
	Shin Do Section	1,080,447	
	Shin Do 310	758,399	
	Fu Shan case	1,206,775	
	Yu Guang 891	673,293	
	Others	150,767	
	Less: Allowance to reduce inventory to market	(23,315)	
		17,945,309	
Construction in progress	Wu Fu Second	461,970	
	Dan Hai Fifth	5,271,551	
	Guang Wu Section	715,336	
	Long Fong Section	1,149,413	
	Huei Shin Section	1,715,637	
	Fu De Section	2,906,144	
	Yong Tsui Section	1,723,853	
	Yong Tsui Second	1,744,948	
	Huei Li Section	2,271,728	
	Shin Juang Section	1,272,347	
	Liu He Seciton	717,381	
	Bai Lun Section	1,807,957	

Item	Summary	Amount	Note
Construction in progress	San Kuai Tsu Section	1,763,695	
	Guo Mao Section	1,056,744	
	Others	1,426,207	
	Less: Allowance to reduce inventory to market	(53,329)	
		25,951,582	
Real estate for sale	Jin-Tai Ninth	1,711,011	
	Henan Huei Min	595,265	
	Huei Shun Section	932,881	
	Nangang Third	268,195	
	Shin Sheng North	253,849	
	Lee Lin Section	216,321	
	Guang Hua Section	1,199,301	
	Kang Ning Third Semi Section	4,271,548	
	Dan Hai Third	311,543	
	Chin Sheng Section	348,240	
	Tai Ke Section	1,754,614	
	Hai Tian Third	367,806	
	Dong Shi First	566,330	
	Dong Shi Second	1,136,996	
	Long Fu Section	1,519,343	
	Long Fu Second	288,616	
	Shin Fu Section	995,057	
	Long Zhong Fifth	243,662	
	Min Zu case	410,041	
	Long Zhong Sixth	1,088,727	
	Chen Chin Section	204,456	
	Jin Hua Section	1,651,800	
	Chi Xian caseLong Fu Section	268,027	
	Others	884,010	
	Less: Allowance to reduce inventory to market	(1,000)	
		21,486,639	
Total		$ **66,297,202**	

Highwealth Construction Corp.

Statement of other receivables

December 31, 2018

(Expressed in thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Bank deposit	Bank accounts for real estate value trust services, reserve accounts, certificates of deposit and etc.	$ 2,361,361	
Refundable deposit for construction	Guarantee deposit for cooperating construction and etc.	678,703	
Others	Interest receivable and other receivables	134,009	
		$ 3,174,073	

Statement of other non-current financial assets

Item	Summary	Amount	Note
Bank deposit	Reserve accounts for bonds	$ 6,726,129	
Refundable deposit	Guarantee deposit of rental, guarantee deposit of rental and etc.	3,680	
		$ 6,729,809	

Highwealth Construction Corp.

Statement of changes in investments accounted for using the equity method

December 31, 2018

(Expressed in thousands of New Taiwan Dollars)

	Balance on January 1, 2018		Increase in current period (note 2)		Decrease in current period (note 2)		Balance on December 31, 2018			Market price or total equity amount			
Entity	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of voting interest	Amount	Price per share	Total amount	Details of collateral	Note
Ace Riches International Corp.	1,200	$ 43,399	-	14,567	-	(21,441)	1,200	100.00 %	36,525	186.38	223,657	None	
Highwealth Real Estate Co., Ltd.	2,500	71,885	-	28,157	-	(43,400)	2,500	100.00 %	56,642	167.44	418,604	〃	
Chyi Yuh Construction Co., Ltd	55,000	(21,040)	-	593,638	-	(323,944)	55,000	100.00 %	248,654	34.04	1,871,989	〃	
Run Long Construction Co., Ltd	6,274	(715,759)	4,824	340,084	-	(223,889)	11,098	3.60 %	(599,564)	54.40	603,731	〃	
Jin Jyun Construction Co., Ltd	50,000	508,942	-	-	50,000	(508,942)	-	- %	-	-	-	〃	
Yeh Kee Enterprise Co., Ltd.	2,200	2,423,471	-	22,183	-	-	2,200	100.00 %	2,445,654	57.88	127,325	〃	
Bijiang Enterprise Co., Ltd	7	1,302,882	-	-	-	(2,385)	7	100.00 %	1,300,497	160.00	1,120	Borrowings	
Shin Fu Yu Commercial Co.	-	1,890	-	-	-	(93)	-	100.00 %	1,797	-	1,797	None	
Chuan Xiang Commercial Co.	-	3,069	-	-	-	(435)	-	100.00 %	2,634	-	2,634	〃	
Highwealth Construciton Co.	-	-	500	5,000	-	(174)	500	100.00 %	4,826	9.65	4,826	〃	
Total		$ 3,618,739		1,003,629		(1,124,703)			3,497,665		3,255,683		

Note 1: Increase in current period due to investment income recognized under equity method 607,020, deferred credits 1,697, impact of adopting IFRS 15 24,570, acquisition cost 269,780, adjusting capital surplus due to distributing cash dividend to subsidiaries 93,282 and changes of voting interest percentage resulting in regarding subsidiary company purchasing parent company stock as treasury stock 7,280.

Note 2: Decrease in current period due to investment loss recognized under equity method 20,555, cash dividend received 333,945, deferred credits 22,180, adjusting retained earnings with the difference of prices of acquiring subsidiary company and carrying amount 202,957, changes of voting interest percentage resulting in regarding subsidiary company purchasing parent company stock as treasury stock 4,612, proceeds from sale 518,300, changes on ownership of subsidiary company 21,802 and share of profit or loss of subsidiaries accoounted for using equity method 352.

Highwealth Construction Corp.

Statement of short-term borrowings

December 31, 2018

(Expressed in thousands of New Taiwan Dollars)

Type of borrowings	Ending balance	Contract period	Range of interest rates	Mortgages	Notes
Fiduciary loan	$ 2,000,000	107.09.25~109.09.25	Note 2	-	
〃	2,000,000	107.10.03~109.10.03	〃	-	
〃	200,000	107.01.16~108.01.16	〃	-	
〃	33,333	107.07.20~108.07.20	〃	-	
Mortgage	772,740	107.04.27~108.04.27	〃	Investment property and real estate for sale	
〃	266,667	107.07.20~108.07.20	〃	Stock, real estate for sale and investment property	
〃	116,740	107.10.09~108.10.09	〃	Real estate for sale	
〃	80,400	107.04.27~108.04.27	〃	Real estate for sale	
〃	700,000	107.07.30~109.07.30	〃	Real estate for sale	
〃	140,512	107.07.20~108.07.27	〃	Real estate for sale	
〃	6,128,560	102.05.10~113.02.21	〃	Land for Construction, land in Construction and real estate for sale	
〃	1,104,000	107.03.14~109.03.14	〃	Real estate for sale	
〃	1,042,000	106.01.16~111.01.16	〃	Land in Construction	
〃	9,615,000	104.03.12~112.08.31	〃	Land for Construction, land in Construction and land for Construction of subsidiary company	
〃	1,721,000	107.08.09~112.08.09	〃	Land in Construction	
〃	2,800,000	107.10.31~112.10.31	〃	Land for Construction	
〃	678,000	106.05.10~110.06.19	〃	Land in Construction	
〃	114,100	104.12.01~108.09.30	〃	Land for Construction	
〃	399,137	107.02.22~108.11.17	〃	Real estate for sale	
	$ 29,912,189				

Note 1: All the money is borrowed from the bank.

Note 2: The range of interest rate is 1.65%～2.30%.

Highwealth Construction Corp.

Statement of bonds payable

December 31, 2018

(Expressed in thousands of New Taiwan Dollars)

					Amount						
Name of bonds	**Trustee**	**Date of issuance**	**Date of interest paid**	**Interest rate**	**Total amount of issuance**	**Amount converted**	**Balance on December 31,2018**	**Amount unamortized**	**Carrying amount on December 31,2018**	**Method for repayment**	**Details of collateral**
Corporate bonds first	Land bank of Taiwan	105.04.12	Yearly	1.15 %	$ 3,000,000	-	3,000,000	(12,967)	2,987,033	Paid at maturity	Other financial assets, investment property and real estate for sale
Corporate bonds second	Land bank of Taiwan	105.04.12	Yearly	1.15 %	2,000,000	-	2,000,000	(7,182)	1,992,818	Paid at maturity	Other financial assets, investment property and real estate for sale
Corporate bonds third	Land bank of Taiwan	105.11.29	Yearly	1.00 %	2,000,000	-	2,000,000	(7,237)	1,992,763	Paid at maturity	Other financial assets and real estate for sale
Corporate bonds fourth	Land bank of Taiwan	107.05.28	Yearly	0.90 %	2,500,000	-	2,500,000	(12,448)	2,487,552	Paid at maturity	Other financial assets, investment property and real estate for sale
Convertible bonds fifth	Land bank of Taiwan	106.06.08	-	- %	10,577,820	-	10,577,820	(422,893)	10,154,927	Paid at maturity at 106.4082%	Other financial assets, investment property and real estate for sale
					$ 20,077,820	**-**	**20,077,820**	**(462,727)**	**19,615,093**		

Highwealth Construction Corp.

Statement of contract liabilities

December 31, 2018

(Expressed in thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Advance real estate receipts	Shin Juang Section	$ 254,248	
	Bai Lun Section	277,022	
	Kang Ning Third Semi Section	182,672	
	Tai Ke Section	146,721	
	Guang Wu Section	456,975	
	Huei Xin Section	169,243	
	Fu De Section	678,104	
	Yong Tsui Section	105,654	
	Others	620,587	
Subtotal		2,891,226	
Advance receipts- rent		2,573	
Advance receipts, other		5,780	
		$ 2,899,579	

Highwealth Construction Corp.

Statement of operating revenue

For the year ended December 31, 2018

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	Note
Land revenue	$ 20,682,621	
Building revenue	9,981,014	
Rental revenue	54,336	
Total	**$ 30,717,971**	

Statement of operating costs

Item	Amount	Note
Land cost	$ 11,598,006	
Building cost	10,229,294	
Gain from price recovery of inventory	(1,600)	
Rental cost	23,007	
Total	**$ 21,848,707**	

Highwealth Construction Corp.

Statement of selling expenses

For the year ended December 31, 2018

(Expressed in thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Salaries		$ 141,850	
Commission expense		780,459	
Rental		107,001	
Advertising		491,920	
Other expense		125,405	
		$ 1,646,635	

Statement of administrative expenses

Item	Summary	Amount	Note
Salaries		$ 240,663	
Pension		10,121	
Rental		10,720	
Business trip expense		11,485	
Postage		3,633	
Repair and maintenance		6,613	
Utilities		3,204	
Insurance		23,861	
Entertainment		12,108	
Donation		6,224	
Tax expense		204,947	
Registration		26,498	
Depreciation		17,215	
Amortization		3,819	
Board expense		5,352	
Employee benefit		15,359	
Charge of service		12,703	
Other expense		53,183	
		$ 667,708	