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Delpha Construction Co., Ltd.
Procedures of 2018 General Shareholders' Meeting

I. Call Meeting to Order

II. Chairman's Speech

III. Matters to Be Reported

IV. Matters for Recogniton

V. Temporary Motions

VI. Meeting Adjournment

Delpha Construction Co., Ltd.
Agenda of 2018 General Shareholders' Meeting

Time: 9:00 am, June 15 (Friday), 2018

Venue: B1, No. 28, Lane 420, Section 5, Chenggong Road, Neihu District, Taipei City

I. Call meeting to order

II. Chairman's speech

III. Management Presentations

1. 2017 Business Report.
2. Audit Committee's Review Report on the 2017 Financial Statements.
3. The Status of Endorsement and Guarantee.

IV. Matters for Recogniton

1. Adoption of the 2017 Business Report and Financial Statements.
2. Adoption of the Proposal for 2017 Deficit Compensation.

V. Other proposals

VI. Temporary Motions

VII. Adjournment

III. Matters to Be Reported

1. 2017 Individual Business Status Report

In 2017, operating income fell due to a lack of completed buildings posted to the accounts, and the loss per share was NT$0.43. Apart from continuing our efforts in selling the remaining units of Reading green life, we expect to launch The urban green case at an appropriate time in the second half of the year. For the joint-construction The urben green case, we will also strive to have the construction contract signed with the landlord in the second half of the year; the design will be completed as soon as possible after the signing of the contract, and the pre-sale of the case will be launched after the construction license is obtained. For the urban renewal case in the Huaisheng section, the negotiations with the landlord for the joint construction as well as with the tenants of unlicensed buildings within the range of the urban renewal case have been progressing. Currently we are working on the product positioning and design for the case, and plan to complete the integration and product design within this year, for submission of the urban renewal business plan to the competent authority for review. The Taiyuan Road urban renewal case of the Company's subsidiary Huachien Developement was also officially submitted in June 2017 for the urban renewal plan review by the competent authority; the public exhibition and public hearing of the urban renewal business plan was already completed on September 14, 2017, and the case will formally enter the urban renewal review process. It is hoped that the review process can be completed and the construction license be applied for within two years.

Thank you for your support.

The Company's 2017 business status and 2018 business plan are as follows:

(1) 2017 Business Report

A. 2017 Business Plan Implementation Results

The Company's 2017 operating income was NT$62.761 million, a decrease of NT$2,286.854 million from the 2016 operating income of NT$2,349.615 million, and the growth rate was a negative 97.33%. The 2017 net loss before tax was NT$108.656 million, a decrease of NT$589.059 million from the 2016 net income before tax of NT$480.403 million.

B. 2017 Annual Operating Income Details

Unit: NT$'000

Case	No. of pings	Amount
Xinyi B case (Xinyi Xiangxie)	42.93	6,449
Shitan Section B case (Huyue Tianyun)	89.55	55,228
Rental income	-	1,084
Total	132.48	62,761

C. Budget implementation status

The Company did not publish its 2017 financial forecast, so there is no need to disclose the budget implementation status.

D. Financial Revenue and Profitability Analysis

Item		2017	2016
Financial structure %	Debt to assets ratio	33.30	33.64
	Long-term funds to property, plant and equipment ratio	5,289.38	5,597.43
Solvency %	Current ratio	275.32	271.74
	Quick ratio	34.98	59.53
	Times interest earned ratio (times)	(3.5)	35.02
Profitability %	Return on Assets	(1.86)	7.24
	Return on equity	(3.39)	11.88
	Ratio of pre-tax net profit to paid-in capital	(4.01)	17.74
	Net profit (loss) rate	(181.99)	17.93
	Earnings per share (NT$)	(0.43)	1.57

A decreased operating income from last year resulted in a lower net income ratio and earnings per share.

(2) Overview of the 2018 Business Plan

A. Business Strategy

From land development to design and construction, the Company has always been upholding the spirit of "cultivating space and caring for the earth", and pursuing the goal of "providing a high-quality and diversified construction and living space, and caring about the social environment to help create a beautiful and orderly environment". The Company also adopts an honest and responsible attitude to meet the needs of the general public and home buyers in the living environment and space.

In order to improve its competitiveness and business strength, the Company strives to achieve the following four goals:

(1) Actively dispose of the unsold housing units and land to reduce the debt ratio.

(2) Improve business strength and stabilize the financial structure.

(3) Meet market trends and formulate strategies and response plans accordingly.

(4) Effectively integrate resources and improve competitiveness.

B. Business Goals

This year the Company will focus on:

(1) the sale of the completed " Reading green life" shops and housing units.

(2) the plan, design and sale of the " The urban green" pre-sale case.

(3) the plan, design and sale of the “Wuchang Street ” pre-sale case.

C. Important Production and Sales Policies

Production Strategies:

The Company is committed to the construction of high-quality and intelligent high-quality residential and office buildings.

The production strategies are:

(a) Business area: The elite area of Greater Taipei.

(b) Development method:

- i. The land in the Greater Taipei area with convenient traffic routes will continue to be developed and promoted by means of joint construction and purchase.
- ii. Comply with the government's efforts in urban renewal, and actively participate in the urban renewal cases of the Greater Taipei area with economic effect.

(c) Product type: high-tech office buildings and high-class residential buildings.

Sales strategies:

i. Commissioned sales:

Select good sales agencies to cooperate with, so as to allow the Company to focus on development, planning and construction.

ii. Sales by the Company itself:

Regardless of cooperating with distributors or agencies or selling on its own, the Company will play an active role and take the initiative so as to gain a first-comer advantage and achieve results in the context of the buyer’s market.

(3) Future Company Development Strategies, External Competition Environment, Regulatory Environment and Overall Business Environment:

A. The acquisition and integration of land in the Greater Taipei area has become increasingly difficult, and the cost of land and construction costs have risen. These factors are disadvantageous for the development of construction projects.

B. Although the government has been vigorously promoting urban renewal, a lot of difficulties have been encountered and the schedule is delayed due to a lack of related decrees.

C. The government has successively implemented "actual-price registration", "raising the standard housing price", "restricting housing loans" and "combining real-estate taxes on housing and land" which have limited the development of the construction and the investment industry.

D. The economy of the overall construction industry is poor and there is a large amount of unsold housing units. At present, “concession” is the prevailing trend in the real estate industry for both pre-sale cases and the sale of constructed houses. Therefore, in the short-term the slowdown of the sale of residential units in the Greater Taipei area is difficult to change.

2. Audit Committee’s Review of the Company's 2017 Final Account Report

Explanation:

1. The Company's 2017 final account book and individual and consolidated financial statements have been audited by certified public accountants Chen-Yu Kuo and Kuang-Hui Chen of Moore Stephens International has reviewed the documents above including the business report and loss provision table, and issued a review report.
2. The Audit Committee convener reads the review report.

Audit Committee’s Review Report

The Board of Directors has prepared to the Committee the Company's 2017 business report, financial statements (including consolidated and individual statements) and loss provision proposal. Among the documents, the financial statements have been audited by Moore Stephens International and an audit report has been issued accordingly. The Committed has completed the review of the above-mentioned 2017 business report, financial statements (including consolidated and individual statements) and loss provision proposal, and is of the opinion that there were no discrepancies contained therein. A report is therefore issued as above in accordance with the provisions of Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law for your review and verification.

To 2018 General Shareholders’ Meeting of Delpha Construction Co., Ltd.

Audit Committee Convener: Ping-Joung Tseng

March 23, 2018

3. The Status of Endorsement and Guarantee.

Explanation:

The maximum amount of the Company’s endorsement guarantee is NT$1,604,235,000, and the endorsement guarantee balance as of December 31, 2017 is NT$0. The details are as follows:

Unit: NT$’000

Endorsement guarantee object		Maximum balance of the period	Period-end balance	Endorsement limit for a single enterprise
Company name	Relationship			
Huachien Development Co., LTD	Subsidiary	$450,000	-	$641,694

IV. Matters for Recogniton:

1. Adoption of the 2017 Business Report and Financial Statements.

Explanation:

The Company's 2017 individual and consolidated financial statements have been audited by certified public accountants Chen-Yu Kuo and Guang-Hui Chen of Moore Stephens International. The Audit Committed has completed the review of the business report and loss provision proposal, and is of the opinion that there were no discrepancies contained therein. Please recognize.

Resolution:

Independent Auditors' Report

Delpha Construction Co., Ltd.

Opinion

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

In our opinion, based on our audits, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2017 and 2016, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basic of opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the **Independent accountant's 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 Code of professional Ethics for Certificate Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits, we believe that our audits provide a reasonable basis for our opinion.

Key audit matters

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

Evaluation of inventories

Please refer to Note 4(12) to the parent company only financial statements for the accounting policies of evaluation of inventories; refer to Note 5(2) to the parent company only financial statements for the accounting estimates and assumptions of the evaluation of inventories; and please refer to Note 6(6) to the parent company only financial statements for the details description of inventories account.

The inventory is an important asset of the Company's operation, which accounts for 77% of the total Company's assets. The accounting treatment for inventory evaluation is in accordance with the International Accounting Standard 2 Inventories. The financial statements will not present fairly if the assessment of net unrealized value of inventories are inappropriate. Therefore, we considered the evaluation of inventories as one of the key audit matters for the year.

Our audit procedures included, but not limited to, by referencing to the total transaction price registered in the Ministry of the Interior's real estate transaction database, the average selling price converted into the net realized value of the lands and buildings for sale to assess whether there is significant difference. And to obtain the valuation report issued by the appraiser or by referencing to the present value of land announced by the Ministry of the Interior to assess whether there is a significant difference between the construction land and the construction in progress; and for the valuation report issued by the appraiser, to assess the rationality of the basic assumptions and expert qualifications such as the percentage of factor adjustment, the direct and indirect costs of the development period, the integrated capital interest rates etc.

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 financial statements in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 charges with governance, including members of the Audit Committee are responsible for overseeing the Company's financial reporting process.

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

As part of an audit in accordance with the generally accepted auditing standards, 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 parent 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 risks of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

2. Obtain an understanding of internal controls 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 controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure 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 going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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 footnote disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentations.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the Company's investee company accounted for under equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of audit of the Company's investee company. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding 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 relationship 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 of the current period and are therefore the key audit matters. We describe these matters in our report unless 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.

Chen, Kuang-Hui

Kuo, Chenyu	Chen, Kuang-Hui

for and on behalf of TIAOHO & CO.
March 23, 2018
Taipei, Taiwan
Republic of China

Notice to Readers

The accompanying parent company only financial statements are not intended to present the financial position, results of financial operations and cash flows in accordance with accounting principles and practice generally accepted in countries and jurisdictions other than the Republic of China. The standard, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and the independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, TIAOHO & CO. cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Delpha Construction Co., Ltd.
Parent company only balance sheets
December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

		December 31,			
Assets	Notes	2017	%	2016	%
Current assets					
Cash and cash equivalents	6.(1)	$ 258,709	5	$ 318,288	6
Financial assets at fair value through profit or loss	6.(2)	9,126	-	276,300	5
Notes receivable, net	6.(4)	4,215	-	76,127	2
Other receivables	6.(5)	28,154	1	10,100	-
Current income tax assets		-	-	353	-
Inventories	6.(6) and 8	3,686,284	77	3,725,645	70
Prepayments		99,755	2	58,607	1
Other financial assets	6.(7) and 8	250,810	5	380,304	7
		4,337,053	90	4,845,724	91
Non-current assets					
Financial assets carried at cost	6.(3)	6,101	-	8,716	-
Investments accounted for under equity method	6.(8)	390,750	8	398,624	8
Property, plant and equipment	6.(9) and 8	61,157	2	63,425	1
Refundable deposits		13,290	-	15,159	-
Other non-current assets		1,730	-	1,730	-
		473,028	10	487,654	9
Total assets		$ 4,810,081	100	$ 5,333,378	100

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Delpha Construction Co., Ltd.
Parent company only balance sheets
December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

(Continued from previous page)

Liabilities and equity	Notes	December 31, 2017	%	December 31, 2016	%
Current liabilities					
Short-term borrowings	6.(11) and 8	$ 511,057	11	$ 956,050	18
Short-term notes and bills payable	6.(12) and 8	399,963	8	-	-
Notes payable	6.(13)	1,282	-	11,968	-
Accounts payable	6.(13)	59,705	1	223,859	4
Other payables		9,711	-	30,560	1
Current income tax liabilities		4,296	-	19,659	-
Provisions for liabilities	6.(17)	1,123	-	983	-
Advances from customers	6.(14) and 7	74,551	2	26,382	1
Long-term borrowings - current portion	6.(15) and 8	513,000	11	513,000	10
Other current liabilities		566	-	746	-
		1,575,254	33	1,783,207	34
Non-current liabilities					
Net defined benefit liabilities - non-current	6.(16)	17,053	-	1,783	-
Guarantee deposits		9,305	-	9,200	-
		26,358	-	10,983	-
Total liabilities		1,601,612	33	1,794,190	34
Equity					
Common stock	6.(18)	2,707,525	56	2,707,525	51
Capital surplus	6.(19)	8,929	-	8,828	-
Retained earnings:	6.(20)				
Legal reserve		234,560	5	192,437	4
Special reserve		16,570	-	12,899	-
Unappropriated earnings		276,840	6	653,454	12
Treasury stock	6.(18)	(35,955)	-	(35,955)	(1)
Total equity		3,208,469	67	3,539,188	66
Total liabilities and equity		$ 4,810,081	100	$ 5,333,378	100

Delpha Construction Co., Ltd.
Parent company only statement of comprehensive income

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

		For the year ended December 31,			
	Notes	2017	%	2016	%
Revenue	6.(21) and 7	$ 62,761	100	$ 2,349,615	100
Cost of revenue	6.(6)	(57,823)	(92)	(1,621,671)	(69)
Gross profit		4,938	8	727,944	31
Operating expenses					
Selling expenses	6.(24)	(7,913)	(13)	(96,203)	(4)
General & administrative expenses	6.(24)	(96,265)	(153)	(110,531)	(5)
		(104,178)	(166)	(206,734)	(9)
Income (loss) from operations		(99,240)	(158)	521,210	22
Non-operating income and expenses					
Other income	6.(22)	16,757	27	14,184	-
Other gains and losses	6.(23)	5,863	9	(33,959)	(1)
Finance costs	6.(26)	(24,162)	(38)	(15,113)	(1)
Share of loss of subsidiaries, affiliates and joint ventures accounted for under equity method		(7,874)	(13)	(5,919)	-
		(9,416)	(15)	(40,807)	(2)
Income (loss) before income tax		(108,656)	(173)	480,403	20
Income tax expense	6.(27)	(5,564)	(9)	(59,178)	(2)
Net income (loss) for the year		(114,220)	(182)	421,225	18
Other comprehensive income					
Component of other comprehensive income that will not be reclassified to profit or loss					
Remeasurement of defined benefit obligation		2	-	(639)	-
Income tax expenses related to components that will not be reclassified to profit or loss		-	-	-	-
Total other comprehensive income (loss) for the year		2	-	(639)	-
Total comprehensive income (loss) for the year		($ 114,218)	(182)	$ 420,586	18
Earnings per share (In New Taiwan dollars)	6.(28)				
Basic earnings per share		($ 0.43)		$ 1.57	
Diluted earnings per share				$ 1.57	

Basic earnings per share	($ 0.43)	$ 1.57
Diluted earnings per share		$ 1.57

Delpha Construction Co., Ltd.

Parent company only statement of changes in equity

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

	Common stock	Capital surplus	Retained Earnings: Legal reserve	Retained Earnings: Special reserve	Retained Earnings: Unappropriated earnings	Treasury stock	Total equity
Balance, January 1, 2016	$ 2,707,525	$ 8,828	$ 122,985	$ 20,139	$ 728,284	($ 35,955)	$ 3,551,806
Appropriation of prior year's earnings:							
Reversal of special capital reserve	-	-	-	(7,240)	7,240	-	-
Legal reserve	-	-	69,452	-	(69,452)	-	-
Cash dividends	-	-	-	-	(433,204)	-	(433,204)
	2,707,525	8,828	192,437	12,899	232,868	(35,955)	3,118,602
Net income for the year	-	-	-	-	421,225	-	421,225
Other comprehensive loss for the year	-	-	-	-	(639)	-	(639)
Total other comprehensive income for the year	-	-	-	-	420,586	-	420,586
Balance, December 31, 2016	2,707,525	8,828	192,437	12,899	653,454	(35,955)	3,539,188
Appropriation of prior year's earnings:							
Special capital reserve	-	-	-	3,671	(3,671)	-	-
Legal reserve	-	-	42,123	-	(42,123)	-	-
Cash dividends	-	-	-	-	(216,602)	-	(216,602)
Expired and unclaimed dividend transfer to legal reserve	-	101	-	-	-	-	101
	2,707,525	8,929	234,560	16,570	391,058	(35,955)	3,322,687
Net loss for the year	-	-	-	-	(114,220)	-	(114,220)
Other comprehensive income for the year	-	-	-	-	2	-	2
Total other comprehensive loss for the year	-	-	-	-	(114,218)	-	(114,218)
Balance, December 31, 2017	$ 2,707,525	$ 8,929	$ 234,560	$ 16,570	$ 276,840	($ 35,955)	$ 3,208,469

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

Delpha Construction Co., Ltd.
Parent company only statement of cash flows
For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

	For the year ended December 31, 2017	For the year ended December 31, 2016
Cash flows from operating activities		
Income (loss) before income tax for the year	($ 108,656)	$ 480,403
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation	2,628	3,213
(Gain on reversal of) impairment loss on financial assets	(3,043)	5,079
Interest income	(4,373)	(6,953)
Dividend income	(295)	(972)
Interest expense	24,162	14,122
Share of loss of subsidiaries, associates and joint ventures accounted for under equity method	7,874	5,919
Loss on foreign exchange, net	12,580	9,493
Changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	267,174	580,952
Decrease (increase) in notes receivable	71,912	(51,053)
Increase in other receivables	(18,202)	(9,835)
Decrease in inventories	39,361	744,875
(Increase) decrease in prepayments	(41,148)	35,812
Decrease (increase) in other financial assets	129,494	(133,769)
(Decrease) increase in notes payable	(10,686)	11,968
Decrease in accounts payable	(164,154)	(25,428)
Decrease in other payables	(20,558)	(12,204)
Increase (decrease) in provisions for liabilities	140	(167)
Increase (decrease) in advances from customers	48,169	(1,903,239)
Decrease in other current liabilities	(180)	(17,511)
Increase (decrease) in net defined benefit liabilities	15,272	(9,750)
Cash generated from (used in) operations	247,471	(279,045)
Interest received	4,521	7,126
Interest paid	(24,453)	(13,778)
Dividend received	295	972
Income taxes paid (including land value increment tax)	(20,574)	(24,345)
Net cash generated from (used in) operating activities	207,260	(309,070)

(Continued on next page)

Delpha Construction Co., Ltd.
Parent company only statement of cash flows
For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

(Continued from previous page)

	For the year ended December 31, 2017	For the year ended December 31, 2016
Cash flows from investing activities		
Refund of capital from financial assets carried at cost after liquidation	3,043	56
Refund of capital from financial assets carried at cost after capital reduction	2,615	5,229
Acquisition of property, plant and equipment	(360)	(1,001)
Decrease in refundable deposits	1,869	119,241
Net cash generated from investing activities	7,167	123,525
Cash flows from financing activities		
(Decrease) increase in short-term borrowings	(379,743)	491,700
Increase in short-term notes and bills payable	399,963	-
Increase in long-term borrowings	-	110,000
Repayment of long-term borrowings	-	(16,200)
Increase in guarantee deposits	105	-
Expired and unclaimed dividend transfer to legal reserve	101	-
Payment of cash divided	(216,602)	(433,204)
Net cash generated from (used in) financing activities	(196,176)	152,296
Effect of exchange rate changes on cash and cash equivalents	(12,580)	(9,493)
Increase (decrease) in cash and cash equivalents	5,671	(42,742)
Cash and cash equivalents at beginning of year	253,038	295,780
Cash and cash equivalents at end of year	$ 258,709	$ 253,038
Analysis of cash and cash equivalent at end of year		
Cash and cash equivalents of parent company only balance sheets	$ 258,709	$ 318,288
Bank overdraft	-	(65,250)
Cash and cash equivalents at end of year	$ 258,709	$ 253,038
Non-cash financing activities		
Long-term borrowings - current portion	$ 513,000	$ 513,000

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

Delpha Construction Co., Ltd. and Subsidiaries

Letter of Representation

For the year ended December 31, 3017, pursuant to "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", the entities that are required to be included in the consolidated financial statements of affiliates, are the as the same as the entities required to be included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the aforementioned consolidated financial statements. Accordingly, it is not required to prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Delpha Construction Co., Ltd.

Chairman

March 23, 2018

Independent Auditors' Report

Delpha Construction Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Delpha Construction Co., Ltd. (the "Company") and its subsidiaries (collectively referred as the "Group") as of December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016 and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basic of opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the **Independent accountant's responsibilities for the audit of the consolidated financial statements** section of our report. We are independent of the Group in accordance with the Code of professional Ethics for Certificate Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits, we believe that our audits provide a reasonable basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. We determined the key audit matters should be communicated in our audit report are as follows:

Evaluation of inventories

Please refer to Note 4(12) to the consolidated financial statements for the accounting policies of evaluation of inventories; refer to Note 5(2) to the consolidated financial statements for the for accounting estimates and assumptions of the evaluation of inventories; and please refer to Note 6(6) to the consolidated financial statements for the details description of inventories accounts.

The inventory is an important asset of the Group's operation, which accounts for 85% of the total Group's assets. The accounting treatment for inventory evaluation is in accordance with the International Accounting Standard 2 Inventories. The financial statements will not present fairly if the assessment of net unrealized value of inventories are inappropriate. Therefore, we considered the evaluation of inventories as one of the key audit matters for the year.

Our audit procedures included, but are not limited to, by referencing to the total transaction price registered in the Ministry of the Interior's real estate transaction database, the average selling price converted into the net realized value of the lands and buildings for sale to assess whether there is significant difference. And to obtain the valuation report issued by the appraiser or by referencing to the present value of land announced by the Ministry of the Interior to assess whether there is a significant difference between the construction land and the construction in progress; and for the valuation report issued by the appraiser, to assess the rationality of the basic assumptions and expert qualifications such as the percentage of factor adjustment, the direct and indirect costs of the development period, the integrated capital interest rates etc.

Other matters

We have audited and expressed an unmodified opinion on the consolidated financial statements of Delpha Construction Co., Ltd. as of and for the years ended December 31, 2017 and 2016.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charges with governance, including members of the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Independent accountant's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the Group's investee company accounted for under equity method to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of audit of the Group's investee company. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding 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 relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless 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.

Kuo, Chenyu

Chen, Kuang-Hui

Chen, Kuang-Hui

for and on behalf of TIAOHO & CO.
March 23, 2018
Taipei, Taiwan
Republic of China

Notice to Readers

The accompanying consolidated financial statements are not intended to present the financial position, results of financial operations and cash flows in accordance with accounting principles and practice generally accepted in countries and jurisdictions other than the Republic of China. The standard, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of the independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, TIAOHO & CO. cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated balance sheets

December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2017	%	2016	%
Current assets					
Cash and cash equivalents	6.(1)	$ 288,225	5	$ 322,783	5
Financial assets at fair value through profit or loss	6.(2)	9,126	-	296,608	5
Notes receivable, net	6.(4)	4,305	-	76,217	1
Other receivables	6.(5)	28,158	1	10,106	-
Current income tax assets		1	-	365	-
Inventories	6.(6) and 8	4,902,405	85	4,989,066	80
Prepayments		100,023	2	58,611	1
Other financial assets	6.(7) and 8	255,810	4	390,304	6
Other current assets		81	-	81	-
		5,588,134	97	6,144,141	98
Non-current assets					
Financial assets carried at cost	6.(3)	7,690	-	10,305	-
Property, plant and equipment	6.(8) and 8	123,141	3	63,540	1
Deferred income tax assets	6.(27)	1,478	-	1,277	-
Refundable deposits		13,296	-	15,159	1
Other non-current assets		5,505	-	5,505	-
		151,110	3	95,786	2
Total assets		$ 5,739,244	100	$ 6,239,927	100

(Continued on next page)

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated balance sheets
December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

(Continued from previous page)

Liabilities and equity	Notes	December 31, 2017	%	2016	%
Current liabilities					
Short-term borrowings	6.(10) and 8	$ 511,057	9	$ 1,566,950	25
Short-term notes and bills payable	6.(11) and 8	399,963	7	-	-
Notes payable	6.(12)	1,934	-	11,968	-
Accounts payable	6.(12)	59,705	1	223,859	4
Other payables		13,868	-	32,197	1
Current income tax liabilities		4,296	-	19,659	-
Provisions for liabilities	6.(16)	1,123	-	1,038	-
Advances from customers	6.(13) and 7	74,620	2	26,493	-
Long-term borrowings - current portion	6.(14) and 8	521,569	9	530,588	9
Other current liabilities		576	-	756	-
		1,588,711	28	2,413,508	39
Non-current liabilities					
Long-term borrowings	6.(14) and 8	660,420	12	12,710	-
Net defined benefit liabilities, non-current	6.(15)	17,053	-	1,783	-
Guarantee deposits		10,236	-	10,194	-
		687,709	12	24,687	-
Total liabilities		2,276,420	40	2,438,195	39
Equity attributable to shareholders of the parent					
Common stock	6.(17)	2,707,525	48	2,707,525	44
Capital surplus	6.(18)	8,929	-	8,828	-
Retained earnings:	6.(19)				
Legal reserve		234,560	4	192,437	3
Special reserve		16,570	-	12,899	-
Unappropriated earnings		276,840	5	653,454	11
Treasury stock	6.(17)	(35,955)	(1)	(35,955)	(1)
		3,208,469	56	3,539,188	57
Non-controlling interest	6.(20)	254,355	4	262,544	4
Total equity		3,462,824	60	3,801,732	61
Total liabilities and equity		$ 5,739,244	100	$ 6,239,927	100

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated statement of comprehensive income

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars)

		For the year ended December 31,			
	Notes	2017	%	2016	%
Revenue	6.(21) and 7	$ 69,225	100	$ 2,357,723	100
Cost of revenue	6.(6)	(57,823)	(84)	(1,621,671)	(69)
Gross profit		11,402	16	736,052	31
Operating expenses					
Selling expenses	6.(24)	(7,913)	(11)	(96,203)	(4)
General & administrative expenses	6.(24)	(110,654)	(160)	(119,273)	(5)
		(118,567)	(171)	(215,476)	(9)
Income (loss) from operations		(107,165)	(155)	520,576	22
Non-operating income and expenses					
Other income	6.(22)	19,470	28	18,728	-
Other gains and losses	6.(23)	9,404	14	(32,696)	(1)
Finance costs	6.(26)	(38,755)	(56)	(31,225)	(1)
		(9,881)	(14)	(45,193)	(2)
Income (loss) before income tax		(117,046)	(169)	475,383	20
Income tax expense	6.(27)	(5,363)	(8)	(59,207)	(2)
Net income (loss) for the year		(122,409)	(177)	416,176	18
Other comprehensive income					
Component of other comprehensive income that will not be reclassified to profit or loss:					
Remeasurement of defined benefit obligation		2	-	(639)	-
Income tax expenses related to components that will not be reclassified to profit or loss		-	-	-	-
Total other comprehensive income (loss) for the year		2	-	(639)	-
Total comprehensive income (loss) for the year		($ 122,407)	(177)	$ 415,537	18
Net income attributable to:					
Shareholders of the parent		($ 114,220)	(165)	$ 421,225	18
Non-controlling interest		(8,189)	(12)	(5,049)	-
		($ 122,409)	(177)	$ 416,176	18
Total comprehensive income attributable to:					
Shareholders of the parent		($ 114,218)	(165)	$ 420,586	18
Non-controlling interest		(8,189)	(12)	(5,049)	-
		($ 122,407)	(177)	$ 415,537	18
Earnings per share (In New Taiwan dollars)	6.(28)				
Basic earnings per share		($ 0.43)		$ 1.57	
Diluted earnings per share				$ 1.57	

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated statement of changes in equity
For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to shareholders of the parent								
			Retained earnings						
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Treasury stock	Total	Non-controlling interest	Total equity
Balance, January 1, 2016	$ 2,707,525	$ 8,828	$ 122,985	$ 20,139	$ 728,284	($ 35,955)	$ 3,551,806	$ 267,593	$ 3,819,399
Appropriation of prior year's earnings:									
Reversal of special capital reserve	-	-	-	(7,240)	7,240	-	-	-	-
Legal reserve	-	-	69,452	-	(69,452)	-	-	-	-
Cash dividends	-	-	-	-	(433,204)	-	(433,204)	-	(433,204)
	2,707,525	8,828	192,437	12,899	232,868	(35,955)	3,118,602	267,593	3,386,195
Net income for the year	-	-	-	-	421,225	-	421,225	(5,049)	416,176
Other comprehensive loss for the year	-	-	-	-	(639)	-	(639)	-	(639)
Total other comprehensive income for the year	-	-	-	-	420,586	-	420,586	(5,049)	415,537
Balance, December 31, 2016	2,707,525	8,828	192,437	12,899	653,454	(35,955)	3,539,188	262,544	3,801,732
Appropriation of prior year's earnings:									
Special capital reserve	-	-	-	3,671	(3,671)	-	-	-	-
Legal reserve	-	-	42,123	-	(42,123)	-	-	-	-
Cash dividends	-	-	-	-	(216,602)	-	(216,602)	-	(216,602)
Expired and unclaimed dividend transfer to legal reserve	-	101	-	-	-	-	101	-	101
	2,707,525	8,929	234,560	16,570	391,058	(35,955)	3,322,687	262,544	3,585,231
Net loss for the year	-	-	-	-	(114,220)	-	(114,220)	(8,189)	(122,409)
Other comprehensive income for the year	-	-	-	-	2	-	2	-	2
Total other comprehensive loss for the year	-	-	-	-	(114,218)	-	(114,218)	(8,189)	(122,407)
Balance, December 31, 2017	$ 2,707,525	$ 8,929	$ 234,560	$ 16,570	$ 276,840	($ 35,955)	$ 3,208,469	$ 254,355	$ 3,462,824

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

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated statement of cash flows
For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

	For the year ended December 31,			
	2017		2016	
Cash flows from operating activities				
Income (loss) before income tax for the year	($	117,046)	$	475,383
Adjustments for:				
Income and expenses having no effect on cash flows				
Depreciation		2,699		3,219
Reversal for doubtful accounts	(	16)		-
(Gain on reversal of) impairment loss on financial assets	(	3,043)		4,635
Interest income	(	4,429)	(	7,134)
Dividend revenue	(	2,911)	(	5,334)
Interest expense		38,755		30,234
Loss on disposal of property, plant and equipment		105		-
Gain on disposal of investments		-	(	1,335)
Loss on foreign exchange, net		12,580		9,493
Property, plant and equipment transfer expenses		295		-
Changes in operating assets and liabilities				
Decrease in financial assets at fair value through profit or loss		287,482		565,651
Decrease (increase) in notes receivable		71,912	(	51,053)
Decrease in accounts receivable		16		-
Increase in other receivables	(	18,202)	(	9,833)
Decrease in inventories		27,202		744,875
(Increase) decrease in prepayments	(	41,412)		35,813
Decrease (increase) in other financial assets		134,494	(	124,768)
(Decrease) increase in notes payable	(	10,034)		11,968
Decrease in accounts payable	(	164,154)	(	25,428)
Decrease in other payables	(	18,358)	(	11,886)
Increase (decrease) in provisions for liabilities		85	(	146)
Increase (decrease) in advances from customers		48,127	(	1,903,239)
Decrease in other current liabilities	(	180)	(	17,511)
Increase (decrease) in net defined benefit liabilities		15,272	(	9,750)
Cash generated from (used in) operations		259,239	(	286,146)
Interest received		4,579		7,314
Interest paid	(	38,726)	(	29,884)
Dividend received		2,911		5,334
Income taxes paid (including land value increment tax)	(	20,563)	(	24,343)
Net cash generated from (used in) operating activities		207,440	(	327,725)

(Continued on next page)

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated statement of cash flows
For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

(Continued from previous page)

	For the year ended December 31, 2017	2016
Cash flows from investing activities		
Refund of capital from financial assets carried at cost after liquidation	3,043	56
Refund of capital from financial assets carried at cost after capital reduction	2,615	6,334
Refund of capital from financial assets carried at cost	-	10
Disposal of financial assets carried at cost	-	2,433
Acquisition of property, plant and equipment	(3,241)	(1,122)
Decrease in refundable deposits	1,863	119,241
Net cash generated from investing activities	4,280	126,952
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(990,643)	508,100
Increase in short-term notes and bills payable	399,963	-
Increase in long-term borrowings	648,900	110,000
Repayment of long-term borrowings	(10,209)	(29,297)
Increase in guarantee deposits	42	-
Expired and unclaimed dividend transfer to legal reserve	101	-
Payment of cash dividend	(216,602)	(433,204)
Net cash generated from (used in) financing activities	(168,448)	155,599
Effect of exchange rate changes on cash and cash equivalents	(12,580)	(9,493)
Increase (decrease) in cash and cash equivalents	30,692	(54,667)
Cash and cash equivalents at beginning of year	257,533	312,200
Cash and cash equivalents at end of year	$ 288,225	$ 257,533
Cash and cash equivalents, adjustment at end of year		
Cash and cash equivalents of consolidated balance sheets	$ 288,225	$ 322,783
Bank overdraft	-	(65,250)
Cash and cash equivalents at end of year	$ 288,225	$ 257,533
Non-cash financing activities		
Long-term borrowings - current portion	$ 521,569	$ 530,588

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

2. Adoption of the Proposal for 2017 Deficit Compensation. (proposed by the board meeting).

Explanation:

The Company's 2017 net loss after tax was NT$114,219,150. Therefore, no dividend will be distributed. A loss provision table is herewith attached. Please recognize.

Delpha Construction Co., Ld.

Statements of deficit compensated

2017

Unit: NT$

Item	Amount	Remarks
Undistributed earnings at the beginning of the period	391,058,278	
Plus: 2017 actuarial profits included in retained earnings	1,892	
Plus: Change of booking of special surplus reserves appropriated according to law	2,655,548	
Plus: After-tax loss of the year	(114,219,150)	
Undistributed earnings at the end of the period	279,496,568	

V. Temporary Motions

VI. Meeting Adjournment

Appendix 1

Shareholdings of individual and all Directors in the shareholders' register as of April 17, 2018

Title	Name	Date elected	Term	Shareholdings when elected		Shareholdings on the shareholders' register as of book-close date	
				No. of shares	%	No. of shares	%
Chairman	Chin-Yi Lee	May 31, 2017	3 years	257	0.00%	257	0.00%
Director	Wen-Liang Lin	May 31, 2017	3 years	7,173,941	2.65%	7,073,941	2.61%
Director	Po-Fong Lin	May 31, 2017	3 years	11,875,008	4.39%	11,245,008	4.15%
Director	Rongzhi Investment Co., Ltd. Representative: Chao-Jung Lin	May 31, 2017	3 years	8,183,499	3.02%	10,132,499	3.74%
Independent Director	Ping-Joung Tseng	May 31, 2017	3 years	0	0.00%	0	0.00%
Independent Director	Zong-Ren Jhan	May 31, 2017	3 years	0	0.00%	0	0.00%
Independent Director	Chang-Ter Chang	May 31, 2017	3 years	0	0.00%	0	0.00%
Total shareholdings of all Directors: 28,451,705 shares							

Total shares issued as of May 31, 2017: 270,752,466 shares
Total shares issued as of April 17, 2018: 270,752,466 shares

Note: 1. Statutory shareholding of all Directors of the Company: 12,000,000 shares. As of April 17, 2018 the shareholding of all Directors is 28,451,705 shares.
2. The Company has set up an Audit Committee, and the statutory shareholding of supervisors therefore does not apply.
3. Shareholding of Independent Directors is not included in the shareholding of Directors.

Appendix 2

The effect of bonus shares on the Company's business performance, earnings per share and shareholders' return on investment:

Unit: NT$'000 except earnings per share which is in NT$

<table>
<tr><td colspan="3">Item \ Year</td><td>2018 (Estimates)</td></tr>
<tr><td colspan="3">Paid-in capital at the beginning of the period</td><td>2,707,525</td></tr>
<tr><td rowspan="3">Stock (cash) dividend of the year</td><td colspan="2">Cash dividend per share</td><td>0</td></tr>
<tr><td colspan="2">Bonus shares per share due to capital increase from surplus</td><td>0</td></tr>
<tr><td colspan="2">Bonus shares per share due to capital increase from statuary capital reserve</td><td>0</td></tr>
<tr><td rowspan="7">Change of business performance</td><td colspan="2">Operating income</td><td rowspan="12">1.The Company did not publish its 2018 financial forecast, so there is no need to disclose the 2018 financial forecast.

2. Due to a net loss in 2017, no dividend will be distributed.</td></tr>
<tr><td colspan="2">Ratio of operating profit increase (decrease) over the same period of last year</td></tr>
<tr><td colspan="2">Post-tax net profit</td></tr>
<tr><td colspan="2">Ratio of post-tax net profit increase (decrease) over the same period of last year</td></tr>
<tr><td colspan="2">Earnings per share</td></tr>
<tr><td colspan="2">Ratio of earnings per share increase (decrease) over the same period of last year</td></tr>
<tr><td colspan="2">Annual average ROI (annual average P/E ratio)</td></tr>
<tr><td rowspan="5">Earnings per share and P/E ratio to be prepared</td><td rowspan="2">If all the capital increase from surplus is paid out in cash dividend</td><td>Earnings per share to be prepared</td></tr>
<tr><td>Annual average ROI to be prepared</td></tr>
<tr><td rowspan="2">If there is no capital increase from capital reserve</td><td>Earnings per share to be prepared</td></tr>
<tr><td>Annual average ROI to be prepared</td></tr>
<tr><td>If there is no capital increase</td><td>Earnings per share to be prepared</td></tr>
</table>

	from capital reserve and the capital increase from surplus is paid out in cash dividend	Annual average ROI to be prepared	

Note: 1. The Company should state the underlying assumptions on which the estimates or data to be prepared are based

2. If all the capital increase from surplus is paid out in cash dividend, the earnings per share to be prepared = [net profit after tax - interest expense to be borne by cash dividends × (1-tax rate)] / [total number of shares issued as of the end of the year - number of bonus shares from surplus]

Interest expense to be borne by cash dividends = amount of capital increase from surplus × one-year general lending rate

Number of bonus shares from surplus: the additional number of shares from the previous year's surplus distribution

3. Annual average P/E = annual average price per share / surplus per share as in the annual financial report

Appendix 3

Delpha Construction Co., Ltd.

Rules of Procedure of Shareholders' Meeting

Revised on June 21, 2002

Article 1: Except as otherwise provided in the laws and regulations, the procedure of the shareholders' meetings of Delpha Construction Co., Ld. (hereinafter referred to as the Company) shall be handled in accordance with these Rules.

Article 2: The attending shareholders and proxies shall sign in personally or submit the attendance card for the purpose of calculating the number of shares represented by the attending shareholders and proxies.

Article 3: When the attending shareholders represent a majority of the total number of issued shares, the Chairman shall call the meeting to order. If at the meeting time the number of attending shareholders and proxies does not reach the quorum, the Chairman may announce a postponement of the meeting, provided that length of the postponement is no more than 1 hour. If the quorum is still not met after two postponements, but the attending shareholders and proxies represent one third or more of the total number of issued shares, a tentative resolution may be made with the consent of the attending shareholders and proxies representing more than half of the voting rights pursuant to Article 175 of the Company Law. All the shareholders shall be notified of the tentative resolution, and the shareholders' meeting shall be re-convened within a month.

Article 4: If the quorum is met after a tentative resolution is made in the shareholders' meeting, the Chairman may call the meeting to order at any time and submit the tentative resolution that has been made to the shareholders' meeting for recognition.

Article 5: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order as set in the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

Unless there is a resolution of the shareholders' meeting, the Chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda (including extraordinary motions).

After the meeting is adjourned, the shareholders shall not elect another chairman to continue the meeting at the original site or another place. However, if the Chairman's declaration of the meeting adjournment violates of the Rules of Procedure, a new chairman may be elected by the attending shareholders with more than half of the voting rights to continue the meeting.

Article 6: Before speaking, an attending shareholder must write down on a speaker's slip the subject of the speech, the shareholder's account number (or attendance pass number) and the account name. The order in which the shareholders speak shall be set by the Chairman. An attending shareholder who has submitted a speaker's slip but does not speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. At the time a shareholder speaks, the other shareholders shall not speak and interfere except with the consent of the Chairman and the speaking shareholder, otherwise the Chairman shall stop such interfering behavior.

Article 7: The shareholder's speech is limited to five minutes at a time; however, with the permission of the Chairman, it may be extended by five minutes, with a limit of one extension.

Article 8: A shareholder may not speak for more than twice on the same motion. The Chairman may terminate the speech if a shareholder's speech exceeds the time limit or the scope of the agenda.

Article 9: During the discussion of the motion, the Chairman may, at the appropriate time, announce the conclusion of the discussion after obtaining the consent of the attending shareholders. If necessary, the Chairman may declare a termination of the discussion and submit the motion for voting. Non-motions shall not be discussed or voted on.

Article 10: Except as otherwise provided in the Company Law or in the Articles of Association, a motion is passed with the consent of the attending shareholders with more than half of the voting rights. At the time of voting, a motion is passed if the Chairman does not receive any negative response to his/her inquiry, and this verbal voting has the same validity as physical votes.

Article 11: During the course of a meeting, the Chairman may announce a break based on time considerations. If the discussion of all the motions can not be completed in a single meeting, a resolution may be adopted at the shareholders' meeting to defer or resume the meeting within 5 days without any further notices or announcements.

Article 12: In the event of an air raid warning during the meeting, the Chairman may rule the meeting temporarily suspended for evacuation. The Chairman shall announce a resumption of the meeting one hour after the lifting of the warning.

Article 13: Where a legal person is entrusted to attend a shareholders' meeting, the legal person shall appoint only one representative to attend. Where a legal-person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives may speak on the same motion.

Article 14: When there are incompatible amendments or alternatives to a motion, the Chairman shall decide the order in which they shall be put to a vote. When any of them is passed, the other incompatible motions shall then be deemed rejected and no further voting shall be required.

Article 15: The Chairman may direct the proctors (or security personnel) to help maintain the order at the meeting. Such proctors (or security personnel) shall wear an identification card or armband bearing the word "Proctor".

Shareholders shall obey the command of the Chairman and proctors (or security personnel) for the maintenance of order. The Chairman and proctors (or security personnel) may expel those who hinder the proceeding of the shareholders’ meeting.

Article 16: The attendance and voting at the shareholders' meeting shall be based on the number of shares represented by the attending shareholders.

Article 17: The venue of the shareholders' meeting shall be the county or city where the head office of the Company is located or a place convenient for the shareholders' attendance and suitable for holding the shareholders' meeting. The meeting start time shall not be earlier than 9:00 am or later than 3:00 pm.

Article 18: Unless as otherwise provided in the Company Law, the meeting shall be chaired by the Chairman of the Board. If the Chairman of the Board is on leave or for any reason unable to exercise the powers of a chairman, the Deputy Chairman shall act in the place of the chairman. If there is no Deputy Chairman in place or the Deputy Chairman is also on leave or for any reason unable to exercise the powers of a chairman, the Chairman shall appoint one of the Managing Directors to act as the chairman for the meeting. If there are no Managing Directors in place, the Chairman shall appoint one of the Directors to act as the chairman for the meeting. If the Chairman does not make such an appointment, then the chairman for the meeting shall be elected among the Managing Directors or Directors. If the shareholders' meeting is convened by a party other than the Board of Directors, the convening party shall be the chairman of the meeting.

Article 19: The Company may appoint its lawyer, accountant or related persons to attend the shareholders' meeting in a non-voting capacity. The meeting affair staff of the shareholders' meeting shall wear an identity card or an armband.

Article 20: The Company shall audio-record or video-record the whole process of the shareholders' meeting and shall keep the recording for at least one year.

Article 21: After an attending shareholder has spoken, the Chairman may either respond in person or appoint a relevant person to respond.

Article 22: The motion-voting scrutineers and vote-counting personnel shall be designated by the Chairman and approved by the attending shareholders, but the scrutineers shall also be shareholders themselves. The results of the voting shall be announced on the spot and recorded accordingly.

Article 23: The Rules are established in accordance with the “Key Points for Rules of Procedure for Listed Companies’ Shareholders’ Meetings”, and implemented after the adoption of the resolution in the shareholders’ meeting. The same procedure applies to the amendments to the Rules.