Stock Code: 1108

Lucky Cement Corporation

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

Notice to readers

This English-version report is a summary translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors and Shareholders of Lucky Cements Co., Ltd.:

AUDITOR'S OPINION

We have audited the balance sheets of Lucky Cement Co., Ltd. (the "Company") as of December 31, 2015 and 2016, and the related statement of comprehensive income, changes in equity, cash flows and financial report, which is included summary of major accounting policies, for the years then ended in 2015 and 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lucky Cement Co., Ltd. as of December 31 in 2015 and 2016, and the financial performance and the cash flow for the years then ended in 2015 and 2016, in conformity with the "Guidelines of Governing the Preparation of Financial Reports by Securities Issues", the related financial accounting standards of the "Business Entity Accounting Act" and of the "Regulation on Business Entity Accounting Handling" and accounting principles generally accepted in the Republic of China.

BASIS FOR OPINION OF AUDITOR

We conducted our audits in accordance with "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards generally accepted in the Republic of China. We will have further explanation of the duty under these regulations in the responsibility part of Audit Report of Individual Financial Statements by Certified Public Accountants. The accountants following independent regulations of our office have to perform other duties of the regulations in accordance with codes of professional ethic and independent relationship with Lucky Cement Co., Ltd. We believe that we get efficient and proper audit evidences to be the basis for opinion of audit.

KEY AUDIT MATTERS

Key audit matters mean the most important thing for auditing of independent financial statements of Lucky Cement Co., Ltd. in 2016 in accordance with our professional judgments. These matters meet overall auditing of independent financial statements and the procedures of the opinion of audit, and we have disclaimer of specific opinion for these independent matters. The key audit matters for auditing of independent financial statements of Lucky Cement Co., Ltd. in 2016 are as follows:

INVENTORY VALUATION LOSSES

Lucky Cement Co., Ltd. measures inventory costs with the method of comparing costs or net realizable value; except for the inventory of the same category, each item is regarded as basis during comparing the cost and the net realizable value; please see Note 4 (5) for relevant accounting policies; please see Note 5 (1) for relevant accounting judgments, estimating and assumption of the uncertainty.

The inventory amounts are NT$ 428,107 (please see Note 9) for the years till December 31, 2016, and they account for 6% of total assets of independent financial statements in December 31, 2016. The main items are materials and products; the costs and relevant prices are affected by domestic housing market and government real estate policy and have violent fluctuates which causing risk for net realizable value lower than carrying amount. Due to the regulations of management in accordance with the regulation of “Inventory” of IAS 2, auditing net realizable value of inventory involves estimating and judgment; because the result of judgment will directly affect recognition of profit and loss amount, the key audit matters are listed.

We perform the following main audit procedures of the above key audit matters:

1. Having verifications for the calculation of ends of inventory costs in management and assessing the decision method of current net realizable value which can ensure the inventory is evaluated with the method of comparing costs or net realizable value.
2. Inspecting the carrying amount of inventory. We use sampling to get the latest material price or sales invoice to being verification if the net realizable value has significant discrepancies with reference price, and re-calculating the net realizable value to evaluate the appropriateness of evaluation basis.
3. Taking inventory to evaluate if the inventory is out of date or damaged in the end of year.

VALUATION LOSSES FOR DEVELOPING REAL ESTATE AND TO BE DEVELOPED REAL ESTATE OF DAI SHEN DEVELOPMENT CO., LTD.

The financial performance of DAI SHEN Development Co., Ltd., which is invested by Lucky Cement Co., Ltd. with equity method on December 31, 2016 as in the independent financial statements, whose rest of investment is NT$ 2,304,456, affects the annual investment gains and losses with equity method of Lucky Cement Co., Ltd.

DAI SHEN Development Co., Ltd. measures inventory costs with the method of comparing costs or net realizable value to evaluate the costs of developing real estate and to be developed real estate; please see Note 5 (2) for relevant accounting judgment, estimating and assumption of the uncertainty.

The investment amount for developing real estate and to be developed invested by DAI SHEN Development Co., Ltd. is NT$ 3,178,244 on December 31, 2016. Because the developing real estate and to be developed real estate are in the phase of developing causing risk for current net realizable value lower than carrying amount, the management evaluate the current net realizable value of developing real estate and to be developed real estate in accordance with the regulations of “Inventory” of IAS 2 and ask external expert to make real estate valuation report to be the evidence of evaluating net realizable value; it involves evaluation and judgment and may be affect the rest amount of investment with equity method by Lucky Cement Co., Ltd. and proportion of profits and losses of subsidiaries, so it listed to be key audit matters for developing real estate and to be developed real estate invested by DAI SHEN Development Co., Ltd.

We perform the following main audit procedures of the above key audit matters:

1. Assessing professional competence, generally competence, and objectivity of the independent real estate appraiser commissioned by the management of DAI SHEN Development Co., Ltd and the quality of the evaluators. Besides, we also discussed appraiser's operational scope and reviewed commissioning conditions with the Top management to confirm any and all matters that haven't affected the objectivity or limiting the operational scope.
2. Assessing the consistency of estimation of the real estate appraiser and the hypothesis and evaluation method in the contents, and checking if the net realizable value is proper.
3. Checking the important hypothesis and parameter consistency, included the disclosed information of parameter verifying.

MANAGEMENT'S RESPONSIBILITY FOR THE INDEPENDENT FINANCIAL STATEMENTS

Management is responsible for the independent financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for expressing properly, and keep the necessary relevant inside control which has relationship with independent financial statements to ensure the independent financial statements having no fake expressing caused by fraud and mistake.

When making independent financial statements, management is also responsible for evaluating abilities of continuousness operating, disclosing of relevant matters, and adopting of accounting basis for operating continuously of Lucky Cement Co., Ltd. unless the management intends to go into liquidation, stop operating or Lucky Cement Co., Ltd., or has no other actual plan except for liquidation or closing.

Management of Lucky Cement Co., Ltd. (included independent directors and supervisors) is responsible for supervising procedures of financial report.

AUDITOR'S RESPONSIBLE FOR INDEPENDENT FINANCIAL STATEMENTS

The purpose of auditing the independent financial statements is to ensure reasonably if the independent financial statements have largely wrong expressing caused by fraud or mistake, and to make audit report. Reasonably ensuring means ensure highly. Following general standards of auditor cannot ensure to detect if the independent financial statements have largely wrong expressing. Wrong expression may be caused by fraud or mistake. If the each amount or total amounts of money can be predicted to affect the business policy decided by the users who used the independent financial statement, it will be regarded as an important thing.

When we follow general standards of auditor to audit the documents, we will judge and suspect in our profession. We will also conduct the following works:

1. Identifying and assessing the expressing risk of the independent financial statements caused by fraud or mistake; making conducting proper policy for all risks in evaluation; getting efficient and appropriate evidences for auditing as a basis of audit opinion. Because fraud may be involved in conspiracy, forging, deliberately omitting, false statements and exceeding of Internal Control, the detected risks of reason of fraud are higher than reason than mistake.
2. Getting necessary knowledge of Internal Control related to auditing to make auditing procedures in proper condition at that time. The target has unqualified opinion for the efficiency of Internal Control of Lucky Cement Co., Ltd.
3. Assessing the appropriateness of accounting policy decided by the management and disclosing justifiability of accounting evaluation and relevant evaluation.
4. Concluding the matters, which they may be important, or the conditions, which may be

largely uncertainty, of appropriateness of keeping operating adopted by management, and the keeping operating ability of Lucky Cement Co., Ltd.; if we regard the matters or conditions having largely uncertain situation, we will remind the users of the independent financial statements to notice the relevant disclosing parts written in audit report, or modify the audit report if the disclosing parts are not appropriate. The conclusion from us is based on the auditing results of the auditing report deadline. Only the future matters or conditions may cause Lucky Cement Co., Ltd. having no ability of keeping operating.

5. Assessing if overall expressing, structure, and content of the independent financial statements (included relevant note) and the independent financial statements express properly relevant business and matters.
6. Getting efficient and appropriate audit results to express opinion of the independent financial statements in accordance with the independent financial statements of Lucky Cement Co., Ltd. We are responsible for guiding, supervising, and conducting of audit report, and also responsible for making audit opinion of Lucky Cement Co., Ltd.

   The matters which are communicated between us and the management include the planned audit scope and time, and important audit evidence (included the significant mistakes of Internal Control identified during audit procedures).

We also provide the management for the relevant independent announcement of Code of Ethics for Processional followed by the regulation-independent accountants of our office, and communicate with the management for all relationship and other matters which are regarded as affecting the independence of accountants.

In the communication between accountants and the management, we decide to the key audit matters of the independent financial statements of Lucky Cement Co., Ltd. in 2016. We state clearly those matters in audit report; except for the regulations not allowing to disclose specified matters, or under the rare situation , we decide not to communicate the specified matters in audit report because it can reasonably predict the negative impact will higher than the increasing public profits within the communication.

Deloitte & Touche
Accountants Huang, Hai-Yue (stamp)
The approval number of Securities and Futures Commission
No. 0920131587 of Taiwan-Finance-Securities (VI)

Accountants Liu, Yong-Fu (stamp)
The approval number of Securities and Futures Commission
No. 0920123784 of Taiwan-Finance-Securities (VI)

March 30, 2017

Lucky Cement Corporation

Statement of Balance Sheet

Year 2016 and 2015 December 31st

Unit: New Taiwan Dollar (1,000)

Code	Assets	2016/12/31 Amount	%	2015/12/31 Amount	%
	Current Assets				
1100	Cash（Note 6）	$ 153,569	2	$ 136,711	2
1125	Available-for-sale financial assets（Note 4 & 7）	39,027	1	65,950	1
1150	Notes receivable,net（Note 4, 8, & 28）	359,985	5	357,552	5
1160	Notes receivable due from related parties,net （Note 4, 8, & 27）	2,815	-	199	-
1170	Accounts receivable,net（Note 4 & 8）	157,548	2	222,837	3
1180	Accounts receivable due from related parties, net（Note 4, 8, & 27）	21,725	-	37,926	1
1200	Other receivables（Note 4）	425	-	3,128	-
1210	Other receivables due from related parties（Note 27）	317,642	5	247,552	3
1220	Current income tax assets（Note 4 & 22）	15,650	-	-	-
130X	Inventories（Note 4 & 9）	428,107	6	289,305	4
1410	Prepayments（Note 10）	164,008	2	204,890	3
1470	Other current assets（Note 11 & 28）	361,698	5	167,080	2
11XX	Total Current Assets	2,022,199	28	1,733,130	24
	Non-current assets				
1543	Non-current financial assets at cost（Note 4, 12, & 27）	34,527	1	39,627	1
1550	Investments accounted for using equity method（Note 4 & 13）	2,765,858	39	2,863,184	40
1600	Property, plant and equipment（Note 4, 14, and 28）	1,787,670	25	2,031,801	28
1840	Deferred income tax assets（Note 4 & 22）	103,597	1	133,387	2
1920	Guarantee deposits paid（Note 24 & 29）	237,784	3	242,741	3
1990	Other non-current assets（Note 15 & 28）	191,639	3	162,629	2
15XX	Total Non-Current Assets	5,121,075	72	5,473,369	76
1XXX	Total Assets	$ 7,143,274	100	$ 7,206,499	100

Code	Liabilities and Equities	2016/12/31 Amount	%	2015/12/31 Amount	%
	Current liabilities				
2100	Short-term borrowings（Note 16 & 28）	$ 930,869	13	$ 234,822	3
2110	Short-term notes and bills payable（Note 16）	109,760	2	49,950	1
2150	Notes payable（Note 17）	109,135	2	101,889	1
2160	Notes payable to related parties（Note 17 & 27）	105,016	1	5,711	-
2170	Accounts payable（Note 17）	126,524	2	158,003	2
2180	Accounts payable to related parties（Note 17 & 27）	90,433	1	61,392	1
2219	Other payables（Note 18）	138,724	2	197,821	3
2230	Current income tax liabilities（Note 4 & 22）	-	-	125,731	2
2310	Advance receipts（Note 27）	164,246	2	203,483	3
2320	Long-term liabilities, current portion（Note 16 & 28）	303,500	4	396,800	5
2399	Other current liabilities（Note 27）	9,536	-	14,411	-
21XX	Total Current Liabilities	2,087,743	29	1,550,013	21
	Non-current liabilities				
2540	Long-term borrowings（Note 16 & 28）	112,500	2	408,000	6
2570	Deferred tax liabilities（Note 4 & 22）	59,604	1	68,269	1
2640	Net defined benefit liability（Note 4 & 19）	52,111	1	320,567	5
2645	Guarantee deposits received	32,733	-	27,096	-
2670	Other non-current liabilities（Note 13）	26,888	-	20,704	-
25XX	Total Non-Current Liabilities	283,836	4	844,636	12
2XXX	Total Liabilities	2,371,579	33	2,394,649	33
	Equity（Note 20）				
3110	Ordinary share	4,047,380	57	4,047,380	56
3200	Capital surplus	8	-	8	-
	Retained earnings				
3310	Legal Reserve	134,776	2	87,760	1
3320	Special reserve	14,135	-	14,135	-
3350	Unappropriated retained earnings	547,996	8	626,211	9
3300	Total Retained Earnings	696,907	10	728,106	10
3400	Other equities	27,400	-	36,356	1
3XXX	Total Equities	4,771,695	67	4,811,850	67

Total Liabilities and Equities	$ 7,143,274	100	$ 7,206,499	100

The accompanying notes are parts of the individual financial report.

President: Manager: Accounting Manager:

Lucky Cement Corporation

Statement of Comprehensive Income

Year 2016 and 2015 January 1st to December 31st

Unit: New Taiwan Dollar 1,000,
But earning per share is in one New Taiwan Dollar.

Code		2016 Amount	2016 %	2015 Amount	2015 %
	Operating Revenue（Note 4 & 27）				
4110	Sales revenue	$3,512,735	100	$4,158,367	100
4190	Less: Sales discounts and allowances	4,962	-	5,943	-
4100	Net sales revenue	3,507,773	100	4,152,424	100
5000	Operating costs（Note 9, 21, & 27）	2,904,623	83	3,265,140	78
5900	Gross profit from operations	603,150	17	887,284	22
	Operating Expenses（Note 21 & 27）				
6100	Selling expenses	94,189	3	98,734	2
6200	Administrative expenses	92,779	2	104,135	3
6000	Total Operating Expenses	186,968	5	202,869	5
6500	Net other income (expenses)（Note 21）	106	-	-	-
6900	Net Operating Income	416,288	12	684,415	17
	Non-operating income and expenses（Note 4, 12, 21, & 27）				
7070	Subsidiary's share of profit and loss with equity method	(35,913)	(1)	(115,228)	(3)
7100	Interest income	7,790	-	8,459	-
7110	Rent income	31,743	1	32,003	1
7190	Other income	8,430	-	15,279	-
7225	Gains on disposals of investments	1,918	-	5,473	-
7230	Foreign exchange (loss) gains	(2,041)	-	873	-
7590	Miscellaneous disbursements	(24,116)	(1)	(22,483)	-
7670	Impairment loss	-	-	(7,500)	-

7510	Interest expense	(22,397)	-	(29,789)	(1)
7000	Total non-operating income and expenses	(34,586)	(1)	(112,913)	(3)

（To be continued）

（Continued）

Code		2016 Amount	2016 %	2015 Amount	2015 %
7900	Profit from continuing operations before tax	$ 381,702	11	$ 571,502	14
7950	Tax expense（Note 4 & 22）	66,368	2	101,341	3
8000	Net Income	315,334	9	470,161	11
	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 19）	(5,141)	-	(10,338)	-
8330	Share of other comprehensive income of subsidiaries accounted for using equity method	2,635	-	2,136	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(25)	-	718	-
8362	Unrealised gains (losses) on valuation of available-for-sale financial assets	634	-	(13,315)	-
8380	Share of other comprehensive income of subsidiaries accounted for using equity method	(9,565)	-	20,701	-
8300	Other comprehensive income,net	(11,462)	-	(98)	-

8500	Total Comprehensive Income	$ 303,872	9	$ 470,063	11
	Earnings per share（Note 23）				
9750	Basics	$ 0.78		$ 1.16	
9850	Dilution	$ 0.78		$ 1.15	

The accompanying notes are parts of the individual financial report.

President: Manager: Accounting Manager:

Lucky Cement Corporation

Statement of Changes in Equity

Year 2016 and 2015 January 1st to December 31st

Unit: Excluding information per share, unit is NT$ 1000

Code		Share Capital	Capital Surplus	Retained Earnings: Legal Reserve	Retained Earnings: Special reserve	Retained Earnings: Undistributed Earnings	Other Equity Items: Exchange differences on translation of foreign financial statements	Other Equity Items: Unrealized gains (losses) on available-for-sale financial assets	Total Equity
A1	Balance,January 1,2015	$ 4,047,380	$ -	$ 49,806	$ 14,135	$ 445,049	($ 8,011)	$ 36,263	$ 4,584,622
	2014 Appropriation and Distribution of Retained Earnings								
B1	Legal Reserve	-	-	37,954	-	(37,954)	-	-	-
B5	Cash Dividends－Each Share 0.6 NTD	-	-	-	-	(242,843)	-	-	(242,843)
C7	Changes in equity of subsidiaries and joint ventures accounted for using equity method	-	8	-	-	-	-	-	8
D1	2015 Net income	-	-	-	-	470,161	-	-	470,161
D3	2015 Other comprehensive income	-	-	-	-	(8,202)	1,218	6,886	(98)
D5	2015 Total comprehensive income	-	-	-	-	461,959	1,218	6,886	470,063
Z1	Balance,December3 1,2015	4,047,380	8	87,760	14,135	626,211	(6,793)	43,149	4,811,850
	2015 Earnings and Distribution								
B1	Legal Reserve	-	-	47,016	-	(47,016)	-	-	-
B5	Cash dividends－Each share 0.85 NTD	-	-	-	-	(344,027)	-	-	(344,027)
D1	2016 Net income	-	-	-	-	315,334	-	-	315,334
D3	2016 Other comprehensive income	-	-	-	-	(2,506)	(47)	(8,909)	(11,462)
D5	2016 Total comprehensive income	-	-	-	-	312,828	(47)	(8,909)	303,872
Z1	Balance,December3 1,2016	$ 4,047,380	$ 8	$ 134,776	$ 14,135	$ 547,996	($ 6,840)	$ 34,240	$ 4,771,695

The accompanying notes are parts of the individual financial report。

President:　　　　Manager:　　　　Accounting Manager:

Lucky Cement Corporation

Statement Of Cash Flow

For The Years Ended December 31,2016 And 2015

Unit: NTD Thousands

Code		2016	2015
	Cash Flow from Operating Activities		
A10000	Profit before tax	$ 381,702	$ 571,502
A20000	Adjustments:		
A20100	Depreciation expense	278,730	335,875
A20200	Amortization and depletion expense	9,536	26,128
A20900	Interest expense	22,397	29,789
A21200	Interest income	(7,790)	(8,459)
A21300	Dividend income	(1,232)	(8,296)
A22500	Gain(loss) on disposal of property and equipment	(106)	-
A23500	Impairment loss on financial assets	-	7,500
A22300	Share of loss (profit) of subsidiaries for using equity method	35,913	115,228
A23800	Inventory valuation losses	1,044	161
A23100	Gains on disposals of investments	(1,918)	(5,473)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(2,433)	47,080
A31140	Notes receivable due from related parties	(2,616)	29,435
A31150	Accounts receivable	65,289	(14,909)
A31160	Accounts receivable due from related parties	16,201	7,425
A31180	Other receivable	2,703	(2,798)
A31190	Other receivable due from related parties	210	447
A31200	Inventories	(139,846)	35,987
A31230	Prepayments	40,882	(7,725)
A31240	Other current assets	670	(663)
A32130	Notes payable	7,246	(94,588)
A32140	Notes payable to related parties	99,305	(12,608)
A32150	Accounts payable	(31,479)	18,215
A32160	Accounts payable to related parties	29,041	33,492
A32180	Other payables	(59,605)	44,224
A32210	Receipts in advance	(39,237)	(66,437)
A32230	Other current liabilities	(4,875)	(3,589)
A32240	Net defined benefit liability	(273,597)	(6,582)

A33000	Net cash inflow from operations	426,135	1,070,361
A33100	Interest received	7,118	9,120

（To be continued）

(Continued)

Code		2016	2015
A33300	Interest paid	($ 22,079)	($ 29,961)
A33500	Income taxes paid	(186,622)	(7,118)
AAAA	Net cash flows from operating activities	224,552	1,042,402
	Cash Flows from Investing Activities		
B00300	Acquisition of available-for-sale financial assets	(6,684)	(101,870)
B00400	Proceeds from disposal of available-for-sale financial assets	36,165	75,206
B01200	Acquisition of financial assets at cost	-	(22,100)
B01400	Proceeds from capital reduction of financial assets at cost	5,100	-
B02200	Investment in subsidiary company	-	(328,233)
B02300	Proceeds from disposal of subsidiaries	901	-
B02700	Acquisition of property, plant and equipment	(34,599)	(123,070)
B02800	Proceeds from disposal of property, plant and equipment	106	-
B03800	Decrease in refundable deposits	4,957	8
B04300	Increase (decrease) in other receivables due from related parties	(70,300)	56,000
B06600	Decrease (increase) in other current assets	(194,618)	49,637
B06800	Increase of other non-current assets	(38,546)	(6,542)
B07600	Received the dividends of subsidiaries and invested companies	60,967	66,561
BBBB	Net cash flows from (used in) investing activities	(236,551)	(334,403)
	Cash flow from fundraising activities		
C00200	Increase of short-term loans	696,047	33,790
C00500	Increase of short-term notes and bills payable	60,000	50,000
C01600	Proceeds from long-term debt	300,000	-
C01700	Repayments of long-term debt	(688,800)	(604,800)
C03000	Increase of guarantee deposits received	5,637	1,230
C04500	Cash dividends paid	(344,027)	(242,843)
CCCC	Net cash flows from (used in) financing activities	28,857	(762,623)
EEEE	Net increase (decrease) in cas	16,858	(54,624)
E00100	Cash at beginning of period	136,711	191,335
E00200	Cash at end of year	$ 153,569	$ 136,711

The accompanying notes are parts of the individual financial report。

President: Manager: Accounting Manager:

Lucky Cement Corporation Limited
Notes of Individual Financial Report
From Jan.1,2015 to Dec.31,2016
(except the notes, Unit:NT$thousands)

1. Company History

Lucky Cement Corporation (hereinafter referred to as "The Company") established in 1974. The shares of which are listed on the Taiwan Stock Exchange started from June,1990, which the Portland Cement as the primary business.

The Individual Financial Report used "NT$" as the functional currency of The Company.

2. The Date and Procudure of Financial Report

The Individual Financial Report was issued by Board of Directors on Mar.20,2017.

3.To Be Applicable for New Release, Revised Regulations, and Interpretation

(1) Criteria Governing the Preparation of Financial Reports by securities issuer but not yet effective and Financial Supervisory Commision (hereinafter referred to as "FSC") accepted the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretation Committee (SIC) from 2017.

According to FSC to FSCE 1050050021 and FSCE 1050026834, The Company applied for International Accounting Standards Board (IASB) release in 2017, and the authorized IFRS, IAS, IFRIC, and SIC (hereinafter referred to as "IFRSs") since 2017, and the regulations of amendments to related Criteria Governing the Preparation of Financial Reports by securities issuer.

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release(Note 1)
"The Yearly Improvement of Period of 2010-2012"	Jul.1,2014 (Note 2)
"The Yearly Improvement of Period of 2011-2013"	Jul.1,2014
"The Yearly Improvement of Period of 2012-2014"	Jan.1,2016 (Note 3)
"Amendments to IFRS 10, IFRS 12, and IAS 28 "Individual Investment: applied to the exceptions of consolidated statements"	Jan.1,2016
Amendments to "Acquisition of an Interest in A Joint Operation" of IFRS 11	Jan.1,2016
Regulatory Deferral Accounts of IFRS 14	Jan.1,2016
Amendments to "Disclosure Initiative" of IAS 1	Jan.1,2016

（To be continued）

(Continued from Previous Page)

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release (Note 1)
Amendments to "Clarification of Acceptable Methods" of IAS 16 and IAS 38	Jan.1,2016
Amendments to "Agriculture: productive plants" of IAS 16 and IAS 41	Jan.1,2016
Amendments to "Defined benefit plans: employee contributions" of IAS 19	Jul.1,2014
Amendments to "Equity Method of Separate Financial Statements" of IAS 27	Jan.1,2016
Amendments to "Disclosures of Non-Financial Assets Recoverable Amount" of IAS 36	Jan.1,2014
Amendments to "Novation of Derivatives and Continuation of Hedge Accounting" of IAS 39	Jan.1,2014
"Levies" of IFRIC 21	Jan.1,2014

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release(Note 1)
Amendments to "Clarification of Acceptable Methods" of IAS 16 and IAS 38	Jan.1,2016
Amendments to "Agriculture: productive plants" of IAS 16 and IAS 41	Jan.1,2016
Amendments to "Defined benefit plans: employee contributions" of IAS 19	Jul.1,2014
Amendments to "Equity Method of Separate Financial Statements" of IAS 27	Jan.1,2016
Amendments to "Disclosures of Non-Financial Assets Recoverable Amount" of IAS 36	Jan.1,2014
Amendments to "Novation of Derivatives and Continuation of Hedge Accounting" of IAS 39	Jan.1,2014
"Levies" of IFRIC 21	Jan.1,2014

Note 1: Except the notes, the above New Release／Amendments／Amendments Regulations or Explains will start from the year of the effective date.

Note 2: Amendments to the grant day of share-based payment transaction applied IFRS 2 since Jul.1, 2014. Amendments to the Acquisition date of Business combination applied IFRS 2 since Jul.1, 2014. IFRS 13 will be valid from the date of its amendments. Other amendments applied the period of the year beginning since Jul.1, 2014.

Note 3: Except the prospective application of amendments to IFRS 5 applied the period of the year beginning since Jan.1, 2016, other amendments applied the period of the year beginning since Jan.1, 2016.

Except for the following explanations, it applied the amendments to Criteria Governing the Preparation of Financial Reports by securities issuer and the IFRSs regulations applied in 2017 will not effect The Company‘s accounting policy.

Criteria Governing the Preparation of Financial Reports by securities issuer

The amendments comply not only with the IFRSs that added a few accounting items and the regulation of non-financial assets Impairment disclosure, but also the implementation of IFRSs that emphasize the regulations of recognition and measurement and added related party transaction and goodwill.

The amendments to the regulations, that other companies or constitutions has the same chairman or general manager as The Company or has a relationship of spouse or has a second degree of kinship, as substance-related parties except can prove that does not controlled or significant effect. In addition, the amendments to the regulations should disclose names and relationships of a significant trade with The Company. If the transaction amount or balance reached 10% of each trade of single related parties, the names of related parties should use separate column style.

Moreover, if the actual running and acquisition that has a disparity in forecast benefit of acquired company after merged, the amendments to the regulations should note the disclosure.

The disclosure of trade of related parties and goodwill impairment will increase when in retrospect the previous applied amendments.

(2) IASB has issued the IFRSs but not yet applied by securities issuer

The Company is not applied the following has issued the IFRSs by IASB but not applied yet by securities issuer. Before the Individual Financial Report applied by the day of issuing, except IFRS 9 and IFRS 15 should start to apply, the securities issuer haven’t issued the effective date of other regulations.

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release(Note 1)
“The Yearly Improvement of Period of 2014-2016”	Note 2
Amendments to “classification and measurement of share-based payment transaction” of IFRS 2	Jan.1, 2018
Amendments to “under the IFRS 4 (insurance	Jan.1, 2018

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release(Note 1)
contract" that applied of the IFRS 9 (financial instruments) of IFRS 4	
IFRS 9 financial instruments	Jan.1, 2018
Amendments to "mandatory date and transition disclosures" of IFRS 9 and IFRS 7	Jan.1, 2018
Amendments to "investor and the related enterprise or assets sell or contribution of joint venture" of IFRS 10 and IAS 28	Undecided
IFRS 15 the income of customer contract	Jan.1, 2018
Amendments to "Explanation of IFRS 15" of IFRS15	Jan.1, 2018
IFRS 16 lease	Jan. 1, 2019
Amendments to "disclosure initiative" of IAS 7	Jan.1, 2017
Amendments to "recognition of deferred tax assets of unrealized loss" of IAS 12	Jan.1, 2017
Amendments to "Conversion of Investment Property" of IAS 40	Jan.1, 2018
IFRIC 22 Foreign currency transaction and advance consideration	Jan.1, 2018

Note 1: Except the notes, the above New Release／Amendments／Amendments Regulations or Explains will start from the year of the effective date.

Note 2: Amendments to IFRS 12 applied the period of the year beginning since Jan.1, 2017. Amendments to IAS 28 applied the period of the year beginning since Jan.1, 2018.

1) IFRS 9 “financial instruments”

Recognition and measurement of financial asset

In terms of financial asset, all financial assets that belonged to IAS 39 “financial instruments: recognition and measurement” will measure as amortized cost or fair value measurement. The following regulations are classification of financial assets to IFRS 9.

If debt instruments of investment of The Company that Contractual Cash Flows all paid for capital and interest of outstanding principal, the classification and measurement will be the following:

A. If the business model aims to collect Contractual Cash Flows with financial assets, financial assets will measure as amortized cost. This financial assets subsequent will recognize effective interest rate as interest revenue to profit or loss, and continuing assess impairment, the impairment profit or loss recognize as profit or loss.

B. By collecting Contractual Cash Flows and sell financial assets that the business model of achieving the goal with financial assets, the financial assets measure as fair value to other comprehensive income. This financial assets subsequent will recognize effective interest rate as interest revenue to profit or loss, and continuing assess impairment, the impairment profit or loss recognize and exchange profit or loss as profit or loss. Other value changes recognize other comprehensive income. If the financial assets derecognize or reclassification, the original accumulated to value changes of other comprehensive income should reclassification to profit or loss.

The investment of The Company is not belongs to the financial assets of previous conditions but fair value measurement, the fair value changes recognize as profit or loss. When The Company choose initial recognition, the equity investment of non-trading designation as at fair value through other comprehensive income. The financial assets except the dividend income recognize as profit or loss that other related benefits and losses recognize as other comprehensive income. The subsequent does not need to assess impairment. The accumulated fair value changes of other comprehensive income do not need to reclassification to profit or loss.

The Impairment of Financial Asset

The IFRS 9 switch to use “Expected Credit Losses, ECL” to recognize the impairment of financial asset that financial assets of amortized cost measurement, fair value through other comprehensive income (FVTOCI), rents receivable, and IFRS 15 “the income of customer contract.” That is produced the contract asset or loan commitment and financial guarantee contract that recognize as allowance account for credit losses. If the credit risk of previous financial asset did not increase obviously after recognized, the allowance account for credit losses will measure the ECL the next 12 months. If the credit risk of previous financial asset did increase obviously and non-lowed credit risk after recognized, the allowance account for credit losses will measure the ECL of remaining duration. However, the accounts receivable that did not include a major financial that ECL must by the duration to measure the allowance account for credit losses.

In addition, it has financial assets of credit impairment while initial recognition. The Company considered the ECL of initial recognition that counted as effective rate after credit adjustment. The subsequent allowance account for credit losses will measure as subsequent ECL accumulated changes in equity.

<u>Transitional Provisions</u>

After IFRS 9 effective, those items, which have been derecognized, cannot use it. The classification, measurement, and impairment of financial assets should retrospect applied except The Company does not need to restated comparative period, and recognize the cumulative effect of the first applied as the first applied day.

2) IFRS 16 “Lease”

IFRS 16 is accounting treatment of standard leasing. IAS 17 “Lease” and the related explanations will replace the regulations.

Being applied the IFRS 16, if The Company was lessee, except the small lease and short-term need to choose the operating lease of IAS 17, other lease all belongs to individual balance sheet that recognize assets use right and lease obligations. Individual Statement of Comprehensive Income should express the depreciation expense of assets use right and lease obligations that produced the interest expense by effective interest. In individual cash flow statement, paid the capital of lease liability to show the financing activities, and paying interest recognize as business activities.

It is not expecting a significant affect that The Company as an accounting treatment of lessor.

After IFRS 16 effective, The Company should choose the retrospect applied to comparative period or recognize the cumulative effect of the first applied as the first applied day.

Except the above effects, before the Individual Financial Report applied by the day of issuing, The Company will continuing assess other regulations, explanation the amendments to the effects of financial status and financial performance. The related effects will be disclosed after assess.

4. Aggregation of Material Accounting Policy

(1) Follow the Statement

The Individual Financial Report followed by the Criteria Governing the Preparation of Financial Reports by securities issuer.

(2) Preparation Basis

Except the financial instruments of fair value measurement, the Individual Financial Report followed by the history cost basis preparation.

Fair value measurement followed by the observable degree and importance that divided into the first level to the third level of related input value.

1). The inputs value of the first level: it means can be obtained the same assets or liabilities on the quotes (unadjusted) of active market on measure day

2). The inputs value of the second level: it means expect the quotes of the first level, assets or liabilities can be directed (price) or undirected (derived from the price) the observable inputs

3). The inputs value of the third level: it means the unobservable inputs of assets or liabilities

When The Company prepared the Individual Financial Report, Investments in Subsidiaries will be use in equity treatment. In order to the profit or loss for the year of Individual Financial Report, other comprehensive profit and loss and right will belongs to The Company’s profit or loss for the year of owner, other comprehensive profit and loss and right are the same while consolidated financial report with The Company. Based on Individual basis and merge basis, some of the accounting treatment will adjust, such as "Investments Accounted for Using Equity Method," "Investment Income or Loss from Investment Accounted for Using Equity Method," "Other comprehensive profit and loss of Investment Income or Loss from Investment Accounted for Using Equity Method"

(3) Standards for Distinguish Flow and Non-Flowing of Assets and Liabilities

Current asset includes:

1. Hold Assets for trading
2. After balance sheet in 12 months, it will achieve the assets
3. Cash (but not including the restricted that balance sheet after 12 months that exchange or clean-up liabilities

Current Liabilities includes:

1. Hold liabilities for trading
2. Clean-up the liabilities after balance sheet in 12 months (despite the refinancing or rescheduling the payment agreement has finished before financial report issued, it still belongs to current liabilities.
3. It cannot unconditional defer the Settlement date, which defer after balance sheet at least 12 months liabilities.

If the above that is not belongs to current asset or current liabilities, it belongs to non-current asset or non-current liabilities.

(4) Foreign currency

When prepare the Individual Financial Report, those who did not use The Company's functional currency, the currency will converse as the trading day to the records of functional currency.

Functional currency items convert at closing exchange rate on each balance sheet date. Because the delivery of monetary items or convert monetary items produced some foreign exchange differences, it will recognize on the profit or loss if it happened on the currently year.

The foreign currency non-monetary items of fair value measurement will decide the exchange rate of the day, which the foreign exchange differences will recognize as the yearly profit or loss. Only when the value changes recognize as other comprehensive profit or loss, the foreign exchange differences recognize as other comprehensive profit or loss.

The foreign currency non-monetary items of historical cost measurement defers exchange rate of trading day, which will not re-conversion.

When prepare Individual Financial Report, The Company's assets and liabilities of foreign operation defer the exchange rate on each balance sheet date as New Taiwan Dollars. Income and expenses defer in accordance with the yearly average exchange rate, which the foreign exchange differences recognize as other comprehensive profit or loss.

(5) Inventories

Inventories include raw material, repair parts and materials, and finished product and semi-finished goods. Inventories measure the lower in accordance with cost and net realizable value. When compare the cost and net realizable value, except the same type of inventories that based on the individual item. Net realizable value means assess estimated price of a normal condition that deduct the estimated cost, which needs before finished, and the balance of estimated cost of complete the sale. The calculation of cost of inventories in accordance with weighted average method.

(6) Investment in Subsidiary Company

The Company invests in subsidiary company in accordance with equity method.

Subsidiary Company means The Company has a right to control it.

Based on equity method, the original investment recognize as cost. After the date of acquisition, carrying amount will increase or decrease in accordance with the profit or loss and other comprehensive profit or loss and profit distribution. In addition, The Company may have the changes of other right of Subsidiary Company in accordance with shareholding ratio to recognize.

When The Company did not loss of control to the changes of ownership rights and interests of Subsidiary Company, it deals with as equity transactions. Investment in carrying amount and payment or collect consideration the foreign currency difference of fair value that recognize as equity.

If The Company that the loss share of Subsidiary Company equal or exceed the equity of Subsidiary Company (including on the basis of equity to the carrying amount and other long-term equity of the actual net investment component of Subsidiary Company, continuing to recognize as loss in accordance with shareholdings ratio.

The downstream transactions unrealized profits and losses of The Company and Subsidiary Company to Individual Financial Report will sold out. The upstream and side transactions that produced by The Company and Subsidiary Company, it recognize as Individual Financial Report if The Company has not related to the equity of Subsidiary Company.

(7) Class of Property, Plant and Equipment

Class of Property, Plant and Equipment recognize as cost and subsequent will measure as cash in accordance with cost deduct accumulated depreciation and accumulated impairment loss.

Class of Property, Plant and Equipment use average method of depreciation but separate depreciation on each of the most part. The Company must view the estimated durability years, residual value, and depreciation methods at least end of each year, and postpone the effect of applying accounting estimates.

Except Class of Property, Plant and Equipment that produced profit or loss amount, the foreign currency difference of net disposal proceeds and its assets capital, and recognize as the yearly profit or loss.

(8) Impairment of Tangible Asset

The Company assess whether the tangible asset has showed the impairment on each balance sheet date. If there is any sign shows the impairment, assess the recoverable amount of the asset.

Recoverable amount is fair value less costs to sell and the higher value in use. Individual asset or cash that produced recoverable amount if it were lower than carrying amount, the asset or carrying amount of cash deduct the recoverable amount, and the impairment loss recognize as profit or loss.

When impairment loss in subsequent reversal, the asset or cash that produced recoverable amount adjusted the impairment loss of revised. Only the carrying amount of increasing aims to that not exceed the asset if the carrying amount (deduct amortization or depreciation) did not decide the recoverable amount of past year. The reversal of recoverable amount recognize as profit or loss.

(9) Financial Instrument

When financial assets and financial liabilities became one of the contract conditions, they may recognize as individual balance sheet.

When initial recognition the financial assets and financial liabilities, if financial assets or financial liabilities are not at fair value measurement through profit or loss, fair value plus can directly belongs to acquisition or issues financial assets or the transaction costs measurement of financial liabilities. The transaction costs of financial assets or financial liabilities of fair value measurement that can directly belong to acquisition or through issues profit or loss should recognize as profit or loss immediately.

1) Financial Asset

The regular way purchase or sale of financial assets at trade date accounting recognize and derecognize.

A. Type of Measurement

The Company has two types of financial assets; one is financial assets in available-for-sale; another is loans and receivables.

a. financial assets in available-for-sale

Financial assets in available-for-sale non-derivative financial assets designated as available-for-sale, or not classified as loans and receivables that holding till expiry date in investment or the financial assets at fair value measurement through profit or loss.

Financial assets in available-for-sale that the changes of carrying amount recognize as other comprehensive profit or loss when in investment disposal or determine impairment that reclassified as profit or loss.

Dividend of equity investment in available-for-sale recognize while determine right of The Company’s receivable.

Financial assets in available-for-sale if belongs to active market public offer and fair value cannot invest by equity instruments of measurement. The subsequent recoverable measurement of impairment loss will be deducted by cost, and separate recognize as “Financial Assets Carried at Cost.” After financial assets may fair value of reliable measurement, measure as fair value that the foreign exchange difference of carrying amount and fair value recognize as other comprehensive profit or loss if it has impairment, recognize as profit or loss.

b. Loans and Receivables

Loans and Receivables (including trade receivable, cash, and other receivables) use effective interest method at amortized cost deduct the carrying impairment loss will be deducted by cost. Only the interest of short-term receivable recognize as non-materiality can be except.

B Impairment of Financial Assets

The Company assess whether the financial asset has showed the objective evidence in impairment on each balance sheet date. If it showed, because financial asset recognized single or multiple, the assess of financial asset that estimated future cash flows that the financial assets has impairment.

Recognized as financial assets in accordance with amortized cost, such as notes receivable, accounts receivable and other receivable that the assets has impairment after assess in individual, and then collective assessment impairment.

Recognized as financial assets in accordance with amortized cost that impairment loss cash that the asset carrying amount and estimated future cash flows at financial asset that the foreign exchange difference of present value of effective rate discount.

Recognized as financial assets in accordance with amortized cost that subsequent impairment loss of period decrease and the decreasing objective and connected with recognized impairment event that the impairment loss of previous recognition directly or through the adjusted preparation account to retrospect recognized as profit or loss. Only the retrospect cannot let the carrying amount of financial asset exceed the amortized cost that if not recognize as impairment in retrospect date.

When the fair value of available-for-sale equity investment lower than costs and happened a huge or persistence fall down, recognize as objective impairment evidence.

When available-for-sale financial asset has impairment, recognized as the cumulative loss amount of other comprehensive profit or loss must reclassified to profit or loss.

If available-for-sale equity instruments has recognized as the impairment loss of profit or loss, it cannot retrospect through profit or loss. Any recognize as the fair value of impairment loss that recovery cash may recognize as other comprehensive profit or loss.

The impairment loss amount of financial asset at cost measurement that the assets carrying amount and estimated future cash flow should at the foreign exchange difference of present value of current market rate of return discounted of financial assets. This type of impairment loss cannot retrospect after subsequent.

All impairment loss of financial assets deducts directly the carrying amount of financial asset. Only notes receivable, accounts receivable and other receivable down the carrying amount through available-for-sale. When judging the notes receivable, accounts receivable and other receivable as cannot be recovered, recognize as preparation account. The wrote-off and subsequent the amount of receivable recognizes as credit preparation account. The changes of preparation account carrying amount recognize as profit or loss.

C. Derecognize of financial asset

The Company may derecognize of financial asset only when the contractual rights are invalid of financial asset cash flow, or has been moved financial asset and the right of asset that all of the risks and remuneration has moved to other enterprise.

If financial asset has derecognize overall that the carrying amount and received pricing has recognized as other comprehensive profit or loss that the foreign exchange difference of total amount of accumulated benefit or impairment recognize as profit or loss.

2). Financial Liabilities

A. Subsequent measurement

Financial liabilities measure at amortized cost through effective interest rate.

B. Derecognize of financial Liabilities

Except financial liabilities, the carrying amount and the foreign exchange difference of received pricing recognize as profit or loss.

(10) Income Recognition

Income may measure in accordance with received or the fair value measurement of receivable price, and deduct customer's return, discount, and other discounts of assess. Sales returned in reasonable assess the returned amount mention of future in accordance with the past exp. And other related factors.

1). Sales of Product

Sales of goods may recognize as income while completely satisfied the following conditions:

A. The Company has transferred the huge risks and remuneration of commodity ownership to buyer.

B. The Company will not control continually to the sold goods, which means no effective control maintained.

C. Income amount can reliable measure

D. The economic benefits of related trade may probably in The Company

E. The cost of happened or will happen of related trade can reliable measure

2). Dividend Income and Interest Income

Investment that produced the dividend income must recognize immediately while the right determined of shareholder's collection. Only the previous conditions and the economic benefits of related of trade may probably in The Company, and the income amount can reliable measure.

The interest income of financial asset that the economic benefits may probably in The Company, and the income amount can recognize by reliable measure. The interest income may recognize as accrual basis in accordance with time that flow capital outstanding and the applied effective rate.

(11) Lease

1). If The Company as the lessor

The leasing income of business leasing recognize as income in the related period of leasing in accordance with straight-line method.

2). If The Company as the lessee

The business leasing payment recognize as expense in the related period of leasing in accordance with straight-line method.

(12) Employee Benefits

1). Short-Term Employee Benefits

The related liabilities of short-term employee benefits is to change employee services and non-discounted amount measurement of expect payment.

2). Employee Benefits of Retirement

The pension of defined contribution plans should recognize as expense that contribute during employee service.

The defined welfare cost (including service cost, net interest, and remeasurement) of defined welfare retirement plan that calculate in accordance with projected unit credit method. Service cost (including current service cost and past service cost) and net defined benefit liability (asset) net interest at the time of occurrence, revised plan or reduce that recognize as employee benefit payment. Remeasurement (including actuarial gains and losses and return on plan assets after deduct interest) recognize as other comprehensive profit or loss and retained earnings at the time of occurrence that do not need to reclassify in the subsequent.

Net defined benefit liability (asset) that the fall short (remaining) of defined welfare retirement plan. Net defined benefit asset cannot exceed present value that refund or a reduction in future contributions of funds from the plan.

(13) Income Tax

Income tax expense is the sum of current income tax and deferred tax.

1). Current Income Tax

The undistributed surplus plus 10% income tax that recognize as income tax expense of shareholders' resolution year in accordance with income tax law provides for calculation.

Adjusted the income tax payable of the past year that recognize as current income tax

2). Deferred Income Tax

Deferred income tax calculates as temporary difference that produced by of both account assets and liabilities carrying amount and the taxable basis of calculate taxable income.

Deferred income tax in charge of all taxable temporary differences for recognizing, and deferred income tax assets recognize while income tax assets has probably a taxable income for deducting temporary difference that produced income tax credit.

The taxable temporary difference with the related investment subsidiary company all recognize as deferred income tax liabilities. Only The Company if can control the time of retrospect of temporary difference, and it has probably can expect that will not retrospect. Those who are related in these types of investment can deduct temporary difference. Only have enough taxable receive to achieve the benefit of temporary difference, and can expect the future expectation that will retrospect in the range that recognize as deferred income tax assets.

The carrying amount of deferred income tax assets will review on each balance sheet day, and aims to those are not probably have enough taxable income for return all or part of assets that cut down the carrying amount. To those are not recognize as deferred income tax that will review on each balance sheet day, and increase the carrying amount of deferred income tax assets those are probably produce taxable for deducting.

Deferred income tax assets and in charge of expecting debt settlement or assets to achieve the current tax measurement that based on the balance sheet date that has already legislation or substantive legislation that the tax rate and tax law. Deferred income tax liabilities and assets measurement react the result of The Company that expected return on balance sheet day or pay off the assets and liabilities carrying amount that produced the tax.

3). The Current Period and Deferred Income Tax of the Year

The current period and deferred income tax recognize as profit and loss. Only when recognize as other comprehensive profit or loss or directly included in equity that related current period and deferred income tax recognize both other comprehensive profit and loss or directly included in equity.

5. The Main Source of Significant Account Judgement, Assess and Assuming Uncertainty

When The Company use accounting policy, to those who are not easy to obtain the related information, management level must base on the historical exp. and other related factors for judging, assessing, and assuming. The actual can be different as the assessment.

Management level will view continually the assessment and basis assuming. If amendments to assess effect the current period, recognize on the revised period. If amendments to account assess effect both current period and the future period, recognize on the revised period and the future period.

The following has the related main assuming and the information of assess uncertainty that the assuming and uncertainty has a risk for the next year of financial significant adjustment.

(1) Loss of Inventory

Net realizable value as the estimated price of normal business process deduct the cost before finished and the balance estimate of cost after sell. The estimate for historical sales experiences in accordance with the current market conditions and the related product. The changes of market may affect the estimate result.

(2) Subsidiary Company—Dasheng Development Co., Ltd development of real estate and to be developed loss of real property

Dasheng Development Co., Ltd evaluate the carrying amount of development of real estate and to be developed regularly in accordance with account policy that defined to develop of real estate and to be developed has recognized as cost and lower the net realized value. Dasheng Development Co., Ltd used the experiences and current price to assess the net realized value. The assessment may in accordance with the current market conditions and the related sales experience of product that the changes of the market may affect the result, and effect The Company use the investment balance of equity and recognize the share of subsidiary company profit or loss.

6. Cash

	December 31, 2016	December 31, 2015
Cash on hand and revolving funds	$ 1,544	$ 1,499
Bank check and demand deposits	201,323	199,377
Bank foreign currency demand deposits	10,223	19,253
	$ 213,090	$ 220,129

Market interest rate range for Cash in banks on the Day of Balance Sheet as follows:

	December 31, 2016	December 31, 2015
Cash in banks	0.12%-0.20%	0.08%-0.17%

7. Available-for-Sale Financial Assets

	December 31, 2016	December 31, 2015
Current		
Domestic stock	$ 31,659	$ 65,059
Domestic fund benefit certificate	7,368	891
	$ 39,027	$ 65,950

8. Notes receivable and accounts receivable

	December 31, 2016	December 31, 2015
Notes receivable		
From operating activities		
Non-related parties	$359,985	$357,552
Related parties	$ 2,815	$ 199
Accounts receivable		
From operating activities		
Non-related parties	$157,548	$222,837
Minus: allowance for uncollectible accounts	-	-
	$157,548	$222,837
Related parties	$ 21,725	$ 37,926

The Company to the average credit period of sales goods is 90-150 days. When determined the notes receivable and accounts receivable recoverability, The Company considered any changes of notes receivable and accounts receivable from the original credit to the credit quality of balance sheet day. If the credit quality has been changed, judged in accordance with the change reason. When The Company assess the accounts receivable has an objective diminish evidence, separate assess the impairment amount. If there is no accounts receivable of objective diminish evidence, assess the overall impairment. The Company may assess the accounts receivable that the ratio for non-return recognize as allowance for bad debts in accordance with the experiences.

(1) Notes receivable

None of noted receivable was dued on December 31st 2015 and in 2016.

Please see the note # 28 for the information of Mortgage notes receivable for reference.

(2) Accounts receivable

The analysis of accounts receivable is as below:

	December 31, 2016	December 31, 2015
Under 30 days	$ 85,237	$147,055
31~60 days	34,355	75,513
61~90 days	35,195	-
91~120cdays	439	-
121~150 days	-	-
Above 151 days	2,322	269
TOTAL	$157,548	$222,837

The above may base on the open amount day for aging.

The account receivable that has overdue on date of balance sheet but The Company not yet to recognize allowance for bad debts. Because the credit quality did not have a significant change, The Company's management level considered the amounts still can return. The Company to the accounts receivable did not hold any collateral or other credit enhancement.

The aging of overdue but not impairment accounts receivable as the following:

	December 31, 2016	December 31, 2015
Above 151 days	$ 2,322	$ 269

The aging will based on the days of overdue.

9.Inventories

	December 31, 2016	December 31, 2015
Raw materials	$236,683	$135,838
Finished goods	113,491	100,569
Work in progress	40,583	13,146

Spare parts and material	37,350	39,752
	$428,107	$289,305

The related cost of sales in 2016 was $2,904,623,000 which including loss for market price decline inventories $1,044,000. The related cost of sales in 2015 was $3,265,140,000 which including loss for market price decline inventories $161,000.

10. Prepayments

	December 31, 2016	December 31, 2015
Office supplies	$ 95,269	$ 93,866
Prepaid expenses	63,326	71,316
Prepaid materials	5,329	39,615
Other	84	93
	$164,008	$204,890

11.Other current assets

	December 31, 2016	December 31, 2015
Restricted assets	$301,677	$167,080
Bonds Purchased under Resell Agreements	60,021	-
	$361,698	$167,080

Market interest rate range for restricted assets that are demand deposit and ime Deposits the garrantee of to the bank loan on the Day of Balance Sheet as follows:

	December 31, 2016	December 31, 2015
Restricted assets	0.13%-2.70%	0.27%-3.10%
Bonds Purchased under Resell Agreements	0.33%-0.40%	-

Please see the note # 28 for the information of Mortgage other current assets for reference.

12.Financial assets at cost

	December 31, 2016	December 31, 2015
Common Stock of unlisted public companies	$ 34,527	$ 39,627

The above stocks may distinguish as available-for-sale financial asset in accordance with the type of financial assets measurement.

The Company, which holds the above stock investment, may measure the cost impairment lost on the date of balance sheet. Because the interval is significant of the fair value estimates and cannot assess reasonably each type of probability, The Company's management level thinks the fair value cannot be reliable measure.

The Company assess the stocks of Dahong advanced company of financial assets of cost measurement, which the investment has impairment that recognized as impairment loss $7,500,000.

13. Investments accounted for using equity method

	December 31, 2016	December 31, 2015
Subsidiary		
Unlisted public company		
DAI SHEN DEVELOPMENT CO.,LTD.（DAI SHEN DEVELOPMENT CO.,LTD.）	$ 2,304,465	$ 2,373,076
Hsinfu pre-mixed company（Hsinfu Pre-mix）	330,924	324,247
Just Bright Ltd.	69,095	94,905
LUCKYSHIP MARINE AGENCY CO., LTD（LUCKYSHIP MARINE）	34,398	46,846
Lucky Cement Co. (Japan)（Lucky Cement Co. (Japan)）	26,976	23,219
Hojen Harbor DEVELOPMENT CO.,LTD.（Hojen Harbor Company）	-	891
ELUMINA Technology, Inc（ELUMINA Technology, Inc）	(26,888)	(20,704)
	2,738,970	2,842,480
Add：Balance of long term investment is reclassified to other current liabilities	26,888	20,704
	$ 2,765,858	$ 2,863,184

The percentage of Market interest rate range for restricted assets that are demand deposit and ime Deposits the garrantee of to the bank loan on the Day of Balance Sheet as follows:

	December 31, 2016	December 31, 2015
DAI SHEN DEVELOPMENT CO.,LTD	99.99%	99.99%
Hsinfu Pre-mix	99.99%	99.99%
Just Bright Ltd.	100%	100%
LUCKYSHIP MARINE AGENCY CO., LTD	99.99%	99.99%
Lucky Cement Co. (Japan)	100%	100%
Hojen Harbor DEVELOPMENT CO.,LTD	-	50%
ELUMINA Technology, Inc	70.59%	70.59%

The main business of Dasheng Development Company is selling real estate and renting, which the cost account of construction recognized as “Developing and to be develop of the real estate” The expired date on Dec.31,2015 and 2016 that are $3,178,244,000 and $3,200,723,000.

It used profit or loss and other comprehensive profit or loss of profit or loss of subsidiary company of equity method that recognized by the financial report of accountant check in accordance with each subsidiary in the same period.

Dasheng Development Company that they used capital reduction to make up the losses for $100,000,000 on Jul, 2017 and, at the same time, cash replenishment issued new stock for $300,000,000.

The shareholders' meeting resolves the liquidation of Heren Harbor Company on June 2016, and liquidation on Sep, 2016.

The Company's board of director passed the resolution that dismiss East Rui Photoelectric Company and its subsidiary company, and resolved the liquidation. East Rui Photoelectric Company that cash replenishment $40,000,000, and The Company to East Rui Photoelectric Company subscribe $28,234,000 in accordance with the shareholding ratio.

The Company has prepared the above accounts of all subsidiary company of equity method in the consolidated financial report of 2015 and 2016.

14.Real Estate, Plant and Equipment

	Owned Land	Building	Machines	Electrical Instrument	Traffic & Transportation Equipment	Other Equipments	Total
Cost							
Balance on Jan 1, 2015	$ 698,918	$ 2,137,233	$ 6,029,968	$ 1,183,976	$ 776,822	$ 484,313	$11,311,230
Increase	-	-	24,897	3,131	94,387	655	123,070
Disposal	-	(44,783)	(11,697)	-	(88,116)	(4,208)	(148,804)
Balance on Dec 31, 2015	$ 698,918	$ 2,092,450	$ 6,043,168	$ 1,187,107	$ 783,093	$ 480,760	$11,285,496
Accumulated depreciation and impairment							
Balance on Jan 1, 2015	$ -	$ 1,504,944	$ 5,399,423	$ 1,130,746	$ 586,651	$ 444,860	$ 9,066,624
Depreciation expenses	-	102,938	142,355	15,736	63,082	11,764	335,875
Disposal	-	(44,783)	(11,697)	-	(88,116)	(4,208)	(148,804)
Balance on Dec 31, 2015	$ -	$ 1,563,099	$ 5,530,081	$ 1,146,482	$ 561,617	$ 452,416	$ 9,253,695
Balance on Dec 31, 2015	$ 698,918	$ 529,351	$ 513,087	$ 40,625	$ 221,476	$ 28,344	$ 2,031,801
Cost							
Balance on Jan 31, 2016	$ 698,918	$ 2,092,450	$ 6,043,168	$ 1,187,107	$ 783,093	$ 480,760	$11,285,496
Increase	-	6,080	16,691	4,101	4,825	2,902	34,599
Disposal	-	-	(20,985)	-	(5,553)	(1,495)	(28,033)
Balance on Dec 31, 2016	$ 698,918	$ 2,098,530	$ 6,038,874	$ 1,191,208	$ 782,365	$ 482,167	$11,292,062
Accumulated depreciation and impairment							
Balance on Jan 31, 2016	$ -	$ 1,563,099	$ 5,530,081	$ 1,146,482	$ 561,617	$ 452,416	$ 9,253,695
Depreciation expenses	-	69,264	124,075	7,915	66,042	11,434	278,730
Disposal	-	-	(20,985)	-	(5,553)	(1,495)	(28,033)
Balance on Dec 31, 2016	$ -	$ 1,632,363	$ 5,633,171	$ 1,154,397	$ 622,106	$ 462,355	$ 9,504,392
Net on Dec 31, 2016	$ 698,918	$ 466,167	$ 405,703	$ 36,811	$ 160,259	$ 19,812	$ 1,787,670

The Company's part of land of land use right registered the ownership that temporary as the third person, the trustee has given the declaration and setting the mortgage on The Company.

Class of Property, Plant and Equipment recognize depreciation in accordance with straight-line method as the following years of durability:

Buildings	
Main building of Plant	35 to 55 years
Electromechanical equipment	10 to 15 years
Engineering system	3 to 5 years
Machinery and equipment	2 to 10 yeras
Electrical equipment	5 to 15 years
Transportation equipment	3 to 10 years
others	3 to 10 years

The information of mortgage of Class of Property, Plant and Equipment, please referred to Note 28.

15. Other non-current assets

	December 31, 2016	December 31, 2015
Prepayments	$109,576	$ 80,592
Restricted assets	63,280	63,254
Limestone mining right, net	18,783	18,783
	$191,639	$162,629

The limited asset refers to time deposit in the bank that is pledged as the security of milling right, which has the market interest rate range on the Day of Balance Sheet as follows:

	December 31, 2016	December 31, 2015
Limited Asset	0.13%-1.125%	0.34%-1.276%

Other information regarding to non-current asset collaterals, please refer to Note 28.

16. Loan

(1) Short-Term Loan

	December 31, 2016	December 31, 2015
Backed Loan		
Bank Loan	$667,700	$152,300
Non-backed Loan		
Credit Loan	263,169	82,522
	$930,869	$234,822

The interest rate of the deposit in bank is as follows:

	December 31, 2016	December 31, 2015
Backed Loan	1.427%-1.8464%	1.561%-1.90%
Non-backed Loan	1.55%-2.484%	1.691%-1.702%

(2) Short-term notes and bills payable

	December 31, 2016	December 31, 2015

Commercial paper payable	$110,000	$ 50,000
Decrement：Discount on short-term notes and bills payable	240	50
	$109,760	$ 49,950

Short-term check payable that is not due is as follows:

December 31, 2016

Guaranty/Acceptance Institution	Face Value	Discount Amounts	Book Amounts	Interest rate collar
Commercial paper payable				
Ta Ching Bills Finance Co.,	$ 50,000	$ 109	$ 49,891	1.60%
Mega Bills Finance Co.,	60,000	131	59,869	1.588%
	$ 110,000	$ 240	$ 109,760	

December 31, 2015

Guaranty/Acceptance Institution	Face value	Discount amounts	Book amounts	Interest rate collar
Commercial paper payable				
Ta Ching Bills Finance Co.	$ 50,000	$ 50	$ 49,950	1.75%

(3) Long-term Loan

	December 31, 2016	December 31, 2015
Backed Loan		
Taiwan Cooperative Bank	$ 112,000	$ 322,000
Mega International Commercial Bank etc., bank of syndication loan	-	340,000
Mega International Commercial Bank	14,000	42,800
Export-Import Bank of the ROC	100,000	-
O-Bank Co., Ltd.	-	100,000
Bank of Taiwan	100,000	-
Non-Backed Debt		
Shanghai Commercial & Savings Bank, Ltd.	90,000	-
Subtotal	416,000	804,800
Decrement：Portion of matured within one year	(303,500)	(396,800)
Long-term loan	$ 112,500	$ 408,000

The due day of the collateral loan with bank is in February of 2019 and as of end of 2016 and 2015, the annual interest rate were 1.7825%-2.05% and 2.09%-2.3573% respextively; the due day of the loan without collaterals is in July of 2019, and as of end of 2016, the annual interest rate was 1.73%.

The Company had loan with the Cooperative Bank in November of 2011 and the total credit amount was 500,000,000 without cycle purpose and the grant period was 2 years; every 6 months was served as an installment since May of 2014 and there were a total of 10 installments for the principle.

The Company had loan with the Cooperative Bank in July of 2014 and the loan valued at NTD$240,000,000, and NTD$ 12,000,000 shall be repaid by season.

The company has entered into union credit agreement with the bank groups of host bank as Sinopac International Commercial Bank in March of 2012, and the main purpose was to pay for Hualien Hojen Mill Expansion Program and the credit was totaled to NTD$ 800,000,000; every 6 months was served as an installment since September of 2012 and there were a total of 14 installments for the principle. Besides, during renewal credit period, the current ratio, liabilty ratio and interest secured times of the financial statement combining the first half year and whole year shall meet the regulations set forth in Credit Agreement, which shall be repaid earlier in September of 2016.

The company had a loan with SinoPac Bank in April of 2011 and total credit was totaled to NTD$100,233,000 without cycle use; it was supposed to be short-term turnaround loan and it was accounted as short-term loan; it was turned to middle-term loan pursuant to the credit agreement since June of 2014 and NTD$7,200,000 shall be repaid by season.

The company had a loan with China Import & Export Bank in July of 2014 and the total credit was totaled to NTD$ 100,000,000, wherein the principle has been repaid once in August of 2015. Besides, the company had a loan with China Import & Export Bank in January of 2016 and total credit amounted to NTD100,000,000, wherein the credit period spanned from January 1, 2016 to January 31, 2017, which was enabled to be used in cycle within credit line prior to maturity purusant to the terms and conditions of the Agreement and the principle shall be repaid once in maturity.

The Company had a loan with Wan Dao Commercial Bank (former Taiwan Industrial Bank) in August of 2013 and the credit was totaled to

NTD$100,000,000 without cycle use and the granting period spanned 2 years, wherein the principle has been repaid in August of 2015; bedsides, the Company has a loan with Wan Dao Commericla Bank in August of 2015 and the credit amounted to NTD$100,000,000 without cycle use, wherein the principle has been repaid once in August, 2016, the mature year.

The Company has a loan with Bank of Taiwan in December of 2014 and the credit amounted to NTD$100,000,000 without cycle use; every 3 months was served as one period, and a total of 8 installments were ready for the principle, which has been repaid earlier in December, 2015. Besides, the Company had a loan with the Bank of Taiwan in February 2016 and the credit amounted to NTD$100,000,000; one year after the grant period, there was NTD$12,500,000 shall be repaid every season.

The Company had a loan with Shanghai Commerical Saving Bank in July of 2016 and total credit amounted to NTD$100,000,000 without cycle use; every season was served as one period since October of 2016 and there were a total of 10 installments for the principle.

17. Notes payable and accounts payable

	December 31, 2016	December 31, 2015
Notes payable		
Resulted from business		
Non-related parties	$109,135	$101,889
Related parties	$105,016	$ 5,711
Accounts payable		
Resulted from business		
Non-related parties	$126,524	$158,003
Related parties	$ 90,433	$ 61,392

18. Other payables

	December 31, 2016	December 31, 2015
Accrued payroll and bonus	$ 80,977	$105,681
Accrued taxes	23,930	51,554
Accrued utilities expenses	20,215	22,085
Accrued maintenance expenses	1,525	4,608
Others	12,077	13,893
	$138,724	$197,821

19. Post-employment benefit plans

(1) Defined Contribution Plan

Pension System of the company is applied to Labor Pension Act. that is the defined contribution plan managed by the Government and the 6% of the employees’s monthly salary will be contributed to the employee's individual account of labor pension.

(2) Defined benefit plan

Pension System of the company is applied to Labor Standards Act. that is the defined benefit plan managed by the Government and the total payment of employee’s pension are based on the length of service and the average salary of 6 months before retirement approval and the 2% of the total monthly salary of employeess will be allocated to the the Bank of Taiwan under the name of its Supervisory Committee of Workers’ Retirement Fund of The Business Entity. If the balance is estimated to be short to pay the retirement of empolyees within 1 fiscal year at the end of year, the company will pay into the difference before March of next fiscal year and this bank account is managed by the Bureau of Labor Funds, MOL and the company has not right to affect its decision of investment management.

The amount of defined benefit plan is counted into the individual balance sheet:

	December 31, 2016	December 31, 2015
Present value of the defined benefits obligations	$302,905	$337,082
Fair value of plan assets	(250,794)	(16,515)
Appropriation shortened	52,111	320,567
Net defined benefits liabilities	$ 52,111	$320,567

Net defined benefit liablity change is as follows:

	Present value of the defined benefits obligations	Fair value of plan assets	Net defined benefits liabilities
Balance on Jan 1, 2015	$ 330,595	($ 13,784)	$ 316,811
Service costs			
Current service costs	4,266	-	4,266
Interst expenses (revenue)	4,132	(187)	3,945
Recognised in profit or loss	8,398	(187)	8,211
Remeasured			
Plan assets remuneration（except the amount included in net interest）	-	(176)	(176)
Actuarial loss－assumption changes of population statistics	130	-	130
Actuarial loss－experience adjustment	10,384	-	10,384
Recognised in other comprehensive profit or loss	10,514	(176)	10,338
Appropriated by employer	-	(2,368)	(2,368)
Pay benefits	(12,425)	-	(12,425)
Balance on Dec 31, 2015	$ 337,082	($ 16,515)	$ 320,567
Balance on Jan 1, 2016	$ 337,082	($ 16,515)	$ 320,567
Service costs			
Current service costs	4,121	-	4,121
Interst expenses (revenue)	4,214	(221)	3,993
Recognised in profit or loss	8,335	(221)	8,114
Remeasured			
Plan assets remuneration（except the amount included in net interest）	-	(1,301)	(1,301)
Actuarial loss－assumption changes of population statistics	84	-	84
Actuarial loss－financial assumption changes	3,279	-	3,279

Actuarial loss－experience adjustment	3,079	-	3,079
Recognised in other comprehensive profit or loss	6,442	(1,301)	5,141
Appropriated by employer	-	(280,408)	(280,408)
Pay benefits	(48,954)	47,651	(1,303)
Balance on Dec 31, 2016	$ 302,905	($ 250,794)	$ 52,111

Summaized according the funactions of recognized defined benefit plan as follow:

	2016	2015
Operating costs	$ 5,472	$ 5,364
Selling expenses	912	948
Administrative expenses	1,730	1,899
	$ 8,114	$ 8,211

The pension system of the company is exposure the below risks according to the Labor Standard Act.:

1). Investment risk：Bureau of Labor Funds, MOL has been invested on the domestic and international equity securities, debt securities and saving accounts with the labor funds of pension by the agent or self-management. The imcome is counted with the 2-year interest rate that is not less than the local bank by the alloction of planned assests.

2). Interest rate risk：Present value of defined benefit is increasing and return on investment of liabilities for planned assets has been increasing accordingly due to the descreasing interest rate of government bond and both of them have the impact on the liabilities of defined benefit with partial offset effect

3). Salary risk：Calculation in the present value of defined benefit obligation takes the future salary of the project staff for reference, therefore, the increasing salary of project staff makes the present value of defined benefit obligation increased.

The present value of defined benefit obligation of consolidated companies is calculated by the Actuaries and significant assumptions on measurement date as follow：

	December 31, 2016	December 31, 2015
Discount rate	1.125%	1.25%

Salary expected rate of increase	1.25%	1.25%

If the significant actuarial assumptions with the possible and reasonable variation has occurred under the condition of all the assumptions that stays the same, it makes the present value of defined benefit obligation increased (decreased).

	December 31, 2016	December 31, 2015
Discount rate		
Increase 0.25%	($ 6,508)	($ 7,221)
Decrease 0.25%	$ 6,719	$ 7,461
Salary expected rate of increase		
Increase 0.25%	$ 6,584	$ 7,321
Decrease 0.25%	($ 6,409)	($ 7,120)

The possibility for the the avriation with the one single assumption is not high due to the the actuarial assumptions may related to each other, the above sensitivity analysis may not show the actual changing on the present value of defined benefit obligation increased.

	December 31, 2016	December 31, 2015
Appropriation in upcoming year as scheduled	$ 2,159	$ 2,355
Average due period of defined benefit obligation	8.8 years	8.8 years

20. Equity

(1) Capitals

Ordinary Share

	December 31, 2016	December 31, 2015
Rated share（thousand shares）	498,646	498,646
Rated capital	$ 4,986,460	$ 4,986,460
Shares issued and fully paid-up (thousand shares)	404,738	404,738
Issued capital	$ 4,047,380	$ 4,047,380

Face value of each published ordinary share is 10 dollars and each sharr has one vote with the right of sharing the dividends.

(2) Capital Reserve

	December 31, 2016	December 31, 2015
Only for loss compensation		
Accounted all equity changes of ownership of Subsidiary	$ 8	$ 8

Such kind of capital reserve shall refer to the adjustment of the number affected by equity transaction accounted from the equity change of subsidiary or from the company ‘s accounting subsidiary’s capital reserve through equity method when the company did not obtain or dispose of subsidiary’s equity actually.

(3) Retained earning and dividend policy

According to the amendment of the Company Law in May of 2015, the allocation of dividend and bonus limits to shareholders and employee does not belong to those parties whom the surplus was allocated. The Company has passed earning allocation policy of the revised Articles of Association in the resolution proposed on the General Meeting of Shareholders dated June 15, 2016 and also provided allocation policy of renumeration of employee and directors, supervisors.

The revised provision of earning allocation policy in the Articles of Association states that in case of earning upon settled annually, the Company shall appropriate its 10% as legal surplus reserve first and account equity deduction occurred in the current year as special surplus reserve, addition to legal payment of business tax and compensation of historical annual loss, wherein if the dividend per share from the sum of balance thereafter and 40%~80% of aggregated surplus yet allocated in the previous year has not reached NTD$0.1 with calculation of the upper limit, 80%, it shall be reserved, not for allocation and allocation case shall be proposed in the Board of Directors, further presented for acknowledgement in the Meeting of Shareholders. Please refer to (5) of Note 21, Employee Benefits for the revised remuneration allocation policy of employee and directors, supervisors before/after the versions of the Articles of Association. The appropraiton & allocation ratio of the preceding surplus and stock to cash ratio shall be paid in cash dividend or stock dividend subject to real profit and situation of fund in the current year, with consideration of fund for investment and diluated level of surplus per share in the Meeting of Board of Directors. However, the allocated stock dividend shall be limited to 20% of the issued stock; in case that the aggregated equity deduction or equity deduction that is insufficient to account as surplus w/tax in the current year, it shall account equivalent amount of special surplus reserve from the aggregated surplus yet be allocated in the previous year and deduct it prior to the appropriation and allocation earlier. Thereafter, whenever equity deduction is turned, the turned amount shall be allocated as surplus. The allocation of related surplus shall be passed and acknowledged in the General Meeting of Shareholders held in the next year and shall be accounted in the current year.

The company shall account and turn special surplus reserve pursuant to the provisions set forth in the Letter, Letter No. Jin-Kuang-Fa-Tzi No. 1010012865, Letter No. Jin-Kuang-Fa-Tzi No.1010047490 and “Q&A appied to questions and doubts regarding to accounted special surplus reserve with IFRSs”. Thereafter, whenever equity deduction is turned, the turned amount shall be allocated as surplus.

Legal surplus reserve shall be appropriated to its balance until it reaches the gross amount of paid-up capital of the Company. Legal surplus reserve shall be used to compensate the loss. In case of zero loss, its legal surplus reserve which goes beyond 25% of the total paid-up capital shall be allocated in cash after being appropriated as capital.

During allocating surplus yet be allocated, shareholders other than the residents within the territory of the Republic of China may acquire shareholder deductible that was calculated based on the tax deducitble ratio on the Day of Dividend Allocation.

The distribution of 2015 and 2014 retained earnings that was passed on the board meeting individually on June 15th 2016 and June 12th 2015.as follow：

	Earnings distributed		Dividend per share (NT$)	
	2015	2014	2015	2014
Legal reserve	$ 47,016	$ 37,954		
Cash dividends	344,027	242,843	$ 0.85	$ 0.6

The company propose the distribution of 2016 retained earnings andeach share of dividend at the board meeting on March 20th 2016：

	Earnings distributed	Dividend per share (NT$)
Legal reserve	$ 31,533	
Cash dividends	242,843	$ 0.6

The distribution of 2016 retained earnings will be expected to determine at the board meeting on June 7th 2016.

(4) Special Reserve

The company has adopted the IFRSs method for the accounted special reserve that shows as follow:

	December 31, 2016	December 31, 2015
Special Reserve	$ 14,135	$ 14,135

The amount of 14,135,000 has treanferred to the retained earnings from cumulative translation adjustments of the company

(5) Other equities

1). Exchange difference in the financial statements of overseas operating institution

	2016	2015
Balance, beginning of year	($ 6,793)	($ 8,011)
Other comprehensive income, before tax, exchange differences on	(25)	718
Share of subsidiary of translation differences for using equity method	(22)	500
Balance, end of year	($ 6,840)	($ 6,793)

2). Unrealized gain or loss on available-for-sale financial assets

	2016	2015
Balance, beginning of year	$ 43,149	$ 36,263
Unrealized gain or loss on available-for-sale financial assets	2,558	(7,842)
Disposal of accumulated profit or loss in available-for-sale financial assets for reclassify to gains	(1,924)	(5,473)
Share of subsidiary of unrealized gain or loss on available-for-sale financial assets for using equity method	(9,543)	20,201
Balance, end of year	$ 34,240	$ 43,149

21.Net Profit

Net profit contains as follows:

(1) Other gains and net expense loss

	2016	2015
Gains on disposals of property, plant and equipment	$ 106	$ -

(2) Other income

	2016	2015
Dividend income	$ 1,232	$ 8,296
Others	7,198	6,983
	$ 8,430	$ 15,279

(3) Other expenses

	2016	2015
Disaster loss	$ 8,154	$ 7,198
Other	15,962	15,285
	$ 24,116	$ 22,483

(4) Depreciation, amortization and depletion

	2016	2015
Depreciation expenses consolidated by function		
Operating costs	$255,957	$310,230
Operating expenses	12,552	13,714
Non-operating expenditures	10,221	11,931
	$278,730	$335,875
Amortization expenses consolidated by function		
Operating costs	$ 8,660	$ 9,755
Operating expenses	876	716
	$ 9,536	$ 10,471
Depletion expenses consolidated by function		
Operating costs	$ -	$ 15,657

(5) Employee Benefits

	2016	2015
Benefits after retirement		
Defined appropriation plan	$ 7,877	$ 7,583
Defined benefit plan	8,114	8,211
	15,991	15,794
Payroll expenses	269,176	293,368
Labor and health insurance expenses	24,356	25,027
Other employees benefits	12,803	13,558
Total employees benefit expenses	$322,326	$347,747
Consolidated by function		
Operating costs	$228,920	$241,381
Operating expenses	93,406	106,366
	$322,326	$347,747

1). Remuneration of 2016 Employee and Directors, Supervisors

According to the amendment of The Company Act. in May 2015 and articles of incorporation modified by the board of directors in June 2016, the Company shall appropriate 3% and not less than 5% of the gain w/o tax prior to the deduction of allocated renumeration for employee and directors, supervisors in the current year as the same.

The 2015 and 2016 remuneration for the employees, directors and supervisors were passed individually at the board meeting on March 30th 2017 and March 28th 2016 as follow:

Estimate percentage

	2016	2015
Remuneration of employees	3%	3%
Remuneration of directors, supervisors	5%	5%

Amount

	2016	2015
	Cash	Cash
Remuneration of employees	$ 12,447	$ 18,636
Remuneration of directors, supervisors	20,745	31,060

Annual individual financial report with any changes with the numbers of the amount after the released date will be handled according to the Accounting Estimate and be adjusted accordingly next year.

Amounts recognised in the 2016 individual financial report had no difference than the 2016 amounts that were actually allocated to the employees, directors and superviors of the company.

Any information is related to the 2016 and 2017 remuneration that was approved by ther board of directorsof for employees, directors and superviors of the company and please go check on the Market Observation Post System of Taiwan Stock Exchange.

2). 2014 Benefit for employees and Compensation for directors and supervisors.

The parent company held the regular board meeting on June 12th 2015 and approved benefit for employees and compensation for directors and supervisors as follow: ：

	2014
	Cash
Remuneration of employees	$ 10,248
Remuneration of directors, Supervisors	17,079

Amounts recognised in the 2014 individual financial report had no difference than the amounts that were approved to the employees, directors and superviors of the company by the board of directors on June 12th 2015.

Any information is related to the 2015 remuneration that was approved by ther board of directorsof for employees, directors and superviors of the company and please go check on the Market Observation Post System of Taiwan Stock Exchange.

(6) Foreign currency exchange profit (loss)

	2016	2015
Total amount of foreign currency exchange gains	$ 3,083	$ 14,426
Total amount of foreign currency exchange losses	(5,124)	(13,553)

Net profit (loss)	($ 2,041)	$ 873

(7) Disposal of investing profit (loss)

	2016	2015
Disposal of gains of Available-for-Sale financial assets	$ 1,924	$ 5,473
Disposal of losses of Subsidiary	(6)	-
Net profit	$ 1,918	$ 5,473

22. Income Tax

(1) Major items composing accounted income tax with gain and loss

	2016	2015
Current income tax		
Created in current year	$ 36,804	$116,447
Impose on retained earnings-unappropriated	7,092	11,338
Adjustment of previous years	1,347	476
	45,243	128,261
Deferred income tax assets		
Created in current year	21,125	(26,920)
Income tax expenses of recognised in profit or loss	$ 66,368	$101,341

The adjustment of accounting income and income tax of the current period is as follows:

	2016	2015
Profit before tax	$381,702	$571,502
Income tax expenses of profit before tax calculated according to legal tax rate （17%）	$ 64,889	$ 97,155
Not deductible in tax of expenses	1,240	1,805
Deductible temporary differences of unrecognized	(1,435)	1,046
Tax-free income	(6,765)	(10,479)
Impose on retained earnings-unappropriated	7,092	11,338
Current period income tax expenses of previous years Adjustment used in current period	1,347	476
Income tax expenses of recognised in profit or loss	$ 66,368	$101,341

The 2017 surplus distribution has the uncertainty and potential consequence of income tax with additional 10% surtax on undistributed retained earnings remains yet determined reliably.

(2) Income tax assets and liabilities in current period

	December 31, 2016	December 31, 2015
Income tax assets in current period		
Income tax refund receivable	$ 15,650	$ -

Income tax liabilities in current

period		
Payable income tax	$ -	$125,731

(3) Deferred income tax asset and liability

The change of deferred income tax asset and liability is as follows:

2016

Deferred income tax assets	Balance, beginning of year	Accounted profit or loss	Balance, end of year
Temporary differences			
Pension exceed limitation	$ 59,607	($ 46,760)	$ 12,847
Investment loss recognized under equity method	54,857	16,821	71,678
Loss on unrealized inventory price down	11,659	177	11,836
Loss of financial assets carried at cost method	3,995	-	3,995
Gross profit of unearned sales revenue for opened bill of lading	3,269	(127)	3,142
Unrealized foreign exchange losses	-	99	99
	$ 133,387	($ 29,790)	$ 103,597
Deferred income tax liabilities			
Temporary differences			
Fixed assets expedite depreciation	$ 68,163	($ 8,559)	$ 59,604
Unrealized foreign exchange gains	106	(106)	-
	$ 68,269	($ 8,665)	$ 59,604

2015

Deferred income tax assets	Balance, beginning of year	Recognised in profit or loss	Balance, end of year
Temporary differences			
Pension exceed limitation	$ 60,726	($ 1,119)	$ 59,607
Investment loss recognized under equity method	37,965	16,892	54,857
Loss on unrealized inventory price down	11,631	28	11,659
Loss of financial assets carried at cost method	4,232	(237)	3,995
Gross profit of unearned sales revenue for opened bill of lading	2,585	684	3,269
	$ 117,139	$ 16,248	$ 133,387

Deferred income tax

liabilities			
Temporary differences			
Fixed assets expedite depreciation	$ 78,798	($ 10,635)	$ 68,163
Unrealized foreign exchange gains	143	(37)	106
	$ 78,941	($ 10,672)	$ 68,269

(4) The related information of Imputation System

	December 31, 2016	December 31, 2015
Unapporpriated earning		
Unapporpriated earning after 1998	$ 547,996	$ 626,211
Balance in the shareholder imputation tax credit account	$ 192,473	$ 13,027

The Tax Creditable Ratios which are applicable for disposition of net income in 2015 and 2016 are respectively 26.23% (expected ratio) and 22.37 %(actual ratio.)

According to the Income Tax Act, when the Company distributes the surplus after 1998, the shareholders can follow the tax creditable ratio to calculate their acquired Imputation Tax Credit. Due to the actual distribution amount of imputation credit should follow the balance in the shareholder imputation tax credit account; the Company estimated that the tax creditable ratio for surplus distribution may be different from the tax creditable ratio used for the actual shareholders' distribution ratio in the future.

(5) Income Tax Assessment

The filing of application of profit-seeking enterprise income tax as end of 2014 of the Company has approved by tax authorities.

23. Earning per share

Ir is used to calculate the net income of basic and diluted earnings per share as follows:

Net Profit

	2016	2015
It is used to calculate the net income of basic and diluted earnings per share	$ 315,334	$ 470,161

Number of Shares Unit：1000 shares

	2016	2015
It is used to calculate the ordinary share weighted average stock shares of basic earnings per share	404,738	404,738
Impact of shares with dilutive potential ordinary share:		
Remuneration of employees	1,801	2,380
It is used to calculate the ordinary share weighted average stock shares of dilutive earnings per share	406,539	407,118

If the Company has to choose using share or cash to pay the remuneration of employees, when calculating diluted earnings per share, assuming that giving the shares for remuneration of employees and adding the weighted average outstanding shares with dilutive potential ordinary share to calculate diluted earnings per share. And before discussing to issue the number of shares for employees' remuneration in the following year, it should consider the dilutive potential ordinary share when calculating diluted earnings per share.

24. Agreement of Operating Lease

(1) The Company as tenant

Operating lease includes lease of land, plant, storage land, etc.; the lease period is 1 to 5 years.

As the end of December 31, 2015 and 2016, refundable deposits paid by the Company in operating lease contract are respectively 3,849 and 5,433 NT dollars.

The total amount of future minimum lease payments for non-cancelable operating lease as follows:

	December 31, 2016	December 31, 2015
Within on year	$ 26,203	$ 27,391
Beyond 1 year, less than 5 years	48,799	36,697
	$ 75,002	$ 64,088

Rent payment accounted as fee:

	2016	2015
Rent Payment	$ 32,945	$ 34,904

(2) The Company as leaser

Operating lease includes lease of real estate, plant and equipment; the lease period is 1 to 5 years.

The total amount of future minimum lease payments for non-cancelable operating lease as follows:

	December 31, 2016	December 31, 2015
Within on year	$ 6,910	$ 9,629
Beyond 1 year, less than 5 years	625	5,856
	$ 7,535	$ 15,485

25. Financial Risk Management

The Company manages capital risk to ensure that maximizing the remuneration of shareholders by optimizing the debt and equity balances under the premise of keeping operating.

26.Financial Instrument

(1) Information fair value - financial instrument which is not measured at fair value

There is no significant difference between carrying amount and fair value among the financial asset and financial liability which are not measured at fair value.

(2) Information of fair value – financial instrument at fair value

1). Fair value hierarchy

December 31, 2016

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Stock of domestic listed (OTC) company	$ 31,659	$ -	$ -	$ 31,569
Domestic fund beneficiary certificate	7,368	-	-	7,368
Total	$ 39,027	$ -	$ -	$ 39,027

December 31, 2015

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Stock of domestic listed (OTC) company	$ 65,059	$ -	$ -	$ 65,059
Domestic fund beneficiary certificate	891	-	-	891
Total	$ 65,950	$ -	$ -	$ 65,950

There is no transfer between level 1 and level 2 of fair value measurement in 2015 and 2016.

2). The evaluation technique and assumption used for measuring fair value

The fair value of financial instrument traded at active market is determined by the reference to market quotation.

(3) Type of Financial Tool

	December 31, 2016	December 31, 2015
Financial assets		
Loans and receivables（Note 1）	$ 1,438,687	$ 1,236,239
Available-for-sale financial assets（Note 2）	73,554	105,577
Financial Liabilities		
Measured at amortised cost（Note 3）	1,945,484	1,508,707

Note 1: Balance includes cash, note receivable (N/R), accounts receivable, other receivables and other financial assets which are loans and receivables measured by cost after amortization.

Note 2: Balance includes classified as balance of financial assets in available-for-sale measured by cost.

Note 3: Balance includes short-term borrowings, notes payable, accounts payable (AP), parts of other payables and long-term loans which are financial liabilities measured by cost after amortization.

(4) Target and Policy of Financial Risk Management

The main financial instruments of the Company include receivables, payables and loans. The Financial Department of the Company supervisors and manages the related financial risk of operation of the Company in accordance with the internal risk report for risk degree and extensive analysis of exposure. The risks include market risk (included currency risk and interest rate risk), credit risk and liquidity risk.

1). Market risk

The main financial risk for operation of the Company is foreign currency exchange risk (please see (1) as follows) and interest rate risk (please see (2) as follows).

The exposure of related market risk of financial instrument of the Company and the management and measurement of the exposure doesn’t change.

A. Risk of currency exchange

The monetary asset in non-functional currency and carrying amount of monetary liabilities on balance sheet date of the Company; please see note 30.

Sensitivity Analysis

The Company is mainly impacted by the foreign exchange rate fluctuation of USD and RMB.

The following table shows Sensitivity Analysis of the Company when individual functional currency increases and decreases 5% for each relevance currency rate. 5% is as sensitivity ratio used for reporting currency risk to key management personnel, and also represented assessment of reasonably possible range of fluctuation of foreign currency rate by the management personnel.

	Impact of USD		Impact of RMB	
	2016	2015	2016	2015
Gain & Loss	$ 2,347	$ 425	($ 339)	($ 359)

The above is mainly originated from the outstanding cash in banks, receivables, other financial assets, other short-term borrowings, payables and long-term loans, calculated in USD and RMB which are not in cash flow hedge.

B.Interest rate risk

The financial assets in interest rate exposure and the carrying amount of financial liability on balance sheet date of the Company as follows:

	December 31, 2016	December 31, 2015
With fair value interest rate risk		
－Financial assets	$ 370,470	$ 258,092
－Financial liabilities	624,000	202,300
With cash flow interest rate risk		
－Financial assets	763,194	598,688
－Financial liabilities	832,629	887,272

Sensitivity Analysis

The following sensitivity analysis is determined by rate exposure of non-derivatives on balance sheet date. The internal of the Company reports to key management personnel about rate of change in interest rate which means that increase rate increases or decreases 25 basing points; this also represents the assessment of reasonably possible change range for interest rate from key management personnel.

If interest rate increases/decreases 25 basing points, the pre-tax income in 2015 and 2016 separately increases/decreases 174,000 and 721,000 NT dollars with all other variables held constant; the main reasons are floating rate loan, demand deposit and exposure in restricted asset interest rate risk of the Company.

2). Credit risk

Credit risk means that the counterparty arrears contract obligation and cause group financial loss risk. As end of balance sheet date, the Company may be caused exposure of maximum credit risk by the counterparty not doing contract obligation, which is mainly from the carrying amount of financial assets recognized on individual balance sheet.

The policy adopted by the Company is only having trade with the counterparty who has high reputation, and getting sufficient guarantee to reduce the financial loss risk arising from arrears under the necessary situation.

In addition to the analysis of the following table, the maximum credit exposure amount (excluded fair value of borrowing cost) of each financial instrument of the Company is same as the carrying amount:

	December 31, 2016		December 31, 2015	
	Book value	Maximum credit risk amount	Book value	Maximum credit risk amount
Off-balance sheet promises and guarantees				
Endorsement for Subsidiary	$ -	$ 517,250	$ -	$1,324,238

The credit risk of the Company is mainly concentered on the key account (KA) of the Company; as the end of December 31 in 2016 and 2015, the receivables should exceed 5% of total receivables, which are separately 59.79% and 63.45% of total receivables.

3).Liquidity risk

The Company can operate and reduce the impact of fluctuations in cash flows by managing and maintaining enough cash in place. The management personnel in the Company supervises using situation of bank finance to ensure following the loan borrowing clause.

Bank loan is an important source of liquidity for the Company. As the end of December 31 in 2016 and 2015, the unused long-term and short-term bank facilities of the Company are separately 1,454,314,000 and 1,901,855,000 NT dollars.

The following table is the contractual maturity analysis of non-derivative balance of financial liabilities during maturity time in agreement, in accordance with the maturity date which may be the first date asking the Company, which is written by undiscounted cash flows of financial liabilities.

December 31, 2016

	Weighted average effective interest rate (%)	Request pay on demand or less than 1 month	1-3 Months	3-12 Months	1-5 Years	More than 5 years
Non-derivative financial liabilities						
Non-interest-bearing liabilities	-	$ 167,555	$ 369,831	$ 36,402	$ 12,798	$ 18,192
Adjustable-rate instruments	1.62%	122,000	225,224	360,405	125,000	-
Fixed-rate instruments	1.54%	100,000	200,000	324,000	-	-
		$ 389,555	$ 795,055	$ 720,807	$ 137,798	$ 18,192

December 31, 2015

	Weighted average effective interest rate (%)	Request pay on demand or less than 1 month	1-3 Months	3-12 Months	1-5 Years	More than 5 years
Non-derivative financial liabilities						
Non-interest-bearing liabilities	-	$ 139,075	$ 288,090	$ 188,179	$ 47,339	$ 16,550
Adjustable-rate instruments	2.21%	12,000	79,200	388,072	408,000	-
Fixed-rate instruments	1.73%	-	-	202,300	-	-
		$ 151,075	$ 367,290	$ 778,551	$ 455,339	$ 16,550

27. Transactions of Related Parties

In addition to the discourse of other notes, the transaction between related party and the Company as follows.

(1) Operating transaction：

	In 2016	In 2015
Sale		
Subsidiary	$344,580	$498,512
Other related parties	308	439
	$344,888	$498,951
Purchase		
Subsidiary	$ 2,863	$190,396
Other related parties	257,671	41,223
	$260,534	$231,619
Operating costs － shipping expenses		
Other related parties	$ 15,246	$ 14,017
Operating costs － repair and maintenance expenses		
Subsidiary	$ -	$ 4,247
Operating expenses		
Other related parties	$ 3,689	$ 3,322
Non-operating revenues		
Subsidiary	$ 29,097	$ 28,211
Other related parties	2,446	2,438
	$ 31,543	$ 30,649
Financial assets carried at cost of acquisition		
Subsidiary	$ -	$ 22,100

During the period of payment, prices of purchase and sale between the Company and related party are same as non-related party.

Non-operating revenue is rent revenue between the Company and related party; the determination and collection method are same as general leasing transactions.

The Company got 3,400,000 shares of WK technology fund Co., Ltd. from the subsidiaries - LUCKYSHIP MARINE AGENCY Co., Ltd. on October, 2015; the price refers and agreed by the net equity of WK technology fund Co., Ltd.

(2) Balance of receivables from related parties on balance sheet date

as follows:

	December 31, 2016	December 31, 2015
Notes receivables		
Other related parties	$ 2,815	$ 199
Receivables		
Subsidiary	$ 21,725	$ 37,926
Othere receivables（loan to the related party is not included）		
Subsidiary	$ 96	$ 542
Other related parties	215	16
	$ 311	$ 558

The receivables from related parties don't mention bad debts expenses in 2015 and 2016.

(3) Balance of payables from related parties on balance sheet date as follows:

	December 31, 2016	December 31, 2015
Notes payable		
Subsidiary	$ 13,830	$ 5,711
Other related parties	91,186	-
	$105,016	$ 5,711
Accounts payable		
Subsidiary	$ -	$ 51,689
Other related parties	90,433	9,703
	$ 90,433	$ 61,392
Other accounts payable		
Subsidiary	$ 746	$ 142
Other related parties	1,467	1,448
	$ 2,213	$ 1,590

(4) Accounts collected in advance on balance sheet date as follows:

	December 31, 2016	December 31, 2015
Subsidiary	$ 9,389	$ 9,184

(5) Extending loans to related parties:

Type of Related Party	December 31, 2016	December 31, 2015
Other Receivables－Related Party		
Subsidiary	$317,331	$246,994

The relevant information of extending loans to related parties as follows:

Type of Related Party	2016	2015
Interest income		
Subsidiary	$ 6,149	$ 5,926

The Company extends loans to the subsidiaries; the interest rates in 2016 and 2015 are separately 1.988%~2.437% and 2.437%~2.666%.

(6) Key management personnel salaries

The remuneration of directors and other key management personnel as follow:

	2016	2015
Short term employees benefits	$ 35,757	$ 46,602
Benefits after retirement	413	696
	$ 36,170	$ 47,298

The remuneration of directors and other key management personnel will be decided by remuneration committee with personal performance and market trend.

28.Pledged Assets

The Company uses the pledged assets as collateral for long-term and short-term bank loans, short-term notes and bills payable, debt litigation and other credit accommodation:

	December 31, 2016	December 31, 2015
Notes receivables	$ 57,220	$ 78,966
Investment in bonds with reacquired （accounts in other current assets）	60,021	-
Restricted assets（accounts in other current assets and non-current assets）	364,957	230,334
Property, plant and equipment	988,870	1,506,438
Limestone mining right（accounts in other non-current assets）	-	18,783
	$ 1,471,068	$ 1,834,521

29. Material contingent liabilities and unrecognized contractual commitments.

The Company has entered into a contract for joint construction and separate sale with DAI SHEN development Co., Ltd; DAI SHEN development Co., Ltd. Provides 154 land areas, such as Anle Dist., Keelung City 204, Taiwan, and the Company provides costs of funds, technology, land consolidation engineering and the permit. After construction with the contract, the house will be sold by the Company, and the relevant land will be sold by DAI SHEN development Co., Ltd. Two parties should sign the contract with the buyer, and each party should also charge the price of sale. The Company provided performance bond of joint construction 159,000,000 to DAI SHEN development Co., Ltd., and the above performance bond from paid by the Company is paid as borrowing for DAI SHEN development Co., Ltd. which is an agreement between two parties; DAI SHEN development Co., Ltd. should return it without interest in accordance with the agreed requirement. As the end of December 31, 2016, the case of joint construction was still in the phrase of land preparation, and has not obtained the building permit.

30. Foreign currency asset and liability with huge impact

The following information is expressed in accordance with the total currency without functional currency of the Company; the disclosed exchange rate refers to the exchange rate of foreign currency to functional currency. There are foreign currency assets and liabilities without important impact as follow:

Unit: NTD1,000/Foreign currency 1,000

December 31, 2016

	Foreign Currency	Exchange rate	Book Amount
Financial assets			
Monetary item			
US$	$ 509	32.25 （USD$：NTD$）	$ 16,411
RMB$	1,474	4.601 （RMB$：NTD$）	6,784
Financial liabilities			
Monetary item			
US$	1,965	32.25 （USD$：NTD$）	63,357

December 31, 2015

	Foreign currency	Exchange rate	Book Amount
Financial assets			
Monetary item			
US$	$ 732	32.825 （USD$：NTD$）	$ 24,023
RMB$	1,443	4.978 （RMB$：NTD$）	7,182
Financial liabilities			
Monetary item			
US$	991	32.825 （USD$：NTD$）	32,525

Unrealized Gain(loss) on Foreign Exchange with the important impact as follow:

	2016		2015	
Foreign currency	Exchange rate	Unrealized foreign exchange losses, net	Exchange rate	Unrealized foreign exchange gains, net
US$	32.25 （US$／NT$）	($ 1,176)	32.825 （US$／NT$）	$ 800
RMB$	4.609 （RMB$／NT$）	(398)	4.978 （RMB$／NT$）	(175)
		($ 1,574)		$ 625

31. The Disclose of Notes

(1) Significant Transactions and (2) The Related Information of transferring to investment:

1). Loans of the Company funds: Table 1.

2). Making loans to and endorsements/guarantees for others: Table 2.

3). Holding of securities at the end of the period (excluded investment for subsidiaries): Table 3.

4). The amount of the cumulative purchase or sale of the same securities is up to 300 million NT dollars or 20% of paid-in capital: None.

5). The amount of obtaining real estate is up to 300 million NT dollars or 20% of paid-in capital: None.

6). The amount of deposing real estate is up to 300 million NT dollars or 20% of paid-in capital: None.

7). The amounts of purchase and sale with related parties are up to 100 million NT dollars or 20% of paid-in capital: Table 4.

8). The account receivables of related parties are up to 100 million NT dollars or 20% of paid-in capital: Table 5.

9). Derivatives Trading: None.

10). Information of the investee (excluded the investee in China): Table 6.

(3) Investment Information in China:

1). The name of the investee company in China, its principal areas of operation, its paid-in capital, the means of investment, inward and outward remittances of funds, the shareholding ratio, gains and losses on investments, and the limit on investment in the mainland area: Table .

2). Any of the following major transactions with an investee company in mainland China that occur directly or indirectly through a third region, and their prices, payment terms, and unrealized gains or losses: there is no major transactions and unrealized gains and losses between the parent company, subsidiaries and the investee company in mainland China.

A. The purchase amount and its percentage, and the end-of–period balances of related payables and receivables and its percentage: None.

B. The sales amount and its percentage, and the end-of-period balances of related receivables and its percentage: None.

C. Property transaction amounts and its gains and losses: None.

D. Endorsement of bills or end-up-period balance of providing collateral and its target: None.

E. Maximum financing balance, end-of-period balance, interest rate range, and total current-period interest: None.

F Other transactions having a material impact on current gains or losses or financial status, such as provision or receipt of labor services: None.

Lucky Cement Co., Ltd. and Subsidiaries

Loan made to others

January 1 to December 31, 2016

Schedule 1

Unit: NTD$1000

No.	Company of Lending Funds	Borrower	Relation Account	Mmaximum Balance in Current Period	Where is the related party	Balance, end of year (Note 4)	Amonut of real dealing	Interest rate collar（%）	Character on loan of funds（Note 1）	Amount between business	Necessary reasons for short term financial assets	Amount of allowance for uncollectible be submitted	Collateral		Limitation of loan of funds to individual party（Note 2）	Total limitation of loan of funds（Note 3）
													Name	Value		
0	LUCKY CEMENT CO.	Dasheng Development Co., Ltd	Receivable Accounts of Affiliated Enterprise – Financial accounts	$ 400,000	Yes	$ 390,000	$ 316,800	1.988~2.437	(2)	$ -	Operating Turnover	$ -	–	–	$ 477,170	$1,908,678
1	Fortune Ready-Mixed Concrete Plant Co., Ltd	Dasheng Development Co., Ltd	Receivable Accounts of Affiliated Enterprise – Financial accounts	40,000	Yes	40,000	40,000	2.05~2.15	(2)	-	Operating Turnover	-	–	–	66,185	132,370

Note 1： The expressions for nature of fund loan is as follows:

(1) Party with business.

(2) Party with short-term financing need.

Note 2： The subject whom Lucky Cement Co., Ltd. made loans is the shareholder of 50% above of subsidiary shall be kept less than 10% of end-of-year net value; the subject whom a loan was made is a shareholder of more than 20%, yet less than 50% shall be kept less than 5% of end-of-year net value; the rest shall be subject to 2% of end-of-year net value; Hsinfu pre-mixed company shall be subject to 20% of end-of-year net value.

Note 3： It is subject to 40% of end-of-year net value of companies making loans.

Note 4： It refers to the line of loan approved by the Board of Directors.

Lucky Cement Co., Ltd. and Subsidiaries

Endorsement for Others

January 1 to December 31, 2016

Schedule 2

Unit: NTD$1,000, unless otherwise noted

No.	Company Name of endorser	The party for enforcement and guarantee		Limitation amount of enforcement and guarantee for single enterprise（Note 1）	Maximun balance of enforcement and guarantee in current period	Balance of enforcement and guarantee, end of year	Amonut of real dealing	Amount of enforcement and guarantee by property guarantee	Ratio of accumulated amount of enforcement and guarantee to net value of financial statement of lastest period（%）	Maximun limitation on enforcement and guarantee（Note 2）	Enforcement and guarantee belong to parent vs. subsidiary company	Enforcement and guarantee belong to subsidiary vs. parent company	Enforcement and guarantee belong to Mainland China	Remark
		Company Name	Relationship											
0	LUCKY Cement Co.,	Dasheng Development Co., Ltd.	Subsidiary	$ 1,908,678	$ 1,190,000	$ 370,000	$ 370,000	$ 370,000（Note 3）	7.8%	$ 2,385,848	Y	-	-	
		Fortune Ready-Mixed Concrete Plant Co., Ltd.	Subsidiary	1,908,678	100,000	70,000	-	-	1.48%	2,385,848	Y	-	-	
		Hsing Fu Navigation Co., Ltd	Subsidiary	1,908,678	45,000	45,000	34,038	-	0.95%	2,385,848	Y	-	-	
		Japan Lucky Cement Co., Ltd	Subsidiary	1,908,678	50,175 (US$1,500 thousand)	32,250 (US$1,000 thousand)	4,961 (US$154 thousand)	32,250（Note 4）	0.68%	2,385,848	Y	-	-	
	LUCKY Cement Co.,	Dasheng Development Co., Ltd.	Subsidiary	$ 1,908,678	$ 1,190,000	$ 370,000	$ 370,000	$ 370,000（Note 3）	7.8%	$ 2,385,848	Y	-	-	

Note 1：The upper limit that Lucky Cement Co., Ltd. endorses for single company shall not go beyond 10% of the net value, except for limit of 40% accounting for the net value of subsidiary.

Note 2：The gross line of endorsement approved by the Meeting of Shareholder shall be subject to 50% of the net value.

Note 3：Other finance asset – restricted asset, NTD$ 210,000,000 and Repo, NTD$ 60,021, 000 are provided as collaterals.

Note 4：Other finance asset – restricted asset, USD300,000 is provided as collateral.

Lucky Cement Co., Ltd. and Subsidiaries

Situation of Holding Security at end of year

December 31, 2016

Schedule 3 Unit: NTD$1,000

Company of Hold	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of Year				Remark
				Number of Shares ／Number of Units	Book Amount	Shareholding ratio（%）	Fair Value （Note 1）	
LUCKY Cement Co.,	Common Stock on Unlisted (OTC) Companies							
	CANDO Corporation	－	Financial Assets Carried at Cost－Noncurrent	398,889	$ -	0.1	$ -	Note 2
	Abundant Ltd. Company of Mining Industry of the Honour	－	Financial Assets Carried at Cost－Noncurrent	1,071,428	12,094	10.58	14,184	
	Global Securities Finance Corporation	－	Financial Assets Carried at Cost－Noncurrent	700,837	5,433	0.18	7,625	
	WK Technology Fund Ltd. Company	－	Financial Assets Carried at Cost－Noncurrent	2,890,000	17,000	2.22	16,068	
	Common Stock on Listed (OTC) Companies							
	Medigen Biotech Co., Ltd.	－	Available-for-Sale Financial Assets － Current	28,628	2,270	-	2,270	
	United Microelectronics Co., Ltd.	－	Available-for-Sale Financial Assets － Current	72,351	825	-	825	
	Winbond Electronics Co., Ltd.	－	Available-for-Sale Financial Assets － Current	119,500	1,191	-	1,191	
	First Financial Holding Co., Ltd.	－	Available-for-Sale Financial Assets － Current	858	15	-	15	
	Capital Securities Co., Ltd.	－	Available-for-Sale Financial Assets － Current	818	8	-	8	
	Hua Nan Financial Holding Co., Ltd.	－	Available-for-Sale Financial Assets － Current	367	6	-	6	
	China Development Financial Holding Co., Ltd.	－	Available-for-Sale Financial Assets － Current	13,496	109	-	109	
	Taiwan Cement Co., Ltd	－	Available-for-Sale Financial Assets － Current	400,000	14,060	-	14,060	

	Asia Cement Co., Ltd	—	Available-for-Sale Financial Assets — Current	500,000	13,175	-	13,175	
	Fund Beneficiary Certificate							
	Yuanta Global REITs Fund (A)	—	Available-for-Sale Financial Assets — Current	100,000	914	-	914	
	Franklin Templeton Investment Funds-Franklin U.S. Government Fund Class A	—	Available-for-Sale Financial Assets — Current	10,797	3,207	-	3,207	
	Eastspring Investments-US High Investment Grade Bond Fund Adm-USD	—	Available-for-Sale Financial Assets — Current	3,598	1,612	-	1,612	
	Old Mutual Tot Ret USD Bd A USD Acc	—	Available-for-Sale Financial Assets — Current	2,602	1,635	-	1,635	
	Investment in Bonds with Reacquired							
	Land Bank of Taiwan 10	—	Other Financial Assets — Current	-	30,000	-	30,000	Has been used as the collateral of enforcement and guarantee for the Dasheng Development Co., Ltd.
	Central Government Bond A1-2	—	Other Financial Assets — Current	-	30,021	-	30,021	Has been used as the collateral of enforcement and guarantee for the Dasheng Development Co., Ltd.

（To be continued）

(Continued)

Company of Hold	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of Year				Remark
				Number of Shares /Number of Units	Book Amount	Shareholding ratio (%)	Fair Value (Note 1)	
Hsing Fu Navigation Co., Ltd	Common Stock on Unlisted (OTC) Companies							
	Jung Feng Mining CO., LTD	—	Financial Assets Carried at Cost－Noncurrent	35,129	$ 1,239	0.35	$ 469	
	Common Stock on OTC Companies							
	Medigen Biotech Co., LTD	—	Available For Sale Financial Assets－Current	242	19	-	19	
Just Bright Ltd.	Common Stock on Listed Companies							
	Global Lighting Technologies Inc.	—	Available-for-Sale Financial Assets — Current	991,908	69,037	-	69,037	
Fortune Ready-Mixed Concrete Plant Co., Ltd	Fund Beneficiary Certificate							
	Hua Nan Kirin Money Market Fund	—	Available-for-Sale Financial Assets — Current	440,966	5,232	-	5,232	
	UPAMC James Bond Money Market	—	Available-for-Sale Financial Assets — Current	1,210,311	20,041	-	20,041	
	Mega Diamond Money Market	—	Available-for-Sale Financial Assets — Current	2,421,953	30,077	-	30,077	
	First Bank Allianz Global Inv Trgt Multi Inc	—	Available-for-Sale Financial Assets — Current	50,000	494	-	494	
	TSG Phnom Penh Real Estate Development Fund	—	Available-for-Sale Financial Assets－Noncurrent	500	16,480	-	16,480	
	Securities－Bonds							
	Cathay Jen Ai I An Hsin EMC USD Fixed Dividend Bonds	—	Available-for-Sale Financial Assets — Current	-	5,978	-	5,978	

Note 1： Reference of fair value: If we refer to the price measured by cost, finance asset – non-current free-of-price in market and pursuant to the latest net equity; the book value of other bonds of finance asset as fair value; the availble-for-sale stock of finance asset is the closed price at end of 2016; its fund beneficiary certificate of available-for-sale finance asset is net fund price at the end of 2016; the security of available-for-sale finance asset-company bond is market price at the end of 2016.

Note 2：It has been accounted as loss of damage.

Note 3：Please refer to Schedule 6 and 7 for info regarding to subsidiary investment.

Lucky Cement Co., Ltd. and Subsidiaries

The Payment of Purchase/Sales with Related Parties Reaching NTD$100 Million or accounting for more than 20% of the paid-up Capital

January 1 to December 31, 2016

Schedule 4

Unit: NTD$1,000

Company of Accounts Receivable	Transaction Counterpart	Relationship	Transaction Status				Status and Reasons of Difference between Transaction Codition and General Transaction		Accounts, Notes Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Account for Purchase (Sale) Percentage to Total （%）	Credit Period	Unit Price	Credit Period	Balance	Accounts, Notes Receivable (Payable) Percentage to Total（%）	
LUCKY CEMENT CO.	Fortune Ready-Mixed Concrete Plant Co., Ltd	Subsidiary	Sale	($ 344,580)	(9.82)	About 90 Days	Equivalent	Equivalent	Accounts Receivable $ 21,725	4.01	
LUCKY CEMENT CO.	FuAn Mining CO., LTD	Other Related Parties	Purchase	225,509	15.99	About 90 Days	Equivalent	Equivalent	Notes Receivable (89,899) Accounts Receivable (84,099)	(20.85) (19.51)	

Lucky Cement Co., Ltd. and Subsidiaries

Payment to Related Parties Payables Reaching NTD$100 Million or accounting for more than 20% of the paid-up Capital

December 31, 2016

Schedule 5

Unit: NTD$1,000

Company of Accounts Receivable	Transaction Counterpart	Relationship	Balance of Accounts Receivable due from Related Parties	Turnover Rate	Accounts Receivable past-due from Related Parties		Balance of Accounts Receivable due from Related Parties, Receive Amount after end of year	Address Amount of Allowance for Bad Debts
					Amount	Disposal Method		
LUCKY CEMENT CO.	Dasheng Development Co., Ltd	Subsidiary	Financing Amounts $ 317,331	—	$ -	—	$ 531	$ -

Lucky Cement Co., Ltd. and Subsidiaries

Information regarding to the name of invested company and the area it is situated

January 1 to December 31, 2016

Schedule 6

Unit: NTD$1,000

Name of the investment company	Name of the Investee Company	Location	Main Businesses Item	Initial investment amount		Holding in end of year			Current (loss) Gain of Investee Company	Recognized Investment (Loss) Gain in Current Period（Note 1）	Remark
				Current Period, end of year	End of last year	Number of Shares	Ratio	Book Amount			
LUCKY CEMENT CO.	Dasheng Development Co., Ltd	14F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Real Estate for Sale and Rental	$ 1,877,473	$ 1,877,473	158,294,180	99.99	$ 2,304,465	($ 68,622)	($ 68,620)	
	Fortune Ready-Mixed Concrete Plant Co., Ltd	No.191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Manufacture of Ready-mix Concrete for Sale and Rental	99,998	99,998	21,999,868	99.99	330,924	36,638	36,638	
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Various Investment Accounts	1,566	1,566	50,000	100.00	69,095	10,879	10,879	
	Hsing Fu Navigation Co., Ltd	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping Agence	8,615	8,615	5,499,929	99.99	34,398	(12,447)	(12,446)	
	Japan Lucky Cement Co., Ltd	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement Products for Sale and Rental	84,959	84,959	200	100.00	26,976	3,782	3,782	
	Han Jen Harbour Company	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Public Works Construction and Investment	-	1,250	-	-	-	33	16	Note 3
	East Rui Opto Ltd. Company	12F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Manufacture and sale LED products	93,384	93,384	9,338,400	70.59	-	(8,730)	(6,162)	Note 2
Fortune Ready-Mixed Concrete Plant Co., Ltd	Fu Yu Development Co., Ltd	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Quarrying	7,500	7,500	750,000	75.00	25,664	9,190	6,892	
East Rui Opto Ltd. Company	ELUMINA HOLDING LIMITED	Beaufort House, P. O. Box 438, Road Town, Tortola, British Virgin Islands	Holding Company	45,563	45,563	1,282,000	100.00	345	(116)	(116)	

Note 1：It has been calucated pursuant to the Accountant’s reviewed financial statement.

Note 2：The book value aggregates to (minus) NTD$26,888,000 as of end of 2016, accounted as other current liability.

Note 3：The company has been lidquidated and dismissed by passing the resolution in the Meeting of Shareholder in June of 2016 and concluded liquidation in September of 2016.

Note 4：Please refer to Shcedule 7 for the information regarding to the invested company in China.

Lucky Cement Co., Ltd. and Subsidiaries

China Investment

January 1 to December 31, 2016

Schedule 7

Unit：NTD1,000, unless otherwise noted

Name of the investee company in Mainland China	Main businesses items	Paid-up capital	Method of investment （Note 1）	Accumulated investment amounts outward from Taiwan in current period, beginning of year（Note 4）	Investment amounts of outward or reacquired in current period		Accumulated investment amounts outward from Taiwan in current period, end of year	Current (loss) gain of investee company （Note 2）	Shareholding percentage of direct or indirect investment by the company	Recognized investment (loss) gain in current period （Note 2）	Book value in the end of investment（Note 2）	Outwarded investment revenue as of current period
					Outward	Reacquired						
East Rui（Xia Men）Ltd. Company	Manufacture and sale the prducts of LED	$ 80,631	(2)	$ 80,631	$ -	$ -	$ 80,631	($ 224)	70.59%	($ 158)	$ 268	$ -

Accumulated investment amounts outward from Taiwan to Mainland China in current period, end of year	Approved investment amounts by Investment Commission, Ministry of Economic Affairs	Investment limitation to Mainland China according to the regulation of nvestment Commission, Ministry of Economic Affairs （Note 3）
US$ 2,522 thousands	US$ 1,286 thousands	$4,771,695×60%=$2,863,017

Note 1： Investment mode has the following three kinds, wherein types are presented hereof:

(1) Direct investment in China.

(2) Invest in China companies through companies in the third area（investment company of the third area is ELUMINA HOLDING LIMITED）.

(3) Others.

Note 2： Calculation of financial statement with audit by Taiwan Headquarter’s Certified Accountant.

Note 3： Calculated by the limits set forth in the “China Investment or Technic Cooperation & Review Principle” issued by Investment & Review Committee, 97.8.29.

Note 4： The dismissal has passed in the Headquarter’s Board of Directors on August 11, 2015 and liquidation & dismissal process was remains pending as of December 31, 2016.