Lucky Cement Co. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2021 and 2020 and Independent Auditors' Review Report

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110016 台北市信義區松仁路 100 號 20 樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel : + 886 (2) 2725 - 9988
Fax: + 886 (2) 4051 - 6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Lucky Cement Co.

Introduction

We have reviewed the accompanying consolidated balance sheets of Lucky Cement Co. and its subsidiaries (collectively referred to as the "Group") as of June 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended June 30, 2021 and 2020, the related consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30, 2021 and 2020, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might by identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT$66,352 thousand and NT$80,988 thousand, respectively, both representing 1% of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$9,144 thousand and NT$8,948 thousand, respectively, both representing 0% of the consolidated total liabilities; for the three months and the six months ended June 30, 2021 and 2020, the amounts of combined comprehensive income of these subsidiaries were NT$526 thousand, NT$209 thousand, NT$276 thousand and NT$(2,262) thousand, respectively, representing 1%, 0%, 0% and (1%), respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of June 30, 2021 and 2020, its consolidated financial performance for the three months ended June 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chao-Mei Chen and Chiang-Hsun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 11, 2021

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

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash (Note 6)	$ 306,452	4	$ 320,535	4	$ 298,872	4
Financial assets at fair value through profit or loss - current (Note 7)	26,314	-	11,296	-	15,297	-
Financial assets at fair value through other comprehensive income - current (Note 8)	70,003	1	34,126	1	38,604	1
Financial assets at amortized cost - current (Notes 9 and 32)	77,995	1	75,655	1	77,301	1
Notes receivable (Notes 10 and 24)	416,999	5	573,958	7	442,994	6
Notes receivable from related parties (Notes 10, 24 and 31)	-	-	235	-	11,989	-
Accounts receivable (Notes 10 and 24)	476,254	6	492,996	6	538,088	7
Accounts receivable from related parties (Notes 10, 24 and 31)	7,291	-	5,764	-	8,624	-
Other receivables (Notes 10 and 31)	1,495	-	15,735	-	1,034	-
Current tax assets	-	-	-	-	17,522	-
Inventories (Notes 11 and 32)	3,451,394	43	3,545,586	44	3,491,003	46
Prepayments (Note 13)	203,027	3	160,658	2	184,370	3
Non-current assets held for sale (Note 14)	-	-	-	-	5,017	-
Other current assets (Note 15)	22,889	-	22,734	1	22,331	-
Total current assets	5,060,113	63	5,259,278	66	5,153,046	68
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	8,541	-	8,734	-	9,291	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	9,006	-	14,994	-	16,771	-
Financial assets at amortized cost - non-current (Notes 9 and 32)	235,653	3	189,742	2	132,610	2
Property, plant and equipment (Notes 16 and 32)	2,247,606	28	2,223,887	28	1,639,440	22
Right-of-use assets (Note 17)	180,227	2	79,560	1	103,945	1
Deferred tax assets (Note 4)	121,417	2	120,156	2	120,549	2
Refundable deposits	18,899	-	20,580	-	20,634	-
Other non-current assets (Note 18)	144,516	2	110,376	1	366,633	5
Total non-current assets	2,965,865	37	2,768,029	34	2,409,873	32
TOTAL	$ 8,025,978	100	$ 8,027,307	100	$ 7,562,919	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 32)	$ 513,500	6	$ 320,000	4	$ 181,017	2
Short-term bills payable (Notes 19 and 32)	149,836	2	189,588	2	219,499	3
Contract liabilities (Note 24)	288,112	4	333,095	4	281,329	4
Notes payable (Note 20)	284,221	3	345,327	4	209,730	3
Notes payable to related parties (Notes 20 and 31)	14,143	-	39,596	1	41,054	1
Accounts payable (Note 20)	159,546	2	241,920	3	165,583	2
Accounts payable to related parties (Notes 20 and 31)	28,758	-	20,006	-	37,706	-
Other payables (Note 21)	455,279	6	208,340	3	212,149	3
Other payables to related parties (Note 31)	91,310	1	78,338	1	74,178	1
Current tax liabilities	43,501	1	46,463	1	15,220	-
Lease liabilities - current (Note 17)	53,589	1	37,081	-	47,231	1
Current portion of long-term borrowings (Notes 19 and 32)	468,000	6	290,000	4	300,000	4
Other current liabilities	1,595	-	1,508	-	1,650	-
Total current liabilities	2,551,390	32	2,151,262	27	1,786,346	24
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 32)	690,000	9	1,040,000	13	1,100,000	15
Deferred tax liabilities (Note 4)	18,014	-	20,663	-	19,290	-
Lease liabilities - non-current (Note 17)	127,351	2	43,161	1	58,986	1
Other payables to related parties (Note 31)	45,800	1	45,800	1	45,800	1
Net defined benefit liabilities (Note 4)	36,242	-	36,798	-	39,055	-
Guarantee deposits received	32,573	-	32,704	-	29,438	-
Total non-current liabilities	949,980	12	1,219,126	15	1,292,569	17
Total liabilities	3,501,370	44	3,370,388	42	3,078,915	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)						
Share capital						
Ordinary shares	4,047,380	50	4,047,380	50	4,047,380	53
Capital surplus	9	-	9	-	8	-
Retained earnings						
Legal reserve	210,524	3	170,899	2	170,899	2
Special reserve	14,135	-	14,135	-	14,135	-
Unappropriated earnings	244,167	3	419,967	6	252,141	4
Total retained earnings	468,826	6	605,001	8	437,175	6
Other equity	8,319	-	4,455	-	(636)	-
Total equity attributable to owners of the Company	4,524,534	56	4,656,845	58	4,483,927	59
NON-CONTROLLING INTERESTS	74	-	74	-	77	-
Total equity	4,524,608	56	4,656,919	58	4,484,004	59
TOTAL	$ 8,025,978	100	$ 8,027,307	100	$ 7,562,919	100

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

(With Deloitte & Touche auditors' review report dated August 11, 2021)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)								
Sales	$ 1,029,231	100	$ 1,122,678	100	$ 2,076,341	100	$ 2,227,927	100
Less: Discounts and allowances	(969)	-	(702)	-	(2,126)	-	(1,231)	-
Total operating revenue	1,028,262	100	1,121,976	100	2,074,215	100	2,226,696	100
OPERATING COSTS (Notes 11, 25 and 31)	882,510	86	911,603	81	1,788,957	86	1,833,466	82
GROSS PROFIT	145,752	14	210,373	19	285,258	14	393,230	18
OPERATING EXPENSES (Notes 25 and 31)								
Selling and marketing expenses	28,911	3	29,461	3	57,912	3	59,190	3
General and administrative expenses	32,378	3	32,605	3	61,392	3	67,949	3
Expected credit (gain) loss (Note 10)	(5,226)	(1)	(130)	-	(618)	-	7,602	-
Total operating expenses	56,063	5	61,936	6	118,686	6	134,741	6
OTHER OPERATING INCOME AND EXPENSES (Note 25)	11,945	1	-	-	12,077	-	80	-
PROFIT FROM OPERATIONS	101,634	10	148,437	13	178,649	8	258,569	12
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 31)								
Interest income	676	-	400	-	1,073	-	833	-
Rental income	2,280	-	1,940	-	4,552	-	4,263	-
Other income	8,419	1	1,494	-	9,013	1	5,195	-
Foreign exchange gain (loss)	122	-	(230)	-	693	-	(646)	-
Fair value changes of financial assets	(139)	-	(7)	-	(182)	-	(442)	-
Other losses	(2,441)	-	(2,091)	-	(4,194)	-	(4,481)	-
Interest expense	(7,495)	(1)	(7,851)	-	(15,338)	(1)	(16,903)	(1)
Total non-operating income and expenses	1,422	-	(6,345)	-	(4,383)	-	(12,181)	(1)
PROFIT BEFORE INCOME TAX	103,056	10	142,092	13	174,266	8	246,388	11
INCOME TAX EXPENSE (Notes 4 and 26)	(23,500)	(2)	(7,281)	(1)	(40,284)	(2)	(17,968)	(1)
NET PROFIT FOR THE PERIOD	79,556	8	134,811	12	133,982	6	228,420	10

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$ 11,451	1	$ 5,386	-	$ 19,186	1	$ (4,477)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation to the presentation currency	(499)	-	(337)	-	(2,168)	-	(84)	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	26	-	264	-	6	-	(81)	-
Other comprehensive income (loss), net of income tax	10,978	1	5,313	-	17,024	1	(4,642)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 90,534	9	$ 140,124	12	$ 151,006	7	$ 223,778	10
NET PROFIT ATTRIBUTABLE TO:								
Shareholders of the Company	$ 79,556	8	$ 134,811	12	$ 133,982	6	$ 228,420	10
Non-controlling interests	-	-	-	-	-	-	-	-
	$ 79,556	8	$ 134,811	12	$ 133,982	6	$ 228,420	10
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Shareholders of the Company	$ 90,534	9	$ 140,124	12	$ 151,006	7	$ 223,778	10
Non-controlling interests	-	-	-	-	-	-	-	-
	$ 90,534	9	$ 140,124	12	$ 151,006	7	$ 223,778	10
EARNINGS PER SHARE (Note 27)								
Basic	$ 0.20		$ 0.33		$ 0.33		$ 0.56	
Diluted	$ 0.20		$ 0.33		$ 0.33		$ 0.56	

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

(With Deloitte & Touche auditors' review report dated August 11, 2021) (Concluded)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Cash Dividend Per Share)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	$ 4,047,380	$ 8	$ 166,309	$ 17,256	$ 85,901	$ 7,450	$ (3,444)	$ 4,320,860	$ 77	$ 4,320,937
Appropriation of 2019 earnings										
Legal reserve	-	-	4,590	-	(4,590)	-	-	-	-	-
Cash dividend to shareholders - NT$0.15 per share	-	-	-	-	(60,711)	-	-	(60,711)	-	(60,711)
Special reserve	-	-	-	(3,121)	3,121	-	-	-	-	-
Net profit for the six months ended June 30, 2020	-	-	-	-	228,420	-	-	228,420	-	228,420
Other comprehensive loss for the six months ended June 30, 2020	-	-	-	-	-	(84)	(4,558)	(4,642)	-	(4,642)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	228,420	(84)	(4,558)	223,778	-	223,778
BALANCE AT JUNE 30, 2020	$ 4,047,380	$ 8	$ 170,899	$ 14,135	$ 252,141	$ 7,366	$ (8,002)	$ 4,483,927	$ 77	$ 4,484,004
BALANCE AT JANUARY 1, 2021	$ 4,047,380	$ 9	$ 170,899	$ 14,135	$ 419,967	$ 7,475	$ (3,020)	$ 4,656,845	$ 74	$ 4,656,919
Appropriation of 2020 earnings										
Legal reserve	-	-	39,625	-	(39,625)	-	-	-	-	-
Cash dividend to shareholders - NT$0.70 per share	-	-	-	-	(283,317)	-	-	(283,317)	-	(283,317)
Net profit for the six months ended June 30, 2021	-	-	-	-	133,982	-	-	133,982	-	133,982
Other comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	(2,168)	19,192	17,024	-	17,024
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	133,982	(2,168)	19,192	151,006	-	151,006
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 8 and 23)	-	-	-	-	13,160	-	(13,160)	-	-	-
BALANCE AT JUNE 30, 2021	$ 4,047,380	$ 9	$ 210,524	$ 14,135	$ 244,167	$ 5,307	$ 3,012	$ 4,524,534	$ 74	$ 4,524,608

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

(With Deloitte & Touche auditors' review report dated August 11, 2021)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 174,266	$ 246,388
Adjustments for:		
Depreciation expense	78,623	100,523
Amortization and depletion expense	7,464	6,260
Expected credit (reversed) loss recognized on trade receivables	(618)	7,602
Net loss on fair value changes of financial assets at fair value through profit or loss	182	442
Interest expense	15,338	16,903
Interest income	(1,073)	(833)
Dividend income	-	(1,595)
Gain on disposal of property, plant and equipment	(12,077)	(80)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(15,007)	130
Notes receivable	156,959	45,767
Notes receivable from related parties	235	(7,017)
Accounts receivable	17,360	(133,850)
Accounts receivable from related parties	(1,527)	(1,174)
Other receivables	(347)	183
Inventories	94,192	25,069
Prepayments	(42,369)	(19,564)
Other current assets	(155)	737
Other non-current assets	(6)	273
Contract liabilities	(44,983)	21,898
Notes payable	(61,106)	7,668
Notes payable to related parties	(17,453)	6,398
Accounts payable	(82,374)	41,452
Accounts payable to related parties	8,752	2,174
Other payables	(5,363)	9,193
Other payables to related parties	(7,039)	2,850
Other current liabilities	87	(866)
Net defined benefit liabilities	(556)	(1,073)
Cash generated from operations	261,405	375,858
Interest received	1,191	1,335
Interest paid	(15,216)	(17,291)
Income tax paid	(47,156)	(2,218)
Net cash generated from operating activities	200,224	357,684

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2021	**2020**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ (203,209)	$ (23,298)
Proceeds from sale of financial assets at fair value through other comprehensive income (Note 28)	199,988	21,393
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	5,202	5,125
Increase in financial assets at amortized cost	(48,251)	-
Decrease in financial assets at amortized cost	-	15,864
Acquisition of property, plant and equipment (Note 28)	(168,410)	(283,918)
Proceeds from disposal of property, plant and equipment (Note 28)	40,192	80
Decrease in refundable deposits	1,681	274
Decrease in other receivables	-	65,000
Increase in other non-current assets	(6,072)	(6,678)
Other dividends received (Note 28)	621	1,595
Net cash used in investing activities	(178,258)	(204,563)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	193,500	-
Decrease in short-term borrowings	-	(51,683)
Decrease in short-term bills payable	(40,000)	-
Repayments of long-term borrowings	(172,000)	(80,000)
Decrease in guarantee deposits received	(131)	(1,362)
Decrease in notes payable to related parties	(8,000)	-
Increase in other payables to related parties	20,000	70,000
Repayment of the principal portion of lease liabilities	(27,768)	(24,566)
Net cash used in financing activities	(34,399)	(87,611)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(1,650)	(64)
NET (DECREASE) INCREASE IN CASH	(14,083)	65,446
CASH AT THE BEGINNING OF THE PERIOD	320,535	233,426
CASH AT THE END OF THE PERIOD	$ 306,452	$ 298,872

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

(With Deloitte & Touche auditors' review report dated August 11, 2021) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Lucky Cement Co. (the “Company”) was established in 1974; its main business is production and sale of Portland cement. The Company listed its shares on the Taiwan Stock Exchange in June 1990.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 11, 2021.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

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

The Group is also engaged in construction and development of properties; its operating cycle is longer than 1 year. Its assets and liabilities related to the construction business are not classified as current or non-current under normal operating cycle but presented according to the order of their perceived liquidity to non-liquidity.

d. Basis of consolidation

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

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

Refer Note 12 and Note 36(6) for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group considers the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The same critical accounting judgments and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group consolidated financial statements for the year ended December 31, 2020.

6. CASH

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand and revolving funds	$ 1,338	$ 1,432	$ 1,836
Checking accounts and demand deposits	268,956	309,601	288,714
Foreign currency demand deposits	36,158	9,502	8,322
	$ 306,452	$ 320,535	$ 298,872

Market interest rate range for cash in banks at the end of the reporting period is as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Bank deposits	0.001%-0.08%	0.001%-0.08%	0.001%-0.08%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 26,314	$ 11,296	$ 15,297
Non-current			
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 8,541	$ 8,734	$ 9,291

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Investments in equity instruments	$ 64,221	$ 28,213	$ 32,634
Investments in debt instruments	5,782	5,913	5,970
	$ 70,003	$ 34,126	$ 38,604
Non-current			
Investments in equity instruments	$ 9,006	$ 14,994	$ 16,771

a. Investments in equity instruments at FVTOCI

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Domestic investments - ordinary shares	$ 64,221	$ 28,213	$ 32,634
Non-current			
Domestic investments - ordinary shares	$ 9,006	$ 14,994	$ 16,771

These investments in equity instruments are held for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

For the six months ended June 30, 2021, the Group sold its shares in order to manage credit concentration risk. The shares sold had a fair value of $187,172 thousand and its related unrealized valuation gain of $13,160 thousand was transferred from other equity to retained earnings.

The Group received a return of capital of $5,202 thousand when the invested company reduced capital for the six months ended June 30, 2021.

The Group received a return of capital of $5,125 thousand when the invested company reduced capital to pay dividends of $1,595 thousand for the six months ended June 30, 2020.

b. Investments in debt instruments at FVTOCI

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Bond investments	$ 5,782	$ 5,913	$ 5,970

The bonds held by the Group have a coupon rate of 3.375%.

For credit risk management of investment in debt instruments, the Group invests only in debt instruments with low credit risk after impairment assessments. The Group's current credit risk grading mechanism is as follows:

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECLs - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The Group assesses that the debtor's credit risk is low and that it has sufficient ability to pay off the contractual cash flows. As of June 30, 2021, December 31, 2020 and June 30, 2020, there was no expected credit loss for investment in debt instruments.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Time deposits with original maturities of more than 3 months	$ 7,145	$ 7,155	$ 6,801
Restricted assets	70,850	68,500	70,500
	$ 77,995	$ 75,655	$ 77,301
Non-current			
Restricted assets	$ 235,653	$ 189,742	$ 132,610

a. The interest rates of time deposits with original maturities of more than 3 months were approximately 2.15%, 2.35% and 1.60% per annum as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

b. The restricted assets - current are savings deposits and certificate of deposit that are provided as guarantees for bank loan; market interest rate was approximately 0.02%-0.56% per annum as of June 30, 2021, December 31, 2020 and June 30, 2020.

c. The restricted assets - non-current are certificate of deposit in the bank that is pledged as the security of mining right, which has market interest rates of approximately 0.07%-0.94%, 0.07%-0.82% and 0.40%-1.00% per annum as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

d. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES, OTHER RECEIVABLES AND OVERDUE RECEIVABLES

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable			
At amortized cost			
Gross carrying amount	$ 416,999	$ 573,958	$ 442,994
Notes receivable from related parties			
At amortized cost			
Gross carrying amount	$ -	$ 235	$ 11,989

(Continued)

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable - operating	$ 416,999	$ 574,193	$ 443,193
Notes receivable - non-operating	-	-	11,790
	$ 416,999	$ 574,193	$ 454,983
Trade receivables			
At amortized cost			
Gross carrying amount	$ 490,839	$ 508,199	$ 558,578
Less: Allowance for impairment loss	(14,585)	(15,203)	(20,490)
	$ 476,254	$ 492,996	$ 538,088
Trade receivables from related parties			
At amortized cost			
Gross carrying amount	$ 7,291	$ 5,764	$ 8,624
Other receivables			
Dividends receivable (Note 28)	$ -	$ 621	$ -
Sale of securities (Note 28)	-	12,816	-
Others	1,495	2,298	1,034
	$ 1,495	$ 15,735	$ 1,034
Overdue receivables			
Overdue	$ 28,743	$ 28,743	$ 31,816
Less: Allowance for impairment loss	(28,743)	(28,743)	(31,816)
	$ -	$ -	$ -

(Concluded)

a. Notes receivable

The average credit period of sales of goods was 90-150 days. No interest is charged on notes receivable. In order to minimize credit risk, the management of the Group has delegated a team for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group recognizes 100% allowance for impairment loss if notes receivable become overdue.

At the end of the reporting period, there were no overdue notes receivable for which the Group recognized allowance for impairment loss.

b. Trade receivables

The average credit period of sales of goods is 90-150 days. No interest is charged on trade receivables. In order to minimize credit risk, the management of the Group has delegated a team for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group applies the simplified approach under IFRS 9 to measure the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as the GDP forecasts and industry outlook. The Group's provision matrixes are prepared by reference to if the customer were in severe financial difficulty. The Group recorded a 100% of loss allowance when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; If the customer were not in severe financial difficulty, as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

June 30, 2021

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.19%	4.90%	7.85%	14.32%-58.86%	100%	100%	
Gross carrying amount	$ 440,674	$ 21,342	$ 6,355	$ 12,903	$ 2,611	$ 6,954	$ 490,839
Loss allowance (Lifetime ECLs)	(595)	(1,047)	(499)	(2,879)	(2,611)	(6,954)	(14,585)
Amortized cost	$ 440,079	$ 20,295	$ 5,856	$ 10,024	$ -	$ -	$ 476,254

December 31, 2020

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.19%	4.90%	7.85%	14.32%-58.86%	100%	100%	
Gross carrying amount	$ 463,441	$ 14,118	$ 14,078	$ 5,186	$ 4,422	$ 6,954	$ 508,199
Loss allowance (Lifetime ECLs)	(727)	(692)	(1,106)	(1,302)	(4,422)	(6,954)	(15,203)
Amortized cost	$ 462,714	$ 13,426	$ 12,972	$ 3,884	$ -	$ -	$ 492,996

June 30, 2020

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.95%	2.77%	4.63%	9.95%-68.60%	100%	100%	
Gross carrying amount	$ 512,623	$ 19,677	$ 4,764	$ 6,862	$ 7,698	$ 6,954	$ 558,578
Loss allowance (Lifetime ECLs)	(3,714)	(544)	(221)	(1,359)	(7,698)	(6,954)	(20,490)
Amortized cost	$ 508,909	$ 19,133	$ 4,543	$ 5,503	$ -	$ -	$ 538,088

The movements of the loss allowance of trade receivables and overdue receivables were as follows:

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	$ 43,946	$ 44,704
Add: Net remeasurement of loss allowance	(618)	7,602
Balance at June 30	$ 43,328	$ 52,306

c. Other receivables

Other receivables mainly include proceeds from sales of securities and guarantee deposits. The Group adopted a policy of only dealing with high credit rating entities and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from its own historical trading records to rate its customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group considers the current financial condition of debtors to determine the expected credit losses for debt instrument investments. As June 30, 2021, December 31, and June 30, 2020, the expected credit loss rate of other receivables was 0%.

11. INVENTORIES

	June 30, 2021	December 31, 2020	June 30, 2020
Real estate under development and real estate to be developed	$ 3,156,091	$ 3,153,571	$ 3,137,522
Raw materials	123,581	234,118	181,439
Finished goods	87,434	87,339	99,650
Work in progress	42,042	29,975	34,095
Supplies and spare parts	36,425	32,633	27,713
Merchandise	5,821	7,950	10,584
	$ 3,451,394	$ 3,545,586	$ 3,491,003

The cost of inventories recognized as cost of goods sold for the three months and the six months ended June 30, 2021 and 2020, was $882,510 thousand, $911,603 thousand, $1,788,957 thousand and $1,833,466 thousand, respectively.

As of June 30, 2021, December 31, 2020 and June 30, 2020, the inventories expected to be recovered after more than 12 months were $3,156,091 thousand, $3,153,571 thousand and $3,137,522 thousand, respectively, which were real estate under development and real estate to be developed.

The inventories pledged as collateral for bank borrowings are set out in Note 32.

12. SUBSIDIARIES

The main entities included in the preparation of the consolidated financial statements are as follows:

			Percentage of Equity Held (%)			
Investor Company Name	**Subsidiary Name**	**Nature of Business**	**June 30, 2021**	**December 31, 2020**	**June 30, 2020**	**Explanation**
Lucky Cement Co.	Dasheng Enterprise Co., Ltd. (“Dasheng Enterprise”)	Sale and lease of national residences, commercial buildings, parking lots and industrial areas.	99.99	99.99	99.99	.
	Luckicon Ready-mixed Concrete Factory Co., Ltd. (“Luckicon Ready-mixed Co.”)	Production and sales of concrete.	100.00	100.00	99.99	a.
	Lucky Cement Corp., Japan (“Lucky Cement Japan”)	Buy and sell of cement.	100.00	100.00	100.00	
	Luckyship Marine Co., Ltd (“Luckyship Co.”)	Shipping agent.	99.99	99.99	99.99	
	Just Bright Ltd.	Investment business.	-	100.00	100.00	b.
Luckicon Ready-mixed Co.	Fuyu Development Co., Ltd.	Earth and stone.	100.00	100.00	100.00	

Notes:

a. Luckicon Ready-mixed Co. increased its capital by $250,000 thousand on August 15, 2020, and the Company acquired the residual interests for $2 thousand from non-controlling interests in September 2020. After the capital increase, the Company’s shareholding in Luckicon Ready-mixed Co. increased from 99.99% to 100%. Luckicon Ready-mixed Co. recognized the difference between the consideration and the adjusted carrying amount of non-controlling interests of $1 thousand under capital surplus.

b. The Company’s board of directors resolved in its meeting on December 27, 2019 to discontinue the operations of its subsidiary, Just Bright Ltd., and the cancellation was completed in May 2021.

As of June 30, 2021 and 2020, except for the Luckicon Ready-mixed Co. and Dasheng Enterprise, the financial statements of the rest of the non-significant subsidiaries which had been included in the consolidated financial statements were not reviewed. As of June 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were $66,352 thousand and $80,988 thousand, respectively, both representing 1% of the consolidated total assets; and combined total liabilities of these subsidiaries were $9,144 thousand and $8,948 thousand, respectively, both representing 0% of the consolidated total liabilities. For the three months and the six months ended June 30, 2021 and 2020, the amounts of combined comprehensive income of these subsidiaries were $526 thousand, $209 thousand, $276 thousand and $(2,262) thousand, respectively, representing 1%, 0%, 0% and (1%), respectively.

13. PREPAYMENTS

	June 30, 2021	December 31, 2020	June 30, 2020
Office supplies	$ 106,490	$ 106,920	$ 101,544
Prepaid expenses	86,668	44,745	75,181
Prepaid purchase materials	8,714	8,918	6,088
Other	1,155	75	1,557
	$ 203,027	$ 160,658	$ 184,370

14. NON-CURRENT ASSETS HELD FOR SALE

	June 30, 2021	December 31, 2020	June 30, 2020
Freehold land	$ -	$ -	$ 5,017

The Company proposed to dispose of the idle land at Puxin factory on March 24, 2020, and signed the contract with non-related parties on April 24, 2020. The proceeds from the contract totaled $21,618 thousand. The Company reclassified the idle land from property, plant and equipment to non-current assets held for sale. Since the net proceeds from the disposal were higher than the carrying amount of the related net assets, no impairment loss should be recognized. The Company completed the land transfer process in the fourth quarter of 2020.

15. OTHER CURRENT ASSETS

	June 30, 2021	December 31, 2020	June 30, 2020
Offset against business tax payable	$ 22,884	$ 22,733	$ 22,325
Others	5	1	6
Restricted assets	$ 22,889	$ 22,734	$ 22,331

16. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2021	$ 1,650,349	$ 2,290,846	$ 6,097,312	$ 1,196,322	$ 877,182	$ 517,173	$ 12,629,184
Additions	1,076	-	11,084	178	88,224	1,444	102,006
Disposals	-	-	-	-	(137,685)	-	(137,685)
Net exchange difference	-	(7,625)	(985)	-	(27)	(39)	(8,676)
Balance at June 30, 2021	1,651,425	2,283,221	6,107,411	1,196,500	827,694	518,578	12,584,829
Accumulated depreciation and impairment							
Balance at January 1, 2021	-	1,965,873	6,004,617	1,183,518	756,261	495,028	10,405,297
Depreciation expenses	-	21,478	7,622	2,049	15,396	4,279	50,824
Disposals	-	-	-	-	(110,740)	-	(110,740)
Net exchange difference	-	(7,269)	(826)	-	(26)	(37)	(8,158)
Balance at June 30, 2021	-	1,980,082	6,011,413	1,185,567	660,891	499,270	10,337,223
Carrying amounts at June 30, 2021	$ 1,651,425	$ 303,139	$ 95,998	$ 10,933	$ 166,803	$ 19,308	$ 2,247,606
Carrying amounts at December 31, 2020 and January 1, 2021	$ 1,650,349	$ 324,973	$ 92,695	$ 12,804	$ 120,921	$ 22,145	$ 2,223,887
Cost							
Balance at January 1, 2020	$ 1,084,102	$ 2,294,349	$ 6,107,551	$ 1,196,322	$ 858,385	$ 499,954	$ 12,040,663
Additions	-	-	1,021	-	5,562	965	7,548
Disposals	-	-	(157)	-	(3,603)	(170)	(3,930)
Reclassification	(5,017)	-	-	-	-	-	(5,017)
Net exchange difference	-	(284)	(37)	-	(1)	(1)	(323)
Balance at June 30, 2020	1,079,085	2,294,065	6,108,378	1,196,322	860,343	500,748	12,038,941

(Continued)

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Accumulated depreciation and impairment							
Balance at January 1, 2020	$ -	$ 1,913,451	$ 5,971,633	$ 1,178,305	$ 772,430	$ 493,038	$ 10,328,857
Depreciation expenses	-	29,842	24,069	2,977	16,377	1,612	74,877
Disposals	-	-	(157)	-	(3,603)	(170)	(3,930)
Net exchange difference	-	(270)	(31)	-	(1)	(1)	(303)
Balance at June 30, 2020	-	1,943,023	5,995,514	1,181,282	785,203	494,479	10,399,501
Carrying amounts at June 30, 2020	$ 1,079,085	$ 351,042	$ 112,864	$ 15,040	$ 75,140	$ 6,269	$ 1,639,440

(Concluded)

a. The above-mentioned property, plant and equipment were reclassified as non-current assets held for sale, please refer to Note 14 for the details.

b. A part of the Group's land use rights reserved for use by the aborigines and for agriculture is temporarily registered in the name of a third person. The trustee had issued an affidavit and mortgaged the land to the Group.

c. The Group's property, plant and equipment are depreciated on a straight-line method over their estimated useful lives as follows:

Buildings	
Main building of plant	35-55 years
Electrical power equipment	10-15 years
Engineering system	3-5 years
Machinery and equipment	2-10 years
Electrical equipment	5-15 years
Transportation equipment	3-10 years
Office equipment	3-10 years

d. There were no impairment losses of assets for the six months ended June 30, 2021 and 2020 since the Group did not perform an impairment test.

e. Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 32.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amounts			
Land	$ 18,009	$ 21,060	$ 27,842
Buildings	161,318	58,341	74,993
Transportation equipment	900	159	1,110
	$ 180,227	$ 79,560	$ 103,945

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Additions to right-of-use assets	$ 69,556	$ -	$ 128,466	$ -
Depreciation charge for right-of-use assets				
Land	$ 2,767	$ 4,003	$ 5,532	$ 8,005
Buildings	10,935	8,345	21,871	16,691
Transportation equipment	143	475	396	950
	$ 13,845	$ 12,823	$ 27,799	$ 25,646

Except for the aforementioned recognized addition and depreciation, the Group did not have any significant subleases or impairment of right-of-use assets during the six months ended June 30, 2021 and 2020.

b. Lease liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amounts			
Current	$ 53,589	$ 37,081	$ 47,231
Non-current	$ 127,351	$ 43,161	$ 58,986

Range of discount rate for lease liabilities was as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Land	1.55%-1.68%	1.55%-1.68%	1.55%
Buildings	1.55%-1.60%	1.55%	1.55%
Transportation equipment	1.60%	1.55%	1.55%

c. Material lease-in activities and terms

The Group leases land and buildings for the use of offices and operation with lease terms of 3 to 6 years.
The Group leases transportation equipment for the use of operation with lease terms of 2 years.
The Group does not have bargain purchase options to acquire the above lease subjects at the end of the lease terms.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Expenses relating to short-term leases	$ 1,172	$ 405	$ 1,785	$ 810
Expenses relating to low-value asset leases	187	75	357	152
Interest on lease liabilities	438	402	926	850
Principal portion of lease liabilities	13,570	12,276	27,768	24,566
Total cash outflow for leases	$ 15,367	$ 13,158	$ 30,836	$ 26,378

The Group's leases of certain buildings qualify as short-term leases and leases of certain equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

18. OTHER NON-CURRENT ASSETS

	June 30, 2021	December 31, 2020	June 30, 2020
Prepayments for equipment	$ 69,992	$ 34,466	$ 276,370
Long-term prepaid expenses	55,335	56,723	71,167
Net limestone mining rights	18,770	18,774	18,778
Net defined benefit assets (Note 4)	419	413	318
	$ 144,516	$ 110,376	$ 366,633

19. BORROWINGS

a. Short-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
Secured borrowings (Note 32)			
Bank loans	$ 413,500	$ 105,000	$ 181,017
Unsecured borrowings			
Line of credit borrowings	100,000	215,000	-
	$ 513,500	$ 320,000	$ 181,017

The interest rates of the bank loans were as follows:

	June 30, 2021	**December 31, 2020**	**June 30, 2020**
Secured borrowings	1.20%-1.69%	1.39%-1.59%	1.18%-1.64%
Unsecured borrowings	1.25%	1.25%-1.70%	-

b. Short-term bills payable

	June 30, 2021	**December 31, 2020**	**June 30, 2020**
Commercial paper	$ 150,000	$ 190,000	$ 220,000
Less: Unamortized discounts on bills payable	(164)	(412)	(501)
	$ 149,836	$ 189,588	$ 219,499

June 30, 2021

Guarantee/Promissory Institution	**Par Value**	**Discounted Amount**	**Carrying Amount**	**Interest Rate**
Commercial paper				
Ta Ching Bills Finance Corporation	$ 50,000	$ 20	$ 49,980	1.10%
Grand Bills Finance Corporation	100,000	144	99,856	1.10%-1.19%
	$ 150,000	$ 164	$ 149,836	

December 31, 2020

Guarantee/Promissory Institution	**Par Value**	**Discounted Amount**	**Carrying Amount**	**Interest Rate**
Commercial paper				
Ta Ching Bills Finance Corporation	$ 110,000	$ 251	$ 109,749	1.10%-1.65%
Grand Bills Finance Corporation	80,000	161	79,839	1.28%-1.70%
	$ 190,000	$ 412	$ 189,588	

June 30, 2020

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 110,000	$ 284	$ 109,716	1.36%-1.70%
Grand Bills Finance Corporation	110,000	217	109,783	1.30%-1.70%
	$ 220,000	$ 501	$ 219,499	

The above refer to commercial promissory notes guaranteed by banks, and the term of each note does not exceed 180 days.

For information on assets pledged as collateral of the short-term bills payable, refer to Note 32.

c. Long-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
Secured borrowings (Note 32)			
Bank loans	$ 878,000	$ 1,050,000	$ 1,250,000
Unsecured borrowings			
Loans from bank	280,000	280,000	150,000
Less: Current portion	(468,000)	(290,000)	(300,000)
Long-term borrowings	$ 690,000	$ 1,040,000	$ 1,100,000

	Method of Repayment	June 30, 2021	December 31, 2020	June 30, 2020
Secured borrowings				
Taiwan Cooperative Bank	The loan period is from April 12, 2018 to April 12, 2023, with grace period of 2 years. The loan principal is payable over 11 quarters (ending January, April, July, October) with $40 million each quarter. The repayment started in July 2020.	$ 200,000	$ 300,000	$ 500,000
Bank of Taiwan	The loan period is from November 12, 2019 to November 12, 2022. Repayment schedule for the principal is $40 million in February 2020 and the balance payable in 6 quarters (ending February, May, August, November) with $32 million each quarter and the remaining $18 million payable on maturity date.	178,000	250,000	250,000
O-Bank	The loan period is from November 21, 2017 to November 21, 2022; the principal will be repaid one time on maturity date.	250,000	250,000	250,000

(Continued)

	Method of Repayment	June 30, 2021	December 31, 2020	June 30, 2020
O-Bank	The loan period is from December 28, 2017 to December 28, 2022; the principal will be repaid one time on maturity date.	$ 250,000	$ 250,000	$ 250,000
Unsecured borrowings				
The Export-Import Bank of the Republic of China	The loan period is from December 7, 2020 to January 7, 2022; the principal will be repaid one time on maturity date.	50,000	50,000	-
The Export-Import Bank of the Republic of China	The loan period is from December 14, 2020 to January 14, 2022; the principal will be repaid one time on maturity date.	50,000	50,000	-
The Export-Import Bank of the Republic of China	The loan period is from June 14, 2019 to July 14, 2020; the principal was paid one time on maturity date.	-	-	70,000
O-Bank	The original loan period was from April 23, 2018 to April 23, 2020; the principal was due on the maturity date. New borrowing contract with loan period from March 23, 2020 to March 23, 2022 was signed for repayment of previous debt.	80,000	80,000	80,000
KGI Bank	Revolving loan; credit period is from September 7, 2020 to September 7, 2022.	50,000	50,000	-
KGI Bank	Revolving loan; credit period is from September 7, 2020 to September 7, 2022.	50,000	50,000	-
		1,158,000	1,330,000	1,400,000
Less: Current portion		(468,000)	(290,000)	(300,000)
Long-term borrowings		$ 690,000	$ 1,040,000	$ 1,100,000

(Concluded)

The annual interest rates of long-term borrowings were 1.24%-1.72%, 1.24%-1.72% and 1.55%-1.72% as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

20. NOTES PAYABLE AND TRADE PAYABLES

	June 30, 2021	December 31, 2020	June 30, 2020
Notes payable			
From operating activities			
Non-related parties	$ 284,221	$ 345,327	$ 197,940
Related parties	$ 14,143	$ 39,596	$ 41,054
From non-operating activities			
Non-related parties	$ -	$ -	$ 11,790
Trade payables			
From operating activities			
Non-related parties	$ 159,546	$ 241,920	$ 165,583
Related parties	$ 28,758	$ 20,006	$ 37,706

The average credit period for purchases is 3 months. The Group's financial risk management policies ensure that all payables are repaid within the pre-agreed credit period.

21. OTHER PAYABLES

	June 30, 2021	December 31, 2020	June 30, 2020
Payables for dividends	$ 283,317	$ -	$ 60,711
Payables for salaries and bonuses	84,521	87,318	62,789
Payables for taxes	33,744	34,498	33,498
Payable for utilities expense	20,527	18,285	20,845
Payables for purchases of equipment	-	30,878	-
Others	33,170	37,361	34,306
	$ 455,279	$ 208,340	$ 212,149

22. RETIREMENT BENEFIT PLANS

The pension expenses of defined benefit plan were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2020 and 2019. An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Operating costs	$ 242	$ 306	$ 489	$ 719
Selling and marketing expenses	27	23	65	89
General and administrative expenses	28	14	78	113
	$ 297	$ 343	$ 632	$ 921

23. EQUITY

a. Share capital

<u>Ordinary shares</u>

	June 30, 2021	December 31, 2020	June 30, 2020
Number of shares authorized (in thousands)	498,646	498,646	498,646
Shares authorized	$ 4,986,460	$ 4,986,460	$ 4,986,460
Number of shares issued and fully paid (in thousands)	404,738	404,738	404,738
Shares issued	$ 4,047,380	$ 4,047,380	$ 4,047,380

A holder of issued ordinary share with a par value of $10 is entitled to exercise shareholders' voting rights and to receive distributed dividends.

b. Capital surplus

	June 30, 2021	December 31, 2020	June 30, 2020
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*</u>			
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition (Note 12)	$ 1	$ 1	$ -
<u>May be used only to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries	8	8	8
	$ 9	$ 9	$ 8

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

c. Retained earnings and dividends policy

The Company passed an amendment to its articles of incorporation (the "Articles") on June 12, 2019, which stipulates that the Company shall consider distribution of earnings or appropriation of earnings to a reserve at the end of the first half of the fiscal year or at the end of the fiscal year. The business report and financial statements should be submitted to the audit committee for review, and to the board of directors for resolution.

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. However, these stipulations shall not apply when the legal reserve amount has reached the authorized capital. The Company should also follow Article 240 of the Company Act in the case of distribution of earnings in the form of shares; in the case of distribution of earnings in cash, the board of directors is authorized to resolve the distribution of cash dividends; the resolution should be adopted by a majority vote in the meeting of the board of directors attended by two-thirds of all the directors, and then reported to the shareholders' meeting.

According to the Articles, the Company should distribute earnings or appropriate earnings to a reserve based on the financial statements audited or reviewed by an independent accountant.

The Articles stipulate that in the allocation of annual earnings, the Group shall first appropriate 10% of earnings to legal reserve and then appropriate to special reserve amount to cover deduction items in the equity, payment of business tax and to make up for past annual loss. From the remaining amount after the above allocation plus 40%-80% of unappropriated earnings in the previous year, no distribution will be made if the amount is less than NT$0.1 per share but will be retained in the unappropriated earnings. The board of directors shall propose distribution of dividends and the shareholders in their meeting shall approve the proposal. Refer to Note 25 (8), employee benefits, for the revised policy on the compensation of employees and remuneration of directors.

The appropriation and distribution of earnings and capital surplus as cash dividend or share dividend shall be subject to the real profit and fund situation in the current year, with consideration of fund for investment and possible dilution of earnings per share. The allocation for share dividend shall be limited to 20% of the issued shares. In case there is deduction item in equity, the deduction item shall be first offset with earnings or capital surplus before making the appropriation and allocation. When equity deduction item is reversed, the reversed amount shall be allocated to capital surplus. The allocation of capital surplus shall be accounted in the current year and passed in the general meeting of shareholders in the next year.

The Company shall appropriate to or reverse from special reserve pursuant to the provisions as set forth in the Letter No. Jin-Kuang-Fa-Tzi No. 1010012865. When a deduction item in equity is reversed, the reversed amount may be allocated to capital surplus.

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

On November 11, 2020, the Company's board of directors adopted the results of operations for the first half of 2020 and decided not to distribute dividends.

The appropriations of earnings for 2020 and 2019 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2020	**2019**
Legal reserve	$ 39,625	$ 4,590
Special reserve	$ -	$ (3,121)
Cash dividends	$ 283,317	$ 60,711
Cash dividends per share (NT$)	$ 0.70	$ 0.15

The above appropriations of cash dividends had been resolved by the Company's board of directors on March 26, 2021 and March 24, 2020, respectively. The other proposed appropriations for 2019 had been resolved by the shareholders in their meeting on June 18, 2020. The Company suspends its originally scheduled shareholders' meeting in response to the FSC's announcement: "For pandemic prevention, the FSC demands public companies to postpone their shareholders' meetings". The shareholders' meeting was held on August 4, 2021, which resolved the other proposed appropriations for 2020.

d. Special reserve

	For the Six Months Ended June 30	
	2021	**2020**
Balance at January 1	$ 14,135	$ 17,256
Reversals:		
Reversal of the debits to other equity items	-	(3,121)
Balance at June 30	$ 14,135	$ 14,135

Upon initial application of IFRSs, the conversion adjustments of NT$14,135 thousand were transferred to retained earnings, and the same amount was appropriated to special reserve.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Six Months Ended June 30	
	2021	**2020**
Balance at January 1	$ 7,475	$ 7,450
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	(2,168)	(84)
Balance at June 30	$ 5,307	$ 7,366

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2021	**2020**
Balance at January 1	$ (3,020)	$ (3,444)
Recognized for the period		
Unrealized gain (loss) - debt instruments	6	(81)
Unrealized gain (loss) - equity instruments	19,186	(4,477)
Other comprehensive income (loss) recognized for the period	19,192	(4,558)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(13,160)	-
Balance at June 30	$ 3,012	$ (8,002)

24. REVENUE

a. Segmentation of customer's contract revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Cement	$ 486,781	$ 497,199	$ 975,896	$ 1,003,565
Cement products	323,921	419,601	721,837	823,789
Stone materials	118,885	74,779	185,090	145,310
Others	98,675	130,397	191,392	254,032
	$ 1,028,262	$ 1,121,976	$ 2,074,215	$ 2,226,696

b. Balance of assets and liabilities related to the sales contracts

	June 30, 2021	December 31, 2020	June 30, 2020	January 1, 2020
Notes receivable (Note 10)	$ 416,999	$ 573,958	$ 442,994	$ 488,761
Notes receivable from related parties (Note 10)	$ -	$ 235	$ 199	$ 4,972
Trade receivables (Note 10)	$ 476,254	$ 492,996	$ 538,088	$ 412,120
Trade receivables from related parties (Note 10)	$ 7,291	$ 5,764	$ 8,624	$ 7,450
Contract liabilities				
Cement sales	$ 288,112	$ 333,095	$ 281,329	$ 259,431

The changes in contract liabilities primarily resulted from the timing difference between the satisfaction of performance obligation and the customer's payment.

The amount of contract liability at the beginning of the period with performance obligation satisfied and revenue recognized in the current year was as follows:

	For the Six Months Ended June 30	
	2021	2020
Contract liabilities at the beginning of the period		
Cement sales	$ 333,095	$ 259,431

25. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Gain on disposal of property, plant and equipment	$ 11,945	$ -	$ 12,077	$ 80

b. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Bank deposits	$ 601	$ 322	$ 923	$ 676
Investments in debt instruments at FVTOCI	75	78	150	157
	$ 676	$ 400	$ 1,073	$ 833

c. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Dividends income	$ -	$ 38	$ -	$ 1,595
Others	8,419	1,456	9,013	3,600
	$ 8,419	$ 1,494	$ 9,013	$ 5,195

d. Other expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Depreciation of leased assets	$ 976	$ 1,371	$ 1,952	$ 2,863
Others	1,465	720	2,242	1,618
	$ 2,441	$ 2,091	$ 4,194	$ 4,481

e. Interest expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Bank loan/related party loans	$ 7,057	$ 7,449	$ 14,412	$ 16,053
Interest on lease liabilities	438	402	926	850
	$ 7,495	$ 7,851	$ 15,338	$ 16,903

f. Depreciation, amortization and depletion

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Property, plant and equipment	$ 24,662	$ 34,965	$ 50,824	$ 74,877
Right-of-use assets	13,845	12,823	27,799	25,646
Long-term prepaid expenses	3,846	3,217	7,460	6,259
Limestone mining rights	2	1	4	1
	$ 42,355	$ 51,006	$ 86,087	$ 106,783
An analysis of depreciation by function				
Operating costs	$ 26,652	$ 35,036	$ 54,728	$ 74,935
Operating expenses	10,879	11,381	21,943	22,725
Non-operating expenses	976	1,371	1,952	2,863
	$ 38,507	$ 47,788	$ 78,623	$ 100,523
An analysis of amortization by function				
Operating costs	$ 2,528	$ 1,510	$ 4,823	$ 2,613
Operating expenses	1,318	1,707	2,637	3,646
	$ 3,846	$ 3,217	$ 7,460	$ 6,259
An analysis of depletion by function				
Operating costs	$ 2	$ 1	$ 4	$ 1

g. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Post-employment benefits				
Defined contribution plan	$ 3,221	$ 3,277	$ 6,523	$ 6,496
Defined benefit plans (Note 22)	297	343	632	921
	3,518	3,620	7,155	7,417
Other employee benefits	98,050	104,500	192,571	206,416
Total employee benefits expense	$ 101,568	$ 108,120	$ 199,726	$ 213,833
An analysis of employee benefits expense by function				
Operating costs	$ 67,039	$ 72,048	$ 134,110	$ 141,179
Operating expenses	34,529	36,072	65,616	72,654
	$ 101,568	$ 108,120	$ 199,726	$ 213,833

h. Compensation of employees and remuneration of directors

The Company shall appropriate 3% and not less than 5% of the profit before tax and before deduction of compensation of employees and remuneration of directors in the current year. The compensation of employees and the remuneration of directors for the three months and the six months ended June 30, 2021 and 2020 are as follows:

Accrual rate

	For the Six Months Ended June 30	
	2021	**2020**
Compensation of employees	3%	3%
Remuneration of directors	5%	5%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Compensation of employees	$ 2,950	$ 4,329	$ 5,077	$ 7,581
Remuneration of directors	4,918	7,214	8,462	12,634

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

The appropriations of compensation of employees and remuneration of directors for 2020 and 2019 that were resolved by the board of directors on March 26, 2021 and March 24, 2020, respectively, are as shown below:

Amount

	For the Year Ended December 31	
	2020	**2019**
	Cash	**Cash**
Compensation of employees	$ 13,583	$ 1,542
Remuneration of directors	22,638	2,570

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

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

i. Gains or losses on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Foreign exchange gains	$ 333	$ 253	$ 1,080	$ 324
Foreign exchange losses	(211)	(483)	(387)	(970)
	$ 122	$ (230)	$ 693	$ (646)

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Current tax				
In respect of the current year	$ 21,288	$ 8,762	$ 38,928	$ 14,403
Income tax on unappropriated earnings	2,223	(347)	4,681	885
Adjustments for prior year	585	86	585	86
	24,096	8,501	44,194	15,374
Deferred tax				
In respect of the current year	(596)	(1,220)	(3,910)	2,594
Income tax expense recognized in profit or loss	$ 23,500	$ 7,281	$ 40,284	$ 17,968

b. Income tax assessments

The income tax returns through 2019 of Dasheng Enterprise Co., Fuyu Development Co. and Luckyship Marine Co. have been assessed by the tax authorities and there is no significant difference between the reported amounts and the assessed amounts.

The income tax returns through 2018 of the Company and Luckicon Ready-mixed Co. have been assessed by the tax authorities and there is no significant difference between the reported amounts and the assessed amounts.

27. EARNINGS PER SHARE

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

Net Profit

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Profit for the period attributable to owners of the Company	$ 79,556	$ 134,811	$ 133,982	$ 228,420
Earnings used in the computation of earnings per share	$ 79,556	$ 134,811	$ 133,982	$ 228,420

Earnings Per Share

(In Thousands of Shares)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	404,738	404,738	404,738	404,738
Effect of potentially dilutive ordinary shares				
Compensation of employees	371	783	865	907
Weighted average number of ordinary shares used in the computation of diluted earnings per share	405,109	405,521	405,603	405,645

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. CASH FLOW INFORMATION

a. Partial cash transactions

The following are the Group's non-cash investing activities which were not reflected in the consolidated statements of cash flows for the six months ended June 30, 2021 and 2020:

	For the Six Months Ended June 30	
	2021	2020
Partial cash generated from disposal of financial assets at FVTOCI		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 187,172	$ -
Changes in receivables from sale of securities (reported as other receivables)	12,816	21,393
Cash received	$ 199,988	$ 21,393
Partial cash payments for purchase of PP&E		
Acquisition of property, plant and equipment	$ 102,006	$ 7,548
Net changes in prepayments for equipment	35,526	276,370
Net changes in payables for purchase of equipment	30,878	-
Cash paid	$ 168,410	$ 283,918
Partial cash generated from disposal of PP&E		
Proceeds from disposal of property, plant and equipment	$ 39,022	$ 80
Net changes in receivables from sale of property, plant and equipment (reported as other receivables)	1,170	-
Cash received	$ 40,192	$ 80
Partial cash generated from dividends income		
Dividend income	$ -	$ 1,595
Net changes in dividends receivable (reported as other receivables)	621	-
Cash received	$ 621	$ 1,595

b. Changes in liabilities arising from financing activities

For the six months ended June 30, 2021

	Balance at January 1, 2021	Cash Flows	Non-cash Changes			Balance at June 30, 2021
			New Lease	Discount Amortization	Others	
Short-term borrowings	$ 320,000	$ 193,500	$ -	$ -	$ -	$ 513,500
Short-term bills payable	189,588	(40,000)	-	248	-	149,836
Long-term borrowings	1,330,000	(172,000)	-	-	-	1,158,000
Notes payable to related parties	39,596	(8,000)	-	-	(17,453)	14,143
Other payables to related parties	124,138	20,000	-	-	(7,028)	137,110
Guarantee deposits received	32,704	(131)	-	-	-	32,573
Lease liabilities	80,242	(27,768)	128,466	-	-	180,940
	$ 2,116,268	$ (34,399)	$ 128,466	$ 248	$ (24,481)	$ 2,186,102

For the six months ended June 30, 2020

	Balance at January 1, 2020	Cash Flows	Non-cash Changes Discount Amortization	Others	Balance at June 30, 2020
Short-term borrowings	$ 232,700	$ (51,683)	$ -	$ -	$ 181,017
Short-term bills payable	219,465	-	34	-	219,499
Long-term borrowings	1,480,000	(80,000)	-	-	1,400,000
Other payables to related parties	47,081	70,000	-	2,897	119,978
Guarantee deposits received	30,800	(1,362)	-	-	29,438
Lease liabilities	130,783	(24,566)	-	-	106,217
	$ 2,140,829	$ (87,611)	$ 34	$ 2,897	$ 2,056,149

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

There is no significant difference between the carrying amounts and fair values of the financial assets and financial liabilities which are not measured at fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 26,314	$ -	$ 8,541	$ 34,855
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 64,221	$ -	$ -	$ 64,221
Unlisted shares	-	-	9,006	9,006
Investments in debt instruments				
Corporate bonds	5,782	-	-	5,782
	$ 70,003	$ -	$ 9,006	$ 79,009

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 11,296	$ -	$ 8,734	$ 20,030
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 28,213	$ -	$ -	$ 28,213
Unlisted shares	-	-	14,994	14,994
Investments in debt instruments				
Corporate bonds	5,913	-	-	5,913
	$ 34,126	$ -	$ 14,994	$ 49,120

June 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 15,297	$ -	$ 9,291	$ 24,588
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 32,634	$ -	$ -	$ 32,634
Unlisted shares	-	-	16,771	16,771
Investments in debt instruments				
Corporate bonds	5,970	-	-	5,970
	$ 38,604	$ -	$ 16,771	$ 55,375

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

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30, 2021

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Mutual Funds	Equity Instruments	
Balance at January 1, 2021	$ 8,734	$ 14,994	$ 23,728
Return of shares after capital reduction	-	(5,202)	(5,202)
Recognized in profit or loss (included in loss on financial assets at FVTPL)	(193)	-	(193)
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	(786)	(786)
Balance at June 30, 2021	$ 8,541	$ 9,006	$ 17,547

For the six months ended June 30, 2020

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Mutual Funds	Equity Instruments	
Balance at January 1, 2020	$ 9,598	$ 19,733	$ 29,331
Purchases	-	4,371	4,371
Return of shares after capital reduction	-	(5,125)	(5,125)
Recognized in profit or loss (included in loss on financial assets at FVTPL)	(307)	-	(307)
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	(2,208)	(2,208)
Balance at June 30, 2020	$ 9,291	$ 16,771	$ 26,062

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of privately offered fund is based on the net asset value provided by the fund company.

The asset approach and comparable listed companies approach were used to calculate the fair values of investments in domestic unlisted equity instruments.

The comparable listed companies approach takes into account the transaction prices of shares of listed companies in an active market, the value multiplier implicit in the price, and the liquidity discount when evaluating the fair value of the target company.

The asset approach assesses the total market value of individual assets and individual liabilities of the valuation target and considers the reduction of non-controlling interests and a reduction in liquidity to reflect the overall value of the entity or business.

c. Categories of financial instruments

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 34,855	$ 20,030	$ 24,588
Financial assets at amortized cost (1)	1,541,038	1,695,200	1,532,146
Financial assets at FVTOCI			
Equity instruments	73,227	43,207	49,405
Debt instruments	5,782	5,913	5,970
Financial liabilities			
Amortized cost (2)	2,531,384	2,729,803	2,459,156

1) The balances include financial assets at amortized cost, which comprise cash, financial assets at amortized cost, notes receivable, trade receivables, other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables (excluding dividends, salaries, bonuses and taxes), long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk), credit risk and liquidity risk.

1) Market risk

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

The exposure to market risk of the financial instruments of the Group and the management and measurement of the exposure have not changed.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 35.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

The following table shows the sensitivity analysis of the Group when the exchange rate of the New Taiwan dollar to the relevant foreign currency increases and decreases by 5%. The 5% sensitivity rate is used for reporting currency risk to key management personnel of the Group; the management believes it is the reasonably acceptable range of fluctuation of foreign currency rate. The positive (negative) amounts on the table below indicate an increase (decrease) in pre-tax income and equity amount when the New Taiwan dollar weakens (strengthens) by 5% relative to the relevant currency.

	USD Impact		**RMB Impact**	
	For the Six Months Ended June 30		**For the Six Months Ended June 30**	
	2021	**2020**	**2021**	**2020**
Profit or loss	$ (2,097)	$ 2,903	$ (357)	$ (341)

The above analysis included cash in banks and financial assets at amortized cost denominated in USD and RMB which are outstanding at the end of the reporting period.

b) Interest rate risk

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

	June 30, 2021	**December 31, 2020**	**June 30, 2020**
Cash flow interest rate risk			
Financial assets	$ 582,428	$ 456,409	$ 425,900
Financial liabilities	1,911,336	1,917,588	1,800,516

Sensitivity analysis

The following sensitivity analysis shows the effect of a 25 basis points change in interest rates of non-derivative instruments at the balance sheet date. The 25 basis points sensitivity is used in internal reports to key management personnel; it represents the reasonably possible change in interest rates acceptable to the management.

Had interest rates increased/decreased by 25 basis points, the profit before tax for the six months ended June 30, 2021 and 2020 would have decreased/increased by $1,661 thousand and $1,718 thousand, respectively, with all other variables held constant; the non-derivative instruments include floating rate loan, demand deposit and restricted asset.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation could be equal to the total assets shown on the balance sheets.

The policy of the Group is to only trade with counterparties with high reputation, and to require sufficient guarantee to reduce the financial loss from default. The Group transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. The Group had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk table

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group is required to pay.

June 30, 2021

	Weighted-average Effective Interest Rate (%)	**On Demand or Less than 1 Month**	**1-3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
Non-interest bearing liabilities		$ 283,173	$ 245,716	$ 24,628	$ 4,131	$ 62,400
Lease liabilities	1.55-1.68	9,298	5,057	42,151	118,908	12,117
Variable interest rate liabilities	1.39	139,891	396,945	684,500	690,000	-
		$ 432,362	$ 647,718	$ 751,279	$ 813,039	$ 74,517

December 31, 2020

	Weighted-average Effective Interest Rate (%)	**On Demand or Less than 1 Month**	**1-3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
Non-interest bearing liabilities		$ 381,225	$ 347,293	$ 20,447	$ 750	$ 62,500
Lease liabilities	1.55-1.68	8,158	3,043	27,267	44,158	-
Variable interest rate liabilities	1.63	297,941	129,647	450,000	1,040,000	-
		$ 687,324	$ 479,983	$ 497,714	$ 1,084,908	$ 62,500

June 30, 2020

	Weighted-average Effective Interest Rate (%)	**On Demand or Less than 1 Month**	**1-3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
Non-interest bearing liabilities		$ 22,948	$ 362,139	$ 137,014	$ 3,992	$ 62,500
Lease liabilities	1.55	9,710	4,040	36,226	59,894	-
Variable interest rate liabilities	1.61	239,954	266,746	343,863	1,020,000	-
		$ 272,612	$ 632,925	$ 517,103	$ 1,083,886	$ 62,500

b) Financing facilities

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured facilities			
Amount used	$ 480,000	$ 556,543	$ 259,631
Amount unused	252,255	160,665	290,880
	$ 732,255	$ 717,208	$ 550,511
Secured facilities			
Amount used	$ 1,436,104	$ 1,345,000	$ 1,542,200
Amount unused	1,305,698	1,819,800	1,090,209
	$ 2,741,802	$ 3,164,800	$ 2,632,409

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related parties

Related Party Name	Related Party Category
Other related party	
Yung-Sheng Development Enterprise Co., Ltd. (“Yung-Sheng Development”)	The chairman is also the chairman of the Company
Liang-Chuan Cultural and Educational Foundation (“Liang-Chuan Foundation”)	The chairman is also the chairman of the Company
Lucky East Transportation Co., Ltd. (“Lucky East Transportation”)	The chairman is first-degree relative of the chairman of the Company
East Life Biotech Co., Ltd. (“East Life Biotech”)	The chairman is also the chairman of the Company
Jia Fu Entertainment Co., Ltd. (“Jia Fu Entertainment”)	The chairman is first-degree relative of the chairman of the Company
Wantong Property Insurance Brokers Co., Ltd. (“Wantong Property Insurance”)	The chairman is first-degree relative of the chairman of the Company
Lucky Construction Co., Ltd. (“Lucky Construction”)	The chairman is first-degree relative of the chairman of the Company
Kuochuan Development Co., Ltd. (“Kuochuan Development”)	The chairman is first-degree relative of the chairman of the Company
Changheng Investment Co. (“Changheng Investment”)	The company is major shareholder of the Company
Jinli Investment Co., Ltd. (“Jinli Investment”)	The company is major shareholder of the Company
Cheng Haibin	The person is third-degree relative of the chairman of the Company
Fuan Mining Co., Ltd. (“Fuan Mining”)	A manager in the company is spouse of a first-degree relative of the chairman of the Company
Main management	
Chen Yun-Ju	Executive deputy general manager

b. Business transactions

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2021	2020	2021	2020
Sales	Other related parties	$ 19,955	$ 23,159	$ 34,075	$ 42,887
Purchases of goods	Fuan Mining	$ 71,922	$ 81,993	$ 122,801	$ 153,251
	Other related parties	7,258	15,600	17,375	28,880
		$ 79,180	$ 97,593	$ 140,176	$ 182,131
Operating costs - transportation expenses	Other related parties	$ 3,082	$ 9,360	$ 11,690	$ 14,274
Operating costs - manufacturing expenses	Other related parties	$ -	$ -	$ 190	$ 152
Operating expense	Other related parties	$ 114	$ 22	$ 1,928	$ 1,486
Other income	Other related parties	$ -	$ -	$ 24	$ -

The prices of purchases and sales between the Group and related parties are negotiated separately, and the period of receipt and payment is comparable to that of non-related parties.

c. Receivables from related parties

Line Items	Related Party Category	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable	Chen Yun-Ju	$ -	$ -	$ 11,790
	Lucky East Transportation	-	235	199
		$ -	$ 235	$ 11,989
Trade receivables	Fuan Mining	$ 7,176	$ 4,651	$ 8,096
	Yung-Sheng Development	90	1,113	528
	Other related parties	25	-	-
		$ 7,291	$ 5,764	$ 8,624
Other receivables	Other related parties	$ 116	$ 313	$ 148

The outstanding trade receivables from related parties are unsecured. As of June 30, 2021, December 31, 2020 and June 30, 2020, no impairment losses were recognized for trade receivables from related parties.

d. Payables to related parties

Line Items	Related Party Category/Name	June 30, 2021	December 31, 2020	June 30, 2020
Notes payable (excluding loan from related parties)	Fuan Mining	$ 9,486	$ 23,763	$ 29,704
	Lucky East Transportation	4,657	7,828	11,350
	Other related parties	-	5	-
		$ 14,143	$ 31,596	$ 41,054
Trade payables	Fuan Mining	$ 26,038	$ 16,876	$ 29,070
	Lucky East Transportation	2,720	3,130	8,636
		$ 28,758	$ 20,006	$ 37,706
Other payables - current (excluding loan from related parties)	Lucky East Transportation	$ 1,144	$ 8,145	$ 4,131
	Other related parties	106	144	-
		$ 1,250	$ 8,289	$ 4,131

The outstanding trade payables to related parties are unsecured.

e. Loan from related parties

Line Items	Related Party Name	June 30, 2021	December 31, 2020	June 30, 2020
Notes payable	Fuan Mining	$ -	$ 8,000	$ -
Other payables - current	Fuan Mining	$ 90,060	$ 70,049	$ 70,047
Other payables - non-current	Cheng Haibin	$ 45,800	$ 45,800	$ 45,800

Interest expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Other related parties	$ 139	$ 95	$ 264	$ 95

The interest rate of other payables - current has no difference to the market interest rate. The other payables to related parties - non-current are interest-free loans from shareholders. The loans from the related parties are unsecured.

f. Lease arrangements

Lease arrangements - the Group is lessor under operating leases

Future lease payment receivables are as follows:

Related Party Category/Name	June 30, 2021	December 31, 2020	June 30, 2020
Lucky East Transportation	$ 7,480	$ 1,968	$ 2,274
Other related parties	360	144	66
	$ 7,840	$ 2,112	$ 2,340

Lease income was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Related Party Category/Name	2021	2020	2021	2020
Lucky East Transportation	$ 492	$ 568	$ 984	$ 1,137
Other related parties	36	33	72	66
	$ 528	$ 601	$ 1,056	$ 1,203

The rental amounts and collection methods are negotiated.

g. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Short-term employee benefits	$ 9,766	$ 12,830	$ 21,010	$ 24,179
Post-employment benefits	132	125	264	251
	$ 9,898	$ 12,955	$ 21,274	$ 24,430

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets of the Group are pledged as collateral for long-term and short-term bank loans, short-term bills payable, and other credit accommodation:

	June 30, 2021	December 31, 2020	June 30, 2020
Property under development (reported as inventories)	$ 3,096,189	$ 3,093,669	3,077,620
Property, plant and equipment	902,460	935,824	775,166
Restricted assets (reported as financial assets at amortized cost)	306,503	258,242	203,110
	$ 4,305,152	$ 4,287,735	$ 4,055,896

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

a. As of June 30, 2021, the Group signed a contract for purchase of machinery and equipment and transportation equipment; the unpaid amount is $332,419 thousand.

b. As of June 30, 2021, December 31, 2020 and June 30, 2020, unused letters of credit for purchases of raw materials amounted to approximately $94,604 thousand, $61,543 thousand and $814 thousand, respectively.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The stationary air pollution source installation permit of the Group’s major supplier of limestone and gravel, Fuan Mining, has expired. Although the application for transfer and extension was filed on February 1, 2021, it had not been granted by Hualien County Government. The mine is currently in the process of shutting down and the Group continues to communicate with the relevant authorities. The Group still has adequate supply of existing raw materials for several months and it also plans to outsource and purchase from the same industry to reduce the impact on cement production and sales. The Group expects that this event will not have a significant impact on the full-year revenue; however, its gross profit margin may slightly decrease.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

June 30, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,505	27.86 (USD:NTD)	$ 41,931
RMB	1,658	4.309 (RMB:NTD)	7,145
Non-monetary item			
USD	307	27.86 (USD:NTD)	8,541

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 231	28.48 (USD:NTD)	$ 6,588
RMB	1,641	4.377 (RMB:NTD)	7,181
Non-monetary item			
USD	307	28.48 (USD:NTD)	8,734

June 30, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 25	29.63 (USD:NTD)	$ 748
RMB	1,629	4.191 (RMB:NTD)	6,827
Non-monetary item			
USD	314	29.63 (USD:NTD)	9,291
Financial liabilities			
Monetary items			
USD	1,985	29.63 (USD:NTD)	58,817

Foreign exchange gains or losses (realized or unrealized) of the Group for the three months and in the six months ended June 30, 2021 and 2020 are respectively gains of $122 thousand and losses of $230 thousand, and gains of $693 thousand and losses of $646 thousand. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions (Table 7)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: None

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

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

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

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

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

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

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

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The reportable segments are as follows:

Cement segment: Producing and selling business for products related to cement.

Other segments: Other operations of non-cement business.

a. Segment revenue and operating results

The Group’s revenue and operating results analyzed by the operating segments were as follows:

	Income of Segments For the Six Months Ended June 30		Profit/Loss of Segments For the Six Months Ended June 30	
	2021	2020	2021	2020
Cement segment	$ 2,048,110	$ 2,203,712	$ 187,266	$ 278,331
Other segments	26,105	22,984	(8,617)	(19,762)
Total from operations	$ 2,074,215	$ 2,226,696	178,649	258,569
Interest income			1,073	833
Rental income			4,552	4,263
Other income			9,013	5,195
Foreign exchange gains (losses)			693	(646)
Fair value changes of financial assets			(182)	(442)
Other losses			(4,194)	(4,481)
Interest expense			(15,338)	(16,903)
Profit before income tax			$ 174,266	$ 246,388

The segment revenue reported above was all generated from transactions with external customers. There were no inter-segment sales for the six months ended June 30, 2021 and 2020.

The revenue of segments means the profits earned by each segment, excluding interest income which shall be apportioned, rent income, other income, foreign exchange gains (losses), fair value changes of financial assets, other losses and interest expense.

b. Total assets and liabilities of segments

	June 30, 2021	December 31, 2020	June 30, 2020
Segment assets			
Operating segment			
Cement segment	$ 4,770,801	$ 4,772,255	$ 4,316,504
Other segments	3,255,177	3,255,052	3,246,415
Total assets	$ 8,025,978	$ 8,027,307	$ 7,562,919
Segment liabilities			
Operating segment			
Cement segment	$ 2,853,728	$ 2,649,731	$ 2,337,047
Other segments	647,642	720,657	741,868
Total liabilities	$ 3,501,370	$ 3,370,388	$ 3,078,915

TABLE 1

LUCKY CEMENT CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Maximum Balance in Current Period	Related Party	Ending Balance (Note 4)	Actual Amount Borrowed (Note 5)	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	Lucky Cement Co.	Dasheng Enterprise	Other receivables from related parties	$ 200,000	Yes	$ 200,000	$ 141,000	1.6039	b.	$ -	Operating turnover	$ -	-	-	$ 452,453	$ 1,809,814
		Luckyship Co.	Other receivables from related parties	20,000	Yes	20,000	-	1.6039	b.	-	Operating turnover	-	-	-	452,453	1,809,814
						$ 220,000										

Note 1: The nature of financing is as follows:

a. Party with business.
b. Party with short-term financing need.

Note 2: Financing of Lucky Cement Co. to a more than 50% owned subsidiary should not be more than 10% of the net value of Lucky Cement Co. at end of year; For a subsidiary that is 20% to 50% owned, loan should not be more than 5% of the net value of Lucky Cement Co. at end of year; for less than 20% owned subsidiary, loan should not be more than 2% of the net value of Lucky Cement Co. at end of year.

Note 3: The limit is 40% of net value of the financing company at end of the year.

Note 4: The amount is approved by the board of directors.

Note 5: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

LUCKY CEMENT CO. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Lucky Cement Co.	Dasheng Enterprise	Subsidiary	$ 1,809,814	$ 620,000	$ 620,000	$ 500,000	$ 120,000 (Note 3)	13.70	$ 2,262,267	Y	-	-	
		Luckicon Ready-mixed Co.	Subsidiary	1,809,814	370,000	370,000	135,000	-	8.18	2,262,267	Y	-	-	
		Lucky Cement Japan	Subsidiary	1,809,814	13,580	12,605	-	-	0.28	2,262,267	Y	-	-	
						$ 1,002,605								

Note 1: The upper limit that Lucky Cement Co. endorses for single company shall not exceed 10% of the net value of Lucky Cement Co. and shall not exceed 40% of the net value of subsidiary.

Note 2: The endorsement approved in the meeting of shareholders shall not exceed 50% of the net value of Lucky Cement Co.

Note 3: The certificate of deposit of NT$60,000 thousand is provided as collateral which is recognized as financial asset at amortized cost - restricted asset.

LUCKY CEMENT CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Notes 1 and 2)	
Lucky Cement Co.	Mutual fund							
	FSITC Global Video Gaming & eSports Fund	-	Financial assets at FVTPL - current	500,000	$ 5,645	-	$ 5,645	
	O-Bank No. 1 Real Estate Investment Trust	-	〃	100,000	910	-	910	
	Cathay Global Autonomous and Electric Vehicles ETF	-	〃	1,000,000	14,990	0.11	14,990	
	Non-listed common stock							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,494,708	8,116	10.58	8,116	
	WK Technology Fund	-	〃	635,800	624	2.22	624	
	Listed common stock							
	Formosa Plastics Corporation	-	Financial assets at FVTOCI - current	250,000	25,750	-	25,750	
	Asia Cement Corporation	-	〃	165,000	8,366	-	8,366	
	U-Ming Marine Transport Corporation	-	〃	78,000	6,950	0.01	6,950	
	Far Eastern New Century Corporation	-	〃	200,000	6,400	-	6,400	
	Taiwan Cement Corporation	-	〃	105,148	5,362	-	5,362	
	Winbond Electronics Corp.	-	〃	130,181	4,537	-	4,537	
	United Microelectronics Corporation	-	〃	72,351	3,842	-	3,842	
	Medigen Biotechnology Corporation	-	〃	28,628	1,869	0.02	1,869	
	Sanitar Co., Ltd.	-	〃	24,000	924	0.03	924	
	China Development Financial	-	〃	13,496	177	-	177	
	First Financial Holding Co., Ltd.	-	〃	917	21	-	21	
	Capital Securities Corp.	-	〃	875	15	-	15	
	Hua Nan Financial Holdings Co., Ltd.	-	〃	446	8	-	8	
Luckyship Co.	Non-listed common stock							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	49,007	266	0.35	266	
Luckicon Ready-mixed Co.	Mutual fund							
	Mega Danish Covered Mortgage Bond Index Fund	-	Financial assets at FVTPL - current	500,000	4,769	-	4,769	
	TSG Phnom Penh Real Estate Development Fund	-	Financial assets at FVTPL - non-current	500	8,541	6.10	8,541	
	Corporate bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	-	Financial assets at FVTOCI - current	-	5,782	-	5,782	

(Continued)

Note 1: Financial assets at FVTPL: Fair value is based on the net asset value of funds on June 30, 2021.

Note 2: Financial assets at FVTOCI: Fair value of listed shares is based on their closing price on June 30, 2021. Fair value of corporate bond is based on market price on June 30, 2021. Fair value of non-listed shares is estimated by the fair value method.

Note 3: Please refer to Table 6 for information regarding subsidiaries.

(Concluded)

TABLE 4

LUCKY CEMENT CO. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total (Note 1)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
Lucky Cement Co.	Luckicon Ready-mixed Co.	Subsidiary	Sale	$ (204,552)	(13.84)	About 90 days	Quote	Quote	Accounts receivable $ 28,796 Notes receivable 74,753	5.00 12.98	Note 2
	Fuan Mining	Other related parties	Purchases of goods	122,801	22.31	About 90 days	Agreed	Quote	Accounts payable (26,038) Notes payable (9,486)	(7.99) (2.91)	

Note 1: The rate is calculated in accordance with individual financial statements of each company.

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

LUCKY CEMENT CO. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate (Note 1)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Lucky Cement Co.	Luckicon Ready-mixed Co.	Subsidiary	$ 103,549	5.48	$ -	-	$ 50,455	$ -

Note 1: The rate is calculated in accordance with individual financial statements of each company.

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

LUCKY CEMENT CO. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Address	Main Businesses and Products	Original Investment Amount (Note 3)		As of June 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2021	December 31, 2020	Number of Shares	Percentage of Ownership (%)	Carrying Value			
Lucky Cement Co.	Dasheng Enterprise	14F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Real estate sales and lease	$ 2,167,473	$ 2,167,473	157,295,283	99.99	$ 2,272,509	$ (8,167)	$ (8,167)	Note 1
	Luckicon Ready-mixed Co.	No. 191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Ready-mixed concrete manufacture and trades	350,000	350,000	47,000,000	100.00	689,976	49,997	50,016 (Note 5)	Note 1
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Investment business	-	-	-	-	-	-	-	Notes 2 and 4
	Lucky Cement Japan,	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement trading	82,300	82,300	6,800	100.00	22,444	(240)	(240)	Note 2
	Luckyship Co.	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping agent	88,615	88,615	8,499,994	99.99	35,437	540	540	Note 2
Luckicon Ready-mixed Co.	Fuyu Development	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Mine gravel	12,571	12,571	1,000,000	100.00	7,881	(844)	(844)	Note 1

Note 1: The amounts were calculated based on the reviewed financial statements.

Note 2: The amounts were calculated based on the financial statements that were not reviewed.

Note 3: The original investment amount shown is the amount prior to capital reduction to make up for the losses.

Note 4: The Company’s board of directors resolved in its meeting on December 27, 2019 to discontinue the operations of its subsidiary, Just Bright Ltd.; the cancellation was completed in May 2021.

Note 5: The difference is downstream transactions realized loss of $9 thousand and upstream transactions realized gain of $28 thousand.

Note 6: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

LUCKY CEMENT CO. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	%of Consolidated Net Revenue or Total Assets
0	Lucky Cement Co.	Luckicon Ready-mixed Co.	a.	Accounts receivable	$ 28,796	About 90 days	0.36
		〃	a.	Notes receivable	74,753	About 90 days	0.93
		〃	a.	Other receivables	139	About 90 days	-
		〃	a.	Contract liabilities	9,153	About 90 days	0.11
		〃	a.	Sales	204,552	About 90 days	9.86
		〃	a.	Rental income	762	30 days	0.04
		Fuyu Development Co., Ltd.	a.	Other receivables	5	About 90 days	-
		〃	a.	Other payables	111	About 90 days	-
		〃	a.	Notes payable	16	About 90 days	-
		〃	a.	Operating cost	528	About 90 days	0.03
		〃	a.	Rental income	4,032	30 days	0.19
		〃	a.	Other income	600	30 days	0.03
		Luckyship Co.	a.	Other receivables	7	About 90 days	-
		〃	a.	Notes payable	680	About 90 days	0.01
		〃	a.	Operating cost	7,109	About 90 days	0.34
		〃	a.	Interest income	78	30 days	-
		〃	a.	Rental income	138	30 days	0.01
		Dasheng Enterprise	a.	Refundable deposits	159,000	Returned upon completion according to the contract	1.98
		〃	a.	Other receivables	141,000	Financing, the repayment period is one year	1.76
		〃	a.	Other receivables - financing	187	About 90 days	-
		〃	a.	Rental income	45	30 days	-
		〃	a.	Interest income	707	30 days	0.03

Note 1: The flow of transactions is as follows:

a. From the parent to the subsidiary.
b. From the subsidiary to the parent.
c. From the subsidiary to the subsidiary.

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

TABLE 8

LUCKY CEMENT CO.

INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Changheng Investment Co.	52,631,034	13.00
East Life Biotech Co.	30,378,008	7.50
Jinli Investment Co.	25,230,451	6.23
RI KON Construction Co.	22,658,066	5.59
Yung-Sheng Development Enterprise Co.	22,514,509	5.56
Lucky Construction Co.	22,091,152	5.45

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.