Lucky Cement Corporation and Subsidiaries

Consolidated Financial Statements for the
Three Months Ended March 31, 2019 and 2018
and
Independent Accountants' Review Report

Notice to readers

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

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Independent Accountants' Review Report

The Board of Directors and Shareholders
Lucky Cement Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Lucky Cement Corporation and subsidiaries as of March 31, 2019 and 2018 and the related consolidated statement of comprehensive income, changes in equity, cash flows and the notes to the consolidated financial statements (including a summary of significant accounting policies) for the three months ended March 31, 2019 and 2018. The 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 R.O.C. (FSC). Our responsibility is to make a conclusion on the consolidated financial statements based on our reviews.

Scope

Except for the basis of the reservated conclusion, we conducted our reviews in accordance with Statements on Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". The procedures performed in the review of the consolidated financial statements include inquiries (mainly to those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review is obviously less than the scope of the audit. Therefore, we may not be able to detect all the major issues that can be identified through the audit and therefore cannot express the opinion.

The Basis of the reservated conclusion

As stated in Note 11 to the consolidated financial statements, the financial statements of some of the non-significant subsidiaries of the consolidated financial statements are based on the statements in the same period without accounts' reviews. At the period three months ended March 31, 2019 and 2018, total assets of the non-significant subsidiaries are NT$135,637,000 and NT$139,993,000, which are 2% and 2% of consolidated assets; total liabilities are NT$22,908,000 and NT$99,454,000, which are 1% and 4% of consolidated liabilities. The comprehensive loss is NT$116,000 and NT$$9,355,000 for the three months ended March 31, 2019 and 2018.

Reservated conclusion

Except those mentioned in the basis of the reservated conclusion, there is an impact on possible adjustments to the consolidated financial statements if the financial statements of the non-significant subsidiaries are reviewed. Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the financial position of the entity as at March 31, 2019 and 2018, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended 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 FSC.

Deloitte & Touche

Accountants Huang, Hai-Yue

The approval number of Securities and Futures Commission
No. 0920131587
of Taiwan-Finance-Securities

&

Accountants Liu, Yong-Fu

The approval number of Securities and Futures Commission
No. 0920123784
of Taiwan-Finance-Securities

May 10, 2019

Lucky Cement Corporation and Subsidiaries
Consolidated Balance Sheets
March 31, 2019 and 2018

In Thousands of New Taiwan Dollars

Code	Assets	March 31, 2019 (Reviewed) Amount	%	December 31, 2018 (Audited) Amount	%	March 31, 2018 (Reviewed) Amount	%
	Current Assets						
1100	Cash and cash equivalents (Note 6)	$ 188,313	3	$ 198,802	3	$ 199,622	3
1110	Total current financial assets at fair value through profit or loss (FVPL) (Note 4 & 7)	26,948	-	43,370	1	75,246	1
1120	Total current financial assets at fair value through other comprehensive income (FVOCI) (Note 4 & 8)	94,351	1	142,250	2	82,976	1
1150	Notes receivable (Note 4 & 9)	379,499	5	317,921	4	401,408	6
1160	Notes receivable due from related parties (Note 4, 9 & 32)	3,611	-	5,170	-	2,026	-
1170	Accounts receivable, net (Note 4 & 9)	305,255	4	262,504	4	208,229	3
1180	Accounts receivable due from related parties, net (Note 4, 9& 32)	10,860	-	11,140	-	5,129	-
1200	Other receivable (Note 4 & 32)	41,686	1	5,650	-	1,733	-
1220	Current tax assets	21,328	-	21,288	-	17,747	-
130X	Inventories (Note 10& 33)	3,626,028	48	3,610,970	50	3,669,473	51
1410	Prepayments (Note 12)	199,829	3	181,273	3	210,726	3
1476	Other current financial assets (Note 13)	88,149	1	108,232	1	116,032	2
1479	Other current assets (Note 14)	32,105	1	29,959	-	27,826	-
11XX	Total Current Assets	5,017,962	67	4,938,529	68	5,018,173	70
	Non-Current Assets						
1510	Total non-current financial assets at FVPL (Note 4 & 7)	6,557	-	6,535	-	8,752	-
1517	Non-current financial assets at FVOCI (Note 4 & 8)	21,984	-	19,015	-	23,591	1
1600	Property, plant, and equipment (Note 15 & 33)	1,826,176	25	1,876,081	26	1,587,536	22
1755	Right-of-use asset (Note 16)	155,286	2	-	-	-	-
1840	Deferred tax assets (Note 4)	142,972	2	143,366	2	191,710	3
1920	Guarantee deposits paid	90,401	1	90,351	1	90,448	1
1990	Other non-current assets (Note 17 & 33)	245,898	3	219,620	3	235,647	3
15XX	Total Non-Current Assets	2,489,274	33	2,354,968	32	2,137,684	30
1XXX	Total Assets	$ 7,507,236	100	$ 7,293,497	100	$ 7,155,857	100
Code	Liabilities and Equity						
	Current Liabilities						
2100	Short-term borrowings (Note 18 & 33)	$ 971,419	13	$ 852,651	12	$ 750,930	11
2110	Short-term notes and bills payable (Note 18 & 33)	109,726	1	219,736	3	189,666	3
2130	Contract liabilities (Note 4 & 23)	229,081	3	198,806	3	247,950	3
2150	Notes payable (Note 19)	185,196	3	148,346	2	163,644	2
2160	Notes payable to related parties (Note 19 & 32)	33,416	-	43,594	1	30,239	-
2170	Accounts payable (Note 19)	112,373	2	114,859	1	165,196	2
2180	Accounts payable to related parties (Note 19 & 32)	28,752	-	23,540	-	19,723	-
2219	Other payables (Note 20)	132,871	2	118,173	2	114,940	2
2220	Other payables to related parties (Note 32)	1,517	-	1,157	-	54,476	1
2230	Current tax liabilities	127	-	238	-	18,489	-
2280	Current lease liabilities (Note 16)	48,659	1	-	-	-	-
2320	Long-term liabilities, current portion (Note 18 & 33)	8,838	-	11,200	-	111,200	2
2399	Other current liabilities	1,660	-	3,769	-	1,897	-
21XX	Total Current Liabilities	1,863,635	25	1,736,069	24	1,868,350	26
	Non-Current Liabilities						
2540	Long-term borrowings (Note 18 & 33)	1,160,000	16	1,160,438	16	688,838	10
2570	Deferred tax liabilities (Note 4)	28,266	-	33,935	-	44,323	-
2580	Non-Current lease liabilities (Note 16)	107,444	1	-	-	-	-
2640	Net defined benefit liability (Note 4)	59,316	1	60,826	1	67,951	1
2645	Guarantee deposits received	28,951	-	29,431	-	29,965	-
2655	Shareholder accounts (Note 32)	45,800	1	45,800	1	45,800	1
25XX	Total Non-Current Liabilities	1,429,777	19	1,330,430	18	876,877	12
2XXX	Total Liabilities	3,293,412	44	3,066,499	42	2,745,227	38
	Equity Attributable to the Owner Company (Note 22)						
3110	Ordinary share	4,047,380	54	4,047,380	55	4,047,380	57
3200	Capital surplus	8	-	8	-	8	-
	Retained earnings						
3310	Legal reserve	166,309	2	166,309	3	166,309	2
3320	Special reserve	17,376	-	17,376	-	14,135	-
3350	Unappropriated retained earnings (accumulated deficit)	(33,659)	-	(1,032)	-	169,889	3
3300	Total Retained Earnings	150,026	2	182,653	3	350,333	5
3400	Other Equity	16,332	-	(3,121)	-	(8,391)	-
31XX	Total Equity Attributable to Owners of Parent	4,213,746	56	4,226,920	58	4,389,330	62
36XX	Non-Controlling Interests (Note 22)	78	-	78	-	21,300	-
3XXX	Total Equity	4,213,824	56	4,226,998	58	4,410,630	62
	Total Liabilities and Equity	$ 7,507,236	100	$ 7,293,497	100	$ 7,155,857	100

The accompanying notes are an integral of the consolidated financial statements
(Please refer to the May 10, 2019 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months Ended March 31, 2019 and 2018

(Reviewed, Not Audited)

In Thousands of New Taiwan Dollars, except Earnings (Loss) Per Share

Code		For the Three Months Ended March 31, 2019 Amount	%	For the Three Months Ended March 31, 2018 Amount	%
	Operating Revenue (Note 4, 23 & 32)				
4110	Sales revenue	$ 834,399	100	$ 833,056	100
4190	Less : Sales discounts and allowances	54	-	350	-
	Net sales revenue	834,345	100	832,706	100
5000	Operating costs (Note 10, 24 & 32)	807,682	97	812,140	97
5900	Gross Profit from operations	26,663	3	20,566	3
	Operating expenses (Note 24 & 32)				
6100	Selling expense	27,591	3	26,351	3
6200	Administrative expenses	24,969	3	29,557	4
6450	Expected credit impairment loss	4,584	1	1,480	-
6000	Total Operating Expenses	57,144	7	57,388	7
6500	Net other income (expenses) (Note 24)	4,120	1	2,249	-
6900	Net operating income (loss)	(26,361)	(3)	(34,573)	(4)
	Non-Operating Income and Expense (Note 24 & 32)				
7100	Interest income	511	-	614	-
7110	Rent income	2,227	-	2,376	-
7190	Other income	654	-	11,229	1
7225	Gain or loss on disposals of investments	109	-	27	-
7230	Foreign exchange gains or loss	132	-	356	-
7235	Gains (losses) on financial assets at FVPL	468	-	(469)	-
7590	Miscellaneous disbursements	(2,410)	-	(2,843)	-
7510	Interest Expense	(10,379)	(1)	(7,626)	(1)
7000	Total Non-Operating Income and Expenses	(8,688)	(1)	3,664	-
7900	Profit from continuing operations before tax	($ 35,049)	(4)	($ 30,909)	(4)
7950	Tax income (Note 4 & 25)	5,276	-	24,955	3

(To be continued)

(Continued)

Code		For the Three Months Ended March 31, 2019 Amount	%	For the Three Months Ended March 31, 2018 Amount	%
8000	Profit (loss) from continuing operations	(29,773)	(4)	(5,954)	(1)
8100	Profit (loss) from discontinued operations (Note 26)	-	-	(179)	-
8200	Profit (loss)	(29,773)	(4)	(6,133)	(1)
	Other comprehensive income				
8310	Items not to be reclassified into profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at FVOCI	15,957	2	(5,147)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss：				
8361	Exchange differences on translation	6	-	852	-
8367	Unrealized gains (losses) from investments in Debt instruments measured at FVOCI	636	-	(296)	-
8300	Other comprehensive income or loss, net	16,599	2	(4,591)	-
8500	Total comprehensive income	($ 13,174)	(2)	($ 10,724)	(1)
	Loss attributable to:				
8610	Attributable to owner of parent	($ 29,773)	(4)	($ 5,002)	(1)
8620	Attributable to non-controlling interestst	-	-	(1,131)	-
8600		($ 29,773)	(4)	($ 6,133)	(1)
	Comprehensive income attributable to:				
8710	Attributable to owner of parent	($ 13,174)	(2)	($ 9,594)	(1)
8720	Attributable to non-controlling intereststs	-	-	(1,130)	-
8700		($ 13,174)	(2)	($ 10,724)	(1)
	Earnings(losses)per share(Note 27)				
	From continuing operations and discontinuing operations				
9750	Basic	($ 0.07)		($ 0.01)	
	From continuing operations				
9710	Basic	($ 0.07)		($ 0.01)	

The accompanying notes are an integral of the consolidated financial statements
(Please refer to the May 10, 2019 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2019 and 2018
(Reviewed, Not Audited)

In Thousands of New Taiwan Dollars

		Equity Attributable to Shareholders of the Parent										
				Retained Earnings			Others Equity					
Code		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling Interestests	Total Equity
A1	Balance, January 1, 2018	$ 4,047,380	$ 8	$ 166,309	$ 14,135	$ 177,528	($ 8,187)	$ 4,946	$ -	$ 4,402,119	$ 26,423	$ 4,428,542
A3	Effects of retrospective application	-	-	-	-	(2,887)	-	(4,946)	5,716	(2,117)	-	(2,117)
A5	Adjusted balance, January 1, 2018	4,047,380	8	166,309	14,135	174,641	(8,187)	-	5,716	4,400,002	26,423	4,426,425
D1	Net income for the three months ended March 31, 2018	-	-	-	-	(5,002)	-	-	-	(5,002)	(1,131)	(6,133)
D3	Other comprehensive income (loss) for the three months ended March 31, 2018	-	-	-	-	-	851	-	(5,443)	(4,592)	1	(4,591)
D5	Total comprehensive income (loss) for the three months ended March 31, 2018	-	-	-	-	(5,002)	851	-	(5,443)	(9,594)	(1,130)	(10,724)
M7	Total equity exchanges for subsidiary	-	-	-	-	(1,078)	-	-	-	(1,078)	(3,993)	(5,071)
Q1	Disposal of equity instruments measured at FVOCI	-	-	-	-	1,328	-	-	(1,328)	-	-	-
Z1	Balance, March 31, 2018	$ 4,047,380	$ 8	$ 166,309	$ 14,135	$ 169,889	($ 7,336)	$ -	($ 1,055)	$ 4,389,330	$ 21,300	$ 4,410,630
A1	Balance, January 1, 2019	$ 4,047,380	$ 8	$ 166,309	$ 17,376	($ 1,032)	$ 7,660	$ -	($ 10,781)	$ 4,226,920	$ 78	$ 4,226,998
D1	Net loss for the three months ended March 31, 2019	-	-	-	-	(29,773)	-	-	-	(29,773)	-	(29,773)
D3	Other comprehensive income (loss) for the three months ended March 31, 2019	-	-	-	-	-	6	-	16,593	16,599	-	16,599
D5	Total comprehensive income (loss) for the three months ended March 31, 2019	-	-	-	-	(29,773)	6	-	16,593	(13,174)	-	(13,174)
Q1	Disposal of equity instruments measured at FVOCI	-	-	-	-	(2,854)	-	-	2,854	-	-	-
Z1	Balance, March 31, 2019	$ 4,047,380	$ 8	$ 166,309	$ 17,376	($ 33,659)	$ 7,666	$ -	$ 8,666	$ 4,213,746	$ 78	$ 4,213,824

The accompanying notes are an integral of the consolidated financial statements
(Please refer to the May 10, 2019 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2019 and 2018
（Reviewed，Not Audited）

In Thousands of New Taiwan Dollars

Code		For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
	Cash Flow from Operating Activities		
A00010	Profit (loss) from continuing operations before tax	($ 35,049)	($ 30,909)
A00020	Profit (loss) from discontinued operations before tax	-	(179)
A10000	Profit (loss) before Tax	(35,049)	(31,088)
A20010	Adjustments to reconcile profit (loss)		
A20300	Expected credit impairment loss	4,584	1,480
A20100	Depreciation expense	69,418	62,899
A20400	Net loss (gain) on financial assets and liabilities at FVPL	(468)	469
A20200	Amortization expense	2,178	2,487
A20900	Interest expense	10,379	7,626
A21200	Interest income	(511)	(614)
A22500	Gain on disposal of property, plan and equipment	(4,120)	(2,249)
A23100	Gain on disposal of financial assets	(109)	(27)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(61,578)	(9,145)
A31140	Notes receivable due from related parties	1,559	(2,026)
A31150	Accounts receivable	(47,335)	(14,490)
A31160	Accounts receivable due from related parties	280	3,732
A31180	Other receivable	3,319	2,128
A31200	Inventories	(15,057)	104,374
A31230	Prepayments	(18,557)	(46,959)
A31240	Other current assets	(2,147)	(604)
A32125	Contract liability	30,275	16,674
A32130	Notes payable	36,850	(23,331)
A32140	Notes payable to related parties	(10,179)	3,492
A32150	Accounts payable	(2,486)	38,463
A32160	Accounts payable to related parties	5,212	(46,506)

（To be continued）

(Continued)

Code		For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
A32180	Other payable	14,914	(5,948)
A32190	Other payable to related parties	360	2,741
A32230	Other current liabilities	(2,107)	(6,072)
A32240	Net defined benefit liability	(1,510)	(698)
A33000	Cash inflow (outflow) generated from operations	(21,885)	56,808
A33100	Interest received	$ 907	$ 194
A33300	Interest paid	(10,605)	(7,437)
A33500	Income taxes paid	(150)	(2,143)
AAAA	Net cash flows from (used in) operating activities	(31,733)	47,422
	Cash Flow from Investing Activities		
B00010	Acquisition of financial assets at FVOCI	-	(28,363)
B00020	Proceeds from disposal of financial assets at FVOCI	21,654	24,855
B00100	Acquisition of financial assets at FVPL, designated as upon initial recognition	-	(10,025)
B00200	Proceeds from disposal of financial assets at FVPL, designated as upon initial recognition	16,999	1,522
B02700	Acquisition of property, plant and equipment	(6,229)	(35,721)
B02800	Proceeds from disposal of property, plant and equipment	4,120	2,249
B03700	Increase in refundable deposits	(50)	(2,317)
B06600	Decrease in other financial assets	20,083	17,316
B06800	Increase in other non-current assets	(28,478)	(14,981)
BBBB	Net cash flows from (used in) investing activities	28,099	(45,465)
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term loans	118,768	(122,712)
C00600	Increase (decrease) in short-term notes and bills payable	(110,000)	50,000
C04020	Principal repayment of lease liability	(12,462)	-
C01700	Repayments of long-term debt	(2,800)	(2,800)
C03000	Decrease in guarantee deposits received	(480)	(5,339)

(To be continued)

(Continued)

Code		For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
C03700	Increase in other payables to related parties	-	30,958
C05400	Acquisition of ownership interests in subsidiaries	-	(5,071)
CCCC	Net cash flows from (used in) financing activities	(6,974)	(54,964)
DDDD	Effect of exchange rate changes on cash	119	736
EEEE	Net increase (decrease) in cash and cash equivalents	(10,489)	(52,271)
E00100	Cash and cash equivalents at beginning of period	198,802	251,893
E00200	Cash and cash equivalents at end of period	$ 188,313	$ 199,622

The accompanying notes are an integral of the consolidated financial statements
(Please refer to the May 10, 2019 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation Limited and Subsidiaries

Notes to Consolidated Financial Statements

For the three months ended March 31, 2019 and 2018

(Reviewed，Not Audited)

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

I. Company History

Lucky Cement Corporation (hereinafter referred to as the "Company", the Company and its subsidiaries hereinafter referred to as the"Group") established in 1974. The stocks of which are listed on the Taiwan Stock Exchange started from June, 1990, to produce and sell Portland cement as the main business.

The accompanying consolidated financial statements used New Taiwan Dollars (NT$) as the functional currency of the Company.

2. The Date and Procudure of Financial Report

The accompanying consolidated financial statements were reported to the Board of Directors and issued on May 10, 2018.

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

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

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

IFRS 16”Leases”

The Group elected to apply IFRS 16 only to contracts signed (or changed) on or after January 1, 2019 in order to determine whether those contracts are, or contain, a lease. Contracts identified as containing a lease under IAS 17 and IFRIC 4 were reassessed and accounted for in accordance with the transitional provisions under IFRS 16.

Identifying a lease

The Group elected to apply IFRS 16 only to contracts signed (or changed) on or after January 1, 2019 in order to determine whether thosecontracts are, or contain, a lease. Contracts identified as containing a lease under IAS 17 and IFRIC 4 were reassessed and accounted for in accordance with the transitional provisions under IFRS 16.

The Group is the tenant

The Group recognized right-of-use assets and lease liabilities for all leases on the consolidated balance sheets, except for those whose payments under low-value and short-term leases recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Currently, payments under operating lease contracts are recognized as expenses on a straight-line basis. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows.

The Group is expected to adjust the cumulative impact of the retroactive application of IFRS 16 to the retained earnings on January 1, 2019 without recompiling the comparative information.

In accordance with the agreement of IAS 17 for operating leases previously, the measurement of the lease liability on January 1, 2019 will be discounted by the remaining lease payments at the incremental borrowing rate of the lessee at the commencement date. The total right-of-use assets will be measured at the amount of the lease liabilities with the adjustment of the previously recognized prepaid or payable lease payments.eased on that date. Except for the expected expediency ②, the recognized right-of-use assets will be subject to IAS 36 assessment impairment.

The Group is expected to apply the following expediency:

① Use a single discount rate to measure lease liabilities for lease combinations with reasonably similar characteristics.

② The lossable lease contract liabilities recognized at the end of 2018 will adjust the right-to-use assets as of January 1, 2019, and will not be assessed for impairment according to IAS 36.

③ Leases that are closed before December 31, 2019 will be treated on a short-term lease basis.

④ The original direct cost is not included in the measurement of the right-of-use asset as of January 1, 2019.

⑤ When lease liabilities are measured, the lessee may use hindsight, such as in determining the lease term.

For the leases previously classified as finance leases under IAS 17, the carrying amount of the leased assets and lease liabilities on December 31, 2018 was used as the carrying amount of the right-of-use assets and lease liabilities on January 1, 2019.

The weighted average lessee's incremental borrowing rate used by the Group to calculate lease liabilities recognized on January 1, 2019 is 1.55%. The reconciliation between the lease liabilities recognized and the future minimum lease payments of non-cancellable operating lease on December 31, 2018 is presented as follows:

The minimum future lease payments of non-cancellable operating leases on December 31, 2018	$ 181,825
Less：Short-term lease for exemption	(5,492)
Less：leases of low-value assets for exemption	(87)
Total un-discounting on January 1, 2019	$ 176,246
Balance of leased liabilities which discounted by incremental borrowing rate of interest on January 1, 2019	$ 168,565

The Group is the lessor

The Group will not make any adjustments for leases in which it is a lessor and will account for those leases with the application of IFRS 16 starting from January 1, 2019.

Upon initial application of IFRS 16, the adjustments of assets, liabilities and equity on January 1, 2019 are as follows:

	December 31,2018 Carrying Amount	Adjustments from Initial Application	January 1, 2019 Adjusted Carrying Amount
Right-of-use assets	$ -	$ 168,565	$ 168,565
Impact of assets	$ -	$ 168,565	$ 168,565
Current lease liabilities	$ -	$ 52,224	$ 52,224
Non-current lease liabilities	-	116,341	116,341
Impact of liabilities	$ -	$ 168,565	$ 168,565

(2) The IFRSs issued by IASB but not yet endorsed and issued into effect by FSC.

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 3 “the definition of a business”	January 1, 2020（Note 2）
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, 2021
Amendments to IAS 1 and IAS 8 “the definition of materiality”	January 1, 2020 (Note 3）

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

Note 2： The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.

Note 3： The amendments are effective for annual reporting periods beginning on or after 1 January 2020.

As of the date the consolidated financial statements were authorized for issue, the Group continues assessing other possible impacts that application of the aforementioned amendments and the related amendments will have on the Group’s financial position and financial performance and will disclose these other impacts when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs endorsed and issued into effect by the FSC.

(2) Basis of preparation

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

The fair value measures are divided into Levels 1 to 3 according to the observable and significance of the relevant input values:

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

B. 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

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

(3) Basis of Consolidation

I. The consolidated financial statements incorporate the financial statements of Lucky Cement Corporation and the entities controlled by Lucky Cement (its subsidiaries). The consolidated statements of comprehensive income have been included in the operating gains and losses of the acquired or diposed subsidiaries in the current period from the date of acquisition or to the date of disposal. The 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 Lucky Cement and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

II. Subsidiary details, shareholding ratio and operating items, please refer to Note11 and Schedule 5.

(4) Other significant accounting policies

In addition to the accounting policy related to lease and the following instructions, please refer to the summary statement of the major accounting policies for the consolidated financial statements for the year 2018.

I. Lease

2019

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

A. The Group as lessor

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

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

B. The Group as lessee

Except for payments for low-value asset leases and short-term leases which are recognized as expenses on a straight-line basis, the Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities, the lease payments deducted from the lease incentives received before the commencement date, initial direct costs and an estimate of costs needed to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment loss, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

2018

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

A. The Group as lessor

Lease income from operating leases is recognized as income on a straight-line basis over the terms of the relevant leases.

B. The Group as lessee

Lease payments from operating leases are recognized as expense on a straight-line basis over the terms of the relevant leases.

II. 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.

III. Income tax

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 profit before tax, the tax rate that would be applicable to expected total annual earnings. The effect of a chang in the tax rate resulting from the revision of the tax law during the interim period is consistent with the accounting principles of the transactions that have the consequences of taxation. It is recognized in profit or loss, other comprehensive income, or directly in equity in full in the period in which the change in tax rate occurs.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2018.

6. Cash and Cash Equivalents

	March 31, 2019	December 31, 2018	March 31, 2018
Cash on hand and revolving funds	$ 1,500	$ 1,507	$ 1,552
Checking and demand deposits	153,549	161,963	179,324
Bank foreign currency demand deposits	33,264	35,332	10,746
Cash Equivalents			
Certificate deposit with original maturity date within 3 months	-	-	8,000
	$ 188,313	$ 198,802	$ 199,622

Market interest rate range for bank deposits and the certificate deposit with original maturity date within 3 months on the Date of the Balance Sheet is as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Bank deposits	0.05%~0.42%	0.05%~0.48%	0.05%~0.10%
Certificate deposit with original maturity date within 3 months	-	-	0.66%

7. Financial Instrument Measured at FVPL

	March 31, 2019	December 31, 2018	March 31, 2018
Current			
Mandatorily measured at FVPL			
—Mutual funds	$ 26,948	$ 43,370	$ 75,246
Non-Current			
Mandatorily measured at FVPL			
—Mutual funds	$ 6,557	$ 6,535	$ 8,752

8. Financial Assets Measured at FVOCI

	March 31, 2019	December 31, 2018	March 31, 2018
Current			
Equity instrument investments measured at FVOCI	$ 88,392	$ 136,875	$ 77,615
Debt instrument investments measured at FVOCI	5,959	5,375	5,361
	$ 94,351	$ 142,250	$ 82,976
Non-Current			
Equity instrument investments measured at FVOCI	$ 21,984	$ 19,015	$ 23,591

For the above investment information, please refer to the "State of Securities held at the end of the period" in Schedule 3.

For other relevant information on financial assets measured at FVOCI, please refer to Note 22 (5).

The Group invests in the above ordinary shares for the purpose of long-term strategies and expects to profit from long-term investments. The management of the Group considers that if the short-term fair value fluctuations of these investments are recognized in profit or loss, they are not consistent with the aforementioned long-term investment plan, and therefore the designated investment is selected to be measured at FVOCI.

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

9. Notes Receivable and Accounts Receivable

	March 31, 2019	December 31, 2018	March 31, 2018
Notes receivable			
Measured at amortised cost			
Non-related parties	$ 379,499	$ 317,921	$ 401,408
Related parties	$ 3,611	$ 5,170	$ 2,026
Accounts receivable			
Measured at amortised cost			
Total book value	$ 353,772	$ 306,489	$ 255,676
Less：Loss allowance	(48,517)	(43,985)	(47,447)
	$ 305,255	$ 262,504	$ 208,229
Related parties	$ 10,860	$ 11,140	$ 5,129

(1) Notes receivable

The Group's credit period for the sale of goods is 90 to 150 days, and no interest is charged to notes receivable. In order to minimize credit risks, the management of the Group has designed relevant internal control procedures for the determination of credit limits and credit approvals, and has taken appropriate actions for the recovery of overdue notes receivable. In addition, the Group reviews the recoverable amount of notes receivable at the end of the reporting period to ensure that adequate impairment loss is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group adopts the simplified approach of IFRS 9 to recognize the loss allowance of notes receivable according to lifetime expected credit losses. The lifetime expected credit losses are calculated using the preparation matrix, which takes into account the customer's past default records, current financial status, and industrial economic conditions, and also considers GDP forecast and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for losses based on the past due status of receivables is not further distinguished according to different segments of the Group's customer base. However, the expected credit loss ratio of the Group based on the preparation matrix at the end of reporting period was zero because it did not recognize the expected credit losses of the notes receivable.

The mortgage information of notes receivable, please see the Note 33 for reference.

(2) Accounts receivable

The Group's credit period for the sale of goods is 90 to 150 days, and no interest is charged to accounts receivable. In order to minimize credit risks, the management of the Group has designed relevant internal control procedures for the determination of credit limits and credit approvals, and has taken appropriate actions for the recovery of overdue accounts receivable. In addition, the Group reviews the recoverable amount of accounts receivable at the end of the reporting period to ensure that adequate impairment loss is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group adopts the simplified approach of IFRS 9 to recognize the loss allowance of notes receivable according to lifetime expected credit losses. The lifetime expected credit losses are calculated using the preparation matrix, which takes into account the customer's past default records, current financial status, and industrial economic conditions, and also considers GDP forecast and industry outlook. The preparation matrix of the Group is first divided according to whether the customer has financial difficulties. If the customer has evidence showing that it is a financial difficulty, the Group will recognize 100% of the expected impairment loss. If the customer does not have financial difficulties, due to the different composition of individual sales targets, the company will further differentiate the customer base according to the company, and set the expected credit loss rate based on the overdue days of accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the Group cannot reasonably expects the recoverable amount, the Group directly reverses the related accounts receivables, but it will continue to pursue the activities, and the recoverable amount will be recognized in profit or loss.

The loss allowance of the accounts receivables by the Group in the preparation matrix is as follows:

March 31, 2019

I. Lucky Cement Corp.

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ~60 days	Past due 61 ~180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0.24%	-	-	-	100%	100%	
Total carrying amount	$ 58,116	$ -	$ -	$ -	$ 269	$ -	$ 58,385
Loss allowance (lifetime expected credit losses)	(142)	-	-	-	(269)	-	(411)
Amortised cost	$ 57,974	$ -	$ -	$ -	$ -	$ -	$ 57,974

II. Luckicon Ready-mixed Concrete Factory Co., Ltd.

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ~60 days	Past due 61 ~180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	4.13%	5.78%	7.18%	10.63%~ 30.2%	100%	100%	
Total carrying amount	$228,968	$ 8,194	$ 8,545	$ 367	$ -	$ 30,500	$276,574
Loss allowance (lifetime expected credit losses)	(9,464)	(474)	(613)	(99)	-	(30,500)	(41,150)
Amortised cost	$219,504	$ 7,720	$ 7,932	$ 268	$ -	$ -	$235,424

III. Others

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ~60 days	Past due 61 ~180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0%	3%~4%	6%~7%	11%~12%	100%	100%	
Total carrying amount	$ 11,857	$ -	$ -	$ -	$ -	$ 6,956	$ 18,813
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	(6,956)	(6,956)
Amortised cost	$ 11,857	$ -	$ -	$ -	$ -	$ -	$ 11,857

December 31, 2018

I. Lucky Cement Corp.

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ～60 days	Past due 61 ～180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0.24%	-	-	-	100%	100%	
Total carrying amount	$ 87,954	$ -	$ -	$ -	$ 269	$ -	$ 88,223
Loss allowance（lifetime expected credit losses）	(214)	-	-	-	(269)	-	(483)
Amortised cost	$ 87,740	$ -	$ -	$ -	$ -	$ -	$ 87,740

II. Luckicon Ready-mixed Concrete Factory Co., Ltd.

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ～60 days	Past due 61～ 180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	4.13%	5.78%	7.18%	10.63%～100%	100%	100%	
Total carrying amount	$ 165,737	$ 4,986	$ 208	$ 73	$ -	$ 29,375	$ 200,379
Loss allowance（lifetime expected credit losses）	(6,845)	(288)	(15)	(22)	-	(29,375)	(36,545)
Amortised cost	$ 158,892	$ 4,698	$ 193	$ 51	$ -	$ -	$ 163,834

III. Others

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ～60 days	Past due 61 ～180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0%	3%-4%	6%-7%	11%-12%	100%	100%	
Total carrying amount	$ 11,293	$ -	$ -	$ -	$ -	$ 6,594	$ 17,887
Loss allowance（lifetime expected credit losses）	-	-	-	-	-	(6,594)	(6,594)
Amortised cost	$ 11,293	$ -	$ -	$ -	$ -	$ -	$ 11,293

March 31, 2018

I. Lucky Cement Corp.

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ～60 days	Past due 61 ～180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0.15%	-	-	-	100%	100%	
Total carrying amount	$ 79,675	$ -	$ -	$ -	$ 268	$ -	$ 79,943
Loss allowance（lifetime expected credit losses）	(118)	-	-	-	(268)	-	(386)
Amortised cost	$ 79,557	$ -	$ -	$ -	$ -	$ -	$ 79,557

II. Luckicon Ready-mixed Concrete Factory Co., Ltd.

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ～60 days	Past due 61 ～180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	3.4%	38.99%	72.36%	70%~100%	-	100%	
Total carrying amount	$121,640	$ 5,114	$ 1,707	$ 1,327	$ -	$ 29,724	$159,512
Loss allowance（lifetime expected credit losses）	(4,097)	(1,994)	(1,235)	(995)	-	(29,724)	(38,045)
Amortised cost	$117,543	$ 3,120	$ 472	$ 332	$ -	$ -	$121,467

III. Others

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ～60 days	Past due 61 ～180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0%	-	-	-	-	100%	
Total carrying amount	$ 11,857	$ -	$ -	$ -	$ -	$ 6,956	$ 18,813
Loss allowance（lifetime expected credit losses）	-	-	-	-	-	(6,956)	(6,956)
Amortised cost	$ 11,857	$ -	$ -	$ -	$ -	$ -	$ 11,857

Changes in loss allowance from accounts receivable are as follows：

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Balance at beginning of period (IAS 39）		$ 42,948
Effect of retrospective application of IFRS 9		3,008
Balance at beginning of period（IFRS 9）	$ 43,985	45,956
Add：Impairment loss	4,584	1,480
Effect of exchange rate changes	(52)	11
Balance at end of period	$ 48,517	$ 47,447

10. Inventories

	March 31, 2019	December 31, 2018	March 31, 2018
Developing property and property to be developed	$ 3,136,904	$ 3,132,048	$ 3,177,742
Raw materials	199,269	216,522	245,760
Finished goods	132,451	110,088	104,624
Work in progress	111,893	111,610	91,453
Repaired part and materials	35,691	34,922	42,406
Merchandise	9,820	5,780	7,488
	$ 3,626,028	$ 3,610,970	$ 3,669,473

The related cost of sales in three months ended March 31, 2019 was NT$807,682,000 which included inventory valuation losses NT$5,946,000. The related cost of sales in three months ended March 31, 2018 was NT$812,140,000 which included inventory valuation losses NT$15,990,000.

As at March 31, 2019, December 31, 2018 and March 31, 2018, estimated retrieved inventories over 12 months were NT$3,136,904,000 NT$3,132,048,000 and NT$3,177,742,000 respectively, most of them are developing property and property to be developed.

See the Note 33for the information of inventory pledge.

11. Subsidiaries

The subsidiaries in the consolidated financial statements: ：

			Percentage of held stock			
Investment Business	Subsidiary Title	Business Type	March 31, 2019	December 31, 2018	March 31, 2018	Remark
Lucky Cement Corp.	Dasheng Enterprise Co., Ltd.	Sale and rental national residential, commercial buildings, parking lots and industrial areas	99.99	99.99	99.99	1.&4.
	Luckicon Ready-mixed Concrete Factory Co.,	Production and sell concrete	99.99	99.99	99.99	1.
	Lucky Cement Corp., Japan	Buy and sell cement	100.00	100.00	100.00	
	Luckyship Marine Co., Ltd	Shipping agent	99.99	99.99	99.99	5
	Just Bright Ltd.	Investment Business	100.00	100.00	100.00	
	ELUMINA Technology Inc.	Manufacture and sale light-emitting diode products	-	-	70.59	2.&6.
Luckicon Ready-mixed Concrete Factory Co., Ltd	Fuyu Development Company	Mine gravel	100.00	100.00	100.00	3.
ELUMINA Technology Inc.	Elumina Holding Limited	Holding company	-	-	100.00	2.
Elumina Holding Limited	ELUMINA （Xiamen） Technology Inc.	Manufacture and sale light-emitting diode products	-	-	100.00	2.

Note：

1. Important subsidiaries are Luckicon Ready-mixed Concrete Factory Co., Ltd. and Dasheng Enterprise Co., Ltd.

2. Elumina Technology Inc. and its subsidiaries were dissolved in November 2018. Please see Note 26 discounting operation.
3. Luckicon Ready-mixed Co., obtained a 25% equity interest in Fuyu Development Company for non-controlling interests, and the shareholding ratio increased from 75% to 100% in March of 2018.
4. In August 2018, Dasheng Enterprise reduced its capital to make up a loss of NT$ 300,000,000 and increased its capital by cash to issue new shares of NT$290,000,000 at the same time.
5. In August 2018, Luckyship Marine Co. reduced its capital to make up a loss of NT$ 50,000,000 and increased its capital by cash to issue new shares of NT$80,000,000 at the same time.
6. In August 2018, Elumina Technology Inc. increased its capital by issuing new shares of NT$ 7,800,000 and the parent company subscribed by shareholding ratio for NT$ 5,507,000.

The financial statements of Dasheng Enterprise Co., Ltd. and Luckicon Ready-mixed Concrete Factory Co., Ltd. for the three months ended March 31, 2019 and 2018 have reviewed by accountants. The consolidated financial statements of other subsidiaries have not reviewed by accountants. Total assets of the non-significant subsidiaries are NT$135,637,000 and NT$139,993,000, which are 2% of consolidated assets; total liabilities are NT$22,908,000 and NT$99,454,000, which are 1% and 4% of consolidated liabilities. The comprehensive loss are NT$116,000 and NT$ 9,355,000 for the three months ended March 31, 2019 and 2018.

12. Prepayments

	March 31, 2019	December 31, 2018	March 31, 2018
Prepaid expenses	$ 93,125	$ 80,336	$ 100,244
Office supplies	102,866	98,523	102,906
Advanced payment for material	3,205	937	6,929
Others	633	1,477	647
	$ 199,829	$ 181,273	$ 210,726

13. Other Financial Assets

	March 31, 2019	December 31, 2018	March 31, 2018
Other financial assets			
Restricted assets	$ 88,149	$ 108,232	$ 109,000
Certificate of deposit with original maturity over 3 months	-	-	7,032
	$ 88,149	$ 108,232	$ 116,032

The restricted assets are savings and certificate of deposit that are provided for bank loan guarantees, market interest rate range for other financial assets at the end of reporting period as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Restricted assets	0.59%~3.50%	0.13%~3.50%	0.16%~1.025%
Certificate of deposit with original maturity over 3 months	-	-	3.55%

Please see the Note 33 for the mortgage information of other financial assets for reference.

14. Other Current Assets

	March 31, 2019	December 31, 2018	March 31, 2018
Other current assets			
Excess business tax paid	$ 26,096	$ 23,701	$ 21,597
Others	6,009	6,258	6,229
	$ 32,105	$ 29,959	$ 27,826

15. Property, Plant and Equipment

	March 31, 2019	December 31, 2018	March 31, 2018
Lands	$ 1,084,102	$ 1,084,102	$ 724,675
Buildings	423,254	438,796	397,771
Machinery and equipment	178,196	203,589	272,855
Electrical equipment	23,950	25,930	29,588
Transportation equipment	110,752	117,909	154,247
Other equipment	5,922	5,755	8,400
	$ 1,826,176	$ 1,876,081	$ 1,587,536

	Land	Building	Machinery and equipment	Electrical equipment	Transportation equipment	Other equipment	Total
Cost							
Balance on January 1, 2018	$ 724,675	$ 2,200,343	$ 6,086,797	$ 1,193,958	$ 1,041,962	$ 494,601	$ 11,742,336
Add	-	-	1,581	-	-	-	1,581
Disposal	-	-	(6,765)	-	(56,210)	(74)	(63,049)
Net exchange differences	-	3,056	395	-	12	18	3,481
Balance on March 31, 2018	$ 724,675	$ 2,203,399	$ 6,082,008	$ 1,193,958	$ 985,764	$ 494,545	$ 11,684,349
Accumulated depreciation and impairment							
Balance on January 1, 2018	$ -	$ 1,787,841	$ 5,787,970	$ 1,162,322	$ 872,800	$ 482,842	$ 10,093,775
Depreciation	-	14,871	27,703	2,048	14,918	3,359	62,899
Disposal	-	-	(6,765)	-	(56,210)	(74)	(63,049)
Net exchange differences	-	2,916	245	-	9	18	3,188
Balance on March 31, 2018	$ -	$ 1,805,628	$ 5,809,153	$ 1,164,370	$ 831,517	$ 486,145	$ 10,096,813
Net on March 31, 2018	$ 724,675	$ 397,771	$ 272,855	$ 29,588	$ 154,247	$ 8,400	$ 1,587,536
Cost							
Balance on January 1, 2019	$ 1,084,102	$ 2,291,624	$ 6,095,913	$ 1,196,322	$ 918,627	$ 496,420	$ 12,083,008
Add	-	76	1,757	-	3,296	1,100	6,229
Disposal	-	-	-	-	(40,777)	(639)	(41,416)
Net exchange differences	-	32	4	-	(2)	4	38
Balance on March 31, 2019	$ 1,084,102	$ 2,291,732	$ 6,097,674	$ 1,196,322	$ 881,144	$ 496,885	$ 12,047,859
Accumulated depreciation and impairment							
Balance on January 1, 2019	$ -	$ 1,852,828	$ 5,892,324	$ 1,170,392	$ 800,718	$ 490,665	$ 10,206,927
Depreciation	-	15,549	27,220	1,980	10,451	938	56,138
Disposal	-	-	-	-	(40,777)	(639)	(41,416)
Net exchange differences	-	101	(66)	-	-	(1)	34
Balance on March 31, 2019	$ -	$ 1,868,478	$ 5,919,478	$ 1,172,372	$ 770,392	$ 490,963	$ 10,221,683
Net on January 1, 2019 and December 31, 2018	$ 1,084,102	$ 438,796	$ 203,589	$ 25,930	$ 117,909	$ 5,755	$ 1,876,081
Net on March 31, 2019	$ 1,084,102	$ 423,254	$ 178,196	$ 23,950	$ 110,752	$ 5,922	$ 1,826,176

After the assessment for property, plant and equipment, there was no impairment loss of the Group for three months ended March 31, 2019 and 2018.

The part of the Company's land is aboriginal reservations which use rights is temporarily registered in the name of a third person. The trustee has issued a closing statement and applied land to set up a mortgage at the Company.

The Group's property, plant and equipment are depreciated on the straight-line method basis of the following durable years:

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

The mortgage information of Property, Plant and Equipment, please refer to Note 33.

16. Lease Agreement

(1) Right-of-use asset -2019

	March 31, 2019
Carrying amount of right-of-use asset	
Land	$ 45,470
Buildings	106,331
Transportation equipment	3,485
	$155,286

	For the Three Months Ended March 31, 2019
Depreciations of right-of-use asset	
Land	$ 3,995
Buildings	8,810
Transportation equipment	475
	$ 13,280

(2) Lease liabilities -2019

	March 31, 2019
Carrying amount of lease liabilities	
Current	$ 48,659
Non-current	$107,444

The discount rate range of lease liabilities is as follow:

	March 31, 2019
Land	1.55%
Buildings	1.55%
Transportation equipment	1.55%

(3) Other lease information

2019

	For the Three Months Ended March 31, 2019
Lease expense of low-value assets	$ 413
Total cash flow of lease	$ 12,875

2018

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

	December 31, 2018	March 31, 2018
Less than 1 year	$ 56,963	$ 40,423
1～5 year	124,862	68,558
	$ 181,825	$ 108,981

Lease payment recognized as profit or loss in current period is as follow:

	For the Three Months Ended March 31, 2018
Minimum lease payments	$ 13,690

17. Other Non-Current Assets

	March 31, 2019	December 31, 2018	March 31, 2018
Long-term prepaid expenses	$ 64,550	$ 66,372	$ 93,740
Restricted assets	162,567	134,467	88,984
Prepayments for business facilities	-	-	34,140
Net limestone mining rights	18,781	18,781	18,783
	$ 245,898	$ 219,620	$ 235,647

The restricted asset refers to certificate of deposit in the bank that is pledged as the security of milling right, which has the market interest rate range at the end of reporting period is as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Restricted assets	0.13%~1.065%	0.13%~1.065%	0.13%~1.065%

Other information regarding to non-current asset collaterals, please refer to Note 33.

18. Loans

(1) Short-term borrowings

	March 31, 2019	December 31, 2018	March 31, 2018
Secured borrowings(Note 33)			
Bank loan	$ 971,419	$ 752,651	$ 700,930
Unsecured borrowings			
Credit loan	-	100,000	50,000
	$ 971,419	$ 852,651	$ 750,930

The interest rate of the bank loan is as follows：

	March 31, 2019	December 31, 2018	March 31, 2018
Secured borrowings	1.30%~1.57%	1.30%~1.55%	1.30%~1.60%
Unsecured borrowings	-	1.45%	1.46%

(2) Short-term notes and bills payable

	March 31, 2019	December 31, 2018	March 31, 2018
Commercial paper payable	$ 110,000	$ 220,000	$ 190,000
Less: Discount on short-term notes and bills payable	(274)	(264)	(334)
	$ 109,726	$ 219,736	$ 189,666

Short-term notes and bills payable that is not due as follows:

March 31, 2019

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 50,000	$ 92	$ 49,908	1.46%
Grand Bills Finance Corporation	60,000	182	59,818	1.73%
	$ 110,000	$ 274	$ 109,726	

December 31, 2018

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 50,000	$ 32	$ 49,968	1.438%
Mega Bills Finance Corporation	60,000	39	59,961	1.438%
Grand Bills Finance Corporation	110,000	193	109,807	1.228%~1.73%
	$ 220,000	$ 264	$ 219,736	

March 31, 2018

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 50,000	$ 71	$ 49,929	1.580%
Mega Bills Finance Corporation	30,000	43	29,957	1.588%
Grand Bills Finance Corporation	110,000	220	109,780	1.10%~1.73%
	$ 190,000	$ 334	$ 189,666	

The maturity of each guaranteed commercial paper is 180 days or less.

(3) Long-term borrowings

	March 31, 2019	December 31, 2018	March 31, 2018
Secured borrowings (Note 33)			
Bank loan	$ 1,008,838	$ 1,011,638	$ 620,038
Unsecured borrowings			
Bank loan	160,000	160,000	180,000
Less: Long-term borrowings have maturity of 1 year or less.	(8,838)	(11,200)	(111,200)
	$ 1,160,000	$ 1,160,438	$ 688,838

	Details	March 31, 2019	December 31, 2018	March 31, 2018
Secured borrowings				
Parent company				
Taishin International Bank	The period is from December 12, 2017 to December 12, 2019, the principle will be repaid at once in maturitity date.	$ -	$ -	$ 100,000
Taiwan Cooperative Bank	The period is from April 12, 2018 to April 12, 2023, , the grace period is 2 years, every 3 months was served as an installment, pay by 12 installments for the principle after the grace period.	500,000	500,000	-
Dasheng Enterprise				
O-Bank	The period is from November 21, 2017 to November 21, 2022, the principle will be repaid at once in maturitity date.	250,000	250,000	250,000
O-Bank	The period is from December 28, 2017 to December 28, 2022, the principle will be repaid at once in maturitity date.	250,000	250,000	250,000
Luckyship Marine				
Mega International Commercial Bank Co., Ltd.	The period is from June 30, 2015 to June 30, 2019, every 3 months was served as an installment, pay by 16 installments for the principle.	7,088	9,450	16,538
Mega International Commercial Bank Co., Ltd	The period is from February 15, 2016 to February 15, 2020, every 3 months was served as an installment , pay by 16 installments for the principle	1,750	2,188	3,500
Unsecured borrowings				
Parent company				
The Export-Import Bank of the Republic of China	The period is from October 11, 2017 to November 11, 2018, the principle will be repaid at once in maturitity date.	-	-	100,000
O-Bank	The period is from April 23, 2018 to April 23, 2020, the principle will be repaid at once in maturitity date.	80,000	80,000	80,000
KGI Bank	The period is from June 28, 2018 to June 28, 2020, the principle will be repaid at once in maturitity date.	80,000	80,000	-
subtotal		1,168,838	1,171,638	800,038
Less: Long-term borrowings have maturities of 1 year or less		(8,838)	(11,200)	(111,200)
Long-term borrowings		$ 1,160,000	$ 1,160,438	$ 688,838

The annual interest rate of long-term borrowings were 1.39%~2.20%, 1.73%~2.20% and 1.70%~2.20% respectively for March 31, 2019, December 31, 2018 and March 31, 2018.

19. Notes and Accounts Payable

	March 31, 2019	December 31, 2018	March 31, 2018
Notes payable			
From operating activities			
Non-related parties	$ 185,196	$ 148,346	$ 163,644
Related parties	$ 33,416	$ 43,594	$ 30,239
Accounts payable			
From operating activities			
Non-related parties	$ 112,373	$ 114,859	$ 165,196
Related parties	$ 28,752	$ 23,540	$ 19,723

20. Other Payables

	March 31, 2019	December 31, 2018	March 31, 2018
Wages and salaries payable	$ 38,170	$ 41,408	$ 32,372
Taxes payable	24,505	20,637	21,370
Utilities expense payable	21,811	19,052	11,778
Maintenance fee payables	9,342	1,619	5,973
Payable on machinery and equipment	-	-	4,528
Other	39,043	35,457	38,919
	$ 132,871	$ 118,173	$ 114,940

21. Post-Employment Benefit Plan

The pension expenses associated with defined benefit plan are based on the pension expenses determined by the actuarial decision of December 31, 2018 and 2017 respectively, for each of the following items:

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Operating costs	$ 432	$ 587
Selling expenses	71	104
Administrative expenses	116	170
	$ 619	$ 861

22. Equity

(1) Share capital

Common Stock

	March 31, 2019	December 31, 2018	March 31, 2018
Authorized shares (in thousands)	498,646	498,646	498,646
Authorized capital	$ 4,986,460	$ 4,986,460	$ 4,986,460
Issued and paid shares (in thousands)	404,738	404,738	404,738
Issued capital	$ 4,047,380	$ 4,047,380	$ 4,047,380

A holder of issued common shares with par value of NT$10 per share is entitled to vote and to receive dividends.

(2) Capital surplus

	March 31, 2019	December 31, 2018	March 31, 2018
Only to make up for losses			
From share of changes in equities of subsidiaries	$ 8	$ 8	$ 8

Such capital surplus arises from the effect of changes in ownership interest in a subsidiary, with these changes treated as equity transactions instead of actual disposal or acquisition of ownership interests, or from changes in capital surplus of subsidiaries.

(3) Retained earnings and dividend policy

The earning allocation policy in the Articles of Incorporation states that in case of earning upon settled annually, the Company shall appropriate its 10% as legal surplus reserve first and account equity deduction occurred in the current year as special surplus reserve, addition to legal payment of business tax and compensation of historical annual loss, wherein if the dividend per share from the sum of balance thereafter and 40%~80% of aggregated surplus yet allocated in the previous year has not reached NTD$0.1 with calculation of the upper limit, 80%, it shall be reserved, not for allocation and allocation case shall be proposed in the

Board of Directors, further presented for acknowledgement in the Meeting of Shareholders. Please refer to (4) of Note 24, Employee Benefits for the revised remuneration allocation policy of employee and directors, supervisors before/after the versions of the Articles of Association. The appropraiton & allocation ratio of the preceding surplus and stock to cash ratio shall be paid in cash dividend or stock dividend subject to real profit and situation of fund in the current year, with consideration of fund for investment and diluated level of surplus per share in the Meeting of Board of Directors. However, the allocated stock dividend shall be limited to 20% of the issued stock; in case that the aggregated equity deduction or equity deduction that is insufficient to account as surplus w/tax in the current year, it shall account equivalent amount of special surplus reserve from the aggregated surplus yet be allocated in the previous year and deduct it prior to the appropriation and allocation earlier. Thereafter, whenever equity deduction is turned, the turned amount shall be allocated as surplus. The allocation of related surplus shall be passed and acknowledged in the General Meeting of Shareholders held in the next year and shall be accounted in the current year.

The Company shall account and turn special surplus reserve pursuant to the provisions set forth in the Letter, Letter No. Jin-Kuang-Fa-Tzi No. 1010012865, Letter No. Jin-Kuang-Fa-Tzi No. 1010047490 and "Following the adoption of the International Financial Reporting Standards (IFRSs), the question and answer of the applicable special surplus reserve". Thereafter, whenever equity deduction is turned, the turned amount shall be allocated as surplus.

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

The Company’s resolution approved by shareholders meeting held on June 7, 2018 was to offset deficits of 2017 and decided not to distribute the dividends.

The Company's board of directors proposed to offset deficits of 2018 and decided not to distribute the dividends on March 22, 2019. The proposals to offset deficits and the negative other equity which recognized at the end of the reporting period is intended to reverse special reserve NT$120,000 are still subject to the resolution of the shareholders meeting held in 2019.

(4) Special Reserve

	March 31, 2019	December 31, 2018	March 31, 2018
Special Reserve	$ 17,376	$ 17,376	$ 14,135

When the Company first adopted IFRSs, the amount of the accumulated conversion of the Company was NT$ 14,135,000 transferred to the retained surplus, and the same amount of special reserve has been added.

When the Company offset deficits in 2017, the negative other equity recognized at the end of the reporting period has been recognized a special reserve of NT$ 3,241,000.

(5) Other equity interest

I. Unrealized gains or losses on available-for-sale financial assets

Balance on January 1, 2018（IAS 39）	$ 4,946
Effect of retrospective application of IFRS 9	(4,946)
Balance on January 1, 2018（IFRS 9）	$ -

II. Unrealized gains or losses on financial assets measured at FVOCI

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Balance at the beginning of the period (IAS 39)		$ -
Effect of retrospective application of IFRS 9		5,716
Balance at the beginning of the period (IFRS 9)	($ 10,781)	5,716
Unrealized gains (losses) on financial assets measured at FVOCI	16,593	(5,443)
Disposals of equity instruments measured at FVOCI	2,854	(1,328)
Balance at the end of the period	$ 8,666	($ 1,055)

(6) Non-controlling interests

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Balance at the beginning of the period	$ 78	$ 26,423
Number of share attributable to non-controlling equity		
Profit (loss)	-	(1,131)
Exchange differences on translation of foreign financial statements	-	1
Subsidiary acquires non-controlling interest	-	(3,993)
Balance at the end of the period	$ 78	$ 21,300

23. Revenue

(1) Segmentation of customer contract revenue

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Cement	$ 473,621	$ 518,391
Stone	138,076	222,603
Cement products	122,701	84,054
Others	99,948	7,658
	$ 834,345	$ 832,706

(2) Balance of contract

	March 31, 2019	December 31, 2018	March 31, 2018
Notes receivable（Note 9）	$ 379,499	$ 317,921	$ 401,408
Notes receivable － Related parties（Note 9）	3,611	5,170	2,026
Accounts receivable（Note 9）	305,255	262,504	208,229
Accounts receivable－Related parties（Note 9）	10,860	11,140	5,129
Receivables	$ 699,225	$ 596,735	$ 616,792
Contract liability			
Sales revenue of goods	$ 229,081	$ 198,806	$ 247,950

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

The amount of contract liabilities from the beginning of the year which has been complete satisfaction of a performance obligation is recognized as revenue in the current year as follows:

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Contract liability from the beginning of the year		
Sales of goods	$198,806	$231,276

(3) Customer contracts were not yet fully complete

The timing when the performance obligation that has not been fully met is expected to be recognized as revenue is as follows :

	March 31, 2019	December 31, 2018	March 31, 2018
Sales of goods			
－Fulfill from April to June, 2018	$ -	$ -	$ 297,950
－Fulfill from January to March, 2019	$ -	$ 198,806	$ -
－Fulfill from April to June, 2019	$ 229,081	$ -	$ -

24. Profit from Continuing Operations

(1) Net other income (expense)

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Gains on disposals of property, plant and equipment	$ 4,120	$ 2,249

(2) Depreciation and amortization

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Depreciations summary by functions		
Operating costs	$ 65,620	$ 57,568
Operating expenses	2,069	3,602
Non-operating expenses	1,729	1,729
	$ 69,418	$ 62,899
Amortization summary by functions		
Operating costs	$ 2,010	$ 1,724
Operating expenses	168	763
	$ 2,178	$ 2,487

(3) Employee benefits

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Post-employment benefits		
Defined contribution plans	$ 3,713	$ 3,207
Defined benefit plans （Note 21）	619	861
	4,332	4,068
Other employee benefits	85,228	90,284
	$ 89,560	$ 94,352
Summarized by function		
Operating costs	$ 63,566	$ 64,847
Operating expenses	25,994	29,505
	$ 89,560	$ 94,352

(4) Remunerations for employees and compensations for directors and supervisors

The Company shall appropriate 3% and not less than 5% of the profit before tax prior to the deduction of allocated remunerations for employees and compensations for directors and supervisors in the current year in accordance with Articles of Incorporation. The Company did not estimate the remuneration of employees and compensations for directors and supervisors because its loss before tax for the three months ended on March 31, 2019 and 2018.

Any information is related to the 2019 and 2018 remuneration that was approved by ther board of directors for the remuneration for employees and the compensation for directors and supervisors of the Company. Please check it on the Market Observation Post System of Taiwan Stock Exchange.

(5) Gains or losses on disposals of financial assets

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Financial assets measured at FVPL	$ 109	$ 27

(6) Foreign exchange gains (losses)

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Total foreign exchange gains	$ 689	$ 521
Total foreign exchange losses	(557)	(165)
Net profit (loss)	$ 132	$ 356

25. Income Tax from Continuing Operations

(1) Income tax recognized as profit or loss

The main components of the income tax expense are as follows:

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Current income tax		
Created in current period	$ -	$ 6,292
Deferred income tax		
Created in current period	(5,276)	(10,751)
Changes in tax rate	-	(20,496)
Income tax expenses of recognised in profit or loss	($ 5,276)	($ 24,955)

The Income Tax Act in the ROC was amended in 2018 and the corporate income tax rate was adjusted from 17% to 20% effective in 2018. The effect of the change in tax rate on deferred tax income to be recognized in profit or loss is recognized in full in the period in which the change in tax rate occurs. In addition, the rate of the corporate surtax applicable to 2018 unappropriated earnings will be reduced from 10% to 5%.

(2) Income tax assessments

As of the end of 2017, income tax declaration cases of the Company and Dasheng Enterprise Co., Ltd., Luckyship Marine Co., Ltd. and Fuyu Development Company approved by the tax collection authorities. The numbers of approved and declared are no significant difference.

As of the end of 2016, income tax declaration cases of Luckicon Ready-mixed Concrete Factory Co., Ltd. approved by the tax collection authorities. The numbers of approved and declared are no significant difference.

26. Discontinuing Operations

The board of directors of the Company decided to dissolve ELUMINA technology Inc., its subsidiaries - Elumina Holding Limited and Elumina (Xiamen) Company on July 31, 2015, and had the dissolution of liquidation; the Group classified the cash-generating units into the discounting operation in 2015. ELUMINA technology Inc. and its subsidiaries completed the dissolution process in November 2018. The loss of discontinuing operations in current period is as bellow:

	For the Three Months Ended March 31, 2018
Current profit (loss)	($ 179)
Gain (loss) on disposal	-
	($ 179)

Information regarding to the Profit/Loss and Cash Flow of Business Suspension Unit is as bellow:

	For the Three Months Ended March 31, 2018
Operating expenses	($ 206)
Non-operating income and expenses	27
Pre-tax loss of business suspension units	(179)
Tax expense	-
Current loss	($ 179)
Loss of business suspension unit belongs to:	
Owners of the Company	($ 126)
Non-controlling interests	(53)
	($ 179)
Net cash outflow generated from operations	($ 1,186)
Net cash flows from investing activities	1,000
Net cash flows (outflow)	($ 186)

27. Earnings (Loss) per Share

Unit : NTD 1.00 per share

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Basic earnings (loss) per share		
From continuing operations	($ 0.07)	($ 0.01)
From discontinued operations	-	-
Total basic earnings (loss)per share	($ 0.07)	($ 0.01)

To calculate the net loss of earnings (loss) per share and the weighted average shares of ordinary stock which is belonging to continuing business units is as follows:

(loss)

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Profit (loss) attributable to owners of parent	($ 29,773)	($ 5,002)
Plus: used to calculate the basic unit of the loss of business units per unit loss of net loss	-	126
To calculate the net profit (loss) of the continuing business unit's earnings (loss) per share	($ 29,773)	($ 4,876)

Number of share

Unit：1,000 shares

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
The weighted average shares of ordinary stock which is used to calculate the basic loss per share	404,738	404,738

28. Partial Cash Transaction

The Group conducts the following partial cash transaction investment activities for the three months ended on March 31, 2019 and 2018：

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Pay part of cash to purchase property, plant and equipment		
Purchase property, plant and equipment	$ 6,229	$ 1,581
Net Changes of prepayments for business facilities	-	34,140
Pay cash	$ 6,229	$ 35,721

29. Cash Flow Information

Changes in liabilities arising from financing activities

For the Three Months Ended March 31, 2019

	January 1, 2019	Cash Flow	Non-cash changes Discount amortization	December 31, 2019
Short-term notes and bills payable	$ 219,736	($ 110,000)	($ 10)	$ 109,726

For the Three Months Ended March 31, 2018

	January 1, 2018	Cash Flow	Non-cash changes Discount amortization	December 31, 2018
Short-term notes and bills payable	$ 139,577	$ 50,000	$ 89	$ 189,666

30. Financial Risk Management

The Group manages capital risk to ensure that maximizing the remuneration of shareholders by optimizing the debt and equity balances under the premise of keeping operating of each corporation in group.

31. Financial Instrument

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

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

(2) Information of fair value — financial instruments measured at fair value on a repeatable basis

I. Fair value hierarchy

March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets measured at FVPL				
Fund Benefit Certificate	$ 26,948	$ -	$ 6,557	$ 33,505
Financial assetsmeasured at FVOCI				
Eqiuty instrument investments				
－Domestic listed (OTC) stock	$ 88,392	$ -	$ -	$ 88,392
－Domestic unlisted (OTC) stock	-	-	21,984	21,984
Debt instrument investments				
－Corporate bonds	5,959	-	-	5,959
Total	$ 94,351	$ -	$ 21,984	$ 116,335

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets measured at FVPL				
Fund Benefit Certificate	$ 43,370	$ -	$ 6,535	$ 49,905
Financial assetsmeasured at FVOCI				
Eqiuty instrument investments				
－Domestic listed (OTC) stock	$ 136,875	$ -	$ -	$ 136,875
－Domestic unlisted (OTC) stock	-	-	19,015	19,015
Debt instrument investments				
－Corporate bonds	5,375	-	-	5,375
Total	$ 142,250	$ -	$ 19,015	$ 161,265

March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets measured at FVPL				
Fund Benefit Certificate	$ 75,246	$ -	$ 8,752	$ 83,998
Financial assetsmeasured at FVOCI				
Eqiuty instrument investments				
－Domestic listed (OTC) stock	$ 77,615	$ -	$ -	$ 77,615
－Domestic unlisted (OTC) stock	-	-	23,591	23,591
Debt instrument investments				
－Corporate bonds	5,361	-	-	5,361
Total	$ 82,976	$ -	$ 23,591	$ 106,567

There is no transfer between level 1 and level 2 of fair value measurement in three months ended March 31, 2019 and 2018.

II. Adjustment of financial instruments by level 3 measurement of fair value

For the Three Months Ended March 31, 2019

Financial assets	Financial assets at FVPL	Financial assets at FVOCI	
	Fund Benefit Certificate	Equity Instruments	Total
Balance at the beginning of the period (IFRS9	$ 6,535	$ 19,015	$ 25,550
Profit /loss (Other gains and losses)	22	-	22
Other comprehensive income (Unrealized gains (losses) on financial assets measured at FVOCI)	-	2,969	2,969
Balance at the end of the period	$ 6,557	$ 21,984	$ 28,541

For the Three Months Ended March 31, 2018

Financial assets	Financial assets at FVPL	Financial assets at FVOCI	
	Fund Benefit Certificate	Equity Instruments	Total
Balance at the beginning of the period	$ 8,949	$ 23,216	$ 32,165
Effect of retrospective application of IFRS 9	-	891	891
Balance at the beginning of the period (IFRS9)	8,949	24,107	33,056
Profit /loss (Other gains and losses)	(197)	-	(197)
Other comprehensive income (Unrealized gains (losses) on financial assets measured at FVOCI)	-	(516)	(516)
Balance at the end of the period	$ 8,752	$ 23,591	$ 32,343

III. Evaluation technology and inputs of Level 3 measurement of fair value

The fair value of the beneficiary certificate of a private overseas equity fund is determined by refrring to the net value of the fund provided by the fund company.

The domestic unlisted (OTC) equity investment adopts analogy of the Company Act for the listed (OTC) companies or the asset approach to calculate the fair value of investment targets.

The analogy of the Company Act for the listed (OTC) companies refers to companies engaged in the same or similar business, the transaction price of their shares in the active market, the value multiplier implied by those prices, and the reduction in liquidity to determine the value of the target company.

The asset approach assesses the total market value of individual assets and individual liabilities covered by the evaluation target and consider the reduction of non-controlling interests and a reduction in liquidity to reflect the overall value of the corporate or business.

(3) Financial instruments

	March 31, 2019	December 31, 2018	March 31, 2018
Financial assets			
Financial assets mandatorily measured at FVPL	$ 33,505	$ 49,905	$ 83,998
Measured at amortised cost（Note 1）	1,179,940	1,043,886	1,023,163
Financial assets measured at FVOCI			
Equity instrument investments	110,376	155,890	101,206
Debt instrument investments	5,959	5,375	5,361
Financial liabilities			
Measured at amortised cost（Note 2）	2,705,938	2,651,161	2,256,480

Note 1： The balance includes financial assets measured at amortized cost such as cash and cash equivalents, notess receivable, accounts receivable, other receivables, certificate of deposits with original maturity date over 3 months (recognized other financial assets) and restricted assets (recognized other financial assets and other non-current assets).

Note 2： The balance includes financial liabilities masured at amortised cost such as short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, partical other payables and long-term borrowings.

(4) Objective and policy of financial risk management

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

I. Market risk

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

The exposure of related market risk of financial instrument of the Group and the management and measurement of the exposure don't change.

① Currency risk

The monetary asset in non-functional currency and carrying amount of monetary liabilities on balance sheet date of the Group (included the monetary items calculated in write-off non-functional currency in consolidated financial statement); please see Note 34.

Sensitivity Analysis

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

The following table shows the sensitivity analysis of the Group when the exchange rate of individual functional currency to each relevant foreign currency increases and decreases by 5%. 5% is as sensitivity ratio used for reporting currency risk to key management personnel of the group, and also represented assessment of reasonably possible range of fluctuation of foreign currency rate by the management personnel. The following table shows when the individual functional currency increases 5% relative to each relevant currency, it will make pre-tax income or amount of change in equity; and when the individual functional currency decreases 5 % relative to each relevant currency, it will have impact of pre-tax income or equity in negative for same amount.

	Effect of US dollars		Effect of RMB	
	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Profit(loss)	($ 336)	($ 303)	($ 359)	($ 352)

The above is mainly originated from the outstanding cash in banks, receivables, other financial assets and payables, calculated in USD and RMB which are not in cash flow hedge on balance sheet date of the Group.

② Interest rate risk

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

	March 31, 2019	December 31, 2018	March 31, 2018
Interest rate risk with fair value			
-Financial assets	$ 137,190	$ 154,629	$ 162,803
-Financial liabilities	662,845	268,200	-
Interest rate risk with cash flow			
-Financial assets	392,243	377,224	332,283
-Financial liabilities	1,587,138	1,975,833	1,740,634

<u>Sensitivity Analysis</u>

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

If interest rate decreases/increases 25 basic points, the loss before tax for three months ended on March 31, 2019 and 2018 increases/decreases NT$747,000 and NT$880,000 separately with all other variables held constant; the main reasons are floating rate loan, demand deposit and exposure in restricted asset interest rate risk of the Group.

II. Credit risk

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

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

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

	March 31, 2019		December 31, 2018		March 31, 2018	
	Book Value	Largest credit risk exposed amount	Book Value	Largest credit risk exposed amount	Book Value	Largest credit risk exposed amount
Off-balance sheet commitments and guarantee						
Endoresement for subsidiary	$ -	$ 748,915	$ -	$ 748,910	$ -	$ 748,695

The credit risk of the Group is mainly concentered on the key account (KA) of the Group; as the end of March 31, 2019, December 31, 2018 and March 31, 2018, the receivables should exceed 5% of total receivables, which are separately 25.70%, 43.60% and 42.95% of total receivables.

III. Liquidity risk

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

Bank loan is an important source of liquidity for the Group. As the end of March 31, 2019, December 31, 2018 and March 31, 2018, the unused long-term and short-term bank loan commitments of the Group are separately NT$1,768,289,000, NT$1,893,815,000 and NT$2,670,900,000.

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

March 31, 2019

	Weighted average valid rate (%)	Requirement: Pay at once or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities						
Non-Interest-Bearing liability	-	$ 274,458	$ 209,437	$ 18,685	$ 49,121	$ 17,000
Leased liabilities	1.55%	2,192	13,104	35,798	109,335	-
Floating interest rate tool	1.88%	-	52,800	395,764	1,160,000	-
Fixed interest rate tool	1.74%	86,406	-	576,439	-	-
		$ 363,056	$ 275,341	$ 1,026,686	$1,318,456	$ 17,000

December 31, 2018

	Weighted average valid rate (%)	Requirement: Pay at once or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities						
Non-Interest-Bearing liability	-	$ 232,472	$ 209,445	$ 17,805	$ 5,317	$ 63,692
Floating interest rate tool	1.62%	-	67,212	743,888	984,725	180,000
Fixed interest rate tool	1.29%	131,000	-	137,200	-	-
		$ 363,472	$ 276,657	$ 898,893	$ 990,042	$ 243,692

March 31, 2018

	Weighted average valid rate (%)	Requirement: Pay at once or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities						
Non-Interest-Bearing liability	-	$ 249,613	$ 230,548	$ 37,491	$ 60,832	$ 63,988
Floating interest rate tool	1.77%	20,000	62,800	1,048,996	608,838	-
		$ 269,613	$ 293,348	$ 1,086,487	$ 669,670	$ 63,988

32. Related Party Transactions

The transaction, account balance, income and losses between the Company and subsidiaries will be completely eliminated after consolidated reporting, so they are not disclosed in the notes. In addition to the discourse of other notes, the transaction between related party and the Group is as follows:

(1) Related party and Relations

Related party	Relations
Other related party	
Yungsheng Development Industrial Co., Ltd. (Yungsheng Development Co.)	The chairman of the company is the same as the chairman of the parent company
LIANG-CHUAN Cultural and Educational Foundation (LIANG-CHUAN Foundation)	The chairman of the foundation is the same as the chairman of the parent company
Fudong Freight Co., Ltd (Fudong Freight Co.)	The directors of the company are the same as the major shareholders of the parent company
Changjun Water Resources biotechnology Co., Ltd (Changjun Water Resources Co.)	The chairman of the company is one of the parent company chairman's first-degree relatives
Jia Fu Entertainment Co., Ltd (Jia Fu Entertainment Co.)	The chairman of the company is one of the parent company chairman's first-degree relatives
Wantong Product Insurance Brokerage Co., Ltd (Wantong Product Insurance Co.)	The chairman of the company is one of the parent company chairman's first-degree relatives
Lucky construction Co., Ltd (Lucky construction Co.)	The chairman of the company is one of the parent company chairman's first-degree relatives

(To be continued)

(Continued)

Related party	Relations
Kuochuan Development Co., Ltd. (Kuochuan Development Co.)	The chairman of the company is one of the parent company chairman's first-degree relatives
Changheng Investment Co., (Changheng Investment Co.)	The major shareholder of the parent company
Jinli Investment Co., Ltd. (Jinli Co.)	The major shareholder of the parent company
Cheng Haibin	The parent company chairman's third-degree relatives
Fuan Mining Co., Ltd. (Fuan Mining Co.)	The manger is the spouse of the parent company chairman's first-degree relatives.

(2) Business transaction

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Sales		
Other related parties	$ 15,375	$ 13,010
Purchase		
Fuan Mining Co.	$ 52,681	$ 45,550
Other related parties	11,183	5,317
	$ 63,864	$ 50,867
Operating costs - transportation expenses		
Other related parties	$ 3,081	$ 3,407
Operating expenses		
Other related parties	$ 1,608	$ 2,069
Non-operating income		
Other related parties	$ 602	$ 602
Non-operating expenses		
Other related parties	$ -	$ 91

The purchase price and sales price between the Group and the related parties were negotiated respectively and were equal to the non-related parties.

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Non-operating expenses are rent expense between the Group and related parties; the determination and collection method of rent are same as general leasing transactions.

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

	March 31, 2019	December 31, 2018	March 31, 2018
Notes receivable			
Other related parties	$ 3,611	$ 5,170	$ 2,026
Accounts receivable			
Other related parties	$ 10,860	$ 11,140	$ 5,129
Other receivable			
Other related parties	$ 701	$ 551	$ 354

No guarantee received for receivables- related parties. No expense on doubtful debts in receivables- related parties recognized for three months ended on March 31, 2019 and 2018.

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

	March 31, 2019	December 31, 2018	March 31, 2018
Notes payable			
Fuan Mining Co.	$ 32,312	$ 41,678	$ 30,049
Other related parties	1,104	1,916	190
	$ 33,416	$ 43,594	$ 30,239
Accounts payable			
Fuan Mining Co.	$ 23,003	$ 21,195	$ 17,778
Other related parties	5,749	2,345	1,945
	$ 28,752	$ 23,540	$ 19,723
Other payable（exclude financing）			
Other related parties	$ 1,517	$ 1,157	$ 5,190

No guarantee provided for the balance of the payables - related parties.

(5) Loans from related parties

	March 31, 2019	December 31, 2018	March 31, 2018
Other payable			
Other related parties	$ -	$ -	$ 49,286
Shareholder accounts			
Cheng Haibin	$ 45,800	$ 45,800	$ 45,800

Shareholder accounts of the Group are interestless borrowing from stockholders.

(6) Rental agreement

Operating lease

The operating lease receivables (recognized as other receivables) are summarized as follows：

Relationship category	March 31, 2019	December 31, 2018	March 31, 2018
Other related parties	$ 104	$ 103	$ 101

The gross lease payments to be received are summarized as follows：

Relationship category	March 31, 2019	December 31, 2018	March 31, 2018
Fudong Automobile	$ 2,274	$ 2,274	$ 2,274
Other related parties	231	264	363
	$ 2,505	$ 2,538	$ 2,637

The lease income is summarized as follows：

Relationship category	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Fudong Automobile	$ 569	$ 569
Other related parties	33	33
	$ 602	$ 602

All the terms and conditions of the above lease contracts conformed to normal business practices

(7) Remunerations of key management personnel

The total remunerations of the Directors and other key management personnel were as follows:

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Short-term employee benefits	$ 4,606	$ 5,160
Benefit after retirement	92	105
	$ 4,698	$ 5,265

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

33. Pledged Assets

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

	March 31, 2019	December 31, 2018	March 31, 2018
Notes receivable	$ 40,732	$ 7,200	$ -
Developing property (Recognized inventory)	3,077,002	3,012,245	3,117,841
Restricted assets (Recognized other financial assets and other non-current assets)	250,716	242,699	197,984
Property, plant and equipment	771,882	794,480	811,486
	$ 4,140,332	$ 4,056,624	$ 4,127,311

34. The Information of Foreign Currency Assets and Liabilities with Important Impact

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

Unit： Thousands of NT$ and foreign currency

March 31, 2019

	Foreign curreny	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
US dollars	$ 218	30.82 （USD：NTD）	$ 6,719
RMB	1,566	4.58 （RMB：NTD）	7,174
Japanese Yen	100,013	0.2783 （JPY：NTD）	27,834

December 31, 2018

	Foreign curreny	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
US dollars	$ 294	30.715 （USD：NTD）	$ 9,002
US dollars	7	6.8632 （USD：RMB）	229
RMB	1,566	4.472 （RMB：NTD）	6,980
Japanese Yen	100,008	0.2872 （JPY：NTD）	28,722

March 31, 2018

	Foreign curreny	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
US dollars	$ 200	29.105 （USD：NTD）	$ 5,842
US dollars	8	6.2881 （USD：RMB）	222
RMB	1,519	4.6310 （RMB：NTD）	7,032

Foreign exchange gains/losses (realized or unrealized) of the Group for three months ended on March 31, 2019 and 2018 are respectively grain NT$132,000 and NT$356,000. Because there is variety of foreign currency transactions, it cannot disclose exchange gains and losses in accordance with foreign currency of each important impact.

35. Additional Disclosures

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

A. Financings provided：Schedule 1

B. Endorsement/guarantee provided：Schedule 2

C. Marketable securities held (excluding investments in subsidiaries and associates)：Schedule 3

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

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

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

G. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital：Schedule 4

H. Receivables from related parties amounting to at least NT$100 millions or 20% of the paid-in capital：None

I. Information about the derivative financial instruments transaction：None

J. Others: The business relationship between the parent and the subsidiaries and significant transactions between them： Schedule 6

K. Information of the investees (excluded the investees in Mainland China)：Schedule 5

(3) Investment Information in mainland China：

I. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee： Schedule 6

II. Significant direct or indirect transactions with the investee, its prices and terms of payment and unrealized gains or losses: there are no significant transactions and unrealized gains or losses between the parent company and the investee company in mainland China.

① The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period：None

② The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period：None

③ The amount of property transactions and the amount of the resultant gains or losses：None

④ The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purpose：None

⑤ The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds：None

⑥ Other transactions that have material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services：None

36. Segment Information

The Group defined its reportable segments as follows:：

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

Other segment: Other operations of non-cement business。The main business of ELUMINA Technology Inc. and its subsidiary Elumina Holding Ltd. and ELUMINA (Xiamen) company are producing and selling light-emitting Diode, and the unit of cash is transferred to discontinued operation on August, 2015; please see Note 26 for related instruction.

(1) Revenue of segments and operating results

The Group revenues and operating results analyzed by the operating segments were as follows：

	Income of Segments t		Profit/Loss of Segments	
	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Cement segment	$ 816,052	$ 825,048	($ 24,794)	($ 30,233)
Other segmentt	18,293	7,658	(1,567)	(4,340)
GrosTotal amount of business unit	$ 834,345	$ 832,706	(26,361)	(34,573)
Interest revenue			511	614
Rent income			2,227	2,376
Other revenue			654	11,229
Gains on disposals of financial assets			109	27
Foreign exchange gains			132	356
Loss from financial assets measured at FVPL			468	(469)
Other expenses			(2,410)	(2,843)
Interest expense			(10,379)	(7,626)
Profit (loss) from continuing operations before tax			(35,049)	(30,909)
Loss from discontinued operations before tax			-	(179)
Profit (loss) before tax			($ 35,049)	($ 31,088)

The revenue of segments reported above is generated with external client exchanges. There is no selling between segments in three months ended on March 31, 2019 and 2018.

The revenue of segments means the profits earned by each segment, excluded interest revenue which shall be apportioned, rent income, other revenue, grains on disposals of financial assets, foreign exchange gains, gains (losses) from financial assets measured at FVPL, other expense and interest expense.

(2) Total assets and liabilities of segments

	March 31, 2019	December 31, 2018	March 31, 2018
Segment assets			
Continuing operating segment			
Cement segment	$ 4,211,199	$ 4,001,015	$ 3,817,191
Other segment t	3,296,037	3,292,482	3,337,099
Total of segment assets	7,507,236	7,293,497	7,154,290
Assets related discontinued operations	-	-	1,567
Total assets	$ 7,507,236	$ 7,293,497	$ 7,155,857

(To be continued)

(Continued))

	March 31, 2019	December 31, 2018	March 31, 2018
Segment liabilities			
Continuing operating segment			
Cement segment	$ 2,670,801	$ 2,440,119	$ 2,049,050
Other segment	622,611	626,380	688,268
Total of segment liabilities	3,293,412	3,066,499	2,737,318
Liabilities related discontinued operations	-	-	7,909
Toatl liabilities	$ 3,293,412	$ 3,066,499	$ 2,745,227

Lucky Cement Corporation and Subsidiaries

Financings Provided

For the Three Months Ended March 31, 2019

Schedule 1

In Thousands of New Taiwan Dollars

No.	Company of Lending Funds	Borrower	Relation Account	Mmaximum Balance in Current Period	Where is the related party	Balance, end of the period (Note 4)	Amonut of real dealing (Note 5)	Interest rate collar (%)	Character on loan of funds (Note 1)	Amount between business	Necessary reasons for short term financial assets	Amount of allowance for uncollectible be submitted	Collateral		Limitation of loan of funds to individual party (Note 2)	Total limitation of loan of funds (Note 3)
													Name	Value		
0	Lucky Cement Corp.	Dasheng Enterprise	Receivables of Affiliated Enterprise－Financing	$ 200,000	Yes	$ 200,000	$ 75,500	1.8763%	(2)	$ -	Operating Turnover	$ -	－	－	$ 421,375	$ 1,685,499
		Luckyship Marine Co.	Receivables of Affiliated Enterprise－Financing	30,000	Yes	30,000	3,000	1.8763%	(2)	-	Operating Turnover	-	－	－	421,375	1,685,499
		Lucky Cement Corp., Japan	Receivables of Affiliated Enterprise－Financing	30,000	Yes	30,000	-	1.8763%	(2)	-	Operating Turnover	-	－	－	421,375	1,685,499
						$ 260,000										
1	Luckicon Ready-mixed Concrete Co.	Dasheng Enterprise	Receivables of Affiliated Enterprise－Financing	20,000	Yes	$ 20,000	20,000	1.95%	(2)	-	Operating Turnover	-	－	－	51,686	103,373

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

(1) Party with business.

(2) Party with short-term financing need.

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

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

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

Note 5：The trade between headquarter and subsidiary has been written off in the prepared financial statement.

Lucky Cement Corporation and Subsidiaries

Endorsement/Guarantee Provided

For the Three Months Ended March 31, 2019

Schedule 2

Unit: NT$1,000, unless otherwise noted

No.	Company Name of endorser	The party for enforcement and guarantee		Limitation amount of enforcement and guarantee for single enterprise (Note 1)	Maximun balance of enforcement and guarantee in current period	Balance of enforcement and guarantee, end of the periodr	Amonut of real dealing	Amount of enforcement and guarantee by property guarantee	Ratio of accumulated amount of enforcement and guarantee to net value of financial statement of lastest period (%)	Maximun limitation on enforcement and guarantee (Note 2)	Enforcement and guarantee belong to parent vs. subsidiary company	Enforcement and guarantee belong to subsidiary vs. parent company	Enforcement and guarantee belong to Mainland China	Remark
		Company	Relations											
0	Lucky Cement Corp.	Dasheng Enterprise	Subsidiary	$ 1,685,499	$ 620,000	$ 620,000	$ 560,000	$ 120,000 (Note 3)	14.67%	$ 2,106,873	Y	–	–	
		Luckicon Ready-mixed Concrete Co.	Subsidiary	1,685,499	70,000	70,000	-	-	1.66%	2,106,873	Y	–	–	
		Luckyship Marine Co.	Subsidiary	1,685,499	45,000	45,000	8,838	-	1.06%	2,106,873	Y	–	–	
		Lucky Cement Corp., Japan	Subsidiary	1,685,499	14,140 (JPY50,000,000)	13,915	3,340	-	0.33%	2,106,873	Y	–	–	
						$ 748,915								

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

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

Note 3：Other finance asset – restricted asset NT$60,000,000 is provided as collateral.

Lucky Cement Corporation and Subsidiaries

Marketable Securities Held

March 31, 2019

Schedule 3

In Thousands of New Taiwan Dollars

Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of period				Remarks
				Shares	Carrying Amount	（ % ）	Fair Value （Note 1 & 2）	
Lucky Cement Corp.	Fund Beneficiary Certificate							
	O-Bank No.1 Real Estate Investment Trust	—	Current financial assets at FVPL	100,000	$ 912	-	$ 912	
	Non-listed (OTC) Company Common Stock							
	Jonfeng Mining Co., Ltd	—	Non-current financial assets at FVOCI	1,071,428	10,618	10.58	10,618	
	Global Securities Finance Corp.	—	Non-current financial assets at FVOCI	700,837	4,871	0.18	4,871	
	WK Technology Fund	—	Non-current financial assets at FVOCI	1,156,000	6,147	2.22	6,147	
	Listed (OTC) Company Common Stock							
	Medigen Biotechnology Corporation	—	Current financial assets at FVOCI	28,628	1,689	-	1,689	
	United Microelectronics Corporation	—	Current financial assets at FVOCI	72,351	843	-	843	
	Winbond Electronics Corp.	—	Current financial assets at FVOCI	130,181	1,920	-	1,920	
	First Financial Holding Co. Ltd.	—	Current financial assets at FVOCI	883	19	-	19	
	Capital Securities Corp.	—	Current financial assets at FVOCI	875	9	-	9	
	Hua Nan Financial Holdings Co. Ltd.	—	Current financial assets at FVOCI	402	8	-	8	
	China Development Financial	—	Current financial assets at FVOCI	13,496	139	-	139	
	Highwealth Construction	—	Current financial assets at FVOCI	8,000	406	-	406	
	Far Eastern New Century Corporation	—	Current financial assets at FVOCI	800,000	24,360	-	24,360	
	Asia Cement Corporation	—	Current financial assets at FVOCI	500,000	20,050	-	20,050	
	U-Ming Marine Transport Corporation	—	Current financial assets at FVOCI	128,000	3,974	-	3,974	
	Excelsior Medical Co., Ltd.	—	Current financial assets at FVOCI	40,000	1,980	-	1,980	

(To be continued)

(Continued)

Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of period				Remarks
				Shares	Carrying Amount	(%)	Fair Value (Note 1 & 2)	
Luckyship Marine Co.	Non-listed (OTC) Company Common Stock							
	Jonfeng Mining Co., Ltd	—	Non-current financial assets at FVOCI	35,129	$ 348	0.35	$ 348	
	Listed (OTC) Company Common Stock							
	Medigen Biotechnology Corporation	—	Current financial assets at FVOCI	242	14	-	14	
Just Bright Ltd.	Listed Company Common Stock							
	Global Lighting Technologies Inc. (GLT—4935)	—	Current financial assets at FVOCI	991,908	32,981	-	32,981	
Luckicon Ready-mixed Concrete Co.	Fund Beneficiary Certificate							
	MEGA BAOJUAN Money Market Fund	—	Current financial assets at FVPL	910,000	11,409	-	11,409	
	Nomura Global Short Duration Bond Fund	—	Current financial assets at FVPL	948,650	10,009	-	10,009	
	Shin Kong Emerging ASEAN Bond Fund	—	Current financial assets at FVPL	500,015	4,618	-	4,618	
	TSG Phnom Penh Real Estate Development Fund	—	Non-current financial assets at FVPL	500	6,557	-	6,557	
	Marketable Security - Corporate Bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	—	Current financial assets at FVOCI	-	5,959	-	5,959	

Note 1: Financial assets measured at FVPL, its fair value is based on the net asset value of funds on March 31, 2019.

Note 2: Listed (OTC) stocks of financial assets measured at FVPL, its fair value is based on stock closing price on March 31, 2019. Corporate bond is based on market price on March 31, 2019. Non-listed (OTC) stocks are estimated market value by the fair value evaluation method.

Note 3: Please refer to Schedule 5 for info regarding to subsidiary investment.

Lucky Cement Corporation and Subsidiaries

Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital

For the Three Months Ended March 31, 2019

Schedule 4

In Thousands of New Taiwan Dollars

Company Name	Transaction Counterpart	Relations	Transaction Status				Status and Reasons of Difference between Transaction Condition and General Transaction		Accounts, Notes Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Account for Purchase (Sale) Percentage to Total (%)	Credit Period	Unit Price	Credit Period	Balance	Accounts, Notes Receivable (Payable) Percentage to Total (%)	
Lucky Cement Corp.	Luckicon Ready-mixed Co.,	Subsidiary	Sale	($ 130,409)	(15.63)	About 90 days	Quite	Quite	Accounts receivable $ 59,307 Notes receivable 39,501	18.76 10.31	Note

Note：It has been written off in the prepared financial statement.

Lucky Cement Corporation and Subsidiaries

Names, Locations, and Related Information of Investees

For the Three Months Ended March 31, 2019

Schedule 5

In Thousands of New Taiwan Dollars

Investment company	Invested company	Address	Main business items	Original investment amount (Note 8)		Holding at the end of the period			Current (loss) profit of invested company	Investment (loss) profit accounted this Period	Remarks
				At the end of the period	End of last year	Number of shares	Rate	Carrying Amount			
Lucky Cement Corp.	Dasheng Enterprise	14F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Real Estate Sales & Lease	$ 2,167,473	$ 2,167,473	157,295,283	99.99	$ 2,330,214	($ 4,384)	($ 4,384)	Note 1
	Luckicon Ready-mixed Concrete Co.	No.191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Ready-mixed Concrete Manufacture & Trades	99,998	99,998	21,999,868	99.99	258,430	(3,137)	(3,137)	Note 1
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Investment Business	1,566	1,566	50,000	100.00	32,988	-	-	Note 3
	Lucky Cement Corp., Japan	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement Trading	82,300	82,300	200	100.00	24,936	871	871	Note 2 & 3
	Luckyship Marine 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	51,798	(1,032)	(1,032)	Note 3
Luckicon Ready-mixed Concrete Co.	Fuyu Development Company	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	10,591	(971)	(971)	Note 3

Note1：It has been calucated pursuant to the Accountant’s reviewed financial statement.

Note2：Original investment amount that the Company invested in Lucky Cement Corp., Japan and did not finish equity registration is 80,000,000 Japanese Yen in March 31, 2019.

Note3：It has been calucated pursuant Without the Accountant’s reviewed financial statement.

Note4：The original investment amount includes the previous year's capital reduction to make up for the decrease in losses.

Lucky Cement Corporation and Subsidiary

Intercompany Relationships and Significant Intercompany Transactions

For the Three Months Ended March 31, 2019

Schedule 6 In Thousands of New Taiwan Dollars

No.	Name of Trader	Subject in Trade	Relations with trader (Note 1)	State of Trade			
				Account	Amount	Condition of Trade	The ratio of total revenue or total assets (%)
0	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Accounts receivable	$ 59,307	About 90 days	0.79
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Notes receivable	39,501	About 90 days	0.53
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Other receivables	104	About 90 days	-
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Contract liability	6,402	About 90 days	0.09
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Sales revenue	130,409	About 90 days	15.63
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Rent income	381	30 days	0.05
	Lucky Cement Corp.	Fuyu Development Company	1	Accounts payable	188	About 90 days	-
	Lucky Cement Corp.	Fuyu Development Company	1	Other payable	244	About 90 days	-
	Lucky Cement Corp.	Fuyu Development Company	1	Notes payable	744	About 90 days	0.01
	Lucky Cement Corp.	Fuyu Development Company	1	Cost of sales	1,119	About 90 days	0.13
	Lucky Cement Corp.	Fuyu Development Company	1	Rent income	2,015	About 90 days	0.24
	Lucky Cement Corp.	Fuyu Development Company	1	Other income	300	About 90 days	0.04
	Lucky Cement Corp.	Luckyship Marine Co.	1	Other receivables	8	30 days	-
	Lucky Cement Corp.	Luckyship Marine Co.	1	Interest income	14	30 days	-
	Lucky Cement Corp.	Luckyship Marine Co.	1	Rent income	64	30 days	-
	Lucky Cement Corp.	Dasheng Enterprise	1	Guarantee deposits paid	159,000	Returned upon completion according to the contract	2.12
	Lucky Cement Corp.	Dasheng Enterprise	1	Other financial assets - Financing	75,500	Financing, the repayment period is one year	1.01
	Lucky Cement Corp.	Dasheng Enterprise	1	Other receivables	119	30 days	-
	Lucky Cement Corp.	Dasheng Enterprise	1	Rent income	20	30 days	-
	Lucky Cement Corp.	Dasheng Enterprise	1	Interest income	329	30 days	0.04
1	Luckicon Ready-mixed Co.,	Fuyu Development Company	3	Rent income	200	30 days	0.02
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Accounts receivable	440	About 90 days	0.01
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Notes receivable	257	About 90 days	-
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Other financial assets - Financing	20,000	Financing, the repayment period is one year	0.27
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Other receivables	33	30 days	-
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Sales revenue	664	About 90 days	0.04
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Interest income	96	30 days	-

Note 1： The relationships among the transaction parties are as follows:

1. The Company to the subsidiary
2. The subsidiary to the Company
3. Between subsidiaries