Stock Code: 1108

Lucky Cement Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2016 and 2015 and Independent Auditors' Report

Notice to readers

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

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AUDITORS' REPORT

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

AUDITOR'S OPINION

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

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

BASIS FOR OPINION OF AUDITOR

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

KEY AUDIT MATTERS

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

The key audit matters for auditing of independent financial statements of Lucky Cement Co., Ltd. in 2016 are as follows:

INVENTORY VALUATION LOSSES

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

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

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

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

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

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

DAI SHEN Development Co., Ltd. measures inventory costs with the method of comparing costs or net realizable value to evaluate the costs of developing real estate and to be developed

real estate; please see Note 5 (2) for relevant accounting judgment, estimating and assumption of
the uncertainty.

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE INDEPENDENT FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBLE FOR INDEPENDENT FINANCIAL STATEMENTS

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

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

1. Identifying and assessing the expressing risk of the independent financial statements caused by fraud or mistake; making conducting proper policy for all risks in evaluation; getting efficient and appropriate evidences for auditing as a basis of audit opinion. Because fraud may be involved in conspiracy, forging, deliberately omitting, false statements and exceeding of Internal Control, the detected risks of reason of fraud are higher than reason than mistake.
2. Getting necessary knowledge of Internal Control related to auditing to make auditing procedures in proper condition at that time. The target has unqualified opinion for the efficiency of Internal Control of Lucky Cement Co., Ltd.
3. Assessing the appropriateness of accounting policy decided by the management and disclosing justifiability of accounting evaluation and relevant evaluation.
4. Concluding the matters, which they may be important, or the conditions, which may be largely uncertainty, of appropriateness of keeping operating adopted by management, and the keeping operating ability of Lucky Cement Co., Ltd.; if we regard the matters or conditions having largely uncertain situation, we will remind the users of the independent financial statements to notice the relevant disclosing parts written in audit report, or modify the audit report if the disclosing parts are not appropriate. The conclusion from us is based on the auditing results of the auditing report deadline. Only the future matters or conditions may cause Lucky Cement Co., Ltd. having no ability of keeping operating.
5. Assessing if overall expressing, structure, and content of the independent financial statements (included relevant note) and the independent financial statements express properly relevant business and matters.
6. Getting efficient and appropriate audit results to express opinion of the independent financial statements in accordance with the independent financial statements of Lucky Cement Co., Ltd. We are responsible for guiding, supervising, and conducting of audit report, and also responsible for making audit opinion of Lucky Cement Co., Ltd.
   The matters which are communicated between us and the management include the planned audit scope and time, and important audit evidence (included the significant mistakes of Internal Control identified during audit procedures).

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

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

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

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

March 30, 2017

Lucky Cement Corporation and subsidiaries

Consolidated Balance Sheets

December 31,2016 And 2015

Unit：NTD$1000

Code	Assets	2016/12/31 Amount	%	2015/12/31 Amount	%
	Current Assets				
1100	Cash（Note 4 & 6）	$ 213,090	3	$ 220,129	3
1125	Available-for-sale financial assets（Note 4 & 7）	169,905	2	177,052	2
1150	Notes receivable,net（Note 4, 8, & 29）	440,532	6	442,341	5
1160	Notes receivable due from related parties,net（Note 4, 8, & 28）	12,050	-	199	-
1170	Accounts receivable,net（Note 4 & 8）	303,758	4	460,296	6
1180	Accounts receivable due from related parties,net（Note 4, 8, & 28）	23,360	-	-	-
1200	Other receivables（Note 4 & 28）	1,927	-	5,087	-
1220	Current tax assets（Note 4 & 22）	15,663	-	54	-
130X	Inventories（Note 4, 5, 9, & 29）	3,624,700	47	3,508,275	45
1410	Prepayments（Note 11）	168,666	2	209,909	3
1470	Other current assets（Note 12 & 29）	387,111	5	189,421	2
11XX	Total Current Assets	5,360,762	69	5,212,763	66
	Non-Current Assets				
1523	Non-current available-for-sale financial assets（Note 4 & 7）	16,480	-	-	-
1543	Non-current financial assets at cost（Note 4 & 13）	37,666	-	42,766	1
1600	Property, plant, and equipment（Note 4, 14, & 29）	1,899,736	25	2,157,348	27
1840	Deferred tax assets（Note 4 & 22）	122,317	2	151,023	2
1920	Guarantee deposits paid	88,752	1	93,695	1
1990	Other non-current assets（Note 15 & 29）	226,931	3	197,907	3
15XX	Total Non-Current Assets	2,391,882	31	2,642,739	34
1XXX	Total Assets	$ 7,752,644	100	$ 7,855,502	100
Code	Liabilities and Equities				
	Current Liabilities				
2100	Short-term borrowings（Note 16 & 29）	$ 1,185,829	16	$ 364,721	5
2110	Short-term notes and bills payable（Note 16 & 29）	229,443	3	49,950	1
2150	Notes payable（Note 17）	155,842	2	190,379	2
2160	Notes payable to related parties（Note 17 & 28）	91,186	1	-	-
2170	Accounts payable（Note 17）	172,446	2	205,547	3
2180	Accounts payable to related parties（Note 17 & 28）	90,433	1	10,012	-
2219	Other payables（Note 18 & 28）	192,032	3	250,828	3
2230	Current tax liabilities（Note 4 & 22）	4,128	-	136,076	2
2310	Advance receipts	157,345	2	194,815	2
2320	Long-term liabilities, current portion（Note 16 & 29）	314,700	4	406,250	5
2399	Other current liabilities	11,513	-	16,165	-
21XX	Total Current Liabilities	2,604,897	34	1,824,743	23
	Non-Current Liabilities				
2540	Long-term borrowings（Note 16 & 29）	135,338	2	694,850	9
2570	Deferred tax liabilities（Note 4 & 22）	59,604	1	68,270	1
2640	Net defined benefit liability（Note 4 & 19）	72,236	1	348,224	4
2645	Guarantee deposits received	32,933	-	27,951	-
2655	Shareholder accounts（Note 28）	45,800	-	45,800	1
25XX	Total Non-Current Liabilities	345,911	4	1,185,095	15
2XXX	Total Liabilities	2,950,808	38	3,009,838	38
	Equity Attributable to the Owner Company（Note 20）				
3110	Ordinary share	4,047,380	52	4,047,380	52
3200	Capital surplus	8	-	8	-
	Retained earnings				
3310	Legal reserve	134,776	2	87,760	1
3320	Special reserve	14,135	-	14,135	-
3350	Undistributed retained earnings	547,996	7	626,211	8
3300	Total Retained Earnings	696,907	9	728,106	9
3400	Other Equities	27,400	1	36,356	-
31XX	Total Equity Attributable to Owners of the parent	4,771,695	62	4,811,850	61
36XX	Non-Controlling Interests（Note 20）	30,141	-	33,814	1
3XXX	Total Equities	4,801,836	62	4,845,664	62
	Total Liabilities and Equities	$ 7,752,644	100	$ 7,855,502	100

The accompanying notes are part of the individual financial report.

President: Manager: Accounting Manager:

Lucky Cement Corporation

Consolidated Income Statement

For The Years Ended December 31,2016 and 2015

Unit： NTD $1000, excluding earning per share, which is in 1 dollar

Code		2016 Amount	2016 %	2015 Amount	2015 %
	Operating Income（Note 4 & 28）				
4110	Sales revenue	$ 4,260,805	100	$ 5,032,265	100
4190	Less: Sales discounts and allowances	9,744	-	10,912	-
4100	Net sales revenue	4,251,061	100	5,021,353	100
5000	Operating costs（Note 9, 21, & 28）	3,588,568	84	4,115,087	82
5900	Gross profit from operations	662,493	16	906,266	18
	Operating expenses（Note 21 & 28）				
6100	Selling expense	95,299	2	135,878	3
6200	Administrative expenses	140,974	4	146,059	3
6000	Total Operating Expenses	236,273	6	281,937	6
6500	Net other income(expenses)（Note 21）	106	-	14	-
6900	Net operating income	426,326	10	624,343	12
	Non-Operating Income and Expenses（Note 4, 21, & 28）				
7100	Interest income	1,975	-	2,797	-
7110	Rent income	9,994	-	9,719	-
7190	Other income	12,489	-	19,568	-
7225	Gains on disposals of investments	9,092	-	34,143	1
7230	Foreign exchange gains or loss	(1,951)	-	877	-
7590	Miscellaneous disbursements	(25,356)	-	(24,996)	-
7670	Impairment loss	-	-	(7,500)	-
7510	Interest expense	(31,239)	(1)	(42,627)	(1)
7000	Non-Operating Income and Expenses Total	(24,996)	(1)	(8,019)	-
7900	Profit from continuing operations before tax	401,330	9	616,324	12
7950	Tax expenses（Note 4 & 22）	77,128	2	112,889	2

（To be continued）

（Continued）

Code		2016 Amount	2016 %	2015 Amount	2015 %
8000	Profit from continuing operations	$ 324,202	7	$ 503,435	10
8100	Profit loss from discontinued operations（Note 4 & 23）	(9,125)	-	(40,672)	(1)
8200	Profit for the year	315,077	7	462,763	9
	Other comprehensive income				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans（Note 19）	(2,506)	-	(8,202)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(56)	-	1,426	-
8362	Unrealised gains (losses) on valuation of available-for-sale financial assets	(8,909)	-	6,890	-
8300	Other comprehensive income,net	(11,471)	-	114	-
8500	Total comprehensive income	$ 303,606	7	$ 462,877	9
	Net income:				
8610	Attributable to owners of parent	$ 315,334	7	$ 470,161	9
8620	Attributable to non-controlling interests	(257)	-	(7,398)	-
8600		$ 315,077	7	$ 462,763	9
	Total comprehensive income:				
8710	Comprehensive income, attributable to owners of parent	$ 303,872	7	$ 470,063	9
8720	Comprehensive income, attributable to non-controlling interests	(266)	-	(7,186)	-
8700		$ 303,606	7	$ 462,877	9
	Earnings per share（Note 24）				

	From continuing business units and closed business units		
9750	Basis	$ 0.78	$ 1.16
9850	Diluted	$ 0.78	$ 1.15
	From continuing units		
9710	Basis	$ 0.80	$ 1.23
9810	Diluted	$ 0.80	$ 1.22

The accompanying notes are part of the individual financial report.

President: Manager: Accounting Manager:

Lucky Cement Corporation

Consolidated Statements Of Changes In Equity

For The Years Ended December 31,2016 and 2015

Unit：Excluding Each Share, NTD $1000

Code		Belonging to Original Company Stockholders Equity									
				Retained Earnings			Other Stockholding Items				
		Share Capital	Capital surplus	Legal Reserve	Special Revenue	Unappropriated Retained Earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total	Non-controlling interests	Total interests
A1	Balance,January 1,2015	$ 4,047,380	$ -	$ 49,806	$ 14,135	$ 445,049	($ 8,011)	$ 36,263	$ 4,584,622	$ 30,492	$ 4,615,114
	Appropriation and distribution of 2014 Balances										
B1	Legal Reserve	-	-	37,954	-	(37,954)	-	-	-	-	-
B5	Cash Dividend- Each Share 0.6	-	-	-	-	(242,843)	-	-	(242,843)	-	(242,843)
C7	Changes in equity of subsidiaries for using equity method	-	8	-	-	-	-	-	8	(8)	-
O1	Increase of Non-controlling interests	-	-	-	-	-	-	-	-	10,516	10,516
D1	2015 Net income	-	-	-	-	470,161	-	-	470,161	(7,398)	462,763
D3	2015 Other comprehensive income	-	-	-	-	(8,202)	1,218	6,886	(98)	212	114
D5	2015 Other comprehensive income	-	-	-	-	461,959	1,218	6,886	470,063	(7,186)	462,877
Z1	Balance,December3 1,2015	4,047,380	8	87,760	14,135	626,211	(6,793)	43,149	4,811,850	33,814	4,845,664
	Appropriation and distribution of 2015 Balances：										
B1	Legal Reserve	-	-	47,016	-	(47,016)	-	-	-	-	-
B5	Cash Dividend- Each Share 0.85	-	-	-	-	(344,027)	-	-	(344,027)	-	(344,027)
O1	Decrease of Non-controlling interests	-	-	-	-	-	-	-	-	(3,407)	(3,407)
D1	2016 Net income	-	-	-	-	315,334	-	-	315,334	(257)	315,077
D3	2016 Other comprehensive income	-	-	-	-	(2,506)	(47)	(8,909)	(11,462)	(9)	(11,471)
D5	2016 Other comprehensive income	-	-	-	-	312,828	(47)	(8,909)	303,872	(266)	303,606
Z1	Balance,December3 1,2016	$ 4,047,380	$ 8	$ 134,776	$ 14,135	$ 547,996	($ 6,840)	$ 34,240	$ 4,771,695	$ 30,141	$ 4,801,836

The accompanying notes are part of the individual financial report.

President: Manager: Accounting Manager:

Lucky Cement Corporation

Consolidated Statements Of Cash Flows

For The Years Ended December 31,2016 and 2015

Unit：NTD 1000

Code		2016	2015
	Cash Flow from Operating Activities		
A00010	Profit from continuing operations before tax	$ 401,330	$ 616,324
A00020	Loss from discontinued operations before tax	(9,125)	(40,672)
A10000	Profit before Tax	392,205	575,652
A20000	Adjustments:		
A20300	Provision (reversal of provision) for bad debt expense	(1,462)	19,719
A20100	Depreciation expense	292,931	342,624
A20200	Amortization expense	9,536	26,319
A23500	Impairment loss on financial assets	-	7,500
A20900	Interest expense	31,239	43,219
A21200	Interest income	(1,975)	(2,799)
A21300	Dividend income	(5,054)	(12,145)
A22500	Loss (gain) on disposal of property, plan and equipment	(106)	9,686
A23100	Gains on disposals of investments	(9,092)	(34,247)
A30000	changes in operating assets and liabilities		
A31130	Notes receivable	1,809	142,543
A31140	Notes receivable due from related parties	(11,851)	1,704
A31150	Accounts receivable	158,000	77,426
A31160	Accounts receivable due from related parties	(23,360)	11
A31180	Other receivable	3,118	(1,892)
A31200	inventories	(116,425)	62,433
A31230	Prepayments	41,237	(4,785)
A31240	Other current assets	(20,180)	(7,734)
A32130	Notes payable	(34,537)	(123,583)
A32140	Notes payable to related parties	91,186	(51)
A32150	Accounts payable	(33,101)	(18,615)
A32160	Accounts payable to related parties	80,421	3,270
A32180	Other payable	(59,213)	54,419
A32210	Receipts in advance	(37,470)	(66,802)
A32230	Other current liabilities	(4,652)	(3,734)

A32240	Net defined benefit liability	(278,494)	(10,718)
A33000	Cash inflow (outflow) generated from operations	464,710	1,079,420
A33100	Interest received	1,956	3,422

（To be continued）

(Continued)

Code		2016	2015
A33300	Interest paid	($ 31,329)	($ 43,635)
A33500	Income taxes paid	(189,036)	(21,063)
AAAA	Net cash flows from operating activities	246,301	1,018,144
	Cash Flows from Investing Activities		
B00300	Acquisition of available-for-sale financial assets	(89,789)	(157,897)
B00400	Proceeds from disposal of available-for-sale financial assets	80,706	163,877
B01400	Proceeds from capital reduction of financial assets at cost	5,100	6,000
B02700	Acquisition of property, plant and equipment	(38,183)	(210,429)
B02800	Proceeds from disposal of property, plant and equipment	3,173	1,568
B03800	Decrease in refundable deposits	4,943	241
B06600	Decrease (increase) in other current assets	(193,119)	52,938
B06800	Decrease in other non-current assets	(38,560)	(3,407)
B07600	Dividends received	5,054	12,145
BBBB	Net cash flows from (used in) investing activities	(260,675)	(134,964)
C00100	Increase in short-term loans	821,108	(30,392)
C00600	Increase (decrease) in short-term notes and bills payable	180,000	(59,000)
C01600	Proceeds from long-term debt	695,800	286,850
C01700	Repayments of long-term debt	(1,346,862)	(891,978)
C03000	Increase in guarantee deposits received	4,982	1,884
C04500	Cash dividends paid	(344,027)	(242,843)
C05800	Change in non-controlling interests	(907)	11,766
C09900	Noncontrolling Equity Dividends payment	(2,500)	(1,250)
CCCC	Net cash flows from (used in) financing activities	7,594	(924,963)
DDDD	Effects of changes in foreign exchange rates	(259)	805
EEEE	Net cash increase/decrease	(7,039)	(40,978)
E00100	Cash balance at beginning of year	220,129	261,107
E00200	Cash balance at end of year	$ 213,090	$ 220,129

The accompanying notes are part of the individual financial report.

President: Manager: Accounting Manager:

Lucky Cement Corporation Limited

Notes of Consolidated Financial Report

From Jan.1,2015 to Dec.31,2016

(except the notes, Unit:NT$1000)

1. Company History

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

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

2.The Date and Procudure of Financial Report

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

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

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

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

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release(Note 1)
“The Yearly Improvement of Period of 2010-2012”	Jul.1,2014 (Note 2)
“The Yearly Improvement of Period of 2011-2013”	Jul.1,2014
“The Yearly Improvement of Period of 2012-2014”	Jan.1,2016 (Note 3)
“Amendments to IFRS 10, IFRS 12, and IAS 28 “Individual Investment: applied to the exceptions of consolidated statements”	Jan.1,2016

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release(Note 1)
Amendments to "Acquisition of an Interest in A Joint Operation" of IFRS 11	Jan.1,2016
Regulatory Deferral Accounts of IFRS 14	Jan.1,2016
Amendments to "Disclosure Initiative" of IAS 1	Jan.1,2016

(To be continued)

(Continued)

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

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

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

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

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

<u>Amendment to Criteria Governing the Preparation of Financial Reports by securities issuer</u>

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

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

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

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

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

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

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release(Note 1)
"The Yearly Improvement of Period of 2014-2016"	Note 2
Amendments to "classification and measurement of share-based payment transaction" of IFRS 2	Jan.1, 2018
Amendments to "under the IFRS 4 (insurance contract" that applied of the IFRS 9 (financial instruments) of IFRS 4	Jan.1, 2018
IFRS 9 financial instruments	Jan.1, 2018
Amendments to "mandatory date and transition disclosures" of IFRS 9 and IFRS 7	Jan.1, 2018
Amendments to "investor and the related enterprise or assets sell or contribution of joint venture" of IFRS 10 and IAS 28	TBA
IFRS 15 the income of customer contract	Jan.1, 2018
Amendments to "Explanation of IFRS 15" of IFRS15	Jan.1, 2018

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release(Note 1)
IFRS 16 lease	Jan. 1, 2019
Amendments to “disclosure initiative” of IAS 7	Jan.1, 2017
Amendments to “recognition of deferred tax assets of unrealized loss” of IAS 12	Jan.1, 2017
Amendments to “Conversion of Investment Property” of IAS 40	Jan.1, 2018
IFRIC 22 Foreign currency transaction and advance consideration	Jan.1, 2018

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

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

1). IFRS 9 “financial instruments”

Recognition and measurement of financial asset

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

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

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

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

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

The Impairment of Financial Asset

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

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

Transitional Provisions

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

2). IFRS 16 "Lease"

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

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

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

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

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

4. Aggregation of Material Accounting Policy

(1) Follow the Statement

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

(2) Preparation Basis

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

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

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

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

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

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

Current asset includes:

1). Hold Assets for trading

2). Asset that is realized in 12 months after the balance sheet day as expected; and

3). Cash (but not including the restricted that balance sheet after 12 months that exchange or clean-up liabilities.

Current Liabilities includes：

1). Hold liabilities for trading

2). Clean-up the liabilities after balance sheet in 12 months (despite the refinancing or rescheduling the payment agreement has finished before financial report issued, it still belongs to current liabilities), and

3). It cannot unconditionally defer the Settlement date, which defer after balance sheet at least 12 months liabilities.

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

The business cycle of construction portion involved by the merger company lasts up to one year, which is construction-related asset and liability and normal business cycle shall be the standard to tell it from current or non-current cycle.

(4) Basis of Merge

This consolidated financial statement contains one belonging to the parent company and its controlledentity (subsidiary). The financial statement of subsidiary has been adjusted to make it consistent on the accounting policy with that of the merger company. The trade, balance of account, gain and expense loss among each entity has been cancelled. The gross amount of consolidated profit or loss of subsidiary belongs to the owner of the parent company and uncontrolled equity, even if such non-controlled equity becomes balance of loss.

When the change of ownership that the merger company made on subsidiary did not lose the control, it shall be treated as equity trade. The book value of the merger company and non-controlled equity has been adjusted to reflect any change made on subsidiary in respect of equity. The difference between the adjustment of non-controlled equity and fair value of paid or received price shall be accounted as equity and belongs to the owner of the Company.

When the merger company loses control to the subsidiary, the disposal profit or loss shall be the difference between both as follows: (1) Aggregated amount of fair value from that of the received price and rest of investment by the former subsidiary pursuant to that on the day of losing control, and (2) aggregated amount of book values from that of asset (included goodwill) and liability of the former subsidiary and that of non-controlled equity on the day of losing control. The accounting principle for all subsidiary-related amounts that the merger company accounts for other consolidated profit or loss shall be the same as that for the merger company’s direct disposal of related asset or liability.

Please refer to Note 10 and Schedule 6 for the details, ratio of shares held and business of subsidiary.

(5) Foreign currency

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

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

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

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

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

(6) Inventories

Inventories include raw material, repair parts and materials, and finished product and semi-finished goods. Inventories measure the lower in accordance with cost and net realizable value. When compare the cost and net realizable value, except the same type of inventories that based on the individual item. Net realizable value means assess estimated price of a normal condition that deduct the estimated cost, which needs before finished, and the balance of estimated cost of complete the sale. The calculation of cost of inventories in accordance with weighted average method; 不 the actual invested cost of construction belonging to real estate inventory is converted to be the business cost of current year in virtue of construction proportion, along with accounting principle of sales revenue of real estate.

The land pending in construction among real estate awaiting development belongs to that is available for construction; it shall not be turned to account as developing real estate until obtaining license of construction and in progressive development.

(7) Real Estate, Plant and Equipment

Real Estate, Plant and Equipment are recognized as cost and subsequent will measure as cash in accordance with cost deduct accumulated depreciation and accumulated impairment loss.

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

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

(8) Impairment of Tangible Asset

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

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

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

(9) Financial Instrument

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

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

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

1) Financial Asset

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

A. Type of Measurement

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

a. Financial assets in available-for-sale

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

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

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

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

b. Loans and Receivables

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

fter assess in individual, and then collective assessment impairment.

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

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

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

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

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

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

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

C.Derecognize of financial asset

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

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

2). Financial Liabilities

A. Subsequent measurement

Financial liabilities measure at amortized cost through effective interest rate.

B. Derecognize of financial Liabilities

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

(10) Income Recognition

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

1). Sales of Product

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

A. The Company has transferred the huge risks and remuneration of commodity ownership to buyer.
B. The Company will not control continually to the sold goods, which means no effective control maintained.
C. Income amount can reliable measure
D. The economic benefits of related trade may probably in The Company
E. The cost of happened or will happen of related trade can reliable measure

2). Dividend Income and Interest Income

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

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

(11) Lease

1). If The Company as the lessor

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

2). If The Company as the lessee

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

(12) Cost of Loan

The cost of loan that belongs to the asset which is acquired, constructed or production meeting conditions shall be the part of the cost of asset until the asset achieves completion of almost all necessary activities in the expected state of use or for sales.

All other costs of loan other than the preceding ones shall be accounted as profit or loss in the current year where it occurs.

(13) Employee Benefits

1). Short-Term Employee Benefits

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

2). Employee Benefits of Retirement

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

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

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

(14) Income Tax

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

1). Current Income Tax

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

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

2). Deferred Income Tax

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

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

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

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

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

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

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

(15) Discounting operation

If the constitution of company is going to be cancelled and suspend business, and it represents single business line or operating area, the recovery of book value that was not through continued use shall be classified as suspension unit on the day of suspension, wherein the result of operation shall be expressed alone in the consolidated financial statement and historical result of operation there shall be expressed anew.

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

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

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

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

(1) Loss of Inventory

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

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

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

6.Cash

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

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

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

Unitl the date on December 31st 2015 and the year of 2016, the certificates of deposit was 0 and 1,500,000 with 3 months overdued from the original dued date was classified as other current assets- other financial assets(see Note 12)

7.Available-for-Sale Financial Assets

	December 31, 2016	December 31, 2014
Current		
Domestic stock	$ 100,715	$ 146,427
Domestic fund benefit certificate	56,758	30,625
Foreign fund benefit certificate	6,454	-
Foreign bonds payable	5,978	-

	$ 169,905	$ 177,052
Non-current		
Foreign fund benefit certificate	$ 16,480	$ -

The merger company invested the private fund－TSG Phnom Penh Real Estate Development Fund in $505,000 USA dollars in July 2015 and a 3-year lock-up period without redemption. Available-for-Sale Financial Assets- Non-current

8. Notes receivable and accounts receivable

	December 31, 2016	December 31, 2015
Notes receivable		
From operating activities		
Non-related parties	$ 440,532	$ 442,341
Related parties	$ 12,050	$ 199
Accounts receivable		
From operating activities		
Non-related parties	$ 340,847	$ 502,815
Minus: allowance for uncollectible accounts	(37,089)	(42,519)
	$ 303,758	$ 460,296
Related parties	$ 23,360	$ -

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

(1) Notes receivable

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

Please see the note # 29 for the information of Mortgage notes receivable for reference.

(2) Accounts receivable

The analysis of accounts receivable is as below:

	December 31, 2016	December 31, 2015
30 days or less	$ 148,900	$ 255,972
31 to 60 days	91,990	157,002
61 to 90 days	48,319	28,240
91 to 120 days	6,364	14,607
121 to 150days	3,200	6,069
Above 151 days	42,074	40,925
Total	$ 340,847	$ 502,815

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

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

ncement.

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

:

	December 31, 2016	December 31, 2015
Above 151 days	$ 9,018	$ 6,641

The aging will based on the days of overdue.

Information changes inallowance for the uncollectible accounts-Accounts receivable as below:

	Individual impairment loss	Group impairment loss	Total
balance on January 1, 2015	$ 33,372	$ 2,041	$ 35,413
Add: allocating	19,596	123	19,719
Minus: actual amortization	(12,584)	(29)	(12,613)
balance on December 31, 2015	$ 40,384	$ 2,135	$ 42,519
balance on January 1, 2016	$ 40,384	$ 2,135	$ 42,519
Minus: reversal	(1,391)	(71)	(1,462)

Add: actual amortization	(3,968)	-	(3,968)
balance December 31, 2016	$ 35,025	$ 2,064	$ 37,089

9.Inventories

	December 31, 2016	December 31, 2015
	$ 3,178,244	$ 3,200,723
Raw materials	244,850	143,683
Finished goods	113,491	100,569
Work in progress	40,680	13,146
Repaired part and materials	39,611	42,557
Merchandise	7,824	7,597
	$ 3,624,700	$ 3,508,275

The related cost of sales in 2016 was $3,588,568,000 which including loss for market price decline inventories $45,427,000. The related cost of sales in 2015 was $4,123,667,000 which including loss for market price decline inventories $132,595,000.

Until the date on December 31st 2015 and the year of 2016, the amount of recyeling inventory that mainly was development of real estate and the real estate to be developed was expecteto be 3,178,244,000 and 3,200,723,000 after 12 months

See the Note 29 fo the information of inventory pledge

10. Subsidiaries

The major structure of this consolidated financial report：

Investment business	Subsidiary Title	Business type	Percentage of held stock December 31, 2016	Percentage of held stock December 31, 2015	Description
LUCKY CEMENT CO.	DAI SHEN DEVELOPMENT CO.,LTD.	Sale and rental national residential, commercial buildings, parking lots and industrial areas	99.99	99.99	2.
	Hsinfu Pre-mix（Hsinfu pre-mixed company）	Production and sell concrete	99.99	99.99	
	Lucky Cement Co. (Japan)（Lucky Cement Co. (Japan)）	Buy and sell cement	100.00	100.00	
	LUCKYSHIP MARINE AGENCY CO., LTD	Shipping agent	99.99	99.99	
	Just Bright Ltd.	Investment Business	100.00	100.00	
	（Hojen Harbor Company）	Invest and build up public construction	-	50.00	3.
	ELUMINA Technology, Inc	Manufacture and sale light-emitting diode products	70.59	70.59	4.
Hsinfu Pre-mix	（Fuyu Development Company）	Mine gravel	75.00	75.00	
ELUMINA Technology, Inc	Elumina Holding Limited	Holding company	100.00	100.00	4.
Elumina Holding Limited	Elumina Holding (Ximan)Limited	Manufacture and sale light-emitting diode	100.00	100.00	4.

products

Note：

1. Important subsidiaries are included Hsinfu pre-mixed company and Dai shen development Co., Ltd.。
2. Dai shen development Co., Ltd. had the capital reduction for making up the loss of 100,000,000 in July 2015 and issued the new stocks with the value of 300,000,000 by equity offerings.
3. Hojen Harbor company was determined to be dissolution and liquidation by the company board meeting in June 2017 and it had to complete it before September 2016.
4. The board of directors from the parent company passed a resolution that was dissolution and liquidation of Elumina Technology Inc. and its subsidiary and implemented it. Elumina Technology Inc. had the capital Increased by cash 40,000,000 and the parent company subscribed $28,234,000 according to the shareholding ratio to the company.

11. Prepayments

	December 31, 2016	December 31, 2015
Office supplies	$ 95,269	$ 93,866
Prepaid expenses	67,809	76,064
Advanced payment for material	5,504	39,885
Others	84	94
	$ 168,666	$ 209,909

12. Other current assets

	December 31, 2016	December 31, 2015
Other financial assets		
Restricted assets	$ 304,677	$ 170,079
Repurchase bond investment	60,021	-
Time deposit in bank which exceeds over 3 monhts of the original due day	-	1,500
Excess business tax paid	16,435	15,480
Others	5,978	2,362
	$ 387,111	$ 189,421

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

	Dec 31, 2016	Dec 31, 2015
Restricted assets	0.13%~2.70%	0.27%~3.10%
Bonds Purchased under Resell Agreements	0.33%~0.40%	-
the certificates of deposit with 3 months overdued from the original dued date	with 3 months overdued from the original dued date -	1.28%

Please see the note # 29 for the information of Mortgage other current assets for reference.

13. Financial assets at cost

	December 31, 2016	December 31, 2015
Domestic unlisted (cabinet) ordinary shares	$ 37,666	$ 42,766

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

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

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

14. Property, plant and equipment

	Land	Building	Machinery and equipment	Electrical meter	Transportation equipment	Other equipment	Unfinished construction	Total
Cost								
balance on January 1, 2015	$ 724,675	$ 2,236,113	$ 6,136,397	$ 1,183,976	$ 965,118	$ 517,981	$ -	$11,764,260
Add	-	174	26,866	3,131	174,319	1,439	4,500	210,429
Gain	-	(77)	(66,160)	-	(109,650)	(22,207)	-	(198,094)
額 Net exchange differences	-	2,551	196	-	-	(113)		2,634
balance on December 31, 2015	$ 724,675	$ 2,238,761	$ 6,097,299	$ 1,187,107	$ 1,029,787	$ 497,100	$ 4,500	$11,779,229
Accumulated depreciation and impairment								
balance on January 1,	$ -	$ 1,595,020	$ 5,491,135	$ 1,130,747	$ 773,983	$ 473,199	$ -	$ 9,464,084

2015								
Depreciation expense	-	104,003	144,669	15,736	65,685	12,531	-	342,624
Gain	-	(77)	(58,653)	-	(109,575)	(18,899)	-	(187,204)
Net exchange differences	-	2,334	153	-	(5)	(105)	-	2,377
balance on December 31, 2015	$ -	$ 1,701,280	$ 5,577,304	$ 1,146,483	$ 730,088	$ 466,726	$ -	$ 9,621,881
net on December 31, 2015	$ 724,675	$ 537,481	$ 519,995	$ 40,624	$ 299,699	$ 30,374	$ 4,500	$ 2,157,348
Cost								
balance on January 1, 2016	$ 724,675	$ 2,238,761	$ 6,097,299	$ 1,187,107	$ 1,029,787	$ 497,100	$ 4,500	$11,779,229
Add	-	6,080	19,838	4,101	5,262	2,902	-	38,183
Gain	-	(44,783)	(29,929)	-	(8,570)	(6,563)	-	(89,845)
reclassificate	-	-	-	-	4,500	-	(4,500)	-
Net exchange differences	-	914	226	-	3	17	-	1,160
balance on December 31, 2016	$ 724,675	$ 2,200,972	$ 6,087,434	$ 1,191,208	$ 1,030,982	$ 493,456	$ -	$11,728,727
balance on Jan. 01, 2016	$ -	$ 1,701,280	$ 5,577,304	$ 1,146,483	$ 730,088	$ 466,726	$ -	$ 9,621,881
Depreciation expense	-	70,335	126,706	7,914	75,894	12,082	-	292,931
Gain	-	(44,783)	(26,862)	-	(8,570)	(6,563)	-	(86,778)
Net exchange differences	-	757	188	-	(5)	17	-	957
balance on December 31, 2016	$ -	$ 1,727,589	$ 5,677,336	$ 1,154,397	$ 797,407	$ 472,262	$ -	$ 9,828,991
net on December 31, 2016	$ 724,675	$ 473,383	$ 410,098	$ 36,811	$ 233,575	$ 21,194	$ -	$ 1,899,736

Partial rights for land use was temporarily registered under the name of third party and trustee issued declaration and arranged land mortgage to the parent company.

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

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

The information of mortgage of Class of Property, Plant and Equipment, please referred to Note 29。

15. Other non-current assets

	December 31, 2016	December 31, 2015
Prepayments	$ 109,576	$ 80,591
Restricted assets	98,572	98,533
Net limestone mining rights	18,783	18,783
	$ 226,931	$ 197,907

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

	December 31, 2016	December 31, 2015
Restricted assets	0.10%~1.125%	0.34%~1.276%

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

16. Loan

(1) Short-term borrowings

	December 31, 2016	December 31, 2015
Guaranteed loan		
Bank loan	$ 792,660	$ 282,199
Unsecured loan		
Credit loan	393,169	82,522
	$ 1,185,829	$ 364,721

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

	December 31, 2016	December 31, 2015
Guaranteed loan	1.35%~1.8464%	1.51%~2.10%
Unsecured loan	1.427%~2.484%	1.691%~1.702%

(2) Short-term notes and bills payable

	December 31, 2016	December 31, 2015
Promissory note payables	$ 230,000	$ 50,000
Minus: Discount on short-term notes and bills payable	(557)	(50)
	$ 229,443	$ 49,950

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

December 31, 2016

Guarantee / acceptance institution	Face Value	Discount Amounts	Book Amounts	Rate range
Promissory note payables				
Ta Ching Bills Finance Corporation	$ 110,000	$ 286	$ 109,714	1.60%~2.15%
Mega Bills Finance Corporation	60,000	131	59,869	1.588%
Grand Bills Finance Corporation	60,000	140	59,860	1.70%
	$ 230,000	$ 557	$ 229,443	

December 31, 2015

Guarantee / acceptance institution	Face Value	Discount Amounts	Book Amounts	rate range
Promissory note payables				
Ta Ching Bills Finance Corporation	$ 50,000	$ 50	$ 49,950	1.75%

The duration of each guaranteed commercial paper is not greater than 180 days.

(3) Long-term Loan

	December 31, 2016	December 31, 2015
Guaranteed loan		
Parent company		
Taiwan Cooperative Bank	$ 112,000	$ 322,000
Mega International Commercial Bank Co., Ltd.…etc.	-	340,000
Mega International Commercial Bank Co., Ltd.	14,000	42,800
The Export-Import Bank of the Republic of China	100,000	-
O-Bank	-	100,000
Bank of Taiwan	100,000	-

AI SHEN DEVELOPMENT CO.,LTD.		
Mega International Commercial Bank Co., Ltd.	-	258,500
LUCKYSHIP MARINE AGENCY CO., LTD		
Mega International Commercial Bank Co., Ltd.	34,038	37,800

（To be continued）

(Continued)

	December 31, 2016	December 31, 2015
Unsecured loan		
Parent company		
The Shanghai Commercial & Savings Bank, Ltd.	$ 90,000	$ -
subtotal	450,038	1,101,100
Minus: Portion listed as due in 1 year	(314,700)	(406,250)
Long-term borrowings	$ 135,338	$ 694,850

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

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

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

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

The Company had a loan with Wan Dao Commercial Bank (former Taiwan Industrial Bank) in August of 2013 and the credit was totaled to NTD$100,000,000 without cycle use and the granting period spanned 2 years, wherein the principle has been repaid in August of 2015; bedsides, the Company has a loan with Wan Dao Commericla Bank in August of 2015 and the credit amounted to NTD$100,000,000 without cycle use, wherein the principle has been repaid once in August, 2016, the mature year.

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

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

Dasheng Development Co. entered into the Credit Contract with Mega and the credit was contracted to end in July of 2019. The main purpose of the credit case was to repay the existed debt of other financing institutes and the gross line of credit is NTD$270,000,000, which shall not be cycle use and the principle shall be repaid once in expiration. It has been repaid earlier in September of 2016.

LUCKYSHIP MARINE CO., LTD. entered into the Credit Contract with Mega in November of 2015 and it was contracted to end in November of 2019. The main purpose of the credit case was to buy all required items for ship and equipments and the gross line of credit is NTD$38,000,000, which shall not be in cycle use. The season is accounted as one installment since February of 2016 and the principle shall be repaid in a total of 16 installments.

LUCKYSHIP MARINE CO., LTD. entered into the Credit Contract with Mega in February of 2016 and it was contracted to end in February of 2020. The main purpose of the credit case was to buy all required items for ship and equipments and the gross line of credit is NTD$7,000,000, which shall not be in cycle use. The season is accounted as one installment since May of 2016 and the principle shall be repaid in a total of 16 installments.

17. Notes and accounts payable

	December 31, 2016	December 31, 2015
notes payable		
From operating activities		
non-related parties	$ 155,842	$ 190,379
related parties	$ 91,186	$ -
accounts payable		
From operating activities		
non-related parties	$ 172,446	$ 205,547
related parties	$ 90,433	$ 10,012

18. Other payables

	December 31, 2016	December 31, 2015
Wages and salaries payable	$ 94,272	$ 117,237
taxes payable	24,271	51,554
Utilities expense payable	20,577	22,468
other payables – related parties	16,632	1,448
Payable on machinery and equipment	4,759	12,692
Maintenance fee payables	2,717	5,414
Others	28,804	40,015
	$ 192,032	$ 250,828

19. Post-employment benefit plans

(1) Defined Contribution Plan

Pension System of the companies such as parent company, DAI SHEN Development Co.,Ltd , Hsinfu pre-mixed company,Fuyu Development Company, LUCKYSHIP MARINE AGENCY CO., LTD, ELUMINA Technology, Inc and ELUMINA Technology, Inc of the merger are applied to Labor Pension Act. that is the defined contribution plan managed by the Government and the 6% of the employees’s monthly salary will be contributed to the employee's individual account of labor pension.

Employees in China and Japan are the project staff of retirement that is operating by the Chinese and Japanese goverments. The Subsidiary has to allocate the certain percentage of the salary to the pension system for its project funding and the responsibility for merger company is to allocate the certain percentage of funds for the pension.

(2) Defined Benefit Plan

Until the date of December 31st 2016, LUCKYSHIP MARINE CO., LTD. and ELUMINA TECHNOLOGY INC. have not set up the committee and allocated the pension. Pension System of the company is applied to Labor Standards Act. that is the defined benefit plan managed by the Government and the total payment of employee’s pension are based on the length of service and the average salary of 6 months before retirement approval and the 2% of the total monthly salary of employeess from parent company,Hsinfu pre-mixed company and Dai-shen development Co.,Ltd.will be allocated to the the Bank of Taiwan under the name of its Supervisory Committee of Workers’ Retirement Fund of The Business Entity. If the balance is estimated to be short to pay the retirement of empolyees within 1 fiscal year at the end of year, the company will pay into the difference before March of next fiscal year and this bank account is managed by the Bureau of Labor Funds, MOL and the company has not right to affect its decision of investment management.

The amount of defined benefit is listed into the consolidated balance sheet as follow：

	December 31, 2016	December 31, 2015
Affirmative benefit obligation current value	$ 337,042	$ 367,903
Planned asset fair value	(264,806)	(19,679)
Appropration for shortages	72,236	348,224
Net affirmative benefit debt	$ 72,236	$ 348,224

The variation of Defined benefit liability as follow：

	Affirmative benefit obligation current value	Planned asset fair value	Net affirmative benefit debt
balance on January 1, 2015	$ 367,215	($ 16,475)	$ 350,740
cost of services			
current cost of services	4,961	-	4,961
Interest expense(revenue)	4,716	(233)	4,483
Gains on ineffectiveness	9,677	(233)	9,444
Re-measuring number			
Plan return on assets (other than amounts included in net interest outside of)	-	(200)	(200)
Actuarial loss - demographic	1,624	-	1,624

assumptions change			
Actuarial loss - changes in financial assumptions	817	-	817
Actuarial loss - experience adjustment	5,961	-	5,961
Accounted in other consolidated gains and losses	8,402	(200)	8,202
Employer appropration	-	(2,771)	(2,771)
Welfare payment	(17,391)	-	(17,391)
balance on December 31, 2015	$ 367,903	($ 19,679)	$ 348,224

（To be continued）

(continued)

	Affirmative benefit obligation current value	Planned asset fair value	Net affirmative benefit debt
balance on January 1, 2016	$ 367,903	($ 19,679)	$ 348,224
cost of services			
current cost of services	11,659	-	11,659
Interest expense(revenue)	4,591	(262)	4,329
Gains on ineffectiveness	16,250	(262)	15,988
Re-measuring number			
Plan return on assets (other than amounts included in net interest outside of)	-	(1,337)	(1,337)
Actuarial loss - demographic assumptions change	134	-	134
Actuarial loss - changes in financial assumptions			
Actuarial loss - experience adjustment	3,765	-	3,765
Accounted in other consolidated gains and losses	(56)	-	(56)
Employer appropration	3,843	(1,337)	2,506
Welfare payment	-	(291,179)	(291,179)
Re-measuring number	(50,954)	47,651	(3,303)
balance on December 31, 2016	$ 337,042	($ 264,806)	$ 72,236

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

	2016	2015
Operating costs	$ 6,013	$ 5,549
Selling expenses	1,013	1,339
Administrative expenses	8,962	2,556
	$ 15,988	$ 9,444

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

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

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

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

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

	December 31, 2016	December 31, 2015
Discount rate	0.875%~1.125%	1.25%
Expected salary increase rate	1.25%	1.25%

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

	December 31, 2016	December 31, 2015
Discount rate		
add 0.25%	($ 7,009)	($ 7,824)
%minus 0.25%	$ 7,236	$ 8,085
Expected salary increase rate		
add 0.25%	$ 7,092	$ 7,933
minus 0.25%	($ 6,903)	($ 7,715)

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

	December 31, 2016	December 31, 2015
Amount expected to appropriate in 1 year	$ 2,478	$ 2,715
Average due period of affirmative benefit obligation	3.9~8.8 years	4.8~8.8 years

20. Equity

(1) share capital

Ordinary share

	December 31, 2016	December 31, 2015
Rated shares (thousand shares)	498,646	498,646
Rated equity	$ 4,986,460	$ 4,986,460
Number of shares issued and paid (thousands of shares)	404,738	404,738
Issued share capital	$ 4,047,380	$ 4,047,380

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

(2) Capital surplus

	December 31, 2016	December 31, 2015
Only to make up for losses		
Account the changes in ownership of subsidiaries	$ 8	$ 8

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

(3) Retained earning and dividend policy

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

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

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

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

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

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

	Surplus Distribution Case		Dividend per share（NT$1.00）	
	2015	2014	2015	2014
Legal reserve	$ 47,016	$ 37,954		
Cash dividends	344,027	242,843	$ 0.85	$ 0.6

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

	Surplus Distribution Case	Dividend per share（NT$1.00）
Legal reserve	$ 31,533	
Cash dividends	242,843	$ 0.6

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

(4) Special Reserve

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

	December 31, 2016	December 31, 2015
special reserve	$ 14,135	$ 14,135

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

(5) Non-controlling interests

	2016	2015
Balance at the begin of the year	$ 33,814	$ 30,492
Number of Share attributable to non-controlling equity		
Loss	(257)	(7,398)
Exchange differences on translation of foreign	(9)	208

financial statements		
Unrealized gains (losses) on available-for-sale financial assets	-	4
Subscription of subsidiary cash replenishment	-	11,766
Shareholders' cash dividends	(2,500)	(1,250)
Subsidiary liquidation	(907)	-
The number of subsidiaries' cash replenishment is not affected by the shareholding ratio	-	(8)
Balance at the end of the year	$ 30,141	$ 33,814

21 Diluted earnings per share from continuing operations

(1) Net other income (expenses)

	2016	1 2015
Gains on disposals of property, plant and equipment	$ 106	$ 14

(2) Other income

	2016	2015
Revenue from dividends	$ 5,054	$ 12,145
Others	7,435	7,423
	$ 12,489	$ 19,568

(3) Other expenses

	2016	2015
Disaster Loss	$ 8,154	$ 7,198
Others	17,202	17,798
	$ 25,356	$ 24,996

(4) Depreciations, amortization and depletion

	2016	2015
depreciations summary by functions		
Operating costs	$ 268,586	$ 315,072
Operating expenses	14,124	15,310
Non-operating expenses	10,221	11,931
	$ 292,931	$ 342,313
amortization summary by functions		
Operating costs	$ 8,660	$ 9,754
Operating expenses	876	716
	$ 9,536	$ 10,470
depletion summary by functions		
Operating costs	$ -	$ 15,657

(5) Employee welfare expenses

	2016	2015
Postprandial benefits		
Defined contribution plans	$ 13,514	$ 13,819
Defined benefit plan	15,988	9,444
	29,502	23,263
other employee welfare	421,769	465,220
	$ 451,271	$ 488,483
summary by functions		
Operating costs	$ 325,932	$ 349,532
Operating expenses	125,339	138,951
	$ 451,271	$ 488,483

1). 2015 and 2016 Compensation for employees and Compensation for directors and supervisors

ccording to the amendment of The Company Act. in May 2015 and articles of incorporation modified by the board of directors in June 2016, the Company shall appropriate 3% and not less than 5% of the gain w/o tax prior to the deduction of allocated renumeration for employee and directors, supervisors in the current year as the same. The 2016 and 2014 remuneration for the employees, directors and supervisors were passed individually at the board meeting on March 30th 2017 and March 28th 2016 as follow:

Estimated %

	2016	2015
Compensation for employees	3%	3%
Compensation for directors and supervisors	5%	5%

The amount

	2016	2015
Compensation for employee	$ 12,447	$ 18,636
Compensation for directors and supervisors	20,745	31,060

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

Amounts recognised in the 2015 consolidated financial report had no difference than the 2015 amounts that were actually allocated to the employees, directors and superviors of the company.

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

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

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

	2014
	Cash
Benefit for employees	$ 10,248
Compensation for directors and supervisors	17,079

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

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

(6) Foreign exchange gains and loss

	2016	2015
Foreign exchange gains total	$ 3,177	$ 14,433
Foreign exchange loss total	(5,128)	(13,556)
net	($ 1,951)	$ 877

(7) Gains and losses on disposals of investments

	2016	2015
Profit from disposal of financial available-for-sale assets	$ 9,103	$ 34,174
Loss from disposal of financial available-for-sale assets	(5)	(31)
Loss from disposal of subsidiary	(6)	-
net profit	$ 9,092	$ 34,143

22. Income Tax of Continued Business Unit

(1) Major item composing income tax accounted as profit and loss

	2016	2015
Current tax		
current	$ 44,008	$ 129,454
Extra levy of unallocated surplus	8,618	13,897
Adjustment for previous yeaer	4,462	720
	57,088	144,071
Deferred tax		
current	20,040	(31,182)
income tax accounted as profit and loss	$ 77,128	$ 112,889

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

	2016	2015
Profit from continuing operations before tax	$ 401,330	$ 616,324
Income tax of net profit before tax calculated by legal tax rate（17%）	$ 68,226	$ 104,775
Expense not to be deducted on tax	1,585	1,805
Deductible temporary difference not accounted	2,184	4,536
Tax-free income	(7,947)	(10,479)
Extra levy of unallocated surplus	8,618	13,897
Used loss deductible	-	(2,365)
Adjustment of this year from income tax of previous year	4,462	720
Income tax accounted as profit and loss	$ 77,128	$ 112,889

As the earnings distribution of 2017 Shareholders' Meeting remains uncertain, hence, the underlying income tax consequences for 10% extra income tax based on surplus yet to be distributed are not yet credible.

(2) Current Income Tax Asset and Liabiilty

	December 31, 2016	December 31, 2015
Current income tax asset		
Tax refund receivable	$ 15,663	$ 54
Current income tax liability		
Tax payables	$ 4,128	$ 136,076

(3) Deferred Income Tax Asset & Liability

The changes in the deferred income tax assets and liabilities of the merged companies are as follows

2016

	Balance at the begin of the year	Accounted as profit and loss	Balance at the end of the year
Deferred tax assets			
Temporary differences			
Pension overrun	$ 64,898	($ 47,039)	$ 17,859
Loss deducted	6,079	2,029	8,108
Investment loss recognized by equity interest	54,857	16,821	71,678
Unrealized loss of inventories	11,714	173	11,887
Unrealized exchange losses	-	99	99
Bad debts overrun	6,211	(662)	5,549
The loss of financial assets as measured by cost method	3,995	-	3,995
Advanced profit of goods payment that has issued B/L	3,269	(127)	3,142
	$ 151,023	($ 28,706)	$ 122,317
Deferred tax liabilities			
Temporary differences			
Accelerated depreciation of fixed assets	$ 68,269	($ 8,665)	$ 59,604
Unrealized exchange benefits	1	(1)	-
	$ 68,270	($ 8,666)	$ 59,604

2015

	Balance at the begin of the year	Accounted as Profit/Loss	Balance at the end of the year
Deferred tax assets			
Temporary differences			
Pension overrun	$ 67,162	($ 2,264)	$ 64,898
Loss deducted	3,713	2,366	6,079
Investment loss recognized by equity interest	36,337	18,520	54,857
Unrealized loss of inventories	11,758	(44)	11,714
Bad debts overrun	4,725	1,486	6,211
The loss of financial assets as measured by cost method	4,232	(237)	3,995
Advanced profit of goods payment that has issued B/L	2,585	684	3,269
	$ 130,512	$ 20,511	$ 151,023
Deferred tax liabilities			
Temporary differences			
Accelerated depreciation of fixed	$ 78,798	($ 10,529)	$ 68,269

assets			
Unrealized exchange benefits	143	(142)	1
	$ 78,941	($ 10,671)	$ 68,270

(4) The related information of Imputation System

	December 31, 2016	December 31, 2015
Unappropriated retained earnings		
Unappropriated retained earnings after AD 1998	$ 547,996	$ 626,211
Balance of shareholder deductible tax account	$ 192,473	$ 13,027

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

According to Income Tax Act, when the parent company distributes the surplus after 1998, the shareholders can follow the tax creditable ratio to calculate their acquired Imputation Tax Credit. Due to the actual distribution amount of imputation credit should follow the balance in the shareholder imputation tax credit account; the parent company estimated that the tax creditable ratio for surplus distribution in 2016 may be different from the tax creditable ratio used for the actual shareholders' distribution ratio in the future.

(5) Income Tax Assessment

The filing of application of profit-seeking enterprise income tax as end of 2014 of the parent company and XIN FU pre- The filing of application of profit-seeking enterprise income tax as end of 2015 of HE REN harbor Co., Ltd., DAI SEHN development Co., Ltd, LUCKYSHIP MARINE AGENCY Co., Ltd., FU YU development Co., Ltd. and ELUMINA Technology, Inc. have approved by tax authorities.

23. Discounting operation

Board of directors of parent company decided to dissolve ELUMINA technology, Inc., its subsidiary - Elumina Holding Limited and Elumina (Xiamen) Company on August 11, 2015, and had the dissolution of liquidation; the merge company classified the cash-generating units into the discounting operation in 2015. As the end of December 31, 2016, ELUMINA technology, Inc. and its subsidiary have still in the processing of dissolution of liquidation.

	2016	2015

Current loss	($ 9,125)	($ 30,972)
Disposal of loss	-	(9,700)
	($ 9,125)	($ 40,672)

Information regarding to the Profit/Loss Breakdown and Cash Flow of Business Suspension Unit:

	2016	2015
Operating revenue	$ -	$ 4,377
Operating costs	-	(8,580)
Operating expenses	(8,999)	(18,285)
Non-operating income and expenses	(126)	(18,184)
Pre-tax loss of business suspension units	(9,125)	(40,672)
Tax expense	-	-
Current loss	($ 9,125)	($ 40,672)
Loss of business suspension unit belongs to:		
attributable to owners of parent	($ 6,441)	($ 28,553)
attributable to non-controlling interests	(2,684)	(12,119)
	($ 9,125)	($ 40,672)
net cash outflow generated from operations	(2,502)	(18,612)
Net cash flows from investing activities	-	16,403
net cash flows from used in financing activities	-	(1,778)
net cash flows	($ 2,502)	($ 3,987)

24. Earnings per share

Unit : NTD 1.00 per share

	2016	2015
Basic earnings per share		
from continuing operations	$ 0.80	$ 1.23
from discontinued operations	(0.02)	(0.07)
total of basic earnings per share	$ 0.78	$ 1.16
Diluted earnings per share		
from continuing operations	$ 0.80	$ 1.22
from discontinued operations	(0.02)	(0.07)
total of diluted earnings per share	$ 0.78	$ 1.15

It is used to calculate the net profit per share earning and the number of weighted share of ordinary stock of continuing business units is as follows:

Profit

	2016	2015
profit attributable to owners of parent	$ 315,334	$ 470,161
Plus: used to calculate the basic unit of the loss of business units per unit loss of net loss	6,441	28,553
To calculate the net profit of the continuing business unit's basic and diluted earnings per share	$ 321,775	$ 498,714

Number of shares

Unit：1000 shares

	2016	2015
The average number of ordinary shares to be used to calculate the basic earnings per share	404,738	404,738
Dilution Effect of potential common stock:		
Compensation for employee	1,801	2,380
To calculate the weighted average number of ordinary shares for diluted earnings per share	406,539	407,118

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

25. Agreement of Operating Lease

(1) Merge company as tenant

Operating lease includes lease of land, plant, storage land, etc.; the lease period is 1 to 5 years. And as the end of lease, if there is any addition or modification of rented production equipment for pre-mixed concrete factory and related equipment in Keelung factory rented by Xin Fu pre-mixed concrete Co., Ltd should be transferred to the lessor. The total amount of future minimum lease payments for non-cancelable operating lease as follows:

	December 31, 2016	December 31, 2015
within 1 year	$ 38,413	$ 39,543
More than 1 year but not more than 5 years	67,339	50,967
	$ 105,752	$ 90,510

Recognized expense of Lease payment as below:

	2016	2014
Lease payment	$ 53,070	$ 56,009

(2) Merge company as lessor

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

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

	December 31, 2016	December 31, 2015
within 1 year	$ 30,741	$ 13,958
More than 1 year but not more than 5 years	5,714	5,971
	$ 36,455	$ 19,929

26. Financial Risk Management

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

27. Financial Instrument

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

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

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

1). Fair value hierarchy

December 31, 2016

	Level 1	Level 2	Level 3	total
available-for-sale financial assets				
Domestic listing (cabinet) stock	$ 100,715	$ -	$ -	$ 100,715
Domestic Fund Benefit Certificate	56,758	-	-	56,758
Foreign Fund Benefit Certificate	6,454	-	16,480	22,934
Foreign corporate bonds	5,978	-	-	5,978
Total	$ 169,905	$ -	$ 16,480	$ 186,385

December 31, 2015

	Level 1	Level 2	Level 3	t o t a l
available-for-sale financial assets				
Domestic listing (cabinet) stock	$ 146,427	$ -	$ -	$ 146,427
Domestic Fund Benefit Certificate	30,625	-	-	30,625
Total	$ 177,052	$ -	$ -	$ 177,052

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

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

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

3). 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 fund company.

(3) Type of Finance Tool

	December 31, 2016	December 31, 2015
financial assets		
Loans and receivables（Note 1）	$ 1,457,987	$ 1,396,664
available-for-sale financial assets（Note 2 note 2）	224,051	219,818
financial liabilities		
Measured after amortization（note 3）	2,472,977	2,055,300

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

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

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

(4) Target and Policy of Financial Risk Management

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

1). Market risk

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

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

A Currency risk

The monetary asset in non-functional currency and carrying amount of monetary liabilities on balance sheet date of the merge company (included the monetary items calculated in write-off non-functional currency in consolidated financial statement); please see note 30.

Sensitivity Analysis

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

The following table shows Sensitivity Analysis of the merge company when individual functional currency increases or decreases 5% for each relevance currency rate. 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	
2016	2015	2016	2015

Profit/Loss	$ 1,074	($ 1,754)	($ 379)	($ 403)

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

B. Interest rate risk

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

	December 31, 2016	December 31, 2015
interest rate risk with fair value		
financial assets	$ 264,823	$ 157,660
financial liabilities	624,000	202,300
interest rate risk with cash flow		
financial assets	500,289	424,776
financial liabilities	1,241,310	1,313,471

Sensitivity Analysis

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

If interest rate increases/decreases 25 basing points, the pre-tax income in 2015 and 2016 separately increases/decreases 1,853,000 and 2,222,000 NT dollars with all other variables held constant; the main reasons are floating rate loan, demand deposit and exposure in restricted asset interest rate risk of the Company.

2). Credit risk

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

The policy adopted by the merge company is only having trade with the counterparty who has high reputation, and getting sufficient guarantee to reduce the financial loss risk arising from arrears under the necessary situation. In addition to the analysis of the following table, the maximum credit exposure amount (excluded fair value of borrowing cost) of each financial instrument of the merge company is same as the carrying amount:

	December 31, 2016		December 31, 2015	
	Book Value	Largest credit risk exposed amount	Book Value	Largest credit risk exposed amount
Off-balance sheet commitments and guarantee				
Endoresement for subsidiary	$ -	$ 517,250	$ -	$ 1,324,238

The credit risk of the merge company is mainly concentered on the key account (KA) of the merge company; as the end of December 31 in 2016 and 2015, the receivables should exceed 5% of total receivables, which are separately 59.93% and 44.22% of total receivables.

3). Liquidity risk

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

Bank loan is an important source of liquidity for the Company. As the end of December 31 in 2016 and 2015, the unused long-term and short-term bank facilities of the Company are separately 1,706,491,000 and 3,101,906,000 NT dollars.

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

December 31, 2015

	Average weighted valid rate (%)	Requirements on demand 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						
No debt-bearing liability	-	$ 231,116	$ 403,687	$ 38,162	$ 47,843	$ 63,992
Floating interest rate tool	1.56%	122,000	292,808	678,665	147,837	-
Fixed interest rate tool	1.54%	100,000	200,000	324,000	-	-
		$ 453,116	$ 896,495	$1,040,827	$ 195,680	$ 63,992

December 31, 2015

	Average weighted valid rate (%)	Requirements on demand 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						
No debt-bearing liability	-	$ 236,670	$ 294,200	$ 209,292	$ 109,531	$ 16,599
Floating interest rate tool	2.16	14,363	96,187	536,421	666,500	-
Fixed interest rate tool	1.73	-	-	202,300	-	-
		$ 251,033	$ 390,387	$ 948,013	$ 776,031	$ 16,599

28. Related Party Transactions

The transaction, account balance, income and losses between parent company and subsidiary will be completely eliminated after merging, so they are not disclosed in the notes. In addition to the discourse of other notes, the transaction between related party and the merge company as follows:

(1) Business transaction

	2016	2015
Sales		
other related parties	$ 64,727	$ 836

（To be Continued）

(Continued)

	2016	2015
Purchase		
other related parties	$ 258,205	$ 49,659
Operating costs - transportation expenses		
other related parties	$ 15,246	$ 14,017
Operating expenses		
other related parties	$ 3,831	$ 3,395
Non-operating income		
other related parties	$ 2,438	$ 2,438
Non-operating expenses		
other related parties	$ 443	$ 366

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

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

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

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

	December 31, 2016	December 31, 2015
Notes receivable		
other related parties	$ 12,050	$ 199
Accounts receivable		
other related parties	$ 23,360	$ -
Other receivable		
Other related parties	$ 468	$ 779

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

	December 31, 2016	December 31, 2015
Notes payable		
other related parties	$ 91,186	$ -

accounts payable		
other related parties	$ 90,433	$ 10,012
other payable		
other related parties	$ 1,604	$ 1,448

(4) Loans from related parties

	December 31, 2016	December 31, 2015
other payable		
人 other related parties	$ 15,028	$ -
來 Shareholder accounts		
other related parties	$ 45,800	$ 45,800

The shareholders of merge company are having interest-free loans from shareholders. 。

(5) Key management personnel remuneration

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

	2016	2015
Short-term employee benefits	$ 44,300	$ 57,329
Benefit after retirement	1,075	835
	$ 45,375	$ 58,164

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

29. Pledged Assets

Claims litigation and other credit facility as collaterals：

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

	December 31, 2016	December 31, 2015
Notes receivable	$ 57,220	$ 78,966
Repurchase bond investment (Reported other current assets)	60,021	-
Developing real estate (account inventory)	2,999,162	2,954,238
Restricted assets（accounted as other current assets and other non-current assets）	403,249	268,612
Property, plant and equipment	1,062,645	1,580,213
Limestone mining rights (accounted as other non-current assets)	-	18,783
	$ 4,582,297	$ 4,900,812

30. Foreign currency assets and information of liabilities with important impact

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

December 31, 2016

Expressed in thousands of NTD and foreign currency

	Foreign	exchange rate	Book value
financial assets			
Monetary items			
US dollars	$ 1,292	32.25（USD：TWD）	$ 41,639
US dollars	7	6.937（USD：RMB）	241
RMB	1,649	4.601（RMB：TWD）	7,585
financial liabilities			
Monetary items			
US dollars	1,965	32.25（USD：TWD）	63,357

December 31, 2015

financial assets	Foreign	exchange rate	Book value
Monetary items			
US dollars	$ 2,072	32.825 （USD：TWD）	$ 68,007
US dollars	7	6.4936 （USD：RMB）	245
RMB	1,617	4.978 （RMB：TWD）	8,051
financial liabilities			
Monetary items			
US dollars	1,011	32.825 （USD：TWD）	33,181

The gains or losses of foreign currency exchange (realized or unrealized) of the merge company in 2016 and 2015 are respectively losses of 1,951,000 and gains of 877,000; because there are variety of foreign currency transactions, it cannot disclose exchange gains and losses in accordance with foreign currency of each important impact.

31. The Disclose of Notes

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

1). Loans of the merge company funds: Table 1.

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

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

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

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

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

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

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

9). Derivatives Trading: None.：None。

10). Others: the business relations, important dealings and their amount: Table 8.

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

(3) Investment Information in mainland China:

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

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

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

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

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

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

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

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

32. <u>Information of the depatments</u>

The reporting department of the merge company as follows：

Concrete department: producing and selling business for products related to concrete.

Other departments: Other operations of other non-concrete department. The main business of ELUMINA Technology, Inc. and its subsidiary – Elumina Holding Limited and ELUMINA (Xiamen) company are producing and selling light-emitting Diode, and the unit of cash is transferred to discounting operation on August, 2015; please see note 2 and 3 for related instructions.

(1) Revenue of department and operating results

Analysis of reporting department for revenue of merge company and operating results in accordance as follows:

	Income of Department		Profit/Loss of Department	
	2016	2015	2016	2015
Cement Dept.	$ 4,210,037	$ 5,016,671	$ 474,247	$ 759,074
other department	41,024	4,682	(65,842)	(152,304)
Gross amount of business unit	$ 4,251,061	$ 5,021,353	408,405	606,770
Rent income			9,994	9,719
interest income			1,975	2,797
Revenue from dividends			5,054	12,145
益 Gains on disposals of investments			9,092	34,143
益 Foreign exchange gains(loss)			(1,951)	877
Impairment loss on financial assets			-	(7,500)
Interest expense			(31,239)	(42,627)
Profit from continuing operations before tax			401,330	616,324
Loss from discontinued operations before tax			(9,125)	(40,672)
Profit before tax			$ 392,205	$ 575,652

The revenue of department reported above is generated with external client exchanges. There is no selling between department in 2016 and 2015.

The revenue of department means the profits earned by each department, excluded rent revenue which shall be apportioned, interest revenue, dividend revenue, disposal of investment interest, net gains or losses of foreign currency exchange, losses of reduction of financial assets and interest expenses.

(2) Total assets and liabilities of department

	December 31, 2016	December 31, 2015
department assets		
continuing operating department		
Coment Dept.	$ 4,349,220	$ 4,399,719
other department	3,401,208	3,451,063
total of department asset	7,750,428	7,850,782
assets related discontinued operations	2,216	4,720
Total	$ 7,752,644	$ 7,855,502
department liabilities		
continuing operating department		

Coment Dept.	$ 2,464,910	$ 2,518,606
other department	478,292	490,246
total of department liabilities	2,943,202	3,008,852
liabilities related discontinued operations	7,606	986
Total	$ 2,950,808	$ 3,009,838

(3) Information for districts

The main district of the merge company is R.O.C.. ◦

(4) Main client information

Among amount of selling revenud 4,251,061,000 and 5,021,353,000 in 2016 and 2015, there are respectively 472,842,000 and 527,400,000 which are from the largest client of merge company. There is no other individual client’s revenue which reaches 10% of total amount of revenue for merge company in 2016 and 2015.

Lucky Cement Co., Ltd. and Subsidiaries

Loan made to others

January 1 to December 31, 2016

Schedule 1

Unit: NTD$1,000

No.	Company of Lending Funds	Borrower	Relation Account	Mmaximum Balance in Current Period	Where is the related party	Balance, end of year (Note 4)	Amonut of real dealing	Interest rate collar（%）	Character on loan of funds （Note 1）	Amount between business	Necessary reasons for short term financial assets	Amount of allowance for uncollectible be submitted	Collateral		Limitation of loan of funds to individual party (Note 2)	Total limitation of loan of funds （Note 3）
													名稱 Name	價值 value		
0	LUCKY CEMENT CO.	DAI SHEN DEVELOPMENT CO.,LTD.	Receivable Accounts of Affiliated Enterprise — Financial accounts	$ 400,000	Y	$ 390,000	$ 316,800	1.988~2.437	(2)	$ -	Operating Turnover	$ -	—	—	$ 477,170	$1,908,678
1	Hsinfu pre-mixed company	DAI SHEN DEVELOPMENT CO.,LTD.	Receivable Accounts of Affiliated Enterprise — Financial accounts	40,000	Y	40,000	40,000	2.05~2.15	(2)	-	Operating Turnover	-	—	—	66,185	132,370

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

(1) Party with business.

(2) Party with short-term financing need.

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

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

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

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

Lucky Cement Co., Ltd. and Subsidiaries

Endorsement for Others

January 1 to December 31, 2016

Schedule 2

Unit: NTD$1,000, unless otherwise noted

No.	Company Name of endorser	The party for enforcement and guarantee		Limitation amount of enforcement and guarantee for single enterprise (Note 1)	Maximun balance of enforcement and guarantee in current period	Balance of enforcement and guarantee, end of year	Amonut of real dealing	Amount of enforcement and guarantee by property guarantee	Ratio of accumulated amount of enforcement and guarantee to net value of financial statement of lastest period (%)	Maximun limitation on enforcement and guarantee (Note 2)	Enforcement and guarantee belong to parent vs. subsidiary company	Enforcement and guarantee belong to subsidiary vs. parent company	Enforcement and guarantee belong to Mainland China	Remark
		company	relation											
0	LUCKY CEMENT CO.	DAI SHEN DEVELOPMENT CO.,LTD.	subsidiaries	$ 1,908,678	$ 1,190,000	$ 370,000	$ 370,000	$ 370,000 (Note3)	7.8%	$ 2,385,848	Y	-	-	
		Hsinfu pre-mixed company			100,000	70,000	-	-	1.48%	2,385,848	Y	-	-	
		LUCKYSHIP MARINE AGENCY CO., LTD	subsidiaries	1,908,678	45,000	45,000	34,038	-	0.95%	2,385,848	Y	-	-	
		Lucky Cement Co. (Japan)	subsidiaries	1,908,678	50,175 (USD1,500000)$1500000.	32,250 (USD1,000,000)$1000000.	4,961 (USD154,000)$154000.	32,250 (Note4) Note 2	0.68%	2,385,848	Y	-	-	

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

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

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

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

Lucky Cement Co., Ltd. and Subsidiaries

Situation of Holding Security at end of year

December 31, 2016

Schedule 3

Unit: NTD$1,000

held company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	end of period				remarks
				Number of shares	Book Value	(%)	Fair Value (Note 1)	
LUCKY CEMENT CO.	Non-listed (cabinet) Company Ordinary Stock							
	CANDO CORPORATION	—	Non-current financial assets at cost	398,889	$ -	0.1	$ -	2note 2
	Jonfeng Mining Co., Ltd.	—	Non-current financial assets at cost	1,071,428	12,094	10.58	14,184	
	Redwood Group Ltd	—	Non-current financial assets at cost	700,837	5,433	0.18	7,625	
	WK TECHNOLOGY FUND	—	Non-current financial assets at cost	2,890,000	17,000	2.22	16,068	
	Listed (Cabinet) Company Ordinary Stock							
	Medigen Biotechnology Corporation		Current available-for-sale financial assets	28,628	2,270	-	2,270	
	United Microelectronics Corporation		Current available-for-sale financial assets	72,351	825	-	825	
	WINBOND ELECTRONICS CORP.	—	Current available-for-sale financial assets	119,500	1,191	-	1,191	
	First Financial Holding Co. Ltd.	—	Current available-for-sale financial assets	858	15	-	15	
	CAPITAL SECURITIES CORP.	—	Current available-for-sale financial assets	818	8	-	8	
	NAN FINANCIAL HOLDINGS	—	Current available-for-sale financial assets	367	6	-	6	
	China Development Financial	—	Current available-for-sale financial assets	13,496	109	-	109	
	Taiwan Cement Corp.	—	Current available-for-sale financial assets	400,000	14,060	-	14,060	
	Asia Cement Corporation	—	Current available-for-sale financial assets	500,000	13,175	-	13,175	
	Fund beneficiary certificate							
	Future Asset Asia Pacific Real Estate Security Fund- Stock A, free of interest allocation	—	Current available-for-sale financial assets	100,000	914	-	914	
	Franklin Templeton Investment Funds-Franklin U.S. Government Fund Class A (Mdis) USD	—	Current available-for-sale financial assets	10,797	3,207	-	3,207	
	Eastspring Investments-US High Investment Grade Bond Fund A-USD	—	Current available-for-sale financial assets	3,598	1,612	-	1,612	

	Old Mutual Tot Ret USD Bd A USD Acc.	—	Current available-for-sale financial assets	2,602	1,635	-	1,635	
	<u>Investment in Bonds with A Put Option</u>							
	The Bank of Land 10	—	Other current financial assets	-	30,000	-	30,000	Has been secured as a guarantee for the financing of Dasheng Development Company
	Central Bond A-2	—	Other current financial assets	-	30,021	-	30,021	Has been secured as a guarantee for the financing of Dasheng Development Company

（To be continued）

（Continued）

Company of Hold	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of Year				Remark
				Number of shares	Book Value	（%）	Fiar value（NOte1）	
LUCKYSHIP MARINE AGENCY CO., LTD	Non-listed (cabinet) Company ordinary stock							
	Jonfeng Mining Co., Ltd.	—	Non-current financial assets at cost	35,129	$ 1,239	0.35	$ 469	
	Ordinary Stock of Cabinet Company							
	Medigen Biotechnology Corporation	—	Current available-for-sale financial assets	242	19	-	19	
Just Bright Ltd.								
	Global Lighting Technologies Inc.	—	Current available-for-sale financial assets	991,908	69,037	-	69,037	
Hsinfu pre-mixed company	Fund Beneficiary Certificate							
	Huanan Bank Yungchang Kirin Monetary Market Fund	—	Current available-for-sale financial assets	440,966	5,232	-	5,232	
	UPAMC James Bond Money Market	—	Current available-for-sale financial assets	1,210,311	20,041	-	20,041	
	MEGA BAOJUAN Money Market Fund		Current available-for-sale financial assets	2,421,953	30,077	-	30,077	
	Allianz Global Inv Trgt Multi Inc TWD A	—	Current available-for-sale financial assets	50,000	494	-	494	
	TSG Phnom Penh Real Estate Development Fund	—	Non-current available-for-sale financial assets	500	16,480	-	16,480	
	Security-Company Bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	—	Current available-for-sale financial assets	-	5,978	-	5,978	

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

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

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

Lucky Cement Co., Ltd. and Subsidiaries

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

January 1 to December 31, 2016

Shedule4

Unit: NTD$1,000

Company of Accounts Receivable	Transaction Counterpart	Relationship	Transaction Status				Status and Reasons of Difference between Transaction Codition and General Transaction		Accounts, Notes Receivable (Payable)		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 CO.	Hsinfu pre-mixed company	subsidiaries	sales	($ 344,580)	(9.82)	about 90 days	quite	quite	Accounts receivable $ 21,725	4.01	ps.
LUCKY CEMENT CO.	Fuan Mining Co., Ltd.	other related parties	Purchase	225,509	15.99	about 90 days	quite	quite	Notes payable (89,899) Accounts payable (84,099)	(20.85) (19.51)	

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

Lucky Cement Co., Ltd. and Subsidiaries

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

December 31, 2016

Schedule 5 Unit: NTD$1,000

Company of Accounts Receivable	Transaction Counterpart	Relationship	Balance of Accounts Receivable due from Related Parties	Turnover Rate	Accounts Receivable past-due from Related Parties		Balance of Accounts Receivable due from Related Parties, Receive Amount after end of year	Address Amount of Allowance for Bad Debts
					Amount	Disposal Method		
LUCKY CEMENT CO.	DAI SHEN DEVELOPMENT CO.,LTD.	subsidiaries	Financing $ 317,331	—	$ -	—	$ 531	$ -

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

Lucky Cement Co., Ltd. and Subsidiaries

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

January 1 to December 31, 2016

Schedule6

Unit: NTD$1,000

investment company	Invested company	區 Address	Main business items	Original investment amount		Holding at end of year			Current (loss) profit of invested company	Investment (loss) profit accounted this year (Note 1)	remarks
				At the end of the period	end of last year	Number of shares	rate	Book Value			
LUCKY CEMENT CO.	DAI SHEN DEVELOPMENT CO.,LTD.	14F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Real Estate Sales & Lease	$ 1,877,473	$ 1,877,473	158,294,180	99.99	$ 2,304,465	($ 68,622)	($ 68,620)	note 3
	Hsinfu pre-mixed company	No.191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Pre-mix Concrete Manufacture & Trades	99,998	99,998	21,999,868	99.99	330,924	36,638	36,638	note 3
	Just Bright Ltd.		Investment Business	1,566	1,566	50,000	100.00	69,095	10,879	10,879	note 3
	LUCKYSHIP MARINE AGENCY CO., LTD	No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping agent	8,615	8,615	5,499,929	99.99	34,398	(12,447)	(12,446)	note 3
	Lucky Cement Co. (Japan)	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement trading	84,959	84,959	200	100.00	26,976	3,782	3,782	note 3
	Hojen Harbor Company	, No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Invest and build up public construction	-	1,250	-	-	-	33	16	note 3 & 5
	ELUMINA Technology, Inc	12F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Manufacture and sale light-emitting diode products	93,384	93,384	9,338,400	70.59	-	(8,730)	(6,162)	note 2 & 4
Hsinfu pre-mixed company	Fuyu Development Company	No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Mine gravel	7,500	7,500	750,000	75.00	25,664	9,190	6,892	Note 3 note 3
ELUMINA Technology, Inc	ELUMINA HOLDING LIMITED	Beaufort House, P. O. Box 438, Road Town, Tortola, British Virgin Islands	Holding company	45,563	45,563	1,282,000	100.00	345	(116)	(116)	Note 3 note 3

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

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

Note 3：The book value of long-term equity investment, accounted investment profit/loss and net equity of the invested company have been written off in the prepared financial statement.

Note 4：The aggregated (minus) book value of long-term equity investment, accounted investment profit/loss and net equity of the invested company have been written off in the prepared financial statement.

Note 5：The company has been lidquidated and dismissed by passing the resolution in the Meeting of Shareholder in June of 2016 and concluded liquidation in September of 2016.

Note 6：Please refer to Shcedule 7 for the information regarding to the invested company in China.

Lucky Cement Co., Ltd. and Subsidiaries

China Investment

January 1 to December 31, 2016

Schedule 7

Unit：NTD1,000, unless otherwise noted

Invested company in China	major business	Paid-up capital	（Note 1）inventory type(note 1)	The amount of accumulated investment remitted from Taiwan at the beginning of the period（Note 4）note 4	Remittance or recovery of investment amount in this period		The amount of accumulated investment remitted from Taiwan at the end of the period	Current profit and loss of invested company(note 2)	The proportion of shares held by the Company directly or indirectly	Investmend (Loss) profit accounted this year（Note 2）	Book value of end-of-year investment(Note 2)	investment income has been remitted as of this period
					Remittance	Recovered						
Dong Rui (Xiamen) Company	Manufacture and sale light-emitting diode products	$ 80,631	(2)	$ 80,631	$ -	$ -	$ 80,631	($ 224)	70.59%	($ 158)	$ 268	$ -

Cumulative amount of investment from Taiwan investing China at end of this period	Investment Review Committee of the Ministry of Economic Affairs approved amount of investment	Upper limit of investment to China pursuant to regulation of Investment Review Committee of the Ministry of Economic Affairs（Note 3）note 3
USD$2522000	USD$1286000	$4,771,695×60%=$2,863,017

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

(1) Direct investment in China.

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

(3) Others.

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

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

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

Note 5：It has been written off in the preparation of consolidated financial statement.

Lucky Cement Co., Ltd. and Subsidiary

Business Relationship and Important Trades between Headquarter and Subsidiaries

January 1 to December 31, 2016

Schedule 8 | Unit: NTD$1,000

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 CO.	Hsinfu pre-mixed company	1	Accounts receivable	$ 21,725	About 90 days	0.28
	LUCKY CEMENT CO.	Hsinfu pre-mixed company	1	Other receivables	86	About 90 days	-
	LUCKY CEMENT CO.	Hsinfu pre-mixed company	1	Cement pending in delivery and advance sales receipts	9,389	About 90 days	0.12
	LUCKY CEMENT CO.	Hsinfu pre-mixed company	1	Sales revenue	344,580	About 90 days	8.11
	LUCKY CEMENT CO.	Hsinfu pre-mixed company	1	Rent income	1,525	30 days	0.04
	LUCKY CEMENT CO.	Fuyu Development Company	1	Other receivables	3	About 90 days	-
	LUCKY CEMENT CO.	Fuyu Development Company	1	Notes payable	13,830	About 90 days	0.18
	LUCKY CEMENT CO.	Fuyu Development Company	1	Other payables	746	About 90 days	0.01
	LUCKY CEMENT CO.	Fuyu Development Company	1	Cost of sales	2,863	About 90 days	0.04
	LUCKY CEMENT CO.	Fuyu Development Company	1	Rent income	19,880	About 90 days	0.47
	LUCKY CEMENT CO.	Fuyu Development Company	1	Other income	1,200	30 days	0.03
	LUCKY CEMENT CO.	LUCKYSHIP MARINE AGENCY CO., LTD	1	Other receivables	4	About 90 days	-
	LUCKY CEMENT CO.	LUCKYSHIP MARINE AGENCY CO., LTD	1	Rent income	255	30 days	0.01
	LUCKY CEMENT CO.	DAI SHEN DEVELOPMENT CO.,LTD.	1	other financial assets - Financing Payment	316,800	Financing, did not express the repayment period	4.09
	LUCKY CEMENT CO.	DAI SHEN DEVELOPMENT CO.,LTD.	1	Other receivables	534	About 90 days	0.01
	LUCKY CEMENT CO.	DAI SHEN DEVELOPMENT CO.,LTD.	1	Rent income	80	30 days	-
	LUCKY CEMENT CO.	DAI SHEN DEVELOPMENT CO.,LTD.	1	Interest income	6,149	30 days	0.14
	司 LUCKY CEMENT CO.	Hojen Harbor Company	1	Rent income	8	30 days	-
1	Hsinfu pre-mixed company	Fuyu Development Company	1	Rent income	9,000	30 days	0.21
	Hsinfu pre-mixed company	DAI SHEN DEVELOPMENT CO.,LTD.	3	other financial assets-Financing Payment	40,000	Financing, did not express the repayment period	0.52
	Hsinfu pre-mixed company	DAI SHEN DEVELOPMENT CO.,LTD.	3	Accounts receivable	367	About 90 days	-
	Hsinfu pre-mixed company	DAI SHEN DEVELOPMENT CO.,LTD.	3	Other receivables	70	About 90 days	-
	Hsinfu pre-mixed company	DAI SHEN DEVELOPMENT CO.,LTD.	3	Sales revenue	947	About 90 days	0.02
	Hsinfu pre-mixed company	DAI SHEN DEVELOPMENT CO.,LTD.	3	Interest income	850	30 days	0.02

Note 1： The relationship with trading party is as follows:

1. Headquarter to subsidiary
2. Subsidiary to headquarter
3. Among subsidiarys