Lucky Cement Corporation

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

Notice to readers

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

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Independent Auditors' Report

The Board of Directors and Shareholders
Lucky Cement Corporation

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2017 and 2106, and its financial performance and its cash flows for the years then ended on accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained us sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2017 are state as follows:

Inventory Valuation

The Company 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$ 614,172,000 (please see Note 9) on December 31, 2017, and they account for 10% of total assets of the parent company only financial statements on December 31, 2017. The main items are materials and products; the costs and relevant prices are affected by cement market, domestic housing market and government real estate policy and have violent fluctuates which causing risk for net realizable value lower than carrying amount. Following the regulation of "Inventory" of IAS 2, the assessment of the net realizable value of inventories involves estimates and judgments, and the results of their judgments directly affect the recognition of the amount of profit and loss, the key audit matters are listed.

Our key audit procedures performed in respect of the above area included the following:

1. Validated the calculation of inventory cost at the end period and the decision method to evaluate the net realizable value to confirm that the inventory has been evaluated at lower of cost or net realizable value.
2. Inspected the book value of inventory based on the evaluation documents for the inventory on December 31, 2017, to make sure the completeness of its evaluation details. We sampled and got the latest raw material quotation or sales invoice to verify the net realizable value which has significant discrepancies with reference price or not, and recalculated inventory value to assess the appropriateness of its evaluation basis.
3. Assessed whether there was any outdated or damaged inventory, when the stocktaking did at the end of the year.

<u>Valuation for Developing Property and Property to be Developed of Dasheng Enterprise Co., Ltd</u>

Dasheng Enterprise Co., Ltd ("Dasheng Enterprise") is the subsidiary of the Company and the Company invested in the equity method. The balance of investment for Dasheng Enterprise was NT$2,153,823,000 on December 31, 2017, please referred to Note 13 and Schedule 6.

Dasheng Enterprise measures developing property and property to be developed with the method of comparing costs or net realizable value, please see Note 5 (2) for relevant accounting judgments, estimating and assumption of the uncertainty.

The amount that Dasheng Enterprise invested in developing property and property to be developed is recognized NT$ 3,142,546,000 on December 31, 2017. Due to the significant amount of developing property and property to be developed, and which are still in the phase of developing, the management assessed the net realized value of developing property and property to be developed in accordance with IAS2 "Inventory", and entrusted external experts to issue property valuation report as a basis for assessing the net realizable value, which involved estimation and judgment, and its judgment result directly affects the recognition of the amount of profit and loss, the key audit matters are listed.

Our key audit procedures performed in respect of the above area included the following:

1. Assessed Professional competence, competence and objectivity of the independent property appraiser commissioned by the management of Dasheng Enterprise, and verified the qualifications of the evaluators. We also discussed with the management the scope of work of the evaluators and reviewed their commissioning conditions to confirm that there are no matters affecting their objectivity or limiting their scope of work.
2. Assessed the consistency of estimation of the property appraiser and the hypothesis and evaluation method in the contents, and checked whether the net realizable value is appropriate.
3. Validated the important hypothesis and parameter consistency, included the disclosed information of parameter verifying.

Responsibilities of the Management and Those Charged with Governance for the Parent Company only Financial Statements

The management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as the management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including Independent Directors and Supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company only Financial Statements

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

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

1. Identify and assess the risk of significant misstatement of the parent company only financial statements, whether due to fraud or error, the appropriate response to the design and implementation of the risk to be assessed, and obtain sufficient and appropriate audit evidence as a basis for our opinion. Because the fraud may involve conspiracy, forgery, intentional omission, false declaration or overstepped internal control, the risk of failure to detect the significant false expression of fraud is higher than the cause of error.
2. Obtain a necessary understanding of internal control relevant to the audit in order to design the audit procedures that are appropriate in the circumstance, but not for the purpose of expressing any opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or situations that may significantly doubt on the Company's ability to continue operation. If we conclude that a material uncertainty exists, we had to draw attention in our auditors' report to related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However,

future events or situations may cause the Company to lose the ability to continue operation.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including related notes) and whether the parent company only financial statements fairly express transactions and events.
6. Obtain adequate and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express the opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company's audit case. We are responsible for our audit opinion.

We communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during our audit.

We also provide those charged with governance with a declaration that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be deemed to affect our independence (including the related safeguards).

From the matters communicated with those charged with governance, we decide the key audit matters of the Company's parent company only financial statements for the year ended December 31, 2017. We describe these matters in auditors' report unless the Act precludes public disclosure about the matter when, in extremely rare cases, we decide that a matter should not be communicated in auditors' report, because it is reasonable to expect the negative impact of this communication to outweigh the enhanced public interest.

Deloitte & Touche

Accountants Huang, Hai-Yue		Accountants Liu, Yong-Fu
The approval number of Securities and Futures Commission No. 0920131587 of Taiwan-Finance-Securities	&	The approval number of Securities and Futures Commission No. 0920123784 of Taiwan-Finance-Securities

March 16, 2018

Lucky Cement Corporation

Parent Company Only Balance Sheets

December 31, 2017 and 2016

In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2017 Amount	%	December 31, 2016 Amount	%
	Current Assets				
1100	Cash（Note 6）	$ 170,262	3	$ 153,569	2
1125	Available-for-sale financial assets（Note 4 & 7）	34,935	1	39,027	1
1150	Notes receivable, net（Note 4, 8 & 28）	341,047	5	359,985	5
1160	Notes receivable due from related parties, net（Note 4, 8 & 27）	11,398	-	2,815	-
1170	Accounts receivable, net（Note 4 & 8）	98,907	2	157,548	2
1180	Accounts receivable due from related parties, net（Note 4, 8 & 27）	12,404	-	21,725	-
1200	Other receivable（Note 4）	675	-	425	-
1210	Other receivables due from related parties（Note 27）	257,136	4	317,642	5
1220	Total current tax assets（Note 4 & 22）	14,027	-	15,650	-
130X	Inventories（Note 4 & 9）	614,172	10	428,107	6
1410	Prepayments（Note 10）	160,363	2	164,008	2
1470	Other current assets（Note 11 & 28）	130,347	2	361,698	5
11XX	Total current assets	1,845,673	29	2,022,199	28
	Non-current assets				
1543	Non-current financial assets at cost（Note 4, 12 & 27）	20,077	-	34,527	1
1550	Investments accounted for using equity method（Note 4 & 13）	2,508,374	39	2,765,858	39
1600	Property, plant and equipment（Note 4, 14 & 28）	1,557,708	24	1,787,670	25
1840	Deferred tax assets（Note 4 & 22）	135,267	2	103,597	1
1920	Guarantee deposits paid（Note 24 & 29）	237,884	4	237,784	3
1990	Other non-current assets（Note 15 & 28）	153,312	2	191,639	3
15XX	Total non-current assets	4,612,622	71	5,121,075	72
1XXX	Total assets	$ 6,458,295	100	$ 7,143,274	100
Code	**Liabilities and Equity**				
	Current liabilities				
2100	Short-term borrowings（Note 16 & 28）	$ 871,000	14	$ 930,869	13
2110	Short-term notes and bills payable（Note 16）	79,768	1	109,760	2
2150	Notes payable（Note 17）	129,775	2	109,135	2
2160	Notes payable to related parties（Note 17 & 27）	26,755	-	105,016	1
2170	Accounts payable（Note 17）	94,356	2	126,524	2
2180	Accounts payable to related parties（Note 17 & 27）	66,229	1	90,433	1
2219	Other payables（Note 18）	90,553	1	138,724	2
2230	Current tax liabilities（Note 4 & 22）	13,089	-	-	-
2310	Advance receipts（Note 27）	236,692	4	164,246	2
2320	Long-term liabilities, current portion（Note 16 & 28）	100,000	2	303,500	4
2399	Other current liabilities（Note 27）	8,944	-	9,536	-
21XX	Total current liabilities	1,717,161	27	2,087,743	29
	Non-current Liabilities				
2540	Long-term borrowings（Note 16 & 28）	180,000	3	112,500	2
2570	Deferred tax liabilities（Note 4 & 22）	41,771	1	59,604	1
2640	Net defined benefit liability（Note 4 & 19）	50,338	1	52,111	1
2645	Guarantee deposits received	33,618	-	32,733	-
2670	Other non-current liabilities（Note 13）	33,288	-	26,888	-
25XX	Total non-current liabilities	339,015	5	283,836	4
2XXX	Total liabilities	2,056,176	32	2,371,579	33
	Equity（Note 20）				
3110	Ordinary share	4,047,380	63	4,047,380	57
3200	Capital surplus	8	-	8	-
	Retained earnings				
3310	Legal reserve	166,309	2	134,776	2
3320	Special reserve	14,135	-	14,135	-
3350	Unappropriated retained earnings	177,528	3	547,996	8
3300	Total retained earnings	357,972	5	696,907	10
3400	Other equity	(3,241)	-	27,400	-
3XXX	Total equity	4,402,119	68	4,771,695	67
	Total Liabilities and Equity	$ 6,458,295	100	$ 7,143,274	100

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

Lucky Cement Corporation

Parent Company Only Statements of Comprehensive Income

For the Years Ended December 31, 2017 and 2016

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

Code		2017 Amount	2017 %	2016 Amount	2016 %
	Operating Revenue （Note 4 & 27）				
4110	Sales revenue	$2,960,174	100	$3,512,735	100
4190	Less：Sales discounts and allowances	2,804	-	4,962	-
4100	Net sales revenue	2,957,370	100	3,507,773	100
5000	Operating costs （Note 9, 21 & 27）	2,712,477	92	2,904,623	83
5900	Gross Profit from operations	244,893	8	603,150	17
	Operating expenses （Note 21 & 27）				
6100	Selling expense	91,385	3	94,189	3
6200	Administrative expenses	83,344	3	92,779	2
6000	Total Operating Expenses	174,729	6	186,968	5
6500	Net other income(expenses) （Note 21）	262	-	106	-
6900	Net operating income	70,426	2	416,288	12
	Non-Operating Income and Expense(Note 4, 12, 21 & 27）				
7100	Interest income	6,134	-	7,790	-
7110	Rent income	31,362	1	31,743	1
7190	Other income	11,884	1	8,430	-
7225	Gain or loss on disposals of investments	(575)	-	1,918	-
7230	Foreign exchange gains or loss	1,533	-	(2,041)	-
7590	Miscellaneous disbursements	(8,927)	-	(24,116)	(1)
7050	Finance costs	(19,064)	(1)	(22,397)	-

(To be continued)

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Code		2017 Amount	2017 %	2016 Amount	2016 %
7070	Share of profit (loss) of associates accounted for using equity method	(208,820)	(7)	(35,913)	(1)
7000	Total Non-Operating Income and Expenses	(186,473)	(6)	(34,586)	(1)
7900	Profit (loss) before tax	($ 116,047)	(4)	$ 381,702	11
7950	Tax expense(income)（Note 4 & 22）	(14,936)	(1)	66,368	2
8000	Profit (loss)	(101,111)	(3)	315,334	9
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans（Note 19）	3,856	-	(5,141)	-
8330	Share of other comprehensive income of associates accounted for using equity method	1,163	-	2,635	-
8360	Components of other comprehensive income that will be reclassified to profit or loss：				
8361	Exchange differences on translation	(1,345)	-	(25)	-
8362	Unrealized gains (losses) on valuation of available-for-sale financial assets	2,357	-	634	-

(To be continued)

(Continued)

Code		2017 Amount	2017 %	2016 Amount	2016 %
8380	Share of other comprehensive income of associates accounted for using equity method	(31,653)	(1)	(9,565)	-
8300	Other comprehensive income or loss, net	(25,622)	(1)	(11,462)	-
8500	Total comprehensive income	($ 126,733)	(4)	$ 303,872	9
	Earnings (loss) per share (Note 23)				
9750	Basic	($ 0.25)		$ 0.78	
9850	Diluted			$ 0.78	

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

Lucky Cement Corporation

Parent Company Only Statements of Changes in Equity

For the Years Ended December 31, 2017 and 2016

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

Code		Share Capital	Capital Surplus	Retained Earnings: Legal Reserve	Retained Earnings: Special Reserve	Retained Earnings: Unappropriated Retained Earnings	Other Equity Interest: Exchange differences on translation of foreign financial statements	Other Equity Interest: Unrealized gains (losses) on available-for-sale financial assets	Total Equity
A1	Balance, January 1, 2016	$ 4,047,380	$ 8	$ 87,760	$ 14,135	$ 626,211	($ 6,793)	$ 43,149	$ 4,811,850
	2015 Appropriation and Distribution of Retained Earnings：								
B1	Legal Reserve	-	-	47,016	-	(47,016)	-	-	-
B5	Cash Dividends－NT$ 0.85 Per Share	-	-	-	-	(344,027)	-	-	(344,027)
D1	Net income in 2016	-	-	-	-	315,334	-	-	315,334
D3	Other comprehensive income (loss) in 2016	-	-	-	-	(2,506)	(47)	(8,909)	(11,462)
D5	Total comprehensive income (loss) in 2016	-	-	-	-	312,828	(47)	(8,909)	303,872
Z1	Balance, December 31, 2016	4,047,380	8	134,776	14,135	547,996	(6,840)	34,240	4,771,695
	2016 Appropriation and Distribution of Retained Earnings`:								
B1	Legal Reserve	-	-	31,533	-	(31,533)	-	-	-
B5	Cash Dividends－NT$ 0.6 Per Share	-	-	-	-	(242,843)	-	-	(242,843)
D1	Net income (loss) in 2017	-	-	-	-	(101,111)	-	-	(101,111)
D3	Other comprehensive income (loss) in 2017	-	-	-	-	5,019	(1,347)	(29,294)	(25,622)
D5	Total comprehensive income (loss) in 2017	-	-	-	-	(96,092)	(1,347)	(29,294)	(126,733)
Z1	Balance, December 31, 2017	$ 4,047,380	$ 8	$ 166,309	$ 14,135	$ 177,528	($ 8,187)	$ 4,946	$ 4,402,119

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

Lucky Cement Corporation

Parent Company only Statements of Cash Flows

For the Years Ended December 31, 2017 and 2016

In Thousands of New Taiwan Dollars

Code		2017	2016
	Cash Flow from Operating Activities		
A10000	Profit (loss) before tax	($ 116,047)	$ 381,702
A20000	Adjustments		
A20100	Depreciation expense	255,783	278,730
A20200	Amortization expense	9,420	9,536
A20300	Bad debt expense	99	-
A20900	Interest expense	19,064	22,397
A21200	Interest income	(6,134)	(7,790)
A21300	Dividend income	(1,219)	(1,232)
A22500	Loss (gain) on disposal of property, plant and equipment	(262)	(106)
A22300	Share of loss (profit) of associates accounted for using equity method	208,820	35,913
A23800	Inventory valuation losses	4,257	1,044
A23100	Loss (gain) on disposal of investments	575	(1,918)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	18,938	(2,433)
A31140	Notes receivable due from related parties	(8,583)	(2,616)
A31150	Accounts receivable	58,542	65,289
A31160	Accounts receivable due from related parties	9,321	16,201
A31180	Other receivable	(679)	2,703
A31190	Other receivable due from related parties	60,506	210
A31200	Inventories	(190,322)	(139,846)
A31230	Prepayments	3,645	40,882
A31240	Other current assets	101,004	670
A32130	Notes payable	20,640	7,246
A32140	Notes payable to related parties	(78,261)	99,305
A32150	Accounts payable	(32,168)	(31,479)
A32160	Accounts payable to related parties	(24,204)	29,041
A32180	Other payable	(47,766)	(59,605)
A32210	Receipts in advance	72,446	(39,237)
A32230	Other current liabilities	(591)	(4,875)
A32240	Net defined benefit liability	2,082	(273,597)

(To be continued)

(Continued)

Code		2017	2016
A33000	Cash inflow (outflow) generated from operations	338,906	426,135
A33100	Interest received	6,563	7,118
A33300	Interest paid	($ 19,461)	($ 22,079)
A33500	Income taxes paid	(19,855)	(186,622)
AAAA	Net cash flows from (used in) operating activities	306,153	224,552
	Cash Flow from Investing Activities		
B00300	Acquisition of available-for-sale financial assets	(235)	(6,684)
B00400	Proceeds from disposal of available-for-sale financial asset	6,110	36,165
B01400	Proceeds from capital reduction of financial assets at cost	14,450	5,100
B02200	Proceeds from capital reduction of investments	2,659	-
B02300	Proceeds from disposal of subsidiaries	-	901
B02700	Acquisition of property, plant and equipment	(29,230)	(34,599)
B02800	Proceeds from disposal of property, plant and equipment	3,671	106
B03800	Decrease (increase) in refundable deposits	(100)	4,957
B04300	Increase in other receivables due from related parties	-	(70,300)
B06600	Decrease (increase) in other financial assets	130,346	(194,618)
B06800	Decrease (increase) in other non-current assets	28,907	(38,546)
B07600	Dividends received form subsidiaries and investments	21,789	60,967
BBBB	Net cash flows from (used in) investing activities	178,367	(236,551)
	Cash flows from (used in) financing activities		
C00200	Increase (decrease) in short-term loans	(59,869)	696,047
C00500	Increase (decrease) in short-term notes and bills payable	(30,000)	60,000
C01600	Proceeds from long-term debt	180,000	300,000
C01700	Repayments of long-term debt	(316,000)	(688,800)
C03000	Increase in guarantee deposits received	885	5,637
C04500	Cash dividends paid	(242,843)	(344,027)
CCCC	Net cash flows from (used in) financing activities	(467,827)	28,857
EEEE	Net increase (decrease) in cash	16,693	16,858

(To be continued)

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Code		2017	2016
E00100	Cash at beginning of period	153,569	136,711
E00200	Cash at end of period	$ 170,262	$ 153,569

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

Lucky Cement Corporation

Notes to Parent Company Only Financial Statements

For the Years Ended December 31, 2017 and 2016

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

1. Company History

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

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

2. The Date and Procedure of Financial Report

The accompanying parent company only financial statements were reported to the Board of Directors and issued on March 16, 2018.

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

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

Except for the following explanations, it applied the amendments to Criteria Governing the Preparation of Financial Reports by securities issuer and the IFRSs regulations will not affect 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 reporting, the amendments to the regulations should note the disclosure.

The disclosure of trade of related parties will increase when in retrospect the previous applied amendments in 2017 (Note 27).

(2) The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by FSC with effective date starting 2018

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note2
Amendment to IFRS 2 “Classification and Measurement of Share-based Payment Transactions”	January 1, 2018
Amendment to “under the IFRS 4 (Insurance Contract” that applied of the IFRS 9 (Financial Instruments) of IFRS 4	January 1, 2018
IFRS 9 “Financial Instruments	January 1, 2018
Amendments to “Mandatory Date and Transition Disclosures” of IFRS 9 and IFRS 7	January 1, 2018
IFRS 15 The Income of Customer Contract	January 1, 2018
Amendments to “Explanation of IFRS 15”	January 1, 2018
Amendments to “Disclosure Initiative” of IAS 7	January 1, 2017
Amendments to “Recognition of Deferred Tax Assets of Unrealized Loss” of IAS 12	January 1, 2017
Amendments to “Conversion of Investment Property” of IAS 40	January 1, 2018
IFRIC 22 Foreign Currency Transaction and Advance Consideration	January 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 January 1, 2017. Amendments to IAS 28 applied the period of the year beginning since January 1, 2018.

IFRS 9 “Financial Instruments”

Classification, measurement and impairment of financial assets

All recognized financial assets currently in the scope of IAS 39, “Financial Instruments: Recognition and Measurement,” will be subsequently measured at either the amortized cost or the fair value. The classification and measurement requirements in IFRS 9 are stated as follows.

For the debt instruments invested by the Company, if the contractual cash flows that are solely for payments of principal and interest on the principal amount outstanding, the classification and measurement requirements are stated as follows:

A. If the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows such assets are measured at the amortized cost. Interest revenue should be recognized in profit or loss by using the effective interest method, continuously assessed for impairment and the impairment loss or reversal of impairment loss should be recognized in profit and loss.

B. If the objective of the Company's business model is to hold the financial asset both to collect the contractual cash flows and to sell the financial assets such assets are measured at fair value through other comprehensive income and are continuously assessed for impairment. Interest revenue should be recognized in profit or loss by using the effective interest method. A gain or loss on a financial asset measured at fair value through other comprehensive income should be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When such financial asset is derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

The other financial assets which do not meet the aforementioned criteria should be measured at the fair value through profit or loss. However, the Company may irrevocably designate an investment in equity instruments that is not held for trading as measured at fair value through other comprehensive income. All relevant gains and losses shall be recognized in other comprehensive income, except for dividends which are recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The classification and measurement of the financial assets held by the Company for the financial assets held on December 31, 2017 and the actual existence of the following financial assets will be subject to the applicable IFRS 9:

A. Classified as listed for sale of financial assets listed in the (OTC) and emerging stock and not listed (OTC) stock investment, according to IFRS 9 selected by the other comprehensive gains and losses measured at fair value. Under this classification, the fair value of the other changes in the equity changes in the investment sanctions are not re-classified to the profit and loss, and will be directly transferred to the retained earnings.

B. Classified as a beneficiary certificate of the fund for the sale of financial assets, as the cash flow is not entirely interest in the principal amount of the principal amount of the principal and the non-equity interest, and IFRS 9 will be classified as profit or loss at fair value.

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 (FVOCI), rents receivable, and IFRS 15 "the income of customer contract." That is produced the contract asset or loan commitment and financial guarantee contract that recognize as allowance account for credit losses. If the credit risk of previous financial asset did not increase obviously after recognized, the allowance account for credit losses will measure the ECL the next 12 months. If the credit risk of previous financial asset did increase obviously and non-lowed credit risk after recognized, the allowance account for credit losses will measure the ECL of remaining duration. However, the accounts receivable that did not include a major financial that ECL must by the duration to measure the allowance account for credit losses.

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

The Company's initial assessment for accounts receivable will be applied to a simplified approach to measure the expected credit loss for the expected period of credit impairment. The Company expects to apply IFRS 9 the expected credit loss model will make the credit losses of financial assets recognized earlier.

The Company elects not to restate comparison information in 2017 when applying the requirements for the classification, measurement and impairment of financial assets under IFRS 9. The cumulative impact of the first application will be recognized at the date of initial application and will reveal the classification changes and regulatory information applicable to IFRS 9.

The anticipated impact of the Company's assets, liabilities and equity when retrospectively applying IFRS 9 on January 1, 2018 is detailed below:

Impact on assets, liabilities and equity	December 31,2017 Carrying Amount	Adjustments from Initial Application	January 1, 2018 Adjusted Carrying Amount
Current financial assets at FVOCI	$ -	$ 55,773	$ 55,773
Current financial assets at fair value through profit or loss(FVPL)	-	991	991
Available-for-sale financial assets	34,935	(34,935)	-
Accounts receivable, net	98,907	(414)	98,493
Non-current financial assets at cost	20,077	(20,077)	-
Investments accounted for using equity method	2,508,374	(3,455)	2,504,919
Total effect on assets	$ 2,662,293	($ 2,117)	$ 2,660,176
Retained earnings	$ 357,972	($ 2,887)	$ 355,085
Other equity interest			
Unrealized gains (losses) on available-for-sale financial assets	4,946	(4,946)	-
Unrealized gains (losses) on financial assets Designated measure at FVOCI	-	5,297	5,297
Unrealized gains (losses) on financial assets Mandatorily measure at FVOCI	-	419	419
Total effect on equity	$ 362,918	($ 2,117)	$ 360,801

IFRS 15 "Revenue from Contracts with Customers" and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers and will supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

A. Identify the contract with the customer;
B. Identify the performance obligations in the contract;
C. Determine the transaction price;
D. Allocate the transaction price to the performance obligations in the contracts; and
E. Recognize revenue when the entity satisfies a performance obligation.

The Company elects only to retrospectively apply IFRS 15 to contracts that were not completed on January 1, 2018 and recognizes the cumulative effect in the retained earnings on January 1, 2018.

In addition, the Company will disclose the difference between the amount that results from applying IFRS 15 and the amount that results from applying current standards for 2018.

There is not anticipated impact on assets, liabilities and equity when retrospectively applying IFRS 15 on January 1, 2018.

As of the date of the release of the parent company only financial statements, the Company evaluated other standards and the amendments to the interpretation will not have a significant impact on the financial position and financial performance.

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

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release(Note 1)
Annual Improvements to IFRSs 2015–2017 Cycle	January 1, 2019
Amendments to IFRS 9 “Prepayment features with negative compensation”	January 1, 2019 (Note 2)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 16 “Leases”	January 1, 2019 (Note 3)
IFRS 17 ”Insurance contract”	January 1, 2021
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019 (Note 4)
Amended to IAS 28”Long-term Interests in Associates and Joint Ventures”	January 1, 2019
IFRIC 23 “Uncertainty over Income Tax Treatments”	January 1, 2019

Note 1: The aforementioned new, revised or amended standards or interpretations are effective after fiscal year beginning on or after the effective dates, unless specified otherwise.

Note 2: The FSC permits the election for early adoption of the amendments starting from 2018.

Note 3: On December 19, 2017, the FSC announced that IFRS 16 will take effect starting January 1, 2019.

Note 4: The amendments to IAS 19 are applied to any plan amendment curtailment or settlement occurring on or after January 1, 2019.

IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Company is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the parent company only balance sheets except for low-value and short-term leases. The Company may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the parent company only statements of comprehensive income, the Company should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the parent company only statements of cash flows, cash payments for both the principal and interest portion of the lease liability are classified within financing activities.

When IFRS 16 becomes effective, the Company may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

There is no significant impact on the accounting treatment of the Company for the lessor.

Except for the aforementioned impact, as of the date the accompanying parent company only financial statements were issued, the Company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the other standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

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

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

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

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

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

When preparing the parent company only financial statements, the Company account for subsidiaries by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of "investments accounted for using equity method", "Share of profit (loss) of subsidiaries accounted for using equity method", "Share of other comprehensive income of subsidiaries accounted for using equity method" and related equity items.

(3) Classification of current and noncurrent assets and liabilities current assets include:

A. Assets held primarily for the purpose of trading;

B. Assets expected to be realized within 12 months after the reporting period; and

C. Cash (excludes the asset which is restricted from exchanging or paying off the liabilities more than 12 months after the reporting period.)

Current liabilities include:

A. Liabilities held primarily for the purpose of trading;

B. Liabilities due to be settled within 12 months after the reporting period(even if a long-term refinancing or rescheduling payment agreement is completed after the end of each reporting period and before the issuance of the financial statements, it is also a current liability.); and

C. Liabilities cannot be unconditionally deferred the settlement period to at least 12 months after the end of each reporting period.

Those who are not of the above current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Foreign currencies

In preparing the parent company only financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Nonmonetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of nonmonetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of nonmonetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Nonmonetary items that are measured at historical cost in a foreign currency are not retranslated.

When preparing the parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising are recognized in other comprehensive income.

(5) Inventories

Inventories include raw materials, repair parts, supplies, finished goods, work in progress, merchandise, developing property and property to be developed. Inventories are stated at the lower of cost or net realizable value. The comparison of cost and net realizable value are based on individual items except for inventory in the same category. Under normal circumstances, the net realizable value refers to the balance between the estimated selling price minus the estimated costs to be incurred and the estimated costs required to complete the sale. Inventory cost calculation uses weighted average method.

(6) Investment in subsidiaries

Investment in subsidiaries accounted for using the equity method.

Subsidiaries are individuals that the company has significant controlling power.

Under the equity method, the initial investment is recognized at cost in the financial statements of the Company, and the carrying amount is increased or decreased in according with the share of profit (loss) of associates, the share of other comprehensive income of associates and the profit distribution. The Company also recognizes its share in the changes in the equities of associates.

When the Company's change of ownership interest in the subsidiary did not result in loss of control, it was treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is directly recognized as equity.

When the share of the Company's loss to the subsidiary is equal to or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term equity that is essentially part of the Company's net investment in the subsidiary), continue to recognized the loss according to the proportion of shares held in the Company's financial statements.

Unrealized gains (losses) of the downstream transactions between the Company and its subsidiaries will be eliminated. Gains and losses arising from the reverse flow and sidestream transactions between the Company and its subsidiaries are recognized in the parent company only financial statements only if they are not related to the Company's equity in the subsidiaries.

(7) Property, plant and equipment

Property, plant and equipment are recognized as cost and subsequent will measure at cost less accumulated depreciation and accumulated impairment.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On de-recognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(8) Impairment of tangible assets

At the end of each reporting period, the Company assesses whether there is any indication that tangible assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated. When it cannot be estimated the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

(9) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

When financial assets and financial liabilities are initially recognized, financial assets or financial liabilities are not measured at fair value through profit or loss, it measured as fair value plus direct transaction costs attributable to the acquisition or issue of financial assets or financial liabilities. Transaction costs that are directly attributable to acquisition or issue of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized as profit or loss.

A. Financial assets

By convention, financial assets transactions are recognized and derecognized from the transaction date.

I. Measurement category

The Company's financial assets are classified into available-for-sale financial assets, and loans and receivables.

i) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that either are designated as available-for-sale or are not classified as loans and receivables, or financial assets at fair value through profit or loss.

The changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized when the Company's right to receive the dividends is established.

Available-for-sale financial assets do not have a quoted market price in an active market and whose fair value cannot be reliably measured, subsequently measured at cost less impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the difference between carrying amount and fair value is recognized in other comprehensive income, any impairment losses are recognized in profit or loss.

ii) Loans and receivables.

Loans and receivables (including accounts receivable, cash and other accounts receivable) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

II. Impairment of financial assets

The Company assesses whether there is objective evidence of impairment of financial assets at the end of each reporting period. When there is objective evidence that the single or multiple events that occurred after the initial recognition of financial assets resulted in the loss of the estimated future cash flow of the financial assets, the financial assets have been impaired.

Financial assets stated at amortized cost, such as notes receivable, accounts receivable and other receivables, the assets are assessed in group for impairment after individual assessment without impairment.

For a financial asset stated at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The amount of impairment loss for financial assets recognized at amortized cost is reduced during the subsequent period, and the reduction is objectively linked to the events that occurred after the recognition of the impairment. The previously recognized impairment loss is reversed directly or through adjustment of the allowance account and recognized in profit or loss. The reversal may not allow the carrying amount of the financial asset to exceed the amortized cost due on the revolving date if the impairment loss is not recognized.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered an objective evidence of impairment.

When the available-for-sale financial assets are impaired, the amount of accumulated losses that have been previously recognized in other comprehensive income will be reclassified to profit or loss.

The impairment losses that have been recognized in loss by the available-for-sale equity instrument investment cannot be reversed through profit or loss. Any increase in fair value after recognition of an impairment loss is recognized in other comprehensive income.

The amount of impairment loss of a financial asset, measured by cost, is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such loss of impairment cannot be reversed during subsequent periods.

Impairment losses on all financial assets are directly deducted from the carrying amount of financial assets; notes receivable, accounts receivable and other receivables are reduced their carrying amount in an allowance account. When it is determined that notes receivables, accounts receivable and other receivables cannot be recovered, then the allowance account is reversed. The previously reversed and subsequently recovered amounts are credited to the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

III. De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

When a financial asset is derecognized as a whole, the difference between the carrying amount and the sum of consideration received plus any cumulative profit or loss that has been recognized in other comprehensive income is recognized in profit or loss

B. Financial liabilities

I. Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

II. De-recognition of financial liabilities

The difference between the carrying amount and the consideration paid is recognized as profit or loss.

(10) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and net of estimated customer returns, discounts and other similar discounts and allowances. The sales return is based on past experience and other relevant factors to reasonably estimate the future return amount.

A. Sales of merchandise

The Sales of merchandise is recognized when the following conditions are fully satisfied:

I. The Company has transferred to the buyer the significant risks and rewards of ownership of the merchandise;

II. The Company retains neither continuing managerial involvement nor effective control over the merchandise sold;

III. The revenue can be measured reliably;

IV. The economic benefits associated with the transaction are likely to flow into the Company; and

V. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

B. Dividend and interest income

The dividend income generated by the investment is recognized when the rights of the shareholders to collect the funds are established, provided that the economic benefits related to the transaction are likely to flow into the Company and the amount of income can be reliably measured.

Interest income from financial assets is recognized when the economic benefits are likely to flow into the Company and the amount of income can be measured reliably. Interest income is recognized on a time base, by reference to the outstanding principal amount and the applicable effective interest rate.

(11) Leasing

A. The Company as a lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

B. The Company as a lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

(12) Employee benefits

A. Short-term employee benefits

Short-term employee benefits-related liabilities are measured as non-discounted amounts expected to be paid in exchange for employee services.

B. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs and will not be reclassified to profit or loss in subsequent period.

The net defined benefit liabilities (assets) are the shortfalls (remaining) for the determination of the retirement benefit plans. The net determined benefit assets may not exceed the refund of the withdrawal funds from the plan or may reduce the present value of future withdrawals.

(13) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

A. Current Tax

According to the Income Tax Act, the calculation at 10% of unappropriated retained earnings is stated as income tax of the shareholders' meeting resolution year.

Adjustments to income tax payable in previous years are included in current year income tax.

B. Deferred Tax

Deferred tax is calculated based on the temporary differences between the carrying amounts of assets and liabilities and the taxable basis for calculating taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized when it is probable that taxable income will be available against which the deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences related to investment subsidiaries, except that the Company can control the timing of the reversal of the temporary differences, and the temporary difference is likely to not be reversed in the foreseeable future. In relation to such investments, temporary differences can be subtracted, only if they are likely to have sufficient taxable income to realize the benefits of temporary differences, and they are expected to be recognized within the foreseeable future, it can be recognized deferred tax assets.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and the carrying amount is reduced for those who are no longer likely to have sufficient taxable income to recover all or part of their assets. Those that have not been recognized as deferred tax assets are also reviewed at the end of each reporting period and the carrying amount is increased for deferred tax assets are likely to generate taxable income for the deductible in the future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

C. Current and Deferred Taxes for the Year

Current and deferred taxes are recognized in profit or loss, when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

When the Company applies accounting policies, it is not easy to obtain relevant information from other sources, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors. Actual results may differ from estimates.

The management will continue to review estimates and basic assumptions. If the revision of the estimate affects only the current period, it is recognized in the revision period; if the revision of the accounting estimate affects both the current period and the future period, it is recognized in the current revision period and future period.

The following are information about the key assumptions and the estimated uncertainty. These assumptions and uncertainties have the risk of causing significant adjustments to the carrying amounts of assets and liabilities in the next financial year.

(1) Inventory evaluation

The net realizable value of inventories is estimated balance as the estimated selling price in the business process less the estimated costs to be incurred for completion and the estimated costs required to complete the sale. These estimates are based on current market conditions and historical sales experience of similar products. Changes in market conditions may have a significant impact on these estimates.

(2) Evaluation for developing property and property to be developed of Dasheng Enterprise

Dasheng Enterprise regularly evaluates the book value of the developing property and property to be developed to determine that developing property and property to be developed have been stated at the lower of cost and net realizable value in accordance with accounting policies.

The estimated net realized value of Dasheng Enterprise based on the recent average selling prices of developing property and property to be developed in similar developments in the same industry, the estimation is based on current market conditions and historical sales experience of similar products. Changes in market conditions may significantly impact on these estimates, and affects the Company's investment balance using equity method and recognized the share of profit or loss of subsidiaries.

6. Cash

	December 31, 2017	December 31, 2016
Cash on hand and revolving funds	$ 1,139	$ 1,139
Checking and demand deposits	165,976	152,182
Bank foreign currency demand deposits	3,147	248
	$170,262	$153,569

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

	December 31, 2017	December 31, 2016
Cash in banks	0.05%-0.20%	0.12%-0.20%

7. Available-for-Sale Financial Assets

	December 31, 2017	December 31, 2016
Current		
Listed and OTC stocks	$ 33,944	$ 31,659

	December 31, 2017	December 31, 2016
Domestic mutual funds	991	7,368
	$ 34,935	$ 39,027

8. Notes Receivable and Accounts Receivable

	December 31, 2017	December 31, 2016
Notes receivable		
From operating activities		
Non-related parties	$341,047	$359,985
Related parties	$ 11,398	$ 2,815

	December 31, 2017	December 31, 2016
Accounts receivable		
From operating activities		
Non-related parties	$ 99,006	$157,548
Less: allowance for uncollectible accounts	99	-
	$ 98,907	$157,548
Related parties	$ 12,404	$ 21,725

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, credit 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 notes receivable was due on December 31, 2017 and 2016.

The mortgage information of notes receivable, please see the Note 28 for reference.

(2) Accounts receivable

The analysis of accounts receivable is as below:

	December 31, 2017	December 31, 2016
30 days or less	$ 95,085	$ 85,237
31 to 60 days	3,159	34,355
61 to 90 days	493	35,195
91 to 120 days	-	439
121 to 150days	-	-
Above 151 days	269	2,322
Total	$ 99,006	$157,548

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

For some accounts receivable that were past due at the end of the reporting period in the parent company only balance sheets, the Company did not recognize the allowance for uncollectible accounts-accounts because there was no significant change in credit quality and the amounts were considered recoverable from the managements' opinions in the Company. The Company to the accounts receivable did not hold any collateral or other credit enhancement.

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

	December 31, 2017	December 31, 2016
Above 151 days	$ 269	$ 2,322

The aging will based on the days of overdue.

The changed information in allowance for the uncollectible accounts-accounts is as below:

	Individual impairment loss	Group impairment loss	Total
Balance on January 1, 2017	$ -	$ -	$ -
Add: impairment	-	99	99
Balance on December 31, 2017	$ -	$ 99	$ 99

9. Inventories

	December 31, 2017	December 31, 2016
Raw materials	$293,227	$236,683
Work in progress	141,315	40,583
Finished goods	137,440	113,491
Repaired part and supplies	42,190	37,350
	$614,172	$428,107

The costs of sales associated with inventory are NT$2,712,477,000 and 2,904,623,000 in 2017 and 2016, which included inventory valuation losses are NT$4,257,000 and NT$1,044,000 in 2017 and 2016.

10. Prepayments

	December 31, 2017	December 31, 2016
Office supplies	$100,091	$ 95,269
Prepaid expenses	57,456	63,326
Advanced payment for material	2,765	5,329
Others	51	84
	$160,363	$164,008

11. Other Current Assets

	December 31, 2017	December 31, 2016
Restricted assets	$130,347	$301,677
Bond investment under repurchase agreement	-	60,021
	$130,347	$361,698

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

	December 31, 2017	December 31, 2016
Restricted assets	0.13%-3.55%	0.13%-2.70%
Bond investment under repurchase agreement	-	0.33%-0.40%

Please see the Note 28 for the mortgage information of other current assets for reference.

12. Financial Assets at Cost

	December 31, 2017	December 31, 2016
Domestic unlisted (OTC) ordinary shares	$ 20,077	$ 34,527

The above stocks may distinguish as available-for-sale financial assets 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 end of the reporting period. Because the interval is significant of the fair value estimates and cannot assess reasonably each type of probability, managers in the Company think the fair value cannot be reliable measure.

13. Investments Accounted for Using Equity Method

	December 31, 2017	December 31, 2016
Investment in subsidiaries		
Domestic unlisted (OTC)		
Dasheng Enterprise Co., Ltd.(Dasheng Enterprise)	$ 2,153,823	$ 2,304,465
Luckicon Ready-mixed Concrete Factory Co., Ltd(Luckicon Ready-mixed Co.,)	286,302	330,924
Just Bright Ltd.	44,786	69,095
Lucky Cement Corp., Japan (Lucky Cement Japan)	23,463	26,976
Luckyship Marine Co., Ltd (Luckyship Co.,)	(5,851)	34,398
ELUMINA Technology Inc. (ELUMINA Inc.)	(27,437)	(26,888)
	2,475,086	2,738,970
Add: recognized other non-current liabilities form credit balance of long-term investment	33,288	26,888
	$ 2,508,374	$ 2,765,858

The percentages of ownership rights and voting rights of the Company to its subsidiaries on the end of reporting period in balance sheet are as follows:

	December 31, 2017	December 31, 2016
Dasheng Enterprise	99.99%	99.99%
Luckicon Ready-mixed Co.	99.99%	99.99%
Just Bright Ltd.	100%	100%
Lucky Cement Japan	100%	100%
Luckyship Co.	99.99%	99.99%
ELUMINA Inc.	70.59%	70.59%

The major business of Dasheng Development is the sale and lease of real estate. The cost of its construction and development accounts is listed as "developing property and property to be developed". The amounts recognized NT$3,142,546,000 and NT$3,178,244,000 respectively on December 31, 2017 and 2016. Dasheng Development evaluates the developing property and property to be developed based on the real estate appraisal report issued by external experts on each the end of reporting period in balance sheet.

In the year 2017 and 2016, the share of profit (loss) of subsidiaries and the share of other comprehensive income of subsidiaries for using equity method were recognized based on the financial statements audited by the accountants in the same period.

Hojen Harbor Company was determined to be dissolution and liquidation by the Company board meeting in June 2016 and it had to complete it before September 2016.

The board of directors from the Company passed a resolution that was dissolution of Elumina Technology Inc. and its subsidiary in August

11, 2015, the dissolution and settlement procedures are still in progress as of December 31, 2017.

The Company has prepared the consolidated financial statements including all the subsidiaries listed above which accounted for using equity method in the year 2017 and 2016.

14. Property, Plant and Equipment

	Land	Building	Machinery and equipment	Electrical equipment	Transportation equipment	Other equipment	Total
Cost							
Balance on January 1, 2016	$ 698,918	$ 2,092,450	$ 6,043,168	$ 1,187,107	$ 783,093	$ 480,760	$11,285,496
Add	-	6,080	16,691	4,101	4,825	2,902	34,599
Disposal	-	-	(20,985)	-	(5,553)	(1,495)	(28,033)
Balance on December 31, 2016	$ 698,918	$ 2,098,530	$ 6,038,874	$ 1,191,208	$ 782,365	$ 482,167	$11,292,062
Accumulated depreciation and impairment							
Balance on January 1, 2016	$ -	$ 1,563,099	$ 5,530,081	$ 1,146,482	$ 561,617	$ 452,416	$ 9,253,695
Depreciation	-	69,264	124,075	7,915	66,042	11,434	278,730
Disposal	-	-	(20,985)	-	(5,553)	(1,495)	(28,033)
Balance on December 31, 2016	$ -	$ 1,632,363	$ 5,633,171	$ 1,154,397	$ 622,106	$ 462,355	$ 9,504,392
Balance on December 31, 2016, net	$ 698,918	$ 466,167	$ 405,703	$ 36,811	$ 160,259	$ 19,812	$ 1,787,670
Cost							
Balance on January 1, 2017	$ 698,918	$ 2,098,530	$ 6,038,874	$ 1,191,208	$ 782,365	$ 482,167	$11,292,062
Add	-	3,137	3,558	2,750	16,746	3,039	29,230
Disposal	-	-	(3,162)	-	(4,861)	(1,879)	(9,902)
Balance on December 31, 2017	$ 698,918	$ 2,101,667	$ 6,039,270	$ 1,193,958	$ 794,250	$ 483,327	$11,311,390
Accumulated depreciation and impairment							
Balance on January 1, 2017	$ -	$ 1,632,363	$ 5,633,171	$ 1,154,397	$ 622,106	$ 462,355	$ 9,504,392
Depreciation	-	62,770	110,056	7,925	63,156	11,876	255,783
Disposal	-	-	-	-	(4,614)	(1,879)	(6,493)
Balance on December 31, 2017	$ -	$ 1,695,133	$ 5,743,227	$ 1,162,322	$ 680,648	$ 472,352	$ 9,753,682
Balance on December 31, 2017, net	$ 698,918	$ 406,534	$ 296,043	$ 31,636	$ 113,602	$ 10,975	$ 1,557,708

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

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

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

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

15. Other Non-Current Assets

	December 31, 2017	December 31, 2016
Prepayments	$ 84,425	$109,576
Restricted assets	50,104	63,280
Net limestone mining rights	18,783	18,783
	$153,312	$191,639

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

	December 31, 2017	December 31, 2016
Restricted assets	0.13%-1.59%	0.13%-1.125%

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

16. Loans

(1) Short-term borrowings

	December 31, 2017	December 31, 2016
Secured borrowings(Note 28)		
Bank loan	$651,000	$667,700
Unsecured borrowings		
Credit loan	220,000	263,169
	$871,000	$930,869

The interest rate of the bank loan is as follows：

	December 31, 2017	December 31, 2016
Secured borrowings	1.35%-1.55%	1.427%-1.8464%
Unsecured borrowings	1.55%-1.57%	1.55%-2.484%

(2) Short-term notes and bills payable

	December 31, 2017	December 31, 2016
Commercial paper payable	$ 80,000	$110,000
Less: Discount on short-term notes and bills payable	232	240
	$ 79,768	$109,760

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

December 31, 2017

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 50,000	$ 145	$ 49,855	1.580%
Mega Bills Finance Corporation	30,000	87	29,913	1.588%
	$ 80,000	$ 232	$ 79,768	

December 31, 2016

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 50,000	$ 109	$ 49,891	1.60%
Mega Bills Finance Corporation	60,000	131	59,869	1.588%
	$ 110,000	$ 240	$ 109,760	

(3) Long-term borrowings

	December 31, 2017	December 31, 2016
Secured borrowings (Note 28)		
Bank loan	$100,000	$326,000
Unsecured borrowings		
Bank loan	180,000	90,000
Less: Long-term borrowings have maturity of 1 year or less.	(100,000)	(303,500)
	$180,000	$112,500

	Details	December 31, 2017	December 31, 2016
Secured borrowings			
Taiwan Cooperative Bank	The period is from November 21, 2011 to November 21, 2018, ，the grace period is 2 years, every 6 months was served as an installment，pay by 10 installments for the principle after the grace period. It has been repaid earlier in June of 2017.	$ -	$ 100,000
Taiwan Cooperative Bank	The period is from July 13, 2014 to November 13, 2018, the principle will be repaid NT$ 12,000,000 every 3 months. It has been repaid earlier in February of 2017.	-	12,000
Mega International Commercial Bank Co., Ltd.	The period is from June 13, 2014 to June 13, 2017, the principle will be repaid NT$ 7,200,000 every 3 months. It has been repaid earlier in February of 2017.	-	14,000
Bank of Taiwan	The period is from February 25, 2016 to February 25, 2019, ，the grace period is 1 years, the principle will be repaid NT$ 12,500,000 every 3 months after the ended of grace period. It has been repaid earlier in December of 2017.	-	100,000
The Export-Import Bank of the Republic of China	The period is from January 1, 2016 to January 31, 2017, the principle will be repaid once in maturity date.	-	100,000
Taishin International Bank	The period is from December 12, 2017 to December 12, 2019, the principle will be repaid once in maturity date.	100,000	-
Secured borrowings			
The Export-Import Bank of the Republic of China	The period is from October 11, 2017 to November 11, 2018, the principle will be repaid once in maturity date.	100,000	-
O-Bank	The period is from November 24, 2017 to November 23, 2019, the principle will be repaid once in maturity date.	80,000	-
The Shanghai Commercial & Savings Bank, Ltd.	The period is from July 15, 2016 to July 15, 2019, every 3 months was served as an installment，pay by 10 installments for the principle. It has been repaid earlier in December of 2017.	-	90,000
subtotal		280,000	416,000
Less: Long-term borrowings have maturities of 1 year or less.		(100,000)	(303,500)
Long-term borrowings		$ 180,000	$ 112,500

The annual interest rates of long-term borrowings were 1.70%~1.89% and 1.7825%~2.20% respectively for December 31, 2017 and 2016.

17. Notes and Accounts Payable

	December 31, 2017	December 31, 2016
Notes payable		
From operating activities		
Non-related parties	$129,775	$109,135
Related parties	$ 26,755	$105,016
Accounts payable		
From operating activities		
Non-related parties	$ 94,356	$126,524
Related parties	$ 66,229	$ 90,433

18. Other Payables

	December 31, 2017	December 31, 2016
Wages and salaries payable	$ 42,081	$ 80,977
Taxes payable	17,455	23,930
Utilities expense payable	17,851	20,215
Maintenance fee payables	440	1,525
Other	12,726	12,077
	$ 90,553	$138,724

19. Post-Employment Benefit Plan

(1) Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act, which is a government-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly wages and salaries.

(2) Defined benefit plans

The Company adopted the defined benefit plan in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts recognized in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2017	December 31, 2016
Present value of defined benefit obligation	$273,613	$302,905
Fair value of plan assets	(223,275)	(250,794)
Net defined benefit liabilities	$ 50,338	$ 52,111

The changes of net defined benefit liabilities are follows：

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Balance on January 1,2016	$ 337,082	($ 16,515)	$ 320,567
Service cost			
Current service cost	4,121	-	4,121
Interest expense（income）	4,214	(221)	3,993
Recognize in profit or loss	8,335	(221)	8,114
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,301)	(1,301)
Actuarial loss - changes in demographic assumptions	84	-	84
Actuarial loss - changes in financial assumptions	3,279	-	3,279
Actuarial loss – experience adjustments	3,079	-	3,079
Recognized in other comprehensive income	6,442	(1,301)	5,141
Contributions from the employer	-	(280,408)	(280,408)
Benefits paid	(48,954)	47,651	(1,303)
Balance on December 31, 2016	$ 302,905	($ 250,794)	$ 52,111

(To be continued)

(Continued)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Balance on January 1, 2017	$ 302,905	($ 250,794)	$ 52,111
Service cost			
Current service cost	3,550	-	3,550
Interest expense (income)	3,407	(2,833)	574
Recognize in profit or loss	6,957	(2,833)	4,124
Remeasurement			
Loss on plan assets (excluding amounts included in net interest)	-	590	590
Actuarial loss - changes in demographic assumptions	10	-	10
Actuarial loss - changes in financial assumptions	2,815	-	2,815
Actuarial gain – experience adjustments	(7,271)	-	(7,271)
Recognized in other comprehensive income	(4,446)	590	(3,856)
Contributions from the employer	-	(2,041)	(2,041)
Benefits paid	(31,803)	31,803	-
Balance on December 31, 2017	$ 273,613	($ 223,275)	$ 50,338

Determine the amount of profit or loss that the benefit plan recognizes as a function of the following:

	2017	2016
Operating costs	$ 2,955	$ 5,472
Selling expenses	492	912
Administrative expenses	677	1,730
	$ 4,124	$ 8,114

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

A. Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, the return generated by plan assets should not be below the interest rate for a 2-year certificated deposit with local banks.

B. Interest risk: The decrease in the interest rate of the government bonds will increase the present value of the defined benefit obligations, but will also increase the debt investment remuneration of the plan assets. The effect of the two on the net defined benefit liabilities is partially offset.

C. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2017	December 31, 2016
Discount rates	1.00%	1.125%
Expected rates of salary increase	1.25%	1.25%

If reasonably possible changes occur in each of the significant actuarial assumptions and all other assumptions remain unchanged, the amount of increase (decrease) in the present value of the defined benefit obligation will be as follows:

	December 31, 2017	December 31, 2016
Discount rates		
0.25% increase	($ 5,587)	($ 6,508)
0.25% decrease	$ 5,762	$ 6,719
Expected rates of salary increase		
0.25% increase	$ 5,641	$ 6,584
0.25% decrease	($ 5,496)	($ 6,409)

As the actuarial assumptions may be related to each other, and only a single hypothetical change is unlikely, the above sensitivity analysis may not reflect the actual change in the present value of the determined benefit obligations.

	December 31, 2017	December 31, 2016
The expected contributions to the plan for the next year	$ 1,985	$ 2,159
The average duration of the defined benefit obligation	8.4 years	8.8 years

20. Equity

(1) Share capital

Common Stock

	December 31, 2017	December 31, 2016
Authorized shares (in thousands)	498,646	498,646
Authorized capital	$ 4,986,460	$ 4,986,460
Issued and paid shares (in thousands)	404,738	404,738
Issued capital	$ 4,047,380	$ 4,047,380

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

(2) Capital surplus

	December 31, 2017	December 31, 2016
Only to make up for losses		
From share of changes in equities of subsidiaries	$ 8	$ 8

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

(3) Retained earnings and dividend policy

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The amendments to Articles of Incorporation on earnings distribution policy had been approved by the Company's shareholders in its meeting held on June 15, 2016 and also provided allocation policy of remuneration of employee and directors, supervisors.

The amendment of earning allocation policy in the Articles of Incorporation states that in case of earning upon settled annually, the Company shall appropriate its 10% as legal surplus reserve first and account equity deduction occurred in the current year as special surplus reserve, addition to legal payment of business tax and compensation of historical annual loss, wherein if the dividend per share from the sum of balance thereafter and 40%~80% of aggregated surplus yet allocated in the previous year has not reached NTD$0.1 with calculation of the upper limit, 80%, it shall be reserved, not for allocation and allocation case shall be proposed in the Board of Directors, further presented for acknowledgement in the Meeting of Shareholders. Please refer to (6) of Note 21, Employee Benefits for the revised remuneration allocation policy of employee and directors, supervisors before/after the versions of the Articles of Incorporation. The appropriation & 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 diluted level of surplus per share in the Meeting of Board of Directors. However, the allocated stock dividend shall be limited to 20% of the issued stock; in case that the aggregated equity deduction or equity deduction that is insufficient to account as surplus w/tax in the current year, it shall account equivalent amount of special surplus reserve from the aggregated surplus yet be allocated in the previous year and deduct it prior to the appropriation and allocation earlier. Thereafter, whenever equity deduction is turned, the turned amount shall be allocated as surplus. The allocation of related surplus shall be passed and acknowledged in the General Meeting of Shareholders held in the next year and shall be accounted in the current year.

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

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

When allocating the unappropriated retained earnings, shareholders other than the residents within the territory of the Republic of China may acquire shareholder deductible that was calculated based on the tax deductible ratio on the Day of Dividend Allocation.

The appropriations of 2016 and 2015 earnings have been approved by shareholders in its meeting held on June 7, 2017 and June 15, 2016, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividend per share (NT$1.00)	
	2016	2015	2016	2015
Legal reserve	$ 31,533	$ 47,016		
Cash dividends	242,843	344,027	$ 0.6	$ 0.85

The Company proposed the loss compensation for the year 2017 and decided not to distribute the dividends by the board of directors on March 16, 2018. The resolution on the loss for the year 2017 still needs to be resolved by the shareholders meeting held in 2018.

(4) Special reserve

The Company has adopted the IFRSs standards for the accounted special reserve that shows as follow:

	December 31, 2017	December 31, 2016
Special reserve	$ 14,135	$ 14,135

The amount of the accumulated conversion of the Company is NT$14,135,000 transferred to the retained surplus, and the same amount of special reserve has been added.

The Company proposed the loss compensation for the year 2017 by the board of directors on March 16, 2018. The negative value recognized of the other equity at the end of the reporting period and proposed a special surplus reserve of NT$3,241,000. The resolution on the loss for the year 2017 still needs to be resolved by the shareholders meeting held in 2018.

(5) Other equity

A. Exchange differences on translation of foreign financial statements

	2017	2016
Balance at the begin of the year	($ 6,840)	($ 6,793)
Exchange differences on translation of foreign financial statements	(1,345)	(25)
Share of exchange differences of associates accounted for using equity method	(2)	(22)
Balance at the end of the year	($ 8,187)	($ 6,840)

B. Unrealized gains (losses) on available-for-sale financial assets

	2017	2016
Balance at the begin of the year	$ 34,240	$ 43,149
Unrealized gains (losses) on available-for-sale financial assets	1,782	2,558
Accumulated gains (losses) on reclassification which proceeds from disposal of available-for-sale financial assets	575	(1,924)
Share of unrealized gains (losses) on available-for-sale financial assets of associates for using equity method,	(31,651)	(9,543)
Balance at the end of the year	$ 4,946	$ 34,240

21. Profit (loss)

(1) Other income and expense, net

	2017	2016
Gains on disposals of property, plant and equipment	$ 262	$ 106

(2) Other income

	2017	2016
Revenue from dividends	$ 1,219	$ 1,232
Others	10,665	7,198
	$ 11,884	$ 8,430

(3) Other expenses

	2017	2016
Loss of disaster	$ -	$ 8,154
Others	8,927	15,962
	$ 8,927	$ 24,116

(4) Depreciation and amortization

	2017	2016
Depreciations summary by functions		
Operating costs	$235,144	$255,957
Operating expenses	12,635	12,552
Non-operating expenses	8,004	10,221
	$255,783	$278,730
Amortization summary by functions		
Operating costs	$ 6,932	$ 8,660
Operating expenses	2,488	876
	$ 9,420	$ 9,536

(5) Employee benefits

	2017	2016
Post-employment benefits		
Defined contribution plans	$ 7,914	$ 7,877
Defined benefit plans	4,124	8,114
	12,038	15,991
Wages and salaries	222,603	269,176
Insurance expense	$ 24,010	$ 24,356
Other employee benefits/welfare	15,875	12,803
Total employee benefits/welfare	$274,526	$322,326
Summarized by function		
Operating costs	$192,447	$228,920
Operating expenses	82,079	93,406
	$274,526	$322,326

(6) Remuneration for employees, directors and supervisors

The Company shall appropriate 3% and not less than 5% of the profit before tax prior to the deduction of allocated remuneration for employees, directors and supervisors in the current year as the same. The Company did not estimate the remuneration for employees, directors and supervisors due to no available surplus in 2017. The remuneration for employees, the directors and supervisors of the year 2016 was decided by the board of directors on March 20, 2017 as follows:

Estimated %

	2016
Remuneration for employees	3%
Remuneration for directors and supervisors	5%

Amount

	2016
	Cash
Remuneration for employees	$ 12,447
Remuneration for directors and supervisors	20,745

If the amount of the annual parent company only financial statements still changes after the issued date, it will be treated as changes in accounting estimates and adjusted for subsequent years.

There is no difference between the amount of the remuneration for employees, the directors and supervisors actually paid and recognized in the consolidated financial statements in 2016.

For information on the remuneration for employees, the directors and supervisors of the Company in 2018 and 2017, please check it on the Market Observation Post System of the Taiwan Stock Exchange.

(7) Foreign exchange gains or losses

	2017	2016
Total foreign exchange gains	$ 1,942	$ 3,083
Total foreign exchange losses	(409)	(5,124)
Net profit (loss)	$ 1,533	($ 2,041)

(8) Gains and Losses on disposals of investments

	2017	2016
Gains (losses) on Disposals of Available-for-Sale financial assets	($ 575)	$ 1,924
Losses on disposal of the subsidiary	-	(6)
Net profit(loss)	($ 575)	$ 1,918

22. Taxation

(1) Income tax recognized as profit or loss

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

	2017	2016
Current income tax		
Created in current period	$ 32,852	$ 36,804
Tax on Unappropriated retained earnings	-	7,092
Adjustment of previous years	1,715	1,347
	34,567	45,243
Deferred income tax		
Created in current period	(49,503)	21,125
Income tax expenses(income) of recognized in profit or loss	($ 14,936)	$ 66,368

The reconciliation of accounting profit and current income tax expense (income) is as follows:

	2017	2016
Profit (loss) before tax	($116,047)	$381,702
Income tax expense (income) calculated at statutory tax rate (17%) for profit (loss) before tax	($ 19,728)	$ 64,889
Un-deductible expenses on tax	4,968	1,240
Unrecognized the subtractable temporary differences /deductions	(1,684)	(1,435)
Tax-free income	(207)	(6,765)
Tax on unappropriated retained earnings	$ -	$ 7,092
The reconciliation of Current income tax expense in the previous year is recognized in current year	1,715	1,347
Income tax expense (income) recognized in profit or loss	($ 14,936)	$ 66,368

In February 2018, it was announced by the President of the ROC that the Income Tax Act in the ROC was amended and, starting from 2018, the Profit-seeking Enterprise Income Tax rate will be adjusted from 17% to 20%. In addition, the tax rate of unappropriated retained earnings will be reduced from 10% to 5%in 2018. Deferred tax assets and deferred tax liabilities that are recognized on December 31, 2017 are expected to increase by NT$23,871,000 and NT$ 7,371,000 respectively in 2018 in according with the changes in tax rates.

As the status of the appropriation of retained earnings is uncertain in the shareholder meeting held in 2018, the potential income tax consequences of 10% tax on the unappropriated retained earnings in 2017 are not determined reliably.

(2) Current tax assets and liabilities

	December 31, 2017	December 31, 2016
Current tax assets		
Tax refund receivable	$ 14,027	$ 15,650
Current tax liabilities		
Income tax payable	$ 13,089	$ -

(3) Deferred tax assets and liabilities

The changes of deferred tax assets and liabilities are as follows:

2017

Deferred tax assets	Balance on the beginning of the year	Recognized in profit or loss	Balance on the end of the year
Temporary differences			
Pension limit exceeded	$ 12,847	$ 608	$ 13,455
Investment losses for using equity method	71,678	32,470	104,148
Unrealized inventory valuation losses	11,836	724	12,560

(To be continued)

(Continued)

Deferred tax assets	Balance on the beginning of the year	Recognized in profit or loss	Balance on the end of the year
Impairment loss on financial assets measured by cost method	3,995	-	3,995
Gross profit from advance receipts with an issued bill of lading	$ 3,142	($ 2,033)	$ 1,109
Unrealized foreign exchange losses	99	(99)	-
	$ 103,597	$ 31,670	$ 135,267
Deferred tax liabilities			
Temporary differences			
Accelerated depreciation of Fixed assets	$ 59,604	($ 17,838)	$ 41,766
Unrealized foreign exchange gains	-	5	5
	$ 59,604	($ 17,833)	$ 41,771

2016

Deferred tax assets	Balance on the beginning of the year	Recognized in profit or loss	Balance on the end of the year
Temporary differences			
Pension limit exceeded	$ 59,607	($ 46,760)	$ 12,847
Investment losses for using equity method	54,857	16,821	71,678
Unrealized inventory valuation losses	11,659	177	11,836
Impairment loss on financial assets measured by cost method	3,995	-	3,995
Gross profit from advance receipts with an issued bill of lading	3,269	(127)	3,142
Unrealized foreign exchange losses	-	99	99
	$ 133,387	($ 29,790)	$ 103,597
Deferred tax liabilities			
Temporary differences			
Accelerated depreciation of Fixed assets	$ 68,163	($ 8,559)	$ 59,604
Unrealized foreign exchange gains	106	(106)	-
	$ 68,269	($ 8,665)	$ 59,604

(4) The related information of imputation system

	December 31, 2017	December 31, 2016
Unappropriated retained earnings		
Unappropriated retained earnings After 1998	$ - (Note)	$547,996
Balance in shareholders' imputation tax credit account	$ - (Note)	$192,473

Note : The announcement of amendments to the effective income tax Act of Republic of China has abolished the imputation system in February 2018, and the relevant information is no longer applicable in 2017.

(5) Income tax approval

As of the end of 2015, income tax declaration cases of the Company approved by the tax collection authorities. The numbers of approved and declared are no significant difference.

23. Earnings (Loss) per Share

To calculate the net profit or loss of earnings (loss) per share and the weighted average shares of ordinary stock is as follows:

Profit (loss)

	2017	2016
To calculate the net profit (loss) of basic and diluted earnings (loss) per share	($101,111)	$315,334

Number of share

unit : 1,000 shares

	2017	2016
The weighted average shares of ordinary stock which is used to calculate the basic earnings(loss) per share	404,738	404,738
Dilution Effect of potential ordinary stock: Compensation for employee		1,801
To calculate the weighted average shares of ordinary stock for diluted earnings per share		406,539

If the Company chooses to pay employee remuneration or bonus in stocks or cash, the calculation of diluted earnings per share assumes that employee remuneration or bonus will be paid by shares, and when the potential ordinary shares have a dilution effect, they are included the weighted average number of ordinary shares outstanding to calculate diluted earnings per share. The dilution effect of these potential ordinary shares will also continue to be taken into account when the next annual shareholders' meeting resolves employee remuneration or bonus to issue shares before the calculation of diluted earnings per share.

Due to the loss incurred from January 1 to December 31, 2017, there is no need to calculate the potential dilutive effect of ordinary shares.

24. Agreement of Operating Lease

(1) The Company is the tenant

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

The Company's guarantee deposits paid for operating lease contracts was NT$ 3,849,000 as of As of December 31, 2017 and 2016.

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

	December 31, 2017	December 31, 2016
Within 1 year	$ 30,831	$ 26,203
More than 1 year but no more than 5 years	72,118	48,799
	$102,949	$ 75,002

Recognized expense of Lease payment as below:

	2017	2016
Lease payment	$ 32,699	$ 32,945

(2) The Company is the lessor

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

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

	December 31, 2017	December 31, 2016
Within 1 year	$ 31,674	$ 6,910
More than 1 year but no more than 5 years	10,558	625
	$ 42,232	$ 7,535

25. Financial Risk Management

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

26. Financial Instrument

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

For financial assets and liabilities that are not measured at fair value, there are no significant differences between the carrying amount and the fair value.

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

A. Fair value hierarchy

December 31, 2017

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed (OTC) stock	$ 33,944	$ -	$ -	$ 33,944
Domestic Fund Benefit Certificate	991	-	-	991
Total	$ 34,935	$ -	$ -	$ 34,935

December 31, 2016

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed (OTC) stock	$ 31,659	$ -	$ -	$ 31,569
Domestic Fund Benefit Certificate	7,368	-	-	7,368
Total	$ 39,027	$ -	$ -	$ 39,027

There is no transfer between level 1 and level 2 of fair value measurement in 2017 and 2016.

B. The evaluation technique and assumption used for measuring fair value

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

(3) Type of finance instruments

	December 31, 2017	December 31, 2016
Financial assets		
Loans and receivables（Note 1）	$ 1,072,280	$ 1,438,687
Available-for-sale financial assets（Note 2 ）	55,012	73,554
Financial liabilities		
Measured at amortized cost（Note 3）	1,596,355	1,945,484

Note1: The balance includes loans and receivables measured at amortized cost such as cash, notess receivable, accounts receivable, other receivables, bond investment under repurchase agreement (listed as other financial assets) and restricted assets (listed as other financial assets and other non-current assets).

Note2: The balance includes the balance of financial asset measured at costs that are classified as available-for-sale.

Note3: The balance includes financial liabilities masured at amortised cost such as short-term borrowings, notes payable, accounts payable, partical other payables and long-term borrowings.

(4) Objective and policy of financial risk management

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

A. Market risk

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

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

I. Currency risk

The Company's carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date, including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements, please sees Note 31.

Sensitivity Analysis

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

The following table shows the sensitivity analysis of the Company when the exchange rate of the New Taiwan Dollar (Functional Currency) to each relevant foreign currency increases and decreases by 5%. 5% is as sensitivity ratio used for reporting currency risk to key management personnel of the Company, 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	
	2017	2016	2017	2016
Profit (loss)	(\$ 8)	\$ 2,347	(\$ 345)	(\$ 339)

	Effect of Japanese Yen	
	2017	2016
Profit (loss)	(\$ 144)	\$ -

The above is mainly originated from the outstanding cash in banks, receivables, other financial assets, other short-term borrowings and payables, calculated in USD, RMB and Japanese Yen which are not in cash flow hedge on the end of reporting period in the balance sheet of the Company.

II. Interest rate risk

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

	December 31, 2017	December 31, 2016
Interest rate risk with fair value		
-Financial assets	$ 269,557	$ 370,470
-Financial liabilities	420,000	624,000
Interest rate risk with cash flow	575,957	763,194
-Financial assets	810,768	832,629

<u>Sensitivity Analysis</u>

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

If interest rate increases/decreases 25 basis points, the loss before tax increases/decreases NT$587,000 in 2017 and the profit before tax decreases/increases NT$174,000 in 2016 with all other variables held constant; the main reasons are floating rate loan, demand deposit and exposure in restricted asset (recognized other current assets and other non-current assets) interest rate risk of the Company.

B. Credit risk

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

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

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

	December 31, 2017		December 31, 2016	
	Book Value	Largest credit risk exposed amount	Book Value	Largest credit risk exposed amount
Off-balance sheet commitments and guarantee				
Endorsement for subsidiary	$ -	$ 748,210	$ -	$ 517,250

The credit risk of the Company is mainly concentered on the key account (KA) of the Company; as the end of December, 2017 and 2016, the receivables exceed 5% of total receivables, which are separately 59.59%and 59.79% of total receivables.

C. Liquidity risk

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

Bank loan is an important source of liquidity for the Company. As the end of December 31, 2017 and 2016, the unused long-term and short-term bank loan commitments of the Group are separately NT$2,064,859,000 and NT$1,454,314,000.

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

December 31, 2017

	Weighted average valid rate (%)	Requirement : Pay at once or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities						
Non-Interest-Bearing liability		$ 177,520	$ 231,115	$ 29,056	$ -	$ 19,558
Floating interest rate tool	1.58%	-	129,912	580,856	100,000	-
Fixed interest rate tool	1.89%	100,000	-	320,000	-	-
		$ 277,520	$ 361,027	$ 929,912	$ 100,000	$ 19,558

December 31, 2016

	Weighted average valid rate (%)	Requirement : Pay at once or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities						
Non-Interest-Bearing liability	-	$ 167,555	$ 369,831	$ 36,402	$ 12,798	$ 18,192
Floating interest rate tool	1.62%	122,000	225,224	360,405	125,000	-
Fixed interest rate tool	1.54%	100,000	200,000	324,000	-	-
		$ 389,555	$ 795,055	$ 720,807	$ 137,798	$ 18,192

27. Related Party Transactions

Except as disclosed in other notes, the transactions between the Company and its related parties are as follows.

(1) Related party and Relations

Related party	Relations
Subsidiaries	
Dasheng Enterprise	The Company's subsidary
Luckicon Ready-mixed Co.	The Company's subsidary
Luckyship Co.	The Company's subsidary
Lucky Cement Japan	The Company's subsidary
Fuyu Development Company	The Company's Sub-subsidary
Other related party	
Yungsheng Development Industrial Co., Ltd. (Yungsheng Development Co.)	The chairman of the company is the same as the chairman of the parent company
LIANG-CHUAN Cultural and Educational Foundation (LIANG-CHUAN Foundation)	The chairman of the foundation is the same as the chairman of the parent company
Fudong Freight Co., Ltd (Fudong Freight Co.)	The directors of the company are the same as the major shareholders of the parent company
Changjun Water Resources biotechnology Co., Ltd (Changjun Water Resources Co.)	The chairman of the company is one of the parent company chairman's first-degree relatives
Jia Fu Entertainment Co., Ltd (Jia Fu Entertainment Co.)	The chairman of the company is one of the parent company chairman's first-degree relatives
Wantong Product Insurance Brokerage Co., Ltd (Wantong Product Insurance Co.)	The chairman of the company is one of the parent company chairman's first-degree relatives
Lucky construction Co., Ltd (Lucky construction Co.)	The chairman of the company is one of the parent company chairman's first-degree relatives
Kuochuan Development Co., Ltd. (Kuochuan Development Co.)	The chairman of the company is one of the parent company chairman's first-degree relatives
Changheng Investment Co., (Changheng Investment Co.)	The major shareholder of the parent company
Jinli Investment Co., Ltd. (Jinli Co.)	The major shareholder of the parent company
Fuan Mining Co., Ltd. (Fuan Mining Co.)	The manger is the spouse of the parent company chairman's first-degree relatives from July, 2016

(2) Business transaction

	2017	2016
Sales		
Subsidiaries	$223,843	$344,580
Other related parties	-	308
	$223,843	$344,888
Purchase		
Fuan Mining Co.	$343,707	$225,509
Subsidiaries	1,518	2,863
Other related parties	34,594	32,162
	$379,819	$260,534
Operating costs - transportation expenses		
Other related parties	$ 15,613	$ 15,246
Operating expenses		
Other related parties	$ 4,206	$ 3,689
Non-operating income		
Fuyu Development Company	$ 21,080	$ 19,880
Subsidiaries	6,598	9,217
Other related parties	2,438	2,446
	$ 30,116	$ 31,543

The prices of purchases and sales of goods between the Company and Fuan Mining Co. are negotiated respectively. The payment period is based on the fund demand before September 30, 2017. It is equivalent to non-related persons since October 1, 2017. The prices of purchases and sales of goods and the collection and payment period among the company, its subsidiaries and other related parties, are all comparable to those of non-related parties.

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

(3) Balance of receivables from related parties on the end of reporting period in balance sheet is as follows：

	December 31, 2017	December 31, 2016
Notes receivable		
Subsidiaries	$ 11,398	$ -
Other related parties	-	2,815
	$ 11,398	$ 2,815

	December 31, 2017	December 31, 2016
Accounts receivable		
Subsidiaries	$ 12,404	$ 21,725
Other receivable（excluding loan to related parties）		
Subsidiaries	$ 88	$ 96
Other related parties	131	215
	$ 219	$ 311

No expense on doubtful debts recognized in receivables for the twelve months ended December 31, 2017 and 2016.

(4) Balance of payables from related parties on the end of reporting period in balance sheet is as follows:

	December 31, 2017	December 31, 2016
Notes payable		
Fuan Mining Co.	$ 21,580	$ 89,899
Other related parties	5,167	1,287
Subsidiaries	8	13,830
	$ 26,755	$105,016
Accounts payable		
Fuan Mining Co.	$ 61,393	$ 84,099
Other related parties	4,836	6,334
	$ 66,229	$ 90,433
Other payable		
Subsidiaries	$ 425	$ 746
Other related parties	2,450	1,467
	$ 2,875	$ 2,213

(5) The balance of advance receipts in the end of reporting period in the balance sheet:

	December 31, 2017	December 31, 2016
Subsidiaries	$ 5,933	$ 9,389

(6) Loans to related parties

Relationship category	December 31, 2017	December 31, 2016
Other receivables－related parties		
Dasheng Enterprise	$226,869	$317,331
Luckyship Co.	30,048	-
	$256,917	$317,331

Relationship category	2017	2016
Interest income		
Subsidiaries	$ 4,737	$ 6,149

The Company provides loans to subsidiaries, the interest rate ranges are 1.885%-1.988% and 1.988%-2.437% in 2017 and 2016.

(7) Remunerations of key management personnel

	2017	2016
Short-term employee benefits	$ 12,895	$ 35,757
Benefit after retirement	382	413
	$ 13,277	$ 36,170

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

28. Pledged Assets

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

	December 31, 2017	December 31, 2016
Property, plant and equipment	$ 762,023	$ 988,870
Restricted assets（Other current assets and other non-current assets）	180,451	364,957
Notes receivable	-	57,220
Repurchase bond investment (Other current assets)	-	60,021
	$ 942,474	$ 1,471,068

29. Significant Contingent Liabilities and Unrecognized Contractual Commitments

The Company and Dasheng Enterprise signed joint consrtuction and separate sale contract on May 8, 2014. Dasheng Enterprise provided 154 lands such as the #433-district of Daitianfu section of the Anle District of Keelung City as a joint consrtuction base. The Company provided funds, technology, land re-division project, and license fees. After the completion of the joint consrtuction the house will be sold by the Company, and Dasheng Enterprise will cooperated sale the relevant land. Both parties shall sign a sales contract with the buyer and receive the sales separately. The Company provided a joint consrtuction deposits NT$159,000,000 to Dasheng Enterprise in May, 2014, and recognized the guarantee deposits paid of the Company. Both companies agreed to use the loans extended by the Company to Dasheng Enterprise and Dasheng Enterprise should repay it without interest on the agreed terms. The joint consrtuction and separate sale project was at the stage of site preparation and did not obtain construction license as of December 31, 2017.

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

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

Unit： Thousands of NT$ and foreign currency

December 31, 2017

	Foreign currency	Exchange rate	Carrying amount
Foreign currency Financial assets			
Monetary items			
US dollars	$ 9	29.76 （USD：NTD）	$ 267
RMB	1,519	4.549 （RMB：NTD）	6,908
Japanese Yen	10,885	0.2642 （JPY：NTD）	2,876
Foreign currency Financial liabilities			
Monetary items			
US dollars	4	29.76 （USD：NTD）	110

December 31, 2016

	Foreign currency	Exchange rate	Carrying amount
Financial assets			
Foreign monetary items			
US dollars	$ 509	32.25 （USD：NTD）	$ 16,411
RMB	1,474	4.601 （RMB：NTD）	6,784
Foreign currency Financial liabilities			
Monetary items			
US dollars	1,965	32.25 （USD：NTD）	63,357

There are unrealized gains or losses on foreign exchange with important impact as follow:

	2017		2016	
Foreign currency	Exchange rate	unrealized foreign exchange gains	Exchange rate	unrealized foreign exchange losses
US dollars	29.76 （USD/NTD）	$ -	32.25 （USD/NTD）	($ 1,176)
RMB	4.549 （RMB/NTD）	(9)	4.601 （RMB/NTD）	(398)
Japanese Yen	0.2642 （JPY/NTD）	22	0.2756 （JPY/NTD）	-
		$ 13		($ 1,574)

32. Additional Disclosures

(1) Significant transactions and (2) The related information of transferring to investment:

A. Financings provided: Schedule 1.

B. Endorsement/guarantee provided: Schedule 2.

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

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

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

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

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

H. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule 5.

I. Information about the derivative financial instruments transaction: None.

J. Information of the investees: Schedule 6.

(3) Investment information in mainland China:

A. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Schedule 7.

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

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

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

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

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

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

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

Lucky Cement Corporation

Financings Provided

For the Years Ended December 31, 2017

Schedule 1

Unit: NT$1,000

No.	Company of Lending Funds	Borrower	Relation Account	Maximum Balance in Current Period	Where is the related party	Balance, end of the period (Note 4)	Amount of real dealing	Interest rate collar (%)	Character on loan of funds (Note 1)	Amount between business	Necessary reasons for short term financial assets	Amount of allowance for uncollectible be submitted	Collateral		Limitation of loan of funds to individual party (Note 2)	Total limitation of loan of funds (Note 3)
													Name	Value		
0	Lucky Cement Corporation	Dasheng Enterprise	Receivables of Affiliated Enterprise －Financing	$ 390,000	Yes	$ 390,000	$ 226,550	1.885~1.988	(2)	$ -	Operating Turnover	$ -	－	－	$ 440,212	$1,760,848
		Luckyship Co.	Receivables of Affiliated Enterprise －Financing	30,000	Yes	30,000	30,000	1.885~1.988	(2)	-	Operating Turnover	-	－	－	440,212	1,760,848
		Lucky Cement Japan	Receivables of Affiliated Enterprise －Financing	10,000	Yes	10,000	-	-	(2)	-	Operating Turnover	-	－	－	440,212	1,760,848
						$ 430,000										
1	Luckicon Ready-mixed Co.	Dasheng Enterprise	Receivables of Affiliated Enterprise －Financing	40,000	Yes	40,000	40,000	1.95~2.05	(2)	-	Operating Turnover	-	－	－	57,260	114,521

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

(1) Party with business.

(2) Party with short-term financing need.

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

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

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

Lucky Cement Corporation

Endorsement/Guarantee Provided

For the Years Ended December 31, 2017

Schedule 2

Unit: NT$1,000, unless otherwise noted

No.	Company Name of endorser	The party for enforcement and guarantee		Limitation amount of enforcement and guarantee for single enterprise (Note 1)	Maximum balance of enforcement and guarantee in current period	Balance of enforcement and guarantee, end of the period	Amount 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 latest period (%)	Maximum limitation on enforcement and guarantee (Note 2)	Enforcement and guarantee belong to parent vs. subsidiary company	Enforcement and guarantee belong to subsidiary vs. parent company	Enforcement and guarantee belong to Mainland China	Remark
		Company	Relations											
0	Lucky Cement Corporation	Dasheng Enterprise	Subsidiary	$ 1,760,848	$ 620,000	$ 620,000	$ 560,000	$ 120,000 (Note 3)	14.08%	$ 2,201,060	Y	—	—	
		Luckicon Ready-mixed Co.	Subsidiary	1,760,848	70,000	70,000	-	-	1.59%	2,201,060	Y	—	—	
		Luckyship Co.	Subsidiary	1,760,848	45,000	45,000	22,838	-	1.02%	2,201,060	Y	—	—	
		Lucky Cement Japan.	Subsidiary	1,760,848	31,395 (USD1,000,000)	13,210	2,642	-	0.30%	2,201,060	Y	—	—	
						$ 748,210								

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

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

Note 3：Other finance asset - restricted asset NT$120,000,000 is provided as collateral.

Lucky Cement Corporation

Marketable Securities Held

December 31, 2017

Schedule 3

Unit: NT$1,000

Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of period				Remarks
				Shares	Carrying Amount	(%)	Fair Value (Note 1)	
Lucky Cement Corporation	Non-listed (OTC) Company Common Stock							
	CANDO CORPORATION	—	Non-current financial assets at cost	398,889	$ -	0.1	$ -	Note 2
	Jonfeng Mining Co., Ltd	—	Non-current financial assets at cost	1,071,428	12,094	10.58	11,006	
	Redwood Group Ltd	—	Non-current financial assets at cost	700,837	5,433	0.18	7,384	
	WK TECHNOLOGY FUND	—	Non-current financial assets at cost	1,445,000	4,450	2.22	8,551	
	Listed (OTC) Company Common Stock							
	Taiwan Cement Corp.	—	Current available-for-sale financial assets	400,000	14,580	-	14,580	
	Asia Cement Corporation	—	Current available-for-sale financial assets	500,000	14,100	-	14,100	
	Winbond Electronics Corp.	—	Current available-for-sale financial assets	130,181	3,053	-	3,053	
	United Microelectronics Corporation	—	Current available-for-sale financial assets	72,351	1,027	-	1,027	
	Medigen Biotechnology Corporation	—	Current available-for-sale financial assets	28,628	1,013	-	1,013	
	China Development Financial	—	Current available-for-sale financial assets	13,496	137	-	137	
	First Financial Holding Co. Ltd.	—	Current available-for-sale financial assets	875	17	-	17	
	Capital Securities Corp.	—	Current available-for-sale financial assets	818	10	-	10	
	Hua Nan Financial Holdings Co., Ltd.	—	Current available-for-sale financial assets	385	7	-	7	
	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	991	-	991	
Luckyship Co.	Non-listed (OTC) Company Common Stock							
	Jonfeng Mining Co., Ltd.	—	Non-current financial assets at cost	35,129	1,239	0.35	361	

(To be continued)

(Continued)

Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of period				Remarks
				Shares	Carrying Amount	(%)	Fair Value (Note 1)	
Luckyship Co.	Listed (OTC) Company Common Stock							
	Medigen Biotechnology Corporation	—	Current available-for-sale financial assets	242	8,567	-	8,567	
			Current available-for-sale financial assets					
Just Bright Ltd.	Listed Company Common Stock		Current available-for-sale financial assets					
	Global Lighting Technologies Inc.	—	Current available-for-sale financial assets	991,908	$ 44,784	-	$ 44,784	
Luckicon Ready-mixed Co.	Fund Beneficiary Certificate							
	Huanan Bank Yungchang Kirin Monetary Market Fund	—	Current available-for-sale financial assets	440,966	5,250	-	5,250	
	UPAMC James Bond Money Market	—	Current available-for-sale financial assets	1,210,311	20,110	-	20,110	
	MEGA BAOJUAN Money Market Fund	—	Current available-for-sale financial assets	4,834,653	35,236	-	35,236	
	Capital Golden Choice Balance	—	Current available-for-sale financial assets	50,000	508	-	508	
	Shin Kong Emerging ASEAN Bond Fund	—	Current available-for-sale financial assets	500,015	4,893	-	4,893	
	TSG Phnom Penh Real Estate Development Fund	—	Non-Current available-for-sale financial assets	500	8,949	-	8,949	
	Marketable Security - Corporate Bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	—	Current available-for-sale financial assets	-	5,752	-	5,752	

Note 1: Reference of fair value: If there is no market price of non-current financial assets at cost for reference then according to the latest net equity; the stock of available-for-sale of financial assets is the closed price at end of December 2017; its fund beneficiary certificate of available-for-sale financial assets is net value at the end of December 2017; the marketable security - corporate bond of available-for-sale financial assets is the market price at the end of December 2017.

Note 2: It has been recognized as loss of impairments.

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

Lucky Cement Corporation

Total Purchases from or Sales to Related Parties of at least NT$100 Million or 20% of the Paid-in Capital

For the Years Ended December 31, 2017

Schedule 4

Unit: NT$1,000

Company Name	Transaction Counterpart	Relations	Transaction Status				Status and Reasons of Difference between Transaction Condition and General Transaction		Accounts, Notes Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Account for Purchase (Sale) Percentage to Total （%）	Credit Period	Unit Price	Credit Period	Balance	Accounts, Notes Receivable (Payable) Percentage to Total（%）	
Lucky Cement Corporation	Luckicon Ready-mixed Co.	Subsidiary	Sales	($ 223,843)	(7.65)	About 90 days	Quite	Quite	Accounts receivable $12,404 Notes receivable 11,398	2.67 2.46	
Lucky Cement Corporation	Fuan Mining Co.	Other related parties	Purchase	343,707	23.45	About 90 days	Agreed	Quite	Accounts payable (61,393) Notes payable (21,580)	(13.24) (6.81)	

Lucky Cement Corporation

Receivables from Related Parties Amounting to at least NT$100 Million or 20% of the Paid-in Capital

December 31, 2017

Schedule 5

Unit: NT$1,000

Company of Accounts Receivable	Transaction Counterpart	Relations	Balance of Accounts Receivable due from Related Parties（Note）	Turnover Rate	Accounts Receivable past-due from Related Parties		Balance of Accounts Receivable due from Related Parties, Receive Amount after end of the period	Address Amount of Allowance for Bad Debts
					Amount	Disposal Method		
Lucky Cement Corporation	Dasheng Enterprise	Subsidiary	Financing $ 226,871	—	$ -	—	$ 18,819	$ -

Lucky Cement Corporation

Names, Locations, and Related Information of Investees

For the Years Ended December 31, 2017

Schedule 6 Unit: NT$1,000

Investment company	Invested company	Address	Main business items	Original investment amount (Note 5)		Holding at the end of the period			Current (loss) profit of invested company	Investment (loss) profit accounted this Period (Note 1)	Remarks
				At the end of the period	End of last year	Number of shares	Rate	Carrying Amount			
Lucky Cement Corporation	Dasheng Enterprise	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	$ 2,153,823	($ 150,654)	($ 150,648)	
	Luckicon Ready-mixed Co.	No.191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Ready-mixed Concrete Manufacture & Trades	99,998	99,998	21,999,868	99.99	286,302	(20,791)	(20,791)	
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Investment Business	1,566	1,566	50,000	100.00	44,786	2,913	2,913	
	Lucky Cement Japan.	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement Trading	82,300	84,959	200	100.00	23,463	491	491	Note 2
	Luckyship Co.	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping Agent	8,615	8,615	5,499,929	99.99	(5,851)	(40,238)	(40,238)	Note 3
	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	(27,437)	(775)	(547)	Note 4
Luckicon Ready-mixed Co.	Fuyu Development Company	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Mine Gravel	7,500	7,500	750,000	75.00	15,214	(6,932)	(5,199)	
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	259	(20)	(20)	

Note 1：It has been calculated pursuant to the Accountant’s audited financial statement.。

Note 2：Original investment amount that the Company invested in Lucky Cement Corp., Japan and did not finish equity registration is 330,000,000 Japanese Yen on December 31, 2017

Note 3：The negative carrying amount aggregates to NT$5,851,000 as of December 31, 2017 recognized as other non-current liabilities.

Note 4：The negative carrying amount aggregates to NT$27,437,000 as of December 31, 2017 recognized as other non-current liabilities.

Note 5：Original investment amount is including capital reduction in order to make up for the loss reduction that happened in previous year.

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

Lucky Cement Corporation

Investment Information in Mainland China

For the Years Ended December 31, 2017

Schedule 7

Unit：NT$1,000, unless otherwise noted

Invested company in China	Major business	Paid-up capital	Inventory type (Note 1)	The amount of accumulated investment remitted from Taiwan at the beginning of the period (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 & 5)	The proportion of shares held by the Company directly or indirectly	Investment (Loss) profit accounted of this period (Note 2 & 5)	Book value of end-of-period investment (Note 2 & 5)	Investment income has been remitted as of this period
					Remittance	Recovered						
ELUMINA (Xiamen) Technology Inc.	Manufacture and sale light-emitting diode products	$ 80,631	(2)	$ 80,631	$ -	$ -	$ 80,631	($ 15)	70.59%	($ 11)	$ 250	$ -

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)
USD2,522,000	USD1,286,000	$4,402,119x60%=$2,641,271

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 without Review 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, August 29,2008

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, 2017.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

Lucky Cement Corporation

Statement of Available-for-Sale Financial Assets

December 31, 2017

STATEMENT 1

Unit：In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Name	Shares	Acquisition cost	Unit Price	Carrying Amount
Listed (OTC) Company Common Stock				
Taiwan Cement Corp.	400,000	$ 15,983	36.45	$ 14,580
Asia Cement Corporation	500,000	18,566	28.2	14,100
Winbond Electronics Corp.	130,181	5,205	23.45	3,053
United Microelectronics Corporation	72,351	4,370	14.2	1,027
Medigen Biotechnology Corporation	28,628	510	35.4	1,013
China Development Financial	13,496	135	10.15	137
First Financial Holding Co. Ltd.	875	20	19.55	17
Capital Securities Corp.	818	12	11.6	10
Hua Nan Financial Holdings	385	8	16.75	7
		44,809		33,944
Fund beneficiary certificate				
Future Asset Asia Pacific Real Estate Security Fund- Stock A, free of interest allocation	100,000	1,004	9.91	991
		$ 45,813		$ 34,935

Lucky Cement Corporation

Statement of Notes Receivable

December 31, 2017

STATEMENT 2 Unit: NT$1,000

Customer's Name	Amounts
Goldsun Development & Construction Co., Ltd.	$ 59,783
Xingwei Co., Ltd.	47,082
Lihtai Construction Enterprise Co., Ltd.	39,879
Yixing ConcreteCo., Ltd.	24,780
Fuxin Building Materials Co., Ltd.	22,260
Others（Note）	147,263
	$341,047

Note：The balance of each company's account has not exceeded 5% of the balance of this account of the Company.

Lucky Cement Corporation

Statement of Accounts Receivable

December 31, 2017

STATEMENT 3 Unit: NT$1,000

Customer's Name	Amounts
Goldsun Building Materials Co., Ltd.	$ 49,989
Asia Environmental Technical Corp.	7,980
Weikang Enterprise Co.	5,541
Others（Note）	35,496
Less：Allowance for uncollectible accounts	(99)
	$ 98,907

Note： The balance of each company's account has not exceeded 5% of the balance of this account of the Company.

Lucky Cement Corporation

Statement of Inventories

December 31, 2017

STATEMENT 4

Unit: NT$1,000

ITEM	Amounts Cost	Price（Note）
Finished goods		
Cement	$131,404	$136,409
Gravel	5,320	4,402
Furnace Powder	1,271	1,340
Quicklime	1,673	1,797
	139,668	143,948
Work in progress		
Raw mix	4,445	5,099
Clinker	136,870	142,959
	141,315	148,058
Raw materials		
Limestone	140,398	149,866
Coal	132,766	133,147
Sand and clay	19,699	20,480
Gypsum	3,286	3,292
Iron slag	339	344
	296,488	307,129
Repaired part and supplies	42,190	42,190
	619,661	$641,325
less：allowance for inventory valuation losses	(5,489)	
Total	$614,172	

Note: Inventories are stated at the lower of cost or net realizable value. The comparison of cost and net realizable value are based on individual items except for inventory in the same category. Under normal circumstances, the net realizable value refers to the balance between the estimated selling price minus the estimated costs to be incurred and the estimated costs required to complete the sale. Inventory cost calculation uses weighted average method.

Lucky Cement Corporation

Statement of Changes in Non-Current Financial Assets at Cost

For the Years Ended December 31, 2017

STATEMENT 5

Unit：In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Investee	In the beginning of the year		Increase in this year		Decrease in this year		In the end of the year		Guarantee	Remarks
	Shares	Book Value	Shares	Amounts	Shares	Amounts	Shares	Book Value	or pledge	
Non-listed (OTC) Company										
Common Stock										
Jonfeng Mining Co., Ltd	1,071,428	$ 12,094	-	$ -	-	$ -	1,071,428	$ 12,094	None	
Redwood Group Ltd	700,837	5,433	-	-	-	-	700,837	5,433	None	
WK Technology Fund	2,890,000	17,000	-	-	1,445,000	14,450	1,445,000	2,550	None	Note
CANDO Corporation	398,889	-	-	-	-	-	398,889	-		
		$ 34,527		$ -		$ 14,450		$ 20,077		

Note：The amount decrease in this year is the proceeds from capital reduction.

Lucky Cement Corporation

Statement of Changes in Investments Accounted for Using Equity Method

For the Years Ended December 31, 2017

STATEMENT 6

Unit：In Thousands of New Taiwan Dollars, Unless Specified Otherwise

	In the beginning of the year		Increase		decrease						In the end of the year				
	shares	Amounts	shares	Amounts	shares	Amounts	Share of loss (profit) of associates accounted for using equity method	Exchange differences on translation	Unrealized gains (losses) on available-for-sale financial assets	Actuarial gains (losses) on defined benefit plans	Shares	Share%	Amounts	Net equity	Remarks
Dasheng Enterprise	158,294	$2,304,465	-	$ -	-	$ -	($ 150,648)	$ -	$ -	$ 6	158,294	99.99	$2,153,823	$2,153,823	Note 1
Luckicon Ready-mixed Co.	22,000	330,924	-	-	-	(17,600)	(20,791)	-	(7,388)	1,157	22,000	99.99	286,302	290,350	Note 1 & 2
Just Bright Ltd.	50	69,095	-	-	-	(2,970)	2,913	-	(24,252)	-	50	100.00	44,786	44,786	Note 1 & 3
Luckyship Co.	5,500	34,398	-	-	-	-	(40,238)	-	(11)	-	5,500	99.99	(5,851)	(775)	Note 1 & 4
Lucky Cement Japan.	-	26,976	-	-	-	(2,659)	491	(1,345)	-	-	-	100.00	23,463	23,463	Note 1 & 5
ELUMINA Technology Inc.	9,338	(26,888)	-	-	-	-	(547)	(2)	-	-	9,338	70.59	(27,437)	(26,017)	Note 1
		2,738,970		$ -		($ 23,229)	($ 208,820)	($ 1,347)	($ 31,651)	$ 1,163			2,475,086	$2,485,630	
Add: recognized other liabilities form credit balance of long-term investment		26,888											33,288		
		$2,765,858											$2,508,374		

Note 1: It has been calculated pursuant to the Accountant's audited financial statement.

Note 2: The decreased amount in this year is cash dividends NT$17,600,000 from the investee.

Note 3: The decreased amount in this year is cash dividends NT$2,970,000 from the investee.

Note 4: The difference between consideration and carrying amount of Luckyship Co.is the unrealized losses NT$1,900,000 of upstream transactions.

Note 5: The decreased amount in this year is the capital reduction NT$2,659,000 from the investee.

Lucky Cement Corporation

Statement of Short-Term Borrowings

December 31, 2017

STATEMENT 7 Unit: NT$1,000

Type of borrowings and creditors	The Balance	Interest rate (%)	Loan period	Guarantee (Note)
Secured borrowings				
Bank loan in New Taiwan Dollars				
Bank of Taiwan, Zhongshan Branch	$ 70,000	1.45	106.04.27-107.04.27	Lands and Buildings
Hwatai Bank, Xinzhuang Branch	60,000	1.50	106.05.25-107.05.25	10% of Saving
Yuanta Bank, Guangfu Branch	50,000	1.48	106.07.15-107.07.15	10% of Saving
DBS Taiwa, Nanjing East Branch	150,000	1.35	106.08.05-107.08.05	10% of certificated deposits
Shin Kong Commercial Bank, Eastsouth Branch	50,000	1.45	106.08.17-107.07.26	10% of Saving
Taiwan Cooperative Bank, Ximen Branch	271,000	1.55	106.10.26-107.10.26	Lands and Buildings
Subtotal	651,000			
Unsecured borrowings				
Bank loan in New Taiwan Dollars				
Jihsun Bank, Xindian Branch	100,000	1.550	106.01.21-107.01.21	None
En Tie Bank, Yanping Branch	100,000	1.550	106.10.02-107.10.02	None
Bank of Panhsin, Minsheng Branch	20,000	1.570	106.12.26-107.12.26	None
Subtotal	220,000			
	$ 871,000			

Note：Please see Note 28 for the details of pledged assets.

Lucky Cement Corporation

Statement of Notes Payable

December 31, 2017

STATEMENT 8 Unit: NT$1,000

Name	Amount
Taiwan Cement Corp.	$ 57,043
Taiwan Railways Administration	14,847
Enki Enterprise	9,230
Lihtai Industry Co., Ltd.	7,004
Others (Note)	41,651
	$129,775

Note： The balance of each company's account has not exceeded 5% of the balance of this account of the Company.

Lucky Cement Corporation

Statement of Accounts Payable

December 31, 2017

Unit: NT$1,000

STATEMENT 9

Name	Amount
Taiwan Cement Corp.	$ 20,895
Asia Cement Corporation	14,627
Renli Enterprise Co., Ltd.	6,419
Lihtai Industry Co., Ltd.	4,835
Guoxiang Enterprise	4,601
Others（Note）	42,979
	$ 94,356

Note：The balance of each company's account has not exceeded 5% of the balance of this account of the Company.

Lucky Cement Corporation

Statement of Advance Receipts

December 31, 2017

Unit: NT$1,000

STATEMENT 10

Customer's Name	Amount
Xingwei Co., Ltd.	$ 25,881
Yixing ConcreteCo., Ltd	23,569
New San Yea Ready Mixed Concrete Co., Ltd.	15,867
Goldsun Building Materials Co., Ltd.	15,024
Qinghuang Cement Co., Ltd.	13,574
Elephant Industry Co., Ltd.	12,195
Others（Note）	130,582
	$236,692

Note：The balance of each company's account has not exceeded 5% of the balance of this account of the Company.

Lucky Cement Corporation

Statement of Long-Term Borrowings

December 31, 2017

Unit: NT$1,000

STATEMENT 11

Borrowings Type	Lender	Repayment Term	Interest rate (%)	Balance on the end of the year			Guarantee (Note)
				Within one year	After one year	Total	
Secured borrowings	Taishin International Bank	The principle will be repaid NT$100,000,000 once in maturity date which is two years after loan obtained. The maturity date is on September 26, 2019, the interest pays monthly	1.700	$ -	$ 100,000	$ 100,000	10% Saving
Unsecured borrowings	The Export-Import Bank of the Republic of China	The principle will be repaid NT$100,000,000 once in maturity date which is 13 months after loan obtained. The maturity date is on November 11, 2018, the interest pays monthly.	1.7894	100,000	-	100,000	None
	O-Bank	The principle will be repaid NT$80,000,000 once in maturity date which is 2 years after loan obtained. The maturity date is on November 23, 2019, the interest pays monthly.	1.8902	-	80,000	80,000	None
				$ 100,000	$ 180,000	$ 280,000	

Note：Please see Note 28 for the details of pledged assets.

Lucky Cement Corporation

Statement of Operating Revenue

For the Years Ended December 31, 2017

Unit：In Thousands of New Taiwan Dollars,
Unless Specified Otherwise

STATEMENT 12

Item	Quantity（Ton）	Price （NTD）	Amount
Cement	890,629	2,205.541	$ 1,964,319
Gravel	1,157,892	397	459,683
Furnace Powder	72,142	985.039	71,063
Other			465,109
Total Sales revenue			2,960,174
Less：Sales discounts and allowances			2,804
Net sales revenue			$ 2,957,370

Lucky Cement Corporation

Statement of Operating Costs

For the Years Ended December 31, 2017

Unit: NT$1,000

STATEMENT 13

ITEM	Amount
Raw materials in the beginning of the year	$ 236,683
Material purchased in the year	923,361
Labor used in mining	9,232
Mining expense	246,592
Raw materials in the end of the year	(293,227)
Raw materials used	1,122,641
Direct labor	21,220
Production overheads	494,914
Production cost	1,638,775
Work in progress in the beginning of the year	40,583
Work in progress purchased	24,251
Work in progress in the end of the year	(141,315)
Cost of finished goods	1,562,294
Finished goods in the beginning of the year	113,491
Finished goods purchased	517,734
Finished goods in the end of the year	(137,440)
	2,056,079
Packaging cost	58,220
Commodity Tax	213,439
Cost of transportation	384,739
Cost of sales	$ 2,712,477

Lucky Cement Corporation

Statement of Operating Expenses

For the Years Ended December 31, 2017

Unit: NT$1,000

STATEMENT 14

	Selling expenses	Administrative expenses	Total
Wages and salaries	$ 23,666	$ 43,591	$ 67,257
Rent expense	28,509	547	29,056
Depreciations	10,517	2,118	12,635
Entertainment expense	2,300	10,760	13,060
Repairs and maintenance expense	7,792	3,303	11,095
Utilities expense	6,446	1,125	7,571
Others（Note）	12,155	21,900	34,055
	$ 91,385	$ 83,344	$ 174,729

Note：The balance of each company's account has not exceeded 5% of the balance of this account of the Company.

Lucky Cement Corporation

Statement of Labor, Depreciation and Amortization by Function

For the Years Ended December 31, 2017 and 2016

STATEMENT 15

Unit: NT$1,000

	2017				2016			
ITEM	Attributable to Operating costs	Attributable to operating expenses	Attributable to non-operating expenses	Total	Attributable to Operating costs	Attributable to operating expenses	Attributable to non-operating expenses	Total
Employee benefits expense								
Wages and salaries	$ 155,346	$ 67,257	$ -	$ 222,603	$ 192,025	$ 77,151	$ -	$ 269,176
Insurance expense of labor and health insurances	16,760	7,250	-	24,010	16,930	7,426	-	24,356
Pension expense	8,205	3,833	-	12,038	10,628	5,363	-	15,991
Other employee benefits expense	12,136	3,739	-	15,875	9,337	3,466	-	12,803
	$ 192,447	$ 82,079	$ -	$ 274,526	$ 228,920	$ 93,406	$ -	$ 322,326
Depreciation	$ 235,144	$ 12,635	$ 8,004	$ 255,783	$ 255,957	$ 12,552	$ 10,221	$ 278,730
Amortizations	$ 6,932	$ 2,488	$ -	$ 9,420	$ 8,660	$ 876	$ -	$ 9,536

Note： The number of Company's employees was 443 and 458 respectively as of December 31, 2017 and 2016, which was the same as the calculation basis of the employee benefit expenses.