Stock Code：1108

Lucky Cement Corporation and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2019 and 2018 and Independent Accountants' Review Report

Notice to readers

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

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Independent Accountants' Review Report

The Board of Directors and Shareholders
Lucky Cement Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Lucky Cement Corporation and subsidiaries as of June 30, 2019 and 2018 and the related consolidated statement of comprehensive income, changes in equity, cash flows and the notes to the consolidated financial statements (including a summary of significant accounting policies) for the three months ended June 30, 2019 and 2018and the six months ended June 30, 2019 and 2018. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", endorsed and issued into effect by the Financial Supervisory Commission R.O.C. (FSC). Our responsibility is to make a conclusion on the consolidated financial statements based on our reviews.

Scope

Except for the basis of the reservated conclusion, we conducted our reviews in accordance with Statements on Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". The procedures performed in the review of the consolidated financial statements include inquiries (mainly to those responsible for financial and

accounting matters), analytical procedures and other review procedures. The scope of the review is obviously less than the scope of the audit. Therefore, we may not be able to detect all the major issues that can be identified through the audit and therefore cannot express the opinion.

The Basis of the reservated conclusion

As stated in Note 11 to the consolidated financial statements, the financial statements of some of the non-significant subsidiaries of the consolidated financial statements are based on the statements in the same period without accounts' reviews. At the period six months ended June 30, 2019 and 2018, total assets of the non-significant subsidiaries are NT$136,609,000 and NT$133,649,000, both are 2% of consolidated assets; total liabilities are NT$11,483,000 and NT$83,653,000, which are 1% and 3% of consolidated liabilities. The comprehensive losses are NT$3,588,000 and NT$7,577,000 for the three months ended June 30, 2019 and 2018; NT$3,704,000 and NT$16,932,000 for the six months ended June 30, 2019 and 2018.

Reservated conclusion

Except those mentioned in the basis of the reservated conclusion, there is an impact on possible adjustments to the consolidated financial statements if the financial statements of the non-significant subsidiaries are reviewed. Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the financial position of the entity as at June 30, 2019 and 2018, its consolidated financial performance for the three months ended June 30, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International

Accounting Standard 34, "Interim Financial Reporting", endorsed and issued into effect by the FSC.

Deloitte & Touche

Accountants Huang, Hai-Yue		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

August 12, 2019

Lucky Cement Corporation and Subsidiaries
Consolidated Balance Sheets
June 30, 2019 and 2018

In Thousands of New Taiwan Dollars

Code	Assets	June 30, 2019 (Reviewed) Amount	%	December 31, 2018 (Audited) Amount	%	June 30, 2018 (Reviewed) Amount	%
	Current Assets						
1100	Cash and cash equivalents (Note 6)	$ 187,304	3	$ 198,802	3	$ 212,313	3
1110	Total current financial assets at fair value through profit or loss (Note 7)	15,597	-	43,370	1	60,561	1
1120	Total current financial assets at fair value through other comprehensive income (Note 8)	69,750	1	142,250	2	83,062	1
1150	Notes receivable (Note 9 & 33)	409,055	6	317,921	4	416,829	6
1160	Notes receivable due from related parties (Note 9 & 32)	199	-	5,170	-	6,229	-
1170	Accounts receivable, net (Note 9)	349,724	5	262,504	4	224,074	3
1180	Accounts receivable due from related parties, net (Note 9 & 32)	10,493	-	11,140	-	5,922	-
1200	Other receivable (Note 32)	12,805	-	5,650	-	1,959	-
1220	Current tax assets	20,322	-	21,288	-	17,766	-
130X	Inventories (Note 10 & 33)	3,647,512	49	3,610,970	50	3,691,644	52
1410	Prepayments (Note 12)	178,648	3	181,273	3	189,633	3
1476	Other current financial assets (Note 13 & 33)	98,168	1	108,232	1	100,061	1
1479	Other current assets (Note 14)	29,225	-	29,959	-	28,923	1
11XX	Total Current Assets	5,028,802	68	4,938,529	68	5,038,976	71
	Non-Current Assets						
1510	Total non-current financial assets at fair value through profit or loss (Note 7)	9,944	-	6,535	-	10,777	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 8)	23,033	-	19,015	-	19,256	-
1600	Property, plant, and equipment (Note 15 & 33)	1,785,480	24	1,876,081	26	1,532,810	21
1755	Right-of-use asset (Note 4 & 16)	142,006	2	-	-	-	-
1840	Deferred tax assets (Note 4)	142,122	2	143,366	2	192,800	3
1920	Guarantee deposits paid	89,215	1	90,351	1	90,815	1
1990	Other non-current assets (Note 17 & 33)	214,805	3	219,620	3	256,889	4
15XX	Total Non-Current Assets	2,406,605	32	2,354,968	32	2,103,347	29
1XXX	Total Assets	$ 7,435,407	100	$ 7,293,497	100	$ 7,142,328	100
Code	Liabilities and Equity						
	Current Liabilities						
2100	Short-term borrowings (Note 18 & 33)	$ 772,432	10	$ 852,651	12	$ 804,679	11
2110	Short-term notes and bills payable (Note 18 & 33)	159,655	2	219,736	3	109,789	2
2130	Contract liabilities (Note 23)	217,733	3	198,806	3	249,523	3
2150	Notes payable (Note 19)	189,910	3	148,346	2	175,803	2
2160	Notes payable to related parties (Note 19 & 32)	55,953	1	43,594	1	20,712	-
2170	Accounts payable (Note 19)	107,799	1	114,859	1	120,962	2
2180	Accounts payable to related parties (Note 19 & 32)	27,936	-	23,540	-	21,742	-
2219	Other payables (Note 20)	113,854	2	118,173	2	108,514	2
2220	Other payables to related parties (Note 32)	20,942	-	1,157	-	45,501	1
2230	Current tax liabilities	-	-	238	-	8,773	-
2280	Lease liabilities - current (Notes 4 and 16)	48,158	1	-	-	-	-
2320	Long-term liabilities, current portion (Note 18 & 33)	166,038	2	11,200	-	111,200	2
2399	Other current liabilities	4,774	-	3,769	-	9,618	-
21XX	Total Current Liabilities	1,878,644	25	1,736,069	24	1,786,816	25
	Non-Current Liabilities						
2540	Long-term borrowings (Note 18 & 33)	1,070,000	14	1,160,438	16	766,038	11
2570	Deferred tax liabilities (Note 4)	24,630	-	33,935	-	39,879	-
2580	Lease liabilities - non-current (Notes 4 and 16)	94,347	1	-	-	-	-
2640	Net defined benefit liability (Note 4)	44,854	1	60,826	1	65,959	1
2645	Guarantee deposits received	30,451	1	29,431	-	30,200	-
2655	Shareholder accounts (Note 32)	45,800	1	45,800	1	45,800	1
25XX	Total Non-Current Liabilities	1,310,082	18	1,330,430	18	947,876	13
2XXX	Total Liabilities	3,188,726	43	3,066,499	42	2,734,692	38
	Equity Attributable to the Owner Company (Note 22)						
3110	Ordinary share	4,047,380	55	4,047,380	55	4,047,380	57
3200	Capital surplus	8	-	8	-	8	-
	Retained earnings						
3310	Legal reserve	166,309	2	166,309	3	166,309	3
3320	Special reserve	17,256	-	17,376	-	17,376	-
3350	Unappropriated retained earnings (accumulated deficit)	(12,989)	-	(1,032)	-	165,374	2
3300	Total Retained Earnings	170,576	2	182,653	3	349,059	5
3400	Other Equity	28,639	-	(3,121)	-	(10,115)	-
31XX	Total Equity Attributable to Owners of Parent	4,246,603	57	4,226,920	58	4,386,332	62
36XX	Non-Controlling Interests (Note 22)	78	-	78	-	21,299	-
3XXX	Total Equity	4,246,681	57	4,226,998	58	4,407,631	62
	Total Liabilities and Equity	$ 7,435,407	100	$ 7,293,497	100	$ 7,142,323	100

The accompanying notes are an integral of the consolidated financial statements
(Please refer to the August 12, 2019 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the six Months Ended June 30, 2019 and 2018

（Reviewed，Not Audited）

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

Code		For the Three Months Ended June 30, 2019 Amount	%	For the Three Months Ended June 30, 2018 Amount	%	For the Six Months Ended June 30, 2019 Amount	%	For the Six Months Ended June 30, 2018 Amount	%
	Operating Revenue（Note 23 & 32）								
4110	Sales revenue	$ 901,685	100	$ 852,090	100	$ 1,736,084	100	$ 1,685,146	100
4190	Less：Sales discounts and allowances	(577)	-	(550)	-	(631)	-	(900)	-
	Net sales revenue	901,108	100	851,540	100	1,735,453	100	1,684,246	100
5000	Operating costs（Note 10, 24 & 32）	830,9976	93	809,729	95	1,6238,679	94	1,621,869	96
5900	Gross Profit from operations	70,111	7	41,811	5	96,774	6	62,377	4
	Operating expenses（Note 24 & 32）								
6100	Selling expense	27,105	3	26,694	3	54,696	3	53,045	3
6200	Administrative expenses	25,129	3	25,809	3	50,098	3	55,366	4
6450	Expected credit impairment loss	3,275	-	1,237	-	7,859	-	2,717	-
6000	Total Operating Expenses	55,509	6	53,740	6	112,653	6	111,128	7
6500	Net other income (expenses)（Note 24）	-	-	13,807	1	4,120	-	16,056	1
6900	Net operating income (loss)	14,602	1	1,878	-	(11,759)	-	(32,695)	(2)
	Non-Operating Income and Expense（Note 24 & 32）								
7100	Interest income	536	-	469	-	1,047	-	1,083	-
7110	Rent income	2,228	-	2,117	1	4,455	-	4,493	-
7190	Other income	1,979	-	1,543	-	2,633	-	12,772	1
7225	Gain on disposals of investments	137	-	70	-	246	-	97	-
7230	Foreign exchange gains or loss	940	-	27	-	1,072	-	383	-
7235	Gains (losses) on financial assets at fair value through profit or loss	3,351	1	1,682	-	3,819	-	1,213	-
7590	Miscellaneous disbursements	(2,269)	-	(3,128)	-	(4,679)	-	(5,971)	-
7510	Interest Expense	(10,117)	(1)	(7,593)	(1)	(20,496)	(1)	(15,219)	(1)
7000	Total Non-Operating Income and Expenses	(3,215)	-	(4,813)	-	(11,903)	(1)	(1,149)	-
7900	Profit (loss) from continuing operations before tax	11,387	1	(2,935)	-	(23,662)	(1)	(33,844)	(2)
7950	Tax income (expense)（Note 4 & 25）	2,785	1	914	-	8,061	-	25,869	1
8000	Profit (loss) from continuing operations	14,172	2	(2,021)	-	(15,601)	(1)	(7,975)	(1)
8100	Profit (loss) from discontinued operations（Note 26）	-	-	1	-	-	-	(178)	-
8200	Profit（loss）	14,172	2	(2,020)	-	(15,601)	(1)	(8,153)	(1)
	Other comprehensive income								
	Items not to be reclassified into profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	17,655	2	(1,162)	-	33,612	2	(6,309)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss：								
8361	Exchange differences on translation	916	-	123	-	922	-	975	-
8367	Unrealized gains (losses) from investments in Debt instruments measured at fair value through other comprehensive income	114	-	60	-	750	-	(236)	-
8300	Other comprehensive income or loss, net	18,685	2	(979)	-	35,284	2	(5,570)	-
8500	Total comprehensive income	$ 32,857	4	($ 2,999)	-	$ 19,683	(1)	($ 13,723)	(1)

(To be continued)

（Continued）

Code		For the Three Months Ended June 30, 2019 Amount	%	For the Three Months Ended June 30, 2018 Amount	%	For the Six Months Ended June 30, 2019 Amount	%	For the Six Months Ended June 30, 2018 Amount	%
	Profit attributable to:								
8610	Attributable to owner of parent	$ 14,172	2	($ 2,020)	-	($ 15,601)	(1)	($ 7,022)	(1)
8620	Attributable to non-controlling interestst	-	-	-	-	-	-	(1,131)	-
8600		$ 14,172	2	($ 2,020)	-	($ 15,601)	(1)	($ 8,153)	(1)
	Comprehensive income attributable to:								
8710	Attributable to owner of parent	$ 32,857	4	($ 2,998)	-	$ 19,683	(1)	($ 12,592)	(1)
8720	Attributable to non-controlling intereststs	-	-	(1)	-	-	-	(1,131)	-
8700		$ 32,857	4	($ 2,999)	-	$ 19,683	(1)	($ 13,723)	(1)
	Earnings（losses）per share（Note 27）								
	From continuing operations and discontinuing operations								
9750	Basic	$ 0.04		$ -		($ 0.04)		($ 0.02)	
	From continuing operations								
9710	Basic	$ 0.04		$ -		($ 0.04)		($ 0.02)	

The accompanying notes are an integral of the consolidated financial statements
（Please refer to the August 12, 2019 Deloitte Taiwan Reviewed Report）

Lucky Cement Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Six Months Ended June 30, 2019 and 2018
(Reviewed，Not Audited)

Unit：In Thousands of New Taiwan Dollars except the information of per share

Code		Equity Attributable to Shareholders of the Parent										
				Retained Earnings			Others Equity					
		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropiated Retained Earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling Interestests	Total Equity
A1	Balance, January 1, 2018	$ 4,047,380	$ 8	$ 166,309	$ 14,135	$ 177,528	($ 8,187)	$ 4,946	$ -	$ 4,402,119	$ 26,423	$ 4,428,542
A3	Effect of retrospective application	-	-	-	-	(2,887)	-	(4,946)	5,716	(2,117)	-	(2,117)
A5	Balance at January 1, 2018 as Restated	4,047,380	8	166,309	14,135	174,641	(8,187)	-	5,716	4,400,002	26,423	4,426,425
B3	Appropriation and distribution of retained earnings in 2017:	-	-	-	3,241	(3,241)	-	-	-	-	-	-
D1	Net income for the six months ended June 30, 2018	-	-	-	-	(7,022)	-	-	-	(7,022)	(1,131)	(8,153)
D3	Other comprehensive income (loss) for the six months ended June 30, 2018	-	-	-	-	-	975	-	(6,545)	(5,570)	-	(5,570)
D5	Total comprehensive income (loss) for the six months ended June 30, 2018	-	-	-	-	(7,022)	975	-	(6,545)	(12,592)	(1,131)	(13,723)
M7	Total equity exchanges for subsidiary	-	-	-	-	(1,078)	-	-	-	(1,078)	(3,993)	(5,071)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	2,074	-	-	(2,074)	-	-	-
Z1	Balance, June 30, 2018	$ 4,047,380	$ 8	$ 166,309	$ 17,376	$ 165,374	($ 7,212)	$ -	($ 2,903	$ 4,386,332	$ 21,299	$ 4,407,631
A1	Balance, January 1, 2019	$ 4,047,380	$ 8	$ 166,309	$ 17,376	($ 1,032)	$ 7,660	$ -	($ 10,781)	$ 4,226,920	$ 78	$ 4,226,998
B17	Appropriation of retained earnings in 2018: Special reserve	-	-	-	(120)	120	-	-	-	-	-	-
D1	Net loss for the six months ended June 30, 2019	-	-	-	-	(15,601)	-	-	-	(15,601)	-	(15,601)
D3	Other comprehensive income (loss) for the six months ended June 30, 2019	-	-	-	-	-	922	-	34,362	35,284	-	35,284
D5	Total comprehensive income (loss) for the six months ended June 30, 2019	-	-	-	-	(15,601)	922	-	34,362	19,683	-	19,683
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	3,524	-	-	(3,524)	-	-	-
Z1	Balance, June 30 2019	$ 4,047,380	$ 8	$ 166,309	$ 17,256	($ 12,989)	$ 8,582	$ -	$ 20,057	$ 4,246,603	$ 78	$ 4,246,681

The accompanying notes are an integral of the consolidated financial statements
(Please refer to the August 12, 2019 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the Six Months Ended June 30, 2019 and 2018

（Reviewed，Not Audited）

In Thousands of New Taiwan Dollars

Code		For the Six Months Ended June 30 2019	For the Six Months Ended June 30, 2018
	Cash Flow from Operating Activities		
A00010	Profit (loss) from continuing operations before tax	($ 23,662)	($ 33,844)
A00020	Profit (loss) from discontinued operations before tax	-	(178)
A10000	Profit (loss) before Tax	(23,662)	(34,022)
A20300	Expected credit impairment loss ／bad debt expense	7,859	2,717
A20100	Depreciation expense	133,292	124,351
A20200	Amortization expense	6,366	5,382
A20400	Net profit on financial assets at fair value through profit or loss	(3,819)	(1,213)
A20900	Interest expense	20,496	15,219
A21200	Interest income	(1,047)	(1,083)
A21300	Dividend income	-	(14)
A22500	Loss (gain) on disposal of property, plan and equipment	(4,120)	(16,056)
A23100	Loss (gain) on disposal of financial assets	(246)	(97)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(91,134)	(24,566)
A31140	Notes receivable due from related parties	4,971	(6,229)
A31150	Accounts receivable	(95,079)	(31,567)
A31160	Accounts receivable due from related parties	95	2,939
A31180	Other receivable	(2,238)	1,813
A31200	Inventories	(36,542)	82,203
A31230	Prepayments	2,625	(25,866)
A31240	Other current assets	734	(1,701)
A32125	Contract liability	18,927	18,247
A32130	Notes payable	35,564	(11,172)

（To be continued）

(Continued)

Code		For the Six Months Ended June 30 2019	For the Six Months Ended June 30, 2018
A32140	Notes payable to related parties	$ 12,358	($ 6,035)
A32150	Accounts payable	(7,060)	(5,771)
A32160	Accounts payable to related parties	3,856	(44,487)
A32180	Other payable	(4,589)	(12,298)
A32190	Other payable to related parties	(236)	2,980
A32230	Other current liabilities	1,006	1,649
A32240	Net defined benefit liability	(15,972)	(2,690)
A33000	Cash inflow (outflow) generated from operations	(37,595)	32,633
A33100	Interest received	1,001	676
A33300	Interest paid	(20,307)	(14,983)
A33500	Income taxes paid	728	(16,498)
AAAA	Net cash flows from (used in) operating activities	(56,173)	1,828
	Cash Flow from Investing Activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(28,349)
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	98,493	28,260
B00100	Acquisition of financial assets at fair value through profit or loss, designated as upon initial recognition	(5,013)	(11,025)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss, designated as upon initial recognition	33,442	16,934
B02700	Acquisition of property, plant and equipment	(18,125)	(61,513)
B02800	Proceeds from disposal of property, plant and equipment	4,120	16,056
B03700	Increase in refundable deposits	1,136	(2,684)
B06600	Decrease (increase) in other financial assets	10,064	33,287

（To be continued）

(Continued)

Code		For the Six Months Ended June 30 2019	For the Six Months Ended June 30, 2018
B06800	Decrease (increase) in other non-current assets	$ 715	($ 20,010)
B07600	Dividends received	-	14
BBBB	Net cash flows from (used in) investing activities	124,832	(29,030)
	Cash flows from (used in) financing activities		
C00100	Decrease in short-term loans	(80,219)	(68,963)
C00500	Decrease in short-term notes and bills payable	(60,000)	(30,000)
C04000	Principal repayment of lease liabilities	(26,060)	
C01600	Proceeds from long-term debt	70,000	180,000
C01700	Repayments of long-term debt	(5,600)	(105,600)
C03000	Decrease in guarantee deposits received	1,020	(5,104)
C03700	Increase in other payables to related parties	20,021	21,744
C05400	Acquisition of ownership interests in subsidiaries	-	(5,071)
CCCC	Net cash flows from (used in) financing activities	(80,838)	(12,994)
DDDD	Effect of exchange rate changes on cash	681	616
EEEE	Net increase (decrease) in cash and cash equivalents	(11,498)	(39,580)
E00100	Cash and cash equivalents at beginning of period	198,802	251,893
E00200	Cash and cash equivalents at end of period	$ 187,304	$ 212,313

The accompanying notes are an integral of the consolidated financial statements
（Please refer to the August 12, 2019 Deloitte Taiwan Reviewed Report）

Lucky Cement Corporation Limited and Subsidiaries
Notes to Consolidated Financial Statements
For the six months ended June 30, 2019 and 2018
(Reviewed，Not Audited)
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise))

1. Company History

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

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

2. The Date and Procudure of Financial Report

The accompanying consolidated financial statements were reported to the Board of Directors and issued on August 12, 2019.

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

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

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

IFRS 16"Leases"

The Group elected to apply IFRS 16 only to contracts signed (or changed) on or after January 1, 2019 in order to determine whether those contracts are, or contain, a lease. Contracts identified as containing a lease under IAS 17 and IFRIC 4 will not be reassessed and will be accounted for in accordance with the transitional provisions under IFRS 16.

Identifying a lease

The Group elected to apply IFRS 16 only to contracts signed (or changed) on or after January 1, 2019 in order to determine whether those contracts are, or contain, a lease. Contracts identified as containing a lease under IAS 17 and IFRIC 4 will not be reassessed and will be accounted for in accordance with the transitional provisions under IFRS 16.

The Group is the tenant

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

classified within financing activities; cash payments for the interest portion will be classified within operating activities. Currently, payments under operating lease contracts are recognized as expenses on a straight-line basis. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows.

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

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

The Group is expected to apply the following expediency:

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

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

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

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

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

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

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

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

The Group is the lessor

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

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

	The carrying Amount on December 31, 2018	Adjustments from Initial Application	The adjusted carrying Amount on January 1, 2019
Right-of-use asset	$ -	$ 168,565	$ 168,565
Impact t of asset	$ -	$ 168,565	$ 168,565
Current lease liabilities	$ -	$ 52,224	$ 52,224
Lease liabilities－non-current	-	116,341	116,341
Impact of liabilities	$ -	$ 168,565	$ 168,565

(2) The IFRSs endorsed by the Financial Supervisory Commission (FSC) with effective date starting 2020.

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 1)
Amendments to IAS1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 2)

Note 1：The company shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: These amendments prospectively shall be applied for annual reporting periods beginning on or after January 1, 2020.

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

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

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021

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

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

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

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

(2) Basis of Preparation

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

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

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

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

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

(3) Basis of Consolidation

I. The consolidated financial statements incorporate the financial statements of Lucky Cement Corporation and the entities controlled by Lucky Cement (its subsidiaries). The consolidated statements of comprehensive income have been included in the operating gains and losses of the acquired or diposed subsidiaries in the current period from the date of acquisition or to the date of disposal. The adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of Lucky Cement and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

II. Subsidiary details, shareholding ratio and operating items, please refer to Note11 and Schedule 6.

(4) Other significant accounting policies

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

I. Lease

2019

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

A. The Group as lessor

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

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

B. The Group as lessee

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

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

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

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

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

2018

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

A. The Group as lessor

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

B. The Group as lessee

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

II. Retirement benefits

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

III. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's profit before tax, the tax rate that would be applicable to expected total annual earnings. The effect of a chang in the tax rate resulting from the revision of the tax law during the interim period is consistent with the accounting principles of the transactions that have the consequences of taxation. It is recognized in profit or loss, other comprehensive income, or directly in equity in full in the period in which the change in tax rate occurs.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

6. Cash and Cash Equivalents

	June 30, 2019	December 31, 2018	June 30, 2018
Cash on hand and revolving funds	$ 1,531	$ 1,507	$ 1,558
Checking and demand deposits	151,883	161,963	202,213
Bank foreign currency demand deposits	33,890	35,332	4,542
Cash Equivalents			
Certificate deposit with original maturity date within 3 months	-	8,000	4,000
	$ 187,304	$ 198,802	$ 212,313

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

	June 30, 2019	December 31, 2018	June 30, 2018
Bank deposits	0.05%~0.08%	0.05%~0.48%	0.01%~0.42%
Certificate deposit with original maturity date within 3 months	-	-	-0.66%

7. Financial Instrument Measured at FVPL

	June 30, 2019	December 31, 2018	June 30, 2018
Current			
Mandatorily measured at FVPL			
—Mutual funds	$ 15,597	$ 43,370	$ 60,561
Non-Current			
Mandatorily measured at FVPL			
—Mutual funds	$ 9,944	$ 6,535	$ 10,777

8. Financial Assets Measured at FVOCI

	June 30, 2019	December 31, 2018	June 30, 2018
Current			
Equity instrument investments measured at FVOCI	$ 63,602	$ 136,875	$ 77,370
Debt instrument investments measured at FVOCI	6,148	5,375	5,692
	$ 69,750	$ 142,250	$ 83,062
Non-Current			
Equity instrument investments measured at FVOCI	$ 23,033	$ 19,015	$ 19,256

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

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

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

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

9. Notes Receivable and Accounts Receivable

	June 30, 2019	December 31, 2018	June 30, 2018
Notes receivable			
Measured at amortised cost			
Non-related parties	$ 409,055	$ 317,921	$ 416,829
Related parties	$ 199	$ 5,170	$ 6,229
Accounts receivable			
Measured at amortised cost			
Total book value	$ 401,516	$ 306,489	$ 272,615
Less：Loss allowance	(51,792)	(43,985)	(48,541)
	$ 349,724	$ 262,504	$ 224,074
Related parties	$ 10,493	$ 11,140	$ 5,922

(1) Notes receivable

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

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

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

(2) Accounts receivable

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

The Group adopts the simplified approach of IFRS 9 to recognize the loss allowance of notes receivable according to lifetime expected credit losses. The lifetime expected credit losses are calculated using the preparation matrix, which takes into account the customer's past default records, current financial status, and industrial economic conditions, and also considers GDP forecast and industry outlook. The

preparation matrix of the Group is first divided according to whether the customer has financial difficulties. If the customer has evidence showing that it is a financial difficulty, the Group will recognize 100% of the expected impairment loss. If the customer does not have financial difficulties, due to the different composition of individual sales targets, the company will further differentiate the customer base according to the company, and set the expected credit loss rate based on the overdue days of accounts receivable.

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

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

June 30, 2019

I. Lucky Cement Corp.

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ~60 days	Past due 61 ~180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0.24%	-	-	-	100%	100%	
Total carrying amount	$ 55,647	$ -	$ -	$ -	$ 269	$ -	$ 55,916
Loss allowance (lifetime expected credit losses)	(135)	-	-	-	(269)	-	(404)
Amortised cost	$ 55,512	$ -	$ -	$ -	$ -	$ -	$ 55,512

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

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ~60 days	Past due 61 ~180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	4.13%	5.78%	7.18%	10.63%~100%	100%	100%	
Total carrying amount	$279,491	$ 8,765	$ 8,681	$ 4,134	$ -	$ 30,875	$331,946
Loss allowance (lifetime expected credit losses)	(11,552)	(507)	(624)	(874)	-	(30,875)	(44,432)
Amortised cost	$267,939	$ 8,258	$ 8,057	$ 3,260	$ -	$ -	$287,514

III. Others

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ~60 days	Past due 61 ~180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0%	3%~4%	6%~7%	11%~12%	100%	100%	
Total carrying amount	$ 6,698	$ -	$ -	$ -	$ -	$ 6,956	$ 13,654
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	(6,956)	(6,956)
Amortised cost	$ 6,698	$ -	$ -	$ -	$ -	$ -	$ 6,698

December 31, 2018

I. Lucky Cement Corp.

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

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

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

III. Others

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

June 30, 2018

I. Lucky Cement Corp.

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ~60 days	Past due 61 ~180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0.19%	-	-	-	100%	100%	
Total carrying amount	$ 84,501	$ -	$ -	$ -	$ 268	$ -	$ 84,769
Loss allowance (lifetime expected credit losses)	(161)	-	-	-	(268)	-	(429)
Amortised cost	$ 84,340	$ -	$ -	$ -	$ -	$ -	$ 84,340

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

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ~60 days	Past due 61 ~180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	4.11%	46.78%	67.32%	49%~100%	-	100%	
Total carrying amount	$133,633	$ 1,346	$ 697	$ 5,459	$ -	$ 29,585	$170,720
Loss allowance (lifetime expected credit losses)	(5,496)	(630)	(469)	(2,922)	-	(29,585)	(39,102)
Amortised cost	$128,137	$ 716	$ 228	$ 2,537	$ -	$ -	$131,618

III. Others

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ~60 days	Past due 61 ~180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0%	-	-	-	-	100%	
Total carrying amount	$ 8,116	$ -	$ -	$ -	$ -	$ 9,010	$ 17,126
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	(9,010)	(9,010)
Amortised cost	$ 8,116	$ -	$ -	$ -	$ -	$ -	$ 8,116

Changes in loss allowance from accounts receivable are as follows：

	Six months ended June 30, 2019	Six months ended June 30, 2018
Balance at January 1, 2019 (IAS 39)		$ 42,948
Effect of retrospective application of IFRS 9		3,008
Balance at January 1, 2019 (IFRS 9)	$ 43,985	45,956
Add：Impairment loss	7,859	2,717
Less：write-off	(52)	(138)
Effect of exchange rate changes	-	6
Balance at June 30, 2019	$ 51,792	$ 48,541

10. Inventories

	June 30, 2019	December 31, 2018	June 30, 2018
Developing property and property to be developed	$ 3,141,858	$ 3,132,048	$ 3,199,897
Raw materials	172,442	216,522	242,752
Finished goods	165,687	110,088	107,182
Work in progress	120,325	111,610	95,166
Repaired part and materials	38,748	34,922	36,175
Merchandise	8,452	5,780	10,472
	$ 3,647,512	$ 3,610,970	$ 3,691,644

The related cost of sales in six months ended June 30, 2019 was NT$1,638,679,000 which included inventory valuation losses NT$0. The related cost of sales in six months ended June 30, 2018 was NT$1,621,869,000 which included inventory valuation losses NT$9,743,000.

As at June 30, 2019, December 31, 2018 and June 30, 2018, estimated retrieved inventories over 12 months were NT$3,141,858,000 NT$3,132,048,000 and NT$3,199,897,000 respectively, most of them are developing property and property to be developed.

See the Note 33 for the information of inventory pledge.

11. Subsidiaries

The subsidiaries in the consolidated financial statements:

Investment Business	Subsidiary Title	Business Type	Percentage of held stock			Remark
			June 30, 2019	December 31, 2018	June 30, 2018	
Lucky Cement Corp.	Dasheng Enterprise Co., Ltd.	Sale and rental national residential, commercial buildings, parking lots and industrial areas	99.99	99.99	99.99	1.&4.
	Luckicon Ready-mixed Concrete Factory Co.,	Production and sell concrete	99.99	99.99	99.99	1.
	Lucky Cement Corp., Japan	Buy and sell cement	100.00	100.00	100.00	
	Luckyship Marine Co., Ltd	Shipping agent	99.99	99.99	99.99	5
	Just Bright Ltd.	Investment Business	100.00	100.00	100.00	
	ELUMINA Technology Inc.	Manufacture and sale light-emitting diode products	-	-	70.59	2.&6
Luckicon Ready-mixed Concrete Factory Co., Ltd	Fuyu Development Company	Mine gravel	100.00	100.00	100.00	3.
ELUMINA Technology Inc.	Elumina Holding Limited	Holding company	-	-	100.00	2.
Elumina Holding Limited	ELUMINA （Xiamen） Technology Inc.	Manufacture and sale light-emitting diode products	-	-	100.00	2.

Note：

1. Important subsidiaries are Luckicon Ready-mixed Concrete Factory Co., Ltd. and Dasheng Enterprise Co., Ltd.
2. Elumina Technology Inc. and its subsidiary had dissolved in November 2018. Please see Note 26 discounting operation.
3. Luckicon Ready-mixed Concrete Factory Co., Ltd cost NT$5,071,000 and obtained a 25% equity interest in Fuyu Development Company from non-controlling interests, and the shareholding ratio increased from 75% to 100% in March of 2018.
4. In August 2018, Dasheng Enterprise reduced its capital to make up a loss of NT$ 300,000,000 and increased its capital by cash to issue new shares of NT$290,000,000 at the same time.
5. In August 2018, Luckyship Marine Co. reduced its capital to make up a loss of NT$ 50,000,000 and increased its capital by cash to issue new shares of NT$80,000,000 at the same time.

6. In August 2018, Elumina Technology Inc. increased its capital by issuing new shares of NT$ 7,800,000 and the parent company subscribed by shareholding ratio for NT$ 5,507,000.

The financial statements of Dasheng Enterprise Co., Ltd. and Luckicon Ready-mixed Concrete Factory Co., Ltd. for the three months ended June 30, 2019 and 2018 have reviewed by accountants. The consolidated financial statements of other subsidiaries have not reviewed by accountants. Total assets of the non-significant subsidiaries are NT$136,609,000 and NT$133,649,000, which are 2% of consolidated assets; total liabilities are NT$11,483,000 and NT$83,653,000, which are 1% and 3% of consolidated liabilities. The comprehensive loss are NT 3,588,000 and NT$7,577,000 for the three months ended June 30, 2019 and 2018; NT$3,704,000 and NT$16,932,000 for six months ended June 30, 2019 and 2018.

12. Prepayments

	June 30, 2019	December 31, 2018	June 30, 2018
Office supplies	$ 104,523	$ 98,523	$ 97,928
Prepaid expenses	64,572	80,336	86,700
Advanced payment for material	8,807	937	3,988
Others	746	1,477	1,017
	$ 178,648	$ 181,273	$ 189,633

13. Other Financial Assets

	June 30, 2019	December 31, 2018	June 30, 2018
Other Financial Assets			
Restricted assets	$ 98,168	$ 108,232	$ 93,000
Certificate of deposit with original maturity over 3 months	-	-	7,061
	$ 98,168	$ 108,232	$ 100,061

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

	June 30, 2019	December 31, 2018	June 30, 2018
Restricted assets	0.05%~2.60%	0.13%~3.50%	0.05%~1.59%
Certificate of deposit with original maturity over 3 months	-	-	3.4%

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

14. Other Current Assets

	June 30, 2019	December 31, 2018	June 30, 2018
Other Current Assets			
Excess business tax paid	$ 23,212	$ 23,701	$ 22,694
Others	6,013	6,258	6,229
	$ 29,225	$ 29,959	$ 28,923

15. Property, Plant and Equipment

	June 30, 2019	December 31, 2018	June 30, 2018
Lands	$ 1,084,102	$ 1,084,102	$ 724,675
Buildings	408,259	438,796	382,749
Machinery and equipment	161,763	203,589	251,721
Electrical equipment	21,969	25,930	27,712
Transportation equipment	102,328	117,909	140,889
Other equipment	7,059	5,755	5,064
	$ 1,785,480	$ 1,876,081	$ 1,532,810

	Land	Building	Machinery and equipment	Electrical equipment	Transportation equipment	Other equipment	Total
Cost							
Balance on January 1, 2018	$ 724,675	$ 2,200,343	$ 6,086,797	$ 1,193,958	$ 1,041,962	$ 494,601	$ 11,742,336
Add	-	-	8,082	183	-	-	8,265
Disposal	-	-	(6,765)	-	(122,187)	(74)	(129,026)
Net exchange differences	-	3,529	456	-	13	21	4,019
Balance on June 30, 2018	$ 724,675	$ 2,203,872	$ 6,088,570	$ 1,194,141	$ 919,788	$ 494,548	$ 11,625,594
Accumulated depreciation and impairment							
Balance on January 1, 2018	$ -	$ 1,787,841	$ 5,787,970	$ 1,162,322	$ 872,800	$ 482,842	$ 10,093,775
Depreciation	-	29,927	55,350	4,107	28,275	6,692	124,351
Disposal	-	-	(6,765)	-	(122,187)	(74)	(129,026)
Net exchange differences	-	3,355	294	-	11	24	3,684
Balance on June 30, 2018	$ -	$ 1,821,123	$ 5,836,849	$ 1,166,429	$ 778,899	$ 489,484	$ 10,092,784
Net on June 30, 2018	$ 724,675	$ 382,749	$ 251,721	$ 27,712	$ 140,889	$ 5,064	$ 1,532,810
Cost							
Balance on January 1, 2019	$ 1,084,102	$ 2,291,624	$ 6,095,913	$ 1,196,322	$ 918,627	$ 496,420	$ 12,083,008
Add	-	-	9,062	-	3,557	3,240	15,859
Disposal	-	-	-	-	(40,777)	(639)	(41,416)
Net exchange differences	-	3,277	423	-	9	20	3,729
Balance on June 30, 2019	$ 1,084,102	$ 2,294,901	$ 6,105,398	$ 1,196,322	$ 881,416	$ 499,041	$ 12,061,180
Accumulated depreciation and impairment							
Balance on January 1, 2019	$ -	$ 1,852,828	$ 5,892,324	$ 1,170,392	$ 800,718	$ 490,665	$ 10,206,927
Depreciation	-	30,668	51,038	3,961	19,136	1,930	106,733
Disposal	-	-	-	-	(40,777)	(639)	(41,416)
Net exchange differences	-	3,146	273	-	11	26	3,456
Balance on June 30, 2019	$ -	$ 1,886,642	$ 5,943,635	$ 1,174,353	$ 779,088	$ 491,982	$ 10,275,700
Net on January 1, 2019 and December 31, 2018	$ 1,084,102	$ 438,796	$ 203,589	$ 25,930	$ 117,909	$ 5,755	$ 1,876,081
Net on June 30, 2019	$ 1,084,102	$ 408,259	$ 161,763	$ 21,969	$ 102,328	$ 7,059	$ 1,785,480

After the assessment for property, plant and equipment, there was no impairment loss of the Group on June 30, 2019, December 31, 2018 and June 30, 2018.

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

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

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

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

16. Lease Agreement

(1) Right-of-use asset -2019

	June 30, 2019
Carrying amount of right-of-use asset	
Land	$ 41,475
Buildings	97,522
Transportation equipment	3,009
	$142,006

	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2019
Depreciations of right-of-use asset		
Land	$ 3,995	$ 7,990
Buildings	8,809	17,619
Transportation equipment	475	950
	$ 13,279	$ 26,559

(2) Lease liabilities -2019

	June 30, 2019
Carrying amount of lease liabilities	
Current	$ 48,158
Non-current	$ 94,347

The discount rate range of lease liabilities is as follow:

	June 30, 2019
Land	1.55%
Buildings	1.55%
Transportation equipment	1.55%

(1) Other lease information

2019

	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2019
Lease expense of low-value assets	$ 1,072	$ 2,165
Total cash flow of lease	$ 15,256	$ 29,394

2018

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

	December 31, 2018	June 30, 2018
Less than 1 year	$ 56,963	$ 37,876
1～5 year	124,862	60,853
	$ 181,825	$ 98,729

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

	For the Three Months Ended June 30, 2018	For the Six Months Ended June 30, 2018
Minimum lease payments	$ 13,905	$ 27,595

17. Other Non-Current Assets

	June 30, 2019	December 31, 2018	June 30, 2018
Restricted assets	$ 132,588	$ 134,467	$ 89,005
Long-term prepaid expenses	61,171	66,372	95,854
Net limestone mining rights	18,780	18,781	18,782
Prepayments for business facilities	2,266	-	53,248
	$ 214,805	$ 219,620	$ 256,889

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

	June 30, 2019	December 31, 2018	June 30, 2018
Restricted assets	0.13%~1.59%	0.13%~1.065%	0.13%~1.065%

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

18. Loans

(1) Short-term borrowings

	June 30, 2019	December 31, 2018	June 30, 2018
Secured borrowings (Note 33)			
Bank loan	$ 523,332	$ 752,651	$ 602,200
Unsecured borrowings			
Credit loan	249,100	100,000	202,479
	$ 772,432	$ 852,651	$ 804,679

The interest rate of the bank loan is as follows：

	June 30, 2019	December 31, 2018	June 30, 2018
Secured borrowings	1.30%~1.60%	1.30%~1.55%	1.30%~1.55%
Unsecured borrowings	1.30%~1.70%	1.45%	1.35%~1.60%

(2) Short-term notes and bills payable

	June 30, 2019	December 31, 2018	June 30, 2018
Commercial paper payable	$ 160,000	$ 220,000	$ 110,000
Less: Discount on short-term notes and bills payable	(345)	(264)	(211)
	$ 159,655	$ 219,736	$ 109,789

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

June 30, 2019

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 50,000	$ 30	$ 49,970	1.458%
Grand Bills Finance Corporation	110,000	315	109,685	1.29%~1.73%
	$ 160,000	$ 345	$ 159,655	

December 31, 2018

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

June 30, 2018

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Grand Bills Finance Corporation	$ 110,000	$ 211	$ 109,789	1.12%~1.73%

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

(3) Long-term borrowings

	June 30, 2019	December 31, 2018	June 30, 2018
Secured borrowings (Note 33)			
Bank loan	$ 1,006,038	$ 1,011,638	$ 617,238
Unsecured borrowings			
Bank loan	230,000	160,000	260,000
Less: Long-term borrowings have maturity of 1 year or less.	(166,038)	(11,200)	(111,200)
	$ 1,070,000	$ 1,160,438	$ 766,038

	Details	June 30, 2019	December 31, 2018	June 30, 2018
Secured borrowings				
Parent company				
Taiwan Cooperative Bank	The period is from April 12, 2018 to April 12, 2023, the grace period is 2 years, every 3 months was served as an installment, pay by 12 installments for the principle after the grace period.	$ 500,000	$ 500,000	$ 100,000
Dasheng Enterprise Co., Ltd.				
O-Bank	The period is from November 21, 2017 to November 21, 2022, the principle will be repaid at once in maturitity date.	250,000	250,000	250,000
O-Bank	The period is from December 28, 2017 to December 28, 2022, the principle will be repaid at once in maturitity date.	250,000	250,000	250,000
Luckyship Marine Co., Ltd.				
Mega International Commercial Bank Co., Ltd.	The period is from November 17, 2015 to November 17, 2019, every 3 months was served as an installment, pay by 16 installments for the principle.	4,725	9,450	14,175
Mega International Commercial Bank Co., Ltd.	The period is from February 15, 2016 to February 15, 2020, every 3 months was served as an installment , pay by 16 installments for the principle.	1,313	2,188	3,063
Unsecured borrowings				
Parent company				
The Export-Import Bank of the Republic of China	The period is from June 14, 2019 to July 14, 2020, the principle will be repaid at once in maturitity date.	70,000	-	-
The Export-Import Bank of the Republic of China	The period is from October 11, 2017 to November 11, 2018, the principle will be repaid at once in maturitity date.	-	-	100,000
O-Bank	The period is from April 23, 2018 to Aprl 23, 2020, the principle will be repaid at once in maturitity date.	80,000	80,000	80,000
KGI Bank	The period is from June 28, 2018 to June 28, 2020, the principle will be repaid at once in maturitity date.	80,000	80,000	80,000
subtotal		1,236,038	1,171,638	877,238
Less: Long-term borrowings have maturities of 1 year or less.		(166,038)	(11,200)	(111,200)
)Long-term borrowings		$ 1,070,000	$ 1,160,438	$ 766,038

The annual interest rate of long-term borrowings were1.39%~2.20%, 1.73%~2.20% and 1.39%~2.20% respectively for June 30, 2019, December 31, 2018 and June 30, 2018.

19. Notes and Accounts Payable

	June 30, 2019	December 31, 2018	June 30, 2018
Notes payable			
From operating activities			
Non-related parties	$ 183,910	$ 148,346	$ 175,803
Related parties	$ 55,953	$ 43,594	$ 20,712
Accounts payable			
From operating activities			
Non-related parties	$ 107,799	$ 114,859	$ 120,962
Related parties	$ 27,396	$ 23,540	$ 21,742

20. Other Payables

	June 30, 2019	December 31, 2018	June 30, 2018
Wages and salaries payable	$ 40,120	$ 41,408	$ 37,651
Taxes payable	19,113	20,637	20,623
Utilities expense payable	19,864	19,052	19,146
Maintenance fee payables	8,707	1,619	4,198
Payable on machinery and equipment	-	-	4,528
Other	26,050	35,457	22,368
	$ 113,854	$ 118,173	$ 108,514

21. Post-Employment Benefit Plan

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

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Operating costs	$ 413	$ 590	$ 845	$ 1,177
Selling expenses	69	102	140	206
Administrative expenses	116	168	232	338
	$ 598	$ 860	$ 1,217	$ 1,721

22. Equity

(1) Share capital

Common Stock

	June 30, 2019	December 31, 2018	June 30, 2018
Authorized shares (in thousands)	498,646	498,646	498,646
Authorized capital	$ 4,986,460	$ 4,986,460	$ 4,986,460
Issued and paid shares (in thousands)	404,738	404,738	404,738
Issued capital	$ 4,047,380	$ 4,047,380	$ 4,047,380

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

(2) Capital surplus

	June 30, 2019	December 31, 2018	June 30, 2018
Only to make up for losses			
From share of changes in equities of subsidiaries	$ 8	$ 8	$ 8

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

(3) Retained earnings and dividend policy

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

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

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

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

The proposal to offset deficits of 2018 and decide not to distribute dividends has been approved by shareholders meeting of the Company held on June 12, 2019.

The proposal to offset deficits of 2017 and decide not to distribute dividends has been approved by shareholders meeting of the Company held on June 15, 2018.

(4) Special Reserve

	Six months ended June 30, 2019	Six months ended June 30, 2018
Balance at beginning of period	$ 17,376	$ 14,135
Appropriated (Reversal of) special reserve		
Appropriated (Reversal of) deduction from other equity item	(120)	3,241
Balance at end of period	$ 17,256	$ 17,376

Upon initial application of IFRS 16, 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 offset deficits for the year of 2018, it recognized negative values of other equity for the end of the reporting period, and proposed to set aside a special reserve of NT$ 120,000.

The Company offset deficits for the year of 2017, it recognized negative values of other equity for the end of the reporting period, and proposed to set aside a special reserve of NT$ 3,241,000.

(5) Other equity interest

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

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

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

	Six months ended June 30, 2019	Six months ended June 30, 2018
Balance at beginning of period（IAS 39）		$ -
Effect of retrospective application of IFRS 9		5,716
Balance at beginning of period（IFRS 9）	($ 10,781)	5,716
Unrealized gains (losses) on financial assets measured at FVOCI	34,362	(6,545)
Disposals of equity instruments measured at FVOCI	(3,524)	(2,074)
Balance at end of period	$ 20,057	($ 2,903)

(6) Non-controlling interests

	Six months ended June 30, 2019	Six months ended June 30, 2018
Balance at the begin of the period	$ 78	$ 26,423
Number of share attributable to non-controlling equity Profit (loss)	-	(1,131)
Subsidiary acquires non-controlling interest	-	(3,993)
Balance at the end of the period	$ 78	$ 21,299

23. Revenue

(1) Segmentation of customer contract revenue

	Six months ended June 30, 2019	Six months ended June 30, 2018
Cement	$ 936,281	$ 1,020,813
Stone	282,724	227,535
Cement products	285,437	170,262
Others	231,011	265,636
	$ 1,735,453	$ 1,684,246

(2) Balance of the sales contract

	June 30, 2019	December 31, 2018	June 30, 2018
Notes receivable（Note 9）	$ 409,055	$ 317,921	$ 416,829
Notes receivable－Related parties（Note 9）	199	5,170	6,229
Accounts receivable（Note 9）	349,724	262,504	224,074
Accounts receivable － Related parties（Note 9）	10,493	11,140	5,922
Receivables	$ 769,471	$ 596,735	$ 653,054
Contract liability			
Sales revenue of goods	$ 217,733	$ 198,806	$ 249,523

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

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

	Six months ended June 30, 2019	Six months ended June 30, 2018
Contract liability from the beginning of the year		
Sales of goods	$198,806	$231,276

(3) Customer contracts were not yet fully complete

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

	June 30, 2019	December 31, 2018	June 30, 2018
Sales of goods			
－Fulfill from July to September, 2018	$ -	$ -	$ 249,523
－Fulfill from January to March, 2019	$ -	$ 198,806	$ -
－Fulfill from July to September, 2019	$ 217,733	$ -	$ -

24. Profit from Continuing Operations

(1) Net other income (expense)

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Gains on disposals of property, plant and equipment	$ -	$ 13,807	$ 4,120	$ 16,056

(2) Depreciation, amortization and depletion

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Depreciations summary by functions				
Operating costs	$ 50,203	$ 56,172	$ 107,502	$ 113,740
Operating expenses	12,179	3,551	22,569	7,153
Non-operating expenses	1,492	1,729	3,221	3,458
	$ 63,874	$ 61,452	$ 133,292	$ 124,351
Amortization summary by functions				
Operating costs	$ 1,493	$ 2,068	$ 3,503	$ 3,792
Operating expenses	1,404	826	2,862	1,589
	$ 2,897	$ 2,894	$ 6,365	$ 5,381
Depletion summary by functions				
Operating costs	$ 1	$ 1	$ 1	$ 1

(3) Employee benefits

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Post-employment benefits				
Defined contribution plans	$ 2,450	$ 3,160	$ 6,163	$ 6,367
Defined benefit plans (Note 21)	598	860	1,217	1,721
	3,048	4,020	7,380	8,088
Other employee benefits	90,633	86,762	175,861	177,046
	$ 93,681	$ 90,782	$ 183,241	$ 185,134
Summarized by function				
Operating costs	$ 67,628	$ 67,889	$ 131,194	$ 132,736
Operating expenses	26,053	22,893	52,047	52,398
	$ 93,681	$ 90,782	$ 183,241	$ 185,134

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

The Company shall appropriate 3% and not less than 5% of the profit before tax prior to the deduction of allocated remunerations for employees and compensations for directors and supervisors in the current year in accordance with Articles of Incorporation. The Company did not estimate the remuneration of employees and compensations for directors and supervisors because its loss before tax for the six months ended on June 30, 2019 and 2018.

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

(5) Gains or losses on disposals of financial assets

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Financial assets measured at FVPL	$ 137	$ 70	$ 246	$ 97

(6) Foreign exchange gains (losses)

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Total foreign exchange gains	$ 2,518	$ 524	$ 3,207	$ 1,045
Total foreign exchange losses	(1,578)	(497)	(2,135)	(662)
Net profit (loss)	$ 940	$ 27	$ 1,072	$ 383

25. Income Tax from Continuing Operations

(1) Income tax recognized as profit or loss

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

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Current income tax				
Created in current period	$ -	$ 2,354	$ -	$ 8,646
Adjustments on prior years	-	2,266	-	2,266
	-	4,620	-	10,912
Deferred income tax				
Created in current period	(2,785)	(5,534)	(8,061)	(16,285)
Changes in tax rate	-	-	-	(20,496)
Income tax income of recognised in profit or loss	($ 2,785)	($ 914)	($ 8,061)	($ 25,869)

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

(2) Income tax assessments

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

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

26. Discontinuing Operations

The board of directors of the Company decided to dissolve ELUMINA technology Inc., its subsidiaries - Elumina Holding Limited and Elumina (Xiamen) Company on August 11, 2015, and had the dissolution of liquidation; the Group classified the cash-generating units into the discounting operation in 2015. ELUMINA technology, Inc.

and its subsidiaries have completed the dissolution procedure in November 2018.

The Profit (loss) of discontinuing operations in current period is as bellow:

	Three months ended June 30, 2018	Six months ended June 30, 2018
Current profit (loss)	$ 1	($ 178)
Disposal of loss	-	-
	$ 1	($ 178)

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

	Three months ended June 30, 2018	Six months ended June 30, 2018
Operating expenses	$ -	($ 206)
Non-operating income and expenses	1	28
Pre-tax profit (loss) of business suspension units	1	(178)
Tax expense	-	-
Current profit (loss)	$ 1	($ 178)
Profit (loss) of business suspension unit belongs to:		
Owners of the Company	$ 1	($ 125)
Non-controlling interests	-	(53)
	$ 1	($ 178)
Net cash outflow generated from operations		($ 1,188)
Net cash flows from investing activities		1,000
Net cash flows (outflow)		($ 188)

27. Earnings (Loss) per Share

Unit : NTD 1.00 per share

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Basic earnings (loss) per share				
From continuing operations	$ 0.04	$ -	($ 0.04)	($ 0.02)
From discontinued operations	-	-	-	-
Total basic earnings (loss)per share	$ 0.04	$ -	($ 0.04)	($ 0.02)

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

Profit (loss)

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Profit (loss) attributable to owners of parent	$ 14,172	($ 2,020)	($ 15,601)	($ 7,022)
Plus: used to calculate the basic unit of the loss of business units per unit loss of net loss	-	(1)	-	125
To calculate the net profit (loss) of the continuing business unit's earnings (loss) per share	$ 14,172	($ 2,021)	($ 15,601)	($ 6,897)

Number of share

Unit : 1,000 shares

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
The weighted average shares of ordinary stock which is used to calculate the basic earnings (loss) per share	404,738	404,738	404,738	404,738

28. Partial cash transaction

The Group conducts the following partial cash transaction investment activities for the six months ended on June 30, 2019 and 2018：

	Six months ended June 30, 2019	Six months ended June 30, 2018
Pay part of cash to purchase property, plant and equipment		
Purchase property, plant and equipment	$ 15,859	$ 8,265
Net Changes of prepayments for business facilities	2,266	53,248
Pay cash	$ 18,125	$ 61,513

29. Cash Flow Information

Changes in liabilities arising from financing activities

Six months ended June 30, 2019

			Non-cash changes			
	January 1, 2019	Cash Flow	Discount amortization	Amortization of interest expenses	Others	June 30, 2019
Short-term notes and bills payable	$ 219,736	($ 60,000)	($ 81)	$ -	$ -	$ 159,655
Lease liabilities	168,565	(26,060)	-	1,169	(1,169)	142,505
	$ 388,301	($ 86,060)	($ 81)	$ 1,169	($ 1,169)	$ 302,160

Six months ended June 30, 2018

			Non-cash changes	
	January 1, 2018	Cash Flow	Discount amortization	June 30, 2018
Short-term notes and bills payable	$ 139,577	($ 30,000)	$ 212	$ 109,789

30. Financial Risk Management

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

31. Financial Instrument

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

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

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

I. Fair value hierarchy

June 30, 2019

	Level 1	Level 2	Level 3	Total
Financial assets measured at FVPL				
Fund Benefit Certificate	$ 15,597	$ -	$ 9,944	$ 25,541
Financial assetsmeasured at FVOCI				
Eqiuty instrument investments				
－Domestic listed (OTC) stock	$ 63,602	$ -	$ -	$ 63,602
－Domestic unlisted (OTC) stock	-	-	23,033	23,033
Debt instrument investments				
－Corporate bonds	6,148	-	-	6,148
Total	$ 69,750	$ -	$ 23,033	$ 92,783

December 31, 2018

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

June 30, 2018

	Level 1	Level 2	Level 3	Total
Financial assets measured at FVPL				
Fund Benefit Certificate	$ 60,561	$ -	$ 10,777	$ 71,338
Financial assetsmeasured at FVOCI				
Eqiuty instrument investments				
－Domestic listed (OTC) stock	$ 77,370	$ -	$ -	$ 77,370
－Domestic unlisted (OTC) stock	-	-	19,256	19,256
Debt instrument investments				
－Corporate bonds	5,692	-	-	5,692
Total	$ 83,062	$ -	$ 19,256	$ 102,318

There is no transfer between level 1 and level 2 of fair value measurement in six

months ended June 30, 2019 and 2018.

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

For the Six Months Ended June 30, 2019

Financial assets	Financial assets at FVPL Fund Benefit Certificate	Financial assets at FVOCI Equity Instruments	Total
Balance at the beginning of the period（IFRS9	$ 6,535	$ 19,015	$ 25,550
Profit /loss(Other gains and losses)	3,409	-	3,409
Other comprehensive income （ Unrealized gains (losses) on financial assets measured at FVOCI）	-	4,018	4,018
Balance at the end of the period	$ 9,944	$ 23,033	$ 32,977

For the Six Months Ended June 30, 2018

Financial assets	Financial assets at FVPL Fund Benefit Certificate	Financial assets at FVOCI Equity Instruments	Total
Balance at the beginning of the period	$ 8,949	$ 23,216	$ 32,165
Effect of retrospective application of IFRS 9	-	891	891
Balance at the beginning of the period （IFRS9）	8,949	24,107	33,056
Profit /loss（Other gains and losses）	1,828	-	1,828
Other comprehensive income （ Unrealized gains (losses) on financial assets measured at FVOCI）	-	(4,851)	(4,851)
Balance at the end of the period	$ 10,777	$ 19,256	$ 30,033

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

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

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

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

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

(3) Financial instruments

	June 30, 2019	December 31, 2018	June 30, 2018
Financial assets			
Financial assets mandatorily measured at FVPL	$ 25,541	$ 49,905	$ 71,338
Measured at amortised cost（Note 1）	1,200,336	1,043,886	1,056,392
Financial assets measured at FVOCI			
Equity instrument investments	86,635	155,890	96,626
Debt instrument investments	6,148	5,375	5,692
Financial liabilities			
Measured at amortised cost（Note 2）	2,637,859	2,651,161	2,247,289

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

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

(4) Objective and policy of financial risk management

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

I. Market risk

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

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

① Currency risk

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

Sensitivity Analysis

The Group is mainly impacted by the foreign exchange rate fluctuation of Japanese Yen (JPY), RMB and USD.

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

each relevant currency, it will make pre-tax income or amount of change in equity; and when the individual functional currency decreases 5 % relative to each relevant currency, it will have impact of pre-tax income or equity in negative for same amount.

	Effect of JPY		Effect of RMB	
	Six months ended June 30, 2019	Six months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Profit(loss)	($ 1,443)	$ -	($ 360)	($ 353)

	Effect of USD	
	Six months ended June 30, 2019	Six months ended June 30, 2018
Profit(loss)	($ 337)	($ 345)

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

② Interest rate risk

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

	June 30, 2019	December 31, 2018	June 30, 2018
Interest rate risk with fair value			
-Financial assets	$ 136,036	$ 154,629	$ 146,310
-Financial liabilities	542,432	268,200	-
Interest rate risk with cash flow			
-Financial assets	371,241	377,224	345,884
-Financial liabilities	1,625,692	1,975,833	1,791,706

Sensitivity Analysis

The following sensitivity analysis is determined by rate exposure of

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

If interest rate decreases/increases 25 basic points, the loss before tax for six months ended on June 30, 2019 decreases/increases NT$1,568,000 and the loss before tax for six months ended on June 30, 2018 decreases/increases NT$1,807,000 separately with all other variables held constant; the main reasons are floating rate loan, demand deposit and exposure in restricted asset interest rate risk of the Group.

II. Credit risk

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

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

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

	June 30, 2019		December 31, 2018		June 30, 2018	
	Book Value	Largest credit risk exposed amount	Book Value	Largest credit risk exposed amount	Book Value	Largest credit risk exposed amount
Off-balance sheet commitments and guarantee						
Endoresement for subsidiary	$ -	$ 749,430	$ -	$ 748,910	$ -	$ 748,770

The credit risk of the Group is mainly concentered on the key account (KA) of the Group; as the end of June 30, 2019, December 31, 2018 and June 30, 2018, the receivables should exceed 5% of total receivables, which are separately 23.63%, 43.60% and 38.94%of total receivables.

III. Liquidity risk

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

Bank loan is an important source of liquidity for the Group. As the end of June 30, 2019, December 31, 2018 and June 30, 2018, the unused long-term and short-term bank loan commitments of the Group are separately NT$1,380,474,000, NT$1,893,815,000 and NT$2,241,117,000.

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.

June 30, 2019

	Weighted average valid rate (%)	Requirement: Pay at once or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities						
Non-Interest-Bearing liability	-	$ 274,531	$ 207,948	$ 18,319	$ 4,565	$ 84,300
Lease liabilities	1.55%	2,170	12,156	35,066	96,662	-
Floating interest rate tool	1.77%	30,000	-	525,692	1,070,000	-
Fixed interest rate tool	1.48%	-	469,100	73,332	-	-
		$ 306,701	$ 689,204	$ 652,409	$1,171,227	$ 84,300

December 31, 2018

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

June 30, 2018

	Weighted average valid rate (%)	Requirement: Pay at once or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities						
Non-Interest-Bearing liability	-	$ 240,381	$ 187,520	$ 80,880	$ 51,034	$ 18,192
Floating interest rate tool	1.60%	50,000	142,800	832,868	766,038	-
		$ 290,381	$ 330,320	$ 913,748	$ 817,072	$ 18,192

32. Related Party Transactions

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

(1) Related party and Relations

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

(To be continued)

(Continued)

Related party	Relations
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
Cheng Haibin	The parent company chairman's third-degree relatives
Fuan Mining Co., Ltd. (Fuan Mining Co.)	The manger is the spouse of the parent company chairman's first-degree relatives.

(2) Business transaction

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Sales				
Other related parties	$ 19,516	$ 16,389	$ 34,891	$ 29,399
Purchase				
Fuan Mining Co.	$ 69,628	$ 57,655	$ 122,309	$ 103,205
Other related parties	11,989	6,995	23,172	12,312
	$ 81,617	$ 64,650	$ 145,481	$ 115,517
Operating costs - transportation expenses				
Other related parties	$ 2,735	$ 3,139	$ 5,816	$ 6,546
Operating expenses				
Other related parties	$ 135	$ 129	$ 1,743	$ 2,198
Non-operating income				
Other related parties	$ 601	$ 601	$ 1,203	$ 1,203
Non-operating expenses				
Other related parties	$ 45	$ 481	$ 45	$ 572

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

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

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

	June 30, 2019	December 31, 2018	June 30, 2018
Notes receivable			
Other related parties	$ 199	$ 5,170	$ 6,229
Accounts receivable			
Other related parties	$ 10,493	$ 11,140	$ 5,922
Other receivable			
Other related parties	$ 678	$ 551	$ 732

No guarantee received for receivables- related parties. No expense on doubtful debts in receivables- related parties recognized for six months ended on June 30, 2019 and 2018.

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

	June 30, 2019	December 31, 2018	June 30, 2018
Notes payable			
Fuan Mining Co.	$ 51,974	$ 41,678	$ 19,398
Other related parties	3,979	1,916	1,314
	$ 55,953	$ 43,594	$ 20,712
Accounts payable			
Fuan Mining Co.	$ 21,135	$ 21,195	$ 17,141
Other related parties	6,261	2,345	4,601
	$ 27,396	$ 23,540	$ 21,742
Other payable（exclude financing）			
Other related parties	$ 921	$ 1,157	$ 5,429

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

(5) Loans from related parties

	June 30, 2019	December 31, 2018	June 30, 2018
Other payable			
Other related parties	$ 20,021	$ -	$ 40,072
Shareholder accounts			
Cheng Haibin	$ 45,800	$ 45,800	$ 45,800

Shareholder accounts of the Group are interestless borrowing from stockholders.

(6) Rental agreement

Operating lease

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

Relationship category	June 30, 2019	December 31, 2018	June 30, 2018
Other related parties	$ 103	$ 103	$ 103

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

Relationship category	June 30, 2019	December 31, 2018	June 30, 2018
Fudong Automobile	$ 2,274	$ 2,274	$ 2,144
Other related parties	198	264	330
	$ 2,472	$ 2,538	$ 2,474

The lease income is summarized as follows：

Relationship category	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Fudong Automobile	$ 568	$ 568	$ 1,137	$ 1,137
Other related parties	33	33	66	66
	$ 601	$ 601	$ 1,203	$ 1,203

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

(7)Remunerations of key management personnel

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

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Short-term employee benefits	$ 3,974	$ 3,919	$ 8,580	$ 9,079
Benefit after retirement	93	104	185	209
	$ 4,067	$ 4,023	$ 8,765	$ 9,288

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

33. Pledged Assets

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

	June 30, 2019	December 31, 2018	June 30, 2018
Notes receivable	$ 63,698	$ 7,200	$ -
Developing property (Recognized inventory)	3,081,956	3,012,245	3,139,995
Restricted assets (Recognized other financial assets and other non-current assets)	230,756	242,699	182,005
Property, plant and equipment	791,117	794,480	807,381
	$ 4,167,527	$ 4,056,624	$ 4,129,381

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

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

Unit： Thousands of NT dollars and foreign currency

June 30, 2019

	Foreign curreny	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
Japanese Yen	$ 100,013	0.2886 （JPY：NTD）	$ 28,864
US dollars	224	31.06 （USD：NTD）	6,744
RMB	1,591	4.521 （RMB：NTD）	7,193

December 31, 2018

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

June 30, 2018

	Foreign curreny	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
RMB	$ 1,543	4.577 （RMB：NTD）	$ 7,061
US dollars	220	30.46 （USD：NTD）	6,680
US dollars	7	6.655 （USD：RMB）	227

Foreign exchange gains/losses (realized or unrealized) of the Group for three months ended on June 30, 2019 and 2018 are respectively grains NT$940,000 and NT$27,000; for six months ended on June 30, 2019 and 2018 are respectively grains NT$1,072,000 and NT$383,000. Because there is variety of foreign currency transactions, it cannot disclose exchange gains and losses in accordance with foreign currency of each important impact.

35. Additional Disclosures

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

investment:

A. Financings provided：Schedule 1

B. Endorsement/guarantee provided：Schedule 2

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

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

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

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

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

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

I. Information about the derivative financial instruments transaction：None

J. Others: The business relationship between the parent and the subsidiaries and significant transactions between them： Schedule 7

K. Information of the investees (excluded the investees in Mainland China): Schedule 6

(3) Investment Information in mainland China：

I. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee：None

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

and unrealized gains or losses between the parent company and the investee company in mainland China.

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

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

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

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

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

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

36. Segment Information

The Group defined its reportable segments as follows:：

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

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

(1) Revenue of segments and operating results

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

	Income of Segments t		Profit/Loss of Segments	
	Six months ended June 30, 2019	Six months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Cement segment	$ 1,700,149	$ 1,664,055	($ 6,154)	($ 24,679)
Other segmentt	35,304	20,191	(5,605)	(8,016)
;Total amount of business unit	$ 1,735,453	$ 1,684,246	(11,759)	(32,695)
Interest revenue			1,047	1,083
Rent income			4,455	4,493
Other revenue			2,633	12,772
Gains (losses) on disposals of financial assets			246	97
Foreign exchange gains			1,072	383
Loss from financial assets measured at FVPL			3,819	1,213
Other expenses			(4,679)	(5,971)
Interest expense			(20,496)	(15,219)
Profit (loss) from continuing operations before tax			(23,662)	(33,844)
Loss from discontinued operations before tax			-	(178)
Profit (loss) before tax			($ 23,662)	($ 34,022)

The revenue of segments reported above is generated with external client exchange. There is no selling between segments in six months ended on June 30, 2019 and 2018.

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

(2) Total assets and liabilities of segments

	June 30, 2019	December 31, 2018	June 30, 2018
Segment assets			
Continuing operating segment			
Cement segment	$ 4,126,799	$ 4,001,015	$ 3,781,888
Other segment t	3,308,608	3,292,482	3,358,871
Total of segment assets	7,435,407	7,293,497	7,140,759
Assets related discontinued operations	-	-	1,564
Total assets	$ 7,435,407	$ 7,293,497	$ 7,142,323

	June 30, 2019	December 31, 2018	June 30, 2018
Segment liabilities			
Continuing operating segment			
Cement segment	$ 2,550,585	$ 2,440,119	$ 2,047,846
Other segment	638,141	626,380	678,935
Total of segment liabilities	3,188,726	3,066,499	2,726,781
Liabilities related discontinued operations	-	-	7,911
Toatl liabilities	$ 3,188,726	$ 3,066,499	$ 2,734,692

Lucky Cement Corporation and Subsidiaries

Financings Provided

For the Six Months Ended June 30, 2019

Schedule 1

In Thousands of New Taiwan Dollars

No.	Company of Lending Funds	Borrower	Relation Account	Mmaximum Balance in Current Period	Where is the related party	Balance, end of the period (Note 4)	Amonut of real dealing (Note 5)	Interest rate collar (%)	Character on loan of funds (Note 1)	Amount between business	Necessary reasons for short term financial assets	Amount of allowance for uncollectible be submitted	Collateral		Limitation of loan of funds to individual party (Note 2)	Total limitation of loan of funds (Note 3)
													Name	Value		
0	Lucky Cement Corp.	Dasheng Enterprise	Receivables of Affiliated Enterprise — Financing	$ 200,000	Yes	$ 200,000	$ 65,450	1.8658%	(2)	$ -	Operating Turnover	$ -	—	—	$ 424,660	$ 1,698,641
		Luckyship Marine Co.	Receivables of Affiliated Enterprise — Financing	30,000	Yes	30,000	6,000	1.8658%	(2)	-	Operating Turnover	-	—	—	424,660	1,698,641
		Lucky Cement Corp., Japan	Receivables of Affiliated Enterprise — Financing	30,000	Yes	30,000	-	1.8658%	(2)	-	Operating Turnover	-	—	—	424,660	1,698,641
						$ 260,000										
1	Luckicon Ready-mixed Co.,	Dasheng Enterprise	Receivables of Affiliated Enterprise — Financing	20,000	Yes	$ 20,000	20,000	1.31%	(2)	-	Operating Turnover	-	—	—	52,182	104,364

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

(1) Party with business.

(2) Party with short-term financing need.

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

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

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

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

Lucky Cement Corporation and Subsidiaries

Endorsement/Guarantee Provided

For the Six Months Ended June 30, 2019

Schedule 2

Unit: NT$1,000, unless otherwise noted

No.	Company Name of endorser	The party for enforcement and guarantee		Limitation amount of enforcement and guarantee for single enterprise (Note 1)	Maximun balance of enforcement and guarantee in current period	Balance of enforcement and guarantee, end of the periodr	Amonut of real dealing	Amount of enforcement and guarantee by property guarantee	Ratio of accumulated amount of enforcement and guarantee to net value of financial statement of lastest period (%)	Maximun limitation on enforcement and guarantee (Note 2)	Enforcement and guarantee belong to parent vs. subsidiary company	Enforcement and guarantee belong to subsidiary vs. parent company	Enforcement and guarantee belong to Mainland China	Remark
		Company	Relations											
0	Lucky Cement Corp.	Dasheng Enterprise	Subsidiary	$ 1,698,641	$ 620,000	$ 620,000	$ 560,000	$ 120,000 (Note 3)	14.60 %	$ 2,123,302	Y	—	—	
		Luckicon Ready-mixed Co.,	Subsidiary	1,698,641	70,000	70,000	18,100	-	1.65 %	2,123,302	Y	—	—	
		Luckyship Marine Co.	Subsidiary	1,698,641	45,000	45,000	6,038	-	1.06 %	2,123,302	Y	—	—	
		Lucky Cement Corp., Japan	Subsidiary	1,698,641	14,430 (JPY 50,000,000)	14,430	1,732	-	0.34 %	2,123,302	Y	—	—	
						$ 749,430								

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

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

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

Lucky Cement Corporation and Subsidiaries

Marketable Securities Held

June 30, 2019

Schedule 3

In Thousands of New Taiwan Dollars

Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of period				Remarks
				Shares	Carrying Amount	(%)	Fair Value (Note 1 & 2)	
Lucky Cement Corp.	Fund Beneficiary Certificate							
	O-Bank No.1 Real Estate Investment Trust	—	Current financial assets at FVPL	100,000	$ 922	-	$ 922	
	Non-listed (OTC) Company Common Stock							
	Jonfeng Mining Co., Ltd	—	Non-current financial assets at FVOCI	1,071,428	11,904	10.58	11,904	
	Global Securities Finance Corp.	—	Non-current financial assets at FVOCI	700,837	4,738	0.18	4,738	
	WK Technology Fund	—	Non-current financial assets at FVOCI	1,156,000	6,001	2.22	6,001	
	Listed (OTC) Company Common Stock							
	Medigen Biotechnology Corporation	—	Current financial assets at FVOCI	28,628	2,167	-	2,167	
	United Microelectronics Corporation	—	Current financial assets at FVOCI	72,351	1,009	-	1,009	
	Winbond Electronics Corp.	—	Current financial assets at FVOCI	130,181	1,979	-	1,979	
	First Financial Holding Co. Ltd.	—	Current financial assets at FVOCI	883	20	-	20	
	Capital Securities Corp.	—	Current financial assets at FVOCI	875	8	-	8	
	Hua Nan Financial Holdings Co. Ltd.	—	Current financial assets at FVOCI	402	9	-	9	
	China Development Financial	—	Current financial assets at FVOCI	13,496	128	-	128	
	Far Eastern New Century Corporation	—	Current financial assets at FVOCI	400,000	13,400	-	13,400	
	U-Ming Marine Transport Corporation	—	Current financial assets at FVOCI	128,000	4,282	-	4,282	
Luckyship Marine Co.	Non-listed (OTC) Company Common Stock							
	Jonfeng Mining Co., Ltd.		Non-Current financial assets at FVOCI	35,129	$ 390	0.35	$ 390	
	Listed (OTC) Company Common Stock							
	Medigen Biotechnology Corporation		Current financial assets at FVOCI	242	18	-	18	
Just Bright Ltd.	Listed Company Common Stock							
	Global Lighting Technologies Inc.		Current financial assets at FVOCI	891,908	40,582		40,582	

(To be continued)

（Continued）

Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of period				Remarks
				Shares	Carrying Amount	（％）	Fair Value（Note 1 & 2）	
Luckicon Ready-mixed Co.,	Fund Beneficiary Certificate							
	Mega Danish Covered Mortgage Bd Idx	—	Current financial assets at FVPL	500,000	5,031	-	5,031	
	Nomura Global Short Duration Bond Fund	—	Current financial assets at FVPL	474,325	5,014	-	5,014	
	Shin Kong Emerging ASEAN Bond Fund	—	Current financial assets at FVPL	500,015	4,630	-	4,630	
	TSG Phnom Penh Real Estate Development Fund	—	Non-Current financial assets at FVPL	500	9,944	-	9,944	
	Marketable Security - Corporate Bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	—	Current financial assets at FVOCI	-	6,148	-	6,148	

Note 1：Financial assets measured at FVPL, its fair value is based on the net asset value of funds on June 30, 2019.

Note 2：Listed (OTC) stocks of financial assets measured at FVPL, its fair value is based on stock closing price on June 30, 2019. Corporate bond is based on market price on June 30, 2019. Non-listed (OTC) stocks are estimated market value by the fair value evaluation method.

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

Lucky Cement Corporation and Subsidiaries

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

For Six months ended June 30, 2019

Schedule 4

In Thousands of New Taiwan Dollars

Company Name	Transaction Counterpart	Relations	Transaction Status				Status and Reasons of Difference between Transaction Condition and General Transaction		Accounts, Notes Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Account for Purchase (Sale) Percentage to Total (%)	Credit Period	Unit Price	Credit Period	Balance	Accounts, Notes Receivable (Payable) Percentage to Total (%)	
Lucky Cement Corp.	Luckicon Ready-mixed Co.,	Subsidiary	Sale	($ 303,255)	(17.47)	About 90 days	Quite	Quite	Accounts receivable $ 51,300 Notes receivable 92,205	0.69 1.24	Note
Lucky Cement Corp.	Fuan Mining Co., Ltd.	Other related parties	Purchase	122,309	60.40	About 90 days	Agreed	Quite	Accounts payable (21,135) Notes payable (51,974)	(0.28) (0.70)	

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

Lucky Cement Corporation and Subsidiaries

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

June 30, 2019

Schedule 5

In Thousands of New Taiwan Dollars

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	Recognized Amount of Allowance for Bad Debts
					Amount	Disposal Method		
Lucky Cement Corp.	Luckicon Ready-mixed Co.,	Subsidiary	$ 143,505	2.76	$ -	—	$ 143,505	$ -

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

Lucky Cement Corporation and Subsidiaries

Names, Locations, and Related Information of Investees

For the Six Months Ended June 30, 2019

Schedule 6

In Thousands of New Taiwan Dollars

Investment company	Invested company	Address	Main business items	Original investment amount (Note 8)		Holding at the end of the period			Current (loss) profit of invested company	Investment (loss) profit accounted this Period	Remarks
				At the end of the period	End of last year	Number of shares	Rate	Carrying Amount			
Lucky Cement Corp.	Dasheng Enterprise	14F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Real Estate Sales & Lease	$ 2,167,473	$ 2,167,473	157,295,283	99.99	$ 2,325,818	($ 8,774)	($ 8,774)	Note 1
	Luckicon Ready-mixed Co.,	No.191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Ready-mixed Concrete Manufacture & Trades	99,998	99,998	21,999,868	99.99	264,852	3,193	3,193	Note 1
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Investment Business	1,566	1,566	50,000	100.00	44,962	-	-	Note 3
	Lucky Cement Corp., Japan	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement Trading	82,300	82,300	200	100.00	25,942	960	960	Note 2 & 3
	Luckyship Marine Co.	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping Agent	88,615	88,615	8,499,994	99.99	48,212	(4,664)	(4,664)	Note 3
Luckicon Ready-mixed Co.,	Fuyu Development Company	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Mine Gravel	12,571	12,571	1,000,000	100.00	8,283	(1,337)	(1,337)	Note 3

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

Note2：Original investment amount that the Company invested in Lucky Cement Corp., Japan and did not finish equity registration is 80,000,000 Japanese Yen in June 30, 2019.

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

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

Lucky Cement Corporation and Subsidiary

Intercompany Relationships and Significant Intercompany Transactions

For the Six Months Ended June 30, 2019

Schedule 7

In Thousands of New Taiwan Dollars

No.	Name of Trader	Subject in Trade	Relations with trader (Note 1)	State of Trade			
				Account	Amount	Condition of Trade	The ratio of total revenue or total assets (%)
0	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Accounts receivable	$ 51,300	Above 90 days	0.40
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Notes receivable	92,205	Above 90 days	-
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Other receivables	141	Above 90 days	0.35
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Contract liability	8,578	Above 90 days	0.09
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Sales revenue	303,255	Above 90 days	7.99
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Rent income	762	30 days	0.05
	Lucky Cement Corp.	Fuyu Development Company	1	Other payable	576	Above 90 days	-
	Lucky Cement Corp.	Fuyu Development Company	1	Notes payable	6	Above 90 days	0.01
	Lucky Cement Corp.	Fuyu Development Company	1	Cost of sales	1,801	Above 90 days	0.11
	Lucky Cement Corp.	Fuyu Development Company	1	Rent income	4,030	30 days	0.59
	Lucky Cement Corp.	Fuyu Development Company	1	Other income	600	30 days	0.04
	Lucky Cement Corp.	Luckyship Marine Co.	1	Other financial assets - Financing	6,000	Financing, the repayment period is one year	0.29
	Lucky Cement Corp.	Luckyship Marine Co.	1	Other receivables	9	Above 90 days	-
	Lucky Cement Corp.	Luckyship Marine Co.	1	Interest income	30	30 days	0.01
	Lucky Cement Corp.	Luckyship Marine Co.	1	Rent income	128	30 days	-
	Lucky Cement Corp.	Dasheng Enterprise	1	Guarantee deposits received	159,000	Returned upon completion according to the contract	2.23
	Lucky Cement Corp.	Dasheng Enterprise	1	Other financial assets - Financing	65,450	Financing, the repayment period is one year	4.07
	Lucky Cement Corp.	Dasheng Enterprise	1	Other receivables	100	30 days	0.01
	Lucky Cement Corp.	Dasheng Enterprise	1	Rent income	40	30 days	-
	Lucky Cement Corp.	Dasheng Enterprise	1	Interest income	619	30 days	0.14
1	Luckicon Ready-mixed Co.,	Fuyu Development Company	1	Rent income	5,707	30 days	0.27
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Accounts receivable	481	Above 90 days	0.02
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Notes receivable	338	Above 90 days	0.04
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Other financial assets - Financing	20,000	Financing, the repayment period is one year	0.56
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Other receivables	22	Above 90 days	-
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Sales revenue	1,444	Above 90 days	0.52
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Interest income	161	Above 90 days	0.02

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

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