Lucky Cement Co. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2020 and 2019 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2020 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as of and for the year ended December 31, 2020 as provided in International Financial Reporting Standards 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies as of and for the year ended December 31, 2020. Hence, we did not prepare a separate set of consolidated financial statements of affiliates for the year ended December 31, 2020.

Very truly yours,

LUCKY CEMENT CO.

By

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CHEN, LIANG-CHUAN
Chairman

March 26, 2021

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Lucky Cement Co.

Opinion

We have audited the accompanying consolidated financial statements of Lucky Cement Co. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FCS) of the Republic of China.

Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the consolidated financial statements for the year ended December 31, 2020 are as follows:

<u>Occurrence of Sales Revenue from Key Customers</u>

The Group's sales revenue mainly comes from sales of cement, stone materials and other cement products. The sales revenue from the key customers, which exceeded the performance materiality for audit purposes, amounted to NT$687,383 thousand or 15% of the total sales revenue in 2020. Therefore, we deem occurrence of sales as a significant risk and key audit matter.

Please refer to Note 4 (11) of the consolidated financial statements for accounting policies on revenue recognition; Note 23 (1) for the disclosure related to the operating revenue.

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

1. We obtained an understanding of the internal control system of the sale of goods and assessed the design and effectiveness of the implementation of the internal control.

2. We obtained the summary of sales to the key customers for the year; we tested the completeness of the summary, selected samples from the summary, and examined supporting vouchers, shipping documents, delivery receipts, invoices, etc. and verified the occurrence of the sales.

3. We inspected the sales ledger for any significant sales returns and allowances recorded after the balance sheet date and verified that the returns and allowances were related to sales after the balance sheet date.

Other Matter

We have also audited the parent company only financial statements of Lucky Cement Co. as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Hai-Yueh Huang and Chao-Mei Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2021

Notice to Readers

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020		2019	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash (Notes 4 and 6)	$ 320,535	4	$ 233,426	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	11,296	-	15,562	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	34,126	1	22,038	-
Financial assets at amortized cost - current (Notes 4, 9 and 31)	75,655	1	93,165	1
Notes receivable (Notes 4, 10 and 23)	573,958	7	488,761	7
Notes receivable from related parties (Notes 4, 10, 23 and 30)	235	-	4,972	-
Accounts receivable (Notes 4, 10 and 23)	492,996	6	412,120	6
Accounts receivable from related parties (Notes 4, 10, 23 and 30)	5,764	-	7,450	-
Other receivables (Notes 4, 10 and 30)	15,735	-	88,101	1
Current tax assets (Note 25)	-	-	17,607	-
Inventories (Notes 4, 11 and 31)	3,545,586	44	3,516,072	48
Prepayments (Note 13)	160,658	2	164,806	2
Other current assets (Note 14)	22,734	1	23,068	1
Total current assets	5,259,278	66	5,087,148	69
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	8,734	-	9,598	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	14,994	-	19,733	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 31)	189,742	2	132,588	2
Property, plant and equipment (Notes 4, 15 and 31)	2,223,887	28	1,711,806	24
Right-of-use assets (Notes 4 and 16)	79,560	1	129,591	2
Deferred tax assets (Notes 4 and 25)	120,156	2	127,645	2
Refundable deposits	20,580	-	20,908	-
Other non-current assets (Notes 4 and 17)	110,376	1	89,860	1
Total non-current assets	2,768,029	34	2,241,729	31
TOTAL	$ 8,027,307	100	$ 7,328,877	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 31)	$ 320,000	4	$ 232,700	3
Short-term bills payable (Notes 18 and 31)	189,588	2	219,465	3
Contract liabilities (Note 23)	333,095	4	259,431	4
Notes payable (Note 19)	345,327	4	202,062	3
Notes payable to related parties (Notes 19 and 30)	39,596	1	34,656	-
Accounts payable (Note 19)	241,920	3	124,131	2
Accounts payable to related parties (Notes 19 and 30)	20,006	-	35,532	-
Other payables (Note 20)	208,340	3	142,714	2
Other payables to related parties (Note 30)	78,338	1	1,281	-
Current tax liabilities (Note 25)	46,463	1	2,149	-
Lease liabilities - current (Notes 4 and 16)	37,081	-	50,494	1
Current portion of long-term borrowings (Notes 18 and 31)	290,000	4	310,000	4
Other current liabilities	1,508	-	2,516	-
Total current liabilities	2,151,262	27	1,617,131	22
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 31)	1,040,000	13	1,170,000	16
Deferred tax liabilities (Notes 4 and 25)	20,663	-	23,792	-
Lease liabilities - non-current (Notes 4 and 16)	43,161	1	80,289	1
Other payables to related parties (Note 30)	45,800	1	45,800	1
Net defined benefit liabilities (Notes 4 and 21)	36,798	-	40,128	1
Guarantee deposits received	32,704	-	30,800	-
Total non-current liabilities	1,219,126	15	1,390,809	19
Total liabilities	3,370,388	42	3,007,940	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Common stock	4,047,380	50	4,047,380	55
Capital surplus	9	-	8	-
Retained earnings				
Legal reserve	170,899	2	166,309	3
Special reserve	14,135	-	17,256	-
Unappropriated earnings	419,967	6	85,901	1
Total retained earnings	605,001	8	269,466	4
Other equity	4,455	-	4,006	-
Total equity attributable to owners of the Company	4,656,845	58	4,320,860	59
NON-CONTROLLING INTERESTS (Note 22)	74	-	77	-
Total equity	4,656,919	58	4,320,937	59
TOTAL	$ 8,027,307	100	$ 7,328,877	100

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE(Notes 4, 23 and 30)				
Sales	$ 4,533,370	100	$ 3,733,161	100
Less: Discounts and allowances	(3,198)	-	(1,465)	-
Total operating revenue	4,530,172	100	3,731,696	100
OPERATING COSTS (Notes 11, 24 and 30)	3,813,497	84	3,432,815	92
GROSS PROFIT	716,675	16	298,881	8
OPERATING EXPENSES (Notes 10, 24 and 30)				
Selling and marketing expenses	119,454	3	114,748	3
General and administrative expenses	138,745	3	105,438	3
Expected credit loss	2,042	-	4,933	-
Total operating expenses	260,241	6	225,119	6
OTHER OPERATING INCOME AND EXPENSES (Note 24)	(8,959)	-	4,120	-
PROFIT FROM OPERATIONS	447,475	10	77,882	2
NON-OPERATING INCOME AND EXPENSES (Notes 15, 24 and 30)				
Interest income	1,591	-	2,072	-
Rental income	8,336	-	8,965	-
Other income	12,349	-	8,930	-
Foreign exchange gain	1,865	-	1,742	-
Fair value changes of financial assets	(538)	-	3,685	-
Gain on disposal of non-current assets held for sale	15,724	1	-	-
Other losses	(10,448)	-	(9,584)	-
Interest expense	(31,946)	(1)	(39,778)	(1)
Total non-operating income and expenses	(3,067)	-	(23,968)	(1)
PROFIT BEFORE INCOME TAX	444,408	10	53,914	1
INCOME TAX EXPENSE (Notes 4 and 25)	(52,139)	(1)	(8,010)	-
NET PROFIT FOR THE YEAR	392,269	9	45,904	1

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	$ 2,380	-	$ 5,442	1
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,997	-	41,995	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	25	-	(210)	-
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	24	-	808	-
Other comprehensive income, net of income tax	4,426	-	48,035	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 396,695	9	$ 93,939	3
NET PROFIT ATTRIBUTABLE TO:				
Shareholders of the Company	$ 392,269	9	$ 45,905	1
Non-controlling interests	-	-	(1)	-
	$ 392,269	9	$ 45,904	1
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the Company	$ 396,695	9	$ 93,940	3
Non-controlling interests	-	-	(1)	-
	$ 396,695	9	$ 93,939	3
EARNINGS PER SHARE (Note 26)				
Basic	$ 0.97		$ 0.11	
Diluted	$ 0.97		$ 0.11	

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
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
Appropriation of 2018 earnings										
Special reserve	-	-	-	(120)	120	-	-	-	-	-
Net profit for the year ended December 31, 2019	-	-	-	-	45,905	-	-	45,905	(1)	45,904
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	5,442	(210)	42,803	48,035	-	48,035
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	51,347	(210)	42,803	93,940	(1)	93,939
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 22)	-	-	-	-	35,466	-	(35,466)	-	-	-
BALANCE AT DECEMBER 31, 2019	4,047,380	8	166,309	17,256	85,901	7,450	(3,444)	4,320,860	77	4,320,937
Appropriation of 2019 earnings										
Legal reserve	-	-	4,590	-	(4,590)	-	-	-	-	-
Cash dividend to shareholders - NT$0.15 per share	-	-	-	-	(60,711)	-	-	(60,711)	-	(60,711)
Special reserve	-	-	-	(3,121)	3,121	-	-	-	-	-
Net profit for the year ended December 31, 2020	-	-	-	-	392,269	-	-	392,269	-	392,269
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	2,380	25	2,021	4,426	-	4,426
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	394,649	25	2,021	396,695	-	396,695
Difference between consideration and carrying amount of subsidiaries acquired (Note 12)	-	1	-	-	-	-	-	1	(3)	(2)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 22)	-	-	-	-	1,597	-	(1,597)	-	-	-
BALANCE AT DECEMBER 31, 2020	$ 4,047,380	$ 9	$ 170,899	$ 14,135	$ 419,967	$ 7,475	$ (3,020)	$ 4,656,845	$ 74	$ 4,656,919

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 444,408	$ 53,914
Adjustments for:		
Depreciation expense	194,212	238,636
Amortization and depletion expense	12,460	11,750
Expected credit loss recognized on trade receivables	2,042	4,933
Net loss/(gain) on fair value changes of financial assets at fair value through profit or loss	538	(3,685)
Interest expense	31,946	39,778
Interest income	(1,591)	(2,072)
Dividend income	(3,720)	(5,393)
Loss/(gain) on disposal of property, plant and equipment	8,959	(4,120)
Gain on disposal of non-current assets held for sale	(15,724)	-
Gain on lease modification	(10)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	4,592	28,430
Notes receivable	(85,197)	(170,840)
Notes receivable from related parties	4,737	198
Accounts receivable	(82,918)	(154,549)
Accounts receivable from related parties	1,686	3,690
Other receivables	32	3,988
Inventories	(29,514)	94,898
Prepayments	4,148	16,467
Other current assets	334	6,891
Other non-current assets	(102)	(311)
Contract liabilities	73,664	60,625
Notes payable	143,265	53,716
Notes payable to related parties	(3,060)	(8,938)
Accounts payable	117,789	9,272
Accounts payable to related parties	(15,526)	11,992
Other payables	35,093	24,323
Other payables to related parties	7,008	124
Other current liabilities	(1,008)	(1,253)
Net defined benefit liabilities	(950)	(15,256)
Cash generated from operations	847,593	297,208
Interest received	2,441	2,210
Interest paid	(32,119)	(39,831)
Income tax refunded	14,142	3,160
Net cash generated from operating activities	832,057	262,747

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (39,221)	$ (56,924)
Proceeds from sale of financial assets at fair value through other comprehensive income	37,173	197,806
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	5,125	-
Purchase of financial assets at amortized cost	(39,644)	-
Proceeds from sale of financial assets at amortized cost	-	15,067
Proceeds from sale of non-current assets held for sale	20,741	-
Payments for property, plant and equipment	(654,165)	(22,195)
Proceeds from disposal of property, plant and equipment	80	4,120
Decrease in refundable deposits	328	4,281
Decrease in other receivables	65,000	-
Increase in other non-current assets	(18,218)	(14,267)
Other dividends received	3,099	5,393
Net cash (used in) generated from investing activities	(619,702)	133,281
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	87,300	-
Decrease in short-term borrowings	-	(619,951)
Decrease in short-term bills payable	(30,000)	-
Proceeds from long-term borrowings	200,000	320,000
Repayments of long-term borrowings	(350,000)	(11,638)
Increase in guarantee deposits received	1,904	1,369
Increase in notes payable to related parties	8,000	-
Increase in other payable to related parties	70,000	-
Repayment of the principal portion of lease liabilities	(51,753)	(51,014)
Cash dividends paid	(60,711)	-
Acquisition of subsidiary	(2)	-
Net cash used in financing activities	(125,262)	(361,234)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	16	(170)
NET INCREASE IN CASH	87,109	34,624
CASH AT THE BEGINNING OF YEAR	233,426	198,802
CASH AT THE END OF YEAR	$ 320,535	$ 233,426

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

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

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 26, 2021.

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

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

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

b. The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendment to IFRS 16 "Covid-19-Related Rent Concessions"	June 1, 2020

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 4)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 5)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 6)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 7)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 5: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 6: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 7: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

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

d. Basis of consolidation

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

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

Refer Note 12 and Note 35(6) for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

Non-monetary items that are measured at historical cost in foreign currencies are not retranslated.

For the purpose of presenting consolidated financial statements, the financial statements of the Company's foreign operations that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, supplies and spare parts, finished goods, work-in-process, merchandise and real estate under development and real estate to be developed and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date. The construction cost of property inventories is calculated according to the proportion of an area to the total area of a building floor; the principle is to match construction cost with property sales revenue; operating costs are recognized at the end of the reporting period.

Land for development is classified as real estate to be developed while being prepared for construction, and classified as real estate under development when it is actively being developed and has obtained a construction permit.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

h. Impairment of property, plant and equipment and right-of-use asset

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use asset to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

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

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

i. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

j. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in debt instruments and equity instruments at FVTOCI.

i. Financial asset at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 29.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash, financial assets at amortized cost and trade receivables are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

ii) Financial asset that is not credit-impaired on purchase or origination but has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit-impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) and investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 181 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes impairment loss or reversal of impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Revenue recognition

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from sale of goods

Revenue from sale of goods comes from sales of cement, stone materials and other cement products. Sales of cement, stone materials and other cement products are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

l. Leasing

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

1) The Group as lessor

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

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses 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 or 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.

m. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution.

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current tax and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The Group did not have critical accounting judgments and key sources of estimation uncertainty that need to be reported.

6. CASH

	December 31	
	2020	2019
Cash on hand and revolving funds	$ 1,432	$ 1,528
Checking accounts and demand deposits	309,601	224,498
Foreign currency demand deposits	9,502	7,400
	$ 320,535	$ 233,426

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

	December 31	
	2020	2019
Bank deposits	0.001%-0.35%	0.01%-0.48%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2020	2019
Current		
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 11,296	$ 15,562
Non-current		
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 8,734	$ 9,598

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2020	2019
Current		
Investments in equity instruments	$ 28,213	$ 15,977
Investments in debt instruments	5,913	6,061
	$ 34,126	$ 22,038
Non-current		
Investments in Equity instruments	$ 14,994	$ 19,733

a. Investments in Equity instruments at FVTOCI

	December 31	
	2020	**2019**
Current		
Domestic investments-common stock		
Taiwan Cement Corp.	$ 8,646	$ 6
Far Eastern New Century Corporation	5,790	5,970
U-Ming Marine Transport Corporation	4,723	4,301
Winbond Electronics Corp.	3,782	2,545
United Microelectronics Corp.	3,411	1,190
Medigen Biotechnology Corp.	1,695	1,793
China Development Financial Holding	126	131
First Financial Holding Co., Ltd.	20	21
Capital Securities Corp.	12	10
Hua Nan Financial Holdings Co., Ltd.	8	10
	$ 28,213	$ 15,977
Non-current		
Domestic investments-common stock		
Jonfeng Mining Co., Ltd.	$ 9,170	$ 8,443
WK Technology Fund	5,824	6,433
Global Securities Finance Corp.	-	4,857
	$ 14,994	$ 19,733

For information on the above investments, refer to Note 35 Schedule 3 “Marketable Securities Held”.

For other relevant information on financial assets measured at FVTOCI, refer to Note 22(5) and Note 29.

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

Dividends of $3,720 thousand and $5,393 thousand were recognized in 2020 and 2019, respectively.

The Group received return of capital of $5,125 thousand when the invested company reduced capital in 2020.

b. Investments in debt instruments at FVTOCI

	December 31	
	2020	**2019**
Current		
Domestic investment		
Bond investment	$ 5,913	$ 6,061

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2020	2019
Current		
Time deposits with original maturities of more than 3 months	$ 7,155	$ 6,904
Restricted assets	68,500	86,261
	$ 75,655	$ 93,165
Non-current		
Restricted assets	$ 189,742	$ 132,588

a. The interest rates of time deposits with original maturities of more than 3 months were approximately 2.35% and 2.65% per annum as of December 31, 2020 and 2019, respectively.

b. The restricted assets - current are savings deposits and certificate of deposit that are provided as guarantees for bank loan; market interest rate ranges were approximately 0.02%-0.56% and 0.04%-0.81% per annum as of December 31, 2020 and 2019, respectively.

c. The restricted assets - non-current are certificate of deposit in the bank that is pledged as the security of mining right, which has market interest rate range of approximately 0.07%-0.82% and 0.13%-1.07% per annum as of December 31, 2020 and 2019, respectively.

d. Refer to Note 31 for information relating to investments in financial assets at amortized cost pledged as security.

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

	December 31	
	2020	2019
Notes receivable		
At amortized cost		
Gross carrying amount	$ 573,958	$ 488,761
Notes receivable from related parties		
At amortized cost		
Gross carrying amount	$ 235	$ 4,972
Trade receivables		
At amortized cost		
Gross carrying amount	$ 508,199	$ 424,728
Less: Allowance for impairment loss	(15,203)	(12,608)
	$ 492,996	$ 412,120

(Continued)

	December 31	
	2020	**2019**
Trade receivables from related parties		
At amortized cost		
Gross carrying amount	$ 5,764	$ 7,450
Other receivables		
Sale of securities	$ 12,816	$ 21,393
Deposits	-	65,162
Other	2,919	1,546
	$ 15,735	$ 88,101
Overdue receivables		
Overdue receivables	$ 28,743	$ 32,096
Less: Allowance for impairment loss	(28,743)	(32,096)
	$ -	$ -

(Concluded)

a. Notes receivable

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

The Group applies the simplified approach under IFRS 9 to measure the loss allowance for notes receivable at an amount equal to lifetime ECLs. The expected credit losses on notes receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. The expected credit loss rate is based on the overdue days of the notes receivable. However, the expected credit loss rate of the Group based on the provision matrix at the end of reporting period was zero because it did not recognize the expected credit losses of the notes receivable.

b. Trade receivables

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

The Group applies the simplified approach under IFRS 9 to measure the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of notes receivable, trade receivables, and overdue receivables based on the Group's provision matrix.

December 31, 2020

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.19%	4.90%	7.85%	14.32%-58.86%	100%	100%	
Gross carrying amount	$ 1,037,398	$ 14,118	$ 14,077	$ 5,186	$ 4,422	$ 35,699	$ 1,110,900
Loss allowance (Lifetime ECLs)	(726)	(692)	(1,105)	(1,302)	(4,422)	(35,699)	(43,946)
Amortized cost	$ 1,036,672	$ 13,426	$ 12,972	$ 3,884	$ -	$ -	$ 1,066,954

December 31, 2019

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.95%	2.77%	4.63%	9.95%-68.60%	100%	100%	
Gross carrying amount	$ 874,277	$ 11,309	$ 8,979	$ 11,682	$ 286	$ 39,052	$ 945,585
Loss allowance (Lifetime ECLs)	(2,684)	(313)	(416)	(1,953)	(286)	(39,052)	(44,704)
Amortized cost	$ 871,593	$ 10,996	$ 8,563	$ 9,729	$ -	$ -	$ 900,881

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

	For the Year Ended December 31	
	2020	**2019**
Balance at January 1	$ 44,704	$ 43,985
Add: Net remeasurement of loss allowance	2,042	4,933
Less: Amounts written-off	(2,800)	(4,214)
Balance at December 31	$ 43,946	$ 44,704

c. Other receivables

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

The Group considers the current financial condition of debtors to determine the expected credit losses for debt instrument investments. As December 31, 2020 and 2019, the expected credit loss rate of other receivables was both 0%.

11. INVENTORIES

	December 31	
	2020	2019
Real estate under development and real estate to be developed	$ 3,153,571	$ 3,133,578
Raw materials	234,118	141,493
Finished goods	87,339	107,472
Work in progress	29,975	91,310
Supplies and spare parts	32,633	33,218
Merchandise	7,950	9,001
	$ 3,545,586	$ 3,516,072

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2020 and 2019 was $3,813,497 thousand and $3,432,815 thousand, respectively. The cost of goods sold included losses on inventory write-downs of $21,986 thousand for the year ended December 31, 2019.

The Group's property appraisal report issued by external experts on each balance sheet date evaluated the net realizable value of the real estate under development and real estate to be developed.

As of December 31, 2020 and 2019, the inventories expected to be recovered after more than 12 months were $3,153,571 thousand and $3,133,578 thousand, which were mainly real estate under development and real estate to be developed.

The inventories pledged as collateral for bank borrowings are set out in Note 31.

12. SUBSIDIARIES

The entities included in these consolidated financial statements are as follows:

			Percentage of Equity Held December 31		
Investor Company	Subsidiary	Nature of Business	2020	2019	Explanation
Lucky Cement Co.	Dasheng Enterprise Co., Ltd. ("Dasheng Enterprise")	Sale and lease of national residences, commercial buildings, parking lots and industrial areas	99.99	99.99	
	Luckicon Ready-mixed Concrete Factory Co., Ltd. ("Luckicon Ready-mixed Co.")	Production and sales of concrete	100.00	99.99	a.
	Lucky Cement Corp., Japan ("Lucky Cement Japan")	Buy and sell of cement	100.00	100.00	
	Luckyship Marine Co., Ltd ("Luckyship Co.")	Shipping agent	99.99	99.99	
	Just Bright Ltd.	Investment Business	100.00	100.00	b.
Luckicon Ready-mixed Co.	Fuyu Development Co., Ltd.	Earth and stone	100.00	100.00	

Notes:

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

b. The Company's board of directors resolved in its meeting on December 27, 2019 to discontinue the operations of its subsidiary, Just Bright Ltd., and the cancellation is in process.

13. PREPAYMENTS

	December 31 2020	December 31 2019
Office supplies	$ 106,920	$ 105,474
Prepaid expenses	44,745	54,366
Prepayments for purchases of materials	8,918	4,837
Other	75	129
	$ 160,658	$ 164,806

14. OTHER CURRENT ASSETS

	December 31 2020	December 31 2019
Offset against business tax payable	$ 22,733	$ 23,067
Other	1	1
	$ 22,734	$ 23,068

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2020	$ 1,084,102	$ 2,294,349	$ 6,107,551	$ 1,196,322	$ 858,385	$ 499,954	$ 12,040,663
Additions	571,264	-	5,990	-	68,270	5,053	650,577
Reclassification	(5,017)	-	5,098	-	-	14,712	14,793
Disposals	-	(3,596)	(21,340)	-	(49,474)	(2,546)	(76,956)
Net exchange difference	-	93	13	-	1	-	107
Balance at December 31, 2020	$ 1,650,349	$ 2,290,846	$ 6,097,312	$ 1,196,322	$ 877,182	$ 517,173	$ 12,629,184
Accumulated depreciation and impairment							
Balance at January 1, 2020	$ -	$ 1,913,451	$ 5,971,633	$ 1,178,305	$ 772,430	$ 493,038	$ 10,328,857
Depreciation expense	-	53,161	46,745	5,213	33,304	4,536	142,959
Disposals	-	(826)	(13,771)	-	(49,474)	(2,546)	(66,617)
Net exchange difference	-	87	10	-	1	-	98
Balance at December 31, 2020	$ -	$ 1,965,873	$ 6,004,617	$ 1,183,518	$ 756,261	$ 495,028	$ 10,405,297
Carrying amount at December 31, 2020	$ 1,650,349	$ 324,973	$ 92,695	$ 12,804	$ 120,921	$ 22,145	$ 2,223,887
Cost							
Balance at January 1, 2019	$ 1,084,102	$ 2,291,624	$ 6,095,913	$ 1,196,322	$ 918,627	$ 496,420	$ 12,083,008
Additions		3,503	11,731	-	2,641	4,320	22,195
Disposals	-	(85)	-	-	(62,881)	(783)	(63,749)
Net exchange difference	-	(693)	(93)	-	(2)	(3)	(791)
Balance at December 31, 2019	$ 1,084,102	$ 2,294,349	$ 6,107,551	$ 1,196,322	$ 858,385	$ 499,954	$ 12,040,663

(Continued)

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Accumulated depreciation and impairment							
Balance at January 1, 2019	$ -	$ 1,852,828	$ 5,892,324	$ 1,170,392	$ 800,718	$ 490,665	$ 10,206,927
Depreciation expense	-	61,377	79,386	7,913	34,595	3,159	186,430
Disposals	-	(85)	-	-	(62,881)	(783)	(63,749)
Net exchange difference	-	(669)	(77)	-	(2)	(3)	(751)
Balance at December 31, 2019	$ -	$ 1,913,451	$ 5,971,633	$ 1,178,305	$ 772,430	$ 493,038	$ 10,328,857
Carrying amount at December 31, 2019	$ 1,084,102	$ 380,898	$ 135,918	$ 18,017	$ 85,955	$ 6,916	$ 1,711,806

(Concluded)

a. Some additions to machinery and equipment and other equipment were reclassifications from long-term prepaid expenses.

b. The Company proposed to dispose of the idle land at the Puxin factory on March 24, 2020, and signed the contract with non-related parties on April 24, 2020. The land was reclassified as non-current assets held for sale. The Company completed the land transfer process with a net consideration of $20,741 thousand (contract price $21,618 thousand less related fees $877 thousand) and recognized disposal gain was $15,724 thousand.

c. Luckicon Ready-mixed Co. demolished the Wugu plant and related equipment on October 5, 2020, in response to the New Taipei City Urban Development policy, and purchased another land to build a new plant. Its sales orders were transferred to other plants to continue the shipment process. On March 20, 2020, the board of directors of Luckicon Ready-mixed Co. held a meeting and resolved to acquire a total of 24 lots of land with serial number 470 and others located in Sanjiaopu, Shulin District of New Taipei City from non-related parties. The contract price of the land totaled $590,129 thousand. Since the land is classified as for agricultural use, Luckicon Ready-mixed Co. could not obtain the land ownership. Luckicon Ready-mixed Co. signed an agreement with key management personnel of the Company. According to the agreement, the Company’s key management personnel acquired part of the land for $19,651 thousand and completed the transfer of ownership as of May 2020.

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

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

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

f. For the years ended December 31, 2020 and 2019, the Group evaluated impairment and concluded that the assets had no impairment loss.

g. Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 31.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
Carrying amount		
Land	$ 21,060	$ 35,847
Buildings	58,341	91,684
Transportation equipment	159	2,060
	$ 79,560	$ 129,591

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	$ 1,887	$ 13,232
Depreciation charge for right-of-use assets		
Land	$ 16,150	$ 15,979
Buildings	33,202	34,327
Transportation equipment	1,901	1,900
	$ 51,253	$ 52,206

The Group had written off right-of-use assets on lease contracts terminated earlier; the carrying amount written off was $665 thousand, and gain on lease modification was $10 thousand.

b. Lease liabilities

	December 31	
	2020	2019
Carrying amount		
Current	$ 37,081	$ 50,494
Non-current	$ 43,161	$ 80,289

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Land	1.55%-1.68%	1.55%
Buildings	1.55%	1.55%
Transportation equipment	1.55%	1.55%

c. Other lease information

	For the Year Ended December 31	
	2020	2019
Expenses relating to short-term leases	$ 1,615	$ 1,613
Expenses relating to low-value asset leases	878	2,958
Interest on lease liabilities	1,557	2,144
Principal of lease liabilities	51,753	51,014
Total cash outflow for leases	$ 55,803	$ 57,729

17. OTHER NON-CURRENT ASSETS

	December 31	
	2020	2019
Long-term prepaid expenses	$ 56,723	$ 70,770
Prepayments for business facilities	34,466	-
Net limestone mining rights	18,774	18,779
Net defined benefit assets (Note 21)	413	311
Overdue receivables (Note 10)	-	-
	$ 110,376	$ 89,860

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2020	2019
Secured borrowings (Note 31)		
Bank loans	$ 105,000	$ 200,000
Unsecured borrowings		
Line of credit borrowings	215,000	32,700
	$ 320,000	$ 232,700

The interest rates of the bank loans were as follows:

	December 31	
	2020	2019
Secured borrowings	1.39%-1.59%	1.60%
Unsecured borrowings	1.25%-1.70%	1.47%-1.70%

b. Short-term bills payable

	December 31 2020	December 31 2019
Commercial paper	$ 190,000	$ 220,000
Less: Unamortized discounts on bills payable	(412)	(535)
	$ 189,588	$ 219,465

Outstanding short-term bills payable were as follows:

December 31, 2020

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

December 31, 2019

Guarantee/Promissory Institution	Par Value	Discount Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 110,000	$ 302	$ 109,698	1.46%-1.70%
Grand Bills Finance Corporation	110,000	233	109,767	1.64%-1.73%
	$ 220,000	$ 535	$ 219,465	

Short-term bills payable are commercial promissory notes guaranteed by bank, and the duration of each note does not exceed 180 days.

For information on assets pledged as collateral of the short-term bills payable, refer to Note 31.

c. Long-term borrowings

	December 31	
	2020	**2019**
Secured borrowings (Note 31)		
Bank loans	$ 1,050,000	$ 1,250,000
Unsecured borrowings		
Loans from bank	280,000	230,000
Less: Current portion	(290,000)	(310,000)
Long-term borrowings	$ 1,040,000	$ 1,170,000

		December 31	
	Details	**2020**	**2019**
Secured borrowings			
Taiwan Cooperative Bank	The loan period is from April 12, 2018 to April 12, 2023, with grace period of 2 years. The loan principal is payable over 11 quarters (ending January, April, July, October) with $40 million each quarter and the remaining $60 million payable on maturity date. The repayment started in July 2020.	$ 300,000	$ 500,000
Bank of Taiwan	The loan period is from November 12, 2019 to November 12, 2022. Repayment schedule for the principal is $40 million in February 2020 and the balance payable in 7 quarters (ending February, May, August, November) with $30 million each quarter.	250,000	250,000
O-Bank	The loan period is from November 21, 2017 to November 21, 2022; the principal will be repaid one time on maturity date.	250,000	250,000
O-Bank	The loan period is from December 28, 2017 to December 28, 2022; the principal will be repaid one time on maturity date.	250,000	250,000
Unsecured borrowings			
The Export-Import Bank of the Republic of China	The loan period is from December 7, 2020 to January 7, 2022; the principal will be repaid one time on maturity date.	50,000	-

(Continued)

	Details	December 31 2020	December 31 2019
The Export-Import Bank of the Republic of China	The loan period is from December 14, 2020 to January 14, 2022; the principal will be repaid one time on maturity date.	$ 50,000	$ -
The Export-Import Bank of the Republic of China	The loan period is from June 14, 2019 to July 14, 2020; the principal was paid one time on maturity date.	-	70,000
O-Bank	The original loan period was from April 23, 2018 to April 23, 2020; the principal was due on the maturity date. New borrowing contract with loan period from March 23, 2020 to March 23, 2022 was signed for repayment of previous debt.	80,000	80,000
KGI Bank	Revolving loan; credit period is from September 7, 2020 to September 7, 2022.	50,000	-
KGI Bank	Revolving loan; credit period is from September 7, 2020 to September 7, 2022.	50,000	-
KGI Bank	The loan period is from March 9, 2018 to March 9, 2020; the principal was repaid one time on maturity date.	-	80,000
		1,330,000	1,480,000
Less: Current portions		(290,000)	(310,000)
Long-term borrowings		$ 1,040,000	$ 1,170,000

(Concluded)

The annual interest rates of long-term borrowings were 1.24%-1.72% and 1.40%-1.92% as of December 31, 2020 and 2019, respectively.

19. NOTES PAYABLE AND TRADE PAYABLES

	December 31 2020	December 31 2019
Notes payable		
From operating activities		
Non-related parties	$ 345,327	$ 202,062
Related parties	$ 39,596	$ 34,656
Trade payables		
From operating activities		
Non-related parties	$ 241,920	$ 124,131
Related parties	$ 20,006	$ 35,532

The Group’s notes payable and trade payables (including related parties) arise from operating activities. The average credit period for purchases is 3 months. The Group’s financial risk management policies ensure that all payables are repaid within the pre-agreed credit period.

20. OTHER PAYABLES

	December 31	
	2020	2019
Payables for salaries and bonuses	$ 87,318	$ 48,604
Payables for taxes	34,498	41,599
Payables for purchases of equipment	30,878	-
Payables for utilities expense	18,285	15,536
Payables for maintenance fee	12,570	9,759
Others	24,791	27,216
	$ 208,340	$ 142,714

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company, Dasheng Enterprise, Luckicon Ready-mixed Co., Luckyship Co, and Fuyu Development Co., Ltd. adopted the pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the entities make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group in Japan are members of the retirement benefits program operated by the government of Japan. The subsidiary must allocate a specific percentage of salary costs to the retirement benefit plan to provide funding for the plan. The Group's obligation for this government-operated retirement benefit plan is only to allocate a specific amount.

b. Defined benefit plans

The defined benefit plans adopted by the Company, Dasheng Enterprise, and Luckicon Ready-mixed Co. in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company, Dasheng Enterprise, and Luckicon Ready-mixed Co. contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amount of the Group's defined benefit plan is included in the balance sheets as follows:

	December 31	
	2020	2019
Present value of funded defined benefit obligation	$ 234,543	$ 255,484
Fair value of plan assets	(198,158)	(215,667)
Net defined benefit liabilities	$ 36,385	$ 39,817

The above net defined benefit liabilities are the net amount of defined benefit assets (reported as other non-current assets) of $413 thousand and $311 thousand and defined benefit liabilities of $36,798 thousand and $40,128 thousand as of December 31, 2020 and December 31, 2019, respectively.

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2019	$ 269,426	$ (208,600)	$ 60,826
Service costs			
Current service costs	1,909	-	1,909
Net interest expense (income)	2,357	(1,833)	524
Recognized in profit or loss	4,266	(1,833)	2,433
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(8,440)	(8,440)
Actuarial (gain) loss			
Changes in financial assumptions	4,676	-	4,676
Experience adjustments	(1,678)	-	(1,678)
Recognized in other comprehensive income	2,998	(8,440)	(5,442)
Contributions from the employer	-	(18,000)	(18,000)
Benefit paid	(21,206)	21,206	-
Balance at December 31, 2019	$ 255,484	$ (215,667)	$ 39,817
Balance at January 1, 2020	$ 255,484	$ (215,667)	$ 39,817
Service costs			
Current service costs	1,598	-	1,598
Net interest expense (income)	1,583	(1,340)	243
Recognized in profit or loss	3,181	(1,340)	1,841
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,541)	(7,541)
Actuarial loss			
Changes in financial assumptions	4,199	-	4,199
Experience adjustments	962	-	962
Recognized in other comprehensive income	5,161	(7,541)	(2,380)
Contributions from the employer	-	(2,893)	(2,893)
Benefit paid	(29,283)	29,283	-
Balance at December 31, 2020	$ 234,543	$ (198,158)	$ 36,385

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

	For the Year Ended December 31	
	2020	2019
Operating costs	$ 1,436	$ 1,695
Selling and marketing expenses	179	275
General and administrative expenses	226	463
	$ 1,841	$ 2,433

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

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

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2020	**2019**
Discount rate	0.375%	0.625%
Expected rate of salary increase	1.250%	1.250%

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

	December 31	
	2020	**2019**
Discount rate		
0.25% increase	$ (4,199)	$ (4,677)
0.25% decrease	$ 4,316	$ 4,814
Expected rate of salary increase		
0.25% increase	$ 4,202	$ 4,696
0.25% decrease	$ (4,110)	$ (4,586)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2020	**2019**
Expected contributions to the plans for the next year	$ 1,910	$ 1,995
Average duration of the defined benefit obligation	3.7-7.3 years	4.6-7.6 years

22. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2020	2019
Number of shares authorized (in thousands)	498,646	498,646
Shares authorized	$ 4,986,460	$ 4,986,460
Number of shares issued and fully paid (in thousands)	404,738	404,738
Shares issued	$ 4,047,380	$ 4,047,380

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

b. Capital surplus

	December 31	
	2020	2019
May be used to offset a deficit, pay cash dividends or increase capital*		
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition (Note 12)	$ 1	$ -
May be used only to offset a deficit		
Changes in percentage of ownership interests in subsidiaries	8	8
	$ 9	$ 8

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

c. Retained earnings and dividend policy

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

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

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

The Company's Articles stipulate that in the allocation of annual earnings, the Group shall first appropriate 10% of earnings to legal reserve and then appropriate to special reserve amount to cover deduction items in the equity, payment of business tax and to make up for past annual loss. From the remaining amount after the above allocation plus 40%-80% of unappropriated earnings in the previous year, no distribution will be made if the amount is less than NT$0.1 per share but will be retained in the unappropriated earnings. The board of directors shall propose distribution of dividends and the shareholders in their meeting shall approve the proposal. Refer to Note 24 (8), employee benefits, for the revised policy on the remuneration of employees and directors.

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

The Company shall appropriate to or reverse from special reserve pursuant to the provisions set forth in the Letter No. Jin-Kuang-Fa-Tzi No. 1010012865, Letter No. Jin-Kuang-Fa-Tzi No. 1010047490 and "Following the adoption of International Financial Reporting Standards, questions and answers on special reserve". When a deduction item in equity is reversed, the reversed amount may be allocated to capital surplus.

Legal reserve shall be appropriated until its balance reaches the gross amount of paid-in capital of the Company. Legal reserve shall be used to offset loss. If there is no loss, legal reserve in excess of 25% of the total paid-in capital may be transferred to capital or distributed in cash.

In their meeting on June 12, 2019, the Company's shareholders adopted a loss recovery plan for 2018 and there was no distribution of dividends.

On November 12, 2019, the Company's board of directors decided not to distribute dividends from the first half of 2019.

The appropriations of 2019 earnings have been resolved in the board of directors' meeting held on March 24, 2020 and approved in the shareholders' meeting held on June 18, 2020. The appropriation of earnings and dividend per share were as follows:

	Appropriation of Earnings	**Dividend Per Share**
Legal reserve	$ 4,590	
Special reserve	(3,121)	
Cash dividends	60,711	$0.15

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

The appropriation of earnings and dividend per share for 2020 that were approved in the board of directors' meeting on March 26, 2021 were as follows:

	Appropriation of Earnings	Dividend Per Share
Legal reserve	$ 39,625	
Cash dividends	283,317	$0.70

The above appropriation for cash dividends had been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 16, 2021.

d. Special reserve

	For the Year Ended December 31	
	2020	2019
Beginning at January 1	$ 17,256	$ 17,376
Reversals:		
Reversal of the debits to other equity items	(3,121)	(120)
Balance at December 31	$ 14,135	$ 17,256

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

e. Other equity items

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 7,450	$ 7,660
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	25	(210)
Balance at December 31	$ 7,475	$ 7,450

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ (3,444)	$ (10,781)
Recognized for the year		
Unrealized gain (loss) - debt instruments	24	808
Unrealized gain (loss) - equity instruments	1,997	41,995
Other comprehensive income recognized for the year	2,021	42,803
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(1,597)	(35,466)
Balance at December 31	$ (3,020)	$ (3,444)

f. Non-controlling interest

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 77	$ 78
Attributable to non-controlling interests		
Share of losses for the year	-	(1)
Changes in ownership interest in subsidiaries	(3)	-
Balance at December 31	$ 74	$ 77

23. REVENUE

a. Segmentation of customer contract revenue

	For the Year Ended December 31	
	2020	2019
Cement	$ 2,074,180	$ 1,805,498
Cement products	1,669,310	1,242,991
Stone materials	322,445	281,628
Others	464,237	401,579
	$ 4,530,172	$ 3,731,696

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

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable (Note 10)	$ 573,958	$ 488,761	$ 317,921
Notes receivable from related parties (Note 10)	$ 235	$ 4,972	$ 5,170
Trade receivables (Note 10)	$ 492,996	$ 412,120	$ 262,504
Trade receivables from related parties (Note 10)	$ 5,764	$ 7,450	$ 11,140
Contract liability			
Cement sales	$ 333,095	$ 259,431	$ 198,806

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

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

	For the Year Ended December 31	
	2020	2019
Contract liability at the beginning of the year		
Cement sales	$ 259,431	$ 198,806

24. NET PROFIT

a. Other operating income and expenses

	For the Year Ended December 31	
	2020	2019
(Loss) gains on disposals of property, plant and equipment	$ (8,959)	$ 4,120

b. Interest income

	For the Year Ended December 31	
	2020	2019
Bank deposits	$ 1,291	$ 1,759
Investments in debt instruments at FVTOCI	300	313
	$ 1,591	$ 2,072

c. Other income

	For the Year Ended December 31	
	2020	2019
Revenue from dividends	$ 3,720	$ 5,393
Others	8,629	3,537
	$ 12,349	$ 8,930

d. Other expenses

	For the Year Ended December 31	
	2020	2019
Depreciation of leased assets	$ 6,150	$ 6,207
Others	4,298	3,377
	$ 10,448	$ 9,584

e. Interest expense

	For the Year Ended December 31	
	2020	2019
Bank loan/related party loans	$ 30,389	$ 37,634
Interest on lease liabilities	1,557	2,144
	$ 31,946	$ 39,778

f. Depreciation, amortization and depletion

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	$ 142,959	$ 186,430
Right-of-use assets	51,253	52,206
Long-term prepaid expenses	12,455	11,748
Limestone mining rights	5	2
	$ 206,672	$ 250,386
Depreciation by function		
Operating costs	$ 142,625	$ 187,071
Operating expenses	45,437	45,358
Non-operating expenses	6,150	6,207
	$ 194,212	$ 238,636
Amortization by function		
Operating costs	$ 6,236	$ 5,240
Operating expenses	6,219	6,508
	$ 12,455	$ 11,748
Depletion by function		
Operating costs	$ 5	$ 2

g. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Post-employment benefits		
Defined contribution plan	$ 13,062	$ 12,493
Defined benefit plan (Note 21)	1,841	2,433
	14,903	14,926
Other employee benefits	414,942	367,581
Total employee benefits expense	$ 429,845	$ 382,507
An analysis of employee benefits expense by function		
Operating costs	$ 284,195	$ 273,565
Operating expenses	145,650	108,942
	$ 429,845	$ 382,507

h. Compensation of employees and remuneration of directors

The Company shall appropriate 3% and not less than 5% of the profit before tax and before deduction of compensation of employees and remuneration of directors in the current year. The compensation of employees and the remuneration of directors for the years ended December 31, 2020 and 2019 are estimated as follows:

Accrual rate

	For the Year Ended December 31	
	2020	**2019**
Compensation of employees	3%	3%
Remuneration of directors	5%	5%

Amount

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

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

Information on compensation of employees and remuneration of directors resolved by the Group's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2020	**2019**
Foreign exchange gains	$ 2,853	$ 3,553
Foreign exchange losses	(988)	(1,811)
	$ 1,865	$ 1,742

25. INCOME TAXES

a. Major components of tax expense recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current year	$ 47,009	$ 2,419
Income tax on unappropriated earnings	684	-
Adjustments for prior year	86	13
	47,779	2,432
Deferred tax		
In respect of the current year	4,360	5,578
Income tax expense recognized in profit or loss	$ 52,139	$ 8,010

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2020	2019
Profit before tax	$ 444,408	$ 53,914
Income tax expense calculated at the statutory rate	$ 88,882	$ 10,783
Nondeductible expenses (nontaxable income) in determining taxable income	(20,488)	2,680
Unrecognized deductible temporary differences and loss carryforwards	(13,700)	(3,411)
Tax-exempt income	(3,890)	(3,435)
Income tax on unappropriated earnings	684	-
Land value increment tax	565	-
Basic tax payable difference	-	1,380
Adjustments for prior years' tax	86	13
Income tax expense recognized in profit or loss	$ 52,139	$ 8,010

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

b. Current tax assets and liabilities

	December 31	
	2020	2019
Current tax assets		
Tax refund receivable	$ -	$ 17,607
Current tax liabilities		
Income tax payable	$ 46,463	$ 2,149

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Pension limit exceeded	$ 18,458	$ (208)	$ 18,250
Investment loss under equity method	57,295	4,528	61,823
Unrealized inventory valuation loss	13,961	(189)	13,772
Unrealized foreign exchange loss	30	53	83
Allowance for impairment loss	6,640	(366)	6,274
Impairment loss on financial assets at FVTOCI	4,700	-	4,700
Gross profit from advance receipts with issued bill of lading	2,102	505	2,607
	103,186	4,323	107,509
Tax loss	24,459	(11,812)	12,647
	$ 127,645	$ (7,489)	$ 120,156
Deferred tax liabilities			
Temporary differences			
Accelerated depreciation of fixed assets	$ 23,792	$ (3,162)	$ 20,630
Unrealized foreign exchange gain	-	33	33
	$ 23,792	$ (3,129)	$ 20,663

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Pension limit exceeded	$ 22,004	$ (3,546)	$ 18,458
Investment loss under equity method	43,100	14,195	57,295
Unrealized inventory valuation loss	15,603	(1,642)	13,961
Unrealized foreign exchange loss	27	3	30
Allowance for impairment loss	7,751	(1,111)	6,640
Impairment loss on financial assets at FVTOCI	5,847	(1,147)	4,700
Gross profit from advance receipts with issued bill of lading	387	1,715	2,102
	94,719	8,467	103,186
Tax loss	48,647	(24,188)	24,459
	$ 143,366	$ (15,721)	$ 127,645

(Continued)

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax liabilities			
Temporary differences			
Accelerated depreciation of fixed assets	$ 33,847	$ (10,055)	$ 23,792
Unrealized foreign exchange gain	88	(88)	-
	$ 33,935	$ (10,143)	$ 23,792

(Concluded)

d. Income tax assessments

The income tax returns through 2018 of the Company and its subsidiaries, Luckicon Ready-mixed Co. and Luckyship Marine Co., have been assessed by the tax authorities and there is no significant difference between the reported amounts and the assessed amounts. The income tax returns through 2019 of Dasheng Enterprise Co. and Fuyu Development Co. have been assessed by the tax authorities and there is no significant difference between the reported amounts and the assessed amounts.

26. EARNINGS PER SHARE

The net profit and the weighted-average number of ordinary shares used to calculate the earnings per share were as follows:

Net Profit

	For the Year Ended December 31	
	2020	2019
Net profit for the year	$ 392,269	$ 45,905

Earnings Per Share

(In Thousands of Shares)

	For the Year Ended December 31	
	2020	2019
Weighted average number of ordinary shares used in the computation of basic earnings per share	404,738	404,738
Effect of potentially dilutive ordinary shares		
Compensation of employees	1,131	184
Weighted average number of ordinary shares used in the computation of diluted earnings per share	405,869	404,922

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

27. CASH FLOW INFORMATION

The following are the Group's non-cash investing activities which were not reflected in the consolidated statements of cash flows for the years ended December 31, 2020 and 2019:

	For the Year Ended December 31	
	2020	2019
Partial cash generated from disposal of financial assets at FVTOCI		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 28,596	$ 219,199
Changes in receivable from sale of securities (reported as other receivables)	8,577	(21,393)
Cash received	$ 37,173	$ 197,806
Partial cash payments for purchase of PP&E		
Acquisition of property, plant and equipment	$ 650,577	$ 22,195
Net changes in prepayments for business facilities	34,466	-
Net changes in payable for purchase of land (reported as notes payable)	(30,878)	-
Cash paid	$ 654,165	$ 22,195
Partial cash generated from disposal of PP&E		
Proceeds from disposal of property, plant and equipment	$ 1,380	$ 4,120
Changes in receivable from sale of property, plant and equipment (reported as other receivables)	(1,300)	-
Cash received	$ 80	$ 4,120
Partial cash generated from dividends income		
Dividend income	$ 3,720	$ 5,393
Net changes in dividends receivable (reported as other receivables)	(621)	-
Cash received	$ 3,099	$ 5,393

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2020

			Non-cash Changes				
	January 1, 2020	Cash Flows	New Lease	Lease Decrease	Discount Amortization	Others	Balance at December 31, 2020
Short-term borrowings	$ 232,700	$ 87,300	$ -	$ -	$ -	$ -	$ 320,000
Short-term bills payable	219,465	(30,000)	-	-	123	-	189,588
Long-term borrowings	1,480,000	(150,000)	-	-	-	-	1,330,000
Other payables to related parties	47,081	70,000	-	-	-	7,057	124,138
Guarantee deposits received	30,800	1,904	-	-	-	-	32,704
Lease liabilities	130,783	(51,753)	1,887	(675)	-	-	80,242
	$ 2,140,829	$ (72,549)	$ 1,887	$ (675)	$ 123	$ 7,057	$ 2,076,672

For the year ended December 31, 2019

	Balance at January 1, 2019	Cash Flows	Non-cash Changes: New Lease	Non-cash Changes: Discount Amortization	Others	Balance at December 31, 2019
Short-term borrowings	$ 852,651	$ (619,951)	$ -	$ -	$ -	$ 232,700
Short-term bills payable	219,736	-	-	(271)	-	219,465
Long-term borrowings	1,171,638	308,362	-	-	-	1,480,000
Other payables to related parties	46,957	-	-	-	124	47,081
Guarantee deposits received	29,431	1,369	-	-	-	30,800
Lease liabilities	168,565	(51,014)	13,232	-	-	130,783
	$ 2,488,978	$ (361,234)	$ 13,232	$ (271)	$ 124	$ 2,140,829

28. CAPITAL MANAGEMENT

The Group manages capital by optimizing the debt and equity balance to be able to continue as going concerns and able to pay dividends to shareholders.

29. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2020

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

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 15,562	$ -	$ 9,598	$ 25,160
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 15,977	$ -	$ -	$ 15,977
Unlisted shares	-	-	19,733	19,733
Investments in debt instruments				
Corporate bonds	6,061	-	-	6,061
	$ 22,038	$ -	$ 19,733	$ 41,771

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

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

For the year ended December 31, 2020

	Financial Assets at FVTPL - Beneficiary Certificates	Financial Assets at FVTOCI - Equity Instruments	Total
Balance at January 1, 2020	$ 9,598	$ 19,733	$ 29,331
Purchases	-	4,371	4,371
Return of shares after capital reduction	-	(5,125)	(5,125)
Sale/settlements	-	(326)	(326)
Recognized in profit or loss (included in loss on financial assets at FVTPL)	(864)	-	(864)
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	-	(3,659)	(3,659)
Balance at December 31, 2020	$ 8,734	$ 14,994	$ 23,728

For the year ended December 31, 2019

	Financial Assets at FVTPL - Beneficiary Certificates	Financial Assets at FVTOCI - Equity Instruments	Total
Balance at January 1, 2019	$ 6,535	$ 19,015	$ 25,550
Recognized in profit or loss (included in gain on financial assets at FVTPL)	3,063	-	3,063
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	-	718	718
Balance at December 31, 2019	$ 9,598	$ 19,733	$ 29,331

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

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

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

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

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

c. Categories of financial instruments

	December 31	
	2020	2019
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 20,030	$ 25,160
Financial assets at amortized cost (1)	1,695,200	1,481,491
Financial assets at FVTOCI		
Equity instruments	43,207	35,710
Debt instruments	5,913	6,061
Financial liabilities		
FVTPL		
Amortized cost (2)	2,729,803	2,458,938

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

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

d. Financial risk management objectives and policies

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

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

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

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets (including those eliminated on consolidation) at the end of the year are set out in Note 34.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

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

	USD Impact		**RMB Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2020	**2019**	**2020**	**2019**
Profit or loss	$ 1,062	$ (419)	$ (359)	$ (347)
Equity	(296)	(303)	-	-

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

b) Interest rate risk

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

	December 31	
	2020	2019
Cash flow interest rate risk		
Financial assets	$ 456,409	$ 386,965
Financial liabilities	1,917,588	1,932,165

Sensitivity analysis

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

Had interest rates increased/decreased by 25 basis points, the profit before tax in 2020 and 2019 would have decreased/increased by $3,653 thousand and $3,863 thousand, respectively, with all other variables held constant; the non-derivative instruments include floating rate loan, demand deposit and restricted asset.

2) Credit risk

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

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

The following table shows the maximum exposure to endorsement made by the Group:

	December 31			
	2020		2019	
	Carrying Amount	Largest Exposed Amount	Carrying Amount	Largest Exposed Amount
Off-balance sheet commitments and guarantee				
Endorsement for subsidiary	$ -	$ 1,003,815	$ -	$ 703,800

3) Liquidity risk

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

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

a) Liquidity and interest rate risk table

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

December 31, 2020

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

December 31, 2019

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities		$ 260,664	$ 180,887	$ 20,765	$ 457	$ 64,000
Lease liabilities	1.55	8,870	4,311	38,803	81,546	-
Variable interest rate liabilities	1.82	1,000	124,645	636,520	1,170,000	-
		$ 270,534	$ 309,843	$ 696,088	$ 1,252,003	$ 64,000

b) Financing facilities

	December 31 2020	December 31 2019
Unsecured facilities		
Amount used	$ 556,543	$ 410,000
Amount unused	160,665	625,896
	$ 717,208	$ 1,035,896
Secured facilities		
Amount used	$ 1,345,000	$ 1,602,050
Amount unused	1,819,800	1,266,551
	$ 3,164,800	$ 2,868,601

30. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties

Related Party Name	Related Party Category
Other related party	
Yung-Sheng Development Enterprise Co., Ltd. ("Yung-Sheng Development")	The chairman is also the chairman of the Company
Liang-Chuan Cultural and Educational Foundation ("Liang-Chuan Foundation")	The chairman is also the chairman of the Company
Fudong Freight Co., Ltd. ("Fudong Freight")	The chairman is first-degree relative of the chairman of the Company
East Life Biotech Co., Ltd. ("East Life Biotech")	The chairman is also the chairman of the Company
Jia Fu Entertainment Co., Ltd. ("Jia Fu Entertainment")	The chairman is first-degree relative of the chairman of the Company
Wantong Product Insurance Brokerage Co., Ltd. ("Wantong Product Insurance")	The chairman is first-degree relative of the chairman of the Company
Lucky Construction Co., Ltd. ("Lucky Construction")	The chairman is first-degree relative of the chairman of the Company
Kuochuan Development Co., Ltd. ("Kuochuan Development")	The chairman is first-degree relative of the chairman of the Company
Changheng Investment Co. ("Changheng Investment")	The company is major shareholder of the Company
Jinli Investment Co., Ltd. ("Jinli Investment")	The company is major shareholder of the Company
Cheng Haibin	The person is third-degree relative of the chairman of the Company
Fuan Mining Co., Ltd. ("Fuan Mining")	A manager in the company is spouse of a first-degree relative of the chairman of the Company

b. Business transaction

Line Item	Related Party Name	For the Year Ended December 31 2020	2019
Sale of goods	Other related parties	$ 84,450	$ 72,797
Purchases of goods	Fuan Mining	$ 297,363	$ 253,837
	Other related parties	52,422	53,160
		$ 349,785	$ 306,997
Operating costs - transportation expenses	Other related parties	$ 46,730	$ 15,713
Operating costs - manufacturing expenses	Other related parties	$ 307	$ -
Operating expenses	Other related parties	$ 2,987	$ 2,862
Other income	Other related parties	$ 586	$ -

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

c. Receivables from related parties

Line Item	Related Party Name	December 31 2020	December 31 2019
Notes receivable	Fudong Freight	$ 235	$ 199
	Yung-Sheng Development	-	4,773
		$ 235	$ 4,972
Trade receivables	Fuan Mining	$ 4,651	$ 7,342
	Yung-Sheng Development	1,113	108
		$ 5,764	$ 7,450
Other receivables	Other related parties	$ 313	$ 155

The outstanding trade receivables from related parties are unsecured. As of December 31, 2020 and 2019, no impairment losses were recognized for trade receivables from related parties.

d. Payables to related parties

Line Item	Related Party Name	December 31 2020	December 31 2019
Notes payable (excluding loan from related parties)	Fuan Mining	$ 23,763	$ 28,810
	Fudong Freight	7,828	5,846
	Other related parties	5	-
		$ 31,596	$ 34,656
Trade payables	Fuan Mining	$ 16,876	$ 26,000
	Fudong Freight	3,130	9,532
		$ 20,006	$ 35,532
Other payables - current (excluding loan from related parties)	Fudong Freight	$ 8,145	$ 1,203
	Other related parties	144	78
		$ 8,289	$ 1,281

The outstanding trade payables to related parties are unsecured.

e. Loan from related parties

Line Item	Related Party Name	December 31 2020	December 31 2019
Notes payable	Fuan Mining	$ 8,000	$ -
Other payables - current	Fuan Mining	$ 70,049	$ -
Other payables - non-current	Cheng Haibin	$ 45,800	$ 45,800
Interest expense	Other related parties	$ 381	$ 102

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

f. Lease arrangements

Lease arrangements - the Group is lessor under operating leases

Future lease payments receivable are as follows:

Related Party Category/Name	December 31 2020	December 31 2019
Fudong Freight	$ 1,968	$ 2,274
Other related parties	144	132
	$ 2,112	$ 2,406

Lease income was as follows:

Related Party Category/Name	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Fudong Freight	$ 2,323	$ 2,274
Other related parties	132	132
	$ 2,455	$ 2,406

The rental amounts and collection methods are negotiated.

g. Remuneration of key management personnel

Type of Remuneration	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Short-term employee benefits	$ 43,057	$ 21,169
Post-employment benefits	519	463
	$ 43,576	$ 21,632

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

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2020	2019
Property under development (reported as inventories)	$ 3,093,669	$ 3,073,626
Property, plant and equipment	935,824	782,986
Restricted assets (reported as financial assets at amortized cost)	258,242	218,849
	$ 4,287,735	$ 4,075,461

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

a. As of December 31, 2020, the Group has signed a contract for purchase of machinery and equipment and transportation equipment; the unpaid amount is $328,805 thousand.

b. As of December 31, 2020 and 2019, unused letters of credit for purchases of raw materials amounted to approximately $61,543 thousand and $0, respectively.

33. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2020

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

December 31, 2019

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 279	29.98 (USD:NTD)	$ 8,373
RMB	1,610	4.305 (RMB:NTD)	6,930
Non-monetary item			
USD	320	28.48 (USD:NTD)	9,598

Foreign exchange gains (realized and unrealized) of the Group in 2020 and 2019 were $1,865 thousand and $1,742 thousand, respectively. Because of the variety of foreign currency transactions, it is not practical to disclose exchange gains and losses by foreign currency.

35. ADDITIONAL DISCLOSURES

a. Information about significant transactions:

1) Financing provided to others: Please see Table 1 attached;

2) Endorsements/guarantees provided: Please see Table 2 attached;

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Please see Table 3 attached;

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

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: Please see Table 4 attached;

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please see Table 5 attached;

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None;

9) Trading in derivative instruments: None;

10) Intercompany relationships and significant intercompany transactions: Please see Table 7 attached.

b. Information on investees: Please see Table 6 attached.

c. Information on investments in mainland China

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

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

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

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

      c) The amount of property transactions and the amount of the resultant gains or losses.

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

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

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

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Please see Table 8 attached.

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.

a. Revenue of segments and operating results

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

	Income of Segments		Profit/Loss of Segments	
	2020	2019	2020	2019
Cement segment	$ 4,481,068	$ 3,666,258	$ 476,777	$ 116,243
Other segment	49,104	65,438	(29,302)	(38,361)
Total amount of business unit	$ 4,530,172	$ 3,731,696	447,475	77,882
Interest income			1,591	2,072
Rent income			8,336	8,965
Other income			12,349	8,930
Foreign exchange gains			1,865	1,742
(Gain) loss from financial assets measured at FVTPL			(538)	3,685
Gain on disposal of non-current assets held for sale			15,724	-
Other expenses			(10,448)	(9,584)
Interest expense			(31,946)	(39,778)
Profit before tax			$ 444,408	$ 53,914

The revenue of segments reported above is generated from external client exchange. There is no selling between segments in 2020 and 2019.

The revenue of segments means the profits earned by each segment, excluding interest income which shall be apportioned, rent income, other income, foreign exchange gains, gains or losses from financial assets measured at FVTPL, gain on disposal of non-current assets held for sale, other expense and interest expense.

b. Total assets and liabilities of segments

	December 31	
	2020	2019
Segment assets		
Operating segment		
Cement segment	$ 4,772,255	$ 4,081,748
Other segment	3,255,052	3,247,129
Total assets	$ 8,027,307	$ 7,328,877
Segment liabilities		
Operating segment		
Cement segment	$ 2,649,731	$ 2,337,236
Other segment	720,657	670,704
Total liabilities	$ 3,370,388	$ 3,007,940

c. Geographic information

The Group's main operating area is in the Republic of China.

d. Main customer’s information

The sales revenue amounted to NT$4,530,172 thousand and NT$3,731,696 thousand in 2020 and 2019. In 2020 and 2019, there was no revenue from a single customer that exceeded 10% of the Group’s total revenue.

LUCKY CEMENT CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account	Maximum Balance in Current Period	Related Party	Ending Balance (Note 4)	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 3)
													Name	Value		
0	Lucky Cement Co.	Dasheng Enterprise	Other receivables from related parties	$ 200,000	Yes	$ 200,000	$ 61,150	1.6798%	b.	$ -	Operating turnover	$ -	-	-	$ 465,685	$ 1,862,738
		Luckyship Marine Co.	Other receivables from related parties	30,000	Yes	20,000	-	1.6798%	b.	-	Operating turnover	-	-	-	465,685	1,862,738
		Lucky Cement Corp., Japan	Other receivables from related parties	30,000	Yes	-	-	-	b.	-	Operating turnover	-	-	-	465,685	1,862,738
						$ 220,000										
1	Luckicon Ready-mixed Co.	Dasheng Enterprise	Other receivables from related parties	20,000	Yes	$ -	-	-	b.	-	Operating turnover	-	-	-	128,115	256,229

Note 1: The nature of financing is as follows:

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

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

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

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
0	Lucky Cement Co.	Dasheng Enterprise	Subsidiary	$ 1,862,738	$ 620,000	$ 620,000	$ 590,000	$ 120,000 (Note 3)	13.31%	$ 2,328,423	Y	-	-	
		Luckicon Ready-mixed Co.	Subsidiary	1,862,738	370,000	370,000	135,000	-	7.95%	2,328,423	Y	-	-	
		Luckyship Marine Co.	Subsidiary	1,862,738	45,000	-	-	-	-	2,328,423	Y	-	-	
		Lucky Cement Corp., Japan	Subsidiary	1,862,738	14,115	13,815	-	-	0.30%	2,328,423	Y	-	-	
						$ 1,003,815								

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

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2020				Note
				Shares/Units	Carrying Value	(%)	Fair Value (Notes 1 and 2)	
Lucky Cement Co.	Fund							
	FSITC Global Vedio Gaming & eSports Fund	-	Financial assets at FVTPL - current	500,000	$ 5,320	-	$ 5,320	
	O-Bank No.1 Real Estate Investment Trust	-	Financial assets at FVTPL - current	100,000	970	-	970	
	Non-listed common stock							
	Jonfeng Mining Co., Ltd	-	Financial assets at FVTOCI - noncurrent	1,494,708	8,879	10.58	8,879	
	WK Technology Fund	-	Financial assets at FVTOCI - noncurrent	1,156,000	5,824	2.22	5,824	
	Listed common stock							
	Taiwan Cement Corp.	-	Financial assets at FVTOCI - current	200,148	8,646	-	8,646	
	Far Eastern New Century Corporation	-	Financial assets at FVTOCI - current	200,000	5,790	-	5,790	
	U-Ming Marine Transport Corporation	-	Financial assets at FVTOCI - current	128,000	4,723	0.02	4,723	
	Winbond Electronics Corp.	-	Financial assets at FVTOCI - current	130,181	3,782	-	3,782	
	United Microelectronics Corporation	-	Financial assets at FVTOCI - current	72,351	3,411	-	3,411	
	Excelsior Medical Co., Ltd.	-	Financial assets at FVTOCI - current	28,628	1,695	0.02	1,695	
	China Development Financial	-	Financial assets at FVTOCI - current	13,496	126	-	126	
	First Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	917	20	-	20	
	Capital Securities Corp.	-	Financial assets at FVTOCI - current	875	12	-	12	
	Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at FVTOCI - current	446	8	-	8	
Luckyship Marine Co.	Non-listed common stock							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - noncurrent	49,007	291	0.35	291	
Luckicon Ready-mixed Co.	Fund							
	Mega Danish Covered Mortgage Bond Index Fund	-	Financial assets at FVTPL - current	500,000	5,006	-	5,006	
	TSG Phnom Penh Real Estate Development Fund	-	Financial assets at FVTPL - noncurrent	500	8,734	0.61	8,734	
	Corporate bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	-	Financial assets at FVTOCI - current	-	5,913	-	5,913	

Note 1: Financial assets at FVTPL: Fair value is based on the net asset value of funds on December 31, 2020.

Note 2: Financial assets at FVTOCI: Fair value of listed stocks is based on stock closing price on December 31, 2020. Fair value of corporate bond is based on market price on December 31, 2020. Fair value of non-listed stocks is estimated by the fair value evaluation method.

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

LUCKY CEMENT CO. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Luckicon Ready-mixed Co.	24 lots of land with land serial No. 470, etc. located in Sanjiaopu Shulin District of New Taipei City	March 20, 2020 (Note 1)	$ 590,129 (Note 2)	Paid	Natural person who is not a related party of the Group	N/A	-	-	-	$ -	Negotiated based on the appraisal report and later resolved in the board of directors' meeting.	Factory use	N/A

Note 1: It is the date of the resolution of the board of Luckicon Ready-mixed Co.

Note 2: Refer to Note 15(c).

TABLE 5

LUCKY CEMENT CO. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable			Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Credit Period	Ending Balance		% to Total	
Lucky Cement Co.	Luckicon Ready-mixed Co.,	Subsidiary	Sale	$ (605,122)	(18.44)	About 90 days	Quite	Quite	Accounts receivable	$ 18,868	20.30	Note
									Notes receivable	26,948	5.24	
	Fuan Mining Co., Ltd.	Other related parties	Purchase	297,363	22.86	About 90 days	Agreed	Quite	Accounts payable	(16,876)	(8.71)	
									Notes payable	(23,763)	(15.99)	

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

TABLE 6

LUCKY CEMENT CO. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Address	Main Businesses and Products	Original Investment Amount (Note 3)		Balance as of December 31, 2020			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized	Note
				December 31, 2020	December 31, 2019	Number of Shares	Percentage of Ownership	Carrying Value			
Lucky Cement Co.	Dasheng Enterprise	14F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Real estate sales and lease	$ 2,167,473	$ 2,167,473	157,295,283	99.99	$ 2,280,677	$ (14,061)	$ (14,061)	
	Luckicon Ready-mixed Co.	No. 191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Ready-mixed concrete manufacture and trades	350,000	99,998	47,000,000	100.00	639,954	104,903	104,261 (Note 4)	
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Investment business	-	-	50,000	-	-	-	-	Note 2
	Lucky Cement Corp., Japan	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement trading	82,300	82,300	6,800	100.00	24,851	247	247	
	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	34,921	(8,824)	(8,826) (Note 5)	
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	8,725	3,911	3,911	

Note 1: The amounts were based on audited financial statements.

Note 2: The Company’s board of directors resolved in its meeting on December 27, 2019 to discontinue the operations of its subsidiary, Just Bright Ltd.; the cancellation is in progress.

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

Note 4: The difference is upstream transactions unrealized gain of $642 thousand.

Note 5: The difference is downstream transactions realized loss of $2 thousand.

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

LUCKY CEMENT CO. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

No	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	%of Consolidated Net Revenue or Total Assets
0	Lucky Cement Co.	Luckicon Ready-mixed Co.	a	Notes receivable	$ 26,948	About 90 days	0.34
		Luckicon Ready-mixed Co.	a	Accounts receivable	18,868	About 90 days	0.24
		Luckicon Ready-mixed Co.	a	Other receivables	128	About 90 days	-
		Luckicon Ready-mixed Co.	a	Contract liabilities	9,872	About 90 days	0.12
		Luckicon Ready-mixed Co.	a	Acquisition of transportation equipment	680	Negotiated respectively	0.01
		Luckicon Ready-mixed Co.	a	Sales	605,122	About 90 days	13.36
		Luckicon Ready-mixed Co.	a	Rental income	1,525	30 days	0.03
		Fuyu Development Company	a	Other receivables	4	About 90 days	-
		Fuyu Development Company	a	Notes payable	11	About 90 days	-
		Fuyu Development Company	a	Other payables	491	About 90 days	0.01
		Fuyu Development Company	a	Cost of sales	1,598	About 90 days	0.04
		Fuyu Development Company	a	Rental income	8,060	30 days	0.18
		Fuyu Development Company	a	Other income	1,200	30 days	0.03
		Luckyship Marine Co.	a	Other receivables	14	About 90 days	-
		Luckyship Marine Co.	a	Notes payable	1,028	About 90 days	0.01
		Luckyship Marine Co.	a	Other payables	510	About 90 days	0.01
		Luckyship Marine Co.	a	Cost of sales	19,248	About 90 days	0.42
		Luckyship Marine Co.	a	Rental income	256	30 days	0.01
		Luckyship Marine Co.	a	Interest income	184	30 days	-
		Dasheng Enterprise	a	Refundable deposits	159,000	Returned upon completion according to the contract	1.98
		Dasheng Enterprise	a	Other receivables - financing	61,150	Financing, the repayment period is one year	0.76
		Dasheng Enterprise	a	Other receivables	96	About 90 days	-
		Dasheng Enterprise	a	Rental income	80	30 days	-
		Dasheng Enterprise	a	Interest income	764	30 days	0.02
1	Luckicon Ready-mixed Co.	Dasheng Enterprise	c	Sales	425	About 90 days	0.01
		Dasheng Enterprise	c	Interest income	74	30 days	-

Note: The flow of transactions is as follows:

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

TABLE 8

LUCKY CEMENT CO.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020

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

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

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