Lucky Cement Co. and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2020 and 2019 and Independent Auditors' Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Lucky Cement Co.

Introduction

We have reviewed the accompanying consolidated balance sheets of Lucky Cement Co. and its subsidiaries (collectively, the "Group") as of September 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2020 and 2019, combined total assets of these non-significant subsidiaries were NT$78,623 thousand and NT$95,736 thousand, respectively, both representing 1%, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$8,074 thousand and NT$13,325 thousand, respectively, both representing 0%, of the consolidated total liabilities; for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the amounts of combined comprehensive loss of these subsidiaries were NT$2,001 thousand, NT$2,192 thousand, NT$4,263 thousand and NT$5,896 thousand, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of September 30, 2020 and 2019, its consolidated financial performance for the three months ended September 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 11, 2020

<u>*Notice to Readers*</u>

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)		September 30, 2019 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash (Note 6)	$ 266,151	4	$ 233,426	3	$ 219,519	3
Financial assets at fair value through profit or loss - current (Note 7)	15,401	-	15,562	-	15,463	-
Financial assets at fair value through other comprehensive income - current (Note 8)	44,331	1	22,038	-	76,668	1
Notes receivable (Notes 9, 24 and 32)	535,561	7	488,761	7	356,422	5
Notes receivable from related parties (Notes 9, 24 and 31)	6,094	-	4,972	-	6,084	-
Accounts receivable (Notes 9 and 24)	501,744	6	412,120	6	382,863	5
Accounts receivable from related parties (Notes 9, 24 and 31)	8,315	-	7,450	-	10,788	-
Other receivables (Notes 9 and 31)	1,098	-	88,101	1	1,847	-
Current tax assets	17,627	-	17,607	-	17,703	-
Inventories (Notes 10 and 32)	3,507,567	45	3,516,072	48	3,669,496	50
Prepayments (Note 12)	182,729	2	164,806	2	179,866	3
Non-current assets held for sale (Notes 4 and 13)	5,017	-	-	-	-	-
Other financial assets - current (Notes 14 and 32)	76,428	1	93,165	1	84,896	1
Other current assets (Note 15)	22,639	-	23,068	1	29,117	-
Total current assets	5,190,702	66	5,087,148	69	5,050,732	68
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	9,125	-	9,598	-	9,938	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	16,018	-	19,733	-	21,858	-
Property, plant and equipment (Notes 16 and 32)	2,200,512	28	1,711,806	24	1,750,229	24
Right-of-use assets (Note 17)	93,039	1	129,591	2	136,696	2
Deferred income tax assets (Note 4)	119,769	2	127,645	2	126,923	2
Refundable deposits	21,341	-	20,908	-	87,923	1
Other non-current assets (Notes 18 and 32)	222,878	3	222,448	3	213,184	3
Total non-current assets	2,682,682	34	2,241,729	31	2,346,751	32
TOTAL	$ 7,873,384	100	$ 7,328,877	100	$ 7,397,483	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 32)	$ 292,788	4	$ 232,700	3	$ 655,563	9
Short-term bills payable (Notes 19 and 32)	139,720	2	219,465	3	159,660	2
Contract liabilities (Note 24)	338,979	4	259,431	4	213,389	3
Notes payable (Note 20)	401,201	5	202,062	3	151,651	2
Notes payable to related parties (Notes 20 and 31)	71,544	1	34,656	-	52,153	1
Accounts payable (Note 20)	131,193	2	124,131	2	226,124	3
Accounts payable to related parties (Notes 20 and 31)	29,407	-	35,532	-	28,651	-
Other payables (Note 21)	159,295	2	142,714	2	116,570	1
Other payables to related parties (Note 31)	75,783	1	1,281	-	2,049	-
Current tax liabilities	34,323	-	2,149	-	960	-
Lease liabilities - current (Note 17)	41,769	1	50,494	1	48,713	1
Current portion of long-term borrowings (Notes 19 and 32)	260,000	3	310,000	4	273,237	4
Other current liabilities	1,992	-	2,516	-	3,932	-
Total current liabilities	1,977,994	25	1,617,131	22	1,932,652	26
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 32)	1,130,000	14	1,170,000	16	960,000	13
Deferred tax liabilities (Note 4)	19,183	-	23,792	-	23,618	-
Lease liabilities - non-current (Note 17)	51,555	1	80,289	1	88,858	1
Other payables to related parties (Note 31)	45,800	1	45,800	1	45,800	1
Net defined benefit liabilities (Note 4)	39,058	1	40,128	1	45,104	1
Guarantee deposits received	29,938	-	30,800	-	34,651	-
Total non-current liabilities	1,315,534	17	1,390,809	19	1,198,031	16
Total liabilities	3,293,528	42	3,007,940	41	3,130,683	42
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)						
Share capital						
Ordinary shares	4,047,380	51	4,047,380	55	4,047,380	55
Capital surplus	9	-	8	-	8	-
Retained earnings						
Legal reserve	170,899	2	166,309	3	166,309	2
Special reserve	14,135	-	17,256	-	17,256	-
Unappropriated earnings	350,716	5	85,901	1	31,113	1
Total retained earnings	535,750	7	269,466	4	214,678	3
Other equity	(3,357)	-	4,006	-	4,656	-
Total equity attributable to owners of the Corporation	4,579,782	58	4,320,860	59	4,266,722	58
NON-CONTROLLING INTERESTS	74	-	77	-	78	-
Total equity	4,579,856	58	4,320,937	59	4,266,800	58
TOTAL	$ 7,873,384	100	$ 7,328,877	100	$ 7,397,483	100

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

(With Deloitte & Touche review report dated November 11, 2020)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)								
Sales	$ 1,132,313	100	$ 925,021	100	$ 3,360,240	100	$ 2,661,105	100
Less: Discounts and allowances	(663)	-	(369)	-	(1,894)	-	(1,000)	-
Total operating revenue	1,131,650	100	924,652	100	3,358,346	100	2,660,105	100
OPERATING COSTS (Notes 10, 25 and 31)	953,906	84	835,226	91	2,787,372	83	2,473,905	93
GROSS PROFIT	177,744	16	89,426	9	570,974	17	186,200	7
OPERATING EXPENSES (Notes 25 and 31)								
Selling and marketing expenses	29,429	3	30,093	3	88,619	3	84,789	3
General and administrative expenses	31,838	3	25,323	3	99,787	3	75,421	3
Expected credit (gain) loss (Note 9)	(5,644)	(1)	1,945	-	1,958	-	9,804	-
Total operating expenses	55,623	5	57,361	6	190,364	6	170,014	6
OTHER OPERATING INCOME AND EXPENSES (Note 25)	-	-	-	-	80	-	4,120	-
PROFIT FROM OPERATIONS	122,121	11	32,065	3	380,690	11	20,306	1
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 31)								
Interest income	330	-	491	-	1,163	-	1,538	-
Rental income	1,945	-	2,227	-	6,208	-	6,682	-
Other gains	3,575	-	7,493	1	8,770	-	10,126	-
Gain on disposal of financial assets	-	-	-	-	-	-	246	-
Foreign exchange gains	954	-	69	-	308	-	1,141	-
Fair value changes of financial assets	(28)	-	(140)	-	(470)	-	3,679	-
Other losses	(2,723)	-	(2,615)	-	(7,204)	-	(7,294)	-
Interest expense	(7,370)	(1)	(9,628)	(1)	(24,273)	-	(30,124)	(1)
Total non-operating income and expenses	(3,317)	(1)	(2,103)	-	(15,498)	-	(14,006)	(1)
PROFIT BEFORE INCOME TAX	118,804	10	29,962	3	365,192	11	6,300	-
INCOME TAX EXPENSE (Notes 4 and 26)	(20,229)	(2)	(15,260)	(1)	(38,197)	(1)	(7,199)	-
NET PROFIT (LOSS)	98,575	8	14,702	2	326,995	10	(899)	-

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	$ (2,821)	-	$ 5,444	-	$ (7,298)	-	$ 39,056	2
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	44	-	(83)	-	(40)	-	839	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	56	-	56	-	(25)	-	806	-
Other comprehensive income (loss), net of income tax	(2,721)	-	5,417	-	(7,363)	-	40,701	2
TOTAL COMPREHENSIVE INCOME	$ 95,854	8	$ 20,119	2	$ 319,632	10	$ 39,802	2
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Shareholders of Lucky Cement Co.	$ 98,575	9	$ 14,702	2	$ 326,995	10	$ (899)	-
Non-controlling interests	-	-	-	-	-	-	-	-
	$ 98,575	9	$ 14,702	2	$ 326,995	10	$ (899)	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Shareholders of Lucky Cement Co.	$ 95,854	8	$ 20,119	2	$ 319,632	10	$ 39,802	2
Non-controlling interests	-	-	-	-	-	-	-	-
	$ 95,854	8	$ 20,119	2	$ 319,632	10	$ 39,802	2
EARNINGS (LOSS) PER SHARE (Note 27)								
Basic	$ 0.24		$ 0.04		$ 0.81		$ -	
Diluted	$ 0.24		$ 0.04		$ 0.81		$ -	

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

(With Deloitte & Touche review report dated November 11, 2020) (Concluded)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Shareholders of Lucky Cement Co.									
			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT 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 loss for the nine months ended September 30, 2019	-	-	-	-	(899)	-	-	(899)	-	(899)
Other comprehensive income for the nine months ended September 30, 2019	-	-	-	-	-	839	39,862	40,701	-	40,701
Total comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	(899)	839	39,862	39,802	-	39,802
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	32,924	-	(32,924)	-	-	-
BALANCE AT SEPTEMBER 30, 2019	$ 4,047,380	$ 8	$ 166,309	$ 17,256	$ 31,113	$ 8,499	$ (3,843)	$ 4,266,722	$ 78	$ 4,266,800
BALANCE AT JANUARY 1, 2020	$ 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)	-	-	-	-	-
Special reserve	-	-	-	(3,121)	3,121	-	-	-	-	-
Cash dividends distributed by Lucky Cement Co.	-	-	-	-	(60,711)	-	-	(60,711)	-	(60,711)
Net profit for the nine months ended September 30, 2020	-	-	-	-	326,995	-	-	326,995	-	326,995
Other comprehensive loss for the nine months ended September 30, 2020	-	-	-	-	-	(40)	(7,323)	(7,363)	-	(7,363)
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	326,995	(40)	(7,323)	319,632	-	319,632
Acquisitions of subsidiaries	-	1	-	-	-	-	-	1	(3)	(2)
BALANCE AT SEPTEMBER 30, 2020	$ 4,047,380	$ 9	$ 170,899	$ 14,135	$ 350,716	$ 7,410	$ (10,767)	$ 4,579,782	$ 74	$ 4,579,856

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

(With Deloitte & Touche review report dated November 11, 2020)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2020	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 365,192	$ 6,300
Adjustments for:		
Depreciation expense	145,100	186,458
Amortization expense	9,254	8,911
Expected credit loss	1,958	9,804
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	470	(3,679)
Interest expense	24,273	30,124
Interest income	(1,163)	(1,538)
Dividend income	(3,099)	(5,289)
Gain on disposal of property, plant and equipment	(80)	(4,120)
Gain on disposal of financial assets	-	(246)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	164	28,429
Notes receivable	(46,800)	(38,501)
Notes receivable from related parties	4,773	(914)
Accounts receivable	(91,862)	(130,163)
Accounts receivable from related parties	(865)	352
Other receivables	(30)	3,788
Inventories	8,505	(58,526)
Prepayments	(17,923)	1,407
Other current assets	429	842
Other non-current assets	271	-
Contract liabilities	79,548	14,583
Notes payable	59,272	3,305
Notes payable to related parties	36,888	8,559
Accounts payable	7,062	111,265
Accounts payable to related parties	(6,125)	5,111
Other payables	16,947	(1,841)
Other payables to related parties	4,455	892
Other current liabilities	(524)	163
Net defined benefit liabilities	(1,070)	(15,722)
Cash generated from operations	595,020	159,754
Interest received	1,886	1,470
Interest paid	(24,337)	(29,962)
Income tax received (paid)	(2,776)	3,234
Net cash generated from operating activities	569,793	134,496

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2020	**2019**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (31,109)	$ (56,930)
Proceeds from sale of financial assets at fair value through other comprehensive income (Note 28)	21,393	159,560
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	5,125	-
Payments for property, plant and equipment (Note 28)	(460,546)	(20,739)
Proceeds from disposal of property, plant and equipment	80	4,120
Increase in refundable deposits	(433)	-
Decrease in refundable deposits	-	2,428
Decrease in other receivables	65,000	-
Decrease in other financial assets	16,737	23,336
Increase in other non-current assets	(15,516)	(2,475)
Other dividends received	3,099	5,289
Net cash (used in) generated from investing activities	(396,170)	114,589
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	60,088	-
Decrease in short-term borrowings	-	(197,088)
Decrease in short-term bills payable	(80,000)	(60,000)
Repayment of the principal portion of lease liabilities	(39,377)	(38,738)
Proceeds from long-term borrowings	100,000	70,000
Repayments of long-term borrowings	(190,000)	(8,401)
Increase in guarantee deposits received	-	5,220
Decrease in guarantee deposits received	(862)	-
Cash dividends paid	(60,711)	-
Acquisition of subsidiaries	(2)	-
Increase in other payables to related parties	70,000	-
Net cash used in financing activities	(140,864)	(229,007)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(34)	639
NET INCREASE IN CASH	32,725	20,717
CASH AT THE BEGINNING OF THE PERIOD	233,426	198,802
CASH AT THE END OF THE PERIOD	$ 266,151	$ 219,519

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

(With Deloitte & Touche review report dated November 11, 2020) (Concluded)

LUCKY CEMENT CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

Lucky Cement Corporation (the “Parent Company”) was established in 1974. The Parent Company’s shares are listed and traded on the Taiwan Stock Exchange since June 1990, and its main business is to manufacture and sell Portland cement.

The accompanying consolidated financial statements of the Parent Company and its subsidiaries (collectively, the “Group”) are presented in the Parent Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Parent Company’s board of directors on November 11, 2020.

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 any material impact on the Group’s accounting policies.

b. 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 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
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

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

(Concluded)

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 first annual reporting period beginning on or after January 1, 2022.

Note 4: 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 5: 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

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

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.

The fair value measurements, which 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, 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. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and the entities controlled by the Parent 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 dates of acquisitions up to the effective dates of disposals, 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 Parent Company. 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 Parent 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 Parent Company.

See Note 11 and Note 35(7) for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2019.

1) Retirement benefits

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

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

3) 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. Recognition of depreciation of those assets would cease.

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, estimations 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 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 period in which the estimates are revised if the revisions affect only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

In the application of the Group's accounting policies, estimates and underlying assumptions, management of the Group did not recognize critical accounting judgments and key sources of estimation uncertainty.

6. CASH

	September 30, 2020	December 31, 2019	September 30, 2019
Cash on hand and revolving funds	$ 1,470	$ 1,528	$ 1,518
Checking accounts and demand deposits	263,818	224,498	167,856
Foreign currency demand deposits	863	7,400	50,145
	$ 266,151	$ 233,426	$ 219,519

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

	September 30, 2020	December 31, 2019	September 30, 2019
Bank deposits	0.001%-0.08%	0.01%-0.48%	0.05%-0.10%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2020	December 31, 2019	September 30, 2019
Current			
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 15,401	$ 15,562	$ 15,463
Non-current			
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 9,125	$ 9,598	$ 9,938

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2020	December 31, 2019	September 30, 2019
Current			
Investments in equity instruments	$ 38,377	$ 15,977	$ 70,458
Investments in debt instruments	5,954	6,061	6,210
	$ 44,331	$ 22,038	$ 76,668
Non-current			
Investments in equity instruments	$ 16,018	$ 19,733	$ 21,858

a. Investments in equity instruments at FVTOCI

	September 30, 2020	December 31, 2019	September 30, 2019
Current			
Domestic investments - ordinary shares			
Formosa Plastics Corporation	$ 23,580	$ -	$ -
Far Eastern New Century Corporation	5,060	5,970	5,730
U-Ming Marine Transport Corporation	3,834	4,301	4,294
United Microelectronics Corporation	2,066	1,190	969
Medigen Biotechnology Corporation	1,865	1,793	1,821
Winbond Electronics Corp.	1,816	2,545	2,324
China Development Financial	115	131	125
First Financial Holding Co., Ltd.	18	21	19
Capital Securities Corp.	9	10	8
Hua Nan Financial Holdings Co., Ltd.	8	10	9
Taiwan Cement Corp	6	6	55,159
	$ 38,377	$ 15,977	$ 70,458

(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
Non-current			
Domestic investments - ordinary shares			
Jonfeng Mining Co., Ltd.	$ 10,034	$ 8,443	$ 10,523
WK Technology Fund	5,559	6,433	6,359
Global Securities Finance Corp.	425	4,857	4,976
	$ 16,018	$ 19,733	$ 21,858

(Concluded)

For more information on the above-mentioned investments, refer to Table 3 “Marketable Securities Held” in Note 35.

For other relevant information on financial assets measured at FVOCI, refer to Note 23(5) and Note 30.

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term 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.

The Group recognized dividend income of $3,099 thousand and $5,289 thousand during the nine months ended September 30, 2020 and 2019, respectively.

The Group received return of capital of $5,125 thousand when the invested company reduced capital during the nine months ended September 30, 2020.

b. Investments in debt instruments at FVTOCI

	September 30, 2020	December 31, 2019	September 30, 2019
Current			
Bond investments	$ 5,954	$ 6,061	$ 6,210

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

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

	September 30, 2020	December 31, 2019	September 30, 2019
Notes receivable			
At amortized cost			
Gross carrying amount	$ 535,561	$ 488,761	$ 356,422
Notes receivable from related parties			
At amortized cost			
Gross carrying amount	$ 6,094	$ 4,972	$ 6,084
Notes receivable - operating	$ 535,760	$ 493,733	$ 362,506
Notes receivable - non-operating (Note 16(a))	5,895	-	-
	$ 541,655	$ 493,733	$ 362,506
Trade receivables			
At amortized cost			
Gross carrying amount	$ 516,590	$ 424,728	$ 403,142
Less: Allowance for impairment loss	(14,846)	(12,608)	(20,279)
	$ 501,744	$ 412,120	$ 382,863
Trade receivables from related parties			
At amortized cost			
Gross carrying amount	$ 8,315	$ 7,450	$ 10,788
Other receivables			
Deposits	$ -	$ 65,162	$ -
Sale of securities (Note 28)	-	21,393	-
Others	1,098	1,546	1,847
	$ 1,098	$ 88,101	$ 1,847
Overdue receivables			
Overdue	$ 29,016	$ 32,096	$ 29,846
Less: Allowance for impairment loss - overdue	(29,016)	(32,096)	(29,846)
	$ -	$ -	$ -

a. Notes receivable

The average credit period of sales of goods was 90-150 days from the invoice date. No interest was 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. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable at an amount equal to lifetime ECLs under IFRS 9. 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, economic condition of the industry in which the customer operates, as well as the GDP forecasts. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for losses based on the past due status of receivables is not further distinguished according to different segments of the Group's customer base. 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 there was no expected credit loss.

For information on the notes receivable pledged as collateral, refer to Note 32.

b. Trade receivables

The average credit period of sales of goods was 90-150 days from the invoice date. No interest was charged on trade receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible 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 measures the loss allowance for trade receivables at an amount equal to lifetime ECLs under IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. 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.

September 30, 2020

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 180 Days	Identify Individually	Total
Expected credit loss rate	0%-0.95%	2.77%	4.63%	9.95%-68.60%	100%	100%	
Gross carrying amount	$ 1,037,492	$ 6,066	$ 3,234	$ 11,224	$ 1,588	$ 35,972	$ 1,095,576
Loss allowance (Lifetime ECLs)	(3,762)	(168)	(150)	(2,222)	(1,588)	(35,972)	(43,862)
Amortized cost	$ 1,033,730	$ 5,898	$ 3,084	$ 9,002	$ -	$ -	$ 1,051,714

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 180 Days	Identify Individually	Total
Expected credit loss rate	0%-0.95%	2.77%	4.63%	9.95%-68.60%	100%	100%	
Gross carrying amount	$ 886,699	$ 11,309	$ 8,979	$ 11,682	$ 286	$ 39,052	$ 958,007
Loss allowance (Lifetime ECLs)	(2,684)	(313)	(416)	(1,953)	(286)	(39,052)	(44,704)
Amortized cost	$ 884,015	$ 10,996	$ 8,563	$ 9,729	$ -	$ -	$ 913,303

September 30, 2019

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 180 Days	Identify Individually	Total
Expected credit loss rate	0%-4.13%	5.78%	7.18%	10.63%-100%	100%	100%	
Gross carrying amount	$ 755,400	$ 11,195	$ 2,529	$ 87	$ 269	$ 36,802	$ 806,282
Loss allowance (Lifetime ECLs)	(12,199)	(647)	(182)	(26)	(269)	(36,802)	(50,125)
Amortized cost	$ 743,201	$ 10,548	$ 2,347	$ 61	$ -	$ -	$ 756,157

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

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	$ 44,704	$ 43,985
Add: Net remeasurement of loss allowance	1,958	9,804
Less: Amounts written off	(2,800)	(3,664)
Balance at September 30	$ 43,862	$ 50,125

10. INVENTORIES

	September 30, 2020	December 31, 2019	September 30, 2019
Real estate under development and real estate to be developed	$ 3,146,059	$ 3,133,578	$ 3,148,678
Raw materials	179,334	141,493	209,614
Finished goods	103,177	107,472	135,633
Work in progress	43,478	91,310	126,851
Supplies and spare parts	27,069	33,218	36,777
Merchandise	8,450	9,001	11,943
	$ 3,507,567	$ 3,516,072	$ 3,669,496

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2020 and for the nine months ended September 30, 2020 was $953,906 thousand and $2,787,372 thousand, respectively. The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2019 and for the nine months ended September 30, 2019 was $835,226 thousand and $2,473,905 thousand, respectively.

As of September 30, 2020, December 31, 2019 and September 30, 2019, the inventories expected to be recovered after more than 12 months were $3,146,059 thousand, $3,133,578 thousand and $3,148,678 thousand, respectively, which were mainly real estate under development.

For more information on the inventories pledged as collateral, refer to Note 32.

11. SUBSIDIARIES

The main subsidiaries included in the preparation of the consolidated financial statements are as follows:

			Percentage of Equity Held (%)			
Investor Company Name	**Subsidiary Name**	**Nature of Business**	**September 30, 2020**	**December 31, 2019**	**September 30, 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	99.99	a.
	Luckicon Ready-mixed Concrete Factory Co., Ltd. (Luckicon Ready-Mixed Co.)	Production and sale of concrete	100.00	99.99	99.99	a. and c.
	Lucky Cement Corp., Japan (Lucky Cement Japan,)	Trading of cement	100.00	100.00	100.00	
	Luckyship Marine Co., Ltd (Luckyship Co.)	Shipping agent	99.99	99.99	99.99	
	Just Bright Ltd.	Investment business	100.00	100.00	100.00	b.
Luckicon Ready-Mixed Co.	Fuyu Development Co., Ltd.	On land clay and stone quarrying	100.00	100.00	100.00	

Notes:

a. Significant subsidiaries include Dasheng Enterprise and Luckicon Ready-Mixed Co.

b. The Parent 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 procedures are expected to be completed on May 1, 2021.

c. Luckicon Ready-Mixed Co. increased its capital by $250,000 thousand on August 15, 2020, and the Parent Company acquired the residual interests for $2 thousand from non-controlling interests in September 2020. After the capital increase, the Parent 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.

For the nine months ended September 30, 2020 and 2019, except for the Luckicon Ready-Mixed Co., Dasheng Enterprise and Fuyu Development Co., the financial statements of the rest of the non-significant subsidiaries which had been included in the consolidated financial statements were not reviewed. As of September 30, 2020 and 2019, the total assets of these non-significant subsidiaries were $78,623 thousand and $95,736 thousand, respectively, both representing 1% of the consolidated total assets; and the total liabilities of these subsidiaries were $8,074 thousand and $13,325 thousand, respectively, both representing 0% of the consolidated total liabilities. For the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the amounts of combined comprehensive loss of these subsidiaries were $2,001 thousand, $2,192 thousand, $4,263 thousand and $5,896 thousand, respectively.

12. PREPAYMENTS

	September 30, 2020	December 31, 2019	September 30, 2019
Office supplies	$ 103,279	$ 105,474	$ 105,399
Prepaid expenses	67,914	54,366	67,222
Prepaid purchase materials	10,990	4,837	6,788
Other	546	129	457
	$ 182,729	$ 164,806	$ 179,866

13. NON-CURRENT ASSETS AS HELD FOR SALE

	September 30, 2020	December 31, 2019	September 30, 2019
Freehold land held for sale	$ 5,017	$ -	$ -

The Parent Company had proposed to dispose the idle land at Puxin factory on March 24, 2020 and signed the contract with non-related parties on April 24, 2020. The contract price for the land was set at $21,618 thousand. The Parent Company reclassified the idle land from property, plant and equipment to non-current assets held for sale. Since the net proceeds of the disposal was higher than the carrying amount of the related net assets, no impairment loss was recognized.

The aforementioned non-current assets held for sale was transferred in June 2020; however, the documents and other procedures had not been completed as of September 30, 2020. The payments will be credited to the Parent Company from the trust account once the delivery documents and procedures have been completed, and the gains on disposal of the assets will be recognized.

14. OTHER FINANCIAL ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
Restricted assets	$ 76,428	$ 93,165	$ 84,896

The restricted assets are savings deposits and certificates of deposit that are provided as guarantees for bank loan; market interest rate ranges of other financial assets at the end of the reporting period were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Restricted assets	0.02%-1.60%	0.04%-2.65%	0.04%-2.60%

For information on other financial assets pledged as collateral, refer to Note 32.

15. OTHER CURRENT ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
Offset against business tax payable	$ 22,635	$ 23,067	$ 23,104
Others	4	1	6,013
	$ 22,639	$ 23,068	$ 29,117

16. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2020	December 31, 2019	September 30, 2019
Land	$ 1,650,191	$ 1,084,102	$ 1,084,102
Buildings	338,694	380,898	396,770
Machinery and equipment	110,008	135,918	148,113
Electrical equipment	13,889	18,017	19,989
Transportation equipment	67,009	85,955	94,145
Other equipment	20,721	6,916	7,110
	$ 2,200,512	$ 1,711,806	$ 1,750,229

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
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	9,279	-	3,637	4,320	20,739
Disposals	-	-	-	-	(40,777)	(639)	(41,416)
Net exchange difference	-	3,024	389	-	8	20	3,441
Balance at September 30, 2019	1,084,102	2,298,151	6,105,581	1,196,322	881,495	500,121	12,065,772

(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 expenses	-	45,644	64,898	5,941	27,399	2,963	146,845
Disposals	-	-	-	-	(40,777)	(639)	(41,416)
Net exchange difference	-	2,909	246	-	10	22	3,187
Balance at September 30, 2019	-	1,901,381	5,957,468	1,176,333	787,350	493,011	10,315,543
Carrying amounts at September 30, 2019	$ 1,084,102	$ 396,770	$ 148,113	$ 19,989	$ 94,145	$ 7,110	$ 1,750,229
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	571,106	-	2,358	-	5,532	1,553	580,549
Disposals	-	-	(76)	-	(14,761)	(170)	(15,007)
Reclassification	(5,017)	-	5,098	-	-	14,712	14,793
Net exchange difference	-	(126)	(16)	-	-	(1)	(143)
Balance at September 30, 2020	1,650,191	2,294,223	6,114,915	1,196,322	849,156	516,048	12,620,855
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 expenses	-	42,200	33,364	4,128	24,478	2,460	106,630
Disposals	-	-	(76)	-	(14,761)	(170)	(15,007)
Net exchange difference	-	(122)	(14)	-	-	(1)	(137)
Balance at September 30, 2020	-	1,955,529	6,004,907	1,182,433	782,147	495,327	10,420,343
Carrying amounts at December 31, 2019 and January 1, 2020	$ 1,084,102	$ 380,898	$ 135,918	$ 18,017	$ 85,955	$ 6,916	$ 1,711,806
Carrying amounts at September 30, 2020	$ 1,650,191	$ 338,694	$ 110,008	$ 13,889	$ 67,009	$ 20,721	$ 2,200,512

(Concluded)

a. Luckicon Ready-Mixed Co. demolished the Wugu plant and related equipment on October 5, 2020, in response to 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 and will be settled based on the contract schedule. The last payment is expected to be made on December 20, 2020. As of September 30, 2020, the land transfer registration was completed as described in the contract, and $139,867 thousand was recognized as note payables; refer to Note 20.

   On May 5, 2020, Luckicon Ready-Mixed Co. signed an agreement with key management personnel of the Parent Company and the aforementioned non-related parties. According to the agreement, the Parent Company's key management personnel acquired part of the land in the amount of $19,651 thousand, and the Parent Company's key management personnel shall issue a promissory note to Luckicon Ready-Mixed Co. for payments made on behalf of the Parent Company's key management personnel based on the contract schedule. The reason behind the signing of the agreement was attributed to the agricultural use of such land, whereby Luckicon Ready-Mixed Co. could not obtain the land ownership. As of September 30, 2020, Luckicon Ready-Mixed Co. collected cash of $13,756 thousand and accounts receivable of $5,895 thousand; refer to Notes 9 and 31.

b. The Group assessed that there was no indication of impairment for property, plant and equipment for the nine months ended September 30, 2020 and 2019.

c. A part of the Parent Company's land use rights is reserved for use by the aborigines and is temporarily registered in the name of a third person. The trustee had issued an affidavit and mortgaged the land to the Parent Company.

d. The Group's property, plant and equipment are depreciated on a straight-line method basis 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

e. The above-mentioned property, plant and equipment are reclassified as non-current assets held for sale, refer to Note 13 for the details; besides long-term prepaid expenses are reclassified as machinery and equipment and other equipment.

f. For the information on property, plant and equipment mortgaged, refer to Note 32.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amount			
Land	$ 25,758	$ 35,847	$ 37,472
Buildings	66,647	91,684	96,689
Transportation equipment	634	2,060	2,535
	$ 93,039	$ 129,591	$ 136,696

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Addition to right-of-use assets	$ 1,918	$ 7,744	$ 1,918	$ 7,744
Depreciation charge for right-of-use assets				
Land	$ 4,002	$ 4,002	$ 12,007	$ 11,992
Buildings	8,346	8,577	25,037	26,196
Transportation equipment	476	475	1,426	1,425
	$ 12,824	$ 13,054	$ 38,470	$ 39,613

Except for the aforementioned addition and recognized depreciation, the Group did not have any significant subleases or impairment of right-of-use assets during the nine months ended September 30, 2020 and 2019.

b. Lease liabilities

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amount			
Current	$ 41,769	$ 50,494	$ 48,713
Non-current	$ 51,555	$ 80,289	$ 88,858

Range of discount rate for lease liabilities was as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Land	1.55%-1.68%	1.55%	1.55%
Buildings	1.55%	1.55%	1.55%
Transportation equipment	1.55%	1.55%	1.55%

c. Material lease activities and terms (the Group is lessee)

The Group leased several plots of land including land for factory and warehouse use under a lease term of 1 to 6 years. Luckicon Ready-Mixed Co. leased the ready-mixed concrete factory and the related equipment of Keelung factory. Luckicon Ready-Mixed Co. has the right to tear down and retrieve the add-ons and improvements on the leased equipment at the end of the lease contract; however, no damage shall be made to the original equipment provided by the lessor. Luckicon Ready-Mixed agreed that the lessor has bargain purchase options on the add-ons and improvements on the equipment.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Expenses relating to short-term leases	$ 436	$ 349	$ 1,246	$ 1,029
Expenses relating to low-value asset leases	80	643	232	2,128
Interest relating to leases liabilities	355	487	1,205	1,656
Repayment of principal of leases	14,811	12,678	39,377	38,738
Total cash outflow for leases	$ 15,682	$ 14,157	$ 42,060	$ 43,551

18. OTHER NON-CURRENT ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
Restricted assets	$ 132,610	$ 132,588	$ 132,588
Long-term prepaid expenses	57,201	70,770	61,816
Net limestone mining rights	18,778	18,779	18,780
Prepayments for equipment	13,969	-	-
Net defined benefit assets (Note 4)	320	311	-
Overdue receivables (Note 9)	-	-	-
	$ 222,878	$ 222,448	$ 213,184

Restricted assets refer to bank time deposits that are pledged as security for mining rights, and the market interest rate ranges at the end of the reporting periods are as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Restricted assets	0.07%-1.0%	0.13%-1.065%	0.13 %-1.065%

For information on other non-current assets pledged as collateral, refer to Note 32.

19. BORROWINGS

a. Short-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
Secured borrowings (Note 32)			
Bank loans	$ 192,788	$ 200,000	$ 655,563
Unsecured borrowings			
Line of credit borrowings	100,000	32,700	-
	$ 292,788	$ 232,700	$ 655,563

The interest rates of the bank loans are as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Secured borrowings	0.96%-1.56%	1.60%	1.40%-1.55%
Unsecured borrowings	1.30%	1.47%-1.70%	-

b. Short-term bills payable

	September 30, 2020	December 31, 2019	September 30, 2019
Commercial paper	$ 140,000	$ 220,000	$ 160,000
Less: Unamortized discounts on bills payable	(280)	(535)	(340)
	$ 139,720	$ 219,465	$ 159,660

Outstanding short-term bills payable were as follows:

September 30, 2020

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 60,000	$ 155	$ 59,845	1.65%
Grand Bills Finance Corporation	80,000	125	79,875	1.276%-1.70%
	$ 140,000	$ 280	$ 139,720	

December 31, 2019

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 110,000	$ 302	$ 109,698	1.458%-1.70%
Grand Bills Finance Corporation	110,000	233	109,767	1.64%-1.73%
	$ 220,000	$ 535	$ 219,465	

September 30, 2019

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 50,000	$ 28	$ 49,972	1.458%
Grand Bills Finance Corporation	110,000	312	109,688	1.47%-1.73%
	$ 160,000	$ 340	$ 159,660	

The above commercial paper refers to commercial promissory notes guaranteed by the bank, and the term of each note does not exceed 180 days.

c. Long-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
Secured borrowings (Note 32)			
Bank loans	$ 1,210,000	$ 1,250,000	$ 1,003,237
Unsecured borrowings			
Loans from bank	180,000	230,000	230,000
Less: Current portions	(260,000)	(310,000)	(273,237)
	$ 1,130,000	$ 1,170,000	$ 960,000

	Method of Repayment	September 30, 2020	December 31, 2019	September 30, 2019
Secured borrowings				
Taiwan Cooperative Bank	The term of the loan is from April 12, 2018 to April 12, 2023, with a grace period of 2 years. After the grace period, the principal is to be repaid in installments of $40,000 thousand every quarter (in the months of January, April, July and October) for a total of 11 quarters (while the remaining $60,000 thousand to be paid on the maturity date).	$ 460,000	$ 500,000	$ 500,000
Bank of Taiwan	The term of the loan is from November 12, 2019 to November 12, 2022. The principal of $40,000 thousand shall be repaid in February 2021, while the remaining amount shall be paid in installments of $30,000 thousand every quarter (in the months of February, May, August and November) for a total of 7 quarters.	250,000	250,000	-
O-Bank	The term of the loan is from November 21, 2017 to November 21, 2022, and a one-time full repayment of the principal shall be made on the maturity date.	250,000	250,000	250,000
O-Bank	The term of the loan is from December 28, 2017 to December 28, 2022, and a one-time full repayment of the principal shall be made on the maturity date.	250,000	250,000	250,000
Mega Bank	The term of the loan is from November 17, 2015 to November 17, 2019, and the principal shall be repaid in installments once every quarter for a total of 16 quarters.	-	-	2,362
Mega Bank	The term of the loan is from February 15, 2016 to February 15, 2020, and the principal shall be repaid in installments once every quarter for a total of 16 quarters; the last installment payment of the principal has been made in advance in November 2019.	-	-	875

(Continued)

	Method of Repayment	September 30, 2020	December 31, 2019	September 30, 2019
Unsecured borrowings				
O-Bank	The term of the loan is from April 23, 2018 to April 23, 2020, and a one-time repayment of the principal shall be made in full on the maturity date. The new loan agreement has been signed in March 2020 to repay the old agreement. The term of the loan is from March 23, 2020 to March 23, 2022.	$ 80,000	$ 80,000	$ 80,000
KGI Bank	The term of the loan is from September 7, 2020 to September 7, 2022, and a one-time repayment of the principal shall be made in full on the maturity date.	100,000	-	-
KGI Bank	The term of the loan is from June 28, 2018 to June 9, 2020, and a one-time repayment of the principal shall be made in full on the maturity date.	-	80,000	80,000
The Export-Import Bank of the Republic of China	The term of the loan is from June 14, 2019 to July 14, 2020, and a one-time repayment of the principal shall be made in full on the maturity date.	-	70,000	70,000
		1,390,000	1,480,000	1,233,237
Less: Current portions		(260,000)	(310,000)	(273,237)
Long-term borrowings		$ 1,130,000	$ 1,170,000	$ 960,000

(Concluded)

The annual interest rate ranges of long-term borrowings were 1.24%-1.72%, 1.40%-1.92% and 1.39%-2.20% as of September 30, 2020, December 31, 2019 and September 30, 2019, respectively.

20. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2020	December 31, 2019	September 30, 2019
Notes payable			
From operating activities			
Non-related parties	$ 395,306	$ 202,062	$ 151,651
Related parties	$ 71,544	$ 34,656	$ 52,153
From non-operating activities			
Non-related parties	$ 5,895	$ -	$ -
Trade payables			
From operating activities			
Non-related parties	$ 131,193	$ 124,131	$ 226,124
Related parties	$ 29,407	$ 35,532	$ 28,651

The Group issued notes payable mainly for purchasing inventories and land.

The average credit period for purchases is 3 months, and the Group has financial risk management policies to ensure that all payables are repaid within the pre-agreed credit period.

21. OTHER PAYABLES

	September 30, 2020	December 31, 2019	September 30, 2019
Payables for salaries and bonuses	$ 47,625	$ 48,604	$ 43,203
Payables for taxes	38,843	41,599	20,907
Payables for freight	24,509	9,316	8,257
Payables for utilities expense	21,887	15,536	19,508
Others	26,431	27,659	24,695
	$ 159,295	$ 142,714	$ 116,570

22. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the pension expenses of defined benefit plans were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2019 and 2018, respectively. An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Operating costs	$ 359	$ 418	$ 1,078	$ 1,263
Selling and marketing expenses	45	74	134	214
General and administrative expenses	57	117	170	349
	$ 461	$ 609	$ 1,382	$ 1,826

23. EQUITY

a. Share capital

Ordinary shares

	September 30, 2020	December 31, 2019	September 30, 2019
Number of shares authorized (in thousands)	498,646	498,646	498,646
Shares authorized	$ 4,986,460	$ 4,986,460	$ 4,986,460
Number of shares issued and fully paid (in thousands)	404,738	404,738	404,738
Shares issued	$ 4,047,380	$ 4,047,380	$ 4,047,380

A holder of issued ordinary shares with a par value of $10 is entitled to voting rights and to the receipt of distributed dividends.

b. Capital surplus

	September 30, 2020	December 31, 2019	September 30, 2019
May be used to offset a deficit, pay cash dividends or increase capital (1)			
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (2)	$ 1	$ -	$ -
May be used to offset a deficit only			
Changes in percentage of ownership interests in subsidiaries	8	8	8
	$ 9	$ 8	$ 8

1) This type of capital surplus may be used to offset a deficit or, if no deficit, may be used to pay cash dividends or increase capital; the use is limited to, a certain rate of paid-in capital and to once a year.

2) For the difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition, refer to Note 11 (c).

c. Retained earnings and dividends policy

The Parent Company passed an amendment to the Company's Articles of Incorporation (the "Articles") in the shareholders' meeting on June 12, 2019, which stipulates that the Parent Company shall distribute earnings or offset losses after each half of the fiscal year or at the end of the fiscal year, and submit the proposal for the earnings distribution or loss offset together with the business report and financial statements to the audit committee for review, which shall be resolved in the board of directors' meeting.

Under the dividends policy as set forth in the amended Articles, where the Parent 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 Parent Company's board of directors as the basis for proposing a distribution plan, which shall be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. However, the appropriation to legal reserve may be waived when the legal reserve amounts reached the amount of authorized capital. The Parent Company shall comply with Article 240 of the Company Act in the case of distributing the surplus profits in the form of new shares; in the case of distributing cash, a resolution shall be passed by a majority vote of directors present in a meeting attended by at least two-thirds of all directors, and the resolution shall be reported to the shareholders' meeting.

When the Parent Company distributes earnings or offsets deficit according to the Articles, it shall be based on the financial statements which have been audited or reviewed by an accountant.

Under the earnings distribution policy as set forth in the Parent Company's Articles, where the Parent Company made a profit in a fiscal year, other than paying for the corporate income tax and offsetting losses of previous years, 10% of the profit shall first be set aside as legal reserve and the amount of deduction of shareholders' equity that occurred in the current year shall be set aside as special reserve, then 40% - 80% of the remaining profit together with the accumulated undistributed retained earnings of the previous year shall be used by the Parent Company's board of directors as the basis for proposing a distribution plan, which shall be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. If the amount of dividends per share calculated based on the upper limit of 80% is lesser than NT$0.1 per share, the profit may be retained and not distributed as dividends. For the policies on employees' compensation and the remuneration of directors and supervisors under the Parent Company's articles, refer to Note 25(g) Employees' compensation and remuneration of directors and supervisors. The earnings distribution ratio and ratio of share dividends to cash dividends is subject to the board of directors' assessment of the year's actual profit and funding, taking into consideration investment funding needs and the dilutive effect on earnings per share, before deciding on an appropriate distribution of cash dividends or share dividends. However, the amount of share dividends shall not exceed 20% of the total issued shares. In the case of accumulated retained earnings or retained earnings in the current year but for which the profit after tax is insufficient for setting aside as deduction to shareholders' equity, an amount equivalent to the retained earnings for the previous year should be set aside as special reserve and shall be deducted before the earnings distribution. For subsequent reversals of the deductions of shareholders' equity, the amount reversed may be distributed as dividends. Any proposals regarding the distribution of dividends shall be resolved and passed in the shareholders' meeting in the following year and accounted for in that year.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" shall be appropriated to or reversed from a special reserve by the Company. Thereafter, whenever equity deduction is reversed, the reversed amount shall be allocated as surplus.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

In the shareholders' meeting on June 12, 2019, the Parent Company resolved to offset losses and not to distribute dividends.

On November 12, 2019, the Parent Company's board of directors resolved to offset losses of the first half of 2019 and not to distribute dividends.

The appropriation of earnings for 2019 that was approved in the board of directors meeting on March 24, 2020 and the shareholders' meeting on June 18, 2020 was as follows:

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

On November 11, 2020, the Parent Company's board of directors resolved the appropriation of earnings for first half of 2020 and not to distribute dividends.

d. Special reserve

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	$ 17,256	$ 17,376
Reversals:		
Reversal of the debits to other equity items	(3,121)	(120)
Balance at September 30	$ 14,135	$ 17,256

Upon initial application of IFRSs, the recognized accumulated exchange differences transferred to retained earnings amounted to $14,135 thousand, and an equivalent amount has been appropriated as special reserve.

e. Other equity items

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

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	$ 7,450	$ 7,660
Exchange differences on translating the financial statements of foreign operations	(40)	839
Balance at September 30	$ 7,410	$ 8,499

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

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	$ (3,444)	$ (10,781)
Unrealized gain/(loss) on financial assets at FVTOCI	(7,323)	39,862
Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal	-	(32,924)
Balance at September 30	$ (10,767)	$ (3,843)

24. REVENUE

a. Disaggregation of revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Cement	$ 513,021	$ 483,992	$ 1,516,586	$ 1,420,273
Stone	77,176	158,015	222,487	440,739
Cement products	439,723	152,154	1,263,512	437,591
Others	101,730	130,491	355,761	361,502
	$ 1,131,650	$ 924,652	$ 3,358,346	$ 2,660,105

b. Contract balances

	September 30, 2020	December 31, 2019	September 30, 2019	January 1, 2019
Notes receivable (Note 9)	$ 535,561	$ 488,761	$ 356,422	$ 317,921
Notes receivable from related parties (Note 9)	199	4,972	6,084	5,170
Trade receivables (Note 9)	501,744	412,120	382,863	262,504
Trade receivables from related parties (Note 9)	8,315	7,450	10,788	11,140
Total receivables	$ 1,045,819	$ 913,303	$ 756,157	$ 596,735
Contract liabilities				
Sales of cement	$ 338,979	$ 259,431	$ 213,389	$ 198,806

The changes in contract assets and contract liabilities primarily resulted from the timing difference between the satisfaction of performance obligations and the customers' payment.

Revenue amounts recognized in the current period from the satisfaction of performance obligations of contract liabilities at the beginning of the period are as follows:

	For the Nine Months Ended September 30	
	2020	2019
Contract liabilities at the beginning of the period		
Sales of cement	$ 259,431	$ 198,806

c. Customer contracts not yet fully complete

The timing of expected revenue recognition of performance obligations not yet fully satisfied is as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Sales of cement			
Fulfillment in 2019	$ -	$ -	$ 213,389
Fulfillment in 2020	$ -	$ 259,431	$ -
Fulfillment in 2020	$ 338,979	$ -	$ -

25. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Gain on disposal of property, plant and equipment	$ -	$ -	$ 80	$ 4,120

b. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Bank deposits	$ 252	$ 410	$ 928	$ 1,298
Investments in debt instruments at FVTOCI	78	81	235	240
	$ 330	$ 491	$ 1,163	$ 1,538

c. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Dividends	$ 1,504	$ 5,289	$ 3,099	$ 5,289
Others	2,071	2,204	5,671	4,837
	$ 3,575	$ 7,493	$ 8,770	$ 10,126

d. Interest expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Interest on bank loans/loans from related parties	$ 7,015	$ 9,141	$ 23,068	$ 28,468
Interest on lease liabilities	355	487	1,205	1,656
	$ 7,370	$ 9,628	$ 24,273	$ 30,124

e. Depreciation, depletion and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Property, plant and equipment	$ 31,753	$ 40,112	$ 106,630	$ 146,845
Right-of-use assets	12,824	13,054	38,470	39,613
Long-term prepaid expenses	2,994	2,545	9,253	8,910
Limestone mining rights	-	-	1	1
	$ 47,571	$ 55,711	$ 154,354	$ 195,369
An analysis of depreciation by function				
Operating costs	$ 32,085	$ 40,271	$ 107,020	$ 147,773
Operating expenses	11,366	11,402	34,091	33,971
Non-operating expenses	1,126	1,493	3,989	4,714
	$ 44,577	$ 53,166	$ 145,100	$ 186,458
An analysis of amortization by function				
Operating costs	$ 1,703	$ 833	$ 4,316	$ 4,336
Operating expenses	1,291	1,712	4,937	4,574
	$ 2,994	$ 2,545	$ 9,253	$ 8,910
An analysis of depletion by function				
Operating costs	$ -	$ -	$ 1	$ 1

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Post-employment benefits				
Defined contribution plan	$ 3,281	$ 3,176	$ 12,661	$ 9,339
Defined benefit plans (Note 22)	461	609	1,382	1,826
	3,742	3,785	14,043	11,165
Other employee benefits	100,306	88,960	303,838	264,821
Total employee benefits expense	$ 104,048	$ 92,745	$ 317,881	$ 275,986
An analysis of employee benefits expense by function				
Operating costs	$ 69,610	$ 67,221	$ 210,789	$ 198,415
Operating expenses	34,438	25,524	107,092	77,571
	$ 104,048	$ 92,745	$ 317,881	$ 275,986

g. Employees' compensation and remuneration of directors

According to the Parent Company's Articles, the Parent Company accrues employees' compensation and remuneration of directors at rates of no less than 3% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the nine months ended September 30, 2020 and 2019, the employees' compensation and the remuneration of directors are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2020	**2019**
Employees' compensation	3%	3%
Remuneration of directors	5%	5%

Amount

	For the Three Months Ended June 30		For the Nine Months Ended June 30	
	2020	**2019**	**2020**	**2019**
Employees' compensation	$ 3,501	$ 92	$ 11,082	$ 92
Remuneration of directors	5,836	154	18,470	154

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

The appropriations of employees' compensation and remuneration of directors and supervisors for 2019 that were resolved by the board of directors on March 24, 2020 are as shown below:

Amount

	For the Year Ended December 31, 2019
	Cash
Employees' compensation	$ 1,542
Remuneration of directors	2,570

Since the Parent Company incurred a net loss before income tax for 2018, no employees' compensation and remuneration of directors were estimated.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2019 that were resolved by the Parent Company's board of directors on March 24, 2020.

Information on employees' compensation and remuneration of directors and supervisors resolved by the Parent Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain on disposal of financial assets

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
At FVTPL	$ -	$ -	$ -	$ 246

i. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Foreign exchange gains	$ 1,044	$ 564	$ 1,368	$ 3,771
Foreign exchange losses	(90)	(495)	(1,060)	(2,630)
	$ 954	$ 69	$ 308	$ 1,141

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Current tax				
In respect of the current period	$ 19,717	$ 1,075	$ 34,120	$ 1,075
Income tax on unappropriated earnings	(161)	-	724	-
Adjustments for prior period	-	(2)	86	(2)
	19,556	1,073	34,930	1,073
Deferred tax				
In respect of the current period	673	14,187	3,267	6,126
Income tax expense (benefit) recognized in profit or loss	$ 20,229	$ 15,260	$ 38,197	$ 7,199

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. Income tax assessments

The tax returns of Luckicon Ready-Mixed Co, Dasheng Enterprise, Luckyship Co. and Fuyu Development Co. through 2018 have been assessed by the tax authorities.

The tax returns of the Parent Company through 2017 have been assessed by the tax authorities.

27. EARNINGS (LOSS) PER SHARE

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

Net Profit (Loss)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	**2019**	**2020**	**2019**
Earnings (loss) used in the computation of earnings per share	$ 98,575	$ 14,702	$ 326,995	$ (899)

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	**2019**	**2020**	**2019**
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	404,738	404,738	404,738	404,738
Effect of potentially dilutive ordinary shares				
Employees' compensation	1,050	-	1,133	-
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	405,788	404,738	405,871	404,738

If the Parent Company offers to settle the compensation or bonuses paid to employees in cash or shares, the Parent Company will assume that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares will dilutive effect will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential shares will be 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. For the nine months ended September 30, 2019, due to the loss after income tax, which had an anti-dilutive effect, the Parent Company did not compute the diluted earnings per share.

28. CASH FLOW INFORMATION

Partial Cash Transactions

The Group entered into the following partial cash investing activities which were not reflected in the consolidated statements of cash flows for the nine months ended September 30, 2020 and 2019:

	For the Nine Months Ended September 30	
	2020	2019
Proceeds from sale of financial assets at fair value through other comprehensive income	$ -	$ 159,560
Changes in sale of securities (recognized as other receivables)	21,393	-
Cash received	$ 21,393	$ 159,560
Acquisition of property, plant and equipment	$ 580,549	$ 20,739
Net changes in prepayment for equipment	13,969	-
Net changes in payable for land (recognized as notes payable)	(133,972)	-
Cash paid	$ 460,546	$ 20,739

Changes in Liabilities Arising from Financing Activities

For the nine months ended September 30, 2020

	Balance at January 1, 2020	Cash Flows	Non-cash Changes: Lease Increase	Non-cash Changes: Discount Amortization	Others	Balance at September 30, 2020
Short-term borrowings	$ 232,700	$ 60,088	$ -	$ -	$ -	$ 292,788
Short-term bills payable	219,465	(80,000)	-	255	-	139,720
Long-term borrowings	1,480,000	(90,000)	-	-	-	1,390,000
Other payables to related parties	47,081	70,000	-	-	4,502	121,583
Guarantee deposits received	30,800	(862)	-	-	-	29,938
Lease liabilities	130,783	(39,377)	1,918	-	-	93,324
	$ 2,140,829	$ (80,151)	$ 1,918	$ 255	$ 4,502	$ 2,067,353

For the nine months ended September 30, 2019

	Balance at January 1, 2019	Cash Flows	Non-cash Changes: Lease Increase	Non-cash Changes: Discount Amortization	Others	Balance at September 30, 2019
Short-term borrowings	$ 852,651	$ (197,088)	$ -	$ -	$ -	$ 655,563
Short-term bills payable	219,736	(60,000)	-	(76)	-	159,660
Long-term borrowings	1,171,638	61,599	-	-	-	1,233,237
Other payables to related parties	46,957	-	-	-	(1,146)	45,811
Guarantee deposits received	29,431	5,220	-	-	-	34,651
Lease liabilities	168,565	(38,738)	7,744	-	-	137,571
	$ 2,488,978	$ (229,007)	$ 7,744	$ (76)	$ (1,146)	$ 2,266,493

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

30. FINANCIAL INSTRUMENTS

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

There is no significant difference between the carrying amounts and fair values of the financial assets and financial liabilities 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

September 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual Funds	$ 15,401	$ -	$ 9,125	$ 24,526
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 38,377	$ -	$ -	$ 38,377
Unlisted shares	-	-	16,018	16,018
Investments in debt instruments				
Corporate bonds	5,954	-	-	5,954
	$ 44,331	$ -	$ 16,018	$ 60,349

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

September 30, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual Funds	$ 15,463	$ -	$ 9,938	$ 25,401
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 70,458	$ -	$ -	$ 70,458
Unlisted shares	-	-	21,858	21,858
Investments in debt instruments				
Corporate bonds	6,210	-	-	6,210
	$ 76,668	$ -	$ 21,858	$ 98,526

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

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

For the nine months ended September 30, 2020

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Mutual Funds	Equity Instruments	
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)
Recognized in profit or loss (included in other gains or losses)	(473)	-	(473)
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	(2,961)	(2,961)
Balance at September 30, 2020	$ 9,125	$ 16,018	$ 25,143

For the nine months ended September 30, 2019

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Mutual Funds	Equity Instruments	
Balance at January 1, 2019	$ 6,535	$ 19,015	$ 25,550
Recognized in profit or loss (included in other gains or losses)	3,403	-	3,403
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	2,843	2,843
Balance at September 30, 2019	$ 9,938	$ 21,858	$ 31,796

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

The asset approach or comparable listed companies approach were used to calculate the fair values of investment targets of domestic unlisted equity investments.

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 deciding the value of the target company.

The asset approach assesses the total market value of individual assets and liabilities covered by the valuation target and takes into consideration the discount for lack of control and liquidity discount to reflect the overall value of the business or enterprise.

c. Categories of financial instruments

	September 30, 2020	December 31, 2019	September 30, 2019
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 24,526	$ 25,160	$ 25,401
Financial assets at amortized cost (1)	1,549,342	1,481,491	1,282,930
Financial assets at FVTOCI			
Equity instruments	54,395	35,710	92,316
Debt instruments	5,954	6,061	6,210
Financial liabilities			
Amortized cost (2)	2,680,201	2,458,938	2,641,999

1) The balances include financial assets at amortized cost, which comprise cash, notes receivable and trade receivables, other receivables, restricted assets (recognized as other financial assets and other non-current assets) 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, partial other payables (not including salary, bonus and remuneration payable and taxes payable), long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables and borrowings. 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 and 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 (a) below) and interest rates (see (b) below).

There were no changes to the Group's exposure to market risk with respect to financial instruments or the manner in which these risks were managed or measured.

a) Foreign currency risk

For the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period, refer to Note 34.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates a decrease (increase) in pre-tax profit and other equity associated with the New Taiwan dollar strengthening (weakening) 5% against the relevant currency.

	USD Impact		**RMB Impact**	
	For the Nine Months Ended September 30		**For the Nine Months Ended September 30**	
	2020	**2019**	**2020**	**2019**
Profit or loss	$ 2,861	$ (1,894)	$ (348)	$ (347)
Equity	(298)	(311)	-	-

The above impact is mainly attributable to the exposure on outstanding cash in banks, receivables, other financial assets, FVTPL, FVTOCI and bank loans in USD and RMB that were not hedged 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 reporting period were as follows:

	September 30, 2020	**December 31, 2019**	**September 30, 2019**
Cash flow interest rate risk			
Financial assets	$ 400,294	$ 386,965	$ 375,263
Financial liabilities	1,892,555	1,932,165	1,333,237

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments on the balance sheet date. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and also represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2020 would have decreased/increased by $2,798 thousand, and pre-tax profit for the nine months ended September 30, 2019 would have decreased/increased by $1,796 thousand, which was mainly a result of variable-rate borrowings, demand deposits and restricted assets.

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 reporting period, 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 of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopts a policy of transacting only with creditworthy counterparties, and obtains sufficient collateral when necessary to reduce the risk of financial loss resulting from default of payments. The Group transacts with a large number of unrelated customers, and thus credit risk is not highly concentrated.

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

	September 30, 2020		**December 31, 2019**		**September 30, 2019**	
	Carrying Amount	**Largest Credit Risk Exposure Amount**	**Carrying Amount**	**Largest Credit Risk Exposure Amount**	**Carrying Amount**	**Largest Credit Risk Exposure Amount**
Off-balance sheet commitments and guarantee						
Endorsements and guarantees for subsidiary	$ -	$ 703,780	$ -	$ 703,800	$ -	$ 749,385

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents 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.

September 30, 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		$ 365,072	$ 338,257	$ 19,991	$ 1,826	$ 62,500
Lease liabilities	1.55%-1.68%	8,297	4,040	30,947	51,761	-
Variable interest rate liabilities	1.37%	136,008	89,766	536,781	1,130,000	-
		$ 509,377	$ 432,063	$ 587,719	$1,183,587	$ 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

September 30, 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		$ 204,883	$ 299,457	$ 22,858	$ 1,341	$ 64,000
Lease liabilities	1.55%	1,942	11,806	37,174	88,877	-
Variable interest rate liabilities	1.71%	-	100,000	163,237	1,070,000	-
Fixed interest rate liabilities	1.48%	476,000	78,700	160,523	-	-
		$ 682,825	$ 489,963	$ 383,792	$1,160,218	$ 64,000

b) Financing facilities

	September 30, 2020	December 31, 2019	September 30, 2019
Unsecured facilities			
Amount used	$ 280,836	$ 312,574	$ 279,972
Amount unused	403,643	625,896	538,538
	$ 684,479	$ 938,470	$ 818,510
Secured facilities			
Amount used	$ 1,542,508	$ 1,619,591	$ 1,874,499
Amount unused	1,596,200	1,266,551	1,156,000
	$ 3,138,708	$ 2,886,142	$ 3,030,499

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Parent Company and its subsidiaries, which are related parties of the Parent 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	
Yungsheng Development Industrial Co., Ltd. (Yungsheng Development Co.)	The chairman of the company is the same as the chairman of the Parent Company
LIANG-CHUAN Cultural and Educational Foundation (LIANG-CHUAN Foundation)	The chairman of the foundation is the same as the chairman of the Parent Company
Fudong Freight Co., Ltd. (Fudong Freight Co.)	The director of the company is one of the first-degree relatives of the chairman of the Parent Company
Pacifica Marine Biotech Co., Ltd.	The chairman of the company is the same as the chairman of the Parent Company
Jia Fu Entertainment Co., Ltd. (Jia Fu Entertainment Co.)	The chairman of the company is one of the chairman’s first-degree relatives of the chairman of the Parent Company
Wantong Product Insurance Brokerage Co., Ltd. (Wantong Product Insurance Co.)	The chairman of the company is one of the chairman’s first-degree relatives of the chairman of the Parent Company
Lucky Construction Co., Ltd. (Lucky construction Co.)	The chairman of the company is one of the chairman’s first-degree relatives of the chairman of the Parent Company
Kuochuan Development Co., Ltd. (Kuochuan Development Co.)	The chairman of the company is one of the chairman’s first-degree relatives of the chairman of the Parent Company
Changheng Investment Co. (Changheng Investment Co.)	The major shareholder of the Parent Company
Jinli Investment Co., Ltd. (Jinli Co.)	The major shareholder of the Parent Company
Cheng Haibin	The third-degree relatives of the chairman of the Parent Company
Fuan Mining Co., Ltd. (Fuan Mining Co.)	The key management of the company is the spouse of the first-degree relatives of the chairman of the Parent Company
Main management	
Chen Yun-Ju	Executive deputy general manager

b. Business transactions

Line Item	Related Party Category/Name	For the Three Months Ended September 30 2020	2019	For the Nine Months Ended September 30 2020	2019
Sales	Other related parties	$ 23,459	$ 17,847	$ 66,346	$ 52,738
Purchases of goods	Fuan Mining Co.	$ 80,891	$ 60,282	$ 234,142	$ 182,591
	Other related parties	15,192	15,680	44,072	38,852
		$ 96,083	$ 75,962	$ 278,214	$ 221,443

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2020	2019	2020	2019
Operating costs - transportation expenses	Other related parties	$ 15,122	$ 5,046	$ 29,396	$ 10,862
Operating costs - manufacturing expenses	Other related parties	$ -	$ -	$ 152	$ -
Operating expenses	Other related parties	$ 19	$ 1,039	$ 1,505	$ 2,782

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 Items	Related Party Category	September 30, 2020	December 31, 2019	September 30, 2019
Notes receivable	Chen Yun-Ju	$ 5,895	$ -	$ -
	Fudong Freight Co.	199	199	199
	Fuan Mining Co.	-	-	5,885
	Yungsheng Development Co.	-	4,773	-
		$ 6,094	$ 4,972	$ 6,084
Trade receivables	Fuan Mining Co.	$ 7,120	$ 7,342	$ 6,015
	Yungsheng Development Co.	1,195	108	4,773
		$ 8,315	$ 7,450	$ 10,788
Other receivables	Other related parties	$ 192	$ 155	$ 623

The outstanding trade receivables from related parties are unsecured. As of September 30, 2020 and 2019 and December 31, 2019, no impairment losses were recognized for trade receivables from related parties.

Regarding the notes receivable from related parties as of September 30, 2020, refer to Note 16(a) for more information.

d. Payables to related parties

Line Items	Related Party Category/Name	September 30, 2020	December 31, 2019	September 30, 2019
Notes payable	Fuan Mining Co.	$ 59,183	$ 28,810	$ 42,293
	Fudong Freight Co.	12,356	5,846	9,820
	Other related parties	5	-	40
		$ 71,544	$ 34,656	$ 52,153
Trade payables	Fuan Mining Co.	$ 25,752	$ 26,000	$ 21,003
	Fudong Freight Co.	3,655	9,532	7,648
		$ 29,407	$ 35,532	$ 28,651
Other payables (current) (excluding financing)	Other related parties	$ 5,736	$ 1,281	$ 2,038

The outstanding trade payables to related parties are unsecured.

e. Loan from related parties

Line Items	Related Party Name	September 30, 2020	December 31, 2019	September 30, 2019
Other payables (current)	Fuan Mining Co.	$ 70,047	$ -	$ -
	Others	$ -	$ -	$ 11
Other payables (non-current)	Cheng Haibin	$ 45,800	$ 45,800	$ 45,800

Interest expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Other related parties	$ 142	$ 55	$ 237	$ 100

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 above loans from the related parties are unsecured.

f. Lease arrangements - the Group is lessor

Lease arrangements - the Group is lessor under operating leases

The balance of operating lease receivables (recognized as other receivables) was as follows:

Related Party Category	September 30, 2020	December 31, 2019	September 30, 2019
Other related parties	$ -	$ -	$ 3

Future lease payment receivables are as follows:

Related Party Category/Name	September 30, 2020	December 31, 2019	September 30, 2019
Fudong Freight Co.	$ 2,274	$ 2,274	$ 2,274
Other related parties	33	132	165
	$ 2,307	$ 2,406	$ 2,439

Lease income was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Category/Name	2020	2019	2020	2019
Fudong Freight Co.	$ 569	$ 569	$ 1,706	$ 1,706
Other related parties	33	33	99	99
	$ 602	$ 602	$ 1,805	$ 1,805

The determination of rental amounts and collection methods is similar to those of general lease arrangements.

g. Compensation of key management personnel

The remuneration of directors and key executives was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Short-term employee benefits	$ 9,878	$ 5,451	$ 34,057	$ 14,031
Post-employment benefits	130	161	381	346
	$ 10,008	$ 5,612	$ 34,438	$ 14,377

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2020	December 31, 2019	September 30, 2019
Notes receivable	$ -	$ -	$ 105,644
Real estate under development (recognized as inventories)	3,086,157	3,073,626	3,088,776
Property, plant and equipment	772,890	782,986	787,051
Restricted assets (recognized as other financial assets and other non-current assets)	209,038	225,753	217,484
	$ 4,068,085	$ 4,082,365	$ 4,198,955

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

a. As of September 30, 2020, the Group has signed an unpaid contract for purchase of transportation equipment; the unpaid price is $318,493 thousand.

b. As of September 30, 2020, December 31, 2019, and September 30, 2019, unused letters of credit for purchases of raw materials amounted to approximately $836 thousand, $0 and $106,011 thousand, respectively.

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 functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

September 30, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 230	29.10 (USD:NTD)	$ 6,689
RMB	1,629	4.269 (RMB NTD)	6,954
JPY	26	0.2756 (JPY:NTD)	7
Non-monetary items			
USD	314	29.10 (USD:NTD)	9,125
Financial liabilities			
Monetary items			
USD	2,305	29.10 (USD:NTD)	67,088

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
JPY	26	0.276 (JPY:NTD)	7
Non-monetary items			
USD	322	29.98 (USD:NTD)	9,598

September 30, 2019

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 1,741	31.04 (USD:NTD)	$ 54,036
RMB	1,591	4.356 (RMB NTD)	6,931
Non-monetary items			
USD	320	31.04 (USD:NTD)	9,938

Foreign exchange gains (realized or unrealized) of the Group for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019 were $954 thousand and $69 thousand, and $308 thousand and $1,141 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

35. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

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 (Table 4)

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 (Table 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions (Table 8)

b. Information on investees (Table 7)

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 period, 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 period: None

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

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

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period 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 period 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 (Table 9)

36. SEGMENT INFORMATION

The Group defined its reportable segments as follows:

Cement segment: Producing and selling products related to cement.

Other segments: Other operating activities not belonging to the cement segment.

a. Segment revenue and operating results

The Group's revenue and operating results by reportable segments were as follows:

	Segment Revenue For the Nine Months Ended September 30		Segment Profit/Loss For the Nine Months Ended September 30	
	2020	**2019**	**2020**	**2019**
Cement segment	$ 3,323,394	$ 2,608,588	$ 406,431	$ 29,618
Other segments	34,952	51,517	(25,741)	(9,312)
Total from operations	$ 3,358,346	$ 2,660,105	380,690	20,306
Interest income			1,163	1,538
Rental income			6,208	6,682
Other gains			8,770	10,126
Gain on disposal of financial assets			-	246
Foreign exchange gains			308	1,141
Fair value changes of financial assets			(470)	3,679
Other losses			(7,204)	(7,294)
Interest expense			(24,273)	(30,124)
Profit before income tax			$ 365,192	$ 6,300

The segment revenue reported above was all generated from transactions with external customers. There were no inter-segment sales for the nine months ended September 30, 2020 and 2019.

Segment profit represents the profit before tax earned by each segment without allocation of interest income, rental income, other gains, gain on disposal financial assets, foreign exchange gains/(losses), fair value changes of financial assets, other losses, and interest expense.

b. Total assets and liabilities of segments

	September 30, 2020	**December 31, 2019**	**September 30, 2019**
Segment assets			
Continuing operating segment			
Cement segment	$ 4,620,907	$ 4,081,748	$ 4,128,368
Other segments	3,252,477	3,247,129	3,269,115
Total assets	$ 7,873,384	$ 7,328,877	$ 7,397,483
Segment liabilities			
Continuing operating segment			
Cement segment	$ 2,582,552	$ 2,337,236	$ 2,514,065
Other segments	710,976	670,704	616,618
Total liabilities	$ 3,293,528	$ 3,007,940	$ 3,130,683

LUCKY CEMENT CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Maximum Balance in Current Period	Related Party	Ending Balance (Note 4)	Actual Amount Borrowed (Note 5)	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	Lucky Cement Co.	Dasheng Enterprise	Other receivables from related parties	$ 200,000	Yes	$ 200,000	$ 55,100	1.6798	b.	$ -	Operating turnover	$ -	-	-	$ 457,978	$ 1,831,913
		Luckyship Co.	Other receivables from related parties	30,000	Yes	30,000	8,000	1.6798	b.	-	Operating turnover	-	-	-	457,978	1,831,913
		Lucky Cement Japan	Other receivables from related parties	30,000	Yes	30,000	-	1.6798	b.	-	Operating turnover	-	-	-	457,978	1,831,913
						$ 260,000										
1	Luckicon Ready-Mixed Co.	Dasheng Enterprise	Other receivables from related parties	20,000	Yes	$ -	-	-	b.	-	Operating turnover	-	-	-	57,305	114,611

Note 1: The nature of financing is numbered as follows:

a. Has a business relationship with the counterparty.
b. Counterparty has short-term financing needs.

Note 2: For financing provided to subsidiaries which Lucky Cement Co. has shareholdings greater than 50%, the financing limit is 10% of the borrower's net value at the end of the period; for financing provided to subsidiaries which Lucky Cement Co. has shareholdings greater than or equal to 20% but less than 50%, the financing limit is 5% of the borrower's net value at the end of the period; while the financing limit for the remaining companies is 2% of the net value at the end of the period; the financing limit of Luckicon Ready-Mixed Co. is 20% of its net value at the end of the period.

Note 3: The maximum financing allowed is limited to 40% of the net value of the lender at the end of the period.

Note 4: The maximum balance for the period and ending balance were approved by the board of directors.

Note 5: Eliminated upon consolidation of the consolidated financial statements.

LUCKY CEMENT CO. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars, Unless Otherwise Noted)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Lucky Cement Co.	Dasheng Enterprise	Subsidiary	$ 1,831,913	$ 620,000	$ 620,000	$ 590,000	$ 120,000 (Note 3)	13.54	$ 2,289,891	Y	-	-	
		Luckicon Ready-Mixed Co	Subsidiary	1,831,913	70,000	70,000	35,000	-	1.53	2,289,891	Y	-	-	
		Luckyship Co.	Subsidiary	1,831,913	45,000	-	-	-	-	2,289,891	Y	-	-	
		Lucky Cement Japan,	Subsidiary	1,831,913	14,115	13,780	-	-	0.31	2,289,891	Y	-	-	
						$ 703,780								

Note 1: The limit on endorsement/guarantee given by Lucky Cement Co. for a single company shall not exceed 10% of the net value, except for subsidiaries where the limit is 40% of their net value.

Note 2: The limit on endorsement approved in the shareholders' meeting is 50% of the net value.

Note 3: The certificate of deposit of NT$60,000 thousand, which were provided as collateral, was recognized as other financial assets - restricted assets.

LUCKY CEMENT CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Notes 1 and 2)	
Lucky Cement Co.	Mutual fund							
	O-Bank No. 1 Real Estate Investment Trust	-	Financial assets at FVTPL - current	100,000	$ 979	-	$ 979	
	FSITC Global Video Gaming & eSports Fund	-	Financial assets at FVTPL - current	500,000	5,005	-	5,005	
	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,494,708	9,716	10.58	9,716	
	WK Technology Fund	-	Financial assets at FVTOCI - non-current	1,156,000	5,559	2.22	5,559	
	Global Securities Finance Corp.	-	Financial assets at FVTOCI - non-current	32,636	425	0.18	425	
	Listed ordinary shares							
	Formosa Plastics Corporation	-	Financial assets at FVTOCI - current	300,000	23,580	-	23,580	
	Far Eastern New Century Corporation	-	Financial assets at FVTOCI - current	200,000	5,060	-	5,060	
	U-Ming Marine Transport Corporation	-	Financial assets at FVTOCI - current	128,000	3,834	0.02	3,834	
	United Microelectronics Corporation	-	Financial assets at FVTOCI - current	72,351	2,066	-	2,066	
	Medigen Biotechnology Corporation	-	Financial assets at FVTOCI - current	28,628	1,849	-	1,849	
	Winbond Electronics Corp.	-	Financial assets at FVTOCI - current	130,181	1,816	-	1,816	
	China Development Financial	-	Financial assets at FVTOCI - current	13,496	115	-	115	
	First Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	917	18	-	18	
	Capital Securities Corp.	-	Financial assets at FVTOCI - current	875	9	-	9	
	Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at FVTOCI - current	446	8	-	8	
	Taiwan Cement Corp	-	Financial assets at FVTOCI - current	148	6	-	6	
Luckyship Co.	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	49,007	318	0.35	318	
	Listed ordinary shares							
	Medigen Biotechnology Corporation	-	Financial assets at FVTOCI - current	242	16	-	16	
Luckicon Ready-Mixed Co.	Mutual fund							
	Mega Danish Covered Mortgage Bond Index Fund	-	Financial assets at FVTPL - current	500,000	4,981	-	4,981	
	Shin Kong Emerging ASEAN Bond Fund	-	Financial assets at FVTPL - current	500,015	4,436	-	4,436	
	TSG Phnom Penh Real Estate Development Fund	-	Financial assets at FVTPL - non-current	500	9,125	5.88	9,125	
	Corporate bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	-	Financial assets at FVTOCI - current	-	5,954	-	5,954	

(Continued)

Note 1: Financial assets at FVTPL: Fair value is based on the net asset value of funds on September 30, 2020.

Note 2: The fair values of financial assets at FVTOCI are based on the share closing price on September 30, 2020, while the fair values of corporate bonds are based on the market price on September 30, 2020. The fair values of non-listed shares are estimated using the fair value evaluation method.

Note 3: Refer to Table 7 for information on investments in subsidiaries.

(Concluded)

TABLE 4

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 NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 of land serial no. 470 etc. located in Sanjiaopu Shulin District of New Taipei City	March 20, 2020 (Note 1)	$ 590,129 (Note 2)	Shall be paid based on the contract schedule. As of the end of September 30, 2020, $139,867 thousand was recognized as note payables	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 board resolution date of Luckicon Ready-Mixed Co.

Note 2: Refer to Note 16(a).

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 NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable			Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% to Total	
Lucky Cement Co.	Luckicon Ready-Mixed Co.	Subsidiary	Sale	$ (561,097)	(16.70)	About 90 days	Similar to general transactions	Similar to general transactions	Accounts receivable	$ 54,963	5.23	Note
									Notes receivable	136,528	12.98	
	Fuan Mining Co., Ltd.	Other related parties	Purchase	234,142	24.47	About 90 days	Agreed	Similar to general transactions	Accounts receivable	25,752	4.07	
									Notes receivable	59,183	9.34	

Note: Eliminated from the consolidated financial statements.

TABLE 6

LUCKY CEMENT CO. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Lucky Cement Co.	Luckicon Ready-Mixed Co.	Subsidiary	$ 191,491	4.75	$ -	-	$ 83,948	$ -

Note: Eliminated from the consolidated financial statements.

TABLE 7

LUCKY CEMENT CO. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Address	Main Businesses and Products	Original Investment Amount (Note 3)		As of September 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 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.)	Sale and lease of real estate	$ 2,167,473	$ 2,167,473	157,295,283	99.99	$ 2,281,625	$ (13,024)	$ (13,024)	Note 1
	Luckicon Ready-Mixed Co.	No. 191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Manufacturing and trading of ready-mixed concrete	350,000	99,998	47,000,000	100.00	635,093	99,238	98,569 (Note 4)	Note 1
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Investment business	-	-	50,000	-	-	-	-	Notes 2 and 5
	Lucky Cement Japan,	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement trading	82,300	82,300	6,800	100.00	25,211	673	673	Note 2
	Luckyship 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	38,929	(4,848)	(4,848)	Note 2
Luckicon Ready-Mixed Co.	Fuyu Development	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	On land clay and stone quarrying	12,571	12,571	1,000,000	100.00	8,368	3,553	3,553	Note 1

Note 1: The amounts were calculated based on the reviewed financial statements.

Note 2: The amounts were calculated based on the financial statements that were not reviewed.

Note 3: The original investment amount includes the previous year's capital reduction amount for the offset of losses.

Note 4: The difference is downstream transactions realized gain of $2 thousand and upstream transactions unrealized gain of $671 thousand.

Note 5: The Parent Company resolved to cease operations of its subsidiary, Just Bright Ltd., in the board of directors’ meeting on December 27, 2019, and the cancellation procedures are expected to be completed on May 1, 2021.

LUCKY CEMENT CO. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars)

No	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	%of Consolidated Net Revenue or Total Assets
0	Lucky Cement Co.	Luckicon Ready-Mixed Co.	a.	Accounts receivable	$ 54,963	About 90 days	0.70
		Luckicon Ready-Mixed Co.	a.	Notes receivable	136,528	About 90 days	1.73
		Luckicon Ready-Mixed Co.	a.	Other receivables	157	About 90 days	-
		Luckicon Ready-Mixed Co.	a.	Acquisition of transportation equipment	680	About 90 days	0.01
		Luckicon Ready-Mixed Co.	a.	Contract liabilities	10,262	About 90 days	0.13
		Luckicon Ready-Mixed Co.	a.	Sales	561,097	About 90 days	16.71
		Luckicon Ready-Mixed Co.	a.	Rental income	1,143	30 days	0.03
		Fuyu Development Co., Ltd.	a.	Notes receivable	810	About 90 days	0.01
		Fuyu Development Co., Ltd.	a.	Other receivables	5	30 days	-
		Fuyu Development Co., Ltd.	a.	Other payables	189	About 90 days	-
		Fuyu Development Co., Ltd.	a.	Notes payable	136	About 90 days	-
		Fuyu Development Co., Ltd.	a.	Operating cost	1,025	About 90 days	0.03
		Fuyu Development Co., Ltd.	a.	Rental income	6,045	30 days	0.18
		Fuyu Development Co., Ltd.	a.	Other gains	900	30 days	0.03
		Luckyship Co.	a.	Other receivables	8,000	Financing, the repayment period is one year	0.10
		Luckyship Co.	a.	Other receivables	19	About 90 days	-
		Luckyship Co.	a.	Other payables	1,609	About 90 days	0.02
		Luckyship Co.	a.	Operating cost	17,784	About 90 days	0.53
		Luckyship Co.	a.	Interest income	152	30 days	-
		Luckyship Co.	a.	Rental income	192	30 days	0.01
		Dasheng Enterprise	a.	Refundable deposits	159,000	Returned upon completion according to the contract	2.02
		Dasheng Enterprise	a.	Other receivables	55,100	Financing, the repayment period is one year	0.70
		Dasheng Enterprise	a.	Other receivables	73	About 90 days	-
		Dasheng Enterprise	a.	Rental income	60	30 days	-
		Dasheng Enterprise	a.	Interest income	523	30 days	0.02
1	Luckicon Ready-Mixed Co.	Dasheng Enterprise	c.	Accounts receivable	290	About 90 days	-
		Dasheng Enterprise	c.	Sales	425	About 90 days	0.01
		Dasheng Enterprise	c.	Interest income	74	About 90 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 9

LUCKY CEMENT CO. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2020

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Changheng Investment Co.	52,631,034	13.00
Changjun Water Resources Co.	30,378,008	7.50
Jinli Investment Co.	25,230,451	6.23
RI KON construction Co.	22,658,066	5.59
Yungsheng Development Co.	22,514,509	5.56
Lucky Construction Co., Ltd.	22,091,152	5.45

Note 1: The information of shareholders in the above table is calculated by the Taiwan Depository & Clearing Corporation based on the ordinary and special shares (including treasury shares) of the Parent Company held by major shareholders holding at least 5% of the shares on the last business day of the current quarter which have been physically registered and settled. The number of shares recorded in the Parent Company’s consolidated financial statements may be different from that physically registered and settled due to differences in the basis of preparation and calculation.

Note 2: If the shares of the major shareholders in the above table are held by trustees, the shareholdings shall be separately disclosed by the trust accounts opened by the trustee. As for shareholders’ handling of insider shareholding declarations with more than 10% of their shares in accordance with the Securities Exchange Act, their shareholdings include their own shareholdings plus those shares held under trust accounts with the right to utilize the trust assets, etc. For more information on insider shareholding declarations, refer to the Market Observation Post System website of the TWSE.