Lucky Cement Corporation and Subsidiaries

Consolidated Financial Statements for the
Nine Months Ended September 30, 2018 and 2017 and
Independent Accountants' Review Report

Notice to readers

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

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Independent Accountants' Review Report

The Board of Directors and Shareholders
Lucky Cement Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Lucky Cement Corporation and subsidiaries as of September 30, 2018 and 2017 and the related consolidated statement of comprehensive income, changes in equity, cash flows and the notes to the consolidated financial statements (including a summary of significant accounting policies) for the three months ended September 30, 2018 and 2017 and the nine months ended September 30, 2018 and 2017. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", endorsed and issued into effect by the Financial Supervisory Commission R.O.C. (FSC). Our responsibility is to make a conclusion on the consolidated financial statements based on our reviews.

Scope

Except for the basis of the reservated conclusion, we conducted our reviews in accordance with Statements on Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". The procedures performed in the review of the consolidated financial statements include inquiries (mainly to those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review is obviously less than the scope of the audit. Therefore, we may not be able to detect all the major issues that can be identified through the audit and therefore cannot express the opinion.

The Basis of the reservated conclusion

As stated in Note 13 to the consolidated financial statements, the financial statements of some of the non-significant subsidiaries of the consolidated financial statements are based on the statements in the same period without accounts' reviews. At the period nine months ended September 30, 2018 and 2017, total assets of the non-significant subsidiaries are NT$141,180,000 and NT$160,550,000, which are 2 % and 2% of consolidated assets; total liabilities are NT$32,242,000 and NT$60,850,000, which are 1 % and 2% of consolidated liabilities. The comprehensive losses are NT$8,071,000 and NT$3,583,000 for the three months ended September 30, 2018 and 2017; NT$25,003,000 and NT$20,783,000 for the nine months ended September 30, 2018 and 2017.

Reservated conclusion

Except those mentioned in the basis of the reservated conclusion, there is an impact on possible adjustments to the consolidated financial statements if the financial statements of the non-significant subsidiaries are reviewed. Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects the financial position of the entity as at September 30, 2018 and 2017, its consolidated financial performance for the three months ended September 30, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30 2018 and 2017 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", endorsed and issued into effect by the FSC.

Deloitte & Touche

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

November 9, 2018

Lucky Cement Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2018 and 2017

In Thousands of New Taiwan Dollars

Code	Assets	September 30, 2018 (Reviewed) Amount	%	December 31, 2017 (Audited) Amount	%	September 30, 2017 (Reviewed) Amount	%
	Current Assets						
1100	Cash and cash equivalents (Note 6)	$ 277,616	4	$ 251,893	4	$ 177,918	3
1110	Total current financial assets at fair value through profit or loss (Note 4 & 7)	50,606	1	-	-	-	-
1120	Total current financial assets at fair value through other comprehensive income (Note 4 & 8)	81,255	1	-	-	-	-
1125	Available-for-sale financial assets (Note 4 & 9)	-	-	151,476	2	175,654	2
1150	Notes receivable (Note 4, 11 & 34)	380,349	5	392,263	6	359,600	5
1160	Notes receivable due from related parties (Note 4, 11& 33)	-	-	-	-	17,308	-
1170	Accounts receivable, net (Note 4 & 11)	211,769	3	198,238	3	223,844	3
1180	Accounts receivable due from related parties, net (Note 4, 11 & 33)	6,526	-	8,861	-	4,958	-
1200	Other receivable (Note 4 & 33)	26,638	-	3,514	-	3,369	-
1220	Current tax assets	21,244	-	16,642	-	15,096	-
130X	Inventories (Note 12 & 34)	3,811,525	53	3,773,847	52	3,781,701	52
1410	Prepayments (Note 14)	177,359	3	163,767	2	193,085	3
1476	Other current financial assets (Note 15 & 34)	89,819	1	133,348	2	110,024	2
1479	Other current assets (Note 16)	30,135	-	27,222	-	23,624	-
11XX	Total Current Assets	5,164,841	71	5,121,071	71	5,086,181	70
	Non-Current Assets						
1510	Total non-current financial assets at fair value through profit or loss (Note 4 & 7)	10,800	-	-	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 4 & 8)	19,528	-	-	-	-	-
1523	Non-current available-for-sale financial assets(Note 4 & 9)	-	-	8,949	-	18,019	-
1543	Non-current financial assets at cost (Note 4 & 10)	-	-	23,216	-	23,216	-
1600	Property, plant, and equipment (Note 17 & 34)	1,578,553	22	1,648,561	23	1,708,370	24
1840	Deferred tax assets (Note 4)	191,622	3	157,911	2	131,139	2
1920	Guarantee deposits paid	91,022	1	88,131	1	88,840	1
1990	Other non-current assets (Note 18 & 34)	175,660	3	189,013	3	218,601	3
15XX	Total Non-Current Assets	2,067,185	29	2,115,781	29	2,188,185	30
1XXX	Total Assets	$ 7,232,026	100	$ 7,236,852	100	$ 7,274,366	100
Code	Liabilities and Equity						
	Current Liabilities						
2100	Short-term borrowings (Note 19 & 34)	$ 439,969	6	$ 873,642	12	$ 903,827	13
2110	Short-term notes and bills payable (Note 19 & 34)	109,794	1	139,577	2	229,745	3
2130	Contract liabilities (Note 4 & 24)	254,847	4	-	-	-	-
2150	Notes payable (Note 20)	166,653	2	186,975	3	162,841	2
2160	Notes payable to related parties (Note 20 & 33)	48,155	1	26,747	-	23,879	-
2170	Accounts payable (Note 20)	227,703	3	126,733	2	109,849	2
2180	Accounts payable to related parties (Note 20 & 33)	24,729	-	66,229	1	23,575	-
2219	Other payables (Note 21)	123,025	2	120,788	2	141,095	2
2220	Other payables to related parties (Note 33)	2,059	-	20,777	-	21,437	-
2230	Current tax liabilities	-	-	13,235	-	7,483	-
2310	Advance receipts	-	-	231,276	3	210,751	3
2320	Long-term liabilities, current portion (Note 19 & 34)	111,200	2	111,200	2	168,700	2
2399	Other current liabilities	2,624	-	7,969	-	2,732	-
21XX	Total Current Liabilities	1,510,758	21	1,925,148	27	2,005,914	27
	Non-Current Liabilities						
2540	Long-term borrowings (Note 19 & 34)	1,163,238	16	691,638	9	514,438	7
2570	Deferred tax liabilities (Note 4)	39,947	-	41,771	1	45,699	1
2640	Net defined benefit liability (Note 4)	66,286	1	68,649	1	72,936	1
2645	Guarantee deposits received	29,431	-	35,304	-	33,517	-
2655	Shareholder accounts (Note 33)	45,800	1	45,800	1	45,800	1
25XX	Total Non-Current Liabilities	1,344,702	18	883,162	12	712,390	10
2XXX	Total Liabilities	2,855,460	39	2,808,310	39	2,718,304	37
	Equity Attributable to the Owner Company (Note 23)						
3110	Ordinary share	4,047,380	56	4,047,380	56	4,047,380	56
3200	Capital surplus	8	-	8	-	8	-
	Retained earnings						
3310	Legal reserve	166,309	2	166,309	2	166,309	2
3320	Special reserve	17,376	-	14,135	-	14,135	-
3350	Unappropriated retained earnings	126,863	2	177,528	3	295,619	4
3300	Total Retained Earnings	310,548	4	357,972	5	476,063	6
3400	Other Equity	(4,822)	-	(3,241)	-	5,571	-
31XX	Total Equity Attributable to Owners of Parent	4,353,114	60	4,402,119	61	4,529,022	62
36XX	Non-Controlling Interests (Note 23)	23,452	1	26,423	-	27,040	1
3XXX	Total Equity	4,376,566	61	4,428,542	61	4,556,062	63
	Total Liabilities and Equity	$ 7,232,026	100	$ 7,236,852	100	$ 7,274,366	100

The accompanying notes are an integral of the consolidated financial statements
(Please refer to the November 9, 2018 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months Ended September 30, 2018 and 2017; For the Nine Months Ended September 30, 2018 and 2017

(Reviewed，Not Audited)

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

		For the Three Months Ended September 30, 2018		For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2018		For the Nine Months Ended September 30, 2017	
Code		Amount	%	Amount	%	Amount	%	Amount	%
	Operating Revenue (Note 4, 24 & 33)								
4110	Sales revenue	$ 776,796	100	$ 830,926	100	$ 2,461,942	100	$ 2,595,875	100
4190	Less：Sales discounts and allowances	(619)	-	(517)	-	(1,519)	-	(3,008)	-
	Net sales revenue	776,177	100	830,409	100	2,460,423	100	2,592,867	100
5000	Operating costs (Note 12, 25 & 33)	768,954	99	786,360	94	2,390,823	97	2,387,661	92
5900	Gross Profit from operations	7,223	1	44,049	6	69,600	3	205,206	8
	Operating expenses (Note 25 & 33)								
6100	Selling expense	24,601	3	25,637	3	77,646	3	76,384	3
6200	Administrative expenses	25,556	3	29,976	4	80,922	4	90,459	4
6450	Expected credit impairment loss (Reversal of Impairment Loss)	(1,407)	-	-	-	1,310	-	-	-
6000	Total Operating Expenses	48,750	6	55,613	7	159,878	7	166,843	7
6500	Net other income (expenses) (Note 25)	-	-	1,270	-	16,056	1	1,490	-
6900	Net operating income (loss)	(41,527)	(5)	(10,294)	(1)	(74,222)	(3)	39,853	1
	Non-Operating Income and Expense (Note 25 & 33)								
7100	Interest income	479	-	435	-	1,562	-	1,451	-
7110	Rent income	2,299	-	2,498	-	6,792	-	7,237	-
7190	Other income	3,274	1	7,045	1	16,046	1	12,202	1
7225	Gain or loss on disposals of investments	1	-	(308)	-	98	-	(575)	-
7230	Foreign exchange gains or loss	(348)	-	113	-	35	-	1,816	-
7235	Gains (losses) on financial assets at fair value through profit or loss	56	-	-	-	1,269	-	-	-
7590	Miscellaneous disbursements	(5,552)	(1)	(2,781)	-	(11,523)	-	(9,592)	-
7510	Interest Expense	(7,673)	(1)	(7,526)	(1)	(22,892)	(1)	(22,400)	(1)
7000	Total Non-Operating Income and Expenses	(7,464)	(1)	(524)	-	(8,613)	-	(9,861)	-
7900	Profit (loss) from continuing operations before tax	(48,991)	(6)	(10,818)	(1)	(82,835)	(3)	29,992	1
7950	Tax income (expense) (Note 4 & 26)	7,206	1	3,239	-	33,075	1	(8,708)	-
8000	Profit (loss) from continuing operations	(41,785)	(5)	(7,579)	(1)	(49,760)	(2)	21,284	1
8100	Profit (loss) from discontinued operations (Note 27)	(471)	-	(160)	-	(649)	-	(634)	-
8200	Profit (loss)	(42,256)	(5)	(7,739)	(1)	(50,409)	(2)	20,650	1
	Other comprehensive income								
	Items not to be reclassified into profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	9,400	1	-	-	3,091	-	-	-
8360	Components of other comprehensive income that will be reclassified to profit or loss：								
8361	Exchange differences on translation	(522)	-	(252)	-	453	-	(655)	-
8362	Unrealised gains (losses) on valuation of available-for-sale financial assets	-	-	(1,795)	-	-	-	(21,176)	(1)
8367	Unrealized gains (losses) from investments in Debt instruments measured at fair value through other comprehensive income	20	-	-	-	(216)	-	-	-
8300	Other comprehensive income or loss, net	8,898	1	(2,047)	-	3,328	-	(21,831)	(1)

(To be continued)

(Continued)

Code		For the Three Months Ended September 30, 2018 Amount	%	For the Three Months Ended September 30, 2017 Amount	%	For the Nine Months Ended September 30, 2018 Amount	%	For the Nine Months Ended September 30, 2017 Amount	%
8500	Total comprehensive income	($ 33,358)	(4)	($ 9,786)	(1)	($ 47,081)	(2)	($ 1,181)	-
	Profit attributable to:								
8610	Attributable to owner of parent	($ 42,119)	(5)	($ 6,765)	(1)	($ 49,141)	(2)	$ 21,999	1
8620	Attributable to non-controlling interestst	(137)	-	(974)	-	(1,268)	-	(1,349)	-
8600		($ 42,256)	(5)	($ 7,739)	(1)	($ 50,409)	(2)	$ 20,650	1
	Comprehensive income attributable to:								
8710	Attributable to owner of parent	($ 33,218)	(4)	($ 8,812)	(1)	($ 45,810)	(2)	$ 170	-
8720	Attributable to non-controlling intereststs	(140)	-	(974)	-	(1,271)	-	(1,351)	-
8700		($ 33,358)	(4)	($ 9,786)	(1)	($ 47,081)	(2)	($ 1,181)	-
	Earnings（losses）per share（Note 28）								
	From continuing operations and discontinuing operations								
9750	Basic	($ 0.10)		($ 0.02)		($ 0.12)		$ 0.05	
9850	Diluted							$ 0.05	
	From continuing operations								
9710	Basic	($ 0.10)		($ 0.02)		($ 0.12)		$ 0.06	
9810	Diluted							$ 0.06	

The accompanying notes are an integral of the consolidated financial statements

（Please refer to the November 9, 2018 Deloitte Taiwan Reviewed Report）

Lucky Cement Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Nine months ended September 30, 2018 and 2017
(Reviewed，Not Audited)

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

Code		Equity Attributable to Shareholders of the Parent										
				Retained Earnings			Others Equity					
		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling Interestests	Total Equity
A1	Balance, January 1, 2017	$ 4,047,380	$ 8	$ 134,776	$ 14,135	$ 547,996	($ 6,840)	$ 34,240	$ -	$ 4,771,695	$ 30,141	$ 4,801,836
	Appropriation and distribution of retained earnings in 2016:											
B1	Legal reserve	-	-	31,533	-	(31,533)	-	-	-	-	-	-
B5	Cash dividends －NT$0.6 per share	-	-	-	-	(242,843)	-	-	-	(242,843)	-	(242,843)
O1	Subsidiary shareholders' cash dividends	-	-	-	-	-	-	-	-	-	(1,750)	(1,750)
D1	Net income for the nine months ended September 30, 2017	-	-	-	-	21,999	-	-	-	21,999	(1,349)	20,650
D3	Other comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	-	(653)	(21,176)	-	(21,829)	(2)	(21,831)
D5	Total comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	21,999	(653)	(21,176)	-	170	(1,351)	(1,181)
Z1	Balance, September 30, 2017	$ 4,047,380	$ 8	$ 166,309	$ 14,135	$ 295,619	($ 7,493)	$ 13,064	$ -	$ 4,529,022	$ 27,040	$ 4,556,062
A1	Balance, January 1, 2018	$ 4,047,380	$ 8	$ 166,309	$ 14,135	$ 177,528	($ 8,187)	$ 4,946	$ -	$ 4,402,119	$ 26,423	$ 4,428,542
A3	Effects of retrospective application	-	-	-	-	(2,887)	-	(4,946)	5,716	(2,117)	-	(2,117)
A5	Adjusted balance, January 1, 2018	4,047,380	8	166,309	14,135	174,641	(8,187)	-	5,716	4,400,002	26,423	4,426,425
	Appropriation of retained earnings in 2017:											
B3	Special reserve	-	-	-	3,241	(3,241)	-	-	-	-	-	-
D1	Net loss for the nine months ended September 30, 2018	-	-	-	-	(49,141)	-	-	-	(49,141)	(1,268)	(50,409)
D3	Other comprehensive income (loss) for the nine months ended September 30, 2018	-	-	-	-	-	456	-	2,875	3,331	(3)	3,328
D5	Total comprehensive income (loss) for the nine months ended September 30, 2018	-	-	-	-	(49,141)	456	-	2,875	(45,810)	(1,271)	(47,081)
M7	Total equity exchanges for subsidiary	-	-	-	-	(1,078)	-	-	-	(1,078)	(3,993)	(5,071)
I1	Increase in non-controlling interestests, net	-	-	-	-	-	-	-	-	-	2,293	2,293
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	5,682	-	-	(5,682)	-	-	-
Z1	Balance, September 30 2018	$ 4,047,380	$ 8	$ 166,309	$ 17,376	$ 126,863	($ 7,731)	$ -	$ 2,909	$ 4,353,114	$ 23,452	$ 4,376,566

The accompanying notes are an integral of the consolidated financial statements
(Please refer to the November 9, 2018 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2018 and 2017

(Reviewed，Not Audited)

In Thousands of New Taiwan Dollars

Code		Nine months ended September 30, 2018	Nine months ended September 30, 2017
	Cash Flow from Operating Activities		
A00010	Profit (loss) from continuing operations before tax	($ 82,835)	$ 29,992
A00020	Profit (loss) from discontinued operations before tax	(649)	(634)
A10000	Profit (loss) before Tax	(83,484)	29,358
A20000	Adjustments:		
A20300	Expected credit impairment loss／bad debt expense	1,310	6,936
A20100	Depreciation expense	182,477	203,276
A20200	Amortization expense	7,839	6,744
A20400	Net profit on financial assets at fair value through profit or loss	(1,269)	-
A20900	Interest expense	22,892	22,400
A21200	Interest income	(1,562)	(1,451)
A21300	Dividend income	(2,509)	(4,194)
A22500	Loss (gain) on disposal of property, plan and equipment	(16,056)	(1,490)
A23100	Loss (gain) on disposal of financial assets	(98)	575
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	11,914	80,932
A31140	Notes receivable due from related parties	-	(5,258)
A31150	Accounts receivable	(17,831)	72,978
A31160	Accounts receivable due from related parties	2,335	18,402
A31180	Other receivable	(22,666)	(965)
A31200	Inventories	(37,678)	(157,001)
A31230	Prepayments	(13,592)	(24,164)
A31240	Other current assets	(2,913)	(811)
A32125	Contract liability	23,571	-
A32130	Notes payable	(20,322)	6,999
A32140	Notes payable to related parties	21,408	(67,307)

(To be continued)

(Continued)

Code		Nine months ended September 30, 2018	Nine months ended September 30, 2017
A32150	Accounts payable	100,970	(62,597)
A32160	Accounts payable to related parties	(41,500)	(66,858)
A32180	Other payable	2,208	(30,678)
A32190	Other payable to related parties	(390)	1,533
A32210	Receipts in advance	$ -	$ 53,406
A32230	Other current liabilities	(5,472)	(8,781)
A32240	Net defined benefit liability	(2,363)	700
A33000	Cash inflow (outflow) generated from operations	107,219	72,684
A33100	Interest received	877	1,461
A33300	Interest paid	(22,646)	(22,708)
A33500	Income taxes paid	(20,170)	(28,080)
AAAA	Net cash flows from (used in) operating activities	65,280	23,357
	Cash Flow from Investing Activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(28,349)	-
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	36,403	-
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	2,890	-
B00100	Acquisition of financial assets at fair value through profit or loss, designated as upon initial recognition	(11,025)	-
B00200	Proceeds from disposal of financial assets at fair value through profit or loss, designated as upon initial recognition	26,923	-
B00300	Acquisition of available-for-sale financial assets	-	(35,000)
B00400	Proceeds from disposal of available-for-sale financial assets	-	5,865
B01400	Proceeds from capital reduction of financial assets at cost	-	14,450
B02700	Acquisition of property, plant and equipment	(112,308)	(20,990)

(To be continued)

(Continued)

Code		Nine months ended September 30, 2018	Nine months ended September 30, 2017
B02800	Proceeds from disposal of property, plant and equipment	16,056	10,358
B03700	Increase in refundable deposits	(2,891)	(88)
B06600	Decrease (increase) in other financial assets	43,529	254,274
B06800	Decrease (increase) in other non-current assets	5,514	1,586
B07600	Dividends received	2,509	4,194
BBBB	Net cash flows from (used in) investing activities	(20,749)	234,649
	Cash flows from (used in) financing activities		
C00100	Decrease in short-term loans	(433,673)	(282,002)
C00500	Decrease in short-term notes and bills payable (Note 29)	(30,000)	-
C01600	Proceeds from long-term debt	580,000	614,250
C01700	Repayments of long-term debt	(108,400)	(381,150)
C03000	Increase in guarantee deposits received (Decrease)	($ 5,873)	$ 584
C03700	Increase in other payables to related parties (Decrease)	(18,328)	-
C04500	Cash dividends paid	-	(242,843)
C05400	Acquisition of ownership interests in subsidiaries	(5,071)	-
C05800	Dividends paid in non-controlling interests	-	(1,750)
C09900	Increase in non-controlling interests	2,293	-
CCCC	Net cash flows from (used in) financing activities	(19,052)	(292,911)
DDDD	Effect of exchange rate changes on cash	244	(267)
EEEE	Net increase (decrease) in cash and cash equivalents	25,723	(35,172)
E00100	Cash and cash equivalents at beginning of period	251,893	213,090
E00200	Cash and cash equivalents at beginning of period	$ 277,616	$ 177,918

The accompanying notes are an integral of the consolidated financial statements
(Please refer to the November 9, 2018 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation Limited and Subsidiaries

Notes to Consolidated Financial Statements

For the nine months ended September 30, 2017 and 2016

(Reviewed，Not Audited)

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

1. Company History

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

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

2. The Date and Procudure of Financial Report

The accompanying consolidated financial statements were reported to the Board of Directors and issued on November 9, 2018.

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

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

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

A. IFRS 9 "Financial Instruments" and related amendments

IFRS 9 "Financial Instruments" supersedes IAS 39 "Financial Instruments: Recognition and Measurement", with consequential amendments to IFRS 7 "Financial Instruments: Disclosures" and other standards. IFRS 9 sets out the requirements for classification, measurement and impairment of financial assets and hedge accounting. Please refer to Note 4 for the relevant accounting policies.

Classification, measurement and impairment of financial assets

Based on the facts and circumstances existing on January 1, 2018, the Group assesses the classification of existing financial assets on that day for retrospective adjustment, and chooses not to restate the comparative period. The changed situation on measurement categories and carrying amount for each class of the Group's financial assets when retrospectively applying IAS 39 and IFRS 9 on January 1, 2018 is detailed below:

	Measurement Categories		Carrying Amount		
Financial Assets	IAS 39	IFRS 9	IAS 39	IFRS 9	Note
Cash and cash equivalents	Loans and receivables	Amortised cost	$ 251,893	$ 251,893	(5)
Stock investment	Available-for-sale financial assets	Investments in equity instruments measured at fair value through other comprehensive income (FVOCI)	78,736	78,736	(1)
	Financial assets at cost	Investments in equity instruments measured at FVOCI	23,216	24,107	(2)
Fund beneficiary certificate	Available-for-sale financial assets	mandatorily measured at fair value through profit or loss (FVPL)	75,937	75,937	(3)
Bond investment	Available-for-sale financial assets	Investments in debt instruments measured at FVOCI	5,752	5,752	(4)
Notes receivable, accounts receivable and other receivables	Loans and receivables	Amortised cost	602,876	599,868	(5)
Restricted assets	Loans and receivables	Amortised cost	218,754	218,754	(5)

	Carry Amount as of January 1, 2018 (IAS 39)	Reclassifications	Remeasurements	Carry Amount as of January 1, 2018 (IFRS 9)	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Note
Financial assets at FVPL							
Add：Reclassifications from available-for-sale financial assets（IAS 39）							
- Mandatory reclassifications	$ -	$ 75,937	$ -	$ 75,937	($ 7,379)	$ 7,379	(3)
Financial assets at FVOCI							
－Debt instruments							
Add：Reclassifications from available-for-sale financial assets（IAS 39）	-	5,752	-	5,752	-	-	(4)
－Equity instruments							
Add：Reclassifications from available-for-sale financial assets（IAS 39）	-	78,736	-	78,736	-	-	(1)
Add：Reclassifications from financial assets at cost（IAS 39）	-	23,216	891	24,107	7,500	(6,609)	(2)
	-	107,704	891	108,595	7,500	(6,609)	
Financial assets at amortised cost							
Add： Reclassifications from loans and receivables（IAS 39）	-	1,073,523	(3,008)	1,070,515	(3,008)	-	(5)
Total	$ -	$ 1,257,164	($ 2,117)	$ 1,255,047	($ 2,887)	$ 770	

① Originally, the stock investment classified as available-for-sale financial assets in accordance with IAS 39, the Group's choice was classified according to IFRS 9 as mandatorily measured at FVOCI, and related other equity - unrealized gains (losses) on available-for-sale financial assets NT$11,906,000 is classified as other equity - unrealized gains (losses) on financial assets measured at FVOCI.

② The unlisted (OTC) stock investments originally measured at cost according to IAS 39 are classified as IFRS 9 and are mandatorily measured at FVOCI, and should be remeasured at fair value. Due to retroactive application, the adjustments of unrealized gains (losses) on financial assets measured at FVOCI decreased by NT$6,609,000 and retained earnings adjustments increased by NT$7,500,000 on January 1, 2018.

③ The fund beneficiary certificates were originally classified as available-for-sale financial assets in accordance with IAS 39. Because its cash flow is not entirely for the payment of principal and interest on the outstanding principal amount, and is not an equity instrument, it is mandatorily categorised under IFRS 9 as a measure of FVPL. As a result of the retrospective application, the other equity–the adjustments of unrealized gains (losses) on available-for-sale financial assets increased by NT$7,379,000 and the retained earnings adjustment decreased by NT$7,379,000 on January 1, 2018.

④ The bond investments were originally classified as available-for-sale financial assets in accordance with IAS 39, its original contractual cash flows entirely paid for the payment of principal and interest on the outstanding principal amount. In accordance with the facts and circumstances on January 1, 2018, the evaluation business model was to hold financial assets to achieve the purpose of collecting contractual cash flows and selling financial assets, and to classify as IFRS 9 as FVOCIf, and related other equity - unrealized gains (losses) on available-for-sale financial assets of NT$419,000 was reclassified as other equity - unrealized gains (losses) on financial assets measured at FVOCI.

⑤ Cash and cash equivalents, notes receivable, accounts receivable, other receivables and restricted assets were originally classified as loans and receivables in accordance with IAS 39, and are classified as financial assets measured at amortised cost in accordance with IFRS 9 and assessed expected credit losses. Due to retroactive application, the adjustment of allowance loss increased by NT$3,008,000 and retained earnings adjustment decreased by NT$3,008,000 on January 1, 2018.

B. IFRS 15 “Revenue from Contracts with Customers” and related amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 “Revenue,” IAS 11 “Construction Contracts” and related interpretations. Please refer to Note 4 for the relevant accounting policies.

The net result of the recognition of revenue, amount received and receivable is recognized as contract assets (liabilities). Prior to the application of IFRS 15, contracts dealt with under IAS 18 recognize the decrease in receivables or advance receipts when revenue is recognized.

If the signed contract is irrevocable, the Group will recognize both the receivables and the contractual liabilities when it has an unconditional right to collect payments. Prior to the application of IFRS 15, the unearned revenue was recognized at the time of collection.

The Company elected only to retrospectively apply IFRS 15 to contracts that were not completed on January 1, 2018. The relevant cumulative effect was adjusted to retained earnings on that date.

Current impact of liabilities

	January 1, 2018 Amount before Adjustments	Adjustments Arising from Initial Application	January 1, 2018 Amount after Adjustments
Contract liabilities－current	$ -	$ 231,276	$ 231,276
Advance receipts	231,276	(231,276)	-
impact of liabilities	$ 231,276	$ -	$ 231,276

	September 30,2018
Increase in contract liabilities	$ 254,847
Decrease in advance receipts	(254,847)
	$ -

(2) Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers for application starting from 2019 and the IFRSs endorsed by FSC with effective date starting 2019.

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendment to IFRS 9" Prepayment Features with Negative Compensation"	January 1, 2019 (Note 2)
IFRS 16 "Leases"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019（Note 3）
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019

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

Note 2： The FSC allows the Group to elect to apply this amendment in advance on January 1, 2018.

Note 3： The plan amendment, curtailment or settlement that occurres after January 1, 2019 is applied to this amendment.

IFRS 16"Leases"

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

Identifying a lease

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

The Group is the tenant

Upon initial application of IFRS 16, the Group will recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets, except for those whose payments under low-value and short-term leases will be recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Currently, payments under operating lease contracts are recognized as expenses on a straight-line basis. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows.

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

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

The Group is expected to apply the following expediency:

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

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

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

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

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

<u>The Group is the lessor</u>

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

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

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

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 3 "the definition of a business"	January 1, 2020（Note 2）
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "the definition of materiality"	January 1, 2020 (Note 3）

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

Note 2： The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.

Note 3： The amendments are effective for annual reporting periods beginning on or after 1 January 2020.

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

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

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

(2) Basis of Consolidation

I. Principles for the preparation of Consolidated Financial Statements

The consolidated financial statements are prepared in the same way as the consolidated financial statements for the year 2017.

II. Subsidiary details, shareholding ratio and operating items, please refer to Note13, Schedule 5 and Schedule 6.

(3) Other significant accounting policies

In addition to the following instructions, please refer to the summary statement of the major accounting policies for the consolidated financial statements for the year 2017.

I. Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated balance sheet when the Group becomes a party to the contractual terms of the instrument.

In the initial recognition of financial assets and financial liabilities, if financial assets or financial liabilities are not measured at FVPL, they are measured at fair value plus the transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities measured at FVPL are immediately recognized as profit or loss.

① Financial assets

Routine transactions in financial assets are recognized and derecognized on the transaction date.

A. Measurement Type

2018

The types of financial assets held by the Group are financial assets measured at FVPL, financial assets measured at amortised cost, and investments in equity instrument measured at FVOCI.

a. Financial assets measured at FVPL

Financial assets measured at FVPL include financial assets that are mandatorily measured at FVPL and are designated at FVPL.

Financial assets that are mandatorily measured at FVPL include the investment in equity instrument that the Group has not designated to measure at FVOCI and the investment in debt instrument that is not meet the classification to measure at amortised cost or measure at FVOCI.

Financial assets that are measured at FVPL are measured at fair value. The remeasurement of the resulting gains or losses (excluding any dividends or interest earned on the financial assets) is recognised in profit or loss. For the determination of fair value, please refer to Note 32.

b. Financial assets at amortised cost

The Group's investment in financial assets is classified as financial assets at amortized cost if it meets both of the following conditions:

(a) It is held under a business model. The purpose of this model is to hold financial assets to collect contractual cash flows.

(b) When contract terms generate cash flows on the specific date, these cash flows are entirely for the payment of principal and interest on the outstanding principal amount.

After initial recognition, financial assets at amortised cost (including cash and cash equivalents, other financial assets, notes receivable measured at amortised cost, accounts receivables and other receivables) are measured at amortised cost which is the total carrying amount determined by the effective interest method deducted the any impairment loss. Any foreign currency gain or loss is recognized in profit or loss.

Except for the following two situations, interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

(a) Purchased or originated credit-impaired financial asset, interest income is calculated by multiplying the effective interest rate after credit adjustment by the financial assets at amortized cost.

(b) It does not belong to thepurchased or initiated credit impairment, but it subsequently becomes a credit impairment financial asset. Interest income is calculated by multiplying the effective interest rate by the financial assets at amortized cost.

Cash equivalents includes certificate deposits that are highly liquid and can be converted into cash at any time within a period of three months from the date of acquisition, with minimal risk of changes in value, to meet short-term cash commitments.

c. Debt instrument investments measured at FVOCI

The Group's debt instrument investments that meet the following two conditions are classified as financial assets measured at FVOCI:

(a) It is held under a business model. The purpose of the model is achieved through the collection of contractual cash flows and the sale of financial assets.

(b) When contract terms generate cash flows on the specific date, these cash flows are entirely for the payment of principal and interest on the outstanding principal amount.

The debt instrument investments measured at FVOCI, the change in the carrying amount is determined by using the effective interest method to calculate the interest income, foreign currency exchange gains or losses, impairment losses or reversal of impairment loss are recognized in profit or loss. It is recognized in other comprehensive income and reclassified to profit or loss when the investment is disposed.

d. Equity instrument investments measured at FVOCI

When the Group initially recognized, it can make an irrevocable choice to designated measure equity instrument investment at FVOCI, when that are not held for trading and not the recognition or consideration by the enterprise’s mergers and acquisitions (M&A).

Equity instrument investments measured at FVOCI are measured at fair value. The changes in subsequent fair value are recognized in other comprehensive income and are accumulated in other equity. At the time of investment disposition, cumulative gains and losses are directly transferred to retained earnings and are not reclassified to profit or loss.

Dividends of equity instrument investments measured at FVOCI are recognised in profit or loss when the rights to the Group's receipts are established, unless the dividend clearly represents the recovery of part of the investment costs.

<u>2017</u>

The Group’s financial assets included available-for-sale financial assets, loans and receivables.

a. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets designated as available-for-sale or financial assets that are not classified as loans and receivables, held-to-maturity investments, or measured at FVPL.

Changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income, and are reclassified to profit or loss when the investment is disposed or impairment is determined.

Dividends of available-for-sale equity investments are recognized when the rights to Group receipts are established.

Available-for-sale financial assets are classified as “financial assets at cost” if they belong to equity instrument investments without publicly price in the active market and the fair value cannot be measured reliably. The subsequent measurement is measured by the amount of costs minus impairment loss. When these financial assets are measured at fair value reliably, the difference between the carrying amount and the fair value is recognized in other comprehensive income. If there is impairment, it is recognized in profit or loss.

b. Loans and receivables.

Loans and receivables (including accounts receivable, cash and cash equivalents and other receivables) are measured at amortised cost less impairment loss using the effective interest method, except for interest of short-term receivables recognized without materiality situation.

Cash equivalents includes certificate deposits that are highly liquid and can be converted into cash at any time within a period of three months from the date of acquisition, with minimal risk of changes in value, to meet short-term cash commitments.

B. Impairment of financial assets

2018

The Group assesses the impairment loss of financial assets (including receivables) at amortization costs on the basis of expected credit losses on each balance sheet date.

Accounts receivable recognizes loss allowance for lifetime expected credit losses. Other financial assets are evaluated first to see whether the credit risk has increased significantly since the original recognition. If there is no significant increase, the 12-month expected credit loss will be used to recognize the allowance loss. If there has been a significant increase, it will be recognized as loss allowance for lifetime expected credit losses.

The expected credit loss is the weighted average credit loss with the weight of default risk. The 12-month expected credit loss represents the expected credit losses arising from potential defaults of financial instruments in the 12 months after the reporting date. The lifetime expected credit losses represent expected credit losses arising from all possible defaults of the financial instruments during the expected period of existence.

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

<u>2017</u>

Financial assets are assessed for indicators of impairment at the end of each reporting period by the Group. Those financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets and their estimated future cash flows have been lost.

For financial assets at amortized cost, such as notes receivable, accounts receivable and other receivables, such assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually.

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

For financial assets at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial assets at the date the impairment loss is reversed does not exceed what the amortized cost would have been had the impairment loss not been recognized.

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

When an available-for-sale financial asset is considered to be impaired, cumulative losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For the available-for-sale equity instrument investments, impairment loss previously recognized in profit or loss is not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

For financial assets at cost, the amount of the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets, with the exception of accounts receivable and other receivables, where the carrying amount is reduced through the allowance account. When accounts receivable and other receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible accounts receivable and other receivables that are written off against the allowance account.

C. Derecognition of financial assets

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

Prior to 2017 (inclusive), when a financial asset was decognized as a whole, the difference between its carrying amount and the consideration received plus any cumulative profit or loss that had been recognised in other comprehensive inocme was recognized in profit or loss. When the derecognition of entire financial assets measured at amortised cost, the difference between the carrying amount and the consideration received is recognized in profit or loss from 2018. When the derecognition of the entire debt instrument investments measured at FVOCI, the difference between the carrying amount and the consideration received plus any cumulative profit or loss that had been recognised in other comprehensive inocme was recognized in profit or loss. When the derecognition of the entire equity instrument investments measured at FVOCI, Cumulative gains and losses are directly transferred to retained earnings and are not reclassified to profit or loss.

② Financial liabilities

A. Subsequent measurement

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

B. Derecognition of financial liabilities

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

II. Revenue recognition

2018

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

Revenue from merchandise sales

The revenue from merchandise sales mainly comes from sales of cement, other cement subsidiary products and cement products. Since cement, other cement accessory products and cement products have the right to set prices and use of the products at the time of shipment, and they have the primary responsibility for resale and bear the obsolete risks of obsolete products, the Group was recognized the revenue and receivables at that time.

2017

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

Sales of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

① The Group has transferred to the buyer the significant risks and rewards of ownership of the goods；

② The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold；

③ The amount of revenue can be measured reliably；

④ It is probable that the economic benefits associated with the transaction will flow to the Group; and

⑤ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

III. 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.

IV. Income tax

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

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2017.

6. Cash and Cash Equivalents

	September 30, 2018	December 31, 2017	September 30, 2017
Cash on hand and revolving funds	$ 1,506	$ 1,432	$ 1,557
Checking and demand deposits	241,044	233,128	163,324
Bank foreign currency demand deposits	35,066	9,333	13,037
Cash Equivalents			
Certificate deposit with original maturity date within 3 months	-	8,000	-
	$ 277,616	$ 251,893	$ 177,918

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

	September 30, 2018	December 31, 2017	September 30, 2017
Bank deposits	0.05%～0.42%	0.05%～0.20%	0.05%～0.10%
Certificate deposit with original maturity date within 3 months	-	0.66%	-

7. Financial Instrument Measured at FVPL—2018

	September 30, 2018
Current	
Mandatorily measured at FVPL	
－Mutual funds	$ 50,606
Non-Current	
Mandatorily measured at FVPL	
－Mutual funds	$ 10,800

8. Financial Assets Measured at FVOCI－2018

	September 30, 2018
<u>Current</u>	
Equity instrument investments measured at FVOCI	$ 75,463
Debt instrument investments measured at FVOCI	5,792
	$ 81,255
<u>Non-Current</u>	
Equity instrument investments measured at FVOCI	
	$ 19,528

(1) Equity instrument investments measured at FVOCI

	September 30, 2018
<u>Current</u>	
Listed and OTC stocks	
Global Lighting Technologies Inc Common Stocks	$ 37,990
Taiwan Cement Corp Common Stocks	18,084
Asia Cement Corporation Common Stocks	12,450
Winbond Electronics Corp. Common Stocks	1,888
Excelsior Medical Co., Ltd. Common Stocks	1,884
United Microelectronics Corp. Common Stocks	1,169
Medigen Biotechnology Corp. Common Stocks	1,423
Highwealth Construction Common Stocks	387
China Development Financial Common Stocks	154
First Financial Holding Co. Ltd. Common Stocks	18
Capital Securities Corp. Common Stocks	9
Hua Nan Financial Holdings Co. Ltd. Common Stocks	7
	$ 75,463

	September 30, 2018
<u>Non Current</u>	
Non-listed (OTC) Company Common Stock	
Jonfeng Mining Co., Ltd. Common Stocks	$ 9,959
Global Securities FinanceCorp. Common Stocks	5,382
WK Technology Fund Common Stocks	4,187
	$ 19,528

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

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

The Group invests in the above ordinary shares for the purpose of long-term strategies and expects to profit from long-term investments. The management of the Group considers that if the short-term fair value fluctuations of these investments are recognized in profit or loss, they are not consistent with the aforementioned long-term investment plan, and therefore the designated investment is selected to be measured at FVOCI. These investments were previously classified as available-for-sale financial assets or financial assets measured at cost in accordance with IAS 39. For reclassifications and information for 2017, please refer to Note 3, Note 9 and Note 10.

(2) Debt instrument investments measured at FVOCI

	September 30, 2018
Current	
Bond investment	$ 5,792

The bonds held by the Group have a coupon rate of 3.375%. The corporate bonds held were originally classified as available-for-sale financial assets under IAS 39. For reclassification and information for 2017, please refer to Note 3 and Note 9.

9. Available-for-sale Financial Assets－2017

	December 31, 2017	September 30, 2017
Current		
Listed and OTC stocks	$ 78,736	$ 77,785
Domestic mutual funds	66,988	91,983
Foreign corporate bonds	5,752	-
Foreign mutual funds	-	5,886
	$ 151,476	$ 175,654

	December 31, 2017	September 30, 2017
Non-Current		
Foreign mutual funds	$ 8,949	$ 18,019

10. Financial Assets at Cost－2017

	December 31, 2017	September 30, 2017
Domestic non-listed (OTC) Company Common Stock	$ 23,216	$ 23,216

The above stocks are classified as available-for-sale financial assets according to the types of financial assets measured.

Management believed that the above mentioned equity investments held by the Group, whose fair value cannot be reliably measured due to the range of reasonable fair value estimates was so significant and it is impossible to reasonably estimate the probability of various estimates; therefore they were measured at cost less impairment loss at the end of reporting period.

11. Notes Receivable and Accounts Receivable

	September 30, 2018	December 31, 2017	September 30, 2017
Notes receivable			
Measured at amortised cost			
Non-related parties	$ 380,349	$ 392,263	$ 359,600
Related parties	$ -	$ -	$ 17,308
Accounts receivable			
Measured at amortised cost			
Total book value	$ 257,911	$ 241,186	$ 264,983
Less：Loss allowance	(46,142)	(42,948)	(41,139)
	$ 211,769	$ 198,238	$ 223,844
Related parties	$ 6,526	$ 8,861	$ 4,958

(1) Notes receivable

For the Nine Months Ended September 30, 2018

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

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

For the Nine Months Ended September 30, 2017

The Group applied the same credit policy in 2018 and 2017. When deciding the recoverability of notes receivable, the Group considers any change in the credit quality from the date credit was initially granted up to the end of the reporting period. If the credit quality changes, it is determined based on the reasons for the change; when the Group assesses the objective impairment evidence of the notes receivable, it individually evaluates the impairment amount. Without objective impairment evidence of the notes receivable, assess the overall impairment of the notes receivable, that is, the Group recognizes an allowance for uncollectible accounts based on past experience in assessing the rate at which notes receivable cannot be recovered.

None of notes receivable was dued on September 30, 2017 and December 31, 2017.

The mortgage information of notes receivable, please see the Note 34 for reference.

(2) Accounts receivable

<u>For the Nine Months Ended September 30, 2018</u>

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

The Group adopts the simplified approach of IFRS 9 to recognize the loss allowance of notes receivable according to lifetime expected credit losses. The lifetime expected credit losses are calculated using the preparation matrix, which takes into account the customer's past default records, current financial status, and industrial economic conditions, and also considers GDP forecast and industry outlook. The preparation matrix of the Group is first divided according to whether the customer has financial difficulties. If the customer has evidence showing that it is a financial difficulty, the Group will recognize 100% of the expected impairment loss. If the customer does not have financial difficulties, due to the different composition of individual sales targets, the company will further differentiate the customer base according to the company, and set the expected credit loss rate based on the overdue days of accounts receivable.

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

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

September 30, 2018

I. Lucky Cement Corp.

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ～60 days	Past due 61 ～180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0.19%	-	-	-	100%	100%	
Total carrying amount	$ 57,570	$ -	$ -	$ -	$ 269	$ -	$ 57,839
Loss allowance (lifetime expected credit losses)	(114)	-	-	-	(269)	-	(383)
Amortised cost	$ 57,456	$ -	$ -	$ -	$ -	$ -	$ 57,456

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

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ～60 days	Past due 61 ～180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	3.79%	46.78%	67.32%	49%～100%	100%	100%	
Total carrying amount	$ 149,341	$ 2,303	$ 999	$ 1,409	$ -	$ 28,618	$ 182,670
Loss allowance (lifetime expected credit losses)	(5,659)	(1,077)	(673)	(747)	-	(28,618)	(36,774)
Amortised cost	$ 143,682	$ 1,226	$ 326	$ 662	$ -	$ -	$ 145,896

III. Others

	Customers without financial difficulty						
	Not past due	Past due within 30 days	Past due 31 ～60 days	Past due 61 ～180 days	Past due over 181 days	Customers with financial difficulty	Total
Expected credit loss rate	0%	-	-	-	-	100%	
Total carrying amount	$ 8,417	$ -	$ -	$ -	$ -	$ 8,985	$ 17,402
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	(8,985)	(8,985)
Amortised cost	$ 8,417	$ -	$ -	$ -	$ -	$ -	$ 8,417

Changes in loss allowance from accounts receivable are as follows：

	For the Nine Months Ended September 30, 2018
Balance at January 1, 2018 (IAS 39）	$ 42,948
Effect of retrospective application of IFRS 9	3,008
Balance at January 1, 2018（IFRS 9）	45,956
Add：Impairment loss	1,310
Less：write-off	(1,106)
Effect of exchange rate changes	(18)
Balance at September 30, 2018	$ 46,142

For the Nine Months Ended September 30, 2017

The Group applied the same credit policy in 2018 and 2017. When deciding the recoverability of accounts receivable, the Group considers any change in the credit quality from the date credit was initially granted up to the end of the reporting period. If the credit quality changes, it is determined based on the reasons for the change; when the Group assesses the objective impairment evidence of the accounts receivable, it individually evaluates the impairment amount. Without objective impairment evidence of the accounts receivable, assess the overall impairment of the accounts receivable, that is, the Group recognizes an allowance for uncollectible accounts based on past experience in assessing the rate at which accounts receivable cannot be recovered.

The analysis of accounts receivable is as below: ：

	December 31, 2017	September 30, 2017
30 days or less	$ 143,444	$ 163,352
31 to 60 days	38,424	44,385
61 to 90 days	9,801	16,118
91 to 120 days	7,140	1,329
121 to 150 days	1,485	806
Above 151 days	40,892	38,993
Total	$ 241,186	$ 264,983

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

For some Accounts Receivable that were past due at the end of the reporting period in the consolidated balance sheets, the Group did not recognize an allowance for impairment loss because there was no significant change in credit quality and the amounts were considered recoverable from the managers' opinions in the Group. The Group to the accounts receivable did not hold any collateral or other credit enhancement.

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

	December 31, 2017	September 30, 2017
Above 151 days	$ 2,168	$ 1,887

The aging will based on the days of overdue.

Changes in allowance for uncollectible accounts from accounts receivable are as follows:

	Individual impairment loss	Group impairment loss	Total
Balance on January 1, 2017	$ 35,025	$ 2,064	$ 37,089
Add: Recognized doubtful debt expenses	6,954	-	6,954
Less: Reversal of doubtful debt expenses	-	(18)	(18)
Less: Write-off	(2,886)	-	(2,886)
Balance on September 30, 2017	$ 39,093	$ 2,046	$ 41,139

12. Inventories

	September 30, 2018	December 31, 2017	September 30, 2017
Developing property and property to be developed	$ 3,218,010	$ 3,142,546	$ 3,234,384
Raw materials	319,721	301,563	317,218
Finished goods	143,435	142,034	99,771
Work in progress	81,453	133,459	83,673
Repaired part and materials	41,462	45,039	38,484
Merchandise	7,444	9,206	8,171
	$ 3,811,525	$ 3,773,847	$ 3,781,701

The related cost of sales in nine months ended September 30, 2018 was NT$2,390,823,000 which included inventory valuation losses NT$18,511,000. The related cost of sales in nine months ended September 30, 2017 was NT$2,387,661,000 which included inventory valuation losses NT$5,907,000.

As at September 30, 2018, December 31, 2017 and September 30, 2017, estimated retrieved inventories over 12 months were NT$3,218,010,000 NT$3,142,546,000 and NT$3,234,384,000 respectively, most of them are developing property and property to be developed.

See the Note 34 for the information of inventory pledge.

13. Subsidiaries

The subsidiaries in the consolidated financial statements:：

			Percentage of held stock			
Investment Business	Subsidiary Title	Business Type	September 30, 2018	December 31, 2017	September 30, 2017	Remark
Lucky Cement Corp.	Dasheng Enterprise Co., Ltd.	Sale and rental national residential, commercial buildings, parking lots and industrial areas	99.99	99.99	99.99	1. & 4.
	Luckicon Ready-mixed Concrete Factory Co.,	Production and sell concrete	99.99	99.99	99.99	1.
	Lucky Cement Corp., Japan	Buy and sell cement	100.00	100.00	100.00	
	Luckyship Marine Co., Ltd	Shipping agent	99.99	99.99	99.99	5.
	Just Bright Ltd.	Investment Business	100.00	100.00	100.00	
	ELUMINA Technology Inc.	Manufacture and sale light-emitting diode products	70.59	70.59	70.59	2.& 6.
Luckicon Ready-mixed Concrete Factory Co., Ltd	Fuyu Development Company	Mine gravel	100.00	75.00	75.00	3.
ELUMINA Technology Inc.	Elumina Holding Limited	Holding company	100.00	100.00	100.00	2.
Elumina Holding Limited	ELUMINA （Xiamen） Technology Inc.	Manufacture and sale light-emitting diode products	100.00	100.00	100.00	2.

Note：

1. Important subsidiaries are Luckicon Ready-mixed Concrete Factory Co., Ltd. (Luckicon Ready-mixed Co.,) and Dasheng Enterprise Co., Ltd.(Dasheng Enterprise).
2. The board of directors of Elumina Technology Inc. passed a resolution that was

dissolution of Elumina Technology Inc. and its subsidiary in July 31, 2015. Please see Note 27 discounting operation.

3. Luckicon Ready-mixed Co., obtained a 25% equity interest in Fuyu Development Company for non-controlling interests, and the shareholding ratio increased from 75% to 100% in March of 2007.

4. In August 2018, Dasheng Enterprise reduced its capital to make up a loss of NT$ 300,000,000 and increased its capital by cash to issue new shares of NT$290,000,000 at the same time.

5. In August 2018, Luckyship Marine Co. reduced its capital to make up a loss of NT$ 50,000,000 and increased its capital by cash to issue new shares of NT$80,000,000 at the same time.

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

The financial statements of Dasheng Enterprise and Luckicon Ready-mixed Co., for the nine months ended September 30, 2018 and 2017 have reviewed by accountants. The consolidated financial statements of other subsidiaries have not reviewed by accountants. Total assets of the non-significant subsidiaries are NT$141,180,000 and NT$160,550,000, which are 2% and 2% of consolidated assets; total liabilities are NT$32,242,000 and NT$60,850,000, which are 1% and 2% of consolidated liabilities. The comprehensive loss are NT 8,071,000 and NT$ 3,583,000 for the three months ended September 30, 2018 and 2017; NT$25,003,000 and NT$20,783,000 for nine months ended September 30, 2018 and 2017.

14. Prepayments

	September 30, 2018	December 31, 2017	September 30, 2017
Office supplies	$ 101,581	$ 100,091	$ 97,813
Prepaid expenses	60,950	60,517	89,857
Advanced payment for material	14,368	2,985	4,970
Others	460	174	445
	$ 177,359	$ 163,767	$ 193,085

15. Other Financial Assets

	September 30, 2018	December 31, 2017	September 30, 2017
Restricted assets	$ 83,000	$ 133,348	$ 110,024
Certificate of deposit with original maturity over 3 months	6,819	-	-
	$ 89,819	$ 133,348	$ 110,024

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

	September 30, 2018	December 31, 2017	September 30, 2017
Restricted assets	0.05%～0.81%	0.13%～3.55%	0.13%～3.20%
Certificate of deposit with original maturity over 3 months	0.72%～1.065%	-	-

Please see the Note 34 for the mortgage information of other current assets for reference.

16. Other Current Assets

	September 30, 2018	December 31, 2017	September 30, 2017
Excess business tax paid	$ 23,766	$ 20,743	$ 19,063
Others	6,369	6,479	4,561
	$ 30,135	$ 27,222	$ 23,624

17. Property, Plant and Equipment

	Land	Building	Machinery and equipment	Electrical equipment	Transportation equipment	Other equipment	Total
Cost							
Balance on January 1, 2017	$ 724,675	$ 2,200,972	$ 6,087,434	$ 1,191,208	$ 1,030,982	$ 493,456	$ 11,728,727
Add	-	3,137	1,922	-	13,017	2,914	20,990
Disposal	-	-	(8,620)	-	(4,862)	(1,349)	(14,831)
Net exchange differences	-	(2,048)	(265)	-	(6)	(10)	(2,329)
Balance on September 30, 2017	$ 724,675	$ 2,202,061	$ 6,080,471	$ 1,191,208	$ 1,039,131	$ 495,011	$ 11,732,557
Accumulated depreciation and impairment							
Balance on January 1, 2017	$ -	$ 1,727,589	$ 5,677,336	$ 1,154,397	$ 797,407	$ 472,262	$ 9,828,991
Depreciation	-	47,772	83,976	5,990	55,439	10,099	203,276
Disposal	-	-	-	-	(4,614)	(1,349)	(5,963)
Net exchange differences	-	(1,877)	(214)	-	(5)	(21)	(2,117)
Balance on September 30, 2017	$ -	$ 1,773,484	$ 5,761,098	$ 1,160,387	$ 848,227	$ 480,991	$ 10,024,187
Net on September 30, 2017	$ 724,675	$ 428,577	$ 319,373	$ 30,821	$ 190,904	$ 14,020	$ 1,708,370
Cost							
Balance on January 1, 2018	$ 724,675	$ 2,200,343	$ 6,086,797	$ 1,193,958	$ 1,041,962	$ 494,601	$ 11,742,336
Add	2,300	86,870	20,450	183	-	2,505	112,308
Disposal	-	-	(6,765)	-	(160,914)	(74)	(167,753)
Net exchange differences	-	1,575	204	-	3	13	1,795
Balance on September 30, 2018	$ 726,975	$ 2,288,788	$ 6,100,686	$ 1,194,141	$ 881,051	$ 497,045	$ 11,688,686
Accumulated depreciation and impairment							
Balance on January 1, 2018	$ -	$ 1,787,841	$ 5,787,970	$ 1,162,322	$ 872,800	$ 482,842	$ 10,093,775
Depreciation	-	44,437	82,971	6,094	40,494	8,481	182,477
Disposal	-	-	(6,765)	-	(160,914)	(74)	(167,753)
Net exchange differences	-	1,540	90	-	5	(1)	1,634
Balance on September 30, 2018	$ -	$ 1,833,818	$ 5,864,266	$ 1,168,416	$ 752,385	$ 491,248	$ 10,110,133
Net on January 1, 2018 and December 31, 2017	$ 724,675	$ 412,502	$ 298,827	$ 31,636	$ 169,162	$ 11,759	$ 1,648,561
Net on September 30, 2018	$ 726,975	$ 454,970	$ 236,420	$ 25,725	$ 128,666	$ 5,797	$ 1,578,553

After the Group's impairment assessment on September 30, 2018, December 31, 2017 and September 30, 2017, the impairment loss was recognized in the fourth quarter of 2017 at NT$ 7,892,000.

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

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

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

The mortgage information of Property, Plant and Equipment, please refer to Note 34.

18. Other Non-Current Assets

	September 30, 2018	December 31, 2017	September 30, 2017
Long-term prepaid expenses	$ 67,873	$ 84,824	$ 101,215
Restricted assets	89,005	85,406	98,603
Net limestone mining rights	18,782	18,783	18,783
	$ 175,660	$ 189,013	$ 218,601

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

	September 30, 2018	December 31, 2017	September 30, 2017
Restricted assets	0.13%～1.065%	0.13%～1.126%	0.10%～1.126%

Other information regarding to non-current asset collaterals, please refer to Note 34.

19. Loans

(1) Short-term borrowings

	September 30, 2018	December 31, 2017	September 30, 2017
Secured borrowings (Note 34)			
Bank loan	$ 239,969	$ 653,642	$ 271,000
Unsecured borrowings			
Credit loan	200,000	220,000	632,827
	$ 439,969	$ 873,642	$ 903,827

The interest rate of the bank loan is as follows：

	September 30, 2018	December 31, 2017	September 30, 2017
Secured borrowings	1.30%～1.54%	1.35%～1.60%	1.55%
Unsecured borrowings	1.30%～1.46%	1.55%～1.57%	1.35%～2.027%

(2) Short-term notes and bills payable

	September 30, 2018	December 31, 2017	September 30, 2017
Commercial paper payable	$ 110,000	$ 140,000	$ 230,000
Less: Discount on short-term notes and bills payable	(206)	(423)	(255)
	$ 109,794	$ 139,577	$ 229,745

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

September 30, 2018

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Grand Bills Finance Corporation	$ 110,000	$ 206	$ 109,794	1.238%~1.73%

December 31, 2017

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 50,000	$ 145	$ 49,855	1.580%
Mega Bills Finance Corporation	30,000	87	29,913	1.588%
Grand Bills Finance Corporation	60,000	191	59,809	1.730%
	$ 140,000	$ 423	$ 139,577	

September 30, 2017

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 110,000	$ 195	$ 109,805	1.58%~2.15%
Mega Bills Finance Corporation	60,000	29	59,971	1.588%
Grand Bills Finance Corporation	60,000	31	59,969	1.73%
	$ 230,000	$ 255	$ 229,745	

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

(3) Long-term borrowings

	September 30, 2018	December 31, 2017	September 30, 2017
Secured borrowings (Note 34)			
Bank loan	$ 1,014,438	$ 622,838	$ 663,138
Unsecured borrowings			
Bank loan	260,000	180,000	20,000
Less: Long-term borrowings have maturity of 1 year or less.	(111,200)	(111,200)	(168,700)
	$ 1,163,238	$ 691,638	$ 514,438

	Details	September 30, 2018	December 31, 2017	September 30, 2017
Secured borrowings				
Parent company				
Taiwan Cooperative Bank	The period is from April 12, 2018 to April 12, 2023, ,the grace period is 2 years, every 3 months was served as an installment, pay by 12 installments for the principle after the grace period.	$ 500,000	$ -	$ -
Taishin International Bank	The period is from December 12, 2017 to December 12, 2019, the principle will be repaid at once in maturitity date. It has been repaid earlier in April of 2018.	-	100,000	-
O-Bank	The period is from November 22, 2015 to Novemner 22, 2017; the principle will be repaid at once in maturitity date.	$ -	$ -	$ 100,000
Bank of Taiwan	The period is from February 25, 2016 to February 25, 2019, the grace period is 1 years, the principle will be repaid NT$ 12,500,000 every 3 months after the ended of grace period. It has been repaid earlier in December of 2017.	-	-	37,500
Dasheng Enterprise				
O-Bank	The period is from November 21, 2017 to November 21, 2022, the principle will be repaid at once in maturitity date.	250,000	250,000	-
O-Bank	The period is from December 28, 2017 to December 28, 2022, the principle will be repaid at once in maturitity date.	250,000	250,000	-
O-Bank	The period is from June 30, 2017 to June 30, 2022, the principle will be repaid at once in maturitity date. It has been repaid earlier in December of 2017.	-	-	250,000
Mega International Commercial Bank Co., Ltd.	The period is from March 10, 2017 to March 10, 2019, the principle will be repaid at once in maturitity date. It has been repaid earlier in November of 2017.	-	-	250,000
Luckyship Marine				
Mega International Commercial Bank Co., Ltd.	The period is from November 17, 2015 to November 17, 2019, every 3 months was served as an installment, pay by 16 installments for the principle.	11,813	18,900	21,263
Mega International Commercial Bank Co., Ltd.	The period is from February 15, 2016 to February 15, 2020, every 3 months was served as an installment,pay by 16 installments for the principle.	2,625	3,938	4,375
Unsecured borrowings				
Parent company				
The Export-Import Bank of the Republic of China	The period is from October 11, 2017 to November 11, 2018, the principle will be repaid at once in maturitity date.	100,000	100,000	-
O-Bank	The period is from November 24, 2017 to November 23, 2019, the principle will be repaid at once in maturitity date.	80,000	80,000	-
KGI Bank	The period is from June 28, 2018 to March 9, 2020, the principle will be repaid at once in maturitity date.	80,000	-	-
The Shanghai Commercial & Savings Bank, Ltd.	The period is from July 15, 2016 to July 15, 2019, every 3 months was served as an installment, pay by 10 installments for the principle. It has been repaid earlier in December of 2017.	-	-	20,000
subtotal		1,274,438	802,838	683,138
Less: Long-term borrowings have maturities of 1 year or less		(111,200)	(111,200)	(168,700)
Long-term borrowings		$ 1,163,238	$ 691,638	$ 514,438

The annual interest rate of long-term borrowings were 1.38667%~1.8936%, 1.7894%~2.20% and 1.830% ~ 2.553% respectively for September 30, 2018, December 31, 2017 and September 30, 2017.

20. Notes and Accounts Payable

	September 30, 2018	December 31, 2017	September 30, 2017
Notes payable			
From operating activities			
Non-related parties	$ 166,653	$ 186,975	$ 162,841
Related parties	$ 48,155	$ 26,747	$ 23,879

	September 30, 2018	December 31, 2017	September 30, 2017
Accounts payable			
From operating activities			
Non-related parties	$ 227,703	$ 126,733	$ 109,849
Related parties	$ 24,729	$ 66,229	$ 23,575

21. Other Payables

	September 30, 2018	December 31, 2017	September 30, 2017
Wages and salaries payable	$ 42,871	$ 49,853	$ 54,484
Taxes payable	20,650	17,458	18,531
Utilities expense payable	21,286	18,128	16,548
Payable on machinery and equipment	-	4,528	4,528
Maintenance fee payables	5,266	2,853	12,154
Other	32,952	27,968	34,850
	$ 123,025	$ 120,788	$ 141,095

22. Post-Employment Benefit Plan

The pension expenses associated with defined benefit plan are based on the pension expenses determined by the actuarial decision of December 31, 2017 and 2016 respectively, for each of the following items:

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Operating costs	$ 588	$ 839	$ 1,765	$ 2,508
Selling expenses	106	142	312	434
Administrative expenses	170	217	508	648
	$ 864	$ 1,198	$ 2,585	$ 3,590

23. Equity

(1) Share capital

Common Stock

	September 30, 2018	December 31, 2017	September 30, 2017
Authorized shares (in thousands)	498,646	498,646	498,646
Authorized capital	$ 4,986,460	$ 4,986,460	$ 4,986,460
Issued and paid shares (in thousands)	404,738	404,738	404,738
Issued capital	$ 4,047,380	$ 4,047,380	$ 4,047,380

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

(2) Capital surplus

	September 30, 2018	December 31, 2017	September 30, 2017
Only to make up for losses			
From share of changes in equities of subsidiaries	$ 8	$ 8	$ 8

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

(3) Retained earnings and dividend policy

The earning allocation policy in the Articles of Incorporation states that in case of earning upon settled annually, the Company shall appropriate its 10% as legal surplus reserve first and account equity deduction occurred in the current year as special surplus reserve, addition to legal payment of business tax and compensation of historical annual loss, wherein if the dividend per share from the sum of balance thereafter and 40%~80% of aggregated surplus yet allocated in the previous year has not reached NTD$0.1 with calculation of the upper limit, 80%, it shall be reserved, not for allocation and allocation case shall be proposed in the Board of Directors, further presented for acknowledgement in the Meeting of Shareholders. Please refer to (4) of Note 25, Employee Benefits for the revised remuneration allocation policy of employee and directors, supervisors before/after the versions of the Articles of Association. The appropraiton & allocation ratio of the preceding surplus and stock to cash ratio shall be paid in cash dividend or stock dividend subject to real profit and situation of fund in the current year, with consideration of fund for investment and diluated level of surplus per share in the Meeting of Board of Directors. However, the allocated stock dividend shall be limited to 20% of the issued stock; in case that the aggregated equity deduction or equity deduction that is insufficient to account as surplus w/tax in the current year, it shall account equivalent amount of special surplus reserve from the aggregated surplus yet be allocated in the previous year and deduct it prior to the appropriation and allocation earlier. Thereafter, whenever equity deduction is turned, the turned amount shall be allocated as surplus. The allocation of related surplus shall be passed and acknowledged in the General Meeting of Shareholders held in the next year and shall be accounted in the current year.

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

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

The appropriations of 2016 earnings have been approved by shareholders meeting held on June 7, 2017. The resolution of dividends per share was as follows：

	Appropriation of Earnings	Dividend per share（NT$1.00）
Legal reserve	$ 31,533	
Cash dividends	242,843	$ 0.6

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

(4) Special Reserve

	September 30, 2018	December 31, 2017	September 30, 2017
Special Reserve	$ 17,376	$ 14,135	$ 14,135

Upon initial application of IFRS 16, the amount of the accumulated conversion of the Company is NT$ 14,135,000 transferred to the retained surplus, and the same amount of special reserve has been added.

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

(5) Other equity interest

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

Balance on January 1, 2017	$ 34,240
Unrealized gains (losses) on available-for-sale financial assets	(21,751)
Cumulative (gain) loss reclassified to profit or loss upon disposal of available-for-salefinancial assets	575
Balance on September 30, 2017	$ 13,064
Balance on January 1, 2018（IAS 39）	$ 4,946
Effect of retrospective application of IFRS 9	(4,946)
Balance on January 1, 2018（IFRS 9）	$ -

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

	For the Nine Months Ended September 30, 2018
Balance on January 1, 2018（IAS 39）	$ -
Effect of retrospective application of IFRS 9	5,716
Balance on January 1, 2018（IFRS 9）	5,716
Unrealized gains (losses) on financial assets measured at FVOCI	2,875
Disposals of the accumulated profit or loss of equity instruments measured at FVOCI are transferred to retained earnings	(5,682)
Balance at the end of the period	$ 2,909

(6) Non-controlling interests

	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Balance at the begin of the period	$ 26,423	$ 30,141
Number of share attributable to non-controlling equity		
Profit (loss)	(1,268)	(1,349)
Exchange differences on translation of foreign financial statements	(3)	(2)
Cash dividends distributed by subsidiaries	-	(1,750)
Subsidiary acquires non-controlling interest	(3,993)	-
Increase in non-controlling interests	2,293	-
Balance at the end of the period	$ 23,452	$ 27,040

24. Revenue

(1) Segmentation of customer contract revenue

	For the Nine Months Ended September 30, 2018
Cement	$ 1,481,222
Stone	345,423
Cement products	247,361
Others	386,417
	$ 2,460,423

(2) Balance of assets and liabilities related to the sales contract

	September 30, 2018
Notes receivable（Note 11）	$ 380,349
Accounts receivable（Note 11）	211,769
Accounts receivable－Related parties（Note 11）	6,526
Receivables	$ 598,644
Contract liability	
Sales revenue of goods	$ 254,847

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

25. Profit from Continuing Operations

(1) Net other income (expense)

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Gains on disposals of property, plant and equipment	$ -	$ 1,270	$ 16,056	$ 1,490

(2) Depreciation, amortization and depletion

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Depreciations summary by functions				
Operating costs	$ 54,456	$ 61,419	$ 168,196	$ 186,588
Operating expenses	1,941	3,399	9,094	10,413
Non-operating expenses	1,729	1,773	5,187	6,275
	$ 58,126	$ 66,591	$ 182,477	$ 203,276
Amortization summary by functions				
Operating costs	$ 1,592	$ 1,587	$ 5,384	$ 5,343
Operating expenses	865	717	2,454	1,401
	$ 2,457	$ 2,304	$ 7,838	$ 6,744
Depletion summary by functions				
Operating costs	$ -	$ -	$ 1	$ -

(3) Employee benefits

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Post-employment benefits				
Defined contribution plans	$ 3,095	$ 3,280	$ 9,462	$ 9,973
Defined benefit plans （Note 22）	864	1,198	2,585	3,590
	3,959	4,478	12,047	13,563
Other employee benefits	97,269	86,290	274,315	271,788
	$ 101,228	$ 90,768	$ 286,362	$ 285,351
Summarized by function				
Operating costs	$ 67,009	$ 64,952	$ 199,745	$ 205,654
Operating expenses	34,219	25,816	86,617	79,697
	$ 101,228	$ 90,768	$ 286,362	$ 285,351

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

The Company shall appropriate 3% and not less than 5% of the profit before tax prior to the deduction of allocated remunerations for employees and compensations for directors and supervisors in the current year in accordance with Articles of Incorporation. The Company did not estimate the remuneration of employees and compensations for directors and supervisors because its loss before tax for the nine months ended on September 30, 2018. The estimated remunerations of employees and compensations for directors and supervisors for the three months ended on September 30, 2017 and nine months ended on September 30, 2017 were as bellow:

Estimated %

	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2017
Remuneration for employees	3%	3%
Compensation for directors and supervisors	5%	5%

Amount

	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2017
Remuneration for employees	(\$ 247)	\$ 1,080
Compensation for directors and supervisors	(\$ 411)	\$ 1,800

The remuneration for employees and the compensation for directors and supervisors in 2016 were resolved by the board of directors on March 20, 2017 as bellow：

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

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

Amounts recognised in the 2016 consolidated financial report had no difference than the 2016 amounts that were actually allocated to the remuneration for employees and the compensation for directors and supervisors.

Any information is related to the 2018 and 2017 remuneration that was approved by ther board of directors for the remuneration for employees and the compensation for directors and supervisors of the Company. Please check it on the Market Observation Post System of Taiwan Stock Exchange.

(5) Gains or losses on disposals of financial assets

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Financial assets measured at FVPL	$ 1	$ -	$ 98	$ -
Available-for-sale financial assets	-	(308)	-	(575)
Total	$ 1	($ 308)	$ 98	($ 575)

(6) Foreign exchange gains (losses)

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Total foreign exchange gains	$ 284	$ 293	$ 1,329	$ 3,969
Total foreign exchange losses	(632)	(180)	(1,294)	(2,153)
Net profit (loss)	($ 348)	$ 113	$ 35	$ 1,816

26. Income Tax from Continuing Operations

(1) Income tax recognized as profit or loss

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

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Current income tax				
Created in current period	($ 8,646)	($ 77)	$ -	$ 25,903
Tax of unappropriated retained earnings	-	-	-	3,845
Adjustments on prior years	194	-	2,460	1,687
	(8,452)	(77)	2,460	31,435
Deferred income tax				
Created in current period	1,246	(3,162)	(15,039)	(22,727)
Changes in tax rate	-	-	(20,496)	-
Income tax expenses (income) of recognised in profit or loss	($ 7,206)	($ 3,239)	($ 33,075)	$ 8,708

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

(2) Income tax assessments

As of the end of 2016, income tax declaration cases of the Company, Luckicon Ready-mixed Concrete Factory Co., Ltd., Dasheng Enterprise Co., Ltd., Luckyship Marine Co., Ltd., Fuyu Development Company and ELUMINA Technology Inc. approved by the tax collection authorities. The numbers of approved and declared are no significant difference.

27. Discontinuing Operations

The board of directors of ELUMINA technology Inc. decided to dissolve ELUMINA technology Inc. and its subsidiaries - Elumina Holding Limited and Elumina (Xiamen) Company on July 31, 2015, and had the dissolution of liquidation; the Group classified the cash-generating units into the discounting operation in 2015. As the end of September 30, 2018, ELUMINA technology, Inc. and its subsidiaries have still in the processing of dissolution of liquidation.

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

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Current profit (loss)	($ 471)	($ 160)	($ 649)	($ 634)
Disposal of loss	-	-	-	-
	($ 471)	($ 160)	($ 649)	($ 634)

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

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Operating expenses	($ 447)	($ 193)	($ 653)	($ 631)
Non-operating income and expenses	(24)	33	4	(3)
Pre-tax profit (loss) of business suspension units	(471)	(160)	(649)	(634)
Tax expense	-	-	-	-
Current profit (loss)	($ 471)	($ 160)	($ 649)	($ 634)
Profit (loss) of business suspension unit belongs to:				
Owners of the Company	($ 333)	($ 113)	($ 458)	($ 447)
Non-controlling interests	(138)	(47)	(191)	(187)
	($ 471)	($ 160)	($ 649)	($ 634)
Net cash outflow generated from operations			($ 1,118)	($ 1,469)
Net cash flows from investing activities			1,000	1,300
Net cash flows (outflow)			($ 118)	($ 169)

28. Earnings (Loss) per Share

Unit : NTD 1.00 per share

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Basic earnings (loss) per share				
From continuing operations	($ 0.10)	($ 0.02)	($ 0.12)	$ 0.06
From discontinued operations	-	-	-	(0.01)
Total basic earnings (loss)per share	($ 0.10)	($ 0.02)	($ 0.12)	$ 0.05
Diluted earnings per share				
From continuing operations				
From discontinued operations				$ 0.06
Total diluted earnings per share				(0.01)
Basic earnings (loss) per share				$ 0.05

Due to the loss for the nine months ended on September 30, 2018, it is not necessary to calculate the potential dilution effect of ordinary shares.

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

Profit (loss)

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Profit (loss) attributable to owners of parent	($ 42,119)	($ 6,765)	($ 49,141)	$ 21,999
Plus: used to calculate the basic unit of the loss of business units per unit loss of net loss	333	113	458	447
To calculate the net profit (loss) of the continuing business unit's earnings (loss) per share	($ 41,786)	($ 6,652)	($ 48,683)	$ 22,446

Number of share

Unit：1,000 Shares

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
The weighted average shares of ordinary stock which is used to calculate the basic earnings (loss) per share	404,738	404,738	404,738	404,738
Dilution Effect of potential ordinary stock:				
Compensation for employee				494
To calculate the weighted average shares of ordinary stock for diluted earnings per share				405,232

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

29. Cash Flow Information

Changes in liabilities arising from financing activities

Nine months ended September 30, 2018

	January 1, 2018	Cash Flow	Non-cash changes Discount amortization	September 30, 2018
Short-term notes and bills payable	$ 139,577	($ 30,000)	$ 217	$ 109,794

Nine months ended September 30, 2017

	January 1, 2017	Cash Flow	Non-cash changes Discount amortization	September 30, 2017
Short-term notes and bills payable	$ 229,443	$ -	$ 302	$ 229,745

30. Agreement of Operating Lease

(1) The Group is the tenant

Operating lease includes lease of land, plant, storage land, etc.; the lease period is 1 to 5 years. And as the end of lease, if there is any addition or modification of rented production equipment for ready-mixeded concrete factory and related equipment in Keelung factory rented by Luckicon Ready-mixed Concrete Factory Co., Ltd. should be transferred to the lessor free.

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

	September 30, 2018	December 31, 2017	September 30, 2017
Within 1 year	$ 42,653	$ 42,917	$ 34,821
More than 1 year but not more than 5 years	118,112	77,779	90,658
	$ 160,765	$ 120,696	$ 125,479

Recognized expense of Lease payment as below:

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Lease payment	$ 12,744	$ 12,868	$ 40,339	$ 40,531

(2) The Group is the lessor

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

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

	September 30, 2018	December 31, 2017	September 30, 2017
Within 1 year	$ 7,012	$ 10,144	$ 7,051
More than 1 year but not more than 5 years	2,891	5,180	4,434
	$ 9,903	$ 15,324	$ 11,485

31. Financial Risk Management

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

32. Financial Instrument

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

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

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

I. Fair value hierarchy

September 30, 2018

	Level 1	Level 2	Level 3	Total
Financial assets measured at FVPL				
Fund Benefit Certificate	$ 50,606	$ -	$ 10,800	$ 61,406
Financial assetsmeasured at FVOCI				
Eqiuty instrument investments				
－Domestic listed (OTC) stock	$ 75,463	$ -	$ -	$ 75,463
－Domestic unlisted (OTC) stock	-	-	19,528	19,528
Debt instrument investments				
－Corporate bonds	5,792	-	-	5,792
Total	$ 81,255	$ -	$ 19,528	$ 100,783

December 31, 2017

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed (OTC) stock	$ 78,736	$ -	$ -	$ 78,736
Domestic Fund Benefit Certificate	66,988	-	-	66,988
Foreign Fund Benefit Certificate	-	-	8,949	8,949
Foreign corporate bonds	5,752	-	-	5,752
Total	$ 151,476	$ -	$ 8,949	$ 160,425

September 30, 2017

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed (OTC) stock	$ 77,785	$ -	$ -	$ 77,785
Domestic Fund Benefit Certificate	91,983	-	-	91,983
Foreign Fund Benefit Certificate	-	-	18,019	18,019
Foreign corporate bonds	5,886	-	-	5,886
Total	$ 175,654	$ -	$ 18,019	$ 193,673

There is no transfer between level 1 and level 2 of fair value measurement in nine months ended September 30, 2018 and 2017.

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

Nine months ended September 30, 2018

Financial assets	Financial assets at FVPL Fund Benefit Certificate	Financial assets at FVOCI Equity Instruments	Total
Balance at the begin of the period	$ 8,949	$ 23,216	$ 32,165
Effect of retrospective application of IFRS 9	-	891	891
Balance at the begin of the period (IFRS9)	8,949	24,107	33,056
Profit /loss(Other gains and losses)	1,851	-	1,851
Other comprehensive income (Unrealized gains (losses) on financial assets measured at FVOCI)	-	(4,579)	(4,579)
Balance at the end of the period	$ 10,800	$ 19,528	$ 30,328

Nine months ended September 30, 2017

	Available-for-sale Financial Assets
	Fund Benefit Certificate
Balance at the begin of the period	$ 16,480
Other comprehensive income（Unrealized gains (losses) on available-for-sale financial assets）	1,539
Balance at the end of the period	$ 18,019

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

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

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

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

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

(3) Financial instruments

	September 30, 2018	December 31, 2017	September 30, 2017
Financial assets			
Financial assets mandatorily measured at FVPL	$ 61,406	$ -	$ -
Measured at amortised cost（Note 1）	1,081,722	-	-
Loans and receivables （Note 2）	-	1,073,523	995,624
Available-for-sale financial assets （Note 3）	-	183,641	216,889
Financial assets measured at FVOCI			
Equity instrument investments	94,991	-	-
Debt instrument investments	5,792	-	-
Financial liabilities			
Measured at amortised cost（Note 4）	2,373,654	2,314,453	2,244,902

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

Note 2： The balance includes loans and receivables measured at amortized cost such as cash and cash equivalents, notess receivable, accounts receivable, other receivables and restricted assets (recognized other financial assets and other non-current assets).

Note 3： The balance includes the balance of financial asset measured at costs that are classified as available-for-sale.

Note 4： The balance includes financial liabilities masured at amortised cost such as short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, partical other payables and long-term borrowings.

(4) Objective and policy of financial risk management

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

I. Market risk

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

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

① Currency risk

The monetary asset in non-functional currency and carrying amount of monetary liabilities on balance sheet date of the Group (included the monetary items calculated in write-off non-functional currency in consolidated financial statement); please see Note 35.

Sensitivity Analysis

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

The following table shows the sensitivity analysis of the Group when the exchange rate of individual functional currency to each relevant foreign currency increases and decreases by 5%. 5% is as sensitivity ratio used for reporting currency risk to key management personnel of the group, and also represented assessment of reasonably possible range of fluctuation of foreign currency rate by the management personnel. The following table shows when the individual functional currency increases 5% relative to each relevant currency, it will make pre-tax income or amount of change in equity; and when the individual functional currency decreases 5 % relative to each relevant currency, it will have impact of pre-tax income or equity in negative for same amount.

	Effect of US dollars		Effect of RMB	
	Nine months ended September 30, 2018	Nine months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Profit(loss)	($ 412)	$ 4,599	($ 341)	($ 341)

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

② Interest rate risk

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

	September 30, 2018	December 31, 2017	September 30, 2017
Interest rate risk with fair value			
-Financial assets	$ 147,389	$ 162,087	$ 170,820
-Financial liabilities	-	420,000	350,000
Interest rate risk with cash flow			
-Financial assets	400,074	431,993	304,565
-Financial liabilities	1,824,201	1,396,057	1,466,710

Sensitivity Analysis

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

If interest rate decreases/increases 25 basic points, the loss before tax for nine months ended on September 30, 2018 decreases/increases NT$2,670,000 and the profit before tax for nine months ended on September 30, 2017 increases/decreases NT$2,179,000 separately with all other variables held constant; the main reasons are floating rate loan, demand deposit and exposure in restricted asset interest rate risk of the Group.

II. Credit risk

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

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

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

	September 30, 2018		December 31, 2017		September 30, 2017	
	Book Value	Largest credit risk exposed amount	Book Value	Largest credit risk exposed amount	Book Value	Largest credit risk exposed amount
Off-balance sheet commitments and guarantee						
Endoresement for subsidiary	$ -	$ 876,920	$ -	$ 748,210	$ -	$ 748,455

The credit risk of the Group is mainly concentered on the key account (KA) of the Group; as the end of September 30, 2018, December 31, 2017 and September 30, 2017, the receivables should exceed 5% of total receivables, which are separately 33.82%, 51.01% and 37.20% of total receivables.

III. Liquidity risk

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

Bank loan is an important source of liquidity for the Group. As the end of September 30, 2018, December 31, 2017 and September 30, 2017, the unused long-term and short-term bank loan commitments of the Group are separately NT$2,319,426,000, NT$2,578,984,000 and NT$1,871,816,000.

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

September 30, 2018

	Requirement:Pay at once or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities					
Non-Interest-Bearing liability	$ 249,250	$ 333,201	$ 14,582	$ 52,756	$ 17,892
Floating interest rate tool	217,769	102,800	340,394	1,163,238	-
	$ 467,019	$ 436,001	$ 354,976	$ 1,215,994	$ 17,892

December 31, 2017

	Requirement:Pay at once or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities					
Non-Interest-Bearing liability	$ 245,750	$ 269,489	$ 49,429	$ 12,562	$ 65,358
Floating interest rate tool	-	35,355	669,064	691,638	-
Fixed interest rate tool	100,000	-	320,000	-	-
	$ 345,750	$ 304,844	$ 1,038,493	$ 704,200	$ 65,358

September 30, 2017

	Requirement:Pay at once or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities					
Non-Interest-Bearing liability	$ 215,904	$ 217,321	$ 56,394	$ 16,164	$ 63,693
Floating interest rate tool	281,000	75,300	595,972	514,438	-
Fixed interest rate tool	100,000	-	250,000	-	-
	$ 596,904	$ 292,621	$ 902,366	$ 530,602	$ 63,693

33. Related Party Transactions

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

(1) Related party and Relations

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

(To be continued)

(Continued)

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

(2) Business transaction

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Sales				
Other related parties	$ 17,945	$ 16,731	$ 47,344	$ 75,160
Purchase				
Fuan Mining Co.	$ 61,830	$ 59,861	$ 165,035	$ 264,685
Other related parties	8,089	7,391	20,401	23,285
	$ 69,919	$ 67,252	$ 185,436	$ 287,970
Operating costs - transportation expenses				
Other related parties	$ 2,966	$ 3,831	$ 9,512	$ 9,436
Operating expenses				
Other related parties	$ 1,292	$ 320	$ 3,490	$ 2,741
Non-operating income				
Other related parties	$ 602	$ 610	$ 1,805	$ 1,829
Non-operating expenses				
Other related parties	$ 287	$ 91	$ 859	$ 274

Except the payment period for the payment by Fuan Mining Co. was paid before September 30, 2017, depending on the demand for funds. The purchase price and sales price between the Group and the related parties were negotiated respectively and were equal to the non-related parties.

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

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

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

	September 30, 2018	December 31, 2017	September 30, 2017
Notes receivable			
Other related parties	$ -	$ -	$ 17,308
Accounts receivable			
Other related parties	$ 6,526	$ 8,861	$ 4,958
Other receivable			
Other related parties	$ 663	$ 559	$ 252

No guarantee received for receivables- related parties. No expense on doubtful debts in receivables- related parties recognized for nine months ended on September 30, 2018 and 2017.

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

	September 30, 2018	December 31, 2017	September 30, 2017
Notes payable			
Fuan Mining Co.	$ 44,930	$ 21,580	$ 23,877
Other related parties	3,225	5,167	2
	$ 48,155	$ 26,747	$ 23,879
Accounts payable			
Fuan Mining Co.	$ 19,991	$ 61,393	$ 18,074
Other related parties	4,738	4,836	5,501
	$ 24,729	$ 66,229	$ 23,575
Other payable （exclude financing）			
Other related parties	$ 2,059	$ 2,449	$ 3,137

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

(5) Loans from related parties

	September 30, 2018	December 31, 2017	September 30, 2017
Other payable			
Other related parties	$ -	$ 18,328	$ 18,300
Shareholder accounts			
Cheng Haibin	$ 45,800	$ 45,800	$ 45,800

Shareholder accounts of the Group are interestless borrowing from stockholders.

(6) Remunerations of key management personnel

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

	For the Three Months Ended September 30, 2018	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Short-term employee benefits	$ 4,038	$ 3,481	$ 13,117	$ 15,838
Benefit after retirement	111	235	320	533
	$ 4,149	$ 3,716	$ 13,437	$ 16,371

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

34. Pledged Assets

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

	September 30, 2018	December 31, 2017	September 30, 2017
Notes receivable	$ -	$ -	$ 44,780
Developing property (Recognized inventory)	3,111,641	3,022,742	3,234,384
Restricted assets (Recognized other financial assets and other non-current assets)	172,005	218,754	208,627
Property, plant and equipment	803,315	815,592	827,875
	$ 4,086,961	$ 4,057,088	$ 4,315,666

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

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

Unit： Thousands of NT dollars and foreign currency

September 30, 2018

	Foreign curreny	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
US dollars	$ 263	30.525 （USD：NTD）	$ 8,007
US dollars	7	6.9061 （USD：RMB）	228
RMB	1,543	4.42 （RMB：NTD）	6,819

December 31, 2017

	Foreign curreny	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
US dollars	$ 321	29.76 （USD：NTD）	$ 9,525
US dollars	7	6.5342 （USD：RMB）	222
RMB	1,519	4.549 （RMB：NTD）	6,908
Japanese Yen	10,887	0.2642 （JPY：NTD）	2,876

September 30, 2017

	Foreign curreny	Exchange rate	Carrying Amount
Financial assets			
Monetary items			
US dollars	$ 643	30.26 （USD：NTD）	$ 19,449
US dollars	7	6.6369 （USD：RMB）	226
RMB	1,497	4.551 （RMB：NTD）	6,813
Financial liabilities			
Monetary items			
US dollars	3,690	30.26 （USD：NTD）	111,652

Foreign exchange gains/losses (realized or unrealized) of the Group for three months ended on September 30, 2018 and 2017 are respectively losses NT$348,000 and grains NT$113,000; for nine months ended on September 30, 2018 and 2017 are respectively grains NT35,000 and NT$1,816,000. Because there is variety of foreign currency transactions, it cannot disclose exchange gains and losses in accordance with foreign currency of each important impact.

36. Additional Disclosures

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

A. Financings provided：Schedule 1

B. Endorsement/guarantee provided：Schedule 2

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

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

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

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

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

H. Receivables from related parties amounting to at least NT$100 millions or 20% of the paid-in capital：None

I. Information about the derivative financial instruments transaction：None

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

K. Information of the investees (excluded the investees in Mainland China): Schedule 5

(3) Investment Information in mainland China：

I. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee： Schedule 6

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

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

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

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

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

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

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

37. Segment Information

The Group defined its reportable segments as follows:：

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

Other segment: Other operations of non-cement business。The main business of ELUMINA Technology Inc. and its subsidiary Elumina Holding Ltd. and ELUMINA (Xiamen) company are producing and selling light-emitting Diode, and the unit of cash is transferred to discontinued operation on August, 2015; please see Note 27 for related instruction.

(1) Revenue of segments and operating results

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

	Income of Segments t		Profit/Loss of Segments	
	Nine months ended September 30, 2018	Nine months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Cement segment	$ 2,425,168	$ 2,561,989	($ 58,411)	$ 57,339
Other segmentt	35,255	30,878	(15,811)	(17,486)
;Total amount of business unit	$ 2,460,423	$ 2,592,867	(74,222)	39,853
Interest revenue			1,562	1,451
Rent income			6,792	7,237
Other revenue			16,046	12,202
Gains (losses) on disposals of financial assets			98	(575)
Foreign exchange gains			35	1,816
Loss from financial assets measured at FVPL			1,269	-
Other expenses			(11,523)	(9,592)
Interest expense			(22,892)	(22,400)
Profit (loss) from continuing operations before tax			(82,835)	29,992
Loss from discontinued operations before tax			(649)	(634)
Profit (loss) before tax			($ 83,484)	$ 29,358

The revenue of segments reported above is generated with external client exchange. There is no selling between segments in nine months ended on September 30, 2018 and 2017.

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

(2) Total assets and liabilities of segments

	September 30, 2018	December 31, 2017	September 30, 2017
Segment assets			
Continuing operating segment			
Cement segment	$ 3,844,067	$ 3,941,495	$ 3,851,872
Other segment t	3,383,384	3,293,622	3,420,607
Total of segment assets	7,227,451	7,235,117	7,272,479
Assets related discontinued operations	4,575	1,735	1,887
Total assets	$ 7,232,026	$ 7,236,852	$ 7,274,366
Segment liabilities			
Continuing operating segment			
Cement segment	$ 2,215,727	$ 2,134,893	$ 1,990,588
Other segment	636,137	665,514	719,801
Total of segment liabilities	2,851,864	2,800,407	2,710,389
Liabilities related discontinued operations	3,596	7,903	7,915
Toatl liabilities	$ 2,855,460	$ 2,808,310	$ 2,718,304

Lucky Cement Corporation and Subsidiaries

Financings Provided

For the Nine Months Ended September 30, 2018

Schedule 1

In Thousands of New Taiwan Dollars

No.	Company of Lending Funds	Borrower	Relation Account	Mmaximum Balance in Current Period	Where is the related party	Balance, end of the period (Note 4)	Amonut of real dealing (Note 5)	Interest rate collar (%)	Character on loan of funds (Note 1)	Amount between business	Necessary reasons for short term financial assets	Amount of allowance for uncollectible be submitted	Collateral		Limitation of loan of funds to individual party (Note 2)	Total limitation of loan of funds (Note 3)
													Name	Value		
0	Lucky Cement Corp.	Dasheng Enterprise	Receivables of Affiliated Enterprise－Financing	$ 390,000	Yes	$ 390,000	$ 43,650	1.8155~1.8871	(2)	$ -	Operating Turnover	$ -	—	—	$ 435,311	$ 1,741,246
		Luckyship Marine Co.	Receivables of Affiliated Enterprise－Financing	30,000	Yes	30,000	-	1.8155~1.8871	(2)	-	Operating Turnover	-	—	—	435,311	1,741,246
		Lucky Cement Corp., Japan	Receivables of Affiliated Enterprise－Financing	30,000	Yes	30,000	-	1.8155~1.8871	(2)	-	Operating Turnover	-	—	—	435,311	1,741,246
						$ 450,000										
1	Luckicon Ready-mixed Co.,	Dasheng Enterprise	Receivables of Affiliated Enterprise－Financing	40,000	是 Yes	$ 20,000	20,000	1.95	(2)	-20,000	Operating Turnover	-	—	—	57,261	114,522

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

(1) Party with business.

(2) Party with short-term financing need.

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

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

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

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

Lucky Cement Corporation and Subsidiaries

Endorsement/Guarantee Provided

For the Nine Months Ended September 30, 2018

Schedule 2

Unit: NT$1,000, unless otherwise noted

No.	Company Name of endorser	The party for enforcement and guarantee		Limitation amount of enforcement and guarantee for single enterprise (Note 1)	Maximun balance of enforcement and guarantee in current period	Balance of enforcement and guarantee, end of the periodr	Amonut of real dealing	Amount of enforcement and guarantee by property guarantee	Ratio of accumulated amount of enforcement and guarantee to net value of financial statement of lastest period (%)	Maximun limitation on enforcement and guarantee (Note 2)	Enforcement and guarantee belong to parent vs. subsidiary company	Enforcement and guarantee belong to subsidiary vs. parent company	Enforcement and guarantee belong to Mainland China	Remark
		Company	Relations											
0	Lucky Cement Corp.	Dasheng Enterprise	Subsidiary	$ 1,741,246	$ 620,000	$ 620,000	$ 560,000	$ 120,000 (Note 3)	14.24%	$ 2,176,557	Y	—	—	
		Luckicon Ready-mixed Co.,	Subsidiary	1,741,246	70,000	70,000	-	-	1.60%	2,176,557	Y	—	—	
		Luckyship Marine Co.	Subsidiary	1,741,246	45,000	45,000	14,438	-	1.03%	2,176,557	Y	—	—	
		Lucky Cement Corp., Japan	Subsidiary	1,741,246	13,770 (JPY50,000,000)	13,460	-	-	0.31%	2,176,557	Y	—	—	
						$ 748,460								

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

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

Note 3：The certificate of deposit NT$60,000,000 is provided as collateral which is 50% of the actual amount of use, it is recognized other finance asset – restricted asset.

Lucky Cement Corporation and Subsidiaries

Marketable Securities Held

September 30, 2018

Schedule 3

In Thousands of New Taiwan Dollars

Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of period				Remarks
				Shares	Carrying Amount	(%)	Fair Value (Note 1 & 2)	
Lucky Cement Corp.	Fund Beneficiary Certificate							
	O-Bank No.1 Real Estate Investment Trust	—	Current financial assets at FVPL	100,000	$ 852	-	$ 852	
	Non-listed (OTC) Company Common Stock							
	Cando Corporation	—	Non-current financial assets at FVOCI	398,889	-	0.1	-	Note 3
	Jonfeng Mining Co., Ltd	—	Non-current financial assets at FVOCI	1,071,428	9,642	10.58	9,642	
	Global Securities Finance Corp.	—	Non-current financial assets at FVOCI	700,837	5,382	0.18	5,382	
	WK Technology Fund	—	Non-current financial assets at FVOCI	1,156,000	4,187	2.77	4,187	
	Listed (OTC) Company Common Stock							
	Taiwan Cement Corp	—	Current financial assets at FVOCI	440,000	18,084	-	18,084	
	Asia Cement Corporation	—	Current financial assets at FVOCI	300,000	12,450	-	12,450	
	Winbond Electronics Corp.	—	Current financial assets at FVOCI	130,181	1,888	-	1,888	
	Excelsior Medical Co., Ltd.	—	Current financial assets at FVOCI	40,000	1,884	-	1,884	
	United Microelectronics Corporation	—	Current financial assets at FVOCI	72,351	1,169	-	1,169	
	Medigen Biotechnology Corporation	—	Current financial assets at FVOCI	28,628	1,411	-	1,411	
	Highwealth Construction	—	Current financial assets at FVOCI	8,000	387	-	387	
	China Development Financial	—	Current financial assets at FVOCI	13,496	154	-	154	
	First Financial Holding Co. Ltd.	—	Current financial assets at FVOCI	883	18	-	18	
	Capital Securities Corp.	—	Current financial assets at FVOCI	818	9	-	9	
		—	Current financial assets at FVOCI	402	7	-	7	
Luckyship Marine Co.	Non-listed (OTC) Company Common Stock							
	Jonfeng Mining Co., Ltd.	—	Non-current financial assets at FVOCI	35,129	317	0.35	317	
	Listed (OTC) Company Common Stock							
	Medigen Biotechnology Corporation	—	Current financial assets at FVOCI	242	12	-	12	
Just Bright Ltd.	Listed Company Common Stock							
	Global Lighting Technologies Inc. (Stock Name：GLT 4935)	—	Current financial assets at FVOCI	991,908	37,990	-	37,990	

(To be continued)

(Continued)

Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of period				Remarks
				Shares	Carrying Amount	(%)	Fair Value (Note 1 & 2)	
Luckicon Ready-mixed Co.,	Fund Beneficiary Certificate							
	MEGA BAOJUAN Money Market Fund	—	Current financial assets at FVPL	2,826,600	$ 35,353	-	$ 35,353	
	Nomura Global Short Duration Bond Fund	—	Current financial assets at FVPL	948,650	9,820	-	9,820	
	Shin Kong Emerging ASEAN Bond Fund	—	Current financial assets at FVPL	500,015	4,581	-	4,581	
	TSG Phnom Penh Real Estate Development Fund	—	Current financial assets at FVPL	500	10,800	-	10,800	
	Marketable Security - Corporate Bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	—	Current financial assets at FVOCI	-	5,792	-	5,792	

Note 1：Financial assets measured at FVPL, its fair value is based on the net asset value of funds on September 30, 2018.

Note 2：Listed (OTC) stocks of financial assets measured at FVPL, its fair value is based on stock closing price on September 30, 2018. Corporate bond is based on market price on September 30, 2018. Non-listed (OTC) stocks are estimated market value by the fair value evaluation method.

Note 3：It has been recognized as loss of impairments.

Note 4：Please refer to Schedule 5 and 6 for info regarding to subsidiary investment.

Lucky Cement Corporation and Subsidiaries

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

For Nine months ended September 30, 2018

Schedule 4

In Thousands of New Taiwan Dollars

Company Name	Transaction Counterpart	Relations	Transaction Status				Status and Reasons of Difference between Transaction Condition and General Transaction		Accounts, Notes Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Account for Purchase (Sale) Percentage to Total (%)	Credit Period	Unit Price	Credit Period	Balance	Accounts, Notes Receivable (Payable) Percentage to Total (%)	
Lucky Cement Corp.	Luckicon Ready-mixed Co.,	Subsidiary	Sale	($ 233,330)	(11.15)	About 90 days	Quite	Quite	Accounts receivable $ 37,844 Notes receivable 16,862	8.63 3.84	Note
Lucky Cement Corp.	Fuan Mining Co., Ltd.	Other related parties	Purchase	165,035	17.78	About 90 days	Agreed	Quite	Accounts payable (19,991) Notes payable (44,930)	(5.20) (11.70)	

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

Lucky Cement Corporation and Subsidiaries

Names, Locations, and Related Information of Investees

For the Nine Months Ended September 30, 2018

Schedule 5

In Thousands of New Taiwan Dollars

Investment company	Invested company	Address	Main business items	Original investment amount (Note 5)		Holding at the end of the period			Current (loss) profit of invested company	Investment (loss) profit accounted this Period	Remarks
				At the end of the period	End of last year	Number of shares	Rate	Carrying Amount			
Lucky Cement Corp.	Dasheng Enterprise	14F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Real Estate Sales & Lease	$ 2,167,473	$ 1,877,473	157,295,283	99.99	$ 2,437,132	($ 6,681)	($ 6,681)	Note1 & 4
	Luckicon Ready-mixed Co.,	No.191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Ready-mixed Concrete Manufacture & Trades	99,998	99,998	21,999,868	99.99	271,435	(10,980)	(10,980)	Note1 & 4
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Investment Business	1,566	1,566	50,000	100.00	38,007	940	940	Note3 & 4
	Lucky Cement Corp., Japan	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement Trading	82,300	82,300	200	100.00	22,590	(1,334)	(1,334)	Note2, 3 & 4
	Luckyship Marine Co.	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping Agent	88,615	8,615	8,499,994	99.99	47,364	(23,965)	(23,965)	Note3
	Elumina Technology Inc.	12F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Manufacture and Sale Light-emitting Diode Products	98,890	93,384	9,888,963	70.59	691	(644)	(454)	Note3
Luckicon Ready-mixed Co.,	Fuyu Development Company	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Mine Gravel	12,571	7,500	1,000,000	100.00	11,488	(8,797)	(7,720)	Note1, 4
Elumina Technology Inc.	ELUMINA HOLDING LIMITED	Beaufort House, P. O. Box 438, Road Town, Tortola, British Virgin Islands	Holding Company	45,563	45,563	1,282,000	100.00	259	1	1	Note3, 4

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

Note2：Original investment amount that the Company invested in Lucky Cement Corp., Japan and did not finish equity registration is 150,000,000 Japanese Yen in September 30, 2018.

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

Note4：The book value of long-term equity investment accounted investment profit/loss and net equity of the invested company have been written off in the prepared financial statement.

Note5：The original investment amount includes the previous year's capital reduction to make up for the decrease in losses.

Note6：Please refer to Shcedule 6 for the information regarding to the invested company in China.

Lucky Cement Corporation and Subsidiaries

Investment Information in Mainland China

For the Nine Months Ended September 30, 2018

Schedule 6

Unit: NT$1,000, unless otherwise noted

Invested company in China	Major business	Paid-up capital	Inventory type (Note 1)	The amount of accumulated investment remitted from Taiwan at the beginning of the period (Note 4)	Remittance or recovery of investment amount in this period		The amount of accumulated investment remitted from Taiwan at the end of the period	Current profit and loss of invested company (Note 2 & 5)	The proportion of shares held by the Company directly or indirectly	Investmend (Loss) profit accounted of this period (Note 2 & 5)	Book value of end-of-period investment (Note 2 & 5)	Investment income has been remitted as of this period
					Remittance	Recovered						
ELUMINA (Xiamen) Technology Inc.	Manufacture and sale light-emitting diode products	$ 80,631	(2)	$ 80,631	$ -	$ -	$ 80,631	$ -	70.59%	$ -	$ 241	$ -

Cumulative amount of investment from Taiwan investing China at end of this period	Investment Review Committee of the Ministry of Economic Affairs approved amount of investment	Upper limit of investment to China pursuant to regulation of Investment Review Committee of the Ministry of Economic Affairs (Note 3)
USD 2,522,000	USD 1,286,000	$ 4,353,114 x 60%=$ 2,611,868

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

(1) Direct investment in China.

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

(3) Others

Note 2：Calculation of financial statement without Review by Taiwan Headquarter's Certified Accountant.。

Note 3：Calculated by the limits set forth in the "China Investment or Technic Cooperation & Review Principle" issued by Investment & Review Committee, August 29, 2008

Note 4：The dismissal has passed in the Headquarter's Board of Directors on August 11, 2015 and liquidation & dismissal process was remains pending as of September 30, 2018.

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

Lucky Cement Corporation and Subsidiary

Intercompany Relationships and Significant Intercompany Transactions

For the Nine Months Ended September 30, 2018

Schedule 7

In Thousands of New Taiwan Dollars

No.	Name of Trader	Subject in Trade	Relations with trader (Note 1)	State of Trade			
				Account	Amount	Condition of Trade	The ratio of total revenue or total assets (%)
0	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Accounts receivable	$ 37,844	Above 90 days	0.52
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Other receivables	113	Above 90 days	-
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Notes receivable	16,862	Above 90 days	0.23
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Contract liability	5,180	Above 90 days	0.07
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Sales revenue	233,330	Above 90 days	9.48
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Accounts payable	2	Above 90 days	-
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Notes payable	2	Above 90 days	-
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Rent income	1,143	30 days	0.05
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Operating expenses	45	Above 90 days	-
	Lucky Cement Corp.	Luckicon Ready-mixed Co.,	1	Prepayments	173	Above 90 days	0.01
	Lucky Cement Corp.	Fuyu Development Company	1	Notes payable	449	Above 90 days	0.01
	Lucky Cement Corp.	Fuyu Development Company	1	Accounts payable	291	Above 90 days	-
	Lucky Cement Corp.	Fuyu Development Company	1	Other receivables	390	Above 90 days	0.01
	Lucky Cement Corp.	Fuyu Development Company	1	Other payable	92	Above 90 days	-
	Lucky Cement Corp.	Fuyu Development Company	1	Cost of sales	2,962	Above 90 days	0.12
	Lucky Cement Corp.	Fuyu Development Company	1	Rent income	11,868	Above 90 days	0.48
	Lucky Cement Corp.	Fuyu Development Company	1	Other income	900	30 days	0.04
	Lucky Cement Corp.	Luckyship Marine Co.	1	Other receivables	3	Above 90 days	-
	Lucky Cement Corp.	Luckyship Marine Co.	1	Rent income	192	30 days	0.01
	Lucky Cement Corp.	Luckyship Marine Co.	1	Interest income	138	30 days	0.01
	Lucky Cement Corp.	Dasheng Enterprise	1	Guarantee deposits paid	159,000	Returned upon completion according to the contract	2.20
	Lucky Cement Corp.	Dasheng Enterprise	1	Other receivables	43,650	Financing, repay according to the agreed deadline	0.60
	Lucky Cement Corp.	Dasheng Enterprise	1	Sales revenue	135	Above 90 days	0.01
	Lucky Cement Corp.	Dasheng Enterprise	1	Other receivables	37	Above 90 days	-
	Lucky Cement Corp.	Dasheng Enterprise	1	Rent income	60	30 days	-
	Lucky Cement Corp.	Dasheng Enterprise	1	Interest income	3,221	30 days	0.13
1	Luckicon Ready-mixed Co.,	Fuyu Development Company	1	Rent income	5,100	30 days	0.21
	Luckicon Ready-mixed Co.,	Fuyu Development Company	1	Other receivables	945	Above 90 days	0.01
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Notes receivable	748	Above 90 days	0.01
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Accounts receivable	1,157	Above 90 days	0.02
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Other receivables	20,000	Financing, repay according to the agreed deadline	0.28
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Other receivables	60	Above 90 days	-
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Sales revenue	10,581	Above 90 days	0.43
	Luckicon Ready-mixed Co.,	Dasheng Enterprise	3	Interest income	578	30 days	0.02

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

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