Lucky Cement Co. and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2021 and 2020 and Independent Auditors' Review Report

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Lucky Cement Co.

Introduction

We have reviewed the accompanying consolidated balance sheets of Lucky Cement Co. and its subsidiaries (collectively referred to as the "Group") as of September 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2021 and 2020, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT$59,891 thousand and NT$78,623 thousand, respectively, both representing 1% of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$4,541 thousand and NT$8,074 thousand, respectively, both representing 0% of the consolidated total liabilities; for the three months and the nine months ended September 30, 2021 and 2020, the amounts of combined comprehensive loss of these subsidiaries were NT$2,300 thousand, NT$2,001 thousand, NT$2,024 thousand and NT$4,263 thousand, respectively, representing (10%), (2%), (1%) and (1%), respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of September 30, 2021 and 2020, its consolidated financial performance for the three months ended September 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chao-Mei Chen and Chiang-Hsun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 12, 2021

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

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		September 30, 2020 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash (Note 6)	$ 320,942	4	$ 320,535	4	$ 266,151	4
Financial assets at fair value through profit or loss - current (Note 7)	25,577	-	11,296	-	15,401	-
Financial assets at fair value through other comprehensive income - current (Note 8)	77,281	1	34,126	1	44,331	1
Financial assets at amortized cost - current (Notes 9 and 33)	126,499	2	101,335	1	102,108	1
Notes receivable (Notes 10 and 25)	322,235	4	573,958	7	535,561	7
Notes receivable from related parties (Notes 10, 25 and 32)	-	-	235	-	6,094	-
Accounts receivable (Notes 10 and 25)	316,013	4	492,996	6	501,744	6
Accounts receivable from related parties (Notes 10, 25 and 32)	506	-	5,764	-	8,315	-
Other receivables (Notes 10 and 32)	1,226	-	15,735	-	1,098	-
Current tax assets	59	-	-	-	17,627	-
Inventories (Notes 11, 23 and 33)	3,519,220	45	3,545,586	44	3,507,567	45
Prepayments (Note 13)	201,540	3	160,658	2	182,729	2
Non-current assets held for sale (Note 14)	-	-	-	-	5,017	-
Other current assets (Note 15)	26,241	-	22,734	1	22,639	-
Total current assets	4,937,339	63	5,284,958	66	5,216,382	66
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	8,538	-	8,734	-	9,125	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	10,797	-	14,994	-	16,018	-
Financial assets at amortized cost - non-current (Notes 9 and 33)	202,326	3	164,062	2	106,930	2
Property, plant and equipment (Notes 16 and 33)	2,295,487	29	2,223,887	28	2,200,512	28
Right-of-use assets (Note 17)	169,347	2	79,560	1	93,039	1
Deferred tax assets (Note 4)	91,694	1	120,156	2	119,769	2
Refundable deposits	17,892	-	20,580	-	21,341	-
Other non-current assets (Note 18)	130,225	2	110,376	1	90,268	1
Total non-current assets	2,926,306	37	2,742,349	34	2,657,002	34
TOTAL	$ 7,863,645	100	$ 8,027,307	100	$ 7,873,384	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 33)	$ 874,973	11	$ 320,000	4	$ 292,788	4
Short-term bills payable (Notes 19 and 33)	259,704	3	189,588	2	139,720	2
Contract liabilities (Notes 25 and 32)	246,258	3	333,095	4	338,979	4
Notes payable (Note 20)	169,874	2	345,327	4	401,201	5
Notes payable to related parties (Notes 20 and 32)	16,965	-	39,596	1	71,544	1
Accounts payable (Note 20)	154,671	2	241,920	3	131,193	2
Accounts payable to related parties (Notes 20 and 32)	4,315	-	20,006	-	29,407	-
Other payables (Note 21)	153,012	2	208,340	3	159,295	2
Other payables to related parties (Note 32)	1,169	-	78,338	1	75,783	1
Current tax liabilities	24,471	-	46,463	1	34,323	-
Lease liabilities - current (Note 17)	54,578	1	37,081	-	41,769	1
Current portion of long-term borrowings (Notes 19 and 33)	588,000	8	290,000	4	260,000	3
Other current liabilities	1,903	-	1,508	-	1,992	-
Total current liabilities	2,549,893	32	2,151,262	27	1,977,994	25
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 33)	518,000	7	1,040,000	13	1,130,000	14
Deferred tax liabilities (Note 4)	17,863	-	20,663	-	19,183	-
Lease liabilities - non-current (Note 17)	115,797	2	43,161	1	51,555	1
Other payables to related parties (Note 32)	45,800	1	45,800	1	45,800	1
Net defined benefit liabilities (Note 4)	36,236	-	36,798	-	39,058	1
Guarantee deposits received	32,853	-	32,704	-	29,938	-
Total non-current liabilities	766,549	10	1,219,126	15	1,315,534	17
Total liabilities	3,316,442	42	3,370,388	42	3,293,528	42
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Share capital						
Ordinary shares	4,047,380	52	4,047,380	50	4,047,380	51
Capital surplus	18	-	9	-	9	-
Retained earnings						
Legal reserve	210,524	3	170,899	2	170,899	2
Special reserve	14,135	-	14,135	-	14,135	-
Unappropriated earnings	280,536	3	419,967	6	350,716	5
Total retained earnings	505,195	6	605,001	8	535,750	7
Other equity	(5,455)	-	4,455	-	(3,357)	-
Total equity attributable to owners of the Company	4,547,138	58	4,656,845	58	4,579,782	58
NON-CONTROLLING INTERESTS	65	-	74	-	74	-
Total equity	4,547,203	58	4,656,919	58	4,579,856	58
TOTAL	$ 7,863,645	100	$ 8,027,307	100	$ 7,873,384	100

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

(With Deloitte & Touche auditors' review report dated November 12, 2021)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 25 and 32)								
Sales	$ 831,343	100	$ 1,132,313	100	$ 2,907,684	100	$ 3,360,240	100
Less: Discounts and allowances	(542)	-	(663)	-	(2,668)	-	(1,894)	-
Total operating revenue	830,801	100	1,131,650	100	2,905,016	100	3,358,346	100
OPERATING COSTS (Notes 11, 26 and 32)	730,015	88	953,906	84	2,518,972	87	2,787,372	83
GROSS PROFIT	100,786	12	177,744	16	386,044	13	570,974	17
OPERATING EXPENSES (Notes 26 and 32)								
Selling and marketing expenses	26,963	3	29,429	3	84,875	3	88,619	3
General and administrative expenses	25,783	3	31,838	3	87,175	3	99,787	3
Expected credit (gain) loss (Note 10)	(735)	-	(5,644)	(1)	(1,353)	-	1,958	-
Total operating expenses	52,011	6	55,623	5	170,697	6	190,364	6
OTHER OPERATING INCOME AND EXPENSES (Note 26)	-	-	-	-	12,077	1	80	-
PROFIT FROM OPERATIONS	48,775	6	122,121	11	227,424	8	380,690	11
NON-OPERATING INCOME AND EXPENSES (Notes 26 and 32)								
Interest income	447	-	330	-	1,520	-	1,163	-
Rental income	2,281	-	1,945	-	6,833	-	6,208	-
Other income	4,701	-	3,575	-	13,714	1	8,770	-
Foreign exchange gain	369	-	954	-	1,062	-	308	-
Fair value changes of financial assets	(740)	-	(28)	-	(922)	-	(470)	-
Other losses	(1,662)	-	(2,723)	-	(5,856)	-	(7,204)	-
Interest expense	(8,105)	(1)	(7,370)	(1)	(23,443)	(1)	(24,273)	-
Total non-operating income and expenses	(2,709)	(1)	(3,317)	(1)	(7,092)	-	(15,498)	-
PROFIT BEFORE INCOME TAX	46,066	5	118,804	10	220,332	8	365,192	11
INCOME TAX EXPENSE (Notes 4 and 27)	(11,040)	(1)	(20,229)	(2)	(51,324)	(2)	(38,197)	(1)
NET PROFIT FOR THE PERIOD	35,026	4	98,575	8	169,008	6	326,995	10

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$ (12,168)	(1)	$ (2,821)	-	$ 7,018	-	$ (7,298)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation to the presentation currency	(234)	-	44	-	(2,402)	-	(40)	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	(29)	-	56	-	(23)	-	(25)	-
Other comprehensive income (loss), net of income tax	(12,431)	(1)	(2,721)	-	4,593	-	(7,363)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 22,595	3	$ 95,854	8	$ 173,601	6	$ 319,632	10
NET PROFIT ATTRIBUTABLE TO:								
Shareholders of Company	$ 35,026	4	$ 98,575	9	$ 169,008	6	$ 326,995	10
Non-controlling interests	-	-	-	-	-	-	-	-
	$ 35,026	4	$ 98,575	9	$ 169,008	6	$ 326,995	10
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Shareholders of Company	$ 22,595	3	$ 95,854	8	$ 173,601	6	$ 319,632	10
Non-controlling interests	-	-	-	-	-	-	-	-
	$ 22,595	3	$ 95,854	8	$ 173,601	6	$ 319,632	10
EARNINGS PER SHARE (Note 28)								
Basic	$ 0.09		$ 0.24		$ 0.42		$ 0.81	
Diluted	$ 0.09		$ 0.24		$ 0.42		$ 0.81	

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

(With Deloitte & Touche auditors' review report dated November 12, 2021) (Concluded)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Cash Dividend Per Share)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	$ 4,047,380	$ 8	$ 166,309	$ 17,256	$ 85,901	$ 7,450	$ (3,444)	$ 4,320,860	$ 77	$ 4,320,937
Appropriation of 2019 earnings										
Legal reserve	-	-	4,590	-	(4,590)	-	-	-	-	-
Cash dividend to shareholders - NT$0.15 per share	-	-	-	-	(60,711)	-	-	(60,711)	-	(60,711)
Special reserve	-	-	-	(3,121)	3,121	-	-	-	-	-
Net profit for the nine months ended September 30, 2020	-	-	-	-	326,995	-	-	326,995	-	326,995
Other comprehensive loss for the nine months ended September 30, 2020	-	-	-	-	-	(40)	(7,323)	(7,363)	-	(7,363)
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	326,995	(40)	(7,323)	319,632	-	319,632
Acquisitions of subsidiaries (Note 12)	-	1	-	-	-	-	-	1	(3)	(2)
BALANCE AT SEPTEMBER 30, 2020	$ 4,047,380	$ 9	$ 170,899	$ 14,135	$ 350,716	$ 7,410	$ (10,767)	$ 4,579,782	$ 74	$ 4,579,856
BALANCE AT JANUARY 1, 2021	$ 4,047,380	$ 9	$ 170,899	$ 14,135	$ 419,967	$ 7,475	$ (3,020)	$ 4,656,845	$ 74	$ 4,656,919
Appropriation of 2020 earnings										
Legal reserve	-	-	39,625	-	(39,625)	-	-	-	-	-
Cash dividend to shareholders - NT$0.70 per share	-	-	-	-	(283,317)	-	-	(283,317)	-	(283,317)
Net profit for the nine months ended September 30, 2021	-	-	-	-	169,008	-	-	169,008	-	169,008
Other comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	(2,402)	6,995	4,593	-	4,593
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	169,008	(2,402)	6,995	173,601	-	173,601
Acquisitions of subsidiaries (Note 12)	-	9	-	-	-	-	-	9	(9)	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Notes 8 and 24)	-	-	-	-	14,503	-	(14,503)	-	-	-
BALANCE AT SEPTEMBER 30, 2021	$ 4,047,380	$ 18	$ 210,524	$ 14,135	$ 280,536	$ 5,073	$ (10,528)	$ 4,547,138	$ 65	$ 4,547,203

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

(With Deloitte & Touche auditors' review report dated November 12, 2021)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 220,332	$ 365,192
Adjustments for:		
Depreciation expense	115,192	145,100
Amortization and depletion expense	12,251	9,254
Expected credit (reversed) loss recognized on trade receivables	(1,353)	1,958
Net loss on fair value changes of financial assets at fair value through profit or loss	922	470
Interest expense	23,443	24,273
Interest income	(1,520)	(1,163)
Dividend income	(2,145)	(3,099)
Gain on disposal of property, plant and equipment	(12,077)	(80)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(15,007)	164
Notes receivable	251,723	(46,800)
Notes receivable from related parties	235	4,773
Accounts receivable	178,336	(91,862)
Accounts receivable from related parties	5,258	(865)
Other receivables	(141)	(30)
Inventories	26,366	8,505
Prepayments	(40,882)	(17,923)
Other current assets	(3,507)	429
Other non-current assets	(8)	271
Contract liabilities	(86,837)	79,548
Notes payable	(175,453)	59,272
Notes payable to related parties	(14,631)	36,888
Accounts payable	(87,249)	7,062
Accounts payable to related parties	(15,691)	(6,125)
Other payables	(43,073)	16,947
Other payables to related parties	(7,120)	4,455
Other current liabilities	395	(524)
Net defined benefit liabilities	(562)	(1,070)
Cash generated from operations	327,197	595,020
Interest received	1,545	1,886
Interest paid	(23,280)	(24,337)
Income tax paid	(47,713)	(2,776)
Net cash generated from operating activities	257,749	569,793

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2021	**2020**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ (260,941)	$ (31,109)
Proceeds from sale of financial assets at fair value through other comprehensive income (Note 29)	236,480	21,393
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	5,202	5,125
Increase in financial assets at amortized cost	(63,428)	-
Decrease in financial assets at amortized cost	-	16,715
Acquisition of property, plant and equipment (Note 29)	(206,810)	(460,546)
Proceeds from disposal of property, plant and equipment (Note 29)	40,323	80
Increase in refundable deposits	-	(433)
Decrease in refundable deposits	2,688	-
Decrease in other receivables	-	65,000
Increase in other non-current assets	(10,390)	(15,494)
Other dividends received (Note 29)	2,766	3,099
Net cash used in investing activities	(254,110)	(396,170)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	554,973	60,088
Increase in short-term bills payable	70,000	-
Decrease in short-term bills payable	-	(80,000)
Proceeds from long-term borrowings	220,000	100,000
Repayments of long-term borrowings	(444,000)	(190,000)
Increase in guarantee deposits received	149	-
Decrease in guarantee deposits received	-	(862)
Decrease in notes payable to related parties	(8,000)	-
(Decrease) increase in other payables to related parties	(70,000)	70,000
Repayment of the principal portion of lease liabilities	(41,214)	(39,377)
Cash dividends paid	(283,317)	(60,711)
Acquisition of subsidiaries	-	(2)
Net cash used in financing activities	(1,409)	(140,864)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(1,823)	(34)
NET INCREASE IN CASH	407	32,725
CASH AT THE BEGINNING OF THE PERIOD	320,535	233,426
CASH AT THE END OF THE PERIOD	$ 320,942	$ 266,151

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

(With Deloitte & Touche auditors’ review report dated November 12, 2021) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on November 12, 2021.

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

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

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

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

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

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

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

d. Basis of consolidation

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

Refer Note 12 and Note 37(5) for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

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

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group considers the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The same critical accounting judgments and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group consolidated financial statements for the year ended December 31, 2020.

6. CASH

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand and revolving funds	$ 1,338	$ 1,432	$ 1,470
Checking accounts and demand deposits	313,188	309,601	263,818
Foreign currency demand deposits	6,416	9,502	863
	$ 320,942	$ 320,535	$ 266,151

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2021	December 31, 2020	September 30, 2020
Current			
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 25,577	$ 11,296	$ 15,401
Non-current			
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 8,538	$ 8,734	$ 9,125

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2021	December 31, 2020	September 30, 2020
Current			
Investments in equity instruments	$ 71,502	$ 28,213	$ 38,377
Investments in debt instruments	5,779	5,913	5,954
	$ 77,281	$ 34,126	$ 44,331
Non-current			
Investments in equity instruments	$ 10,797	$ 14,994	$ 16,018

a. Investments in equity instruments at FVTOCI

	September 30, 2021	December 31, 2020	September 30, 2020
Current			
Domestic investments - ordinary shares	$ 71,502	$ 28,213	$ 38,377
Non-current			
Domestic investments - ordinary shares	$ 10,797	$ 14,994	$ 16,018

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

For the nine months ended September 30, 2021, the Group sold its shares in order to manage credit concentration risk. The shares sold had a fair value of $223,664 thousand and its related unrealized valuation gain of $14,503 thousand was transferred from other equity to retained earnings.

The Group received a return of capital of $5,202 thousand when the invested company reduced capital to pay dividends of $2,145 thousand for the nine months ended September 30, 2021.

The Group received a return of capital of $5,125 thousand when the invested company reduced capital to pay dividends of $3,099 thousand for the nine months ended September 30, 2020.

b. Investments in debt instruments at FVTOCI

	September 30, 2021	**December 31, 2020**	**September 30, 2020**
Current			
Bond investments	$ 5,779	$ 5,913	$ 5,954

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

For credit risk management of investment in debt instruments, the Group invests only in debt instruments with low credit risk after impairment assessments. The Group's current credit risk grading mechanism is as follows:

Category	**Description**	**Basis for Recognizing Expected Credit Losses (ECLs)**
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECLs - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The Group assesses that the debtor's credit risk is low and that it has sufficient ability to pay off the contractual cash flows. As of September 30, 2021, December 31, 2020 and September 30, 2020, there was no expected credit loss for investment in debt instruments.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2021	December 31, 2020	September 30, 2020
Current			
Time deposits with original maturities of more than 3 months	$ 7,139	$ 7,155	$ 6,928
Restricted assets	119,360	94,180	95,180
	$ 126,499	$ 101,335	$ 102,108
Non-current			
Restricted assets	$ 202,326	$ 164,062	$ 106,930

a. The interest rates of time deposits with original maturities of more than 3 months were approximately 2.15%, 2.35% and 1.60% per annum as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

b. The restricted assets - current are savings deposits and time deposits that are provided as guarantees for bank loan and construction contract; market interest rate was approximately 0.02%-0.56% per annum as of September 30, 2021, December 31, 2020 and September 30, 2020.

c. The restricted assets - non-current are time deposits in the bank, which were pledged as the security of mining right with market interest rates of approximately 0.10%-0.94%, 0.10%-0.82% and 0.40%-1.00% per annum as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

d. Refer to Note 33 for information relating to investments in financial assets at amortized cost pledged as security.

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

	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable			
At amortized cost			
Gross carrying amount	$ 322,235	$ 573,958	$ 535,561
Notes receivable from related parties			
At amortized cost			
Gross carrying amount	$ -	$ 235	$ 6,094
Notes receivable - operating	$ 322,235	$ 574,193	$ 535,760
Notes receivable - non-operating	-	-	5,895
	$ 322,235	$ 574,193	$ 541,655

(Continued)

	September 30, 2021	December 31, 2020	September 30, 2020
Trade receivables			
At amortized cost			
Gross carrying amount	$ 329,863	$ 508,199	$ 516,590
Less: Allowance for impairment loss	(13,850)	(15,203)	(14,846)
	$ 316,013	$ 492,996	$ 501,744
Trade receivables from related parties			
At amortized cost			
Gross carrying amount	$ 506	$ 5,764	$ 8,315
Other receivables (Note 29)			
Sale of securities	$ -	$ 12,816	$ -
Others	1,226	2,919	1,098
	$ 1,226	$ 15,735	$ 1,098
Overdue receivables			
Overdue	$ 28,743	$ 28,743	$ 29,016
Less: Allowance for impairment loss	(28,743)	(28,743)	(29,016)
	$ -	$ -	$ -

(Concluded)

a. Notes receivable

The average credit period of sales of goods was 60-150 days. No interest is charged on notes receivable. In order to minimize credit risk, the management of the Group has delegated a team for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group recognizes 100% allowance for impairment loss if notes receivable become overdue.

At the end of the reporting period, there were no overdue notes receivable for which the Group recognized allowance for impairment loss.

b. Trade receivables

The average credit period of sales of goods is 60-150 days. No interest is charged on trade receivables. In order to minimize credit risk, the management of the Group has delegated a team for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measure the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as the GDP forecasts and industry outlook. The Group's provision matrixes are prepared by reference to if the customer were in severe financial difficulty. The Group recorded a 100% of loss allowance when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; If the customer were not in severe financial difficulty, as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

September 30, 2021

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.19%	4.90%	7.85%	14.32%-58.86%	100%	100%	
Gross carrying amount	$ 299,780	$ 7,397	$ 4,181	$ 9,236	$ 2,315	$ 6,954	$ 329,863
Loss allowance (Lifetime ECLs)	(435)	(363)	(329)	(3,454)	(2,315)	(6,954)	(13,850)
Amortized cost	$ 299,345	$ 7,034	$ 3,852	$ 5,782	$ -	$ -	$ 316,013

December 31, 2020

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.19%	4.90%	7.85%	14.32%-58.86%	100%	100%	
Gross carrying amount	$ 463,441	$ 14,118	$ 14,078	$ 5,186	$ 4,422	$ 6,954	$ 508,199
Loss allowance (Lifetime ECLs)	(727)	(692)	(1,106)	(1,302)	(4,422)	(6,954)	(15,203)
Amortized cost	$ 462,714	$ 13,426	$ 12,972	$ 3,884	$ -	$ -	$ 492,996

September 30, 2020

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.95%	2.77%	4.63%	9.95%-68.60%	100%	100%	
Gross carrying amount	$ 487,524	$ 6,066	$ 3,234	$ 11,224	$ 1,588	$ 6,954	$ 516,590
Loss allowance (Lifetime ECLs)	(3,764)	(168)	(150)	(2,222)	(1,588)	(6,954)	(14,846)
Amortized cost	$ 483,760	$ 5,898	$ 3,084	$ 9,002	$ -	$ -	$ 501,744

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

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	$ 43,946	$ 44,704
(Less) add: Net remeasurement of loss allowance	(1,353)	1,958
Less: Amounts written off	-	(2,800)
Balance at September 30	$ 42,593	$ 43,862

c. Other receivables

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

The Group considers the current financial condition of debtors to determine the expected credit losses for debt instrument investments. As September 30, 2021, December 31, and September 30, 2020, the expected credit loss rate of other receivables was 0%.

11. INVENTORIES

	September 30, 2021	December 31, 2020	September 30, 2020
Real estate under development and real estate to be developed	$ 3,156,564	$ 3,153,571	$ 3,146,059
Raw materials	164,740	234,118	179,334
Finished goods	98,482	87,339	103,177
Work in progress	54,921	29,975	43,478
Supplies and spare parts	37,433	32,633	27,069
Merchandise	7,080	7,950	8,450
	$ 3,519,220	$ 3,545,586	$ 3,507,567

The nature of the cost of goods sold is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Cost of inventories sold	$ 729,849	$ 953,142	$ 2,518,969	$ 2,787,372
Inventory write-downs	166	764	3	-
	$ 730,015	$ 953,906	$ 2,518,972	$ 2,787,372

The inventories pledged as collateral for bank borrowings are set out in Note 33.

12. SUBSIDIARIES

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

Investor Company Name	Subsidiary Name	Nature of Business	Percentage of Equity Held (%) September 30, 2021	December 31, 2020	September 30, 2020	Explanation
Lucky Cement Co.	Dasheng Enterprise Co., Ltd. (Dasheng Enterprise)	Sale and lease of national residences, commercial buildings, parking lots and industrial areas	99.99	99.99	99.99	a.
	Luckicon Ready-mixed Concrete Factory Co., Ltd. (Luckicon Ready-Mixed Co.)	Production and sale of concrete	100.00	100.00	100.00	b.
	Lucky Cement Corp., Japan (Lucky Cement Japan,)	Trading of cement	100.00	100.00	100.00	
	Luckyship Marine Co., Ltd (Luckyship Co.)	Shipping agent	99.99	99.99	99.99	
	Just Bright Ltd.	Investment business	-	100.00	100.00	c.
Luckicon Ready-Mixed Co.	Fuyu Development Co., Ltd.	On land clay and stone quarrying	100.00	100.00	100.00	

Notes:

a. Dasheng Enterprise implemented a capital reduction to cover losses of $200,000 thousand on August 19, 2021, and increased its capital by $200,000 thousand on August 20, 2021. After the capital increase, the Company's shareholding in Dasheng Enterprise increased. Dasheng Enterprise recognized the difference between the consideration and the adjusted carrying amount of non-controlling interests of $9 thousand under capital surplus.

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

c. The Company's board of directors resolved in its meeting on December 27, 2019 to discontinue the operations of its subsidiary, Just Bright Ltd., and the cancellation was completed in May 2021.

As of September 30, 2021 and 2020, except for the Luckicon Ready-mixed Co. and Dasheng Enterprise, the financial statements of the rest of the non-significant subsidiaries which had been included in the consolidated financial statements were not reviewed. As of September 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were $59,891 thousand and $78,623 thousand, respectively, both representing 1% of the consolidated total assets; and combined total liabilities of these subsidiaries were $4,541 thousand and $8,074 thousand, respectively, both representing 0% of the consolidated total liabilities. For the three months and the nine months ended September 30, 2021 and 2020, the amounts of combined comprehensive loss of these subsidiaries were $2,300 thousand, $2,001 thousand, $2,024 thousand and $4,263 thousand, respectively, representing (10%), (2%), (1%) and (1%), respectively.

13. PREPAYMENTS

	September 30, 2021	December 31, 2020	September 30, 2020
Office supplies	$ 120,960	$ 106,920	$ 103,279
Prepaid expenses	69,654	39,115	67,912
Prepaid purchase materials	10,129	14,548	10,992
Others	797	75	546
	$ 201,540	$ 160,658	$ 182,729

14. NON-CURRENT ASSETS HELD FOR SALE

	September 30, 2021	December 31, 2020	September 30, 2020
Freehold land	$ -	$ -	$ 5,017

The Company proposed to dispose of the idle land at Puxin factory on March 24, 2020, and signed the contract with non-related parties on April 24, 2020. The proceeds from the contract totaled $21,618 thousand. The Company reclassified the idle land from property, plant and equipment to non-current assets held for sale. Since the net proceeds from the disposal were higher than the carrying amount of the related net assets, no impairment loss should be recognized. The Company completed the land transfer process in the fourth quarter of 2020.

15. OTHER CURRENT ASSETS

	September 30, 2021	December 31, 2020	September 30, 2020
Offset against business tax payable	$ 26,239	$ 22,733	$ 22,635
Others	2	1	4
	$ 26,241	$ 22,734	$ 22,639

16. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2021	$ 1,650,349	$ 2,290,846	$ 6,097,312	$ 1,196,322	$ 877,182	$ 517,173	$ 12,629,184
Additions	2,524	-	14,021	178	154,590	1,444	172,757
Disposals	-	-	-	-	(150,951)	-	(150,951)
Net exchange difference	-	(8,602)	(1,111)	-	(31)	(43)	(9,787)
Balance at September 30, 2021	1,652,873	2,282,244	6,110,222	1,196,500	880,790	518,574	12,641,203
Accumulated depreciation and impairment							
Balance at January 1, 2021	-	1,965,873	6,004,617	1,183,518	756,261	495,028	10,405,297
Depreciation expenses	-	31,801	11,661	3,080	20,720	6,370	73,632
Disposals	-	-	-	-	(124,005)	-	(124,005)
Net exchange difference	-	(8,204)	(932)	-	(30)	(42)	(9,208)
Balance at September 30, 2021	-	1,989,470	6,015,346	1,186,598	652,946	501,356	10,345,716
Carrying amounts at September 30, 2021	$ 1,652,873	$ 292,774	$ 94,876	$ 9,902	$ 227,844	$ 17,218	$ 2,295,487
Carrying amounts at December 31, 2020 and January 1, 2021	$ 1,650,349	$ 324,973	$ 92,695	$ 12,804	$ 120,921	$ 22,145	$ 2,223,887

(Continued)

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2020	$ 1,084,102	$ 2,294,349	$ 6,107,551	$ 1,196,322	$ 858,385	$ 499,954	$ 12,040,663
Additions	571,106	-	2,358	-	5,532	1,553	580,549
Disposals	-	-	(76)	-	(14,761)	(170)	(15,007)
Reclassification	(5,017)	-	5,098	-	-	14,712	14,793
Net exchange difference	-	(126)	(16)	-	-	(1)	(143)
Balance at September 30, 2020	1,650,191	2,294,223	6,114,915	1,196,322	849,156	516,048	12,620,855
Accumulated depreciation and impairment							
Balance at January 1, 2020	-	1,913,451	5,971,633	1,178,305	772,430	493,038	10,328,857
Depreciation expenses	-	42,200	33,364	4,128	24,478	2,460	106,630
Disposals	-	-	(76)	-	(14,761)	(170)	(15,007)
Net exchange difference	-	(122)	(14)	-	-	(1)	(137)
Balance at September 30, 2020	-	1,955,529	6,004,907	1,182,433	782,147	495,327	10,420,343
Carrying amounts at September 30, 2020	$ 1,650,191	$ 338,694	$ 110,008	$ 13,889	$ 67,009	$ 20,721	$ 2,200,512

(Concluded)

a. The above-mentioned property, plant and equipment are reclassified as non-current assets held for sale, refer to Note 14 for the details; besides long-term prepaid expenses are reclassified as machinery and equipment and other equipment.

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

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

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

d. There were no impairment losses of assets for the nine months ended September 30, 2021 and 2020 since the Group did not perform an impairment test.

e. Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 33.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amount			
Land	$ 15,244	$ 21,060	$ 25,758
Buildings	153,344	58,341	66,647
Transportation equipment	759	159	634
	$ 169,347	$ 79,560	$ 93,039

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Addition to right-of-use assets			$ 131,347	$ 1,918
Depreciation charge for right-of-use assets				
Land	$ 2,765	$ 4,002	$ 8,297	$ 12,007
Buildings	10,855	8,346	32,726	25,037
Transportation equipment	141	476	537	1,426
	$ 13,761	$ 12,824	$ 41,560	$ 38,470

Except for the aforementioned recognized addition and depreciation, the Group did not have any significant subleases or impairment of right-of-use assets during the nine months ended September 30, 2021 and 2020.

b. Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amount			
Current	$ 54,578	$ 37,081	$ 41,769
Non-current	$ 115,797	$ 43,161	$ 51,555

Range of discount rate for lease liabilities was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Land	1.55%-1.68%	1.55%-1.68%	1.55%-1.68%
Buildings	1.55%-1.60%	1.55%	1.55%
Transportation equipment	1.60%	1.55%	1.55%

c. Material lease-in activities and terms

The Group leases land and buildings for the use of offices and operation with lease terms of 3 to 6 years.

The Group leases transportation equipment for the use of operation with lease terms of 2 years.

The Group does not have bargain purchase options to acquire the above lease subjects at the end of the lease terms.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	**2020**	**2021**	**2020**
Expenses relating to short-term leases	$ 859	$ 436	$ 2,644	$ 1,246
Expenses relating to low-value asset leases	153	80	510	232
Interest on lease liabilities	686	355	1,612	1,205
Principal portion of lease liabilities	13,446	14,811	41,214	39,377
Total cash outflow for leases	$ 15,144	$ 15,682	$ 45,980	$ 42,060

The Group's leases of certain buildings qualify as short-term leases and leases of certain equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

18. OTHER NON-CURRENT ASSETS

	September 30, 2021	December 31, 2020	September 30, 2020
Prepayments for equipment	$ 56,168	$ 34,466	$ 13,969
Long-term prepaid expenses	54,867	56,723	57,201
Net limestone mining rights	18,770	18,774	18,778
Net defined benefit assets	420	413	320
	$ 130,225	$ 110,376	$ 90,268

19. BORROWINGS

a. Short-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
Secured borrowings (Note 33)			
Bank loans	$ 500,000	$ 105,000	$ 192,788
Unsecured borrowings			
Line of credit borrowings	374,973	215,000	100,000
	$ 874,973	$ 320,000	$ 292,788

The interest rates of the bank loans are as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Secured borrowings	1.20%-1.69%	1.39%-1.59%	0.96%-1.56%
Unsecured borrowings	0.69%-1.30%	1.25%-1.70%	1.30%

b. Short-term bills payable

	September 30, 2021	December 31, 2020	September 30, 2020
Commercial paper	$ 260,000	$ 190,000	$ 140,000
Less: Unamortized discounts on bills payable	(296)	(412)	(280)
	$ 259,704	$ 189,588	$ 139,720

Outstanding short-term bills payable were as follows:

September 30, 2021

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 50,000	$ 19	$ 49,981	1.08%
Dah Chung Bills Finance Corporation	50,000	6	49,994	1.07%
Grand Bills Finance Corporation	160,000	271	159,729	1.08%-1.65%
	$ 260,000	$ 296	$ 259,704	

December 31, 2020

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

September 30, 2020

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 60,000	$ 155	$ 59,845	1.65%
Grand Bills Finance Corporation	80,000	125	79,875	1.28%-1.70%
	$ 140,000	$ 280	$ 139,720	

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

For information on assets pledged as collateral of the short-term bills payable, refer to Note 33.

c. Long-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
Secured borrowings (Note 33)			
Bank loans	$ 806,000	$ 1,050,000	$ 1,210,000
Unsecured borrowings			
Loans from bank	300,000	280,000	180,000
Less: Current portion	(588,000)	(290,000)	(260,000)
	$ 518,000	$ 1,040,000	$ 1,130,000

	Method of Repayment	September 30, 2021	December 31, 2020	September 30, 2020
Secured borrowings				
Taiwan Cooperative Bank	The loan period is from April 12, 2018 to April 12, 2023, with grace period of 2 years. The loan principal is payable over 11 quarters (ending January, April, July, October) with $40 million each quarter. The repayment started in July 2020. The combined company repaid $120 million and $20 million in advance at December 31, 2020 and June 30, 2021 respectively, and expect to be fully repaid in July 2022 in advance.	$ 160,000	$ 300,000	$ 460,000
Bank of Taiwan	The loan period is from November 12, 2019 to November 12, 2022. Repayment schedule for the principal is $40 million in February 2020 and the balance payable in 6 quarters (ending February, May, August, November) with $32 million each quarter and the remaining $18 million payable on maturity date.	146,000	250,000	250,000
O-Bank	The loan period is from November 21, 2017 to November 21, 2022; the principal will be repaid one time on maturity date.	250,000	250,000	250,000
O-Bank	The term of the loan is from December 28, 2017 to December 28, 2022, and a one-time full repayment of the principal shall be made on the maturity date.	250,000	250,000	250,000
Unsecured borrowings				
The Export-Import Bank of the Republic of China	The loan period is from December 7, 2020 to January 7, 2022; the principal will be repaid one time on maturity date.	50,000	50,000	-
The Export-Import Bank of the Republic of China	The loan period is from December 14, 2020 to January 14, 2022; the principal will be repaid one time on maturity date.	50,000	50,000	-
O-Bank	The loan period is from March 23, 2020 to March 23, 2022; the principal will be repaid one time on maturity date. The Company increased the loan by $20 million in September 2021.	100,000	80,000	80,000
KGI Bank	Revolving loan; credit period is from September 7, 2020 to September 7, 2022.	50,000	50,000	50,000
KGI Bank	Revolving loan; credit period is from September 7, 2020 to September 7, 2022.	50,000	50,000	50,000
		1,106,000	1,330,000	1,390,000
Less: Current portion		(588,000)	(290,000)	(260,000)
Long-term borrowings		$ 518,000	$ 1,040,000	$ 1,130,000

The annual interest rate of long-term borrowings was 1.24%-1.72% as of September 30, 2021, December 31, 2020 and September 30, 2020.

20. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2021	December 31, 2020	September 30, 2020
Notes payable			
From operating activities			
Non-related parties	$ 169,874	$ 345,327	$ 395,306
Related parties	$ 16,965	$ 39,596	$ 71,544
From non-operating activities			
Non-related parties	$ -	$ -	$ 5,895
Trade payables			
From operating activities			
Non-related parties	$ 154,671	$ 241,920	$ 131,193
Related parties	$ 4,315	$ 20,006	$ 29,407

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

21. OTHER PAYABLES

	September 30, 2021	December 31, 2020	September 30, 2020
Payables for salaries and bonuses	$ 66,208	$ 87,318	47,625
Payables for taxes	21,900	34,498	38,843
Payable for utilities expense	17,718	18,285	21,887
Payables for purchases of equipment	18,527	30,878	-
Others	28,659	37,361	50,940
	$ 153,012	$ 208,340	$ 159,295

22. RETIREMENT BENEFIT PLANS

The pension expenses of defined benefit plan were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2020 and 2019. An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Operating costs	$ 250	$ 359	$ 739	$ 1,078
Selling and marketing expenses	49	45	114	134
General and administrative expenses	75	57	153	170
	$ 374	$ 461	$ 1,006	$ 1,382

23. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Group's assets and liabilities relating to the construction and development business was based on its operating cycle. The amounts expected to be recovered or settled within 1 year after the reporting period and more than 1 year after the reporting period for related assets and liabilities were as follows:

	Within 1 Year	More Than 1 Year	Total
September 30, 2021			
Assets			
Financial assets at amortized cost	$ 25,680	$ 25,680	$ 51,360
Inventories	-	3,156,564	3,156,564
	$ 25,680	$ 3,182,244	$ 3,207,924
December 31, 2020			
Assets			
Financial assets at amortized cost	$ -	$ 25,680	$ 25,680
Inventories	-	3,153,571	3,153,571
	$ -	$ 3,179,251	$ 3,179,251
September 30, 2020			
Assets			
Financial assets at amortized cost	$ -	$ 25,680	$ 25,680
Inventories	-	3,146,059	3,146,059
	$ -	$ 3,171,739	$ 3,171,739

24. EQUITY

a. Share capital

Ordinary shares

	September 30, 2021	December 31, 2020	September 30, 2020
Number of shares authorized (in thousands)	498,646	498,646	498,646
Shares authorized	$ 4,986,460	$ 4,986,460	$ 4,986,460
Number of shares issued and fully paid (in thousands)	404,738	404,738	404,738
Shares issued	$ 4,047,380	$ 4,047,380	$ 4,047,380

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

b. Capital surplus

	September 30, 2021	December 31, 2020	September 30, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition (Note 12)	$ 10	$ 1	$ 1
May be used only to offset a deficit			
Changes in percentage of ownership interests in subsidiaries	8	8	8
	$ 18	$ 9	$ 9

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

c. Retained earnings and dividends policy

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

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

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

The Articles stipulate that in the allocation of annual earnings, the Group shall first appropriate 10% of earnings to legal reserve and then appropriate to special reserve amount to cover deduction items in the equity, payment of business tax and to make up for past annual loss. From the remaining amount after the above allocation plus 40%-80% of unappropriated earnings in the previous year, no distribution will be made if the amount is less than NT$0.1 per share but will be retained in the unappropriated earnings. The board of directors shall propose distribution of dividends and the shareholders in their meeting shall approve the proposal. Refer to Note 26 (8), employee benefits, for the revised policy on the compensation of employees and remuneration of directors.

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

The Company shall appropriate to or reverse from special reserve pursuant to the provisions as set forth in the Letter No. Jin-Kuang-Fa-Tzi No. 1010012865. When a deduction item in equity is reversed, the reversed amount may be allocated to capital surplus.

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

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

On November 12, 2021, the Company's board of directors adopted the results of operations for the first half of 2021 and decided not to distribute dividends.

The appropriations of earnings for 2020 and 2019 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2020	**2019**
Legal reserve	$ 39,625	$ 4,590
Special reserve	$ -	$ (3,121)
Cash dividends	$ 283,317	$ 60,711
Cash dividends per share (NT$)	$ 0.70	$ 0.15

The above 2020 and 2019 appropriations for cash dividends had been resolved by the Company's board of directors on March 26, 2021 and March 24, 2020, respectively; the other proposed appropriations had been resolved by the shareholders in their meetings on August 4, 2021 and June 18, 2020, respectively.

d. Special reserve

	For the Nine Months Ended September 30	
	2021	**2020**
Balance at January 1	$ 14,135	$ 17,256
Reversals:		
Reversal of the debits to other equity items	-	(3,121)
Balance at September 30	$ 14,135	$ 14,135

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

e. Other equity items

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

	For the Nine Months Ended September 30	
	2021	**2020**
Balance at January 1	$ 7,475	$ 7,450
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	(2,402)	(40)
Balance at September 30	$ 5,073	$ 7,410

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

	For the Nine Months Ended September 30	
	2021	**2020**
Balance at January 1	$ (3,020)	$ (3,444)
Recognized for the period		
Unrealized loss - debt instruments	(23)	(25)
Unrealized gain (loss) - equity instruments	7,018	(7,298)
Other comprehensive income (loss) recognized for the period	6,995	(7,323)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(14,503)	-
Balance at September 30	$ (10,528)	$ (10,767)

25. REVENUE

a. Segmentation of customer's contract revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Cement	$ 449,935	$ 513,021	$ 1,425,831	$ 1,516,586
Cement products	249,091	439,723	970,928	1,263,512
Stone materials	54,505	77,176	239,595	222,487
Others	77,270	101,730	268,662	355,761
	$ 830,801	$ 1,131,650	$ 2,905,016	$ 3,358,346

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

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Notes receivable (Note 10)	$ 322,235	$ 573,958	$ 535,561	$ 488,761
Notes receivable from related parties (Note 10)	$ -	$ 235	$ 199	$ 4,972
Trade receivables (Note 10)	$ 316,013	$ 492,996	$ 501,744	$ 412,120
Trade receivables from related parties (Note 10)	$ 506	$ 5,764	$ 8,315	$ 7,450
Contract liabilities				
Cement sales	$ 240,534	$ 331,854	$ 337,965	$ 256,832
Others	5,724	1,241	1,014	2,599
	$ 246,258	$ 333,095	$ 338,979	$ 259,431

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

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

	For the Nine Months Ended September 30	
	2021	2020
Contract liabilities at the beginning of the period		
Cement sales	$ 333,095	$ 259,431

26. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Gain on disposal of property, plant and equipment	$ -	$ -	$ 12,077	$ 80

b. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Bank deposits	$ 372	$ 252	$ 1,295	$ 928
Investments in debt instruments at FVTOCI	75	78	225	235
	$ 447	$ 330	$ 1,520	$ 1,163

c. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Dividends	$ 2,145	$ 1,504	$ 2,145	$ 3,099
Others	2,556	2,071	11,569	5,671
	$ 4,701	$ 3,575	$ 13,714	$ 8,770

d. Other expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Depreciation of leased assets	$ 757	$ 1,126	$ 2,709	$ 3,989
Others	905	1,597	3,147	3,215
	$ 1,662	$ 2,723	$ 5,856	$ 7,204

e. Interest expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Bank loan/related party loans	$ 7,419	$ 7,015	$ 21,831	$ 23,068
Interest on lease liabilities	686	355	1,612	1,205
	$ 8,105	$ 7,370	$ 23,443	$ 24,273

f. Depreciation, amortization and depletion

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Property, plant and equipment	$ 22,808	$ 31,753	$ 73,632	$ 106,630
Right-of-use assets	13,761	12,824	41,560	38,470
Long-term prepaid expenses	4,787	2,994	12,247	9,253
Limestone mining rights	-	-	4	1
	$ 41,356	$ 47,571	$ 127,443	$ 154,354
An analysis of depreciation by function				
Operating costs	$ 25,017	$ 32,085	$ 79,745	$ 107,020
Operating expenses	10,795	11,366	32,738	34,091
Non-operating expenses	757	1,126	2,709	3,989
	$ 36,569	$ 44,577	$ 115,192	$ 145,100
An analysis of amortization by function				
Operating costs	$ 3,469	$ 1,703	$ 8,292	$ 4,316
Operating expenses	1,318	1,291	3,955	4,937
	$ 4,787	$ 2,994	$ 12,247	$ 9,253
An analysis of depletion by function				
Operating costs	$	$ -	$ 4	$ 1

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Post-employment benefits				
Defined contribution plan	$ 3,109	$ 3,281	$ 9,632	$ 9,777
Defined benefit plans (Note 22)	374	461	1,006	1,382
	3,483	3,742	10,638	11,159
Other employee benefits	80,921	100,306	273,492	306,722
Total employee benefits expense	$ 84,404	$ 104,048	$ 284,130	$ 317,881
An analysis of employee benefits expense by function				
Operating costs	$ 56,796	$ 69,610	$ 190,906	$ 210,789
Operating expenses	27,608	34,438	93,224	107,092
	$ 84,404	$ 104,048	$ 284,130	$ 317,881

h. Compensation of employees and remuneration of directors

The Company shall appropriate 3% and not less than 5% of the profit before tax and before deduction of compensation of employees and remuneration of directors in the current year. The compensation of employees and the remuneration of directors for the three months and the nine months ended September 30, 2021 and 2020 are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2021	**2020**
Compensation of employees	3%	3%
Remuneration of directors	5%	5%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	**2020**	**2021**	**2020**
Compensation of employees	$ 1,380	$ 3,501	$ 6,457	$ 11,082
Remuneration of directors	2,300	5,836	10,762	18,470

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

The appropriations of compensation of employees and remuneration of directors for 2020 and 2019 that were resolved by the board of directors on March 26, 2021 and March 24, 2020, respectively, are as shown below:

Amount

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

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

i. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Foreign exchange gains	$ 374	$ 1,044	$ 1,454	$ 1,368
Foreign exchange losses	(5)	(90)	(392)	(1,060)
	$ 369	$ 954	$ 1,062	$ 308

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Current tax				
In respect of the current year	$ (18,525)	$ 19,717	$ 20,403	$ 34,120
Income tax on unappropriated earnings	-	(161)	4,681	724
Adjustments for prior year	(7)	-	578	86
	(18,532)	19,556	25,662	34,930
Deferred tax				
In respect of the current year	29,572	673	25,662	3,267
Income tax expense recognized in profit or loss	$ 11,040	$ 20,229	$ 51,324	$ 38,197

b. Income tax assessments

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

The income tax returns through 2018 of Luckicon Ready-mixed Co. have been assessed by the tax authorities and there is no significant difference between the reported amounts and the assessed amounts.

28. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	**2020**	**2021**	**2020**
Profit for the period attributable to owners of the Company	$ 35,026	$ 98,575	$ 169,008	$ 326,995
Earnings used in the computation of earnings per share	$ 35,026	$ 98,575	$ 169,008	$ 326,995

Earnings Per Share

(In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	**2020**	**2021**	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	404,738	404,738	404,738	404,738
Effect of potentially dilutive ordinary shares				
Compensation of employees	540	1,050	868	1,133
Weighted average number of ordinary shares used in the computation of diluted earnings per share	405,278	405,788	405,606	405,871

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

29. CASH FLOW INFORMATION

a. Partial cash transactions

The followings are the Group's non-cash investing activities which were not reflected in the consolidated statements of cash flows for the nine months ended September 30, 2021 and 2020:

	For the Nine Months Ended September 30	
	2021	2020
Partial cash generated from disposal of financial assets at FVTOCI		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 223,664	$ -
Changes in receivables from sale of securities (reported as other receivables)	12,816	21,393
Cash received	$ 236,480	$ 21,393
Partial cash payments for purchase of PP&E		
Acquisition of property, plant and equipment	$ 172,757	$ 580,549
Net changes in prepayments for equipment	21,702	13,969
Net changes in payables for equipment	12,351	-
Net changes in payables for purchase of equipment	-	(133,972)
Cash paid	$ 206,810	$ 460,546
Partial cash generated from disposal of PP&E		
Proceeds from disposal of property, plant and equipment	$ 39,023	$ 80
Net changes in receivables from sale of property, plant and equipment (reported as other receivables)	1,300	-
Cash received	$ 40,323	$ 80
Partial cash generated from dividends income		
Dividend income	$ 2,145	$ 3,099
Net changes in dividends receivable (reported as other receivables)	621	-
Cash received	$ 2,766	$ 3,099

b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2021

	Balance at January 1, 2021	Cash Flows	Non-cash Changes			Balance at September 30, 2021
			Lease Increase	Discount Amortization	Others	
Short-term borrowings	$ 320,000	$ 554,973	$ -	$ -	$ -	$ 874,973
Short-term bills payable	189,588	70,000	-	116	-	259,704
Long-term borrowings	1,330,000	(224,000)	-	-	-	1,106,000
Notes payable to related parties	39,596	(8,000)	-	-	(14,631)	16,965
Other payables to related parties	124,138	(70,000)	-	-	(7,169)	46,969
Guarantee deposits received	32,704	149	-	-	-	32,853
Lease liabilities	80,242	(41,214)	131,347	-	-	170,375
	$ 2,116,268	$ 281,908	$ 131,347	$ 116	$ (21,800)	$ 2,507,839

For the nine months ended September 30, 2020

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

30. CAPITAL MANAGEMENT

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

31. FINANCIAL INSTRUMENTS

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

There is no significant difference between the carrying amounts and fair values of the financial assets and financial liabilities which are not measured at fair value.

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

1) Fair value hierarchy

September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 25,577	$ -	$ 8,538	$ 34,115
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 71,502	$ -	$ -	$ 71,502
Unlisted shares	-	-	10,797	10,797
Investments in debt instruments				
Corporate bonds	5,779	-	-	5,779
	$ 77,281	$ -	$ 10,797	$ 88,078

December 31, 2020

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

September 30, 2020

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

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

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

For the nine months ended September 30, 2021

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Mutual Funds	Equity Instruments	
Balance at January 1, 2021	$ 8,734	$ 14,994	$ 23,728
Return of shares after capital reduction	-	(5,202)	(5,202)
Recognized in profit or loss (included in loss on financial assets at FVTPL)	(196)	-	(196)
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	1,005	1,005
Balance at September 30, 2021	$ 8,538	$ 10,797	$ 19,335

For the nine months ended September 30, 2020

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Mutual Funds	Equity Instruments	
Balance at January 1, 2020	$ 9,598	$ 19,733	$ 29,331
Purchases	-	4,371	4,371
Return of shares after capital reduction	-	(5,125)	(5,125)
Recognized in profit or loss (included in loss on financial assets at FVTPL)	(473)	-	(473)
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	(2,961)	(2,961)
Balance at September 30, 2020	$ 9,125	$ 16,018	$ 25,143

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

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

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

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

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

c. Categories of financial instruments

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 34,115	$ 20,030	$ 24,526
Financial assets at amortized cost (1)	1,307,639	1,695,200	1,549,342
Financial assets at FVTOCI			
Equity instruments	82,299	43,207	54,395
Debt instruments	5,779	5,913	5,954
Financial liabilities			
Amortized cost (2)	2,731,228	2,729,803	2,680,201

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

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

d. Financial risk management objectives and policies

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

1) Market risk

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

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

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 36.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

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

	USD Impact		**RMB Impact**	
	For the Nine Months Ended September 30		**For the Nine Months Ended September 30**	
	2021	**2020**	**2021**	**2020**
Profit or loss	$ 8,116	$ 3,020	$ (361)	$ (348)

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

b) Interest rate risk

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

	September 30, 2021	December 31, 2020	September 30, 2020
Cash flow interest rate risk			
Financial assets	$ 585,452	$ 456,409	$ 400,294
Financial liabilities	2,240,677	1,917,588	1,892,555

Sensitivity analysis

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

Had interest rates increased/decreased by 25 basis points, the profit before tax for the nine months ended September 30, 2021 and 2020 would have decreased/increased by $3,104 thousand and $2,798 thousand, respectively, with all other variables held constant; the non-derivative instruments include floating rate loan, demand deposit and restricted asset.

2) Credit risk

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

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

3) Liquidity risk

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

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

a) Liquidity and interest rate risk table

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

September 30, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 239,689	$ 164,510	$ 19,380	$ 4,572	$ 62,400
Lease liabilities	8,799	5,139	42,892	110,141	9,088
Variable interest rate liabilities	449,796	381,908	890,973	518,000	-
	$ 698,284	$ 551,557	$ 953,245	$ 632,713	$ 71,488

December 31, 2020

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

September 30, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 365,072	$ 338,257	$ 19,991	$ 1,826	$ 62,500
Lease liabilities	8,297	4,040	30,947	51,761	-
Variable interest rate liabilities	136,008	89,766	536,781	1,130,000	-
	$ 509,377	$ 432,063	$ 587,719	$ 1,183,587	$ 62,500

b) Financing facilities

	September 30, 2021	December 31, 2020	September 30, 2020
Unsecured facilities			
Amount used	$ 824,973	$ 556,543	$ 280,836
Amount unused	68,502	160,665	403,643
	$ 893,475	$ 717,208	$ 684,479
Secured facilities			
Amount used	$ 1,420,456	$ 1,345,000	$ 1,542,788
Amount unused	1,719,314	1,819,800	1,595,920
	$ 3,139,770	$ 3,164,800	$ 3,138,708

32. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties

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

b. Business transactions

Line Item	Related Party Category/Name	For the Three Months Ended September 30 2021	For the Three Months Ended September 30 2020	For the Nine Months Ended September 30 2021	For the Nine Months Ended September 30 2020
Sales	Other related parties	$ 3,937	$ 23,459	$ 38,012	$ 66,346
Purchases of goods	Fuan Mining	$ 12,539	$ 80,891	$ 135,340	$ 234,142
	Other related parties	11,734	15,192	29,109	44,072
		$ 24,273	$ 96,083	$ 164,449	$ 278,214
Operating costs - transportation expenses	Other related parties	$ 2,916	$ 15,122	$ 14,606	$ 29,396
Operating costs - manufacturing expenses	Other related parties	$ -	$ -	$ 190	$ 152
Operating expense	Other related parties	$ 107	$ 19	$ 2,035	$ 1,505
Other income	Other related parties	$ -	$ -	$ 24	$ -

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

c. Receivables from related parties

Line Items	Related Party Category	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable	Chen Yun-Ju	$ -	$ -	$ 5,895
	Lucky East Transportation	-	235	199
		$ -	$ 235	$ 6,094
Trade receivables	Fuan Mining	$ -	$ 4,651	$ 7,120
	Yung-Sheng Development	506	1,113	1,195
		$ 506	$ 5,764	$ 8,315
Other receivables	Other related parties	$ 199	$ 313	$ 192

The outstanding trade receivables from related parties are unsecured. As of September 30, 2021, December 31, 2020 and September 30, 2020, no impairment losses were recognized for trade receivables from related parties.

d. Payables to related parties

Line Items	Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Notes payable (excluding loan from related parties)	Fuan Mining	$ 13,166	$ 23,763	$ 59,183
	Lucky East Transportation	3,799	7,828	12,356
	Other related parties	-	5	5
		$ 16,965	$ 31,596	$ 71,544
Trade payables	Fuan Mining	$ -	$ 16,876	$ 25,752
	Lucky East Transportation	4,315	3,130	3,655
		$ 4,315	$ 20,006	$ 29,407
Other payables - current (excluding loan from related parties)	Lucky East Transportation	$ 988	$ 8,145	$ 5,736
	Other related parties	181	144	-
		$ 1,169	$ 8,289	$ 5,736

The outstanding trade payables to related parties are unsecured.

e. Contract liability from related parties

Line Items	Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Contract liability	Fuan Mining	$ 4,286	$ -	$ -

f. Loan from related parties

Line Items	Related Party Name	September 30, 2021	December 31, 2020	September 30, 2020
Notes payable	Fuan Mining	$ -	$ 8,000	$ -
Other payables (current)	Fuan Mining	$ -	$ 70,049	$ 70,047
Other payables (non-current)	Cheng Haibin	$ 45,800	$ 45,800	$ 45,800

Interest expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Other related parties	$ 106	$ 142	$ 370	$ 237

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

g. Lease arrangements

Lease arrangements - the Group is lessor under operating leases

Future lease payment receivables are as follows:

Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Fudong Freight Co.	$ 3,708	$ 1,968	$ 2,274
Other related parties	324	432	33
	$ 4,032	$ 2,400	$ 2,307

Lease income was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Category/Name	2021	2020	2021	2020
Fudong Freight Co.	$ 492	$ 569	$ 1,476	$ 1,706
Other related parties	36	33	108	99
	$ 528	$ 602	$ 1,584	$ 1,805

The rental amounts and collection methods are negotiated.

h. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Short-term employee benefits	$ 7,153	$ 9,878	$ 28,163	$ 34,057
Post-employment benefits	150	130	414	381
	$ 7,303	$ 10,008	$ 28,577	$ 34,438

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets of the Group are pledged as collateral for long-term and short-term bank loans, short-term bills payable, mining claim and construction contract:

	September 30, 2021	December 31, 2020	September 30, 2020
Property under development (reported as inventories)	$ 3,096,663	$ 3,093,669	$ 3,086,157
Property, plant and equipment	901,063	935,824	772,890
Restricted assets (recognized as other financial assets and other non-current assets)	321,686	258,242	202,110
	$ 4,319,412	$ 4,287,735	$ 4,061,157

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

a. As of September 30, 2021, the Group signed a contract for purchase of machinery and equipment and transportation equipment; the unpaid amount is $279,476 thousand.

b. As of September 30, 2021, December 31, 2020 and September 30, 2020, unused letters of credit for purchases of raw materials amounted to approximately $4,456 thousand, $61,543 thousand and $836 thousand, respectively.

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

September 30, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 454	27.85 (USD:NTD)	$ 12,652
RMB	1,658	4.350 (RMB NTD)	7,213
Non-monetary items			
USD	307	27.85 (USD:NTD)	8,538
Financial liability			
Monetary items			
USD	6,283	27.85 (USD:NTD)	174,973

December 31, 2020

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

September 30, 2020

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

Foreign exchange gains or losses (realized or unrealized) of the Group for the three months and the nine months ended September 30, 2021 and 2020 were gains of $369 thousand, $954 thousand, $1,062 thousand and $308 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

37. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

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

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

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

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions (Table 6)

b. Information on investees (Table 5)

c. Information on investments in mainland China

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

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

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

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

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

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

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

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

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7)

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The reportable segments are as follows:

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

Other segments: Other operations of non-cement business.

a. Segment revenue and operating results

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

	Segment Revenue		Segment Profit/Loss	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Cement segment	$ 2,878,883	$ 3,323,394	$ 237,915	$ 406,431
Other segments	26,133	34,952	(10,491)	(25,741)
Total from operations	$ 2,905,016	$ 3,358,346	227,424	380,690
Interest income			1,520	1,163
Rental income			6,833	6,208
Other gains			13,714	8,770
Foreign exchange gains			1,062	308
Fair value changes of financial assets			(922)	(470)
Other losses			(5,856)	(7,204)
Interest expense			(23,443)	(24,273)
Profit before income tax			$ 220,332	$ 365,192

The segment revenue reported above was all generated from transactions with external customers. There were no inter-segment sales for the nine months ended September 30, 2021 and 2020.

The revenue of segments means the profits earned by each segment, excluding interest income which shall be apportioned, rent income, other income, foreign exchange gains (losses), fair value changes of financial assets, other losses and interest expense.

b. Total assets and liabilities of segments

	September 30, 2021	December 31, 2020	September 30, 2020
Segment assets			
Continuing operating segment			
Cement segment	$ 4,588,342	$ 4,772,255	$ 4,620,907
Other segments	3,275,303	3,255,052	3,252,477
Total assets	$ 7,863,645	$ 8,027,307	$ 7,873,384
Segment liabilities			
Continuing operating segment			
Cement segment	$ 2,706,255	$ 2,649,731	$ 2,582,552
Other segments	610,187	720,657	710,976
Total liabilities	$ 3,316,442	$ 3,370,388	$ 3,293,528

LUCKY CEMENT CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Maximum Balance in Current Period	Related Party	Ending Balance (Note 4)	Actual Amount Borrowed (Note 5)	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	Lucky Cement Co.	Dasheng Enterprise	Other receivables from related parties	$ 200,000	Yes	$ 200,000	$ 3,000	1.5196	b.	$ -	Operating turnover	$ -	-	-	$ 454,714	$ 1,818,855
		Luckyship Co.	Other receivables from related parties	20,000	Yes	20,000		1.5196	b.	-	Operating turnover	-	-	-	454,714	1,818,855
						$ 220,000										

Note 1: The nature of financing is as follows:

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

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

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

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Lucky Cement Co.	Dasheng Enterprise	Subsidiary	$ 1,818,855	$ 620,000	$ 620,000	$ 560,000	$ 120,000 (Note 3)	13.63	$ 2,273,569	Y	-	-	
		Luckicon Ready-Mixed Co	Subsidiary	1,818,855	370,000	370,000	100,000		8.14	2,273,569	Y	-	-	
		Lucky Cement Japan	Subsidiary	1,818,855	13,580	12,450	-		0.27	2,273,569	Y	-	-	
						$ 1,002,450								

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

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

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

TABLE 3

LUCKY CEMENT CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Notes 1 and 2)	
Lucky Cement Co.	Mutual fund							
	O-Bank No. 1 Real Estate Investment Trust	-	Financial assets at FVTPL - current	500,000	$ 5,350	-	$ 5,350	
	FSITC Global Video Gaming & eSports Fund	-	Financial assets at FVTPL - current	100,000	902	-	902	
	Cathay Global Autonomous and Electric Vehicles ETF		Financial assets at FVTPL - current	1,000,000	14,660	0.09	14,660	
	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,494,708	9,850	10.58	9,850	
	WK Technology Fund	-	Financial assets at FVTOCI - non-current	635,800	624	2.22	624	
	Listed ordinary shares							
	Yang Ming Marine Transport Corp.		Financial assets at FVTOCI - current	200,000	23,900	0.01	23,900	
	Evergreen Marine Corp. (Taiwan) Ltd.		Financial assets at FVTOCI - current	100,000	12,600	-	12,600	
	Asia Cement Corporation		Financial assets at FVTOCI - current	165,000	7,524	-	7,524	
	Far Eastern New Century Corporation	-	Financial assets at FVTOCI - current	200,000	5,970	-	5,970	
	Taiwan Cement Corp	-	Financial assets at FVTOCI - current	105,148	5,363	-	5,363	
	U-Ming Marine Transport Corporation	-	Financial assets at FVTOCI - current	78,000	5,351	0.01	5,351	
	United Microelectronics Corporation	-	Financial assets at FVTOCI - current	72,351	4,630	-	4,630	
	Winbond Electronics Corp.	-	Financial assets at FVTOCI - current	130,181	3,450	-	3,450	
	Medigen Biotechnology Corporation	-	Financial assets at FVTOCI - current	28,628	1,637	0.02	1,637	
	Sanitar Co., Ltd.		Financial assets at FVTOCI - current	24,000	842	0.03	842	
	China Development Financial	-	Financial assets at FVTOCI - current	13,496	192	-	192	
	First Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	917	21	-	21	
	Capital Securities Corp.		Financial assets at FVTOCI - current	875	13	-	13	
	Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at FVTOCI - current	446	9	-	9	
Luckyship Co.	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	49,007	323	0.35	323	
Luckicon Ready-Mixed Co.	Mutual fund							
	Mega Danish Covered Mortgage Bond Index Fund	-	Financial assets at FVTPL - current	500,000	4,665	-	4,665	
	TSG Phnom Penh Real Estate Development Fund	-	Financial assets at FVTPL - non-current	500	8,538	6.10	8,538	
	Corporate bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	-	Financial assets at FVTOCI - current	-	5,779	-	5,779	

(Continued)

Note 1: Financial assets at FVTPL: Fair value is based on the net asset value of funds on September 30, 2021.

Note 2: Financial assets at FVTOCI: Fair value of listed shares is based on their closing price on September 30, 2021. Fair value of corporate bond is based on market price on September 30, 2021. Fair value of non-listed shares is estimated by the fair value method.

Note 3: Please refer to Table 5 for information regarding subsidiaries.

(Concluded)

LUCKY CEMENT CO. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total (Note 1)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note 1)	
Lucky Cement Co.	Luckicon Ready-Mixed Co.	Subsidiary	Sale	$ (272,789)	(12.89)	About 90 days	Similar to general transactions	Similar to general transactions	Accounts receivable $ 24,335 Notes receivable 45,722	5.79 10.89	Note 2
	Fuan Mining	Other related parties	Purchase	135,340	15.32	About 90 days	Agreed	Similar to general transactions	Notes payable (13,166)	(5.86)	

Note 1: The rate is calculated in accordance with individual financial statements of each company.

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

LUCKY CEMENT CO.

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Address	Main Businesses and Products	Original Investment Amount (Note 3)		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2021	December 31, 2020	Number of Shares	Percentage of Ownership (%)	Carrying Value			
Lucky Cement Co.	Dasheng Enterprise	14F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Sale and lease of real estate	$ 2,367,473	$ 2,167,473	157,295,883	99.99	$ 2,468,743	$ (11,943)	$ (11,943)	Note 1
	Luckicon Ready-Mixed Co.	No. 191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Manufacturing and trading of ready-mixed concrete	350,000	350,000	47,000,000	100.00	704,813	64,854	64,882 (Note 5)	Note 1
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Investment business	-	-	-	-	-	-	-	Notes 2 and 4
	Lucky Cement Japan,	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement trading	82,300	82,300	6,800	100.00	21,045	(1,404)	(1,404)	Note 2
	Luckyship Co.	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping agent	88,615	88,615	8,499,994	99.99	34,302	652	652	Note 2
Luckicon Ready-Mixed Co.	Fuyu Development	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	On land clay and stone quarrying	12,571	12,571	1,000,000	100.00	4,305	(4,420)	(4,420)	Note 1

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

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

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

Note 4: The Company’s board of directors resolved in its meeting on December 27, 2019 to discontinue the operations of its subsidiary, Just Bright Ltd.; the cancellation was completed in May 2021.

Note 5: The difference is realized gain of $28 thousand.

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

LUCKY CEMENT CO. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	%of Consolidated Net Revenue or Total Assets
0	Lucky Cement Co.	Luckicon Ready-Mixed Co.	a.	Accounts receivable	$ 24,335	About 90 days	0.31
		Luckicon Ready-Mixed Co.	a.	Notes receivable	45,722	About 90 days	0.58
		Luckicon Ready-Mixed Co.	a.	Other receivables	156	About 90 days	-
		Luckicon Ready-Mixed Co.	a.	Contract liabilities	7,636	About 90 days	0.10
		Luckicon Ready-Mixed Co.	a.	Sales	272,789	About 90 days	9.39
		Luckicon Ready-Mixed Co.	a.	Rental income	1,143	30 days	0.04
		Fuyu Development Co., Ltd.	a.	Other receivables	3	30 days	-
		Fuyu Development Co., Ltd.	a.	Other payables	1,453	About 90 days	0.02
		Fuyu Development Co., Ltd.	a.	Operating cost	2,168	About 90 days	0.07
		Fuyu Development Co., Ltd.	a.	Rental income	6,048	30 days	0.21
		Fuyu Development Co., Ltd.	a.	Other gains	900	30 days	0.03
		Luckyship Co.	a.	Other receivables	3	Financing, the repayment period is one year	-
		Luckyship Co.	a.	Operating cost	7,109	About 90 days	0.24
		Luckyship Co.	a.	Interest income	78	30 days	-
		Luckyship Co.	a.	Rental income	207	30 days	0.01
		Dasheng Enterprise	a.	Refundable deposits	159,000	Returned upon completion according to the contract	2.02
		Dasheng Enterprise	a.	Other receivables	3,000	Financing, the repayment period is one year	0.04
		Dasheng Enterprise	a.	Other receivables	3	About 90 days	-
		Dasheng Enterprise	a.	Rental income	68	30 days	-
		Dasheng Enterprise	a.	Interest income	1,055	30 days	0.04

Note 1: The flow of transactions is as follows:

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

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

TABLE 7

LUCKY CEMENT CO.

INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2021

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

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

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