Lucky Cement Corporation and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2017 and 2016 and Independent Accountants' Review Report

Notice to readers

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

Address：15F. No. 237, Songjiang Rd., Taipei, Taiwan

Tel: +886 (2)2509-2188

Independent Accountants' Review Report

The Board of Directors and Shareholders
Lucky Cement Co., Ltd

We have reviewed the accompanying consolidated balance sheets of Lucky Cement Corporation and subsidiaries as of June 30, 2017 and 2016 and the related consolidated statement of comprehensive income for the threee months ended June 30, 2017 and 2016 and for the six months ended June 30, 2017 and 2016, as well as the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2017 and 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

We conducted our reviews in accordance with Statement of Auditing Standards No.36, "Review of Financial Statements." As the accountant only the implementation of analysis, comparison and query, not in accordance with generally accepted auditing standards, Accordingly, we do not express the financial report on the overall auditing opinion.

As stated in Note 10 to the consolidated financial statements, the financial statements of some of the non-significant subsidiaries of the consolidated financial statements are based on the satements in the same period without accounts' reviews. At the period six months ended June 30, 2017 and 2016, total assets of the non-significant subsidiaries are NT$164,694,000 and

NT$229,624,000, which are 2.23% and 2.97% of consolidated assets; total liabilities are NT$66,227,000 and NT$77,308,000, which are 2.36% and 2.55% of consolidated liabilities. The comprehensive losses are NT$13,407,000 and NT$5,941,000 for the three months ended June 30, 2017and 2016; NT$17,200,000 and NT$4,221,000 for the six months ended June 30, 2017 and 2016.

Based on our reviews, excluding the financial statements of some of the non-significant subsidiaries of the consolidated financial statements are based on the satements in the same period without our reviews. If there are any modifications after our reviews, the consolidated financial statements for the six months ended June 30, 2017 and 2016 may affect. We are not aware any material modifications that should be made to the consolidated financial statements International Accounting Standards No. 34, "Interim Financial Reporting", which came into effect, to be amended.

Deloitte & Touche

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

Augest 10, 2017

Lucky Cement Corporation and Subsidiaries
Consolidated Balance Sheets
June 30, 2017 and 2016

In Thousands of New Taiwan Dollars

		June 30, 2017 (Reviewed)		December 31, 2016 (Audited)		June 30, 2016 (Reviewed)	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current Assets						
1100	Cash（Note 6）	$ 215,715	3	$ 213,090	3	$ 168,359	2
1125	Available-for-sale financial assets（Note 7）	180,698	3	169,905	2	199,699	3
1150	Notes receivable, net（Note 8 & 30）	393,266	5	440,532	6	512,860	7
1160	Notes receivable due from related parties, net（Note 8 & 29）	12,514	-	12,050	-	-	-
1170	Accounts receivable, net（Note 8）	198,395	3	303,758	4	321,603	4
1180	Accounts receivable due from related parties, net（Note 8 & 29）	29,327	-	23,360	-	-	-
1200	Other receivable（Note 29）	4,006	-	1,927	-	19,656	-
1220	Current tax assets	14,027	-	15,663	-	29	-
130X	Inventories（Note 9 & 30）	3,727,010	51	3,624,700	47	3,586,785	47
1410	Prepayments（Note 11）	193,467	3	168,666	2	251,981	3
1476	Other current financial assets（Note 12 & 30）	104,430	1	364,698	5	178,288	2
1479	Other current assets（Note 13）	25,009	-	22,413	-	17,933	-
11XX	Total Current Assets	5,097,864	69	5,360,762	69	5,257,193	68
	Non-Current Assets						
1523	Non-current available-for-sale financial assets（Note 7）	18,115	-	16,480	-	-	-
1543	Non-current financial assets at cost（Note 14）	37,666	1	37,666	-	37,666	1
1600	Property, plant, and equipment（Note15& 30）	1,780,734	24	1,899,736	25	2,020,616	26
1840	Deferred tax assets（Note 4）	127,639	2	122,317	2	108,110	1
1920	Guarantee deposits paid	88,844	1	88,752	1	93,847	1
1990	Other non-current assets（Note 16 & 30）	222,284	3	226,931	3	213,609	3
15XX	Total Non-Current Assets	2,275,282	31	2,391,882	31	2,473,848	32
1XXX	Total Assets	$ 7,373,146	100	$ 7,752,644	100	$ 7,731,041	100
Code	Liabilities and Equity						
	Current Liabilities						
2100	Short-term borrowings（Note 17 & 30）	$ 580,800	8	$ 1,185,829	16	$ 502,606	6
2110	Short-term notes and bills payable （Note 17 & 30）	229,498	3	229,443	3	149,836	2
2150	Notes payable（Note 18）	144,691	2	155,842	2	233,148	3
2160	Notes payable to related parties（Note18 & 29）	53,301	1	91,186	1	1,050	-
2170	Accounts payable（Note 18）	119,888	2	172,446	2	211,464	3
2180	Accounts payable to related parties（Note 18 & 29）	113,059	1	90,433	1	1,213	-
2219	Other payables（Note 19 & 29）	419,859	6	192,032	3	544,810	7
2230	Current tax liabilities	29,491	-	4,128	-	12,477	-
2310	Advance receipts	199,702	3	157,345	2	210,162	3
2320	Long-term liabilities, current portion（Note 17 & 30）	191,200	2	314,700	4	458,100	6
2399	Other current liabilities	11,404	-	11,513	-	17,157	-
21XX	Total Current Liabilities	2,092,893	28	2,604,897	34	2,342,023	30
	Non-Current Liabilities						
2540	Long-term borrowings（Note 17 & 30）	517,237	7	135,338	2	484,438	6
2570	Deferred tax liabilities（Note 4）	45,361	1	59,604	1	62,213	1
2640	Net defined benefit liability（Note 4）	72,315	1	72,236	1	68,043	1
2645	Guarantee deposits received	32,067	-	32,933	-	32,228	-
2655	Shareholder accounts（Note 29）	45,800	1	45,800	-	45,800	1
25XX	Total Non-Current Liabilities	712,780	10	345,911	4	692,722	9
2XXX	Total Liabilities	2,805,673	38	2,950,808	38	3,034,745	39
	Equity Attributable to the Owner Company （Note 21）						
3110	Ordinary share	4,047,380	55	4,047,380	52	4,047,380	52
3200	Capital surplus	8	-	8	-	8	-
	Retained earnings						
3310	Legal reserve	166,309	3	134,776	2	134,776	2
3320	Special reserve	14,135	-	14,135	-	14,135	-
3350	Unappropriated retained earnings	302,384	4	547,996	7	430,012	5
3300	Total Retained Earnings	482,828	7	696,907	9	578,923	7
3400	Other Equity	7,618	-	27,400	1	38,754	1
31XX	Total Equity Attributable to Owners of Parent	4,537,834	62	4,771,695	62	4,665,065	60
36XX	Non-Controlling Interests（Note 21）	29,639	-	30,141	-	31,231	1
3XXX	Total Equity	4,567,473	62	4,801,836	62	4,696,296	61
	Total Liabilities and Equity	$ 7,373,146	100	$ 7,752,644	100	$ 7,731,041	100

The accompanying notes are an integral of the consolidated financial statements。
（Please refer to the Augest 10,2017 Deloitte Taiwan Reviewed Report）

Lucky Cement Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months Ended June 30, 2017 and 2016; For the Six Months Ended June 30, 2017 and 2016

（Reviewed，Not Audited）

In Thousands of New Taiwan Dollars，except Earnings Per Share

Code		For the Three Months Ended June 30, 2017 Amount	%	For the Three Months Ended June 30, 2016 Amount	%	For the Six Months Ended June 30, 2017 Amount	%	For the Six Months Ended June 30, 2016 Amount	%
	Operating Revenue（Note 29）								
4110	Sales revenue	$ 868,883	100	$ 1,110,745	100	$ 1,764,949	100	$ 2,107,876	100
4190	Less：Sales discounts and allowances	1,328	-	1,412	-	2,491	-	2,907	-
	Net sales revenue	867,555	100	1,109,333	100	1,762,458	100	2,104,969	100
5000	Operating costs（Note 9, 22 & 29）	787,252	91	915,660	83	1,601,301	91	1,720,487	82
5900	Gross Profit from operations	80,303	9	193,673	17	161,157	9	384,482	18
	Operating expenses（Note 22 & 29）								
6100	Selling expense	25,308	3	27,705	2	50,747	3	53,714	2
6200	Administrative expenses	33,037	3	32,903	3	60,483	3	64,684	3
6000	Total Operating Expenses	58,345	6	60,608	5	111,230	6	118,398	5
6500	Net other income(expenses) （Note 22）	-	-	100	-	220	-	100	-
6900	Net operating income	21,958	3	133,165	12	50,147	3	266,184	13
	Non-Operating Income and Expense（Note 22 & 29）								
7100	Interest income	453	-	485	-	1,016	-	904	-
7110	Rent income	2,404	-	2,527	-	4,739	-	4,990	-
7190	Other income	3,139	-	3,768	1	5,157	-	5,178	-
7225	Gain or loss on disposals of investments	(267)	-	593	-	(267)	-	1,936	-
7230	Foreign exchange gains or loss	671	-	369	-	1,703	-	(482)	-
7590	Miscellaneous disbursements	(3,358)	-	(4,930)	-	(6,811)	-	(8,428)	-
7510	Interest Expense	(7,156)	(1)	(7,897)	(1)	(14,874)	(1)	(15,408)	(1)
7000	Total Non-Operating Income and Expenses	(4,114)	(1)	(5,085)	-	(9,337)	(1)	(11,310)	(1)
7900	Profit from continuing operations before tax	17,844	2	128,080	12	40,810	2	254,874	12
7950	Tax expense（Note 4 & 23）	7,948	1	29,912	3	11,947	1	51,328	2
8000	Profit from continuing operations	9,896	1	98,168	9	28,863	1	203,546	10
8100	Profit (loss) from discontinued operations （Note 24）	(152)	-	(7,775)	(1)	(474)	-	(8,782)	(1)
8200	Profit for the period	9,744	1	90,393	8	28,389	1	194,764	9
	Other comprehensive income								
8360	Components of other comprehensive income that will be reclassified to profit or loss：								
8361	Exchange differences on translation	37	-	2,469	-	(403)	-	3,626	-
8362	Unrealised gains (losses) on valuation of available-for-sale financial assets	(7,203)	(1)	4,581	1	(19,381)	(1)	(1,231)	-
8300	Other comprehensive income or loss, net	(7,166)	(1)	7,050	1	(19,784)	(1)	2,395	-
8500	Total comprehensive income	$ 2,578	-	$ 97,443	9	$ 8,605	-	$ 197,159	9
	Profit (loss), attributable to:								
8610	Attributable to owner of parent	$ 9,998	1	$ 91,452	8	$ 28,764	2	$ 194,844	9
8620	Attributable to non-controlling intereststs	(254)	-	(1,059)	-	(375)	-	(80)	-
8600		$ 9,744	1	$ 90,393	8	$ 28,389	2	$ 194,764	9
	Comprehensive income attributable to:								
8710	Attributable to owner of parent	$ 2,830	-	$ 98,505	9	$ 8,982	-	$ 197,242	9
8720	Attributable to non-controlling intereststs	(252)	-	(1,062)	-	(377)	-	(83)	-
8700		$ 2,578	-	$ 97,443	9	$ 8,605	-	$ 197,159	9

(to be continued)

(Continued)

Code		For the Three Months Ended June 30, 2017		For the Three Months Ended June 30, 2016		For the Six Months Ended June 30, 2017		For the Six Months Ended June 30, 2016	
		Amount	%	Amount	%	Amount	%	Amount	%
	Earnings per share (Note 25)								
	From continuing operations and discontinuing operations								
9750	Basic	$ 0.02		$ 0.23		$ 0.07		$ 0.48	
9850	Diluted	$ 0.02		$ 0.23		$ 0.07		$ 0.48	
	From continuing operations								
9710	Basic	$ 0.02		$ 0.24		$ 0.07		$ 0.50	
9810	Diluted	$ 0.02		$ 0.24		$ 0.07		$ 0.49	

The accompanying notes are an integral of the consolidated financial statements。

(Please refer to the Augest 10, 2017 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2017 and 2016

(Reviewed, Not Audited)

In Thousands of New Taiwan Dollars, except Earnings Per Share Amounts

		Equity Attributable to Shareholders of the Parent									
				Retained Earnings			Others				
Code		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total	Non-controlling Interestests	Total Equity
A1	Balance, January 1, 2016	$ 4,047,380	$ 8	$ 87,760	$ 14,135	$ 626,211	($ 6,793)	$ 43,149	$ 4,811,850	$ 33,814	$ 4,845,664
	2015 Appropriation and Distribution of Retained Earnings										
B1	Legal Reserve	-	-	47,016	-	(47,016)	-	-	-	-	-
B5	Cash Dividends—NT$ 0.85 Per Share	-	-	-	-	(344,027)	-	-	(344,027)	-	(344,027)
O1	Subsidiary Shareholers' Cash Dividends	-	-	-	-	-	-	-	-	(2,500)	(2,500)
D1	Net income for the six months ended June 30, 2016	-	-	-	-	194,844	-	-	194,844	(80)	194,764
D3	Other comprehensive income (loss) for the six months ended June 30, 2016	-	-	-	-	-	3,629	(1,231)	2,398	(3)	2,395
D5	Total comprehensive income (loss) for the six months ended June 30, 2016	-	-	-	-	194,844	3,629	(1,231)	197,242	(83)	197,159
Z1	Balance, June 30, 2016	$ 4,047,380	$ 8	$ 134,776	$ 14,135	$ 430,012	($ 3,164)	$ 41,918	$ 4,665,065	$ 31,231	$ 4,696,296
A1	Balance, January 1, 2017	$ 4,047,380	$ 8	$ 134,776	$ 14,135	$ 547,996	($ 6,840)	$ 34,240	$ 4,771,695	$ 30,141	$ 4,801,836
	2016 Appropriation and Distribution of Retained Earnings										
B1	Legal Reserve	-	-	31,533	-	(31,533)	-	-	-	-	-
B5	Cash Dividends—NT$ 0.6 Per Share	-	-	-	-	(242,843)	-	-	(242,843)	-	(242,843)
O1	Subsidiary Shareholers' Cash Dividends	-	-	-	-	-	-	-	-	(125)	(125)
D1	Net income for the six months ended June 30, 2017	-	-	-	-	28,764	-	-	28,764	(375)	28,389
D3	Other comprehensive income (loss) for the six months ended June 30, 2017	-	-	-	-	-	(401)	(19,381)	(19,782)	(2)	(19,784)
D5	Total comprehensive income (loss) for the six months ended June 30, 2017	-	-	-	-	28,764	(401)	(19,381)	8,982	(377)	8,605
Z1	Balance, June 30, 2017	$ 4,047,380	$ 8	$ 166,309	$ 14,135	$ 302,384	($ 7,241)	$ 14,859	$ 4,537,834	$ 29,639	$ 4,567,473

The accompanying notes are an integral of the consolidated financial statements

(Please refer to the Augest 10,2017 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the six months ended June 30, 2017 and 2016

(Reviewed, Not Audited)

In Thousands of New Taiwan Dollars

Code		Six months ended June 30, 2017	Six months ended June 30, 2016
	Cash Flow from Operating Activities		
A00010	Profit from continuing operations before tax	$ 40,810	$ 254,874
A00020	loss from discontinued operations before tax	(474)	(8,782)
A10000	Profit before Tax	40,336	246,092
A20000	Adjustments:		
A20300	Provision (reversal of provision) for bad debt expense	6,559	(31)
A20100	Depreciation expense	136,685	154,344
A20200	Amortization expense	4,440	3,895
A20900	Interest expense	14,874	15,408
A21200	Interest income	(1,016)	(904)
A21300	Dividend income	(73)	(7)
A22500	Loss (gain) on disposal of property, plan and equipment	(220)	(100)
A23100	Loss (gain) on disposal of investments	267	(1,936)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	47,266	(70,519)
A31140	Notes receivable due from related parties	(464)	199
A31150	Accounts receivable	98,804	138,724
A31160	Accounts receivable due from related parties	(5,967)	-
A31180	Other receivable	(458)	(14,641)
A31200	Inventories	(102,310)	(78,510)
A31230	Prepayments	(24,801)	(42,072)
A31240	Other current assets	(2,596)	(66)
A32130	Notes payable	(11,151)	42,769

(To be continued)

(Continued)

Code		Six months ended June 30, 2017	Six months ended June 30, 2016
A32140	Notes payable to related parties	(37,885)	1,050
A32150	Accounts payable	(52,558)	5,917
A32160	Accounts payable to related parties	22,626	(8,799)
A32180	Other payable	(15,167)	(52,406)
A32210	Receipts in advance	42,357	15,347
A32230	Other current liabilities	(109)	992
A32240	Net defined benefit liability	79	(280,181)
A33000	Cash inflow (outflow) generated from operations	159,518	74,565
A33100	Interest received	$ 975	$ 959
A33300	Interest paid	(14,793)	(15,661)
A33500	Income taxes paid	(6,149)	(138,071)
AAAA	Net cash flows from (used in) operating activities	139,551	(78,208)
	Cash Flow from Investing Activities		
B00300	Acquisition of available-for-sale financial assets	(35,000)	(62,804)
B00400	Proceeds from disposal of available-for-sale financial asset	3,075	40,685
B01400	Proceeds from capital reduction of financial assets at cost	-	5,100
B02700	Acquisition of property, plant and equipment	(20,364)	(19,091)
B02800	Proceeds from disposal of property, plant and equipment	2,768	3,167
B03700	Increase in refundable deposits	(92)	(152)
B06600	Decrease (increase) in other financial assets	260,268	(6,709)
B06800	Decrease (increase) in other non-current assets	207	(19,597)
B07600	Dividends received	73	7
BBBB	Net cash flows from (used in) investing activities	210,935	(59,394)

(To be continued)

(Continued)

Code		Six months ended June 30, 2017	Six months ended June 30, 2016
	Cash flows from (used in) financing activities		
C00100	Increase (decrease) in short-term loans	(605,029)	137,885
C00500	Increase in short-term notes and bills payable	-	100,000
C01600	Proceeds from long-term debt	612,500	102,888
C01700	Repayments of long-term debt	(354,101)	(261,450)
C03000	Increase (decrease) in guarantee deposits received	(866)	4,277
CCCC	Net cash flows from (used in) financing activities	(347,496)	83,600
DDDD	Effect of exchange rate changes on cash	(365)	2,232
EEEE	Net increase (decrease) in cash	2,625	(51,770)
E00100	Cash at beginning of period	213,090	220,129
E00200	Cash at end of period	$ 215,715	$ 168,359

The accompanying notes are an integral of the consolidated financial statements

(Please refer to the Augest 10, 2017 Deloitte Taiwan Reviewed Report)

Lucky Cement Corporation Limited and Subsidiaries

Notes to Consolidated Financial Statements

For the six months ended June 30, 2017 and 2016

(Reviewed，Not Audited)

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

1. Company History

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

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

2. The Date and Procudure of Financial Report

The accompanying consolidated financial statements were reported to the Board of Directors and issued on August 10, 2017.

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

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

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

Amendment to Criteria Governing the Preparation of Financial Reports by securities issuer

The amendments comply not only with the IFRSs that added a few accounting items and the regulation of non-financial assets Impairment disclosure, but also the implementation of IFRSs that emphasize the regulations of recognition and measurement and added related party transaction and goodwill.

The amendments to the regulations, that other companies or constitutions has the same chairman or general manager as the Group or has a relationship of spouse or has a second degree of kinship, as substance-related parties except can prove that does not controlled or significant effect. In addition, the amendments to the regulations should disclose names and relationships of a significant trade with the Group. If the transaction amount or balance reached 10% of each trade of single related parties, the names of related parties should use separate column style.

Moreover, if the actual running and acquisition that has a disparity in forecast benefit of acquired company after consolidated reporting, the amendments to the regulations should note the disclosure.

The disclosure of trade of related parties will increase when in retrospect the previous applied amendments in 2017 (Note 29).

(2) The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by FSC with effective date starting 2018

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note2
Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendment to "under the IFRS 4 (Insurance Contract" that applied of the IFRS 9 (Financial Instruments) of IFRS 4	January 1, 2018
IFRS 9 "Financial Instruments	January 1, 2018
Amendments to "Mandatory Date and Transition Disclosures" of IFRS 9 and IFRS 7	January 1, 2018
IFRS 15 The Income of Customer Contract	January 1, 2018
Amendments to "Explanation of IFRS 15"	January 1, 2018
Amendments to "Disclosure Initiative" of IAS 7	January 1, 2017
Amendments to "Recognition of Deferred Tax Assets of Unrealized Loss" of IAS 12	January 1, 2017
Amendments to "Conversion of Investment Property" of IAS 40	January 1, 2018
IFRIC 22 Foreign Currency Transaction and Advance Consideration	January 1, 2018

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

Note 2： Amendments to IFRS 12 applied the period of the year beginning since January 1, 2017. Amendments to IAS 28 applied the period of the year beginning since January 1, 2018.

I. IFRS 9 "Financial Instruments"

Recognition and measurement of financial asset

All recognized financial assets currently in the scope of IAS 39, "Financial Instruments: Recognition and Measurement," will be subsequently measured at either the amortized cost or the fair value. The classification and measurement requirements in IFRS 9 are stated as follows:

For the debt instruments invested by the Group, if the contractual cash flows that are solely for payments of principal and interest on the principal amount outstanding, the classifications and measurement requirements are stated as follows:

A. If the objective of the Goup's business model is to hold the financial asset to collect the contractual cash flows such assets are measured at the amortized cost. Interest revenue should be recognized in profit or loss by using the effective interest method, continuously assessed for impairment and the impairment loss or reversal of impairment loss should be recognized in profit and loss.

B. If the objective of the Group's business model is to hold the financial asset both to collect the contractual cash flows and to sell the financial assets such assets are measured at fair value through other comprehensive income and are continuously assessed for impairment. Interest revenue should be recognized in profit or loss by using the effective interest method. A gain or loss on a financial asset measured at fair value through other comprehensive income should be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When such financial asset is derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

The other financial assets which do not meet the aforementioned criteria should be measured at the fair value through profit or loss. However, the Group may irrevocably designate an investment in equity instruments that is not held for trading as measured at fair value through other comprehensive income. All relevant gains and losses shall be recognized in other comprehensive income, except for dividends which are recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The classification and measurement of the financial assets held by the Group for the financial assets held on June 30, 2017 and the actual existence of the following financial assets will be subject to the applicable IFRS 9:

A. Classified as listed for sale of financial assets listed in the (OTC) and emerging stock and not listed (OTC) stock investment, according to IFRS 9 selected by the other comprehensive gains and losses measured at fair value. Under this classification, the fair value of the other changes in the equity changes in the investment sanctions are not re-classified to the profit and loss, and will be directly transferred to the retained earnings.

B. Classified as a beneficiary certificate of the fund for the sale of financial assets, as the cash flow is not entirely interest in the principal amount of the principal amount of the principal and the non-equity interest, and IFRS 9 will be classified as profit or loss at fair value.

The IFRS 9 switch to use "Expected Credit Losses, ECL" to recognize the impairment of financial asset that financial assets of amortized cost measurement, fair value through other comprehensive income (FVTOCI), rents receivable, and IFRS 15 "the income of customer contract." That is produced the contract asset or loan commitment and financial guarantee contract that recognize as allowance account for credit losses. If the credit risk of previous financial asset did not increase obviously after recognized, the allowance account for credit losses will measure the ECL the next 12 months. If the credit risk of previous financial asset did increase obviously and non-lowed credit risk after recognized, the allowance account for credit losses will measure the ECL of remaining duration. However, the accounts receivable that did not include a major financial that ECL must by the duration to measure the allowance account for credit losses.

In addition, it has financial assets of credit impairment while initial recognition. The Group considered the ECL of initial recognition that counted as effective rate after credit adjustment. The subsequent allowance account for credit losses will measure as subsequent ECL accumulated changes in equity.

The Group initial assessment for accounts receivable, contractual assets and receivable lease payments will be applied to a simplified approach to measure the expected loss of credit for the expected period of credit impairment. The Group assesses whether the credit risk of the debt instrument investment and the financial guarantee contract has increased significantly since the original mark to determine the expected loss of credit for the expected 12 months or expected period. The Group expects to apply IFRS 9 the expected credit loss model will make the credit losses of financial assets recognized earlier.

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

New Release／Amendments／Amendments Regulations and Explains	The Effective Date of IASB release(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 16 “Leases”	January 1, 2019
IFRS 17 ”Insurance contract”	January 1, 2021
IFRIC 23 “Uncertainty over Income Tax Treatments”	January 1, 2019

Note 1： The aforementioned new, revised or amended standards or interpretations are effective after fiscal year beginning on or after the effective dates, unless specified otherwise.

IFRS 16「Leases」

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

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for both the principal and interest portion of the lease liability are classified within financing activities.

When IFRS 16 becomes effective, the Group may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

There is no significant impact on the accounting treatment of the Group for the lessor.

Except for the aforementioned impact, as of the date the accompanying consolidated financial statements were issued, the Group continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the other standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

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

(2) Basis of Consolidation

I. Principles for the preparation of Consolidated Financial Statements

The consolidated financial statements are prepared in the same way as the consolidated financial statements for the year 2016.

II. Subsidiary details, shareholding ratio and operating items, please refer to Note10 & Schedule 6. ◦

(3) Other significant accounting policies

In addition to the following instructions, please refer to the summary statement of the major accounting policies for the consolidated financial statements for the year 2016.

I. To determine welfare postprandial benefits

The pension costs during the interim period are based on the pension cost rate determined at the end of the previous year and are calculated on the basis of the beginning of the year to the end of the period and are subject to significant market volatility, major plan revision, pay off or other significant One-time matters to be adjusted.

II. Income tax

Income tax is the sum of current income tax and deferred income tax. The income tax for the interim period is assessed on an annual basis and is calculated at the rate applicable to the expected total annual surplus.

5. Significant accounting judgment, estimation and assumption of the main source of uncertainty

The major accounting judgments, estimates and assumptions used in the consolidated financial statements are as same as those of the consolidated financial statements for the year 2016

6. Cash

	June 30, 2017	December 31, 2016	June 30, 2016
Cash on hand and revolving funds	$ 1,548	$ 1,544	$ 1,509
Checking and demand deposits	207,796	201,323	156,858
Bank foreign currency demand deposits	6,371	10,223	9,992
	$ 215,715	$ 213,090	$ 168,359

Market interest rate range for Cash in banks on the Date of the Balance Sheet as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Cash in banks	0.05%~0.10%	0.12%~0.20%	0.05%~0.17%

For the period ended June 30, 2017, December 31, 2016 and June 30, 2016, the certificates of deposits with the original maturity date over three months were 0, 0 and NT$1,500,000 respectively, that were classified as other financial assets (Note 12).

7. Available-for-Sale Financial Assets

	June 30, 2017	December 31, 2016	June 30, 2016
Current			
Listed and OTC stocks	$ 79,974	$ 100,715	$ 110,410
Domestic mutual funds	91,869	56,758	76,780
Foreign mutual funds	3,030	6,454	6,600
Foreign corporate bonds	5,825	5,978	5,909
	$ 180,698	$ 169,905	$ 199,699
Non-current			
Foreign mutual funds	$ 18,115	$ 16,480	$ -

The Group invested the private fund－TSG Phnom Penh Real Estate Development Fund in $505,000 USA dollars in July 2016 and a 3-year lock-up period without redemption, as Available-for-Sale Financial Assets- Non-current.

8. Notes receivable and accounts receivable

	June 30, 2017	December 31, 2016	June 30, 2016
Notes receivable			
From operating activities			
Non-related parties	$ 393,266	$ 440,532	$ 512,860
Related parties	$ 12,514	$ 12,050	$ -
Accounts receivable			
From operating activities			
Non-related parties	$ 239,989	$ 340,847	$ 362,499
Less: allowance for uncollectible accounts	(41,594)	(37,089)	(40,896)
	$ 198,395	$ 303,758	$ 321,603
Related parties	$ 29,327	$ 23,360	$ -

The Group to the average credit period of sales goods is 90-150 days. When determined the notes receivable and accounts receivable recoverability, the Group considered any changes of notes receivable and accounts receivable from the original credit to the credit quality of balance sheet day. If the credit quality has been changed, credit judged in accordance with the change reason. When the Group assess the accounts receivable has an objective diminish evidence, separate assess the impairment amount. If there is no accounts receivable of objective diminish evidence, assess the overall impairment. The Group may assess the accounts receivable that the ratio for non-return recognize as allowance for bad debts in accordance with the experiences.

(1) Notes receivable

None of notes receivable was dued on June 30, 2017, December 31, 2016 and June 30, 2016.

The mortgage information of notes receivable, please see the Note 30 for reference.

(2) Accounts receivable

The analysis of accounts receivable is as below:

	June 30, 2017	December 31, 2016	June 30, 2016
30 days or less	$ 149,730	$ 148,900	$ 178,646
31 to 60 days	33,101	91,990	113,997
61 to 90 days	9,543	48,319	18,966
91 to 120 days	5,673	6,364	5,990
121 to 150days	1,579	3,200	2,910
Above 151 days	40,363	42,074	41,990
Total	$ 239,989	$ 340,847	$ 362,499

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

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

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

	June 30, 2017	December 31, 2016	June 30, 2016
Above 151 days	$ 2,801	$ 9,018	$ 9,328

The aging will based on the days of overdue.

The changed information in allowance for the uncollectible accounts- accounts receivable is as below:

	Individual impairment loss	Group impairment loss	Total
Balance on January 1, 2016	$ 40,384	$ 2,135	$ 42,519
Less: reversal	-	(31)	(31)
Less: write-off	(1,592)	-	(1,592)
Balance on June 30, 2016	$ 38,792	$ 2,104	$ 40,896
Balance on January 1, 2017	$ 35,025	$ 2,064	$ 37,089
Add: impairment	6,587	-	6,587
Less: reversal	-	(28)	(28)
Less: write-off	(2,054)	-	(2,054)
Balance on June 30, 2017	$ 39,558	$ 2,036	$ 41,594

9. Inventories

	June 30, 2017	December 31, 2016	June 30, 2016
Developing and un-developing real estate	$ 3,204,389	$ 3,178,244	$ 3,210,200
Raw materials	236,675	244,850	214,503
Finished goods	135,186	113,491	79,541
Work in progress	103,111	40,680	28,765
Repaired part and materials	37,075	39,611	41,509
Merchandise	10,574	7,824	12,267
	$ 3,727,010	$ 3,624,700	$ 3,586,785

The related cost of sales in six months ended June 30, 2017 was NT$1,601,301,000 which included inventory valuation losses NT$377,000.

The related cost of sales in six months ended June 30, 2016 was NT$1,720,487,000 which included loss for market price declines inventories NT$935,000.

As at June 30, 2017, December 31, 2016 and June 30, 2016, the estimated retrieved inventories over 12 months were NT$3,204,389,000, NT$3,178,244,000 and NT$3,210,200,000 respectively, most of them are developing and un-developing real estate.

See the Note 30 for the information of inventory pledge.

10. Subsidiaries

The subsidiaries in the consolidated financial statements:

Investment business	Subsidiary Title	Business type	Percentage of held stock June 30, 2017	December 31, 2016	June 30, 2016	Description
LUCKY CEMENT CO	DASHENG ENTERPRISE CO., LTD	Sale and rental national residential, commercial buildings, parking lots and industrial areas	99.99	99.99	99.99	1.
	Luckicon Ready-mixed Factory Co.,ltd	Production and sell concrete	99.99	99.99	99.99	1.
	Lucky Cement Corp., Japan	Buy and sell cement	100.00	100.00	100.00	
	LUCKYSHIP MARINE CO., LTD	Shipping agent	99.99	99.99	99.99	
	Just Bright Ltd.	Investment Business	100.00	100.00	100.00	
	ELUMINA Technology, Inc	Manufacture and sale light-emitting diode products	70.59	70.59	70.59	2.
	Hojen Harbor Company	Invest and build up public construction	-	-	50.00	3.
Luckicon Ready-mixed Concrete Factory Co., Ltd.	Fuyu Development Company	Mine gravel	75.00	75.00	75.00	
ELUMINA Technology, Inc	Elumina Holding Limited	Holding company	100.00	100.00	100.00	2.
Elumina Holding Limited	ELUMINA(Xiaman) Technology, Inc	Manufacture and sale light-emitting diode products	100.00	100.00	100.00	2.

Note：

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

subsidiary in August 11, 2015. Please see Note 24 discounting operation.

3. Hojen Harbor Company was determined to be dissolution and liquidation by the company board meeting in June 2016 and it had to complete it before September 2016.

The financial statements of Dasheng Enterprise Co., Ltd and Luckicon Ready-mixed Concrete Factory Co., Ltd. for the six months ended June 30, 2017 and 2016 have reviewed by accountants. The consolidated financial statements of other subsidiaries have not reviewed by accountants.

Total assets of the non-significant subsidiaries are NT$164,694,000 and NT$229,624,000, which are 2.23% and 2.97% of consolidated assets; total liabilities are NT$66,227,000 and NT$77,308,000, which are 2.36% and 2.55% of consolidated liabilities. The comprehensive losses are NT$13,407,000 and NT$5,941,000 for the three months ended June 30, 2017 and 2016; NT$17,200,000 and NT$4,221,000 for six months ended June 30, 2017 and 2016.

11. Prepayments

	June 30, 2017	December 31, 2016	June 30, 2016
Office supplies	$ 101,644	$ 95,269	$ 87,240
Prepaid expenses	87,987	67,809	153,411
Advanced payment for material	3,145	5,504	10,568
Others	691	84	762
	$ 193,467	$ 168,666	$ 251,981

12. Other financial assets

	June 30, 2017	December 31, 2016	June 30, 2016
Restricted assets	$ 104,430	$ 304,677	$ 116,788
Bond investment under repurchase agreement	-	60,021	60,000
Certificate of Deposit s with original maturity more than three months	-	-	1,500
	$ 104,430	$ 364,698	$ 178,288

The restricted assets are savings and certificate of deposit that are provided for bank loan guarantees, market interest rate range for other financial assets on the date of the Balance Sheet as follows: ：

	June 30, 2017	December 31, 2016	June 30, 2016
Restricted assets	0.13%~3.20%	0.13%~2.70%	0.15%~2.60%
Bond investment under repurchase agreement	-	0.33%~0.40%	0.31%~0.40%
Certificate of Deposit with original maturity more than three months	-	-	1.28%

Please see the Note 29 for the mortgage information of other financial assets for reference.

13. Other current assets

	June 30, 2017	December 31, 2016	June 30, 2016
Excess business tax paid	$ 17,616	$ 16,435	$ 15,768
Others	7,393	5,978	2,165
	$ 25,009	$ 22,413	$ 17,933

14. Financial assets at cost

	June 30, 2017	December 31, 2016	June 30, 2016
Domestic unlisted (OTC) ordinary shares	$ 37,666	$ 37,666	$ 37,666

The above stocks may distinguish as available-for-sale financial asset in accordance with the type of financial assets measurement.

The Group, which holds the above stock investment, may measure the cost impairment lost on the date of the balance sheet. Because the interval is significant of the fair value estimates and cannot assess reasonably each type of probability, managers in the Group think the fair value cannot be reliable measure.

15. Property, plant and equipment

	Land	Building	Machinery and equipment	Electrical equipment	Transportation equipment	Other equipment	Unfinished construction	Total
Cost								
Balance on January 1, 2016	$ 724,675	$ 2,238,761	$ 6,097,299	$ 1,187,107	$ 1,029,787	$ 497,100	$ 4,500	$11,779,229
Add	-	4,430	5,314	4,101	4,825	421	-	19,091
Disposal	-	(44,783)	(28,865)	-	(5,993)	(2,023)	-	(81,664)
Net exchange differences	-	13,108	1,786	-	45	77	-	15,016
Balance on June 30, 2016	$ 724,675	$ 2,211,516	$ 6,075,534	$ 1,191,208	$ 1,028,664	$ 495,575	$ 4,500	$11,731,672
Accumulated depreciation and impairment								
Balance on January 1, 2016	$ -	$ 1,701,280	$ 5,577,304	$ 1,146,483	$ 730,088	$ 466,726	$ -	$ 9,621,881
Depreciation	-	34,961	70,698	3,901	38,104	6,680	-	154,344
Disposal	-	(44,783)	(25,798)	-	(5,993)	(2,023)	-	(78,597)
Net exchange differences	-	11,852	1,437	-	21	118	-	13,428
Balance on June 30, 2016	$ -	$ 1,703,310	$ 5,623,641	$ 1,150,384	$ 762,220	$ 471,501	$ -	$ 9,711,056
Net on June 30, 2016	$ 724,675	$ 508,206	$ 451,893	$ 40,824	$ 266,444	$ 24,074	$ 4,500	$ 2,020,616
Cost								
Balance on January 1, 2017	$ 724,675	$ 2,200,972	$ 6,087,434	$ 1,191,208	$ 1,030,982	$ 493,456	$ -	$11,728,727
Add	-	2,842	1,922	-	12,850	2,750	-	20,364
Disposal	-	-	(2,548)	-	(4,537)	(1,349)	-	(8,434)
Net exchange differences	-	(1,260)	(163)	-	(3)	(6)	-	(1,432)
Balance on June 30, 2017	$ 724,675	$ 2,202,554	$ 6,086,645	$ 1,191,208	$ 1,039,292	$ 494,851	$ -	$11,739,225
Accumulated depreciation and impairment								
Balance on January 1, 2017	$ -	$ 1,727,589	$ 5,677,336	$ 1,154,397	$ 797,407	$ 472,262	$ -	$ 9,828,991
Depreciation	-	32,713	56,289	4,015	36,999	6,669	-	136,685
Disposal	-	-	-	-	(4,537)	(1,349)	-	(5,886)
Net exchange differences	-	(1,155)	(132)	-	(3)	(9)	-	(1,299)
Balance on June 30, 2017	$ -	$ 1,759,147	$ 5,733,493	$ 1,158,412	$ 829,866	$ 477,573	$ -	$ 9,958,491
Net on January 1, 2017 and December 31, 2016	$ 724,675	$ 473,383	$ 410,098	$ 36,811	$ 233,575	$ 21,194	$ -	$ 1,899,736
Net on June 30, 2017	$ 724,675	$ 443,407	$ 353,152	$ 32,796	$ 209,426	$ 17,278	$ -	$ 1,780,734

After the impairment assessment, there was no impairment loss of the Group for six months ended June 30, 2017 and 2016.

Partial rights for land use were temporarily registered under the name of third party and trustee issued declaration and arranged land mortgage to the parent company.

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

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

The mortgage information of Property, Plant and Equipment, please refer to Note 30.

16. Other non-current assets

	June 30, 2017	December 31, 2016	June 30, 2016
Prepayments	$ 104,924	$ 109,576	$ 96,260
Restricted assets	98,577	98,572	98,566
Net limestone mining rights	18,783	18,783	18,783
	$ 222,284	$ 226,931	$ 213,609

The restricted asset refers to certificate of deposit in the bank that is pledged as the security of milling right, which has the market interest rate range on the date of the Balance Sheet as follows：

	June 30, 2017	December 31, 2016	June 30, 2016
Restricted assets	0.1%~1.126%	0.10%~1.125%	0.13%~1.157%

Other information regarding to non-current asset collaterals, please refer to Note 30.

17. Loans

(1) Short-term borrowings

	June 30, 2017	December 31, 2016	June 30, 2016
Secured borrowings (Note 30)			
Bank loan	$ 121,000	$ 792,660	$ 302,606
Unsecured borrowings			
Credit loan	459,800	393,169	200,000
	$ 580,800	$1,185,829	$ 502,606

The interest rate of the bank loan is as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Secured borrowings	1.55%	1.35%~1.8464%	1.56%~1.96%
Unsecured borrowings	1.35%~1.62%	1.427%~2.484%	1.68%

(2) Short-term notes and bills payable

	June 30, 2017	December 31, 2016	June 30, 2016
Commercial paper payable	$ 230,000	$ 230,000	$ 150,000
Less: Discount on short-term notes and bills payable	(502)	(557)	(164)
	$ 229,498	$ 229,443	$ 149,836

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

June 30, 2017

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 110,000	$ 256	$ 109,744	1.60%~2.15%
Mega Bills Finance Corporation	60,000	118	59,882	1.588%
Grand Bills Finance Corporation	60,000	128	59,872	1.73%
	$ 230,000	$ 502	$ 229,498	

December 31, 2016

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 110,000	$ 286	$ 109,714	1.60%~2.15%
Mega Bills Finance Corporation	60,000	131	59,869	1.588%
Grand Bills Finance Corporation	60,000	140	59,860	1.70%
	$ 230,000	$ 557	$ 229,443	

June 30, 2016

Guarantee / acceptance institution	Par Value	Discount Amounts	Carrying Amounts	Rate range
Commercial paper payable				
Ta Ching Bills Finance Corporation	$ 60,000	$ 51	$ 59,949	2.250%
Mega Bills Finance Corporation	30,000	46	29,954	1.738%
Grand Bills Finance Corporation	60,000	67	59,933	1.738%
	$ 150,000	$ 164	$ 149,836	

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

(3) Long-term borrowings

	June 30, 2017	December 31, 2016	June 30, 2016
Secured borrowings (Note 30)			
Bank loan	$ 678,437	$ 360,038	$ 942,538
Unsecured borrowings			
Bank loan	30,000	90,000	-
Less: Long-term borrowings have maturity of 1 year or less.	(191,200)	(314,700)	(458,100)
	$ 517,237	$ 135,338	$ 484,438

	Details	June 30, 2017	December 31, 2016	June 30, 2016
<u>Secured borrowings</u>				
Parent company				
Taiwan Cooperative Bank	The period is from November 21, 2011 to November 21, 2018, ， the grace period is 2 years, every 6 months was served as an installment ， pay by 10 installments for the principle after the grace period. It has been repaid earlier in June of 2017.	$ -	$ 100,000	$ 150,000
Taiwan Cooperative Bank	The period is from July 13, 2014 to November 13, 2018, the principle will be repaid NT$ 12,000,000 every 3 months. It has been repaid earlier in February of 2017.	-	12,000	36,000
Mega International Commercial Bank Co., Ltd and participating banks of Syndicated Loan	The period is from March 19, 2012 to March 19, 2019, ， the grace period is 6 month, every 6 months was served as an installment ， pay by 14 installments for the principle from September of 2012. It has been repaid earlier in September of 2016.	-	-	180,000
Mega International Commercial Bank Co., Ltd.	The period is from June 13, 2014 to June 13, 2017, the principle will be repaid NT$ 7,200,000 every 3 months. It has been repaid earlier in February of 2017.	-	14,000	28,400
O-Bank	The period is from August 15, 2015 to August 15, 2016, the principle will be repaid once in maturitity date.	-	-	50,000
O-Bank	The period is from November 22, 2015 to November 22, 2017, the principle will be repaid once in maturitity date.	100,000	-	-
Bank of Taiwan	The period is from February 25, 2016 to February 25, 2019, ， the grace period is 1 years, the principle will be repaid NT$ 12,500,000 every 3 months after the ended of grace period.	50,000	100,000	100,000
The Export-Import Bank of the Republic of China	The period is from January 1, 2016 to January 31, 2017, the principle will be repaid once in maturitity date.	-	100,000	100,000
Dasheng Enterprise Co., Ltd				
Mega International Commercial Bank Co., Ltd.	The period is from July 30, 2015 to July 30, 2019, the principle will be repaid once in maturitity date. It has been repaid earlier in September of 2016.	-	-	258,500

(To be continued)

(Continued)

	Details	June 30, 2017	December 31, 2016	June 30, 2016
Mega International Commercial Bank Co., Ltd.	The period is from March 10, 2017 to March 10, 2019, the principle will be repaid once in maturitity date.	250,000	-	-
O-Bank	The period is from June 30, 2017 to November 17, 2022.～111.6.30， the principle will be repaid once in maturitity date.	250,000	-	-
LUCKYSHIP MARINE CO., LTD.				
Mega International Commercial Bank Co., Ltd.	The period is from November 17, 2015 to November 17, 2019, every 3 months was served as an installment ， pay by 16 installments for the principle.	23,625	28,350	33,075
Mega International Commercial Bank Co., Ltd.	The period is from February 15, 2016 to February 15, 2020, every 3 months was served as an installment ， pay by 16 installments for the principle.	4,812	5,688	6,563
Unsecured borrowings				
Parent company				
The Shanghai Commercial & Savings Bank, Ltd.	The period is from July 15, 2016 to July 15, 2019, every 3 months was served as an installment， pay by 10 installments for the principle.	30,000	90,000	-
subtotal		708,437	450,038	942,538
Less: Long-term borrowings have maturities of 1 year or less.		(191,200)	(314,700)	(458,100)
Long-term borrowings		$ 517,237	$ 135,338	$ 484,438

The annual interest rate of long-term borrowings were 1.730%~2.553%, 1.7825%~2.20% and1.8776%~2.5317% respectively for June 30, 2017, December 31, 2016 and June 30, 2016.

18. Notes and accounts payable

	June 30, 2017	December 31, 2016	June 30, 2016
Notes payable			
From operating activities			
Non-related parties	$ 144,691	$ 155,842	$ 233,148
Related parties	$ 53,301	$ 91,186	$ 1,050
Accounts payable			
From operating activities			
Non-related parties	$ 119,888	$ 172,446	$ 211,464
Related parties	$ 113,059	$ 90,433	$ 1,213

19. Other payables

	June 30, 2017	December 31, 2016	June 30, 2016
Dividends payable	$ 245,934	$ 2,466	$ 348,994
Wages and salaries payable	73,576	94,272	73,005
Taxes payable	22,572	24,271	24,395
Utilities expense payable	21,378	20,577	14,606
Other payables – related parties	19,559	16,632	929
Maintenance fee payables	11,159	2,717	10,449
Payable on machinery and equipment	4,528	4,759	11,631
Other	21,153	26,338	60,801
	$ 419,859	$ 192,032	$ 544,810

20. Post-employment benefit plan

The pension expenses associated with defined benefit plan are based on the pension expenses determined by the actuarial decision of December 31, 2016 and 2015 respectively, for each of the following items:

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Operating costs	$ 714	$ 1,340	$ 1,669	$ 2,680
Selling expenses	196	319	292	640
Administrative expenses	288	588	431	1,176
	$ 1,198	$ 2,247	$ 2,392	$ 4,496

In accordance with the Labor Standards Act, which was amended on February 4, 2015, the employer shall estimate the balance of the special account of the Labor Retirement Reserve by the end of each year, and if the balance is less than the amount of the labor that provides for the retirement of the provisions of the amount of the pension, the employer shall make the difference before the end of March of the next year. The balance of the special account of the Labor Retirement Reserve for the parent company, Luckicon Ready-mixed Concrete Factory Co., Ltd. and Dasheng Enterprise Co., Ltd. is NT$ 288,448,000 in six months ended June 30, 2016.

21. Equity

(1) Share capital

Common Stock

	June 30, 2017	December 31, 2016	June 30, 2016
Authorized shares (in thousands)	498,646	498,646	498,646
Authorized capital	$ 4,986,460	$ 4,986,460	$ 4,986,460
Issued and paid shares (in thousands)	404,738	404,738	404,738
Issued capital	$ 4,047,380	$ 4,047,380	$ 4,047,380

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

(2) Capital surplus

	June 30, 2017	December 31, 2016	June 30, 2016
Only to make up for losses			
From share of changes in equities of subsidiaries	$ 8	$ 8	$ 8

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

(3) Retained earnings and dividend policy

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The amendments to Articles of Incorporation on earnings distribution policy had been approved by the Company's shareholders in its meeting held on June 15, 2016 and also provided allocation policy of renumeration of employee and directors, supervisors.

The amendment of earning allocation policy in the Articles of Incorporation states that in case of earning upon settled annually, the Company shall appropriate its 10% as legal surplus reserve first and account equity deduction occurred in the current year as special surplus reserve, addition to legal payment of business tax and compensation of historical annual loss, wherein if the dividend per share from the sum of balance thereafter and 40%~80% of aggregated surplus yet allocated in the previous year has not reached NTD$0.1 with calculation of the upper limit, 80%, it shall be reserved, not for allocation and allocation case shall be proposed in the Board of Directors, further presented for acknowledgement in the Meeting of Shareholders. Please refer to (4) of Note 22, Employee Benefits for the revised remuneration allocation policy of employee and directors, supervisors before/after the versions of the Articles of Association. The appropraiton & allocation ratio of the preceding surplus and stock to cash ratio shall be paid in cash dividend or stock dividend subject to real profit and situation of fund in the current year, with consideration of fund for investment and diluated level of surplus per share in the Meeting of Board of Directors. However, the allocated stock dividend shall be limited to 20% of the issued stock; in case that the aggregated equity deduction or equity deduction that is insufficient to account as surplus w/tax in the current year, it shall account equivalent amount of special surplus reserve from the aggregated surplus yet be allocated in the previous year and deduct it prior to the appropriation and allocation earlier. Thereafter, whenever equity deduction is turned, the turned amount shall be allocated as surplus. The allocation of related surplus shall be passed and acknowledged in the General Meeting of Shareholders held in the next year and shall be accounted in the current year.

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

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

During allocating surplus yet be allocated, shareholders other than the residents within the territory of the Republic of China may acquire shareholder deductible that was calculated based on the tax deducitble ratio on the Day of Dividend Allocation.

The appropriations of 2016 and 2015 earnings have been approved by shareholders in its meeting held on June 7, 2017 and June 15, 2016, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividend per share（NT$1.00）	
	2016	2015	2016	2015
Legal reserve	$ 31,533	$ 47,016		
Cash dividends	242,843	344,027	$ 0.6	$ 0.85

(4) Special Reserve

The company has adopted the IFRSs standards for the accounted special reserve that shows as follow:

	June 30, 2017	December 31, 2016	June 30, 2016
Special reserve	$ 14,135	$ 14,135	$ 14,135

The amount of the accumulated conversion of the parent company is $ 14,135,000 transferred to the retained surplus, and the same amount of special reserve has been added.

(5) Non-controlling interests

	Six months ended June 30, 2017	Six months ended June 30, 2016
Balance at the begin of the period	$ 30,141	$ 33,814
Number of share attributable to non-controlling equity		
Loss	(375)	(80)
Exchange differences on translation of foreign financial statements	(2)	(3)
Subsidiaries' Cash dividends	(125)	(2,500)
Balance at the end of the period	$ 29,639	$ 31,231

22. Profit from continuing operations

(1) Net other income (expense)

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Gains on disposals of property, plant and equipment	$ -	$ 100	$ 220	$ 100

(2) Depreciation and amortization

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Depreciations summary by functions:				
Operating costs	$ 62,444	$ 70,346	$ 125,169	$ 141,962
Operating expenses	3,599	3,574	7,014	7,099
Non-operating expenses	2,119	2,642	4,502	5,283
	$ 68,162	$ 76,562	$ 136,685	$ 154,344
Amortization summary by functions				
Operating costs	$ 1,554	$ 1,916	$ 3,756	$ 3,457
Operating expenses	422	219	684	438
	$ 1,976	$ 2,135	$ 4,440	$ 3,895

(3) Employee benefits

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Post-employment benefits				
Defined contribution plans	$ 3,350	$ 3,507	$ 6,693	$ 7,112
Defined benefit plans (Note20)	1,198	2,247	2,392	4,496
	4,548	5,754	9,085	11,608
Other employee benefits	92,033	122,551	185,498	222,211
	$ 96,581	$ 128,305	$ 194,583	$ 233,819

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Summarized by function				
Operating costs	$ 70,043	$ 92,182	$ 140,702	$ 168,635
Operating expenses	26,538	36,123	53,881	65,184
	$ 96,581	$ 128,305	$ 194,583	$ 233,819

(4) Remuneration for employees, directors and supervisors

According to the amendment of "The Company Act" in May 2015 and articles of incorporation modified by the board of directors in June 2016, the Company shall appropriate 3% and not less than 5% of the profit before tax prior to the deduction of allocated remuneration for employee and directors, supervisors in the current year as the same. For three months ended June 30, 2017 and 2016, and six months ended June 30, 2017 and 2016, remunerations for employees, directors and supervisors were estimated as bellow：

Estimated %

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Compensation for employees	3%	3%	3%	3%
Compensation for directors and supervisors	5%	5%	5%	5%

The amount

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Compensation for employees	$ 573	$ 3,789	$ 1,327	$ 7,777
Compensation for directors and supervisors	$ 954	$ 6,315	$ 2,211	$ 12,962

The 2016 and 2015 remuneration for the employees, directors and supervisors were approved individually at the board meeting on March 20, 2017 and March 28, 2016 as follow:

	2016	2015
	Cash	Cash
Compensation for employees	$ 12,447	$ 18,636
Compensation for directors and supervisors	20,745	31,060

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

Amounts recognised in the 2016 and 2015 consolidated financial report had no difference than the 2016 and 2015 amounts that were actually allocated to the employees, directors and superviors of the company.

Any information is related to the 2016 and 2017 remuneration that was approved by ther board of directorsof for employees, directors and superviors of the Company. Please check it on the Market Observation Post System of Taiwan Stock Exchange.

(5) Gains on disposals of investments

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Disposal of gains of Available-for-Sale financial assets	$ -	$ 599	$ -	$ 1,942
Disposal of losses of Available-for-Sale financial assets	(267)	(6)	(267)	(6)
Net profit(loss)	($ 267)	$ 593	($ 267)	$ 1,936

(6) Foreign currency exchange profit (loss)

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Total amount of foreign currency exchange gains	$ 768	$ 761	$ 3,676	$ 1,455
Total amount of foreign currency exchange losses	(97)	(392)	(1,973)	(1,937)
Net profit (loss)	$ 671	$ 369	$ 1,703	($ 482)

23. Income Tax from Continuing Operations

(1) Income tax recognized as gains or losses

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

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Current income tax				
Created in current period	$ 15,945	$ 2,918	$ 25,980	$ 4,282
Tax on Unappropriated retained earnings	3,845	8,618	3,845	8,618
Adjustment of previous years	1,687	1,572	1,687	1,572
	21,477	13,108	31,512	14,472
Deferred income tax				
Created in current period	(13,529)	16,804	(19,565)	36,856
Income tax expenses of recognised in profit or loss	$ 7,948	$ 29,912	$ 11,947	$ 51,328

(2) The related information of Imputation System

	June 30, 2017	December 31, 2016	June 30, 2016
Unappropriated retained earnings After 1998	$ 302,384	$ 547,996	$ 430,012
Balance in shareholders' imputation tax credit account	$ 106,694	$ 106,679	$ 140,106

The Tax Creditable Ratios which are applicable for disposition of net income in 2016 and 2015 are respectively 19.47% (expected ratio) and 22.37% (actual ratio) .

According to the Income Tax Act, when the Company distributes the surplus after 1998, the shareholders can follow the tax creditable ratio to calculate their acquired Imputation Tax Credit. Due to the actual distribution amount of imputation credit should follow the balance in the shareholder imputation tax credit account. For 2016, the Company estimated that the tax creditable ratio for surplus distribution may be different from the tax creditable ratio used for the actual shareholders' distribution ratio in the future.

(3) Income Tax Assessment

As of the end of 2014, income tax declaration cases of the Company and Luckicon Ready-mixed Concrete Factory Co., Ltd. approved by the tax collection authorities. The numbers of approved and declared are no significant difference.

As of the end of 2015, income tax declaration cases of Hojen Harbor Development Corp., Dasheng Enterprise Co., Ltd., Luckyship Marine Co., Ltd., Fuyu Development Company and ELUMINA Technology Inc. approved by the tax collection authorities. The numbers of approved and declared are no significant difference.

24. Discontinuing Operations

The Board of directors of the Company decided to dissolve ELUMINA technology, Inc., its subsidiaries - Elumina Holding Limited and Elumina (Xiamen) Company on August 11, 2015, and had the dissolution of liquidation; the Group classified the cash-generating units into the discounting operation in 2015. As the end of June 30, 2017, ELUMINA technology, Inc. and its subsidiaries have still in the processing of dissolution of liquidation.

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

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Current loss	($ 152)	($ 7,775)	($ 474)	($ 8,782)
Disposal of loss	-	-	-	-
	($ 152)	($ 7,775)	($ 474)	($ 8,782)

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

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Operating expenses	($ 164)	($ 7,526)	($ 438)	($ 8,522)
Non-operating income and expenses	12	(249)	(36)	(260)
Pre-tax loss of business suspension units	(152)	(7,775)	(474)	(8,782)
Tax expense	-	-	-	-
Current loss	($ 152)	($ 7,775)	($ 474)	($ 8,782)
Loss of business suspension unit belongs to:				
Owners of the Company	($ 107)	($ 5,488)	($ 334)	($ 6,199)
Non-controlling interests	(45)	(2,287)	(140)	(2,583)
	($ 152)	($ 7,775)	($ 474)	($ 8,782)
Net cash outflow generated from operations			($ 1,471)	($ 1,860)
Net cash flows from investing activities			1,300	-
Net cash flows outflow			($ 171)	($ 1,860)

25. Earnings per share

Unit : NTD 1.00 per share

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Basic earnings per share				
From continuing operations	$ 0.02	$ 0.24	$ 0.07	$ 0.50
From discontinued operations	-	(0.01)	-	(0.02)
Total basic earnings per share	$ 0.02	$ 0.23	$ 0.07	$ 0.48
Diluted earnings per share				
From continuing operations	$ 0.02	$ 0.24	$ 0.07	$ 0.49
From discontinued operations	-	(0.01)	-	(0.01)
Total diluted earnings per share	$ 0.02	$ 0.23	$ 0.07	$ 0.48

It is used to calculate the net profit per share earning and the number of weighted share of ordinary stock of continuing business units is as follows:

Profit

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Profit attributable to owners of parent	$ 9,998	$ 91,452	$ 28,764	$ 194,844
Plus: used to calculate the basic unit of the loss of business units per unit loss of net loss	107	5,488	334	6,199
To calculate the net profit of the continuing business unit's basic and diluted earnings per share	$ 10,105	$ 96,940	$ 29,098	$ 201,043

Number of shares

unit：1,000 shares

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
The average number of ordinary shares to be used to calculate the basic earnings per share	404,738	404,738	404,738	404,738
Dilution Effect of potential common stock:				
Compensation for employee	150	841	693	1,729
To calculate the weighted average number of ordinary shares for diluted earnings per share	404,888	405,579	405,431	406,467

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

26. Agreement of Operating Lease

(1) The Group as tenant

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

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

	June 30, 2017	December 31, 2016	June 30, 2016
Within 1 year	$ 28,363	$ 38,413	$ 34,209
More than 1 year but not more than 5 years	57,649	67,339	26,494
	$ 86,012	$ 105,752	$ 60,703

Recognized expense of Lease payment as below:

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Lease payment	$ 18,707	$ 12,423	$ 37,603	$ 25,927

(2) The Group as lessor

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

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

	June 30, 2017	December 31, 2016	June 30, 2016
Within 1 year	$ 8,315	$ 30,741	$ 7,528
More than 1 year but not more than 5 years	5,100	5,714	3,471
	$ 13,415	$ 36,455	$ 10,999

27. Financial Risk Management

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

28. Financial Instrument

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

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

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

I. Fair value hierarchy

June 30, 2017

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed (OTC) stock	$ 79,974	$ -	$ -	$ 79,974
Domestic Fund Benefit Certificate	91,869	-	-	91,869
Foreign Fund Benefit Certificate	3,030	-	18,115	21,145
Foreign corporate bonds	5,825	-	-	5,825
Total	$ 180,698	$ -	$ 18,115	$ 198,813

December 31, 2016

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed (OTC) stock	$ 100,715	$ -	$ -	$ 100,715
Domestic Fund Benefit Certificate	56,758	-	-	56,758
Foreign Fund Benefit Certificate	6,454	-	16,480	22,934
Foreign corporate bonds	5,978	-	-	5,978
Total	$ 169,905	$ -	$ 16,480	$ 186,385

June 30, 2016

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Domestic listed (OTC) stock	$ 110,410	$ -	$ -	$ 110,410
Domestic Fund Benefit Certificate	76,780	-	-	76,780
Foreign Fund Benefit Certificate	6,600	-	-	6,600
Foreign corporate bonds	5,909	-	-	5,909
Total	$ 199,699	$ -	$ -	$ 199,699

There is no transfer between level 1 and level 2 of fair value measurement in six months ended June 30, 2017 and 2016.

II. The evaluation technique and assumption used for measuring fair value

The fair value of financial instrument traded at active market is determined by the reference to market quotation.

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

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

(3) Type of Finance Tool

	June 30, 2017	December 31, 2016	June 30, 2016
Financial assets			
Loans and receivables（Note 1）	$ 1,056,230	$ 1,457,987	$ 1,299,332
Available-for-sale financial assets（Note 2 ）	236,479	224,051	237,365
Financial liabilities			
Measured after amortization(Note 3)	2,295,957	2,472,977	2,513,660

Note1: The balance includes loans and receivables measured at amortized cost such as cash, notess receivable, accounts receivable, other receivables and other financial assets.

Note2: The balance includes the balance of financial asset measured at costs that are classified as available-for-sale.

Note3: The balance includes financial liabilities masured at amortised cost such as short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, partical other payables and long-term borrowings.

(4) Objective and Policy of Financial Risk Management

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

I. Market risk

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

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

A Currency risk

The monetary asset in non-functional currency and carrying amount of monetary liabilities on balance sheet date of the Group (included the monetary items calculated in write-off non-functional currency in consolidated financial statement); please see Note 31.

Sensitivity Analysis

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

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

	Effect of US dollars		Effect of RMB	
	Six months ended June 30, 2017	Six months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Profit(loss)	($ 804)	($ 1,219)	($ 336)	($ 352)

The above is mainly originated from the outstanding cash in banks, receivables, other financial assets, other short-term borrowings and payables, calculated in USD and

RMB which are not in cash flow hedge on balance sheet date of the Group.

B Interest rate risk

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

	June 30, 2017	December 31, 2016	June 30, 2016
Interest rate risk with fair value			
-Financial assets	$ 145,370	$ 264,823	$ 144,845
-Financial liabilities	250,000	624,000	372,800
Interest rate risk with cash flow			
-Financial assets	362,196	500,289	332,715
-Financial liabilities	1,268,735	1,241,310	1,222,180

Sensitivity Analysis

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

If interest rate decreases/increases 25 basic points, the pre-tax income in six months ended June 30, 2017 and 2016 separately increases/decreases 1,133,000 and 1,112,000 NT dollars with all other variables held constant; the main reasons are floating rate loan, demand deposit and exposure in restricted asset interest rate risk of the Group.

II. Credit risk

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

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

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

	June 30, 2017		December 31, 2016		June 30, 2016	
	Book Value	Largest credit risk exposed amount	Book Value	Largest credit risk exposed amount	Book Value	Largest credit risk exposed amount
Off-balance sheet commitments and guarantee						
Endoresement for subsidiary	$ -	$ 498,580	$ -	$ 517,250	$ -	$ 1,287,275

The credit risk of the Group is mainly concentered on the key account (KA) of the Group; as the end of June 30, 2017, December 31, 2016 and June 30, 2016, the receivables should exceed 5% of total receivables, which are separately 44.38%, 52.93% and 45.80% of total receivables.

III. Liquidity risk

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

Bank loan is an important source of liquidity for the Group. As the end of June 30, 2017, December 31, 2016 and June 30, 2016, the unused long-term and short-term bank loan commitments of the Company are separately 2,259,509,000, 1,706,491,000 and 2,603,985,000 NT dollars.

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

June 30, 2017

	Average weighted valid rate (%)	Requirements on demand or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities						
No debt-bearing liability	-	$ 255,005	$ 540,287	$ 56,578	$ 42,294	$ 63,992
Floating interest rate tool	1.93%	110,000	65,300	576,198	267,237	250,000
Fixed interest rate tool	1.43%	-	150,000	100,000	-	-
		$ 365,005	$ 755,587	$ 732,776	$ 309,531	$ 313,992

December 31, 2016

	Average weighted valid rate (%)	Requirements on demand or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities						
No debt-bearing liability	-	$ 231,116	$ 403,687	$ 38,162	$ 47,843	$ 63,992
Floating interest rate tool	1.56%	122,000	292,808	678,665	147,837	-
Fixed interest rate tool	1.54%	100,000	200,000	324,000	-	-
		$ 453,116	$ 896,495	$ 1,040,827	$ 195,680	$ 63,992

June 30, 2016

	Average weighted valid rate (%)	Requirements on demand or less than one month	1 month to 3 months	3 months to 12 months	1 year to 5 years	Above 5 years
Non - derivative financial liabilities						
No debt-bearing liability	-	$ 326,024	$ 608,423	$ 70,142	$ 60,751	$ 16,850
Floating interest rate tool	1.92%	12,000	120,000	605,742	484,438	-
Fixed interest rate tool	1.65%	100,000	100,000	172,800	-	-
		$ 438,024	$ 828,423	$ 848,684	$ 545,189	$ 16,850

29. Related Party Transactions

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

(1) Related party and Relations

Related party	Relations
Other related party	
Yungsheng Development Industrial Co., Ltd.（Yungsheng Development Co.）	The chairman of the company is the same as the chairman of the parent company
LIANG-CHUAN Cultural and Educational Foundation（LIANG-CHUAN Foundation）	The chairman of the foundation is the same as the chairman of the parent company
Fudong Freight Co., Ltd（Fudong Freight Co.）	The directors of the company are the same as the major shareholders of the parent company
Changjun Water Resources biotechnology Co., Ltd（Changjun Water Resources Co.）	The chairman of the company is one of the parent company chairman's first-degree relatives
Jia Fu Entertainment Co., Ltd（Jia Fu Entertainment Co.）	The chairman of the company is one of the parent company chairman's first-degree relatives
Wantong Product Insurance Brokerage Co., Ltd（Wantong Product Insurance Co.）	The chairman of the company is one of the parent company chairman's first-degree relatives
Lucky construction Co., Ltd（Lucky construction Co.）	The chairman of the company is one of the parent company chairman's first-degree relatives
Kuochuan Development (Co.,) Ltd.（Kuochuan Development Co.）	The chairman of the company is one of the parent company chairman's first-degree relatives
Changheng Investment Co., Ltd（Changheng Investment Co.）	The major shareholder of the parent company
Jinli Investment (Co.), Ltd.（Jinli Co.	The major shareholder of the parent company
Cheng Haibin	The parent company chairman's third-degree relatives
Fuan Mining Co., Ltd.（Fuan Mining Co.）	The manger is the spouse of the parent company chairman's first-degree relatives from July, 2016

(2) Business transaction

	Three months ended June 30,2017	Three months ended June 30,2016	Six months ended June 30,2017	Six months ended June 30,2016
Sales				
Other related parties	$ 29,900	$ -	$ 58,429	$ 308
Purchase				
Fuan Mining Co.	$ 105,608	$ -	$ 204,824	$ -
Other related parties	8,102	4,118	15,894	18,055
	$ 113,710	$ 4,118	$ 220,718	$ 18,055
Operating costs - transportation expenses				
Other related parties	$ 3,039	$ 3,217	$ 5,605	$ 6,015
Operating expenses				
Other related parties	$ 146	$ 1,977	$ 2,421	$ 2,056
Non-operating income				
Other related parties	$ 609	$ 486	$ 1,219	$ 1,036
Non-operating expenses				
Other related parties	$ 91	$ -	$ 183	$ -

The purchasing and sales price and the payment period between the Group and related parties depend on the needs of the funds.

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

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

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

	June 30, 2017	December 31,2016	June 30,2016
Notes receivable			
Other related parties	$ 12,514	$ 12,050	$ -
Accounts receivable			
Other related parties	$ 29,327	$ 23,360	$ -
Other receivable			
Other related parties	$ 441	$ 468	$ 882

No guarantee received for receivables- related parties. No expense on doubtful debts in receivables- related parties recognized for six months ended on June 30, 2017 and 2016.

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

	June 30, 2017	December 31, 2016	June 30, 2016
Notes payable			
Fuan Mining Co.	$ 47,955	$ 89,899	$ -
Other related parties	5,346	1,287	1,050
	$ 53,301	$ 91,186	$ 1,050
Accounts payable			
Fuan Mining Co.	$ 110,889	$ 84,099	$ -
Other related parties	2,170	6,334	1,213
	$ 113,059	$ 90,433	$ 1,213
other payable（exclude financial）			
Other related parties	$ 1,259	$ 1,604	$ 929

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

(5) Loans from related parties

	June 30, 2017	December 31, 2016	June 30, 2016
other payable			
Other related parties	$ 18,300	$ 15,028	$ -
Shareholder accounts			
Cheng Haibin	$ 45,800	$ 45,800	$ 45,800

Shareholder accounts of the Group are interestless borrowing from stockholders.

(6) Remunerations of key management personnel

The remunerations of the Directors and other key management personnel for the three months and six months ended June 30, 2017 and 2016 were as follows:

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
Short-term employee benefits	$ 4,873	$ 12,036	$ 12,357	$ 27,534
Benefit after retirement	178	315	298	520
	$ 5,051	$ 12,351	$ 12,655	$ 28,054

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

30. Pledged Assets

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

	June 30, 2017	December 31,2016	June 30, 2016
Notes receivable	$ 59,850	$ 57,220	$ 13,428
Repurchase bond investment (Recognized other current assets)	-	60,021	60,000
Developing real estate (Recognized inventory)	2,959,713	2,933,569	2,954,238
Restricted assets （Recognized other financial assets and other non-current assets）	203,007	403,249	215,354
Property, plant and equipment	832,268	1,062,645	1,502,462
Limestone mining rights (Recognized other non-current assets)	-	-	18,783
	$ 4,054,838	$ 4,516,704	$ 4,764,265

31. Significant Information of Foreign Currency Assets and Liabilities

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

Unit： Thousands of NT$ and foreign currency

June 30, 2017

	Foreign curreny	Exchange rate	Book value
Financial assets			
Monetary items			
US dollars	$ 522	30.42 （USD：NT$）	$ 15,860
US dollars	7	6.774 （USD：RMB）	227
RMB	1,497	4.486 （RMB：NT$）	6,715

December 31, 2016

	Foreign curreny	Exchange rate	Book value
Financial assets			
Monetary items			
US dollars	$ 1,292	32.25 （USD：NT$）	$ 41,639
US dollars	7	6.937 （USD：RMB）	241
RMB	1,649	4.601 （RMB：NT$）	7,585
Financial liabilities			
Monetary items			
US dollars	1,965	32.25 （USD：NT$）	63,357

June 30, 2016

	Foreign curreny	Exchange rate	Book value
Financial assets			
Monetary items			
US dollars	$ 778	32.275 （USD：NT$）	$ 25,098
US dollars	7	6.5874 （USD：RMB）	241
RMB	1,457	4.829 （RMB：NT$）	7,038
Financial liabilities			
Monetary items			
US dollars	30	32.275 （USD：NT$）	968

Foreign exchange gains/losses (realized or unrealized) of the Group for three months ended June 30, 2017 and 2016 are respectively grains of NT$671,000 and NT$390,000; for six months ended June 30, 2017 and 2016 are respectively losses NT$1,703,000 and NT$453,000; because there are variety of foreign currency transactions, it cannot disclose exchange gains and losses in accordance with foreign currency of each important impact.

32. Additional Disclosures

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

1) Financings provided: Schedule 1. ◦

2) Endorsement/guarantee provided: Schedule 2.

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

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

6) Disposal of individual real estate properties 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 of at least NT$100 million or 20% of the paid-in capital: Schedule 4.

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

9) Information about the derivative financial instruments transaction: None.

10) Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please Schedule 8.

11) Information of the investees: Schedule 6.

(3) Investment Information in mainland China:

1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Schedule 7.

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

between the parent company and the investee company in mainland China.

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

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

33. Segment Information

The Group defined its reportable segments as follows: ：

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

Other segment: Other operations of non-cement business。The main business of ELUMINA Technology, Inc. and its subsidiary Elumina Holding Limitedand ELUMINA (Xiamen) company are producing and selling light-emitting Diode, and the unit of cash is transferred to discontinued operation on August, 2015; please see Note 24 related instruction.

(1) Revenue of segments and operating results

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

	Income of Department		Profit/Loss of Department	
	For six months ended June 30, 2017	For six months ended June 30, 2016	For six months ended June 30, 2017	For six months ended June 30, 2016
Cement segment	$ 1,740,327	$ 2,081,622	$ 67,977	$ 266,183
Other segmentt	22,131	23,347	(17,830)	1
;Gross amount of business unit	$ 1,762,458	$ 2,104,969	50,147	266,184
Interest revenue			1,016	904
Rent income			4,739	4,990
Other Income			5,157	5,178
Gains (losses) on disposals of investments			(267)	1,936
Foreign exchange gains(losses)			1,703	(482)
Other expenses			(6,811)	(8,428)
Interest expense			(14,874)	(15,408)
Profit from continuing operations before tax			40,810	254,874
Loss from discontinued operations before tax			(474)	(8,782)
Profit (loss) before tax			$ 40,336	$ 246,092

The revenue of segments reported above is generated with the external client exchanges. There is no selling between segments in six months ended in June 30, 2017 and 2016.

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

(2) Total assets and liabilities of segments

	June 30, 2017	December 31,2016	June 30, 2016
Segment assets			
Continuing operating segment			
Cement segment	$ 3,975,260	$ 4,349,220	$ 4,284,821
Other segment t	3,395,842	3,401,208	3,443,384
Total of segment assets	7,371,102	7,750,428	7,728,205
Assets related discontinued operations	2,044	2,216	2,836
Total assets	$ 7,373,146	$ 7,752,644	$ 7,731,041
Segment liabilities			
Continuing operating segment			
Cement segment	$ 2,074,477	$ 2,464,910	$ 2,498,843
Other segment	723,280	478,292	528,007
Total of segment liabilities	2,797,757	2,943,202	3,026,850
Liabilities related discontinued operations	7,916	7,606	7,895
Toatl liabilities	$ 2,805,673	$ 2,950,808	$ 3,034,745

Lucky Cement Corporation and Subsidiaries

Financings Provided

For Six months ended June 30, 2017

Schedule 1

Unit: NT$1,000

No.	Company of Lending Funds	Borrower	Relation Account	Mmaximum Balance in Current Period	Where is the related party	Balance, end of the period (Note 4)	Amonut of real dealing (Note 5)	Interest rate collar (%)	Character on loan of funds (Note 1)	Amount between business	Necessary reasons for short term financial assets	Amount of allowance for uncollectible be submitted	Collateral		Limitation of loan of funds to individual party (Note 2)	Total limitation of loan of funds (Note 3)
													Name	Value		
0	Lucky Cement Co	DASHENG ENTERPRISE	Receivables of Affiliated Enterprise – Financing	$ 390,000	Yes	$ 390,000	$ 100,150	1.902~1.988	(2)	$ -	Operating Turnover	$ -	–	–	$ 453,783	$ 1,815,134
0	Lucky Cement Co	Luckyship Marine Co., Ltd	Receivables of Affiliated Enterprise – Financing	30,000	Yes	30,000	14,000	1.902~1.988	(2)	-	Operating Turnover	-	–	–	453,783	1,815,134
0	Lucky Cement Co	Lucky Cement Corp., Japan	Receivables of Affiliated Enterprise – Financing	10,000	Yes	10,000	-	-	(2)	-	Operating Turnover	-	–	–	453,783	1,815,134
1	Luckicon Ready-mixed Concrete Factory Co., Ltd.	DASHENG ENTERPRISE	Receivables of Affiliated Enterprise – Financing	40,000	Yes	40,000	40,000	1.95~2.05	(2)	-	Operating Turnover	-	–	–	61,761	123,522
						$ 470,000										

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

(1) Party with business.

(2) Party with short-term financing need.

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

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

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

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

Lucky Cement Corporation and Subsidiaries

Endorsement/Guarantee Provided

For Six months ended June 30, 2017

Schedule 2

Unit: NT$1,000, unless otherwise noted

No.	Company Name of endorser	The party for enforcement and guarantee		Limitation amount of enforcement and guarantee for single enterprise (Note 1)	Maximun balance of enforcement and guarantee in current period	Balance of enforcement and guarantee, end of the periodr	Amonut of real dealing	Amount of enforcement and guarantee by property guarantee	Ratio of accumulated amount of enforcement and guarantee to net value of financial statement of lastest period (%)	Maximun limitation on enforcement and guarantee (Note 2)	Enforcement and guarantee belong to parent vs. subsidiary company	Enforcement and guarantee belong to subsidiary vs. parent company	Enforcement and guarantee belong to Mainland China	Remark
		Company	Relations											
0	Lucky Cement Co.	Dasheng Enterprise Co., Ltd	Subsidiary	$ 1,815,134	$ 570,000	$ 370,000	$ 370,000	$ 120,000 (Note 3)	8.15%	$ 2,268,917	Y	–	–	
		Luckicon Ready-mixed Concrete Factory Co., Ltd.	Subsidiary	1,815,134	70,000	70,000	-	-	1.54%	2,268,917	Y	–	–	
		Luckyship Marine Co., Ltd	Subsidiary	1,815,134	45,000	45,000	28,438	-	0.99%	2,268,917	Y	–	–	
		Lucky Cement Corp., Japan	Subsidiary	1,815,134	31,345 (USD1,000,000)	13,580	-	-	0.30%	2,268,917	Y	–	–	
						$ 498,580								

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

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

Note 3 : Other finance asset – restricted asset NT$120,000,000 is provided as collateral.

Lucky Cement Corporation and Subsidiaries

Marketable Securities Held

June 30, 2017

Schedule 3

Unit: NT$1,000

Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of period				Remarks
				Shares	Carrying Amount	（ % ）	Fair Value（Note 1）	
Lucky Cement Co.	Non-listed (OTC) Company Common Stock							
	CANDO CORPORATION	—	Non-current financial assets at cost	398,889	$ -	0.1	$ -	Note 2
	Jonfeng Mining Co., Ltd	—	Non-current financial assets at cost	1,071,428	12,094	10.58	14,184	
	Redwood Group Ltd	—	Non-current financial assets at cost	700,837	5,433	0.18	7,625	
	WK TECHNOLOGY FUND	—	Non-current financial assets at cost	2,890,000	17,000	2.22	16,068	
	Listed (OTC) Company Common Stock							
	Medigen Biotechnology Corporation	—	Current available-for-sale financial assets	28,628	1,523	-	1,523	
	United Microelectronics Corporation	—	Current available-for-sale financial assets	72,351	1,067	-	1,067	
	WINBOND ELECTRONICS CORP.	—	Current available-for-sale financial assets	119,500	2,181	-	2,181	
	First Financial Holding Co. Ltd.	—	Current available-for-sale financial assets	858	17	-	17	
	CAPITAL SECURITIES CORP.	—	Current available-for-sale financial assets	818	8	-	8	
	Hua Nan Financial Holdings Co., Ltd.	—	Current available-for-sale financial assets	367	6	-	6	
	China Development Financial	—	Current available-for-sale financial assets	13,496	119	-	119	
	Taiwan Cement Corp	—	Current available-for-sale financial assets	400,000	14,081	-	14,081	
	Asia Cement Corporation	—	Current available-for-sale financial assets	500,000	13,050	-	13,050	
	Fund beneficiary certificate							
	Future Asset Asia Pacific Real Estate Security Fund- Stock A, free of interest allocation	—	Current available-for-sale financial assets	100,000	926	-	926	
	Franklin Templeton Investment Funds-Franklin U.S. Government Fund Class A (Mdis) USD	—	Current available-for-sale financial assets	10,887	3,030	-	3,030	

（To be continued）

(Continued)

Company	Type and Name of Securities	Relationship with the Issuer of Securities	Account	End of period				Remarks
				Shares	Carrying Amount	(%)	Fair Value (Note 1)	
Luckyship Marine Co., Ltd	Non-listed (OTC) Company Common Stock							
	Jonfeng Mining Co., Ltd.	—	Non-current financial assets at cost	35,129	1,239	0.35	469	
	Listed (OTC) Company Common Stock							
	Medigen Biotechnology Corporation	—	Current available-for-sale financial assets	242	13	-	13	
Just Bright Ltd.	Listed Company Common Stock							
	Global Lighting Technologies Inc.	—	Current available-for-sale financial assets	991,908	$ 47,909	-	$ 47,909	
Luckicon Ready-mixed Concrete Factory Co., Ltd.	Fund Beneficiary Certificate							
	Huanan Bank Yungchang Kirin Monetary Market Fund	—	Current available-for-sale financial assets	440,966	5,241	-	5,241	
	UPAMC James Bond Money Market	—	Current available-for-sale financial assets	1,210,311	20,073	-	20,073	
	MEGA BAOJUAN Money Market Fund	—	Current available-for-sale financial assets	4,834,653	60,137	-	60,137	
	Capital Golden Choice Balance Fund	—	Current available-for-sale financial assets	50,000	491	-	491	
	Shin Kong Emerging ASEAN BondFund	—	Current available-for-sale financial assets	500,015	5,001	-	5,001	
	TSG Phnom Penh Real Estate Development Fund	—	Non-current available-for-sale financial assets	500	18,115	-	18,115	
	Marketable Security - Corporate Bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	—	Current available-for-sale financial assets	-	5,825	-	5,825	

Note 1: Reference of fair value: If there is no market price of non-current financial assets at cost for reference then according to the latest net equity; the stock of available-for-sale of financial assets is the closed price at end of June 2017; its fund beneficiary certificate of available-for-sale financial assets is net value at the end of June 2017; the marketable security - corporate bond of available-for-sale financial assets is the market price at the end of June 2017.

Note 2: It has been recognized as loss of impairments.

Note 3: Please refer to Schedule 6 and 7 for info regarding to subsidiary investment.

Lucky Cement Corporation and Subsidiaries

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

For Six months ended June 30, 2017

Schedule 4

Unit: NT$1,000

Company Name	Transaction Counterpart	Relations	Transaction Status				Status and Reasons of Difference between Transaction Condition and General Transaction		Accounts, Notes Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Account for Purchase (Sale) Percentage to Total (%)	Credit Period	Unit Price	Credit Period	Balance	Accounts, Notes Receivable (Payable) Percentage to Total (%)	
Lucky Cement Co.	Fuan Mining Co., Ltd.	Other related parties	Purchase	$ 204,824	14.92	About 90 days	quite	Agreed	Notes payable (47,955) Accounts payable (110,889)	(29.30) (55.55)	

Lucky Cement Corporation and Subsidiaries

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

For Six months ended June 30, 2017

Schedule 5 Unit: NT$1,000

Company of Accounts Receivable	Transaction Counterpart	Relations	Balance of Accounts Receivable due from Related Parties (Note)	Turnover Rate	Accounts Receivable past-due from Related Parties		Balance of Accounts Receivable due from Related Parties, Receive Amount after end of the period	Address Amount of Allowance for Bad Debts
					Amount	Disposal Method		
Lucky Cement Co.	Dasheng Enterprise Co., Ltd	Subsidiary	Financing $ 100,681	—	$ -	—	$ 529	$ -

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

Lucky Cement Corporation and Subsidiaries

Names, Locations, and Related Information of Investees

For Six months ended June 30, 2017

Schedule 6

Unit: NT$1,000

Investment company	Invested company	Address	Main business items	Original investment amount (Note 9)		Holding at the end of the period			Current (loss) profit of invested company	Investment (loss) profit accounted this Period (Note 1)	Remarks
				At the end of the period	End of last year	Number of shares	Rate	Carrying Amount			
Lucky Cement Co.	Dasheng Enterprise Co., Ltd	14F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Real Estate Sales & Lease	$ 1,877,473	$ 1,877,473	158,294,180	99.99	$ 2,292,485	($ 11,980)	($ 11,979)	Note 1 & 5
	Luckicon Ready-mixed Concrete Factory Co., Ltd.	No.191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Ready-mixed Concrete Manufacture & Trades	99,998	99,998	21,999,868	99.99	308,806	(5,948)	(5,948)	Note 1 & 5
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Investment Business	1,566	1,566	50,000	100.00	47,967	-	-	Note 4 & 5
	Luckyship Marine Co., Ltd	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping Agent	8,615	8,615	5,499,929	99.99	16,795	(17,596)	(17,596)	Note 2, 4 & 5
	Lucky Cement Corp., Japan	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement Trading	84,959	84,959	200	100.00	27,451	871	871	Note 4 , 5 & 8
	ELUMINA Technology, Inc	12F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Manufacture and Sale Light-emitting Diode Products	93,384	93,384	9,338,400	70.59	-	(474)	(334)	Note 3, 4& 6
Luckicon Ready-mixed Concrete Factory Co., Ltd.	Fuyu Development Company	13F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Mine Gravel	7,500	7,500	750,000	75.00	24,586	(937)	(702)	Note 4 & 5
ELUMINA Technology, Inc	ELUMINA Holding Limited	Beaufort House, P. O. Box 438, Road Town, Tortola, British Virgin Islands	Holding Company	45,563	45,563	1,282,000	100.00	333	(3)	(3)	Note 4 & 5

Note 1：It has been calucated pursuant to the Accountant’s reviewed financial statement.。

Note 2：Deducted countercurrent unrealized losses NT$1,900,000

Note 3：The book value aggregates to (minus) NT$27,228,000 as of June 30, 2017 accounted as other liability

Note 4：It has been calucated pursuant Without the Accountant’ s reviewed financial statement.

Note 5：The book value of long-term equity investment accounted investment profit/loss and net equity of the invested company have been written off in the prepared financial statement.

Note 6：The aggregated (minus) book value of long-term equity investment, accounted investment profit/loss and net equity of the invested company have been written off in the prepared financial statement

Note 7：Please refer to Shcedule 7 for the information regarding to the invested company in China.

Note 8：Original investment amount that the Company invested in Lucky Cement Corp., Japan and did not finish equity registration is 340,884,000 Japanese Yen in June 30, 2017.

Note 9：Original investment amoun is including capital reduction in order to make up for the loss reduction that happened in previous year

Lucky Cement Corporation and Subsidiaries

Investment Information in Mainland China

For Six months ended June 30, 2017

Schedule 7

Unit：NT$1,000, unless otherwise noted

Invested company in China	Major business	Paid-up capital	Inventory type (Note 1)	The amount of accumulated investment remitted from Taiwan at the beginning of the period (Note 4)	Remittance or recovery of investment amount in this period		The amount of accumulated investment remitted from Taiwan at the end of the period	Current profit and loss of invested company (Note 2 & 5)	The proportion of shares held by the Company directly or indirectly	Investmend (Loss) profit accounted of this period (Note 2 & 5)	Book value of end-of-period investment (Note 2 & 5)	Investment income has been remitted as of this period
					Remittance	Recovered						
Dong Rui (Xiamen) Company	Manufacture and sale light-emitting diode products	$ 80,631	(2)	$ 80,631	$ -	$ -	$ 80,631	($ 3)	70.59%	($ 3)	$ 257	$ -

Cumulative amount of investment from Taiwan investing China at end of this period	Investment Review Committee of the Ministry of Economic Affairs approved amount of investment	Upper limit of investment to China pursuant to regulation of Investment Review Committee of the Ministry of Economic Affairs (Note 3)
USD 2,522,000	USD 1,286,000	$4,537,834x60%=$2,722,700

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

(1) Direct investment in China.

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

(3) Others

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

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

Note 4：The dismissal has passed in the Headquarter's Board of Directors on August 11, 2015 and liquidation & dismissal process was remains pending as of June 30, 2017.

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

Lucky Cement Corporation and Subsidiary

Intercompany Relationships and Significant Intercompany Transactions

For Six months ended June 30, 2017

Schedule 8

Unit: NT$1,000

No.	Name of Trader	Subject in Trade	Relations with trader (Note 1)	State of Trade			
				Account	Amount	Condition of Trade	The ratio of total revenue or total assets (%)
0	Lucky Cement Corporation	Luckicon Ready-mixed Concrete Factory Co., Ltd.	1	Accounts receivable	$ 12,138	About 90 days	0.16
	Lucky Cement Corporation	Luckicon Ready-mixed Concrete Factory Co., Ltd.	1	Other receivables	91	About 90 days	-
	Lucky Cement Corporation	Luckicon Ready-mixed Concrete Factory Co., Ltd.	1	Notes receivable	19,774	About 90 days	0.27
	Lucky Cement Corporation	Luckicon Ready-mixed Concrete Factory Co., Ltd.	1	Cement pending in delivery and advance sales receipts	4,485	About 90 days	0.06
	Lucky Cement Corporation	Luckicon Ready-mixed Concrete Factory Co., Ltd.	1	Sales revenue	96,593	About 90 days	5.47
	Lucky Cement Corporation	Luckicon Ready-mixed Concrete Factory Co., Ltd.	1	Rent income	762	30 days	0.04
	Lucky Cement Corporation	Fuyu Development Company	1	Other payables	440	About 90 days	0.01
	Lucky Cement Corporation	Fuyu Development Company	1	Cost of sales	709	About 90 days	0.04
	Lucky Cement Corporation	Fuyu Development Company	1	Rent income	9,940	About 90 days	0.56
	Lucky Cement Corporation	Fuyu Development Company	1	Other income	600	30 days	0.03
	Lucky Cement Corporation	LUCKYSHIP MARINE CO., Ltd.	1	Other financial assets - Financing Payment	14,000	Financing, did not express the repayment period	0.19
	Lucky Cement Corporation	LUCKYSHIP MARINE CO., Ltd.	1	Other receivables	24	About 90 days	-
	Lucky Cement Corporation	LUCKYSHIP MARINE CO., Ltd.	1	Rent income	128	30 days	0.01
	Lucky Cement Corporation	LUCKYSHIP MARINE CO., Ltd.	1	Interest income	83	30 days 天	-
	Lucky Cement Corporation	DASHENG ENTERPRISE	1	Other financial assets - Financing Payment	100,150	Financing, did not express the repayment period	1.36
	Lucky Cement Corporation	DASHENG ENTERPRISE	1	Notes receivable	1,468	About 90 days	0.02
	Lucky Cement Corporation	DASHENG ENTERPRISE	1	Other receivables	531	About 90 days	0.01
	Lucky Cement Corporation	DASHENG ENTERPRISE	1	Rent income	40	30 days	-
	Lucky Cement Corporation	DASHENG ENTERPRISE	1	Interest income	3,167	30 days	0.18
1	Luckicon Ready-mixed Concrete Factory Co., Ltd.	Fuyu Development Company	1	Other receivables	375	30 days	0.01
	Luckicon Ready-mixed Concrete Factory Co., Ltd.	Fuyu Development Company	1	Rent income	4,500	30 days	0.26
	Luckicon Ready-mixed Concrete Factory Co., Ltd.	DASHENG ENTERPRISE	3	Accounts receivable	1,886	About 90 days	0.03
	Luckicon Ready-mixed Concrete Factory Co., Ltd.	DASHENG ENTERPRISE	3	Other financial assets - Financing Payment	40,000	Financing, did not express the repayment period	0.54
	Luckicon Ready-mixed Concrete Factory Co., Ltd.	DASHENG ENTERPRISE	3	Other receivables	64	About 90 days	-
	Luckicon Ready-mixed Concrete Factory Co., Ltd.	DASHENG ENTERPRISE	3	Sales revenue	3,711	About 90 days	0.21
	Luckicon Ready-mixed Concrete Factory Co., Ltd.	DASHENG ENTERPRISE	3	Interest income	398	30 days	0.02

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

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