Lucky Cement Co. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2021 and 2020 and Independent Auditors' Review Report

Deloitte.

勤業眾信

勤業眾信管理顧問股份有限公司
110016 台北市信義區松仁路 100 號 21 樓

Deloitte & Touche Consulting Co.
21F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Lucky Cement Co.

Introduction

We have reviewed the accompanying consolidated balance sheets of Lucky Cement Co. and its subsidiaries (collectively referred to as the "Group") as of March 31, 2021 and 2020, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2021 and 2020, combined total assets of these non-significant subsidiaries were NT$92,091 thousand and NT$86,283 thousand, respectively, both representing 1%, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$23,291 thousand and NT$11,451 thousand, respectively, representing 1% and 0%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2021 and 2020, the amounts of combined comprehensive loss of these subsidiaries were NT$250 thousand and NT$2,471 thousand, respectively.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 12, 2021

<u>Notice to Readers</u>

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash (Note 6)	$ 267,806	3	$ 320,535	4	$ 262,409	4
Financial assets at fair value through profit or loss - current (Note 7)	11,236	-	11,296	-	10,104	-
Financial assets at fair value through other comprehensive income - current (Note 8)	56,181	1	34,126	1	32,644	-
Financial assets at amortized cost - current(Notes 9 and 32)	93,600	1	75,655	1	80,313	1
Notes receivable (Notes 10 and 24)	481,924	6	573,958	7	603,072	8
Notes receivable from related parties (Notes 10, 24 and 31)	-	-	235	-	51,789	1
Accounts receivable (Notes 10 and 24)	533,622	7	492,996	6	498,673	7
Accounts receivable from related parties (Notes 10, 24 and 31)	7,926	-	5,764	-	6,549	-
Other receivables (Notes 10 and 31)	1,026	-	15,735	-	8,362	-
Current tax assets	-	-	-	-	17,607	-
Inventories (Notes 11 and 32)	3,500,841	44	3,545,586	44	3,505,784	47
Prepayments (Note 13)	171,912	2	160,658	2	173,038	2
Non-current assets held for sale (Note 14)	-	-	-	-	5,017	-
Other current assets (Note 15)	23,306	-	22,734	1	23,579	-
Total current assets	5,149,380	64	5,259,278	66	5,278,940	70
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	8,751	-	8,734	-	9,478	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	10,983	-	14,994	-	12,794	-
Financial assets at amortized cost - non-current (Notes 9 and 32)	209,116	3	189,742	2	132,588	2
Property, plant and equipment (Notes 16 and 32)	2,223,389	28	2,223,887	28	1,672,370	22
Right-of-use assets (Note 17)	124,516	2	79,560	1	116,768	2
Deferred tax assets (Note 4)	121,764	2	120,156	2	120,366	2
Refundable deposits	19,448	-	20,580	-	20,986	-
Other non-current assets (Note 18)	120,694	1	110,376	1	138,916	2
Total non-current assets	2,838,661	36	2,768,029	34	2,224,266	30
TOTAL	$ 7,988,041	100	$ 8,027,307	100	$ 7,503,206	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 32)	$ 442,885	6	$ 320,000	4	$ 206,852	3
Short-term bills payable (Notes 19 and 32)	189,673	2	189,588	2	219,474	3
Contract liabilities (Note 24)	350,156	4	333,095	4	340,402	4
Notes payable (Note 20)	277,831	4	345,327	4	193,244	3
Notes payable to related parties (Notes 20 and 31)	31,247	-	39,596	1	49,147	1
Accounts payable (Note 20)	172,091	2	241,920	3	170,447	2
Accounts payable to related parties (Notes 20 and 31)	30,430	-	20,006	-	38,725	-
Other payables (Note 21)	427,444	5	208,340	3	194,005	3
Other payables to related parties (Note 31)	53,536	1	78,338	1	1,927	-
Current tax liabilities	66,500	1	46,463	1	8,825	-
Lease liabilities - current (Note 17)	45,581	1	37,081	-	48,720	1
Current portion of long-term borrowings (Notes 19 and 32)	460,000	6	290,000	4	390,000	5
Other current liabilities	2,867	-	1,508	-	1,745	-
Total current liabilities	2,550,241	32	2,151,262	27	1,863,513	25
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 32)	790,000	10	1,040,000	13	1,090,000	15
Deferred tax liabilities (Note 4)	18,957	-	20,663	-	20,327	-
Lease liabilities - non-current (Note 17)	79,373	1	43,161	1	69,773	1
Other payables to related parties (Note 31)	45,800	1	45,800	1	45,800	1
Net defined benefit liabilities (Note 4)	36,723	-	36,798	-	39,175	-
Guarantee deposits received	32,873	-	32,704	-	30,738	-
Total non-current liabilities	1,003,726	12	1,219,126	15	1,295,813	17
Total liabilities	3,553,967	44	3,370,388	42	3,159,326	42
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)						
Share capital						
Ordinary shares	4,047,380	51	4,047,380	50	4,047,380	54
Capital surplus	9	-	9	-	8	-
Retained earnings						
Legal reserve	210,524	3	170,899	2	170,899	2
Special reserve	14,135	-	14,135	-	14,135	-
Unappropriated earnings	155,120	2	419,967	6	117,330	2
Total retained earnings	379,779	5	605,001	8	302,364	4
Other equity	6,832	-	4,455	-	(5,949)	-
Total equity attributable to owners of the Company	4,434,000	56	4,656,845	58	4,343,803	58
NON-CONTROLLING INTERESTS (Note 23)	74	-	74	-	77	-
Total equity	4,434,074	56	4,656,919	58	4,343,880	58
TOTAL	$ 7,988,041	100	$ 8,027,307	100	$ 7,503,206	100

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)				
Sales	$ 1,047,110	100	$ 1,105,249	100
Less: Discounts and allowances	1,157	-	529	-
Total operating revenue	1,045,953	100	1,104,720	100
OPERATING COSTS (Notes 11, 25 and 31)	906,447	87	921,863	83
GROSS PROFIT	139,506	13	182,857	17
OPERATING EXPENSES (Notes 25 and 31)				
Selling and marketing expenses	29,001	3	29,729	3
General and administrative expenses	29,014	3	35,344	3
Expected credit loss (Note 10)	4,608	-	7,732	1
Total operating expenses	62,623	6	72,805	7
OTHER OPERATING INCOME AND EXPENSES (Note 25)	132	-	80	-
PROFIT FROM OPERATIONS	77,015	7	110,132	10
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 31)				
Interest income	397	-	433	-
Rental income	2,272	-	2,323	-
Other income	594	-	3,701	1
Foreign exchange gain (loss)	571	-	(416)	-
Fair value changes of financial assets	(43)	-	(435)	-
Other losses	(1,753)	-	(2,390)	-
Interest expense	(7,843)	-	(9,052)	(1)
Total non-operating income and expenses	(5,805)	-	(5,836)	-
PROFIT BEFORE INCOME TAX	71,210	7	104,296	10
INCOME TAX BENEFIT (Notes 4 and 26)	(16,784)	(2)	(10,687)	(1)
NET PROFIT FOR THE PERIOD	54,426	5	93,609	9

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	$ 7,735	1	$ (9,863)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(1,669)	-	253	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(20)	-	(345)	-
Other comprehensive income (loss), net of income tax	6,046	1	(9,955)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 60,472	6	$ 83,654	8
NET PROFIT ATTRIBUTABLE TO:				
Shareholders of the Company	$ 54,426	5	$ 93,609	8
Non-controlling interests	-	-	-	-
	$ 54,426	5	$ 93,609	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the Company	$ 60,472	6	$ 83,654	8
Non-controlling interests	-	-	-	-
	$ 60,472	6	$ 83,654	8
EARNINGS PER SHARE (Note 27)				
Basic	$ 0.13		$ 0.23	
Diluted	$ 0.13		$ 0.23	

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	$ 4,047,380	$ 8	$ 166,309	$ 17,256	$ 85,901	$ 7,450	$ (3,444)	$ 4,320,860	$ 77	$ 4,320,937
Appropriation of 2019 earnings										
Legal reserve	-	-	4,590	-	(4,590)	-	-	-	-	-
Cash dividend to shareholders - NT$0.15 per share	-	-	-	-	(60,711)	-	-	(60,711)	-	(60,711)
Special reserve	-	-	-	(3,121)	3,121	-	-	-	-	-
Net profit for the three months ended March 31, 2020	-	-	-	-	93,609	-	-	93,609	-	93,609
Other comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	253	(10,208)	(9,955)	-	(9,955)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	93,609	253	(10,208)	83,654	-	83,654
BALANCE AT MARCH 31, 2020	$ 4,047,380	$ 8	$ 170,899	$ 14,135	$ 117,330	$ 7,703	$ (13,652)	$ 4,343,803	$ 77	$ 4,343,880
BALANCE AT JANUARY 1, 2021	$ 4,047,380	$ 9	$ 170,899	$ 14,135	$ 419,967	$ 7,475	$ (3,020)	$ 4,656,845	$ 74	$ 4,656,919
Legal reserve	-	-	39,625	-	(39,625)	-	-	-	-	-
Cash dividend to shareholders - NT$0.70 per share	-	-	-	-	(283,317)	-	-	(283,317)	-	(283,317)
Net profit for the three months ended March 31, 2021	-	-	-	-	54,426	-	-	54,426	-	54,426
Other comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	(1,669)	7,715	6,046	-	6,046
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	54,426	(1,669)	7,715	60,472	-	60,472
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	3,669	-	(3,669)	-	-	-
BALANCE AT MARCH 31, 2021	$ 4,047,380	$ 9	$ 210,524	$ 14,135	$ 155,120	$ 5,806	$ 1,026	$ 4,434,000	$ 74	$ 4,434,074

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2021	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 71,210	$ 104,296
Adjustments for:		
Depreciation expense	40,116	52,735
Amortization and depletion expense	3,616	3,042
Expected credit loss recognized on trade receivables	4,608	7,732
Net loss on fair value changes of financial assets at fair value through profit or loss	43	435
Interest expense	7,843	9,052
Interest income	(397)	(433)
Dividend income	-	(1,557)
Gain on disposal of property, plant and equipment	(132)	(80)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	5,143
Notes receivable	92,034	(114,311)
Notes receivable from related parties	235	(1,817)
Accounts receivable	(45,234)	(94,285)
Accounts receivable from related parties	(2,162)	901
Other receivables	171	(471)
Inventories	44,745	10,288
Prepayments	(11,254)	(8,232)
Other current assets	(572)	(511)
Other non-current assets	(3)	(4)
Contract liabilities	17,061	80,971
Notes payable	(67,496)	(8,818)
Notes payable to related parties	(349)	14,491
Accounts payable	(69,829)	46,316
Accounts payable to related parties	10,424	3,193
Other payables	(51,735)	(9,285)
Other payables to related parties	(4,787)	646
Other current liabilities	1,359	(771)
Net defined benefit liabilities	(75)	(953)
Cash generated from operations	39,440	97,713
Interest received	320	859
Interest paid	(7,900)	(9,178)
Income tax paid	(61)	(197)
Net cash generated from operating activities	31,799	89,197

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LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2021	**2020**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (64,257)	$ (18,927)
Proceeds from sale of financial assets at fair value through other comprehensive income (Note 28)	61,550	21,393
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	5,202	-
Purchase of financial assets at amortized cost	(37,319)	-
Proceeds from sale of financial assets at amortized cost	-	12,852
Payments for property, plant and equipment	(37,496)	(56,427)
Proceeds from disposal of property, plant and equipment	1,302	80
Increase in refundable deposits	-	(78)
Decrease in refundable deposits	1,132	-
Decrease in other receivables	-	20,000
Increase in other non-current assets	(14,849)	(1,094)
Other dividends received	621	-
Net cash used in investing activities	(84,114)	(22,201)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	122,885	-
Decrease in short-term borrowings	-	(25,848)
Repayments of long-term borrowings	(80,000)	-
Increase in guarantee deposits received	169	-
Decrease in guarantee deposits received	-	(62)
Decrease in notes payable to related parties	(8,000)	-
Decrease in other payables to related parties	(20,000)	-
Repayment of the principal portion of lease liabilities	(14,198)	(12,290)
Net cash generated from (used in) financing activities	856	(38,200)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(1,270)	187
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(52,729)	28,983
CASH AT THE BEGINNING OF THE PERIOD	320,535	233,426
CASH AT THE END OF THE PERIOD	$ 267,806	$ 262,409

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 8)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

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

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

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

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 8: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

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

d. Basis of consolidation

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

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

Refer Note 12 and Note 36(6) for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Other significant accounting policies

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

1) Retirement benefits

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

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

6. CASH

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand and revolving funds	$ 1,483	$ 1,432	$ 2,132
Checking accounts and demand deposits	265,357	309,601	259,322
Foreign currency demand deposits	966	9,502	955
	$ 267,806	$ 320,535	$ 262,409

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

	March 31, 2021	December 31, 2020	March 31, 2020
Bank deposits	0.001%-0.08%	0.001%-0.08%	0.001%-0.08%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2021	December 31, 2020	March 31, 2020
Current			
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 11,236	$ 11,296	$ 10,104
Non-current			
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 8,751	$ 8,734	$ 9,478

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2021	December 31, 2020	March 31, 2020
Current			
Investments in equity instruments	$ 50,280	$ 28,213	$ 26,854
Investments in debt instruments	5,901	5,913	5,790
	$ 56,181	$ 34,126	$ 32,644
Non-current			
Investments in equity instruments	$ 10,983	$ 14,994	$ 12,794

a. Investments in equity instruments at FVTOCI

	March 31, 2021	December 31, 2020	March 31, 2020
Current			
Domestic investments - ordinary shares	$ 50,280	$ 28,213	$ 26,854
Non-current			
Domestic investments - ordinary shares	$ 10,983	$ 14,994	$ 12,794

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

For the three months ended March 31, 2021, the Group sold its shares in order to manage credit concentration risk. The shares sold had a fair value of $48,734 thousand and its related unrealized valuation gain of $3,669 thousand was transferred from other equity to retained earnings.

The Group received a return of capital of $5,202 thousand when the invested company reduced capital for the three months ended March 31, 2021.

The Group received a return of capital of $5,125 thousand when the invested company reduced capital to pay dividends of $1,557 thousand for the three months ended March 31, 2020.

b. Investments in debt instruments at FVTOCI

	March 31, 2021	**December 31, 2020**	**March 31, 2020**
Current			
Bond investments	$ 5,901	$ 5,913	$ 5,790

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

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

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

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2021	December 31, 2020	March 31, 2020
Current			
Time deposits with original maturities of more than 3 months	$ 7,100	$ 7,155	$ 6,823
Restricted assets	86,500	68,500	73,490
	$ 93,600	$ 75,655	$ 80,313
Non-current			
Restricted assets	$ 209,116	$ 189,742	$ 132,588

a. The interest rates of time deposits with original maturities of more than 3 months were approximately 2.35%, 2.35% and 2.65% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

b. The restricted assets - current are savings deposits and certificate of deposit that are provided as guarantees for bank loan; market interest rate ranges were approximately 0.02%-0.56%, 0.02%-0.56% and 0.04%-0.81% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

c. The restricted assets - non-current are certificate of deposit in the bank that is pledged as the security of mining right, which has market interest rate range of approximately 0.07%-0.94%, 0.07%-0.82% and 0.13%-1.07% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

d. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

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

	March 31, 2021	December 31, 2020	March 31, 2020
Notes receivable			
At amortized cost			
Gross carrying amount	$ 481,924	$ 573,958	$ 603,072
Notes receivable from related parties			
At amortized cost			
Gross carrying amount	$ -	$ 235	$ 51,789
Notes receivable - operating	$ 481,924	$ 574,193	$ 609,861
Notes receivable - non-operating	-	-	45,000
	$ 481,924	$ 574,193	$ 654,861

(Continued)

	March 31, 2021	December 31, 2020	March 31, 2020
Trade receivables			
At amortized cost			
Gross carrying amount	$ 553,433	$ 508,199	$ 519,293
Less: Allowance for impairment loss	(19,811)	(15,203)	(20,620)
	$ 533,622	$ 492,996	$ 498,673
Trade receivables from related parties			
At amortized cost			
Gross carrying amount	$ 7,926	$ 5,764	$ 6,549
Other receivables			
Capital reduction receivables at FVTOCI	$ -	$ -	$ 5,125
Dividends receivable (Note 28)	-	621	1,557
Sale of securities (Note 28)	-	12,816	-
Others	1,026	2,298	1,680
	$ 1,026	$ 15,735	$ 8,362
Overdue receivables			
Overdue	$ 28,743	$ 28,743	$ 31,816
Less: Allowance for impairment loss	(28,743)	(28,743)	(31,816)
	$ -	$ -	$ -

(Concluded)

a. Notes receivable

The average credit period of sales of goods is 90-150 days. No interest is charged on notes receivable. In order to minimize credit risk, the management of the Group has delegated a team for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group recognizes 100% allowance for impairment loss if notes receivable become overdue.

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

b. Trade receivables

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

The Group applies the simplified approach under IFRS 9 to measure the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as the GDP forecasts and industry outlook. The Group's provision matrixes are prepared by reference to if the customer were in severe financial difficulty. The Group recorded a 100% of loss allowance when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; If the customer were not in severe financial difficulty, as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

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

March 31, 2021

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.19%	4.90%	7.85%	14.32%-58.86%	100%	100%	
Gross carrying amount	$ 505,556	$ 8,369	$ 2,128	$ 24,828	$ 5,598	$ 6,954	$ 553,433
Loss allowance (Lifetime ECLs)	(810)	(411)	(167)	(5,871)	(5,598)	(6,954)	(19,811)
Amortized cost	$ 504,746	$ 7,958	$ 1,961	$ 18,957	$ -	$ -	$ 533,622

December 31, 2020

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

March 31, 2020

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.95%	2.77%	7.85%	9.95%-68.60%	100%	100%	
Gross carrying amount	$ 477,003	$ 8,409	$ 5,316	$ 16,789	$ 4,822	$ 6,954	$ 519,293
Loss allowance (Lifetime ECLs)	(3,302)	(233)	(247)	(5,062)	(4,822)	(6,954)	(20,620)
Amortized cost	$ 473,701	$ 8,176	$ 5,069	$ 11,727	$ -	$ -	$ 498,673

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

	For the Three Months Ended March 31	
	2021	**2020**
Balance at January 1	$ 43,946	$ 44,704
Add: Net remeasurement of loss allowance	4,608	7,732
Balance at March 31	$ 48,554	$ 52,436

c. Other receivables

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

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

11. INVENTORIES

	March 31, 2021	**December 31, 2020**	**March 31, 2020**
Real estate under development and real estate to be developed	$ 3,155,262	$ 3,153,571	$ 3,135,094
Raw materials	182,115	234,118	163,601
Finished goods	91,294	87,339	105,638
Work in progress	21,166	29,975	60,960
Supplies and spare parts	42,277	32,633	28,851
Merchandise	8,727	7,950	11,640
	$ 3,500,841	$ 3,545,586	$ 3,505,784

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2021 and 2020 was $906,447 thousand and $921,863 thousand, respectively.

As of March 31, 2021, December 31, 2020 and March 31, 2020, the inventories expected to be recovered after more than 12 months were $3,155,262 thousand, $3,153,571 thousand and $3,135,094 thousand, respectively, which were mainly real estate under development and real estate to be developed.

The inventories pledged as collateral for bank borrowings are set out in Note 32.

12. SUBSIDIARIES

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

Investor Company Name	Subsidiary Name	Nature of Business	Percentage of Equity Held (%) March 31, 2021	December 31, 2020	March 31, 2020	Explanation
Lucky Cement Co.	Dasheng Enterprise Co., Ltd. ("Dasheng Enterprise")	Sale and lease of national residences, commercial buildings, parking lots and industrial areas.	99.99	99.99	99.99	
	Luckicon Ready-mixed Concrete Factory Co., Ltd. ("Luckicon Ready-mixed Co.")	Production and sales of concrete.	100.00	100.00	99.99	a.
	Lucky Cement Corp., Japan ("Lucky Cement Japan")	Buy and sell of cement.	100.00	100.00	100.00	
	Luckyship Marine Co., Ltd ("Luckyship Co.")	Shipping agent.	99.99	99.99	99.99	
	Just Bright Ltd.	Investment business.	100.00	100.00	100.00	b.
Luckicon Ready-mixed Co.	Fuyu Development Co., Ltd.	Earth and stone.	100.00	100.00	100.00	

Notes:

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

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

For the three months ended March 31, 2021 and 2020, except for Luckicon Ready-mixed Co. and Dasheng Enterprise, the financial statements of the rest of the non-significant subsidiaries which had been included in the consolidated financial statements were not reviewed. As of March 31, 2021 and 2020, the combined total assets of these non-significant subsidiaries were $92,091 thousand and $86,283 thousand, respectively, both representing 1% of the consolidated total assets; and combined total liabilities of these subsidiaries were $23,291 thousand and $11,451 thousand, respectively, representing 1% and 0%, respectively, of the consolidated total liabilities. For the three months ended March 31, 2021 and 2020, the amounts of combined comprehensive loss of these subsidiaries were $250 thousand and $2,471 thousand, respectively.

13. PREPAYMENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Office supplies	$ 106,910	$ 106,920	$ 109,083
Prepaid expenses	62,217	44,745	59,694
Prepaid purchase materials	2,062	8,918	3,567
Others	723	75	694
	$ 171,912	$ 160,658	$ 173,038

14. NON-CURRENT ASSETS HELD FOR SALE

	March 31, 2021	December 31, 2020	March 31, 2020
Freehold land held for sale	$ -	$ -	$ 5,017

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

15. OTHER CURRENT ASSETS

	March 31, 2021	December 31, 2020	March 31, 2020
Offset against business tax payable	$ 23,306	$ 22,733	$ 23,579
Others	-	1	-
	$ 23,306	$ 22,734	$ 23,579

16. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2021	$ 1,650,349	$ 2,290,846	$ 6,097,312	$ 1,196,322	$ 877,182	$ 517,173	$ 12,629,184
Additions	1,076	-	2,931	-	22,056	-	26,063
Disposals	-	-	-	-	(17,930)	-	(17,930)
Net exchange difference	-	(5,861)	(757)	-	(20)	(30)	(6,668)
Balance at March 31, 2021	1,651,425	2,284,985	6,099,486	1,196,322	881,288	517,143	12,630,649
Accumulated depreciation and impairment							
Balance at January 1, 2021	-	1,965,873	6,004,617	1,183,518	756,261	495,028	10,405,297
Depreciation expenses	-	10,799	3,826	1,021	8,338	2,178	26,162
Disposals	-	-	-	-	(17,930)	-	(17,930)
Net exchange difference	-	(5,585)	(635)	-	(20)	(29)	(6,269)
Balance at March 31, 2021	-	1,971,087	6,007,808	1,184,539	746,649	497,177	10,407,260
Carrying amount at March 31, 2021	$ 1,651,425	$ 313,898	$ 91,678	$ 11,783	$ 134,639	$ 19,966	$ 2,223,389
Carrying amount at December 31, 2020 and January 1, 2021	$ 1,650,349	$ 324,973	$ 92,695	$ 12,804	$ 120,921	$ 22,145	$ 2,223,887
Cost							
Balance at January 1, 2020	$ 1,084,102	$ 2,294,349	$ 6,107,551	$ 1,196,322	$ 858,385	$ 499,954	$ 12,040,663
Additions	-	-	4,104	-	761	562	5,427
Disposals	-	-	(76)	-	(1,317)	(170)	(1,563)
Reclassification	(5,017)	-	-	-	-	-	(5,017)
Net exchange difference	-	882	114	-	3	4	1,003
Balance at March 31, 2020	1,079,085	2,295,231	6,111,693	1,196,322	857,832	500,350	12,040,513

(Continued)

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Accumulated depreciation and impairment							
Balance at January 1, 2020	$ -	$ 1,913,451	$ 5,971,633	$ 1,178,305	$ 772,430	$ 493,038	$ 10,328,857
Depreciation expenses	-	15,019	14,090	1,826	8,175	802	39,912
Disposals	-	-	(76)	-	(1,317)	(170)	(1,563)
Net exchange difference	-	835	95	-	3	4	937
Balance at March 31, 2020	-	1,929,305	5,985,742	1,180,131	779,291	493,674	10,368,143
Carrying amount at March 31, 2020	$ 1,079,085	$ 365,926	$ 125,951	$ 16,191	$ 78,541	$ 6,676	$ 1,672,370

(Concluded)

a. The above-mentioned property, plant and equipment were reclassified as non-current assets held for sale, please refer to Note 14 for the details.

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

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

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

d. For the three months ended March 31, 2021 and 2020, the Group evaluated impairment and concluded that the assets had no impairment loss.

e. Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 32.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
Carrying amount			
Land	$ 18,295	$ 21,060	$ 31,845
Buildings	105,178	58,341	83,338
Transportation equipment	1,043	159	1,585
	$ 124,516	$ 79,560	$ 116,768

	For the Three Months Ended March 31	
	2021	2020
Additions to right-of-use assets	$ 58,910	$ -
Depreciation charge for right-of-use assets		
Land	$ 2,765	$ 4,002
Buildings	10,936	8,346
Transportation equipment	253	475
	$ 13,954	$ 12,823

Except for the aforementioned recognized addition and depreciation, the Group did not have any significant subleases or impairment of right-of-use assets during the three months ended March 31, 2021 and 2020.

b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
Carrying amount			
Current	$ 45,581	$ 37,081	$ 48,720
Non-current	$ 79,373	$ 43,161	$ 69,773

Range of discount rate for lease liabilities was as follows:

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

c. Other lease information

	For the Three Months Ended March 31	
	2021	2020
Expenses relating to short-term leases	$ 613	$ 405
Expenses relating to low-value asset leases	170	77
Interest on lease liabilities	488	448
Principal portion of lease liabilities	14,198	12,290
Total cash outflow for leases	$ 15,469	$ 13,220

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

18. OTHER NON-CURRENT ASSETS

	March 31, 2021	December 31, 2020	March 31, 2020
Long-term prepaid expenses	$ 67,958	$ 56,723	$ 68,822
Prepayments for the equipment	33,548	34,466	51,000
Net limestone mining rights	18,772	18,774	18,779
Net defined benefit assets (Note 4)	416	413	315
	$ 120,694	$ 110,376	$ 138,916

19. BORROWINGS

a. Short-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
Secured borrowings (Note 32)			
Bank loans	$ 280,000	$ 105,000	$ 206,852
Unsecured borrowings			
Line of credit borrowings	162,885	215,000	-
	$ 442,885	$ 320,000	$ 206,852

The interest rates of the bank loans were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Secured borrowings	1.22%-1.69%	1.39%-1.59%	1.60%-1.64%
Unsecured borrowings	1.25%-1.60%	1.25%-1.70%	-

b. Short-term bills payable

	March 31, 2021	December 31, 2020	March 31, 2020
Commercial paper	$ 190,000	$ 190,000	$ 220,000
Less: Unamortized discounts on bills payable	(327)	(412)	(526)
	$ 189,673	$ 189,588	$ 219,474

March 31, 2021

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 110,000	$ 167	$ 109,833	1.10%-1.65%
Grand Bills Finance Corporation	80,000	160	79,840	1.21%-1.65%
	$ 190,000	$ 327	$ 189,673	

December 31, 2020

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

March 31, 2020

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 110,000	$ 297	$ 109,703	1.46%-1.70%
Grand Bills Finance Corporation	110,000	229	109,771	1.46%-1.73%
	$ 220,000	$ 526	$ 219,474	

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

For information on assets pledged as collateral of the short-term bills payable, refer to Note 32.

c. Long-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
Secured borrowings (Note 32)			
Bank loans	$ 970,000	$ 1,050,000	$ 1,250,000
Unsecured borrowings			
Loans from bank	280,000	280,000	230,000
Less: Current portions	(460,000)	(290,000)	(390,000)
Long-term borrowings	$ 790,000	$ 1,040,000	$ 1,090,000

	Method of Repayment	March 31, 2021	December 31, 2020	March 31, 2020
Secured borrowings				
Taiwan Cooperative Bank	The loan period is from April 12, 2018 to April 12, 2023, with grace period of 2 years. The loan principal is payable over 11 quarters (ending January, April, July, October) with $40 million each quarter and the remaining $60 million payable on maturity date. The repayment started in July 2020.	$ 260,000	$ 300,000	$ 500,000
Bank of Taiwan	The loan period is from November 12, 2019 to November 12, 2022. Repayment schedule for the principal is $40 million in February 2020 and the balance payable in 7 quarters (ending February, May, August, November) with $30 million each quarter.	210,000	250,000	250,000
O-Bank	The loan period is from November 21, 2017 to November 21, 2022; the principal will be repaid one time on maturity date.	250,000	250,000	250,000
O-Bank	The loan period is from December 28, 2017 to December 28, 2022; the principal will be repaid one time on maturity date.	250,000	250,000	250,000
Unsecured borrowings				
The Export-Import Bank of the Republic of China	The loan period is from December 7, 2020 to January 7, 2022; the principal will be repaid one time on maturity date.	50,000	50,000	-
The Export-Import Bank of the Republic of China	The loan period is from December 14, 2020 to January 14, 2022; the principal will be repaid one time on maturity date.	50,000	50,000	-
The Export-Import Bank of the Republic of China	The loan period is from June 14, 2019 to July 14, 2020; the principal was paid one time on maturity date.	-	-	70,000

(Continued)

	Method of Repayment	March 31, 2021	December 31, 2020	March 31, 2020
O-Bank	The original loan period was from April 23, 2018 to April 23, 2020; the principal was due on the maturity date. New borrowing contract with loan period from March 23, 2020 to March 23, 2022 was signed for repayment of previous debt.	$ 80,000	$ 80,000	$ 80,000
KGI Bank	Revolving loan; credit period is from September 7, 2020 to September 7, 2022.	50,000	50,000	-
KGI Bank	Revolving loan; credit period is from September 7, 2020 to September 7, 2022.	50,000	50,000	-
KGI Bank	The loan period is from March 9, 2018 to March 9, 2020; the principal was repaid one time on maturity date.	-	-	80,000
		1,250,000	1,330,000	1,480,000
Less: Current portions		(460,000)	(290,000)	(390,000)
Long-term borrowings		$ 790,000	$ 1,040,000	$ 1,090,000

(Concluded)

The annual interest rate ranges of long-term borrowings were 1.24%-1.72%, 1.24%-1.72% and 1.23%-1.92% as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

20. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2021	December 31, 2020	March 31, 2020
Notes payable			
From operating activities			
Non-related parties	$ 277,831	$ 345,327	$ 193,244
Related parties	$ 31,247	$ 39,596	$ 49,147
Trade payables			
From operating activities			
Non-related parties	$ 172,091	$ 241,920	$ 170,447
Related parties	$ 30,430	$ 20,006	$ 38,725

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

21. OTHER PAYABLES

	March 31, 2021	December 31, 2020	March 31, 2020
Payables for dividends (Note 23)	$ 283,317	$ -	$ 60,711
Payables for salaries and bonuses	58,833	87,318	46,782
Payables for taxes	20,161	34,498	32,785
Payables for purchases of equipment	18,527	30,878	-
Payables for utilities expense	11,501	18,285	17,743
Others	35,105	37,361	35,984
	$ 427,444	$ 208,340	$ 194,005

22. RETIREMENT BENEFIT PLANS

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

	For the Three Months Ended March 31	
	2021	2020
Operating costs	$ 247	$ 413
Selling and marketing expenses	38	66
General and administrative expenses	50	99
	$ 335	$ 578

23. EQUITY

a. Share capital

<u>Ordinary shares</u>

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

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

b. Capital surplus

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

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

c. Retained earnings and dividends policy

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

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

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

The Company's Articles stipulate that in the allocation of annual earnings, the Group shall first appropriate 10% of earnings to legal reserve and then appropriate to special reserve amount to cover deduction items in the equity, payment of business tax and to make up for past annual loss. From the remaining amount after the above allocation plus 40%-80% of unappropriated earnings in the previous year, no distribution will be made if the amount is less than NT$0.1 per share but will be retained in the unappropriated earnings. The board of directors shall propose distribution of dividends and the shareholders in their meeting shall approve the proposal. Refer to Note 25 (8), employee benefits, for the revised policy on the remuneration of employees and directors.

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

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

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

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

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

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

The above appropriations of cash dividends had been resolved by the Company's board of directors on March 26, 2021 and March 24, 2020, respectively. The appropriations of earnings for 2020 had been resolved by the shareholders in their meeting on June 18, 2020 and the appropriations of earnings for 2021 will be resolved by the shareholders in their meeting to be held on June 16, 2021.

d. Special reserve

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	$ 14,135	$ 17,256
Reversals:		
Reversal of the debits to other equity items	-	(3,121)
Balance at March 31	$ 14,135	$ 14,135

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

e. Other equity items

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

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	$ 7,475	$ 7,450
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(1,669)	253
Balance at March 31	$ 5,806	$ 7,703

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

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	$ (3,020)	$ (3,444)
Recognized for the year		
Unrealized gain (loss) - debt instruments	(20)	(345)
Unrealized gain (loss) - equity instruments	7,735	(9,863)
Other comprehensive income (loss) recognized for the year	7,715	(10,208)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(3,669)	-
Balance at March 31	$ 1,026	$ (13,652)

24. REVENUE

a. Segmentation of customer's contract revenue

	For the Three Months Ended March 31	
	2021	2020
Cement	$ 489,115	$ 506,366
Cement products	397,916	404,188
Stone materials	66,205	70,531
Others	92,717	123,635
	$ 1,045,953	$ 1,104,720

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

	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Notes receivable (Note 10)	$ 481,924	$ 573,958	$ 603,072	$ 488,761
Notes receivable from related parties (Note 10)	$ -	$ 235	$ 6,789	$ 4,972
Trade receivables (Note 10)	$ 533,622	$ 493,996	$ 498,673	$ 412,120
Trade receivables from related parties (Note 10)	$ 7,926	$ 5,764	$ 6,549	$ 7,450
Contract liabilities				
Cement sales	$ 350,156	$ 333,095	$ 340,402	$ 259,431

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

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

	For the Three Months Ended March 31	
	2021	2020
Contract liability at the beginning of the year		
Cement sales	$ 333,095	$ 259,431

25. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended March 31	
	2021	2020
Gain on disposal of property, plant and equipment	$ 132	$ 80

b. Interest income

	For the Three Months Ended March 31	
	2021	2020
Bank deposits	$ 322	$ 354
Investments in debt instruments at FVTOCI	75	79
	$ 397	$ 433

c. Other income

	For the Three Months Ended March 31	
	2021	2020
Dividends income	$ -	$ 1,557
Others	594	2,144
	$ 594	$ 3,701

d. Other expenses

	For the Three Months Ended March 31	
	2021	2020
Depreciation of leased assets	$ 976	$ 1,492
Others	777	898
	$ 1,753	$ 2,390

e. Interest expense

	For the Three Months Ended March 31	
	2021	2020
Bank loan/related party loans	$ 7,355	$ 8,604
Interest on lease liabilities	488	448
	$ 7,843	$ 9,052

f. Depreciation, amortization and depletion

	For the Three Months Ended March 31	
	2021	2020
Property, plant and equipment	$ 26,162	$ 39,912
Right-of-use assets	13,954	12,823
Long-term prepaid expenses	3,614	3,042
Limestone mining rights	2	-
	$ 43,732	$ 55,777
An analysis of depreciation by function		
Operating costs	$ 28,076	$ 39,899
Operating expenses	11,064	11,344
Non-operating expenses	976	1,492
	$ 40,116	$ 52,735
An analysis of amortization by function		
Operating costs	$ 2,295	$ 1,103
Operating expenses	1,319	1,939
	$ 3,614	$ 3,042
An analysis of depletion by function		
Operating costs	$ 2	$ -

g. Employee benefits expense

	For the Three Months Ended March 31	
	2021	2020
Post-employment benefits		
Defined contribution plan	$ 3,302	$ 3,219
Defined benefit plans (Note 22)	335	578
	3,637	3,797
Other employee benefits	94,521	101,916
Total employee benefits expense	$ 98,158	$ 105,713
An analysis of employee benefits expense by function		
Operating costs	$ 67,071	$ 69,131
Operating expenses	31,087	36,582
	$ 98,158	$ 105,713

h. Compensation of employees and remuneration of directors

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

Accrual rate

	For the Three Months Ended March 31	
	2021	**2020**
Compensation of employees	3%	3%
Remuneration of directors	5%	5%

Amount

	For the Three Months Ended March 31	
	2021	**2020**
Compensation of employees	$ 2,127	$ 3,252
Remuneration of directors	3,544	5,420

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

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

Amount

	For the Year Ended December 31	
	2021	**2020**
	Cash	**Cash**
Compensation of employees	$ 13,583	$ 1,542
Remuneration of directors	22,638	2,570

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

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors for 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2021	2020
Foreign exchange gains	$ 747	$ 71
Foreign exchange losses	(176)	(487)
	$ 571	$ (416)

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2021	2020
Current tax		
In respect of the current year	$ 17,640	$ 5,641
Income tax on unappropriated earnings	2,458	1,232
	20,098	6,873
Deferred tax		
In respect of the current year	(3,314)	3,814
Income tax expense recognized in profit or loss	$ 16,784	$ 10,687

b. Income tax assessments

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

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

27. EARNINGS PER SHARE

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

Net Profit

	For the Three Months Ended March 31	
	2021	2020
Profit for the year attributable to owners of the Company	$ 54,426	$ 93,609
Earnings used in the computation of earnings per share	$ 54,426	$ 93,609

Earnings Per Share

(In Thousands of Shares)

	For the Three Months Ended March 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	404,738	404,738
Effect of potentially dilutive ordinary shares		
Compensation of employees	1,161	589
Weighted average number of ordinary shares used in the computation of diluted earnings per share	405,899	405,327

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

28. CASH FLOW INFORMATION

Partial Cash Transactions

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

	For the Three Months Ended March 31	
	2021	**2020**
Partial cash generated from disposal of financial assets at FVTOCI		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 48,734	$ -
Changes in receivable from sale of securities (reported as other receivables)	12,816	21,393
Cash received	$ 61,550	$ 21,393
Partial cash payments for purchase of PP&E		
Acquisition of property, plant and equipment	$ 26,063	$ 5,427
Net changes in prepayments for business facilities	(918)	51,000
Net changes in payable for purchase of equipment	12,351	-
Cash paid	$ 37,496	$ 56,427

(Continued)

	For the Three Months Ended March 31	
	2021	2020
Partial cash generated from disposal of PP&E		
Proceeds from disposal of property, plant and equipment	$ 132	$ 80
Net changes in receivable from sale of property, plant and equipment (reported as other receivables)	1,170	-
Cash received	$ 1,302	$ 80
Partial cash generated from dividends income		
Dividend income	$ -	$ 1,557
Net changes in dividends receivable (reported as other receivables)	621	(1,557)
Cash received	$ 621	$ -
Partial cash generated from capital reduction of financial assets at FVTOCI		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	$ 5,202	$ 5,125
Net changes in receivable from capital reduction of financial assets at fair value through other comprehensive income (reported as other receivables)	-	(5,125)
Cash received	$ 5,202	$ -

(Concluded)

Changes in Liabilities Arising from Financing Activities

For the three months ended March 31, 2021

	Balance at January 1, 2021	Cash Flows	Non-cash Changes: New Lease	Non-cash Changes: Discount Amortization	Others	Balance at March 31, 2021
Short-term borrowings	$ 320,000	$ 122,885	$ -	$ -	$ -	$ 442,885
Short-term bills payable	189,588	-	-	85	-	189,673
Long-term borrowings	1,330,000	(80,000)	-	-	-	1,250,000
Notes payables to related parties	39,596	(8,000)	-	-	(349)	31,247
Other payables to related parties	124,138	(20,000)	-	-	(4,802)	99,336
Guarantee deposits received	32,704	169	-	-	-	32,873
Lease liabilities	80,242	(14,198)	58,910	-	-	124,954
	$ 2,116,268	$ 856	$ 58,910	$ 85	$ (5,151)	$ 2,170,968

For the three months ended March 31, 2020

	Balance at January 1, 2020	Cash Flows	Non-cash Changes: Discount Amortization	Others	Balance at March 31, 2020
Short-term borrowings	$ 232,700	$ (25,848)	$ -	$ -	$ 206,852
Short-term bills payable	219,465	-	9	-	219,474
Other payables to related parties	47,081	-	-	646	47,727
Guarantee deposits received	30,800	(62)			30,738
Lease liabilities	130,783	(12,290)	-	-	118,493
	$ 660,829	$ (38,200)	$ 9	$ 646	$ 623,284

29. CAPITAL MANAGEMENT

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

30. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 11,236	$ -	$ 8,751	$ 19,987
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 50,280	$ -	$ -	$ 50,280
Unlisted shares	-	-	10,983	10,983
Investments in debt instruments				
Corporate bonds	5,901	-	-	5,901
	$ 56,181	$ -	$ 10,983	$ 67,164

December 31, 2020

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

March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 10,104	$ -	$ 9,478	$ 19,582
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 26,854	$ -	$ -	$ 26,854
Unlisted shares	-	-	12,794	12,794
Investments in debt instruments				
Corporate bonds	5,790	-	-	5,790
	$ 32,644	$ -	$ 12,794	$ 45,438

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

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

For the three months ended March 31, 2021

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Mutual Funds	Equity Instruments	
Balance at January 1, 2021	$ 8,734	$ 14,994	$ 23,728
Return of shares after capital reduction	-	(5,202)	(5,202)
Recognized in profit or loss (included in gain on financial assets at FVTPL)	17	-	17
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	1,191	1,191
Balance at March 31, 2021	$ 8,751	$ 10,983	$ 19,734

For the three months ended March 31, 2020

	Financial Assets at FVTPL	Financial Assets at FVTOCI	
	Mutual Funds	Equity Instruments	
Balance at January 1, 2020	$ 9,598	$ 19,733	$ 29,331
Return of shares after capital reduction	-	(5,125)	(5,125)
Recognized in profit or loss (included in loss on financial assets at FVTPL)	(120)	-	(120)
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	-	(1,814)	(1,814)
Balance at March 31, 2020	$ 9,478	$ 12,794	$ 22,272

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

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

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

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

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

c. Categories of financial instruments

	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 19,987	$ 20,030	$ 19,582
Financial assets at amortized cost (1)	1,614,468	1,695,200	1,664,741
Financial assets at FVTOCI			
Equity instruments	61,263	43,207	39,648
Debt instruments	5,901	5,913	5,790
Financial liabilities			
Amortized cost (2)	2,591,499	2,729,803	2,490,081

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

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

d. Financial risk management objectives and policies

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

1) Market risk

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

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

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets (including those eliminated on consolidation) at the end of the period are set out in Note 35.

Sensitivity analysis

The Group is mainly exposed to the USD and the RMB.

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

	USD Impact		**RMB Impact**	
	For the Three Months Ended March 31		**For the Three Months Ended March 31**	
	2021	**2020**	**2021**	**2020**
Profit or loss	$ (779)	$ (521)	$ (356)	$ (342)

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

b) Interest rate risk

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

	March 31, 2021	**December 31, 2020**	**March 31, 2020**
Cash flow interest rate risk			
Financial assets	$ 521,607	$ 456,409	$ 359,081
Financial liabilities	1,932,558	1,917,588	1,906,326

Sensitivity analysis

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

Had interest rates increased/decreased by 25 basis points, the profit before tax for the three months ended March 31, 2021 and 2020 would have decreased/increased by $882 thousand and $967 thousand, respectively, with all other variables held constant; the non-derivative instruments include floating rate loan, demand deposit and restricted asset.

2) Credit risk

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

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

3) Liquidity risk

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

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

a) Liquidity and interest rate risk table

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

March 31, 2021

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities		$ 315,282	$ 251,700	$ 25,132	$ 4,127	$ 62,700
Lease liabilities	1.55-1.68	8,799	5,139	32,649	81,599	-
Variable interest rate liabilities	1.38	89,982	474,691	577,885	790,000	-
		$ 414,063	$ 731,530	$ 635,666	$ 875,726	$ 62,700

December 31, 2020

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

March 31, 2020

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities		$ 320,431	$ 176,677	$ 22,462	$ 1,385	$ 62,800
Lease liabilities	1.55	8,766	4,102	37,381	70,240	-
Variable interest rate liabilities	1.70	129,947	294,527	391,852	1,090,000	-
		$ 459,144	$ 475,306	$ 451,695	$ 1,161,625	$ 62,800

b) Financing facilities

	March 31, 2021	December 31, 2020	March 31, 2020
Unsecured facilities			
Amount used	$ 492,885	$ 556,543	$ 281,952
Amount unused	224,089	160,665	320,797
	$ 716,974	$ 717,208	$ 602,749
Secured facilities	$ 1,390,000	$ 1,345,000	$ 1,624,900
Amount used	1,988,860	1,819,800	1,380,710
Amount unused			
	$ 3,378,860	$ 3,164,800	$ 3,005,610

31. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties

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

b. Business transactions

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2021	2020
Sales	Other related parties	$ 14,120	$ 19,728
Purchases of goods	Fuan Mining	$ 50,879	$ 71,258
	Other related parties	10,117	13,280
		$ 60,996	$ 84,538
Operating costs - transportation expenses	Other related parties	$ 8,608	$ 4,914

(Continued)

Line Item	Related Party Category/Name	For the Three Months Ended March 31 2021	2020
Operating costs - manufacturing expenses	Other related parties	$ 190	$ 152
Operating expenses	Other related parties	$ 1,814	$ 1,464
Other income	Other related parties	$ 24	$ -

(Concluded)

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

c. Receivables from related parties

Line Items	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Notes receivable	Fuan Mining	$ -	$ -	$ 47,016
	Lucky East Transportation	-	235	-
	Yung-Sheng Development	-	-	4,773
		$ -	$ 235	$ 51,789
Trade receivables	Fuan Mining	$ 7,823	$ 4,651	$ 6,426
	Yung-Sheng Development	103	1,113	123
		$ 7,926	$ 5,764	$ 6,549
Other receivables	Other related parties	$ 83	$ 313	$ 555

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

Regarding the notes receivable from related parties as of March 31, 2020, $45,000 thousand refers to the refundable deposits of the Company for mining which has been transferred to a related party - Fuan Mining. The receivables had been collected in full in April 2020.

d. Payables to related parties

Line Items	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Notes payable (excluding loan from related parties)	Fuan Mining	$ 25,035	$ 23,763	$ 44,190
	Lucky East Transportation	6,140	7,828	4,945
	Other related parties	72	5	12
		$ 31,247	$ 31,596	$ 49,147
Trade payables	Fuan Mining	$ 28,388	$ 16,876	$ 30,632
	Lucky East Transportation	2,042	3,130	8,093
		$ 30,430	$ 20,006	$ 38,725
Other payables - current (excluding loan from related parties)	Lucky East Transportation	$ 3,308	$ 8,145	$ 1,927
	Other related parties	194	144	-
		$ 3,502	$ 8,289	$ 1,927

The outstanding trade payables to related parties are unsecured.

e. Loan from related parties

Line Items	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Notes payable	Fuan Mining	$ -	$ 8,000	$ -
Other payables - current	Fuan Mining	$ 50,034	$ 70,049	$ -
Other payables - non-current	Cheng Haibin	$ 45,800	$ 45,800	$ 45,800

	For the Three Months Ended March 31	
	2021	2020
Interest expense		
Other related parties	$ 125	$ -

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

f. Lease arrangements

Lease arrangements - the Group is lessor under operating leases

Future lease payment receivables are as follows:

Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Lucky East Transportation	$ 7,792	$ 1,968	$ 2,274
Other related parties	396	144	99
	$ 8,188	$ 2,112	$ 2,373

Lease income was as follows:

Related Party Category/Name	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
Lucky East Transportation	$ 492	$ 569
Other related parties	36	33
	$ 528	$ 602

The rental amounts and collection methods are negotiated.

g. Compensation of key management personnel

	For the Three Months Ended March 31 2021	For the Three Months Ended March 31 2020
Short-term employee benefits	$ 11,244	$ 11,349
Post-employment benefits	132	126
	$ 11,376	$ 11,475

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2021	December 31, 2020	March 31, 2020
Property under development (reported as inventories)	$ 3,095,360	$ 3,093,669	$ 3,075,192
Property, plant and equipment	904,045	935,824	779,076
Restricted assets (reported as financial assets at amortized cost)	295,616	258,242	206,078
	$ 4,295,021	$ 4,287,735	$ 4,060,346

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

a. As of March 31, 2021, the Group has signed a contract for purchase of machinery and equipment and transportation equipment; the unpaid amount is $387,693 thousand.

b. As of March 31, 2021, December 31, 2020 and March 31, 2020, unused letters of credit for purchases of raw materials amounted to approximately $0, $61,543 thousand and $0, respectively.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

March 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 239	28.535 (USD:NTD)	$ 6,829
RMB	1,641	4.344 (RMB NTD)	7,127
Non-monetary item			
USD	307	28.535 (USD:NTD)	8,751

December 31, 2020

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

March 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 31	30.225 (USD:NTD)	$ 942
RMB	1,610	4.255 (RMB NTD)	6,849
Non-monetary item			
USD	314	30.225 (USD:NTD)	9,478

Foreign exchange gains or losses (realized or unrealized) of the Group in the three months ended March 31, 2021 and 2020 are respectively gains of $571 thousand and losses of $416 thousand. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

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

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

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

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

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

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

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions (Table 7)

b. Information on investees (Table 6)

c. Information on investments in mainland China

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

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

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

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

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

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

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

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

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

37. SEGMENT INFORMATION

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

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

Other segments: Other operations of non-cement business.

a. Segment revenue and operating results

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

	Income of Segments For the Three Months Ended March 31		Profit/Loss of Segments For the Three Months Ended March 31	
	2021	2020	2021	2020
Cement segment	$ 1,029,344	$ 1,093,486	$ 83,195	$ 121,857
Other segments	16,609	11,234	(6,180)	(11,725)
Total from operations	$ 1,045,953	$ 1,104,720	77,015	110,132
Interest income			397	433
Rental income			2,272	2,323
Other income			594	3,701
Foreign exchange gains (losses)			571	(416)
Fair value changes of financial assets			(43)	(435)
Other losses			(1,753)	(2,390)
Interest expense			(7,843)	(9,052)
Profit before income tax			$ 71,210	$ 104,296

The segment revenue reported above is all generated from transactions with external customers. There was no cross selling between segments for the three months ended March 31, 2021 and 2020.

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

b. Total assets and liabilities of segments

	March 31, 2021	December 31, 2020	March 31, 2020
Segment assets			
Operating segment			
Cement segment	$ 4,726,248	$ 4,772,255	$ 4,256,383
Other segments	3,261,793	3,255,052	3,246,823
Total assets	$ 7,988,041	$ 8,027,307	$ 7,503,206
Segment liabilities			
Operating segment			
Cement segment	$ 2,860,879	$ 2,649,731	$ 2,487,613
Other segments	693,088	720,657	671,713
Total liabilities	$ 3,553,967	$ 3,370,388	$ 3,159,326

TABLE 1

LUCKY CEMENT CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Highest Balance for the Period	Related Party	Ending Balance (Note 4)	Actual Amount Borrowed (Note 5)	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	Lucky Cement Co.	Dasheng Enterprise	Other receivables from related parties	$ 200,000	Yes	$ 200,000	$ 87,200	1.6194	b.	$ -	Operating turnover	$ -	-	-	$ 443,400	$ 1,773,600
		Luckyship Co.	Other receivables from related parties	20,000	Yes	20,000	12,500	1.6194	b.	-	Operating turnover	-	-	-	443,400	1,773,600
						$ 220,000										

Note 1: The nature of financing is as follows:

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

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

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

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Lucky Cement Co.	Dasheng Enterprise	Subsidiary	$ 1,773,600	$ 620,000	$ 620,000	$ 590,000	$ 120,000 (Note 3)	13.98	$ 2,217,000	Y	-	-	
		Luckicon Ready-mixed Co.	Subsidiary	1,773,600	370,000	370,000	135,000	-	8.34	2,217,000	Y	-	-	
		Lucky Cement Japan,	Subsidiary	1,773,600	13,580	12,885	12,885	-	0.29	2,217,000	Y	-	-	
						$ 1,002,885								

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

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Notes 1 and 2)	
Lucky Cement Co.	Mutual fund							
	FSITC Global Vedio Gaming & eSports Fund	-	Financial assets at FVTPL - current	500,000	$ 5,420	-	$ 5,420	
	O-Bank No.1 Real Estate Investment Trust	-	〃	100,000	955	-	955	
	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,494,708	10,029	10.58	10,029	
	WK Technology Fund	-	〃	635,800	625	2.22	625	
	Listed ordinary shares							
	Formosa Plastics Corporation		Financial assets at FVTOCI - current	200,000	15,020	-	15,020	
	Taiwan Cement Corporation	-	〃	200,148	9,367	-	9,367	
	Evergreen Marine Corporation (Taiwan) Ltd.	-	〃	200,000	9,100	-	9,100	
	Far Eastern New Century Corporation	-	〃	200,000	6,040	-	6,040	
	U-Ming Marine Transport Corporation	-	〃	128,000	5,286	0.02	5,286	
	Winbond Electronics Corporation	-	〃	130,181	3,840	-	3,840	
	United Microelectronics Corporation	-	〃	72,351	3,632	-	3,632	
	Medigen Biotechnology Corp.	-	〃	28,628	1,881	0.02	1,881	
	Sanitar Co., Ltd.	-	〃	24,000	850	0.03	850	
	China Development Financial Holding Corporation	-	〃	13,496	142	-	142	
	First Financial Holding Co., Ltd.	-	〃	917	20	-	20	
	Capital Securities Corp.	-	〃	875	14	-	14	
	Hua Nan Financial Holdings Co., Ltd.	-	〃	446	8	-	8	
Luckyship Co.	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	49,007	329	0.35	329	
Luckicon Ready-mixed Co.	Mutual fund							
	Mega Danish Covered Mortgage Bond Index Fund	-	Financial assets at FVTPL - current	500,000	4,861	-	4,861	
	TSG Phnom Penh Real Estate Development Fund	-	Financial assets at FVTPL - non-current	500	8,751	6.10	8,751	
	Corporate bond							
	The Cathay United Jenai EMC USD Fixed Interest Allocation Bond	-	Financial assets at FVTOCI - current	-	5,901	-	5,901	

Note 1: Financial assets at FVTPL: Fair value is based on the net asset value of funds on March 31, 2021.

Note 2: Financial assets at FVTOCI: Fair value of listed shares is based on their closing price on March 31, 2021. Fair value of corporate bond is based on market price on March 31, 2021. Fair value of non-listed shares is estimated by the fair value method.

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

LUCKY CEMENT CO. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			Note
			Purchase/ Sale	Amount	% of Total (Note 1)	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total (Note 1)	
Lucky Cement Co.	Luckicon Ready-mixed Co.	Subsidiary	Sale	$ (105,933)	(14.85)	About 90 days	Quote	Quote	Accounts receivable	$ 40,070	36.10	Note 2
									Notes receivable	72,631	13.92	

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

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

TABLE 5

LUCKY CEMENT CO. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate (Note 1)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Lucky Cement Co.	Luckicon Ready-mixed Co.	Subsidiary	$ 112,701	5.35	$ -	-	$ 56,133	$ -

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 3)		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2021	December 31, 2020	Number of Shares	%	Carrying Amount			
Lucky Cement Co.	Dasheng Enterprise	14F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Real estate sales and lease	$ 2,167,473	$ 2,167,473	157,295,283	99.99	$ 2,276,597	$ (4,079)	$ (4,079)	Note 1
	Luckicon Ready-mixed Co.	No. 191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Ready-mixed concrete manufacture and trades	350,000	350,000	47,000,000	100.00	663,673	23,730	23,740 (Note 5)	Note 1
	Just Bright Ltd.	Tropic Isle Building, PO Box 438, Road Town, Tortola, British Virgin Islands	Investment business	-	-	50,000	-	-	-	-	Note 4
	Lucky Cement Japan,	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement trading	82,300	82,300	6,800	100.00	23,087	(95)	(95)	Note 2
	Luckyship Co.	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping agent	88,615	88,615	8,499,994	99.99	34,767	(193)	(193)	Note 2
Luckicon Ready-mixed Co.	Fuyu Development	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Mine gravel	12,751	12,751	1,000,000	100.00	7,362	(1,363)	(1,363)	Note 1

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

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

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

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

Note 5: The difference is downstream transactions realized loss of $4 thousand and upstream transactions realized gain of $14 thousand.

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

LUCKY CEMENT CO. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(Amounts in Thousands of New Taiwan Dollars)

No	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	Lucky Cement Co.	Luckicon Ready-mixed Co.	a.	Notes receivable	$ 72,631	About 90 days	0.91
		〃	a.	Accounts receivable	40,070	About 90 days	0.50
		〃	a.	Other receivables	116	About 90 days	-
		〃	a.	Contract liabilities	11,273	About 90 days	0.14
		〃	a.	Sales	105,933	About 90 days	10.13
		〃	a.	Rental income	381	30 days	0.04
		Fuyu Development Co., Ltd.	a.	Other receivables	3	About 90 days	-
		〃	a.	Notes payable	44	About 90 days	-
		〃	a.	Other payables	148	About 90 days	-
		〃	a.	Cost of sales	430	About 90 days	0.04
		〃	a.	Rental income	2,016	30 days	0.19
		〃	a.	Other income	300	30 days	0.03
		Luckyship Co.	a.	Other receivables - financing	12,500	Financing, the repayment period is one year	0.16
		〃	a.	Other receivables	23	About 90 days	-
		〃	a.	Other payables	1,576	About 90 days	0.02
		〃	a.	Cost of sales	4,945	About 90 days	0.47
		〃	a.	Interest income	40	30 days	-
		〃	a.	Rental income	69	30 days	0.01
		Dasheng Enterprise	a.	Refundable deposits	159,000	Returned upon completion according to the contract	1.99
		〃	a.	Other receivables - financing	87,200	Financing, the repayment period is one year	1.09
		〃	a.	Other receivables	120	About 90 days	-
		〃	a.	Rental income	23	30 days	-
		〃	a.	Interest income	293	30 days	0.03

Note: The flow of transactions is as follows:

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

TABLE 8

LUCKY CEMENT CO.

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2021

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

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

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