GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY
FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018

Address: 7F, No.8, Xinhu 1st Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

GOLDSUN BUILDING MATERIALS CO., LTD.

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Independent Auditors' Report Translated from Chinese

To GOLDSUN BUILDING MATERIALS CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of GOLDSUN BUILDING MATERIALS CO., LTD. (the "Company") as of December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, , based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and cash flows for the years ended December 31, 2019 and 2018, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2019 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Revenue Recognition</u>

Revenue from contracts with customers that recognized by the Company amounted to NT$12,650,345 thousand for the year ended December 31, 2019, and the main source of revenue is the sale of pre-mixed concrete. The timing of sales was recognized when the performance obligations was satisfied that goods were delivered and accepted by the customers. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to:

1. Assessing the appropriateness of the accounting policy of revenue recognition and the process of generating and recognizing revenue; evaluating and testing the design and operating effectiveness of internal controls around revenue recognition.

2. Selecting samples to perform tests of details, performing tests of transaction detail which included reviewing vouchers of selected samples and cash receipts record to confirm the performance obligations was satisfied.

3. Performing cutoff testing through periods before and after the balance sheet date by reviewing related documentation of selected samples.

4. Executing accounts receivable confirmation procedures to confirm with the Company's customers. Moreover, performing other alternative audit procedures if customers do not return confirmations.

We also consider the appropriateness of the disclosures of operating revenue. Please refer to Note 4 and 6.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain associates, which statements reflected investments accounted for under the equity method of NT$235,914 thousand, representing 1% of the total assets as of December 31, 2018. The related shares of (losses) profits from the associates and joint ventures under the equity method amounted to NT$(52,620) thousand, representing (10)% of the net income/(loss) before income tax for the years ended December 31, 2018, and the related shares of other comprehensive loss from the associates and joint ventures under the equity method amounted to NT$0 thousand, representing 0% of the comprehensive loss for the years ended December 31, 2018. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors.

Emphasis of Matter - Applying for New Accounting Standards

As stated in Note 3 to the parent company only financial statements, the Company applied the International Financial Reporting Standard 16, “Leases” starting from January 1, 2019, and elected not to restate the parent company only financial statements for prior periods. Our conclusion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yu, Chien-Ju

Hsu, Hsin-Min

Ernst & Young, Taiwan
March 17, 2020

Notice to Readers
The accompanying financial statements are intended only to present the financial position, results of operations 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 audit such financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2019 and December 31, 2018
(Expressed in Thousands of New Taiwan Dollars)

		As of			
		December 31, 2019		December 31, 2018	
Assets	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	$1,187,454	4	$576,887	2
Financial assets at fair value through other comprehensive income, current	4,5,6 and 8	689,216	3	551,324	2
Financial assets at amortized cost, current	4,6 and 8	106,630	-	245,610	1
Notes receivable, net	4,5 and 6	899,115	3	897,517	3
Accounts receivable, net	4,5 and 6	4,230,172	13	3,546,174	12
Accounts receivable - related parties, net	4,5,6 and 7	17,575	-	26,531	-
Other receivables		37,773	-	2,407	-
Other receivables - related parties	7	34,376	-	27,934	-
Inventories, net	4,5 and 6	404,808	1	395,080	1
Prepayments	7	443,731	1	388,733	1
Total current assets		8,050,850	25	6,658,197	22
Non-current assets					
Financial assets at fair value through other comprehensive income, non-current	4,5,6 and 8	869,625	3	890,627	3
Investments accounted for under the equity method	4,5,6 and 8	15,093,310	47	15,230,809	50
Property, plant and equipment	4, 6 and 8	4,191,993	13	4,219,115	14
Right-of-use assets	4 and 6	628,107	2	-	-
Investment property, net	4,5,6 and 8	2,903,814	9	3,193,062	10
Intangible assets	4 and 6	15,374	-	14,293	-
Deferred tax assets	4,5 and 6	438,048	1	440,756	1
Prepayment for equipment		1,397	-	7,715	-
Refundable deposits	8	53,349	-	18,973	-
Long-term receivable	4,5 and 6	45,659	-	18,189	-
Long-term prepaid rent		-	-	508	-
Total non-current assets		24,240,676	75	24,034,047	78
Total assets		$32,291,526	100	$30,692,244	100

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

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2019 and December 31, 2018
(Expressed in Thousands of New Taiwan Dollars)

		As of			
		December 31, 2019		December 31, 2018	
Liabilities and Equity	Notes	Amount	%	Amount	%
Current liabilities					
Short-term loans	4,6 and 8	$2,910,000	9	$2,700,000	9
Short-term notes and bills payable	6 and 8	2,608,730	8	1,727,825	6
Notes payable		-	-	1,089	-
Accounts payable		1,272,567	4	1,524,822	5
Accounts payable - related parties	7	163,436	-	191,167	1
Other payables		580,660	2	533,013	2
Other payables - related parties	7	890,000	3	1,375,000	4
Current tax liabilities	4,5 and 6	19,170	-	5,122	-
Lease liabilities, current	4,6 and 7	97,310	-	-	-
Other current liabilities		123,055	-	85,606	-
Advanced receipts		7,557	-	197,204	1
Current portion of long-term bonds payable	4,6 and 8	-	-	1,000,000	3
Current portion of long-term loans	4,6 and 8	200,000	1	100,000	-
Total current liabilities		8,872,485	27	9,440,848	31
Non-current liabilities					
Long-term loans	4,6 and 8	2,300,000	7	1,500,000	5
Provisions, non-current	4 and 6	4,800	-	4,500	-
Deferred tax liabilities	4,5 and 6	738	-	4,803	-
Lease liabilities, non-current	4,6 and 7	496,045	2	-	-
Net defined benefit liabilities, non-current	4,5 and 6	206,029	1	227,790	1
Guarantee deposits	7	27,080	-	32,008	-
Total non-current liabilities		3,034,692	10	1,769,101	6
Total liabilities		11,907,177	37	11,209,949	37
Equity attributable to the parent					
Capital					
Common stock	4 and 6	13,850,003	43	13,850,003	45
Additional paid-in capital	6	1,177,219	4	1,177,912	4
Retained earnings	6				
Legal reserve		1,596,648	5	1,545,164	5
Special reserve		1,874,430	5	1,874,430	6
Unappropriated earnings		1,881,076	6	1,183,489	4
Total Retained earnings		5,352,154	16	4,603,083	15
Other components of equity	6	15,012	-	(138,664)	(1)
Treasury stock	6	(10,039)	-	(10,039)	-
Total equity		20,384,349	63	19,482,295	63
Total liabilities and equity		$32,291,526	100	$30,692,244	100

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

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	2019 Amount	2019 %	2018 Amount	2018 %
Operating revenue	4,5,6 and 7	$12,728,434	100	$11,402,464	100
Operating costs	6 and 7	(11,707,715)	(92)	(10,965,154)	(96)
Gross profit		1,020,719	8	437,310	4
Operating expenses	4,5,6 and 7				
Sales and marketing expenses		(138,045)	(1)	(132,114)	(1)
General and administrative expenses		(374,442)	(3)	(366,010)	(4)
Research and development expenses		(9,822)	-	(8,319)	-
Expected credit losses		(49,129)	-	(45,119)	-
Subtotal		(571,438)	(4)	(551,562)	(5)
Operating income (loss)		449,281	4	(114,252)	(1)
Non-operating income and loss	4,6 and 7				
Other income		109,876	1	114,632	1
Other gains and losses		269,644	2	(15,264)	-
Finance costs		(103,725)	(1)	(98,196)	(1)
Share of profit or loss of associates and joint ventures		397,638	3	617,897	5
Subtotal		673,433	5	619,069	5
Income before income tax		1,122,714	9	504,817	4
Income tax (expense) benefit	4,5 and 6	(21,055)	-	10,022	-
Net income		1,101,659	9	514,839	4
Other comprehensive income	4 and 6				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		(2,854)	-	(16,101)	-
Unrealized gains on fair value through other comprehensive income equity instrument investment		222,803	2	4,508	-
Share of other comprehensive (loss) income of associates and joint ventures-may not be reclassified subsequently to profit or loss		441	-	(383)	-
Income tax related to items that will not be reclassified		571	-	3,221	-
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive (loss) income of associates and joint ventures-may be reclassified subsequently to profit or loss		(60,374)	(1)	(20,276)	-
Total other comprehensive (loss) income, net of tax		160,587	1	(29,031)	-
Total comprehensive income		$1,262,246	10	$485,808	4
Earnings per share (NT$)	6				
Basic earnings per share		$0.80		$0.37	
Diluted earnings per share		$0.80		$0.37	

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

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Other Components of Equity				
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at fair value through other comprehensive income	Unrealized Gain or Loss on Available-for-Sale Financial Assets	Treasury Stock	
Balance as of January 1, 2018	$13,850,003	$1,163,101	$1,392,890	$1,874,430	$1,522,743	$(416,583)	$-	$305,957	$(10,039)	$19,682,502
Impact of retroactive application	-	-	-	-	3,944	-	293,687	(305,957)	-	(8,326)
Balance as of January 1, 2018 after restatement	13,850,003	1,163,101	1,392,890	1,874,430	1,526,687	(416,583)	293,687	-	(10,039)	19,674,176
Appropriations and distributions of 2017 unappropriated earnings										
Legal reserve	-	-	152,274	-	(152,274)	-	-	-	-	-
Cash dividends	-	-	-	-	(692,500)	-	-	-	-	(692,500)
Other changes in capital reserve										
Donated surplus	-	12,990	-	-	-	-	-	-	-	12,990
Net income in 2018	-	-	-	-	514,839	-	-	-	-	514,839
Other comprehensive (loss) income, net of tax in 2018	-	-	-	-	(13,263)	(20,276)	4,508	-	-	(29,031)
Total comprehensive income	-	-	-	-	501,576	(20,276)	4,508	-	-	485,808
Parent company's cash dividends received by subsidiaries	-	1,821	-	-	-	-	-	-	-	1,821
Balance as of December 31, 2018	$13,850,003	$1,177,912	$1,545,164	$1,874,430	$1,183,489	$(436,859)	$298,195	$-	$(10,039)	$19,482,295
Balance as of January 1, 2019	$13,850,003	$1,177,912	$1,545,164	$1,874,430	$1,183,489	$(436,859)	$298,195	$-	$(10,039)	$19,482,295
Appropriations and distributions of 2018 unappropriated earnings										
Legal reserve	-	-	51,484	-	(51,484)	-	-	-	-	-
Cash dividends	-	-	-	-	(346,250)	-	-	-	-	(346,250)
Other changes in capital reserve										
Donated surplus	-	11	-	-	-	-	-	-	-	11
Net income in 2019	-	-	-	-	1,101,659	-	-	-	-	1,101,659
Other comprehensive (loss) income, net of tax in 2019	-	-	-	-	(1,842)	(60,374)	222,803	-	-	160,587
Total comprehensive income	-	-	-	-	1,099,817	(60,374)	222,803	-	-	1,262,246
Parent company's cash dividends received by subsidiaries	-	910	-	-	-	-	-	-	-	910
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	(1,614)	-	-	(13,249)	-	-	-	-	(14,863)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	8,753	-	(8,753)	-	-	-
Balance as of December 31, 2019	$13,850,003	$1,177,219	$1,596,648	$1,874,430	$1,881,076	$(497,233)	$512,245	$-	$(10,039)	$20,384,349

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

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

Description	2019	2018
Cash flows from operating activities:		
Profit before tax from continuing operations	$1,122,714	$504,817
Net income before tax	1,122,714	504,817
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	290,723	199,662
Amortization	6,725	5,035
Expected credit losses	49,129	45,119
Interest expense	103,725	98,196
Interest revenue	(11,906)	(12,131)
Dividend income	(77,415)	(61,134)
Gain on disposal of investments	-	(1,839)
Gain on disposal of subsidiary	-	(4,568)
Share of gain of associates and joint ventures	(397,639)	(617,897)
Gain on disposal of property, plant and equipment	(17,832)	(5,744)
(Gain) loss on disposal of investment property	(297,874)	6,282
Loss on lease modification	38	-
Changes in operating assets and liabilities:		
Notes receivable, net	(1,473)	43,790
Notes receivable - related parties, net	-	12,726
Accounts receivable, net	(667,034)	(575,483)
Accounts receivable - related parties, net	8,956	(14,415)
Other receivables	(35,366)	(174)
Other receivables - related parties	(6,442)	(2,284)
Inventories, net	(9,728)	(23,086)
Prepayments	(71,770)	41,737
Long-term receivable	(93,688)	(7,507)
Notes payable	(1,089)	968
Accounts payable	(252,255)	243,660
Accounts payable - related parties	(27,731)	6,882
Other payables	49,390	(80,160)
Other current liabilities	29,085	14,042
Advanced receipts	(189,647)	193,783
Net defined liabilities, non-current	(24,043)	(43,811)
Cash generated from operations	(522,447)	(33,534)
Interest received	11,906	12,131
Income tax paid	(105,468)	(96,555)
Net cash used in operating activities	(616,009)	(117,958)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	19,206	11,592
Acquisition of property, plant and equipment	(181,090)	(119,200)
Proceeds from disposal of investment property	617,688	-
Acquisition of investment property	(195)	(3,376)
Capital deducted by cash of financial assets at fair value through other comprehensive income	2,378	2,475
Decrease (increase) in financial assets at amortized cost	138,980	(84,741)
Acquisition of financial assets at fair value through other comprehensive income	(30,920)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	122,630	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	32,239
Acquisition of investments accounted for under the equity method	(28,128)	(308,733)
Cash returns from capital reduction of subsidiaries	239,278	-
Acquisition of intangible assets	(8,331)	(7,374)
Decrease in prepayment for equipment	6,318	954
(Increase) decrease in refundable deposits	(34,376)	1,681
Decrease in long-term prepaid rent	-	1,617
Dividends received	339,383	140,600
Net cash provided by (used in) investing activities	1,202,821	(332,266)
Cash flows from financing activities:		
Increase in short-term loans	210,000	450,000
Increase (decrease) in short-term notes and bills payable	880,905	(70,565)
(Decrease) increase in other payables - related parties	(485,000)	600,000
Decrease in bonds payable	(1,000,000)	(1,000,000)
Increase in long-term loans	5,400,000	6,550,000
Decrease in long-term loans	(4,500,000)	(5,550,000)
Decrease in guarantee deposits	(4,928)	(1,346)
Donated surplus	(31)	12,885
Cash dividends paid	(346,250)	(692,500)
Cash payments for the principal portion of the lease liability	(130,941)	-
Net cash provided by financing activities	23,755	298,474
Net increase (decrease) in cash and cash equivalents	610,567	(151,750)
Cash and cash equivalents at beginning of year	576,887	728,637
Cash and cash equivalents at end of year	$1,187,454	$576,887

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

1. History and organization

GOLDSUN BUILDING MATERIALS CO., LTD. ("the Company") was incorporated under the laws of the Republic of China ("R.O.C.") in November 1954. The Company is engaged mainly in the production and sales pre-mixed concrete and building rental. In March 1978, the Company listed its shares of stock on the Taiwan Stock Exchange ("TWSE"). The Company's registered office and the main business location is at 7F, No.8, Xinhu 1st Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2019 and 2018 were authorized for issue by the Board of Directors on March 17, 2020.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2019. The nature and the impact of each new standard and amendment that has a material effect on the Company is described below:

A. IFRS 16 "Leases"

IFRS 16 "Leases" replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

The Company followed the transition provision in IFRS 16 and the date of initial application was January 1, 2019. The impacts arising from the adoption of IFRS 16 are summarized as follows:

1. Please refer to Note 4 for the accounting policies before or after January 1, 2019.

2. For the definition of a lease, the Company elected not to reassess whether a contract was, or contained, a lease on January 1, 2019. The Company was permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 but not to apply IFRS 16 to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. That is, for contracts entered into (or changed) on or after January 1, 2019, the Company need to assess whether contacts are, or contain, leases applying IFRS 16. In comparing to IAS 17, IFRS 16 provides that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assessed most of the contracts are, or contain, leases and has no significant impact arised.

3. The Company is a lessee and elects not to restate comparative information in accordance with the transition provision in IFRS 16. Instead, the Company recognized the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

   (a) Leases previously classified as operating leases

   For leases that were previously classified as operating leases applying IAS 17, the Company measured and recognized those leases as lease liability on January 1, 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019, and; the Company chose, on a lease liability basis, to measure the right-of-use asset, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before January 1, 2019.

   On January 1, 2019, the Company's right-of-use asset and lease liability both increased by NT$678,725 thousand.

   Besides, on January 1, 2019, for leases that were previously classified as operating leases applying IAS 17 and those who have paid the rent in full, the Company reclassified the long-term rental prepayment of NT$508 thousand to the right-of-use asset.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

In accordance with the transition provision in IFRS 16, the Company used the following practical expedients on a lease-by-lease basis to leases previously classified as operating leases:

i. Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
ii. Rely on its assessment of whether leases are onerous immediately before January 1, 2019 as an alternative to performing an impairment review.
iii. Elect to account in the same way as short-term leases to leases for which the lease term ends within 12 months of January 1, 2019.
iv. Exclude initial direct costs from the measurement of the right-of-use asset on January 1, 2019.
v. Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

(b) Please refer to Note 4 and Note 6 for additional disclosure of lessee and lessor which required by IFRS 16.

(c) As at January 1, 2019, the impacts arising from the adoption of IFRS 16 are summarized as follows:

i. The weighted average of the lessee 's incremental borrowing rate applied to the lease liabilities recognized in the balance sheet on January 1, 2019 was 1.15%.
ii. The explanation for the difference of NT$376,448 thousand between:
1) operating lease commitments disclosed applying IAS 17 as at 31 December 2018, discounted using the incremental borrowing rate on January 1, 2019; and
2) lease liabilities recognized in the balance sheet as at January 1, 2019 is summarized as follows:

Operating lease commitments disclosed applying IAS 17 as at December 31, 2018	$302,277
Discounted using the incremental borrowing rate on January 1, 2019	$274,419
Add: adjustments to the options to extend or terminate the lease that is reasonably certain to exercise	404,970
Less: adjustment to leases that meet and elect to account in the same way as short-term leases	(664)
The carrying value of lease liabilities recognized as at January 1, 2019	$678,725

4. The Company is a lessor and has not made any adjustments. Please refer to Note 4 and Note 6 for the information relating to the lessor.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
A	Definition of a Business - Amendments to IFRS 3	January 1, 2020
B	Definition of Material - Amendments to IAS 1 and 8	January 1, 2020
C	Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7	January 1, 2020

A. Definition of a Business - Amendments to IFRS 3

The amendments clarify the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

IFRS 3 continues to adopt a market participant's perspective to determine whether an acquired set of activities and assets is a business. The amendments clarify the minimum requirements for a business; add guidance to help entities assess whether an acquired process is substantive; and narrow the definitions of a business and of outputs; etc.

B. Definition of a Material - Amendments to IAS 1 and 8

The main amendment is to clarify new definition of material. It states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

C. Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

The amendments include a number of exceptions, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is directly affected if the interest rate benchmark reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. Hence, the entity shall apply the exceptions to all hedging relationships directly affected by the interest rate benchmark reform.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The amendments include:

a. highly probable requirement
When determining whether a forecast transaction is highly probable, an entity shall assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the interest rate benchmark reform.

b. prospective assessments
When performing prospective assessments, an entity shall assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform.

c. IAS 39 retrospective assessment
An entity is not required to undertake the IAS 39 retrospective assessment (i.e. the actual results of the hedge are within a range of 80–125%) for hedging relationships directly affected by the interest rate benchmark reform.

d. separately identifiable risk components
For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at the inception of such hedging relationships.

The amendments also include the end of application of the exceptions requirements and the related disclosures requirements of the amendments.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2020. Apart from item explained below, the remaining standards and interpretations have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are not endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 Insurance Contracts	January 1, 2021
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2022

A. IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full. IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture. The effective date of the amendments has been postponed indefinitely, but early adoption is allowed.

B. IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise of the following:

a. estimates of future cash flows;
b. Discount rate: an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and
c. a risk adjustment for non-financial risk.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

C. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The abovementioned standards and interpretations have no material impact on the Company.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2019 and 2018 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in NT$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at its functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

(a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
(b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
B. The Company holds the asset primarily for the purpose of trading
C. The Company expects to realize the asset within twelve months after the reporting period
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle
B. The Company holds the liability primarily for the purpose of trading
C. The liability is due to be settled within twelve months after the reporting period
D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including fixed-term deposits that have maturities of 3 months from the date of acquisition).

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the delivery date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

a. the Company’s business model for managing the financial assets and
b. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

a. assets in order to collect contractual cash flows and
b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

a. Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
b. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss or retained earnings as a reclassification adjustment.

c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
   i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
b. the time value of money; and
c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
c. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

a. The rights to receive cash flows from the asset have expired
b. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
c. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carryingamount and the consideration received or to be received including any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss (for debt instruments) or directly in retained earnings (for equity instruments).

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the Company allocates the previous carrying amount of the larger financial asset between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. Any cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated that had been recognized in other comprehensive income, is recognized in profit or loss or directly in retained earnings.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Compnay assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

a. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
b. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
c. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

a. it eliminates or significantly reduces a measurement or recognition inconsistency; or
b. a Company of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost based on a weighted average cost basis.

Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10) Investments accounted for under the equity method

The investment in a subsidiary is according to “Rule Governing the Preparation of Financial Statements 21 by Securities Issuers”. Therefore, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements. According to IFRS 10 — Consolidated Financial Statements , agreeing with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

The Company’s investment in its associate is accounted for under the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company’s share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate is eliminated to the extent of the Company’s related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company’s percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorata basis.

When the associate issues new stock, and the Company’s interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

For investments of joint control units except for assets held for sale, the company also adoped equity method. Joint control unit means that the Company has joint control and involves in foundation of company, partnership, or other units.

(11) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5~55 years
Machinery and equipment	2~10 years
Transportation equipment	2~10 years
Right-of-use assets	2~50 years
Other equipment	3~5 years
Lease improvement	2~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12) Investment property

The accounting policy from January 1, 2019 as follow:

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal Company that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	30~55 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

The accounting policy before January 1, 2019 as follow:

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured using the cost model in accordance with the requirements of IAS 16 for that model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal Company that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	30~50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(13) Leases

The accounting policy from January 1, 2019 as follow:

For contracts entered on or after January 1, 2019, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

The Company elected not to reassess whether a contract is, or contains, a lease on January 1, 2019. The Company is permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 but not to apply IFRS 16 to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and.
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. Cost of right-of-use asset contains:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

The accounting policy before January 1, 2019 as follow:

Company as a lessee

Finance leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Rental revenue generated from operating lease is recognized over the lease term using the straight-line method. Contingent rents are recognized as revenue in the period in which they are earned.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life (3~5 years)
Internally generated or acquired	Acquired

(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

(17) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(18) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

The Company sells merchandise. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is pre-mixed concrete and cement. Revenue are recognized based on the consideration stated in the contract.

The Company provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Company's sale of goods is from 90 to 120 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. The other part of the accounts receivable is the contract between the Company and the customer to deliver the promised goods or services to the customer, but the payment period is more than one year according to the contract. Therefore, the Company adjusts the transaction price for the time value of money. However, some of the contracts are subject to partial consideration for the customers before the transfer of the goods. The Company is obliged to undertake the subsequent transfer of the goods and is therefore recognized as a contract liability.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Compnay receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(21) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(22) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

In the process of applying the Company's accounting policies, management made the following judgments, which have the most significant effect on the amounts recognized in the parent company only financial statements:

A. Investment properties

Certain properties of the Company comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Company accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

B. Operating lease commitment - Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties, and accounts for the contracts as operating leases.

C. De facto control without a majority of the voting rights in subsidiaries

The Company does not have majority of the voting rights in certain subsidiaries. However, after taking into consideration factors such as absolute size of the Company's holding, relative size of the other shareholdings, how widely spread are the remaining shareholders, contractual arrangements between shareholders, potential voting rights, etc., the Company reached the conclusion that it has de facto control over these subsidiaries. Please refer to Note 4(3) for further details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

C. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases. Please refer to Note 6 for more details.

D. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company company's domicile.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for disclosure on unrecognized deferred tax assets of the Company as of December 31, 2019.

E. Accounts receivables–estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	As of December 31,	
	2019	2018
Cash on hand and petty cash	$4,590	$4,610
Checking accounts and demand deposits	872,696	341,337
Time deposits	239,232	159,815
Cash equivalents (Note)	70,936	71,125
Total	$1,187,454	$576,887

Note: The Cash equivalents is Bank’s short-term bill that have maturity within 3 months.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Financial assets at fair value through other comprehensive income

	As of December 31,	
	2019	2018
Equity instrument investments measured at fair value through other comprehensive income:		
Listed companies stocks	$1,316,165	$1,248,735
Unlisted companies stocks	242,676	193,216
Total	$1,558,841	$1,441,951
Current	$689,216	$551,324
Non-current	869,625	890,627
Total	$1,558,841	$1,441,951

Please refer to Note 8 for more details on financial assets at fair value through other comprehensive income under pledge.

(3) Financial assets measured at amortized cost

	As of December 31,	
	2019	2018
Time deposit	$106,630	$245,610

Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

(4) Notes receivable

	As of December 31,	
	2019	2018
Notes receivables arising from operating activities	$899,573	$898,100
Less: loss allowance	(458)	(583)
Subtotal	$899,115	897,517

Notes receivable were not pledged.

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 6(19) for more details on loss allowance and Note 12 for details on credit risk.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Accounts receivable, accounts receivable from related parties, and long-term receivables

Accounts receivable and accounts receivable - related parties

	As of December 31,	
	2019	2018
Accounts receivable	$4,299,431	$3,632,397
Less: loss allowance	(69,259)	(86,223)
Subtotal	4,230,172	3,546,174
Accounts receivable - related parties	17,575	26,531
Less: loss allowance	-	-
Subtotal	17,575	26,531
Total	$4,247,747	$3,572,705

Long-term receivable

	As of December 31,	
	2019	2018
Overdue receivables	$167,896	$90,947
Less: loss allowance	(122,237)	(72,758)
Total	$45,659	$18,189

Accounts receivable were not pledged.

Accounts receivable are generally on 90~120 day terms. The total carrying amount as of December 31, 2019 and 2018 were NT$4,484,902 thousand and NT$3,749,875 thousand, respectively. Please refer to Note 6(19) for more details on loss allowance of accounts receivable for the years ended December 31, 2019 and 2018. Please refer to Note 12 for more details on credit risk management.

(6) Inventories

	As of December 31,	
	2019	2018
Raw materials	$114,568	$104,840
Building for sale	79,872	79,872
Land of construction	210,368	210,368
Total	$404,808	$395,080

The cost of inventories recognized in expenses amounted to NT$9,579,000 thousand and NT$8,772,995 thousand for the years ended December 31, 2019 and 2018, respectively.

No inventories were pledged.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Investments accounted for under the equity method

	As of December 31,			
	2019		2018	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in subsidiaries:				
RUEI SHIN CONSTRUCTIN CO., LTD	$2,642,376	100%	$4,773,122	100%
GOLDSUN INVESTMENT CO., LTD.	29,489	100%	28,251	100%
WELLPOOL CO., LTD.	534,642	51%	498,591	49%
GOLDSUN NIHON CEMENT CO., LTD.	166,781	59%	177,668	59%
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	374,383	100%	392,683	100%
EASE GREAT INVESTMENT LTD. (Note)	6,793,332	100%	5,284,249	84%
HUA YA DEVELOPMENT CO., LTD.	159,307	31%	160,501	31%
TAIPEI PORT TERMINAL COMPANY LIMITED (Note)	2,375,728	100%	1,817,399	72%
JIN SHUN MARITIME LIMITED	146,954	100%	166,864	100%
YUAN SHUN MARITIME LIMITED	1,144,520	100%	1,163,629	100%
JING SHUN MARITIME LIMITED	(23,899)	100%	(25,706)	100%
FENG SUN MARITIME LIMITED	3,217	100%	(1,225)	100%
TAIWAN BUILDING MATERIALS (HONG KONG) LMITED	463,204	100%	474,646	100%
GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	21,739	100%	29,973	100%
GOYU BUILDING MATERIALS CO., LTD	170,279	65%	178,639	65%
GIMPO MARINE CO., LTD.	84,779	100%	99,367	100%
Subtotal	15,086,831		15,218,651	
Investments in associates:				
RAIXIN QUALITY PRODUCTS LTD.	6,479	16%	12,158	16%
Total	$15,093,310		$15,230,809	

Note1: The Board of Directors of RUEI SHIN CONSTRUCTIN CO., LTD., has approved a proposal for reducing share capital on September,6 2019. RUEI SHIN CONSTRUCTIN CO., LTD., returned cash and all equity investment, including TAIPEI PORT TERMINAL COMPANY LIMITED and EASE GREAT INVESTMENT LTD., for capital reduction. As of Decmber 31, 2019, the Compnay has a 100% shareholding in TAIPEI PORT TERMINAL COMPANY LIMITED and EASE GREAT INVESTMENT LTD.

A. Investments in subsidiaries

Investments in subsidiaries was accounted for investment accounted for under equity method when preparing the parent company only financial statements.

Please refer to Note 8 for more details on Investments in subsidiaries under pledge.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Investments in associates

Investment in the associate has not a quoted market price as of December 31, 2019 and 2018.

No investments in associates were pledged.

The summarized financial information of the associate is as follows:

	For the years ended December 31,	
	2019	2018
Loss from continuing operations	$(5,679)	$(5,362)
Other comprehensive income (post-tax)	-	-
Total comprehensive income	$(5,679)	$(5,362)

The associates had no contingent liabilities or capital commitments as of December 31, 2019 and 2018.

(8) Property, plant and equipment

A. Owner occupied property, plant and equipment (adopted IFRS 16 "Lease")

	Land	Buildings	Machinery and equipment	Transportation equipment	Lease improvement	Construction in progress and equipment awaiting examination	Other equipment	Total
Cost:								
As of January 1, 2019	$2,933,661	$1,092,365	$1,720,171	$1,006,089	$129,045	$230,705	$109,781	$7,221,817
Additions	-	7,061	49,327	39,762	1,642	81,174	2,124	181,090
Disposals	(431)	(3,335)	(34,911)	(83,454)	(430)	-	(1,554)	(124,115)
Transfers	(488,444)	11,621	3,650	-	-	416,009	749	(56,415)
As of December 31, 2019	$2,444,786	$1,107,712	$1,738,237	$962,397	$130,257	$727,888	$111,100	$7,222,377
Depreciation:								
As of January 1, 2019	$-	$637,364	$1,434,111	$740,448	$100,689	$-	$88,781	$3,001,393
Depreciation	-	32,032	48,700	47,655	14,367	-	7,444	150,198
Disposals	-	(3,335)	(34,549)	(82,891)	(430)	-	(1,536)	(122,741)
Transfers	-	-	-	-	-	-	225	225
As of December 31, 2019	$-	$666,061	$1,448,262	$705,212	$114,626	$-	$94,914	$3,029,075
Impairment:								
As of January 1, 2019	$-	$322	$987	$-	$-	$-	$-	$1,309
Impairment	-	-	-	-	-	-	-	-
As of December 31, 2019	$-	$322	$987	$-	$-	$-	$-	$1,309
Net carrying amount as of:								
December 31, 2019	$2,444,786	$441,329	$288,988	$257,185	$15,631	$727,888	$16,186	$4,191,993

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Property, plant and equipment (before adopted IFRS 16 "Lease")

	Land	Buildings	Machinery and equipment	Transportation equipment	Lease improvement	Construction in progress and equipment awaiting examination	Other equipment	Total
Cost:								
As of January1, 2018	$2,952,180	$1,092,145	$1,726,346	$1,079,213	$126,066	$195,767	$100,633	$7,272,350
Additions	-	6,767	35,273	23,088	3,247	40,792	10,033	119,200
Disposals	-	(6,665)	(44,262)	(96,212)	(268)	-	(985)	(148,392)
Transfers	(18,519)	118	2,814	-	-	(5,854)	100	(21,341)
As of December 31, 2018	$2,933,661	$1,092,365	$1,720,171	$1,006,089	$129,045	$230,705	$109,781	$7,221,817
Depreciation:								
As of January 1, 2018	$-	$610,096	$1,425,951	$782,108	$85,959	$-	$82,377	$2,986,491
Depreciation	-	32,896	51,861	50,402	14,998	-	7,289	157,446
Disposals	-	(5,628)	(43,701)	(92,062)	(268)	-	(885)	(142,544)
As of December 31, 2018	$-	$637,364	$1,434,111	$740,448	$100,689	$-	$88,781	$3,001,393
Impairment:								
As of January 1, 2018	$-	$322	$987	$-	$-	$-	$-	$1,309
Impairment	-	-	-	-	-	-	-	-
As of December 31, 2018	$-	$322	$987	$-	$-	$-	$-	$1,309
Net carrying amount as of:								
December 31, 2018	$2,933,661	$454,679	$285,073	$265,641	$28,356	$230,705	$21,000	$4,219,115

The major components of the buildings are main building structure and pre-mixed equipments, which are depreciated 55 years or 5~ 20 years.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(9) Investment property

	Land	Buildings	Total
Cost:			
As of January 1, 2019	$2,554,416	$1,629,177	$4,183,593
Additions from acquisitions	-	195	195
Disposals	(84,815)	(408,902)	(493,717)
Transfers	54,801	1,219	56,020
As of December 31, 2019	$2,524,402	$1,221,689	$3,746,091
As of January 1, 2018	$2,535,394	$1,643,741	$4,179,135
Additions from acquisitions	-	3,376	3,376
Disposals	-	(19,852)	(19,852)
Transfers	19,022	1,912	20,934
As of December 31, 2018	$2,554,416	$1,629,177	$4,183,593
Depreciation:			
As of January 1, 2019	$-	$982,458	$982,458
Depreciation	-	25,649	25,649
Disposals	-	(173,903)	(173,903)
As of December 31, 2019	$-	$834,204	$834,204
As of January 1, 2018	$-	$953,812	$953,812
Depreciation	-	42,216	42,216
Disposals	-	(13,570)	(13,570)
As of December 31, 2018	$-	$982,458	$982,458
Impairment:			
As of January 1, 2019	$-	$8,073	$8,073
Impairment	-	-	-
As of December 31, 2019	$-	$8,073	$8,073
As of January 1, 2018	$-	$8,073	$8,073
Impairment	-	-	-
As of December 31, 2018	$-	$8,073	$8,073
Net carrying amount as of:			
December 31, 2019	$2,524,402	$379,412	$2,903,814
December 31, 2018	$2,554,416	$638,646	$3,193,062

	For the years ended December 31,	
	2019	2018
Rental income from investment property	$78,089	$110,764
Less：Direct operating expense generated from rental income of investment property	(74,112)	(82,932)
Total	$3,977	$27,832

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Please refer to Note 8 for more details on investment property under pledge.

The fair value of investment properties was NT$9,237,919 thousand as of December 31, 2019. The fair value NT$5,321,131 thousand has been determined based on valuations performed by an independent valuer. The valuation method used are comparison approach and income approach. The remaining NT$3,916,788 thousand was assessed by the Company. The valuation method used is land development analysis approach which supporting by market evidence and current land value.

The fair value of investment properties was NT$9,287,806 thousand as of December 31, 2018. The fair value NT$4,032,215 thousand has been determined based on valuations performed by an independent valuer. The valuation method used are comparison approach and income approach. The remaining NT$5,255,591 thousand was assessed by the Company. The valuation method used is land development analysis approach which supporting by market evidence and current land value.

Part of the Investment property were held temporarily under third parties' names because of regulatory requirements. The relevant security procedures have been fully implemented.

(10) Intangible assets

	For the years ended December 31,	
	2019	2018
Cost:		
Beginning Balance	$33,834	$27,138
Addition-acquired separately	8,331	7,374
Disposals	(7,704)	(678)
Transfers	(750)	-
Ending Balance	$33,711	$33,834
Amortization:		
Beginning Balance	$19,541	$15,184
Amortization	6,725	5,035
Disposals	(7,704)	(678)
Transfers	(225)	-
Ending Balance	$18,337	$19,541
Net carrying amount as of:		
Ending Balance	$15,374	$14,293

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Recognized as amortized amount of intangible assets are as follows.

	2019	2018
Operating costs	$670	$336
Operating expenses	$6,055	$4,699

(11) Short-term loans

	As of December 31,	
	2019	2018
Unsecured bank loans	$1,646,000	$1,950,000
Secured bank loans	1,264,000	750,000
Total	$2,910,000	$2,700,000
Interset rates		
Credit bank loans	1.000~1.070%	0.950%~1.100%
Secured bank loans	1.000~1.070%	0.950%~1.120%

Please refer to Note 8 for more details on assets pledged as security for short-term loans.

The Company’s unused short-term lines of credits amount to NT$5,842,000 thousand and NT$6,292,000 thousand as of December 31, 2019 and 2018, respectively.

(12) Short-term notes and bills payable

	As of December 31,	
Guarantee institution	2019	2018
Guaranteed by bank	$2,610,000	$1,730,000
Less：Unamortised discount	(1,270)	(2,175)
Net	$2,608,730	$1,727,825
Interest rates	0.56~0.87%	0.60%~0.92%

Please refer to Note 8 for more details on assets pledged as security for Short-term notes and bills payable.

(13) Bonds payable

		As of December 31,	
	Interest rates	2019	2018
Domestic secured bonds	1.4%	$-	$1,000,000
Less：current portion		-	(1,000,000)
Net		$-	$-

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company issued five-year domestic secured bonds with a face value of NT$2,000,000 thousand on December 25, 2014. The principal amount of the bonds is repaid in installments of NTD$1,000,000 when reach fourth and fifth year after the issue date. The interest is paid every year at the annual interest rate.

The domestic secured bonds were guaranteed by the Bank of Taiwan Co., Ltd. in accordance with the guarantee contract.

(14) Long-term loans

Details of long-term loans are as follows:

Lenders	As of December 31, 2019	Maturity date and terms of repayment
Secured Long-term Loan from Bank of KGI	$220,000	Revolving use within the credit period and the repayment will be due in a lump-sum payment on the expiration of the term.
Unsecured Long-term Loan from Bank of KGI	380,000	Revolving use within the credit period and the repayment will be due in a lump-sum payment on the expiration of the term.
Secured Long-term Loan from Bank of Taiwan	500,000	Effective December 25, 2019. Principal is repaid in 10 half-yearly payments, the 2^{nd} to 4^{nd} payments will be NTD$25,000 thousand, 5^{nd} to 8^{nd} payments will be NTD$50,000 thousand and 9^{nd} to 10^{nd} payments will be NTD$100,000 thousand; interest paid every month.
Unsecured Long-term Loan from Bank of Taiwan	500,000	Effective December 25, 2019. Principal is repaid in 10 half-yearly payments, the 2^{nd} to 4^{nd} payments will be NTD$25,000 thousand, 5^{nd} to 8^{nd} payments will be NTD$50,000 thousand and 9^{nd} to 10^{nd} payments will be NTD$100,000 thousand; interest paid every month.
Secured Long-term Loan from Bank of Taiwan	450,000	Effective December 25, 2018. Principal is repaid in 10 half-yearly payments, the 2^{nd} to 4^{nd} payments will be NTD$25,000 thousand, 5^{nd} to 8^{nd} payments will be NTD$50,000 thousand and 9^{nd} to 10^{nd} payments will be NTD$100,000 thousand; interest paid every month.
Unsecured Long-term Loan from Bank of Taiwan	450,000	Effective December 25, 2018. Principal is repaid in 10 half-yearly payments, the 2^{nd} to 4^{nd} payments will be NTD$25,000 thousand, 5^{nd} to 8^{nd} payments will be NTD$50,000 thousand and 9^{nd} to 10^{nd} payments will be NTD$100,000 thousand; interest paid every month.
Subtotal	2,500,000	
Less: current portion	(200,000)	
Total	$2,300,000	
Interest rates	1.05%~1.40%	

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Lenders	As of December 31, 2018	Maturity date and terms of repayment
Secured Long-term Loan from KGI Bank	$231,000	Revolving use within the credit period and the repayment will be due in a lump-sum payment on the expiration of the term.
Unsecured Long-term Loan from KGI Bank	369,000	Revolving use within the credit period and the repayment will be due in a lump-sum payment on the expiration of the term.
Secured Long-term Loan from Bank of Taiwan	500,000	Effective December 25, 2018. Principal is repaid in 10 half-yearly payments, the 2nd to 4nd payments will be NTD$25,000 thousand, 5nd to 8nd payments will be NTD$50,000 thousand and 9nd to 10nd payments will be NTD$100,000 thousand; interest paid every month.
Unsecured Long-term Loan from Bank of Taiwan	500,000	Effective December 25, 2018. Principal is repaid in 10 half-yearly payments, the 2nd to 4nd payments will be NTD$25,000 thousand, 5nd to 8nd payments will be NTD$50,000 thousand and 9nd to 10nd payments will be NTD$100,000 thousand; interest paid every month.
Subtotal	1,600,000	
Less: current portion	(100,000)	
Total	$1,500,000	
Interest rates	1.09%~1.40%	

Please refer to Note 8 for more details on assets pledged as security for long-term loans.

(15) Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C.. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2019 and 2018 are NT$13,008 thousand and NT$12,417 thousand, respectively.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$37,549 thousand to its defined benefit plan during the 12 months beginning after December 31, 2019.

The average duration of the defined benefits plan obligation are 12 years and 11 years as of December 31, 2019 and 2018, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2019 and 2018:

	For the years ended December 31,	
	2019	2018
Current period service costs	$10,873	$11,386
Interest expense (income) of net defined benefit liabilities (assets)	2,255	3,066
Total	$13,128	$14,452

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	2019.12.31	2018.12.31	2018.1.1
Defined benefit obligation	$463,742	$460,440	$450,734
Plan assets at fair value	(257,713)	(232,650)	(195,233)
Other non-current liabilities - Net defined benefit liabilities recognized on the balance sheets	$206,029	$227,790	$255,501

Reconciliation of liability of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2018	$450,734	$(195,233)	$255,501
Current period service costs	11,386	-	11,386
Net interest expense (income)	5,409	(2,343)	3,066
Subtotal	16,795	(2,343)	14,452
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(98)	-	(98)
Actuarial gains and losses arising from changes in financial assumptions	9,060	-	9,060
Experience adjustments	12,150	(5,011)	7,139
Subtotal	21,112	(5,011)	16,101
Payments from the plan	(28,201)	28,201	-
Contributions by employer	-	(58,264)	(58,264)
As of December 31, 2018	460,440	(232,650)	227,790
Current period service costs	10,873	-	10,873
Net interest expense (income)	4,558	(2,303)	2,255
Subtotal	15,431	(2,303)	13,128
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(324)	-	(324)
Actuarial gains and losses arising from changes in financial assumptions	14,038	-	14,038
Experience adjustments	(3,178)	(7,682)	(10,860)
Subtotal	10,536	(7,682)	2,854
Payments from the plan	(22,665)	22,665	-
Contributions by employer	-	(37,743)	(37,743)
As of December 31, 2019	$463.742	$(257,713)	$206,029

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2019	2018
Discount rate	0.74%	0.99%
Expected rate of salary increases	1.50%	1.50%

A sensitivity analysis for significant assumption as of December 31, 2019 and 2018 is, as shown below:

	Effect on the defined benefit obligation			
	2019		2018	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increases by 0.5%	$-	$(23,067)	$-	$(20,612)
Discount rate decreases by 0.5%	31,519	-	32,307	-
Future salary increases by 0.5%	31,114	-	31,967	-
Future salary decreases by 0.5%	-	(23,023)	-	(20,610)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(16) Provisions, non-current

Decommissioning, restoration and rehabilitation

	As of December 31,	
	2019	2018
Beginning balance	$4,500	$4,500
Reversal	300	-
Ending balance	$4,800	$4,500

A provision has been recognized for decommissioning costs associated with a factory owned by the Company. The Company is committed to decommissioning the site as a result of the construction of the factory.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(20) Equity

A. Common stock

	As of December 31,	
	2019	2018
Authorized shares (thousand shares)	2,000,000	2,000,000
Authorized capital	$20,000,000	$20,000,000
Issued shares (thousand shares)	1,385,000	1,385,000
Issued capital	$13,850,003	$13,850,003

Each at a par value of NT$10 and each share has one voting right and a right to receive dividends.

B. Capital surplus

	As of December 31,	
	2019	2018
Additional paid-in capital	$551,173	$551,173
Treasury share transactions	307,290	306,380
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	5	1,619
Changes in ownership interests in subsidiaries	187,289	187,289
Share-based payments	103,200	103,200
Donated surplus	13,001	12,990
Others	15,261	15,261
Total	$1,177,219	$1,177,912

According to the Company Act, the capital reserve shall not be used except for filling the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury stock

As of December 31, 2019 and 2018, the Company's shares held by the subsidiaries were NT$10,039 thousand represented 3,641 thousand shares. These shares held by subsidiaries were acquired for the purpose of financing before the amendment of the Company Act on November 12, 2001.

D. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, the Company's annual earnings, if any, shall be distributed as follows:

a. Payment of all taxes and dues;
b. Offset prior years' operation losses;
c. Set aside 10% of the remaining amount after deducting items a. and b. as legal reserve;
d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The Company's business environment is stable, the dividend policy shall be determined pursuant to factors such as the profitability and its future funding requirements, as well as stockholders'interest, balancing dividends and the Company's long-term financial planning. It could be paid in cash or the form of share dividends. Accordingly, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, a company needs distribute the legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to fill the deficit of a company. When a company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital, by issuing new shares or by distributing cash in proportion to the number of shares held by each shareholder.

Following the adoption of TIFRS, the FSC on 6 April 2012 issued Order No. Financial-Supervisory-Securities-Corporate-1010012865, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company did not reverse special reserve to retained earnings for the period ended December 31, 2019 and 2018 as a result of the use, disposal of or reclassification of related assets. As of Decebber 31, 2019 and 2018, special reserve set aside for the first-time adoption of T-IFRS amounted to NT$1,874,430 both.

Details of the 2018 earnings distribution and dividends per share as approved and resolved by the shareholders' meeting on June 20, 2019, are as follows:

	Appropriation of earnings	Dividend per share (NT$)
	2018	2018
Legal reserve	$51,482	$-
Common stock-cash dividend	346,250	0.25

The appropriation of 2019 unappropriated retained earnings has not yet been approved by the Board of Directors and resolved by the stockholder during their meeting as of the reporting date. Information about the appropriation of retained earinings of the Company as approved by the Board of Directors and resolved by the shareholders' will be posted in the "Market Observation Post System" on the website of the TWSE.

Please refer to Note 6(21) for further details on employees' compensation and remuneration to directors and supervisors.

(18) Operating revenue

	For the years ended December 31,	
	2019	2018
Revenue from contracts with customers		
Sale of goods revenue	$12,522,321	$11,119,143
Other operating revenues	128,024	172,557
Subtotal	12,650,345	11,291,700
Lease revenue	78,089	110,764
Total	$12,728,434	$11,402,464

Analysis of revenue from contracts with customers during the year 2019 and 2018 is as follows:

	2019	2018
Timing of revenue recognition:		
At a point in time	$12,650,345	$11,291,700

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(19) Expected credit losses

	Period ended 31 Dec. 2019	Period ended 31 Dec. 2018
Operating expenses – Expected credit (gains) losses		
Notes receivable	$(125)	$(691)
Accounts receivable	(16,964)	38,182
Long-term receivable	66,218	7,628
Total	$49,129	$45,119

Please refer to Note 12 for more details on credit risk.

The credit risk for the Company's financial assets at fair value through other comprehensive income and financial assets measured at amortized cost are assessed as low (the same as the assessment result in the beginning of the period). Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses (loss ratio of 0 %).

The Company measures the loss allowance of its accounts receivable (including note receivables, accounts receivables and long-term receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at December 31, 2019 and 2018 is as follow:

A. The Company considers the Companying of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

December 31, 2019

Group 1: The total carrying amount of notes receivable is NT$899,573 thousand, its loss allowance amounting to NT$458 thousand which is measured at expected credit loss ratio of 0~3%.

Group 2:

	Not yet due	Overdue 90-180 days	Overdue 181-365 days	Overdue 1-2 years	Overdue >=2 years	Total
Gross carrying amount	$3,103,809	$809,889	$310,643	$68,955	$23,710	$4,317,006
Loss ratio	-%	3%	5%	30%	37%	
Lifetime expected credit losses	-	24,297	15,532	20,686	8,744	69,259
Total	$3,103,809	$785,592	$295,111	$48,269	$14,966	$4,247,747

Group 3: The total carrying amount of long-term receivable is NT$167,896 thousand, its loss allowance amounting to NT$122,237 thousand which is measured at expected credit loss ratio of 70~80% .

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

December 31, 2018

Group 1: The total carrying amount of notes receivable is NT$898,100 thousand, its loss allowance amounting to NT$583 thousand which is measured at expected credit loss ratio of 0~3%.

Group 2:

		Overdue				
	Not yet due	90-180 days	181-365 days	1-2 years	>=2 years	Total
Gross carrying amount	$2,666,235	$678,937	$204,681	$64,642	$44,433	$3,658,928
Loss ratio	-%	3%	5%	30%	82%	
Lifetime expected credit losses	-	20,368	10,234	19,393	36,228	86,223
Total	$2,666,235	$658,569	$194,447	$45,249	$8,205	$3,572,705

Group 3: The total carrying amount of long-term receivable is NT$90,947 thousand, its loss allowance amounting to NT$72,758 thousand which is measured at expected credit loss ratio of 80% .

B. The movement in the loss allowance of trade receivables during the period ended December 31, 2019 and 2018 is as follows:

	Notes receivable	Accounts receivable	Long-term receivable
January 1, 2019	$583	$86,223	$72,758
Addition/(reversal) for the current period	(125)	(16,964)	66,218
Write off	-	-	(16,739)
December 31, 2019	$458	$69,259	$122,237
January 1, 2018 (in accordance with IAS 9)	$1,274	$49,016	$73,239
Adjustment for the beginning balance	-	-	-
Beginning balance (in accordance with IFRS 39)	1,274	49,016	73,239
Addition/(reversal) for the current period	(691)	38,182	7,628
Write off	-	(975)	(8,109)
December 31, 2018	$583	$86,223	$72,758

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(20) Leases

A. Company as a lessee (adopted IFRS 16 "Lease")

The Company leases various properties, including real estate such as land and buildings and transportation equipment. The lease terms range from 2 to 10 years.

The Company’s leases effect on the financial position, financial performance and cash flows are as follow:

a. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2019	2018 (Note)
Land	$568,693	
Buliding	56,746	
Transportation equipment	2,668	
Total	$628,107	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

During the years ended December 31, 2019, the Company’s additions to right-of-use assets amounting to NT$80,051 thousand.

(b) Lease liabilities

	As of December 31,	
	2019	2018 (Note)
Lease liabilities	$593,555	
Current	97,310	
Non-current	496,045	

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Please refer to Note 6(22) finance costs for interest expenses resulted from lease liabilities; please refer to Note 12(5) liquidity risk management for maturity analysis of lease liabilities on December 31,2019.

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

b. Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2019	2018 (Note)
Land	$99,458	
Buliding	14,186	
Transportation equipment	1,232	
Total	$114,876	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

c. Income and costs relating to leasing activities

	For the years ended December 31,	
	2019	2018 (Note)
The expenses relating to short-term leases	$839	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

d. Cash outflow relating to leasing activities

During the years ended December 31, 2019, the Company's total cash outflows for leases amounting to NT$131,780 thousand.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

e. Other imformation relating to leasing activities

Extension and termination options

Some of the Company's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company.

After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. The Company as a lessee (adopted IAS 17)

The Company has entered into commercial property leases of lands, buildings and equipments with one to nine years remaining terms.

Future minimum rentals payable under non-cancellable operating leases as of December 31, 2019 and 2018, are as follows:

	As of December 31,	
	2019 (Note)	2018
Within one year		$63,000
Over one year but within five years		136,957
Over five years		102,320
Total		$302,277

Operating lease expenses recognized are as follows:

	For the years ended December 31,	
	2019 (Note)	2018
Minimum lease payments		$77,505

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Company as a lessor (adopted IFRS 16 "Lease")

Please refer to Note 6(9) for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2019	2018 (Note)
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$78,089	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

Please refer to Note 6(8) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at December 31, 2019 are as follow:

	As of December 31,	
	2019	2018 (Note)
Not later than one year	$43,278	
Later than one year but not later than two years	52,723	
Later than two years but not later than three years	51,627	
Later than three years but not later than four years	40,993	
Later than four years but not later than five years	53,789	
Later than five years	394,291	
Total	$636,701	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

D. Operating lease commitments - Company as lessor (adopted IAS 17)

The Company has entered into commercial property leases with three to sixteen years remaining terms. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Future minimum rentals receivable under non-cancellable operating leases as of December 31, 2019 and 2018, are as follows:

	As of December 31,	
	2019 (Note)	2018
Within one year		$224,330
Over one year but within five years		604,620
Over five years		356,671
Total		$1,185,621

The contingent rent recognized as income was as follow:

	As of December 31,	
	2019 (Note)	2018
Contingent rent recognized as income		$19,044

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(21) Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2019 and 2018:

	For the years ended December 31,					
	2019			2018		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$497,459	$251,921	$749,380	$433,644	$272,246	$705,890
Labor and health insurance	23,089	18,232	41,321	21,188	18,691	39,879
Pension	16,070	10,066	26,136	15,902	10,967	26,869
Remuneration to directors	-	53,251	53,251	-	31,131	31,131
Depreciation	216,393	74,330	290,723	176,852	22,810	199,662
Amortization	670	6,055	6,725	336	4,699	5,035

Note1: The Company's average headcount were 596 and 595 employees for the years ended December 31,2019 and 2018, repectively. There were 11 and 11 non-employee directors for the years ended December 31, 2019 and 2018, repectively.

Note2: The Company's average employee benefit expenses for the years ended December 31, 2019 and 2018 amounted to NT$1,396 thousand and NT$1,323 thousand, respectively.

Note3: The Company's average wages and salaries for the years ended December 31, 2019 and 2018 amounted to NT$1,281 thousand and NT$1,209 thousand, repectively. Average salary expense increased by 5.96%.

According to the Articles of Incorporation, 3% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the year ended December 31, 2019, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2019 both to be 3% of profit of the current year, recognized as employee benefits expense. A resolution was passed at a Board of Directors meeting held on March 17, 2020 to distribute NT$35,831 thousand in cash as employees' compensation and remuneration to directors both of 2019. No material differences exist between the estimated amount and the actual distribution.

A resolution was passed at a Board of Directors meeting held on March 22, 2019 to distribute NT$16,111 thousand in cash as employees' compensation and remuneration to directors both of 2018. No material differences exist between the estimated amount and the actual distribution.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(22) Non-operating income and expenses

A. Other income

	For the years ended December 31,	
	2019	2018
Interest income		
Financial assets measured at amortized cost	$11,906	$12,131
Dividend income	77,415	61,134
Other income-others	20,555	41,367
Total	$109,876	$114,632

B. Other gains and losses

	For the years ended December 31,	
	2019	2018
Gains on disposal of property, plant and equipment	$17,832	$5,744
Gains(losses) on disposal of investment property	297,874	(6,282)
Gains on disposal of investment	-	1,839
Gains on disposal of subsidiary (Note)	-	4,568
Foreign exchange (gains) loss, net	(13,326)	10,489
Other expense-others	(32,736)	(31,622)
Total	$269,644	$(15,264)

Note: Please refer to Note6(26) for more information.

C. Finance costs

	For the years ended December 31,	
	2019	2018
Interest on borrowings from bank	$70,458	$70,418
Interest on bonds payable	14,000	14,000
Interest on lease liabilities	5,603	(Note)
Interest on borrowings from related party	13,664	13,778
Total	$103,725	$98,196

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(23) Components of other comprehensive income

For the year ended December 31, 2019

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(2,854)	$-	$(2,854)	$571	$(2,283)
Unrealized gains on fair value through other comprehensive income equity instrument investment	222,803	-	222,803	-	222,803
Share of other comprehensive loss of associates and joint ventures accounted for under the equity method	441	-	441	-	441
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive loss of associates and joint ventures accounted for under the equity method	(60,374)	-	(60,374)	-	(60,374)
Total of other comprehensive (loss) income	$160,016	$-	$160,016	$571	$160,587

For the year ended December 31, 2018

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(16,101)	$-	$(16,101)	$3,221	$(12,880)
Unrealized gains on fair value through other comprehensive income equity instrument investment	4,508	-	4,508	-	4,508
Share of other comprehensive loss of associates and joint ventures accounted for under the equity method	(383)	-	(383)	-	(383)
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive loss of associates and joint ventures accounted for under the equity method	(20,276)	-	(20,276)	-	(20,276)
Total of other comprehensive (loss) income	$(32,252)	$-	$(32,252)	$3,221	$(29,031)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(24) Income tax

Based on the amendments to the Income Tax Act announced on February 7, 2018, the Company's applicable corporate income tax rate for the year ended December 31, 2018 has changed from 17% to 20%. The corporate income surtax on undistributed retained earnings has changed from 10% to 5%.

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

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2019	2018
Current income tax expense (income):		
Current income tax charge	$19,171	$5,122
Adjustments in respect of current income tax of prior periods	2,670	(389)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(146,887)	16,346
Deferred tax expense (income) relating to origination and reversal of tax loss and tax credit	180,000	12,535
Deferred tax expense (income) relating to changes in tax rate or the imposition of new taxes	-	(12,539)
Adjustments in respect of current income tax of prior periods	(33,899)	(31,097)
Total income tax income	$21,055	$(10,022)

Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2019	2018
Deferred tax income:		
Remeasurements of defined benefit plans	$571	$3,221
Income tax relating to other comprehensive incoome	$571	$3,221

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2019	2018
Accounting profit before tax from continuing operations	$1,122,714	$504,817
Tax at the domestic rates applicable to profits in the country concerned	$224,543	$100,963
Tax effect of revenues exempt from taxation	(171,415)	(111,760)
Tax effect of expenses not deductible for tax purposes	2,184	1,720
Tax effect of deferred tax assets / liabilities	(63,633)	6,575
Deferred tax expense (income) relating to changes in tax rate or the imposition of new taxes	-	(12,539)
Others	25	286
Basic tax	21,292	-
Corporate income surtax on undistributed retained earnings	5,389	5,122
Adjustments in respect of current income tax of prior periods	2,670	(389)
Total income tax expense recognized in profit or loss	$21,055	$(10,022)

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2019

	Beginning balance as of January 1, 2019	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2019
Temporary differences				
Defined benefit liabilities	$77,344	$(4,923)	$571	$72,992
Loss allowance	22,617	5,005	-	27,622
Inventory valuation losses	1,322	-	-	1,322
Unrealized impairment loss	111,778	206,967	-	318,745
Decommissioning costs	796	-	-	796
Components of buildings	12,819	122	-	12,941
Unrealized exchange losses	2,457	986	-	3,443
Unrealized exchange gains	(4,745)	4,007	-	(738)
Unrealized gains or losses from financial assets	(58)	58	-	-
Allowance for sales return and discounts	-	187	-	187
Unused taxable loss	78,572	(78,572)	-	-
Unused tax credits	133,051	(133,051)	-	-
Deferred tax (expense)/income		$786	$571	
Net deferred tax assets/(liabilities)	$435,953			$437,310
Reflected in balance sheet as follows:				
Deferred tax assets	$440,756			$438,048
Deferred tax liabilities	$(4,803)			$(738)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended December 31, 2018

	Beginning balance as of January 1, 2018	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2018
Temporary differences				
Defined benefit liabilities	$70,453	$3,670	$3,221	$77,344
Loss allowance	15,131	7,486	-	22,617
Inventory valuation losses	1,123	199	-	1,322
Unrealized impairment loss	6,486	105,292	-	111,778
Decommissioning costs	677	119	-	796
Components of buildings	11,873	946	-	12,819
Unrealized exchange losses	6,727	(4,270)	-	2,457
Unrealized exchange gains	(150)	(4,595)	-	(4,745)
Unrealized gains or losses from financial assets	-	(58)	-	(58)
Allowance for sales return and discounts	648	(648)	-	-
Unused taxable loss	49,671	28,901	-	78,572
Unused tax credits	255,338	(122,287)	-	133,051
Deferred tax (expense)/income		$14,755	$3,221	
Net deferred tax assets/(liabilities)	$417,977			$435,953
Reflected in balance sheet as follows:				
Deferred tax assets	$418,127			$440,756
Deferred tax liabilities	$(150)			$(4,803)

The following table contains information of the unused tax losses of the Compnay:

		Unused balance		
Occurred year	Deficit amounts	2019	2018	Last credit year
2009	$374,645	$-	$150,883	2019

Details of the Company's unused tax credit are as follows:

		Unused balance		
Laws and regulations	Credits item	2019	2018	Last credit year
Statute for Promoting Private Participation in Public Construction	Investment tax credits	$-	$146,102	2019
		60,000	60,000	2020
		$60,000	$206,102	

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Unrecognized deferred tax assets

As of December 31, 2019 and 2018, deferred tax assets that have not been recognized amount to NT$583,925 thousand and NT$790,893 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Compnay's overseas subsidiaries, as the Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2019 and 2018, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregate to NT$273,009 thousand and NT$172,660 thousand, respectively.

The assessment of income tax returns

As of December 31, 2019, the assessment of the income tax returns of the Company is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2017

(25) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2019	2018
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$1,101,659	$514,839
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	1,381,359	1,381,359
Basic earnings per share (NT$)	$0.80	$0.37
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$1,101,659	$514,839
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	1,381,359	1,381,359
Effect of dilution:		
Employee bonus-stock (in thousands)	2,488	1,927
Weighted average number of ordinary shares outstanding after dilution (in thousands)	1,383,847	1,383,286
Diluted earnings per share (NT$)	$0.80	$0.37

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(26) Changes in parent’s interest in subsidiaries

A. Acquisition of shares issued by subsidiaries

In 2019, the Company acquired an additional 2% of the voting shares of WELLPOOL CO., LTD., increasing its ownership to 51%. A cash consideration of NT$28,128 thousand was paid to the non-controlling interest shareholders. Therefore, the difference between the actual acquisition and the book value, amounting to NT$1,614 thousand and NT$13,249 thousand recognized as a decrease in paid-in capital and unappropriated earnings, respectively.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Losing control of subsidiaries

RAIXIN QUALITY PRODUCTS LTD.

On October 22, 2018, the shareholders meeting of RAIXIN QUALITY PRODUCTS LTD. approved a capital reduction to cover accumulated deficits and issuance of Common Stock. The Company and GOLDSUN INNOVATIVE BUILDING MATERIALS CO., did not subscribe new shares proportionately to its ownership interests. Hence, the Compnay's shareholding percentage changed from 54% to 39%, which resulted in losing control.

Since October 31, 2018, RAIXIN QUALITY PRODUCTS LTD. was no longer subsidiaries of the Company which was accounted for using the equity method as associate. The Company measured assets and liabilities acquired at fair value. The difference between the book value and fair value, amounting to NT$4,568 thousand, had been recognized as gain on disposal of subsidiary.

Analysis of assets and liabilities of RAIXIN QUALITY PRODUCTS LTD. as of the date losing control:

	Carrying amount
Cash and cash equivalents	$58,371
Notes and accounts receivable	4,216
Others receivable	47
Inventories	10,420
Prepayments	10,659
Other current assets	12
Property, plant and equipment	12,970
Intangible asset	1,285
Deferred tax asset	6,319
Other non-current assets	3,939
Notes and accounts payable	(5,905)
Other payable	(7,938)
Other current liabilities	(4,090)
Other non-current liabilities	(204)
Total net assets	90,101
Carrying value of non-controlling interest	(59,780)
Net disposal assets	$30,321

Gain on disposal of subsidiary	
Fair value of residual interest.	$34,889
Reduce：net disposal assets	(30,321)
Gain on disposal of subsidiary	$4,568

7. Related party transactions

Information of the related parties that has transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Related Party Name	The Relationship with The Company
TAIWAN SECOM CO., LTD. and subsidiaries	Group with significant influence over the Company
WELLPOOL CO., LTD.	Subsidiary
JIN SHUN MARITIME LIMITED	Subsidiary
YUAN SHUN MARITIME LIMITED	Subsidiary
JING SHUN MARITIME LIMITED	Subsidiary
FENG SHUN MARITIME LIMITED	Subsidiary
TAIPEI PORT TERMINAL COMPANY LIMITED	Subsidiary
KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	Subsidiary
GOLDSUN NIHON CEMENT CO., LTD.	Subsidiary
REI SHIN CONSTRUCTION CO., LTD.	Subsidiary
GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	Subsidiary
GOYU BUILDING MATERIALS CO., LTD.	Subsidiary
Gimpo Marine Co., Ltd	Subsidiary
RAIXIN QUALITY PRODUCTS LTD. (Note)	Associate
TRUST SANDSTONE CO., LTD.	Other related party
CPMI Corporation	Other related party

Note: Beginning from October 22, 2018, the Company accounts for its investment as an associate given the fact that the Company reduced the ownership percentage.

(1) Operatin revenue - Sales

	For the years ended December 31,	
	2019	2018
Subsidiaries	$1,652	$8,897

The selling price and discount to the above related parties is depended on the product specifications and shipment distance. The terms were determined on order quantity, the discount of related parties was similar to bulk-order from non-related parties.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Operating revenue – Other operating revenue

	For the years ended December 31,	
	2019	2018
Subsidiaries	$93,550	$70,722
Other related parties	18,354	53,890
Associates	28	22
Group with significant influence over the Company	24	-
Total	$111,956	$124,634

The general terms were similar to bulk-order from non-related parties.

(3) Purchase

	For the years ended December 31,	
	2019	2018
Group with significant influence over the Company	$625,096	$965,720
Subsidiaries	1,007,344	726,068
Total	$1,632,440	$1,691,788

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers.

(4) Accounts receivable - related parties

	As of December 31,	
	2019	2018
Group with significant influence over the Company	$817	$659
Subsidiaries		
WELLPOOL CO., LTD.	14,822	18,655
KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	44	4,834
Others	3	13
Other related parties		
TRUST SANDSTONE CO., LTD.	1,889	2,313
Others	-	54
Associates	-	3
Total	$17,575	$26,531

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Accounts payable - related parties

	As of December 31,	
	2019	2018
Group with significant influence over the Company		
GOLDSUN EXPRESS & LOGISTICS CO., LTD.	$62,790	$117,469
Others	2,678	3,637
Subsidiaries		
GOLDSUN NIHON CEMENT CO., LTD.	91,838	49,733
TAIPEI PORT TERMINAL COMPANY LIMITED	6,130	19,767
Others	-	561
Total	$163,436	$191,167

(6) Other receivable - related parties

	As of December 31,	
	2019	2018
Group with significant influence over the Company	$13,445	$23,732
Subsidiaries		
Gimpo Marine Co., Ltd	18,668	-
Others	2,258	4,202
Other related parties	5	-
Total	$34,376	$27,934

(7) Prepayments

	As of December 31,	
	2019	2018
Group with significant influence over the Company	$40,035	$175,880
Subsidiaries	757	-
Total	$40,792	$175,880

(8) Financing provided

Other payables – related parties

	For the year ended December 31, 2019				
	Maximum balance	Ending balance	Rate	Total interest disbursement	Ending interest payable
REI SHIN CONSTRUCTION CO., LTD.	$1,375,000	$890,000	1.28%	$13,667	$493

Effective June 14, 2019 to June 14, 2020. The Company should pay in full when the loan was expired but paying off in advance was permitted.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	For the year ended December 31, 2018				
	Maximum balance	Ending balance	Rate	Total interest disbursement	Ending interest payable
REI SHIN CONSTRUCTION CO., LTD.	$1,375,000	$1,375,000	1.28%	$13,778	$803

Effective December 26, 2018 to December 26, 2019. The Company should pay in full when the loan was expired but paying off in advance was permitted.

(9) Lease - Company as lessee (adopted IFRS 16 "Lease")

A. The lease term was based on market conditions, and paid rent monthly.

B. Acquisition of right-of-use assets

	For the year ended December 31, 2019
Subsidiaries	$200,207

IFRS 16 was adoped since January 1, 2019, the Company’s additions to right-of-use assets amounting to NT$250,259 thousand.

C. Lease liabilities

	For the year ended December 31, 2019
Subsidiaries	$201,353

(10) Lease - Company as lessor

A. Lease revenue

	For the year ended December 31	
	2019	2018
Subsidiaries	$3,744	$713
Group with significant influence over the Company	5,864	7,424
Other related parties	611	608
Total	$10,219	$8,745

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Guarantee deposits

	As of December 31,	
	2019	2018
Group with significant influence over the Company	$898	$20
Subsidiaries	644	1,242
Other related parties	104	14
Total	$1,646	$1,276

(11) Other operating costs

	For the years ended December 31,	
	2019	2018
Group with significant influence over the Company	$2,450	$11,017
Subsidiaries	80,839	84,774
Total	$83,289	$95,791

(12) Operating expense

	For the years ended December 31,	
	2019	2018
Group with significant influence over the Company	$26,622	$29,704
Subsidiaries	-	772
Total	$26,622	$30,476

(13) Property transactions

The Company has purchased machinery, transport and other equipment and commissioned to build a business building, which were recognized as property plant and equipment:

	For the years ended December 31,	
	2019	2018
Group with significant influence over the Company	$18,702	$9,607
Subsidiaries	238,102	3,755
Total	$256,804	$13,362

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(14) Key management personnel compensation

	For the years ended December 31,	
	2019	2018
Short-term employee benefits	$57,018	$56,088
Post-employment benefits	-	-
Total	$57,018	$56,088

8. Assets pledged as security

The following table lists assets of the Company pledged as security:

	Carrying amount		
Assets pledged for security	December 31, 2019	December 31, 2018	Secured liabilities
Property, plant and equipment, lands and buildings	$2,937,133	$2,642,365	Bank loan、C/P
Investment property	1,183,852	894,684	Bank loan、C/P
Financial assets at fair value through other comprehensive income-Stocks	1,315,732	1,354,075	Bank loan、C/P
Long-term equity investment for using equity method	807,000	766,500	C/P
Financial assets measured at amortized cost-Time deposits	71,130	70,691	Bank loan
Total	$6,314,847	$5,728,315	

9. Commitments and contingencies

(1) Promissory notes issued by the Company to secure bank loans and construction performance amounted to NT$3,135,825 thousand as of December 31, 2019.

(2) The Company’s unused letters of credit for importing raw materials amounted to NTD29,451 thousand

(3) The Company provide endorsements or guarantees for subsidiaries, please refer to Note 13.

10. Losses due to major disasters

None.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

11. Significant subsequent events

(1) RUEI SHIN CONSTRUCION CO., LTD., a subsidiary, plan to transfer part of its independently operated business to a newly incorporated company, REIXIN ASSET MANAGEMENT INC., that the Company own 100% share. The transferred business value is estimated 1,000,000 thousand. The Company will obtain 100,000 thousand new shares issued by REIXIN ASSET MANAGEMENT INC. as consideration. The division reference date is set on January 1, 2020.

(2) For the purpose of maintaining the Company's credit and stockholders' rights, the Company resolved at its board meeting on March 17, 2020 to repurchase stock according to the R.O.C. Securities and Exchange Act. The Company will repurchase its shares from the open market. It is estimated that 10 million shares will be repurchased, and the price will be NT$8 to NT$13. The repurchased shares are expected to be retired completely.

12. Others

(1) Categories of financial instruments

Financial assets

	As of December 31, 2019	As of December 31, 2018
Financial assets at fair value through other comprehensive income	$1,558,841	$1,441,951
Financial assets measured at amortized cost (Note)	6,607,513	5,355,612
Total	$8,166,354	$6,797,563

Financial liabilities

	As of December 31, 2019	As of December 31, 2018
Financial liabilities at amortized cost:		
Short-term loan	$2,910,000	$2,700,000
Short-term notes and bills payable	2,608,730	1,727,825
Notes payable	-	1,089
Accounts payable (including related parties)	1,436,003	1,715,989
Other payables (including related parties)	1,470,660	1,908,013
Bonds payable (including due in one year)	-	1,000,000
Long-term loan (including due in one year)	2,500,000	1,600,000
Guarantee deposits	27,080	32,008
Total	$10,952,473	$10,684,924

Note: Contains cash and cash equivalents (except cash on hand), financial assets measured at amortized cost, notes receivable, accounts receivable (including related parties), other receivable (including related parties), long-term receivable, and refundable deposits.

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies, measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk includes currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable. In other words, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's net investments in foreign subsidiaries. The net investments in foreign subsidiaries is a strategic investment that the Company has not hedged this.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for US dollars. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by ten basis points, the profits for the years ended 31 December 2019 and 2018 are decreased/increased by NT$34,507 thousand and NT$39,905 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at floating interest rates, bank borrowings with fixed interest rates and floating interest rates.

The Company manages its interest rate risk by maintaining a balanced portfolio of fixed and floating interest loans and debts, along with interest rate swaps.

The interest rate sensitivity analysis is performed on items assumed to be possessed for a fiscal year and exposed to interest rate risk as of the end of the reporting period, including borrowings with floating interest rates. The analysis indicates that when the interest rates increase / decrease by ten basis points, the Company's profit would decrease / increase by NT$6,831 thousand and NT$5,451 thousand for the years ended December 31, 2019 and 2018, respectively.

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

The equity price sensitivity analysis is counting based on changes of fair value for a fiscal year. Assumed that when the investment price of measured at fair value through other comprehensive income of financial assets of publicly quoted entity increase / decrease ten basis points, the Cpmpany's equity would increase / decrease by NT$131,617 thousand and NT$124,873 thousand for the year ended December 31, 2019 and 2018, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2019, and 2018, amounts receivables from top ten customers are 26% and 16%, respectively, compared to the total accounts receivables of the Company. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings and convertible bonds. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2019					
Borrowings	$3,139,323	$1,341,965	$1,016,100	$-	$5,497,388
Short-term notes and bills payable	2,610,000	-	-	-	2,610,000
Accounts payable	1,436,003	-	-	-	1,436,003
Others payable	580,660	-	-	-	580,660
Others payable-related parties	890,493	-	-	-	890,493
Lease liabilities (Note)	101,790	240,723	152,329	113,303	608,145
As of December 31, 2018					
Borrowings	$2,815,830	$924,094	$611,900	$-	$4,351,824
Short-term notes and bills payable	1,730,000	-	-	-	1,730,000
Notes payable	1,089	-	-	-	1,089
Accounts payable	1,715,989	-	-	-	1,715,989
Others payable	533,013	-	-	-	533,013
Others payable-related parties	1,375,803	-	-	-	1,375,803
Bonds payable	1,014,000	-	-	-	1,014,000

Note: Including cash flows resulted from short-term leases or leases of low-value assets.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Fair values of financial instruments

Information of reconciliation for liabilities during 2019 is as follows:

	Short-term loans	Short-term notes and bills payable	Other payable – related parties	Bonds Payable (including due in one year)	Long-term loans (including due in one year)	Lease liabilities	Guarantee deposits	Balance of liabilities arising from financing activities
2019.01.01	$2,700,000	$1,727,825	$1,375,000	$1,000,000	$1,600,000	$678,725	$32,008	$9,113,558
Cash flow	210,000	880,905	(485,000)	(1,000,000)	900,000	(130,941)	(4,928)	370,036
Non-cash change	-	-	-	-	-	45,571	-	45,571
2019.12.31	$2,910,000	$2,608,730	$890,000	$-	$2,500,000	$593,355	$27,080	$9,529,165

Information of reconciliation for liabilities during 2018 is as follows:.

	Short-term loans	Short -term notes and bills payable	Other payable – related parties	Bonds Payable (including due in one year)	Long-term loans (including due in one year)	Guarantee deposits	Balance of liabilities arising from financing activities
2018.01.01	$2,250,000	$1,798,390	$775,000	$2,000,000	$600,000	$33,354	$7,456,744
Cash flow	450,000	(70,565)	600,000	(1,000,000)	1,000,000	(1,346)	978,089
Non-cash change	-	-	-	-	-	-	-
2018.12.31	$2,700,000	$1,727,825	$1,375,000	$1,000,000	$1,600,000	$32,008	$8,434,833

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, trade receivables, trade payable and other current liabilities approximate their fair value due to their short maturities.

b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates etc.) at the reporting date.

c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities). The income method assesses the recoverable amount based on the present value of the financial assets that are expected to be received from cash dividends or disposals at the market

d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Among the fair value of the Company’s financial assets and financial liabilities measured at amortized cost，cash and cash equivalents, trade receivables, trade payable, other current liabilities and bonds payable whose carrying amount approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Company.

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$1,316,165	$-	$242,676	$1,558,841

As of December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$1,248,735	$-	$193,216	$1,441,951

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2019 and 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	Measured at fair value through other comprehensive income
	Stock
Beginning balances as of January 1, 2019	$193,216
Capital deducted by cash	(2,378)
Total gains recognized for the year ended December 31, 2019:	
Amount recognized in OCI (present in Unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	$51,838
Ending balances as of December 31, 2019	$242,676
Beginning balances as of January 1, 2018	$171,912
Capital deducted by cash	(2,475)
Total gains recognized for the year ended December 31, 2018:	
Amount recognized in OCI (present in Unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	23,779
Ending balances as of December 31, 2018	$193,216

Total profits and losses recognized in profit or loss for the years ended 31 December 2019 in the table above contain gains or losses related to assets on hand in the amount of NT$0 thousand.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of December 31, 2019

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: Measured at fair value through other comprehensive income					
Stocks	Market approach	Earnings per share	9.21~28.36	The higher the earnings, the higher the fair value of the stocks	10% increase (decrease) in the earnings would result in increase (decrease) in the Company's equity by NT$2,351 thousand
Stocks	Income approach	Discount rate	9.71~15.08	The higher the discount rate, the lower the fair value of the stocks	10% increase (decrease) in the discount rate would result in increase (decrease) in the Company's equity by NT$137 thousand
Stocks	Asset approach	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT$287 thousand

As of December 31, 2018

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: Measured at fair value through other comprehensive income					
Stocks	Market approach	Earnings per share	5.63~22.2	The higher the earnings, the higher the fair value of the stocks	10% increase (decrease) in the earnings would result in increase (decrease) in the Company's equity by NT$18,370 thousand
Stocks	Income approach	Discount rate	6.5~9.71	The higher the discount rate, the lower the fair value of the stocks	10% increase (decrease) in the discount rate would result in increase (decrease) in the Company's equity by NT$137 thousand
Stocks	Asset approach	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT$483 thousand

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(9))	$-	$-	$9,237,919	$9,237,919

As of December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(9))	$-	$-	$9,287,806	$9,287,806

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(Unit: Foreign currency: thousands, NTD: thousands)

	As of 31 December, 2019		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$11,510	29.98	$345,070
CNY	2,528	4.31	10,896
Non-monetary items:			
USD	24,701	29.98	740,536

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As of 31 December, 2018		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$12,990	30.72	$399,053
CNY	3,609	4.47	16,132
Non-monetary items:			
USD	15,451	30.72	474,646

The above information is disclosed based on the carrying amount of foreign currency (after conversion of functional currency).

(10) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional disclosure

(1) Information at significant transactions

a. Financing provided to other: Please refer to Attachment 1.
b. Endorsement/Guarantee provided to others: Please refer to Attachment 2.
c. Securities held: Please refer to Attachment 3.
d. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million and 20 percent of the capital stock: None.
e. Acquisition of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock: None.
f. Disposal of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock: Please refer to Attachment 4.
g. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million and 20 percent of the capital stock: Please refer to Attachment 5.
h. Receivables from related parties with amounts exceeding the lower of NT$100 million and 20 percent of capital stock: None.
i. Financial instruments and derivative transactions: None.
j. Significant intercompany transactions between consolidated entities: Please refer to Attachment 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Attachment 7.

(3) Information on investments in mainland China

a. Names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, percentage of ownership, investment income recognized, carrying amount, accumulated inward remittance of earnings, and upper limit on investment of investees in Mainland China: Please refer to Attachment 8.
b. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to Attachment 1, 2, 5 and 6.

ATTACHMENT 1 : Financing provided to others for the year ended December 31, 2019 (Unit:Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of financing provider	Name of counter party	Account (Note 2)	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing activity(Note 3)	Amount of sales to (purchase from) counter-party	Reason for financing	Allowance for doubtful accounts	Assets pledged		Limit of financing amount for individual counter-party(Note 4)	Limit of total financing amount (Note 4)
												Item	Value		
1	GREAT SMART LTD.	GOLDSUN COMENT (FUJIAN) CO., LTD.	Other receivable	USD 40,000 (NTD 1,264,000)	-	-	-	2	$-	Operating	$-	-	-	USD 157,552 (NTD 4,723,410)	USD 157,552 (NTD 4,723,410)
2	GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Long-term receivable	RMB 16,000 (NTD 69,440)	RMB 16,000 (NTD 68,960)	RMB 16,000 (NTD 68,960)	2.01%	2	-	Operating	-	-	-	RMB 361,421 (NTD 1,556,812)	RMB 361,421 (NTD 1,556,812)
		GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Long-term receivable	RMB 32,000 (NTD 147,200)	RMB 30,000 (NTD 129,300)	RMB 30,000 (NTD 129,300)	2.01%	2	-	Operating	-	-	-	RMB 361,421 (NTD 1,556,812)	RMB 361,421 (NTD 1,556,812)
3	RUEI SHIN CONSTRUCTIN CO., LTD	GREAT SMART LIMITED.,	Long-term receivable	USD 7,000 (NTD 221,200)	-	-	-	2	-	Operating	-	-	-	USD 40,544 (NTD 1,215,518)	USD 40,544 (NTD 1,215,518)
		GOYU BUILDING MATERIALS CO., LTD.	Long-term receivable	NTD 80,000	NTD 80,000	NTD 80,000	1.80%	2	-	Operating	-	-	-	NTD 1,215,518	NTD 1,215,518
		GIMPO MARINE CO., LTD.	Long-term receivable	NTD 115,000	NTD 115,000	NTD 115,000	1.45%	2	-	Operating	-	-	-	NTD 1,215,518	NTD 1,215,518
		GOLDSUN BUILDING MATERIALS CO., LTD.	Long-term receivable	NTD 1,375,000	NTD 890,000	NTD 890,000	1.28%	2	-	Operating	-	-	-	NTD 1,215,518	NTD 1,215,518
4	TAICANG PORT GOLDSUN CONCRETE CO., LTD.	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	RMB 8,000 (NTD 36,800)	-	-	2.01%	2	-	Operating	-	-	-	RMB 141,813 (NTD 610,856)	RMB 141,813 (NTD 610,856)
		GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	RMB 68,000 (NTD 299,200)	RMB 68,000 (NTD 293,080)	RMB 68,000 (NTD 293,080)	2.01%	2	-	Operating	-	-	-	RMB 141,813 (NTD 610,856)	RMB 141,813 (NTD 610,856)
5	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	KUNSHAN GOLDSUN CONCRETE CO., LTD.	Other receivable	RMB 5,000 (NTD 21,700)	RMB 5,000 (NTD 21,550)	RMB 5,000 (NTD 21,550)	2.01%	2	-	Operating	-	-	-	RMB 210,219 (NTD 905,514)	RMB 210,219 (NTD 905,514)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	RMB 42,000 (NTD 193,200)	RMB 42,000 (NTD 181,020)	RMB 42,000 (NTD 181,020)	2.01%	2	-	Operating	-	-	-	RMB 210,219 (NTD 905,514)	RMB 210,219 (NTD 905,514)
6	GOLDSUN INTERNATION DEVELOPMENT CORP.	GREAT SMART LIMITED.,	Long-term receivable	USD 7,000 (NTD 219,730)	-	-	-	2	-	Operating	-	-	-	USD 208,703 (NTD 6,256,902)	USD 208,703 (NTD 6,256,902)

Note 1: The parent company and its subsidiaries are coded as follows:

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Fill in if the nature of financial statement account is financing.

Note 3: The method of filling out the capital loan and nature is:

(1) For business transactions fill in "1"

(2) For short-term financing funds necessity fill in "2"

Note 4: GREAT SMART LTD., GOLDSUN (CHANGSHU) CONCRETE CO., LTD., TAICANG PORT GOLDSUN CONCRETE CO., LTD., GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD. and GOLDSUN INTERNATION DEVELOPMENT CORP. shall not exceed double of the net asset value from the latest financial statement. RUEI SHIN CONSTRUCTIN CO., LTD shall not exceed the 40% net asset value from the latest financial statement.

ATTACHMENT 2 : Endorsement/Guarantee provided to others for the year ended December 31, 2019 (Unit:Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of endorsers	Endorsee: Name of endorsees	Endorsee: Relationship (Note 2)	Endorsement limit for a single entity (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/endorsement	Percentage of accumulated guarantee amount to net assets value from the lastest financial statement	Limit of total guarantee/endorsement amount (Note 3)	Guarantee provided by Parent Company (Note 7)	Guarantee provided by A Subsidiary (Note 7)	Guarantee provided to Subsidiaries in Mainland China (Note 7)
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN COMENT (FUJIAN) CO., LTD.(Note8)	3	$4,076,870	$-	$-	$-	$-	-	$10,192,175	Y		Y
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOYU BUILDING MATERIALS CO., LTD.	6	4,076,870	78,000	78,000	52,000	-	0.38%	10,192,175	Y		
1	RUEI SHIN CONSTRUCTIN CO., LTD	GOLDSUN BUILDING MATERIALS CO., LTD.	2	6,077,590	3,604,000	3,584,000	1,234,000	-	29.49%	6,077,590		Y	
2	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	4	452,757	196,972	107,750	72,720	-	23.80%	452,757			Y
3	GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	4	778,406	485,530	371,738	238,063	-	47.76%	778,406			Y
4	TAICANG PORT GOLDSUN CONCRETE CO., LTD	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	4	305,428	92,690	-	-	-	-	305,428			Y
5	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	4	609,105	321,195	217,655	162,562	-	35.73%	609,105			Y
6	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	4	632,744	286,580	216,578	124,397	-	34.23%	632,744			Y
7	KUNSHAN GOLDSUN CONCRETE CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	4	348,517	181,033	77,580	54,489	-	22.26%	348,517			Y

Note 1: The parent company and its subsidiaries are coded as follows:

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in propotion to its ownership.

Note 3: The procedure of endorsement is showed as the follows:

(1) For the Company, the endorsement / guarantee amount limit for a single entity that shall not exceed 20% of the Company's net asset value from the latest financial statement;

the total amount shall not exceed 50% of net asset value from the latest financial statement.

(2) RUEI SHIN CONSTRUCTIN CO., LTD endorsement / guarantee amount limit for a single entity and total that shall not exceed double of the net asset value from the latest financial statement.

Other subsidiary, the endorsement / guarantee amount limit for a single entity and total that should not exceed 100% net assets value both from the latest financial statement.

Note 4: The maximum endorsements/guarantees amount current year.

Note 5: All endorsements/guarantees that have been approved by bank shall be calculated in ending balance.

Note 6: Please fill in the actual amount provided by the endorsers.

Note 7: Parent company endorsed/guaranteed for the subsidiaries, subsidiaries endorsed/guaranteed for the parent company, or endorsement/guarantee for entities in China shall fill in "Y" 。

Note 8: The Company diposoed the subsidiary, GOLDSUN COMENT (FUJIAN) CO., LTD, in October, 2019 and completed the capital transfer as of December 31, 2019. Please ref to Note 6(28) on FY2019 consolidated financial statement for more detail.

ATTACHMENT 3 : Securities held as of December 31, 2019

(Unit:Foreign currency: thousands, NTD: thousands)

Names of companies held	Type and name of securities	Relationship with the Company	Financial statement account	December 31, 2019				Remark
				Units (thousand) / bonds / shares (thousand)	Carrying amount	Percentage of ownership (%)	Fair value/Net assets value	
GOLDSUN BUILDING MATERIALS CO., LTD.	Stock-							
	TAIWAN CEMENT CORPORATION		Financial assets at fair value through other comprehensive income, current	15,771,523	$689,216	-	$689,216	12,300 thousand shares provide for loan guarantee
	TAIWAN SECOM CO., LTD	Investor under the equity method	Financial assets at fair value through other comprehensive income, non-current	4,217,669	374,529	1%	374,529	4,200 thousand shares provide for loan guarantee
	O-BANK		Financial assets at fair value through other comprehensive income, non-current	32,320,000	252,420	1%	252,419	25,000 thousand shares provide for loan guarantee
	TAIWAN AIRPORT SERVICE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	7,405,200	210,011	17%	210,012	7,405 thousand shares provide for loan guarantee
	GLOBAL SECURITIES FINANCE CORPORATION		Financial assets at fair value through other comprehensive income, non-current	700,837	6,682	-	6,682	
	FUHWA VENTURE CAPITAL INC.		Financial assets at fair value through other comprehensive income, non-current	259,875	2,874	5%	2,874	
	OVERSEAS INVESTMENT & DEVELOPMENT CORP.		Financial assets at fair value through other comprehensive income, non-current	2,000,000	18,420	2%	18,420	
	ANFENG SPRING ENTERPRISE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	150,000	2,262	5%	2,262	
	GUO CHANG MARITIME CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	250,000	2,427	10%	2,427	
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Stock-							
	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Financial assets at fair value through other comprehensive income, non-current	278,477	4,010	-	4,010	Included in treasury shares
	TAIWAN CEMENT CORPORATION		Financial assets at fair value through other comprehensive income, current	779,253	34,053	-	34,053	
	TAIWAN SECOM CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	1,868,000	165,878	-	165,878	
GOLDSUN INVESTMENT CO., LTD	Stock-							
	EVERTERMINAL. CO., LTD		Financial assets at fair value through other comprehensive income, non-current	1,429,653	10,322	1%	10,322	
RUEI SHIN CONSTRUCTIN CO., LTD	Stock-							
	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Financial assets at fair value through other comprehensive income, non-current	3,362,641	48,422	-	48,422	Included in treasury shares
TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Capital-							
	FUZHOU SANSHUN STONE MATERIAL CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	-	437,678	19%	437,678	
	FUJIAN HENGZHONG SAND STONE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	-	24,331	19%	24,331	
GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	Fund -							
	BOSERA FUNDS		Financial assets at fair value through profit or loss, current	220,218	949	-	949	

ATTACHMENT 4 : Acquisition of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock

(Unit:Foreign currency: thousands, NTD: thousands)

Real estate disposed by	Real estate acquired	Date of the event	Date of acquisition	Book value	Transaction amount	Status of payment	Gain (loss) on disposal	Counterparty	Relationship with the counterparty	Reason for disposal	Basis or reference used in setting the price	Other commitments
GOLDSUN BUILDING MATERIALS CO., LTD.	No.227-315, Xingnan section, Zhongli district., Taoyuan city	2018.10.5	2007.5.25	$84,814	$472,187	Fully paid	$387,373	TransGlobe Life Insurance Inc	Third party	Revitalize assets and increase capital utilization efficiency	Firm: Dmdedl. Real Estate Appraisers Firm Valuation amount : $614,000 thousand	None.
	No.12, Zhongmei Rd, Zhongli district., Taoyuan city			235,016	145,535		(89,481)					

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate disposed of should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

ATTACHMENT 5: Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million and 20 percent of capital stock for the year ended December 31, 2019 (Unit:Foreign currency: thousands, NTD: thousands)

Company	Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit Price	Term	Balance	Percentage of total receivables (payable)	
GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN EXPRESS & LOGISTICS CO., LTD.	Associate Company	NOTE1	$623,906	NOTE1	Net 30 days	$-	-	$(62,790)	-2.07%	
TAIPEI PORT TERMINAL COMPANY LIMITED	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Sales	(401,504)	3%	Net 30 days	-	-	6,130	0%	
GOLDSUN NIHON CEMENT CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Sales	(430,461)	3%	Net 30 days	-	-	91,838	1.38%	

Note 1: The Company provided the services of shipping cement to GOLDSUN BUILDING MATERIALS CO., LTD. and accounted to "Other operating income".

Attachment 6: Significant intercompany transactions between consolidated entities (Unit:Foreign currency: thousands, NTD: thousands)

No.	Company	Counter-party	Relationship	Account	Amount	Term	As a percentage of total assets or
	Year of 2019						
0	GOLDSUN BUILDING MATERIALS CO., LTD.	WELLPOOL CO., LTD.	1	Accounts receivables	$14,822	(Note 4)	0.08%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	RUEI SHIN CONSTRUCTIN CO., LTD	1	Other payables	890,000	Interest rate:1.28%	4.65%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	1	Cost of goods sold	430,461	(Note 4)	2.25%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	1	Accounts payables	91,838	(Note 4)	0.48%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GIMPO MARINE CO., LTD.	1	Other receivables	18,668	(Note 4)	0.10%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL COMPANY LIMITED	1	Cost of goods sold	401,504	(Note 4)	2.09%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL COMPANY LIMITED	1	Accounts payables	6,130	(Note 4)	0.03%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	JIN SHUN MARITIME LTD.	1	Cost of goods sold	53,552	(Note 4)	0.28%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	YUAN SHUN MARITIME LTD.	1	Cost of goods sold	89,599	(Note 4)	0.47%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	FENG SHUN MARITIME LTD.	1	Cost of goods sold	32,228	(Note 4)	0.17%
1	WELLPOOL CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	2	Cost of goods sold	50,378	(Note 4)	0.26%
1	WELLPOOL CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	2	Accounts payables	14,822	(Note 4)	0.08%
2	GOLDSUN NIHON CEMENT CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	2	Revenue	430,461	(Note 4)	2.25%
2	GOLDSUN NIHON CEMENT CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	2	Accounts receivables	91,838	(Note 4)	0.48%
3	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	TAIPEI PORT TERMINAL COMPANY LIMITED	3	Accounts receivables	152,400	(Note 4)	0.80%
4	TAIPEI PORT TERMINAL COMPANY LIMITED	GOLDSUN BUILDING MATERIALS CO., LTD.	2	Revenue	383,581	(Note 4)	2.00%
4	TAIPEI PORT TERMINAL COMPANY LIMITED	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	3	Property, plant and equipment	134,054	(Note 4)	0.70%

Note 1: Information about related party transactions should be stated. The numbers of each company are illustrated as follows:

(1) 0 is for the parent company.

(2) Each subsidiary is numbered from 1.

Note 2: The relationship between related parties are as follows:

(1) Parent company and subsidiary.

(2) Subsidiary and Parent company.

(3) Subsidiary and subsidiary.

Note 3: Transaction amount is stated as a ratio of total assets or total revenues. Ratios of assets or liabilities accounts are calculated as ending balance divided by total assets, and ratios of profit or loss accounts are calculated as accumulated amount for the year divided by total revenues.

Note 4: The Company's sales to related parties are handled according to the general sales conditions; its collection period is equivalent to ordinary customers.

Note 5: The important transaction of this form may be determined by the company according to the principle of materiality.

ATTACHMENT 7: Names, locations and related information of investee companies (Not including investment in Mainland China) (Unit:Foreign currency: thousands, NTD: thousands)

Investor Company	Investee Company	Location	Main business and products	Original / investment amount		Investment as of December 31, 2019			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
GOLDSUN BUILDING MATERIALS CO., LTD.	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Taipei, TW	Construction of civil and architectural construction projects	$835,000	$835,000	30,000,000	100%	$374,383	$13,590	$13,579	
	REI SHIN CONSTRUCTION CO., LTD	Taipei, TW	Real estate rental, sale and development	- (Note2)	1,285,045	180,000,000 (Note2)	100%	2,642,376	(38,551)	(38,635)	
	WELLPOOL CO., LTD.	Taipei, TW	Sales of calcium silicate board and other boards	300,754	272,626	18,224,389	51%	534,642	180,463	89,364	15,000 thousand shares provide for loan guarantee
	EASE GREAT INVESTMENTS LTD.	Samoa	Investment and holding	5,971,837 (USD 178,462) (Note2)	4,918,315 (USD 149,462)	178,462,000 (Note2)	100% (Note2)	6,793,332	501,716	494,407	
	GOLDSUN INVESTMENT CO., LTD	Taipei, TW	Investment	53,500	53,500	3,996,000	100%	29,489	1,296	1,296	
	GOLDSUN NIHON CEMENT CO., LTD.	Kaohsiung, TW	Cement import and sale	119,121	119,121	11,460,000	59%	166,781	975	573	
	TAIPEI PORT TERMINAL COMPANY LIMITED	Taipei, TW	International trade, warehousing and tally packaging	2,477,200 (Note2)	1,800,000	250,000,000 (Note2)	100% (Note2)	2,375,728	(148,702)	(123,472)	
	TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Hong Kong	Investment	480,289 (USD 15,436)	480,289 (USD 15,436)	116,686,664	100%	463,204	(8)	(8)	
	HWA YA DEVELOPMENT CO., LTD.	Taipei, TW	Hotel operator	196,928	196,928	15,714,108	31%	159,307	(3,893)	(1,195)	
	GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	Taipei, TW	Sales of ready-mixed concrete and cement products	60,000	60,000	6,000,000	100%	21,739	(8,234)	(8,234)	
	RAIXIN QUALITY PRODUCTS LTD.	Taipei, TW	Upholstery and sales of furniture	41,000	41,000	1,913,333	16%	6,479	(35,619)	(5,679)	Associate

ATTACHMENT 7: Names, locations and related information of investee companies (Not including investment in Mainland China)

(Unit:Foreign currency: thousands, NTD: thousands)

Investor Company	Investee Company	Location	Main business and products	Original / investment amount		Investment as of December 31, 2019			Net income (loss) of investee	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percent age of ownership (%)	Book value			
GOLDSUN BUILDING MATERIALS CO., LTD.	JIN SHUN MARITIME LTD.	Hong Kong	Shipping	$314,216 (USD 10,000)	$314,216 (USD 10,000)	78,000,000	100%	$146,954	$(16,351)	$(16,351)	
	YUAN SHUN MARITIME LTD.	Hong Kong	Shipping	1,198,017 (USD 38,900)	1,198,017 (USD 38,900)	303,420,000	100%	1,144,520	9,180	9,180	
	JING SHUN MARITIME LTD.	Hong Kong	Shipping	(Note1)	(Note1)	1	100%	(23,899)	1,222	1,222	
	FENG SHUN MARITIME LTD.	Hong Kong	Shipping	(Note1)	(Note1)	1	100%	3,217	4,540	4,540	
	GOYU BUILDING MATERIALS CO., LTD.	Chiayi, TW	Sales of building materials	182,000	182,000	18,200,000	65%	170,279	(13,053)	(8,360)	
	GIMPO MARINE CO., LTD.	New Taipei City, TW	Shipping	100,000	100,000	10,000,000	100%	84,779	(14,589)	(14,589)	
RUEI SHIN CONSTRUCTIN CO., LTD	TAIPEI PORT TERMINAL COMPANY LIMITED	Taipei, TW	International trade, warehousing and tally packaging	(Note2)	700,000	(Note2)	(Note2)	-	(148,702)	-	
RUEI SHIN CONSTRUCTIN CO., LTD	EASE GREAT INVESTMENTS	Samoa	Investment and holding	(Note2)	898,577 (USD 29,000)	(Note2)	(Note2)	-	501,716	-	
GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	RUEI SHIN CONSTRUCTIN CO., LTD	Taipei, TW	Upholstery and sales of furniture	48,667	48,667	2,733,334	23%	9,256	(35,619)	-	Associates
WELLPOOL CO., LTD.	GAPE-GOLDSUN CORPORATION	Taipei, TW	Sales of calcium silicate board and other boards	1,283	1,283	100,000	100%	1,462	13	-	
EASE GREAT INVESTMENTS LTD.	GREAT SMART LTD.	Cayman	Investment and holding	2,531,767 (USD 78,000)	3,645,095 (USD 112,300)	78,000,000	100%	2,361,705 (USD 78,776)	278,404	-	
	GOLDSUN INTERNATIONAL DEVELOPMENT CORP.	Cayman	Investment and holding	1,874,333 (USD 57,100) (Note4)	2,171,797 (USD 66,162)	57,100,000	100%	3,128,451 (USD 104,351)	220,038	-	

Note 1: YUAN SHUN MARITIME LTD. invested the entity in debt to equity swap.

Note 2:The Board of Directors of RUEI SHIN CONSTRUCTIN CO., LTD., has approved a proposal for reducing share capital on September,6 2019. RUEI SHIN CONSTRUCTIN CO., LTD., returned some of cash and all equity investment, shareholding of TAIPEI PORT TERMINAL COMPA LIMITED and EASE GREAT INVESTMENT LTD., for capital reduction. As of Decmber 31, 2019, the Compnay has a 100% shareholding in TAIPEI PORT TERMINAL COMPANY LIMITED and EASE GREAT INVESTMENT LTD.

Note 3: The Board of Directors of GREAT SMART LTD. approved a proposal of cash capital reduction on Norvember 6, 2019. The capital will be reduced USD 77,300 thouasnd, the Company completed the capital reduction USD 34,400 thouasnd in 2019. and remaining USD 40,000 thouasnd be implemented in the future.

Note 4: The Board of Directors of GOLDSUN INTERNATIONAL DEVELOPMENT CORP. approved a proposal of cash capital reduction on Norvember 6, 2019. the Company completed the capital reduction USD 9,062 thouasnd in 2019.

ATTACHMENT 8: Investment in Mainland China (Unit:Foreign currency: thousands, NTD: thousands)

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2019	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2019	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2019	Accumulated inward remittance of earnings as of December 31, 2019
					Outflow	Inflow						
GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Production and sales of ready-mixed concrete and cement products	$402,217 (USD 11,882)	(Note 1)	$402,217 (USD 11,882)	$-	$-	$402,217 (USD 11,882)	$2,799 (Note 8)	100%	$2,799 (Note 8)	$452,757 (Note 8)	$-
GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	Production and sales of ready-mixed concrete and cement products	459,388 (USD 14,200)	(Note 1)	459,388 (USD 14,200)	-	-	459,388 (USD 14,200)	30,794 (Note 8)	100%	30,794 (Note 8)	778,406 (Note 8)	-
TAICANG PORT GOLDSUN CONCRETE CO., LTD.	Production and sales of ready-mixed concrete and cement products	198,678 (USD 5,960)	(Note 1)	198,678 (USD 5,960)	-	-	198,678 (USD 5,960)	5,022 (Note 8)	100%	5,022 (Note 8)	305,428 (Note 8)	-
GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Production and sales of ready-mixed concrete and cement products	197,939 (USD 5,960)	(Note 1)	197,939 (USD 5,960)	-	-	197,939 (USD 5,960)	55,248 (Note 8)	100%	55,248 (Note 8)	609,105 (Note 8)	-
KUNSHAN GOLDSUN CONCRETE CO., LTD.	Production and sales of ready-mixed concrete and cement products	131,864 (USD 4,000)	(Note 1)	131,864 (USD 4,000)	-	-	131,864 (USD 4,000)	38,461 (Note 8)	100%	38,461 (Note 8)	348,517 (Note 8)	-
GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Production and sales of ready-mixed concrete and cement products	198,527 (USD 5,960)	(Note 1)	198,527 (USD 5,960)	-	-	198,527 (USD 5,960)	56,192 (Note 8)	100%	56,192 (Note 8)	632,744 (Note 8)	-
FU YANG PORT CO., LTD.(Note 5)	Sandstone processing	782,516 (USD 24,256)	(Note 1)	322,625 (USD 10,000)	-	-	322,625 (USD 10,000)	-	-	-	-	-
GOLDSUN COMENT (FUJIAN) CO., LTD.(Note 6)	Production and sales of cement	2,369,969 (USD 72,500)	(Note 2)	2,369,969 (USD 72,500)	-	-	2,369,969 (USD 72,500)	-	-	(369,262) (Note 6, 8)	-	-
LIANYUAN CONCH CEMENT CO., LTD.	Cement production and	2,383,120 (USD 74,800)	(Note 2)	376,549 (USD 10,800)	-	-	376,549 (USD 10,800)	763,078 (Note 8)	20%	152,616 (Note 8)	740,528 (Note 8)	-
FUZHOU SANSHUN STONE MATERIAL CO., LTD.	Sandstone processing	1,016,143 (USD 33,503)	(Note 3)	453,555 (USD 14,566)	-	-	453,555 (USD 14,566)	-	19%	-	437,678 (Note 7)	-
FUJIAN HENGZHONG SAND STONE CO., LTD.(Note9)	Sandstone processing	134,790 (RMB 30,000)	(Note 3)	24,777 (USD 810)	-	-	24,777 (USD 810)	-	19%	-	24,331 (Note 7)	-
YANG JUNG LEI JIN BUILDING MATERIALS LTD.	Sandstone processing	465,000 (RMB 100,000)	(Note 4)	-	-	-	-	(30,782) (Note 8)	30%	(9,235) (Note 8)	117,608 (Note 8)	-

Accumulated investment in Mainland China as of December 31, 2019	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment
$5,136,088 (USD 156,638)	$4,787,876 (USD 159,702)	$12,885,520 (Note 10)

Note 1: The Company established EASE GREAT INVESTMENTS LTD. in a third region. The Company reinvested in GOLDSUN INTERNATIONAL DEVELOPMENT CORP. (through EASE GREAT INVESTMENTS LTD.) and then invested in Mainland China.
Note 2: The Company established EASE GREAT INVESTMENTS LTD. in a third region. The Company reinvested in GREAT SMART LTD. (through EASE GREAT INVESTMENTS LTD.) and then invested in Mainland China.
Note 3: The Company established TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED. in a third region and then invested in Mainland China.
Note 4: Indirect investment through GOLDSUN (CHANGSHU) CONCRETE CO., LTD.
Note 5: The company diposoed the associate, FU YANG PORT CO., LTD. in July, 2019 and completed the capital transfer as of December 31, 2019. The transaction details of the subsidiaries refer to 2019 consolidated financial statement Note 6(8).
Note 6: The Company diposoed the subsidiary, GOLDSUN COMENT (FUJIAN) CO., LTD, in October, 2019 and completed the capital transfer as of December 31, 2019. Please ref to Note 6(28) on FY2019 consolidated financial statement for more detail.
Note 7: Company recognized the investment as " Financial assets at fair value through other comprehensive income, non-current".
Note 8: Amount was recognized based on the audited financial statements.
Note 9: The name was changed from LUOYUAN HENGZHONG SAND STONE CO., LTD. to FUJIAN HENGZHONG SAND STONE CO., LTD. in 2018.
Note 10: The Company is based on the new regulations promulgated by the Ministry of Economic Affairs in the Republic of China in 2008. The calculation method for the mainland area is 60% of the net value or the combined net value, whichever is higher.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

GOLDSUN BUILDING MATERIALS CO., LTD.

1. Statement of Cash and cash equivalents

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cash on hand and petty cash		$4,590	
Bank savings			
Checking accounts		574,014	
Savings accounts		247,582	
Savings accounts - Foreign currency	USD 1,569 thousand / Exchange rate 29.98	47,052	
	GBP 46 thousand / Exchange rate 39.36	1,830	
	CNY 528 thousand / Exchange rate 4.31	2,217	
	JPY 1 thousand / Exchange rate 0.28	1	
Time deposits - Foreign currency	USD 7,500 thousand / Exchange rate 29.98	230,552	
	CNY 2,000 thousand / Exchange rate 4.31	8,680	
Cash equivalents		70,936	
Total		$1,187,454	

GOLDSUN BUILDING MATERIALS CO., LTD.

2.Statement of Financial assets at fair value through other comprehensive income, current

December 31, 2019

(In Thousands of New Taiwan Dollars)

Name of securities	Description	Units bonds/shares	Par Value	Amount	Rate	Cost	Fair Value		Changes in fair value attributable to changes in credit risk	Note
							Unit Price	Amount		
Stock	TAIWAN CEMENT CORPORATION	15,771,523	$10	$157,715	-	$355,098	$43.70	$689,216	-	12,300 thousand shares provide for loan guarantee

GOLDSUN BUILDING MATERIALS CO., LTD.

3.Statement of Notes receivable

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Third Parties			
Others	The amount of individual client in others does not exceed 5% of the account balance.	$899,573	
Less: Loss allowance		(458)	
Total		$899,115	

GOLDSUN BUILDING MATERIALS CO., LTD.

4.Statement of Accounts receivable

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Third Parties			
Others	The amount of individual client in others does not exceed 5% of the account balance.	$4,299,431	
Less: Loss allowance		(69,259)	
Total		4,230,172	
Related parties			
WELLPOOL CO., LTD.		14,822	
TRUST SANDSTONE CO., LTD.		1,889	
Others	The amount of individual client in others does not exceed 5% of the account balance.	864	
Subtotal		17,575	
Total		$4,247,747	

GOLDSUN BUILDING MATERIALS CO., LTD.

5.Statement of Other receivables

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Third Parties			
Others	The amount of individual client in others does not exceed 5% of the account balance.	$37,773	
Related parties			
GIMPO MARINE CO., LTD.		18,668	
GOLDSUN EXPRESS & LOGISTICS CO., LTD.		13,445	
FENG SHUN MARITIME LTD.		1,347	
Others		916	
Subtotal		34,376	
Total		$72,149	

GOLDSUN BUILDING MATERIALS CO., LTD.

6.Statement of Inventories

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net realizable value	
Raw materials		$114,568	$114,568	Net realizable value represents market value.
Buildings for Sale		90,280	84,795	Net realizable value represents market value.
Construction land		210,368	320,098	Net realizable value represents market value.
Subtotal		415,216	$519,461	
Less: Allowance for inventory valuation losses		(10,408)		
Total		$404,808		

GOLDSUN BUILDING MATERIALS CO., LTD.

7.Statement of Prepayments

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Prepayment for purchases	Cement, Furnace dust, Gravel, Sand stone, Oil…	$342,269	
Prepaid expenses		74,796	
Others		26,666	
Total		$443,731	

GOLDSUN BUILDING MATERIALS CO., LTD.

8.Statement of Financial assets at fair value through other comprehensive income, noncurrent

For the year ended December 31, 2019

(In Thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Ending balance		Collateral	Note
	Shares	Fair value	Shares	amount	Shares	amount	Shares	Fair value		
Stock										
TAIWAN SECOM CO., LTD.	4,217,669	$372,842	-	$1,687	-	$-	4,217,669	$374,529	4,200 thousand shares provide for loan guarantee	
O-BANK	40,571,078	324,569	-	-	8,251,078	72,150	32,320,000	252,419	25,000 thousand shares provide for loan guarantee	
TAIWAN AIRPORT SERVICE CO., LTD.	7,405,200	164,395	-	45,617	-	-	7,405,200	210,012	7,405 thousand shares provide for loan guarantee	
GLOBAL SECURITIES FINANCE CORPORATION	700,837	3,946	-	2,736	-	-	700,837	6,682	None	
FUHWA VENTURE CAPITAL INC.	742,500	4,826	-	-	482,625	1,952 Note	259,875	2,874	None	
OVERSEAS INVESTMENT & DEVELOPMENT CORP.	2,000,000	15,360	-	3,060	-	-	2,000,000	18,420	None	
ANFENG SPRING ENTERPRISE CO., LTD.	150,000	2,262	-	-	-	-	150,000	2,262	None	
GUO CHANG MARITIME CO., LTD.	250,000	2,427	-	-	-	-	250,000	2,427	None	
Total		$890,627		$53,100		$74,102		$869,625		

Note: Capital deducted by cash NT$2,378 thousand and loss on valuation NT$426 thousand.

GOLDSUN BUILDING MATERIALS CO., LTD.

9.Statement of changes in Investments accounted for using equity method

For the year ended December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Beginning balance		Addition		Decrease		Ending balance			Fair value / Net assets value		Collateral	Note
	Shares	amount	Shares	amount	Shares	amount	Shares	%	amount	Unit price (NTD)	Fair value		
RUEI SHIN CONSTRUCTIN CO., LTD.	377,000,000	$4,773,122	-	$-	197,000,000 (Note)	$2,130,746	180,000,000	100%	$2,642,376	$17	$3,039,618	None	subsidiary
GOLDSUN INVESTMENT CO., LTD.	3,996,000	28,251	-	1,238	-	-	3,996,000	100%	29,489	7.38	29,489	None	subsidiary
WELLPOOL CO., LTD.	17,740,389	498,591	484,000	36,051	-	-	18,224,389	51%	534,642	29.34	534,642	15,000 thousand shares provide for loan guarantee	subsidiary
GOLDSUN NIHON CEMENT CO., LTD.	11,460,000	177,668	-	-	-	10,887	11,460,000	59%	166,781	14.55	166,781	None	subsidiary
KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	30,000,000	392,683	-	-	-	18,300	30,000,000	100%	374,383	12.61	378,394	None	subsidiary
EASE GREAT INVESTMENTS LTD.	149,462,000	5,284,249	29,000,000 (Note)	1,509,083	-	-	178,462,000	100%	6,793,332	38.07	6,793,332	None	subsidiary
HWA YA DEVELOPMENT CO., LTD.	15,714,108	160,501	-	-	-	1,194	15,714,108	31%	159,307	10.14	159,307	None	subsidiary
TAIPEI PORT TERMINAL COMPANY LIMITED	180,000,000	1,817,399	70,000,000 (Note)	558,329	-	-	250,000,000	100%	2,375,728	9.50	2,375,728	None	subsidiary
JIN SHUN MARITIME LIMITED	78,000,000	166,864	-	-	-	19,910	78,000,000	100%	146,954	1.88	146,954	None	subsidiary
YUAN SHUN MARITIME LIMITED	303,420,000	1,163,629	-	-	-	19,109	303,420,000	100%	1,144,520	3.77	1,144,520	None	subsidiary
JING SHUN MARITIME LIMITED	1	(25,706)	-	1,807	-	-	1	100%	(23,899)	-	-	None	subsidiary
FENG SHUN MARITIME LIMITED	1	(1,225)	-	4,442	-	-	1	100%	3,217	-	-	None	subsidiary
TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	116,686,664	474,646	-	-	-	11,442	116,686,664	100%	463,204	3.97	463,204	None	subsidiary
GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	6,000,000	29,973	-	-	-	8,234	6,000,000	100%	21,739	3.62	21,739	None	subsidiary
GOYU BUILDING MATERIALS CO., LTD.	18,200,000	178,639	-	-	-	8,360	18,200,000	65%	170,279	9.36	170,279	None	subsidiary
GIMPO MARINE CO., LTD.	10,000,000	99,367	-	-	-	14,588	10,000,000	100%	84,779	8.48	84,779	None	subsidiary
RAIXIN QUALITY PRODUCTS LTD.	1,913,333	12,158	-	-	-	5,679	1,913,333	16%	6,479	3.39	6,479	None	Associate
Total		$15,230,809		$2,110,950		$2,248,449			$15,093,310				

Note: The Board of Directors of RUEI SHIN CONSTRUCTIN CO., LTD., has approved a proposal for reducing share capital on September,6 2019.

RUEI SHIN CONSTRUCTIN CO., LTD., returned some of cash and all equity investment, shareholding of TAIPEI PORT TERMINAL COMPANY LIMITED and EASE GREAT INVESTMENT LTD., for capital reduction.

GOLDSUN BUILDING MATERIALS CO., LTD.

10.Statement of changes in Right-of-use assets

For the year ended December 31, 2019

(In Thousands of New Taiwan Dollars)

	Beginning balance (Note)	Additions	Disposals	Ending balance	Note
Land	$604,401	$80,051	$17,471	$666,981	
Buildings	70,932	-	-	70,932	
Transportation equipment	3,900	-	-	3,900	
Total	$679,233	$80,051	$17,471	$741,813	

Note: In accordance with the requirement of IFRS 16, the Company applied the standard retrospectively to contracts that were not completed at the date of initial application.

GOLDSUN BUILDING MATERIALS CO., LTD.

11.Statement of changes in accumulated depreciation and impairment of Right-of-use assets

For the year ended December 31, 2019

(In Thousands of New Taiwan Dollars)

	Beginning balance	Depreciation	Disposals	Ending balance	Note
Land	$-	$99,458	$1,170	$98,288	
Buildings	-	14,186	-	14,186	
Transportation equipment	-	1,232	-	1,232	
Total	$-	$114,876	$1,170	$113,706	

GOLDSUN BUILDING MATERIALS CO., LTD.

12.Statement of Short-term borrowings

December 31, 2019

(In Thousands of New Taiwan Dollars)

Type	Description	Ending balance	Contract period	Interest rate	Loan commitment	Collateral	Note
Secured bank loans		$1,264,000	Nov 29, 2019~Feb 27, 2020	1.00%~1.07%		Please refer to Note8	
Unsecured bank loans		1,646,000	Dec 4, 2019-Mar 26, 2020	1.00%~1.07%			
Total		$2,910,000					

GOLDSUN BUILDING MATERIALS CO., LTD.

13.Statement of Short-term notes and bills payable

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Guarantee or acceptance agency	Contract term	Interest rate	Amount			Collateral
				Issue amount	Unamortized short-term notes discount	Book value	
Commercial promissory note	DAH CHUNG BILLS	2019/12/13-2020/1/15		$850,000	$141	$849,859	Please refer to Note8
	MEGA BILLS	2019/11/29-2020/1/21		710,000	396	709,604	
	TA CHING BILLS	2019/11/14-2020/2/18		300,000	200	299,800	
	TAIWAN COOPERATIVE BILLS	2019/11/29-2020/2/25		300,000	318	299,682	
	INTERNATIONAL BILLS	2019/11/22-2020/1/7		250,000	43	249,957	
	CHINA BILLS	2019/12/3-2020/1/31		200,000	172	199,828	
Total			0.56%~0.87%	$2,610,000	$1,270	$2,608,730	

GOLDSUN BUILDING MATERIALS CO., LTD.

14.Statement of Accounts payable

December 31, 2019

(In Thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
Third parties			
RUENTEX MATERIALS CO., LTD.		$136,431	
LUNG YI CHANG SANDSTONE CO., LTD.		108,629	
HUI YOU CEMENT CO., LTD.		79,538	
YU CHING TANG CORPORATION		70,292	
XIN DE ENTERPRISE CO., LTD.		64,210	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	813,467	
Subtotal		1,272,567	
Related parties			
GOLDSUN NIHON CEMENT CO., LTD.		91,838	
GOLDSUN EXPRESS & LOGISTICS CO., LTD.		62,790	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	8,808	
Subtotal		163,436	
Total		$1,436,003	

GOLDSUN BUILDING MATERIALS CO., LTD.

15.Statement of Other payables

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Shipping payable		$158,957	
Payroll payable		159,339	
Oil payable		36,794	
Payables on equipment		19,359	
Port payable		6,554	
Others expense		199,657	
Total		$580,660	

GOLDSUN BUILDING MATERIALS CO., LTD.

16.Statement of Lease liabilities

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Period	Discount rate	Ending balance	Note
Current lease liabilities					
Land		Jan 1, 2017-Nov 30, 2029	1.15%	$37,556	
Buildings		Feb 1, 2016-Jan 31, 2020	1.15%	57,070	
Transportation equipment		June 28, 2018-Feb 27, 2022	1.15%	2,684	
Subtotal				97,310	
Non-current lease liabilities					
Land		Jan 1, 2017-Nov 30, 2029	1.15%	451,543	
Buildings		Feb 1, 2016-Jan 31, 2020	1.15%	43,048	
Transportation equipment		June 28, 2018-Feb 27, 2022	1.15%	1,454	
Subtotal				496,045	
Total				$593,355	

GOLDSUN BUILDING MATERIALS CO., LTD.

17.Statement of Other current liabilities

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Fund held in custody	Business tax, and etc.	$119,486	
Receipts under custody	Income tax collection	2,972	
	Others	597	
Total		$123,055	

GOLDSUN BUILDING MATERIALS CO., LTD.

18.Statement of Advance receipt

December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Advance rent		$7,557	

GOLDSUN BUILDING MATERIALS CO., LTD.
19.Statement of Long-term borrowings
December 31, 2019

(In Thousands of New Taiwan Dollars)

Lender	Description	Amount	Contract period	Interest rate	Collateral	Note
More than one year due						
Bank of KGI	Secured loans	$220,000	2019.12.27-2020.2.27	Note1	Note2	Revolving use within the credit period and the repayment will be due in a lump-sum payment on the expiration of the term.
Bank of KGI	Unsecured loans	380,000	2019.12.27-2020.2.27	Note1	None	Revolving use within the credit period and the repayment will be due in a lump-sum payment on the expiration of the term.
Bank Of Taiwan	Secured loans	500,000	2019.12.25-2024.12.25	Note1	Note2	Principal is repaid in 10 half-yearly payments, the 2nd to 4nd payments will be NTD$25,000 thousand, 5nd to 8nd payments will be NTD$50,000 thousand and 9nd to 10nd payments will be NTD$100,000 thousand; interest paid every month.
Bank Of Taiwan	Unsecured loans	500,000	2019.12.25-2024.12.25	Note1	None	Principal is repaid in 10 half-yearly payments, the 2nd to 4nd payments will be NTD$25,000 thousand, 5nd to 8nd payments will be NTD$50,000 thousand and 9nd to 10nd payments will be NTD$100,000 thousand; interest paid every month.
Bank Of Taiwan	Secured loans	450,000	2018.12.25-2023.12.25	Note1	Note2	Principal is repaid in 10 half-yearly payments, the 2nd to 4nd payments will be NTD$25,000 thousand, 5nd to 8nd payments will be NTD$50,000 thousand and 9nd to 10nd payments will be NTD$100,000 thousand; interest paid every month.
Bank Of Taiwan	Unsecured loans	450,000	2018.12.25-2023.12.25	Note1	None	Principal is repaid in 10 half-yearly payments, the 2nd to 4nd payments will be NTD$25,000 thousand, 5nd to 8nd payments will be NTD$50,000 thousand and 9nd to 10nd payments will be NTD$100,000 thousand; interest paid every month.
Subtotal		2,500,000				
Less: current portion						
Bank Of Taiwan		(200,000)				
Total		$2,300,000				

Note1: Rate range is 1.05%-1.40%。
Note2: For the guarantee, please refer to Note8.

GOLDSUN BUILDING MATERIALS CO., LTD.

20.Statement of Operating revenue

For the year emded December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Quantity	Amount	Note
Sales of ready mixed concrete	$6,564,515m^3$	$12,592,618	
Less: Sales discounts		(70,157)	
Less: Sales returns		(140)	
Net sales		12,522,321	
Other operating revenue	Selling sandstone, squares, etc.	128,024	
Rent revenue	Tainan Shopping Mall, Goldsun building and other rent	78,089	
Total		$12,728,434	

GOLDSUN BUILDING MATERIALS CO., LTD.

21.Statement of Operating costs

For the year emded December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Amount		Note
	Subtotal	Total	
Sales cost of products			
Direct material		$9,515,110	
Beginning of year	$104,840		
Add: raw material purchased	9,576,922		
Less: raw material, end of year	(114,568)		
Sale of raw materials	(52,084)		
Production overheads		2,017,539	
Manufacturing costs		11,532,649	
Add: work in process, beginning of year		-	
Less: work in process, end of year		-	
Cost of finished goods		11,532,649	
Add: finished goods, beginning of year		-	
Less: finished goods, end of year		-	
Others		(6,384)	
Sales cost of purchased goods		24,635	
Beginning of year	-		
Add: purchase current year	24,635		
Less: purchased goods, end of year	-		
Costs of goods sold		11,550,900	
Rent costs		74,112	
Other operating cost		82,703	
Total		$11,707,715	

GOLDSUN BUILDING MATERIALS CO., LTD.

22.Statement of Production overheads

For the year emded December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Rent expense		$800,070	
Salaries		504,058	
Consumable materials and tools		116,295	
Depreciation		193,197	
Repair expenses		100,194	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	303,725	
Total		$2,017,539	

GOLDSUN BUILDING MATERIALS CO., LTD.

23.Statement of Sales and marketing

For the year emded December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries		$69,829	
Miscellaneous expenses		39,362	
Entertainment		10,744	
Insurance expense		6,522	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	11,588	
Total		$138,045	

GOLDSUN BUILDING MATERIALS CO., LTD.

24.Statement of General and administrative expenses

For the year emded December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries		$193,247	
Depreciation		73,877	
Repair expenses		22,790	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	84,528	
Total		$374,442	

GOLDSUN BUILDING MATERIALS CO., LTD.

25.Statement of Research and development expenses

For the year emded December 31, 2019

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries		$6,867	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	2,955	
Total		$9,822	