GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY FINANCIAL STATEMENTS WITH REPORT OF INDEPENDENT AUDITORS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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, 2018 and 2017, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2018 and 2017, 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, 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, 2018 and 2017, and its financial performance and cash flows for the years ended December 31, 2018 and 2017, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

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 2018 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.

Evaluation for Deferred tax assets

As of December 31, 2018, the Company's Deferred tax assets amounted to NT$440,756 thousand. Deferred tax assets were recognized for all carryforward of unused tax losses and unused tax credits that was affected by the assumptions of management related to probable taxable profit of the Company and assessment result from the local tax authorities. The impairment assessment process involves significant management judgment of assumptions used and the calculation model is complicated as well. We determined the matter as a key audit matter.

Our audit procedures included (but not limited to) the following:

1. Obtaining and evaluating the data and assumption of future taxable profit amount from the management, which including revenue growth rate, gross profit margin, operating expense rete and taxable profit

2. Analyzing the historical financial information and industry forecast prepared by the management to evaluate the reasonableness.

We also consider the appropriateness of the disclosures of deferred tax assets and accounting assumption. Please refer to Note5 and 6.

Revenue Recognition

Revenue from contracts with customers that recognized by the Company amounted to NT$11,243,019 thousand for the year ended December 31, 2018, 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 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 and NT$293,598 thousand, representing 1% and 1% of the total assets as of December 31, 2018 and 2017, respectively. The related shares of (losses) profits from the associates and joint ventures under the equity method amounted to NT$(52,620) thousand and NT$(5,614) thousand, representing 10% and 0% of the net income/(loss) before income tax for the years ended December 31, 2018 and 2017, respectively, and the related shares of other comprehensive loss from the associates and joint ventures under the equity method amounted to NT$(13,487) thousand and NT$19,933 thousand, representing 3% and 1% of the comprehensive loss for the years ended December 31, 2018 and 2017, respectively. 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

We draw attention to Note 3 of the parent company only financial statements, which describes the Company applied for the International Financial Reporting Standard 9, “Financial Instruments” and 15, “Revenue from Contracts with Customers” starting from January 1, 2018, 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 the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China 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 2018 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 22, 2019

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, 2018 and December 31, 2017
(Expressed in Thousands of New Taiwan Dollars)

		As of			
		December 31, 2018		December 31, 2017	
Assets	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	$576,887	2	$728,637	2
Financial assets at fair value through other comprehensive income, current	4,6 and 8	551,324	2	-	-
Available-for-sale financial assets, current	4,6 and 8	-	-	543,570	2
Financial assets at amortized cost, current	4,6 and 8	245,610	1	-	-
Debt instrument investments for which no active market exists, current	4 and 6	-	-	160,869	1
Notes receivable, net	4,5 and 6	897,517	3	940,616	3
Notes receivable-related parties, net	4,5,6 and 7	-	-	12,726	-
Accounts receivable, net	4,5 and 6	3,546,174	12	3,008,873	10
Accounts receivable-related parties, net	4,5,6 and 7	26,531	-	12,116	-
Other receivables		2,407	-	1,827	-
Other receivables-related parties	7	27,934	-	25,650	-
Inventories, net	4 and 6	395,080	1	371,994	1
Prepayments	7	388,733	1	430,470	1
Total current assets		6,658,197	22	6,237,348	20
Non-current assets					
Financial assets at fair value through other comprehensive income, non-current	4,5,6 and 8	890,627	3	-	-
Available-for-sale financial assets, non-current	4,5,6 and 8	-	-	889,856	3
Financial assets measured at cost, non-current	4,5 and 6	-	-	39,254	-
Investments accounted for under the equity method	4,5,6 and 8	15,230,809	50	14,403,773	50
Property, plant and equipment	4, 6 and 8	4,219,115	14	4,284,550	15
Investment property, net	4,5,6 and 8	3,193,062	10	3,217,250	11
Intangible assets	4 and 6	14,293	-	11,954	-
Deferred tax assets	4,5 and 6	440,756	1	418,127	1
Prepayment for equipment		7,715	-	8,669	-
Refundable deposits	8	18,973	-	20,654	-
Long-term receivable	4,5 and 6	18,189	-	18,310	-
Long-term prepaid rent		508	-	2,125	-
Total non-current assets		24,034,047	78	23,314,522	80
Total assets		$30,692,244	100	$29,551,870	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, 2018 and December 31, 2017
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of December 31, 2018 Amount	%	As of December 31, 2017 Amount	%
Current liabilities					
Short-term loans	4,6 and 8	$2,700,000	9	$2,250,000	8
Short-term notes and bills payable	6 and 8	1,727,825	6	1,798,390	6
Notes payable		1,089	-	121	-
Accounts payable		1,524,822	5	1,281,162	4
Accounts payable - related parties	7	191,167	1	184,285	1
Other payables		533,013	2	611,532	2
Other payables - related parties	7	1,375,000	4	775,000	3
Current tax liabilities	4,5 and 6	5,122	-	-	-
Other current liabilities		85,606	-	71,952	-
Advanced receipts		197,204	1	3,421	-
Current portion of long-term bonds payable	4,6 and 8	1,000,000	3	1,000,000	3
Current portion of long-term loans	4,6 and 8	100,000	-	600,000	2
Total current liabilities		9,440,848	31	8,575,863	29
Non-current liabilities					
Bonds payable	4,6 and 8	-	-	1,000,000	3
Long-term loans	4,6 and 8	1,500,000	5	-	-
Deferred tax liabilities	4,5 and 6	4,803	-	150	-
Provisions, non-current	4 and 6	4,500	-	4,500	-
Net defined benefit liabilities, non-current	4,5 and 6	227,790	1	255,501	1
Guarantee deposits	7	32,008	-	33,354	-
Total non-current liabilities		1,769,101	6	1,293,505	4
Total liabilities		11,209,949	37	9,869,368	33
Equity attributable to the parent					
Capital					
Common stock	4 and 6	13,850,003	45	13,850,003	47
Additional paid-in capital	6	1,177,912	4	1,163,101	4
Retained earnings	6				
Legal reserve		1,545,164	5	1,392,890	5
Special reserve		1,874,430	6	1,874,430	6
Unappropriated earnings		1,183,489	4	1,522,743	5
Total Retained earnings		4,603,083	15	4,790,063	16
Other components of equity	6	(138,664)	(1)	(110,626)	-
Treasury stock	6	(10,039)	-	(10,039)	-
Total equity		19,482,295	63	19,682,502	67
Total liabilities and equity		$30,692,244	100	$29,551,870	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, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	2018 Amount	2018 %	2017 Amount	2017 %
Operating revenue	4,5,6 and 7	$11,402,464	100	$10,765,477	100
Operating costs	6 and 7	(10,965,154)	(96)	(10,094,432)	(94)
Gross profit		437,310	4	671,045	6
Operating expenses	4,5,6 and 7				
Sales and marketing expenses		(132,114)	(1)	(171,507)	(2)
General and administrative expenses		(366,010)	(4)	(436,046)	(4)
Research and development expenses		(8,319)	-	(8,366)	-
Expected credit losses		(45,119)	-	-	-
Subtotal		(551,562)	(5)	(615,919)	(6)
Operating (loss) income		(114,252)	(1)	55,126	-
Non-operating income and loss	4,6 and 7				
Other income		114,632	1	105,054	1
Other gains and losses		(15,264)	-	(111,847)	(1)
Finance costs		(98,196)	(1)	(100,663)	(1)
Share of profit or loss of associates and joint ventures		617,897	5	2,859,342	28
Subtotal		619,069	5	2,751,886	27
Income before income tax		504,817	4	2,807,012	27
Income tax benefit	4,5 and 6	10,022	-	3,887	-
Net income		514,839	4	2,810,899	27
Other comprehensive income	4 and 6				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		(16,101)	-	(39,208)	-
Unrealized gains on fair value through other comprehensive income equity instrument investment		4,508	-	-	-
Share of other comprehensive (loss) income of associates and joint ventures-may not be reclassified subsequently to profit or loss		(383)	-	(126)	-
Income tax related to items that will not be reclassified		3,221	-	6,665	-
Items that may be reclassified subsequently to profit or loss					
Unrealized gain on available-for-sale financial assets		-	-	27,271	-
Share of other comprehensive (loss) income of associates and joint ventures-may be reclassified subsequently to profit or loss		(20,276)	-	(242,271)	(2)
Total other comprehensive (loss) income, net of tax		(29,031)	-	(247,669)	(2)
Total comprehensive income		$485,808	4	$2,563,230	25
Earnings per share (NT$)	6				
Basic earnings per share		$0.37		$2.01	
Diluted earnings per share		$0.37		$2.00	

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, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to the Parent Company									
			Retained Earnings			Other Components of Equity				
Description	**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**	**Total Equity**
Balance as of January 1, 2017	$14,280,003	$1,152,561	$1,392,890	$2,353,140	$(1,734,197)	$(167,924)	$-	$272,298	$(10,039)	$17,538,732
Net income in 2017	-	-	-	-	2,810,899	-	-	-	-	2,810,899
Other comprehensive (loss) income, net of tax in 2017	-	-	-	-	(32,669)	(248,659)	-	33,659	-	(247,669)
Total comprehensive income	-	-	-	-	2,778,230	(248,659)	-	33,659	-	2,563,230
Purchase of treasury shares	-	-		-	-	-	-	-	(409,672)	(409,672)
Retirement of treasury share	(430,000)	20,328	-	-	-	-	-	-	409,672	-
Reversal of Special reserve	-	-	-	(478,710)	478,710	-	-	-	-	-
The differences between the fair value of the consideration paid or received	-	(9,855)	-	-	-	-	-	-	-	(9,855)
from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries			-							
Changes in subsidiaries' ownership	-	67	-	-	-	-	-	-	-	67
Balance as of December 31, 2017	$13,850,003	$1,163,101	$1,392,890	$1,874,430	$1,522,743	$(416,583)	$-	$305,957	$(10,039)	$19,682,502
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

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, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars)

Description	2018	2017
Cash flows from operating activities:		
Profit before tax from continuing operations	$504,817	$2,807,012
Net income before tax	504,817	2,807,012
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	199,662	219,836
Bad debt expense	-	32,936
Expected credit losses	45,119	-
Amortization	5,035	4,399
Interest expense	98,196	100,663
Interest revenue	(12,131)	(6,588)
Dividend income	(61,134)	(55,256)
Gain on disposal of investments	(1,839)	(403)
Gain on disposal of subsidiary	(4,568)	-
Share of gain of associates and joint ventures	(617,897)	(2,859,342)
Gain on disposal of property, plant and equipment	(5,744)	(1,975)
Gain on disposal of investment property	6,282	92
Changes in operating assets and liabilities:		
Notes receivable, net	43,790	7,104
Notes receivable-related parties,net	12,726	(3,015)
Accounts receivable, net	(575,483)	51,054
Accounts receivable-related parties,net	(14,415)	24,718
Other receivables	(174)	2,896
Other receivables-related parties	(2,284)	12,233
Inventories, net	(23,086)	2,071
Prepayments	41,737	(76,807)
Long-term receivable	(7,507)	(22,638)
Notes payable	968	(304,654)
Notes payable - related parties	-	(3,745)
Accounts payable	243,660	316,874
Accounts payable - related parties	6,882	50,229
Other payables	(80,160)	98,399
Other current liabilities	14,042	(7,320)
Advanced receipts	193,783	3,356
Net defined liabilities, non-current	(43,811)	(15,750)
Cash generated from operations	(33,534)	376,379
Interest received	12,131	6,588
Income tax paid	-	(43,726)
Net cash (used in) provided by operating activities	(21,403)	339,241
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	11,592	278,639
Acquisition of property, plant and equipment	(119,200)	(188,200)
Proceeds from disposal of investment property	-	38,608
Acquisition of investment property	(3,376)	(3,984)
Proceeds from disposal of available-for-sale financial assets	-	900,403
Acquisition of available-for-sale financial assets	-	(843,910)
Capital deducted by cash of financial assets at fair value through other comprehensive income	2,475	-
Acquisition of financial assets at amortized cost	(84,741)	-
Acquisition of financial assets measured at cost	-	(4,001)
Proceeds from disposal of financial assets at fair value through profit or loss	32,239	-
Acquisition of investments accounted for under the equity method	(308,733)	(52,055)
Capital deducted by cash of investments accounted for under the equity method	-	1,451,186
Increase in debt instrument investments for which no active market exists	-	(160,869)
Acquisition of intangible assets	(7,374)	(3,830)
Decrease(increase) in prepayment for equipment	954	(75)
Decrease in refundable deposits	1,681	6,691
Decrease in long-term prepaid rent	1,617	1,618
Decrease in other non-current assets	-	182
Dividends received	140,600	153,829
Net cash (used in) provided by investing activities	(332,266)	1,574,232
Cash flows from financing activities:		
Increase (decrease) in short-term loans	450,000	(2,100,000)
Decrease in short-term notes and bills payable	(70,565)	(193,996)
Decrease in bonds payable	(1,000,000)	-
Increase in long-term loans	6,550,000	5,600,000
Decrease in long-term loans	(5,550,000)	(6,300,000)
(Decrease) increase in guarantee deposits	(1,346)	1,292
Increase in other payables - related parties	600,000	775,000
Donated surplus	12,885	-
Cash dividends paid	(692,500)	-
Purchase of treasury shares	-	(409,672)
Interest paid	(96,555)	(101,932)
Net cash provided by (used in) financing activities	201,919	(2,729,308)
Net decrease in cash and cash equivalents	(151,750)	(815,835)
Cash and cash equivalents at beginning of year	728,637	1,544,472
Cash and cash equivalents at end of year	$576,887	$728,637

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

GOLDSUN BUILDING MATERIALS CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the Years Ended December 31, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

GOLDSUN BUILDING MATERIALS CO., LTD. NOTES ("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, 2018 and 2017 were authorized for issue by the Board of Directors on March 22, 2019.

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, 2018. The nature and the impact of each new standard and amendment that has a material effect on The Company is described below:

A. *IFRS 15"Revenue from Contracts with Customers" (including Amendments to IFRS 15* "Clarifications *to IFRS 15 Revenue from Contracts with Customers")*

IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations. In accordance with the transition provision in IFRS 15, The Company elected to recognize the cumulative effect of initially applying IFRS 15 at the date of initial application (January 1, 2018). The Company also elected to apply this standard retrospectively only to contracts that are not completed contracts at the date of initial application.

The Company's principal activities consist of the sale of goods and rendering of services. The impacts arising from the adoption of IFRS 15 on The Company are summarized as follows:

a. Please refer to Note 4 for the accounting policies before or after January 1, 2018.

b. Before January 1, 2018, revenue from sale of goods was recognized when goods have been delivered to the buyer. Starting from January 1, 2018, in accordance with IFRS 15, the Company recognized revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. IFRS 15 has no impact on the Company's revenue recognition from sale of goods. However, for some contracts, part of the consideration was received from customers upon signing the contract, then the Company has the obligation to provide the sale of goods subsequently. Before January 1, 2018, the Company recognized the consideration received in advance from customers under advanced receipts. Starting from January 1, 2018, in accordance with IFRS 15, it should be recognized as contract liabilities.

c. Please refer to Note 4, Note 5 and Note 6 for additional disclosure note required by IFRS 15.

B. *IFRS 9"Financial Instruments"*

IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement*. In accordance with the transition provision in IFRS 9, the Company elected not to restate prior periods at the date of initial application (January 1, 2018). The adoption of IFRS 9 has the following impacts on the Company:

a. The Company adopted IFRS 9 since January 1, 2018 and it adopted IAS 39 before January 1, 2018. Please refer to Note 4 for more details on accounting policies.

b. In accordance with the transition provision in IFRS 9, the assessment of the business model and classification of financial assets into the appropriate categories are based on the facts and circumstances that existed as at January 1, 2018. The classifications of financial assets and its carrying amounts as at January 1, 2018 are as follow:

IAS 39		IFRS 9	
Measurement categories	Carrying amounts	Measurement categories	Carrying amounts
Fair value through other comprehensive income		Fair value through profit or loss	$30,400
Available-for-sale financial assets (including measured at cost $39,254)	$1,472,680	Fair value through other comprehensive income	1,433,305
At amortized cost Loans and receivables (including cash and cash equivalents (except cash on hand), debt instrument investments for which no active market exists, notes receivables, account receivables (including related parities), other receivables (including related parities), refundable deposits and long-term receivables)	4,925,768	At amortized cost (including cash and cash equivalents (except cash on hand), at amortized cost of financial assets, notes receivables, account receivables (including related parities), other receivables (including related parities), refundable deposits and long -term receivables)	4,925,768
Total	$6,398,448	Total	$6,389,473

c. The transition adjustments from IAS 39 to IFRS 9 for the classifications of financial assets and financial liabilities as at January 1, 2018 are as follow:

IAS 39		IFRS 9			Retained earnings	Other components of equity
Class of financial instruments	Carrying amounts	Class of financial instruments	Carrying amounts	Difference	Adjustment	Adjustment
Parent Company						
Available-for-sale financial assets (including measured at cost $39,254) (Note 1)	$30,400	Measured at fair value through profit or loss	$30,400	$-	$1,771	$(1,771)
	1,442,280	Measured at fair value through other comprehensive income (equity instruments)	1,433,305	8,957	2,173	(11,148)
Subtotal	1,472,680					
Loans and receivables (Note 2)						
Cash and cash equivalents (except cash on hand)	724,127	Cash and cash equivalents (except cash on hand)	724,127	-	-	-
Debt instrument investments for which no active market exists	160,869	At amortized cost of financial assets	160,869	-	-	-
Note receivables (including related parties)	953,342	Note receivables (including related parties)	953,342	-	-	-
Accounts receivables (including related parties)	3,020,989	Accounts receivables (including related parties)	3,020,989	-	-	-
Other receivables (including related parties)	27,477	Other receivables (including related parties)	27,477	-	-	-
Refundable deposits	20,654	Refundable deposits	20,654	-	-	-
Long -term receivables	18,310	Long -term receivables	18,310	-	-	-
Subtotal	4,925,768		4,925,768	-	-	-
Total	6,398,448		6,389,473	(8,975)	3,944	(12,919)
Subsidiaries	5,887,387		5,888,036	649	-	649
Total	$12,285,835	Total	$12,277,509	$(8,326)	$3,944	$(12,270)

Notes:

(1) In accordance with of IAS 39, the Company's available-for-sale financial assets included investments in stocks of listed and unlisted companies. Adjustment details are described as follow:

<u>Stocks (including listed and unlisted companies)</u>

The Company assessed the facts and circumstances existed as at January 1, 2018, and determined these stocks were not held-for-trading; therefore, so the Company elected to designate them as financial assets measured at fair value through other comprehensive income. As at January 1, 2018, the Company reclassified available-for-sale financial assets (including measured at cost) to financial assets at fair value through profits or loss and financial assets measured at fair value through other comprehensive income of NT$30,400 thousand and NT$1,433,305 thousand, respectively. Other related adjustments are described as follow:

(a) The stock of unlisted companies previously measured at cost in accordance with IAS 39 had an original cost NT$39,253 thousand, which was NT$2,173 thousand impaired. However, in accordance with IFRS 9, stocks of unlisted companies must be measured at fair value and shall not recognize impairment. The fair value of the stocks of unlisted companies was NT$30,278 thousand as at January 1, 2018. Accordingly, the Company adjusted the carrying amount of financial assets measured at fair value through other comprehensive income of NT$30,278 thousand and also adjusted the retained earnings and other components of equity by NT$2,173 thousand and NT$(11,148) thousand, respectively.

(b) As at January 1, 2018, the Company reclassified the stocks measured at fair value from available-for-sale financial assets to financial assets measured at fair value through other comprehensive income. This adjustment did not result any differences in the carrying amounts of assets, but reclassified within equity accounts. As at January 1, 2018, the Company reclassified available-for-sale financial assets to financial assets mandatorily measured at fair value through profit or loss. Besides, changes in fair value of NT$(1,771) thousand previously recognized in other equity was reclassified to retained earnings.

(2) In accordance with IAS 39, the cash flow characteristics for loans and receivables are solely payments of principal and interest on the principal amount outstanding. The assessment of the business model is based on the facts and circumstances that existed as at January 1, 2018. These financial assets were measured at amortized cost as they were held within a business model whose objective was to hold financial assets in order to collect contractual cash flows. Besides, in accordance with IFRS 9, there was no adjustment arised from the assessment of impairment losses for the aforementioned assets as at January 1, 2018. Therefore, there is no impact on the carrying amount as at January 1, 2018.

d. Please refer to Note 4, Note 5, Note 6 and Note 12 for the related disclosures required by IFRS 7 and IFRS 9.

C. IFRIC 22 "*Foreign Currency Transactions and Advance Consideration*"

The interpretation clarifies that when applying paragraphs 21 and 22 of IAS 21 "The Effects of Changes in Foreign Exchange Rates", in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

The Company originally recorded their foreign currency sales transactions based on the exchange rate on the date of revenue recognition and converted into its functional currency. The exchange difference was recognized when the foreign currency advance payment was written off. The Company elected to apply this interpretation prospectively on January 1, 2018. This change in accounting principle did not significantly impact the Company's recognition and measurement.

D. Disclosure *Initiative - Amendment to IAS 7 "Statement of Cash Flows":*

The Company required to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Please refer to Note 12 for more details.

(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	IFRS 16 "Leases"	January 1, 2019
B	IFRIC 23 "Uncertainty Over Income Tax Treatments"	January 1, 2019
D	IAS 28 "Investment in Associates and Joint Ventures" - Amendments to IAS 28	January 1, 2019
D	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	January 1, 2019
E	Improvements to International Financial Reporting Standards (2015-2017 cycle)	January 1, 2019
F	Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	January 1, 2019

A. *IFRS 16"Leases"*

The new standard requires lessees to account for all leases under one single accounting model (except for short-term or low-value asset lease exemptions), which is for lessees to recognize right-of-use assets and lease liabilities on the balance sheet and the depreciation expense and interest expense associated with those leases in the statements of comprehensive income. Besides, lessors' classification remains unchanged as operating or finance leases, but additional disclosure information is required.

B. IFRIC 23 "*Uncertainty Over Income Tax Treatments*"

The Interpretation clarifies application of recognition and measurement requirements in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments.

C. *IAS 28"Investment in Associates and Joint Ventures" - Amendments to IAS 28*

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture before it applies IAS 28, and in applying IFRS 9, does not take account of any adjustments that arise from applying IAS 28.

D. *Prepayment Features with Negative Compensation (Amendments to IFRS 9)*

The amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract, to be measured at amortized cost or at fair value through other comprehensive income.

E. *Improvements to International Financial Reporting Standards (2015-2017 cycle):*

IFRS 3 "Business Combinations"

The amendments clarify that an entity that has joint control of a joint operation shall remeasure its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint Arrangements"

The amendments clarify that an entity that participates in, but does not have joint control of, a joint operation does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 “Income Taxes”

The amendments clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

IAS 23 “Borrowing Costs”

The amendments clarify that an entity should treats as part of general borrowings any borrowing made specifically to obtain an asset when the asset is ready for its intended use or sale.

F. *Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)*

The amendments clarify that when a change in a defined benefit plan is made (such as amendment, curtailment or settlement, etc.), the entity should use the updated assumptions to remeasure its net defined benefit liability or asset.

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, 2019. Apart from item A explained below, the remaining standards and interpretations have no material impact on the Company.

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 impact arising from the adoption of IFRS 16 on the Company are summarized as follows:

a. For the definition of a lease, the Company elects not to reassess whether a contract is, or contains, a lease at the date of initial application (January 1, 2019) in accordance with the transition provision in IFRS 16. Instead, 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.

   The Company is a lessee and elects not to restate comparative information in accordance with the transition provision in IFRS 16. Instead, the Company recognizes 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.

Leases classified as operating leases

For leases that were classified as operating leases applying IAS 17, the Company expects to measure and recognize 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 chooses, on a lease-by-lease basis, to measure the right-of-use asset at either. An amount equal to the lease liability, 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. The Company expects the right-of-use asset will increase by NT$678,725 thousand and the lease liability will increase by NT$678,725 thousand on January 1, 2019.

b. The additional disclosures of lessee and lessor required by IFRS 16 will be disclosed in the relevant notes.

(3) Standards or interpretations issued, revised or amended, by IASB but not yet endorsed by FSC at the date of issuance of the Company's financial statements 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	Definition of a Business (Amendments to IFRS 3)	January 1, 2020
D	Definition of Material (Amendments to IAS 1 and 8)	January 1, 2020

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. *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.

D. *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. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

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 Company evaluates 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, 2018 and 2017 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

(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* (Before January 1, 2018: IAS 39 *Financial Instruments: Recognition and Measurement*) 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* (Before January 1, 2018: IAS 39 *Financial Instruments: Recognition and Measurement*) 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

<u>The accounting policy from January 1, 2018 as follow:</u>

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

<u>Financial assets measured at amortized cost</u>

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 recognise 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 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.

The accounting policy before January 1, 2018 as follow:

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

Financial assets of the Company are classified as financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The Company determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated as at fair value through profit or loss. A financial asset 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 asset at fair value through profit or loss; or a financial asset 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 group of financial assets, financial liabilities or both 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 Company is provided internally on that basis to the key management personnel.

Financial assets at fair value through profit or loss are measured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss (including those received during the period of initial investment).

If financial assets do not have quoted prices in an active market and their far value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are designated as available-for-sale or those not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets, or loans and receivables.

Foreign exchange gains and losses and interest calculated using the effective interest method relating to monetary available-for-sale financial assets, or dividends on an available-for-sale equity instrument, are recognized in profit or loss. Subsequent measurement of available-for-sale financial assets at fair value is recognized in equity until the investment is derecognized, at which time the cumulative gain or loss is recognized in profit or loss.

If equity instrument investments do not have quoted prices in an active market and their far value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Held-to-maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold it to maturity, other than those that are designated as available-for-sale, classified as financial assets at fair value through profit or loss, or meet the definition of loans and receivables.

After initial measurement held-to-maturity financial assets are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or transaction costs. The effective interest method amortization is recognized in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company upon initial recognition designates as available for sale, classified as at fair value through profit or loss, or those for which the holder may not recover substantially all of its initial investment.

Loans and receivables are separately presented on the balance sheet as receivables or debt instrument investments for which no active market exists. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or transaction costs. The effective interest method amortization is recognized in profit or loss.

B. Impairment of financial assets

The accounting policy from January 1, 2018 as follow:

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.

The accounting policy before January 1, 2018 as follow:

The Company assesses at each reporting date whether there is any objective evidence that a financial asset other than the financial assets at fair value through profit or loss is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset. The carrying amount of the financial asset impaired, other than receivables impaired which are reduced through the use of an allowance account, is reduced directly and the amount of the loss is recognized in profit or loss.

A significant or prolonged decline in the fair value of an available-for-sale equity instrument below its cost is considered a loss event.

Other loss events include:

a. significant financial difficulty of the issuer or obligor; or
b. a breach of contract, such as a default or delinquency in interest or principal payments; or
c. it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
d. the disappearance of an active market for that financial asset because of financial difficulties.

For held-to-maturity financial assets and loans and receivables measured at amortized cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial asset that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exits for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. Interest income is accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

In the case of equity investments classified as available-for-sale, where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss – is removed from other comprehensive income and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recognized in profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

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 carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

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.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* (before January 1, 2018: IAS 39 *Financial Instruments: Recognition and Measurement*) 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 group of financial assets, financial liabilities or both 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 Company 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.

Before January 1, 2018, if the financial liabilities at fair value through profit or loss do not have quoted prices in an active market and their far value cannot be reliably measured, then they are classified as financial liabilities measured at cost on balance sheet and carried at cost as at the reporting date.

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.

(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 FIFO method.

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.

(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.

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
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

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

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

<u>The accounting policy from January 1, 2018 as follow:</u>

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:

<u>Sale of goods</u>

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 Group 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 Group 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 Group is obliged to undertake the subsequent transfer of the goods and is therefore recognized as a contract liability.

<u>The accounting policy before January 1, 2018 as follow:</u>

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognized:

<u>Sale of goods</u>

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

A. the significant risks and rewards of ownership of the goods have passed to the buyer;
B. neither continuing managerial involvement nor effective control over the goods sold have been retained;
C. the amount of revenue can be measured reliably;
D. it is probable that the economic benefits associated with the transaction will flow to the entity; and
E. the costs incurred in respect of the transaction can be measured reliably.

Interest income

For all financial assets measured at amortized cost (including loans and receivables and held-to-maturity financial assets) and available-for-sale financial assets, interest income is recorded using the effective interest rate method and recognized in profit or loss.

Dividends

Revenue is recognized when the Company's right to receive the payment is established.

(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.

<u>Current income tax</u>

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. <u>Significant Accounting Judgments, Estimates and Assumptions</u>

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 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.

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, 2018.

E. Accounts receivables–estimation of impairment loss

Starting from January 1, 2018:

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.

BeforeJanuary 1, 2018:

The Company considers the estimation of future cash flows when there is objective evidence showed indications of impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. However, as the impact from the discounting of short-term receivables is not material, the impairment of short-term receivables is measured as the difference between the asset's carrying amount and the estimated undiscounted future 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,	
	2018	2017
Cash on hand and petty cash	$4,610	$4,510
Checking accounts and demand deposits	341,337	282,463
Time deposits	159,815	393,965
Cash equivalents (Note)	71,125	47,699
Total	$576,887	$728,637

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

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

	As of December 31,	
	2018	2017(Note)
Equity instrument investments measured at fair value through other comprehensive income:		
Listed companies stocks	$1,248,735	
Unlisted companies stocks	193,216	
Total	$1,441,951	
Current	$551,324	
Non-current	890,627	
Total	$1,441,951	

Note: The Company adopted IFRS 9 since January 1, 2018. The Company elected not to restate period periods in accordance with the transition provision in IFRS 9.

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

(3) Available-for-sale financial assets

	As of December 31,	
	2018(Note)	2017
Stocks		$1,157,557
Valuation adjustment		275,869
Total		$1,433,426
Current		$543,570
Non-current		889,856
Total		$1,433,426

Note: The Group adopted IFRS 9 since January 1, 2018. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 9.

Please refer to Note 8 for more details on available-for-sale financial assets under pledge.

(4) Financial assets measured at amortized cost

	As of December 31,	
	2018	2017(Note)
Time deposit	$245,610	

Note: The Group adopted IFRS 9 since January 1, 2018. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 9.

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

(5) Financial assets measured at cost

	As of December 31,	
	2018(Note)	2017
Stocks		$39,254

Note: The Group adopted IFRS 9 since January 1, 2018. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 9.

The above investments in the equity instruments of unlisted entities are measured at cost as the fair value of these investments are not reliably measurable due to the fact that the variability in the range of reasonable fair value measurements is significant for that investment and that the probabilities of the various estimates within the range cannot be reasonably assessed and used when measuring fair value.

Financial assets measured at cost were not pledged.

(6) Debt instrument investments for which no active market exists-current

	As of December 31,	
	2018(Note)	2017
Time deposits that have maturity more than three months		$160,869

Note: The Group adopted IFRS 9 since January 1, 2018. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 9.

Debt instrument investments for which no active market exists-current were not pledged.

(7) Notes receivable and notes receivable - related parties

	As of December 31,	
	2018	2017
Notes receivables arising from operating activities	$898,100	$941,890
Less: loss allowance	(583)	(1,274)
Subtotal	897,517	940,616
Notes receivable - related parties	-	12,726
Less: loss allowance	-	-
Subtotal	-	12,726
Total	$897,517	$953,342

Notes receivable were not pledged.

The Company adopted IFRS 9 for impairment assessment since January 1, 2018. Please refer to Note 6(22) for more details on accumulated impairment. Please refer to Note 12 for more details on credit risk.

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

Accounts receivable and accounts receivable - related parties

	As of December 31,	
	2018	2017
Accounts receivable	$3,632,397	$3,057,889
Less: loss allowance	(86,223)	(49,016)
Subtotal	3,546,174	3,008,873
Accounts receivable - related parties	26,531	12,116
Less: loss allowance	-	-
Subtotal	26,531	12,116
Total	$3,572,705	$3,020,989

Long-term receivable

	As of December 31,	
	2018	2017
Overdue receivables	$90,947	$91,549
Less: loss allowance	(72,758)	(73,239)
Total	$18,189	$18,310

Accounts receivable were not pledged.

Accounts receivable are generally on 90 day terms. The Company adopted IFRS 9 for impairment assessment since January 1, 2018. Please refer to Note 6(22) for more details on impairment of trade receivables. The Company adopted IAS 39 for impairment assessment before January 1, 2018. The movements in the provision for impairment of accounts receivable, accounts receivable - related parties and long-term receivables are as follows: (Please refer to Note 12 for more details on credit risk management.)

	Individually impaired	Collectively impaired	Total
As of January 1, 2017	$62,722	$36,874	$99,596
Charge for the current period	10,517	12,142	22,659
As of December 31, 2017	$73,239	$49,016	$122,255

Impairment loss that was individually determined for the December 31, 2017, arose due to the fact that the counterparty was in financial difficulties that refusal to pay for the purchase price. The amount of impairment loss recognized was the difference between the carrying amount of the trade receivable and the present value of its expected recoverable amount. The Company does not hold any collateral for such trade receivables.

Aging analysis of accounts receivable, accounts receivable - related parties and long-term receivable that are past due as of the end of the reporting period but not impaired is as follows:

	Neither past due nor impaired	Past due but not impaired				
As of	<=90 days	91~180 days	181~365 days	1 -2 years	>=2 years	Total
December 31, 2017	$2,391,355	$486,821	$82,098	$73,593	$5,432	$3,039,299

(9) Inventories

	As of December 31,	
	2018	2017
Raw materials	$104,840	$81,754
Building for sale	79,872	79,872
Land of construction	210,368	210,368
Total	$395,080	$371,994

The cost of inventories recognized in expenses amounted to NT$8,772,995 thousand and NT$8,038,446 thousand for the years ended December 31, 2018 and 2017, respectively.

No inventories were pledged.

(10) Investments accounted for under the equity method

	As of December 31,			
	2018		2017	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in subsidiaries:				
RUEI SHIN CONSTRUCTIN CO., LTD	$4,773,122	100%	$4,630,529	100%
GOLDSUN INVESTMENT CO., LTD.	28,251	100%	29,457	100%
WELLPOOL CO., LTD.	498,591	49%	475,733	49%
GOLDSUN NIHON CEMENT CO., LTD.	177,668	59%	181,407	59%
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	392,683	100%	330,706	100%
EASE GREAT INVESTMENT LTD. (Note 1)	5,284,249	84%	4,921,105	84%
HUA YA DEVELOPMENT CO., LTD.	160,501	31%	160,986	31%
TAIPEI PORT TERMINAL COMPANY LIMITED (Note 2)	1,817,399	72%	1,899,222	78%
JIN SHUN MARITIME LIMITED	166,864	100%	173,189	100%
YUAN SHUN MARITIME LIMITED	1,163,629	100%	1,108,438	100%
JING SHUN MARITIME LIMITED	(25,706)	100%	-	-
FENG SUN MARITIME LIMITED	(1,225)	100%	-	-
TAIWAN BUILDING MATERIALS (HONG KONG) LMITED	474,646	100%	433,190	100%
GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	29,973	100%	40,443	100%
RAIXIN QUALITY PRODUCTS LTD. (Note3)	-	-	19,368	27%
GOYU BUILDING MATERIALS CO., LTD	178,639	65%	-	-
GIMPO MARINE CO., LTD.	99,367	100%	-	-
Subtotal	15,218,651		14,403,773	
Investments in associates:				
RAIXIN QUALITY PRODUCTS LTD. (Note3)	12,158	16%	-	-
Total	$15,230,809		$14,403,773	

Note1: The Company and its subsidiary, RUEI SHIN CONSTRUCTIN CO., LTD., held 84% and 16% shares of the EASE GREAT INVESTMENT LTD, respectively. Therefore, the shares of EASE GREAT INVESTMENT LTD was held by the Group 100%.

Note2: The Company and its subsidiary, RUEI SHIN CONSTRUCTIN CO., LTD., held 78% and 22% shares of the TAIPEI PORT TERMINAL COMPANY LIMITED, respectively. TAIPEI PORT TERMINAL COMPANY LIMITED had a capital injection in 2018. RUEI SHIN CONSTRUCTIN CO., LTD., subscribed all incremental new shares and the Company and RUEI SHIN CONSTRUCTIN CO., LTD., held 72% and 28% of the shares, respectively.

Note3: The Company and its subsidiary, GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD. held 27% and 27% shares of the RAIXIN QUALITY PRODUCTS LTD., respectively. RAIXIN QUALITY PRODUCTS LTD., had a capital injection in 2018. The Group did not subscribe the incremental shares. The Company and GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD. held 16% and 23% of the shares, respectively, and loss the control of RAIXIN QUALITY PRODUCTS 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.

B. Investments in associates

Investment in the associate has not a quoted market price as of December 31, 2018 and 2017.

No investments in associates were pledged.

The summarized financial information of the associate is as follows:

	For the years ended December 31,	
	2018	2017
Loss from continuing operations	$(5,362)	$-
Other comprehensive income (post-tax)	-	-
Total comprehensive income	$(5,362)	$-

The associates had no contingent liabilities or capital commitments as of December 31, 2018 and 2017.

(11) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Lease improvement	Construction in progress and equipment awaiting examination	Other equipment	Total
Cost:								
As of January 1, 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
As of January1, 2017	$3,225,007	$846,192	$1,700,657	$1,072,744	$127,021	$558,871	$100,602	$7,631,094
Additions	-	3,940	26,087	19,720	514	131,571	6,368	188,200
Disposals	(272,827)	(7,929)	(36,498)	(19,414)	(3,176)	-	(8,531)	(348,375)
Transfers	-	249,942	36,273	6,163	1,707	(494,675)	2,169	(198,421)
Other changes	-	-	(173)	-	-	-	25	(148)
As of December 31, 2017	$2,952,180	$1,092,145	$1,726,346	$1,079,213	$126,066	$195,767	$100,633	$7,272,350
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
As of January 1, 2017	$-	$582,803	$1,389,187	$737,348	$74,358	$-	$83,087	$2,866,783
Depreciation	-	33,540	72,492	63,062	14,728	-	7,563	191,385
Disposals	-	(6,247)	(35,728)	(18,302)	(3,127)	-	(8,307)	(71,711)
Other changes	-	-	-	-	-	-	34	34
As of December 31, 2017	$-	$610,096	$1,425,951	$782,108	$85,959	$-	$82,377	$2,986,491
Impairment:								
As of January 1, 2018	$-	$322	$987	$-	$-	$-	$-	$1,309
Impairment	-	-	-	-	-	-	-	-
As of December 31, 2018	$-	$322	$987	$-	$-	$-	$-	$1,309
As of January 1, 2017	$-	$322	$987	$-	$-	$-	$-	$1,309
Impairment	-	-	-	-	-	-	-	-
As of December 31, 2017	$-	$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
December 31, 2017	$2,952,180	$481,727	$299,408	$297,105	$40,107	$195,767	$18,256	$4,284,550

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

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

(12) Investment property

	Land	Buildings	Total
Cost:			
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
As of January 1, 2017	$2,572,321	$1,483,258	$4,055,579
Additions from acquisitions	1,773	2,211	3,984
Disposals	(38,700)	(40,717)	(79,417)
Transfers	-	198,989	198,989
As of December 31, 2017	$2,535,394	$1,643,741	$4,179,135
Depreciation:			
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
As of January 1, 2017	$-	$966,078	$966,078
Depreciation	-	28,451	28,451
Disposals	-	(40,717)	(40,717)
As of December 31, 2017	$-	$953,812	$953,812
Impairment:			
As of January 1, 2018	$-	$8,073	$8,073
Impairment	-	-	-
As of December 31, 2018	$-	$8,073	$8,073
As of January 1, 2017	$-	$8,073	$8,073
Impairment	-	-	-
As of December 31, 2017	$-	$8,073	$8,073
Net carrying amount as of:			
December 31, 2018	$2,554,416	$638,646	$3,193,062
December 31, 2017	$2,535,394	$681,856	$3,217,250

	For the years ended December 31,	
	2018	2017
Rental income from investment property	$110,764	$98,744
Less：Direct operating expense generated from rental income of investment property	(82,932)	(84,413)
Total	$27,832	$14,331

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

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.

The fair value of investment properties was NT$8,400,741 thousand as of December 31, 2017. The fair value NT$820,429 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$7,580,312 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.

(13) Intangible assets

	For the years ended December 31,	
	2018	2017
Cost:		
Beginning Balance	$27,138	$22,220
Addition-acquired separately	7,374	3,830
Disposals	(678)	-
Transfers	-	1,088
Ending Balance	$33,834	$27,138
Amortization:		
Beginning Balance	$15,184	$10,785
Amortization	5,035	4,399
Disposals	(678)	-
Ending Balance	$19,541	$15,184
Net carrying amount as of:		
Ending Balance	$14,293	$11,954

Recognized as amortized amount of intangible assets are as follows.

	2018	2017
Operating costs	$336	$258
Operating expenses	$4,699	$4,141

(14) Short-term loans

	As of December 31,	
	2018	2017
Unsecured bank loans	$1,950,000	$1,640,000
Secured bank loans	750,000	610,000
Total	$2,700,000	$2,250,000
Interset rates		
Credit bank loans	0.950%~1.100%	1.080%~1.150%
Secured bank loans	0.950%~1.120%	1.080%~1.150%

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$6,292 thousand and NT$6,100 thousand as of December 31, 2018 and 2017, respectively.

(15) Short-term notes and bills payable

	As of December 31,	
Guarantee institution	2018	2017
Guaranteed by bank	$1,730,000	$1,800,000
Less：Unamortised discount	(2,175)	(1,610)
Net	$1,727,825	$1,798,390
Interest rates	0.60%~0.92%	0.40%~0.89%

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

(16) Bonds payable

		As of December 31,	
	Interest rates	2018	2017
Domestic secured bonds	1.4%	$1,000,000	$2,000,000
Less：current portion		(1,000,000)	(1,000,000)
Net		$-	$1,000,000

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.

(17) Long-term loans

Details of long-term loans are as follows:

Lenders	As of December 31, 2018	Maturity date and terms of repayment
Secured Long-term Loan from Bank of KGI	$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 Bank of KGI	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%	

Lenders	As of December 31, 2017	Maturity date and terms of repayment
Secured Long-term Loan from Bank of KGI	$231,000	Effective January 6, 2016 till November 18, 2018; the repayment will be due in a lump-sum payment on the expiration of the term; interest paid monthly.
Unsecured Long-term Loan from Bank of KGI	369,000	Effective January 6, 2016 till November 18, 2018; the repayment will be due in a lump-sum payment on the expiration of the term; interest paid monthly.
Subtotal	600,000	
Less: current portion	(600,000)	
Total	$-	
Interest rates	1.1500%	

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

(18) 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, 2018 and 2017 are NT$12,417 thousand and NT$11,658 thousand, respectively.

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$58,264 thousand to its defined benefit plan during the 12 months beginning after December 31, 2018.

The average duration of the defined benefits plan obligation are 11 years as of December 31, 2018 and 2017.

Pension costs recognized in profit or loss for the years ended December 31, 2018 and 2017:

	For the years ended December 31,	
	2018	2017
Current period service costs	$11,386	$10,871
Interest expense (income) of net defined benefit liabilities (assets)	3,066	3,581
Total	$14,452	$14,452

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

	As of December 31,		
	2018.12.31	2017.12.31	2017.1.1
Defined benefit obligation	$460,440	$450,734	$403,412
Plan assets at fair value	(232,650)	(195,233)	(164,704)
Other non-current liabilities - Net defined benefit liabilities recognized on the balance sheets	$227,790	$255,501	$238,708

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, 2017	$403,412	$(164,704)	$238,708
Current period service costs	10,871	-	10,871
Net interest expense (income)	6,051	(2,470)	3,581
Subtotal	16,922	(2,470)	14,452
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	1,011	-	1,011
Actuarial gains and losses arising from changes in financial assumptions	34,279	-	34,279
Experience adjustments	3,178	740	3,918
Subtotal	38,468	740	39,208
Payments from the plan	(8,068)	8,068	-
Contributions by employer	-	(36,867)	(36,867)
As of December 31, 2017	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

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

	As of December 31,	
	2018	2017
Discount rate	0.99%	1.20%
Expected rate of salary increases	1.50%	1.50%

A sensitivity analysis for significant assumption as of December 31, 2018 and 2017 is, as shown below:

	Effect on the defined benefit obligation			
	2018		2017	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increases by 0.5%	$-	$(20,612)	$-	$(21,998)
Discount rate decreases by 0.5%	32,307	-	29,234	-
Future salary increases by 0.5%	31,967	-	28,960	-
Future salary decreases by 0.5%	-	(20,610)	-	(22,040)

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.

(19) Provisions, non-current

Decommissioning, restoration and rehabilitation

	As of December 31,	
	2018	2017
Beginning balance	$4,500	$4,500
Reversal	-	-
Ending balance	$4,500	$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.

(20) Equity

A. Common stock

	As of December 31,	
	2018	2017
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.

The Company's board of directors approved to buy back the common stock in the open market on May 10, 2017, and the Company's board of directors resolved to retire 43,000 thousand common shares of treasury stock on August 9, 2017, totaling NT$409,672 thousand. The capital reduction base date was August 31, 2017, and the registration for change has been completed.

B. Capital surplus

	As of December 31,	
	2018	2017
Additional paid-in capital	$551,173	$551,173
Treasury share transactions	306,380	304,559
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	1,619	1,619
Changes in ownership interests in subsidiaries	187,289	187,289
Share-based payments	103,200	103,200
Donated surplus	12,990	-
Others	15,261	15,261
Total	$1,177,912	$1,163,101

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, 2018 and 2017, 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.

As of January 1, 2018 and 2017, special reserve set aside for the first-time adoption of T-IFRS amounted to NT$1,874,430 thousand and NT$2,353,140 thousand, respectively.

Furthermore, the Company did not reverse special reserve to retained earnings during the year ended December 31, 2018. The Company reversed special reserves of NT$478,710 thousand to retain earinings for the year ended December 31, 2017, because the Company's subsidiary, RUEI SHIN CONSTRUCTION CO., LTD., disposed of investment property and reversed special reserves of NT$478,710 thousand to retained earnings. As of December 31, 2018 and 2017, the amount of special reserve set aside for the first-time adoption of IFRSs all amounted to NT$1,874,430 both.

Details of the 2018 and 2017 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on March 22, 2019 and June 20, 2018, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2018	2017	2018	2017
Legal reserve	$51,482	$152,274	$-	$-
Common stock-cash dividend	346,250	692,500	0.25	0.5

Please refer to Note 6(25) for further details on employees' compensation and remuneration to directors and supervisors.

(21) Operating revenue

	For the years ended December 31,	
	2018(Note)	2017
Revenue from contracts with customers		
Sale of goods revenue	$11,119,143	$10,491,754
Other operating revenues	123,876	100,943
Subtotal	11,243,019	10,592,697
Lease revenue	159,445	172,780
Total	$11,402,464	$10,765,477

Note: The Company has adopted IFRS 15 from January 1, 2018. The Company elected to apply the standard retrospectively by recognizing the cumulative effect of initially applying the standard at the date of initial application (January 1, 2018).

The Company has adopted IFRS 15 from January 1, 2018. Analysis of revenue from contracts with customers during the year is as follows:

	2018
Timing of revenue recognition:	
At a point in time	$11,243,019

(22) Expected credit losses

	Period ended 31 Dec.	
	2018	2017(Note)
Operating expenses – Expected credit (gains) losses		
Notes receivable	$(691)	
Accounts receivable	38,182	
Long-term receivable	7,628	
Total	$45,119	

Note: The Company adopted IFRS 9 since January 1, 2018. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 9.

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

The credit risk for the Gorup'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 receivables (including note receivables, accounts receivables and long-term receivable) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at December 31, 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:

Group 1: The gross 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	$2,639,704	$678,937	$204,681	$64,642	$44,433	$3,632,397
Loss ratio	-%	3%	5%	30%	82%	
Lifetime expected credit losses	-	20,368	10,234	19,393	36,228	86,223
Total	$2,639,704	$658,569	$194,447	$45,249	$8,205	$3,546,174

The gross carrying amount of account receivable – related parties is NT$26,531 thousand, its loss allowance amounting to NT$0 thousand because the counterparties are subsidiary and associate, and not yet due.

Group 3: The gross 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, 2018 is as follows:

	Notes receivable	Accounts receivable	Long-term receivable
Beginning balance (in accordance with IAS 39)	$1,274	$49,016	$73,239
Transition adjustment to retained earnings	-	-	-
Beginning balance (in accordance with IFRS 9)	1,274	49,016	73,239
Addition/(reversal) for the current period	(691)	38,182	7,628
Write off	-	(975)	(8,109)
Ending balance	$583	$86,223	$72,758

(23) Operating leases

A. Operating lease commitments - Company as lessee

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, 2018 and 2017, are as follows:

	As of December 31,	
	2018	2017
Within one year	$63,000	$92,194
Over one year but within five years	136,957	77,915
Over five years	102,320	25,862
Total	$302,277	$195,971

Operating lease expenses recognized are as follows:

	For the years ended December 31,	
	2018	2017
Minimum lease payments	$77,505	$90,168

C. Operating lease commitments - Company as lessor

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.

Future minimum rentals receivable under non-cancellable operating leases as of December 31, 2018 and 2017, are as follows:

	As of December 31,	
	2018	2017
Within one year	$224,330	$69,326
Over one year but within five years	604,620	220,567
Over five years	356,671	384,096
Total	$1,185,621	$673,989

The contingent rent recognized as income amounted to NT$19,044 thousand and NT$20,383 thousand for the years ended December 31, 2018 and 2017, respectively.

(24) Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2018 and 2017:

	For the years ended December 31,					
	2018			2017		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$433,644	$287,266	$720,910	$435,096	$345,165	$780,261
Labor and health insurance	21,188	18,691	39,879	20,074	17,994	38,068
Pension	15,902	10,967	26,869	15,124	10,986	26,110
Remuneration to directors	-	16,111	16,111	-	48,474	48,474
Depreciation	176,852	22,810	199,662	199,973	19,863	219,836
Amortization	336	4,699	5,035	258	4,141	4,399

The headcount of the Company was 595 and 564, including 11 and 11 non-employee directors for the years ended December 31, 2018 and 2017, respectively.

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, 2018, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2018 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 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.

A resolution was passed at a Board of Directors meeting held on March 21, 2018 to distribute NT$48,474 thousand in cash as employees' compensation and remuneration to directors both of 2017. No material differences exist between the estimated amount and the actual distribution.

(25) Non-operating income and expenses

A. Other income

	For the years ended December 31,	
	2018	2017
Interest income	$12,131	$6,588
Dividend income	61,134	55,256
Other income-others	41,367	43,210
Total	$114,632	$105,054

B. Other gains and losses

	For the years ended December 31,	
	2018	2017
Gains on disposal of property, plant and equipment	$5,744	$1,975
Losses on disposal of investment property	(6,282)	(92)
Gains on disposal of investment	1,839	403
Gains on disposal of subsidiary (Note1)	4,568	-
Foreign exchange (gains) or loss, net	10,489	(47,236)
Other expense-others	(31,622)	(66,897)
Total	$(15,264)	$(111,847)

Note1: Please refer to Note6(30) for more information.

C. Finance costs

	For the years ended December 31,	
	2018	2017
Interest on borrowings from bank	$84,196	$72,663
Interest on bonds payable	14,000	28,000
Total	$98,196	$100,663

(26) Components of other comprehensive income

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)

For the year ended December 31, 2017

	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	$(39,208)	$-	$(39,208)	$6,665	$(32,543)
Share of other comprehensive loss of associates and joint ventures accounted for under the equity method	(126)	-	(126)	-	(126)
To be reclassified to profit or loss in subsequent periods:					
Unrealized gains or losses from available-for-sale financial assets	27,674	(403)	27,271	-	27,271
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(242,271)	-	(242,271)	-	(242,271)
Total of other comprehensive (loss) income	$(253,931)	$(403)	$(254,334)	$6,665	$(247,669)

(27) 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,	
	2018	2017
Current income tax expense (income):		
Current income tax charge	$5,122	$-
Adjustments in respect of current income tax of prior periods	-	(1,430)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	15,957	(1,190)
Deferred tax expense (income) relating to origination and reversal of tax loss and tax credit	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	(31,097)	(1,267)
Total income tax income	$(10,022)	$(3,887)

Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2018	2017
Deferred tax income:		
Remeasurements of defined benefit plans	$3,221	$6,665

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,	
	2018	2017
Accounting profit before tax from continuing operations	$504,817	$2,807,012
Tax at the domestic rates applicable to profits in the country concerned (2018: 20%; 2017: 17%)	100,963	477,192
Tax effect of revenues exempt from taxation	(111,760)	(495,875)
Tax effect of expenses not deductible for tax purposes	1,720	1,968
Tax effect of deferred tax assets / liabilities	6,186	14,248
Deferred tax expense (income) relating to changes in tax rate or the imposition of new taxes	(12,539)	-
Others	286	10
10% surtax on unappropriated retained earnings	5,122	-
Adjustments in respect of current income tax of prior periods	-	(1,430)
Total income tax expense recognized in profit or loss	$(10,022)	$(3,887)

Deferred tax assets (liabilities) relate to the following:

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)

For the year ended December 31, 2017

	Beginning balance as of January 1, 2017	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2017
Temporary differences				
Defined benefit liabilities	$67,599	$(3,811)	$6,665	$70,453
Loss allowance	10,913	4,218	-	15,131
Inventory valuation losses	1,123	-	-	1,123
Unrealized impairment loss	6,486	-	-	6,486
Decommissioning costs	677	-	-	677
Components of buildings	11,466	407	-	11,873
Unrealized exchange losses	7,575	(848)	-	6,727
Unrealized exchange gains	-	(150)	-	(150)
Allowance for sales return and discounts	842	(194)	-	648
Unused taxable loss	34,665	15,006	-	49,671
Unused tax credits	267,509	(12,171)	-	255,338
Deferred tax (expense)/income		$2,457	$6,665	
Net deferred tax assets/(liabilities)	$408,855			$417,977
Reflected in balance sheet as follows:				
Deferred tax assets	$408,855			$418,127
Deferred tax liabilities	$-			$(150)

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

Occurred year	Deficit amounts	Unused balance 2018	Unused balance 2017	Last credit year
2009	$374,645	$150,883	$150,883	2019
2013	53,026	53,026	53,026	2023
2017	109,261	109,261	109,261	2027
2018	79,690	79,690	-	2028
		$392,860	$313,170	

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

		Unused balance		
Laws and regulations	Credits item	2018	2017	Last credit year
Statute for Promoting Private Participation in Public Construction	Investment tax credits	$-	$28,776	2018
		146,102	180,000	2019
		60,000	60,000	2020
		$206,102	$268,776	

Unrecognized deferred tax assets

As of December 31, 2018 and 2017, deferred tax assets that have not been recognized amount to NT$790,893 thousand and NT$712,130 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 Group'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, 2018 and 2017, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregate to NT$131,168 thousand and NT$36,289 thousand, respectively.

The assessment of income tax returns

As of December 31, 2018, the assessment of the income tax returns of the Company is as follows:

	The assessment of income tax returns	Notes
The Company	Assessed and approved up to 2016 (except 2014)	-

(28) 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, 2018	2017
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$514,839	$2,810,899
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	1,381,359	1,400,096
Basic earnings per share (NT$)	$0.37	$2.01
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$514,839	$2,810,899
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	1,381,359	1,400,096
Effect of dilution:		
Employee bonus-stock (in thousands)	1,927	4,692
Weighted average number of ordinary shares outstanding after dilution (in thousands)	1,383,286	1,404,788
Diluted earnings per share (NT$)	$0.37	$2.00

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.

(29) Changes in parent’s interest in subsidiaries

A. Acquisition of new shares in a subsidiary not in proportionate to ownership interest

RAIXIN QUALITY PRODUCTS LTD. issued new shares on June 14,2017, However, GOLDSUN INNOVATIVE BUILDING MATERIALS CO. did not subscribe new shares proportionately to its ownership interests, which resulted in changes in ownership interest of subsidiaries amounting to NT$6,730 thousand, and was recognized as an increase of paid-in capital.

The Company received additional cash from the issuance of new shares in the amount of NT$41,000. The carrying amount of RAIXIN QUALITY PRODUCTS LTD.’s equity (excluding goodwill on the original acquisition) was NT$27,203 thousand. Following is a schedule of changes in RAIXIN QUALITY PRODUCTS LTD. including changes in adjustments to additional paid-in capital:

Additional cash received from the issuance of new shares	$(41,000)
Increase to equity of RAIXIN QUALITY PRODUCTS LTD.	27,203
Difference recognized in additional paid-in capital within equity	$(13,797)

B. Acquisition of shares issued by subsidiaries

In 2017, the Company acquired an additional 1% of the voting shares of WELLPOOL CO., LTD., increasing its ownership to 49%. A cash consideration of NT$11,055 thousand was paid to the non-controlling interest shareholders. Therefore, the difference between the actual acquisition and the book value, amounting to NT$3,141 thousand, and recognized as a decrease of paid-in capital.

C. 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 Group'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

FU YANG PORT CO., LTD.

On June 19, 2018, the board of directors of FU YANG PORT CO., LTD. approved the proposal of transfer of director's shareholdings. Since June 19, 2018, FU YANG PORT CO., 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.

Analysis of assets and liabilities of FU YANG PORT CO., LTD. as of the date losing control:

	Carrying amount
Cash and cash equivalents	$517
Others receivable	314,869
Prepayment	24,401
Property, plant and equipment	451,419
Intangible assets	5,161
Other payables	(79,281)
Other current liabilities	(23)
Total net assets	717,063
Carrying value of non-controlling interest	(422,981)
Net disposal assets	$294,082

As if gain on disposal of subsidiary	
Fair value of residual interest.	$294,082
Reduce：net disposal assets	(294,082)
As if gain on disposal of subsidiary	$-

TRANSASIA AIRWAYS CORPORATION

On January 11, 2017, the shareholders meeting of TransAsia Airways Corp., approved the liquidation proposal and the bankruptcy assignee accedes at the same date. TransAsia Airways Corp., was no longer subsidiaries of the Company.

Analysis of assets and liabilities of TransAsia Airways Corp., as of the date losing control:

	Carrying amount
Cash and cash equivalents	$888,465
Current investments in debt instrument without active market	38,895
Notes and accounts receivable	105,304
Other receivable	213,677
Deferred tax assets	10,842
Inventories	273,914
Prepayment	57,264
Other current assets	203,601
Non-current available-for-sale financial assets	48,353
Investments accounted for using equity method	265,889
Property, plant and equipment	12,057,386
Investment property	602,053
Intangible assets	26,145
Prepayments for business facilities	1,582,492
Refundable deposits	25,731
Long and short-term loans	(11,367,834)
Notes and accounts payable	(1,367,257)
Other payables	(650,725)
Other current liabilities and advance receipts	(399,455)
Bonds payable	(2,599,150)
Other non-current liabilities and guarantee deposits	(15,590)
Total net assets	$-

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.	Entity 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

Related Party Name	The Relationship with The Company
KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	Subsidiary
GOLDSUN NIHON CEMENT CO., LTD.	Subsidiary
RAIXIN QUALITY PRODUCTS LTD.	Subsidiary
REI SHIN CONSTRUCTION CO., LTD.	Subsidiary
General Investments Ltd.	Subsidiary
GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	Subsidiary
GOYU BUILDING MATERIALS CO., LTD.	Subsidiary
Gimpo Marine Co., Ltd	Subsidiary
TRANSASIA CATERING SERVICES LTD.	Associate
Legend Travel Service, Ltd.	Associate
SVS CORPORATION	Associate
GOLDSUN EXPRESS & LOGISTICS CO., LTD.	Associate
BABYBOSS CITY LIMITED	Associate
Goldsun Express Ltd.	Associate
CHOPPA TECH CO., LTD.	Associate
LEE WAY ELECTRONICS CO., LTD.	Associate
Lee Bao Security Co., Ltd.	Associate
Gowin Building Management and Maintenance Co., Ltd.	Associate
Goyun Security Co., Ltd.	Associate
Goyun Science and Technology Co., Ltd.	Associate
Kuo Hsing Security Co., Ltd.	Associate
AION TECHNOLOGIES INC.	Associate
LITENET CORPORATION	Associate
Gowin Security Co., Ltd.	Associate
TRUST SANDSTONE CO., LTD.	Associate
CPMI Corporation	Associate

(1) Sales

	For the years ended December 31,	
	2018	2017
Entity with significant influence over the Company	$-	$211
Subsidiaries	11,102	603
Total	$11,102	$814

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.

(2) Purchase

	For the years ended December 31,	
	2018	2017
Subsidiaries	$726,068	$768,671
Associates	965,720	711,795
Total	$1,691,788	$1,480,466

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.

(3) Notes receivable - related parties

	As of December 31,	
	2018	2017
Subsidiaries		
WELLPOOL CO., LTD.	$-	$12,726

(4) Accounts receivable - related parties

	As of December 31,	
	2018	2017
Entity with significant influence over the Company	$-	$597
Subsidiaries		
WELLPOOL CO., LTD.	18,655	4,302
KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	4,834	-
Others	13	879
Associates		
TRUST SANDSTONE CO., LTD.	2,313	6,338
Others	716	-
Total	$26,531	$12,116

(5) Notes payable - related parties

	As of December 31,	
	2018	2017
Subsidiaries		
GOLDSUN NIHON CEMENT CO., LTD.	$49,733	$65,828
TAIPEI PORT TERMINAL COMPANY LIMITED	19,767	24,475
Others	561	-
Associates		
GOLDSUN EXPRESS & LOGISTICS CO., LTD.	117,469	91,054
Others	3,637	2,928
Total	$191,167	$184,285

(6) Other receivable - related parties

	As of December 31,	
	2018	2017
Subsidiaries		
JING SHUN MARITIME LIMITED	$3,958	$-
GOYU BUILDING MATERIALS CO., LTD.	210	-
Others	34	38
Associates		
GOLDSUN EXPRESS & LOGISTICS CO., LTD.	23,721	25,610
Others	11	2
Total	$27,934	$25,650

(7) Prepayments

	As of December 31,	
	2018	2017
Associates		
Goldsun Express Ltd.	$162,521	$19,257
LITENET CORPORATION	9,439	-
Others	3,920	818
Subsidiaries		
Others	-	1,682
Total	$175,880	$21,757

(8) Other payable - related parties

	As of December 31,	
	2018	2017
Subsidiaries		
REI SHIN CONSTRUCTION CO., LTD.	$1,375,000	$775,000

Other payables – related parities was loan form related parities due within one year. Interest rate is 1.03%~1.28%.

(9) The Company leased the land and building to related parties for the years ended December 31, 2018 and 2017, the detail as below:

A. Operating revenue - rental

	For the years ended December 31,	
	2018	2017
Entity with significant influence over the Company	$57	$286
Subsidiaries	83,138	65,305
Associates	61,887	81,650
Total	$145,082	$147,241

B. Guarantee deposits

	As of December 31,	
	2018	2017
Entity with significant influence over the Company	$20	$-
Subsidiaries	1,242	1,242
Associates	14	14
Total	$1,276	$1,256

(10) Other operating costs

	For the years ended December 31,	
	2018	2017
Entity with significant influence over the Company	$11,017	$6,408

(11) Operating expense

	As of December 31,	
	2018	2017
Entity with significant influence over the Company	$6,417	$11,214
Subsidiaries	772	1,209
Associates	23,287	30,314
Total	$30,476	$42,737

(12) 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:

	As of December 31,	
	2018	2017
Entity with significant influence over the Company	$9,607	$48,733
Subsidiaries	3,755	25,064
Total	$13,362	$73,797

(13) Key management personnel compensation

	For the years ended December 31,	
	2018	2017
Short-term employee benefits	$56,088	$107,378
Post-employment benefits	-	-
Total	$56,088	$107,378

8. Assets pledged as security

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

	Carrying amount		
Assets pledged for security	December 31, 2018	December 31, 2017	Secured liabilities
Property, plant and equipment, lands and buildings	$2,642,365	$2,338,271	Bank loan、C/P
Investment property	894,684	908,756	Bank loan、C/P
Available-for-sale financial assets-Stocks	(Note)	1,399,879	Bank loan、C/P
Financial assets at fair value through other comprehensive income-Stocks	1,354,075	(Note)	Bank loan、C/P
Long-term equity investment for using equity method	766,500	495,000	C/P
Financial assets measured at amortized cost-Time deposits	70,691	-	Bank loan
Total	$5,728,315	$5,141,906	

Note: The Company adopted IFRS 9 since January 1, 2018. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 9.

9. Commitments and contingencies

(1) Promissory notes issued by the Company to secure bank loans and construction performance amounted to NT$674,131 thousand as of December 31, 2018.

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

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	As of December 31,	
	2018	2017
Financial assets at fair value through other comprehensive income	$1,441,951	(Note1)
Available-for-sale financial assets: (Note2)	(Note1)	$1,472,680
Financial assets measured at amortized cost (Note3)	5,355,612	(Note1)
Loans and receivables (Note 4)	(Note1)	4,925,768
Total	$6,797,563	$6,398,448

Financial liabilities

	As of December 31,	
	2018	2017
Financial liabilities at amortized cost:		
Short-term loan	$2,700,000	$2,250,000
Short-term notes and bills payable	1,727,825	1,798,390
Notes payable	1,089	121
Accounts payable (including related parties)	1,715,989	1,465,447
Other payables (including related parties)	1,908,013	1,386,532
Bonds payable (including due in one year)	1,000,000	2,000,000
Long-term loan (including due in one year)	1,600,000	600,000
Guarantee deposits	32,008	33,354
Total	$10,684,924	$9,533,844

Note:

1. The Company adopted IFRS 9 since January 1, 2018. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 9.
2. December 31, 2017 contains measured at cost.
3. 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.
4. Contains cash and cash equivalents (except cash on hand), current investments in debt instrument without active market, 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.

<u>Foreign currency risk</u>

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 2018 and 2017 are increased/decreased by NT$39,905 thousand and NT$55,440 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$5,451 thousand and NT$3,972 thousand for the years ended December 31, 2018 and 2017, 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$124,873 thousand for the year ended December 31, 2018. When the investment price of available-for-sale of financial assets of publicly quoted entity increase / decrease ten basis points, the Cpmpany's equity would increase / decrease by NT$129,180 thousand for the year ended December 31, 2017.

(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.

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, 2018, and 2017, amounts receivables from top ten customers are 16% and 21%, 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, 2018					
Borrowings	$3,404,924	$304,262	$608,517	$-	$4,317,703
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
As of December 31, 2017					
Borrowings	$2,856,593	$-	$-	$-	$2,856,593
Short-term notes and bills payable	1,800,000	-	-	-	1,800,000
Notes payable	121	-	-	-	121
Accounts payable	1,465,447	-	-	-	1,465,447
Others payable	611,532	-	-	-	611,532
Others payable-related parties	775,423	-	-	-	775,423
Bonds payable	1,014,000	1,028,000	-	-	2,042,000

(6) Fair values of financial instruments

Information of reconciliation for liabilities during 2018 is as follows:

	Short-term loans	Short -term notes and bills payable	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	$2,000,000	$600,000	$33,354	$6,681,744
Cash flow	450,000	(70,565)	(1,000,000)	1,000,000	(1,346)	378,089
Non-cash change	-	-	-	-	-	-
2018.12.31	$2,700,000	$1,727,825	$1,000,000	$1,600,000	$32,008	$7,059,833

Information of reconciliation for liabilities during 2017 is as follows: Not applicable.

(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.

(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, 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

As of December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets:				
Available-for-sale financial assets				
Stocks	$1,291,802	$-	$141,624	$1,433,426

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2018 and 2017, 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, 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
Beginning balances as of January 1, 2017	$167,869
Total gains recognized for the year ended December 31, 2017:	
Amount recognized in OCI	(26,245)
Ending balances as of December 31, 2017	$141,624

Total profits and losses recognized in profit or loss for the years ended 31 December 2018 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:

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

As of December 31, 2017

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Available-for-sale	Market approach	Earnings per share	7.47~ 45.75	Not applicable	10% increase (decrease) in the earnings would result in increase (decrease) in the Company's equity by NT$14,162 thousand

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, 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(13))	$-	$-	$9,287,806	$9,287,806

As of December 31, 2017

	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(13))	$-	$-	$8,400,741	$8,400,741

(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, 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

	As of 31 December, 2017		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$18,629	29.76	$554,399
Non-monetary items:			
USD	14,556	29.76	433,190

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: Please refer to Attachment 4.
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: None.
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 4.
h. Receivables from related parties with amounts exceeding the lower of NT$100 million and 20 percent of capital stock: Please refer to Attachment 5.
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, 2018

(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 Item	Assets pledged Value	Limit of financing amount for individual counter-party(Note 4)	Limit of total financing amount (Note 4)
1	GREAT SMART LTD.	GOLDSUN COMENT (FUJIAN) CO., LTD.	Other receivable	USD 40,313 (NTD 1,238,400)	USD 40,000 (NTD 1,228,800)	USD 40,000 (NTD 1,228,800)	1.80%	2	$-	Operating	$-	-	-	USD 196,092 (NTD 6,023,976)	USD 196,092 (NTD 6,023,976)
2	GOLDSUN INTERNATIONAL DEVELOPMENT CORP.	TRANSASIA AIRWAYS CORPORATION	Long-term receivable	USD 7,946 (NTD 244,101)	-	-	-	2	-	Operating	-	-	-	USD 214,684 (NTD 6,595,118)	USD 214,684 (NTD 6,595,118)
3	GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Long-term receivable	RMB 21,752 (NTD 97,230)	-	-	-	2	-	Operating	-	-	-	RMB 173,827 (NTD 777,287)	RMB 173,827 (NTD 777,287)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Long-term receivable	RMB 5,999 (NTD 26,820)	RMB 6,000 (NTD 26,820)	RMB 6,000 (NTD 26,820)	2.01%	2	-	Operating	-	-	-	RMB 173,827 (NTD 777,287)	RMB 173,827 (NTD 777,287)
		GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Long-term receivable	RMB 31,999 (NTD 143,040)	RMB 32,000 (NTD 143,040)	RMB 32,000 (NTD 143,040)	2.01%	2	-	Operating	-	-	-	RMB 173,827 (NTD 777,287)	RMB 173,827 (NTD 777,287)
4	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	TRANSASIA AIRWAYS CORPORATION	Long-term receivable	NTD 50,000	-	-	-	2	-	Operating	-	-	-	NTD 392,683	NTD 392,683
5	JIN SHUN MARITIME LTD.	TRANSASIA AIRWAYS CORPORATION	Other receivable	USD 2,979 (NTD 91,515)	-	-	-	2	-	Operating	-	-	-	USD 5,432 (NTD 166,864)	USD 5,432 (NTD 166,864)
6	RUEI SHIN CONSTRUCTIN CO., LTD	GIMPO MARINE CO., LTD.	Long-term receivable	NTD 115,000	NTD 115,000	NTD 115,000	1.45%	2	-	Operating	-	-	-	NTD 4,773,122	NTD 4,773,122
		GREAT SMART LIMITED.,	Long-term receivable	NTD 216,720	NTD 215,040	NTD 215,040	1.20%	2	-	Operating	-	-	-	NTD 4,773,122	NTD 4,773,122
		GOLDSUN BUILDING MATERIALS CO., LTD.	Long-term receivable	NTD 1,475,000	NTD 1,375,000	NTD 1,375,000	1.03~1.28%	2	-	Operating	-	-	-	NTD 4,773,122	NTD 4,773,122
7	TAICANG PORT GOLDSUN CONCRETE CO., LTD.	GOLDSUN COMENT (FUJIAN) CO., LTD.	Other receivable	RMB 29,378 (NTD 131,320)	-	-	-	2	-	Operating	-	-	-	RMB 69,783 (NTD 312,041)	USD 69,783 (NTD 312,041)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	RMB 8,000 (NTD 35,760)	RMB 8,000 (NTD 35,760)	RMB 8,000 (NTD 35,760)	2.01%	2	-	Operating	-	-	-	RMB 69,783 (NTD 312,041)	RMB 69,783 (NTD 312,041)
		GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	RMB 47,000 (NTD 210,090)	RMB 47,000 (NTD 210,090)	RMB 47,000 (NTD 210,090)	2.01%	2	-	Operating	-	-	-	RMB 69,783 (NTD 312,041)	RMB 69,783 (NTD 312,041)
8	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	RMB 6,953 (NTD 31,080)	-	-	-	2	-	Operating	-	-	-	RMB 104,481 (NTD 467,197)	RMB 104,481 (NTD 467,197)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	RMB 42,000 (NTD 187,740)	RMB 42,000 (NTD 187,740)	RMB 42,000 (NTD 187,740)	2.01%	2	-	Operating	-	-	-	RMB 104,481 (NTD 467,197)	RMB 104,481 (NTD 467,197)

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. and GOLDSUN INTERNATION DEVELOPMENT CORP. shall not exceed double of the net asset value from the latest financial statement. and others shall not exceed the 100% net asset value from the latest financial statement.

ATTACHMENT 2 : Endorsement/Guarantee provided to others for the year ended December 31, 2018

(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.	3	$3,896,459	$250,776	$248,832	$1,573	$-	1.28%	$9,741,148	Y		Y
1	RUEI SHIN CONSTRUCTIN CO., LTD	GOLDSUN BUILDING MATERIALS CO., LTD	4	4,773,122	3,604,000	3,604,000	304,000	-	75.51%	4,773,122		Y	
2	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	1	467,197	255,904	191,405	91,076	-	40.97%	467,197			Y
3	GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	1	777,287	472,527	471,809	275,542	-	60.70%	777,287			Y
4	TAICANG PORT GOLDSUN CONCRETE CO., LT	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	1	312,041	129,210	90,071	-	-	28.87%	312,041			Y
5	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	1	577,058	203,346	181,370	158,059	-	31.43%	577,058			Y
6	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	1	600,653	190,121	147,734	178,163	-	24.60%	600,653			Y
7	KUNSHAN GOLDSUN CONCRETE CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other five companies	1	323,333	222,447	175,917	67,195	-	54.41%	323,333			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) For the 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" 。

ATTACHMENT 3 : Securities held as of December 31, 2018 (Unit:Foreign currency: thousands, NTD: thousands)

Names of companies held	Type and name of securities	Relationship with the Company	Financial statement account	December 31, 2018				Remark
				Units (thousand) / bonds / shares	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	15,486,625	$551,324	-	$551,324	14,000 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	372,842	1%	372,842	4,200 thousand shares provide for loan guarantee
	O-BANK		Financial assets at fair value through other comprehensive income, non-current	40,571,078	324,569	2%	324,569	40,000 thousand shares provide for loan guarantee
	GLOBAL SECURITIES FINANCE CORPORATION		Financial assets at fair value through other comprehensive income, non-current	700,837	3,946	-	3,946	
	TAIWAN AIRPORT SERVICE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	7,405,200	164,395	17%	164,395	7,405 thousand shares provide for loan guarantee
	ANFENG SPRING ENTERPRISE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	150,000	2,262	5%	2,262	
	OVERSEAS INVESTMENT & DEVELOPMENT CORP.		Financial assets at fair value through other comprehensive income, non-current	2,000,000	15,360	2%	15,360	
	FUHWA VENTURE CAPITAL INC.		Financial assets at fair value through other comprehensive income, non-current	742,500	4,826	5%	4,826	
	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	2,328	-	2,328	Included in treasury shares
	TAIWAN CEMENT CORPORATION		Financial assets at fair value through other comprehensive income, current	728,200	23,567	-	23,567	
	TAIWAN SECOM CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	1,868,000	165,131	-	165,131	
GOLDSUN INVESTMENT CO., LTD	Stock-							
	EVERTERMINAL. CO., LTD		Financial assets at fair value through other comprehensive income, non-current	1,429,653	9,593	1.46%	9,593	
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	32,853	-	32,853	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	-	448,482	19%	448,482	
	FUJIAN HENGZHONG SAND STONE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	-	24,931	19%	24,931	

ATTACHMENT 3-1: Securities held as of December 31, 2018 (Unit:Foreign currency: thousands, NTD: thousands)

Names of companies held	Type and name of securities	Relationship with the Company	Financial statement account	December 31, 2018				Remark
				Units (thousand) / bonds / shares	Carrying amount	Percentage of ownership (%)	Fair value/Net assets value	
TAIPEI PORT TERMINAL COMPANY LIMITED	Fund - Jih Sun Money Market Fund		Financial assets at fair value through profit or loss, current	2,205,844	$32,632	-	$32,632	
GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	Fund - BOSERA FUNDS		Financial assets at fair value through profit or loss, current	4,181,903	18,700	-	18,700	

ATTACHMENT 4: 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, 2018

(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 & Co., Ltd	Associate Company	NOTE1	$722,120	NOTE1	Net 30 days	$-	-	$(117,469)	3.81%	
GOLDSUN NIHON CEMENT CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Sales	411,869	2%	Net 30 days	-	-	49,733	0.68%	
TAIPEI PORT TERMINAL COMPANY LIMITED	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Sales	240,154	2%	Net 30 days	-	-	19,767	0.27%	

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

ATTACHMENT 5: Receivables from related parties with amounts exceeding the lower of NT$100 million and 20 percent of capital stock as of December 31, 2018

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

The name of the company	Counter-party	Relationship	Ending balance of receivables	Turnover rate	Overdue receivables		Amount received in subsequent period	Allowance for doubtful account
					Amount	Collection status		
GREAT SMART LTD.	GOLDSUN COMENT (FUJIAN) CO., LTD.	The Company's subsidiary	$1,228,800	-	$-	-	$-	$-
RUEI SHIN CONSTRUCTIN CO., LTD	GREAT SMART LTD.	Affiliate with same parent company	215,040	-	-	-	-	-
RUEI SHIN CONSTRUCTIN CO., LTD	GIMPO MARINE CO., LTD.	Affiliate with same parent company	115,000	-	-	-	-	-
RUEI SHIN CONSTRUCTIN CO., LTD	GOLDSUN BUILDING MATERIALS CO., LTD	Parent Company	1,375,000	-	-	-	-	-

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 revenues
	Year of 2018						
0	GOLDSUN BUILDING MATERIALS CO., LTD.	WELLPOOL CO., LTD.	1	Other operating revenue	$51,779	(Note 4)	-
0	GOLDSUN BUILDING MATERIALS CO., LTD.	WELLPOOL CO., LTD.	1	Accounts receivables	18,655	(Note 4)	-
0	GOLDSUN BUILDING MATERIALS CO., LTD.	RUEI SHIN CONSTRUCTIN CO., LTD	1	Other operating revenue	17,143	(Note 4)	-
0	GOLDSUN BUILDING MATERIALS CO., LTD.	RUEI SHIN CONSTRUCTIN CO., LTD	1	Other receivables	1,375,000	Interest rate:1.03%~1.28%	4%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	1	Other operating revenue	14,161	(Note 4)	-
0	GOLDSUN BUILDING MATERIALS CO., LTD.	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	1	Property, plant and equipment	57,339	(Note 4)	-
1	GOLDSUN NIHON CEMENT CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	2	Revenue	411,869	(Note 4)	2%
1	GOLDSUN NIHON CEMENT CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	2	Accounts receivables	49,733	(Note 4)	-
2	TAIPEI PORT TERMINAL COMPANY LIMITED	GOLDSUN BUILDING MATERIALS CO., LTD.	2	Revenue	240,154	(Note 4)	1%
2	TAIPEI PORT TERMINAL COMPANY LIMITED	GOLDSUN BUILDING MATERIALS CO., LTD.	2	Accounts receivables	23,042	(Note 4)	-
2	TAIPEI PORT TERMINAL COMPANY LIMITED	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	3	Other payables	31,868	(Note 4)	-
3	RUEI SHIN CONSTRUCTIN CO., LTD	GREAT SMART LTD.	3	Other receivables	215,040	Interest rate:1.2%	-
3	RUEI SHIN CONSTRUCTIN CO., LTD	GIMPO MARINE CO., LTD.	3	Other receivables	115,000	Interest rate:1.45%	-
4	GREAT SMART LTD.	GOLDSUN COMENT (FUJIAN) CO., LTD.	1	Other receivables	1,228,800	Interest rate:1.8%	3%

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, 2018			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%	$392,683	$68,379	$68,379	
	REI SHIN CONSTRUCTION CO., LTD	Taipei, TW	Real estate rental, sale and development	1,285,045	1,285,045	377,000,000	100%	4,773,122	153,050	153,050	
	TRANSASIA AIRWAYS CORPORATION	Taipei, TW	Aviation services	3,969,297	3,969,297	305,360,458	40%	-	-	-	
	WELLPOOL CO., LTD.	Taipei, TW	Sales of calcium silicate board and other boards	377,102	377,102	17,740,389	49%	498,591	173,211	85,228	15,000 thousand shares provide for loan guarantee
	EASE GREAT INVESTMENTS LTD.	Samoa	Investment and holding	4,918,315 (USD 149,462)	4,918,315 (USD 149,462)	149,462,000	84%	5,284,249	508,837	426,151	
	GOLDSUN INVESTMENT CO., LTD	Taipei, TW	Investment	53,500	53,500	3,996,000	100%	28,251	579	579	
	GOLDSUN NIHON CEMENT CO., LTD.	Kaohsiung, TW	Cement import and sale	119,121	119,121	11,460,000	59%	177,668	13,134	7,722	
	TAIPEI PORT TERMINAL COMPANY LIMITED	Taipei, TW	International trade, warehousing and tally packaging	1,800,000	1,800,000	180,000,000	72%	1,817,399	(102,619)	(77,221)	
	TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Hong Kong	Investment	480,289 (USD 15,436)	453,555 (USD 14,566)	116,686,664	100%	474,646	(236)	(236)	
	HWA YA DEVELOPMENT CO., LTD.	Taipei, TW	Hotel operator	196,928	196,928	15,714,108	31%	160,501	(1,579)	(485)	
	GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	Taipei, TW	Sales of ready-mixed concrete and cement products	60,000	60,000	6,000,000	100%	29,973	(11,633)	(11,633)	
	RAIXIN QUALITY PRODUCTS LTD.	Taipei, TW	Upholstery and sales of furniture	41,000	41,000	1,913,333	16%	12,158	(44,605)	(10,615)	

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, 2018			Net income (loss) of investee	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage 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%	$166,864	$(11,680)	$(11,680)	
	YUAN SHUN MARITIME LTD.	Hong Kong	Shipping	1,198,017 (USD 38,900)	1,198,017 (USD 38,900)	303,420,000	100%	1,163,629	(2,151)	(2,151)	
	JING SHUN MARITIME LTD.	Hong Kong	Shipping	(Note 2)	-	1	100%	(25,706)	(3,996)	(3,996)	
	FENG SHUN MARITIME LTD.	Hong Kong	Shipping	(Note 2)	-	1	100%	(1,225)	(1,201)	(1,201)	
	GOYU BUILDING MATERIALS CO., LTD.	Chiayi, TW	Sales of building materials	182,000	-	18,200,000	65%	178,639	(5,171)	(3,361)	
	GIMPO MARINE CO., LTD.	New Taipei City, TW	Shipping	100,000	-	10,000,000	100%	99,367	(633)	(633)	
RUEI SHIN CONSTRUCTIN CO., LTD	TAIPEI PORT TERMINAL COMPANY LIMITED	Taipei, TW	International trade, warehousing and tally packaging	700,000	500,000	70,000,000	28%	706,766	(102,619)	-	
RUEI SHIN CONSTRUCTIN CO., LTD	EASE GREAT INVESTMENTS LTD.	Samoa	Investment and holding	898,577 (USD 29,000)	898,577 (USD 29,000)	29,000,000	16%	1,025,299	508,837	-	
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	TRANSASIA AIRWAYS CORPORATION	Taipei, TW	Aviation services	22,962	22,962	1,809,330	-	-	-	-	(Note 1)
GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	RUEI SHIN CONSTRUCTIN CO., LTD	Taipei, TW	Upholstery and sales of furniture	48,667	40,000	2,733,334	23%	17,369	(44,605)	-	
WELLPOOL CO., LTD.	GAPE-GOLDSUN CORPORATION	Taipei, TW	Sales of calcium silicate board and other boards	1,283	1,283	100,000	100%	1,448	14	-	
EASE GREAT INVESTMENTS LTD.	GREAT SMART LTD.	Cayman	Investment and holding	3,645,095 (USD 112,300)	3,645,095 (USD 112,300)	112,300,000	100%	3,011,988 (USD 98,046)	470,170	-	
	GOLDSUN INTERNATIONAL DEVELOPMENT CORP.	Cayman	Investment and holding	2,171,797 (USD 66,162)	2,171,797 (USD 66,162)	66,162,000	100%	3,297,559 (USD 107,342)	38,920	-	

Note 1: On January 11, 2017, the shareholders meeting of TransAsia Airways Corp., which is the Group’s investee recognized in investments accounted for under the equity method, approved the liquidation proposal. No more investment income or loss has been recognized since 2017.

Note 2: YUAN SHUN MARITIME LTD. invested the entity in debt to equity swap.

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, 2018	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2018	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2018	Accumulated inward remittance of earnings as of December 31, 2018
					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)	$(20,244) (Note 4)	100%	$(20,244) (Note 4)	$467,197 (Note 4)	$-
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)	23,955 (Note 4)	100%	23,955 (Note 4)	777,287 (Note 4)	-
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)	4,734 (Note 4)	100%	4,734 (Note 4)	312,041 (Note 4)	-
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)	33,268 (Note 4)	100%	33,268 (Note 4)	577,058 (Note 4)	-
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)	20,009 (Note 4)	100%	20,009 (Note 4)	323,333 (Note 4)	-
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)	26,906 (Note 4)	100%	26,906 (註四)	600,653 (Note 4)	-
FU YANG PORT CO., LTD.	Sandstone processing	782,516 (USD 24,256)	(Note 1)	322,625 (USD 10,000)	-	-	322,625 (USD 10,000)	(135,733) (Note 5)	41%	(52,620) (Note 5)	235,914 (Note 5)	-
GOLDSUN COMENT (FUJIAN) CO., LTD.	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)	306,360 (Note 4)	100%	306,360 (Note 4)	1,353,410 (Note 5)	-
LIANYUAN CONCH CEMENT CO., LTD.(Note8)	Cement production and	2,383,120 (USD 74,800)	(Note 2)	376,549 (USD 10,800)	-	-	376,549 (USD 10,800)	756,560 (Note 4)	20%	151,312 (Note 4)	616,269 (Note 4)	-
FUZHOU SANSHUN STONE MATERIAL CO., LTD.	Sandstone processing	1,016,143 (RMB 230,500)	(Note 3)	453,555 (USD 14,566)	-	-	453,555 (USD 14,566)	-	19%	-	448,482 (Note 6)	-
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%	-	24,931 (Note 6)	-
YANG JUNG LEI JIN BUILDING MATERIALS LTD.	Sandstone processing	465,000 (RMB 100,000)	(Note 7)	-	-	-	-	(27,678) (Note 4)	30%	(7,416) (Note 4)	126,860 (Note 4)	-

Accumulated investment in Mainland China as of December 31, 2018	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment
$5,136,088 (USD 156,638)	$5,827,655 (USD 189,702)	$12,348,175 (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: The financial statements were certificated by the CPA of the parent company in Taiwan.
Note 5: The financial statements were certificated by the other CPA in Mainland China.
Note 6: Company recognized the investment as " Financial assets at fair value through other comprehensive income, non-current".
Note 7: Indirect investment through GOLDSUN (CHANGSHU) CONCRETE CO., LTD.
Note 8: The name was changed from GOLDSUN COMENT (HUNAN) CO., LTD. to LIANYUAN CONCH CEMENT CO., LTD. on June 30, 2017.
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 1997. 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, 2018

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cash on hand and petty cash		$4,610	
Bank savings			
Checking accounts		191,039	
Savings accounts		90,798	
Savings accounts - Foreign currency	USD 1,790 thousand / Exchange rate 30.72	54,222	
	GBP 101 thousand / Exchange rate 38.88	3,976	
	CNY 269 thousand / Exchange rate 4.47	1,302	
Time deposits		22,107	
Time deposits - Foreign currency	USD 4,000 thousand / Exchange rate 30.72	122,880	
	CNY 3,340 thousand / Exchange rate 4.47	14,828	
Cash equivalents		71,125	
Total		$576,887	

GOLDSUN BUILDING MATERIALS CO., LTD.

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

December 31, 2018

(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	15,486,625	$10	$154,866	-	$358,601	$35.60	$551,324	-	14,000 thousand shares provide for loan guarantee

GOLDSUN BUILDING MATERIALS CO., LTD.

3.Statement of Notes receivable

December 31, 2018

(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.	$898,100	
Less: Loss allowance		(583)	
Total		$897,517	

GOLDSUN BUILDING MATERIALS CO., LTD.

4.Statement of Accounts receivable

December 31, 2018

(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.	$3,632,397	
Less: Loss allowance		(86,223)	
Total		3,546,174	
Related parties			
WELLPOOL CO., LTD.		18,655	
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD		4,834	
TRUST SANDSTONE CO., LTD.		2,313	
Others	The amount of individual client in others does not exceed 5% of the account balance.	729	
Subtotal		26,531	
Total		$3,572,705	

GOLDSUN BUILDING MATERIALS CO., LTD.

5.Statement of Other receivables

December 31, 2018

(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.	$2,407	
Related parties			
GOLDSUN EXPRESS & LOGISTICS CO., LTD.		23,721	
JING SHUN MARTITME LIMITED		3,958	
GOYU BUILDING MATERIALS CO., LTD.		210	
Others		45	
Subtotal		27,934	
Total		$30,341	

GOLDSUN BUILDING MATERIALS CO., LTD.

6.Statement of Inventories

December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net realizable value	
Raw materials		$104,840	$104,840	Net realizable value represents market value.
Buildings for Sale		90,280	85,986	Net realizable value represents market value.
Construction land		210,368	318,133	Net realizable value represents market value.
Subtotal		405,488	$508,959	
Less: Allowance for inventory valuation losses		(10,408)		
Total		$395,080		

GOLDSUN BUILDING MATERIALS CO., LTD.

7.Statement of Prepayments

December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Prepayment for purchases	Cement, Furnace dust, Gravel, Sand stone, Oil…	$303,876	
Prepaid expenses		68,857	
Others		16,000	
Total		$388,733	

GOLDSUN BUILDING MATERIALS CO., LTD.

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

For the year ended December 31, 2018

(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	$386,338	-	$-	-	$13,496	4,217,669	$372,842	4,200 thousand shares provide for loan guarantee	
O-BANK	40,571,078	361,894	-	-	-	37,325	40,571,078	324,569	4,000 thousand shares provide for loan guarantee	
TAIWAN AIRPORT SERVICE CO., LTD.	7,405,200	138,477	-	25,918	-	-	7,405,200	164,395	7,405 thousand shares provide for loan guarantee	
GLOBAL SECURITIES FINANCE CORPORATION	700,837	3,147	-	799	-	-	700,837	3,946	None	
FUHWA VENTURE CAPITAL INC.	990,000	8,435	-	-	247,500	3,609 Note	742,500	4,826	None	
OVERSEAS INVESTMENT & DEVELOPMENT CORP.	2,000,000	17,039	-	-	-	1,679	2,000,000	15,360	None	
ANFENG SPRING ENTERPRISE CO., LTD.	150,000	2,262	-	-	-	-	150,000	2,262	None	
GUO CHANG MARITIME CO., LTD.	250,000	2,541	-	-	-	114	250,000	2,427	None	
Total		$920,133		$26,717		$56,223		$890,627		

Note: Capital deducted by cash NT$2,475 thousand and loss on valuation NT$1,134 thousand.

GOLDSUN BUILDING MATERIALS CO., LTD.

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

For the year ended December 31, 2018

(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		
TRANSASIA AIRWAYS CORPORATION	305,360,458	$23,295	-	$-	-	$-	305,360,458	40%	$23,295	$-	$-	None	subsidiary
RUEI SHIN CONSTRUCTIN CO., LTD	1,000,000	4,630,529	376,000,000 (Note3)	142,593	-	-	377,000,000	100%	4,773,122	13.66	4,773,122	None	subsidiary
GOLDSUN INVESTMENT CO., LTD	3,996,000	29,457	-	-	-	1,206	3,996,000	100%	28,251	7.07	28,251	None	subsidiary
WELLPOOL CO., LTD.	17,740,389	475,733	-	22,858	-	-	17,740,389	49%	498,591	28.10	498,591	15,000 thousand shares provide for loan guarantee	subsidiary
GOLDSUN NIHON CEMENT CO., LTD.	11,460,000	181,407	-	-	-	3,739	11,460,000	59%	177,668	15.50	177,668	None	subsidiary
KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	30,000,000	330,706	-	61,977	-	-	30,000,000	100%	392,683	13.17	392,683	None	subsidiary
EASE GREAT INVESTMENTS LTD.	149,462,000	4,921,105	-	363,144	-	-	149,462,000	84%	5,284,249	35.36	5,284,249	None	subsidiary
Goldsun Philippines Holdings Corp.	6,000,675	21,463	-	-	-	-	6,000,675	100%	21,463	-	-	None	subsidiary
Goldsun Cement Corp.	6,000,000	29,351	-	-	-	-	6,000,000	100%	29,351	-	-	None	subsidiary
HWA YA DEVELOPMENT CO., LTD.	15,714,108	160,986	-	-	-	485	15,714,108	31%	160,501	10.21	160,501	None	subsidiary
TAIPEI PORT TERMINAL COMPANY LIMITED	180,000,000	1,899,222	-	-	-	81,823	180,000,000	72%	1,817,399	10.10	1,817,399	None	subsidiary
JIN SHUN MARITIME LIMITED	78,000,000	173,189	-	-	-	6,325	78,000,000	100%	166,864	2.14	166,864	None	subsidiary
YUAN SHUN MARITIME LIMITED	303,420,000	1,129,392	-	34,237	-	-	303,420,000	100%	1,163,629	3.84	1,163,629	None	subsidiary
JING SHUN MARITIME LIMITED	1	(20,954)	-	-	-	4,752	1	100%	(25,706)	-	-	None	subsidiary
FENG SHUN MARITIME LIMITED	-	-	1	-	-	1,225	1	100%	(1,225)	-	-	None	subsidiary
TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	109,900,664	433,190	6,786,000	41,456	-	-	116,686,664	100%	474,646	4.07	474,646	None	subsidiary
GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	6,000,000	40,443	-	-	-	10,470	6,000,000	100%	29,973	5.00	29,973	None	subsidiary
RAIXIN QUALITY PRODUCTS LTD.	41,000,000	19,368	-	-	39,086,667 (Note4)	7,210	1,913,333	16%	12,158	6.35	12,158	None	Associate
GOYU BUILDING MATERIALS CO., LTD.	-	-	18,200,000	182,000	-	3,361	18,200,000	65%	178,639	9.82	178,639	None	subsidiary
GIMPO MARINE CO., LTD.	-	-	10,000,000	100,000	-	633	10,000,000	100%	99,367	9.94	99,367	None	subsidiary
Subtotal		14,477,882		948,265		121,229			15,304,918				
Cumulative impairment													
Goldsun Philippines Holdings Corp.(Note1)	-	(21,463)	-	-	-	-	-	100%	(21,463)	-	-		Note1
Goldsun Cement Corp.(Note1)	-	(29,351)	-	-	-	-	-	100%	(29,351)	-	-		Note1
TRANSASIA AIRWAYS CORPORATION(Note2)	-	(23,295)	-	-	-	-	-	40%	(23,295)	-	-		Note2
Subtotal		(74,109)		-		-			(74,109)				
Total		$14,403,773		$948,265		$121,229			$15,230,809				

Note1:The balance had been recognized impairment loss in 2010.

Note2:On January 11, 2017, the shareholders meeting of TransAsia Airways Corp., which is the Group’s investee recognized in investments accounted for under the equity method, approved the liquidation proposal. No more investment income or loss has been recognized since 2017.

Note3:Earning transferred to common stock NT$3,760,000 thousand and increased 376,000,000 shares.

Note4:RAIXIN QUALITY PRODUCTS LTD. reduced the Capital for cover accumulated deficits, after issued common stock for cash, the Company did not acquire new shares proportionately to its ownership interests, which resulted in declining ownership interest of subsidiaries.

GOLDSUN BUILDING MATERIALS CO., LTD.

10.Statement of Short-term borrowings

December 31, 2018

(In Thousands of New Taiwan Dollars)

Type	Description	Ending balance	Contract period	Interest rate	Loan commitment	Collateral	Note
Secured bank loans		$750,000	Oct 4, 2018-Mar 6, 2019	0.95%~1.1%		Please refer to Note8	
Unsecured bank loans		1,950,000	Oct 4, 2018-Mar 7, 2019	0.95%~1.20%			
Total		$2,700,000					

GOLDSUN BUILDING MATERIALS CO., LTD.

11.Statement of Short-term notes and bills payable

December 31, 2018

(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	2018/11/6-2019/1/18		$250,000	$109	$249,891	Please refer to Note8
	TA CHING BILLS	2018/12/3-2019/2/15		200,000	269	199,731	
	CHINA BILLS	2018/12/6-2019/3/4		200,000	363	199,637	
	MEGA BILLS	2018/11/22-2019/2/20		630,000	919	629,081	
	International Bills	2018/11/22-2019/2/20		250,000	373	249,627	
	TAIWAN COOPERATIVE BILLS	2018/12/28-2019/1/25		200,000	142	199,858	
Total			1.058%~1.078%	$1,730,000	$2,175	$1,727,825	

GOLDSUN BUILDING MATERIALS CO., LTD.

12.Statement of Notes payable

December 31, 2018

(In Thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
Third parties			
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	$1,089	
Total		$1,089	

GOLDSUN BUILDING MATERIALS CO., LTD.

13.Statement of Accounts payable

December 31, 2018

(In Thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
Third parties			
RUENTEX MATERIALS CO., LTD.		$165,060	
SOUTHEAST CEMENT CORPORATION		121,013	
LUNG YI CHANG SANDSTONE CO., LTD.		118,198	
CHING LING SANDSTONE LTD.		84,355	
CHIA HSIN CEMENT CORP.		83,286	
CHC RESOURCES CORPORATION		79,979	
YU CHING TANG CORPORATION		78,414	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	794,517	
Subtotal		1,524,822	
Related parties			
GOLDSUN EXPRESS & LOGISTICS CO., LTD.		117,469	
GOLDSUN NIHON CEMENT CO., LTD.		49,733	
TAIPEI PORT TERMINAL COMPANY LIMITED		19,767	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	4,198	
Subtotal		191,167	
Total		$1,715,989	

GOLDSUN BUILDING MATERIALS CO., LTD.

14.Statement of Other payables

December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Shipping payable		$177,888	
Payroll payable		123,333	
Oil payable		51,393	
Payables on equipment		25,401	
Others expense		6,082	
Port expense payable		148,916	
Total		$533,013	

GOLDSUN BUILDING MATERIALS CO., LTD.

15.Statement of Other current liabilities

December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Fund held in custody	Business tax, and etc.	$81,332	
Receipts under custody	Income tax collection	3,700	
	Others	574	
Total		$85,606	

GOLDSUN BUILDING MATERIALS CO., LTD.

16.Statement of Advance receipt

December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Advance deposit	Advance deposit on disposal of building	$185,317	
Advance rent		11,887	
Total		$197,204	

GOLDSUN BUILDING MATERIALS CO., LTD.

17.Statement of Bonds payable

December 31, 2018

(In Thousands of New Taiwan Dollars)

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Amount						Repayment	Collateral	Note
					Total Amount	Repayment Paid	Exchanged amount	Balance, End of Year	Unamortized Premiums (Discounts)	Carrying amount			
First domestic secured bonds	Trust department of LAND BANK OF TAIWAN	December 25, 2014	-	1.40%	$2,000,000	$1,000,000	$-	$1,000,000	$-	$1,000,000	Note1	Note2	

Note1：Repayment of one-half of the principal amount in the fourth and fifth years from the date of issue.

Note2：For the guarantee, please refer Note8.

GOLDSUN BUILDING MATERIALS CO., LTD.

18.Statement of Long-term borrowings

December 31, 2018

(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	$231,000	2018.11.16-2019.3.15	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	369,000	2018.11.16-2019.3.15	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	2018.12.25-2023.12.25	Note1	Note2	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.
Bank Of Taiwan	Unsecured loans	500,000	2018.12.25-2023.12.25	Note1	None	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						
Bank Of Taiwan		(100,000)				
Total		$1,500,000				

Note1:Rate range is 1.09%-1.4%。

Note2:For the guarantee, please refer to Note8.

GOLDSUN BUILDING MATERIALS CO., LTD.

19.Statement of Operating revenue

For the year emded December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Quantity	Amount	Note
Sales of ready mixed concrete	6,588,273m^3	$11,186,261	
Less: Sales returns and discounts		(67,118)	
Net sales		11,119,143	
Other operating revenue	Selling sandstone, squares, etc.	123,876	
Rent revenue	Tainan Shopping Mall,	159,445	
	Zhongli Building,		
	Goldsun building and other rent		
Total		$11,402,464	

GOLDSUN BUILDING MATERIALS CO., LTD.

20.Statement of Operating costs

For the year emded December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Amount		Note
	Subtotal	Total	
Sales cost of products			
Direct material		$8,718,696	
Beginning of year	$81,754		
Add: raw material purchased	8,840,076		
Less: raw material, end of year	(104,840)		
Sale of raw materials	(98,294)		
Production overheads		1,941,311	
Manufacturing costs		10,660,007	
Add: work in process, beginning of year		-	
Less: work in process, end of year		-	
Cost of finished goods		10,660,007	
Add: finished goods, beginning of year		-	
Less: finished goods, end of year		-	
Others		11,249	
Sales cost of purchased goods		31,302	
Beginning of year	-		
Add: purchase current year	31,302		
Less: purchased goods, end of year	-		
Costs of goods sold		10,702,558	
Rent costs		161,836	
Other operating cost		100,760	
Total		$10,965,154	

GOLDSUN BUILDING MATERIALS CO., LTD.

21.Statement of Production overheads

For the year emded December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Rent expense		$846,650	
Salaries		440,600	
Consumable materials and tools		127,860	
Depreciation		136,494	
Repair expenses		95,748	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	293,959	
Total		$1,941,311	

GOLDSUN BUILDING MATERIALS CO., LTD.

22.Statement of Sales and marketing

For the year emded December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries		$71,411	
Miscellaneous expenses		34,601	
Commission expense		758	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	25,344	
Total		$132,114	

GOLDSUN BUILDING MATERIALS CO., LTD.

23.Statement of General and administrative expenses

For the year emded December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries		$208,891	
Rent expenses		18,975	
Repair expenses		18,488	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	119,656	
Total		$366,010	

GOLDSUN BUILDING MATERIALS CO., LTD.

24.Statement of Research and development expenses

For the year emded December 31, 2018

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries		$5,932	
Commissioned research fee		744	
Miscellaneous expenses		189	
Others	The amount of individual vendor in others does not exceed 5% of the account balance.	1,454	
Total		$8,319	