GOLDSUN BUILDING MATERIALS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED 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.
AND SUBSIDIARIES

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Independent Auditors' Report Translated from Chinese

To GOLDSUN BUILDING MATERIALS CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of GOLDSUN BUILDING MATERIALS CO., LTD. and its subsidiaries (the "Group") as of December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2018 and 2017, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matters section), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and their consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries 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 and the reports of other auditors, 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 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated 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 Group's Deferred tax assets amounted to NT$640,448 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 Group amounted to NT$18,485,361 thousand for the year ended December 31, 2018, and the main source of revenue is the sale of pre-mixed concrete, cement and calcium silicate board. 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 Group'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 consolidated subsidiaries, which statements reflected total assets of NT$795,883 thousand, constituting 2% of consolidated total assets as of December 31, 2017, and total operating revenues of NT$0 thousand, constituting 0% of consolidated operating revenues for the years ended December 31, 2017. 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. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates and joint ventures under equity method amounted to NT$235,914 thousand, representing for 1% of consolidated total assets as of December 31, 2018. The related shares of profits (losses) from the associates and joint ventures under the equity method amounted to NT$(52,620) thousand, representing for (10)% of the consolidated net income (loss) before tax for the years ended December 31, 2018, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$0 thousand, representing for 0% of the consolidated other comprehensive income, net, for the years ended December 31, 2018.

Emphasis of Matter - Applying for New Accounting Standards

We draw attention to Note 3 of the consolidated financial statements, which describes the Company and its subsidiaries 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries 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 and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 and its subsidiaries.

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 and its subsidiaries. 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 consolidated 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 and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated 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 and its subsidiaries to express an opinion on the consolidated 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 consolidated 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.

Others

We have audited and expressed an unqualified opinion including an Emphasis of Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2018 and 2017.

Yu, Chien-Ju

Hsu, Hsin-Min

Ernst & Young, Taiwan
March 22, 2019

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
CONSOLIDATED 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	$2,334,885	7	$2,365,160	7
Financial assets at fair value through profit or loss, current	4 and 6	51,332	-	-	-
Financial assets at fair value through other comprehensive income, current	4,6 and 8	574,891	2	-	-
Available-for-sale financial assets, current	4,6 and 8	-	-	742,455	2
Financial assets at amortized cost, current	4,6 and 8	305,010	1	-	-
Debt instrument investments for which no active market exists, current	4,6 and 8	-	-	161,495	-
Notes receivable, net	4,5 and 6	1,814,410	5	1,674,946	5
Accounts receivable, net	4,5 and 6	5,519,714	15	4,378,375	13
Accounts receivable-related parties, net	4,5,6 and 7	9,346	-	11,791	-
Other receivables		74,482	-	360,263	1
Other receivables-related parties	7	28,093	-	25,625	-
Current tax assets	4 and 6	-	-	6,892	-
Inventories, net	4 and 6	770,053	3	663,390	3
Prepayments		1,046,885	2	941,223	3
Other current assets		631	-	3,017	
Total current assets		12,529,732	35	11,334,632	34
Non-current assets					
Financial assets at fair value through other comprehensive income, non-current	4,5,6 and 8	1,538,764	4	-	-
Available-for-sale financial assets, non-current	4,5,6 and 8	-	-	1,070,944	3
Financial assets at amortized cost, non-current	4 and 6	15,800	-	-	-
Financial assets measured at cost, non-current	4 and 6	-	-	472,756	1
Debt instrument investments for which no active market exists, non-current		-	-	7,300	-
Investments accounted for under the equity method	4,5 and 6	1,008,570	3	477,871	1
Property, plant and equipment	4, 6, 7 and 8	8,154,592	23	9,227,807	27
Investment property, net	4,5,6 and 8	6,461,585	18	6,424,562	19
Intangible assets	4 and 6	4,078,614	12	4,013,353	12
Deferred tax assets	4,5 and 6	640,488	2	495,474	1
Prepayment for equipment		221,276	1	36,141	-
Refundable deposits	6	54,762	-	70,776	-
Long-term receivable	4,5 and 6	892,415	2	950,397	3
Long-term prepaid rent	6	109,562	-	121,298	-
Other assets, non-current		2,920	-	2,981	-
Total non-current assets		23,179,348	65	23,371,660	67
Total assets		$35,709,080	100	$34,706,292	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
CONSOLIDATED 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	$3,365,000	10	$2,280,000	7
Short-term notes and bills payable	6 and 8	1,727,825	5	1,798,390	6
Notes payable		359,782	1	292,044	1
Notes payable - related parties	7	285	-	600	-
Accounts payable		2,599,070	7	2,198,648	6
Accounts payable - related parties	7	123,867	-	75,285	-
Other payables		1,078,775	3	1,071,055	3
Other payables - related parties	7	1,685	-	262	-
Current tax liabilities	4,5 and 6	60,757	-	44,282	-
Provisions, current	4 and 6	-	-	243	-
Other current liabilities		89,873	-	80,470	-
Advanced receipts		238,989	1	95,922	-
Current portion of long-term bonds payable	6	1,000,000	3	1,000,000	3
Current portion of long-term loans	4 and 6	376,000	1	669,000	2
Total current liabilities	4,6 and 8	11,021,908	31	9,606,201	28
Non-current liabilities					
Bonds payable	4 and 6	-	-	1,000,000	3
Long-term loans	4,6 and 8	3,149,431	9	1,995,026	6
Provisions, non-current	4 and 6	9,097	-	9,097	-
Deferred tax liabilities	4,5 and 6	640,333	2	635,418	2
Net defined benefit liabilities, non-current	4,5 and 6	240,257	1	266,914	1
Guarantee deposits	7	67,762	-	73,641	-
Total non-current liabilities		4,106,880	12	3,980,096	12
Total liabilities		15,128,788	43	13,586,297	40
Equity attributable to the parent					
Capital					
Common stock	4 and 6	13,850,003	39	13,850,003	40
Additional paid-in capital		1,177,912	3	1,163,101	3
Retained earnings					
Legal reserve		1,545,164	4	1,392,890	4
Special reserve		1,874,430	5	1,874,430	5
Unappropriated earnings		1,183,489	3	1,522,743	4
Other components of equity		(138,664)	-	(110,626)	-
Treasury stock		(10,039)	-	(10,039)	-
Total equity attributable to the parent company		19,482,295	54	19,682,502	56
Non-controlling interests	6	1,097,997	3	1,437,503	4
Total equity		20,580,292	57	21,120,005	60
Total liabilities and equity		$35,709,080	100	$34,706,302	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
CONSOLIDATED 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	$18,644,806	100	$16,413,796	100
Operating costs	6 and 7	(17,236,929)	(92)	(15,360,749)	(94)
Gross profit		1,407,877	8	1,053,047	6
Operating expenses	4,5,6 and 7				
Sales and marketing expenses		(177,418)	(1)	(230,536)	(2)
General and administrative expenses		(715,871)	(4)	(811,080)	(4)
Research and development expenses		(8,319)	-	(8,368)	-
Expected credit losses		(56,287)	-	-	-
Subtotal		(957,895)	(5)	(1,049,984)	(6)
Operating income		449,982	3	3,063	-
Non-operating income and loss	4,6 and 7				
Other income		237,911	1	368,810	1
Other gains and losses		(86,700)	-	2,653,413	(1)
Finance costs		(147,469)	(1)	(135,473)	(4)
Share of profit or loss of associates and joint ventures		85,914	-	49,665	28
Subtotal		89,656	-	2,936,415	24
Income before income tax		539,638	3	2,939,478	24
Income tax benefit (expense)	4,5 and 6	51,549	-	(70,745)	-
Net income		591,187	3	2,868,733	24
Other comprehensive income	4 and 6				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		(17,226)	-	(39,334)	-
Unrealized gains on fair value through other comprehensive income equity instrument investment		4,508	-	-	-
Income tax related to items that will not be reclassified		3,568	-	6,665	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(20,276)		(242,860)	
Unrealized gain on available-for-sale financial assets		-	-	33,652	-
Share of other comprehensive (loss) income of associates and joint ventures-may be reclassified subsequently to profit or loss		-	-	(5,191)	(2)
Total other comprehensive (loss) income, net of tax		(29,426)	-	(247,068)	(2)
Total comprehensive income		$561,761	3	$2,621,665	25
Net income attributable to:					
Shareholders of the parent		$514,839		$2,810,899	
Non-controlling interests		76,348		57,834	
		$591,187		$2,868,733	
Comprehensive income attributable to:					
Shareholders of the parent		$485,808		$2,563,230	
Non-controlling interests		75,953		58,435	
		$561,761		$2,621,665	
Earnings per share (NT$)	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 consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.

CONSOLIDATED 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**	**Non-Controlling Interests**	**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	$1,353,116	$18,891,848
Net income in 2017	-	-	-	-	2,810,899	-	-	-	-	2,810,899	57,834	2,868,733
Other comprehensive (loss) income, net of tax in 2017	-	-	-	-	(32,669)	(248,659)	-	33,659	-	(247,669)	601	(247,068)
Total comprehensive income	-	-	-	-	2,778,230	(248,659)	-	33,659	-	2,563,230	58,435	2,621,665
Purchase of treasury shares	-	-		-	-	-	-	-	(409,672)	(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)	88,934	79,079
from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries			-									
Changes in subsidiaries' ownership	-	67	-	-	-	-	-	-	-	67	-	67
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(62,982)	(62,982)
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	$1,437,503	$21,120,005
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	$1,437,503	$21,120,005
Impact of retroactive application	-	-	-	-	3,944	-	293,687	(305,957)	-	(8,326)	-	(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	1,437,503	21,111,679
Appropriations and distributions of 2017 unappropriated earnings												
Legal reserve	-	-	152,274	-	(152,274)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(692,500)	-	-	-	-	(692,500)	-	(692,500)
Other changes in capital reserve												
Donated surplus	-	12,990	-	-	-	-	-	-	-	12,990	107	13,097
Net income in 2018	-	-	-	-	514,839	-	-	-	-	514,839	76,348	591,187
Other comprehensive (loss) income, net of tax in 2018	-	-	-	-	(13,263)	(20,276)	4,508	-	-	(29,031)	(395)	(29,426)
Total comprehensive income	-	-	-	-	501,576	(20,276)	4,508	-	-	485,808	75,953	561,761
Parent company's cash dividends received by subsidiaries	-	1,821	-	-	-	-	-	-	-	1,821	-	1,821
Decrease in non-controlling interests	-	-	-	-	-	-	-	-		-	(415,566)	(415,566)
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	$1,097,997	$20,580,292

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
CONSOLIDATED 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	$539,638	$2,939,478
Net income before tax	539,638	2,939,478
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	570,008	681,112
Amortization	105,632	26,451
Bad debt expense	-	(46,598)
Expected credit losses	56,287	-
Interest expense	147,469	135,473
Interest revenue	(58,776)	(36,568)
Dividend income	(69,599)	(62,724)
Gain on disposal of subsidiary	(4,568)	-
Loss (gain) on disposal of investments	(2,625)	1,522
Share of gain of associates and joint ventures	(85,914)	(49,665)
Loss (gain) on disposal of property, plant and equipment	(44,414)	30,899
Gain on disposal of investment property	(59,470)	(2,765,056)
Loss on disposal of financial assets at fair value through profit or loss	(355)	-
Impairment loss	-	30,583
Changes in operating assets and liabilities:		
Notes receivable, net	(139,495)	74,183
Accounts receivable, net	(1,202,745)	397,230
Accounts receivable-related parties, net	2,445	51,783
Other receivables	(108,603)	(131,723)
Other receivables-related parties	(2,468)	(12,912)
Inventories, net	(117,083)	19,795
Prepayments	(140,710)	(135,710)
Other current assets	2,531	(345)
Long-term receivable	58,915	(507,879)
Notes payable	69,250	(322,706)
Notes payable - related parties	(297)	600
Accounts payable	404,797	556,865
Accounts payable - related parties	48,582	(2,094)
Other payables	(156,545)	(229,301)
Other payables - related parties	80,808	(34,200)
Provisions, current	(243)	-
Other current liabilities	13,720	68,531
Advanced receipts	143,067	240,038
Net defined liabilities, non-current	(40,315)	(15,474)
Cash generated from operations	8,924	901,588
Interest received	58,776	36,568
Income tax paid	(40,856)	(64,103)
Net cash provided by operating activities	26,844	874,053
Cash flows from investing activities:		
Acquisition of investments accounted for under the equity method	(139,505)	-
Proceeds from disposal of property, plant and equipment	307,823	767,859
Proceeds from disposal of investment property	275,357	3,522,332
Acquisition of property, plant and equipment	(607,857)	(747,637)
Acquisition of investment property	(5,134)	(4,579)
Proceeds from disposal of financial assets at fair value through profit or loss	312,750	-
Acquisition of financial assets at fair value through profit or loss	(170,000)	-
Capital deducted by cash of financial assets at fair value through other comprehensive income	2,475	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	13,110	-
Acquisition of financial assets at fair value through other comprehensive income	(24,931)	-
Increase in financial assets at amortized cost, current	(143,668)	-
Increase in financial assets at amortized cost, non-current	(8,500)	-
Proceeds from disposal of available-for-sale financial assets	-	1,257,945
Acquisition of available-for-sale financial assets	-	(1,299,554)
Capital deducted by cash of available-for-sale financial assets	-	3,574
Acquisition of financial assets measured at cost	-	(4,000)
Decrease in debt instrument investments for which no active market exists	-	51,926
Capital deducted by cash of investments accounted for under the equity method	-	998
Losing the control of subsidiary	(58,888)	(888,465)
Acquisition of intangible assets	(23,058)	(264,340)
Increase in prepayment for equipment	(236,248)	(13,088)
Decrease in refundable deposits	16,014	12,290
Decrease in long-term prepaid rent	11,736	6,935
Decrease (increase) in other non-current assets	(3,878)	4,994
Dividends received	149,067	161,297
Net cash (used in) provided by investing activities	(333,335)	2,568,487
Cash flows from financing activities:		
Increase (decrease) in short-term loans	1,085,000	(2,358,638)
Decrease in short-term notes and bills payable	(70,565)	(193,996)
Increase in long-term loans	6,550,000	5,800,000
Decrease in long-term loans	(5,619,000)	(7,635,408)
(Decrease) increase in guarantee deposits	(5,879)	14,002
Cash dividends paid	(692,500)	(33,891)
Decrease in bonds payable	(1,000,000)	-
Purchase of treasury shares	-	(409,672)
Donated surplus	12,990	-
Interest paid	(145,828)	(143,565)
Changes in non-controlling interests	134,765	79,804
Net cash provided by (used in) financing activities	248,983	(4,881,364)
Effect of exchange rate changes on cash and cash equivalents	27,233	(356,234)
Net decrease in cash and cash equivalents	(30,275)	(1,795,058)
Cash and cash equivalents at beginning of year	2,365,160	4,160,218
Cash and cash equivalents at end of year	$2,334,885	$2,365,160

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

1. History and organization

GOLDSUN BUILDING MATERIALS CO., LTD. ("The Group") was incorporated under the laws of the Republic of China ("R.O.C.") in November 1954. The Group is engaged mainly in the production and sales pre-mixed concrete and building rental. In March 1978, The Group listed its shares of stock on the Taiwan Stock Exchange ("TWSE"). The Group'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 consolidated financial statements of The Group and its subsidiaries (the "Group") for the years ended 31 December 2018 and 2017 were authorized for issue by the Board of Director's meeting 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 Group 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 Group 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 Group elected to recognize the cumulative effect of initially applying IFRS 15 at the date of initial application (January 1, 2018). The Group also elected to apply this standard retrospectively only to contracts that are not completed contracts at the date of initial application.

The Group's principal activities consist of the sale of goods and rendering of services. The impacts arising from the adoption of IFRS 15 on The Group 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 Group recognized revenue when (or as) The Group satisfies a performance obligation by transferring a promised good to a customer. IFRS 15 has no impact on The Group'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 Group has the obligation to provide the sale of goods subsequently. Before January 1, 2018, The Group 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 Group 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 Group:

a. The Group 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:

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

IAS 39		IFRS 9	
Measurement categories	Carrying amounts	Measurement categories	Carrying amounts
Fair value through other comprehensive income		Fair value through profit or loss	$205,154
Available-for-sale financial assets (including measured at cost $472,756)	$2,286,155	Fair value through other comprehensive income	2,072,675
At amortized cost	9,999,680	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)	9,999,680
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)			
Total	$12,285,835	Total	$12,277,509

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
Available-for-sale financial assets (including measured at cost $472,756) (Note 1)	$205,154	Measured at fair value through profit or loss	$205,154	$-	$1,771	$(1,771)
	2,081,001	Measured at fair value through other comprehensive income (equity instruments)	2,072,675	(8,326)	2,173	(10,499)
Subtotal	2,286,155					
Loans and receivables (Note 2)						
Cash and cash equivalents (except cash on hand)	2,358,712	Cash and cash equivalents (except cash on hand)	2,358,712	-	-	-
Debt instrument investments for which no active market exists	168,795	At amortized cost of financial assets	168,795	-	-	-
Note receivables	1,674,946	Note receivables	1,674,946	-	-	-
Accounts receivables (including related parties)	4,390,166	Accounts receivables (including related parties)	4,390,166	-	-	-
Other receivables (including related parties)	385,888	Other receivables (including related parties)	385,888	-	-	-
Refundable deposits	70,776	Refundable deposits	70,776	-	-	-
Long -term receivables	950,397	Long -term receivables	950,397	-	-	-
Subtotal	9,999,680				-	-
Total	$12,285,835	Total	$12,277,509		$3,944	$(12,270)

Notes:

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

Funds

As the cash flow characteristics for funds are not solely payments of principal and interest on the principal amount outstanding, so funds are classified as financial assets mandatorily measured at fair value through profit or loss in accordance with IFRS 9. As at January 1, 2018, the Group reclassified available-for-sale financial assets of NT$174,754 thousand to financial assets mandatorily measured at fair value through profit or loss. Besides, changes in fair value of NT$412 thousand previously recognized in other components of equity was reclassified to retained earnings.

Stocks (including listed and unlisted companies)

The Group assessed the facts and circumstances existed as at January 1, 2018, and determined these stocks were not held-for-trading; therefore, so The Group elected to designate them as financial assets measured at fair value through other comprehensive income. As at January 1, 2018, The Group 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$2,072,675 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$472,756 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$464,430 thousand as at January 1, 2018. Accordingly, The Group adjusted the carrying amount of financial assets measured at fair value through other comprehensive income of NT$464,430 thousand and also adjusted the retained earnings and other components of equity by NT$2,173 thousand and NT$10,499 thousand, respectively.

(b) As at January 1, 2018, the Group 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 Group 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$1,359 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. As at January 1. 2018, debt instrument investments for which no active market exists of NT$168,795 thousand was reclassified to financial assets measured at amortized cost.

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 Group 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 Group elected to apply this interpretation prospectively on January 1, 2018. This change in accounting principle did not significantly impact The Group's recognition and measurement.

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

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

The Group 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 Group 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 Group.

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 Group are summarized as follows:

a. For the definition of a lease, the Group 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 Group 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 Group is a lessee and elects not to restate comparative information in accordance with the transition provision in IFRS 16. Instead, the Group 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.

<u>Leases classified as operating leases</u>

For leases that were classified as operating leases applying IAS 17, the Group 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 Group 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 Group expects the right-of-use asset will increase by NT$1,154,094 thousand and the lease liability will increase by NT$1,154,094 thousand on January 1, 2019. And the Group expects to reclassify the land use right of NT$109,562 thousand recognized as long-term prepaid rent to right-of-use asset on January 1, 2019.

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

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 Group'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 Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Group evaluates the abovementioned standards and interpretations have no material impact on the Group.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

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

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
B. exposure, or rights, to variable returns from its involvement with the investee, and
C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. the contractual arrangement with the other vote holders of the investee
B. rights arising from other contractual arrangements
C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which The Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. recognizes any surplus or deficit in profit or loss; and
F. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership (%)	
Name of the investors	Name of subsidiaries	Nature of Business	December 31, 2018	December 31, 2017
The Company	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Construction of civil and architectural construction projects	100%	100%
The Company	REI SHIN CONSTRUCTION CO., LTD	Real estate rental	100%	100%

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

			Percentage of ownership (%)	
Name of the investors	Name of subsidiaries	Nature of Business	December 31, 2018	December 31, 2017
The Company	GOLDSUN INVESTMENT CO., LTD	Investment	100%	100%
The Company	WELLPOOL CO., LTD. (Note 1)	Sales of calcium silicate board and other boards	49%	49%
The Company	GOLDSUN NIHON CEMENT CO., LTD.	Cement import and sale	59%	59%
The Company	EASE GREAT INVESTMENTS LTD.	Investment holding	84%	84%
The Company	TAIPEI PORT TERMINAL COMPANY LIMITED	International trade, warehousing and tally packaging	72%	78%
The Company	HWA YA DEVELOPMENT CO., LTD. (Note 2)	Hotel operator	31%	31%
The Company	JIN SHUN MARITIME LTD.	Shipping	100%	100%
The Company	YUAN SHUN MARITIME LTD.	Shipping	100%	100%
The Company	JING SHUN MARITIME LTD.	Shipping	100%	100%
The Company	FENG SHUN MARITIME LTD.	Shipping	100%	-
The Company	GIMPO MARINE CO., LTD.	Shipping	100%	-
The Company	TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Investment	100%	100%
The Company	RAIXIN QUALITY PRODUCTS LTD.	Upholstery and sales of furniture	Note3	27%
The Company	GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	Sales of pre-mixed concrete and cement	100%	100%
The Company	GOYU BUILDING MATERIALS CO., LTD. (Note 4)	Sales of building materials	65%	-
RUEI SHIN CONSTRUCTIN CO., LTD	EASE GREAT INVESTMENTS LTD.	Investment holding	16%	16%
RUEI SHIN CONSTRUCTIN CO., LTD	TAIPEI PORT TERMINAL COMPANY LIMITED	International trade, warehousing and tally packaging	28%	22%

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

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

			Percentage of ownership (%)	
Name of the investors	Name of subsidiaries	Nature of Business	December 31, 2018	December 31, 2017
WELLPOOL CO., LTD.	GAPE-GOLDSUN CORPORATION	Sales of calcium silicate board and other boards	100%	100%
GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	RUEI SHIN CONSTRUCTIN CO., LTD	Upholstery and sales of furniture	Note3	27%
EASE GREAT INVESTMENTS LTD. (Samoa)	GOLDSUN INTERNATIONAL DEVELOPMENT CORP. (GOLDSUN INC., Cayman)	Investment holding	100%	100%
EASE GREAT INVESTMENTS LTD. (Samoa)	GREAT SMART LTD.(Cayman)	Investment holding	100%	100%
GOLDSUN INC., Cayman	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Production and sales of Sales of pre-mixed concrete and cement	100%	100%
GOLDSUN INC., Cayman	TAICANG PORT GOLDSUN CONCRETE CO., LTD.	Production and sales of Sales of pre-mixed concrete and cement	100%	100%
GOLDSUN INC., Cayman	KUNSHAN GOLDSUN CONCRETE CO., LTD.	Production and sales of Sales of pre-mixed concrete and cement	100%	100%
GOLDSUN INC., Cayman	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Production and sales of Sales of pre-mixed concrete and cement	100%	100%
GOLDSUN INC., Cayman	GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	Production and sales of Sales of pre-mixed concrete and cement	100%	100%
GOLDSUN INC., Cayman	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Production and sales of Sales of pre-mixed concrete and cement	100%	100%
GOLDSUN INC., Cayman	FU YANG PORT CO., LTD.	Sandstone processing	Note5	41%
GREAT SMART LTD.	GOLDSUN COMENT (FUJIAN) CO., LTD.	Production and sales of cement	100%	100%

Note1: Although the percentage of ownership interests in WELLPOOL CO., LTD. is less than 50%, the Group determined that it has control over WELLPOOL CO., LTD. This is due to a combination of factors including the fact that the Company has been the single largest shareholder of WELLPOOL CO., LTD. since the inception of the investment; the remaining shareholding of other shareholders is dispersed; the Company could obtain proxies to achieve majority of voting right and have the ability to appoint the key management of WELLPOOL CO., LTD. who have the ability to direct the relevant activities.

Note2: The Company determined that it has control over HWA YA DEVELOPMENT CO., LTD. due to the contractual agreement with other shareholders of HWA YA DEVELOPMENT CO., LTD.

Note3: The Company and its subsidiary, GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD. each held 27% and 27% shares of the RAIXIN QUALITY PRODUCTS LTD. On October 22, 2018, the shareholders meeting of RAIXIN QUALITY PRODUCTS LTD. approved the proposal of capital reduction for 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 accounted for using the equity method as associate and not consolidated by the Company. The Company measured assets and liabilities at fair value when associate acquired.

Note4: To fulfilled future market demand and improve product competitiveness. Tthe Company and CHYI YUH CONSTRUCTION CO., LTD., invested GOYU BUILDING MATERIALS CO., LTD., and the Company held 65% shares of GOYU BUILDING MATERIALS CO., LTD. Total amount of investment was NT$182,000 thousand.

Note5: 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 accounted for using the equity method as associate and not consolidated by the Company. The Company measured assets and liabilities at fair value when associate acquired.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also The Group's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective 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.

(5) Translation of financial statements in foreign currency

Each foreign operation of the Company determines its own functional currency and items included in the financial statements of each foreign operation are measured at that functional currency. While preparing the Company's financial statements, 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 partial disposals are accounted for as disposals when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation and 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.

(6) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
B. The Group holds the asset primarily for the purpose of trading
C. The Group 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 Group expects to settle the liability in its normal operating cycle
B. The Group 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 Group 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.

(7) 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).

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* (Before 1 January 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

The accounting policy from 1 January 2018 as follow:

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

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

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

Financial assets measured at amortized cost

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

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

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

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

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

Financial asset measured at fair value through other comprehensive income

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

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

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

a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss 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 1 January 2018 as follow:

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

Financial assets of the Group 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 1 January 2018 as follow:

The Group 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 Group 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 Group 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 1 January 2018 as follow:

The Group 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 Group 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 Group 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 1 January 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) Fair value measurement

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

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

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

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

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

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

(10) 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.

(11) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(12) Investments accounted for under the equity method

The Group'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 Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

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

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group 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 or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group’s interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture 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 Group disposes the associate or joint venture.

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

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures* (before 1 January 2018: IAS 39 *Financial Instruments: Recognition and Measurement*). If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture 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 Group estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, 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 or an investment in a joint venture 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 or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(13) 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 Group 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
Office equipment	5 years
Leased assets	2~50 years
Lease improvement	2~25 years
Other equipment	3~5 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.

(14) 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	30~55 years

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

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.

(15) Leases

Company as a lessee

Finance leases which transfer to the Group 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 Group 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 Group 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.

(16) 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 either finite or indefinite.

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 is 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.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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.

Concession

A service concession arrangement is an arrangement whereby a government sector contracts with private sector to develop and operate infrastructure assets in the period of time. As a result, those service concession arrangements are assessed as having a finite useful life.

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

	Computer software	Right-of-use of Transportation equipment	Mining right	Concession
Useful lives	Finite	Finite	Finite	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life	Amortized on the unit of production basis over the estimated undeveloped reserves.	Amortized on a straight-line basis over the specified period of the operating and maintaining.
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired

(17) 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 Group 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 Group 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.

(18) 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.

Maintenance warranties

A provision is recognized for expected warranty claims on construction, based on past experience, management's judgement and other known factors.

(19) 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.

(20) Revenue recognition

The accounting policy from 1 January 2018 as follow:

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

Sale of goods

The Group 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 30 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.

The accounting policy before 1 January 2018 as follow:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group 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:

Sale of goods

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.

(21) 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.

(22) 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 Group 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.

(23) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries 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 Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

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 Group 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.

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

(24) Share-based payment transactions

The cost of equity-settled transactions between the Group and employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(25) Income taxes

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

Current income tax

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

The 10% surtax on 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 Group 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.

(26) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated 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 Group's accounting policies, management made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Investment properties

Certain properties of the Group 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 Group 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-Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group 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 Group 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. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

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. Accounts receivables–estimation of impairment loss

Starting from January 1, 2018:

The Group 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.

Before January,1 2018:

The Group 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.

E. 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 Group 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 Group company's domicile.

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

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 Group as of December 31, 2018.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	As of December 31,	
	2018	2017
Cash on hand and petty cash	$6,087	$6,448
Checking accounts and demand deposits	1,541,305	1,374,298
Time deposits	666,186	936,715
Cash equivalents (Note)	121,307	47,699
Total	$2,334,885	$2,365,160

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

(2) Financial assets at fair value through profit or loss, current

	As of December 31,	
	2018	2017(Note)
Mandatorily measured at fair value through profit or loss:		
Fund	51,332	

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.

Financial assets at fair value through profit or loss were not pledged.

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

(3) 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	$1,437,433	
Unlisted companies stocks	676,222	
Total	$2,113,655	
Current	$574,891	
Non-current	1,538,764	
Total	$2,113,655	

Note: The Group adopted IFRS 9 since January 1, 2018. The Group 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.

(4) Available-for-sale financial assets

	As of December 31,	
	2018(Note)	2017
Stocks		$1,638,645
Fund (Beneficial certificates)		174,754
Total		$1,813,399
Current		$742,455
Non-current		1,070,944
Total		$1,813,399

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 available-for-sale financial assets under pledge

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

(5) Financial assets measured at amortized cost

	As of December 31,	
	2018	2017(Note)
Time deposit	$252,910	
Restricted cash – demand deposits	67,900	
Total	$320,810	
Current	$305,010	
Non-current	15,800	
Total	$320,810	

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.

(6) Financial assets measured at cost – non-current

	As of December 31,	
	2018(Note)	2017
Stocks		$472,756

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.

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

(7) Debt instrument investments for which no active market exists

	As of December 31,	
	2018(Note)	2017
Time deposits that have maturity more than three months		$168,168
Restricted cash – demand deposits		627
Total		$168,795
Current		$161,495
Non-current		7,300
Total		$168,795

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 Debt instrument investments for which no active market exists under pledge.

(8) Notes receivable

	As of December 31,	
	2018	2017
Notes receivables arising from operating activities	$1,816,162	$1,676,735
Less: loss allowance	(1,752)	(1,789)
Total	$1,814,410	$1,674,946

Notes receivable were not pledged.

The Group adopted IFRS 9 for impairment assessment since January 1, 2018. Please refer to Note 6(24) for more details on accumulated impairment. Please refer to Note 12 for more details on credit risk

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

(9) Accounts receivable, accounts receivable - related parties, and long - term receivable

Accounts receivable and accounts receivable - related parties

	As of December 31,	
	2018	2017
Accounts receivable	$5,644,135	$4,447,325
Less: loss allowance	(124,421)	(68,950)
Subtotal	5,519,714	4,378,375
Accounts receivable - related parties	9,346	11,791
Less: loss allowance	-	-
Subtotal	9,346	11,791
Total	$5,529,060	$4,390,166

Long-term receivable

	As of December 31,	
	2018	2017
Construction retainage receivable	$887,367	$878,141
Overdue receivables	93,043	169,293
Less: loss allowance	(87,995)	(97,037)
Total	$892,415	$950,397

Accounts receivable and long - term receivable were not pledged.

Accounts receivable are generally on 30-120 day terms. The Group adopted IFRS 9 for impairment assessment since January 1, 2018. Please refer to Note 6(24) for more details on impairment of trade receivables. The Group 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	$97,295	$94,368	$191,663
Charge (reversal) for the current period	41,219	(5,422)	35,797
Write off	(9,557)	(19,996)	(29,553)
Disposal of subsidiaries	(31,920)	-	(31,920)
As of December 31, 2017	$97,037	$68,950	$165,987

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

Impairment loss that was individually determined for the December 31, 2017, arose due to the fact that the counterparty was in financial difficulties. 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 Group 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	<=60 days	61-90 days	91-180 days	181-365 days	1 -2 years	>=2 years	Total
December 31, 2017	$2,580,227	$641,750	$762,460	$583,156	$542,910	$230,060	$5,340,563

(10) Inventories

	As of December 31,	
	2018	2017
Raw materials	$409,467	$315,614
Building for sale	79,872	79,872
Land of construction	210,367	210,367
Work in process	17,090	14,840
Finished goods	53,257	33,039
Merchandise	-	9,658
Total	$770,053	$663,390

For the year ended December 31, 2018, the Group recognized the cost of inventories in expense amounted to NT$15,059,794 thousand, including gain from price recovery of inventories NT$315 thousand.

For the year ended December 31, 2017, the Group recognized the cost of inventories in expense amounted to NT$12,347,151 thousand, including write-down of inventories NT$1,762 thousand.

Inventories were not pledged.

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

(11) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

	As of December 31,			
	2018		2017	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
LIANYUAN CONCH CEMENT CO., LTD.	$616,269	20%	$477,871	20%
YANG JUNG LEI JIN BUILDING MATERIALS LTD.	126,860	30%	-	-
FU YANG PORT CO., LTD. (Note 1)	235,914	41%	-	-
RAIXIN QUALITY PRODUCTS LTD. (Note 2)	29,527	39%	-	-
Total	$1,008,570		$477,871	

Note1：On June 19, 2018, the board of directors of FU YANG PORT CO., LTD. approved the proposal of transfer of director's shareholdings, result in the Company has not power over more than half of FU YANG PORT CO., LTD.′s voting rights and therefore loss the control. Since June 19, 2018, FU YANG PORT CO., LTD. was accounted for using the equity method as associate and not consolidated by the Company. The Company measured assets and liabilities at fair value when associate acquired. Please refer to Note6(31) for more detail.

Note2: On October 22, 2018, the shareholders meeting of RAIXIN QUALITY PRODUCTS LTD. approved the proposal of capital reduction to cover accumulated deficits and issuance of Common Stock. The Company and the subsidiary, GOLDSUN INNOVATIVE BUILDING MATERIALS CO., did not acquire new shares proportionately to its ownership interests. Hence, the Group’s shareholding percentage changed from 54% to 39%. Since October 31, 2018, RAIXIN QUALITY PRODUCTS LTD. was accounted for using the equity method as associate and not consolidated by the Company. The Company measured assets and liabilities at fair value when associate acquired. Please refer to Note6(31) for more detail.

The Group’s investments listed above are not individually material. The aggregate carrying amount of the Group’s investments in associates is NT$1,008,570 and NT$477,871 as of December 31, 2018 and 2017, respectively. The aggregate financial information as follows:

	For the years ended December 31,	
	2018	2017
Profit or loss from continuing operations	$85,914	$49,665
Other comprehensive income (post-tax)	-	(5,191)
Total comprehensive income	$85,914	$44,474

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

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

(12) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Aircraft and transportation equipment	Leased assets and land Improvements	Construction in progress and equipment awaiting examination	Other equipment	Total
Cost:										
As of January 1, 2018	$3,695,708	$2,880,202	$4,967,917	$74,532	$2,461,984	$-	$465,801	$943,996	$231,295	$15,721,435
Additions	-	13,342	114,824	2,877	232,688	-	3,420	225,249	15,457	607,857
Disposals	-	(81,531)	(178,630)	(1,234)	(320,849)	-	(321,401)	(23)	(14,957)	(918,625)
Disposal of subsidiaries	-	-	(1,712)	(733)	-	-	(15,207)	(443,262)	(13,549)	(474,463)
Transfers	(25,705)	(267,788)	22,949	(33)	-	-	-	(178,868)	133	(449,312)
Exchange effect	-	(27,959)	(68,908)	(1,419)	40,750	-	-	(1,963)	660	(58,839)
Other changes	-	-	3,077	263	335	-	-	-	197	3,872
As of December 31, 2018	$3,670,003	$2,516,266	$4,859,517	$74,253	$2,414,908	$-	$132,613	$545,129	$219,236	$14,431,925
As of January 1, 2017	$3,908,268	$3,010,936	$4,989,102	$77,465	$2,733,213	$18,353,052	$486,609	$1,190,265	$657,734	$35,406,644
Additions	28,624	24,070	58,880	2,201	319,840	-	1,751	298,588	13,683	747,637
Disposals	(272,827)	(124,482)	(79,292)	(4,789)	(371,999)	-	(18,024)	(43,680)	(41,340)	(956,433)
Disposal of subsidiaries	(98,966)	(202,768)	-	-	(110,315)	(18,353,052)	-	-	(411,773)	(19,176,874)
Transfers	130,609	254,120	24,821	-	6,163	-	(4,535)	(496,143)	25,969	(58,996)
Exchange effect	-	(18,067)	(22,427)	(771)	(114,922)	-	-	(5,034)	(15,758)	(176,979)
Other changes	-	(63,607)	(3,167)	426	4	-	-	-	2,780	(63,564)
As of December 31, 2017	$3,695,708	$2,880,202	$4,967,917	$74,532	$2,461,984	$-	$465,801	$943,996	$231,295	$15,721,435
Depreciation:										
As of January 1, 2018	$-	$1,165,059	$3,450,496	$61,237	$989,384	$-	$408,072	$-	$172,018	$6,246,266
Depreciation	-	88,295	246,781	2,373	130,191	-	23,290	-	12,744	503,674
Disposals	-	(49,574)	(156,806)	(1,111)	(112,806)	-	(321,401)	-	(13,518)	(655,216)
Disposal of subsidiaries	-	-	(625)	(387)	-	-	(5,754)	-	(3,308)	(10,074)
Transfers	-	(19,044)	(2,487)	-	-	-	-	-	99	(21,432)
Exchange effect	-	(5,336)	(33,766)	(1,183)	5,927	-	-	-	841	(33,519)
As of December 31, 2018	$-	$1,179,400	$3,503,593	$60,929	$1,012,696	$-	$104,207	$-	$168,876	$6,029,701
As of January 1, 2017	$-	$1,182,258	$3,226,132	$63,403	$1,011,711	$5,035,086	$383,223	$-	$440,202	$11,342,015
Depreciation	-	102,641	311,401	2,660	116,328	-	38,868	-	65,397	637,295
Disposals	-	(34,119)	(17,955)	(4,386)	(53,160)	-	(12,171)	-	(35,884)	(157,675)
Disposal of subsidiaries	-	(76,449)	-	-	(73,424)	(5,035,086)	-	-	(280,950)	(5,465,909)
Transfers	-	857	(9,394)	-	-	-	(1,848)	-	10,385	-
Exchange effect	-	(5,003)	(57,854)	(537)	(12,774)	-	-	-	(37,774)	(113,942)
Other changes	-	(5,126)	(1,834)	97	703	-	-	-	10,642	4,482
As of December 31, 2017	$-	$1,165,059	$3,450,496	$61,237	$989,384	$-	$408,072	$-	$172,018	$6,246,266
Impairment:										
As of January 1, 2018	$215,335	$322	$987	$-	$30,450	$-	$-	$-	$268	$247,362
Impairment	-	-	-	-	-	-	-	-	-	-
Exchange effect	-	-	-	-	270	-	-	-	-	270
As of December 31, 2018	$215,335	$322	$987	$-	$30,720	$-	$-	$-	$268	$247,632
As of January 1, 2017	$215,335	$322	$987	$-	$36,426	$1,492,939	$-	$-	$124,482	$1,870,491
Impairment	-	-	-	-	30,450	-	-	-	-	30,450
Disposal of subsidiaries	-	-	-	-	(36,426)	(1,492,939)	-	-	(124,214)	(1,653,579)
As of December 31, 2017	$215,335	$322	$987	$-	$30,450	$-	$-	$-	$268	247,362
Net carrying amount as of:										
December 31, 2018	$3,454,668	$1,336,544	$1,354,937	$13,324	$1,371,492	$-	$28,406	$545,129	$50,092	$8,154,592
December 31, 2017	$3,480,373	$1,714,821	$1,516,434	$13,295	$1,442,150	$-	$57,729	$943,996	$59,009	$9,227,807

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

For the year ended December 31, 2018, certain property, plant and equipment was impaired. The Group recognized NT$30,450 thousand impairment loss based on recoverable amount. This has been recognized in the statement of comprehensive income. The recoverable amount was based on value in use and was determined at the level of the cash generating unit. The projected cash flows that were used to calculate value in use reflect the demand for products and services.

The cash-generating unit consisted of assets of JIN SHUN MARITIME LIMITED (a subsidiary). In determining value in use for the cash-generating unit, the cash flows were discounted at a rate of 4.85% on a pre-tax basis.

Capitalized borrowing costs of property, plant and equipment are as follows:

Item	2017
Construction in progress	NT$35,583
Prepayment for equipment	-
Capitalisation rate of borrowing costs	2.01%

Components of building that have different useful lives are main building structure, equipment of pre-mixed concrete, air conditioning units and elevators, which are depreciated over 50 years, 2~20 years, 8 years and 15 years, respectively.

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

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

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

(13) Investment property

	Land	Buildings	Total
Cost:			
As of January 1, 2018	$5,360,080	$2,262,346	$7,622,426
Additions from acquisitions	-	5,134	5,134
Disposals	(209,606)	(32,601)	(242,207)
Transfers	26,208	292,704	318,912
As of December 31, 2018	$5,176,682	$2,527,583	$7,704,265
As of January 1, 2017	$6,661,559	$2,392,278	$9,053,837
Additions from acquisitions	1,773	2,806	4,579
Disposals	(757,327)	(40,717)	(798,044)
Disposal of subsidiaries	(413,334)	(340,626)	(753,960)
Transfers	(132,591)	248,605	116,014
As of December 31, 2017	$5,360,080	$2,262,346	$7,622,426
Depreciation:			
As of January 1, 2018	$-	$1,184,910	$1,184,910
Depreciation	-	66,334	66,334
Disposals	-	(26,320)	(26,320)
Transfers	-	4,802	4,802
As of December 31, 2018	$-	$1,229,726	$1,229,726
As of January 1, 2017	$-	$1,331,757	$1,331,757
Depreciation	-	43,817	43,817
Disposal of subsidiaries	-	(151,907)	(151,907)
Disposals	-	(40,768)	(40,768)
Transfers	-	2,011	2,011
As of December 31, 2017	$-	$1,184,910	$1,184,910
Impairment:			
As of January 1, 2018	$-	$12,954	$12,954
Impairment	-	-	-
Transfers	-	-	-
As of December 31, 2018	$-	$12,954	$12,954
As of January 1, 2017	$-	$12,954	$12,954
Impairment	-	-	-
Transfers	-	-	-
As of December 31, 2017	$-	$12,954	$12,954
Net carrying amount as of:			
December 31, 2018	$5,176,682	$1,284,903	$6,461,585
December 31, 2017	$5,360,080	$1,064,482	$6,424,562

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

	For the years ended December 31,	
	2018	2017
Rental income from investment property	$161,051	$176,854
Less: Direct operating expense generated from rental income of investment property	(115,316)	(121,792)
Total	$45,735	$55,062

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

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties was NT$20,068,271 thousand as of December 31, 2018. The fair value NT$13,563,730 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$6,504,541 thousand was assessed by the Group. 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$19,819,063 thousand as of December 31, 2017. The fair value NT$1,920,374 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$17,898,689 thousand was assessed by the Group. 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.

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

(14) Intangible assets

	Mining right	Concession	Computer software	Goodwill	Total
Cost:					
As of January 1, 2018	$132,563	$3,966,173	$34,513	$-	$4,133,249
Addition-acquired separately	7,888	6,631	8,539	-	23,058
Disposals	-	-	(677)	-	(677)
Disposal of subsidiaries	-	(5,161)	(2,285)	-	(7,446)
Transfers	173,828	(1,533)	-	-	172,295
Exchange effect	(11,953)	-	(41)	-	(11,994)
As of December 31, 2018	$302,326	$3,966,110	$40,049	$-	$4,308,485
As of January 1, 2017	$111,972	$3,731,228	$186,193	$44	$4,029,437
Addition-acquired separately	21,788	236,253	6,299	-	264,340
Disposal of subsidiaries	-	-	(159,044)	(44)	(159,088)
Transfers	-	(1,252)	1,088	-	(164)
Exchange effect	(1,197)	(56)	(23)	-	(1,276)
As of December 31, 2017	$132,563	$3,966,173	$34,513	$-	$4,133,249
Amortization:					
107.1.1	$1,219	$99,669	$19,008	$-	$119,896
Amortization	4,335	94,894	6,403	-	105,632
Disposals	-	-	(677)	-	(677)
Disposal of subsidiaries	-	-	(1,000)	-	(1,000)
Exchange effect	(98)	-	(41)	-	(139)
Other changes	-	6,159	-	-	6,159
As of December 31, 2018	$5,456	$200,722	$23,693	$-	$229,871
As of January 1, 2017	$148	$79,619	$85,575	$-	$165,342
Amortization	1,061	20,050	5,340	-	26,451
Disposal of subsidiaries	-	-	(71,883)	-	(71,883)
Exchange effect	10	-	(24)	-	(14)
As of December 31, 2017	$1,219	$99,669	$19,008	$-	$119,896
Impairment:					
As of January 1, 2018	$-	$-	$-	$-	$-
Impairment	-	-	-	-	-
As of December 31, 2018	$-	$-	$-	$-	$-
As of January 1, 2017	$-	$-	$61,060	$-	$61,060
Reversal	-	-	(61,060)	-	(61,060)
As of December 31, 2017	$-	$-	$-	$-	$-
Net carrying amount as of:					
December 31, 2018	$296,870	$3,765,389	$16,356	$-	$4,078,614
December 31, 2017	$131,344	$3,866,504	$15,505	$-	$4,013,353

Recognized as amortized amount of intangible assets are as follows.

	2018	2017
Operating costs	$100,013	$21,381
Operating expenses	$5,619	$5,070

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

(15) Long-term prepaid rent

	As of December 31,	
	2018	2017
Land use rights	$109,562	$121,298

(16) Short-term loans

	107.12.31	106.12.31
Unsecured bank loans	$2,000,000	$1,670,000
Secured bank loans	1,365,000	610,000
Total	$3,365,000	$2,280,000
Interest rates		
Credit bank loans	0.95%~1.08%	1.08%~1.15%
Secured bank loans	0.95%~1.12%	1.08%~1.15%

The Group's unused short-term lines of credits amount to NT$6,442,000 thousand and NT$6,270,000 thousand, as of December 31, 2018 and 2017, respectively.

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

(17) 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.

(18) 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

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

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.

(19) 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		
Syndicated loans from Bank of Taiwan Cooperative	$1,931,000	Effective October 11, 2018. Since the first use date, principal is repaid in 29 half-yearly payments; interest paid every quarter.
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.
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		
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.
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	3,531,000	
Less: Organization cost	(5,569)	
	$3,525,431	
Current portion	(376,000)	
Non-current portion	$3,149,431	
Interest rates	1.09%~2.015%	

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

Lenders	As of December 31, 2017	Maturity date and terms of repayment
Secured long-term loan		
Syndicated loans from Bank of Taiwan Cooperative	$2,000,000	Effective October 11, 2018. Since the first use date, principal is repaid in 29 half-yearly payments; interest paid every quarter.
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.
International Commercial Bank of China	70,000	Effective June 26, 2017. Since the first use date, principal is repaid in 10 yearly payments. The credit limit would be decreased per year within credit period. Unused credit amount is NT$360,000 thousand.
Unsecured long-term loan		
Bank of KGI	369,000	Effective November 15, 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	2,670,000	
Less: Organization cost	(5,974)	
	$2,664,026	
Current portion	(669,000)	
Non-current portion	$1,995,026	
Interest rates	1.15%~2.0105%	

TAIPEI PORT TERMINAL COMPANY LIMITED borrowed syndicated loans which is led by Bank of Taiwan Cooperative. The total credit line of the 20-year loan was NT$2,700,000 thousand and the loan agreement was signed in October 2011. Land use rights and part of property, plant and equipment acquired under the contract, Bulk & General Cargo Terminal No.2 of Taipei Port building and operating, were pledged as collateral for secured loans. The loan agreement included debt covenants requiring minimum levels of debt ratio and interest coverage ratio. As of the year ended December 31, 2018, TAIPEI PORT TERMINAL COMPANY LIMITED did not breach any such covenants.

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

(20) Post-employment benefits

Defined contribution plan

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

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2018 and 2017 are NT$19,248 thousand and NT$18,678 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries 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 and its domestic subsidiaries 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 and its domestic subsidiaries 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 and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

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

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 Group expects to contribute NT$48,720 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	$12,007	$11,540
Interest expense (income) of net defined benefit liabilities (assets)	3,225	3,748
Total	$15,232	$15,288

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

	As of December 31,		
	2018	2017	2016
Defined benefit obligation	$489,084	$476,845	$430,404
Plan assets at fair value	(248,827)	(209,931)	(180,559)
Other non-current liabilities – Net defined benefit liabilities recognized on the consolidated balance sheets	$240,257	$266,914	$249,845

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

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	$430,404	$(180,559)	$249,845
Current period service costs	11,540	-	11,540
Net interest expense (income)	6,456	(2,708)	3,748
Subtotal	17,996	(2,708)	15,288
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	34,547	-	34,547
Experience adjustments	3,146	630	3,776
Subtotal	38,704	630	39,334
Payments from the plan	(10,259)	10,259	-
Contributions by employer	-	(37,553)	(37,553)
As of December 31, 2017	476,845	(209,931)	266,914
Current period service costs	12,007	-	12,007
Net interest expense (income)	5,772	(2,547)	3,225
Subtotal	17,779	(2,547)	15,232
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(100)	-	(100)
Actuarial gains and losses arising from changes in financial assumptions	10,390	-	10,390
Experience adjustments	12,371	(5,435)	6,936
Subtotal	22,661	(5,435)	17,226
Payments from the plan	(28,201)	28,201	-
Contributions by employer	-	(59,115)	(59,115)
As of December 31, 2018	$489,084	$(248,827)	$240,257

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	0.93%~0.99%	1.20%~1.39%
Expected rate of salary increases	1.50%~2.00%	1.50%~2.00%

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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%	$-	$(22,043)	$-	$(22,974)
Discount rate decreases by 0.5%	33,869	-	30,760	-
Future salary increases by 0.5%	33,505	-	30,349	-
Future salary decreases by 0.5%	-	(22,034)	-	(23,015)

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.

(21) Provisions

	Maintenance warranties	Decommissioning, restoration and rehabilitation	Total
As of January 1, 2018	$4,839	$4,501	$9,340
Arising during the period	-	-	-
Unused provision reversed	(243)	-	(243)
As of December 31, 2018	$4,596	$4,501	$9,097
Current－Dec 31, 2018	$-	$-	$-
Non-current－Dec 31, 2018	4,596	4,501	9,097
As of Dec 31, 2018	$4,596	$4,501	$9,097
Current－Dec 31, 2017	$243	$-	$243
Non-current－Dec 31, 2017	4,596	4,501	9,097
As of Dec 31, 2017	$4,839	$4,501	$9,340

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Maintenance warranties

A provision is recognized for expected warranty claims on construction, based on past experience, management's judgment and other known factors.

Decommissioning, restoration and rehabilitation

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

(22) 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.

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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. 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(26) for further details on employees' compensation and remuneration to directors and supervisors.

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E. Non-controlling interests

	For the years ended December 31,	
	2018	2017
Beginning balance	$1,437,503	$1,353,116
Profit attributable to non-controlling interests	76,348	57,834
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of a foreign operation	-	608
Unrealized gains (losses) on available-for-sale financial assets	-	(7)
Remeasurements of defined benefit plan	(395)	-
Donated surplus	107	-
Acquisition of subsidiary	98,000	-
Acquisitions through business combinations		97,566
Acquisition of additional interest in a subsidiary	-	(8,632)
Acquisition of new shares in subsidiary not in proportionate to ownership interest	36,872	-
Acquisition of cash divided in a subsidiary	(72,139)	-
Losing control of subsidiaries	(478,299)	(62,982)
Ending balance	$1,097,997	$1,437,503

(23) Operating revenue

	For the years ended December 31,	
	2018(Note)	2017
Revenue from contracts with customers		
Sale of goods revenue	$17,583,033	$15,279,799
Port operation revenue	45,836	63,538
Other operating revenue	856,492	897,679
Subtotal	18,485,361	16,241,016
Lease revenue	159,445	172,780
Total	$18,644,806	$16,413,796

Note: The Group has adopted IFRS 15 from January 1, 2018. The Group 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).

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

A. Disaggregation of revenue

For the year ended December 31, 2018

	Taiwan Segment	Cement Segment in Mainland China	Pre-mixed concrete Segment in Mainland China	Total
Sale of goods	$11,918,435	$2,866,743	$2,797,855	$17,583,033
Others	898,926	1,643	1,759	902,328
Total	$12,817,361	$2,868,386	$2,799,614	$18,485,361
Timing of revenue recognition :				
At a point in time	$12,817,361	$2,868,386	$2,799,614	$18,485,361
Over time	-	-	-	-
Total	$12,817,361	$2,868,386	$2,799,614	$18,485,361

B. Assets recognized from costs to fulfil a contract

None.

(24) Expected credit losses

	For the years ended December 31,	
	2018	2017
Operating expenses – Expected credit (gains) losses		
Notes receivable	$(37)	
Accounts receivable	57,257	
Long-term receivable	(933)	
Total	$56,287	

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 12 for more details on credit risk.

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The credit risk for the Group'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 Group 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 Group's loss allowance as at December 31, 2018 is as follow:

A. The Group 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$1,816,162 thousand, its loss allowance amounting to NT$1,752 thousand which is measured at expected credit loss ratio of 0~15%.

Group 2:

		Overdue				
	Not yet due	90-180 days	181-365 days	1 -2 years	>=2 years	Total
Gross carrying amount	$3,524,897	$827,101	$505,202	$535,895	$251,040	$5,644,135
Loss ratio	-%	3%	3%	7%	19%	
Lifetime expected credit losses	3,092	22,004	14,100	38,038	47,187	124,421
Total	$3,521,805	$805,097	$491,102	$497,857	$203,853	$5,519,714

Group 3: The gross carrying amount of overdue receivables is NT$93,043 thousand, its loss allowance amounting to NT$72,758 thousand. Due to the customer with higher credit risk, the loss allowance is measured at expected credit loss ratio of 80~100% .

Group 4: Construction retainage receivable will be

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Group 4: Construction retainage receivable is money held back by a customer until the construction is completed, usually exceed one year and interest-free.

		Overdue				
	Not yet due	90-180 days	181-365 days	1 -2 years	>=2 years	Total
Gross carrying amount	$187,263	$170,865	$233,746	$210,756	$84,737	$887,367
Loss ratio	-%	-%	1%	3%	5%	
Lifetime expected credit losses	-	-	2,440	6,318	4,384	13,142
Subtotal	$187,263	$170,865	$231,306	$204,438	$80,353	$874,225

B. The movement in the loss allowance of Accounts receivable, accounts receivable and long-term receivable during the period ended December 31, 2018 is as follows:

	Notes receivable	Accounts receivable	Long-term receivable
Beginning balance (in accordance with IAS 39)	$1,789	$68,950	$97,037
Transition adjustment to retained earnings	-	-	-
Beginning balance (in accordance with IFRS 9)	1,789	68,950	97,037
Addition/(reversal) for the current period	(37)	57,257	(933)
Write off	-	(1,786)	(8,109)
Ending balance	$1,752	$124,421	$87,995

(25) Operating leases

A. Operating lease commitments - Group as lessee

The Group has entered into commercial leases on lands, buildings and equipments. These leases have an average life of one to seven years that it would be automatically renewed unless terminate it by the Group. There are no restrictions placed upon the Group by entering into these leases.

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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	$117,733	$103,834
Over one year but within five years	307,745	101,185
Over five years	396,822	30,000
Total	$822,300	$235,019

Operating lease expenses recognized are as follows:

	For the years ended December 31,	
	2018	2017
Minimum lease payments	$111,132	$96,021

B. Operating lease commitments - Group as lessor

The Group 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	$280,830	$154,306
Over one year but within five years	616,906	348,371
Over five years	334,030	390,284
Total	$1,231,766	$892,961

The contingent rent recognized as income as follows:

	For the years ended December 31,	
	2018	2017
Contingent rent	$19,044	$20,383

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(26) 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	$689,768	$390,866	$1,080,634	$704,965	$487,382	$1,192,347
Labor and health insurance	43,552	26,380	69,932	42,088	27,793	69,881
Pension	21,459	13,021	34,480	20,884	13,082	33,966
Other employee benefits expense	16,908	15,397	32,305	17,694	18,041	35,735
Depreciation	505,386	64,622	570,008	629,354	51,758	681,112
Amortization	100,013	5,619	105,632	21,381	5,070	26,451

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.

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(27) Non-operating income and expenses

A. Other income

	For the years ended December 31,	
	2018	2017
Interest income	(Note)	$36,568
Financial assets measured at amortized cost	$58,776	-
Dividend income	69,599	62,724
Others	109,536	269,518
Total	$237,911	$368,810

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

B. Other gains and losses

	For the years ended December 31,	
	2018	2017
Gain (loss) on disposal of property, plant and equipment	$44,414	$(30,899)
Gain on disposal of Investment property	59,470	2,765,056
Gain (loss) on disposal of investments	2,625	(1,522)
Disposal of subsidiaries (Note)	4,568	-
Foreign exchange (loss) gain, net	(40,206)	15,430
Impairment losses	-	(30,583)
Gain on financial assets at fair value through profit or loss	355	-
Other expense-others	(157,926)	(64,069)
Total	$(86,700)	$2,653,413

Note: Please refer to Note 6(31) for more detail.

C. Finance costs

	For the years ended December 31,	
	2018	2017
Interest on borrowings from bank	$(119,737)	$(78,116)
Interest on bonds payable	(27,732)	(57,357)
Total	$(147,469)	$(135,473)

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(28) 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	$(17,226)	$-	$(17,226)	$3,568	$(13,658)
Unrealized gains on fair value through other comprehensive income equity instrument investment	4,508	-	4,508	-	4,508
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(20,276)	-	(20,276)	-	(20,276)
Total of other comprehensive (loss) income	$(32,994)	$-	$(32,994)	$3,568	$(29,426)

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	$(39,334)	$-	$(39,334)	$6,665	$(32,669)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(242,860)	-	(242,860)	-	(242,860)
Unrealized gains or losses from available-for-sale financial assets	35,224	(1,572)	33,652	-	33,652
Share of other comprehensive loss of associates and joint ventures accounted for under the equity method	(5,191)	-	(5,191)	-	(5,191)
Total of other comprehensive (loss) income	$(252,161)	$(1,572)	$(253,733)	$6,665	$(247,068)

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(29) 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	For the years ended December 31, 2017
Current income tax expense (income):		
Current income tax charge	$87,625	$68,899
Adjustments in respect of current income tax of prior periods	(2,643)	(1,337)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(111,282)	1,599
Deferred tax expense (income) relating to origination and reversal of tax loss and tax credit	45,616	2,898
Tax expense (income) recognized in the period for previously unrecognized tax loss, tax credit or temporary difference of prior periods	(57,533)	(1,314)
Deferred tax expense (income) relating to changes in tax rate or the imposition of new taxes	(13,332)	-
Total income tax (income) expense	$(51,549)	$70,745

Income tax relating to components of other comprehensive income

	For the years ended December 31, 2018	For the years ended December 31, 2017
Deferred tax expense:		
Remeasurements of defined benefit plans	$3,568	$6,665

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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	$539,638	$2,939,478
Tax at the domestic rates applicable to profits in the country concerned (2018: 20%; 2017: 17%)	$110,135	$481,290
Tax effect of revenues exempt from taxation	2,761	(438,961)
Tax effect of non-deductible expenses from taxation	7,620	3,236
Tax effect of deferred tax assets / liabilities	(165,252)	30,513
Others	(418)	(5,410)
10% surtax on unappropriated retained earnings	7,215	1,414
Adjustments in respect of current income tax of prior periods	(2,643)	(1,337)
Deferred tax expense (income) relating to changes in tax rate or the imposition of new taxes	(10,967)	-
Total income tax expense recognized in (profit) or loss	$(51,549)	$70,745

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				
Unrealized exchange losses	$7,701	$(4,571)	$-	$3,130
Unrealized exchange gains	(150)	(4,857)	-	(5,007)
Loss allowance	15,519	7,813	-	23,332
Allowance for sales return and discounts	648	(648)	-	-
Inventory valuation losses	2,274	338	-	2,612
Impairment losses	6,866	105,254	-	112,120
Components of buildings	28,351	951	-	29,302
Decommissioning costs	1,310	(514)	-	796
Compensated absences	524	200	-	724
Defined benefit liabilities	72,727	3,936	3,568	80,231
Difference of revenue from tax book	32	(26)	-	6
Increment tax on land value payable	(635,268)	-	-	(635,268)
Unrealized gains or losses from financial assets	-	(58)	-	(58)
Unused taxable loss	104,184	151,000	-	255,184
Unused tax credits	255,338	(122,287)	-	133,051
Deferred tax (expense)/income		$136,531	$3,568	
Net deferred tax assets/(liabilities)	$(139,944)			$155
Reflected in balance sheet as follows:				
Deferred tax assets	$495,474			$640,488
Deferred tax liabilities	$(635,418)			$(640,333)

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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	Others	Ending balance as of December 31, 2017
Temporary differences					
Unrealized exchange losses	$8,035	$(334)	$-	$-	$7,701
Unrealized exchange gains	(153)	3	-	-	(150)
Loss allowance	11,289	4,230	-	-	15,519
Allowance for sales return and discounts	842	(194)	-	-	648
Inventory valuation losses	1,974	300	-	-	2,274
Unrealized impairment loss	6,963	(97)	-	-	6,866
Components of buildings	24,634	3,717	-	-	28,351
Decommissioning costs	1,310	-	-	-	1,310
Compensated absences	524	-	-	-	524
Defined benefit liabilities	69,826	(3,764)	6,665	-	72,727
Difference of revenue from tax book	41	(9)	-	-	32
Increment tax on land value payable	(759,420)	-	-	124,152	(635,268)
Unused taxable loss	99,048	5,136	-	-	104,184
Unused tax credits	267,509	(12,171)	-	-	255,338
Deferred tax (expense)/income		$(3,183)	$6,665	$124,152	
Net deferred tax assets/(liabilities)	$(267,578)				$(139,944)
Reflected in balance sheet as follows:					
Deferred tax assets	$491,995				$495,474
Deferred tax liabilities	$(759,573)				$(635,418)

The following table contains information of the unused tax losses in Taiwan of the Group:

Occurred year	Deficit amounts	Unused tax losses 2018	Unused tax losses 2017	Last credit year
2009	$467,159	$168,460	$168,460	2019
2010	12,307	455	455	2020
2011	479	479	479	2021
2012	475	475	475	2122
2013	54,247	54,247	54,247	2023
2014	661	661	661	2024
2015	776	776	776	2025
2016	1,459	1,459	1,459	2026
2017	112,524	112,524	93,731	2027
2018	81,268	81,268	-	2028
		$420,804	$320,743	

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

The following table contains information of the unused tax losses in Mainland Chain of the Group:

		Unused tax losses as of		
Occurred year	Deficit amounts	2018	2017	Last credit year
2012	$240,279	$-	$137,176	2017
2014	77,307	77,201	77,862	2019
2015	343,516	163,023	343,399	2020
2016	409,630	409,481	408,481	2021
2017	114,238	114,238	11,073	2022
		$763,943	$977,991	

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$795,215 thousand and NT$934,587 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.

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

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

	The assessment of income tax returns	Notes
The Company	Assessed and approved up to 2016	Except 2014 of year
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Assessed and approved up to 2017	
RUEI SHIN CONSTRUCTIN CO., LTD.	Assessed and approved up to 2016	
GOLDSUN INVESTMENT CO., LTD.	Assessed and approved up to 2016	
WELLPOOL CO., LTD.	Assessed and approved up to 2016	
GAPE-GOLDSUN CORPORATION	Assessed and approved up to 2016	
GOLDSUN NIHON CEMENT CO., LTD.	Assessed and approved up to 2015	
TAIPEI PORT TERMINAL COMPANY LIMITED	Assessed and approved up to 2014	
HUA YA DEVELOPMENT CO., LTD.	Assessed and approved up to 2017	
GOLDSUN INNOVATIVE BUILDING MATERIALS CO., LTD.	Assessed and approved up to 2017	

(30) 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	For the years ended December 31, 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

	For the years ended December 31, 2018	For the years ended December 31, 2017
B.Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$514,839	$2,810,899
Profit attributable to ordinary equity holders of the Company after dilution (in thousands)	1,381,359	1,400,096
Effect of dilution:		
Employee bonus-stock (in thousands)	1,927	4,692
Weighted average number of ordinary shares outstanding after dilution (in thousands)	1,383,286	1,404,788
Diluted earnings per share (NT$)	$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.

(31) Changes in ownership interests 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.

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

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

<u>RAIXIN QUALITY PRODUCTS LTD.</u>

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 23%, 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:

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

	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

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

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	$-

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

(32) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

		For the years ended December 31,	
Name	Country of Incorporation and operation	2018	2017
WELLPOOL CO., LTD. and its subsidiary	Taiwan	51%	51%

Note: The holding percentage mentioned above is disclosed as the comprehensive holding percentage. Both of the companies mentioned above own subsidiaries, and thus the financial information mentioned below is consolidated financial information.

Accumulated balances of material non-controlling interest:

	As of December 31,	
	2018	2017
WELLPOOL CO., LTD. and its subsidiary	$514,712	$491,114

Profit/(loss) allocated to material non-controlling interest:

	For the years ended December 31,	
	2018	2017
WELLPOOL CO., LTD. and its subsidiary	$87,983	$83,284

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

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

WELLPOOL CO., LTD. and its subsidiary

Summarized information of profit or loss:

	For the years ended December 31,	
	2018	2017
Operating revenue	$992,797	$915,187
Profit of (loss) for the period from continuing operations	173,211	163,757
Total comprehensive income for the period	172,434	163,500

Summarized information of financial position :

	As of December 31,	
	2018	2017
Current assets	$415,979	$393,259
Non-current assets	794,963	809,322
Current liabilities	184,849	154,001
Non-current liabilities	12,790	81,733

Summarized cash flow information :

	For the years ended December 31,	
	2018	2017
Operating activities	$173,571	$241,828
Investing activities	(44,021)	(340,539)
Financing activities	(175,978)	(8,025)
Net decrease in cash and cash equivalents	(46,428)	(106,736)

7. Related party transactions

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

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
TAIWAN SECOM CO., LTD.	Entity with significant influence over the Group
TRANSASIA CATERING SERVICES 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
Lee Bao Technology 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

Significant transactions with related parties

(1) Sales

	For the years ended December 31,	
	2018	2017
Entity with significant influence over the Group	$916	$58,590
Associates	37,072	57,149
Total	$37,988	$115,739

The sales price and term to related parties are equivalent to third parties.

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

(2) Pruchase

	For the years ended December 31,	
	2018	2017
Entity with significant influence over the Group	$1,760	$240
Associates	728,960	714,035
Total	$730,720	$714,275

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) Accounts receivable - related parties

	As of December 31,	
	2018	2017
Associates	$9,346	$11,791

(4) Notes payable - related parties

	As of December 31,	
	2018	2017
Entity with significant influence over the Group	$46	$360
Associates	239	240
Total	$285	$600

(5) Accounts payable - related parties

	As of December 31,	
	2018	2017
Entity with significant influence over the Group	$744	$4
Associates	123,123	75,281
Total	$123,867	$75,285

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

(6) Other receivable - related parties

	As of December 31,	
	2018	2017
Associates		
GOLDSUN EXPRESS & LOGISTICS CO., LTD.	$23,721	$25,617
Others	4,372	8
Total	$28,093	$25,625

(7) Other payable - related parties

	As of December 31,	
	2018	2017
Entity with significant influence over the Group	$860	$6
Associates	825	256
Total	$1,685	$262

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

A. Operating income - other

	For the years ended December 31,	
	2018	2017
Entity with significant influence over the Group	$57	$286
Associates	12,329	8,807
Total	$12,386	$9,093

B. Guarantee deposits

	As of December 31,	
	2018	2017
Entity with significant influence over the Group	$20	$-
Associates	1,311	1,207
Total	$1,331	$1,207

(9) The Group has purchased equipment which were recognized as property plant and equipment amounted to NT$4,304 thousand and NT$3,519 thousand for the years ended December 31, 2018 and 2017, respectively.

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

(10)Key management personnel compensation

	For the years ended December 31,	
	2018	2017
Short-term employee benefits	$79,800	$127,281
Post-employment benefits	194	-
Total	$79,994	$127,281

8. Assets pledged as security

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

	Carrying amount		
Assets pledged for security	December 31, 2018	December 31, 2017	Secured liabilities
Available-for-sale financial assets-Stocks	(Note 1)	$1,399,880	Bank loan、C/P
Financial assets at fair value through other comprehensive income, current	$498,400	(Note 1)	Bank loan、C/P
Financial assets at fair value through other comprehensive income, non-current	855,675	(Note 1)	Bank loan、C/P
Securities (Note 2)	766,500	495,000	Bank loan、C/P
Financial assets measured at amortized cost, current	135,775	(Note 1)	Restricted account、Loan guarantee
Financial assets measured at amortized cost, non-current	15,800	(Note 1)	Performance guarantee
Debt instrument investments for which no active market exists－Time deposits	(Note 1)	7,300	Performance guarantee
Debt instrument investments for which no active market exists－Demand deposits	(Note 1)	627	Restricted account、Loan guarantee
Investment property	1,213,497	926,842	Bank loan、C/P
Property, plant and equipment－Land and building	3,317,906	3,267,176	Bank loan款、C/P
Intangible assets－Concession	1,846,900	1,892,130	Bank loan
Guarantee deposits	20,000	20,000	Performance guarantee
Total	$8,670,453	$8,008,955	

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

Note 2: The Group’s subsidiaries which were consolidated by the Company.

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

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) On October 22, 2009, TAIPEI PORT TERMINAL COMPANY LIMITED signed the BOT contract with the Keelung Harbor Bureau, MOTC. Under the BOT contract, TAIPEI PORT TERMINAL COMPANY LIMITED obtained the right to build and operate the development project on the location of Bulk & General Cargo Terminal No.2 of Taipei Port. The construction and operating period is 50 years from the day following the signing of the contract. TAIPEI PORT TERMINAL COMPANY LIMITED need to complete the related infrastructure asset and operate officially in the five years. On September 20, 2012, concession operation has been approved, and mainly engaged in cargo of trading, warehousing, storage and handling.

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 profit or loss:		
Mandatorily measured at Fair value through profit or loss	$51,332	(Note1)
Financial assets at fair value through other comprehensive income	2,113,655	(Note1)
Available-for-sale financial assets (Note 2)	(Note 1)	2,286,155
Financial assets measured at amortized cost (Note 3)	11,042,830	(Note1)
Loans and receivables (Note 4)	(Note 1)	9,999,680
Total	$13,207,817	$12,285,835

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

Financial liabilities

	As of December 31,	
	2018	2017
Financial liabilities at amortized cost:		
Short-term loans	$3,365,000	$2,280,000
Short-term notes and bills payable	1,727,825	1,798,390
Notes payable (including related parties)	360,067	292,644
Accounts payable (including related parties)	2,722,937	2,273,933
Other payables (including related parties)	1,080,460	1,071,317
Bonds payable (including due in one year)	1,000,000	2,000,000
Long-term loan (including due in one year)	3,525,431	2,664,026
Guarantee deposits	67,762	73,641
Total	$13,849,482	$12,453,951

Note:

1. 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.
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 Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group 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 Group complies with its financial risk management policies at all times.

(3) Market risk

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

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

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

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

When NTD strengthens/weakens against USD by 10%, the profit for the years ended December 31, 2018 and 2017 is decreased/increased by NT$39,905 thousand and NT$55,520 thousand, respectively.

When NTD strengthens/weakens against CNY by 10%, the profit for the years ended December 31, 2018 and 2017 is decreased/increased by NT$1,613 thousand and NT$1,203 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at floating interest rates, bank borrowings with fixed interest rates and floating interest rates.

The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and floating interest loans and debts.

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 Group's profit would decrease / increase by NT$6,405 thousand and NT$4,356 thousand for the years ended December 31, 2018 and 2017, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets at fair value through other comprehensive income. The Group 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 Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

For the year ended December 31, 2017, an increase/decrease of 10% in the price of the listed equity securities classified as available-for-sale financial assets could have an impact of NT$145,583 thousand on the equity attributable to the Group.

For the year ended December 31, 2018, an increase/decrease of 10% in the price of the listed equity securities classified as financial assets at fair value through other comprehensive income could have an impact of NT$143,743 thousand on the equity attributable to the Group.

Please refer to Note 12(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(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 Group 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 minor compared to the total accounts receivables of the Group. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group 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 Group'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 and bank borrowings. The table below summarizes the maturity profile of the Group'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 floating interest rates is extrapolated based on the approaching effective rate as of the end of the reporting period.

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

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	$4,144,926	$341,543	$1,401,946	$1,355,545	$7,243,960
Short-term notes and bills payable	1,730,000	-	-	-	1,730,000
Notes payable	360,067	-	-	-	360,067
Accounts payable	2,722,936	-	-	-	2,722,936
Other payables	1,080,460	-	-	-	1,080,460
Bonds payable	1,014,000	-	-	-	1,014,000

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2017					
Borrowings	$2,995,930	$326,372	$283,763	$1,739,561	$5,345,626
Short-term notes and bills payable	1,800,000	-	-	-	1,800,000
Notes payable	292,644	-	-	-	292,644
Accounts payable	2,273,933	-	-	-	2,273,933
Other payables	1,071,317	-	-	-	1,071,317
Bonds payable	1,014,000	1,028,000 -	-	-	2,042,000

(6) Reconciliation for liabilities arising from financing activities

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
2018.1.1	$2,280,000	$1,798,390	$2,000,000	$2,664,026	$73,641	$8,816,057
Cash flow	1,085,000	(70,565)	(1,000,000)	841,406	(5,969)	849,872
Non-cash change	-	-	-	-	-	-
2018.12.31	$3,365,000	$1,727,825	$1,000,000	$3,505,432	$67,672	$9,665,929

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 Group 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 and 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 and other current liabilities 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 Group.

(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 Group 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 Group's assets and liabilities

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

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

As of December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Fund	$51,332	$-	$-	$51,332
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	1,437,433	-	676,222	2,113,655

As of December 31, 2017

	Level 1	Level 2	Level 3	Total
Financial assets:				
Available-for-sale financial assets				
Stocks	$1,487,042	$-	$151,603	$1,638,645
Fund	174,754	-	-	174,754

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	$616,347
Acquisition/Issuance	24,777
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)	37,573
Ending balances as of December 31, 2018	$676,222

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

	Assets
	Available-for-sale financial assets Stock
Beginning balances as of January 1, 2017	$232,520
Total gains recognized for the year ended December 31, 2017	
Amount recognized in OCI (present in Unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	(80,917)
Ending balances as of December 31, 2017	$151,603

Total profits and losses recognized in profit or loss for the years ended December 31, 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 Group's equity by NT$19,329 thousand
Stocks	Income approach	Discount rate	9.71~15.08	The higher the discount rate, the lower the fair value of the stocks	10% increase (decrease) in the discount rate would result in increase (decrease) in the Group's equity by NT$12,620 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 Group's equity by NT$633 thousand

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

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 Group's equity by NT$15,160 thousand

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

The Group'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 Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group'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))	$-	$-	$20,068,271	$20,068,271

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))	$-	$-	$19,819,063	$19,819,063

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

(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	31,870	30.72	979,046

	As of 31 December, 2017		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
CNY	$2,632	4.57	$12,028
USD	18,656	29.76	555,203
Non-monetary items:			
USD	14,556	29.76	433,187

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

The Group’s entities’ functional currency are various, and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies.

The foreign exchange gain(loss) was NT$(40,206) thousand and NT$15,430 thousand for the years ended December 31, 2018 and 2017, respectively.

(10) Capital management

The primary objective of the Group'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 Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group 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.

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

(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.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has four reportable operating segments as follows:

(1) Taiwan Segment: segment engages in productions and sales of pre-mixed concrete in Taiwan.

(2) Pre-mixed concrete Segment in Mainland China: segment engages in productions and sales of pre-mixed concrete in Mainland China.

(3) Cement Segment in Mainland China: segment engages in productions and sales of cement in Mainland China.

(4) Others: segment engages in productions and sales of calcium silicate board, shipping, warehousing, real estate rental and investment.

A. Information on profit or loss of the reportable segment:

For the year ended December 31, 2018

	Taiwan Segment	Cement Segment in Mainland China	Pre-mixed concrete Segment in Mainland China	Subtotal	Other	Adjustment and elimination	Consolidated
Revenue							
External customer	$11,329,183	$2,868,386	$2,799,614	$16,997,183	$1,647,623	$-	$18,644,806
Inter-segment	73,281	-	-	73,281	1,055,614	(1,128,895)	-
Total revenue	$11,402,464	$2,868,386	$2,799,614	$17,070,464	$2,703,237	$(1,128,895)	$18,644,806
Segment profit	$504,817	$176,576	$651,714	$1,333,107	$(116,078)	$(677,391)	$539,638

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

For the year ended December 31, 2017

	Taiwan Segment	Cement Segment in Mainland China	Pre-mixed concrete Segment in Mainland China	Subtotal	Other	Adjustment and elimination	Consolidated
Revenue							
External customer	$10,700,634	$2,365,614	$1,912,352	$14,978,600	$1,435,196	$-	$16,413,796
Inter-segment	64,843	-	-	64,843	1,063,715	(1,128,558)	-
Total revenue	$10,765,477	$2,365,614	$1,912,352	$15,043,443	$2,498,811	$(1,128,558)	$16,413,796
Segment profit	$2,807,012	$27,035	$80,732	$2,916,779	$3,359,225	$(3,336,526)	$2,939,478

1 Revenue from Taiwan Segment, Cement Segment in Mainland China and Pre-mixed concrete Segment in Mainland China that are operating segments that do not meet the quantitative thresholds for reportable segments.

2 Inter-segment revenue is eliminated on consolidation and recorded under the “adjustment and elimination” column. All other adjustments and eliminations are disclosed below.

B. Information on assets and liabilities of the reportable segment:

As of December 31, 2018

	Taiwan Segment	Cement Segment in Mainland China	Pre-mixed concrete Segment in Mainland China	Subtotal	Other	Adjustment and elimination	Consolidated
Assets							
Investment accounted for under the equity method	$15,230,809	$3,420,348	$1,969,679	$20,620,836	$1,749,434	$(21,361,700)	$1,008,570
Segment assets	$30,692,244	$8,128,015	$6,169,815	$44,990,074	$10,232,486	$(19,513,480)	$35,709,080
Segment liabilities	$11,209,949	$1,774,198	$1,804,417	$14,788,564	$2,523,731	$(2,183,507)	$15,128,788

As of December 31, 2017

	Taiwan Segment	Cement Segment in Mainland China	Pre-mixed concrete Segment in Mainland China	Subtotal	Other	Adjustment and elimination	Consolidated
Assets							
Investment accounted for under the equity method	$14,403,773	$3,325,716	$1,552,028	$19,281,517	$7,358,342	$(26,161,988)	$477,871
Segment assets	$29,551,870	$8,395,898	$5,595,134	$43,542,902	$20,928,852	$(29,765,452)	$34,706,302
Segment liabilities	$9,869,368	$1,320,680	$1,971,562	$13,161,610	$3,643,765	$(3,219,078)	$13,586,297

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		Limit of financing amount for individual counter-party(Note 4)	Limit of total financing amount (Note 4)
												Item	Value		
1	GREAT SMART LTD.	GOLDSUN COMENT (FUJIAN) CO., LTD.	Other receivable	USD 40,313 (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., LTD.	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 Units (thousand) / bonds / shares	Carrying amount	Percentage of ownership (%)	Fair value/Net assets value	Remark
GOLDSUN BUILDING	Stock-							
MATERIALS CO., LTD.	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	Stock-							
& ENGINEERING CO., LTD	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	Stock-							
CO., LTD	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	Stock-							
CO., LTD	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	Capital-							
MATERIALS	FUZHOU SANSHUN STONE MATERIAL CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	-	448,482	19%	448,482	
(HONG KONG) LIMITED								
	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.