



ASIA CEMENT CORPORATION

2015 Annual Report

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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I Report to Shareholders

1. 2015 Review

Overall economic performance

- A. The 2015 global economic growth is below expectation and relatively low than in 2014. It is mainly due to the economic slowdown of the emerging and developing countries despite advanced countries have moderate economic recovery.
- B. Because of the lack of growth momentum in 2015, Chinese financial risks are becoming apparent. Although the Chinese economy is fairly stable, and the annual GDP growth reaches around 6.9% in 2015, China's economy continues to adjust along with the economy slowdown. Its spillover effect causes falling commodity prices and declining economic activity in Asian countries. Other emerging oil-importing countries only benefit partially reflecting from lower oil prices with limited economic growth effect.
- C. The advanced countries are mainly attributable to lower oil prices, improved labor market, and very loose monetary policy. These make their domestic demand becoming the driving force of economic growth. However, the recovery is almost the same with the growth in 2014.
 - i. Only the United States maintain 2.4% economic growth for two consecutive years due to the performance of active labor market which is close to full employment levels and lower inflation.
 - ii. The Euro area maintains a moderate recovery thanks to low oil prices, weak exchange rate, negative interest rate and quantitative easing. It still maintains growth while facing low economy growth in emerging and developing countries, global trade slowdown, and other unfavorable factors.
 - iii. Due to recession of export to China and other emerging countries, and weak domestic consumption, Japanese economic growth rate is merely 0.6%.
- D. Geopolitical tensions also caused substantial impact to relevant country's economic growth.
 - i. Ukraine problem is still unsolved while Middle East problem heat up. Russia warplanes shot down by Turkish worse the situation in that region.
 - ii. Middle East chaos causes the influx of refugees into Europe which is the worst refugee crisis since the World War II. The influx of refugees into Europe this year will exceed one million people.
 - iii. The crisis spread from the edge to the core area, while the impact of the Islamic State penetrates Europe. November 13, 2015, there were several terrorist attacks in Paris. At least 130 people were killed. This is the largest terrorist attack since 911 in the western world. The development of extremism also indicated the issues that migrants and ethnic minorities are difficult to integrate into mainstream society.
 - iv. The situation in Asia is also unstable. Although the Iran signed nuclear agreements, North Korean nuclear issue is still unsolved. Meanwhile, because of intervention of the states outside the region, the South China Sea issues raised.
- E. In 2015, Taiwan's economic performance is also not ideal. Due to the weak performance of global trade, Taiwan's major export market decline overall. The industry not only faces with the pressure on energy prices, tightening supply and demand, but also faces “Red Supply Chain” pressures from China. Since the development of China, some imported semi-finished

products and equipment from Korea, Japan, or Taiwan are now shifted to manufacturers in China. This naturally reduces imports from Taiwan, dragging down export orders. Industrial production index growth thus turned negative. DGBAS released Taiwan 2015 annual economic growth rate is only 0.75%, the lowest since 2009.

The Company's business performance

- A. In 2015, the overall cement consumption in China amounted to about 2.348 billion MT, compared with 2.476 billion MT in 2014, about 5.17% decline. In the same period, the clinker production volume of the Company in China is 24 million MT, increasing 2.3% compared with 2014. The total sales of cement, clinker and slag powder are 30.38 million MT, increasing 1.33% compared with 2014.

In 2015, the net loss of the Company's subsidiaries in China is NT\$ 1,530,713 thousand. The Company and its subsidiaries recognized a total investment losses of NT \$1,102,113 thousand.

- B. For domestic cement industry, according to a statistics conducted by the Taiwan Cement Manufacturers' Association, the 2015 total cement production volume in Taiwan was 13,445,063 MT, decreased 8.09% compared to 2014. Among them, the domestic cement sales was 10,215,068 MT, and exported cement was 3,260,662 MT. Compared with those in 2014, domestic sales decreased by 7.89%, exports decreased by 6.74%. In 2015, due to Taiwan Government policy and the economy, the domestic real estate continued to show decline both in volume and price. The cement consumption decreased slightly to 11,652,768 MT, decreased by 7.24%. The 2015 per capita average cement consumption is about 496 kg, decreased 7.46% from 536 kg in 2014. As a result, the cement market in Taiwan is still showing oversupply.
- C. The 2015 consolidated operating revenue of the Company is NT \$66,287,480 thousand, decreased 14.67% from 2014. The consolidated profit from operations was NT \$4,039,945 thousand, decreased 51.02% from 2014. From the Company's affiliates, such as Far Eastern New Century Corp. and U-Ming Marine Transport Corp., the Company recognized NT \$2,986,137 thousand investment income from equity method. The consolidated net profit after tax reached NT \$4,934,483 thousand. The net profit rate after tax was 7.44%. Consolidated net profit attributable to the Company is 4,860,241 thousand. The 8th meeting of the 25th Board of Directors proposed to distribute cash dividend NT \$1.1 per share.

2. Operating Performance of 2015

- A. Production:

Unit: 1000 MT

Item Region	Cement	Difference Compared to 2014	Clinker (MT)	Difference Compared to 2014
ACC (Taiwan)	4,449	-309 (-6.49%)	4,300	-280 (-6.11%)

*key performance indicator:

Actual aggregate cement output amounted to 4,449 thousand MT. Compared to estimated output 4,715 thousand MT, the achievement rate is 94.36%.

Actual aggregate clinker output amounted to 4,300 thousand MT. Compared to estimated output 4,550 thousand MT, the achievement rate is 94.51%.



Unit: 1000 MT

Item Region	Cement	Difference Compared to 2014	Clinker (MT)	Difference Compared to 2014
ACC (China)	28,823	-158 (-0.55%)	23,998	+542 (+2.31%)

***key performance indicator:**

Actual aggregate cement output amounted to 28,823 thousand MT. Compared to estimated output 32,328 thousand MT, the achievement rate is 89.16%.

Actual aggregate clinker output amounted to 23,998 thousand MT. Compared to estimated output 24,574 thousand MT, the achievement rate is 97.66%.

B. Sales

i. Taiwan area:

Unit: 1000 MT; NT\$1,000

Volume & Value Product	2015				Difference Compared to 2014	
	Domestic Sales		Export Sales			
	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker	3,178	7,254,186	1,366	2,566,258	-453 (-9.07%)	-785,379 (-7.41%)

*** Key Performance Indicator:**

Actual aggregate sales of cement and clinker produced by ACC amounted to 4,544 thousand MT. Compared to the estimated sales 4,930 thousand MT, achievement rate is 92.17%.

ii. China area:

Unit: 1000 MT; NT\$1,000

Volume & Value Product	2015				Difference Compared to 2014	
	Domestic Sales		Export Sales			
	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker	30,283	29,452,257	230	283,012	+382 (+1.27%)	-8,259,179 (-21.74)

*** Key Performance Indicator:**

Actual aggregate sales of cement and clinker produced by ACC (China) amounted to 30,513 thousand MT. Compared to the estimated sales 33,054 thousand MT, achievement rate is 92.31

3. The Company's Layout Strategy in China

Asia Cement Corporation pioneered all domestic rivals to invest in cement business in China with Taiwan government's permission since 1997.

On May 20, 2008, the subsidiary of the Company, Asia Cement (China) Holdings Corporation {ACC (China) thereafter} was listed on the main board of Hong Kong Exchanges and Clearing Limited. Total assets reach RMB 20 billion.

Currently, the investments of ACC (China) are mainly based along the Yangtze River in Jiangxi, Sichuan, Hubei, Yangzhou and Shanghai areas. The overall operating strategies are deployed through Jiangxi Yadong Cement (Southeast China), Sichuan Yadong Cement (Southwest China), Hubei Yadong Cement (Middle China), and Yangzhou Yadong Cement (East China) as core production bases. In addition to Sichuan Lanfeng Cement Corp., Huanggang Yadong Cement, and Wuhan Yaxin Cement, there are two grinding factories, six cement products companies, four transportation companies, newly established Tai Zhou Oriental Construction Co., Ltd., four terminals, and eight sale offices. These constitute an efficient and solid network for production, transportation and sales.

4. Overview of The Company's Investments in China

A. Jiangxi Yadong Cement Co., Ltd

The company originally has four kilns, each with annual capacity of 1.65 million MT clinker. Currently, the annual output of clinker reaches 6.6 million MT which can produce 8 million MT cement.

The subsequent 5th and 6th production line for cement and clinker of the company have been completed in September 2013 and January 2014. With these two production lines, the total production capacity can reach 11 million MT of clinker annually, which can produce 14 million MT cement. Jiangxi Yadong has become one of the largest cement plants in China.

In addition, the waste heat recycling generators of the #1, #2, #3, and #4 kilns can produce 193 million kWh electricity annually. While, the waste heat recycling generators of the #5 and #6 kilns can produce 145 million kWh electricity annually. This substantially reduces electricity costs and minimizes the dependence on external power supply.

B. Sichuan Yadong Cement Co., Ltd

The company has three kilns with annual clinker capacity of 1.65 million MT respectively. Currently, the annual output of clinker reaches 4.95 million MT which can produce 6 million MT cement. In addition, the waste heat recycling generators of the #1, #2, and #3 kilns can produce 145 million kWh electricity annually. This substantially reduces electricity costs and minimizes the dependence on external power supply.



The conveyor belt transporting the limestone from quarry directly to the plant has been completed on April 2016. This will enhance the transportation efficiency and lower raw-material cost and also completely prevent interfering with surrounding environments, roads, and living of residents (such as noise, dust).

C. Hubei Yadong Cement Co., Ltd

The company has two kilns with annual clinker capacity of 1.65 million MT respectively. The annual output of clinker is amounted to 3.3 million MT which can produce 4 million MT cement. In addition, the waste heat recycling generators of the #1 and #2 kilns can produce 105 million kWh electricity annually. This substantially reduces electricity costs and minimizes the dependence on external power supply.

D. Huanggang Yadong Cement Co., Ltd

The company has one kiln. The annual output of clinker amounts to 1.65 million MT which can produce 2 million MT cement.

E. Wuhan Yaxin Cement Co., Ltd

To enhance the market position and market share of the “Skyscraper” cement in Wuhan areas, Hubei Yadong Cement Co., Ltd acquired 70% share of Wuhan Xinlingyun Engineering Co., Ltd on July 2010 (90% by the end of 2013). The annual output of cement amounts to 1.2 million MT.

F. Sichuan Lanfeng Cement Corp.

To enhance the market position and market share in Chengdu area, Sichuan Yadong Cement Co., Ltd acquired 100% shares of Sichuan Lanfeng Cement Corp. Lanfeng located in Pengzhou City, Sichuan, China and owned two new dry process clinker production lines with total annual cement production capacity of 5 million MT. The waste heat recycling generators can produce 130 million kWh electricity annually. It also owned dry mix mortar plant with total annual production capacity of 1.5 million MT.

G. Yangzhou Yadong Cement Co., Ltd

The grinding factory can produce 2.7 million MT cement annually to supply the market in Yangzhou area. Besides, the mixer station can produce ready-mixed concrete for the market.

H. Wuhan Yadong Cement Co., Ltd

The company can produce 1.7 million MT cement and 0.6 million MT slag powder annually to supply the market in Wuhan area.

I. Nanchang Yadong Cement Co., Ltd

The company can produce 0.6 million MT slag powder and 1.2 million MT slag cement annually to supply the market in Nanchang area.

5. Outlook for 2016 international economic situation and economic situation in Taiwan

A. Outlook for 2016 international economic situation:

- i. The economy of the United States continues to expand which becomes the core of global economic growth. IMF expects that US economic growth in 2016 will be 2.86%, as an important engine of the world economy.
- ii. Eurozone and East Asian countries maintain accommodative monetary policy, coupled with low oil and other commodity prices. They are also expected to drive the global economy forward.
- iii. The Chinese Government continued elimination of excess capacity and the adjustment of economic structure. These weaken their growth momentum and might constraint the global economy growth.
- iv. Due to weak domestic demand, Japan still can barely beat deflationary pressures with abenomics.
- v. As the US Federal Reserve raising interest rates and low commodity and oil prices, emerging and developing countries will continue to face financial market fragility
- vi. In the absence of strong incentives, the 2016 world economy growth is expected to be low and uneven; the overall growth rate will be slightly higher. According to the IMF forecast, global economic growth in 2016 will slightly increase to 3.6%. Among them, the developed countries will increase 2.2%, 0.2% higher than last year; while the emerging and developing countries will increase 4.5%, 0.5% higher than last year

B. Outlook for 2016 economic situation in Taiwan:

Despite the international organizations expect that the global economy in 2016 will be better than in 2015, which will benefit Taiwan's trade and industry. However, the economic outlook is still subject to some uncertainties, such as financial market upheaval, Chinese



economic policy, low oil prices, the negotiations progress of free trade agreements of Taiwan.

- i. In the financial market, the US Fed has been raising interest rates in December 2015. The subsequent changes of interest rates will affect the global exchange rate, and thus increase trading risks.
- ii. The 2016 Chinese economic goals is to keep economic growth at a reasonable range, while focusing on economic structural reforms, destocking, deleveraging, reducing industrial capacity, and reducing costs. For Taiwan, the implementation of these policies, as well as their impact on economic growth, will affect the future of Taiwanese trade and economic development. Therefore, the Taiwan Government shall pay close attention to the economic situation in China.
- iii. If the 2016 oil prices continued downward, which might not be lower than in 2015, the Taiwan industry will be also suffer from the shrinking demand.
- iv. Facing the trend of trade liberalization, and free trade agreements signed by main competitors of Taiwan, such as South Korea, there will be major challenges for the Taiwan Government in 2016.

As the alternation of governing party in Taiwan in 2016, the new government will inevitably adopt new strategies facing international political and economic situation. It is foreseeable that cross-strait relations will be one of the important factors for Taiwan's 2016 economic performance.

6. Operating Prospects for cement industry across the Taiwan Strait

A. Cement industry in China

Chinese economy turns into medium-speed growth under its government's policy. Meanwhile, its economic reform and restructuring will be ongoing. According to forecasts of major international institutions, the Chinese economic growth rate could maintain approximately at 6.5%~7%, indicating Chinese economic development is in transition period of adjustment. In the cement industry, the demand in 2016 will decrease 4%. Hereby lists several important policies and outlook relevant to the cement industry:

- i. Increasingly stringent environmental standards:

China continues to strengthen the management of industrial air and water pollution, strengthen environmental protection inspection, implement comprehensive online monitoring, and enforce the revised Environmental Protection Act. These will make the 2016 energy consumption per million GDP fall by 3.4%. Small clinker production lines and grinding factories will be phased out benefiting large cement groups.

ii. Over-supply condition in Chinese cement industry is controlled:

a. Approval for new cement production capacity is strictly control:

Under Chinese current policy for cement industry, the approval of new capacity is strictly controlled. The estimated new cement production capacity in 2016 will be less than 36 million MT.

b. Acceleration for the elimination of backward production capacity:

Measures includes: supply reform, elimination of excess capacity, mergers and acquisitions, debt restructuring, liquidation, and dealing with “zombie companies.”

c. Limitation on cement production:

Cement industries in northern China applies peak-shifting production in winter. Limitation on cement production has become very important for the balance of supply and demand and profit. This requires the adjustment of production, transportation and marketing. For example, the cement industry in Sichuan Province applies peak-shifting production in 2016. Each cement production line is required to use peak-shifting production not less than 125 days annually.

iii. Accelerate overseas layout to ease overcapacity:

Since the overcapacity cement in China, China government policy supports excess capacity to move overseas. Major cement groups will accelerate the expansion of overseas markets to effectively ease the pressure of new cement production capacity in China.

iv. Investments boost cement demand:

a. In 2016, railway investments reach RMB 800 billion, and road investments reach RMB 1.65 trillion. The budget of central China government increase RMB 500 billion to invest on 20 major water conservancy projects, nuclear power and hydropower, UHV transmission, smart power grid, oil and gas pipelines, and other major urban rail project.

b. The adjusted real estate transaction deed tax and business tax effected from February 22, 2016. China government also relaxed mortgage controls to boost the real estate market. The Ministry of Housing has also start the construction of 7.4 million units of affordable housing in 2016.



- c. With the "One Belt One Road", "Integration of Beijing-Tianjin-Hebei", "Yangtze River Economic Belt", other new Free Trade Area, and "Eco-sponge City Construction", construction investments in 2016 will significantly increase.
- v. Mergers and Acquisitions enhance market concentration:
 - a. China government clearly supports mergers and acquisitions between large corporations. Coupled with financial reforms, higher environmental regulations, and stricter government enforcement, these have made small and medium size cement enterprises find themselves struggle to live. Only large cement corporations are able to survive via Mergers & Acquisition. Thus, the cement industry concentration is expected to effectively improve.
 - b. Cross shareholdings will become the prototype of Mergers & Acquisition in the future.
- vi. Low coal prices helps improve cement profit margins:

While the China government intends to lower coal consumption, the demand for coal will continue to decrease. Furthermore, it is difficult to change oversupply in the short term. Thus, estimated coal prices will remain low and will be profitable for the cement industry.
- vii. Low oil prices will help reduce transportation costs:

Oil prices continued to fall, although oil prices rebound slightly in early 2016. It is difficult to restore in short term. This will help control the transportation cost.

B. Cement industry in Taiwan

Taiwanese Public Works budget totaled NT\$ 189 billion in 2016, increased NT\$ 9.9 billion (+5.5%). Affected by the real estate taxes, the domestic real estate boom continues to slump. Real estate transactions significantly reduced, while housing supply increases. Meanwhile, there will be fewer applications for construction license. There is a large price gap for real estate between buyers and sellers. Moreover, because of factors such as soil liquefaction issue, reduced transaction and price of housing market is expected. The demand for cement will continue to decrease.

7 Business Goals For 2016

In highly competitive environment of both Taiwan and China, the Company will respond with its "three highs and one low" strategy which stands for "high quality, high efficiency, high environmental protection, and low cost" and exert the Company's persistent principle, "fully sell out the estimated production volume".

The Company has set the following goals for 2016. The estimated production volume in Taiwan is 4,360 thousand MT clinker and 4,530 thousand MT cement. The estimated sales volume in Taiwan is 5,670 thousand MT clinker and cement. The estimated production volume in

China is 24,710 thousand MT clinker and 30,970 thousand MT cement. The estimated sales volume in China is 31,820 thousand MT clinker and cement.

8 The Operating Performance in the First Quarter of 2016

Resulting from weak cement demand and low cement prices in China in Q116, the profits in cement industry generally decline. In the first quarter of 2016, the consolidated operating income of the Company is NT \$ 13,038,960 thousand, decreasing 15.12% from NT \$ 15,362,530 thousand in the same period of 2015. The consolidated net profit is NT \$ 194,459 thousand, decreased 87.39% from NT \$ 1,542,288 thousand in the same period of 2015. As trillion RMB infrastructure investments will gradually start in China in the third quarter, benefits is expected to appear gradually.

* Sources: Directorate-General of Budget, Accounting and Statistics,
Taiwan Institute of Economic Research,
Chinese Economic Research Institute,
Mega International Commercial Bank.



II Company Profile

2.1 Date of Incorporation: March 21, 1957.

Paid-in Capital: NT\$ 33,614,471,980.

Scope of Business:

01. C901030 Cement manufacturing	11. H701010 Developing, leasing, and selling residential and business buildings
02. C901040 Ready-mixed concrete manufacturing	12. H701020 Developing, leasing, and selling industrial factories
03. B601010 Quarrying	13. H703100 Real estate rental & leasing
04. C901050 Cement and ready-mixed concrete products	14. H703090 Real estate sale & purchase
05. C901990 Non-metallic mineral products	15. JE01010 Rental and leasing
06. F111090 Whole sale of building materials	16. G202010 Parking-lot business
07. F211010 Retail sale of building materials	17. G801010 Warehousing
08. F401010 International trade	18. I103060 Business management consultation services
09. IZ06010 Tally and packing	19. J101040 Waste treatment
10. A201010 Afforestation business	

In addition to permitted scope of business, the Company can broaden its business not prohibited or restricted by laws.

2.2 Company History

Responding to the Taiwan government's second four-year economic development plan, Asia Cement Corporation (ACC) was founded on March 21, 1957 by Mr. Y.Z. Hsu and others. It built its first manufacturing plant in Hengshan Township, Hsinchu County. In 1973, in response to the government's call to develop eastern Taiwan, the Company established its second plant in Hsincheng Township, Hualien County. Asia Cement and its "Skyscraper" brand cement have always occupied the core position in Taiwan's cement business. For now, these two plants can produce 5 million MT of clinker annually.

The Company uses the most modern rotary kilns and introduces waste-heat recycling generators to transform waste heat and hot air into electricity. In addition, for lower cement transportation costs, Asia Cement established storage and transportation facilities in the Keelung, Taichung, Kaohsiung, and Hualien harbor. It also invested in the Group's U-Ming Marine Transport Co., Ltd., and began using U-Ming's bulk carriers to transport cement around Taiwan. The Company's "Three Highs and One Low" strategy, high quality, high efficiency, high environmental protection, and low cost, along with its management capability, have given the Company the competitive edge to efficiently face challenges in the market.

The Company believes that economic growth and environmental protection can be achieved in parallel. The Company not only deployed eco-friendly equipment, but also made it a priority to re-plant vegetation in the mining areas. Now, with abundant foliage, the plant has been transformed into a beautiful park. In addition to the first certification of ISO-14001 Environmental Management Systems in Taiwan, the Hualien plant received three "Environmental

Protection Award” for three consecutive years, and thus was awarded a special honor in 1998. This has set the benchmark in Taiwan’s cement industry, thus making Asia Cement a model business for both economic development and environmental protection.

Besides establishing its core business, it also diversified its investment by establishing Ya Tung Ready Mixed Concrete Co., Ltd. and Ya Li Precast & Prestressed Concrete Industries Ltd. Together with Far Eastern Construction Co., Ltd. and Far Eastern General Contractor Co., Inc., Asia Cement completed its vertical integration.

ACC’s diversification strategic layout for the world not only includes the complete production and sales channels in Taiwan, it also has representative offices in Hong Kong and Singapore. Furthermore, it is also expanding into the world market, exporting cement to Southeast Asia, North America, Africa, and the Middle East Asia. Meanwhile, Asia Cement began to invest in China from 1994. Currently, with the production and sale bases in Jiangxi, Sichuan, Hubei, Yangzhou, and Shanghai, the total cement production capacity in China reaches 36 million MT. Asia Cement (China) Holdings Corporation has listed on the Main Board of the Hong Kong Stock Exchange in 2008. Asia Cement (China) Holdings Corporation will continue expand capacity through strategy cooperation, or merger & acquisition.

In the future, Asia Cement will keep maintaining its deep roots in Taiwan and continue moving forward by expanding in China and worldwide.

Major events in recent 6 years are shown as the following table:

Year	Major Events
Feb. 2011	The Hualien Plant successfully developed "masonry cement", and was awarded the first CNS Mark for masonry cement in Taiwan.
Mar. 2011	The Hualien Plant was awarded “Excellent Company for Hiring Indigenous People” by Council of Indigenous People, Executive Yuan.
July, 2011	The Company received A+ ranking award in the 8 th “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.
Oct. 2011	Asia Cement received CNS Mark for Portland Cement (Type 1) since Sep. 22, 1961. Thus, the Company received "Special Honor for CNS Mark" for using CNS Mark more than 50 years.
Nov. 2011	The Hualien Plant was awarded “2011 Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions” by the Industrial Development Bureau, MOEA.
May 2012	The Hsinchu Plant successfully produced "masonry cement", and was awarded the CNS Mark for masonry cement.
July, 2012	The Company received A+ ranking award in the 9 th “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.
July, 2013	The Company received A+ ranking award in the 10 th “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.
Sep. 2013	The no.5 kiln (production capacity: 6000 MT clinker per day) of Jiangxi Yadong



	Cement Co. began operation.
Nov. 2013	The Hualien Plant was awarded “2013 Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions” by the Industrial Development Bureau, MOEA.
Jan. 2014	The no.6 kiln (production capacity: 6000 MT clinker per day) of Jiangxi Yadong Cement Co. began operation.
Jan. 2014	The Company and Asia Cement (China) Holdings Corp. signed Strategic Cooperation Agreements with Anhui Conch Group Company Ltd.
Apr. 2014	Sichuan Yadong Cement Co., Ltd acquired 100% shareholding of Sichuan Lanfeng Cement Corp. on April 16, 2014.
May 2014	The Company was awarded “Excellence Recognition for its collective agreement with employees” by the Ministry of Labor.
June 2014	The Company received A++ ranking award in the 11 th “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.
Feb. 2015	The Company received “Golden Vessel Awards” in honor of our contribution in environment protection, Taiwan International Ports Corporation.
Apr. 2015	The Company received A++ ranking award in the 12 th “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute.
May 2015	The Company was ranked top 5% in “the 1 st Corporate Governance Evaluation” by the TWSE.
June 2015	The Company is listed in “TWSE Corporate Governance 100 Index”
Aug. 2015	The Company is ranked 39 th in CommonWealth Magazine's Corporate Citizenship Awards.
Nov. 2015	The Hualien Plant was awarded “2015 Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions” by the Industrial Development Bureau, MOEA.
Nov. 2015	The Company’s CSR Report was awarded “Top 50 Corporate Sustainability Report-Gold Award”, TCSA.
Jan. 2016	The Company received 2015 GHG reduction award, EPA.
Apr. 2016	The Company was ranked top 6%~20% in “the 2 nd Corporate Governance Evaluation” by the TWSE.
Apr. 2016	Sichuan Yadong Cement Co., Ltd completed second conveyor belt transporting the limestone from quarry directly to the plant on April 2016.

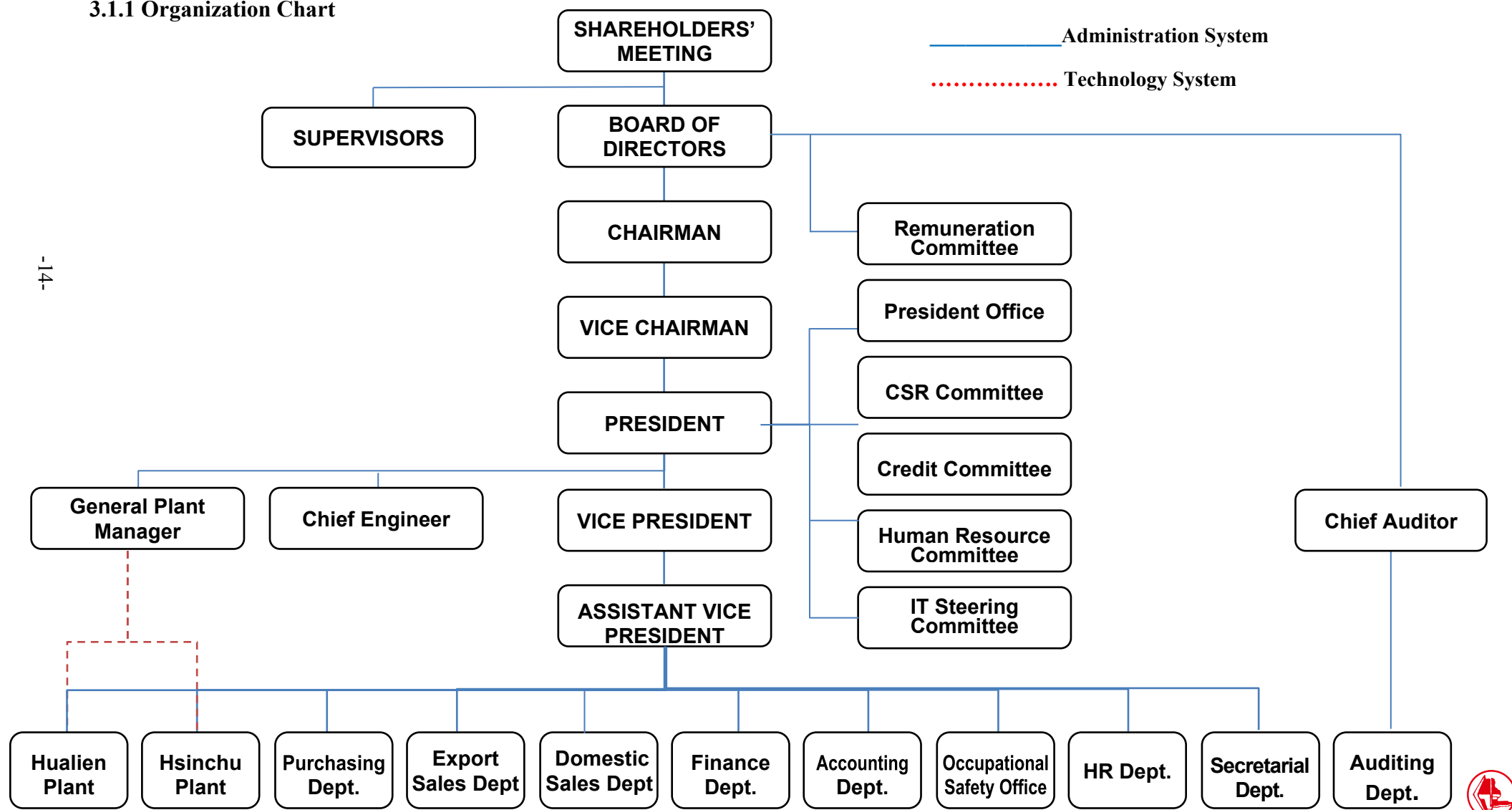
During the most recent fiscal year and the current fiscal year up to the date of printing of the annual report, there are no important events listed below impacting on the shareholders’ equity of the Company:

1. Mergers and acquisitions.
2. To restructure affiliate companies.
3. Large volume shares transferred or changed by directors, supervisors, or major shareholders who own more than 10% shareholding.
4. Changes in the Company’s management.
5. Significant changes in business modes or business scope.

III Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart





3.1.2 Major Corporate Functions

Company Organization with Functions of Risk Management

Department	Primary Functions
Auditing Dept.	Directly report to the Board of Directors. Plan and revise internal control system, evaluating each department's operation and procedures in order to work out risk-management orientated annual auditing plan.
Remuneration Committee	Directly report to the Board of Directors. Prescribe and periodically review the performance and remuneration policy for directors, supervisors and managerial officers.
President Office	Assist ACC President to deal with daily affairs, plan operation strategies, and review the middle-term and long-term investment to reduce the risks resulting from improper decisions.
CSR Committee	Responsible for investigating and identifying corporate sustainability issues and to respond major considerations of stakeholders in order to implement the goal of sustainable development.
Credit Committee	Execute "Regulations for Managing Client's Credit" enacted by the Company and take charge of risk control of account receivable.
Human Resource Committee	Review and advice to modify the Company's organization structure, rules of personnel management, and other important human resource matters.
IT Steering Committee	Review all affairs relating to information operation system, office automation, internal and external website applications and information security to the needs of operation, management and provide strategy to prevent the risk of information security and its efficiency.
Secretarial Dept.	Handle the affairs of general services, secretary, legal affairs, public relations, etc. Reinforce legal sense of employees to decrease the risks of violating law.
HR Dept.	Plan and implement HR policies to reduce relevant risks. HR Department is also responsible for promoting ethical management of the Company.
Occupational Safety Office	Responsible for occupational safety and health management, formulating policies and supervising related affairs to ensure safety of workers and reduce the risk and loss of occupational hazards.
Accounting Dept.	Handle all accounting matters including the costs, accounts, taxation to ensure management efficiency of the Company's operation, the reliability of financial report, and the adherence of related accounting regulations to reduce company operation risks.
Finance Dept.	Responsible for financial operation strategy, investment strategy, financial management, and dividend strategy, as well as investor relationship in order to minimize financial exposure, uphold financial opportunity and maximize shareholders' best interest.
Domestic Sales Dept.	Plan and implement domestic marketing strategy, credit customers, and identify market trends to achieve business goals and reduce relevant risks.
Export Sales Dept.	Plan and implement oversea marketing strategy, credit customers, and identify market trends to achieve business goals and reduce relevant risks.
Purchasing Dept.	Handle all purchasing and contract issuing matters, setting up hedging mechanism to cope with changes in raw materials prices and shortage of raw materials supply.
Hsinchu Plant Hualien Plant	Take charge of R&D, production technology, quality control, planning production policies in collaboration with sales strategies to reduce production risks.

3.2 Directors, Supervisors and Management Team

3.2.1 Directors and Supervisors

Title Name	Elected Date	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman Douglas Tong Hsu	2014.06.16	3	1975.04.28	22,821,897	0.69%	23,278,334	0.69%	8,124,332	0.24%	Master of Economics, Columbia University	Chairman, Far Eastern New Century Corp. Chairman, Far Eastone Telecommunications Co., Ltd Chairman, Far Eastern Department Stores Ltd.	Director Director Director	Connie Hsu Peter Hsu Johnny Shih	Sibling Sibling relatives by marriage
Director Tsai Hsiung Chang	2014.06.16	3	1981.04.24	450,344 *735,795,416	0.01% *22.33%	459,350 *750,511,324	0.01% *22.33%	110,877	0.00%	Mechanical Technology Section, National Central Industrial College (Chongqing)	Senior Advisor, Asia Cement (China) Holdings Corp. Director, U-Ming Marine Transport Corp. Director, Yuan Ze Uni.	-	-	-
Director Johnny Shih	2014.06.16	3	1984.04.25	787,986 **735,795,416	0.02% *22.33%	453,745 *750,511,324	0.01% *22.33%	7,225,993	0.21%	Master of Computer, Columbia University	Vice Chairman, Far Eastern New Century Corp. Vice Chairman, Oriental Union Chemical Corp.	Chairman Director Director	Douglas Tong Hsu Connie Hsu Peter Hsu	relatives by marriage relatives by marriage relatives by marriage
Director C.V. Chen	2014.06.16	3	1987.04.16	331,794 **735,795,416	0.01% *22.33%	338,429 *750,511,324	0.01% *22.33%	0	0	S.J.D., Harvard University	Chairman and Managing Partner, Lee and Li Attorneys-At-Law Government Consultant, Executive Yuan Chairman, Taipei European School	-	-	-
Director Sui-Cheong Ying	2016.03.02	3	2016.03.02	0 *12,965,043	0 *0.39%	15,236 *13,224,343	0.00% *0.39%	0	0	Bachelor of Accounting, Australian National University	Chairman, X.Z. Ying-Chai Memorial Foundation Chairman, Y.G. Ying Memorial Foundation	-	-	-
Director Kun Yen Lee	2014.06.16	3	2005.06.09	2,315,252 *1,857,977	0.07% *0.06%	2,361,557 *1,895,136	0.07% *0.06%	0	0	Yi-Lan Elementary School	President, Asia Cement Corp. Director, U-Ming Marine Transport Corp.	-	-	-
Director Peter Hsu	2014.06.16	3	2002.06.07	11,230,374 *4,180,197	0.34% *0.13%	11,454,981 *4,263,800	0.34% *0.13%	0	0	Master of Operations Research,	Vice Chairman, Far Eastern New Century Corp.	Chairman Director	Douglas Tong Hsu Connie Hsu	Sibling Sibling

										Stanford University Master of Information Science, UCLA	Director, Far Eastone Telecommunications Co., Ltd	Director	Johnny Shih	relatives by marriage
Director Chen Kun Chang	2014.06.16	3	2011.06.22	11,645 *4,180,197	0.00% *0.13%	29,745 *4,263,800	0.00% *0.13%	5,358	0.00%	Mechanical Section, National Taipei Institute of Technology	Vice CEO, Asia Cement (China) Holdings Corp. President, Jiangxi Yadong Cement Corp.	-	-	-
Director Connie Hsu	2014.06.16	3	1990.04.12	13,985,034 *4,742,585	0.42% *0.14%	14,264,734 *4,837,436	0.42% *0.14%	0	0	Bachelor of Biology, California State University	Director, Oriental Institute of Technology Director, Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Chairman Director Director	Douglas Tong Hsu Peter Hsu Johnny Shih	Sibling Sibling relatives by marriage
Director Ruey Long Chen	2014.06.16	3	2011.06.22	0 *1,529,479	0 *0.05%	0 *1,560,068	0 0.05%	0	0	Bachelor of Economics, National Chung Hsing University	Chairman, Sinocon Industrial Standards Foundation Chairman, Powerchip Technology Corp. Secretary General, Cross-Strait Entrepreneur Summit	-	-	-
Independent Director Ta-Chou Huang	2014.06.16	3	2014.06.16	0	0	0	0	0	0	PhD. in Agriculture, Cornell University Former Taipei City Mayor	Honorary Professor, National Taiwan University Chairman, The Association of Parks And Open Space	-	-	-
Independent Director Chi Schive	2014.06.16	3	2014.06.16	0	0	0	0	0	0	PhD. in Economics, Case Western Reserve University Former Chairman, Taiwan Stock Exchange	Chair Professor, Shih Hsin University	-	-	-
Independent Director Gordon S. Chen	2014.06.16	3	2014.06.16	0	0	0	0	0	0	PhD. in Business Administration, National Taiwan University Former Chairman, Financial Supervisory Commission	Honorary Chair Professor, Chung Yuan Christian University	-	-	-
Supervisor Shaw Yi Wang	2014.06.16	3	1993.05.07	151,803 *178,006,664	0.00% *5.40%	154,839 *181,566,797	0.00% *5.40%	0	0	Bachelor of Business Administration,	CEO of Public Welfare, Far Eastern Group Director, Far Eastern	-	-	-



										National Chung Hsing University	Y.Z. Hsu Science and Technology Memorial Foundation			
Supervisor Champion Lee	2014.06.16	3	2002.06.07	0 *178,006,664	0 *5.40%	0 *181,566,797	0 *5.40%	0	0	Master of Business Administration, Texas A&I University	Supervisor, Far Eastern New Century Corp. Director, U-Ming Marine Transport Corp.	-	-	-
Supervisor Chin-Der Ou	2014.06.16	3	2014.06.16	0 *3,773,989	0 *0.11%	0 *3,849,468	0 *0.11%	0	0	Ph.D., Case Western Reserve University	Director, Taiwan Construction Research Institute	-	-	-
Supervisor Ting Yu Tung	2014.06.16	3	2002.06.07	2,122,041 *3,773,989	0.06% *0.11%	2,164,481 *3,849,468	0.06% *0.11%	0	0	Ph.D., Stanford University	President, Elite Material Co., Ltd Supervisor, New Asia Construction Corp.	-	-	-
Supervisor Kwan-Tao Li	2014.06.16	3	1978.04.21	630,330 *1,476,064	0.02% *0.04%	642,936 *1,505,585	0.02% *0.04%	0	0	Master, New York University	Chief Counselor, Lee and Li Attorneys-At-Law Director, Far Eastern New Century Corp. Director, Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation:	-	-	-

Note 1: Information on Directors and Supervisors that are Representatives of Institutional Investors:

Representatives of Far Eastern New Century Corp.:	Director Tsai Hsiung Chang, Johnny Shih, C.V. Chen
Representative of X.Z. Ying-Chai Memorial Foundation:	Director Sui-Cheong Ying
Representative of Yue Ding Industry Co., Ltd.:	Director Kun Yen Lee
Representatives of Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation:	Director Peter Hsu, Chen Kun Chang
Representative of Huey Kang Investment Corp.:	Director Connie Hsu
Representative of Ta Chu Chemical Fiber Co., Ltd:	Director Ruey Long Chen
Representatives of Far Eastern Medical Foundation:	Supervisor Shaw Yi Wang, Champion Lee
Representatives of Bai-Yang Investment Holdings Corp.:	Supervisor Chin-Der Ou, Ting Yu Tung
Representative of U-Ming Corp.:	Supervisor Kwan-Tao Li

Note 2: “*” indicates the number of shares held by Institutional Investors respectively represented by directors and supervisors listed above.

Note 3: The shareholding excludes the shareholding that the trustor retains the power to decide the allocation of the trust fund.

Note 4: There is no director or supervisor holding shares in the name of other person.

Note 5: Except Director Sui-Cheong Ying, who is Australian Citizen, other Directors and supervisors are Taiwanese Citizens.

The First and Most Recent Date for Institutional Investors Elected as Directors and Supervisors

Title	Name of the Institutional Investors	First Date Elected	Most Recent Date Elected
Directors	Far Eastern New Century Corp	1987.04.16	2014.06.16
	X.Z. Ying-Chai Memorial Foundation	1993.05.07	2014.06.16
	Yue Ding Industry Co., Ltd.	2005.06.09	2014.06.16
	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	2005.06.09	2014.06.16
	Huey Kang Investment Corp.	2008.06.17	2014.06.16
	Ta Chu Chemical Fiber Co., Ltd.	2011.06.22	2014.06.16
Supervisors	Far Eastern Medical Foundation	1987.04.16	2014.06.16
	Bai-Yang Investment Holdings Corp.	2001.05.16	2014.06.16
	U-Ming Corp.	1993.05.07	2014.06.16

Note: The first date elected as directors and supervisors are based on the annual reports of the Company.



3.2.2 Major Shareholders of the Institutional Shareholders

Name of Institutional Shareholder	Major Shareholder of the Institutional Shareholders	%
Far Eastern New Century Corporation	Asia Cement Corporation	23.77
	Oriental Institute of Technology	4.81
	Far Eastern Medical Foundation	3.61
	Far Eastern Memory Foundation	3.13
	Yuan-Ze University	2.74
	Cathay Life Insurance Co., Ltd.	2.52
	Shin Kong Life Insurance Co., Ltd.	2.33
	Nan Shan Life Insurance Co. , Ltd.	2.32
	Douglas Tong Hsu	1.71
	China Life Insurance Co., Ltd.	1.63
Ta Chu Chemical Fiber Co.,Ltd.	Yuan Ding Investment Company	41.86
	Yue Ding Industry Co., Ltd.	38.76
	Yue-Lee Investment Company	19.38
Yue Ding Industry Co.,Ltd.	Fu Da Transportation Co., Ltd.	26.95
	Yue-Tung Investment Corp.	25.36
	An Ho Garment Co., Ltd.	15.66
	Ding Yuan International Investment Corp.	13.20
	Ton Fu Investment Corp.	4.61
	Ta Chu Chemical Fiber Co., Ltd.	3.89
	Ya Li Precast Prestressed Concrete Industries Corp.	3.89
	Yuan Ding Co., Ltd.	2.59
	Bai Ding Investment Co., Ltd.	2.31
	Yu Ming Co., Ltd.	1.53
Huey Kang Investment Corp.	Connie Hsu	50.58
	H.G.Yang	24.71
	H.M.Yang	24.71
Bai Yang Investment Corp.	Far Eastern Department Stores Co., Ltd.	100.0
U-Ming Corp.	Far Eastern Department Stores Co., Ltd.	100.0



3.2.3 Major Shareholders of the Major Shareholders That Are Juridical Persons

Name of Juridical Persons	Major Shareholder of the Juridical Persons	%
Asia Cement Corporation	Far Eastern New Century Corporation	22.33
	Far Eastern Medical Foundation	5.40
	Fubon Life Insurance Co., Ltd.	4.34
	Cathay Life Insurance Co., Ltd.	2.35
	Far Eastern Department Stores Co., Ltd.	1.81
	Labor Pension Fund Committee of Far Eastern New Century Corporation	1.51
	Yuan-Ze University	1.41
	Shin Kong Life Insurance Co., Ltd.	1.36
	Labor Insurance Fund	1.34
	Yu Yuan Investment Co., Ltd	1.29
Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co., Ltd.	100.0
Shin Kong Life Insurance Co., Ltd.	Shin Kong Financial Holding Co; Ltd	100.0
Nan Shan Life Insurance Co., Ltd.	First Commercial Bank Trustee Account For Representative of Ruen Chen Investment Holding Co., Ltd.	76.46
	Ruen Chen Investment Holding Co., Ltd.	14.16
	Y. T. Du	3.25
	Ruen Hua Dyeing & Weaving Co.,Ltd.	0.28
	Ruentex Leasing Co., Ltd.	0.15
	Chi-Pin Investment Company	0.11
	Boon-Teik Koay	0.11
	Taishin International Bank Trustee Account For Nan Shan Life Insurance Co., Ltd.	0.06
	Pou Chi Investments Co.,Ltd.	0.05
	Pou Yih Investments Co.,Ltd.	0.05
	Pou Huei Investments Co.,Ltd.	0.05
	Pou Hwang Investments Co.,Ltd.	0.05
China Life Insurance Co., Ltd.	KGI Securities Co., Ltd	9.74
	Funds of Saudi Arabia Central Bank at the discretionary account of Morgan Stanley Asset Management, in custody of JP Morgan Chase Bank	4.62
	Citi as Trustee For The Government Of Singapore Investment Corp.	3.24
	Deutsche Bank Taipei Branch in custody for Trust and Investment Group in New York City account	2.41
	Videoland Television Network Co., Ltd	2.35
	Labor Pension Fund	1.97

Name of Juridical Persons	Major Shareholder of the Juridical Persons	%
	JPMorgan Chase Bank N.A. Taipei Branch in custody for ABU DHABI Investment Authority	1.83
	JP Morgan Bank (Ireland) Plc as trustee for INVESCO Asian Equity Core Fund account in custody of JP Morgan Chase Bank	1.79
	T. Rowe Price Emerging Markets Stock Fund account in custody of JP Morgan Chase Bank	1.59
	Fubon Life Insurance at the discretionary account of SinoPac SITC	1.38
Yuan Ding Investment Company	Far Eastern New Century Corporation	99.40
	An Ho Garment Co.,Ltd.	0.30
	Ta Chu Chemical Fiber Co.,Ltd.	0.30
Yue Ding Industry Co.,Ltd.	Fu Da Transportation Co., Ltd.	26.95
	Yue-Tung Investment Corp.	25.36
	An Ho Garment Co., Ltd.	15.66
	Ding Yuan International Investment Corp.	13.20
	Ton Fu Investment Corp.	4.61
	Ta Chu Chemical Fiber Co., Ltd.	3.89
	Ya Li Precast Prestressed Concrete Industries Corp.	3.89
	Yuan Ding Co., Ltd.	2.59
	Bai Ding Investment Co., Ltd.	2.31
	Yu Ming Co., Ltd.	1.53
Yue-Lee Investment Company	U-Ming Marine Transport Corp.	68.18
	U-Ming Marine Transport (Singapore) Private Ltd.	31.82
Fu Da Transportation Co., Ltd.	Fu Ming Transportation Co., Ltd.	99.87
	Asia Investment Corp.	0.03
Yue-Tung Investment Corp.	U-Ming Marine Transport Corp.	73.54
	U-Ming Marine Transport (Singapore) Private Ltd.	26.46
An Ho Garment Co., Ltd.	Far Eastern New Century Corporation	100.0
Ding Yuan International Investment Corp.	Far Eastern New Century Corporation	100.0
Ton Fu Investment Corp.	Oriental Union Chemical Corp.	100.0
Ta Chu Chemical Fiber Co., Ltd.	Yuan Ding Investment Company	41.86
	Yue Ding Industry Co., Ltd.	38.76
	Yue-Lee Investment Company	19.38
Ya Li Precast Prestressed Concrete Industries Corp.	Asia Cement Corporation	83.81
	Far-Eastern Construction Engineering Co.,Ltd.	16.03
Yuan Ding Co.,Ltd.	Far Eastern New Century Corporation	37.13
	Asia Cement Corporation	35.50
	Der Ching Investment Corp.	14.50
	Yuan Ding Investment Company	12.86



Name of Juridical Persons	Major Shareholder of the Juridical Persons	%
	Yu Ming Trading Corp.	0.002
	Far Eastern Department Stores Co., Ltd.	0.001
Bai Ding Investment Corp.	Far Eastern Department Stores Co., Ltd.	66.66
	Bai Yang Investment Corp.	33.34
Yu Ming Trading Corp.	Bai Ding Investment Co., Ltd	47.00
	Yuan Ding Investment Company	45.50
	Yue Ding Industry Co., Ltd.	5.00
	Yuan Ding Co., Ltd.	1.00
	Ding & Ding Management Consultants Co., Ltd	1.00
	Yuan Ding Leasing Corp.	0.50
Far Eastern Department Stores Co.,Ltd.	Far Eastern New Century Corporation	17.06
	Asia Cement Corporation	5.65
	Yuan-Ze University	4.75
	Yuan Tong Investment Co., Ltd	2.80
	Cathay Life Insurance Co., Ltd.	2.48
	The committee of Employee Pension Fund of Far Eastern Department Stores Co., Ltd.	2.22
	Yu Yuan Investment Co., Ltd	2.06
	Oriental Securities Corporation	1.58
	Labor Pension Fund	1.54
	Kai Yuan International Investment Co., Ltd.	1.46

3.2.4 Professional Qualifications and Independence Analysis of Directors and Supervisors

Criteria Name	Meet one of the following professional qualification requirements, together with at least five-years work experience			Independence Criteria(Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Have work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	
Douglas Tong Hsu			✓			✓				✓		✓	✓	0
Tsai Hsiung Chang			✓			✓	✓			✓	✓	✓		0
Johnny Shih			✓			✓				✓		✓		0
C.V. Chen	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓		0
Sui-Cheong Ying			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Kun Yen Lee			✓			✓	✓	✓		✓	✓	✓		0
Peter Hsu			✓			✓				✓		✓		0
Chen Kun Chang			✓			✓	✓	✓		✓	✓	✓		0
Connie Hsu			✓	✓		✓		✓	✓	✓		✓		0
Ruey Long Chen		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		3
Ta-Chou Huang	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chi Schive	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Gordon S. Chen	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Shaw Yi Wang			✓			✓	✓			✓	✓	✓		0
Champion Lee			✓			✓	✓			✓	✓	✓		0
Chin-Der Ou	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Ting Yu Tung			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Kwan-Tao Li	✓	✓	✓	✓		✓	✓		✓		✓	✓		0

Note:

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director

- of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.
 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
 6. Not a director, supervisor, officer, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.
 7. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
 8. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
 9. Not been a person of any conditions defined in Article 30 of the Company Act.
 10. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

*** The Company elected 3 independent directors, Ta-Chou Huang, Chi Schive, and Gordon S. Chen on the Shareholders' Meeting on June 16, 2014.**

3.2.5 Management Team

As of Apr. 30, 2014

Title	Name	Effective Date	Shareholding		Spouse & Minor Shareholding		Experience(Education)	Other Title
			Shares	%	Shares	%		
President	Kun Yen Lee	2000.08.01	2,361,557	0.0703	0	0	Chairman of Ya Tung Ready-Mixed Concrete Co., LTD	Director, U-Ming Marine Transport Corp.
Chief Executive Vice President	Y.F. Chang	2000.08.01	811	0.0000	0	0	Bachelor degree in Chemical, Tunghai University	Director, China Hi-Ment Corporation
Executive Vice President	R.H. Shao	2000.08.01	511,416	0.0152	2,442	0.0001	Bachelor degree in Accounting, Soochow University	Supervisor, U-Ming Marine Transport Corp.
Executive Vice President	Doris Wu	2007.07.25	0	0	0	0	Bachelor degree in Accounting, California State University	Supervisor, Oriental Union Chemical Corp.
Vice President	C.M. Chen	2007.07.01	39,801	0.0012	68,596	0.0020	Bachelor degree in International Trade, Tamkang University	Director, Nan Hwa Cement Corp.



Title	Name	Effective Date	Shareholding		Spouse & Minor Shareholding		Experience(Education)	Other Title
			Shares	%	Shares	%		
Vice President	W.K. Chou	2007.07.01	4,962	0.0001	0	0	Bachelor degree in Law, Soochow University	Supervisor, Pan Asia Corporation
General Plant Manager	Z.P. Chang	2009.07.01	33,999	0.0010	53,588	0.0016	Bachelor degree in Electrical Engineering, National Taiwan University	Supervisor, U-Ming Marine Transport Corp
Manager of the Hsinchu Plant	Z.H. Qiu	2013.11.16	0	0	0	0	Bachelor degree in Chemical Engineering, Tamkang University	Director, Nan Hwa Cement Corp.
Assistant Vice President	C.P. Sue	2008.11.01	63	0.0000	0	0	Bachelor degree in Marine Engineering, National Taiwan Ocean University	Director, Asia Cement (Singapore) Pte. Ltd.
Assistant Vice President	T.L. Yu	2009.09.01	122,202	0.0036	98	0.0000	Bachelor degree in Business Administration, University of the Philippines	Director, Yu Yuan Investment Co., Ltd
Deputy Chief Auditor	W.H. Yeh	2013.10.16	0	0	0	0	Bachelor degree in Accounting, Soochow University	Supervisor, Nan Hwa Cement Corp.
Manager of Domestic Sales Dept.	M.C. Cheng	2008.11.01	0	0	0	0	Bachelor degree in Business Administration, Feng Chia University	Director, Ya Li Transport Corp.
Special Assistant of President Office	T.M. Chen	2011.01.01	147,268	0.0044	0	0	Bachelor degree in sociology, National Taiwan University	Director, Yu Yuan Investment Co., Ltd
Manager of Secretarial Dept.	Manfred Wang	2012.10.01	0	0	0	0	Bachelor degree in Law, Soochow University	Director, Fu Shan Mineral Stone Co., Ltd.
Manager of Accounting Dept	Nancy Kao	2013.10.16	832	0.0000	467	0.0000	Bachelor degree in Accounting, Soochow University	Supervisor, Asia Investment Co., Ltd

* There is no manager holding shares in the name of any other person.

* Managers are spouse or within second- degree of consanguinity to each other: None.

* All managers are Taiwanese citizens.

3.2.6 Remuneration of Directors, Supervisors, President, and Vice Presidents

1. Remuneration of Directors

Unit: NT \$1,000

Title	Name	Remuneration of Directors								Total Amount (A+B+C+D)/Net Income		Remuneration paid as the status of employee						Total Amount (A+B+C+D+E +F+G)/Net Income		Other remuneration from investment business except subsidiary
		Compensation (A)		Pensions(B)		Directors Remuneration(C)		Operating Allowance (D)				Salary, Reward, and Allowance etc.(E)		Pensions(F)		Employees Compensation (G)				
		ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC Cash Bonus	All companies* Cash Bonus	ACC	All companies*			
Chairman	Douglas Tong Hsu	8,269	8,940	0	0	18,000	18,545	120	1,723	2.197%	2.463%	0	0	0	0	0	0	2.512%	2.837%	162,613
Director	Far Eastern New Century Corp.	0	0	0	0	20,500	20,500	0	0			0	0	0	0	0	0			
Director	Far Eastern New Century Corp. Representative: Tsai Hsiung Chang	1,100	1,100	0	0	14,400	14,851	120	1,242			3,622	3,871	108	108	3,786	3,786			24
	Far Eastern New Century Corp. Representative: Johnny Shih	0	1,696	0	0	12,600	13,736	120	120			0	0	0	0	0	0			40,837
Director	Far Eastern New Century Corp. Representative: C.V. Chen	2,100	2,239	0	0	28,538	30,985	906	4,029			4,587	7,168	108	108	3,118	3,118			37,967
Director	XZ.Ying-Chai Memorial Foundation Representative: He-Shan Ying (relieved) Sui-Cheong Ying																			
Director	Yue Ding Industry Co., Ltd. Representative: Kun Yen Lee																			
Director Director	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation Representatives: Peter Hsu Chen Kun Chang																			
Director	Ta Chu Chemical Fiber Co.,Ltd Representative: Ruey Long Chen																			
	Huey Kang Investment Corp. Representative:																			



Director	Connie Hsu																		
Independent Director	Ta-Chou Huang																		
Independent Director	Chi Schive																		
Independent Director	Gordon S. Chen																		

* Please refer to Consolidated Operational Report for the list of All Companies.

* Pensions funded according to applicable laws.

* No stock bonus, warrant, or restricted stock awards for employees have been distributed from ACC and all companies listed in consolidated operational report.

* Director Tsai Hsiung Chang is assigned one vehicle. The monthly rental is NT\$ 79,300, and the annual remuneration of the driver is about NT\$ 700,000.

* Director and President Kun Yen Lee is assigned one vehicle. The monthly rental is NT\$ 77,900, and the annual remuneration of driver is about NT\$ 700,000.

* Within recent two fiscal years, all ACC directors' remuneration accounted for 2.317% and 2.512% of ACC net income. Total directors' remuneration paid by all companies listed in consolidated operational report accounted for 2.176% and 2.837% of net income received from those companies.

Classification of Remuneration Paid to ACC Directors	Name of Directors			
	A+B+C+D (Please refer to listed information above)		A+B+C+D+E+F+G (Please refer to listed information above)	
	ACC	All companies listed in Consolidated Operational Report	ACC	All companies listed in Consolidated Operational Report
Under NT\$2,000,000	Yue Ding Industry Co., Ltd., C.V. Chen, He Shan Ying, Sui-Cheong Ying, Connie Hsu, Ruey Long Chen, Chen Kun Chang, Ta-Chou Huang, Chi Schive, Gordon S. Chen	Yue Ding Industry Co., Ltd., C.V. Chen, He Shan Ying, Sui-Cheong Ying, Connie Hsu, Ruey Long Chen, Ta-Chou Huang, Chi Schive, Gordon S. Chen	Yue Ding Industry Co., Ltd., C.V. Chen, He Shan Ying, Sui-Cheong Ying, Connie Hsu, Ruey Long Chen, Chen Kun Chang, Ta-Chou Huang, Chi Schive, Gordon S. Chen	Yue Ding Industry Co., Ltd., C.V. Chen, He Shan Ying, Sui-Cheong Ying, Connie Hsu, Ruey Long Chen, Ta-Chou Huang, Chi Schive, Gordon S. Chen
NT\$2,000,000~NT\$5,000,000	-	Chen Kun Chang	-	Chen Kun Chang
NT\$5,000,000~NT\$10,000,000	Huey Kang Investment Corp., X.Z.Ying-Chai Memorial Foundation, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation, Peter Hsu	Huey Kang Investment Corp., X.Z.Ying-Chai Memorial Foundation, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation	Huey Kang Investment Corp., X.Z.Ying-Chai Memorial Foundation, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation, Peter Hsu	Huey Kang Investment Corp., X.Z.Ying-Chai Memorial Foundation, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation
NT\$10,000,000~NT\$15,000,000	Johnny Shih, Kun Yen Lee	Peter Hsu, Kun Yen Lee	Johnny Shih	-
NT\$15,000,000~NT\$30,000,000	Douglas Tong Hsu, Tsai Hsiung Chang,	Douglas Tong Hsu, Tsai Hsiung Chang, Johnny	Douglas Tong Hsu, Tsai Hsiung Chang,	Tsai Hsiung Chang, Kun Yen Lee

	Far Eastern New Century Corp.	Shih, Far Eastern New Century Corp.	Kun Yen Lee, Far Eastern New Century Corp.	Far Eastern New Century Corp.
NT\$30,000,000~NT\$50,000,000	-	-	-	Peter Hsu
NT\$50,000,000~NT\$100,000,000	-	-	-	Johnny Shih
Over NT\$100,000,000	-	-	-	Douglas Tong Hsu
Total	20	20	20	20

* The remuneration of directors is paid in consideration of the Company's operating performance and individual contribution.

* The salaries of executive directors have reference to the payment of employees and industry standards.

* The remuneration for directors and supervisors is not more than 2.5% of profit of the current year.

* Each Director has agreed regarding to the principle of distribution of remuneration.

* The Remuneration Committee has approved current remuneration system for directors and Supervisors.

2. Remuneration of Supervisors

Unit: NT \$ 1,000

Title	Name	Remuneration of Supervisors						Total Amount (A+B+C)/Net Income		Other remuneration from investment business except subsidiary
		Compensation (A)		Supervisors Remuneration from Distributable Earnings(B)		Operating Allowance (C)				
		ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	
Supervisor	Far Eastern Medical Foundation Representatives: Shaw Yi Wang and Champion Lee	0	1,100	25,239	25,239	408	408	0.528%	0.550%	45,180
Supervisor	Bai-Yang Investment Holdings Corp. Representative: Ting Yu Tung Representative: Chin-Der Ou									
Supervisor	U-Ming Corp. Representative: Kwan-Tao Li									

* Please refer to Consolidated Operational Report for the list of All Companies.

* Supervisor received no salary and other services paid by ACC and all companies listed in consolidated operational report.

* Within recent two fiscal years, all supervisors' remuneration, which are mainly transportation allowance and remuneration from distributable earnings, accounted for 0.544% and 0.528% of ACC net income; Total supervisors' remuneration paid by all companies listed in consolidated operational report accounted for 0.467% and 0.550% of net income received from those companies.



Classification of Remuneration Paid to ACC Supervisors	Name of Supervisors	
	A+B+C (Please refer to listed information above)	
	ACC	All companies listed in Consolidated Operational Report
Under NT\$2,000,000	Shaw Yi Wang, Champion Lee, Kwan-Tao Li, Chin-Der Ou	Chin-Der Ou
NT\$2,000,000~NT\$5,000,000	-	-
NT\$5,000,000~NT\$10,000,000	U-Ming Corp., Bai-Yang Investment Holdings Corp., Far Eastern Medical Foundation, Ting Yu Tung	U-Ming Corp., Bai-Yang Investment Holdings Corp., Far Eastern Medical Foundation, Ting Yu Tung, Kwan-Tao Li
NT\$10,000,000~NT\$15,000,000	-	-
NT\$15,000,000~NT\$30,000,000	-	Shaw Yi Wang, Champion Lee
NT\$30,000,000~NT\$50,000,000	-	-
Total	8	8

* The remuneration of supervisors is paid in consideration of the Company's operating performance and individual contribution.

* The remuneration for directors and supervisors is not more than 2.5% of profit of the current year.

* Each Supervisor has agreed regarding to the principle of distribution of remuneration.

* The Remuneration Committee has approved current remuneration system for Directors and Supervisors.

3. Remuneration of President and Vice Presidents

Unit: NT \$ 1000

Unit: NT \$ 1000

Title	Name	Salary(A)		Pensions(B)		Reward and Allowance etc. (C)		Employees bonus from Distributable Earnings (D)		Total Amount (A+B+C+D)/Net Income		Other remuneration from investment business except subsidiary
		ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	
								Cash Bonus	Cash Bonus			
President	Kun Yen Lee	19,130	20,207	756	756	8,164	8,205	17,397	17,397	0.935%	0.958%	2,091
Chief Executive Vice President	Y.F. Chang											
Executive Vice President	R.H. Shao											
Executive Vice President	Doris Wu											
Vice President	C.M. Chen											
Vice President	W.K. Chou											
General Plant Manager	Z.P. Chang											

* Please refer to Consolidated Operational Report for the list of All Companies.

* Pensions funded according to applicable law.

* No stock bonus, warrant, or restricted stock awards for employees have been distributed from ACC and all companies listed in consolidated operational report.

* The chief executive vice president of the Company, Y.F. Chang is assigned one vehicle. The monthly rental is NT \$ 44,400.

* Within recent two fiscal years, total remuneration of the President and Vice Presidents accounted for 0.442% and 0.935% of ACC net income. Total amount of President and Vice Presidents' remuneration paid by all companies listed in consolidated operational report accounted for 0.410%及 0.958% of net income received from those companies.

Classification of Remuneration Paid to ACC President and Vice Presidents	Name of President and Vice Presidents	
	ACC	All companies listed in Consolidated Operational Report
NT\$2,000,000~NT\$5,000,000	-	-
NT\$5,000,000~NT\$10,000,000	Kun Yen Lee, Y.F. Chang, R.H. Shao, Doris Wu, C.M. Chen, W.K. Chou, Z.P. Chang	Kun Yen Lee, Y.F. Chang, R.H. Shao, Doris Wu, C.M. Chen, W.K. Chou, Z.P. Chang
Total	7	7

* The remuneration of President and Vice Presidents is divided into two parts:

1. Monthly salary based on fixed salary rank.
2. Based on ACC's bonus system, bonus and compensation are distributed mainly in consideration of the Company's operating performance and individual annual performance.

* The Remuneration Committee has approved current remuneration system for the President and Vice Presidents.

3.2.7 Employees Remuneration to Management Team

Unit: NT \$ 1,000

	Title	Name	Stock Bonus	Cash Bonus	Total Amount	Total Amount/Net Income
Executive Officers	President	Kun Yen Lee	0	13,740	13,740	0.283%
	Chief Executive Vice President	Y.F. Chang				
	Executive Vice President	R.H. Shao				
	Executive Vice President	Doris Wu				
	Vice President	C.M. Chen				
	Vice President	W.K. Chou				
	General Plant Manager	Z.P. Chang				
	Manager of the Hsinchu Plant	Z.H. Qiu				
	Assistant Vice President	C.P. Sue				
	Assistant Vice President	T.L. Yu				
	Deputy Chief Auditor	W.H. Yeh				
	Manager of Domestic Sales Dept.	M.C. Cheng				
	Special Assistant of President Office	T.M. Chen				
	Manager of Secretarial Dept.	Manfred Wang				
	Manager of Accounting Dept.	Nancy Kao				

* The proposed amounts of 2015 managers' remunerations need to be approved by the 2016 regular shareholders' meeting.



3.2.8 Name and Title of the Top 10 Employees Who Were Distributed Employees Remuneration

Unit: NT \$ 1000

Rank	Title	Name	Stock Bonus	Cash Bonus	Total Amount
1	President	Kun Yen Lee	0	11,580	11,580
2	Chief Executive Vice President	Y.F. Chang			
3	Executive Vice President	Doris Wu			
4	Executive Vice President	R.H. Shao			
5	General Plant Manager	Z.P. Chang			
6	Vice President	C.M. Chen			
7	Vice President	W.K. Chou			
8	Assistant Vice President	T.L. Yu			
9	Deputy Chief Auditor	W.H. Yeh			
10	Manager of Domestic Sales Dept.	M.C. Cheng			

* The employees remuneration comes from the profits of 2015.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

There are 6 meetings of the 25th Board of Directors held in the period from January 1, 2015 to May 15, 2016. Directors' attendance condition was as follows:

Title	Name		Attendance in Person	By Proxy	Attendance Rate	Notes
Chairman	Douglas Tong Hsu		6	0	100%	Reappointment Jun.16, 2014
Director	Representatives of Far Eastern New Century Corp.	Tsai Hsiung Chang	6	0	100%	Reappointment Jun.16, 2014
		Johnny Shih	6	0	100%	Reappointment Jun.16, 2014
		C.V. Chen	5	1	83%	Reappointment Jun.16, 2014
Director	Representative of X.Z. Ying-Chai Memorial Foundation	He-Shan Ying	2	1	66%	Relieved Nov. 5, 2015
		Sui-Cheong Ying	2	0	100%	Reappointment Mar. 2, 2016
Director	Representative of Yue Ding Industry Co., Ltd.	Kun Yen Lee	6	0	100%	Reappointment Jun.16, 2014
Director	Representatives of Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Peter Hsu	6	0	100%	Reappointment Jun.16, 2014
		Chen Kun Chang	5	1	83%	Reappointment Jun.16, 2014
Director	Representative of Ta Chu Chemical Fiber Co.,Ltd	Ruey Long Chen	3	3	50%	Reappointment Jun.16, 2014
Director	Representative of Huey Kang Investment Corp.	Connie Hsu	5	0	83%	Reappointment Jun.16, 2014
Independent Director	Ta-Chou Huang		6	0	100%	Newly-elected Jun.16, 2014
	Chi Schive		6	0	100%	Newly-elected Jun.16, 2014
	Gordon S. Chen		4	0	67%	Newly-elected Jun.16, 2014

Other mentionable items:

1. All 3 independent directors gave us valuable opinions with no objection or expression of reservations in meeting minute or written statement.
2. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified: None.
3. Measures taken to strengthen the function of the Board:

Goals:

To enhance corporate governance and the function of the Board by enacting "the Procedures for Evaluating the Board of Directors' Performance"

Implementation Status and Assessment:

- A. The Board enacted "the Procedures for Evaluating the Board of Directors' Performance" on May 13, 2015 and disclosed on the Company's website.
- B. Secretarial Department reviewed the Self-Assessment Questionnaire of the Board and calculated a weighted average score, and reported to the Board on May 10, 2016.

- | |
|--|
| <ul style="list-style-type: none">C. Among all evaluation items, there are two items to be further improved, "the minimum annual training hour of directors" and "6 meetings of the Board annually", while other items meets good performance.D. This is the first Self-assessment of Board, and the Board paid high attention on this matter. This is very helpful to implement corporate governance and to enhance the function of the Board. |
|--|

3.3.2 Audit Committee

Article 14-4 of the Securities and Exchange Act provided that a listed company shall establish either an audit committee or supervisors, and the audit committee shall be composed of all independent directors. The Company elected three independent directors in 2014 shareholders' meeting. The Company will amend the Articles of Incorporation of Asia Cement Corporation in 2016 and establish Audit Committee in 2017 pursuant to government regulations.

3.3.3 Attendance of Supervisors for Board Meeting

There are 6 meetings of the 25th Board of Directors held in the period from January 1, 2015 to May 15, 2016. Supervisors' Attendance Condition was as follows:

Title	Name		Attendance in Person	Attendance rate	Notes
Supervisor	Representatives of Far Eastern Medical Foundation	Shaw Yi Wang	6	100%	Reappointment Jun.16, 2014
		Champion Lee	5	83%	Reappointment Jun.16, 2014
Supervisor	Representatives of Bai-Yang Investment Holdings Corp.	Chin-Der Ou	4	67%	Newly-elected Jun.16, 2014
		Ting Yu Tung	5	83%	Reappointment Jun.16, 2014
Supervisor	Representative of U-Ming Corp.	Kwan-Tao Li	5	83%	Reappointment Jun.16, 2014

Other mentionable items:

1. Organization and Responsibilities of Supervisors:

A. Communications with employees and shareholders:

In ACC, the labor relation is harmonious, information is open, and communication channels among different functions and levels are unblocked. Therefore, there is no affair with which employees and shareholders should communicate.

B. Communications with internal audit manager and CPA:

(1) Internal audit manager reports audit business and implementation status to Supervisors every half year.

(2) CPA and accounting manager report financial and operation business to Supervisors every year.

2. If supervisors make any statement in BOD meetings, the following information should be disclosed- the date of BOD, the term of BOD, the contents and resolutions of motions, and the follow-up of supervisors' statements:

In the recent fiscal year, Supervisors attended BOD meeting and participated in discussion. No opposition has been made by Supervisors to any motions and company policies.

3.3.4 Corporate Governance Execution Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the Corporate Governance Codes with reference to “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on Nov. 11, 2014. The information has been disclosed on MOPS and the Company’s website.	None
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has appointed spokesman or his deputy as well as stock agency, Oriental Security Corporation, to handle these issues. If involved in litigation matters, the spokesman will handle that with the Secretarial Department, and legal staff. If significant event happens, legal consultants, Lee and Li, and accounting consultants, Deloitte & Touche, will help deal with the matter. This complies with our internal operating procedures.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company keeps tracking the list of shareholders and follows the Article 3 of Market Information Post Regulation Reporting by Listed Companies to post related information within one month after the end of annual shareholders’ meetings.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		In addition to enacting “Regulations for Monitoring Subsidiaries” as the risk management mechanism for its subsidiaries, the Company has also enacted “Regulations for Managing Client’s Credit” and assigned the Credit Committee to be responsible for risk control of accounts receivable. Meanwhile, to establish risk management and firewall, we have signed up with affiliates for “Procedures of Assets Acquisition and Disposal”, “Procedures for Loaning of funds to Others”, “Procedures for Endorsement and Guarantee,” and “Rules on the Management of Related Party Transaction.” The Auditing Department will report regularly to the Board of Directors and Supervisors about any abnormal conditions and their improvements. The Auditing Department will also report to the Financial Supervisory Commission and other government agencies in accordance with relevant regulations.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		The Board of Director approved “the Procedure Dealing with Internal Material Information of Asia Cement Corporation” on December 21, 2009. It states that “directors, supervisors, managers and other employees shall not disclose internal material information to others, nor involve in any transaction of the Company’s stock or any other forms of security.”	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	V		The Board members considered its member diversification and approved “strengthening the function of the Board” Section of “the Corporate Governance Codes”. The Company adopts candidate nomination system for the election of directors/supervisors. In addition to the assessment of each candidate's education and experience, opinion of the stakeholder and full compliance with “the election rules for directors and supervisors” and “Corporate Governance Codes” are also considered. In the members of the 25th Board of Directors, except for one female member, there are members who have abilities of leadership, operation analysis, management, crisis management, industry knowledge and international view, such as Douglas Tong Hsu, Tsai Hsiung Chang, Johnny Shih, Peter Hsu, Kun Yen Lee, and Chen Kun Chang. Members who represent public welfare are He Shan Ying and Connie Hsu. C.V. Chen specializes in legal matters. Ruey Long Chen served as Minister of Economy. As for independent directors, Ta-Chou Huang Chi Schive, and Gordon S. Chen, they are expert in administrative management and financial matters. It is also mentionable that	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		V	Ta-Chou Huang had served in agriculture affair for the government. He gave us many advices in green vegetation and environmental protection of plants and mines. In summary, the present members of the Board do have diversity. The diversified policy for the composition of the Board of Directors has been disclosed on the Company’s website and MOPS. The Company has established Remuneration Committee. The Company will amend the Articles of Incorporation of Asia Cement Corporation in 2016 to establish Audit Committee in 2017 pursuant to government regulations. Other voluntarily established functional committees are: <u>Human Resource Committee:</u> Review and advice to modify the Company’s organization structure, rules of personnel management, and other important human resource matters. <u>Credit Committee:</u> Execute “Regulations for Managing Client’s Credit” enacted by the Company and take charge of risk control of account receivable. <u>CSR Committee:</u>	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?		V	Responsible for investigating and identifying corporate sustainability issues and to respond major considerations of stakeholders in order to implement the goal of sustainable development. <u>IT Steering Committee:</u> Review all affairs relating to information operation system, office automation, internal and external website applications and information security to the needs of operation, management and provide strategy to prevent the risk of information security and its efficiency. The company enacted “Procedures for Evaluating the Board’s Performance” on May 13, 2015 and conducts it annually. <u>Evaluation methods:</u> 1. Self-assessment of Board members Board members fill in the” Self-Assessment Questionnaire for Board Members” at the end of each year. 2. Assessment by Secretarial Department: Secretarial Department will evaluate evaluation items at the end of each year and modify evaluation items if needed. 3. Procedures: a. regularly review the effectiveness of the evaluation. b. at the end of each year, Secretarial Department will review the Self-Assessment Questionnaire and	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?	V		evaluation items, calculate a weighted average score, and report to the Board of Directors. 4. Implementation: At the beginning of each year, Secretarial Department will remind every Board's member about items in the Self-Assessment Questionnaire and other issues, such as “recognition and discussion issues of the Board in accordance with law, "Quarterly meeting requirement of the Board", "rules regarding to conflicts of interests of Directors", "the minimum annual training hour of directors", and “to enhance attendance rate of board of directors and shareholders meeting”. Secretarial Department reviewed the Self-Assessment Questionnaire of the Board and calculated a weighted average score, and reported to the Board on May 10, 2016. The Procedures for Evaluating the Board of Directors' Performance has been disclosed on the Company's website. 1. The Company has evaluated the independence of CPAs according to Certified Public Accountant Act and the Norms of Professional Ethics for Certified Public Accountant of the Republic of China, No.10, “Integrity,	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Objectivity, and Independence”. 2. The Board of Directors approved the following 15 independent CPAs assessment items on March 25, 2016: a. As of the most recent year, no CPA served for the Company for seven consecutive years without replacement. b. No CPA has conflicts of interests with the Company. c. CPAs do avoid any improper relationship with the company. d. Assistants of CPAs do comply with honesty, objectivity, and independence. e. No CPA has worked for the Company. So there is no time limit for the auditing of annual financial statements. f. No qualification of CPAs has been used by others. g. CPAs have no shareholding of the Company and its affiliates. h. There is no lending of funds between CPAs and the Company and its affiliates. i. There is no joint venture or sharing of interests between CPAs and the Company and its affiliates. j. CPAs receive no regular payroll from the Company and its affiliates. k. CPAs do not involve in the management and decision-making of the Company and	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			its affiliates. l. CPAs do not run any business that might hurt their independence. m. There is no CPA who is the spouse, lineal blood relatives, relatives by marriage, or collateral relatives by blood within two generations of any management team member. n. CPAs charge no commission in any business-related field. o. No CPA is fined nor has other issues that damage his independence. The Board of Directors received a declaration of independence issued by CPAs. The Company regularly checks its affiliates for items g-k for the independence of CPAs. The Board of Directors will periodically evaluate the independence of a CPA every year in March.	
4. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company provides “Stakeholder Area” section of the Company’s website for the communication channel with shareholders and stakeholders with respect to any CSR issues. http://www.acc.com.tw/	None
5. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates stock agency, Oriental Security Corporation, to deal with shareholder affairs.	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up a Chinese/English website (www.acc.com.tw) to disclose information regarding the Company’s financials, business and corporate governance status.	None
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		The Company has assigned a spokesman or his deputy to handle information collection and disclosure. The Company will also convene the institutional investors’ conference upon request and post relevant information on MOPS and ACC website. Please refer to Section 3.3.4 7(2) Investor Relations of this Annual Report.	None
7. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?				
(1) Status of employee rights and employee wellness: Please refer to the “Section 5.5 Labor Relation” of this Annual Report.				
(2) Investor Relations: For the efficient communication between investors and the Company, in addition to the spokesman or his deputy, the Company specifies its Finance Department to serve as investor relation contact. Moreover, the Company will attend or hold investor conference if necessary. In order to ensure the information symmetry of disclosure, the Company will post relevant information and materials to MOPS and the Company's website.				
(3) Supplier relations: The Company regards our suppliers as partners. Except requiring good service, high quality, and reasonable prices to our suppliers, the Company also brings our construction contractors into its safety management system, and set up safety regulations for contractors, such as access control and issuing construction permission, and holds training courses to help contractors fulfill safety requirements.				

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Stakeholders’ Rights: For the transparency and timely disclosure of the Company, the information of finance, business, and corporate governance could be accessed on the Company’s website and MOPS in both Chinese and English. (5) The training for directors and supervisors: Please refer to section 3.3.8 for detail. (6) Risk managements and assessments: Based on the principles of “protecting assets, promote interests, reducing damages and ensuring sustainable development" of the Company, the Company forms its company organization with functions of risk management. Please refer to section 3.1.2 for detail. Besides of routine business goals, each departments of the Company would timely adjust to rapidly-changing world for risk management. (7) Customer policy: The Company serves its customers with the principles of “good service, high quality, and reasonable prices, and customer-oriented”. The Company will also meet all customers’ need by stringent quality control. (8) Responsibility insurance purchase for directors and supervisors: None. However, since some listed companies of the Far Eastern Group have purchased responsibility insurance for directors and supervisors, the Company will report this matter to the Board for decision-making.				
8. Has the company implemented a self-evaluation report on corporate governance or has it authorized any other professional organization to conduct such evaluation? If so, please describe the opinion from the Board, the result of self or authorized evaluation, the major deficiencies, suggestions, or improvements. (1) The Company was ranked top 5% in “the 1st Corporate Governance Evaluation” by the TWSE. (2) The Company was ranked 6%~20% in “the 2nd Corporate Governance Evaluation” by the TWSE. (3) The Company received A++ ranking award in 2014 and 2015 “Information Transparency and Disclosure Ranking System", Securities and Futures Institute. (4) The 2015 CSR report of the Company (published on 2016) completed external assurance by SGS Taiwan Limited.				



3.3.5 The Composition, Duty, and Implementation Status of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of Members of the Remuneration Committee

Position ¹	Criteria Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria ²										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Members of the Remuneration Committee	Note ³
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Director	Chi Schive	V		V	V	V	V	V	V	V	V	V	V	V	3	Yes
Other	L.Z. Dong		V	V	V	V	V	V	V	V	V	V	V	V	2	-
Other	S.Y. Su			V	V	V	V	V	V	V	V	V	V	V	1	-
Other	M.X. Lin			V	V	V	V	V	V	V	V	V	V	V	1	-

*The 2nd Remuneration Committee established on June 24, 2014.

Note1: Please specify the members' position: director, independence director or others.

Note2: Please tick the corresponding boxes if each member has been any of the following during the two years prior to being elected or during the term of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
6. Not a director, supervisor, officer, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.
7. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
8. Not been a person of any conditions defined in Article 30 of the Company Act.

Note3: If the member is a director, please specify whether he/she fulfills the qualification set in the paragraph 5, Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded over the Counter."

2. Implementation Status of the Remuneration Committee

There are 4 members of the Remuneration Committee. Their terms of office start from June 24, 2014 to June 23, 2017. Totally, 5 meetings of the Remuneration Committee were held as of May 15, 2016. Members' attendance condition was as follows:

Position	Name	Attendance in Person	Attendance in Proxy	Attendance rate	Notes
Convener	Chi Schive	5	0	100	Incumbent
Member	L.Z. Dong	4	1	80	Incumbent
Member	S.Y. Su	5	0	100	Incumbent
Member	M.X. Lin	5	0	100	Incumbent
Other mentionable items: 1. If the board of directors declined to adopt, or modified a recommendation of the Remuneration Committee, please specify the date, term, content, resolution, and the Company's processing situations for Remuneration Committee's resolution: None. 2. If any objections or reservations expressed by any committee member in record or in written to Remuneration Committee's resolution, please specify the date, term, content, and the committee's processing situations for objections or reservations: None.					

3.3.6 Corporate Social Responsibility

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Corporate Governance Implementation (1) Does the company declare its corporate social responsibility policy and examine the results of the implementation?	V		The Company enacted “Corporate Social Responsibility Policy” on Nov. 11, 2014 and published first CSR report on Dec. 2014. These have been disclosed on the Company’s website. The CSR Committee (operated by the Secretarial Department) will report to the Board on May and November about the implement status and review of the CSR policy. The highlight for the CSR report lists as following: 1. 2015 performance: (1) Energy Saving Performance: 10,326.9 CO₂e. (2) Water recycling rate of the Hsinchu plant and Hualien plant: 86%. (3) Visitors for our Butterfly Garden the Ecological Park: 7,239 people. (4) The Company is rated as “Taiwan Top Salary 100 Index”, TWSE. 2. Rewards: (1) Golden Vessel Awards in honor of our contribution in environment protection, Taiwan International Ports Corporation. (2) A++ ranking award of the 2015 “Information Transparency and Disclosure Ranking System”, Securities and Futures Institute. (3) Top 5% in “the 1st Corporate Governance Evaluation” by the TWSE. (4) The Company is listed in “TWSE Corporate Governance 100 Index”. (5) The Company is ranked 39th in CommonWealth Magazine's Corporate Citizenship Awards. (6) “2015 Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions” award by the Industrial Development Bureau, MOEA. (7) The Company’s CSR Report was awarded “Top 50 Corporate	None

			Sustainability Report-Gold Award”, TCSA. (8) The Company received 2015 GHG reduction award, EPA. (9) Top 6%~20% in “the 2nd Corporate Governance Evaluation” by the TWSE. (10)The Company is ranked in top 40 by Global Views Monthly CSR Award.	
(2) Does the company provide educational training on corporate social responsibility on a regular basis?	V		Human Development Center of the Far Eastern Group regularly provides training for directors, supervisors, managers and staff about CSR topics HR Department of the Company also irregularly provides CSR-related seminars.	None
(3) Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		CSR Committee established on Nov. 11, 2014 and is responsible for investigating and identifying CSR issues (operated by the Secretarial Department). The CSR Committee (operated by the Secretarial Department) will report to the Board on May and November about the implement status and review of the CSR policy. The Secretarial Department will report the effectiveness about CSR activity twice a year.	None
(4) Does the company declare a reasonable salary remuneration policy, and integrate the employee performance appraisal system with its corporate social responsibility policy, as well as establish an effective reward and disciplinary system?	V		Except for consideration of education, work experience, license or permits, and professional technology, the Company’s salary remuneration policy will not discriminate any employee regardless of gender, age, race, religion, marital, and family status. The Company has a fair and reasonable salary payment system, and participates in market salary surveys annually to ensure that the Company lists among the highest salaries range within the cement industry. The Company is rated as "Taiwan Top Salary 100 Index", TWSE in 2015. Both our Hsinchu and Hualian Plant have signed collective agreement with employees. The Company and the Labor Union received “Excellence Recognition for its collective agreement with employees” (Ministry of Labor).	None



		Employees' performances are reviewed based on their working performance, training achievements, and volunteer service according to the Company's employees working rule. There is a clear reward and punishment system. Please refer to "Human resources" and "Employee welfare" in our CSR report.	
2. Sustainable Environment Development			
(1) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V	For many years, the Company is devoted to enhance its utilization efficiency of resources and to use renewable materials, such as slag and gypsum from steelworks and power plants. This can greatly reduce the need for natural resources.	None
(2) Does the company establish proper environmental management systems based on the characteristics of their industries?	V	In November 1996, the Hualien plant of the Company became one of the first organizations in Taiwan to receive ISO-14001 certification. This management system was completed by the Hualien plant personnel itself based on the Plant's good practice on environmental protection, and this has turned the Plant into a role model of Eco-friendly cement manufacturer.	None
(3) Does the company monitor the impact of climate change on its operations and conduct greenhouse gas inspections, as well as establish company strategies for energy conservation and carbon reduction?	V	The Hualien plant was the pioneer for implement ISO 14064-1 greenhouse air emission inspection since 2003. The Plant was awarded "Excellent Company for Voluntary Reduction of Greenhouse Gas Emissions" in 2009, 2011, 2013, and 2015 by the Industrial Development Bureau, MOEA. Please refer to chapter 7 of our CSR report for more information.	None
3. Preserving Public Welfare			
(1) Does the company	V	The Company fully complies with Labor Standards Law and other regulations,	None

formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? (2) Has the company set up an employee hotline or grievance mechanism to handle complaints with appropriate solutions?	V	emphasizes the balance between working, family and leisure life, and prohibits child labor and all other forms of forced labor and discrimination. In order to establish gender equality in the workplace, the Company provides parental leave without pay system, while provides family care leave, physiological leave, maternity leave, paternity leave and lactation rooms. The Company provides health examination, health seminars, and Employee Assistance Program (EAP) service by Hsinchu Lifeline Association, EAP Center, which offers professional counsel to all issues that employees may meet, such as career development, family issues, and interpersonal relationship. Please refer to 5.5 "Labor Relations" of this report and 6.1 "Human resources" and 6.2 "Employee welfare" in our CSR report. According to our CSR Policy, Human Resource Committee formulated corporate human rights policies, and regularly assesses the impact of company operations and internal management on human rights, and formulated a corresponding procedure. In order to implement the Company's "Codes of Ethical Conduct" and "Principles for Ethical Management", the Board enacted "Working Procedures for Reporting Illegal, Unethical, and Dishonest Issues", and also enacted "Complainant rules for employees". According to the above rules, the Company will treat all complaint confidentially and protect whistleblowers. The identification informants of whistleblowers will be kept confidential. The Company will also ensure that whistleblowers won't be revenged because of reporting improper issues. Alleged violator has the right to appeal to the investigation team while investigation will be made by the HR Committee if necessary. Employees could also file a complaint via the Labor Union. There is no complaint brought to us in 2015. Above mentioned rules are disclosed on the Company's website.	None



(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V	Please refer to Section 5.5 “Labor Relation” for detail.	None
(4) Does the company setup a communication channel with employees on a regular basis, as well as reasonably inform employees of any significant changes in operations that may have an impact on them?	V	Managers of each department and plants of the Company attend managerial meeting weekly and monthly. Each department also hold regular meeting for employees to attain and participate in company’s operation and decision-making. The Company also regularly organized meeting with labor representatives. This will allow employees to understand any significant impact on the changes of operation. On May, 2014, the Company was awarded “Excellence Recognition for its collective agreement with employees” by the Ministry of Labor.	None
(5) Does the company provide its employees with career development and training sessions?	V	For employees’ career development and training sessions, in addition to relevant management skills, the Company provides systematic training courses to strengthen the employees’ abilities and enhance the competitiveness of both employees and corporation. Recently, the Company cooperates with Yuan Ze University to conducts employee career development training programs for a 2-years period. Please refer to chapter 6.3 of our CSR report for more information.	None

(6) Does the company establish any consumer protection mechanisms and appealing procedures regarding research development, purchasing, producing, operating and service?	V	The Company serves our customers with the principles of “customer-oriented good service, high quality, and reasonable prices”. To protect consumers’ rights, the Company sets up consumer services to manage consumers’ complaints from domestic and oversea clients. The Hsinchu and Hualien plants will manage our product quality to meet all customers’ need. Domestic and Foreign Sale Departments have set up "management practices for customer satisfaction" which establishes an effective communication channel for our clients.	None
(7) Does the company advertise and label its goods and services according to relevant regulations and international standards?	V	The Company has set up a standard operation procedure dealing with customers’ complaint and protects consumers’ health and safety. Besides, the Company will keep the transparency of information to meet customers’ need while consumers’ personal information will be kept security according to Personal Information Protection Act. All products and services of the Company are advertised and labeled according to relevant regulations and international standards. Asia Cement received CNS Mark for Portland Cement (Type 1) since Sep. 22, 1961. Thus, the Company received "Special Honor for CNS Mark" for using CNS Mark more than 50 years on Oct. 2011. The trademark of “Skyscraper Cement” of the Company is registered pursuant to the Trademark Law. All authorized uses of “Skyscraper Cement” to our subsidiaries in China are approved by China’s Trademark Office of the State Administration for Industry and Commerce.	None
(8) Does the company evaluate the records of suppliers’ impact on the environment and society before taking on business partnerships?	V	Our Purchasing Department has "supplier evaluation procedures". Suppliers certified with ISO-9000, CNS marks, or other quality inspection mark will be rated as excellent suppliers. Furthermore, the Purchasing Department will assess the past impact of the supplier on CSR issues, such as ethics behaviors, legal compliance, matters relating to the health and security. This would be important basis for contractor selection. Please refer to Section 3.3.4 “Supplier relations” for detail.	None



(9) Do the contracts between the company and its major suppliers include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society?	V		Upon the signing of any contract, the Company will require every supplier to follow labor laws, avoid environmental hazards, and commit to CSR policy. Whenever violation occurs, the Company has the right to terminate the contract. In 2015, the Company has 2,807 suppliers in construction field, in which 35.52% are rated as “excellent”, other 62.06% are rated as “good”, while the other 310 suppliers are eliminated.	None
4. Enhancing Information Disclosure Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System (MOPS)?	V		The Company will disclose CSR-relevant information on our web site and MOPS. We also utilize investor conference, shareholders meeting, investor relations, hearings, conferences with government representatives to achieve close engagement with all stakeholders. Our CSR report has been published both on our website and MOPS. We wish this will be helpful for every stakeholder to understand our commitments to all sustainability issues.	None
5. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the Principles and their implementation: None.				
6. Other important information to facilitate better understanding of the company’s corporate social responsibility practices : Please refer to Section 5.4 “Expenditures on Environmental Protection” of this annual report and our CSR report for more information. Please refer to our CSR report for more information.				
7. A clear statement shall be made below if the corporate social responsibility reports were verified by external certification institutions: The Company’s CSR report was prepared in accordance with the GRI G4 guidelines and verified by SGS Taiwan Limited in accordance with AA 1000 Assurance Standard.				

3.3.7 Implementation Status of Ethical Management

Evaluation Item	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	V		“Codes of Ethical Conduct” and “Principles for Ethical Management” of Asia Cement Corporation have been adopted by the 5 th meeting of 24 th Board of Directors on June 27, 2012 and reported to the 2013 shareholders’ meeting. The Company has posted “Codes of Ethical Conduct” and “Principles for Ethical Management” on the Company’s intranet for compliance. The Company has also promoted “Codes of Ethical Conduct” and “Principles for Ethical Management” to its suppliers and contractors.	None
(2) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	V		For the purpose of developing a corporate culture of ethical management and preventing unethical conduct, HR Department enacted “Working procedures and Guidelines for Ethical Management”. It clearly expresses all kinds of bad faith conducts, preventions, and punishments for violators. In order to implement the Company's “Codes of Ethical Conduct” and “Principles for Ethical Management”, the Board enacted “Working Procedures for Reporting Illegal, Unethical, and	None



Evaluation Item	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	V		Dishonest Issues”, and also enacted "Complainant rules for employees". Above mentioned rules are disclosed on the Company’s website (http://www.acc.com.tw/). The Company establish precautions for directors, supervisors, managers, employees for preventing high-potential unethical conducts: - Set a standard distinguishing improper benefits, - Set procedures for political donations, - Set procedures for charity donations or sponsorship, - Set reporting and handling procedures to avoid job-related conflicts of interest, - Set an information firewall to prevent sensitive information or undisclosed information and to prevent the use of the non-disclosed information in insider trading, - Set working procedures dealing with dishonest actions involved by suppliers, customers, and trading partners and others, - Set working procedures dealing with violators of Principles for Ethical Management, - Set punishment for violators and reward for whistleblowers.	None

Evaluation Item	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
2. Fulfill operations integrity policy				
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		All suppliers of the Company signed "Codes of Conduct and Commitment Statement for Suppliers". We will review, rate, and eliminate our suppliers based on past evaluation records and their implementations of CSR affairs. For fully implementation, the Purchasing Department has urged all suppliers to comply with our “Codes of Ethical Conduct” and “Principles for Ethical Management”. The Purchasing Department will include this item into commercial terms.	None
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?	V		The HR Department is responsible for formulating policy and supervising ethical management for the Company. It will report the implementation status to the Board on a regular basis. In addition to report implementation status of ethical management to the Board, the HR Department will also report to supervisors and independent directors.	None
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate	V		The Company provides that no manager shall engage in any affairs with conflicts of interest to the Company unless otherwise released restriction	None



Evaluation Item	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
communication channels, and implement it? (4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	V		by the Board and the shareholders’ Meeting. All members of our Board of Directors are highly disciplined. Once there are conflicts of interests, such member will not participate in discussion and voting of the issue according to relevant regulation and keep it in the meeting minutes. The Company also has standard procedures for employees to report any potential conflicts of interests. The Company has a strict accounting system and dedicated accounting department. For ensuring accuracy and transparency, all financial statements are audited or reviewed by Deloitte & Touche in accordance with relevant regulation. In order to implement “Regulations Governing Establishment of Internal Control Systems by Public Companies” and “Principles for Ethical Management”, the Company has set up the Auditing Department which established its internal control system. And the Audit Department will regularly review and revise the internal control system. In addition, the Audit Department will develop and implement its annual internal audit plan in accordance with risk	None

Evaluation Item	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		assessment. To establish corporate culture of ethical management and prevent unethical behaviors, the Company holds internal training sections for employees understanding our commitment to ethical management and policies. Our “Codes of Ethical Conduct”, “Principles for Ethical Management”, and relevant regulations have been posted on the Company's website and internal bulletin board.	None
3. Operation of the integrity channel				
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		The Board of Directors enacted “Working Procedures for Reporting Illegal, Unethical, and Dishonest Issues”, and also enacted “Complainant rules for employees” on May 13, 2015. Alleged violator has the right to appeal to the investigation team while investigation hearing could be made if necessary. According to the above rules, the Company will treat all complaint confidentially and protect whistleblowers. The identification informants of whistleblowers will be kept confidential. The Company will also ensure that whistleblowers	None
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	V			
(3) Does the company provide proper whistleblower protection?	V			



Evaluation Item	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			won't be revenged because of reporting improper issues. Above mentioned rules are disclosed on the Company's website.	
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		Our “Codes of Ethical Conduct”, “Principles for Ethical Management”, and relevant regulations have been posted on the Company's website and internal bulletin board. The Company has designated employees responsible for disclosing relevant information on MOPS and the Company's website (http://www.acc.com.tw). Since the adoption of Principles for Ethical Management, there is no violation needed to be disclosed.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. No Discrepancies.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and				

Evaluation Item	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
amend its policies). The Company treats its employees and business partners with the highest standards of ethical conducts. Any bribery or unethical conducts made by its employees or suppliers will be punished, such as disposition, rejection of transaction, or legal prosecution.				

- ◎ Access to Corporate Governance Best-Practice Principles and relevant regulations: Please visit the Company's website at <http://www.acc.com.tw>.
- ◎ Any other important information to facilitate better understanding of the Company’s corporate governance practices: None.
- ◎ During the most recent fiscal year and the current fiscal year up to the date of printing of this annual report, any punishment occurred for the Company and its employees violating laws, and any punishment, fault and improvement occurred for the Company’s employees against the regulations of Internal Audit System: None.
- ◎ To appoint certified accountants to audit internal audit system: None.



3.3.8 The Training for Directors and Supervisors

Name	Date	Organizer	Course Title and Lecturer	Hours
<u>Directors:</u> Douglas Tong Hsu Tsai Hsiung Chang Johnny Shih C.V. Chen Kun Yen Lee Connie Hsu Ruey Long Chen <u>Independent Directors:</u> Ta-Chou Huang Gordon S. Chen <u>Supervisors:</u> Shaw Yi Wang Champion Lee Chin-Der Ou Kwan-Tao Li	Sep.22, 2015	Taiwan Academy of Banking and Finance	From Creative Thinking to Business Innovation Lecturer: Ruey-Shan Andy Guo, Dean of College of Management at NTU.	3
<u>Directors:</u> Douglas Tong Hsu Tsai Hsiung Chang Johnny Shih C.V. Chen Kun Yen Lee Connie Hsu Chen Kun Chang <u>Supervisors:</u> Shaw Yi Wang Champion Lee Chin-Der Ou	Dec. 23, 2015	Taiwan Academy of Banking and Finance	From Corporate Governance and Insider Trading to Think the Responsibility of Directors and Supervisors Lecturer: Sean Chen, Ex-Premier.	3
<u>Directors:</u> Ruey Long Chen	Sep. 8, 2015	Corporate Governance Association	Trade secret protection	6
<u>Independent Directors:</u> Chi Schive	Apr. 21, 2015	Securities and Futures Institute	How to enhance the function of the Functional Committees of the Board	3
<u>Independent Directors:</u> Chi Schive	May 12, 2015	Securities and Futures Institute	Strategy and Key Performance Indicators	3
<u>Supervisors:</u> Ting Yu Tung	Oct. 20, 2015	Corporate Governance Association	External audit and internal control from the perspective of directors and supervisors	3
<u>Supervisors:</u> Ting Yu Tung	Dec. 17, 2015	Securities and Futures Institute	Duty of loyalty of directors and supervisors	3

3.3.9 The Training for Managers

Title	Name	Date	Organizer	Course Title and Lecturer	Hours
Deputy Chief Auditor	W.H. Yeh	Jun. 8, 2015	The Institute of Internal Auditors	New idea 、 technique 、 and practice of big data	6
	W.H. Yeh	Jul.27,2015	The Institute of Internal Auditors	How internal auditors execute auditing laws and regulations	6
Manager	Nancy Kao	Apr.16,2015- Apr.17,2015	Accounting Research and Development Foundation	Training Courses for accounting managers	12
President Chief Executive Vice President Executive Vice President Vice President Vice President General Plant Manager Plant Manager Assistant Vice President Assistant Vice President Deputy Chief Auditor Manager Manager Manager Special Assistant	Kun Yen Lee	Sep.17,2015	Asia Cement	Innovation and Leadership of Corporation Lecturer: Shih-Chang Hung, Professor of Institute of Technology Management at NTHU. Corporate Social Responsibility Lecturer: Yin-Hua Yeh, Professor of Institute of Finance at NCTU.	9
	Y.F. Chang				
	Doris Wu				
	C.M. Chen	Oct.6,2015	Asia Cement	Management of Cross-national Organizations Lecturer: Wu, Hsueh Liang. Professor of College of Management at NTU.	
	W.K. Chou				
	Z.P. Chang				
	Z.H. Qiu	Nov.6,2015	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	New Vision of IoT Age Lecturer1: Jeng, Yeau-Re, Vice President of NCCU. Lecturer 2: Yu-Chee Tseng, Dean of College of Computer Science at NCTU.	2
	C.P. Sue				
	T.L. Yu				
	W.H. Yeh	Oct.2,2015	Taiwan Academy of Banking and Finance	From Creative Thinking to Business Innovation Lecturer: Ruey-Shan Andy Guo, Dean of College of Management at NTU.	3
M.C. Chen					
Manfred Wang					
Nancy Kao					
Manager	Nancy Kao	Sep.22,2015	Taiwan Academy of Banking and Finance	From Creative Thinking to Business Innovation Lecturer: Ruey-Shan Andy Guo, Dean of College of Management at NTU.	3
Manager	Manfred Wang				
Manager	Nancy Kao				
Special Assistant	T.M. Chen				

Chief Executive Vice President Vice President Vice President General Plant Manager Plant Manager Assistant Vice President Assistant Vice President Manager Manager Manager Special Assistant	Y.F. Chang C.M. Chen W.K. Chou Z.P. Chang Z.P. Chang C.P. Sue H.T.Peng M.C. Chen Manfred Wang Nancy Kao T.M. Chen	Dec.23,2015	Taiwan Academy of Banking and Finance	From Corporate Governance and Insider Trading to Think the Responsibility of Directors and Supervisors Lecturer: Sean Chen, Ex-Premier.	3

3.3.10 the Execution Status of Internal Control System

Asia Cement Corporation Statement of Internal Control System

Date: March 25, 2016

Asia Cement Corporation(ACC) has conducted a self-inspection of internal control system during 2015. The results are as follows:

ACC acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and managerial level, and ACC has established such system. It is aimed to reasonably ensure that the goals such as effective and efficient operations (including profitability, performance, and safeguard of assets), the reliability, timeliness, transparency, and regulatory compliance of reporting , and the compliance with applicable laws and regulations are achieved.

The internal control system has its inherent limitations; whatever a perfect design is, an internal control system can provide only reasonable assurance that the above-mentioned goals will be achieved; besides, owing to the change of environment and circumstances, the effectiveness of internal control system will be changed accordingly. However, the internal control system of ACC is equipped with self-monitoring mechanisms and ACC will take corrective action once defect is identified.

According to the criteria for the internal control system as specified in “Guidelines for Implementation of Establishing Internal Control System by Public Listed Companies”(hereinafter referred to as “Guidelines,”) ACC evaluates the effectiveness of its internal control system. The said Guidelines divide internal control system into five components: (1) Control Environment, (2) Risk Assessment, (3) Control Operations, (4) Information and Communication, and (5) Monitoring. Each component includes certain items. For the foregoing items, please refer to “Guidelines”.

ACC has adopted the aforesaid criteria for internal control system to evaluate the effectiveness of design and implementation of internal control system.

Based on the findings of the evaluation mentioned in the preceding paragraph, ACC believes that as at December 31, 2015 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, transparency, and regulatory compliance of reporting , and the compliance with applicable laws and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.

This statement comprises the entire annual report and public brochure, and will be publicly disclosed. If the aforesaid statement has any unlawful attempt such as pretence and concealment, ACC will assume the legal responsibilities according to Article 20, 32, 171 and 174 of Securities and Exchange Law.

This statement has been approved by ACC Board of Directors at the meeting of March 25, 2016 with 13 directors in presence and none disagreement with the content of this statement.

Asia Cement Corporation

Chairman: Douglas Tong Hsu

President: K.Y. Lee

3.3.11 Major Resolutions of Shareholders' Meeting and Board Meetings

1. Major resolution of 2014 Regular Shareholders' Meeting

Date	Major resolutions
2015/06/24	1. Acceptance of 2014 financial statements. 2. Acceptance of the proposal for distribution of 2014 profits. 3. Amendment to “the Working Procedures for the Acquisition and Disposal of Assets”. 4. Amendment to “the Procedure for Making Endorsements and Guarantees” 5. Amendment to “the Procedure for Loans of Funds to Others”
Execution Status	1. Major resolutions of the Shareholders' meeting have been fully implemented. 2. The record date for distribution of 2014 profits was Sep. 7, 2015. Cash dividends have been distributed on September 25, 2015. 3. Amendments to “the Procedure for Making Endorsements and Guarantees” and “the Procedure for Loans of Funds to Others” have been published on June 24, 2015.

2. Major Resolutions of the Board of Directors

Totally 6 meetings of the Board of Directors were held in the period from Jan. 1, 2015 to May 10, 2016. Directors and Supervisors have no opposition to major resolutions in this period.

Date	Major resolutions
2015/03/20	1. Acceptance of 2014 financial statements and consolidated financial statements. 2. Acceptance of the proposal for distribution of 2014 profits. 3. Acceptance to issue 2014 Statement of Internal Control System. 4. To convene 2015 regular shareholders' meeting. 5. Acceptance of 2015 business budget. 6. Acceptance of 2015 CPA service fee of Deloitte & Touche. 7. Amendment to “the Working Procedures for the Acquisition and Disposal of Assets”. 8. Amendment to “the Procedure for Making Endorsements and Guarantees” 9. Amendment to “the Procedure for Loans of Funds to Others”
2015/05/13	1. Acceptance of 2014 Business Report. 2. The enactment of “Working Procedures for Reporting Illegal, Unethical, and Dishonest Issues”. 3. The enactment of “Procedures for Evaluating the Board's Performance”.
2015/08/11	1. To decide the date for distribution of cash dividends, and the closing date for stock transference. 2. To issue non-guaranteed overseas convertible bond up to USD 0.4 billion. 3. To issue non-guaranteed commercial paper up to NT \$12 billion. 4. To set up a subsidiary in order to facilitate the planning and development "Kaohsiung Asia Enterprise Centre". 5. Amendment to “Internal Control System and its bylaws”. 6. Amendment to “Employees Retirement Procedures”. 7. Jointly with CNBM, the Company intends to make Pre-Conditional Voluntary General Offer to acquire all issued shares of Shanshui Cement
2015/11/11	1. Acceptance of 2016 audit plan. 2. Acceptance of adding capital expenditure. 3. For the implementation of corporate governance and internal control system, to enact 9 procedures with reference to "Corporate Governance and Corporate

	Social Responsibility Norms", TWSE.
2016/03/25	1. Amendment to “Articles of Incorporation of Asia Cement Corporation” 2. Acceptance of the 2015 employees’ compensation and Directors’ and Supervisors’ remuneration. 3. Acceptance of 2015 financial statements and consolidated financial statements. 4. Acceptance of the proposal for distribution of 2015 profits. 5. Acceptance to issue 2015 Statement of Internal Control System. 6. To convene 2016 regular shareholders' meeting. 7. Acceptance of 2016 business budget. 8. Acceptance of 2016 CPA service fee of Deloitte & Touche. 9. To issue non-guaranteed commercial paper up to NT \$12 billion.
2016/05/10	1. Acceptance of 2015 Business Report. 2. To issue non-guaranteed corporate bond up to NT \$10 billion.

3.3.12 Resignation or dismissal of the chairman, president, accounting manager, finance manager, auditing manager, and R&D manager of the Company : None.

◎The Board of Director approved “the Procedure Dealing with Internal Material Information of Asia Cement Corporation” on December 21, 2009. This Procedure has been posted on the Company’s electronic bulletin board.

3.4 Information of CPA Service Fee

1. Information of CPA service fee

Unit: NT\$ 1,000

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Audit period	Note
			System design	Business Registration	Human Resource	Other	Subtotal		
Deloitte & Touche	L.W. Kuo	7,690	0	0	0	281	281	2015	Other Non-Audit Fees include the project to check SAP authorization and review ECB issuance.
	Y. W. Fan								

- If the audit fee in the year CPA firm changes is lower than that in the prior year, specify the amount of audit fee before and after and the reason: None.
- If the audit fee dropped year on year by more than 15%, specifies the amount, percentage, reason of the reduction: None.
- The Company commissioned Deloitte & Touche-Taiwan to audit the financial statements. Due to internal function adjustments in Deloitte & Touche-Taiwan, the audit has been commissioned from CPA Hsin Wei Tai and Li Wen Kuo to CPA Li Wen Kuo and You Wei Fan since 2014Q2.
- The ACC Chairman, President, and managers who are responsible for finance and accounting do not have any position at CPA Firm or its affiliated companies in the most recent fiscal year.

3.5 Relevant licenses and certificates obtained about transparent financial information

Department	Name	Title	Licenses and Certificates
Finance	Doris Wu	Executive Vice President	CPA, Taiwan and United States
Finance	Yu Ling Yang	Project Manager	CPA, Taiwan and China
Finance	Yu De Liao	Specialist	Certified Internal Auditor Certified Information Systems Auditor
Auditing	Chi Wen Lu	Assistant Specialist	Certified Internal Auditor Certification in Risk Management Assurance
Auditing	Kun Da Hsu	Assistant Coordinator	Certified Internal Auditor
Auditing	Jia Ning Hsu	Assistant	CPA, Taiwan

3.6 Changes in Shareholdings and pledge of Directors, Supervisors, Managers, and Shareholders with more than 10% Shareholding

Title	Name	Shareholding on Jan. 1, 2015					Changes of shareholding			Shareholding on Dec. 31, 2015					Changes of shareholding			Shareholding on Apr. 23, 2016				
		Shares	Shares(%)	Shares Pledged	Shares held by related parties	Shares held by related parties(%)	Changes of Shares	Changes of Shares Pledged	Changes of Shares held by related parties	Shares	Shares(%)	Shares Pledged	Shares held by related parties	Shares held by related parties(%)	Changes of Shares	Changes of Shares Pledged	Changes of Shares held by related parties	Shares	Shares(%)	Shares Pledged	Shares held by related parties	Shares held by related parties(%)
Chairman	Douglas Tong Hsu	23,278,334	0.6925	0	8,124,332	0.2417	0	0	0	23,278,334	0.6925	0	8,124,332	0.2417	0	0	0	23,278,334	0.6925	0	8,124,332	0.2417
Director	Far Eastern New Century Corp.	750,511,324	22.3270	19,900,000	0	0.0000	0	0	0	750,511,324	22.3270	19,900,000	0	0.0000	0	0	0	750,511,324	22.3270	19,900,000	0	0.0000
	Representative: T.H. Chang	459,350	0.0137	0	60,877	0.0018	0	0	50,000	459,350	0.0137	0	110,877	0.0033	0	0	0	459,350	0.0137	0	110,877	0.0033
	Representative: Johnny Shih	803,745	0.0239	0	8,485,993	0.2525	0	0	(756,000)	803,745	0.0239	0	7,729,993	0.2300	(350,000)	0	(504,000)	453,745	0.0135	0	7,225,993	0.2150
	Representative: C.V. Chen	338,429	0.0101	0	0	0.0000	0	0	0	338,429	0.0101	0	0	0.0000	0	0	0	338,429	0.0101	0	0	0.0000
Director	X.Z. Ying-Chai Memorial Foundation	13,224,343	0.3934	0	0	0.0000	0	0	0	13,224,343	0.3934	0	0	0.0000	0	0	0	13,224,343	0.3934	0	0	0.0000
	Sui-Cheong Ying Re-appointment on 2016/03/02	15,236	0.0005	0	0	0.0000	0	0	0	15,236	0.0005	0	0	0.0000	0	0	0	15,236	0.0005	0	0	0.0000
Director	He-Shan Ying, replaced on 2015/11/05	10,708,850	0.3186	0	0	0.0000	0	0	0	10,708,850	0.3186	0	0	0.0000	0	0	0	10,708,850	0.3186	0	0	0.0000
	Yue Ding Industry Co., Ltd.	1,895,136	0.0564	0	0	0.0000	0	0	0	1,895,136	0.0564	0	0	0.0000	0	0	0	1,895,136	0.0564	0	0	0.0000
Director	Representative: K.Y. Lee	2,361,557	0.0703	0	0	0.0000	0	0	0	2,361,557	0.0703	0	0	0.0000	0	0	0	2,361,557	0.0703	0	0	0.0000
	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	4,263,800	0.1268	0	0	0.0000	0	0	0	4,263,800	0.1268	0	0	0.0000	0	0	0	4,263,800	0.1268	0	0	0.0000
Director	Representative: Peter Hsu	11,454,981	0.3408	0	0	0.0000	0	0	0	11,454,981	0.3408	0	0	0.0000	0	0	0	11,454,981	0.3408	0	0	0.0000
	Representative: C.K. Chang	11,877	0.0004	0	5,358	0.0002	17,868	0	0	29,745	0.0009	0	5,358	0.0002	0	0	0	29,745	0.0009	0	5,358	0.0002
Director	Ta Chu Chemical Fiber Co.,Ltd	1,560,068	0.0464	0	0	0.0000	0	0	0	1,560,068	0.0464	0	0	0.0000	0	0	0	1,560,068	0.0464	0	0	0.0000
	Representative: Ruey Long Chen	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
Director	Huey Kang Investment Corp.	4,837,436	0.1439	0	0	0.0000	0	0	0	4,837,436	0.1439	0	0	0.0000	0	0	0	4,837,436	0.1439	0	0	0.0000
	Representatives: Connie Hsu	14,264,734	0.4244	0	0	0.0000	0	0	0	14,264,734	0.4244	0	0	0.0000	0	0	0	14,264,734	0.4244	0	0	0.0000
Independent Director	Ta-Chou Huang	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
	Chi Schive	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
	Gordon S. Chen	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
Supervisor	Far Eastern Medical Foundation	181,566,797	5.4014	24,500,000	0	0.0000	0	0	0	181,566,797	5.4014	24,500,000	0	0.0000	0	0	0	181,566,797	5.4014	24,500,000	0	0.0000
	Representative: S.Y. Wang	154,839	0.0046	0	0	0.0000	0	0	0	154,839	0.0046	0	0	0.0000	0	0	0	154,839	0.0046	0	0	0.0000
	Representative: Champion Lee	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
Supervisor	Bai-Yang Investment Holdings Corp.	3,849,468	0.1145	0	0	0.0000	0	0	0	3,849,468	0.1145	0	0	0.0000	0	0	0	3,849,468	0.1145	0	0	0.0000
	Representative: Chin-Der Ou	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
	Representative: T.Y. Tung	2,164,481	0.0644	0	0	0.0000	0	0	0	2,164,481	0.0644	0	0	0.0000	0	0	0	2,164,481	0.0644	0	0	0.0000
Supervisor	U-Ming Corp.	1,505,585	0.0448	0	0	0.0000	0	0	0	1,505,585	0.0448	0	0	0.0000	0	0	0	1,505,585	0.0448	0	0	0.0000
	Representative: K.T. Li	642,936	0.0191	0	0	0.0000	0	0	0	642,936	0.0191	0	0	0.0000	0	0	0	642,936	0.0191	0	0	0.0000
President	K.Y. Lee	2,361,557	0.0703	0	0	0.0000	0	0	0	2,361,557	0.0703	0	0	0.0000	0	0	0	2,361,557	0.0703	0	0	0.0000
Chief Executive Vice President	Y.F. Chang	811	0.0000	0	0	0.0000	0	0	0	811	0.0000	0	0	0.0000	0	0	0	811	0.0000	0	0	0.0000
Executive Vice President	R.H. Shao	67,431	0.0020	0	2,442	0.0001	0	0	0	67,431	0.0020	0	2,442	0.0001	443,985	0	0	511,416	0.0152	0	2,442	0.0001
Vice President	Doris Wu	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
Vice President	C.M. Chen	39,801	0.0012	0	68,596	0.0020	0	0	0	39,801	0.0012	0	68,596	0.0020	0	0	0	39,801	0.0012	0	68,596	0.0020
Vice President	W.K. Chou	4,962	0.0001	0	0	0.0000	0	0	0	4,962	0.0001	0	0	0.0000	0	0	0	4,962	0.0001	0	0	0.0000
General Plant Manager	Z.P. Chang	33,999	0.0010	0	53,588	0.0016	0	0	0	33,999	0.0010	0	53,588	0.0016	0	0	0	33,999	0.0010	0	53,588	0.0016
Plant Manager	Z.H. Qiu	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
Assistant Vice President	C.P. Sue	63	0.0000	0	0	0.0000	0	0	0	63	0.0000	0	0	0.0000	0	0	0	63	0.0000	0	0	0.0000
Assistant Vice President	T.L. Yu	122,202	0.0036	0	98	0.0000	0	0	0	122,202	0.0036	0	98	0.0000	0	0	0	122,202	0.0036	0	98	0.0000
Deputy Chief Auditor	W.H. Yeh	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
Manager	M.C. Chen	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
Manager	Manfred Wang	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000	0	0	0	0	0.0000	0	0	0.0000
Special Assistant	T.M. Chen	147,268	0.0044	0	0	0.0000	0	0	0	147,268	0.0044	0	0	0.0000	0	0	0	147,268	0.0044	0	0	0.0000
Manager	Nancy Kao	832	0.0000	0	467	0.0000	0	0	0	832	0.0000	0	467	0.0000	0	0	0	832	0.0000	0	467	0.0000



3.7 Information Disclosing the Relationship between any of the Company's Top 10 Shareholders

Name	Shares Held		Shares of Spouse & Minor		Total Shareholding Held In The Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Far Eastern New Century Corp. Representative: Douglas Tong Hsu	750,511,324	22.33%	0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
Far Eastern Medical Foundation Representative: Douglas Tong Hsu	181,566,797	5.40%	0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman

Name	Shares Held		Shares of Spouse & Minor		Total Shareholding Held In The Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the “affiliate”, or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Fubon Life Insurance Co., Ltd. Representative: Peng-Yuan Cheng	145,860,069	4.34%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Cathay Life Insurance Co., Ltd. Representative: Hong-Tu Tsai	78,930,096	2.35%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party



Name	Shares Held		Shares of Spouse & Minor		Total Shareholding Held In The Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the “affiliate”, or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Far Eastern Department Stores Co., Ltd. Representative: Douglas Tong Hsu	61,000,492	1.81%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Labor Pension Fund Committee of Far Eastern New Century Corporation	50,835,049	1.51%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party

Name	Shares Held		Shares of Spouse & Minor		Total Shareholding Held In The Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the “affiliate”, or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Yuan-Ze University Representative: Douglas Tong Hsu	47,499,567	1.41%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
Shin Kong Life Insurance Co. , Ltd. Representative: Wu Tung Chin	45,867,846	1.36%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party



Name	Shares Held		Shares of Spouse & Minor		Total Shareholding Held In The Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the “affiliate”, or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Labor Insurance Fund	45,005,369	1.34%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd	Non-related party
			0	0%	0	0%		
Yu Yuan Investment Co., Ltd Representative: W.K. Chou	43,268,479	1.29%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Fubon Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Cathay Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Shin Kong Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Insurance Fund	Non-related party
			0	0%	0	0%		



3.8 Shareholding Proportion of ACC to Investees

Dec. 31, 2015

Investees	Investments by ACC		Investments by Directors, Supervisors, Managers and Directly or Indirectly Controlled Businesses		Total Investments	
	Shares	%	Shares	%	Shares	%
Asia Investment Corp.	175,974,041	100.00%	-	0.00%	175,974,041	100.00%
Sunrise Industrial Holdings Ltd.	90,000	100.00%	-	0.00%	90,000	100.00%
Yuan Long Stainless Steel Corp.	200,000,000	100.00%	-	0.00%	200,000,000	100.00%
Ya Tung Ready-Mixed Concrete Corp.	145,773,218	99.99%	6,471	0.00%	145,779,689	99.99%
Der Ching Investment Corp.	565,063,189	99.99%	24,030	0.00%	565,087,219	99.99%
Nan Hwa Cement Corp.	26,128,171	99.94%	12,396	0.05%	26,140,567	99.99%
Asia Cement (Singapore) Pte. Ltd.	10,495,495	99.96%	2	0.00%	10,495,497	99.96%
Fu Ming Transportation Co., Ltd.	29,517,188	99.82%	39,944	0.14%	29,557,132	99.96%
Asia Engineering Enterprise Corp.	7,970,703	98.23%	123,243	1.52%	8,093,946	99.75%
FEDS Development Ltd.	53,250,000	25.00%	149,100,000	70.00%	202,350,000	95.00%
Yuan Ding Co., Ltd.	178,707,648	35.50%	259,921,774	51.63%	438,629,422	87.13%
Ya Li Precast and Prestressed Concrete Industries	16,241,083	83.81%	20,472	0.11%	16,261,555	83.92%
Asia Cement (China) Holdings Corp.	1,061,209,202	67.73%	72,492,298	4.63%	1,133,701,500	72.36%
Chiahui Power Corp.	280,093,521	59.59%	1,256,388	0.27%	281,349,909	59.86%
Ya Li Transportation Corp.	5,100,000	51.00%	60,817	0.61%	5,160,817	51.61%
Yuan Ding Leasing Corp.	34,640,189	43.60%	-	0.00%	34,640,189	43.60%
U-Ming Marine Transport Corp.	331,701,152	39.25%	20,562,372	2.44%	352,263,524	41.69%
Everstrong Iron & Steel Foundry Ltd.	3,199,823	40.40%	5,000	0.06%	3,204,823	40.46%
Oriental Securities Corp.	135,092,154	18.93%	145,153,334	20.34%	280,245,488	39.27%
Far Eastern New Century Corp.	1,272,277,085	23.77%	526,697,330	9.84%	1,798,974,415	33.61%
Yue Yuan Investment Corp.	155,000,803	29.92%	515,024	0.10%	155,515,827	30.02%

IV Capital Formation

4.1 Capital and Shares

4.1.1 Capital Increase in the Past Five Years

As of April 27, 2016

Date	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Others
Dec.2010	NT\$10	3,300,000,000	33,000,000,000	3,075,307,547	30,753,075,470	Dividend	None	None
Dec.2011	NT\$10	3,600,000,000	36,000,000,000	3,136,813,697	31,368,136,970	Dividend	None	None
Dec.2012	NT\$10	3,600,000,000	36,000,000,000	3,230,918,107	32,309,181,070	Dividend	None	None
Dec.2013	NT\$10	3,600,000,000	36,000,000,000	3,295,536,469	32,955,364,690	Dividend	None	None
Dec.2014	NT\$10	3,600,000,000	36,000,000,000	3,361,447,198	33,614,471,980	Dividend	None	None

4.1.2 Capital

Share Type	Authorized Capital			Reserve for Convertible Shares
	Issued Shares	Un-issued Shares	Total Shares	
Common Shares	3,361,447,198 Available for trading on the TWSE	238,552,802	3,600,000,000	-

4.1.3 Shelf Registration: None

4.1.4 Shareholder Structure

As of April 27, 2016

Structure Amount	Governments	Financial Institutions	Other Institutional Investors	Domestic Individual Investors	Foreign Institutions & Individuals	Total
Number of Shareholders	10	62	335	90,006	570	90,983
Number of shares	119,282,361	419,330,712	1,547,718,082	674,489,229	600,626,814	3,361,447,198
Shareholding Percentage	3.55%	12.47%	46.04%	20.07%	17.87%	100.00%

Note: No foreign institutions and individuals from China Area.



4.1.5 Shareholding Distribution Status

As of April 27, 2016

Class of Shareholding (Unit: Share)	Number of shareholders	Number of shares	Holding Percentage
1-999	36,154	8,865,021	0.26%
1,000-5,000	35,955	80,577,384	2.39%
5,001-10,000	8,361	60,834,464	1.81%
10,001-15,000	3,572	43,213,094	1.29%
15,001-20,000	1,643	29,125,183	0.87%
20,001-30,000	1,814	44,400,585	1.32%
30,001-40,000	826	28,572,858	0.85%
40,001-50,000	540	24,500,444	0.73%
50,001-100,000	973	67,615,591	2.01%
100,001-200,000	525	73,468,539	2.19%
200,001-400,000	257	70,118,715	2.09%
400,001-600,000	82	40,495,949	1.20%
600,001-800,000	49	33,996,925	1.01%
800,001-1,000,000	27	24,396,906	0.73%
Over 1,000,001	205	2,731,265,540	81.25%
Total	90,983	3,361,447,198	100%

Preferred Share

As of April 27, 2016

Class of Shareholding (Unit: Share)	Number of shareholders	Number of shares	Holding Percentage
NA	0	0	0

4.1.6 List of Major Shareholders

As of April 27, 2016

Major Shareholder	Shares	Number of Shares	Holding Percentage
Far Eastern New Century Corporation		750,511,324	22.33%
Far Eastern Medical Foundation		181,566,797	5.40%
Fubon Life Insurance Co., Ltd.		145,860,069	4.34%
Cathay Life Insurance Co., Ltd.		78,930,096	2.35%
Far Eastern Department Stores Co., Ltd.		61,000,492	1.81%
Labor Pension Fund Committee of Far Eastern New Century Corporation		50,835,049	1.51%
Yuan-Ze University		47,499,567	1.41%
Shin Kong Life Insurance Co., Ltd.		45,867,846	1.36%
Labor Insurance Fund		45,005,039	1.34%
Yu Yuan Investment Co., Ltd		43,268,479	1.29%
Total		1,450,344,758	43.15%

4.1.7 Market Price, Net Value, Earnings and Dividends per Share

Unit: NT\$

Item \ Year		2014	2015	As of May 15, 2016
Market Price Per Share	Highest	44.50	39.85	30.55
	Lowest	35.60	26.85	24.95
	Average	39.29	35.33	27.65
Net Value Per Share	Before Distribution	42.19	40.43	37.9 (Note1)
	After Distribution	39.99	(Note2)	(Note2)
Earnings Per Share	Weighted Average shares (in thousand)	3,142,158	3,141,845	3,140,528
	Earnings Per Share	2.98	1.55	0.06 (Note1)
Dividends Per Share	Cash Dividends	2.20	1.10(Note2)	not applicable
	Stock Dividend	Dividends from Retained Earnings	-	not applicable
		Dividends from Capital Surplus	-	-
	Accumulated Unpaid Dividends		-	-
Return on Investment	Price-Earnings Ratio	13.18	22.79	-
	Price-Dividend Ratio	17.86	32.12	-
	Cash Dividend Yield Rate	5.60%	3.11%	-

Note 1: The data is adopted from the consolidated financial report of the first quarter in 2016 which was reviewed by the CPA.

Note 2: To be resolved by the 2016 Shareholders' Meeting.

4.1.8 Dividend Policy & Implementation Status

1. Dividend Policy

According to the Article 26 of Incorporation of Asia Cement Corporation, the distribution of dividends shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Dividends shall be distributed at the ratio set forth in these Articles of Incorporation aimed to maintain the stability of dividend distributions. Unless saving for the purposes of improving the financial structure, reinvestments, capacity expansion or other capital expenditures in which capital is required, when distributing dividends, cash dividends shall not be less than 10% of the aggregate sum of dividends and bonuses distributed in the same year.

The Company has mapped out its dividend policy which shall conclude the following considerations:

- Changes in the outlook for the Company's businesses;
- Maintaining a stable dividend policy; and
- Cash-dividends oriented market trends.

Hereby lists the Company's dividend in recent years as follows:

Year	Cash Dividend	Ratio of Total Dividend	Stock dividend	Ratio of Total Dividend	Total dividend
2012	NT \$1.7	89.5%	NT \$0.2	10.5%	NT \$1.9
2013	NT \$1.8	90%	NT \$0.2	10%	NT \$2.0
2014	NT \$2.2	100%	NT \$0	0%	NT \$2.2
2015 (Proposed)	NT \$1.1	100%	NT \$0	0%	NT \$1.1



2. The Dividend Distribution Proposal

Cash dividend: NT\$ 1.1 per share (total amount will be NT\$3,697,591,918).

4.1.9 Effects on Business Performance and EPS Resulting From Stock Dividend Distribution

Year		2016 (Estimated)
Item		
Paid-In Capital (Beginning of The Year)		NT \$33,614,471,980
Stock & Cash Dividend Distribution	Cash Dividend Per Share	NT\$1.10
	Stock Dividend From Retained Earnings Per Share	0.00 Share
	Stock Dividend From Capital Surplus Per Share	0.00 Share
Variance In Business Performance	Operating Income	Not Applicable
	% Change In Operating Income	"
	Net Income	"
	% Change In Net Income	"
	Earnings Per Share	"
	% Change In EPS	"
	Average Return on Investment (%) (Reciprocal of Average P/E Ratio)	"
Pro Forma EPS & P/E Ratio	If Retained Earnings Distributed In Cash Dividend	Pro Forma Earnings Per Share
		Pro Forma Average Yearly Return on Investment
	If Capital Surplus Not Distributed In Stock Dividend	Pro Forma Earnings Per Share
		Pro Forma Average Yearly Return on Investment
	If Retained Earnings & Capital Surplus Distributed In Cash Dividend Rather Than Stock Dividend	Pro Forma Earnings Per Share
		Pro Forma Average Yearly Return on Investment

* As the Company does not disclose its financial forecast information, in compliance with relevant governmental regulations, there is no need to provide this information.

4.1.10 Compensation of employees, directors and supervisors

- The percentages or ranges with respect to employees, directors and supervisors' compensation, as set forth in the Asia Cement Corporation's Articles of Incorporation:
Pursuant to the Articles of Incorporation, bonus of employees is 4% of distributable earnings. Compensation of directors and supervisors is 3% of distributable earnings. The Board of Directors resolved on March 25, 2016 to modify the Articles of Incorporation for distribution 2%~3.5% as employees' compensation and distribution less than 2.5% as directors and supervisors' compensation base on the profit of the current year. The modification of Articles of Incorporation will be resolved by the Shareholders' meeting on June 21, 2016.

2. (1) The basis for estimating the amount of employees, directors and supervisors' compensation: Distribution 2%~3.5% as employees' compensation and less than 2.5% as directors and supervisors' compensation shall be based on the profit before income tax of the current year.
- (2) The number of shares to be distributed as employees' compensation: NA.
- (3) The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure for the current period: the difference would be regarded as accounting estimation adjustment and recognized as the profit and loss of 2016.
3. Information on resolved by the Board of Directors on March 25, 2016 for distribution of compensation:
 - (1) The amount of any compensation distributed in cash or stocks: Employees' cash compensation is NT\$ 132,000,056. Directors and supervisors' cash compensation is NT\$ 119,277,159.
 - (2) If there is any discrepancy between that amount and the estimated are recognized for the fiscal year shall be disclosed the discrepancy amount, its cause, and the status of treatment: No discrepancy.
 - (3) The amount of any employees' compensation distributed in stocks, and the amount as a percentage of the sum of profit after income tax base on the separated financial report and total employees' compensation: N.A.
4. The actual distribution compensation of employees, directors and supervisors for the previous fiscal year (with an indication of the number of shares, amount and stock price of the shares distributed), and if there is any discrepancy between the actual distribution and the recognized compensation of employees, directors and supervisors, shall be disclosed the discrepancy, its cause, and the status of treatment:
 - (1) The Board of Directors resolved on March 20, 2015 to distribute employees' compensation NT \$318,072,423 and directors and supervisors' compensation NT\$ 238,554,317 which were recognized by the Shareholders' Meeting. The employees' compensation was fully distributed. The actual distributed amount of directors and supervisors' compensation was NT\$ 168,800,000 (17.89% distributed to individuals and representatives; 82.11% distributed to juridical persons). Retained un-distributed amount was NT\$ 69,754,317.
 - (2) The employees' compensation is more than the estimation in 2014 for NT\$ 28,915,675 . The directors and supervisors' compensation is more than the estimation in 2014 for NT\$ 21,686,756. The difference is due to compensation of employees, directors and supervisors resolved by the Shareholders' meeting is higher than the estimating referred to the profit or loss of the year and profit distribution condition in the past years. These differences have been regarded as accounting estimation adjustment and recognized as the profit and loss of 2015.
- ◎Buyback of Treasury Stock: None.
- ◎Preferred Stock: None.
- ◎Employee Stock Option: None.
- ◎Restricted Stock Awards for employees: None.
- ◎Merger or acquisition of other company' share to issue new share: None.



4.2 Summary of Corporate Bonds

4.2.1 Issued Corporate Bonds

Type of Bond Issued		1st Unsecured Corporate Bond Issued in 2014
Item		
Date Issued		May. 23, 2014
Par Value		NT\$1,000,000
Issue and Trade Place		N/A
Issue Price		Par Value
Nominal Amount		NT\$8,000,000,000
Interest Rate		1.36%
Term		Five Years. Maturity: May. 23, 2019
Guaranty/Guarantor		None
Trustee		China Trust Commercial Bank, Trust Department
Underwriter		None
Certified Lawyer		M.T.Huang
Certified Public Accountant		H.W. Tai, L.W. Kuo
Repayment Method		Interest Paid Annually Since Issue, 50% Principal Installed Separately After The 4、5th Anniversary of The Issue Date
Outstanding Balance		NT\$8,000,000,000
Redemption Clauses		None
Restrictive Covenants		None
Credit Rating Agency/Date/Rating		Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Aug.22, 2013
Convertible	Amount Converted	None
	Issue/ Conversion Rules	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		None
Custodian		None

Type Of Bond Issued		2nd Overseas Unsecured Exchangeable Bonds	1st Overseas Unsecured Convertible Bonds
Item			
Date Issued		Jan. 27, 2011	Jun. 7, 2011
Par Value		US\$200,000 and in increments of US\$1,000 thereafter	US\$200,000 and in increments of US\$1,000 thereafter
Issue And Trade Place		Singapore Exchange	Singapore Exchange
Issue Price		Par Value	Par Value
Nominal Amount		US\$375,000,000	US\$172,500,000
Interest Rate		0%	0%
Term		Five Years Maturity: Jan. 27, 2016	Five Years Maturity: Jun. 7, 2016
Guaranty/Guarantor		None	None
Trustee		BNY Mellon	BNY Mellon
Underwriter		Goldman Sachs International	Goldman Sachs International
Certified Lawyer		Y.H. Wang	Y.H. Wang
Certified Public Accountant		H.W. Tai, Y.W. Fan	H.W. Tai, Y.W. Fan
Repayment Method		Unless previously redeemed, repurchased and cancelled or exchanged, the bonds will be redeemed at their principal amount on the maturity date.	Unless previously redeemed, repurchased and cancelled or converted, the bonds will be redeemed at their principal amount with a yield calculated at the rate of 0.3% per annum on the maturity date.
Outstanding Balance		Dec. 31, 2015: US\$42,300,000 Jan. 27, 2016: US\$0	US\$166,500,000
Redemption Clauses		A. The Issuer may redeem the bonds at the option of the Issuer in whole or in part at any time after three years of the issue date at the early redemption price, if the closing price for 30 consecutive trading days (in the event of ex-rights or ex-dividends, the closing price on each applicable trading days during the period from the ex-rights or ex-dividends trading day to the ex-rights or ex-dividends record date, as the case may be, shall be adjusted to the price taking into account of impact of the ex-rights or ex-dividends) of the common shares of FENC on the TSE is at least 130% of the then exchange price. B. The Issuer may redeem all of the bonds at their principal amount in the event that more than 90% of the bonds have been previously redeemed, repurchased and cancelled or exchanged. C. The Issuer may redeem all of the bonds at their principal amount in the event of changes in ROC taxation resulting in increase of tax obligation or the necessity to pay additional interest expense or increase of additional costs to the Issuer.	A. The Issuer may redeem the bonds at the option of the Issuer in whole or in part at any time after three years of the issue date at the early redemption price, if the closing price for 30 consecutive trading days (in the event of ex-rights or ex-dividends, the closing price on each applicable trading days during the period from the ex-rights or ex-dividends trading day to the ex-rights or ex-dividends record date, as the case may be, shall be adjusted to the price taking into account of impact of the ex-rights or ex-dividends) of the Issuer's common shares on the TSE is at least 130% of the quotient of the early redemption price multiply by the then conversion price divided by the principal amount of the bonds. B. The Issuer may redeem all of the bonds at the early redemption price in the event that more than 90% of the bonds have been previously redeemed, repurchased and cancelled or converted. C. The Issuer may redeem all of the bonds at early redemption price in the event of changes in ROC taxation resulting in increase of tax obligation or the necessity to pay additional interest expense or increase of additional costs to the Issuer.
Restrictive Covenants		None	None
Credit Rating Agency/Date/Rating		None	None
Convertible	Amount Converted	None	None



	Issue/ Conversion Rules	Except for closed periods as prescribed by ROC laws and regulations or otherwise described in the Indenture, the bondholders shall have the right to require the Issuer to exchange the bonds into the exchange securities at any time during the period from the 41th day after the issuance of the bonds to the date falling 30th day prior to the maturity date. The aforementioned closed periods shall mean: A. The period of FENC has to close its shareholders' register, which period currently includes 60 days prior to the date of the annual general shareholders' meeting, 30 days prior to a special shareholders' meeting, or any other period prescribed by law. B. In the event of free distribution of shares, distribution of cash dividends or rights issues, by FENC, the period from at least fifteen trading days prior to the record date for determination of shareholders entitled to receive dividends, subscription of new shares or other benefits to the record date for the distribution or allocation of the relevant dividends, rights and benefits, and in the event of capital reduction, the period from the record date for determination of the shareholders participating in such capital reduction to the first trading day immediately prior to the date on which the common shares resume trading after such capital reduction and other closed period as required by ROC laws and regulations or by the TSE. C. Where any ROC laws and regulations governing closed period as above-mentioned has been changed or amended, the closed period shall be amended to comply with the prevailing laws and regulations.	Except for closed periods as prescribed by ROC laws and regulations or otherwise described in the Indenture, the bondholders shall have the right to require the Issuer to convert the bonds into the converted securities at any time during the period from the 41th day after the issuance of the bonds to the date falling 30th day prior to the maturity date. The aforementioned closed periods shall mean: A. The Issuer has to close its shareholders' register, which period currently includes 60 days prior to the date of the annual general shareholders' meeting, 30 days prior to a special shareholders' meeting, or any other period prescribed by law. B. In the event of free distribution of shares, distribution of cash dividends or rights issues, by Issuer, the period from at least fifteen trading days prior to the record date for determination of shareholders entitled to receive dividends, subscription of new shares or other benefits to the record date for the distribution or allocation of the relevant dividends, rights and benefits, and in the event of capital reduction, the period from the record date for determination of the shareholders participating in such capital reduction to the first trading day immediately prior to the date on which the common shares resume trading after such capital reduction and other closed period as required by ROC laws and regulations or by the TSE. C. Where any ROC laws and regulations governing closed period as above-mentioned has been changed or amended, the closed period shall be amended to comply with the prevailing laws and regulations.
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		The 2 nd overseas unsecured exchangeable bonds with a zero coupon rate, the bonds provide a low-cost source of long-term funds and reduce the interest expenses, and therefore have a positive boost on the Issuer's profitability.	The 1 st overseas unsecured convertible bonds with a zero coupon rate, the bonds provide a low-cost source of long-term funds and reduce the interest expenses, and therefore have a positive boost on the Issuer's profitability.
Custodian		None	None

Type Of Bond Issued		2nd Overseas Unsecured Convertible Bonds
Item		
Date Issued		May. 13, 2013
Par Value		US\$200,000 and in increments of US\$1,000 thereafter
Issue And Trade Place		Singapore Exchange
Issue Price		Par Value
Nominal Amount		US\$220,000,000
Interest Rate		0%
Term		Five Years Maturity: May. 13, 2018
Guaranty/Guarantor		None
Trustee		BNY Mellon
Underwriter		Goldman Sachs International
Certified Lawyer		Y.H. Wang
Certified Public Accountant		H.W. Tai, L.W. Kuo
Repayment Method		Unless previously redeemed, repurchased and cancelled or converted, the bonds will be redeemed at their principal amount on the maturity date.
Outstanding Balance		US\$220,000,000
Redemption Clauses		A. The Issuer may redeem the bonds at the option of the Issuer in whole or in part at any time after three years of the issue date at the principal amount, if the closing price for 30 consecutive trading days (in the event of ex-rights or ex-dividends, the closing price on each applicable trading days during the period from the ex-rights or ex-dividends trading day to the ex-rights or ex-dividends record date, as the case may be, shall be adjusted to the price taking into account of impact of the ex-rights or ex-dividends) of the Issuer's common shares on the TSE is at least 130% of the quotient of the principal amount multiply by the then conversion price divided by the principal amount of the bonds. B. The Issuer may redeem all of the bonds at the principal amount in the event that at least 90% of the bonds have been previously redeemed, repurchased and cancelled or converted. C. The Issuer may redeem all of the bonds at principal amount in the event of changes in ROC taxation resulting in increase of tax obligation or the necessity to pay additional interest expense or increase of additional costs to the Issuer.
Restrictive Covenants		None
Credit Rating Agency/Date/Rating		None
Convertible	Amount Converted	None
	Issue/ Conversion Rules	Except for closed periods as prescribed by ROC laws and regulations or otherwise described in the Indenture, the bondholders shall have the right to require the Issuer to convert the bonds into the converted securities at any time during the period from the 41th day after the issuance of the bonds to the date falling 30th day prior to the maturity date. The aforementioned closed periods shall mean: A. The Issuer has to close its shareholders' register, which period currently includes 60 days prior to the date of the annual general shareholders' meeting, 30 days prior to a special shareholders' meeting, or any other period prescribed by law. B. In the event of free distribution of shares, distribution of cash dividends or rights issues, by Issuer, the period from the fifteen trading days prior to the commencement day of the closed period with respect to the record date for determination of shareholders entitled to receive dividends, subscription of new shares or other benefits to the record date for the distribution or allocation of the relevant dividends, rights and benefits, and in the event of capital reduction, the period from the record date for determination of the shareholders participating in such capital reduction to the first trading day immediately prior to the date on which the common shares resume trading after such capital reduction and other closed period as required by ROC laws and regulations or by the TSE. C. Where any ROC laws and regulations governing closed period as above-mentioned has been changed or amended, the closed period shall be amended to comply with the prevailing laws and regulations.
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		The 2 nd overseas unsecured convertible bonds with a zero coupon rate, the bonds provide a low-cost source of long-term funds and reduce the interest expenses, and therefore have a positive boost on the Issuer's profitability.
Custodian		None



4.2.2 Issued Exchangeable and Convertible Bonds

Type of Bonds Issued		2nd Overseas Unsecured Exchangeable Bonds						
Item	Year	Launch Date	2011	2012	2013	2014	2015	As of Jan. 27, 2016
Number of Exchange Securities		171,421,824	185,436,894	200,867,159	213,261,509	25,525,954 Note1	27,049,639	- Note3
Exchange Price/Share		63.51	58.71	54.20	51.05	48.11	45.4 ^{Note2}	45.4
Market Price of Exchangeable Bonds(US\$)	Highest	100	101.85	98.12	99.87	100.42	97.33	96.253
	Lowest	100	88.96	93.21	98.06	96.32	96.21	96.249
	Average	100	96.98	96.34	98.93	98.55	97.00	96.251
Issued Date		Jan. 27, 2011						
Exchange Securities		The Common Shares of Far Eastern New Century Corporation.						

Note1: Pursuant to the Indenture, any holders of the bonds may exercise the holders' Put Right to require the company to redeem the bonds held by the holders in whole or in part only on 27 January 2014. As of the date of redemption, the total redemption amount is US\$332,700,000, and the outstanding balance is US\$42,300,000.

Note2: Pursuant to the Indenture, the exchange price of the bonds had been adjusted to NT\$45.4/Share since August 6, 2014 as FENC distributed cash dividends and stock dividends.

Note3: After final redemption on Jan. 27, 2016, there is no outstanding balance.

Type of Bonds Issued		1st Overseas Unsecured Convertible Bonds						
Item	Year	Launch Date	2011	2012	2013	2014	2015	From the current year to April. 30, 2016
Market Price of Convertible Bonds(US\$)	Highest	100	107.01	105.61	108.64	110.67	105.24	101.13
	Lowest	100	95.14	96.63	101.91	102.29	99.28	99.68
	Average	100	99.72	101.13	104.85	106.03	101.83	100.43
Conversion Price/Share		50.17	46.9	42.87	40.14	37.72 ^{Note1}	35.28 ^{Note2}	35.28
Issuing (handling) date and conversion price in issuing		Issued on Jun. 7, 2011 NT\$50.17/share						
Method of performing conversion obligations		Issuance of new shares						

Note1: Pursuant to the Indenture, any holders of the bonds may exercise the holders' Put Right to require the company to redeem the bonds held by the holders in whole or in part only on 7 June 2014. As of the date of redemption, the total redemption amount is US\$6,000,000, and the outstanding balance is US\$166,500,000.

Note2: Pursuant to the Indenture, the conversion price of the bonds had been adjusted to NT\$35.28/Share since September 8, 2015 as ACC distributed cash dividends and stock dividends.

Type of Bonds Issued		2nd Overseas Unsecured Convertible Bonds				
Item	Year	Launch Date	2013	2014	2015	From the current year to April. 30, 2016
Market Price of Convertible Bonds(US\$)	Highest	100	105.71	108.12	104.68	100
	Lowest	100	98.10	101.27	98.08	98.69
	Average	100	101.52	103.83	100.50	99.41
Conversion Price/Share		48	44.7	42	39.28 ^{Note1}	39.28
Issuing (handling) date and conversion price in issuing		Issued on May. 13, 2013 NT\$48/share				
Method of performing conversion obligations		Issuance of new shares				

Note1: Pursuant to the Indenture, the conversion price of the bonds had been adjusted to NT\$39.28/Share since September 8, 2015 as ACC distributed cash dividends and stock dividends.

4.3 Summary of Issued GDR

5. Issue Date	Jun. 23, 1992	Sep. 13, 1996	Jan. 23, 2007	Mar. 25, 2008
Issuance & Listing	London Stock Exchange			
Total Amount (US\$)	66,002,750	60,000,010.77	83,209,951.46	61,355,000
Issuing Price per GDR (US\$)	27.50	19.67	9.905946602	17.53
Number of GDR Issued	2,400,100	3,050,331	8,400,000	3,500,000
Underlying Securities	ACC Common Shares held by Far Eastern New Century Corporation	ACC Common Shares held by Far Eastern New Century Corporation	ACC Common Shares held by Yuang Ding Investment Corporation	ACC Common Shares held by Far Eastern General Contractor Co., Ltd. and Far Eastern Construction Co., Ltd.
Common Shares Represented (shares)	24,001,000	30,503,310	84,000,000	35,000,000
Right & Obligation of GDR Holders	Same as Common Shareholders			
Trustee	Not Applicable			
Depository Bank	BNY Mellon			
Custodian	Far Eastern International Bank			
Outstanding	38,972 (As of April 30, 2016)			
Apportionment of Expenses for Issuance & Maintenance	All expenses related to issuance and maintenance is undertaken by FENC and ACC respectively.			



Major Commitment of Depositary Agreement & Custody Agreement			GDR holders are allowed to vote on a given agenda only when over 51% of them reach consensus.
Closing Price Per GDR (US\$)	2015	Highest	11.9
		Lowest	11.86
		Average	11.885
	As of April 30, 2016	Highest	11.9
		Lowest	11.9
		Average	11.9

* Each GDR represented 10 Common Shares.

4.4 Status on Execution of Capital Utilization Plans

Funds utilization plans have not been completed or have been completed in past 3 years but their benefits have not been appeared: none.

V Overview of Business Operation

5.1 Business Introduction

5.1.1 Business Scope

1. Scope of Business: Please refer to Section 2.1: “Scope of Business.”
2. Main Business and Percentage:
 - A. Production and sales of Cement and clinker: 91%.
 - B. Granulated blast-furnace slag: 9%.
3. New Product Research & Development: None.

5.1.2 Industry Overview

1. Market situation and future outlook

A. The 2015 total cement production volume in Taiwan was 13,445,063 MT, decreased 8.09% compared to 2014. Among them, the domestic cement sales was 10,215,068 MT, and exported cement was 3,260,662 MT. Compared with those in 2014, domestic sales decreased by 7.89%, exports decreased by 6.74%. In 2015, due to Taiwan Government policy and the economy, the domestic real estate continued to show decline both in volume and price. The cement consumption decreased slightly to 11,652,768 MT, decreased by 7.24%. The 2015 per capita average cement consumption is about 496 kg, decreased 7.46% from 536 kg in 2014. As a result, the cement market in Taiwan is still showing oversupply.

B. For the year 2015:

(1) Outlook of the domestic market:

Taiwanese Public Works budget totaled NT\$ 189 billion in 2016, increased NT\$ 9.9 billion, 5.5%. Affected by the real estate taxes, the domestic real estate boom continues to slump. Real estate transactions significantly reduced, while housing supply increases. Meanwhile, there will be fewer application for construction license.. There is a large price gap for real estate between buyers and sellers. Moreover, because of factors such as soil liquefaction issue, reduced transaction and price of housing market is expected. The demand for cement will continue to decrease.

(2) Outlook of the global markets:

For 2016, the cement industry in China will keep conducting mergers & acquisitions, eliminating backward production capacity, and raising cement price. The profits for its cement market are expected. For the cement markets in the rest areas, the cement markets in the emerging Asian countries have the strongest market demands while every country has new production plans. Among them, Philippines enjoy rapidly growing demand, while Indonesia, Vietnam, and Myanmar will have steady growth, and Malaysia and Thailand will remain in the same level. Meanwhile, the export volume of Vietnam will increase. In Northeast Asia, the domestic sale and export volume in Japan will be stable. South Korea's domestic market will grow rapidly. The cement markets in



Western European are still in a downturn. Their overcapacities have been exported to Africa and Latin America. The usage volume and price of cement in the U.S. will grow significantly in this year. The U.S starts to import cement for its domestic need in 2016.

Overall, the domestic demand in Taiwan shall increase while the oversea cement markets continue to grow. The Company will continue to keep the balance between production and sale.

C. In addition to root in Taiwan for on-going cement business operation, the Company will keep enhancing its competitiveness by largely expansion in China both in production and sales.

2. The relationships among the value chain of cement industry

The upstream, midstream and downstream sectors of cement industry, namely ready-mixed concrete, precast, and construction industry, are co-existed and blooming together. Nowadays, vertical integration is the trend in cement industry. As a result, the Company's operation strategy is to establish the downstream subsidiaries—Ya Tung Ready-mixed Concrete Corp. and Yali Precast & Prestressed Concrete Industries Corp., and to invest Far Eastern Construction Company and Far Eastern General Contractor Company to grasp the business opportunities.

3. Product development and company competitiveness

Although the cement products include Portland Cement Type I, Type II, and Special Cement, the major market demand is Portland Cement Type I. However, the overseas market has stronger demand for Special Cement in recent years. The ability to produce quality products and the shipping & loading efficiency has become the key competitive factors.

5.1.3 Technology and Research Development

As of April 30, 2015
Unit: NT\$1,000

Item	Amount
1 Enhancing the control techniques of limestone in quarry	16,500
2 Techniques for particulate pollutants detection technology	1,400
Total	17,900

5.1.4 Short-term Business Plan

- ◎ To strengthen the existing domestic and international channels of cement sales.
- ◎ To reduce costs and to maintain fully sell out the estimated production volume and sound profitability.
- ◎ To fulfill the vertical integration policy and to expand into downstream market channels.
- ◎ To keep good relationship with customers and foresee market trend.

5.1.5 Long-term Business Plan

- ◎ Maintain solid position in Taiwan - improve producing efficiency.
- ◎ Increase the investment in China (Please refer to the "I Report to Shareholders" at page 1 and the "8.2 Basic Information of Affiliates" at section 8.2 of this annual report.

- ◎ Extend the global market - Find new markets, new opportunities to expand overseas operations.

5.2 General Information of Market & Production

5.2.1. Markets Analysis

1. Major Sale Markets

A. Cement and Clinker:

“Skyscraper” is the Company’s brand-name for marketing all kinds of our products. Our domestic market includes Taiwan, Penghu, Kinmen and Matsu, and our overseas market includes Singapore, Malaysia, Philippine, Hong Kong, Guam, Hawaii, etc.

B. Ready-Mixed Concrete:

To provide better customer service, our subsidiary, Ya Tung Ready-Mixed Concrete Corp., has set up many plants around Taiwan, and furthermore established strategic alliance with local firms.

2. Market Share

In 2015, the Company domestic sales was 3,131,653 MT, i.e. 30.66% of the sales amount of all domestic cement producers, which was equal to 26.87% of total cement consumption in Taiwan.

3. Market supply forecast, growth opportunity, and business competitiveness:

A. Since there will be fewer application for construction license, the estimated demand for 2016 in Taiwan will be less than 10 million MT. However, the cement price will be influenced by the cost of energy, labor, raw material, shipping and the quantities of imported cement.

B. For the export sales, the Company is expected to export 1.65 million MT of cement and clinker in 2016, increased 0.29 million MT by last year. The Company has long term major customers in Singapore, Malaysia, etc. and shall continue to maintain an excellent business relationship with them in the years to come. The Company has also expanded its trading business for cement.

C. In the view of the vast and steady growth market in China, Asia Cement Corporation actively expands production base as well as storage and transportation facilities. In addition, with the markets both in Taiwan and China, it constitutes an effective competitive niche and profitability for the Company.

4. Positive factors for the industry development

The budget for 2016 Public Works Projects increase 5.5% to NT \$189 billion. Taiwan’s cement industry believes that the implementations of several infrastructure projects such as Suhua Highway improvement projects, the improvement of the South-Link Highway in Taitung, Linkou power plants, Intercontinental Container Terminal of the Kaohsiung Port, the Circular Line of Taipei Metro system, athletes' village for 2017 Taipei Summer Universiade, west coast expressway, and the Tamkang Bridge, the cement consumption in Taiwan is expected to slow the decline of cement market.

5. Negative factors and the solutions

A. Industry relocation, environmental awareness, and emission limits of carbon dioxide will increase the difficulties in both public constructions and private housing sectors, and cause



the construction industry more conservative. This will constrain the growth of cement demand.

- B. The Ministry of Economic Affairs has set limitations on trade volume of domestic cement industry according the Foreign Trade Law. The limitations will gradually lower the export-production ratio from 50% in 2011 to 29% in 2016. The over-supply condition will be worse.
- C. The applications for construction license from Jan. to Mar., 2016 decreased 26% than in the same period of 2015. This shows negative view toward real estate market in Taiwan.
- D. Since May 18, 2016, Taiwan's Ministry of Finance conducts investigation on cement and clinker from China and imposes anti-dumping duties, 91.58% during the investigation. This will help Taiwan's domestic market.
- E. Solutions:
 - Improve the efficiency of current production, transportation and marketing activities and strengthen the downstream distribution channels in both domestic and overseas market.
 - Continue selecting good target markets, establish production and distribution channels, expand customers in emerging countries, and realize reasonable profitability.

5.2.2 Application of Major Cement Products

1. Portland Cement Type I:

It is known as ordinary cement, used for all structural projects which are not particularly exposed to sulphuric acid or underground water. Most of the current market supply is in this category.

2. Portland Cement Type II:

With lower hydration heat than Portland Cement Type I as well as low alkalis and moderate resistance to sulfate, Portland Cement Type II is for large-scale structures. It is resistant against cracking and erosion by sea water, salt, and alkali. The general purposes are as follows:

- A. Underground foundation engineering: Tower Building Basement, underpass, sewers, tunnels and massive underground rapid transit systems.
- B. Large-scale concrete works: Bridges, dams, water retention facilities, valve based structure.
- C. Construction subject to erosion by sea water and sea wind: dock, breakwaters, caisson, breeding plants, harbors, and others.
- D. Project that requires resistance to sulfate: Sewage treatment plants and chemical engineering.

3. Special Purpose Cement: Produced to meet customers' special needs.

4. Production process:

All types of cement are produced in accordance to a fixed proportion of mixtures, in the following steps:

- A. Limestone and clay are mixed and ground into raw meal.
- B. Raw meal is poured into the rotary kiln and burned in high temperature to produce clinker.
- C. Clinker is mixed with gypsum and ground into cement.
- D. Cement is sold in bulk or packages.

5.2.3 Supply Condition of Main Raw Materials

The major raw materials used by the Company consist of limestone, clay, gypsum, pyrite, iron slag, and raw coal for fuel. Except a little limestone, most limestone is produced and used by the Company. Clay is purchased from domestic suppliers through long-term contracts. Gypsum and pyrite are supplied by qualified domestic and foreign firms. Fuel coal is supplied by Australian providers via long or short term contracts.

5.2.4 Major Suppliers Information for the Last Two Years

Unit: NT\$1,000

Item	2014				2015				As of March 31, 2016			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	CC Co., Australia	1,484,156	37.86	Raw material supplier	BB Co., Australia	1,084,035	30.27	Raw material supplier	BB Co., Australia	161,865	33.33	Raw material supplier
2	Chung Ling Co.	699,467	17.84	Raw material supplier	Chung Ling Co.	726,050	20.27	Raw material supplier	Dongfa Corp.	35,316	7.27	Material supplier
3	Young Year	150,811	3.84	Raw material supplier	AA Co., Australia	179,020	5.00	Raw material supplier	KENWAY	24,969	5.14	Equipment supplier
4	KENWAY	91,034	2.32	Equipment supplier	Fushan Mining	112,570	3.14	Raw material supplier	Gypsum DD Corp.	22,779	4.69	Raw material supplier
	Others	1,496,210	38.14		Others	1,480,056	41.32		Others	240,758	49.57	
	Net Total Supplies	3,921,678	100.00		Net Total Supplies	3,581,731	100.00		Net Total Supplies	485,687	100.00	

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Note: Variations are because of market mechanisms.

5.2.5 Major Clients Information for the Last Two Years

Unit: NT\$1,000

Item	2013				2014				As of March 31, 2015			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	Ya Tung Ready-Mixed Concrete Co.	1,691,597	14.07	Subsidiary	Ya Tung Ready-Mixed Concrete Co.	1,662,917	14.31	Subsidiary	Ya Tung Ready-Mixed Concrete Co.	356,650	14.42	Subsidiary
	Others	10,328,543	85.93		Others	9,961,264	85.69		Others	2,116,093	85.58	
	Net Sales	12,020,140	100.00		Net Sales	11,624,181	100.00		Net Sales	2,472,743	100.00	

Note: Variations are because of market mechanisms.



5.2.6 Output of Main Products 2014-2015

1. ACC (Taiwan)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Output Product	Year	2014			2015		
		Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Cement & Clinker		5,597	4,904	9,232,363	5,597	4,621	8,795,333

2. ACC (China)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Output Product	Year	2014			2015		
		Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Cement & Clinker		35,500	29,648	28,322,859	35,500	30,265	25,284,094

5.2.7 Sales of Main Products 2014-2015

1. ACC (Taiwan)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Sales Product	Year	2014				2015			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker*		3,407	7,741,476	1,590	2,864,347	3,178	7,254,186	1,366	2,566,258

* Cement & Clinker produced by the Company.

2. ACC (China)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Sales Product	Year	2014				2015			
		Domestic Sales		Export Sales		Domestic Sales		Export Sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker*		30,131	37,994,448	0	0	30,283	29,452,257	230	283,012

* Cement & Clinker produced by the Company.



5.3 Human Resources

Year		2014	2015	As of Apr. 30, 2016
Number of Employees	Headquarter	151	153	151
	Hsinchu Plant	106	105	104
	Hualien Plant	322	314	308
	Total	579	572	563
Average Age		47.92	48.18	49.29
Average Years of Service		21.48	21.41	21.38
Education	Ph.D.	0	0	0
	Masters	9.82%	11.01%	11.37%
	Bachelor's Degree	40.18%	41.26%	41.38%
	Senior High School	42.28%	40.38%	40.50%
	Below Senior High School	7.72%	7.34%	6.75%

5.4 Expenditures on Environmental Protection

According to government regulations, the Company set up the continuous emission monitoring system to monitor pollutant opacity of nitrogen oxides, sulfur oxides, and other pollutants.

◎ During the most recent fiscal year and the current fiscal year up to the printing date of the annual report, the loss (including compensation) and penalty resulted from environmental pollution:

(1) Fine: none.

(2) Countermeasures: none.

◎ The restriction of RoHS (to restrict the use of hazardous chemicals) is not applicable to the Company.

5.4.1 ISO-14001 Environmental Management Systems (EMS)

1. ISO-14001 EMS has become the trend in many advanced countries.
2. In August 1996, the Hualien plant of the Company passed certification by the Bureau of Commodity Inspection and Quarantine of the Ministry of Economic Affairs (MOEA), and in November of the same year, Hualien plant became one of the first organizations in Taiwan to receive ISO-14001 certification. In July 2000, Taiwan's first Environmental Report was completed by Hualien plant according to Sustainability Reporting Guidelines of Global Reporting Initiative (GRI).
3. The affiliated Jiangxi Yadong Cement Co., Sichuan Yadong Cement Co., Hubei Yadong Cement Co., Huanggang Yadong Cement Co., and Wuhan Yaxin Cement Co., have awarded ISO-14001 certification.

5.4.2 Air Pollution Prevention

1. One of the main environmental concerns relating to cement production is air pollution caused by the dust generated from production processes. Therefore, the work of dust disposal is an important duty, not only to prevent air pollution, but also to reduce the loss of raw materials and finished products. Consequently, ACC has always emphasized on the efficiency of dust collection equipment.

2. At present, ACC's Hsinchu plant has 2 electrostatic precipitators and 35 bag filters, with a total investment cost of NT \$174 million. The Hualien plant has 9 electrostatic precipitators and 80 bag filters, with a total investment cost more than NT \$950 million. In 2015, the Hsinchu plant invested NT\$12.8 million to improve its air pollution control facilities. For increasing dust preventive facilities, Hsinchenshan Mine of the Hualien plant had built 440-meters-long fully-closed belt conveyor in 2015, which could completely prevent dust shed or spread, moreover, the Hualien plant set up dustproof net outside of the belt conveyor. We will continue to build 180-meters-long fully-closed belt conveyor in 2016.
3. The good maintenance of above equipment ensures dust collection efficiency which is within the legal limit. Consequently, the quality of air around the plants is higher than national standard. As a result, the Environmental Protection Administration (EPA) especially recognized the two plants as environmental protection demonstration plants.
4. In particular, the amount of dust including chimney emissions measured by environmental protection agencies at the Hualien plant was less than 25 milligrams/m³, which was far better than national standard. The plant was awarded by the Chinese National Federation of Industries for its excellent performance of preventing industrial pollution. In addition, the Hualien plant was listed by the EPA as one of the top 10 factories in pollution prevention and has received the Enterprise Environmental Protection Award for three years in a row.
5. In 2015, the environment expenditure of the Hualien plant, such as purchasing and maintenance of precipitators, training courses, greening and beautification was NT\$ 52,176,000.

5.4.3 Greening and Beautification for Quarry Restoration

1. Both Hsinchu and Hualien plants have implemented measures for soil conservation and taken actions to green the environment by planting trees and other vegetation. For many years, the Hualien plant promotes the cultivation of the native species of trees for greening the quarry and the plant.
2. As of 2015, the green restoring area is 56.8 acres, while exploiting operation area is 26.5 acres, which is 68.19% and 31.81% respectively. Recently, the quarry of the Hualien plant is visible from nearby high way and railroad. In order to integrate the quarry into the surrounding environment, the Hualien Plant introduced a new forestation method for quarry restoration. Within merely two year, trees could grow up to 4 meters high.
3. In 2015, the Hualien plant devoted NT\$ 12,478,000 to the greening and beautification of the quarry.
4. Due to Hualien Plant's dedication of environmental protection and engaging in community activities, the Taroko National Park cooperates with the Company to preserve native species of trees for greening and beatification of the National Park and environment guidance.
5. In 2007, the Hualien Plant was awarded for the excellent performance in the project of "promoting green communities" by the Environmental Protection Administration.

5.4.4 Major Environmental Protection Work in the Future

1. Reinforcing and ensuring the normal operation of environmental facilities.
2. Practicing in industry waste reduction; avoiding pollution.



3. Improving the greening rate in factory and quarry areas.
4. Utilizing wastes as resources to take social responsibilities.
5. Endlessly enhancing the environmental measures and techniques; expecting to reach the goal of “zero pollution”.

5.4.5 Fulfill Social Responsibilities

1. The Company volunteered to take care of greenbelts and pavements along the Dun-Hua South Road and An-He Road over a long period of time to fulfill its social responsibilities and strengthen relations with neighborhood.
2. Since 2001 on, Hualien plant has annually participated in local festivals such as lily blossom in Buluowan held by the Taroko National Park and donated potted flowers and plants for all visitors.
3. For our neighbors' traffic safety, the Hualien plant has regularly sponsored Xincheng Branch of the Hualien County Police Office to renew police stands and street lamps.
4. The Company will also sponsor local activities and facilities of the villages and towns nearby the Hsinchu and Hualien plant.
5. Employees are encouraged to serve as hospital volunteers.
6. Based on ACC corporate philosophy of “feeding back to society whatever takes from society,” the Company sponsors Far Eastern Medical Foundation, Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation, and Far Eastern Memory Foundation and participates in all kinds of public service activities.

5.5 Labor Relations

The Company complies with every regulation of labor relationship. Due to the excellent labor relations, there were no damages or penalties causing from labor disputes.

1. According to law, The Company has Industrial Welfare Committee to allot welfare fund for staffs and conduct many welfare-related activities. In factory, we have basketball courts, tennis courts, badminton courts, table tennis courts, and swimming pools, etc., as staff's recreational facilities. Health examination, group insurance, subsidies for employee's education, trips, and clubs are also included in welfare plans.

2. Employee Relations

The Company provides Employee Assistance Program (EAP) service from Hsinchu Lifeline Association, EAP Center, which offers professional counsel to all issues employees may meet, such as career development, family issues, and interpersonal relationship.

3. Every year, the Company participates in the training programs provided by the training center of Far Eastern Group, which include professional courses such as finance, accounting, marketing, information, and management skills for management levels. Following the Company's development plan, the Human Resource Department also holds in-house courses customized for the competencies by request of different professions and levels. These courses provide executives and employees with sufficient training opportunities, which not only can be applied to the workplace, but also connect with employees' career development.

Also, the Far Eastern EMBA programs designed by professors from Center for Management Studies, Yuan Ze University, provide the chances of advanced study with employees and develop staffs' excellent talents for the Company's long-term development. We also invite all trainees to share what they learned to expand learning effect. In addition, in view of respective demands, every department of the Company recommends employees to participate in the courses introduced by government bodies and other social institutions in order to acquire the latest relevant information.

Furthermore, Human Resource Department holds reading club, inviting a professional lecturer monthly to guide reading and facilitate discussion, encouraging employees to absorb new concepts and sharing knowledge.

In 2015, totally 250 training courses were held for ACC employees, roughly 2,720 participants; the relevant expenditures amounted to NT\$ 2.5 million.

4. The "Employment Rules of Asia Cement Corporation" articulates regulations in connection with appointment, service, assessment, and rewards as well as punishments, promotion, retirement, and compensation, etc. In order to guarantee the rights relating to retirement and compensation, in accordance with the law the Company sets up Supervisory Committee of the Labor Retirement Fund, allocates work's retirement reserve fund into the special account managed by assigned institutions, regularly convenes the supervisory committee, and audits the allocation and practice of work's retirement reserve fund. In addition, in compliance with Labor Pension Act, the Company monthly set aside pension fund for the employees who choose to be subject to the pension mechanism.
5. The Company's management philosophy "Sincerity, Diligence, Thrift and Prudence" has been firmly in every employee's heart. "Sincerity" implies honest and enthusiasm. "Diligence" indicates dedication. "Thrift" signifies frugality and modesty. "Prudence" represents deliberation and accuracy. In short, one important corporate culture of ACC is that every job should be done thoroughly, precisely, and perfectly.

In "Employment Rules of Asia Cement Corporation" mentioned above, the chapter 4 'Service', and chapter 7 'Assessment, Reward, Punishment, and Promotion' clearly illustrate the principles of conduct. In terms of management, besides emphasizing staff self-discipline, the Company also asks every department managers to take responsibilities of educating, advising, and leading their subordinates, which enables employees to fully understand the behavior and ethics criteria.

For better compliance with corporation governance, the Company has also enacted "Codes of Ethical Conduct" and "Principles for Ethical Management".

6. Policies of labor safety and health

A. Management in Labor Safety and Health

The Company's policy of labor safety and health is based on the following vision-"protecting labor safety, improving occupational environment, and building up friendly workplace." Also, we comply with Labor Safety and Health Act, carry out systematical management in occupational health and safety, and implement identification of



the hazardous factors, risk evaluation and control in workplace. Besides setting up safety standards and developing safety management system, the safety-related training courses, such as prevention of hidden dangers, emergency response planning, and safety self-management are regularly and irregularly held, to ensure that all employees can obey safety related rules and operate safety equipment and protective outfits well. The Company reached the target which is no occupational-safety accident happened in 2015.

In February 2009, the Hualien plant has passed TOSHMS (Taiwan Occupational Safety and Health Management System). On November 6, 2013, the Hualien Plant obtained “Occupational Safety and Health Management System Performance Recognitions” from the Council of Labor Affairs. Its effective period is five year. The Hualien plant also pass the certification of "TOSHMS Taiwan Occupational Safety and Health Management System" on October 12, 2013 approved by the Ministry of Economic Affairs Bureau of Standards. . Its effective period is to June 27, 2016. The Hsinchu Plant also follows the model of Hualien plant for establishing a faultless occupational safety and health management System.

B. Workplace environment and labor safety protection

To assure employee safety and health, protect the assets of the Company, and make comfortable and safe workplace, based on safety-related rules, we have the following active measures:

a. Following procurement to assure the intrinsic safety of raw materials and equipment:

Conforming to the safety and health standard is the essential consideration of purchasing raw materials and equipment to assure the intrinsic safety of manufacture procedure, products, and equipment.

b. General safety management, training courses, and related auditing:

We monthly hold safety and health committee and safety-related courses for employees and contractors to make sure that everyone working with ACC fully understands the possible hazardous factors and prevention measures in workplace, and obeys safety-related standards to preclude the occurrence of any disaster. Also, by means of “the walking around management” and frequently patrols, we investigate flaws and also improve them to assure the effective operation in safety management.

c. Workplace environmental monitoring system and usage of protective outfits:

All plants regularly monitor noise, high temperature, and radiation around workplace, so the unusual condition can be immediately detected and eliminated. Also, all employees can be protected from possible dangers by protective outfits designed for different hidden hazardous factors in workplace.

d. Health Care Management for Employees:

All plants set up medical offices with nursing staff and contracted doctors, and prepare emergency medicine, equipment, and supplies. According to related rules, all employees regularly accept health assessment and carry out health care management.

e. Emergency Drills and Exercises

All plants shall regularly exercise emergency response drills by following their

emergency response plan. All employees shall be familiar with relevant details, which ensures the losses could be minimized in case of emergency.

7. ACC has enjoyed harmonious relations between management and employees for years. Employees devoted their time and hard work to the Company. In recent years, the Company's continuous excellent performance of sales and production is a proof of employees' effort. The Company's work and employment regulations are based on the Labor Law and in some cases even exceed the minimum requirements of the law. Besides reasonable payment, ACC gives seasonal bonuses to encourage clinker production, attendance award, and cost and resource-saving measures, as well as year-end bonuses based on the Company's annual performance. In addition, employees are entitled to other dividends depending on their positions in the Company. All regulations concerning bonuses are clearly stipulated in the Company's regulations.

The Company was awarded "2013 Excellence Recognition for its collective agreement with employees" by the Ministry of Labor.



5.6 Major Contracts

Type of Contract	Contracting Party	Contract Duration	Primary Contents	Restrictive Clauses
Issuance of Long-term Commercial paper	International Bills Finance Corporation	2014/04~2018/04	Company has the right to terminate the issuance after 3 years	None
Issuance of Long-term Commercial paper	China Bills Finance Corporation	2014/04~2018/04	Company has the right to terminate the issuance after 3 years	None
Issuance of Long-term Commercial paper	China Bills Finance Corporation	2014/03~2018/03	Company has the right to terminate the issuance after 3 years	None
Issuance of Long-term Commercial paper	Mega Bills Finance co., Ltd	2014/03~2018/03	Company has the right to terminate the issuance after 3 years	None
Bank long-term unsecured loan	Mizuho Corporate Bank, Taipei Branch	2016/03~2018/03	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	First Commercial Bank, Tung-Hwa Branch	2016/04~2018/04	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Taiwan Cooperative Bank	2016/03~2018/03	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Hwa Nan Commercial Bank, Tung-Hwa Branch	2015/12~2017/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Far Eastern International Bank Business Dept.	2016/01~2018/01	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Bank of China	2015/06~2017/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Bank of Taiwan	2016/02~2018/02	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	E.Sun Commercial Bank	2015/10~2017/10	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Yuanta Commercial Bank	2015/10~2017/10	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Chang Hwa Bank Tung-Hwa Branch	2015/08~2017/08	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Mega International Commercial Bank Foreign Dept.	2015/06~2017/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Mega International Commercial Bank Foreign Dept.	2015/06~2017/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Land Bank of Taiwan Co., Ltd.	2015/08~2017/08	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	BNP PARIBAS Taiwan	2015/09~2017/09	Interest paid monthly, principal repaid at maturity	None
Long term raw material supply	BB Co.,	2015/01~2016/03	Contract of Coal Purchase from Australia	None
Long term raw material supply	Chung Ling Co.	2015/01~2016/02	Contract of Limestone and Clay Purchase	None
Long term raw material supply	AA Co.,	2015/01~2015/03	Contract of Coal Purchase from Australia	None
Long term raw material supply	CC Co.,	2015/04~2015/09	Contract of Gypsum Purchase	None
Equipment supply	KENWAY	2015/01~2015/12	Contract of equipment supply	None

VI Financial Information

6.1 Financial Reports & Audit Results (2012~2015)

6.1.1 Consolidated Balance Sheets

UNIT: NT\$1,000

Year Item		Four-Year Financial Summary				Up to Mar. 31, 2016 (Note2)
		2012(Note1)	2013(Note1)	2014	2015	
Current Assets		49,663,040	65,337,233	70,558,875	52,844,285	48,453,008
Property, Plant and Equipment		55,930,994	62,481,951	70,586,382	67,264,573	65,759,665
Intangible Assets		2,159,286	2,176,436	5,485,677	5,304,367	5,211,596
Other Assets		128,901,681	132,407,961	136,188,121	144,663,984	136,268,781
Total Assets		236,655,001	262,403,581	282,819,055	270,077,209	255,693,050
Current Liabilities	Before Apportioned	41,721,322	61,955,511	64,989,203	65,223,927	58,894,214
	After Apportioned	47,213,883	67,887,477	72,384,387	-	-
Non-current Liabilities		50,233,697	47,605,868	56,102,626	49,999,090	50,688,489
Total Liabilities	Before Apportioned	91,955,019	109,561,379	121,091,829	115,223,017	109,582,703
	After Apportioned	97,447,580	115,493,345	128,487,013	-	-
Equity Attributable To Owners Of The Corporation		128,049,692	134,448,119	141,833,564	135,898,873	127,391,133
Share Capital		32,309,181	32,955,365	33,614,472	33,614,472	33,614,472
Capital Surplus		1,034,446	1,018,079	1,073,920	1,155,643	1,155,643
Retained Earnings	Before Apportioned	87,741,404	92,169,086	94,863,921	91,552,336	91,749,522
	After Apportioned	81,602,659	85,578,013	87,468,737	-	-
Other Equity		6,964,661	8,305,589	12,281,251	9,576,422	871,496
Non-Controlling Interests		16,650,290	18,394,083	19,893,662	18,955,319	18,719,214
Total Equity	Before Apportioned	144,699,982	152,842,202	161,727,226	154,854,192	146,110,347
	After Apportioned	139,207,421	146,910,236	154,332,042	-	-

Note 1: The measurement subsequent to initial recognition of investment properties was altered to fair value model from 1st January, 2014 and the consolidated financial information of 2012 and 2013 included the effects of these amendments of accounting policy.

Note 2: The consolidated financial information of 2016Q1 has been reviewed by CPA.



6.1.2 Consolidated Statements of Comprehensive Income

Unit: NT\$1,000

Item \ Year	Four-Year Financial Summary				Up to Mar. 31, 2016 (Note2)
	2012	2013(Note1)	2014	2015	
Operating Revenue	63,793,183	70,172,781	77,683,281	66,287,480	13,038,960
Realized Gross Profit	6,140,552	9,042,595	11,129,604	7,058,747	998,432
Profit From Operations	4,106,489	6,672,500	8,248,404	4,039,945	406,252
Non-operating Income And Expenses	2,613,180	7,409,748	5,471,335	2,774,213	(123,702)
Income Before Income Tax	6,719,669	14,082,248	13,719,739	6,814,158	282,550
Net Profit For The Period	5,842,391	12,164,319	10,905,998	4,934,483	194,459
Other Comprehensive Income , Net	(920,590)	2,340,845	4,827,293	(3,860,529)	(8,936,360)
Total Comprehensive Income For The Period	4,921,801	14,505,164	15,733,291	1,073,954	(8,741,901)
Net Profit Attributable To Owner Of The Company	5,082,381	10,517,318	9,361,635	4,860,241	199,130
Net Profit Attributable To Non-Controlling Interests	760,010	1,647,001	1,544,363	74,242	(4,671)
Total Comprehensive Income Attributable To Owner Of The Company	4,649,295	12,091,175	13,273,390	1,343,662	(8,505,796)
Total Comprehensive Income Attributable To Non-Controlling Interests	272,506	2,413,989	2,459,901	(269,708)	(236,105)
Earnings Per Share	1.65	3.35	2.98	1.55	0.06
Earnings Per Share (Note3)	1.62	3.35	2.98	1.55	0.06

Note 1: The measurement subsequent to initial recognition of investment properties was altered to fair value model from 1st January, 2014 and the consolidated financial information of 2013 included the effects of this amendments of accounting policy.

Note 2: The consolidated financial information of 2016Q1 has been reviewed by CPA.

Note 3: Based on weighted average outstanding shares in 2015 after subtracting the shares of the Corporation held by the associates treated as treasury stock.

6.1.3 Separate Balance Sheets

Unit: NT\$1,000

Year Item		Four-Year Financial Summary			
		2012(Note)	2013(Note)	2014	2015
Current Assets		11,864,615	20,849,405	14,346,035	14,560,998
Property, Plant and Equipment		5,423,442	5,113,731	4,850,893	5,220,819
Intangible Assets		18,725	12,435	9,808	8,639
Other Assets		150,923,136	158,769,476	168,832,659	169,888,349
Total Assets		168,229,918	184,745,047	188,039,395	189,678,805
Current Liabilities	Before Apportioned	10,778,457	23,929,318	13,024,234	23,780,564
	After Apportioned	16,271,018	29,861,284	20,419,418	-
Non-current Liabilities		29,401,769	26,367,610	33,181,597	29,999,368
Total Liabilities	Before Apportioned	40,180,226	50,296,928	46,205,831	53,779,932
	After Apportioned	45,672,787	56,228,894	53,601,015	-
Share Capital		32,309,181	32,955,365	33,614,472	33,614,472
Capital Surplus		1,034,446	1,018,079	1,073,920	1,155,643
Retained Earnings	Before Apportioned	87,741,404	92,169,086	94,863,921	91,552,336
	After Apportioned	81,602,659	85,578,013	87,468,737	-
Other Equity		6,964,661	8,305,589	12,281,251	9,576,422
Total Equity	Before Apportioned	128,049,692	134,448,119	141,833,564	135,898,873
	After Apportioned	122,557,131	128,516,153	134,438,380	-

Note : The measurement subsequent to initial recognition of investment properties was altered to fair value model from 1st January, 2014 and the separated financial information of 2012 and 2013 included the effects of this amendments of accounting policy.



6.1.4 Separate Statements of Comprehensive Income

UNIT: NT\$1,000

Item Year	Four-Year Financial Summary			
	2012	2013(Note1)	2014	2015
Operating Revenue	11,758,818	12,292,506	12,394,201	12,012,770
Realized Gross Profit	670,658	846,569	1,381,751	1,547,808
Profit From Operations	134,742	234,523	737,270	977,733
Non-operating Income And Expenses	5,131,042	10,651,309	9,972,764	5,330,300
Income Before Income Tax	5,265,784	10,885,832	10,710,034	6,308,033
Net Profit For The Year	5,082,381	10,517,318	9,361,635	4,860,241
Other Comprehensive Income , Net	(433,086)	1,573,857	3,911,755	(3,516,579)
Total Comprehensive Income For The Year	4,649,295	12,091,175	13,273,390	1,343,662
Earnings Per Share	1.65	3.35	2.98	1.55
Earnings Per Share (Note2)	1.62	3.35	2.98	1.55

Note1 :The measurement subsequent to initial recognition of investment properties was altered to fair value model from 1st January, 2014 and the separated financial information of 2013 included the effects of this amendments of accounting policy.

Note2 :Based on weighted average outstanding shares in 2015 after subtracting the shares of the Corporation held by the associates treated as treasury stock.

6.1.5 Balance Sheets-R.O.C GAAP

UNIT: NT\$1,000

Year Item		Two-Year Financial Summary	
		2011	2012
Current Assets		11,224,122	11,830,954
Long-term Investments		95,882,556	94,832,864
Properties and Equipment		13,004,318	13,499,125
Other Assets		3,132,529	3,115,288
Total Assets		123,243,525	123,278,231
Current Liabilities	Before Apportioned	2,612,903	10,322,312
	After Apportioned	9,827,575	15,814,873
Long-term Liabilities		29,217,633	23,407,129
Other Liabilities		5,042,919	4,879,550
Total Liabilities	Before Apportioned	36,873,455	38,608,991
	After Apportioned	44,088,127	44,101,552
Capital Stock		31,368,137	32,309,181
Capital Surplus		6,640,128	6,590,192
Retained Earnings	Before Apportioned	27,373,910	25,382,092
	After Apportioned	19,218,194	19,243,347
Unrealized Gains on Financial Instruments		7,218,912	9,274,052
Cumulative Translation Adjustments		3,239,069	618,416
Net Loss not Recognized as Pension Cost		(185,516)	(222,747)
Unrealized revaluation increments		10,715,430	10,718,054
Total Stockholders' Equity	Before Apportioned	86,370,070	84,669,240
	After Apportioned	79,155,398	79,176,679



6.1.6 Statements of Income – R.O.C GAAP

UNIT: NT\$1,000

Year Item	Two-Year Financial Summary	
	2011	2012
Operating Revenue	10,868,073	11,758,818
Realized Gross Profit	491,027	767,966
Operating Income(Loss)	(207,764)	253,385
Nonoperating Income and Gains	11,575,358	7,169,960
Nonoperating Expenses and Losses	1,232,128	991,045
Income before Income Tax	10,135,466	6,432,300
Net Income	10,016,249	6,235,192
Earnings Per Share	3.19	1.93
Earnings Per Share (Based on outstanding shares in 2015)	2.98	1.85

6.1.7 Auditors' Opinions from 2011 to 2015

Year	CPA's Name	Audit Opinion
2011	Hsin Wei Tai 、You Wei Fan	Unqualified Opinion
2012	Hsin Wei Tai 、Li Wen Kuo	Unqualified Opinion
2013	Hsin Wei Tai 、Li Wen Kuo	Unqualified Opinion
2014	Li Wen Kuo 、You Wei Fan	Modified Unqualified Opinion
2015	Li Wen Kuo 、You Wei Fan	Unqualified Opinion

6.2 Financial Analysis

6.2.1 Consolidated Financial Statements

Item \ Year		Financial Analysis (2012~2015)				As of March 31, 2016 (Note 2)
		2012	2013 (Note 1)	2014 (Note 1)	2015	
Capital Structure (%)	Debts Ratio	46.97	41.75	42.82	42.66	42.86
	Long-term Capital In % of Property, Plant and Equipment	272.75	320.81	308.60	304.55	299.27
Repayment Ability	Current Ratio (%)	119.04	105.46	108.57	81.02	82.27
	Quick Ratio (%)	101.02	92.77	94.08	69.80	70.33
	Times Interest Earned	4.79	9.59	9.23	5.14	1.67
Operating Efficiency	Turnover of Receivable(Times)	3.57	4.15	4.13	3.55	3.29
	Average Collection Days of Receivable	102	88	88	103	111
	Turnover of Inventory (Times)	7.66	7.95	7.70	7.08	6.71
	Turnover of Payable (Times)	8.22	8.16	7.36	6.42	5.98
	Average Days of Sales	48	46	47	52	54
	Turnover of Property, Plant and Equipment (Times)	1.12	1.19	1.17	0.96	0.78
	Turnover of Total Assets (Times)	0.33	0.28	0.28	0.24	0.20
Profitability (%)	Return on Total Assets (%)	3.74	5.42	4.51	2.28	0.82
	Return on Stockholders' Equity (%)	5.62	8.18	6.93	3.12	0.52
	Income Before Income Tax In (%) of Capital Stock	20.80	42.73	40.81	20.27	3.36
	Profit Margin (%)	9.16	17.33	14.04	7.44	1.49
	Earnings per Share (NT\$) (Based on outstanding shares in 2015)	1.62	3.35	2.98	1.55	0.06
Cash Flow (%)	Cash Flow Ratio	33.96	23.86	16.38	20.95	21.53
	Cash Flow Adequacy Ratio	70.60	83.14	89.91	112.25	122.36
	Cash Reinvestment Ratio	4.04	4.61	2.14	2.97	4.42
Degree of Leverage	Degree of Operating Leverage	2.10	1.72	1.72	2.42	4.50
	Degree of Financial Leverage	1.76	1.33	1.25	1.69	(32.90)

The explanation of the change in financial ratios for deviation over 20% in recent two years:

The decrease in Current Ratio and Quick Ratio were mainly due to an decrease in current assets.

The decrease in Times Interest Earned, Return on Total Assets, Return on Stockholders' Equity, Income Before Income Tax In of Capital Stock, Profit Margin and Earnings per Share were mainly due to an decrease in net income in 2015.

The increase in Cash Flow Ratio, Cash Flow Adequacy Ratio and Cash Reinvestment Ratio were mainly due to an increase in cash provided by operating activities in 2015.

The increase in Degree of Operating Leverage and Degree of Financial Leverage were mainly due to an decrease in operating income in 2015.

Note 1: The measurement subsequent to initial recognition of investment properties was altered to fair value model from January 1, 2014 and the consolidated financial information of 2013 included the effects of these amendments of accounting policy.

Note 2: The consolidated financial information of 2016 Q1 has been reviewed by CPA.



6.2.2 Separate Financial Statements

Item \ Year		Financial Analysis(2012~2015)			
		2012	2013 (Note 1)	2014 (Note 1)	2015
Capital Structure (%)	Debts Ratio	31.26	27.23	24.57	28.35
	Long-term Capital In % of Property, Plant and Equipment	2,145.19	3,144.78	3,607.90	3,177.63
Repayment Ability	Current Ratio (%)	110.08	87.13	110.15	61.23
	Quick Ratio (%)	92.29	79.16	98.10	54.65
	Times Interest Earned	8.96	17.24	21.16	13.12
Operating Efficiency	Turnover of Receivable(Times)	9.85	10.39	10.42	11.34
	Average Collection Days of Receivable	37	35	35	32
	Turnover of Inventory (Times)	5.69	5.99	6.33	6.68
	Turnover of Payable (Times)	6.48	6.43	6.12	5.97
	Average Days of Sales	64	61	58	55
	Turnover of Property, Plant and Equipment (Times)	2.30	2.33	2.49	2.39
	Turnover of Total Assets (Times)	0.09	0.07	0.07	0.06
Profitability (%)	Return on Total Assets (%)	4.49	6.27	5.26	2.80
	Return on Stockholders' Equity (%)	5.84	8.01	6.78	3.50
	Income Before Income Tax In (%) of Capital Stock	16.30	33.03	31.86	18.77
	Profit Margin (%)	43.22	85.56	75.53	40.46
	Earnings per Share (NT\$) (Based on outstanding shares in 2015)	1.62	3.35	2.98	1.55
Cash Flow (%)	Cash Flow Ratio	57.37	22.36	50.08	25.81
	Cash Flow Adequacy Ratio	86.31	87.26	88.68	87.49
	Cash Reinvestment Ratio	(0.81)	(0.10)	0.37	(0.84)
Degree of Leverage	Degree of Operating Leverage	4.76	3.82	1.70	1.50
	Degree of Financial Leverage	(0.26)	(0.54)	3.58	2.14
The explanation of the change in financial ratios for deviation over 20% in recent two years: The decrease in Current Ratio, Quick Ratio and Cash Flow Ratio were mainly due to an increase in current liabilities in 2015. The decrease in Times Interest Earned, Return on Total Assets, Return on Stockholders' Equity, Income Before Income Tax In of Capital Stock, Profit Margin and Earnings per Share were mainly an decrease in net income in 2015. The decrease in Cash Reinvestment Ratio was mainly due to that cash dividends paid was more than cash provided by operating activities. The decrease in Degree of Financial Leverage was mainly due to an increase operating income in 2015.					

Note 1: The measurement subsequent to initial recognition of investment properties was altered to fair value model from January 1, 2014 and the separated financial information of 2013 included the effects of these amendments of accounting policy.

6.2.3 Financial Statements (Accounting Principles Generally Accepted in the Republic of China)

Item		Year	
		Financial Analysis (2011~2012)	
		2011	2012
Capital Structure (%)	Debts Ratio	29.92	31.32
	Long-term Capital In % of Fixed Assets	888.84	800.62
Repayment Ability	Current Ratio (%)	429.57	114.62
	Quick Ratio (%)	349.01	95.35
	Times Interest Earned	17.61	10.72
Operating Efficiency	Turnover of Receivable(Times)	8.81	9.68
	Average Collection Days of Receivable	41	38
	Turnover of Inventory (Times)	6.76	6.28
	Turnover of Payable (Times)	6.50	6.32
	Average Days of Sales	54	58
	Turnover of Fixed Assets (Times)	0.84	0.87
	Turnover of Total Assets (Times)	0.09	0.10
Profitability (%)	Return on Total Assets (%)	9.02	5.50
	Return on Stockholders' Equity (%)	12.14	7.29
	In (%) of Capital Stock	Operating Income	Note 1
		Income Before Income Tax	32.31
	Profit Margin (%)	92.16	53.03
	Earnings per Share (NT\$)	3.19	1.93
	Earnings per Share (NT\$) (Based on outstanding shares in 2015)	2.98	1.85
Cash Flow (%)	Cash Flow Ratio	242.67	57.36
	Cash Flow Adequacy Ratio	91.80	85.25
	Cash Reinvestment Ratio	0.35	(0.97)
Degree of Leverage	Degree of Operating Leverage	Note 1	9.17
	Degree of Financial Leverage	Note 2	(0.62)
The explanation of the change in financial ratios for deviation over 20% in recent two years: The decrease in Current Ratio, Quick Ratio and Cash Flow Ratio were mainly due to an increase in current portion of long-term liabilities. The decrease in Cash Reinvestment Ratio was mainly due to that cash dividends paid was more than cash provided by operating activities. The decrease in Times Interest Earned, Return on Total Assets, Return on Stockholders' Equity, Income Before Income Tax In (%) of Capital Stock , Profit Margin and Earnings per Share were mainly due to an decrease in net income in 2012.			

Note 1: The ratio was equal or less than zero.

Note 2: The ratio was not calculated due to operating loss in 2011.



6.3 Supervisor's Review Report on the 2015 Financial Statements

To: The 2016 Regular Shareholders' Meeting

The undersigned has duly audited the Operating Report, Financial Statements certified by CPA Miss Li Wen Kuo and Mr. Yu Wei Fan of the Deloitte & Touche, together with the Schedule of Earnings Distribution prepared by the Board of Directors for the year of 2015, and found the same to be true and correct.

Therefore, in accordance with Article 219 of the Company Act of the Republic of China, the undersigned takes pleasure in submitting this report for your perusal and acceptance.

Asia Cement Corporation

Supervisor: Shaw Yi Wang

Champion Lee

K. T. Li

T.Y. Tung

Chin-Der Ou

March 30, 2016

6.4 Financial Statements and Independent Auditors' Report

Please refer to Attachment I for the Notes to Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Asia Cement Corporation

We have audited the accompanying consolidated balance sheets of Asia Cement Corporation (the "Corporation") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2015 and 2014, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Asia Cement Corporation as of and for the years ended December 31, 2015 and 2014, on which we have issued an unqualified report.

March 25, 2016
Notice to Readers

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

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



ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2015		2014	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 40)	\$ 11,024,089	4	\$ 12,739,834	5
Financial assets at fair value through profit or loss - current (Notes 7 and 40)	1,030,970	-	743,682	-
Available-for-sale financial assets - current (Note 8)	5,283,052	2	16,949,278	6
Debt investments with no active market - current (Notes 6, 10, 40 and 42)	5,383,861	2	5,834,881	2
Notes receivable				
Related parties (Note 40)	12,537	-	24,029	-
Third parties	6,268,468	2	7,616,264	3
Trade receivables				
Related parties (Notes 11 and 40)	481,581	-	625,319	-
Third parties (Notes 11 and 12)	10,384,455	4	11,889,276	4
Other receivables (Notes 13 and 40)	2,924,090	1	2,633,755	1
Current tax assets (Note 34)	3,922	-	1,251	-
Inventories (Note 14)	7,318,610	3	9,416,977	3
Prepayments (Note 21)	1,146,914	1	1,291,788	1
Other current assets (Note 29)	1,581,736	1	792,541	-
Total current assets	52,844,285	20	70,558,875	25
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 16 and 42)	68,784,137	25	69,755,589	25
Available-for-sale financial assets - non-current (Notes 8 and 42)	22,717,179	8	13,363,777	5
Financial assets measured at cost - non-current (Note 9)	1,367,517	1	1,432,927	-
Debt investment with no active market - non-current (Notes 6, 10, 40 and 42)	165,949	-	152,468	-
Property, plant and equipment (Notes 17 and 42)	67,264,573	25	70,586,382	25
Investment properties (Notes 18 and 42)	34,629,764	13	33,351,639	12
Intangible assets (Notes 19 and 20)	5,304,367	2	5,485,677	2
Deferred tax assets (Note 34)	750,251	-	464,876	-
Long-term notes receivables and other receivables (Notes 12 and 22)	10,918,197	4	11,590,904	4
Long-term prepayments for lease (Note 21)	3,737,647	1	3,946,242	1
Other non-current assets (Notes 23, 29 and 40)	1,593,343	1	2,129,699	1
Total non-current assets	217,232,924	80	212,260,180	75
TOTAL	\$ 270,077,209	100	\$ 282,819,055	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 24 and 40)	\$ 18,677,761	7	\$ 22,816,222	8
Short-term bills payable (Notes 25 and 40)	13,445,051	5	13,241,862	5
Financial liabilities at fair value through profit or loss - current (Notes 7 and 40)	-	-	561,086	-
Accounts payable and accrued expenses				
Third parties	8,199,549	3	9,753,342	4
Related parties (Note 40)	254,636	-	256,664	-
Dividends and bonuses payable	212,423	-	212,475	-
Other payable - other (Note 26)	547,033	-	707,454	-
Current tax liabilities (Note 34)	466,164	-	593,984	-
Provisions - current (Note 28)	9,419	-	9,188	-
Customers' deposits and advances (Note 28)	692,442	-	674,389	-
Current portion of long-term liabilities (Notes 27 and 40)	22,719,449	9	16,162,537	6
Total current liabilities	65,223,927	24	64,989,203	23
NON-CURRENT LIABILITIES				
Bonds payable (Note 27)	8,000,000	3	20,954,895	8
Long-term borrowings (Notes 27 and 40)	32,164,684	12	26,183,195	9
Provisions - non-current (Notes 28 and 43)	322,268	-	306,021	-
Derivative financial liabilities for hedging - non-current	-	-	14,854	-
Deferred tax liabilities (Note 34)	7,817,183	3	6,827,330	3
Net defined benefit liabilities (Note 29)	195,835	-	190,518	-
Long-term deferred revenue (Note 28)	995,008	1	1,063,093	-
Other non-current liabilities	504,112	-	562,720	-
Total non-current liabilities	49,999,090	19	56,102,626	20
Total liabilities	115,223,017	43	121,091,829	43
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 30 and 34)				
Share capital	33,614,472	12	33,614,472	12
Capital surplus	1,155,643	-	1,073,920	-
Retained earnings				
Legal reserve	14,187,878	5	13,251,715	5
Special reserve	61,112,646	23	59,505,623	21
Unappropriated earnings	16,251,812	6	22,106,583	8
Total retained earnings	91,552,336	34	94,863,921	34
Other equity	9,576,422	4	12,281,251	4
Total equity attributable to owners of the Corporation	135,898,873	50	141,833,564	50
NON-CONTROLLING INTERESTS (Notes 30 and 37)	18,955,319	7	19,893,662	7
Total equity	154,854,192	57	161,727,226	57
TOTAL	\$ 270,077,209	100	\$ 282,819,055	100

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

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 32 and 40)	\$ 66,287,480	100	\$ 77,683,281	100
OPERATING COSTS (Notes 14, 32, 33 and 40)	<u>59,228,641</u>	<u>89</u>	<u>66,553,091</u>	<u>85</u>
GROSS PROFIT	7,058,839	11	11,130,190	15
UNREALIZED GROSS PROFIT	<u>(92)</u>	<u>-</u>	<u>(586)</u>	<u>-</u>
REALIZED GROSS PROFIT	7,058,747	11	11,129,604	15
OPERATING EXPENSES (Notes 33 and 40)	<u>3,018,802</u>	<u>5</u>	<u>2,881,200</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>4,039,945</u>	<u>6</u>	<u>8,248,404</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 33)	1,502,671	2	1,579,088	2
Other gains and losses (Note 33)	(66,725)	-	1,209,572	1
Finance costs (Note 33)	(1,647,870)	(2)	(1,667,598)	(2)
Share of profit or loss of associates and joint ventures	<u>2,986,137</u>	<u>5</u>	<u>4,350,273</u>	<u>6</u>
Total non-operating income and expenses	<u>2,774,213</u>	<u>5</u>	<u>5,471,335</u>	<u>7</u>
INCOME BEFORE INCOME TAX	6,814,158	11	13,719,739	18
INCOME TAX EXPENSE (Note 34)	<u>1,879,675</u>	<u>3</u>	<u>2,813,741</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>4,934,483</u>	<u>8</u>	<u>10,905,998</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(468,796)	(1)	3,392	-
Revaluation gain	-	-	122,052	-
Share of the other comprehensive (loss) income of associates and joint ventures	<u>(285,305)</u>	<u>-</u>	<u>56,026</u>	<u>-</u>
	<u>(754,101)</u>	<u>(1)</u>	<u>181,470</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(1,184,681)	(2)	2,980,569	4

(Continued)



ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
Unrealized (loss) gain on available-for-sale financial assets	(1,216,565)	(2)	1,179,441	1
Cash flow hedges	17,718	-	13,877	-
Share of other comprehensive (loss) income of associates and joint ventures	<u>(722,900)</u>	<u>(1)</u>	<u>471,936</u>	<u>1</u>
	<u>(3,106,428)</u>	<u>(5)</u>	<u>4,645,823</u>	<u>6</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(3,860,529)</u>	<u>(6)</u>	<u>4,827,293</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,073,954</u>	<u>2</u>	<u>\$ 15,733,291</u>	<u>20</u>
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Corporation	\$ 4,860,241	7	\$ 9,361,635	12
Non-controlling interests	<u>74,242</u>	<u>-</u>	<u>1,544,363</u>	<u>2</u>
	<u>\$ 4,934,483</u>	<u>7</u>	<u>\$ 10,905,998</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Corporation	\$ 1,343,662	2	\$ 13,273,390	17
Non-controlling interests	<u>(269,708)</u>	<u>-</u>	<u>2,459,901</u>	<u>3</u>
	<u>\$ 1,073,954</u>	<u>2</u>	<u>\$ 15,733,291</u>	<u>20</u>
EARNINGS PER SHARE (Note 35)				
Basic	<u>\$1.55</u>		<u>\$2.98</u>	
Diluted	<u>\$1.32</u>		<u>\$2.65</u>	

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

(Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	Equity Attributable to Owners of the Corporation													
	Equity Attributable to Owners of the Corporation						Other Equity							
	Capital Stock Issued		Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain on Revaluation	Cash Flow Hedge	Total Other Equity	Total	Non-controlling Interests	Total Equity
	Shares	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings								
BALANCE, JANUARY 1, 2014	3,295,536	\$ 32,955,365	\$ 1,018,079	\$ 12,571,132	\$ 14,013,200	\$ 65,584,754	\$ 449,154	\$ 7,867,409	\$ 3,460	\$ (14,434)	\$ 8,305,589	\$ 134,448,119	\$ 18,394,083	\$ 152,842,202
Special reserve provided under Rule No. 10300064155 issued by the FSC	-	-	-	-	45,492,423	(45,492,423)	-	-	-	-	-	-	-	-
Appropriation of 2013 earnings														
Legal reserve	-	-	-	680,583	-	(680,583)	-	-	-	-	-	-	-	-
Cash dividends - \$1.8 per share	-	-	-	-	-	(5,931,966)	-	-	-	-	-	(5,931,966)	-	(5,931,966)
Stock dividends - \$0.2 per share	65,911	659,107	-	-	-	(659,107)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(665,613)	(665,613)
Change in capital surplus from investments in associates and joint ventures accounted for by using equity method	-	-	934	-	-	-	-	-	-	-	-	934	-	934
Non-controlling interest arising from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	315,634	315,634
Acquisition of additional shares in subsidiaries	-	-	84,711	-	-	-	-	-	-	-	-	84,711	(808,096)	(723,385)
Issue of ordinary shares for cash by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	4,145	4,145
Additional non-controlling interest arising on exercise of employee share options issued by subsidiaries	-	-	(29,804)	-	-	-	-	-	-	-	-	(29,804)	193,608	163,804
Net profit for the year ended December 31, 2014	-	-	-	-	-	9,361,635	-	-	-	-	-	9,361,635	1,544,363	10,905,998
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	-	(63,907)	3,739,355	(10,464)	246,006	765	3,975,662	3,911,755	915,538	4,827,293
Other change in equity from investments in associates accounted for by using equity method	-	-	-	-	-	(11,820)	-	-	-	-	-	(11,820)	-	(11,820)
BALANCE, DECEMBER 31, 2014	3,361,447	33,614,472	1,073,920	13,251,715	59,505,623	22,106,583	4,188,509	7,856,945	249,466	(13,669)	12,281,251	141,833,564	19,893,662	161,727,226
Appropriation of 2014 earnings														
Legal reserve	-	-	-	936,163	-	(936,163)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	2,001,317	(2,001,317)	-	-	-	-	-	-	-	-
Cash dividends - \$2.0 per share	-	-	-	-	-	(7,395,184)	-	-	-	-	-	(7,395,184)	-	(7,395,184)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(668,142)	(668,142)
Change in capital surplus from investments in associates and joint ventures accounted for by using equity method	-	-	81,723	-	-	-	-	-	-	-	-	81,723	-	81,723
Net profit for the year ended December 31, 2014	-	-	-	-	-	4,860,241	-	-	-	-	-	4,860,241	74,242	4,934,483
Other comprehensive income (loss) for the year ended December 31, 2015, net of income tax	-	-	-	-	-	(811,750)	20,725	(2,843,706)	58,257	59,895	(2,704,829)	(3,516,579)	(343,950)	(3,860,529)
Other change in equity from investments in associates accounted for by using equity method	-	-	-	-	(9)	35,117	-	-	-	-	-	35,108	(493)	34,615
Special reserve reversed	-	-	-	-	(394,285)	394,285	-	-	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2015	<u>3,361,447</u>	<u>\$ 33,614,472</u>	<u>\$ 1,155,643</u>	<u>\$ 14,187,878</u>	<u>\$ 61,112,646</u>	<u>\$ 16,251,812</u>	<u>\$ 4,209,234</u>	<u>\$ 5,013,239</u>	<u>\$ 307,723</u>	<u>\$ 46,226</u>	<u>\$ 9,576,422</u>	<u>\$ 135,898,873</u>	<u>\$ 18,955,319</u>	<u>\$ 154,854,192</u>

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



ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,814,158	\$ 13,719,739
Adjustments for:		
Depreciation expenses	5,400,304	5,628,378
Share of profit of associates and joint ventures	(2,986,137)	(4,350,273)
Interest expenses	1,647,870	1,667,598
Gain on change in fair value of investment properties	(1,278,760)	(1,426,537)
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(826,151)	(1,034,483)
Dividend income	(678,148)	(727,018)
Gain on disposal of investments	(599,049)	(114,480)
Effect of exchange rate of bonds payable	503,840	970,241
Interest income	(397,031)	(477,369)
Amortization expenses	339,259	313,519
Impairment loss recognized on accounts receivable	216,598	156,678
Unrealized foreign exchange loss	139,145	391,654
Impairment loss recognized on financial assets	65,374	51,387
Reversal of impairment loss on inventory	(33,645)	(65,434)
Gain on disposal of property, plant and equipment	(7,151)	(9,249)
Gain (loss) on disposal of associates	283	(20,903)
Loss on redemption of bonds payable	-	356,480
Reversal of impairment loss on non-financial assets	-	(76,572)
Other items	4,502	4,995
Changes in operating assets and liabilities		
Financial assets held for trading	(20,720)	448,181
Notes receivable	1,217,938	(148,326)
Trade receivables	1,815,562	(787,811)
Other receivables	(191,261)	174,482
Inventories	2,035,814	(763,209)
Prepayments	64,428	(8,579)
Other current assets	354,728	(248,092)
Accounts payable and accrued expenses	(1,362,084)	(3,836,677)
Provisions	11,390	23,426
Customers' deposits and advances	29,594	(81,054)
Net defined benefit liabilities - non-current	(4,452)	(3,836)
Deferred revenue	(68,085)	(68,086)
Cash generated from operations	12,208,113	9,658,770
Interests received	366,274	504,217
Dividends received	3,798,693	3,999,751
Interests paid	(1,491,715)	(1,460,549)
Income tax expenses paid	(1,216,131)	(2,059,597)
Net cash generated from operating activities	<u>13,665,234</u>	<u>10,642,592</u>

CASH FLOWS FROM INVESTING ACTIVITIES

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars)

	2015	2014
Proceeds on disposal of available-for-sale financial assets	3,719,317	1,309,730
Acquisition property, plant and equipment	(3,479,729)	(4,166,990)
Acquisition of available-for-sale financial assets	(2,046,066)	(7,492,054)
Increase in refundable deposits	(1,127,478)	(8,091)
Decrease in debt investments with no active market	511,376	1,153,514
Acquisition of investments accounted for using equity method	(129,379)	(397,688)
Decrease (increase) in other non-current assets	95,928	(19,566)
Increase in prepayments for lease	(92,625)	(74,879)
Proceeds from disposal of property, plant and equipment	78,816	61,718
Proceeds from disposal of investment accounted for using equity method	58,716	10,150
Acquisition of intangible assets	(51,689)	(14,741)
Cash capital reduction from financial assets	31,765	-
Acquisition of investment properties	(2,126)	(128,219)
Net cash outflow on acquisition of subsidiaries (Note 36)	-	(2,848,728)
Acquisition of financial assets measured at cost	-	(3,307)
Net cash used in investing activities	<u>(2,433,174)</u>	<u>(12,619,151)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	34,512,584	43,127,324
Repayments of long-term borrowings	(33,553,827)	(46,917,171)
Dividends paid	(7,395,159)	(5,931,673)
(Decrease) increase in short-term borrowings	(3,571,459)	7,976,022
Repayments of bonds	(2,500,000)	(18,148,889)
Change of non-controlling interests	(668,142)	(1,219,840)
Increase in short-term bills payable	202,100	8,737,700
Decrease in other non-current liabilities	(12,428)	(153,906)
Decrease in guarantee deposits received	(911)	(36,429)
Proceeds form issue of bonds	-	8,000,000
Net cash used in financing activities	<u>(12,987,242)</u>	<u>(4,566,862)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>39,437</u>	<u>98,513</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,715,745)</u>	<u>(6,444,908)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>12,739,834</u>	<u>19,184,742</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 11,024,089</u>	<u>\$ 12,739,834</u>

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

(Concluded)



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Asia Cement Corporation

We have audited the accompanying balance sheets of Asia Cement Corporation (the "Corporation") as of December 31, 2015 and 2014, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2015 and 2014, and its financial performance and its cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

March 25, 2016

Notice to Readers

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

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

ASIA CEMENT CORPORATION

BALANCE SHEETS

DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2015		2014	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 31)	\$ 4,876,146	3	\$ 263,566	-
Financial assets at fair value through profit or loss - current (Notes 7 and 31)	838,797	-	542,137	-
Available-for-sale financial assets - current (Note 8)	3,194,851	2	7,987,827	4
Debt investments with no active market - current (Notes 10 and 31)	1,792,459	1	2,538,326	2
Notes receivable				
Related parties (Note 31)	12,537	-	24,029	-
Third parties	134,080	-	149,364	-
Trade receivables				
Related parties (Notes 11 and 31)	380,282	-	511,353	-
Third parties (Note 11)	380,527	-	527,313	1
Other receivables (Note 31)	29,600	-	24,790	-
Inventories (Note 12)	1,564,101	1	1,569,656	1
Prepayments (Note 17)	201,463	-	200,533	-
Other current assets (Note 18)	<u>1,156,155</u>	<u>1</u>	<u>7,141</u>	<u>-</u>
Total current assets	<u>14,560,998</u>	<u>8</u>	<u>14,346,035</u>	<u>8</u>
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 13 and 33)	116,888,348	62	120,508,174	64
Available-for-sale financial assets - non-current (Note 8)	9,592,886	5	6,183,703	3
Financial assets measured at cost - non-current (Note 9)	177,126	-	223,536	-
Property, plant and equipment (Notes 14 and 33)	5,220,819	3	4,850,893	3
Investment properties (Notes 15, 31 and 33)	40,610,918	21	38,896,918	21
Intangible assets (Note 16)	8,639	-	9,808	-
Deferred tax assets (Note 27)	238,934	-	155,934	-
Long-term prepayments for lease (Note 17)	317,932	-	342,200	-
Other non-current assets (Notes 18, 23 and 31)	<u>2,062,205</u>	<u>1</u>	<u>2,522,194</u>	<u>1</u>
Total non-current assets	<u>175,117,807</u>	<u>92</u>	<u>173,693,360</u>	<u>92</u>
TOTAL	<u>\$ 189,678,805</u>	<u>100</u>	<u>\$ 188,039,395</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 33)	\$ 50,000	-	\$ 400,000	-
Short-term bills payable (Notes 20 and 33)	7,750,831	4	7,246,837	4
Financial liabilities at fair value through profit or loss - current (Notes 7 and 31)	-	-	561,086	-
Accounts payable and accrued expenses				
Third parties	1,557,629	1	1,633,263	1
Related parties (Note 31)	156,825	-	161,500	-
Dividends and bonuses payable	201,931	-	204,221	-
Current tax liabilities (Note 27)	189,396	-	204,588	-
Customers' deposits and advances (Note 22)	134,015	-	112,739	-
Current portion of long-term liabilities (Notes 21 and 33)	<u>13,739,937</u>	<u>7</u>	<u>2,500,000</u>	<u>2</u>
Total current liabilities	<u>23,780,564</u>	<u>12</u>	<u>13,024,234</u>	<u>7</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 21)	8,000,000	4	20,954,895	11
Long-term borrowings (Notes 21 and 33)	13,429,484	7	4,722,512	3
Deferred income tax liabilities (Note 27)	7,545,491	4	6,375,681	3
Deferred revenue - non-current (Note 22)	995,008	1	1,063,093	1
Other non-current liabilities	<u>29,385</u>	<u>-</u>	<u>65,416</u>	<u>-</u>
Total non-current liabilities	<u>29,999,368</u>	<u>16</u>	<u>33,181,597</u>	<u>18</u>
Total liabilities	<u>53,779,932</u>	<u>28</u>	<u>46,205,831</u>	<u>25</u>
EQUITY (Note 24)				
Ordinary shares	<u>33,614,472</u>	<u>18</u>	<u>33,614,472</u>	<u>18</u>
Capital surplus	<u>1,155,643</u>	<u>1</u>	<u>1,073,920</u>	<u>1</u>
Retained earnings				
Legal reserve	14,187,878	7	13,251,715	7
Special reserve	61,112,646	32	59,505,623	31
Unappropriated earnings	<u>16,251,812</u>	<u>9</u>	<u>22,106,583</u>	<u>12</u>
Total retained earnings	<u>91,552,336</u>	<u>48</u>	<u>94,863,921</u>	<u>50</u>
Other equity	<u>9,576,422</u>	<u>5</u>	<u>12,281,251</u>	<u>6</u>
Total equity	<u>135,898,873</u>	<u>72</u>	<u>141,833,564</u>	<u>75</u>
TOTAL	<u>\$ 189,678,805</u>	<u>100</u>	<u>\$ 188,039,395</u>	<u>100</u>

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



ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 31)	\$ 12,012,770	100	\$ 12,394,201	100
OPERATING COSTS (Notes 12, 25, 26 and 31)	<u>10,466,846</u>	<u>87</u>	<u>11,011,070</u>	<u>89</u>
GROSS PROFIT	1,545,924	13	1,383,131	11
UNREALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	-	-	(1,380)	-
REALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	<u>1,884</u>	<u>-</u>	<u>-</u>	<u>-</u>
REALIZED GROSS PROFIT	1,547,808	13	1,381,751	11
OPERATING EXPENSES (Notes 26, 31 and 32)	<u>570,075</u>	<u>5</u>	<u>644,481</u>	<u>5</u>
OPERATING INCOME	<u>977,733</u>	<u>8</u>	<u>737,270</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 26)	723,662	6	603,670	5
Other gains and losses (Note 26)	2,395,943	20	1,610,602	13
Finance costs (Note 26)	(520,478)	(5)	(531,319)	(5)
Share of the profit or loss of subsidiaries and associates	<u>2,731,173</u>	<u>23</u>	<u>8,289,811</u>	<u>67</u>
Total non-operating income and expenses	<u>5,330,300</u>	<u>44</u>	<u>9,972,764</u>	<u>80</u>
INCOME BEFORE INCOME TAX	6,308,033	52	10,710,034	86
INCOME TAX EXPENSE (Note 27)	<u>1,447,792</u>	<u>12</u>	<u>1,348,399</u>	<u>11</u>
NET INCOME	<u>4,860,241</u>	<u>40</u>	<u>9,361,635</u>	<u>75</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation gain	-	-	122,052	1
Remeasurement of defined benefit plans	(455,887)	(4)	(921)	-
Share of the other comprehensive (loss) income of subsidiaries and associates	<u>(297,606)</u>	<u>(2)</u>	<u>60,968</u>	<u>1</u>

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:	<u>(753,493)</u>	<u>(6)</u>	<u>182,099</u>	<u>2</u>
Unrealized loss on available-for-sale financial assets	(1,082,453)	(9)	(9,624)	-
Share of the other comprehensive (loss) income of subsidiaries and associates	<u>(1,680,633)</u>	<u>(14)</u>	<u>3,739,280</u>	<u>30</u>
	<u>(2,763,086)</u>	<u>(23)</u>	<u>3,729,656</u>	<u>30</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(3,516,579)</u>	<u>(29)</u>	<u>3,911,755</u>	<u>32</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,343,662</u>	<u>11</u>	<u>\$ 13,273,390</u>	<u>107</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 1.55</u>		<u>\$ 2.98</u>	
Diluted	<u>\$ 1.32</u>		<u>\$ 2.65</u>	

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

ASIA CEMENT CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Per Share Amount)

	Capital Stock Issued		Capital Surplus	Retained Earnings			Other Equity					
							Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain on Revaluation	Cash Flow Hedge	Total	Total Equity
	Shares	Share Capital		Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2014	3,295,536	\$ 32,955,365	\$ 1,018,079	\$ 12,571,132	\$ 14,013,200	\$ 65,584,754	\$ 449,154	\$ 7,867,409	\$ 3,460	\$ (14,434)	\$ 8,305,589	\$ 134,448,119
Special reserve provided under Rule No. 1030006415 issued by the FSC	-	-	-	-	45,492,423	(45,492,423)	-	-	-	-	-	-
Appropriation of 2013 earnings												
Legal reserve	-	-	-	680,583	-	(680,583)	-	-	-	-	-	-
Cash dividends - \$1.8 per share	-	-	-	-	-	(5,931,966)	-	-	-	-	-	(5,931,966)
Stock dividends - \$0.2 per share	65,911	659,107	-	-	-	(659,107)	-	-	-	-	-	-
Change in capital surplus from investments in subsidiaries and associates accounted for using equity method	-	-	934	-	-	-	-	-	-	-	-	934
Acquisition of additional shares in subsidiaries	-	-	84,711	-	-	-	-	-	-	-	-	84,711
Additional non-controlling interest arising on exercise of employee share options issued by subsidiaries	-	-	(29,804)	-	-	-	-	-	-	-	-	(29,804)
Net income in 2014	-	-	-	-	-	9,361,635	-	-	-	-	-	9,361,635
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	-	(63,907)	3,739,355	(10,464)	246,006	765	3,975,662	3,911,755
Other - change in equity from investments in associates accounted for by using equity method	-	-	-	-	-	(11,820)	-	-	-	-	-	(11,820)
BALANCE AT DECEMBER 31, 2014	3,361,447	33,614,472	1,073,920	13,251,715	59,505,623	22,106,583	4,188,509	7,856,945	249,466	(13,669)	12,281,251	141,833,564
Appropriation of 2014 earnings												
Legal reserve	-	-	-	936,163	-	(936,163)	-	-	-	-	-	-
Special reserve	-	-	-	-	2,001,317	(2,001,317)	-	-	-	-	-	-
Cash dividends - \$2.0 per share	-	-	-	-	-	(7,395,184)	-	-	-	-	-	(7,395,184)
Change in capital surplus from investments in subsidiaries and associates accounted for by using equity method	-	-	81,723	-	-	-	-	-	-	-	-	81,723
Net income in 2015	-	-	-	-	-	4,860,241	-	-	-	-	-	4,860,241
Other comprehensive income (loss) for the year ended December 31, 2015, net of income tax	-	-	-	-	-	(811,750)	20,725	(2,843,706)	58,257	59,895	(2,704,829)	(3,516,579)
Other - change in equity from investments in associates accounted for by using equity method	-	-	-	-	(9)	35,117	-	-	-	-	-	35,108
Special reserve reversed	-	-	-	-	(394,285)	394,285	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2015	<u>3,361,447</u>	<u>\$ 33,614,472</u>	<u>\$ 1,155,643</u>	<u>\$ 14,187,878</u>	<u>\$ 61,112,646</u>	<u>\$ 16,251,812</u>	<u>\$ 4,209,234</u>	<u>\$ 5,013,239</u>	<u>\$ 307,723</u>	<u>\$ 46,226</u>	<u>\$ 9,576,422</u>	<u>\$ 135,898,873</u>

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

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,308,033	\$ 10,710,034
Adjustments for:		
Share of profit of associates and joint venture	(2,731,173)	(8,289,811)
Gain on change in fair value of investment properties	(1,712,194)	(1,620,298)
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(857,746)	(1,012,816)
Interest expenses	520,478	531,319
Effect of exchange rate of bonds payable	503,840	970,240
Depreciation expenses	484,409	511,772
Dividend income	(414,397)	(400,730)
Gain on disposal of available-for-sale financial assets	(255,448)	-
Unrealized gain on foreign currency exchange	(252,059)	(194,846)
Interest income	(86,887)	(139,051)
Impairment loss recognized on financial assets	42,000	37,358
Amortization expenses	6,449	5,357
(Realized) unrealized gain from inter-affiliate	(1,884)	1,380
(Reversal of impairment loss) impairment loss recognized on trade receivables	(1,341)	767
Loss (gain) on disposal of property, plant and equipment	304	(3,379)
Loss on redemption of bonds payable	-	356,480
Gain on disposal of associates	-	(20,780)
Reversal of impairment loss recognized on non-financial assets	-	(76,572)
Other items	4,410	4,409
Changes in operating assets and liabilities:		
Financial assets held for trading	-	122,957
Notes receivable	26,776	26,524
Trade receivables	279,198	(72,182)
Other receivables	(2,943)	(19,475)
Inventories	18,146	305,956
Prepayments	23,338	(93,220)
Other current assets	(1,829)	958
Net defined benefit assets	(66,633)	(35,627)
Accounts payable and accounted expenses	(75,186)	(18,585)
Customers' advances	21,276	(33,558)
Deferred income	(68,085)	(68,086)
Cash generated from operations	1,710,852	1,486,495
Interest received	85,020	184,108
Dividend received	4,905,872	5,133,720
Interest paid	(282,350)	(240,349)
Income tax paid	(282,799)	(41,558)
Net cash generated from operating activities	<u>6,136,595</u>	<u>6,522,416</u>

CASH FLOWS FROM INVESTING ACTIVITIES

(Continued)



ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars)

	2015	2014
(Increase) decrease in refundable deposits	(1,103,610)	5,776
Acquisition of property, plant and equipment	(865,619)	(399,250)
Decrease in debt investments with no active market	780,250	2,688,117
Proceeds from disposal of available-for-sale financial assets	556,788	-
Acquisition of intangible assets	(5,280)	(2,730)
Acquisition of investment properties	(1,855)	(78,494)
Proceeds from disposal of property, plant and equipment	9	12,198
Acquisition of available-for-sale financial assets	-	(3,947,079)
Acquisition of investments accounted for using equity method	-	(731,762)
Acquisition of financial assets measured at cost	-	(3,308)
Proceeds from disposal of investments accounted for using equity method	-	171
Net cash used in investing activities	(639,317)	(2,456,361)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	21,847,000	30,540,000
Repayments of long-term borrowings	(13,140,000)	(37,290,000)
Cash dividends paid	(7,395,159)	(5,931,673)
Repayments of bonds payable	(2,500,000)	(15,259,025)
Increase in short-term bills payable	503,000	7,950,000
Decrease in short-term borrowings	(350,000)	(300,000)
(Decrease) increase in guarantee deposits received	(1,000)	861
Proceeds from issue of bonds	-	8,000,000
Increase in other non-current liabilities	-	1,120
Net cash used in financing activities	(1,036,159)	(12,288,717)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	151,461	2,660
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	4,612,580	(8,220,002)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		
	263,566	8,483,568
CASH AND CASH EQUIVALENTS, END OF YEAR		
	\$ 4,876,146	\$ 263,566

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

(Concluded)

※ The Company and its affiliates have not experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the printing date of the annual report.

VII Analysis of Financial Status, Operating Result, and Risk Management

7.1 Analysis of Financial Status

Unit: NT\$1,000

Item \ Year	2014	2015	Variance	
			Amount	%
Current Assets	70,558,875	52,844,285	(17,714,590)	(25)
Property, Plant and Equipment	70,586,382	67,264,573	(3,321,809)	(5)
Intangible Assets	5,485,677	5,304,367	(181,310)	(3)
Other Assets	136,188,121	144,663,984	8,475,863	6
Total Assets	282,819,055	270,077,209	(12,741,846)	(5)
Current Liabilities	64,989,203	65,223,927	234,724	0
Non-current Liabilities	56,102,626	49,999,090	(6,103,536)	(11)
Total Liabilities	121,091,829	115,223,017	(5,868,812)	(5)
Equity Attributable To Owners Of The Corporation	141,833,564	135,898,873	(5,934,691)	(4)
Share Capital	33,614,472	33,614,472	0	0
Capital Surplus	1,073,920	1,155,643	81,723	8
Retained Earnings	94,863,921	91,552,336	(3,311,585)	(3)
Other Equity	12,281,251	9,576,422	(2,704,829)	(22)
Non-Controlling Interests	19,893,662	18,955,319	(938,343)	(5)
Total Equity	161,727,226	154,854,192	(6,873,034)	(4)
Analysis of deviation over 20%:				
1. The decrease of current assets was mainly due to the decrease of current available-for-sale financial assets.				
2. Other equity decreased mainly resulted from the decrease of unrealized gain on available-for-sale financial assets.				



7.2 Analysis of Operating Results

Unit: NT\$1,000

Item \ Year	2014	2015	Variance	
			Amount	%
Operating Revenue	77,683,281	66,287,480	(11,395,801)	(15)
Operating Costs	66,553,091	59,228,641	(7,324,450)	(11)
Gross Profit	11,130,190	7,058,839	(4,071,351)	(37)
Unrealized Gross Profit	(586)	(92)	494	(84)
Realized Gross Profit	11,129,604	7,058,747	(4,070,857)	(37)
Operating Expenses	2,881,200	3,018,802	137,602	5
Profit From Operations	8,248,404	4,039,945	(4,208,459)	(51)
Non-operating Income And Expenses	5,471,335	2,774,213	(2,697,122)	(49)
Income Before Income Tax	13,719,739	6,814,158	(6,905,581)	(50)
Income Tax Expense	2,813,741	1,879,675	(934,066)	(33)
Net Profit For The Year	10,905,998	4,934,483	(5,971,515)	(55)
Other Comprehensive Income , Net	4,827,293	(3,860,529)	(8,687,822)	(180)
Total Comprehensive Income For The Year	15,733,291	1,073,954	(14,659,337)	(93)
Net Profit Attributable To Owner Of The Company	9,361,635	4,860,241	(4,501,394)	(48)
Net Profit Attributable To Non-Controlling Interests	1,544,363	74,242	(1,470,121)	(95)
Total Comprehensive Income Attributable To Owner Of The Company	13,273,390	1,343,662	(11,929,728)	(90)
Total Comprehensive Income Attributable To Non-Controlling Interests	2,459,901	(269,708)	(2,729,609)	(111)
1. Analysis of deviation over 20% : The decrease of the gross profit ,realized gross profit and profit from operations were mainly due to the decrease of operating revenue. The decrease of the unrealized gross profit resulted from the transactions with affiliated companies in 2015. The decrease of non-operating income and expenses were mainly due to the decrease of investment revenue and the increase of losses on exchange. Income tax expense decreased since the accrued income tax expense in 2015 was smaller than 2014. Other comprehensive income decreased mainly due to the decrease of exchange differences on translating foreign operations and the increase of unrealized losses on available-for-sale financial assets. 2. For 2016, expected own production and sales volume of cement and clinker is 4,670 thousand MT in Taiwan, and 31,818 thousand MT in China. Total own production and sales volume will be 36,488 thousand MT, which is better than sales volume 35,057 thousand MT in 2015.				

7.3 Analysis of Cash Flow

Unit: NT\$1,000

Cash Balance, Beginning of 2015	The Cash Inflows from Operating Activities for 2015	Cash Outflows for 2015	The Cash Surplus	Source of Funding for Negative Cash Balance	
				Investing Plans	Financing Plans
12,739,834	13,665,234	15,380,979	11,024,089	-	-
The Analysis for Changing of Cash Flow for the Year					
1. Operating Activities: Mainly generated from operations NT\$12,208,113 thousand and dividends received NT\$3,798,693 thousand.					
2. Investing Activities: Primarily for investment in capital expenditures NT\$3,479,729 thousand and increase in refundable deposits 1,127,478 thousand. Net decrease in available-for-sale financial assets NT\$1,673,251 thousand.					
3. Financing activities: Mostly for net decrease in short-term and long-term loans NT\$4,910,602 thousand and payout of cash dividends NT\$7,395,159 thousand.					
Measures to Save the Cash Deficiency and the Liquidity Analysis :					
1.Source of Funding for Negative Cash Balance : Not Applicable.					
2.Liquidity Analysis : Please Refer to the List Below.					
Items		2014	2015	Increase(Decrease)Percentage	
Cash Flow Ratio		16.38	20.95	27.90	
Cash Flow Adequacy Ratio		89.91	112.25	24.85	
Cash Reinvestment Ratio		2.14	2.97	38.79	
1. The increase in all ratios was mainly due to an increase in cash provided by operating activities in 2015.					
Cash Balance, Beginning of 2016	Expected Net Cash Inflows from Operating Activities for 2016	Expected Total Cash Outflows for 2016	Expected Cash Surplus	Expected Source of Funding for Negative Cash Balance	
				Investing Plans	Financing Plans
11,024,089	14,830,005	16,675,292	9,178,802	-	-
Liquidity Analysis for the Coming Year :					
1. Operating Activities : Mainly from net income and dividends received from associates.					
2. Investing Activities : Primarily for investment in capital expenditures.					
3. Financing activities: Mostly for net decrease in short-term and long-term loans and payout of cash dividends.					



7.4 Impacts of Major Capital Expenditures on Finance and Operation

7.4.1 Major Capital Expenditures and Funding Sources

Unit: NT\$1,000

Projects	Actual or Expected Source of Capital	Actual or Expected Date of Completion	Total Capital	Actual or Expected Capital Expenditures					
				2012~2014	2015	2016	2017	2018	2019
Installation constructions of new indoor coal bunker , stacker reclaimers and material conveyor system in Hualien plant	Self-owned capital	2019/12/31	556,160	8,944	973	1,403	80,000	200,000	264,840
Sichuan Yadong the third period long conveyor belt construction	Self-owned capital & loan	2017/12/31	2,148,552	-	-	1,049,409	1,099,143	-	-

7.4.2 Expected Benefit to Finance and Operation from the Major Capital Expenditure

A. In order to prevent the emission of coal sewage water from violating environmental protection laws and regulations, and refrain coal containing excessive water after heavy rain from leading to the losses of reduction of clinker production or interruption of production, the new indoor coal bunker and conveyor system constructions were executed in Hualien plant.

B. After Sichuan Yadong the third period long conveyor belt construction completed, this will save materials freight cost NT \$30,537 thousand annually.

Above major capital expenditures have positive benefits for the financial and operating outlook.

7.5 Investment Strategies in the Most Recent Year, the Major Reasons for its Gain or Loss and Improvement Plan and Investment Plans for Next Year

The majority of the company's investments were for long-term strategic purposes. In 2015, the total gain through equity method by the company was NT\$2,986,137,000 (on consolidated basis). In the future, the company will continue to focus on strategic purposes through prudent assessment.

7.6 Analysis and Evaluation of Risk Management

7.6.1 The Impact of Fluctuation of Foreign Exchange, Interest Rates, and Inflation on the Company's Profit and Loss and Its Countermeasures

※Foreign exchange impact:

The percentage of foreign exchange gains/losses over operating revenue and operating income in 2015 are as follows:

Unit : NT\$1,000

Item \ Year	2015
Foreign Exchange Gains (Losses) (A)	(1,976,585)
Operating Revenue (B)	66,287,480
% of Operating Revenue (A)/(B)	(3.0%)
Operating Income (C)	4,039,945
% of Operating Income (A)/(C)	(48.9%)

Foreign exchange rate fluctuates constantly because of the variation in market demand and supply. Thus, the risk of foreign exchange may occur to the Company by means of various trading. For the Company, most of the procurements of raw materials were disbursed in USD; foreign sales were collected in USD. Currently, the revenue mostly equals to the disbursement, which led to the effect of natural hedge, minimizing the impact of fluctuation of foreign exchange on the Company's profit and loss.

Besides natural hedge, in order to minimize the risk of foreign exchange, the Company and subsidiaries had adopted the following risk management policies against the uncertainty:

1. Monitoring the impact to foreign exchange rate from global macro-economic change and building up a necessary hedge mechanism.
2. Planning future's demand for currencies and establishing the foreign currency position from relatively lower level to reduce overall cost. Convert weak currencies to strong currencies.

※Interest rate impact:

The percentage of interest revenue/losses over operating revenue and operating income in 2015 are as follows:

Unit : NT\$1,000

Item \ Year	2015
Interest Revenue (Losses) (A)	(1,250,839)
Operating Revenue (B)	66,287,480
% of Operating Revenue (A)/(B)	(1.9%)
Operating Income (C)	4,039,945
% of Operating Income (A)/(C)	(31.0%)

If market interest rates had been 0.01% higher/lower, the group's pretax profit for the year ended December 31, 2015 would have decreased/increased by NT\$3,924 thousand, mainly due to the Group's exposure to interest rates on its floating-rate bank borrowings and bank deposits' interest revenue and expenses.



The Company primarily utilizes short-term bank loans and issues long-term debt instruments to finance its short, mid, and long term funding demands.

According to the terms and conditions of agreements entered with banks, short-term bank loan, subject to floating interest rate basis, can be utilized in revolving method within the duration of the agreements. Since the Company has been maintaining stable status operationally and financially, it is capable of obtaining relatively lower interest rate with aggressive negotiations with banks. Besides, the duration of utilizing short-term loan is less than one year. In a whole, the impact of the fluctuation of interest rates on the Company's short-term loans is limited. In order to minimize the risk of interest rate, the Company and subsidiaries had adopted such risk management policies against the uncertainty:

The Company mainly issues long-term and fixed interest rate debt instruments to lock relatively lower funding cost, which can reduce interest expense and impact of interest fluctuation, spare banks' credit lines for temporary funding demand, replenish working capital, and improve financial structure to comply with the principle for long-term sustainable operation.

※Inflation rate impact:

Taiwan inflation rate was about -0.31% in 2015. This inflation rate did not have substantial effect on the Company's operation and profit. In order to minimize the risk of inflation rate, the Company and subsidiaries maintained stable and long-term cooperative relationships with our major suppliers.

7.6.2 The Impact of Highly Risky Investments, Highly Leveraged Transaction, Loaning to Others, Endorsement and Guarantee for Others, and Derivatives

The Company has no highly risky and highly leveraged investments or loaning to others.

The Company provided endorsement and guarantee for its subsidiaries according to "Procedures for Endorsement and Guarantee". Its balance was NT\$ 22,883,936,000 and NT\$ 21,004,856,000 by the end of 2015 and the end of April 2016 respectively. Based on conservative operating policy, the operations of its subsidiaries bring considerable income to the Company. Besides that, the Company supervises its subsidiaries regularly and controls related risks.

The financial transactions with "derivative" nature the Company and subsidiaries entered into were strictly for hedging purposes and not for any trading or speculative purposes. To control various types of financial trading risks, the Company and subsidiaries has established internal policies and procedures based on sound financial and business practices, all in compliance with the relevant rules and regulations issued by the Taiwan Securities and Futures Bureau.

The Company entered into USD/TWD CCS transactions and its balance was NT\$6,597,000,000 by the end of April 2016 (fair value was NT\$ 7,109,477,999); Our subsidiary, Asia Cement (China) entered into US\$35,000,000 IRS transactions which was due

by the end of 2015. The realized gain on IRS transactions was US\$ 470,054 in 2015.

7.6.3 The Prevention of Legal Risks

In view of current company's operations, in addition to compliance with laws and regulations, there are many different areas involved in the legal norms, such as dealing with other companies, government agency, stakeholders, employees, and other foreign-related cases. Preventing legal risks shall be the first priority in today's business operators

In response to this situation, the Company asks those who majored in law to be in charge of the Secretarial Department. Besides, the Company teaches and requires every employee to comply with every regulation in daily operations. The Company also cooperates with the Group's legal department to handle labor, general affairs, sales, factory management, taxation and other issues. Lawyers and accountants would be consulted if necessary. These could ensure legal risks reduced to maintain the Company's interests.

◎R&D project and estimated expenditures in the future:

		Unit: NT\$1000
Item		Amount
1	Detection Technology for Powder Particle Size	1,500
	Total	1,500

◎Effect on the Company's finance and operation from any changes in major policies and laws at home and abroad in the most recent fiscal year: None.

◎Effect on the Company's finance and operation due to the technological improvement and the change of industrial environment in the most recent fiscal year: None.

◎Events influencing the Company's corporate image in the most recent fiscal year: None.

◎Merger or acquisition plan in the most recent fiscal year: None.

◎Plan of expanding capacity in the most recent fiscal year: None.

◎Supply and sale of the Company in the most recent fiscal year: Normal and steady.

◎Large volume shares transferred or changed by directors, supervisors, or shareholders with more than 10% shareholdings in the most recent fiscal year: None.

◎Change of the Company's management in the most recent fiscal year: None.

◎Litigation, non-litigation incidents or administrative disputes of directors, supervisors, president, shareholders with more than 10% shareholdings, or subsidiaries which could materially affect shareholders' equity or the prices of the Company's securities: None.

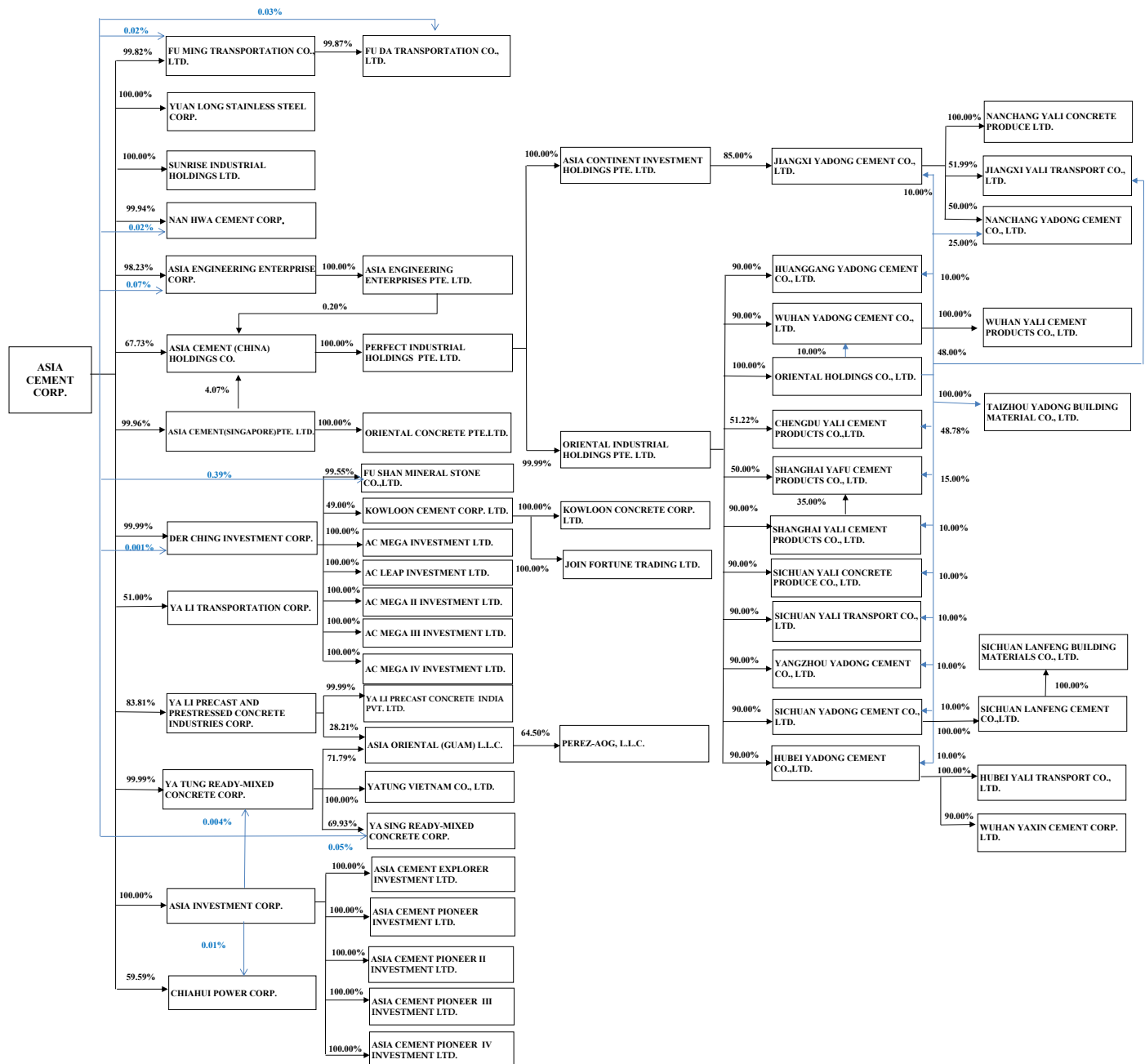
◎Other major risks: None.

7.7 Other Mentionable Issues : None.



VIII Special Disclosure

8.1 Organizational Chart of Affiliated Companies



8.2 Basic Information of Affiliated Companies

Currency: NT\$ (except otherwise specified)

Unit: \$1,000

As of December 31, 2015

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
FU MING TRANSPORTATION CO., LTD. Address: No.139, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Feb. 1980	295,695	Transportation
YUAN LONG STAINLESS STEEL CORP. Address: No.28, Daye S. Rd., Xiaogang Dist., Kaohsiung City	Dec. 2005	2,000,000	Steel rolling and related business
SUNRISE INDUSTRIAL HOLDINGS LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	Apr. 1996	USD 90	Investment
NAN HWA CEMENT CORP. Address: No.90, Sec. 2, Linkong. Rd., Longchin Dist., Taichung City	May. 1979	261,440	Granulated Blast-Furnace Slag, Cement, Limestone Slag
ASIA ENGINEERING ENTERPRISE CORP. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Nov. 1982	81,144	Engineering
ASIA CEMENT (CHINA) HOLDINGS CO. Address: Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies	Apr. 2004	HKD 156,685	Investment
ASIA CEMENT (SINGAPORE) PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Apr. 1964	SGD 10,500	Cement
DER CHING INVESTMENT CORP. Address: 31F., No.207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	Dec. 1988	5,651,061	Investment
YA LI TRANSPORTATION CORP. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Oct. 1980	100,000	Transportation
YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP. Address: No.3, Sec. 2, Jiayuan Rd., Shulin Dist., New Taipei City	Nov. 1990	193,776	Cement products
YA TUNG READY-MIXED CONCRETE CORP. Address: No.139, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Jan. 1999	1,457,798	Ready-mixed concrete, Cement products
ASIA INVESTMENT CORP. Address: 31F., No.207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	Oct. 1998	1,759,740	Investment
CHIAHUI POWER CORP. Address: No.688, Songzijiao, Minxiong Township, Chiayi County	Apr. 1996	4,700,000	Power plant
FU DA TRANSPORTATION CO., LTD. Address: No.139, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Feb. 1989	279,279	Transportation
ASIA ENGINEERING ENTERPRISES PTE. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 1995	USD 50	Engineering
PERFECT INDUSTRIAL HOLDINGS PTE. LTD. Address: CITCO Building, Wickhams Cay,P.O.Box 662,Road Town ,Tortola, British Virgin Islands	May. 1997	USD 9,287	Investment



Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
ORIENTAL CONCRETE PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Oct. 1980	SGD 17,000	Ready-mixed concrete
FU SHAN MINERAL STONE CO., LTD. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Dec. 1970	13,000	Marble, Limestone Mining
KOWLOON CEMENT CORP. LTD. Address: 11/F Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	Sept. 1986	HKD 23,000	Cement
AC MEGA INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	Nov. 2010	USD 19,600	Investment
AC LEAP INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	Nov. 2010	USD 19,600	Investment
AC MEGA II INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 10,000	Investment
AC MEGA III INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 10,000	Investment
AC MEGA IV INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 19,400	Investment
YA LI PRECAST CONCRETE INDIA PVT. LTD. Address: 7/241,2nd Floor, Sunder Vihar, Paschim Vihar, New Delhi-110087	June. 2007	INR 16,000	Cement products
ASIA ORIENTAL (GUAM) L.L.C Address: 136 Adrian Sanchez Street Tamuning, GU 96913	Aug. 2010	USD 6,900	Investment
YATUNG VIETNAM CO. LTD. Address: Supporting industry zone, Ky Phuong Commune, Ky Anh District, Ha Tinh Province	Feb. 2010	VND 141,348,502	Ready-mixed concrete, Cement products
YA SING READY-MIXED CONCRETE CORP. Address: No.350, Niupu S. Rd., Xiangshan Dist., Hsinchu City	Apr. 2000	100,000	Ready-mixed concrete, Cement products
ASIA CEMENT EXPLORER INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	Aug. 2008	USD 11,415	Investment
ASIA CEMENT PIONEER INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	Aug. 2008	USD 66,550	Investment
ASIA CEMENT PIONEER II INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 18,500	Investment
ASIA CEMENT PIONEER III INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 10,000	Investment

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
ASIA CEMENT PIONEER IV INVESTMENT. LTD. Address: Portcullis TrustNet Chambers, PO Box 3444, Road Town, Tortola, British Virgin Islands	June. 2011	USD 9,510	Investment
ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Apr. 1995	USD 288,847	Investment
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	May. 1994	USD 763,962	Investment
KOWLOON CONCRETE CORP. LTD. Address: 11/F Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	Mar. 1992	HKD 10	Barges
JOIN FORTUNE TRADING LTD Address: 263 MAIN STREET, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	Jul. 2012	USD 1,962	Investment
PEREZ-AOG, L.L.C. Address: 136 Adrian Sanchez Street Tamuning, GU 96913	Mar. 2011	USD 9,600	Ready-mixed concrete, Cement products
JIANGXI YADONG CEMENT CO., LTD. Address: Changjiang Road, Jiujiang Economic Development Zone, Jiujiang City, Jiangxi Province, China	Oct. 1997	USD 356,104	Cement, Cement products, Ready-mixed concrete
HUANGGANG YADONG CEMENT CO., LTD. Address: 5 Tiyu Avenue, Huangzhou Zone , Huanggang City, Hubei Province, China	Aug. 2006	USD 86,170	Cement, Cement products, Ready-mixed concrete
WUHAN YADONG CEMENT CO., LTD. Address: Cihui Avenue, Wujiashan Taiwan Business Investment Zone, Dongxihu, Wuhan, China	Nov. 1999	USD 36,140	Cement, Slag-Cement, Granulated blast-furnace slag
ORIENTAL HOLDINGS CO., LTD. Address: Room 305A, No 2875, South Yanggao Rd, Pudong New Area, Shanghai	July. 2003	USD 130,407	Investment, Consultant
CHENGDU YALI CEMENT PRODUCTS CO., LTD. Address: No.68 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	Dec. 2004	USD 4,100	Ready-mixed concrete, Cement products
SHANGHAI YAFU CEMENT PRODUCTS CO., LTD. Address: No.3000 Longwu Road Minhang Shanghai China	Jan. 2003	USD 2,540	Ready-mixed concrete, Cement products
SHANGHAI YALI CEMENT PRODUCTS CO., LTD. Address: No.3000 Longwu Road Minhang Shanghai China	Nov. 1995	USD 15,000	Ready-mixed concrete, Cement products
SICHUAN YALI CONCRETE PRODUCE CO., LTD. Address: No.268, Three Passage, Wenquan Road Wenjiang District, Chendu City, Sichuan, China	Nov. 2005	USD 3,300	Ready-mixed concrete, Cement products
SICHUAN YALI TRANSPORT CO., LTD. Address: No.68 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	May. 2006	USD 3,500	Transportation
YANGZHOU YADONG CEMENT CO., LTD. Address: No.7 Gudu Road BaliTown, Yangzhou Economic Development Zone Yangzhou City Jiangsu Province China	July. 2006	USD 35,530	Cement, Clinker, Ready-mixed concrete



Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
SICHUAN YADONG CEMENT CO., LTD. Address: No.66 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	Nov. 2004	USD 368,340	Clinker, Cement, Limestone, Cement products, Ready-mixed concrete
HUBEI YADONG CEMENT CO., LTD. Address: No.66 Ya Dong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, China	June. 2005	USD 154,800	Cement, Ready-mixed concrete, Cement products
NANCHANG YALI CONCRETE PRODUCE LTD. Address: Melin AVE Bashuihu Industries Zone Nanchang ETDZ Jiangxi Province	Dec. 2003	RMB 60,000	Ready-mixed concrete, Cement products
JIANGXI YALI TRANSPORT CO., LTD. Address: No.8,Yadong Ma-Toutown Ruichang City Jiangxi, China	May. 2000	RMB 12,500	Transportation
NANCHANG YADONG CEMENT CO., LTD. Address: Industrial 2nd Rd, Changdong Industrial Park, Nanchang Jiangxi, China	Jan. 2004	RMB 90,000	Cement, Clinker, Ready-mixed concrete
WUHAN YALI CEMENT PRODUCTS CO., LTD. Address: No.66 Ya Dong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, China	Dec. 2007	RMB 60,000	Ready-mixed concrete, Cement products
TAIZHOU YADONG BUILDING MATERIAL CO., LTD. Address: Central Village of Yong anzhou Town, Gaogang District, Thaizhou, Jiangsu Province, China	Sep. 2013	USD 16,000	Cement warehousing and wholesale
SICHUAN LANFENG BUILDING MATERIALS CO., LTD. Address: Middle, Qinggui Road, Guihua Town, Pengzhou, Chengdu City, Sichuan, China	Nov. 2010	RMB 20,000	Construction
SICHUAN LANFENG CEMENT CO., LTD. Address: Middle, Qinggui Road, Guihua Town, Pengzhou, Chengdu City, Sichuan, China	Sep. 2008	RMB 600,000	Clinker, Cement, Limestone, Cement products, Ready-mixed concrete
HUBEI YALI TRANSPORT CO., LTD. Address: Cihui Avenue, Wujiashan Taiwan Business Investment Zone, Dongxihu, Wuhan, Hubei Province, China	Oct. 2006	RMB 13,000	Transportation
WUHAN YAXIN CEMENT CO., LTD. Address: Jiangjun mountain, Jiangxia District, Wuhan, Hubei Province, China	Aug. 2003	RMB 90,000	Clinker, Cement, Limestone

8.3 Main Business of Affiliated Companies

Please Refer to Above List.

8.4 Information of the Directors, Supervisors, and Presidents of Affiliated Companies

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
FU MING TRANSPORTATION CO., LTD.	Chairman	Johnny Shih (ACC Representative)	29,517,188	99.82
	Director / President	W.T. Hsu (ACC Representative)	29,517,188	99.82
	Director	K.Y. Lee (ACC Representative)	29,517,188	99.82
	Director	Y.F. Chang (ACC Representative)	29,517,188	99.82
	Director	C.M. Chen (ACC Representative)	29,517,188	99.82
	Director	M.T. Chen (ACC Representative)	29,517,188	99.82
	Director	R.K. Tsai (ACC Representative)	29,517,188	99.82
	Supervisor	T.L. Yu (Asia Investment Corp. Representative)	5,000	0.02
	Supervisor	Humphrey Cheng (Asia Investment Corp. Representative)	5,000	0.02
YUAN LONG STAINLESS STEEL CORP.	Chairman	K.Y. Lee (ACC Representative)	200,000,000	100.00
	Director / President	B.R. Cheng (ACC Representative)	200,000,000	100.00
	Director	Peter Hsu (ACC Representative)	200,000,000	100.00
	Director	C.F. Cheng (ACC Representative)	200,000,000	100.00
	Director	C.M. Chen (ACC Representative)	200,000,000	100.00
	Supervisor	Doris Wu (ACC Representative)	200,000,000	100.00
	Supervisor	T.M. Chen (ACC Representative)	200,000,000	100.00
SUNRISE INDUSTRIAL HOLDINGS LTD.	Director	Douglas Tong Hsu (ACC Representative)	90,000	100.00
	Director	Peter Hsu (ACC Representative)	90,000	100.00
	Director	K.Y. Lee (ACC Representative)	90,000	100.00
	Director	R.H. Shao (ACC Representative)	90,000	100.00
	Director	Doris Wu (ACC Representative)	90,000	100.00
NAN HWA CEMENT CORP.	Chairman	K.Y. Lee (ACC Representative)	26,128,171	99.94
	President	M.T. Chen	0	0.00
	Director	Douglas Tong Hsu	1,548	0.00
	Director	Peter Hsu	1,548	0.00
	Director	Y.F. Chang (ACC Representative)	26,128,171	99.94
	Director	C.M. Chen (ACC Representative)	26,128,171	99.94
	Director	Doris Wu (ACC Representative)	26,128,171	99.94
	Director	C.H. Chen (ACC Representative)	26,128,171	99.94
	Director	C.H. Chiu (ACC Representative)	26,128,171	99.94
	Director	K.M. Fu (ACC Representative)	26,128,171	99.94
	Director	C.M. Chen (ACC Representative)	26,128,171	99.94
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	5,000	0.02
ASIA ENGINEERING ENTERPRISE CORP.	Chairman	Y.F. Chang (ACC Representative)	7,970,703	98.23
	Director / President	Z.P. Chang (ACC Representative)	7,970,703	98.23
	Director	Douglas Tong Hsu	15,649	0.19
	Director	Peter Hsu	6,817	0.08
	Director	K.Y. Lee (ACC Representative)	7,970,703	98.23
	Director	C.K. Chang (ACC Representative)	7,970,703	98.23
	Director	J.B. Yu (ACC Representative)	7,970,703	98.23
	Director	X.M. Guo (ACC Representative)	7,970,703	98.23
	Director	Z.F. Lin (ACC Representative)	7,970,703	98.23
	Director	J.C. Lin (ACC Representative)	7,970,703	98.23
	Supervisor	H.Z. He (Asia Investment Corp. Representative)	6,000	0.07
ASIA CEMENT (CHINA) HOLDINGS CO.	Chairman / Non-Executive Director	Douglas Tong Hsu	3,000,000	0.19
	Vice Chairman / Executive Director	Peter Hsu	200,000	0.01



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Executive Director	T.H. Chang	1,322,000	0.08
	Executive Director	R.H. Shao	482,000	0.03
	Executive Director	Z.L. Wu	400,000	0.03
	Executive Director	C.K. Chang	430,000	0.03
	Executive Director	S.J. Lin	400,000	0.03
	Independent Non - Executive Director	D.L. Zhan	0	0.00
	Independent Non - Executive Director	K.C. Lee	0	0.00
	Independent Non - Executive Director	K.M. Wang	0	0.00
	Independent Non - Executive Director	Wei Wang	0	0.00
ASIA CEMENT (SINGAPORE) PTE. LTD.	Chairman / Managing Director	Douglas Tong Hsu	2	0.00
	Vice Managing Director	J.H. Lin (ACC Representative)	10,495,495	99.96
	Director	Peter Hsu (ACC Representative)	10,495,495	99.96
	Director	K.Y. Lee (ACC Representative)	10,495,495	99.96
	Director	Y.F. Chang (ACC Representative)	10,495,495	99.96
	Director	R.H. Shao (ACC Representative)	10,495,495	99.96
	Director	Doris Wu (ACC Representative)	10,495,495	99.96
	Director	C.P. Sue (ACC Representative)	10,495,495	99.96
DER CHING INVESTMENT CORP.	Chairman	K.Y. Lee (ACC Representative)	565,063,189	99.99
	Director	Peter Hsu	6,299	0.00
	Director	Y.F. Chang (ACC Representative)	565,063,189	99.99
	Director	W.K. Chou (ACC Representative)	565,063,189	99.99
	Director	C.M. Chen (ACC Representative)	565,063,189	99.99
	Director	Doris Wu (ACC Representative)	565,063,189	99.99
	Director	H.Y. Kao (ACC Representative)	565,063,189	99.99
	Supervisor	H.T. Peng (Asia Investment Corp. Representative)	5,125	0.00
	Supervisor	Karen Yang (Asia Investment Corp. Representative)	5,125	0.00
YA LI TRANSPORTATION CORP.	Chairman	K.Y. Lee (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	Peter Hsu (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	Y.F. Chang (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	Z.P. Chang (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	M.T. Chen (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	H.Z. He (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	W.T. Hsu (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Supervisor	Dana Lee (ACC Representative)	5,100,000	51.00
YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP.	Chairman	K.Y. Lee (ACC Representative)	16,241,083	83.81
	President	L.C. Lee	0	0.00
	Director	Douglas Tong Hsu (ACC Representative)	16,241,083	83.81
	Director	Peter Hsu (ACC Representative)	16,241,083	83.81
	Director	Y.F. Chang (ACC Representative)	16,241,083	83.81
	Director	C.H. Chiu (ACC Representative)	16,241,083	83.81
	Director	C.H. Chung (ACC Representative)	16,241,083	83.81
	Director	C.F. Cheng (ACC Representative)	16,241,083	83.81
	Supervisor	Lin Kuo (FEGC Representative)	3,105,647	16.03

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
YA TUNG READY-MIXED CONCRETE CORP.	Supervisor	T.L. Yu (FEGC Representative)	3,105,647	16.03
	Chairman	K.Y. Lee (ACC Representative)	145,773,218	99.99
	President	C.P. Chen	0	0.00
	Director	Peter Hsu	144	0.00
	Director	Y.F. Chang (ACC Representative)	145,773,218	99.99
	Director	W.K. Chou (ACC Representative)	145,773,218	99.99
	Director	C.M. Chen (ACC Representative)	145,773,218	99.99
	Supervisor	Doris Wu (Asia Investment Corp. Representative)	5,300	0.00
	Supervisor	H.Y. Kao (Asia Investment Corp. Representative)	5,300	0.00
ASIA INVESTMENT CORP.	Chairman	K.Y. Lee (ACC Representative)	175,974,041	100.00
	Director	Y.F. Chang (ACC Representative)	175,974,041	100.00
	Director	Doris Wu (ACC Representative)	175,974,041	100.00
	Supervisor	H.Y. Kao (ACC Representative)	175,974,041	100.00
CHIAHUI POWER CORP.	Chairman	Douglas Tong Hsu (ACC Representative)	280,093,521	59.59
	President	C.L. Chen	0	0.00
	Director	Peter Hsu (ACC Representative)	280,093,521	59.59
	Director	K.Y. Lee (ACC Representative)	280,093,521	59.59
	Director	Ko Suenaja (J-Power Investment Netherlands B.V. Representative)	187,854,807	39.97
	Director	Hiroyasu Sugiyama (J-Power Investment Netherlands B.V. Representative)	187,854,807	39.97
	Supervisor	Doris Wu (Asia Investment Corp. Representative)	37,574	0.01
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	37,574	0.01
FU DA TRANSPORTATION CO., LTD.	Chairman	Johnny Shih (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Director / President	W.T. Hsu (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Director	K.Y. Lee (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Director	Y.F. Chang (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Director	Y.X. Wu (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Director	Humphrey Cheng (Fu Ming Transportation Co., Ltd. Representative)	27,892,834	99.87
	Supervisor	R.K. Tsai (Asia Investment Corp. Representative)	7,145	0.03
	Supervisor	C.M. Shi (Asia Investment Corp. Representative)	7,145	0.03
ASIA ENGINEERING ENTERPRISES PTE. LTD.	Director	Y.F. Chang	0	0.00
	Director	Doris Wu	0	0.00
	Director	Z.P. Chang	0	0.00
PERFECT INDUSTRIAL HOLDINGS PTE. LTD.	Director	Douglas Tong Hsu	0	0.00
	Director	Doris Wu	0	0.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
ORIENTAL CONCRETE PTE. LTD.	Chairman	Douglas Tong Hsu (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director / Managing Director	J.H. Lin (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	Peter Hsu (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	K.Y. Lee (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	C.P. Sue (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
FU SHAN MINERAL STONE CO., LTD.	Chairman	Y.F. Chang (Der Ching Investment Corp. Representative)	1,294,155	99.55
	Director	Peter Hsu (Der Ching Investment Corp. Representative)	1,294,155	99.55
	Director	C.M. Chen (Der Ching Investment Corp. Representative)	1,294,155	99.55
	Director	Z.P. Chang (Der Ching Investment Corp. Representative)	1,294,155	99.55
	Director	Manfred Wang (Der Ching Investment Corp. Representative)	1,294,155	99.55
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	5,000	0.38
KOWLOON CEMENT CORP. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	Johnny Shih	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	Y.F. Chang	0	0.00
	Director	R.H. Shao	0	0.00
	Director	C.P. Sue	0	0.00
AC MEGA INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	19,600,000	100.00
	Director	W.K. Chou (Der Ching Investment Corp. Representative)	19,600,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	19,600,000	100.00
AC LEAP INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	19,600,000	100.00
	Director	W.K. Chou (Der Ching Investment Corp. Representative)	19,600,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	19,600,000	100.00
AC MEGA II INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	10,000,000	100.00
	Director	W.K. Chou (Der Ching Investment Corp. Representative)	10,000,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	10,000,000	100.00
AC MEGA III INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	10,000,000	100.00
	Director	W.K. Chou (Der Ching Investment Corp. Representative)	10,000,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	10,000,000	100.00
AC MEGA IV INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	19,400,000	100.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	W.K. Chou (Der Ching Investment Corp. Representative)	19,400,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	19,400,000	100.00
YA LI PRECAST CONCRETE INDIA PVT. LTD.	Chairman	L.C. Lee (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	X.M. He (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	W.H. Yeh (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	H.Y. Kao (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	Gary Lee (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
	Director	H.C. Lee (Ya Li Precast And Prestressed Concrete Industries Corp. Representative)	*INR 1,599,990	99.99
ASIA ORIENTAL (GUAM) L.L.C	Manager	C.P. Chen	0	0.00
	Manager	Gary Lee	0	0.00
YATUNG VIETNAM CO. LTD.	Manager	S.Y. Huang	0	0.00
YA SING READY-MIXED CONCRETE CORP.	Chairman	K.Y. Lee (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director / President	Z.G. He (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	M.T. Chen (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	Z.P. Chen (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	S.Y. Huang (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	W.S. Tsai (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,993,000	69.93
	Director	J.F. Tsai (Nan Kung Enterprise Corp.Ltd. Representative)	1,000,000	10.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	J.B. Zhuo (Lien Fang Enterprise Corp.Ltd. Representative)	500,000	5.00
	Director	C.T. Tsai (Chu Chiang Enterprise Corp.Ltd. Representative)	1,000,000	10.00
	Supervisor	F.C. Wu (Ho Hwei Enterprise Corp.Ltd. Representative)	500,000	5.00
	Supervisor	W.K. Chou (Asia Investment Corp. Representative)	5,000	0.05
	Supervisor	C.W. Chiang (Asia Investment Corp. Representative)	5,000	0.05
ASIA CEMENT EXPLORER INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	11,415,000	100.00
	Director	W.K. Chou (Asia Investment Corp. Representative)	11,415,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	11,415,000	100.00
ASIA CEMENT PIONEER INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	66,550,000	100.00
	Director	W.K. Chou (Asia Investment Corp. Representative)	66,550,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	66,550,000	100.00
ASIA CEMENT PIONEER II INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	18,500,000	100.00
	Director	W.K. Chou (Asia Investment Corp. Representative)	18,500,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	18,500,000	100.00
ASIA CEMENT PIONEER III INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	10,000,000	100.00
	Director	W.K. Chou (Asia Investment Corp. Representative)	10,000,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	10,000,000	100.00
ASIA CEMENT PIONEER IV INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	9,510,000	100.00
	Director	W.K. Chou (Asia Investment Corp. Representative)	9,510,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	9,510,000	100.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	Peter Hsu	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	Doris Wu	0	0.00
	Director	Shing Wei	0	0.00
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD.	Chairman	Douglas Tong Hsu	4,000	0.00
	Director	Peter Hsu	0	0.00
	Director	R.H. Shao	1,000	0.00
	Director	Doris Wu	0	0.00
	Director	Shing Wei	0	0.00
KOWLOON CONCRETE CORP. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	L.H. Fang	0	0.00
	Director	Doris Wu	0	0.00
	Director	C.P. Sue	0	0.00
JOIN FORTUNE TRADING LTD	Manager	C.P. Sue	0	0.00
	Manager	Gary Lee	0	0.00
PEREZ-AOG, L.L.C.	Manager	Rodney Chen	0	0.00
JIANGXI YADONG CEMENT CO., LTD.	Chairman	Z.L. Wu (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director / President	C.K. Chang (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	S.J. Lin (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	L.H. Fang (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	J.B. Yu (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	L. Tian (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	T.M. Chen (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	Director	Dana Lee (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 35,610	10.00
	Director	Karen Yang (Oriental Holdings Co., Ltd. Representative)	*USD 35,610	10.00
	Director	D.M. Yao (Jiangxi Provincial Investment Group Corp. Representative)	*USD 17,805	5.00
	Supervisor	T.Z. Wu (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
HUANGGANG YADONG CEMENT CO., LTD.	Chairman	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	Director / President	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	Director	W.Y. Liu (Oriental Holdings Co., Ltd. Representative)	*USD 8,617	10.00
	Supervisor	B.H. Lu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
WUHAN YADONG CEMENT CO., LTD.	Chairman	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	President	L. Tian	*USD 0	0.00
	Director	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	Director	M. Wang (Oriental Holdings Co., Ltd. Representative)	*USD 3,614	10.00
	Supervisor	W.F. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
ORIENTAL HOLDINGS CO., LTD.	Chairman	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 130,407	100.00
	President	R.H. Shao	*USD 0	0.00
	Director	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 130,407	100.00
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 130,407	100.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 130,407	100.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Peter Chiang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 130,407	100.00
	Supervisor	Michael Ting (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 130,407	100.00
CHENGDU YALI CEMENT PRODUCTS CO., LTD.	Chairman	J.Q. Chen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
	President	J.B. Yu	*USD 0	0.00
	Director	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
	Director	S.J. Lin (Oriental Holdings Co., Ltd. Representative)	*USD 2,000	48.78
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 2,000	48.78
	Supervisor	C.H. He (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
SHANGHAI YAFU CEMENT PRODUCTS CO., LTD	Chairman	H.M. Chen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 1,270	50.00
	President	T.S. Yang	*USD 0	0.00
	Director	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 1,270	50.00
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 1,270	50.00
	Director	S.J. Lin (Shanghai Yali Cement Products Co., Ltd. Representative)	*USD 889	35.00
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 381	15.00
	Supervisor	Y.Y. Lai (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 1,270	50.00
SHANGHAI YALI CEMENT PRODUCTS CO., LTD.	Chairman	W.K. Chou (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	President	T.S. Yang	*USD 0	0.00
	Director	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	Supervisor	Rodney Chen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
SICHUAN YALI CONCRETE PRODUCE CO., LTD.	Chairman	Z.X. Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	President	J.B. Yu	*USD 0	0.00
	Director	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 330	10.00
	Supervisor	P.P. Yu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
SICHUAN YALI TRANSPORT CO., LTD.	Chairman	S.Y. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	President	L.H. Fang	*USD 0	0.00
	Director	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 350	10.00
	Supervisor	W.T. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
YANGZHOU YADONG CEMENT CO., LTD.	Chairman	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	President	T.S. Yang	*USD 0	0.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	Director	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	Director	Z.S. Lee (Oriental Holdings Co., Ltd. Representative)	*USD 3,553	10.00
	Supervisor	Z.Y. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
SICHUAN YADONG CEMENT CO., LTD.	Chairman	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	President	L.H. Fang	*USD 0	0.00
	Director	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	Director	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	Director	X.M. Guo (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	Director	J.H. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	Director	C.H. Cheng (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	Director	W.T. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	Director	Gary Lee (Oriental Holdings Co., Ltd. Representative)	*USD 36,834	10.00
	Supervisor	L.S. Wang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
HUBEI YADONG CEMENT CO., LTD.	Chairman	C.K. Chang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director / President	S.J. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	Z.L. Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	A.K. Fu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	H.R. Lin (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	T.S. Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	Jason Tai (Oriental Holdings Co., Ltd. Representative)	*USD 15,480	10.00
	Director	M.C. Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Supervisor	J.X. Shen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
NANCHANG YALI CONCRETE PRODUCE LTD.	Chairman	Humphrty Cheng (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	President	S.M. Chang	*RMB 0	0.00
	Director	Z.L. Wu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	C.K. Chang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	S.J. Lin (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	Doris Wu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Supervisor	H.W. Chen (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
JIANGXI YALI TRANSPORT CO., LTD.	Chairman	W.T. Hsu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,499	51.99
	President	T.S. Yang	*RMB 0	0.00
	Director	Z.L. Wu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,499	51.99
	Director	C.K. Chang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,499	51.99
	Director	S.J. Lin (Oriental Holdings Co., Ltd. Representative)	*RMB 6,000	48.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
NANCHANG YADONG CEMENT CO., LTD.	Director	Doris Wu	*RMB 0	0.00
	Supervisor	L.C. Lian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,499	51.99
	Chairman	S.J. Lin (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	President	A.K. Fu	*RMB 0	0.00
	Director	Z.L. Wu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	Director	C.K. Chang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	Director	Doris Wu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	Director	D.H. Lin (Oriental Holdings Co., Ltd. Representative)	*RMB 22,500	25.00
	Director	Y.T. Wang (Oriental Holdings Co., Ltd. Representative)	*RMB 22,500	25.00
	Director	X.L. Chang (Fangda Special Steel Technology Co., Ltd. Representative)	*RMB 22,500	25.00
	Director	M.H. Li (Fangda Special Steel Technology Co., Ltd. Representative)	*RMB 22,500	25.00
	Supervisor	J.F. Jiang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
WUHAN YALI CEMENT PRODUCTS CO., LTD.	Chairman	L.C. Chen (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	President	R.X. Ciou	*RMB 0	0.00
	Director	Z.L. Wu (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	C.K. Chang (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	S.J. Lin (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	Doris Wu (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Supervisor	S.M. Chang (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00



Company Name	Title	Name or Representative	Shareholding	
			Shares	%
TAIZHOU YADONG BUILDING MATERIAL CO., LTD.	Chairman	S.J. Lin (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	President	T.S. Yang	*USD 0	0.00
	Director	Z.L. Wu (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	Director	C.K. Chang (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	Director	Doris Wu (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	Supervisor	Z.Y. Chang (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
SICHUAN LANFENG BUILDING MATERIALS CO., LTD.	Chairman	R.H. Shao (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director / President	J.B. Yu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	Peter Hsu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	Z.L. Wu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	C.K. Chang (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	S.J. Lin (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	Doris Wu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Director	L.H. Fang (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Supervisor	J.H. Wu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
SICHUAN LANFENG CEMENT CO., LTD.	Chairman	R.H. Shao (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Director / President	J.B. Yu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Director	Peter Hsu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Director	Z.L. Wu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
	Director	C.K. Chang (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Director	S.J. Lin (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Director	Doris Wu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Director	L.H. Fang (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Supervisor	J.H. Wu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
HUBEI YALI TRANSPORT CO., LTD.	Chairman	J.J. Jiang (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	President	T.X. Nie	*RMB 0	0.00
	Director	Z.L. Wu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Director	C.K. Chang (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Director	S.J. Lin (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Director	Doris Wu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Supervisor	Y.H. Lu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
WUHAN YAXIN CEMENT CO., LTD.	Chairman	Doris Wu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	President	L. Tian	*RMB 0	0.00
	Director	Z.L. Wu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	Director	C.K. Chang (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	Director	S.J. Lin (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	Director	R.T. Sie (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	Director	C.C. Cheng	*RMB 9,000	10.00
	Supervisor	J.M. Chang (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00

The above companies marked with the “” sign are not incorporated companies. Therefore the shareholding are shown in capital (Unit: INR, USD, VND and RMB \$1,000) instead of shown in numbers of shares.



8.5 Operating Condition of Affiliated Companies

Unit: NT\$1,000

Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
FU MING TRANSPORTATION CO., LTD.	295,695	1,634,462	347,083	1,287,379	812,212	63,585	168,452	5.70
YUAN LONG STAINLESS STEEL CORP.	2,000,000	4,506,897	3,133,115	1,373,782	4,163,902	(269,029)	(264,742)	(1.32)
SUNRISE INDUSTRIAL HOLDINGS LTD.	2,909	133,599	83,624	49,975	-	(103)	2,322	25.80
NAN HWA CEMENT CORP.	261,440	1,045,612	641,713	403,899	486,207	30,492	7,424	0.28
ASIA ENGINEERING ENTERPRISE CORP.	81,144	389,125	228,141	160,984	37,950	4,002	(830)	(0.10)
ASIA CEMENT (CHINA) HOLDINGS CO.	634,911	71,601,857	24,726,090	46,875,767	-	(345,257)	(1,530,713)	(0.98)
ASIA CEMENT (SINGAPORE) PTE. LTD.	250,425	4,319,786	927,758	3,392,028	1,072,287	(45,606)	(105,627)	(10.06)
DER CHING INVESTMENT CORP.	5,651,061	16,718,460	3,888,842	12,829,618	1,124,041	253,673	965,983	1.71
YA LI TRANSPORTATION CORP.	100,000	510,164	44,583	465,581	292,596	26,843	27,974	2.80
YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP.	193,776	521,658	385,512	136,146	432,154	54,187	38,394	1.98
YA TUNG READY-MIXED CONCRETE CORP.	1,457,798	3,631,056	2,046,989	1,584,067	7,838,313	136,012	89,164	0.61
ASIA INVESTMENT CORP.	1,759,740	8,570,925	5,849,562	2,721,363	1,701,448	294,658	252,433	1.43
CHIAHUI POWER CORP.	4,700,000	12,941,099	4,028,859	8,912,240	7,026,295	1,301,438	1,081,108	2.30
FU DA TRANSPORTATION CO., LTD.	279,279	935,445	322,459	612,986	579,126	64,506	91,839	3.29
ASIA ENGINEERING ENTERPRISES PTE. LTD.	1,639	117,136	-	117,136	918	(78)	(4,517)	(90.34)
PERFECT INDUSTRIAL HOLDINGS PTE. LTD.	304,388	62,588,015	986,819	61,601,196	-	(3,728)	(182,508)	(19.65)
ORIENTAL CONCRETE PTE. LTD.	393,720	260,135	2,354	257,781	27,210	5,631	3,695	0.22
FU SHAN MINERAL STONE CO., LTD.	13,000	93,955	61,802	32,153	34,554	(36)	(838)	(0.64)
KOWLOON CEMENT CORP. LTD.	93,150	1,020,863	44,260	976,603	470,079	38,611	58,037	25.23
AC MEGA INVESTMENT LTD.	579,926	578,442	-	578,442	-	(93)	11	0.00
AC LEAP INVESTMENT LTD.	579,439	647,272	-	647,272	-	(88)	1,302	0.07
AC MEGA II INVESTMENT LTD.	289,050	306,644	-	306,644	-	(80)	1,073	0.11

Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
AC MEGA III INVESTMENT LTD.	289,050	351,819	-	351,819	-	(80)	1,206	0.12
AC MEGA IV INVESTMENT LTD.	575,055	757,341	-	757,341	-	(80)	904	0.05
YA LI PRECAST CONCRETE INDIA PVT. LTD.	8,338	30,000	23,590	6,410	8,588	(6,016)	(8,344)	Note 1
ASIA ORIENTAL (GUAM) L.L.C	205,379	139,240	3,004	136,236	990	(1,010)	(34,974)	Note 1
YATUNG VIETNAM CO., LTD.	201,823	267,653	41,819	225,834	230,168	22,034	17,487	Note 1
YA SING READY-MIXED CONCRETE CORP.	100,000	232,160	139,750	92,410	874,496	5,622	3,517	0.35
ASIA CEMENT EXPLORER INVESTMENT LTD.	334,065	176,195	-	176,195	-	(93)	341	0.03
ASIA CEMENT PIONEER INVESTMENT LTD.	2,039,879	2,252,876	62,355	2,190,521	-	(104)	(199)	(0.00)
ASIA CEMENT PIONEER II INVESTMENT LTD.	544,135	666,335	-	666,335	-	(80)	1,167	0.06
ASIA CEMENT PIONEER III INVESTMENT LTD.	289,050	282,888	-	282,888	-	(80)	1,086	0.11
ASIA CEMENT PIONEER IV INVESTMENT LTD.	286,263	334,148	-	334,148	-	(80)	529	0.06
ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD.	9,466,957	17,451,246	95	17,451,151	-	(193)	269,766	0.81
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD.	25,048,708	44,127,591	146	44,127,445	-	(288)	(462,774)	(0.65)
KOWLOON CONCRETE CORP. LTD.	42	132,282	64	132,218	2,948	(1,656)	777	77.70
JOIN FORTUNE TRADING LTD.	64,337	64,337	451	63,886	-	(2,467)	(2,467)	(1.26)
PEREZ-AOG, L.L.C.	314,640	283,121	89,835	193,286	333,319	(41,428)	(51,714)	Note 1
JIANGXI YADONG CEMENT CO., LTD.	11,671,309	28,423,933	7,918,794	20,505,139	12,631,202	683,292	317,045	Note 1
HUANGGANG YADONG CEMENT CO., LTD.	2,824,222	5,992,871	1,122,629	4,870,242	2,482,368	351,417	270,593	Note 1
WUHAN YADONG CEMENT CO., LTD.	1,184,489	3,504,573	439,551	3,065,022	2,051,465	108,226	140,893	Note 1
ORIENTAL HOLDINGS CO., LTD.	4,274,089	7,916,451	8,081	7,908,370	-	(2,998)	(37,669)	Note 1
CHENGDU YA LI CEMENT PRODUCTS CO., LTD.	134,378	359,540	98,406	261,134	181,179	(145,057)	(115,361)	Note 1
SHANGHAI YAFU CEMENT PRODUCTS CO., LTD.	83,249	104,593	322	104,271	-	(5,591)	(1,473)	Note 1
SHANGHAI YALI CEMENT PRODUCTS CO., LTD.	491,625	914,794	609,444	305,350	541,283	(79,228)	(109,659)	Note 1
SICHUAN YALI CONCRETE PRODUCE CO., LTD.	108,158	456,867	294,204	162,663	203,664	7,654	(4,963)	Note 1



Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
SICHUAN YALI TRANSPORT CO., LTD.	114,713	449,857	133,308	316,549	604,198	31,410	34,498	Note 1
YANGZHOU YADONG CEMENT CO., LTD.	1,164,496	3,005,782	1,254,235	1,751,547	2,357,239	(107,827)	(150,785)	Note 1
SICHUAN YADONG CEMENT CO., LTD.	12,072,344	25,105,850	7,149,960	17,955,890	4,934,765	(165,514)	(785,000)	Note 1
HUBEI YADONG CEMENT CO., LTD.	5,073,570	14,953,198	3,656,475	11,296,723	5,431,079	381,347	223,330	Note 1
NANCHANG YALI CONCRETE PRODUCE LTD.	302,837	953,024	164,551	788,473	793,350	84,957	57,944	Note 1
JIANGXI YALI TRANSPORT CO., LTD.	63,091	310,128	45,991	264,137	400,423	43,945	35,302	Note 1
NANCHANG YADONG CEMENT CO., LTD.	454,256	919,950	106,016	813,934	938,595	54,597	50,442	Note 1
WUHAN YALI CEMENT PRODUCTS CO., LTD.	302,837	831,127	474,448	356,679	777,911	78,321	44,111	Note 1
TAIZHOU YADONG BUILDING MATERIAL CO., LTD.	524,400	1,120,302	667,915	452,387	196,089	(29,582)	(36,611)	Note 1
SICHUAN LANFENG BUILDING MATERIALS CO., LTD.	100,946	177,728	153,428	24,300	-	(7,493)	(15,712)	Note 1
SICHUAN LANFENG CEMENT CO., LTD.	3,028,370	7,979,797	4,822,966	3,156,831	2,999,562	(36,734)	(280,420)	Note 1
HUBEI YALI TRANSPORT CO., LTD.	65,615	210,071	27,143	182,928	286,990	26,354	19,428	Note 1
WUHAN YAXIN CEMENT CORP. LTD.	454,256	2,183,292	703,841	1,479,451	1,406,621	43,181	36,758	Note 1

Note1: The subsidiaries in China or overseas are not limited liability companies; therefore it's not able to count earnings per share.

Note2: The data in Balance Sheet are converted according to the exchange rate at the end of 2015 (USD : 32.775 ; SGD : 23.16 ; RMB : 5.047284 ; HKD : 4.205 ; INR : 0.4966 ; VND : 0.00125); the data in Income Statement are converted according to the 2015 average exchange rate(USD : 31.739 ; SGD : 23.0967 ; RMB : 5.086302 ; HKD : 4.0938 ; INR : 0.4952 ; VND : 0.001399).

Note3: The operating income of investees is calculated according to the sum of gain/loss from selling shares and stock dividends.

◎**Consolidated Financial Reports:** Please read section 6.4 for details.

◎**Relationship Report:** Not applicable.

◎**Private placement:** None.

◎**The shares held or disposed by subsidiaries in the most recent fiscal year and the current fiscal year up to the date of printing of the annual report:** None.

◎**In the most recent fiscal year and the current fiscal year up to the date of printing of the annual report, any event which has a material impact on shareholders' equity or securities prices:** About the information of the Company's investment in China Shanshui Cement Group Ltd., please refer to the Note 8 AVAILABLE-FOR-SALE FINANCIAL ASSETS in consolidated financial report Page 27 ~ 28.

◎**Any other matters listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the company's securities, occurred during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report:** None.



ASIA CEMENT CORPORATION

Asia Cement Corporation and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2015 and 2014 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2015 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

ASIA CEMENT CORPORATION

By

DOUGLAS TONG HSU
Chairman

March 25, 2016

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Asia Cement Corporation

We have audited the accompanying consolidated balance sheets of Asia Cement Corporation (the "Corporation") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2015 and 2014, and their consolidated financial performance and their consolidated cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of Asia Cement Corporation as of and for the years ended December 31, 2015 and 2014, on which we have issued an unqualified report.

March 25, 2016

Notice to Readers

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

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

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2015		2014	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 40)	\$ 11,024,089	4	\$ 12,739,834	5
Financial assets at fair value through profit or loss - current (Notes 7 and 40)	1,030,970	-	743,682	-
Available-for-sale financial assets - current (Note 8)	5,283,052	2	16,949,278	6
Debt investments with no active market - current (Notes 6, 10, 40 and 42)	5,383,861	2	5,834,881	2
Notes receivable				
Related parties (Note 40)	12,537	-	24,029	-
Third parties	6,268,468	2	7,616,264	3
Trade receivables				
Related parties (Notes 11 and 40)	481,581	-	625,319	-
Third parties (Notes 11 and 12)	10,384,455	4	11,889,276	4
Other receivables (Notes 13 and 40)	2,924,090	1	2,633,755	1
Current tax assets (Note 34)	3,922	-	1,251	-
Inventories (Note 14)	7,318,610	3	9,416,977	3
Prepayments (Note 21)	1,146,914	1	1,291,788	1
Other current assets (Note 29)	1,581,736	1	792,541	-
Total current assets	52,844,285	20	70,558,875	25
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 16 and 42)	68,784,137	25	69,755,589	25
Available-for-sale financial assets - non-current (Notes 8 and 42)	22,717,179	8	13,363,777	5
Financial assets measured at cost - non-current (Note 9)	1,367,517	1	1,432,927	-
Debt investment with no active market - non-current (Notes 6, 10, 40 and 42)	165,949	-	152,468	-
Property, plant and equipment (Notes 17 and 42)	67,264,573	25	70,586,382	25
Investment properties (Notes 18 and 42)	34,629,764	13	33,351,639	12
Intangible assets (Notes 19 and 20)	5,304,367	2	5,485,677	2
Deferred tax assets (Note 34)	750,251	-	464,876	-
Long-term notes receivables and other receivables (Notes 12 and 22)	10,918,197	4	11,590,904	4
Long-term prepayments for lease (Note 21)	3,737,647	1	3,946,242	1
Other non-current assets (Notes 23, 29 and 40)	1,593,343	1	2,129,699	1
Total non-current assets	217,232,924	80	212,260,180	75
TOTAL	\$ 270,077,209	100	\$ 282,819,055	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 24 and 40)	\$ 18,677,761	7	\$ 22,816,222	8
Short-term bills payable (Notes 25 and 40)	13,445,051	5	13,241,862	5
Financial liabilities at fair value through profit or loss - current (Notes 7 and 40)	-	-	561,086	-
Accounts payable and accrued expenses				
Third parties	8,199,549	3	9,753,342	4
Related parties (Note 40)	254,636	-	256,664	-
Dividends and bonuses payable	212,423	-	212,475	-
Other payable - other (Note 26)	547,033	-	707,454	-
Current tax liabilities (Note 34)	466,164	-	593,984	-
Provisions - current (Note 28)	9,419	-	9,188	-
Customers' deposits and advances (Note 28)	692,442	-	674,389	-
Current portion of long-term liabilities (Notes 27 and 40)	22,719,449	9	16,162,537	6
Total current liabilities	65,223,927	24	64,989,203	23
NON-CURRENT LIABILITIES				
Bonds payable (Note 27)	8,000,000	3	20,954,895	8
Long-term borrowings (Notes 27 and 40)	32,164,684	12	26,183,195	9
Provisions - non-current (Notes 28 and 43)	322,268	-	306,021	-
Derivative financial liabilities for hedging - non-current	-	-	14,854	-
Deferred tax liabilities (Note 34)	7,817,183	3	6,827,330	3
Net defined benefit liabilities (Note 29)	195,835	-	190,518	-
Long-term deferred revenue (Note 28)	995,008	1	1,063,093	-
Other non-current liabilities	504,112	-	562,720	-
Total non-current liabilities	49,999,090	19	56,102,626	20
Total liabilities	115,223,017	43	121,091,829	43
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 30 and 34)				
Share capital	33,614,472	12	33,614,472	12
Capital surplus	1,155,643	-	1,073,920	-
Retained earnings				
Legal reserve	14,187,878	5	13,251,715	5
Special reserve	61,112,646	23	59,505,623	21
Unappropriated earnings	16,251,812	6	22,106,583	8
Total retained earnings	91,552,336	34	94,863,921	34
Other equity	9,576,422	4	12,281,251	4
Total equity attributable to owners of the Corporation	135,898,873	50	141,833,564	50
NON-CONTROLLING INTERESTS (Notes 30 and 37)	18,955,319	7	19,893,662	7
Total equity	154,854,192	57	161,727,226	57
TOTAL	\$ 270,077,209	100	\$ 282,819,055	100

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

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 32 and 40)	\$ 66,287,480	100	\$ 77,683,281	100
OPERATING COSTS (Notes 14, 32, 33 and 40)	<u>59,228,641</u>	<u>89</u>	<u>66,553,091</u>	<u>85</u>
GROSS PROFIT	7,058,839	11	11,130,190	15
UNREALIZED GROSS PROFIT	<u>(92)</u>	<u>-</u>	<u>(586)</u>	<u>-</u>
REALIZED GROSS PROFIT	7,058,747	11	11,129,604	15
OPERATING EXPENSES (Notes 33 and 40)	<u>3,018,802</u>	<u>5</u>	<u>2,881,200</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>4,039,945</u>	<u>6</u>	<u>8,248,404</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 33)	1,502,671	2	1,579,088	2
Other gains and losses (Note 33)	(66,725)	-	1,209,572	1
Finance costs (Note 33)	(1,647,870)	(2)	(1,667,598)	(2)
Share of profit or loss of associates and joint ventures	<u>2,986,137</u>	<u>5</u>	<u>4,350,273</u>	<u>6</u>
Total non-operating income and expenses	<u>2,774,213</u>	<u>5</u>	<u>5,471,335</u>	<u>7</u>
INCOME BEFORE INCOME TAX	6,814,158	11	13,719,739	18
INCOME TAX EXPENSE (Note 34)	<u>1,879,675</u>	<u>3</u>	<u>2,813,741</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>4,934,483</u>	<u>8</u>	<u>10,905,998</u>	<u>14</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(468,796)	(1)	3,392	-
Revaluation gain	-	-	122,052	-
Share of the other comprehensive (loss) income of associates and joint ventures	<u>(285,305)</u>	<u>-</u>	<u>56,026</u>	<u>-</u>
	<u>(754,101)</u>	<u>(1)</u>	<u>181,470</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(1,184,681)	(2)	2,980,569	4
Unrealized (loss) gain on available-for-sale financial assets	(1,216,565)	(2)	1,179,441	1

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
Cash flow hedges	\$ 17,718	-	\$ 13,877	-
Share of other comprehensive (loss) income of associates and joint ventures	<u>(722,900)</u>	<u>(1)</u>	<u>471,936</u>	<u>1</u>
	<u>(3,106,428)</u>	<u>(5)</u>	<u>4,645,823</u>	<u>6</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(3,860,529)</u>	<u>(6)</u>	<u>4,827,293</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,073,954</u>	<u>2</u>	<u>\$ 15,733,291</u>	<u>20</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 4,860,241	7	\$ 9,361,635	12
Non-controlling interests	<u>74,242</u>	<u>-</u>	<u>1,544,363</u>	<u>2</u>
	<u>\$ 4,934,483</u>	<u>7</u>	<u>\$ 10,905,998</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,343,662	2	\$ 13,273,390	17
Non-controlling interests	<u>(269,708)</u>	<u>-</u>	<u>2,459,901</u>	<u>3</u>
	<u>\$ 1,073,954</u>	<u>2</u>	<u>\$ 15,733,291</u>	<u>20</u>
EARNINGS PER SHARE (Note 35)				
Basic	<u>\$1.55</u>		<u>\$2.98</u>	
Diluted	<u>\$1.32</u>		<u>\$2.65</u>	

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

(Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	Equity Attributable to Owners of the Corporation													
							Other Equity							
	Capital Stock Issued		Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain on Revaluation	Cash Flow Hedge	Total Other Equity	Total	Non-controlling Interests	Total Equity
	Shares	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings								
BALANCE, JANUARY 1, 2014	3,295,536	\$ 32,955,365	\$ 1,018,079	\$ 12,571,132	\$ 14,013,200	\$ 65,584,754	\$ 449,154	\$ 7,867,409	\$ 3,460	\$ (14,434)	\$ 8,305,589	\$ 134,448,119	\$ 18,394,083	\$ 152,842,202
Special reserve provided under Rule No. 10300064155 issued by the FSC	-	-	-	-	45,492,423	(45,492,423)	-	-	-	-	-	-	-	-
Appropriation of 2013 earnings														
Legal reserve	-	-	-	680,583	-	(680,583)	-	-	-	-	-	-	-	-
Cash dividends - \$1.8 per share	-	-	-	-	-	(5,931,966)	-	-	-	-	-	(5,931,966)	-	(5,931,966)
Stock dividends - \$0.2 per share	65,911	659,107	-	-	-	(659,107)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(665,613)	(665,613)
Change in capital surplus from investments in associates and joint ventures accounted for by using equity method	-	-	934	-	-	-	-	-	-	-	-	934	-	934
Non-controlling interest arising from business combinations	-	-	-	-	-	-	-	-	-	-	-	-	315,634	315,634
Acquisition of additional shares in subsidiaries	-	-	84,711	-	-	-	-	-	-	-	-	84,711	(808,096)	(723,385)
Issue of ordinary shares for cash by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	4,145	4,145
Additional non-controlling interest arising on exercise of employee share options issued by subsidiaries	-	-	(29,804)	-	-	-	-	-	-	-	-	(29,804)	193,608	163,804
Net profit for the year ended December 31, 2014	-	-	-	-	-	9,361,635	-	-	-	-	-	9,361,635	1,544,363	10,905,998
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	-	(63,907)	3,739,355	(10,464)	246,006	765	3,975,662	3,911,755	915,538	4,827,293
Other change in equity from investments in associates accounted for by using equity method	-	-	-	-	-	(11,820)	-	-	-	-	-	(11,820)	-	(11,820)
BALANCE, DECEMBER 31, 2014	3,361,447	33,614,472	1,073,920	13,251,715	59,505,623	22,106,583	4,188,509	7,856,945	249,466	(13,669)	12,281,251	141,833,564	19,893,662	161,727,226
Appropriation of 2014 earnings														
Legal reserve	-	-	-	936,163	-	(936,163)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	2,001,317	(2,001,317)	-	-	-	-	-	-	-	-
Cash dividends - \$2.0 per share	-	-	-	-	-	(7,395,184)	-	-	-	-	-	(7,395,184)	-	(7,395,184)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(668,142)	(668,142)
Change in capital surplus from investments in associates and joint ventures accounted for by using equity method	-	-	81,723	-	-	-	-	-	-	-	-	81,723	-	81,723
Net profit for the year ended December 31, 2014	-	-	-	-	-	4,860,241	-	-	-	-	-	4,860,241	74,242	4,934,483
Other comprehensive income (loss) for the year ended December 31, 2015, net of income tax	-	-	-	-	-	(811,750)	20,725	(2,843,706)	58,257	59,895	(2,704,829)	(3,516,579)	(343,950)	(3,860,529)
Other change in equity from investments in associates accounted for by using equity method	-	-	-	-	(9)	35,117	-	-	-	-	-	35,108	(493)	34,615
Special reserve reversed	-	-	-	-	(394,285)	394,285	-	-	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2015	3,361,447	\$ 33,614,472	\$ 1,155,643	\$ 14,187,878	\$ 61,112,646	\$ 16,251,812	\$ 4,209,234	\$ 5,013,239	\$ 307,723	\$ 46,226	\$ 9,576,422	\$ 135,898,873	\$ 18,955,319	\$ 154,854,192

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

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,814,158	\$ 13,719,739
Adjustments for:		
Depreciation expenses	5,400,304	5,628,378
Share of profit of associates and joint ventures	(2,986,137)	(4,350,273)
Interest expenses	1,647,870	1,667,598
Gain on change in fair value of investment properties	(1,278,760)	(1,426,537)
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(826,151)	(1,034,483)
Dividend income	(678,148)	(727,018)
Gain on disposal of investments	(599,049)	(114,480)
Effect of exchange rate of bonds payable	503,840	970,241
Interest income	(397,031)	(477,369)
Amortization expenses	339,259	313,519
Impairment loss recognized on accounts receivable	216,598	156,678
Unrealized foreign exchange loss	139,145	391,654
Impairment loss recognized on financial assets	65,374	51,387
Reversal of impairment loss on inventory	(33,645)	(65,434)
Gain on disposal of property, plant and equipment	(7,151)	(9,249)
Gain (loss) on disposal of associates	283	(20,903)
Loss on redemption of bonds payable	-	356,480
Reversal of impairment loss on non-financial assets	-	(76,572)
Other items	4,502	4,995
Changes in operating assets and liabilities		
Financial assets held for trading	(20,720)	448,181
Notes receivable	1,217,938	(148,326)
Trade receivables	1,815,562	(787,811)
Other receivables	(191,261)	174,482
Inventories	2,035,814	(763,209)
Prepayments	64,428	(8,579)
Other current assets	354,728	(248,092)
Accounts payable and accrued expenses	(1,362,084)	(3,836,677)
Provisions	11,390	23,426
Customers' deposits and advances	29,594	(81,054)
Net defined benefit liabilities - non-current	(4,452)	(3,836)
Deferred revenue	(68,085)	(68,086)
Cash generated from operations	12,208,113	9,658,770
Interests received	366,274	504,217
Dividends received	3,798,693	3,999,751
Interests paid	(1,491,715)	(1,460,549)
Income tax expenses paid	(1,216,131)	(2,059,597)
Net cash generated from operating activities	13,665,234	10,642,592

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of available-for-sale financial assets	\$ 3,719,317	\$ 1,309,730
Acquisition property, plant and equipment	(3,479,729)	(4,166,990)
Acquisition of available-for-sale financial assets	(2,046,066)	(7,492,054)
Increase in refundable deposits	(1,127,478)	(8,091)
Decrease in debt investments with no active market	511,376	1,153,514
Acquisition of investments accounted for using equity method	(129,379)	(397,688)
Decrease (increase) in other non-current assets	95,928	(19,566)
Increase in prepayments for lease	(92,625)	(74,879)
Proceeds from disposal of property, plant and equipment	78,816	61,718
Proceeds from disposal of investment accounted for using equity method	58,716	10,150
Acquisition of intangible assets	(51,689)	(14,741)
Cash capital reduction from financial assets	31,765	-
Acquisition of investment properties	(2,126)	(128,219)
Net cash outflow on acquisition of subsidiaries (Note 36)	-	(2,848,728)
Acquisition of financial assets measured at cost	-	(3,307)
Net cash used in investing activities	<u>(2,433,174)</u>	<u>(12,619,151)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	34,512,584	43,127,324
Repayments of long-term borrowings	(33,553,827)	(46,917,171)
Dividends paid	(7,395,159)	(5,931,673)
(Decrease) increase in short-term borrowings	(3,571,459)	7,976,022
Repayments of bonds	(2,500,000)	(18,148,889)
Change of non-controlling interests	(668,142)	(1,219,840)
Increase in short-term bills payable	202,100	8,737,700
Decrease in other non-current liabilities	(12,428)	(153,906)
Decrease in guarantee deposits received	(911)	(36,429)
Proceeds from issue of bonds	-	8,000,000
Net cash used in financing activities	<u>(12,987,242)</u>	<u>(4,566,862)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>39,437</u>	<u>98,513</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,715,745)</u>	<u>(6,444,908)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>12,739,834</u>	<u>19,184,742</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 11,024,089</u>	<u>\$ 12,739,834</u>

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

(Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Asia Cement Corporation (the “Corporation”) was incorporated in March 1957. It manufactures and sells cement, clinker, cement-related products and ready-mixed concrete, and engages in leasing activities. The Corporation is also required to undertake reforestation activities in designated areas. The Corporation’s stock has been listed on the Taiwan Stock Exchange since June 1962.

In June 1992 and September 1996, certain shares of the Corporation were sold by Far Eastern New Century Corporation (FENC) in the form of Global Depositary Shares (GDSs). Such GDSs have been quoted through the SEAQ system of the London Stock Exchange and traded through the PORTAL system of the National Association of Securities Dealers, Inc. As of December 31, 2015, the issued and outstanding GDSs aggregated 39,753 units, representing 397,527 shares of the Corporation.

As of December 31, 2015 and 2014, the Corporation and its subsidiaries (collectively, “the Group”) had 6,719 and 6,917 employees, respectively.

The consolidated financial statements are presented in the Corporation’s functional currency, New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors and authorized for issue on March 25, 2016

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Group should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version did not have any material impact on the Group’s accounting policies:

- 1) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than in past standards; for example, quantitative and qualitative disclosures based on the three-level fair value hierarchy

previously required for financial instruments only are extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 are applied prospectively from January 1, 2015. Refer to Note 18 and 39 for related disclosures.

2) Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under previous IAS 1, there were no such requirements.

The Group retrospectively applied the above amendments starting in 2015. Items not expected to be reclassified to profit or loss are revaluation gain, remeasurements of the defined benefit plans and the share of revaluation gain and the remeasurements of associates/joint ventures accounted for using the equity method. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gain (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of revaluation gain and the remeasurements of the defined benefit plans) of associates/joint ventures accounted for using the equity method. The application of the above amendments did not have any impact on the net profit for the period, other comprehensive income for the period (net of income tax), and total comprehensive income for the period.

In summary, the application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version affected only the presentation and disclosures of the consolidated financial statements and did not have a significant impact on assets, liabilities and equity.

b. New IFRSs in issue but not yet endorsed by the FSC

On March 10, 2016, the FSC announced the scope of IFRSs to be endorsed and will take effect from January 1, 2017. The scope includes all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, which means the scope excludes those that are not yet effective as of January 1, 2017 such as IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers” and those with undetermined effective date. In addition, the FSC announced that the Group should apply IFRS 15 starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new, amended and revised standards and interpretations.

The Group has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 27 “Equity Method in Separate Financial Statements”	January 1, 2016
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

(Concluded)

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

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group’s accounting policies, except for the following:

- IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

- a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;
- b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting to better reflect the entity's risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risk eligible for hedge accounting of non-financial items; (2) changing the way hedging derivative instruments are accounted for to reduce profit or loss volatility; and (3) replacing retrospective effectiveness assessment with the principle of economic relationship between the hedging instrument and the hedged item.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair value.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within twelve months after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c. Liabilities for which the Group does not have an unconditional right to defer settlement 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.

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

Ya Li Precast and Prestressed Concrete Industries Corp., Asia Engineering Enterprise Corp., Asia Engineering Enterprise Pte. Ltd., and Ya Li Precast Concrete India Pvt. Ltd. engage in construction related businesses, which have operating cycles of over one year. The assets and liabilities of the aforementioned companies related to the construction contracts are classified as current or noncurrent according to the length of their operating cycles.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Attribution of total comprehensive income to non-controlling interests

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

Changes in the Group's ownership interests in existing subsidiaries

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

See Note 15, Tables 7 and 8 for the detailed information of subsidiaries.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Foreign Currencies

For each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the subsidiaries, associates, joint ventures or branches operating in other countries or currencies used are different with the Corporation) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income attributed to the owners of the Corporation and non-controlling interests as appropriate.

Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at moving-average cost on the balance sheet date.

Investment in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint venture is a joint arrangement whereby the Corporation and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. The Group also recognizes the changes in the Group's share of equity of associates and joint ventures attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate or a joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate or a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate or joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate or joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate or joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the investment; thus, the carrying amount of the investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date the investment ceases to be an associate or a joint venture. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate or the joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate or the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. 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 Group continues to apply the equity method and does not remeasure the retained interest.

When an entity transacts with its associate or joint venture, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group's share of comprehensive income of associates or joint ventures is recognized using the treasury stock method if there are reciprocal holdings between investors and investees. The reciprocally held shares of the Group are treated as treasury stocks and are deducted from the outstanding shares in computing basic earnings per share.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss. Major renewals and betterments are capitalized, while maintenance and repairs are expensed currently. Properties in the course of construction are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized using the fixed-percentage-on-declining-balance method or the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs and are subsequently measured using the fair value model. Gain or loss arising from changes in the fair value of investment properties is included in profit or loss for the period in which they arise.

For a transfer from an owner-occupied property to investment properties, at the date of change in use, any difference between the fair value and carrying amount of the property at the transfer date is recognized in other comprehensive income.

Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life.

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

Impairment of Tangible and Intangible Assets Other than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a. Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

1) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss. A financial asset may be designated as at fair value through profit or loss upon initial recognition if the contract contains one or more embedded derivatives so that the entire hybrid contract can be designated as at fair value through profit or loss upon initial recognition.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset (including dividend earned in the year of investment). Fair value is determined in the manner described in Note 39.

2) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Fair value is determined in the manner described in Note 39.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in other comprehensive income on financial assets. Any impairment loss is recognized in profit and loss.

3) Loans and receivables

Loans and receivables (including cash and cash equivalent, notes receivable, trade receivables, other receivables and debt investments with no active market) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits and commercial papers and bonds sold under repurchase agreements with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b. Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed as not impaired individually. The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period. In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables and other receivables that are written off against the allowance account.

c. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Financial liabilities

a. Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Any gain or loss arising on remeasurement is recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 39.

b. Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Exchangeable bonds

Exchangeable bonds are recognized at total issuance price less the fair value of independently measured embedded derivatives (i.e., bond holders' right to exchange the bond with a fixed price for underlying shares the Corporation holds). The non-derivative liability component of bonds is measured at amortized cost using the effective interest method. Interest and gain (loss) on bond redemption are recognized in profit or loss. When bonds are exchanged for underlying shares, the disposal gain or loss of the underlying shares is measured as the difference between the book value of the underlying shares and the sum of the book value of non-derivative liability component and the fair value of embedded derivatives. Before the maturity of the bonds, change in fair value of the embedded derivatives is recognized in profit or loss.

Convertible bonds

Convertible bonds issued by the Group that contain both liability and conversion option components are classified separately into respective items on initial recognition. The conversion option that will be settled other than by the exchange of a fixed amount of cash or other financial asset for a fixed number of the Corporation's own equity instruments is classified as a conversion option derivative. At the date of issue, both the liability and conversion option components are recognized at fair value.

On initial recognition, the derivative financial liabilities component of the convertible bonds is recognized at fair value and the initial carrying amount of the component of non-derivative financial liabilities is determined by deducting the amount of derivative financial liabilities from the fair value of the hybrid instrument as a whole. In subsequent periods, the non-derivative financial liabilities component of the convertible bonds is measured at amortized cost using the effective interest method. The derivative financial liabilities component is measured at fair value and the changes in fair value are recognized in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the derivative financial liabilities component and the non-derivative financial liabilities component in proportion to their relative fair values. Transaction costs relating to the derivative financial liabilities component are recognized immediately in profit or loss. Transaction costs relating to the non-derivative financial liabilities component are included in the carrying amount of the liability component.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross-currency swap contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

Hedge Accounting

The Group designates certain derivative instruments as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the Group revokes the designated hedging relationship, or when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

The fair value of hedge instrument is determined in the manner described in Note 39.

Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales returns are recognized at the time of sale provided the seller can reliably estimate future returns and recognizes a liability for returns based on previous experience and other relevant factors.

a. Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- 1) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 2) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 3) The amount of revenue can be measured reliably;
- 4) It is probable that the economic benefits associated with the transaction will flow to the Group; and
- 5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

b. Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

c. Construction contracts

Revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a. The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

b. The Group as lessee

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

Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Employee Benefits

a. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and net interest on the net defined benefit liability (asset)) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

Employee Share Options

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of employee share options that will eventually vest, with a corresponding increase in capital surplus - employee share options. The fair value determined at the grant date of the employee share options is recognized as an expense in full at the grant date when the share options granted vest immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the capital surplus - employee share options.

Employee share options granted to employee by the subsidiaries which are not attributable directly or indirectly to the owners of the Corporation are non-controlling interests.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets 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. If investment properties that are measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

c. Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

c. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The recoverable amount calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Estimated Impairment of Trade Receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment 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. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Write-down of Inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

Fair Value Measurements and Valuation Process

If some of the Group's assets and liabilities measured at fair value have no quoted prices in active markets, the Group determines whether to engage third party qualified valuers for the appropriate valuation techniques of fair value measurements in accordance with related regulations or judgments.

Where Level 1 inputs are not available, the engaged valuers would determine appropriate inputs by referring to the analyses of the financial position and the operation results of investees, recent transaction prices and valuation multiples of comparable entities of the Group's equity instruments not quoted in active markets/market prices or rates and specific features of the Group's derivatives/the existing lease contracts and rentals of similar properties in the vicinity of the Group's investment properties. If the actual changes of inputs in the future differ from expectation, fair value might vary accordingly.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 18 and 39.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2015	2014
Checking accounts and demand deposits	\$ 8,981,211	\$ 6,405,714
Time deposits with original maturities less than three months	2,035,164	6,254,541
Petty cash	4,118	4,132
Cash on hand	3,596	3,476
Commercial papers	-	71,971
	<u>\$ 11,024,089</u>	<u>\$ 12,739,834</u>

The market rate intervals of time deposits with original maturities less than three months and commercial papers at the end of the reporting period were as follows:

	December 31	
	2015	2014
Time deposits with original maturities less than three months	0.47%-6.00%	0.05%-5.00%
Commercial papers	-	0.54%-0.55%

As of December 31, 2015 and 2014, the balance of the Group's bank deposits which were restricted in use due to pledge as collaterals for bank loans were \$910,420 thousand and \$1,446,807 thousand, respectively. Thus, these bank deposits were reclassified as restricted assets, accounted for as debt investments with no active market. Time deposits with original maturities more than three months were also classified as debt investments with no active market. As of December 31, 2015 and 2014, the balances of these time deposits were \$4,639,390 thousand and \$4,540,542 thousand, respectively. Please refer to Note 10.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31	
	2015	2014
<u>Financial assets at FVTPL</u>		
Financial assets held for trading		
Non-derivative financial assets		
Beneficiary certificates	\$ 288,546	\$ 299,710
Listed stocks	62,927	81,335
Derivative financial assets (not under hedge accounting)		
Cross-currency swap contracts	<u>679,497</u>	<u>362,637</u>
	<u>1,030,970</u>	<u>743,682</u>
	<u>\$ 1,030,970</u>	<u>\$ 743,682</u>
<u>Financial liabilities at FVTPL</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Convertible bonds options	<u>\$ -</u>	<u>\$ 561,086</u>

The Group entered into cross-currency swap contracts during the years ended December 31, 2015 and 2014 to manage exposures due to exchange rate fluctuations. The financial risk management objective of the Group is to minimize risks due to changes in cash flows.

The outstanding cross-currency swap contracts not under hedge accounting as of December 31, 2015 and 2014 were as follows:

Contract Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
US\$220,000	2016.5.10	-	0.58%-0.60%

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31			
	2015		2014	
	Current	Noncurrent	Current	Noncurrent
Domestic investments				
Listed stocks	<u>\$ 3,321,166</u>	<u>\$ 7,849,269</u>	<u>\$ 3,686,957</u>	<u>\$ 9,684,665</u>
Foreign investments				
Listed stocks	1,760,600	12,327,514	13,007,619	319,710
Mutual funds	201,286	2,008,025	254,702	2,512,317
Listed corporate bonds	<u>-</u>	<u>532,371</u>	<u>-</u>	<u>847,085</u>
	<u>1,961,886</u>	<u>14,867,910</u>	<u>13,262,321</u>	<u>3,679,112</u>
	<u>\$ 5,283,052</u>	<u>\$ 22,717,179</u>	<u>\$ 16,949,278</u>	<u>\$ 13,363,777</u>

China Shanshui Cement Group Limited (CSCGL)'s board of directors made an announcement on April 16, 2015 that CSCGL's prescribed percentage of securities held by the public has fallen below the minimum requirement of 25% according to the Main Board Listing Rules 8.08 of Hong Kong Exchanges and Clearing Limited (the Exchange). Therefore, the Exchange suspended trading of CSCGL's securities until the percentage of securities in public hands satisfies the minimum requirement. As of December 31, 2015, trading of CSCGL's securities was still suspended and there was no quoted price in active markets. The Group engaged third party qualified valuers for fair value measurements of CSCGL's securities, and therefore reclassified the investment from available-for-sale financial assets - current to available-for-sale financial assets - non-current. Please refer to Note 39 for the detailed information of fair value measurements.

The Group owned 20.96% of the equity interest in China Shanshui Cement Group Limited (CSCGL). As of December 31, 2015, the management of the Group ascertained that the Group is not able to exercise significant influence over CSCGL due to the fact that the Group is not part of CSCGL's board of directors and is not involved in its operation and financial decision. As a result, the aforementioned investment is not accounted for using equity method.

9. FINANCIAL ASSETS CARRIED AT COST - NON-CURRENT

	December 31	
	2015	2014
Domestic unlisted stocks		
Far Eastern International Leasing Corp.	\$ 602,814	\$ 602,814
Ding Shen Investment Co., Ltd.	396,000	396,000
Kaohsiung Rapid Transit Corp. (KRT)	96,266	100,676
Ding Ding Hotel Corp. (DDH)	52,302	113,302
Yi Tong Fiber Co., Ltd	47,531	47,531
Others	50,690	50,690
Overseas unlisted stocks		
Cementon Micronesia L.L.C.	<u>121,914</u>	<u>121,914</u>
	<u>\$ 1,367,517</u>	<u>\$ 1,432,927</u>
Classified according to financial asset measurement categories		
Available-for-sale financial assets	<u>\$ 1,367,517</u>	<u>\$ 1,432,927</u>

- a. Management believed that the fair value of the above unlisted equity investments held by the Group cannot be reliably measured due to the very significant range of reasonable fair value estimates; therefore, they were measured at cost less impairment at the end of reporting period.
- b. ACP acquired the stocks of Cementon Micronesia L.L.C. for US\$3,900 thousand in September 2010. As of December 31, 2015, 50% of the investment consideration has not been paid and accounted for as accounts payable and accrued expenses - third parties. The consideration will be paid once the counterparty asks for payment.
- c. On June 30, 2013, the Corporation invested NT\$107,290 thousand in KRT. The investment cost is amortized over the period of the chartered right to operate (to October 2037) since the day of investment. As of December 31, 2015, the accumulated amortization amount was \$11,024 thousand, respectively.
- d. In 2015 and 2014, the Group recognized impairment loss of \$61,000 thousand and \$51,357 thousand on its investment in DDH, respectively.

10. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	December 31	
	2015	2014
Restricted assets	\$ 910,420	\$ 1,446,807
Time deposits with original maturity more than 3 months	<u>4,639,390</u>	<u>4,540,542</u>
	<u>\$ 5,549,810</u>	<u>\$ 5,987,349</u>
Current	\$ 5,383,861	\$ 5,834,881
Non-current	<u>165,949</u>	<u>152,468</u>
	<u>\$ 5,549,810</u>	<u>\$ 5,987,349</u>

Refer to Note 42 for information relating to debt investments with no active market pledged as collaterals.

11. TRADE RECEIVABLES

	December 31	
	2015	2014
<u>Trade receivables</u>		
Trade receivables - sales	\$ 10,651,085	\$ 12,289,586
Finance lease receivable - current (Note 12)	539,235	501,032
Construction receivable	387,719	248,457
Operating lease receivable	15,815	28,368
Less: Allowance for impairment loss - sales	(726,950)	(552,303)
Less: Allowance for impairment loss - construction	<u>(868)</u>	<u>(545)</u>
	<u>\$ 10,866,036</u>	<u>\$ 12,514,595</u>

Trade Receivables - Sales

The average credit period for sales of goods was 30-90 days. Specific customers with good credit records were given longer credit period occasionally. The average credit period for customers of concrete products was 180-365 days after finishing construction of building. In determining the recovery of trade receivable, the Group considered any changes in credit quality of the trade receivable since the day credit was initially granted to the end of the reporting period.

The Group transacted with vast variety of independent customers, and thus the concentration of credit risk was limited.

For the trade receivable balances at the end of the reporting period, because there was no significant change in credit quality and the Group considered the balances recoverable, the Group did not hold any collateral or other credit enhancements but provided allowance for impairment loss, as necessary. In addition, the Group had no legal rights to offset trade receivables from against accounts payable to the same counterparty.

The aging of trade receivables - sales (less allowance for impairment loss) was as follows:

	December 31	
	2015	2014
Less than 90 days	\$ 5,957,040	\$ 7,861,151
91-180 days	1,595,373	2,289,942
181-365 days	1,121,686	1,182,045
More than 365 days	<u>1,250,036</u>	<u>404,145</u>
	<u>\$ 9,924,135</u>	<u>\$ 11,737,283</u>

The aging of trade receivables - sales that were past due but not impaired was as follows:

	December 31	
	2015	2014
91-180 days	\$ 544,642	\$ 933,704
181-365 days	259,194	306,099
More than 365 days	<u>1,250,036</u>	<u>138,522</u>
	<u>\$ 2,053,872</u>	<u>\$ 1,378,325</u>

The above aging schedule was based on the invoice date.

Movement in the allowance for impairment loss recognized on trade receivables was as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2014	\$ 345,558	\$ 41,576	\$ 387,134
Add: Impairment losses recognized (reversed) on receivables	157,379	(701)	156,678
Acquisitions through business combinations	-	37	37
Less: Amounts written off as uncollectible	-	(18,656)	(18,656)
Effect of exchange rate changes	<u>27,080</u>	<u>575</u>	<u>27,655</u>
	<u>\$ 530,017</u>	<u>\$ 22,831</u>	<u>\$ 552,848</u>
Balance at January 1, 2015	\$ 530,017	\$ 22,831	\$ 552,848
Add: Impairment losses recognized on receivables	212,999	3,599	216,598
Less: Amounts written off as uncollectible	(24,960)	(3,457)	(28,417)
Effect of exchange rate changes	<u>(13,464)</u>	<u>253</u>	<u>(13,211)</u>
	<u>\$ 704,592</u>	<u>\$ 23,226</u>	<u>\$ 727,818</u>

12. FINANCE LEASE RECEIVABLES

	December 31	
	2015	2014
<u>Minimum lease payments</u>		
Not later than one year	\$ 1,401,682	\$ 1,401,682
Later than one year and not later than five years	5,606,728	5,606,728
Later than five years	<u>11,213,456</u>	<u>12,615,139</u>
	18,221,866	19,623,549
Less: Unearned finance income	<u>6,911,090</u>	<u>7,811,741</u>
Present value of minimum lease payments	<u>\$ 11,310,776</u>	<u>\$ 11,811,808</u>
<u>Present value of minimum lease payments</u>		
Not later than one year	\$ 539,235	\$ 501,032
Later than one year and not later than five years	2,600,674	2,416,421
Later than five years	<u>8,170,867</u>	<u>8,894,355</u>
Present value of minimum lease payments	<u>\$ 11,310,776</u>	<u>\$ 11,811,808</u>
Current	\$ 539,235	\$ 501,032
Non-current	<u>10,771,541</u>	<u>11,310,776</u>
	<u>\$ 11,310,776</u>	<u>\$ 11,811,808</u>

CHP entered into 25-year purchase and sale agreements with Taiwan Power Company (TPC). According to the agreements, all electricity generated by CHP is sold to TPC since the date of operation, December 5, 2003. The requirements of IFRIC 4 are applicable to the agreements after the transition date to Taiwan-IFRSs. Because the nature of the agreements is considered as conveyance of rights to use asset, the agreements are regarded as finance lease.

13. OTHER RECEIVABLES

ACCHC, Far Eastern Polytex (Holding) Limited (FEPHL) and FEDS Development (BVI) Ltd. (FEDSBVI) intend to invest in 40%, 40% and 20% equity of Yuan Ding Enterprise (Shanghai) Limited (YDES). Through the investment, ACCHC could join projects on land development and commercial building construction in the World Exposition district in Shanghai.

YDES was initially established with registered capital of RMB500,000 thousand by Far Eastern New Century (China) Corporation (FENCC), a wholly owned subsidiary of FEPHL. When the completion of the construction process of the commercial building reaches 25%, ACCHC will subscribe to new shares issued by YDES and ACCHC's ultimate ownership is expected to be 40%. ACCHC has signed related investment contract with FEPHL and FEDSBVI.

In June 2013, ACCHC agreed to grant FENCC (a subsidiary of FENC) credit line of one-year interest-free loan in the amount of US\$68,000 thousand. Later, in October 2014, ACCHC granted YDES credit line of one-year interest-free loan in the amount of RMB108,800 thousand. In December 2015, ACCHC increased its credit line of one-year interest-free loan granted to FENCC by RMB205,000 thousand. The borrower can use the loan during the loan period and defer payment with ACCHC's consent. As of December 31, 2015, the loan amounts drawn by FENCC and YDES were US\$63,867 thousand (equivalent to NT\$2,093,238 thousand) and RMB\$42,208 thousand (equivalent to NT\$213,038 thousand), respectively, and were accounted for as other receivables.

The Group believes that potential benefit from the investment would exceed interest income from the loan. Therefore, the Group did not consider the loan an independent transaction but took the investment benefit into account. Accordingly, the borrower was not required to pay any interest unless the development project failed to be implemented. In addition, FENC is FENCC's ultimate parent company, so the Group believes the borrower has sufficient financial resources to repay the loan and did not take any collateral.

14. INVENTORIES

	December 31	
	2015	2014
Finished goods	\$ 1,796,028	\$ 2,018,358
Work in progress	1,109,459	1,375,252
Raw materials	1,877,645	3,152,031
Supplies	2,535,353	2,853,349
Inventory in transit	<u>125</u>	<u>17,987</u>
	<u>\$ 7,318,610</u>	<u>\$ 9,416,977</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 was \$51,746,293 thousand and \$55,903,102 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 included reversal of inventory write-downs of \$33,645 thousand and \$65,434 thousand, respectively. Previous write-downs were reversed as a result of increased selling prices in specific markets.

15. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements include subsidiaries as follows:

Investor	Investee	Proportion of Ownership		Remark
		December 31		
		2015	2014	
The Corporation	Der Ching Investment Corp. (DCI)	99.99	99.99	
	Nan Hwa Cement Corp. (NHC)	99.94	99.94	
	Ya Tung Ready-Mixed Concrete Corp. (YTRMC)	99.99	99.99	
	Chiahui Power Corp. (CHP)	59.59	59.59	(c)
	Asia Cement (Singapore) Pte. Ltd. (ACSPL)	99.96	99.96	
	Asia Cement (China) Holdings Corp. (ACCHC)	67.73	67.73	(c)
	Ya Li Precast and Prestressed Concrete Industries Corp. (YLPPC)	83.81	83.81	
	Asia Investment Corp. (AIC)	100.00	100.00	
	Fu Ming Transport Corp. (FMT)	99.82	99.82	
	Asia Engineering Enterprise Corp. (AEE)	98.23	98.23	
	Sunrise Industrial Holdings Ltd. (SIHL)	100.00	100.00	
	Yuan Long Stainless Steel Corp. (YLSS)	100.00	100.00	
	Yali Transportation Corp. (YLT)	51.00	51.00	Note
	DCI	Kowloon Cement Corp. Ltd. (KCC)	49.00	49.00
Fu Shan Mineral Stone Co., Ltd. (FSMS)		99.55	99.55	
AC Mega Investment Ltd. (ACM)		100.00	100.00	
AC Mega II Investment Ltd. (ACM II)		100.00	100.00	
AC Mega III Investment Ltd. (ACM III)		100.00	100.00	
AC Mega IV Investment Ltd. (ACM IV)		100.00	100.00	
AC Leap Investment Ltd. (ACL)		100.00	100.00	

(Continued)

Investor	Investee	Proportion of Ownership		Remark
		December 31		
		2015	2014	
YTRMC	Ya Sing Ready-Mixed Concrete Corp. (YSRMC)	69.93	69.93	Note
	Ya Tung Vietnam Co., Ltd. (YTV)	100.00	100.00	
AOG	Asia Oriental (Guam) L.L.C. (AOG)	71.79	71.79	
	Perez - AOG L.L.C. (PEREZ)	64.50	64.50	
FMT	Fu Da Transportation Corp. (FDT)	99.87	99.87	
AEE	Asia Engineering Enterprise Pte. Ltd. (AEEPL)	100.00	100.00	
AEEPL	ACCHC	0.20	0.20	
AIC	CHP	0.01	0.01	
	DCI	-	-	
	NHC	0.02	0.02	
	FMT	0.02	0.02	
	FSMS	0.39	0.39	
	FDT	0.03	0.03	
	YSRMC	0.05	0.05	
	AEE	0.07	0.07	
	YTRMC	-	-	
	Asia Cement Explorer Investment Ltd. (ACE)	100.00	100.00	
	Asia Cement Pioneer Investment Ltd. (ACP)	100.00	100.00	
	Asia Cement Pioneer II Investment Ltd. (ACP II)	100.00	100.00	
	Asia Cement Pioneer III Investment Ltd. (ACP III)	100.00	100.00	
	Asia Cement Pioneer IV Investment Ltd. (ACP IV)	100.00	100.00	
YLPPC	Ya Li Precast Concrete India Pvt. Ltd. (YLPICIP)	99.99	99.99	
	AOG	28.21	28.21	
ACSPL	Oriental Concrete Pte. Ltd. (OCPL)	100.00	100.00	
	ACCHC	4.07	4.07	
ACCHC	Perfect Industrial Holdings Pte. Ltd. (PIHPL)	100.00	100.00	
PIHPL	Asia Continent Investment Holdings Pte. Ltd. (ACIHPL)	100.00	100.00	
	Oriental Industrial Holdings Pte. Ltd. (OIHPL)	99.99	99.99	
ACIHPL	Jiangxi Yadong Cement Co., Ltd. (JYDC)	85.00	85.00	
OIHPL	Wuhan Yadong Cement Co., Ltd. (WYDC)	90.00	90.00	
	Oriental Holdings Co., Ltd. (OHC)	100.00	100.00	
	Shanghai Yafu Cement Products Co., Ltd. (SHYFCP)	50.00	50.00	
	Shanghai Yali Cement Products Co., Ltd. (SHYLCP)	90.00	90.00	
	Hubei Yadong Cement Co., Ltd. (HYDCCL)	90.00	90.00	
	Sichuan Yali Concrete Produce Co., Ltd. (SYCPCL)	90.00	90.00	
	Sichuan Yali Transport Co., Ltd. (SYTCL)	90.00	90.00	
	Yangzhou Yadong Cement Co., Ltd. (YYDCCL)	90.00	90.00	
	Sichuan Yadong Cement Co., Ltd. (SIYDCCL)	90.00	95.16	
	Chengdu Yali Cement Products Co., Ltd. (CYCPCL)	51.22	51.22	
	Huanggang Yadong Cement Co., Ltd. (HGYDC)	90.00	90.00	
JYDC	Jiangxi Yali Transport Co., Ltd. (JYLTC)	51.99	51.99	
	Nanchang Yadong Cement Co., Ltd. (NYDC)	50.00	50.00	
	Nanchang Yali Concrete Produce Ltd. (NYLC)	100.00	100.00	
OHC	JYDC	10.00	10.00	
	WYDC	10.00	10.00	
	SHYFCP	15.00	15.00	
	NYDC	25.00	25.00	
	JYLTC	48.00	48.00	
	SHYLCP	10.00	10.00	
	SYTCL	10.00	10.00	
	SIYDCCL	10.00	4.84	
	HGYDC	10.00	10.00	
	YYDCCL	10.00	10.00	
	CYCPCL	48.78	48.78	
	HYDCCL	10.00	10.00	
	SYCPCL	10.00	10.00	
	Tai Zhou Oriental Construction Co., Ltd. (TZOCCL)	100.00	100.00	
WYDC	Wuhan Yali Cement Products Co., Ltd. (WYCPCL)	100.00	100.00	
SIYDCCL	Sichuan Lanfeng Cement Co., Ltd. (SLCL)	100.00	100.00	
SLCL	Sichuan Lanfeng Construction Co., Ltd. (SLCCL)	100.00	100.00	

(Continued)

Investor	Investee	Proportion of Ownership December 31		Remark
		2015	2014	
HYDCCL	Hubei Yali Transport Co., Ltd. (HYTCL)	100.00	100.00	
	Wuhan Yaxin Cement Co., Ltd. (WYXC)	90.00	90.00	
KCC	Kowloon Concrete Corporation Limited (KCCL)	100.00	100.00	
	Join Fortune Trading Ltd. (JFTL)	100.00	100.00	
SHYLCP	SHYFCP	35.00	35.00	

(Concluded)

Note: Please refer to Note 36.

b. Subsidiaries excluded from the consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31	
		2015	2014
CHP	See Tables 7 and 8	40.40%	40.40%
ACCHC	As above	28.00%	28.00%

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2015	2014	2015	2014
ACCHC	\$ (394,814)	\$ 1,191,146	\$ 14,501,925	\$ 15,622,606
CHP	436,768	316,441	3,600,545	3,429,999
Others	<u>32,288</u>	<u>36,776</u>	<u>852,849</u>	<u>841,057</u>
	<u>\$ 74,242</u>	<u>\$ 1,544,363</u>	<u>\$ 18,955,319</u>	<u>\$ 19,893,662</u>

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

CHP:

	December 31	
	2015	2014
Current assets	\$ 2,131,250	\$ 2,649,188
Non-current assets	10,809,849	11,351,530
Current liabilities	2,327,642	2,789,487
Non-current liabilities	<u>1,701,217</u>	<u>2,721,133</u>
Equity	<u>\$ 8,912,240</u>	<u>\$ 8,490,098</u>

(Continued)

	December 31	
	2015	2014
Equity attributable to:		
Owners of the Corporation	\$ 5,311,695	\$ 5,060,099
Non-controlling interests of CHP	<u>3,600,545</u>	<u>3,429,999</u>
	<u>\$ 8,912,240</u>	<u>\$ 8,490,098</u>
		(Concluded)

	For the Year Ended December 31	
	2015	2014
Revenue	<u>\$ 7,026,295</u>	<u>\$ 9,805,830</u>
Profit for the year	\$ 1,081,108	\$ 783,270
Other comprehensive loss for the year	<u>(966)</u>	<u>(1,165)</u>
Total comprehensive income for the year	<u>\$ 1,080,142</u>	<u>\$ 782,105</u>
Profit attributable to:		
Owners of the Corporation	\$ 644,340	\$ 466,829
Non-controlling interests of CHP	<u>436,768</u>	<u>316,441</u>
	<u>\$ 1,081,108</u>	<u>\$ 783,270</u>
Other comprehensive loss attributable to:		
Owners of the Corporation	\$ (576)	\$ (694)
Non-controlling interests of CHP	<u>(390)</u>	<u>(471)</u>
	<u>\$ (966)</u>	<u>\$ (1,165)</u>
Dividends paid to non-controlling interest CHP	<u>\$ 265,898</u>	<u>\$ 303,808</u>
ACCHC and ACCHC's subsidiaries:		

	December 31	
	2015	2014
Current assets	\$ 24,700,089	\$ 35,182,720
Non-current assets	64,200,972	68,160,489
Current liabilities	22,465,486	31,292,471
Non-current liabilities	<u>18,183,097</u>	<u>19,913,761</u>
Equity	<u>\$ 48,252,478</u>	<u>\$ 52,136,977</u>
Equity attributable to:		
Owners of the Corporation	\$ 33,750,553	\$ 36,514,370
Non-controlling interests of ACCHC	13,125,215	14,200,033
Non-controlling interests of ACCHC's subsidiaries	<u>1,376,710</u>	<u>1,422,574</u>
	<u>\$ 48,252,478</u>	<u>\$ 52,136,977</u>

	For the Year Ended December 31	
	2015	2014
Revenue	\$ <u>32,907,669</u>	\$ <u>40,833,240</u>
Profit (loss) for the year	\$ (1,496,927)	\$ 4,012,158
Other comprehensive income (loss) for the year	<u>(1,094,186)</u>	<u>2,828,466</u>
Total comprehensive income for the year	\$ <u>(2,591,113)</u>	\$ <u>6,840,624</u>
Profit (loss) attributable to:		
Owners of the Corporation	\$ (1,102,113)	\$ 2,821,012
Non-controlling interests of ACCHC	(428,600)	1,077,545
Non-controlling interests of ACCHC's subsidiaries	<u>33,786</u>	<u>113,601</u>
	\$ <u>(1,496,927)</u>	\$ <u>4,012,158</u>
Other comprehensive income (loss) attributable to:		
Owners of the Corporation	\$ (745,913)	\$ 1,955,653
Non-controlling interests of ACCHC	(315,799)	793,164
Non-controlling interests of ACCHC's subsidiaries	<u>(32,474)</u>	<u>79,649</u>
	\$ <u>(1,094,186)</u>	\$ <u>2,828,466</u>
Dividends paid to non-controlling interest		
ACCHC	\$ <u>330,419</u>	\$ <u>312,415</u>
ACCHC's subsidiaries	\$ <u>47,176</u>	\$ <u>48,755</u>

16. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2015	2014
Investments in associates	\$ 68,094,555	\$ 69,322,168
Investments in joint ventures	<u>689,582</u>	<u>433,421</u>
	\$ <u>68,784,137</u>	\$ <u>69,755,589</u>

a. Investments in associates

	December 31	
	2015	2014
<u>Material associates</u>		
Listed stocks		
Far Eastern New Century Corporation (FENC)	\$ 42,384,910	\$ 42,709,824
U-Ming Marine Transport Corp. (U-Ming)	<u>11,206,706</u>	<u>11,323,180</u>
	<u>53,591,616</u>	<u>54,033,004</u>

(Continued)

	December 31	
	2015	2014
<u>Associates that are not individually material</u>		
Unlisted stocks		
Yuan Ding Co., Ltd. (YDC)	\$ 4,710,146	\$ 4,977,294
Far Eastern Construction Co., Ltd. (FEC)	3,890,126	3,317,958
Oriental Securities Corp. (OSC)	1,869,637	1,983,909
Yue Yuan Investment Corp. (YYI)	1,825,213	2,462,329
FEDS Development Ltd. (FEDSDL)	629,794	619,411
Yue Ding Enterprise Corp. (YDEC)	498,428	516,735
Shih Hsin Storage & Transportation Co., Ltd. (SHSTC)	457,531	509,598
Yuan Ding Leasing Corp. (YDLC)	394,422	405,775
Hubei Zhongjian Yadong Concrete Co., Ltd. (HZYCCL)	89,392	88,371
Everstrong Iron & Steel Foundry Ltd. (EISF)	76,100	75,715
Pao-Good Industry Co., Ltd. (PGIC)	60,437	66,667
Opas Fund Segregated Portfolio Company	1,667	1,602
Perez-Mtec-AOG, L.L.C.	46	44
Universal Exchange Corp. (UEC)	-	58,113
Alliance Concrete Singapore Pte. Ltd. (Note)	-	<u>205,643</u>
	<u>14,502,939</u>	<u>15,289,164</u>
	<u>\$ 68,094,555</u>	<u>\$ 69,322,168</u>
		(Concluded)

Note: The Corporation's subsidiary, ACSPL, subscribed for additional new shares of Alliance Concrete Singapore Pte. Ltd. (Alliance), which is an associate, at a percentage different from its existing ownership percentage in 2015. After the share subscription, ACSPL's percentage of ownership in Alliance increased from 33.33% to 50.00% and the investment in Alliance thus becomes an investment in a joint venture. Please refer to (b) Investment in joint ventures that are not individually material for the carrying amount as of December 31, 2015.

As the end of the reporting period, the proportion of ownership and voting rights in associates held by the Group were as follows:

	December 31	
Name of Associate	2015	2014
FENC	25.74%	25.74%
U-Ming	41.40%	40.79%
YDC	49.99%	49.99%
FEC	33.76%	33.76%
OSC	18.93%	18.93%
YYI	29.92%	29.92%
FEDSDL	25.00%	25.00%
YDEC	30.84%	30.84%
SHSTC	28.91%	28.91%
YDLC	43.60%	43.60%
HZYCCL	40.00%	40.00%
EISF	40.46%	40.46%
PGIC	31.00%	31.00%
Opas Fund Segregated Portfolio Company	33.00%	33.00%
Perez-Mtec-AOG, L.L.C.	33.33%	33.33%
UEC	-	34.11%
Alliance Concrete Singapore Pte. Ltd. (Note)	50.00%	33.33%

As of December 31, 2015 and 2014, the information of other investees was as follows:

- 1) Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

Name of Associate	December 31	
	2015	2014
FENC	\$ 35,475,746	\$ 42,410,692
U-Ming	\$ 9,325,229	\$ 17,460,748

- 2) The summarized financial information in respect of the Group's associates is set out below:

FENC

	December 31	
	2015	2014
Current assets	\$ 32,296,066	\$ 30,708,530
Non-current assets	262,871,547	262,667,261
Current liabilities	20,970,190	19,210,191
Non-current liabilities	76,945,858	74,665,171
Equity	197,251,565	199,500,429
Proportion of the Group's ownership	25.74%	25.74%
Equity attributable to the Group	50,772,553	51,351,410
Cross shareholdings	(8,387,643)	(8,641,586)
Carrying amount	\$ 42,384,910	\$ 42,709,824

	For the Year Ended December 31	
	2015	2014
Operating revenue	\$ 46,849,529	\$ 58,108,474
Net profit for the year	8,034,691	11,033,421
Other comprehensive (loss) income	(4,321,905)	1,855,943
Total comprehensive income for the year	\$ 3,712,786	\$ 12,889,364
Dividends received from FENC	\$ 1,620,832	\$ 1,713,945

U-Ming

	December 31	
	2015	2014
Current assets	\$ 2,459,341	\$ 2,787,511
Non-current assets	58,866,327	59,254,549
Current liabilities	26,689,046	24,886,213
Non-current liabilities	7,049,768	8,864,296
Equity	27,586,854	28,291,551
Proportion of the Group's ownership	41.40%	40.79%
Equity attributable to the Group	11,423,716	11,540,124
Unrealized gain or loss with associates	(87,523)	(87,523)
Other adjustments	(129,487)	(129,421)
Carrying amount	\$ 11,206,706	\$ 11,323,180

	For the Year Ended December 31	
	2015	2014
Operating revenue	\$ 1,387,976	\$ 1,251,285
Net profit for the year	824,397	2,083,117
Other comprehensive income	<u>841,398</u>	<u>2,433,821</u>
Total comprehensive income for the year	<u>\$ 1,665,795</u>	<u>\$ 4,516,938</u>
Dividends received from FENC	<u>\$ 769,813</u>	<u>\$ 699,830</u>

3) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2015	2014
The Group's share of:		
Profit for the year	\$ 846,275	\$ 1,108,500
Other comprehensive loss	<u>(705,728)</u>	<u>(724,279)</u>
Total comprehensive income for the year	<u>\$ 140,547</u>	<u>\$ 384,221</u>

4) The amounts of investments in associates pledged as collateral for bank loans were disclosed in Note 42.

b. Investments in joint ventures that are not individually material

	December 31	
	2015	2014
<u>Unlisted companies</u>		
Alliance Concrete Singapore Pte. Ltd. (Note)	\$ 258,624	\$ -
Hubei Xinlongyuan Mining Co., Ltd. (HXMC)	193,094	211,202
Wuhan Asia Marine Transport Co., Ltd. (WAMTC)	182,403	179,439
Empire Success Corp Ltd.	30,351	17,062
Profit Enterprises Int'l Ltd.	<u>25,110</u>	<u>25,718</u>
	<u>\$ 689,582</u>	<u>\$ 433,421</u>

At the end of the reporting period, the proportion of ownership and voting rights in jointly controlled entities held by the Group were as follows:

	December 31	
Name of Associate	2015	2014
Alliance Concrete Singapore Pte. Ltd. (Note)	50.00%	33.33%
Hubei Xinlongyuan Mining Co., Ltd. (HXMC)	40.00%	40.00%
Wuhan Asia Marine Transport Co., Ltd. (WAMTC)	50.00%	50.00%
Empire Success Corp Ltd. (ESC)	50.00%	50.00%
Profit Enterprises Int'l Ltd. (PEI)	50.00%	50.00%

Aggregate information of joint ventures that are not individually material:

Name of Associate	For the Year Ended December 31	
	2015	2014
The Group's share of:		
(Loss) profit for the year	\$ (51,229)	\$ 19,496
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive (loss) income for the year	<u>\$ (51,229)</u>	<u>\$ 19,496</u>

17. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Other Equipment	Property in Construction	Total
<u>Cost</u>						
Balance at January 1, 2014	\$ 6,680,208	\$ 20,752,204	\$ 68,788,658	\$ 11,601,541	\$ 5,053,870	\$ 112,876,481
Additions	92,426	255,270	551,084	397,044	3,004,859	4,300,683
Disposals	(5,430)	(39,052)	(303,799)	(351,436)	-	(699,717)
Acquisition through business combinations	675	2,991,111	3,907,848	266,302	45,012	7,210,948
Revaluation increments	128,470	-	-	-	-	128,470
Transferred from completed construction	-	1,946,670	4,013,141	284,222	(6,244,033)	-
Transferred to supplies	-	-	-	-	(18,485)	(18,485)
Transferred to intangible assets	-	-	-	-	(1,197)	(1,197)
Transferred to investment properties	(374,974)	(39,964)	-	-	-	(414,938)
Transferred from investment properties	24,464	5,079	-	-	-	29,543
Effect of foreign currency exchange differences	-	1,084,530	3,046,173	244,442	408,416	4,783,561
Balance at December 31, 2014	<u>6,545,839</u>	<u>26,955,848</u>	<u>80,003,105</u>	<u>12,442,115</u>	<u>2,248,442</u>	<u>128,195,349</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2014	85,807	6,804,480	34,910,797	8,593,446	-	50,394,530
Depreciation expense	-	745,097	4,056,610	826,671	-	5,628,378
Disposals	-	(25,481)	(301,170)	(320,574)	-	(647,225)
Acquisitions through business combination	-	145,671	449,960	190,809	-	786,440
Reversal of impairment loss	(73,212)	(3,360)	-	-	-	(76,572)
Transferred to investment properties	-	(36,052)	-	-	-	(36,052)
Effect of foreign currency exchange differences	-	201,781	1,200,702	156,985	-	1,559,468
Balance at December 31, 2014	<u>12,595</u>	<u>7,832,136</u>	<u>40,316,899</u>	<u>9,447,337</u>	<u>-</u>	<u>57,608,967</u>
Carrying amounts at December 31, 2014	<u>\$ 6,533,244</u>	<u>\$ 19,123,712</u>	<u>\$ 39,686,206</u>	<u>\$ 2,994,778</u>	<u>\$ 2,248,442</u>	<u>\$ 70,586,382</u>
<u>Cost</u>						
Balance at January 1, 2015	\$ 6,545,839	\$ 26,955,848	\$ 80,003,105	\$ 12,442,115	\$ 2,248,442	\$ 128,195,349
Additions	5,875	71,662	663,367	637,261	2,085,427	3,463,592
Disposals	-	(9,040)	(125,964)	(441,809)	-	(576,813)
Reclassification	-	-	(80,217)	80,217	-	-
Transferred from completed construction	-	24,555	1,341,455	116,421	(1,482,431)	-
Transferred to supplies	-	-	-	(8,010)	-	(8,010)
Effect of foreign currency exchange differences	-	(495,988)	(1,334,239)	(101,038)	(49,915)	(1,981,180)
Balance at December 31, 2015	<u>6,551,714</u>	<u>26,547,037</u>	<u>80,467,507</u>	<u>12,725,157</u>	<u>2,801,523</u>	<u>129,092,938</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2015	12,595	7,832,136	40,316,899	9,447,337	-	57,608,967
Depreciation expense	-	737,625	3,816,733	845,946	-	5,400,304
Disposals	-	(4,101)	(84,783)	(416,333)	-	(505,217)
Reclassification	-	21,067	(72,184)	51,117	-	-
Effect of foreign currency exchange differences	-	(93,893)	(517,030)	(64,766)	-	(675,689)
Balance at December 31, 2015	<u>12,595</u>	<u>8,492,834</u>	<u>43,459,635</u>	<u>9,863,301</u>	<u>-</u>	<u>61,828,365</u>
Carrying amounts at December 31, 2015	<u>\$ 6,539,119</u>	<u>\$ 18,054,203</u>	<u>\$ 37,007,872</u>	<u>\$ 2,861,856</u>	<u>\$ 2,801,523</u>	<u>\$ 67,264,573</u>

No impairment assessment was performed for the years ended 2015 and 2014 as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a fixed-percentage-on-declining-balance basis or on a straight-line basis over the estimated useful life of the asset taken apart to major component elements:

Building	
Main buildings	15-60 years
Other facilities	2-15 years
Equipment	2-20 years
Other equipment	2-15 years

As of December 31, 2015 and 2014, the titles of land with carrying value of \$88,655 thousand, were temporarily registered in the name of trustees who had either signed an agreement or had pledged the land to the Corporation or to the subsidiaries.

Refer to Note 42 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings.

18. INVESTMENT PROPERTIES

		December 31	
		2015	2014
<u>Carrying amount</u>			
Leased investment properties		\$ 29,504,123	\$ 28,406,409
Undeveloped investment properties		<u>5,125,641</u>	<u>4,945,230</u>
		<u>\$ 34,629,764</u>	<u>\$ 33,351,639</u>
	Leased Investment Property	Undeveloped Investment Property	Total
Balance at January 1, 2014	\$ 26,606,553	\$ 4,834,935	\$ 31,441,488
Additions	128,219	-	128,219
Transferred from property, plant and equipment	349,344	-	349,344
Change in fair value of investment properties	1,316,242	110,295	1,426,537
Effect of foreign currency exchange difference	<u>6,051</u>	<u>-</u>	<u>6,051</u>
Balance at December 31, 2014	<u>\$ 28,406,409</u>	<u>\$ 4,945,230</u>	<u>\$ 33,351,639</u>
Balance at January 1, 2015	\$ 28,406,409	\$ 4,945,230	\$ 33,351,639
Additions	2,126	-	2,126
Disposals	(49)	-	(49)
Change in fair value of investment properties	1,098,349	180,411	1,278,760
Effect of foreign currency exchange difference	<u>(2,712)</u>	<u>-</u>	<u>(2,712)</u>
Balance at December 31, 2015	<u>\$ 29,504,123</u>	<u>\$ 5,125,641</u>	<u>\$ 34,629,764</u>

The leased investment properties were as follows:

- a. The Corporation granted FEDSDL the right to construct a shopping center on a parcel of land it owned with an area of 6,976 square meters located in Lin-Ya, Kaohsiung. In consideration for the foregoing and the continued use of the land for fifty years, FEDSDL shall pay the following: (a) land use right amounting to NT\$1,073,000 thousand and (b) annual rental amounting to 5% of the reference price of such land announced by the local government. The land use right proceeds received by the Corporation was recognized as long-term deferred revenue, and recognized as rental revenue periodically during the superficies period.
- b. The Corporation and Far Eastern Resources Development Co. (FERD) equally owned a parcel of land located on Tun Hwa South Road, Taipei City. Under an agreement entered into with YDC, the Corporation and FERD had agreed on the following: (a) construction by YDC of a twin towers building (Taipei Metro) on the said land, (b) continued use of the land without additional compensation for 30 years starting from the date of the completion of the building, (c) transfer to each of the Corporation and FERD 12% of the usable area of the building, and (d) transfer to FERD and the Corporation of the remaining usable area of the building after the end of 30 years in exchange for the land provided. In view of the foregoing agreement, the Corporation recorded the 12% of the building construction cost or NT\$1,402,753 thousand as building acquired and as long-term deferred revenue, and recognized as revenue over the above specified period.
- c. SYDCCL signed a contract with Mie Business Services Co., Ltd. (Mie Business) for the latter to be fully authorized to manage and operate SYDCCL's shopstore, which is located in area A of Guosetianxiang Second-Stage in Wenjiang District of Chengdu City, with an area of 932.49 square meters. The contract started from April 27, 2014 and will end on April 30, 2017. During the contract period, SYDCCL pays management fee of RMB10 per square meter and collects the lease payment from Mie Business by the 15th day of each quarter.
- d. The others are comprised of the lease contract entered into with FEDS for Asia-Cement Building and Pao-Ching Building, also with YLT for land and building construction located at Hualien City and Chiayi City. The above investment properties were leased out for 1 to 10 years with monthly lease payments.

The fair values of investment properties were valued by independent qualified professional valuers. The fair values of a single investment property with a carrying amount at least NT\$300 million as of December 31, 2015 and 2014 were based on the valuations carried out on March 3, 2016 and March 6, 2015, respectively, by an independent qualified professional valuer in DTZ Real Estate Appraisal Firm, Mr. Tsai, a member of the ROC certified real estate appraisers.

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Completed Investment Property	Investment Property under Construction	Total
Balance at January 1, 2014	\$ 26,606,553	\$ 4,834,935	\$ 31,441,488
Recognized in profit or loss (gain arising from the change in fair value of investment property)	1,316,242	110,295	1,426,537
Recognized in other comprehensive income			
Exchange differences on translating foreign operations	6,051	-	6,051
			(Continued)

	Completed Investment Property	Investment Property under Construction	Total
Purchases	\$ 128,219	\$ -	\$ 128,219
Transfers into Level 3	<u>349,344</u>	<u>-</u>	<u>349,344</u>
Balance at December 31, 2014	<u>\$ 28,406,409</u>	<u>\$ 4,945,230</u>	<u>\$ 33,351,639</u>
Balance at January 1, 2015	\$ 28,406,409	\$ 4,945,230	\$ 33,351,639
Recognized in profit or loss (gain arising from the change in fair value of investment property)	1,098,349	180,411	1,278,760
Recognized in other comprehensive income			
Exchange differences on translating foreign operations	(2,712)	-	(2,712)
Purchases	2,126	-	2,126
Sales	<u>(49)</u>	<u>-</u>	<u>(49)</u>
Balance at December 31, 2015	<u>\$ 29,504,123</u>	<u>\$ 5,125,641</u>	<u>\$ 34,629,764</u> (Concluded)

The fair value of investment properties, except for undeveloped land, was measured using the income approach. The significant assumptions used were stated below. The increase in estimated future net cash inflows, or the decrease in discount rates would result in increase in the fair value.

	December 31	
	2015	2014
Expected future cash inflows	\$ 45,177,994	\$ 43,985,448
Expected future cash outflows	<u>1,714,898</u>	<u>1,696,065</u>
Expected future cash inflows, net	<u>\$ 43,463,096</u>	<u>\$ 42,289,383</u>
Discount rate	1.99%-6.50%	2.13%-7.50%

The market rentals in the area where the investment properties are located were between NT\$1 thousand and NT\$5 thousand per ping (i.e. per 3.3 square meters).

The rental income generated for the years ended December 31, 2015 and 2014 was NT\$338,266 thousand and NT\$342,516 thousand, respectively.

The expected future cash inflows to be generated by investment properties include rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Group's current rental contract, regional and market quotation, taking into account the annual rental growth rate; the income analysis covers a 10-year period, the interest income on rental deposits was extrapolated using the interest rate for one-year central bank-announced demand deposit interest rate; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows to be incurred by investment properties include expenditure such as land value taxes, house taxes, insurance premium, maintenance costs and others. This expenditure was extrapolated on the basis of the current level of expenditure, taking into account the future adjustment to the government-announced land value, and the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, or estimated income capitalization rate, whichever is higher, as well as any asset-specific risk premiums. As of December 31, 2015 and 2014, the risk premiums were between 0.0%-2.5% and 0.0%-3.5%, respectively.

Refer to Note 42 for the carrying amount of property, plant and equipment pledged by the Group as collaterals for borrowings.

19. INTANGIBLE ASSETS - GOODWILL

	For the Year Ended December 31	
	2015	2014
<u>Cost</u>		
Balance at January 1	\$ 3,599,579	\$ 677,188
Acquisition through business combination	-	2,733,933
Effect of foreign currency exchange differences	<u>(81,033)</u>	<u>188,458</u>
Balance at December 31	<u>\$ 3,518,546</u>	<u>\$ 3,599,579</u>

The goodwill was as follows:

- In July 2010, HYDCCL acquired 70% ownership of WYXC. The investment cost in excess of the fair value of net identifiable assets of the investee was goodwill of RMB138,759 thousand.
- In April 2014, SYDCCL acquired 100% ownership of SLCL. The investment cost in excess of the fair value of net identifiable assets of the investee was goodwill of RMB554,241 thousand. Please refer to Note 36.
- On December 31, 2014, the Corporation acquired control power over YLT. The investment cost in excess of the fair value of net identifiable assets of the investee was goodwill of \$20,780 thousand. Please refer to Note 36.

As of December 31, 2015, the Group assessed that there was no indication of impairment on the cash-generating units including goodwill above.

20. INTANGIBLE ASSETS - OTHERS

	December 31	
	2015	2014
<u>Carrying amount</u>		
Quarry right	\$ 1,422,412	\$ 1,499,875
Computer software	32,168	43,891
Others	<u>331,241</u>	<u>342,332</u>
	<u>\$ 1,785,821</u>	<u>\$ 1,886,098</u>

	Quarry Right	Cost of Computer Software	Others	Total
<u>Cost</u>				
Balance at January 1, 2014	\$ 1,474,580	\$ 218,841	\$ 391,516	\$ 2,084,937
Additions	2,357	12,384	-	14,741
Transferred form completed construction	-	1,197	-	1,197
Acquisition through business combination	422,941	8,038	7,191	438,170
Effect of foreign currency exchange differences	<u>116,863</u>	<u>3,676</u>	<u>29,737</u>	<u>150,276</u>
Balance at December 31, 2014	<u>2,016,741</u>	<u>244,136</u>	<u>428,444</u>	<u>2,689,321</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2014	381,027	179,395	25,267	585,689
Amortization expense	86,415	15,118	19,026	120,559
Acquisition through business combination	21,984	3,588	-	25,572
Effect of foreign currency exchange differences	<u>27,440</u>	<u>2,144</u>	<u>41,819</u>	<u>71,403</u>
Balance at December 31, 2014	<u>516,866</u>	<u>200,245</u>	<u>86,112</u>	<u>803,223</u>
Carrying amounts at December 31, 2014	<u>\$ 1,499,875</u>	<u>\$ 43,891</u>	<u>\$ 342,332</u>	<u>\$ 1,886,098</u>
<u>Cost</u>				
Balance at January 1, 2015	\$ 2,016,741	\$ 244,136	\$ 428,444	\$ 2,689,321
Additions	42,735	8,954	-	51,689
Disposals	-	(18,460)	-	(18,460)
Effect of foreign currency exchange differences	<u>(38,051)</u>	<u>(1,575)</u>	<u>1,619</u>	<u>(38,007)</u>
Balance at December 31, 2015	<u>2,021,425</u>	<u>233,055</u>	<u>430,063</u>	<u>2,684,543</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2015	516,866	200,245	86,112	803,223
Amortization expense	91,777	20,091	10,808	122,676
Disposals	-	(18,440)	-	(18,440)
Effect of foreign currency exchange differences	<u>(9,630)</u>	<u>(1,009)</u>	<u>1,902</u>	<u>(8,737)</u>
Balance at December 31, 2015	<u>599,013</u>	<u>200,887</u>	<u>98,822</u>	<u>898,722</u>
Carrying amounts at December 31, 2015	<u>\$ 1,422,412</u>	<u>\$ 32,168</u>	<u>\$ 331,241</u>	<u>\$ 1,785,821</u>

The above items of other intangible assets with finite useful life are amortized on a straight-line basis. Quarry rights are amortized over 8 to 47 years; computer software and others over 2 to 6 years. The other items with indefinite useful life will not be amortized until the useful life is determined to be finite. Instead, they will be tested for impairment annually and whenever there is an indication that they may be impaired.

21. PREPAYMENTS FOR LEASE OBLIGATIONS

	December 31	
	2015	2014
Current asset (included in prepayments line item)	\$ 136,561	\$ 128,439
Non-current asset	<u>3,737,647</u>	<u>3,946,242</u>
	<u>\$ 3,874,208</u>	<u>\$ 4,074,681</u>

The above of prepaid lease payments include land use right which are located in Mainland China, Hong Kong, Singapore and Vietnam. The amortization expenses are \$219,375 thousand and \$192,960 thousand for the years ended December 31, 2015 and 2014, respectively.

22. LONG-TERM NOTES RECEIVABLE AND OTHER RECEIVABLES

	December 31	
	2015	2014
Finance lease receivables (Note 12)	\$ 10,771,541	\$ 11,310,776
Government grants receivables	<u>146,656</u>	<u>280,128</u>
	<u>\$ 10,918,197</u>	<u>\$ 11,590,904</u>

Government grants receivable are grants which JYDC, HYDCCL, HGYDC and SIYDCCL negotiated with local government in Mainland China for reimbursement.

23. OTHER NON-CURRENT ASSETS

	December 31	
	2015	2014
Net defined benefit asset (Note 29)	\$ 1,351,528	\$ 1,837,698
Refundable deposits	208,044	185,748
Others	<u>33,771</u>	<u>106,253</u>
	<u>\$ 1,593,343</u>	<u>\$ 2,129,699</u>
Refundable deposits		
Current	<u>\$ 1,156,443</u>	<u>\$ 10,105</u>
Non-current	<u>\$ 208,044</u>	<u>\$ 185,748</u>

24. SHORT-TERM BORROWINGS

	December 31	
	2015	2014
Unsecured	\$ 16,762,761	\$ 20,951,222
Secured	<u>1,915,000</u>	<u>1,865,000</u>
	<u>\$ 18,677,761</u>	<u>\$ 22,816,222</u>
Interest rate (%)	1.07-5.6	0.83-6.0
Final repayment date:		
Unsecured	2016.12.30	2015.12.29
Secured	2016.2.5	2015.1.5

25. SHORT-TERM BILLS PAYABLE

	December 31	
	2015	2014
Commercial paper	\$ 13,449,800	\$ 13,247,700
Less: Unamortized discount on bills payable	<u>4,749</u>	<u>5,838</u>
	<u>\$ 13,445,051</u>	<u>\$ 13,241,862</u>
Interest rate (%)	0.43%-1.16%	0.58%-1.16%

Short-term bills payable were issued under guarantee obtained from financial institutions.

26. OTHER PAYABLE

	December 31	
	2015	2014
Payable on investment	\$ 457,738	\$ 468,344
Other	<u>89,295</u>	<u>239,110</u>
	<u>\$ 547,033</u>	<u>\$ 707,454</u>

Payable on investment is the unpaid consideration for SIYDCCL's acquisition of SLCL, which amounted to RMB90,690 thousand. Other payable is the borrowings from SLCL's former individual shareholder before acquisition, which amounted to RMB361,075 thousand in total. As of December 31, 2014, the outstanding payable is RMB17,692 thousand. Please refer to Note 36.

27. LONG-TERM LIABILITIES

	December 31	
	2015	2014
Bank loans	\$ 38,151,712	\$ 36,853,220
Long-term commercial paper	3,000,000	3,000,000
Less: Unamortized discount	<u>7,516</u>	<u>7,488</u>
	<u>41,144,196</u>	<u>39,845,732</u>
Bonds		
Domestic bonds		
1 st unsecured bonds issued in 2010	-	2,500,000
1 st unsecured bonds issued in 2014	<u>8,000,000</u>	<u>8,000,000</u>
	<u>8,000,000</u>	<u>10,500,000</u>
Euro bonds		
2 nd Euro exchangeable bonds issued in 2011 - US\$375,000 thousand	1,384,760	1,312,062
1 st Euro convertible bonds issued in 2011 - US\$172,500 thousand	5,386,571	5,032,277
2 nd Euro exchangeable bonds issued in 2013 - US\$220,000 thousand	<u>6,968,606</u>	<u>6,610,556</u>
	<u>13,739,937</u>	<u>12,954,895</u>
	62,884,133	63,300,627
Less: Current portion	<u>22,719,449</u>	<u>16,162,537</u>
	<u>\$ 40,164,684</u>	<u>\$ 47,138,090</u>

- Bank loans are repayable in installments at varying amounts or in one lump-sum payment prior to December 2020. As of December 31, 2015 and 2014, interest rates were 0.85% to 7.20% and 0.7921% to 5.90%, respectively.
- Commercial paper was issued by contract. As of December 31, 2015 and 2014, interest rates were 0.84% to 1.20% and 0.80% to 1.20%, respectively. The maturity date of the contract is April 16, 2018.
- Domestic bonds are repayable in installments at varying amounts or in one lump-sum on maturity prior to May 2019. As of December 31, 2015 and 2014, interest rates were 1.36% and 1.36% to 1.95%, respectively.
- In order to purchase coal and raw materials and repay part of outstanding long-term and short-term debt, on January 27, 2011, the Corporation issued 2nd US\$375,000 thousand (equivalent to NT\$10,991,250 thousand) zero coupon Euro exchangeable bonds due 2016. The bonds are exchangeable, at the option of the holder thereof, into common shares of Far Eastern New Century Corporation (FENC).

The offering included the following terms:

1) Final redemption

Unless previously redeemed, repurchased and cancelled or exchanged, the bonds will be redeemed on the maturity date at a redemption price equal to 100% of the unpaid principal amount thereof.

- The bonds are exchangeable into FENC's shares ("Reference Shares") at any time on or after March 9, 2011 and prior to the close of business on December 28, 2015. The initial exchange price was NT\$63.51 per Reference Share, determined on the basis of a fixed exchange rate of NT\$29.032=US\$1.00.

3) Redemption at the option of the Corporation

At any time on or after January 27, 2014, the Corporation may redeem the bonds in whole, or from time to time in part, at the early redemption amount, if the closing price of the shares, translated into U.S. dollars at the prevailing rate, for a period of 30 consecutive trading days, the last of which occurs not more than five trading days immediately preceding the date of redemption notice, is at least 130% of the quotient of the early redemption amount divided by the number of reference shares to be delivered upon exchange of US\$200,000 principal amount of bonds on the applicable Trading Day based on the exchange price then in effect, translated into U.S. dollars at a fixed exchange rate of NT\$29.032=US\$1.00. Notwithstanding the foregoing, at any time, the Corporation may redeem the bonds in whole but not in part, at the early redemption amount in U.S. dollars if at least 90% in principal amount of the relevant tranche of bonds has already been redeemed, repurchased and cancelled, or exchanged.

4) Redemption at the option of the bondholders

Unless previously redeemed, repurchased and cancelled or exchanged, each holder will have the right to require the Corporation to redeem all or a portion of the bonds held by such holder on January 27, 2014 at a redemption price equal to 100% of the principal amount thereof. (Please refer to item 6 below for information on the redemption of bonds.)

5) The exchange price shall be subject to adjustment in the manner, including (but not limited to):

- a) Declaration of dividend in Reference Shares or free distribution or bonus issue of Reference Shares.
- b) Subdivision, consolidation and reclassification of Reference Shares.
- c) Issuance of rights to purchase Reference Shares.
- d) Employee stock bonus.
- e) Issuance of warrants to purchase Reference Shares.
- f) Issue of rights or warrants for equity-related securities of FENC to holders of Reference Shares.
- g) FENC capital distributions, other distributions to holders of FENC common stock.
- h) Issue of convertible or exchangeable securities of FENC other than to holders of Reference Shares or on exercise of warrants.
- i) Other issues of Reference Shares.
- j) Issue of equity related securities by FENC.
- k) Capital reduction of FENC.
- l) Offers by FENC for Reference Shares.
- m) Any other event or circumstance which would have an effect analogous to any of the events in a) to l) above including, but not limited to, issue of receipts or certificates entitling holders to receive Reference Shares at less than the initial exchange price. The exchange price was NT\$45.4 as of December 31, 2015.

- 6) As bondholders exercised the put option, the Corporation had redeemed the principal amount of US\$332,700 thousand on January 27, 2014. After the redemption, the bonds outstanding in the amount of US\$42,300 thousand had not been exchanged into the common shares of FENC as of December 31, 2015.
- e. In order to purchase raw materials overseas, on June 7, 2011, the Corporation issued 1st US\$172,500 thousand (equivalent to NT\$4,935,915 thousand) zero coupon Euro convertible bonds due 2016.

The offering included the following terms:

1) Final redemption

Unless previously redeemed, repurchased and cancelled, or converted, the bonds will be redeemed on the maturity date at a redemption price equal to 101.51% of the unpaid principal amount thereof.

2) The bonds are convertible into the Corporation's common shares ("Shares") at any time on or after July 18, 2011 and prior to the close of business on May 6, 2016. The initial conversion price was NT\$50.17 per Share, determined on the basis of a fixed exchange rate of NT\$28.648=US\$1.00.

3) Redemption at the option of the Corporation

At any time on or after June 7, 2014, the Corporation may redeem the bonds in whole, or from time to time in part, at the early redemption amount, if the closing price of the Shares, translated into U.S. dollars at the prevailing rate, during a period of 30 consecutive trading days, is at least 130% of the quotient of the early redemption amount divided by the number of Shares to be issued upon conversion of US\$200,000 principal amount of bonds on the applicable trading day based on the conversion price then in effect, translated into U.S. dollars at a fixed exchange rate of NT\$28.648=US\$1.00. Notwithstanding the foregoing, at any time, the Corporation may redeem the bonds in whole, but not in part, at the early redemption amount in U.S. dollars if at least 90% in principal amount of the bonds has already been redeemed, repurchased and cancelled, or converted.

4) Redemption at the option of the bondholders

Unless previously redeemed, repurchased and cancelled or converted, each holder will have the right to require the Corporation to redeem all or a portion of the bonds held by such holder on June 7, 2014 at a redemption price equal to 100.9% of the principal amount thereof. (Please refer to item 6 below for information on the redemption of bonds.)

5) The conversion price shall be subject to adjustment in the manner, including (but not limited to):

- a) Declaration of dividend in Shares or free distribution or bonus issue of Shares.
- b) Subdivision, consolidation and reclassification of Shares.
- c) Rights issues to shareholders.
- d) Employee stock bonus.
- e) Warrants issued to holders of Shares.
- f) Issues of rights or warrants for equity-related securities to holders of Shares.
- g) Capital distributions, other distributions to shareholders.
- h) Issue of convertible or exchangeable securities other than to holders of Shares or on exercise of warrants.

- i) Other issues of Shares.
 - j) Issue of equity related securities.
 - k) Capital reduction.
 - l) Tender or exchange offer.
 - m) Any other event or circumstance which would have an effect analogous to any of the events in a) to l) above. The conversion price was NT\$35.28 as of December 31, 2015.
- 6) As bondholders exercised the put option, the Corporation had redeemed the principal amount of US\$6,000 thousand on June 7, 2014 (US\$6,054 thousand including interest premium). After the redemption, the bonds outstanding in the amount of US\$166,500 thousand had not been exchanged into the common shares of the Corporation as of December 31, 2015.
- f. In order to redeem corporation bonds and save the potential interest expenses, on May 13, 2013, the Corporation issued 2nd US\$220,000 thousand (equivalent to NT\$6,551,380 thousand) zero coupon Euro convertible bonds due 2018.

The offering included the following terms:

1) Final redemption

Unless previously redeemed, repurchased and cancelled, or converted, the bonds will be redeemed on the maturity date at a redemption price equal to 100% of the unpaid principal amount thereof.

2) The bonds are convertible into the Corporation's common shares ("Shares") at any time on or after June 23, 2013 and prior to the close of business on April 13, 2018. The initial conversion price was NT\$48 per Share, determined on the basis of a fixed exchange rate of NT\$29.53=US\$1.00.

3) Redemption at the option of the Corporation

At any time on or after May 13, 2016, the Corporation may redeem the bonds in whole, or from time to time in part, at the early redemption amount, if the closing price of the Shares, translated into U.S. dollars at the prevailing rate, during a period of 30 consecutive trading days, is at least 130% of the quotient of the early redemption amount divided by the number of Shares to be issued upon conversion of US\$200,000 principal amount of bonds on the applicable trading day based on the conversion price then in effect, translated into U.S. dollars at a fixed exchange rate of NT\$29.53=US\$1.00. Notwithstanding the foregoing, at any time, the Corporation may redeem the bonds in whole, but not in part, at the early redemption amount in U.S. dollars if at least 90% in principal amount of the bonds has already been redeemed, repurchased and cancelled, or converted.

4) Redemption at the option of the bondholders

Unless previously redeemed, repurchased and cancelled or converted, each holder will have the right to require the Corporation to redeem all or a portion of the bonds held by such holder on May 13, 2016 at a redemption price equal to 100% of the principal amount thereof.

5) The conversion price shall be subject to adjustment in the manner, including (but not limited to):

- a) Declaration of dividend in Shares or free distribution or bonus issue of Shares.
- b) Subdivision, consolidation and reclassification of Shares.

- c) Rights issues to shareholders.
 - d) Employee stock bonus.
 - e) Warrants issued to holders of Shares.
 - f) Issues of rights or warrants for equity-related securities to holders of Shares.
 - g) Capital distributions, other distributions to shareholders.
 - h) Issue of convertible or exchangeable securities other than to holders of Shares or on exercise of warrants.
 - i) Other issues of Shares.
 - j) Issue of equity related securities.
 - k) Capital reduction.
 - l) Tender or exchange offer.
 - m) Any other event or circumstance which would have an effect analogous to any of the events in a) to l) above. The conversion price was NT\$39.28 as of December 31, 2015.
- 6) As of December 31, 2015, the bonds that had not been converted and outstanding amounted to US\$220,000 thousand.
- g. On December 31, 2011, ACCHC issued 1st unsecured bonds for RMB586,000 thousand with 2.95% interest rate due 2014. The offering provided that if the control right of ACCHC is changed, each bondholder will have the right to require ACCHC to redeem all of the notes held by such holder at a redemption price equal to 101% of the principal amount and accrued interest thereof. The bonds expired on September 30, 2014, so the Group had redeemed the whole amount of RMB586,000 thousand.
- h. On April 25, 2008, CHP signed syndicated loan agreement with Chinatrust Commercial Bank and other 14 financial institutions. CHP may borrow up to NT\$8,148,000 thousand under this loan agreement.

As of December 31, 2014, CHP had used its credit lines as follows:

Item	Category	Amount (In Thousands)	Interest Rate/ Guarantee Fee Rate (%)	Term (Years)
A	Bank loan	NT\$ 1,666,980	1.44-1.52	10
B	Contract bonding	NT\$ 184,252	0.5	10

The financial ratios that should be maintained by CHP under the syndicated loan agreement are as follows:

- 1) Debt ratio as of year-end (total debt divided by total stockholders' equity);
 - a) Under 250% from 2008 to 2009.
 - b) Under 180% from 2010 to 2018.

- 2) Interest coverage ratio should be at least 110% from 2008 to 2018.

The above financial ratios are based on audited financial statements of CHP. Debt ratio and interest coverage ratio should be reviewed at least on semi-annual basis and annual basis.

28. OTHER LIABILITIES

	December 31	
	2015	2014
<u>Provisions</u>		
Accrued reward provisions	\$ 142,689	\$ 151,877
Compensation of traffic accident provisions	94,127	69,737
Decommissioning of electric factory provisions	77,231	75,955
Other provisions	<u>17,640</u>	<u>17,640</u>
	<u>\$ 331,687</u>	<u>\$ 315,209</u>
<u>Deferred revenue</u>		
Land use right	<u>\$ 1,063,093</u>	<u>\$ 1,131,178</u>
<u>Current</u>		
Provisions	<u>\$ 9,419</u>	<u>\$ 9,188</u>
Deferred revenue (accounted for as advances received)	<u>\$ 68,085</u>	<u>\$ 68,085</u>
<u>Non-current</u>		
Provisions	<u>\$ 322,268</u>	<u>\$ 306,021</u>
Deferred revenue	<u>\$ 995,008</u>	<u>\$ 1,063,093</u>

- a. The deferred land use right in Ling Ya, Kaohsiung used by FEDSDL (Note 18) is amortized to income over fifty years.
- b. The deferred land use right in Taipei used by YDC (Note 18) is amortized to income over thirty years.

29. RETIREMENT BENEFIT PLANS

- a. Defined contribution plans

The Corporation and the subsidiaries of the Group adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at specific rate of monthly salaries and wages. The Group recognized the amounts of pension cost which should be contributed were \$216,709 thousand and \$185,854 thousand in the consolidated statements of comprehensive income for the years ended December 31, 2015 and 2014, respectively.

- b. Defined benefit plans

The defined benefit plan adopted by the Corporation and domestic subsidiaries of the Group in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before

retirement. The Corporation and domestic subsidiaries contribute amounts equal to 2% to 15% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2015	2014
Present value of defined benefit obligation	\$ 1,634,848	\$ 1,648,317
Fair value of plan assets	<u>(2,790,541)</u>	<u>(3,295,497)</u>
Deficit (surplus)	<u>(1,155,693)</u>	<u>(1,647,180)</u>
Net defined benefit liability (asset)	<u>\$ (1,155,693)</u>	<u>\$ (1,647,180)</u>

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	<u>\$ 1,711,977</u>	<u>\$ (3,327,273)</u>	<u>\$ (1,615,296)</u>
Service cost			
Current service cost	28,785	-	28,785
Past service cost and loss (gain) on settlements	(3,245)	1,704	(1,541)
Net interest expense (income)	<u>29,877</u>	<u>(41,675)</u>	<u>(11,798)</u>
Recognized in profit or loss	<u>55,417</u>	<u>(39,971)</u>	<u>15,446</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(17,134)	(17,134)
Actuarial (gain) loss - changes in demographic assumptions	3,160	-	3,160
Actuarial (gain) loss - changes in financial assumptions	(909)	-	(909)
Actuarial (gain) loss - experience adjustments	<u>10,593</u>	<u>-</u>	<u>10,593</u>
Recognized in other comprehensive income	<u>12,844</u>	<u>(17,134)</u>	<u>(4,290)</u>
Contributions from the employer	-	(23,974)	(23,974)
Benefits paid	(146,836)	114,936	(31,900)
Liabilities extinguished on settlement	(184)	-	(184)
Business combinations	<u>15,099</u>	<u>(2,081)</u>	<u>13,018</u>
Balance at December 31, 2014	<u>\$ 1,648,317</u>	<u>\$ (3,295,497)</u>	<u>\$ (1,647,180)</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2015	\$ 1,648,317	\$ (3,295,497)	\$ (1,647,180)
Service cost			
Current service cost	24,551	-	24,551
Past service cost and loss (gain) on settlements	(2,525)	-	(2,525)
Net interest expense (income)	<u>29,154</u>	<u>(74,434)</u>	<u>(45,280)</u>
Recognized in profit or loss	<u>51,180</u>	<u>(74,434)</u>	<u>(23,254)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	512,297	512,297
Actuarial (gain) loss - changes in demographic assumptions	105	-	105
Actuarial (gain) loss - changes in financial assumptions	51,617	-	51,617
Actuarial (gain) loss - experience adjustments	<u>800</u>	<u>-</u>	<u>800</u>
Recognized in other comprehensive income	<u>52,522</u>	<u>512,297</u>	<u>564,819</u>
Contributions from the employer	-	(20,943)	(20,943)
Benefits paid	(116,195)	88,036	(28,159)
Liabilities extinguished on settlement	<u>(976)</u>	<u>-</u>	<u>(976)</u>
Balance at December 31, 2015	<u>\$ 1,634,848</u>	<u>\$ (2,790,541)</u>	<u>\$ (1,155,693)</u> (Concluded)

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2015	2014
Discount rate(s)	1.25%-1.75%	1.65%-2.00%
Expected rate(s) of salary increase	1.00%-2.50%	1.00%-2.50%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2015	2014
Discount rate(s)		
0.25% increase	<u>\$ (39,804)</u>	<u>\$ (39,861)</u>
0.25% decrease	<u>\$ 41,303</u>	<u>\$ 41,398</u>
Expected rate(s) of salary increase		
1% increase	<u>\$ 169,527</u>	<u>\$ 170,919</u>
1% decrease	<u>\$ (153,745)</u>	<u>\$ (154,548)</u>

The major categories of plan assets at the end of the reporting period for each category were disclosed based on the information announced by Bureau of Labor Funds, Ministry of Labor:

	December 31	
	2015	2014
Equity instruments	73.55	79.49
Deposited in financial institutions	22.35	17.40
Others	<u>4.10</u>	<u>3.11</u>
	<u>100.00</u>	<u>100.00</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2015	2014
The expected contributions to the plan for the next year	<u>\$ 20,672</u>	<u>\$ 21,414</u>
The average duration of the defined benefit obligation	10-17 years	10-18 years

30. STOCKHOLDERS' EQUITY

a. Share capital

	December 31	
	2015	2014
Number of shares authorized (in thousands)	<u>4,000,000</u>	<u>4,000,000</u>
Shares authorized	<u>\$ 40,000,000</u>	<u>\$ 40,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>3,361,447</u>	<u>3,361,447</u>
Shares issued	<u>\$ 33,614,472</u>	<u>\$ 33,614,472</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The Corporation has reserved 350,000 thousand and 10,000 thousand shares of the authorized shares for the issuance of convertible bonds and employee share option.

b. Capital surplus

	December 31	
	2015	2014
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)</u>		
Donation	\$ 41,790	\$ 41,790
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	54,907	54,907
Change of capital surplus of associates and joint ventures accounted for by using equity method (Note 2)	<u>976,275</u>	<u>976,275</u>
	<u>1,072,972</u>	<u>1,072,972</u>
<u>May be used to offset a deficit only</u>		
Change of capital surplus of associates and joint ventures accounted for by using equity method (Note 3)	<u>2,819</u>	<u>478</u>
<u>May not be used for any purpose</u>		
Change of capital surplus of associates and joint ventures accounted for by using equity method	<u>79,852</u>	<u>470</u>
	<u>\$ 1,155,643</u>	<u>\$ 1,073,920</u>

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year).

Note 2: Such capital surplus, which arises from the effect of changes in ownership interest in an associate's subsidiary that resulted from equity transactions of actual acquisition and disposal, may be used to offset a deficit or distribute as cash dividends or share dividends under Article 241-1 of Company Act.

Note 3: Such capital surplus, which arises from the effect of changes in ownership interest in an associate's subsidiary that resulted from equity transactions other than actual acquisition and disposal, may be used to offset a deficit under Article 239-1 of Company Act.

c. Appropriation of earnings and dividend policy

The Corporation's Articles of Incorporation provide that appropriation for legal reserve should be made at 10% of annual net income after deductions for any deficit. The remainder, less special reserve based on relevant laws and regulations and any portion decided to be retained, together with unappropriated earnings of prior years, should be distributed as follows:

1) Dividends	60%
2) Bonus to stockholders	33%
3) Remuneration to directors and supervisors	3%
4) Bonus to employees	4%

The Corporation's Articles of Incorporation provide that the Corporation shall determine dividend payments taking into account cycles of the industry, capital demand in relation to specific products and services, and changes in taxation regulations. The cash dividend should not be less than 10% of the total of the aforementioned dividends and bonus.

These appropriations shall be resolved by the stockholders in the following year and given effect to in the financial statements of that year.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Corporation's Articles of Incorporation had been proposed by the Corporation's board of directors on March 25, 2016 and are subject to the resolution of the shareholders in their meeting to be held on June 21, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to (e) Employee benefits expense in Note 33.

Under Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Corporation should appropriate or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed. Furthermore, the Corporation applied Rule No. 1030006415.

Legal reserve may be used to offset a deficit. Under the revised Company Law issued on January 4, 2012, when the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under the Integrated Income Tax System, ROC-resident stockholders are allowed tax credit for the income tax paid by the Corporation on earnings generated since 1998. Tax credits allocated to stockholders are based on the balance of Imputation Credit Account (ICA) on the dividend distribution date.

The appropriations of the earnings and dividends per share of 2014 and 2013 approved in the stockholders' meetings on June 24, 2015 and June 16, 2014, respectively, were as follows:

	Appropriation of Earnings		Dividend Per Share (Dollars)	
	For the Year Ended December 31		For the Year Ended December 31	
	2014	2013	2014	2013
Legal reserve	\$ 936,163	\$ 680,583		
Special reserve	2,001,317	-		
Cash dividends	7,395,184	5,931,966	\$2.2	\$1.8
Share dividends	-	659,107	-	0.2

The Corporation's appropriations of earnings for dividends and bonus to stockholders in the form of stock had been approved by the Financial Supervisory Commission. The board of directors had set the ex-dividend date as September 3, 2014.

The appropriations of the 2015 earnings had been proposed by the board of directors on March 25, 2016. The proposed appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividend Per Share (Dollars)
Legal reserve	\$ 486,024	
Special reserve	1,159,507	
Cash dividends	3,697,592	\$ 1.1

When considering the appropriations of 2015 earnings, the Corporation calculated earnings per share assuming that shares reciprocally held by associates are not treated as treasury stock and not deducted from weighted average number of shares outstanding. Under the assumption, the basic EPS would be \$1.45 for the year ended December 31, 2015.

The appropriations of 2015 earnings for reserve and dividend will be resolved in the stockholders' meeting scheduled for June 21, 2016.

d. Special reserve recognized at the date of transition

In the first-time adoption of IFRSs, the amounts of adjusted unrealized revaluation increments, cumulative translation adjustments and unappropriated earnings recognized from the investment properties of associates which used fair value as deemed cost were \$10,715,430 thousand, \$3,163,258 thousand and \$52,494 thousand, respectively; the Corporation appropriated for special reserve the same amounts aforementioned. The Group and the associates used and disposed some of the related assets as of December 31, 2015. Consequently, special reserve reversed to unappropriated earnings amounted to \$397,248 thousand.

e. Others equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2015	2014
Balance at January 1	\$ 4,188,509	\$ 449,154
Exchange differences arising on translating the financial statement of foreign operations	(853,236)	2,082,912
Share of exchange difference of associates and joint ventures accounted for using the equity method	<u>873,961</u>	<u>1,656,443</u>
Balance at December 31	<u>\$ 4,209,234</u>	<u>\$ 4,188,509</u>

2) Unrealized gain (loss) on available-for-sale financial assets

	For the Year Ended December 31	
	2015	2014
Balance at January 1	\$ 7,856,945	\$ 7,867,409
Unrealized gain (loss) arising on revaluation of available-for-sale financial assets	(1,191,633)	1,173,340
		(Continued)

	For the Year Ended December 31	
	2015	2014
Income tax related to unrealized gain arising on revaluation of available-for-sale financial assets	\$ (6,768)	\$ (7,036)
Share of unrealized loss on revaluation of available-for-sale financial assets of associates and joint ventures accounted for using the equity method	<u>(1,645,305)</u>	<u>(1,176,768)</u>
Balance at December 31	<u>\$ 5,013,239</u>	<u>\$ 7,856,945</u> (Concluded)

3) Cash flow hedge

	For the Year Ended December 31	
	2015	2014
Balance at January 1	\$ (13,669)	\$ (14,434)
Gain (loss) arising on changes in the fair value of cash flow hedging instruments	13,622	9,210
Share of cash flow hedging reserve of associates and joint ventures accounted for using the equity method	<u>46,273</u>	<u>(8,445)</u>
Balance at December 31	<u>\$ 46,226</u>	<u>\$ (13,669)</u>

4) Unrealized gain on revaluation

	For the Year Ended December 31	
	2015	2014
Balance at January 1	\$ 249,466	\$ 3,460
Share of unrealized gain on revaluation of associate and jointly controlled entities accounted for using the equity method	58,257	123,954
Gain on revaluation	-	128,470
Income tax effect of gain on revaluation	<u>-</u>	<u>(6,418)</u>
Balance at December 31	<u>\$ 307,723</u>	<u>\$ 249,466</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2015	2014
Balance at January 1	\$ 19,893,662	\$ 18,394,083
Attributable to non-controlling interests:		
Share of profit for the period	74,242	1,544,363
Exchange difference arising on translating the financial statements of foreign operations	(331,445)	897,657
Unrealized (loss) gain arising on revaluation of available-for-sale financial assets	(18,107)	13,196
Gain arising on changes in fair value of cash flow hedging instruments	4,097	4,667
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	2,171	707
		(Continued)

	For the Year Ended December 31	
	2015	2014
Share of other equity of associates and joint ventures accounted for using the equity method	\$ (493)	\$ -
Remeasurement of defined benefit plans	(734)	(759)
Income tax effects	68	70
Acquisition of additional shares in subsidiaries	-	(808,096)
Non-controlling interest arising from business combinations	-	315,734
Cash dividends from subsidiaries	(668,142)	(665,613)
Exercise of employee share options issued by subsidiaries	-	193,508
Issue of ordinary shares for cash by subsidiaries	-	4,145
	<u>-</u>	<u>4,145</u>
Balance at December 31	<u>\$ 18,955,319</u>	<u>\$ 19,893,662</u>

(Concluded)

31. EMPLOYEES STOCK OPTION PLANS

The Corporation did not grant stock option to employees during the years ended December 31, 2015 and 2014. In April 2008, 11,578 thousand units of ACCHC stock options were granted to qualified employees of ACCHC and its subsidiaries, of which 10,601 thousand units were exercised with average exercise price of HK\$4.2075 during the year ended December 31, 2014. The remaining 977 units were forfeited.

There was no compensation cost of share-based payment recognized for the years ended December 31, 2015 and 2014.

32. OPERATING REVENUE AND COSTS

	For the Year Ended December 31	
	2015	2014
Operating revenue		
Sales of cement	\$ 56,206,581	\$ 65,034,852
Electric power revenue	6,125,645	8,869,683
Transportation revenue	1,694,879	1,648,422
Rental revenue	1,276,629	1,323,820
Engineering revenue	461,328	429,918
Income from investment operation		
Sale of investments	2,881,346	905,374
Cost of investments sold	2,561,168	781,529
Gain on sale of investments, net	320,178	123,845
Dividends	229,647	275,253
Total income from investment operation	549,825	399,098
Less: Sales returns and discounts	27,407	22,512
Total operating revenue, net	<u>66,287,480</u>	<u>77,683,281</u>
Operating costs		
Cost of goods sold	51,746,293	55,903,102
Electric power cost	5,654,805	8,750,874
Transportation cost	1,301,105	1,365,555
Rental cost	168,668	173,003
Engineering cost	357,770	360,557
Total operating costs	<u>59,228,641</u>	<u>66,553,091</u>
Gross profit	<u>\$ 7,058,839</u>	<u>\$ 11,130,190</u>

33. NET PROFIT (LOSS)

Net profit or loss was as follows:

a. Other income

	For the Year Ended December 31	
	2015	2014
Interest income	\$ 397,031	\$ 477,369
Dividends	448,501	451,765
Rental income	10,122	11,798
Others	<u>647,017</u>	<u>638,156</u>
	<u>\$ 1,502,671</u>	<u>\$ 1,579,088</u>

b. Other gains and losses

	For the Year Ended December 31	
	2015	2014
Fair value adjustment of investment properties (Note 18)	\$ 1,278,760	\$ 1,426,537
Net foreign exchange losses	(1,976,585)	(556,001)
Net gain arising on financial assets and liabilities at fair value through profit or loss	826,151	1,034,483
Gain on disposal of investment	278,588	11,538
Bank charges	(172,558)	(119,356)
Impairment losses on financial assets	(65,374)	(51,387)
Gain on disposal of property, plant and equipment	7,151	9,249
Loss on redemption of corporation bonds	-	(356,480)
Reversal of impairment loss on property, plant and equipment	-	76,572
Miscellaneous expenses	<u>(242,858)</u>	<u>(265,583)</u>
	<u>\$ (66,725)</u>	<u>\$ 1,209,572</u>

c. Finance costs

	For the Year Ended December 31	
	2015	2014
Interest on bank loans	\$ 1,373,069	\$ 1,405,112
Amortization of discount on bonds payable	281,202	290,786
Other interest expense	7,190	7,394
Less: Amounts included in the cost of qualifying assets (capitalized interest)	<u>(13,591)</u>	<u>(35,694)</u>
	<u>\$ 1,647,870</u>	<u>\$ 1,667,598</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2015	2014
Capitalized interest	<u>\$ 13,591</u>	<u>\$ 35,694</u>
Capitalization rate	0.717%-3.05%	0.739%-5.535%

d. Depreciation and amortization

	For the Year Ended December 31	
	2015	2014
An analysis of deprecation by function		
Operating costs	\$ 5,225,352	\$ 5,282,758
Operating expenses	166,100	344,489
Non-operating expenses	<u>8,852</u>	<u>1,131</u>
	<u>\$ 5,400,304</u>	<u>\$ 5,628,378</u>
An analysis of amortization by function		
Operating costs	\$ 82,730	\$ 75,634
Operating expenses	<u>37,154</u>	<u>44,925</u>
	<u>\$ 119,884</u>	<u>\$ 120,559</u>

e. Employee benefits expense

	For the Year Ended December 31	
	2015	2014
Short-term benefits		
Salary	\$ 3,579,332	\$ 3,582,186
Labor and health insurance	224,210	211,467
Other employees - related expenses	<u>309,080</u>	<u>259,796</u>
	<u>4,112,622</u>	<u>4,053,449</u>
Post-employment benefits (see Note 29)		
Defined contribution plans	216,709	185,854
Defined benefit plans	<u>(23,254)</u>	<u>15,446</u>
	<u>193,455</u>	<u>201,300</u>
Termination benefit	<u>2,087</u>	<u>3,796</u>
Other employee benefits	<u>90,546</u>	<u>89,260</u>
Total employee benefits expense	<u>\$ 4,398,710</u>	<u>\$ 4,347,805</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 3,080,776	\$ 3,010,115
Operating expenses	1,315,847	1,333,894
Non-operating expenses	<u>2,087</u>	<u>3,796</u>
	<u>\$ 4,398,710</u>	<u>\$ 4,347,805</u>

To be in compliance with the Company Act as amended in May 2015, the proposed amended Articles of Incorporation of the Corporation stipulate to distribute employees' compensation and remuneration to directors and supervisors at the rates between 2%-3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors and supervisors. For the year ended December 31, 2015, the bonus to employees and the remuneration to directors and supervisors were \$132,000 thousand and \$119,277 thousand, respectively.

The employees' compensation and remuneration to directors and supervisors in cash for the year ended December 31, 2015 have been approved by the Corporation's board of directors on March 25, 2016 and are subject to the resolution of the amendments to the Corporation's Articles of Incorporation for adoption by the shareholders in their meeting to be held on June 21, 2016, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the date the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The bonuses to employees and remuneration to directors and supervisors for 2014 and 2013 which have been approved in the shareholders' meetings on June 24, 2015 and June 16, 2014, respectively, were as follows:

	For the Year Ended December 31			
	2014		2013	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Bonus to employees	\$ 318,072	\$ -	\$ 283,487	\$ -
Remuneration of directors and supervisors	238,554	-	212,615	-

The bonus to employees and the remuneration to directors and supervisors for the years ended December 31, 2014 and 2013 and the amounts recognized in the financial statements for the years ended December 31, 2014 and 2013, respectively, were as follows:

	For the Year Ended December 31			
	2014		2013	
	Bonus to Employees	Remuneration of Directors and Supervisors	Bonus to Employees	Remuneration of Directors and Supervisors
Amounts approved in shareholders' meetings	\$ 318,072	\$ 238,554	\$ 283,487	\$ 212,615
Amounts recognized in respective financial statements	<u>289,157</u>	<u>216,868</u>	<u>238,879</u>	<u>179,160</u>
	<u>\$ 28,915</u>	<u>\$ 21,686</u>	<u>\$ 44,608</u>	<u>\$ 33,455</u>

The differences were adjusted to profit and loss for the years ended December 31, 2015 and 2014.

Information on the employees' compensation and remuneration to directors and supervisors resolved by the Corporation's board of directors in 2016 and bonus to employees, directors and supervisors resolved by the shareholders' meeting in 2015 and 2014 are available on the Market Observation Post System website of the Taiwan Stock Exchange.

34. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

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

	For the Year Ended December 31	
	2015	2014
Current tax		
In respect of the current year	\$ 998,864	\$ 1,843,698
Income tax expense of unappropriated earnings	910	7,764
Additional income tax under the Alternative Minimum Tax Act	-	1,151
Withholding tax on dividend	72,749	26,206
In respect of prior periods	<u>17,340</u>	<u>(106,519)</u>
	<u>1,089,863</u>	<u>1,772,300</u>
Deferred tax		
In respect of the current year	<u>789,812</u>	<u>1,041,441</u>
Income tax expense recognized in profit or loss	<u>\$ 1,879,675</u>	<u>\$ 2,813,741</u>

A reconciliation of accounting profit and income tax expenses for the years ended December 31, 2015 and 2014 is as follows:

	For the Year Ended December 31	
	2015	2014
Profit before tax from continuing operations	<u>\$ 6,814,158</u>	<u>\$ 13,719,739</u>
Income tax expense calculated at the statutory rate (17%)	\$ 1,158,409	\$ 2,332,356
Nondeductible expenses in determining taxable income	360,200	173,149
Tax-exempt income	(1,271,611)	(1,090,602)
Unrecognized deductible temporary differences	279,084	170,102
Tax on fair value adjustment of investment properties	1,270,157	772,530
Unrecognized loss carryforwards	(1,825)	(7,787)
Investment credits	(24,406)	-
Effect of different tax rate of group entities operating in other jurisdictions	18,668	535,391
Income tax expense of unappropriated earnings	910	7,764
Additional income tax under the Alternative Minimum Tax Act	-	1,151
Withholding tax on dividend	72,749	26,206
Adjustments for prior years' tax	<u>17,340</u>	<u>(106,519)</u>
Income tax expense recognized in profit or loss	<u>\$ 1,879,675</u>	<u>\$ 2,813,741</u>

The applicable tax rate used above is the corporate tax rate of 17% payable by the Group in ROC, while the applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 2015 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2015	2014
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement of defined benefit plans	\$ (96,019)	\$ 755
Fair value changes of available-for-sale financial asset	6,828	7,094
Revaluation increments	<u>-</u>	<u>6,418</u>
Total income tax recognized in other comprehensive income	<u>\$ (89,191)</u>	<u>\$ 14,267</u>

c. Current tax assets and liabilities

	December 31	
	2015	2014
Current tax assets		
Prepaid pension cost	<u>\$ 3,922</u>	<u>\$ 1,251</u>
Current tax liabilities		
Income tax payable	<u>\$ 466,164</u>	<u>\$ 593,984</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2015

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for doubtful accounts	\$ 83,634	\$ 38,264	\$ -	\$ (2,187)	\$ 119,711
Other financial assets and liabilities	145,298	83,612	-	-	228,910
AFS financial assets	48,360	-	(6,828)	-	41,532
Defined benefit obligation	21,659	(2,253)	2,439	-	21,845
Property, plant and equipment	20,551	(1,755)	-	(319)	18,477
Fair value adjustment of investment properties	-	6,409	-	(47)	6,362
Others	<u>85,532</u>	<u>(1,597)</u>	<u>-</u>	<u>(1,047)</u>	<u>82,888</u>
	405,034	122,680	(4,389)	(3,600)	519,725
Tax losses	<u>59,842</u>	<u>173,601</u>	<u>-</u>	<u>(2,917)</u>	<u>230,526</u>
	<u>\$ 464,876</u>	<u>\$ 296,281</u>	<u>\$ (4,389)</u>	<u>\$ (6,517)</u>	<u>\$ 750,251</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Land value increment tax	\$ 3,449,871	\$ -	\$ -	\$ -	\$ 3,449,871
Finance leases	559,213	11,524	-	-	570,737

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Unappropriated earnings of subsidiaries	\$ 696,105	\$ (251,331)	\$ -	\$ (675)	\$ 444,099
Defined benefit obligation	292,794	1,646	(93,580)	-	200,860
Other financial assets and liabilities	61,648	53,065	-	-	114,713
Property, plant and equipment	30,088	285	-	(21,116)	9,257
Allowance for doubtful accounts	151	-	-	-	151
Fair value adjustment of investment properties	1,671,937	1,276,566	-	-	2,948,503
Associates	<u>65,523</u>	<u>(5,662)</u>	<u>-</u>	<u>19,131</u>	<u>78,992</u>
	<u>\$ 6,827,330</u>	<u>\$ 1,086,093</u>	<u>\$ (93,580)</u>	<u>\$ (2,660)</u>	<u>\$ 7,817,183</u>

(Concluded)

For the year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisition Through Business Combination	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>						
Temporary differences						
Allowance for doubtful accounts	\$ 85,494	\$ (6,524)	\$ -	\$ -	\$ 4,664	\$ 83,634
Other financial assets and liabilities	54,435	90,863	-	-	-	145,298
AFS financial assets	55,454	-	(7,094)	-	-	48,360
Defined benefit obligation	21,875	(726)	510	-	-	21,659
Property, plant and equipment	30,836	(5,056)	-	-	(5,229)	20,551
Others	<u>85,041</u>	<u>(2,024)</u>	<u>-</u>	<u>-</u>	<u>2,515</u>	<u>85,532</u>
	333,135	76,533	(6,584)	-	1,950	405,034
Tax losses	<u>60,561</u>	<u>(2,690)</u>	<u>-</u>	<u>-</u>	<u>1,971</u>	<u>59,842</u>
	<u>\$ 393,696</u>	<u>\$ 73,843</u>	<u>\$ (6,584)</u>	<u>\$ -</u>	<u>\$ 3,921</u>	<u>\$ 464,876</u>
<u>Deferred tax liabilities</u>						
Temporary differences						
Land value increment tax	\$ 3,449,871	\$ -	\$ -	\$ -	\$ -	\$ 3,449,871
Finance leases	541,605	17,608	-	-	-	559,213
Unappropriated earnings of subsidiaries	412,708	281,262	-	-	2,135	696,105
Defined benefit obligation	291,498	116	1,265	-	(85)	292,794
Other financial assets and liabilities	-	61,648	-	-	-	61,648
Property, plant and equipment	52,075	(17,880)	-	-	(4,107)	30,088
Allowance for doubtful accounts	151	-	-	-	-	151
Fair value adjustment of investment properties	892,989	772,530	6,418	-	-	1,671,937
Associates	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,404</u>	<u>9,119</u>	<u>65,523</u>
	<u>\$ 5,640,897</u>	<u>\$ 1,115,284</u>	<u>\$ 7,683</u>	<u>\$ 56,404</u>	<u>\$ 7,062</u>	<u>\$ 6,827,330</u>

- e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2015	2014
Loss carryforwards		
Expire in 2018	\$ 564,458	\$ 567,043
Expire in 2019	636,703	638,434
Expire in 2020	328,240	-
Expire in 2021	222,721	222,721
Expire in 2022	263,267	247,556
Expire in 2023	28,481	27,752
Expire in 2024	60,931	60,568
Expire in 2025	307,370	-
No expiration	<u>23,593</u>	<u>34,838</u>
	<u>\$ 2,435,764</u>	<u>\$ 1,798,912</u>

- f. Information about unused loss carry-forward

Loss carryforwards as of December 31, 2015 comprised of:

Unused Amount	Expiry Year
\$ 16,121	2016
28,820	2017
564,458	2018
664,867	2019
1,019,511	2020
222,721	2021
263,267	2022
28,481	2023
60,931	2024
307,370	2025
<u>223,859</u>	-
<u>\$ 3,400,406</u>	

- g. The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2015 and 2014, the taxable temporary differences associated with investment in subsidiaries for which no deferred tax liabilities have been recognized were \$5,019,995 thousand and \$5,240,203 thousand, respectively.

- h. Integrated income tax

	December 31	
	2015	2014
Imputation credits accounts	<u>\$ 1,069,775</u>	<u>\$ 1,122,535</u>

(Continued)

	December 31	
	2015	2014
Unappropriated earnings		
Generated before January 1, 1998	\$ 1,609,933	\$ 1,574,816
Generated on and after January 1, 1998	<u>14,641,879</u>	<u>20,531,767</u>
	<u>\$ 16,251,812</u>	<u>\$ 22,106,583</u>
		(Concluded)

The creditable ratio for distribution of earnings of 2015 and 2014 was 8.45% (expected ratio) and 8.80%, respectively.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Corporation was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to shareholders of the Corporation was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2015 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

- i. The latest years of income tax returns which had been examined and cleared by the tax authorities were as follows:

<u>Company</u>	<u>Year</u>
ACC	2012
DCI	2013
YTRMC	2013
YSRMC	2013
FMT	2013
AEE	2013
AIC	2012
FDT	2013
YLPPC	2013
FSMS	2013
NHC	2013
CHP	2013
YLSS	2013
YLT	2013

35. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2015	2014
Basic earnings per share	<u>\$ 1.55</u>	<u>\$ 2.98</u>
Diluted earnings per share	<u>\$ 1.32</u>	<u>\$ 2.65</u>

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

Net Profit for the Year

	For the Year Ended December 31	
	2015	2014
Profit for the period attributable to owners of the Corporation	\$ 4,860,241	\$ 9,361,635
Effect of potentially dilutive ordinary shares:		
Convertible bonds	<u>(305,786)</u>	<u>(266,454)</u>
Earnings used in the computation of diluted earnings per share from continuing operations	<u>\$ 4,554,455</u>	<u>\$ 9,095,181</u>

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2015	2014
Weighted average number of ordinary shares in computation of basic earnings per share	3,141,845	3,142,158
Effect of potentially dilutive ordinary shares:		
Convertible bonds	300,593	281,136
Employees' compensation or bonus issue to employees	<u>9,258</u>	<u>10,889</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,451,696</u>	<u>3,434,183</u>

The weighted average number of ordinary shares used in the computation of basic earnings per share is the weighted average outstanding shares after subtracting the shares of the Corporation held by the associates treated as treasury stock.

When an entity pays employee compensation or bonuses that may be settled in shares or cash at the entity's option, the entity shall presume that the employee compensation or bonuses will be settled in shares, and the resulting potential shares shall be included in diluted earnings per share if the effect is dilutive. The number of shares is estimated by dividing the entire amount of the compensation or bonus by the closing price of the shares at the balance sheet date. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

36. BUSINESS COMBINATIONS

a. Subsidiary acquired - SLCL

The Group entered into a Share Transfer Agreement on April 16, 2014 to acquire 100% equity interest in SLCL for the purpose of capacity expansion. The main operation of SLCL is manufacture and trade of cement. Considerations transferred through the acquisition amounted to RMB968,148 thousand (equivalent to NT\$4,739,333 thousand) in total, of which RMB90,690 thousand remains outstanding as of the reporting date and accounted for as other payable. Please refer to Note 26. The date of acquisition is April 30, 2014.

1) Assets acquired and liabilities assumed at the date of acquisition

April 30, 2014

Current assets	
Cash and cash equivalents	\$ 1,324,774
Trade receivables, notes receivable and other receivables	781,827
Inventory	437,601
Prepayments	23,127
Non-current assets	
Property, plant and equipment	6,305,954
Intangible assets	412,596
Long-term prepayments for lease	471,413
Current liabilities	
Short-term borrowings	(450,364)
Accounts payable and accrued expenses	(3,751,577)
Other payable	(1,800,149)
Current tax liabilities	(8,521)
Advances received	(102,054)
Current portion of long-term liabilities	(547,241)
Non-current liabilities	
Long-term debts	(930,099)
Deferred tax liability	(56,404)
Other non-current liability	<u>(84,703)</u>
	<u>\$ 2,026,180</u>

2) Goodwill arising on acquisition

April 30, 2014

Consideration transferred	\$ 4,739,333
Less: Fair value of identifiable net assets acquired	<u>(2,026,180)</u>
Goodwill arising on acquisition	<u>\$ 2,713,153</u>

Goodwill arose in the acquisition of SLCL because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of SLCL. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

3) Net cash outflow on acquisition of subsidiaries

April 30, 2014

Consideration paid in cash (the acquisition consideration amounted to RMB968,148 thousand less outstanding amount of RMB90,690 thousand)	\$ 4,295,381
Less: Cash and cash equivalent balances acquired	<u>(1,324,774)</u>
	<u>\$ 2,970,607</u>

4) Impact of acquisitions on the results of the Group

The results of the acquired companies since the acquisition date included in the consolidated statements of comprehensive income were as follows:

	From May 1, 2014 to December 31, 2014
Operating income	
SLCL and its subsidiary	\$ 2,676,409
Comprehensive income	
SLCL and its subsidiary	405,183

Had the business combination been in effect at the beginning of the annual reporting period, the Group's revenue from continuing operations would have been NT\$78,982,731 thousand, and the profit from continuing operations would have been NT\$10,939,367 thousand for the year ended December 31, 2014. This pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2014, nor is it intended to be a projection of future results.

In determining the pro-forma revenue and profit of the Group had SLCL been acquired at the beginning of the current reporting period, management calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognized in the pre-acquisition financial statements.

b. Subsidiaries acquired - YLT and PEREZ

The Corporation acquired another 1.61% share of YLT from YYI on December 23, 2014 to have an enhanced business management and equity strategy. The consideration transferred to YYI amounted to NT\$8,440 thousand. After the share purchase, the Corporation's equity in YLT increased from 49.39% to 51% and the Corporation thus acquired control power over YLT. On the date of acquisition, the Corporation remeasured its previously held 49.39% equity interest in YLT amounting to NT\$237,112 thousand, to the acquisition-date fair value of NT\$257,892 thousand, and the resulting difference, NT\$20,780 thousand, was recognized as gain on disposal of investments.

On October 1, 2014, the Corporation subscribed for additional new shares of PEREZ, which is an investment accounted for using equity method, at a percentage different from its existing ownership percentage. After the share subscription, the Corporation's percentage of ownership in PEREZ increased to 64.5% and the Corporation thus obtained the control over PEREZ. As a result, PEREZ is included in the consolidated financial statements from the acquisition date.

1) Assets acquired and liabilities assumed at the date of acquisition

	YLT	PEREZ
Current assets		
Cash and cash equivalent	\$ 62,649	\$ 67,670
Financial assets at fair value through profit or loss - current	23,397	-
Debt investments with no active market - current	12,000	-
Trade receivables, notes receivable and other receivables	30,539	40,054
Inventory	9,751	37,152
Prepayments	3,957	-
		(Continued)

	YLT	PEREZ
Non-current assets		
Available-for-sale financial assets - non-current	\$ 32,553	\$ -
Investment accounted for using equity method	316,770	-
Property, plant and equipment	46,105	72,330
Deferred tax assets	59	-
Other non-current assets	41	76,946
Current liabilities		
Accounts payable and accrued expenses	(36,975)	(137,531)
Current tax liabilities	(1,680)	-
Other current liabilities	(2,593)	-
Non-current liabilities		
Provisions - non-current	(2,000)	-
Net defined benefit liabilities - non-current	(13,018)	-
Other non-current liabilities	<u>(18)</u>	<u>-</u>
	<u>\$ 481,537</u>	<u>\$ 156,621</u>
		(Concluded)

2) Goodwill arising on acquisition

	YLT
Consideration transferred	\$ 8,440
Plus: Fair value of previously held equity interest in acquiree	257,892
Plus: Fair value of non-controlling interests	235,985
Less: Fair value of identifiable net assets acquired	<u>(481,537)</u>
Goodwill arising on acquisition	<u>\$ 20,780</u>

Goodwill in the acquisition of YLT arose from the control premium included in the cost of the combination. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits do not meet the recognition criteria for identifiable intangible assets, and are recognized as goodwill.

3) Net cash inflow on acquisition of subsidiaries

	YLT	PEREZ
Consideration paid in cash	\$ 8,440	\$ -
Less: Cash and cash equivalent balances acquired	<u>(62,649)</u>	<u>(67,670)</u>
	<u>\$ 54,209</u>	<u>\$ 67,670</u>

37. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On March 27, 2014, the Corporation acquired an additional 49% interest of YLSS from related party Far Eastern Asset Management Co., Ltd. As a result, the Corporation's percentages of ownership in YLSS increased from 51% to 100%.

The above transaction was accounted for as equity transactions, since the Group did not cease to have control over YLSS.

	EISF
Cash consideration paid	\$ (723,240)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>807,951</u>
Difference arising from equity transaction	<u>\$ 84,711</u>

On September 5, 2014, upon the exercise of ACCHC's employee share options, the Group's percentages of ownership in ACCHC decreased from 72.49% to 72%. The above transactions were accounted for as equity transactions, since the Group did not cease to have control over ACCHC. The differences arising from equity transactions were adjusted to capital surplus. Please refer to Note 30.

38. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, and the amount of new debt issued or existing debt redeemed.

39. FINANCIAL INSTRUMENTS

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

December 31, 2015

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	\$ 21,739,937	\$ 21,978,176	\$ -	\$ -	\$ 21,978,176

December 31, 2014

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	\$ 23,454,895	\$ 24,294,042	\$ -	\$ -	\$ 24,294,042

b. Fair values of financial assets and liabilities that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2015

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Beneficiary certificate	\$ 288,546	\$ -	\$ -	\$ 288,546
Listed stocks	62,927	-	-	62,927
Cross-currency swap contracts	-	-	679,497	679,497
	<u>\$ 351,473</u>	<u>\$ -</u>	<u>\$ 679,497</u>	<u>\$ 1,030,970</u>
<u>Available-for-sale financial assets</u>				
Listed stocks	\$ 11,170,435	\$ -	\$ -	\$ 11,170,435
Overseas listed stocks	1,802,850	-	12,285,264	14,088,114
Mutual funds	226,355	1,982,956	-	2,209,311
Overseas bonds	<u>532,371</u>	<u>-</u>	<u>-</u>	<u>532,371</u>
	<u>\$ 13,732,011</u>	<u>\$ 1,982,956</u>	<u>\$ 12,285,264</u>	<u>\$ 28,000,231</u>

December 31, 2014

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Beneficiary certificates	\$ 299,710	\$ -	\$ -	\$ 299,710
Listed stocks	81,335	-	-	81,335
Cross-currency swap contracts	-	-	362,637	362,637
	<u>\$ 381,045</u>	<u>\$ -</u>	<u>\$ 362,637</u>	<u>\$ 743,682</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Listed stocks	\$ 13,371,622	\$ -	\$ -	\$ 13,371,622
Overseas listed stocks	13,327,329	-	-	13,327,329
Overseas bonds	847,085	-	-	847,085
Mutual funds	<u>283,405</u>	<u>2,483,614</u>	<u>-</u>	<u>2,767,019</u>
	<u>\$ 27,829,441</u>	<u>\$ 2,483,614</u>	<u>\$ -</u>	<u>\$ 30,313,055</u>
Financial liabilities at FVTPL				
Convertible bonds options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 561,086</u>	<u>\$ 561,086</u> (Concluded)

CSCGL's board of directors made an announcement on April 16, 2015 that CSCGL's prescribed percentage of securities held by the public has fallen below the minimum requirement under the rules of the Hong Kong Exchanges and Clearing Limited (the Exchange). Therefore, the Exchange suspended trading of CSCGL's securities until the percentage of securities in public hands satisfies the minimum requirement. As of December 31, 2015, trading of CSCGL's securities was still suspended and there was no quoted price in active markets. The Group engaged third party qualified valuers for fair value measurements of CSCGL's securities, and transferred the investment from Level 1 to Level 3.

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

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

For the year ended December 31, 2015

	Financial Instruments at Fair Value Through Profit or Loss		Available-for-sale	
	Financial Assets	Financial Liabilities	Equity Instruments	Total
Balance at January 1, 2015	\$ 362,637	\$ (561,086)	\$ -	\$ (198,449)
Recognized in profit or loss (included in other gains and losses)	316,860	561,086	-	877,946
Recognized in other comprehensive income (included in unrealized gain (loss) on available-for-sale financial assets)	-	-	(3,036,180)	(3,036,180)
Purchases	7,314,784	-	-	7,314,784
Disposals	(7,314,784)	-	-	(7,314,784)
Transfers into Level 3	<u>-</u>	<u>-</u>	<u>15,321,444</u>	<u>15,321,444</u>
Balance at December 31, 2015	<u>\$ 679,497</u>	<u>\$ -</u>	<u>\$ 12,285,264</u>	<u>\$ 12,964,761</u>

For the year ended December 31, 2014

	Financial Instruments at Fair Value through Profit or Loss		
	Financial Assets	Financial Liabilities	Total
Balance at January 1, 2014	\$ 122,957	\$ (1,215,049)	\$ (1,092,092)
Recognized in profit or loss (included in other gains and losses)	362,637	640,579	1,003,216
Purchases	27,169,163	-	27,169,163
Disposals	<u>(27,292,120)</u>	<u>13,384</u>	<u>(27,278,736)</u>
Balance at December 31, 2014	<u>\$ 362,637</u>	<u>\$ (561,086)</u>	<u>\$ (198,449)</u>

- 3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Mutual funds	The Group uses net asset value as valuation technique to determine the fair value as the Group has determined that the net asset value of the mutual fund represents fair value at the end of the reporting period.

- 4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

- a) The fair values of convertible bonds options and exchangeable bonds options are determined using the information available from the counterparty for evaluation based on the option pricing model. The option pricing model incorporates the present value techniques and reflects both the time value and the intrinsic value of options.
- b) The fair value of cross currency swap contracts is determined using the information available from the counterparty for evaluation. The counterparty measures the fair value of a cross currency swap contracts using the discounted cash flows model. Future cash flows are estimated based on observable forward exchange rates at balance sheet dates and contract forward rates and discounted at rates that reflected the credit risk of various counterparties.
- c) The fair values of listed equity securities under security trading suspension were determined by using the weighted average of values calculated under market-based approach and market value approach. In market-based approach, the fair value of the investee was measured by weighted average multiple value of EV/Sales (i), EV/EBITDA (ii) and P/B (iii) of other comparable listed companies. In market value approach, the fair value is estimated based on the closing price before security suspension. Liquidity risk parameters need to be taken into account when using these approaches.
 - i. EV/Sales: Enterprise value/sales
 - ii. EV/EBITDA: Enterprise value/earnings before interest, taxes, and amortization
 - iii. P/B: Price-to-book ratio

c. Categories of financial instruments

	December 31	
	2015	2014
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)	\$ 1,030,970	\$ 743,682
Loans and receivables (1)	36,645,030	41,515,826
Available-for-sale financial assets (2)	29,367,748	31,745,982
<u>Financial liabilities</u>		
Fair value through profit or loss (FVTPL)	-	561,086
Derivative instruments in designated hedge accounting relationships	-	14,854
Amortized cost (3)	104,008,163	110,076,171

- 1) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, and trade, notes and other receivables.
- 2) The balances included the carrying amount of available-for-sale financial assets measured at cost.
- 3) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, trade and other payable, and bonds issued.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivable, trade payables, bonds payable, and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to mitigate the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, financial derivatives and non-derivative financial instruments, and investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into cross-currency swap contracts and interest rate swap contracts to mitigate its exposure to foreign currency risk and interest rate risk.

As at the end of reporting period, the Group entered into cross-currency swap contracts with notional amount of US\$220,000 thousand to mitigate cash flow risk due to exchange rate fluctuation.

a) Foreign currency risk

Several subsidiaries of the Corporation had foreign currency sales and purchases and foreign currency financing activities, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 44.

Sensitivity analysis

The Group was mainly exposed to the RMB and USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 5% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items less notional amounts of cross-currency swap assuming a 5% change in foreign currency rates at the end of the reporting period. A positive number below indicates an increase in pre-tax profit assuming the New Taiwan dollars strengthened by 5% against the relevant currency. For a 5% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances shown below would be negative.

	RMB Impact		USD Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2015	2014	2015	2014
Profit or loss	\$ 58,571	\$ 49,710	\$ (1,014,861)	\$ (1,784,893)

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts.

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

	December 31	
	2015	2014
Fair value interest rate risk		
Financial assets	\$ 6,787,646	\$ 11,553,123
Financial liabilities	50,854,282	47,519,269
Cash flow interest rate risk		
Financial assets	10,626,012	6,893,547
Financial liabilities	44,152,663	51,854,296

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period.

If interest rates had been 0.01% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2015 and 2014 would have decreased/increased by \$3,924 thousand and \$3,955 thousand, respectively, mainly due to the Group's exposure to interest rates on its variable-rate bank borrowings and bank deposits' interest revenue and expenses.

c) Other price risk

The Group was exposed to price risk through its investments in listed equity securities, corporation bonds and beneficiary certificates of funds.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to investment position price risks at the end of the reporting period.

If investment position prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2015 and 2014 would have increased/decreased by \$3,515 thousand and \$3,810 thousand, respectively, as a result of the changes in fair value of held-for-trading investments, and the pre-tax other comprehensive income for the years ended December 31, 2015 and 2014 would have increased/decreased by \$157,150 thousand and \$303,131 thousand, respectively, as a result of the changes in fair value of available-for-sale shares.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could reach the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The counterparties in trade receivables consist of vast clients that scatter in different industries and regions. The Group evaluates clients' financial condition continuously.

Credit risk represents the potential impact to financial assets that the Group might encounter if counterparties or third parties breach the contracts. The Group evaluated credit risk exposure for contracts with positive carrying value. The Group evaluated the credit risk exposure as immaterial because all counterparties are reputable financial institutions and companies with good credit ratings.

3) Liquidity risk

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

a) Liquidity and interest rate tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

To the extent that interest rates are floating, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2015

	The Effective Interest Rates (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing		\$ 4,153,399	\$ 3,125,886	\$ 1,165,980	\$ 674,395	\$ 63,758
Variable interest rate liabilities	1.72	1,059,272	3,330,039	14,169,378	25,593,974	-
Fixed interest rate liabilities	1.26	14,694,181	7,747,076	13,842,315	14,570,710	-
		<u>\$ 19,906,852</u>	<u>\$ 14,203,001</u>	<u>\$ 29,177,673</u>	<u>\$ 40,839,079</u>	<u>\$ 63,758</u>

December 31, 2014

	The Effective Interest Rates (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing	-	\$ 3,525,681	\$ 3,545,246	\$ 3,380,342	\$ 461,046	\$ 60,064
Variable interest rate liabilities	1.94	2,715,002	5,710,523	20,453,234	22,960,683	-
Fixed interest rate liabilities	1.48	13,169,166	9,902,748	269,948	24,177,407	-
		<u>\$ 19,409,849</u>	<u>\$ 19,158,517</u>	<u>\$ 24,103,524</u>	<u>\$ 47,599,136</u>	<u>\$ 60,064</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate tables for derivative financial liabilities

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2015

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Net settled</u>				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ (11,453)</u>	<u>\$ (10,121)</u>	<u>\$ -</u>

December 31, 2014

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Net settled</u>				
Interest rate swaps	\$ 4,293	\$ -	\$ 10,569	\$ -
Foreign exchange forward contracts	<u>-</u>	<u>(10,035)</u>	<u>(29,778)</u>	<u>(19,852)</u>
	<u>\$ 4,293</u>	<u>\$ (10,035)</u>	<u>\$ (19,209)</u>	<u>\$ (19,852)</u>

40. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

The related party transactions were conducted under normal terms.

a. Operating Transactions

	<u>For the Year Ended December 31</u>	
	2015	2014
Operating revenue		
Associates	<u>\$ 915,881</u>	<u>\$ 1,373,866</u>
Others	<u>\$ 1,040,858</u>	<u>\$ 1,552,836</u>
Joint ventures	<u>\$ 555,216</u>	<u>\$ -</u>
Operating cost		
Associates	<u>\$ 787,703</u>	<u>\$ 1,030,888</u>
Others	<u>\$ 739,010</u>	<u>\$ 769,524</u>
Joint ventures	<u>\$ 429,198</u>	<u>\$ 498,314</u>

Receivables from related parties (including notes receivable, trade receivable and other receivables):

	<u>December 31</u>	
	2015	2014
Associates	\$ 156,893	\$ 237,104
Others	2,553,508	2,644,567
Joint ventures	<u>280,385</u>	<u>244</u>
	<u>\$ 2,990,786</u>	<u>\$ 2,881,915</u>

Payables to related parties:

	December 31	
	2015	2014
Associates	\$ 94,214	\$ 83,027
Others	68,757	82,229
Joint ventures	<u>91,665</u>	<u>91,408</u>
	<u>\$ 254,636</u>	<u>\$ 256,664</u>

Note: Other related parties' relationship mainly include associates' subsidiaries, legal person in which the chairman is the same as the Corporation's chairman and the director is also the Corporation's chairman.

The outstanding trade payables and receivables from related parties are unsecured. No expense was recognized for the years ended December 31, 2015 and 2014 for allowance for impairment of trade receivables with respect to the amounts owed by related parties.

b. Transactions with FEIB

	December 31	
	2015	2014
Bank deposits*	\$ 4,481,118	\$ 4,369,427
Bank loans	<u>\$ 2,515,000</u>	<u>\$ 1,865,000</u>
Cross-currency swap contracts	<u>\$ 92,993</u>	<u>\$ 49,664</u>

At the end of the reporting period, notional amounts of outstanding cross-currency swap contract as of December 31, 2015 and 2014, were US\$30,000 thousand.

* The balances included amounts recognized in debt investments with no active market and other non-current assets (refundable deposits).

c. Compensation of key management personnel

The amounts of the compensation of directors and other key management personnel for the years ended December 31, 2015 and 2014 were as follows:

	For the Year Ended December 31	
	2015	2014
Short-term employee benefits	\$ 200,436	\$ 308,508
Post-employment benefits	<u>864</u>	<u>712</u>
	<u>\$ 201,300</u>	<u>\$ 309,220</u>

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

d. Other transactions with related parties

1) Operating expense - rental

	For the Year Ended December 31	
	2015	2014
Associates	\$ <u>41,194</u>	\$ <u>44,616</u>

2) Investment properties acquired

	For the Year Ended December 31	
	2015	2014
Associates	\$ <u>550</u>	\$ <u>-</u>

- 3) The nature of the Group's transaction with OFSPC is acquisition or disposal of OPAS Fund Segregated Portfolio's overseas fund through OFSPC's platform. The portfolio's decision was made and managed by the investment committee which is composed of the Corporation and other investors. The Group's investment through OFSPC's platform for the year ended December 31, 2014 included acquisition of NT\$486,720 thousand and disposal of NT\$516,450 thousand as well as gain on disposal of NT\$53,299 thousand, and for the year ended December 31, 2015 included disposal of NT\$543,570 thousand as well as gain on disposal of NT\$82,256 thousand.

41. OPERATING LEASE ARRANGEMENTS

a. The Group as lessee

Operating leases relate to leases of land with lease terms between 5 and 10 years. All operating lease contracts over 5 years contain clauses for 5-yearly market rental reviews. The Group does not have a bargain purchase option to acquire the leased land at the expiration of the lease periods.

The total of refundable deposits which were paid under operating lease contracts at December 31, 2015 and 2014, were \$15,372 thousand and \$12,581 thousand, respectively.

The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	December 31	
	2015	2014
Not later than 1 year	\$ 253,336	\$ 363,126
Later than 1 year and not later than 5 years	727,189	647,589
Later than 5 years	<u>3,233,647</u>	<u>3,822,008</u>
	<u>\$ 4,214,172</u>	<u>\$ 4,832,723</u>

The Group recognized expenses of lease payment under above operating lease contracts were \$373,576 thousand and \$326,816 thousand for the years ended December 31, 2015 and 2014, respectively.

Please refer to Note 21 for the information of land use right the Group leased which located in Mainland China, Hong Kong, Singapore and Vietnam.

b. Please refer to Notes 12 and 18 for the information of the Group as lessor.

42. ASSETS PLEDGED OR MORTGAGED

The following assets are pledged or mortgaged as collaterals for certain short-term loans and long-term liabilities or as collaterals for purchase from suppliers.

	December 31	
	2015	2014
Investments accounted for using equity method	\$ 17,105,990	\$ 9,663,635
Investment properties	13,689,446	13,335,176
Property, plant and equipment (Note)	10,778,793	15,230,086
Debt investment with no active market	910,420	1,446,807
Available-for-sale financial assets - noncurrent	<u>155,125</u>	<u>239,700</u>
	<u>\$ 42,639,774</u>	<u>\$ 39,915,404</u>

Note: Include the amount of financial lease receivables which CHP regarded as financial lease.

43. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENT

As of December 31, 2015, the Corporation and its subsidiaries had the following significant commitments and contingencies:

- a. Unused letters of credit of US\$10,120 thousand, JPY2,600 thousand, EUR460 thousand and FRF56 thousand.
- b. Guarantees of notes issued for related parties:

The Corporation

AIC	\$ 11,988,750
DCI	8,425,075
NHC	1,304,500
YLPPC	534,511
AEE	481,100
YSRMC	<u>150,000</u>
	<u>\$ 22,883,936</u>

DCI

FSMS	<u>\$ 130,000</u>

ACCHC

PIHPL	<u>\$ 983,250</u>

- c. CHP entered into agreements on the following transactions:
 - 1) Purchase of natural gas from Chinese Petroleum Corporation.
 - 2) Electricity purchase from and sale to Taiwan Power Company.
 - 3) Long-term service from General Electric International, Inc.
- d. The estimated payments for construction of building plants, land access, plant and machinery of JYDC and WYXC in the future amount to RMB592,694 thousand.

- e. YSRMC supplied ready-mixed concrete to Da Cin Construction Co., Ltd. (“Da Cin”) during 2003. The owner of the project under construction demanded Da Cin to take responsibility to repair the construction flaws. Da Cin requested YSRMC to compensate the loss and damage on the construction. However, Da Cin and YSRMC did not reach an agreement from year 2006 to 2009. Da Cin filed an appeal and requested YSRMC to indemnify NT\$22,881 thousand in April 2010. In July 2014, the local court concluded that YSRMC has to pay indemnity in the amount of NT\$17,642 thousand. In years 2010 and 2014, YSRMC had estimated related compensation loss, accounted for as provisions, of NT\$13,800 thousand and NT\$3,840 thousand, respectively. YSRMC had also filed an appeal against the court’s decision in October 2014. Later, Da Cin requested additional compensation of NT\$137,544 thousand in the second instance and the total damage compensation claimed was NT\$160,425 thousand together with the amount in the first instance. As of the date the financial statements were authorized for issue, the case has not come to trial so YSRMC cannot make reasonable estimate about the judgment. YSRMC did not recognize additional compensation loss for the year ended December 31, 2015.
- f. On March 13, 2013, the No. 1114 Commissioners’ Meeting of Fair Trade Commission resolved that independent power producers violated Article 14, Paragraph 1 of Fair Trade Act due to the rejection of power purchase rate adjustment with Taipower Company and fined CHP NT\$400,000 thousand. The penalty is payable in 60 monthly installments and covered by a long-term note payable. Accordingly, the Corporation recognized penalty expenses, which is included in other losses in the consolidated financial statements for the year ended December 31, 2013. CHP had filed an appeal on April 17, 2013.

On September 12, 2013, the Petitions and Appeals Committee of the Executive Yuan rescinded the imposition of penalty (the “Penalty Disposition”) and advised the Fair Trade Commission to impose more appropriate disposition with refund of penalty paid by CHP. However, CHP’s appeal against the imposition of illegal concerted action among independent power producers (the “Act Disposition”) was dismissed.

Regarding the Penalty Disposition, the Fair Trade Commission resolved a penalty of NT\$370,000 thousand on November 13, 2013. CHP thus adjusted the penalty expenses in other loss for the year ended December 31, 2013. The disposition was revoked again by the Petitions and Appeals Committee on May 9, 2014. Then the Fair Trade Commission imposed a penalty of NT\$364,000 thousand on July 9, 2014. CHP recognized a reversal gain amounted to NT\$6,000 thousand in other income for the year ended December 31, 2014 and issued a long-term note payable in 60 installments for the penalty in accordance with the disposition. In addition, CHP also filed an appeal to defend its interest on August 11, 2014.

On December 11, 2014, Letter from the Petitions and Appeals Committee indicates that the filing of appeal against the Penalty Disposition is suspended until the administrative court makes the final judgment of the Act Disposition.

Regarding the Act Disposition, CHP filed an administrative litigation to Taipei High Administrative Court against the dispositions of the Fair Trade Commission on November 7, 2013. The Taipei High Administrative Court entered a final judgment in favor of CHP on October 29, 2014. Nevertheless, the Fair Trade Commission filed an appeal with the Supreme Administrative Court. The Supreme Administrative Court dismissed the judgment made by the Taipei High Administrative Court on July 2, 2015 and returned it back to the Taipei High Administrative Court for re-examination.

- g. On March 15, 2013, Letter No. 102035 from the Fair Trade Commission indicated concerted action among CHP and other independent power producers due to the rejection of power purchase rate adjustment with Taipower Company. Accordingly, Taipower Company filed a civil mediation and civil litigation appeal with the Taipei District Court in August 2015. Later, in September 2015, Taipower Company filed an administrative litigation with Taipei High Administrative Court and requests CHP to compensate the damage caused which amounted to NT\$1.4 billion plus interest from November 11, 2007 to the settlement date with a 5% annual interest rate. CHP considers Taipower Company did not have basis to claim damage compensation because there is no infringement intended due to the fact that the bilateral rights and obligations are subject to the power purchase and sales contract. In addition, Taipower Company's indemnity claim falls under the jurisdiction of civil courts instead of administrative courts; therefore, the Taipei High Administrative Court is not competent to try the case.

CHP and Taipower Company did not reach an agreement in the civil mediation council meeting held on October 7, 2015. Later, Taipower Company included the damage compensation claimed in the civil mediation in the administrative litigation appeal and the total compensation claimed in the statement of the administrative litigation amounted to NT\$3.75 billion plus interest from November 11, 2007 to the settlement date with a 5% annual interest rate. On November 27, 2015, the administrative court indicated that the litigation proceedings are suspended until the administrative court makes the final judgment of the Act Disposition. Besides, the civil proceedings will be heard in Taipei District Court.

CHP did not consider the payment of the indemnity will be possible unless Taipower Company can provide proof that the damage was caused by CHP and their appeal is not filed beyond the statute of limitation. As of the date the financial statements were authorized for issue, the amount of the compensation cannot be reasonably estimated since Taipower Company only claims for the minimum payment. Furthermore, CHP can hardly assess the possible impact that the case will have on its financial position on the early stage. CHP did not recognize any contingent liabilities.

44. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2015

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
RMB	\$ 232,091	5.0473	\$ 1,171,430
USD	324,683	32.775	10,641,490
HKD	2,011	4.205	8,455
AUD	2,699	23.87	64,417
Non-monetary items			
USD	65,295	32.775	2,140,037
HKD	3,256,727	4.205	13,694,537
<u>Financial liabilities</u>			
Monetary items			
USD	1,163,973	32.775	38,149,201

December 31, 2014

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
RMB	\$ 192,517	5.1642	\$ 994,203
USD	336,568	31.6	10,635,555
HKD	50,309	4.05	203,753
AUD	2,623	25.79	67,646
Non-monetary items			
USD	83,433	31.6	2,636,486
HKD	3,154,187	4.05	12,774,456
<u>Financial liabilities</u>			
Monetary items			
USD	1,721,248	31.6	54,391,423

For the years ended December 31, 2015 and 2014, the total amounts of realized and unrealized net foreign exchange gains (losses) were \$(1,976,585) thousand and \$(556,001) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency because of the variety of the foreign currency transactions and functional currencies of the group entities.

45. SEPARATELY DISCLOSED ITEMS

Following are the additional disclosures required by the Securities and Futures Bureau for the Corporation and investees:

- a. Financing provided to others: Table 1 (attached).
- b. Endorsement/guarantee provided: Table 2 (attached).
- c. Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): Table 3 (attached).
- d. Marketable securities acquired and disposed of at costs or prices at least \$300 million or 20% of the paid-in capital: Table 4 (attached).
- e. Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
- f. Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
- g. Total purchase from or sale to related parties amounting to at least \$100 million or 20% of the paid-in capital: Table 5 (attached).
- h. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Table 6 (attached).
- i. Names, locations, and related information of investees on which the Corporation exercises significant influence (excluding investee companies in Mainland China): Table 7 (attached).

j. Derivative financial instrument transactions

- 1) The Corporation: Please refer to Note 7.
- 2) ACCHC entered into interest rate swap for the years ended 2015 and 2014 to manage exposure due to floating interest rate. There was no outstanding contract as of December 31, 2015.

k. Information on investments in Mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

l. Business relationships and significant intercompany transactions: Table 9 (attached).

46. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments were as follows: Cement, electric power, investment, engineering, transportation, stainless steel and leasing.

a. Segment revenues and results

Reportable operating segments' revenues and profits are as follows:

	Segment Revenue		Segment Profit	
	Years Ended December 31		Years Ended December 31	
	2015	2014	2015	2014
Cement	\$ 52,017,617	\$ 61,112,156	\$ 2,277,287	\$ 6,632,661
Electric power	7,026,295	9,805,830	1,301,438	1,001,958
Investment	550,815	400,043	194,273	35,780
Engineering	461,328	429,918	69,291	40,016
Transportation	1,694,491	1,648,250	266,769	305,723
Stainless steel	4,163,902	3,899,411	(269,029)	18,900
Leasing	<u>373,032</u>	<u>387,673</u>	<u>199,916</u>	<u>213,366</u>
	<u>\$ 66,287,480</u>	<u>\$ 77,683,281</u>	<u>4,039,945</u>	<u>8,248,404</u>
Non-operating income and expenses			<u>2,774,213</u>	<u>5,471,335</u>
Income before income tax			<u>\$ 6,814,158</u>	<u>\$ 13,719,739</u>

Segment revenue reported above represents revenue generated from external customers.

b. Segment assets and liabilities, and other segment information

The Group does not report segment assets and liabilities or other segment information to the chief operating decision maker. Therefore, no information is disclosed here.

c. Geographical information

The Group operates principally in Taiwan and China. The Group and its subsidiaries' revenue from continuing operations from external customers and information about its noncurrent assets by geographical location are detailed below.

	Revenue from External Customers		Noncurrent Assets	
	Years Ended December 31		December 31,	
	2015	2014	2015	2014
China	\$ 32,622,468	\$ 40,833,240	\$ 62,995,237	\$ 67,051,567
Taiwan	28,397,470	31,865,369	47,225,642	45,650,532
Others	<u>5,267,542</u>	<u>4,984,672</u>	<u>741,365</u>	<u>671,754</u>
	<u>\$ 66,287,480</u>	<u>\$ 77,683,281</u>	<u>\$ 110,962,244</u>	<u>\$ 113,373,853</u>

Revenue was categorized depending on customers' location. Noncurrent assets excluded those classified as held for sale, financial instruments, deferred tax assets, post-employment benefit assets, and assets arising from insurance contracts.

d. Information of major customers

	2015		2014	
	Amount	%	Amount	%
Taiwan Power Company	<u>\$ 7,026,295</u>	<u>11</u>	<u>\$ 9,805,830</u>	<u>13</u>

TABLE 1

ASIA CEMENT CORPORATION AND INVESTEEES

FINANCING PROVIDED TO OTHERS

YEAR ENDED DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
1	ACCHC	YYDCCL	Other receivables	Y	US\$56,000 thousand (equivalent to NT\$1,835,400 thousand)	US\$30,000 thousand (equivalent to NT\$983,250 thousand)	US\$30,000 thousand (equivalent to NT\$983,250 thousand)	2.53%-2.84%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	20% of net worth RMB1,859,868 thousand (equivalent to NT\$9,387,282 thousand)	50% of net worth RMB4,649,671 thousand (equivalent to NT\$23,468,210 thousand)
		JYDC	Other receivables	Y	US\$137,000 thousand (equivalent to NT\$4,490,175 thousand)	US\$35,000 thousand (equivalent to NT\$1,147,125 thousand)	US\$35,000 thousand (equivalent to NT\$1,147,125 thousand)	2.55%-2.71%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		JYDC	Other receivables	Y	RMB372,000 thousand (equivalent to NT\$1,877,590 thousand)	RMB186,000 thousand (equivalent to NT\$938,794 thousand)	RMB186,000 thousand (equivalent to NT\$938,794 thousand)	4.50%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		HYDCCL	Other receivables	Y	US\$135,000 thousand (equivalent to NT\$4,424,625 thousand)	US\$50,000 thousand (equivalent to NT\$1,638,750 thousand)	US\$50,000 thousand (equivalent to NT\$1,638,750 thousand)	2.54%-2.78%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SIYDCCL	Other receivables	Y	US\$160,000 thousand (equivalent to NT\$5,244,000 thousand)	US\$80,000 thousand (equivalent to NT\$2,622,000 thousand)	US\$80,000 thousand (equivalent to NT\$2,622,000 thousand)	2.54%-3.14%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYDC	Other receivables	Y	US\$17,000 thousand (equivalent to NT\$557,175 thousand)	-	-	2.55%-2.77%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		FENC	Other receivables	Y	US\$136,000 thousand (equivalent to NT\$4,457,400 thousand)	US\$68,000 thousand (equivalent to NT\$2,228,700 thousand)	US\$63,867 thousand (equivalent to NT\$2,093,238 thousand)	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		FENC	Other receivables	Y	RMB205,000 thousand (equivalent to NT\$1,034,692 thousand)	RMB205,000 thousand (equivalent to NT\$1,034,692 thousand)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		Yuan Ding (Shanghai)	Other receivables	Y	RMB217,600 thousand (equivalent to NT\$1,098,291 thousand)	RMB108,800 thousand (equivalent to NT\$549,144 thousand)	RMB42,208 thousand (equivalent to NT\$213,038 thousand)	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
2	PIHPL	SIYDCCL	Other receivables	Y	US\$30,000 thousand (equivalent to NT\$983,250 thousand)	US\$30,000 thousand (equivalent to NT\$983,250 thousand)	US\$30,000 thousand (equivalent to NT\$983,250 thousand)	2.55%-2.71%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB2,440,964 thousand (equivalent to NT\$12,320,239 thousand)	50% of net worth RMB6,102,410 thousand (equivalent to NT\$30,800,596 thousand)
3	YTRMC	YTV	Other receivables	Y	US\$1,000 thousand (equivalent to NT\$32,775 thousand)	-	-	5.00%	Necessary for short-term financing	-	Operating capital	-	-	-	10% of net worth NT\$162,346 thousand	50% of net worth NT\$811,730 thousand

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
4	OHC	NYLC	Other receivables	Y	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	-	4.60%-5.35%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	20% of net worth RMB313,371 thousand (equivalent to NT\$1,581,672 thousand)	50% of net worth RMB783,428 thousand (equivalent to NT\$3,954,184 thousand)
		WYXC	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		TZOCCL	Other receivables	Y	RMB30,000 thousand (equivalent to NT\$151,418 thousand)	RMB30,000 thousand (equivalent to NT\$151,418 thousand)	RMB15,000 thousand (equivalent to NT\$75,709 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SHYLCP	Other receivables	Y	RMB100,000 thousand (equivalent to NT\$504,728 thousand)	RMB100,000 thousand (equivalent to NT\$504,728 thousand)	RMB95,000 thousand (equivalent to NT\$479,491 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SYCPCL	Other receivables	Y	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
5	JYDC	TZOCCL	Other receivables	Y	RMB50,000 thousand (equivalent to NT\$252,364 thousand)	RMB50,000 thousand (equivalent to NT\$252,364 thousand)	-	5.10%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB812,522 thousand (equivalent to NT\$4,101,029 thousand)	50% of net worth RMB2,031,304 thousand (equivalent to NT\$10,252,568 thousand)
		NYLC	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	-	5.10%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB635,000 thousand (equivalent to NT\$3,205,021 thousand)	RMB635,000 thousand (equivalent to NT\$3,205,021 thousand)	RMB375,000 thousand (equivalent to NT\$1,892,729 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
6	JYLTC	SHYLCP	Other receivables	Y	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	-	4.60%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB10,467 thousand (equivalent to NT\$52,830 thousand)	50% of net worth RMB26,166 thousand (equivalent to NT\$132,067 thousand)
		NYLC	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	-	5.10%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYCPL	Other receivables	Y	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	-	5.10%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
7	NYDC	SHYLCP	Other receivables	Y	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	-	4.60%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB32,252 thousand (equivalent to NT\$162,785 thousand)	50% of net worth RMB80,631 thousand (equivalent to NT\$406,968 thousand)
		NYLC	Other receivables	Y	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
8	HYDCCL	WYXC	Other receivables	Y	RMB80,000 thousand (equivalent to NT\$403,782 thousand)	RMB80,000 thousand (equivalent to NT\$403,782 thousand)	RMB25,000 thousand (equivalent to NT\$126,182 thousand)	4.35%-5.35%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	20% of net worth RMB447,636 thousand (equivalent to NT\$2,259,346 thousand)	50% of net worth RMB1,119,089 thousand (equivalent to NT\$5,648,360 thousand)
		HXMC	Other receivables	Y	RMB40,000 thousand (equivalent to NT\$201,891 thousand)	RMB40,000 thousand (equivalent to NT\$201,891 thousand)	RMB25,000 thousand (equivalent to NT\$126,182 thousand)	4.60%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYCPCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	-	4.60%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB190,000 thousand (equivalent to NT\$958,983 thousand)	RMB190,000 thousand (equivalent to NT\$958,983 thousand)	RMB170,000 thousand (equivalent to NT\$858,037 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
9	YYDCCL	TZOCCL	Other receivables	Y	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB69,406 thousand (equivalent to NT\$350,312 thousand)	50% of net worth RMB173,514 thousand (equivalent to NT\$875,774 thousand)
10	SYTCL	SYCPCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB12,543 thousand (equivalent to NT\$63,308 thousand)	50% of net worth RMB31,358 thousand (equivalent to NT\$158,273 thousand)
		CYCPCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
11	SIYDCCL	SLCL	Other receivables	Y	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	-	4.60%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB711,507 thousand (equivalent to NT\$3,591,178 thousand)	50% of net worth RMB1,778,768 thousand (equivalent to NT\$8,977,947 thousand)
		SYCPCL	Other receivables	Y	RMB35,000 thousand (equivalent to NT\$176,655 thousand)	RMB35,000 thousand (equivalent to NT\$176,655 thousand)	RMB35,000 thousand (equivalent to NT\$176,655 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		CYCPCL	Other receivables	Y	RMB25,000 thousand (equivalent to NT\$126,182 thousand)	RMB25,000 thousand (equivalent to NT\$126,182 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCCL	Other receivables	Y	RMB30,000 thousand (equivalent to NT\$151,418 thousand)	RMB30,000 thousand (equivalent to NT\$151,418 thousand)	RMB30,000 thousand (equivalent to NT\$151,418 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
12	WYDC	WYXC	Other receivables	Y	RMB60,000 thousand (equivalent to NT\$302,837 thousand)	RMB60,000 thousand (equivalent to NT\$302,837 thousand)	RMB60,000 thousand (equivalent to NT\$302,837 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB121,452 thousand (equivalent to NT\$613,003 thousand)	50% of net worth RMB303,631 thousand (equivalent to NT\$1,532,512 thousand)
		WYCPCL	Other receivables	Y	RMB75,000 thousand (equivalent to NT\$378,546 thousand)	RMB75,000 thousand (equivalent to NT\$378,546 thousand)	RMB70,000 thousand (equivalent to NT\$353,309 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
		SLCL	Other receivables	Y	RMB75,000 thousand (equivalent to NT\$378,546 thousand)	RMB75,000 thousand (equivalent to NT\$378,546 thousand)	RMB65,000 thousand (equivalent to NT\$328,073 thousand)	4.35%-5.35%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	Same as above	Same as above

Note 1: The net value was calculated based on audited financial statements as of December 31, 2015.

Note 2: The ending balance is the financing credit lines to the respective borrowers approved by the board of directors of lenders.

Note 3: The interest rate was for the year ended December 31, 2015.

Note 4: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2015.

(Concluded)

TABLE 2**ASIA CEMENT CORPORATION AND INVESTEEES****ENDORSEMENTS/GUARANTEES PROVIDED****YEAR ENDED DECEMBER 31, 2015****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 3)										
0	The Corporation	AIC	b.	50% of net worth (\$67,949,436)	\$ 12,326,500	\$ 11,988,750	\$ 5,760,000	None	8.82	100% of net worth (\$135,898,873)	Y	-	-
		DCI	b.	Same as above	8,425,660	8,425,075	2,850,000	None	6.20	Same as above	Y	-	-
		NHC	b.	Same as above	1,305,400	1,304,500	475,000	None	0.96	Same as above	Y	-	-
		AEE	b.	Same as above	481,280	481,100	220,000	None	0.35	Same as above	Y	-	-
		YLPPC	b.	Same as above	534,511	534,511	279,378	None	0.39	Same as above	Y	-	-
		YTRMC	b.	Same as above	50,000	-	-	None	-	Same as above	Y	-	-
		YSRMC	c.	Same as above	150,000	150,000	5,000	None	0.11	Same as above	Y	-	-
1	DCI	FSMS	b.	50% of net worth (\$4,366,988)	130,000	130,000	50,000	None	1.49	100% of net worth (\$8,733,976)	-	-	-
2	YLPPC	YLP CIP	b.	50% of net worth (\$62,395)	3,400	-	-	None	-	100% of net worth (\$124,789)	-	-	-
3	AOG	PEREZ	b.	50% of net worth (US\$2,078 thousand) (equivalent to NT\$68,106 thousand)	15,800	-	-	None	-	100% of net worth (US\$4,157 thousand) (equivalent to NT\$136,246 thousand)	-	-	-
4	ACCHC	PIHPL	b.	50% of net worth (RMB4,649,671 thousand) (equivalent to NT\$23,468,210 thousand)	984,600	983,250	983,250	None	2.09	100% of net worth (RMB9,299,342 thousand) (equivalent to NT\$46,936,420 thousand)	-	-	N

Note 1: The net value was calculated based on audited financial statements as of December 31, 2015.

Note 2: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2015.

Note 3: The relationship between guarantor and guarantee are as follows:

- a. Firms that do business with the Corporation.
- b. Subsidiaries' common stocks which were directly owned by parent company over 50%.
- c. Investees' common stocks which were both owned by parent company and subsidiary over 50%.

TABLE 3

ASIA CEMENT CORPORATION AND INVESTEEES (EXCLUDING SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)

MARKETABLE SECURITIES HELD

DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	<u>Beneficiary certificates</u>							
	Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	10,000,000	\$ 159,300	-	\$ 159,300	
	<u>Common stocks</u>							
	Far EasTone	The same chairman	Available-for-sale financial assets - current	31,034,372	2,097,924	0.95	2,097,924	
	China Conch Venture Holding	-	Same as above	16,243,000	1,096,927	0.90	1,096,927	
	FEDS	The same chairman	Available-for-sale financial assets - noncurrent	80,052,950	1,460,966	5.65	1,460,966	
	OUCC	The same chairman	Same as above	63,766,522	1,335,909	7.20	1,335,909	
	CHC	The Corporation is its director	Same as above	20,728,350	1,239,555	9.17	1,239,555	
	FEIB	The chairman of the Corporation is its vice-chairman	Same as above	71,698,756	701,931	2.36	701,931	
	China Shanshui Cement Group Ltd.	-	Same as above	279,870,500	4,854,525	8.28	4,854,525	
	KRT	-	Financial assets carried at cost - noncurrent	15,873,243	96,266	5.70	165,602	
	Taiwan Stock Exchange Corp.	-	Same as above	7,642,044	23,752	1.16	570,207	Note 6
	DDH	Related party in substance	Same as above	14,284,936	39,515	13.73	32,318	
	L' Hotel de Chine Hotel	-	Same as above	505,811	11,441	0.36	16,547	
	China Trade & Development Corp.	-	Same as above	250,003	3,902	0.38	5,607	
	Pan Asia Engineers & Constructors Corp.	The Corporation is its supervisor	Same as above	1,551,395	2,250	1.36	22,104	
	Linkou Recreation Corporation	-	Same as above	5	-	0.50	3,373	
DCI	<u>Beneficiary certificates</u>							
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	400,000	24,300	-	24,300	
	Mega Target Return Strategy Fund of ETF Funds	-	Same as above	1,000,811	10,014	-	10,014	
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Available-for-sale financial assets - noncurrent	8,000	265,616	-	265,616	
	Opas Fund Segregated Portfolio Tranche B	Related party in substance	Same as above	2,840	132,721	-	132,721	
	Opas Fund Segregated Portfolio Tranche E	Related party in substance	Same as above	15,871	581,035	-	581,035	
	<u>Common stocks</u>							
	HTCL	-	Financial assets at fair value through profit or loss - current	2,772,414	27,863	0.73	27,863	
	Chunghwa Picture Tubes, Ltd.	-	Same as above	275,223	201	-	201	
	FEIB	The chairman of the Corporation's major stockholder is its vice-chairman	Available-for-sale financial assets - current	34,262,184	335,427	1.13	335,427	
	OUCC	Same chairman with the major stockholder	Same as above	41,246	864	-	864	
	Industrial and Commercial Bank of China Limited, A share	-	Same as above	1,000,000	23,117	-	23,117	
	Anhui Conch Cement Ltd.	-	Same as above	700,000	61,372	0.01	61,372	
	Taiwan Cement Co., Ltd.	-	Same as above	6,459,000	176,331	0.17	176,331	
	HTCL	-	Same as above	6,054,300	60,846	1.60	60,846	
	Chinares Cement Co.	-	Same as above	4,100,000	41,032	0.06	41,032	
	GIGABYTE Technology Co., Ltd.	-	Same as above	2,109,000	76,873	0.34	76,873	
	China Life Insurance Company Limited, H share	-	Same as above	607,000	63,938	-	63,938	
	China Construction Bank Corporation, A share	-	Same as above	2,500,000	72,933	-	72,933	
	FEDS	Same chairman with the major stockholder	Available-for-sale financial assets - noncurrent	13,630,966	248,765	0.96	248,765	Note 4
	OUCC	Same chairman with the major stockholder	Same as above	10,506,792	220,117	1.19	220,117	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
NHC	CHC	The major stockholder is its director	Same as above	4,375,013	\$ 261,626	1.94	\$ 261,626	
	FEIB	The chairman of the Corporation's major stockholder is its vice-chairman	Same as above	88,570,375	867,104	2.92	867,104	
	China Shanshui Cement Group Ltd.	-	Same as above	56,297,000	976,506	1.67	976,506	
	Picvue Electronics Co., Ltd.	-	Financial assets carried at cost - current	161,700	-	-	-	
	DDH	Same chairman with the major stockholder	Financial assets carried at cost - noncurrent	5,487,169	12,786	5.27	12,414	
	Far Eastern International Leasing Corp.	The Corporation is its director	Same as above	45,258,938	602,813	10.14	687,616	
	<u>Bonds</u> China Shanshui Cement Group Ltd. 7.5%	-	Available-for-sale financial assets - noncurrent	-	266,185	-	266,185	
	<u>Common stocks</u> Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through profit or loss - current	50,000	3,380	-	3,380	
	China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	9,250,000	160,447	0.27	160,447	
	<u>Common stocks</u> Far EasTone	Same chairman with the major stockholder	Available-for-sale financial assets - current	230,000	15,548	0.01	15,548	
FMT	Beneficiary certificates Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund DWS Global AgriBusiness DWS Asia High Yield Bond Income Fund B	- - - -	Financial assets at fair value through profit or loss - current Same as above Same as above	709,009 3,815,660 2,158,525	11,295 36,859 25,516	- - -	11,295 36,859 25,516	
FDT	<u>Common stocks</u> Everest Textile Co., Ltd.	The chairman of the Corporation is its chairman	Available-for-sale financial assets - current	12,272,666	184,090	2.60	184,090	
	OUCC	The chairman of the Corporation is its director	Same as above	2,256,782	47,280	0.25	47,280	
	FEDS	-	Available-for-sale financial assets - noncurrent	1,185,713	21,639	0.08	21,639	
	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost - noncurrent	5,840,505	47,531	5.94	65,277	
	<u>Common stocks</u> FEIB	The chairman of the Corporation is its vice-chairman by the ultimate parent company	Available-for-sale financial assets - current	269,075	2,634	0.01	2,634	
	FEDS	The chairman of the Corporation is its vice-chairman	Available-for-sale financial assets - noncurrent	935,029	17,064	0.07	17,064	
	OUCC	Same chairman with the ultimate parent company	Same as above	3,254,125	68,174	0.37	68,174	
	DDMC	-	Financial assets carried at cost - noncurrent	685,704	8,376	16.00	10,705	
	<u>Common stocks</u> Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through profit or loss - current	120,000	8,112	-	8,112	
	DDMC	-	Financial assets carried at cost - noncurrent	216,000	900	5.04	3,372	
AEE	China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	8,368,000	145,148	0.25	145,148	
YLPPC	<u>Common stocks</u> Far EasTone	The director of the Corporation is its chairman	Available-for-sale financial assets - current	105,000	7,098	-	7,098	
	Yamay International Development Corp.	-	Financial assets carried at cost - noncurrent	15	-	-	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
AIC	<u>Beneficiary certificates</u> Opas Fund Segregated Portfolio Tranche A	Related party in substance	Available-for-sale financial assets - noncurrent	8,000	\$ 265,616	-	\$ 265,616	Note 5
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Same as above	4,016	163,083	-	163,083	
	Opas Fund Segregated Portfolio Tranche E	Related party in substance	Same as above	4,317	158,049	-	158,049	
	<u>Bonds</u> China Shanshui Cement Group Ltd. 7.5%	-	Available-for-sale financial assets - noncurrent	-	266,185	-	266,185	
	<u>Common stocks</u> Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through profit or loss - current	130,000	8,788	-	8,788	
	HTCL	-	Available-for-sale financial assets - current	19,844,100	199,433	5.24	199,433	
	Hon Hai Precision Ind. Co., Ltd.	-	Same as above	525,000	42,420	-	42,420	
	GIGABYTE Technology Co., Ltd.	-	Same as above	1,800,000	65,610	0.29	65,610	
	Industrial and Commercial Bank of China Limited, A share	-	Same as above	3,000,000	69,350	-	69,350	
	China Construction Bank Corporation, A share	-	Same as above	3,399,958	99,188	-	99,188	
	China Life Insurance Company Limited, A share	-	Same as above	540,000	77,160	-	77,160	
	China Life Insurance Company Limited, H share	-	Same as above	986,000	103,861	-	103,861	
	FEIB	The chairman of the Corporation's major stockholder is its vice-chairman	Available-for-sale financial assets - noncurrent	122,847,338	1,202,675	4.05	1,202,675	
	OUCC	Same chairman with the major stockholder	Same as above	1,552,156	32,518	0.18	32,518	
	FEDS	Same chairman with the major stockholder	Same as above	4,473,972	81,650	0.32	81,650	
	Far EasTone	Same chairman with the major stockholder	Same as above	856,303	57,886	0.03	57,886	
	Bank of Chongqing	-	Same as above	1,433,500	42,135	0.09	42,135	
	China Shanshui Cement Group Ltd.	-	Same as above	31,528,000	546,872	0.93	546,872	
	DSI	The Corporation is its director	Financial assets carried at cost - noncurrent	39,600,000	396,000	18.00	355,328	
AC Mega Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	30,251,000	524,722	0.90	524,722	
AC Leap Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	35,569,000	616,966	1.05	616,966	
AC Mega II Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	16,058,000	278,536	0.47	278,536	
AC Mega III Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	18,477,000	320,495	0.55	320,495	
AC Mega IV Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	37,410,000	648,899	1.11	648,899	
Asia Cement Explorer Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	7,480,000	129,745	0.22	129,745	
Asia Cement Pioneer Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	107,536,000	1,865,278	3.18	1,865,278	
	Cementon Micronesia L.L.C.	-	Financial assets carried at cost - noncurrent	Note 1	121,914	10.00	121,914	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Cement Pioneer II Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	36,865,000	\$ 639,446	1.09	\$ 639,446	
Asia Cement Pioneer III Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	14,790,000	256,542	0.44	256,542	
Asia Cement Pioneer IV Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	18,514,000	321,137	0.55	321,137	
FSMS	<u>Common stocks</u> Stone Industry Resource System Corp	-	Financial assets carried at cost - noncurrent	10,000	70	0.15	144	
YLT	<u>Beneficiary certificates</u> Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	350,000	21,263	-	21,263	
	<u>Common stocks</u> FEIB	The chairman of the Corporation's major stockholder is its vice-chairman	Available-for-sale financial assets - noncurrent	2,745,903	26,882	0.09	26,882	
	Far EasTone	Same chairman with the major stockholder	Same as above	71,099	4,806	-	4,806	
YLSS	<u>Common stocks</u> Far EasTone	Same chairman with the major stockholder	Available-for-sale financial assets - current	130,000	8,788	-	8,788	
KCC	<u>Beneficiary certificates</u> iShare FTSE A50 China Index ETF	-	Available-for-sale financial assets - current	1,123,600	HK\$ 12,157 thousand	-	HK\$ 12,157 thousand	
	Opas Fund Segregated Portfolio Tranche E	-	Available-for-sale financial assets - noncurrent	882	HK\$ 7,691 thousand	-	HK\$ 7,691 thousand	
	<u>Common stocks</u> Industrial and Commercial Bank of China Limited, A share	-	Available-for-sale financial assets - current	2,250,000	HK\$ 12,300 thousand	-	HK\$ 12,300 thousand	
KCCL	<u>Beneficiary certificates</u> Opas Fund Segregated Portfolio Tranche C	Related party in substance	Available-for-sale financial assets - noncurrent	1,606	HK\$ 15,865 thousand	-	HK\$ 15,865 thousand	
	Allianz US High Yield Fund	-	Same as above	97,741	HK\$ 5,962 thousand	-	HK\$ 5,962 thousand	
ACSPL	<u>Beneficiary certificates</u> United Emerging Markets Bond Funds	-	Available-for-sale financial assets - current	3,232,758	SGD 4,348 thousand	-	SGD 4,348 thousand	
	United Growth Fund	-	Same as above	715,248	SGD 2,136 thousand	-	SGD 2,136 thousand	
	Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - noncurrent	1,606	SGD 2,814 thousand	-	SGD 2,814 thousand	
	Opas Fund Segregated Portfolio Tranche D	-	Same as above	6,750	SGD 10,907 thousand	-	SGD 10,907 thousand	
	<u>Common stocks</u> DBS Group	-	Financial assets at fair value through profit or loss - current	31,166	SGD 520 thousand	-	SGD 520 thousand	
	Guocoland Ltd.	-	Same as above	26,666	SGD 48 thousand	-	SGD 48 thousand	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
OCPL	Hong Leong Asia	-	Same as above	20,000	SGD 16 thousand	-	SGD 16 thousand	
	INTRACO	-	Same as above	46,875	SGD 13 thousand	-	SGD 13 thousand	
	Engro Corp Ltd.	-	Same as above	2,000	SGD 2 thousand	-	SGD 2 thousand	
	Jurong Cement	-	Available-for-sale financial assets - noncurrent	2,000	SGD 5 thousand	-	SGD 5 thousand	
	<u>Common stocks</u> Hiap Hoe Ltd.	-	Financial assets at fair value through profit or loss - current	44,260	SGD 31 thousand	-	SGD 31 thousand	

Note 1: This is not a company limited by shares.

Note 2: Marketable securities in this table are stocks, bonds, beneficiary certificates and securities derived from these items under IAS 39 “Financial Instruments: Recognition and Measurement”.

Note 3: The carrying amounts of financial instruments measured at fair values are adjusted for fair value less accumulated impairment loss; the carrying amounts of financial instruments not measured at fair values are the original cost or amortized cost less accumulated impairment loss.

Note 4: 5,000 thousand shares (\$91,250 thousand) of the securities are pledged as collaterals for bank loans of DCI.

Note 5: 3,500 thousand shares (\$63,875 thousand) of the securities are pledged as collaterals for bank loans of AIC.

Note 6: The market value was calculated on the basis of the closing price on the Taiwan Stock Exchange as of the balance sheet date.

(Concluded)

TABLE 4

ASIA CEMENT CORPORATION AND INVESTEEES

**MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Amounts Addition (Deduction) Recognized under the Equity Method	Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal		Shares/Units	Amount
The Corporation	<u>Common stocks</u> China Conch Venture Holding	Available-for-sale financial assets - current	-	-	22,000,000	\$ 1,505,790	-	\$ -	5,757,000	\$ 556,788	\$ 301,340	\$ 255,448	\$ -	16,243,000	\$ 1,096,927 (Note 3)
ACCHC	<u>Common stocks</u> PIHPL	Investment in Subsidiaries	Cash capital increment	-	8,395,178	US\$ 2,016,737 thousand	(Note 2)	US\$ 20,000 thousand	-	-	-	-	US\$ (157,222) thousand	9,287,201 (Note 2)	US\$ 1,879,515 thousand
PIHPL	<u>Common stocks</u> OIHPL	Investment in Subsidiaries	Cash capital increment	-	593,191,256	US\$ 1,442,660 thousand	(Note 2)	US\$ 20,000 thousand	-	-	-	-	US\$ (116,287) thousand	691,139,974 (Note 2)	US\$ 1,346,373 thousand
OIHPL	<u>Common stocks</u> OHC	Investment in Subsidiaries	Cash capital increment	-	(Note 1)	US\$ 224,469 thousand	(Note 1)	US\$ 20,000 thousand	-	-	-	-	US\$ (3,177) thousand	(Note 1)	US\$ 241,292 thousand
OHC	<u>Common stocks</u> SIYDCCL	Investment in Subsidiaries	Cash capital increment	-	(Note 1)	RMB 176,684 thousand	(Note 1)	RMB 122,868 thousand	-	-	-	-	RMB 56,202 thousand	(Note 1)	RMB 355,754 thousand
SIYDCCL	<u>Common stocks</u> SLCL	Investment in Subsidiaries	Cash capital increment	-	(Note 1)	RMB 1,042,642 thousand	(Note 1)	RMB 250,000 thousand	-	-	-	-	RMB (58,160) thousand	(Note 1)	RMB 1,234,482 thousand
ACSPL	<u>Bonds</u> China Shanshui Cement Group Ltd. 10.5%	Available-for-sale financial assets - noncurrent	Redemption	-	-	SGD 14,265 thousand	-	-	-	SGD 13,562 thousand	SGD 13,094 thousand	SGD 468 thousand	-	-	-
AIC	<u>Bonds</u> China Shanshui Cement Group Ltd. 10.5%	Available-for-sale financial assets - noncurrent	Redemption	-	-	333,222	-	-	-	306,412	296,291	10,121	-	-	-

Note 1: This is not a company limited by shares.

Note 2: The share/units exclude the cash capital increment which was not registered yet.

Note 3: The amount included the revaluation gain (loss) on financial assets.

TABLE 5

ASIA CEMENT CORPORATION AND INVESTEEES

**TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	YTRMC	A subsidiary of the Corporation	Sales	\$ (1,662,917)	(14)	45 days after monthly closing	\$ -	-	\$ 284,471	31	
	ACSPL	A subsidiary of the Corporation	Sales	(807,936)	(7)	Average 30 days	-	-	34,375	4	
	U-Ming	An investee accounted for by equity method	Sales freight expense	694,808	7	Average 60 days	-	-	(80,299)	(5)	
	NHC	A subsidiary of the Corporation	Purchase	396,400	4	45 days after monthly closing	-	-	(26,663)	(2)	
	U-Ming Singapore	An investee accounted for by equity method	Purchase freight expense	238,640	2	Average 10 days	-	-	-	-	
	JYDC	A subsidiary of the Corporation	Purchase	285,201	3	Within 7 days	-	-	-	-	
	YSRMC	A subsidiary of the Corporation	Sales	(214,730)	(2)	45 days after monthly closing	-	-	23,319	3	
	YLT	A subsidiary of the Corporation	Sales freight expense	204,965	2	Average 30 days	-	-	(21,904)	(1)	
	SHSTC	An investee accounted for by equity method	Sales	(183,677)	(2)	Average 60 days	-	-	27,164	3	
ACSPL	The Corporation	Parent company	Purchase	SGD 35,213 thousand	74	Average 30 days	-	-	SGD (1,490) thousand	(22)	
	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	Sales	SGD (23,010) thousand	(50)	Average 60 days	-	-	SGD 4,151 thousand	57	
YTRMC	The Corporation	Parent company	Purchase	1,662,917	22	45 days after monthly closing	-	-	(284,471)	(26)	
	CHC	Related party in substance	Purchase	262,133	3	45 days after monthly closing	-	-	(34,943)	(3)	
	FEGC	Related party in substance	Sales	(393,550)	(5)	Average 90 days	-	-	112,537	5	
YSRMC	The Corporation	Parent company	Purchase	214,730	28	45 days after monthly closing	-	-	(23,319)	(22)	
YLT	The Corporation	Parent company	Sales	(204,965)	(70)	Average 30 days	-	-	21,904	58	
FMT	Air Liquide Far Eastern Co.	Related party in substance	Sales	(113,365)	(14)	120 days after monthly closing	-	-	47,308	37	
	FENC	An investee accounted for by equity method	Sales	(167,083)	(21)	60 days	-	-	25,472	20	
FDT	FENC	An investee accounted for by equity method	Sales	(246,724)	(43)	60 days	-	-	34,874	32	
NHC	The Corporation	Parent company	Sales	(396,400)	(82)	45 days after monthly closing	-	-	26,663	72	
JYDC	The Corporation	Parent company	Sales	RMB (56,072)	(2)	Within 7 days	-	-	-	-	
	JYLTC	A subsidiary of the Corporation	Sales freight expense	RMB 33,765 thousand	1	Within 90 days	-	-	RMB (6,598) thousand	(3)	
	WYDC	The same ultimate parent company	Sales	RMB (167,637) thousand	(7)	Average 30 days	-	-	RMB 19,081 thousand	7	
	WAMTC	An investee accounted for by equity method	Sales freight expense	RMB 34,676 thousand	2	Within 90 days	-	-	RMB (10,441) thousand	(5)	
	NYLC	A subsidiary of the Corporation	Purchase	RMB 20,981 thousand	1	Within 90 days	-	-	RMB (2,192) thousand	(1)	
	NYLC	A subsidiary of the Corporation	Sales	RMB (22,058) thousand	(1)	Within 90 days	-	-	RMB 2,105 thousand	1	
	NYDC	A subsidiary of the Corporation	Sales	RMB (78,297) thousand	(3)	Average 15 days	-	-	RMB 10,727 thousand	4	
	NYDC	A subsidiary of the Corporation	Purchase	RMB 184,534 thousand	8	Average 15 days	-	-	RMB (49,063) thousand	(23)	

(Continued)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
	TZOCCL	The same ultimate parent company	Sales	RMB (27,857) thousand	(1)	Within 90 days	\$ -	-	RMB 7,043 thousand	3	
	YYDCCL	The same ultimate parent company	Sales	RMB (210,647) thousand	(8)	Within 90 days	-	-	RMB 27,592 thousand	10	
	HYDCCL	The same ultimate parent company	Sales	RMB (31,838) thousand	(1)	Average 30 days	-	-	RMB 10,083 thousand	4	
	HYDCCL	The same ultimate parent company	Purchase	RMB 20,198 thousand	1	Average 30 days	-	-	RMB (4,224) thousand	(2)	
	HGYDC	The same ultimate parent company	Purchase	RMB 27,767 thousand	1	Average 30 days	-	-	RMB (4,335) thousand	(2)	
NYDC	JYDC	Parent company	Sales	RMB (184,534) thousand	(100)	20 days after monthly closing	-	-	RMB 49,063 thousand	97	
	JYDC	Parent company	Purchase	RMB 78,297 thousand	46	20 days after monthly closing	-	-	RMB (10,727) thousand	(67)	
NYLC	JYDC	Parent company	Sales	RMB (20,981) thousand	(13)	Average 30 days	-	-	RMB 2,192 thousand	2	
	JYDC	Parent company	Purchase	RMB 22,058 thousand	17	Average 30 days	-	-	RMB (2,105) thousand	(36)	
SIYDCCL	SYTCL	The same ultimate parent company	Sales freight expense	RMB 53,450 thousand	6	Within 90 days	-	-	RMB (6,634) thousand	(11)	
	SLCL	A subsidiary of the Corporation	Sales	RMB (51,984) thousand	(5)	Within 90 days	-	-	RMB 6,549 thousand	1	
HGYDC	HYDCCL	The same ultimate parent company	Sales	RMB (71,836) thousand	(15)	Average 30 days	-	-	RMB 47 thousand	-	
	JYDC	The same ultimate parent company	Sales	RMB (27,267) thousand	(6)	Average 30 days	-	-	RMB 4,335 thousand	40	
WYDC	JYDC	The same ultimate parent company	Purchase	RMB 167,637 thousand	45	Average 30 days	-	-	RMB (19,081) thousand	(25)	
	HYDCCL	The same ultimate parent company	Purchase	RMB 22,856 thousand	6	Average 30 days	-	-	RMB (130) thousand	-	
YYDCCL	JYDC	The same ultimate parent company	Purchase	RMB 210,647 thousand	45	Within 90 days	-	-	RMB (27,592) thousand	(11)	
SLCL	SYTCL	The same ultimate parent company	Sales freight expense	RMB 29,070 thousand	5	Within 90 days	-	-	RMB (5,116) thousand	(7)	
	SIYDCCL	A subsidiary of the Corporation	Purchase	RMB 51,984 thousand	9	Within 90 days	-	-	RMB (6,549) thousand	(9)	
HYDCCL	JYDC	The same ultimate parent company	Sales	RMB (20,198) thousand	(2)	Average 30 days	-	-	RMB 4,224 thousand	4	
	JYDC	The same ultimate parent company	Purchase	RMB 31,838 thousand	3	Average 30 days	-	-	RMB (10,083) thousand	(23)	
	WYDC	The same ultimate parent company	Sales	RMB (22,856) thousand	(2)	Average 30 days	-	-	RMB 130 thousand	-	
	WAMTC	An investee accounted for by equity method	Sales freight expense	RMB 41,106 thousand	4	Within 90 days	-	-	RMB (6,071) thousand	(14)	
	HYTCL	A subsidiary of the Corporation	Sales freight expense	RMB 26,232 thousand	3	Within 90 days	-	-	RMB (2,283) thousand	(5)	
	HGYDC	The same ultimate parent company	Purchase	RMB 71,836 thousand	8	Average 30 days	-	-	RMB (47) thousand	-	
JYLTC	JYDC	Parent company	Sales	RMB (33,765) thousand	(43)	Within 90 days	-	-	RMB 6,598 thousand	53	

(Continued)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
SYTCL	SIYDCCL	The same ultimate parent company	Sales	RMB (53,450) thousand	(45)	Within 90 days	-	-	RMB 6,634 thousand	35	
	SLCL	The same ultimate parent company	Sales	RMB (29,070) thousand	(24)	Within 90 days	-	-	RMB 5,116 thousand	27	
TZOCCL	JYDC	The same ultimate parent company	Purchase	RMB 27,857 thousand	94	Within 90 days	-	-	RMB (7,043) thousand	(16)	
HYTCL	HYDCCL	Parent company	Sales	RMB (26,232) thousand	(46)	Within 90 days	-	-	RMB 2,283 thousand	38	

(Concluded)

TABLE 6

ASIA CEMENT CORPORATION AND INVESTEEES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Corporation	YTRMC	A subsidiary of the Corporation	\$ 289,642	5.35 times	\$ -	-	\$ 48,914	\$ -
YTRMC	FEGC	Related party in substance	112,537	2.07 times	-	-	62,907	-
JYDC	YYDCCL	The same ultimate parent company	RMB 27,592 thousand	7.49 times	-	-	RMB 27,592 thousand	-
NYDC	JYDC	Parent company	RMB 49,063 thousand	4.40 times	-	-	RMB 49,063 thousand	-
OIHPL	HGYDC	The same ultimate parent company	RMB 30,730 thousand	Note 1	-	-	-	-
PIHPL	SIYDCCL	A subsidiary of the Corporation	US\$ 30,000 thousand	Note 2	-	-	-	-
ACCHC	YYDCCL	A subsidiary of the Corporation	US\$ 30,000 thousand	Note 2	-	-	-	-
	JYDC	A subsidiary of the Corporation	US\$ 35,000 thousand	Note 2	-	-	-	-
	JYDC	A subsidiary of the Corporation	RMB 186,000 thousand	Note 2	-	-	-	-
	HYDCCL	A subsidiary of the Corporation	US\$ 50,000 thousand	Note 2	-	-	-	-
	SIYDCCL	A subsidiary of the Corporation	US\$ 80,000 thousand	Note 2	-	-	-	-
	Yuan Ding (Shanghai)	Related party in substance	RMB 42,208 thousand	Note 2	-	-	-	-
	FENC	Related party in substance	US\$ 63,867 thousand	Note 2	-	-	-	-
OHC	SHYLCP	The same ultimate parent company	RMB 95,000 thousand	Note 2	-	-	-	-
JYDC	SLCL	The same ultimate parent company	RMB 375,000 thousand	Note 2	-	-	-	-
NYDC	NYLC	The same ultimate parent company	RMB 20,000 thousand	Note 2	-	-	-	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
HYDCCL	SLCL	The same ultimate parent company	RMB 170,000 thousand	Note 2	\$ -	-	\$ -	\$ -
	WYXC	A subsidiary of the Corporation	RMB 25,000 thousand	Note 2	-	-	-	-
	HXMC	Consolidated entity's investee accounted for by equity method	RMB 25,000 thousand	Note 2	-	-	-	-
SIYDCCL	SYCPCL	The same ultimate parent company	RMB 35,000 thousand	Note 2	-	-	-	-
	SLCCL	A subsidiary of the Corporation	RMB 30,000 thousand	Note 2	-	-	-	-
WYDC	SLCL	The same ultimate parent company	RMB 65,000 thousand	Note 2	-	-	-	-
	WYCPCL	A subsidiary of the Corporation	RMB 70,000 thousand	Note 2	-	-	-	-
	WYXC	The same ultimate parent company	RMB 60,000 thousand	Note 2	-	-	-	-

Note 1: The dividend receivable.

Note 2: The accounts receivable from financing.

(Concluded)

TABLE 7

ASIA CEMENT CORPORATION AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
The Corporation	ACC HC	Cayman	Investment	\$ 13,660,636	\$ 13,660,636	1,061,209,202	67.73	\$ 31,748,957	\$ (1,530,713)	\$ (1,036,752)	A subsidiary of the Corporation
	FENC	Taipei, Taiwan	Textile	3,459,787	3,459,787	1,272,277,085	23.77	39,046,768	8,034,885	1,733,012	A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	510,236	510,236	331,701,152	39.25	10,753,621	824,397	298,276	
	DCI	Taipei, Taiwan	Investment	2,555,255	2,555,255	565,063,189	99.99	12,825,928	965,983	966,527	
	CHP	Chiayi Taiwan	Power plant	3,119,492	3,119,492	280,093,521	59.59	5,637,104	1,081,108	644,261	A subsidiary of the Corporation
	YDC	Taipei, Taiwan	Construction	2,232,220	2,232,220	178,707,648	35.50	3,345,343	44,907	14,233	A subsidiary of the Corporation
	YYI	Taipei, Taiwan	Investment	911,058	911,058	155,000,803	29.92	1,825,213	505,662	151,296	
	ACSPL	Singapore	Cement	186,958	186,958	10,495,495	99.96	3,421,569	(105,627)	(105,585)	
	OSC	Taipei, Taiwan	Broker	154,207	154,207	135,092,154	18.93	1,869,637	(343,101)	(64,953)	A subsidiary of the Corporation
	AIC	Taipei, Taiwan	Investment	1,212,679	1,212,679	175,974,041	100.00	2,709,026	252,433	252,571	
	YTRMC	Taipei, Taiwan	Ready-mixed concrete, cement - related products	1,042,252	1,042,252	145,773,218	99.99	1,581,533	89,164	89,164	
	YLSS	Kaohsiung, Taiwan	Stainless steel	2,661,240	2,661,240	200,000,000	100.00	1,583,182	(264,742)	(283,774)	A subsidiary of the Corporation
	FMT	Taipei, Taiwan	Transportation	68,416	68,416	29,517,188	99.82	1,285,062	168,452	173,184	A subsidiary of the Corporation
	FEDSDL	Taipei, Taiwan	Retails	500,000	500,000	53,250,000	25.00	629,794	163,010	40,752	A subsidiary of the Corporation
	NHC	Taichung, Taiwan	Cement, granulated blast-furnace slag	410,994	410,994	26,128,171	99.94	403,029	7,424	7,346	
	YDLC	Taipei, Taiwan	Leasing	309,049	309,049	34,640,189	43.60	394,422	82,955	36,213	
	YLT	Hwalien, Taiwan	Transportation	22,110	22,110	5,100,000	51.00	258,232	27,974	14,333	A subsidiary of the Corporation
	AEE	Hwalien, Taiwan	Engineering	5,136	5,136	7,970,703	98.23	158,135	(830)	(816)	A subsidiary of the Corporation
	EISF	Kaohsiung, Taiwan	Iron and steel	31,463	31,463	3,199,823	40.40	75,988	14,315	5,783	A subsidiary of the Corporation
	YLPPC	Taipei, Taiwan	Cement - related products	144,961	144,961	16,241,083	83.81	114,008	38,394	32,741	
	SIHL	B.V.I.	Investment	2,898	2,898	90,000	100.00	49,975	2,322	2,322	
DCI	YDC	Taipei, Taiwan	Construction	289,982	289,982	72,989,090	14.50	1,364,803	44,907	Not applicable	A subsidiary of the Corporation
	FEGC	Taipei, Taiwan	Construction	140,138	140,138	103,080,349	33.76	3,894,123	1,966,902	Not applicable	
	FENC	Taipei, Taiwan	Textile	1,263,385	1,262,590	82,812,887	1.55	2,507,736	8,034,885	Not applicable	
	KCC	Hong Kong	Cement	36,024	36,024	1,127,000	49.00	478,536	HK\$ 14,177 thousand	Not applicable	A subsidiary of the Corporation
	SHSTC	Kaohsiung, Taiwan	Storage and transportation	231,322	231,322	19,065,642	14.30	135,533	(179,781)	Not applicable	
	FSMS	Hwalien, Taiwan	Mining excavation, mineral processing and sales	112,055	112,055	1,294,155	99.55	138,004	(838)	Not applicable	
	U-Ming	Taipei, Taiwan	Marine transportation	27,619	27,619	468,486	0.05	31,392	824,397	Not applicable	A subsidiary of the Corporation
	AC Mega Investment Ltd.	B.V.I.	Investment	579,926	579,926	19,600,000	100.00	578,442	11	Not applicable	
	AC Leap Investment Ltd.	B.V.I.	Investment	579,439	579,439	19,600,000	100.00	647,272	1,302	Not applicable	
	AC MegaII Investment Ltd.	B.V.I.	Investment	289,050	289,050	10,000,000	100.00	306,644	1,073	Not applicable	A subsidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
NHC	AC MegaIII Investment Ltd.	B.V.I.	Investment	\$ 289,050	\$ 289,050	10,000,000	100.00	\$ 351,819	\$ 1,206	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation
	AC MegaIV Investment Ltd.	B.V.I.	Investment	575,055	575,055	19,400,000	100.00	757,341	904	Not applicable	
	SHSTC	Kaohsiung, Taiwan	Storage and transportation	347,341	347,341	19,477,895	14.61	323,254	(179,781)	Not applicable	
	PGIC	Kaohsiung, Taiwan	Granulated blast-furnace slag	36,771	36,771	3,287,550	31.00	60,437	33,528	Not applicable	
	FENC	Taipei, Taiwan	Textile	15,240	15,240	1,739,978	0.03	40,322	8,034,885	Not applicable	
YTRMC	U-Ming	Taipei, Taiwan	Marine transportation	1,027	1,027	64,143	0.01	1,016	824,397	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	YSRMC	Hsinchu, Taiwan	Ready-mixed concrete	69,930	69,930	6,993,000	69.93	64,622	3,517	Not applicable	
	YTV	Hà Tĩnh, Vietnam	Ready-mixed concrete	201,823	201,823	(Note 1)	100.00	225,834	VND12,499,437 thousand	Not applicable	
FMT	AOG	Guam	Investment	138,563	138,563	(Note 1)	71.79	97,804	US\$ (1,102) thousand	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	FDT	Taipei, Taiwan	Transportation	30,373	30,373	27,892,834	99.87	612,189	91,839	Not applicable	
	FENC	Taipei, Taiwan	Textile	33,759	33,759	4,415,299	0.08	109,858	8,034,885	Not applicable	
FDT	YDEC	Taipei, Taiwan	Retail	160,424	160,424	22,614,780	26.95	435,627	99,434	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	1,891	1,891	50,000	0.01	1,879	824,397	Not applicable	
	FENC	Taipei, Taiwan	Textile	31,322	31,322	1,020,000	0.02	31,066	8,034,885	Not applicable	
AEE	AEEPL	B.V.I.	Engineering	US\$ 50 thousand	US\$ 50 thousand	50,000	100.00	117,136	US\$ (142) thousand	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	38,931	38,931	3,485,997	0.41	38,499	824,397	Not applicable	
	FENC	Taipei, Taiwan	Textile	3	3	3,324	-	10	8,034,885	Not applicable	
YLPPC	YDEC	Taipei, Taiwan	Retail	20,776	20,776	3,264,833	3.89	62,801	99,434	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	YLPCIP	India	Tunnel lining segments	8,338	8,338	(Note 1)	99.99	6,409	INR (16,849) thousand	Not applicable	
	AOG	Guam	Investment	66,816	66,816	(Note 1)	28.21	38,432	US\$ (1,102) thousand	Not applicable	
AIC	FENC	Taipei, Taiwan	Textile	405,473	405,473	15,430,293	0.29	649,150	8,034,885	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	77,446	77,446	7,796,914	0.92	79,289	824,397	Not applicable	
	CHP	Chiayi Taiwan	Power plant	376	376	37,574	0.01	850	1,081,108	Not applicable	
	Asia Cement Pioneer Investment Ltd.	B.V.I.	Investment	2,039,879	2,039,879	66,550,000	100.00	2,190,519	(199)	Not applicable	
	Asia Cement Pioneer II Investment Ltd.	B.V.I.	Investment	544,135	544,135	18,500,000	100.00	666,335	1,167	Not applicable	
	Asia Cement Pioneer III Investment Ltd.	B.V.I.	Investment	289,050	289,050	10,000,000	100.00	282,888	1,086	Not applicable	
	Asia Cement Pioneer IV Investment Ltd.	B.V.I.	Investment	286,263	286,263	9,510,000	100.00	334,148	529	Not applicable	
	Asia Cement Explorer Investment Ltd.	B.V.I.	Investment	334,065	334,065	11,415,000	100.00	176,195	341	Not applicable	
	DCI	Taipei, Taiwan	Investment	76	76	5,125	-	76	965,983	Not applicable	
	FMT	Taipei, Taiwan	Transportation	176	176	5,000	0.02	272	168,452	Not applicable	
	NHC	Taichung, Taiwan	Cement, granulated blast-furnace slag	78	78	5,000	0.02	80	7,424	Not applicable	
	AEE	Hwalien, Taiwan	Engineering	116	116	6,000	0.07	120	(830)	Not applicable	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
	FSMS	Hwalien, Taiwan	Mining excavation, mineral processing and sales	\$ 119	\$ 119	5,000	0.39	\$ 125	\$ (838)	Not applicable	A subsidiary of the Corporation
	FDT	Taipei, Taiwan	Transportation	110	110	7,145	0.03	199	91,839	Not applicable	A subsidiary of the Corporation
	YSRMC	Hsinchu, Taiwan	Ready-mixed concrete	37	37	5,000	0.05	44	3,517	Not applicable	A subsidiary of the Corporation
	EISF	Kaohsiung, Taiwan	Iron and steel	119	119	5,000	0.06	112	14,315	Not applicable	A subsidiary of the Corporation
	YTRMC	Taipei, Taiwan	Ready-mixed concrete, cement - related products	53	53	5,300	-	53	89,164	Not applicable	
YLT	U-Ming	Taipei, Taiwan	Marine transportation	58,840	58,840	6,348,103	0.75	314,314	824,397	Not applicable	
Asia Cement Explorer Investment Ltd.	Opas Fund Segregated Portfolio Company	Cayman	Investment	1,610	1,610	33	33.00	1,667	16	Not applicable	
KCC	KCCL	Hong Kong	Ready-mixed concrete	HK\$ 10 thousand	HK\$ 10 thousand	10,000	100.00	HK\$ 31,443 thousand	HK\$ 190 thousand	Not applicable	A subsidiary of the Corporation
	Join Fortune Trading Ltd.	B.V.I.	Investment	HK\$ 15,300 thousand	HK\$ 12,100 thousand	1,961,539	100.00	HK\$ 13,082 thousand	HK\$ (603) thousand	Not applicable	A subsidiary of the Corporation
Join Fortune Trading Ltd.	Empire Success Corp Ltd.	Hong Kong	Storage and transportation	HK\$ 9,200 thousand	HK\$ 6,000 thousand	9,200,000	50.00	HK\$ 7,218 thousand	HK\$ (195) thousand	Not applicable	
	Profit Enterprises Int'l Ltd.	Hong Kong	Barge transportation	HK\$ 6,100 thousand	HK\$ 6,100 thousand	6,100,000	50.00	HK\$ 5,972 thousand	HK\$ (379) thousand	Not applicable	
Asia Oriental (Guam) L.L.C.	Perez-AOG, L.L.C.	Guam	Mining excavation and sales	US\$ 5,950 thousand	US\$ 5,950 thousand	(Note 1)	64.50	US\$ 3,804 thousand	US\$ (1,629) thousand	Not applicable	A subsidiary of the Corporation
	Perez-Mtec-AOG, L.L.C.	Guam	Ready-mixed concrete	US\$ 300 thousand	US\$ 300 thousand	(Note 1)	33.33	US\$ 1 thousand	-	Not applicable	
AEEPL	ACCHC	Cayman	Investment	US\$ 1,481 thousand	US\$ 1,481 thousand	3,161,500	0.20	US\$ 1,645 thousand	US\$ (48,228) thousand	Not applicable	A subsidiary of the Corporation
ACSPL	OCPL	Singapore	Ready-mixed concrete, leasing	SGD 17,000 thousand	SGD 17,000 thousand	17,000,000	100.00	SGD 11,130 thousand	SGD 160 thousand	Not applicable	A subsidiary of the Corporation
	ACCHC	Cayman	Investment	US\$ 20,000 thousand	US\$ 20,000 thousand	63,790,798	4.07	SGD 82,377 thousand	US\$ (48,228) thousand	Not applicable	A subsidiary of the Corporation
	Alliance Concrete Singapore Pte. Ltd.	Singapore	Ready-mixed concrete	SGD 7,000 thousand	SGD 2,000 thousand	6,000,000	50.00	SGD 11,167 thousand	SGD (5,518) thousand	Not applicable	
ACCHC	PIHPL	B.V.I.	Investment	US\$ 880,613 thousand	US\$ 860,613 thousand	9,287,201 (Note 2)	100.00	US\$ 1,879,515 thousand	US\$ (5,750) thousand	Not applicable	A subsidiary of the Corporation

Note 1: This is not a company limited by shares.

Note 2: The cash capital increment was not registered yet.

TABLE 8

ASIA CEMENT CORPORATION AND INVESTEEES

INVESTMENT IN MAINLAND CHINA

YEAR ENDED DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015
					Outward	Inward						
SHYLCF	It manufactures and sells ready-mixed concrete and cement - related products	US\$15,000 (equivalent to NT\$491,625 thousand)	(2)	US\$11,200 (equivalent to NT\$367,080 thousand)	\$ -	-	US\$11,200 (equivalent to NT\$367,080 thousand)	RMB(21,560) (equivalent to NT\$(109,659) thousand)	72.00	RMB(15,523) (equivalent to NT\$(78,955) thousand)	RMB43,558 (equivalent to NT\$219,852 thousand)	US\$800 (equivalent to NT\$26,220 thousand)
JYDC	It manufactures and sells cement, clinker and ready-mixed concrete (including cement - related products).	US\$356,104 (equivalent to NT\$11,671,309 thousand)	(2)	US\$105,241 (equivalent to NT\$3,449,274 thousand)	-	US\$11,142 (equivalent to NT\$365,179 thousand)	US\$94,099 (equivalent to NT\$3,084,095 thousand)	RMB62,333 (equivalent to NT\$317,045 thousand)	68.40	RMB47,058 (equivalent to NT\$239,351 thousand)	RMB2,778,824 (equivalent to NT\$14,025,515 thousand)	US\$49,717 (equivalent to NT\$1,629,475 thousand)
WYDC	It manufactures and sells cement, slag powder and slag cement.	US\$36,140 (equivalent to NT\$1,184,489 thousand)	(2)	US\$23,522 (equivalent to NT\$770,934 thousand)	-	-	US\$23,522 (equivalent to NT\$770,934 thousand)	RMB27,701 (equivalent to NT\$140,893 thousand)	72.00	RMB20,776 (equivalent to NT\$105,672 thousand)	RMB437,228 (equivalent to NT\$2,206,616 thousand)	US\$3,028 (equivalent to NT\$99,243 thousand)
SHYFCF	It manufactures and sells ready-mixed concrete and cement - related products	US\$2,540 (equivalent to NT\$83,249 thousand)	(2)	US\$1,270 (equivalent to NT\$41,624 thousand)	-	-	US\$1,270 (equivalent to NT\$41,624 thousand)	RMB(290) (equivalent to NT\$(1,473) thousand)	72.00	RMB(208) (equivalent to NT\$(1,060) thousand)	RMB14,874 (equivalent to NT\$75,075 thousand)	-
OHC	Investment	US\$130,407 (equivalent to NT\$4,274,089 thousand)	(2)	US\$54,191 (equivalent to NT\$1,776,110 thousand)	-	-	US\$54,191 (equivalent to NT\$1,776,110 thousand)	RMB(7,406) (equivalent to NT\$(37,669) thousand)	72.00	RMB(5,332) (equivalent to NT\$(27,122) thousand)	RMB1,128,137 (equivalent to NT\$5,694,027 thousand)	US\$809 (equivalent to NT\$26,515 thousand)
NYLC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB60,000 (equivalent to NT\$302,837 thousand)	(2)	-	-	-	-	RMB11,392 (equivalent to NT\$57,944 thousand)	68.40	RMB7,792 (equivalent to NT\$39,634 thousand)	RMB107,547 (equivalent to NT\$542,818 thousand)	-
NYDC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB90,000 (equivalent to NT\$454,256 thousand)	(2)	-	-	-	-	RMB9,917 (equivalent to NT\$50,442 thousand)	52.20	RMB5,177 (equivalent to NT\$26,331 thousand)	RMB84,179 (equivalent to NT\$424,874 thousand)	-
SIYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$368,340 (equivalent to NT\$12,072,344 thousand)	(2)	US\$73,187 (equivalent to NT\$2,398,704 thousand)	-	US\$5,602 (equivalent to NT\$183,606 thousand)	US\$67,585 (equivalent to NT\$2,215,098 thousand)	RMB(154,336) (equivalent to NT\$(785,000) thousand)	72.00	RMB(111,122) (equivalent to NT\$(565,200) thousand)	RMB2,561,425 (equivalent to NT\$12,928,241 thousand)	US\$27,009 (equivalent to NT\$885,220 thousand)
CYCPCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$4,100 (equivalent to NT\$134,378 thousand)	(2)	US\$2,023 (equivalent to NT\$66,304 thousand)	-	-	US\$2,023 (equivalent to NT\$66,304 thousand)	RMB(22,681) (equivalent to NT\$(115,361) thousand)	72.00	RMB(16,330) (equivalent to NT\$(83,060) thousand)	RMB37,251 (equivalent to NT\$188,016 thousand)	US\$77 (equivalent to NT\$2,524 thousand)
JYLTC	Transportation	RMB12,500 (equivalent to NT\$63,091 thousand)	(2)	-	-	-	-	RMB6,941 (equivalent to NT\$35,302 thousand)	70.12	RMB4,867 (equivalent to NT\$24,754 thousand)	RMB36,697 (equivalent to NT\$185,218 thousand)	-
HYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$154,800 (equivalent to NT\$5,073,570 thousand)	(2)	US\$54,257 (equivalent to NT\$1,778,273 thousand)	-	US\$6,570 (equivalent to NT\$215,332 thousand)	US\$47,687 (equivalent to NT\$1,562,941 thousand)	RMB43,908 (equivalent to NT\$223,330 thousand)	72.00	RMB34,209 (equivalent to NT\$173,998 thousand)	RMB1,611,489 (equivalent to NT\$8,133,640 thousand)	US\$9,913 (equivalent to NT\$324,899 thousand)
CYSPC	Slag powder	-	-	US\$980 (equivalent to NT\$32,120 thousand)	-	-	US\$980 (equivalent to NT\$32,120 thousand)	-	-	-	-	-
SYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US\$3,300 (equivalent to NT\$108,158 thousand)	(2)	US\$2,970 (equivalent to NT\$97,342 thousand)	-	-	US\$2,970 (equivalent to NT\$97,342 thousand)	RMB(976) (equivalent to NT\$(4,963) thousand)	72.00	RMB(703) (equivalent to NT\$(3,573) thousand)	RMB23,204 (equivalent to NT\$117,117 thousand)	-

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015
					Outward	Inward						
SYTCL	Transportation	US\$3,500 (equivalent to NT\$114,713 thousand)	(2)	US\$3,011 (equivalent to NT\$98,686 thousand)	\$ -	US\$284 (equivalent to NT\$9,308 thousand)	US\$2,727 (equivalent to NT\$89,377 thousand)	RMB6,783 (equivalent to NT\$34,498 thousand)	72.00	RMB4,883 (equivalent to NT\$24,839 thousand)	RMB45,156 (equivalent to NT\$227,915 thousand)	US\$423 (equivalent to NT\$13,864 thousand)
YYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$35,530 (equivalent to NT\$1,164,496 thousand)	(2)	US\$14,833 (equivalent to NT\$486,152 thousand)	-	-	US\$14,833 (equivalent to NT\$486,152 thousand)	RMB(29,645) (equivalent to NT\$(150,785) thousand)	72.00	RMB(21,345) (equivalent to NT\$(108,565) thousand)	RMB249,860 (equivalent to NT\$1,261,114 thousand)	US\$1,016 (equivalent to NT\$33,299 thousand)
HGYDC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$86,170 (equivalent to NT\$2,824,222 thousand)	(2)	US\$15,350 (equivalent to NT\$503,096 thousand)	-	-	US\$15,350 (equivalent to NT\$503,096 thousand)	RMB53,200 (equivalent to NT\$270,593 thousand)	72.00	RMB38,304 (equivalent to NT\$194,827 thousand)	RMB694,745 (equivalent to NT\$3,506,574 thousand)	-
HYTCL	Transportation	RMB13,000 (equivalent to NT\$65,615 thousand)	(2)	-	-	-	-	RMB3,820 (equivalent to NT\$19,428 thousand)	72.00	RMB2,750 (equivalent to NT\$13,988 thousand)	RMB26,095 (equivalent to NT\$131,709 thousand)	-
WYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT\$302,837 thousand)	(2)	-	-	-	-	RMB8,673 (equivalent to NT\$44,111 thousand)	72.00	RMB6,244 (equivalent to NT\$31,760 thousand)	RMB50,881 (equivalent to NT\$256,809 thousand)	-
WYXC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB90,000 (equivalent to NT\$454,256 thousand)	(2)	-	-	-	-	RMB7,227 (equivalent to NT\$36,758 thousand)	64.79	RMB3,523 (equivalent to NT\$17,917 thousand)	RMB303,377 (equivalent to NT\$1,531,232 thousand)	-
HZYCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB30,000 (equivalent to NT\$151,419 thousand)	(2)	-	-	-	-	RMB3,494 (equivalent to NT\$17,774 thousand)	28.80	RMB1,006 (equivalent to NT\$5,119 thousand)	RMB12,752 (equivalent to NT\$64,362 thousand)	-
HXMC	Production and sales of limestone	RMB10,000 (equivalent to NT\$50,473 thousand)	(2)	-	-	-	-	RMB(3,861) (equivalent to NT\$(19,637) thousand)	28.80	RMB(1,280) (equivalent to NT\$(6,510) thousand)	RMB27,545 (equivalent to NT\$139,029 thousand)	-
WAMTC	Marine transportation	RMB35,500 (equivalent to NT\$179,179 thousand)	(2)	-	-	-	-	RMB6,636 (equivalent to NT\$33,751 thousand)	34.20	RMB2,269 (equivalent to NT\$11,543 thousand)	RMB24,719 (equivalent to NT\$124,763 thousand)	-
TZOCCL	Cement - related products	US\$16,000 (equivalent to NT\$524,400 thousand)	(2)	-	-	-	-	RMB(7,198) (equivalent to NT\$(36,611) thousand)	72.00	RMB(4,923) (equivalent to NT\$(25,042) thousand)	RMB61,307 (equivalent to NT\$309,433 thousand)	-
SLCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB600,000 (equivalent to NT\$3,028,370 thousand)	(2)	-	-	-	-	RMB(55,132) (equivalent to NT\$(280,420) thousand)	72.00	RMB(41,876) (equivalent to NT\$(212,992) thousand)	RMB888,827 (equivalent to NT\$4,486,161 thousand)	-
SLCCL	Cement - related products	RMB20,000 (equivalent to NT\$100,946 thousand)	(2)	-	-	-	-	RMB(3,089) (equivalent to NT\$(15,712) thousand)	72.00	RMB(2,224) (equivalent to NT\$(11,313) thousand)	RMB3,466 (equivalent to NT\$17,496 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US\$459,297 (Note 3) (equivalent to NT\$15,053,459 thousand)	US\$1,780,757 (equivalent to NT\$58,364,311 thousand)	(Note 4)

Note 1: The accrual is based on the financial statements audited by independent auditors.

Note 2: The investor companies were incorporated in Mainland China by a company (2) (ACCHC) which was incorporated in the area other than Taiwan and Mainland China in order to invest in Mainland China.

Note 3: As of December 31, 2015, accumulated investment in China Shanshui Cement Group Ltd. which listed at HKEx for managing finance purpose was US\$120,860 thousand included in Accumulated Outward Remittance for Investment in Mainland China.

Note 4: The Corporation obtained certificate No. 10420400190 from Industrial Development Bureau, Ministry of Economic Affairs, according to the “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China”, the accumulation of fund is not limited.

Note 5: The foreign currency amounts of original investment amount and carrying value are expressed in New Taiwan dollars at exchange rate as of December 31, 2015; the foreign currency amount of net income is expressed in New Taiwan dollars at average exchange rate for the year ended December 31, 2015.

(Concluded)

TABLE 9

ASIA CEMENT CORPORATION AND INVESTEEES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
0	The Corporation	KCC	1	Sales	\$ 19,511	Based on regular terms	-
		JYDC	1	Sales	13,414	Based on regular terms	-
		YLPPC	1	Sales	13,404	Based on regular terms	-
		YTRMC	1	Accounts receivable	289,642	Based on regular terms	-
			1	Sales	1,662,917	Based on regular terms	3
		ACSPL	1	Guarantee deposits	631,455	Based on regular terms	-
			1	Accounts receivable	34,375	Based on regular terms	-
			1	Sales	807,936	Based on regular terms	1
		AIC	1	Other revenue	24,673	Based on regular terms	-
		YSRMC	1	Accounts receivable	23,319	Based on regular terms	-
			1	Sales	214,730	Based on regular terms	-
		DCI	1	Other revenue	11,728	Based on regular terms	-
1	YLPPC	YLPCIP	1	Other receivables	20,750	Based on regular terms	-
2	YTRMC	YTV	1	Other receivables	18,857	Based on regular terms	-
3	AEE	AEEPL	1	Accounts receivable	11,816	Based on regular terms	-
4	NHC	The Corporation	2	Accounts receivable	26,663	Based on regular terms	-
			2	Sales	396,400	Based on regular terms	1
5	YLT	The Corporation	2	Accounts receivable	21,904	Based on regular terms	-
			2	Sales	204,965	Based on regular terms	-
6	FSMS	The Corporation	2	Sales	34,554	Based on regular terms	-
7	FMT	The Corporation	2	Sales	85,321	Based on regular terms	-
		YTRMC	3	Sales	38,685	Based on regular terms	-
		NHC	3	Sales	15,913	Based on regular terms	-
		FDT	1	Sales	14,337	Based on regular terms	-
8	FDT	FMT	2	Other receivables	15,228	Based on regular terms	-
		YLSS	3	Sales	11,397	Based on regular terms	-
9	ACCHC	SIYDCCL	1	Interest revenue	103,312	Based on regular terms	-
			1	Other receivables	2,647,831	Based on regular terms	1
		JYDC	1	Interest revenue	125,305	Based on regular terms	-
			1	Other receivables	2,115,530	Based on regular terms	1

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
		YYDCCL	1	Interest revenue	\$ 30,534	Based on regular terms	-
			1	Other receivables	998,567	Based on regular terms	-
		HYDCCL	1	Interest revenue	66,872	Based on regular terms	-
			1	Other receivables	1,664,268	Based on regular terms	1
10	OIHPL	WYDC	1	Other receivables	99,654	Based on regular terms	-
		HGYDC	1	Other receivables	155,103	Based on regular terms	-
11	PIHPL	SIYDCCL	1	Interest revenue	24,846	Based on regular terms	-
			1	Other receivables	1,004,031	Based on regular terms	-
12	SHYLCP	JYDC	3	Accounts receivable	11,954	Based on regular terms	-
			3	Sales	16,378	Based on regular terms	-
13	OHC	SHYLCP	3	Interest revenue	25,666	Based on regular terms	-
			3	Other receivables	480,163	Based on regular terms	-
		SYCPCL	3	Other receivables	25,270	Based on regular terms	-
		WYDC	3	Other receivables	11,655	Based on regular terms	-
		WYXC	3	Other receivables	50,540	Based on regular terms	-
		TZOCCL	1	Other receivables	75,810	Based on regular terms	-
		HGYDC	3	Other receivables	18,141	Based on regular terms	-
14	SHYFCP	SHYLCP	3	Other revenue	12,125	Based on regular terms	-
			3	Other receivables	29,751	Based on regular terms	-
15	SYTCL	SYCPCL	3	Other receivables	50,540	Based on regular terms	-
		SIYDCCL	3	Accounts receivable	33,485	Based on regular terms	-
			3	Sales	271,862	Based on regular terms	-
		SLCL	3	Accounts receivable	25,822	Based on regular terms	-
			3	Sales	147,861	Based on regular terms	-
		CYCPCL	3	Other receivables	50,540	Based on regular terms	-
16	SIYDCCL	SYCPCL	3	Other receivables	176,890	Based on regular terms	-
			3	Sales	35,009	Based on regular terms	-
		SLCL	1	Accounts receivable	33,055	Based on regular terms	-
			1	Sales	264,404	Based on regular terms	-
		SLCCL	1	Other receivables	151,260	Based on regular terms	-
		CYCPCL	3	Other receivables	25,270	Based on regular terms	-
			3	Sales	33,307	Based on regular terms	-
17	SLCL	SIYDCCL	2	Sales	61,729	Based on regular terms	-
18	CYCPCL	SIYDCCL	3	Sales	30,270	Based on regular terms	-
19	JYLTC	JYDC	2	Accounts receivable	33,302	Based on regular terms	-
			2	Sales	171,738	Based on regular terms	-
		NYDC	3	Sales	67,533	Based on regular terms	-
		HGYDC	3	Sales	61,602	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
20	JYDC	The Corporation	2	Sales	\$ 285,201	Based on regular terms	-
		SHYLCP	3	Sales	72,764	Based on regular terms	-
		SIYDCCL	3	Other revenue	13,008	Based on regular terms	-
		SLCL	3	Interest revenue	143,516	Based on regular terms	-
			3	Other receivables	1,898,146	Based on regular terms	1
		WYCPCL	3	Sales	21,208	Based on regular terms	-
		WYDC	3	Accounts receivable	96,308	Based on regular terms	-
			3	Sales	852,651	Based on regular terms	1
		NYLC	1	Accounts receivable	10,623	Based on regular terms	-
			1	Sales	112,194	Based on regular terms	-
		NYDC	1	Accounts receivable	54,141	Based on regular terms	-
			1	Sales	398,241	Based on regular terms	1
		TZOCCL	3	Accounts receivable	35,547	Based on regular terms	-
			3	Sales	141,688	Based on regular terms	-
		YYDCCL	3	Accounts receivable	139,265	Based on regular terms	-
			3	Sales	1,071,416	Based on regular terms	2
		HYDCCL	3	Accounts receivable	50,891	Based on regular terms	-
			3	Sales	161,936	Based on regular terms	-
21	WYDC	SLCL	3	Interest revenue	16,822	Based on regular terms	-
			3	Other receivables	328,509	Based on regular terms	-
		JYDC	3	Other revenue	16,188	Based on regular terms	-
		WYCPCL	1	Interest revenue	19,372	Based on regular terms	-
			1	Other receivables	353,780	Based on regular terms	-
			1	Accounts receivable	18,829	Based on regular terms	-
			1	Sales	64,280	Based on regular terms	-
		WYXC	3	Interest revenue	15,854	Based on regular terms	-
			3	Other receivables	303,240	Based on regular terms	-
		HYDCCL	3	Prepayment for purchases and expense	30,973	Based on regular terms	-
22	WYXC	HYDCCL	2	Sales	19,220	Based on regular terms	-
23	NYLC	JYDC	2	Accounts receivable	11,062	Based on regular terms	-
			2	Sales	106,718	Based on regular terms	-
24	NYDC	SHYLCP	3	Other receivables	25,270	Based on regular terms	-
		JYDC	2	Accounts receivable	247,635	Based on regular terms	-
			2	Sales	938,595	Based on regular terms	1
		NYLC	3	Other receivables	75,810	Based on regular terms	-
25	TZOCCL	JYDC	3	Sales	30,357	Based on regular terms	-
26	YYDCCL	TZOCCL	3	Other receivables	50,534	Based on regular terms	-
27	HYTCL	WYCPCL	3	Sales	11,194	Based on regular terms	-
		WYDC	3	Sales	17,413	Based on regular terms	-
		HYDCCL	2	Accounts receivable	11,524	Based on regular terms	-
			2	Sales	133,426	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
28	HYDCCL	SIYDCCL	3	Sales	\$ 45,282	Based on regular terms	-
		SLCL	3	Interest revenue	37,954	Based on regular terms	-
			3	Other receivables	859,178	Based on regular terms	-
			3	Sales	11,440	Based on regular terms	-
		JYDC	3	Other revenue	25,106	Based on regular terms	-
			3	Accounts receivable	21,319	Based on regular terms	-
			3	Sales	102,735	Based on regular terms	-
		WYCPCL	3	Accounts receivable	10,890	Based on regular terms	-
			3	Sales	99,745	Based on regular terms	-
		WYDC	3	Other revenue	20,973	Based on regular terms	-
			3	Sales	116,252	Based on regular terms	-
		WYXC	1	Interest revenue	15,125	Based on regular terms	-
			1	Other receivables	126,375	Based on regular terms	-
			1	Prepayment for purchases and expense	20,189	Based on regular terms	-
			1	Sales	13,203	Based on regular terms	-
		HGYDC	3	Other revenue	48,103	Based on regular terms	-
			3	Prepayment for purchases and expense	30,868	Based on regular terms	-
			3	Sales	13,947	Based on regular terms	-
29	HGYDC	JYDC	3	Accounts receivable	21,881	Based on regular terms	-
			3	Sales	141,233	Based on regular terms	-
		WYDC	3	Sales	65,913	Based on regular terms	-
		HYDCCL	3	Sales	365,379	Based on regular terms	1

Note: 1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

(Concluded)

Asia Cement Corporation

**Financial Statements for the
Years Ended December 31, 2015 and 2014 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Asia Cement Corporation

We have audited the accompanying balance sheets of Asia Cement Corporation (the "Corporation") as of December 31, 2015 and 2014, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2015 and 2014, and its financial performance and its cash flows for the years ended December 31, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

March 25, 2016

Notice to Readers

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

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

ASIA CEMENT CORPORATION

BALANCE SHEETS

DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2015		2014	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 31)	\$ 4,876,146	3	\$ 263,566	-
Financial assets at fair value through profit or loss - current (Notes 7 and 31)	838,797	-	542,137	-
Available-for-sale financial assets - current (Note 8)	3,194,851	2	7,987,827	4
Debt investments with no active market - current (Notes 10 and 31)	1,792,459	1	2,538,326	2
Notes receivable				
Related parties (Note 31)	12,537	-	24,029	-
Third parties	134,080	-	149,364	-
Trade receivables				
Related parties (Notes 11 and 31)	380,282	-	511,353	-
Third parties (Note 11)	380,527	-	527,313	1
Other receivables (Note 31)	29,600	-	24,790	-
Inventories (Note 12)	1,564,101	1	1,569,656	1
Prepayments (Note 17)	201,463	-	200,533	-
Other current assets (Note 18)	<u>1,156,155</u>	<u>1</u>	<u>7,141</u>	<u>-</u>
Total current assets	<u>14,560,998</u>	<u>8</u>	<u>14,346,035</u>	<u>8</u>
NON-CURRENT ASSETS				
Investments accounted for using equity method (Notes 13 and 33)	116,888,348	62	120,508,174	64
Available-for-sale financial assets - non-current (Note 8)	9,592,886	5	6,183,703	3
Financial assets measured at cost - non-current (Note 9)	177,126	-	223,536	-
Property, plant and equipment (Notes 14 and 33)	5,220,819	3	4,850,893	3
Investment properties (Notes 15, 31 and 33)	40,610,918	21	38,896,918	21
Intangible assets (Note 16)	8,639	-	9,808	-
Deferred tax assets (Note 27)	238,934	-	155,934	-
Long-term prepayments for lease (Note 17)	317,932	-	342,200	-
Other non-current assets (Notes 18, 23 and 31)	<u>2,062,205</u>	<u>1</u>	<u>2,522,194</u>	<u>1</u>
Total non-current assets	<u>175,117,807</u>	<u>92</u>	<u>173,693,360</u>	<u>92</u>
TOTAL	<u>\$ 189,678,805</u>	<u>100</u>	<u>\$ 188,039,395</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 33)	\$ 50,000	-	\$ 400,000	-
Short-term bills payable (Notes 20 and 33)	7,750,831	4	7,246,837	4
Financial liabilities at fair value through profit or loss - current (Notes 7 and 31)	-	-	561,086	-
Accounts payable and accrued expenses				
Third parties	1,557,629	1	1,633,263	1
Related parties (Note 31)	156,825	-	161,500	-
Dividends and bonuses payable	201,931	-	204,221	-
Current tax liabilities (Note 27)	189,396	-	204,588	-
Customers' deposits and advances (Note 22)	134,015	-	112,739	-
Current portion of long-term liabilities (Notes 21 and 33)	<u>13,739,937</u>	<u>7</u>	<u>2,500,000</u>	<u>2</u>
Total current liabilities	<u>23,780,564</u>	<u>12</u>	<u>13,024,234</u>	<u>7</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 21)	8,000,000	4	20,954,895	11
Long-term borrowings (Notes 21 and 33)	13,429,484	7	4,722,512	3
Deferred income tax liabilities (Note 27)	7,545,491	4	6,375,681	3
Deferred revenue - non-current (Note 22)	995,008	1	1,063,093	1
Other non-current liabilities	<u>29,385</u>	<u>-</u>	<u>65,416</u>	<u>-</u>
Total non-current liabilities	<u>29,999,368</u>	<u>16</u>	<u>33,181,597</u>	<u>18</u>
Total liabilities	<u>53,779,932</u>	<u>28</u>	<u>46,205,831</u>	<u>25</u>
EQUITY (Note 24)				
Ordinary shares	<u>33,614,472</u>	<u>18</u>	<u>33,614,472</u>	<u>18</u>
Capital surplus	<u>1,155,643</u>	<u>1</u>	<u>1,073,920</u>	<u>1</u>
Retained earnings				
Legal reserve	14,187,878	7	13,251,715	7
Special reserve	61,112,646	32	59,505,623	31
Unappropriated earnings	<u>16,251,812</u>	<u>9</u>	<u>22,106,583</u>	<u>12</u>
Total retained earnings	<u>91,552,336</u>	<u>48</u>	<u>94,863,921</u>	<u>50</u>
Other equity	<u>9,576,422</u>	<u>5</u>	<u>12,281,251</u>	<u>6</u>
Total equity	<u>135,898,873</u>	<u>72</u>	<u>141,833,564</u>	<u>75</u>
TOTAL	<u>\$ 189,678,805</u>	<u>100</u>	<u>\$ 188,039,395</u>	<u>100</u>

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

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 25 and 31)	\$ 12,012,770	100	\$ 12,394,201	100
OPERATING COSTS (Notes 12, 25, 26 and 31)	<u>10,466,846</u>	<u>87</u>	<u>11,011,070</u>	<u>89</u>
GROSS PROFIT	1,545,924	13	1,383,131	11
UNREALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	-	-	(1,380)	-
REALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	<u>1,884</u>	<u>-</u>	<u>-</u>	<u>-</u>
REALIZED GROSS PROFIT	1,547,808	13	1,381,751	11
OPERATING EXPENSES (Notes 26, 31 and 32)	<u>570,075</u>	<u>5</u>	<u>644,481</u>	<u>5</u>
OPERATING INCOME	<u>977,733</u>	<u>8</u>	<u>737,270</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 26)	723,662	6	603,670	5
Other gains and losses (Note 26)	2,395,943	20	1,610,602	13
Finance costs (Note 26)	(520,478)	(5)	(531,319)	(5)
Share of the profit or loss of subsidiaries and associates	<u>2,731,173</u>	<u>23</u>	<u>8,289,811</u>	<u>67</u>
Total non-operating income and expenses	<u>5,330,300</u>	<u>44</u>	<u>9,972,764</u>	<u>80</u>
INCOME BEFORE INCOME TAX	6,308,033	52	10,710,034	86
INCOME TAX EXPENSE (Note 27)	<u>1,447,792</u>	<u>12</u>	<u>1,348,399</u>	<u>11</u>
NET INCOME	<u>4,860,241</u>	<u>40</u>	<u>9,361,635</u>	<u>75</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Revaluation gain	-	-	122,052	1
Remeasurement of defined benefit plans	(455,887)	(4)	(921)	-
Share of the other comprehensive (loss) income of subsidiaries and associates	<u>(297,606)</u>	<u>(2)</u>	<u>60,968</u>	<u>1</u>
	<u>(753,493)</u>	<u>(6)</u>	<u>182,099</u>	<u>2</u>

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Unrealized loss on available-for-sale financial assets	\$ (1,082,453)	(9)	\$ (9,624)	-
Share of the other comprehensive (loss) income of subsidiaries and associates	<u>(1,680,633)</u>	<u>(14)</u>	<u>3,739,280</u>	<u>30</u>
	<u>(2,763,086)</u>	<u>(23)</u>	<u>3,729,656</u>	<u>30</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(3,516,579)</u>	<u>(29)</u>	<u>3,911,755</u>	<u>32</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,343,662</u>	<u>11</u>	<u>\$ 13,273,390</u>	<u>107</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 1.55</u>		<u>\$ 2.98</u>	
Diluted	<u>\$ 1.32</u>		<u>\$ 2.65</u>	

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

(Concluded)

ASIA CEMENT CORPORATION

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars, Except Per Share Amount)

							Other Equity					
	Capital Stock Issued		Capital Surplus	Retained Earnings		Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain on Revaluation	Cash Flow Hedge	Total	Total Equity
	Shares	Share Capital		Legal Reserve	Special Reserve							
BALANCE AT JANUARY 1, 2014	3,295,536	\$ 32,955,365	\$ 1,018,079	\$ 12,571,132	\$ 14,013,200	\$ 65,584,754	\$ 449,154	\$ 7,867,409	\$ 3,460	\$ (14,434)	\$ 8,305,589	\$ 134,448,119
Special reserve provided under Rule No. 1030006415 issued by the FSC	-	-	-	-	45,492,423	(45,492,423)	-	-	-	-	-	-
Appropriation of 2013 earnings												
Legal reserve	-	-	-	680,583	-	(680,583)	-	-	-	-	-	-
Cash dividends - \$1.8 per share	-	-	-	-	-	(5,931,966)	-	-	-	-	-	(5,931,966)
Stock dividends - \$0.2 per share	65,911	659,107	-	-	-	(659,107)	-	-	-	-	-	-
Change in capital surplus from investments in subsidiaries and associates accounted for using equity method	-	-	934	-	-	-	-	-	-	-	-	934
Acquisition of additional shares in subsidiaries	-	-	84,711	-	-	-	-	-	-	-	-	84,711
Additional non-controlling interest arising on exercise of employee share options issued by subsidiaries	-	-	(29,804)	-	-	-	-	-	-	-	-	(29,804)
Net income in 2014	-	-	-	-	-	9,361,635	-	-	-	-	-	9,361,635
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	-	(63,907)	3,739,355	(10,464)	246,006	765	3,975,662	3,911,755
Other - change in equity from investments in associates accounted for by using equity method	-	-	-	-	-	(11,820)	-	-	-	-	-	(11,820)
BALANCE AT DECEMBER 31, 2014	3,361,447	33,614,472	1,073,920	13,251,715	59,505,623	22,106,583	4,188,509	7,856,945	249,466	(13,669)	12,281,251	141,833,564
Appropriation of 2014 earnings												
Legal reserve	-	-	-	936,163	-	(936,163)	-	-	-	-	-	-
Special reserve	-	-	-	-	2,001,317	(2,001,317)	-	-	-	-	-	-
Cash dividends - \$2.0 per share	-	-	-	-	-	(7,395,184)	-	-	-	-	-	(7,395,184)
Change in capital surplus from investments in subsidiaries and associates accounted for by using equity method	-	-	81,723	-	-	-	-	-	-	-	-	81,723
Net income in 2015	-	-	-	-	-	4,860,241	-	-	-	-	-	4,860,241
Other comprehensive income (loss) for the year ended December 31, 2015, net of income tax	-	-	-	-	-	(811,750)	20,725	(2,843,706)	58,257	59,895	(2,704,829)	(3,516,579)
Other - change in equity from investments in associates accounted for by using equity method	-	-	-	-	(9)	35,117	-	-	-	-	-	35,108
Special reserve reversed	-	-	-	-	(394,285)	394,285	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2015	3,361,447	\$ 33,614,472	\$ 1,155,643	\$ 14,187,878	\$ 61,112,646	\$ 16,251,812	\$ 4,209,234	\$ 5,013,239	\$ 307,723	\$ 46,226	\$ 9,576,422	\$ 135,898,873

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

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,308,033	\$ 10,710,034
Adjustments for:		
Share of profit of associates and joint venture	(2,731,173)	(8,289,811)
Gain on change in fair value of investment properties	(1,712,194)	(1,620,298)
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(857,746)	(1,012,816)
Interest expenses	520,478	531,319
Effect of exchange rate of bonds payable	503,840	970,240
Depreciation expenses	484,409	511,772
Dividend income	(414,397)	(400,730)
Gain on disposal of available-for-sale financial assets	(255,448)	-
Unrealized gain on foreign currency exchange	(252,059)	(194,846)
Interest income	(86,887)	(139,051)
Impairment loss recognized on financial assets	42,000	37,358
Amortization expenses	6,449	5,357
(Realized) unrealized gain from inter-affiliate	(1,884)	1,380
(Reversal of impairment loss) impairment loss recognized on trade receivables	(1,341)	767
Loss (gain) on disposal of property, plant and equipment	304	(3,379)
Loss on redemption of bonds payable	-	356,480
Gain on disposal of associates	-	(20,780)
Reversal of impairment loss recognized on non-financial assets	-	(76,572)
Other items	4,410	4,409
Changes in operating assets and liabilities:		
Financial assets held for trading	-	122,957
Notes receivable	26,776	26,524
Trade receivables	279,198	(72,182)
Other receivables	(2,943)	(19,475)
Inventories	18,146	305,956
Prepayments	23,338	(93,220)
Other current assets	(1,829)	958
Net defined benefit assets	(66,633)	(35,627)
Accounts payable and accounted expenses	(75,186)	(18,585)
Customers' advances	21,276	(33,558)
Deferred income	(68,085)	(68,086)
Cash generated from operations	1,710,852	1,486,495
Interest received	85,020	184,108
Dividend received	4,905,872	5,133,720
Interest paid	(282,350)	(240,349)
Income tax paid	(282,799)	(41,558)
Net cash generated from operating activities	6,136,595	6,522,416

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in refundable deposits	\$ (1,103,610)	\$ 5,776
Acquisition of property, plant and equipment	(865,619)	(399,250)
Decrease in debt investments with no active market	780,250	2,688,117
Proceeds from disposal of available-for-sale financial assets	556,788	-
Acquisition of intangible assets	(5,280)	(2,730)
Acquisition of investment properties	(1,855)	(78,494)
Proceeds from disposal of property, plant and equipment	9	12,198
Acquisition of available-for-sale financial assets	-	(3,947,079)
Acquisition of investments accounted for using equity method	-	(731,762)
Acquisition of financial assets measured at cost	-	(3,308)
Proceeds from disposal of investments accounted for using equity method	<u>-</u>	<u>171</u>
Net cash used in investing activities	<u>(639,317)</u>	<u>(2,456,361)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	21,847,000	30,540,000
Repayments of long-term borrowings	(13,140,000)	(37,290,000)
Cash dividends paid	(7,395,159)	(5,931,673)
Repayments of bonds payable	(2,500,000)	(15,259,025)
Increase in short-term bills payable	503,000	7,950,000
Decrease in short-term borrowings	(350,000)	(300,000)
(Decrease) increase in guarantee deposits received	(1,000)	861
Proceeds from issue of bonds	-	8,000,000
Increase in other non-current liabilities	<u>-</u>	<u>1,120</u>
Net cash used in financing activities	<u>(1,036,159)</u>	<u>(12,288,717)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>151,461</u>	<u>2,660</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,612,580	(8,220,002)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>263,566</u>	<u>8,483,568</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,876,146</u>	<u>\$ 263,566</u>

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

(Concluded)

ASIA CEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Asia Cement Corporation (the “Corporation”) was incorporated in March 1957. It manufactures and sells cement, clinker, cement - related products and ready-mixed concrete, and engages in leasing activities. The Corporation is also required to undertake reforestation activities in designated areas. The Corporation’s stock has been listed on the Taiwan Stock Exchange since June 1962.

In June 1992 and September 1996, certain shares of the Corporation were sold by Far Eastern New Century Corporation (FENC) in the form of Global Depositary Shares (GDSs). Such GDSs have been quoted through the SEAQ system of the London Stock Exchange and traded through the PORTAL system of the National Association of Securities Dealers, Inc. As of December 31, 2015, the issued and outstanding GDSs aggregated 39,753 units, representing 397,527 shares of the Corporation.

The functional currency of the Corporation is New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation’s board of directors and authorized for issue on March 25, 2016.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

Pursuant to Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, the Corporation applied the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version did not have any material impact on the Corporation’s accounting policies:

1) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than in past standards; for example, quantitative and qualitative disclosures based on the three-level fair value hierarchy previously required for financial instruments only are extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 are applied prospectively from January 1, 2015. Refer to Note 15 and 30 for related disclosures.

2) Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under previous IAS 1, there were no such requirements.

The Corporation retrospectively applied the above amendments starting in 2015. Items not expected to be reclassified to profit or loss are revaluation gain, remeasurements of the defined benefit plans and the share of revaluation gain and the remeasurements of subsidiaries and associates accounted for using the equity method. Items expected to be reclassified to profit or loss are unrealized gain (loss) on available-for-sale financial assets and share of the other comprehensive income (except the share of revaluation gain and the remeasurements of the defined benefit plans) of subsidiaries and associates accounted for using the equity method. The application of the above amendments did not have any impact on the net profit for the period, other comprehensive income for the period (net of income tax), and total comprehensive income for the period.

In summary, the application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version affected only the presentation and disclosures of the parent company only financial statements and did not have significant impact on assets, liabilities and equity.

b. New IFRSs in issue but not yet endorsed by the FSC

On March 10, 2016, the FSC announced the scope of IFRSs to be endorsed and will take effect from January 1, 2017. The scope includes all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, which means the scope excludes those that are not yet effective as of January 1, 2017 such as IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers” and those with undetermined effective date. In addition, the FSC announced that the Corporation should apply IFRS 15 starting January 1, 2018. As of the date the parent company only financial statements were authorized for issue, the FSC has not announced the effective dates of other new, amended and revised standards and interpretations.

The Corporation has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 27 “Equity Method in Separate Financial Statements”	January 1, 2016
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014
	(Concluded)

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

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Corporation’s accounting policies, except for the following:

- IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Corporation’s debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

- a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

- b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Corporation may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the “Expected Credit Losses Model”. The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 “Revenue from Contracts with Customers”, certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Corporation takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting to better reflect the entity’s risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risk eligible for hedge accounting of non-financial items; (2) changing the way hedging derivative instruments are accounted for to reduce profit or loss volatility; and (3) replacing retrospective effectiveness assessment with the principle of economic relationship between the hedging instrument and the hedged item.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments and investment properties that are measured at fair values.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing its parent company only financial statements, the Corporation used equity method to account for its investment in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for by equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates and related equity items, as appropriate, in the parent company only financial statements.

The properties were leased out to subsidiaries for their operation, and are classified as property plant and equipment in consolidated financial statements. Under IFRSs, these properties are classified as investment properties in parent company only financial statements. In 2014, the subsequent measurement of investment properties were changed from cost less accumulated depreciation model to fair value model.

In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Corporation in its consolidated financial statements, the investment properties leased out to group entities were measured at fair value model with the decrease in total equity and net profit for the year recorded in “investments accounted for by equity method” and “share of profit or loss of associates”.

Classification of Current and Non-current Assets and Liabilities

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within twelve months after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the parent company only financial statements are authorized for issue; and
- c. Liabilities for which the Corporation does not have an unconditional right to defer settlement 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.

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

Foreign Currencies

In preparing the parent company only financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Corporation's foreign operations (including of the subsidiaries, associates, joint ventures or branches operations in other countries or currencies used different with the Corporation) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

Cash Equivalents

Cash equivalent includes time deposits and commercial papers and bonds sold under repurchase agreements with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at moving-average cost on the balance sheet date.

Investments Accounted for Using Equity Method

Investments in subsidiaries, associates and joint ventures are accounted for by the equity method.

Investment in subsidiaries

Subsidiaries (including special purpose entities) are the entities controlled by the Corporation.

Under the equity method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Corporation also recognizes the Corporation's share of the change in other equity of the subsidiary.

Changes in the Corporation's ownership interests in subsidiaries that do not result in the Corporation's loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

When testing for impairment, the cash-generating unit is determined based on the financial statements as a whole by comparing its recoverable amount with its carrying amount. If the recoverable amount of the asset subsequently increases, the reversal of the impairment loss is recognized as a gain, but the increased carrying amount of an asset after a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized on the asset in prior years. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

When the Corporation ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss. Furthermore, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream with a subsidiary and sidestream transactions between subsidiaries are recognized in the Corporation's financial statements only to the extent of interests in the subsidiary that are not related to the Corporation.

Investment in Associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of equity of associates attributable to the Corporation.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Corporation's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Corporation's financial statements only to the extent of interests in the associate that are not related to the Corporation.

The Corporation's share of comprehensive income of associates is recognized using the treasury stock method if there are reciprocal holdings between investors and investees. The reciprocally held shares of the Corporation are treated as treasury shares and are deducted from the outstanding shares in computing basic earnings per share.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less recognized accumulated depreciation and recognized accumulated impairment loss. Major renewals and betterments are capitalized, while maintenance and repairs are expensed currently.

Properties in the course of construction are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized using the fixed-percentage-on-declining-balance method or the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs and are subsequently measured using the fair value model. Gain or loss arising from changes in the fair value of investment properties is included in profit or loss for the period in which they arise.

For a transfer from property, plant and equipment to investment property at the end of owner-occupation, any difference between the fair value of the property at the transfer date and its previous carrying amount is recognized in other comprehensive income.

Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the property is derecognized.

Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Corporation expects to dispose of the intangible asset before the end of its economic life.

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

Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a. Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, available-for-sale financial assets, and loans and receivables.

1) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss. A financial asset may be designated as at fair value through profit or loss upon initial recognition if the contract contains one or more embedded derivatives so that the entire hybrid contract can be designated as at fair value through profit or loss upon initial recognition.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset (including dividend earned in the year of investment). Fair value is determined in the manner described in Note 30.

2) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Fair value is determined in the manner described in Note 30.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

3) Loans and receivables

Loans and receivables (including cash and cash equivalent, trade receivables, other receivables and debt investments with no active market) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

Cash equivalent includes time deposits and commercial papers and bonds sold under repurchase agreements with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b. Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed as not impaired individually. The amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period. In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss except for uncollectible trade receivables and other receivables that are written off against the allowance account.

c. Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Financial liabilities

a. Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Any gains or losses arising on remeasurement are recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 30.

b. Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Exchangeable bonds

Exchangeable bonds are recognized at total issuance price less the fair value of independently measured embedded derivatives (i.e., bond holders' right to exchange the bond with a fixed price for underlying shares the Corporation holds). The non-derivative liability component of bonds is measured at amortized cost using the effective interest method. Interest and gain (loss) on bond redemption are recognized in profit or loss. When bonds are exchanged for underlying shares, the disposal gain or loss of the underlying shares is measured as the difference between the book value of the underlying shares and the sum of the book value of non-derivative liability component and the fair value of embedded derivatives. Before the maturity of the bonds, change in fair value of the embedded derivatives is recognized in profit or loss.

Convertible bonds

Convertible bonds issued by the Group that contain both liability and conversion option components are classified separately into respective items on initial recognition. The conversion option that will be settled other than by the exchange of a fixed amount of cash or other financial asset for a fixed number of the Corporation's own equity instruments is classified as a conversion option derivative. At the date of issue, both the liability and conversion option components are recognized at fair value.

On initial recognition, the derivative financial liabilities component of the convertible bonds is recognized at fair value and the initial carrying amount of the component of non-derivative financial liabilities is determined by deducting the amount of derivative financial liabilities from the fair value of the hybrid instrument as a whole. In subsequent periods, the non-derivative financial liabilities component of the convertible bonds is measured at amortized cost using the effective interest method. The derivative financial liabilities component is measured at fair value and the changes in fair value are recognized in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the derivative financial liabilities component and the non-derivative financial liabilities component in proportion to their relative fair values. Transaction costs relating to the derivative financial liabilities component are recognized immediately in profit or loss. Transaction costs relating to the non-derivative financial liabilities component are included in the carrying amount of the liability component.

Derivative financial instruments

The Corporation enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including cross-currency swap contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at fair value through profit or loss.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Sales returns are recognized at the time of sale provided the seller can reliably estimate future returns and recognizes a liability for returns based on previous experience and other relevant factors.

a. Sale of goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- 1) The Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 2) The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 3) The amount of revenue can be measured reliably;
- 4) It is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- 5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

b. Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Operating Leases

When the Corporation is lessor, rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. When the Corporation is lessee, operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Employee Benefits

a. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and net interest on the net defined benefit liability (asset)) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Corporation can no longer withdraw the offer of the termination benefit and when the Corporation recognizes any related restructuring costs.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment properties that are measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

c. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Estimated Impairment of Trade Receivables

When there is objective evidence of impairment loss, the Corporation takes into consideration the estimation of future cash flows. The amount of the impairment 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. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Write-down of Inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

Fair Value Measurements and Valuation Process

If some of the Corporation's assets and liabilities measured at fair value have no quoted prices in active markets, the Corporation determines whether to engage third party qualified valuers for the appropriate valuation techniques of fair value measurements in accordance with related regulations or judgments.

Where Level 1 inputs are not available, the engaged valuers would determine appropriate inputs by referring to the analyses of the financial position and the operation results of investees, recent transaction prices and valuation multiples of comparable entities of the Corporation's equity instruments not quoted in active markets/market prices or rates and specific features of the Corporation's derivatives/the existing lease contracts and rentals of similar properties in the vicinity of the Corporation's investment properties. If the actual changes of inputs in the future differ from expectation, fair value might vary accordingly.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 15 and 30.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2015	2014
Checking accounts and demand deposits	\$ 4,874,535	\$ 142,056
Petty cash	1,215	1,215
Cash on hand	396	215
Time deposits with original maturities less than three months	<u>-</u>	<u>120,080</u>
	<u>\$ 4,876,146</u>	<u>\$ 263,566</u>

The market rate intervals of time deposits with original maturities less than three months, commercial papers with repurchase agreements at the end of the reporting period were as follows:

	December 31	
	2015	2014
Time deposits with original maturities less than three months	-	0.75%

Time deposits with original maturity more than three months as of December 31, 2015 and 2014, were \$1,792,459 thousand and \$2,538,326 thousand respectively, and were reclassified as debt investment with no active market. Please refer to Note 10.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31	
	2015	2014
<u>Financial assets at FVTPL</u>		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Cross-currency swap contracts	\$ 679,497	\$ 362,637
Non-derivative financial assets		
Beneficiary certificates of funds	<u>159,300</u>	<u>179,500</u>
	<u>\$ 838,797</u>	<u>\$ 542,137</u>
<u>Financial liabilities at FVTPL</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Convertible bonds options	\$ -	\$ 561,086
	<u>\$ -</u>	<u>\$ 561,086</u>

The Corporation entered into cross-currency swap contracts during the years ended December 31, 2015 and 2014 to manage exposures due to exchange rate fluctuations. The financial risk management objective of the Corporation is to minimize risks due to changes in cash flows.

The outstanding cross-currency swap contracts not under hedge accounting as of December 31, 2015 and 2014 were as follows:

Contract Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
US\$220,000	2016.5.10	-	0.58%-0.60%

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31			
	2015		2014	
	Current	Noncurrent	Current	Noncurrent
Domestic investments				
Listed stocks	\$ 2,097,924	\$ 4,738,361	\$ 2,265,509	\$ 6,183,703
Foreign investments				
Listed stocks	<u>1,096,927</u>	<u>4,854,525</u>	<u>5,722,318</u>	<u>-</u>
	<u>\$ 3,194,851</u>	<u>\$ 9,592,886</u>	<u>\$ 7,987,827</u>	<u>\$ 6,183,703</u>

China Shanshui Cement Group Limited (CSCGL)'s board of directors made an announcement on April 16, 2015 that CSCGL's prescribed percentage of securities held by the public has fallen below the minimum requirement of 25% according to the Main Board Listing Rules 8.08 of Hong Kong Exchanges and Clearing Limited (the Exchange). Therefore, the Exchange suspended trading of CSCGL's securities until the percentage of securities in public hands satisfies the minimum requirement. As of December 31, 2015, trading of CSCGL's securities was still suspended and there was no quoted price in active markets. The Corporation engaged third party qualified valuers for fair value measurements of CSCGL's securities, and therefore reclassified the investment from available-for-sale financial assets - current to available-for-sale

financial assets - non-current. Please refer to Note 30 for the detailed information of fair value measurements.

The Corporation and subsidiaries owned 20.96% of the equity interest in China Shanshui Cement Group Limited (CSCGL). As of December 31, 2015, the management of the Corporation ascertained that the Corporation is not able to exercise significant influence over CSCGL due to the fact that the Corporation is not part of CSCGL's board of directors and is not involved in its operation and financial decision. As a result, the aforementioned investment is not accounted for using equity method.

9. FINANCIAL ASSETS MEASURED AT COST - NONCURRENT

	December 31	
	2015	2014
Domestic unquoted stocks		
Kaohsiung Rapid Transit Corp. (KRT)	\$ 96,266	\$ 100,676
Ding Ding Hotel Corp. (DDH)	39,515	81,515
Taiwan Stock Exchange Corp.	23,752	23,752
L'Hotel de Chine Group	11,441	11,441
Others	<u>6,152</u>	<u>6,152</u>
	<u>\$ 177,126</u>	<u>\$ 223,536</u>
Classified according to financial asset measurement categories		
Available-for-sale financial assets	<u>\$ 177,126</u>	<u>\$ 223,536</u>

- Management believed that the above unlisted equity investments held by the Corporation, whose fair value cannot be reliably measured due to the range of reasonable fair value estimates was so significant; therefore they were measured at cost less impairment at the end of the reporting period.
- The Corporation invested \$137,294 thousand in DDH in 2013, and recognized impairment loss of \$42,000 thousand and \$37,358 thousand respectively in 2015 and 2014.
- At the end of June 2013, the Corporation invested \$107,290 thousand in KRT. The investment cost is amortized over the period of the chartered right to operate since the day of investment. The accumulated amortization amount was \$11,024 thousand as of December 31, 2015.

10. DEBT INVESTMENTS WITH NO ACTIVE MARKET - CURRENT

	December 31	
	2015	2014
Time deposits with original maturity more than 3 months	<u>\$ 1,792,459</u>	<u>\$ 2,538,326</u>

11. TRADE RECEIVABLES

	December 31	
	2015	2014
Trade receivables	\$ 748,646	\$ 1,023,886
Operating lease receivable	18,694	30,668
Less: Allowance for impairment loss	<u>(6,531)</u>	<u>(15,888)</u>
	<u>\$ 760,809</u>	<u>\$ 1,038,666</u>

Trade Receivables - Sales

The average credit period for sales of goods was 30-90 days. In determining the recoverability of a trade receivable, the Corporation considered any changes in the credit quality of the trade receivable since the day credit was initially granted to the end of the reporting period.

The Corporation transacted with vast variety of independent customers, and thus the concentration of credit risk was limited.

For the trade receivable balances at the end of the reporting period, because there was no significant change in credit quality and the Corporation considered the balances recoverable, the Corporation did not hold any collateral or other credit enhancements but provided allowance for impairment loss, as necessary. In addition, the Corporation had no legal rights to offset trade receivables from one counterparty against accounts payable to the same counterparty.

The aging of receivables - sales (less: Allowance for impairment loss) was as follows:

	December 31	
	2015	2014
Less than 90 days	\$ 742,115	\$ 997,998
More than 366 days	<u>-</u>	<u>10,000</u>
	<u>\$ 742,115</u>	<u>\$ 1,007,998</u>

The aging of receivables - sales that were past due but not impaired was as follows:

	December 31	
	2015	2014
More than 366 days	<u>\$ -</u>	<u>\$ 10,000</u>

The above aging schedule was based on the invoice date.

The movements of the allowance for doubtful trade receivables were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2014	\$ 7,925	\$ 7,196	\$ 15,121
Add: Impairment losses (reversed) recognized on receivables	<u>(301)</u>	<u>1,068</u>	<u>767</u>
	<u>\$ 7,624</u>	<u>\$ 8,264</u>	<u>\$ 15,888</u>
Balance at January 1, 2015	\$ 7,624	\$ 8,264	\$ 15,888
Add: Impairment losses reversed on receivables	-	(1,341)	(1,341)
Less: Amounts written off as uncollectible	<u>(7,624)</u>	<u>(392)</u>	<u>(8,016)</u>
	<u>\$ -</u>	<u>\$ 6,531</u>	<u>\$ 6,531</u>

12. INVENTORIES

	December 31	
	2015	2014
Finished goods	\$ 219,073	\$ 174,536
Work in process	406,536	385,835
Raw materials	594,985	491,500
Supplies	<u>343,507</u>	<u>517,785</u>
	<u>\$ 1,564,101</u>	<u>\$ 1,569,656</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 was \$10,318,917 thousand and \$10,858,652 thousand, respectively.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2015	2014
Investments in subsidiaries	\$ 61,775,740	\$ 63,801,873
Investments in associates	<u>57,940,786</u>	<u>59,295,518</u>
	119,716,526	123,097,391
Less: Effect of investment properties at fair value method	<u>2,828,178</u>	<u>2,589,217</u>
	<u>\$ 116,888,348</u>	<u>\$ 120,508,174</u>

a. Investments in subsidiaries

	December 31	
	2015	2014
Listed companies		
Asia Cement (China) Holdings Corp. (ACCHC)	<u>\$ 31,748,957</u>	<u>\$ 34,348,865</u>
Unlisted companies		
Der Ching Investment Corp. (DCI)	12,825,928	12,394,100
Chiahui Power Corp. (CHP)	5,637,104	5,385,550
Asia Cement (Singapore) Pte. Ltd. (ACSPL)	3,421,569	3,632,940
Asia Investment Corp. (AIC)	2,709,026	2,348,028
Yuan Long Stainless Steel Co., Ltd. (YLSS)	1,583,182	1,867,658
Ya Tung Ready Mixed Concrete Co., Ltd. (YTRMC)	1,581,533	1,498,037
Fu Ming Transport Corp. (FMT)	1,285,062	1,357,194
Nan Hwa Cement Corp. (NHC)	403,029	401,816
Yali Transport Corp. (YLT)	258,232	266,331
Asia Engineering Enterprise Corp. (AEE)	158,135	166,184
Yali Precast and Prestressed Concrete Industrial Corp. (YLPPC)	114,008	87,517
Sunrise Industrial Holdings Ltd. (SIHL)	<u>49,975</u>	<u>47,653</u>
	<u>30,026,783</u>	<u>29,453,008</u>
	<u>\$ 61,775,740</u>	<u>\$ 63,801,873</u>

As the end of the reporting period, the proportion of ownership and voting rights in subsidiaries held by the Corporation were as follows:

Name of Associate	December 31	
	2015	2014
ACCHC	67.73%	67.73%
DCI	99.99%	99.99%
CHP	59.59%	59.59%
ACSPL	99.96%	99.96%
AIC	100.00%	100.00%
YLSS	100.00%	100.00%
YTRMC	99.99%	99.99%
FMT	99.82%	99.82%
NHC	99.94%	99.94%
YLT	51.00%	51.00%
AEE	98.23%	98.23%
YLPPC	83.81%	83.81%
SIHL	100.00%	100.00%

Fair values of investments in subsidiaries for which there are published price quotation are summarized as follow, based on the closing price of those investments at the end of the reporting period:

Name of Subsidiaries	December 31	
	2015	2014
ACCHC	\$ 8,255,412	\$ 19,469,475

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2015 and 2014 was based on the subsidiaries' financial statements audited by the auditors for the same year.

b. Investment in associates

	December 31	
	2015	2014
<u>Material associates</u>		
Listed stocks		
Far Eastern New Century Corporation (FENC)	\$ 39,046,768	\$ 39,349,962
U-Ming Marine Transport Corp. (U-Ming)	<u>10,753,621</u>	<u>10,863,294</u>
	<u>49,800,389</u>	<u>50,213,256</u>
<u>Associates that are not individually material</u>		
Unlisted stocks		
Yuan Ding Co., Ltd. (YDC)	3,345,343	3,535,235
Oriental Securities Corp. (OSC)	1,869,637	1,983,909
Yue Yuan Investment Corp. (YYI)	1,825,213	2,462,329
FEDS Development Ltd. (FEDSDL)	629,794	619,411
Yue Ding Enterprise Corp. (YDEC)	394,422	405,775
Everstrong Iron & Steel Foundry Ltd. (EISF)	<u>75,988</u>	<u>75,603</u>
	<u>8,140,397</u>	<u>9,082,262</u>
	<u>\$ 57,940,786</u>	<u>\$ 59,295,518</u>

As the end of the reporting period, the proportion of ownership and voting rights in associates held by the Corporation were as follows:

Name of Associate	December 31	
	2015	2014
FENC	23.77%	23.77%
U-Ming	39.25%	38.66%
YDC	35.50%	35.50%
OSC	18.93%	18.93%
YYI	29.92%	29.92%
FEDSDL	25.00%	25.00%
YDLC	43.60%	43.60%
EISF	40.40%	40.40%

As of December 31, 2015 and 2014, the information of other investees was as follows:

- 1) The summarized financial information in respect of the Group's associates is set out below:

FENC

	December 31	
	2015	2014
Current assets	\$ 32,296,066	\$ 30,708,530
Non-current assets	262,871,547	262,667,261
Current liabilities	20,970,190	19,210,191
Non-current liabilities	<u>76,945,858</u>	<u>74,665,171</u>
Equity	197,251,565	199,500,429
Proportion of the Group's ownership	23.77%	23.77%
Equity attributable to the Group	46,886,697	47,421,252
Cross shareholdings	<u>(7,839,929)</u>	<u>(8,071,290)</u>
Carrying amount	<u>\$ 39,046,768</u>	<u>\$ 39,349,962</u>
For the Year Ended December 31		
	2015	2014
Operating revenue	\$ 46,849,529	\$ 58,108,474
Net profit for the year	8,034,691	11,033,421
Other comprehensive (loss) income	<u>(4,321,905)</u>	<u>1,855,943</u>
Total comprehensive income for the year	<u>\$ 3,712,786</u>	<u>\$ 12,889,364</u>
Dividends received from FENC	<u>\$ 1,496,797</u>	<u>\$ 1,589,735</u>

U-Ming

	December 31	
	2015	2014
Current assets	\$ 2,459,341	\$ 2,787,511
Non-current assets	58,866,327	59,254,549

(Continued)

	December 31	
	2015	2014
Current liabilities	\$ 26,689,046	\$ 24,886,213
Non-current liabilities	<u>7,049,768</u>	<u>8,864,296</u>
Equity	27,586,854	28,291,551
Proportion of the Group's ownership	39.25%	38.66%
Equity attributable to the Group	10,827,840	10,937,513
Unrealized gain or loss with associates	<u>(74,219)</u>	<u>(74,219)</u>
Carrying amount	<u>\$ 10,753,621</u>	<u>\$ 10,863,294</u> (Concluded)

	For the Year Ended December 31	
	2015	2014
Operating revenue	\$ 1,387,976	\$ 1,251,285
Net profit for the year	824,397	2,083,117
Other comprehensive income	<u>841,398</u>	<u>2,433,821</u>
Total comprehensive income for the year	<u>\$ 1,665,795</u>	<u>\$ 4,516,938</u>
Dividends received from FENC	<u>\$ 729,743</u>	<u>\$ 663,402</u>

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2015	2014
The Group's share of:		
Profit for the year	\$ 183,325	\$ 904,401
Other comprehensive loss	<u>(588,815)</u>	<u>(676,382)</u>
Total comprehensive (loss) income for the year	<u>\$ (405,490)</u>	<u>\$ 228,019</u>

3) Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

	December 31	
Name of Associate	2015	2014
FENC	<u>\$ 32,761,135</u>	<u>\$ 39,166,177</u>
U-Ming	<u>\$ 8,839,836</u>	<u>\$ 16,551,887</u>

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2015 and 2014 was based on the associates' financial statements audited by the auditors for the same year.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Other Equipment	Property in Construction	Total
<u>Cost</u>						
Balance at January 1, 2014	\$ 3,010,882	\$ 4,153,270	\$ 16,384,450	\$ 5,140,618	\$ 152,643	\$ 28,841,863
Additions	13,931	474	27,900	130,369	258,923	431,597
Disposals	(5,430)	(14,041)	(13,704)	(13,478)	-	(46,653)
Transfer from completed construction	-	5,845	31,467	62,694	(100,006)	-
Revaluation increment	128,470	-	-	-	-	128,470
Transfer to investment properties	(374,974)	(39,964)	-	-	-	(414,938)
Balance at December 31, 2014	<u>2,772,879</u>	<u>4,105,584</u>	<u>16,430,113</u>	<u>5,320,203</u>	<u>311,560</u>	<u>28,940,339</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2014	73,212	3,395,942	15,861,391	4,397,587	-	23,728,132
Disposals	-	(10,685)	(13,704)	(13,445)	-	(37,834)
Depreciation expense	-	68,192	180,287	263,293	-	511,772
Reversal of impairment loss	(73,212)	(3,360)	-	-	-	(76,572)
Transfer to investment properties	-	(36,052)	-	-	-	(36,052)
Balance at December 31, 2014	<u>-</u>	<u>3,414,037</u>	<u>16,027,974</u>	<u>4,647,435</u>	<u>-</u>	<u>24,089,446</u>
Carrying amounts at December 31, 2014	<u>\$ 2,772,879</u>	<u>\$ 691,547</u>	<u>\$ 402,139</u>	<u>\$ 672,768</u>	<u>\$ 311,560</u>	<u>\$ 4,850,893</u>
<u>Cost</u>						
Balance at January 1, 2015	\$ 2,772,879	\$ 4,105,584	\$ 16,430,113	\$ 5,320,203	\$ 311,560	\$ 28,940,339
Additions	6,416	9,870	146,233	127,527	564,823	854,869
Disposals	-	-	(5,405)	(26,133)	-	(31,538)
Transfer from completed construction	-	11,352	105,875	84,440	(201,667)	-
Transfer from other non-current assets	(270)	-	-	-	-	(270)
Balance at December 31, 2015	<u>2,779,025</u>	<u>4,126,806</u>	<u>16,676,816</u>	<u>5,506,037</u>	<u>674,716</u>	<u>29,763,400</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2015	-	3,414,037	16,027,974	4,647,435	-	24,089,446
Disposals	-	-	(5,172)	(26,102)	-	(31,274)
Depreciation expense	-	60,450	160,680	263,279	-	484,409
Balance at December 31, 2015	<u>-</u>	<u>3,474,487</u>	<u>16,183,482</u>	<u>4,884,612</u>	<u>-</u>	<u>24,542,581</u>
Carrying amounts at December 31, 2015	<u>\$ 2,779,025</u>	<u>\$ 652,319</u>	<u>\$ 493,334</u>	<u>\$ 621,425</u>	<u>\$ 674,716</u>	<u>\$ 5,220,819</u>

No impairment assessment was performed for the years ended 2015 and 2014 as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a fixed-percentage-on-declining-balance basis or on a straight-line basis over the estimated useful life of the asset taken apart to major component elements:

Building	
Main buildings	15-55 years
Other facilities	3-15 years
Equipment	2-20 years
Other equipment	3-15 years

Refer to Note 33 for the carrying amount of property, plant and equipment pledged by the Group as collaterals for borrowings.

15. INVESTMENT PROPERTIES

		December 31	
		2015	2014
<u>Carrying amount</u>			
Leased investment properties		\$ 35,485,277	\$ 33,951,688
Undeveloped investment properties		<u>5,125,641</u>	<u>4,945,230</u>
		<u>\$ 40,610,918</u>	<u>\$ 38,896,918</u>
	Leased Investment Property	Undeveloped Investment Property	Total
Balance at January 1, 2014	\$ 31,984,304	\$ 4,834,935	\$ 36,819,239
Change in fair value of investment properties	78,494	-	78,494
Additions	1,510,003	110,295	1,620,298
Transferred from property, plant and equipment	<u>378,887</u>	<u>-</u>	<u>378,887</u>
Balance at December 31, 2014	<u>\$ 33,951,688</u>	<u>\$ 4,945,230</u>	<u>\$ 38,896,918</u>
Balance at January 1, 2014	\$ 33,951,688	\$ 4,945,230	\$ 38,896,918
Change in fair value of investment properties	1,531,783	180,411	1,712,194
Additions	1,855	-	1,855
Disposals	<u>(49)</u>	<u>-</u>	<u>(49)</u>
Balance at December 31, 2014	<u>\$ 35,485,277</u>	<u>\$ 5,125,641</u>	<u>\$ 40,610,918</u>

The above leasing investment properties were as follows:

- a. The Corporation granted FEDSDL the right to construct a shopping center on a parcel of land it owned with an area of 6,976 square meters located in Lin-Ya, Kaohsiung. In consideration for the foregoing and the continued use of the land for fifty years, FEDSDL shall pay the following: (a) land use right amounting to \$1,073,000 thousand and (b) annual rental amounting to 5% of the reference price of such land announced by the local government. The land use right payment received by the Corporation was recognized as long-term deferred income, and recognized as rental revenue periodically during the superficies period.
- b. The Corporation and Far Eastern Resources Development Co. (FERD) equally owned a parcel of land located on Tun Hwa South Road, Taipei City. Under an agreement entered into with YDC, the Corporation and FERD had agreed on the following: (a) construction by YDC of a twin towers building (Taipei Metro) on the said land, (b) continued use of the land without additional compensation for 30 years starting from the date of the completion of the building, (c) transfer to each of the Corporation and FERD 12% of the usable area of the building, and (d) transfer to FERD and the Corporation of the remaining usable area of the building after the end of 30 years in exchange for the book value of the property. In view of the foregoing agreement, the Corporation recorded the 12% of the building construction cost or \$1,402,753 thousand as building acquired and as deferred revenue, and recognized as revenue periodically during the superficies period.
- c. Others mainly included the following:
 - 1) Land in Shu-Lin - leased to YLPPC;

- 2) Asia-Cement Building and Pao-Ching Building - leased to FEDS;
- 3) Land in Taichung Quan-Lien Industrial Zone - leased to NHC;
- 4) Land and buildings in Tu-Cheng, Lin-Ko, Taichung and Hsi-Chih - leased to YTRMC;
- 5) Land and building in Hwalien - leased to YLT;

The lease terms of the above 1-5 are 1-10 years and the rents are paid monthly.

The fair values of investment properties were valued by independent qualified professional valuers. The fair values of a single investment properties with individual carrying amount of at least NT\$300 million as of December 31, 2015 and 2014 were determined by qualified professional valuer, Mr. Tsai, the real estate appraiser from DTZ Real Estate Appraisers Firm, on March 3, 2016 and March 6, 2015, respectively. The fair values of investment properties leased to subsidiary were determined by qualified valuer, Mr. Huang, the real estate appraiser from CCIS Real Estate Appraisers Firm.

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Completed Investment Property	Investment Property under Construction	Total
Balance at January 1, 2014	\$ 31,984,304	\$ 4,834,935	\$ 36,819,239
Recognized in profit or loss (gain arising from the change in fair value of investment property)	1,510,003	110,295	1,620,298
Purchases	78,494	-	78,494
Transfers into Level 3	<u>378,887</u>	<u>-</u>	<u>378,887</u>
Balance at December 31, 2014	<u>\$ 33,951,688</u>	<u>\$ 4,945,230</u>	<u>\$ 38,896,918</u>
Balance at January 1, 2015	\$ 33,951,688	\$ 4,945,230	\$ 38,896,918
Recognized in profit or loss (gain arising from the change in fair value of investment property)	1,531,783	180,411	1,712,194
Purchases	1,855	-	1,855
Sales	<u>(49)</u>	<u>-</u>	<u>(49)</u>
Balance at December 31, 2015	<u>\$ 35,485,277</u>	<u>\$ 5,125,641</u>	<u>\$ 40,610,918</u>

The fair value of investment properties, except for undeveloped land, was measured using the income approach. The significant assumptions used were stated below. The increase in estimated future net cash inflows, or the decrease in discount rates would result in increase in the fair value.

	December 31	
	2015	2014
Expected future cash inflows	\$ 54,977,792	\$ 52,750,992
Expected future cash outflows	<u>2,257,843</u>	<u>2,171,947</u>
Expected future cash inflows, net	<u>\$ 52,719,949</u>	<u>\$ 50,579,045</u>
Discount rate	1.99%-4.49%	2.13%-4.63%

The market rentals for comparable properties in the area where the investment property is located were between \$1 thousand and \$5 thousand per ping (i.e. per 3.3 square meters).

The rental income generated for the years ended December 31, 2015 and 2014 was \$351,513 thousand and \$354,708 thousand, respectively.

The expected future cash inflows generated by investment property included rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Corporation's current rental contract, regional and market quotation, taking into account the annual rental growth rate; the income analysis covers a 10-year period, the interest income on rental deposits was extrapolated using the interest rate for one-year central bank-announced demand deposit interest rate; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows to be incurred by investment property included expenditure such as land value taxes, house taxes, insurance premium, maintenance costs and others. These expenditure was extrapolated on the basis of the current level of expenditure, taking into account the future adjustment to the government-announced land value, the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and any asset-specific risk premiums between 0.0% and 2.5%.

The discount rate was determined by reference to the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, or estimated income capitalization rate, whichever is higher, as well as any asset-specific risk premiums. As of December 31, 2015 and 2014, the risk premiums were both between 0.0%-2.5%.

Refer to Note 33 for the carrying amount of investment properties pledged by the Group as collaterals for borrowings.

16. INTANGIBLE ASSETS

	December 31	
	2015	2014
<u>Carrying amount</u>		
Computer software	<u>\$ 8,639</u>	<u>\$ 9,808</u>
		Computer Software
<u>Cost</u>		
Balance at January 1, 2014		\$ 144,068
Additions		<u>2,730</u>
Balance at December 31, 2014		<u>146,798</u>
<u>Accumulated amortization and impairment</u>		
Balance at January 1, 2014		131,633
Amortization expense		<u>5,357</u>
Balance at December 31, 2014		<u>136,990</u>
Carrying amounts at December 31, 2014		<u>\$ 9,808</u>

(Continued)

	Computer Software
<u>Cost</u>	
Balance at January 1, 2015	\$ 146,798
Additions	<u>5,280</u>
Balance at December 31, 2015	<u>152,078</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2015	136,990
Amortization expense	<u>6,449</u>
Balance at December 31, 2015	<u>143,439</u>
Carrying amounts at December 31, 2015	<u>\$ 8,639</u>
	(Concluded)

The above items of intangible assets are amortized on a straight-line basis over the estimated useful life of the asset. The estimated useful life of computer software is from 3 to 10 years.

17. REPAYMENTS FOR LEASE OBLIGATIONS

	<u>December 31</u>	
	2015	2014
Current asset (included in prepayments line item)	\$ 29,888	\$ 29,901
Non-current asset	<u>317,932</u>	<u>342,200</u>
	<u>\$ 347,820</u>	<u>\$ 372,101</u>

18. OTHER ASSETS - NONCURRENT

	<u>December 31</u>	
	2015	2014
Prepaid pension (Note 23)	\$ 1,343,648	\$ 1,826,277
Refundable deposits	718,428	695,788
Others	<u>129</u>	<u>129</u>
	<u>\$ 2,062,205</u>	<u>\$ 2,522,194</u>
Refundable deposits		
Current	<u>\$ 1,147,185</u>	<u>\$ -</u>
Non-current	<u>\$ 718,428</u>	<u>\$ 695,788</u>

19. SHORT-TERM BORROWINGS

	December 31	
	2015	2014
Unsecured	\$ 50,000	\$ 400,000
Interest rate (%)	1.12%	0.83%
Final repayment date	2016.01.05	2015.01.22

20. SHORT-TERM BILLS PAYABLE

	December 31	
	2015	2014
Commercial paper	\$ 7,753,000	\$ 7,250,000
Less: Unamortized discounts	<u>2,169</u>	<u>3,163</u>
	<u>\$ 7,750,831</u>	<u>\$ 7,246,837</u>
Interest rate (%)	0.43%-0.68%	0.58%-0.90%

Short-term bills payable were issued under guarantee obtained from financial institutions.

21. LONG-TERM LIABILITIES

	December 31	
	2015	2014
Long-term loans		
Bank loans	\$ 10,437,000	\$ 1,730,000
Long-term commercial paper	3,000,000	3,000,000
Less: Unamortized discount	<u>7,516</u>	<u>7,488</u>
	<u>13,429,484</u>	<u>4,722,512</u>
Bonds		
Domestic bonds		
1 st unsecured bonds issued in 2010	-	2,500,000
1 st unsecured bonds issued in 2014	<u>8,000,000</u>	<u>8,000,000</u>
	<u>8,000,000</u>	<u>10,500,000</u>
Euro bonds		
2 nd Euro exchangeable bonds issued in 2011 - US\$375,000 thousand	1,384,760	1,312,062
1 st Euro convertible bonds issued in 2011 - US\$172,500 thousand	5,386,571	5,032,277
2 nd Euro convertible bonds issued in 2013 - US\$220,000 thousand	<u>6,968,606</u>	<u>6,610,556</u>
	<u>13,739,937</u>	<u>12,954,895</u>
	35,169,421	28,177,407
Less: Current portion	<u>13,739,937</u>	<u>2,500,000</u>
	<u>\$ 21,429,484</u>	<u>\$ 25,677,407</u>

- a. Bank loans were based on long-term revolving credit contracts with financial institutions. As of December 31, 2015 and 2014, interest rates were 0.85% to 1.85% and 0.90% to 1.87%, respectively. The maturity date of the contract is October 14, 2017.

- b. Long-term Commercial paper was issued under revolving credit agreements. As of December 31, 2015 and 2014, interest rates were 0.84% to 1.20% and 0.80% to 1.20%, respectively. The maturity date of the contract is April 16, 2018.
- c. Domestic bonds are repayable in installments at varying amounts or in one lump-sum on maturity prior to May 2019. As of December 31, 2015 and 2014, interest rates were 1.36% and 1.36% to 1.95%, respectively.
- d. In order to purchase coal and raw materials and repay part of outstanding long-term and short-term debt, on January 27, 2011, the Corporation issued 2nd US\$375,000 thousand (equivalent to NT\$10,991,250 thousand) zero coupon Euro exchangeable bonds due 2016. The bonds are exchangeable, at the option of the holder thereof, into common shares of Far Eastern New Century Corporation (FENC).

The offering included the following terms:

1) Final redemption

Unless previously redeemed, repurchased and cancelled or exchanged, the bonds will be redeemed on the maturity date at a redemption price equal to 100% of the unpaid principal amount thereof.

2) The bonds are exchangeable into FENC's shares ("Reference Shares") at any time on or after March 9, 2011 and prior to the close of business on December 28, 2015. The initial exchange price was NT\$63.51 per Reference Share, determined on the basis of a fixed exchange rate of NT\$29.032=US\$1.00.

3) Redemption at the option of the Corporation

At any time on or after January 27, 2014, the Corporation may redeem the bonds in whole, or from time to time in part, at the early redemption amount, if the closing price of the shares, translated into U.S. dollars at the prevailing rate, for a period of 30 consecutive trading days, the last of which occurs not more than five trading days immediately preceding the date of redemption notice, is at least 130% of the quotient of the early redemption amount divided by the number of reference shares to be delivered upon exchange of US\$200,000 principal amount of bonds on the applicable Trading Day based on the exchange price then in effect, translated into U.S. dollars at a fixed exchange rate of NT\$29.032=US\$1.00. Notwithstanding the foregoing, at any time, the Corporation may redeem the bonds in whole but not in part, at the early redemption amount in U.S. dollars if at least 90% in principal amount of the relevant tranche of bonds has already been redeemed, repurchased and cancelled, or exchanged.

4) Redemption at the option of the bondholders

Unless previously redeemed, repurchased and cancelled or exchanged, each holder will have the right to require the Corporation to redeem all or a portion of the bonds held by such holder on January 27, 2014 at a redemption price equal to 100% of the principal amount thereof. (Please refer to item 6 below for information on the redemption of bonds.)

5) The exchange price shall be subject to adjustment in the manner, including (but not limited to):

- a) Declaration of dividend in Reference Shares or free distribution or bonus issue of Reference Shares.
- b) Subdivision, consolidation and reclassification of Reference Shares.
- c) Issuance of rights to purchase Reference Shares.

- d) Employee stock bonus.
 - e) Issuance of warrants to purchase Reference Shares.
 - f) Issue of rights or warrants for equity-related securities of FENC to holders of Reference Shares.
 - g) FENC capital distributions, other distributions to holders of FENC common stock.
 - h) Issue of convertible or exchangeable securities of FENC other than to holders of Reference Shares or on exercise of warrants.
 - i) Other issues of Reference Shares.
 - j) Issue of equity related securities by FENC.
 - k) Capital reduction of FENC.
 - l) Offers by FENC for Reference Shares.
 - m) Any other event or circumstance which would have an effect analogous to any of the events in a) to l) above including, but not limited to, issue of receipts or certificates entitling holders to receive Reference Shares at less than the initial exchange price. The exchange price was NT\$45.4 as of December 31, 2015.
- 6) As bondholders exercised the put option, the Corporation had redeemed the principal amount of US\$332,700 thousand on January 27, 2014. After the redemption, the bonds outstanding in the amount of US\$42,300 thousand had not been exchanged into the common shares of FENC as of December 31, 2015.
- e. In order to purchase raw materials overseas, on June 7, 2011, the Corporation issued 1st US\$172,500 thousand (equivalent to NT\$4,935,915 thousand) zero coupon Euro convertible bonds due 2016.

The offering included the following terms:

1) Final redemption

Unless previously redeemed, repurchased and cancelled, or converted, the bonds will be redeemed on the maturity date at a redemption price equal to 101.51% of the unpaid principal amount thereof.

2) The bonds are convertible into the Corporation's common shares ("Shares") at any time on or after July 18, 2011 and prior to the close of business on May 6, 2016. The initial conversion price was NT\$50.17 per share, determined on the basis of a fixed exchange rate of NT\$28.648=US\$1.00.

3) Redemption at the option of the Corporation

At any time on or after June 7, 2014, the Corporation may redeem the bonds in whole, or from time to time in part, at the early redemption amount, if the closing price of the Shares, translated into U.S. dollars at the prevailing rate, during a period of 30 consecutive trading days, is at least 130% of the quotient of the early redemption amount divided by the number of Shares to be issued upon conversion of US\$200,000 principal amount of bonds on the applicable trading day based on the conversion price then in effect, translated into U.S. dollars at a fixed exchange rate of NT\$28.648=US\$1.00. Notwithstanding the foregoing, at any time, the Corporation may redeem the bonds in whole, but not in part, at the early redemption amount in U.S. dollars if at least 90% in principal amount of the bonds has already been redeemed, repurchased and cancelled, or converted.

4) Redemption at the option of the bondholders

Unless previously redeemed, repurchased and cancelled or converted, each holder will have the right to require the Corporation to redeem all or a portion of the bonds held by such holder on June 7, 2014 at a redemption price equal to 100.9% of the principal amount thereof. (Please refer to item 6 below for information on the redemption of bonds.)

5) The conversion price shall be subject to adjustment in the manner, including (but not limited to):

- a) Declaration of dividend in Shares or free distribution or bonus issue of Shares.
- b) Subdivision, consolidation and reclassification of Shares.
- c) Rights issues to shareholders.
- d) Employee stock bonus.
- e) Warrants issued to holders of Shares.
- f) Issues of rights or warrants for equity-related securities to holders of Shares.
- g) Capital distributions, other distributions to shareholders.
- h) Issue of convertible or exchangeable securities other than to holders of Shares or on exercise of warrants.
- i) Other issues of Shares.
- j) Issue of equity related securities.
- k) Capital reduction.
- l) Tender or exchange offer.
- m) Any other event or circumstance which would have an effect analogous to any of the events in a) to l) above. The conversion price was NT\$35.28 as of December 31, 2015.

6) As bondholders exercised the put option, the Corporation had redeemed the principal amount of US\$6,000 thousand on June 7, 2014 (US\$6,054 thousand including interest premium). After the redemption, the bonds outstanding in the amount of US\$166,500 thousand had not been exchanged into the common shares of the Corporation as of December 31, 2015.

- f. In order to redeem corporation bonds and save the potential interest expenses, on May 13, 2013, the Corporation issued 2nd US\$220,000 thousand (equivalent to NT\$6,551,380 thousand) zero coupon Euro convertible bonds due 2018.

The offering included the following terms:

1) Final redemption

Unless previously redeemed, repurchased and cancelled, or converted, the bonds will be redeemed on the maturity date at a redemption price equal to 100% of the unpaid principal amount thereof.

- 2) The bonds are convertible into the Corporation's common shares ("Shares") at any time on or after June 23, 2013 and prior to the close of business on April 13, 2018. The initial conversion price was NT\$48 per share, determined on the basis of a fixed exchange rate of NT\$29.53=US\$1.00.

3) Redemption at the option of the Corporation

At any time on or after May 13, 2016, the Corporation may redeem the bonds in whole, or from time to time in part, at the early redemption amount, if the closing price of the Shares, translated into U.S. dollars at the prevailing rate, during a period of 30 consecutive trading days, is at least 130% of the quotient of the early redemption amount divided by the number of Shares to be issued upon conversion of US\$200,000 principal amount of bonds on the applicable trading day based on the conversion price then in effect, translated into U.S. dollars at a fixed exchange rate of NT\$29.53=US\$1.00. Notwithstanding the foregoing, at any time, the Corporation may redeem the bonds in whole, but not in part, at the early redemption amount in U.S. dollars if at least 90% in principal amount of the bonds has already been redeemed, repurchased and cancelled, or converted.

4) Redemption at the option of the bondholders

Unless previously redeemed, repurchased and cancelled or converted, each holder will have the right to require the Corporation to redeem all or a portion of the bonds held by such holder on May 13, 2016 at a redemption price equal to 100% of the principal amount thereof.

5) The conversion price shall be subject to adjustment in the manner, including (but not limited to):

- a) Declaration of dividend in Shares or free distribution or bonus issue of Shares.
- b) Subdivision, consolidation and reclassification of Shares.
- c) Rights issues to shareholders.
- d) Employee stock bonus.
- e) Warrants issued to holders of Shares.
- f) Issues of rights or warrants for equity-related securities to holders of Shares.
- g) Capital distributions, other distributions to shareholders.
- h) Issue of convertible or exchangeable securities other than to holders of Shares or on exercise of warrants.
- i) Other issues of Shares.
- j) Issue of equity related securities.
- k) Capital reduction.
- l) Tender or exchange offer.
- m) Any other event or circumstance which would have an effect analogous to any of the events in a) to l) above. The conversion price was NT\$39.28 as of December 31, 2015.

6) As of December 31, 2015, the bonds that had not been converted and outstanding amounted to US\$220,000 thousand.

22. OTHER LIABILITIES

	December 31	
	2015	2014
Land use right	\$ 1,063,093	\$ 1,131,178
<u>Current</u>		
Deferred revenue (included in advances received)	\$ 68,085	\$ 68,085
<u>Noncurrent</u>		
Deferred revenue	\$ 995,008	\$ 1,063,093

- a. The deferred land use right in Ling Ya, Kaohsiung used by FEDSDL (Note 15) is amortized to income over fifty years.
- b. The deferred land use right in Taipei used by YDC (Note 15) is amortized to income over thirty years.

23. RETIREMENT BENEFIT PLANS

- a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

- b. Defined benefit plans

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation contributes amounts equal to 8% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Corporation’s defined benefit plans were as follows:

	December 31	
	2015	2014
Present value of defined benefit obligation	\$ 1,119,673	\$ 1,149,415
Fair value of plan assets	(2,463,321)	(2,975,692)
Deficit (surplus)	(1,343,648)	(1,826,277)
Net defined benefit liability (asset)	\$ (1,343,648)	\$ (1,826,277)

The amounts included in the balance sheets in respect of the Corporation's defined benefit plans were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	<u>\$ 1,216,982</u>	<u>\$ (3,008,742)</u>	<u>\$ (1,791,760)</u>
Service cost			
Current service cost	9,869	-	9,869
Net interest expense (income)	<u>21,297</u>	<u>(36,105)</u>	<u>(14,808)</u>
Recognized in profit or loss	<u>31,166</u>	<u>(36,105)</u>	<u>(4,939)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(15,236)	(15,236)
Actuarial (gain) loss - experience adjustments	<u>16,346</u>	<u>-</u>	<u>16,346</u>
Recognized in other comprehensive income	<u>16,346</u>	<u>(15,236)</u>	<u>1,110</u>
Benefits paid	<u>(115,079)</u>	<u>84,391</u>	<u>(30,688)</u>
Balance at December 31, 2014	<u>\$ 1,149,415</u>	<u>\$ (2,975,692)</u>	<u>\$ (1,826,277)</u>
Balance at January 1, 2015	<u>\$ 1,149,415</u>	<u>\$ (2,975,692)</u>	<u>\$ (1,826,277)</u>
Service cost			
Current service cost	9,693	-	9,693
Net interest expense (income)	<u>20,455</u>	<u>(68,622)</u>	<u>(48,167)</u>
Recognized in profit or loss	<u>30,148</u>	<u>(68,622)</u>	<u>(38,474)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	515,167	515,167
Actuarial (gain) loss - changes in financial assumptions	25,158	-	25,158
Actuarial (gain) loss - experience adjustments	<u>8,937</u>	<u>-</u>	<u>8,937</u>
Recognized in other comprehensive income	<u>34,095</u>	<u>515,167</u>	<u>549,262</u>
Benefits paid	<u>(93,985)</u>	<u>65,826</u>	<u>(28,159)</u>
Balance at December 31, 2015	<u>\$ 1,119,673</u>	<u>\$ (2,463,321)</u>	<u>\$ (1,343,648)</u>

Through the defined benefit plans under the Labor Standards Law, the Corporation is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2015	2014
Discount rate(s)	1.50%	1.75%
Expected rate(s) of salary increase	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2015	2014
Discount rate(s)		
0.25% increase	\$ (25,193)	\$ (25,402)
0.25% decrease	\$ 26,088	\$ 26,322
Expected rate(s) of salary increase		
1% increase	\$ 108,496	\$ 110,114
1% decrease	\$ (95,956)	\$ (97,126)

The major categories of plan assets at the end of the reporting period for each category were disclosed based on the information announced by Bureau of Labor Funds, Ministry of Labor:

	December 31	
	2015	2014
Equity instruments	76.83	82.70
Deposited in financial institutions	23.08	17.21
Others	<u>0.09</u>	<u>0.09</u>
	<u>100.00</u>	<u>100.00</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2015	2014
The expected contributions to the plan for the next year	\$ _____	\$ _____
The average duration of the defined benefit obligation	11 years	11 years

24. EQUITY

a. Share capital

	December 31	
	2015	2014
Number of shares authorized (in thousands)	<u>4,000,000</u>	<u>4,000,000</u>
Shares authorized	<u>\$ 40,000,000</u>	<u>\$ 40,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>3,361,447</u>	<u>3,361,447</u>
Shares issued	<u>\$ 33,614,472</u>	<u>\$ 33,614,472</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

The Corporation has reserved 350,000 thousand and 10,000 thousand shares of the authorized shares for the issuance of convertible bonds and employee share option.

b. Capital surplus

	December 31	
	2015	2014
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)		
Donation	\$ 41,790	\$ 41,790
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	54,907	54,907
Change of capital surplus of associates and joint ventures accounted for by using equity method (Note 2)	<u>976,275</u>	<u>976,275</u>
	<u>1,072,972</u>	<u>1,072,972</u>
<u>May be used to offset a deficit only</u>		
Change of capital surplus of associates and joint ventures accounted for by using equity method (Note 3)	<u>2,819</u>	<u>478</u>
<u>May not be used for any purpose</u>		
Change of capital surplus of associates and joint ventures accounted for by using equity method	<u>79,852</u>	<u>470</u>
	<u>\$ 1,155,643</u>	<u>\$ 1,073,920</u>

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year).

Note 2: Such capital surplus, which arises from the effect of changes in ownership interest in an associate's subsidiary that resulted from equity transactions of actual acquisition and disposal, may be used to offset a deficit or distribute as cash dividends or share dividends under Article 241-1 of Company Act.

Note 3: Such capital surplus, which arises from the effect of changes in ownership interest in an associate's subsidiary that resulted from equity transactions other than actual acquisition and disposal, may be used to offset a deficit under Article 239-1 of Company Act.

c. Appropriation of earnings and dividend policy

The Corporation's Articles of Incorporation provide that appropriation for legal reserve should be made at 10% of annual net income after deductions for any deficit. The remainder, less special reserve based on relevant laws and regulations and any portion decided to be retained, together with unappropriated earnings of prior years, should be distributed as follows:

1) Dividends	60%
2) Bonus to stockholders	33%
3) Remuneration to directors and supervisors	3%
4) Bonus to employees	4%

The Corporation's Articles of Incorporation provide that the Corporation shall determine dividend payments taking into account cycles of the industry, capital demand in relation to specific products and services, and changes in taxation regulations. The cash dividend should not be less than 10% of the total of the aforementioned dividends and bonus.

These appropriations shall be resolved by the stockholders in the following year and given effect to in the financial statements of that year.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Corporation's Articles of Incorporation had been proposed by the Corporation's board of directors on March 25, 2016 and are subject to the resolution of the shareholders in their meeting to be held on June 21, 2016. For information about the accrual basis of the employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to (e) Employee benefits expense in Note 26.

Under Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Corporation should appropriate or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed. Furthermore, the Corporation applied Rule No. 1030006415.

Legal reserve may be used to offset a deficit. Under the revised Company Law issued on January 4, 2012, when the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under the Integrated Income Tax System, ROC-resident stockholders are allowed tax credit for the income tax paid by the Corporation on earnings generated since 1998. Tax credits allocated to stockholders are based on the balance of Imputation Credit Account (ICA) on the dividend distribution date.

The appropriations of the earnings and dividends per share of 2014 and 2013 approved in the stockholders' meetings on June 24, 2015 and June 16, 2014, respectively, were as follows:

	Appropriation of Earnings		Dividend Per Share (Dollars)	
	For the Year Ended December 31		For the Year Ended December 31	
	2014	2013	2014	2013
Legal reserve	\$ 936,163	\$ 680,583		
Special reserve	2,001,317			
Cash dividends	7,395,184	5,931,966	\$2.2	\$1.8
Share dividends	-	659,107	-	0.2

The Corporation's appropriations of earnings for dividends and bonus to stockholders in the form of stock had been approved by the Financial Supervisory Commission. The board of directors had set the ex-dividend date as September 3, 2014.

The appropriations of the 2015 earnings had been proposed by the board of directors on March 25, 2016. The proposed appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividend Per Share (Dollars)
Legal reserve	\$ 486,024	
Special reserve	1,159,507	
Cash dividends	3,697,592	\$ 1.1

When considering the appropriations of 2015 earnings, the Corporation calculated earnings per share assuming that shares reciprocally held by associates are not treated as treasury stock and not deducted from weighted average number of shares outstanding. Under the assumption, the basic EPS would be \$1.45 for the year ended December 31, 2015.

The appropriations of 2015 earnings for reserve and dividend will be resolved in the stockholders' meeting scheduled for June 21, 2016.

d. Special reserve recognized at the date of transition

In the first-time adoption of IFRSs, the amounts of adjusted unrealized revaluation increments, cumulative translation adjustments and unappropriated earnings recognized from the investment properties of associates which used fair value as deemed cost were \$10,715,430 thousand, \$3,163,258 thousand and \$52,494 thousand, respectively; the Corporation appropriated for special reserve the same amounts aforementioned. The Group and the associates used and disposed some of the related assets as of December 31, 2015. Consequently, special reserve reversed to unappropriated earnings amounted to \$397,248 thousand.

e. Others equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2015	2014
Balance at January 1	\$ 4,188,509	\$ 449,154
Share of exchange difference of subsidiaries and associates accounted for using the equity method	<u>20,725</u>	<u>3,739,355</u>
Balance at December 31	<u>\$ 4,209,234</u>	<u>\$ 4,188,509</u>

2) Unrealized gain (loss) on available-for-sale financial assets

	For the Year Ended December 31	
	2015	2014
Balance at January 1	\$ 7,856,945	\$ 7,867,409
Unrealized loss arising on revaluation of available-for-sale financial assets	(1,082,453)	(9,624)
Share of unrealized loss on revaluation of available-for-sale financial assets of subsidiaries and associates accounted for using the equity method	<u>(1,761,253)</u>	<u>(840)</u>
Balance at December 31	<u>\$ 5,013,239</u>	<u>\$ 7,856,945</u>

3) Cash flow hedge

	For the Year Ended December 31	
	2015	2014
Balance at January 1	\$ (13,669)	\$ (14,434)
Share of cash flow hedging reserve of subsidiaries and associates accounted for using the equity method	<u>59,895</u>	<u>765</u>
Balance at December 31	<u>\$ 46,226</u>	<u>\$ (13,669)</u>

4) Unrealized gain on revaluation

	For the Year Ended December 31	
	2015	2014
Balance at January 1	\$ 249,466	\$ 3,460
Gain on revaluation	-	128,470
Income tax effect of gain on revaluation	-	(6,418)
Share of unrealized gain on revaluation of subsidiaries and associates accounted for using the equity method	<u>58,257</u>	<u>123,954</u>
Balance at December 31	<u>\$ 307,723</u>	<u>\$ 249,466</u>

25. OPERATING REVENUE AND COSTS

	For the Year Ended December 31	
	2015	2014
Operating revenue		
Sales	\$ 11,652,822	\$ 12,031,357
Rental revenue	359,948	362,844
Total operating revenue, net	<u>12,012,770</u>	<u>12,394,201</u>
Operating costs		
Cost of goods sold	10,318,917	10,858,652
Rental cost	147,929	152,418
Total operating cost	<u>10,466,846</u>	<u>11,011,070</u>
Gross profit	<u>\$ 1,545,924</u>	<u>\$ 1,383,131</u>

26. NET PROFIT (LOSS) FROM CONTINUING OPERATING

a. Other income

	For the Year Ended December 31	
	2015	2014
Dividends	\$ 414,397	\$ 400,730
Interest income	86,887	139,051
Others	<u>222,378</u>	<u>63,889</u>
	<u>\$ 723,662</u>	<u>\$ 603,670</u>

b. Other gains and losses

	For the Year Ended December 31	
	2015	2014
Fair value adjustment of investment properties	\$ 1,712,194	\$ 1,620,298
Net gain arising on financial assets and liabilities at fair value through profit or loss	857,746	1,012,816
Gain on disposal of investments	255,448	20,780
Net foreign exchange loss	(198,228)	(592,522)
Bank charges	(100,360)	(27,401)
Impairment loss on financial assets	(42,000)	(37,358)
(Loss) gain on disposal of property, plant and equipment	(304)	3,379
Loss on bond redemption	-	(356,480)
Reversal of impairment loss on property, plant and equipment	-	76,572
Miscellaneous expenses	<u>(88,553)</u>	<u>(109,482)</u>
	<u>\$ 2,395,943</u>	<u>\$ 1,610,602</u>

c. Finance costs

	For the Year Ended December 31	
	2015	2014
Interest on bank loans	\$ 522,049	\$ 531,950
Less: Amounts included in the cost of qualifying assets (capitalized interest)	<u>(1,571)</u>	<u>(631)</u>
	<u>\$ 520,478</u>	<u>\$ 531,319</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2015	2014
Capitalized interest	\$ 1,571	\$ 631
Capitalization rate	0.717%-0.912%	0.739%-1.003%

d. Depreciation and amortization

	For the Year Ended December 31	
	2015	2014
An analysis of deprecation by function		
Operating costs	\$ 480,668	\$ 508,615
Operating expenses	2,864	2,219
Non-operating expenses	<u>877</u>	<u>938</u>
	<u>\$ 484,409</u>	<u>\$ 511,772</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 6,449</u>	<u>\$ 5,357</u>

e. Employee benefits expense

	For the Year Ended December 31	
	2015	2014
Short-term benefits		
Salary	\$ 784,519	\$ 912,838
Labor and health insurance	51,576	53,514
Others	<u>50,191</u>	<u>40,591</u>
	<u>886,286</u>	<u>1,006,943</u>
Post-employment benefits (see Note 23)		
Defined contribution plans	16,068	16,352
Defined benefit plans	<u>(38,474)</u>	<u>(4,939)</u>
	<u>(22,406)</u>	<u>11,413</u>
Total employee benefits expense	<u>\$ 863,880</u>	<u>\$ 1,018,356</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 629,886	\$ 694,481
Operating expenses	176,334	243,540
Non-operating expenses	<u>57,660</u>	<u>80,335</u>
	<u>\$ 863,880</u>	<u>\$ 1,018,356</u>

As of December 31, 2015 and 2014, the Corporation had 572 and 579 employees, respectively.

To be in compliance with the Company Act as amended in May 2015, the proposed amended Articles of Incorporation of the Corporation stipulate to distribute employees' compensation and remuneration to directors and supervisors at the rates between 2% - 3.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors and supervisors. For the year ended December 31, 2015, the bonus to employees and the remuneration to directors and supervisors were \$132,000 thousand and \$119,277 thousand, respectively.

The employees' compensation and remuneration to directors and supervisors in cash for the year ended December 31, 2015 have been approved by the Corporation's board of directors on March 25, 2016 and are subject to the resolution of the amendments to the Corporation's Articles of Incorporation for adoption by the shareholders in their meeting to be held on June 21, 2016, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the date the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The bonuses to employees and remuneration to directors and supervisors for 2014 and 2013 which have been approved in the shareholders' meetings on June 24, 2015 and June 16, 2014, respectively, were as follows:

	For the Year Ended December 31			
	2014		2013	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Bonus to employees	\$ 318,072	\$ -	\$ 283,487	\$ -
Remuneration of directors and supervisors	238,554	-	212,615	-

The bonus to employees and the remuneration to directors and supervisors for the years ended December 31, 2014 and 2013 and the amounts recognized in the financial statements for the years ended December 31, 2014 and 2013, respectively, were as follows:

	For the Year Ended December 31			
	2014		2013	
	Bonus to Employees	Remuneration of Directors and Supervisors	Bonus to Employees	Remuneration of Directors and Supervisors
Amounts approved in shareholders' meetings	\$ 318,072	\$ 238,554	\$ 283,487	\$ 212,615
Amounts recognized in respective financial statements	<u>289,157</u>	<u>216,868</u>	<u>238,879</u>	<u>179,160</u>
	<u>\$ 28,915</u>	<u>\$ 21,686</u>	<u>\$ 44,608</u>	<u>\$ 33,455</u>

The differences were adjusted to profit and loss for the years ended December 31, 2015 and 2014.

Information on the employees' compensation and remuneration to directors and supervisors resolved by the Corporation's board of directors in 2016 and bonus to employees, directors and supervisors resolved by the shareholders' meeting in 2015 and 2014 are available on the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

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

	For the Year Ended December 31	
	2015	2014
Current tax		
In respect of the current year	\$ 284,347	\$ 242,111
In respect of prior periods	<u>(16,740)</u>	<u>(81,537)</u>
	<u>267,607</u>	<u>160,574</u>
Deferred tax		
In respect of the current year	<u>1,180,185</u>	<u>1,187,825</u>
Income tax expense recognized in profit or loss	<u>\$ 1,447,792</u>	<u>\$ 1,348,399</u>

A reconciliation of accounting profit and income tax expenses for the years ended December 31, 2014 and 2013 is as follows:

	For the Year Ended December 31	
	2015	2014
Profit before tax from continuing operations	<u>\$ 6,308,033</u>	<u>\$ 10,710,034</u>
Income tax expense calculated at the statutory rate (17%)	\$ 1,072,366	\$ 1,820,706
Nondeductible expenses in determining taxable income	54,708	114,452
Tax-exempt income	(1,025,762)	(1,265,035)
Unrecognized deductible temporary differences	(7,020)	(175,605)
Tax on fair value adjustment of investment properties	1,431,307	935,418
Investment credits	(21,458)	-
Deductible foreign tax credits	(39,609)	-
Adjustments for prior years' tax	<u>(16,740)</u>	<u>(81,537)</u>
Income tax expense recognized in profit or loss	<u>\$ 1,447,792</u>	<u>\$ 1,348,399</u>

The applicable tax rate the Corporation used is 17%.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 2015 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2015	2014
<u>Deferred tax</u>		
Revaluation increments	\$ -	\$ 6,418
Remeasurement of defined benefit plans	<u>(93,375)</u>	<u>(189)</u>
Total income tax recognized in other comprehensive income	<u>\$ (93,375)</u>	<u>\$ 6,229</u>

c. Current tax liabilities

	December 31	
	2015	2014
Income tax payable	<u>\$ 189,396</u>	<u>\$ 204,588</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2015

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Other financial assets and liabilities	\$ 145,286	\$ 83,613	\$ -	\$ 228,899
Property, plant and equipment	8,499	(613)	-	7,886
Others	<u>2,149</u>	<u>-</u>	<u>-</u>	<u>2,149</u>
	<u>\$ 155,934</u>	<u>\$ 83,000</u>	<u>\$ -</u>	<u>\$ 238,934</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Land value increment	\$ 3,427,438	\$ -	\$ -	\$ 3,427,438
Defined benefit obligation	291,134	2,770	(93,375)	200,529
Unappropriated earnings of subsidiaries	605,576	(223,956)	-	381,620
Allowance for doubtful accounts	151	-	-	151
Fair value adjustment of investment properties	1,983,717	1,431,307	-	3,415,024
Other financial assets and liabilities	61,648	53,064	-	114,712
Property, plant and equipment	<u>6,017</u>	<u>-</u>	<u>-</u>	<u>6,017</u>
	<u>\$ 6,375,681</u>	<u>\$ 1,263,185</u>	<u>\$ (93,375)</u>	<u>\$ 7,545,491</u>

For the year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Other financial assets and liabilities	\$ 54,401	\$ 90,885	\$ -	\$ 145,286
Property, plant and equipment	4,314	4,185	-	8,499
Others	<u>2,149</u>	<u>-</u>	<u>-</u>	<u>2,149</u>
	<u>\$ 60,864</u>	<u>\$ 95,070</u>	<u>\$ -</u>	<u>\$ 155,934</u>

Deferred tax liabilities

Temporary differences				
Land value increment tax	\$ 3,427,438	\$ -	\$ -	\$ 3,427,438
Defined benefit obligation	291,323	-	(189)	291,134
Unappropriated earnings of subsidiaries	325,764	279,812	-	605,576
Fair value adjustment of investment properties	1,041,881	935,418	6,418	1,983,717
Other financial assets and liabilities	-	61,648	-	61,648
Property, plant and equipment	-	6,017	-	6,017
Allowance for doubtful accounts	<u>151</u>	<u>-</u>	<u>-</u>	<u>151</u>
	<u>\$ 5,086,557</u>	<u>\$ 1,282,895</u>	<u>\$ 6,229</u>	<u>\$ 6,375,681</u>

- e. The aggregate amount of temporary difference associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2015 and 2014, the taxable temporary differences associated with investment in subsidiaries for which no deferred tax liabilities have been recognized were \$5,019,995 thousand and \$5,240,203 thousand, respectively.

- f. Integrated income tax

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Imputation credits accounts	<u>\$ 1,069,775</u>	<u>\$ 1,122,535</u>
Unappropriated earnings generated before January 1, 1998	\$ 1,609,933	\$ 1,574,816
Unappropriated earnings generated on and after January 1, 1998	<u>14,641,879</u>	<u>20,531,767</u>
	<u>\$ 16,251,812</u>	<u>\$ 22,106,583</u>

The creditable ratio for distribution of earnings of 2015 and 2014 was 8.45% (expected ratio) and 8.80%, respectively.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Corporation was calculated based on the creditable ratio as of the date of dividend distribution. The actual imputation credits allocated to shareholders of the Corporation was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2015 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the shareholders.

g. Income tax returns through 2012 had been examined and cleared by the tax authorities.

28. EARNINGS PER SHARE

Unit: NTS Per Share

	For the Year Ended December 31	
	2015	2014
Basic earnings per share	<u>\$ 1.55</u>	<u>\$ 2.98</u>
Diluted earnings per share	<u>\$ 1.32</u>	<u>\$ 2.65</u>

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

Net Profit for the Year

	For the Year Ended December 31	
	2015	2014
Profit for the period attributable to owners of the Corporation	\$ 4,860,241	\$ 9,361,635
Effect of potentially dilutive ordinary shares:		
Convertible bonds	<u>(305,786)</u>	<u>(266,454)</u>
Earnings used in the computation of diluted earnings per share from continuing operations	<u>\$ 4,554,455</u>	<u>\$ 9,095,181</u>

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2015	2014
Weighted average number of ordinary shares in computation of basic earnings per share	3,141,845	3,142,158
Effect of potentially dilutive ordinary shares:		
Convertible bonds	300,593	281,136
Bonus issue to employees	<u>9,258</u>	<u>10,889</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,451,696</u>	<u>3,434,183</u>

The weighted average number of ordinary shares used in the computation of basic earnings per share is the weighted average outstanding shares after subtracting the shares of the Corporation held by the associates treated as treasury stock.

When an entity pays employee compensation or bonuses that may be settled in shares or cash at the entity's option, the entity shall presume that the employee compensation or bonuses will be settled in shares, and the resulting potential shares shall be included in diluted earnings per share if the effect is dilutive. The number of shares is estimated by dividing the entire amount of the compensation or bonus by the closing price of the shares at the balance sheet date. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Corporation consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Corporation (comprising issued capital, reserves, retained earnings, other equity).

The Corporation is not subject to any externally imposed capital requirements.

Key management personnel of the Corporation review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders and the amount of new debt issued or existing debt redeemed.

30. FINANCIAL INSTRUMENTS

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

December 31, 2015

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	\$ 21,739,937	\$ 21,978,176	\$ -	\$ -	\$ 21,978,176

December 31, 2014

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	\$ 23,454,895	\$ 24,294,042	\$ -	\$ -	\$ 24,294,042

b. Fair values of financial assets and liabilities that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2015

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Beneficiary certificate	\$ 159,300	\$ -	\$ -	\$ 159,300
Cross-currency swap contracts	-	-	679,497	679,497
	<u>\$ 159,300</u>	<u>\$ -</u>	<u>\$ 679,497</u>	<u>\$ 838,797</u>
<u>Available-for-sale financial assets</u>				
Listed stocks	\$ 6,836,285	\$ -	\$ -	\$ 6,836,285
Overseas listed stocks	1,096,927	-	4,854,525	5,951,452
	<u>\$ 7,933,212</u>	<u>\$ -</u>	<u>\$ 4,854,525</u>	<u>\$ 12,787,737</u>

December 31, 2014

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Beneficiary certificates	\$ 179,500	\$ -	\$ -	\$ 179,500
Cross-currency swap contracts	-	-	362,637	362,637
	<u>\$ 179,500</u>	<u>\$ -</u>	<u>\$ 362,637</u>	<u>\$ 542,137</u>
<u>Available-for-sale financial assets</u>				
Listed stocks	\$ 8,449,212	\$ -	\$ -	\$ 8,449,212
Overseas listed stocks	5,722,318	-	-	5,722,318
	<u>\$ 14,171,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,171,530</u>
<u>Financial liabilities at FVTPL</u>				
Convertible bonds options	\$ -	\$ -	\$ 561,086	\$ 561,086

CSCGL's board of directors made an announcement on April 16, 2015 that CSCGL's prescribed percentage of securities held by the public has fallen below the minimum requirement under the rules of the Hong Kong Exchanges and Clearing Limited (the Exchange). Therefore, the Exchange suspended trading of CSCGL's securities until the percentage of securities in public hands satisfies the minimum requirement. As of December 31, 2015, trading of CSCGL's securities was still suspended and there was no quoted price in active markets. The Group engaged third party qualified valuers for fair value measurements of CSCGL's securities, and transferred the investment from Level 1 to Level 3.

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

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

For the year ended December 31, 2015

	Financial Instruments at Fair Value Through Profit or Loss		Available-for-sale	Total
	Financial Assets	Financial Liabilities	Equity Instruments	
Balance at January 1, 2015	\$ 362,637	\$ (561,086)	\$ -	\$ (198,449)
Recognized in profit or loss (included in other gains and losses)	316,860	561,086	-	877,946
Recognized in other comprehensive income (included in unrealized gain (loss) on available-for-sale financial assets)	-	-	(1,199,747)	(1,199,747)
Transfers into Level 3	<u>-</u>	<u>-</u>	<u>6,054,272</u>	<u>6,054,272</u>
Balance at December 31, 2015	<u>\$ 679,497</u>	<u>\$ -</u>	<u>\$ 4,854,525</u>	<u>\$ 5,534,022</u>

For the year ended December 31, 2014

	Financial Instruments at Fair Value Through Profit or Loss		Total
	Financial Assets	Financial Liabilities	
Balance at January 1, 2014	\$ 122,957	\$ (1,215,049)	\$ (1,092,092)
Total gains or losses			
In profit or loss	362,637	640,579	1,003,216
Disposals	<u>(122,957)</u>	<u>13,384</u>	<u>(109,573)</u>
Balance at December 31, 2014	<u>\$ 362,637</u>	<u>\$ (561,086)</u>	<u>\$ (198,449)</u>

3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

- a) The fair values of convertible bonds options and exchangeable bonds options are determined using the information available from the counterparty for evaluation based on the option pricing model. The option pricing model incorporates the present value techniques and reflects both the time value and the intrinsic value of options.
- b) The fair value of cross currency swap contracts is determined using the information available from the counterparty for evaluation. The counterparty measures the fair value of a cross currency swap contracts using the discounted cash flows model. Future cash flows are estimated based on observable forward exchange rates at balance sheet dates and contract forward rates and discounted at rates that reflected the credit risk of various counterparties.
- c) The fair values of listed equity securities under security trading suspension were determined by using the weighted average of values calculated under market-based approach and market value approach. In market-based approach, the fair value of the investee was measured by weighted average multiple value of EV/sales (1), EV/EBITDA (2) and P/B (3) of other comparable listed companies. In market value approach, the fair value is estimated based on the closing price before security suspension. Liquidity risk parameters need to be taken into account when using these approaches.

- i. EV/sales: Enterprise value/sales

- ii. EV/EBITDA: Enterprise value/Earnings before interest, taxes, and amortization
- iii. P/B: Price-to-book ratio

c. Categories of financial instruments

	December 31	
	2015	2014
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)	\$ 838,797	\$ 542,137
Loans and receivables (Note 1)	7,605,631	4,038,741
Available-for-sale financial assets (Note 2)	12,964,863	14,395,066
<u>Financial liabilities</u>		
Fair value through profit or loss (FVTPL)	-	561,086
Amortized cost (Note 3)	44,684,706	37,619,007

Note 1: The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, and trade, notes and other receivables.

Note 2: The balances included the carrying amount of available-for-sale financial assets measured at cost.

Note 3: The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, trade and other payables, and bonds issued

d. Financial risk management objectives and policies

The Corporation's major financial instruments include equity and debt investments, trade receivable, trade payables, bonds payable and borrowings. The Corporation's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporation sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Corporation's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, financial derivatives and non-derivative financial instruments, and investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

1) Market risk

The Corporation's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into cross-currency swap contracts and interest rate swap contracts to mitigate its exposure to foreign currency risk and interest rate risk.

The Corporation has US\$220,000 thousand cross-currency swap contracts as of the end of the reporting period to mitigate the cash flow risk of changes in foreign currency. Please refer to Note 7.

a) Foreign currency risk

The Corporation had foreign currency sales and purchases and foreign currency financing activities, which exposed the Corporation to foreign currency risk.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities and derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 35.

Sensitivity analysis

The Corporation was mainly exposed to the RMB and USD.

The following table details the Corporation's sensitivity to a 5% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate of 5% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items less cross-currency swap contracts assuming a 5% change in foreign currency rates at the end of the reporting period. A positive number below indicates an increase in pre-tax profit assuming the New Taiwan dollars strengthened by 5% against the relevant currency. For a 5% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances shown below would be negative.

	Currency RMB Impact		Currency USD Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2015	2014	2015	2014
Profit or loss	\$ 29,173	\$ 28,968	\$ 83,811	\$ (212,180)

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts.

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

	December 31	
	2015	2014
Fair value interest rate risk		
Financial assets	\$ 2,939,644	\$ 2,658,406
Financial liabilities	36,083,252	33,824,244
Cash flow interest rate risk		
Financial assets	4,884,886	157,101
Financial liabilities	6,887,000	2,000,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Corporation's exposure to interest rates for non-derivative instruments with cash flow interest rate risk at the end of the reporting period.

If interest rates had been 0.01% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2015 and 2014 would have decreased/increased by \$192 thousand and \$576 thousand, respectively, mainly due to the Corporation's exposure to interest rates on its variable-rate bank borrowings and bank deposits' interest revenue and expenses

c) Other price risk

The Corporation was exposed to price risk through its investments in domestic and foreign listed securities, corporate bonds and beneficiary certificates of funds.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to investment position price risks at the end of the reporting period.

If investment position prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2015 and 2014 would have increased/decreased by \$1,593 thousand and \$1,795 thousand, respectively, as a result of the changes in fair value of held-for-trading investments, and the pre-tax other comprehensive income for the years ended December 31, 2015 and 2014 would have increased/decreased by \$79,332 thousand and \$141,715 thousand, respectively, as a result of the changes in fair value of available-for-sale shares.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk which will cause a financial loss to the Corporation due to failure of counterparties to discharge an obligation could reach the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Corporation adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Corporation only transacts with entities that are rated the equivalent of investment grade and above. The Corporation uses publicly available financial information and its own trading records to rate its major customers. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored.

The counterparties in trade receivables consist of vast clients that scatter in different industries and regions. The Corporation evaluates clients' financial condition continuously.

Credit risk represents the potential impact to financial assets that the Corporation might encounter if counterparties or third parties breach the contracts. The Corporation evaluated credit risk exposure for contracts with positive carrying value. The Corporation evaluated the credit risk exposure as immaterial because all counterparties are reputable financial institutions and companies with good credit ratings.

3) Liquidity risk

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

Liquidity and interest rate tables

The following table details the Corporation's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The tables included both interest and principal cash flows.

To the extent that interest rates are floating, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2015

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing		\$ 552,159	\$ 638,903	\$ 445,402	\$ 77,989	\$ -
Variable interest rate borrowings	1.50	-	-	-	6,887,000	-
Fixed interest rate borrowings	1.32	7,800,831	-	13,739,937	14,542,484	-
Financial guarantee contracts		-	-	22,883,936	-	-
		<u>\$ 8,352,990</u>	<u>\$ 638,903</u>	<u>\$ 37,069,275</u>	<u>\$ 21,507,473</u>	<u>\$ -</u>

December 31, 2014

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing		\$ 514,342	\$ 640,711	\$ 672,158	\$ 2,583,500	\$ -
Variable interest rate borrowings	1.22	400,000	-	-	-	-
Fixed interest rate borrowings	1.62	7,376,837	2,500,000	-	1,600,000	-
Financial guarantee contracts		-	-	17,681,711	-	-
		<u>\$ 8,291,179</u>	<u>\$ 3,140,711</u>	<u>\$ 18,353,869</u>	<u>\$ 4,183,500</u>	<u>\$ -</u>

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

The following table detailed the Corporation's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2015

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Net settled</u>				
Cross-currency swap contracts	\$ <u>-</u>	\$ <u>(11,453)</u>	\$ <u>(10,121)</u>	\$ <u>-</u>

December 31, 2014

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Net settled</u>				
Cross-currency swap contracts	\$ <u>-</u>	\$ <u>(10,035)</u>	\$ <u>(29,778)</u>	\$ <u>(19,852)</u>

e. Transfers of financial assets. None.

f. Offsetting financial assets and financial liabilities. None.

31. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Corporation and other related parties are disclosed below.

The related party transactions were conducted under normal terms.

a. Operating transactions

	For the Year Ended December 31	
	2015	2014
Operating revenue		
Subsidiaries	\$ <u>2,746,347</u>	\$ <u>2,941,280</u>
Associates	\$ <u>439,908</u>	\$ <u>459,294</u>
Others (Note)	\$ <u>124,562</u>	\$ <u>134,279</u>
Operating cost		
Subsidiaries	\$ <u>1,075,866</u>	\$ <u>549,032</u>
Associates	\$ <u>787,662</u>	\$ <u>1,029,508</u>
Others (Note)	\$ <u>320,971</u>	\$ <u>336,465</u>

Receivables from related parties (including notes receivable, trade receivable and other receivables):

	December 31	
	2015	2014
Subsidiaries	\$ 364,252	\$ 494,685
Associates	48,321	57,018
Others (Note)	<u>2,913</u>	<u>3,489</u>
	<u>\$ 415,486</u>	<u>\$ 555,192</u>

Payables to related parties:

	December 31	
	2015	2014
Subsidiaries	\$ 58,226	\$ 74,341
Associates	93,441	83,027
Others (Note)	<u>5,158</u>	<u>4,132</u>
	<u>\$ 156,825</u>	<u>\$ 161,500</u>

Note: Other related parties' relationship mainly include associates' subsidiaries, legal person in which the chairman is the same as the Corporation's chairman and the director is also the Corporation's chairman.

The outstanding trade payables and receivables from related parties are unsecured. No expense was recognized for the years ended December 31, 2015 and 2014 for allowance for impairment of trade receivables with respect to the amounts owed by related parties.

b. Transactions with FEIB

	December 31	
	2015	2014
Bank deposits*	<u>\$ 1,951,210</u>	<u>\$ 2,113,872</u>
Cross-currency swap contracts	<u>\$ 92,993</u>	<u>\$ 49,664</u>

At the end of the reporting period, notional amounts of outstanding cross-currency swap contract as of December 31, 2015 and 2014 were both US\$30,000 thousand.

* The balances included amounts recognized in debt investments with no active market and other non-current assets (refundable deposits).

c. Compensation of key management personnel

The amounts of the compensation of directors and other key management personnel for the years ended December 31, 2015 and 2014 were as follows:

	For the Year Ended December 31	
	2015	2014
Short-term employee benefits	\$ 182,817	\$ 287,365
Post-employment benefits	<u>864</u>	<u>712</u>
	<u>\$ 183,681</u>	<u>\$ 288,077</u>

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

d. Other transactions with related parties

1) Operating expense - rental

	For the Year Ended December 31	
	2015	2014
Associates	\$ <u>41,194</u>	\$ <u>44,616</u>

2) Investment properties acquired

	For the Year Ended December 31	
	2015	2014
Associates	\$ <u>550</u>	\$ <u>-</u>

32. OPERATING LEASE ARRANGEMENTS

a. The Corporation as lessee

Operating leases are relating to leases of office. The refundable deposits the Corporation paid as of December 31, 2015 and 2014 were both \$10,811 thousand.

The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	December 31	
	2015	2014
Not later than 1 year	\$ 44,693	\$ 44,804
Later than 1 year and not later than 5 years	<u>44,694</u>	<u>44,803</u>
	<u>\$ 89,387</u>	<u>\$ 89,607</u>

The lease payments the Corporation recognized as expenses were \$41,053 thousand and \$40,761 thousand, respectively in 2015 and 2014.

b. The information of the Corporation as lessor refers to Note 15.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2015	2014
Investments accounted for by the equity method	\$ 15,011,454	\$ 7,512,716
Investment properties	\$ 13,689,446	\$ 13,335,176
Property, plant and equipment, net	<u>903,268</u>	<u>913,321</u>
	<u>\$ 29,604,168</u>	<u>\$ 21,761,213</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2015, the Corporation had the following significant commitments and contingencies:

- a. Unused letters of credit of US\$706 thousand, EUR293 thousand and FRF56 thousand.
- b. Guarantees of notes issued for related parties:

AIC	\$ 11,988,750
DCI	8,425,075
NHC	1,304,500
YLPPC	534,511
AEE	481,100
YSRMC	<u>150,000</u>
	<u>\$ 22,883,936</u>

35. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
RMB	\$ 115,599	5.0473	\$ 583,461
USD	259,943	32.775	8,519,642
Non-monetary items			
HKD	1,415,328	4.205	5,951,452

Financial liabilities

Monetary items			
USD	428,800	32.775	14,053,920

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
RMB	\$ 112,188	5.1642	\$ 579,359
USD	74,509	31.6	2,354,493
Non-monetary items			
HKD	1,412,918	4.05	5,722,318

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 428,800	31.6	\$ 13,550,080 (Concluded)

For the years ended December 31, 2015 and 2014, the total amounts of realized and unrealized net foreign exchange losses were \$198,228 thousand and \$592,522 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency because of the variety of the foreign currency transactions and functional currencies of the group entities.

36. SEPARATELY DISCLOSED ITEMS

Following are the additional disclosures required by the Securities and Futures Bureau for the Corporation and investees:

- a. Financing provided to others. (Table 1)
- b. Endorsements/guarantee provided. (Table 2)
- c. Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 3)
- d. Marketable securities acquired and disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital. (Table 4)
- e. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. None.
- f. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. None.
- g. Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 5)
- h. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital. (Table 6)
- i. Information on investees. (Table 7)
- j. Derivative financial instrument transactions
 - 1) The Corporation: Please refer to Note 7.
 - 2) ACCHC entered into interest rate swap contracts for the years ended 2014 and 2013 to manage exposure due to floating interest rate. There was no outstanding contract as of December 31, 2015.

k. Information on investment in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: (Table 8).
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

TABLE 1

ASIA CEMENT CORPORATION

FINANCING PROVIDED TO OTHERS

YEAR ENDED DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
1	ACCHC	YYDCCL	Other receivables	Y	US\$56,000 thousand (equivalent to NT\$1,835,400 thousand)	US\$30,000 thousand (equivalent to NT\$983,250 thousand)	US\$30,000 thousand (equivalent to NT\$983,250 thousand)	2.53%-2.84%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	20% of net worth RMB1,859,868 thousand (equivalent to NT\$9,387,282 thousand)	50% of net worth RMB4,649,671 thousand (equivalent to NT\$23,468,210 thousand)
		JYDC	Other receivables	Y	US\$137,000 thousand (equivalent to NT\$4,490,175 thousand)	US\$35,000 thousand (equivalent to NT\$1,147,125 thousand)	US\$35,000 thousand (equivalent to NT\$1,147,125 thousand)	2.55%-2.71%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		JYDC	Other receivables	Y	RMB372,000 thousand (equivalent to NT\$1,877,590 thousand)	RMB186,000 thousand (equivalent to NT\$938,794 thousand)	RMB186,000 thousand (equivalent to NT\$938,794 thousand)	4.50%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		HYDCCL	Other receivables	Y	US\$135,000 thousand (equivalent to NT\$4,424,625 thousand)	US\$50,000 thousand (equivalent to NT\$1,638,750 thousand)	US\$50,000 thousand (equivalent to NT\$1,638,750 thousand)	2.54%-2.78%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SIYDCCL	Other receivables	Y	US\$160,000 thousand (equivalent to NT\$5,244,000 thousand)	US\$80,000 thousand (equivalent to NT\$2,622,000 thousand)	US\$80,000 thousand (equivalent to NT\$2,622,000 thousand)	2.54%-3.14%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYDC	Other receivables	Y	US\$17,000 thousand (equivalent to NT\$557,175 thousand)	-	-	2.55%-2.77%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		FENC	Other receivables	Y	US\$136,000 thousand (equivalent to NT\$4,457,400 thousand)	US\$68,000 thousand (equivalent to NT\$2,228,700 thousand)	US\$63,867 thousand (equivalent to NT\$2,093,238 thousand)	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		FENC	Other receivables	Y	RMB205,000 thousand (equivalent to NT\$1,034,692 thousand)	RMB205,000 thousand (equivalent to NT\$1,034,692 thousand)	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		Yuan Ding (Shanghai)	Other receivables	Y	RMB217,600 thousand (equivalent to NT\$1,098,291 thousand)	RMB108,800 thousand (equivalent to NT\$549,144 thousand)	RMB42,208 thousand (equivalent to NT\$213,038 thousand)	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
2	PIHPL	SIYDCCL	Other receivables	Y	US\$30,000 thousand (equivalent to NT\$983,250 thousand)	US\$30,000 thousand (equivalent to NT\$983,250 thousand)	US\$30,000 thousand (equivalent to NT\$983,250 thousand)	2.55%-2.71%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB2,440,964 thousand (equivalent to NT\$12,320,239 thousand)	50% of net worth RMB6,102,410 thousand (equivalent to NT\$30,800,596 thousand)
3	YTRMC	YTV	Other receivables	Y	US\$1,000 thousand (equivalent to NT\$32,775 thousand)	-	-	5.00%	Necessary for short-term financing	-	Operating capital	-	-	-	10% of net worth NT\$162,346 thousand	50% of net worth NT\$811,730 thousand

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
4	OHC	NYLC	Other receivables	Y	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	-	4.60%-5.35%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	20% of net worth RMB313,371 thousand (equivalent to NT\$1,581,672 thousand)	50% of net worth RMB783,428 thousand (equivalent to NT\$3,954,184 thousand)
		WYXC	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		TZOCCL	Other receivables	Y	RMB30,000 thousand (equivalent to NT\$151,418 thousand)	RMB30,000 thousand (equivalent to NT\$151,418 thousand)	RMB15,000 thousand (equivalent to NT\$75,709 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SHYLCP	Other receivables	Y	RMB100,000 thousand (equivalent to NT\$504,728 thousand)	RMB100,000 thousand (equivalent to NT\$504,728 thousand)	RMB95,000 thousand (equivalent to NT\$479,491 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SYCPCL	Other receivables	Y	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
5	JYDC	TZOCCL	Other receivables	Y	RMB50,000 thousand (equivalent to NT\$252,364 thousand)	RMB50,000 thousand (equivalent to NT\$252,364 thousand)	-	5.10%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB812,522 thousand (equivalent to NT\$4,101,029 thousand)	50% of net worth RMB2,031,304 thousand (equivalent to NT\$10,252,568 thousand)
		NYLC	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	-	5.10%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB635,000 thousand (equivalent to NT\$3,205,021 thousand)	RMB635,000 thousand (equivalent to NT\$3,205,021 thousand)	RMB375,000 thousand (equivalent to NT\$1,892,729 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
6	JYLTC	SHYLCP	Other receivables	Y	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	-	4.60%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB10,467 thousand (equivalent to NT\$52,830 thousand)	50% of net worth RMB26,166 thousand (equivalent to NT\$132,067 thousand)
		NYLC	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	-	5.10%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYCPCL	Other receivables	Y	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	-	5.10%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
7	NYDC	SHYLCP	Other receivables	Y	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	-	4.60%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB32,252 thousand (equivalent to NT\$162,785 thousand)	50% of net worth RMB80,631 thousand (equivalent to NT\$406,968 thousand)
		NYLC	Other receivables	Y	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
8	HYDCCL	WYXC	Other receivables	Y	RMB80,000 thousand (equivalent to NT\$403,782 thousand)	RMB80,000 thousand (equivalent to NT\$403,782 thousand)	RMB25,000 thousand (equivalent to NT\$126,182 thousand)	4.35%-5.35%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	20% of net worth RMB447,636 thousand (equivalent to NT\$2,259,346 thousand)	50% of net worth RMB1,119,089 thousand (equivalent to NT\$5,648,360 thousand)
		HXMC	Other receivables	Y	RMB40,000 thousand (equivalent to NT\$201,891 thousand)	RMB40,000 thousand (equivalent to NT\$201,891 thousand)	RMB25,000 thousand (equivalent to NT\$126,182 thousand)	4.60%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYCPCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	-	4.60%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCL	Other receivables	Y	RMB190,000 thousand (equivalent to NT\$958,983 thousand)	RMB190,000 thousand (equivalent to NT\$958,983 thousand)	RMB170,000 thousand (equivalent to NT\$858,037 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
9	YYDCCL	TZOCCL	Other receivables	Y	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB69,406 thousand (equivalent to NT\$350,312 thousand)	50% of net worth RMB173,514 thousand (equivalent to NT\$875,774 thousand)
10	SYTCL	SYCPCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB12,543 thousand (equivalent to NT\$63,308 thousand)	50% of net worth RMB31,358 thousand (equivalent to NT\$158,273 thousand)
		CYCPCL	Other receivables	Y	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	RMB10,000 thousand (equivalent to NT\$50,473 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
11	SIYDCCL	SLCL	Other receivables	Y	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	RMB20,000 thousand (equivalent to NT\$100,946 thousand)	-	4.60%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB12,543 thousand (equivalent to NT\$3,591,178 thousand)	50% of net worth RMB1,778,768 thousand (equivalent to NT\$8,977,947 thousand)
		SYCPCL	Other receivables	Y	RMB35,000 thousand (equivalent to NT\$176,655 thousand)	RMB35,000 thousand (equivalent to NT\$176,655 thousand)	RMB35,000 thousand (equivalent to NT\$176,655 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		CYCPCL	Other receivables	Y	RMB25,000 thousand (equivalent to NT\$126,182 thousand)	RMB25,000 thousand (equivalent to NT\$126,182 thousand)	RMB5,000 thousand (equivalent to NT\$25,236 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		SLCCL	Other receivables	Y	RMB30,000 thousand (equivalent to NT\$151,418 thousand)	RMB30,000 thousand (equivalent to NT\$151,418 thousand)	RMB30,000 thousand (equivalent to NT\$151,418 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
12	WYDC	WYXC	Other receivables	Y	RMB60,000 thousand (equivalent to NT\$302,837 thousand)	RMB60,000 thousand (equivalent to NT\$302,837 thousand)	RMB60,000 thousand (equivalent to NT\$302,837 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth RMB121,452 thousand (equivalent to NT\$613,003 thousand)	50% of net worth RMB303,631 thousand (equivalent to NT\$1,532,512 thousand)
		WYCPCL	Other receivables	Y	RMB75,000 thousand (equivalent to NT\$378,546 thousand)	RMB75,000 thousand (equivalent to NT\$378,546 thousand)	RMB70,000 thousand (equivalent to NT\$353,309 thousand)	4.35%-5.35%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
		SLCL	Other receivables	Y	RMB75,000 thousand (equivalent to NT\$378,546 thousand)	RMB75,000 thousand (equivalent to NT\$378,546 thousand)	RMB65,000 thousand (equivalent to NT\$328,073 thousand)	4.35%-5.35%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	Same as above	Same as above

Note 1: The net value was calculated based on audited financial statements as of December 31, 2015.

Note 2: The ending balance is the financing credit lines to the respective borrowers approved by the board of directors of lenders.

Note 3: The interest rate was for the year ended December 31, 2015.

Note 4: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2015.

(Concluded)

TABLE 2

ASIA CEMENT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED

YEAR ENDED DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 3)										
0	The Corporation	AIC	b	50% of net worth (\$67,949,436)	\$ 12,326,500	\$ 11,988,750	\$ 5,760,000	None	8.82	100% of net worth (\$135,898,873)	Y	-	-
		DCI	b	Same as above	8,425,660	8,425,075	2,850,000	None	6.20	Same as above	Y	-	-
		NHC	b	Same as above	1,305,400	1,304,500	475,000	None	0.96	Same as above	Y	-	-
		AEE	b	Same as above	481,280	481,100	220,000	None	0.35	Same as above	Y	-	-
		YLPPC	b	Same as above	534,511	534,511	279,378	None	0.39	Same as above	Y	-	-
		YTRMC	b	Same as above	50,000	-	-	None	-	Same as above	Y	-	-
		YSRMC	c	Same as above	150,000	150,000	5,000	None	0.11	Same as above	Y	-	-
1	DCI	FSMS	b	50% of net worth (4,366,988)	130,000	130,000	50,000	None	1.49	100% of net worth (8,733,976)	-	-	-
2	YLPPC	YLPCIP	b	50% of net worth (62,395)	3,400	-	-	None	-	100% of net worth (124,789)	-	-	-
3	AOG	PEREZ	b	50% of net worth (US\$2,078 thousand) (equivalent to NT\$68,106 thousand)	15,800	-	-	None	-	100% of net worth (US\$4,157 thousand) (equivalent to NT\$136,246 thousand)	-	-	-
4	ACCHC	PIHPL	b	50% of net worth (RMB4,649,671 thousand) (equivalent to NT\$23,468,210 thousand)	984,600	983,250	983,250	None	2.09	100% of net worth (RMB9,299,342 thousand) (equivalent to NT\$46,936,420 thousand)	-	-	N

Note 1: The net value was calculated based on audited financial statements as of December 31, 2015.

Note 2: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2015.

(Continued)

Note 3: The relationship between guarantor and guarantee are as follows:

- a. Firms that do business with the Corporation.
- b. Subsidiaries' common stocks which were directly owned by parent company over 50%.
- c. Investees' common stocks which were both owned by parent company and subsidiary over 50%.

(Concluded)

TABLE 3

ASIA CEMENT CORPORATION (EXCLUDING SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)

MARKETABLE SECURITIES HELD

DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	<u>Beneficiary certificates</u>							
	Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	10,000,000	\$ 159,300	-	\$ 159,300	
	<u>Common stocks</u>							
	Far EasTone	The same chairman	Available-for-sale financial assets - current	31,034,372	2,097,924	0.95	2,097,924	
	China Conch Venture Holding	-	Same as above	16,243,000	1,096,927	0.90	1,096,927	
	FEDS	The same chairman	Available-for-sale financial assets - noncurrent	80,052,950	1,460,966	5.65	1,460,966	
	OUCC	The same chairman	Same as above	63,766,522	1,335,909	7.20	1,335,909	
	CHC	The Corporation is its director	Same as above	20,728,350	1,239,555	9.17	1,239,555	
	FEIB	The chairman of the Corporation is its vice-chairman	Same as above	71,698,756	701,931	2.36	701,931	
	China Shanshui Cement Group Ltd.	-	Same as above	279,870,500	4,854,525	8.28	4,854,525	
	KRT	-	Financial assets carried at cost - noncurrent	15,873,243	96,266	5.70	165,602	
	Taiwan Stock Exchange Corp.	-	Same as above	7,642,044	23,752	1.16	570,207	Note 6
	DDH	Related party in substance	Same as above	14,284,936	39,515	13.73	32,318	
	L' Hotel de Chine Hotel	-	Same as above	505,811	11,441	0.36	16,547	
	China Trade & Development Corp.	-	Same as above	250,003	3,902	0.38	5,607	
	Pan Asia Engineers & Constructors Corp.	The Corporation is its supervisor	Same as above	1,551,395	2,250	1.36	22,104	
	Linkou Recreation Corporation	-	Same as above	5	-	0.50	3,373	
DCI	<u>Beneficiary certificates</u>							
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	400,000	24,300	-	24,300	
	Mega Target Return Strategy Fund of ETF Funds	-	Same as above	1,000,811	10,014	-	10,014	
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Available-for-sale financial assets - noncurrent	8,000	265,616	-	265,616	
	Opas Fund Segregated Portfolio Tranche B	Related party in substance	Same as above	2,840	132,721	-	132,721	
	Opas Fund Segregated Portfolio Tranche E	Related party in substance	Same as above	15,871	581,035	-	581,035	
	<u>Common stocks</u>							
	HTCL	-	Financial assets at fair value through profit or loss - current	2,772,414	27,863	0.73	27,863	
	Chunghwa Picture Tubes, Ltd.	-	Same as above	275,223	201	-	201	
	FEIB	The chairman of the Corporation's major stockholder is its vice-chairman	Available-for-sale financial assets - current	34,262,184	335,427	1.13	335,427	
	OUCC	Same chairman with the major stockholder	Same as above	41,246	864	-	864	
	Industrial and Commercial Bank of China Limited, A share	-	Same as above	1,000,000	23,117	-	23,117	
	Anhui Conch Cement Ltd.	-	Same as above	700,000	61,372	0.01	61,372	
	Taiwan Cement Co., Ltd.	-	Same as above	6,459,000	176,331	0.17	176,331	
	HTCL	-	Same as above	6,054,300	60,846	1.60	60,846	
	Chinares Cement Co.	-	Same as above	4,100,000	41,032	0.06	41,032	
	GIGABYTE Technology Co., Ltd.	-	Same as above	2,109,000	76,873	0.34	76,873	
	China Life Insurance Company Limited, H share	-	Same as above	607,000	63,938	-	63,938	
	China Construction Bank Corporation, A share	-	Same as above	2,500,000	72,933	-	72,933	
	FEDS	Same chairman with the major stockholder	Available-for-sale financial assets - noncurrent	13,630,966	248,765	0.96	248,765	Note 4
	OUCC	Same chairman with the major stockholder	Same as above	10,506,792	220,117	1.19	220,117	
	CHC	The major stockholder is its director	Same as above	4,375,013	261,626	1.94	261,626	
	FEIB	The chairman of the Corporation's major stockholder is its vice-chairman	Same as above	88,570,375	867,104	2.92	867,104	
	China Shanshui Cement Group Ltd.	-	Same as above	56,297,000	976,506	1.67	976,506	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
NHC	Picvue Electronics Co., Ltd.	-	Financial assets carried at cost - current	161,700	\$ -	-	\$ -	
	DDH	Same chairman with the major stockholder	Financial assets carried at cost - noncurrent	5,487,169	12,786	5.27	12,414	
	Far Eastern International Leasing Corp.	The Corporation is its director	Same as above	45,258,938	602,813	10.14	687,616	
	<u>Bonds</u> China Shanshui Cement Group Ltd. 7.5%	-	Available-for-sale financial assets - noncurrent	-	266,185	-	266,185	
	<u>Common stocks</u> Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through profit or loss - current	50,000	3,380	-	3,380	
YTRMC	China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	9,250,000	160,447	0.27	160,447	
	<u>Common stocks</u> Far EasTone	Same chairman with the major stockholder	Available-for-sale financial assets - current	230,000	15,548	0.01	15,548	
FMT	<u>Beneficiary certificates</u> Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	709,009	11,295	-	11,295	
	DWS Global AgriBusiness	-	Same as above	3,815,660	36,859	-	36,859	
	DWS Asia High Yield Bond Income Fund B		Same as above	2,158,525	25,516	-	25,516	
	<u>Common stocks</u> Everest Textile Co., Ltd.	The chairman of the Corporation is its chairman	Available-for-sale financial assets - current	12,272,666	184,090	2.60	184,090	
	OUCC	The chairman of the Corporation is its director	Same as above	2,256,782	47,280	0.25	47,280	
FDT	FEDS	-	Available-for-sale financial assets - noncurrent	1,185,713	21,639	0.08	21,639	
	Yi Tong Fiber Co., Ltd.	-	Financial assets carried at cost - noncurrent	5,840,505	47,531	5.94	65,277	
	<u>Common stocks</u> FEIB	The chairman of the Corporation is its vice-chairman by the ultimate parent company	Available-for-sale financial assets - current	269,075	2,634	0.01	2,634	
	FEDS	The chairman of the Corporation is its vice-chairman	Available-for-sale financial assets - noncurrent	935,029	17,064	0.07	17,064	
	OUCC	Same chairman with the ultimate parent company	Same as above	3,254,125	68,174	0.37	68,174	
AEE	DDMC	-	Financial assets carried at cost - noncurrent	685,704	8,376	16.00	10,705	
	<u>Common stocks</u> Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through profit or loss - current	120,000	8,112	-	8,112	
	DDMC	-	Financial assets carried at cost - noncurrent	216,000	900	5.04	3,372	
	China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	8,368,000	145,148	0.25	145,148	
YLPPC	<u>Common stocks</u> Far EasTone	The director of the Corporation is its chairman	Available-for-sale financial assets - current	105,000	7,098	-	7,098	
	Yamay International Development Corp.	-	Financial assets carried at cost - noncurrent	15	-	-	-	
	<u>Beneficiary certificates</u> Opas Fund Segregated Portfolio Tranche A	Related party in substance	Available-for-sale financial assets - noncurrent	8,000	265,616	-	265,616	
AIC	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Same as above	4,016	163,083	-	163,083	
	Opas Fund Segregated Portfolio Tranche E	Related party in substance	Same as above	4,317	158,049	-	158,049	
	<u>Bonds</u> China Shanshui Cement Group Ltd. 7.5%	-	Available-for-sale financial assets - noncurrent	-	266,185	-	266,185	
	<u>Common stocks</u> Far EasTone	Same chairman with the major stockholder	Financial assets at fair value through profit or loss - current	130,000	8,788	-	8,788	
	HTCL	-	Available-for-sale financial assets - current	19,844,100	199,433	5.24	199,433	
	Hon Hai Precision Ind. Co., Ltd.	-	Same as above	525,000	42,420	-	42,420	
	GIGABYTE Technology Co., Ltd.	-	Same as above	1,800,000	65,610	0.29	65,610	
	Industrial and Commercial Bank of China Limited, A share	-	Same as above	3,000,000	69,350	-	69,350	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	China Construction Bank Corporation, A share	-	Same as above	3,399,958	\$ 99,188	-	\$ 99,188	Note 5
	China Life Insurance Company Limited, A share	-	Same as above	540,000	77,160	-	77,160	
	China Life Insurance Company Limited, H share	-	Same as above	986,000	103,861	-	103,861	
	FEIB	The chairman of the Corporation's major stockholder is its vice-chairman	Available-for-sale financial assets - noncurrent	122,847,338	1,202,675	4.05	1,202,675	
	OUCC	Same chairman with the major stockholder	Same as above	1,552,156	32,518	0.18	32,518	
	FEDS	Same chairman with the major stockholder	Same as above	4,473,972	81,650	0.32	81,650	
	Far EasTone	Same chairman with the major stockholder	Same as above	856,303	57,886	0.03	57,886	
	Bank of Chongqing	-	Same as above	1,433,500	42,135	0.09	42,135	
	China Shanshui Cement Group Ltd.	-	Same as above	31,528,000	546,872	0.93	546,872	
	DSI	The Corporation is its director	Financial assets carried at cost - noncurrent	39,600,000	396,000	18.00	355,328	
AC Mega Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	30,251,000	524,722	0.90	524,722	
AC Leap Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	35,569,000	616,966	1.05	616,966	
AC Mega II Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	16,058,000	278,536	0.47	278,536	
AC Mega III Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	18,477,000	320,495	0.55	320,495	
AC Mega IV Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	37,410,000	648,899	1.11	648,899	
Asia Cement Explorer Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	7,480,000	129,745	0.22	129,745	
Asia Cement Pioneer Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd. Cementon Micronesia L.L.C.	- -	Available-for-sale financial assets - noncurrent Financial assets carried at cost - noncurrent	107,536,000 Note 1	1,865,278 121,914	3.18 10.00	1,865,278 121,914	
Asia Cement Pioneer II Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	36,865,000	639,446	1.09	639,446	
Asia Cement Pioneer III Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	14,790,000	256,542	0.44	256,542	
Asia Cement Pioneer IV Investment Ltd.	<u>Common stocks</u> China Shanshui Cement Group Ltd.	-	Available-for-sale financial assets - noncurrent	18,514,000	321,137	0.55	321,137	
FSMS	<u>Common stocks</u> Stone Industry Resource System Corp	-	Financial assets carried at cost - noncurrent	10,000	70	0.15	144	
YLT	<u>Beneficiary certificates</u> Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	350,000	21,263	-	21,263	
	<u>Common stocks</u> FEIB	The chairman of the Corporation's major stockholder is its vice-chairman	Available-for-sale financial assets - noncurrent	2,745,903	26,882	0.09	26,882	
	Far EasTone	Same chairman with the major stockholder	Same as above	71,099	4,806	-	4,806	
YLSS	<u>Common stocks</u> Far EasTone	Same chairman with the major stockholder	Available-for-sale financial assets - current	130,000	8,788	-	8,788	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
KCC	<u>Beneficiary certificates</u> iShare FTSF A50 China Index ETF	-	Available-for-sale financial assets - current	1,123,600	HK\$ 12,157 thousand	-	HK\$ 12,157 thousand	
	Opas Fund Segregated Portfolio Tranche E	-	Available-for-sale financial assets - noncurrent	882	HK\$ 7,691 thousand	-	HK\$ 7,691 thousand	
	<u>Common stocks</u> Industrial and Commercial Bank of China Limited, A share	-	Available-for-sale financial assets - current	2,250,000	HK\$ 12,300 thousand	-	HK\$ 12,300 thousand	
KCCL	<u>Beneficiary certificates</u> Opas Fund Segregated Portfolio Tranche C	Related party in substance	Available-for-sale financial assets - noncurrent	1,606	HK\$ 15,865 thousand	-	HK\$ 15,865 thousand	
	Allianz US High Yield Fund	-	Same as above	97,741	HK\$ 5,962 thousand	-	HK\$ 5,962 thousand	
ACSPL	<u>Beneficiary certificates</u> United Emerging Markets Bond Funds	-	Available-for-sale financial assets - current	3,232,758	SGD 4,348 thousand	-	SGD 4,348 thousand	
	United Growth Fund	-	Same as above	715,248	SGD 2,136 thousand	-	SGD 2,136 thousand	
	Opas Fund Segregated Portfolio Tranche C	-	Available-for-sale financial assets - noncurrent	1,606	SGD 2,814 thousand	-	SGD 2,814 thousand	
	Opas Fund Segregated Portfolio Tranche D	-	Same as above	6,750	SGD 10,907 thousand	-	SGD 10,907 thousand	
	<u>Common stocks</u> DBS Group	-	Financial assets at fair value through profit or loss - current	31,166	SGD 520 thousand	-	SGD 520 thousand	
	Guocoland Ltd.	-	Same as above	26,666	SGD 48 thousand	-	SGD 48 thousand	
	Hong Leong Asia	-	Same as above	20,000	SGD 16 thousand	-	SGD 16 thousand	
	INTRACO	-	Same as above	46,875	SGD 13 thousand	-	SGD 13 thousand	
	Engro Corp Ltd.	-	Same as above	2,000	SGD 2 thousand	-	SGD 2 thousand	
	Jurong Cement	-	Available-for-sale financial assets - noncurrent	2,000	SGD 5 thousand	-	SGD 5 thousand	
OCPL	<u>Common stocks</u> Hiap Hoe Ltd.	-	Financial assets at fair value through profit or loss - current	44,260	SGD 31 thousand	-	SGD 31 thousand	

Note 1: This is not a company limited by shares.

Note 2: Marketable securities in this table are stocks, bonds, beneficiary certificates and securities derived from these items under IAS 39 “Financial Instruments: Recognition and Measurement”.

Note 3: The carrying amounts of financial instruments measured at fair values are adjusted for fair value less accumulated impairment loss; the carrying amounts of financial instruments not measured at fair values are the original cost or amortized cost less accumulated impairment loss.

Note 4: 5,000 thousand shares (\$91,250 thousand) of the securities are pledged as collaterals for bank loans of DCI.

Note 5: 3,500 thousand shares (\$63,875 thousand) of the securities are pledged as collaterals for bank loans of AIC.

Note 6: The market value was calculated on the basis of the closing price on the Taiwan Stock Exchange as of the balance sheet date

(Concluded)

TABLE 4

ASIA CEMENT CORPORATION

**MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Amounts Addition (Deduction) Recognized under the Equity Method	Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal		Shares/Units	Amount
The Corporation	<u>Common stocks</u> China Conch Venture Holding	Available-for-sale financial assets - current	-	-	22,000,000	\$ 1,505,790	-	\$ -	5,757,000	\$ 556,788	\$ 301,340	\$ 255,448	\$ -	16,243,000	\$ 1,096,927 (Note 3)
ACCHC	<u>Common stocks</u> PIHPL	Investment in Subsidiaries	Cash capital increment	-	8,395,178	US\$ 2,016,737 thousand	(Note 2)	US\$ 20,000 thousand	-	-	-	-	US\$ (157,222) thousand	9,287,201 (Note 2)	US\$ 1,879,515 thousand
PIHPL	<u>Common stocks</u> OIHPL	Investment in Subsidiaries	Cash capital increment	-	593,191,256	US\$ 1,442,660 thousand	(Note 2)	US\$ 20,000 thousand	-	-	-	-	US\$ (116,287) thousand	691,139,974 (Note 2)	US\$ 1,346,373 thousand
OIHPL	<u>Common stocks</u> OHC	Investment in Subsidiaries	Cash capital increment	-	(Note 1)	US\$ 224,469 thousand	(Note 1)	US\$ 20,000 thousand	-	-	-	-	US\$ (3,177) thousand	(Note 1)	US\$ 241,292 thousand
OHC	<u>Common stocks</u> SIYDCCL	Investment in Subsidiaries	Cash capital increment	-	(Note 1)	RMB 176,684 thousand	(Note 1)	RMB 122,868 thousand	-	-	-	-	RMB 56,202 thousand	(Note 1)	RMB 355,754 thousand
SIYDCCL	<u>Common stocks</u> SLCL	Investment in Subsidiaries	Cash capital increment	-	(Note 1)	RMB 1,042,642 thousand	(Note 1)	RMB 250,000 thousand	-	-	-	-	RMB (58,160) thousand	(Note 1)	RMB 1,234,482 thousand
ACSPL	<u>Bonds</u> China Shanshui Cement Group Ltd. 10.5%	Available-for-sale financial assets - noncurrent	Redemption	-	-	SGD 14,265 thousand	-	-	-	SGD 13,562 thousand	SGD 13,094 thousand	SGD 468 thousand	-	-	-
AIC	<u>Bonds</u> China Shanshui Cement Group Ltd. 10.5%	Available-for-sale financial assets - noncurrent	Redemption	-	-	333,222	-	-	-	306,412	296,291	10,121	-	-	-

Note 1: This is not a company limited by shares.

Note 2: The share/units exclude the cash capital increment which was not registered yet.

Note 3: The amount included the revaluation gain (loss) on financial assets.

TABLE 5

ASIA CEMENT CORPORATION

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

YEAR ENDED DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/(Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	YTRMC	A subsidiary of the Corporation	Sales	\$ (1,662,917)	(14)	45 days after monthly closing	\$ -	-	\$ 284,471	31	
	ACSPL	A subsidiary of the Corporation	Sales	(807,936)	(7)	Average 30 days	-	-	34,375	4	
	U-Ming	An investee accounted for by equity method	Sales freight expense	694,808	7	Average 60 days	-	-	(80,299)	(5)	
	NHC	A subsidiary of the Corporation	Purchase	396,400	4	45 days after monthly closing	-	-	(26,663)	(2)	
	U-Ming Singapore	An investee accounted for by equity method	Purchase freight expense	238,640	2	Average 10 days	-	-	-	-	
	JYDC	A subsidiary of the Corporation	Purchase	285,201	3	Within 7 days	-	-	-	-	
	YSRMC	A subsidiary of the Corporation	Sales	(214,730)	(2)	45 days after monthly closing	-	-	23,319	3	
	YLT	A subsidiary of the Corporation	Sales freight expense	204,965	2	Average 30 days	-	-	(21,904)	(1)	
	SHSTC	An investee accounted for by equity method	Sales	(183,677)	(2)	Average 60 days	-	-	27,164	3	
ACSPL	The Corporation	Parent company	Purchase	SGD 35,213 thousand	74	Average 30 days	-	-	SGD (1,490) thousand	(22)	
	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	Sales	SGD (23,010) thousand	(50)	Average 60 days	-	-	SGD 4,151 thousand	57	
YTRMC	The Corporation	Parent company	Purchase	1,662,917	22	45 days after monthly closing	-	-	(284,471)	(26)	
	CHC	Related party in substance	Purchase	262,133	3	45 days after monthly closing	-	-	(34,943)	(3)	
	FEGC	Related party in substance	Sales	(393,550)	(5)	Average 90 days	-	-	112,537	5	
YSRMC	The Corporation	Parent company	Purchase	214,730	28	45 days after monthly closing	-	-	(23,319)	(22)	
YLT	The Corporation	Parent company	Sales	(204,965)	(70)	Average 30 days	-	-	21,904	58	
FMT	Air Liquide Far Eastern Co. FENC	Related party in substance	Sales	(113,365)	(14)	120 days after monthly closing	-	-	47,308	37	
		An investee accounted for by equity method	Sales	(167,083)	(21)	60 days	-	-	25,472	20	
FDT	FENC	An investee accounted for by equity method	Sales	(246,724)	(43)	60 days	-	-	34,874	32	
NHC	The Corporation	Parent company	Sales	(396,400)	(82)	45 days after monthly closing	-	-	26,663	72	
JYDC	The Corporation	Parent company	Sales	RMB (56,072)	(2)	Within 7 days	-	-	-	-	
	JYLTC	A subsidiary of the Corporation	Sales freight expense	RMB 33,765 thousand	1	Within 90 days	-	-	RMB (6,598) thousand	(3)	
	WYDC	The same ultimate parent company	Sales	RMB (167,637) thousand	(7)	Average 30 days	-	-	RMB 19,081 thousand	7	
	WAMTC	An investee accounted for by equity method	Sales freight expense	RMB 34,676 thousand	2	Within 90 days	-	-	RMB (10,441) thousand	(5)	
	NYLC	A subsidiary of the Corporation	Purchase	RMB 20,981 thousand	1	Within 90 days	-	-	RMB (2,192) thousand	(1)	
	NYLC	A subsidiary of the Corporation	Sales	RMB (22,058) thousand	(1)	Within 90 days	-	-	RMB 2,105 thousand	1	
	NYDC	A subsidiary of the Corporation	Sales	RMB (78,297) thousand	(3)	Average 15 days	-	-	RMB 10,727 thousand	4	
	NYDC	A subsidiary of the Corporation	Purchase	RMB 184,534 thousand	8	Average 15 days	-	-	RMB (49,063) thousand	(23)	
	TZOCCL	The same ultimate parent company	Sales	RMB (27,857) thousand	(1)	Within 90 days	-	-	RMB 7,043 thousand	3	
	YYDCCL	The same ultimate parent company	Sales	RMB (210,647) thousand	(8)	Within 90 days	-	-	RMB 27,592 thousand	10	

(Continued)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/(Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
NYDC	HYDCCL	The same ultimate parent company	Sales	RMB (31,838) thousand	(1)	Average 30 days	\$ -	-	RMB 10,083 thousand	4	
	HYDCCL	The same ultimate parent company	Purchase	RMB 20,198 thousand	1	Average 30 days	-	-	RMB (4,224) thousand	(2)	
NYLC	HGYDC	The same ultimate parent company	Purchase	RMB 27,767 thousand	1	Average 30 days	-	-	RMB (4,335) thousand	(2)	
	JYDC	Parent company	Sales	RMB (184,534) thousand	(100)	20 days after monthly closing	-	-	RMB 49,063 thousand	97	
SIYDCCL	JYDC	Parent company	Purchase	RMB 78,297 thousand	46	20 days after monthly closing	-	-	RMB (10,727) thousand	(67)	
	JYDC	Parent company	Sales	RMB (20,981) thousand	(13)	Average 30 days	-	-	RMB 2,192 thousand	2	
HGYDC	JYDC	Parent company	Purchase	RMB 22,058 thousand	17	Average 30 days	-	-	RMB (2,105) thousand	(36)	
	SYTCL	The same ultimate parent company	Sales freight expense	RMB 53,450 thousand	6	Within 90 days	-	-	RMB (6,634) thousand	(11)	
WYDC	SLCL	A subsidiary of the Corporation	Sales	RMB (51,984) thousand	(5)	Within 90 days	-	-	RMB 6,549 thousand	1	
	HYDCCL	The same ultimate parent company	Sales	RMB (71,836) thousand	(15)	Average 30 days	-	-	RMB 47 thousand	-	
YYDCCL	JYDC	The same ultimate parent company	Sales	RMB (27,267) thousand	(6)	Average 30 days	-	-	RMB 4,335 thousand	40	
	JYDC	The same ultimate parent company	Purchase	RMB 167,637 thousand	45	Average 30 days	-	-	RMB (19,081) thousand	(25)	
SLCL	HYDCCL	The same ultimate parent company	Purchase	RMB 22,856 thousand	6	Average 30 days	-	-	RMB (130) thousand	-	
	JYDC	The same ultimate parent company	Purchase	RMB 210,647 thousand	45	Within 90 days	-	-	RMB (27,592) thousand	(11)	
HYDCCL	SYTCL	The same ultimate parent company	Sales freight expense	RMB 29,070 thousand	5	Within 90 days	-	-	RMB (5,116) thousand	(7)	
	SIYDCCL	A subsidiary of the Corporation	Purchase	RMB 51,984 thousand	9	Within 90 days	-	-	RMB (6,549) thousand	(9)	
JYLTC	JYDC	The same ultimate parent company	Sales	RMB (20,198) thousand	(2)	Average 30 days	-	-	RMB 4,224 thousand	4	
	JYDC	The same ultimate parent company	Purchase	RMB 31,838 thousand	3	Average 30 days	-	-	RMB (10,083) thousand	(23)	
	WYDC	The same ultimate parent company	Sales	RMB (22,856) thousand	(2)	Average 30 days	-	-	RMB 130 thousand	-	
	WAMTC	An investee accounted for by equity method	Sales freight expense	RMB 41,106 thousand	4	Within 90 days	-	-	RMB (6,071) thousand	(14)	
	HYTCL	A subsidiary of the Corporation	Sales freight expense	RMB 26,232 thousand	3	Within 90 days	-	-	RMB (2,283) thousand	(5)	
	HGYDC	The same ultimate parent company	Purchase	RMB 71,836 thousand	8	Average 30 days	-	-	RMB (47) thousand	-	
	JYDC	Parent company	Sales	RMB (33,765) thousand	(43)	Within 90 days	-	-	RMB 6,598 thousand	53	

(Continued)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/(Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
SYTCL	SIYDCCL	The same ultimate parent company	Sales	RMB (53,450) thousand	(45)	Within 90 days	\$ -	-	RMB 6,634 thousand	35	
	SLCL	The same ultimate parent company	Sales	RMB (29,070) thousand	(24)	Within 90 days	-	-	RMB 5,116 thousand	27	
TZOCCL	JYDC	The same ultimate parent company	Purchase	RMB 27,857 thousand	94	Within 90 days	-	-	RMB (7,043) thousand	(16)	
HYTCL	HYDCCL	Parent company	Sales	RMB (26,232) thousand	(46)	Within 90 days	-	-	RMB 2,283 thousand	38	

(Concluded)

TABLE 6

ASIA CEMENT CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

YEAR ENDED DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Corporation	YTRMC	A subsidiary of the Corporation	\$ 289,642	5.35 times	\$ -	-	\$ 48,914	\$ -
YTRMC	FEGC	Related party in substance	112,537	2.07 times	-	-	62,907	-
JYDC	YYDCCL	The same ultimate parent company	RMB 27,592 thousand	7.49 times	-	-	RMB 27,592 thousand	-
NYDC	JYDC	Parent company	RMB 49,063 thousand	4.40 times	-	-	RMB 49,063 thousand	-
OIHPL	HGYDC	The same ultimate parent company	RMB 30,730 thousand	Note 1	-	-	-	-
PIHPL	SIYDCCL	A subsidiary of the Corporation	US\$ 30,000 thousand	Note 2	-	-	-	-
ACCHC	YYDCCL	A subsidiary of the Corporation	US\$ 30,000 thousand	Note 2	-	-	-	-
	JYDC	A subsidiary of the Corporation	US\$ 35,000 thousand	Note 2	-	-	-	-
	JYDC	A subsidiary of the Corporation	RMB 186,000 thousand	Note 2	-	-	-	-
	HYDCCL	A subsidiary of the Corporation	US\$ 50,000 thousand	Note 2	-	-	-	-
	SIYDCCL	A subsidiary of the Corporation	US\$ 80,000 thousand	Note 2	-	-	-	-
	Yuan Ding (Shanghai)	Related party in substance	RMB 42,208 thousand	Note 2	-	-	-	-
OHC	FENC	Related party in substance	US\$ 63,867 thousand	Note 2	-	-	-	-
	SHYLCF	The same ultimate parent company	RMB 95,000 thousand	Note 2	-	-	-	-
	SLCL	The same ultimate parent company	RMB 375,000 thousand	Note 2	-	-	-	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
NYDC	NYLC	The same ultimate parent company	RMB 20,000 thousand	Note 2	\$ -	-	\$ -	\$ -
HYDCCL	SLCL	The same ultimate parent company	RMB 170,000 thousand	Note 2	-	-	-	-
	WYXC	A subsidiary of the Corporation	RMB 25,000 thousand	Note 2	-	-	-	-
	HXMC	Consolidated entity’s investee accounted for by equity method	RMB 25,000 thousand	Note 2	-	-	-	-
SIYDCCL	SYCPCL	The same ultimate parent company	RMB 35,000 thousand	Note 2	-	-	-	-
	SLCCL	A subsidiary of the Corporation	RMB 30,000 thousand	Note 2	-	-	-	-
WYDC	SLCL	The same ultimate parent company	RMB 65,000 thousand	Note 2	-	-	-	-
	WYCPCL	A subsidiary of the Corporation	RMB 70,000 thousand	Note 2	-	-	-	-
	WYXC	The same ultimate parent company	RMB 60,000 thousand	Note 2	-	-	-	-

Note 1: The dividend receivable.

Note 2: The accounts receivable from financing.

(Concluded)

TABLE 7

ASIA CEMENT CORPORATION

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
The Corporation	ACCHC	Cayman	Investment	\$ 13,660,636	\$ 13,660,636	1,061,209,202	67.73	\$ 31,748,957	\$ (1,530,713)	\$ (1,036,752)	A subsidiary of the Corporation
	FENC	Taipei, Taiwan	Textile	3,459,787	3,459,787	1,272,277,085	23.77	39,046,768	8,034,885	1,733,012	A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	510,236	510,236	331,701,152	39.25	10,753,621	824,397	298,276	
	DCI	Taipei, Taiwan	Investment	2,555,255	2,555,255	565,063,189	99.99	12,825,928	965,983	966,527	
	CHP	Chiayi Taiwan	Power plant	3,119,492	3,119,492	280,093,521	59.59	5,637,104	1,081,108	644,261	A subsidiary of the Corporation
	YDC	Taipei, Taiwan	Construction	2,232,220	2,232,220	178,707,648	35.50	3,345,343	44,907	14,233	A subsidiary of the Corporation
	YYI	Taipei, Taiwan	Investment	911,058	911,058	155,000,803	29.92	1,825,213	505,662	151,296	
	ACSPL	Singapore	Cement	186,958	186,958	10,495,495	99.96	3,421,569	(105,627)	(105,585)	
	OSC	Taipei, Taiwan	Broker	154,207	154,207	135,092,154	18.93	1,869,637	(343,101)	(64,953)	A subsidiary of the Corporation
	AIC	Taipei, Taiwan	Investment	1,212,679	1,212,679	175,974,041	100.00	2,709,026	252,433	252,571	
	YTRMC	Taipei, Taiwan	Ready-mixed concrete, cement - related products	1,042,252	1,042,252	145,773,218	99.99	1,581,533	89,164	89,164	
	YLSS	Kaohsiung, Taiwan	Stainless steel	2,661,240	2,661,240	200,000,000	100.00	1,583,182	(264,742)	(283,774)	A subsidiary of the Corporation
	FMT	Taipei, Taiwan	Transportation	68,416	68,416	29,517,188	99.82	1,285,062	168,452	173,184	A subsidiary of the Corporation
	FEDSDL	Taipei, Taiwan	Retails	500,000	500,000	53,250,000	25.00	629,794	163,010	40,752	A subsidiary of the Corporation
	NHC	Taichung, Taiwan	Cement, granulated blast-furnace slag	410,994	410,994	26,128,171	99.94	403,029	7,424	7,346	
	YDLC	Taipei, Taiwan	Leasing	309,049	309,049	34,640,189	43.60	394,422	82,955	36,213	
	YLT	Hwalien, Taiwan	Transportation	22,110	22,110	5,100,000	51.00	258,232	27,974	14,333	A subsidiary of the Corporation
	AEE	Hwalien, Taiwan	Engineering	5,136	5,136	7,970,703	98.23	158,135	(830)	(816)	A subsidiary of the Corporation
	EISF	Kaohsiung, Taiwan	Iron and steel	31,463	31,463	3,199,823	40.40	75,988	14,315	5,783	A subsidiary of the Corporation
	YLPPC	Taipei, Taiwan	Cement - related products	144,961	144,961	16,241,083	83.81	114,008	38,394	32,741	
	SIHL	B.V.I.	Investment	2,898	2,898	90,000	100.00	49,975	2,322	2,322	
DCI	YDC	Taipei, Taiwan	Construction	289,982	289,982	72,989,090	14.50	1,364,803	44,907	Not applicable	A subsidiary of the Corporation
	FEGC	Taipei, Taiwan	Construction	140,138	140,138	103,080,349	33.76	3,894,123	1,966,902	Not applicable	
	FENC	Taipei, Taiwan	Textile	1,263,385	1,262,590	82,812,887	1.55	2,507,736	8,034,885	Not applicable	
	KCC	Hong Kong	Cement	36,024	36,024	1,127,000	49.00	478,536	14,177 thousand	Not applicable	
	SHSTC	Kaohsiung, Taiwan	Storage and transportation	231,322	231,322	19,065,642	14.30	135,533	(179,781)	Not applicable	A subsidiary of the Corporation
	FSMS	Hwalien, Taiwan	Mining excavation, mineral processing and sales	112,055	112,055	1,294,155	99.55	138,004	(838)	Not applicable	
	U-Ming	Taipei, Taiwan	Marine transportation	27,619	27,619	468,486	0.05	31,392	824,397	Not applicable	A subsidiary of the Corporation
	AC Mega Investment Ltd.	B.V.I.	Investment	579,926	579,926	19,600,000	100.00	578,442	11	Not applicable	
	AC Leap Investment Ltd.	B.V.I.	Investment	579,439	579,439	19,600,000	100.00	647,272	1,302	Not applicable	
	AC Mega II Investment Ltd.	B.V.I.	Investment	289,050	289,050	10,000,000	100.00	306,644	1,073	Not applicable	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
NHC	AC Mega III Investment Ltd.	B.V.I.	Investment	\$ 289,050	\$ 289,050	10,000,000	100.00	\$ 351,819	\$ 1,206	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	AC Mega IV Investment Ltd.	B.V.I.	Investment	575,055	575,055	19,400,000	100.00	757,341	904	Not applicable	
	SHSTC	Kaohsiung, Taiwan	Storage and transportation	347,341	347,341	19,477,895	14.61	323,254	(179,781)	Not applicable	
	PGIC	Kaohsiung, Taiwan	Granulated blast-furnace slag	36,771	36,771	3,287,550	31.00	60,437	33,528	Not applicable	
	FENC	Taipei, Taiwan	Textile	15,240	15,240	1,739,978	0.03	40,322	8,034,885	Not applicable	
YTRMC	U-Ming	Taipei, Taiwan	Marine transportation	1,027	1,027	64,143	0.01	1,016	824,397	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	YSRMC	Hsinchu, Taiwan	Ready-mixed concrete	69,930	69,930	6,993,000	69.93	64,622	3,517	Not applicable	
	YTV	Hà Tĩnh, Vietnam	Ready-mixed concrete	201,823	201,823	(Note 1)	100.00	225,834	VND 12,499,437 thousand	Not applicable	
FMT	AOG	Guam	Investment	138,563	138,563	(Note 1)	71.79	97,804	US\$ (1,102) thousand	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	FDT	Taipei, Taiwan	Transportation	30,373	30,373	27,892,834	99.87	612,189	91,839	Not applicable	
	FENC	Taipei, Taiwan	Textile	33,759	33,759	4,415,299	0.08	109,858	8,034,885	Not applicable	
FDT	YDEC	Taipei, Taiwan	Retail	160,424	160,424	22,614,780	26.95	435,627	99,434	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	1,891	1,891	50,000	0.01	1,879	824,397	Not applicable	
	FENC	Taipei, Taiwan	Textile	31,322	31,322	1,020,000	0.02	31,066	8,034,885	Not applicable	
AEE	AEEPL	B.V.I.	Engineering	US\$ 50 thousand	US\$ 50 thousand	50,000	100.00	117,136	US\$ (142) thousand	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	38,931	38,931	3,485,997	0.41	38,499	824,397	Not applicable	
	FENC	Taipei, Taiwan	Textile	3	3	3,324	-	10	8,034,885	Not applicable	
YLPPC	YDEC	Taipei, Taiwan	Retail	20,776	20,776	3,264,833	3.89	62,801	99,434	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	YLPCIP	India	Tunnel lining segments	8,338	8,338	(Note 1)	99.99	6,409	INR (16,849) thousand	Not applicable	
	AOG	Guam	Investment	66,816	66,816	(Note 1)	28.21	38,432	US\$ (1,102) thousand	Not applicable	
AIC	FENC	Taipei, Taiwan	Textile	405,473	405,473	15,430,293	0.29	649,150	8,034,885	Not applicable	A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation A subsidiary of the Corporation
	U-Ming	Taipei, Taiwan	Marine transportation	77,446	77,446	7,796,914	0.92	79,289	824,397	Not applicable	
	CHP	Chiayi Taiwan	Power plant	376	376	37,574	0.01	850	1,081,108	Not applicable	
	Asia Cement Pioneer Investment Ltd.	B.V.I.	Investment	2,039,879	2,039,879	66,550,000	100.00	2,190,519	(199)	Not applicable	
	Asia Cement Pioneer II Investment Ltd.	B.V.I.	Investment	544,135	544,135	18,500,000	100.00	666,335	1,167	Not applicable	
	Asia Cement Pioneer III Investment Ltd.	B.V.I.	Investment	289,050	289,050	10,000,000	100.00	282,888	1,086	Not applicable	
	Asia Cement Pioneer IV Investment Ltd.	B.V.I.	Investment	286,263	286,263	9,510,000	100.00	334,148	529	Not applicable	
	Asia Cement Explorer Investment Ltd.	B.V.I.	Investment	334,065	334,065	11,415,000	100.00	176,195	341	Not applicable	
	DCI	Taipei, Taiwan	Investment	76	76	5,125	-	76	965,983	Not applicable	
	FMT	Taipei, Taiwan	Transportation	176	176	5,000	0.02	272	168,452	Not applicable	
	NHC	Taichung, Taiwan	Cement, granulated blast-furnace slag	78	78	5,000	0.02	80	7,424	Not applicable	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
	AEE	Hwalien, Taiwan	Engineering	\$ 116	\$ 116	6,000	0.07	\$ 120	\$ (830)	Not applicable	A subsidiary of the Corporation
	FSMS	Hwalien, Taiwan	Mining excavation, mineral processing and sales	119	119	5,000	0.39	125	(838)	Not applicable	A subsidiary of the Corporation
	FDT	Taipei, Taiwan	Transportation	110	110	7,145	0.03	199	91,839	Not applicable	A subsidiary of the Corporation
	YSRMC	Hsinchu, Taiwan	Ready-mixed concrete	37	37	5,000	0.05	44	3,517	Not applicable	A subsidiary of the Corporation
	EISF	Kaohsiung, Taiwan	Iron and steel	119	119	5,000	0.06	112	14,315	Not applicable	A subsidiary of the Corporation
	YTRMC	Taipei, Taiwan	Ready-mixed concrete, cement - related products	53	53	5,300	-	53	89,164	Not applicable	A subsidiary of the Corporation
YLT	U-Ming	Taipei, Taiwan	Marine transportation	58,840	58,840	6,348,103	0.75	314,314	824,397	Not applicable	
Asia Cement Explorer Investment Ltd.	Opas Fund Segregated Portfolio Company	Cayman	Investment	1,610	1,610	33	33.00	1,667	16	Not applicable	
KCC	KCCL	Hong Kong	Ready-mixed concrete	HK\$ 10 thousand	HK\$ 10 thousand	10,000	100.00	HK\$ 31,443 thousand	HK\$ 190 thousand	Not applicable	A subsidiary of the Corporation
	Join Fortune Trading Ltd.	B.V.I.	Investment	HK\$ 15,300 thousand	HK\$ 12,100 thousand	1,961,539	100.00	HK\$ 13,082 thousand	HK\$ (603) thousand	Not applicable	A subsidiary of the Corporation
Join Fortune Trading Ltd.	Empire Success Corp Ltd.	Hong Kong	Storage and transportation	HK\$ 9,200 thousand	HK\$ 6,000 thousand	9,200,000	50.00	HK\$ 7,218 thousand	HK\$ (195) thousand	Not applicable	
	Profit Enterprises Int'l Ltd.	Hong Kong	Barge transportation	HK\$ 6,100 thousand	HK\$ 6,100 thousand	6,100,000	50.00	HK\$ 5,972 thousand	HK\$ (379) thousand	Not applicable	
Asia Oriental (Guam) L.L.C.	Perez-AOG, L.L.C.	Guam	Mining excavation and sales	US\$ 5,950 thousand	US\$ 5,950 thousand	(Note 1)	64.50	US\$ 3,804 thousand	US\$ (1,629) thousand	Not applicable	A subsidiary of the Corporation
	Perez-Mtec-AOG, L.L.C.	Guam	Ready-mixed concrete	US\$ 300 thousand	US\$ 300 thousand	(Note 1)	33.33	US\$ 1 thousand	-	Not applicable	
AEEPL	ACCHC	Cayman	Investment	US\$ 1,481 thousand	US\$ 1,481 thousand	3,161,500	0.20	US\$ 1,645 thousand	US\$ (48,228) thousand	Not applicable	A subsidiary of the Corporation
ACSPL	OCPL	Singapore	Ready-mixed concrete, leasing	SGD 17,000 thousand	SGD 17,000 thousand	17,000,000	100.00	SGD 11,130 thousand	SGD 160 thousand	Not applicable	A subsidiary of the Corporation
	ACCHC	Cayman	Investment	US\$ 20,000 thousand	US\$ 20,000 thousand	63,790,798	4.07	SGD 82,377 thousand	US\$ (48,228) thousand	Not applicable	A subsidiary of the Corporation
	Alliance Concrete Singapore Pte. Ltd.	Singapore	Ready-mixed concrete	SGD 7,000 thousand	SGD 2,000 thousand	6,000,000	50.00	SGD 11,167 thousand	SGD (5,518) thousand	Not applicable	
ACCHC	PIHPL	B.V.I.	Investment	US\$ 880,613 thousand	US\$ 860,613 thousand	9,287,201 (Note 2)	100.00	US\$ 1,879,515 thousand	US\$ (5,750) thousand	Not applicable	A subsidiary of the Corporation

Note 1: This is not a company limited by shares.

Note 2: The cash capital increment was not registered yet.

(Concluded)

TABLE 8

ASIA CEMENT CORPORATION

INVESTMENT IN MAINLAND CHINA

YEAR ENDED DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015
					Outward	Inward						
SHYLCF	It manufactures and sells ready-mixed concrete and cement - related products	US\$15,000 (equivalent to NT\$491,625 thousand)	(2)	US\$11,200 (equivalent to NT\$367,080 thousand)	\$ -	\$ -	US\$11,200 (equivalent to NT\$367,080 thousand)	RMB(21,560) (equivalent to NT\$(109,659) thousand)	72.00	RMB(15,523) (equivalent to NT\$(78,955) thousand)	RMB43,558 (equivalent to NT\$219,852 thousand)	US\$800 (equivalent to NT\$26,220 thousand)
JYDC	It manufactures and sells cement, clinker and ready-mixed concrete (including cement - related products).	US\$356,104 (equivalent to NT\$11,671,309 thousand)	(2)	US\$105,241 (equivalent to NT\$3,449,274 thousand)	-	US\$11,142 (equivalent to NT\$365,179 thousand)	US\$94,099 (equivalent to NT\$3,084,095 thousand)	RMB62,333 (equivalent to NT\$317,045 thousand)	68.40	RMB47,058 (equivalent to NT\$239,351 thousand)	RMB2,778,824 (equivalent to NT\$14,025,515 thousand)	US\$49,717 (equivalent to NT\$1,629,475 thousand)
WYDC	It manufactures and sells cement, slag powder and slag cement.	US\$36,140 (equivalent to NT\$1,184,489 thousand)	(2)	US\$23,522 (equivalent to NT\$770,934 thousand)	-	-	US\$23,522 (equivalent to NT\$770,934 thousand)	RMB27,701 (equivalent to NT\$140,893 thousand)	72.00	RMB20,776 (equivalent to NT\$105,672 thousand)	RMB437,228 (equivalent to NT\$2,206,616 thousand)	US\$3,028 (equivalent to NT\$99,243 thousand)
SHYFCF	It manufactures and sells ready-mixed concrete and cement - related products	US\$2,540 (equivalent to NT\$83,249 thousand)	(2)	US\$1,270 (equivalent to NT\$41,624 thousand)	-	-	US\$1,270 (equivalent to NT\$41,624 thousand)	RMB(290) (equivalent to NT\$(1,473) thousand)	72.00	RMB(208) (equivalent to NT\$(1,060) thousand)	RMB14,874 (equivalent to NT\$75,075 thousand)	-
OHC	Investment	US\$130,407 (equivalent to NT\$4,274,089 thousand)	(2)	US\$54,191 (equivalent to NT\$1,776,110 thousand)	-	-	US\$54,191 (equivalent to NT\$1,776,110 thousand)	RMB(7,406) (equivalent to NT\$(37,669) thousand)	72.00	RMB(5,332) (equivalent to NT\$(27,122) thousand)	RMB1,128,137 (equivalent to NT\$5,694,027 thousand)	US\$809 (equivalent to NT\$26,515 thousand)
NYLC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB60,000 (equivalent to NT\$302,837 thousand)	(2)	-	-	-	-	RMB11,392 (equivalent to NT\$57,944 thousand)	68.40	RMB7,792 (equivalent to NT\$39,634 thousand)	RMB107,547 (equivalent to NT\$542,818 thousand)	-
NYDC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB90,000 (equivalent to NT\$454,256 thousand)	(2)	-	-	-	-	RMB9,917 (equivalent to NT\$50,442 thousand)	52.20	RMB5,177 (equivalent to NT\$26,331 thousand)	RMB84,179 (equivalent to NT\$424,874 thousand)	-
SIYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$368,340 (equivalent to NT\$12,072,344 thousand)	(2)	US\$73,187 (equivalent to NT\$2,398,704 thousand)	-	US\$5,602 (equivalent to NT\$183,606 thousand)	US\$67,585 (equivalent to NT\$2,215,098 thousand)	RMB(154,336) (equivalent to NT\$(785,000) thousand)	72.00	RMB(111,122) (equivalent to NT\$(565,200) thousand)	RMB2,561,425 (equivalent to NT\$12,928,241 thousand)	US\$27,009 (equivalent to NT\$885,220 thousand)
CYCPCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$4,100 (equivalent to NT\$134,378 thousand)	(2)	US\$2,023 (equivalent to NT\$66,304 thousand)	-	-	US\$2,023 (equivalent to NT\$66,304 thousand)	RMB(22,681) (equivalent to NT\$(115,361) thousand)	72.00	RMB(16,330) (equivalent to NT\$(83,060) thousand)	RMB37,251 (equivalent to NT\$188,016 thousand)	US\$77 (equivalent to NT\$2,524 thousand)
JYLTC	Transportation	RMB12,500 (equivalent to NT\$63,091 thousand)	(2)	-	-	-	-	RMB6,941 (equivalent to NT\$35,302 thousand)	70.12	RMB4,867 (equivalent to NT\$24,754 thousand)	RMB36,697 (equivalent to NT\$185,218 thousand)	-
HYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$154,800 (equivalent to NT\$5,073,570 thousand)	(2)	US\$54,257 (equivalent to NT\$1,778,273 thousand)	-	US\$6,570 (equivalent to NT\$215,332 thousand)	US\$47,687 (equivalent to NT\$1,562,941 thousand)	RMB43,908 (equivalent to NT\$223,330 thousand)	72.00	RMB34,209 (equivalent to NT\$173,998 thousand)	RMB1,611,489 (equivalent to NT\$8,133,640 thousand)	US\$9,913 (equivalent to NT\$324,899 thousand)
CYSPC	Slag powder	-	-	US\$980 (equivalent to NT\$32,120 thousand)	-	-	US\$980 (equivalent to NT\$32,120 thousand)	-	-	-	-	-
SYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US\$3,300 (equivalent to NT\$108,158 thousand)	(2)	US\$2,970 (equivalent to NT\$97,342 thousand)	-	-	US\$2,970 (equivalent to NT\$97,342 thousand)	RMB(976) (equivalent to NT\$(4,963) thousand)	72.00	RMB(703) (equivalent to NT\$(3,573) thousand)	RMB23,204 (equivalent to NT\$117,117 thousand)	-

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015
					Outward	Inward						
SYTCL	Transportation	US\$3,500 (equivalent to NT\$114,713 thousand)	(2)	US\$3,011 (equivalent to NT\$98,686 thousand)	\$ -	US\$284 (equivalent to NT\$9,308 thousand)	US\$2,727 (equivalent to NT\$89,377 thousand)	RMB6,783 (equivalent to NT\$34,498 thousand)	72.00	RMB4,883 (equivalent to NT\$24,839 thousand)	RMB45,156 (equivalent to NT\$227,915 thousand)	US\$423 (equivalent to NT\$13,864 thousand)
YYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$35,530 (equivalent to NT\$1,164,496 thousand)	(2)	US\$14,833 (equivalent to NT\$486,152 thousand)	-	-	US\$14,833 (equivalent to NT\$486,152 thousand)	RMB(29,645) (equivalent to NT\$(150,785) thousand)	72.00	RMB(21,345) (equivalent to NT\$(108,565) thousand)	RMB249,860 (equivalent to NT\$1,261,114 thousand)	US\$1,016 (equivalent to NT\$33,299 thousand)
HGYDC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$86,170 (equivalent to NT\$2,824,222 thousand)	(2)	US\$15,350 (equivalent to NT\$503,096 thousand)	-	-	US\$15,350 (equivalent to NT\$503,096 thousand)	RMB53,200 (equivalent to NT\$270,593 thousand)	72.00	RMB38,304 (equivalent to NT\$194,827 thousand)	RMB694,745 (equivalent to NT\$3,506,574 thousand)	-
HYTCL	Transportation	RMB13,000 (equivalent to NT\$65,615 thousand)	(2)	-	-	-	-	RMB3,820 (equivalent to NT\$19,428 thousand)	72.00	RMB2,750 (equivalent to NT\$13,988 thousand)	RMB26,095 (equivalent to NT\$131,709 thousand)	-
WYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT\$302,837 thousand)	(2)	-	-	-	-	RMB8,673 (equivalent to NT\$44,111 thousand)	72.00	RMB6,244 (equivalent to NT\$31,760 thousand)	RMB50,881 (equivalent to NT\$256,809 thousand)	-
WYXC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB90,000 (equivalent to NT\$454,256 thousand)	(2)	-	-	-	-	RMB7,227 (equivalent to NT\$36,758 thousand)	64.79	RMB3,523 (equivalent to NT\$17,917 thousand)	RMB303,377 (equivalent to NT\$1,531,232 thousand)	-
HZYCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB30,000 (equivalent to NT\$151,419 thousand)	(2)	-	-	-	-	RMB3,494 (equivalent to NT\$17,774 thousand)	28.80	RMB1,006 (equivalent to NT\$5,119 thousand)	RMB12,752 (equivalent to NT\$64,362 thousand)	-
HXMC	Production and sales of limestone	RMB10,000 (equivalent to NT\$50,473 thousand)	(2)	-	-	-	-	RMB(3,861) (equivalent to NT\$(19,637) thousand)	28.80	RMB(1,280) (equivalent to NT\$(6,510) thousand)	RMB27,545 (equivalent to NT\$139,029 thousand)	-
WAMTC	Marine transportation	RMB35,500 (equivalent to NT\$179,179 thousand)	(2)	-	-	-	-	RMB6,636 (equivalent to NT\$33,751 thousand)	34.20	RMB2,269 (equivalent to NT\$11,543 thousand)	RMB24,719 (equivalent to NT\$124,763 thousand)	-
TZOCCL	Cement - related products	US\$16,000 (equivalent to NT\$524,400 thousand)	(2)	-	-	-	-	RMB(7,198) (equivalent to NT\$(36,611) thousand)	72.00	RMB(4,923) (equivalent to NT\$(25,042) thousand)	RMB61,307 (equivalent to NT\$309,433 thousand)	-
SLCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB600,000 (equivalent to NT\$3,028,370 thousand)	(2)	-	-	-	-	RMB(55,132) (equivalent to NT\$(280,420) thousand)	72.00	RMB(41,876) (equivalent to NT\$(212,992) thousand)	RMB888,827 (equivalent to NT\$4,486,161 thousand)	-
SLCCL	Cement - related products	RMB20,000 (equivalent to NT\$100,946 thousand)	(2)	-	-	-	-	RMB(3,089) (equivalent to NT\$(15,712) thousand)	72.00	RMB(2,224) (equivalent to NT\$(11,313) thousand)	RMB3,466 (equivalent to NT\$17,496 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US\$459,297(Note 3) (equivalent to NT\$15,053,459 thousand)	US\$1,780,757 (equivalent to NT\$58,364,311 thousand)	(Note 4)

Note 1: The accrual is based on the financial statements audited by independent auditors.

Note 2: The investor companies were incorporated in Mainland China by a company (2) (ACCHC) which was incorporated in the area other than Taiwan and Mainland China in order to invest in Mainland China.

Note 3: As of December 31, 2015, accumulated investment in China Shanshui Cement Group Ltd which listed at HKEx for managing finance purpose was US\$120,860 thousand included in Accumulated Outward Remittance for Investment in Mainland China.

Note 4: The Corporation obtained certificate No. 10420400190 from Industrial Development Bureau, Ministry of Economic Affairs, according to the “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China”, the accumulation of fund is not limited.

Note 5: The foreign currency amounts of original investment amount and carrying value are expressed in New Taiwan dollars at exchange rate as of December 31, 2015; the foreign currency amount of net income is expressed in New Taiwan dollars at average exchange rate for the year ended December 31, 2015.

(Concluded)